Private Equity/Venture Capital

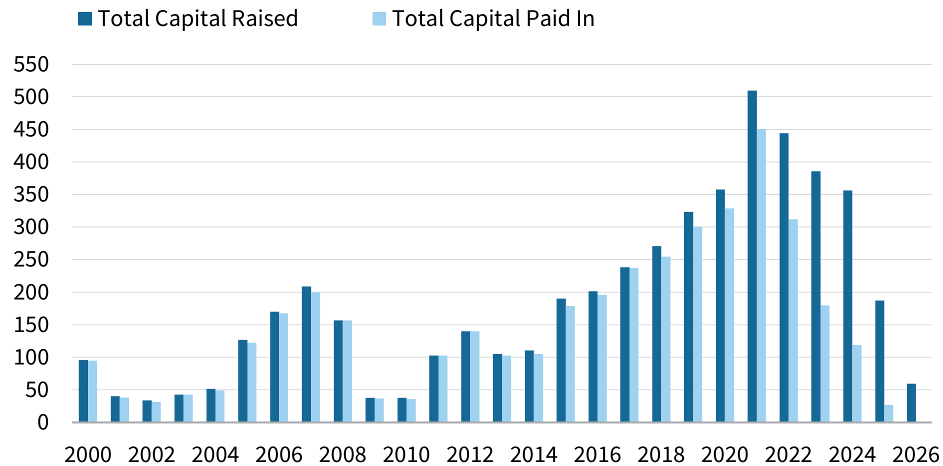
US Private Equity
Facts & Figures First Quarter 2026

US PE funds have returned 8.3% and 8.2% over the past one- and three-year periods, respectively, trailing public equity market returns. Over long time periods, the US PE index has outperformed. Distributions have recovered slowly but are still below long-term averages, which in turn has weighed on fundraising. Exit activity also picked up slightly in 2025, but the recovery has been narrowly driven by a small number of large transactions.

- Fundraising activity has slowed dramatically for US PE funds in recent years as investors waiting for greater distributions slowed commitments. LPs allocated $336B to new funds in 2025, well off the pace seen between 2019–24. Fundraising last year was highly concentrated, though funds of $5B or more have accounted for a smaller share of 2026's volume.
- Deal activity has increased, coinciding with expectations for lower interest rates and easing regulatory scrutiny. After $1.1T of US buyout and growth equity deals in 2025, another $260B of deals were inked in 1Q. Deal activity, like fundraising was concentrated, with deals greater than $1B representing nearly 50% of the total.
- According to PitchBook LCD data, EBITDA purchase price multiples for large US buyout transactions decreased in 1Q to 9.6x, below the five-year average of 10.9x.
- Exit activity has improved in recent quarters. US PE firms sold $676B of investments in 2025, a 77% increase from the prior year, and exited another $131B in 1Q. Activity continues to be driven by a handful of large transactions, with 77% of Q1 activity accounted for by $1B+ deals. Indeed, as of 1Q 2026, PitchBook noted that US PE inventory has grown to a new high of over 13,300 companies.

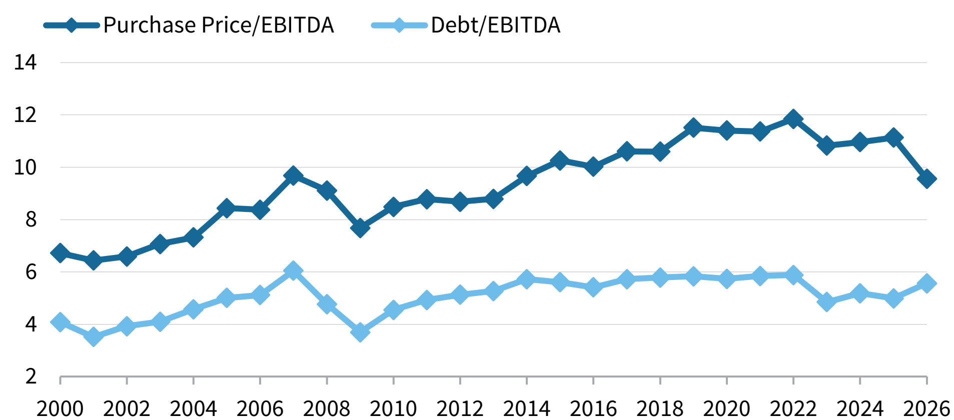
Fundraising and paid-in capital: US PE

Vintage Years 2000–26 (Mar 31) • US$B



Average purchase price and debt multiples: US PE

2000–26 (Mar 31)



Sources: Cambridge Associates LLC and PitchBook Data Inc.

Note: Historical fundraising and paid-in capital data revise. 2025 Paid-in capital data are through September 30.

US Venture Capital

Facts & Figures First Quarter 2026

US venture capital (VC) generated a pooled net internal rate of return of 16.2% over the past year and 13.7% over the prior ten-year period, according to our index as of 3Q. The index has benefited from its strongest performance in the past couple of quarters since 2021, following a period when a significant spike in fundraising and valuations weighed on returns. The recent gains also reflect the prominence of AI, which has accounted for a large portion of incremental exposures.

— Fundraising activity moderated in 2025, due in part to slow capital distributions from existing commitments. US VC funds raised $69B in 2025, which is the lowest annual total since 2017. This compares to an average of nearly $200B raised during the peak years of 2021 and 2022. The difficult fundraising environment has disproportionately benefited established managers rather than new managers.

— Deal activity rose to just under $340B in 2025, marking the highest annual total since 2021. AI and machine learning continued to dominate the landscape, accounting for over half of all deal value. Nearly 70% of total deal value came from corporate VC firms, representing their highest share in a decade, and much of this was allocated to later-stage AI companies.

— The median pre-money valuation rose sharply in 2025, with increases observed across all stages from seed rounds to series D+ compared to 2024. This surge pushed valuations for all but series D+ deals to new annual highs. Notably, valuations for AI-related deals have generally exceeded those of non-AI deals.

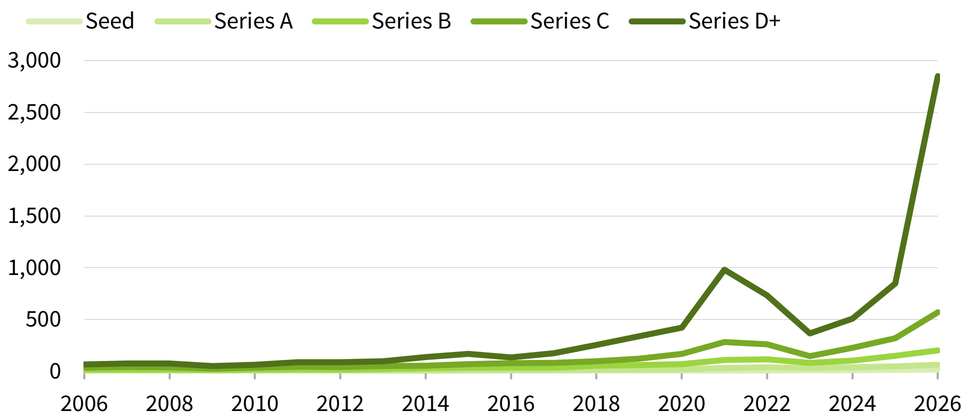
— Exit activity improved in 2025, bolstered by better IPO activity. In total, US VC-backed exit value reached $298B in 2025, eclipsing the value generated in the years 2022–24. Still, IPO exits have been concentrated, with average IPO exit value increasing to one of the highest levels in the past decade.

Fundraising and paid-in capital: US VC

Vintage Years 2000–26 (Mar 31) • US$B

Median pre-money valuations by series: US VC

2006–26 (Mar 31) • US$M



Sources: Cambridge Associates LLC and PitchBook Data Inc.

Note: Historical data revise. Paid-in capital data are through September 30, 2025.

European Private Equity and Venture Capital

Facts & Figures First Quarter 2026

European PE and VC returned 16.5% and 16.8%, respectively in USD terms through the first three quarters of 2025. However, the dollar was the overwhelming driver of this performance, with much more meager returns in euros (2.7% and 2.9%). Performance of both asset classes have trailed public markets in recent years; however, private investments have outperformed over longer horizons. While fundraising has slowed, deal activity and exits have increased, with purchase multiples ticking higher.

— Fundraising activity has moderated, due in part to muted LP distributions from existing commitments. In 2025, Europe-based PE and VC funds raised €118B and €13B, respectively—one of the weakest years in the last decade, with 1Q 2026 seeing a similarly weak trend. European PE funds secured just over one-fifth (22%) of global PE capital raised in 2025, while for VC the figure was 11%, both in line with the averages over the five years prior.

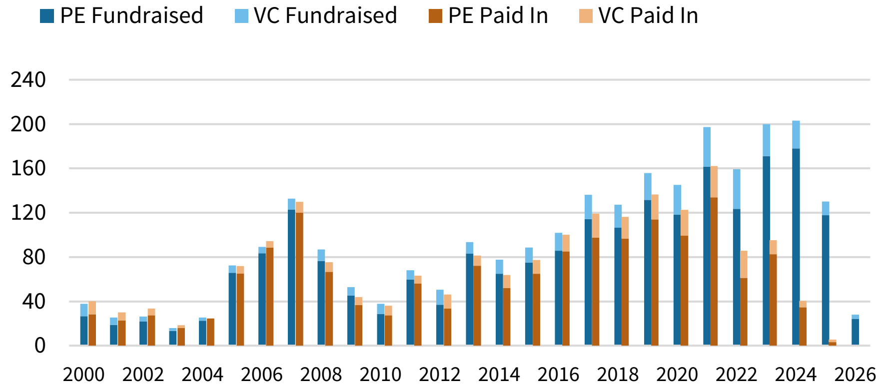
— After bottoming in 2023, deal activity trended up during 2024 and 2025, aided by lower rates and reduced policy uncertainty, reaching a record high of €650B in 2025. However, 1Q 2026 has seen a slowdown, led by a decline in the SaaS space, with activity impacted by the sector's softness in public markets.

— According to PitchBook LCD stats, purchase price multiples for transactions larger than €500M held steady at 9.9x EBITDA early in 2026, after 2025 saw the first increase since 2020. Leverage multiples declined a tenth to 5.1x. VC valuations also showed strong gains, particularly within later-stage.

— Exit activity moderated a little further in 1Q 2026 from its 3Q 2025 high, with the slowdown in the number of exits more notable than the slowdown in exit value, indicating activity has been concentrated amongst large caps. Secondary buyouts continued to account for a growing proportion of PE exit value (76% in 1Q), which along with corporate acquisitions, is the usual exit route for European PE.

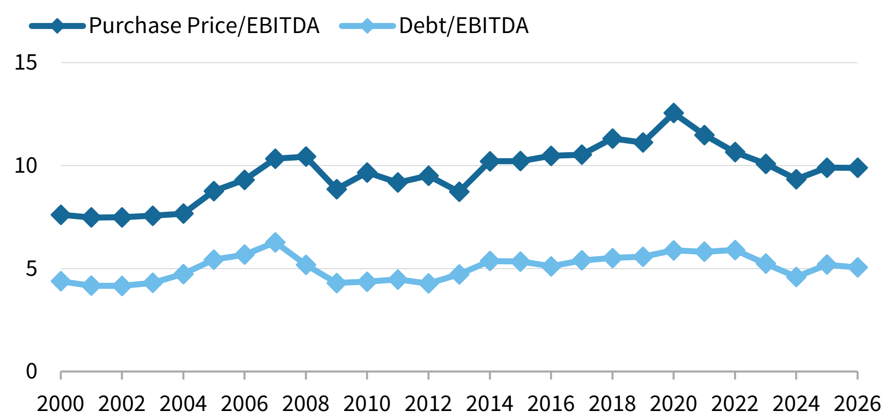
Fundraising and paid-in capital: European PE and VC

Vintage Years 2000–26 (Mar 31) • Euro (Billions)



Average purchase price and debt multiples: European PE

2000–26 (Mar 31)



Sources: Cambridge Associates LLC and PitchBook Data Inc.

Note: Historical fundraising and paid-in capital data revise. Paid-in capital data for 2025 are through September 30.

Asia Private Equity and Venture Capital
Facts & Figures First Quarter 2026

Asian PE/VC returns improved in 2025 but continue to trail public markets. Exits picked up sharply at the end of 2025, which should help returns and distributions. Fundraising remains depressed relative to the past. Managers see increased opportunity in Japan and India, while appetite for investments in China and Southeast Asia remain tepid.

— Returns have begun to recover in Asia, albeit ten-year IRRs ending in 3Q 2025 remain lower than the preceding ten years (2005–15). This is particularly the case for China PEVC, which have faced headwinds from a slowing economy and geopolitical tensions. In contrast, Japan PE has fared better over the past decade, aided by the corporate governance theme and increased M&A.

— Within PE, buyout strategies have historically been more prevalent in Australia, Korea, and Japan, while growth equity has been dominant in China, India, and Southeast Asia.

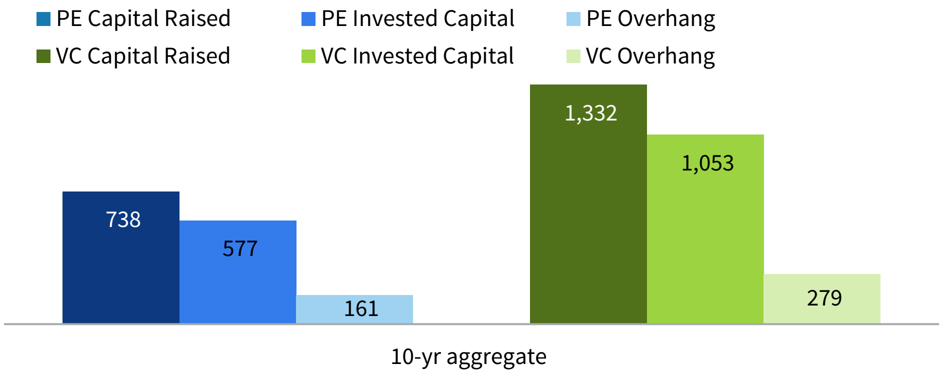
— Asia PE deal activity reached $188B in 2025, up slightly from the previous year. Japan and India have gained in terms of share of overall investment over the past five years. Similarly, fundraising activity has slowed to $31B, the slowest year since 2013. This compares to an average of more than $74B raised between 2021–24.

— Asia VC deal activity reached nearly $86B in 2025, the lowest deal value in the past decade. Similarly, fundraising activity has slowed sharply to only $42B in 2025, compared to an average of $113B over the previous three years, and the lowest level of fundraising since 2014 given the geopolitical headwinds facing investing in China.

— Exit activity surged in 4Q 2025. According to Pitchbook, Asia PE–backed exit value reached a record $139B in 4Q, taking full-year exit value to $244B. Asia VC exits reached $77b in Q4 and $165B for the year. While both full-year numbers are the highest since 2021, VC exits remain much lower than the 2020–23 period. With that said, robust IPO activity in Hong Kong and India should support exits and hopefully distributions for Asia PEVC funds.

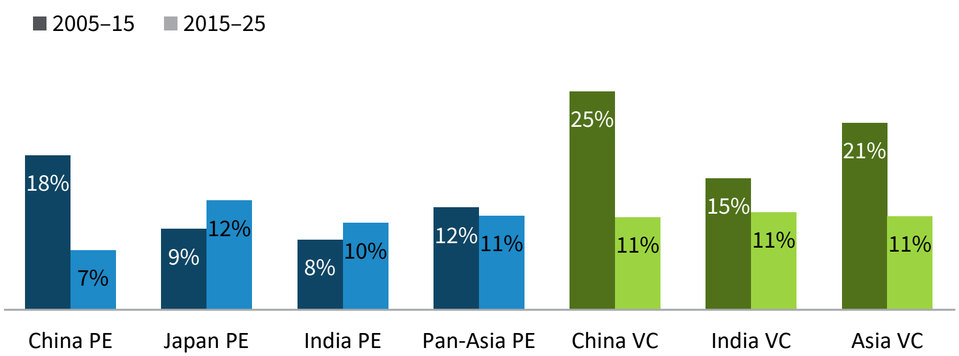
Fundraising, invested capital, and overhang: Asia-Pacific PE and VC

2016–25 (June 30) • US$B



Asia PE & VC performance by region

4Q05–3Q15 & 4Q15–3Q25 • Trailing 10-yr net pooled IRR to LP (%) • US$



Sources: PitchBook Data Inc. and Cambridge Associates LLC.

Notes: Data reflect cumulative overhang. PE includes buyout and growth equity funds. Estimate based on the percent paid into funds tracked by Cambridge Associates LLC by vintage year. Vintage year is defined based on first cash flow, rather than legal inception date. Cumulative overhang value includes the past six vintages. Assumes a 10-yr life span with a 1.5% fee decreasing linearly over the life of a fund, and no re-investment of capital. Vintage year 2025 paid-in capital is a trailing 5-yr average of the most recent vintage's paid-in capital. Capital raised does not include Softbank Vision funds. Invested capital includes deals where the investor is an Asia-based PE fund. "Asia VC" includes China, India, Southeast Asia, and Pan-Asia funds.

Private credit strategies have generated a healthy premium over public market equivalents in recent years, a trend we expect to continue. However, certain categories have attracted significant capital inflows, which may compress excess returns, dilute investor protections, and increase downside risk.

— Private credit strategies have outperformed public market equivalents over most timeframes. Through the end of 3Q, the Cambridge Associates Private Credit Index had generated a 7.7% IRR over the prior year and 10.3% annualized IRR over the past five years.

— Major private credit categories include senior (or direct) lending, asset-based lending, and credit opportunities. Lending to troubled credits or investing in subordinated debt has the potential to earn higher returns but there is considerable dispersion across manager returns, making careful manager selection essential. Trailing three-year pooled returns for the Cambridge Associates Credit Opportunities Index are below those of the Senior Debt Index, though five-year returns are higher.

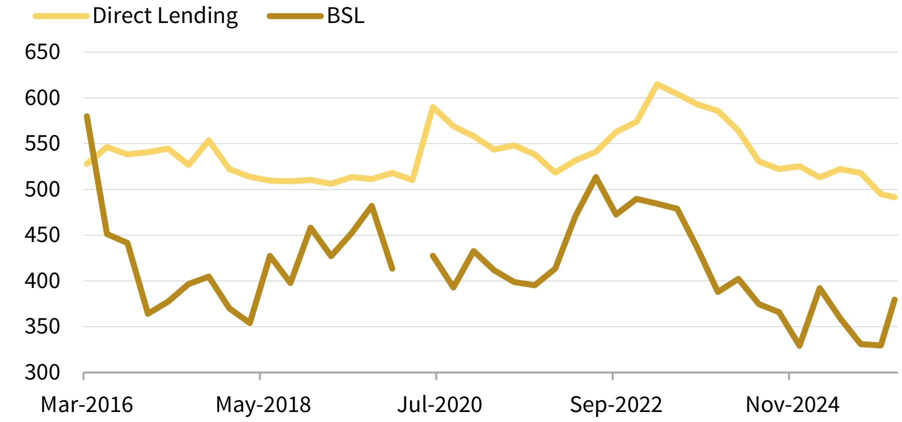
— Private credit investors can increase their odds of success by allocating to strategies where less capital has been raised, documentation and terms remain attractive, and there are higher barriers to entry. Recent redemption requests for retail-targeted direct lending vehicles highlight the importance of vehicle and manager selection.

— Recent headlines have sounded the alarm about private credit's exposure to software companies which may be threatened by AI, but most companies show healthy operating fundamentals and defaults have been limited. This said, some borrowers will be impacted by AI, underscoring the importance of choosing both skilled managers and those with resources to handle troubled loans.

— The current fundraising environment and uncertain macro backdrop suggests strategies like asset-based lending, insurance-linked securities, and royalties may generate attractive returns while insulating investors against some of the weakening protections in other categories.

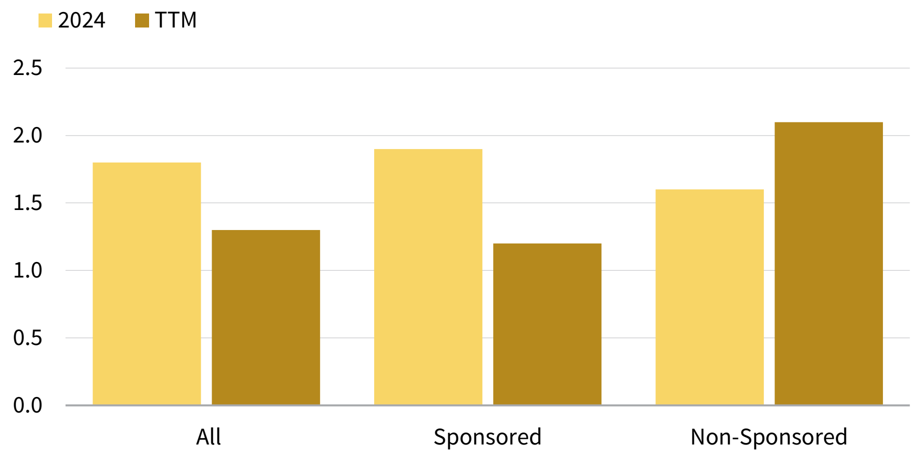
US direct lending and leveraged loan spreads

March 31, 2016 – February 28, 2026 • Basis points



Private credit default rates

As of February 28, 2026 • Percent (%)



Sources: ICE BofA Merill Lynch and KBRA Analytics.
Notes: Leveraged Loan (BSL) and DL spreads are discount margins. March 2020 data are not available for BSL spreads. Direct lending and BSL spreads data come from ICE BofA prior to March 31, 2025, afterwards, data is sourced from KBRA.