

Top 5 Reasons

# Private Equity Markets Draw Investor Interest



Investment  
Management

Private equity deal activity is rising, and with historically low correlation to public markets and strong historical long-term returns, it has the potential to be a powerful diversifier.

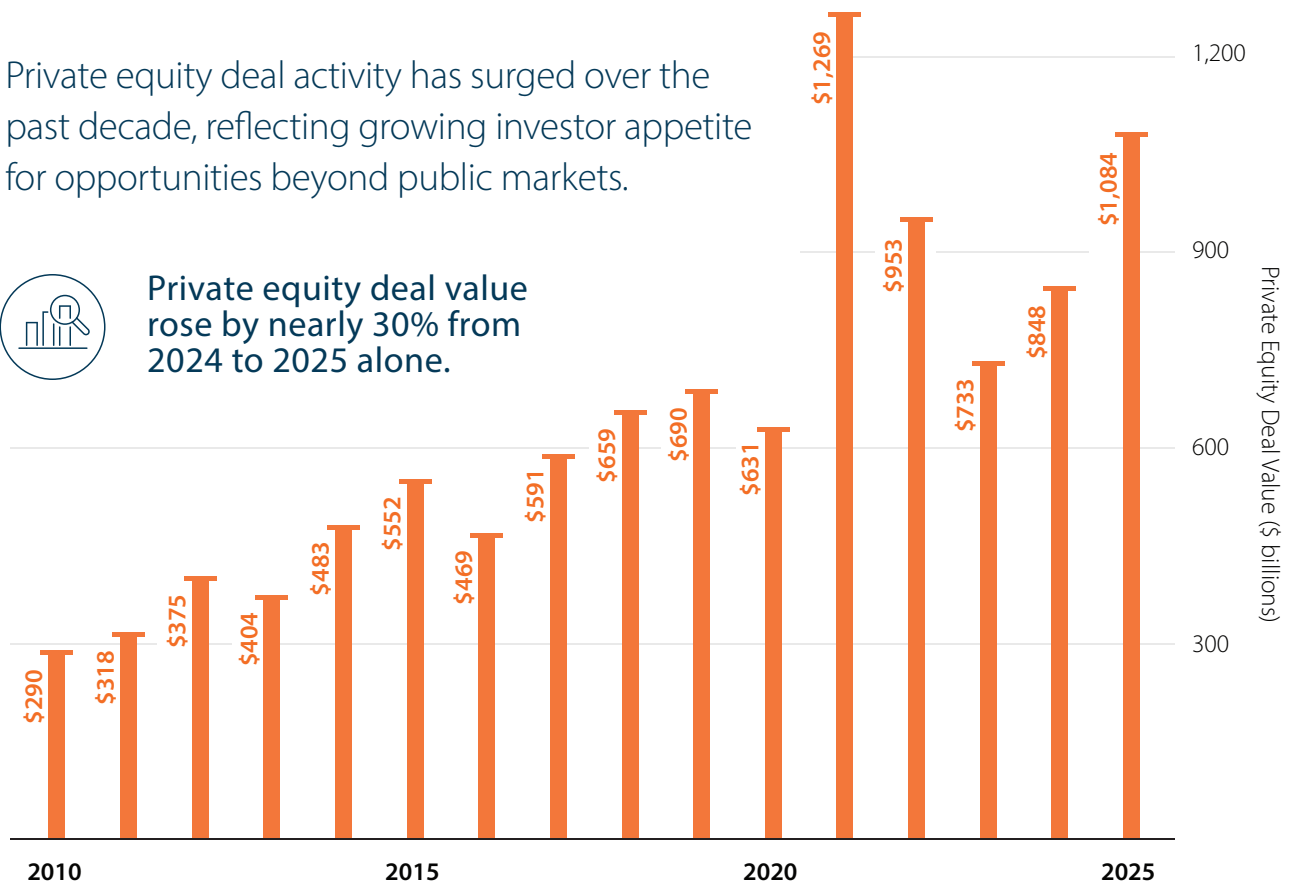
# 1

## Rising Private Equity Deal Activity

Private equity deal activity has surged over the past decade, reflecting growing investor appetite for opportunities beyond public markets.

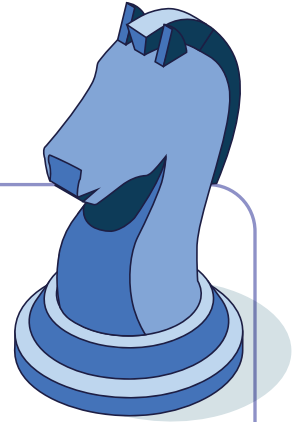


Private equity deal value rose by nearly 30% from 2024 to 2025 alone.



Source: New York Life Investment Management. 02/2026.  
Past performance is no guarantee of future results, which will vary.

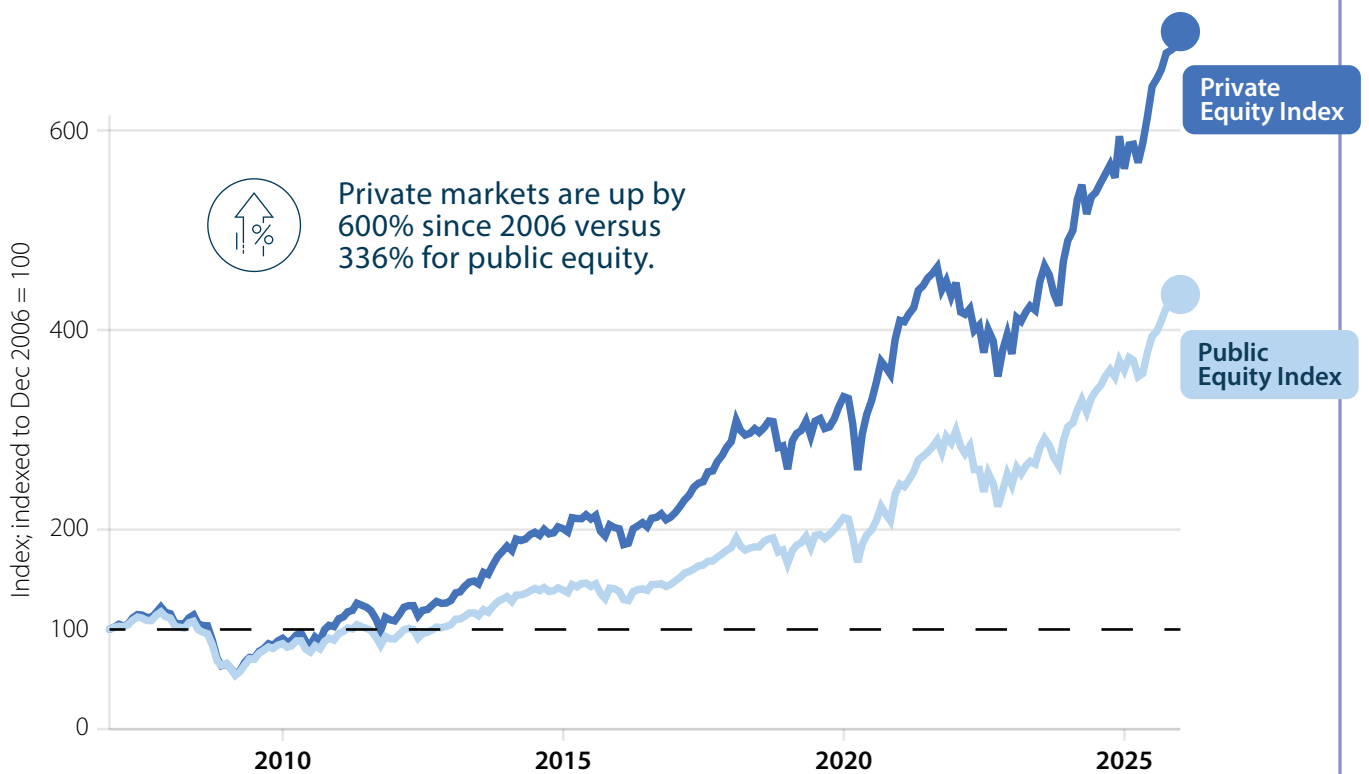
But it's not just about more deals, returns have been a major driver of this shift.



## 2

# Private vs. Public Equity Performance Over Time

Over the last 20 years, private equity has significantly outperformed public markets, delivering nearly double the total returns.



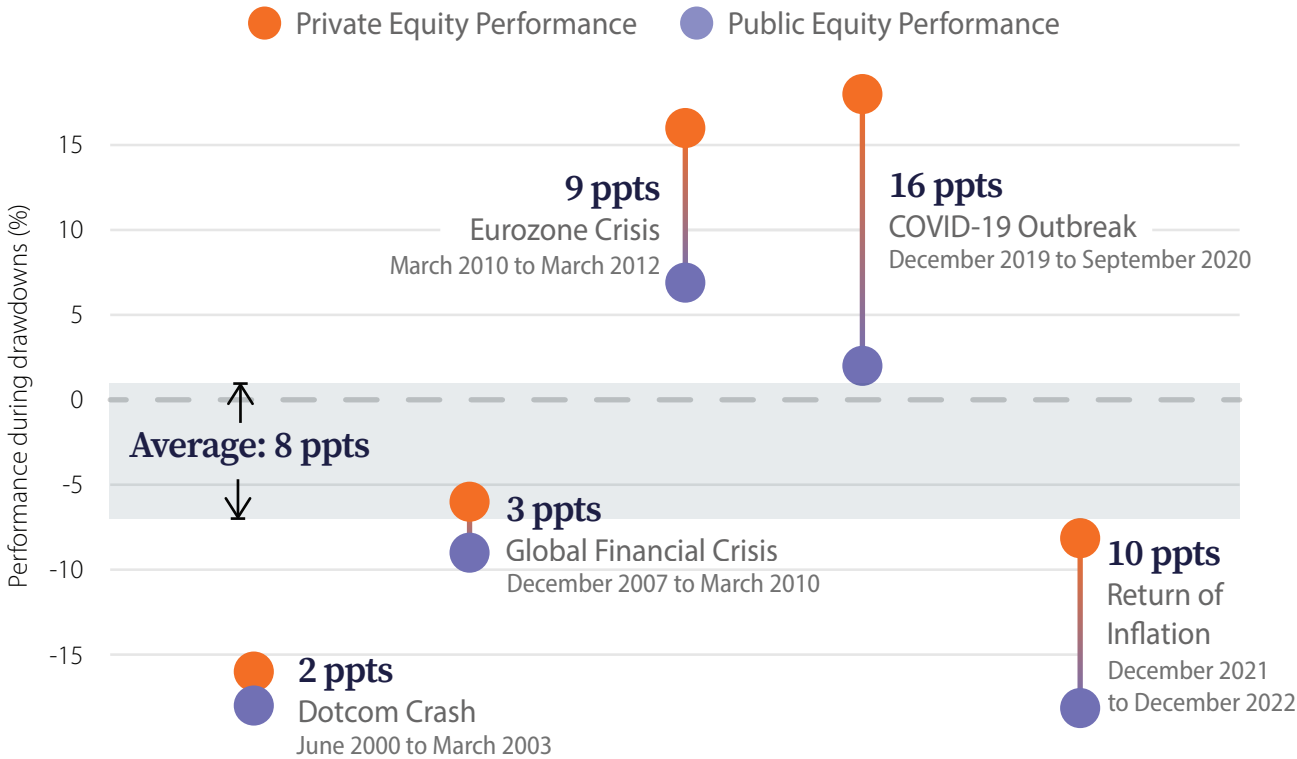
Source: MSCI. Based on MSCI World Private Equity Return Tracker Index and MSCI World Index. 12/31/2025. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

Crucially, this outperformance became even more pronounced during periods of market stress.

# 3

## Private Equity's Drawdown Advantage

In downturns, private equity historically held up better than public markets, outperforming by an average of 8 percentage points.



Source: Schroders. Based on MSCI Burgiss Global Private Equity Funds and MSCI ACWI Gross Index. 10/24/2025. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

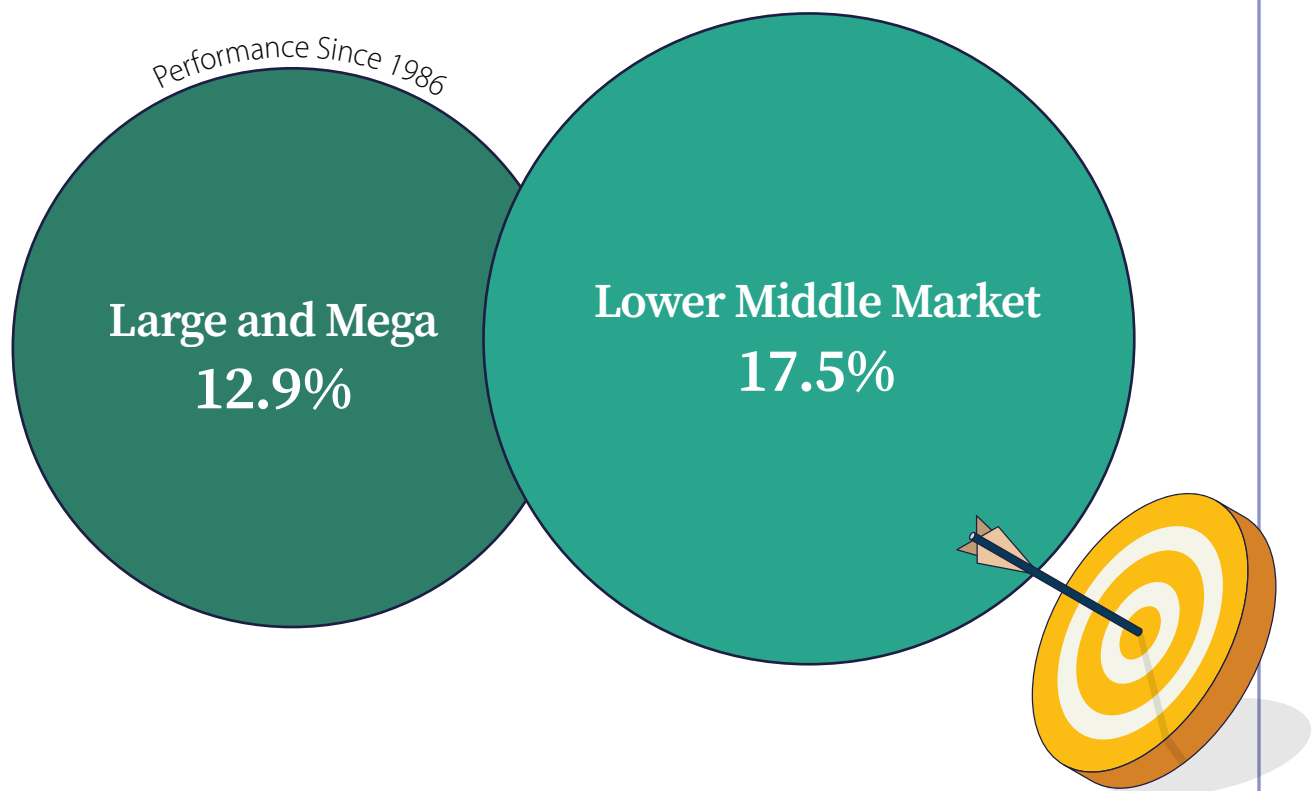
**Beyond resilience, private markets may also offer another key portfolio consideration.**

**4**

## **Diversification Benefits: Low Correlation to Public Markets**

Private equity, especially in the lower middle market, has outperformed large- and mega-cap funds since 1986.

The lower middle market also offers strong diversification benefits, with a lower correlation to the S&P 500.



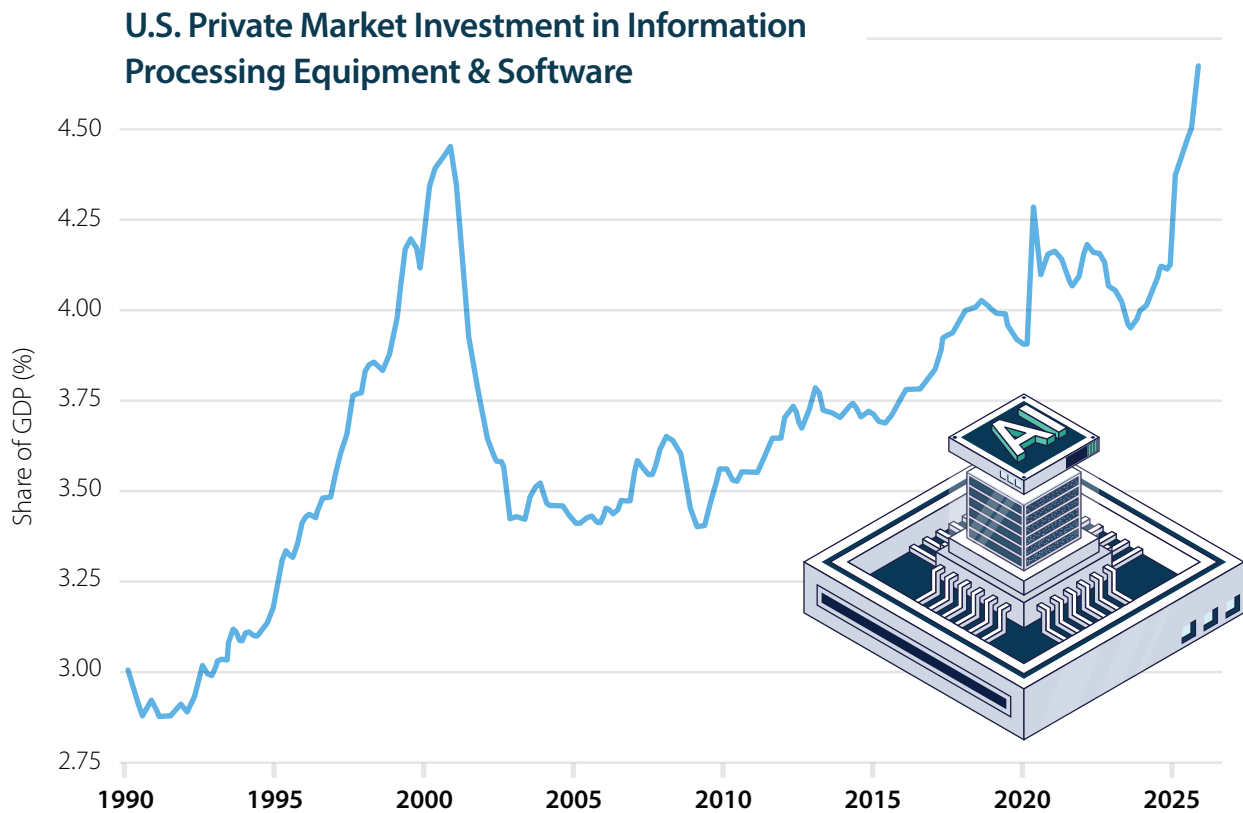
Source: New York Life Investment Management. 02/2026. Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index. Correlation measures how two variables move in relation to each other based on past data. "Large and mega" defined as funds > \$1B. "Lower middle market" defined as funds < \$1B.

And today, private markets are increasingly at the center of the next wave of innovation.

# 5

## A Central Role in the AI Revolution

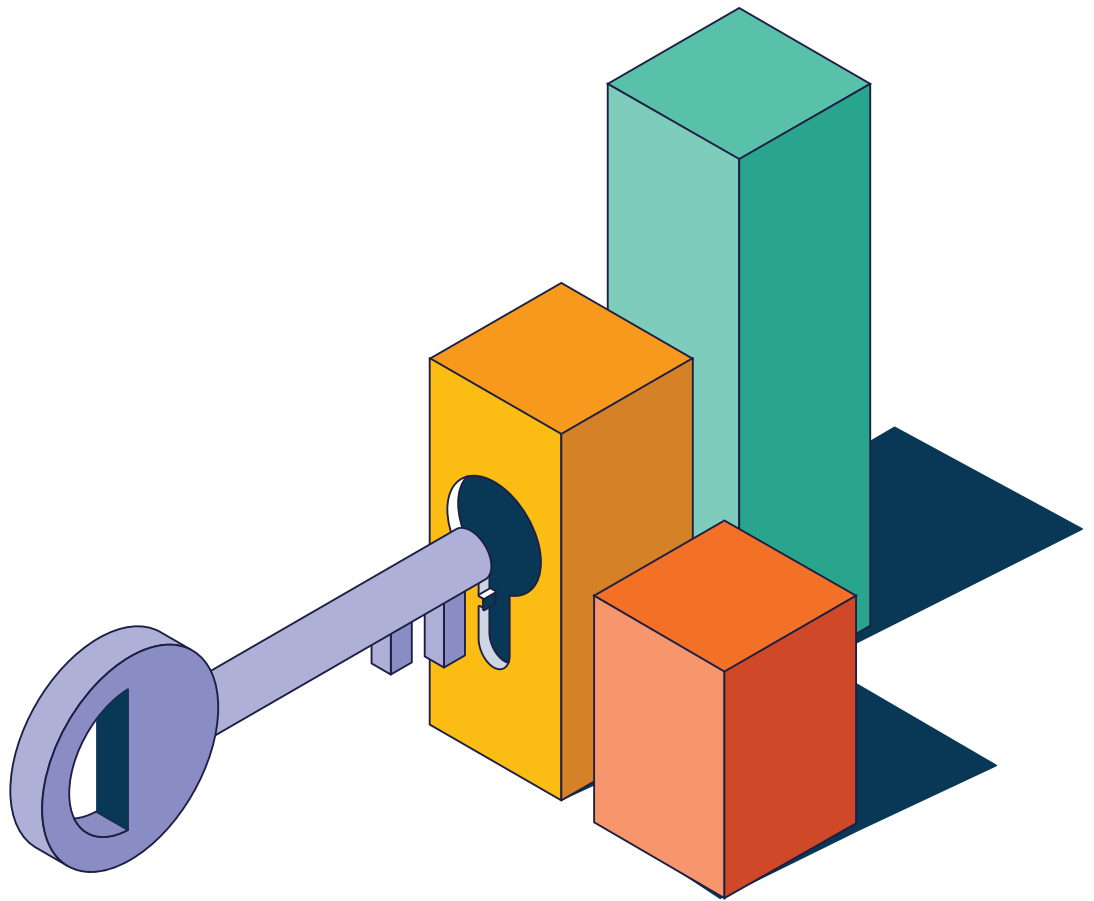
From funding early-stage innovators to scaling infrastructure, private markets are playing a pivotal role in powering the AI revolution.



Source: New York Life Investment Management. 02/2026.  
Past performance is no guarantee of future results, which will vary.

# A New Frontier for Portfolio Growth

Private markets are playing a growing role in diversified portfolios, offering differentiated exposures and access to long-term growth opportunities.





Investment  
Management

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The S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance. **MSCI World Private Equity Return Tracker Index** tracks the performance of global private equity investments by combining reported fund data with public market equivalents to estimate returns. **MSCI World Index** measures the performance of large- and mid-cap publicly traded companies across developed markets worldwide. **MSCI Burgiss Global Private Equity Funds Index** reflects the performance of global private equity funds using detailed fund-level cash flow and valuation data from Burgiss. **MSCI ACWI Gross Index** represents the performance of large- and mid-cap stocks across both developed and Emerging Markets with dividends reinvested before taxes. It is not possible to invest directly in an index. Past performance is not indicative of future results. Diversification cannot assure a profit or protect against loss in a declining market. Private market investments involve significant risks, including illiquidity, use of leverage, valuation uncertainty, and loss of principal. Returns may vary significantly by manager and strategy.

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