JANA
DEPTH WITH DIFFERENCE

# IMAP Conference

## Sorting the Wheat from the Chaff - Which Private Market Investments

July 2026

**Statements and opinions in this presentation are subject to JANA's internal governance review and do not constitute formal recommendations of JANA unless expressly stated. Opinions are based on JANA's judgement at the time of presentation and are subject to change.**

# JANA's Private Market views

JANA VIEWS

# Application to Asset Classes

| Asset Class | JANA View | Comments |
|---|---|---|
| **Unlisted Property** | VU — U — MU — **N** — MA — A — VA | We see positive momentum in both Retail and Industrial sectors. Retail sentiment is improving with lower vacancy and reduced supply. Similarly, industrial has become more attractive as the sector passes the construction supply peak. Office continues to be challenged due to hybrid working uncertainties. Domestically, valuation for Sydney offices are stabilising (with improved confidence), whereas Melbourne faces a higher degree of uncertainty. Overall, we remain 'Neutral' on Property. |
| **Unlisted Infrastructure** | VU — U — MU — N — MA — **A** — VA | Infrastructure continues to be supported by strong fundamentals, resilient demand and attractive inflation-linked or contracted cash flows. Valuations are neutral, with discount rates broadly stable following earlier adjustments to higher risk-free rates. Demand remains strong, but competition for high-quality assets means manager selection is increasingly critical. Core / core-plus assets continue to offer inflation protection, while valuation and rate sensitivity are more asset- and region-specific rather than market wide. |
| **Private Equity** | VU — U — MU — **N** — MA — A — VA | Market uncertainty and still tight liquidity constraints are posing challenges to private equity markets. Valuation resets and slower exits are creating selective opportunities, with outcomes increasingly driven by manager skill and operational execution, rather than multiple expansion. Small to mid-market buyouts are well-positioned due to reasonable pricing and lower leverage levels. Larger buyouts face challenges with expensive valuations. Our Neutral view on Private Equity is retained. |
| **Private Debt** | VU — U — MU — **N** ← MA — A — VA | JANA's assessment of Private Debt has been downgraded to 'Neutral'. Market uncertainty and liquidity constraints are posing difficulties for the market. While loan quality remains broadly sound and default rates low, sentiment has softened due to concerns around software and IT exposure, selective instances of fraud and defaults, and emerging AI-related refinancing risks. |

VU VERY UNATTRACTIVE U UNATTRACTIVE MU MODERATELY UNATTRACTIVE N NEUTRAL MA MODERATELY ATTRACTIVE A ATTRACTIVE VA VERY ATTRACTIVE

MARKET COMMENTARY

# Private Equity


*Source: PitchBook; Private Equity fundraising includes Private Equity and Venture Capital. * 2026 data is limited to 10 April 2026.*

## Pooled Returns - Net IRR (%)

| 31 December 2025 | 1 Yr | 3 Yr (p.a.) | 5 Yr (p.a.) | 10 Yr (p.a.) | 20 Yr (p.a.) |
|---|---|---|---|---|---|
| **Private Equity** | **12.0** | **7.6** | **9.8** | **14.0** | **12.5** |
| Buyout | 8.5 | 7.7 | 10.8 | 13.7 | 12.2 |
| Growth | 13.7 | 8.1 | 8.6 | 15.2 | 14.4 |
| Venture Capital | 20.5 | 6.8 | 8.2 | 13.9 | 12.4 |
| Fund of Funds | 7.4 | 2.9 | 8.1 | 11.2 | 9.2 |
| Co-Investment | 8.7 | 6.9 | 10.2 | 14.9 | 12.1 |
| Primaries | 12.1 | 7.6 | 9.7 | 14.0 | 12.6 |
| Secondaries* | 13.7 | 13.3 | 13.7 | 14.7 | 11.7 |

*Note: Returns are unhedged in USD currency. * Secondaries cohort is relatively small, therefore trailing returns may differ meaningfully from quarter-to-quarter.*

*Source: Cobalt LP*

- The PE fundraising environment has been on a downtrend since mid-2022 and has continued to remain subdued throughout 2025 and early 2026, across all geographies.
- Improvements in recent exit levels should be expected to support LPs to allocate to Private Equity.
- Buyout fundraising for early 2026 was lower relative to the previous corresponding period in value and number; a trend now seen for several quarters.
- Venture Capital/Growth fundraising for early 2026 was strongly positive relative to the prior quarter and marginally behind year-on-year but remains meaningfully subdued across Europe and Asia.
- Fewer fundraisings closed over the last 12 months to Q1 2026, across both Buyout and Venture capital. Well-established firms continue to attract most new commitments.
- Returns over the 1-year to December 2025 have been robust across most segments of the market. It is anticipated that performance over H1 2026 will be mixed across segments, as AI-related disruption impacts are incorporated into valuations.

# Private Equity (cont)

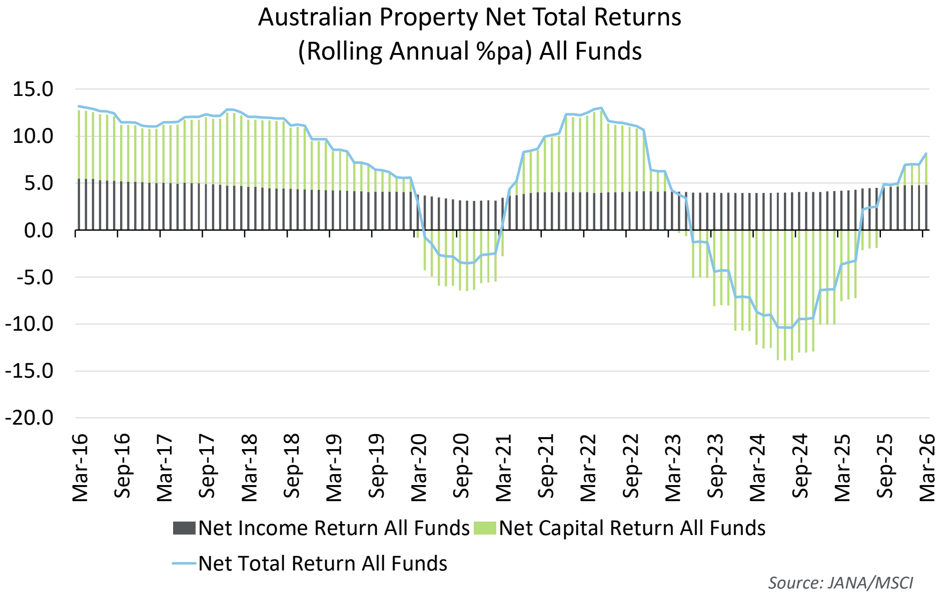
## What is the Opportunity?

| | |
|---|---|
| **Buyer's market** | Imbalance between capital demand and supply, with significant capital needs for companies that requires operational assistance/fix and expand. |
| **Attractive valuation** | Attractive valuation since 2021-22, especially for private companies that are complex (corporate carve-outs) or needing operational fix. |
| **Large opportunity set** | Given the challenging PE market, more companies are struggling, and more complex and stressed opportunities emerging. Take privates and corporate carve-out opportunities are on the rise with corporates selling non-core assets. |
| **Market condition** | Challenging PE market – deal activity, and real economy, impacted due to volatility and market uncertainties. |

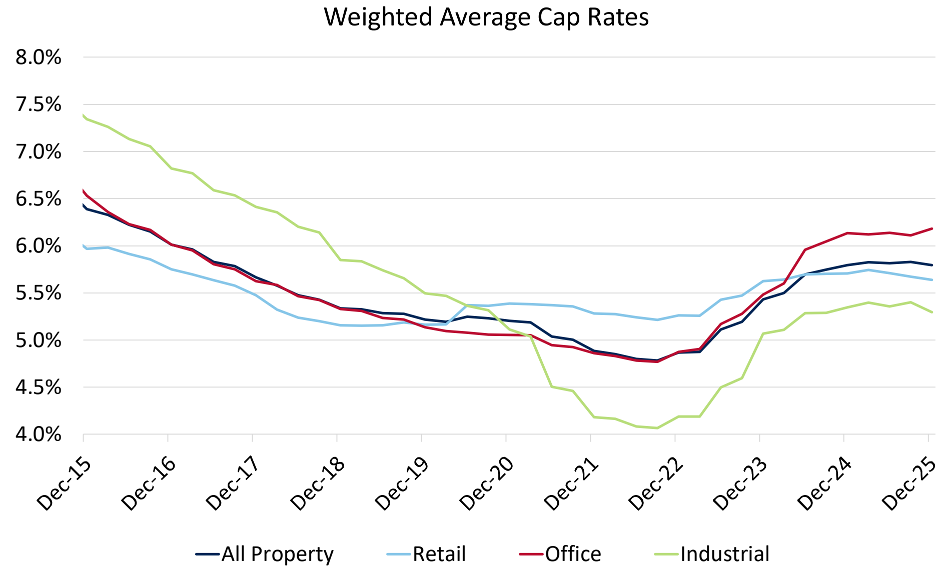
## JANA Perspective

- Value/all-weather buyout strategy is well suited to a challenging market, which we believe can provide a tailwind for the investment approach.
- Given tighter conditions and higher costs of debt, more companies are struggling, and more opportunities emerging. Corporate carve-out opportunities are on the rise with corporates selling non-core assets.
- Quite often these non-core businesses have been unloved/starved of capital – plenty of potential efficiencies to be gained and pricing is often not priority for the corporate.
- PE Firms that can buy and transform companies via value creation initiatives centred around genuine operational improvement are seen as more attractive and predictable for future returns

# Property




*Source: JANA/MSCI*




*Source: JANA/MSCI*

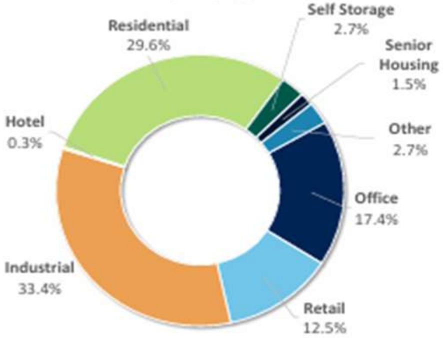
- Net capital returns have shifted positive over the previous 12 months for Australian Property (Left Chart). The index has now reported five consecutive quarters of positive valuation movement to March 2026. Fundamentals for Retail have been strong, with high occupancy rates and a more competitive landscape driven by a lack of supply. Comparatively low occupancy costs also provide scope for sustained rental growth over the medium term. Overall, retail is well placed to continue its positive momentum.
- Capitalisation rates across all sectors were broadly stable across calendar year 2025, with some marginal compression most evident in the Retail and Industrial sectors (Right Chart). The office sector is more challenged, with a greater degree of bifurcation across regions and asset quality, though the trend for 2025 showed signs of a nascent recovery in valuations. While Melbourne remains weaker, prime Sydney and Brisbane assets are demonstrating double digit rental growth, with valuations reflecting this strength. This follows a prolonged period of valuation declines of up to -30% throughout the correction in 2022.
- We maintain a **Neutral** rating on Australian Property.

US PROPERTY MARKET

# Property O/S Research Trip

| NCREIF Property Index (NPI) Q1 2026 | Qtr. % | 1 Year % | 3 Years % p.a. | 5 Years % p.a. | 10 Years % p.a. |
|---|---|---|---|---|---|
| **NPI - All Property** | **1.2** | **4.9** | **0.2** | **3.8** | **4.8** |
| Office | 1.3 | 3.9 | -5.6 | -3.7 | 0.7 |
| Retail | 1.8 | 6.9 | 4.1 | 4.0 | 2.7 |
| Industrial | 1.1 | 4.4 | 1.6 | 10.3 | 11.7 |
| Hotel | -1.5 | 2.0 | 5.6 | 7.3 | 2.3 |
| Residential | 0.9 | 4.9 | 0.7 | 4.8 | 5.1 |
| Self Storage | 1.5 | 7.8 | 3.2 | 10.1 | 9.9 |
| Seniors Housing | 3.9 | 12.8 | 4.9 | 4.0 | 5.8 |
| Other | 1.2 | 4.3 | 3.5 | 5.1 | 6.4 |
| **NFI-ODCE Fund Index (Q1 2026)** | | | | | |
| Income Return | 1.0 | 4.1 | 4.0 | 3.9 | 4.0 |
| Appreciation (Capital) | 0.2 | -0.1 | -5.8 | -0.6 | 0.7 |
| **Total Return (Gross of Fees)** | **1.3** | **4.0** | **-2.0** | **3.2** | **4.7** |
| **Total Return (Net of Fees)** | **1.0** | **3.1** | **-2.8** | **2.3** | **3.8** |

**NCREIF Property Index - Composition by Property Type**




*Source: Expanded National Council of Real Estate Investment Fiduciaries (**NCREIF**) Property Index (**NPI**) and NCREIF Fund Index Open-Ended Diversified Core Equity (**NFI-ODCE**) Indices as at March 2026. The Indices are in local (USD) currency.*

***Note:** The NPI is a direct property index and is unlevered, while the NFI-ODCE tracks fund-level (levered) performance.*

14

**AI is reshaping real estate through two channels:**

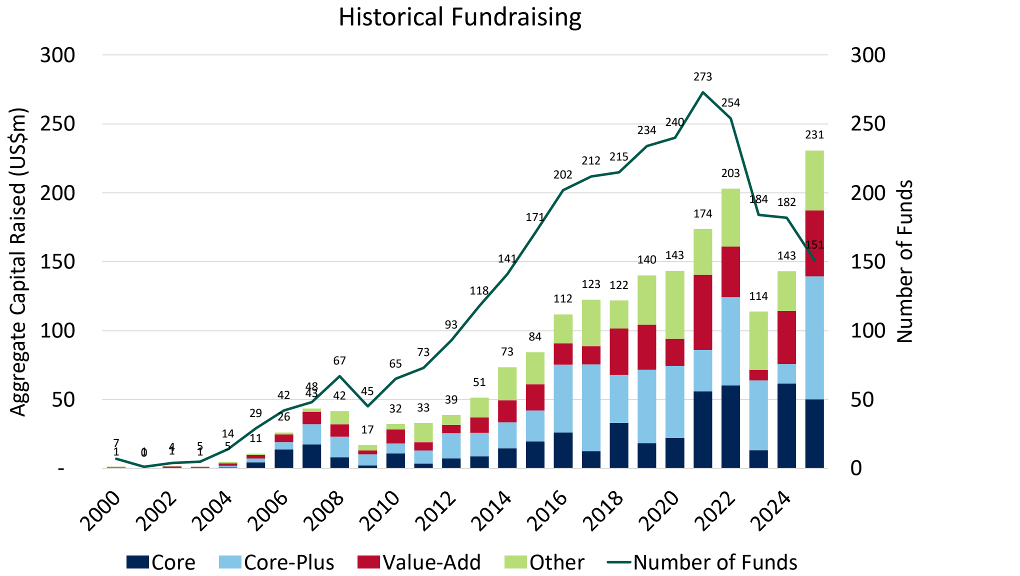
1) Direct demand creation for data centre infrastructure.

2) Operational efficiency gains across all sectors.

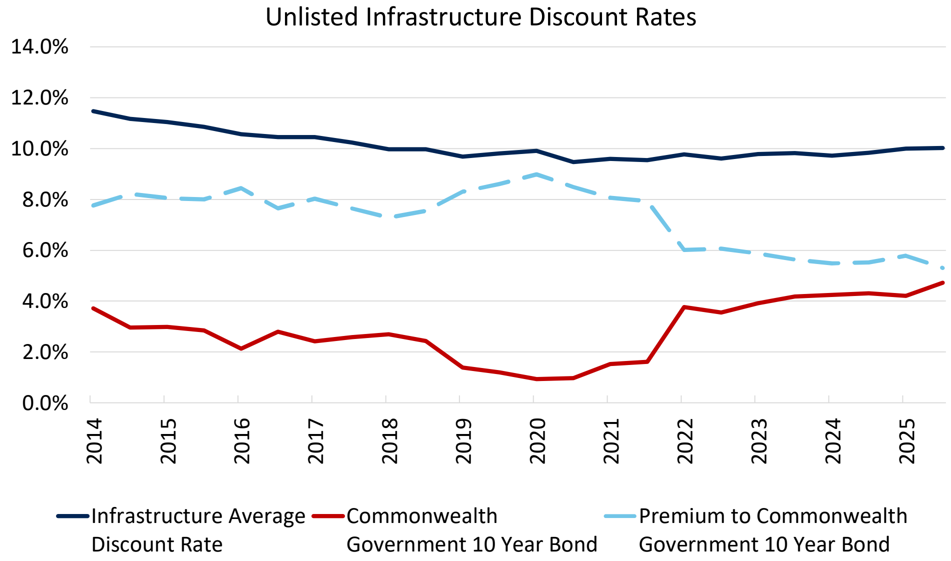
Data centre development is the highest-conviction alternative sector globally, constrained primarily by power availability, however the exit/realisation pathway needs to be fully assessed.

AI is also being deployed operationally by nearly every manager interviewed for leasing automation, tenant credit analysis, lease abstraction, energy management and portfolio analytics.

# Infrastructure



Source: Preqin, a part of Blackrock



Source: JANA/Factset

- Demand for infrastructure remains high, with record fundraising across the asset class (Left Chart). Notably, core-plus infrastructure funds saw a significant increase in capital raised in 2025. There is significant appetite by investors for both greenfield and brownfield investments across all sectors
- Opportunities across the infrastructure asset class continue to be driven key themes/trends including AI, energy transition and energy security. Following a modest increase in the average discount rate in recent years (driven by an increase in long-term risk-free rate assumptions), the average discount rate has remained broadly stable over the last 12 months, at c. 10% (Right Chart). Assets in some sub-sectors and jurisdictions have seen more movement in discount rates however, with asset specific discount rate adjustments applied to reflect the evolving regulatory environment (e.g. US renewable assets). These movements reflect asset and sector specific risks rather than broad discount rate increases, however.
- On balance, we continue to view Infrastructure as **Attractive**. This is predicated on the strong fundamentals and underlying positive sentiment as shown by strong capital raising levels. We do note that investors should maintain a degree of pricing discipline, however.

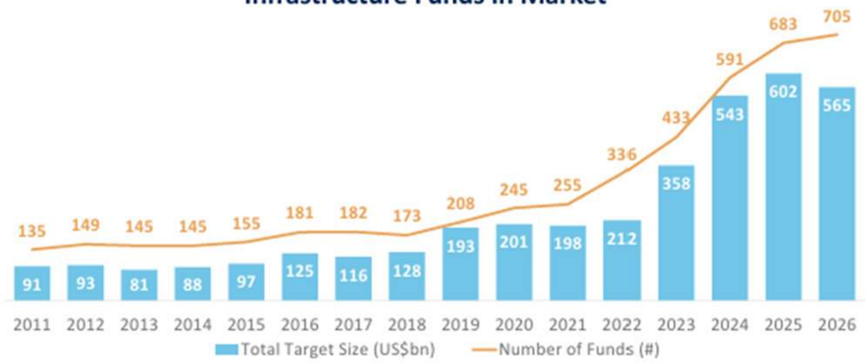
MARKET COMMENTARY

# Infrastructure O/S Research Trip

## Key Takeaways

- There **remains strong growth** across the unlisted infrastructure market (capital and opportunity set).
- Fundraising **competition is heightened given the increased number of funds being raised.** This is providing opportunities for improved commercials or greater deployment flexibility with some managers.
- The evolution of the infrastructure **secondaries market is providing greater entry/exit flexibility (at a price).**
- Market continues to evolve. **Lines between capital providers (FoF, direct GPs, co-investments) are blurring.**

Infrastructure Funds in Market

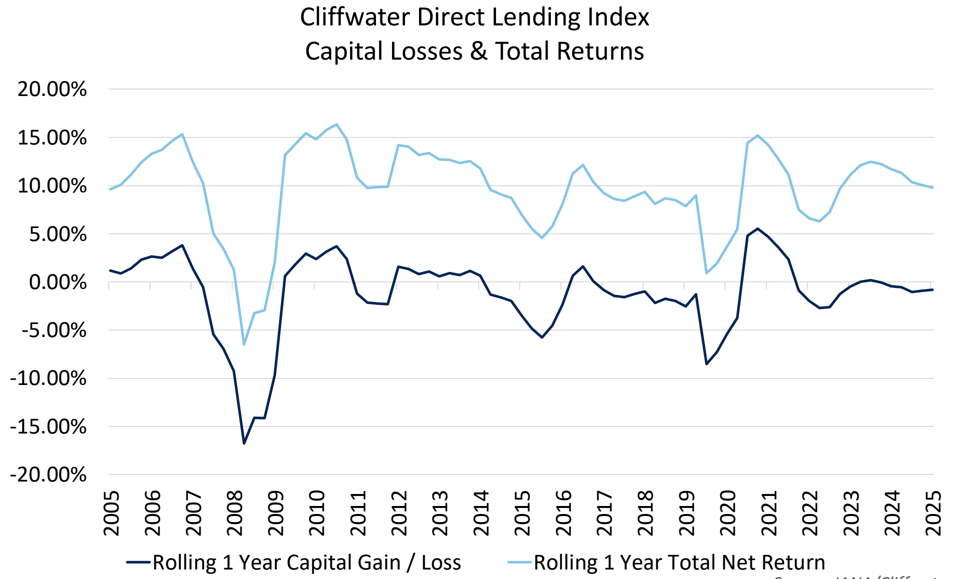



Source: Preqin, a part of BlackRock.

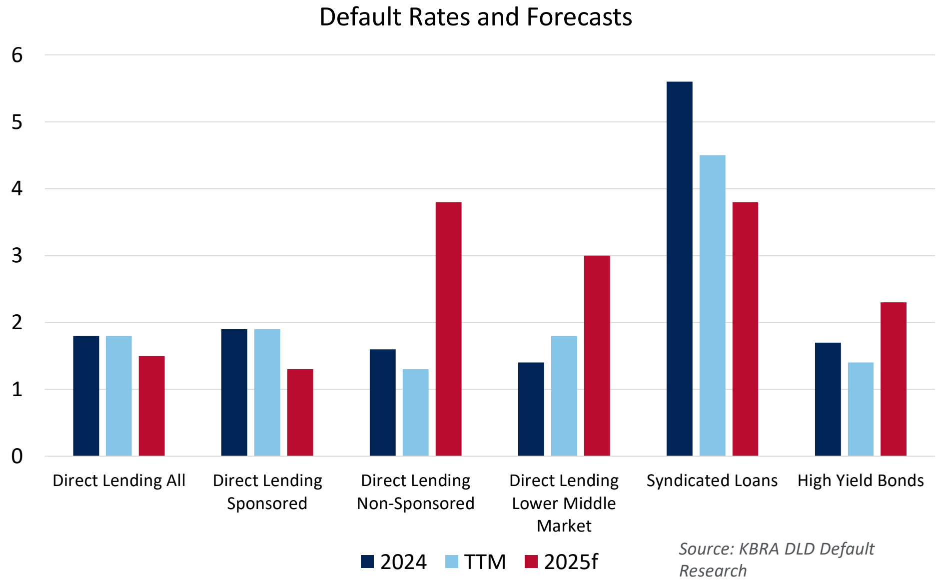
- **AI infrastructure is experiencing a 'gold-rush' moment**, particularly in North America, however, there is a question on the longevity of the investment opportunity.
- GPs appear under pressure to find data centre opportunities given intense market and Limited Partner interest, raising the question around whether **FOMO** is starting to drive investment decisions.
- Whilst opportunity set is real, with accretive project IRRs, there is a wide range of opportunities with very different risk / return profiles. **The sheer amount of capital chasing opportunities may lead to wide dispersion in future return outcomes.**
- Despite the availability of long-term contracts today, **returns over time will ultimately be tied to the continued momentum of AI** both in terms of recontracting (pricing and volume) and the ability to deliver on pipeline projects.
- There are parallels to fibre or renewables 5-10 years ago (although not identical). Whether **underwriting standards** can be maintained will be test for many managers seeking to deploy in sector
- Importance of clients to be selective in co-investment and **focus on underlying risks, not just returns.**

MARKET COMMENTARY

# Private Debt




*Source: JANA/Cliffwater*




*Source: KBRA DLD Default Research*

- Returns for the Private Debt index have generally been in the high-single to low-double digits over the previous 15 years and have consistently outperformed the syndicated leveraged loan market since 2020 (Left Chart). Capital losses in the post-Covid period have also been muted.
- Trailing twelve months default rates for direct lending are well below the syndicated loan market. (Right Chart).
- We have downgraded our view on Private Debt from Moderately Attractive to **Neutral**. While we continue to see private debt as attractive relative to liquid credit for investors with tolerance for illiquid exposure, spread levels have moderated relative to history and sentiment toward the asset class has weakened over the previous 6 months.

# Private Debt (cont)

**JANA View** The Australian private credit market has traditionally allowed broader retail access via unit trusts and “wholesale investor” exemptions, while the US and European markets restrict retail participation to regulated vehicles. Recent ASIC comments and suggested reforms are clearly aiming to steer Australia towards global norms, with enhanced retail supervision, improved fee transparency, and stricter reporting standards. **JANA notes though that Australia still faces unique challenges, such as liquidity mismatch risks in funds promising regular liquidity despite significant illiquid exposures.**

**Importantly, private credit investing in the US and EU is far more advanced, with asset managers and investors operating under robust governance frameworks, detailed portfolio transparency, and stringent valuation and reporting requirements**—including line-by-line asset data and regular external verification and valuation. These established practices mean that many of ASIC’s current concerns—such as fee disclosure, valuation consistency, and conflict management—are largely addressed overseas by both regulatory developments and the maturity of managers and markets.

**As a result, the oversight and risk profile of private credit in the US and Europe are significantly stronger than in Australia, where the market is still catching up, and is one of the reasons JANA’s preference is towards managers and strategies operating in the US and EU.**

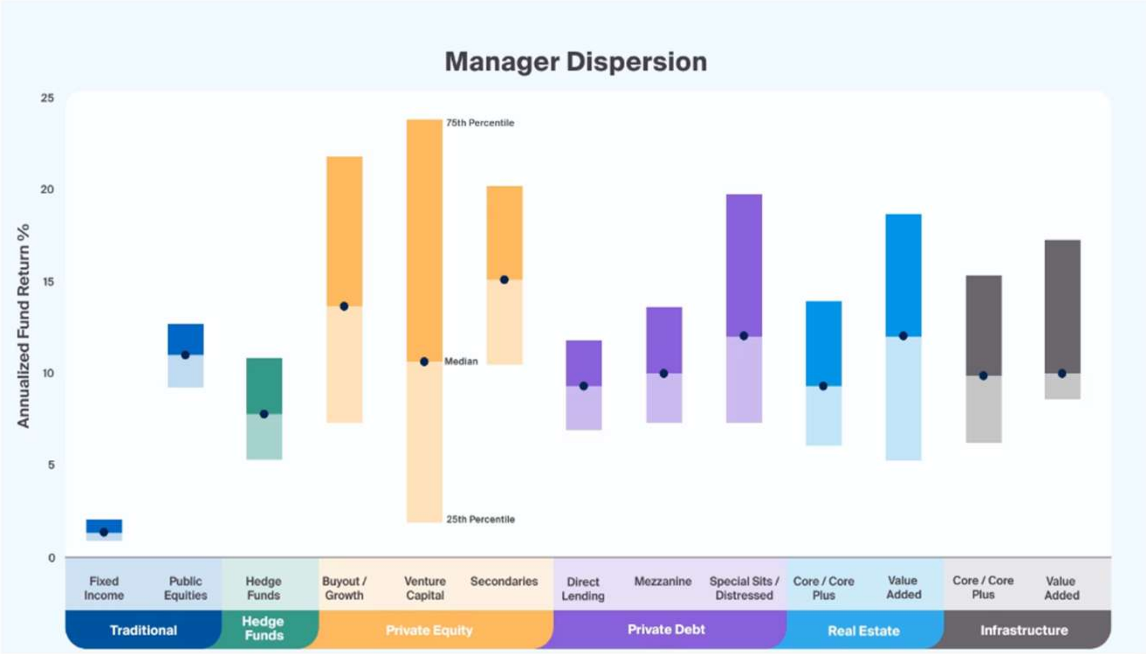
# Considerations before investing in private markets

# Importance of manager selection

Unlike public market investing, which is largely driven by market beta with manager out / under performance an addition or detraction, **private market investing is mainly about appointing the right manager and the right strategies**

The dispersion between the top quartile of private market managers and strategies vs. the rest tends to be much greater vs public market investing.

Private market manager outperformance also has a greater tendency to persist vs. public markets




Source: CAIS

**Getting access to good quality research on private market strategies can be difficult**

# Diversification is essential

Given the tendency for a relatively higher concentration risk around underlying deal exposure it is important that private market investments and managers be well diversified.

There is a tendency in the Australian Wealth market to focus on locally invested private market strategies  “we have met the manager and have know and understand the investments”

**We actively encourage a higher degree of global investment / managers in private markets.** This provides the most experienced managers with highly diversified portfolios and the best deal access

**Its not all about Private Credit.** Private credit is popular in part because of the looming sunset of the hybrid debt market in Australia but **do investors understand the risks within Private Credit?**

**A private market portfolio allocation should aim for a diversity of asset class exposure (PE, PC, infrastructure and property) as well as managers, geography and underlying strategies**

# Private market assets are illiquid

**Private market investing is about buying assets that are inherently illiquid** – one of the clear benefits of investing in private assets is about trying to capture a persistent illiquidity premium

There have been attempts to solve for this to open up private markets for a wider range of clients (namely retail investors) with a lower tolerance for illiquidity under the theme of **"Democratisation of private market investing"**

The rise of evergreen funds, listed vehicles, etc. It is important to understate that they will generally have embedded product and / or investment compromises which can dilute the original proposition for private markets. **They can also carry significant gating risks or liquidity constraints which can make it difficult for investors to exit should they need to. This can also present problems for managed account portfolios**

**This suggests that you shouldn't invest your clients into private markets unless they have a tolerance for illiquidity**

**Sydney**
9/255 George Street,
Sydney NSW 2000
02 9221 4066

JANAadmin@jana.com.au

**Melbourne**
18/140 William Street,
Melbourne VIC 3000
03 9602 5400

JANAadmin@jana.com.au



jana.com.au