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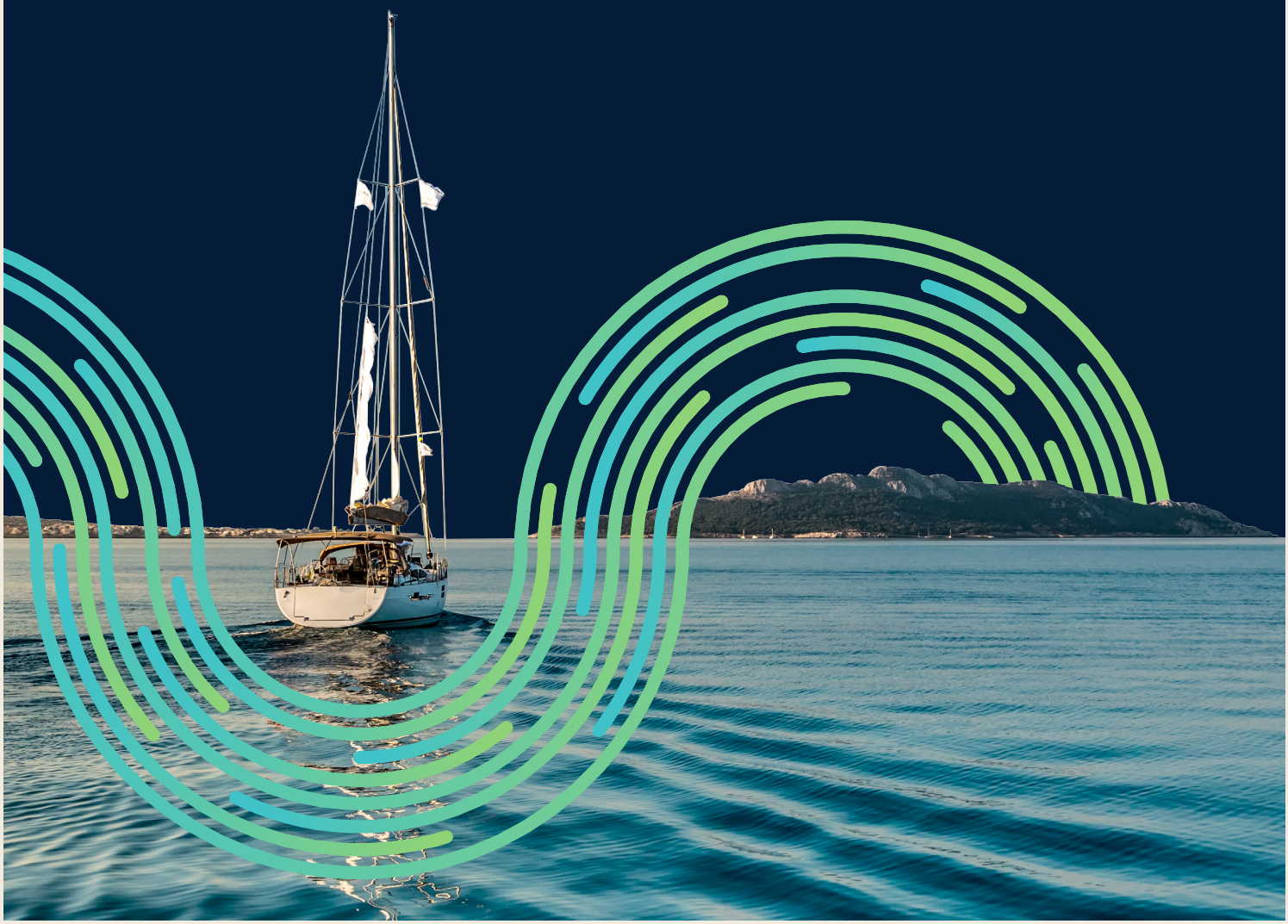
2030 Private Market Horizons

Forecasting the growth of private capital AUM over the next five years



PitchBook

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Published on May 1, 2026

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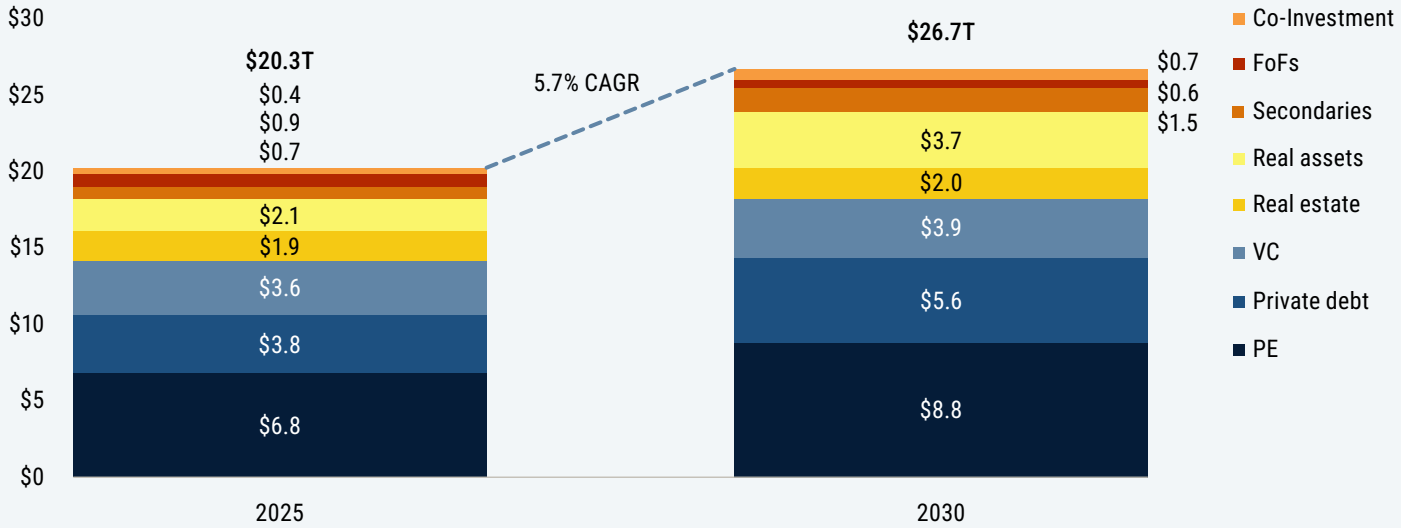
Overview

Base-case private capital AUM forecast ($T) by fund strategy



Source: PitchBook • Geography: Global
Note: Data is inclusive of evergreen structures. "Private debt" includes insurance AUM from Blackstone, KKR, Blue Owl Capital, The Carlyle Group, Ares Management, Apollo Global, and Brookfield. Forecasts were generated on April 17, 2026.

For nearly four decades, private markets operated with a powerful and largely invisible tailwind: the secular decline in interest rates. From the early 1980s, when the federal funds rate peaked near 20%, through the long post-global-financial crisis stretch when policy rates anchored close to zero for much of the 2010s, nearly every corner of the private markets benefited from an environment in which borrowed capital was cheap, asset values rose as discount rates fell, and multiples expanded. That accommodative backdrop fueled an extraordinary rise in private market AUM.

Since 2022, a reset has been underway. The rapid shift from a decade of near-zero interest rates to a persistently higher-rate environment has reshaped the economics of private capital investing. Deals that once penciled out no longer clear. Transaction volume slowed, distributions fell to historic lows, and fundraising came under pressure. Growth in private market AUM has continued, but at a slower pace. In this new environment, wins are hard fought, and operational value creation rather than financial engineering will separate top managers from the rest.

The backdrop of the past two years has thrown several off-speed pitches. US tariff expansion, lingering inflation pressures, and renewed geopolitical tension in the Middle East have elevated uncertainty and may be weighing on investor risk appetite. While private markets have proven relatively resilient, these headwinds may encourage investors to pause commitments and reassess regional exposures, contributing to slower capital formation globally than the previous decade. Encouragingly, recent deal activity and fundraising across select strategies are pointing to a potential revival in risk appetite.

Looking ahead, we forecast that global private market AUM managed by GPs will reach roughly $26.7 trillion by the end of 2030, up from about $20 trillion today. This trajectory implies a 5.7% annualized growth rate, which is slower than the historical growth rate and consistent with our view of the maturation of private markets. Even as returns moderate and competition intensifies, we expect private capital strategies to remain central in both institutional and individual portfolios.

A key driver of our 2026 outlook is the continued expansion of evergreen vehicles that promise access to private markets with a veneer of enhanced liquidity. In the US, evergreen funds aimed at private wealth investors reached roughly $534 billion in 2025, doubling over the last three years. Headlines about elevated redemption requests, particularly in credit-focused evergreen funds, have heightened concerns about the durability of these products. These concerns largely reflect the reality that liquidity in vehicles holding illiquid assets will be actively managed and, at times, constrained. We still see a strong set of positives behind these semiliquid fund structures, which offer continuous fundraising, periodic liquidity windows, and streamlined administration relative to traditional closed-end funds. Over the next few years, we expect the positive trajectory of evergreen AUM growth to continue as managers launch new products, deepen distribution partnerships, and capitalize on recent regulatory changes surrounding the wealth and defined contribution (DC) channels.

Insurers have emerged as a pivotal client base for publicly listed alternative managers, particularly in private credit. The top alternative asset managers now manage a collective $1.4 trillion in insurance-related AUM, with several newer entrants building or buying dedicated insurance platforms to accelerate this trend meaningfully. Insurers' long-dated liabilities and need for diversified, higher yielding fixed income alternatives are driving deeper partnerships, including full scale insurance platforms and large separately managed accounts that channel tens of billions annually into private debt.

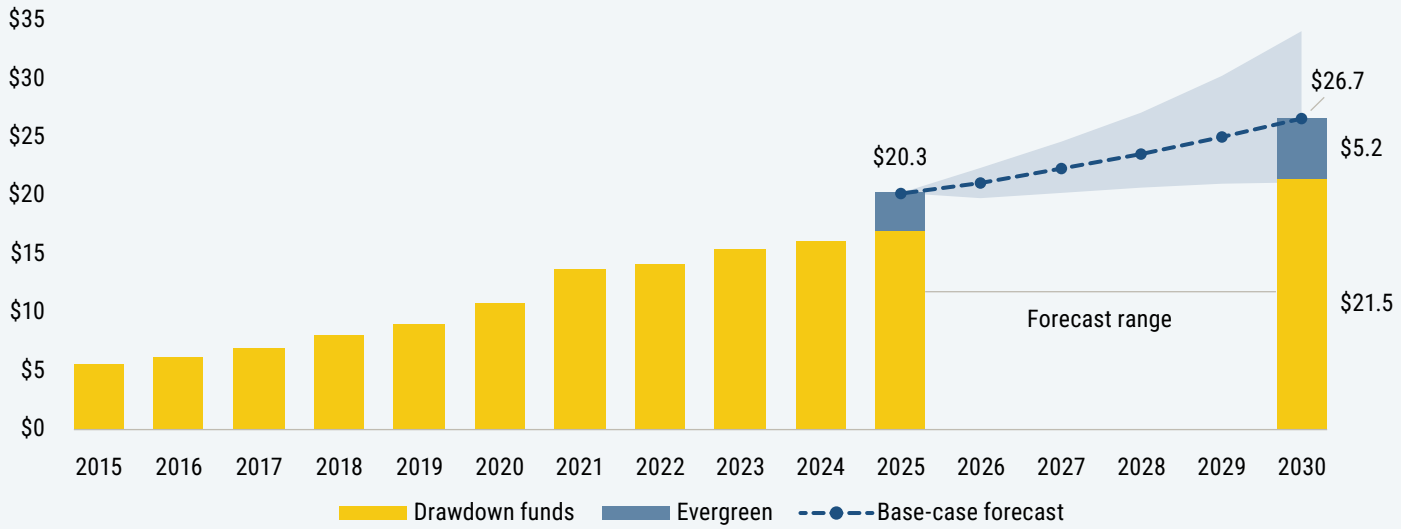
On the drawdown side of our forecasts, variances in fund strategy performance and fundraising momentum lead to a wide dispersion of outcomes. PE and private debt still look to be constructive—VC and real estate less so. VC fundraising is sharply lower and highly concentrated in a handful of AI-linked franchises. Real estate is still marked by weak fundraising and lagging performance. Real assets are enjoying record commitments tied to digitalization, decarbonization, and deglobalization, and secondaries have had a breakout year with record capital raised and transaction volume surpassing $200 billion as the strategy cements its role as a mainstream liquidity and portfolio management tool.

Any long-range forecast comes with uncertainty. We account for this by using probabilistic models to forecast a distribution of outcomes. The base case represents the median outcome across a wide range of simulation results, while the bottom and top quartiles provide context for potential downside and upside scenarios, respectively. These projections have been developed through collaboration across our research team, with inputs calibrated to reflect the evolving market environment, capital flow data, and macroeconomic assumptions. See the Appendix for details about our forecasting methodology.

Private markets aren't going anywhere, but their operating environment is changing. Growth in the decade ahead is likely to be slower than in the era of falling rates and easy leverage, yet it should more closely reflect what private markets were built to deliver: returns grounded in disciplined underwriting and tangible value creation. Managers and allocators who build the capabilities to generate alpha without relying on macro tailwinds are likely to be best positioned for the next act in private markets.

Global private markets in 2030

Private capital AUM forecast ($T)



Source: PitchBook • Geography: Global
Note: Historical data does not include evergreen structures. "Evergreen" includes insurance AUM from Blackstone, KKR, Blue Owl Capital, The Carlyle Group, Ares Management, Apollo Global, and Brookfield. Forecasts were generated on April 17, 2026.

Our base case projects that global private market AUM will reach $26.7 trillion by the end of 2030, implying a 5.7% CAGR off the $20.3 trillion asset base in 2025. This trajectory reflects many of the same tailwinds we highlighted last year—a widening investor base, growing wealth and DC channels, and the normalization of new fund structures—yet we also consider a more lasting environment of higher capital costs, geopolitical headwinds, and dispersion in regional outcomes.

To reflect the inherent uncertainty in the outlook, our forecasting model incorporates a range of potential outcomes. Our upside case reflects a more robust global expansion, easier financial conditions, and an acceleration of capital formation that would push private markets to more than $34 trillion by the end of 2030. Our downside case reflects scenarios marked by renewed macro shocks, structurally tighter policy, and weaker distributions that constrain capital formation, keeping AUM largely flat at $21 trillion, barely up from where it is today.

Evergreen structures, which we separated from traditional drawdown funds for the first time in last year's forecasts, continue to grow in importance. Starting from an estimated $3.2 trillion in evergreen vehicles at the end of 2025, perpetual capital is now a central element of private market growth. We expect evergreen AUM to climb toward $5.2 trillion over the next five years, with credit and infrastructure strategies at the core. On the other hand, recent gated redemptions in certain vehicles have underscored that liquidity in semiliquid funds is conditional, which means allocators need to closely analyze fund structures, terms, and underlying asset quality.

Despite the attention surrounding evergreen structures, traditional drawdown vehicles still represent the bulk of assets under management. PE remains the largest strategy, forecast to reach $8.8 trillion by 2030, a 5.2% CAGR. PE dealmaking and exit activity rebounded in 2025, pointing to an improvement in the transaction stalemate and the potential release of distributions that can support a new fundraising cycle.

VC is a different story: Our base case does not assume material growth over the forecast period, but we have wider upside and downside bands to reflect the unusually high variability around AI-driven outcomes. Our base case sees VC AUM growing marginally to $3.9 trillion in 2030, up from $3.6 trillion today. In an upside case, successful AI investments could lift assets to

nearly $5.5 trillion. In a downside case, where AI fails to deliver promised value, VC assets could shrink to around $2.8 trillion.

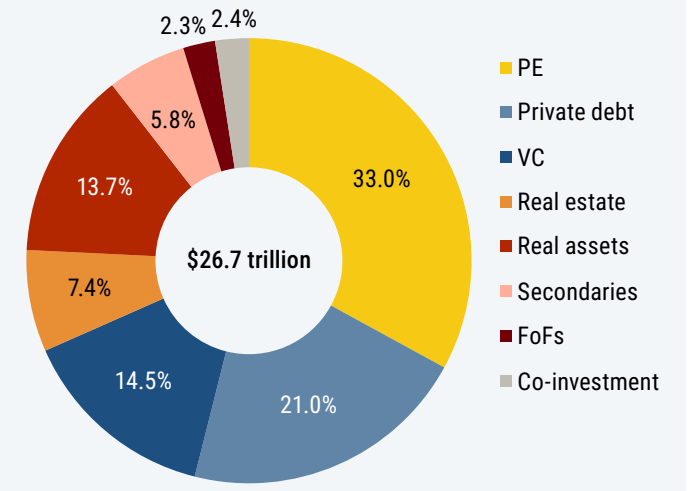
Real estate has yet to fully emerge from its slowdown. Although property valuations appeared to bottom in 2024, recent returns have not been strong enough to draw allocators back to the asset class in size. With fundraising still subdued, our base case assumes real estate AUM remains roughly flat over the next five years at around $2 trillion.

Real assets and private debt represent the more pronounced growth areas in our forecast. Real assets sit at the intersection of structural themes in energy security, digital infrastructure, and supply chain resilience, all of which translate into sustained demand for long dated capital. Private credit has faced turbulence around software borrowers and the early-2026 "SaaSpocalypse," but the disruption has so far meant repricing rather than systemic impairment. Demand for bespoke financing solutions and asset backed credit that can offer less correlated return streams should support continued expansion.

Secondaries are becoming a more consequential part of the ecosystem. The sluggish M&A and IPO markets have created a persistent need for liquidity, driving a record $120 billion of secondaries fundraising in 2025. Still, secondary dry powder of roughly $275 billion remains only a small fraction of total private markets AUM. In our prior analysis, we estimate that aggregate LP demand for PE distributions over the next few years will materially outstrip the market's current pace of realizations, and that demand will far surpass the current supply in the secondary universe.

As for our regional forecasts, US trade-policy volatility and conflict in the Middle East are reinforcing a tilt toward US isolationism, which could soften foreign appetite for US-domiciled assets and imply a lower ceiling on valuation multiples than in prior cycles. However, the US is still the anchor market. The depth of its institutional and retail investor base should continue to support private market fundraising,

Share of base-case private capital 2030 AUM forecast by fund strategy



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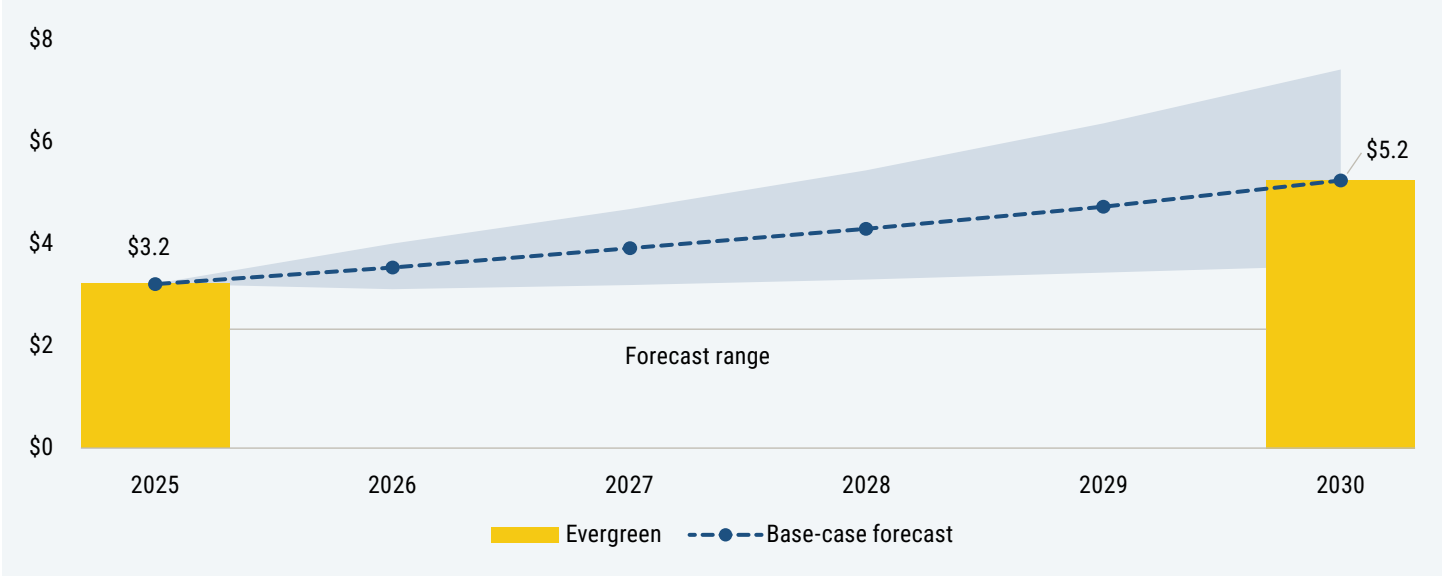
and we do not expect foreign investors to abandon US exposure altogether. In this context, we forecast North America AUM to still grow the fastest, from $12.4 trillion today to $17.6 trillion in 2030. In Europe, we see total assets rising from $4.1 trillion to $5.5 trillion on the back of fiscal stimulus, industrial and defense spending, and strong infrastructure and private credit fundraising. Asia remains the laggard in our outlook, as fundraising stays under pressure. It has been the only major region to see flat to declining AUM in recent years, with China-specific geopolitical frictions curtailing foreign investment. We forecast Asia AUM to dip to $2.9 trillion by the end of 2030, down from $3.2 trillion today.

In the sections that follow, we drill into these dynamics in more detail, beginning with the growth of evergreen capital and then turning to our forecasts by fund strategy.

Evergreens pull ahead

Evergreen fund AUM forecast ($T)



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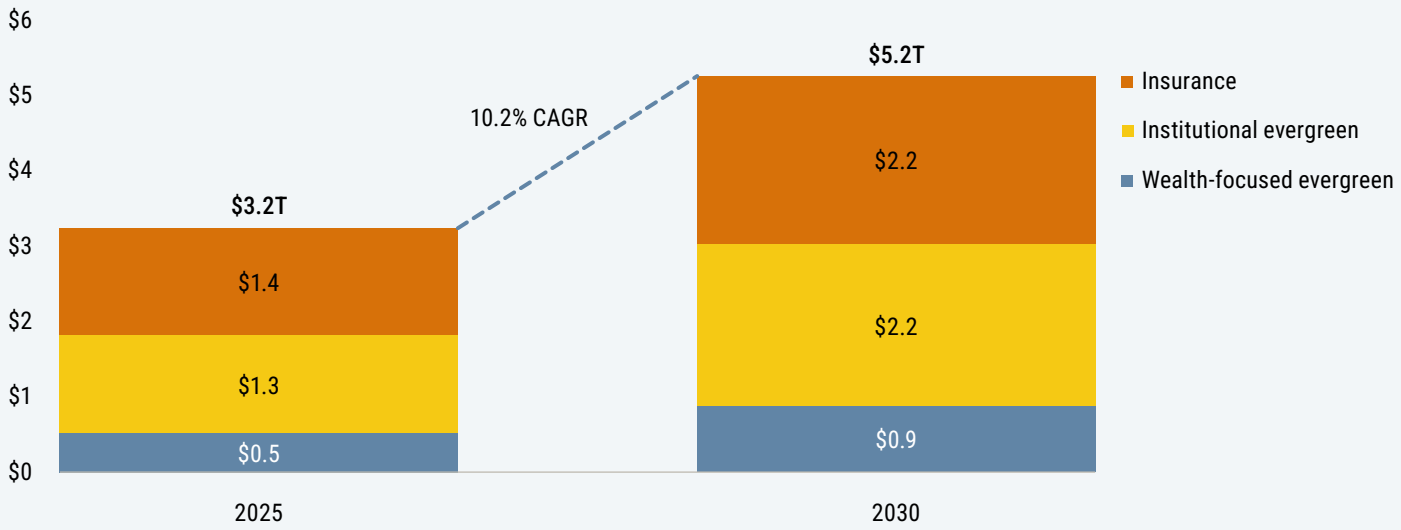
When we introduced evergreen as a separate forecasting category last year, it represented $2.7 trillion in AUM across various indefinite-life formats globally and was the fastest-growing component of the projections. This year, the same is true. Total evergreen AUM reached $3.2 trillion at the end of 2025, and we project a total of $5.2 trillion by 2030, a 10.2% CAGR that is nearly double our projected growth rate for overall private market AUM.

This faster growth does not suggest that evergreen vehicles have sidestepped the challenges facing traditional drawdown funds. Instead, it reflects their structural design, in which capital compounds rather than distributes, and the fact that key investor bases in wealth and insurance are still building allocations from a low starting point. Both tailwinds have natural limits, and our forecast range incorporates a wide set of paths for how evergreen growth could evolve from here.

Private debt continues to anchor the evergreen landscape. Its yield profile is a natural fit for open-ended structures, and demand from both wealth and insurance channels remains strong. Global private debt AUM in evergreen funds approached $2 trillion by the end of 2025 when inclusive of insurance-affiliated capital, with insurance balance sheets at the largest alternative managers serving as the dominant driver of accumulation. Apollo's Athene platform alone reached $584 billion in AUM, and the seven largest publicly listed alternative managers collectively managed nearly $1.4 trillion in insurance AUM. These figures are inherently conservative, as these estimates exclude insurers allocating directly to private credit outside GP-affiliated platforms. As insurance balance sheets continue to absorb directly originated credit, and wealth channel allocations build from a low base, we project evergreen private debt AUM to reach $3.0 trillion by 2030, a 9.5% CAGR that makes it the largest single contributor to evergreen growth in dollar terms.

Private equity is the fastest-growing evergreen substrategy in our forecast, projected to expand at roughly 20% annually off a relatively small base. US PE evergreen assets reached $250 billion in AUM at the end of 2025, with momentum in secondaries-focused vehicles that can seed a perpetual structure with mature assets rather than start from scratch. Product launches and wealth-channel partnerships from many of the major managers continue to expand the addressable opportunity, and the executive order expanding DC plan access

Base-case evergreen fund AUM forecast ($T) by fund focus



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to alternatives provides an additional source of support. The main kicker is that evergreen PE funds generally recycle realized proceeds rather than distribute them, allowing net asset value (NAV) to compound internally as portfolios mature and becoming a meaningful contributor to AUM growth independent of inflows.

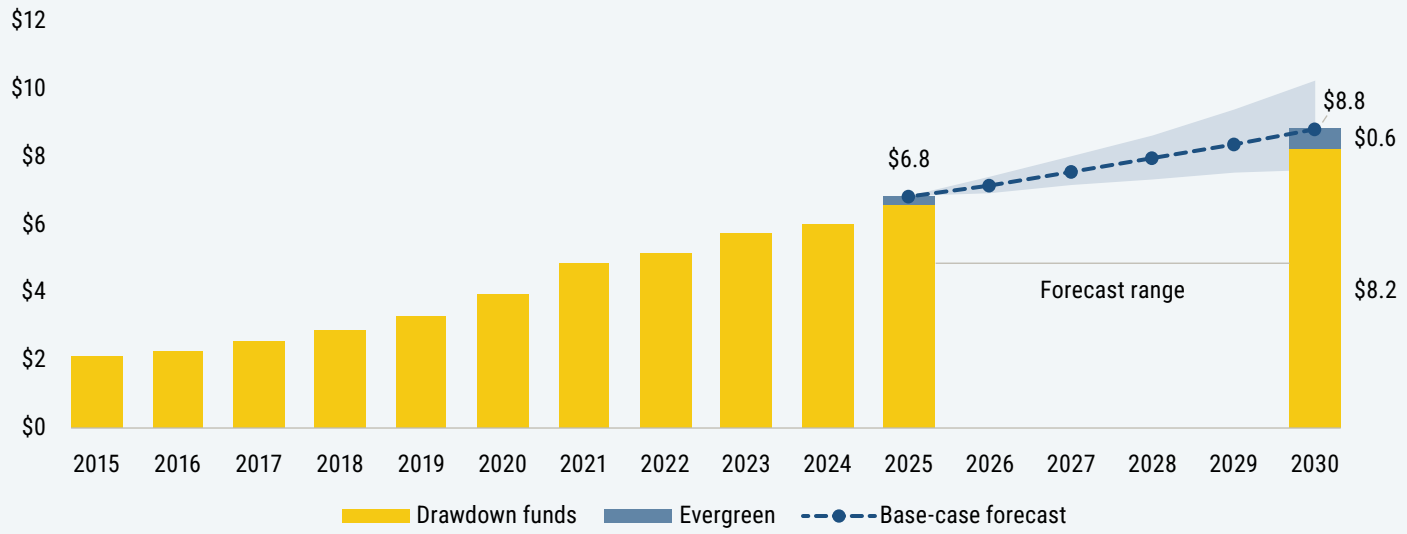
Evergreen real asset funds are drawing more attention as investors look for steady income and long-term exposure to digital and energy-transition infrastructure. These projects need large, ongoing pools of capital, so managers are using evergreen structures that can stay invested and keep raising money instead of winding down after a fixed term. Evergreen vehicles already account for $492 billion in AUM, and we expect that to rise to $1 trillion by the end of the decade. This growth also means investors need to look more carefully at how these funds handle liquidity, fees, and governance, since they do not offer the same clear start and end points as traditional closed-end funds.

Evergreen is no longer a sidecar to traditional drawdown funds but a core channel through which private markets are growing and compounding. From here, the key question is not whether evergreen will scale, but which strategies, structures, and investor segments are best positioned to use them efficiently.

Forecasts by fund strategy

PRIVATE EQUITY

PE AUM forecast ($T)

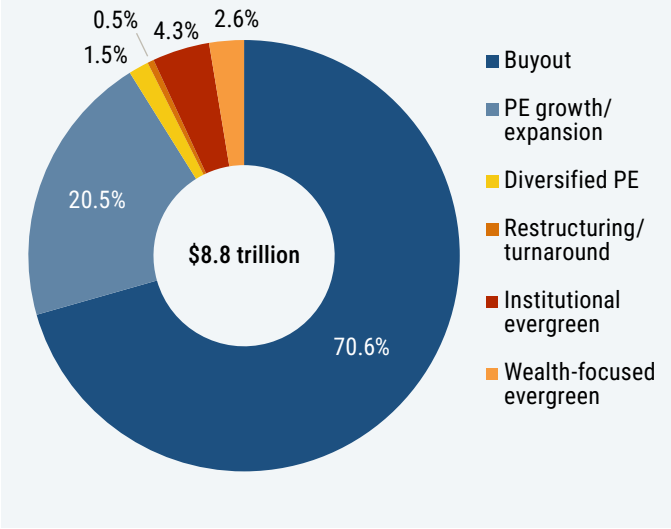


Source: PitchBook • Geography: Global
Note: Historical data does not include evergreen structures. Forecasts were generated on April 17, 2026.

By the end of 2030, we forecast global PE AUM to reach $8.8 trillion in our base case, with a plausible range of $7.6 trillion in our downside case to $10.2 trillion in our upside case.

Over the last decade, cheap leverage and market-driven multiple expansion were primary engines of PE returns. Under the recent higher-for-longer interest-rate regime, those engines have misfired, compressing returns and slowing fundraising—although signs of improvement are visible, and that momentum supports our forecasts. Deal activity rebounded sharply in 2025. The US PE market exceeded $1.2 trillion in deal value for only the second time in history, and megadeal value surpassed its prior peak. The headline strength masks a market that is top-heavy. Deal count climbed to 9,019, yet close to half of the total value was concentrated in roughly 150 megadeals. Exits followed the same pattern: count grew 17%, but mega-exits drove 78% of the value, above the prior five-year average of 57%.

Share of base-case 2030 PE AUM forecast by substrategy



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Buyout anchors the asset class, growing 4.5% annually to $6.2 trillion. Growth equity and expansion capital expands at a comparable pace to $1.8 trillion, supported by a widening opportunity set as companies stay private longer. Evergreen PE vehicles are the fastest-growing segment, as the strategy's tendency to recycle proceeds rather than distribute them creates strong compounding mechanics. Institutional and wealth-focused structures are projected to grow to a combined $0.6 trillion, more than doubling from their current $0.2 trillion. In our upside case, premised on a durable exit recovery and easier financial conditions, AUM trends toward the top of the $7.6 trillion to $10.2 trillion range, while a downside path of prolonged macro stress and compressed distributions would leave PE closer to the lower bound, roughly flat in real terms.

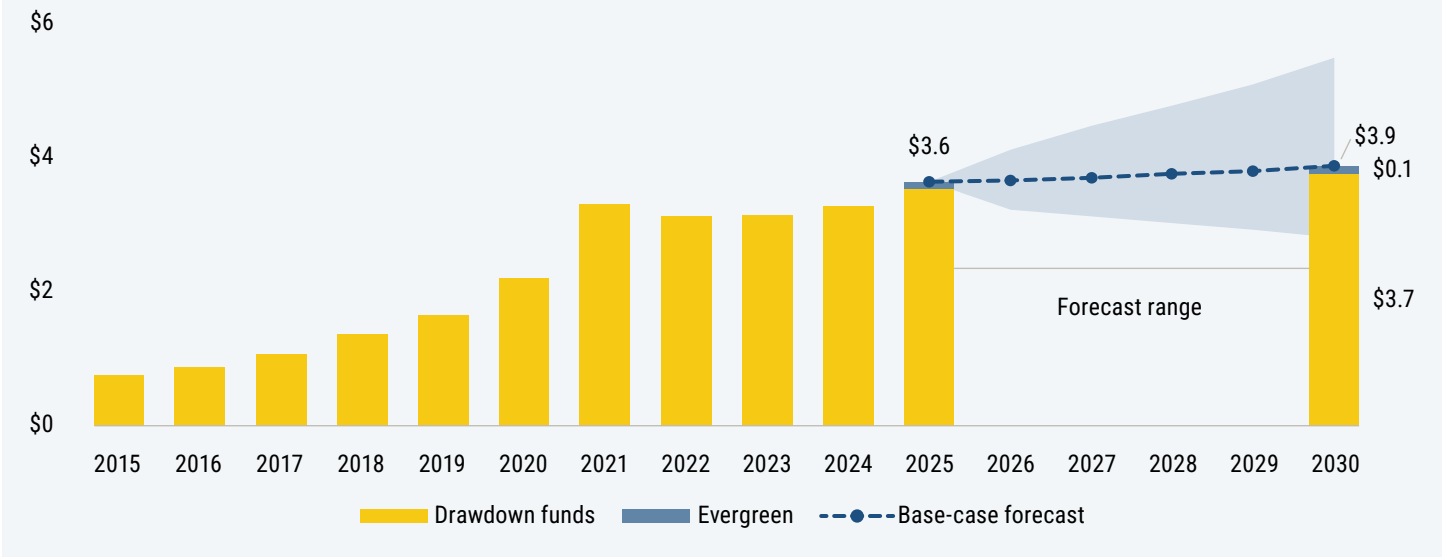
The most consequential near-term dynamic is the persistent shortfall in distributions relative to what LPs need and expect. Despite the rebound in dealmaking and exits, PE funds are returning capital well below historical rates, holding periods remain elevated, and the industry is sitting on a backlog of more than 13,000 portfolio companies and hundreds of billions of NAV locked in aging funds. This distribution drought directly constrains capital formation, as many allocators are waiting for realizations before recommitting, which in turn weighs on the outlook for new drawdown fund AUM.

One tailwind that could meaningfully broaden PE's capital base over the remainder of the decade is the opening of the DC retirement plans to private market strategies. With over $14 trillion in US defined contribution plans alone, even modest allocations would represent a meaningful new source of capital.[1] Major partnerships are already forming around this opportunity with several of the largest GPs developing products alongside retirement platforms and traditional asset managers. However, the near-term reality will be more measured than the headlines suggest. We expect the DC channel to contribute gradually but meaningfully to PE capital formation over this period.

Our base case depicts an asset class whose growth is less driven by macro tailwinds and more by the broadening of its capital base, the maturation of new fund formats, and the degree to which managers can demonstrate the operational alpha in a market where financial engineering no longer carries the weight it once did. The dispersion between top and bottom quartile outcomes is likely to widen further, and allocators who can underwrite that alpha will be the ones shaping the next cycle of PE.

VENTURE CAPITAL

VC AUM forecast ($T)



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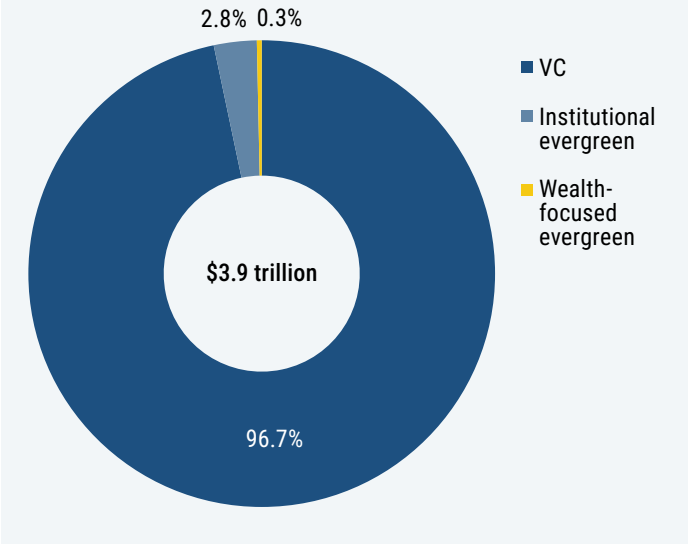
Note: Historical data does not include evergreen structures. Forecasts were generated on April 17, 2026. The range of outcomes represents the top and bottom decile of the forecast simulations.

Venture capital has been undergoing a significant reset over the past few years. Since the 2021 peak, the asset class has faced weak exit activity, historically low distribution yields, and sluggish fundraising, all of which have constrained the capital recycling engine that powered much of VC's prior decade of growth. With net cash flows to LPs negative since 2022 and fund formation falling to decade lows in 2025, the ecosystem has been operating in a capital-scarce, distribution-poor environment.

There are now early signs that this backdrop is starting to improve. Dealmaking rebounded meaningfully in 2025, with US VC deal value coming in only slightly below the 2021 peak, although, a disproportionate share of capital was concentrated in a handful of large AI-driven rounds. The exit market is also starting to heal and there is potential 2026 sees significant IPO action as some of the largest VC-backed companies—SpaceX, OpenAI, and Anthropic—eye public listings.

Our base case projects total VC AUM to reach approximately $3.9 trillion by 2030, up modestly from $3.6 trillion at the end of 2025, implying a modest CAGR of 1.3%. While our base case has VC AUM roughly flat, the range of outcomes for VC

Share of base-case 2030 VC AUM forecast by substrategy



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asset growth is much wider than for other strategies. In our upside scenario, in which exit activity accelerates and today's elevated AI-driven NAV is both realized through distributions and continues to grow, AUM reaches about $5.5 trillion. In our downside scenario, where valuations reset lower and fundraising stays constrained, AUM could fall toward $2.8 trillion. The wider set of potential outcomes reflects the incredible uncertainty in VC due to the concentration in AI. In our forecasting framework we define the upside and downside scenarios at the twenty-fifth and seventy-fifth percentiles, but due to a handful of names dominating the in-ground VC landscape we believe there is reason to widen of these bounds to the tenth and ninetieth percentiles.

Evergreen structures remain a small part of the VC landscape. Unlike in PE or private credit, where evergreen vehicles are rapidly scaling, VC's return profile and liquidity characteristics have made it a tougher fit for semiliquid wrappers. We estimate approximately $100 billion in evergreen VC AUM at the end of 2025, reaching $120 billion by 2030.

The future of VC is largely tethered to the outcomes of AI. In 2025, the 10 largest VC deals alone accounted for nearly 30% of total capital invested, with AI consuming 65% of deal value. That concentration continued to deepen into 2026 as OpenAI raised a $110 billion round, equivalent to roughly a third of all US VC deal value in 2025. The marks supporting much of VC's aggregate NAV are set by rounds in a narrow set of AI leaders. This has effectively split the market into two ecosystems: AI-related "haves" that command the most incremental dollars and drive NAV growth, and a broad base of non-AI "have-nots" competing for the remaining capital on far tougher terms.

Just as investment is being concentrated in a handful of companies, the VC manager landscape is undergoing its own bifurcation, with a handful of large, multistage platforms determining which companies can scale. At the end of 2025, VC funds that raised $500 million or more accounted for just 6.7% of fund closings over the prior four years but represent more than half of available dry powder. These managers not only dominate access to large rounds and set pricing in megadeals, but also confer valuable halo benefits such as hiring support, executive coaching, and strategic guidance which reinforces their ability to pick and sustain category leaders at every stage.

This concentration at both the company and fund level potentially adds fragility to the ecosystem: if a small cohort of AI leaders or a handful of large managers stumbles, the impact on marks, fundraising, and LP sentiment can be abrupt and system-wide. VC's growing dependence on these platforms to repeatedly refinance the "winners" also increases portfolio correlation and raises the risk that disappointment in a few crowded trades triggers a broader pullback in commitments.

If AI leaders successfully convert today's paper gains into durable cash returns, VC could reaccelerate from a much stronger base. If they struggle, the combination of concentrated NAV, aging portfolios, and continued pressure on LP cash flows leaves the asset class exposed to a sharper and more prolonged reset than most other private strategies.

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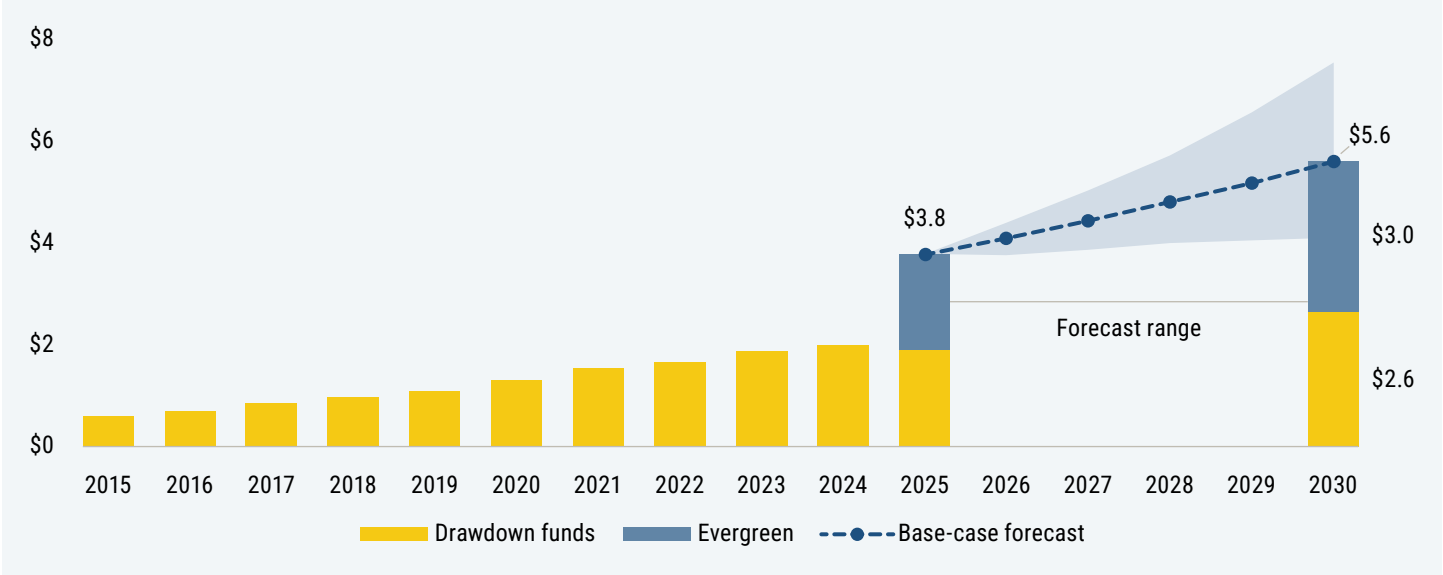
PRIVATE DEBT

Private debt AUM forecast ($T)



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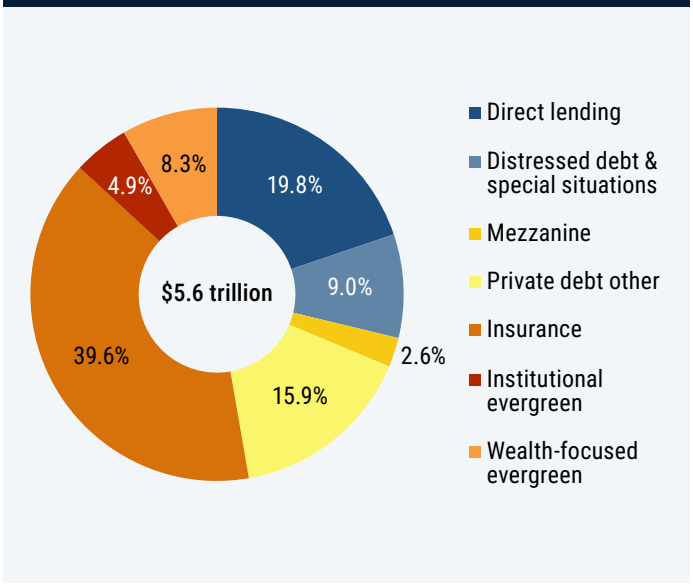
Private debt's rise from niche financing strategy to institutional cornerstone is one of the defining private market stories of the post-GFC era. What was largely confined to direct lending to middle-market companies has since evolved into a multitrillion-dollar asset class spanning a much broader opportunity set than traditional sponsor-backed loans. The 2022 to 2024 period was as close to a golden era for private credit lenders as the modern market has seen. Rapid Fed tightening pushed all-in yields on B-rated leveraged loans toward 12%, while default rates were historically low and credit spreads compressed toward decade-tight levels. Although those conditions are unlikely to be repeated in the near-term, we still expect strong private credit AUM growth from here. The expanding opportunity set beyond sponsored LBOs, the ongoing appeal of floating-rate income in a higher-for-longer rate environment, and the reality that companies are staying private for longer are all supporting consistent inflows into the strategy.

We forecast global closed-end drawdown private debt AUM to reach $2.6 trillion by the end of 2030, an annual growth rate of 6.9%, under a base case of steady deployment, moderate fund-raising growth, and a benign default environment.

Share of base-case 2030 private debt AUM forecast by substrategy



Source: PitchBook • Geography: Global
Note: "Insurance" includes insurance AUM from Blackstone, KKR, Blue Owl Capital, The Carlyle Group, Ares Management, Apollo Global, and Brookfield. "Private debt other" includes our general debt category, real estate debt, infrastructure debt, venture debt, and bridge financing. Forecasts were generated on April 17, 2026.

The range of forecast outcomes is wide, with an upside scenario potentially reaching approximately $7.6 trillion and a downside scenario projecting more marginal growth to $4.1 trillion. Evergreen funds are forecast to grow from $1.9 trillion to $3 trillion by the end of 2030, an annual growth rate of more than 9% as retail investors and allocators both seek scalable, income-oriented solutions that can be integrated into strategic portfolio allocations rather than treated purely as vintage-year commitments.

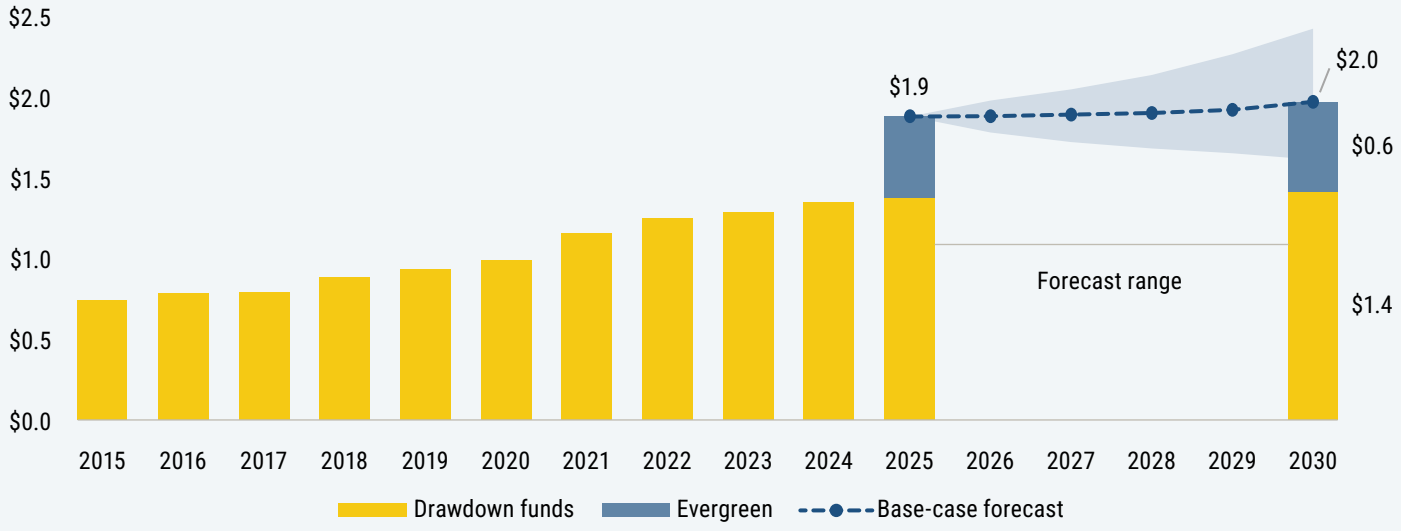
Direct lending, the largest private debt substrategy, is forecast to grow at nearly 10% annually and reach $1.1 trillion over the next five years. However, direct lending fortunes remain tied to PE dealmaking. Deployment accelerated alongside the take-private rebound of 2025 and general improvements in PE dealmaking activity are supporting new originations for private lenders. Yet this dependence on sponsor activity has managers and allocators widening their aperture in search of incremental spread and diversification. Alternative credit and asset-based finance strategies in areas like residential mortgages, specialty finance, and commercial real estate each offer differentiated risk and return profiles that are less correlated with LBO volumes and align with the needs of large balance-sheet investors.

The evergreen channel warrants particular attention. Recent redemption headlines about withdrawal requests across several large non-traded business development companies (BDCs) have drawn scrutiny and brought to light the true meaning of "semiliquid" when markets are stressed. Near-term flows are likely to remain sensitive to news stories and fund-level performance, but the demand drivers in this space appear intact. We project retail allocations to private credit evergreen structures will add around $200 billion in the next five years as product innovation expands the retail access point.

From evergreen retail capital, it is a short step to insurance balance sheets, which is the other major growth apparatus for private credit. The typical insurer allocates just over 6% of assets to alternatives, compared with closer to 20% within the affiliated insurance platforms of the largest alternative managers. This suggests there is the chance of a multitrillion-dollar "rotation gap" if the broader insurance allocations to private credit converge toward 20%. Insurers' long-duration liabilities and predictable premium inflows align naturally with the cash-flow profiles of private credit, particularly higher-quality infrastructure debt and asset-based finance strategies that can deliver stable, contracted income and favorable capital treatment. As insurers deepen their exposure to these areas, we expect them to become an increasingly important source of patient, programmatic demand across the private credit spectrum.

REAL ESTATE

Real estate AUM forecast ($T)

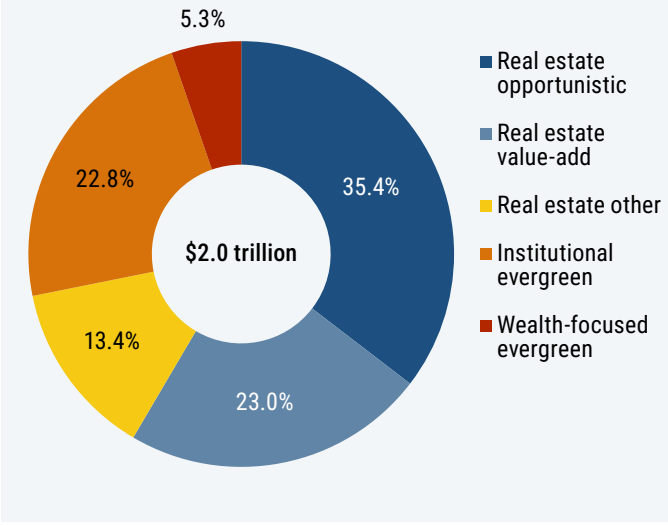


Source: PitchBook • Geography: Global
Note: Historical data does not include evergreen structures. Forecasts were generated on April 17, 2026.

Private real estate has underperformed every other major private capital strategy over the past five years, weighed down by rate-driven valuation resets and fragile fundamentals in core sectors such as office and multifamily. This performance backdrop has contributed to materially weaker fundraising, which remains well below the prior-cycle peak. Inflows are likely to stay volatile given the strategy's tendency to market large vehicles less frequently. Without a clear path to lower rates, the asset class is caught in a chicken-and-egg dynamic in which disappointing returns have dampened LP appetite, yet a sustained improvement in returns is ultimately required to re-anchor commitments and stabilize AUM.

In our base case, we forecast real estate AUM to remain largely flat over the next five years, edging upward from $1.9 trillion to $2.0 trillion. That near-zero growth reflects persistent pressure on both sides of the ledger: Drawdown fundraising remains subdued, and evergreen fund flows have not scaled fast enough to compensate. Incremental growth is expected to come primarily from private evergreen wrappers, although the asset class's recent track record in these structures has complicated the pitch. The Morningstar PitchBook US Private

Share of base-case 2030 real estate AUM forecast by substrategy



Source: PitchBook • Geography: Global
Note: "Real estate other" includes our general real estate category, real estate core, real estate core plus, and real estate distressed. Forecasts were generated on April 17, 2026.

Real Estate Evergreen Fund Index trailed its public benchmark by roughly 300 basis points annualized over the three years ending January 2026.

Our upside case for real estate AUM growth envisions a more forceful recovery. If early-cycle deals struck during the downturn begin to produce meaningful returns, capital could re-enter the market faster than expected. We could see inflows and deployment pushing total AUM to $2.4 trillion. In contrast, our downside scenario sees AUM contracting toward $1.6 trillion, particularly if rates remain elevated, inflation proves sticky, or the asset class continues to lose ground to alternatives offering comparable or better risk-adjusted returns at lower complexity, such as private credit and infrastructure.

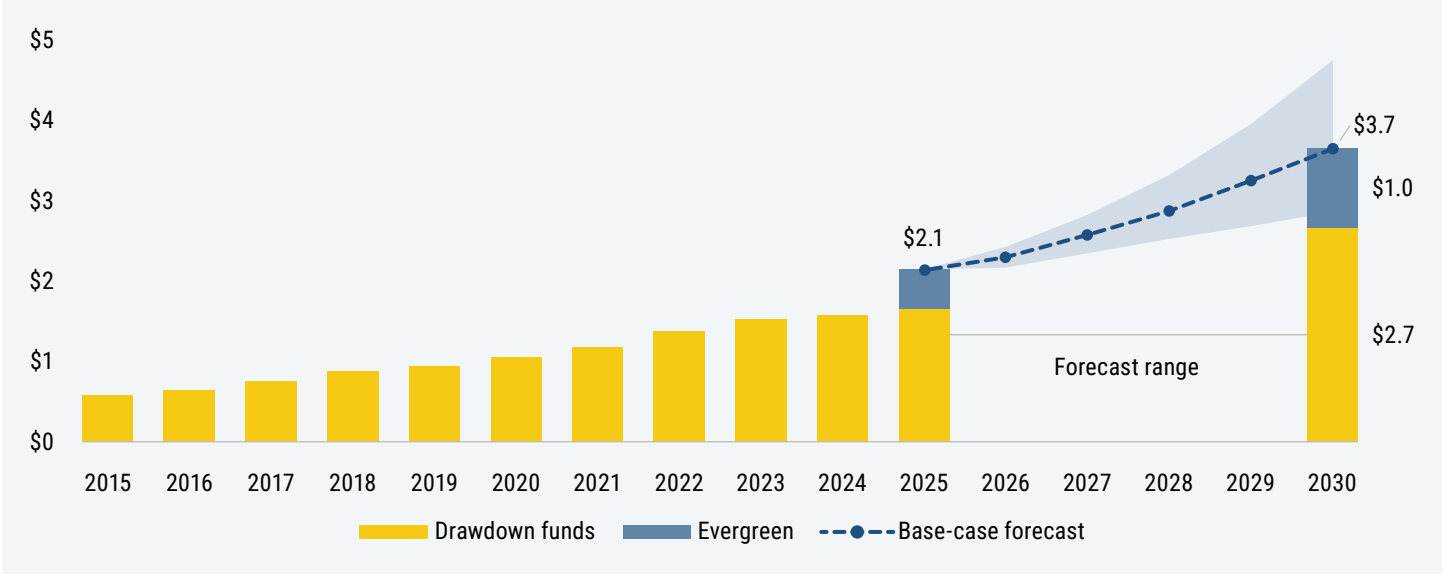
The distribution drag we see in other areas of private markets is even more acute in real estate. From 2022 through 2025, annual distribution rates fell to roughly 16% of NAV, well below the historical norm of 25%, a decline that has impaired LPs' ability to recycle capital into successor funds. By mid-2025 dry powder dropped to $400 billion, down more than $50 billion from 2023's peak and marked the first YoY decline since 2012. The Carlyle Group characterized 2025 as one of the most challenging real estate fundraising environments in memory. Until realizations recover to something closer to historical norms, new commitment activity is likely to remain suppressed.

Pinpointing where real estate AUM will sit in five years is made more challenging given that portfolios are transitioning from office-centric exposures to a more diversified allocation spanning residential, logistics, and datacenters. Datacenter development has emerged as a particularly attractive growth segment, drawing capital for greenfield construction that can later be sold to operators or infrastructure-focused funds. This push into datacenters has been blurring the traditional boundary between real estate and real assets. Across these property types, the common requirement is that value creation will need to come from operational capabilities—development, leasing, and asset management—rather than from the cap-rate compression that underpinned returns in the prior cycle.

Real estate across the latter half of this decade may be in a holding pattern. Weak capital formation has extended a fundraising drought, and while appetite improved at the margins throughout 2025, the recovery has been tentative. Mechanics for a turnaround are straightforward enough: Improving distributions can restart the flywheel, supporting new commitments, in turn funding deployment back into a market with refreshed pricing. But each link in that chain depends on the one before it, and at the top link, realizations remain a binding constraint. Patient capital with a strong underwriting edge may find compelling entry points in this environment, but broad-based momentum will require more than a few quarters of stabilization to take hold.

REAL ASSETS

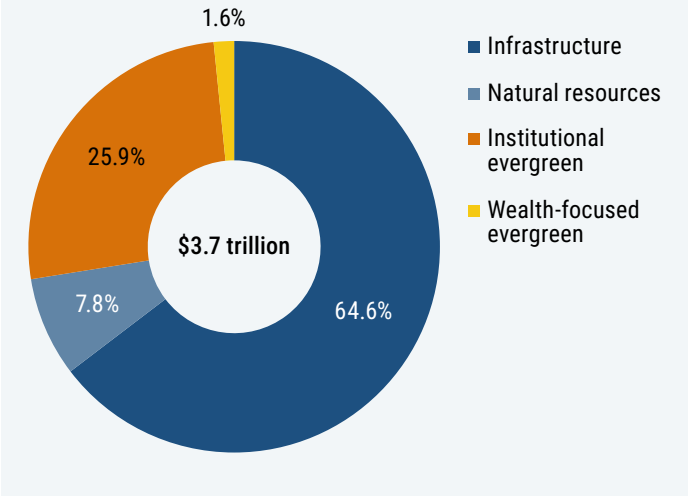
Real assets AUM forecast ($T)



Source: PitchBook • Geography: Global
Note: Historical data does not include evergreen structures. Forecasts were generated on April 17, 2026.

Real assets are quickly becoming the darling of private markets. The convergence of AI-driven compute demand, a global energy system in transition, and the fragmentation of trade networks has created an environment where infrastructure is a force multiplier on economic growth. Datacenters have emerged as the defining infrastructure asset of this cycle, with the IEA projecting global datacenter electricity consumption to double by 2030, growing more than four times faster than all other sectors combined. This surge in power demand extends beyond AI: The adoption of electric vehicles and onshoring of advanced manufacturing are contributing to the strongest acceleration in power consumption in over two decades. A McKinsey-conducted survey of approximately 300 global LPs in 2025 found that 51% plan to raise their infrastructure allocations over the next three years; among sovereign wealth funds, insurers, and family offices, that figure jumped ten points compared with the 2024 survey.[2]

Share of base-case 2030 real assets AUM forecast by substrategy



Source: PitchBook • Geography: Global
Note: Forecasts were generated on April 17, 2026.

The fundraising data in 2025 left little ambiguity about this conviction. Private real asset funds raised a record $206.6 billion globally, surpassing the prior peak by more than $30 billion, with infrastructure capturing nearly all the commitments. Energy transition strategies not only raised

their largest sum ever but were also present in some capacity in more than 90% of infrastructure funds. Evergreen structures are also gaining traction in real assets, with approximately $492 billion in indefinite-life AUM at the end of 2025, predominantly in institutional-focused vehicles. Infrastructure's long-duration income profile makes it a natural fit for these formats, and we expect institutional evergreen to be one of the faster-growing components of real assets AUM over the forecast horizon.

With a record fundraising year in hand and broad positive consensus around the asset class's trajectory, the growth outlook has materially shifted upward. Our base case projects AUM reaching $3.7 trillion by 2030, implying an 11.3% CAGR, above historical trends but consistent with the apparent demand environment and record fundraising. The upside case envisions $4.7 trillion at a 17.3% CAGR, necessitating support from compounding forces: surging energy demand and an estimated $6.7 trillion in datacenter investment needed.[3] The downside case projects $2.9 trillion at a 6% CAGR, representing a slight deceleration from the recent pace. This scenario accounts for prolonged geopolitical disruption, digital infrastructure saturation, or underwhelming returns that damp down capital flows into successor funds.

Natural resources are likely to remain a modest contributor to overall AUM growth, even as the fundamental case for the strategy strengthens. Oil and gas funds captured just 4.3% of real assets commitments in 2025, continuing a multiyear trend of withdrawal from the commodity-linked strategy that has left the substrategy well below its historical share of fundraising. Years of industry underinvestment were becoming apparent before the Iran conflict, and disruption to oil and gas benchmarks has accelerated that recognition. The disruption reinforces the case for capital deployment across the energy value chain. Onshoring and the broader realignment of global trade have the potential to add a further tailwind. As supply chains and manufacturing onshore, the demand for energy and input resources will rise in parallel. Even so, translating this thesis into AUM growth will take time, and we expect natural resources to remain a very modest contributor to the aggregate real asset trajectory.

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Private capital AUM forecasts ($T)

		2030E		
	2025	Bad case	Base case	Good case
Private equity	**$6.8**	**$7.6**	**$8.8**	**$10.2**
Buyout	$5.0	$5.4	$6.2	$7.1
PE growth/expansion	$1.5	$1.6	$1.8	$2.1
PE other	$0.1	$0.2	$0.2	$0.2
Institutional evergreen	$0.2	$0.3	$0.4	$0.5
Wealth-focused evergreen	$0.1	$0.2	$0.2	$0.3
Venture capital	**$3.6**	**$2.8**	**$3.9**	**$5.5**
VC drawdown	$3.5	$2.7	$3.7	$5.2
Institutional evergreen	$0.1	$0.0	$0.1	$0.2
Wealth-focused evergreen	$0.0	$0.0	$0.0	$0.0
Private debt	**$3.8**	**$4.1**	**$5.6**	**$7.6**
Direct lending	$0.7	$0.9	$1.1	$1.4
Distressed debt & special situations	$0.5	$0.4	$0.5	$0.6
Mezzanine	$0.2	$0.1	$0.1	$0.2
Private debt other	$0.5	$0.7	$0.9	$1.1
Insurance	$1.4	$1.5	$2.2	$3.2
Institutional evergreen	$0.2	$0.2	$0.3	$0.4
Wealth-focused evergreen	$0.3	$0.3	$0.5	$0.7
Real assets	**$2.1**	**$2.9**	**$3.7**	**$4.7**
Infrastructure	$1.4	$2.0	$2.4	$2.9
Natural resources	$0.2	$0.2	$0.3	$0.4
Institutional evergreen	$0.5	$0.6	$0.9	$1.4
Wealth-focused evergreen	$0.0	$0.0	$0.1	$0.1
Real estate	**$1.9**	**$1.6**	**$2.0**	**$2.4**
Real estate opportunistic	$0.7	$0.6	$0.7	$0.8
Real estate value-add	$0.5	$0.4	$0.5	$0.5
Real estate other	$0.3	$0.2	$0.3	$0.3
Institutional evergreen	$0.4	$0.3	$0.5	$0.6
Wealth-focused evergreen	$0.1	$0.1	$0.1	$0.1
Funds of funds	**$0.9**	**$0.6**	**$0.6**	**$0.7**
Secondaries	**$0.7**	**$1.1**	**$1.5**	**$2.2**
Co-investment	**$0.4**	**$0.5**	**$0.7**	**$0.9**

Source: PitchBook • Geography: Global

Note: "Private debt other" includes our general debt category, real estate debt, infrastructure debt, venture debt, and bridge financing. "Real estate other" includes our general real estate category, real estate core, real estate core plus, and real estate distressed. The bad case represents the bottom quartile of simulation outcomes, while the good case represents the top quartile. For VC, the bad and good cases instead correspond to the bottom and top deciles of forecast simulations, respectively. Forecasts were generated on April 17, 2026.

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Appendix: Methodology

Our drawdown fund AUM forecasting methodology employs a variation of the Takahashi-Alexander (TA) cash-flow model,[4] capturing the interplay between dry powder held by private fund managers and the projected NAV trajectory of each vintage over the forecast horizon. Additionally, we apply a flexible linear trend analysis on historical fundraising data to inform our assumptions about future fundraising conditions. A distribution yield component reflects realized returns to LPs, which are subsequently redeployed into future fund commitments. Distributions derived from the TA model inform the distribution yield estimates, creating a feedback loop with the fundraising model. This integrated approach ensures alignment between cash flows, NAV projections, and fundraising forecasts.

Our forecasting methodology directly incorporates uncertainty into our inputs, allowing us to generate a wider range of potential AUM growth trajectories. By adopting a probabilistic framework utilizing Monte Carlo simulation and defined input distributions, we now simulate thousands of scenarios and associated AUM growth profiles. In short, we can produce 1,000 scenarios, each with a different assumption related to yearly return, fundraising growth, capital call pace, and distribution speed. The interactions among our input distributions produce a significantly wider spectrum of possible outcomes. As before, we highlight the base, downside, and upside scenarios; however, this time, the downside scenario reflects the bottom quartile, while the upside scenario corresponds to the top quartile of projected AUM growth.

To estimate future growth in private capital AUM, we utilize several frameworks, breaking down our process into four core components:

1. Historical NAV and dry powder estimation
2. Modified TA model for forecast cash flows and NAVs
3. Fundraising forecasts
4. Evergreen funds

Historical NAV and dry powder estimation

Our historical NAV and dry powder reported figures are determined by analyzing known cash flow and NAV figures from funds that we gather data on. We extrapolate the average pace of capital calls, distributions, and NAV growth to similar funds based on fund type and vintage year.

For example, if the 2018 vintage year has 50 funds with known cumulative capital calls, we will take the average called down as a percentage of each fund's capital raised. We will use that percentage and apply it to the fund sizes of funds with unknown capital call rates in the same 2018 vintage year within the same fund strategy grouping. This provides an aggregate estimate for the remaining dry powder for that vintage year's fund category. We will combine that figure with estimates from other vintage years at each time period to reach our overall estimates for remaining capital overhang. The same methodology applies to estimating aggregate NAVs.

Due to data-reporting lags, cash flow, dry powder, and NAV figures for 2025 are not yet finalized. Therefore, we have estimated full-year 2025 figures by extrapolating the most recently available capital call rates, distribution rates, and NAV growth rates through year-end to provide more accurate estimates of dry powder and NAV levels.

Modified TA model for forecast cash flows and NAVs

Our funds dataset provides insights into the growth of historical NAVs and dry powder, but we utilize a known industry framework for cash flow modeling to estimate what the future may hold. The TA model is an intuitive, formulaically driven estimation for the cash flow and NAV profile of private, closed-end funds. We employ this framework by treating each aggregate vintage year of funds as a single "fund" for modeling purposes. We take the known and extrapolated ending NAVs and dry powder for each vintage year and model the rest of the funds' lives using the TA framework.

Several key assumptions underpin our forecasts, including yearly returns, capital call rates by years since inception, and a bow factor that shapes the distribution curve. Fundraising growth, another critical input, is discussed separately in the following section. We leverage our robust dataset on these assumptions and apply a kernel density estimation (KDE) approach to model probability distributions for both yearly returns and capital calls.

Take yearly returns as an example. From the yearly return distribution profile, we draw 1,000 returns to be paired with the 1,000 Monte Carlo simulation runs. While most of the yearly return draws will cluster around the median, this approach allows us to capture the full spectrum of potential outcomes, including

scenarios with exceptionally strong or weak performance. Each year of our forecast is independent of the previous, meaning the return is stochastic; however, within each forecast year we ensure correlation across fund strategy returns. This process is repeated for capital calls by years since inception.

The following chart provides an illustration of a KDE applied to VC returns. While the preponderance of the simulation draws center around 10% to 20%, there remains a meaningful, albeit smaller, probability of introducing significant negative or positive returns into the simulations.

The bow factor assumption differs from the other inputs in that it does not follow a probability distribution but instead directly depends on the return assumption. A higher bow factor indicates a slower pace of distributions. We assume that strong positive returns correspond to quicker distributions (lower bow factor), while negative returns correspond to slower distributions (higher bow factor). Therefore, we assign an appropriate bow factor to each of the 1,000 return draws based on the respective returns.

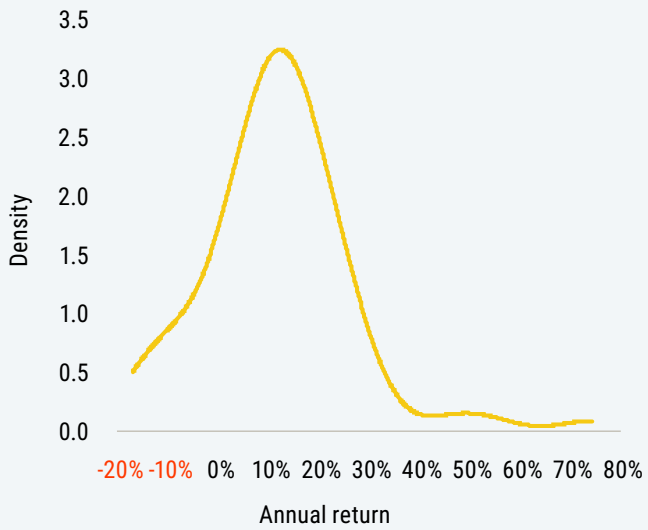
Each vintage year has an assumed lifespan of 18 years, with an adjustment made if there is still some remaining NAV in a vintage year that has already passed the 18-year mark. That means that the 2018 vintage, which at the end of 2025 is eight years old, would have 10 years of remaining life before full liquidation is assumed. For the 2005 vintage, which has already passed 18 years in age, any remaining NAV is assumed to liquidate over the following year.

Fundraising forecasts

Since we are modeling AUM of closed-end funds several years into the future, fundraising plays an important role in the overall forecasting model. Fundraising captures two components of the AUM growth process. The first is the capital-recycling component, which accounts for capital being returned from mature funds and invested back into new funds. The second component captures new capital coming in. An investor building an allocation to private markets from scratch or an investor increasing an existing private market allocation are examples of new capital.

The foundation of our fundraising forecasts is a flexible linear trend model that was fit to quarterly data from 2004 to 2025. Rather than simply taking a full-period growth rate or manually specifying a look-back window, the model has built-in trend change-point detection, which allows the trend growth rate to

KDE of VC one-year returns



Source: PitchBook • Geography: Global
Note: For illustrative purposes only.

be automatically updated as the data changes. Although this model is simplistic, a linear growth rate is a reasonable starting assumption based on the historical fundraising data across strategies and regions. Additionally, a linear model is suitable for long-term forecasting because it is easy to extrapolate the forecasts well into the future without having to make additional assumptions.

The linear growth rate for a particular strategy can be thought of as a steady-state growth rate that combines new capital growth and capital recycling when distributions are at average levels. We compared distribution estimates to beginning NAV to calculate a distribution yield. To incorporate the cyclical component of capital recycling, we included the trailing four-quarter distribution yield as a regressor to the base model. The new model has a regressor coefficient that has a multiplicative effect on the trend. For example, if a strategy had a normalized distribution yield of 1.0 and a coefficient of 0.25, the fundraising forecast for the next quarter would be 25% above the trend. As expected, we found that when trailing distributions were above average, subsequent fundraising (in dollar terms) tended to be above average, and vice versa. While adding the distribution yield as a regressor significantly improved out-of-sample forecast accuracy, the more important benefit is that it explicitly ties the fundraising forecasts to the main cash flow model described earlier. When the performance assumptions change, this leads to changes

in the distribution forecasts, which in turn will cause changes in the fundraising forecasts. Consistent with expectations, in good economic scenarios with strong returns and distributions, fundraising forecasts will be upgraded; in bad economic scenarios with weak returns and distributions, fundraising forecasts will be downgraded.

The model described earlier provides a starting point for the fundraising growth rate. To generate a probability distribution for fundraising growth, we compare historical trend-level annual growth from the model with actual fundraising growth over a forward-looking five-year period. This comparison reveals the dispersion of actual outcomes around the trend, helping us quantify the uncertainty. The differences between the trend and observed growth inform the probability distribution around our initial fundraising growth estimate.

Evergreen funds

Currently, our database does not include historical AUM held in evergreen funds, so estimates of trend growth in assets were created by adjusting and applying our assumptions for drawdown funds. Our estimates for private-wealth-focused funds were divided by structure and underlying primary strategy (credit, VC, real estate, and so on), and the fundraising growth simulations were adjusted upward by five to 10 percentage points compared with their drawdown fund counterparts, with the exception of real estate. Returns simulated across drawdown funds were given a haircut of 25% and applied to the evergreen structures to reflect relatively narrower expected return bands.

Substrategy share calculations

Our forecasting process operates at the fund strategy and regional levels. We do not project AUM growth for individual substrategies in isolation. Instead, we analyze historical trends in the substrategy composition within each fund strategy and extrapolate those trends over the five-year forecast horizon to estimate future share by substrategy.

Additional assumptions

While our forecasting methodology is highly quantitative, we incorporate manual adjustments to better align the outputs with our broader market perspective. The most significant of these is a broad downward adjustment to returns and fundraising in 2025, reflecting heightened uncertainty stemming from recent policy actions. Additional adjustments include modifications to specific fund strategies, particularly real estate and real assets, where fundraising tends to vary significantly YoY due to a few large, infrequent megafunds.

Additionally, data collection in private markets is subject to reporting lags, and we expect fundraising figures for recent years to be revised upward as fund closings are finalized and reported. Historical analysis of our fundraising dataset shows that fundraising values typically increase by 20% to 45% within two years of the initial reporting, depending on the strategy. To more accurately reflect the likely actual fundraising totals for 2025, we adjusted our reported figures upward. This adjustment directly impacts the baseline fundraising-trend-growth assumptions. We further refined the starting points for fundraising trend growth to ensure they more accurately reflect current market dynamics.

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5: We chose 18 years despite the "10+2" rule of thumb for closed-end fund lives because, while many funds do liquidate after 12 years, our data suggests that a handful of funds from each vintage year will continue well past the prototypical fund term.

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