



Leaders in Asset Management

May 5, 2025

$$P = \sum Ft_i * (\sum HC_i + \sum SC_i + \sum RA_i)$$

P = **Prosperity**

Ft = **Financial Technology**

HC = **Human Capital**

SC = **Social Capital**

RA = **Real Assets**

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$$P = \sum F t_i * (\sum H C_i + \sum S C_i + \sum R A_i)$$

Financial Technology

Innovative processes & components including:

- Convertible bonds
- Preferred stock
- High-yield bonds
- Collateralized loans
- Collateralized bonds
- Equity-linked securities
- Securitized obligations (mortgages, credit cards, etc.)
- Derivatives

Human Capital

Productivity:

- Skills
- Education
- Training
- Experience
- Creativity
- Habits
- Values

Social Capital

- Rule of law
- Property rights
- Public health
- Universal education
- Religious freedom
- Police/fire protection
- Cultural resources
- Universal suffrage
- Protection of creditors
- Rigorous financial reporting standards
- Transparent markets
- Regulatory continuity
- Environmental protection

Real Assets

- Cash
- Receivables
- Real estate
- Factories
- Capital equipment
- Roads
- Buildings
- Infrastructure
- Natural resources

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“Just because you do not
take an interest in politics, it
doesn't mean politics won't
take an interest in you.”

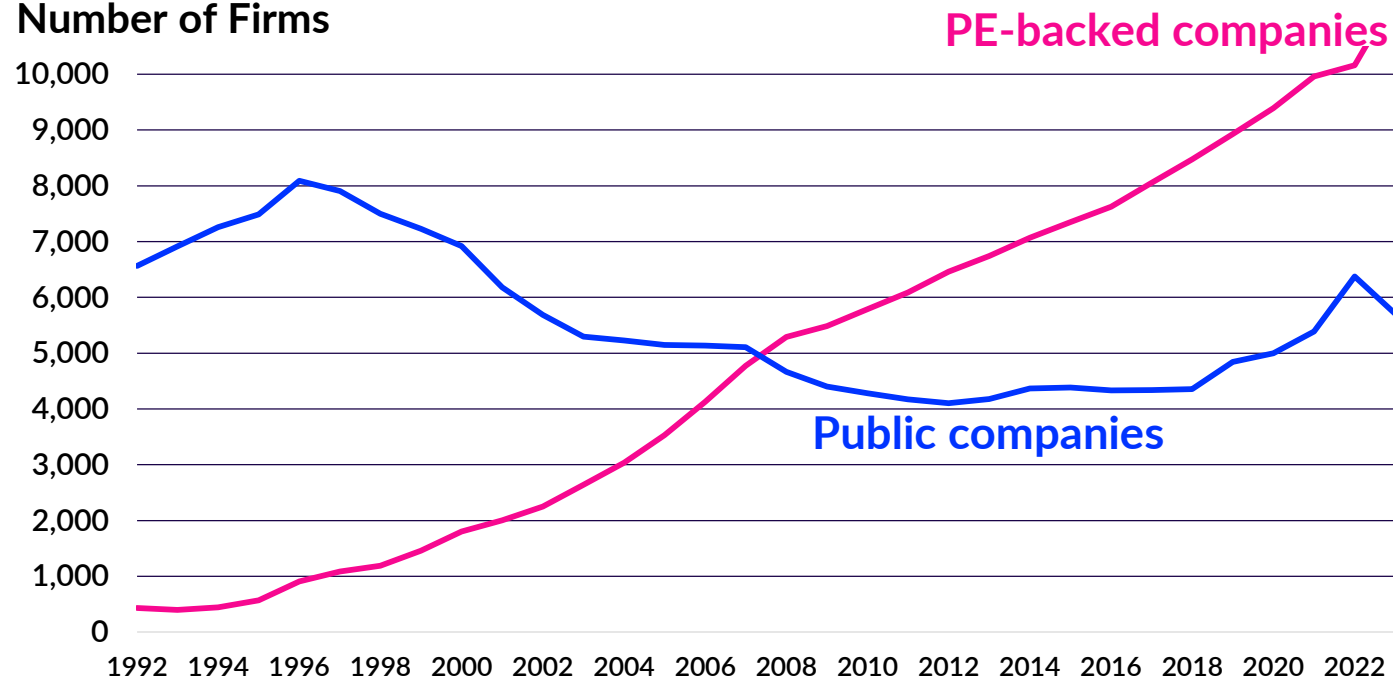
— *Pericles* (431 BCE)



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U.S. PE-owned Firms Outnumber Public Firms

Number of Firms



Including Asia,
private equity
owns ~30,000
businesses.

There are ~22,000
large businesses in
the United States.
Approximately half
are PE-Backed.

Note: The term 'large businesses' signifies a workforce greater than 500 employees

Source: Statistics of US Businesses (SUSB), Citizens Bank, Pitchbook, WSJ, US Small Business Administration Office of Advocacy, Investopedia (5/1/2025)

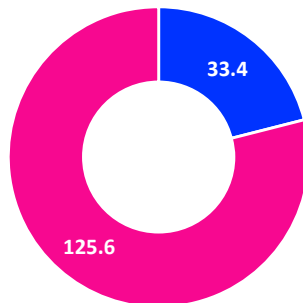
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Economics of Private Equity

Private Equity Contributions to:

US Workforce

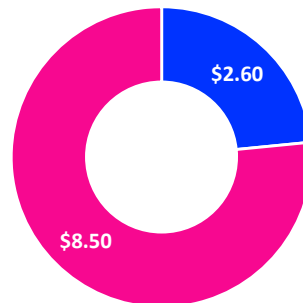
Employees, Millions



26.6% of Total US Employment

US Wages

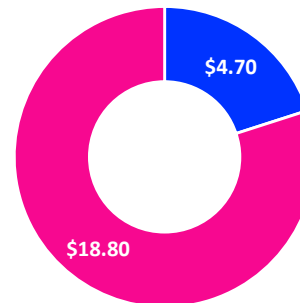
\$US, Trillions



30.6% of Wages and Benefits to US Workers

US GDP

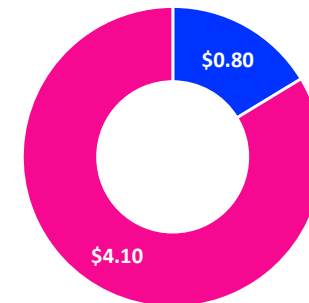
\$US, Trillions



25% of Annual US GDP

US Tax Revenue

\$US, Trillions



19.5% of US Tax Revenue

Note: Total economic activity includes funds, PE backed companies, PE-related suppliers, and PE related consumer spending as defined by Ernst & Young
Source: "Economic contribution of the US private equity sector in 2024" – Ernst & Young & St. Louis FRED (4/30/2025)

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Six Objectives

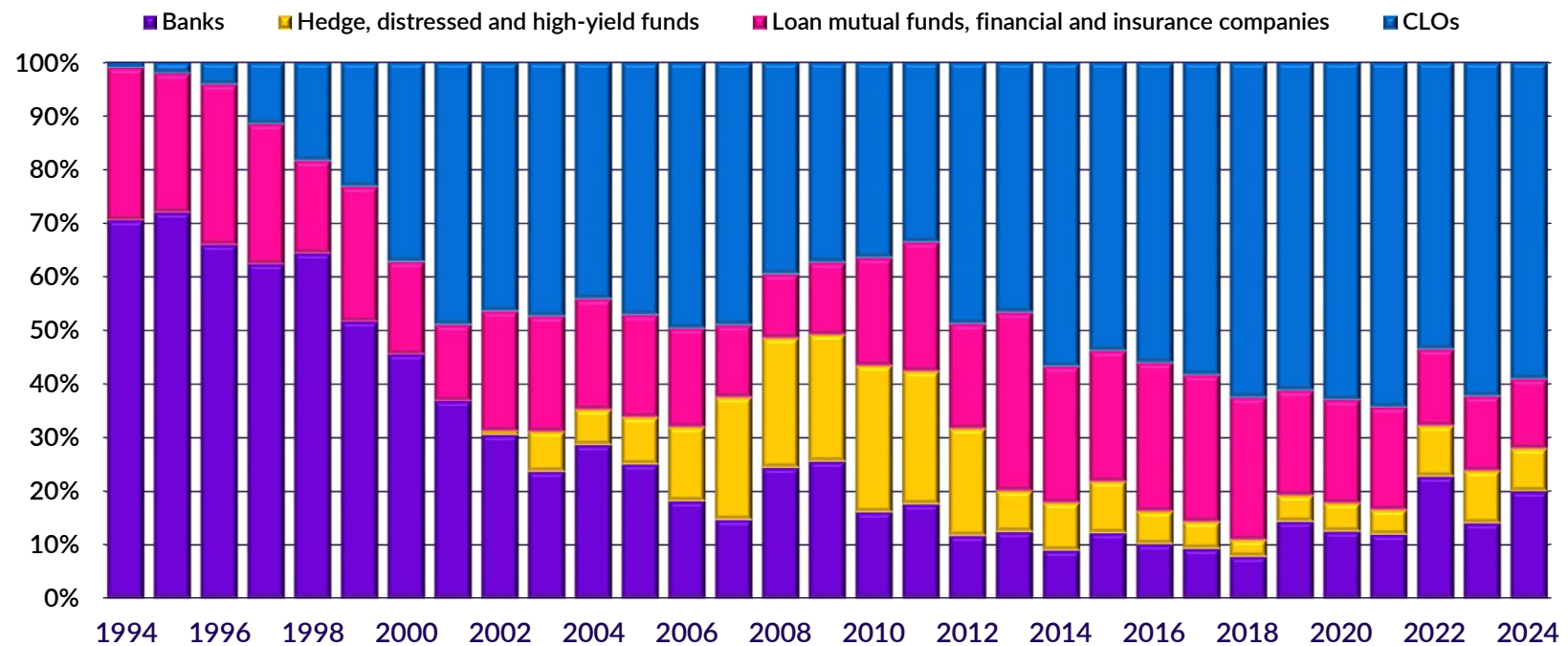
1. Establish research as the foundation for capital markets.
2. Build trading markets for all types of securities.
3. Empower companies to issue securities.
4. Identify thousands of institutional investors.
5. Diversify risks through securitization (i.e., CLOs).
6. Align management (private equity) and ownership.



Source: .

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Institutional Investor Base for Non-Investment Grade Loans



Note: 2024 numbers reflect current estimates.

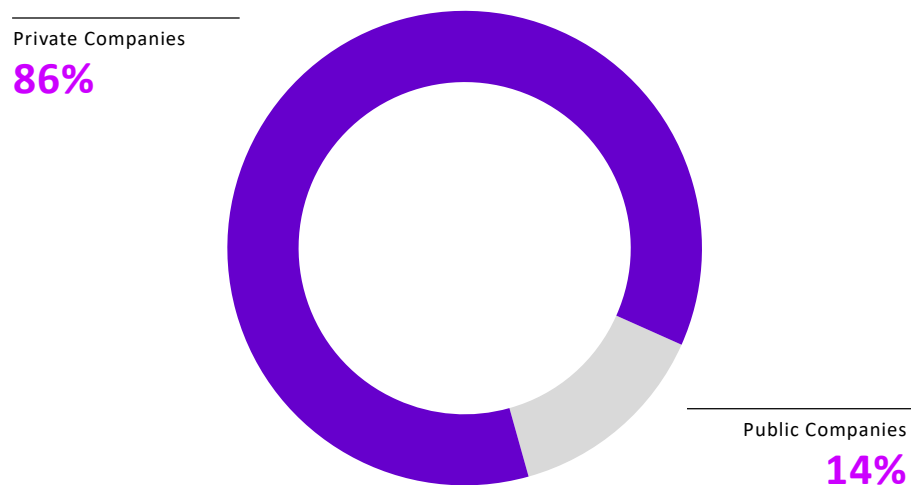
Source: S&P LCD, Guggenheim, PMAM, Fitch Ratings, Federal Reserve (4/27/2025)

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Private equity targets a large, untapped opportunity set

Private Equity

Vast Majority of Businesses with More Than \$250 Million of Revenues Are Privately Held⁽¹⁾

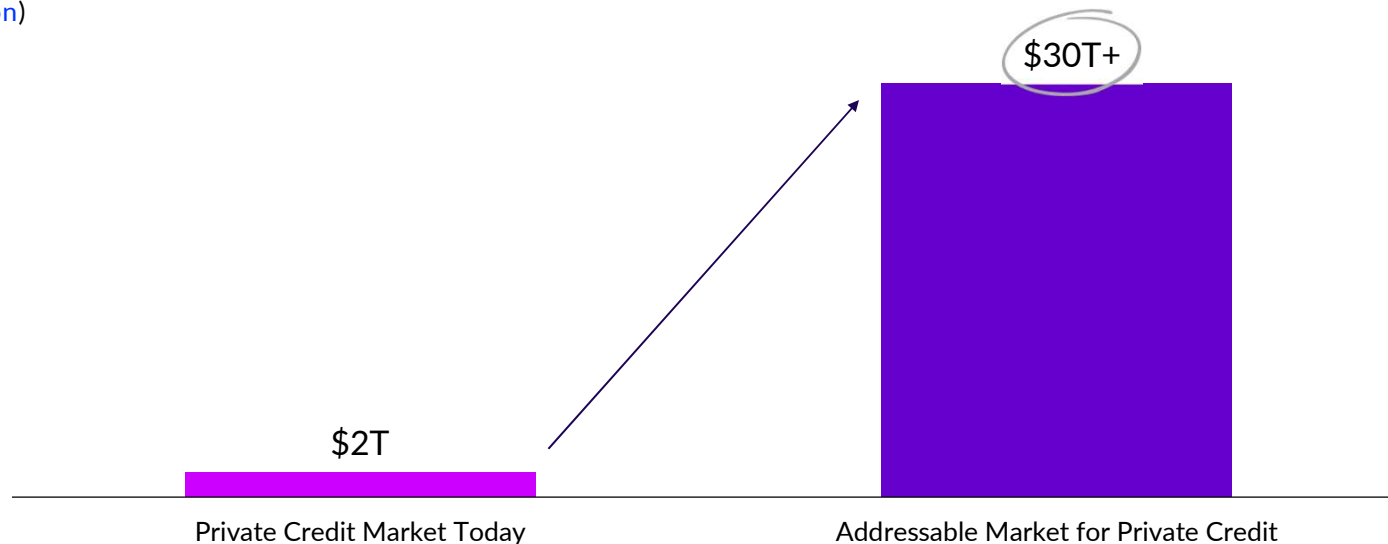


1)Capital IQ, November 2023. Represents the share of companies based on the total number of public and private companies in North America, Europe, and Asia that have reported revenues 2023, 2022, or 2021 fiscal year revenues greater than \$250M per Capital IQ's company database.

Private credit markets are rapidly growing as a core financing solution for the global economy

Private Credit

Total Addressable Market(1)
(in trillion)



Note: The above strategies and asset classes are for illustrative purposes only. Reflects Blackstone's views and beliefs as of May 5, 2025, which is subject to change.

1) McKinsey & Company, The Next Era of Private Credit, September 2024.

The Nature of Credit

1. Credit is what counts, not leverage.
2. Most loans to real estate are not investment-grade.
3. Interest rates are volatile and unpredictable.
4. Credit research is more than ratings.
5. Sovereign debt is historically risky.
6. Debt values underpin all capital markets.



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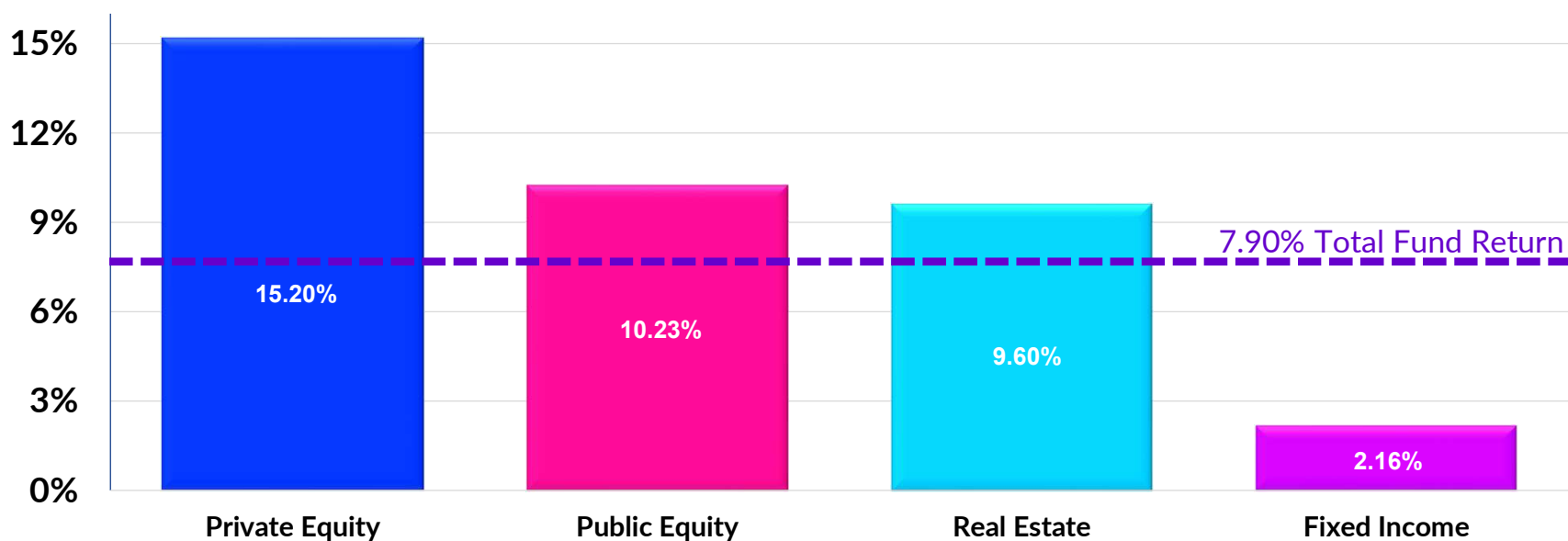
1974

- Interest rates double in one year; highest level in recent recorded U.S. history.
- Regulation restricts lending.
- Energy prices skyrocket.
- U.S. stock market plunges 50%.
- Unemployment almost doubles.

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Return by Asset Classes

BASED ON 10-YEAR MEDIAN ANNUALIZED RETURNS



Note: Total Fund Return, refers to public pension funds.

Source: American Investment Council – 2024 Public Pension Study, Author's Calculations (1/5/2025)

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Financial Technologies

- ADR American Depositary Receipt
- BDC Business Development Company
- CBO Collateralized Bond Obligation
- CDO Collateralized Debt Obligation
- CLO Collateralized Loan Obligation
- CMBS Commercial Mortgage-Backed Security
- CDS Credit Default Swap
- ETF Exchange-Traded Fund
- RMBS Residential Mortgage-Backed Security
- SPAC Special Purpose Acquisition Company
- STRIPS Separate Trading of Registered Interest and Principal Securities
- UIT Unit Investment Trust

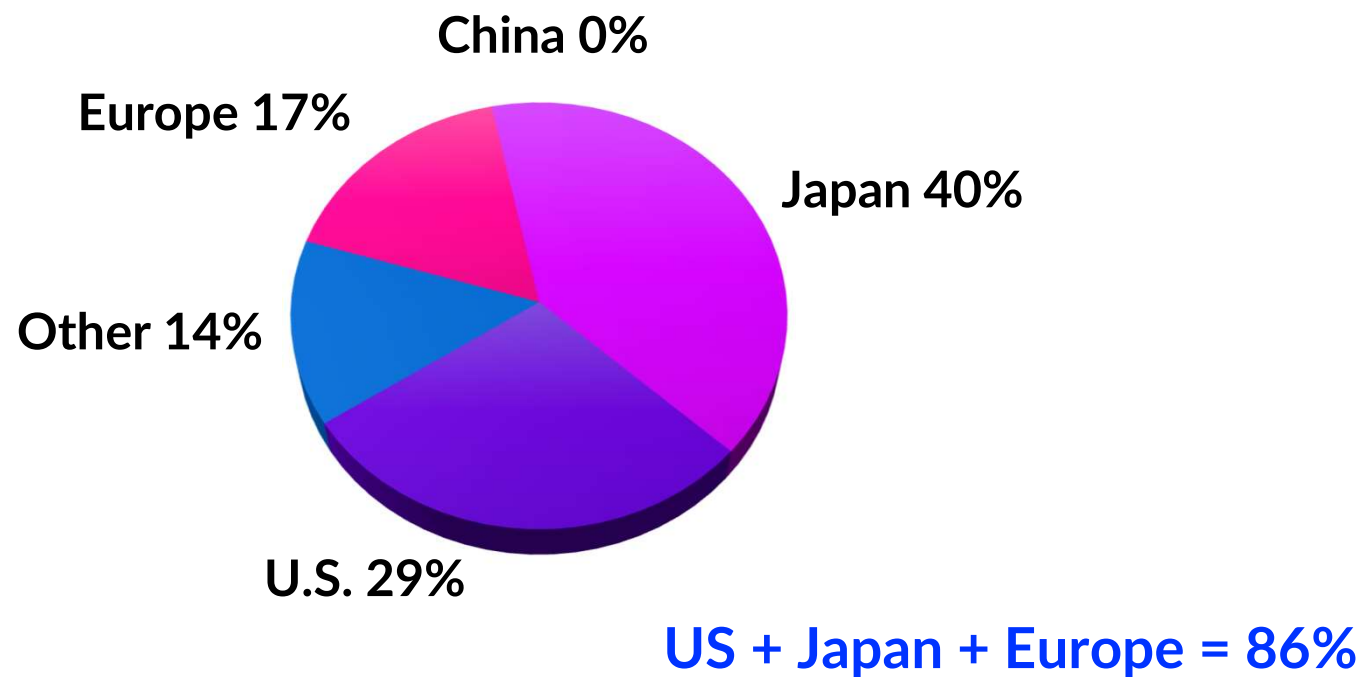
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Venture Capital Worldwide: Share of Total Investments

	2010	2015	2020	2024
United States	62%	45.9%	51.3%	56.6%
Asia	9%	31.1%	25.7%	21.4%
Europe	24%	16.2%	18.3%	14.0%
Others	3.6%	4.8%	1.9%	5.1%
Australia	0.4%	0.3%	0.4%	1.1%
South America	0.6%	1%	2.5%	1.2%
Africa	0.4%	0.7%	0.7%	0.6%

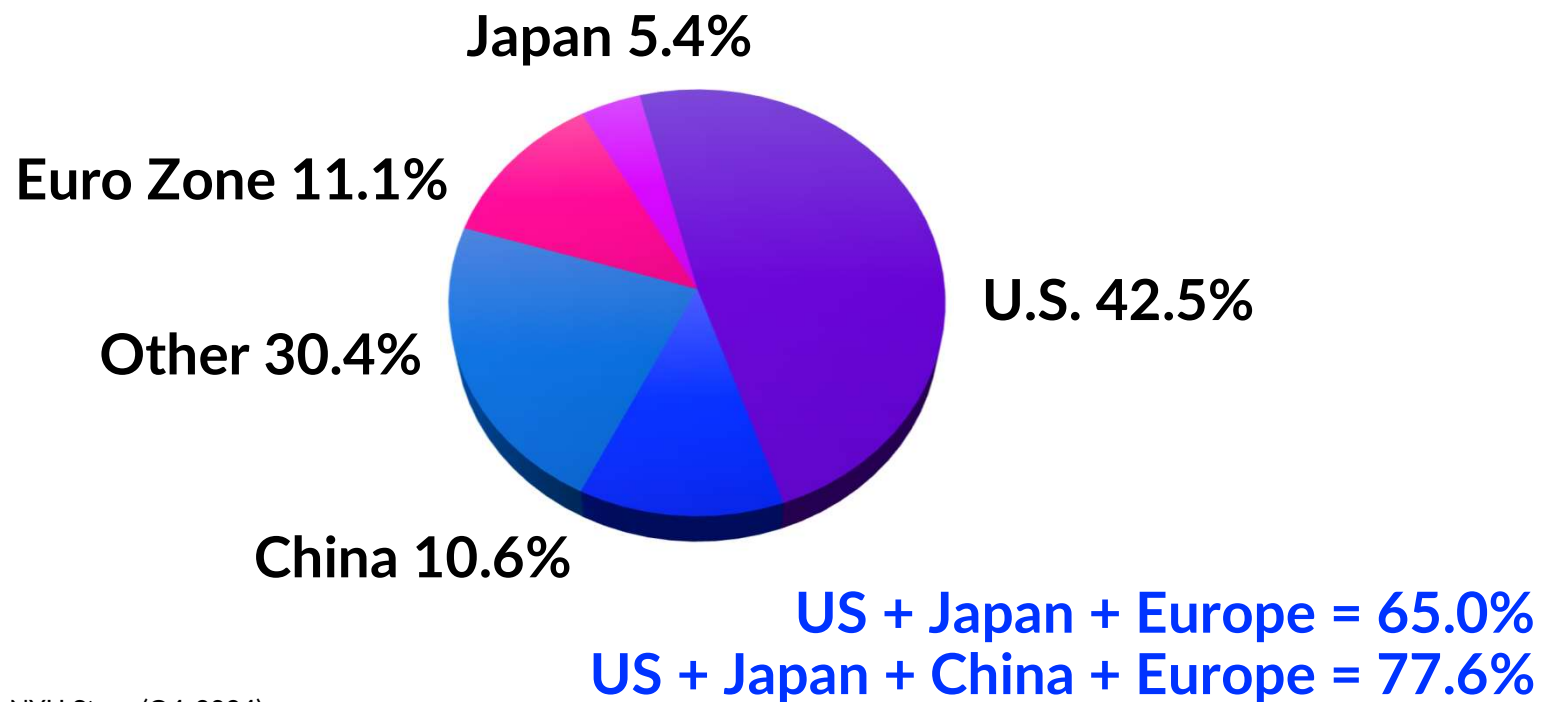
Note: The 2010 figures represent the total number of deals. Others include Canada, Mexico, and Russia. Europe includes the UK.
 Sources: NY Venture Hub, SSTI Deutsche Bank Wealth Management, KPMG, UC Berkeley, PitchBook (3/18/2025)

Market Capitalization: 1988



Source: World Bank (5/14/2019).

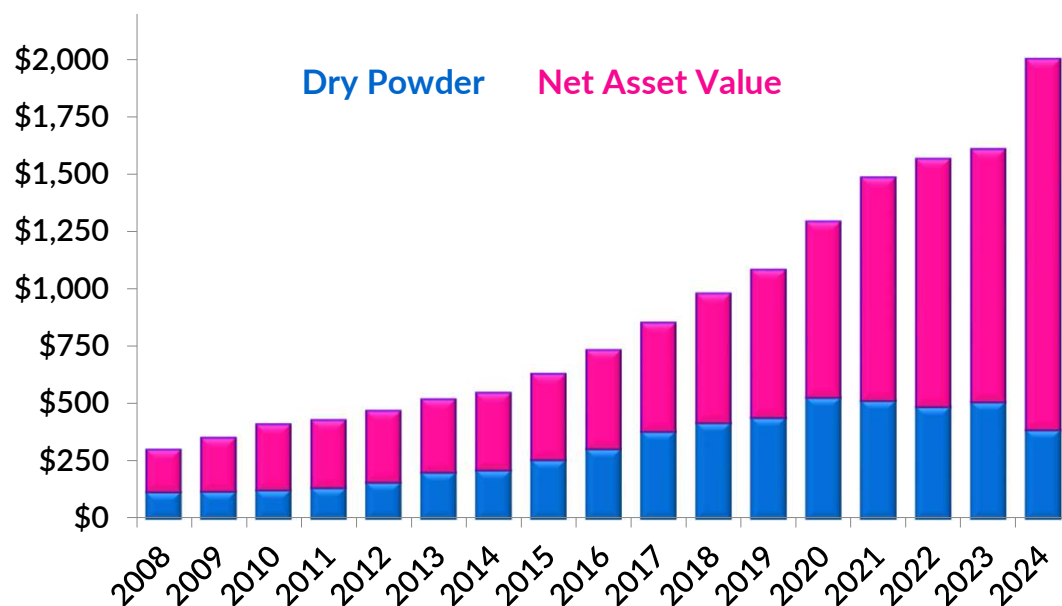
Market Capitalization: January 2025



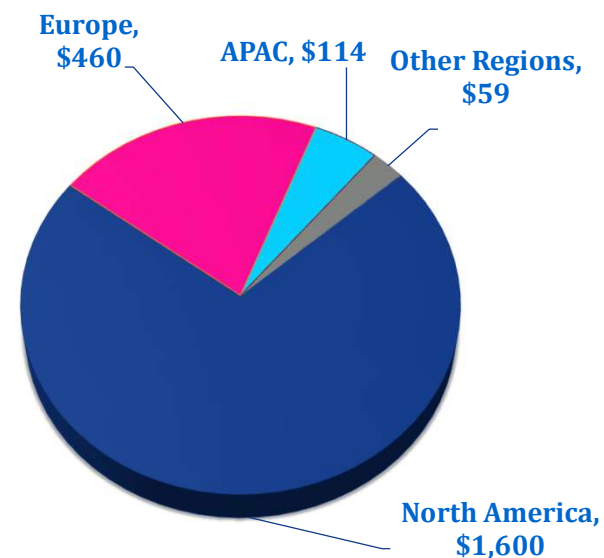
Source: NYU Stern (Q4-2024)

Global Private Credit

Private Credit AUM, \$US Billions



Source: Federal Reserve (2/2024), Dechert LLP, Preqin & S&P Global (1/6/2025), MI Calculations



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