

What's your five-year outlook for private equity?

Here are two perspectives on what the realm of PE could look like by November 2026 and beyond.

Words **NATALIE A. GERHARDSTEIN**



RAJAA MEKOUAR

Founder & CEO
Calista Direct Investors

Mekouar's projection in just one word? "Bullish... Growth is the name of the game." There are several reasons for her optimistic outlook. "Super specialisation also contributes to this, and broader access means access for ultra high net worth and more retail investors to the asset class."

Even if, previously, the illiquidity aspect of PE might have made it be perceived as riskier, "it now is seen as the only safe haven for parts of the portfolios." The venture and tech investing inclusion into PE will also factor into its growth, and with venture capital producing such successful companies like Amazon, she adds, such stories "created the inspiration, and covid has just multiplied this trend... a lot of money [is] going into this space."

In fact, Mekouar believes that "all the stars are aligned for PE". And the reasoning, she adds, is quite simple: "It has been delivering better performance than public markets with less volatility. There's a lot of cash everywhere because of quantitative easing, driven by the central banks since the 2008 crisis, and this money has to go somewhere that delivers a return that's acceptable for investors." —

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LAURENT CAPOLAGHI

Partner, private equity leader
EY Luxembourg

Capolaghi has been with the private equity group at EY Luxembourg since 2004, now leading that practice. "Most of our clients are growing very fast in a significant manner in Luxembourg, which was not the case 17 years ago," he explains. In addition to growing up the substance, the tech and talent have helped drive that.

The demand for PE products, he says, could be explained mainly by three factors--the low-yield environment, pressuring investors to look beyond traditional; a shift from non-concrete to concrete investing; and also a shift in the investor profile, with the younger generation wanting to get a better sense of what they're investing in. Capolaghi expects those three trends to continue over the next five years. "PE ticks a lot of boxes for [investors], because it addresses the real economy, the long-term investment," he says. "PE cannot be about speculating, [it's] about patient capital." This could mean rethinking how the company operates or helping them expand a project geographically--creating proper value. "This retail investor population is very keen about that, and it brings a very concrete angle to them." —

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