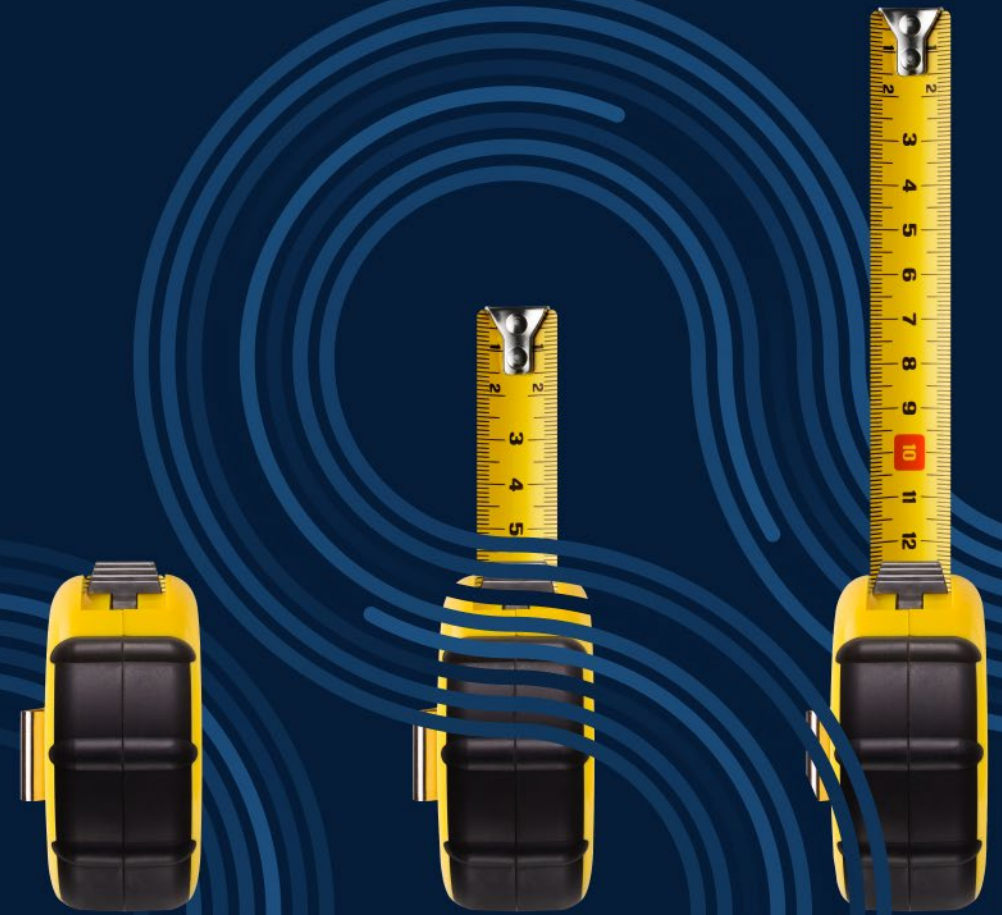




Fund Performance Report

Q2
2025

with preliminary
Q3 2025 data





Introduction

The lagged nature of private capital's performance reporting means that we are just now providing final figures for the second quarter of 2025. It feels much longer ago at this point, but it was just on April 2, 2025, when President Donald Trump's "Liberation Day" tariff announcements sent global markets into a tailspin. The tariff shock sparked concerns about renewed inflationary pressures, snarled supply chains, and raised fears of a slowdown in economic growth. Despite heightened uncertainty, public equity markets proved resilient, recovering losses within about a month and continuing to rise steadily for the remainder of the year. However, investor sentiment is still uneasy amid several unresolved geopolitical flashpoints, fears of an AI asset bubble, potential cracks in private credit, stubborn inflation, and labor market concerns.

For private capital, short-term market movements are not reflected in real time but may influence allocators' views and future net asset value (NAV) determinations. Although investor sentiment remains fragile, there have been some encouraging signs for private markets. PE and VC dealmaking accelerated in the closing quarters of 2025. This recovery bodes well for distributions to LPs, which remain challenged and below long-term averages across most private capital strategies.

Recent post-pandemic headwinds have meant near-term returns are trailing long-run averages. More specifically, interest rate sensitivity has significantly impacted real estate's three-year annualized returns, which are well below the 10-year horizon. Expectations of further rate cuts lowering the cost of capital would support a recovery there and for PE and VC as well. Private debt has enjoyed a so-called "golden age" with compelling performance and strong fundraising. Lower interest rates are not automatically a negative factor for floating-rate lending. Spread compression and a lower-rate environment may moderate private debt returns in absolute terms.

In this report, we briefly highlight our US Evergreen Fund Indexes. Developed jointly with Morningstar, this index suite covers the universe of evergreen funds across the same private capital strategies as our drawdown funds datasets. As evergreen fund assets continue to grow, tracking their performance augments visibility across the private capital ecosystem.

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Key takeaways

- **Performance overview:** Near-term horizon IRRs continue to lag long-run averages, which may provide hope for an eventual reversion to the mean—or may be indicative of a new regime of lower returns for private market strategies. Rising interest rates have weighed on asset valuations and led to poor returns. On a risk-adjusted basis, the long-term track record of buyout strategies looks attractive ([pages 5, 9, and 12](#)).
- **Performance overview:** Evergreen funds have taken the market by storm, amassing almost \$500 billion in US funds alone (as of September 2025). As a result, the evergreen universe is becoming an important piece of the private capital markets. Benchmark development by PitchBook and Morningstar offers investors a suite of indexes to track performance and inform decision-making ([page 13](#)).
- **Private equity:** Private equity continues to outperform much of the private capital universe, and while distributions were middling through the first half of the year, deal and exit activity later in 2025 suggests an improved outlook for the strategy in the coming quarters. Shifting market conditions have driven frequent reversals of fortune across regions and fund sizes, but the paths of North American and European returns are converging ([pages 16, 17, and 19](#)).
- **Venture capital:** Venture fund returns have begun to normalize after a lengthy bout of underperformance, but the process has been gradual and performance remains weaker than historical norms. North American and European venture returns appear to be diverging, driven in part by AI-related differences in deal flow and exit activity ([pages 21 and 22](#)).
- **Private debt:** Rate cuts and some recent headlines about bankruptcies and AI disruption for software businesses have cast a shadow on private debt. However, we note that relative spreads are more important than absolute interest rate levels. Borrowing distress thus far seems to be idiosyncratic rather than systematic and, at times, unrelated to private debt. In aggregate, distributions for the strategy remain healthy ([pages 27 and 28](#)).
- **Real estate:** Ongoing challenges for the office and residential sectors, combined with the persistent effects of elevated interest rates and higher development costs, have kept real estate returns below long-term averages. However, performance data suggests an upward trajectory for the asset class, and many anticipate an uptick in transaction activity in 2026 that will enable further distributions to LPs ([pages 31 and 32](#)).
- **Real assets:** Real assets broadly lived up to a reputation of stability and consistency through H1 2025, delivering steady cash flows to allocators while other strategies failed to do so, cementing its place in their portfolios. Still, the strategy is not invulnerable, with natural resources funds weighing on returns due to their commodity price exposure amid the year's volatility ([pages 37 and 38](#)).
- **Funds of funds (FoFs):** As private markets have deepened, the core value proposition of FoFs—outsourcing manager research and helping to access specialist managers—has eroded. However, the long-term track record of FoF performance has rewarded patient investors. Exposure to VC has dragged down returns in recent years, but preliminary quarterly results could signal positive momentum ([pages 41 and 44](#)).
- **Secondaries:** Secondary transactions and fundraising broke records in 2025. The strategy has established its position as a valuable portfolio management and liquidity tool used extensively by both LPs and GPs. Today, the key variable to watch is the path of distributions to crystallize performance and assess if the billions of dollars raised live up to performance expectations ([pages 46 and 47](#)).



Overview



OVERVIEW

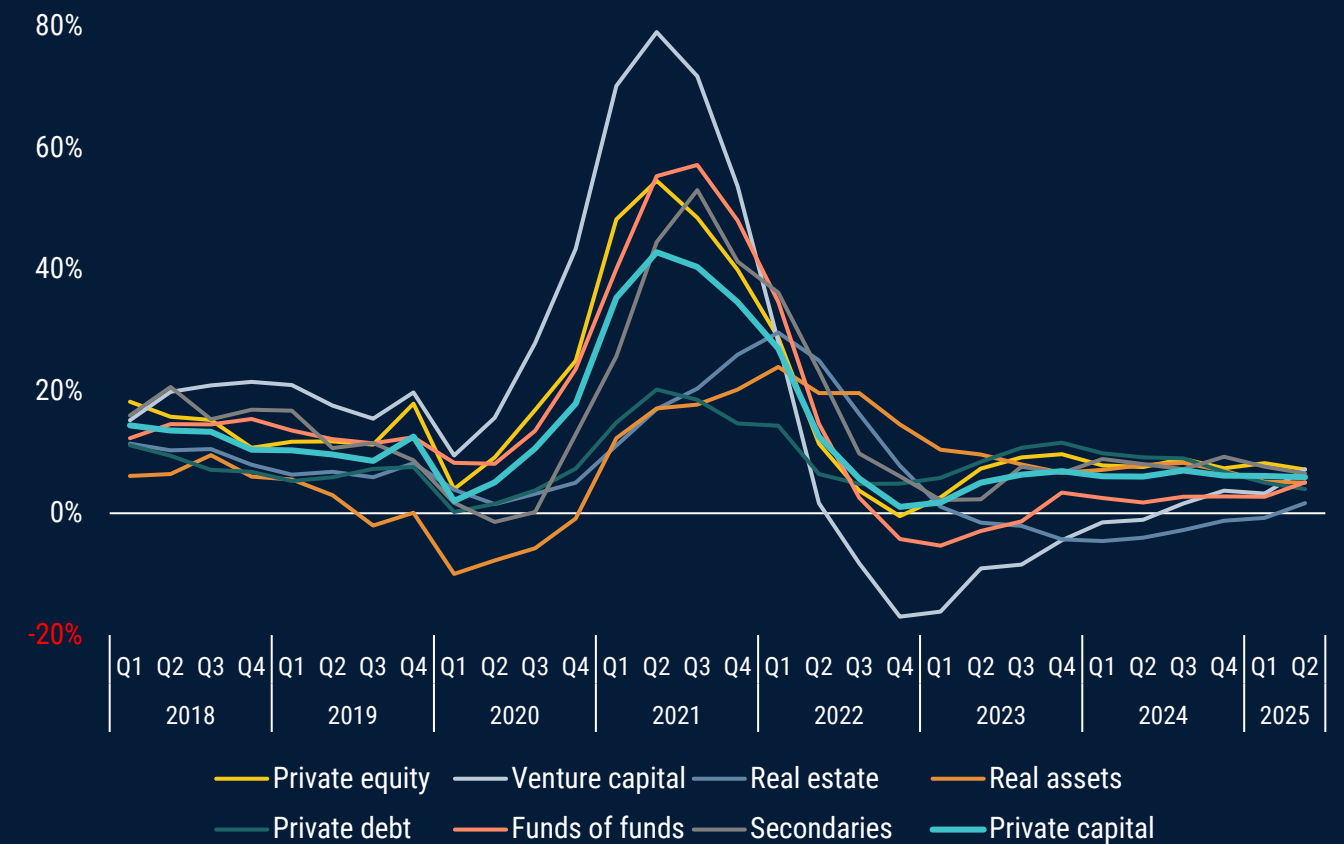
Broadly, recent private capital performance has remained below long-term norms, with PE and FoF the furthest off their 10-year average in the 12 months through Q2 2025, followed by real estate and secondaries...

Figure 1 ▶ **Horizon IRRs by strategy**

	Q3 2025	1-year	3-year	5-year	10-year	15-year	20-year
Private capital	1.5%	5.9%	5.6%	13.3%	11.5%	12.4%	10.9%
Private equity	1.2%	7.2%	7.4%	16.1%	14.3%	14.7%	13.1%
Venture capital	3.6%	7.2%	-1.0%	11.1%	11.1%	12.9%	10.4%
Real estate	0.7%	1.7%	-1.2%	6.6%	7.3%	9.8%	6.5%
Real assets	2.2%	5.0%	7.4%	11.4%	7.5%	7.6%	7.3%
Private debt	1.9%	3.9%	7.1%	9.2%	7.8%	8.7%	8.3%
Funds of funds	3.1%	5.1%	1.1%	15.1%	12.1%	11.4%	10.4%
Secondaries	0.8%	6.5%	5.7%	14.8%	11.6%	13.1%	11.5%

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Q3 2025 figures are preliminary. Shading represents the highest- to lowest-performing asset classes within the horizon period column.

Figure 2 ▶ **Rolling one-year horizon IRRs by strategy**

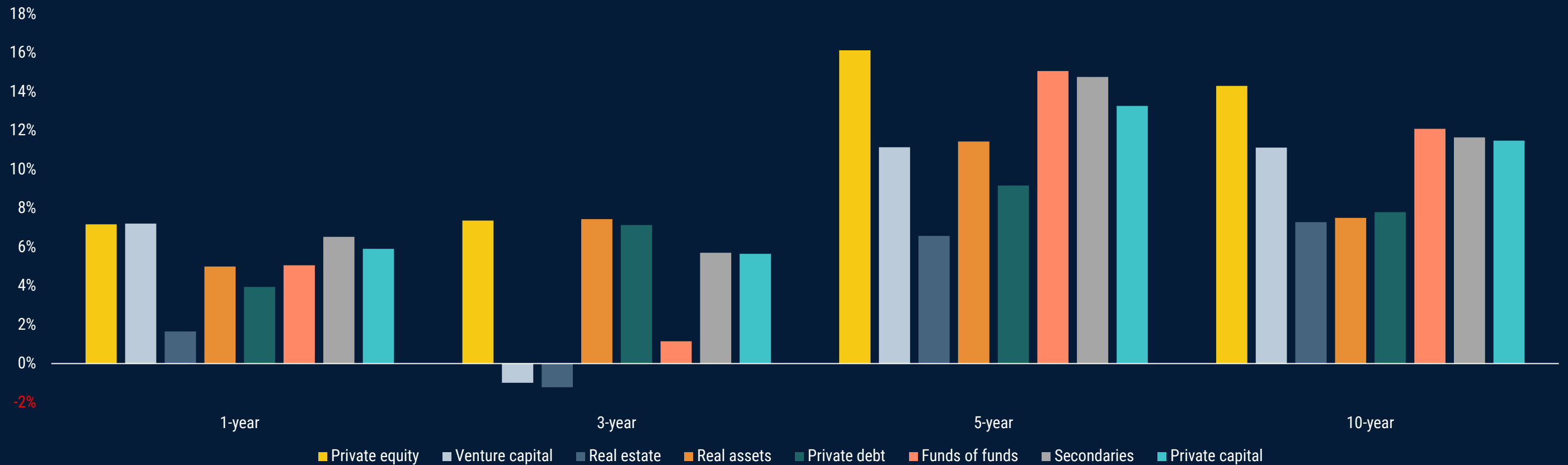


Source: PitchBook • Geography: Global • As of June 30, 2025



...while real assets returns are the closest to their 10-year figure, due to a lower long-term return than other strategies and to infrastructure's generally steady performance profile.

Figure 3 ▶ Horizon IRRs by strategy



Source: PitchBook • Geography: Global • As of June 30, 2025



PE growth, VC, and buyout megafunds led the pack in absolute returns through the first half of 2025, with middle-market buyout, secondaries, and private debt lagging. Fortunes can change quickly from year to year, however.

Figure 4 ► Pooled annual returns by strategy

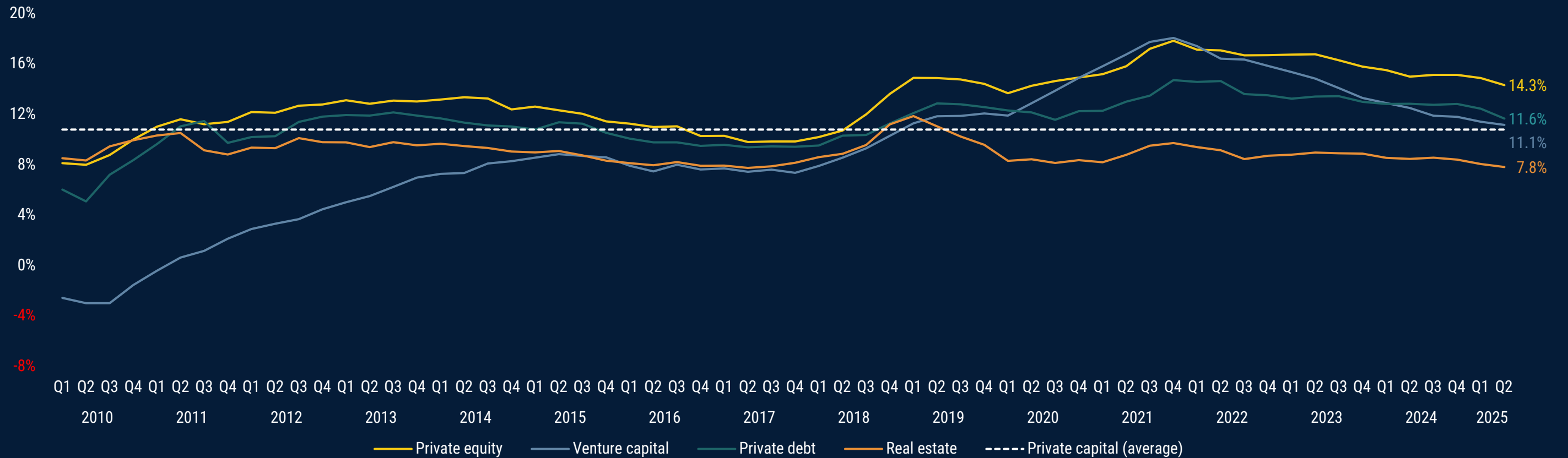
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	H1 2025	15-year horizon IRR
Infrastructure 12.9%	Natural resources -5.8%	Private debt 25.3%	Secondaries 33.3%	Value-add real estate 8.1%	Buyout megafunds 16.0%	Buyout megafunds 25.6%	VC 20.2%	Middle-market buyout 10.0%	Buyout megafunds 18.0%	Secondaries 20.7%	VC 17.7%	VC 15.7%	VC 79.0%	Natural resources 28.8%	Infrastructure 11.7%	Private debt 9.2%	PE growth 11.0%	PE growth 7.6%	Buyout megafunds 15.6%
Secondaries 10.4%	Infrastructure -12.8%	Buyout megafunds 20.3%	Natural resources 31.1%	Secondaries 7.4%	Opportunistic real estate 15.7%	PE growth 24.7%	Buyout megafunds 16.7%	Infrastructure 9.0%	Middle-market buyout 17.7%	VC 20.0%	PE growth 13.2%	Buyout megafunds 12.7%	PE growth 61.5%	Opportunistic real estate 25.8%	Middle-market buyout 9.3%	Natural resources 9.0%	Buyout megafunds 7.8%	VC 5.3%	PE growth 14.4%
Natural resources 10.0%	Private debt -13.8%	PE growth 16.7%	Opportunistic real estate 31.1%	Opportunistic real estate 7.1%	Secondaries 13.2%	VC 24.6%	Secondaries 16.3%	Buyout megafunds 8.5%	Natural resources 17.2%	Middle-market buyout 17.5%	FoF 12.2%	PE growth 11.0%	Buyout megafunds 56.3%	Value-add real estate 24.4%	Private debt 8.4%	Secondaries 8.0%	VC 7.2%	Buyout megafunds 4.3%	Middle-market buyout 14.1%
FoF 9.6%	VC -14.9%	Middle-market buyout 14.0%	Buyout megafunds 26.3%	VC 6.7%	All private capital 11.7%	Opportunistic real estate 21.5%	Value-add real estate 14.6%	Value-add real estate 8.1%	PE growth 15.4%	PE growth 17.4%	Buyout megafunds 12.1%	FoF 8.1%	FoF 55.3%	Secondaries 23.3%	Buyout megafunds 7.2%	PE growth 8.0%	Secondaries 6.5%	Infrastructure 4.3%	Secondaries 13.1%
Middle-market buyout 6.6%	PE growth -17.4%	All private capital 12.3%	PE growth 24.5%	Buyout megafunds 5.3%	Value-add real estate 11.3%	All private capital 20.1%	FoF 12.5%	Opportunistic real estate 6.9%	All private capital 14.7%	FoF 14.6%	Middle-market buyout 11.6%	Middle-market buyout 6.3%	Middle-market buyout 51.4%	Infrastructure 15.4%	All private capital 5.0%	Buyout megafunds 7.7%	Infrastructure 6.1%	Natural resources 3.5%	VC 12.9%
PE growth 5.8%	Middle-market buyout -18.2%	FoF 11.5%	VC 22.3%	Middle-market buyout 5.0%	Middle-market buyout 11.1%	Middle-market buyout 19.9%	PE growth 12.5%	FoF 5.7%	Opportunistic real estate 14.0%	All private capital 13.6%	Secondaries 10.7%	Value-add real estate 5.7%	Secondaries 44.5%	FoF 14.7%	Natural resources 4.9%	Infrastructure 7.6%	All private capital 5.9%	All private capital 3.3%	All private capital 12.4%
VC 4.5%	FoF -19.3%	Natural resources 9.5%	All private capital 21.8%	Natural resources 4.9%	Infrastructure 10.5%	Natural resources 16.1%	Middle-market buyout 11.9%	All private capital 5.5%	Private debt 12.6%	Buyout megafunds 12.8%	All private capital 9.7%	All private capital 5.1%	All private capital 42.9%	Middle-market buyout 14.2%	Secondaries 2.3%	Middle-market buyout 7.3%	FoF 5.1%	FoF 2.6%	FoF 11.4%
All private capital 2.9%	All private capital -21.5%	Secondaries 5.2%	Middle-market buyout 20.9%	All private capital 4.8%	PE growth 10.1%	FoF 16.0%	All private capital 11.7%	PE growth 4.5%	Value-add real estate 11.9%	Opportunistic real estate 11.3%	Infrastructure 8.4%	Infrastructure 2.7%	Natural resources 23.3%	All private capital 12.6%	PE growth 1.9%	All private capital 6.0%	Middle-market buyout 4.7%	Opportunistic real estate 2.3%	Opportunistic real estate 10.3%
Buyout megafunds 0.1%	Secondaries -22.7%	VC 4.4%	Private debt 18.0%	FoF 4.8%	Private debt 10.0%	Private debt 15.3%	Infrastructure 11.0%	Secondaries 0.8%	Secondaries 11.9%	Value-add real estate 11.3%	Opportunistic real estate 6.9%	Private debt 1.6%	Private debt 20.3%	PE growth 12.0%	Opportunistic real estate -1.9%	FoF 1.8%	Private debt 3.9%	Value-add real estate 2.0%	Infrastructure 9.2%
Value-add real estate -4.7%	Buyout megafunds -26.7%	Infrastructure -1.8%	Value-add real estate 17.3%	PE growth 4.2%	VC 7.7%	Value-add real estate 14.8%	Private debt 9.2%	Private debt 0.4%	FoF 11.0%	Private debt 9.5%	Value-add real estate 6.4%	Opportunistic real estate 1.2%	Opportunistic real estate 16.5%	Buyout megafunds 8.3%	FoF -2.9%	VC -1.1%	Opportunistic real estate 1.4%	Middle-market buyout 1.8%	Value-add real estate 9.0%
Opportunistic real estate -5.4%	Value-add real estate -41.9%	Opportunistic real estate -11.3%	FoF 12.8%	Private debt 2.7%	FoF 6.5%	Infrastructure 13.8%	Opportunistic real estate 4.8%	VC -2.2%	Infrastructure 10.8%	Natural resources 8.0%	Private debt 5.9%	Secondaries -1.4%	Value-add real estate 15.3%	Private debt 6.4%	Value-add real estate -4.3%	Opportunistic real estate -2.8%	Value-add real estate 0.8%	Secondaries 1.8%	Private debt 8.7%
Private debt -7.6%	Opportunistic real estate -46.3%	Value-add real estate -30.6%	Infrastructure 12.6%	Infrastructure 0.7%	Natural resources 3.6%	Secondaries 12.7%	Natural resources -13.7%	Natural resources -9.7%	VC 7.5%	Infrastructure 5.2%	Natural resources -3.8%	Natural resources -23.2%	Infrastructure 14.1%	VC 1.7%	VC -9.0%	Value-add real estate -7.4%	Natural resources 0.7%	Private debt 0.6%	Natural resources 5.1%

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Middle-market buyout funds are those between \$100 million and \$5 billion. Buyout megafunds are \$5 billion or larger.



Are private capital long-term returns trending structurally lower or normalizing? While 10-year IRRs have been on a downtrend in recent years, it may be mean reversion rather than a structural shift.

Figure 5 ▶ Rolling 10-year horizon IRRs by select strategy

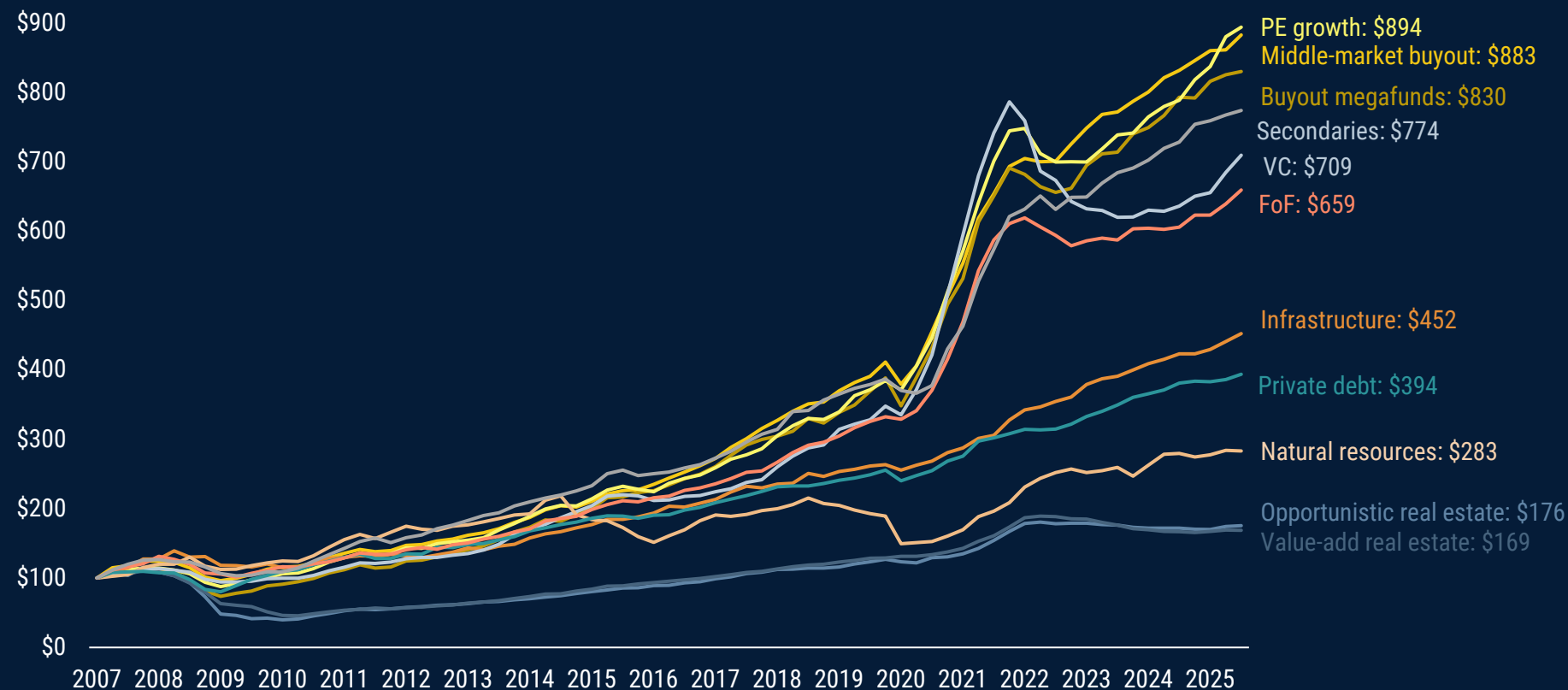


Source: PitchBook • Geography: Global • As of June 30, 2025



Stimulus in 2020 and 2021 helped risk assets and led to divergent performance. The long-term track record has been tough for real estate, impacted by the housing crisis (2008) and rising rates (2022).

Figure 6 ► Hypothetical growth of \$100 invested in Q1 2007 by PitchBook Private Capital Index



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



Private Capital Indexes

Our analysis assumes a person could invest quarterly in our universe of funds for which we have cash flows and NAV data available each quarter. The accompanying chart shows the hypothetical result if someone were able to invest in a “market” portfolio of funds starting, in this case, at the beginning of 2007. We calculate the change in NAV, plus/minus cash flows that occur during each quarter, aggregated across all available funds. This allows us to build a time-weighted return series, which we have represented here as the growth of \$100 invested.

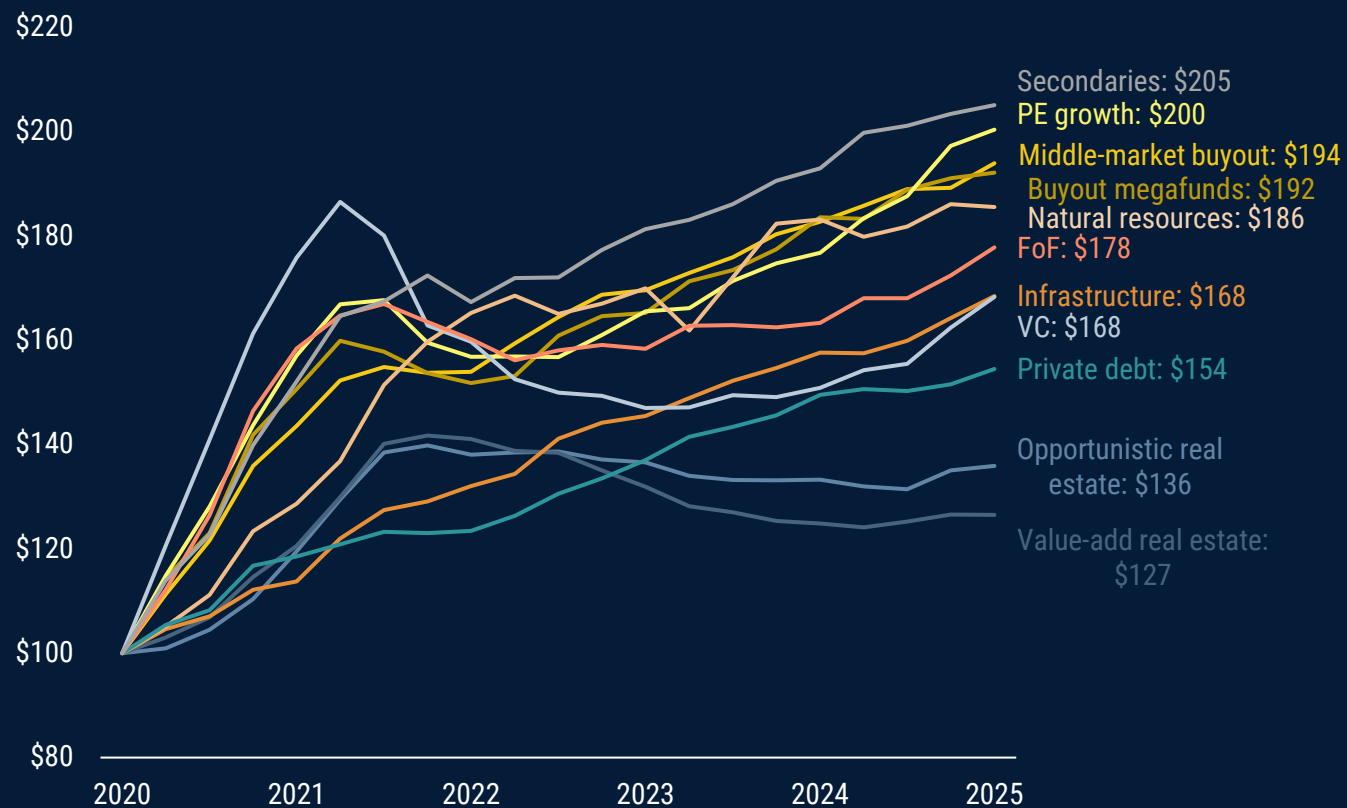
Actual results experienced by investors will vary widely, and the indexes should not be considered investable.

You can get recurring updates on index performance in our quarterly report series [PitchBook Private Capital Indexes](#).



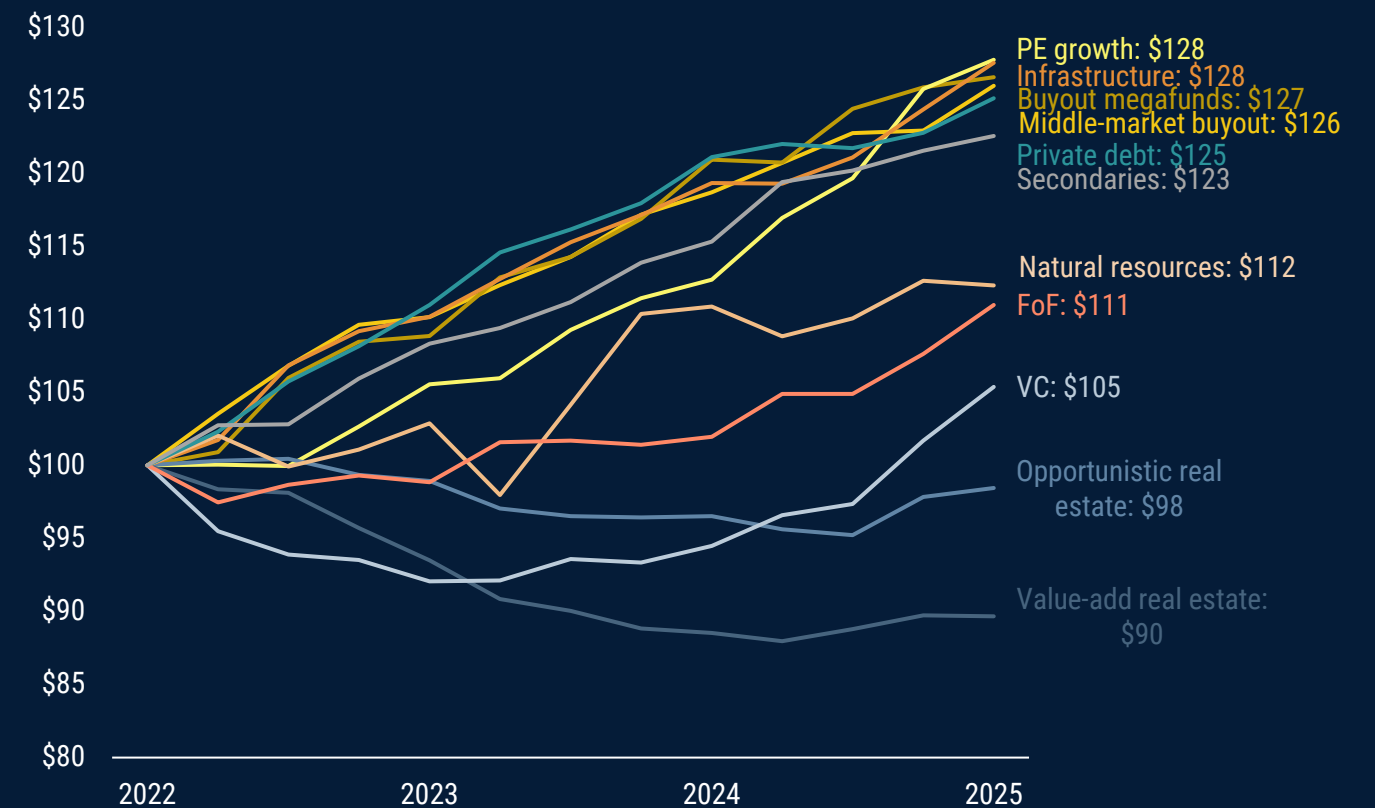
The stable return patterns of infrastructure and private debt are evident in the three- and five-year track records of their respective indexes. Overinflated VC valuations have taken time to reflect reality, while real estate has suffered from higher rates.

Figure 7 ► Hypothetical growth of \$100 invested in Q3 2020 by PitchBook Private Capital Index



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.

Figure 8 ► Hypothetical growth of \$100 invested in Q3 2022 by PitchBook Private Capital Index

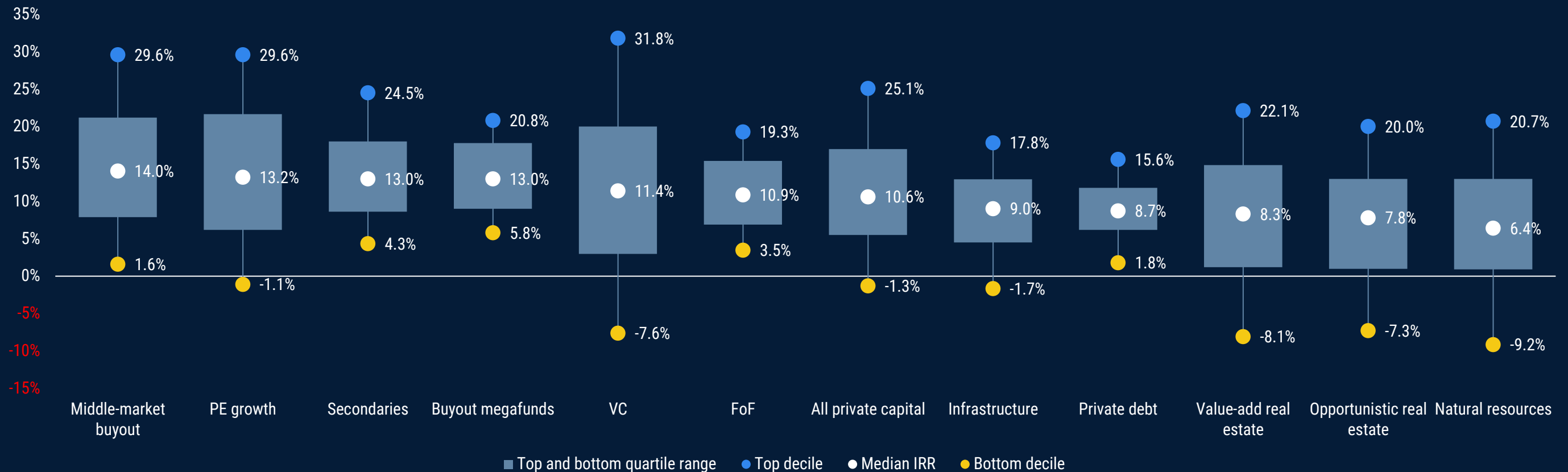


Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



PE funds have delivered the highest median IRRs, with notably tight dispersion in buyout megafunds. VC exhibits the widest dispersion, though high dispersion is surprisingly evident in real estate and natural resources strategies, underscoring the importance of manager selection.

Figure 9 ▶ Private closed-end fund IRR dispersion by strategy (2002-2020 vintages)

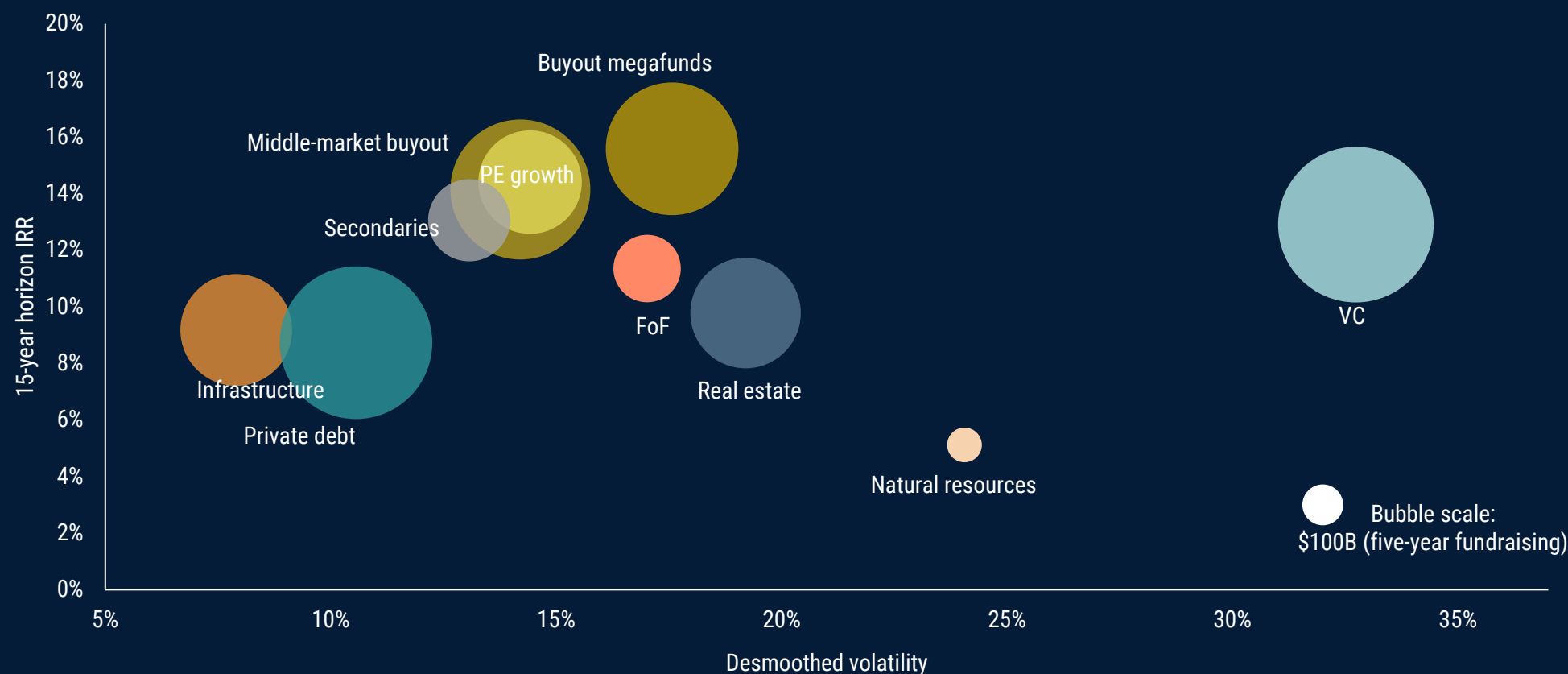


Source: PitchBook • Geography: Global • As of June 30, 2025



Desmoothing VC returns unmasks VC's volatility as the riskiest strategy. On a 15-year horizon, PE (and corresponding substrategies) look attractive and deliver better risk-reward than real estate, FoF, and VC.

Figure 10 ► 15-year horizon IRRs versus estimated volatility and five-year fundraising by select strategies



Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Fundraising data is as of December 31, 2025. The bubble size corresponds to the capital raised in the past five years.



Risk-return and fundraising

The appealing risk-return profile of private debt has led to substantial fundraising in the past five years. This trend suggests positive sentiment toward what is often called the “golden age” of this investment strategy. However, we note that private debt growth began in the years following the global financial crisis, suggesting that, while volatility remains low, the strategy has yet to withstand a significant crisis.

Similarly, relatively low risk and stable returns from infrastructure funds have boosted capital raised. On the other side of real assets, natural resources funds have been largely starved of capital for several years, but this might shift alongside a renewed focus on securing energy and critical minerals supplies.

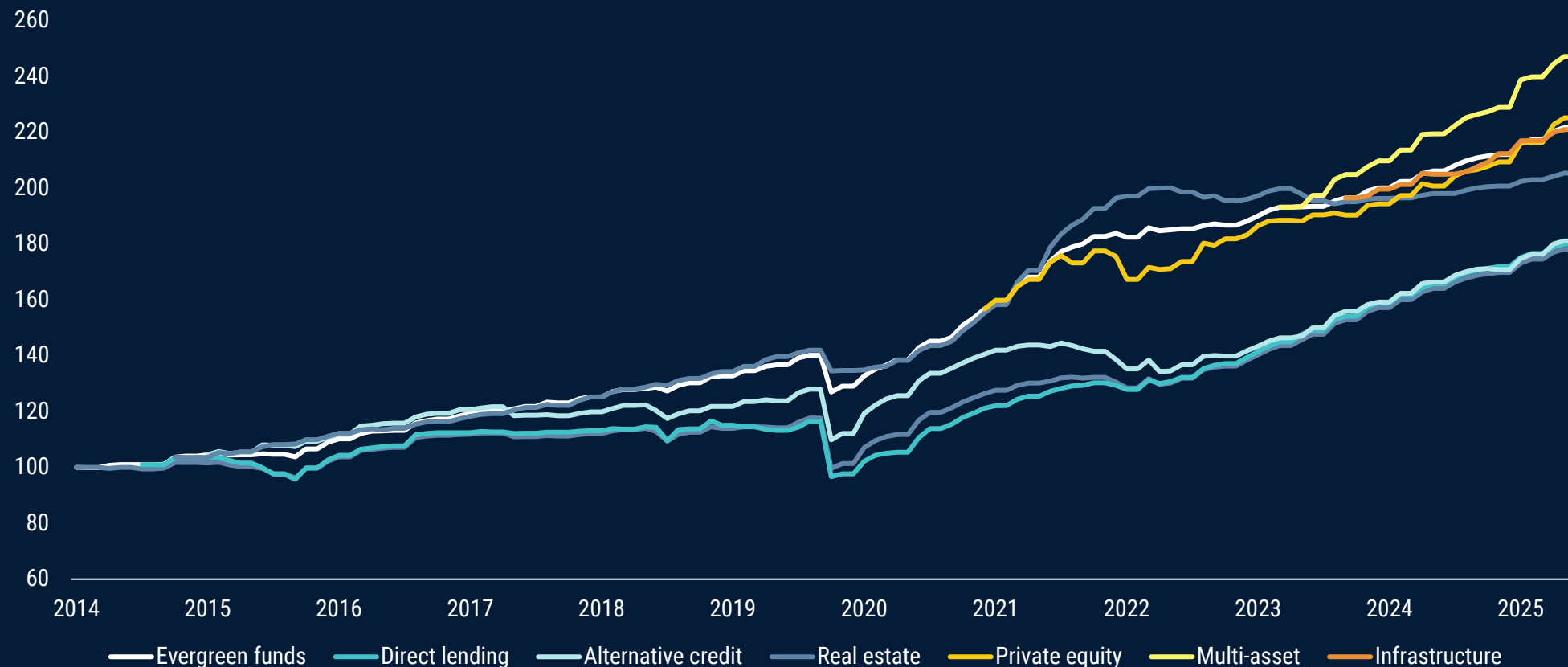
Real estate has been hard-hit by rising rates. Performance and fundraising fell sharply following the climb in policy rates and bond yields in 2022. However, there are signs of real estate bottoming out toward a slow recovery.

VC funds attracted significant capital in the early part of the past five years. But more recently, venture funds have delivered poor performance and low distributions. Some allocators have looked elsewhere, evidenced by very weak fundraising in 2025.



As evergreen funds increase in popularity, PitchBook's evergreen indexes allow us to complement the picture of private markets performance seen in closed-end drawdown funds.

Figure 11 ► **Select Morningstar PitchBook US Evergreen Fund Indexes**



Sources: Morningstar and PitchBook • Geography: US • As of November 30, 2025
Note: Each index is rebased to the level of the Morningstar PitchBook US Evergreen Fund Index at its respective start date.



Constructing an index

To build the suite of indexes, we incorporated a few guidelines to systematically calculate histories:

- Each index cohort includes a minimum of five funds.
- We use Class I shares or whichever share class is available when a fund has only one.
- A minimum of \$25 million in total net assets is required per fund.
- Indexes are rebalanced quarterly.
- To be included, a fund must have a minimum of three months of returns history prior to the rebalance date.

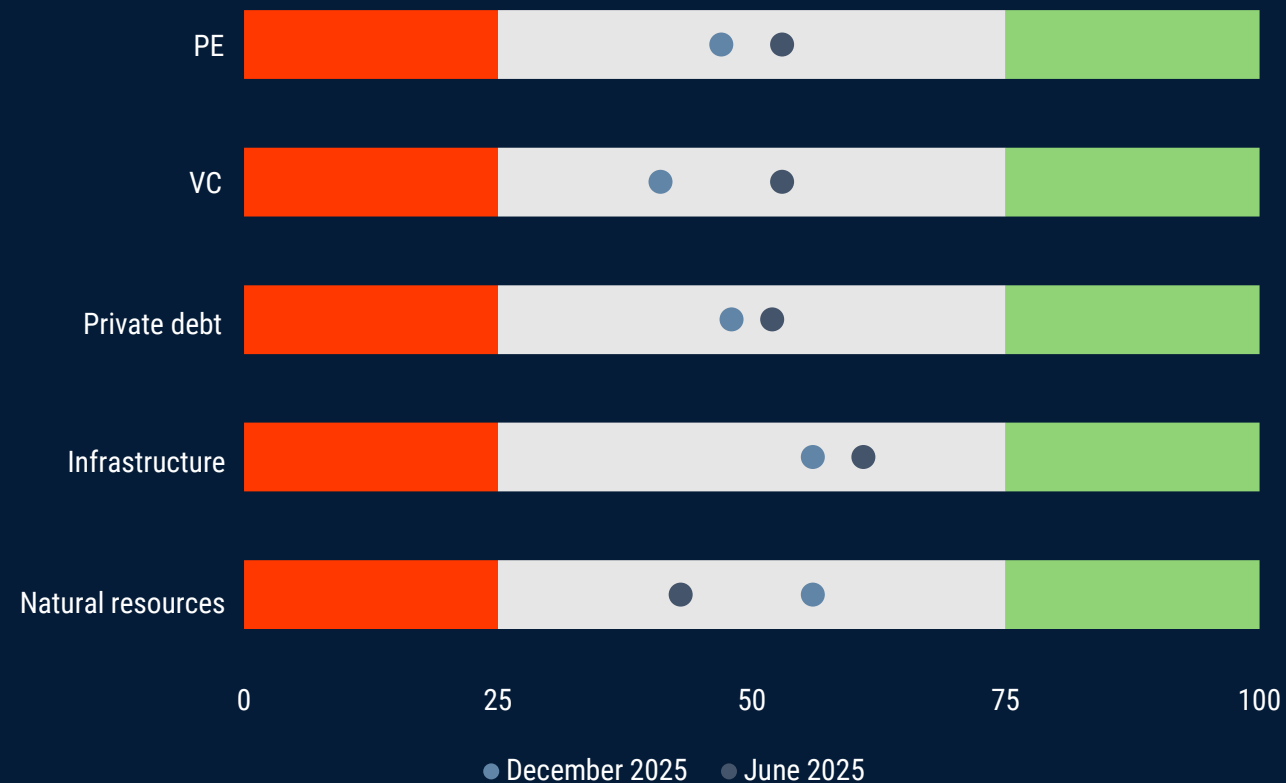
These indexes allow us to assess category-level performance trends and provide a baseline for performance attribution, peer comparison, and risk-adjusted return evaluation. They also allow us to evaluate the aggregate performance of the semi-liquid universe and various underlying strategies for asset class return comparisons.

Read more in our Q4 2025 report [Benchmarking the Evergreen Evolution](#).



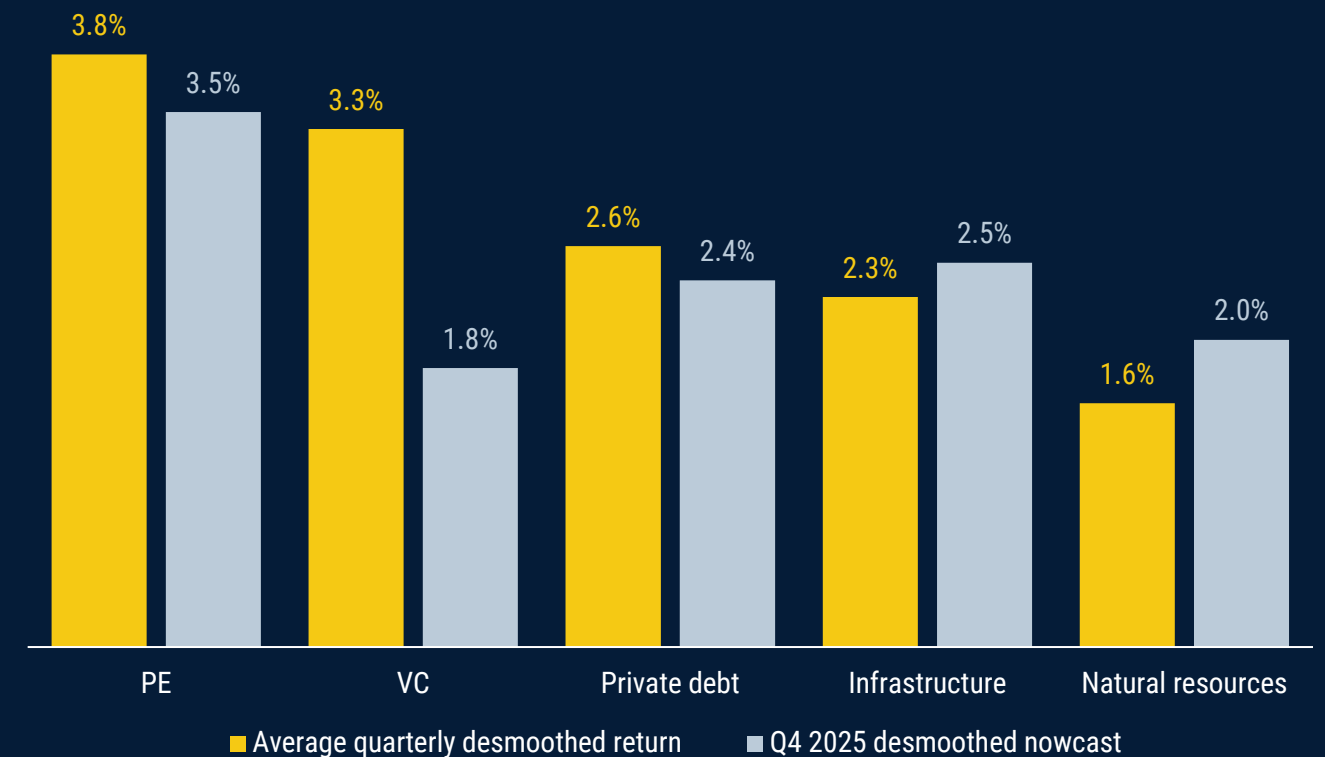
Our Private Capital Return Barometers provide a gauge for the relative attractiveness of the macroeconomic environment for private fund returns. The environment weakened in the second half of 2025, but all Barometers are providing a neutral signal.

Figure 12 ▶ **PitchBook Private Capital Return Barometer** scores



Source: PitchBook • Geography: US • As of December 31, 2025
Note: The color scale represents different return environments: Red indicates a weak environment (below 25), gray represents a neutral environment (between 25 and 75), and green signifies a strong environment (above 75).

Figure 13 ▶ **PitchBook Private Capital Return Barometers** implied three-month return



Source: PitchBook • Geography: US • As of December 31, 2025
Note: Average quarterly returns were calculated starting in Q1 2009. The infrastructure average quarterly return was calculated starting in Q1 2019 due to data availability.

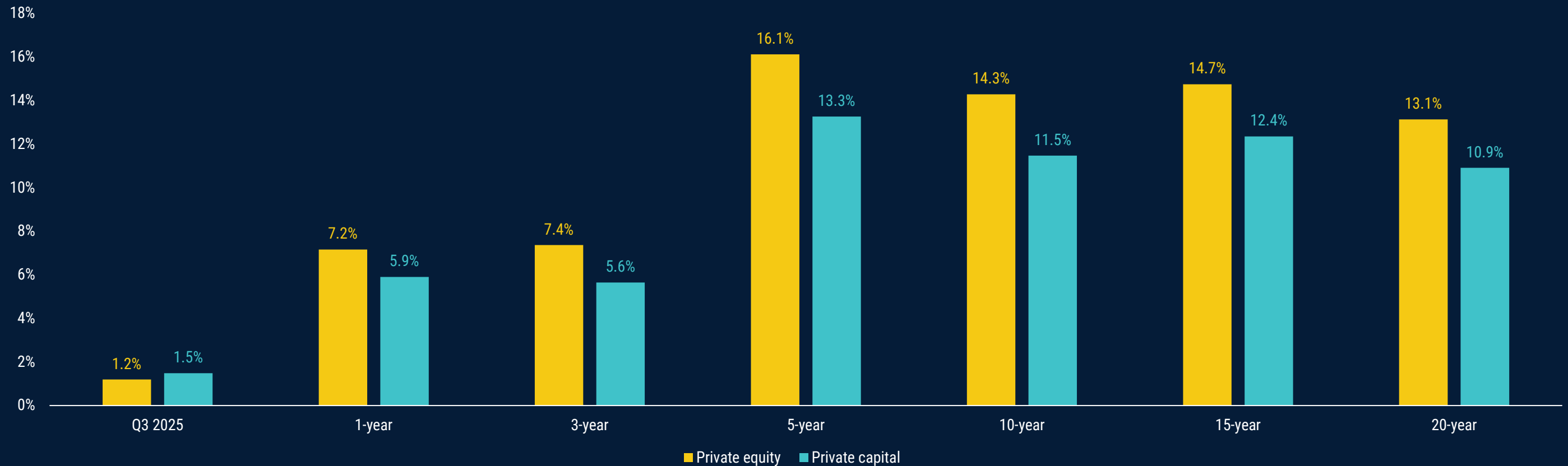


Private equity



Private equity performance remains subdued compared with historical double-digit returns, as macroeconomic volatility has presented substantial headwinds, but the strategy is still among the best performing of the private capital universe.

Figure 14 ► Horizon IRRs by strategy



Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



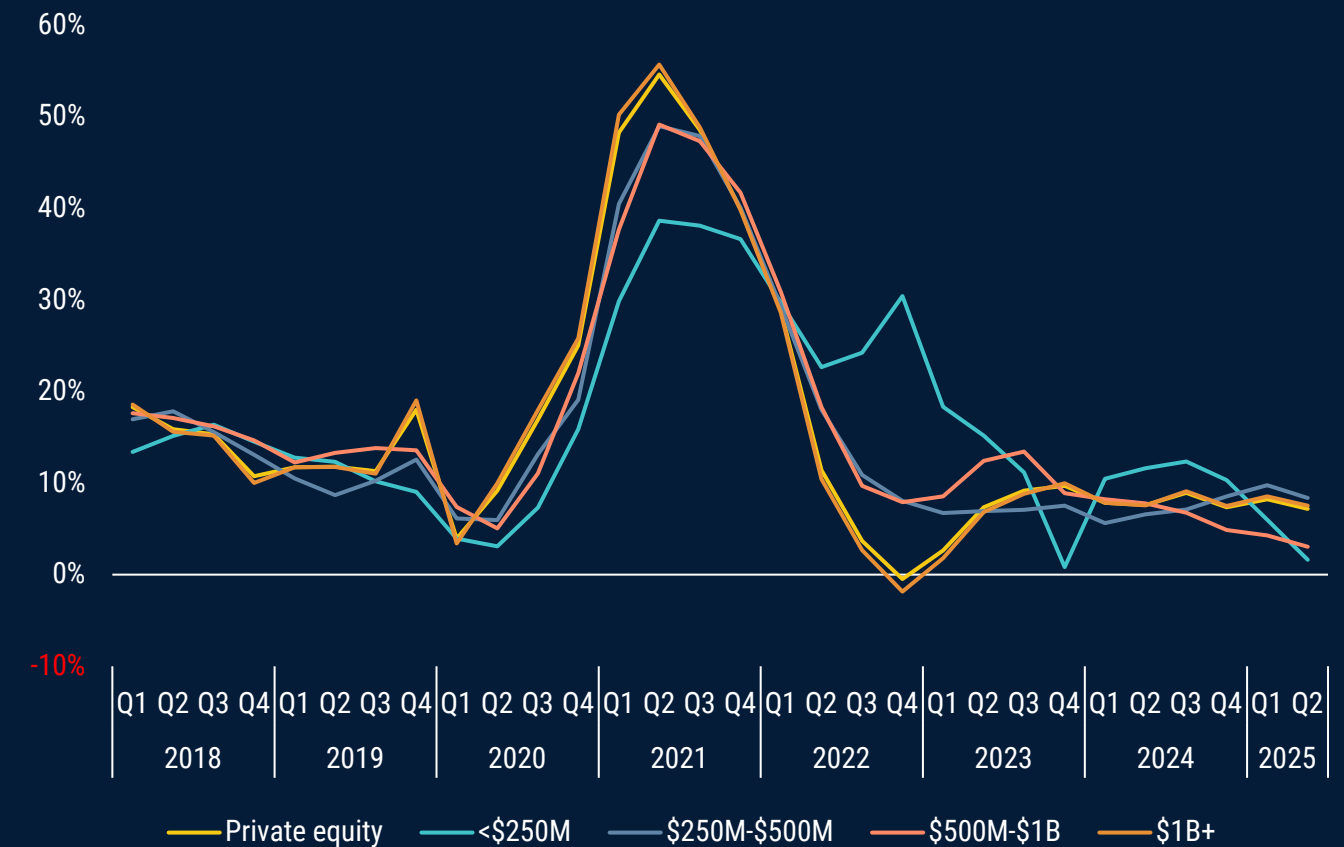
Though return patterns across geographies and fund sizes largely track each other, rapidly evolving market dynamics from quarter to quarter have caused performance leadership to shift frequently across cohorts.

Figure 15 ▶ PE funds rolling one-year horizon IRRs by region



Source: PitchBook • Geography: Global • As of June 30, 2025

Figure 16 ▶ PE funds rolling one-year horizon IRRs by size bucket



Source: PitchBook • Geography: Global • As of June 30, 2025



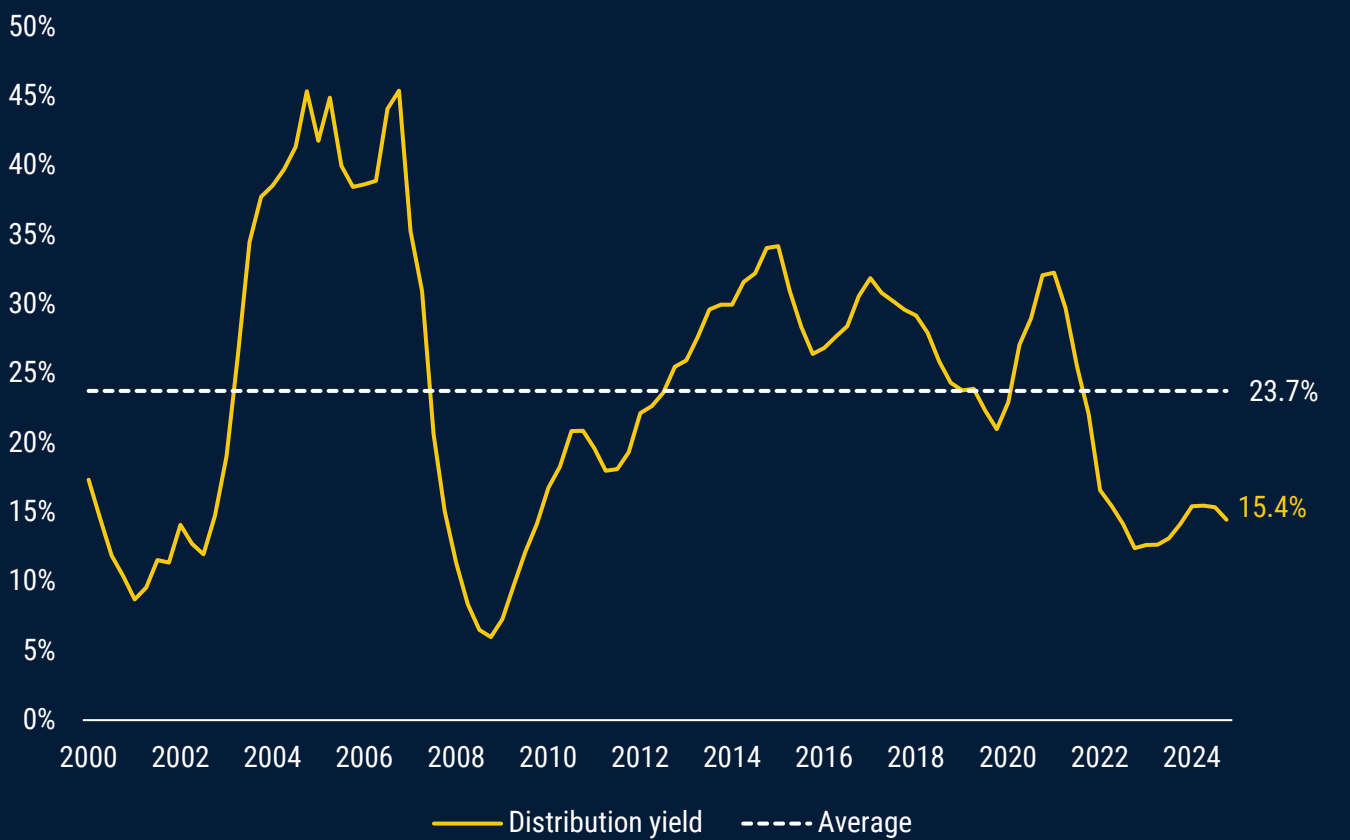
PE distribution yields remain considerably below the historical average, though there is hope that improved dealmaking and exit activity in H2 2025 will bring a recovery. DPI multiples for recent vintages seem to be starting up normally, but later years will be critical.

Figure 17 ▶ Pooled PE fund DPI by age and vintage year

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Vintage	2006-2014	0.03x	0.06x	0.09x	0.16x	0.26x	0.40x	0.60x	0.80x	1.01x
	2015	0.03x	0.05x	0.16x	0.27x	0.39x	0.60x	0.88x	1.05x	1.12x
	2016	0.02x	0.07x	0.13x	0.13x	0.30x	0.57x	0.81x	0.95x	1.10x
	2017	0.08x	0.05x	0.10x	0.16x	0.36x	0.53x	0.67x	0.87x	
	2018	0.03x	0.05x	0.08x	0.17x	0.32x	0.39x	0.49x		
	2019	0.03x	0.03x	0.12x	0.17x	0.22x	0.32x			
	2020	0.03x	0.06x	0.09x	0.12x	0.20x				
	2021	0.09x	0.07x	0.09x	0.13x					
	2022	0.02x	0.03x	0.06x						

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 18 ▶ Trailing 12-month (TTM) PE fund distributions as a share of beginning NAV

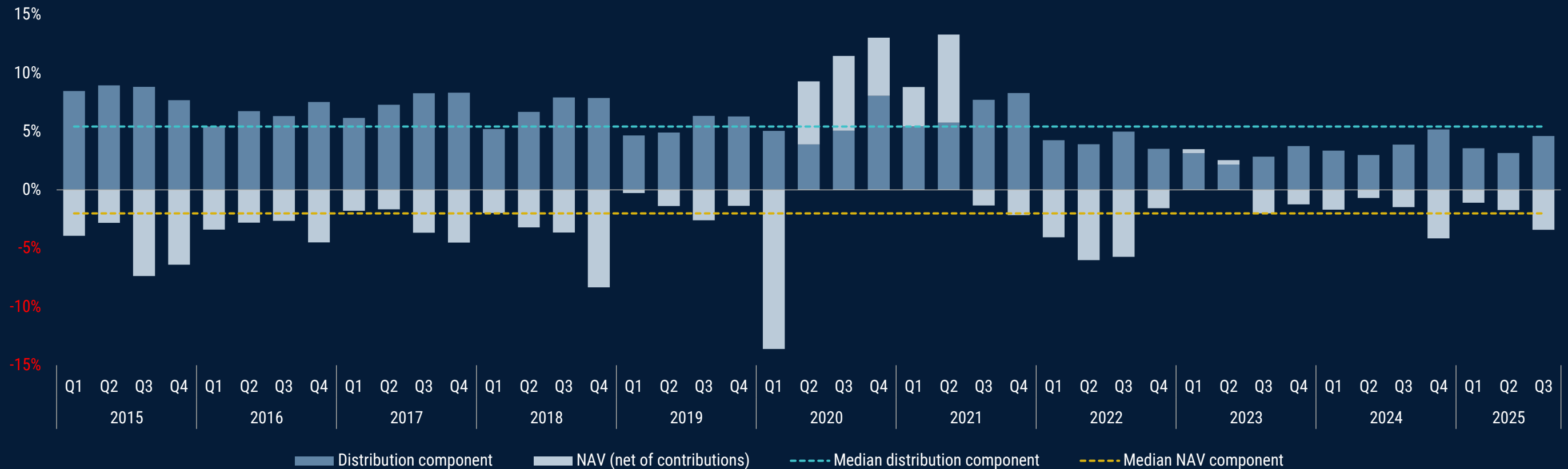


Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



Distributions grew only marginally in Q3, but market participants are hopeful that the PE flywheel will be kicked back into motion in the coming quarters, eventually bringing PE returns back into the double digits.

Figure 19 ▶ Private Equity Index quarterly returns by source



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.

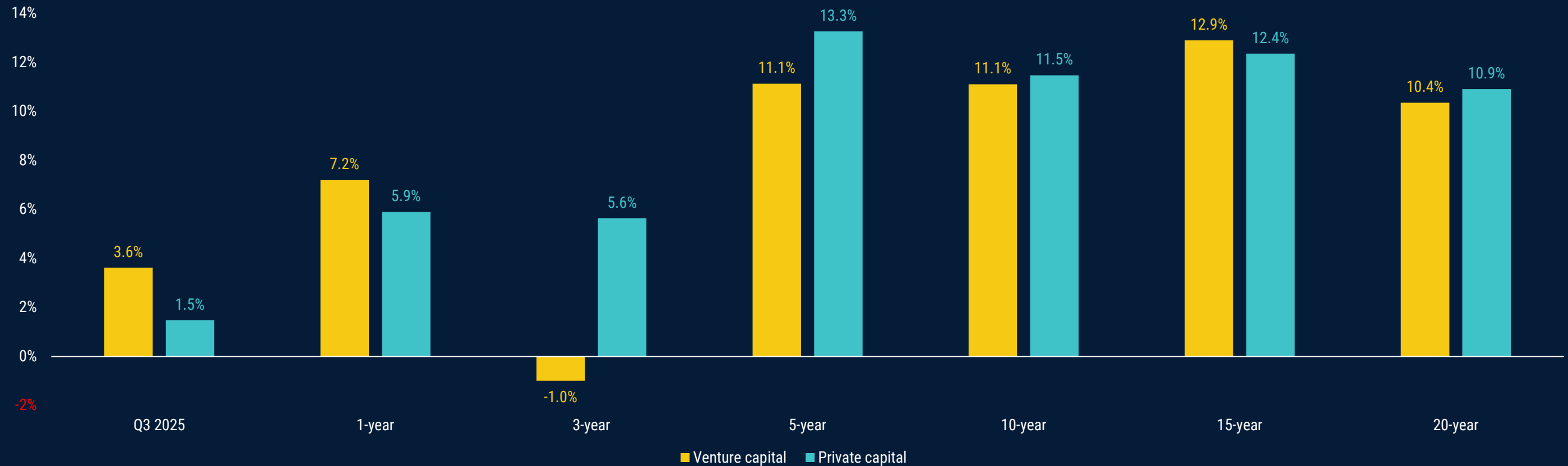


Venture capital



After a protracted downturn, VC funds in the year through Q2 2025 outperformed much of the private capital universe. However, returns are still a ways off from long-term norms, and the recovery is proving gradual.

Figure 20 ► Horizon IRRs by strategy

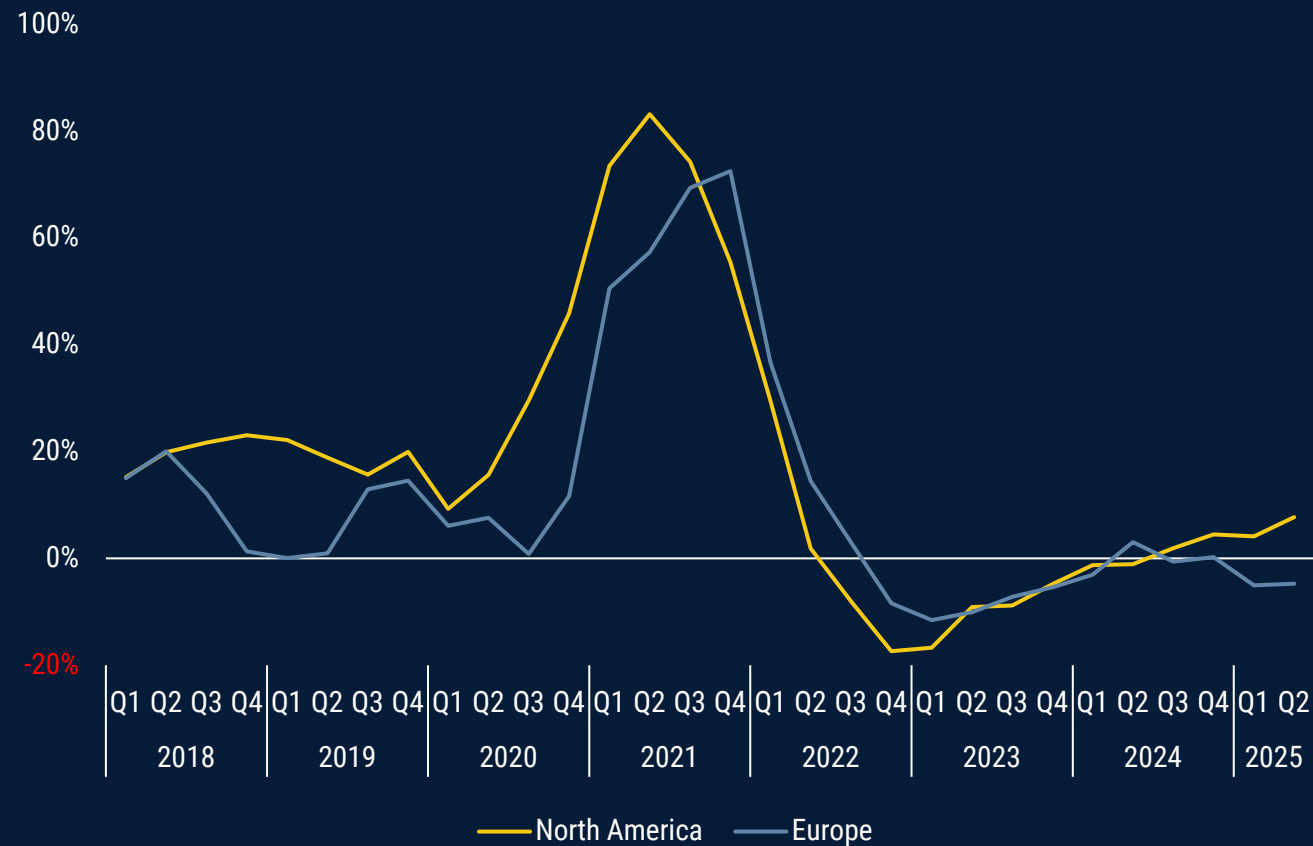


Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



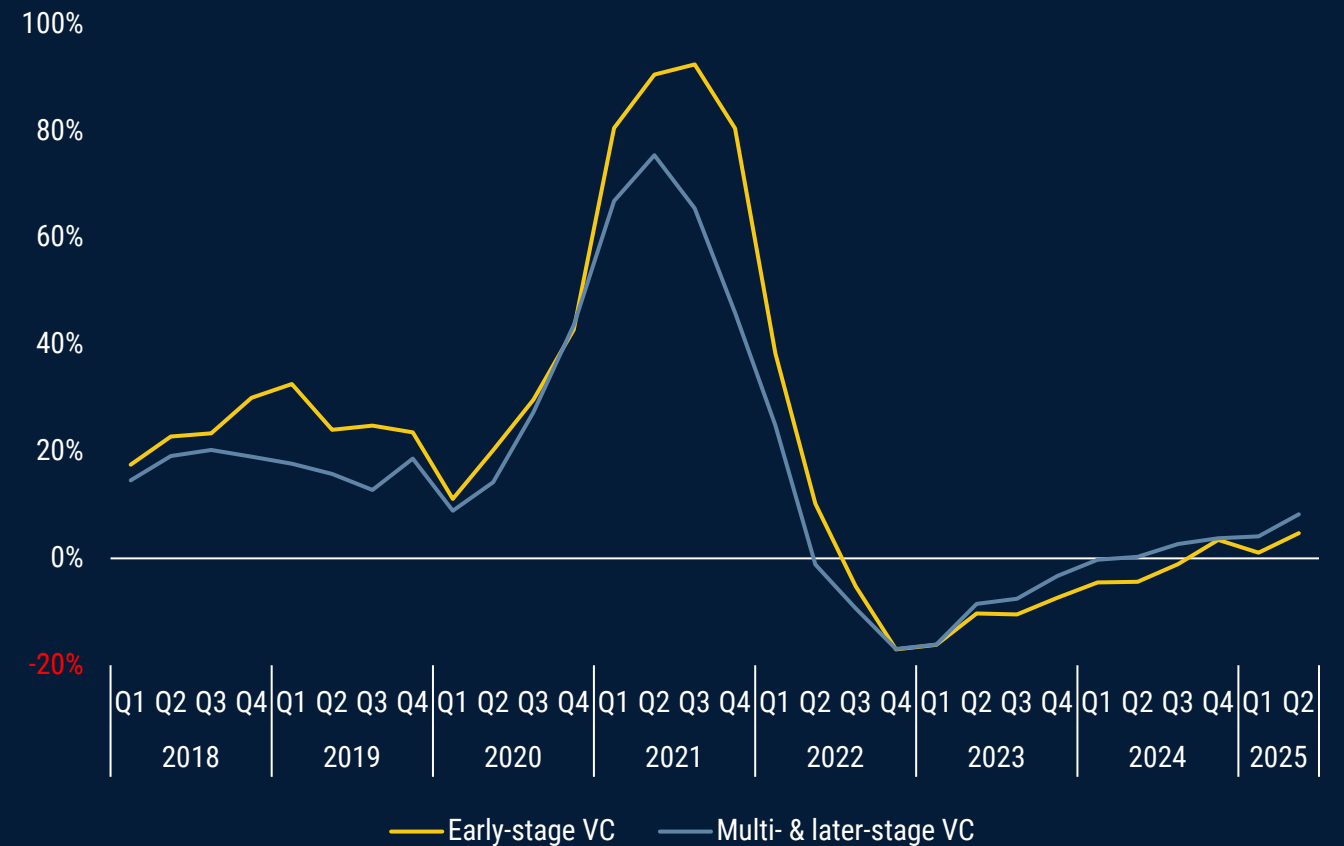
European and North American venture returns have typically moved in tandem over the years, but a divergence began a year ago due in large part to differences in deal and exit activity, especially as they pertain to AI.

Figure 21 ► VC funds rolling one-year horizon IRRs by region



Source: PitchBook • Geography: North America and Europe • As of June 30, 2025

Figure 22 ► VC funds rolling one-year horizon IRRs by stage



Source: PitchBook • Geography: Global • As of June 30, 2025



Midway through 2025, DPI multiples for the early years of recent vintages were not atypical, but overall distributions have been far below historical norms. VC funds rarely invest with the aim of consistent distributions, though, as the strategy commonly results in only a few large payoffs.

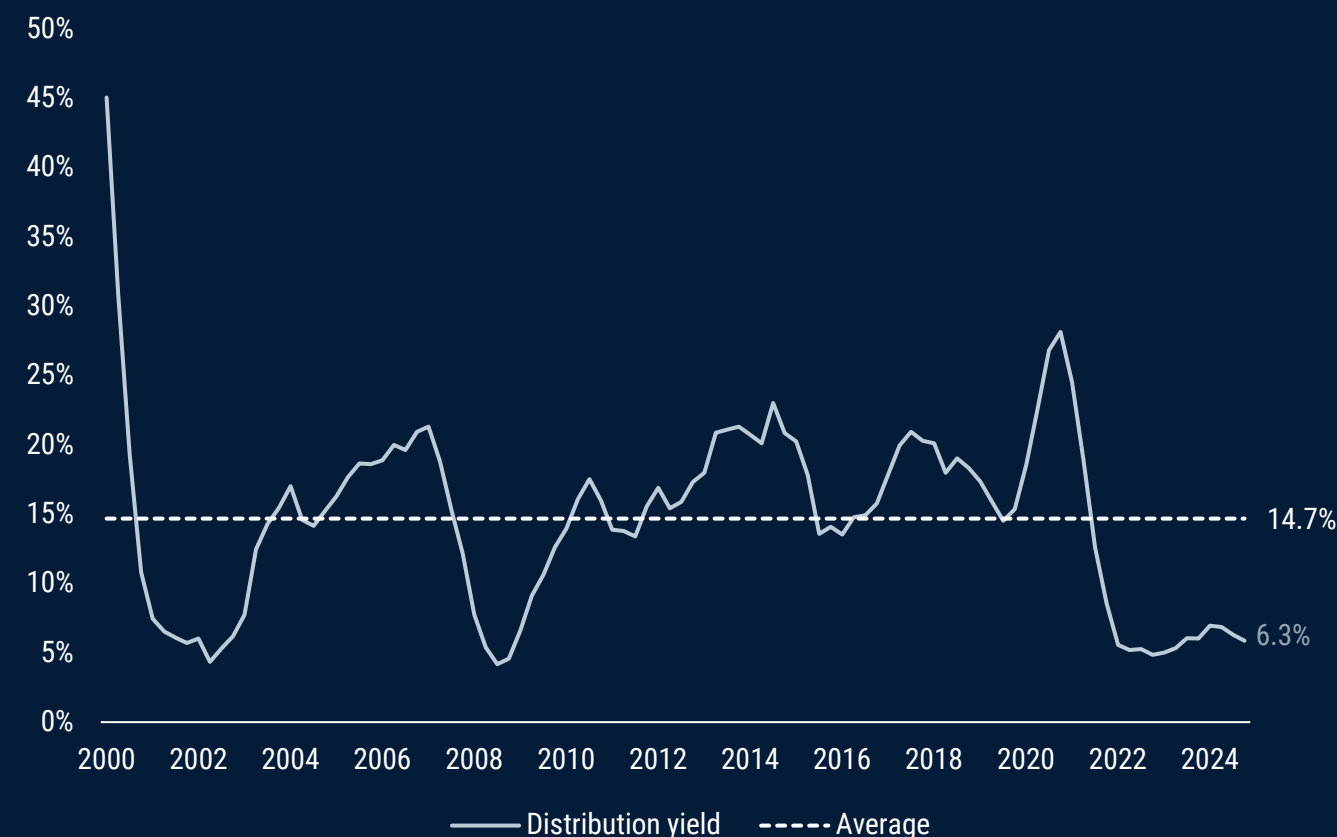
Figure 23 ► Pooled VC fund DPI by age and vintage year

Vintage	Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
2006-2014	0.01x	0.03x	0.07x	0.12x	0.24x	0.36x	0.59x	0.83x	1.07x	
2015	0.01x	0.04x	0.06x	0.15x	0.20x	0.34x	0.62x	0.85x	1.07x	
2016	0.10x	0.05x	0.09x	0.13x	0.28x	0.45x	0.56x	0.72x	0.81x	
2017	0.01x	0.01x	0.03x	0.13x	0.36x	0.41x	0.50x	0.65x		
2018	0.00x	0.03x	0.05x	0.11x	0.21x	0.30x	0.38x			
2019	0.00x	0.01x	0.05x	0.05x	0.07x	0.10x				
2020	0.00x	0.04x	0.07x	0.09x	0.10x					
2021	0.01x	0.01x	0.02x	0.04x						
2022	0.00x	0.02x	0.02x							

Source: PitchBook • Geography: Global • As of June 30, 2025

Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 24 ► TTM VC fund distributions as a share of beginning NAV



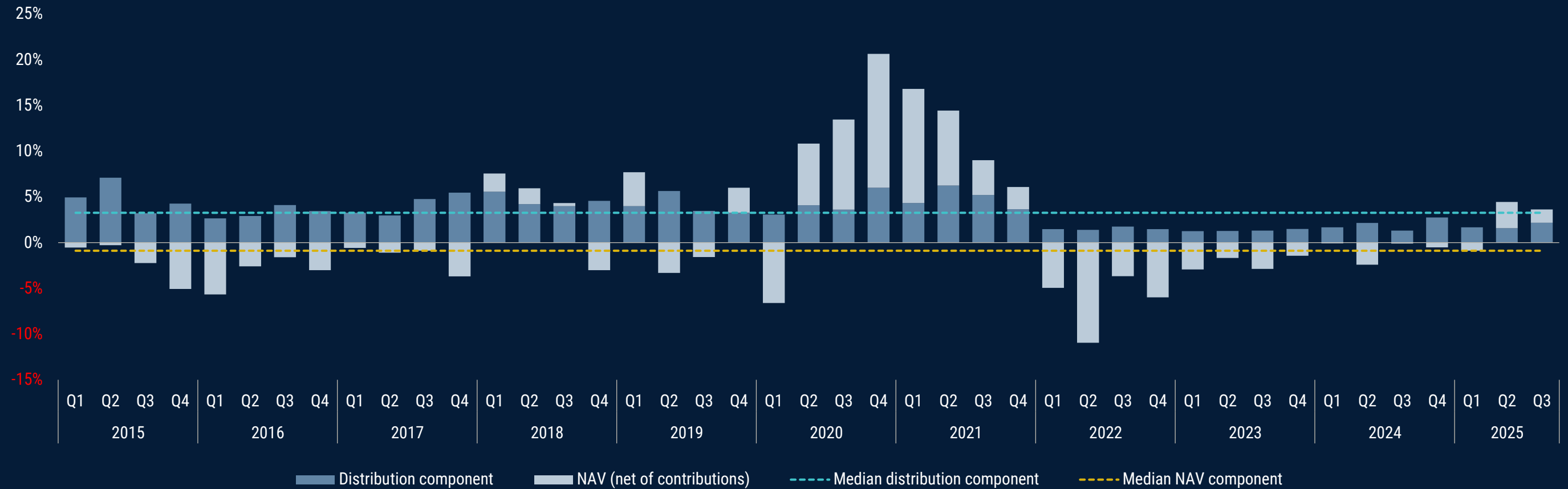
Source: PitchBook • Geography: Global • As of September 30, 2025

Note: Data for Q3 2025 is preliminary.



Stronger quarterly returns for venture funds in Q2 and Q3 are largely attributable to unrealized value rather than realized gains, as distributions had yet to meaningfully pick up in either quarter, so the extent to which reported returns will translate to real cash returning to LPs remains to be seen.

Figure 25 ▶ Venture Capital Index quarterly returns by source



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.

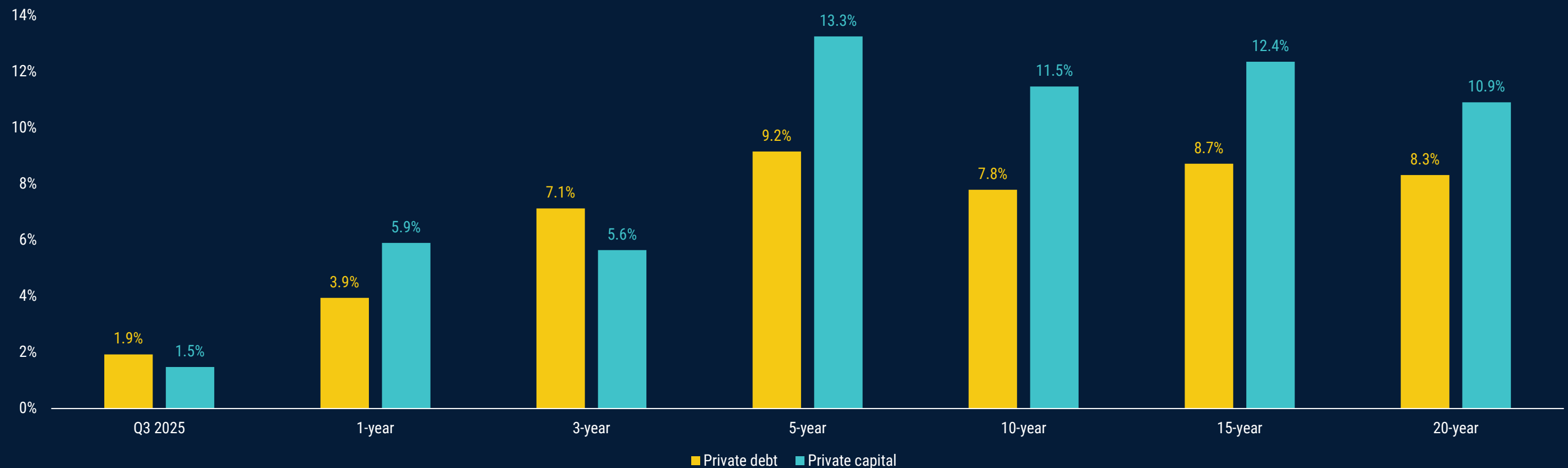


Private debt



Private debt investors do not generally seek to significantly outpace other private market strategies; instead, they seek stability, which is observable across longer-term IRR horizons. Recent performance well below historical norms has concerned some market participants, however.

Figure 26 ► Horizon IRRs by strategy

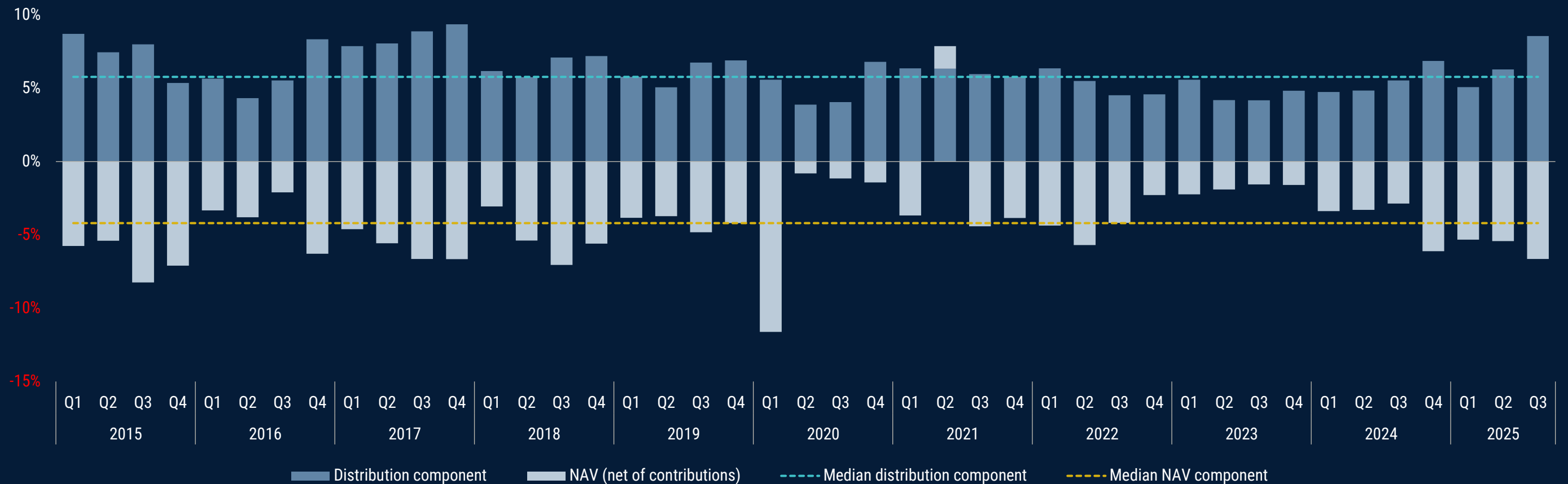


Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



The distribution component of private debt returns remains solid. While distributions are challenged elsewhere in the private markets, the income-oriented nature of lending keeps distributions steady.

Figure 27 ▶ Private Debt Index quarterly returns by source



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



Private debt's distribution yield tracks near its long-term average, another sign of stability. DPI multiples for the most recent vintage (2022) are tracking ahead of the historical average, suggesting a potentially favorable distribution path in later years as funds mature.

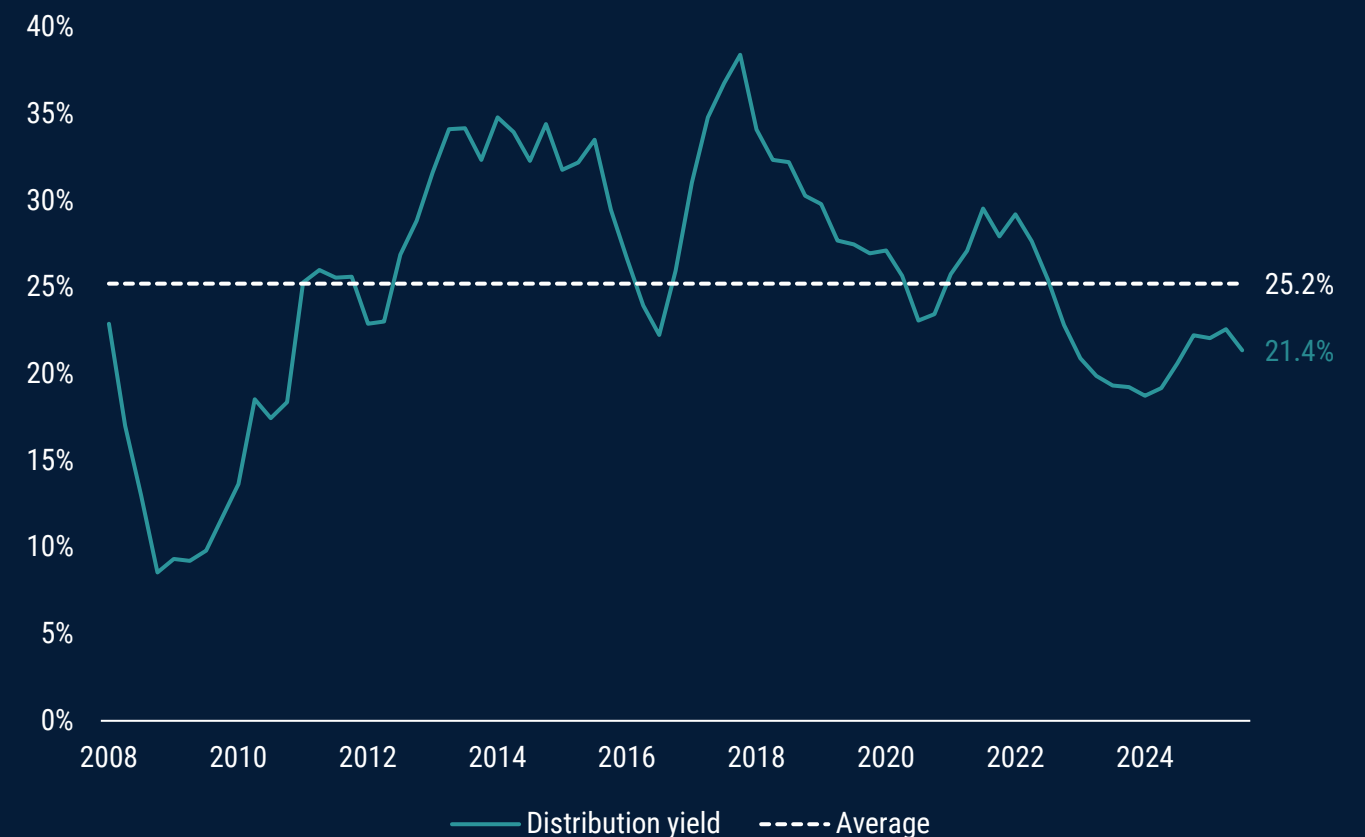
Figure 28 ► Pooled private debt fund DPI by age and vintage year

Vintage	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
	2006-2014	2015	2016	2017	2018	2019	2020	2021	2022
2006-2014	0.03x	0.09x	0.15x	0.32x	0.48x	0.68x	0.85x	0.98x	1.08x
2015	0.10x	0.14x	0.24x	0.31x	0.46x	0.57x	0.70x	0.81x	0.88x
2016	0.07x	0.14x	0.30x	0.39x	0.51x	0.63x	0.75x	0.83x	0.89x
2017	0.08x	0.15x	0.22x	0.30x	0.45x	0.59x	0.70x	0.81x	
2018	0.05x	0.11x	0.18x	0.28x	0.41x	0.50x	0.66x		
2019	0.16x	0.23x	0.30x	0.36x	0.51x	0.60x			
2020	0.09x	0.19x	0.27x	0.35x	0.44x				
2021	0.15x	0.18x	0.22x	0.31x					
2022	0.17x	0.25x	0.27x						

Source: PitchBook • Geography: Global • As of June 30, 2025

Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 29 ► TTM private debt fund distributions as a share of beginning NAV



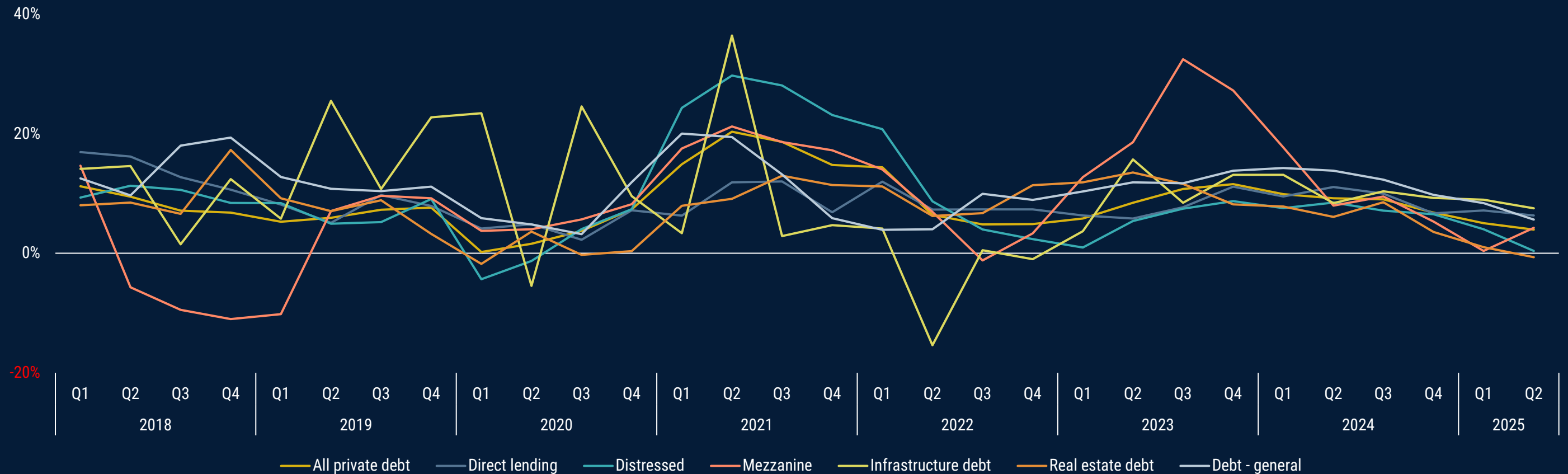
Source: PitchBook • Geography: Global • As of September 30, 2025

Note: Data for Q3 2025 is preliminary.



Debt substrategies can take on very different exposures, leading to shifts in performance leadership. Infrastructure debt led the year through H1 2025 with thematic tailwinds, while mezzanine gave back gains. Direct lending has largely provided the stability sought by many credit investors.

Figure 30 ▶ Private debt funds rolling one-year horizon IRRs by type



Source: PitchBook • Geography: Global • As of June 30, 2025

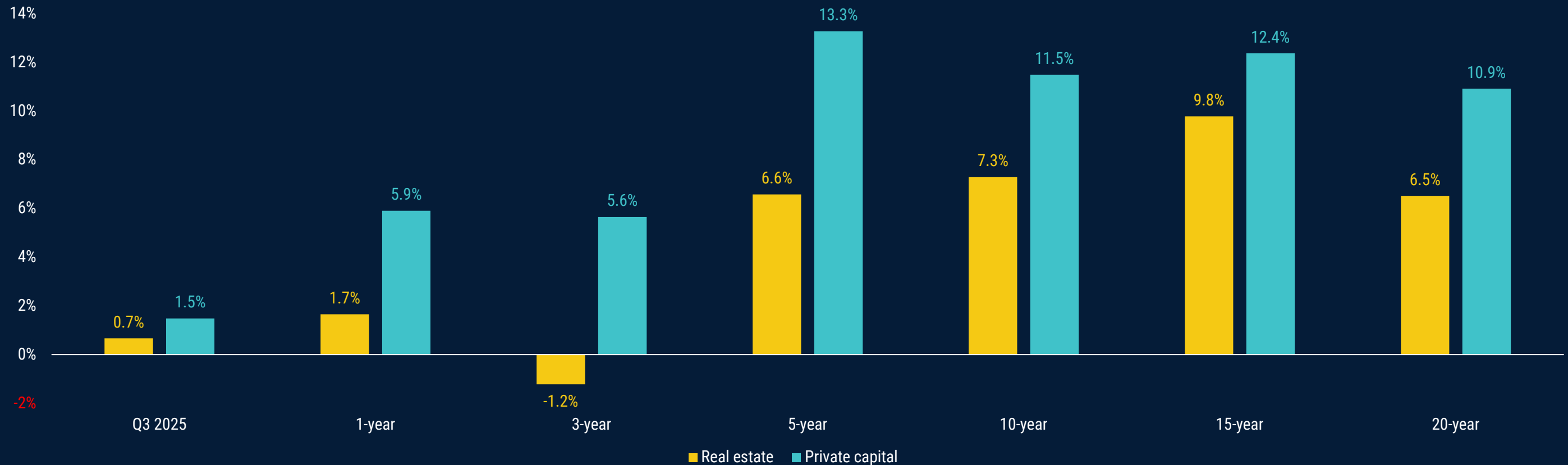


Real estate



Real estate continued to underperform all other private capital strategies in the 12 months through Q2 2025 and in preliminary Q3 figures, as rate sensitivity, elevated development costs, and supply-demand imbalances in segments such as US office and multifamily drag on returns.

Figure 31 ► Horizon IRRs by strategy

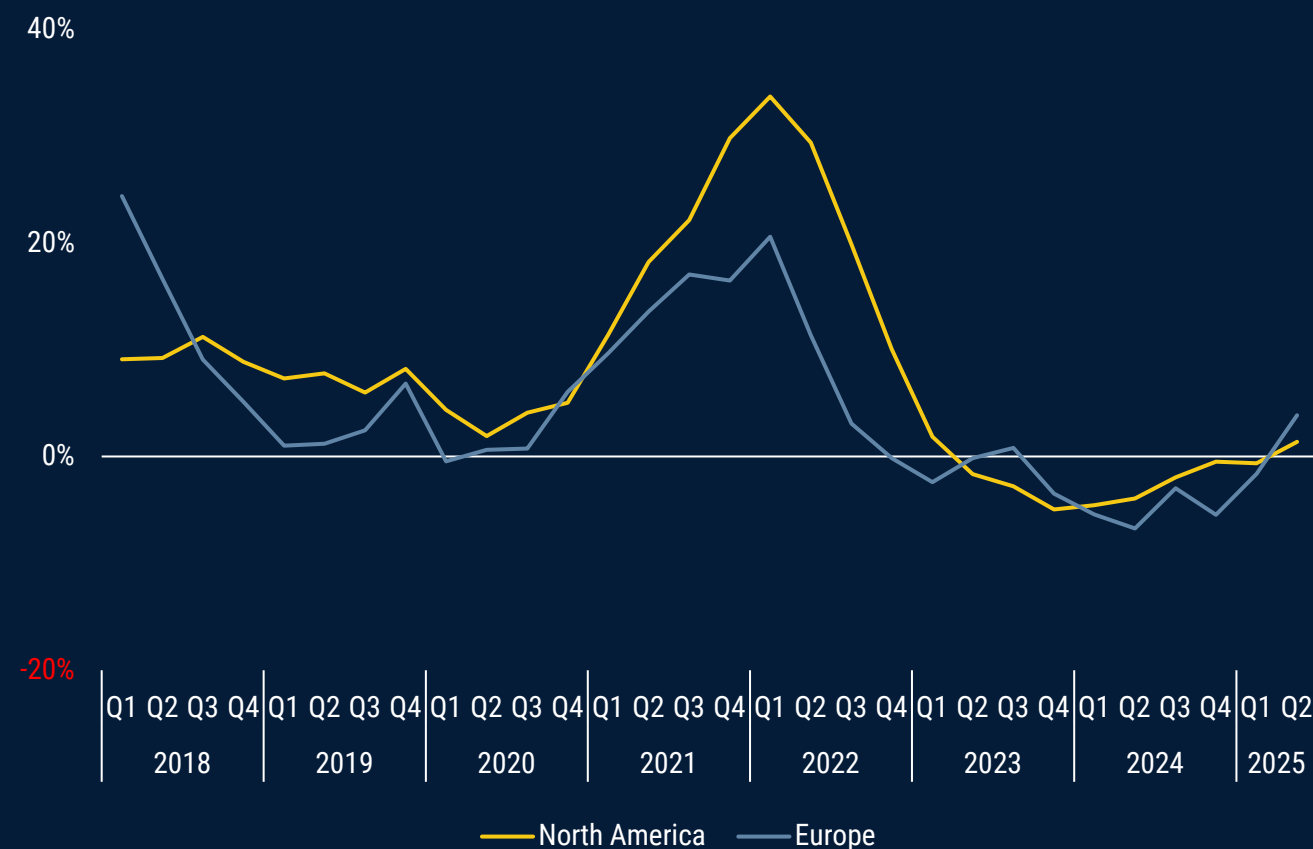


Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



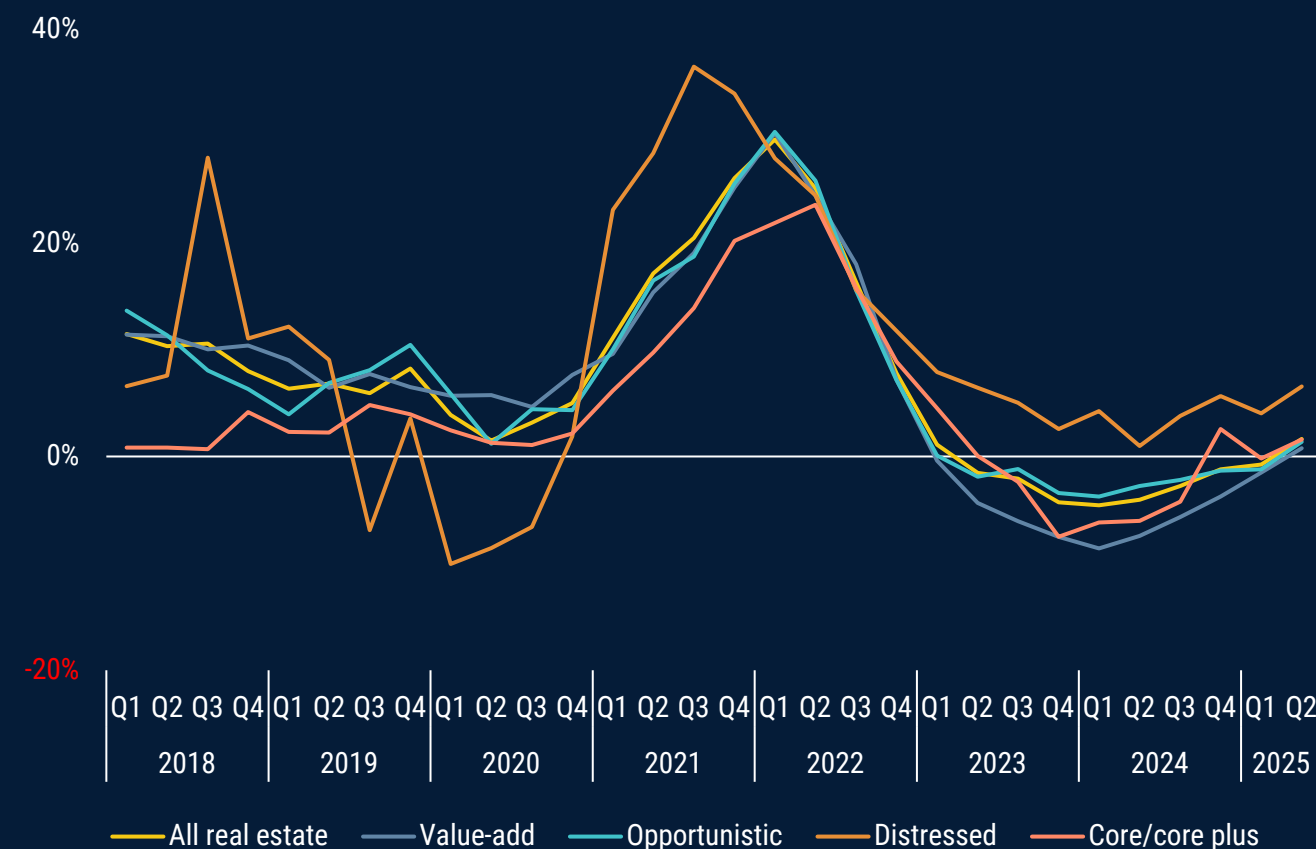
While below long-term norms, returns in the year through Q2 2025 continue to support a narrative of gradual recovery, with all major geographical and strategy slices indicating an upward trajectory after bottoming out in late 2023 or early 2024.

Figure 32 ▶ Real estate funds rolling one-year horizon IRRs by region



Source: PitchBook • Geography: North America and Europe • As of June 30, 2025

Figure 33 ▶ Real estate funds rolling one-year horizon IRRs by type



Source: PitchBook • Geography: Global • As of June 30, 2025



Distributions have historically been strong in the absence of major market crises and disruptive macroeconomic events. In H1 2025, allocators were still suffering through well-below-average distributions, as many GPs were hesitant to transact at 2025 price levels.

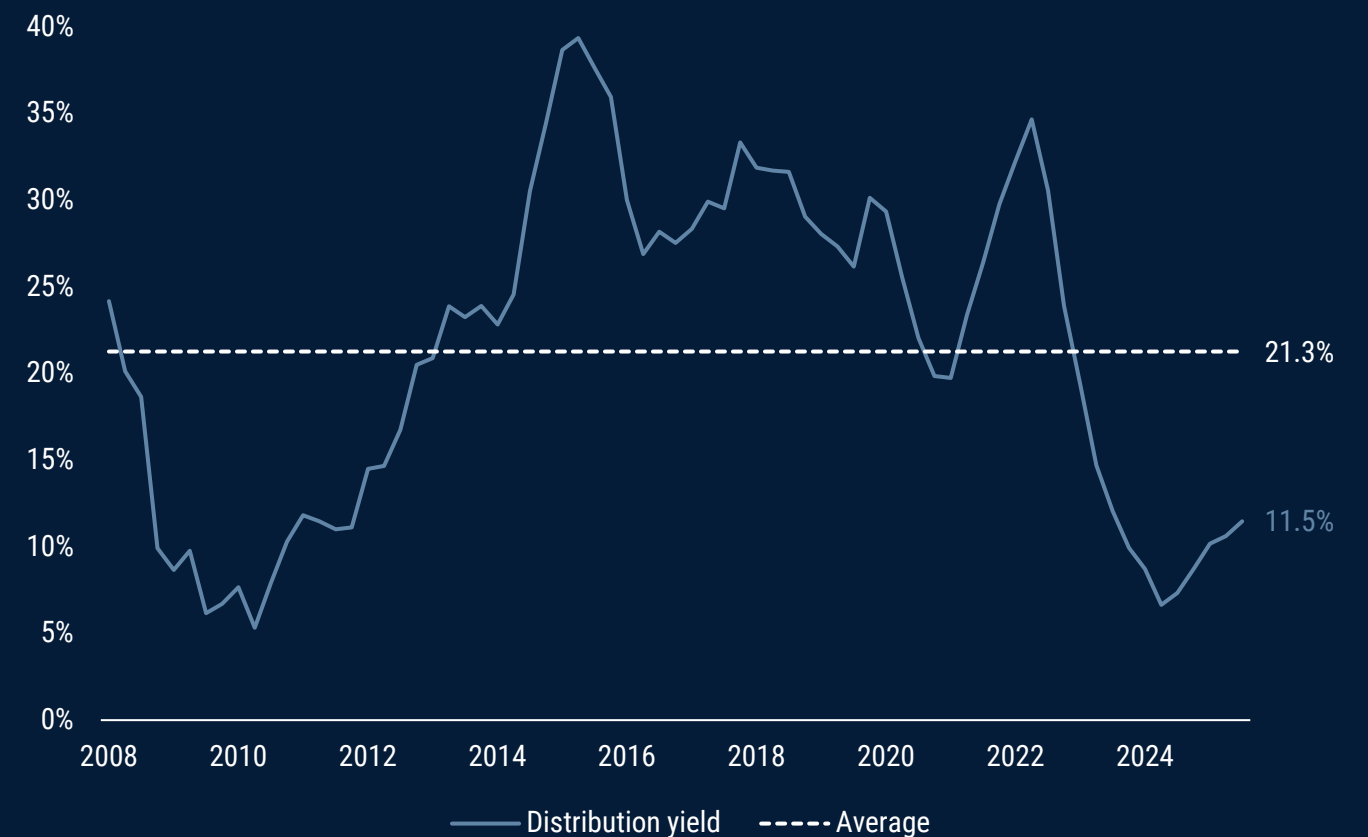
Figure 34 ► Pooled real estate fund DPI by age and vintage year

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
2006-2014	0.07x	0.11x	0.19x	0.36x	0.50x	0.67x	0.83x	0.98x	1.09x
2015	0.03x	0.08x	0.20x	0.30x	0.44x	0.55x	0.74x	0.90x	0.98x
2016	0.08x	0.09x	0.14x	0.22x	0.36x	0.58x	0.78x	0.85x	0.86x
2017	0.03x	0.07x	0.13x	0.24x	0.47x	0.66x	0.73x	0.77x	
2018	0.19x	0.12x	0.14x	0.24x	0.35x	0.37x	0.44x		
2019	0.04x	0.13x	0.14x	0.26x	0.33x	0.33x			
2020	0.04x	0.10x	0.15x	0.16x	0.19x				
2021	0.04x	0.09x	0.09x	0.11x					
2022	0.20x	0.13x	0.11x						

Source: PitchBook • Geography: Global • As of June 30, 2025

Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 35 ► TTM real estate fund distributions as a share of beginning NAV



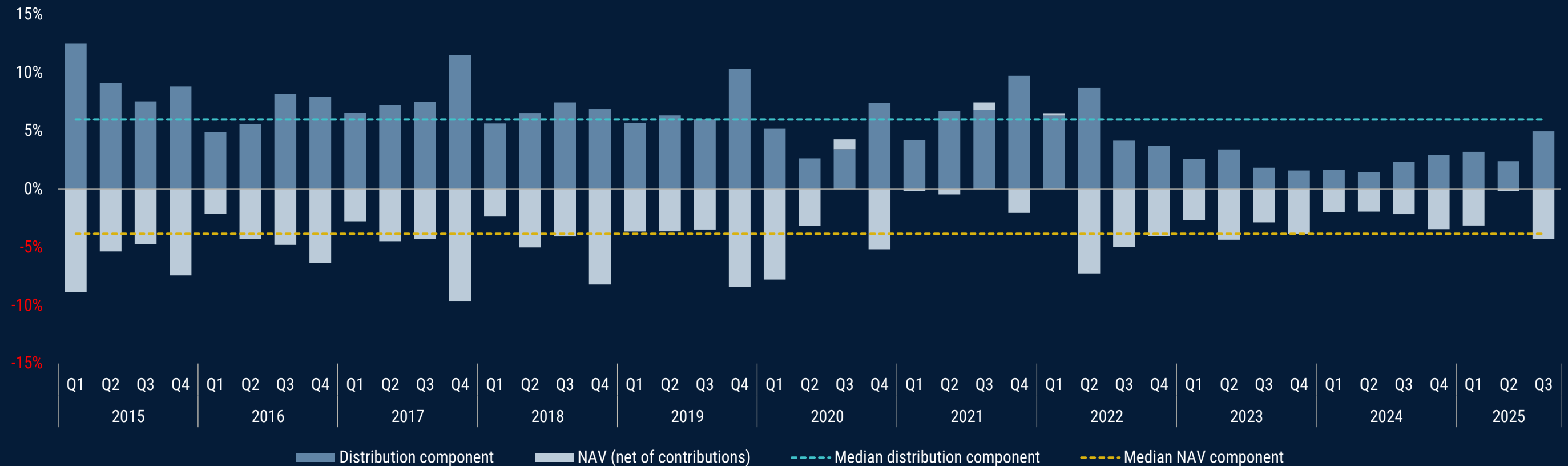
Source: PitchBook • Geography: Global • As of September 30, 2025

Note: Data for Q3 2025 is preliminary.



Distributions edged higher in Q3 2025 as transaction activity nudged upward in some segments and geographies, although global deal activity was still far from booming.

Figure 36 ▶ Real Estate Index quarterly returns by source



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.

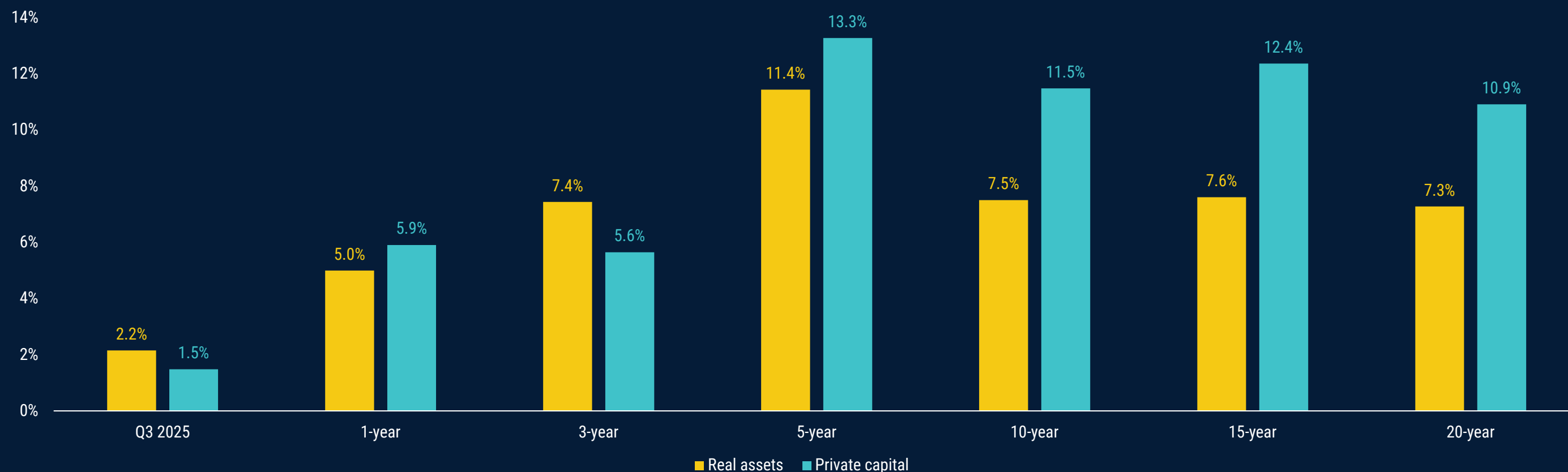


Real assets



Real assets funds generally delivered moderate but steady returns in the economically and politically tumultuous three years through Q2 2025, leading them to outperform, unusually, the broader private capital universe during that period.

Figure 37 ► Horizon IRRs by strategy

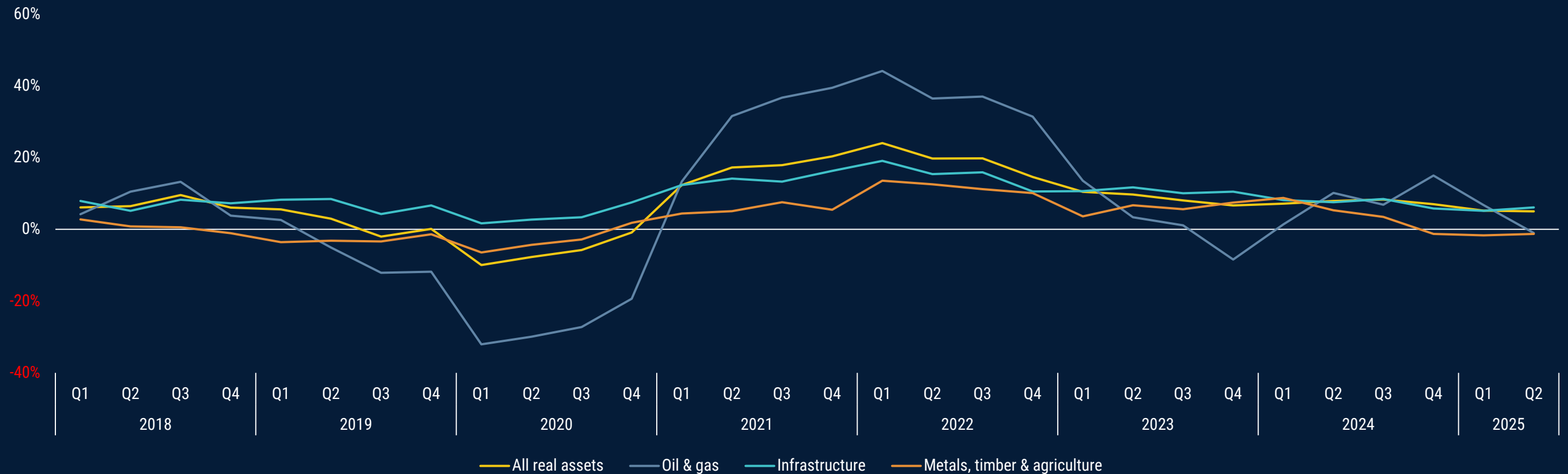


Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



However, performance softened somewhat in 2025, with oil & gas and other natural resources funds weighing on overall returns due to commodity price volatility. Infrastructure fund returns were slightly dampened by forces such as execution risks related to US tariff and permitting policies.

Figure 38 ▶ Real assets funds rolling one-year horizon IRRs by type



Source: PitchBook • Geography: Global • As of June 30, 2025



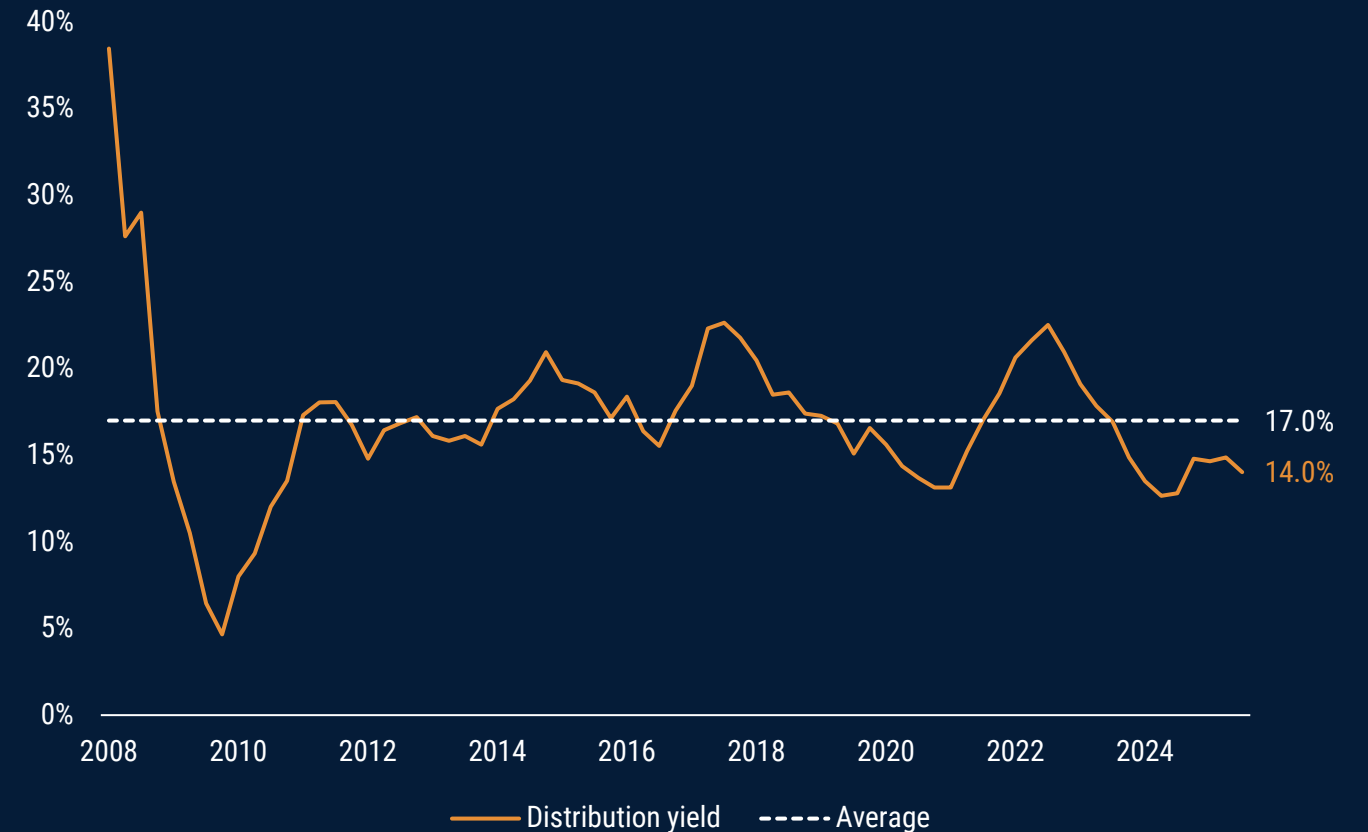
True to their reputation, real assets funds have offered consistent cash flows to allocators at a time when other strategies have struggled to make distributions, which has solidified their place in many LPs' portfolios.

Figure 39 ► Pooled real assets fund DPI by age and vintage year

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Vintage	2006-2014	0.05x	0.09x	0.12x	0.18x	0.27x	0.37x	0.48x	0.58x	0.70x
	2015	0.04x	0.11x	0.20x	0.29x	0.31x	0.36x	0.54x	0.76x	0.89x
	2016	0.03x	0.09x	0.13x	0.22x	0.27x	0.44x	0.56x	0.68x	0.78x
	2017	0.25x	0.19x	0.18x	0.19x	0.25x	0.36x	0.47x	0.57x	
	2018	0.04x	0.08x	0.11x	0.21x	0.26x	0.31x	0.43x		
	2019	0.02x	0.07x	0.11x	0.15x	0.21x	0.27x			
	2020	0.01x	0.07x	0.07x	0.08x	0.14x				
	2021	0.04x	0.04x	0.06x	0.09x					
	2022	0.09x	0.07x	0.09x						

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 40 ► TTM real assets fund distributions as a share of beginning NAV

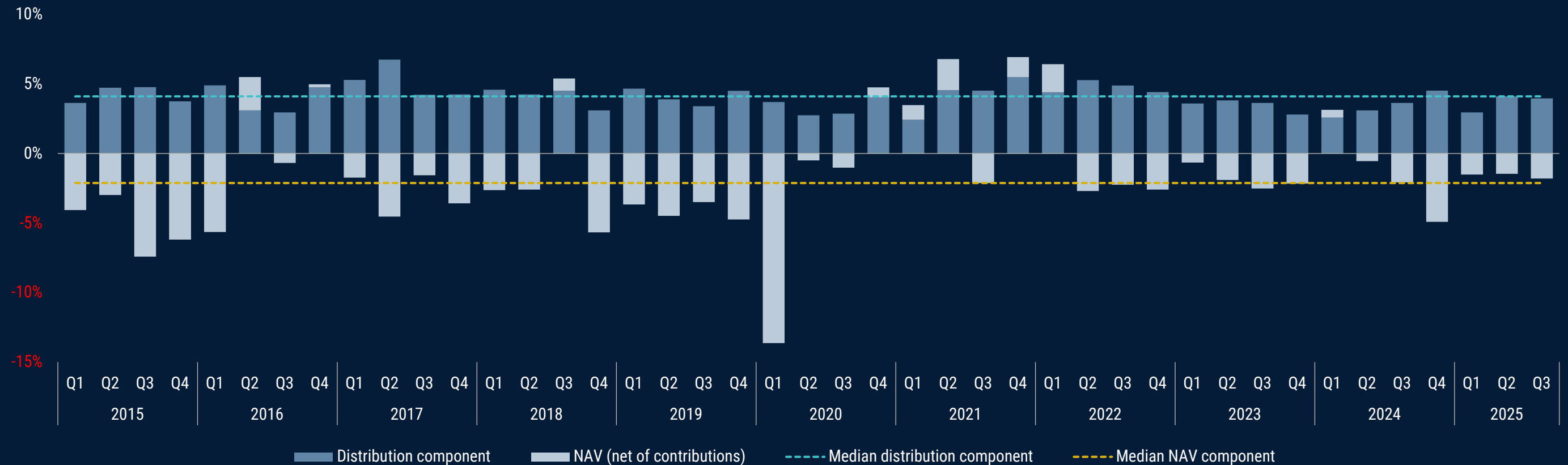


Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



Solid distributions in Q3 2025 support a positive outlook for returns, but performance will continue to be shaped by the policy landscape and commodity price movements in late 2025 and early 2026.

Figure 41 ▶ Real Assets Index quarterly returns by source



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.

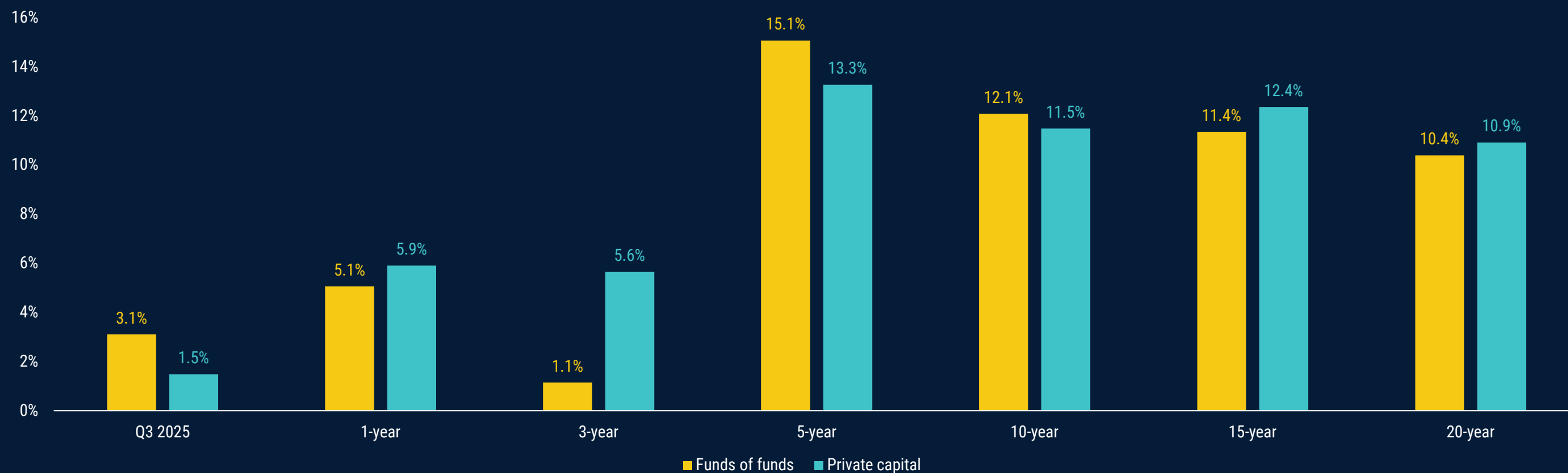


Funds of funds



The value proposition of FoFs may look questionable today. However, patient capital allocation has been rewarded by this exposure over long-term horizons.

Figure 42 ► Horizon IRRs by strategy

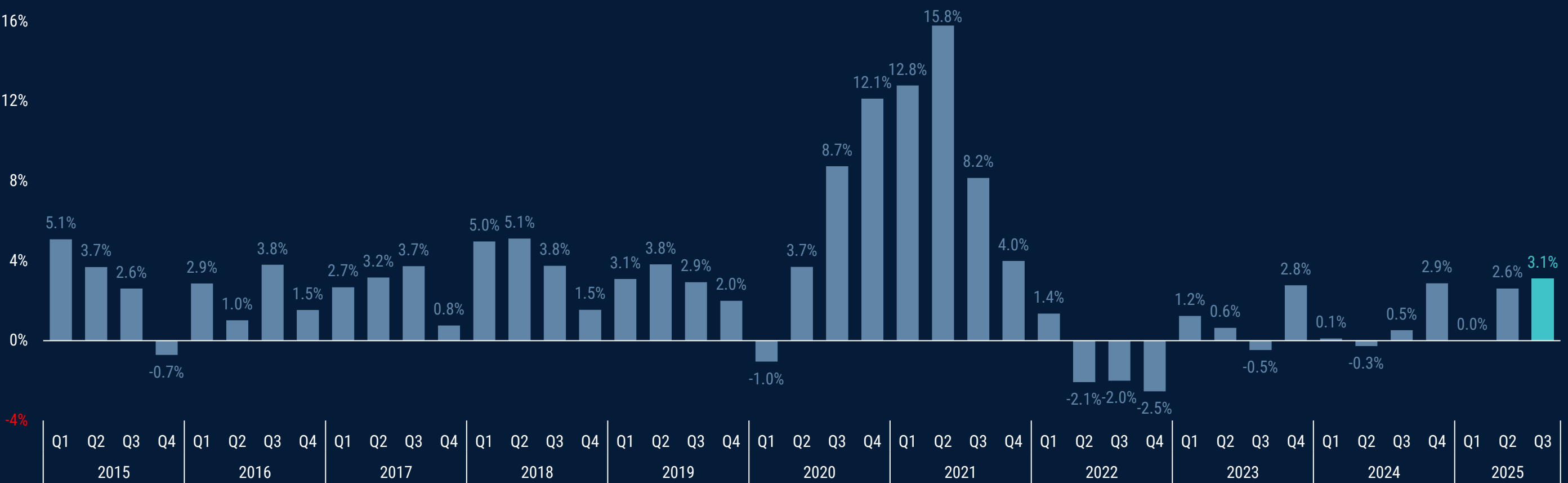


Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



Recent quarterly returns could point to a rebound after a period of subdued performance. While preliminary figures are certain to change as late-reporting fund data comes in, this initial momentum is a hopeful trend to watch.

Figure 43 ► Funds of Funds Index quarterly returns



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



As would be expected of a strategy investing in other strategies covered in this report, the distribution yield for FoFs has also been below the long-term average. Recent-vintage DPIs appear to be initiating at an above-average pace, likely due to the inclusion of more secondaries purchases.

Figure 44 ► Pooled FoF fund DPI by age and vintage year

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
2006-2014	0.05x	0.08x	0.09x	0.12x	0.18x	0.27x	0.39x	0.55x	0.71x
2015	0.03x	0.06x	0.11x	0.14x	0.33x	0.37x	0.55x	0.67x	0.79x
2016	0.04x	0.06x	0.11x	0.12x	0.17x	0.35x	0.46x	0.55x	0.67x
2017	0.01x	0.03x	0.07x	0.12x	0.27x	0.34x	0.39x	0.51x	
2018	0.01x	0.01x	0.05x	0.12x	0.20x	0.23x	0.31x		
2019	0.06x	0.08x	0.10x	0.13x	0.25x	0.28x			
2020	0.02x	0.03x	0.05x	0.06x	0.06x				
2021	0.01x	0.04x	0.06x	0.09x					
2022	0.27x	0.21x	0.21x						

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 45 ► TTM FoF fund distributions as a share of beginning NAV

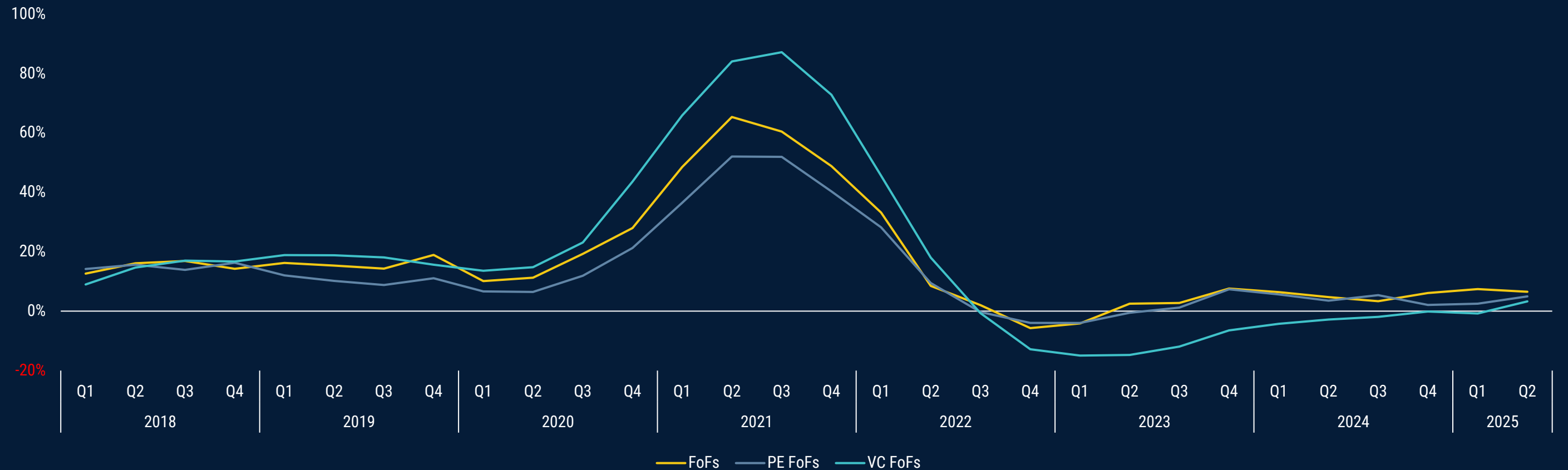


Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



VC is known for hard-to-access managers. FoFs have historically been an effective conduit for investors wanting access to quality venture fund managers. However, exposure to VC has dragged down overall FoF performance in recent years.

Figure 46 ► FoF funds rolling one-year horizon IRRs by type



Source: PitchBook • Geography: Global • As of June 30, 2025

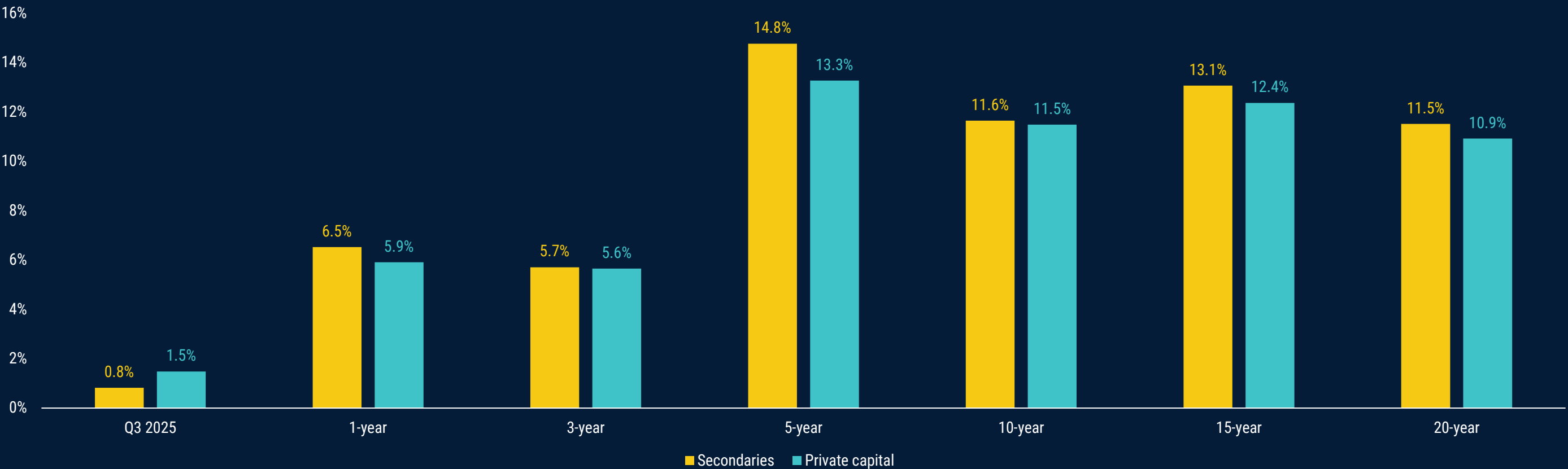


Secondaries



Secondaries funds have a solid historical and recent track record compared with the private capital aggregate.

Figure 47 ▶ Horizon IRRs by strategy



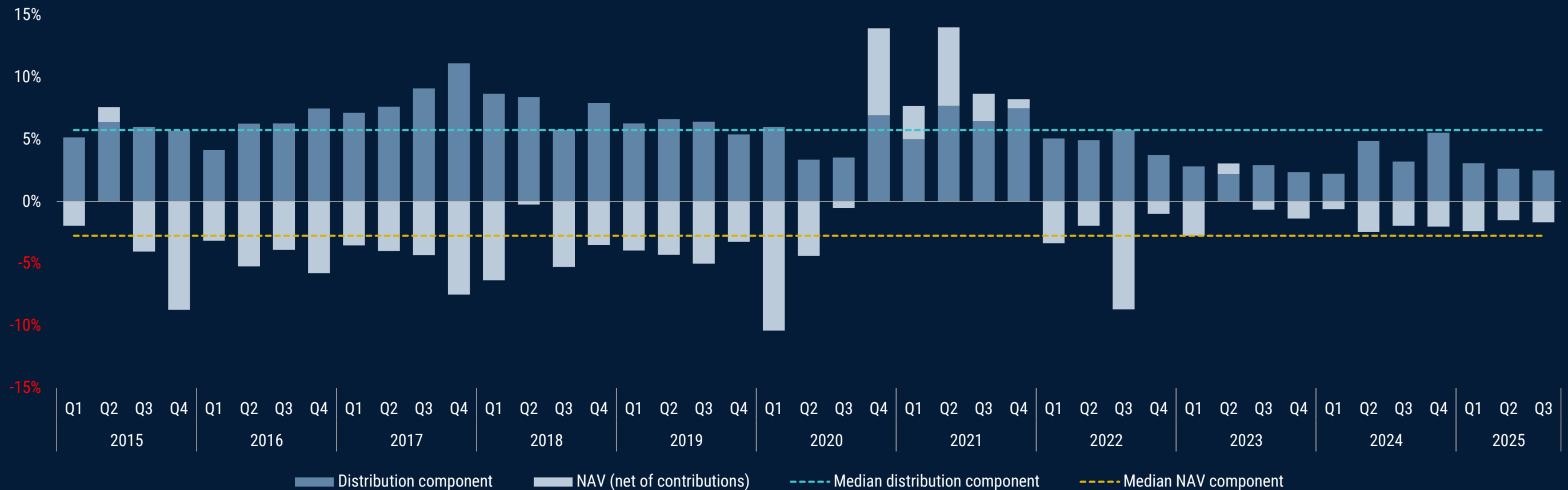
Source: PitchBook • Geography: Global • As of June 30, 2025
Note: Data for Q3 2025 is preliminary.



SECONDARIES

Generally, fund stakes in the secondary market are transacted at a discount to NAV, which the buyer may mark up shortly after. This implies initial “paper gains” and shifts the focus to distributions to assess the quality of returns. Distributions have been below the median in recent quarters...

Figure 48 ▶ **Secondaries Index quarterly returns by source**



Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



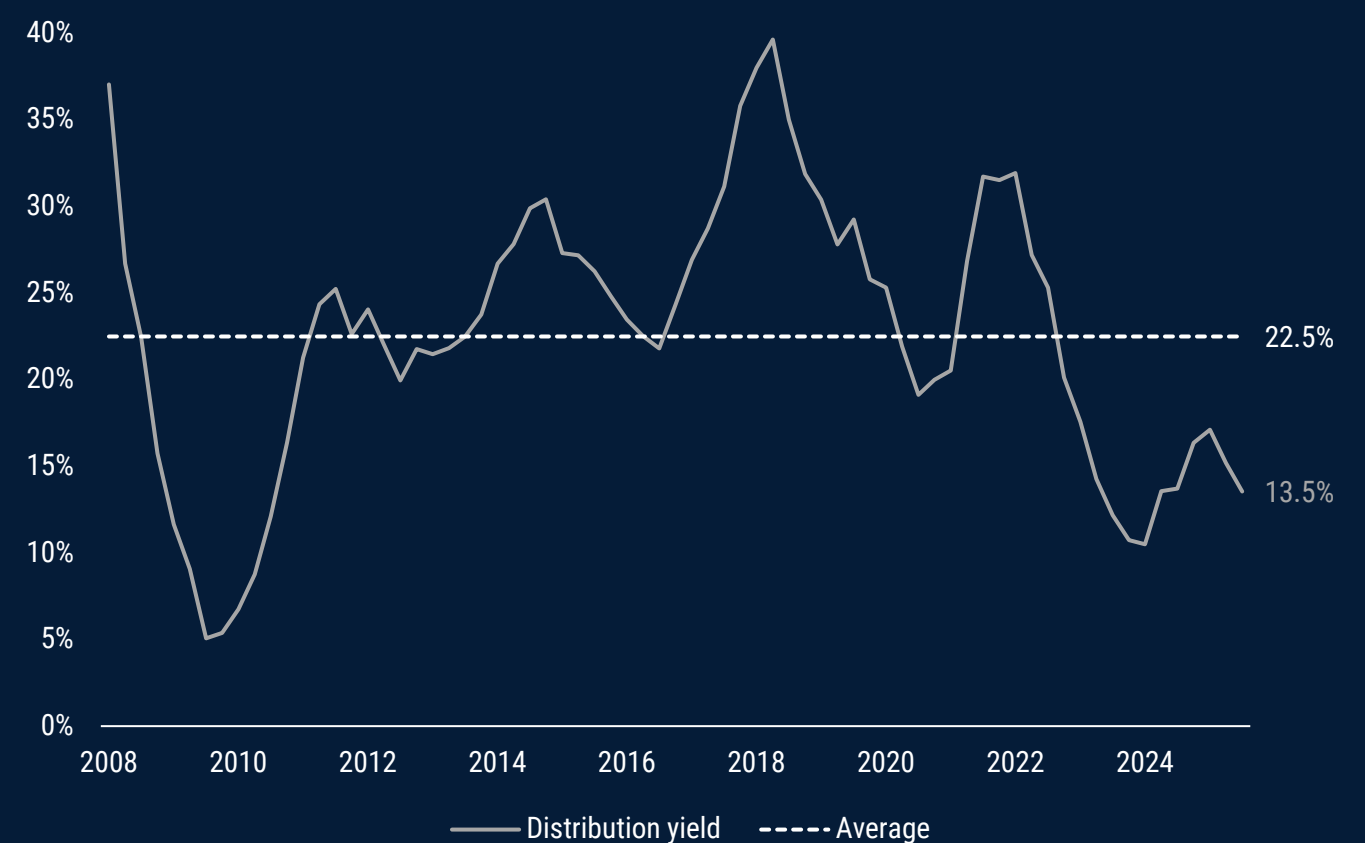
...so the path of distributions will be a critical variable to watch. Investors realize that a shortened time to liquidity is a major advantage to achieving attractive IRRs, so poor distribution yields may lead to poor IRRs for secondaries funds waiting longer to realize gains.

Figure 49 ► Pooled secondaries fund DPI by age and vintage year

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Vintage	2006-2014	0.05x	0.10x	0.19x	0.31x	0.45x	0.59x	0.78x	0.94x	1.06x
	2015	0.03x	0.39x	0.49x	0.73x	0.84x	0.87x	0.96x	0.99x	0.99x
	2016	0.03x	0.16x	0.21x	0.28x	0.39x	0.62x	0.79x	0.86x	0.89x
	2017	0.05x	0.09x	0.10x	0.18x	0.30x	0.45x	0.57x	0.68x	
	2018	0.20x	0.10x	0.17x	0.23x	0.30x	0.37x	0.45x		
	2019	0.01x	0.12x	0.33x	0.48x	0.52x	0.58x			
	2020	0.03x	0.06x	0.11x	0.29x	0.41x				
	2021	0.04x	0.10x	0.12x	0.16x					
	2022	0.39x	0.21x	0.12x						

Source: PitchBook • Geography: Global • As of June 30, 2025
Note: 2006-2014 values are averaged across each time bucket. Shading represents the difference from the 2006-2014 mean values.

Figure 50 ► TTM secondaries fund distributions as a share of beginning NAV

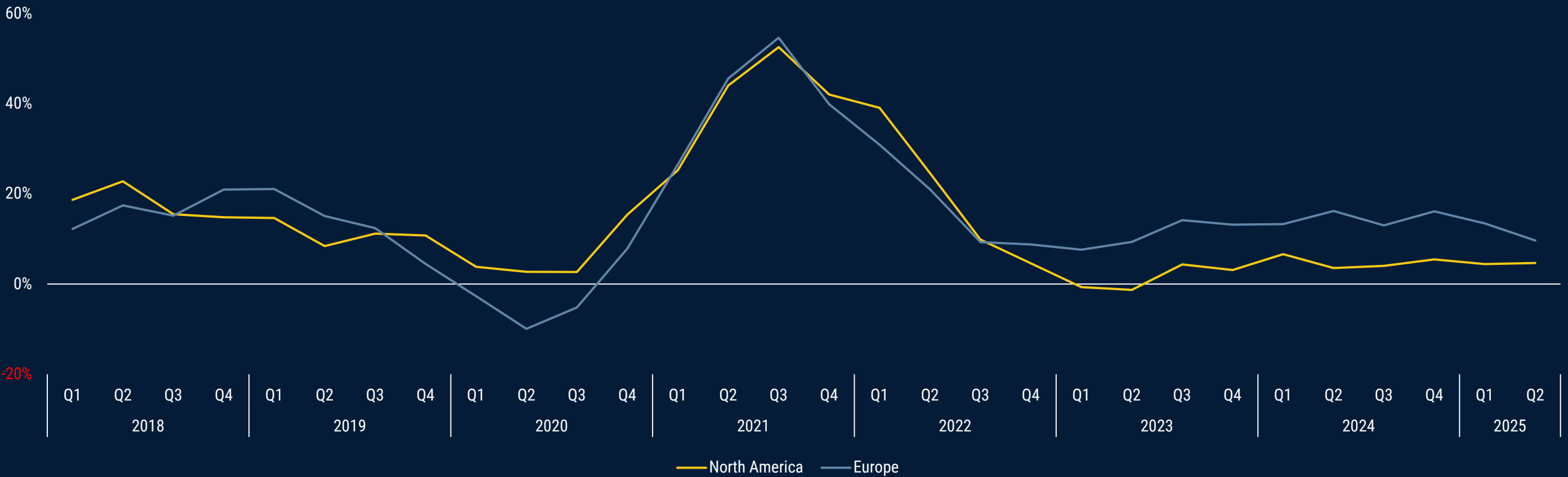


Source: PitchBook • Geography: Global • As of September 30, 2025
Note: Data for Q3 2025 is preliminary.



European-domiciled funds have consistently outperformed their North American peers in recent years, though the gap narrowed somewhat in Q2 2025. A small number of sizable funds raised by European firms are the main drivers of this performance pattern.

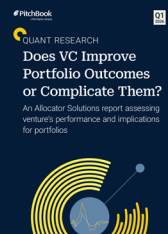
Figure 51 ▶ **Secondaries funds rolling one-year horizon IRRs by region**



Source: PitchBook • Geography: North America and Europe • As of September 30, 2025

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