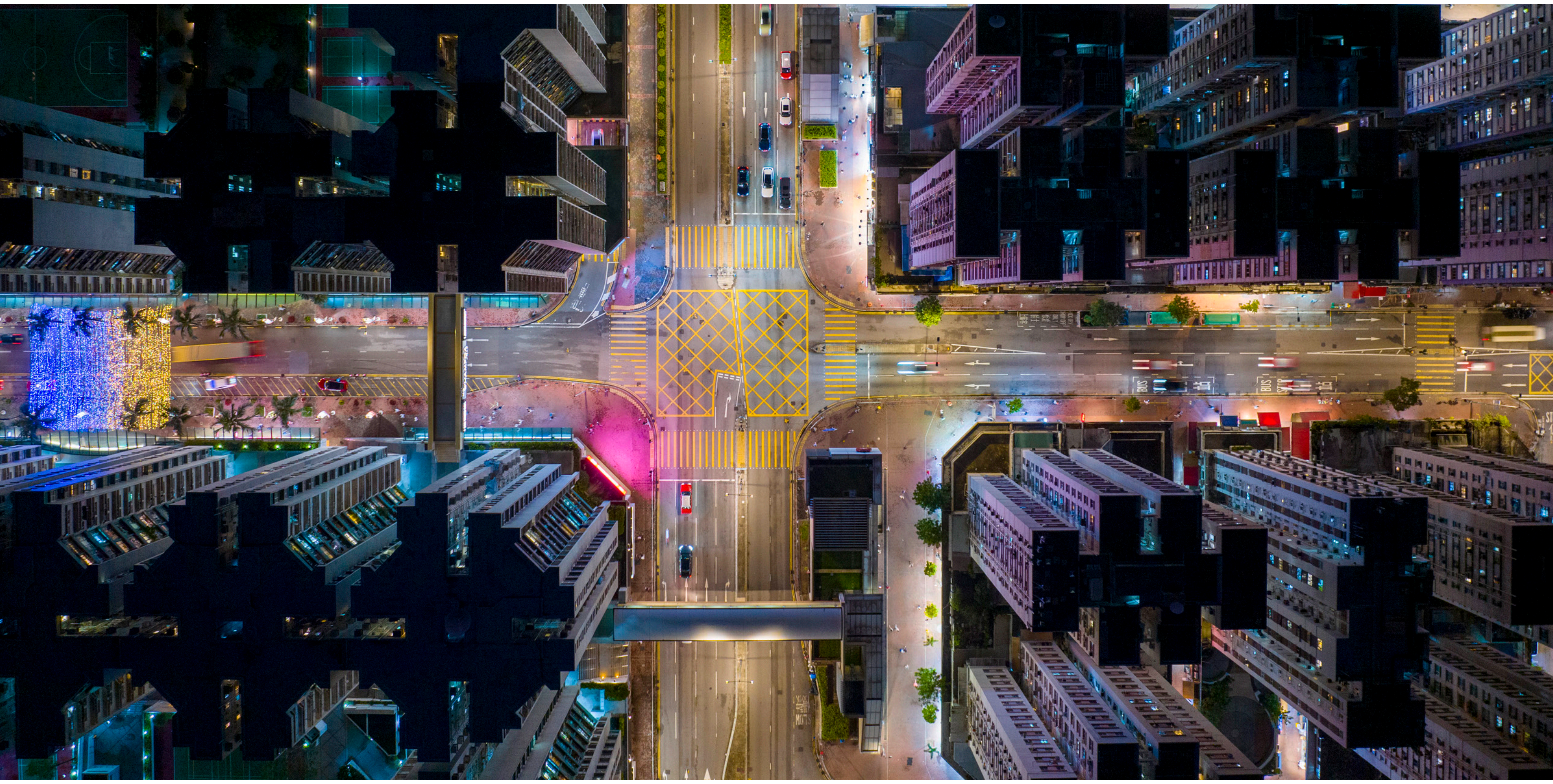
CIBC GLOBAL
ASSET MANAGEMENT

Introduction to alternatives and private market investing

March 2026



Private markets and alternative investments are increasingly shaping the landscape of portfolio construction. To provide clarity on this evolving space, CIBC Global Asset Management hosted a panel discussion featuring three of its senior leaders:

- **Meric Koksal:** Managing Director and Head of Product, CIBC Global Asset Management
- **Ohm Srinivasan:** Global Head of Alternative Investing, CIBC Global Asset Management
- **Christine Wong:** Executive Director, Head of Alternatives Distribution, CIBC Global Asset Management

The following Q&A distills key insights from their conversation, focusing on what advisors and investors need to know about private markets, the benefits and risks, and practical guidance for incorporating alternatives into client portfolios.

What are private markets and alternative investments

Q: How would you define alternative investments, especially compared to traditional investments?

Srinivasan: When we talk about investing, traditional investments typically mean public equities (stocks) and public fixed income (bonds). Almost anything outside these—such as hedge funds, liquid alternatives, private equity, venture capital, private credit, real assets (real estate, infrastructure)—falls into the category of alternative investments. These assets are not easily bought or sold on exchanges, and many are less liquid and less accessible than traditional investments.

Characteristic	Private markets	Public markets
Access	Historically limited to accredited and institutional investors. Innovative structures now opening up access.	Open to all investors.
Liquidity	Less liquid; requires more time to sell assets.	More liquid; traded on secondary exchanges.
Transparency	Less available information, requiring specialized due diligence.	Standardized reporting.
Holding periods	Typically several years.	No pre-set period.
Fees	Higher fees and minimums.	Lower fees.

Source: CIBC Asset Management

Q: What are the main asset classes available within private markets?

Wong: Private markets encompass a variety of asset classes. The main ones are private equity (non-publicly traded companies, ranging from early-stage venture capital to growth equity and mature buyouts), private debt/credit (including senior debt, mid-market debt, and other forms of private credit), real assets (real estate, commodities like gold, and niche areas such as timber, agriculture, and infrastructure), and liquid alternatives (strategies such as hedge funds).

Q: How has the private market landscape evolved?

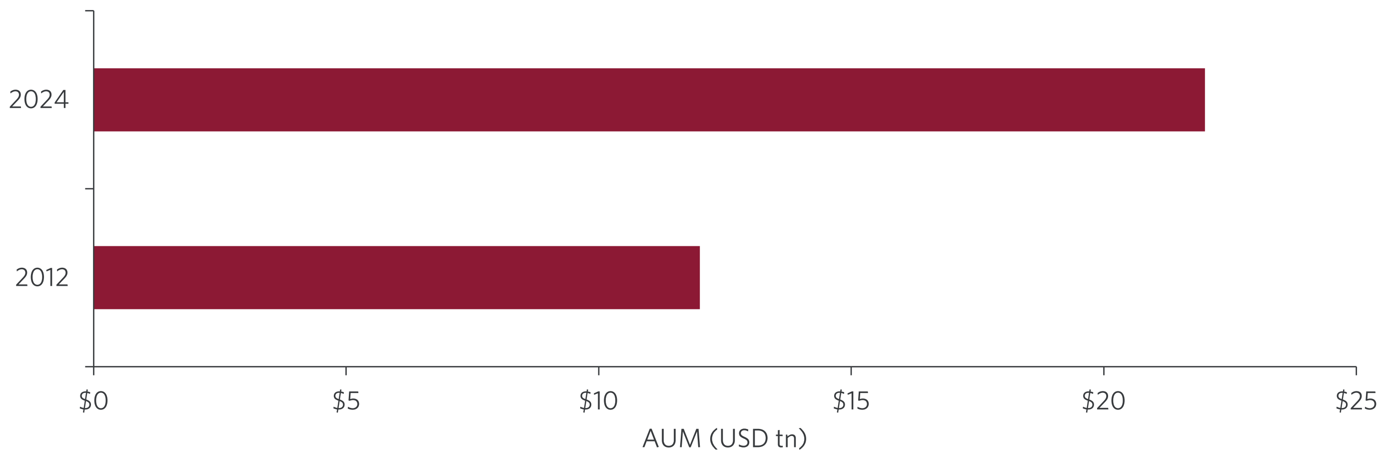
Koksal: Access to private markets has changed dramatically in the past decade. Historically, these investments were reserved for pension plans, insurance companies, and ultra-high-net-worth clients, requiring large minimum investments. Today, individuals can access private markets with as little as $10,000, including through registered accounts. Limited liquidity has been introduced, with some products offering quarterly or semi-annual exits. Transparency has also increased, with monthly updates on sector and geography allocation.

Growth, opportunity, and benefits of private markets

Q: How significant is the growth of private markets?

Srinivasan: Private markets have grown substantially. Many companies now choose to stay private longer. For example, the number of billion-dollar private companies ("unicorns") has skyrocketed from around 40 thirteen years ago to over 1,500 today. This shift means much of the value creation happens while companies remain private.

Global private capital AUM has more than doubled

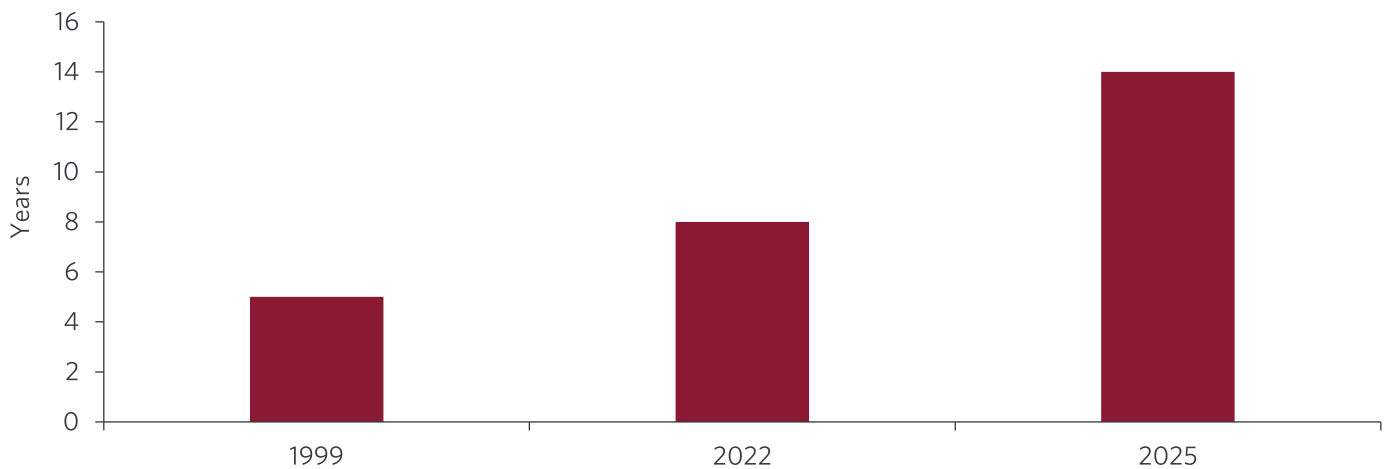


Source: Unicorns, Decacorns and Hectocorns: The Private Companies Primer, BofA Securities, October 21, 2025.

Q: Why are companies staying private longer?

Wong: Companies are staying private for various reasons, including greater control and flexibility. Investors who can access these private companies benefit from tremendous growth and value creation that occurs before they go public.

Median age of US companies going public



Source: Unicorns, Decacorns and Hectocorns: The Private Companies Primer, BofA Securities, October 21, 2025

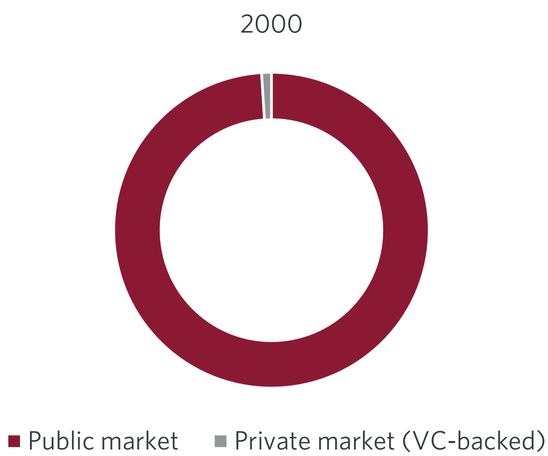
Q: What are the main benefits for investors in private markets?

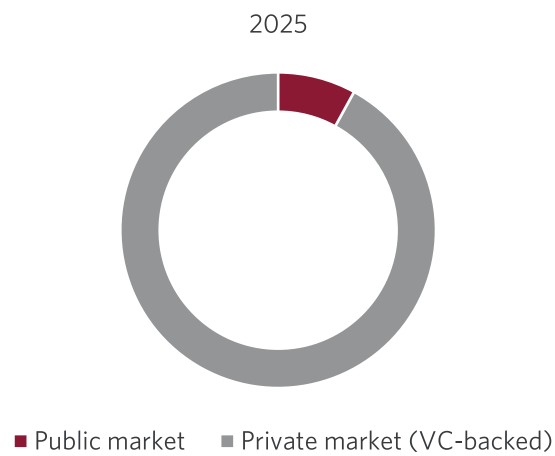
Srinivasan: A large proportion of value creation—estimated at 80%—happens while companies are private. Accessing private markets allows investors to participate in this growth. As more capital shifts into private markets, it's important not to miss out on these opportunities.

Wong: Private markets also offer diversification benefits. Their returns are less correlated with public markets, and sometimes even negatively correlated in such asset classes as real assets. This means investors can achieve returns with lower risk and volatility at the portfolio level.

Koksal: Private investments historically deliver higher returns ("alpha") and less volatility because they are less influenced by headline news and quarterly earnings cycles. They also access a wider investment opportunity set as the number of private companies make up about 90% of the investible universe. This means investors who focus only on public markets are missing a vast array of opportunities.

Share of total US equity market





Source: Unicorns, Decacorns and Hectocorns: The Private Companies Primer, BofA Securities, October 21, 2025

Performance, risks, and misconceptions

Q: How does alpha work in private markets?

Srinivasan: Alpha is excess return over a benchmark. In public markets, it's about beating an index like the S&P 500. In private markets, the concept is similar, but the dispersion of returns between managers is much larger—sometimes 20% or more between top and bottom quartile managers. Selecting the right manager is critical.

Srinivasan: Due diligence is key to delivering alpha. Information about private companies isn't as readily available as with public companies, so specialized teams are needed to analyze investments.

Wong: The illiquidity premium is also a factor driving excess returns in private markets compared to public markets. While structures have improved, private markets are still less liquid than public markets, and investors require compensation for accepting this risk. Advisors and investors must have the appropriate time horizon and should rely on traditional assets for liquidity needs.

Q: What misconceptions exist about private markets?

Koksal: Many believe private markets require large capital commitments, lack transparency, and lock up money for a decade. The reality is that minimums are much lower, transparency has improved, and limited liquidity options exist.

Srinivasan: Alternative investments are often seen as complex, but fundamentally, investing in a private company isn't very different from investing in a public one. The main difference is access.

Wong: The industry has addressed some of the many concerns, from minimums to transparency. While private markets still differ from public markets, investors now have more tools and information to make informed decisions.

Incorporating private market assets into portfolios

Q: How should advisors think about asset allocation with private markets?

Wong: Start with the client's needs, objectives, constraints, and risk tolerance. Alternatives provide more tools to achieve these goals. Illiquidity is a new factor—private markets require patient capital and longer time horizons. Overall allocations can range from low single digits for conservative investors to 20% or more for those with higher risk tolerance.

Koksal: Looking at the specific asset classes within a traditional 60/40 portfolio, private equity can be additive to the equity allocation, private credit can complement fixed income. Advisors can adjust traditional allocations to include alternatives, reallocating from equity and fixed income sleeves depending on clients' investment objectives.

Srinivasan: Alternatives and private investments cover a broad spectrum—private equity, private credit, real assets, infrastructure. Adding alternatives stabilizes portfolios and enhances diversification, which is often called the "only free lunch" in investing.

Q: How should advisors and clients approach liquidity and minimums? How has investment access evolved?

Wong: Liquidity needs should be met through traditional assets.

Koksal: The onboarding process for private investments has become easier, with streamlined documentation and online access. Also, to help investors get started, private markets now offer evergreen structures, allowing investors to build positions gradually via monthly subscriptions.

Q: What should advisors consider when selecting managers?

Srinivasan: Due diligence is essential. CIBC's team evaluates hundreds of opportunities each year, focusing on philosophy, team experience, performance, and portfolio composition. Being selective is key to outperforming.

Wong: Diversification within manager strategies is important. Consider exposure to different asset classes and sectors. Fees are higher in private markets, so performance must justify the cost.

Koksal: Ask about manager alignment—how much skin they have in the game, compensation, and consistency of returns. Dig deeper into return drivers and track record.

Q: Are investors coming to private markets too late?

Koksal: Not at all. The average asset allocation to privates is still low, and the trend is just beginning. It's a differentiator for advisors and a proactive tool for asset gathering.

Srinivasan: Public equity markets have existed for over a century; private markets are still early in their evolution. Thousands of new private companies are acquired each year, and the opportunity set is expanding.

Wong: Alternatives and private markets are at the start of their adoption journey, similar to how global equities and ETFs once were.

About CIBC Global Asset Management

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Across a spectrum of investment solutions, we commit to robust research. Dedicated sector and regional analysts focus on industry research and security-specific idea generation. Our investment professionals leverage deep and diverse expertise by sharing proprietary research across asset-class teams. By sharing insight across asset class teams, we maximize opportunities to add value to our client portfolios.

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