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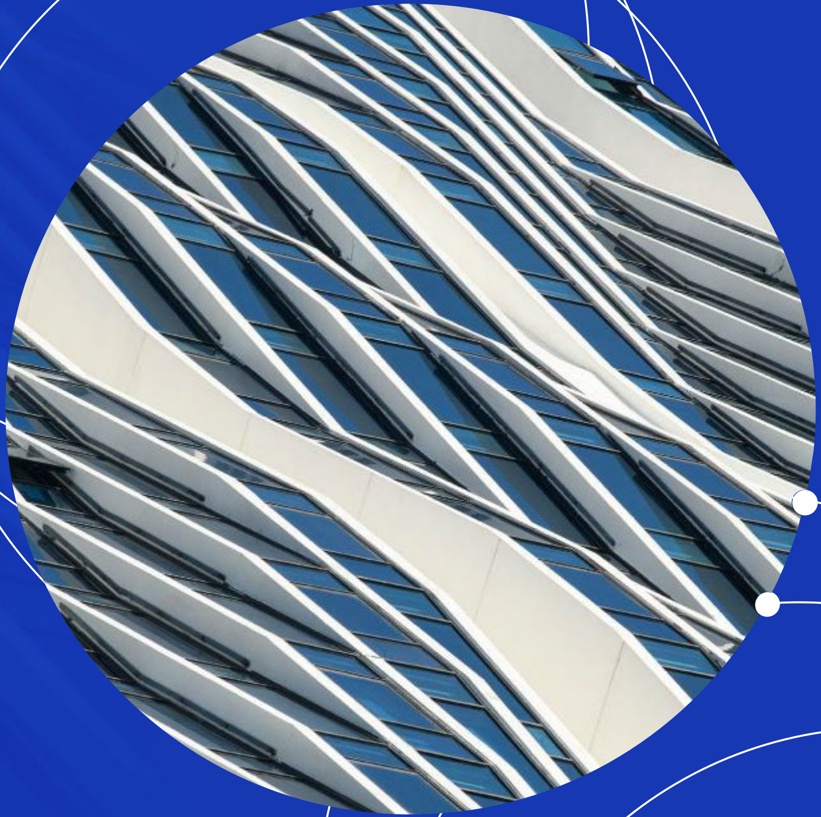
MSCI Private Capital Benchmarks Summary

Q2 2025



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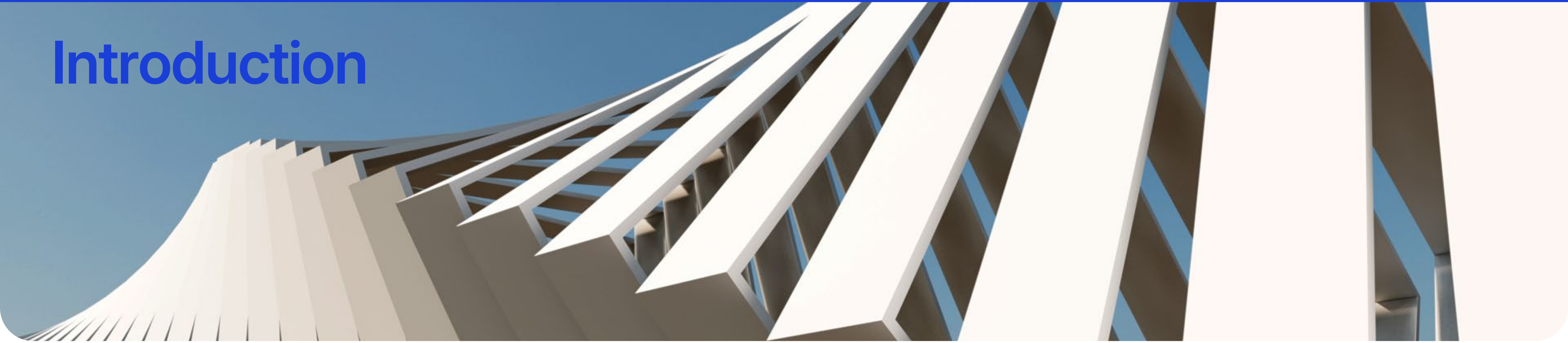


Introduction

It's clear that private markets entered mid-2025 in a transitional phase. Dealmaking slowed in the second quarter, even as the IPO window reopened selectively across various regions. At the same time, the secondary market continued to grow in prominence for investors looking to more actively manage portfolios and strategically secure returns, becoming a primary release valve for pent-up supply. These dynamics point to a market rebuilding liquidity.

For allocators in today's market, pacing and liquidity planning might matter as much as performance itself. Distribution rates remain subdued relative to the long run, and investors are finding ways to ready capital for allocation after a period of valuation cool-offs.

Credit has helped to serve as a stabilizer. Private credit's growth and further maturation, coupled with healthier liquid-credit markets in Q2, have provided sponsors with more flexible capital structures to achieve their liquidity goals. But selectivity is high and compression across strategies endures, placing a premium on consistent measurement and peer context.

As with the recent release of our Private Credit Factor Model, MSCI is committed to bringing public levels of transparency to private markets and helping investors identify the true drivers of performance and resilience within their portfolio.

In this environment of selective IPOs, elevated secondary activity, subdued distributions and credit-driven flexibility, benchmarking is not solely a backward-looking exercise — it provides a universal framework that enables LPs and GPs to engage more productively. This report delivers standardized views across asset classes, vintages and geographies, with metrics that help you interpret performance and positioning through shifting market regimes.

We hope you find the report insightful and, as always, we welcome your feedback and thank you for your support of MSCI.

Luke Flemmer
Head of Private Assets
MSCI

Key Takeaways

Private equity

Buyout strategies continued to deliver steady performance, returning 4.1% in Q2 2025. Venture posted 5.0% returns. After the froth of 2021 and subsequent decline, the asset class appears to have found even footing.

Notably, despite a low volume of exits, EBITDA multiples improved once again, with top-quartile deals approaching the high end of historical ranges. Entry multiples also edged higher, indicating a market where investors are willing to pay for quality assets.

Private credit

Private credit extended its run of comparatively strong results in Q2 2025, led by senior and mezzanine strategies. Senior credit returned 4.8% for the quarter, its strongest quarterly result in the past decade. Mezzanine also extended its momentum from Q1.

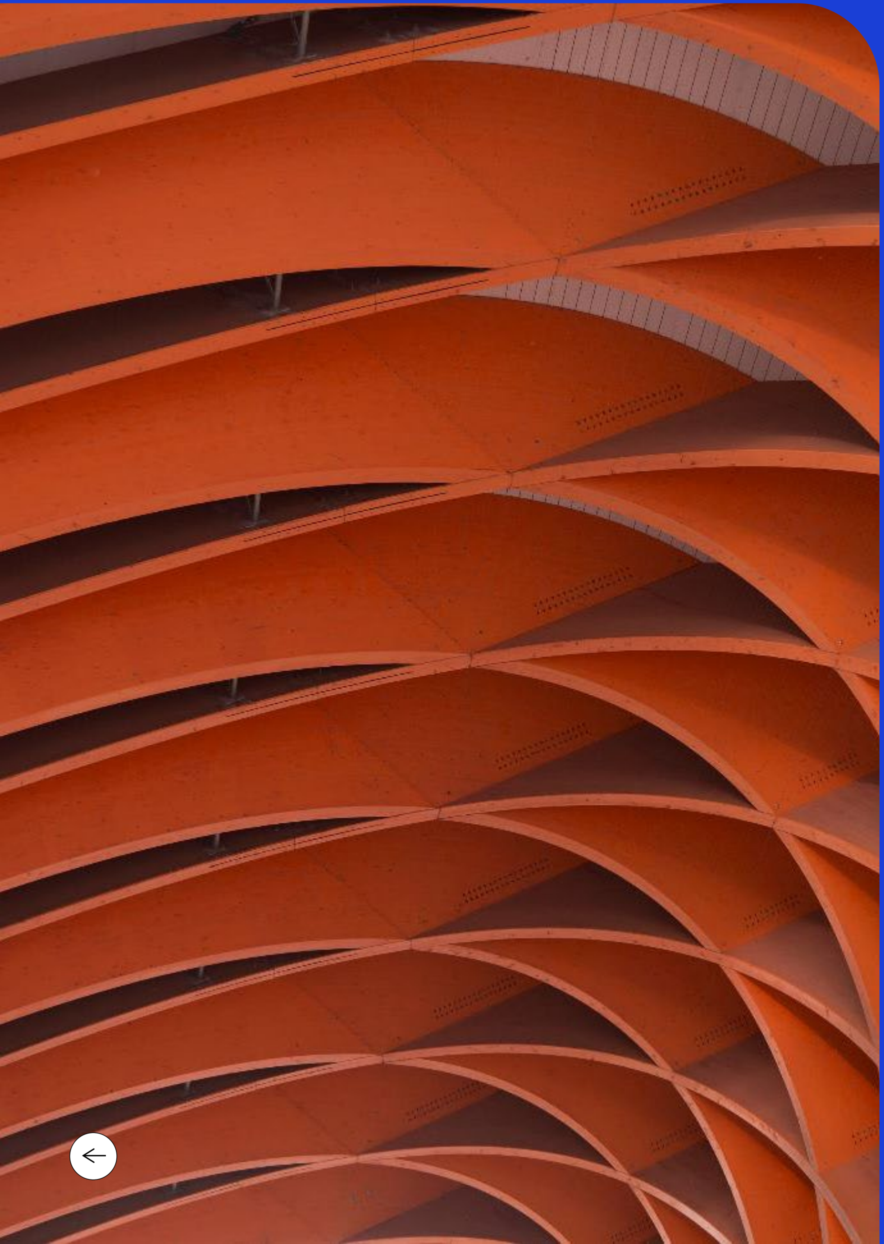
Dispersion within credit is widening, however. Distressed performance is lagging, raising concern that stress could climb up the capital structure to senior and mezzanine. This could be an early warning sign of strain on broader markets.

Real assets

Real assets remained under pressure overall, though some areas showed signs of recovery. Real-estate strategies posted positive, if modest, returns in Q1 and Q2 after a string of down years.

Infrastructure, on the other hand, gained 4.8%, underscoring the variability within real-asset strategies.

On dry powder, the Q2 levels for real assets were down 17% from the 2024 peak, a greater contraction than seen for private capital overall.



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-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 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

12.6 trillion+
USD in capitalization

291,000+
Underlying holdings

Data as of Q2 2025.

Clients can access the extended MSCI Private Capital Benchmarks Report for Q2 2025 via the Private i® platform.

Data Coverage

Data as of **Q2 2025**

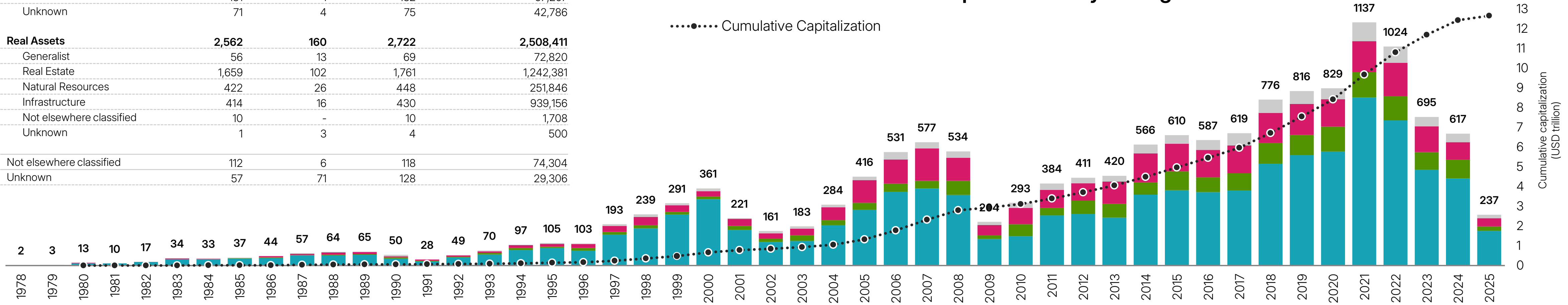
Fund Count and Capitalization by Asset Class

Asset Class	Funds	FoFs	Total	Cap (USD mn)
Private Capital	13,534	1,563	15,097	12,653,176
Generalist	535	187	722	604,181
Equity	8,679	1,096	9,775	7,745,346
Generalist	1,076	470	1,546	1,226,780
Venture Capital	4,144	315	4,459	1,450,942
Expansion Capital	213	4	217	144,364
Buyout	3,129	288	3,417	4,865,830
Unknown	117	19	136	57,429
Credit	1,589	43	1,632	1,691,628
Generalist	340	13	353	396,893
Senior	261	-	261	349,653
Mezzanine	417	7	424	356,442
Distressed	369	18	387	488,587
Not elsewhere classified	131	1	132	57,267
Unknown	71	4	75	42,786
Real Assets	2,562	160	2,722	2,508,411
Generalist	56	13	69	72,820
Real Estate	1,659	102	1,761	1,242,381
Natural Resources	422	26	448	251,846
Infrastructure	414	16	430	939,156
Not elsewhere classified	10	-	10	1,708
Unknown	1	3	4	500
Not elsewhere classified	112	6	118	74,304
Unknown	57	71	128	29,306

Count by Fund Size Range

Fund Size / Asset Class	# of Funds
<$100M	2,579
Equity	1,903
Credit	177
Real Assets	305
Other	194
$100M-$250M	3,524
Equity	2,453
Credit	279
Real Assets	574
Other	218
$250M-$500M	3,464
Equity	2,247
Credit	321
Real Assets	680
Other	216
$500M-$1.0B	2,635
Equity	1,544
Credit	360
Real Assets	576
Other	155
$1.0B-$2.5B	1,865
Equity	1,011
Credit	337
Real Assets	396
Other	121
>$2.5B	1,030
Equity	617
Credit	158
Real Assets	191
Other	64

Fund Count and Cumulative Capitalization by Vintage



FUND BENCHMARKS

Up across the board

- Private-capital returns in Q2 were, on aggregate, the strongest we have seen since 2021. Across the board, each asset class shown improved upon its Q1 return.
- Homing in on private credit, the Q2 return in senior credit is notable. Senior's return was its strongest in the past decade, albeit with a boost from exchange rates in the Q2 period.
- Mezzanine also fared decently, extending momentum from Q1. Overall, private credit proved steady alongside stabilizing liquid-credit markets during the period.

Calendar Year and Quarterly Returns (%)

	2020	2021	2022	2023	2024	2024 Q3	2024 Q4	2025 Q1	2025 Q2
MSCI Global Private Equity Closed-End Fund Index	33.3	40.2	-8.4	5.8	5.8	2.9	0.9	1.9	4.2
Venture Capital	58.6	49.8	-20.6	-2.1	5.5	1.9	2.6	2.1	5.0
Expansion Capital	17.5	29.5	-11.0	4.3	9.1	3.6	3.7	0.9	2.6
Buyout	24.1	37.4	-1.4	9.6	5.7	3.3	0.1	1.8	4.1
MSCI ACWI IMI	16.8	18.7	-18.0	22.2	16.9	6.0	-0.4	-0.9	11.1
MSCI World Small Cap	16.5	16.2	-18.4	16.4	8.6	9.1	-1.6	-3.2	12.0
MSCI Global Private Credit Closed-End Fund Index	5.8	15.4	3.8	10.2	7.2	2.7	0.6	2.1	3.4
Senior	6.7	7.9	3.2	12.1	6.1	3.5	-0.7	3.2	4.8
Mezzanine	8.3	16.0	4.9	10.6	8.5	2.7	0.7	2.4	4.1
Distressed	5.6	21.5	3.6	9.0	7.1	2.4	1.3	0.7	2.1
MSCI USD High Yield Corporate Bond Index	7.2	4.7	-11.8	12.8	8.3	5.5	0.1	1.3	3.4
MSCI USD Investment Grade Corporate Bond Index	10.2	-1.1	-15.3	8.3	2.5	6.6	-3.2	2.6	1.6
MSCI Global Private Real Asset Closed-End Fund Index	0.3	22.4	8.4	1.3	2.7	2.1	-1.1	1.7	3.2
Real Estate	0.9	26.1	2.0	-6.2	-2.7	0.6	-2.0	0.6	1.3
Natural Resources	-9.8	32.1	21.5	1.6	3.8	-1.2	-1.1	0.8	1.3
Infrastructure	7.4	13.5	9.7	8.4	6.5	4.0	-0.5	2.9	4.8
MSCI ACWI Natural Resources	-4.0	23.6	8.1	9.2	-2.4	4.3	-9.9	7.9	1.4
MSCI ACWI Infrastructure	0.3	6.0	-4.2	4.8	15.5	15.4	-5.6	9.7	6.5

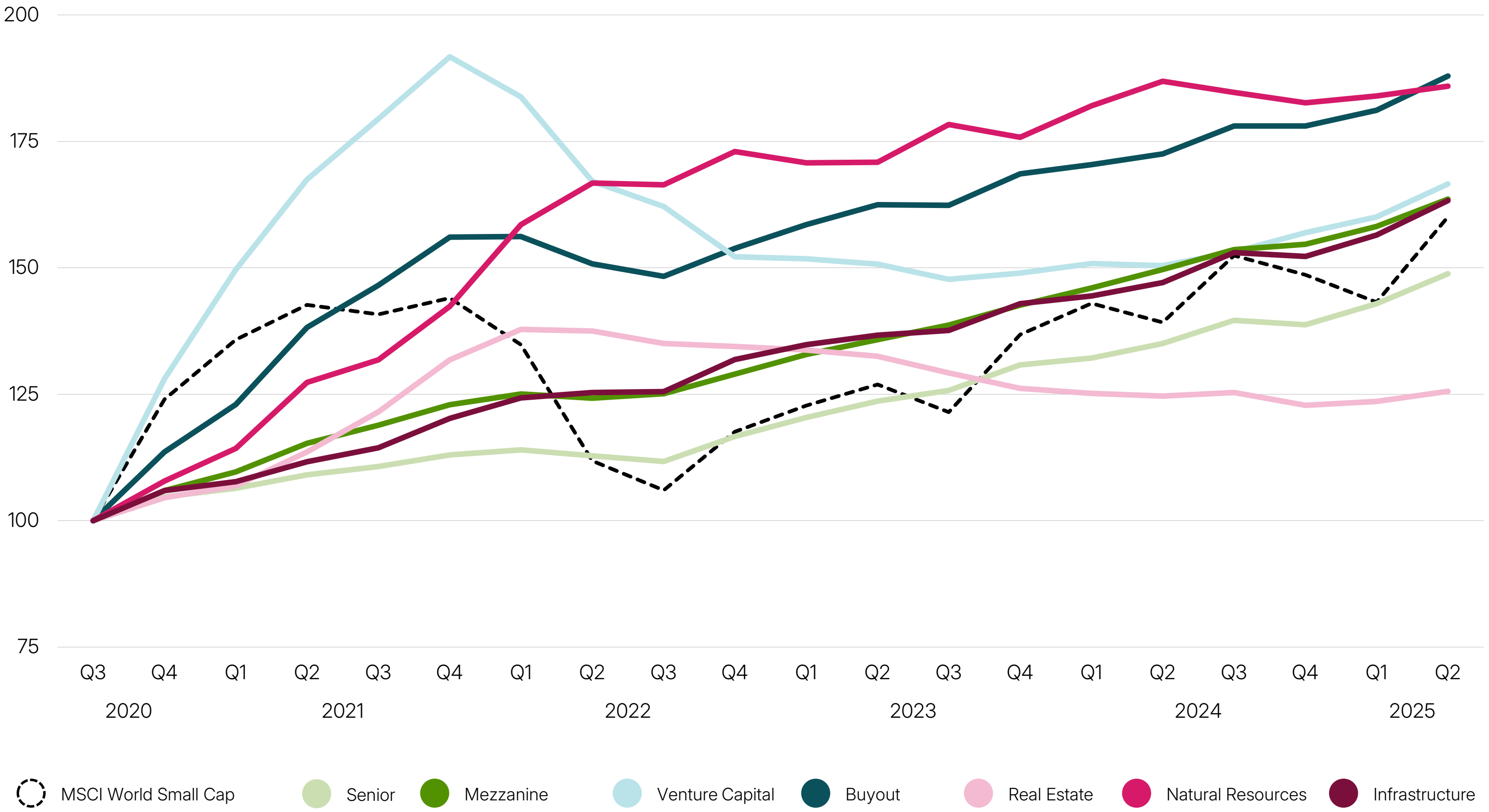
Quarterly returns are calculated in USD using the Modified Dietz method and are not annualized. Calendar-year returns represent compounded quarterly returns.

FUND BENCHMARKS

Steady returns for private equity

- Taking the previous page's figures into account, a clearer picture of private equity's relative performance comes into focus.
- Buyout returned 4.1% while analogous public equities returned in low double digits. However, the public index had previously suffered two consecutive negative quarters, whereas buyout stayed in the black. Strengthening public equities could reinforce for the already positive private performance.
- The same can be said for venture, which, at least optically, appears to have settled and begun its climb after the exuberance of 2021 and subsequent return to earth. Skepticism on venture's performance climb may remain until exits pick up, however.

Cumulative Index Returns



FUND BENCHMARKS

Early warning sign flashes in credit

- The compression in performance across private-asset classes persisted through midyear, with a roughly 5-percentage-point spread between the top- and bottom-performing asset classes.
- Generally, one would expect equity at the top of the performance table, credit in the middle, and a mixed assortment of strategies at the bottom. In this edition, however, infrastructure climbed to the top and credit essentially bracketed year-to-date returns.
- Distressed credit is showing signs of weakness relative to senior and mezzanine, a potential canary in the coal mine for stress creeping up the capital stack. Investors would be wise to watch if this trend continues.

Global Private Capital Performance (IRR) by Calendar Year

Data as of Q2 2025

2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
22% Natural Resources	23% Buyout	21% Venture Capital	20% Venture Capital	58% Venture Capital	50% Venture Capital	22% Natural Resources	12% Senior	9% Expansion Capital	7% Infrastructure
12% Buyout	17% Infrastructure	9% Buyout	17% Buyout	25% Buyout	37% Buyout	10% Infrastructure	11% Mezzanine	8% Mezzanine	7% Senior
10% Distressed	15% Venture Capital	9% Infrastructure	9% Mezzanine	18% Expansion Capital	32% Natural Resources	5% Mezzanine	10% Buyout	7% Distressed	6% Venture Capital
8% Senior	14% Real Estate	7% Real Estate	8% Real Estate	9% Mezzanine	29% Expansion Capital	4% Distressed	9% Distressed	6% Infrastructure	6% Mezzanine
8% Infrastructure	12% Expansion Capital	7% Mezzanine	8% Infrastructure	8% Distressed	26% Real Estate	3% Senior	8% Infrastructure	6% Senior	6% Buyout
8% Expansion Capital	12% Mezzanine	6% Senior	7% Expansion Capital	8% Infrastructure	22% Distressed	2% Real Estate	4% Expansion Capital	6% Buyout	3% Expansion Capital
8% Mezzanine	12% Senior	3% Distressed	7% Senior	8% Senior	16% Mezzanine	-1% Buyout	2% Natural Resources	5% Venture Capital	2% Distressed
7% Real Estate	10% Distressed	3% Expansion Capital	4% Distressed	1% Real Estate	14% Infrastructure	-11% Expansion Capital	-2% Venture Capital	4% Natural Resources	2% Real Estate
1% Venture Capital	6% Natural Resources	-3% Natural Resources	-5% Natural Resources	-9% Natural Resources	8% Senior	-21% Venture Capital	-6% Real Estate	-3% Real Estate	2% Natural Resources

ASSET AND HOLDING METRICS

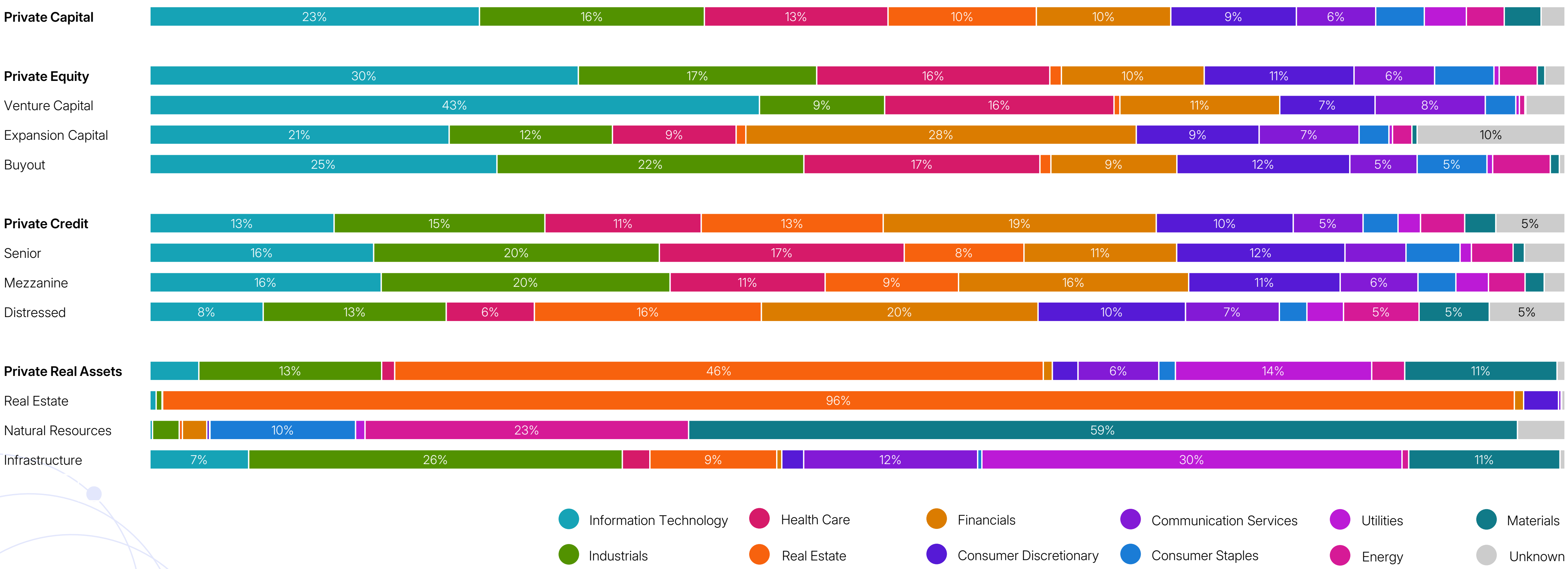
Strength persists at top of the exit market

- The Q1 uptick in exit multiples raised the question of whether a positive trend was emerging. In Q2, that trend appears to have solidified.
- For starters, exit multiples continued their improvement from the bottom of 2023, with top-quartile performers moving toward the upper end of historical ranges. This points to sustained confidence in sponsor-led realizations and buyer appetite for quality companies.
- Second, entry multiples also rose in Q2, suggesting that investors deploying fresh capital might be drawing optimism from recent exits, even if overall exit volume remains low.

Buyout Entry and Exit Multiples

Global Valuation Breakdown by Industry

Data as of Q2 2025

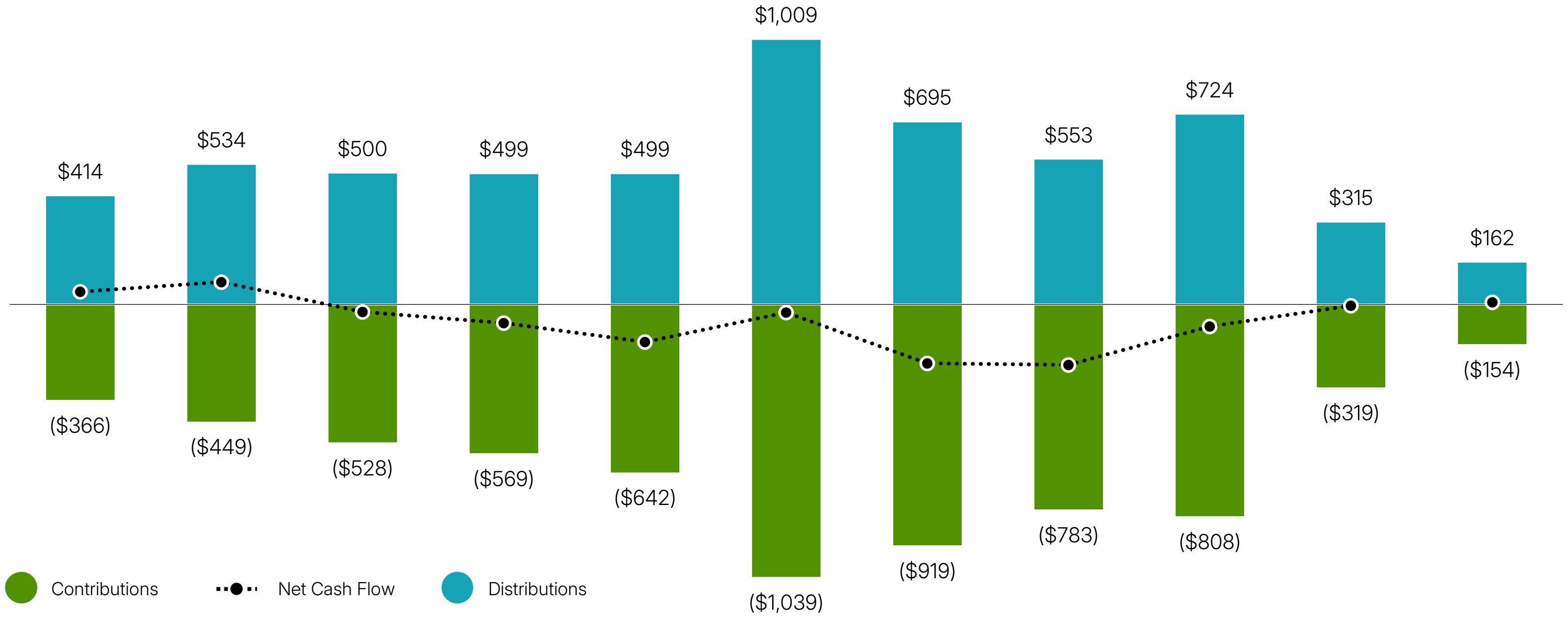


CAPITAL FLOWS

Right way, wrong reasons

- After seven years of waiting for a shift to breakeven, net cash flows finally turned positive in Q2. The good news should be tempered with background as to how we got here, however.
- Distributions are low, continuing the downward trend relative to historical norms. Absolute contributions are also low. The 30% contribution rate may not appear especially low relative to history, but it is flattered by a shrinking denominator of dry powder.
- Taken together, it seems that depressed contributions are buoying net cash flows, effectively masking the low volume of cash returned to investors.

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



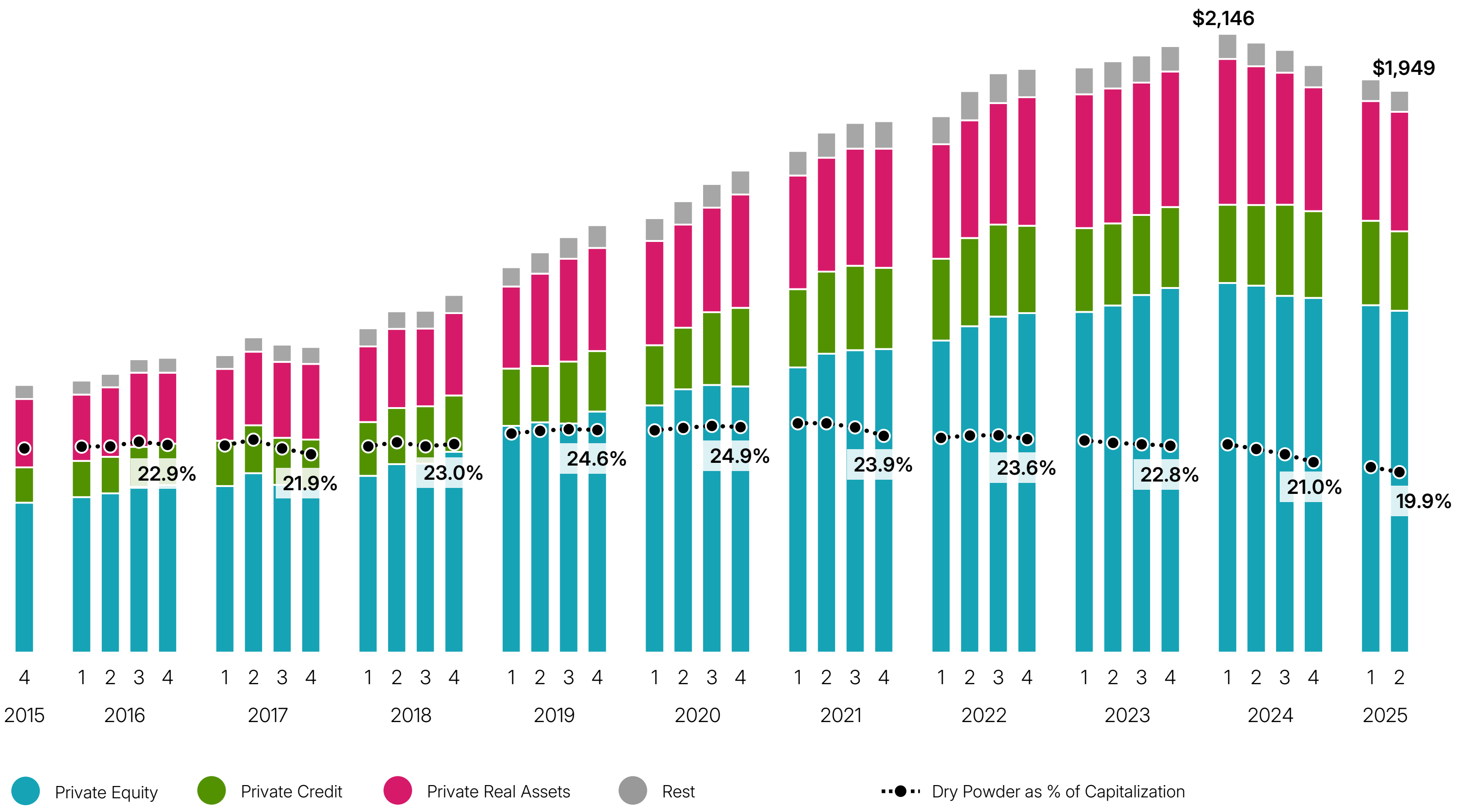
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD	2025 Q2
Net Cash Flow	$48	$85	($28)	($70)	($143)	($30)	($223)	($229)	($84)	($4)	$8
Distribution/Contribution Ratio	1.1	1.2	0.9	0.9	0.8	1.0	0.8	0.7	0.9	1.0	1.1
Contribution Rate	27%	30%	30%	28%	28%	36%	32%	28%	29%	29%	30%
Distribution Rate	23%	27%	23%	21%	18%	28%	14%	11%	13%	11%	11%

CAPITAL FLOWS

Dry powder's decline, by the numbers

- Since its peak in Q1 2024, total dry powder across private markets is down roughly 8%. In that span, dry powder fell 6% in private equity and 17% in real assets — a striking turn in only 18 months.
- Private credit has charted a somewhat different path. Dry powder in the asset class is up 1% since the aggregate peak, but credit had its peak earlier, in Q3 2022. Since then, its figure is down approximately 14%.
- On aggregate, dry powder in private capital has experienced a steady decline since its peak at the beginning of 2024.

Dry Powder by Asset Class (USD bn)



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 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/**

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. This is integrated intelligence that is designed to help you to measure, manage and invest with confidence – and to enable total portfolio clarity and action in 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

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

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26,900
Funds

16.1T+
USD in private investments

535,000+
Underlying investments

53T+
USD in public and private real estate transactions

Data as of August 2025; transaction data as of June 2025.

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