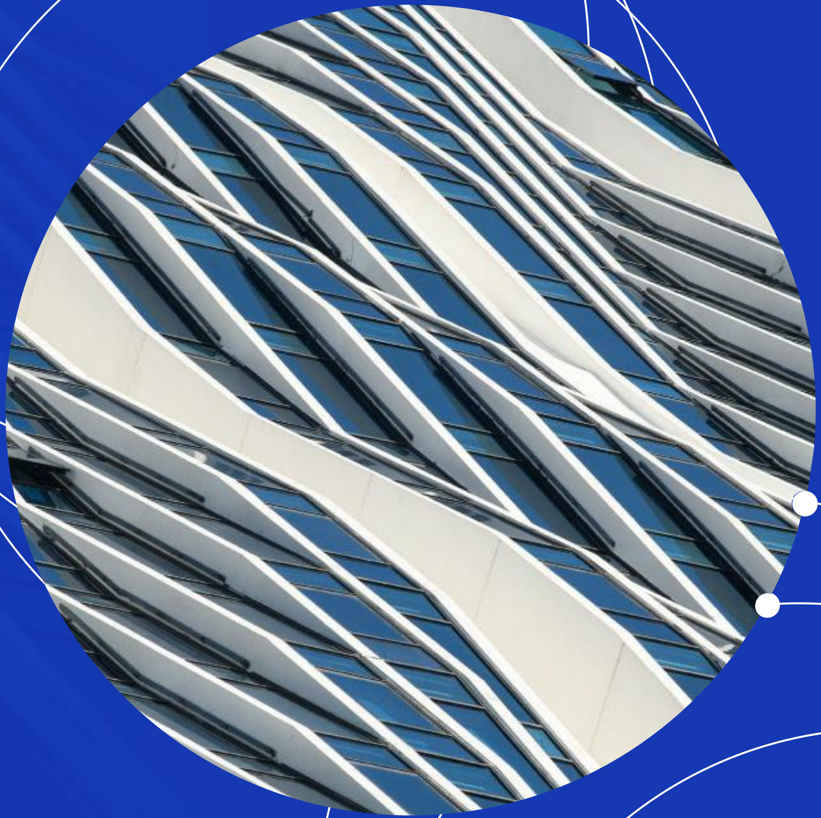
MSCI

MSCI Private Capital Benchmarks Summary

Q1 2026



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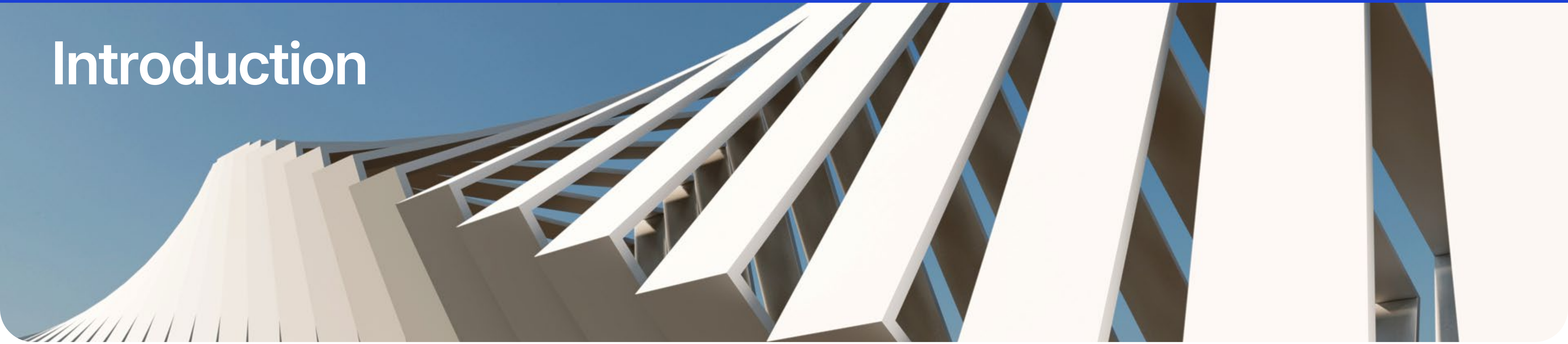


Introduction

The first quarter of 2026 reinforced an important reality: Private markets are not insulated from macroeconomic forces, but they also do not absorb them uniformly. The volatility that shaped public markets — driven by tariff uncertainty, shifting dynamics in the Middle East, evolving rate expectations and a reassessment of AI-related growth — also influenced private valuations. The difference was in where and how those effects emerged.

After two years of moving in tandem, venture capital and buyout strategies diverged in Q1. While venture portfolios, increasingly concentrated in AI-native companies, saw continued investor demand and valuation resilience, buyout portfolios remained more exposed to mature software businesses acquired at elevated multiples during the growth cycle, and now in some cases at risk of AI disruption. The resulting structural bifurcation within one of private markets' largest sectors reinforces why investors need more timely and granular insights.

That same imperative inspired MSCI's acquisition of PM Insights in April. By adding daily secondary-market reference data covering private-company securities representing more than USD 5.5 trillion in estimated market capitalization, investors can now observe pricing and liquidity signals on demand. As private-market allocations grow, the ability to monitor changing conditions at a faster pace is becoming a prerequisite for investment infrastructure at scale.

The quarter also underscored the importance of the emerging IPO pipeline. As a new generation of AI companies prepares to enter the public markets, investors may gain important reference points for private valuations, renewed sources of liquidity and clearer signals for future deal pricing.

Q1 2026 demonstrated why private markets require private-market benchmarks. When performance diverges across strategies, sectors and even individual holdings, aggregate measures may obscure more than they reveal. Understanding the drivers of these returns and where managers are truly adding value is dependent on benchmarking that captures the nuance of private markets. Having that level of insight at hand is becoming increasingly important, and building tools to provide it is where our focus remains.

Luke Flemmer
Head of Private Assets
MSCI

Key Takeaways

Private equity

Venture capital and buyout went their separate ways on software in Q1 2026. In the quarter that birthed the so-called SaaSpocalypse, buyout took a knock, repricing information-technology holdings that investors viewed as vulnerable to advancing AI. Venture's lean toward growth-stage software and AI-native names sustained returns.

The quarter didn't offer any relief on the distributions front, with the rate of distributions back to investors anchored at roughly half the pre-2022 level.

Private credit

Direct lending also shuddered in the first quarter of the year, with the same shockwaves that hit listed business-development companies in February filtering through to IT-heavy lending portfolios.

The quarterly direct-lending return dipped to a low not seen since 2024. Still, the return compared favorably to public credit in the quarter.

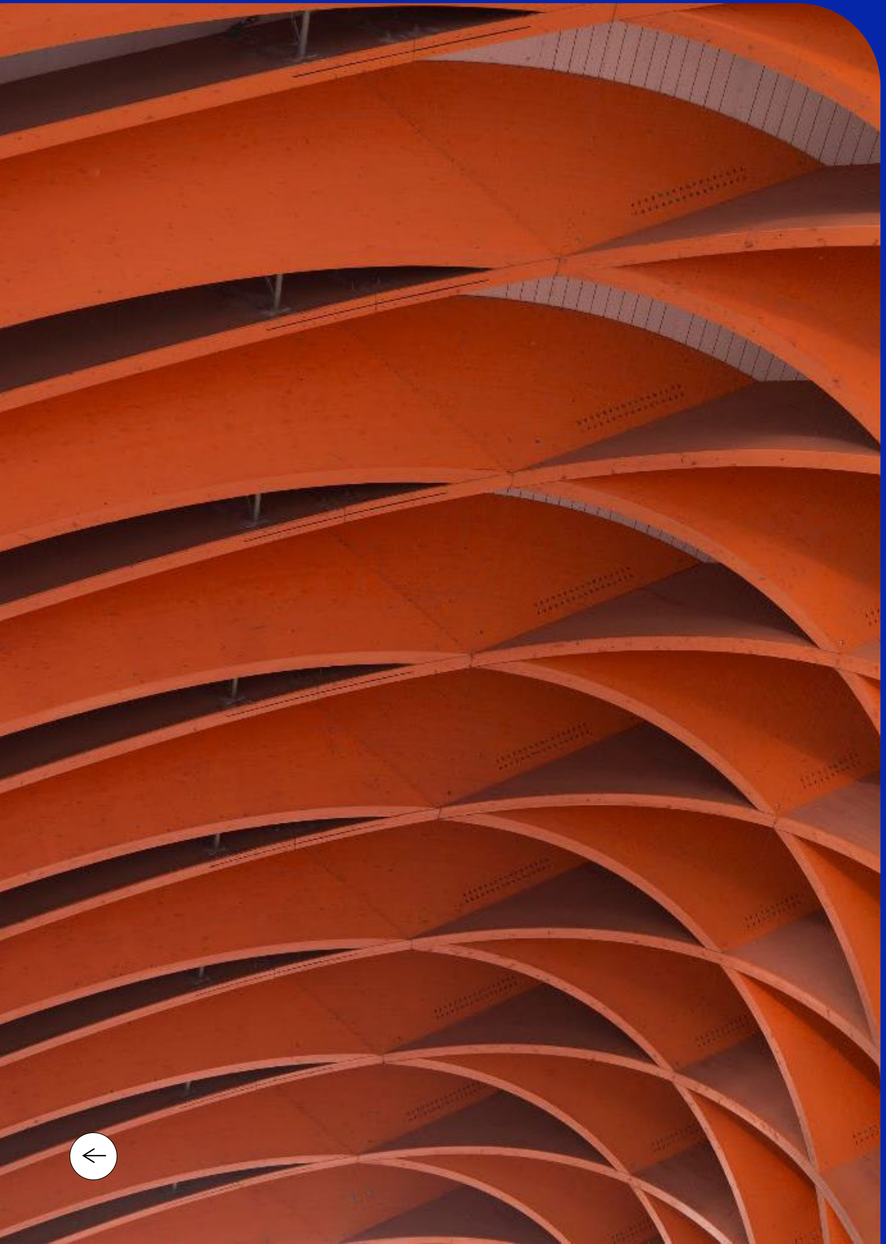
Opportunistic credit proved more resilient and real -estate debt stayed on track.

Real assets

Natural resources stole some of infrastructure's limelight, boosted by commodity and energy-sector drivers, following a solid but unspectacular 2025 return.

Infrastructure added another low-single-digit gain in the quarter, on the heels of a standout 2025 return boosted in part by the AI buildout.

Private real estate lingered near the 0% return seen for several quarters, making it the laggard of real assets once more.



Our Dataset

The insights in this report are grounded in the cash flows and valuations of hundreds of limited partners (LPs) who use solutions provided by 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 15k+ 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-end 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 PACS™, 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.

15,000+
Funds and funds of funds

13 trillion+
USD in capitalization

310,000+
Underlying holdings

Data as of Q1 2026.

Clients can access the extended MSCI Private Capital Benchmarks Report for Q1 2026 via the Private i® platform.

Data Coverage

Data as of Q1 2026

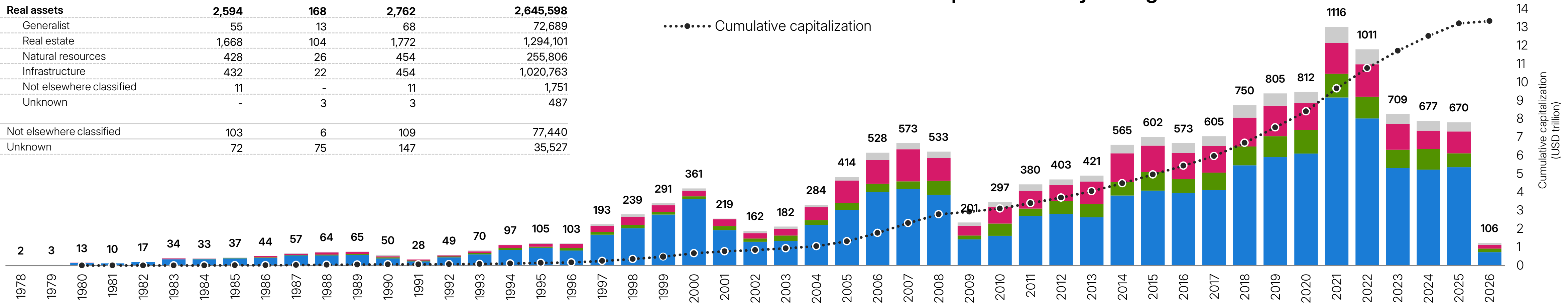
Closed-end fund count and capitalization by asset class

Asset class	Funds	FoFs	Total	Cap (USD M)
Private capital	13,959	1,604	15,563	13,334,128
Generalist	539	185	724	641,069
Equity	9,023	1,125	10,148	8,134,523
Generalist	1,083	473	1,556	1,245,463
Venture capital	4,317	327	4,644	1,537,804
Expansion capital	235	5	240	195,323
Buyout	3,271	299	3,570	5,094,541
Unknown	117	21	138	61,393
Credit	1,628	45	1,673	1,799,971
Generalist	95	-	95	138,918
Corporate lending	1,137	-	1,137	1,280,222
Asset-backed lending	378	-	378	350,327
Unknown	18	-	18	4,303
Real assets	2,594	168	2,762	2,645,598
Generalist	55	13	68	72,689
Real estate	1,668	104	1,772	1,294,101
Natural resources	428	26	454	255,806
Infrastructure	432	22	454	1,020,763
Not elsewhere classified	11	-	11	1,751
Unknown	-	3	3	487
Not elsewhere classified	103	6	109	77,440
Unknown	72	75	147	35,527

Count by fund size range

Fund size / asset class	# of funds
<$100M	2,603
Equity	1,931
Credit	176
Real assets	311
Other	185
$100M-$250M	3,601
Equity	2,529
Credit	291
Real assets	571
Other	210
$250M - $500M	3,575
Equity	2,360
Credit	319
Real assets	673
Other	223
$500M - $1.0B	2,733
Equity	1,619
Credit	361
Real assets	590
Other	163
$1.0B -$2.5B	1,949
Equity	1,050
Credit	356
Real assets	410
Other	133
>$2.5B	1,102
Equity	659
Credit	170
Real assets	207
Other	66

Fund count and cumulative capitalization by vintage



FUND BENCHMARKS

Venture rolls on, buyout stalls

- Venture capital posted a 5.3% return in Q1 2026, extending the momentum of its 21% full-year 2025 gain and again leading private-equity strategies. By contrast, buyout slid to -1.0% and expansion capital to -0.3%, their first meaningful negative quarters since 2022.
- The return in private credit for the quarter was modest at 1.1%. Opportunistic lending led within credit at 2.6% and direct lending delivered 0.3%. While direct lending's quarterly return was its weakest since 2024, the performance compared favorably against U.S. high-yield bonds and investment-grade corporate bonds, both with a -0.2% return.
- Within real assets, natural resources was the quarter's surprise, boosted by commodity and energy-sector drivers. With a 6.5% return, it was the only major strategy to rival venture capital. Infrastructure decelerated sharply from its 12.8% full-year 2025 result to 1.8% in Q1. Private real estate remained effectively flat.

Calendar-year and quarterly returns (%)

				2025			2026
	2023	2024	2025	Q2	Q3	Q4	Q1
MSCI Global Private Equity Closed-End Fund Index	5.9	5.8	13.3	4.3	3.1	3.4	1.0
Venture capital	-2.1	5.4	21.4	4.8	6.3	6.9	5.3
Expansion capital	9.0	8.9	7.1	2.3	1.9	1.3	-0.3
Buyout	9.6	5.7	10.2	4.4	1.6	2.0	-1.0
MSCI ACWI Investable Market Index	22.2	16.9	22.6	11.1	8.2	2.9	-0.9
MSCI World Small Cap Index	16.4	8.6	20.5	12.0	8.2	2.7	3.3
MSCI Global Private Credit Closed-End Fund Index	10.4	7.4	9.6	3.6	2.0	1.6	1.1
Direct lending	12.2	7.3	10.6	4.1	1.7	1.3	0.3
Opportunistic lending	11.4	8.4	9.5	3.4	2.6	1.6	2.6
Real estate debt	5.3	5.9	6.4	1.8	1.7	1.2	1.0
MSCI USD High Yield Corporate Bond Index	12.8	8.3	8.6	3.4	2.4	1.3	-0.2
MSCI USD Investment Grade Corporate Bond Index	8.3	2.5	7.7	1.6	2.8	0.5	-0.2
MSCI Global Private Real Asset Closed-End Fund Index	1.5	2.6	7.7	3.3	1.3	1.3	1.8
Private real estate	-6.1	-2.6	2.3	1.8	-0.2	0.1	0.0
Natural resources	1.8	3.6	5.1	1.3	1.6	1.2	6.5
Infrastructure	8.5	6.6	12.8	5.0	2.3	2.2	1.8
MSCI ACWI Real Estate Index	9.5	3.1	7.3	4.0	2.2	-2.2	1.5
MSCI ACWI Infrastructure Index	4.8	15.5	22.1	6.5	4.2	0.3	9.8

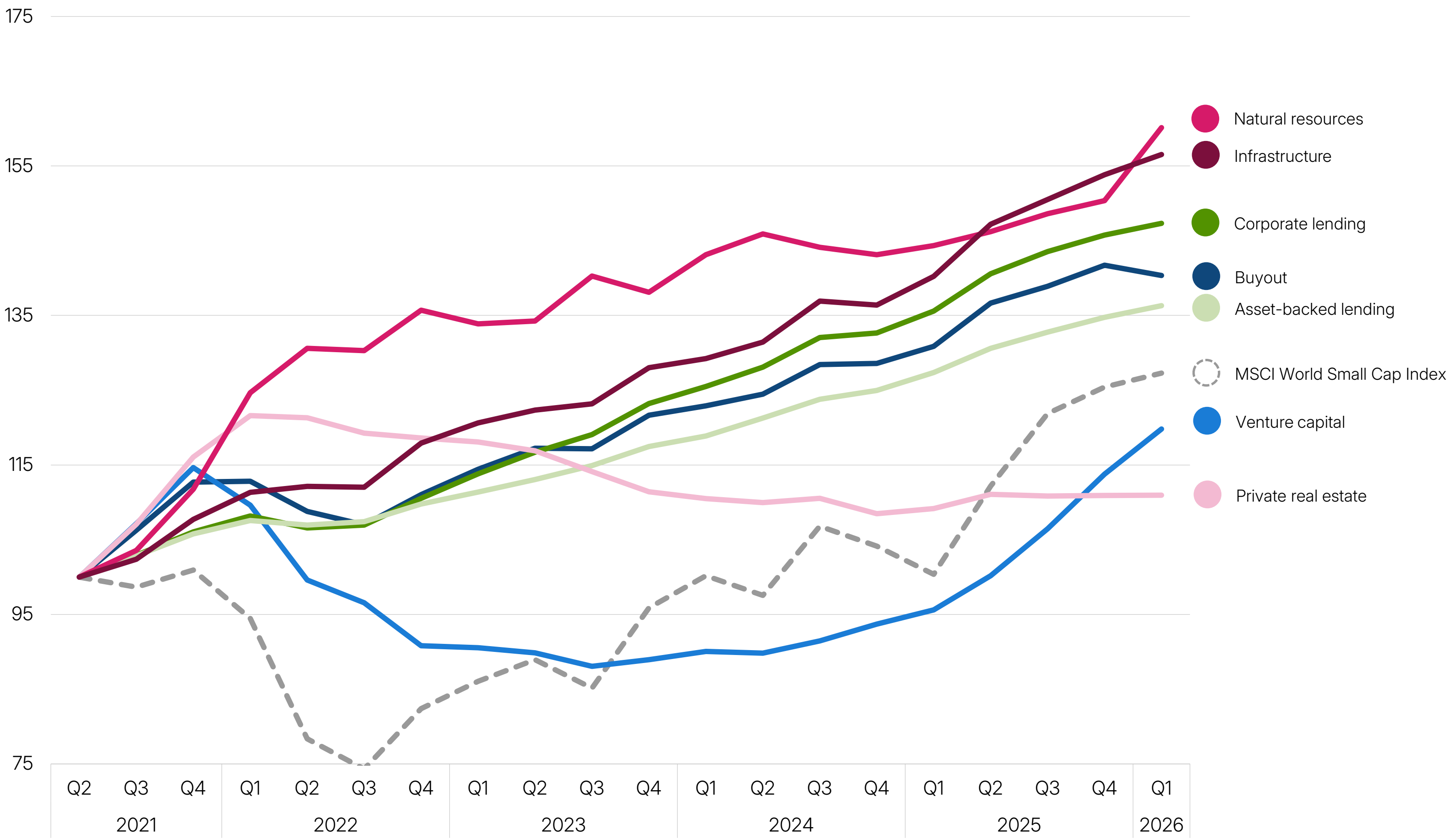
Quarterly returns are calculated in USD using the Modified Dietz method and are not annualized. Calendar-year returns represent compounded quarterly returns.

FUND BENCHMARKS

Five-year leaders and laggards

- Natural resources (+60%) and infrastructure (+57%) are the strongest five-year compounders in private capital through Q1 2026. Both have benefited from commodity, energy-transition and AI infrastructure tailwinds.
- Corporate lending delivered +47% over five years, outpacing both private-equity strategies in the cohort. Asset-backed lending added +36%.
- Within private equity, the five-year story splits sharply by strategy. Venture capital's +20% cumulative return speaks to an ongoing recovery from the 2022–23 drawdown — two years of negative returns left it trailing the MSCI World Small Cap Index (+27%) for the full period. Buyout, at +40%, cleared that bar more comfortably.

Global five-year cumulative index returns



FUND BENCHMARKS

Venture capital, buyout top and tail the table

- Venture capital carried its 2025 momentum into the first quarter of 2026, topping the performance table with a 4% return. Last year's return of 21% was VC's best result since 2021 and a clear recovery from the negative returns of 2022 and 2023.
- Buyout fell to the bottom of the Q1 2026 table at -1%, a reversal from its 10% full-year 2025 return. Buyout and venture capital haven't diverged this sharply on a quarter since 2021.
- Credit strategies had a muted quarter, clustered in a narrow band alongside infrastructure and private real estate. Natural resources made an unusual jump to the near the top of the table.

Global private-capital performance (IRR) by calendar year

Data as of Q1 2026

2017	2018	2019	2020	2021	2022	2023	2024	2025	Q1 2026
Buyout 23%	Venture capital 21%	Venture capital 20%	Venture capital 58%	Venture capital 50%	Natural resources 22%	Direct lending 12%	Expansion capital 9%	Venture capital 21%	Venture capital 4%
Infrastructure 17%	Buyout 9%	Buyout 17%	Buyout 25%	Buyout 37%	Infrastructure 10%	Opportunistic lending 11%	Opportunistic lending 8%	Infrastructure 12%	Natural resources 3%
Venture capital 15%	Infrastructure 9%	Real estate debt 11%	Expansion capital 22%	Expansion capital 33%	Direct lending 4%	Buyout 10%	Direct lending 7%	Direct lending 10%	Opportunistic lending 1%
Private real estate 14%	Real estate debt 8%	Private real estate 9%	Opportunistic lending 9%	Natural resources 32%	Real estate debt 4%	Expansion capital 9%	Infrastructure 7%	Buyout 10%	Infrastructure 1%
Opportunistic lending 12%	Private real estate 7%	Infrastructure 8%	Infrastructure 9%	Private real estate 26%	Opportunistic lending 4%	Infrastructure 9%	Real estate debt 6%	Opportunistic lending 9%	Real estate debt 1%
Real estate debt 12%	Direct lending 6%	Expansion capital 8%	Direct lending 8%	Opportunistic lending 23%	Private real estate 2%	Real estate debt 5%	Buyout 6%	Expansion capital 7%	Direct lending 0%
Direct lending 11%	Opportunistic lending 5%	Direct lending 7%	Private real estate 1%	Infrastructure 14%	Buyout -1%	Natural resources 2%	Venture capital 5%	Real estate debt 6%	Private real estate 0%
Expansion capital 10%	Expansion capital 3%	Opportunistic lending 6%	Real estate debt 1%	Real estate debt 12%	Expansion capital -8%	Venture capital -2%	Natural resources 4%	Natural resources 5%	Expansion capital 0%
Natural resources 6%	Natural resources -3%	Natural resources -5%	Natural resources -9%	Direct lending 12%	Venture capital -21%	Private real estate -6%	Private real estate -3%	Private real estate 2%	Buyout -1%

Returns are 1-year IRRs for each calendar year and calculated in USD. Return for the latest period is year-to-date IRR and not annualized.

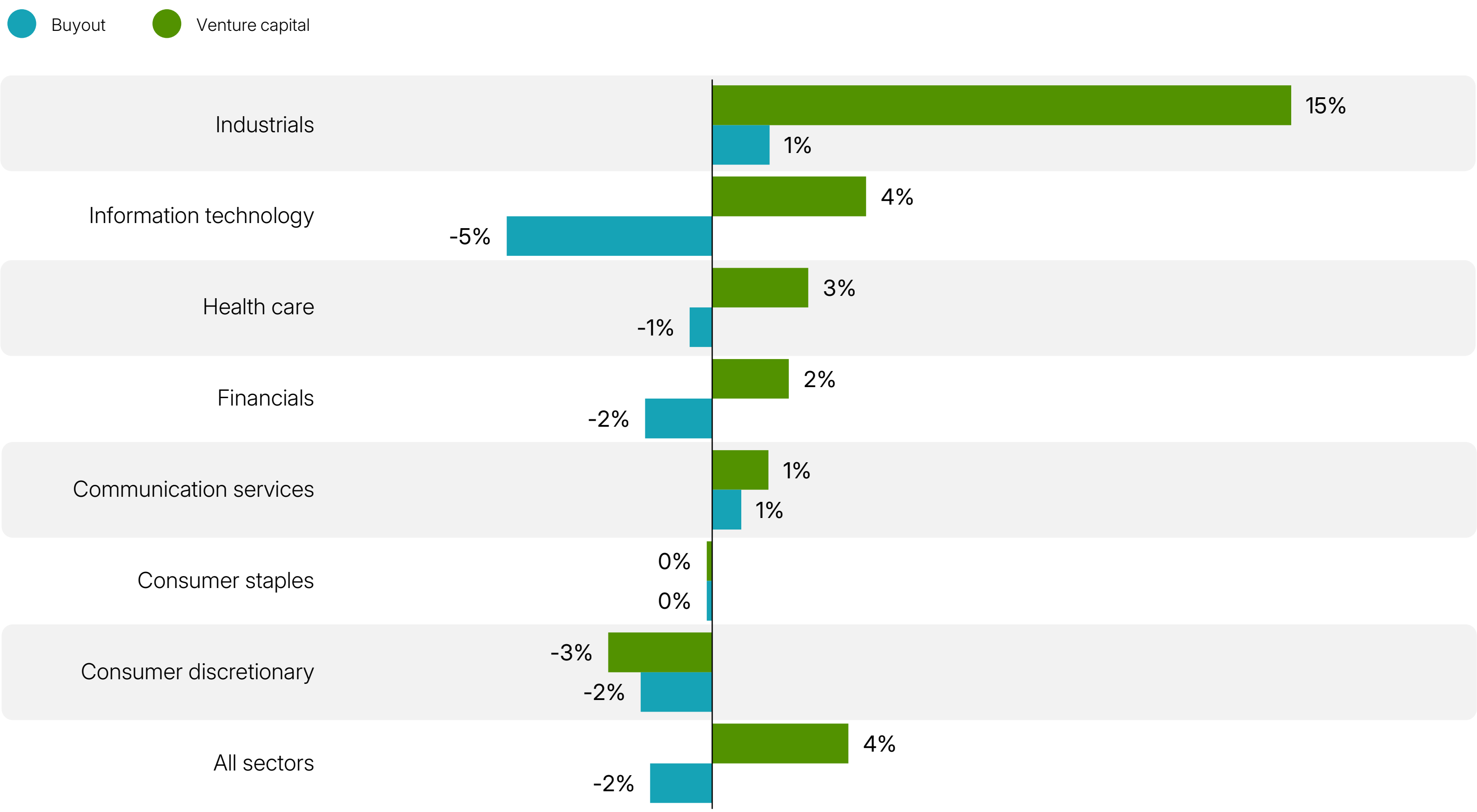
ASSET AND HOLDING METRICS

Technology divides private equity

- The Q1 sector data shows a striking divergence on information technology. In VC, where it's the dominant sector, IT returned 4% for the quarter. Buyout's IT holdings, in contrast, came in at -5%. The gap reflects structural differences in composition: VC skews toward growth-stage software and AI-adjacent companies while buyout holds more legacy enterprise IT businesses.
- Industrials was the quarter's standout in VC with a 15% return. Its index weight is lower than IT's, but the outsized return contributed meaningfully to VC's overall 4% result — and underscores how the sector composition story in Q1 is more complex than a simple tech narrative.
- Consumer discretionary was the weakest sector across both strategies — down 3% in VC and 2% in buyout — in line with the broader softness in consumer-facing sectors in public markets in the quarter.

Quarter-to-date holding-level returns by sector

Data as of Q1 2026



Quarterly returns are calculated in USD using the Modified Dietz method, are gross-of-fees and are not annualized.

ASSET AND HOLDING METRICS

Exit multiples extend record run

- Exit multiples reached a new high in 2025 at 12.6x EBITDA — and early Q1 2026 data shows the median tracking even higher at 13.7x. The directional signal is consistent: Quality assets have continued to find a strong bid.
- Entry multiples have softened in Q1 2026 to 10.5x, stepping back from 2025's 11.5x. Whether that reflects genuine pricing discipline or a quieter deal mix is not yet clear — but it is the first meaningful cooling in several years.
- The spread between exit and entry multiples — barely 0.4x in 2022, over a point by 2025 — appears to be widening further in Q1 2026. That could be a key consideration for managers bringing 2021-22 vintage assets to market.

Global buyout entry and exit multiples

CAPITAL FLOWS

Distributions still depressed

- After three straight years of contributions outweighing distributions, 2025 finally tipped back to positive, the first balanced year since 2021. Q1 2026 walked back a portion of that — net cash flow was USD -14 billion, and the distribution-to-contribution ratio dropped to 0.9.
- The distribution rate is the key metric. It was 14% for full-year 2025 and dropped to 10% in Q1 2026 — well below the long-run norm. The 2025 recovery was driven more by slower contributions than by stronger distributions. In Q1, contributions rose to 32%, distributions stayed muted.
- Q1 is historically soft for distributions. The 10% rate is consistent with that — and with three consecutive years of distribution rates running well below historical norms.

Global private-capital cash flows (USD bn)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q1 2026
Net cash flow (USD bn)	$83	($22)	($69)	($149)	($30)	($220)	($248)	($94)	$21	($14)
Distribution-contribution ratio	1.2	1.0	0.9	0.8	1.0	0.8	0.7	0.9	1.0	0.9
Contribution rate	30%	30%	28%	28%	37%	32%	28%	29%	28%	32%
Distribution rate	27%	23%	20%	18%	28%	14%	11%	13%	14%	10%

CAPITAL FLOWS

The picture in private equity

- While private-capital cash flows turned positive in 2025, private equity merely grazed breakeven. For limited partners in PE-heavy portfolios, the distribution drought is more acute than the aggregate figures suggest.
- Private-equity net cash flows were negative at USD -26 billion in Q1, with distributions-to contributions at just 0.8. 2025's near-breakeven result looks more like a pause than a turn.
- The quarter showed no improvement in the distribution rate. Three years on from the 2022 rate cycle, distributions remain anchored at roughly half their pre-2022 levels.

Global private-equity cash flows (USD bn)

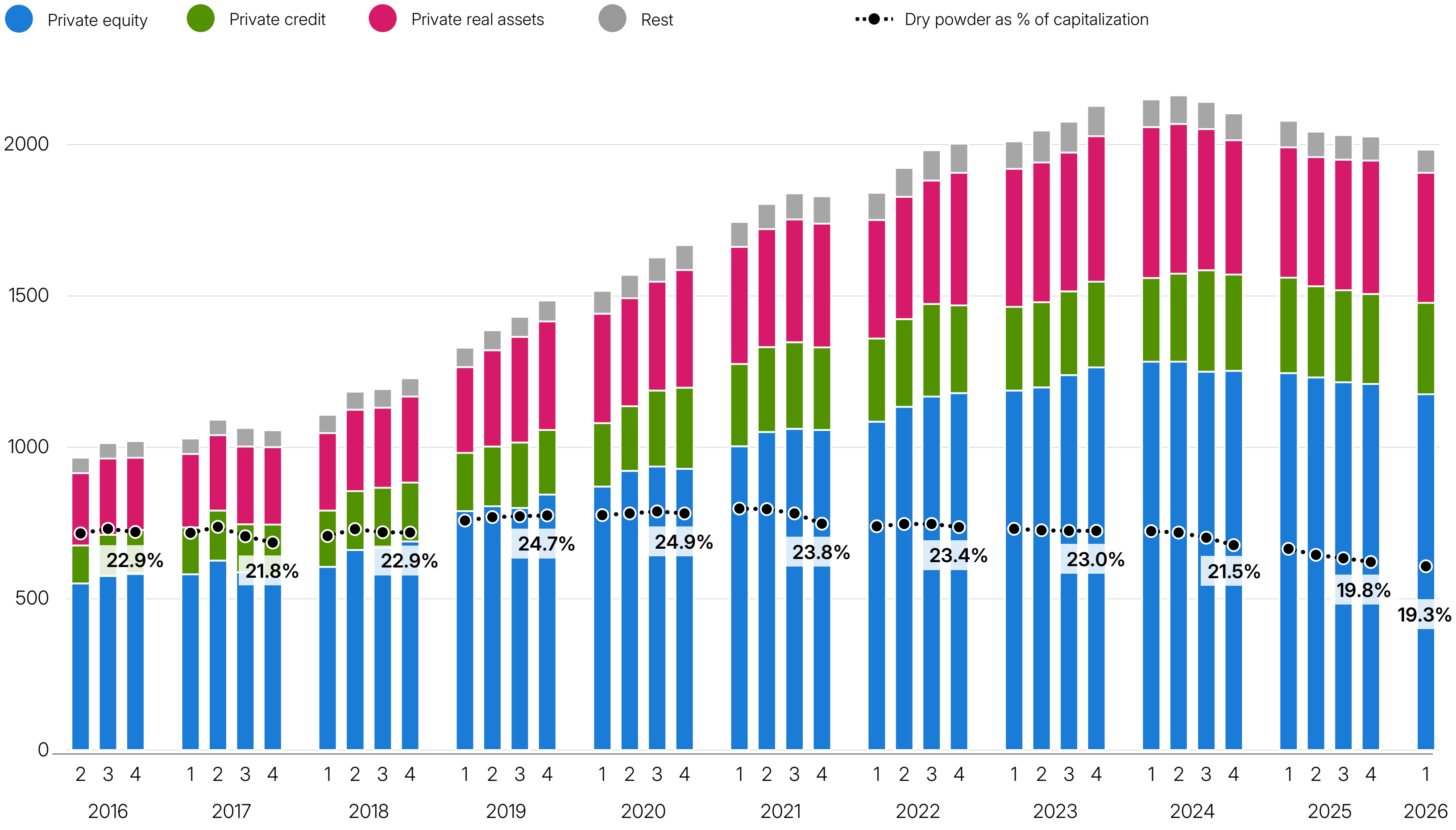
	2017	2018	2019	2020	2021	2022	2023	2024	2025	Q1 2026
Net cash flow (USD bn)	$58	$17	($15)	($48)	$38	($129)	($132)	($48)	($1)	($26)
Distribution-contribution ratio	1.2	1.1	1.0	0.9	1.1	0.8	0.7	0.9	1.0	0.8
Contribution rate	32%	30%	28%	30%	39%	31%	27%	28%	29%	35%
Distribution rate	27%	23%	20%	19%	29%	12%	10%	12%	12%	8%

CAPITAL FLOWS

Dry powder continues to ebb

- Dry powder in global private capital fell to USD 1.98 trillion in Q1 2026, with uncommitted capital as a percentage of total capitalization declining to 19.3% — its lowest reading in the dataset going back to 2016. The absolute dollar figure has declined from a USD 2.15 trillion peak in early 2024, with the ratio falling steadily from a high of roughly 25% in 2020.
- The driver is not accelerating deployment. Contribution rates have been flat-to-declining across strategies. The slowdown in fundraising, particularly among smaller and mid-market general partners, is the primary factor behind the headline decline.
- The credit dry powder figure of USD 302 billion likely understates available capital in that segment. A meaningful share of new investor commitments is flowing into semi-liquid and evergreen vehicles outside the closed-end fund universe captured here. The market appears capital-constrained on paper; the reality may be less so.

Global private-capital dry powder (USD bn)

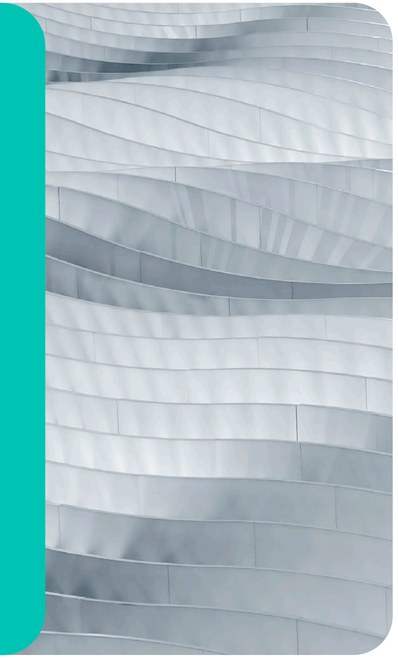


New research for private markets

When Buyout Marks Meet the Market

Managers tend to mark investments conservatively, but for aging assets and weaker performers, the variation in valuations changes — with important implications for asset owners.

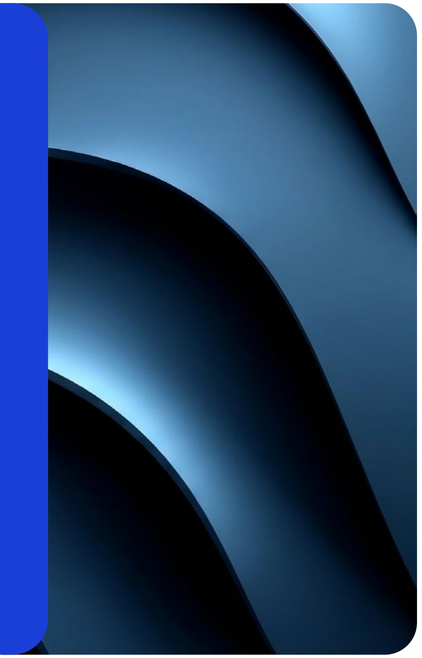
Learn more



How Much Should You Customize Your Private-Capital Benchmark?

One index won't cover four different questions for asset owners. Benchmark customization is a ladder — knowing which rung to stand on is the discipline.

Read more



Notes & 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 distributions - contributions.
- 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.

MSCI Private Assets
Built for what's next.

MSCI is redefining what's possible as an independent partner for private markets, bringing together research-quality data, industry-leading analytics, and purpose-built solutions. The result: integrated intelligence that helps investors measure, manage and invest with confidence across a complex, evolving ecosystem.

Why Choose MSCI Private Assets?

1. Integrated intelligence for confident decision-making

Make better informed investment decisions with a connected ecosystem of data, analytics and tools built to bring clarity and control to private markets.

2. Trust, independence and objectivity

Rely on an independent partner whose insights are grounded in transparency and aligned with the needs of asset owners, managers and consultants across the private-markets landscape.

3. Industry-leading data. Continuous innovation.

Leverage research-quality, cross-validated data spanning USD 17.8 trillion in private investments — and combine it with AI-powered analytics and deep domain expertise to facilitate transparency and comparability.

4. Total portfolio integration

Bridge public and private markets with seamless data integration and analytics, enabling benchmarking, risk assessment and fully informed portfolio construction.

Ready to see how MSCI can transform your private markets strategy? Get a personalized demo today.

29,500
Funds

17.8T
USD in private investments

616,000
Underlying investments

59T
USD in public and private real-estate transactions

Figures reflect the full MSCI Private Assets product universe as of May 2026 and differ from the dataset shown on page 5, which covers closed-end drawdown-style funds as of Q1 2026.

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