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MSCI Private Capital Benchmarks Summary

Q4 2024

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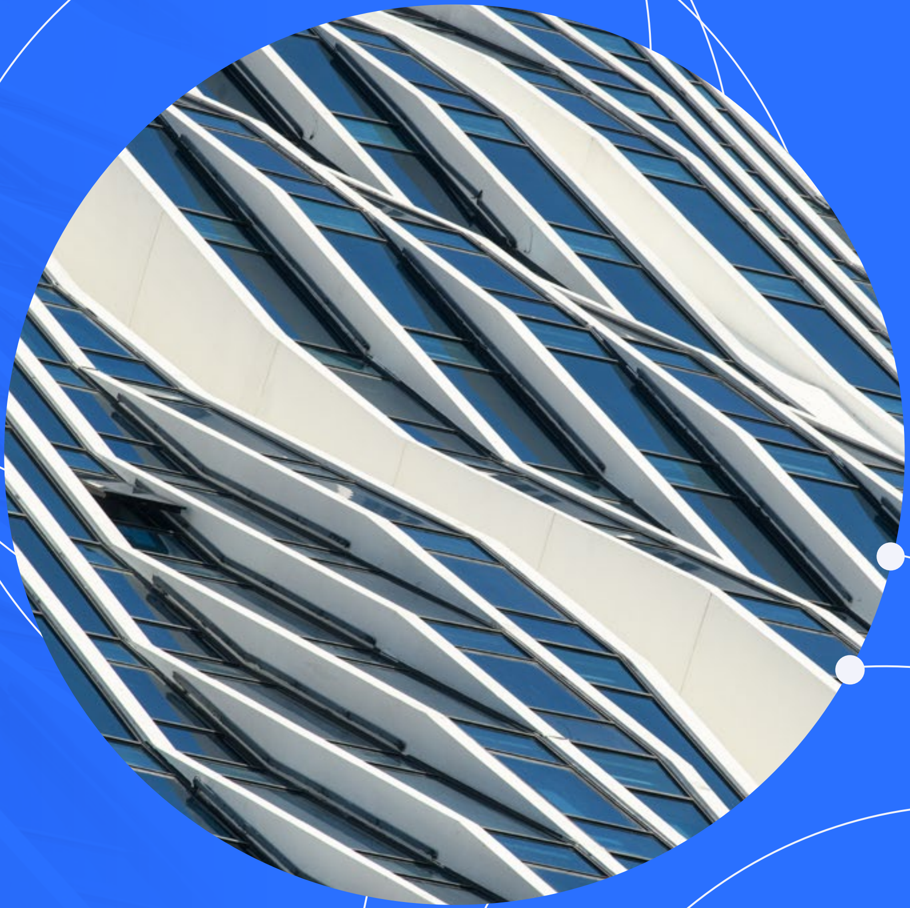

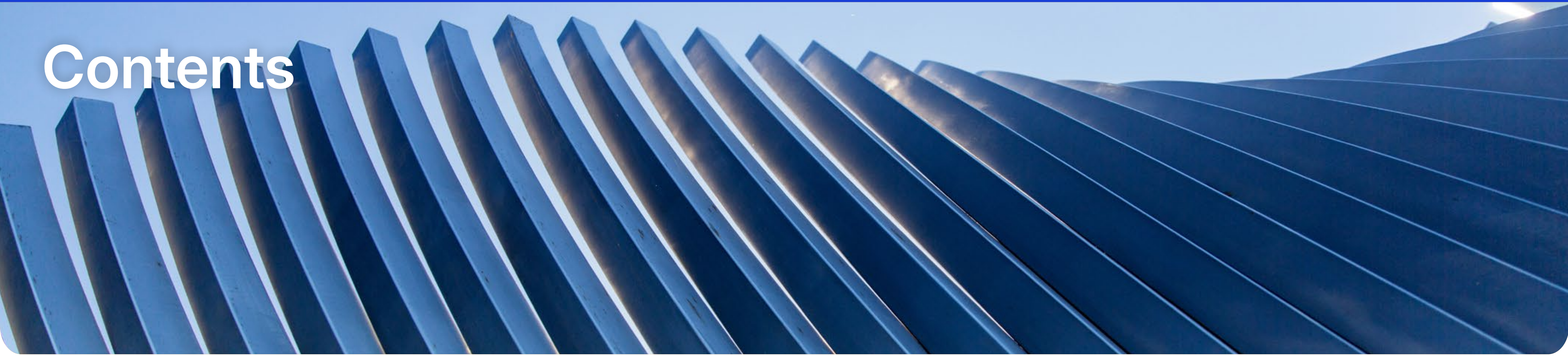

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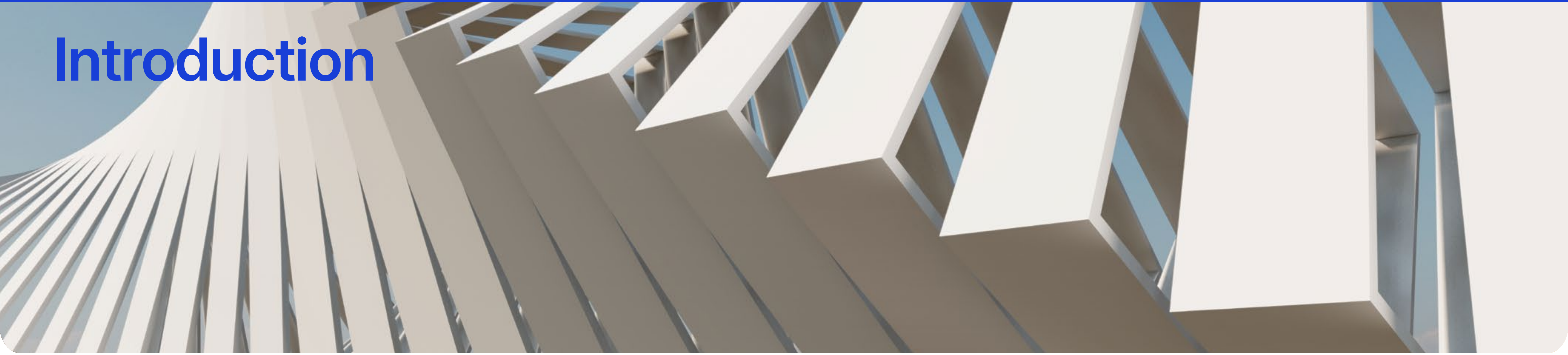


Introduction

For much of the past decade, private markets have experienced extraordinary growth. Capital flowed with ease, strategies scaled and managers and investors alike benefited from an expansionary tide. However, the post-2021 environment has introduced a more complex and demanding investment environment: Higher costs of capital, prolonged exit timelines and capital formation challenges have reshaped the terrain.

The private markets are evolving and, though not always evenly, the asset class has experienced sustained interest and growth, effectively transforming the global investment landscape.

As private assets expand – accounting for an ever-greater share of institutional portfolios and attracting a new universe of private-wealth investors — the challenge of measuring performance precisely has never been more critical, especially in context of rising volatility and geopolitical tension. With more capital at stake and more stakeholders involved, the need for accurate, representative and forward-looking performance-measurement tools is paramount. Traditional benchmarks tied to public markets are no longer sufficient. As private investments scale in size and complexity, they require benchmarks that reflect their distinct return profiles, risk dynamics and liquidity characteristics.

Our aim is to provide a benchmarking report that delivers the data to help make sense of the current landscape and put your investment metrics into context. Built on one of the most robust and reliable datasets in private markets, it delivers standardized, actionable insights to support your decision-making — whether you're allocating capital, evaluating managers or positioning your strategy in a crowded market.

For limited partners, clarity and comparability are essential for informed portfolio construction and manager selection. For general partners, benchmarking isn't just about measurement, it's about market positioning, transparency and trust. In a challenging fundraising environment, robust, data-backed performance information offers a critical differentiator.

No matter where you sit in the private-market ecosystem, we hope this report helps you meet today's challenges — and unique opportunities — with greater confidence and conviction.

Luke Flemmer
Head of Private Assets
MSCI

Key Takeaways

Buyout

- Despite a positive 2024 that delivered calendar-year returns of 5.5%, buyout strategies showed signs of slowing. Overall, 2024 returns were weaker than those in 2023 (9.7%) and performance faded further in Q4 relative to the quarter prior.
- While that 5.5% sat towards the middle of the pack among other private-asset strategies, the longer-term view reveals a bounceback after a miserable 2022 when the annual return was -1.4%. Plus, buyout's cumulative returns over the past five years have now comfortably eclipsed all other private-asset strategies.
- Buyout's middling performance warrants context as well. Dispersion between the top and bottom performing private-asset classes is the lowest we've observed in the past 10 years.

Private credit

- Private-credit funds outperformed private-equity strategies for the third consecutive year in 2024, driven by the continued pass-through of elevated interest rates to lenders.
- Within the asset class, senior, mezzanine and distressed debt funds performed within a narrow band of returns between roughly 5-9% — a shade lower than 2023.
- Though fundraising has slowed across private markets, dry powder levels for private credit held relatively steady over 2024. Investors will be watching closely as capital deployment and fundraising dynamics adjust to the evolving rate environment.

Venture capital

- Venture-capital funds outpaced buyout in Q4 2024 with a 2.3% return, reflecting a modest recovery in late-stage valuations, which suffered in 2022 and into 2023. This recovery comes even as exit markets remain largely frozen, with distribution activity still muted.
- While cumulative returns for venture capital have plateaued in recent years, the Q4 uptick provides a glimmer of positive momentum for a segment that has seesawed in recent years.

Real assets

- Real-estate portfolios remain under pressure, posting negative returns in Q4 2024 and continuing a trend of soft performance since mid-2022.
- Market participants will be looking to see if the comparative weakness of real assets persists amid new market headwinds: based on year-end fund compositions, evolving trade policies may present less impact to private real estate and infrastructure, for example, than other strategies.

Challenges to a private markets recovery persisted throughout 2024:

- Fundraising slowed in total across all strategies, distribution rates hovered at decade lows and real assets struggled under continued down-market pressure.
- Tariff-related risks have introduced new complexity, and investors will need to sharpen their understanding of their portfolios — and their underlying exposures — to navigate uncertainty.

Our Dataset

The insights in this report are grounded in the cash flows and valuations of hundreds of limited partners (LPs) who use MSCI to help manage their private-capital portfolios.

Trusted sourcing and rigorous validation

Impartial and representative, our data is 100% LP-sourced and undergoes a thorough cross-validation by MSCI's research teams before being added to our database.

Entirely from inception

Each of the 14,000+ funds in our dataset includes the complete cash flow and valuation history.

Focused exclusively on private markets

We include only closed-end, drawdown-style funds where managers control the timing of capital movements. For consistency, hedge funds, open-ended vehicles, directs and co-investments are excluded, and all returns are net of fees.

Refreshed quarterly

In accordance with industry-standard reporting lags, the dataset is updated quarterly to capture over 70% of reported fund valuations, ensuring the benchmarks reflect the latest picture.

A commitment to rigorous classification

We apply MSCI's Private Capital Classification System (PCCS), a rules-based framework designed to add clarity, comparability and consistency.

Globalized for accuracy

All amounts are converted using daily spot exchange rates to provide precise pooled currency benchmarks.

Data highlights

14,000+
Funds and funds of funds

12 trillion+
USD in capitalization

263k+
Underlying holdings

Clients can access the extended MSCI Private Capital Benchmarks Report for Q4 2024 via the Private i® platform.

Data Coverage

Fund Count and Capitalization by Asset Class

Asset Class	Funds	FoFs	Total	Cap (USD million)
Private Capital	**13,233**	**1,524**	**14,757**	**12,285,943**
Generalist	527	179	706	587,090
Equity	**8,475**	**1,076**	**9,551**	**7,525,794**
Generalist	1,054	468	1,522	1,188,233
Venture Capital	4,048	307	4,355	1,404,547
Expansion Capital	202	4	206	137,010
Buyout	3,048	279	3,327	4,736,242
Unknown	123	18	141	59,762
Credit	**1,549**	**38**	**1,587**	**1,645,166**
Generalist	336	11	347	390,789
Senior	248	-	248	331,133
Mezzanine	414	6	420	356,088
Distressed	357	18	375	473,774
Not elsewhere classified	126	1	127	53,615
Unknown	68	2	70	39,767
Real Assets	**2,514**	**159**	**2,673**	**2,428,857**
Generalist	54	13	67	71,075
Real Estate	1,631	102	1,733	1,226,217
Natural Resources	415	26	441	244,958
Infrastructure	405	16	421	884,683
Not elsewhere classified	8	-	8	1,577
Unknown	1	2	3	347
Not elsewhere classified	115	6	121	71,728
Unknown	53	66	119	27,307

Count by Fund Size Range

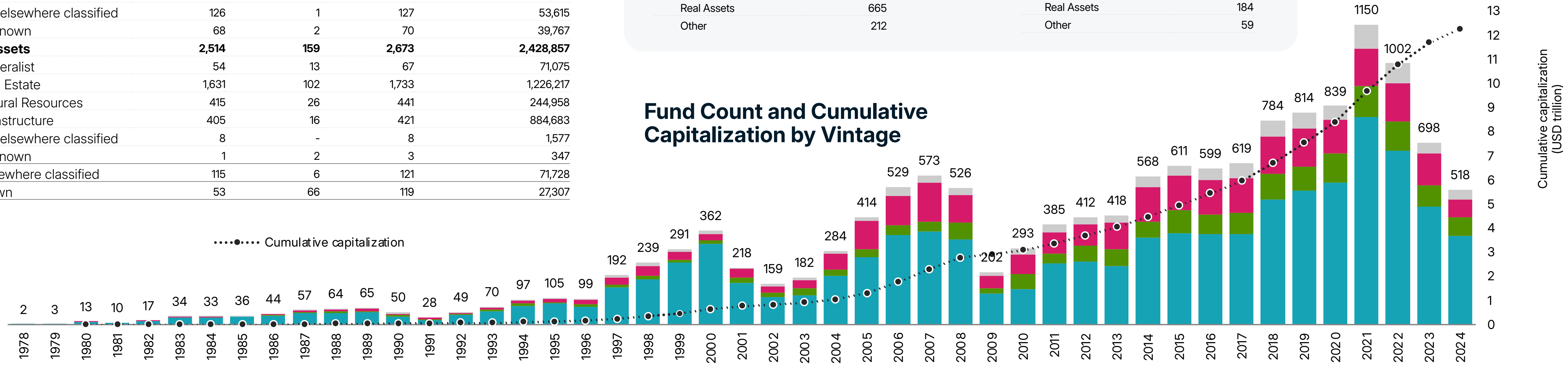
Fund Size / Asset Class	# of Funds
<$100M	**2,526**
Equity	1,874
Credit	170
Real Assets	294
Other	188
$100M-$250M	**3,449**
Equity	2,395
Credit	272
Real Assets	573
Other	209
$250M-$500M	**3,383**
Equity	2,203
Credit	303
Real Assets	665
Other	212

Fund Size / Asset Class	# of Funds
$500M-$1.0B	**2,608**
Equity	1,513
Credit	366
Real Assets	572
Other	157
$1.0B-$2.5B	**1,801**
Equity	971
Credit	324
Real Assets	385
Other	121
>$2.5B	**990**
Equity	595
Credit	152
Real Assets	184
Other	59

Data as of

Q4 2024

Fund Count and Cumulative Capitalization by Vintage



FUND BENCHMARKS

Private markets struggled to keep pace in 2024

- While most private-market strategies posted positive calendar-year returns, many remained well below public-market benchmarks. Globally, private-equity fund returns came in roughly 11 percentage points lower than the MSCI ACWI Investible Market Index (IMI), while private-infrastructure funds ended the year about nine points lower than their public equivalents.
- Comparing private strategies, credit funds again outperformed equity for the third consecutive year, supported by elevated interest rates. Notably, venture capital outpaced buyout in Q4 2024, a quarterly rarity since 2022.

Calendar Year and 2024 Quarterly Returns

	2020	2021	2022	2023	2024	Q1	Q2	Q3	Q4
MSCI Global Private Equity Closed-End Fund Index	33.3%	40.2%	-8.4%	5.9%	5.6%	1.1%	0.9%	2.8%	0.7%
Venture Capital	58.5%	49.8%	-20.6%	-2.1%	5.1%	1.3%	-0.4%	1.8%	2.3%
Expansion Capital	17.6%	29.0%	-10.9%	4.3%	8.5%	-0.2%	1.6%	3.7%	3.2%
Buyout	24.1%	37.3%	-1.4%	9.7%	5.5%	1.1%	1.3%	3.2%	-0.2%
MSCI ACWI IMI	*16.8%*	*18.7%*	*-18.0%*	*22.2%*	*16.9%*	*7.4%*	*3.1%*	*6.0%*	*-0.4%*
MSCI World Small Cap	*16.5%*	*16.2%*	*-18.4%*	*16.4%*	*8.6%*	*3.5%*	*-2.3%*	*9.1%*	*-1.6%*
MSCI Global Private Credit Closed-End Fund Index	5.9%	15.5%	3.8%	10.2%	6.9%	1.7%	2.0%	2.7%	0.3%
Senior	6.8%	8.1%	3.3%	12.0%	5.7%	1.1%	2.2%	3.7%	-1.3%
Mezzanine	8.2%	16.0%	5.3%	10.8%	8.3%	2.1%	2.5%	2.6%	0.8%
Distressed	5.6%	21.6%	3.5%	9.0%	7.0%	1.9%	1.4%	2.3%	1.2%
MSCI USD High Yield Corporate Bond Index	*7.2%*	*4.7%*	*-11.8%*	*12.8%*	*8.3%*	*1.2%*	*1.4%*	*5.5%*	*0.1%*
MSCI USD Investment Grade Corporate Bond Index	*10.2%*	*-1.1%*	*-15.3%*	*8.3%*	*2.5%*	*-1.1%*	*0.4%*	*6.6%*	*-3.2%*
MSCI Global Private Real Asset Closed-End Fund Index	0.3%	22.6%	8.4%	1.4%	2.2%	0.6%	0.9%	2.1%	-1.4%
Real Estate	1.0%	26.4%	2.0%	-6.2%	-3.0%	-0.8%	-0.4%	0.5%	-2.2%
Natural Resources	-9.9%	32.2%	21.4%	1.6%	4.5%	3.7%	2.0%	-1.1%	-0.1%
Infrastructure	7.4%	13.6%	9.5%	8.6%	6.1%	1.0%	1.8%	4.2%	-0.9%
MSCI ACWI Natural Resources	*-4.0%*	*23.6%*	*8.1%*	*9.2%*	*-2.5%*	*5.8%*	*-1.9%*	*4.3%*	*-9.9%*
MSCI ACWI Infrastructure	*0.3%*	*6.0%*	*-4.2%*	*4.8%*	*15.4%*	*2.8%*	*3.1%*	*15.4%*	*-5.6%*

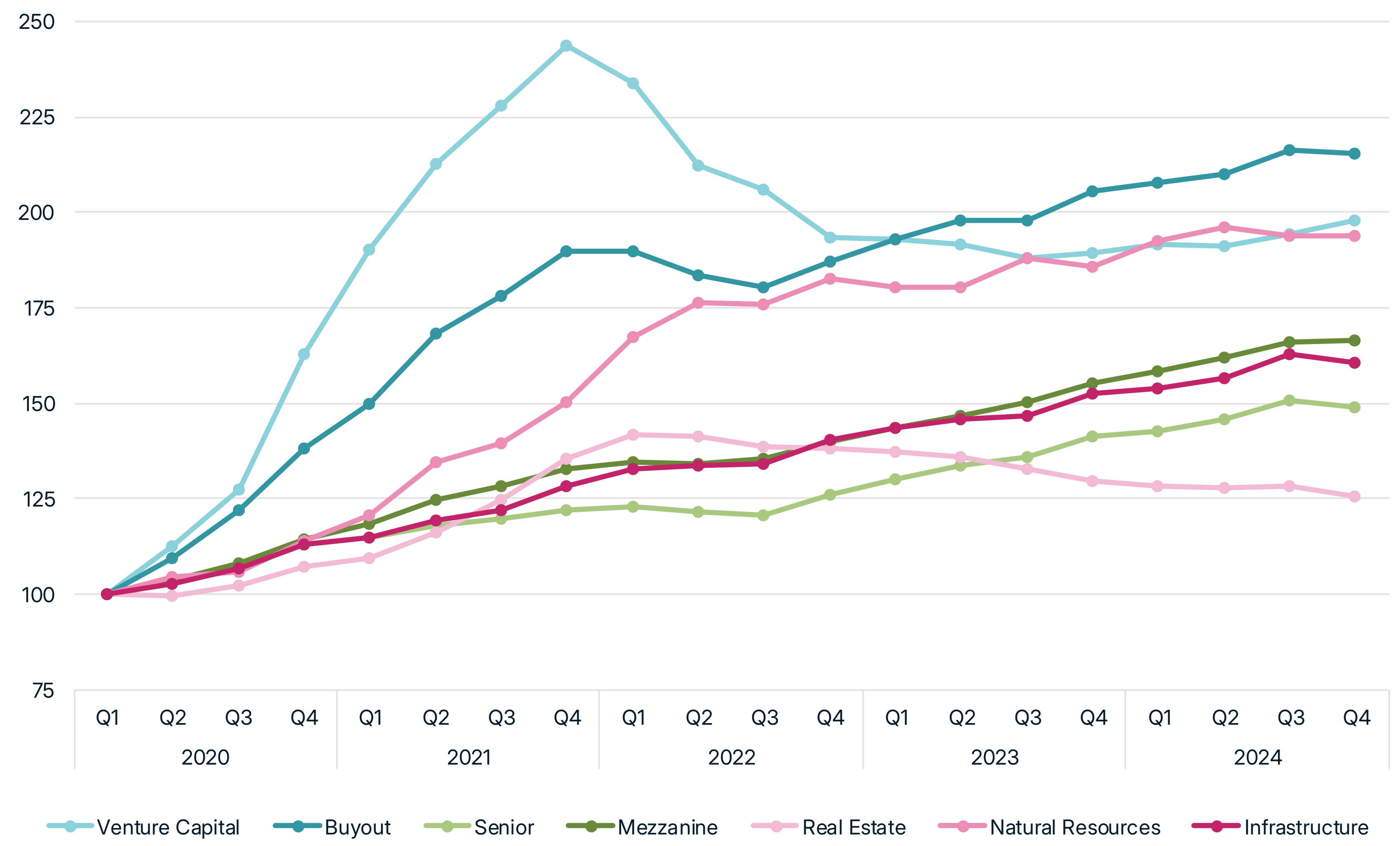
A catalog of the MSCI Private Capital Closed-End Fund Indexes is available on the MSCI website.

FUND BENCHMARKS

Buyout's dominance persists

- Cumulative returns for buyout funds continued to climb, suggesting that, while exits remain limited across strategies, conditions appear to be recovering from the slowdown seen around 2022.
- Buyout's trajectory stands in contrast to other parts of the market. Venture capital, once the poster child of growth, has plateaued with cumulative returns flat for the past two years amid persistent challenges in monetizing older positions.

Cumulative Index Returns



A catalog of the MSCI Private Capital Closed-End Fund Indexes is available on the MSCI website.

FUND BENCHMARKS

Equity swings, credit steadies

- Calendar year IRRs for 2024 reinforced a pattern we've seen since the 2022 bear market: Credit strategies — particularly mezzanine funds — have consistently outperformed. Conversely, equity fund returns, which tend to show greater performance variability, have remained lower of late.
- Notably, dispersion between the top and bottom performing asset class has tightened. In fact, the 10-percentage-point gap is the smallest we've observed in the past decade.
- Will compressed dispersion across private-asset strategies persist or widen again as macro-volatility surfaces?

Global Private Capital Performance by Calendar Year

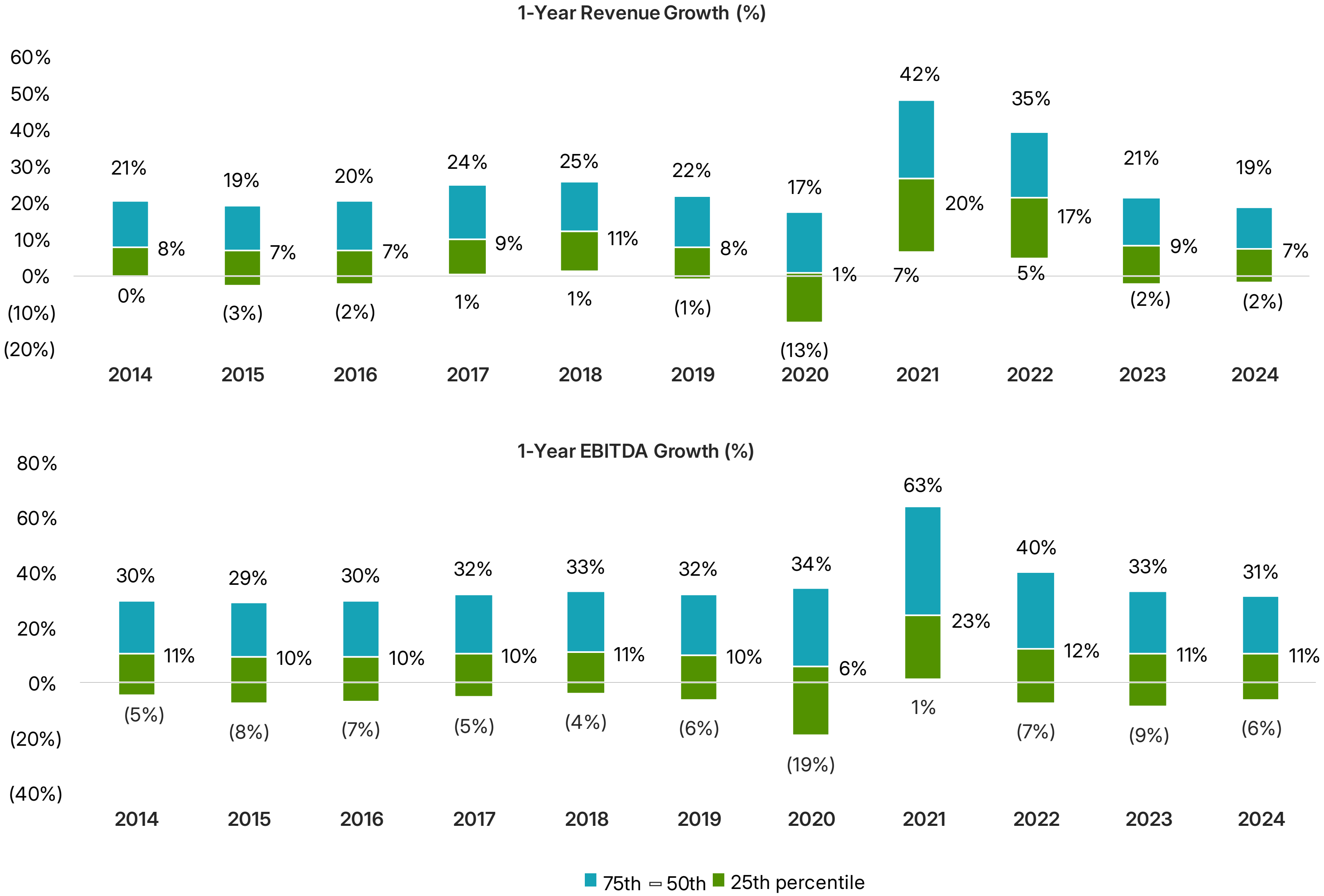
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Venture Capital 15%	Natural Resources 23%	Buyout 23%	Venture Capital 21%	Venture Capital 20%	Venture Capital 58%	Venture Capital 50%	Natural Resources 22%	Senior 12%	Mezzanine 7%
Real Estate 10%	Buyout 12%	Infrastructure 17%	Buyout 9%	Buyout 17%	Buyout 25%	Buyout 37%	Infrastructure 10%	Mezzanine 11%	Expansion Capital 7%
Buyout 9%	Distressed 10%	Venture Capital 15%	Infrastructure 9%	Mezzanine 9%	Expansion Capital 18%	Natural Resources 32%	Mezzanine 5%	Buyout 10%	Distressed 6%
Infrastructure 7%	Senior 8%	Real Estate 14%	Mezzanine 7%	Real Estate 8%	Mezzanine 8%	Expansion Capital 29%	Senior 4%	Distressed 9%	Senior 6%
Expansion Capital 5%	Expansion Capital 8%	Expansion Capital 13%	Real Estate 7%	Infrastructure 8%	Distressed 8%	Real Estate 27%	Distressed 4%	Infrastructure 9%	Infrastructure 5%
Mezzanine 5%	Mezzanine 8%	Mezzanine 12%	Senior 6%	Expansion Capital 8%	Infrastructure 8%	Distressed 22%	Real Estate 2%	Expansion Capital 4%	Buyout 5%
Senior 4%	Infrastructure 7%	Senior 12%	Distressed 3%	Senior 7%	Senior 8%	Mezzanine 16%	Buyout -1%	Natural Resources 2%	Natural Resources 5%
Distressed -1%	Real Estate 7%	Distressed 10%	Expansion Capital 2%	Distressed 4%	Real Estate 1%	Infrastructure 14%	Expansion Capital -11%	Venture Capital -2%	Venture Capital 4%
Natural Resources -14%	Venture Capital 1%	Natural Resources 6%	Natural Resources -3%	Natural Resources -5%	Natural Resources -9%	Senior 8%	Venture Capital -21%	Real Estate -6%	Real Estate -3%

ASSET AND HOLDING METRICS

Growth in buyout finds its level

- In the post-COVID 19 environment, not only did relative growth rates rise, but so did dispersions — there were meaningful winners and comparative losers.
- Since then, we've seen rapid and broad mean-reversion. Revenue and EBITDA growth metrics for buyout-backed companies have returned to long-run averages and the narrowing of dispersion across companies suggests a more uniform and stable (if less spectacular) market.

Historical Buyout Revenue and EBITDA Growth

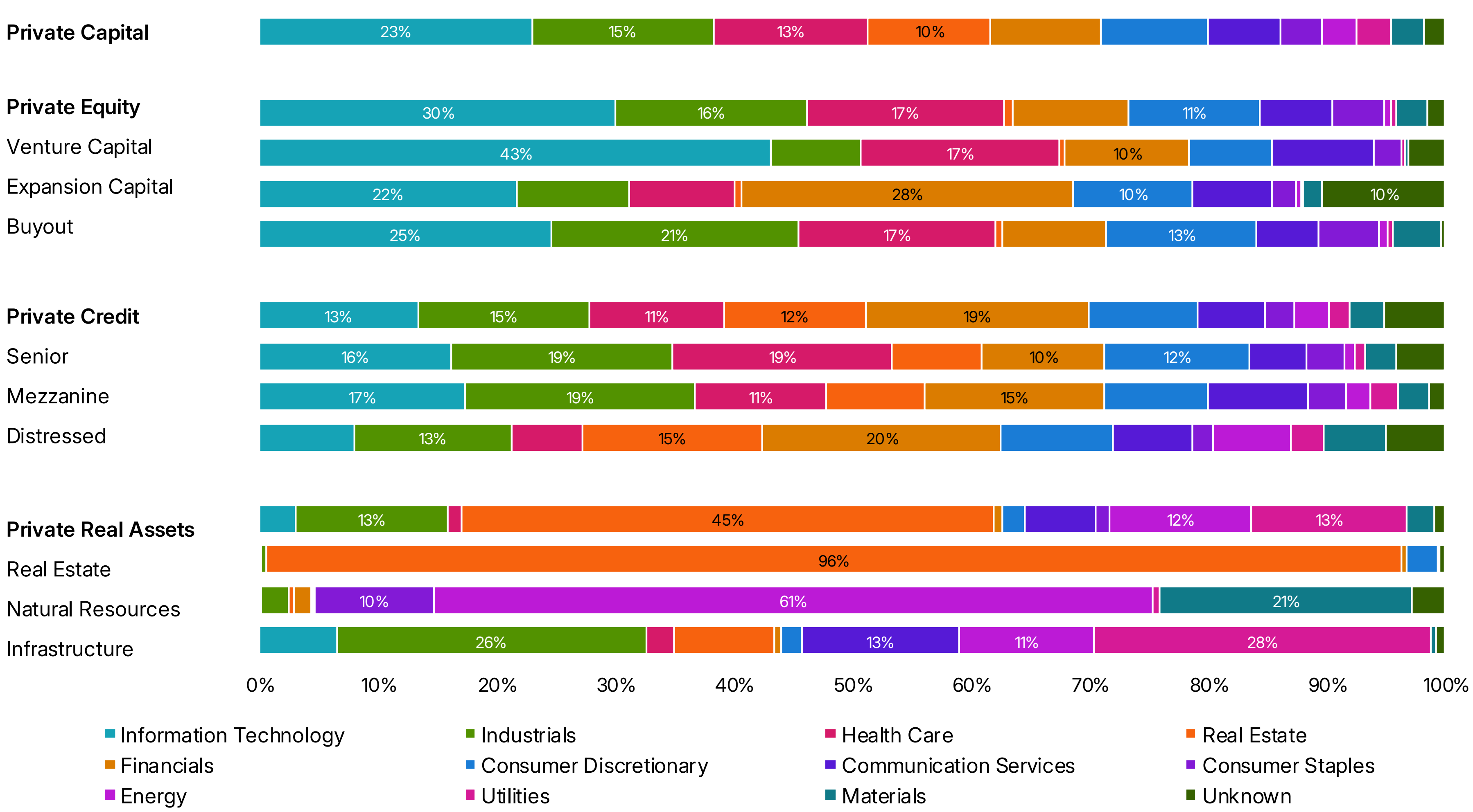


ASSET AND HOLDING METRICS

Which strategies are defended from tariffs?

- Our recent analysis of revenue exposures to tariffs reveals which strategies may — or may not — be defensively allocated.
- We found that revenues for health care equipment and services, consumer staples, financial services and energy investments are among the most at risk in the U.S. This suggests that private-credit and equity strategies are comparatively exposed. Conversely, real estate was the least at-risk sector, a relative bright spot for an industry attempting to recover from difficult post-pandemic conditions.

Global Valuation Breakdown by Industry



Data as of Q4 2024

CAPITAL FLOWS

Net cash flows nearly break even

- Net cash flows across private capital inched closer to breakeven in 2024, a positive signal after six consecutive years in of slow distributions.
- Tempering the optimism though, distribution rates remain stuck at decade lows, matching 2023 levels. This tension between slightly improved net flow and persistently weak distributions underscores the tight liquidity environment facing investors.
- As dry powder levels decline and economic risks rise, will LPs demonstrate caution, slowing the pace of deal activity instead of fueling competition?

Global Private Capital Cash Flows by Calendar Year (USD bn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024 Q4
Net Cash Flow	$133	$50	$93	($30)	($76)	($153)	($34)	($222)	($241)	($82)	($10)
Distribution-Contibution Ratio	1.4	1.1	1.2	0.9	0.9	0.8	1.0	0.8	0.7	0.9	1.0
Contribution Rate	28%	27%	30%	30%	28%	28%	36%	32%	28%	28%	36%
Distribution Rate	26%	23%	27%	23%	21%	18%	28%	15%	11%	12%	13%

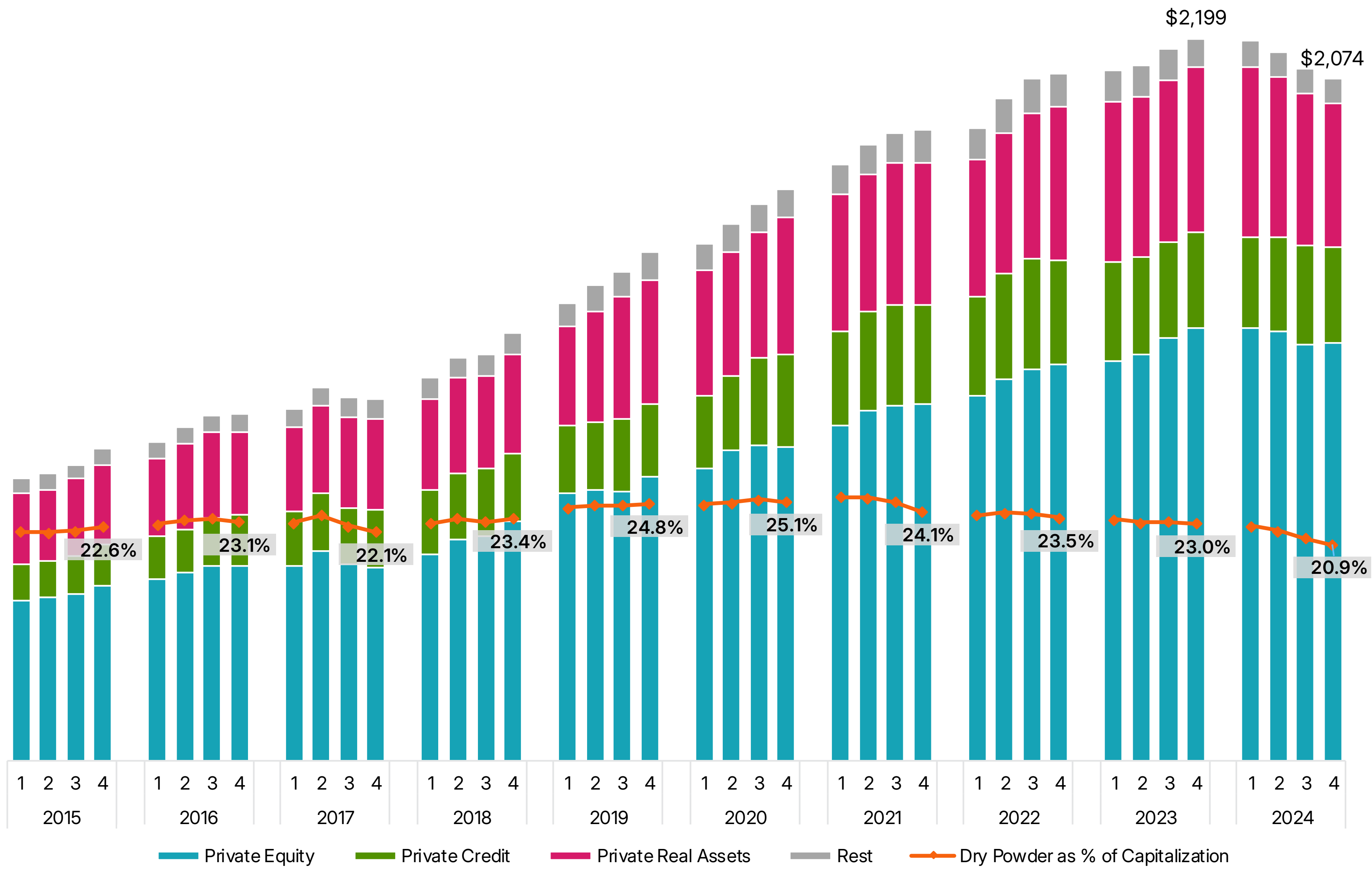
Contributions Distributions Net Cash Flow

CAPITAL FLOWS

A possible turning point in deal activity

- Capital dynamics are shifting across private markets. The multi-year climb of dry powder has peaked and begun to reverse course.
- After three years of slow and steady decline, dry powder as a percentage of capitalization dipped to decade lows (20.7%) by the end of 2024. These results may signal a modest pickup in capital calls and deployment, given fundraising remains subdued. If sustained, this could be an early signal that deal activity is thawing.

Dry Powder by Asset Class



Notes and calculations

Fund Benchmarks and Capital Flows

- Vintage is assigned based on the year of the initial cash flow date of the fund.
- Pooled results are calculated using the composite transaction (cash flow and valuation) activity of the underlying funds.
- Returns for periods of less than one year are not annualized.
- Valuation for fund-level figures represents the Limited Partners' share of the fund's net asset value (value of all assets - value of all liabilities).
- Distribution-to-Contribution Ratio is calculated as Period Distributions / Period Contributions.
- Contribution Rate is calculated as Period Contributions / (Starting Dry Powder + Capitalization of Newly raised Funds), and is annualized.
- Distribution Rate is calculated as Period Distributions / Previous Valuation, and is annualized.
- Net Cash Flow is calculated as Contributions - Distributions.
- Dry Powder is calculated as Capitalization - Cumulative Contributions for all active funds.

Asset and Holding Metrics

- Valuation for holdings level figures represents the fund's investment in a given entity and is gross of any carried interest allocation.
- Entry and exit data will default to specifically designated metrics disclosed within financial reporting. If none are available, data from two quarters after or one quarter before the event in question is used.
- Revenue and EBITDA growth rates are calculated using figures as reported by managers within financial reporting. We make no adjustments for companies that underwent corporate actions or other material events between reporting periods.
- Revenue and EBITDA Growth rates are calculated from companies that have a 12-month revenue and/or 12-month EBITDA available at both the end date (e.g., 2024-09-30) and one year prior to the end date (e.g., 2023-09-30). Negative EBITDA figures are excluded. Revenue and EBITDA Growth rates lower than -100% and higher than 1000% are excluded from both calculations.
- EBITDA Multiples are calculated as Total Enterprise Value / 12-month EBITDA. Net Debt Multiples are calculated as Net Debt / 12-month EBITDA. Multiples lower than 0x and higher than 100x have been excluded from both calculations.
- TVPI (MOIC) is calculated as (Valuation + Proceeds) / Total Invested.
- % Realized is calculated as the percentage of holdings which have been fully exited through a sale, repayment, write off/shutdown, or any other realization event. Holdings in escrow are considered to be fully exited.
- Loss Ratio is calculated as the number of holdings with TVPI <1 divided by the total number of holdings.
- Capital Weighted Loss Ratio is calculated as the Total Invested of holdings with TVPI <1 divided by the Total Invested of all holdings.

Climate and Sustainability Benchmarks

- Carbon intensity data includes both reported and estimated emissions data. Carbon estimates and other figures are provided in alignment with PCAF standards.
- Carbon estimates are sourced from MSCI ESG Research and are available for companies only; therefore, properties, infrastructure assets, and other investments are excluded from this analysis.
- Carbon figures represent the aggregate carbon intensity of the funds' underlying investments. Figures are calculated as a valuation-weighted sum with the latest available valuation and carbon intensity data for each investment.
- Revenue Intensity represents a company's annual carbon footprint per every 1 million USD in annual sales.
- Investment Intensity represents a company's annual carbon footprint per every 1 million USD in EVIC (Enterprise Value including Cash).
- Financed Emissions are adjusted for coverage and reflect the total emissions financed for each asset class (even if less than 100% of the underlying investments have available carbon figures).
- The SASB Materiality Map links the 77 SICS Industries to 26 sustainability-related business issues, called "General Issue Categories," which are organized under five Sustainability Dimensions. This framework identifies financially material issues that are likely to impact the financial condition or operating performance of a company or other operating entity. For more information, please visit: **https://www.sasb.org/standards/materiality-map/**.
- SICS: Sustainable Industry Classification System, which is a two-tiered hierarchal industry classification system. For more information, please visit: **https://www.sasb.org/standards/download/**.

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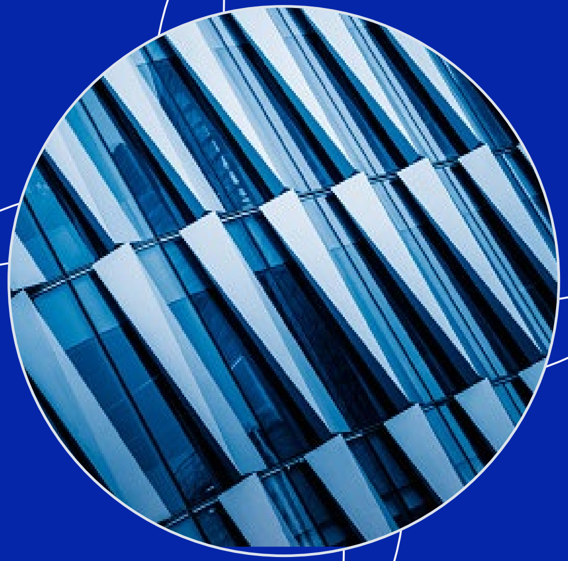
The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: **www.msci.com/index-regulation**



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