

APOLLO

# Outlook for private markets

Interest rates higher for longer has important implications for private markets

Torsten Slok, Rajvi Shah, and Shruti Galwankar

**Apollo Global Management**

October 2025

Unless otherwise noted, information as of October 2025.

Proprietary - Not for distribution, in whole or in part, without the express written consent of Apollo Global Management, Inc.

# Legal Disclaimer

Unless otherwise noted, information included herein is presented as of the dates indicated. Apollo Global Management, Inc. (together with its subsidiaries, "Apollo") makes no representation or warranty, expressed or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including, but not limited to, information obtained from third parties. Opinions, estimates and projections constitute the current judgment of the author as of the date indicated. They do not necessarily reflect the views and opinions of Apollo and are subject to change at any time without notice. Apollo does not have any responsibility to update the information to account for such changes. Hyperlinks to third-party websites in these materials are provided for reader convenience only. There can be no assurance that any trends discussed herein will continue.

The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice and does not constitute an investment recommendation or investment advice. Investors should make an independent investigation of the information contained herein, including consulting their tax, legal, accounting or other advisors about such information. Apollo does not act for you and is not responsible for providing you with the protections afforded to its clients.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology.

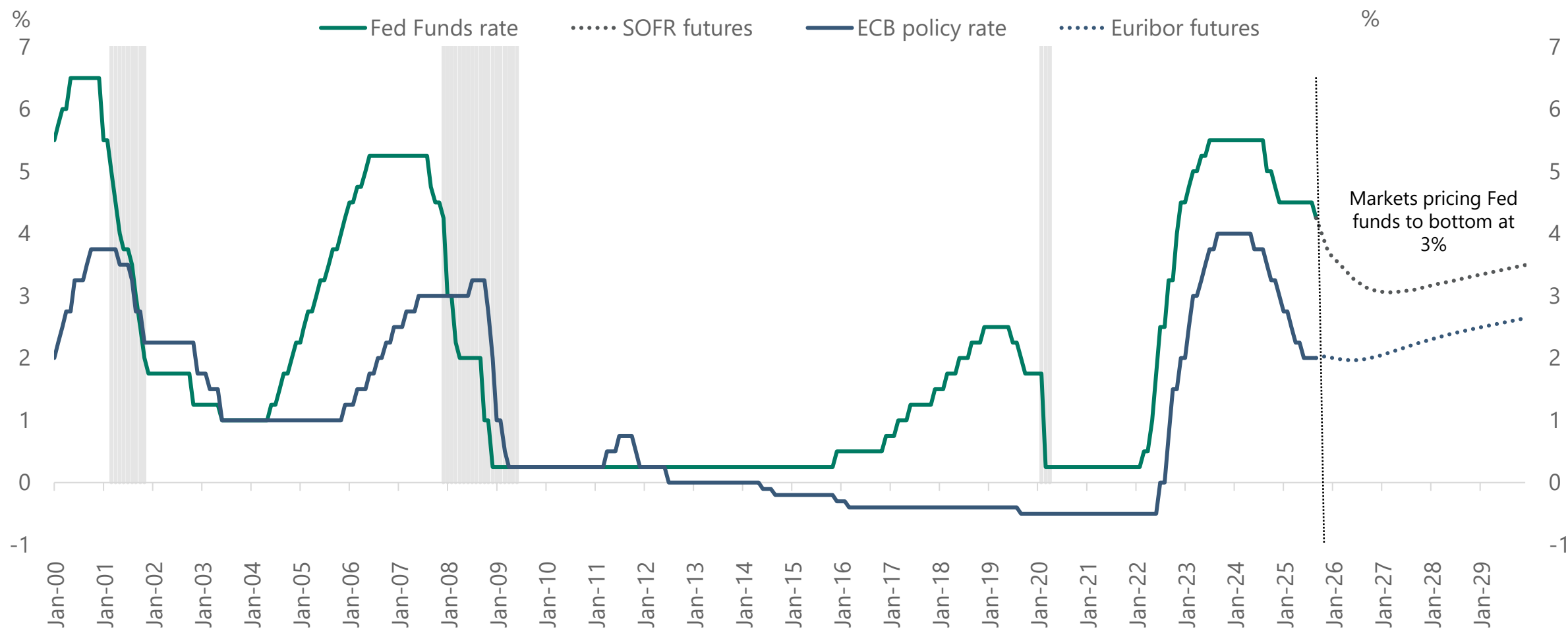


# Table of contents

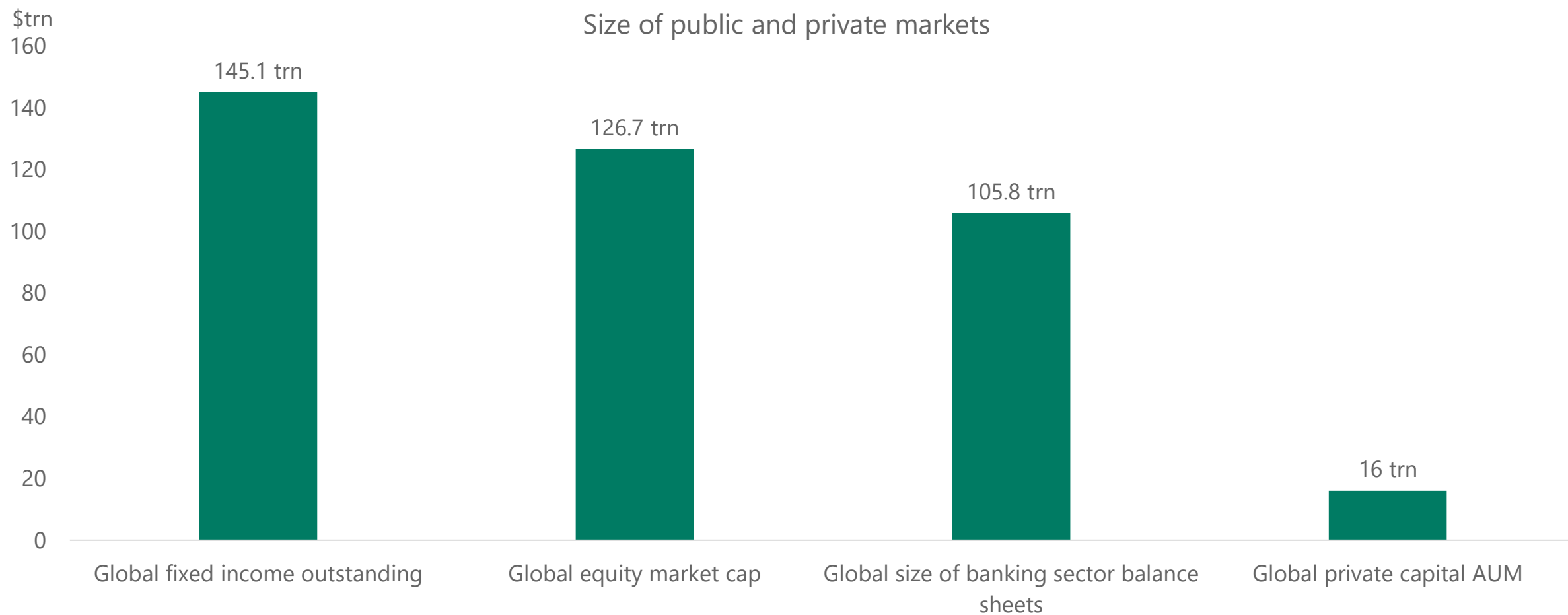
1. Overview
2. Private equity
3. Recent PE deal activity
4. Recent LBO activity
5. Private credit
6. Real estate
7. Real assets
8. Secondaries
9. Venture capital
10. Retirement assets

# 1. Overview

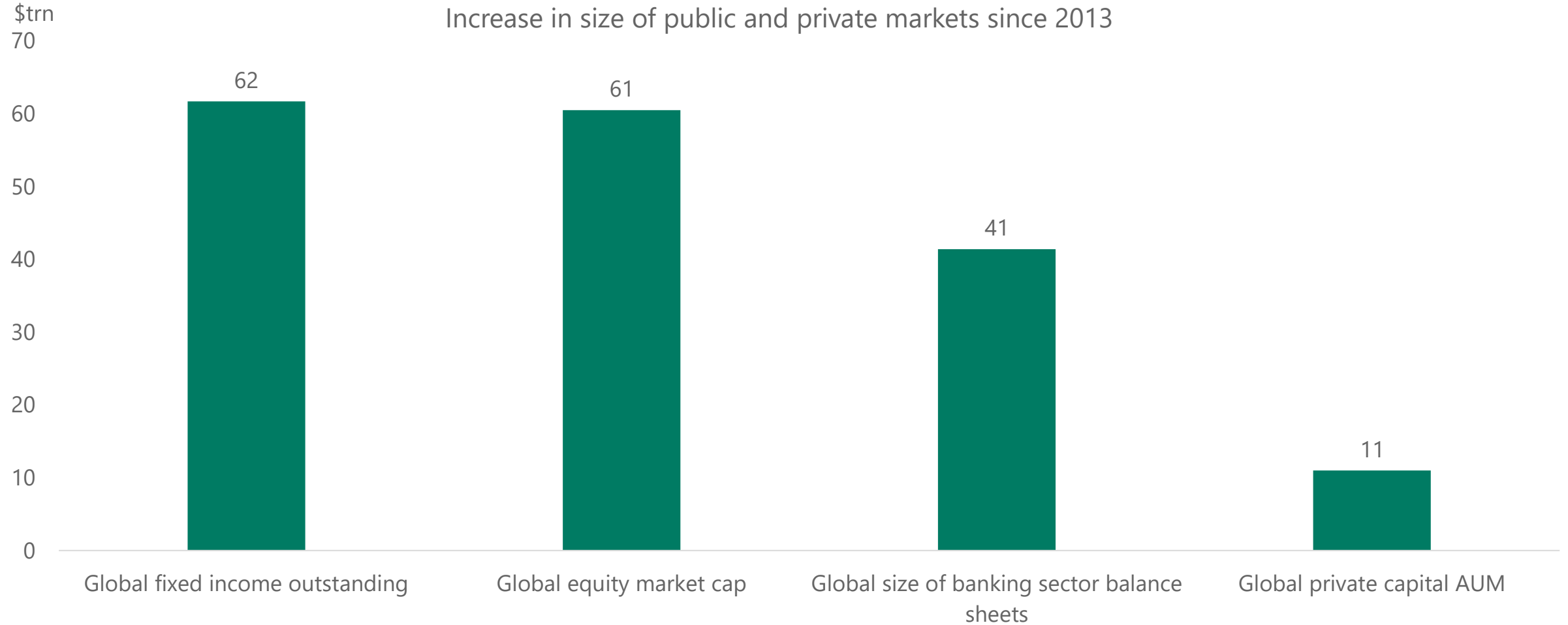
# Interest rates higher for longer has important implications for private markets



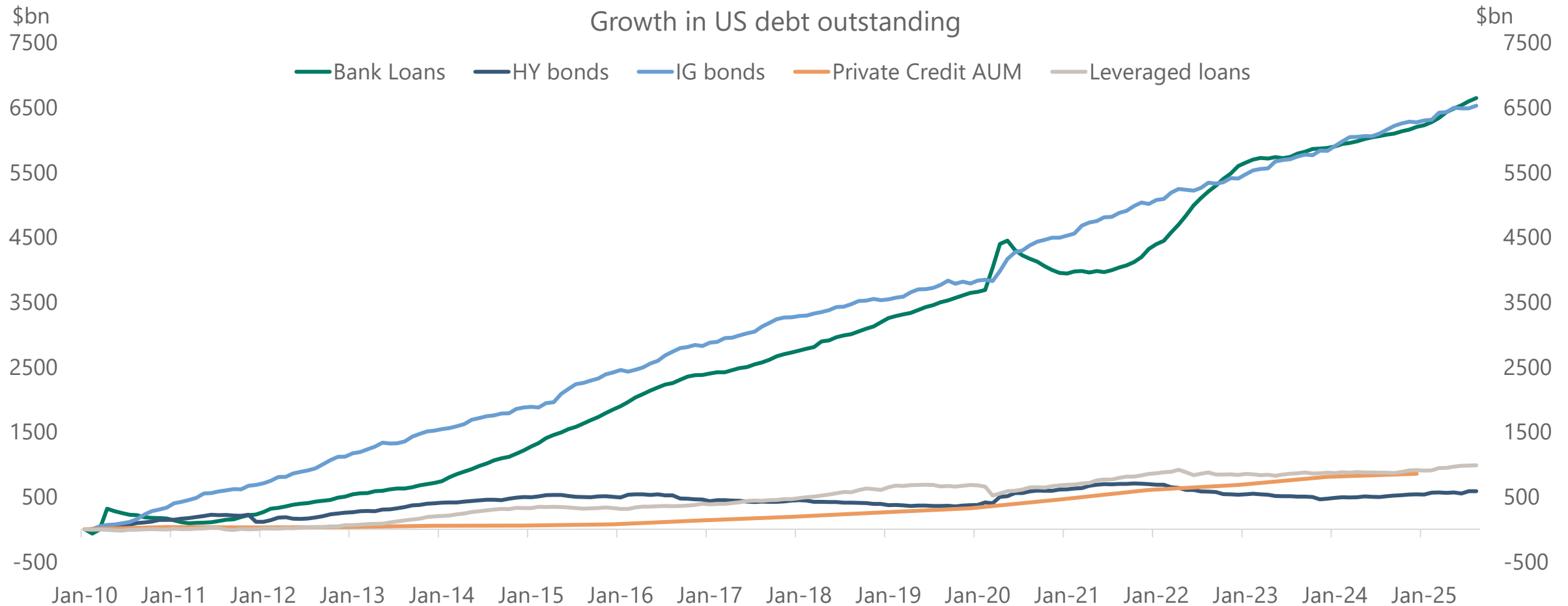
# Comparing public and private markets



# Comparing growth in public and private markets since 2013

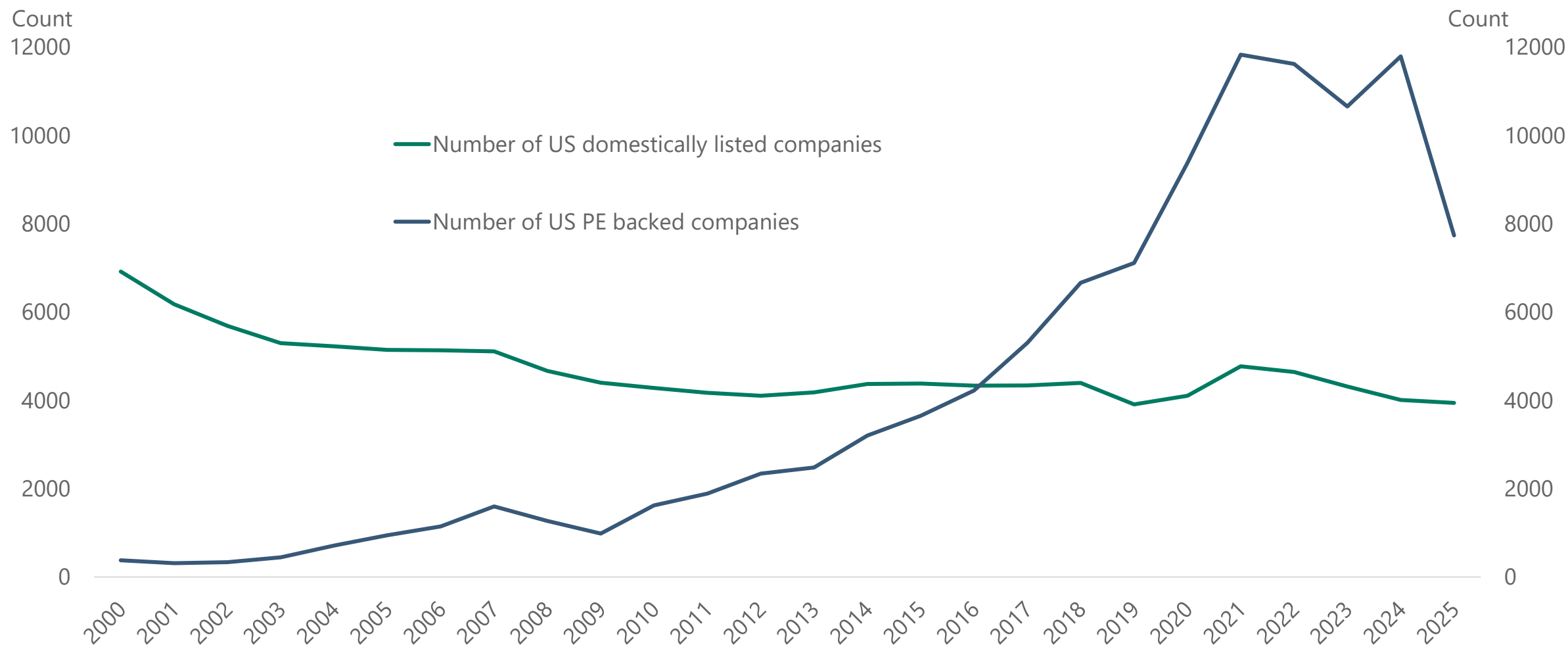


Since 2010, lending by banks has increased by \$6.5trn, IG markets have grown \$6.5trn, HY markets have grown \$500bn, and private credit AUM has increased by \$1trn.





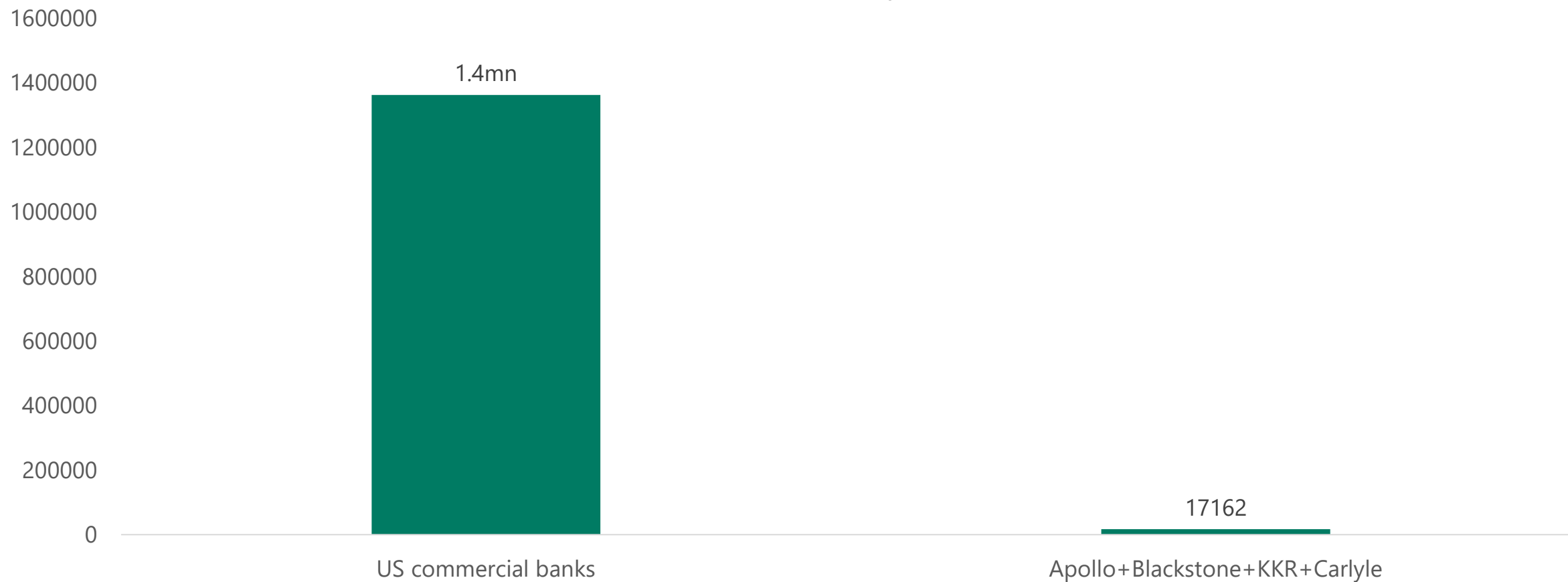
# The number of PE-backed companies and the number of publicly-listed companies



# Total employment in US commercial banks: 1.4mn

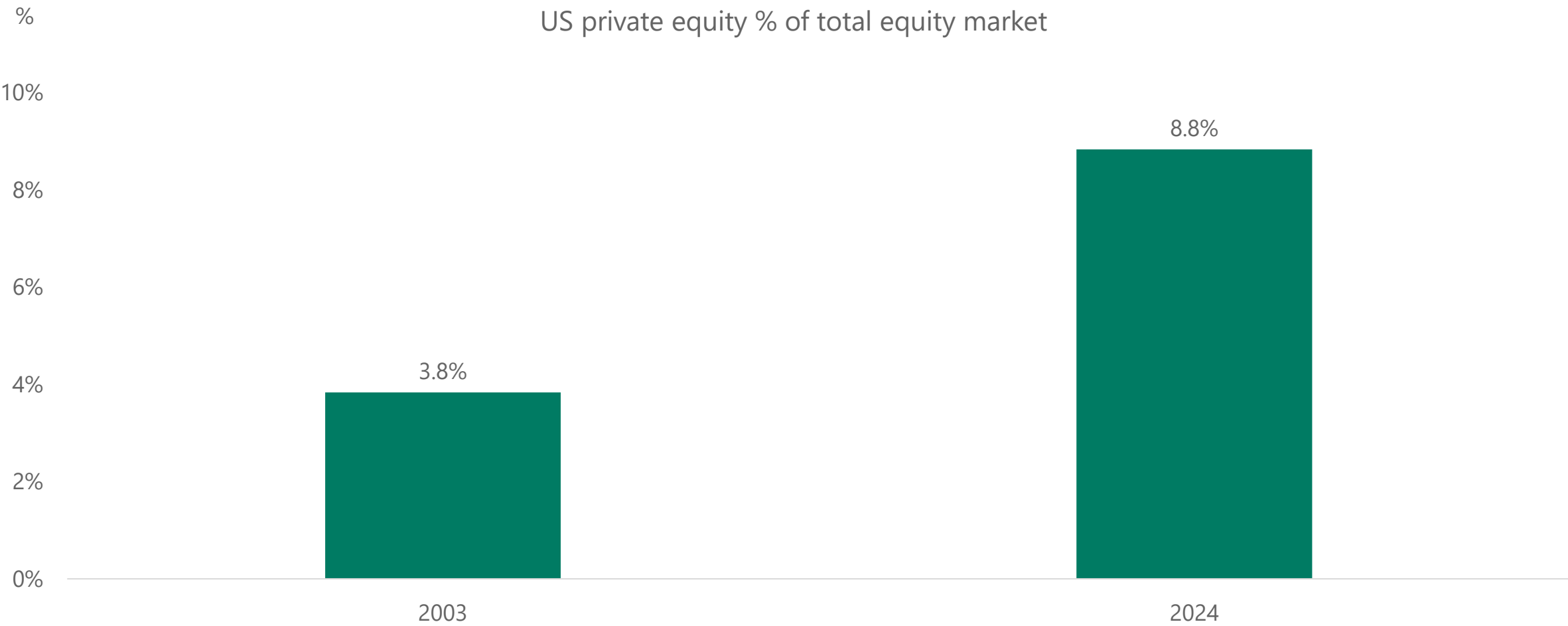
Total employment

Number of employees



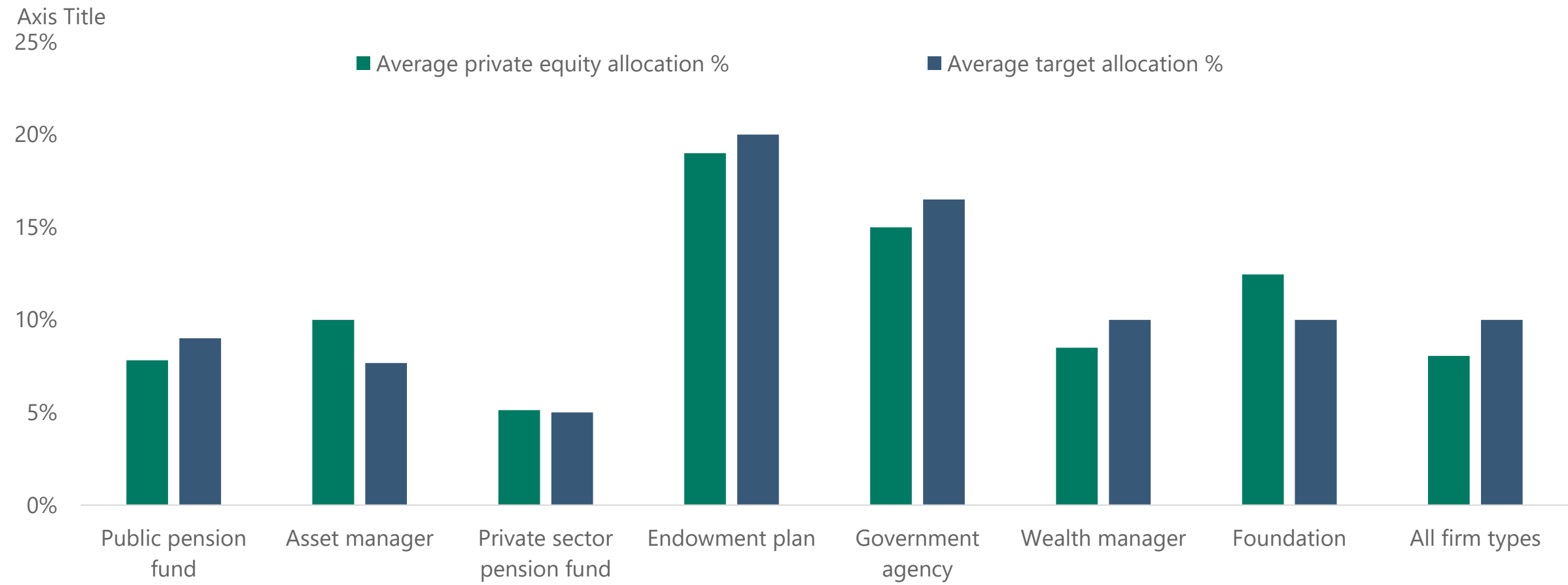
## 2. Private equity

# US: Private equity as a percentage of the total stock market cap

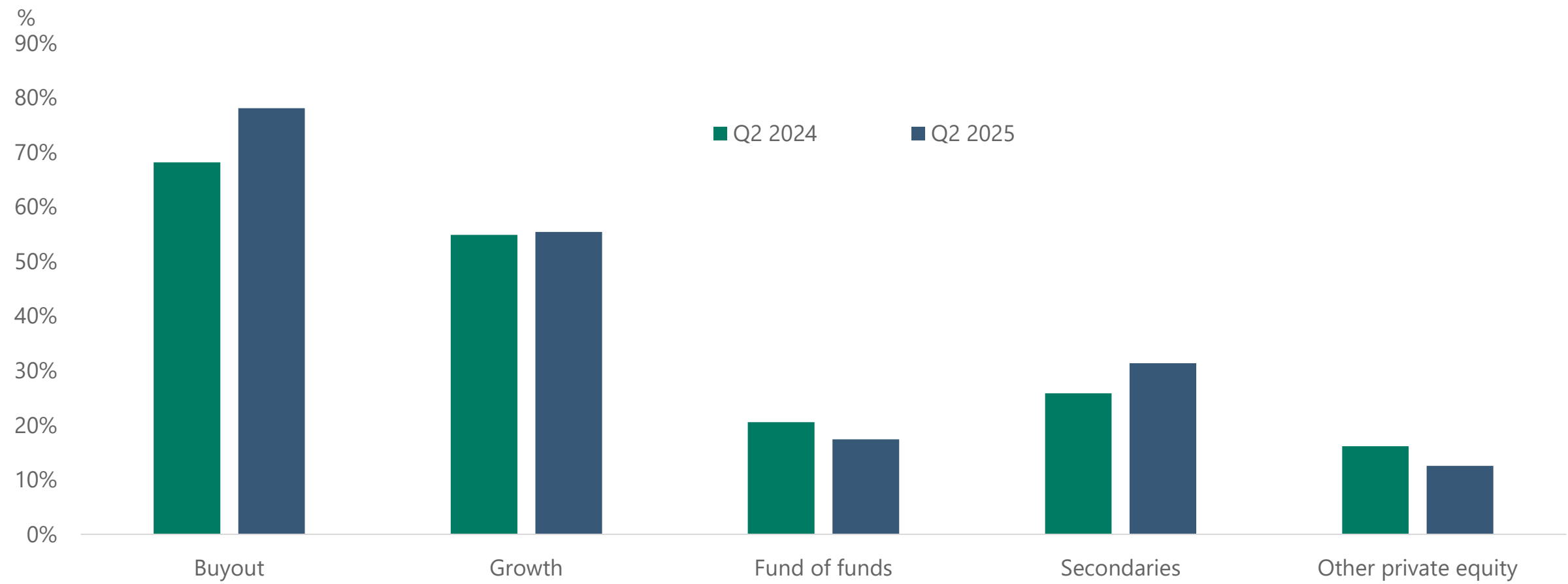


Source: Bloomberg, Preqin, Apollo Chief Economist

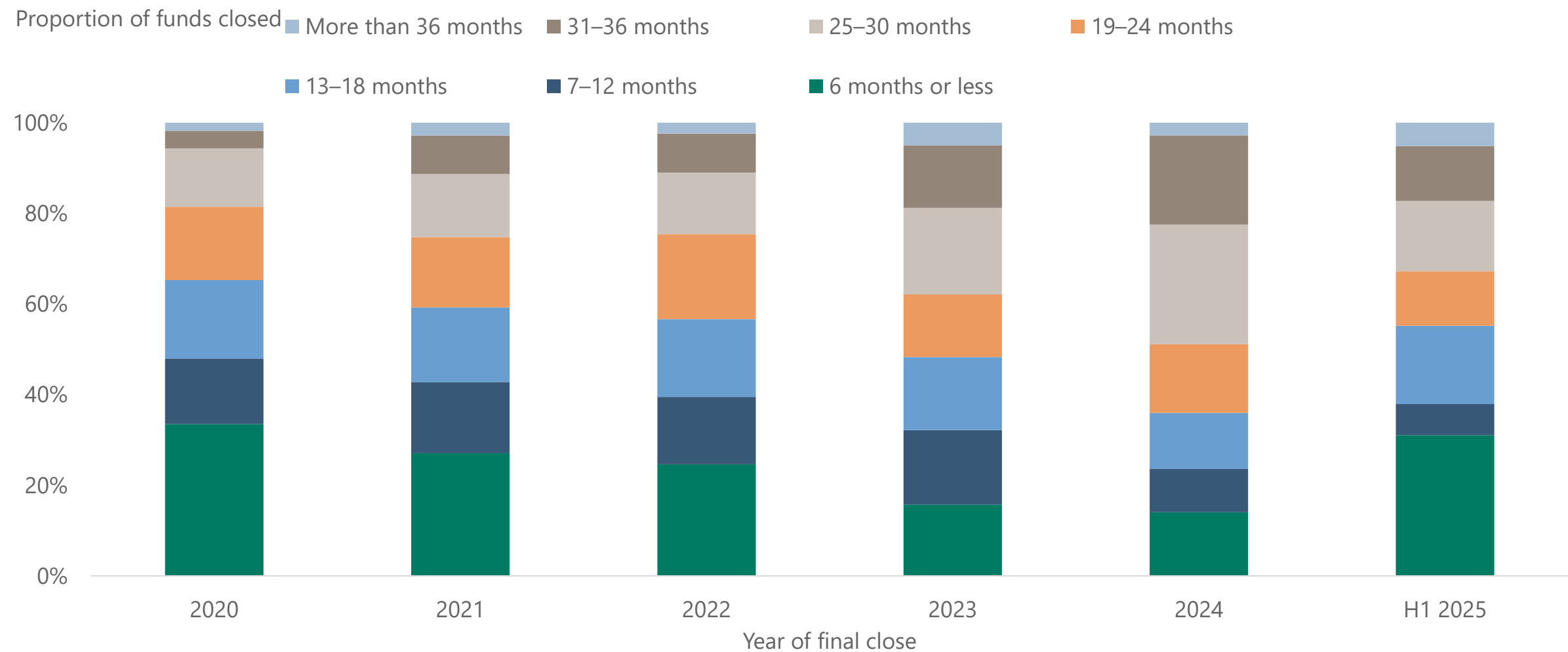
# Average current and target private equity allocations by investor type, ranked by aggregate AUM of investors by type, Q2 2025



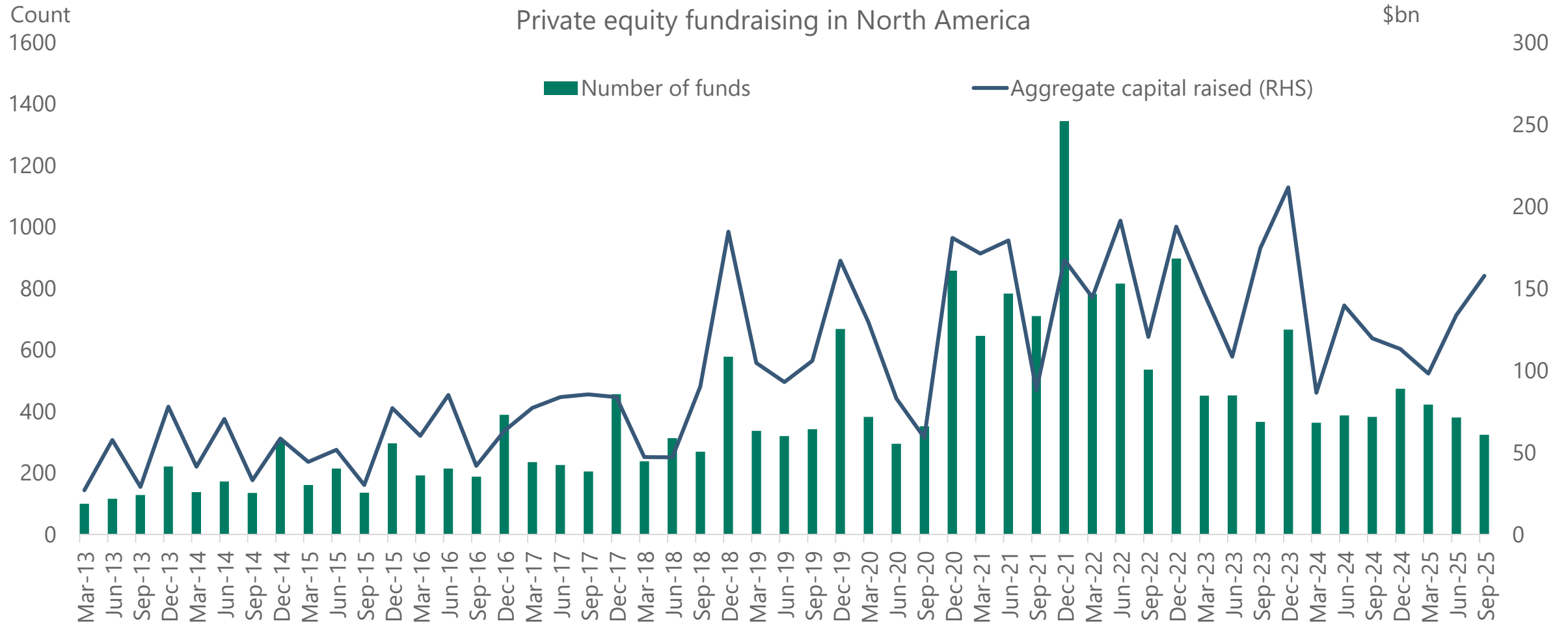
# Strategies targeted by investors over the next 12 months vs. Q2 2024



# Private equity funds closed, by time spent in market

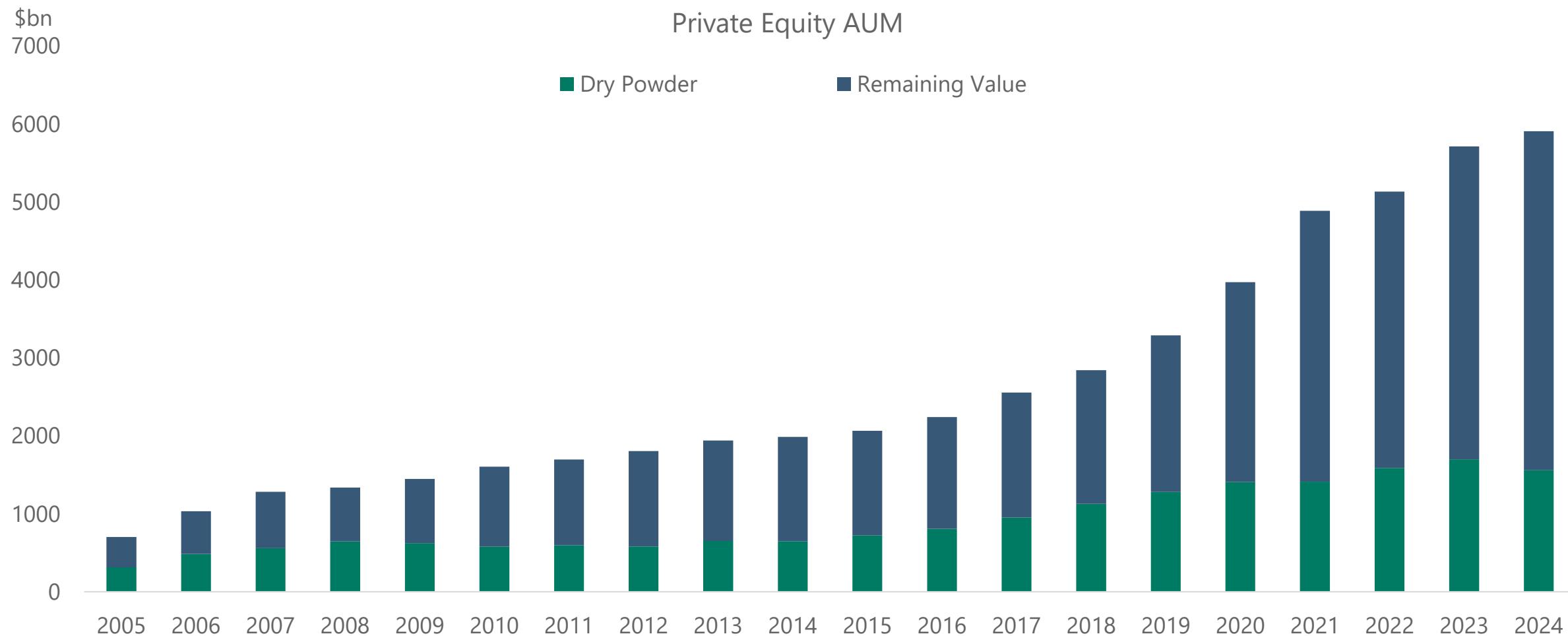


# Private equity fundraising trending lower after the Fed started raising rates in 2022Q1

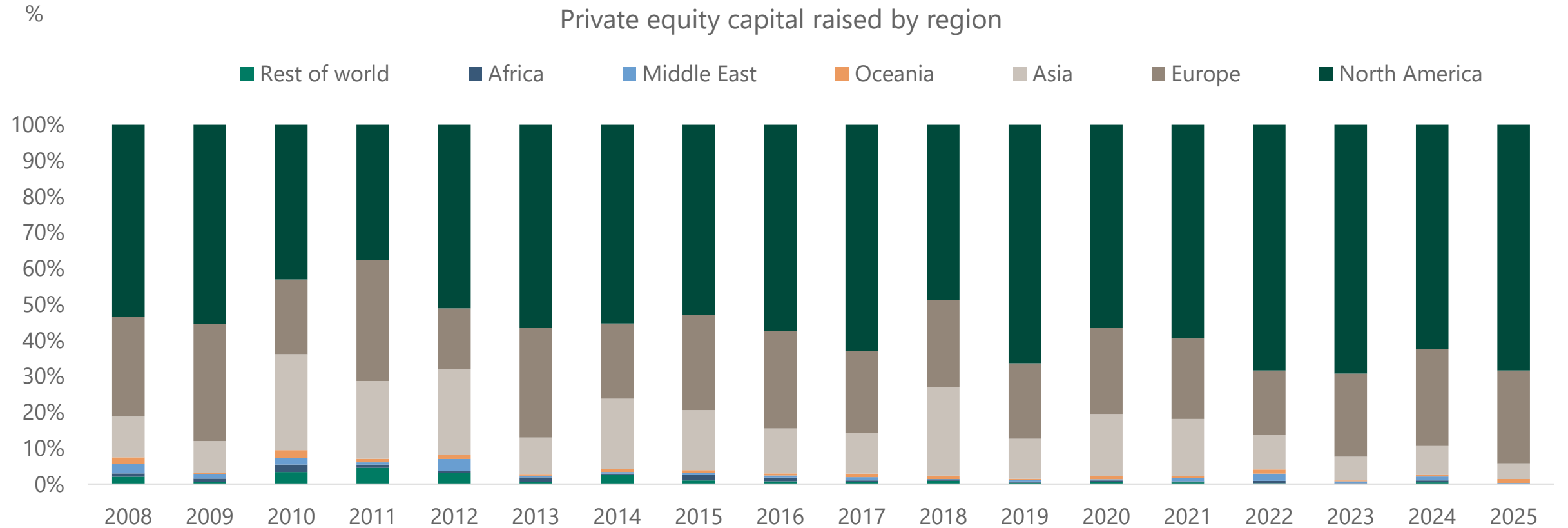




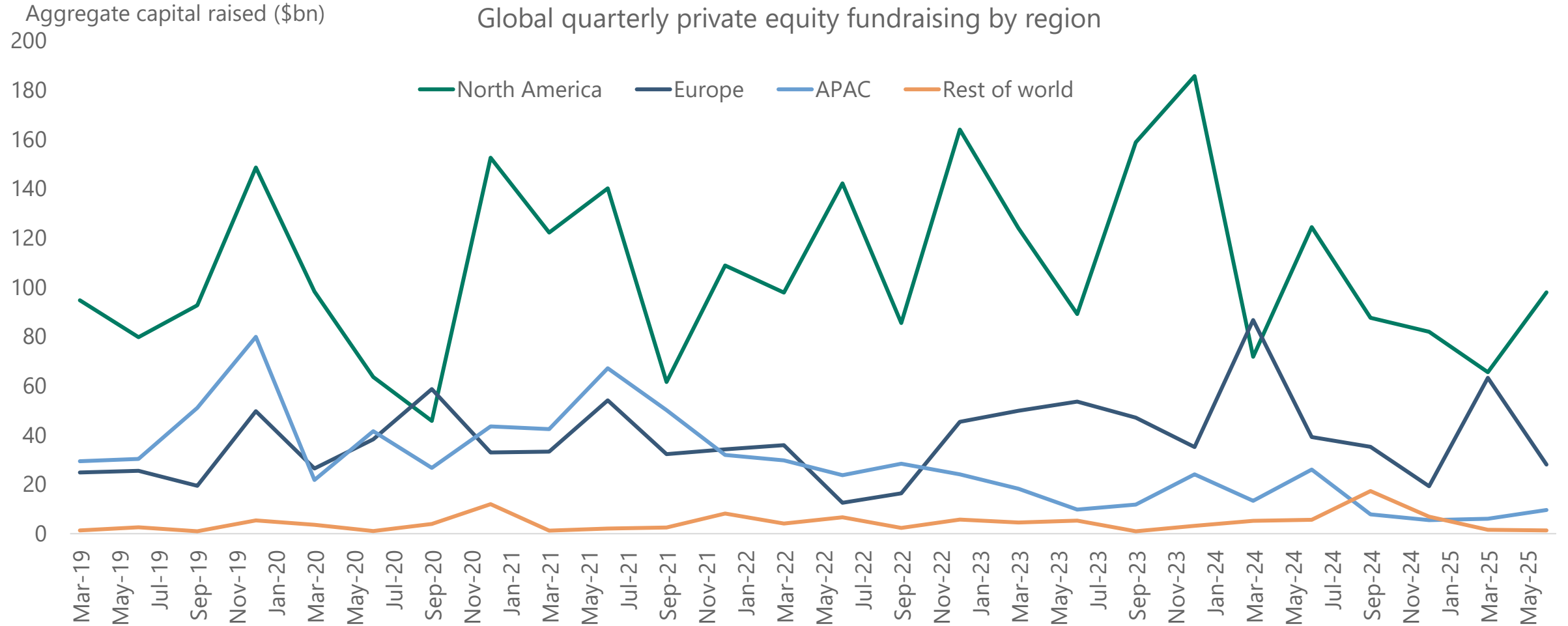
# Global private equity AUM is around \$5.4trn



# 60% of global private equity capital is raised in North America

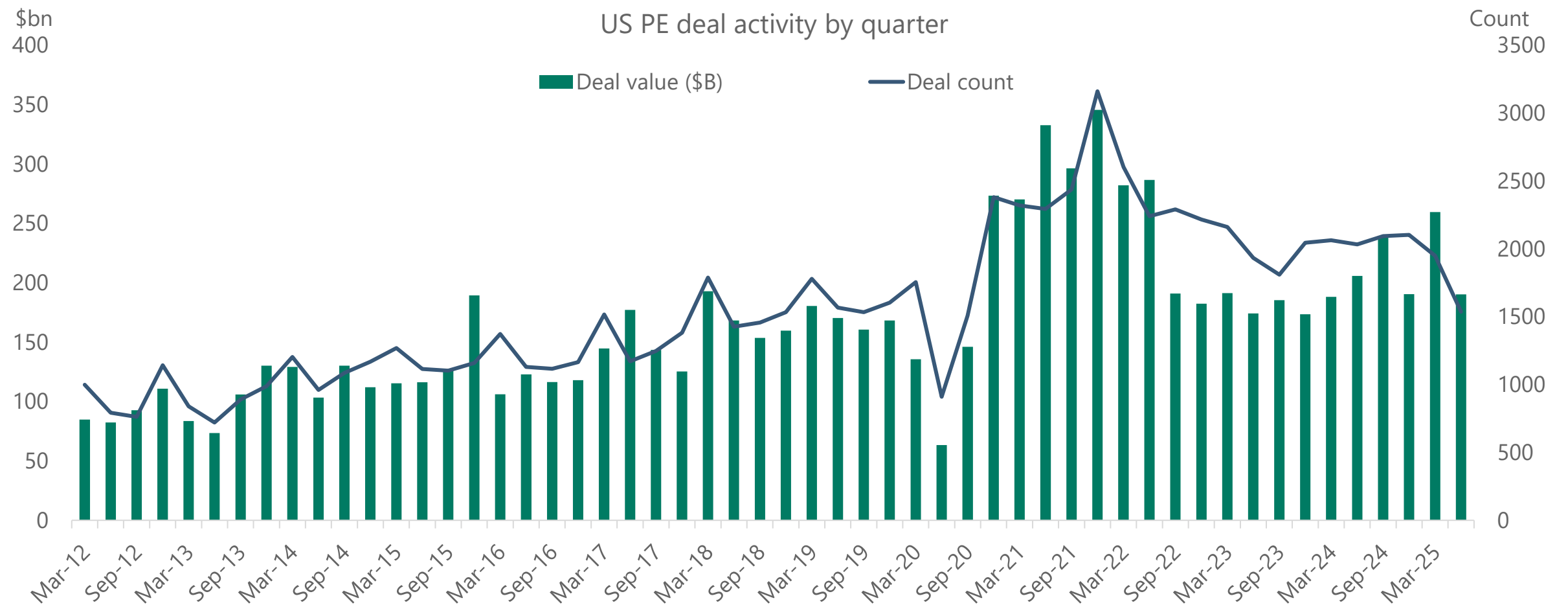


# PE fundraising by region



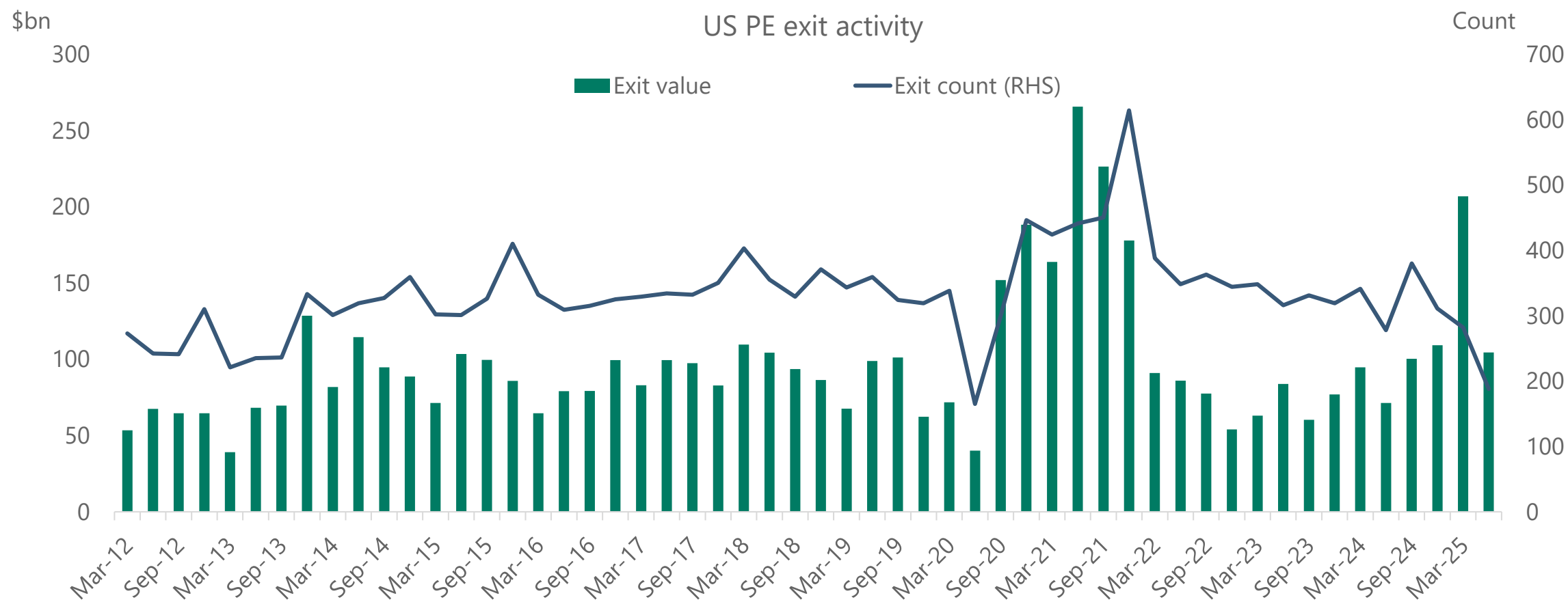
### 3. Recent PE deal activity

# US PE deal activity

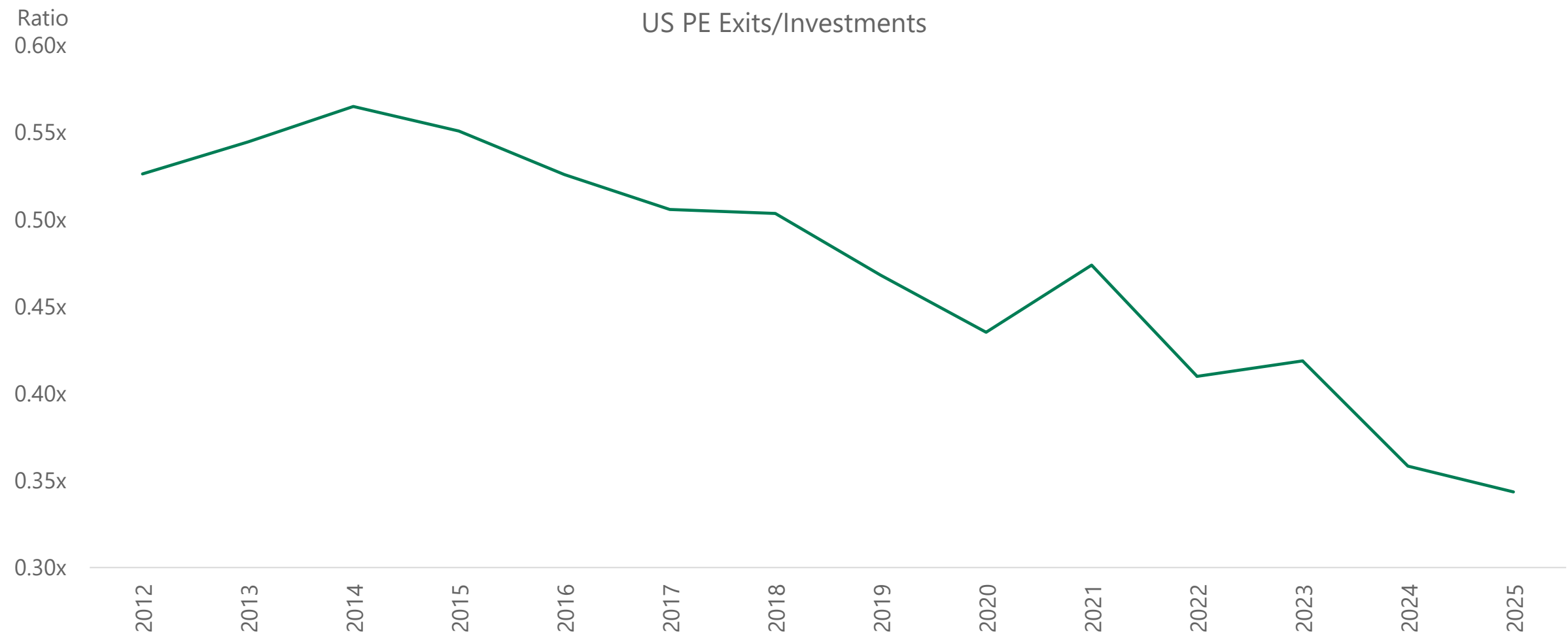


Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

# PE exit activity declining after the Fed raised rates in 2022Q1

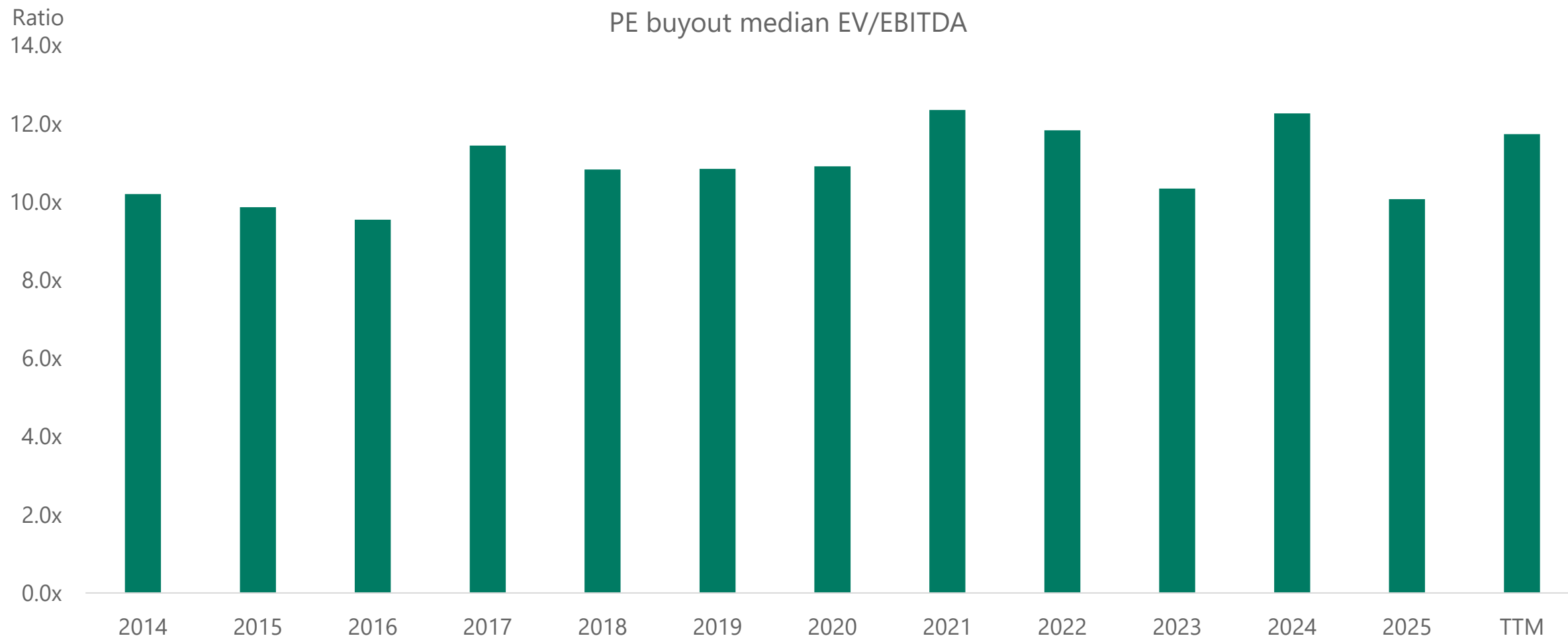


# The exits-to-investments-ratio is declining for the industry



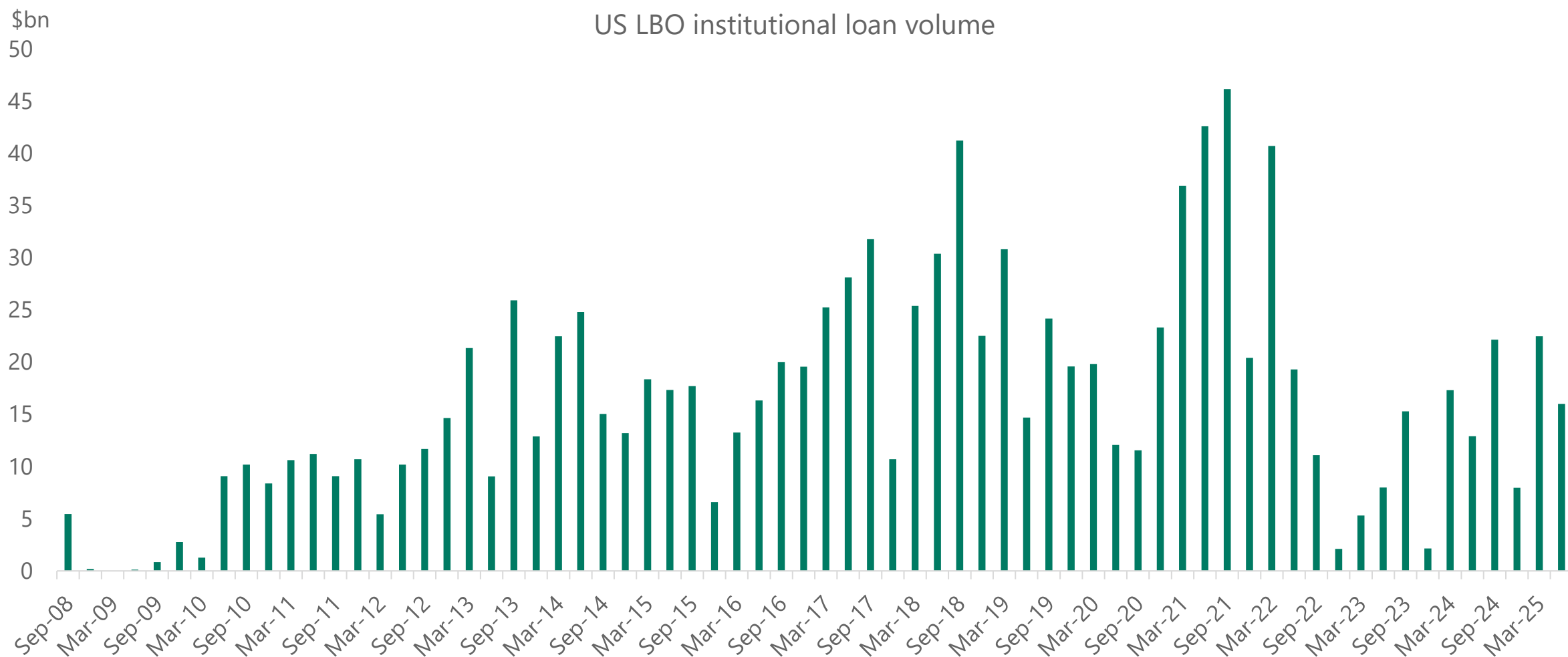
Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> March 2025

# Median EV/EBITDA ratio





# LBO loan volume declined when the Fed raised interest rates

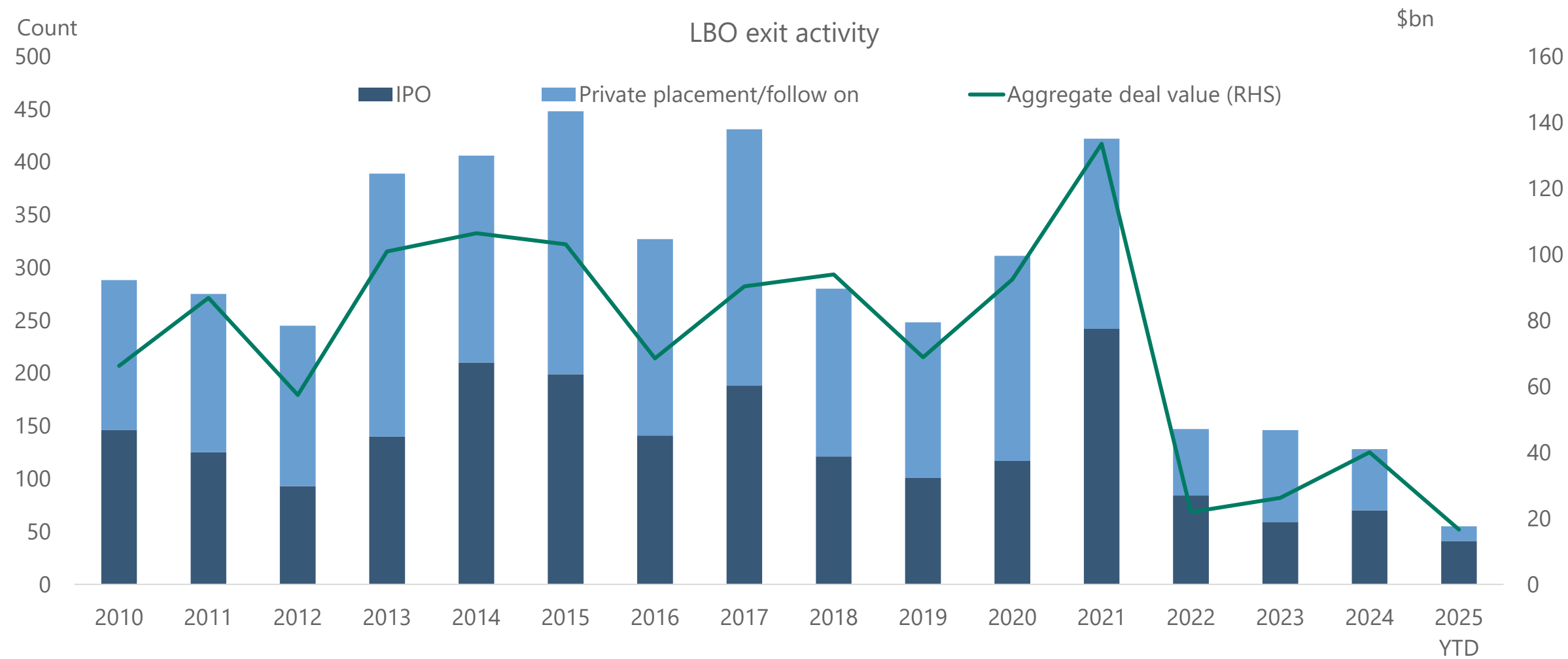


## 4. Recent LBO activity

# LBO loans: Average yield to maturity is around 8.5%



# IPO activity declined when the Fed raised interest rates

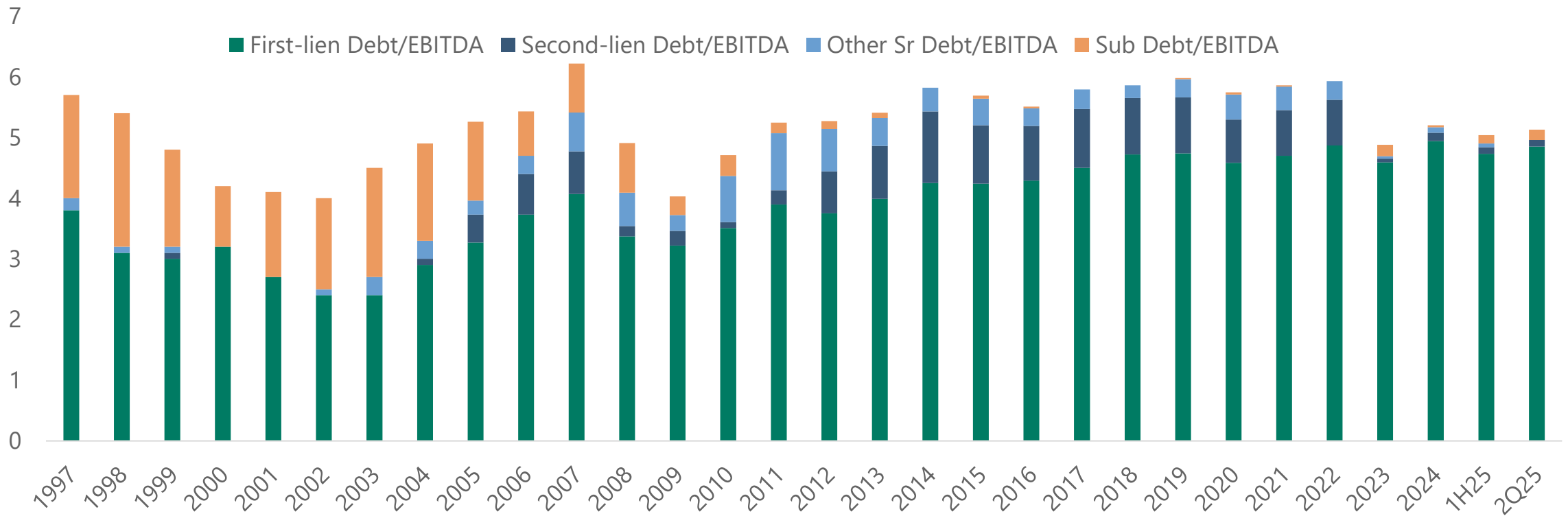


Source: Preqin, Apollo Chief Economist

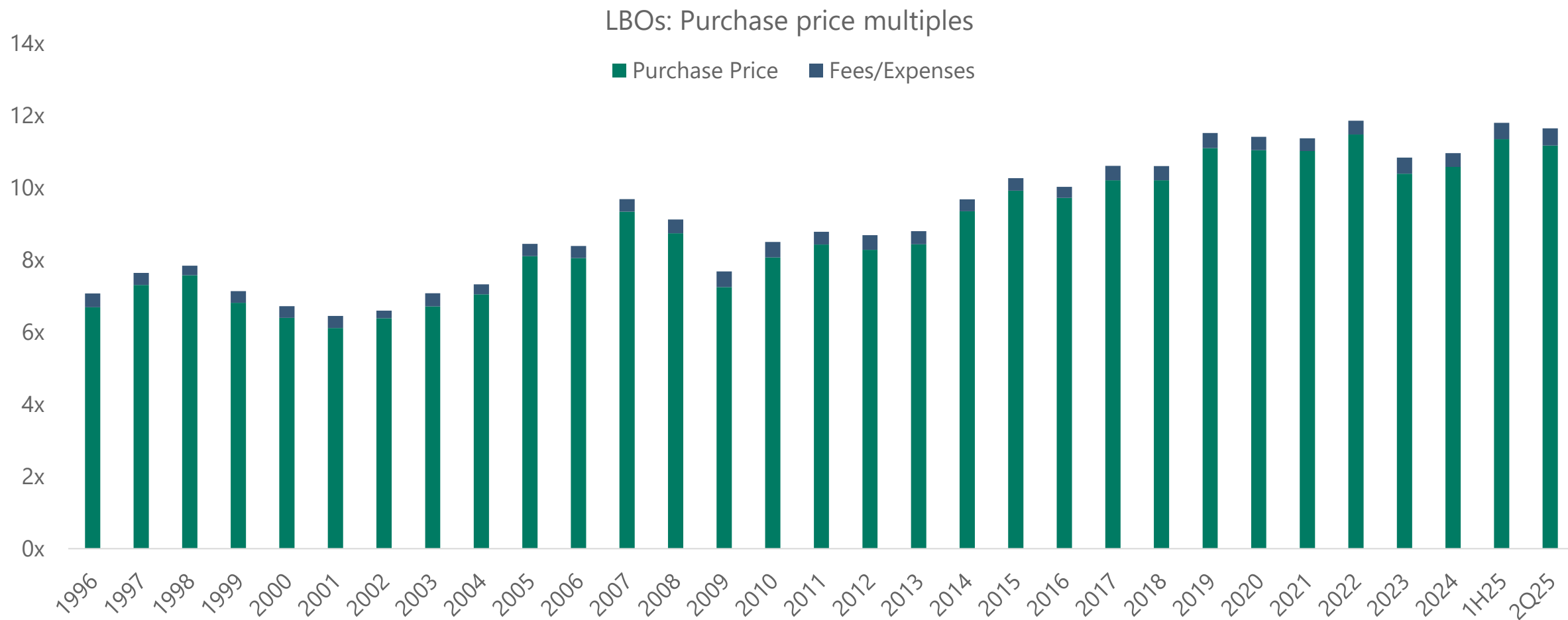
# Leverage for large corporate LBOs has declined

Debt/EBITDA

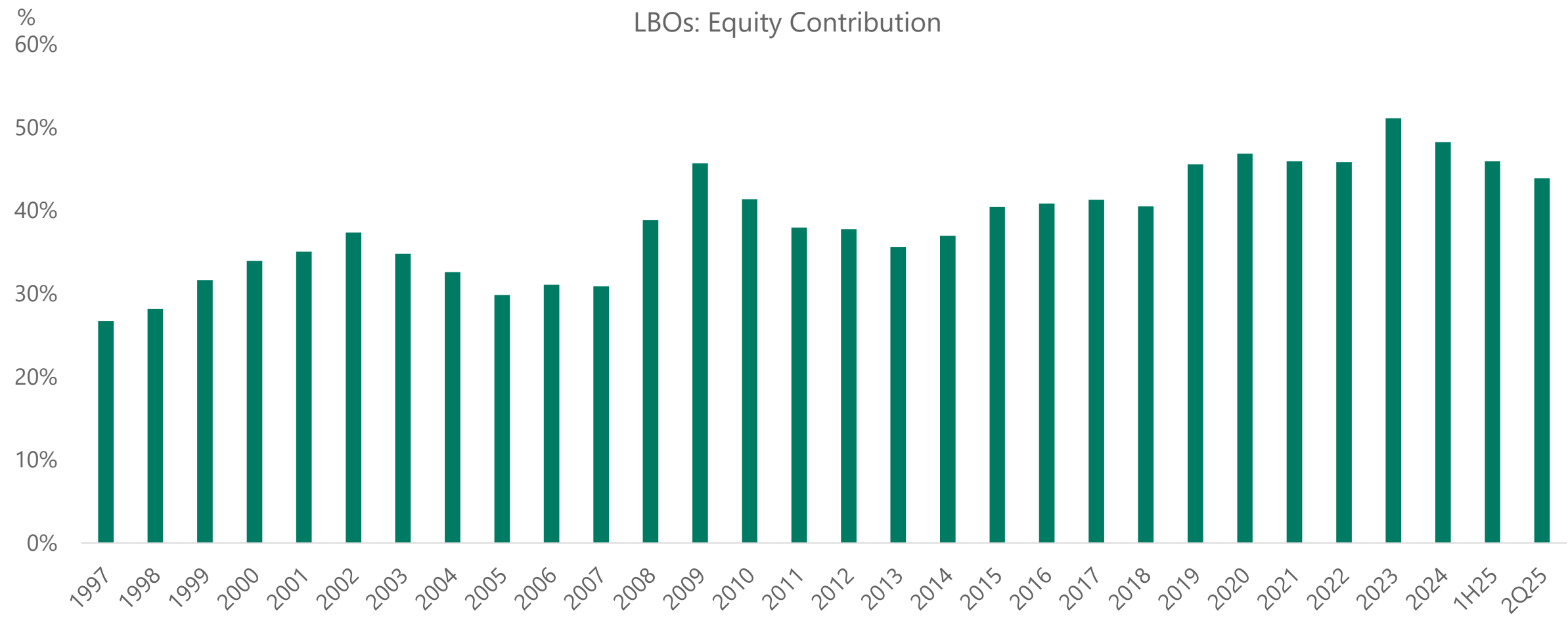
Average debt multiples of large corporate LBO loans



# Purchase price multiples



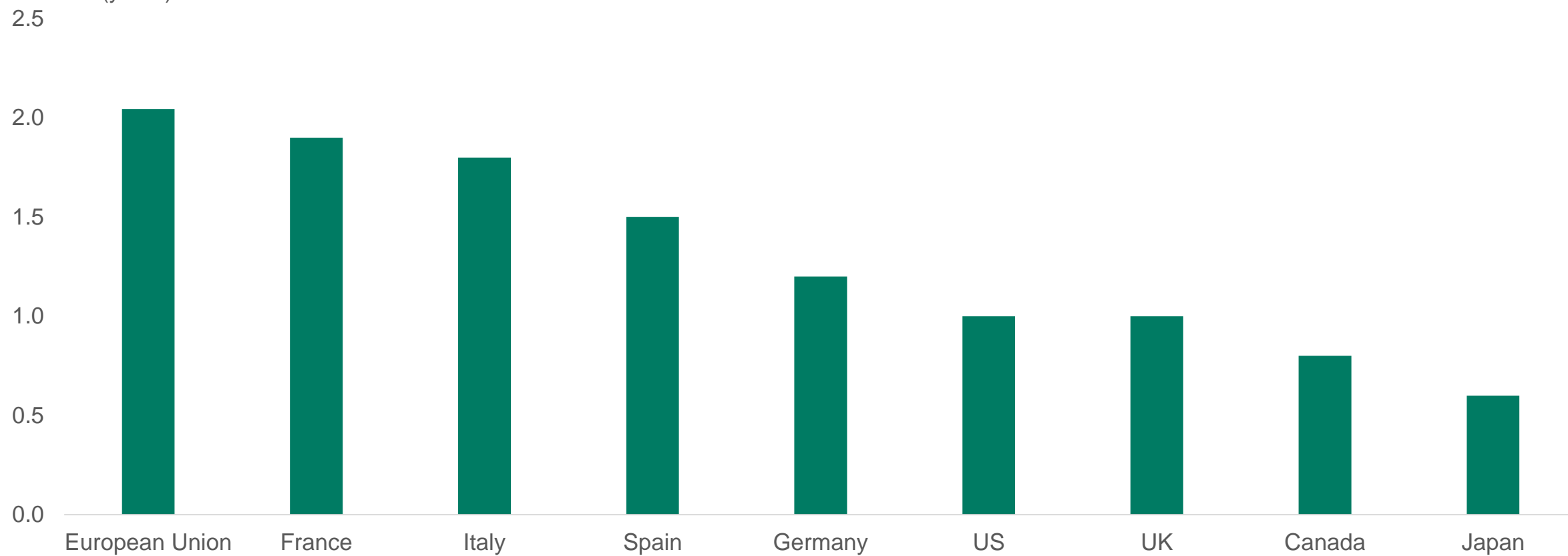
# High debt costs leading to high equity contributions



Source: PitchBook LCD, Apollo Chief Economist.

# Time to resolve insolvency

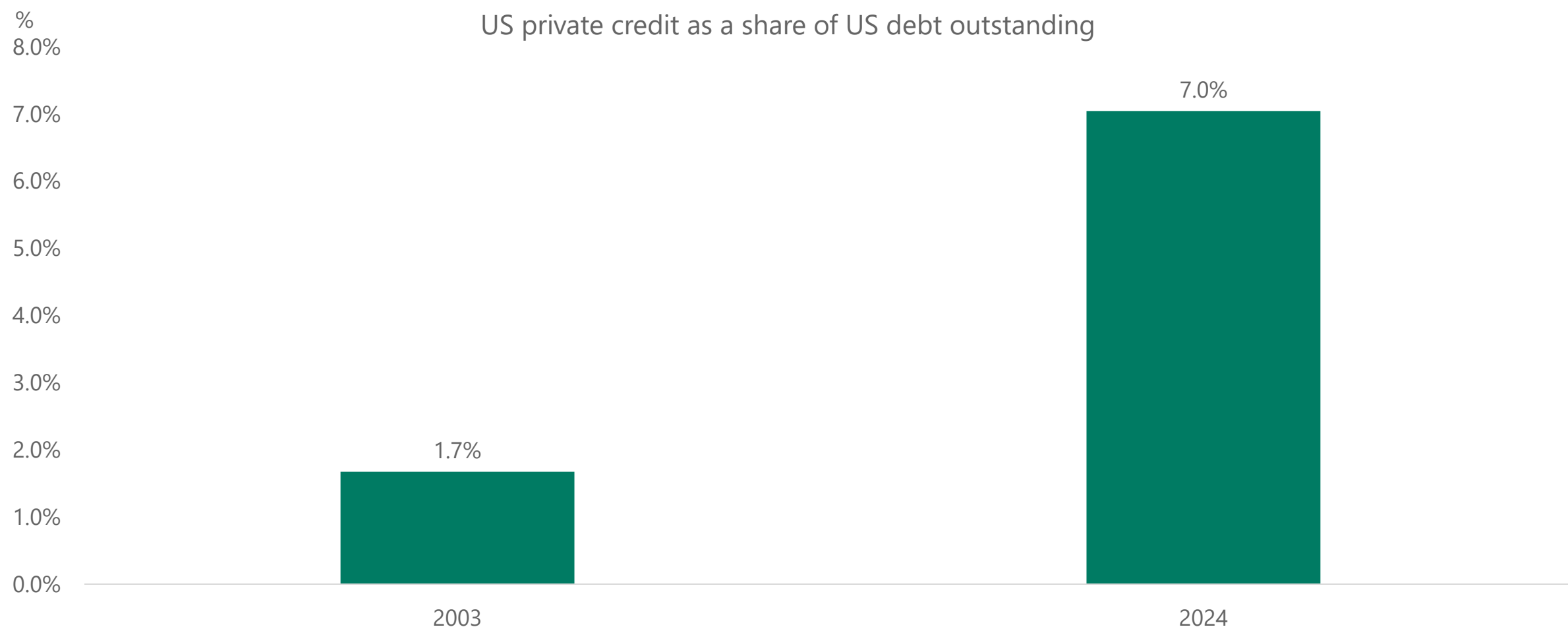
Time to resolve insolvency  
(years)



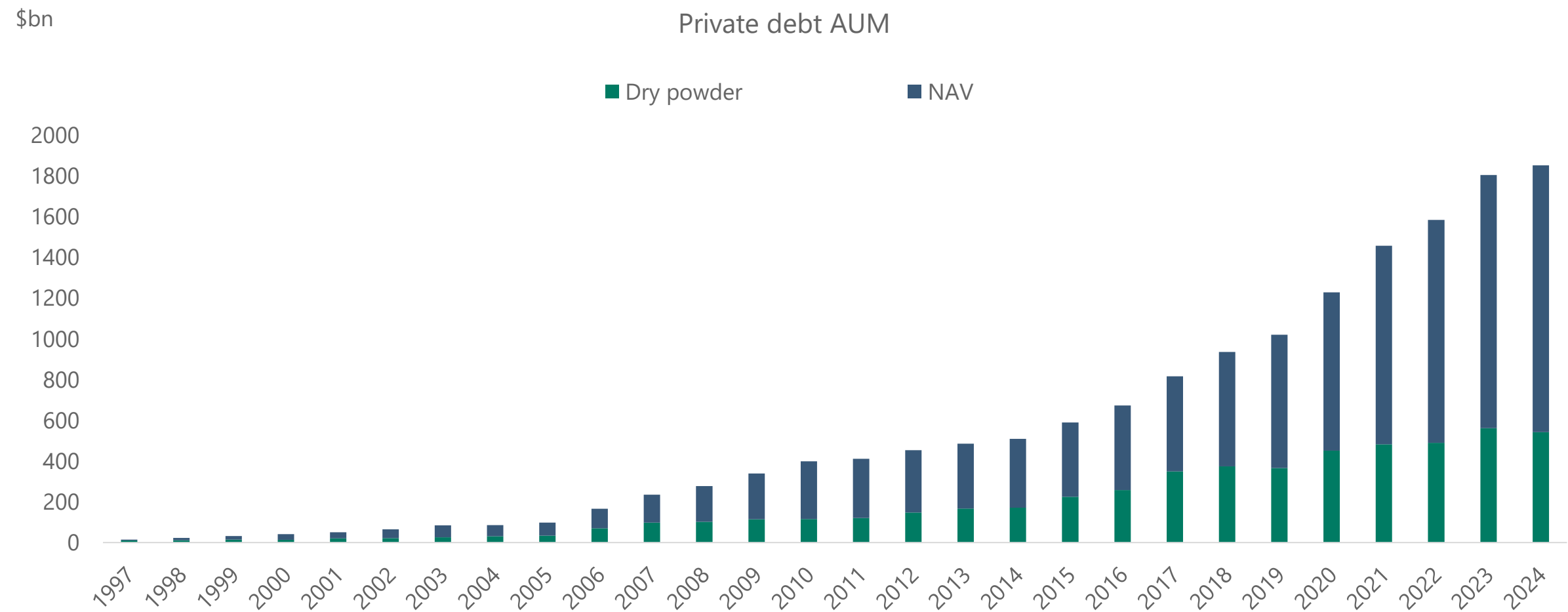


## 5. Private credit

# US: Private credit as a percentage of total credit markets

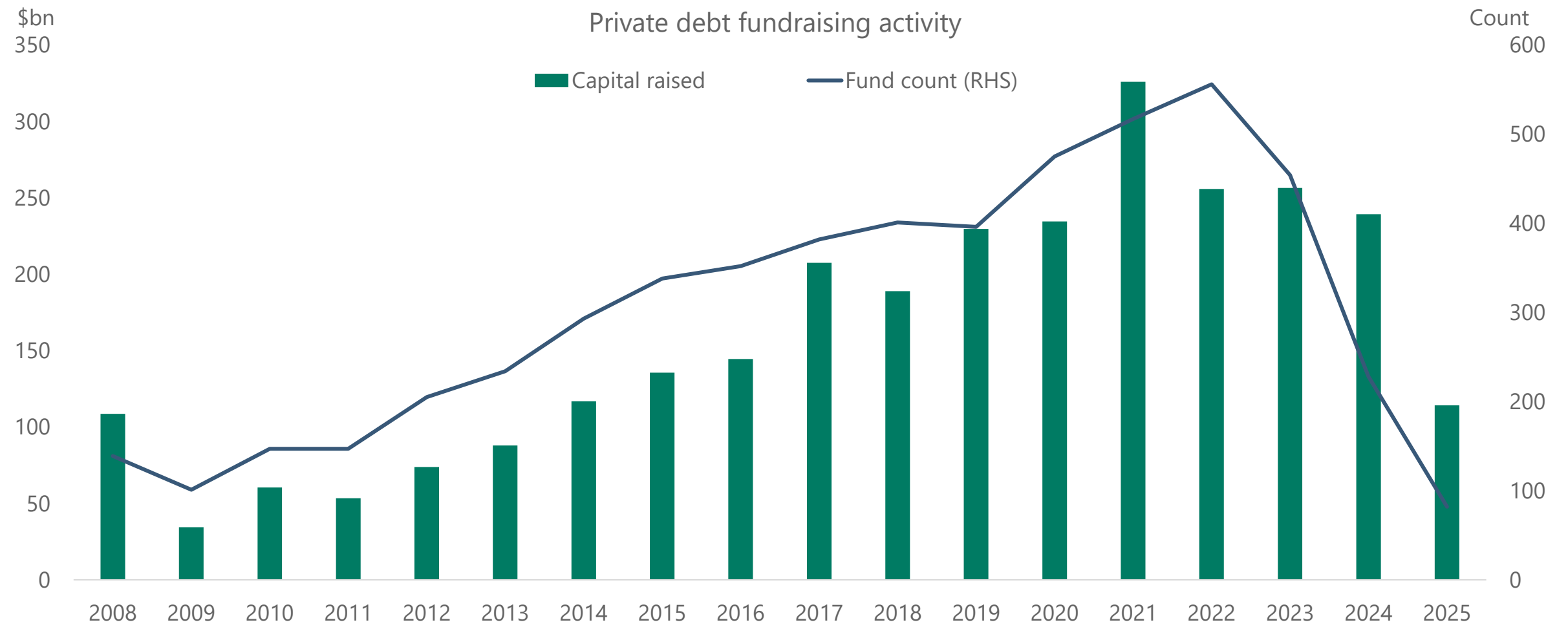


About \$1.5trn in private credit globally, of which \$400bn is dry powder



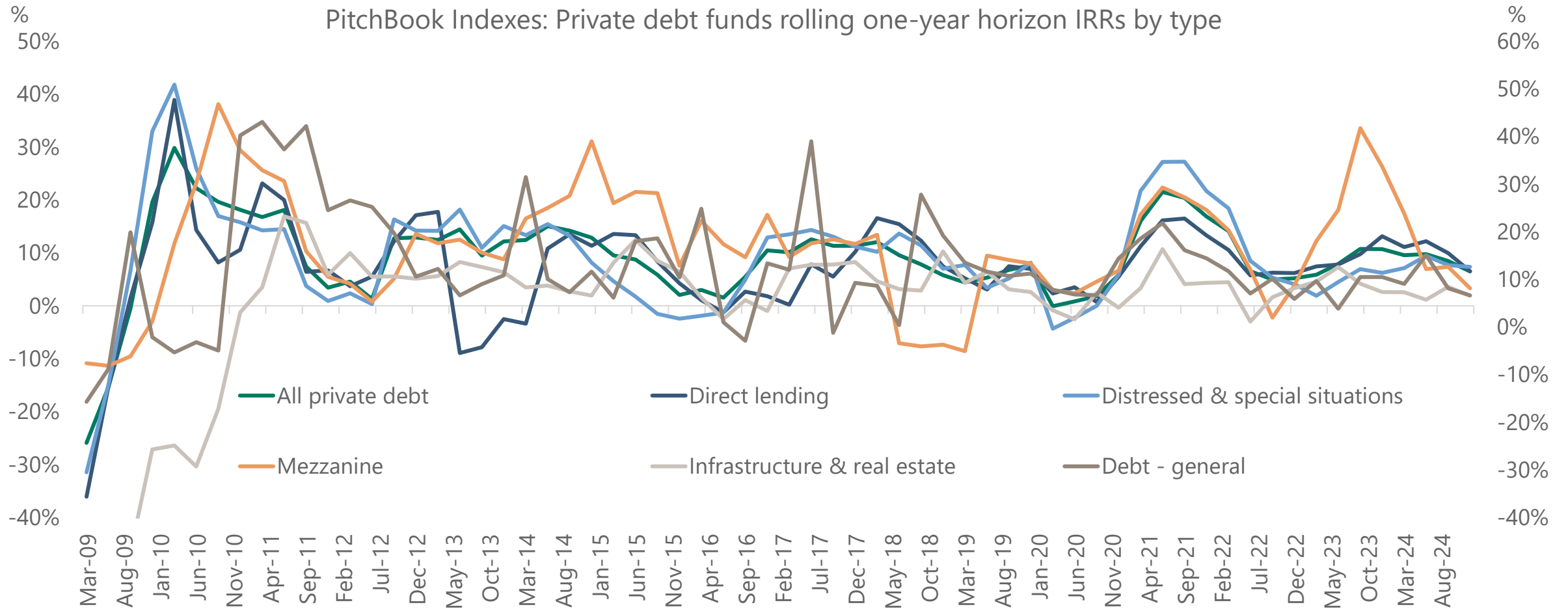
Source: PitchBook, Apollo Chief Economist. Note: Data as of 31st December 2024

# Private debt fundraising

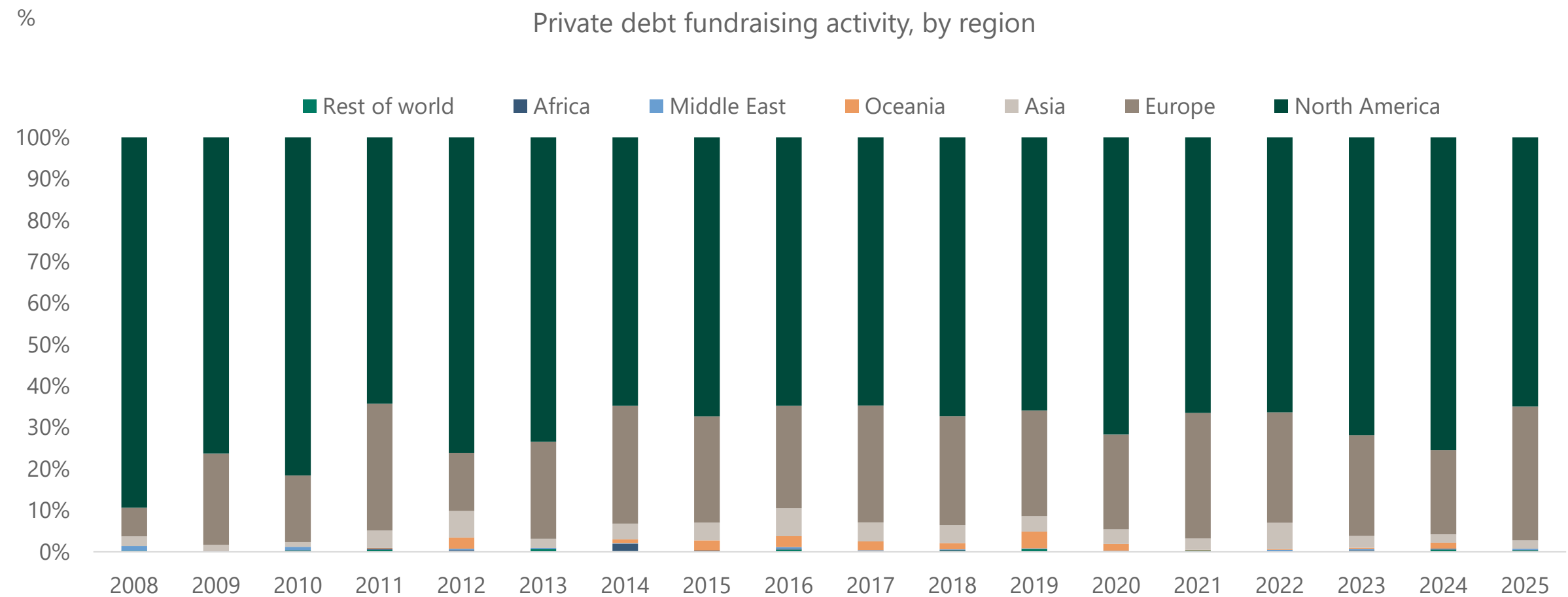


Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

# Private debt returns, by strategy

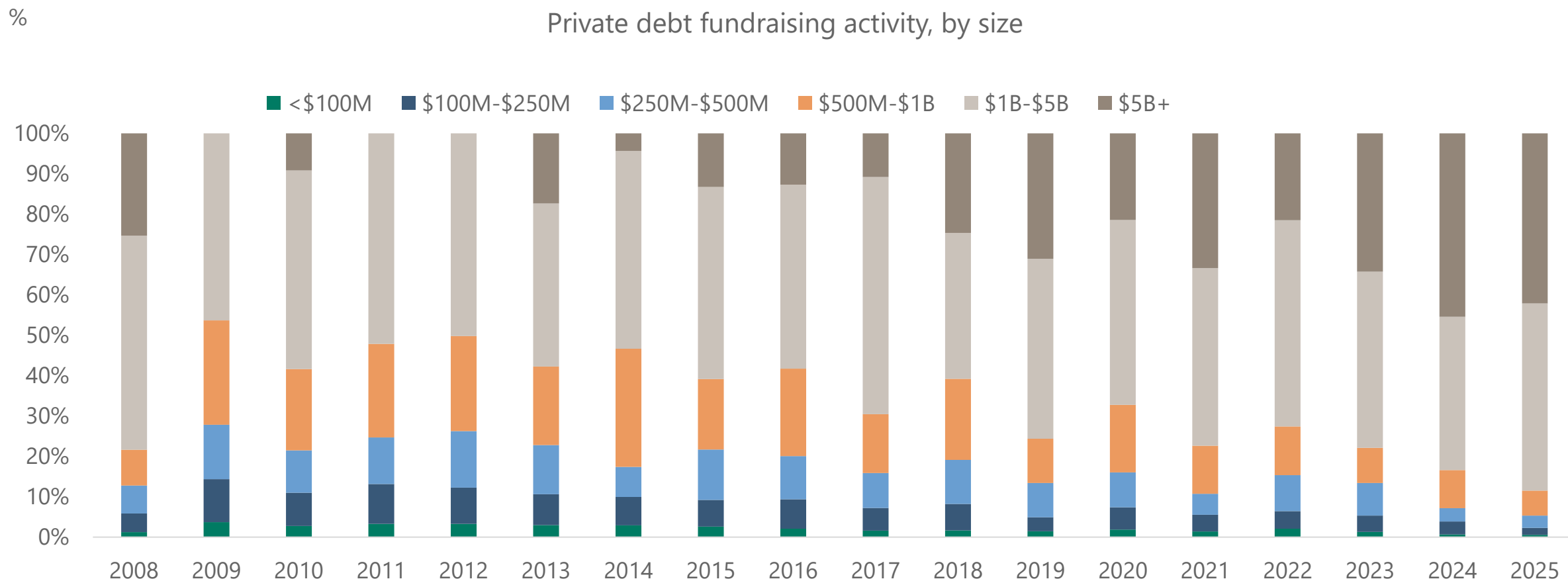


# Private debt fundraising activity, by region

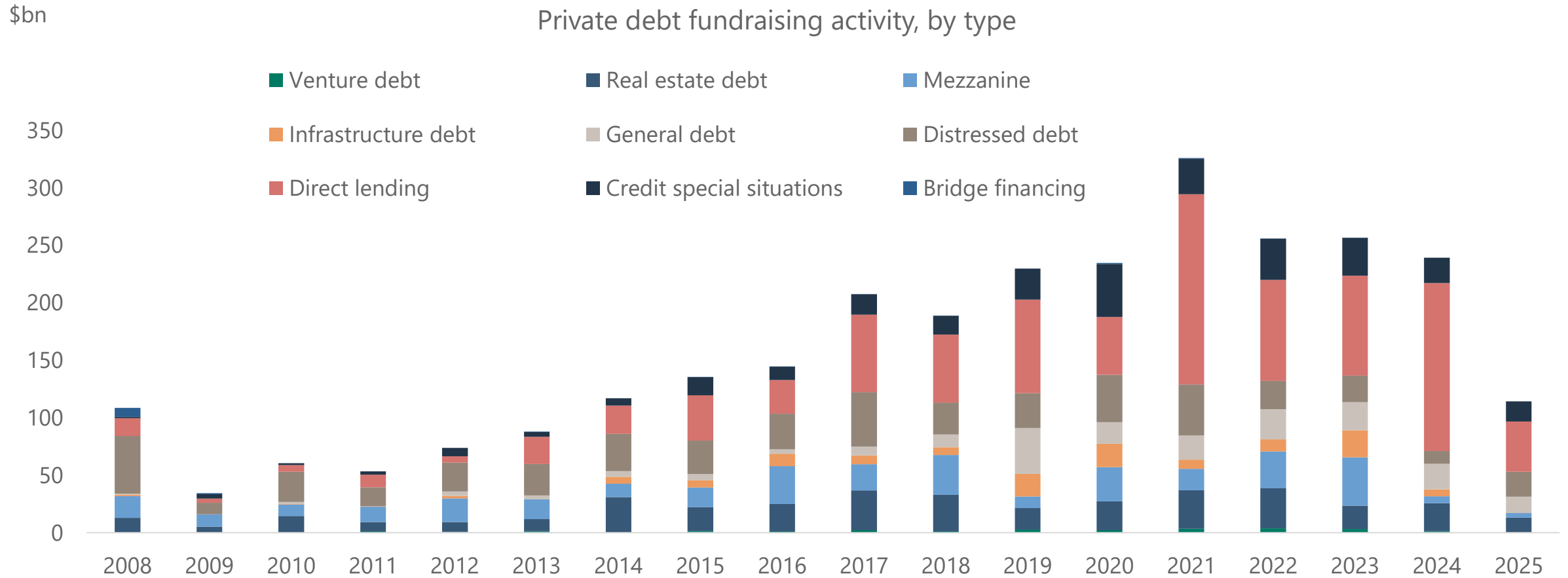


Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

# Private debt fundraising activity, by size

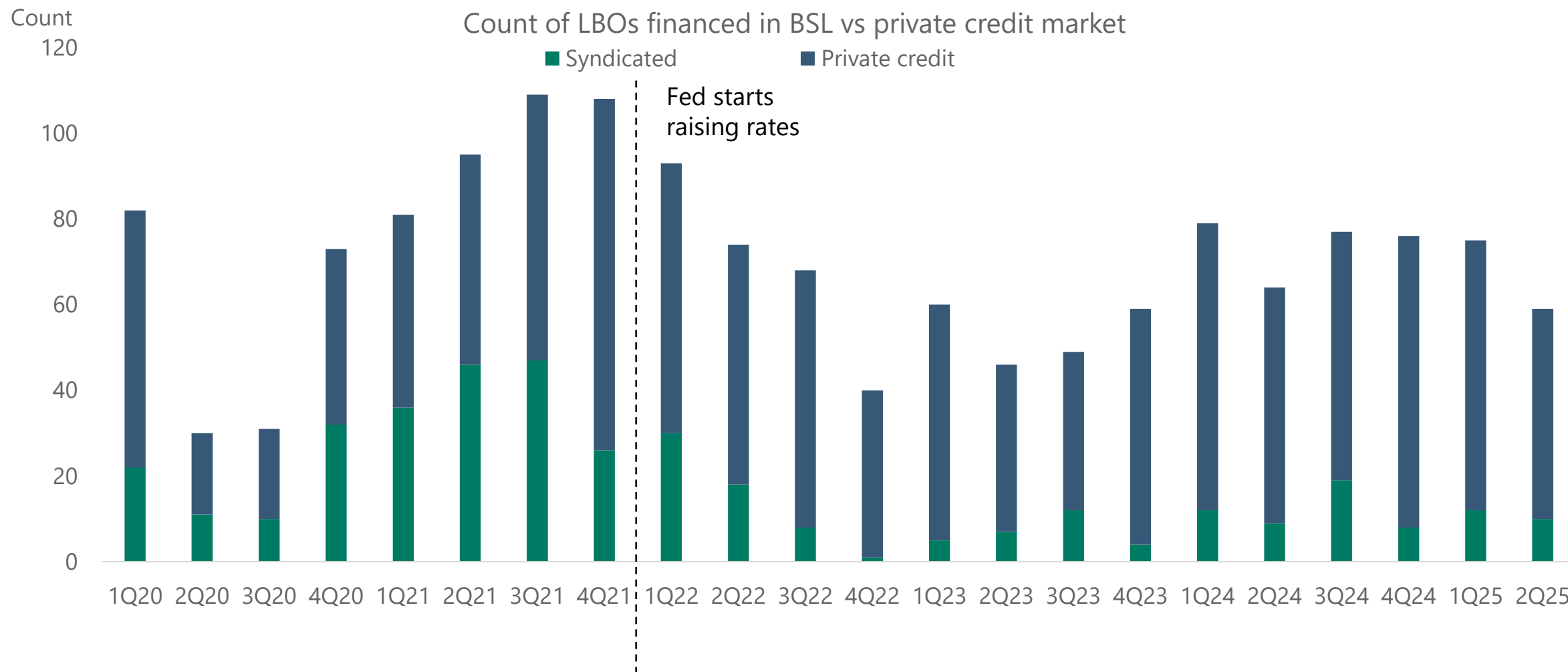


# Private debt fundraising activity, by type

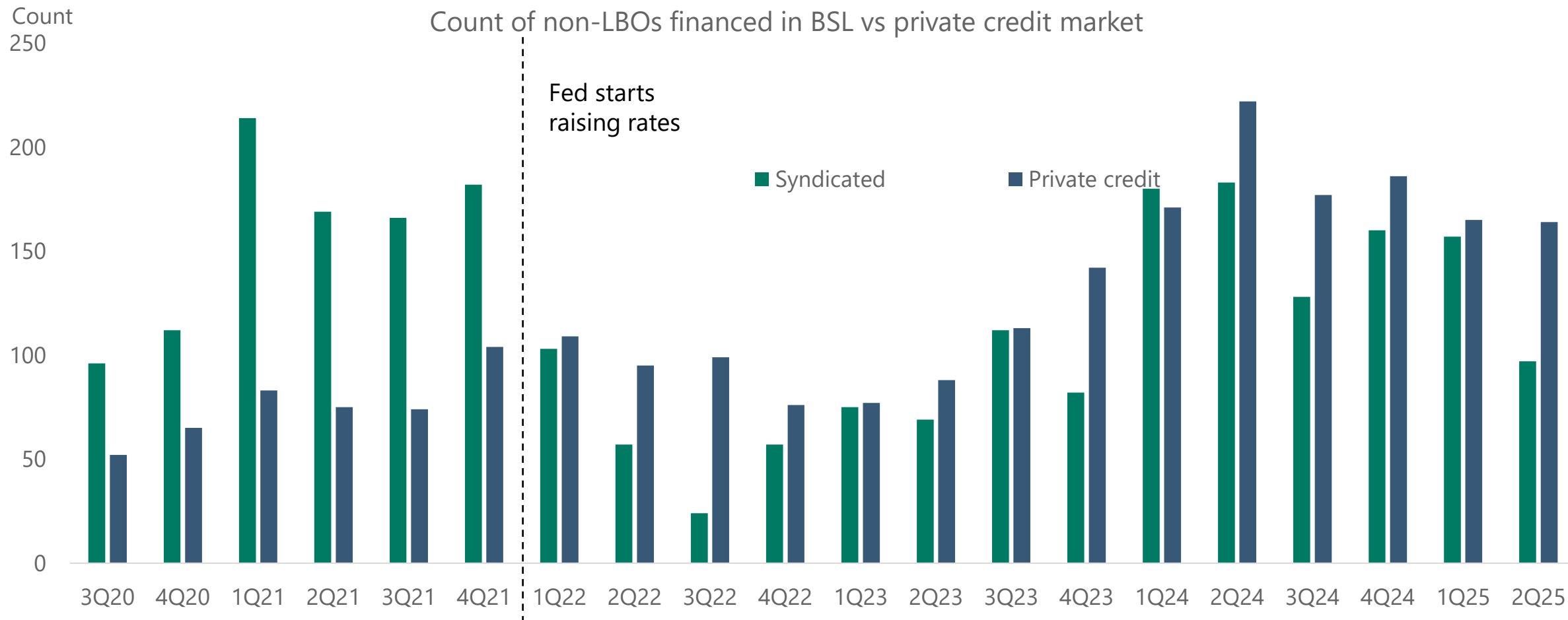




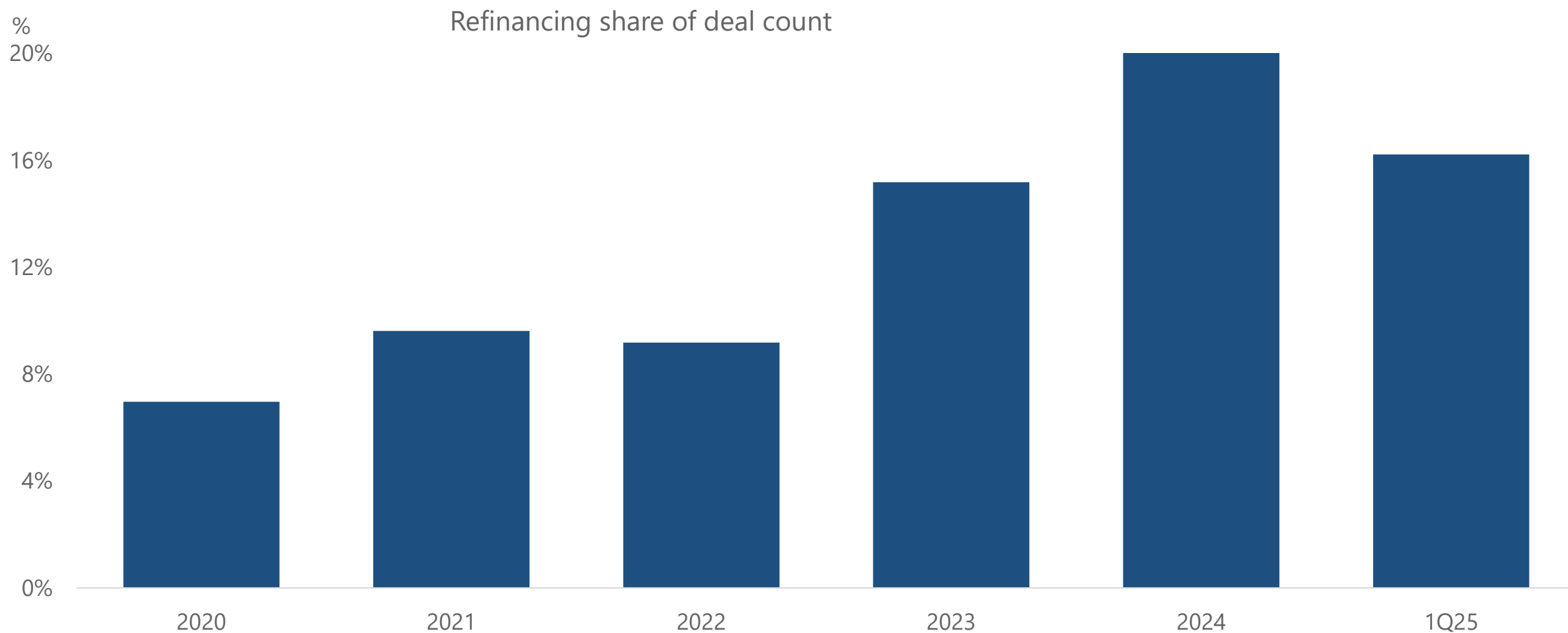
# LBO financings: BSL vs private credit



# Non-LBO financing

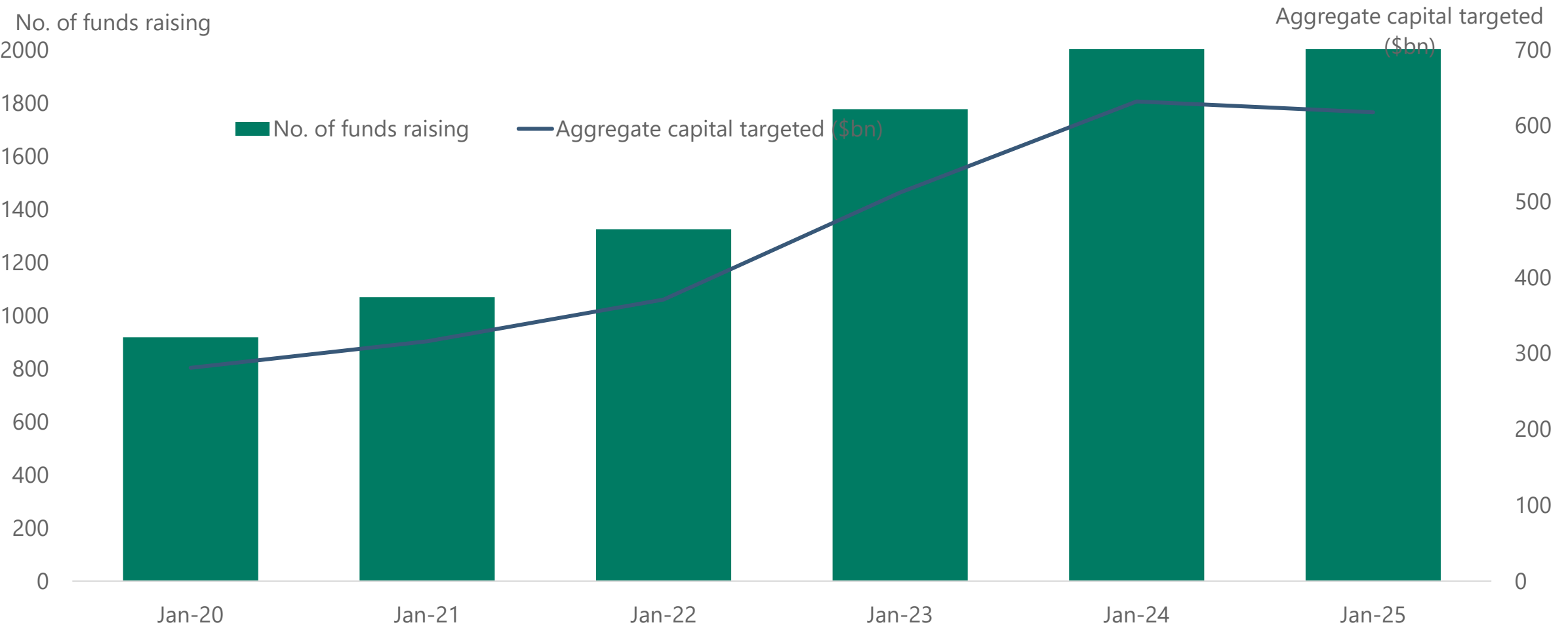


# Private credit refinancings, share of all deals



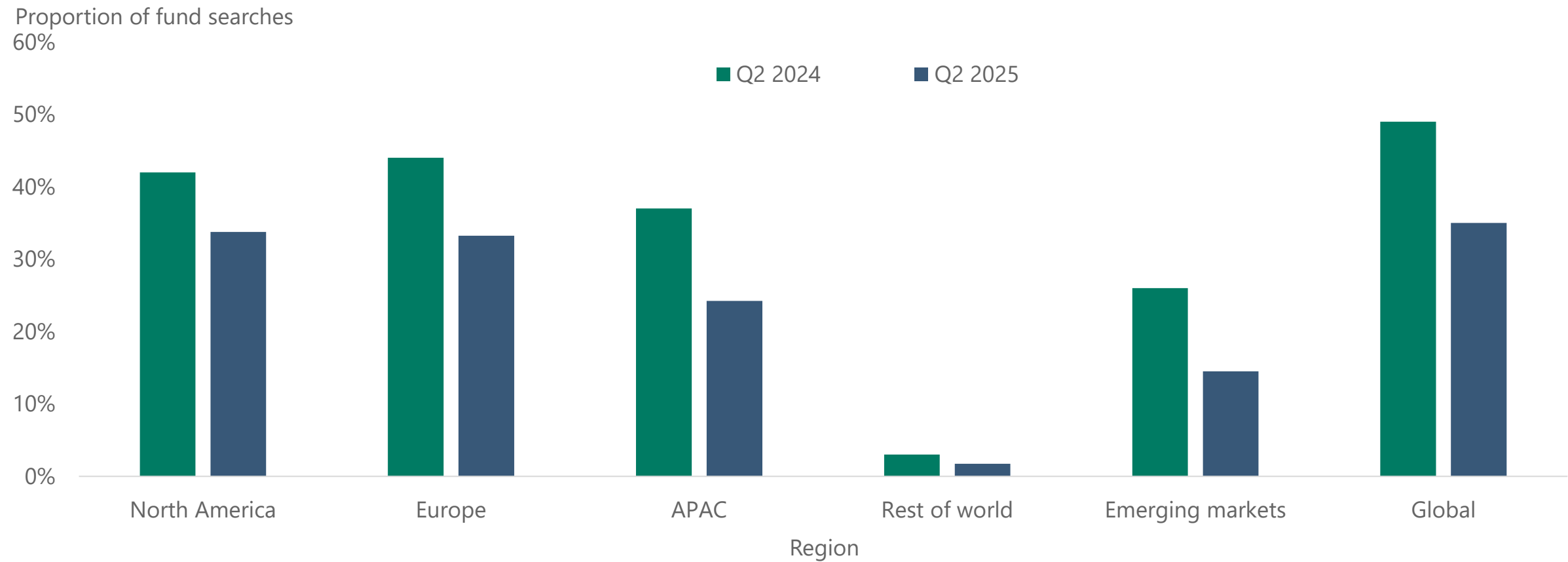
## 6. Real estate

# Closed-end private real estate funds in the market



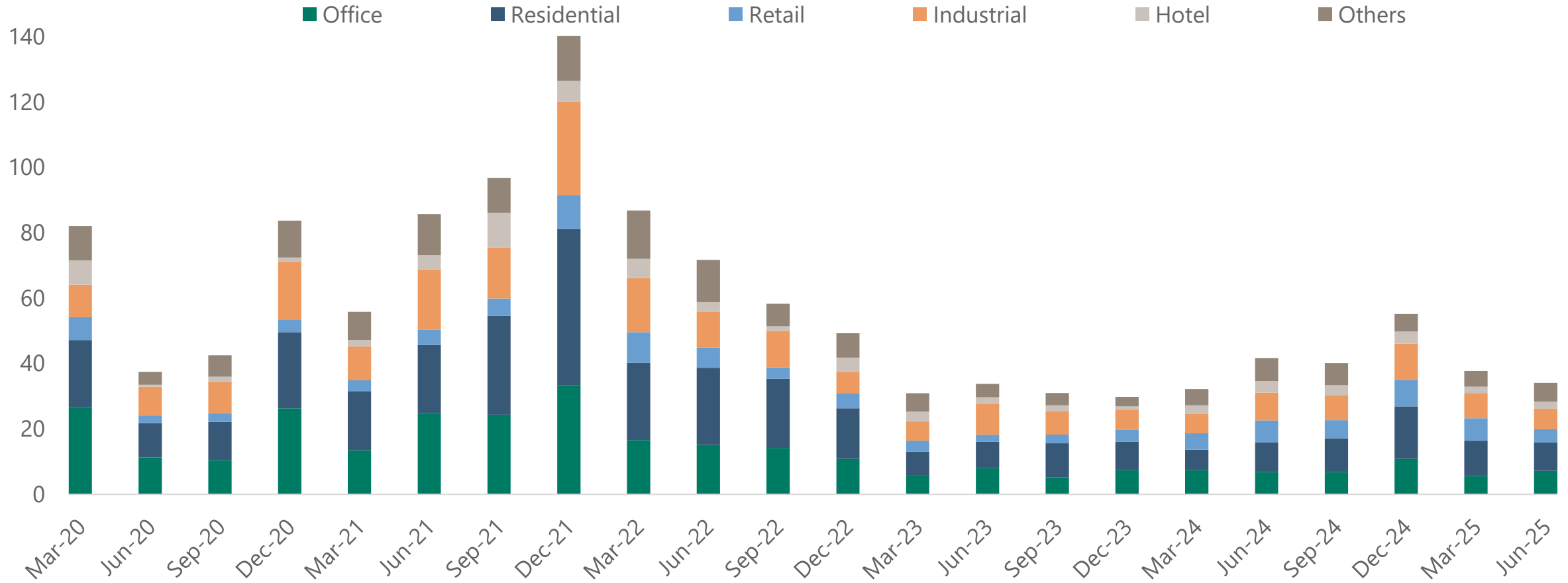
Source: Preqin Pro, Apollo Chief Economist

# Regions targeted by infrastructure investors over the next 12 months, Q2 2024 vs. Q2 2025

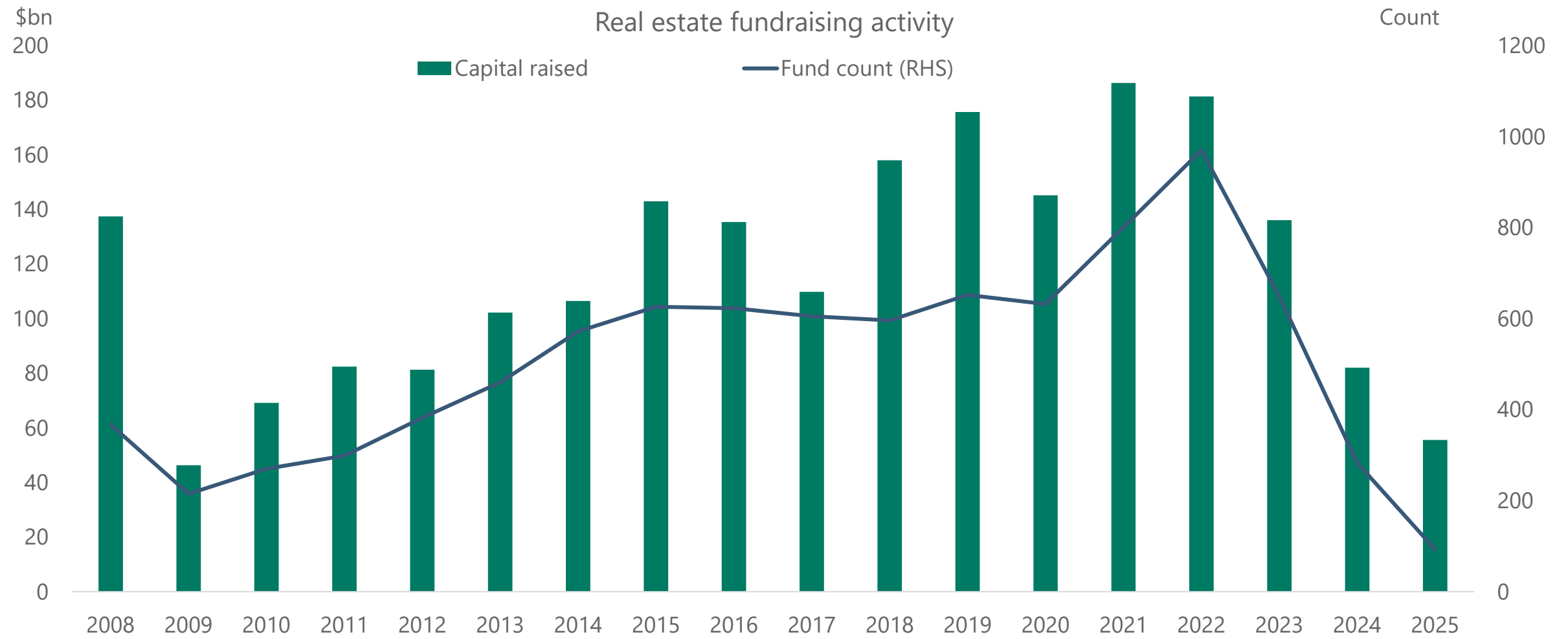


# Quarterly global private real estate deals, by property type

Aggregate deal value (\$bn)  
160



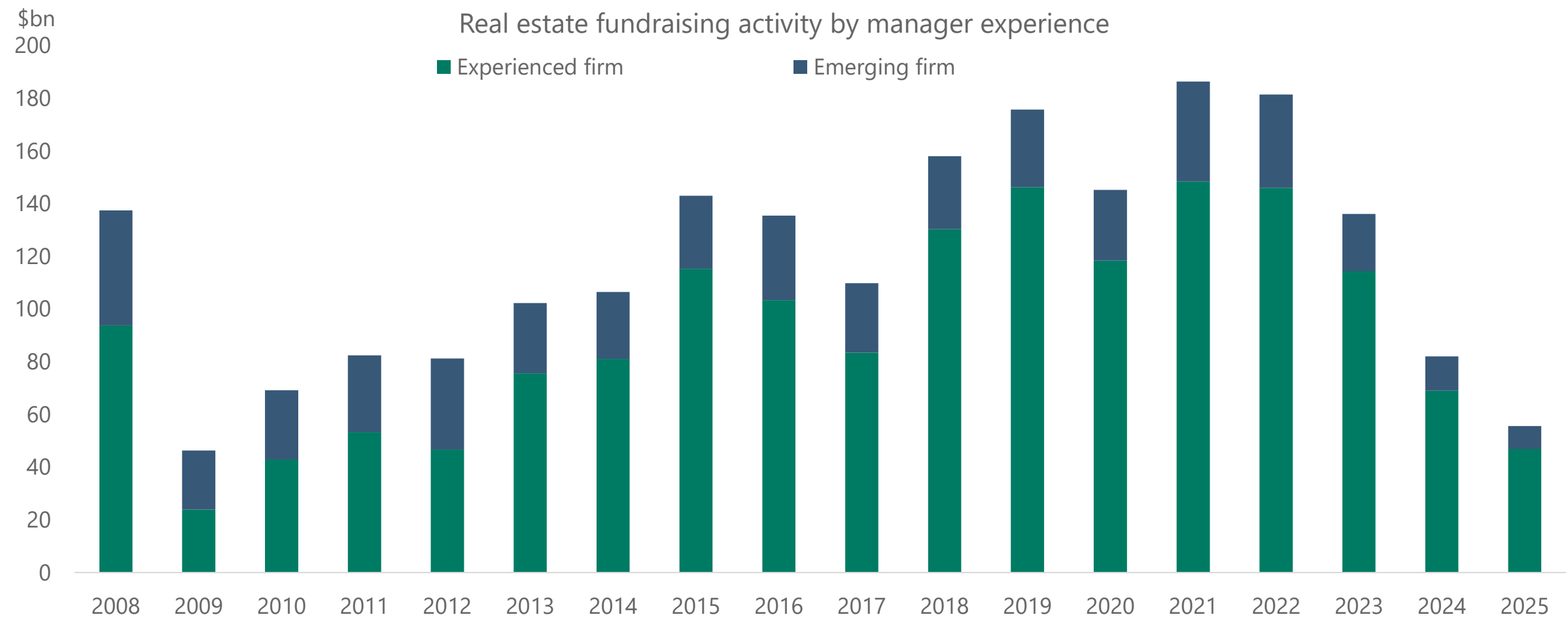
# Real estate fundraising activity declining rapidly after the Fed raised interest rates



Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

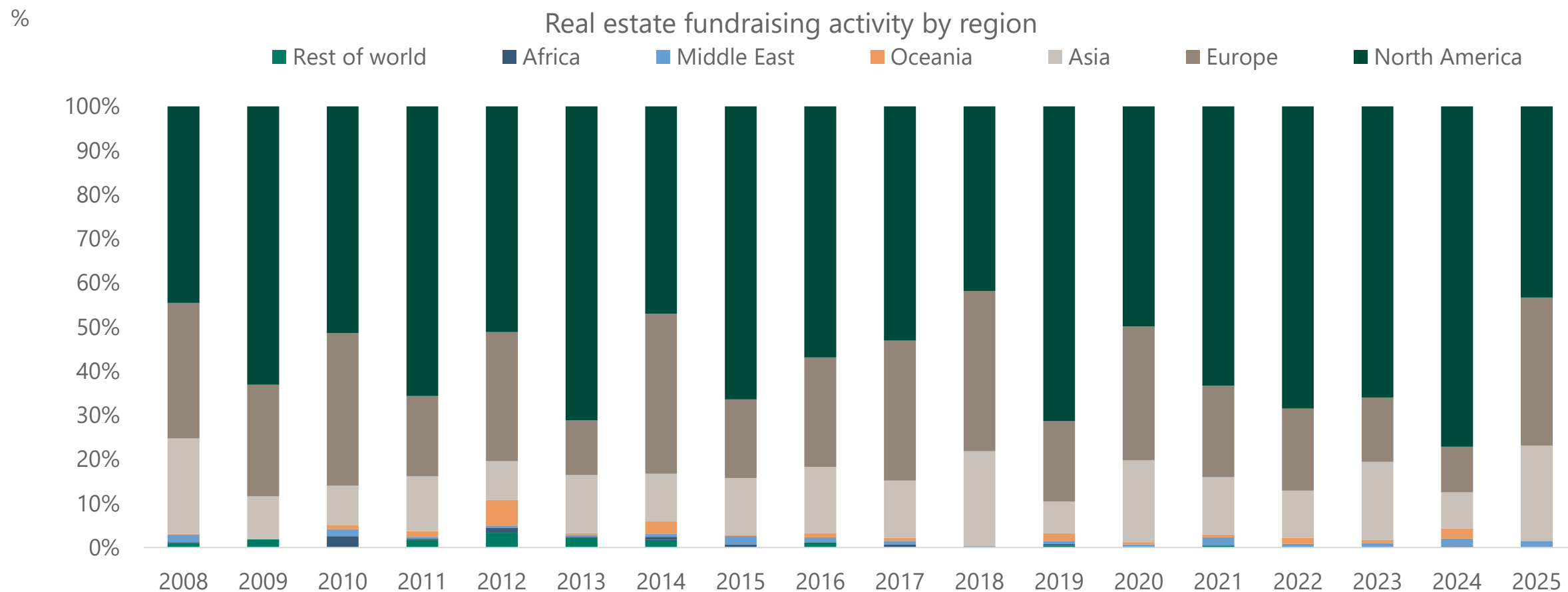


# Real estate fundraising declining

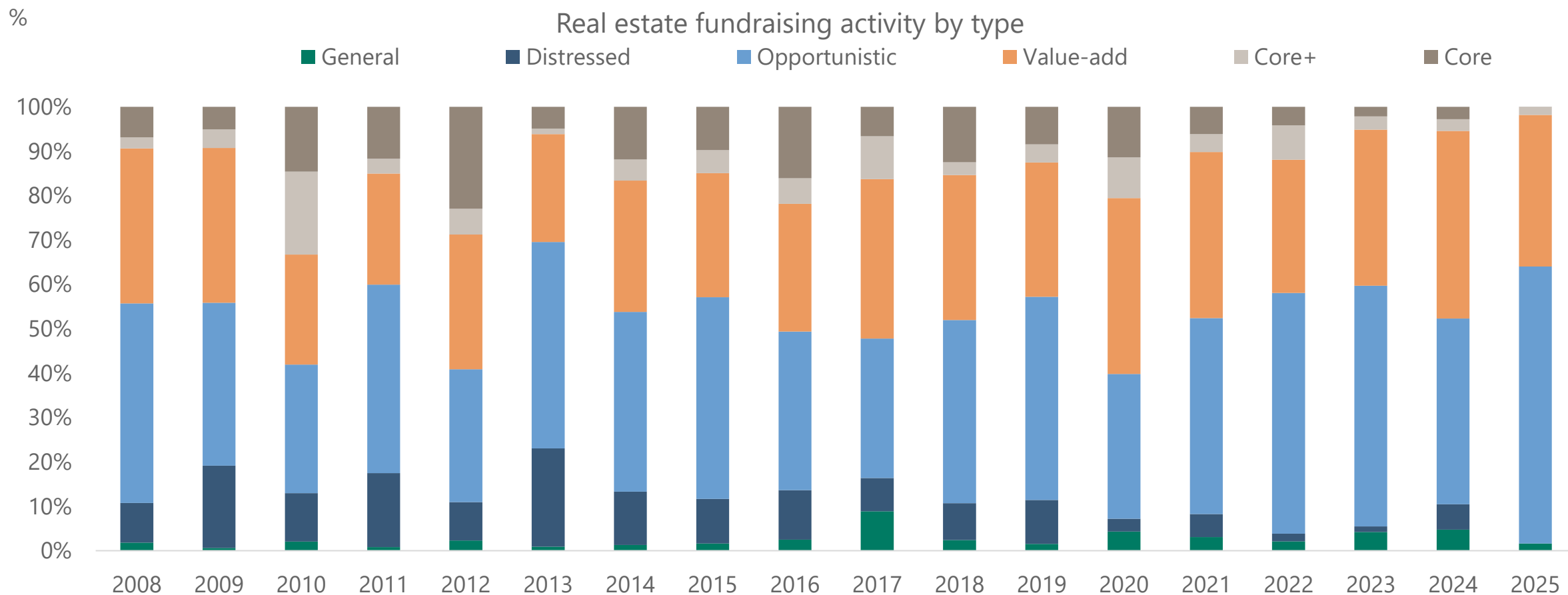


Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

# Almost 80% of real estate fundraising is in North America and Europe

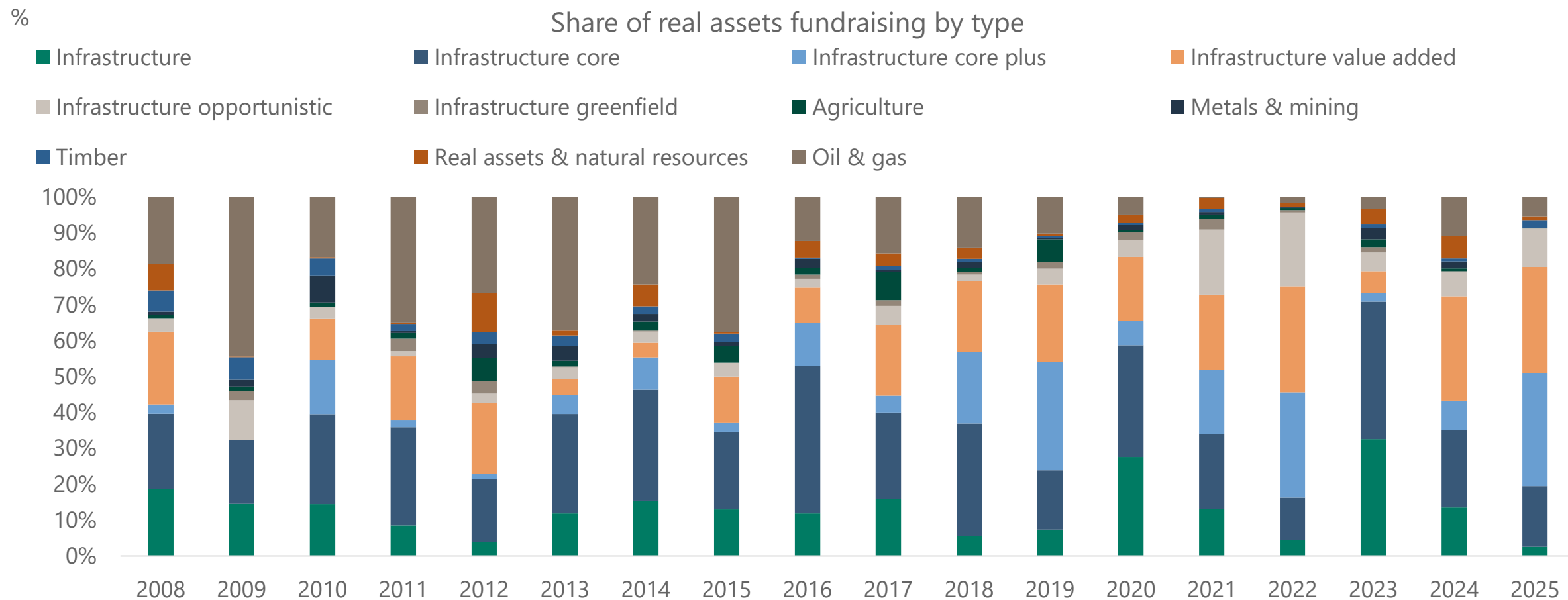


# Real estate fundraising activity by type

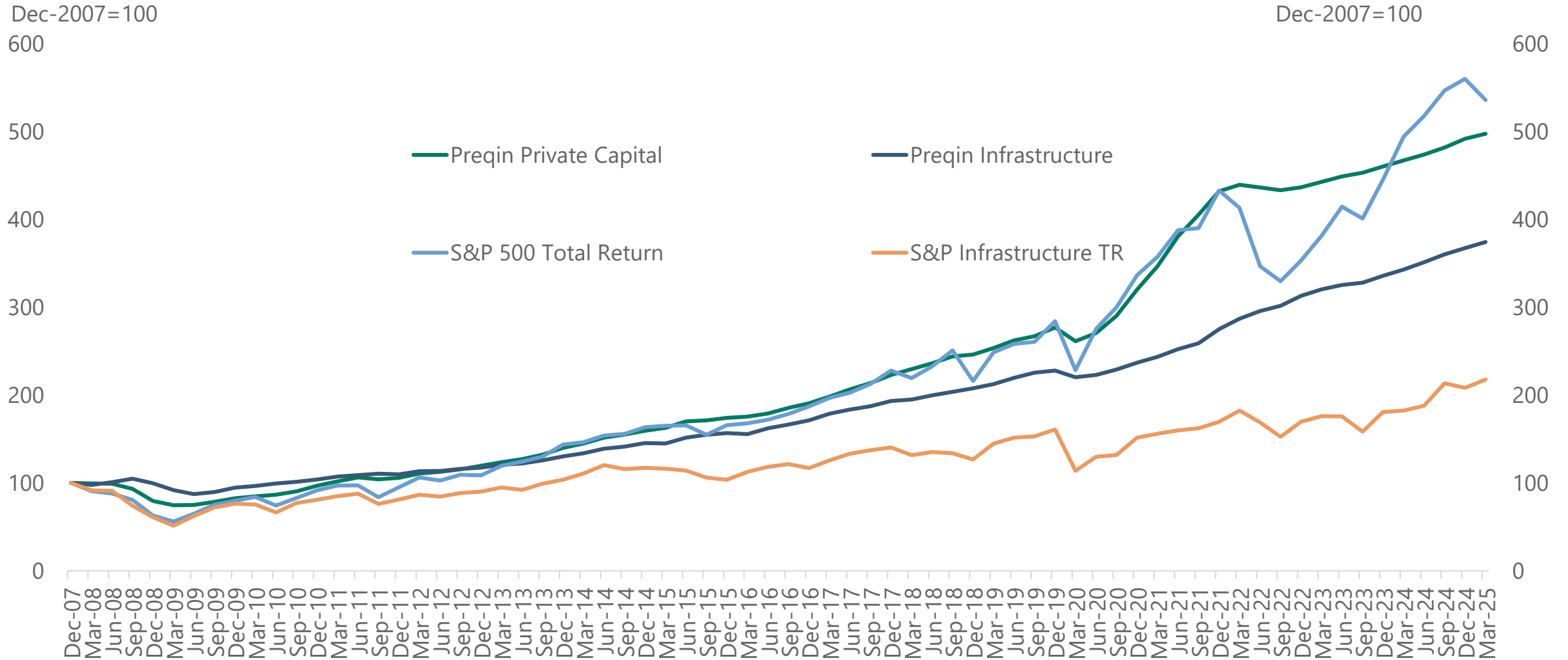


## 7. Real assets

# Real assets is mainly infrastructure



# Infrastructure index returns



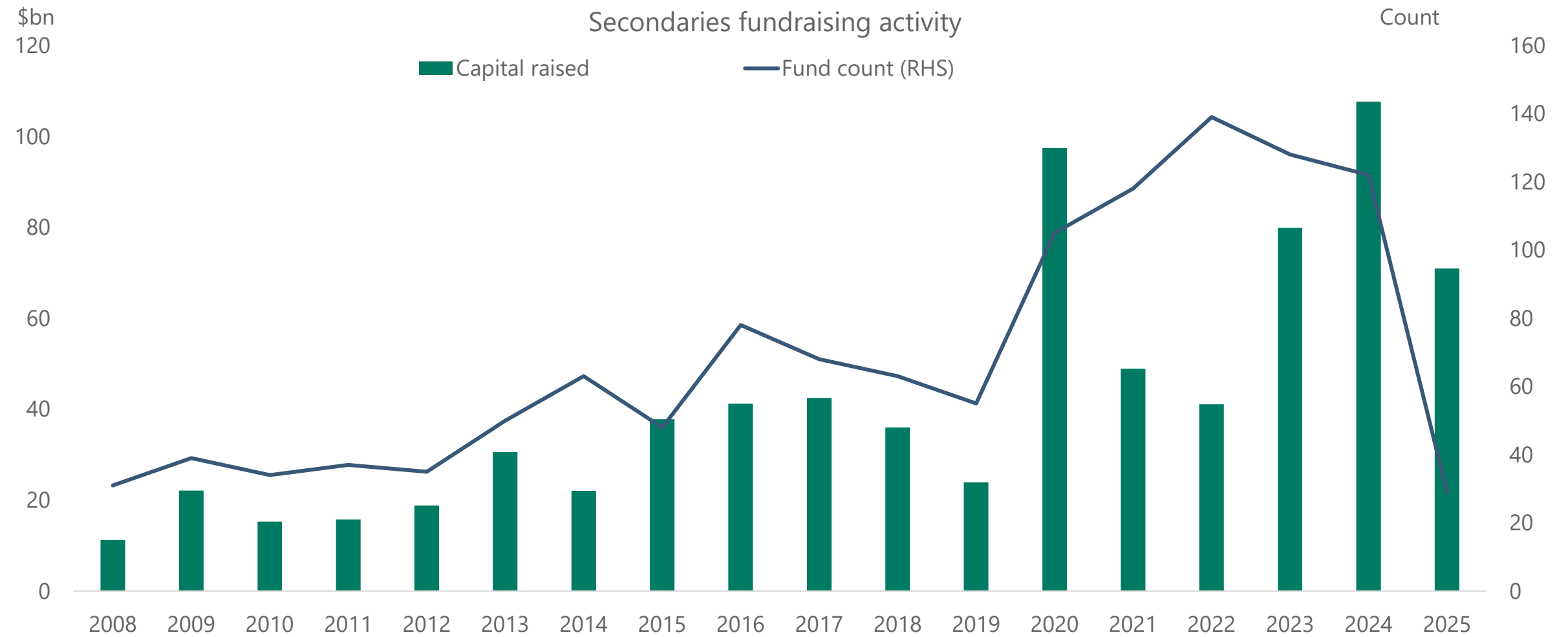
## 8. Secondaries

# Secondaries performance



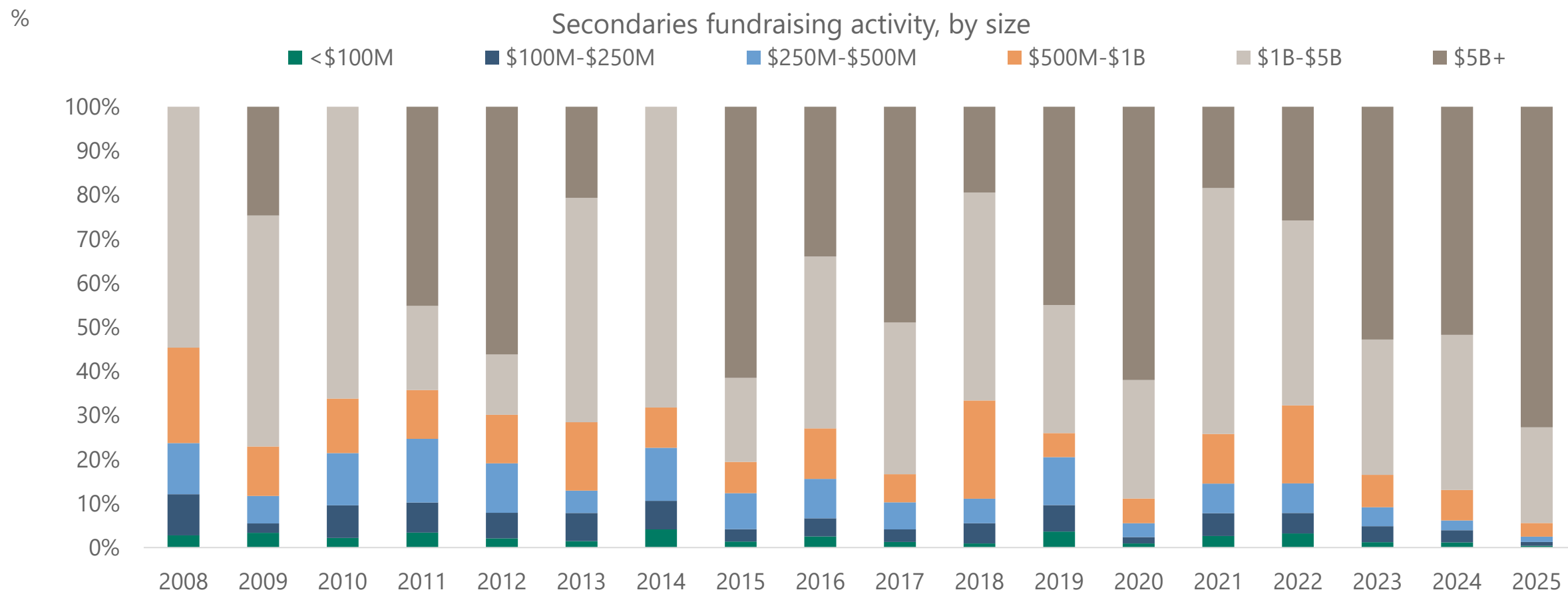


# Secondaries fundraising activity

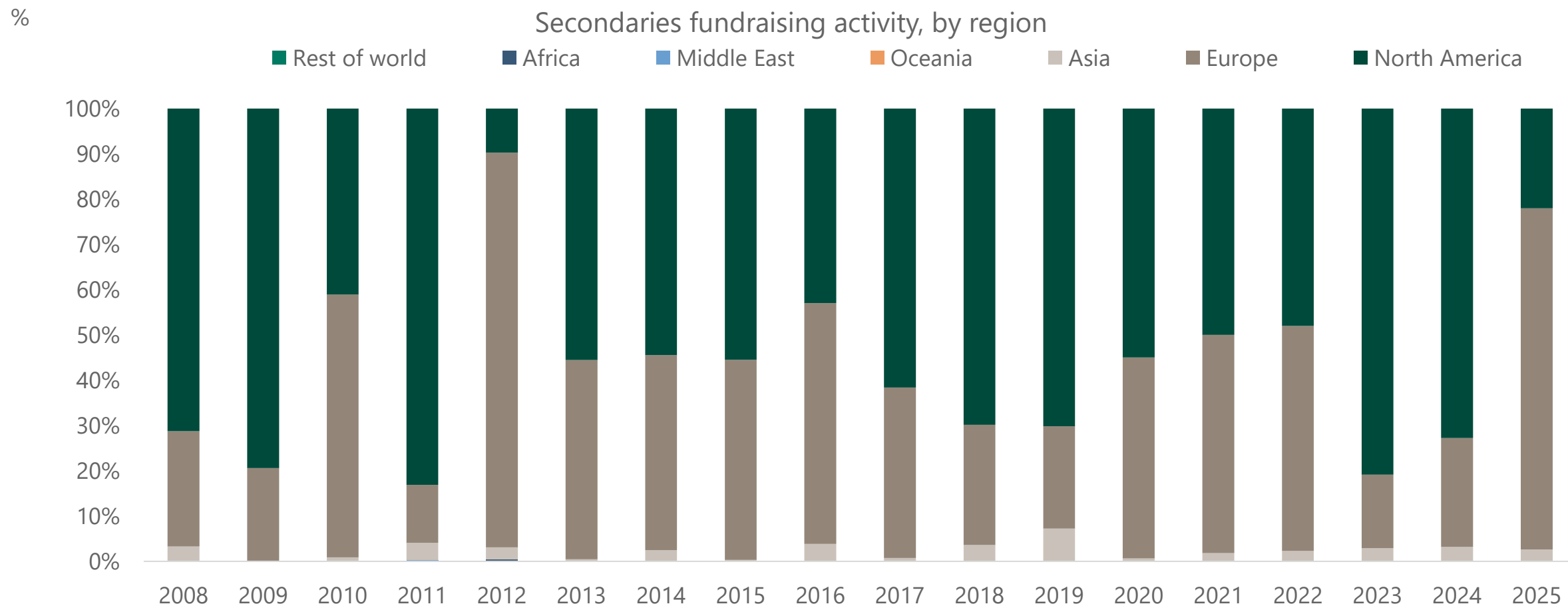


Source: PitchBook, Apollo Chief Economist. Note: Data as of 30<sup>th</sup> June 2025

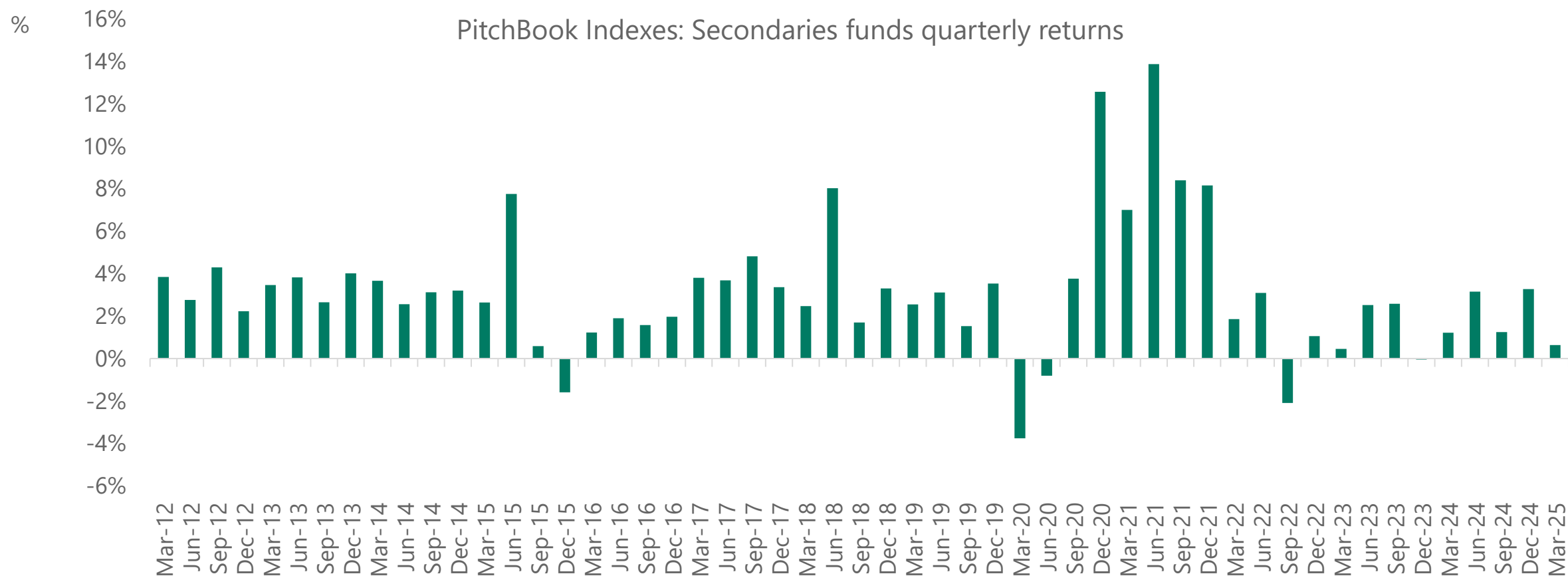
# Secondaries fundraising activity, by size



# Secondaries fundraising activity, by region

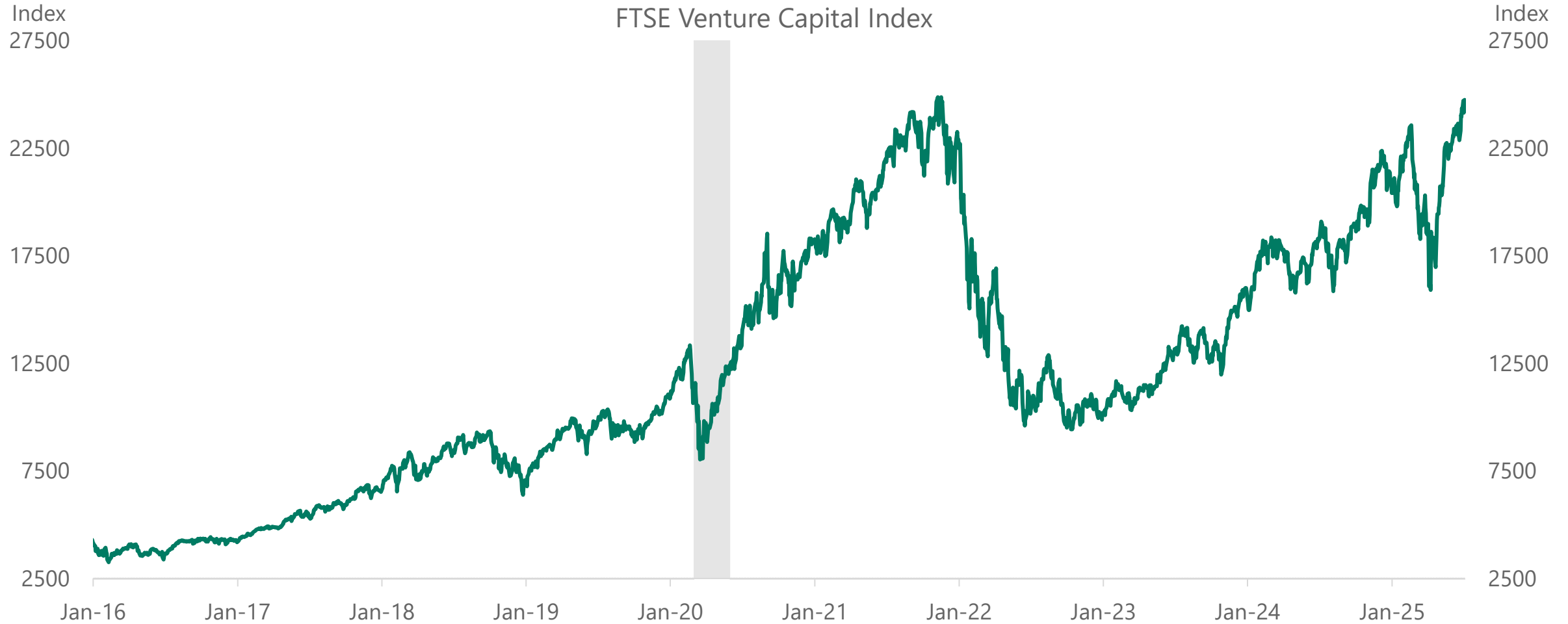


# Secondaries quarterly returns

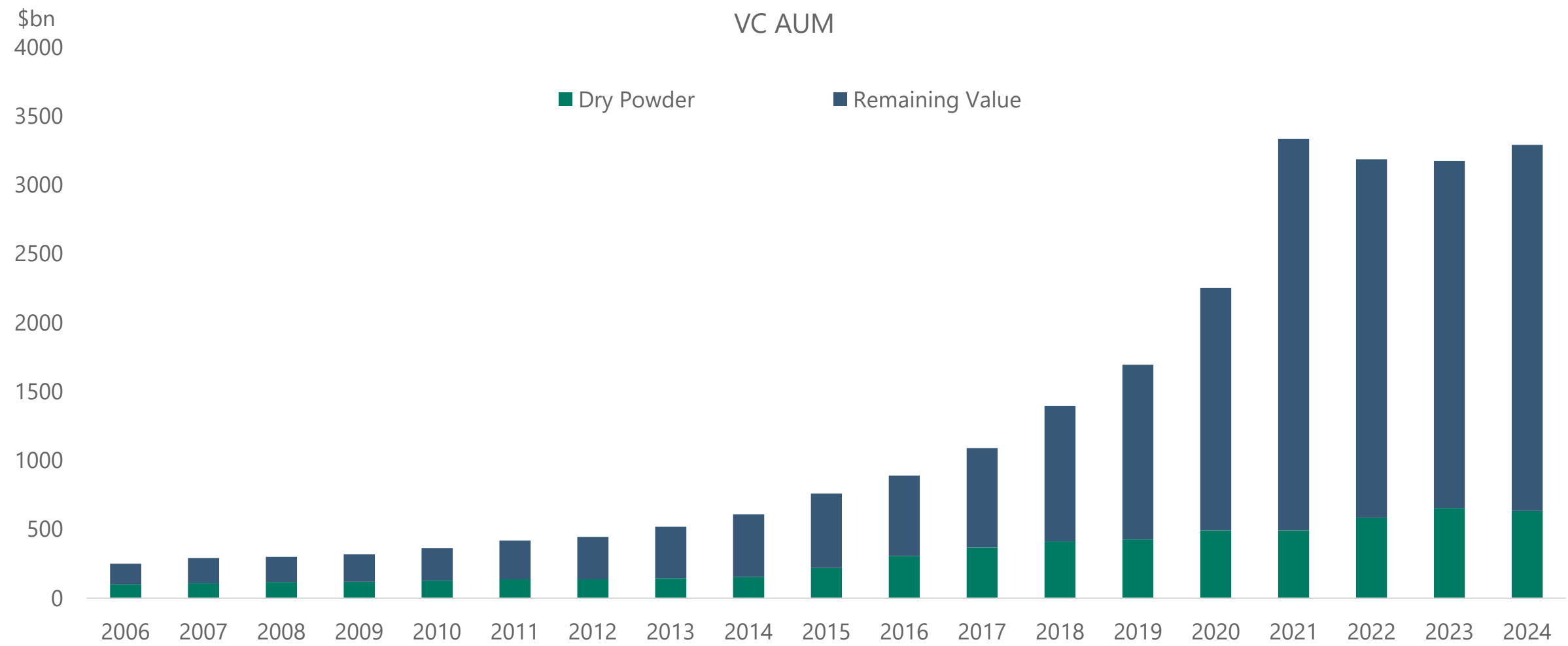


## 9. Venture Capital

# US venture capital valuations

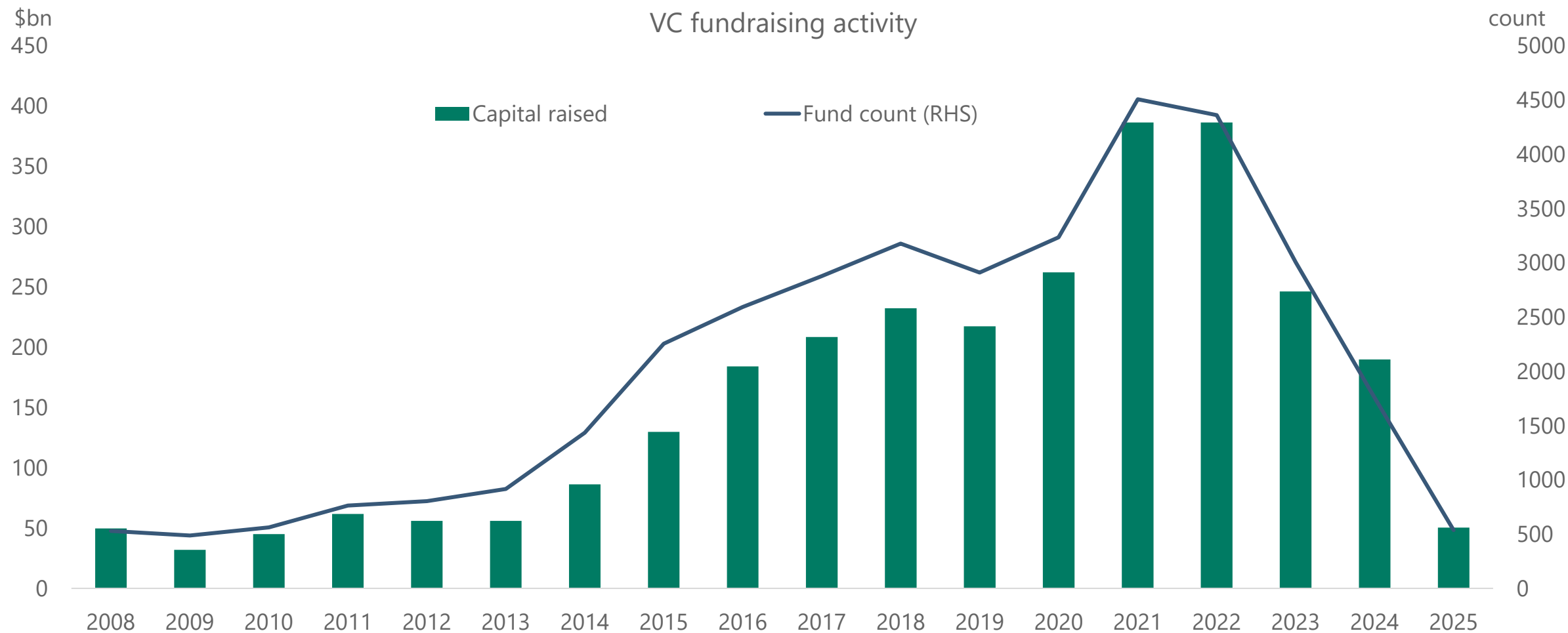


# VC assets under management no longer increasing after the Fed raised interest rates



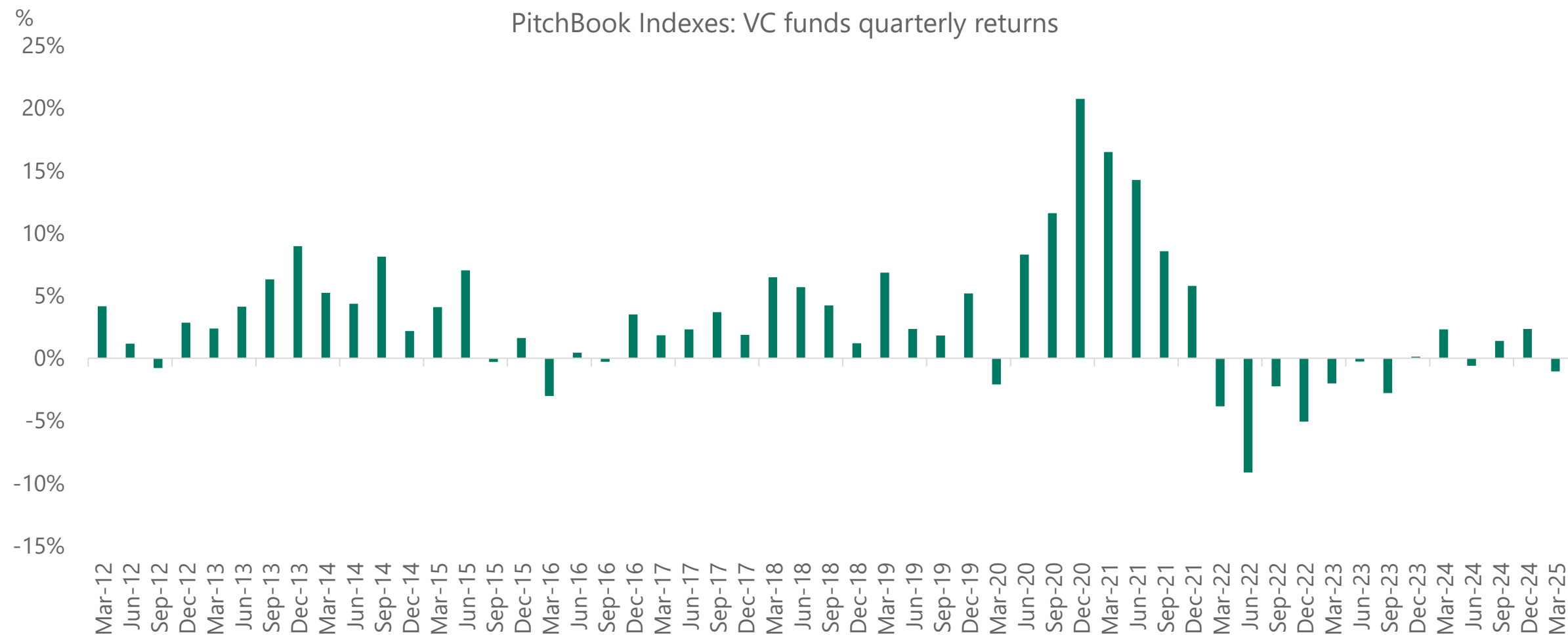
Source: PitchBook, Apollo Chief Economist. Note: Data as of 31<sup>st</sup> March 2024

# VC fundraising activity very weak



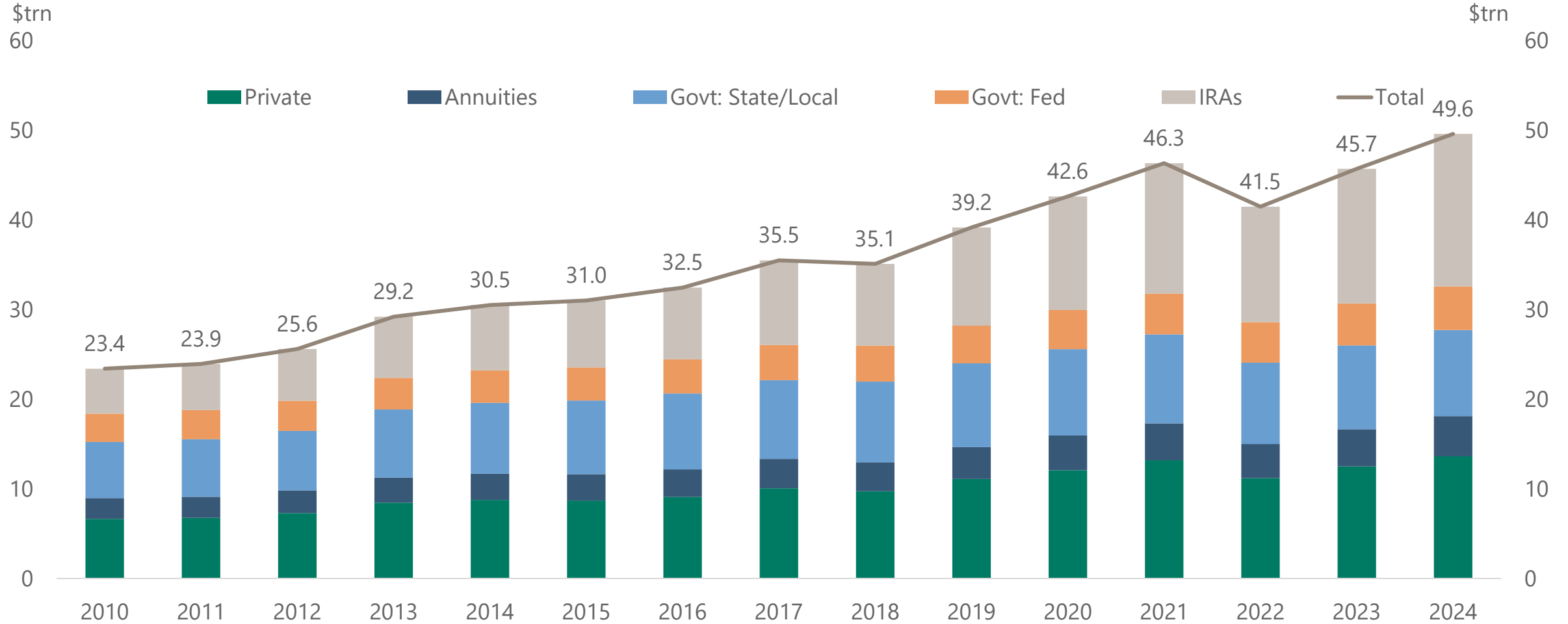


# VC returns negative after the Fed raised interest rates

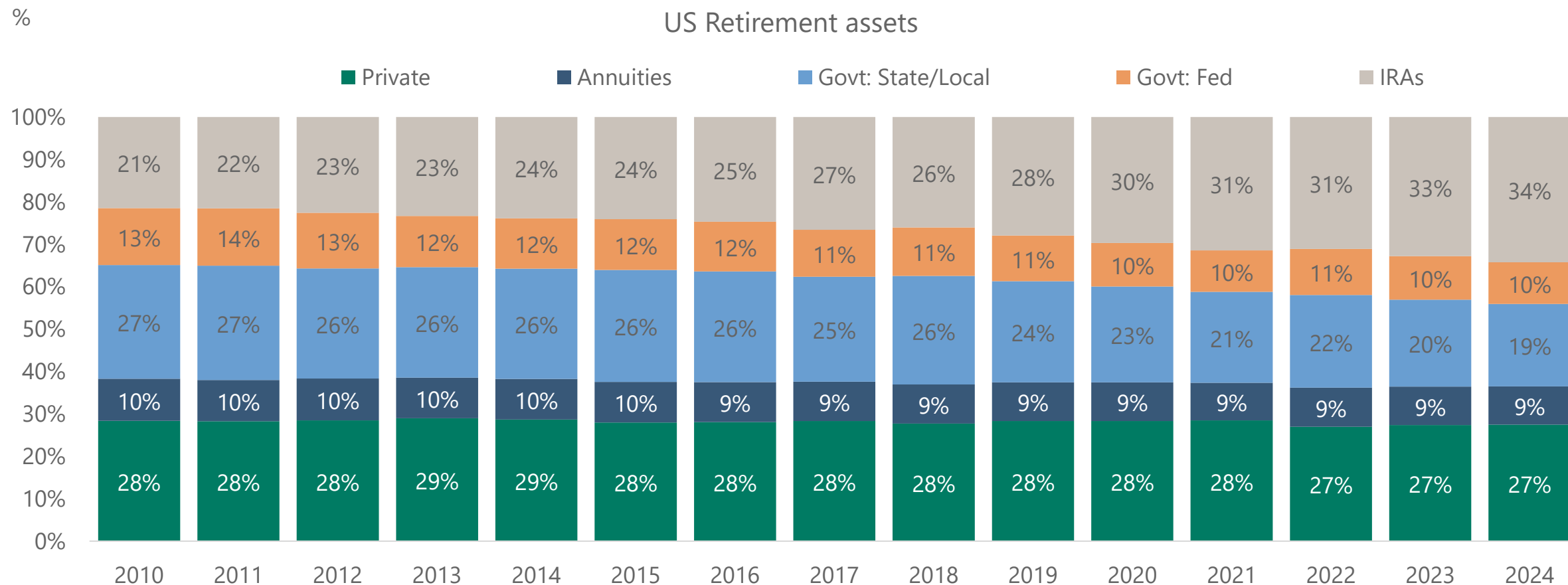


## 10. Retirement assets

# The composition of US retirement assets



# US retirement assets: % of total





# Torsten Slok, Ph.D.

## Chief Economist

Apollo Global Management

[tslok@apollo.com](mailto:tslok@apollo.com)

Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.