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What's Hiding in Your Private Portfolio?

Family office portfolios in 2026 – and the exposures fund labels don't reveal.

ENTER

Private markets are moving into the mainstream, and family offices sit at the leading edge of that shift. As allocations to unlisted assets grow, so does the need to see the whole portfolio clearly. In private markets, what a vehicle is called is an increasingly incomplete guide to the underlying exposures it actually carries.

Drawing on our **State of Private Markets 2026**, three forces are shaping the remainder of 2026 and beyond. Each carries a specific implication for long-horizon, multi-asset allocators building for what's next.

1:

The AI build-out is a whole-portfolio question

AI has emerged as a significant investment theme in recent years. For family offices, the more relevant analytical question may be whether AI exposure is already present across the portfolio, often embedded in private market vehicles in ways that a label alone does not capture.

By the numbers:
The scale is substantial

Metric
16% / USD 739bn

What it tells you
Share of global private-equity assets that are AI-related, of a USD 4.5 trillion universe[1]

Metric
6 types

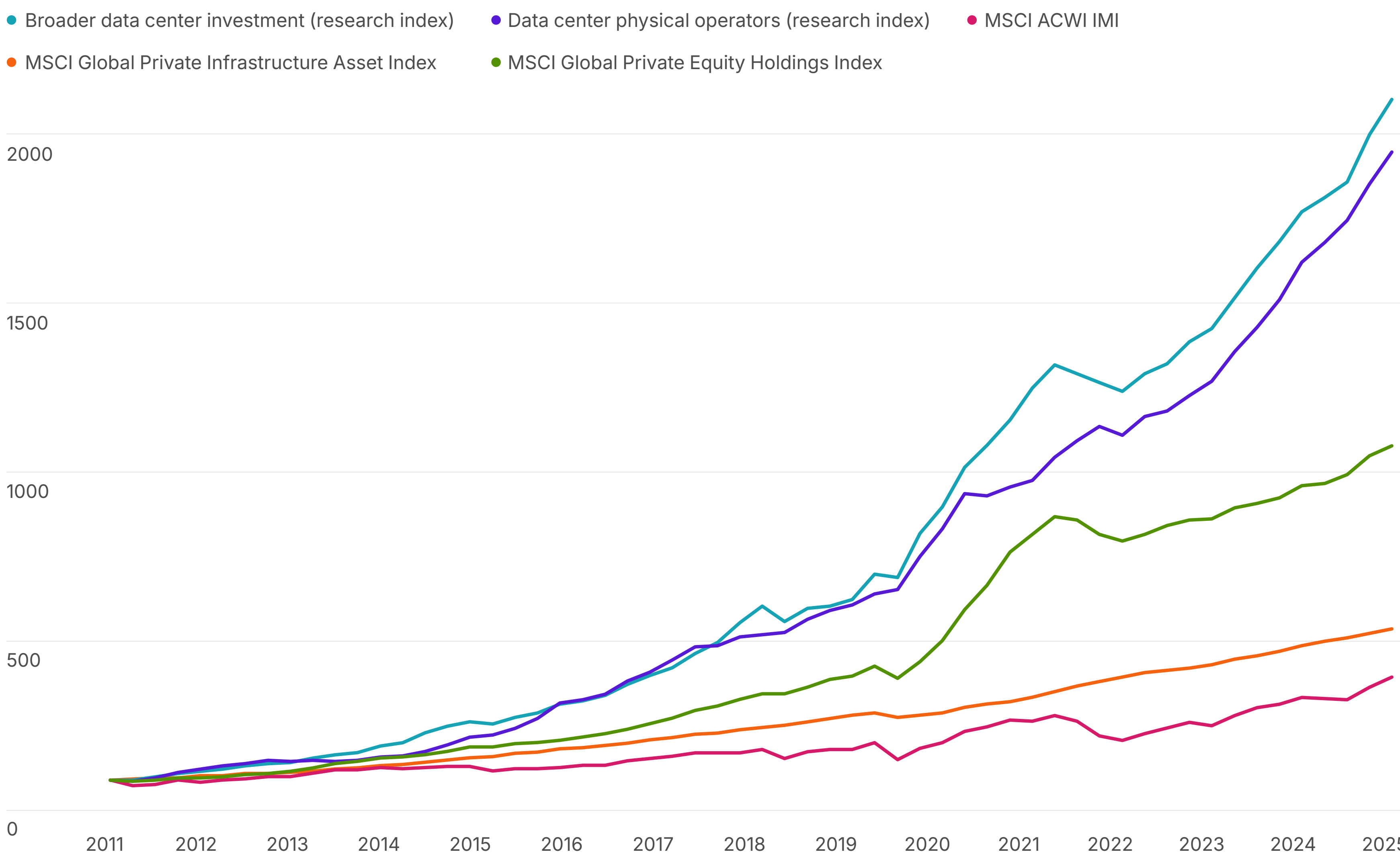
What it tells you
AI exposure spans technology developers, companies adopting AI, data processors, large language model trainers, deployment firms and the energy and infrastructure that power them

Metric
USD 5-7 trillion

What it tells you
Estimated global data-center build-out cost this decade[2]

1. MSCI data as of Sept. 30, 2025.
2. "The cost of compute: A $7 trillion race to scale data centers," McKinsey Quarterly, April 28, 2025.

Data-center investments have significantly outperformed key private-market and public-equity benchmarks (Index level)



Data as of Q3 2025. Source: MSCI

Report p.30: "Data-center investments have significantly outperformed key private-market and public-equity benchmarks"
Annualized returns Q2 2011-Q3 2025: broader data center 23.8%, operators 23.1%, private equity 18.1%, infrastructure 12.5%, public equity 10.1%.

What it means for family offices:

AI is not just a single identifiable exposure. It can be present across multiple private market vehicles whose strategies may appear unrelated. Deal-level visibility, supported by a factor lens, may help family offices identify and understand the full extent of that exposure across their portfolios.

The returns have been compelling, but the risk profile is evolving fast. Data centers have become far more capital-intensive and specialized, with a large share of value sitting in technical infrastructure that depreciates faster, and less evenly, than traditional property.

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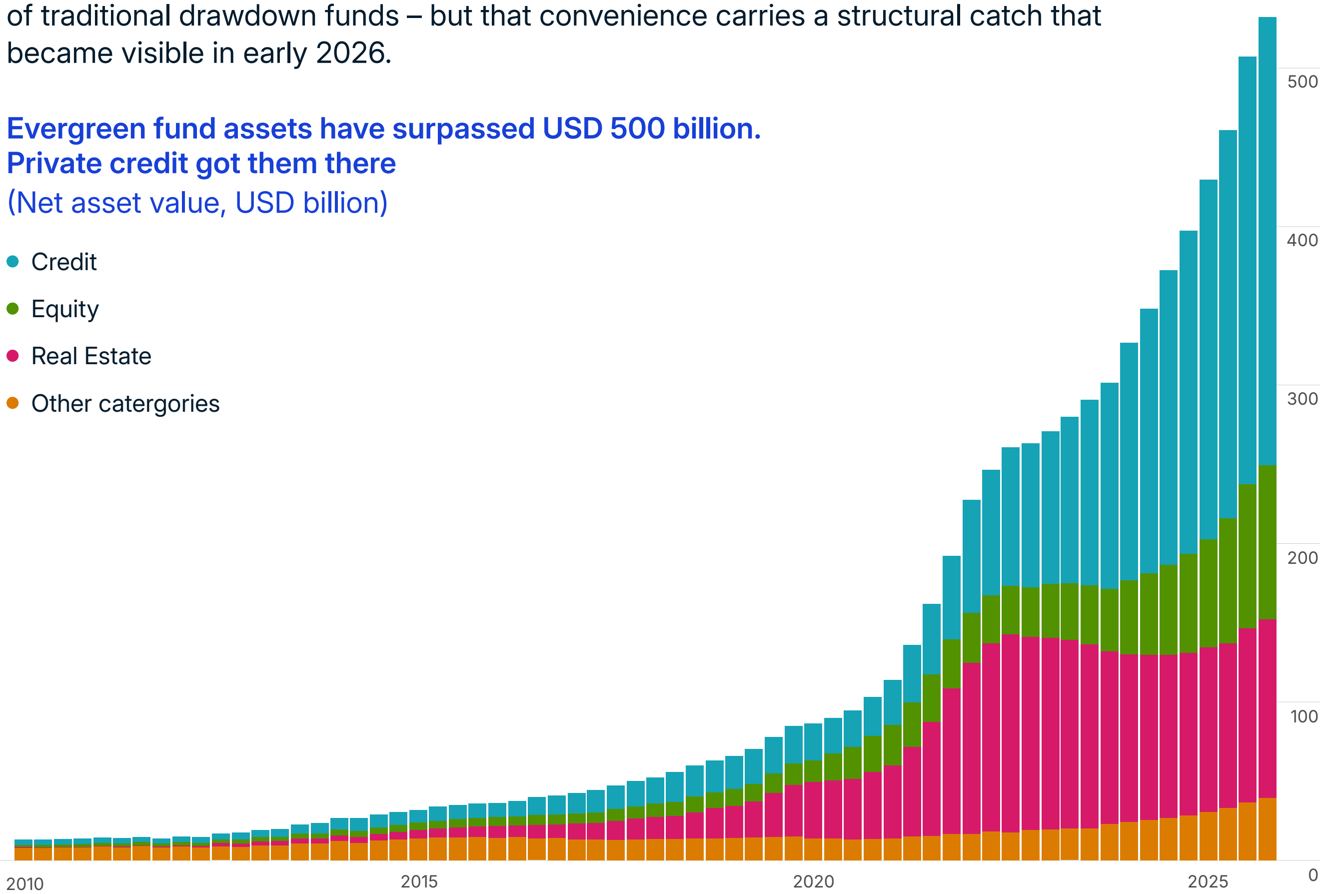
2:

Liquidity is promised, but valuations now carry real consequences

Semi-liquid, evergreen structures represent one of the most significant shifts in private markets in decades, and wealth investors have driven much of the growth. These vehicles provide exposure to private-market investments without the pacing constraints of traditional drawdown funds – but that convenience carries a structural catch that became visible in early 2026.

Evergreen fund assets have surpassed USD 500 billion. Private credit got them there
(Net asset value, USD billion)



Data as of Q3 2025. Source: MSCI

Report p.32: "Evergreen fund assets have surpassed USD 500 billion. Private credit got them there." (net asset value by category, USD billion). Data as of Q4 2025. Source: U.S. Securities and Exchange Commission, MSCI Private Capital Solutions.

By the numbers:
The rise of evergreen funds

Metric
USD 500bn+

What it tells you
Assets in U.S. evergreen structures across unlisted asset classes

Metric
30%+

What it tells you
Asset growth in the year ended Sept. 30, 2025

Metric
~20%

What it tells you
Share of evergreen AUM now held by retail investors

What it means for family offices:

For evergreen funds, the credibility of valuations is no longer a reporting nicety. Frequent, timely and independently grounded NAV marks may be what separates genuine liquidity from the appearance of it.

In a drawdown fund, an inaccurate net asset value (NAV) may surprise investors but does not change the profit or loss they ultimately realize. Evergreen funds work differently. Investors subscribe and redeem at the stated NAV, so its accuracy becomes central to how the structure functions. When confidence in those valuations breaks down, redemptions can accelerate simultaneously and gates may go up.

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3:

Resilience depends on seeing the total portfolio clearly

Family offices are repositioning for a wider range of outcomes, refining how much private-market exposure they hold and how it is structured while leaning on public markets for flexibility and liquidity. That diversification-led approach only works if exposures across public and private holdings can be measured on a comparable basis. Today, a significant share of a total portfolio can often be analyzed only in quarterly hindsight.

Buyout has outperformed public markets for more than 25 years

(Index level)

- MSCI US Buyout Closed-End Fund Index
- MSCI USA Small Cap Index
- Adjusted MSCI USA Small Cap Index

By the numbers:

A bigger share of the portfolio

Metric

USD 7 trillion

What it tells you

Already allocated to private markets by public pensions and sovereign wealth funds[3]

Metric

19%

What it tells you

Share of those funds' assets now in private markets, up from 13.5% a decade ago

Metric

9%

What it tells you

Forecast annual growth of private-markets AUM through 2033 - more than twice public markets[4]

What it means for family offices:

A granular, factor-based view across public and private assets may help family offices diversify by underlying risk, not asset-class label, and manage concentration before it becomes a surprise.

Private-asset labels are an incomplete guide to underlying risk: private-credit funds carry meaningful equity exposure, thematic bets like data centers span four or more asset classes, and even deal-level analysis can miss dynamics such as declining duration in aging credit portfolios. Buyout funds, meanwhile, outperformed their public-market equivalents on average over the **25 years ended Sept. 30**, 2025, exhibiting a premium that rewarded patient, multi-generational capital.

3. "Sovereign Wealth Funds and Public Pension Funds Are Reshaping Private Markets," Global Principal Investors Report, BCG, December 2024
4. "Avoiding Wipeout: How to Ride the Wave of Private Markets," Bain & Company, August 2024

MSCI Private Assets: Built for the total portfolio

MSCI brings the same rigor and analytical independence to private markets that underpin our public market indexes – drawing on a dataset spanning **USD 17.8 trillion**[5] in private investments. Our aim is to provide integrated intelligence that bridges public and private holdings, supporting family offices to benchmark performance, assess risk and analyze portfolio construction across a complex, evolving landscape.

See how MSCI can help family offices navigate private markets.

EXPLORE MORE

The State of Private Markets 2026, MSCI. Data as of Q3 2025 unless otherwise noted.
5. As of April 2026.

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