

Global Asset Monitor

Edition 3 H2 25 U.S. Focus

Expertise. Trust. Scale.



"By 2030, we forecast private assets to grow by more than 70%, reaching close to \$24 trillion."

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Foreword

At Ocorian, we see private markets not as a niche but as the defining growth engine of global capital in the decade ahead. By 2030, we forecast private assets to expand by more than 70% to nearly \$24 trillion. That scale will reshape ownership, distribution, and influence across the financial system. What matters now is not only the velocity of growth but how private capital structures adapt to that volatility, regulation, and investor demands. Whilst a handful of global managers are consolidating, new channels (RIAs, retirement schemes, and specialist platforms) are rewriting investor engagement and structuring, creating new opportunities for both mid-market and emerging managers to specialize and sharpen their competitive edge.

The data in this edition makes the dynamics clear. Across asset classes, U.S. private equity, and credit remain dominant, with family offices, pensions, and endowments leading the next wave of capital formation.

Infrastructure continues to attract long-duration investors, real estate faces structural headwinds, and private credit (which we see still as being in its early innings) is expanding into new frontiers. Across all asset classes, valuations remain vulnerable, but private markets retain their structural advantage: the ability to look through short-term volatility and capture durable long-term returns.

For asset managers and owners alike, this is not a time for incrementalism. Success will belong to those who align scale with specialization, who innovate on distribution, and who embrace partners that bring clarity, rigor, and adaptability across the capital lifecycle.

At Ocorian, that is our commitment: to equip clients with the infrastructure and insight to navigate concentration, complexity, and opportunity with speed and confidence.

This report highlights the signals pointing to 2030: a more global, more concentrated, yet opportunity-rich market. The winners will be those who position early – and execute with conviction.

If you wish to contact me to discuss working together, my details are in the QR code.



by Yegor Lanovenko

Global Co-Head of Fund Services at Ocorian



At a glance



Global assets

- Reached a record \$267.0 trillion in September 2025, up \$24.1 trillion since the new year and \$42 trillion since April's tariff-driven lows.



Equities

- **Listed:** Up \$11.8 trillion (10.5%) to \$124.5 trillion, driven by Europe, the UK, Japan, and Asian developed markets; U.S. lagged global peers.
- **Private Equity:** AUM up \$963 billion (10.8%) to \$9.9 trillion, with Asia accounting for nearly a third of growth and North America surpassing \$5 trillion for the first time.



Debt

- **Sovereign bonds:** \$68.9 trillion, up \$5.5 trillion (8.6%), as governments continued heavy issuance.
- **Corporate bonds:** \$38.5 trillion, up \$4.0 trillion (11.4%), but spreads are at historic lows, raising risk-reward concerns.
- **Private credit:** Debt AUM rose 7.7% to \$1.36 trillion, with most growth in North America. Yields remain strong, often above 10%, but credit spreads have narrowed sharply.



Private infrastructure

- AUM climbed 10.0% to \$1.35 trillion, while **private real estate** inched ahead 3.1% to \$1.42 trillion, hampered by poor fundraising momentum and refinancing pressures.



What is underpinning asset valuations?

- Corporate credit bridges bond markets to equity valuations – a steeper yield curve and narrowing spreads push risk asset values higher.
- Real yields remain moderate – positive for risk assets.
- But risk assets are perceived to be “priced for perfection” and vulnerable to an economic slowdown or fallout from tariff policies.



2030 outlook

Ocorian forecasts private asset funds will reach \$23.9 trillion, up 70%, with private equity doubling to \$17.4 trillion.



U.S. industry focus

Capital raising is harder in 2025, exits are slow across H1, cost pressures are always a given, but regulation is a top concern, and outsourcing is expanding. Family offices and pension funds, foundations and endowments are expected sources of new capital, while retail access remains limited.



"Ocorian forecasts private asset funds will reach \$23.9 trillion, up 70%, with private equity doubling to \$17.4 trillion."

Global assets overview

A tumultuous 2025 has seen the value of global listed assets swing wildly as investors have attempted to price the impact of ever-changing tariff announcements from the U.S. administration on the global economy, as well as geopolitical tensions and a lack of progress from governments around the world in curbing excessive fiscal deficits.

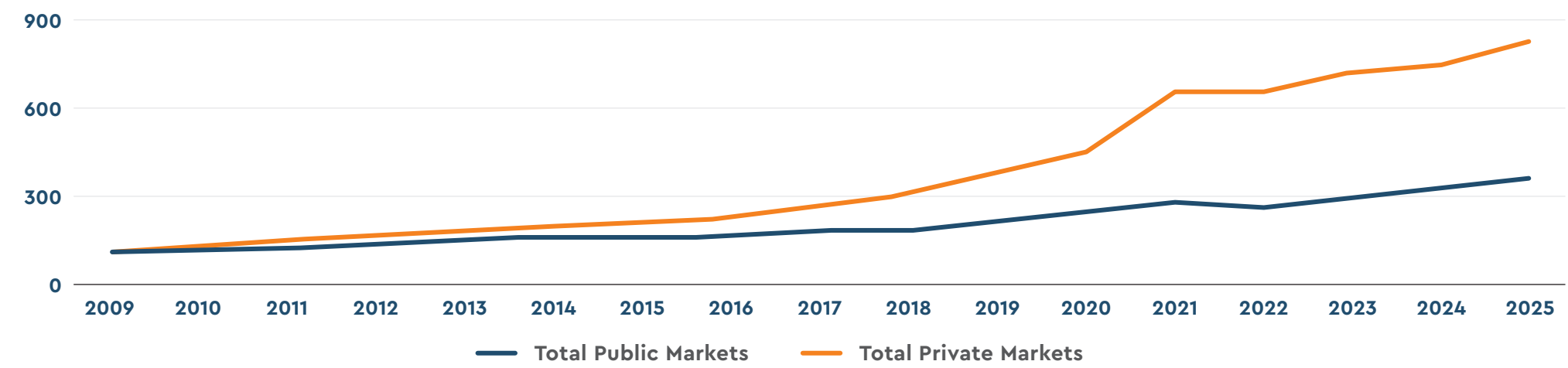
By the beginning of September 2025, the world's assets – both listed and private – were worth a record \$267.00 trillion, up \$24.08 trillion since the turn of the year and up by more than \$42 trillion since the low point reached in early April after President Trump's "Liberation Day" tariff announcements.

Global assets under management (AUM) USD Bn

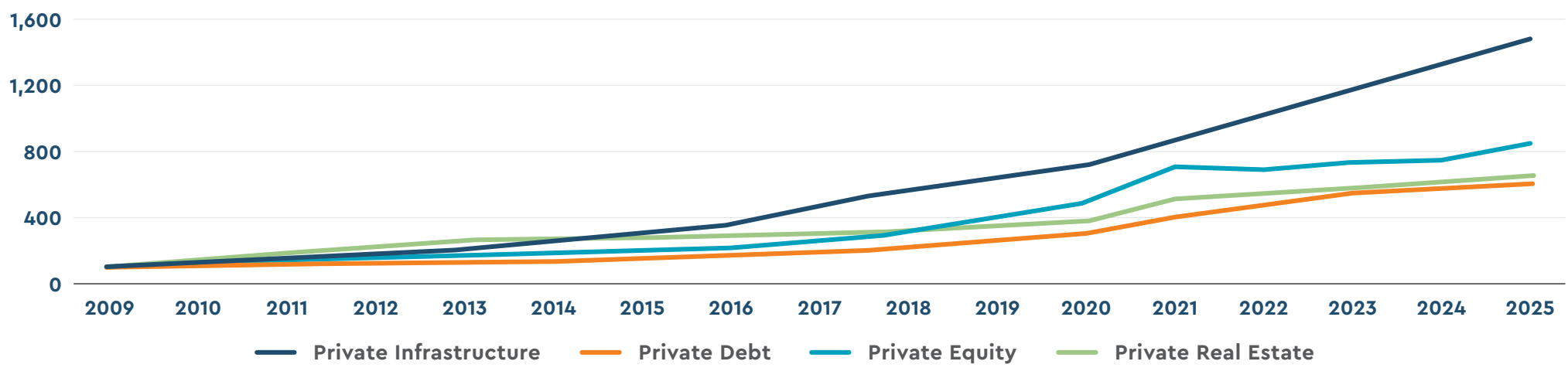
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Listed Equity	32,806	36,956	33,595	38,759	46,263	48,991	47,645	50,432	63,458	57,070	73,704	87,832	102,685	83,953	99,212	112,682	124,468
Sovereign Bonds	23,593	27,931	31,848	33,073	34,748	35,218	34,880	35,845	36,342	40,084	42,220	46,516	50,509	56,110	59,583	63,426	68,894
Municipal Agency & Other Bonds	3,591	4,627	5,100	5,757	6,258	6,369	6,402	6,428	7,329	8,118	10,420	11,516	13,214	15,885	17,375	19,481	21,128
Corporate Bonds	11,238	12,880	14,337	15,386	16,721	17,774	18,826	19,067	20,430	22,107	23,230	23,784	27,004	30,513	31,614	34,512	38,461
Total Public Markets	71,229	82,394	84,880	92,976	103,990	108,352	107,753	111,772	127,559	127,379	149,574	169,648	193,413	186,460	207,784	230,101	252,951
Infrastructure	92	117	129	151	188	220	257	322	424	516	592	652	807	948	1,080	1,229	1,351
Debt	225	256	250	271	275	303	323	372	413	478	566	691	913	1,043	1,208	1,262	1,359
Private Equity	1,184	1,481	1,653	1,830	2,004	2,165	2,274	2,477	2,956	3,549	4,408	5,781	8,199	8,138	8,631	8,954	9,917
Real Estate	217	311	400	490	561	605	610	641	658	680	747	820	1,091	1,169	1,254	1,376	1,419
Total Private Markets	1,718	2,165	2,433	2,741	3,028	3,293	3,465	3,812	4,451	5,222	6,313	7,944	11,010	11,298	12,173	12,820	14,047
Grand Total	72,947	84,558	87,312	95,717	107,019	111,644	111,219	115,584	132,010	132,601	155,886	177,592	204,423	197,758	219,958	242,921	266,998

Source: Preqin, Factset, Ocorian

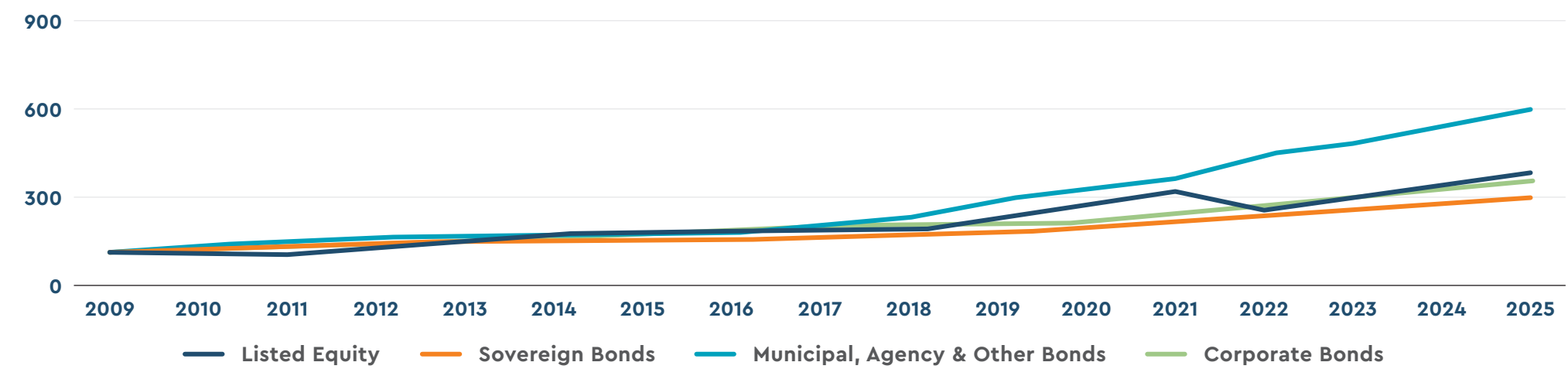
Public v Private Market Growth – USD, indexed



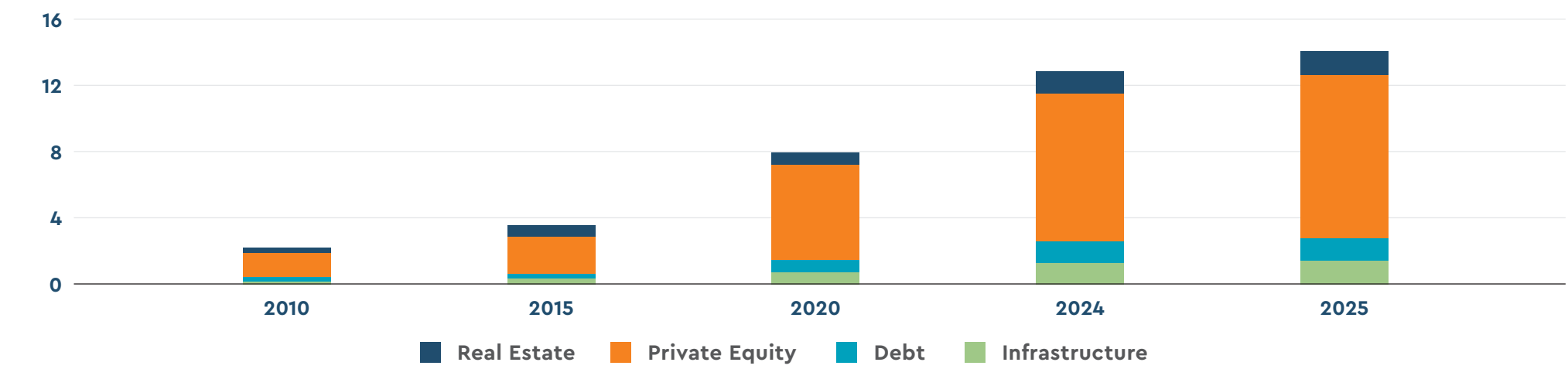
Private Market Growth – USD, indexed



Public Market Growth – USD, indexed



Private Market Values – USD (\$ trillion)



Equity markets

For the first time in years, U.S. equities have underperformed their global peers – a sign of how Europe, Japan and developed Asian markets are reclaiming a bigger share of global capitalization.

Listed equity markets are up by \$11.79 trillion or 10.5% to \$124.47 trillion. Half of this growth is down to rising U.S. share prices purely owing to the size of the U.S. market, but the U.S. contribution to the increase is significantly lower than the U.S. share of global market capitalization as U.S. equities have lagged behind global peers. Stronger exchange rates and outperforming markets mean Europe, the UK, Japan and developed markets in Asia, such as Hong Kong, South Korea and Singapore, have all made a disproportionate contribution to higher equity-market values.

Global outperformance in 2025 has slightly eroded the dominance of the world's ten most valuable companies, nine of which are American. At \$22.91 trillion, their value is \$1.8 trillion greater year-to-date, now worth 18.2% of global listed equity market capitalization down from 18.7% at the beginning of 2025.

"Europe, Japan and developed Asian markets are reclaiming a bigger share of global capitalization."



Private equity outpaces listed markets

Private equity markets have performed strongly in 2025 too. Having ended 2024 valued at \$8.95 trillion¹, our modelling shows that private equity assets under management have jumped \$963bn more this year, to a new record of \$9.92 trillion, up 10.8% since the end of December 2024.

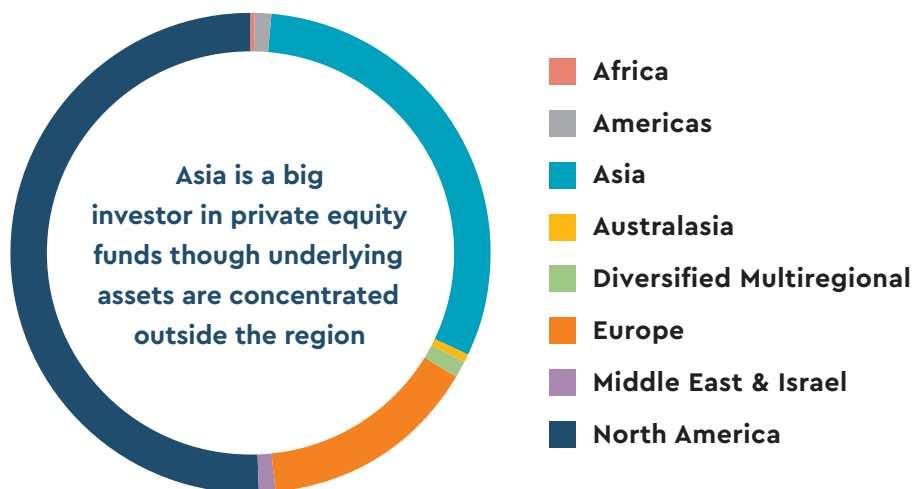
Asia's private equity assets are quietly redrawing the map — accounting for nearly a third (30%) of global growth this year despite making up just one fifth of underlying portfolio assets: Asia's private equity assets are up 15.8% this year to a record \$2.1 trillion. North America, particularly the U.S. has lagged, with asset values up by \$495bn or 9.6%. This represents just

over half of the 2025 increase (51%), below North America's 57% share of the asset pool. The \$5.64 trillion of North American underlying assets within the world's private equity funds is nevertheless a new record.

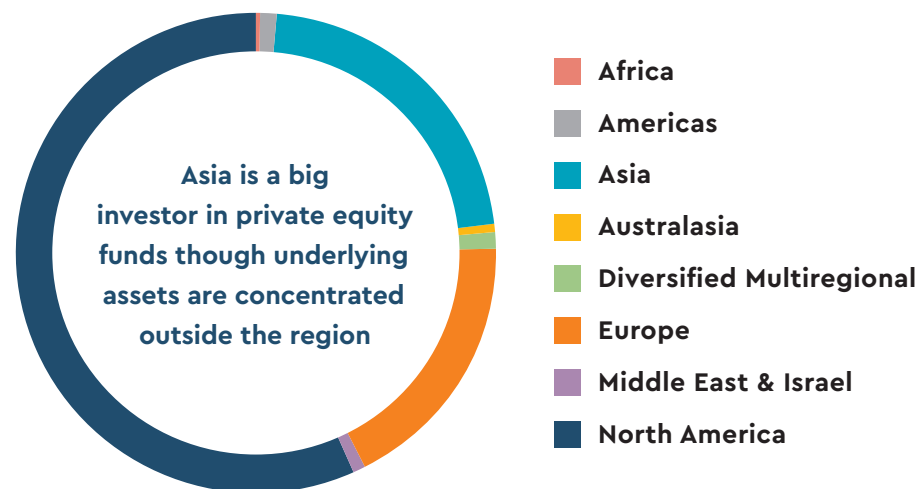
Funds domiciled in North America breached the \$5 trillion mark for the first time, now worth \$5.06 trillion or 51% of the total private equity funds under management around the world. Those in Asia are managing one third (31% / \$3.04 trillion), while European funds account for one seventh of AUM (14.9% / \$1.48 trillion).

¹ Preqin

Private Equity – September 2025 – by fund location



Private Equity – September 2025 – by underlying assets





Debt Markets

Listed bonds

At \$68.89 trillion by September, sovereign bond markets were \$5.47 trillion or 8.6% larger than their end 2024 level, having more than doubled since 2009. Most of this is due to governments continuing to issue significant volumes of debt to fund huge fiscal deficits, along with exchange-rate factors boosting the dollar value of European and Japanese debts in particular. With corporate bond spreads so tight (after briefly blowing out around the "Liberation Day" market chaos), companies have enthusiastically been issuing new paper in 2025 too, perhaps in the expectation that this attractive market window will close in the near future. The interest-rate premium offered to investors in high-yield bonds is especially narrow at present, raising the risk that investors are being underpaid for credit risk just as the global economy cools. The hot conditions in the corporate bond market mean it was 11.4% larger at a record \$38.46 trillion by September compared to the end of 2024, an increase of \$3.95 trillion.

Private credit

Private credit markets are obviously more skewed towards private company corporate credit than listed bonds markets where governments are the largest seekers of finance. Moreover, borrowers of private credit are significantly more likely to pay floating rates – levied at a fixed spread over a benchmark rate such as SONIA or Euribor. This keeps credit spreads stable while passing base-rate risk to the borrower, thus protecting the lender's return if policy rates rise. This also keeps private credit aligned with leveraged-loan markets with which private credit shares a number of key characteristics. Numbers vary depending which industry sources you consult, but roughly 80%-90% of new deals are typically done on floating rates – compared to around 3% of investment-grade corporate listed bonds.

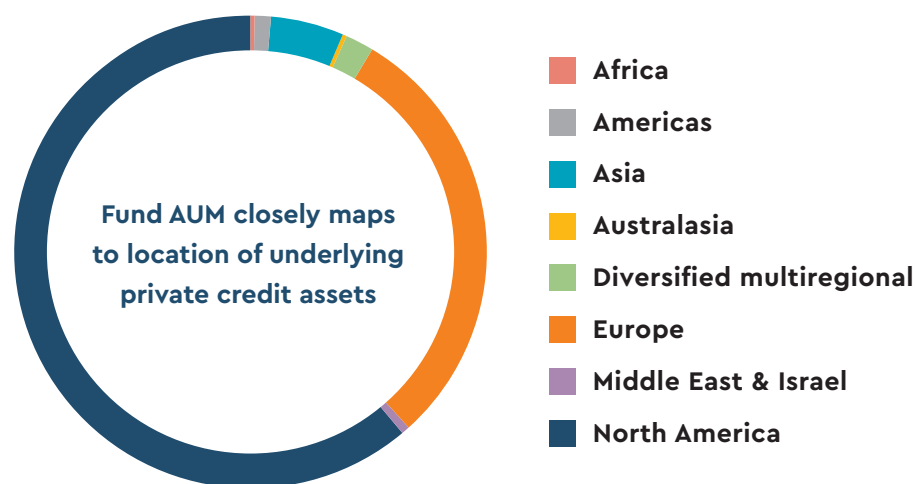
Spread compression in listed markets has also taken place in private markets, though the total interest burden for borrowers remains substantial owing to relatively high (if falling) policy rates. KKR in April reported senior-secured private credit routinely delivering cash yields exceeding 10%. And private credit deals are priced at a premium to their more actively traded and more liquid broadly syndicated loan counterparts. T-Rowe Price puts this premium at 150-300 basis points over time, with the higher pricing reflecting both illiquidity and complexity.

Demand remains, however. Our modelling suggests that private credit assets under management have grown by 7.7% in 2025 (by the beginning of September), reaching a record \$1.36 trillion. A net increase of \$97bn since the

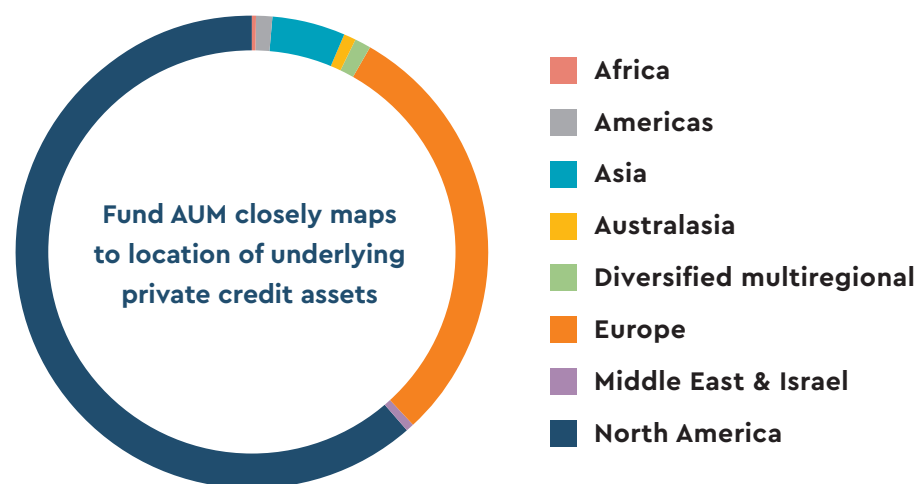
end of last year in a combination of rising valuations and inflows. Most of this is to North American borrowers, principally in the U.S., which accounted for a record \$848bn (62% of the total). European borrowers were the next most important at \$406 bn (31% of the total). Private credit is significantly less important in Asian markets where traditional banking relationships dominate. Loans to Asian borrowers account for just 5% of private credit assets under management (compared to an Asian share of private equity four times larger).

Our analysis of Preqin data suggests the ownership of these assets closely mirrors the size of the private lending markets in different parts of the world: 62% in North America, 30% in Europe, and 5% in Asia with the rest around the globe.

Private credit – September 2025 – by fund location



Private credit – September 2025 – by underlying assets

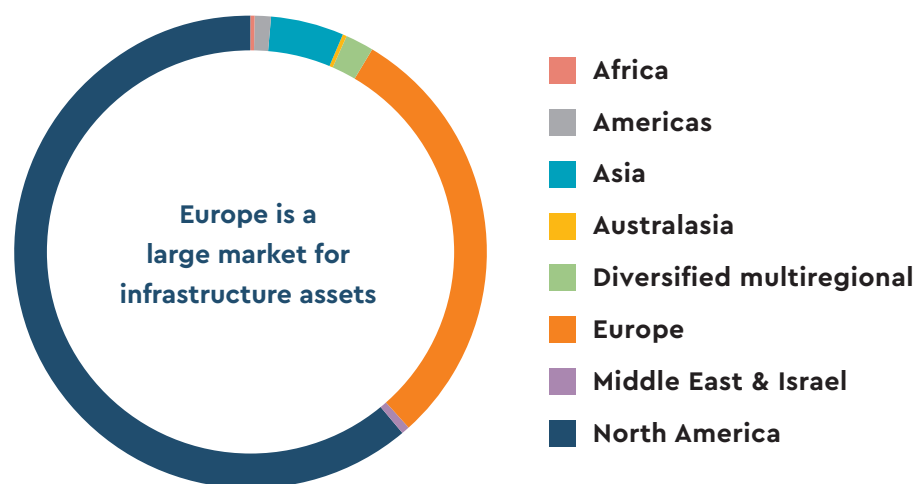


Infrastructure

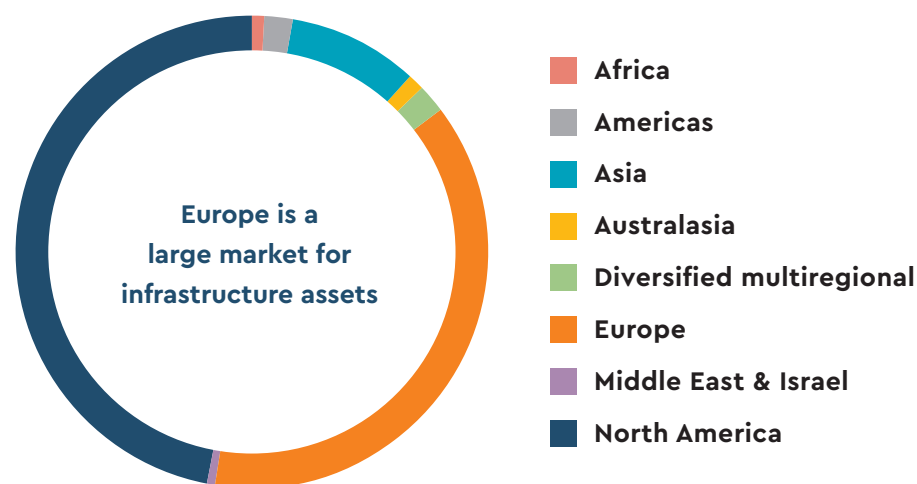
Infrastructure fund AUM is similar to both credit and real estate. They reached a record \$1.35 trillion by the beginning of September 2025, up by 10.0% or \$123bn compared to the end of December 2024. The asset class is supported by resilient income streams, and though fund-raising is taking longer, around 60% longer in 2024 and 2025 than in 2021 and 2022 according to Infrastructure Investor, volumes are reportedly healthy this year. Infrastructure Investor put them at \$48bn in the first quarter, the best Q1 since 2022. There is growing investor interest, especially among those like pension funds that need long-duration assets to match their liabilities. Allocation intent therefore remains high, particularly around thematic opportunities like digitalization, energy transition, and decarbonization.

Our analysis puts just under half (47%) of the underlying Infrastructure assets in North America, the lowest North American share of the four private asset classes, with two fifths (38%) in Europe, making infrastructure easily the most 'European' of the four. Taking the domicile of funds under management as a proxy for where ownership lies, European investors are also heavily represented, at 38% almost equal with North Americans; Asian-domiciled funds account for one sixth.

Private infrastructure – September 2025 – by fund location



Private infrastructure – September 2025 – by underlying assets



Real Estate

Assets under management climbed 3.1% in the first eight months of the year, up \$43bn to a \$1.42 trillion. Though this is also an all-time high, the rise this year has underperformed the other three major private asset classes.

There are some headwinds affecting the sector. Global private real estate fund raising was the weakest in 2024 since 2012, according to PEI, with relatively poor momentum carrying into this year, and redemption queues still affecting some funds. The lack of a sustained REIT rally in listed markets has limited confidence on near-term NAV growth for private funds, while assets bought or refinanced in 2020–21 at ultra-low rates are now rolling over into higher cost debt.

The asset mix is naturally skewed to North America which accounts for just over three fifths (61%) of assets held in real estate funds, according to our modelling of Preqin data. One fifth is in Europe and one seventh in Asia. The spread of AUM by ownership broadly reflects where the assets are invested.

"Assets under management climbed 3.1% in the first 8 months of the year, up \$43bn to a \$1.42 trillion."



What has underpinned asset valuations 2025?

In the bond markets, the yield curve has steepened as expectations of central bank rate cuts have pushed short-dated yields lower. Unlike a 'bear steepening,' this development is less damaging for risk assets such as equities, private equity, infrastructure, and property. A bear steepening raises long-term yields and discount rates while simultaneously giving investors more attractive risk-free alternatives, a combination that often triggers stock market corrections. A major repricing of the longer end of the yield curve happened in 2022–23 when it became clear that inflation was sticky and rates would stay higher for longer. That 2022 steepening caused sharp drops in share prices.

Corporate credit is the bridge between yield-curve moves and equity pricing. The yield curve has steepened even as corporate spreads (the premium companies have to pay compared to governments when they borrow) have narrowed in the last year or so to lows not seen this century – if a steeper yield curve is associated with narrower spreads it does not signify funding stress and is often associated with a soft economic landing. This means it typically does not spill over into equity prices, and private asset valuations, via tighter financing conditions. This seems to have been the case in 2025, though risks abound. Assets of all kinds are frequently described as 'priced for perfection' at present. If an incipient slowdown in the U.S. economy intensifies and if, as is widely expected, inflation picks up as a result of tariff policies, stagflation would present a bigger danger, with knock-on effects for asset prices.

There certainly has been a lot of volatility at the longer end of the yield curve within a range this year which is troublesome for asset valuations at any given point as capital markets attempt to adjust. But private assets have the advantage of being able to look through short-term volatility, and instead to focus on the deeper rate trend. Appraisal-based valuation adjusts slowly to

market-rate changes, taking place over a number of quarters rather than days. Private markets are a much less bumpy ride than white-knuckle listed assets can be in times of global volatility.

Crucially, real yields are more important than the nominal kind for valuing risk assets, including in private markets, because inflation-adjusted long-term rates underpin how future cash flows are discounted to derive today's values. Real yields have certainly risen in recent years. In the U.S. by mid-August 2025, they sat at 1.9% as measured by the 10-year inflation-indexed Treasury bond (TIPS), up from the long-term average of 1% and well above the deeply negative real-yields seen during the pandemic. But this is still below the 3–4% levels prevalent in the 1980s and 1990s and it has adjusted relatively gradually. This gradual process explains why higher real yields have not triggered a significant repricing of equities – both listed and unlisted. Markets have had time to absorb changing conditions. Higher real yields mean equities certainly need to deliver high returns, but the equity risk premium is clearly still attractive for investors. Private markets are affected by the same forces. Moreover, for private markets, the relatively moderate level of real yields means finance costs have not surged dramatically, especially with central-bank policy rates coming down. This cushions pressure on NAVs.

Private assets by 2030

At Ocorian we are optimistic over the future of private assets in the next five years. There are challenges, but private assets continue to gain traction. The U.S. universe of listed companies has shrunk from over 8000 stocks in the 1990s to around half that today, while the number of privately held companies has skyrocketed. This trend has been repeated in other key markets such as the UK too. Even with the recent success of select initial public offerings, there is no reason to expect, for example, that companies in need of capital are suddenly likely to turn to listing on a stock market as a first port of call, now that private equity is increasingly available, offering freedom from short-term market pressures and reporting requirements, active operational support, flexibility over capital structure, and potential for management equity upside.

For borrowers, private lenders can make faster decisions than bank credit committees, offer more tailored debt packages, less restrictive covenants, one-stop financing across the whole debt package (e.g. unitranche or mezzanine) and alignment with private equity sponsors, though these benefits may come at a higher cost.

Infrastructure returns accrue over decades so the private structure suits patient investors like pension funds and provides certainty to the projects being funded. Private infrastructure funds can also provide significant quantities of equity up front, reducing the need for complex multi-layered financing. And private infrastructure investors are comfortable with concession agreements, public-private partnerships (PPPs), and revenue-sharing models. This flexibility can unlock deals that pure public funding or conventional corporate finance might not support.

Finally, private real estate funds appeal to investors, and to the property operators they back, because they combine access to large-scale, professionally managed property portfolios with structures that can be more flexible and strategic than public-market equivalents like REITs. For example, private real estate managers can buy, reposition, redevelop, or re-tenant properties to create value, not just collect rent, adding value versus a purely buy-and-hold income-focused strategy.

Our central case forecast for the value of private assets by 2030 is based on historical internal rates of return in each sector as a proxy for future compound annual returns along with conservative estimates of ongoing fund inflows. For example, we use a 10.1% IRR for private equity as the mid-point between historic one year, three year and five year buyout returns sourced from McKinsey, which captures some of the more difficult recent periods, rather than imagining that the golden years of the 2010s continue indefinitely.

We expect private equity assets under management to rise from \$9.92 trillion today to \$17.41 trillion by the end of 2030. Along with debt, infrastructure and real estate we see the private asset funds market expanding to \$23.9 trillion by the end of the decade, up 70% from today's value, though that trajectory assumes historical returns remain broadly intact, a big 'if' in a more volatile macro environment.



"The U.S. universe of listed companies has shrunk from over 8000 stocks in the 1990s to around half that today, while the number of privately held companies has skyrocketed."

Viewpoint: The private asset market in 2030



by Vince Calcagno

Head of U.S. Growth for Ocorian

Private asset funds under management already top \$14.0 trillion according to Ocorian's latest modelling, of which \$7.9 trillion is run by firms in North America, mostly the U.S.. But private funds are still only around one tenth of the wider fund management industry's AUM across listed and unlisted assets. Tailwinds propelling the market's growth come both from the demand for private financing and from sources of capital looking to capture higher expected returns. These investors often attempt to meet objectives, such as matching long-term liability requirements of their investors with expected rates of return and investment horizons. We duly expect private market AUM to expand to approximately \$24 trillion by 2030. But who will own the industry? Or control decision making for the majority of this capital? The answer lies across distribution networks, consolidation of power, and whether the opening of private markets to a broader investor base is abrupt or gradual, over the second half of this decade.

The power of the industry's largest players is growing. The need to bulk up to compete is driving consolidation across the industry. Asset servicers like Ocorian are responding in kind, recognizing the need to keep pace with the complex needs of clients and driving consolidation across global markets.

Mainstream fund managers are also increasingly muscling into the alternatives market, attracted by fees remaining resilient across several decades – unlike other industry sectors. Competitive pressure in the listed asset management sector has seen index funds' fees converge to near zero, eating away at broader margins. Private markets, requiring lots of hands-on expertise (for now), have been insulated from the pressures that have fallen upon many areas within the capital markets.

Mainstream fund managers expanding into private markets and big multi-decade players have a real competitive advantage in the power of their distribution channels: benefiting from close, deep, global investor relationships. For mid-market players, distribution is increasingly mediated through placement agents which mid-market GPs will increasingly seek out as they fight to raise funds against the mega-asset management firms. These agents identify and direct pools of capital towards private equity and credit managers. Registered Investment Advisers (RIAs) are playing a bigger role as well: influencing \$146 trillion of assets still largely absent from private markets, often structuring vehicles for clients while simultaneously sourcing managers to run them. While there may be some double-counting in this figure, given the multiple touch-points RIAs have, it's clear those with access to the RIAs can tap large pools of retail investor capital. It's not unreasonable to imagine an UHNW individual allocating 10–20% of their assets to private markets in future. Equally, government moves towards easier access to private assets for 401(k) retirement accounts may widen the target investor base. Also raising the spectre of greater regulatory scrutiny and compliance burden and highlighting further the need for highly specialized asset servicing. Institutional demand is another growth driver. Private credit aligns with insurers', pension funds and endowments need to match long-duration liabilities with predictable returns and cash flows. While private equity can

be more volatile, it continues to appeal where return targets are higher. In both cases, access to leverage by both sectors is crucial. At the portfolio company level, leverage has settled recently into a three to five and a half times EBIDA multiple (lower than the six times levels seen when rates were near zero). Even at these multiples, significant demand for credit is still being created.

The shape of the market in 2030 is clear: a select grouping of larger asset managers will become increasingly dominant, both in the U.S. and globally. Given the success of their distribution teams in gathering cash from investors, the biggest managers need to speed up the pace of acquiring smaller rivals to provide additional products for their increased asset base.

Meanwhile mid-market firms will increasingly rely on placement agents to survive, and the line between investment options for retail and institutional capital will blur. Whether this evolution proves sustainable without, or should I say throughout, the next crisis remains unanswered. Many like to point the finger at private credit's ascent being the area that will cause the music to stop – in reality, private credit is still in its early innings. Others point to the massive growth in the reported unrealized value of assets held in private equity firms as where it begins. Truthfully, while nobody knows where the next crisis will come from, just as private investing made it through the GFC we won't be surprised when it thrives through to 2030 and long into the future.



"We duly expect private market AUM to expand to approximately \$24 trillion by 2030."

U.S. – What's the industry saying?

Our survey of industry professionals in the U.S. reveals some key challenges and opportunities facing the industry at present.

Broadly speaking, respondents are ambitious, expecting the next funds they launch to be larger than the last, but there are challenges. Those finding the capital raising environment more difficult in 2025 than in 2024 outnumber those finding it easier by three to two. Increased due diligence by investors (LPs) is the key reason slowing capital raisings, while three fifths of general partners (GPs) note that investors are more risk-averse and that more than half have capital constraints limiting how much more they can allocate to private markets. Regulatory issues also abound: U.S. private equity GPs and LPs are in limbo on several fronts, for example not knowing whether they will have to overhaul reporting and investor-treatment processes, how far retirement plan access will expand, or whether future tax and antitrust policy will materially change deal economics.

This makes structuring new funds and long-term capital planning more complicated. 80% say that regulatory complexity is an important factor in determining the jurisdiction for a new fund, with the U.S. having by far the least favoured regimen – 72% of respondents found it overly challenging, though this may at least partially reflect the fact that only U.S. industry professionals were being surveyed. Fear of regulatory creep is nearly universal: 85% expect more regulation, 88% expect more industry restrictions and fines, and 80% expect more time spent on compliance failures.

Governance concerns extend to AI. Most already have policies in place on how AI should be used both for assisting compliance officers and investment professionals, with the latter most likely to use it with due diligence and data

analysis, portfolio monitoring and performance analysis. Only one in 20 is not using it all for investment purposes. But more than half expect its use to become more restricted by new governance frameworks.

The ambition to use more third-party providers is partly driven by this complexity. 47% are already outsourcing more over the latest lifecycle, compared to 44% who have not made changes and just 9% who have brought more in-house. 81% expect to expand their reliance on third parties in the next two years, in particular, investor services and fund administration are the functions most likely to be outsourced, though reporting is also high up the list.

Greater difficulty with exits has characterized the industry in the last three years or so, with longer holding periods hampering the ability to recycle capital back into new funding rounds. Exit delays are still dogging GPs. Portfolio company performance and a stand-off on valuation between buyers and sellers are the two key factors limiting disposals. Most expect exits to pick up, but practitioners are split on how things will develop. Just under half (45%) believe that continuation funds and alternative structures will continue to be important routes for exits, while 55% think that traditional exits are going to return to prominence. They are most bullish on the prospects for strategic sales.

Despite some of the challenges, GPs nevertheless expect capital from all major LP sources to rise, with family offices and pension funds leading the charge. Notably, HNW and UHNW are not expected to increase their capital subscriptions significantly (only 9.4% over the next two years) compared to 20.2% from pension funds and 17.8% from family offices. With even UNHW individuals relatively low on GPs' radar it suggests that the extension of access to private assets to a broader retail market is likely to be a very slow process.

North America AUM (USD Bn)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Listed Equity	12,056	14,003	13,839	15,892	20,163	22,363	22,025	24,450	29,614	27,674	35,820	43,583	55,356	43,969	54,690	67,174	73,570
Sovereign Bonds	7,180	9,017	10,234	11,281	12,126	12,578	13,151	13,785	13,966	15,500	16,448	20,519	21,617	22,708	25,094	26,903	28,265
Municipal Agency & Other Bonds	1,429	1,605	1,709	1,859	2,077	2,050	1,971	2,129	2,139	2,116	2,114	2,246	2,207	2,486	2,753	2,871	3,203
Corporate Bonds	5,053	5,445	5,852	6,220	6,655	7,243	7,961	8,454	9,141	9,580	9,867	10,702	11,779	13,090	13,749	14,314	15,739
Total Public Markets	25,717	30,069	31,634	35,252	41,021	44,234	45,108	48,817	54,860	54,869	64,249	77,050	90,960	82,254	96,285	111,263	120,598
Infrastructure	46	58	60	68	82	93	101	124	152	184	211	226	281	357	423	481	529
Debt	175	201	193	197	192	201	203	227	250	292	346	424	567	645	758	786	846
Private Equity	735	881	970	1,026	1,110	1,160	1,164	1,226	1,383	1,589	1,897	2,519	3,733	3,758	4,233	4,566	5,058
Real Estate	116	168	224	277	315	346	340	360	365	377	412	452	606	671	712	804	829
Total Private Markets (AUM)	1,072	1,307	1,446	1,568	1,699	1,800	1,807	1,937	2,149	2,442	2,866	3,622	5,186	5,431	6,126	6,638	7,263
Grand Total	26,789	31,377	33,080	36,820	42,720	46,034	46,915	50,753	57,009	57,311	67,115	80,672	96,145	87,684	102,411	117,901	127,861

Viewpoint: Continuation vehicles – stop-gap solution or here to stay?



by Elizabeth Weindruch
Managing Director of
Diversified Alternative Equity, Barings

For limited partners (LPs), distributions are the lifeblood of private equity. In cases where we serve as an LP, we typically plan for our portfolios to distribute around 20% of invested capital each year and allocate new commitments on that basis. Yet over the past three years, distributions have slowed to nearly one seventh.

The explanation lies in exits. According to PitchBook, global private equity exit value fell to \$345 billion in 2023 – decline of nearly 40 per cent from 2021 – as higher interest rates depressed multiples and deterred sales. IPO windows remain muted, and strategic buyers are increasingly selective. This has created a logjam: general partners (GPs) must return capital to LPs to raise new funds, but prevailing market conditions are hindering conventional sales.

Enter the continuation vehicle (CV). Once a niche solution, CVs have gained traction, now accounting for an estimated 10–15 per cent of industry exit activity and up from a near zero at the end of the pandemic.

Two types of CVs

While CVs come in many forms, they generally fall into two main categories. The first is the multi-asset “clean-up” fund, typically created at the end of a fund’s life to house two to four remaining assets. These assets may need more time or capital, but they are rarely the most prized in the portfolio.

The second, and increasingly favoured by investors, is the single-asset CV built around a “trophy” company. These businesses have been de-risked through strong management and owned for years yet still offer clear growth runways through M&A or organic expansion. For GPs, selling such assets may be unattractive: the fund may be running out of capital or bumping up against concentration limits, yet the manager is reluctant to hand off a top performer to another investor.

These opportunities can be compelling. Yes, LPs want their capital back to redeploy, but sometimes they also want to continue a great story and even come out of pocket to invest more capital to do so.

Pricing, process, and risk

CVs are almost always priced at a discount compared to where they would trade in a typical exit. To mitigate conflicts of interest, GPs typically appoint independent advisers and conduct auction-style processes for buyers. LPs are then given the choice to either sell for liquidity or roll into the new vehicle.

This structure presents challenges. Some LPs argue that the “sell” decision is being handed back to them when it’s not their traditional role. Not all LPs have the resources and capacity to conduct due diligence on a single company and some also face contractual or portfolio constraints.

Alignment is absolutely critical. At Barings, we prefer that the GP roll 100% of its carried interest into the new vehicle, so the managers are committing capital on top of their GP commitments. This signals conviction and ensures the manager remains fully invested in the outcome.

Due diligence in CVs can be complex and requires the skill set of a direct investor. We will ask: is the company operating in an attractive market? How will it continue to grow? What is the ultimate exit plan? Most CVs anticipate an additional 20–30 per cent commitment, usually earmarked for M&A. We prefer a clear use case for that capital rather than companies scoping unproven horizons.

The road ahead

In our view, continuation vehicles are here to stay. Mature GPs – those with several fund cycles behind them – now seem comfortable using CVs perhaps once per fund, or every other fund. Emerging GPs are increasingly curious and starting to use CVs as tools to create liquidity.

For some investors, scepticism remains. CVs are still relatively young structures, and their performance remains under scrutiny, with some notable wins offset by a few high-profile losses. Some investors dislike the structure outright, preferring GPs to buy, build, and sell in the traditional way. Others worry about selling at a discount or are concerned about governance and transparency. Industry bodies such as Institutional Limited Partners Association (ILPA) are pushing for improvements, including more transparency, longer decision windows, and greater optionality than the previous “in or out” approach.

There are positives too. In the right scenario, CVs offer the alpha of a direct investment. They can also support diversification or help build new GP relationships. Participating in a CV today can open the door to create primary fund relationships tomorrow.

Ultimately, continuation vehicles are both a symptom of today’s slow exit market and a structural innovation that will persist. At their best, they allow investors to invest new capital or to remain in trophy assets with further upside. We believe alignment and transparency are essential, but performance will rule the day. If those develop, CVs may well become a permanent feature of the private equity toolkit.

Viewpoint: Private credit's inevitable growth

– What does it mean for your portfolio?



by Scott Warner

Managing Partner, Ghost Tree

From the margins to the mainstream

Private credit has moved from the margins of finance to a core part of institutional portfolios over the last fifteen years or so. Post-2008 regulation raised the cost of capital for traditional bank lenders, private equity deal-making accelerated, and non-bank lenders stepped in with the flexibility and speed that sponsors required. The result is a sector that has expanded at extraordinary pace, now offering a wide array of fund structures and conduits for investors to gain exposure.

Concentration at the top

The largest managers have grown to dominate the headlines, competing to underwrite multi-billion-dollar sponsor financings. But this concentration has created its own distortions. In the rush to secure the biggest deals, competition has driven down spreads and eroded covenants. For many investors, allocations to several “big brand” funds often deliver exposure to the same underlying transactions, a false sense of diversification.

Opportunity in the Mid-Market

This is where opportunity lies. The economics of scale mean the largest private credit platforms cannot justify underwriting a US\$20 million loan – the effort required is too great for the size of the ticket. Yet demand for smaller, tailored financings has not disappeared. Ghost Tree focuses on this under-served mid-market, where competition is thinner and pricing remains more attractive. Equally, competitive factors have changed the historic risk-reward balance in mega-cap loans, so historic patterns may not repeat. Smaller deals often still resemble market conditions that existed fifteen years ago. In effect, the concentration of capital in the mega-cap space has left a gap beneath the umbrella for specialists to capture better risk-adjusted returns.

Why specialist exposure matters

For investors, the allure of private credit has been its combination of relatively high absolute returns with far less day-to-day volatility than public markets. First-lien, senior-secured loans to sponsor-backed companies still appear resilient, and the alignment between private equity owners and private lenders creates strong incentives to keep borrowers on track. But as the asset class evolves into larger, more liquid and more syndicated forms, the distinctive risk-return profile may blur. This is why specialist exposure matters. A portfolio overweight to mega-deals risks convergence with public credit, while allocations to mid-market managers provide genuine diversification.

New frontiers in private credit

With the explosive growth of the asset class, new frontiers are emerging. Private credit lending is extending beyond traditional cash-flow lending and into real estate and asset-backed opportunities with an ever-expanding pool of collateral, (from data centers to intellectual property). New frontiers are also being seen in how non-bank lenders are sourcing capital. Fund formats are proliferating as managers adapt to pensions, insurers and potentially 401(k) flows. Syndication platforms and secondary markets are developing to accommodate scale. Each of these innovations expands investor access – but each also tests the boundaries of what makes private credit different.

A differentiated approach

Against this backdrop, Ghost Tree stresses discipline. We combine first-lien structures with robust asset coverage, but in a segment of the market overlooked by the largest pools of capital. Deep experience in global credit investing informs a focus on downside protection and transparency.

The investor takeaway

Allocations to private credit are climbing steadily – from near zero a decade ago, to around 5% of portfolios today, with the potential to double in the years ahead. That means it could get as large as a quarter of all fixed-income allocation for some investors. But for investors, the key is not simply how much capital to commit, but where. In a market increasingly defined by concentration at the top, it may be the overlooked mid-market that offers the clearest route to durable, diversifying returns.



"With the explosive growth of the asset class, new frontiers are emerging."

Viewpoint: From Generalist to Specialist: Why Focus Is the Future of Private Equity



by Jodi Kahn

Partner at Broad Sky Partners

Tightening markets, shifting LP expectations and new technologies are pushing private equity towards sector focus.

Moving beyond generalists

For much of the past two decades, private equity managers could succeed as generalists. Ample liquidity, benign credit conditions and steadily rising valuations meant that a disciplined deal process was often enough to deliver returns. Today, heightened competition, higher interest rates, a new generation of limited partners (LPs) and structural change in the economy are all pushing private equity towards specialization.

Sector focus means expertise plus capital for portfolio companies

As thematic-based, sector investors our focus is on business services - particularly professional and commercial services, infrastructure and

technology enabled companies. This specialization allows us to deliver more than capital to our portfolio companies, including embedding experts from our roster of executives with deep industry knowledge to help drive transformation.

Why specialization delivers more

Specialization provides several advantages. A generalist has to relearn a sector with every deal; a specialist starts with investment history, deep sector knowledge, and solid relationships among businesses, executives and bankers. A specialist can move faster too. For example, by identifying key patterns that are common across a defined set of industries, or pinpointing the common pain points companies experience, a specialist can quickly pull the two or three levers that will unlock the most value. In one recent professional-services investment, for example, we supported a series of add-on acquisitions to extend the company's regional footprint and deepen its service lines – a strategy that would have been far harder to pursue without sector familiarity.

A clearer path to the right deals

Being known as a specialist also changes the way opportunities find us – the deals already fit our mandate. That focus speeds up execution and, equally important, helps founders and management teams understand what kind of partner they are getting.

Focus without concentration risk

Specialization is not the same as concentration risk. Well-designed strategies invest across adjacent sectors and favor businesses with multiple income streams or diversified customer bases. This creates resilience against regulatory change or cyclical shocks in any single area. It also means experienced industry executives can be deployed alongside investment teams, helping assess headwinds and tailwinds, and bringing early warning of evolving regulations or emerging risks. This structured approach gives access to insights and networks companies would struggle to assemble on their own.

Industry sands are shifting

The shift towards focus is not unique to us. LPs are rethinking how they allocate risk, often digging into subsectors before committing capital. Many of course still back the largest generalist funds, but plenty now exclude managers who cannot show a clear sector proposition. At the same time, we have seen mega-funds moving down into the middle market, competing hard for assets that once belonged to smaller players. Larger firms tend to bolt on acquisitions to existing platforms rather than create new ones. That leaves an opening for specialists who can identify and build platform companies in niches that are too small or too complex for the biggest funds to tackle. This operational edge is increasingly important as purchase multiples rise and financial engineering alone has become insufficient.

Forces shaping the next five years

Three risks dominate current industry debate and will play out over the next few years: exit congestion, higher interest rates, and the pace of artificial-intelligence adoption. Each reinforces the case for sector expertise. Planning a clear route to exit from the beginning matters in a crowded market; disciplined entry pricing and operational prowess are essential when debt costs more; and guiding mid-market companies through AI adoption requires an understanding of their business models that can only come from focus.

Clarity of purpose as a competitive advantage

Specialization is not a straight-jacket but a springboard. It is a way to build deeper relationships with advisors and management teams, deliver sharper operational support and show LPs a consistent path to returns. In a crowded private-equity landscape, clarity of purpose has become a competitive advantage in its own right.



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Methodology

Ocorian commissioned 5iresearch to produce the Global Asset Monitor which considers eight main asset classes that make up the vast bulk of the world's assets. Four of these are in public markets, namely listed equities and three categories of listed bonds (corporate, sovereign, and other which include municipal and agency bonds). The other four are in private markets, namely funds investing in private equity, private debt, infrastructure and real estate. We recognise there are other kinds of assets out there in the world, such as residential and commercial property, commodities, art and so on. But we have chosen ours to represent the easily investable universe: investors can buy public assets on exchanges and they can participate in private markets via funds.

Basic private market data is sourced from Preqin unless otherwise stated, but since this data is only available infrequently and with considerable time lags, we have modelled an up-to-date valuation for private assets by looking at the change in value of relevant public markets since the last Preqin update was released and adjusting the values accordingly. These 'nowcasts' are intended only to provide a guide to recent developments.

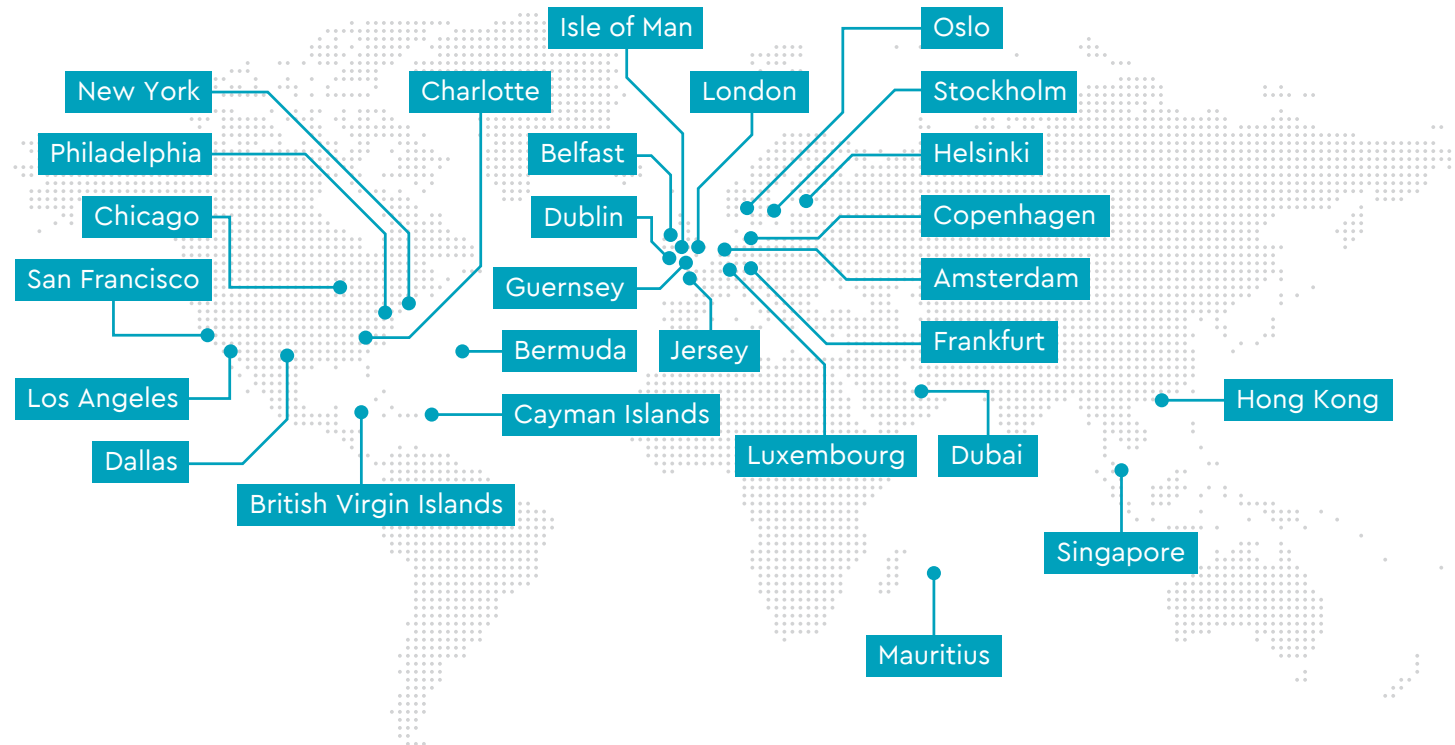
Public market data is sourced mainly from Factset. Data was captured in August 2025. The equities time series looks at the largest 2,250 companies in the world today and how their market capitalisations have evolved over time. These companies represent 85% of global market capitalisation so we have scaled up by the remaining 15% to show the full global equity market value in each year. To measure the size of the bond markets we have considered both the market value and the face value in each country (and sector in the case of corporate bonds) each year – sourced from Factset. Where data limitations impact the sovereign results, we have derived our figures by using general government debt levels as a proxy for the bond market.

All data is converted to USD at prevailing spot rates. Currency fluctuations may therefore make an impact in the short term, but over the long-term the effect of exchange rates tends to even out almost entirely at the global level. No account has been taken of inflation.



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