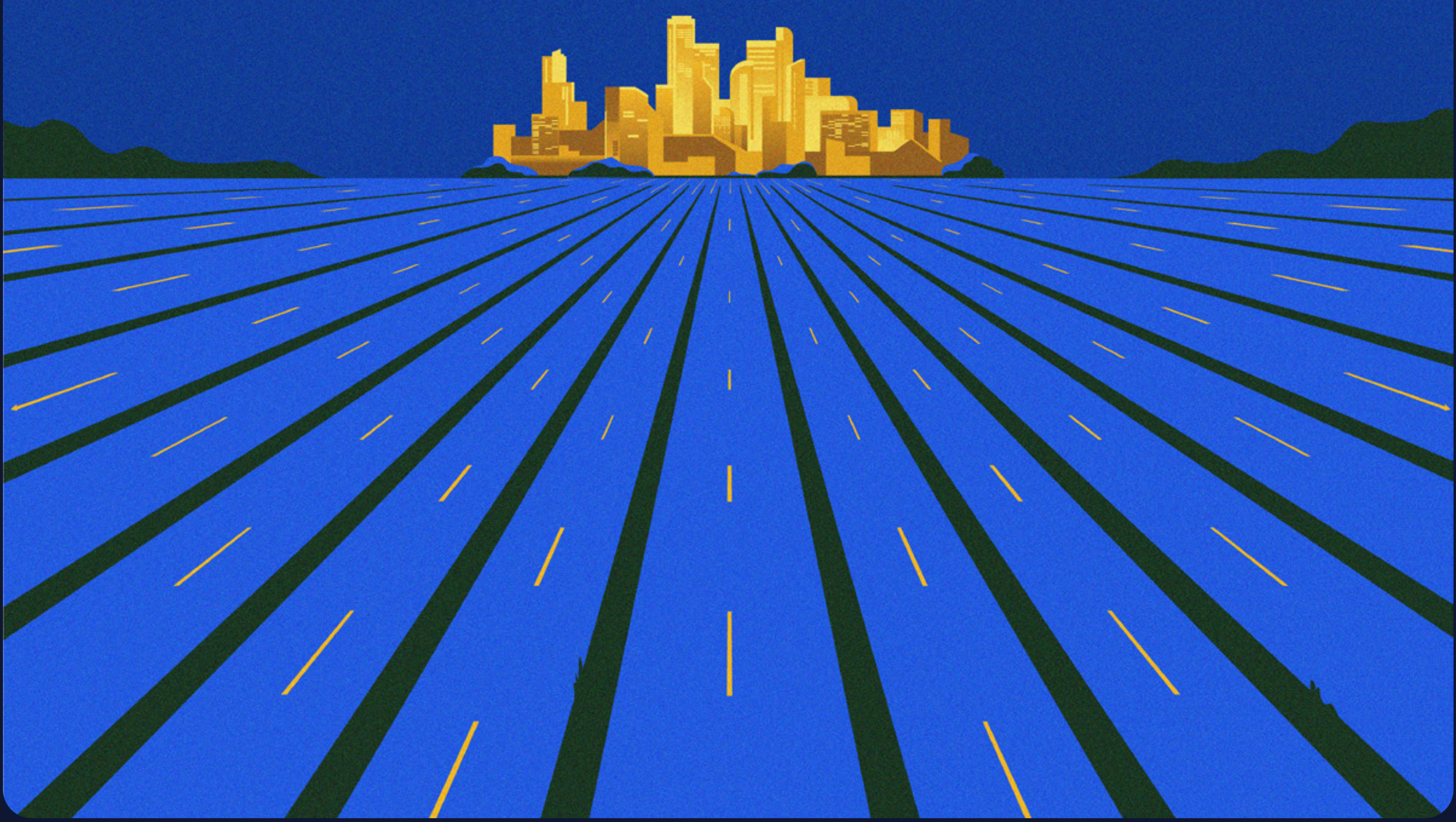
November 2025

Private Markets

Access, Innovation and New Pathways to Progress



Citi Institute

Global Perspectives & Solutions

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> Private markets are no longer an alternative; they are an essential pillar of sophisticated portfolio construction. For asset managers, it's a strategic imperative to engage deeply, finding opportunities where patient capital can truly reshape industries and deliver enhanced returns.
>
> *Jim O'Donnell, Vice Chair, Citi*

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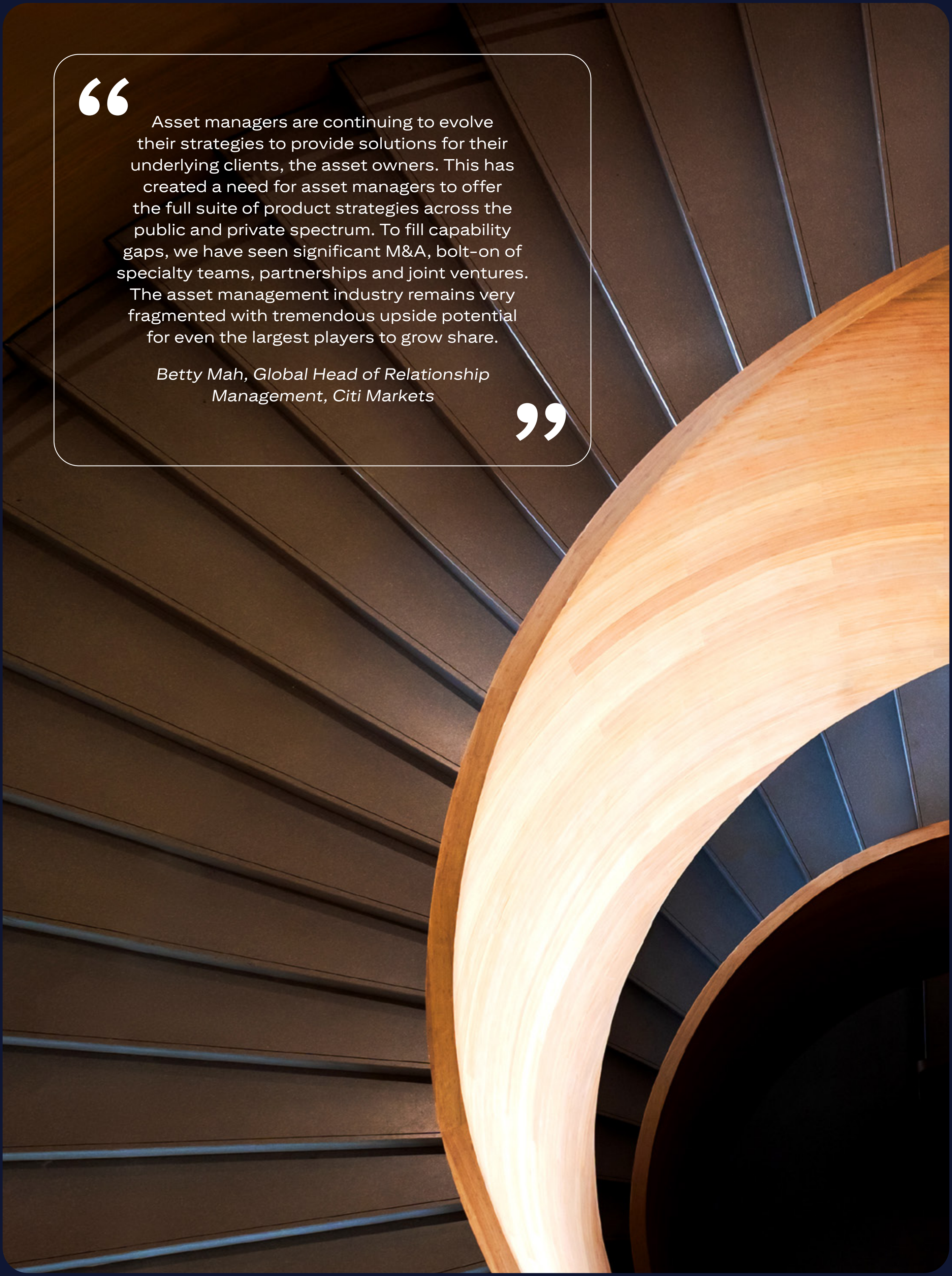


> Asset managers are continuing to evolve their strategies to provide solutions for their underlying clients, the asset owners. This has created a need for asset managers to offer the full suite of product strategies across the public and private spectrum. To fill capability gaps, we have seen significant M&A, bolt-on of specialty teams, partnerships and joint ventures. The asset management industry remains very fragmented with tremendous upside potential for even the largest players to grow share.
>
> *Betty Mah, Global Head of Relationship Management, Citi Markets*

Contents

Private Markets

Access, Innovation and New Pathways to Progress

Private markets are at a pivotal point in their evolution. As companies stay private for longer rather than list on public exchanges, a wider range of investors is showing interest in accessing unlisted companies.

For this Citi GPS, Citi Institute interviewed more than 80 participants in the private markets ecosystem, ranging from investment firms, institutional investors, and wealth managers to pension funds, venture capitalists, and fintech providers. The aim is to provide a unique 360-degree view on the transformation of private markets.

In the past 20 years, private markets have evolved from a niche investment class into an approximately $16 trillion industry.[1] Institutional investors, attracted to the potential for the higher returns and diversification associated with private assets, have traditionally been the main growth driver. But now individual investors are increasingly participating in this space through wealth managers and defined contribution (DC) pension plans.

This report looks at how this new breed of new investor is helping to change the industry, and potentially democratize access to private markets. The shift is prompting fund managers that invest in private assets (known as general partners) to rethink how they deal with their investor clients (limited partners) and be more innovative with their product offerings.

Data, artificial intelligence (AI), and digitalization are key in this evolving landscape. GPs are increasingly recognizing the need for robust data strategies to manage vast amounts of unstructured private company data, improve reporting, and optimize investment processes.

Ultimately, the private markets industry is moving towards a more integrated and solutions-oriented approach. This involves a potential shift from viewing public and private markets as separate entities to a unified ecosystem where asset allocations are made based on types of assets across both.

Private capital AUM ($B)

Source: PitchBook Data, Inc.[2]

Key Takeaways

1 **Evolving investor base:** Private markets have grown into a $16 trillion industry, driven predominantly by institutional investors but individual investors, too, are seeking access via wealth managers, digital platforms and DC pension plans.

2 **Integrated portfolios:** The traditional divide between public and private markets is blurring. Investors are increasingly adopting a holistic, cross-public-private view for portfolio construction, driving demand for integrated solutions.

3 **Liquidity conundrum:** Private markets are known for their illiquidity premium, with the expectation of higher returns while assets are locked in for longer. At the same time, the new breed of investor is demanding greater liquidity. Products such as evergreen funds could provide a compromise.

4 **Secondary market evolution:** The secondary market is maturing, with both LP-led and GP-led transactions providing vital liquidity. It allows investors to manage portfolios and access capital more effectively, while GPs can hang on to valuable assets for longer.

5 **Technology as a differentiator:** Data, artificial intelligence (AI), and digitalization are critical in providing a competitive edge. AI is being applied across the investment lifecycle – from deal sourcing and due diligence to portfolio monitoring and client services – to improve efficiency and outcomes.

6 **Build or buy:** As firms rethink their growth strategies, they can either buy or build new capabilities – or engage in strategic partnerships – to build out their private markets offering or bridge the gap between public and private market expertise.

~$16tn

The approximate size of the private markets industry

Source: Pitchbook Data, Inc.[3]

~$650bn+

AUM in secondary funds in 2024

Source: Pitchbook Data, Inc.[4]

68%

Percentage of advisers planning to increase allocations to private markets

Source: Blackstone Advisor Pulse – Summer 2025.[5]

How We Conducted Our Analysis

The findings of this paper have been shaped by 85 interviews with C-suite and other senior leaders across the financial services industry. The investors surveyed range from dedicated private markets investment firms of varying size and specializations, to broader asset managers, wealth management firms, VCs, hedge funds, pension providers and insurers. Other interviewees include industry associations, exchanges, and fintechs.

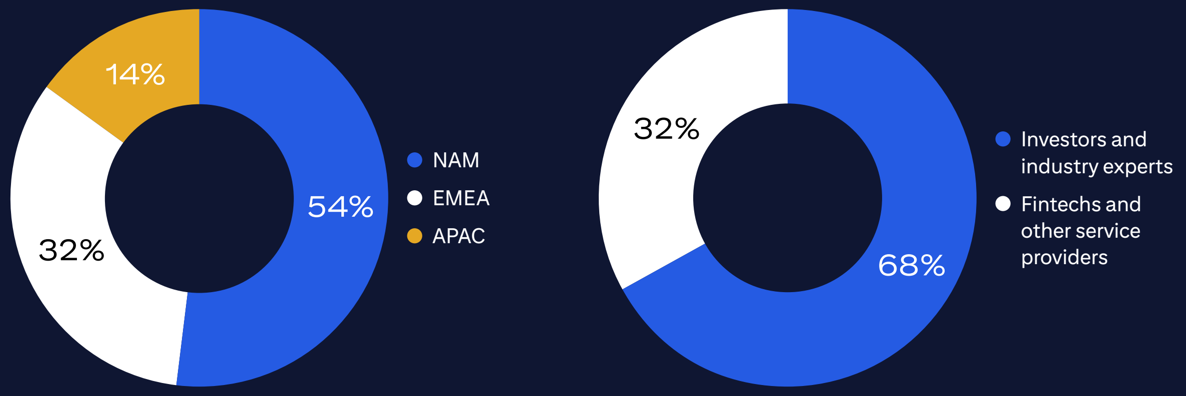
Citi works with GPs and LPs globally across its businesses, including Markets, Services and Banking. Its Wealth platform serves the needs of a diverse range of qualified investors accessing private markets.

The report brings together a wide range of views across the private markets ecosystem, tapping into Citi's network of clients in multiple segments, internal subject matter experts, service providers and more to access rich insights on the challenges and opportunities for practitioners in the industry.

This paper offers an initial exploration of pivotal trends shaping private markets and we encourage readers to share feedback and opinions.

We would like to extend our gratitude to all who contributed to this report through their participation in our survey, including a number of participants who preferred to remain anonymous.

Interviews by geography and firm type



**"Investors" includes GPs/private markets fund managers, LPs and wealth management firms. "Service providers" includes exchanges.*

Source: Citi Institute

> I think there is a credible argument to be made that the capital markets, at least in the U.S., are being privatized. Look at the explosive growth of private credit and private equity. We are going from a public capital markets model to private markets model. That has all sorts of profound impacts on portfolio construction.
>
> *Fintech/Service Provider*

Glossary

Private markets: Any investments made into assets that are not traded on public markets (e.g. stock exchanges). Investments include private equity, venture capital, private credit, infrastructure and real estate. This includes various ways of investing including direct investments, secondaries, co-investments and fund (or fund-of-funds) investments.

General partners (GPs) and private markets fund managers: Managers of private capital funds, which typically raise money from external investors. This includes managers who operate across public and private markets.

Limited partners (LPs): Investors who provide capital to GPs to invest in their funds.

Evergreen funds: A broad term to describe a fund that is open-ended, allowing for continuous subscriptions, with no fixed duration. They also typically allow for redemptions within certain limits e.g., periodically or at the discretion of the GP, earning them the description of 'semi-liquid'.[6]

Target-date funds: Long-term funds where the asset allocation is adjusted from riskier, potentially higher-return investment to potentially 'safer' ones as the investor gets closer to retirement.

The Investor Base is Broadening

So far much of the growth in private markets has been driven by institutional investors. However, individual investors, who have had historically low allocations, are increasingly gaining access to the asset class through wealth managers and defined-contribution (DC) pension plans.

The Wealth Channel: The Search for Diversification

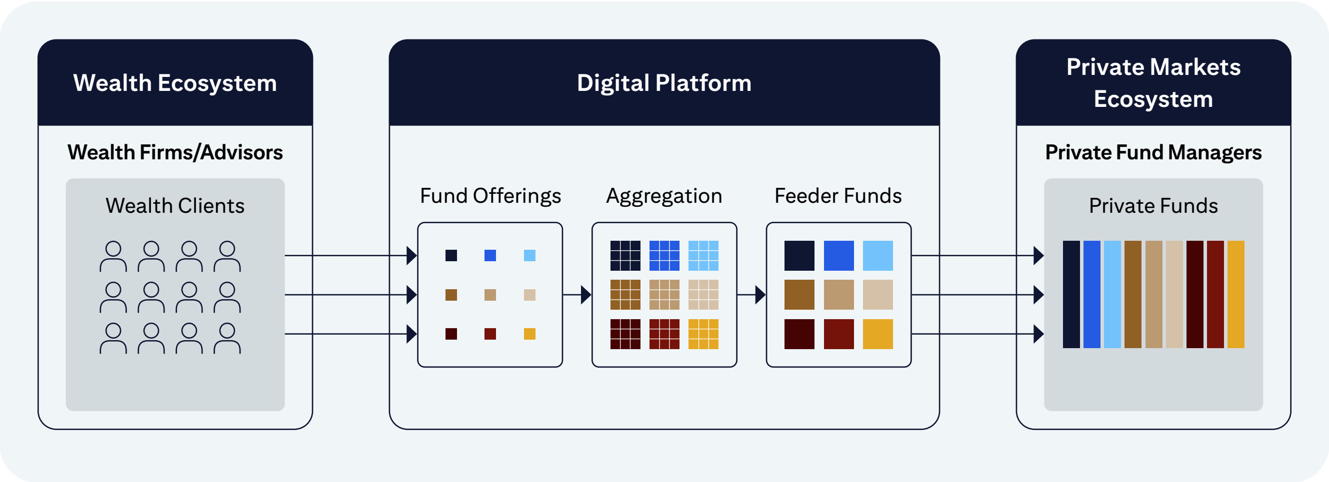
Wealthy individual investors have been increasingly allocating to private markets as they seek to diversify their portfolios and tap into potentially higher returns versus public markets. In a 2025 survey by Blackstone, 68% of advisers surveyed said they planned to increase their allocations to private markets.[7] Adding private markets products could help advisers and wealth managers to deepen client relationships and attract new clients.

The expansion of wealth capital in private markets brings significant opportunity, but it also introduces potential complexity for GPs whose business models were designed for institutions with large investments and human-centric client services. GPs may need to transition to a hybrid client services model that strikes a balance between institutional and individual investors.

This transformation is creating opportunities for innovation and service provision in areas such as education and advisory, technology and operations, product design, and distribution.

A new breed of digital platform connecting financial advisers and wealth investors to private markets funds has emerged (figure 1). These marketplaces typically pool commitments in feeder funds and streamline the distribution process, removing the burden from the GP and reducing investment minimums. Interviewees discussed working with these channels, as well as partnering with banks, wealth managers and other third-party distributors to tap into the wealth market.

Figure 1: Digital platforms bridge the gap between wealth and private markets

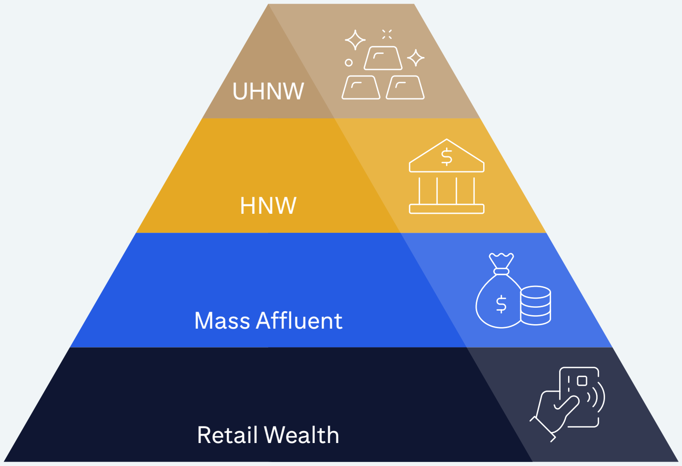


Source: [TrendWatch – 2023 Edition](), Citi Business Advisory Services

GPs are also focusing on improving their retail capabilities, requiring a rethink of their product and technology offering. Those that already have wealth franchises may have a head-start, but will still need to figure out how to integrate public and private investments into a single client experience.

Interviewees were hesitant to make private market opportunities available directly to consumers. Instead, they are focused on wealth management clients – typically high-net-worth (HNW) or ultra-high-net-worth (UHNW) investors (figure 2). There is ongoing discussion about making private markets more accessible to the mass affluent and even retail segments through brokerages and other direct-to-consumer platforms or self-directed pension plans.

Figure 2: Wealth tiers by net worth



Source: Adapted from [Disruption and Transformation in Wealth: Future-Proofing Service and Operating Models](), by Citi Business Advisory Services in collaboration with Citi Securities Services

DC Pension Funds: Shifting Toward Private Assets

In the last ten years, assets in defined-contribution (DC) pensions across seven major pension markets (Australia, Canada, Japan, Netherlands, Switzerland, UK and U.S.) have increased by 6.7% a year, compared to 2.1% for defined benefit (DB) assets.[8] DC now represent 59% of the $53.5 trillion total pension assets of these countries (year-end 2024 estimate), versus 43% of total assets in 2009. In Australia, which introduced auto-enrolment in 2012, DC makes up 89.2% of the total.[9] The country's superannuation funds have a strong track record of allocating to private markets.

DC pension plans have come into focus in other jurisdictions too. In August 2025, U.S. President Donald Trump signed an executive order that may reduce barriers to DC plans investing in alternatives, including private assets.[10] This could represent a capital influx to private markets from the $12.5 trillion U.S. DC market.[11] In the UK, the Mansion House Compact was signed in 2023 by 11 pension plan signatories, committing to allocate 5% of funds to unlisted equities by 2030 – up from a 0.36% commitment in early 2024.[12]

> Retail has a public markets mindset on transparency and liquidity. Private markets are a lot darker and more opaque.
>
> *Fintech/Service Provider*

> The first thing we are quite focused on is liquidity. The nature of our business is that the promise we make to clients is they have access to funds should they wish to liquidate. We are thinking about how unlisted access changes the liquidity profile of our options.
>
> *Investor*

Similar to wealth management clients, DC pension funds also have different requirements from institutional investors. For example, they may be more sensitive to fees and have regulatory restrictions. In the UK, DC pension schemes have a charge cap of 0.75% as a percentage of total funds or a combined charge that is broadly equivalent.[13] One important constraint is the need for the kind of liquidity provided by public markets. Individual investors may also demand such liquidity from private assets. Transparent and reliable reporting will also be important to ensure investors understand valuations and returns in the context of their overall portfolio.

Regulators are considering guardrails, with the UK's Financial Conduct Authority (FCA) highlighting the importance of consumers being able to make informed decisions.[14] In the U.S., the Investor Advisory Committee (IAC) has proposed recommendations to the Securities and Exchange Commission (SEC) on how registered funds can enable investing into private markets, including additional investor protections and changes to disclosures.[15]

GPs could provide educational resources to help DC providers and wealth advisers understand private markets, including guidance on fund structures, fee mechanics, asset classes, and overall portfolio construction (figure 3). In addition, ensuring fair access to opportunities across investor type and size will need to be monitored, with some concern that higher quality funds or assets may not be accessible for all.

Figure 3: Key considerations for GPs to capture wealth and DC pension channels

Accessibility	Liquidity	Client Experience	Education
Providing access to a diversified set of products customized to each investor's needs, with lower commitment amounts.	Building liquidity into products to suit underlying investor needs and providing them with informed choice on products' liquidity profile.	Enabling a frictionless investing experience for a greater number of investors, with transparent and harmonized reporting across the portfolio.	Improving advisers' and clients' understanding and awareness of private markets asset classes, how products work and how they impact their portfolio.

Source: Citi Institute

Challenges and Headwinds

Growth is Slowing in a Difficult Fundraising Environment

Despite significant growth, private markets have faced challenges in recent years. Following a boom in fundraising in 2021, capital raising has slowed down (figure 4).

There has also been a shift in fundraising towards the largest players, which poses challenges for smaller firms seeking to grow. Figure 5 demonstrates how the largest GPs are increasingly capturing a greater share of fundraising, with c. 41% of private capital fundraising going to private markets fund managers with over $5 billion in assets so far in 2025 compared to c. 17% in 2015, according to Pitchbook Data, Inc.[16]

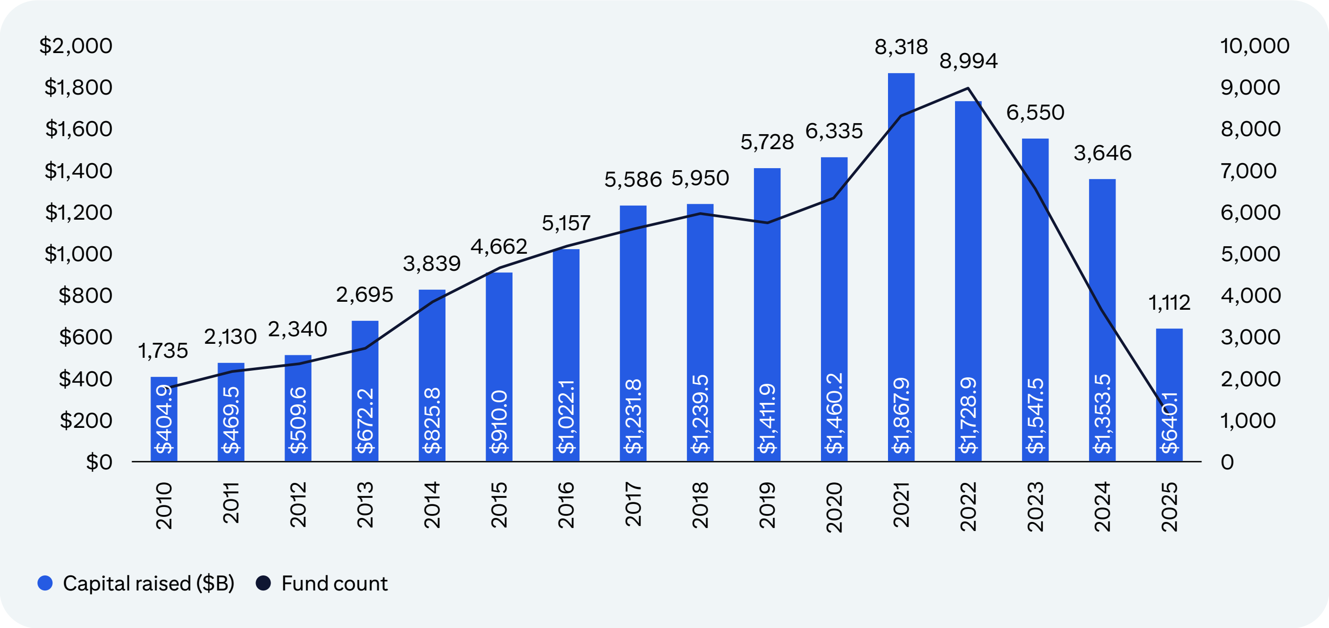
Many interviewees in our study highlighted the difficult fundraising environment, with some having to work much harder to raise the same capital as before. Other obstacles include a higher AUM bar for smaller funds to access services and investors, and the reluctance of LPs to recommit if returns were disappointing.

The Exit Environment Exacerbates Challenges

The exit environment has also been difficult against the backdrop of volatility in public markets, slowing the return of capital to investors and providing challenges for institutions.

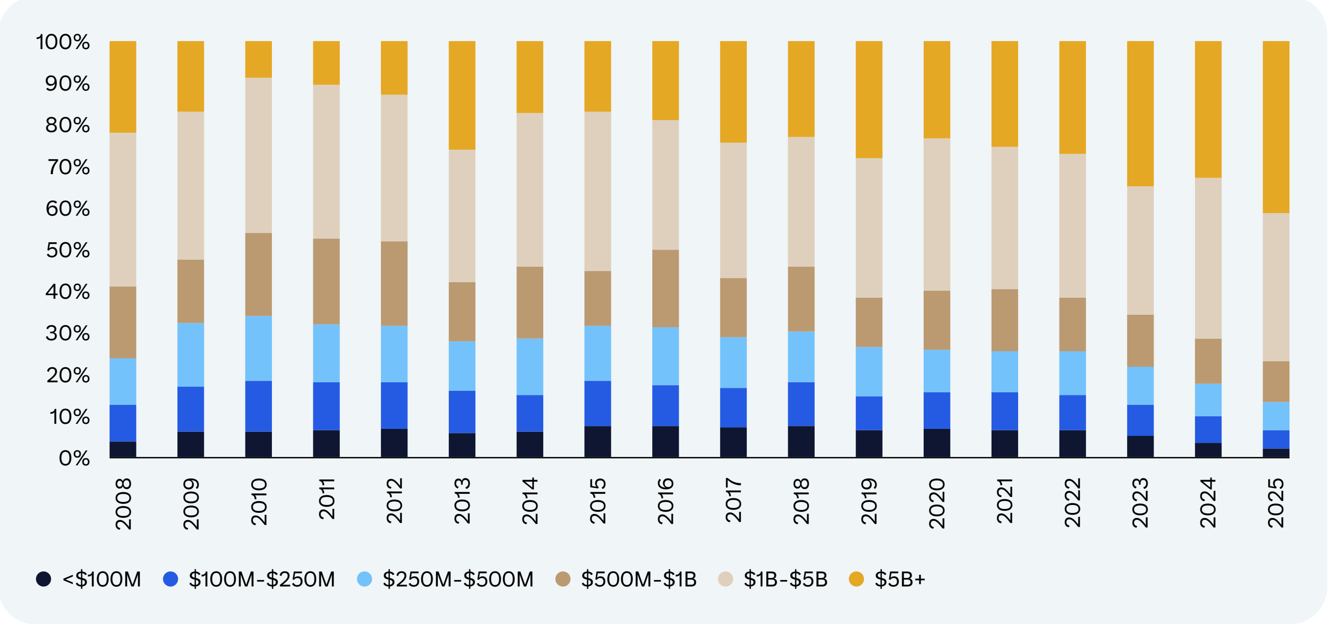
Geopolitical instability brings uncertainty for the overall investment management industry. Higher interest rates have further added to the challenging deal-making and exit environment. According to PitchBook Data, Inc., the ratio of private equity investments versus exits has reached its highest level in a decade at more than 3:1.[17] These conditions have led to a rethink of how capital can be managed to best suit both institutional and individual investors.

Figure 4: Private capital fundraising activity



Source: PitchBook Data, Inc. [18]

Figure 5: Private capital raised by size bucket



Source: PitchBook Data, Inc.[19]

Growth Requires Innovation and New Thinking

GPs need to be more innovative in how they maintain growth and seek new sources of competitive advantage. Many GPs are shifting from a mindset of creating and selling products to working more collaboratively to ensure investors have access to the products they need. Conversations are particularly important with key investor clients that act as anchors and represent potential permanent forms of capital, such as sovereign wealth funds and insurers.

GPs may need to provide investors with greater transparency, a seamless client experience and more bespoke solutions, including more options around liquidity.

> Rather than just build it and they will come… the mindset has changed more to listen to what investors want and see what peers and the market are doing.
>
> *Investor*

Private Markets are Becoming More Accessible

A changing investor base and the evolving needs of investors requires diversification in investment vehicles. Two areas have been key: building liquidity into products, and enhancing the ability to either trade holdings, or hold on to investments for longer, via secondaries.

Evolving Investor Needs Stimulate Product Innovation

There is a range of emerging investment vehicles in private markets that may enable diversification from traditional closed-ended drawdown funds. This section highlights some vehicle types that have drawn attention recently.

Evergreen Funds

The level of liquidity offered by evergreen funds drew significant discussion from interviewees in this study. These products enable partial liquidity, immediate exposure and lower investment minimums which can broaden the range of potential investors, while being positioned as a potential bridge for newer investors into private markets.

The concept of semi-liquid funds with private assets is not new – non-traded real estate investment trusts (REITS) have been around since the 1990s.[20] However, their adoption is becoming more mainstream and they are being deployed across a broader range of asset classes and strategies. Many of the private markets fund managers we spoke to have launched or are exploring semi-liquid funds. According to Morningstar, semi-liquid fund net assets reached $344 billion in 2024, up from $215 billion in 2022. Wealth investors are accessing these funds primarily via financial advisers rather than directly.[21]

Figure 6. A selection of evergreen fund structures

Investment Vehicle	Description
Tender offer funds (US)	Can invest in illiquid assets. Not traded on an exchange but are continually open to new subscriptions. The fund's board has discretion to repurchase shares at NAV, returning capital to investors.[22]
Interval funds (US)	Operate in a similar manner to tender offer funds but provide liquidity by repurchasing shares periodically at preset regular intervals, typically quarterly, bi-annually or annually. This is in accordance with rule 23c-3 of the Investment Company Act of 1940.[23,24]
Business development companies (US)	BDCs must invest 70% of capital in private or smaller public US companies. With publicly traded BDCs, liquidity is accessed via trading rather than selling back to the issuer, unlike evergreens. Non-traded BDCs have more limited liquidity, and investors' capital is fully invested when committed in the style of evergreen funds. Private BDCs may use a drawdown structure or immediately invest investor capital.[25,26]
Long-term asset funds (UK)	UK LTAFs were introduced in 2021 to cater to DC schemes. LTAFs can also be offered to retail investors, subject to Restricted Mass Markets Investments (RMMI) restrictions. LTAFs are open-ended funds, where at least 50% of the fund is invested in unlisted or long-term assets. Redemptions are offered at set intervals with at least 90 days' notice.[27]
European long-term investment funds (EU)	The EU's ELTIF 2.0 regulation came into effect in 2024. At least 55% of capital in ELTIFs are invested in long-term assets.[28] They are typically closed-ended but can now be structured as a semi-liquid open-ended fund, with redemptions at a maximum quarterly. They are now accessible to retail investors, subject to restrictions.[29]
[PROPOSED] Long-term investment funds (Singapore)	The Monetary Authority of Singapore (MAS) has proposed a framework for retail-oriented private markets funds known as LIFs. Two structures are proposed: direct private investment and a fund of funds structure.[30]

Source: Citi Institute, ACA, ACA Foreside, Citi Securities Services, Barings, Dechert, Norton Rose Fullbright, ALFI, BNP Paribas, Monetary Authority of Singapore.

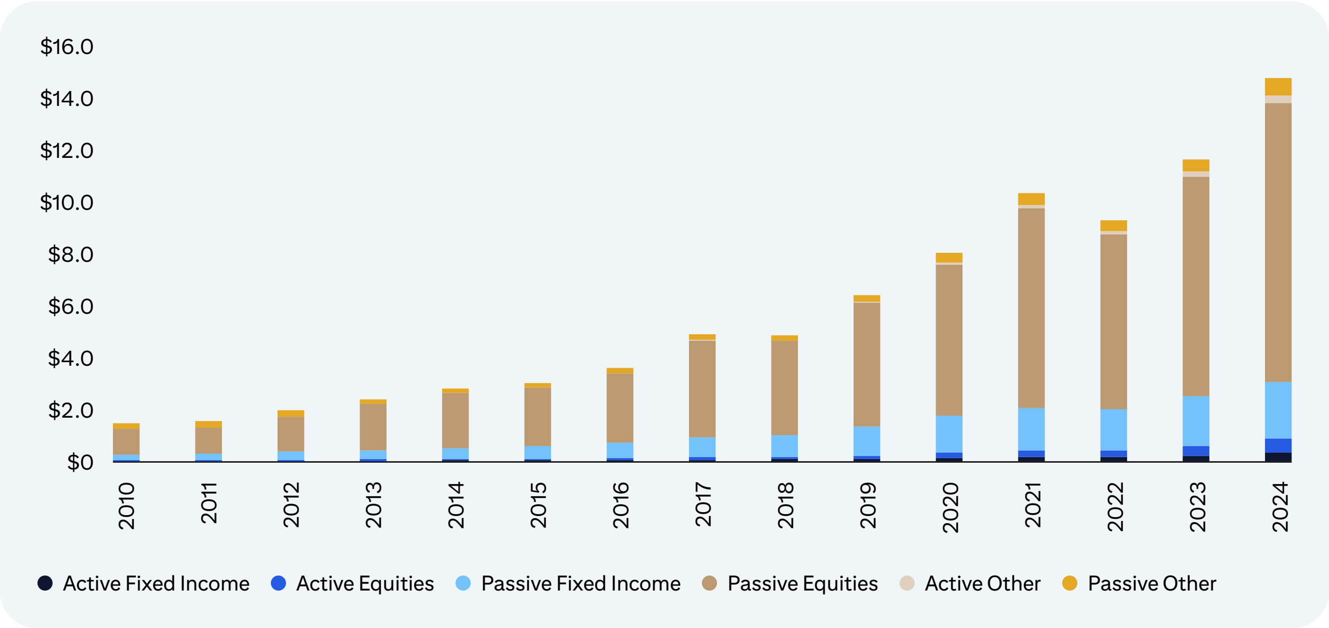
Interviewees highlighted characteristics that can make evergreens more attractive, including:

- **Liquidity:** These semi-liquid funds allow redemptions at set intervals, subject to conditions and limitations on the withdrawal amounts. This provides more flexibility to investors who may need to rebalance their portfolios or require capital, without resorting to a secondary sale process.
- **Efficient use of capital:** With typical drawdown funds, LPs commit capital to the fund, but deployment could take years, while fees are still charged on the uncalled capital. With evergreen funds, capital is deployed at commitment, allowing for more efficient use of capital. This simplifies overall portfolio management and planning for investors.
- **Lower investment minimums:** Evergreen funds typically allow for lower investment minimums versus closed-ended drawdown funds. This can increase accessibility for a broader range of investors and allow for greater diversification across private funds and asset classes. Lower minimums could also potentially help GPs in their capital raising and growth efforts.
- **No fixed lifespan:** This enables GPs to make longer-term investments without the pressure to exit within a fixed timeframe, expanding investment opportunities and providing the ability to hold on to successful investments for longer. This also allows investors to keep their capital committed in a strategy without having to repeat the workload for each fund in the series.

However, evergreen funds have risks and challenges:

- **Liquidity management:** Evergreen funds are only semi-liquid, limiting the opportunities to redeem commitments. The GPs must ensure the portfolio matches the fund's liquidity schedule, which may limit the potential investment opportunities.
- **Potential loss of illiquidity premium:** Introducing liquidity can potentially erode the illiquidity premium typically seen in private markets. The increased operational burden may also introduce additional costs and GPs should be transparent about the expected returns.
- **Operational challenges:** Onboarding, marketing, fundraising, and redeeming may increase GPs' operational burden, requiring a reallocation of resources. Lower investment minimums mean that managers also need the capacity to deal with a greater number of smaller tickets, or employ third parties.
- **Pricing challenges:** Since evergreen funds offer more regular subscriptions and redemptions, accurate and transparent valuations are crucial.

Figure 7. Global ETF AUM split by asset class and strategy ($T)



Source: Citi Institute analysis based on data from Broadridge Global Markets Intelligence. Data as of 15th September 2025

Exchange-Traded Funds (ETFs)

ETFs are tradeable securities that track underlying assets, such as an index, stocks, bonds, commodities, or a basket of assets like an index fund. Unlike mutual funds, an ETF trades like a common stock on a stock exchange.[31]

Some ETFs provide exposure to listed private equity managers, although these are still ultimately invested in listed companies and do not provide direct exposure to private markets.

In a few instances, there have been efforts to incorporate private investments into ETFs, although the SEC limits illiquid investments in ETFs to 15% of assets.

Interviewees were divided about the suitability of more liquid products for illiquid assets. Fund managers will need to ensure that valuations are fair and transparent, bearing in mind that the valuations of the underlying private assets may be static.

Private credit is one example. Michael Anderson, Global Head of Credit Strategy, Citi Research, says: "Investment-grade private credit is increasingly incorporated into ETF structures. For years, investors have sought the yield and diversification benefits of private credit without sacrificing the liquidity of a publicly traded asset. The new generation of hybrid public-private credit ETFs goes some way to addressing this demand, while also having to navigate the inherent complexities of valuing and trading illiquid assets."

Target Date Funds

To meet potential demand from DC schemes, managers are also seeking to incorporate private assets into target date funds. In the US, these funds are often invested in via 401(k) plans. These funds provide diversification across multiple asset classes and can currently allocate up to 15% of assets to illiquid investments. Other jurisdictions also have similar funds although they may differ in their labelling and characteristics e.g., lifecycle funds.

President Trump's recent executive order may open the opportunity for target date funds to commit more capital to private assets. The longer-term nature of these funds may make them more suitable to private investments, but, similar to ETFs, there are concerns over issues such as high fees, the need for investor education, lack of valuation transparency, and the impact of liquidity events.

Skepticism Remains Over Combining Public and Private Assets

Despite product innovation, the question remains how best to incorporate private assets into more liquid investment structures and make them available to individual investors, particularly the retail sector.

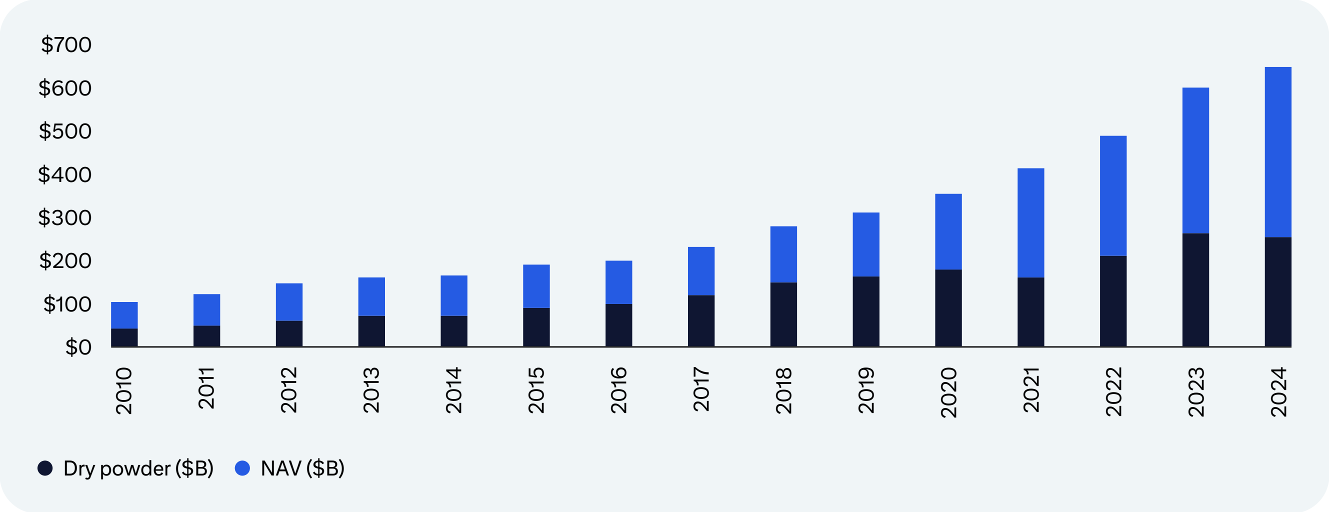
Practitioners will need to address the relative lack of transparency and information, and to an extent work towards standardizing reporting and valuation. It is still unclear how mixed-asset instruments would behave when investors want to redeem in a liquidity event, and the risk of asset liability mismatches will have to be managed.

There are also concerns that, as more products such as evergreen funds are launched, the investable pool of assets may not increase proportionately. This could increase competition for deals, leading to potential overvaluations and the risk of incorporating inappropriate assets. Investor education also remains crucial.

> Evergreen and drawdown is an 'and' not an 'or'. Marry them together – instant deployment and exposure with higher octane drawdown funds.
>
> *Industry Expert*

> My nervousness is that the reasons you get the returns you do is because of illiquidity. So when you force liquidity, [what happens to the returns]? I haven't seen many examples where, by giving up illiquidity, you maintain the benefit.
>
> *Investor*

Figure 8: Secondaries AUM ($B)



Source: PitchBook Data, Inc.[52]

Liquidity and Tradability in Private Markets is Expanding

Other pockets of the private markets ecosystem are breaking down traditional ideas of illiquidity in private markets, including LP and GP-led secondaries, and venture capital (VC) secondaries. Different business models are starting to reshape views on liquidity, and technologies such as tokenization may also increasingly play a part.

LP and GP-led secondaries: Assets under management (AUM) in secondary funds have nearly doubled from 2019 to about $650 billion in 2024.[33] In the most active six months yet for secondaries, deal volume in the first half of 2025 was $103bn – a 51% increase on the same period in 2024.[34]

LP-led secondaries occur when investors sell their interests in a fund before the end of its life to other investors. In GP-led secondaries, assets in a fund are sold into a new fund typically known as a continuation fund, providing liquidity to existing fund investors while allowing the GP to hold on to the assets for longer. LP-led deals have traditionally dominated, but GP-led deals have increased their share, representing 46% of deal volume in H1 2025.[35]

Medium-term market conditions, such as market volatility post-COVID, and tougher exit environments have contributed to increased activity in secondaries.

LP-led secondaries allow investors to rebalance their allocations or use the returned capital elsewhere, for example to fulfil regulatory or fiduciary obligations. GP-led deals give GPs the opportunity to keep attractive assets for the longer term and navigate irregularities in the exit environment.

Many investment managers interviewed for this report have created, acquired or expanded secondaries or capital solutions capabilities to capitalize on this growing opportunity. However, there are questions around the long-term future of secondaries, with uncertainty over how likely portfolio companies are to list on public markets or be sold on in the years to come – or whether managers may hold these assets for longer periods or even permanently.

VC secondaries: A VC secondary deal occurs when shares of private venture-backed companies are bought and sold, rather than new shares being issued.[36] In 2024, global VC direct secondary deal activity reached $14.7bn, an increase on the two previous years but below the peak of $20.9bn in 2021.[37] Activity is being driven by the slow exit environment for venture-backed companies, and an increasing cohort of large private companies.

Various exchanges and brokerage capabilities now exist to allow trading of VC stakes. Institutional providers include Citi. The UK government aims to launch the Private Intermittent Securities and Capital Exchange System (PISCES) in 2025 to allow for the secondary trading of private shares. Companies will be able to set price limits for their shares and control who buys their shares and receives company information.[38]

VC secondaries are an 'opportunity for private managers'

Eric Yi, Head of Secondary Private Markets, Citi

Historically private companies went public early in their life cycle. But with the trend of companies staying private for longer there are a lot of investors and employees looking for liquidity in their stakes in venture-backed companies prior to traditional exits. When you have small amount of value captured within these investments, the need for liquidity isn't that great. But, as we have more and more value that is captured within this asset class there has been a growth in demand for liquidity to be able to unlock that value and monetize these investments piecemeal.

Open market secondary trades is still a small part of the overall secondary volume. The vast majority takes place in LP stake transfers and tender offers. These transactions benefit from company sponsorship and access to information. Open market trades benefit from having flexibility of timing.

Having spent many years on the public side, as well as the private side, one of the things that I find interesting is that historically a lot of the fund managers always waited for that exit, being an IPO or an M&A event. The longer you get on this cycle of companies staying private for longer and if we experience more instances of market volatility, it will really train private managers to manage their portfolios more actively and find opportunities to return capital when they can.

Tokenization

Tokenization could be key to introducing liquidity to private markets. Instead of selling traditional limited partnership interests, GPs could tokenize the interests. If investors want to sell their interest before the fund's end, they can sell their tokens on a regulated secondary tokenized exchange.

The potential benefits of tokenization include:

Democratizing access: Tokenization allows for fractional ownership, where large, expensive investments can be broken down into smaller, more affordable units. Along with reduced minimum investments, fractional ownership could allow a broader range of investors to participate in private markets and open up a potentially larger global investor pool.

Increased efficiency and transparency: Traditional private market transactions can take weeks or months to settle. Blockchain-based token transfers can settle almost instantly, reducing counterparty risk and freeing up capital faster. Many administrative tasks in private markets, such as capital calls, distribution of dividends, and compliance checks, can be automated using smart contracts. This reduces manual effort, human error, and associated costs.

> We could tokenize LP interests tomorrow if there was more LP demand for it; it's not there yet. Most pension funds don't care and are not looking for that. We believe it is coming.
>
> *Investor*

However, tokenization also holds challenges, including the need for regulatory clarity. Widespread adoption requires robust, secure, and user-friendly technology platforms, as well as specialized custody solutions.

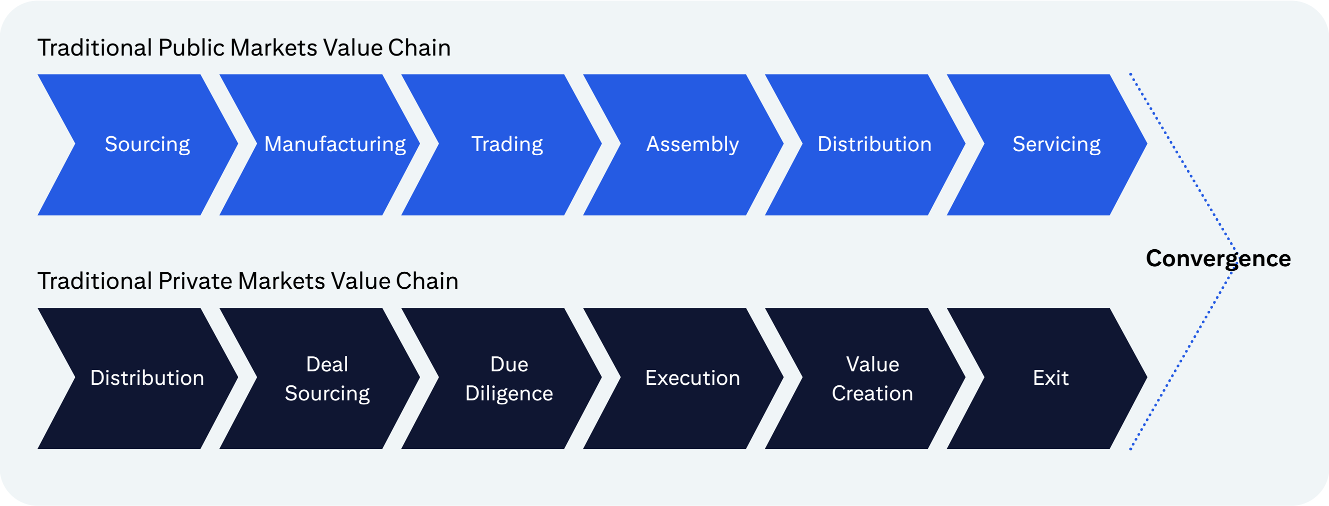
Interviewees saw tokenization as a future potential, particularly to improve efficiency and streamline processes, increasing liquidity and boosting secondary transactions, and lowering investment minimums. However, they also cited a current lack of LP demand for tokenization.

Integrating Public and Private Solutions

The proliferation of products and capital solutions across private markets is increasing investors' options. In addition, building in liquidity and accessibility may pave the way for more integrated solutions across public and private markets, although a relative lack of transparency and standardization in private markets has hampered efforts so far. The incorporation of private assets into funds with indefinite life spans could also lead to a convergence in value chains across public and private markets (figure 9).

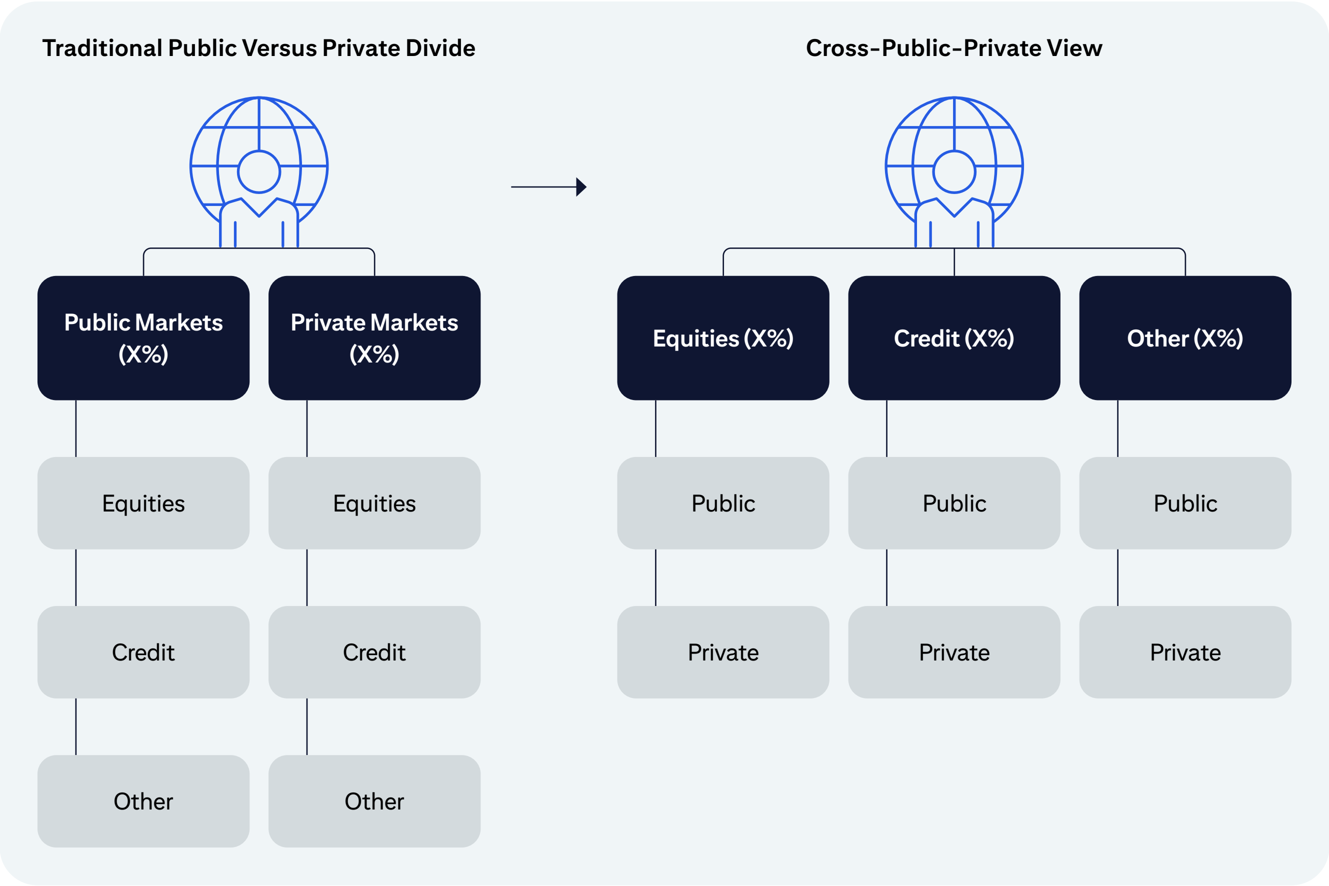
Investors may eventually move away from distinguishing between public and private investments, and instead focus on asset classes in a cross public-private view. Figure 10 demonstrates a potential shift in the investor allocation decision-tree.

Figure 9: Convergence of public and private investment value chains



Source: Adapted from: [Decomposing Investment Management's Value Chains to Deliver on Innovation Imperatives in an Expanded Investible Universe] (Industry Revolution Series Volume V, June 2022)

Figure 10: An example of an investor's shifting decision tree for asset allocation



Source: Citi Institute

> I think of it as one market. I urge people to think about it as one market and construct a portfolio that matches the economy.
>
> *Investor*

In a cross-public-private view, investors could gain exposure to particular themes and sectors agnostically across public and private markets, with tailored products and solutions. This is particularly important as companies stay private for longer, potentially skewing exposure to certain themes toward unlisted companies. For example, some of the most high-profile artificial intelligence (AI) companies are private, meaning that investors are excluded from their return potential. Products such as ETFs, or solutions that incorporate various funds into a tailored portfolio, could be deployed to provide access to private firms.

Interviewees tended to agree that private markets would never fully mimic the characteristics of public markets, and a clear distinction should remain between them. Without the same levels of transparency and liquidity as public markets, a cross-view of the two markets will require careful management of private assets. This could create opportunities for whole portfolio solutions.

Blurring of public-private divide: What does it mean for analysts?

The traditional divide separating public and private markets is diminishing. As a new generation of companies achieves significant scale and impact long before considering an IPO, investors are demanding a level of analytical rigor for private entities that was once reserved for their publicly listed counterparts.

In this reshaping of the investment landscape, banks, research providers, and analysts are having to adapt. Heath Terry, Global Head of Technology and Communications Research at Citi, says: "We are trying to look beyond the distinction between private and public companies. Private companies are having a massive impact on the development of technology. The fact that they are private shouldn't deter us as analysts."

Today's private companies, particularly in technology-enabled sectors like AI, are not just nascent startups; they are established players with large numbers of clients, significant revenues, and a profound impact on the economy. Investors who wait for a public offering risk missing out on their key growth phases.

Lucy Baldwin, Global Head of Research at Citi, notes: "The extended private lifecycle creates a conundrum for investors. On one hand, the private market offers opportunities. On the other, it is characterized by information asymmetry and a lack of the standardized disclosures typically required in public markets. Without the quarterly earnings reports, stock exchange filings, and formal guidance that public companies provide, how can investors make informed decisions? The answer is that investors want more research. There are over 1,500 active unicorns, or companies valued at $1 billion or more[39]. These companies have raised roughly $1 trillion in venture capital funding so the opportunity is huge."

By leveraging a combination of sector knowledge, primary research, and a growing ecosystem of third-party and alternative data sources, analysts are now better placed to analyze private companies. This includes not just the high-profile AI players, but a range of companies across sectors that are being impacted by technology.

Data, AI and Digitalization Set to Drive Competitive Edge

As liquidity is gradually introduced into private markets, and the line between public and private blurs, technology will be key. Processes such as reporting, fundraising and valuation will need to be more regular, standardized and scalable, requiring digitalization and automation.

In addition, investors are increasingly seeking to use data as a competitive edge, enhanced by AI. The integration of data, AI and digitalization has the potential to add value in investment and portfolio management, scale the ability to fundraise, and improve the overall client experience. Eugene Belostotsky, Director, Securitized Products Strategy, Citi Research, says more data is is being made available in the private credit arena: “The proliferation of fintech consumer credit originators has increased the availability of loan-level data, attracting private quantitative investors who thrive on their ability to analyze large data sets.”

A Clear Data Strategy is Key

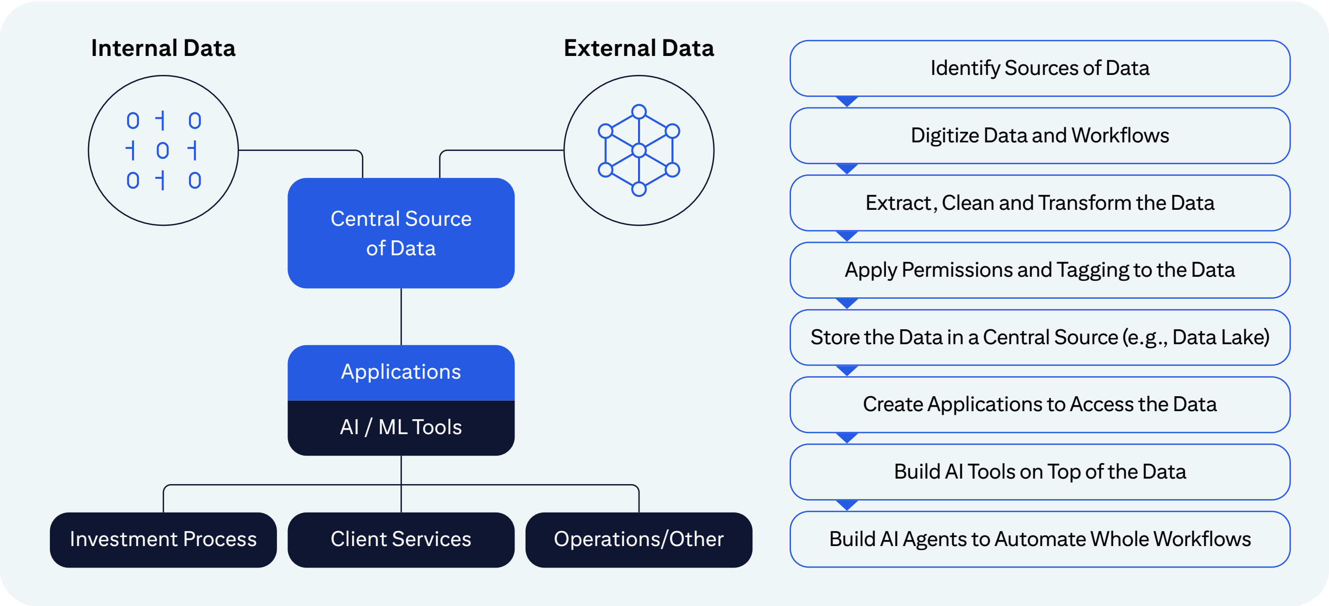
In the age of AI, data is more important than ever for investment managers across public and private markets, but the private arena carries particular challenges. For a start, there is less data on private companies and it is often unstructured, stored in different formats, and difficult to extract.

In contrast to publicly listed companies that are subject to stringent reporting requirements (given they can be accessed by the public) it is much harder to build a comprehensive view of a private company. In addition, much of the communication in private markets between investment managers and their clients or investment targets is done in person. Unless communications are recorded or digitized, it is difficult to summarize and compare the information. Investment managers in private markets may also have disparate systems and processes, often with untapped or underutilized data.

In a competitive deal and fundraising environment, the ability to optimize the investment process and communicate the value added to portfolio companies is key. LPs may want to better benchmark and compare managers and funds to aid their selection and portfolio construction, particularly as their mindset shifts to a whole portfolio view across public and private markets. The need for clear and standardized reporting is growing, as managers’ client bases become more diverse. This will enable investors from emerging client segments (wealth, insurance and DC pension funds) to better manage their liquidity, understand the risks and make informed decisions on their return targets and obligations.

> “Data is a huge issue in private markets – because they are private, there are inefficiencies. Data is fragmented and that is a challenge for the scalability of the platform.”
>
> *Investor*

Figure 11: Steps taken to harness data and apply AI



Source: Citi Institute

Private market managers are therefore seeking to better harness their data and automate processes. Those interviewed for this report generally agreed on the need for a central repository for centralized internal and external data, complemented by apps and AI tools (figure 11). Maintenance and governance are crucial to this process, where data and applications are monitored and permissioned appropriately.

Applying AI in Private Markets

The current AI focus of interviewees is primarily on productivity and efficiency, to free employees from repetitive tasks. The next step is improving outcomes, for example, originating relationships with clients or prospective investees.

> "We have got so much data because we own all these companies that report to us so we have a proprietary data feed, and our team can use it to find deals and outperforming companies."
>
> *Investor*

AI in the Investment Process

Figure 12 highlights the main use cases of AI in the investment process. AI has the potential to significantly improve the deal making process through its ability to extract and process large volumes of data and draft detailed documentation. AI-powered search engines can also enable managers to more effectively search for relevant investee companies. For internal and investee meetings, generative AI can help to summarize materials, generate questions and suggest talking points.

AI may be more relevant in some investment strategies than others. For example, it could be more effective in helping to identify multiple investment targets in early-stage investing, where there may be more emerging companies. This contrasts with later-stage buyout or infrastructure, where cohorts of investees may be more defined and existing relationships potentially play a larger role.

Interviewees also noted how enhanced data usage has improved deal sourcing in areas such as real estate, where identifying properties can be likened to finding 'a needle in a haystack'. Ultimately, these processes support (not replace) humans in their analysis and decision making.

AI can aid portfolio monitoring and analysis by helping to summarize and analyze portfolio company data, enabling peer group comparisons and risk identification. Some managers use AI to help create value for their portfolio companies, deploying operating partners or internally established AI teams or centers of excellence. These professionals can help to identify areas where AI can be deployed within portfolio companies and help implement this to drive value.

Figure 12: AI applications in the investment process

Source: Citi Institute

Several interviewees highlighted private credit, where AI could aid the underwriting process through analyzing company documents and industry data to generate credit scores. Using AI to analyze lengthy credit agreements was also highlighted as a key use case, as well as extracting key information such as covenants for monitoring and analysis.

AI in Client Services and Operations

Generative AI could help with tasks including personalized outreach emails and other communications. It could also be used to draft responses to investor requests and help extract data.

GenAI could summarize meeting notes for customer relationship management (CRM) systems to help track client interactions. It could also be used to analyze market, web or CRM data to flag potential investor targets, improving the hit rate of outreach.

Agentic AI

Agentic AI's ability to make decisions without human intervention could lead to the full automation of routine tasks and workflows (figure 13). For example, agents could source and refine data from various sources to generate reports, conduct due diligence and respond to client requests. It could also scan market information to identify prospective investment targets or perform administrative tasks such as booking travel and scheduling meetings.

While it is unlikely that agentic AI will be used directly in investment decision making in the near term, it is likely to improve efficiency, allowing investment and distribution professionals to focus on higher-value work. The testing and deployment of agentic AI in private markets is still in its infancy, but it may have the potential to significantly increase productivity. Our recent Citi Institute report Agentic AI: Finance & the 'Do it For Me' Economy discusses these trends in a broader financial context.

Challenges and Obstacles

Deploying AI within private markets comes with challenges and considerations. Key areas mentioned by interviewees for this report include:

- **Data availability:** It will be impossible to deploy the full capability of AI while data remains limited and inconsistent – data collection will therefore be key for managers.
- **Hallucinations and inaccuracies:** Trust in AI has been undermined by 'hallucinations', where the model generates information that is plausible sounding but factually incorrect or nonsensical. AI models can also be trained on inaccurate data. The risk of such inaccuracies is hampering broader adoption of AI, as professionals revert to trusted ways of doing things. Data curation is therefore key in training the models, alongside the application of human judgement and employee training.
- **Data security:** Many investment firms, protective of their proprietary data, are reluctant to share information with third-party solutions. Some managers may also struggle to balance hiring their own data and AI professionals with keeping pace with rapid technology changes. This means there is a risk that potentially valuable data may remain underutilized.

We outline further challenges associated with AI adoption in the Business Advisory Services Report [AI in Investment Management: The Pursuit of a Competitive Edge](). A further report by Citi Institute, [AI in Investment Management: Beyond Efficiency Gains]() provides an updated view on these considerations and general use cases in investment management.

Figure 13: Summary of AI use cases in private markets

<table>
<tr><th></th><th>Sourcing and Screening</th><th>Due Diligence</th><th>Investment Decision Making and Execution</th><th>Portfolio Monitoring and Analysis</th></tr>
<tr><td>Investment Process</td>
<td>• Generate ideas for themes or sectors
• Source company ideas via AI-enabled search tools
• Narrow company selection for due diligence based on multiple metrics
• Summarize company information
• Generate questions and talking points</td>
<td>• Compare investment targets to public and private peers, with public and internal data e.g., past deals, portfolio company data
• Flag risks and evaluate impact of various scenarios
• Suggest questions and areas of focus
• AI generated credit scores and analysis</td>
<td>• Draft or edit IC memos, scorecards and other documents
• Summarize deal materials for meetings
• Generate questions, and talking points from documents and available data
• Draft terms and contracts and extract key clauses</td>
<td>• Summarize and visualize granular data on portfolio companies closer to real-time
• Benchmark and compare companies across multiple metrics
• Identify areas of risk or improvement
• Assess market and industry data to determine optimal exit timing and strategy</td></tr>
<tr><td>Client Services</td>
<td colspan="4">• Source, flag and rank potential investor targets (new or existing) based on characteristics
• Generate summaries of client profiles and other fund, firm or market information for client interactions
• Summarize and input meeting notes, and generate recommendations and action items
• Draft regular reports and communications for clients
• Extract and summarize portfolio and other data for investor requests
• Draft bespoke investor requests</td></tr>
<tr><td>Operations</td>
<td colspan="4">• Extract data e.g., important clauses from legal documentation
• Draft contracts and other documents
• Generate and summarize reports
• Summarize meetings and generate action items
• Extract and process unstructured data across the organization, to aid standardization
• HR use cases e.g., chatbots, summarize internal policy documents, generate goal setting recommendations</td></tr>
</table>

Source: Citi Institute

Sourcing AI Capabilities

We see firms typically pursuing a combination of buying external expertise and building internal AI solutions. At the core, where models deal with sensitive internal data and may provide an edge, firms may lean towards building their own solutions.

Where the focus is on a more commoditized function, the cost and time to build and maintain models may outweigh the benefits, particularly if a provider offers greater economies of scale. Focusing internal resources on the proprietary areas that give them an edge may make more sense. Where that line is drawn between buy and build may differ among organizations.

> "We have gone from a build approach to a buy approach, because we realize we can't compete with building alone because of what is happening with GenAI. For us it's making sure we have the right toolbox for our employees, so they can be as creative as quickly as possible."
>
> *Investor*

Digitalizing the Client Experience

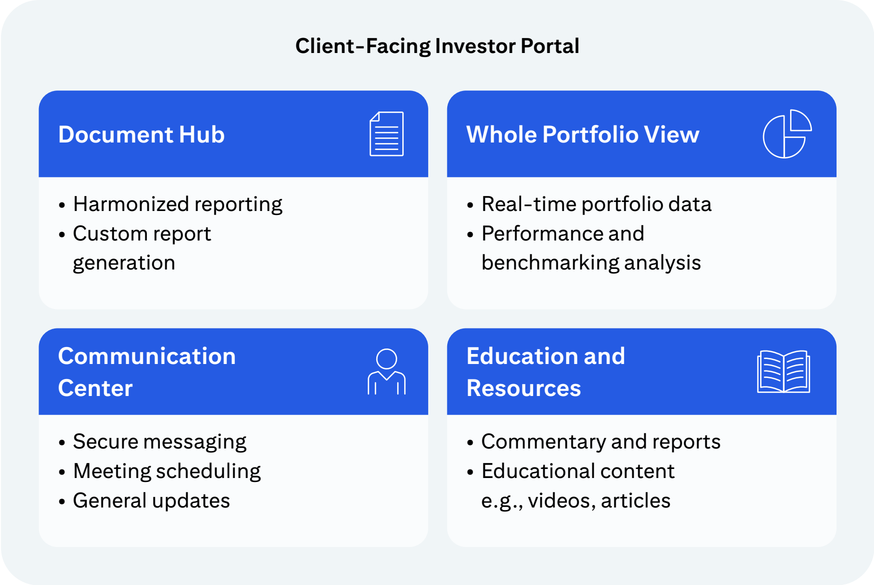
Efforts are also being made to provide a seamless, digitalized client experience in private markets.

Currently, clients often have multiple touchpoints and logins. While it may take time, the goal is to enable all services to be accessed through a single portal, with all documents, reporting, financial planning and educational resources in one place. The next step will be to create a seamless experience across asset classes, and across public and private markets, giving investors greater clarity and transparency on their investments.

Other parts of the private markets ecosystem are also becoming digitalized, as third parties build the infrastructure to connect the industry. Wealth managers are also seeking to provide a single portal to their clients across public and private markets.

Other digitalization efforts include tokenization platforms, secondaries exchanges, and direct-to-consumer platforms. There is also the potential for

Figure 14: A future model for a better client experience



Source: Citi Institute

private markets investments to be accessed directly via brokerages, subject to regulatory and suitability constraints.

The end goal of a unified portfolio view for investors is hampered by a lack of language and process standardization across private and public markets, as well as across asset classes within private markets. Much of the industry's technology infrastructure is still being built, with the potential for data providers and fintechs to offer common languages and frameworks in the future. Cooperation between private markets fund managers, LPs, data providers, technology providers, and regulators will be key.

> You need to understand the DNA of the firm itself. Some want to be tech-enabled, tech-native and build the tech themselves. There are others who want to stick to the investment management strategy, structuring, origination and LP management and select the best vendors to help them grow faster.
>
> *Fintech/Service Provider*

How to Shape a Business Model to Compete in Private Markets

As new entrants join the market and firms continue to seek growth, private markets fund managers need a dynamic mindset to ensure their business models remain robust. As competition for deals and fundraising increases, many GPs are seeking to expand their franchises or become specialists in specific areas.

Weighing up Buy Versus Build

Asset managers and other providers looking to offer products and services in private markets can either buy in the expertise or build their own capabilities, including via team lift-outs (figure 15).

In general, we see private markets fund managers pursuing a combination of approaches, often electing to buy existing market winners to benefit from experience, track record, and client relationships. Where there are specific areas to target, building on existing capabilities, it may make sense to pursue organic growth.

Ideal targets should have a strong track record and investment capabilities, while cultural alignment, talent, and distribution capabilities are also key. Interviewees for this report emphasized the importance of culture, given the people-focused nature of private markets. A strong cultural fit could enable investment teams brought in to continue operating in a way that lets them use their existing strengths, while also encouraging them to tap into and contribute to the broader platform.

Partnerships May Help to Bridge the Gap

Partnerships may be an effective way to meet the expected demand from new investors and for new solutions, particularly those incorporating both public and private markets.

Tie-ups with other managers with add-on skills would allow GPs to focus on their strengths, where they probably already have brand recognition, and capitalize on market opportunities without the time and resources needed to buy or build. It would also allow them to provide solutions to a broader set of investor. It also removes the need for firms to compete on the likes of talent or investor clients, and removes the potential frictions and complexity associated with acquisitions or mergers.

Several high-profile partnerships spanning public and private investments were announced in 2025. They include investment managers launching interval funds that combine public and private credit, with plans for further equity-focused products. In April 2025, several investment managers announced a joint effort to develop solutions across public and private markets, plus index and active strategies, targeted at financial advisers and their clients.

Partnerships also extend beyond combining investment capabilities to leveraging distribution networks, origination capabilities, and product structuring.

LP-GP Partnerships are Also Becoming the Norm

Another opportunity is deepening partnerships between LPs and GPs. As the market continues to mature, GPs are increasingly adopting more personalized solutions for LPs. They are forming more of a partnership and long-term approach with these investor clients, rather than just approaching investors fund-by-fund.

Figure 15: Key considerations for managers looking to add private markets capabilities

Consideration	Buy	Build
Time	Faster route to obtaining a well-established franchise, diversifying and growing AUM. Comes with an existing track record. However, identifying an M&A target takes time and resources, plus additional time needed to integrate the business.	Takes significant time to grow a fund series and develop a meaningful track record. Bringing in an existing team could partially mitigate client biases against a new fund, and be faster than M&A.
Strategy	Exact strategy and coverage added depends on the available acquisition targets.	More easily able to curate which strategies to focus on.
Distribution	Existing client relationships and distribution channels can be applied to the acquired entity.	Team lift-outs may bring investor clients, but more distribution effort likely to be needed to raise capital for a new fund series.
Talent	Ability to acquire an existing talent pool and recruit new talent to a well-established franchise. Alignment of incentives across the business may be a challenge.	Ability to select and build a team over time, who may develop more 'skin in the game' with the business. Potential ability to create a more flexible, multi-disciplinary team, allowing for future diversification. However, recruiting with a lesser-known brand in the asset class/sub-asset class.
Culture	Higher risk of a culture clash when electing to buy, as existing franchises may be entrenched in their own way of doing things. It is likely that integration will take longer. Interviewees also discussed allowing acquired businesses to begin relatively autonomous, with hopes to integrate gradually over time.	Build provides the opportunity to shape a team that aligns with the business, potentially electing to build around a small number of experienced hires. However, team lift-outs may still take some integration and come with their own ways of conducting business.
Brand	Buying an existing franchise may allow for a strong, recognizable existing brand to be brought into the business. This can resonate more strongly with investor clients. However, harmonizing the brand with the existing business may take time.	Immediate integration with the existing brand, but potentially more difficult to raise a new strategy that is not easily associated with the current business.
Requirements	• Balance sheet to buy • Cultural and business alignment • Harmonized incentives • Balance of integration and autonomy • Little overlap with existing business	• Capital to seed the new strategy, or sufficient support from existing client base • Strong leadership to build the team • Time from the leadership team • Internal resources

Source: Citi Institute

The growth of bespoke solutions for LPs

Tahir Wahid and David Bailey, Private Markets Coverage, Citi Spread Products

We are seeing a trend towards more strategic and bespoke LP-GP partnerships. How have these relationships evolved and what are the most common solutions or bespoke offerings that GPs are providing to LPs today?

David Bailey: The traditional closed end, multi–investor fund is still very much a model that is used. However, the larger, more sophisticated LPs increasingly expect to have more bespoke arrangements with their strategic partners. This could involve having a specific separately managed account (SMA) where they are the sole investor in a vehicle. Or it could involve having opportunities for co-investment where LPs have discretion over the type of assets that are invested in and a bespoke fee arrangement. Increasingly, we see the larger GPs wanting to create bespoke solutions for their largest clients and that can include offering access to multiple different asset types in a specialist bespoke vehicle structured entirely to suit that particular LP.

Tahir Wahid: More specifically, we are seeing credit asset managers partner with insurance companies. We are seeing an increasing number of GPs create and build out specific insurance specialist teams so that they are better able to create products and meet the needs of that specific LP type. In addition, we also see pension funds and sovereign wealth funds taking a more thematic focus on specific asset classes with specific GPs. One area that has become very relevant is private investment grade (IG) large-cap solutions, and another is where there is a need for structured equity and capital solutions relevant to a particular industry, for example the energy transition, infrastructure, and investments in the AI ecosystem, including data centers. We are also seeing solutions in asset-backed finance (ABF) more broadly, which is a growing sub-asset class within private credit.

How have GPs been partnering with banks, particularly in private credit?

Tahir Wahid: There have been well known partnerships announced in the direct lending space between GPs and a variety of banks, including Citi. There have been partnerships in the ABF space and in commercial real estate, especially for European banks. It is a continuation of the originate-to-syndicate business model, which has been partly accelerated by regulatory changes.

David Bailey: Since the global financial crisis, the growth in private credit has been mainly because of a pullback in bank lending into those same sectors. However, there is a role for banks to play in both origination of these deals and being a part of the financing solution to the GP for the assets that they have deployed.

> The endgame in our industry is scale. You need products that won't get stuck at €500 million but [receive] multi-billion [inflows] because this is where you generate operating benefits. In between organic growth and M&A there is the partnership route.
>
> *Investor*

Pursuing an Integrated Platform

Balancing Growing Platforms with Risks of Silos

The reality is that many private market franchises are a mix of legacy, acquired businesses and partnerships. It is therefore crucial to have a single integrated approach and identity. In the Industry Evolution 2021 Report, Citi's Business Advisory Services team discussed how asset managers are typically structured as individually run specialist teams, often leading to siloed businesses.

This can result in fragmentation of technology, systems and people, hindering the sharing of information and capabilities. Siloed businesses should seek to develop greater agility when it comes to manufacturing products, allowing intellectual property to be deployed more flexibly and creatively. This ultimately results in better alignment of products and client needs.

Interviewees for this report echoed their concerns over this silo effect. This is particularly pertinent for fund managers of public investments looking to bolt on private market capabilities with different culture, talent, technology, and processes. Already complex organizations risk becoming even more disparate and disjointed if the bolt-on is siloed.

> Choosing to seed [a new fund] with $100 million and wait for their track record to bake, that's going to be very difficult for us.
>
> *Investor*

Fundraising and consolidation in a competitive market

Michael Marcus and Michael Quadrino, Co-Heads of North America Financial Sponsors Group, Citi

How competitive is the fundraising environment in private markets for GPs?

Private markets have seen tremendous growth and today's fundraising market is highly competitive – as a result we are seeing a large shake-out. Investors have refocused their manager selection based on core returns. In many cases, emerging firms are growing AUM at fairly fast rates because they have the track records to support it. Those without consistent track records of upper-quartile returns are struggling mightily in today's fundraising market.

There is only a finite amount of LP capital available. That capital is going to flow to the best performing funds. We are seeing a consolidation of managers who are going back to their core areas of expertise. You are going to see a lot more specialization going forward, both for large-cap players and middle-market firms.

Do you see the trend of consolidation continuing?

We do think that consolidation activity is going to pick up. For some GPs, going public will give them a currency to go hunt and expand their strategies. Returns are what matters in the end, but there are significant advantages to scale and diversification in this industry, especially as we think about the next cycle.

Specialized high-performing middle-market funds can be highly sought-after targets for some of the larger players or for some of the more traditional players that are looking to get deeper into alts. For a middle-market fund there are advantages to scale.

The large traditional asset managers are looking for more diversification and seeking deeper penetration into alts. It is hard to build a private equity strategy.

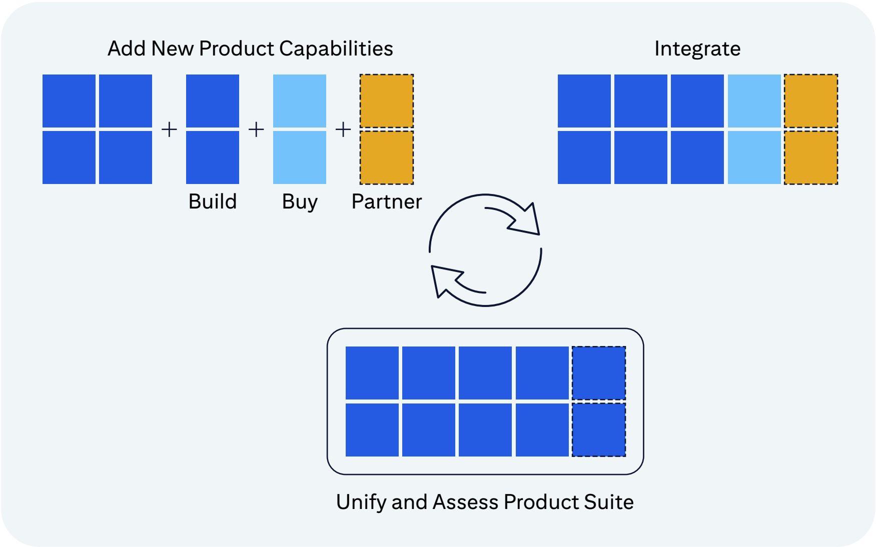
Dedicated private markets managers may have been run as individual businesses pieced together over time, with distinct investment teams and potentially even distribution and operations teams. Incentives structures also may encourage employees to focus predominantly on their own franchise, rather than rewarding idea sharing and collaboration with other teams.

In private markets, fund managers have traditionally focused on growing their existing strategies, deepening client relationships, and filling gaps in investment capabilities both organically and inorganically. Private markets fund managers will need to balance prioritizing integration and growth, particularly as the process of assessing gaps in the product suite is a continuous process.

For now, most private markets fund managers interviewed for this report indicated that they preferred keeping their investment teams separate, while integrating middle and back-office functions. Despite this, many are collaborating across business lines, balancing autonomy with synergies. Examples include regular joint meetings, or encouraging collaboration across teams with shared knowledge on, for example, a sector or geography.

Roles could be harmonized or consolidated to represent the whole platform, such as overall heads of investment, operations or distribution. Technology integration is also key, as is managing information sharing between public and private markets. Differences in culture and compensation must also be managed carefully, while there is also a need for standardized communication and processes. Incentives could be tailored to enable cross-collaboration, e.g., encouraging investment teams to show deals to each other.

Figure 16: A model for integrating bolt-on acquisitions in private markets



Source: Citi Institute

Whether Specialized or Diversified, a Clear Identity is Key

For managers spanning public and private markets, the goal is to have a firm-wide investment approach, leveraging expertise across public and private. As companies stay private for longer, the lines between public and private are likely to blur and the opportunity to leverage analysis on either side for e.g., peer group comparison should grow.

We expect the market to consist of a mix of specialists and generalists, as well as investment managers with elements of both. Regardless of approach, in an increasingly competitive fundraising environment, the key is to build a clear brand that resonates with LPs. Some firms have integrated capabilities under one private markets umbrella, while others have maintained legacy branding. We expect that this will evolve over time and integration will follow as LPs and GPs move to a one-solution mindset after establishing a track record in private markets asset classes.

Endnotes

1 Q2 2025 Global Private Markets Fundraising Report, Wiek et al, PitchBook Data, Inc., September 8, 2025

2 Q2 2025 Global Private Markets Fundraising Report, Wiek et al, PitchBook Data, Inc., September 8, 2025

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