

BlackRock[®]

Private Equity Partners

Accessing Opportunities in Private Equity

Prepared for: CFA Society of Dayton
October 15, 2025
Dayton

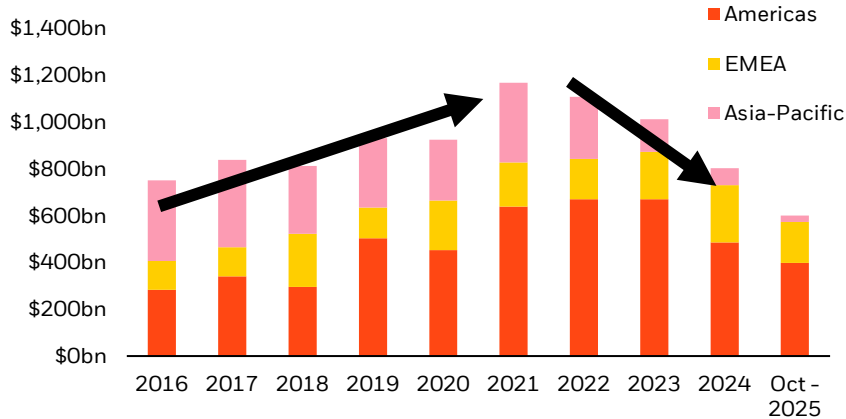
FOR USE WITH CFA SOCIETY ONLY-NOT FOR PUBLIC DISTRIBUTION

Private Equity Market Fundraising and Investment Activity

Navigating fundraising and deployment in a shifting landscape

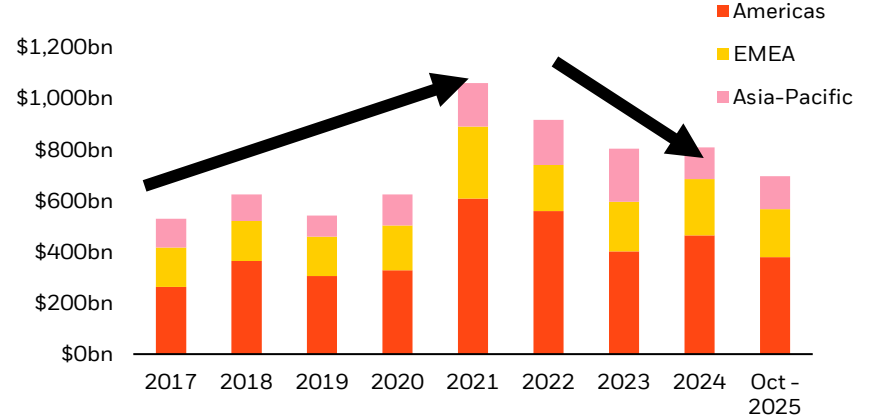
Fundraising Activity¹

Aggregate capital raised by region, All PE



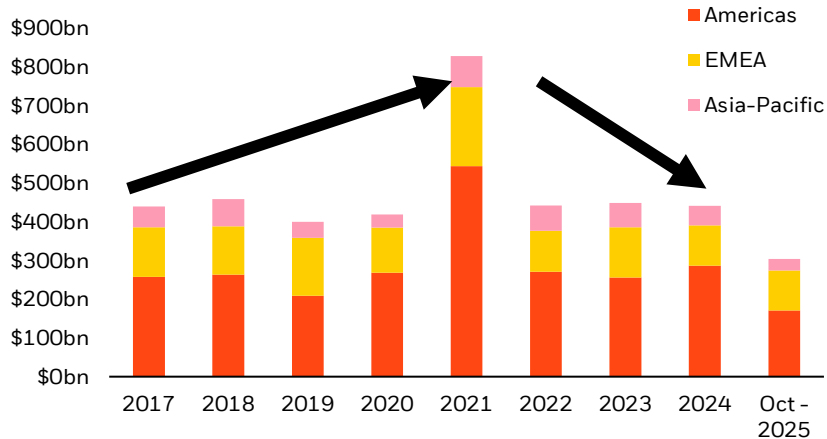
New Deal Activity²

Aggregate deal value by region, all deals (ex. VC)



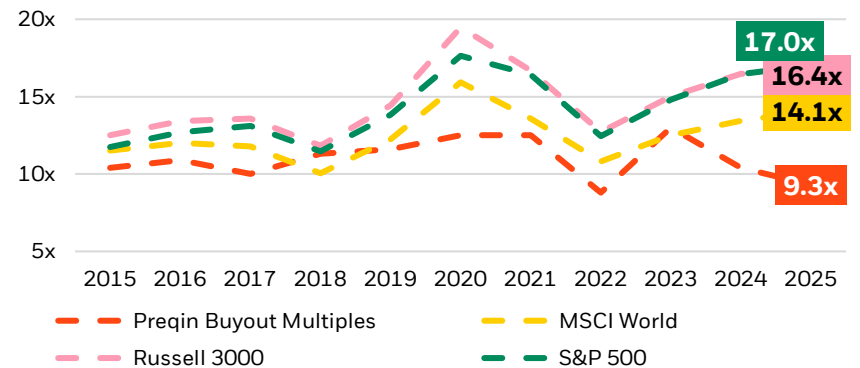
Exit Activity³

Aggregate deal value by region, all deals (ex. VC)³



Valuations⁴

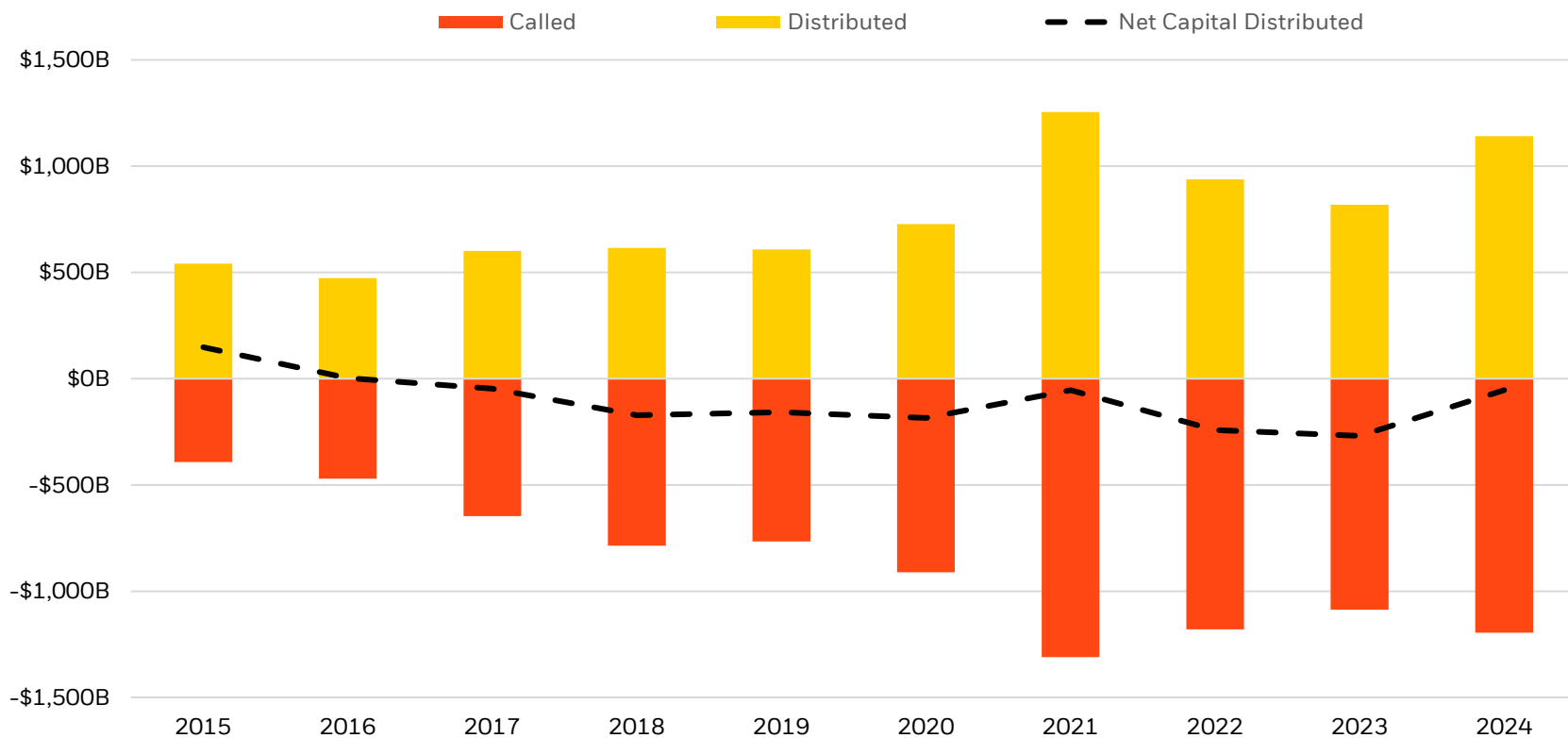
Purchase price multiples for global deals (Total Enterprise Value / EBITDA)⁴



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. All \$ values expressed in USD. Sources: **1** Prequin. As of 11 October 2025. Includes all Private Equity (PE) strategies. **2** Prequin. As of 11 October 2025. Includes all PE investments, excludes Venture Capital (VC) Investments. **3** Prequin. As of 11 October 2025. Includes all Exit Types: IPO & Private Placements, Secondary Buyout, Trade Sales, Bankruptcy, Sale to Management and Unspecified. **4** Sources Bloomberg & Prequin. As of 22 September 2025.

Distributions remain modest, but early signs of acceleration are emerging

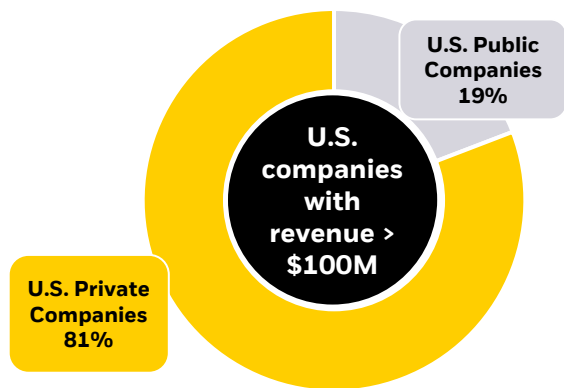
Private markets called vs distributed capital



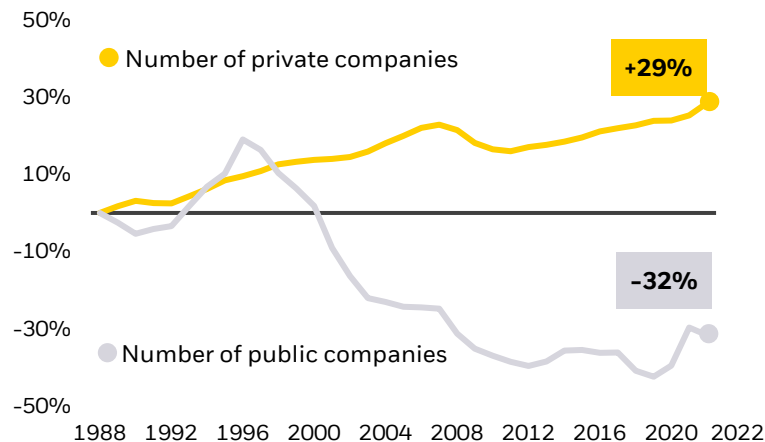
Source: All \$ figures represent USD. Preqin. Latest available data as of 10 October 2024. All PE strategies. 2024 represents, full year 2024.

We believe it's more important than ever to invest in private markets

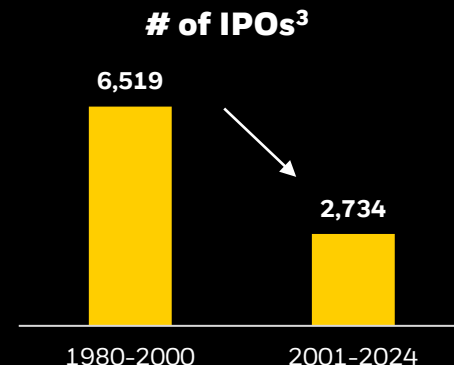
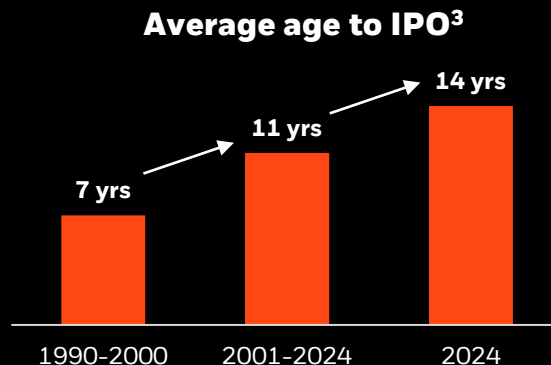
Public markets are a fraction of total equity market¹



US public markets have been shrinking, while US private markets have been growing²



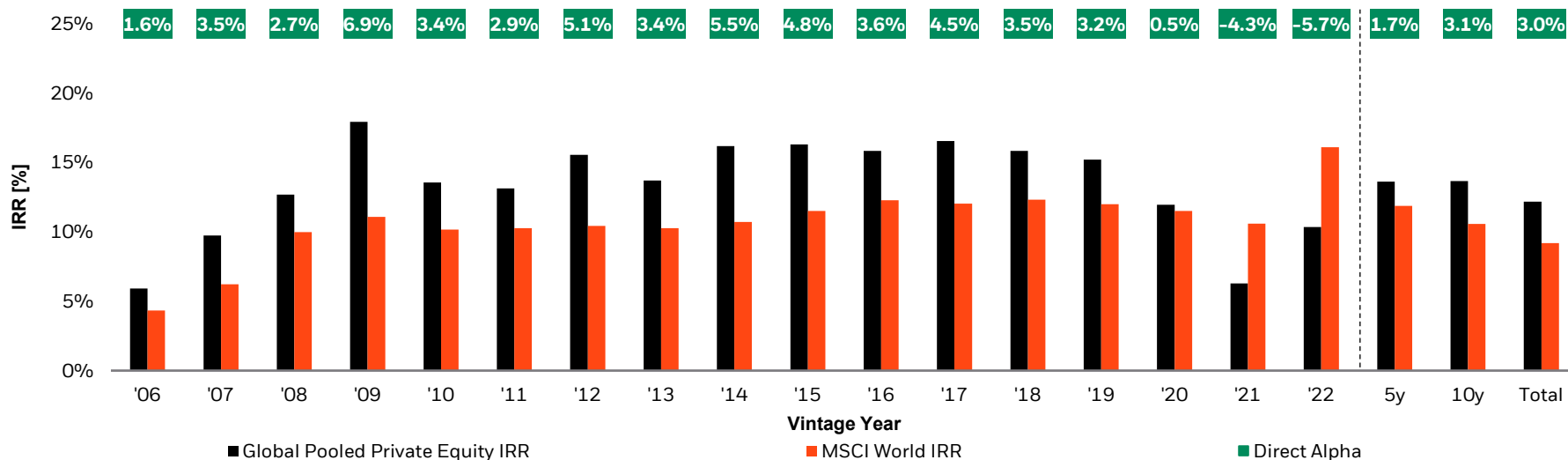
Companies have been staying private longer, creating PE opportunities



For illustrative purposes only. The figures shown relate to past performance. Past performance is not a guarantee or a reliable indicator of future results. All \$ figures expressed in USD.1 Source: Capital IQ, BlackRock as of 31 December 2024. Represents the number of companies with annual revenues greater than \$100 million. 2 Source: U.S. Census Bureau - Center for Economic Studies - Business Dynamics Statistics (2022) and World Federation of Exchanges database; for more information on the World Federation, please refer to the Important Notes. Both sources, represents the latest data as of 2022 as derived on 2 April 2025. The graph denotes the growth or decline for both US public and private companies from 1988 until 2022. Past performance is no guarantee of future performance. 3 Source: IPO Data Jay Ritter as of 2 July 2025.

Outperformance Across Market Cycles

Global Buyouts Continually Demonstrated Direct Alpha Compared to Global Equities from 2006 to 2020¹

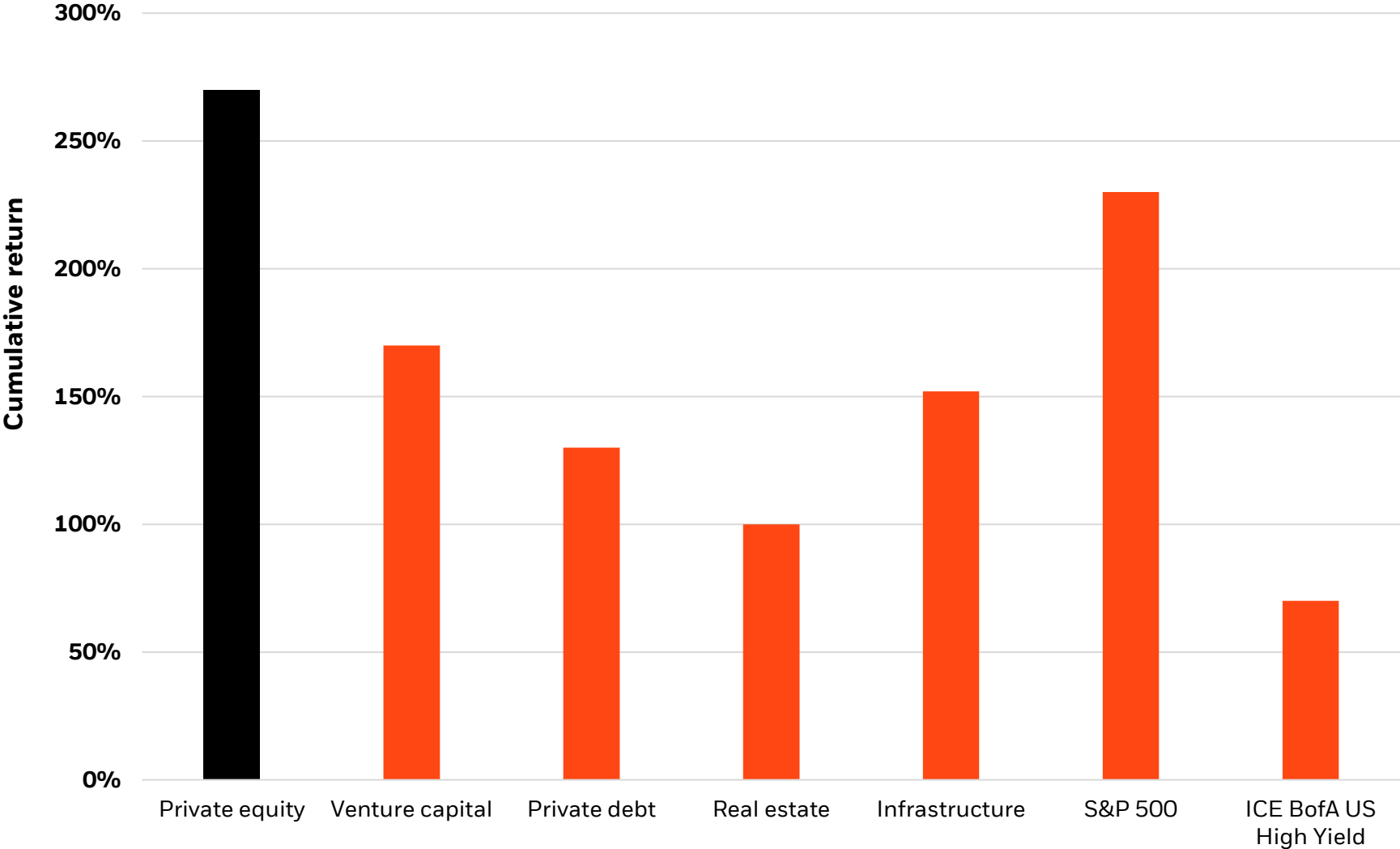


Key Takeaways

- Direct alpha, or pooled outperformance, over the MSCI World index was **positive across most vintages**, with younger vintages showing less meaningful results, likely due to the J-curve effect.
- In aggregate and since inception, the **direct alpha over these 17 vintages was 3%**.
- The **equivalent outperformance** on an absolute basis for TVPI ranged from **5% for 5 years to 10% for 10 years**.

Indexes are unmanaged and one cannot invest directly in an index. Past performance is not a guarantee or a reliable indicator of future results. The hypothetical performance referred to in this presentation is intended to provide only an example of the potential of the investment strategy to be employed and do not take into consideration actual trading conditions and transaction costs. The figures are for illustrative purposes only and results cannot be guaranteed. Sources: 1 Global PE fund pooled, absolute and relative performance against the MSCI World Net Total Return index for 17 vintage years and 3 pooled aggregates all in USD. MSCI World IRR is inferred from the absolute performance and the direct alpha. Total is representative of the since inception figures. PE data from eFront Insight covers vintages 2006-2022, 2, 107 funds, USD 3,221 billion in market capitalization, sourced as of 31 December 2024. PE strategies include Buyout (from small to mega cap), Balanced and Late/Expansion. Please see the Appendix for additional disclosure and information regarding Figure 1.

PE outperformed over the past 10 years



Source: Preqin, "Performance Pulse: H2 2025" over the past 10 years additional sources: Preqin, S&P, Cap IQ, Federal Reserve Bank of St. Louis, Morningstar. Note: Returns are calculated for each period up to end Q1 2025

Three potential value drivers of private equity

Grow Margins	Multiple Expansion	Leverage
<i>Improve operations to drive profits</i>	<i>Benefit from better valuation multiples</i>	<i>Repay debt with company cash flows</i>
<ul style="list-style-type: none"> • Margin improvement via revised product mix • Sales growth via organic and inorganic paths • Operational improvements & improved cost structure 	<ul style="list-style-type: none"> • Increased valuation via improved operations (i.e. more EBITDA!) or margin improvement • “Better” companies command higher valuations • Increased valuation via positive market conditions and exit timing 	<ul style="list-style-type: none"> • Stable, cheaper source of financing compared to equity • Lowers sponsors’ required equity contribution while reducing the company’s tax expense • Avoids dilution

Hypothetical Entry and Exit valuations

	Entry		Exit	
	\$	\$	Multiple	
EBITDA	10	18		
Multiple	10	10		
Valuation	100	180	1.80x	

	Entry		Exit	
	\$	\$	Multiple	
EBITDA	10	18		
Multiple	10	12		
Valuation	100	216	2.16x	

	Entry		Exit		
	%	\$	%	\$	Multiple
Debt	60%	60	40%	86.4	
Equity	40%	40	60%	129.6	3.24x
Valuation		100		216	2.16x

Source: BlackRock, as of October 2025. Performance shown is hypothetical and for illustrative purposes only and does not represent the performance of a specific investment product or any client account. Performance does not include any brokerage fees or commissions. Past performance does not guarantee future results.

Where does the potential alpha in private equity come from?

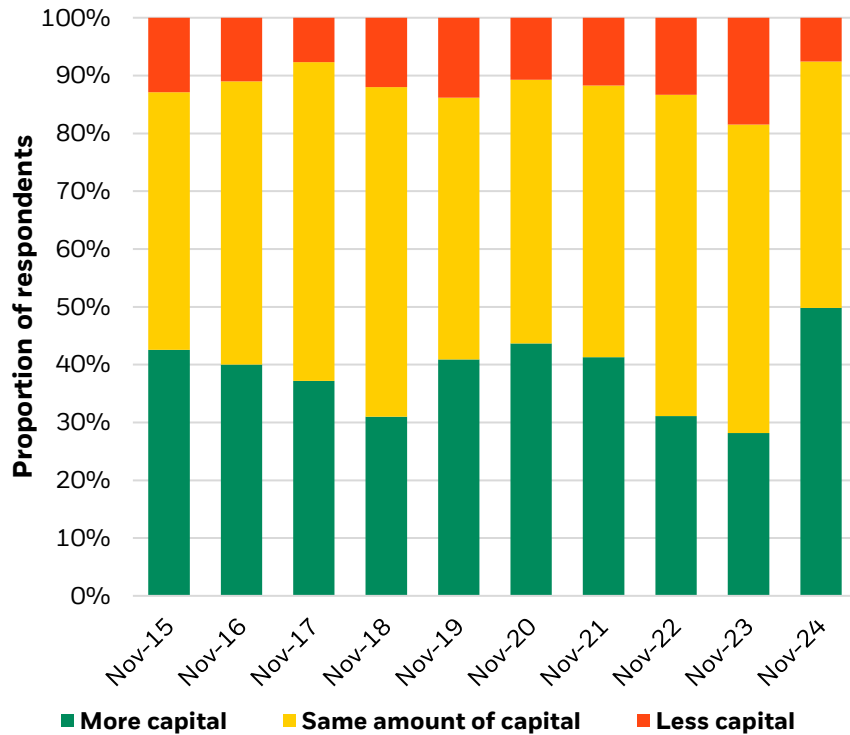
Due diligence & asymmetrical info	Access to proprietary, non-public information to bolster decision-making process
Active ownership & corporate governance	PE investors take board seats as significant owners
Strong alignment of interests	Management, GP and LP rewards are linked
Talented management	Ability to attract entrepreneurs and skilled managers with equity ownership
Operational Improvements	PE investors are operators vs. passive observers
Time horizon	Longer-term investing with multi-year strategic planning vs. quarterly earnings reports
Leverage	There can be greater access to external funding when financial markets are dysfunctional; debt pay-down leads to increased equity value at exit

Source: BlackRock as of 25 September 2025. For illustrative purposes only.

Institutional investor sentiment

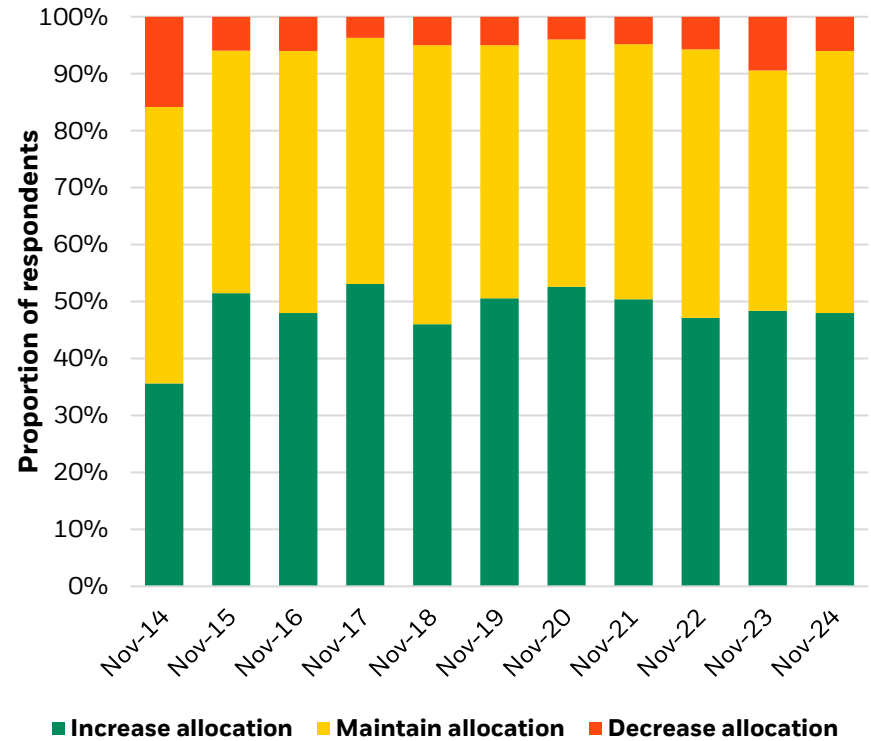
Half of surveyed investors said they intend to increase investment in private equity

Investors were asked: 'In the next 12 months do you expect to invest more, less, or the same amount of capital in private equity than you did in the last 12 months?'



Long-term allocation plans edged up slightly

Investors were asked: 'In the longer term, do you expect to increase, decrease, or maintain your allocations to private equities?'



Source: Preqin investor surveys, November 2015 – 2024

Stage Setting: Key Definitions to Keep in Mind

Qualified Purchaser¹	\$5M+ of investable assets (excluding primary residence)
Qualified Client²	\$1.1M+ in AUM with the applicable investment advisor or a net worth of \$2.2M+ (excluding primary residence) <i>*to charge a traditional carried interest, all investors must be qualified clients at a minimum; some exceptions may apply*</i>
Accredited Investor³	<p><i>Financial Criteria:</i></p> <ul style="list-style-type: none"> • \$1M+ (excluding primary residence) or individuals with income over \$200K (or \$300K with spouse) over the past two years with the expectation to maintain income in current year <p><i>Professional Criteria: (added to definition in 2020)</i></p> <ul style="list-style-type: none"> • Investment professionals in good standing that carry either a Series 7, 65 or 82 license • Directors, executive officers or General Partners of the company selling securities / knowledgeable employees

Important Information. Sources: All \$ figures are denoted in USD. Please note the above is a summary of each definition. For a full list of definitions please refer to each rule specific definition. **1** "Qualified Purchasers," as defined by U.S. Investment Company Act of 1940, as amended. **2** "Qualified Clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisors Act"). A fund cannot charge carried interest unless all investors are "Qualified Clients" at a minimum. **3** As defined in Section 501(a) of Regulation D under the Securities Act.

High-level Overview of Fund Types

Per the 1940 Act, management companies are either “open-ended” or “closed-ended”

Open-ended funds

- Issue “redeemable securities” which investors can redeem daily at the current NAV/share
- Typically, no more than 15% of NAV can be in private assets
- *Examples: Mutual Funds, ETFs*

Closed-ended fund (“CEF”)

Traditional

- Issue a fixed # of shares in an IPO
- Listed on an exchange traded in an open market
- Market price is based on supply & demand – may trade at a discount or premium to NAV

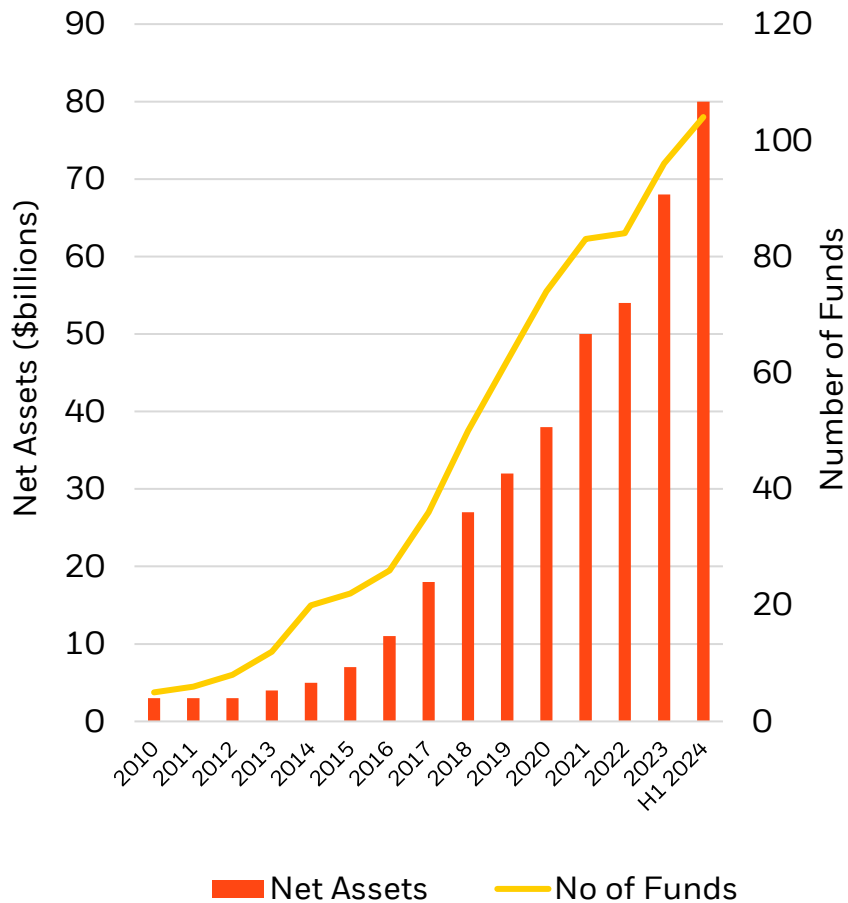
Non-Traditional

- Interval Funds
- Tender Offer Funds
- Business Development Companies (BDCs)
- Non-traded REITs are sometimes considered a “non-traditional CEF”

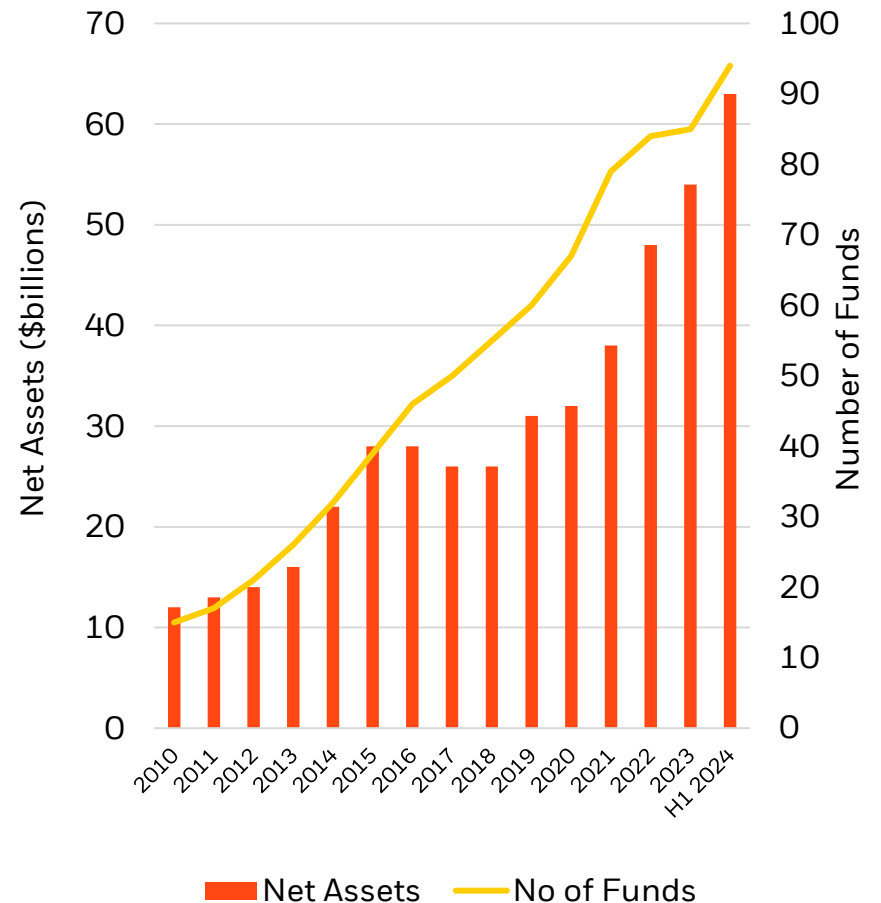
Source: BlackRock. As of 15 August 2025.

Registered Fund Growth

Registered Interval Fund Growth

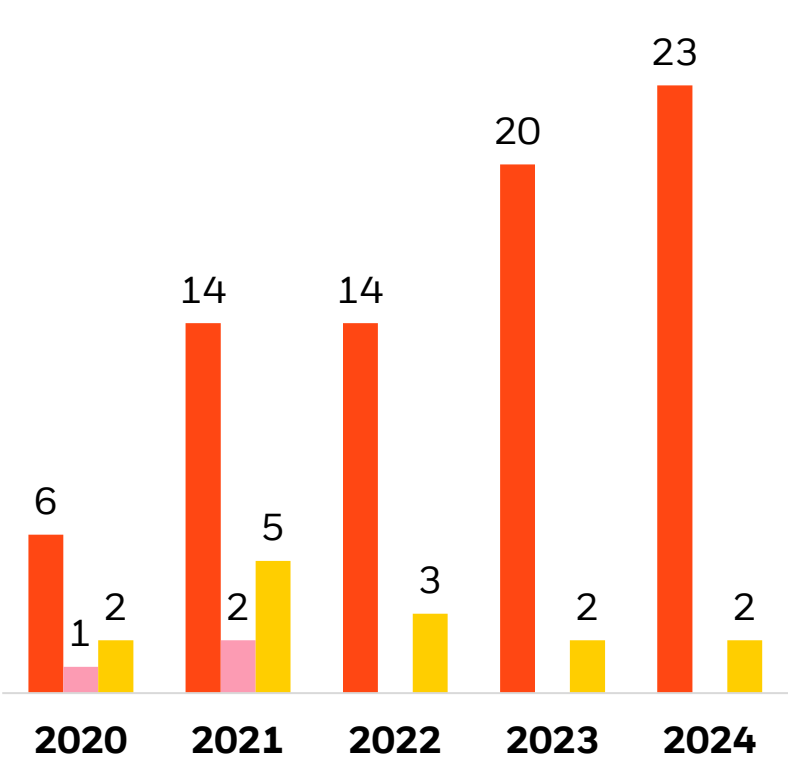


Registered Tender Offer Fund Growth

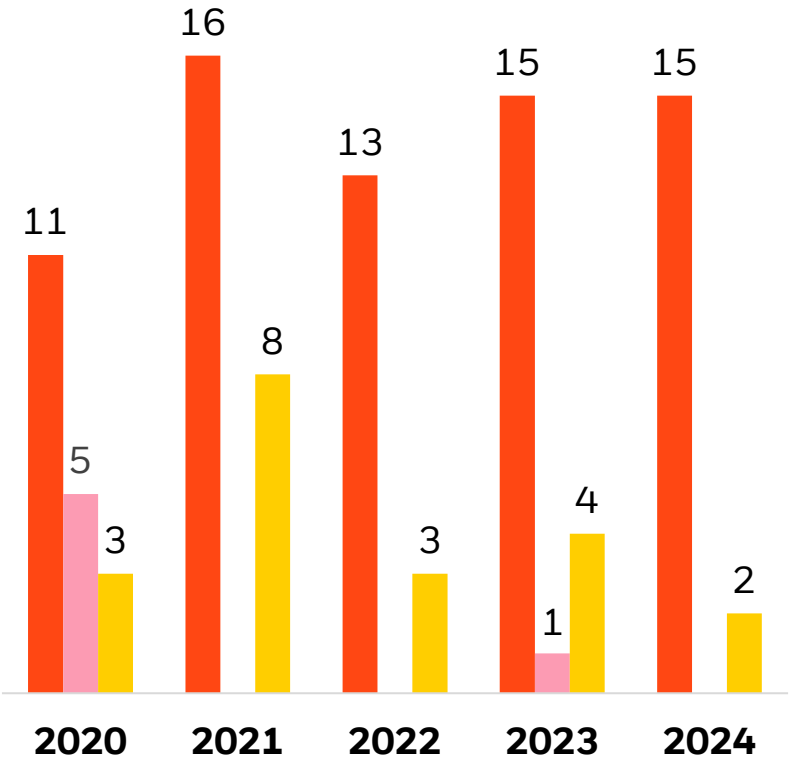


Source: iCapital: "Registered Hedge Funds: More Choices for High-Net-Worth Investors" derived from SEC filings; iCapital analysis. As of 24 February 2025.

Continued Launch of Interval & Tender Offer Funds



■ Launched ■ Merged ■ Liquidated



■ Launched ■ Merged ■ Liquidated

Source: Investment Company Institute (ICI) Research Perspective, "The Closed-End Fund Market, 2024", April 2025 // VOL. 31, NO. 4, Figure 13. Derived from, Investment Company Institute. *Data for traditional CEFs prior to 2018 may include a small number of interval funds or tender offer funds. Note: Data include CEFs that do not report statistical information to the Investment Company Institute and CEFs that invest primarily in other CEFs.

“SEC Speaks in 2025” Conference (19 May 2025)

Select remarks from SEC Chairman Paul S. Atkins:

“Financial innovation sometimes means getting out of the way of capital formation and allowing all investors to gain the benefits of our robust markets.

Since 2002, the SEC staff has taken the position that closed-end funds investing **15% or more of their assets in private funds** should impose a minimum initial investment requirement of **\$25,000** and restrict sales to investors that satisfy the **accredited investor standard**. As a result, many retail investors have missed out on opportunities to invest in closed-end funds that invest in private investment funds, like hedge funds and private equity funds...

With this in mind, I intend to have the Commission address this situation and reconsider this 23-year-old practice concerning investments by closed-end funds in private funds. This common-sense approach will give all investors the ability to seek exposure to a growing and important asset class, while still providing the investor protections afforded to registered funds. We must consider and resolve important disclosure issues for these products, particularly for those that trade on exchanges, including conflicts of interest, illiquidity, and fees.”

Source: US Securities and Exchange Commission, https://www.sec.gov/newsroom/speeches-statements/atkins-prepared-remarks-sec-speaks-051925#_ftn5

Potential benefits of evergreen...

- ✓ Democratization of private markets
- ✓ No capital calls - fully funded upfront
- ✓ Immediate exposure to Private Equity
- ✓ Reduced J-Curve effect
- ✓ Always available
- ✓ Simplified fee structure
- ✓ Limited liquidity
- ✓ More flexibility
- ✓ Lower minimums
- ✓ Greater diversification
- ✓ Compounding returns



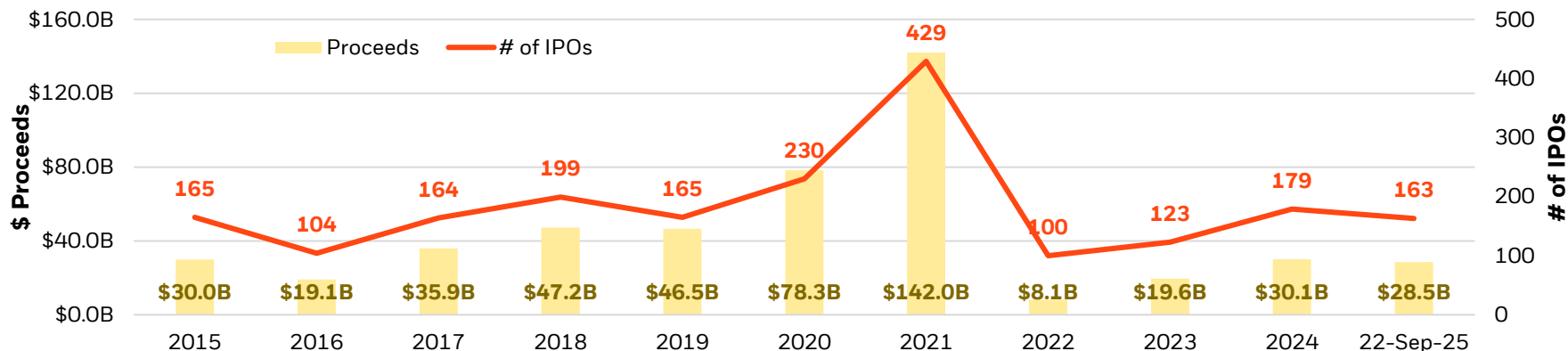
Source: BlackRock. Investors should review all funds prospectuses and legal documentation before committing. Each fund may differ significantly. The above table is for illustration purposes only. It serves as a general summary and is not exhaustive.

IPO window appears to be re-opening...

US IPO activity rebounding in 2025

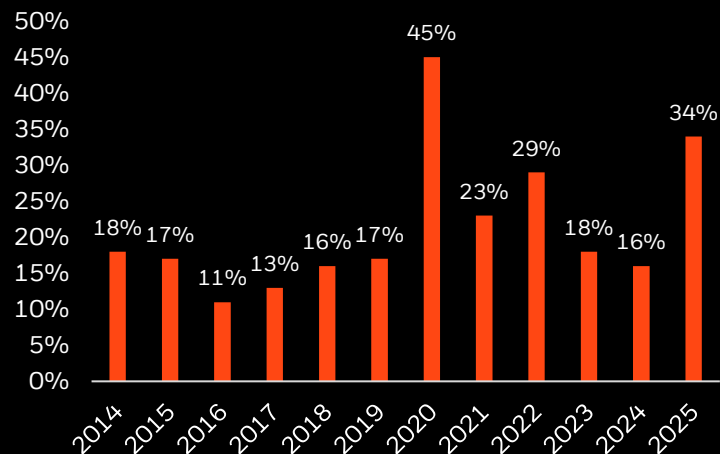
IPO activity in 2025 expected to surpass the 2021-2024 levels

Number and proceeds of U.S. IPOs¹



- ✓ IPO proceeds year-to-date in 2025 have **nearly matched the full-year total for 2024, reaching \$29 billion compared to \$30 billion last year.**
- ✓ Despite recessionary concerns, April's 'pencils down' pause, and ongoing regulatory and market turbulence, U.S. IPO deal activity rose **16% in Q2 2025** compared to the same period in 2024²

Capital Raise Weighted Average IPO Pop (%)³



1. Source: Bloomberg as of 22 September 2025. 2. Source: EY, 'The US IPO market gained momentum with a strong Q2 finish'. 3. Source: Nasdaq Economic Research, Factset, Bloomberg

How Mega Forces Shape the Opportunity Set

Mega forces and structural shifts are driving great changes in economies and sectors, creating new opportunities for investments in private equity

AI & digital disruption



AI-native technology companies with attractive consumption- or subscription- based models; Plus AI-enabled business models targeting traditional industries

Aging population



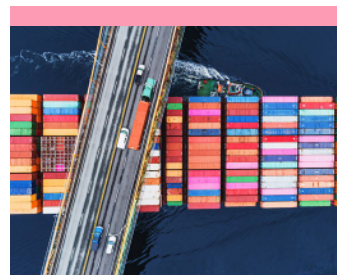
Increasing need for scalable solutions i.e. digitalization, value-based care and pharma services, especially with aging populations

Low carbon transition



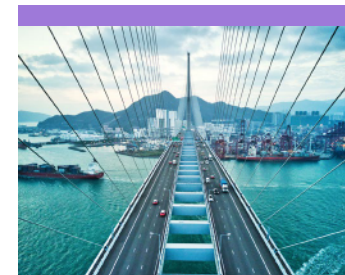
Increasing demand for clean energy supported by regulatory tailwinds and significant investments in environmentally friendly technology

Rewiring globalisation



Industrial and protectionist policies could spur investment in areas like technology, clean energy, infrastructure and defense

Future of finance



Evolution of private equity offerings beyond traditional LP/GP structures, and transaction focus on structural and downside mitigation

For illustrative purposes only. Future events may not come to pass. Source: BlackRock Investment Institute, July 2024.

Examples of investment themes PEP currently focuses on

Consolidation strategies

Investment in companies operating in highly fragmented markets with small competing players

Corporate carveouts

Acquisition of neglected, non-core divisions of a company with untapped value creation potential

Public-to-privates

Acquisition of publicly-traded companies with potential for significant performance improvement

Growth equity

Growing businesses looking to accelerate organic or acquisitive growth, or bolster liquidity

Family-owned & small caps

Investment in small businesses to finance growth, launch new product lines, or expand internationally

Distressed

Providing capital to liquidity-crunched companies that seek immediate capital infusions

Broken deals

Step into transactions of high-quality assets that were interrupted due to market shock or other factors



Source: BlackRock. As of 31 December 2024. There is no guarantee that these investment themes will work under all market conditions. Each investor should evaluate their ability to invest long term.

Appendix

Definitions & Disclosures

Definitions and Disclosures

General disclosures

These materials have been provided to you on a confidential basis for information purposes only, are subject to modification, change or supplement without prior notice to you (including without limitation any information pertaining to strategies used), and do not constitute investment advice or recommendation and should not be relied upon by you in evaluating the merits of investing in any securities referred to herein. The information presented herein is provided solely as reference material with respect to PEP and its activities. It does not constitute an offer to sell or a solicitation of an offer to buy any interests in any PEP fund (each, a “PEP Fund” and, collectively, the “PEP Funds”). Any such offering will occur only at such time that a private placement memorandum (“PPM”) of a PEP Fund is made available and only in accordance with the terms and conditions set forth in the PPM. Prospective investors are strongly urged to review the PPM when available for more complete information (including the risk factors described therein). All information provided herein is qualified by reference to the PPM. There can be no assurance that a PEP Fund’s investment objectives will be achieved, and investment results may vary substantially over time. Investment in a PEP Fund is not intended to be a complete investment program for any investor.

PEP is not making any recommendation or soliciting any action based upon the information contained herein. This information is furnished to you with the express understanding that it does not constitute: (i) an offer, solicitation or recommendation to invest in a particular investment in any jurisdiction; (ii) a means by which any such investment may be offered or sold; or (iii) advice or an expression of PEP’s view as to whether a particular investment is appropriate for you and meets your financial objectives.

The information contained in these materials has been compiled as of October 2025 unless otherwise stated herein. Where the information is from third party sources, the information is from sources believed to be reliable, but none of the PEP Funds, their placement agent, BlackRock, Inc., PEP, PEP Funds’ advisers or any of their respective affiliates, or the partners, officers or employees (as the case may be) of any of them, has independently verified any of the information contained herein or assumes any liability for it. Additionally, none of these parties is required to provide recipients of this document with updates, modifications, or amendments to the information, opinions, estimates, or forecasts described herein should BlackRock, its affiliates, or any third-party sources determine that such currently set forth communication becomes inaccurate.

Any research in this document has been procured and may have been acted on by BlackRock for its own purpose. The results are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of BlackRock as a whole or any part thereof and no assurances are made as to their accuracy.

Past performance is not a guarantee or a reliable indicator of future results. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuations may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially.

All investments risk the loss of capital. No guarantee or representation is made that any private equity investment or fund offered or sponsored by PEP will achieve its investment objective. In addition, there are risks associated with investing in private equity that are not applicable to typical investments in the public equity markets. These risks include, but are not limited to, the following: private equity investments are speculative and involve a high degree of risk; an investor could lose all or a substantial amount of his or her investment; interests in private equity investments are illiquid and there is no secondary market nor is one expected to develop for interests in such investments or any fund offered or sponsored by PEP; there are significant restrictions on transferring private equity investments; private equity investments experience volatile performance; private equity funds are often concentrated and lack diversification and regulatory oversight; private equity funds have high fees and expenses (including “carried interest”) that will reduce such investments’ returns and a private equity investment or a fund offered or sponsored PEP may invest in other funds which themselves charge management fees and carried interest (typically, 20% of the net profits generated by the fund and paid to the manager); a private equity investor has an ongoing financial commitment to make contributions to such funds, is subject to severe consequences in cases of default and may have to recontribute distributions to private equity investments; and funds offered or sponsored by PEP can be subject to various conflicts of interest arising from the fact that many private equity sponsors, including BlackRock, are global financial services firms which provide a broad array of financial services and are, in some cases, related to other large financial services firms. Private equity funds may make a limited number of investments. These investments may be in start-up ventures with little or no operating histories or in companies that may utilize significant leverage and will involve a high degree of risk. In addition, a PEP Fund may make minority equity investments where such PEP Fund may not be able to protect its investment or control or influence effectively the business or affairs of such entities. The performance of a PEP Fund may be substantially adversely affected by a single investment. A PEP Fund may obtain rights to substantially influence the conduct of the management of companies in which it invests, including its members serving on the board of directors. This or other measures could expose the assets of a PEP Fund to claims by a portfolio company, its security holders, its creditors and others. Also, private equity investments may be highly leveraged, which increases the risk of investment losses. For a more extensive discussion of the risks associated with an investment in such funds, you should carefully review the “Certain Risk Factors” and “Potential Conflicts of Interest” sections of the respective PEP Fund’s PPM.

Definitions and Disclosures (cont.)

The material is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. It is not intended to be a forecast, research or investment advice, and is not a recommendation, or an offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed are subject to change. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. Reliance upon information in this material is at the sole risk and discretion of the reader. The material was prepared without regard to specific objectives, financial situation or needs of any investor.

In the U.S.: this material is for Institutional use only – not for public distribution.

Definitions

General Partner: Investment professionals responsible for oversight for a private equity fund (typically structured as a limited partnership). Typically, GPs invest only a small proportion of capital.

Initial Public Offering: The initial offering of a company's stock to the public.

Limited Partner: External individual or entity investors that contribute capital to a private equity fund.

Mergers and acquisitions: Transactions in which companies, or portions of companies are transferred or consolidated with other entities.

Buyout Mega: Fund Investment: >\$10.0B Fund Size // Direct investment: >8.0B Enterprise Value.

Buyout Large: Fund Investment: \$5.0B-\$10.0B Fund Size // Direct investment: \$3.5B-\$8.0B Enterprise Value.

Buyout Medium: Fund Investment: \$750.0M-\$5.0B Fund Size // Direct investment: \$500.0M-\$3.5B Enterprise Value.

Buyout Small: Fund Investment: <\$750.0M Fund Size // Direct investment: <\$500.0M Enterprise Value.

Venture Capital (Early stage/Late stage/Multi-stage): Fund Investment: targeting companies raising capital at an earlier to later series round // Direct investment: company raising capital at an earlier to later series round.

Growth Equity: Fund Investment: targeting companies that normally have at least a few of the following: 1) Business has traction in the marketplace and established user base; 2) Significant revenue growth with focus on expanding into new markets and/or further product development; 3) Potentially cash-flow negative or break-even; 4) Proven and de-risked business models; 5) High-caliber management teams; 6) Value creation focused on top-line revenue growth via organic growth and/or acquisitions; and 7) Leverage is not a direct driver of value creation. // Direct investment: company that normally has at least a few of the following: 1) Business has traction in the marketplace and established user base; 2) Significant revenue growth with focus on expanding into new markets and/or further product development; 3) Potentially cash-flow negative or break-even; 4) Proven and de-risked business models; 5) High-caliber management teams; 6) Value creation focused on top-line revenue growth via organic growth and/or acquisitions; 7) Leverage is not a direct driver of value creation.

LP – led Secondary: Fund investment involving the sale and purchase of existing LP interests in traditional PE funds ("LP to LP")

GP – led Secondary Fund Solution: Fund investment that represents the evolution of the secondary market and includes GP-driven opportunities, such as continuation vehicles, asset carve-outs and fund refinancings ("GP to LP").

Abbreviations

GP: General Partner

IPO: Initial Public Offering

M&A: Mergers and Acquisitions

LP: Limited Partner

PE: Private Equity

PEP: BlackRock Private Equity Partners

Prepared by BlackRock Investments, LLC, member FINRA

© 2025 BlackRock, Inc. or its affiliates. All Rights Reserved. BLACKROCK iShares, is a trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.