

PRIVATE MARKETS
institute

Exploring
opportunities in
private markets

nuveen

A TIAA Company



You've worked hard to build your wealth

As your net worth has grown, so have opportunities in private markets.

Private markets represent a significant—and relatively untapped—opportunity, much larger than many realize. While most investors' portfolios are comprised of traditional publicly traded stocks and bonds, private markets differ as they are not traded on public exchanges. They can include direct investments in private company equity and credit, real estate, and real assets such as infrastructure or farmland.

Private markets can work alongside public holdings to offer more unique and diverse investment opportunities that help take your portfolio further.

Did you know?

87%

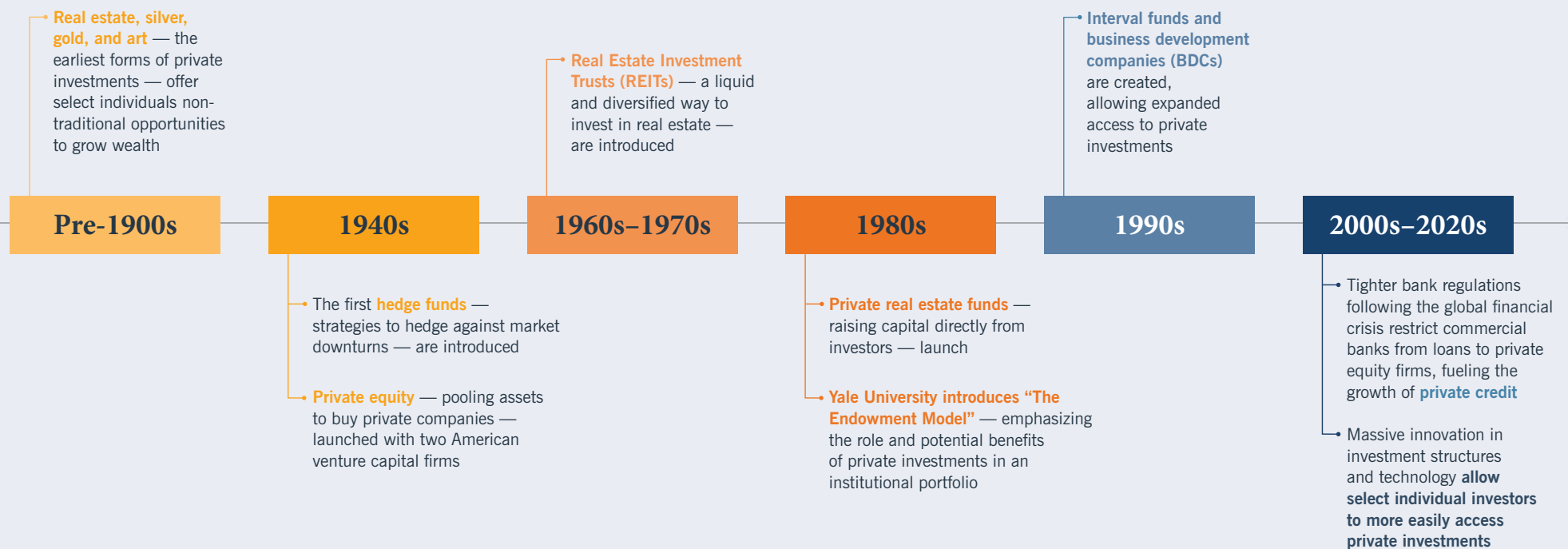
***of U.S. companies
with >\$100m in revenue
are private¹***



An established legacy

While it may sound new, investments in private markets (also known as “alternative investments”) date back many years. Historically, these investments have been available primarily to the world’s largest investors, such as sovereign wealth funds, public pensions, endowments and foundations. In recent years, a focus on innovation and technological advancements have provided new ways to give more individual investors access. This offers investors like you additional avenues that may help you reach your goals faster — and potentially expand them further.

EVOLUTION AND INNOVATION CREATE NEW OPPORTUNITIES



An expanding landscape

Many investments in private markets fall within similar segments as found in public markets — but are unique in their ownership structure and how they are traded (priced, bought and sold). Private markets can include investments in tangible assets like real estate, farmland, and infrastructure, or financings for private businesses in the form of private credit or private equity.



PRIVATE EQUITY

Investing through equity ownership, in companies that are not public or listed on a stock exchange



PRIVATE CREDIT

Investing in private companies through a private lender instead of a traditional bank



REAL ESTATE

Investing directly in real estate properties, sites and buildings that are professionally managed and benefit from global trends



REAL ASSETS

Investing in natural resources such as farmland and public resources such as infrastructure

Because private market investments aren't publicly owned and don't trade on public exchanges, they may experience less market volatility.

This also means they're generally less liquid — you may not have immediate access to the funds you invested. As you've grown your portfolio over the years, you've likely worked with your financial advisor to build, evaluate and refine your investment horizon which addresses your short, midterm and long term needs, expectations and goals. As you explore opportunities in private markets, your advisor will help you incorporate private assets into this horizon.

Here to stay and grow

The universe of investments in private markets is much larger than that of its public counterpart and continuing to grow. Having access to that larger universe may allow you to find new ways to achieve your financial goals.

Opportunities in public markets are shrinking

REAL ESTATE

\$4.8T

Public real estate market²

EQUITY AND CREDIT



Less than 4,000 public companies³

While **private** markets continue to grow

\$8.5T

Private real estate market²



Greater than 25,000,000 private companies³

And **global megatrends** support continued expansion for years to come

REAL ASSETS



INFRASTRUCTURE

In 2050, **68% of the population will live in urban areas** versus 55% today, increasing demand for infrastructure⁴



FARMLAND

By 2050, the world's farmland will likely have to support a population of more than nine billion people — an increase that will require a **60% boost in agricultural productivity**.⁵

The appeal is real

Private markets have long been attractive to large institutions because of their unique characteristics that benefit a robust long-term investment strategy. These assets tend to behave differently from others — such as public equities or fixed income — and may offer a powerful dose of diversification, a dependable source of income, and even potential protection from rising inflation.

PRIVATE MARKETS OFFER POTENTIAL BENEFITS THAT CAN BE HARD TO FIND IN PUBLIC INVESTMENTS



Exclusive investment opportunities. Private markets give select investors access to a broader set of investable companies.



Diversification. Private assets tend to be insulated from the ups and downs of the public markets, so they may help reduce fluctuations in your portfolio.




Enhanced growth and income potential. Companies providing private financing have more leeway to set their investment terms, enabling them to position investments for higher income and greater returns.



Inflation protection. Returns from real estate and real assets tend to increase during periods of high inflation.



Tax efficiency. Taxation plays an important role in the overall “health” of your portfolio — and select private market investments, like real estate investment trusts (REITs) receive attractive tax treatment.



The conversation about private markets starts with you

Your financial advisor can help you tailor private market investments in ways that expand what your portfolio makes possible for you.

As you consider private assets, talk with your advisor about:

- Your **long-term goals**, including goals for your financial legacy, and how harnessing greater potential growth may help you reach them.
- Your **short-term obligations**, and how you can incorporate private investments while making sure your cash-flow needs are covered

Your advisor is likely to recommend particular private assets that pursue specific goals that are suited to the investments growth, risk and liquidity characteristics.

A world of opportunity

Your goals aren't static—and your investment plan shouldn't be either.

Your investments have helped you get where you are today. With access to private assets, you have an opportunity to capture greater potential growth, income and stability, so you can go even farther in the future. Talk to your financial advisor about the variety of investments available in private markets and how they may help your portfolio work harder for you.

QUESTIONS TO ASK YOUR FINANCIAL ADVISOR:

- 1 How can private markets help me achieve my specific goals?
- 2 Will investing in private markets call for changes to my portfolio?
- 3 What tax impact would investing in private markets have, if any?
- 4 What resources do you have to support me?

For more information, please visit us at nuveen.com

Endnotes

- 1 S&P Capital IQ, August 2024.
- 2 MSCI, NCREIF, NAREIT, J.P. Morgan Asset Management; data as of December 2023. The size of the market is based on the size of the professionally managed global real estate investment market.
- 3 CATO Institute: Where the Wild Things Are: The Governance of Private Companies; January 2024
- 4 US Energy Information Administration, International Energy Outlook 2019
- 5 World Bank, January 2022 and Food and Agriculture Organization of the United Nations (FAOSTAT). *Compared to FAO 2005/07 base year measurement

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Important information on risk

All investments carry a certain degree of risk and there is no assurance that an investment will provide positive performance over any period of time. Equity investing involves risk. Investments are also subject to political, currency and regulatory risks. Diversification is a technique to help reduce risk. There is no guarantee that diversification will protect against a loss of income. Debt or fixed income securities are subject to market risk, credit risk, interest rate risk, call risk, derivatives risk, dollar roll transaction risk, and income risk. As interest rates rise, bond prices fall. Foreign investments involve additional risks, including currency fluctuation, political and economic instability, lack of liquidity, and differing legal and accounting standards. These risks are magnified in emerging markets.

As an asset class, real assets are less developed, more illiquid, and less transparent compared to traditional asset classes. Investments will be subject to risks generally associated with the ownership of real estate-related assets and foreign investing, including changes in economic conditions, currency values, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties. Real estate investments are subject to various risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability. Please consider all risks carefully prior to investing in any particular strategy. A portfolio's concentration in the real estate sector makes it subject to greater risk and volatility than other portfolios that are more diversified and its value may be substantially affected by economic events in the real estate industry. International investing involves risks, including risks related to foreign currency, limited liquidity particularly where the underlying asset comprises real estate, less government regulation in some jurisdictions, and the possibility of substantial volatility due to adverse political, economic or other developments. As an asset class, agricultural investments are less developed, more illiquid, and less transparent compared to traditional asset classes. Agricultural investments will be subject to risks generally associated with the ownership of real estate-related assets, including changes in economic conditions, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties. Investors should be aware that alternative investments including private equity and private debt are speculative, subject to substantial risks including the risks associated with limited liquidity, the use of leverage, short sales and concentrated investments and may involve complex tax structures and investment strategies. Alternative investments may be illiquid, there may be no liquid secondary market or ready purchasers for such securities, they may not be required to provide periodic pricing or valuation information to investors, there may be delays in distributing tax information to investors, they are not subject to the same regulatory requirements as other types of pooled investment vehicles, and they may be subject to high fees and expenses, which will reduce profits. Alternative investments are not appropriate for all investors and should not constitute an entire investment program. Investors may lose all or substantially all of the capital invested. The historical returns achieved by alternative asset vehicles is not a prediction of future performance or a guarantee of future results, and there can be no assurance that comparable returns will be achieved by any strategy. Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well. ESG integration incorporates financially relevant ESG factors.

Nuveen, LLC provides investment solutions through its investment specialists.

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