

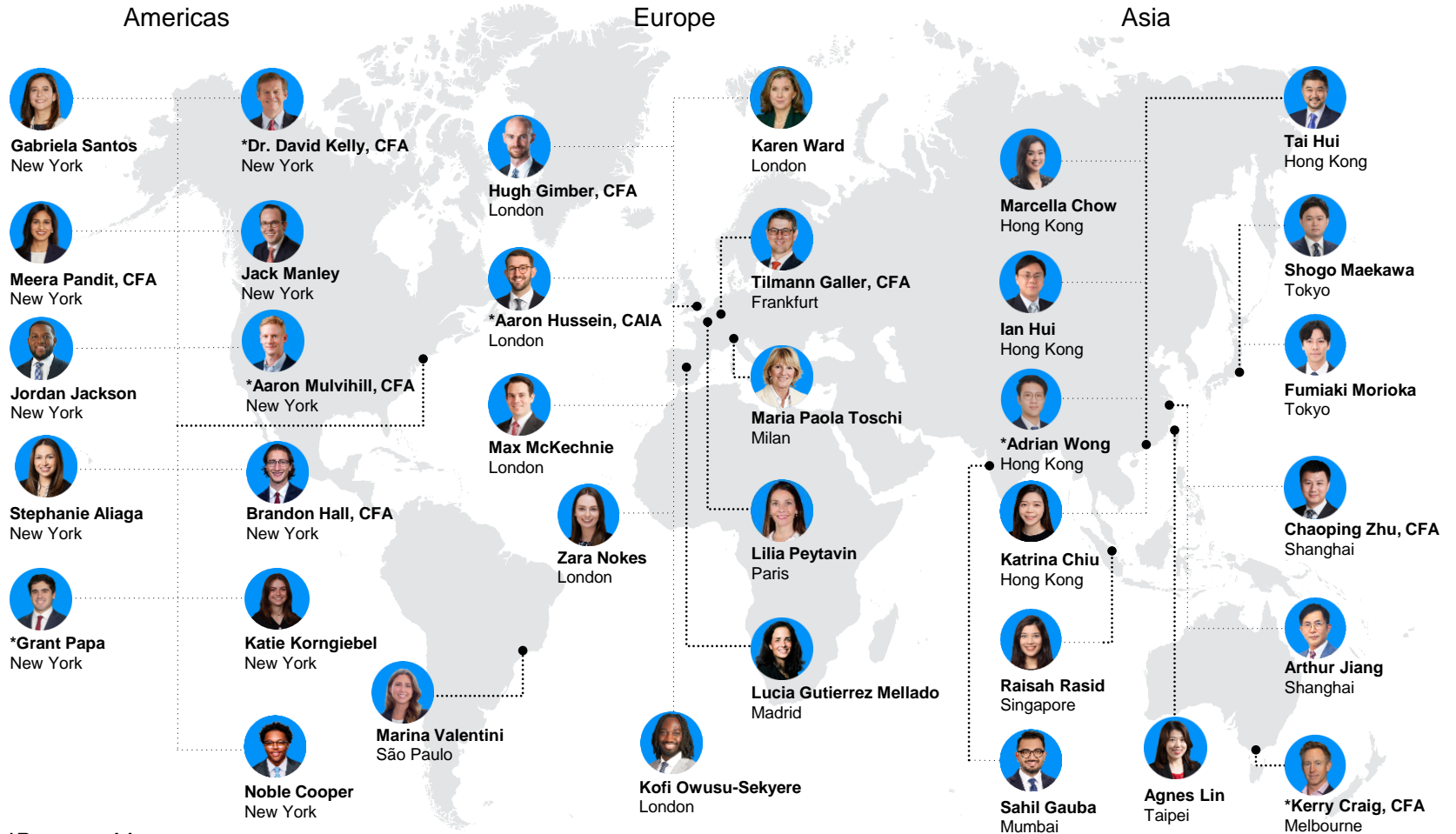
# Guide to Alternatives



1Q 2026  
As of January 31, 2026



# Global Market Insights Strategy team



**\*Prepared by:**

Dr. David Kelly, CFA, *Chief Global Strategist*  
 Aaron Mulvihill, CFA, *Global Alternatives Strategist*  
 Kerry Craig, CFA, *Global Market Strategist*  
 Aaron Hussein, CAIA, *Global Market Strategist*  
 Adrian Wong, *Global Market Strategist*  
 Grant Papa, *Research Analyst*



# Page reference

GTA

MI

3

## Alternatives in portfolios

4. Earnings/coupon yield and the 60/40
5. 60/40 portfolio income generation
6. 60/40 returns and stock-bond correlation
7. Portfolio diversification
8. Alternatives: Correlations, returns and yields
9. Alternatives and manager selection
10. Valuations monitor
11. Public and private market correlations
12. Yield alternatives
13. Assets under management
14. Alternatives fundraising and dry powder
15. Institutional investor positioning
16. Private wealth investor positioning
17. Alternative asset class returns vs. selected portfolios

## Real estate

18. Sources of global private real estate returns
19. Real estate correlation to equities
20. U.S. real estate: Transaction volumes
21. U.S. real estate: Cap rates and property prices
22. U.S. real estate: Vacancy rates and NOI growth
23. U.S. real estate: Office leasing activity
24. U.S. real estate: Office supply
25. U.S. housing affordability
26. U.S. multifamily housing trends
27. Europe real estate: Transaction volumes
28. Europe real estate: Yield and income
29. Europe real estate: Office vacancy rates
30. Asia Pacific real estate: Transaction volumes
31. Asia Pacific real estate: Yields and capital values
32. Commercial mortgage maturities and delinquencies
33. Commercial real estate credit risk metrics
34. Commercial real estate debt

## Other real assets

35. Sources of global infrastructure returns
36. Infrastructure investment needs
37. Global infrastructure transactions
38. U.S. utility profitability and consumption
39. U.S. electricity generation
40. Data centers and electricity consumption
41. Global energy trends
42. Defense spending on infrastructure and innovation
43. U.S. timberland investment returns
44. U.S. wood consumption and demand
45. Global seaborne trade volumes
46. Global trade routes and chokepoints
47. Global shipping: Orders, capacity and age
48. U.S. imports and global shipping costs

## Private equity

49. U.S. public vs. private equity
50. Global private equity returns
51. Private equity performance vs. public markets
52. Private equity fundraising and dry powder
53. Global private equity investment and exit activity
54. U.S. private equity investments and exits
55. Private equity inventory and continuation vehicles
56. Private equity investments and multiples by size
57. Global M&A and IPOs
58. North America M&A and IPOs
59. Private equity financing and deal activity
60. Capital calls and distributions
61. Global private secondary market
62. U.S. venture capital
63. Health care dynamics
64. U.S. unicorns: Formations and valuations
65. Venture investment in artificial intelligence

## Private credit

66. Private credit industry growth
67. Private credit lending composition and size
68. Credit yields comparison
69. Public and private credit yield trends
70. Private credit dry powder, fundraising and deal activity
71. Defaults and restructuring trends
72. Public and private credit returns

## Hedge funds

73. Hedge funds and manager selection
74. Hedge fund strategy returns
75. Hedge funds and traditional portfolios
76. Hedge fund performance and volatility
77. U.S. fixed income volatility and correlations
78. Hedge fund returns and interest rates



# Earnings/coupon yield and the 60/40

Alternatives in portfolios

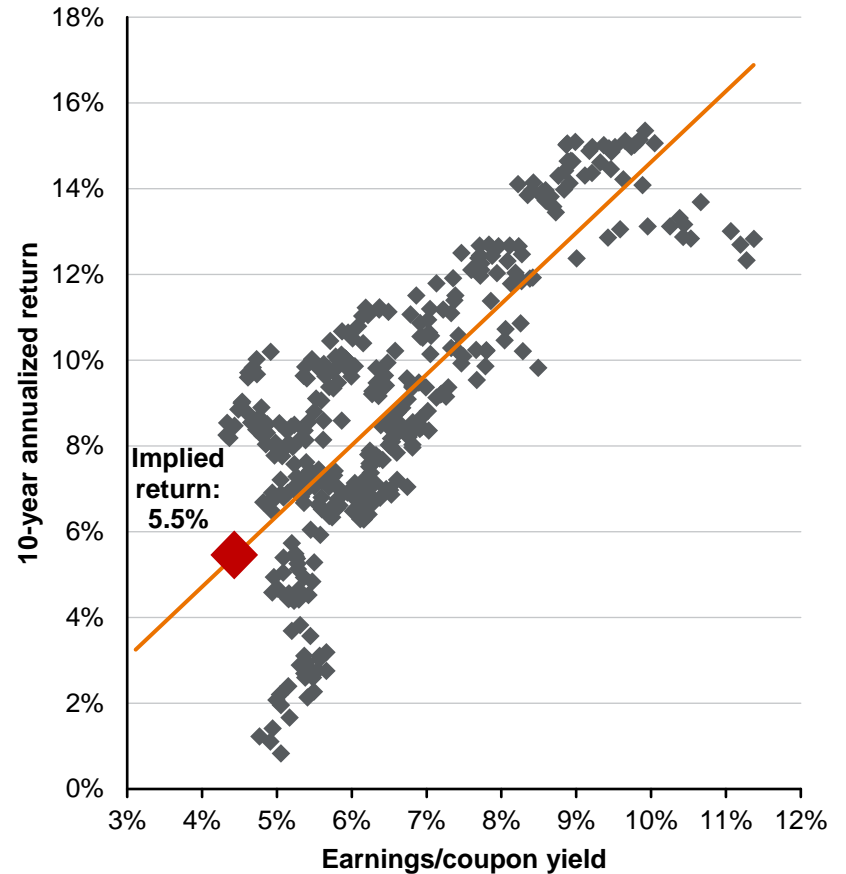
### Earnings/coupon yield on a 60/40 portfolio

Blended S&P 500 forward E/P ratio and Bloomberg U.S. Agg. YTW



### 60/40 earnings/coupon yield and subsequent returns

10-year annualized returns, January 1985 – January 2016



Source: Bloomberg, FactSet, IBES, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.  
 (Left) Valuation is calculated by summing 60% weight to earnings yield on the S&P 500 (inverse of forward P/E) and a 40% weight to the yield to worst on the U.S. Aggregate. Earnings yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) as provided by IBES since December 1984 and by FactSet since January 2022. (Right) Returns are based on a 60% weighting in the S&P 500 Total Return Index and a 40% weighting in the U.S. Aggregate Total Return index. 60/40 is rebalanced annually. Returns are 120-month annualized total returns, measured monthly, beginning 12/31/1984. Past performance is not a reliable indicator of current and future results.  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.

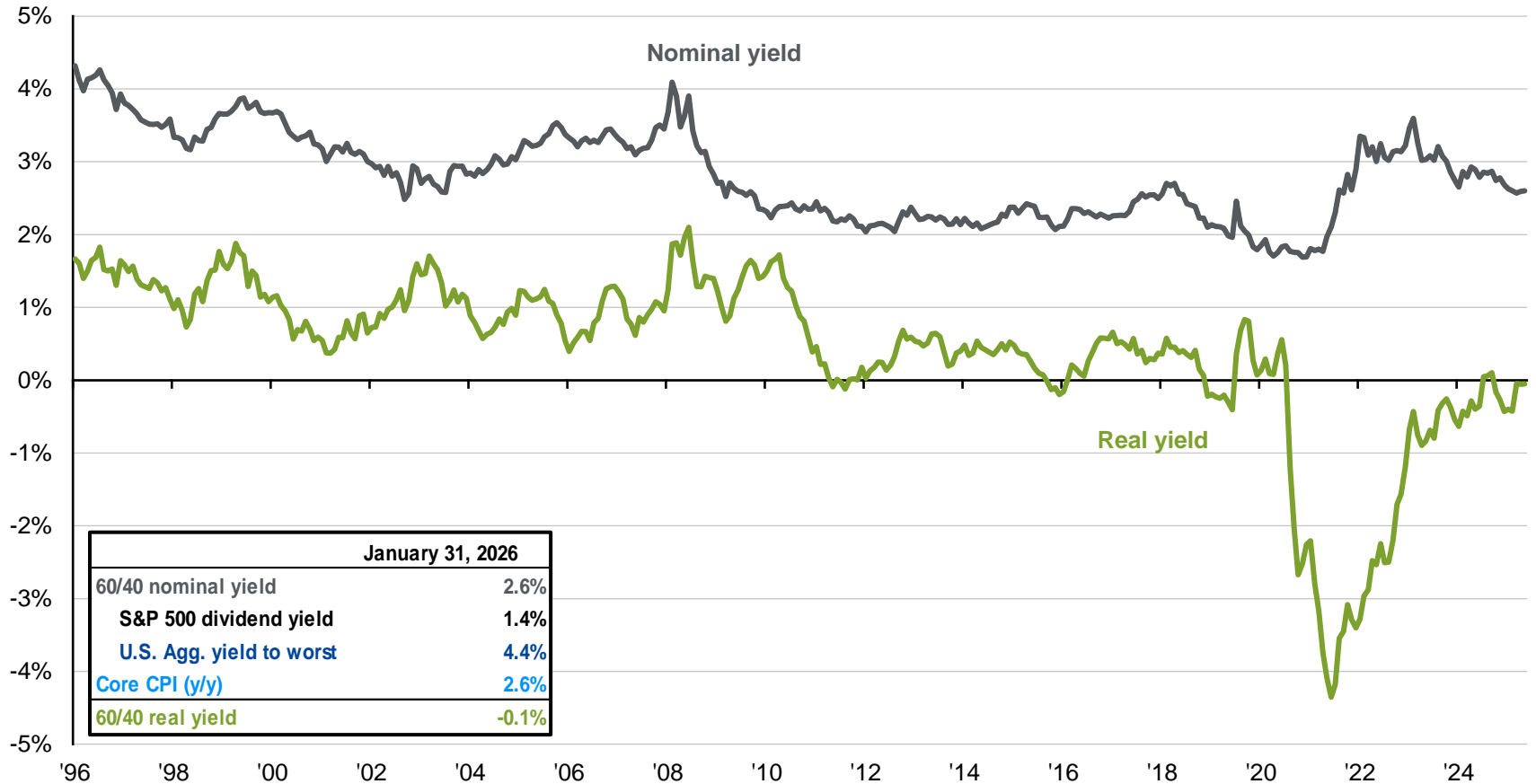


# 60/40 portfolio income generation

Alternatives in portfolios

## 60/40 portfolio yield

60/40 portfolio yield minus the year-over-year % change in core CPI, monthly



Source: Bloomberg, FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Total 60/40 real yield may not sum due to rounding. 60/40 portfolio nominal yield is calculated by taking the sum of the S&P 500's dividend yield and the yield to worst of the Bloomberg U.S. Aggregate multiplied by their respective weights in the portfolio. Analysis is based on month-end data. For the current month, we use the most recent core CPI figures until the latest data are available. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

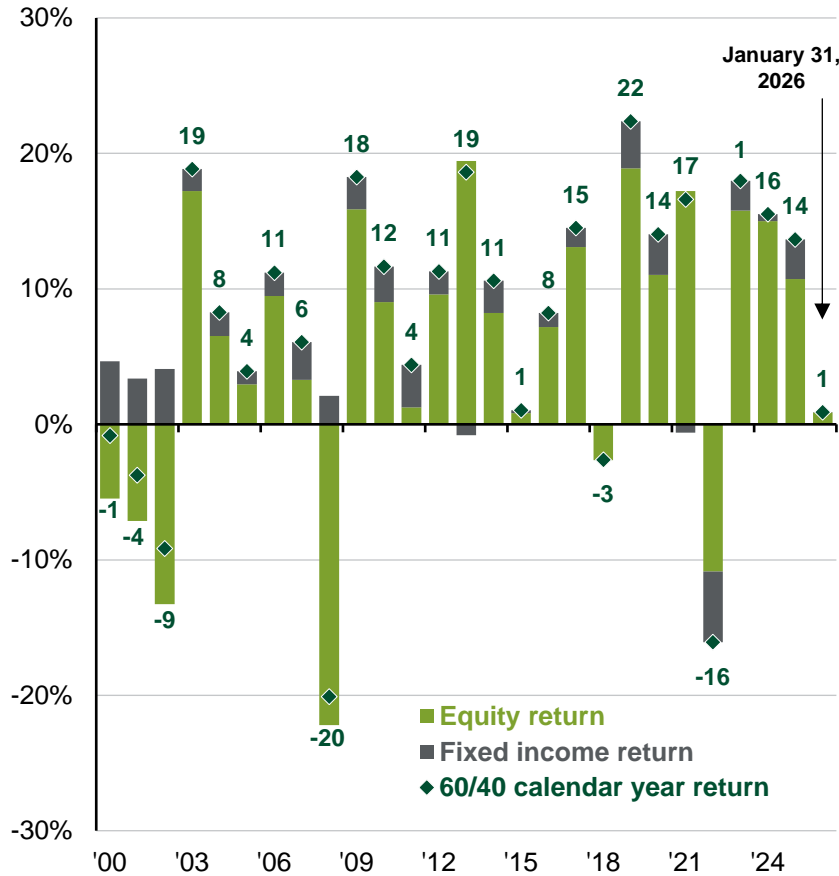


# 60/40 returns and stock-bond correlation

Alternatives in portfolios

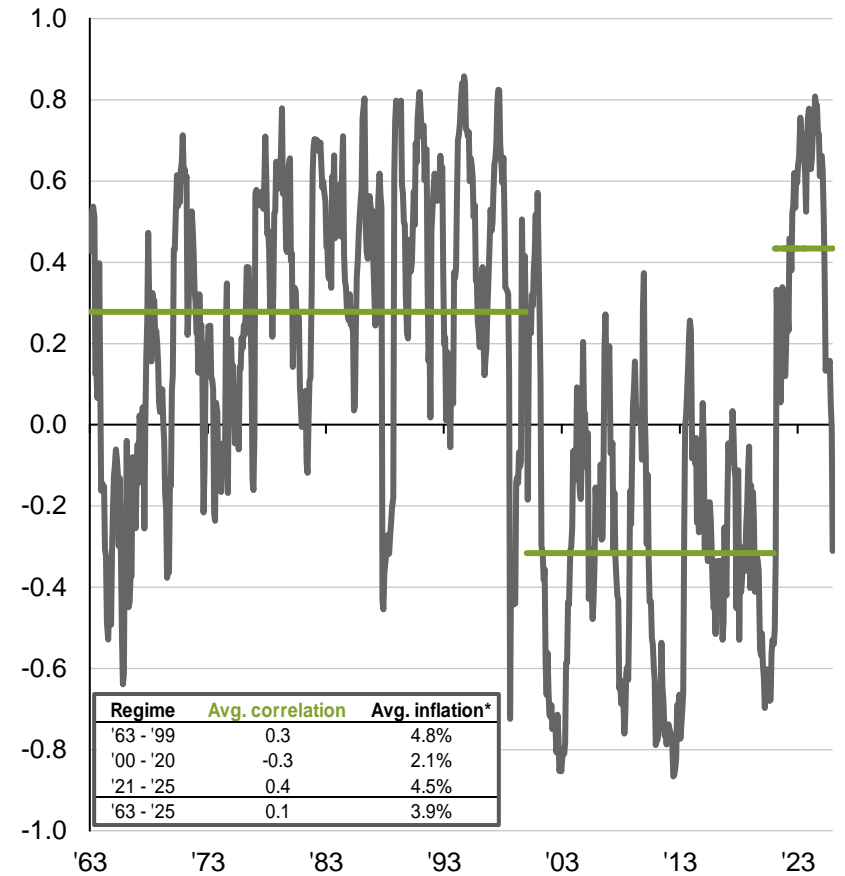
## 60/40 portfolio annual return decomposition

Total return



## S&P 500 / U.S. 10-year Treasury correlation

Rolling 12-month correlation based on monthly total returns



Source: Bloomberg, FactSet, Haver Analytics, LSEG, Standard & Poor's, J.P. Morgan Asset Management.  
 (Left) The 60/40 portfolio is 60% invested in the S&P 500 Total Return Index and 40% invested in the Bloomberg U.S. Aggregate Total Return Index.  
 (Right) \*Simple average of the year-over-year percent change in headline CPI during each period. For the current month's inflation data, we use the most recent headline CPI figures until the latest data are available. Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

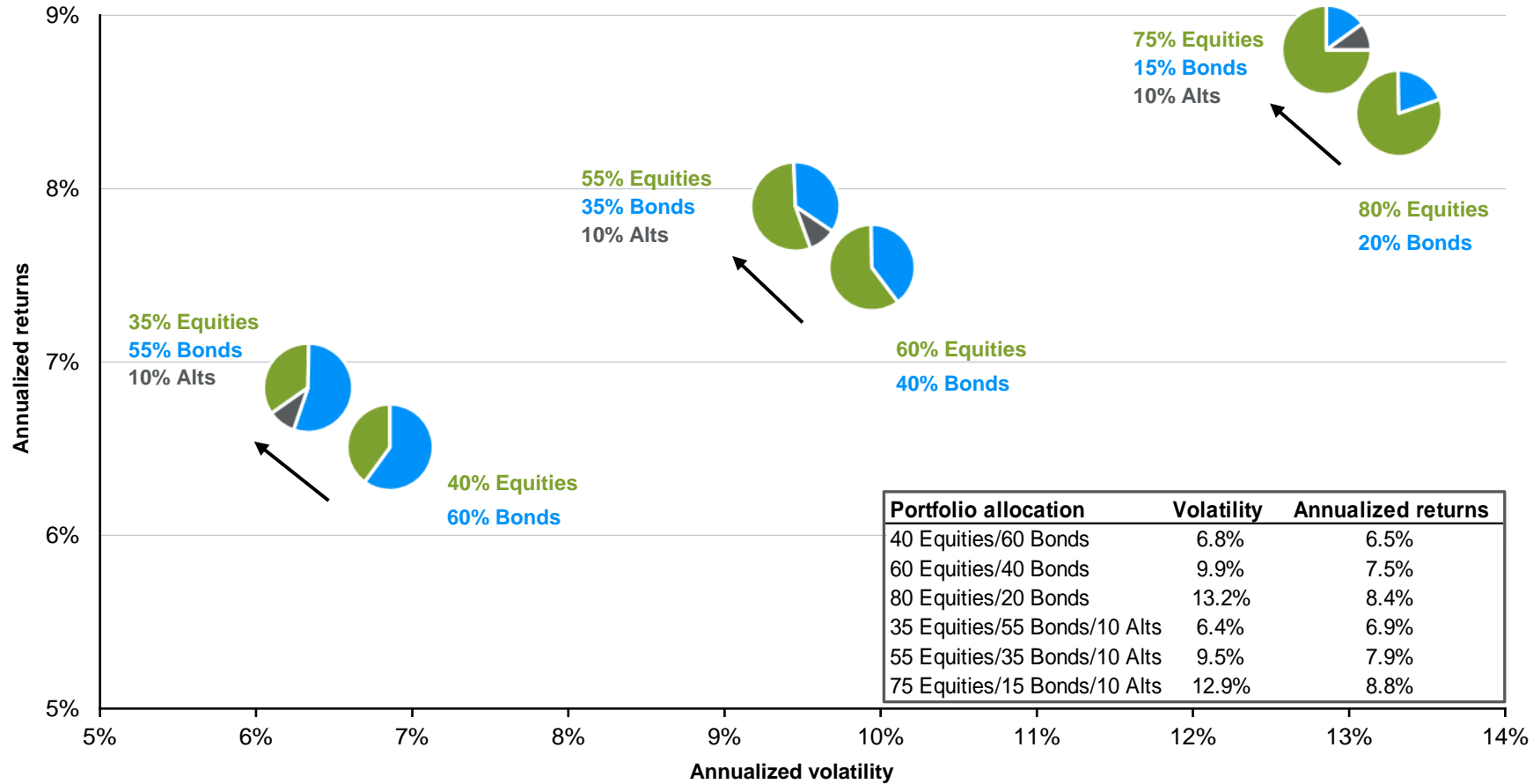


# Portfolio diversification

Alternatives in portfolios

## Alternatives and portfolio risk/return

Annualized volatility and total return, 1Q98 – 3Q25



Source: Bloomberg, Burgiss, FactSet, NCREIF, PivotalPath, Standard & Poor's, J.P. Morgan Asset Management.

The alternatives allocation includes hedge funds, real estate and private equity, with each receiving an equal weight. Portfolios are rebalanced at the start of the year. Equities are represented by the S&P 500 Total Return Index. Bonds are represented by the Bloomberg U.S. Aggregate Total Return Index. Volatility is calculated as the annualized standard deviation of quarterly returns. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

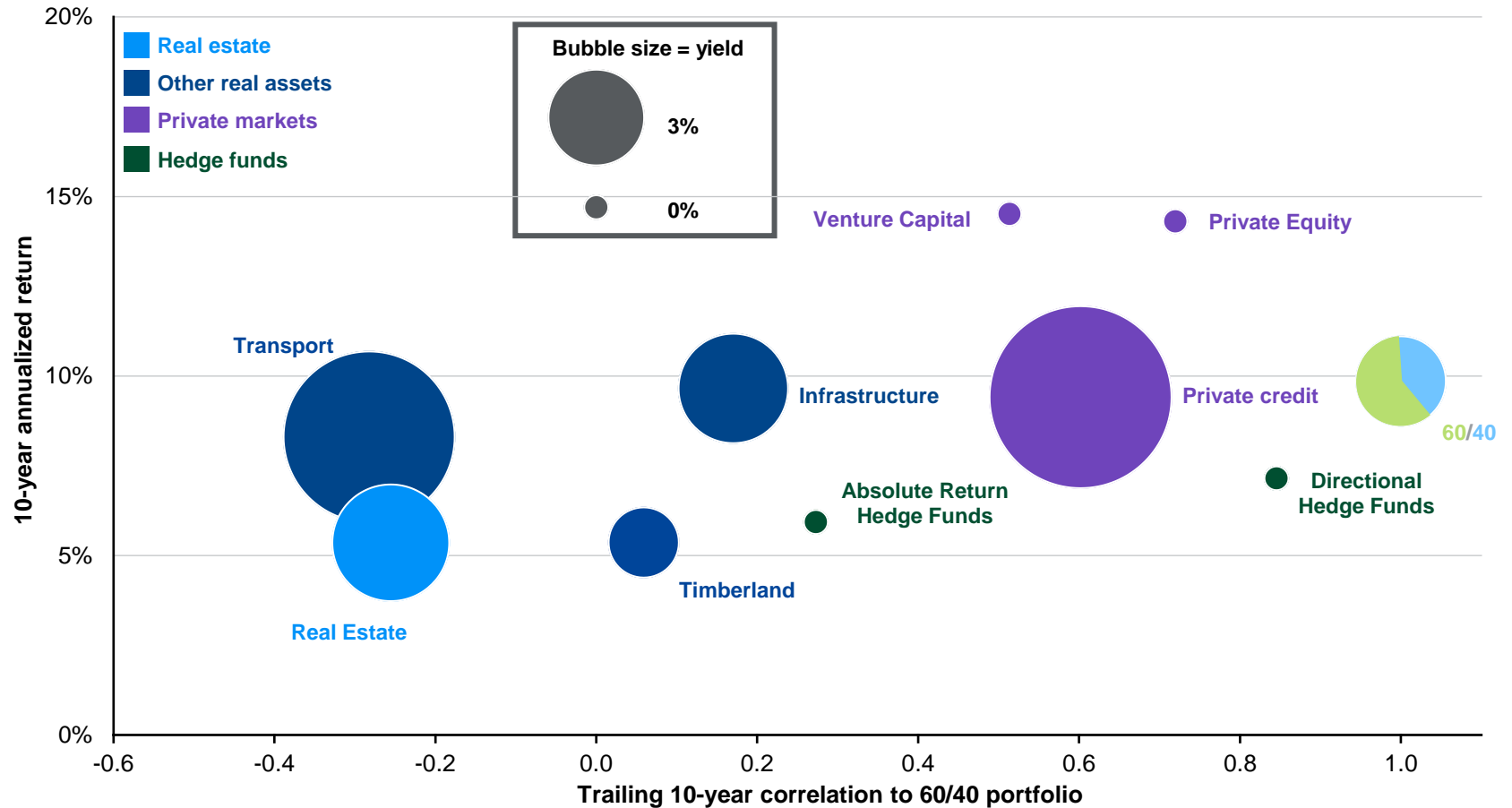


# Alternatives: Correlations, returns and yields

Alternatives in portfolios

## Correlations, returns and yields

10-year correlations and 10-year annualized total returns, 4Q15 – 3Q25



Source: Burgiss, Cliffwater, FactSet, MSCI, NCREIF, PivotalPath, J.P. Morgan Asset Management.

All categories are global, except for timberland and private credit, which are U.S. Correlations are based on quarterly returns over the time period indicated. A 60/40 portfolio is comprised of 60% stocks and 40% bonds. Stocks are represented by the S&P 500 Total Return Index. Bonds are represented by the Bloomberg U.S. Aggregate Total Return Index. 10-year annualized returns are calculated based on the time period indicated. "Absolute Return Hedge Funds" represent asset-weighted returns from the PivotalPath Global Macro and Relative Value indices. "Directional Hedge Funds" represent asset-weighted returns from the PivotalPath Credit, Equity Diversified and Event Driven indices. Private credit represents direct lending returns and yields from the Cliffwater Direct Lending Index. All other indices and data used for alternative asset class returns and yields are as described on pages 12 and 17 of the *Guide to Alternatives* based on latest data available. Transportation returns are shown on an unlevered basis and returns can be enhanced by adding leverage. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

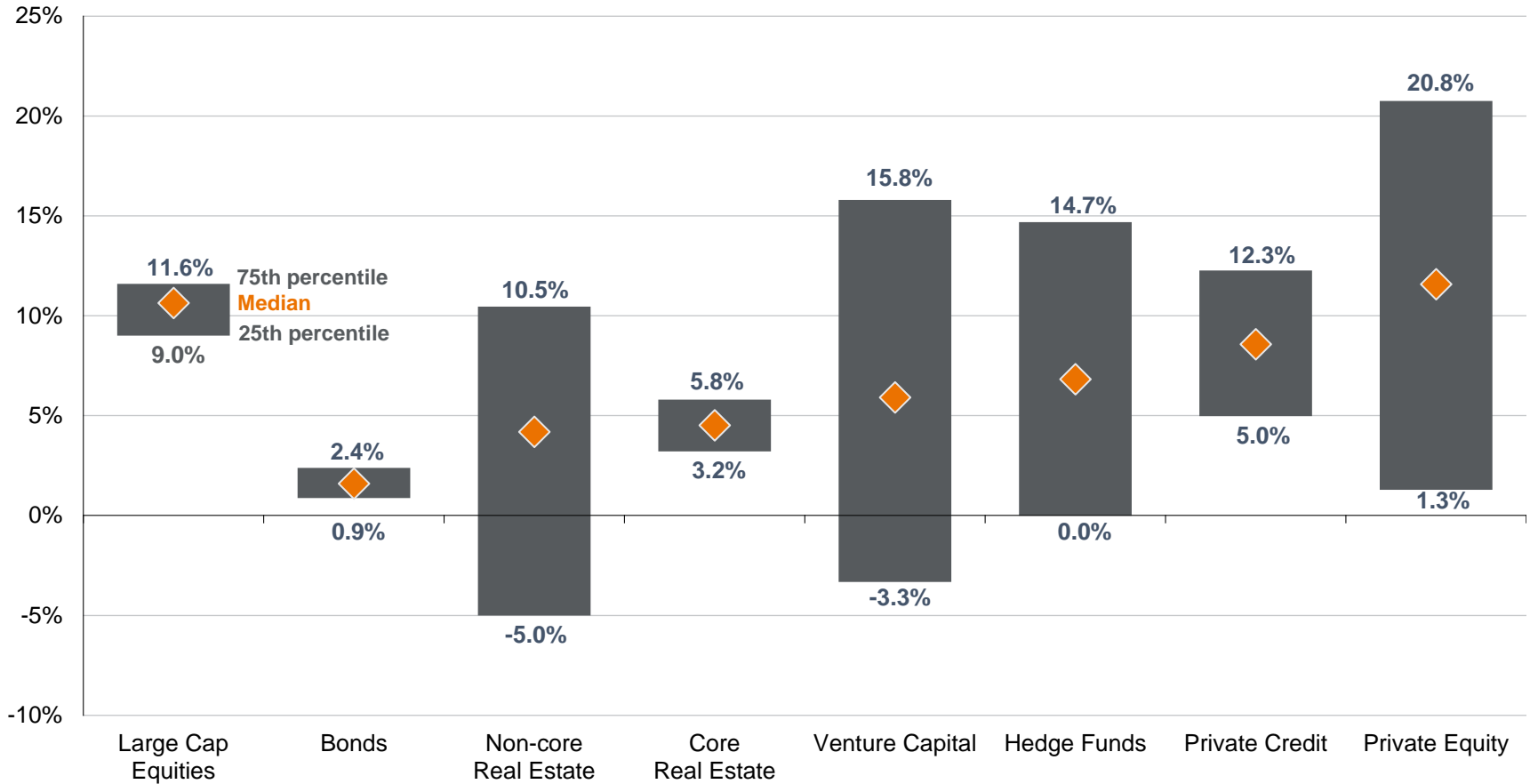


# Alternatives and manager selection

Alternatives in portfolios

## Public and private manager dispersion

Based on returns from 4Q15 to 4Q25\*



Source: Burgiss, Morningstar, MSCI, PivotalPath, J.P. Morgan Asset Management.

All categories are global. Large Cap Equities and Bonds are based on the Morningstar Global Large Stock Blend and Global Bond (not hedged) categories, respectively. Core Real Estate is based on the MSCI Global Property Fund Index. Private Credit, Non-core Real Estate, Private Equity and Venture Capital are based on indices from the MSCI Private Capital Universe. Hedge Funds are based on the PivotalPath index. Manager dispersion is based on annual returns over the 10-year period indicated for: Large Cap Equities, Bonds and Hedge Funds. \*Manager dispersion is based on annual returns over the 10-year period ending 3Q25 for Core Real Estate. Manager dispersion is based on the 10-year internal rate of return (IRR) ending 3Q25 for: Private Credit, Non-core Real Estate, Private Equity and Venture Capital. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

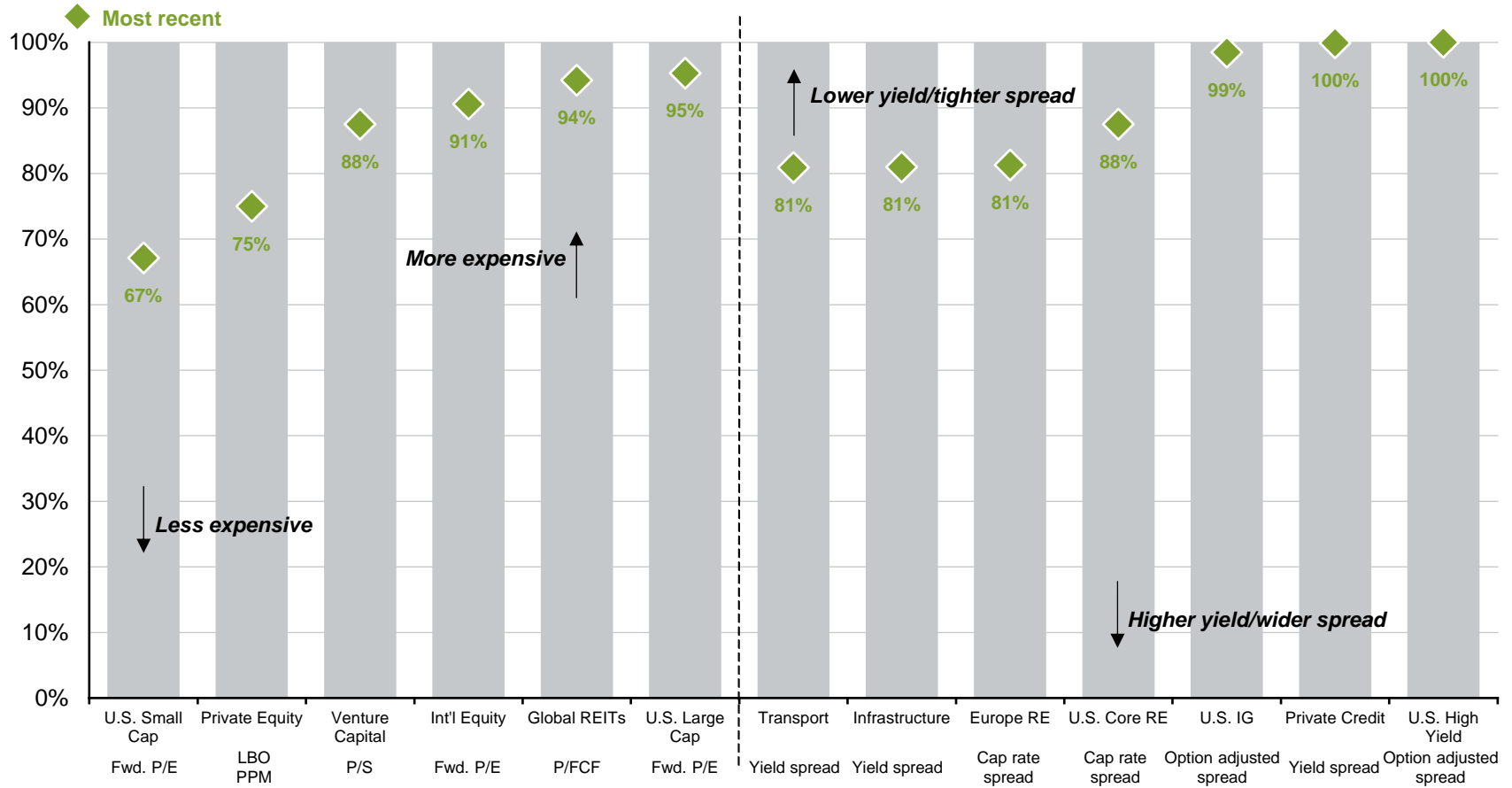


# Valuations monitor

Alternatives in portfolios

## Asset class valuations

Percentile rank relative to valuations since December 2009\*



Source: Bloomberg, Burgiss, Cliffwater, FactSet, Jay Ritter – Univ. of Florida, KBRA DLD, MSCI, NCREIF, PitchBook Data, Inc., RCA, J.P. Morgan Asset Management. All asset class valuation measures are quarterly and are inclusive of the latest available data, except VC, which is annual. Equity valuations are measured using forward P/E ratios. Fixed income valuations are measured using the option adjusted spread. Global REITs valuations are measured using price-to-free cash flow (P/FCF) multiples. Real estate valuations are measured using the spread between transaction-based cap rates and the yield on the appropriate 10-year government bond. Private equity valuations are determined using leveraged buyout purchase price multiples (LBO PPM). Private credit valuations are measured using the spread between the annualized quarterly income return from the Cliffwater Direct Lending Index from the start of the period to 12/31/2021, and the quarterly yield to maturity from the KBRA DLD Index thereafter, and 3-month SOFR (LIBOR pre-2019). VC valuations measured using the median VC-backed IPO price-to-sales (P/S) ratio. Infrastructure and transport valuations are measured using the spreads between quarterly 12-month trailing cash flow yields and the yield to worst on the Bloomberg U.S. IG Corporate Index. \*Global REITs average valuation is since 3/31/2010. Past performance is not a reliable indicator of current and future results. Guide to Alternatives. Data are based on availability as of January 31, 2026.



# Public and private market correlations

Alternatives in portfolios

## Public and private market correlations

Quarterly returns

2Q08 - 3Q25		Global Bonds	Global Equities	U.S. Core RE	Europe Core RE*	APAC Core RE	Global Core Infra	Transport	Timber	Private Credit	Venture Capital	Private Equity	Equity Long/Short	Relative Value	Macro
Financial assets	Global Bonds	1.0													
	Global Equities	0.4	1.0												
Global real estate	U.S. Core RE	-0.2	0.0	1.0											
	Europe Core RE*	-0.2	0.0	0.7	1.0										
	APAC Core RE	-0.2	0.0	0.8	0.7	1.0									
Real assets	Global Core Infra	-0.1	0.0	0.4	0.3	0.5	1.0								
	Transport	-0.2	-0.1	0.4	0.2	0.3	-0.1	1.0							
	Timber	-0.1	-0.1	0.1	-0.1	0.0	0.2	0.1	1.0						
Private markets	Private Credit	0.0	0.7	0.2	0.2	0.2	0.3	0.0	-0.1	1.0					
	Venture Capital	0.1	0.5	0.3	0.5	0.3	0.2	0.0	-0.1	0.5	1.0				
	Private Equity	0.3	0.8	0.3	0.4	0.3	0.2	0.0	-0.1	0.8	0.8	1.0			
Hedge funds	Equity Long/Short	0.3	0.9	-0.2	0.0	-0.1	0.0	-0.2	-0.1	0.7	0.6	0.8	1.0		
	Relative Value	0.2	0.8	-0.1	0.0	-0.1	-0.1	-0.2	-0.2	0.7	0.5	0.7	0.8	1.0	
	Macro	0.0	0.3	-0.1	0.1	0.0	0.0	-0.2	0.0	0.3	0.2	0.2	0.4	0.6	1.0

Low correlation High correlation

Source: Bloomberg, Burgiss, Cliffwater, MSCI, NCREIF, PivotalPath, J.P. Morgan Asset Management.

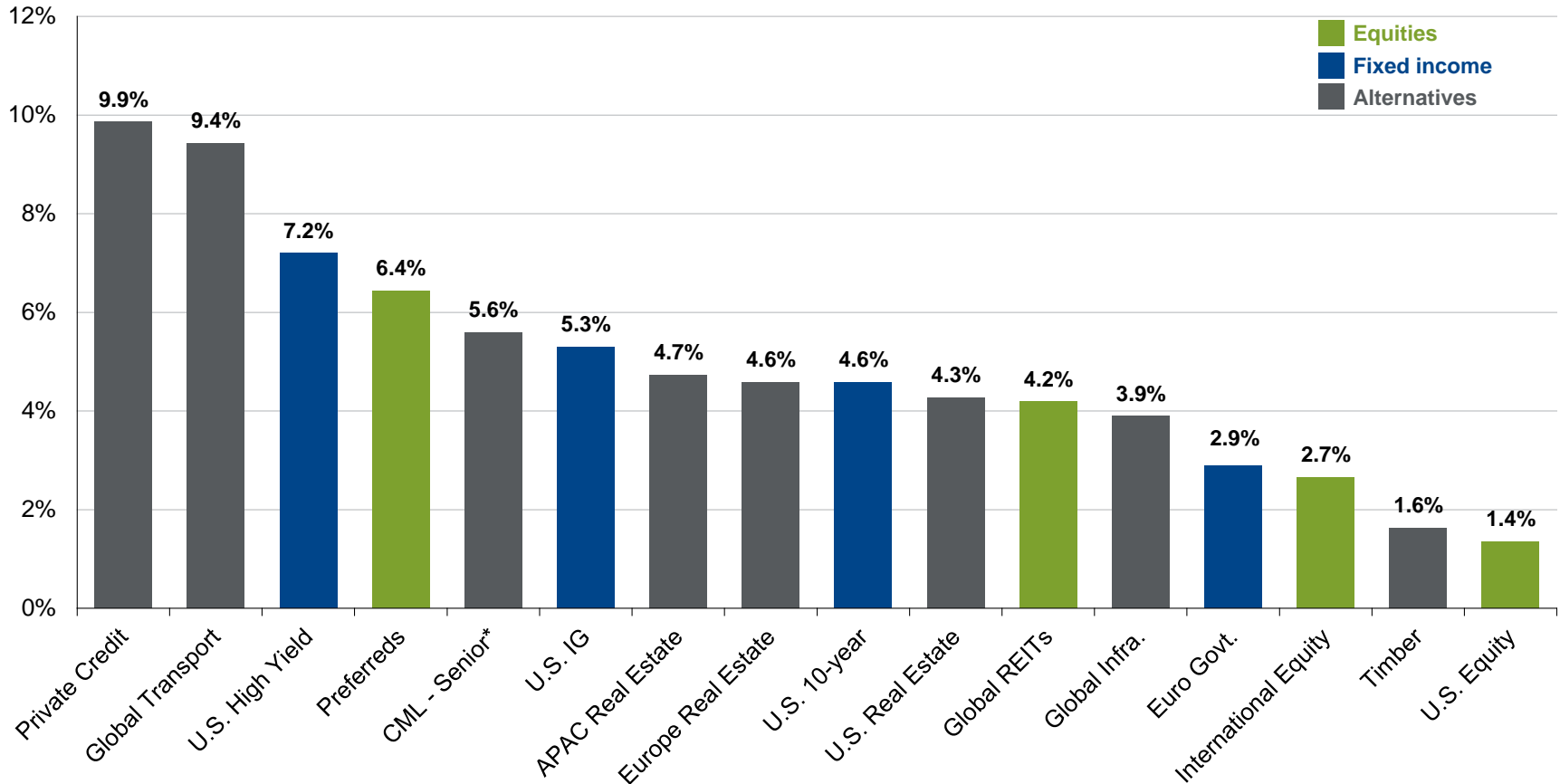
\*Europe Core RE includes continental Europe. RE: real estate. Global equities: MSCI AC World Index. Global Bonds: Bloomberg Global Aggregate Index. U.S. Core Real Estate: NCREIF Property Index – Open End Diversified Core Equity component. Europe Core Real Estate: MSCI Global Property Fund Index – Continental Europe. Asia Pacific (APAC) Core Real Estate: MSCI Global Property Fund Index – Asia-Pacific. Global infrastructure (Infra.): MSCI Global Private Infrastructure Asset Index. Transport returns are derived from a J.P. Morgan Asset Management index. Timber: NCREIF Timberland Property Index (U.S.). Private Credit: Cliffwater Direct Lending Index. Private Equity and Venture Capital are time-weighted returns from Burgiss. Hedge fund indices are from PivotalPath. All correlation coefficients are calculated based on quarterly total return data for the period indicated. Returns are denominated in USD. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



# Yield alternatives

Alternatives in portfolios

## Asset class yields



Source: BAML, Bloomberg, FactSet, Federal Reserve, FTSE, KBRA DLD, MSCI, NCREIF, Wells Fargo, J.P. Morgan Asset Management.  
 \*CML is commercial mortgage loans tracked by the Gilberto-Levy Commercial Mortgage Index. Equities and fixed income yields are as of 1/31/2026. Alternative yields are as of 9/30/2025, except CML – Senior, which is as of 12/31/2025. CML – Senior: Market-capitalization weighted average for all mortgages in the Gilberto-Levy Commercial Mortgage Index. Global Transport: Levered yields for transport assets calculated as the difference between charter rates (rental income), operating expenses, debt amortization and interest expenses, as a percentage of equity value, and are based on a historical 15-year average. Yields for each of the sub-vessel types are calculated and respective weightings are applied to arrive at the current levered yields for Global Transportation; Preferreds: BAML Hybrid Preferred Securities; Private Credit: KBRA DLD Index; U.S. High Yield: Bloomberg U.S. Aggregate Corporate High Yield; Global Infrastructure: MSCI Global Private Infrastructure Asset Index; Global REITs: FTSE NAREIT Global REITs; International Equity: MSCI AC World ex-U.S.; U.S. 10-year: 10-year U.S. Treasury yield; U.S. Equity: S&P 500 trailing 12 months' dividend yield; Europe Real Estate: Market weighted-avg. of MSCI Global Property Fund Indices – U.K. & Cont. Europe; U.S. and Asia Pacific (APAC) core real estate: MSCI Global Property Fund Index . Euro Govt.: Bloomberg Euro Aggregate Government – Treasury (7-10Y); Timber: NCREIF Timberland Index (U.S.) – EBITDA Return. Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

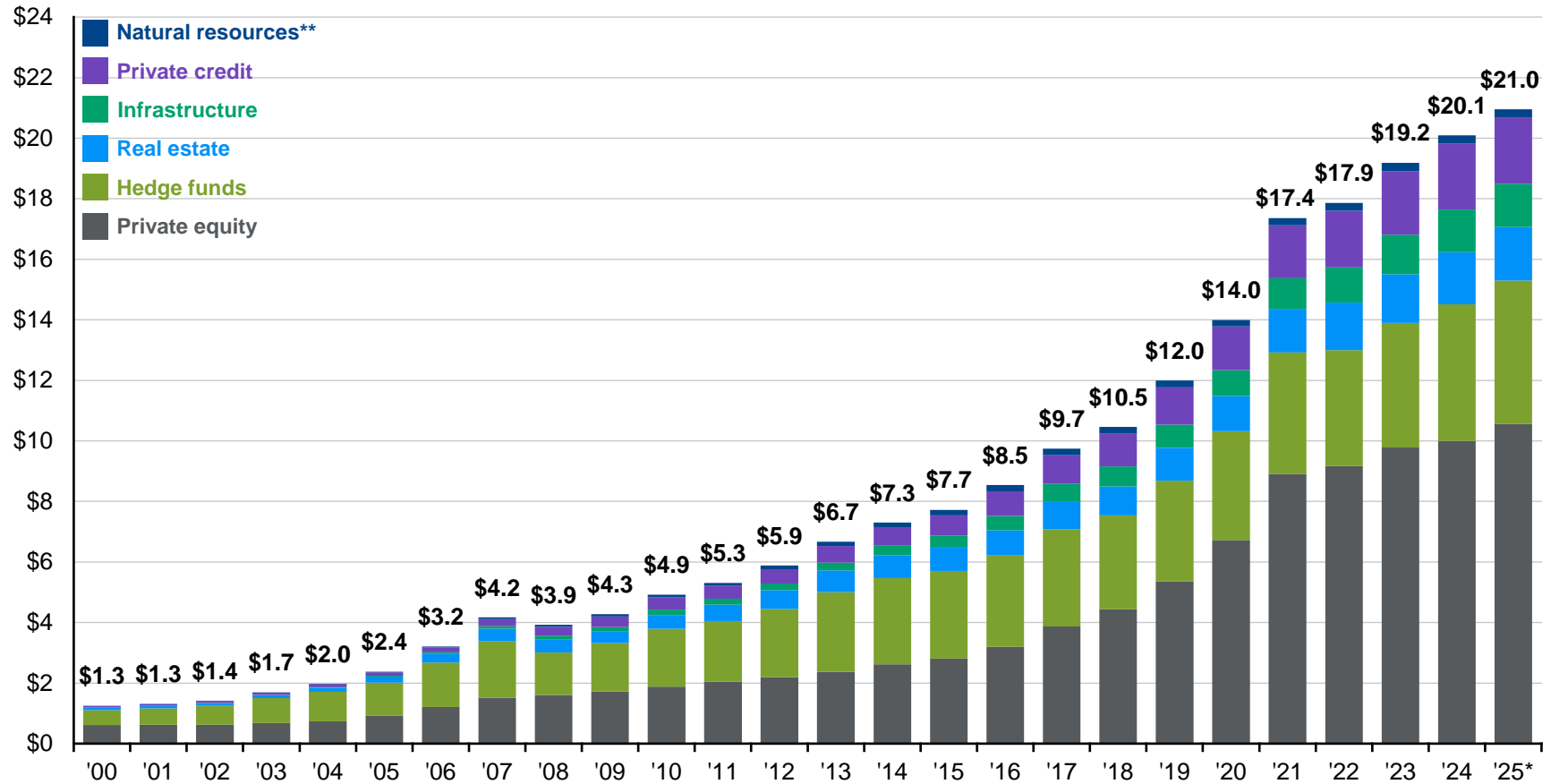


# Assets under management

Alternatives in portfolios

## Global alternative assets under management

USD trillions, end of period



Source: HFR, Preqin, J.P. Morgan Asset Management.

\*2025 data are as of 2Q25. \*\*Natural resources includes energy, timberland, agriculture and farmland, metals and mining, water and diversified business. Assets under management is defined as managed assets in private closed-end funds, which includes the latest available valuation of investments (including unrealized value), as well as committed capital available for investment by fund managers. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

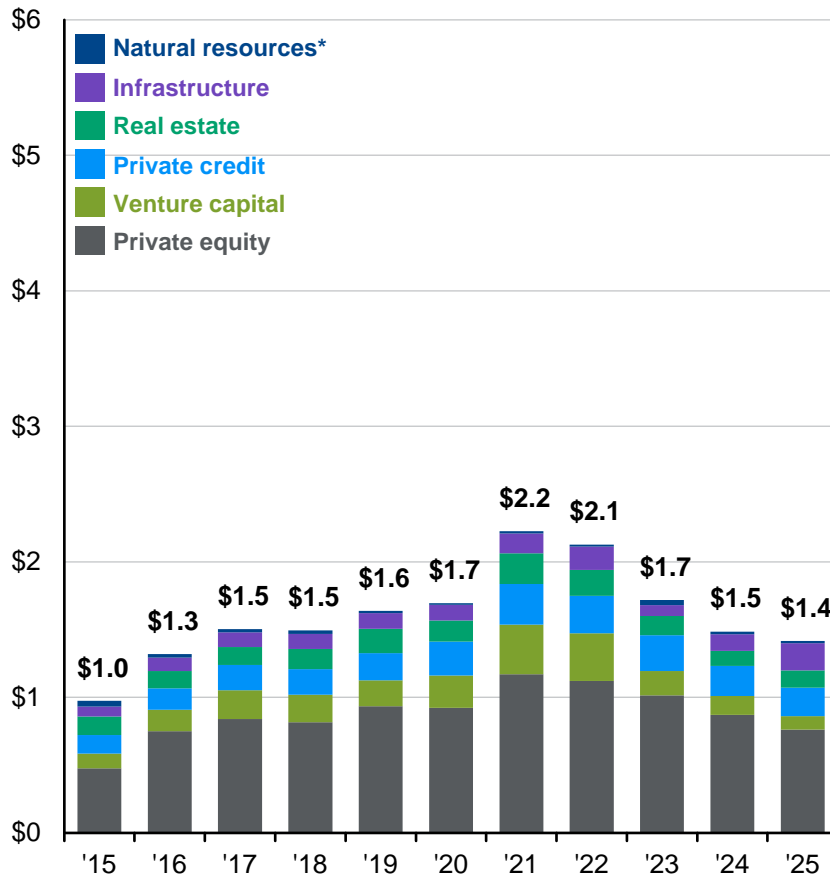


# Alternatives fundraising and dry powder

Alternatives in portfolios

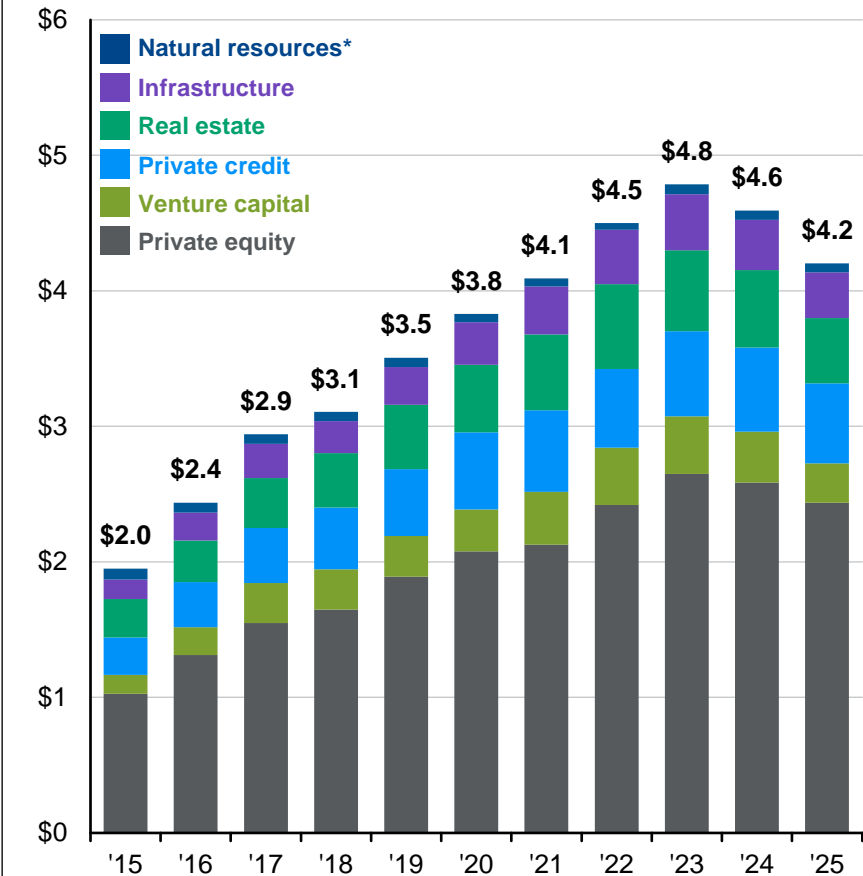
## Global private capital fundraising

USD trillions, end of period



## Global private capital dry powder

Committed but uninvested capital, USD trillions, end of period



Source: Preqin, J.P. Morgan Asset Management.

\*Natural resources includes energy, timberland, agriculture and farmland, metals and mining, water and diversified business. (Left) Fundraising categories are provided by Preqin and represent its estimate of annual capital raised in closed-end funds. Data may not sum to total due to rounding. (Right) Dry powder refers to committed but uninvested limited partner (LP) capital. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



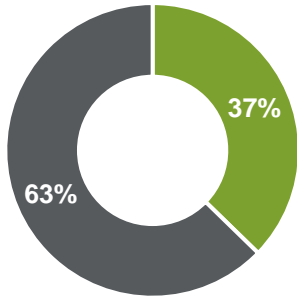
# Institutional investor positioning

Alternatives in portfolios

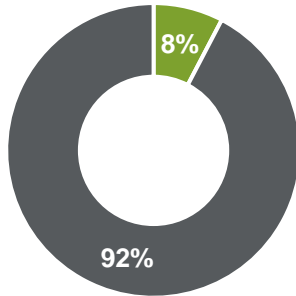
## Institutional investor asset allocation

Alternatives asset allocation by investor type

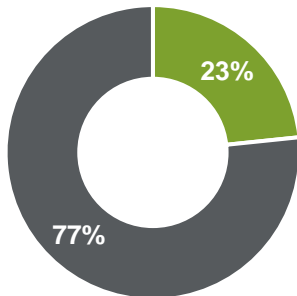
### Endowments & Foundations



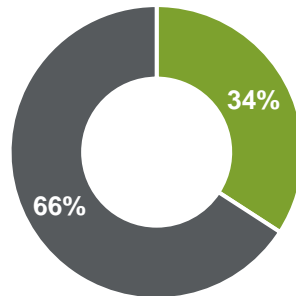
### Insurance companies



### Private pensions



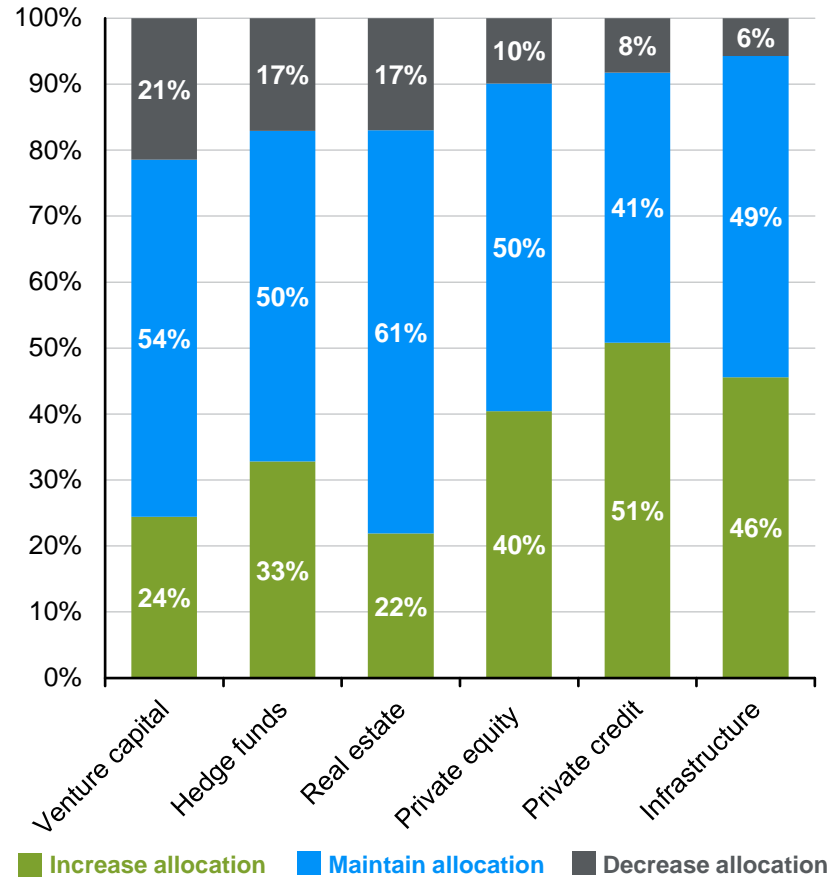
### Public pensions



■ Alternative allocations ■ Non-alternative allocations

## Long-term alternatives allocation plans

Share of institutional investors, June 2025



■ Increase allocation ■ Maintain allocation ■ Decrease allocation

Source: Preqin, J.P. Morgan Asset Management.

(Left) Institutional investor allocations data are sourced from Preqin's 2025 Institutional Allocation Study. Investor allocations shown are the weighted average allocation, which is calculated using data across various investor types representing \$6.8tn in AUM. (Right) Preqin 2H 2025 Investor Outlook.

Guide to Alternatives. Data are based on availability as of January 31, 2026.



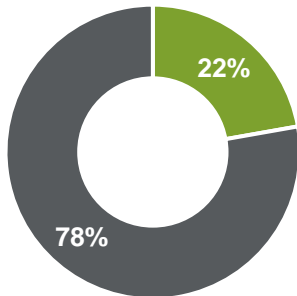
# Private wealth investor positioning

Alternatives in portfolios

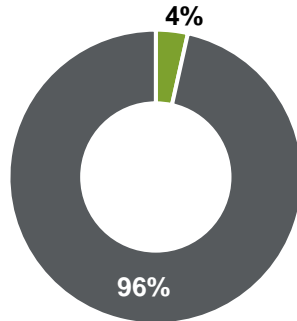
## Private wealth investor asset allocation

Alternatives asset allocation by investor type

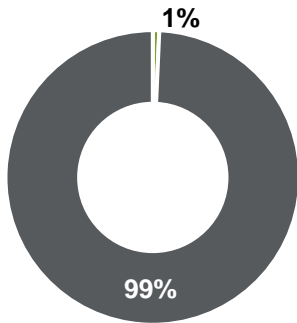
**Very High Net Worth and Family Offices (\$30mn+)**



**High Net Worth (\$5mn – \$30mn)**



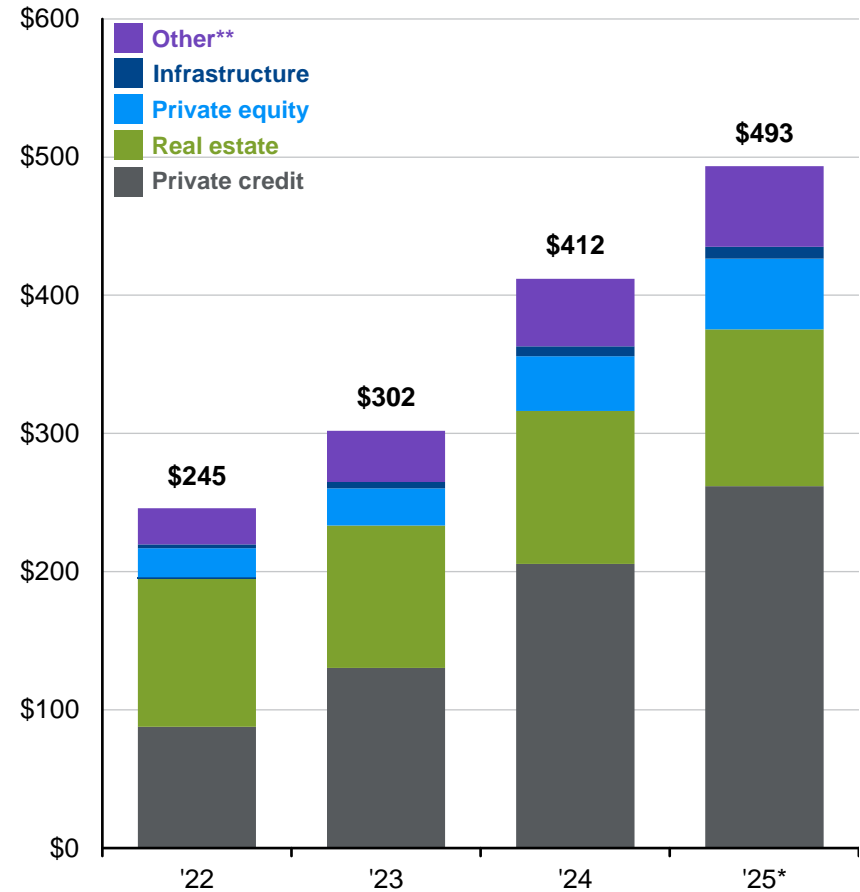
**Mass affluent (\$1mn – \$5mn)**



■ Alternative allocations    ■ Non-alternative allocations

## U.S. evergreen funds AUM by asset class

USD billions, end of period



Source: Bain and Company, Morningstar, PitchBook Data, Inc., J.P. Morgan Asset Management. (Left) Investor data sourced from Bain and Company's "Global Private Equity Report 2025." (Right) \*2025 data are as of disclosure documents ranging from 6/30/2025 to 9/30/2025. \*\*Other includes private multi-asset, venture capital and nonprivate market evergreen funds. Evergreen funds AUM includes interval funds, tender offer funds, unlisted REITs and unlisted BDCs as tracked by PitchBook and Morningstar. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



# Alternative asset class returns vs. selected portfolios

Alternatives in portfolios

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	3Q25	2015 – 2024	
												Ann.	Vol.*
Infra.	15.5%	Infra.	Private Equity	Venture Capital	60/40 Portfolio	Venture Capital	Venture Capital	Transport	60/40 Portfolio	60/40 Portfolio	Venture Capital	Venture Capital	Venture Capital
	15.5%	14.2%	23.0%	21.2%	22.4%	58.5%	49.9%	12.1%	18.0%	15.5%	14.4%	14.2%	13.1%
U.S. Core RE	Private Equity	Venture Capital	Infra.	Venture Capital	Private Equity	Private Equity	Infra.	50/30/20 Portfolio	50/30/20 Portfolio	60/40 Portfolio	Private Equity	60/40 Portfolio	
	15.0%	12.2%	14.8%	11.6%	20.5%	24.0%	37.3%	9.5%	15.3%	11.4%	14.0%	10.3%	
Venture Capital	Private Credit	60/40 Portfolio	Europe Core RE	50/30/20 Portfolio	60/40 Portfolio	U.S. Core RE	U.S. Core RE	Private Credit	Private Credit	50/30/20 Portfolio	Infra.	50/30/20 Portfolio	
	15.0%	11.2%	14.5%	9.9%	20.3%	14.0%	22.2%	7.5%	12.1%	11.3%	10.3%	8.8%	
Europe Core RE	APAC Core RE	50/30/20 Portfolio	APAC Core RE	Private Equity	50/30/20 Portfolio	50/30/20 Portfolio	APAC Core RE	Private Equity	Hedge Funds	Transport	Private Credit	Private Equity	
	12.8%	10.4%	14.3%	9.3%	16.8%	13.9%	6.8%	9.7%	10.6%	10.6%	9.0%	8.5%	
APAC Core RE	U.S. Core RE	Infra.	Private Equity	Infra.	Hedge Funds	60/40 Portfolio	Private Credit	Transport	Infra.	Hedge Funds	50/30/20 Portfolio	Hedge Funds	
	11.8%	8.8%	12.2%	8.9%	11.5%	11.4%	6.3%	8.9%	10.5%	8.7%	8.6%	5.9%	
Transport	50/30/20 Portfolio	APAC Core RE	U.S. Core RE	Europe Core RE	Transport	Europe Core RE	Hedge Funds	Infra.	Transport	Private Equity	60/40 Portfolio	U.S. Core RE	
	8.8%	8.5%	11.5%	9.3%	6.8%	14.2%	-1.1%	7.8%	7.5%	8.1%	8.1%	5.6%	
Private Equity	60/40 Portfolio	Transport	Private Credit	Private Credit	Private Credit	Private Credit	Private Equity	Hedge Funds	Private Equity	Private Credit	Transport	Transport	
	8.8%	8.2%	10.6%	8.1%	9.0%	5.5%	-1.4%	7.6%	5.6%	7.0%	7.9%	4.7%	
Private Credit	Europe Core RE	Europe Core RE	Transport	Hedge Funds	Europe Core RE	APAC Core RE	Europe Core RE	Venture Capital	Venture Capital	Infra.	Europe Core RE	Europe Core RE	
	5.5%	8.1%	9.8%	5.2%	9.0%	11.8%	-2.3%	-2.1%	5.4%	6.9%	6.5%	4.1%	
50/30/20 Portfolio	Transport	Private Credit	50/30/20 Portfolio	APAC Core RE	U.S. Core RE	Infra.	50/30/20 Portfolio	APAC Core RE	Europe Core RE	APAC Core RE	APAC Core RE	APAC Core RE	
	3.0%	7.8%	8.6%	-0.4%	6.6%	10.4%	-12.6%	-2.3%	4.6%	4.4%	6.4%	3.2%	
Hedge Funds	Hedge Funds	Hedge Funds	Hedge Funds	U.S. Core RE	APAC Core RE	Transport	60/40 Portfolio	Europe Core RE	APAC Core RE	Europe Core RE	U.S. Core RE	APAC Core RE	
	2.5%	5.0%	8.0%	-1.6%	5.3%	10.3%	-16.1%	-5.0%	-0.9%	4.3%	5.9%	3.0%	
60/40 Portfolio	Venture Capital	U.S. Core RE	60/40 Portfolio	Transport	Infra.	Hedge Funds	Venture Capital	U.S. Core RE	U.S. Core RE	U.S. Core RE	Hedge Funds	Private Credit	
	1.1%	0.6%	7.6%	-2.6%	1.5%	7.8%	-20.6%	-12.0%	-1.4%	2.8%	5.8%	2.9%	

Source: Bloomberg, Burgiss, Cliffwater, FactSet, MSCI, NCREIF, PivotalPath, J.P. Morgan Asset Management.  
 Private Equity: MSCI Global Buyout Closed-End Fund Index. Venture Capital: MSCI Global Venture Capital Closed-End Fund Index. Hedge funds: PivotalPath Composite Index. Transport returns are derived from a J.P. Morgan Asset Management index and are shown on an unlevered basis, which can be enhanced by adding leverage. U.S. Core RE: NCREIF Property Index – Open End Diversified Core Equity component. Europe Core Real Estate: MSCI Global Property Fund Index – Continental Europe. Asia Pacific (APAC) Core Real Estate: MSCI Global Property Fund Index – Asia-Pacific. Private Credit: Cliffwater Direct Lending Index. Global Infrastructure (Infra.): MSCI Global Private Infrastructure Asset Index. A 50/30/20 portfolio is comprised of 50% U.S. equities weight, 30% fixed income weight and 20% alternatives asset allocation weight. Portfolios are rebalanced at the start of the year. A 60/40 portfolio is comprised of 60% equities and 40% fixed income. Equities in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the S&P 500 Total Return Index. Fixed income in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the Bloomberg U.S. Aggregate Total Return Index. Alternatives in the 50/30/20 portfolio are represented by an equal-weight asset allocation mix of the returns from the other nine alternatives asset classes on the chart. Annualized return (Ann.) and volatility (Vol.) represents the 40-quarter period ending 12/31/2024. \*Volatility calculated as the annualized standard deviation of quarterly returns. Past performance is not a reliable indicator of current and future results. *Guideto Alternatives*. Data are based on availability as of January 31, 2025.

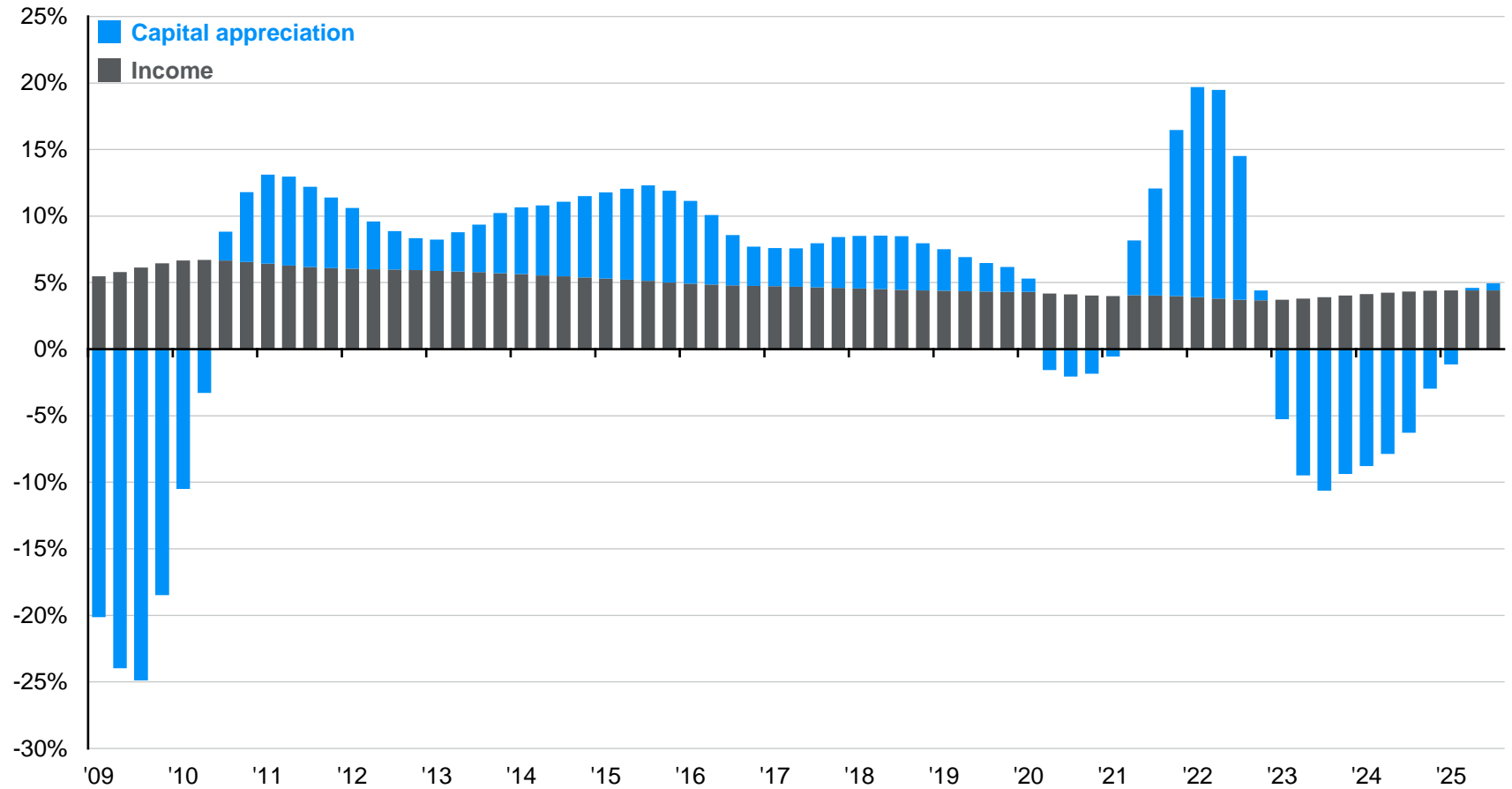


# Sources of global private real estate returns

Real estate

## Global private real estate returns

Rolling 4-quarter returns from income and capital appreciation



Source: MSCI, J.P. Morgan Asset Management.  
 Real estate returns represented by the MSCI Global Property Fund Index. Data show rolling 4-quarter returns from income and capital appreciation. The chart shows the full index history, beginning in 1Q09. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

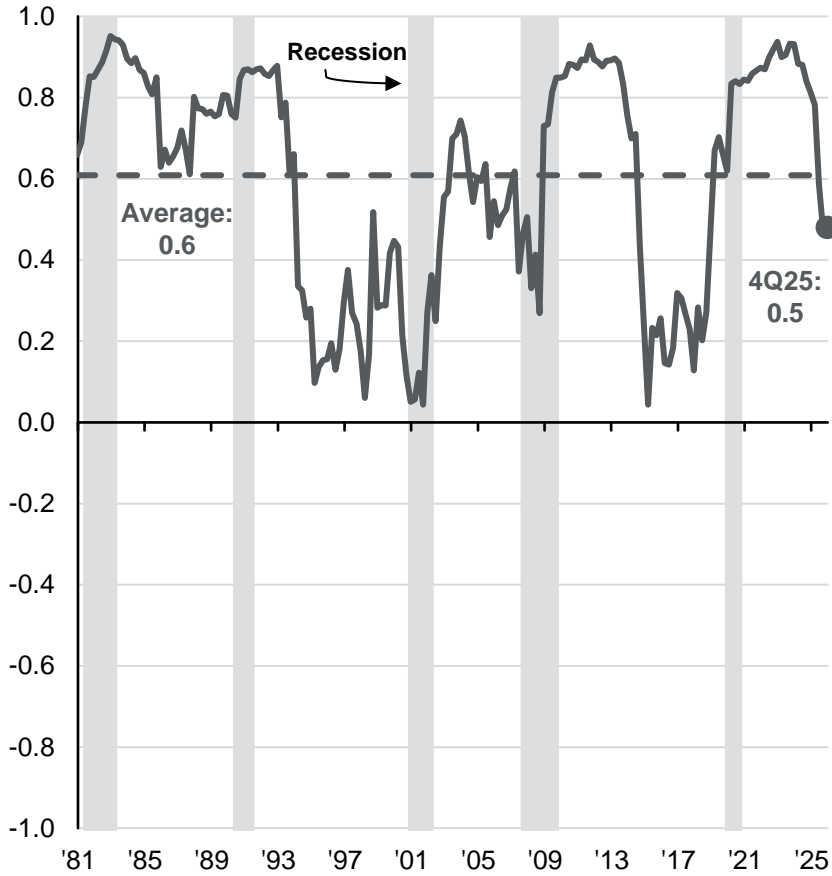


# Real estate correlation to equities

Real estate

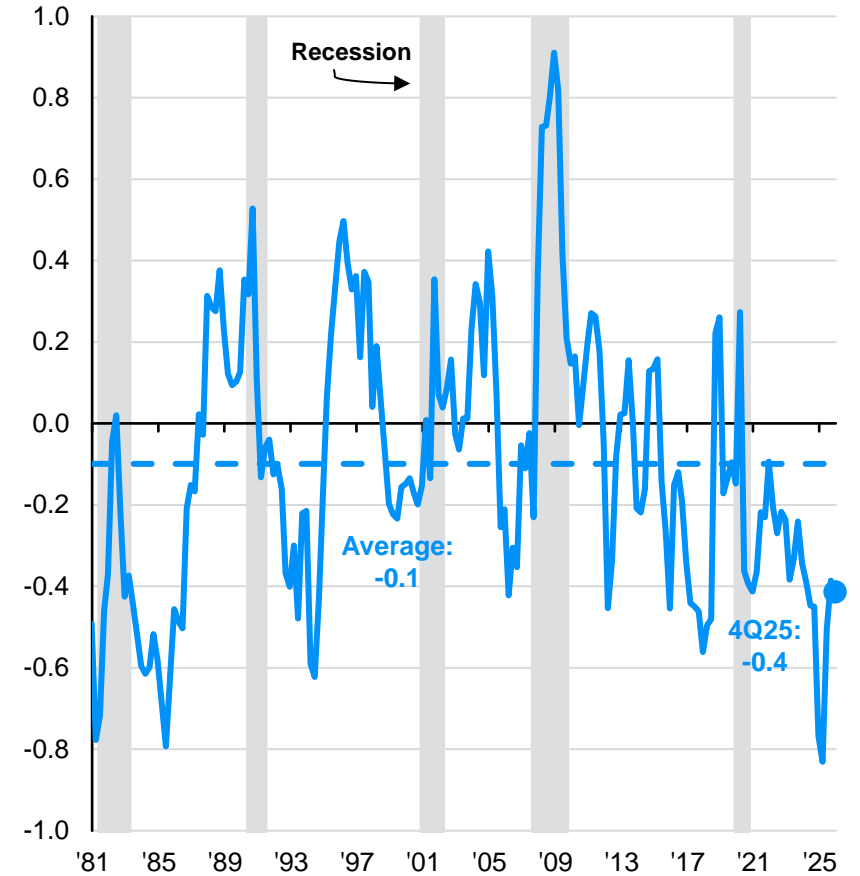
## U.S. REITs correlation to S&P 500

12-quarter rolling, total return, quarterly



## Direct real estate correlation to S&P 500

12-quarter rolling, total return, quarterly



Source: FactSet, NAREIT, NCREIF, Standard & Poor's, J.P. Morgan Asset Management. The S&P 500 is represented by the S&P 500 total return index. Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



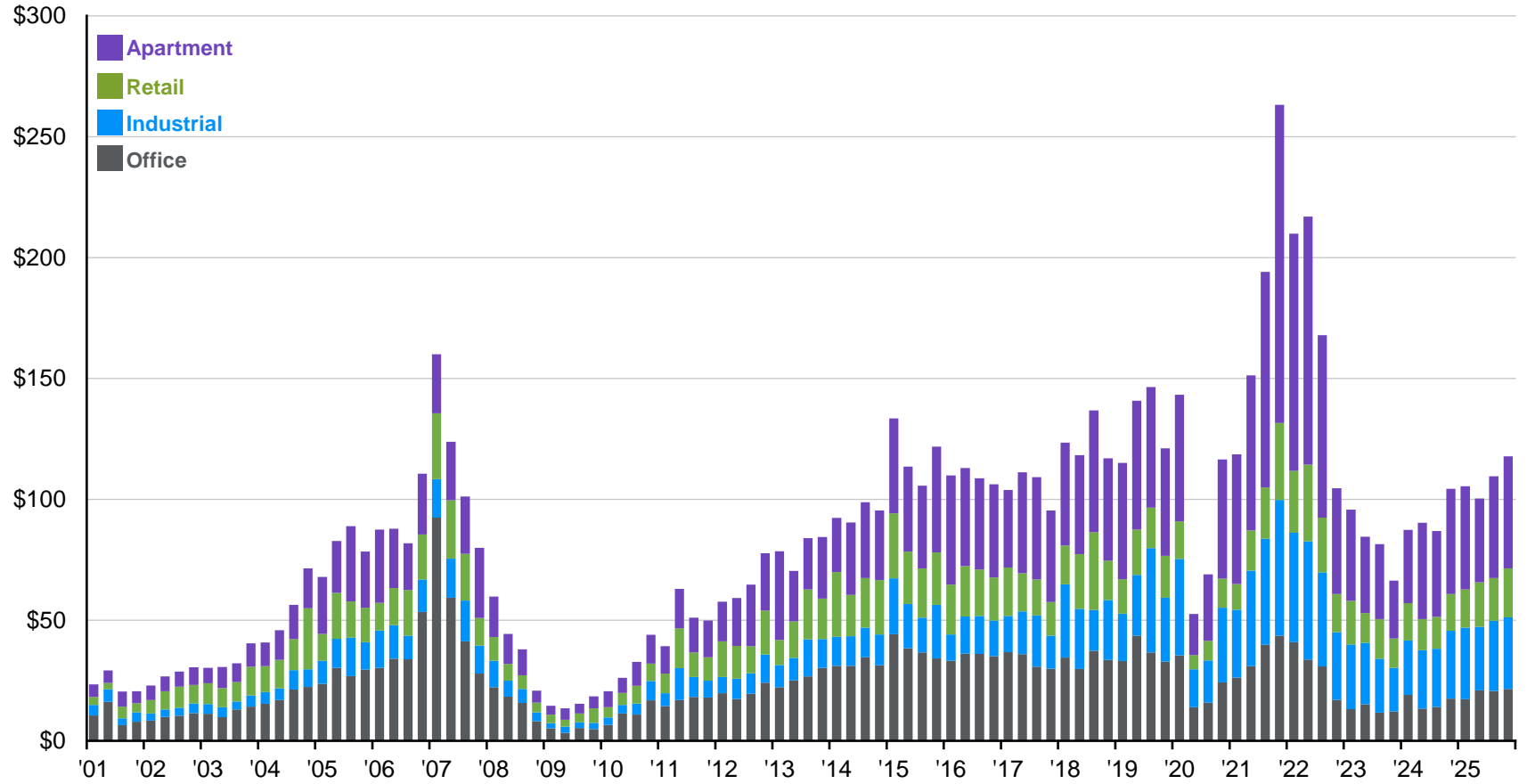
# U.S. real estate: Transaction volumes

GTA MI 20

Real estate

## U.S. real estate transaction volumes

USD billions, seasonally adjusted, quarterly



Source: RCA, J.P. Morgan Asset Management. Guide to Alternatives. Data are based on availability as of January 31, 2026.

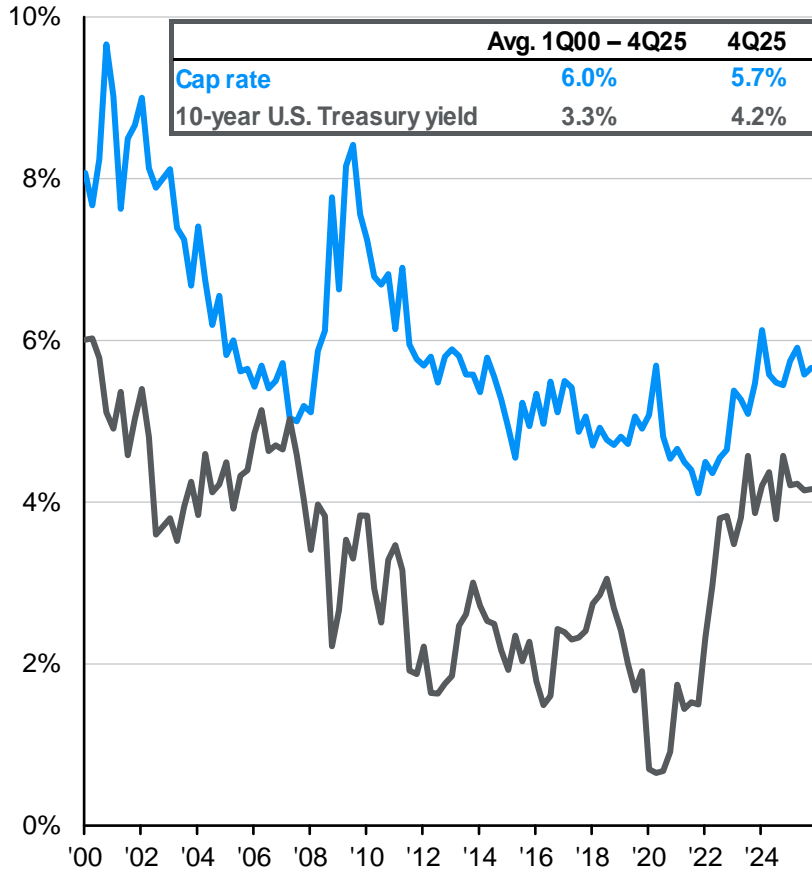


# U.S. real estate: Cap rates and property prices

Real estate

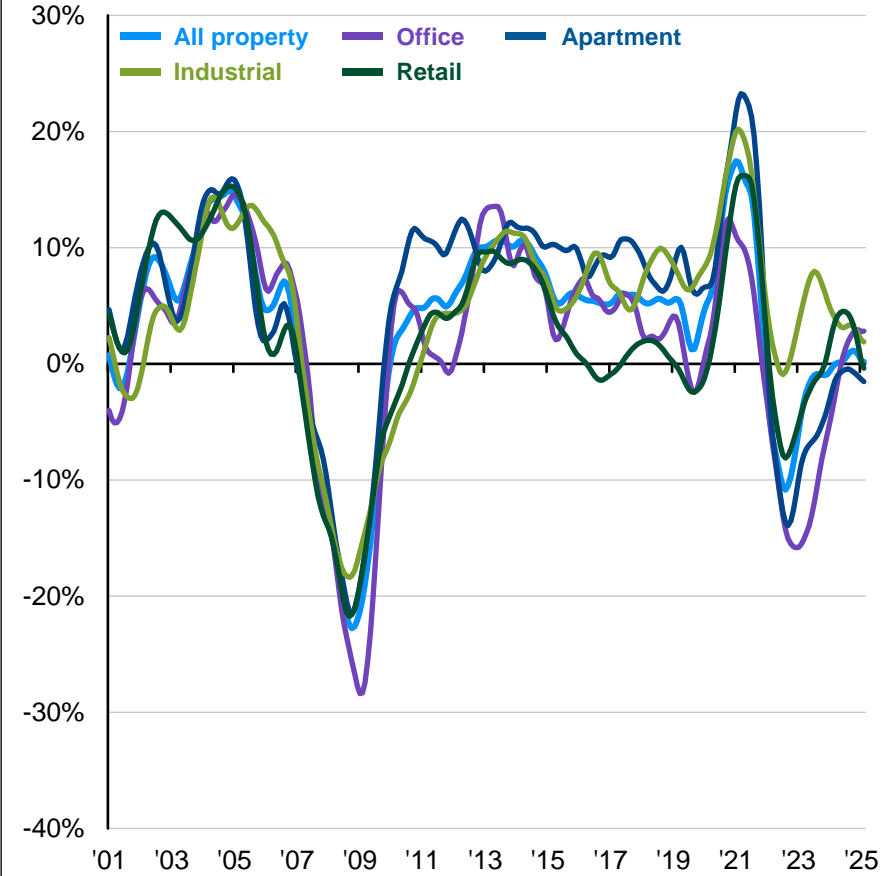
## U.S. real estate cap rates and interest rates

Transaction based, 10-year U.S. Treasury yield



## U.S. commercial real estate property prices

Year-over-year % change



Source: Apollo Global Management, Bloomberg, LSEG Datastream, MSCI, NCREIF, RCA, J.P. Morgan Asset Management.

(Left) The cap rate is calculated as the net operating income over sales price. It is transaction based and value weighted. (Right) The RCA Commercial Property Price Indices are transaction-based indices that measure property prices at a national level. Property price data are as of 1/31/2026. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

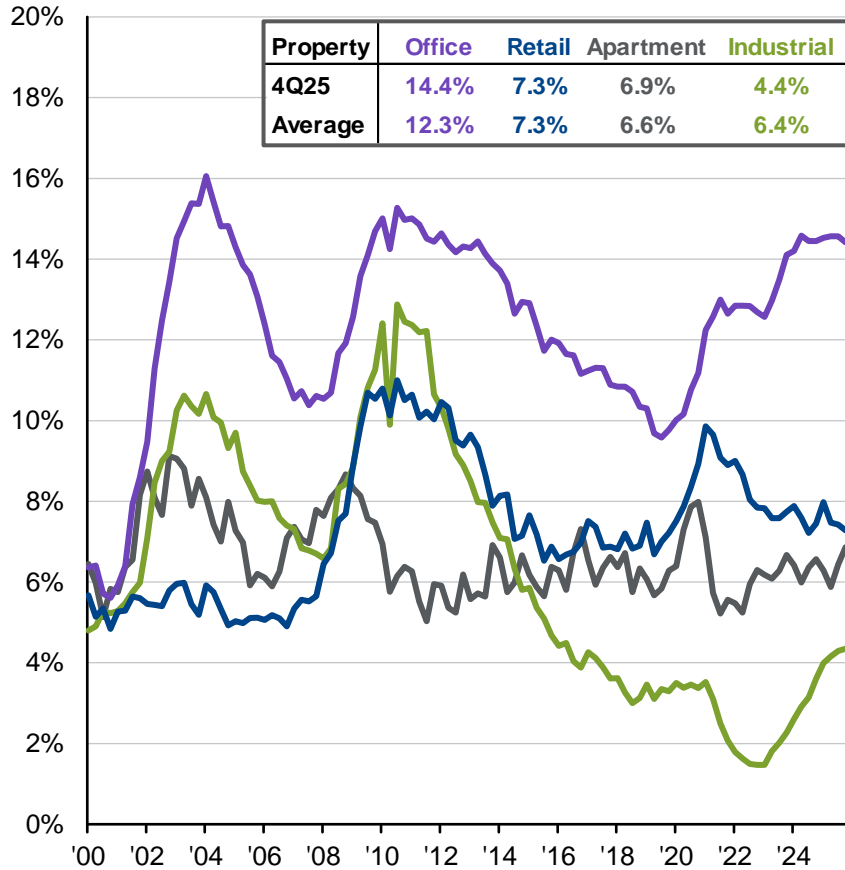


# U.S. real estate: Vacancy rates and NOI growth

Real estate

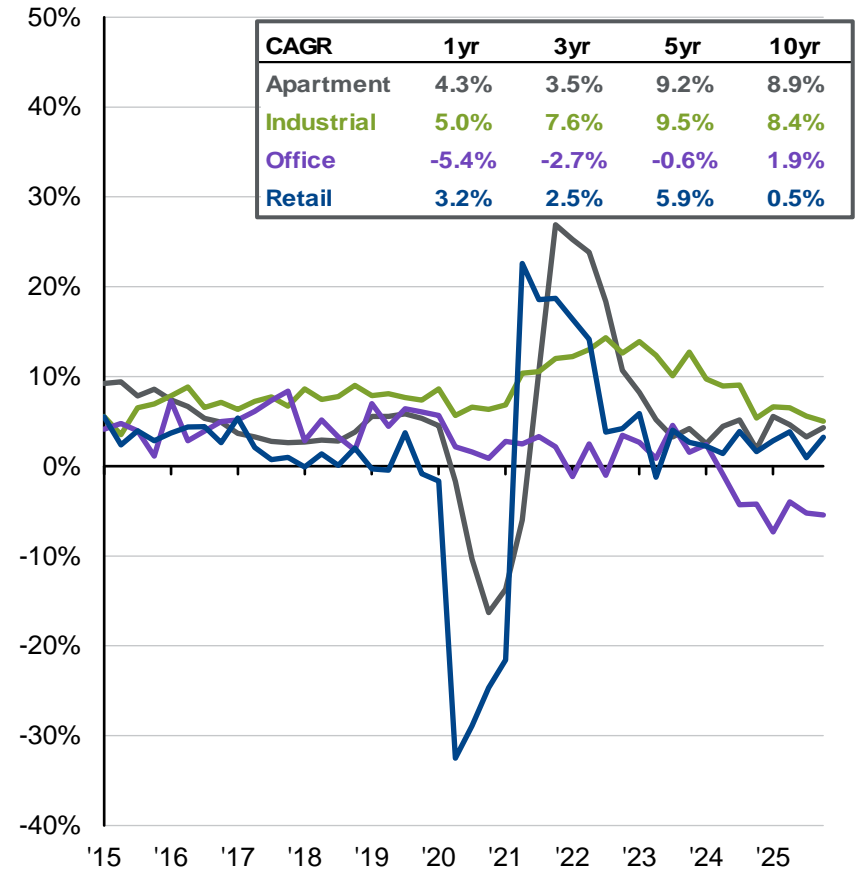
## U.S. vacancy rates by property type

Quarterly



## Net operating income growth by property type

Year-over-year %, quarterly



Source: NCREIF, J.P. Morgan Asset Management.

(Right) Annualized returns are calculated to 4Q25. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

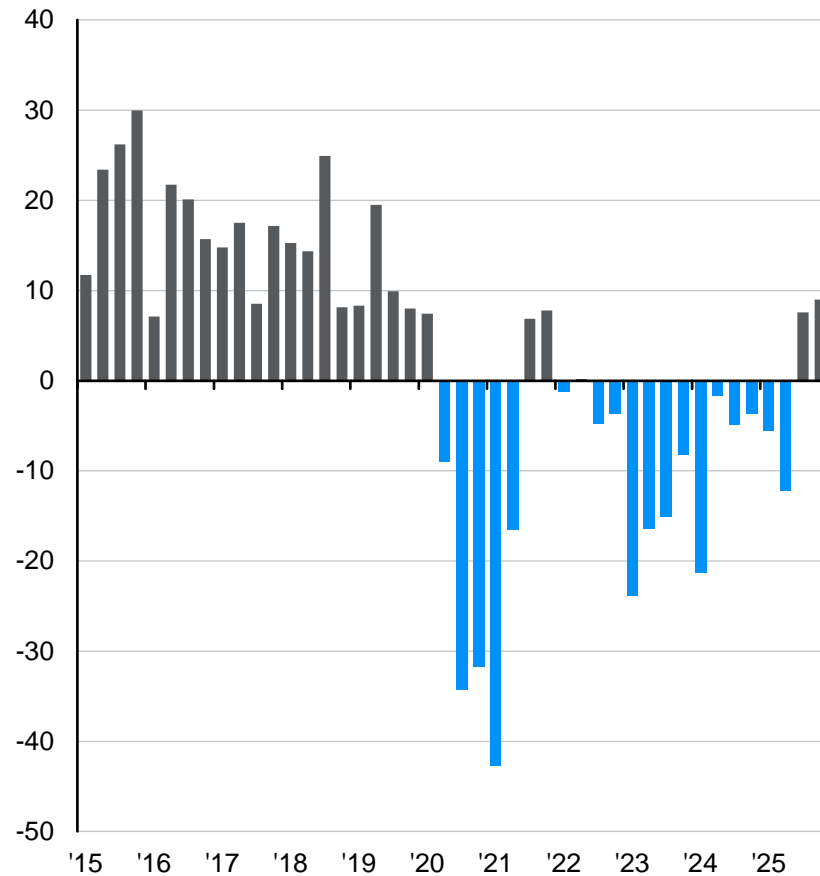


# U.S. real estate: Office leasing activity

Real estate

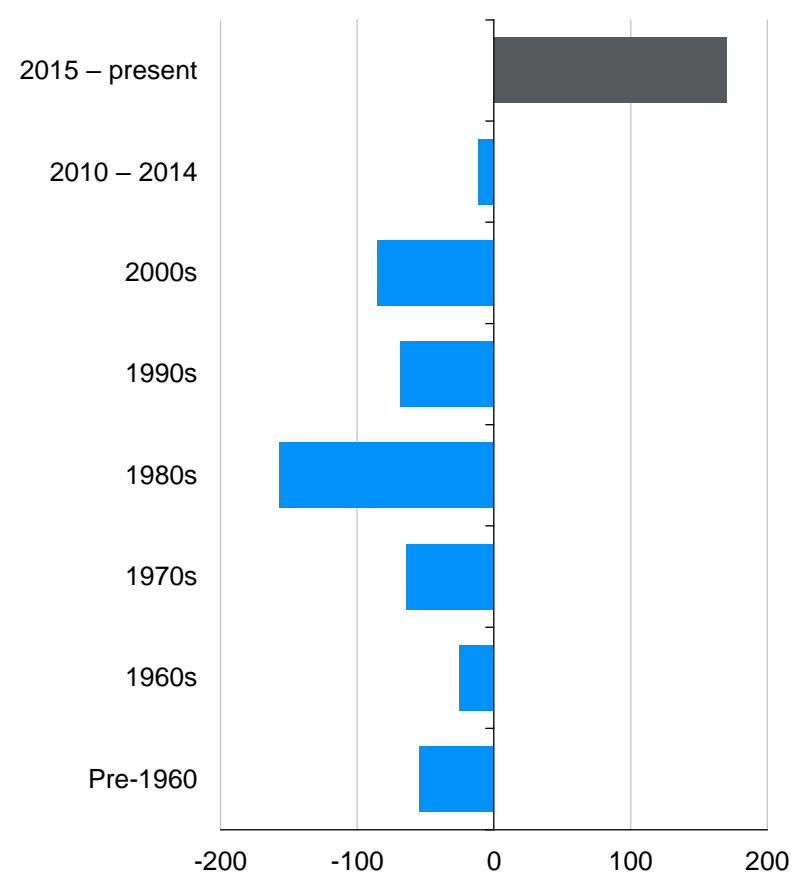
## U.S. office net absorption

Million square feet, quarterly



## Net absorption by building vintage

Year built, million square feet



Source: CoStar, JLL, J.P. Morgan Asset Management.  
 (Right) Data is sourced from the "U.S. Office Market Dynamics, Q4 2025" report.  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.



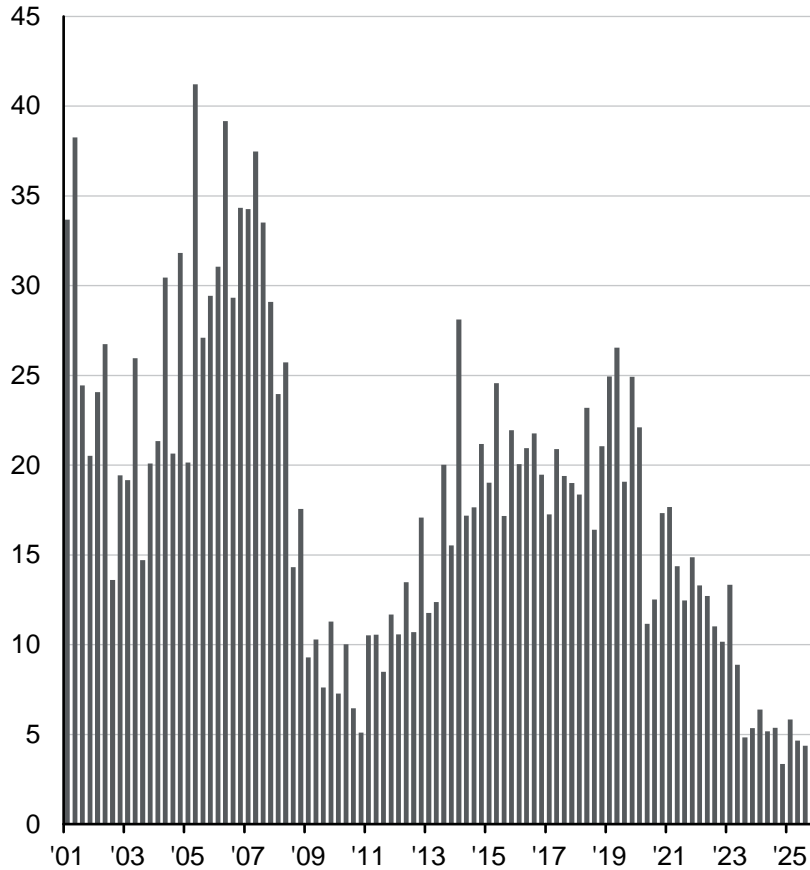
# U.S. real estate: Office supply

GTA MI 24

Real estate

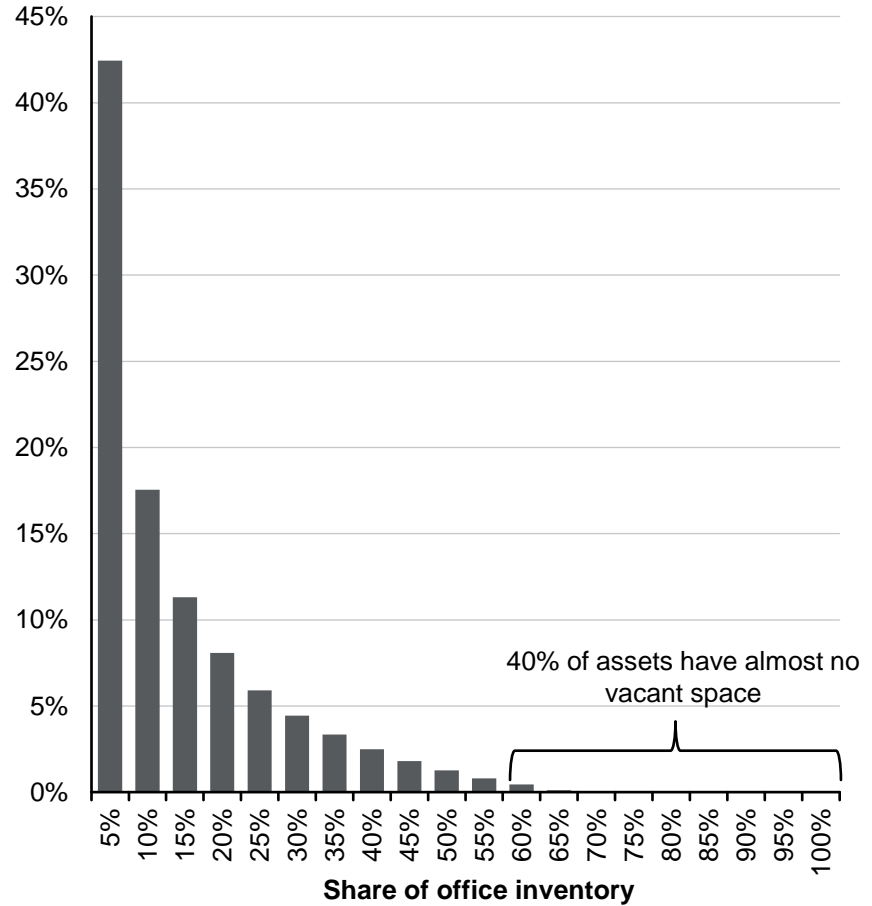
## U.S. office construction starts

Million square feet, quarterly



## Office vacancy concentration

Share of vacant space



Source: CoStar, JLL, J.P. Morgan Asset Management.  
 (Right) Data is sourced from the "U.S. Office Market Dynamics, Q4 2025" report.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

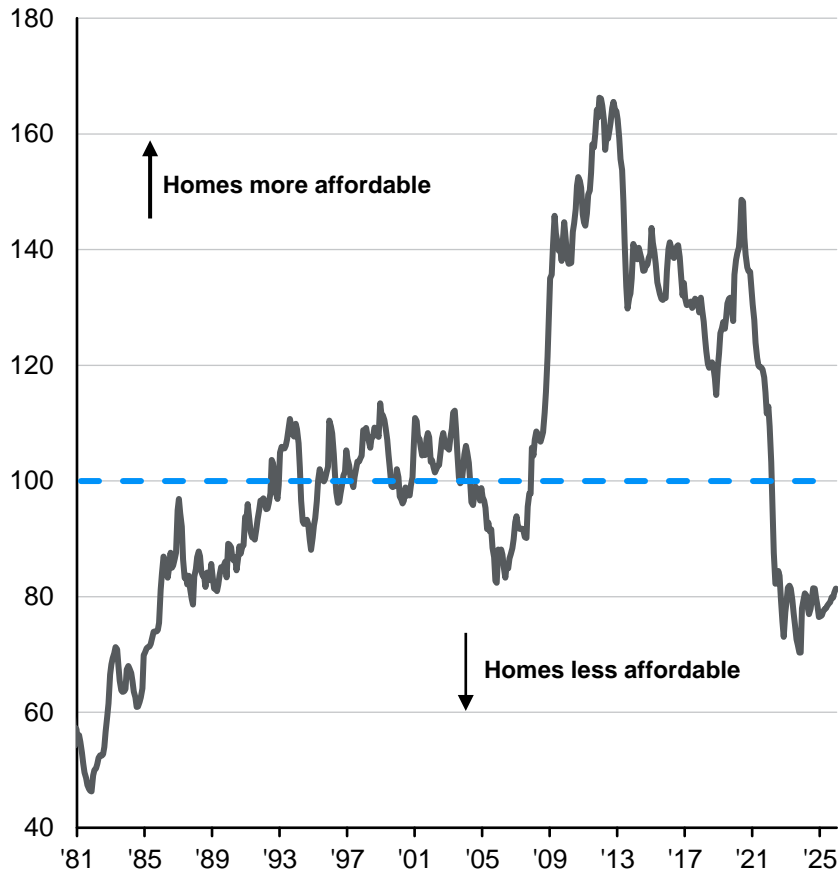


# U.S. housing affordability

Real estate

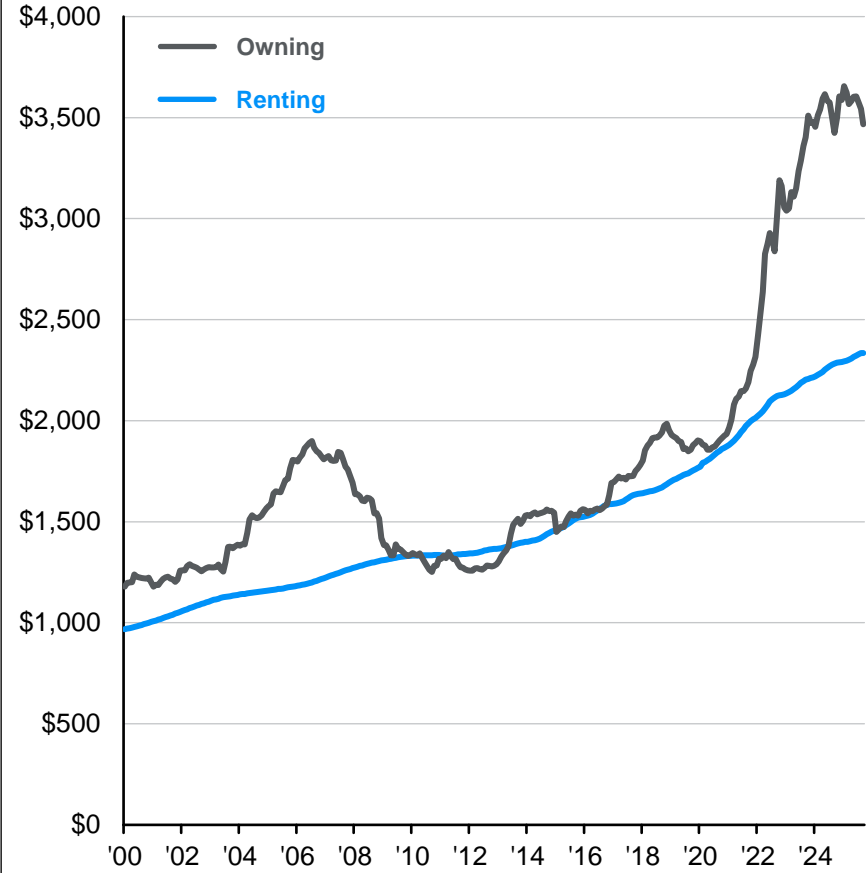
## Existing home price affordability index

Median household income to qualifying income on existing home sales



## Single-family home owning vs. renting cost

USD, monthly



Source: Census Bureau, Fannie Mae, John Burns Research and Consulting, J.P. Morgan Asset Management. (Left) Ratio of median household income to qualifying income on existing home sales price. Qualifying income = 4 \* annual mortgage cost. (Right) Owning: Total housing costs from monthly home payment plus annual maintenance costs. Payment is based on a 5% down payment, a 30-year fixed-rate mortgage at the monthly rate listed on the Freddie Mac website, PITI (principal, interest, taxes and insurance) payment plus a mortgage insurance payment. Maintenance costs range from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation, factored in monthly. Renting: Burns Single-Family Rent Index, which represents the median market asking rent for move-in-ready, 3-bedroom single family homes. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



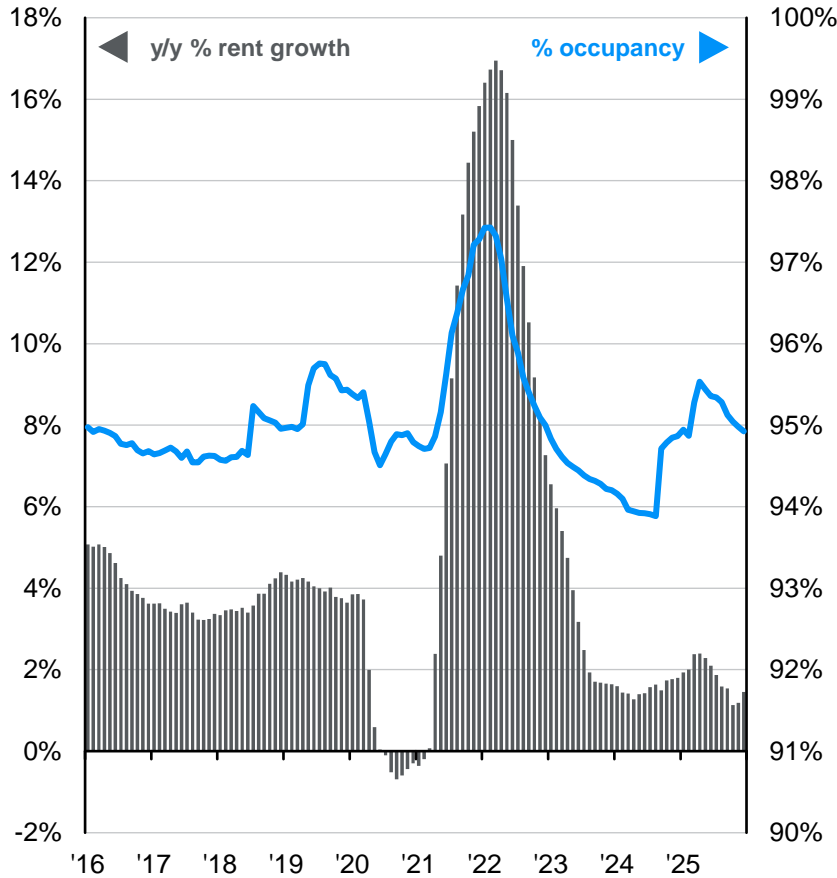
# U.S. multifamily housing trends

GTA MI 26

Real estate

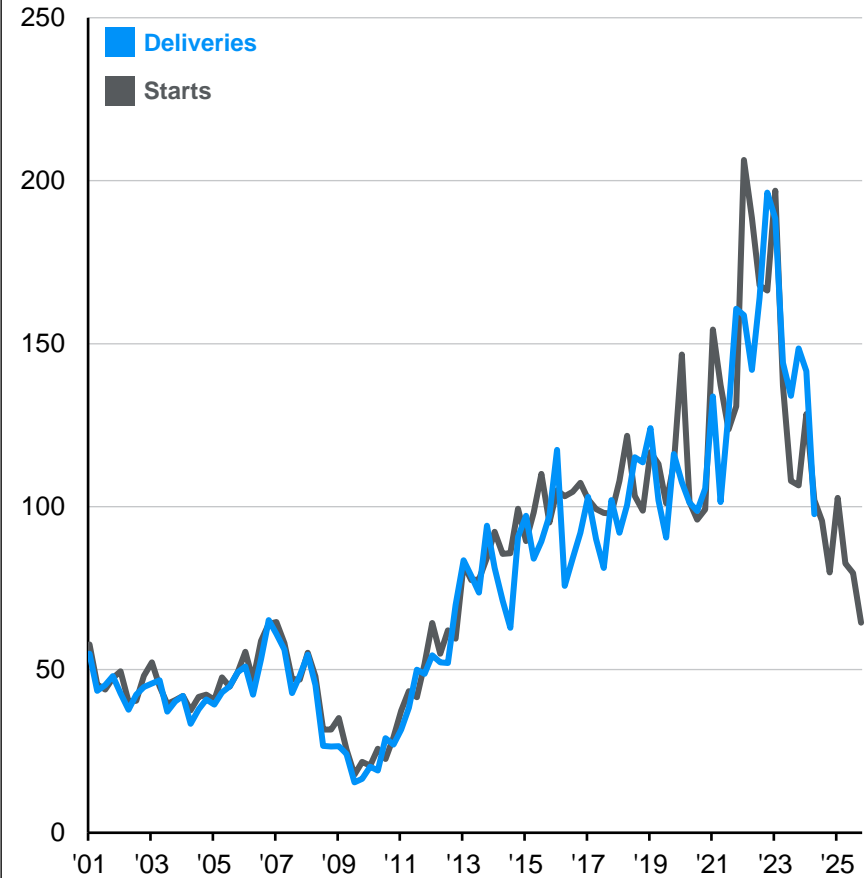
## Multifamily housing rent growth and occupancy

Year-over-year % rent growth, % occupancy, monthly



## Multifamily housing completions

Construction starts vs. deliveries\*, thousands, quarterly



Source: CoStar, RealPage, J.P. Morgan Asset Management.

(Right) \*Deliveries are lagged by six quarters to construction starts. The six-quarter lag represents the average lead time for a project to go from groundbreaking to delivery.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

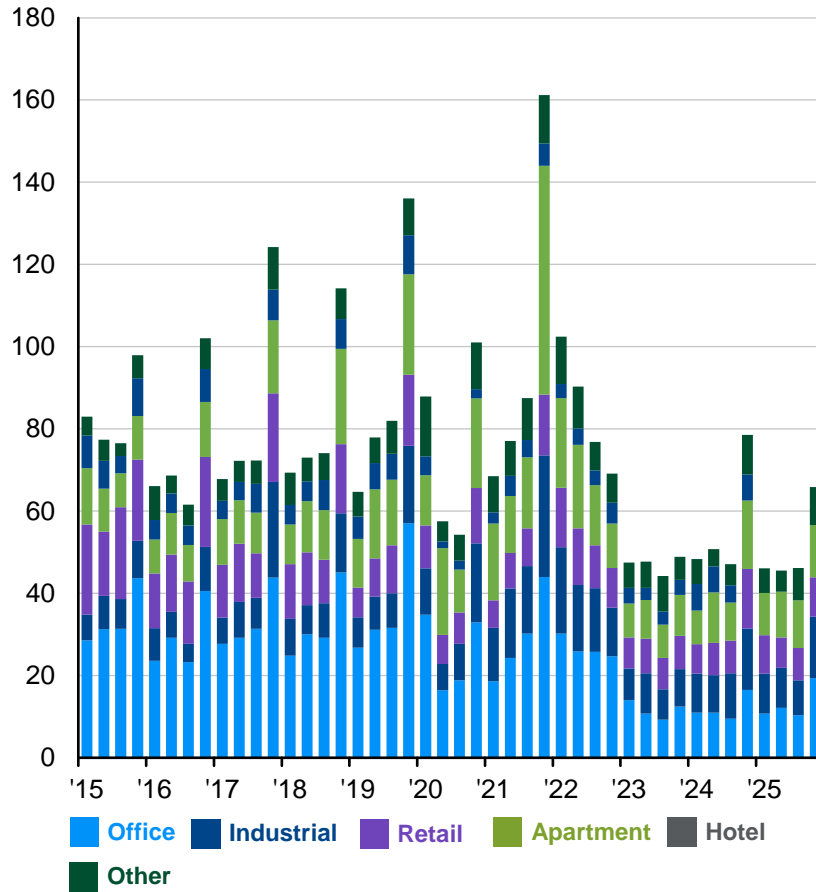


# Europe real estate: Transaction volumes

Real estate

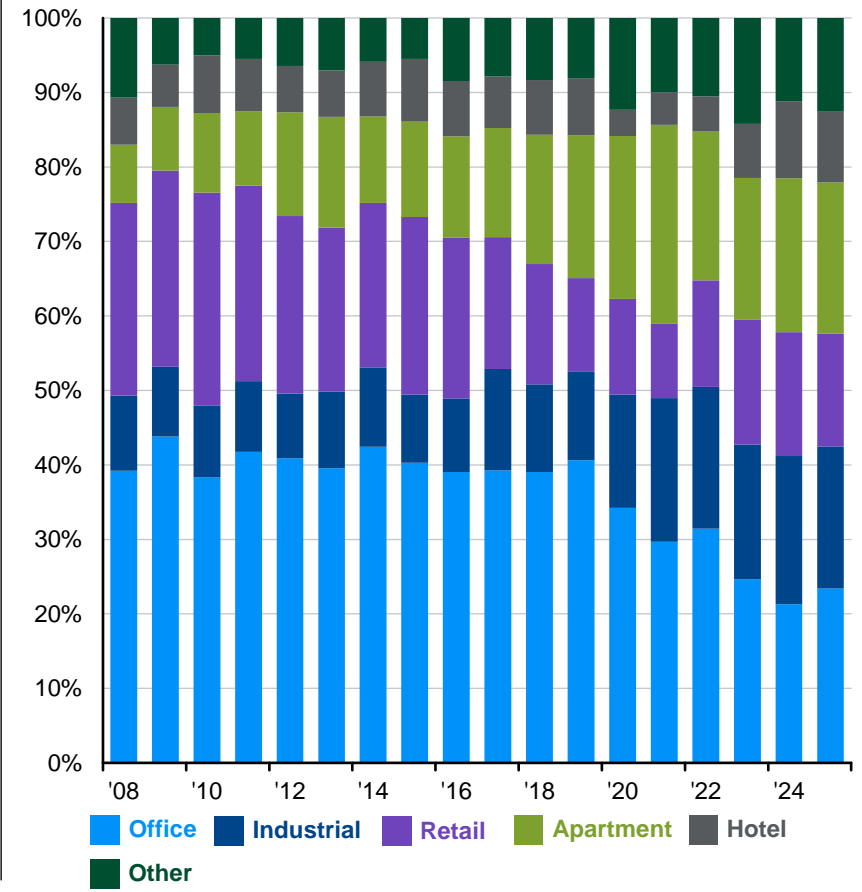
## European transaction volumes

EUR billions, quarterly



## European transaction volumes by property type

Share of total



Source: RCA, J.P. Morgan Asset Management. Guide to Alternatives. Data are based on availability as of January 31, 2026.

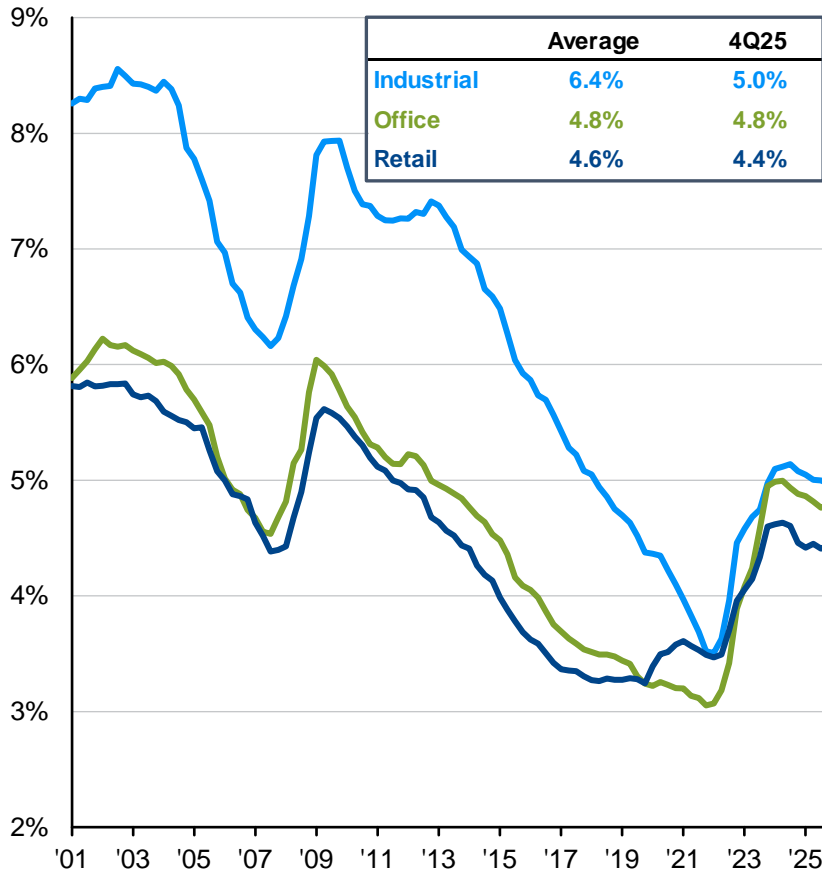


# Europe real estate: Yield and income

Real estate

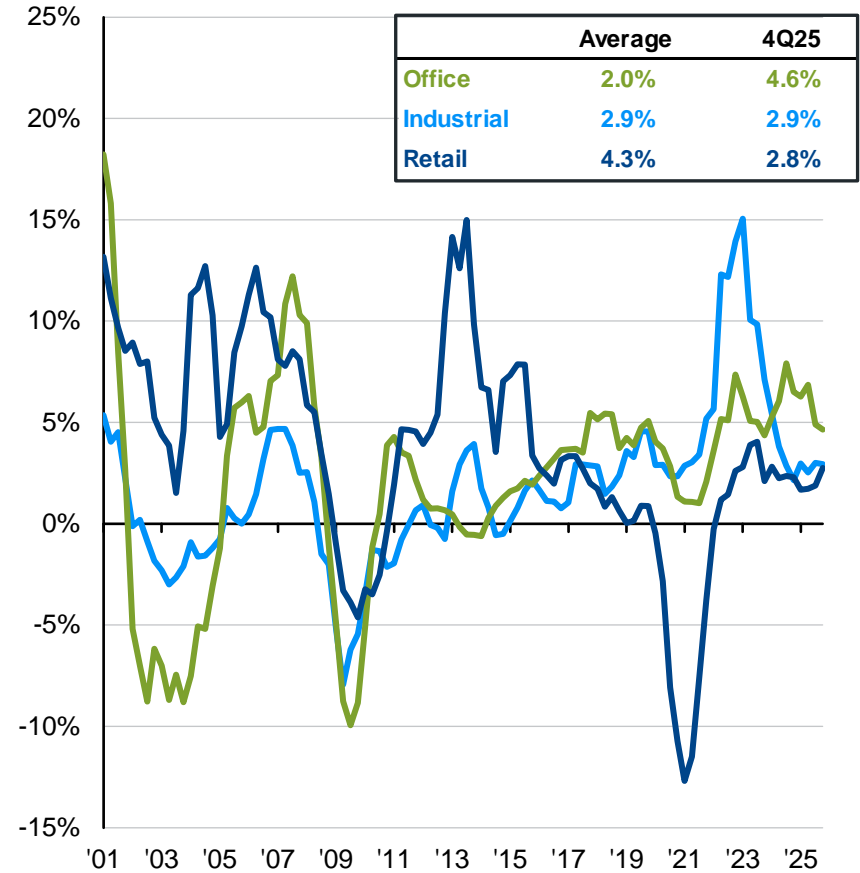
## Prime yield by property type

Quarterly



## Prime rent growth by property type

Year-over-year % change, quarterly



Source: CBREERIX, J.P. Morgan Asset Management.

Industrial is represented by industrial logistics. Retail is represented by high street retail. Prime yields are absolute and weighted by property value. (Left) Prime yield is the yield an investor receives from acquiring a fully let grade A building in a prime location, reflecting current market transaction levels. (Right) Prime rent is the highest open-market rent expected for a top-quality unit in a prime location at the survey date. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

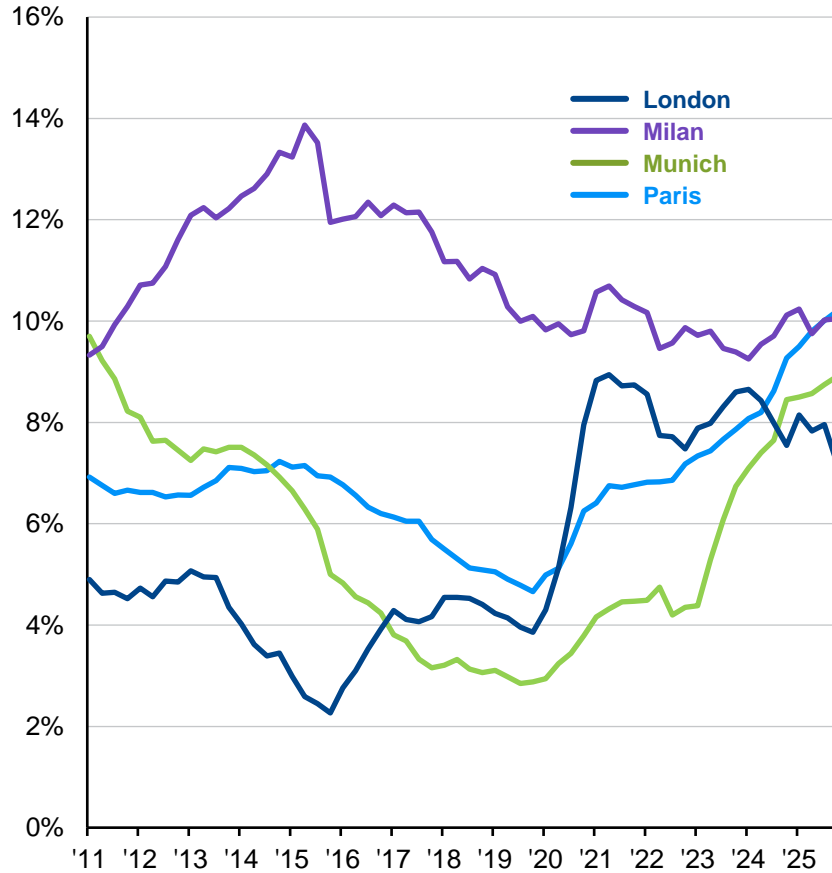


# Europe real estate: Office vacancy rates

Real estate

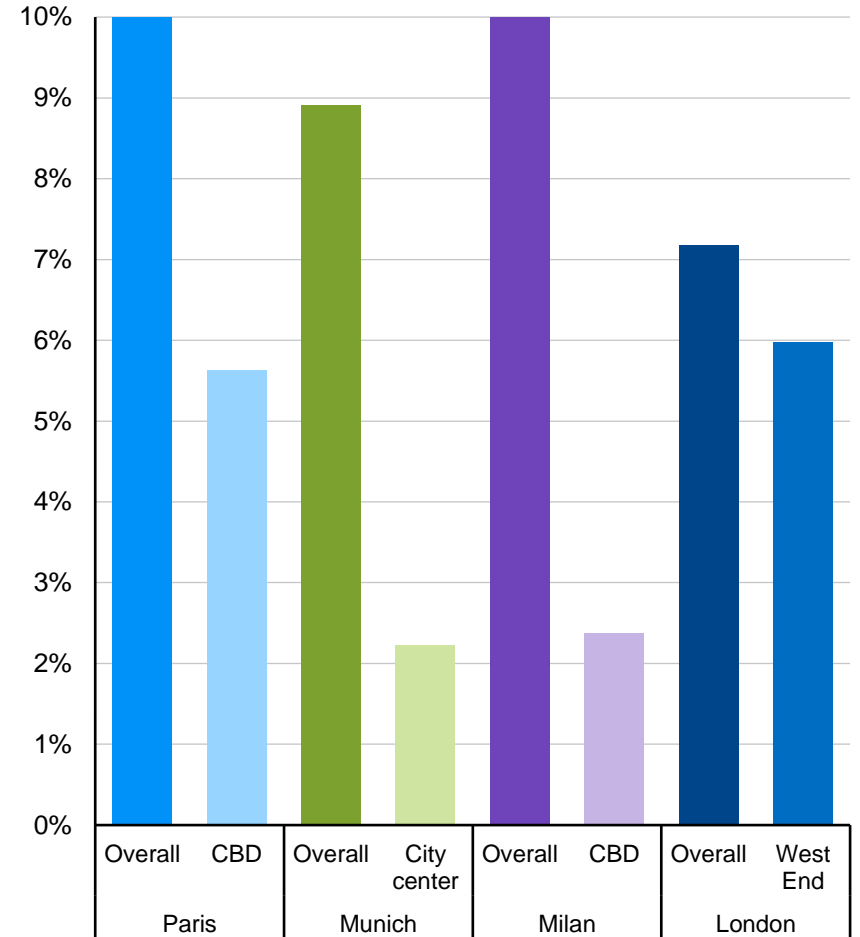
## Office vacancy rates by city

Quarterly



## Office vacancy rates within cities

Total city vacancy rates vs. central business districts\*, 4Q25



Source: CBREERIX, J.P. Morgan Asset Management.  
 (Right) \*Includes both central business districts (CBDs) and prime areas.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

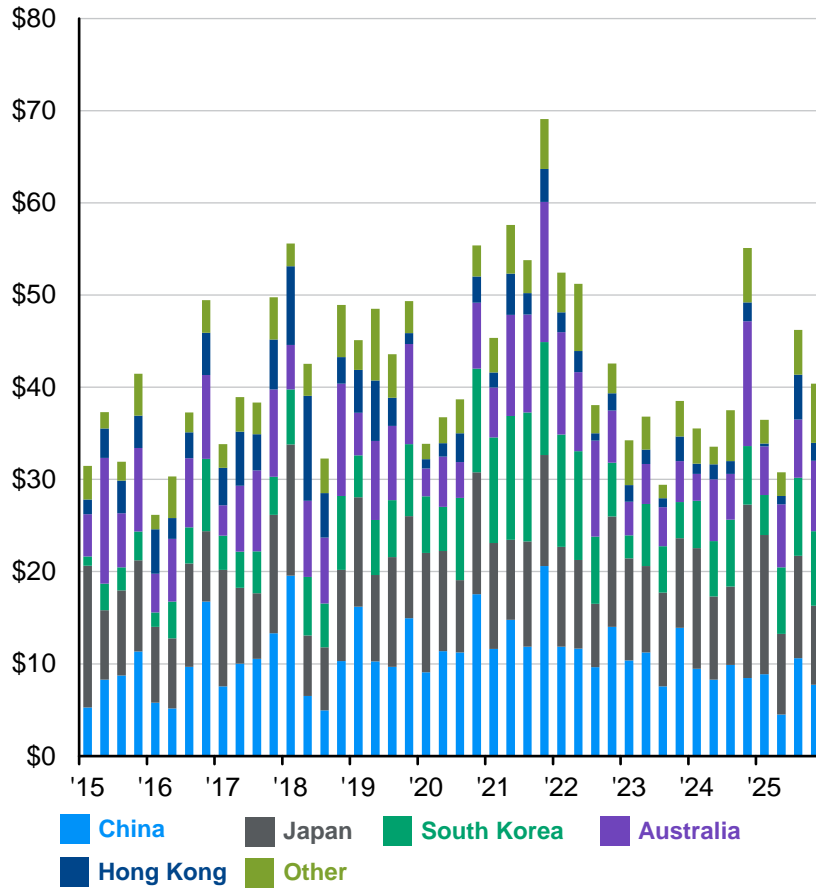


# Asia Pacific real estate: Transaction volumes

Real estate

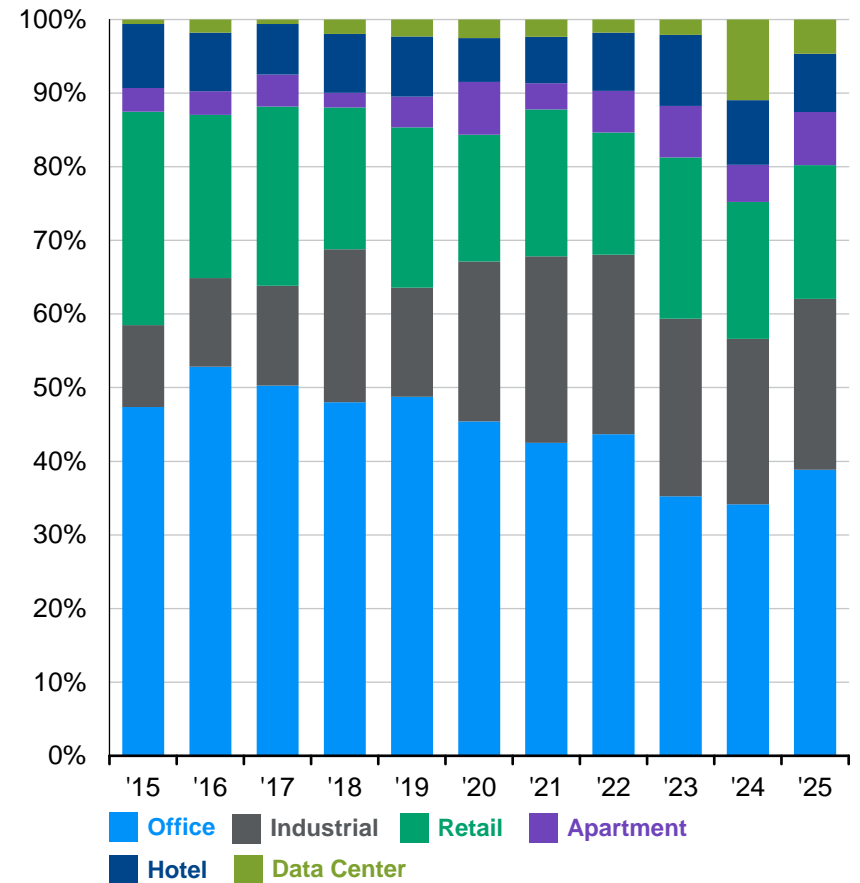
## APAC transaction volumes

USD billions, quarterly



## APAC transaction volume by property type

Share of total



Source: RCA, J.P. Morgan Asset Management.

(Left) Transaction volumes include office, industrial, retail, hotel, data center, residential (professional investor) properties and portfolios >= USD 10 million and excludes development sites. Figures are not frozen and subject to updates by RCA.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

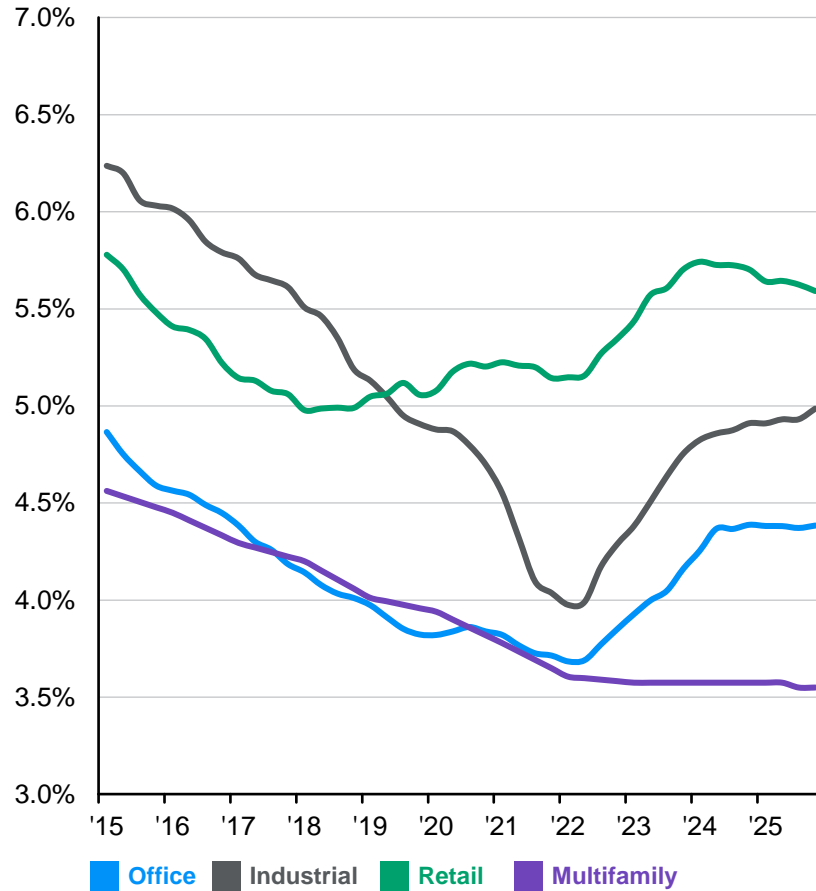


# Asia Pacific real estate: Yields and capital values

Real estate

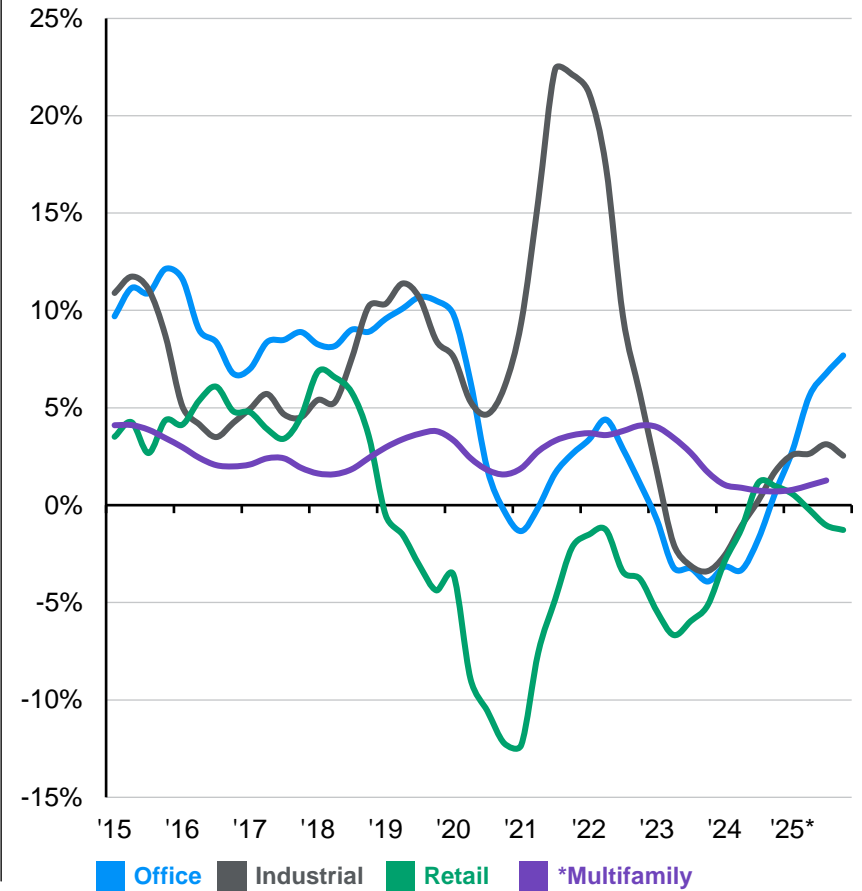
## Yields by property type

Quarterly



## Capital growth by property type

Year-over-year % change, quarterly



Source: JLL REIS, MSCI, J.P. Morgan Asset Management.

(Left) All yield and capital growth data from JLL REIS, except the multifamily sector, which is from MSCI. Weight of each market based on country allocation % of ANREV ODCE Fund Index. Yields for office, industrial and retail sectors refer to market yields of overall APAC, while yields for multifamily refer to the value cap rate for Japan markets only. (Right) \*Multifamily data available through 3Q25. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

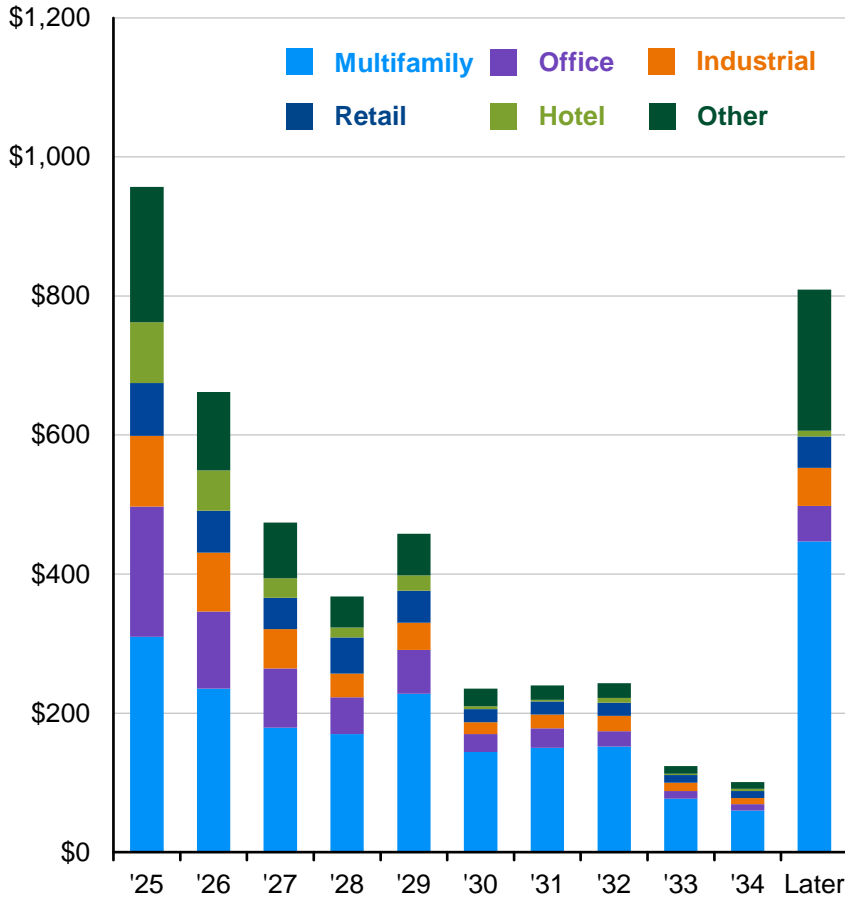


# Commercial mortgage maturities and delinquencies

Real estate

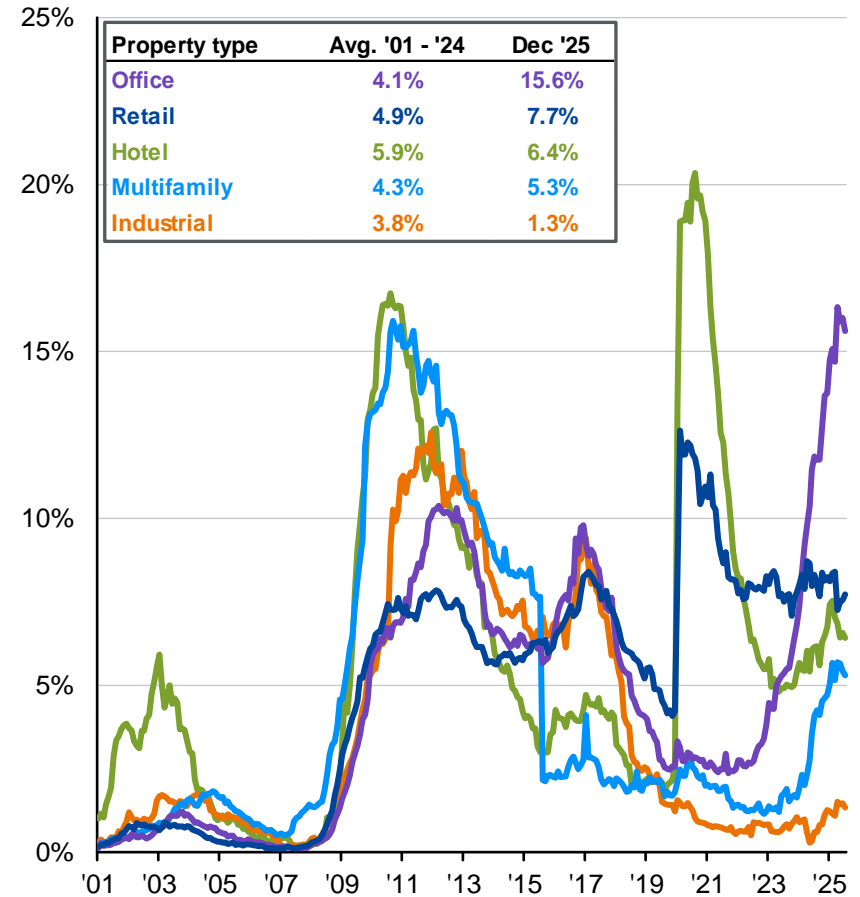
## U.S. commercial mortgage maturity schedule

By property type, USD billions



## U.S. commercial mortgage delinquencies

Delinquency rates by property type, monthly



Source: Moody's, Mortgage Bankers Association, J.P. Morgan Asset Management.  
 (Left) Data are as of 12/31/2024. Other includes hospitals. (Right) Moody's defines delinquencies as loans that are 60 or more days in payment arrears, that are matured and performing, matured and nonperforming, foreclosure in progress or REO ("real estate owned" by a bank).  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.

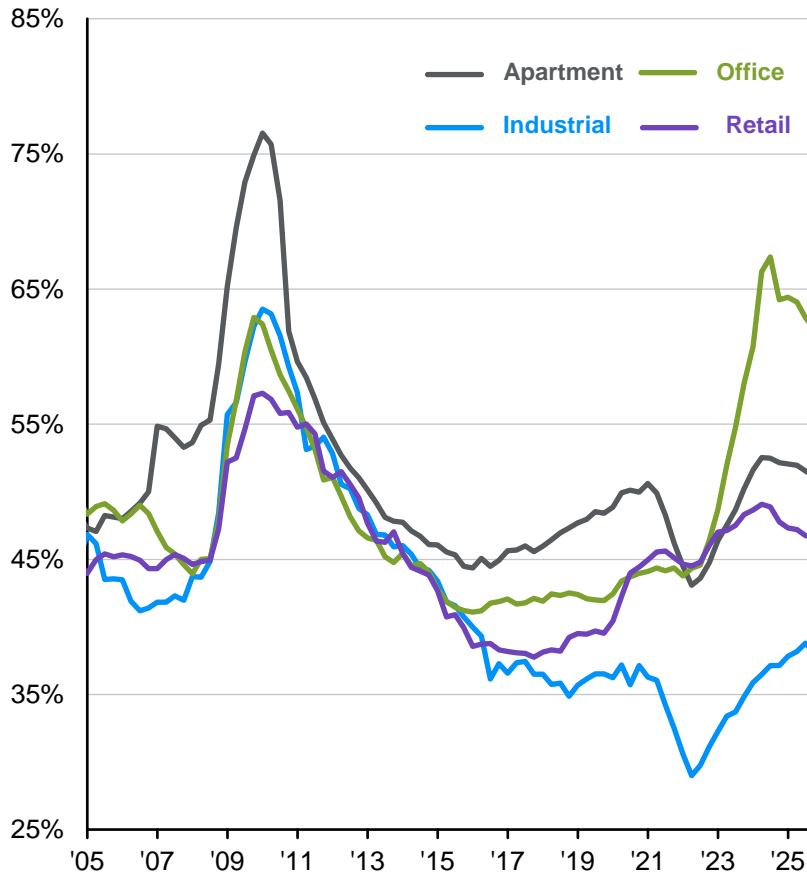


# Commercial real estate credit risk metrics

Real estate

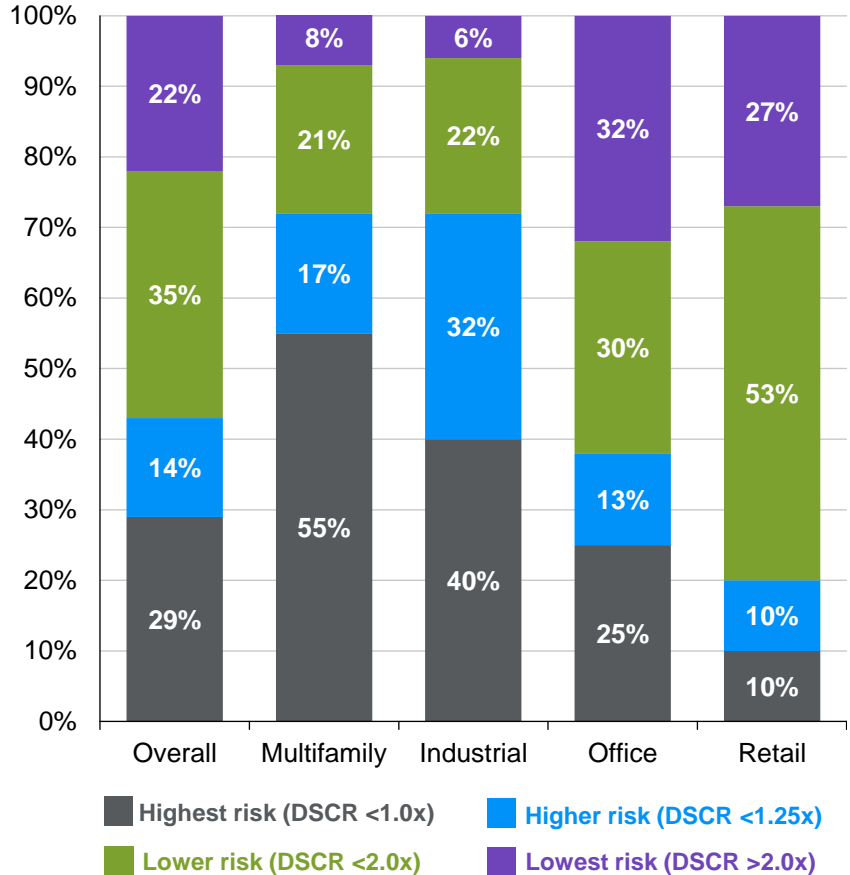
### U.S. real estate loan-to-value (LTV) ratios

By property type



### U.S. real estate debt service coverage ratios (DSCR)

DSCR profile of outstanding securitized CRE debt\* by property type



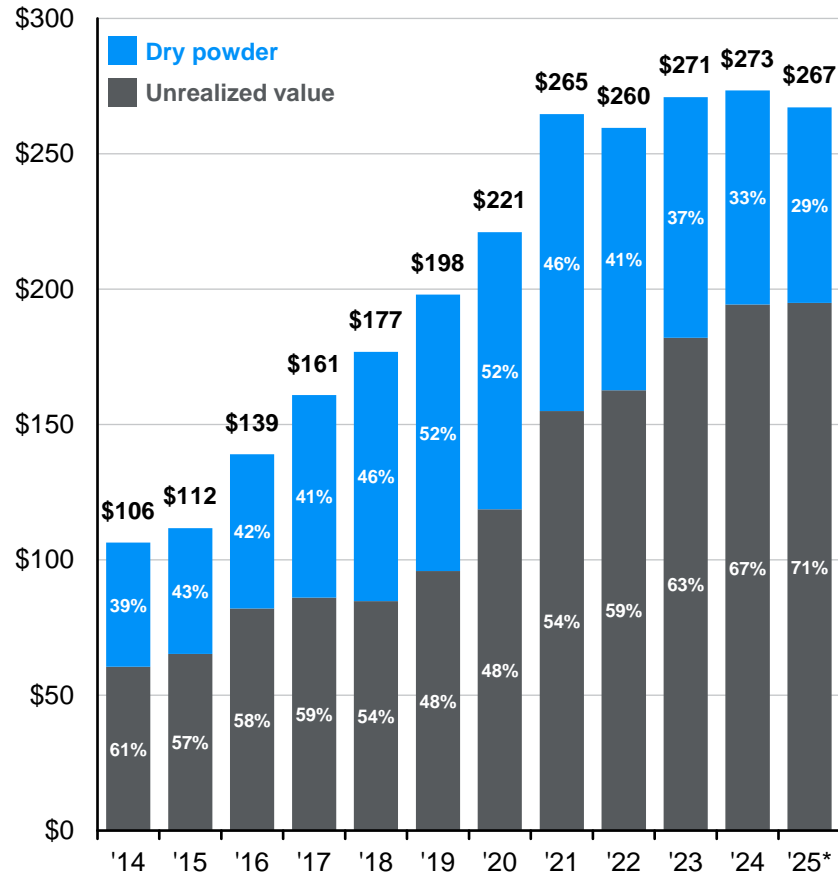
Source: NCREIF, Newmark Research, Trepp, J.P. Morgan Asset Management.  
 (Left) A loan-to-value (LTV) ratio, specifically for leveraged properties, is the ratio of the loan amount to the appraised value of the property. This metric is used to assess the risk associated with a real estate investment, with a higher LTV indicating higher risk due to greater leverage. (Right) \*CRE debt maturing before 2028. The debt service coverage ratio (DSCR) is calculated by dividing the net operating income (NOI) of a property by its total debt service (the total amount of principal and interest payments due on the property's debt). A DSCR greater than 1 indicates that the property generates more income than is required to cover its debt obligations, while a DSCR less than 1 suggests that the property does not generate enough income to meet its debt payments.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.



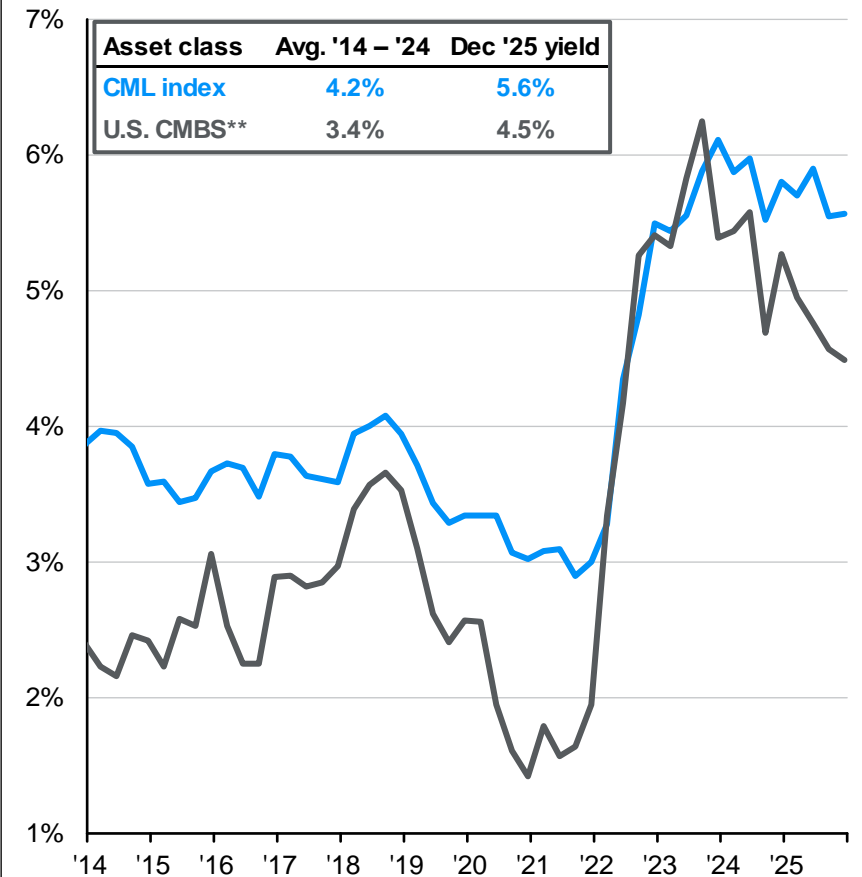
# Commercial real estate debt

Real estate

## Global commercial real estate debt funds AUM USD billions



## U.S. commercial mortgage yields Quarterly



Source: Bloomberg, Chatham Financial, FactSet, Gilberto-Levy, Preqin, J.P. Morgan Asset Management. (Left) 2025 data are as of 2Q25. (Right) The Commercial Mortgage Loan (CML) index is a weighted average aggregate of the quarterly fixed-rate yields provided by Chatham Financial for office, retail, multifamily and industrial properties in the 50%-65% loan-to-value (LTV) range. The sectors are weighted entirely by their share in the latest Gilberto-Levy Commercial Mortgage Index data. \*\*U.S. CMBS: Bloomberg U.S. CMBS Investment Grade Index. Yields shown for U.S. CMBS are the yield to worst. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

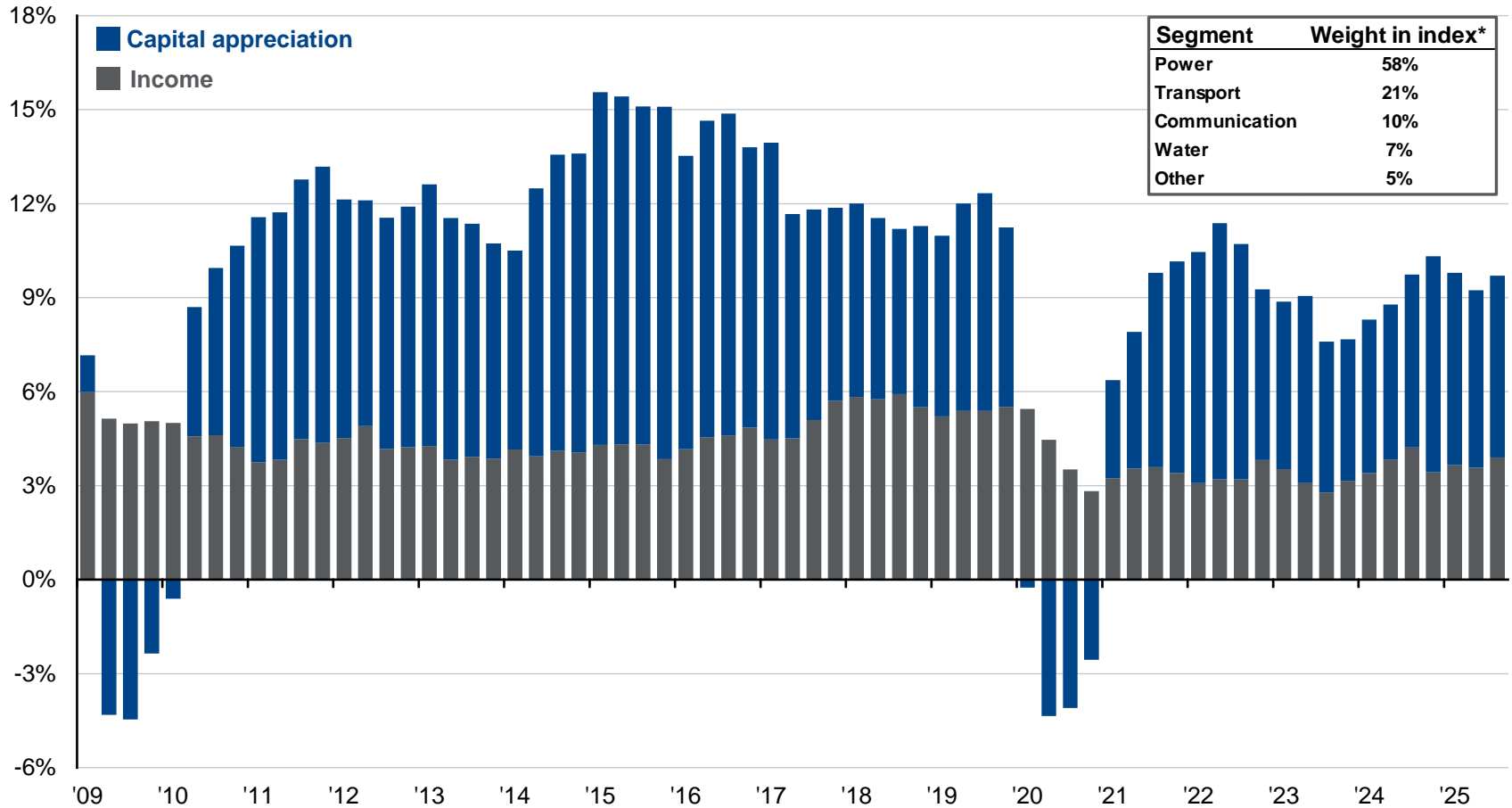


# Sources of global infrastructure returns

Other real assets

## Global infrastructure returns

1Q09 – 3Q25, rolling 4-quarter returns from income and capital appreciation



Source: MSCI, J.P. Morgan Asset Management. Infrastructure returns represented by the MSCI Global Private Quarterly Infrastructure Asset Index. Data show rolling 4-quarter returns from income and capital appreciation. \*Weights are based on enterprise value and may not sum to 100 due to rounding. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

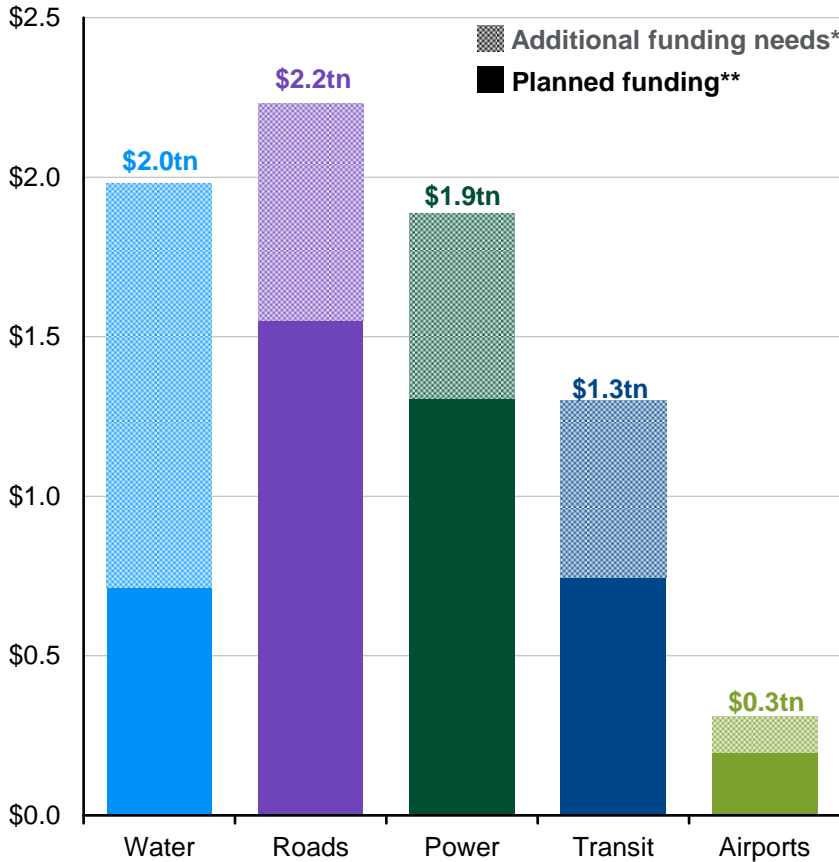


# Infrastructure investment needs

Other real assets

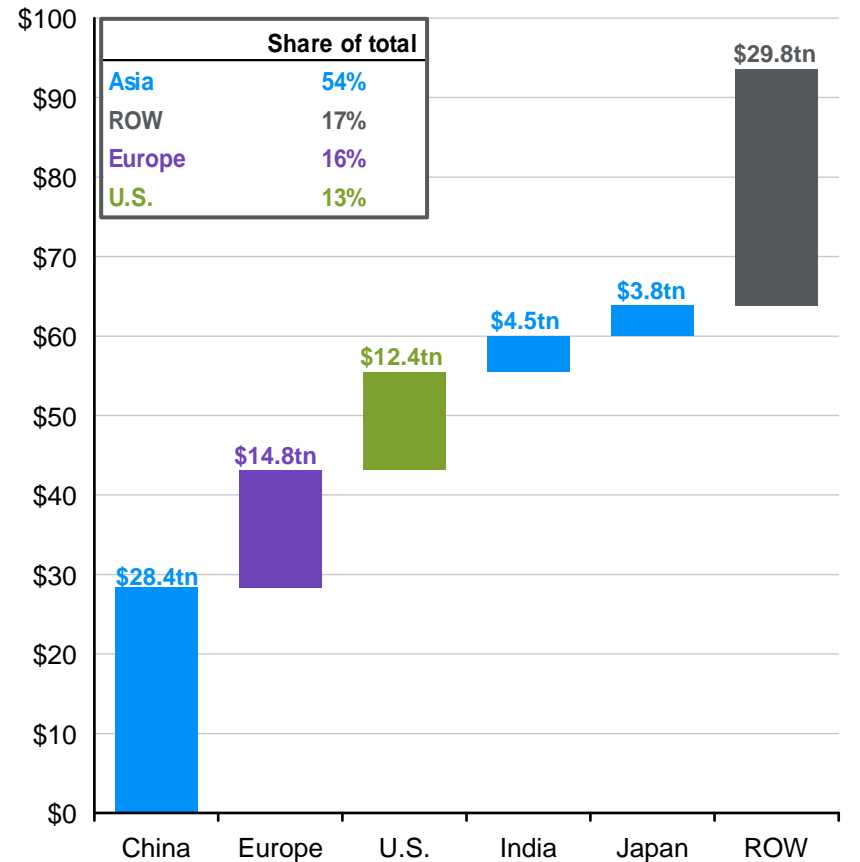
## U.S. infrastructure funding & funding gaps

USD trillions, 2024 – 2033, as of 2024



## Infrastructure investment needs by region

USD trillions, 2016 – 2040, constant 2016 prices



Source: American Society of Civil Engineers (ASCE), Global Infrastructure Hub by G20, J.P. Morgan Asset Management. (Left) Categories defined by the ASCE in the March 2025 "A Comprehensive Assessment of America's Infrastructure: 2025 Report Card for America's Infrastructure" report. \*Additional funding is the amount of funding needed to get each category to a "B" rating, or a state of "Good" repair, as defined by the ASCE. \*\*Planned public funding is the amount of investment from 2024 to 2033 that is currently in place by U.S. law. (Right) ROW= rest of world. Guide to Alternatives. Data are based on availability as of January 31, 2026.

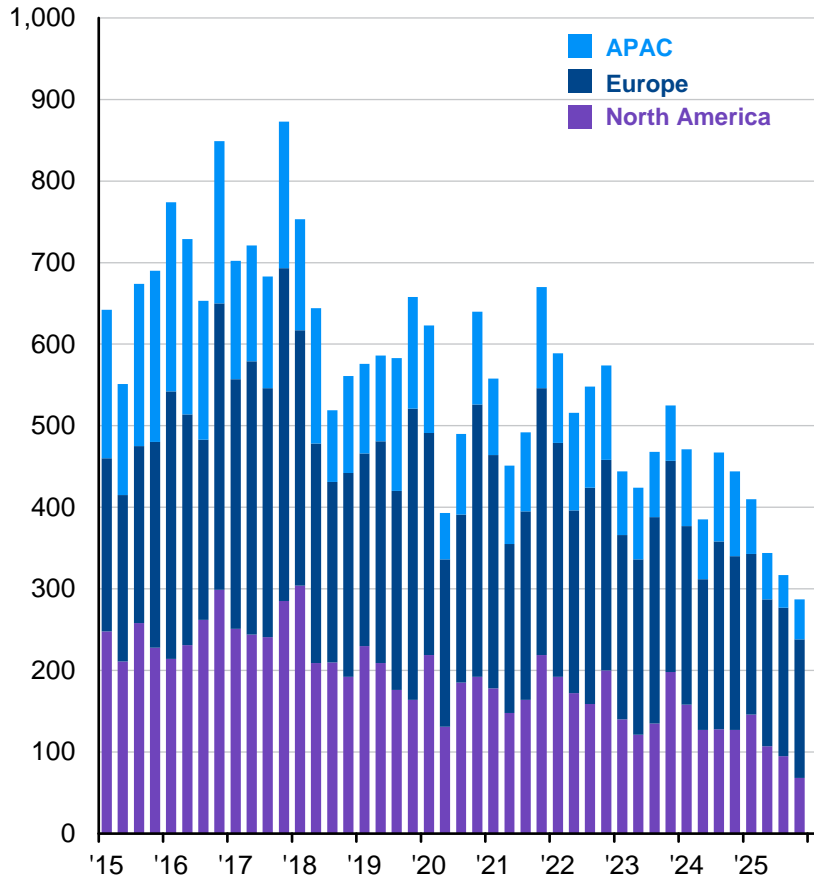


# Global infrastructure transactions

Other real assets

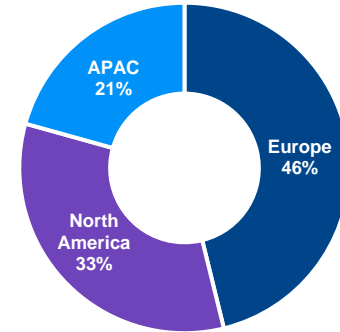
## Number of private infrastructure deals

Quarterly



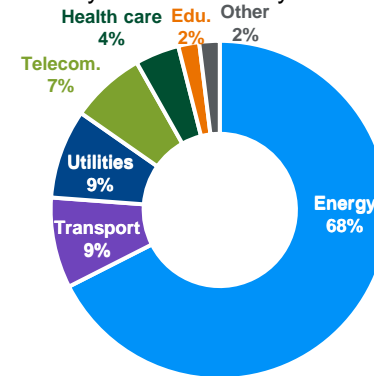
## Deals by region

Share of deals, January 2016 – January 2026



## Deals by type

Number of deals, January 2016 – January 2026



Source: Preqin, J.P. Morgan Asset Management.

(Bottom right) Percentages may not sum to 100 due to rounding. Other includes waste management, government buildings, logistics and defense.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

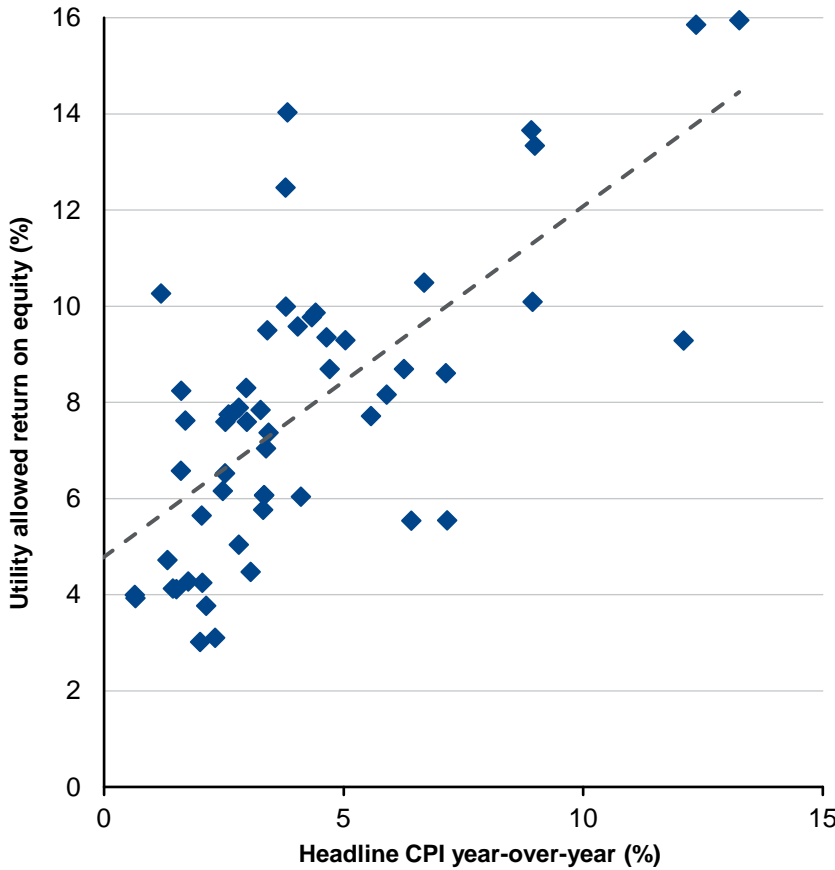


# U.S. utility profitability and consumption

Other real assets

## Gas and electric utilities: Allowed returns vs. inflation

Average allowed return on equity\*, 1970 – 2025



## Household utility spending

Household utility spending % of GDP



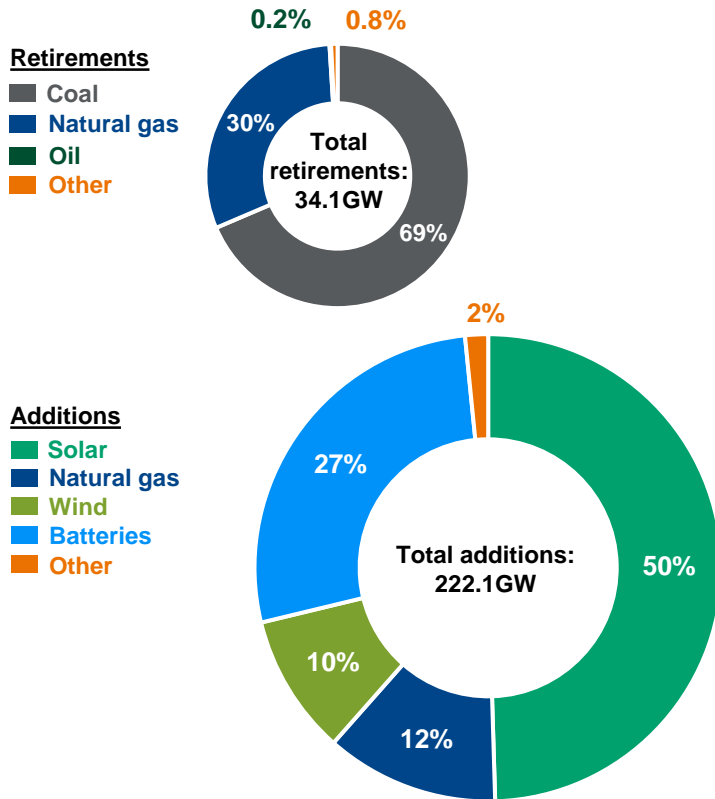
Source: AEU, Bloomberg, Bureau of Economic Analysis, SNL, J.P. Morgan Asset Management.  
 (Left) Data represent average allowed return on equities (RoEs) for electricity and natural gas utilities and annual inflation from December 1970 through December of the indicated period. \*Return on equity is lagged by 2 years. Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.



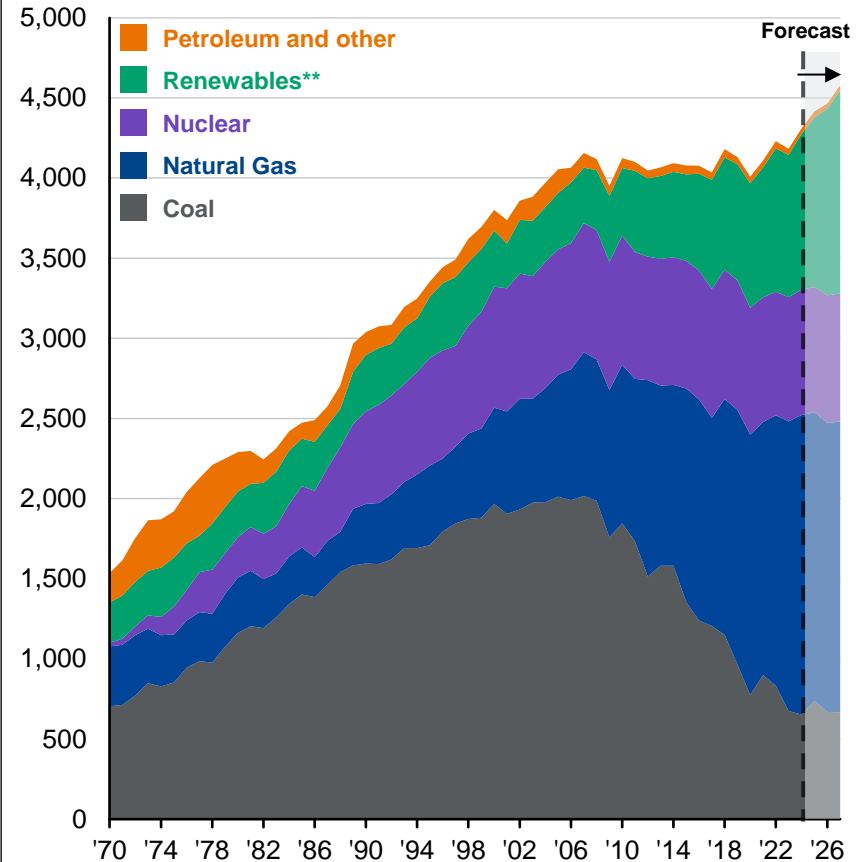
# U.S. electricity generation

Other real assets

## Planned U.S. electricity generating capacity For 2026, 2027 and 2028



## U.S. electricity generation by source Billion kWh, 1970 – 2027F\*



Source: EIA, J.P. Morgan Asset Management.  
 (Left) Data is from the EIA's "January 2026 Electric Power Monthly" report and uses net summer capacity to illustrate share of retirements and additions. Percentages may not sum to 100 due to rounding. (Right) Data is from the EIA's "January 2026 Monthly Energy Review" report. \*Energy forecast figures are from EIA's "Short Term Energy Outlook." \*\*Renewables include wind, solar, geothermal, biomass waste, biomass wood and hydroelectric.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

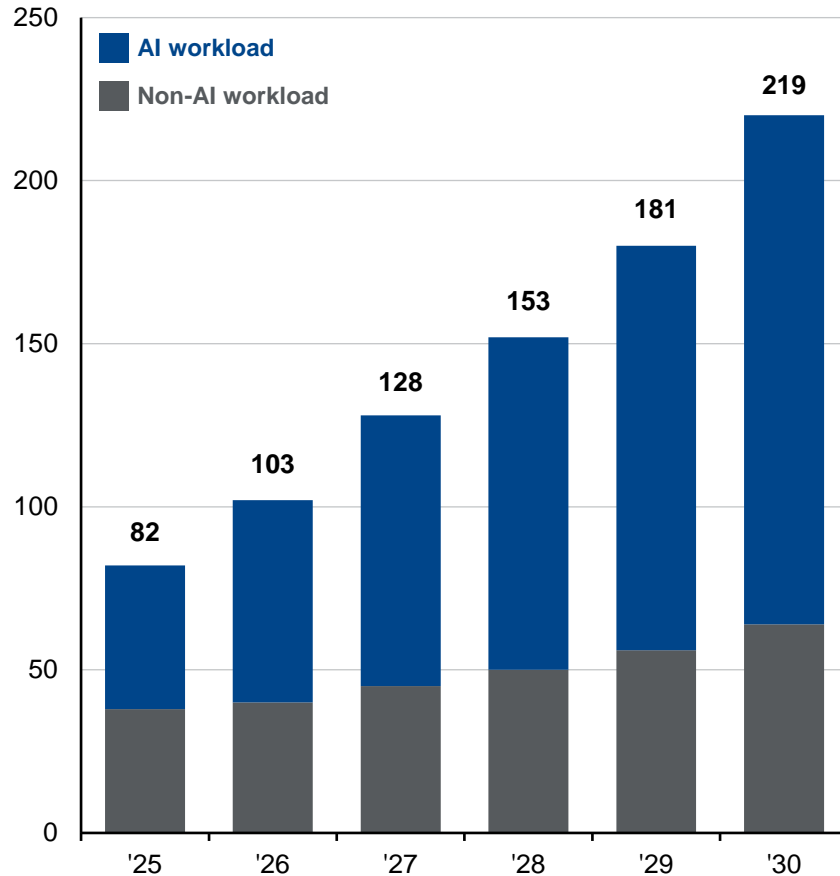


# Data centers and electricity consumption

Other real assets

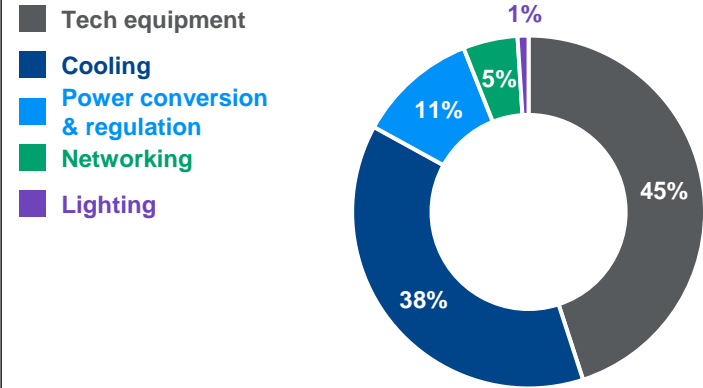
## Global data center capacity forecast

Gigawatts



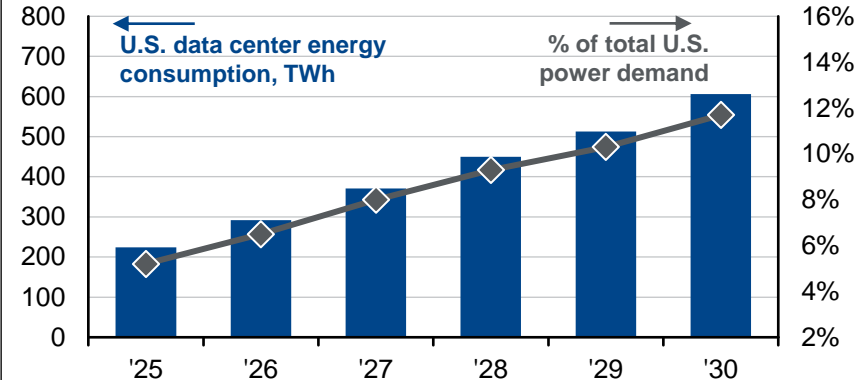
## Data center power consumption breakdown

% by component



## U.S. electricity consumption from data centers

Forecasts through 2030



Source: IEEE Communications, McKinsey & Company, J.P. Morgan Asset Management. (Left and bottom right) Forecasts are from McKinsey & Company. (Top right) Data center component breakdown data are from Ahmed, Bollen and Alvarez, "A Review of Data Centers Energy Consumption and Reliability Modeling" (2021). *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

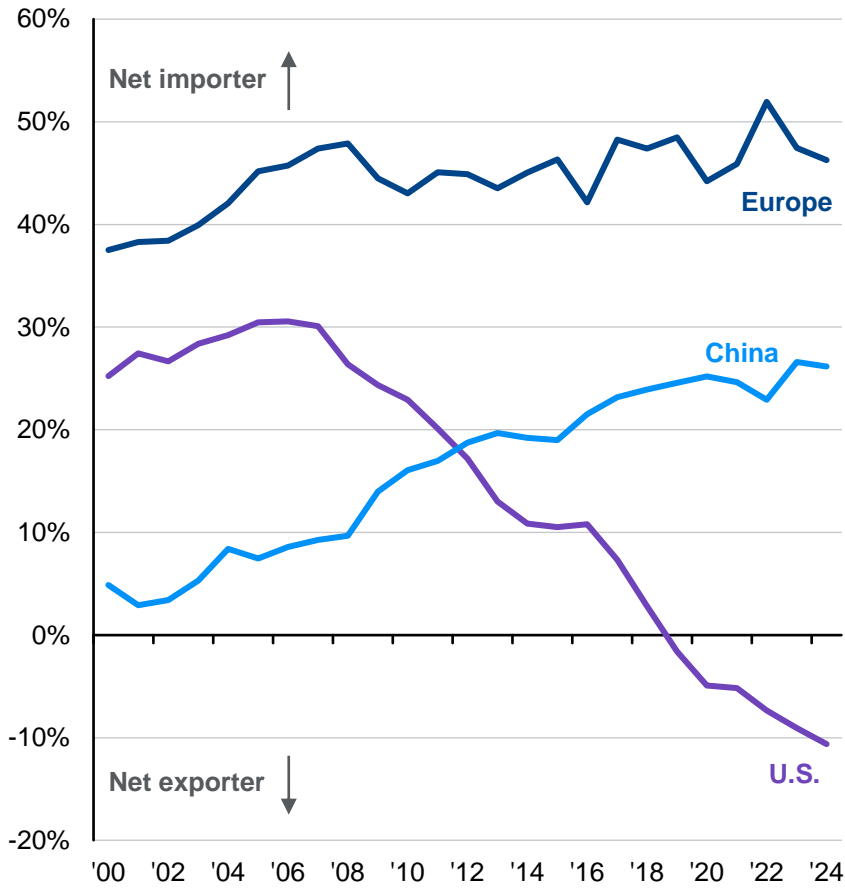


# Global energy trends

Other real assets

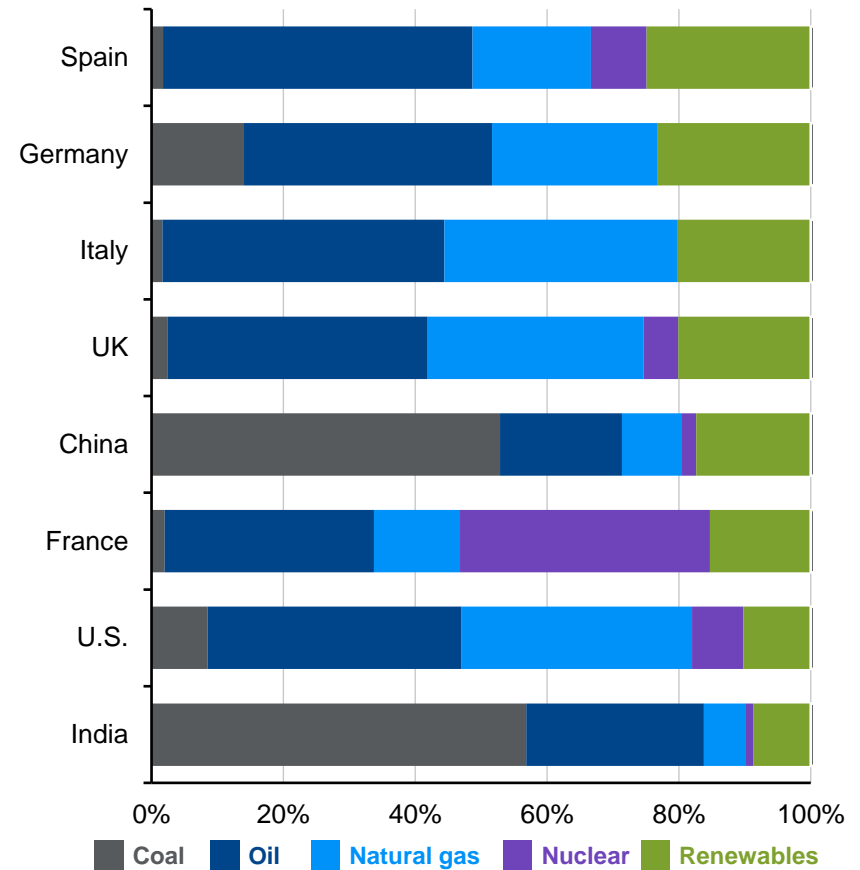
## Global energy independence by region

Fossil fuel net imports % of primary energy consumption



## Global energy mix by source

Share of primary energy consumption, 2024



Source: Energy Institute, Our World in Data, J.P. Morgan Asset Management.  
 Data are from Energy Institute's "Statistical Review of World Energy 2025." (Left) Fossil fuels include oil, coal and natural gas, as aggregated by the Energy Institute. Analysis assumes zero oil exports for China. (Right) Data aggregated by Our World in Data. Renewables include hydro, wind, solar and biomass fuels.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

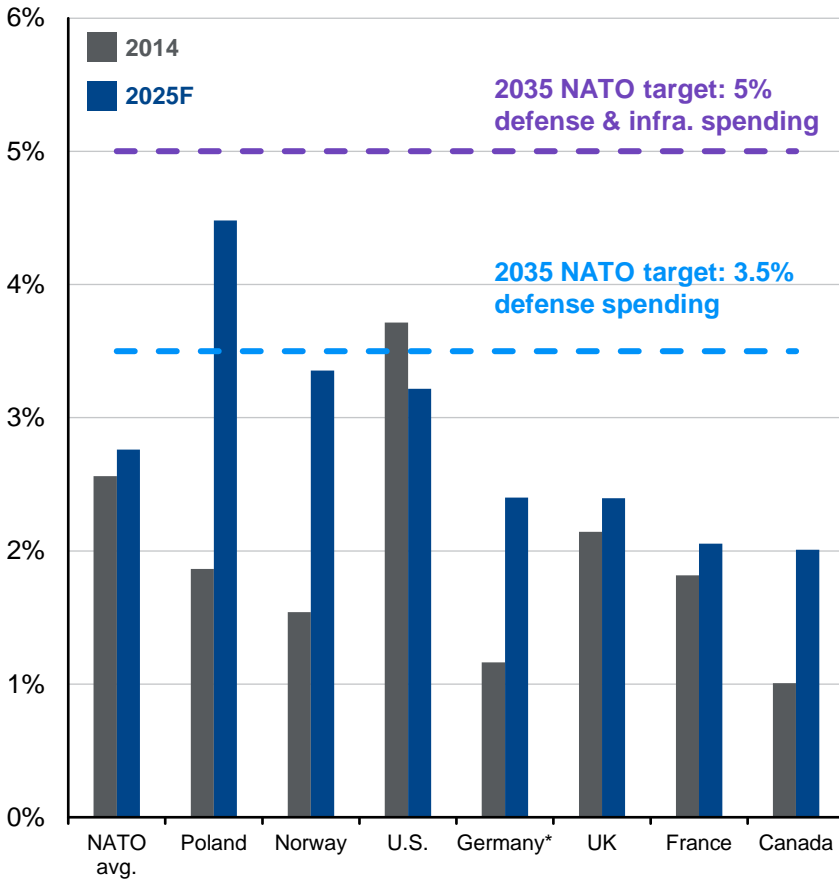


# Defense spending on infrastructure and innovation

Other real assets

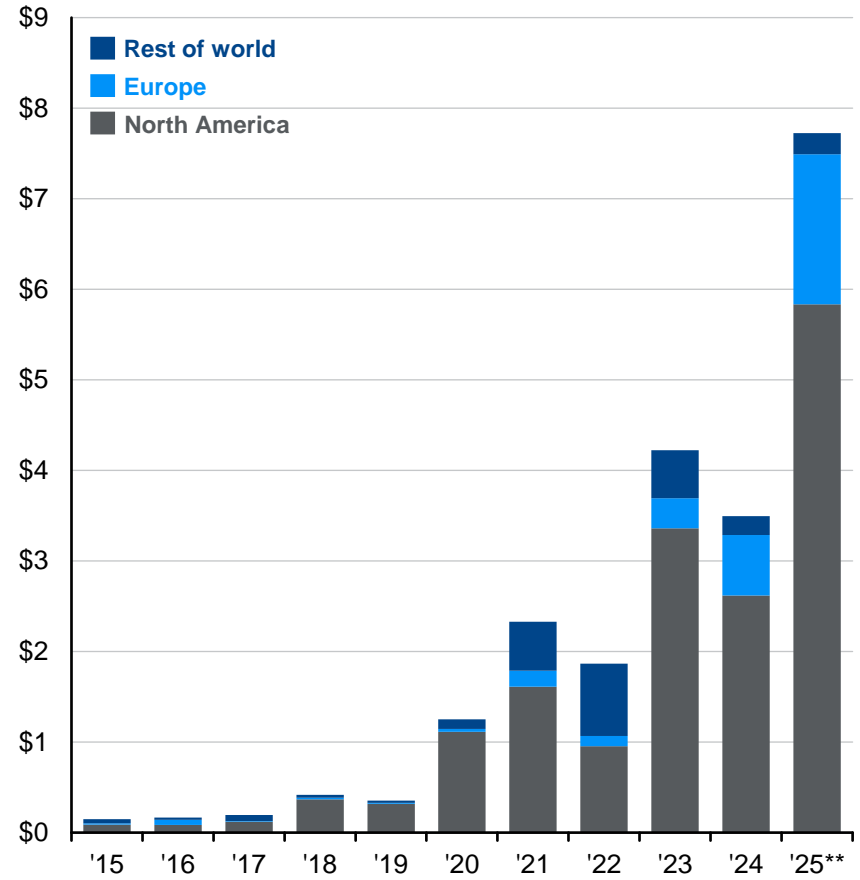
## NATO defense spending

Defense expend. % of GDP (based on 2021 prices and exch. rates)



## Global defense technology VC deal activity

USD billions



Source: NATO, PitchBook Data, Inc., J.P. Morgan Asset Management.

(Left) 2025 figures for all countries are estimated, except Germany. \*Germany passed its budget in September 2025 that sets defense expenditures as a share of GDP at 2.4%. Data for all other countries listed are from NATO's June 2025 press release titled "Defence Expenditure of NATO Countries (2014-2025)." (Right) \*\*2025 data are as of October 2025. Data are for aerospace and defense companies as classified by PitchBook

Guide to Alternatives. Data are based on availability as of January 31, 2026.

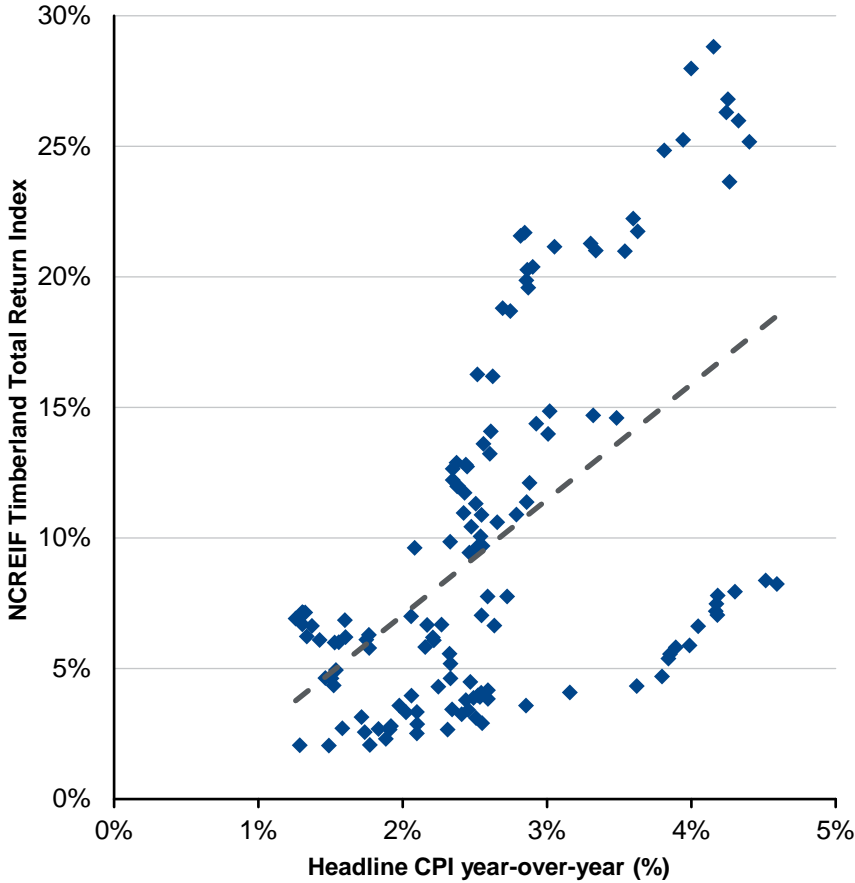


# U.S. timberland investment returns

Other real assets

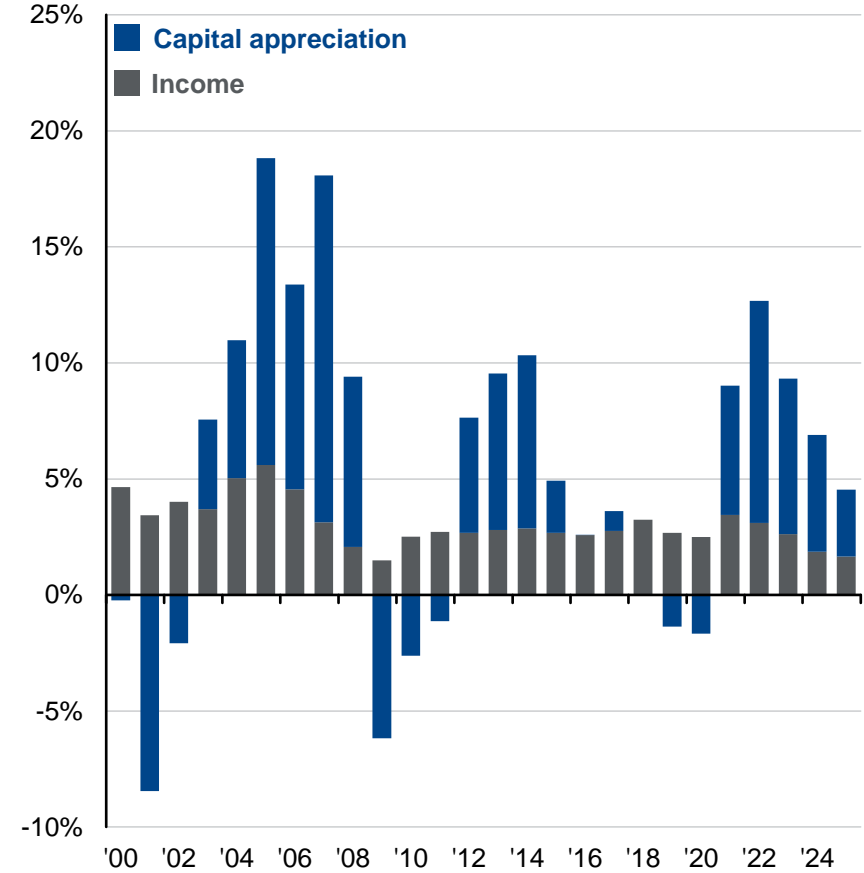
## U.S. timberland returns and inflation

Headline CPI, NCREIF Timberland Index, 5yr. ann. change, quarterly



## Sources of U.S. timberland returns

Total return, annual



Source: BLS, FactSet, NCREIF, J.P. Morgan Asset Management.  
 (Left) Represents the time period from 1Q87 to 3Q25. Past performance is not a reliable indicator of current and future results.  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.

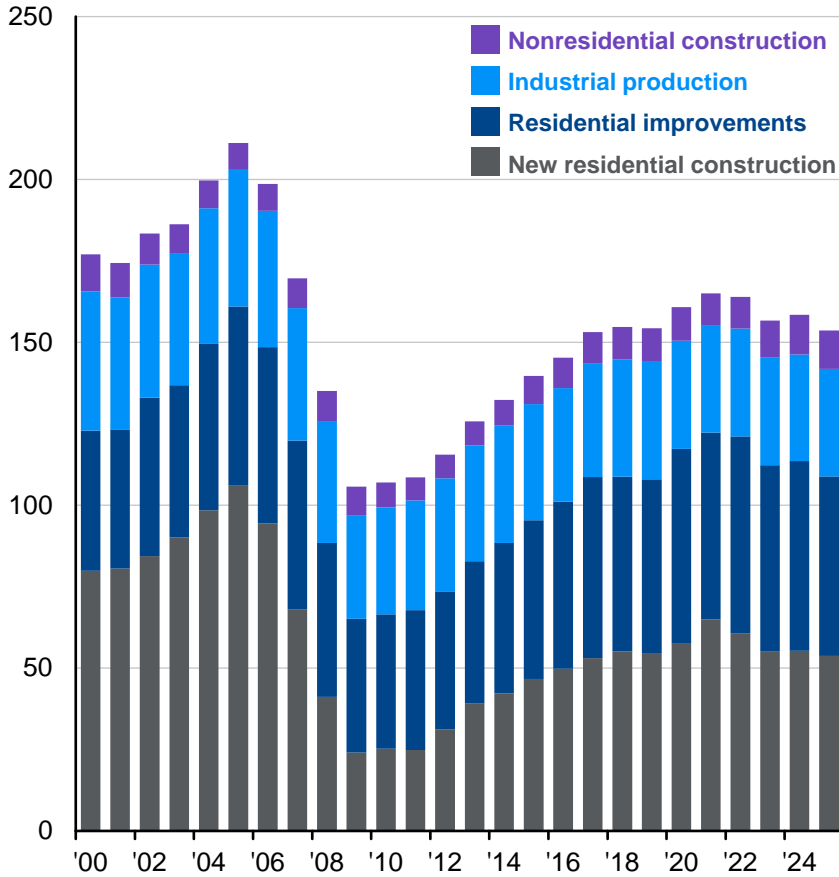


# U.S. wood consumption and demand

Other real assets

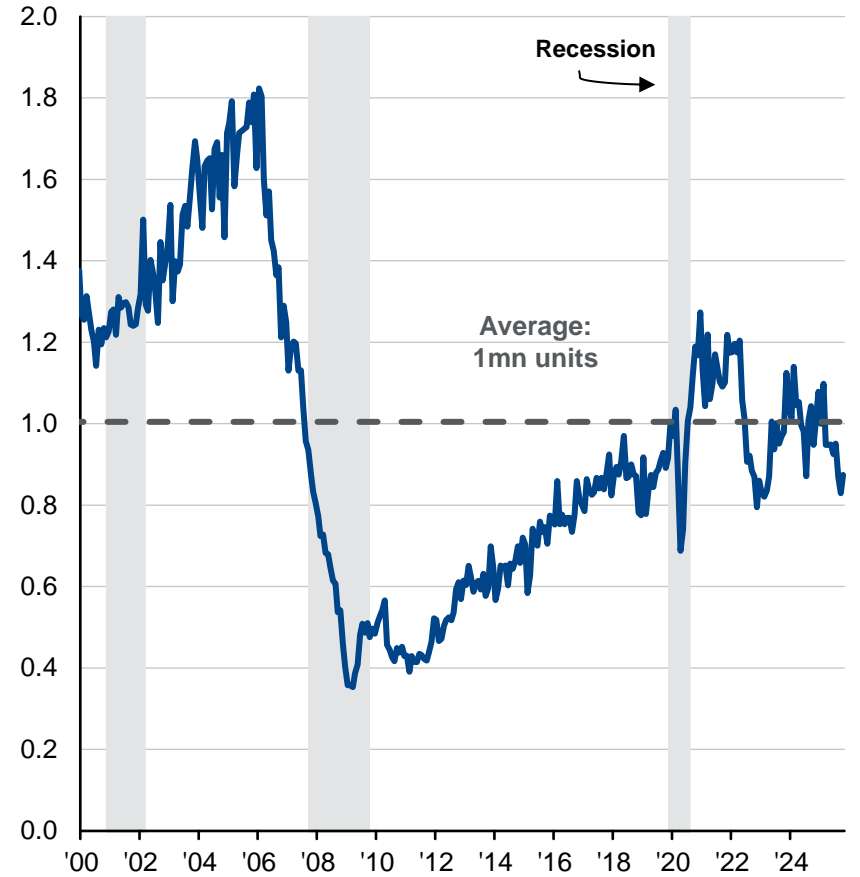
## U.S. wood product consumption

By end-use sector, in million cubic meters



## U.S. single-family housing starts

Millions of privately owned housing units, SAAR



Source: Census Bureau, FactSet, Forest Economic Advisors, J.P. Morgan Asset Management. Guide to Alternatives. Data are based on availability as of January 31, 2026.

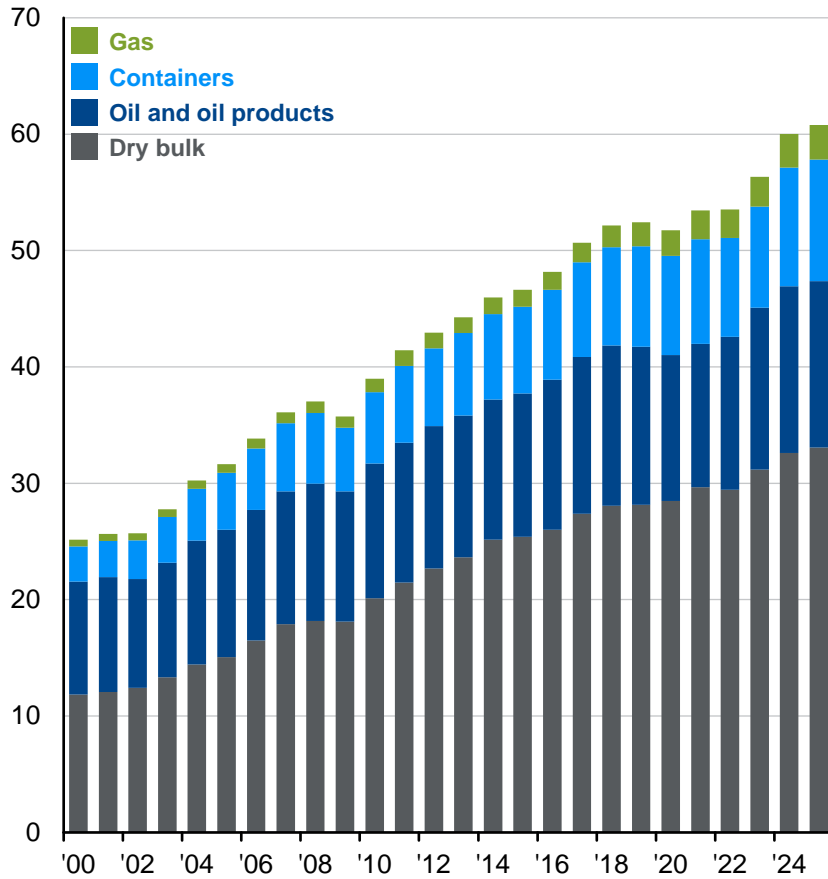


# Global seaborne trade volumes

Other real assets

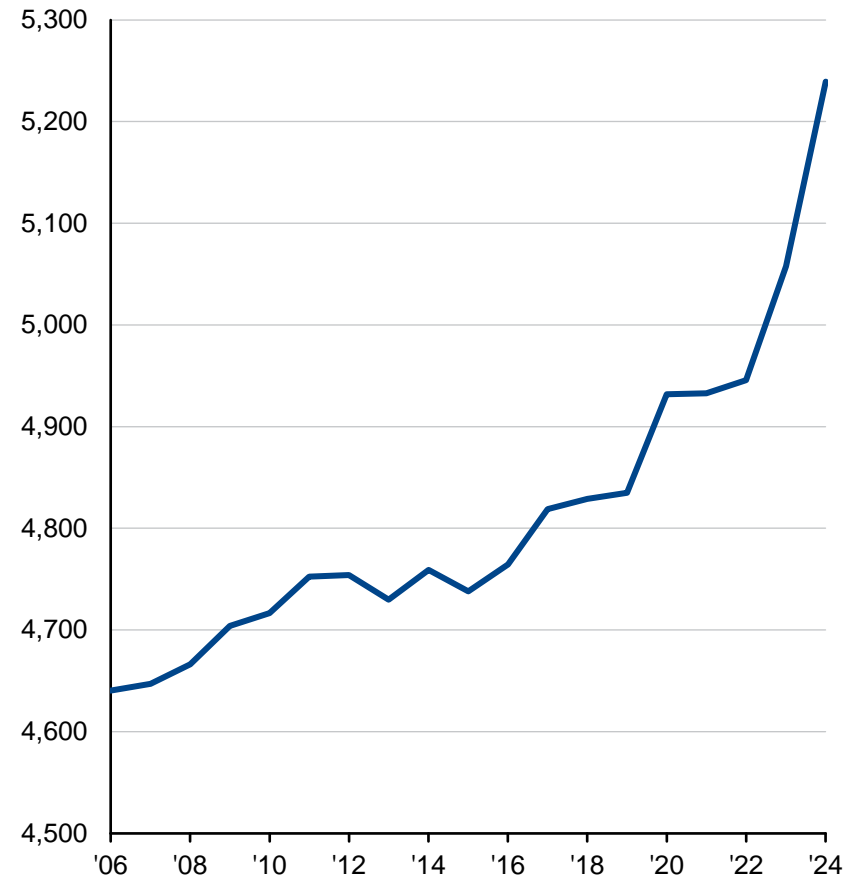
## World seaborne trade by product

Estimated trillion ton-miles



## Average distance traveled of seaborne trade

Miles per ton, annual



Source: Clarksons Research, J.P. Morgan Asset Management.

(Left) 2025 seaborne trade volumes are a forecast as of November 2025. Dry bulk refers to unpackaged commodity cargo. (Right) Average seaborne trade distance miles are an estimate derived by dividing ton-miles carried by vessels by the total volume of shipments in each period.

Guide to Alternatives. Data are based on availability as of January 31, 2026.



# Global trade routes and chokepoints

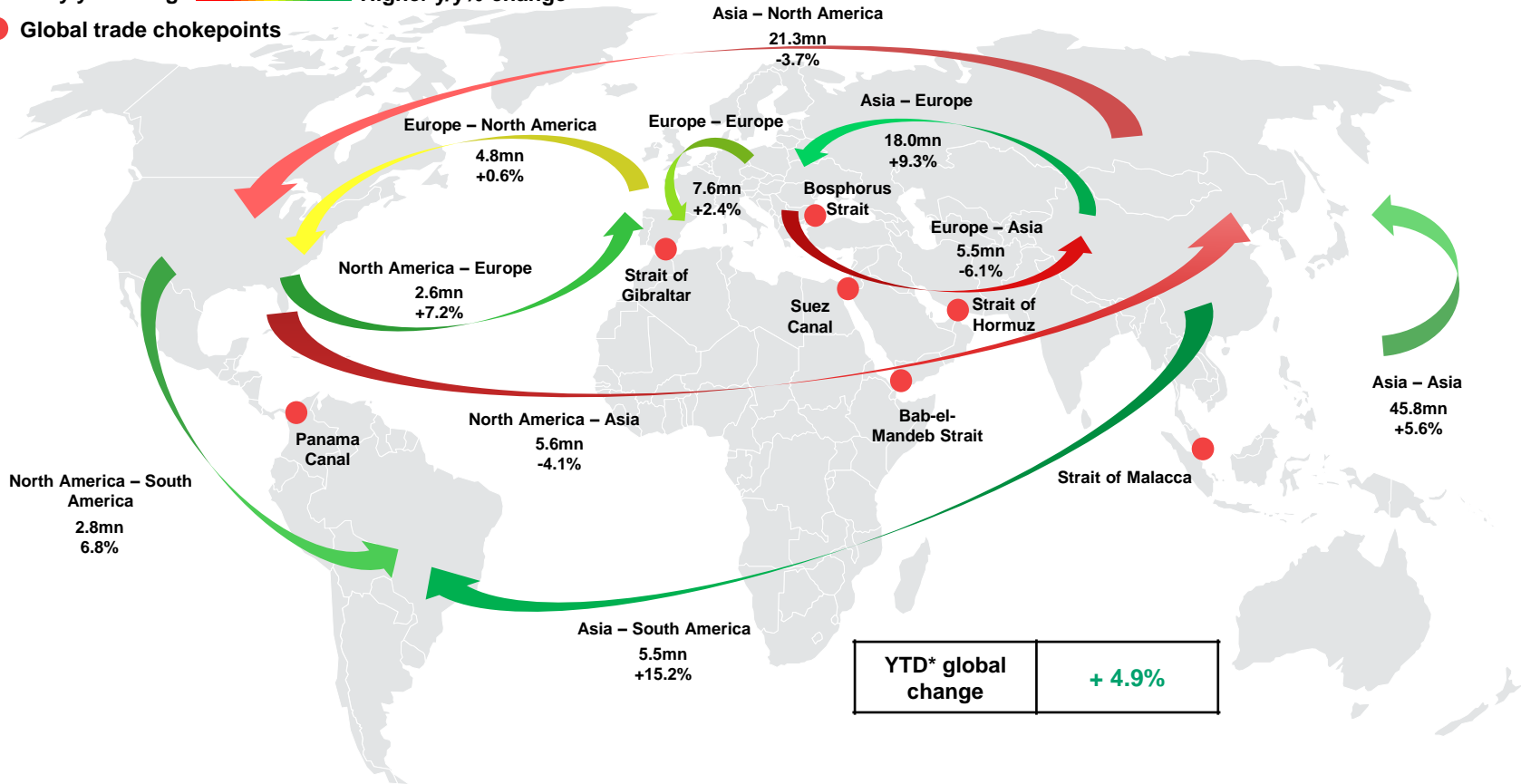
Other real assets

## Global containership trade volumes

YTD\* twenty-foot equivalent units (TEUs), year-over-year % change during same period

Lower y/y% change Higher y/y% change

● Global trade chokepoints



Source: Bloomberg, Container Trade Statistics, J.P. Morgan Asset Management.  
 \*YTD 2025 data are as of 11/30/2025. Twenty-foot equivalent unit (TEU) is a standard unit of measurement for container shipping volumes. A modern standard 40-foot container is equivalent to 2 TEUs. Trade chokepoints are strategic maritime passageways that connect major ports or regions that can be vulnerable to geopolitical conflict or disruption.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

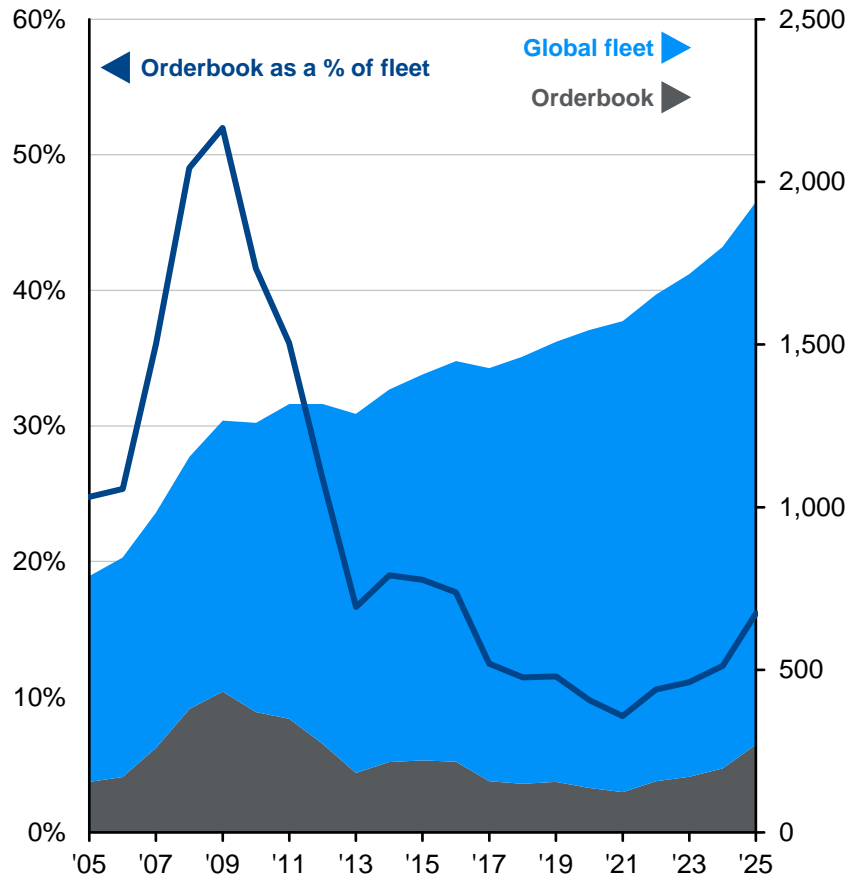


# Global shipping: Orders, capacity and age

Other real assets

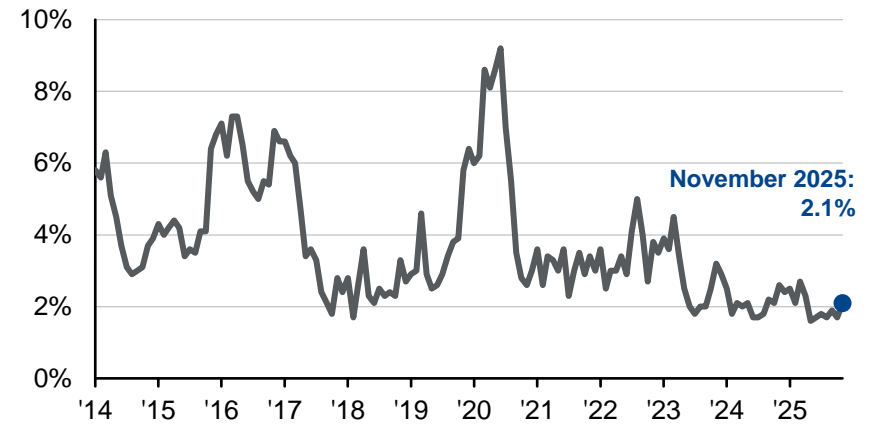
## Global fleet and orderbook

% of fleet, gross tonnage



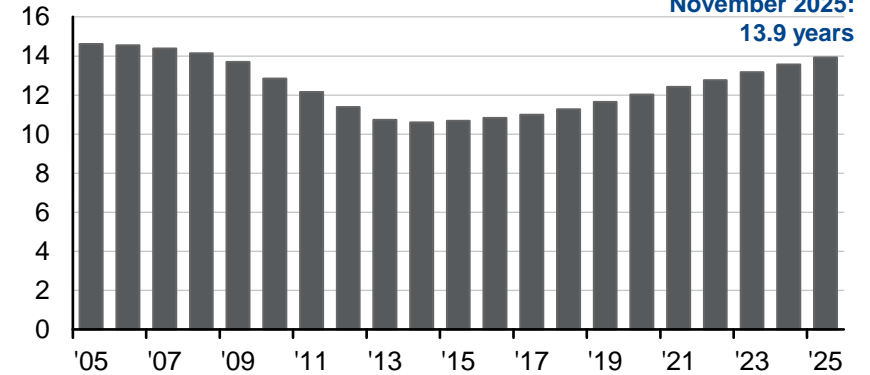
## Idle containership capacity

Share of global fleet



## Global fleet age

5,000+ gross tonnage, average number of years



Source: Clarksons Research, MSI, Sea/net, J.P. Morgan Asset Management.

(Left) An orderbook contains all the vessels that have been delivered as well as the current order or expected ship orders. The orderbook to fleet ratio is a useful indicator of future supply growth. (Bottom right) Gross tonnage is the volume of a ship's enclosed spaces in cubic meters.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

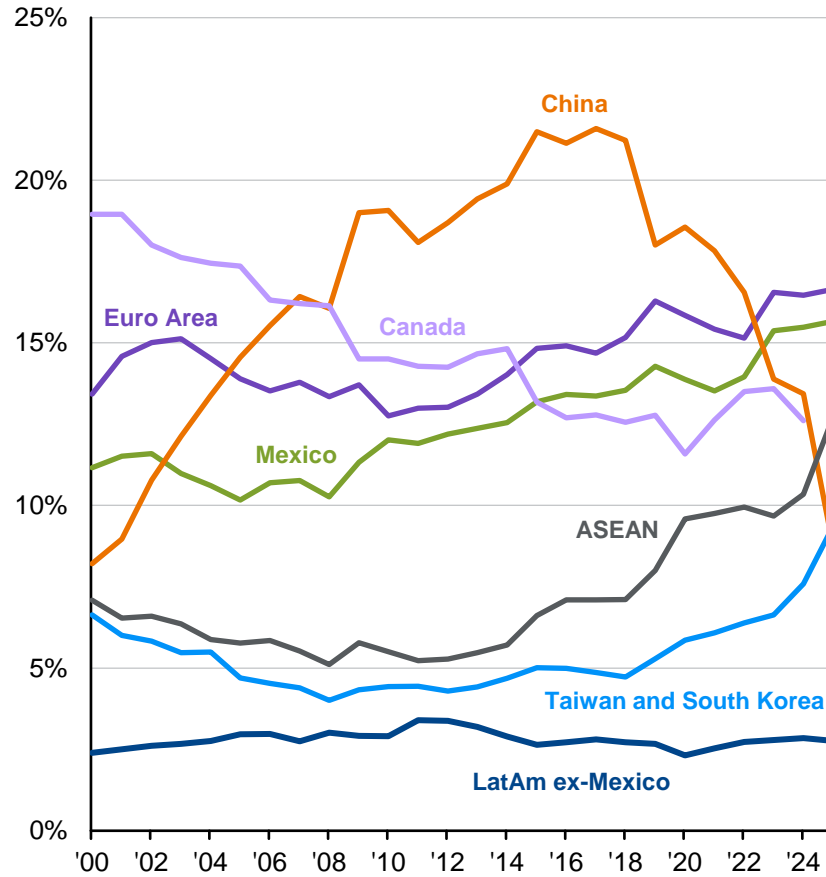


# U.S. imports and global shipping costs

Other real assets

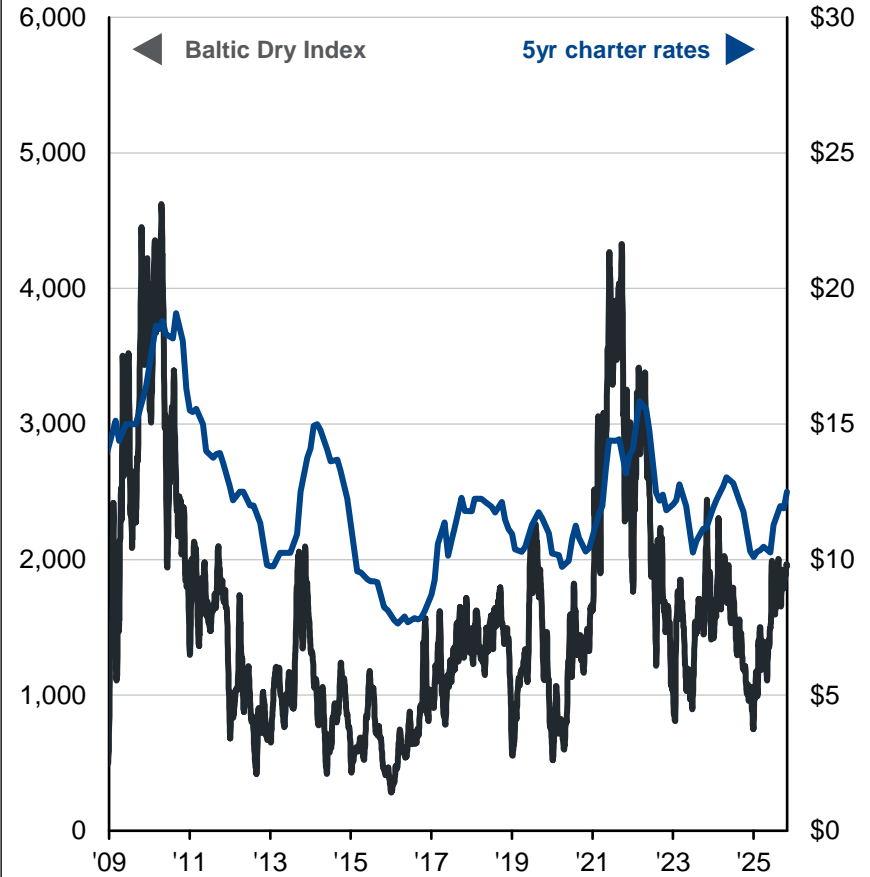
## U.S. goods imports by country

Share of total U.S. goods imports, annual and 2025 YTD\*



## Global shipping costs

Baltic Dry Index (level, daily), 5yr charter rates (USD thou., mo. avg.)



Source: Bloomberg, Clarksons Research, FactSet, U.S. Census Bureau, J.P. Morgan Asset Management.

(Left) \*2025 YTD data are as of 11/30/2025. ASEAN includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. LatAm ex-Mexico includes Argentina, Brazil, Chile, Colombia and Peru. (Right) Charter rates shown are the monthly average leasing rate per day for Panamax bulk carrier ships carrying 75,000 deadweight tonnage (DWT) in the Atlantic and Pacific regions under a leasing agreement with a fixed duration of five years. Past performance is not a reliable indicator of current and future results.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

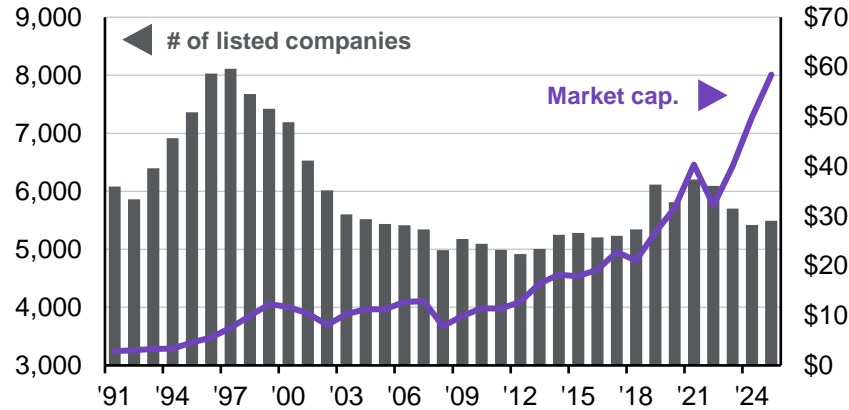


# U.S. public vs. private equity

Private equity

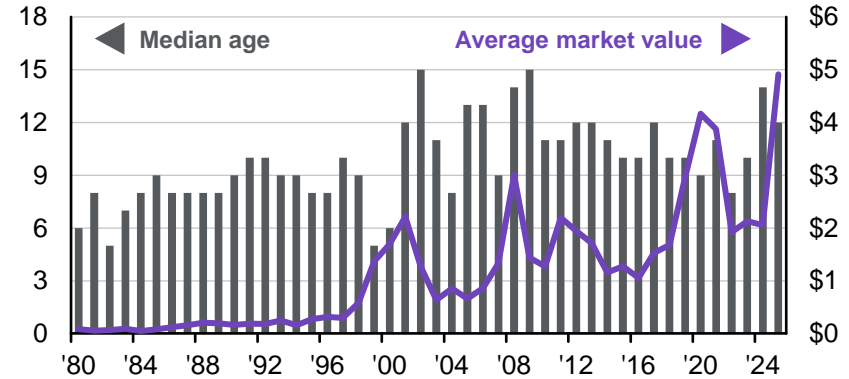
### Number of listed U.S. companies\* and market cap.

Count, S&P 500 market capitalization in USD trillions



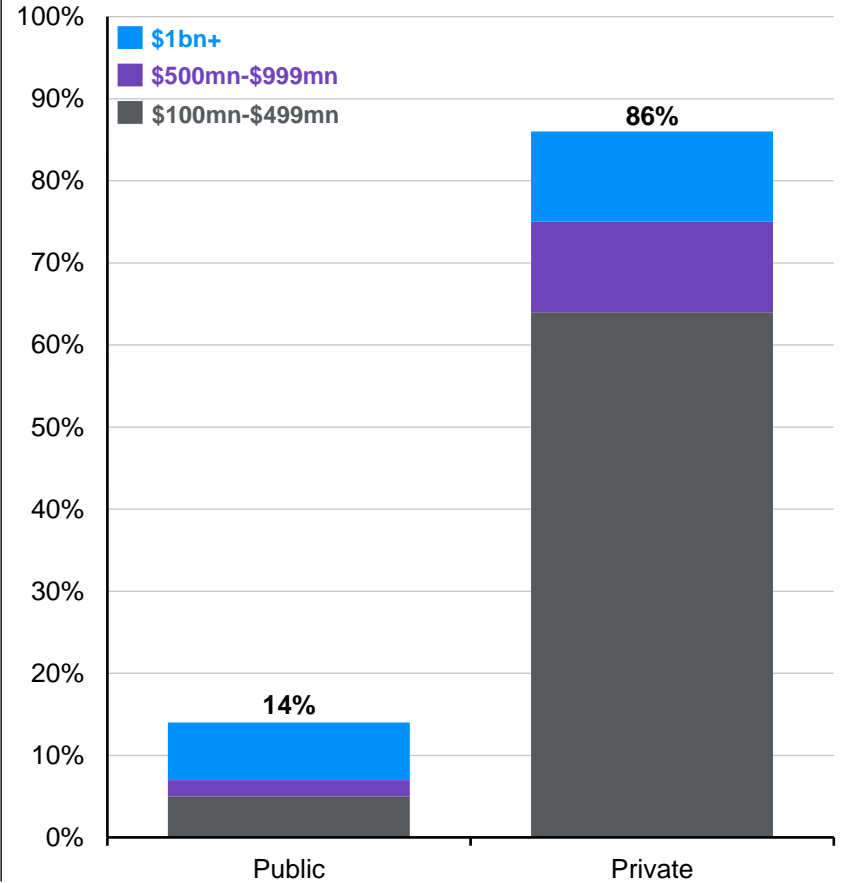
### Median age and average market value at IPO

Years, USD billions



### U.S. companies split public vs. private

Share of companies with annual revenue greater than \$100mn



Source: Bain and Company, FactSet, Jay Ritter – University of Florida, S&P Capital IQ, World Federation of Exchanges, J.P. Morgan Asset Management. (Top left) \*Number of listed U.S. companies is represented by the sum of the number of companies listed on the NYSE and the NASDAQ. (Bottom left) Average market value is calculated by dividing the total market value at first closing price by the total number of IPOs for each period. The sample is IPOs with an offer price of at least \$5, excluding ADRs, unit offers, closed-end funds, REITs, natural resource limited partnerships, small best efforts offers, banks and S&Ls and stocks not listed on CRSP (CRSP includes Amex, NYSE and NASDAQ stocks). *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

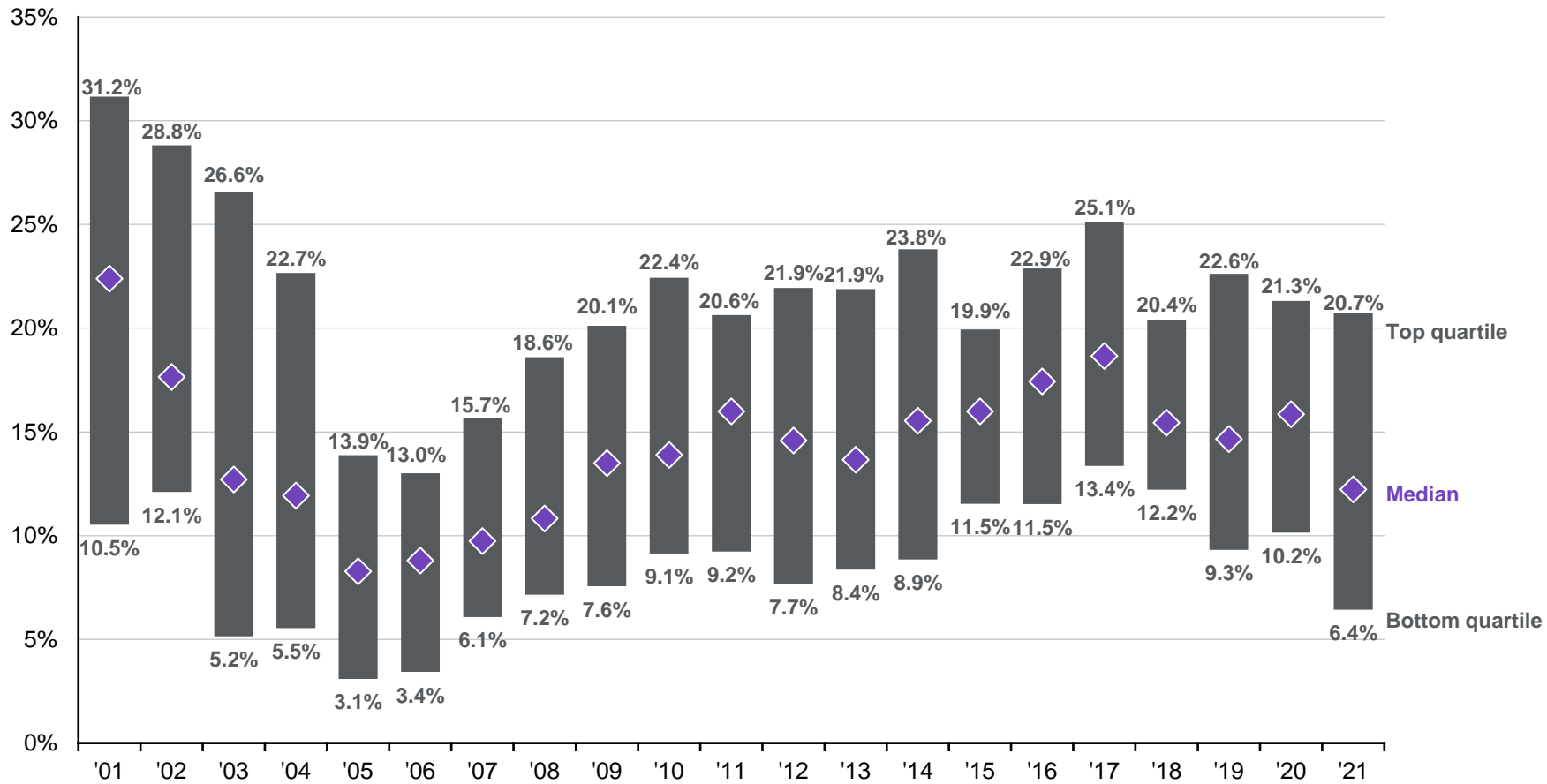


# Global private equity returns

Private equity

### Global private equity return dispersion by vintage year

Internal rate of return (IRR)



Source: Burgiss, J.P. Morgan Asset Management.  
 Global private equity is represented by global buyout funds. IRR performance data are as of 3Q25. Past performance is not a reliable indicator of current and future results.  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.

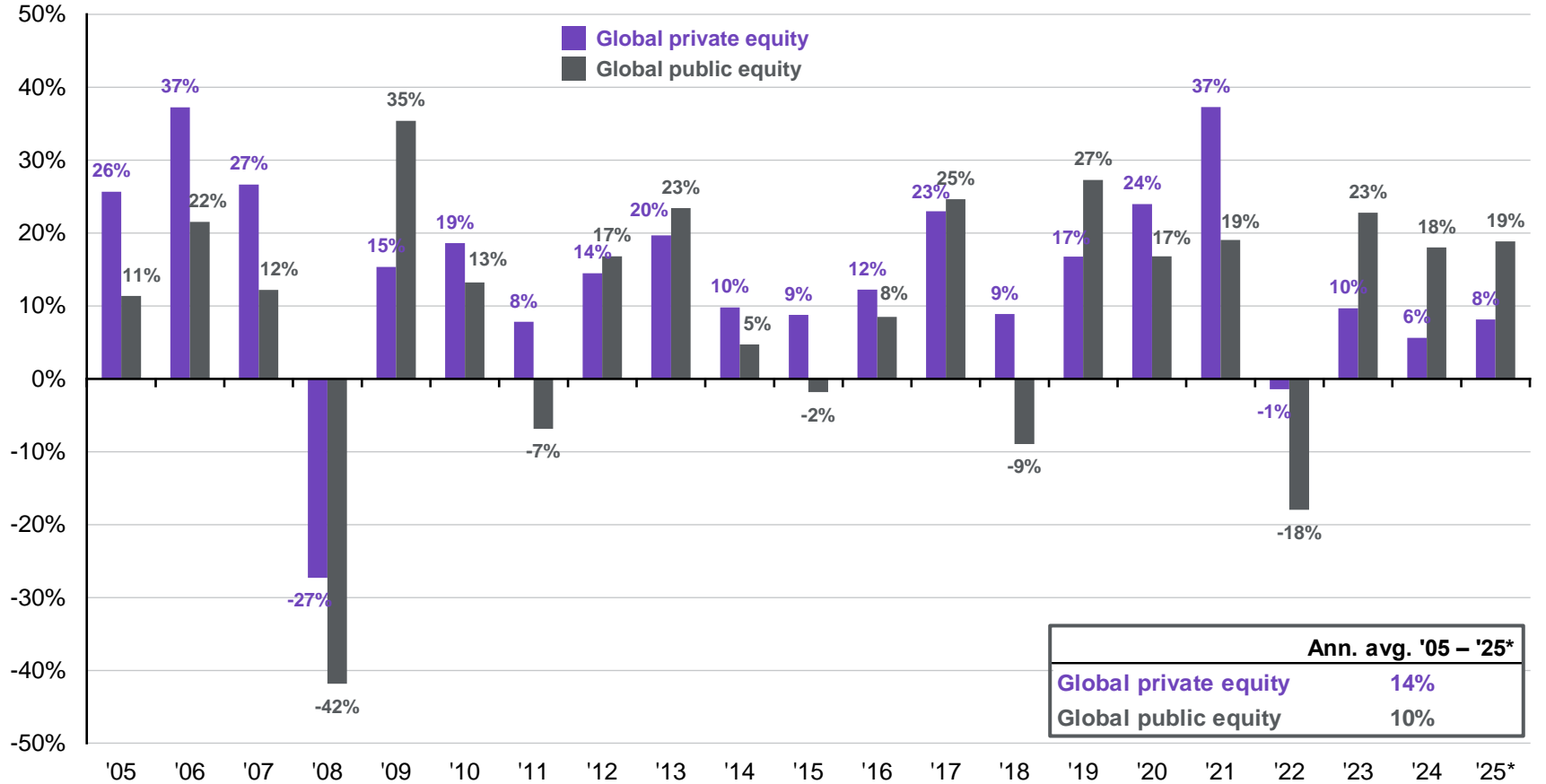


# Private equity performance vs. public markets

Private equity

## Annual global private and public equity performance

USD total return, net of fees



Source: Burgiss, FactSet, MSCI, J.P. Morgan Asset Management.

\*2025 data are as of 3Q25. Private equity returns are time-weighted. Global private equity: MSCI Global Buyout Closed-End Fund Index. Global public equity: MSCI All Country World Total Return Index. Past performance is not a reliable indicator of current and future results. Guide to Alternatives. Data are based on availability as of January 31, 2026.

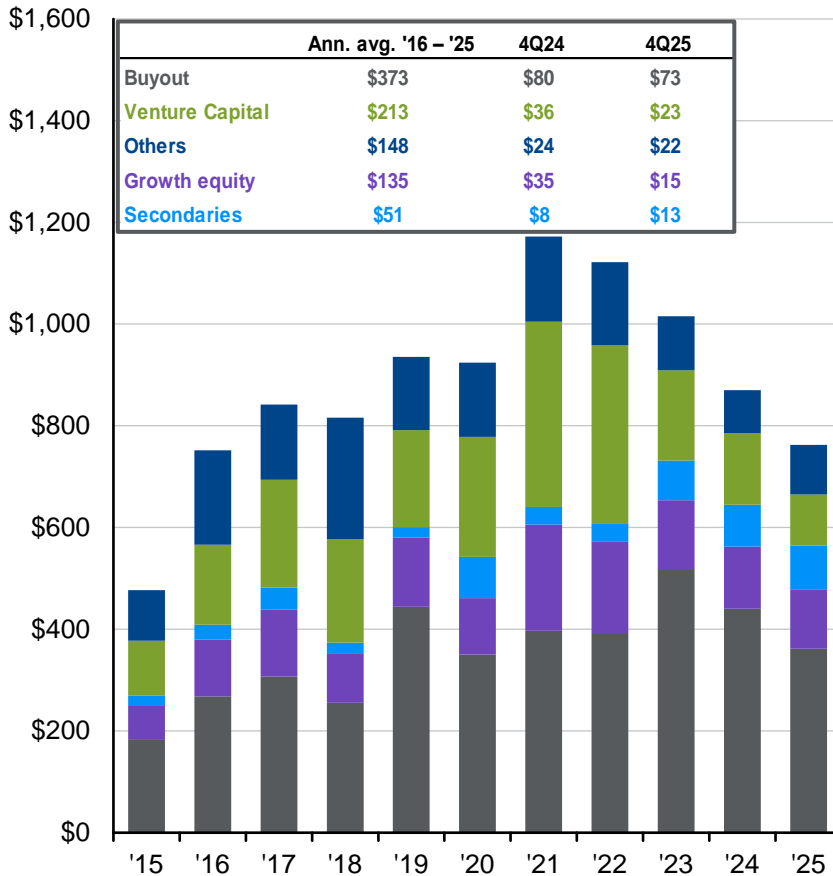


# Private equity fundraising and dry powder

Private equity

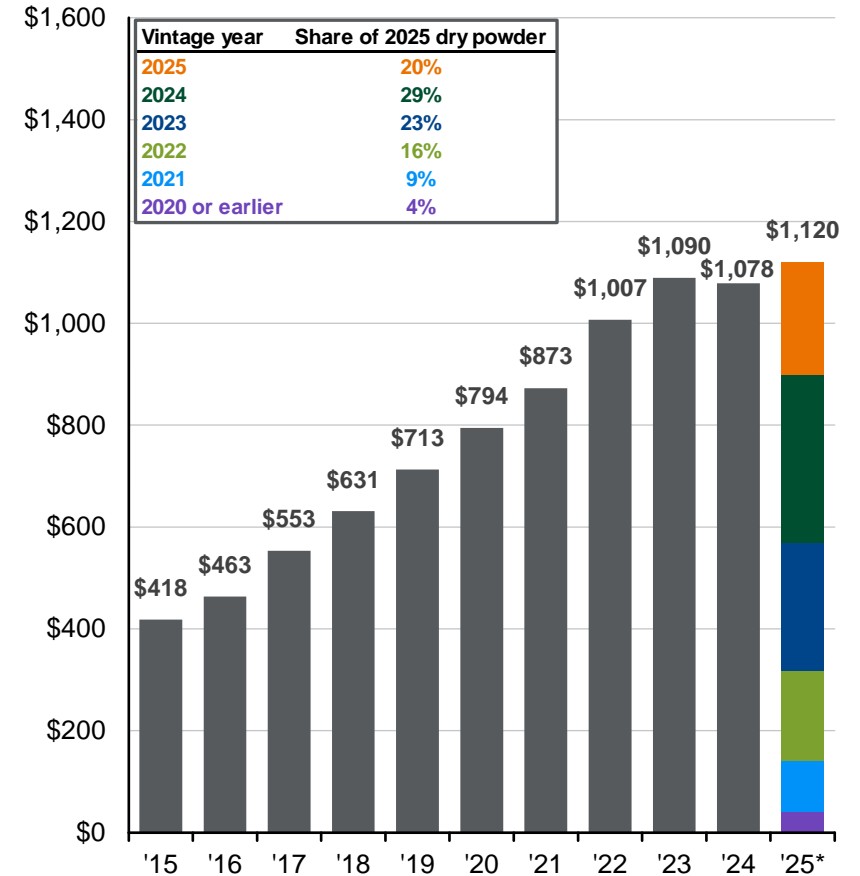
## Global private equity fundraising by type

USD billions



## U.S. private equity dry powder by vintage

USD billions



Source: PitchBook Data, Inc., Prequin, J.P. Morgan Asset Management.

(Left) Buyout funds: Acquire all or a significant amount of equity in their target company, often financed by a high proportion of debt; Growth equity funds: Take minority stakes in companies, financed by all-equity deal structures; Secondary funds: Purchase existing stakes in private equity funds from other limited partners (LPs); Venture capital funds: Invest in early-stage companies with high growth potential; Others: Includes funds raised for restructuring or turnaround deals that use a combination of debt and equity financing. (Right) \*2025 data are as of 2Q25. Percentages may not sum to 100 due to rounding.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

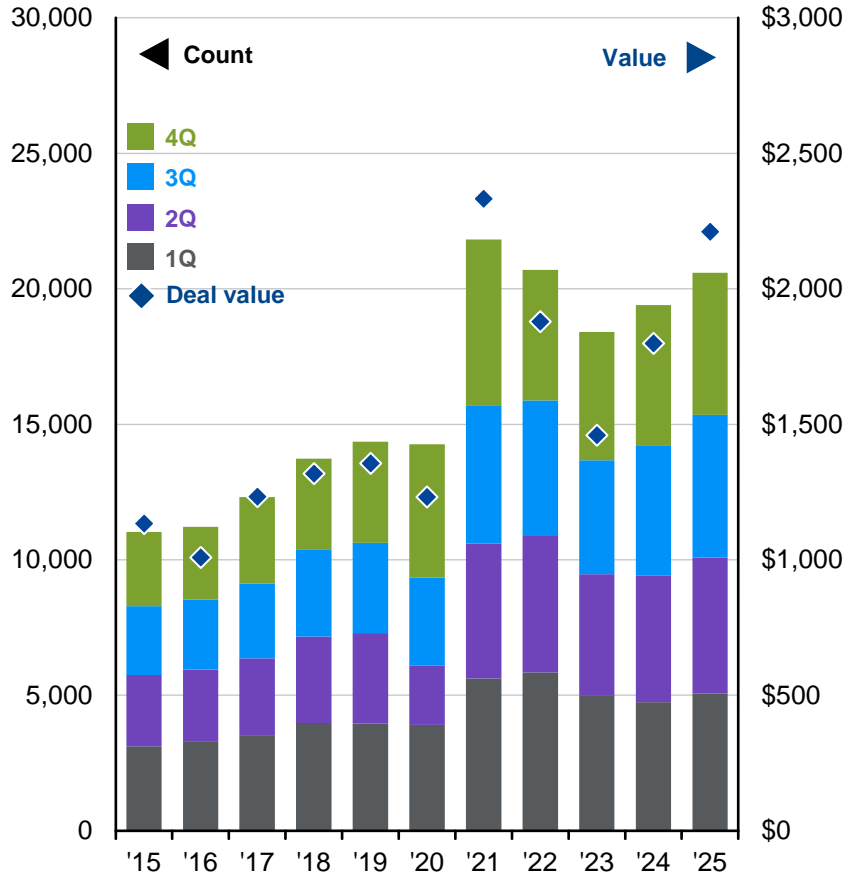


# Global private equity investment and exit activity

Private equity

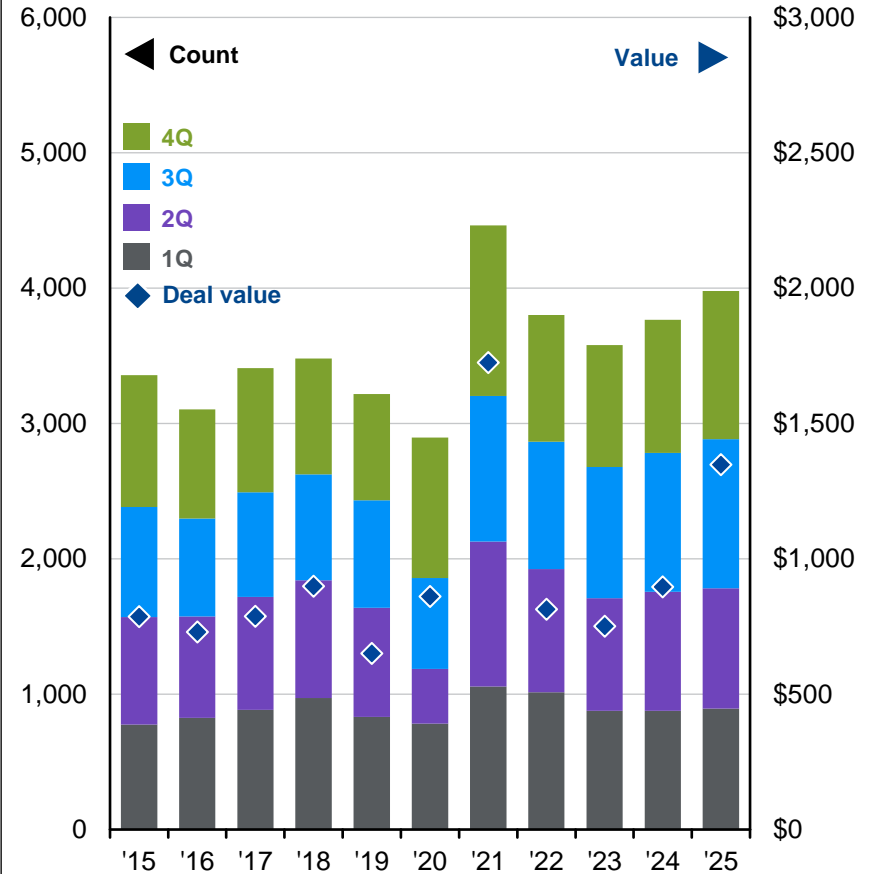
## Global private equity investment activity

Quarterly deal count and annual value, USD billions



## Global private equity exit activity

Quarterly exit count and annual value, USD billions



Source: PitchBook Data, Inc., J.P. Morgan Asset Management. Guide to Alternatives. Data are based on availability as of January 31, 2026.

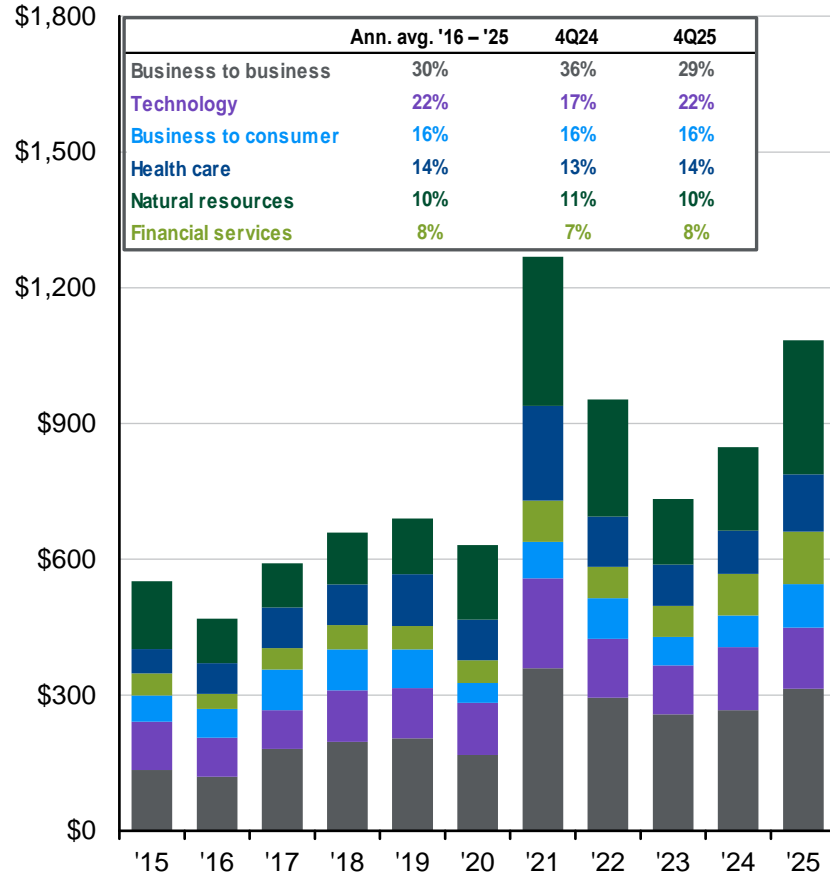


# U.S. private equity investments and exits

Private equity

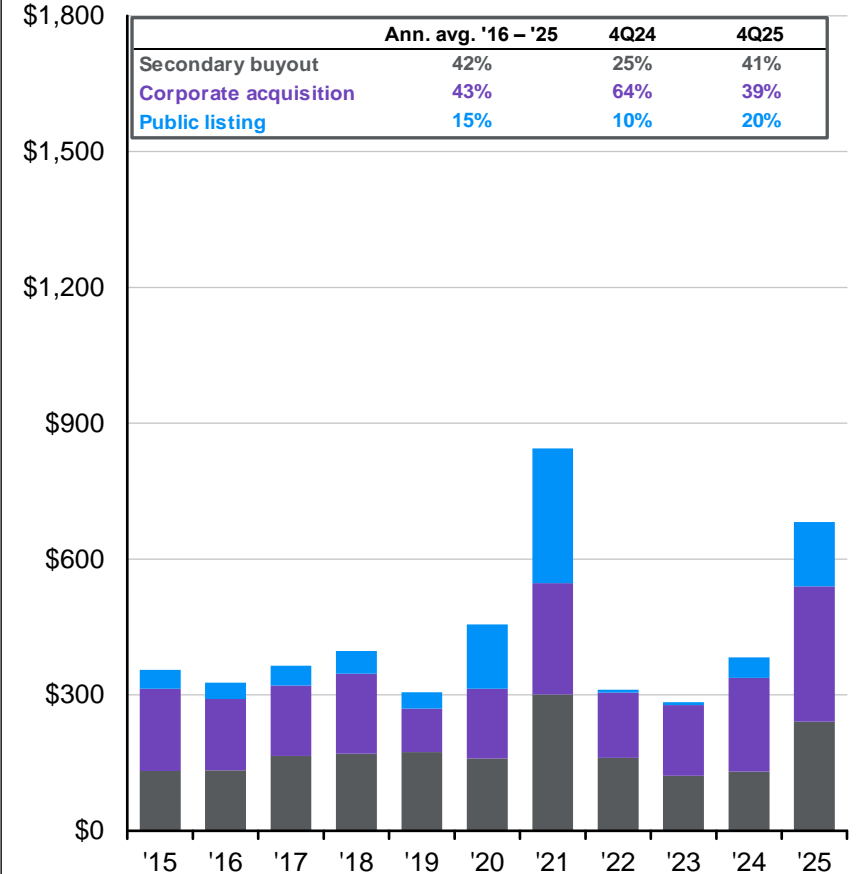
## U.S. private equity investments by sector

USD billions



## U.S. private equity exits by type

USD billions



Source: PitchBook Data, Inc., J.P. Morgan Asset Management.  
 Percentages may not sum to 100 due to rounding. (Left) Natural resources = Materials & resources and energy.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

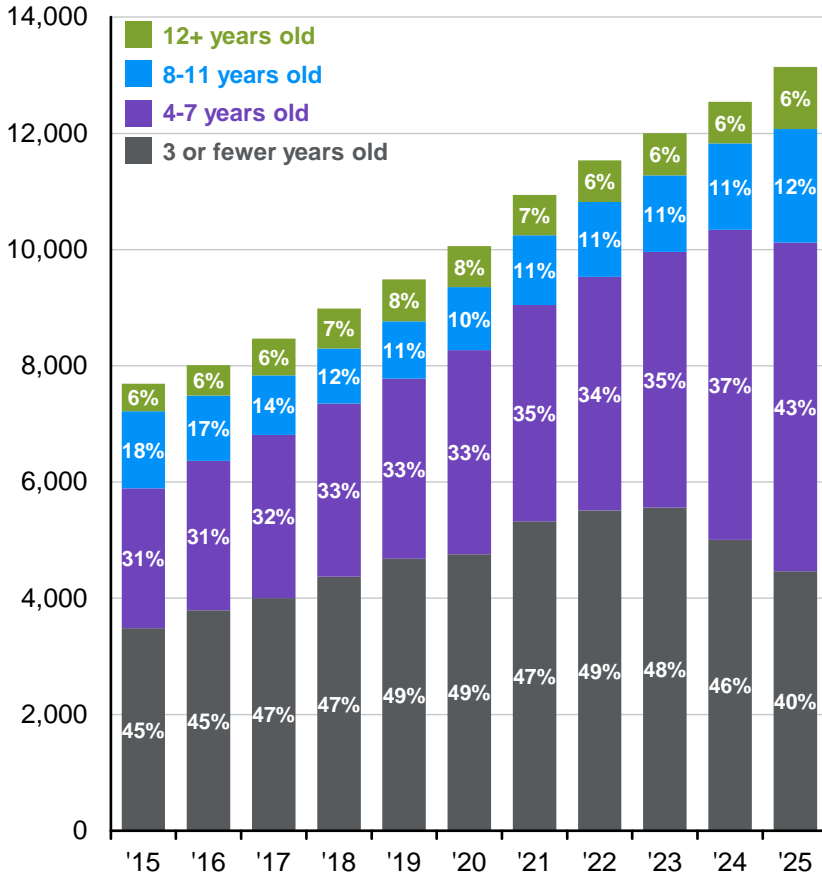


# Private equity inventory and continuation vehicles

Private equity

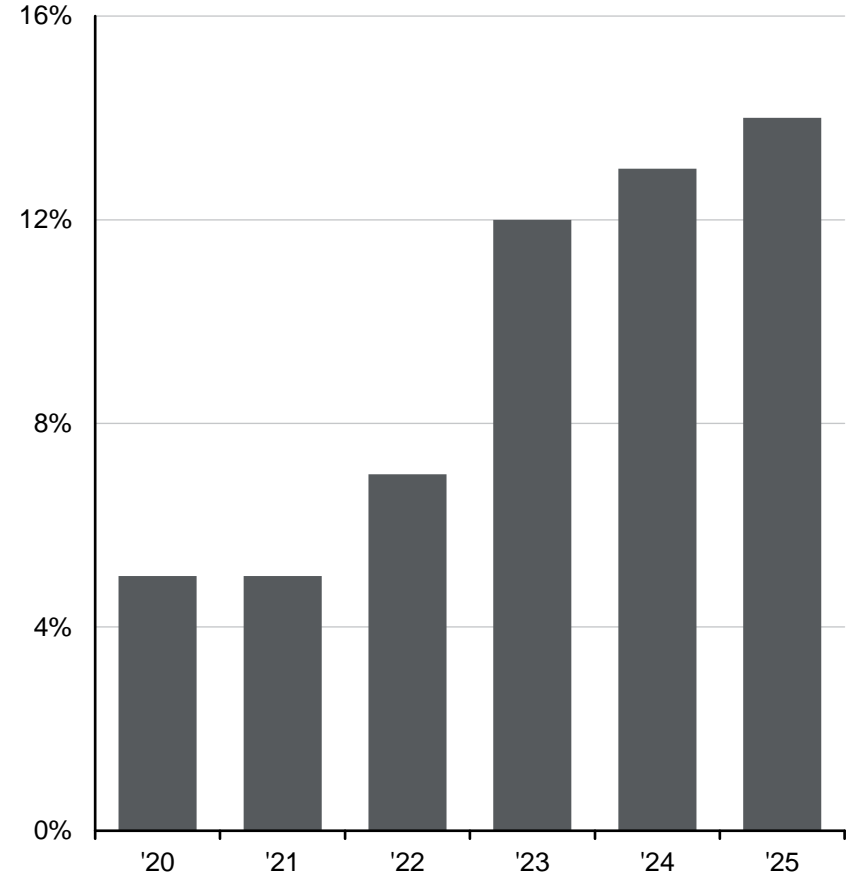
## U.S. PE-backed company inventory

Count by investment duration



## Global continuation vehicle exit activity

Share of sponsor-backed private equity exit deal volume



Source: Dealogic, Jefferies, PitchBookData, Inc., J.P. Morgan Asset Management.

(Left) Percentages may not sum to 100 due to rounding. (Right) Sponsor-backed exit deal volume estimates are from Dealogic and include M&A and IPO proceeds. Percentage represents continuation vehicle transaction volume divided by sponsor-backed exit deal volume.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

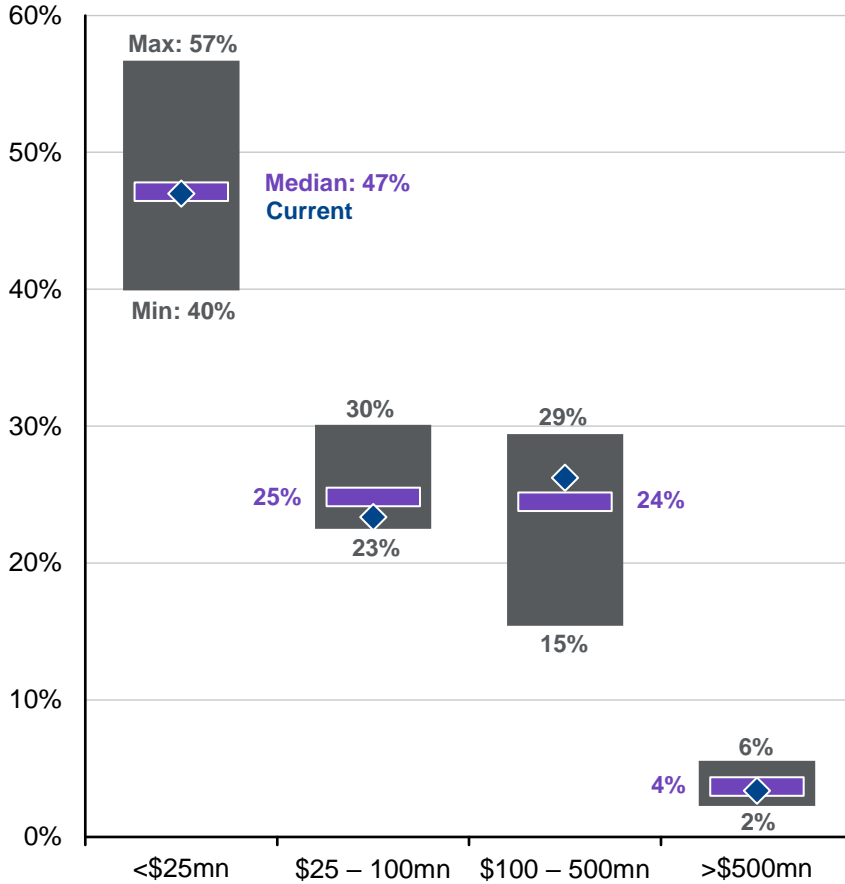


# Private equity investments and multiples by size

Private equity

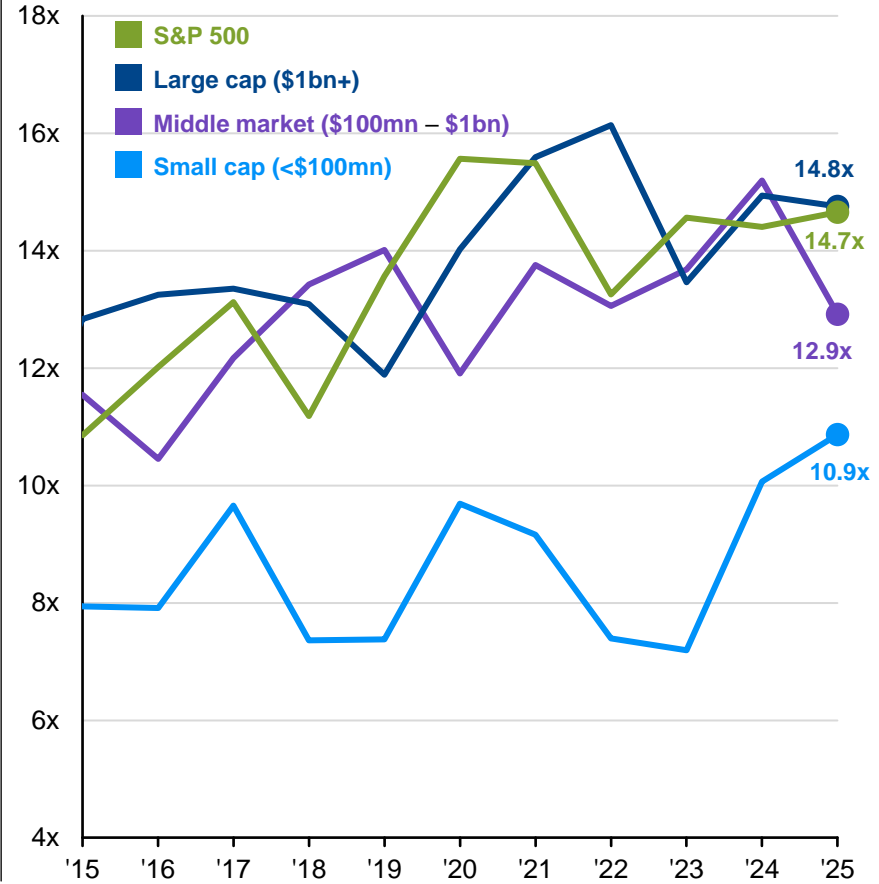
### U.S. private equity investments by size

Share of total number of investments, 2008 – 2025



### Private company buyout multiples vs. S&P 500

Median enterprise value/EBITDA, trailing 12-month multiples



Source: PitchBook Data, Inc., J.P. Morgan Asset Management. Guide to Alternatives. Data are based on availability as of January 31, 2026.

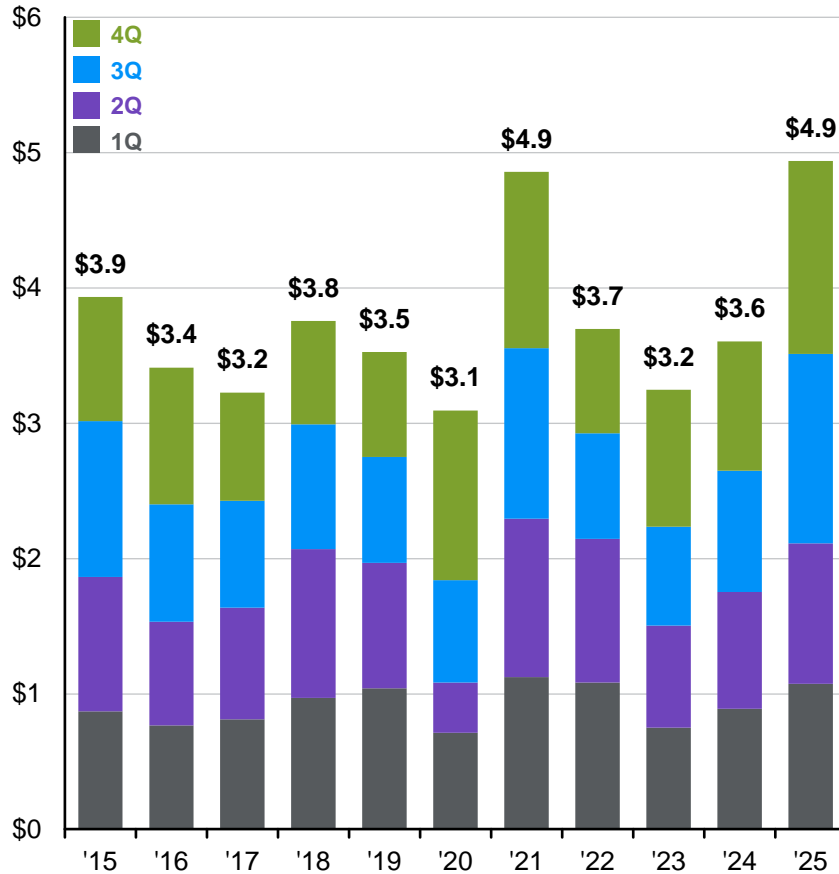


# Global M&A and IPOs

Private equity

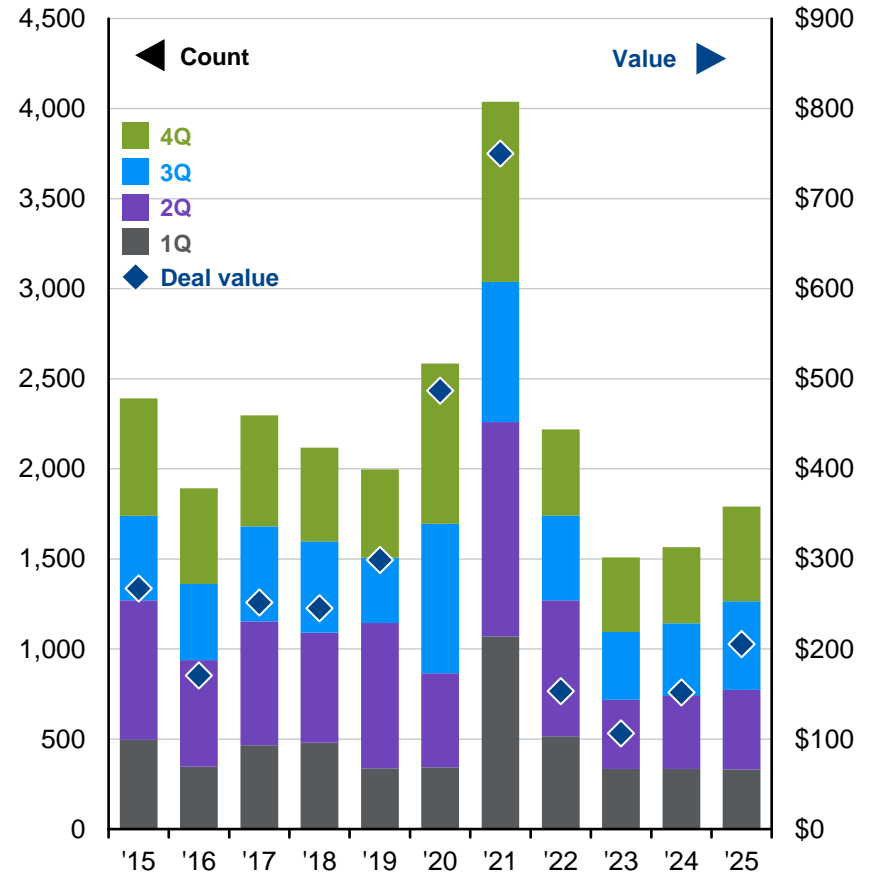
## Global M&A by quarter

USD trillions



## Global IPOs by quarter

Quarterly count and annual value by announcement, USD billions



Source: Bloomberg, PitchBookData, Inc., J.P. Morgan Asset Management.

(Right) Initial public offerings data are provided by Bloomberg and are tracked through public announcements or disclosed directly via the deal's lead underwriters.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

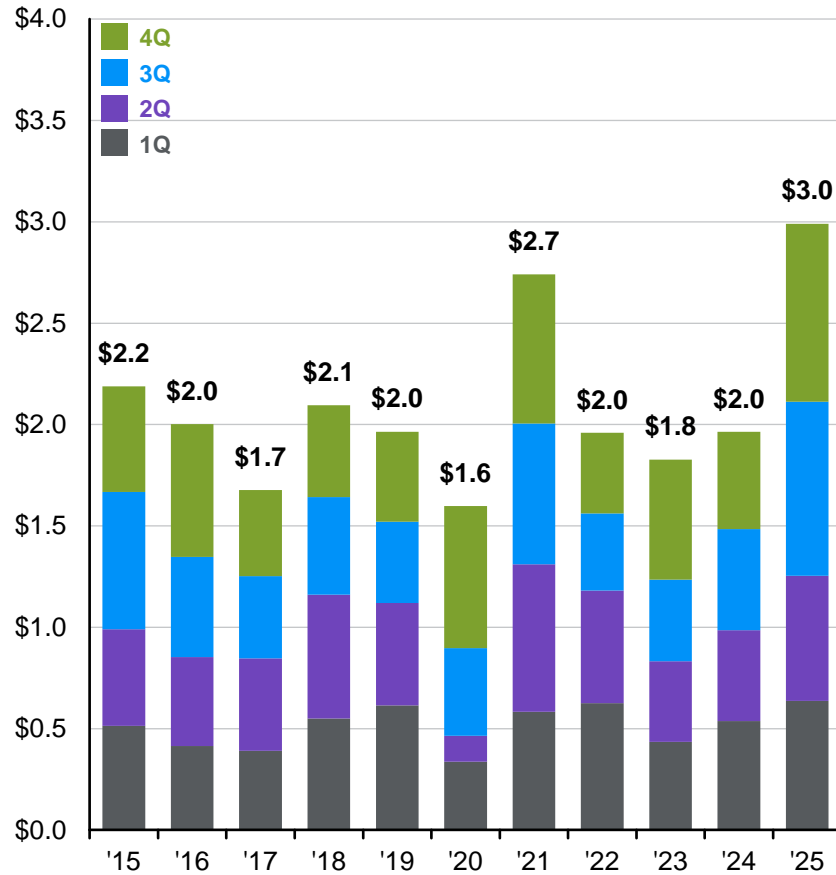


# North America M&A and IPOs

Private equity

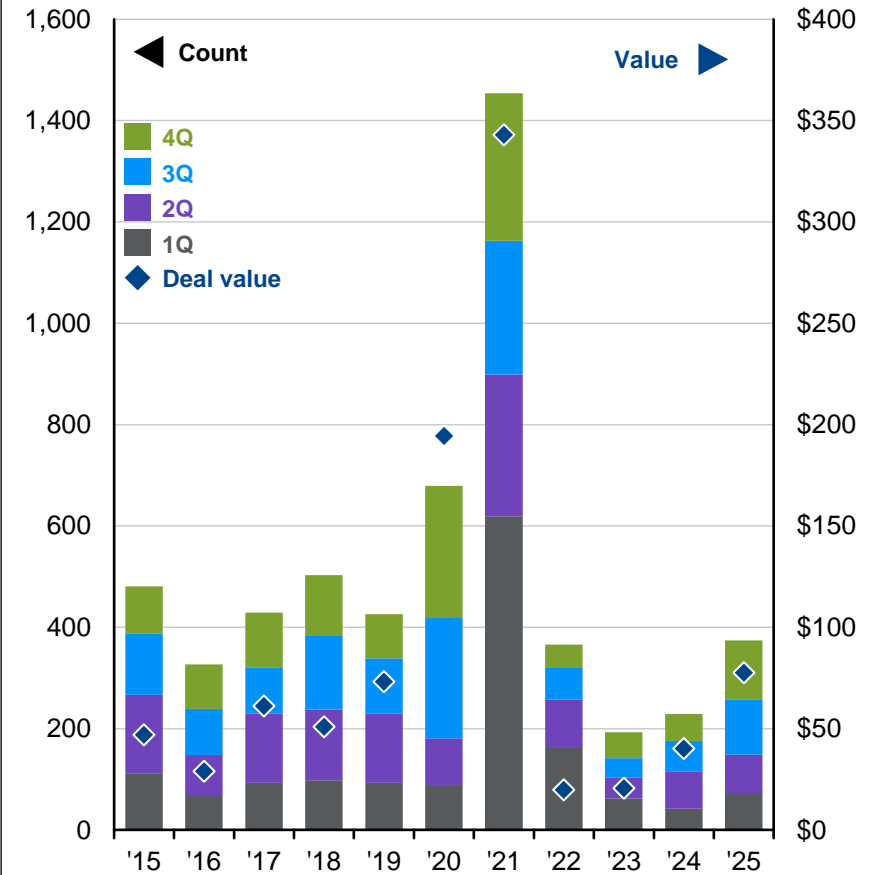
### North America M&A by quarter

USD trillions



### North America IPOs

Quarterly count and annual value by announcement, USD billions



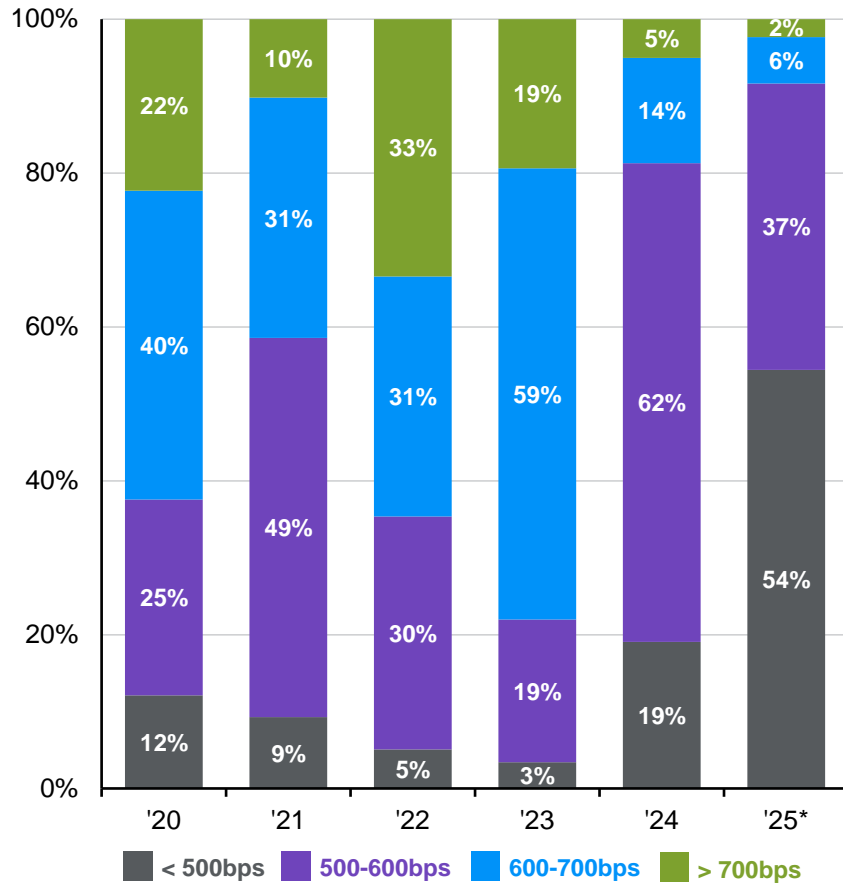
Source: Bloomberg, PitchBookData, Inc., J.P. Morgan Asset Management.  
 (Right) Initial public offerings data are provided by Bloomberg and are tracked through public announcements or disclosed directly via the deal's lead underwriters.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.



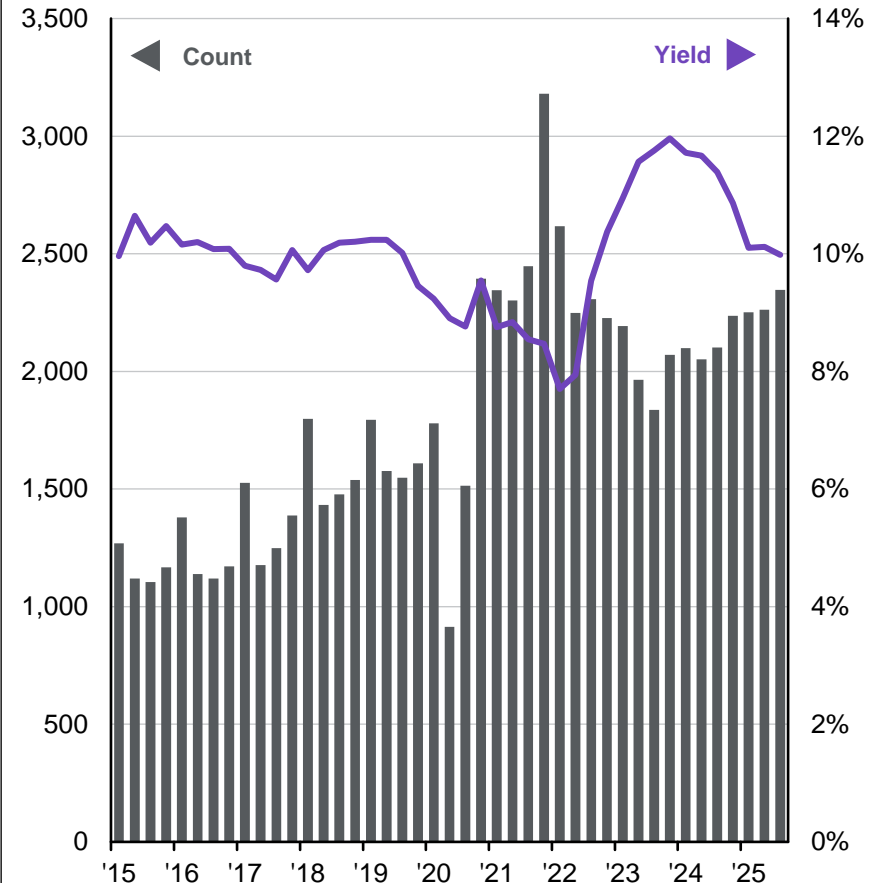
# Private equity financing and deal activity

Private equity

## New-issue spreads of LBOs financed by private credit



## U.S. private equity deal count and yields



Source: PitchBook Data, Inc., J.P. Morgan Asset Management.  
 (Left) \*2025 data are as of 11/30/2025. (Right) Yield represents the annualized quarterly income return from the Cliffwater Direct Lending Index.  
 Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

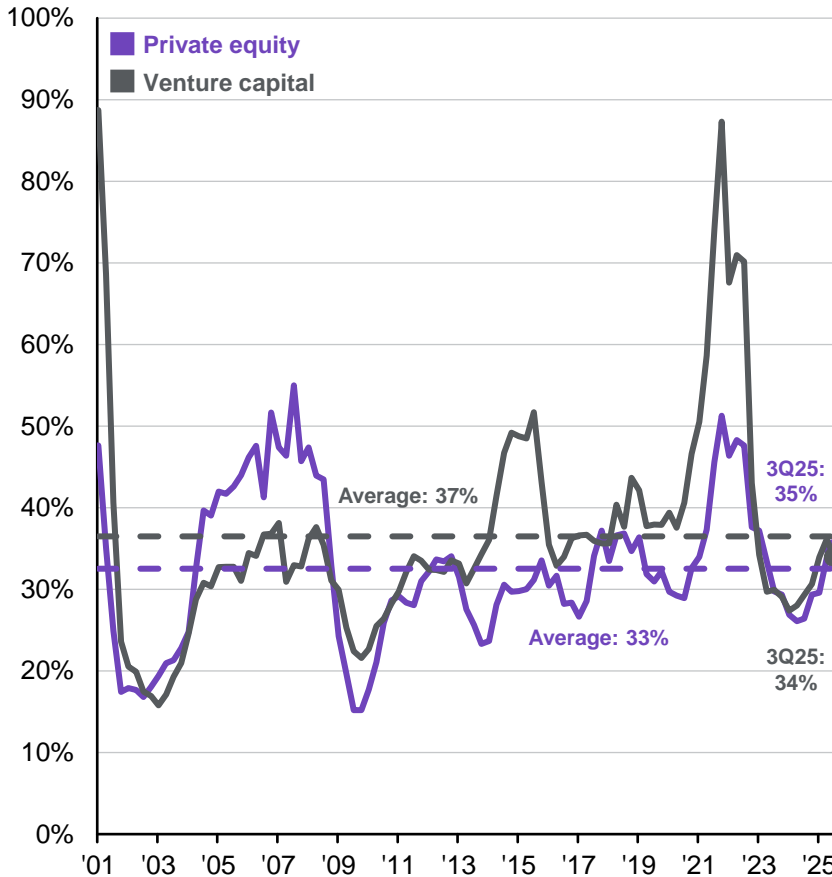


# Capital calls and distributions

Private equity

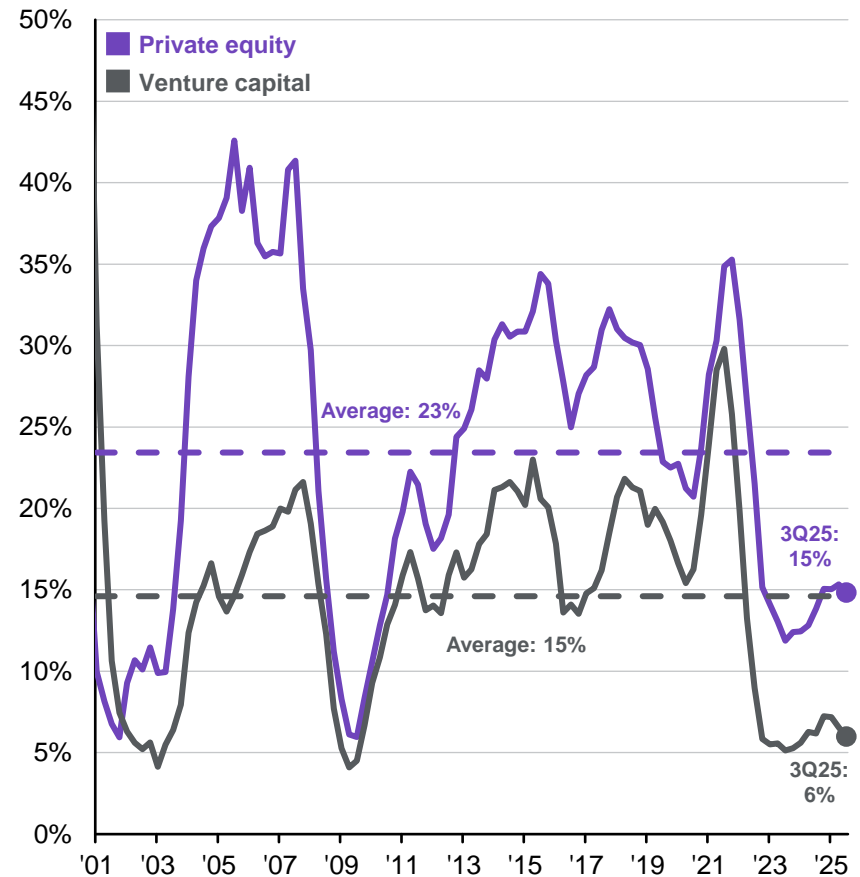
## U.S. PE and VC capital call rates

Capital calls as a % of beginning dry powder, quarterly



## U.S. PE and VC distribution rates

Distributions as a % of beginning net asset value (NAV), quarterly



Source: PitchBook Data, Inc., J.P. Morgan Asset Management.

Latest quarter data are preliminary. Capital call and distribution rates are calculated on a rolling 12-month basis. (Left) The capital call rate is the rate at which funds ask their investors to provide a portion of funds that they committed. (Right) The distribution rate is the rate at which investors are paid after fund managers realize their investments in underlying companies or assets, providing returns on the capital invested.

Guide to Alternatives. Data are based on availability as of January 31, 2026.

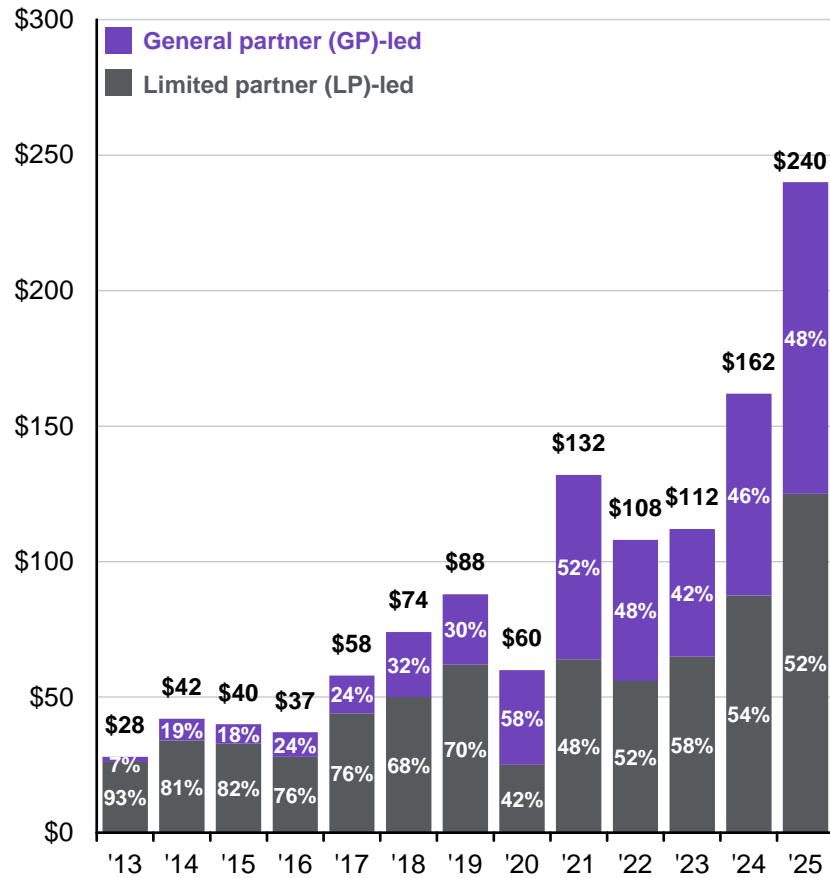


# Global private secondary market

Private equity

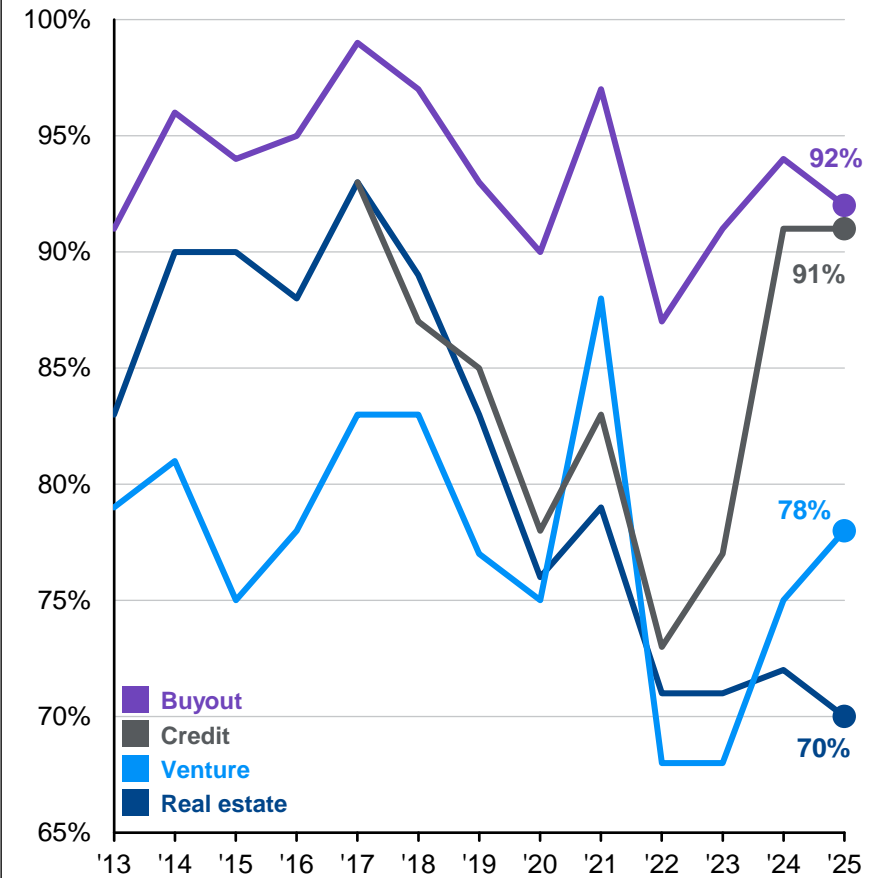
### Secondary market volume by investor type

USD billions



### Limited-partner led secondary pricing

% of net asset value (NAV)



Source: Greenhill, Jefferies, J.P. Morgan Asset Management. Data from the "Global Secondary Market Review," Jefferies, January 2026. Secondary transactions involve selling an existing stake of a target company or fund to raise liquidity, exit a position, modify exposures or lock in gains. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

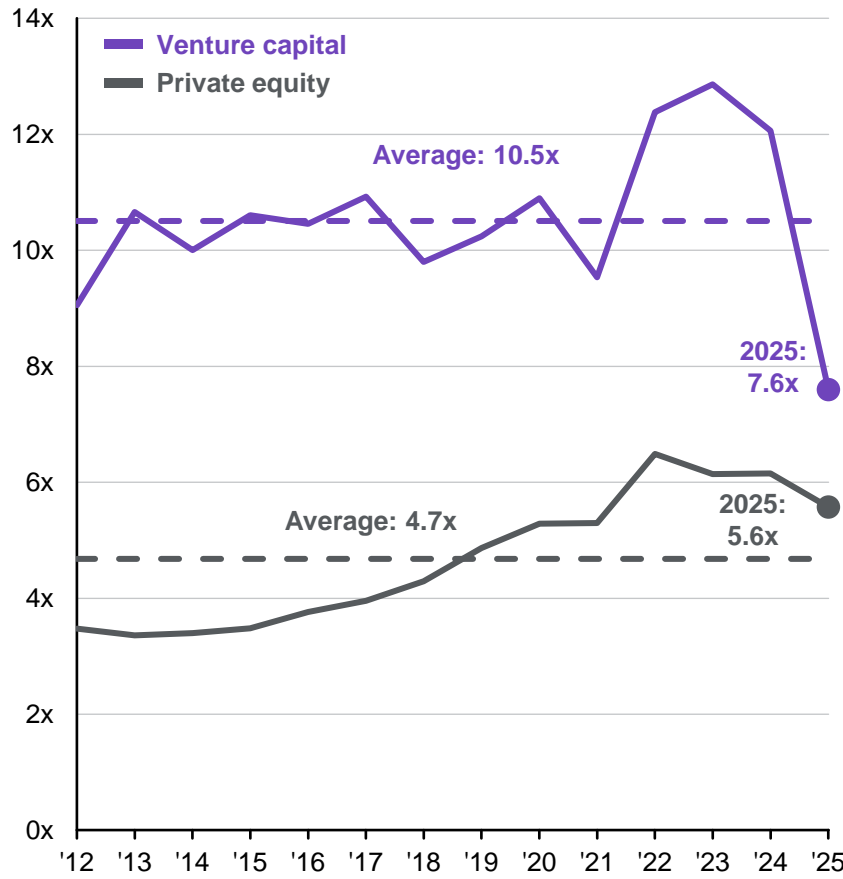


# U.S. venture capital

Private equity

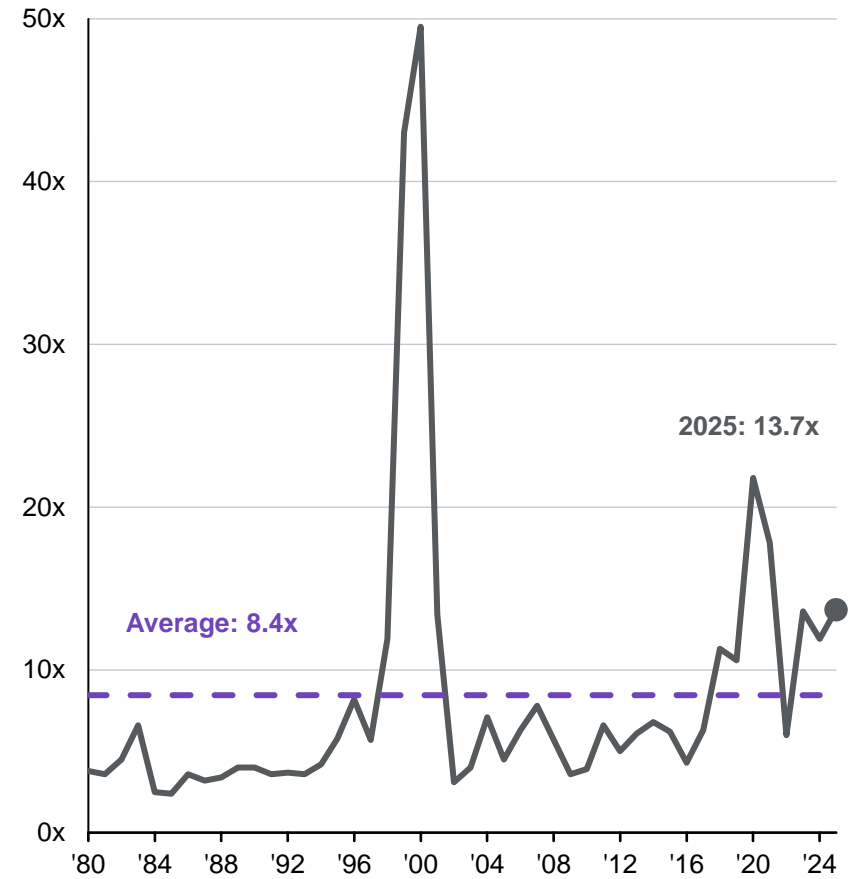
## Investment and exit activity

Number of investments/number of exits\*, 2012 – 2025



## Venture capital IPO valuations

Price-to-sales\*\*, annual



Source: Jay Ritter – University of Florida, PitchBook Data, Inc., J.P. Morgan Asset Management.  
 (Left) \*Number of investments is defined as deal count. (Right) \*\*Price is defined as the first closing market price. Sales are defined as the last 12 months' revenues as reported in the prospectus.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

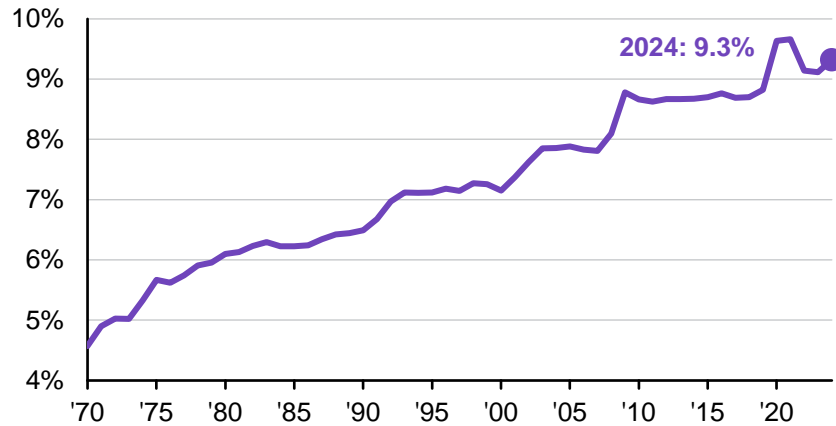


# Health care dynamics

Private equity

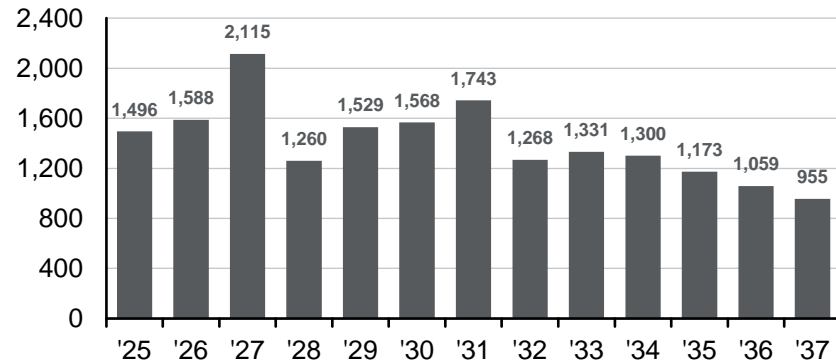
## OECD average current expenditure on health

Share of GDP



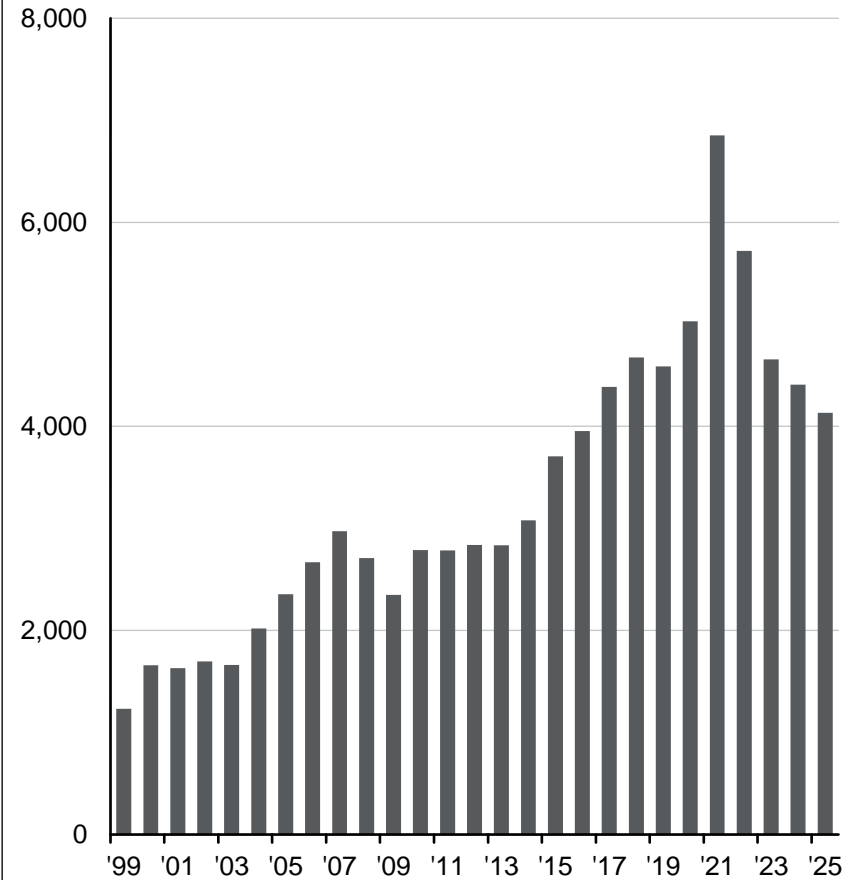
## U.S. drug patent expiration

Number of patents expiring each calendar year



## Global health care M&A activity

Completed deal count



Source: Bloomberg, FDA, OECD, J.P Morgan Asset Management.  
 (Bottom left) Total patents expiring are from the FDA's Orange Book and Purple Book.  
*Guide to Alternatives*. Data are based on availability as of January 31, 2026.

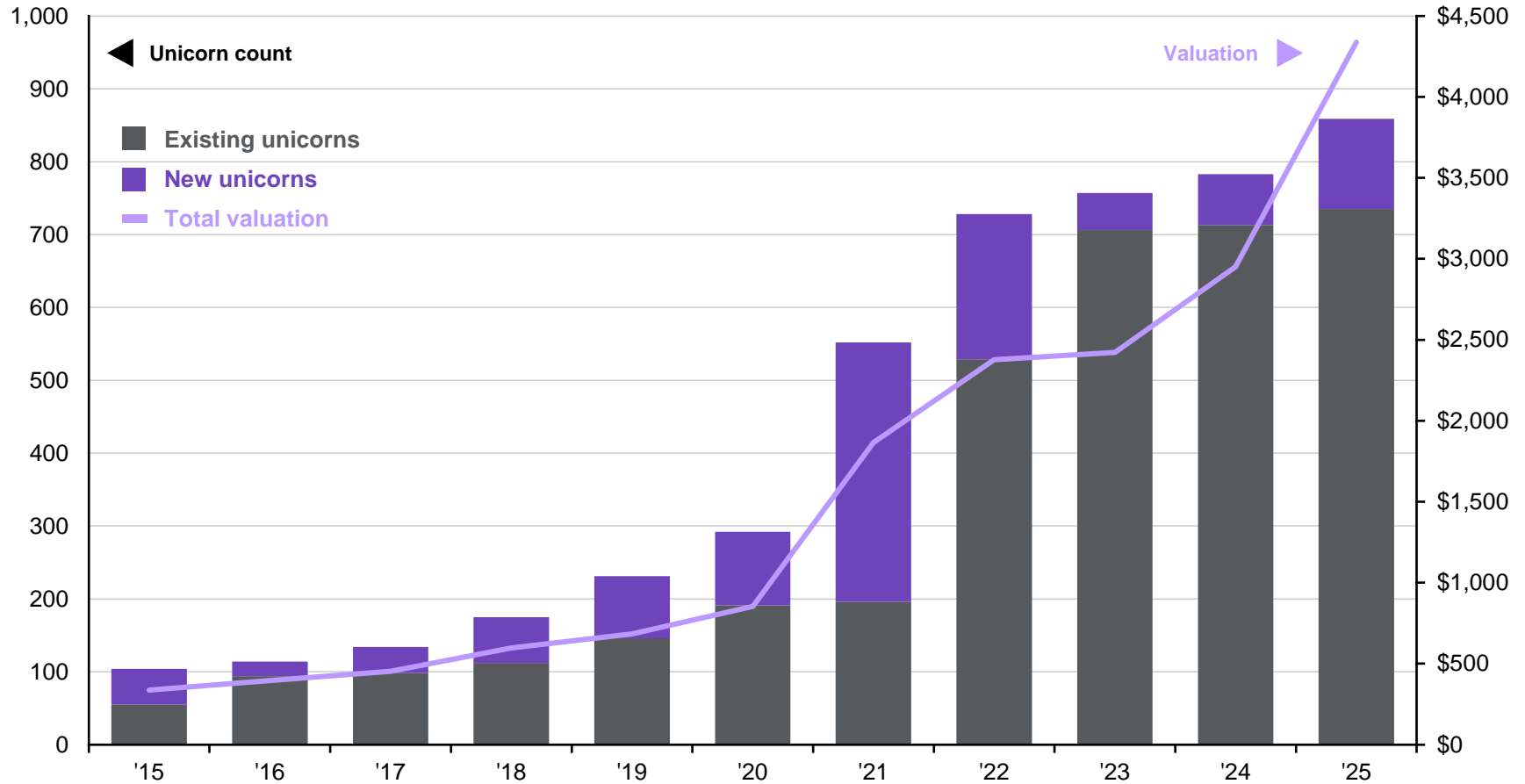


# U.S. unicorns: Formations and valuations

Private equity

## Count and valuation of U.S. unicorns

Count of venture capital-backed companies valued more than \$1bn, aggregate USD billions



Source: PitchBook Data, Inc., J.P. Morgan Asset Management. Classification categories are from PitchBook. A unicorn is defined by PitchBook as a venture capital-backed company with a post-money valuation of over \$1 billion. Companies that have gone public, been acquired by another company or had their valuation fall below \$1 billion are no longer counted as a unicorn. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

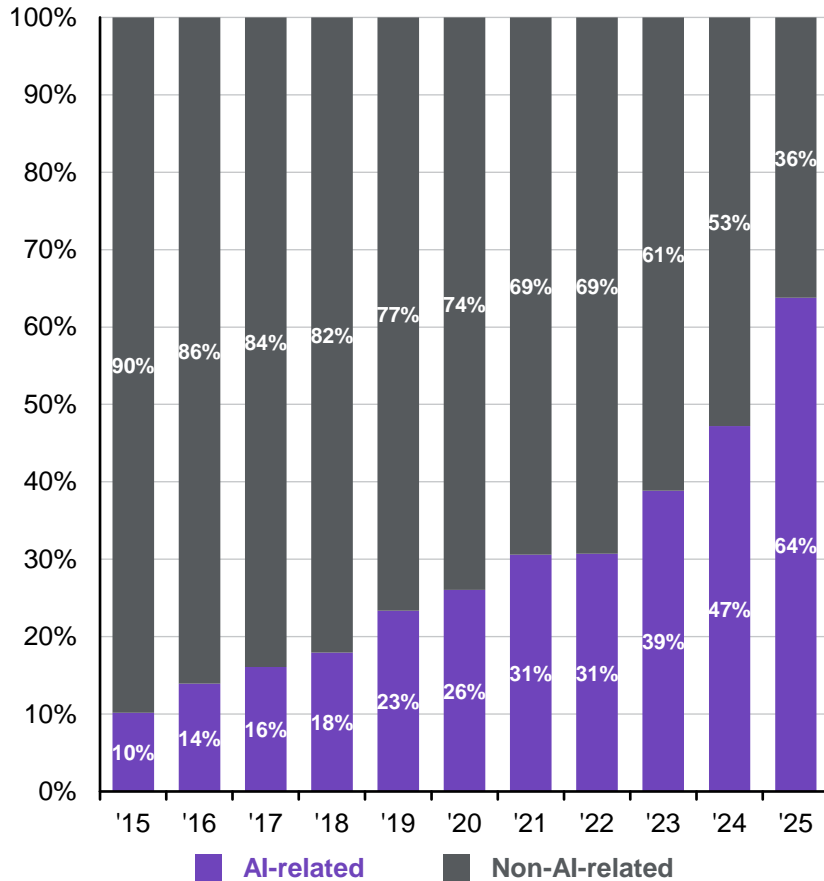


# Venture investment in artificial intelligence

Private equity

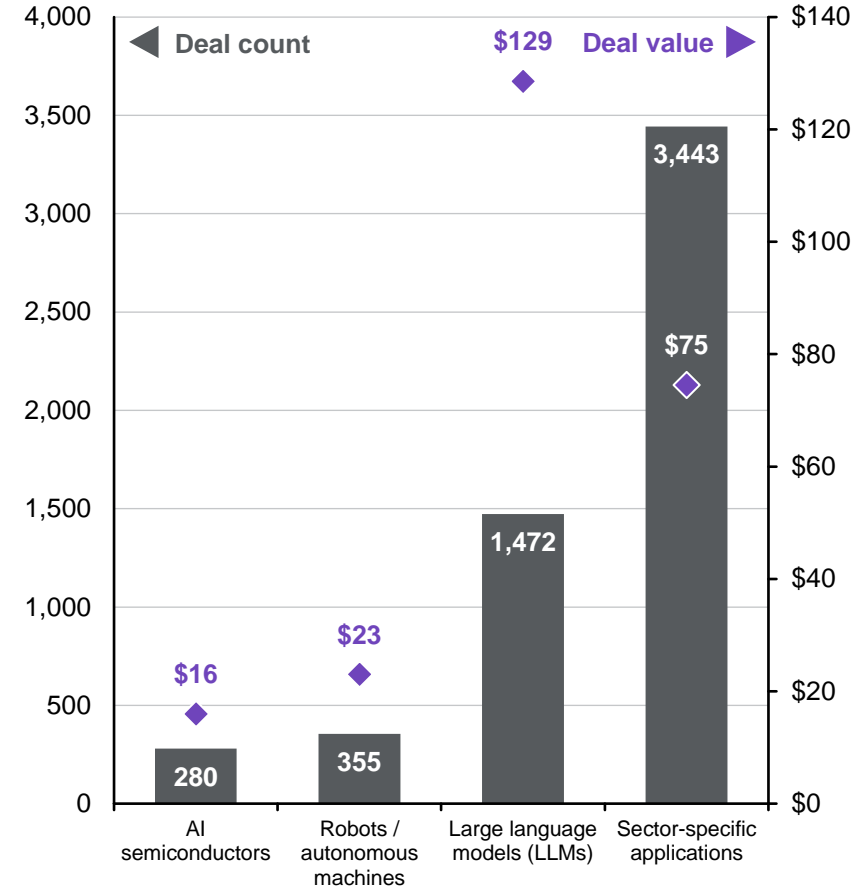
### North America venture capital investments in AI

Deal value as a share of all venture capital deal value



### Venture capital AI deal activity by type

Trailing 12 months count, USD billions, 3Q25



Source: PitchBook Data, Inc., J.P. Morgan Asset Management.  
 (Left) AI-related includes deal value for AI and machine learning (ML)-related deal activity. North America does not include Mexico. (Right) Sector-specific applications are built on top of AI models and enable domain-specific performance and integration.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

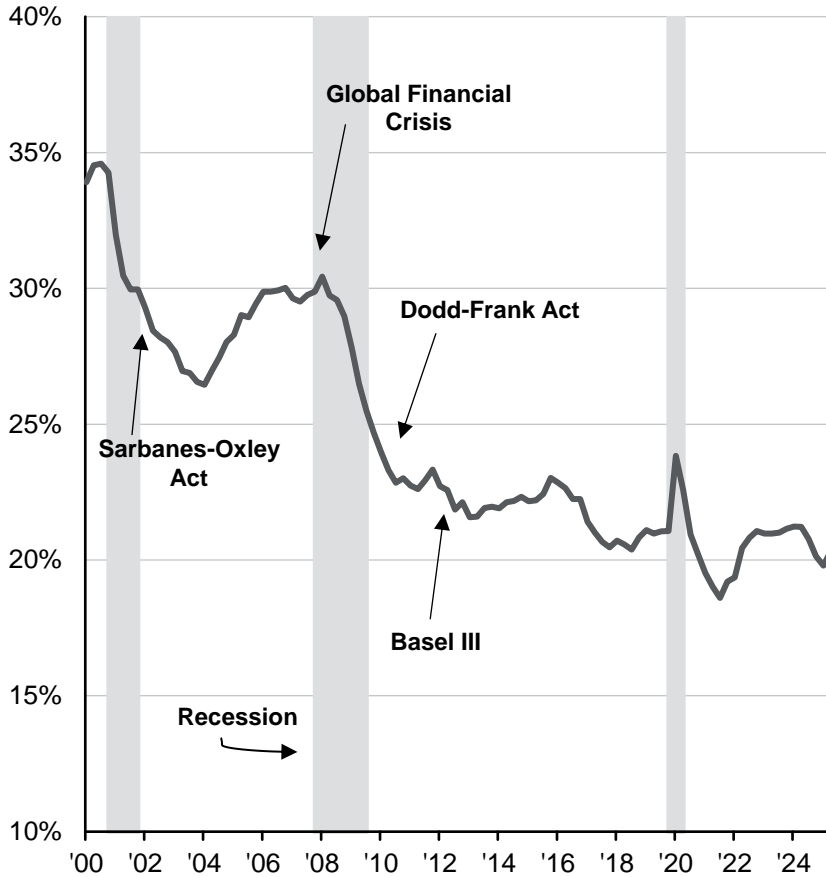


# Private credit industry growth

Private credit

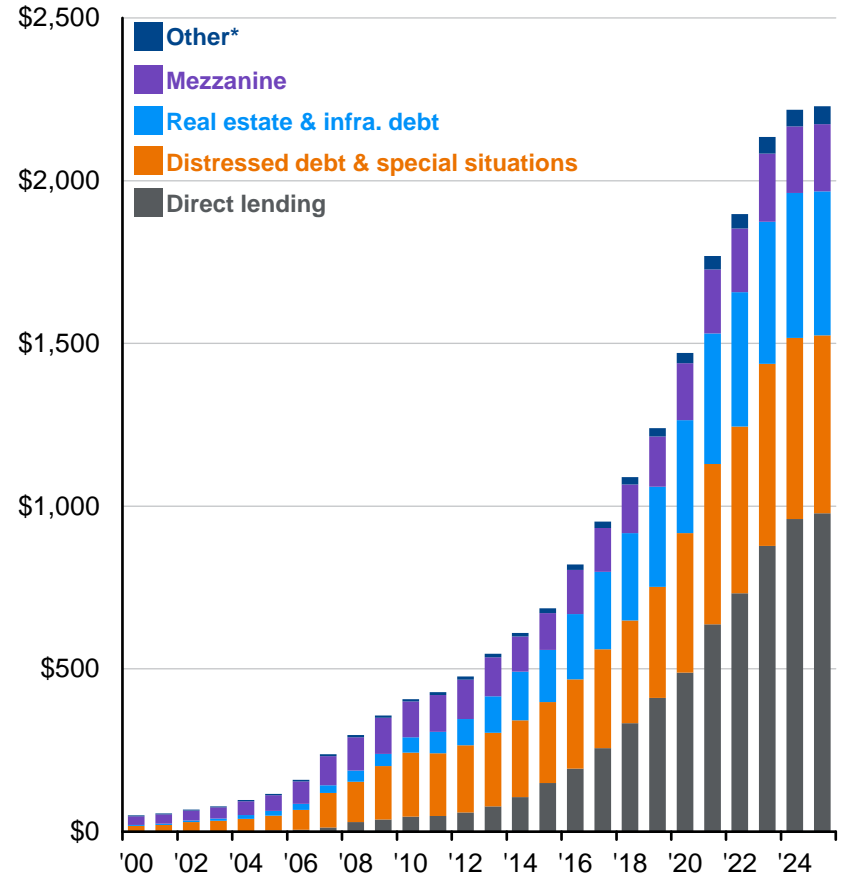
## U.S. bank lending

Share of total nonfinancial corporate debt, quarterly



## Global private credit AUM by type

USD billions, end of period



Source: Federal Reserve, Preqin, J.P. Morgan Asset Management.  
 (Right) 2025 data are as of 2Q25. \*Other includes venture debt and fund of funds.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.

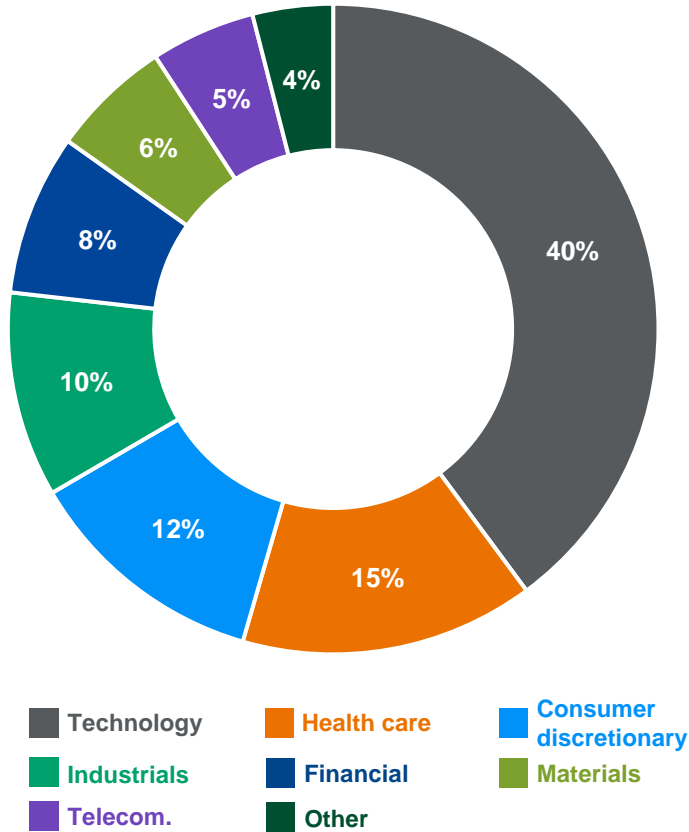


# Private credit lending composition and size

Private credit

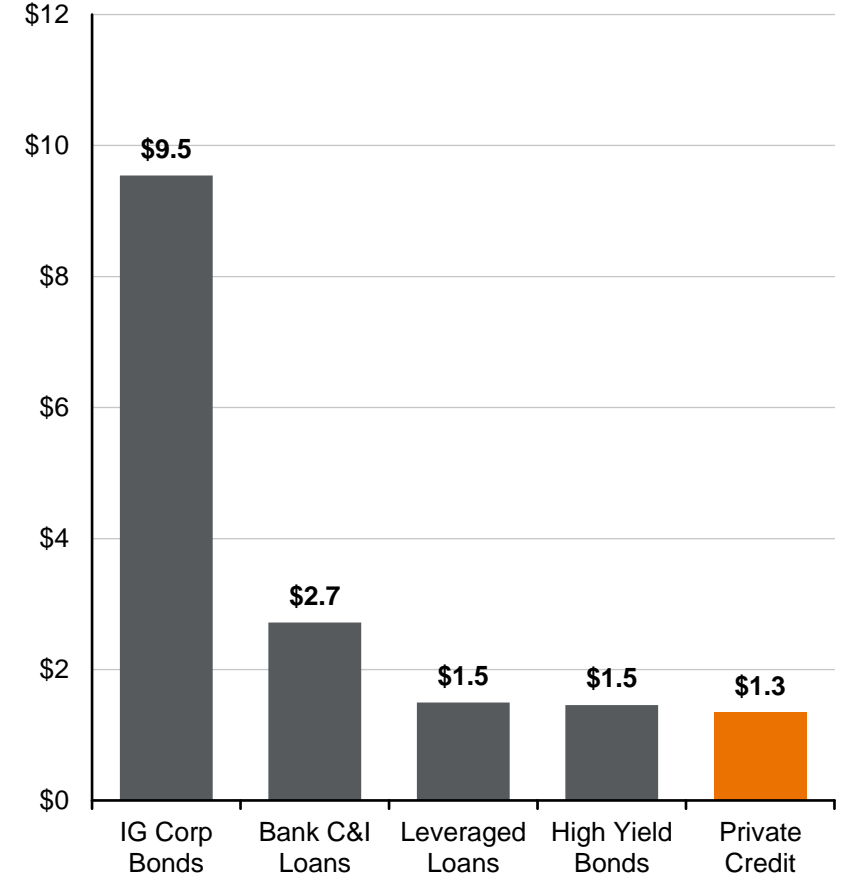
### Global private credit composition by industry

Share of total aggregate deal value over the last five years



### Size of U.S. lending markets

USD trillions



Source: Bank of America, Federal Reserve, Morningstar, PitchBook Data, Inc., Preqin, Standard & Poor's, J.P. Morgan Asset Management. (Left) Other includes business services, energy and utilities, real estate and non-classified categories. (Right) Size reflects market value outstanding. U.S. IG Corporate Bonds: ICE BofA U.S. Corporate Index. Bank C&I Loans: Bank Commercial & Industrial Loans tracked by the Federal Reserve. Leveraged Loans: Morningstar LSTA U.S. Leveraged Loan Index. High Yield Bonds: ICE BofA U.S. High Yield Index. Private Credit: AUM for closed-end private credit funds tracked by Preqin. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

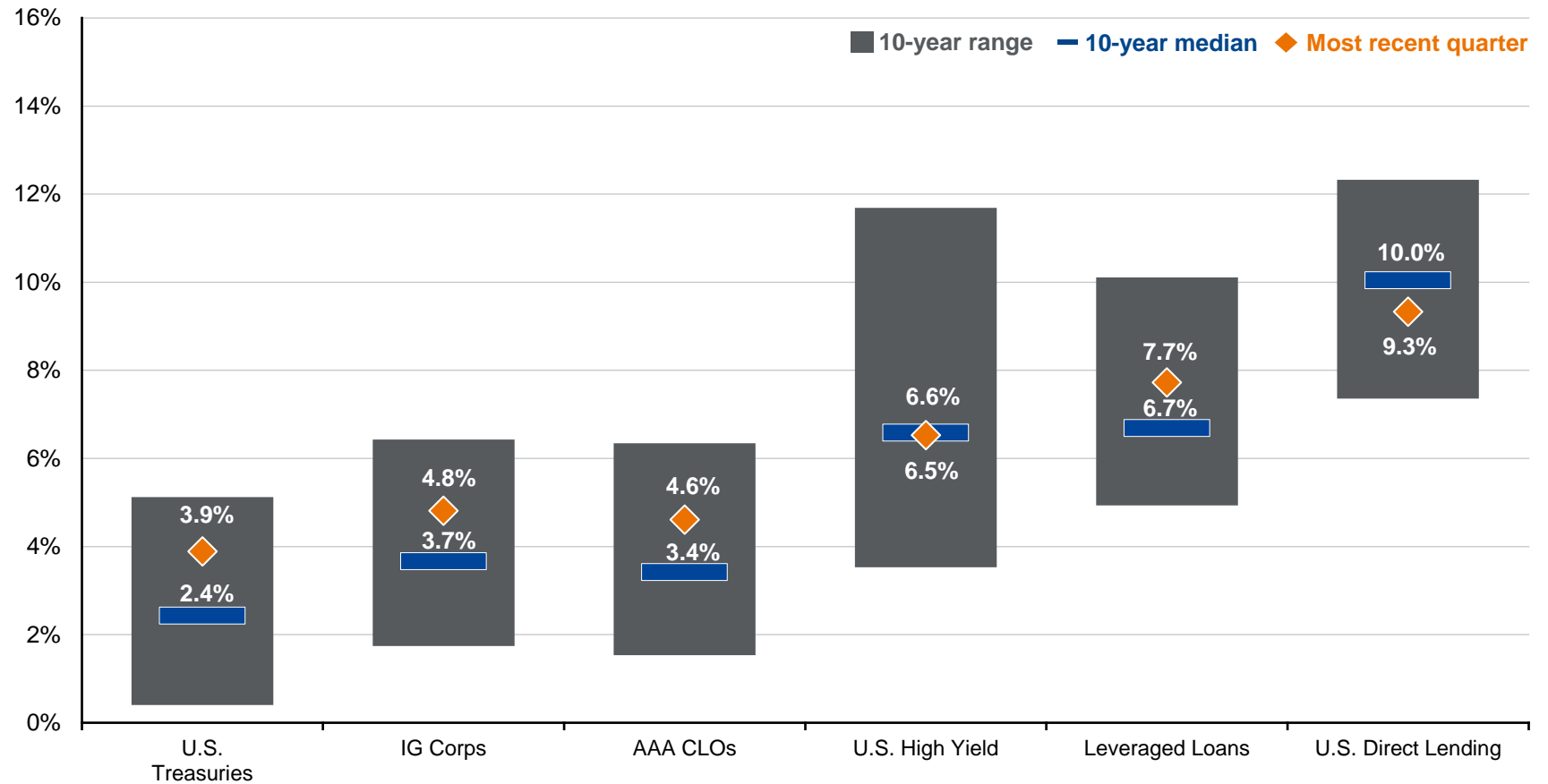


# Credit yields comparison

Private credit

## Yields across public and private debt instruments

Past 10-year period ending December 31, 2025



Source: Bloomberg, Cliffwater, FactSet, J.P. Morgan Credit Research, KBRA DLD, J.P. Morgan Asset Management. The yields of all categories are evaluated for the 10-year period indicated. U.S. Treasuries, IG Corporates and U.S. High Yield categories use the yield to worst of their respective Bloomberg indices. AAA CLOs use the quarterly yield to worst of AAA-rated debt tranches as tracked by the J.P. Morgan Collateralized Loan Obligation Index (CLOIE). Leveraged Loans are represented by the yield to maturity from the J.P. Morgan Leveraged Loan Index. Direct Lending uses the annualized quarterly income return from the Cliffwater Direct Lending Index from the start of the period to 12/31/2021, and the quarterly yield to maturity from the KBRA DLD Index thereafter. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

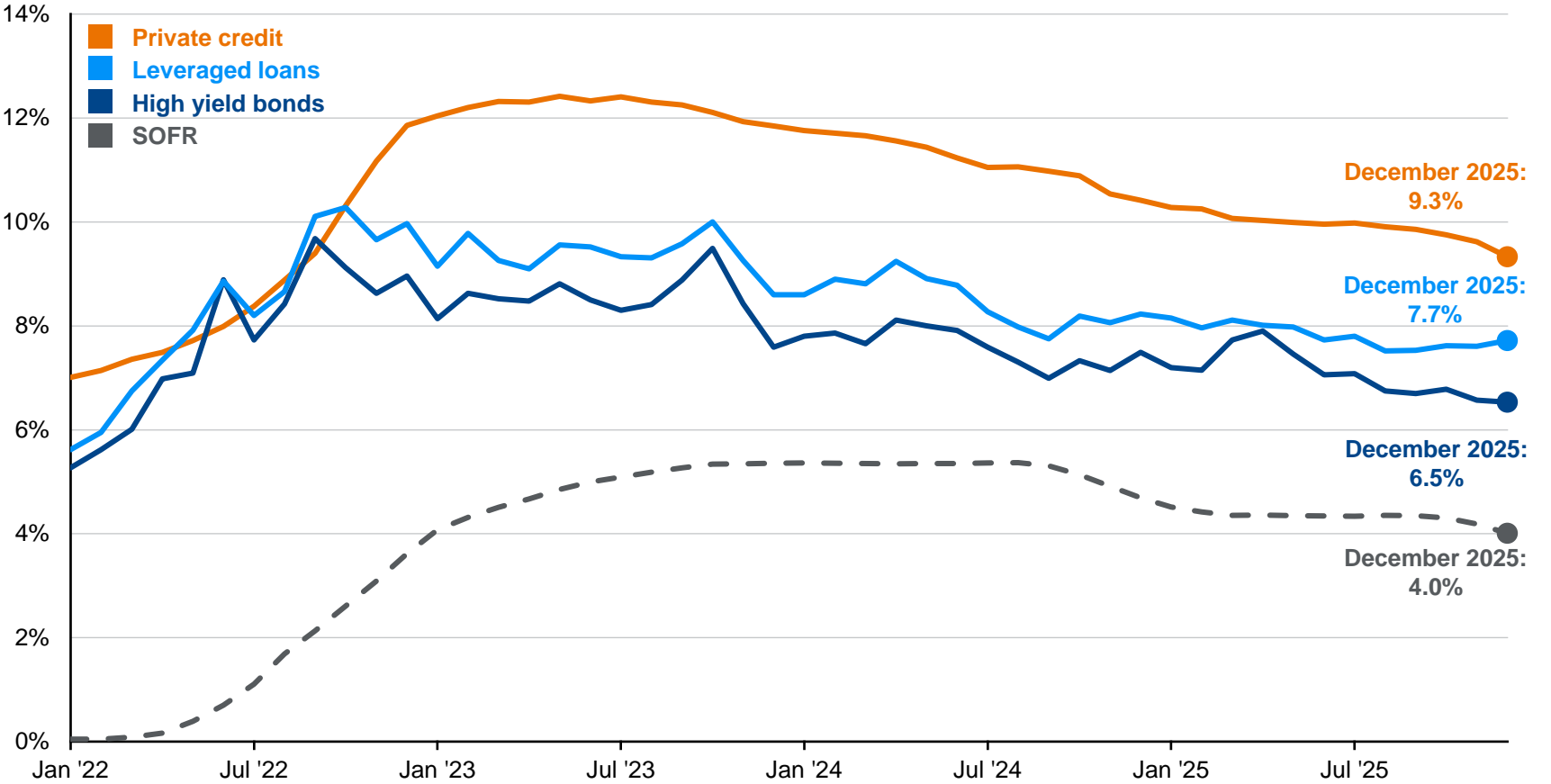


# Public and private credit yield trends

## Private and public yields vs. benchmark

Monthly

Private credit



Source: Bloomberg, FactSet, Federal Reserve Bank of New York, J.P. Morgan Credit Research, KBRA DLD, J.P. Morgan Asset Management. Private credit: yield to maturity from the KBRA DLD Index. Leveraged loans: yield-to-maturity from the J.P. Morgan Leveraged Loan Index. High yield bonds: yield to worst from the Bloomberg U.S. Corporate High Yield Index. SOFR: 90-day average Secured Overnight Financing Rate. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

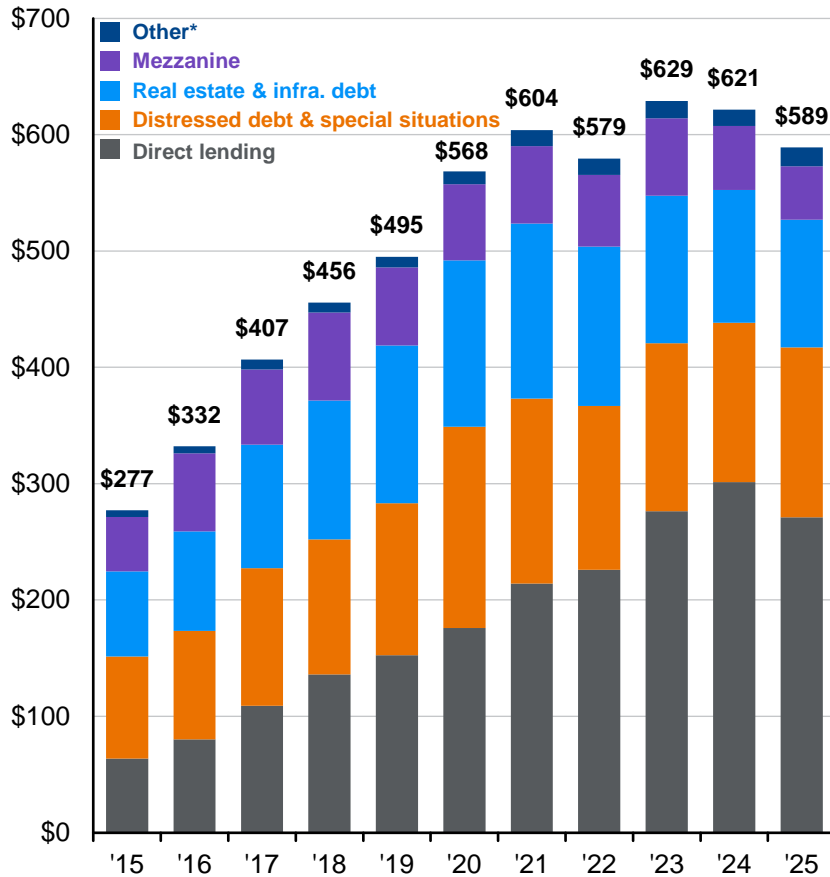


# Private credit dry powder, fundraising and deal activity

Private credit

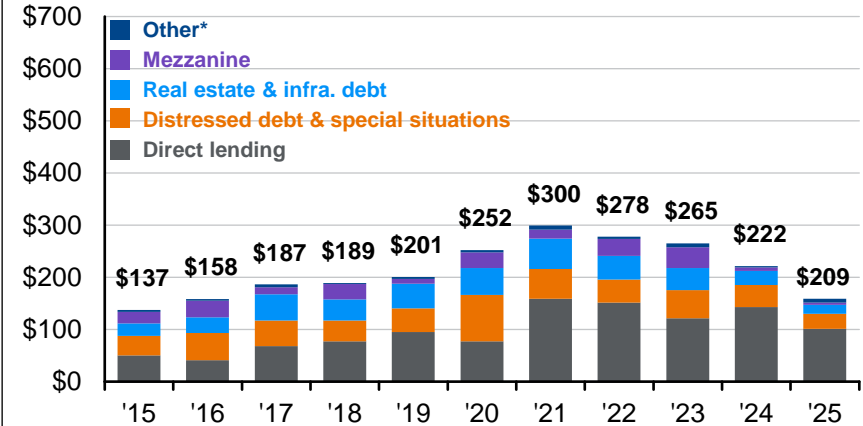
## Global private credit dry powder by type

USD billions



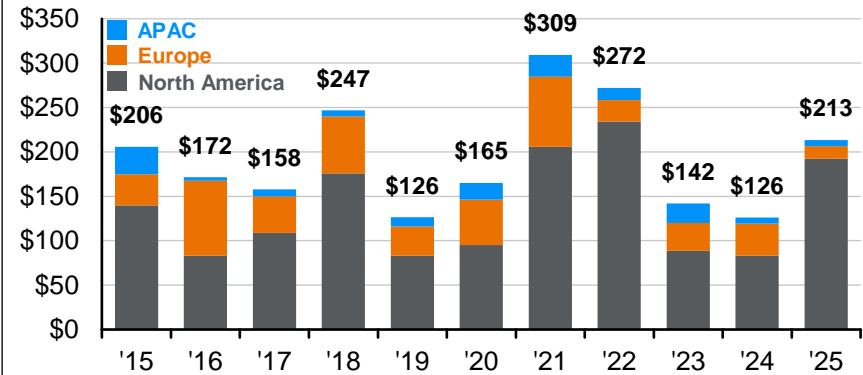
## Global private credit fundraising by type

USD billions



## Global private credit deal activity

Aggregate deal value by region, USD billions



Source: Preqin, J.P. Morgan Asset Management. (Left and top right) \*Other includes venture debt and fund of funds. Guide to Alternatives. Data are based on availability as of January 31, 2026.





# Public and private credit returns

Private credit

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	3Q25	2015 – 2024	
											Ann.	Vol.*
Mezzanine Debt 16.0%	High Yield 17.1%	Mezzanine Debt 14.0%	Mezzanine Debt 9.2%	Mezzanine Debt 14.6%	Investment Grade 9.9%	Distressed Debt 22.4%	Mezzanine Debt 7.3%	High Yield 13.4%	Direct Lending 11.3%	CML - Retail 7.2%	Mezzanine Debt 11.4%	High Yield 8.6%
Direct Lending 5.5%	Direct Lending 11.2%	Distressed Debt 11.4%	Direct Lending 8.1%	Investment Grade 14.5%	High Yield 7.1%	Mezzanine Debt 18.0%	Direct Lending 6.3%	Leveraged Loans 13.2%	Mezzanine Debt 11.1%	High Yield 7.2%	Direct Lending 9.0%	Investment Grade 7.4%
CML - Office 3.2%	Leveraged Loans 9.8%	Direct Lending 8.6%	CML - Industrial 3.7%	High Yield 14.3%	CML - Industrial 6.6%	Direct Lending 12.8%	Distressed Debt 4.6%	Direct Lending 12.1%	Leveraged Loans 9.3%	CML - Office 7.2%	Distressed Debt 7.2%	Leveraged Loans 6.3%
CML - Retail 3.0%	Distressed Debt 8.5%	High Yield 7.5%	Distressed Debt 3.5%	Direct Lending 9.0%	CML - Apartment 6.5%	Leveraged Loans 5.5%	Leveraged Loans 0.1%	Mezzanine Debt 11.4%	Distressed Debt 8.4%	Direct Lending 7.0%	Leveraged Loans 5.5%	Distressed Debt 5.2%
CML - Industrial 2.9%	Mezzanine Debt 8.0%	Investment Grade 6.4%	CML - Senior 2.6%	Leveraged Loans 8.6%	CML - Senior 6.3%	High Yield 5.3%	CML - Retail -7.6%	Distressed Debt 10.4%	High Yield 8.2%	CML - Senior 7.0%	High Yield 5.2%	CML - Apartment 4.5%
CML - Senior 2.7%	Investment Grade 6.1%	CML - Apartment 6.3%	CML - Apartment 2.6%	CML - Apartment 8.3%	CML - Office 6.3%	CML - Apartment 2.0%	CML - Office -7.6%	Investment Grade 8.5%	CML - Retail 5.8%	CML - Apartment 7.0%	CML - Retail 3.3%	CML - Senior 4.1%
CML - Apartment 1.6%	CML - Retail 3.4%	CML - Senior 5.7%	CML - Retail 2.4%	CML - Senior 8.1%	CML - Retail 6.1%	CML - Senior 1.9%	CML - Senior -9.0%	CML - Retail 6.2%	CML - Apartment 5.2%	Investment Grade 6.9%	CML - Senior 3.1%	CML - Industrial 4.1%
Distressed Debt 0.6%	CML - Senior 2.9%	CML - Office 5.5%	CML - Office 2.4%	CML - Retail 8.0%	Direct Lending 5.5%	CML - Retail 1.9%	CML - Industrial -9.5%	CML - Industrial 5.8%	CML - Senior 5.0%	CML - Industrial 6.8%	CML - Industrial 3.1%	CML - Retail 3.8%
Leveraged Loans 0.5%	CML - Industrial 2.8%	CML - Industrial 5.2%	Leveraged Loans 1.1%	CML - Office 7.9%	Mezzanine Debt 4.7%	CML - Industrial 1.8%	CML - Apartment -9.8%	CML - Apartment 5.6%	CML - Industrial 4.8%	Mezzanine Debt 6.6%	CML - Apartment 3.0%	CML - Office 3.7%
Investment Grade -0.7%	CML - Apartment 2.7%	CML - Retail 5.1%	High Yield -2.1%	CML - Industrial 7.5%	Leveraged Loans 3.2%	CML - Office 1.6%	High Yield -11.2%	CML - Senior 5.6%	CML - Office 3.6%	Distressed Debt 6.5%	CML - Office 2.9%	Mezzanine Debt 3.2%
High Yield -4.5%	CML - Office 2.6%	Leveraged Loans 4.2%	Investment Grade -2.5%	Distressed Debt 2.2%	Distressed Debt 1.8%	Investment Grade -1.0%	Investment Grade -15.8%	CML - Office 4.5%	Investment Grade 2.1%	Leveraged Loans 4.6%	Investment Grade 2.4%	Direct Lending 2.9%

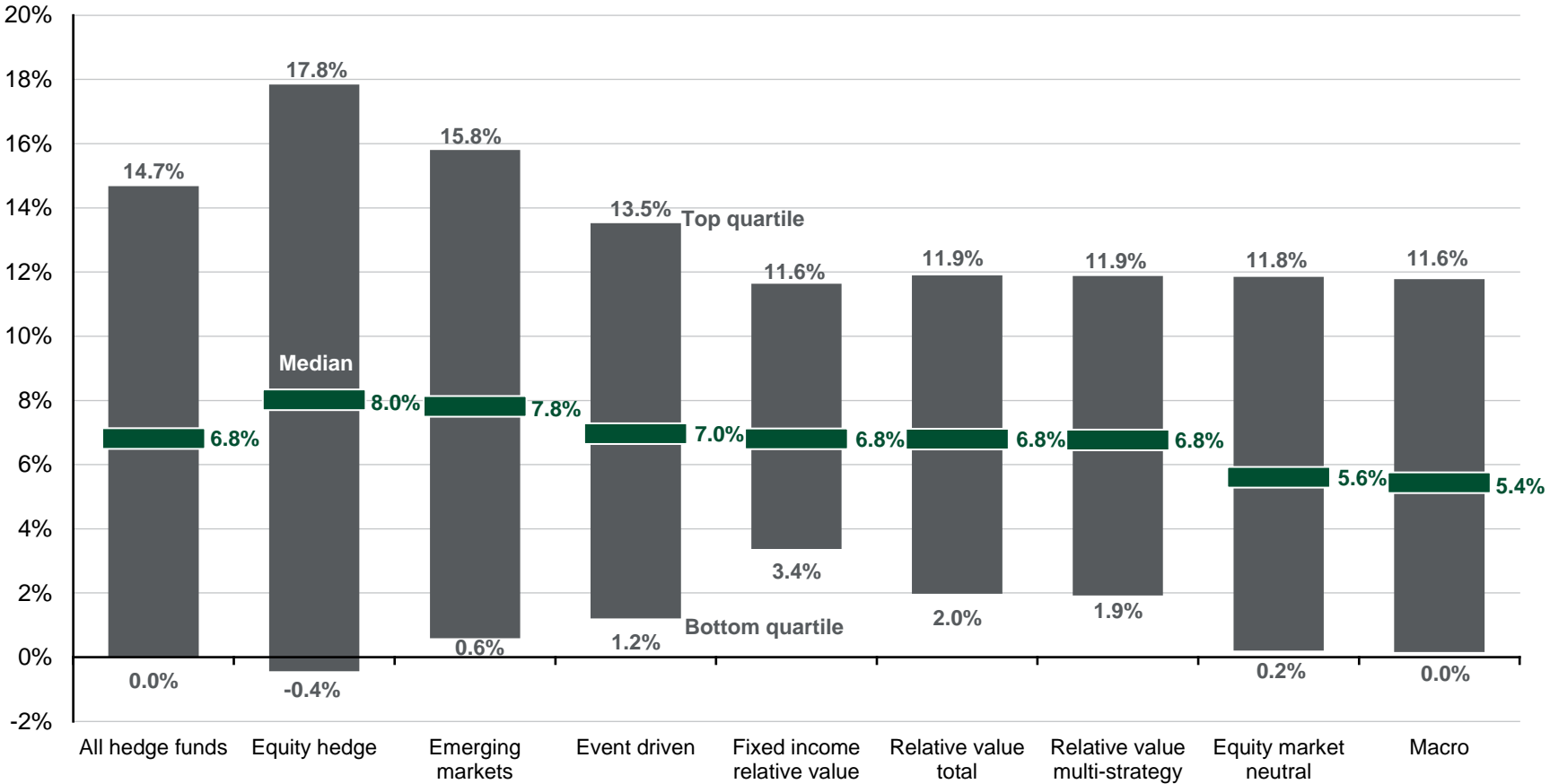
Source: Bloomberg, Cliffwater, Gilberto-Levy, J.P. Morgan, Preqin, J.P. Morgan Asset Management. CML is commercial mortgage loans. CML: Gilberto-Levy Commercial Mortgage Performance Index; Direct Lending: Cliffwater Direct Lending Index; Distressed Debt: Preqin Quarterly Distressed Debt Index; Investment Grade: Bloomberg U.S. Aggregate Credit - Investment Grade Index; High Yield: Bloomberg U.S. Aggregate Credit - Corporate - High Yield Index; Leveraged Loans: J.P. Morgan Leveraged Loan Index; Mezzanine Debt: Preqin Quarterly Mezzanine Debt Index. Annualized return (Ann.) and volatility (Vol.) represents the 40-quarter period ending 12/31/2024. \*Volatility is calculated as the annualized standard deviation of quarterly returns. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



# Hedge funds and manager selection

## Hedge fund manager dispersion

Based on returns from 2015 to 2025 in USD



Hedge funds

Source: PivotalPath, J.P. Morgan Asset Management.  
 Manager dispersion is based on monthly returns for hedge funds. Green bar denotes median. All hedge funds: Fund Weighted Composite Index, Equity hedge: Equity Hedge (Total), Relative value multi-strategy: Relative Value Multi-Strategy, Emerging markets: Emerging Markets Global, Relative value: Relative Value (Total), Event-driven: Event-Driven (Total), Equity market neutral: Equity hedge – equity market neutral, Macro total: Macro (Total). Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.



# Hedge fund strategy returns

Hedge funds

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016 – 2025	
										Ann.	Vol.
Distressed 15.3%	Global Equities 24.6%	Eq. Market Neutral 6.0%	Global Equities 27.3%	Global Equities 16.8%	Global Equities 19.0%	Global Macro 11.5%	Global Equities 22.8%	Global Equities 18.0%	Global Equities 22.9%	Global Equities 12.3%	Global Equities 15.7%
Global Equities 8.5%	Equity Long/Short 11.5%	Relative Value 3.7%	Equity Long/Short 12.6%	Relative Value 16.2%	Distressed 16.9%	Eq. Market Neutral 7.0%	Equity Long/Short 11.0%	Distressed 14.2%	Equity Long/Short 15.7%	Eq. Market Neutral 8.3%	Equity Long/Short 8.5%
Relative Value 6.1%	PivotalPath Composite 8.0%	Merger Arbitrage 3.2%	Merger Arbitrage 10.2%	Eq. Market Neutral 14.3%	Eq. Market Neutral 12.4%	Relative Value 5.5%	Eq. Market Neutral 8.9%	Equity Long/Short 12.6%	PivotalPath Composite 11.9%	Relative Value 8.0%	Global Bonds 7.5%
Global Macro 5.1%	Global Bonds 7.4%	Distressed -1.1%	PivotalPath Composite 9.0%	Equity Long/Short 13.4%	Relative Value 9.4%	Merger Arbitrage 1.7%	Distressed 7.8%	PivotalPath Composite 10.6%	Eq. Market Neutral 10.4%	Equity Long/Short 7.4%	Distressed 7.3%
PivotalPath Composite 5.0%	Distressed 7.1%	Global Bonds -1.2%	Relative Value 7.3%	PivotalPath Composite 11.4%	Equity Long/Short 9.3%	PivotalPath Composite -1.1%	PivotalPath Composite 7.6%	Relative Value 9.9%	Merger Arbitrage 10.1%	Distressed 7.1%	Merger Arbitrage 6.7%
Eq. Market Neutral 2.6%	Eq. Market Neutral 6.1%	PivotalPath Composite -1.6%	Eq. Market Neutral 6.9%	Global Bonds 9.2%	Merger Arbitrage 8.9%	Distressed -2.7%	Relative Value 6.2%	Eq. Market Neutral 9.1%	Relative Value 10.0%	PivotalPath Composite 6.7%	PivotalPath Composite 5.9%
Equity Long/Short 2.2%	Relative Value 6.0%	Global Macro -2.0%	Global Bonds 6.8%	Merger Arbitrage 5.9%	PivotalPath Composite 7.8%	Equity Long/Short -7.0%	Global Bonds 5.7%	Global Macro 6.4%	Global Macro 9.8%	Merger Arbitrage 5.2%	Global Macro 4.0%
Global Bonds 2.1%	Merger Arbitrage 3.0%	Equity Long/Short -4.8%	Global Macro 5.6%	Global Macro 4.9%	Global Macro 4.3%	Global Bonds -16.2%	Merger Arbitrage 3.7%	Merger Arbitrage 5.5%	Distressed 9.0%	Global Macro 4.7%	Eq. Market Neutral 3.2%
Merger Arbitrage 0.6%	Global Macro 0.9%	Global Equities -8.9%	Distressed 1.8%	Distressed 4.7%	Global Bonds -4.7%	Global Equities -18.0%	Global Macro 1.1%	Global Bonds -1.7%	Global Bonds 8.2%	Global Bonds 1.3%	Relative Value 2.7%

Source: Bloomberg, FactSet, MSCI, PivotalPath, J.P. Morgan Asset Management.

All returns are in USD. Global equities reflect the MSCI AC World Index and global bonds reflect the Bloomberg Global Aggregate Index. All hedge fund returns are from PivotalPath. PivotalPath Composite: PivotalPath Composite Index. Annualized return (Ann.) and volatility (Vol.) represents the 40-quarter period ending 12/31/2025. Please see disclosure pages for category definitions. Past performance is not a reliable indicator of current and future results.

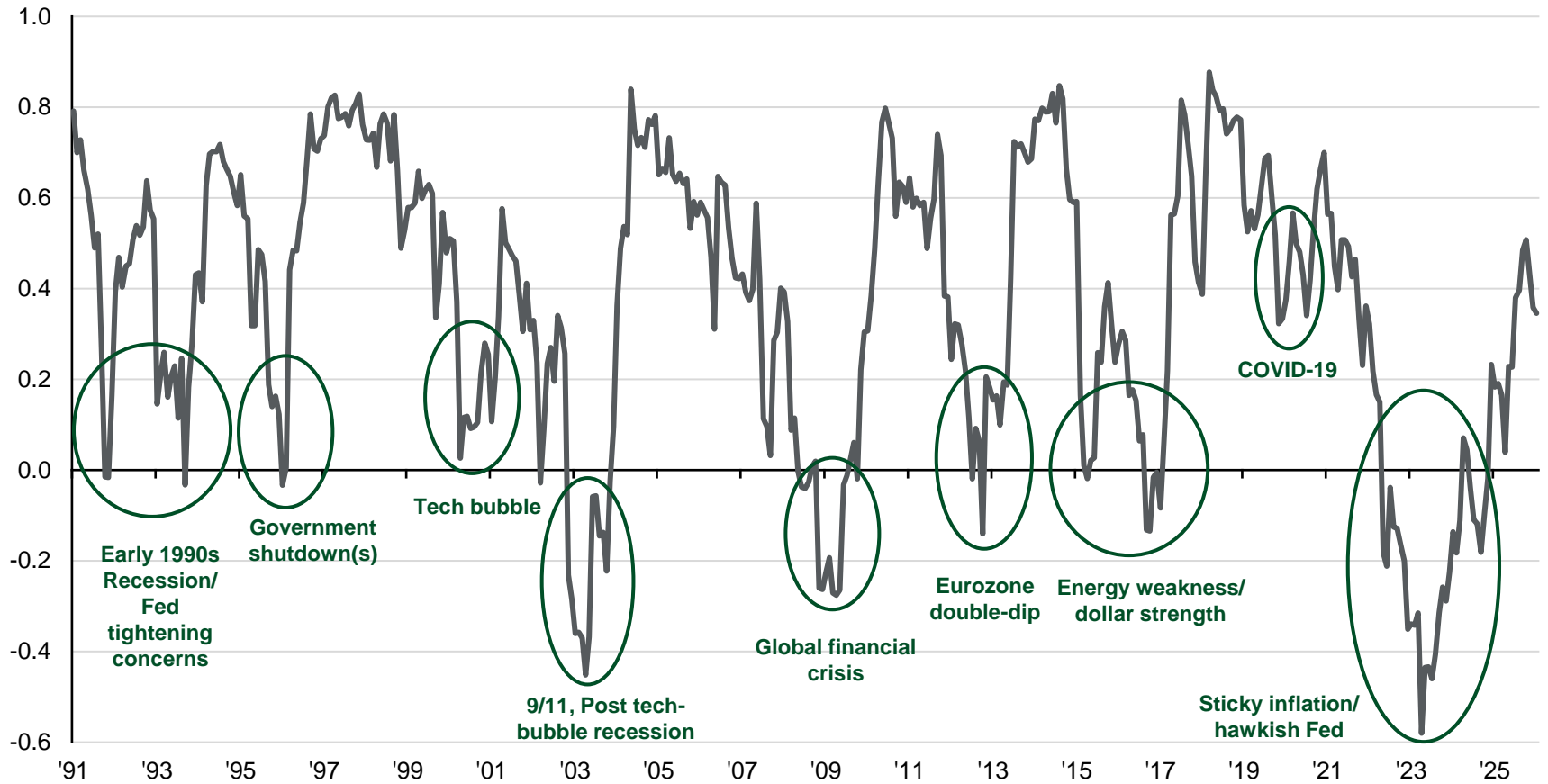
Guide to Alternatives. Data are based on availability as of January 31, 2026.



# Hedge funds and traditional portfolios

## Hedge fund correlation with a 60/40 stock-bond portfolio

Rolling 12 months



Hedge funds

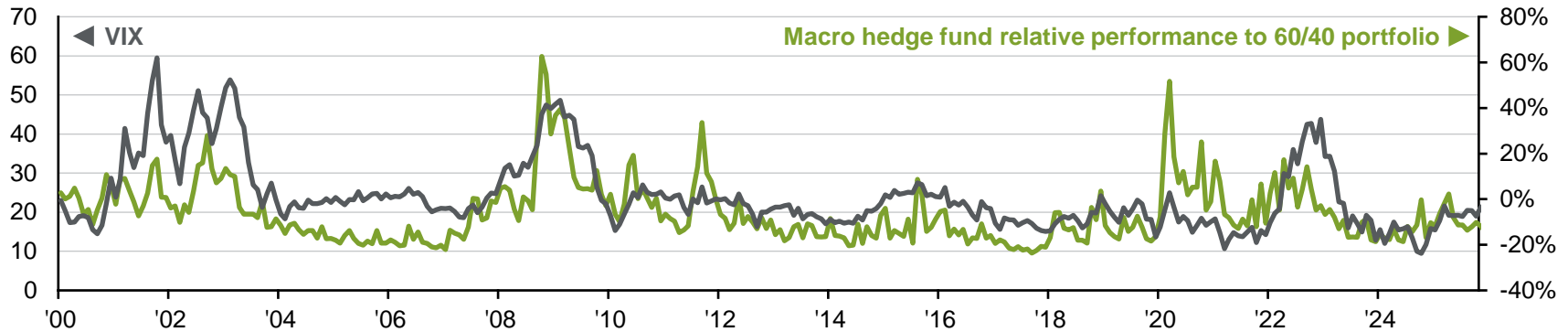
Source: Bloomberg, FactSet, HFR, Standard & Poor's, J.P. Morgan Asset Management. 60/40 portfolio is 60% S&P 500 and 40% Bloomberg U.S. Aggregate. Hedge funds are represented by HFRI Macro. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



# Hedge fund performance and volatility

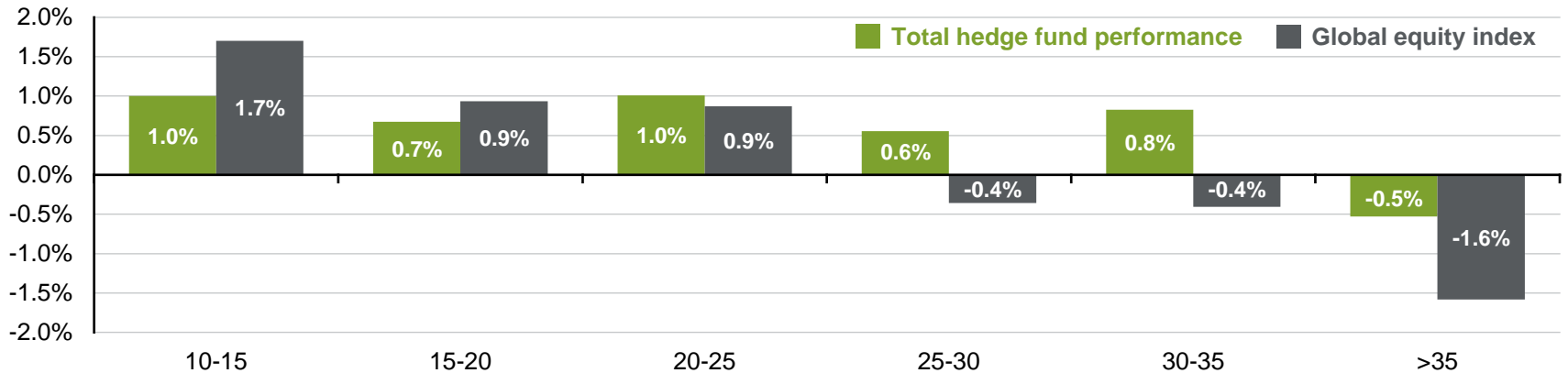
## Macro hedge fund relative performance and volatility

VIX index level, year-over-year change in relative performance of PivotalPath Global Macro Index



## Hedge funds vs. global equity performance and volatility

Average monthly returns by VIX level, January 1998 – December 2025, total return



Hedge funds

Source: Bloomberg, CBOE, FactSet, MSCI, PivotalPath, Standard & Poor's, J.P. Morgan Asset Management. Monthly VIX reading is an average. 60/40 portfolio = 60% S&P 500 Total Return Index and 40% Bloomberg U.S. Aggregate Total Return Index. (Top) Macro hedge fund relative performance is since 1/31/2000. Numbers may not sum to aggregate total return due to rounding. (Bottom) Global equity index = MSCI All Country World Index. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.

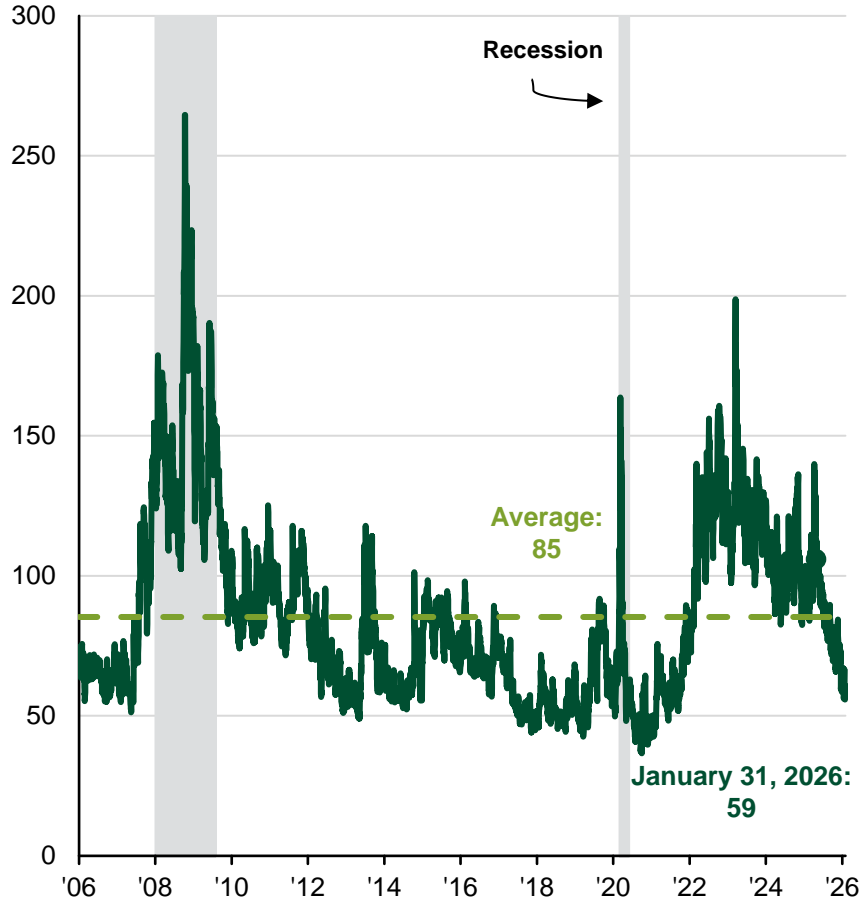


# U.S. fixed income volatility and correlations

Hedge funds

## Fixed income volatility

ICE BofA MOVE index, daily measure



## Fixed income sector correlations

Past 10 years, weekly total return

	U.S. Agg.	U.S. Treas.	IG Corps	MBS	CMBS	ABS	U.S. HY
U.S. Agg.	1.0						
U.S. Treas.	0.9	1.0					
IG Corps	0.9	0.7	1.0				
MBS	0.9	0.9	0.7	1.0			
CMBS	0.9	0.9	0.8	0.8	1.0		
ABS	0.7	0.7	0.6	0.7	0.9	1.0	
U.S. HY	0.4	0.2	0.7	0.4	0.3	0.3	1.0

Low correlation High correlation

Source: Bank of America, Bloomberg, FactSet, Intercontinental Exchange, J.P. Morgan Asset Management.

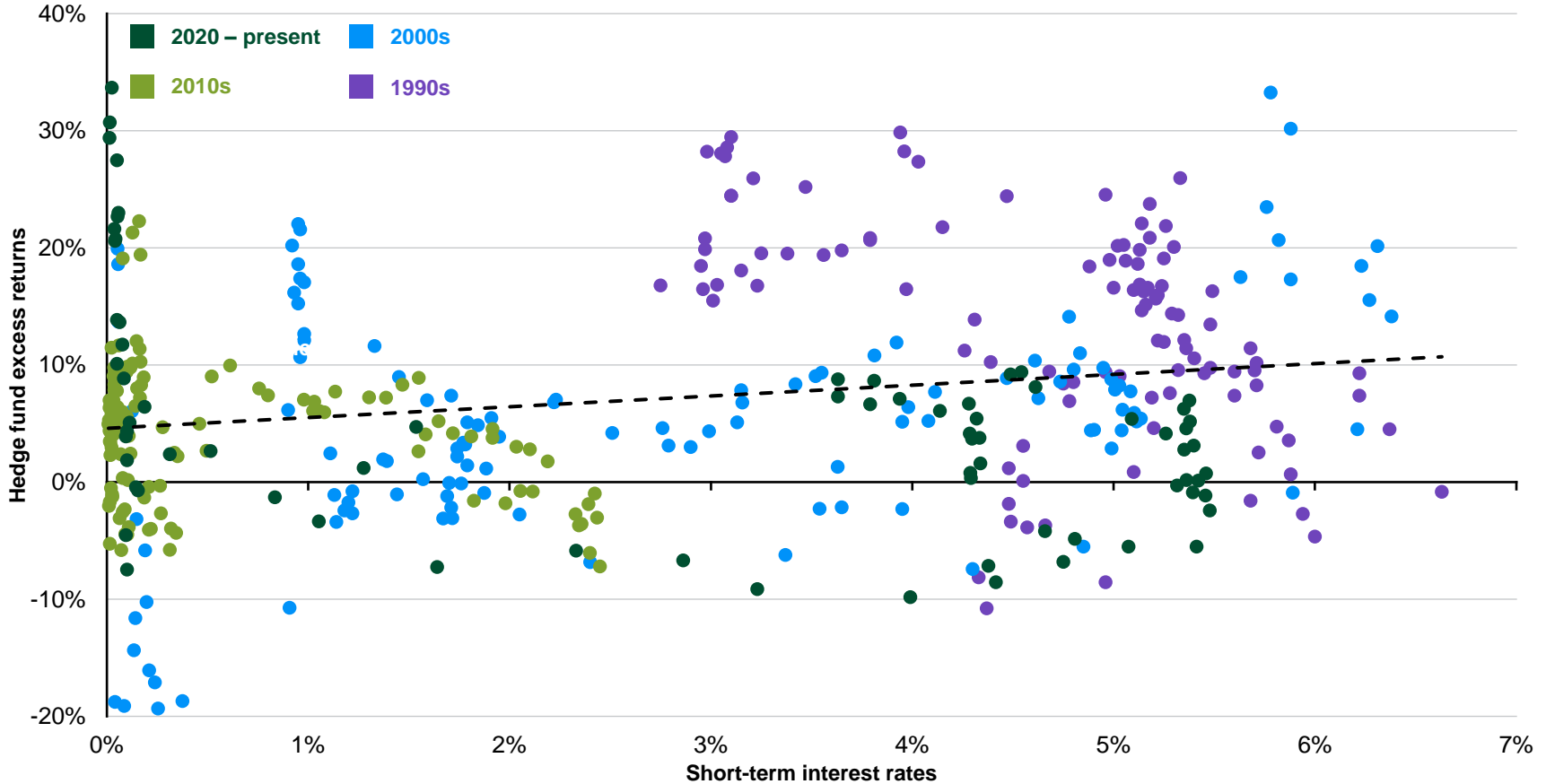
(Left) The Merrill Lynch Option Volatility Estimate Index (MOVE) is a measure of the implied volatility of U.S. Treasury options. (Right) All indices used are Bloomberg and are being evaluated on a weekly total return basis. "U.S. Agg.": Bloomberg U.S. Aggregate Index. "US Treas.": Bloomberg U.S. Aggregate Government-Treasury Index. "IG Corps": Bloomberg U.S. Corporate Investment Grade Index. "MBS": Bloomberg U.S. Aggregate Securitized-MBS Index. "CMBS": Bloomberg U.S. CMBS Investment Grade Index. "ABS": Bloomberg U.S. Aggregate Securitized-ABS Index. "U.S. HY": Bloomberg U.S. Aggregate Credit-Corporate-High Yield Index. Past performance is not a reliable indicator of current and future results. *Guide to Alternatives*. Data are based on availability as of January 31, 2026.



# Hedge fund returns and interest rates

## Hedge fund excess returns and short rates

December 1990 – January 2026, year-over-year, total return



Hedge funds

Source: FactSet, HFR, J.P. Morgan Asset Management.  
 Excess returns are the difference between the year-over-year hedge funds total return and short-term interest rates. Hedge fund returns: HFRI Fund Weighted Composite (USD) Index. Short-term interest rates: 3-month U.S. T-bill yields represented by the Bloomberg U.S. Short Treasury (1-3 months) Index. Past performance is not a reliable indicator of current and future results.  
 Guide to Alternatives. Data are based on availability as of January 31, 2026.



## Real estate

**Base rent** – The gross revenue from rental payments.

**Capitalization rate (Cap rate)** – The rate of return on a real estate investment property defined as the net operating income from the property divided by the current market price of the property.

**Cap rate spread** – The difference between the cap rate and a Treasury security with the same maturity.

**Core real estate** – High-quality properties in primary markets with high occupancy rates, credit-worthy tenants and long leases.

**Effective rent** – Base rent less rental concessions and tenant improvements.

**Gross absorption** – Space that became physically occupied in a specific period.

**Mezzanine debt** – Financing that is half-way between equity and debt by which the lender can convert to equity if the loan is not paid on time or in full.

**Net absorption** – Space that became physically occupied minus space that was physically vacated in a specific period.

**Net absorption rate** – Net absorption during a specific period divided by space available to lease at the start of that period.

**Occupancy rate** – The percentage of available space that is occupied.

**Real estate prime yield** – The real estate yield on a property at a prime location.

**Real estate net operating income** – Income after operating expenses but before interest, taxes, capital spending, depreciation and amortization.

**Real estate yields** – Annual income divided by total investment. Note that annual income, unlike NOI, does deduct interest costs so that real estate yields should be lower than cap rates.

**Real estate yield spread** – The difference between the yields and a Treasury security with the same maturity.

**Vacancy rate** – The percentage of available space that is unoccupied.

## Private equity

**Buyout fund** – Private equity fund that focuses on taking a majority stake or full control of mature, undervalued companies.

**Called capital** – The amount of capital wired to a fund that is “drawn down” over time as the general partner selects investments.

**Committed capital** – The specific amount of capital that a limited partner is obliged to provide to a closed-end fund for investments. The capital commitment is “drawn down” or “called” over time, meaning a portion of the commitment must be wired to the closed-end fund by a set date.

**Corporate mergers and acquisition (M&A)** – The consolidation of companies through financial transactions.

**Dry powder** – The amount of capital that has been committed to a private capital fund minus the amount that has been called by the general partner for investment.

**Earnings before interest, taxes, depreciation and amortization (EBITDA)** – A broad measure of the cash profit generated by a company’s operations.

**Enterprise value (EV)** – The total value of a company including equity and debt.

**General partner (GP)** – The managing partner of a limited partnership. The general partner is managed by the asset management team responsible for making fund investments (i.e., the intermediary between investors with capital and businesses seeking capital to grow).

**Growth fund** – Private equity fund that targets firms with the potential for scalable and renewed growth.

**Initial public offering (IPO)** – When shares of a private company are made available to the public for the first time.

**Internal rate of return (IRR)** – The dollar-weighted internal rate of return. This return considers the daily timing of cash flows and cumulative fair stated value, as of the end of the reported period.

**Leveraged buyout (LBO)** – The acquisition of another company using a significant amount of debt to finance the acquisition.

**Limited partner (LP)** – An investor in a limited partnership, which is a form of legal entity used for certain hedge funds, private equity funds and real estate funds.

**Middle market** – Companies having revenues between \$10 million and \$1 billion.

**Multiple of invested capital (MOIC)** – Calculation performed by adding the remaining (reported) value and the distributions received (cash out) and subsequently dividing that amount by the total capital contributed.

**Net asset value (NAV)** – This is the current fair stated value for each of the investments, as reported by the administrator of the fund.

**Private equity** – Equity capital invested in a private company through a negotiated process.

**Sponsor-backed acquisition** – Acquisition of a company by a private equity firm.

**Secondary fund** – Private equity funds that purchase existing assets from a primary private equity fund.

**Venture capital** – A specialized form of private equity, characterized chiefly by high-risk investment in new or young companies following a growth path in technology and other value-added sectors.



## Private credit

**Amend and extend** – A technique that allows an issuer to delay part of its loan maturity or amend existing terms through an amendment rather than a refinancing.

**Covenant-lite loans** – A type of financing that is issued with fewer restrictions on the borrower regarding collateral, level of income and loan payment terms, and fewer protections for the lender, including financial maintenance tests that measure the debt-service capabilities of the borrower.

**Direct lending** – A loan made by an investor or non-bank lender to a company.

**Distressed debt** – The securities of a company that has either defaulted, is under bankruptcy protection or is in financial distress and is moving toward default or bankruptcy in the near future.

**Hedge-adjusted yield** – The yield on a foreign currency denominated asset minus the cost of hedging the asset back into U.S. dollars. For assets in countries with short-term rates that are lower than U.S. rates, the hedge-adjusted yield will be lower than the yield denominated in foreign currency.

**Leveraged loan** – A commercial loan provided by a group of lenders that is either: 1) rated BB+ or lower, 2) not rated or rated BBB- or higher and has a base rate spread of 125 bps or higher and is secured by a first or second lien. This loan is structured, arranged and administered by one or several banks, and is then syndicated to other institutional investors. As such, this market is often referred to as the broadly syndicated loan market.

**Mezzanine commercial real estate debt** – Loan finance that is half-way between equity and secured debt, either unsecured or with junior access to security. A mezzanine fund is a fund focusing on mezzanine financing.

**Net IRR** – The dollar-weighted internal rate of return, net of management fees and carried interest generated by the fund. This return considers the daily timing of all cash flows and the cumulative fair stated value, as of the end of the reported period.

**Non-sponsored loan** – Credit provided to a business that is *not* wholly owned or majority owned by a private equity firm or another financial sponsor.

**Payment-in-kind (PIK)** – An interest payment in which the borrower makes an interest payment in forms other than cash. This includes, but is not limited to, a type of debt whose interest payments come in the form of additional debt accrued onto existing debt.

**Performing loans** – Loans that are not in default.

**Private credit** – Nonbank corporate credit provided through bilateral agreements or small “club deals” outside the realm of public securities or commercial banks. This definition excludes bank loans, broadly syndicated loans and funding provided through publicly traded assets such as corporate bonds.

**Special situations** – Non-traditional financing scenarios for distressed or urgent borrower needs.

**Sponsored loan** – Credit provided by a non-bank lender to a business that is either wholly owned or majority owned by a private equity firm or another financial sponsor.

**Syndicated loan** – A loan extended by a group of financial institutions, often referred to as a loan syndicate, to a single borrower.

## Hedge funds

**Distressed securities** – Funds that invest in debt and equity securities of firms in reorganization or bankruptcy.

**Long/short (L/S) equity** – Funds that involve long and/or short positions in equity securities deemed to be under- or overvalued, respectively. Exposures to sectors, geographies and market capitalizations are often flexible and will change over time.

**Merger arbitrage/event-driven** – Funds that invest in opportunities created by significant corporate transactions and events that tend to alter a company’s financial structure or operating strategy.

**Opportunistic/Macro** – Funds that involve investments in a wide variety of strategies and instruments, which often have a directional stance based on the manager’s global macroeconomic views.

**Relative value/Arbitrage** – Funds that involve the simultaneous purchase and sale of similar securities to exploit pricing differentials. Strategies in this sector offer potential to generate consistent returns while minimizing directional risk.



# J.P. Morgan Asset Management – Risks & disclosures

GTA

MI

81

**The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.**

For the purposes of MiFID II, the JPM Market Insights and Portfolio Insights programs are marketing communications and are not in scope for any MiFID II / MiFIR requirements specifically related to investment research. Furthermore, the J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they subject to any prohibition on dealing ahead of the dissemination of investment research.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own financial professional, if any investment mentioned herein is believed to be appropriate to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.

This communication is issued by the following entities:

In the United States, by J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc., both regulated by the Securities and Exchange Commission; in Latin America, for intended recipients' use only, by local J.P. Morgan entities, as the case may be. In Canada, for institutional clients' use only, by JPMorgan Asset Management (Canada) Inc., which is a registered Portfolio Manager and Exempt Market Dealer in all Canadian provinces and territories except the Yukon and is also registered as an Investment Fund Manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador. In the United Kingdom, by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority; in other European jurisdictions, by JPMorgan Asset Management (Europe) S.à.r.l. In Asia Pacific ("APAC"), by the following issuing entities and in the respective jurisdictions in which they are primarily regulated: JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited, each of which is regulated by the Securities and Futures Commission of Hong Kong; JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; JPMorgan Asset Management (Taiwan) Limited; JPMorgan Asset Management (Japan) Limited, which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia, to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Commonwealth), by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919). For all other markets in APAC, to intended recipients only.

**For U.S. only:** If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

Copyright 2026 JPMorgan Chase & Co. All rights reserved

Prepared by: David Kelly, Aaron Mulvihill, Kerry Craig, Aaron Hussein, Adrian Wong, Grant Papa.

Unless otherwise stated, all data are as of January 31, 2026 or most recently available.

**Guide to Alternatives**

JP-GTA | c1cf7710-a07f-11e8-be64-be3c28027bfe