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2026

Three Trends Shaping Private Markets for Family Offices

Liquidity, private credit and portfolio complexity — what the data shows.

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Private markets are an increasingly important component of many family office portfolios but the landscape for these assets continues to evolve. Slower distributions, wider performance dispersion and more complex allocations may require a different kind of management discipline.

This means family offices, who have been increasing allocations to private markets in recent years, could benefit from a more rigorous approach to liquidity, risk visibility and portfolio structure. We explore three shifts in private markets and how they impact these investors.

→ Trend 1

Distributions hinge more on fundamentals

Distributions to investors remain a concern across private markets — with dry powder to capitalization at a new low[1], suggesting capital is being deployed faster than it is being replenished.

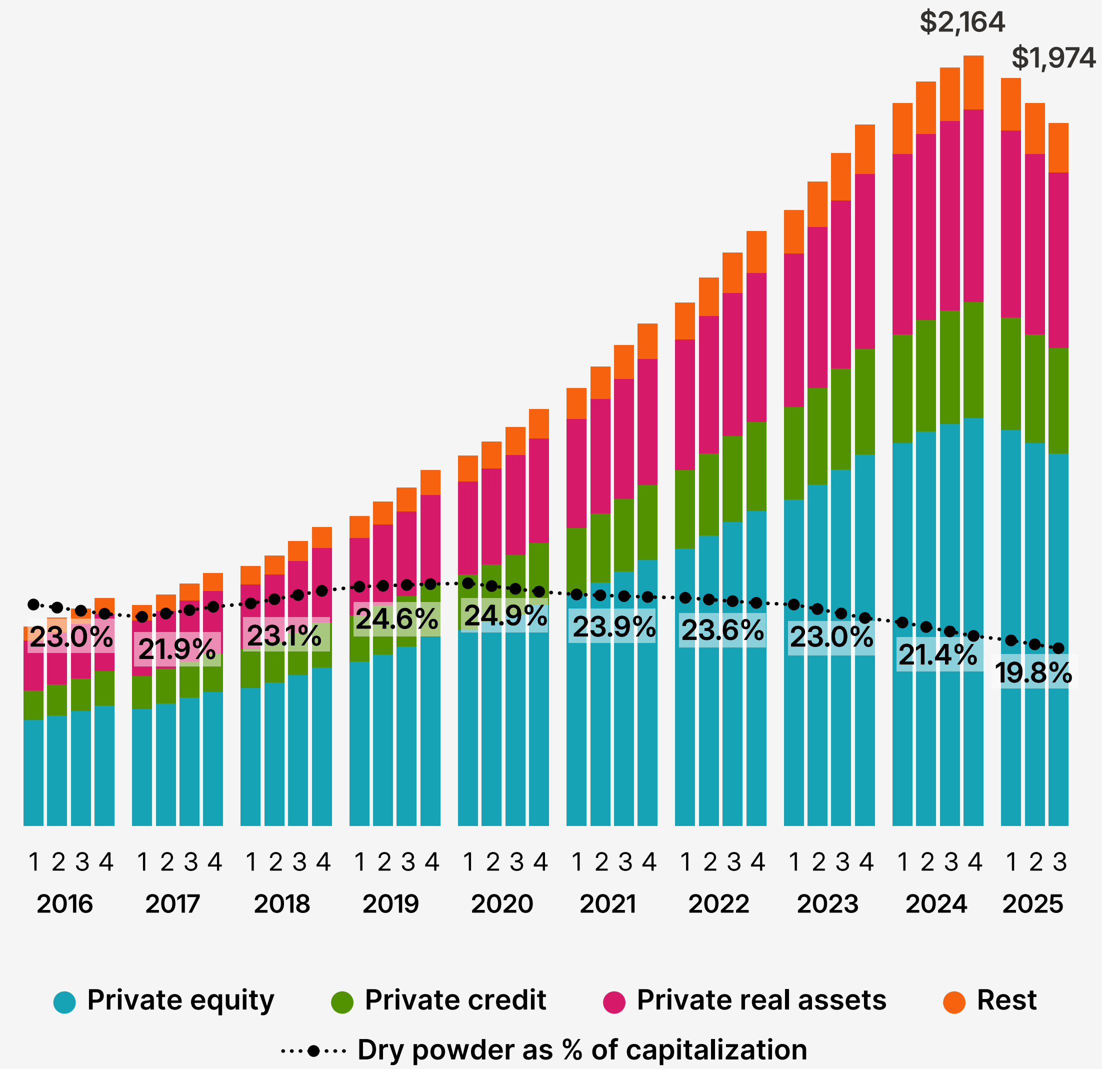
Buyouts are relying less on market-driven multiple expansion and more on revenue growth and operating improvements[2] — a slower, less predictable route to liquidity. With distributions tied more to company-level fundamentals, family offices are exposed to operating risk in a way they were not during the multiple-expansion era.

Key Takeaway

Family offices waiting on distributions may need to look harder at portfolio company performance — not just market conditions — to assess when capital will return.

1 MSCI Private Capital Benchmarks Summary
2 Private Capital in Focus: Trends to Watch for 2026

Private-capital dry powder and share of capitalization



Private credit goes mainstream — but risks remain

Private credit has become a genuine strategic component in many family office allocations — which may offer more predictable income streams and a different risk and return profile to private equity.

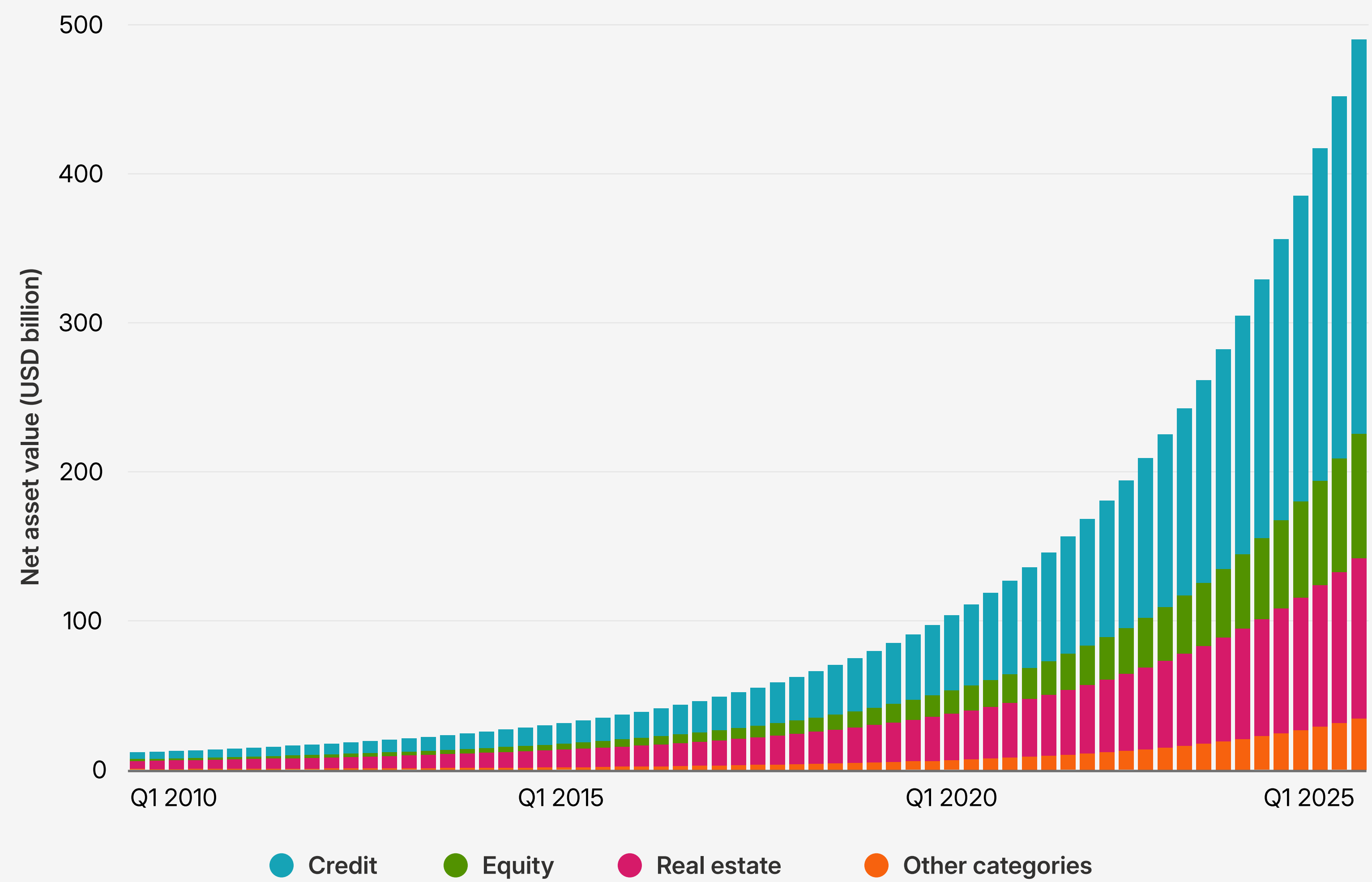
But the market is more complex than it appears. MSCI benchmarking data shows an 8.1% spread between top- and bottom-performing private credit funds over the 12 months through September 2025[3] — a gap that highlights differences in performance across managers. In that context, scale emerges as a meaningful factor: Since 2021, there has been a broader shift of capital toward established managers with the largest managers capturing a growing share of new fundraising.[4]

Key Takeaway

With manager selection now as consequential as asset class selection, family offices that treat private credit as a set-and-forget allocation may be underestimating the risk they are carrying.

3 The Ascendance and Implications of Evergreen Funds in Private Markets
4 The State of Private Markets 2026 | MSCI

Long history, new demand



Figures reflect the full identified universe; indices are subject to defined strategy, structural size and reporting criteria. Data through September 30, 2025.

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Trend 3

Complex allocations obscure total portfolio view

Today's family office allocations routinely span private equity, venture capital, private credit, real estate, infrastructure and public markets — often across multiple entities and custodians. With fragmented data and inconsistent reporting, consolidated views that show real concentrations and true liquidity may not always be available in one place.

Data varies in format, frequency and methodology across private markets, making it difficult to compare portfolios on a consistent basis. This may be particularly relevant in the context of widening return dispersions in private equity. MSCI benchmarking data shows the spread between top- and bottom-performing private equity funds reached 18.1% over the 12 months through September 2025.[5]

That gap may only be visible when measured against an independent, LP-sourced peer set. Without consistent benchmarking alongside a consolidated portfolio view, assessing relative positioning can be challenging for family offices.

Key Takeaway

Family offices could benefit from moving to a unified total portfolio view — combining public and private data consistently, with independent benchmarking to assess where they stand.

See how MSCI helps family offices navigate private markets.

Explore more

5 The Ascendance and Implications of Evergreen Funds in Private Markets

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