Private Equity/Venture Capital

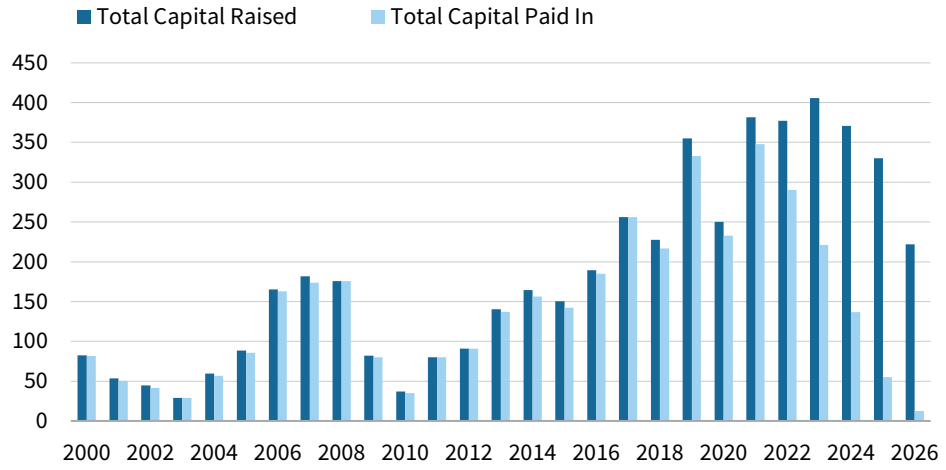
US Private Equity
Facts & Figures Third Quarter 2026

US PE funds have returned 7.5% and 7.2% over the past three- and five-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. Meanwhile, exit activity has been steady throughout 2026 but is on track for a large YOY decline, further adding to swollen PE firm inventories.

- Fundraising activity has slowed dramatically for US PE funds in recent years as investors have reduced commitments while awaiting greater distributions. LPs allocated $222B to new funds during the first nine months of 2026, well off the pace of recent years. Fundraising has also become more concentrated, with around 350 funds raised YTD compared to around 2x this amount for FY 2025.
- Deal activity has been steady despite geopolitics, higher rates, and AI-related uncertainty. After $1.1T of US buyout and growth equity deals in 2025, activity totaled a similar pace—$730B YTD through 3Q. Activity has become less concentrated, with almost 60% of YTD deals under $1B compared to around 50% in 2025.
- According to PitchBook, EBITDA purchase price multiples for US buyout transactions have ticked down to 10.7x YTD, close to their ten-year average of 11x. Meanwhile, software deal value totaled just $59B YTD after exceeding $200B in 2025.
- Exit activity has been steady in 2026 but is on track for a large YOY decline. Exits by US PE firms have totaled around $400B YTD through 3Q compared to $725B for full-year 2025.
- Reduced activity means PE inventories remain bloated. As of 3Q 2026, PitchBook reports PE firms are sitting on a record 13,600 unsold companies.

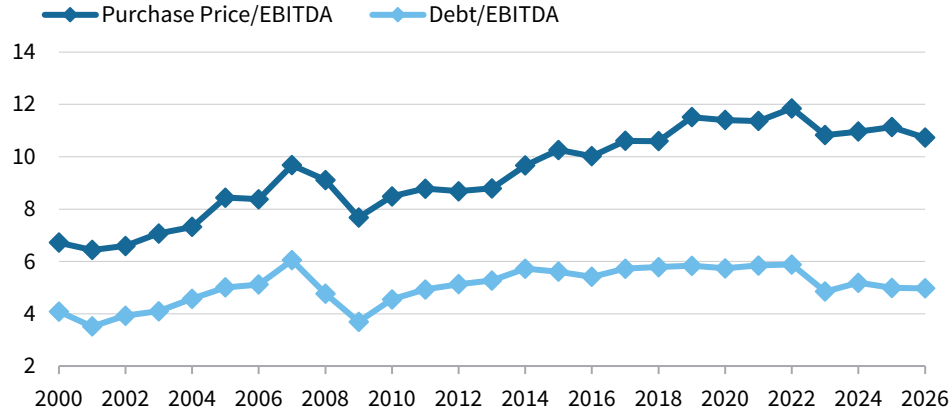
Fundraising and paid-in capital: US PE

Vintage Years 2000–26 (Sep 30) • US$B



Average purchase price and debt multiples: US PE

2000–26 (Sep 30)



Sources: Cambridge Associates LLC and PitchBook Data Inc.
Note: Historical fundraising and paid-in capital data revise. Paid-in capital data are through March 31, 2026.

Copyright © 2026 Cambridge Associates. All rights reserved.

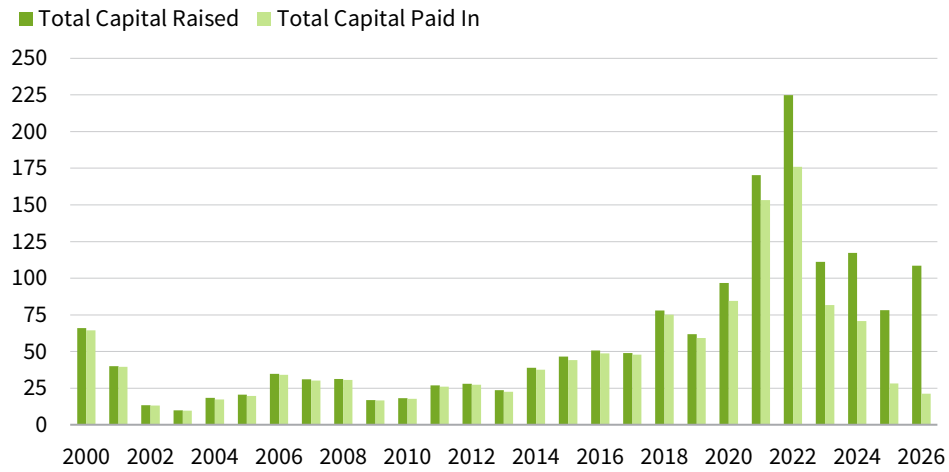
US Venture Capital
Facts & Figures Third Quarter 2026

US venture capital (VC) has generated pooled net internal rate of returns of 8.3% and 17.6%, respectively, over the past five and ten years as of 2Q. Strong recent performance follows a period when a significant spike in fundraising and valuations weighed on returns. Recent gains and activity reflect the prominence of AI, which has accounted for a large portion of incremental exposures.

- Fundraising activity has picked up after slowing in 2025 despite reduced capital distributions from existing commitments. US VC funds have raised $108B YTD through 3Q, already surpassing the full-year 2025 figure but below the pace set during the peak years of 2021 and 2022. The current fundraising environment has disproportionately benefited established managers rather than new managers.
- Deal activity is picking up. North American volumes have reached a record $515B through the end of 3Q. Over 80% of this deal value focused on AI and machine learning Deal sizes are also getting larger, driven by AI-related investment. The median Series D or later deal size was $150M YTD through 3Q, up 50% since 2025.
- Median pre-money valuations are rising across all stages, but the increases have been most pronounced for late-stage deals. The median pre-money valuation for series D+ deals reached $1.8B YTD through 3Q, more than 2x the level seen in 2025. Valuations for AI-related deals have generally exceeded those of non-AI deals.
- Exit activity is improving across all regions. US exits have soared YOY and reached a new record, boosted by the SpaceX IPO. However, even excluding public listings, exits through sales YTD are already over 2x last year's levels. The flipside is that IPO exits have been concentrated, with average IPO exit value increasing to one of the highest levels in the past decade.

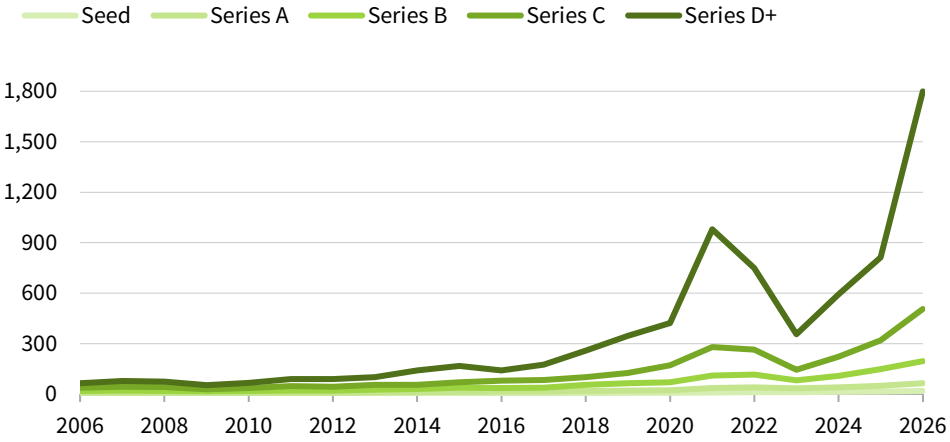
Fundraising and paid-in capital: US VC

Vintage Years 2000–26 (Sep 30) • US$B



Median pre-money valuations by series: US VC

2006–26 (Sep 30) • US$M



Sources: Cambridge Associates LLC and PitchBook Data Inc.
Note: Historical data revise. Paid-in capital data are through March 31, 2026.

Copyright © 2026 Cambridge Associates. All rights reserved.

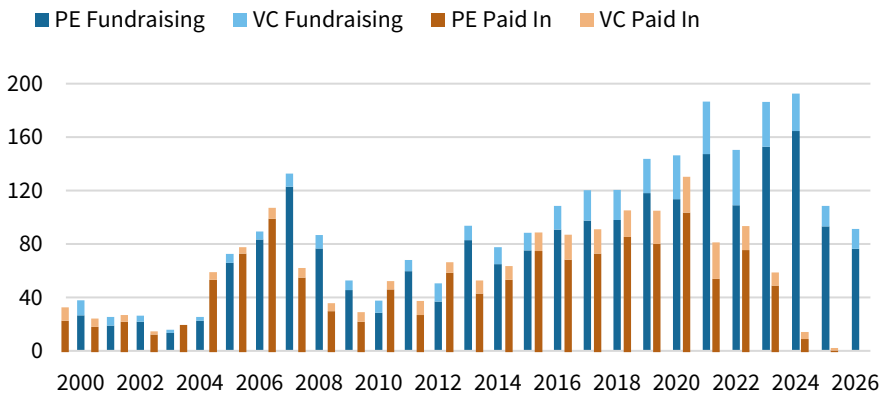
European Private Equity and Venture Capital
Facts & Figures Third Quarter 2026

European PE and VC returned 2.7% and 12.4%, respectively, in USD terms over the four quarters ended 2Q 2026. US dollar strength weighed on these returns; in euro terms, PE and VC returned 5.4% and 15.4%, respectively. Performance of both asset classes have trailed public markets in recent years; however, private investments have outperformed over longer horizons. While fundraising has slowed, PE and VC deal value has risen, with purchase multiples ticking higher.

- Fundraising activity has slowed, due in part to muted LP distributions from existing commitments. So far in 2026, Europe-based PE funds have raised $76B, putting fundraising on track to match 2025—one of the weakest years of the past decade. VC fundraising activity has been slightly firmer, with $15B raised so far in 2026, on course to be somewhat greater than 2025's weak outturn. Europe-based fundraising accounted for 21% and 10% of global PE and VC fundraising, respectively, through 3Q.
- After bottoming in 2023, PE deal activity trended up during 2024 and 2025, aided by lower rates and reduced policy uncertainty. A record high number of deals were completed in 2025, while deal value was just shy of 2022's record of €654B. 2026 is tracking to top last year's deal count albeit at a slightly lower value, while the reverse is true for VC.
- PitchBook data shows price multiples for transactions larger than €500M increased to 11.5x EBITDA in 2026, back to levels just below the record levels of 2020. Leverage multiples inched higher to 5.3x. VC valuations have also risen, particularly within later-stage companies.
- Exit activity has slowed in 2026, in terms of the number of exits, from its 2H 2025 high, though total exit value is tracking a similar path, indicating activity has been concentrated amongst large caps. Exits of greater than €2.5B in size grew to account for nearly half total exit value so far in 2026, nearly twice last year's share and the highest share of the last decade. The share of secondary acquisitions in exits by value has slowed in 2026, with a small uptick in public listings also seen.

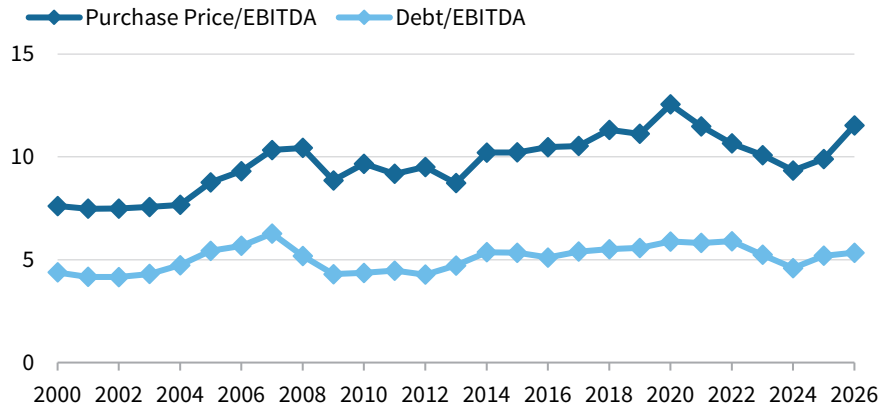
Fundraising and paid-in capital: European PE and VC

Vintage Years 2000–26 (Sep 30) • US$ (Billions)



Average purchase price and debt multiples: European PE

2000–26 (Sep 30)



Sources: Cambridge Associates LLC and PitchBook Data Inc.

Note: Historical fundraising and paid-in capital data revise. Paid-in capital data are through June 30, 2026.

Copyright © 2026 Cambridge Associates. All rights reserved.

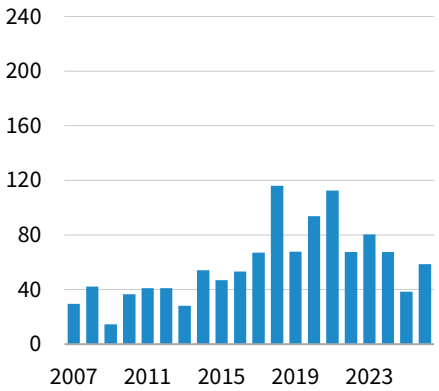
Asia Private Equity and Venture Capital
Facts & Figures Third Quarter 2026

Asian PE/VC returns have improved but continue to trail public markets. Exits picked up in 2025 and remain robust in 2026, which should help fund distributions. Fundraising remains depressed relative to the past for VC, but recovering for PE. Managers see increased opportunity in Japan and India, while appetite for investments in China and Southeast Asia remains tepid.

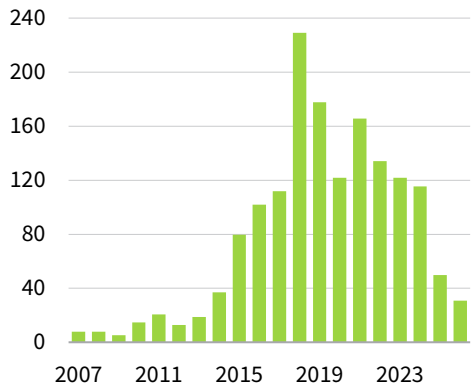
- Returns have begun to recover for Asia PE, particularly for Japan, aided by the corporate governance theme and increased M&A activity. While India PE has also performed better of late, the same cannot be said for China PE, given headwinds from a slowing economy and geopolitical tensions. Asia VC returns also remain muted, both in China and India.
- 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. Japan and India have increased their shares of overall investment over the past five years.
- Asia PE deal activity remains robust despite uncertainty due to the Iran War, with trailing four-quarter deal activity at $211B compared to $182B last year. Similarly, fundraising has jumped in 2026, reaching $59B as of 3Q, exceeding the $38B raised in 2025.
- Asia VC deal activity has also picked up, reaching $141B over the past four quarters, the highest level since 2023. However, fundraising remains muted at only $31B so far in 2026, compared to $50B for 2025, which itself was the lowest level in the past ten years, given the geopolitical headwinds facing investing in China.
- Exit activity continues to improve. While exits have slowed a bit so far in 2026, trailing four-quarter exits for both PE ($379B) and VC ($242B) continue to rise and are at levels not seen since 2022, but still below 2021 peak levels. Robust IPO activity in Hong Kong and India should support exits and distributions for Asia PE/VC funds.

Asia Private Equity & Venture Capital fundraising

PE • 2007 – Q3 2026 • Annual • US$B

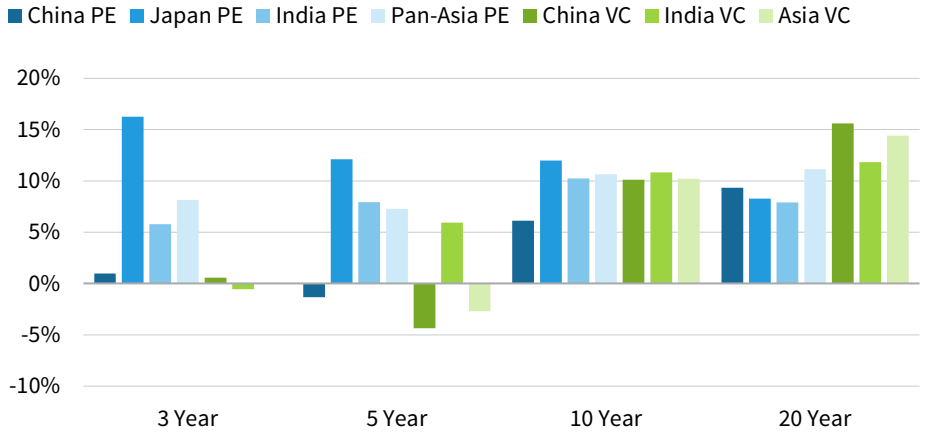


VC • 2007 – Q3 2026 • Annual • US$B



Asia Private Equity & Venture Capital performance by region

As of Q1 2026 • Net pooled IRRs over 3-, 5-, 10-, and 20-year horizons (%) • US$



Sources: Cambridge Associates LLC and PitchBook Data Inc.

Notes: Top charts includes annual figures except 2026 YTD. Top left chart includes Asia and Oceania VC fundraising, while the top right chart includes Asia VC fundraising. Bottom chart "Asia VC" includes China, India, Southeast Asia, and Pan-Asia funds.

Copyright © 2026 Cambridge Associates. All rights reserved.

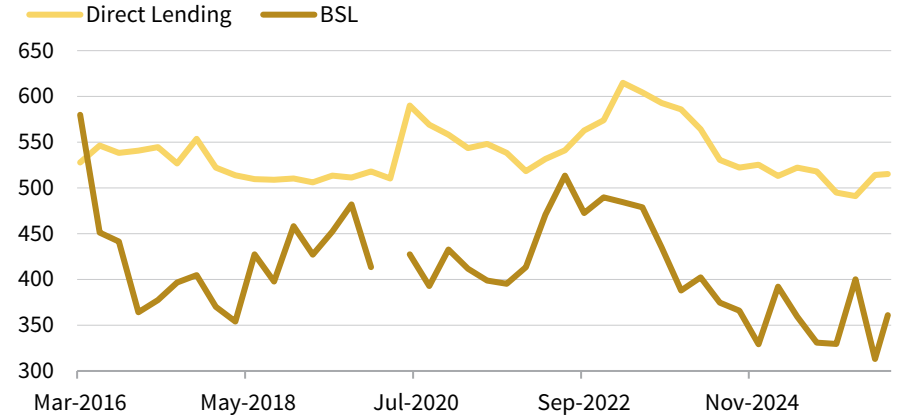
Private Credit
Facts & Figures Third Quarter 2026

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 2Q 2026, the Cambridge Associates Private Credit Index had generated an 8.1% annualized IRR over the past five years, roughly 340 bps above the mPME.
- High dispersion across returns in private credit means careful manager selection is essential. The top quartile of managers in the Cambridge Associates Credit Opportunities Index posted a 12.9% pooled five-year return, 450 bps above the overall pooled return. Even in senior debt, dispersion is nearly as high, with roughly a 250-bp annualized differential over five years between top-quartile and pooled returns.
- 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. Selecting managers with both skilled underwriting teams but also strong origination capabilities is important. Recent deal flow in direct lending has declined significantly (e.g., -40% in 2Q YOY) as questions persist around how AI will impact software companies.
- Most companies show healthy operating fundamentals and default forecasts for private loans are limited (e.g., KBRA expects 2.5% in 2026). This said, rising stress in the form of loans paying PIK, loan extensions, and valuations underscore 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.

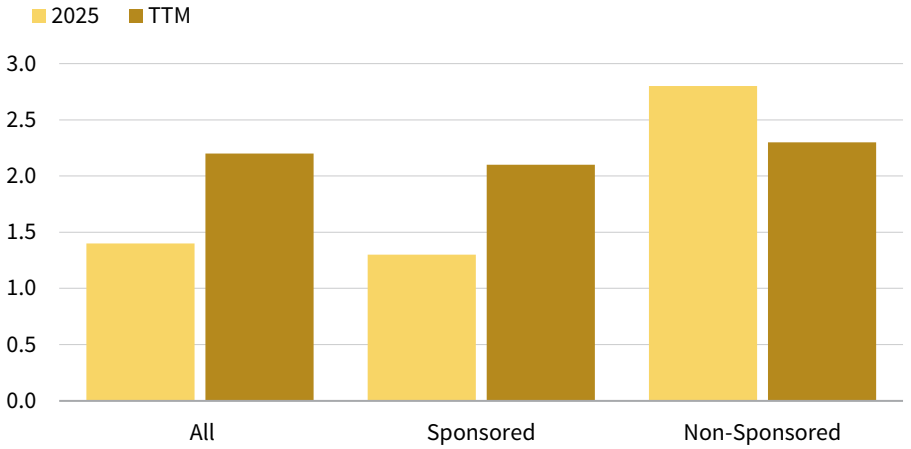
US direct lending and leveraged loan spreads

March 31, 2016 – August 31, 2026 • Basis points



Private credit default rates

As of August 31, 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.

Copyright © 2026 Cambridge Associates. All rights reserved.