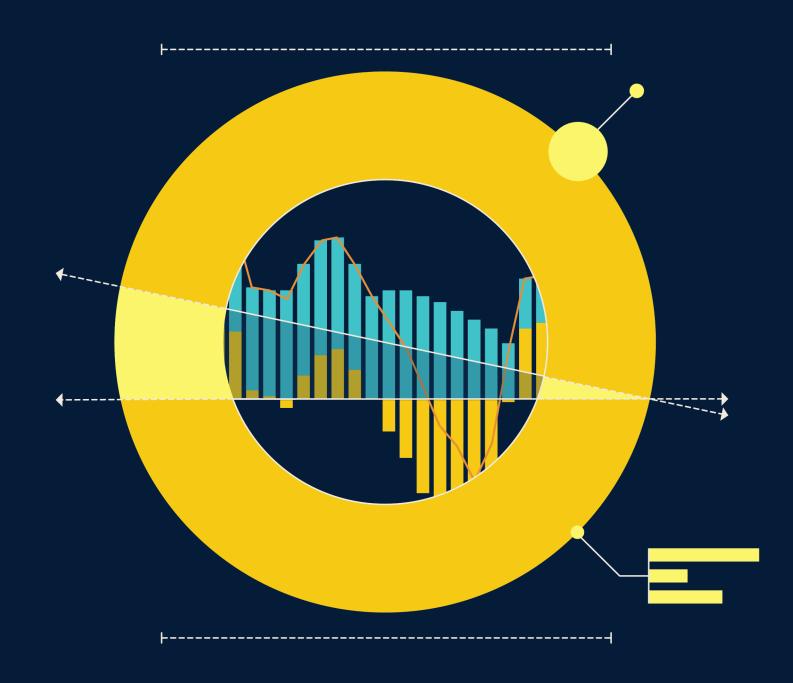# PitchBook

QUANT RESEARCH

US Market Insights

A QUANTITATIVE PERSPECTIVE ON
US PRIVATE MARKETS

Q3
2025

Introduction

If there is a word that defined the first half of 2025 in markets, it is "tariffs," or perhaps "uncertainty." After entering the year on a wave of optimism, buoyed by postelection clarity, falling inflation, and Federal Reserve (Fed) rate cuts, the landscape shifted quickly in Q1. The administration's abrupt rollout of trade restrictions, culminating in the "Liberation Day" reciprocal tariff announcement, upended market sentiment. Volatility spiked, growth forecasts were revised, and investors hit pause on what had seemed like a primed rebound in activity.

While public markets have since recovered, helped by resilient earnings, positive signs on trade negotiations, and continued enthusiasm around AI, private markets have remained slower to regain their footing. A few high-profile IPOs have shown promise, but a sustained reopening of exit channels has yet to materialize, and uncertainty remains on the tariff front. Dealmaking timelines have slipped again, with many LPs and GPs rethinking capital deployment and exit strategies in response to the evolving macro picture.

The Fed, meanwhile, has paused its rate-cutting cycle as it evaluates the full impact of tariffs. Despite this, economic data remains surprisingly strong but may be cooling, complicating the outlook for both policy and portfolio construction. Against this backdrop, some segments have struggled more than others. Real estate remains under pressure, with rising vacancy rates, elevated commercial mortgage-backed securities (CMBS) delinquencies, and stubbornly high interest rates weighing on valuations and sentiment. In contrast, infrastructure and private credit have served as relative bright spots, helping GPs anchor new funds and offering investors stability and yield.

As GPs and LPs recalibrate, we see two cross-cutting trends rising across private capital strategies: the persistence of a sluggish exit environment, and a broader industry shift toward evergreen fund offerings as the private wealth channel accelerates adoption of private assets.

This edition of US Market Insights offers a comprehensive view of how these macro developments are shaping activity across the private capital spectrum. From asset allocation to deal flow, we break down the forces driving decision-making in an ever-evolving market.

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Key takeaways

- An unprecedented wave of tariff actions has driven the US effective tariff rate to 18.2%—the highest in almost 100 years, up sharply from 2.4% in January. The breadth of these measures leaves few alternative sources for many goods, amplifying potential cost pressures for consumers and businesses alike (page 7).

- Trade tensions have yet to spark a new wave of inflation, which remains above the Fed's 2% target, while the labor market showed no major signs of stress prior to the last policy meeting. The Fed kept its benchmark rate unchanged, but dissenting votes for a cut highlight ambiguity around the economy's trajectory (pages 10 and 11).

- Private markets AUM is set to rise steadily in the coming years, albeit at a moderated pace compared with the last decade. A surge in evergreen vehicle launches, particularly interval and tender offer funds, is expected to be a key growth engine (pages 20 and 21).

- Over the past decade, the number of PE- and late-stage VC-backed companies has swelled, while public company counts have stagnated. Yet, PE and VC fund net asset values (NAVs) remain a fraction of the public equity market cap, spurring new approaches for how investors can gain access to this underpenetrated segment (page 24).

- Ultralow interest rates in the 2010s pushed asset allocators to hunt for yield. As risk premiums tightened, capital rotated out of public markets and into private strategies in search of higher returns (pages 31 and 32).

- Private markets are still grappling with a prolonged distribution drought, with PE buyouts and VC under particular strain. Deals struck at elevated valuations are proving hardest to exit, trapping gains in older funds and accelerating demand for secondaries as a liquidity release valve (page 47).

- AI remains the standout theme in VC, with startups in the space benefiting from a more favorable dealmaking environment. AI valuation step-ups are consistently outpacing non-AI peers across funding stages, and AI is the only segment showing positive momentum in both deal counts and value (pages 53 and 54).

- Direct lenders have gained a strong foothold in buyout financing, now accounting for nearly half of new deals even with a pricing premium to broadly syndicated loan (BSL) B-rated loans. As cost sensitivity grows, however, borrowers are tilting activity back toward the syndicated market (pages 67 and 68).

- While reported default rates continue to decline, distressed exchanges are quietly building, signaling unresolved market pressures beneath the surface. At the same time, repricings are reshaping loan books as lenders accept lower coupons to stay invested (pages 69 and 70).

- Real estate fundraising has slowed in recent years alongside falling valuations. While stabilized prices set the stage for a potential rebound, investors are waiting for stronger return prospects. Persistent headwinds, such as rising vacancies, higher delinquencies, and elevated borrowing costs, especially in office and retail, continue to weigh on sentiment (pages 76 and 78).

- Global decarbonization and AI-driven data needs are cementing infrastructure as the preferred real asset allocation. Infrastructure fundraising has surged past natural resources, and LPs are allocating to specialist managers positioned to capture these long-term tailwinds (pages 88 and 89).

Macro landscape

Our "Macro environment dashboard" highlights broad economic and financial market trends. The current landscape features positive but cooling GDP growth, a twisting yield curve, and robust public market performance.

Figure 1 ▸ **Macro environment dashboard**

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Macroeconomics																		
Real GDP growth (annualized)	5.6%	6.4%	3.5%	7.4%	-1.0%	0.3%	2.7%	3.4%	2.8%	2.4%	4.4%	3.2%	1.6%	3.0%	3.1%	2.4%	-0.5%	3.0%
CPI (3-month annualized)	4.3%	9.2%	4.9%	10.4%	9.8%	11.0%	1.8%	3.3%	3.8%	3.3%	4.4%	1.8%	4.4%	1.3%	2.2%	3.5%	2.6%	2.4%
Core CPI (3-month annualized)	1.7%	9.4%	3.1%	8.1%	5.5%	7.0%	5.9%	4.3%	5.0%	4.2%	3.1%	3.4%	4.6%	2.0%	3.2%	3.1%	3.0%	2.4%
Job creation	2.0%	2.6%	2.8%	3.1%	2.0%	1.9%	1.6%	1.5%	1.4%	1.6%	1.1%	1.3%	1.3%	0.9%	0.9%	1.4%	1.5%	0.7%
Unemployment rate	6.1%	5.9%	4.7%	3.9%	3.7%	3.6%	3.5%	3.5%	3.5%	3.6%	3.8%	3.8%	3.9%	4.1%	4.1%	4.1%	4.2%	4.1%
Consumer sentiment	84.9	85.5	72.8	70.6	59.4	50.0	58.6	59.8	62.0	64.2	67.8	63.8	79.0	77.2	66.4	70.5	71.7	52.2
Business confidence	102.0	101.7	101.6	101.3	100.9	100.2	99.6	98.9	98.6	98.6	98.8	98.7	99.1	98.9	98.7	99.2	99.2	99.0
Yields																		
Federal funds rate	0.1%	0.1%	0.1%	0.1%	0.2%	1.2%	2.6%	4.1%	4.7%	5.1%	5.3%	5.3%	5.3%	5.3%	5.1%	4.5%	4.3%	4.3%
US 10-year Treasury	1.7%	1.5%	1.5%	1.5%	2.3%	3.0%	3.8%	3.9%	3.5%	3.8%	4.6%	3.9%	4.2%	4.4%	3.8%	4.6%	4.2%	4.2%
US 2-year Treasury	0.2%	0.3%	0.3%	0.7%	2.3%	2.9%	4.2%	4.4%	4.1%	4.9%	5.0%	4.2%	4.6%	4.7%	3.7%	4.3%	3.9%	3.7%
High Yield OAS	3.36	3.04	3.15	3.10	3.43	5.87	5.43	4.81	4.58	4.05	4.03	3.39	3.15	3.21	3.03	2.92	3.55	2.96
Index returns																		
S&P 500	6.2%	8.5%	0.6%	11.0%	-4.6%	-16.1%	-4.9%	7.6%	7.5%	8.7%	-3.3%	11.7%	10.6%	4.3%	5.9%	2.4%	-4.3%	10.9%
Russell 2000	12.7%	4.3%	-4.4%	2.1%	-7.5%	-17.2%	-2.2%	6.2%	2.7%	5.2%	-5.1%	14.0%	5.2%	-3.3%	9.3%	0.3%	-9.5%	8.5%
Nasdaq Composite	3.0%	9.7%	-0.2%	8.4%	-8.9%	-22.3%	-3.9%	-0.8%	17.0%	13.1%	-3.9%	13.8%	9.3%	8.5%	2.8%	6.3%	-10.3%	18.0%
Morningstar/LSTA US Leveraged Loans	1.8%	1.5%	1.1%	0.7%	-0.1%	-4.5%	1.3%	2.6%	3.2%	3.1%	3.5%	2.9%	2.5%	1.9%	2.0%	2.3%	0.5%	2.3%
Nareit All Equity REITs	8.3%	12.0%	0.2%	16.2%	-5.3%	-14.7%	-10.8%	4.1%	1.7%	1.2%	-8.3%	18.0%	-1.3%	-0.9%	16.8%	-8.2%	2.8%	-0.9%
Morningstar Infrastructure Index	5.2%	5.6%	-2.0%	8.2%	0.9%	-10.0%	-8.4%	10.4%	1.9%	1.9%	-6.9%	10.9%	2.4%	-0.1%	12.4%	-6.5%	5.3%	6.1%

Trend

| Positive |
| Neutral |
| Negative |

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, ICE Data Indexes, OECD, University of Michigan, Morningstar, PitchBook | LCD • Geography: US • As of June 30, 2025
Note: Color shading reflects the relative Z-score over the past 10 years.
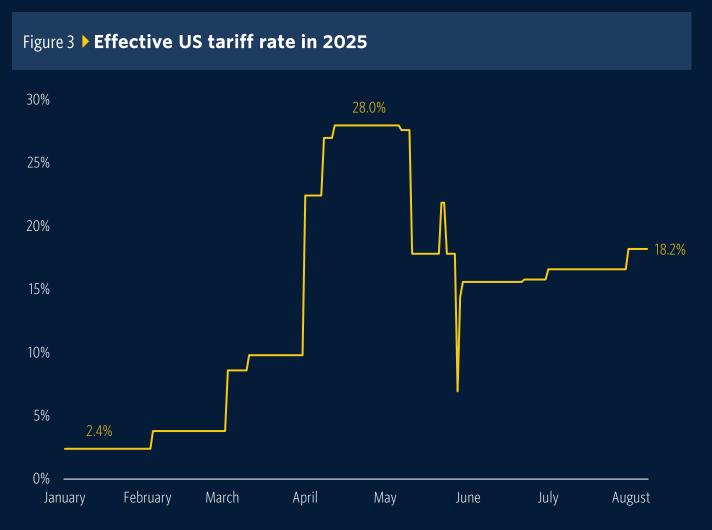
Real GDP continues to outpace the post-global financial crisis (GFC) trend through Q2 2025, with current prints buoyed by consumer spending as lower inventories and business investment indicate sluggish growth going forward.

Figure 2 ▸ **Real GDP growth compared with post-GFC trend**

Real GDP ($T) ⎯⎯ Post-GFC trend ●●● Next-four-quarter forecast ■ Annualized quarterly growth rate

Sources: Bureau of Economic Analysis, WSJ Economic Forecasting Survey • Geography: US • As of June 30, 2025

Global trade dynamics continue to dominate headlines, with US tariff rates reaching heights not seen in nearly a century. Even when substitute products can be sourced, the current tariff levels remain markedly higher than at the start of the year.
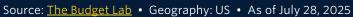
Figure 3 ▶ **Effective US tariff rate in 2025**

Figure 4 ▶ **Effective US tariff rate pre- and post-tariff announcements**

Source: The Budget Lab • Geography: US • As of July 28, 2025

Source: The Budget Lab • Geography: US • As of July 28, 2025
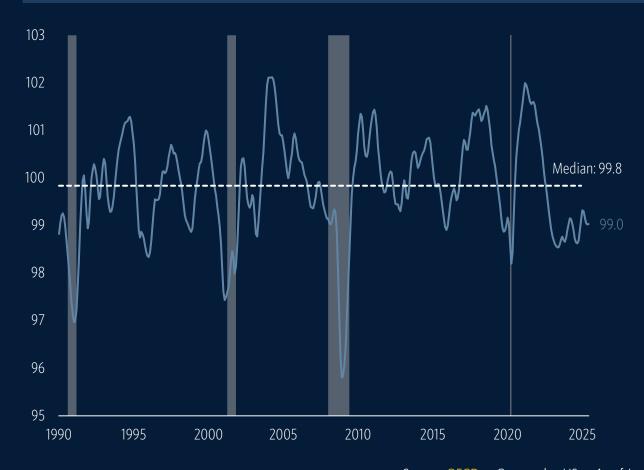
Economic policy uncertainty continues to weigh on both consumer and business sentiment, as shifting trade deals and temporary tariff pauses complicate planning and purchasing decisions.

Figure 5 ▶ **University of Michigan Consumer Sentiment Index**

Median: 87.6

61.8

Source: University of Michigan • Geography: US • As of July 31, 2025

Figure 6 ▶ **Business Confidence Index**

Median: 99.8

99.0

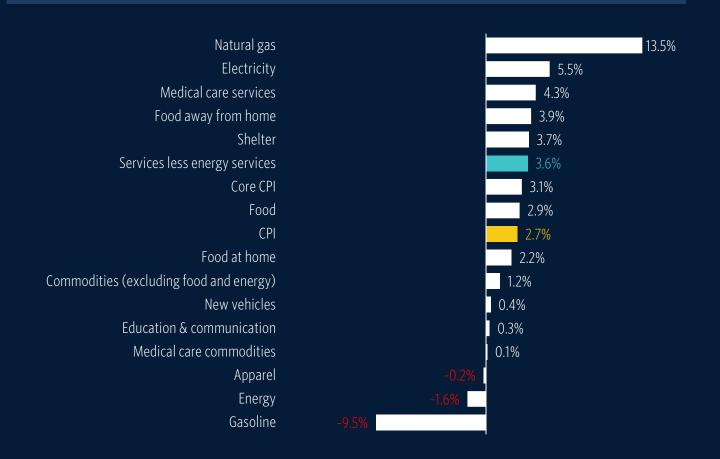Source: OECD • Geography: US • As of June 30, 2025

Natural gas, food, and housing costs were the primary contributors keeping inflation elevated in H1 2025. With inflation running above the Fed's 2% target, the prospect of a higher-for-longer rate environment increase. At the same time...

Figure 7 ▸ YoY change in CPI

- CPI
- Core CPI

3.1%
2.7%
2% target

Source: Bureau of Labor Statistics • Geography: US • As of July 30, 2025

Figure 8 ▸ CPI one-year change by select categories

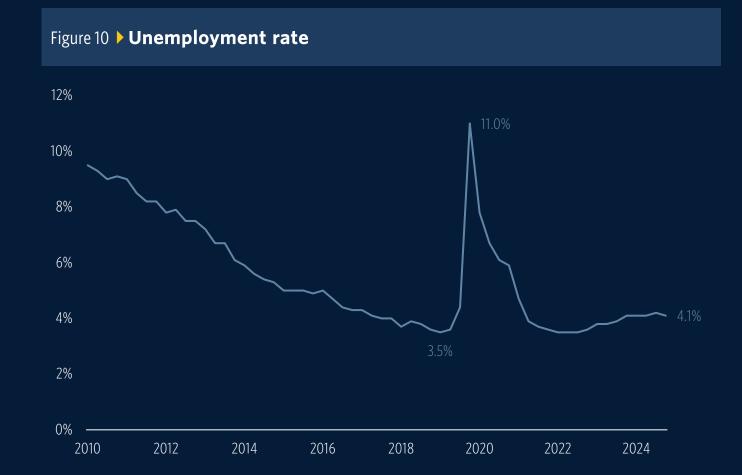| Category	Value
Natural gas	13.5%
Electricity	5.5%
Medical care services	4.3%
Food away from home	3.9%
Shelter	3.7%
Services less energy services	3.6%
Core CPI	3.1%
Food	2.9%
CPI	2.7%
Food at home	2.2%
Commodities (excluding food and energy)	1.2%
New vehicles	0.4%
Education & communication	0.3%
Medical care commodities	0.1%
Apparel	-0.2%
Energy	-1.6%
Gasoline	-9.5%

Source: Bureau of Labor Statistics • Geography: US • As of July 30, 2025

...the Fed faces a balancing act as a decrease in job seekers is driving stability in the unemployment rate amid a sharp QoQ decline in private payrolls.

Figure 9 ▶ **QoQ payroll change**

Pre-pandemic average: 1.1%

0.7%

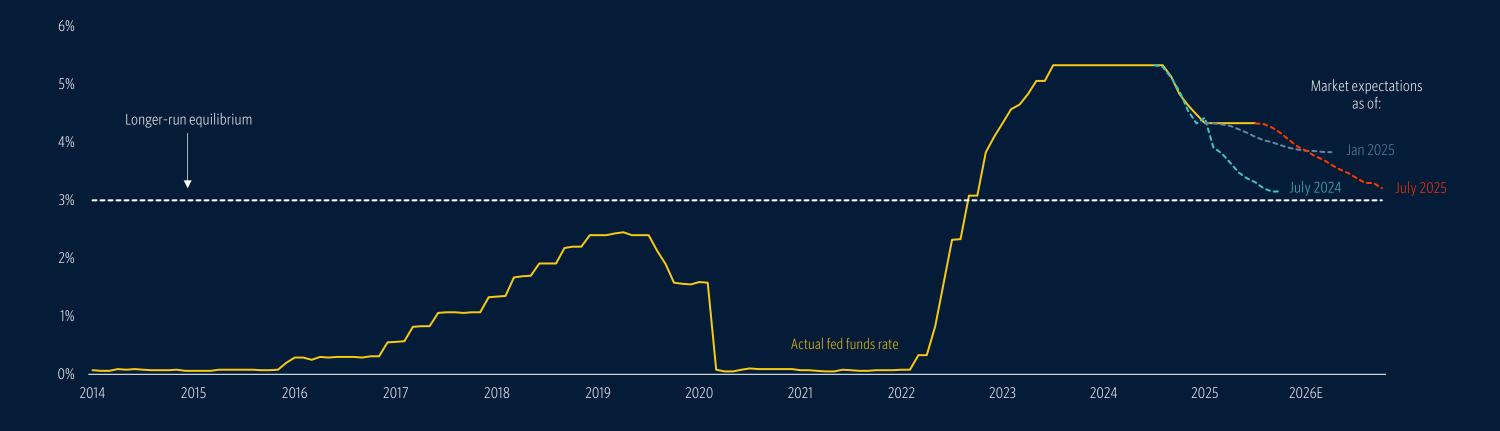Figure 10 ▶ **Unemployment rate**

11.0%

3.5%

4.1%

Source: Bureau of Labor Statistics • Geography: US • As of June 30, 2025

Source: Bureau of Labor Statistics • Geography: US • As of June 30, 2025

Through mid-2025, the Fed has continued to hold policy rates stable. Investors expect cuts going forward but have adjusted their expectations that the pace of cuts will be slower than previously anticipated.

Figure 11 ▶ **Federal funds rate with forward market expectations**

Sources: Federal Reserve, CME Group • Geography: US • As of July 31, 2025
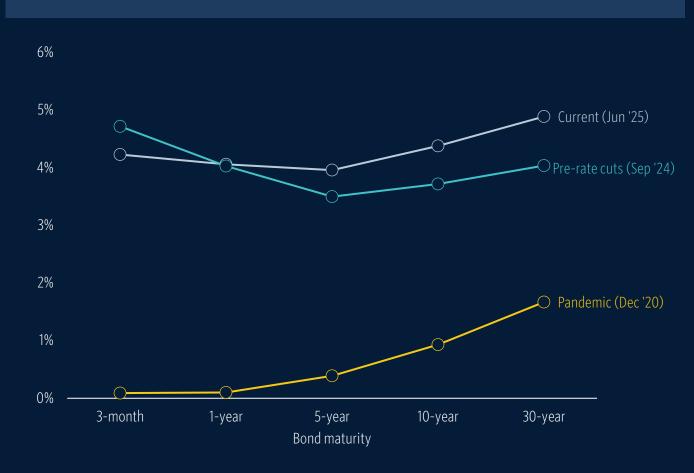
With break-even inflation expectations remaining stable over the past couple of years, the recent sell-off in 10-year Treasury bonds has led to real yields stabilizing at their highest levels in 15 years.

Figure 12 ▶ **10-year Treasury real yields versus nominal yields (monthly series)**

Legend: Negative real yield • 10-Year Treasury • Break-even inflation • Real rate

Labels: 4.4%, 2.3%, 2.1%

Source: FRED • Geography: US • As of June 30, 2025

Figure 13 ▶ **Treasury market yield curve**

Current (Jun '25) • Pre-rate cuts (Sep '24) • Pandemic (Dec '20)

Bond maturity: 3-month, 1-year, 5-year, 10-year, 30-year
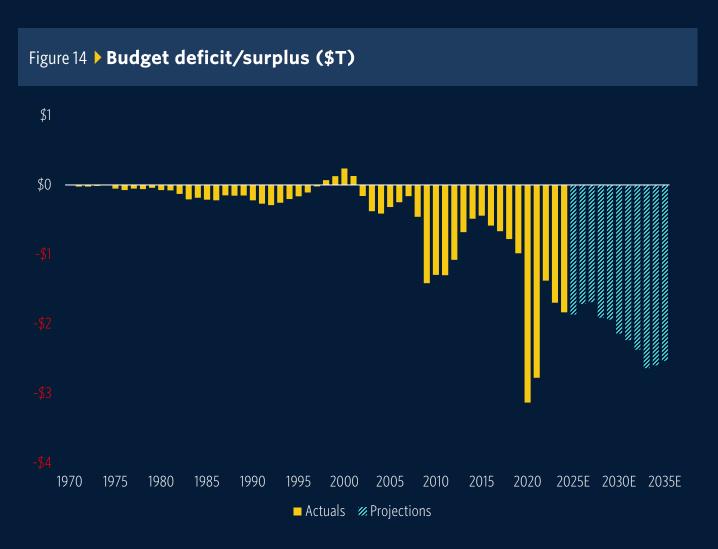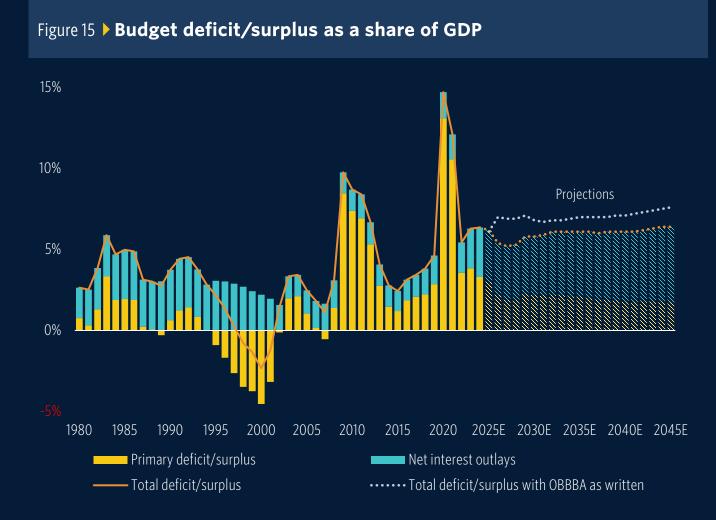
Source: FRED • Geography: US • As of June 30, 2025
Note: Treasury rates are taken from the FRED monthly data series for each bond maturity.

At the beginning of the year, the Congressional Budget Office (CBO) projected the US budget deficit to approach $3 trillion. With the passage of the One Big Beautiful Bill Act (OBBBA), that figure is now expected to climb even higher.

Figure 14 ▶ Budget deficit/surplus ($T)

Actuals ▪ Projections

Source: CBO • Geography: US • As of December 31, 2024
Note: 2025 to 2035 are CBO projections.

Figure 15 ▶ Budget deficit/surplus as a share of GDP

Projections

Primary deficit/surplus ▪ Net interest outlays
Total deficit/surplus ▪ Total deficit/surplus with OBBBA as written

Sources: CBO, The Budget Lab • Geography: US
CBO projections are as of March 31, 2025.
The Budget Lab analysis is as of July 1, 2025.
*Note: Total deficit/surplus is a CBO projection. The total deficit/surplus with the
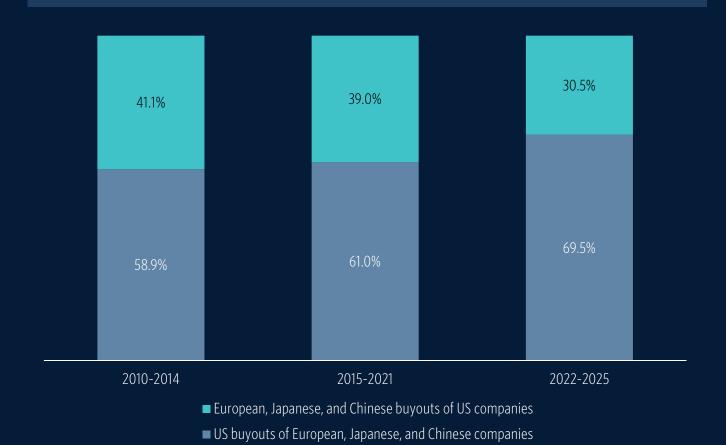OBBBA as written is from The Budget Lab.*

Rising US debt levels, uncertainty around tariff and trade policy, and questions over Fed independence are all potential headwinds for the US dollar, altering US sponsors' purchasing power for cross-border deals.

Figure 16 ▶ **Dollar Index price (DXY)**

- DXY
- 2010-2014 avg.
- 2015-2021 avg.
- 2022-2025 avg.

Source: Morningstar • Geography: US • As of July 25, 2025

Figure 17 ▶ **Share of cross-border buyout deal value by acquirer country**

	2010-2014	2015-2021	2022-2025
European, Japanese, and Chinese buyouts of US companies	41.1%	39.0%	30.5%
US buyouts of European, Japanese, and Chinese companies	58.9%	61.0%	69.5%

■ European, Japanese, and Chinese buyouts of US companies
■ US buyouts of European, Japanese, and Chinese companies

Source: PitchBook • Geography: Global • As of June 30, 2025

Asset allocation

Dealmaking has yet to fully take off in 2025 as anticipated, with tariff turmoil leaving the markets with heightened uncertainty. But green shoots are emerging, IPO activity is picking up, and exit conditions are starting to improve.

Figure 18 ▶ Private markets dashboard

		Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Deal value ($B)	Buyout	$75.4	$157.9	$184.3	$131.5	$121.7	$77.8	$105.8	$159.1	$65.7	$67.4	$79.7	$71.4	$61.0	$53.1	$71.9	$110.9	$81.8	$68.8
	PE growth	$20.8	$14.4	$25.7	$23.5	$25.1	$12.8	$14.7	$10.2	$13.0	$10.0	$16.7	$11.3	$25.2	$13.1	$30.4	$20.6	$40.7	$11.2
	Leveraged loans	$46.7	$48.6	$53.7	$23.8	$47.8	$22.2	$16.5	$4.9	$7.1	$11.6	$19.9	$3.3	$20.6	$14.7	$26.1	$11.5	$25.3	$19.8
	PE exits via IPOs	$40.1	$92.3	$76.4	$24.4	$0.2	$2.2	$0.0	$0.0	$0.9	$3.5	$2.0	$1.8	$1.5	$15.0	$8.7	$13.8	$83.9	$7.2
	PE exits via M&A	$89.1	$32.6	$77.0	$68.8	$31.8	$29.9	$33.4	$23.7	$23.9	$18.1	$24.0	$28.6	$22.4	$34.7	$44.7	$33.5	$64.7	$29.0
	Early-stage VC	$17.0	$22.1	$21.6	$29.1	$23.3	$20.1	$14.2	$12.2	$11.0	$11.5	$9.5	$8.6	$12.0	$18.3	$12.5	$12.1	$13.5	$14.6
	Late-stage VC	$34.8	$37.2	$44.5	$43.3	$34.9	$30.3	$17.0	$13.7	$23.9	$15.9	$16.4	$18.6	$19.7	$16.8	$17.4	$31.2	$23.7	$22.3
	VC exits via IPOs	$146.9	$184.7	$114.3	$125.2	$2.7	$1.6	$0.6	$1.8	$1.2	$3.5	$20.4	$0.9	$13.3	$14.5	$1.2	$12.1	$20.8	$23.5
	VC exits via M&A	$14.5	$23.3	$34.5	$34.5	$12.1	$12.9	$11.2	$5.1	$8.0	$2.5	$8.6	$12.6	$9.7	$10.1	$9.5	$14.1	$16.1	$19.8
VC Dealmaking Indicator	Early-Stage Index	39.1	33.1	27.3	22.2	19.8	23.1	32.6	46.5	60.3	70.1	77.6	83.0	81.0	77.0	72.2	66.5	60.7	57.0
	Late-Stage Index	40.4	34.8	28.6	24.1	22.9	24.1	31.1	41.1	52.5	63.1	70.5	75.6	79.8	81.7	81.9	80.5	78.1	77.5
	Venture-Growth Index	34.6	30.4	27.4	24.4	24.2	29.0	38.1	48.3	58.4	69.0	77.1	84.8	87.9	85.8	80.8	75.6	71.2	66.8
PitchBook Index returns	Private equity	10.8%	13.7%	7.8%	6.4%	0.7%	-2.5%	-0.5%	1.0%	3.3%	3.0%	0.9%	2.8%	2.2%	2.2%	3.5%	2.4%	0.3%	
	Venture capital	5.4%	6.9%	9.3%	7.3%	7.4%	3.1%	-0.2%	-0.8%	-1.3%	0.3%	-2.3%	-2.9%	-0.3%	-0.2%	0.6%	-0.6%	-0.4%	
	Private credit	5.6%	5.8%	9.2%	9.2%	4.1%	3.6%	4.7%	3.6%	3.0%	2.0%	2.9%	3.6%	3.5%	2.9%	4.8%	5.6%	2.5%	
	Infrastructure	9.4%	11.9%	7.2%	6.0%	1.8%	-1.7%	-0.3%	0.5%	1.8%	2.1%	0.6%	1.7%	2.2%	1.9%	2.8%	1.6%	0.5%	
	Real estate	4.4%	6.9%	3.0%	2.5%	3.2%	-1.2%	0.7%	2.3%	3.3%	1.6%	3.7%	2.0%	2.0%	3.0%	2.5%	0.5%	1.7%	
	All private capital	9.1%	8.8%	3.8%	9.5%	7.5%	13.1%	6.8%	6.9%	19.4%	5.4%	3.3%	5.9%	4.6%	3.7%	2.1%	5.3%	2.8%	

Trend

| Positive |
| Neutral |
| Negative |

Source: PitchBook | LCD • Geography: US • As of June 30, 2025

Note: Private Capital Index data has preliminary returns through Q1 2025. Color shading reflects the relative Z-score over the past 10 years.

Natural resources and infrastructure set the pace for overall fund performance in 2024, while real estate strategies once again failed to generate positive IRRs.
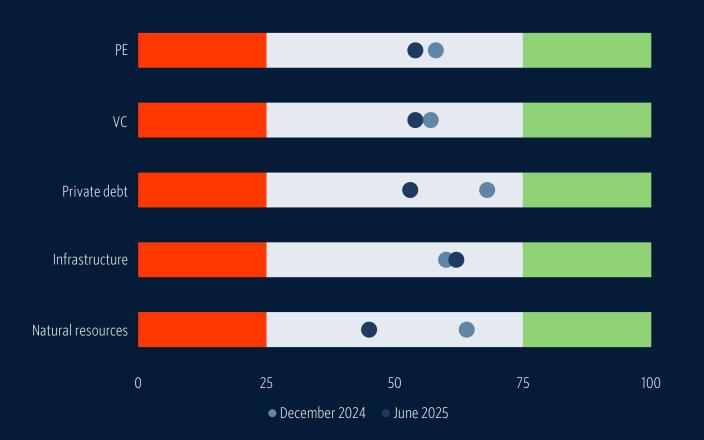
Figure 19 ▸ Pooled IRRs by strategy

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	15-year horizon IRR
Middle-market buyout 29.1%	Natural resources -0.4%	Private debt 19.1%	Secondaries 23.5%	Secondaries 19.4%	Buyout megafunds 17.8%	Buyout megafunds 26.1%	VC 21.0%	Buyout megafunds 19.0%	Middle-market buyout 19.7%	Buyout megafunds 19.5%	VC 20.3%	Middle-market buyout 18.2%	VC 43.2%	PE growth 55.6%	Natural resources 25.0%	Buyout megafunds 12.2%	Natural resources 12.6%	Buyout megafunds 16.5%
Secondaries 28.8%	Infrastructure -5.2%	Middle-market buyout 9.4%	Buyout megafunds 22.0%	Natural resources 16.3%	Opportunistic real estate 13.7%	VC 22.4%	Opportunistic real estate 16.8%	Value-add real estate 16.2%	Natural resources 16.5%	Middle-market buyout 17.6%	PE growth 19.4%	PE growth 18.1%	PE growth 34.9%	VC 55.1%	Infrastructure 14.1%	Private debt 10.5%	Infrastructure 11.5%	PE growth 15.8%
Infrastructure 27.7%	Secondaries -12.1%	Buyout megafunds 9.3%	PE growth 20.2%	Opportunistic real estate 12.8%	Private debt 13.4%	PE growth 17.6%	Buyout megafunds 16.8%	Middle-market buyout 11.9%	All private capital 10.8%	Secondaries 17.3%	Secondaries 16.6%	VC 17.0%	Buyout megafunds 28.0%	FoF 51.8%	Value-add real estate 10.0%	Middle-market buyout 9.4%	Buyout megafunds 10.1%	Middle-market buyout 15.7%
Opportunistic real estate 26.0%	VC -12.2%	PE growth 7.1%	Private debt 19.2%	Value-add real estate 11.9%	PE growth 13.0%	Value-add real estate 17.3%	Middle-market buyout 16.0%	Secondaries 11.9%	Private debt 9.8%	PE growth 16.2%	Middle-market buyout 16.1%	Buyout megafunds 15.5%	FoF 27.9%	Buyout megafunds 44.8%	Opportunistic real estate 9.9%	PE growth 6.9%	PE growth 9.9%	All private capital 13.1%
All private capital 19.7%	FoF -14.3%	Natural resources 3.6%	Opportunistic real estate 19.2%	PE growth 11.6%	Secondaries 12.2%	All private capital 17.0%	Value-add real estate 15.9%	VC 11.8%	Value-add real estate 9.4%	Private debt 12.1%	Value-add real estate 11.8%	Secondaries 13.1%	Middle-market buyout 27.6%	Middle-market buyout 40.2%	Middle-market buyout 5.9%	All private capital 5.8%	Middle-market buyout 8.7%	Secondaries 13.0%
FoF 19.4%	Middle-market buyout -14.7%	FoF 3.5%	Natural resources 18.8%	VC 11.5%	All private capital 12.2%	Middle-market buyout 16.4%	PE growth 15.2%	PE growth 11.7%	Opportunistic real estate 8.9%	FoF 11.8%	All private capital 11.0%	Opportunistic real estate 12.4%	All private capital 19.6%	All private capital 39.0%	Private debt 5.0%	Infrastructure 4.8%	All private capital 7.9%	VC 12.9%
Buyout megafunds 15.6%	PE growth -17.3%	All private capital 2.3%	All private capital 16.8%	Middle-market buyout 11.4%	Middle-market buyout 11.6%	Opportunistic real estate 14.8%	Infrastructure 15.2%	FoF 11.4%	Buyout megafunds 8.7%	All private capital 11.0%	Infrastructure 8.8%	All private capital 11.6%	Secondaries 14.3%	Natural resources 30.2%	Secondaries 2.8%	Secondaries 3.0%	Private debt 7.8%	FoF 12.2%
Private debt 14.4%	All private capital -19.7%	VC -0.1%	Middle-market buyout 15.7%	FoF 10.6%	Value-add real estate 11.1%	Private debt 13.0%	All private capital 15.1%	All private capital 10.3%	Infrastructure 8.7%	Value-add real estate 10.1%	FoF 8.4%	FoF 11.4%	Private debt 6.3%	Opportunistic real estate 29.7%	All private capital 0.7%	FoF 2.6%	VC 4.6%	Opportunistic real estate 11.3%
VC 13.9%	Value-add real estate -25.6%	Infrastructure -5.0%	Infrastructure 13.2%	All private capital 9.8%	FoF 7.4%	FoF 12.6%	Private debt 14.2%	Infrastructure 9.0%	PE growth 8.3%	VC 9.2%	Buyout megafunds 6.9%	Value-add real estate 8.4%	Infrastructure 5.7%	Secondaries 28.7%	Buyout megafunds -5.0%	Natural resources -3.6%	Secondaries 3.3%	Private debt 10.0%
Natural resources 12.2%	Buyout megafunds -27.5%	Secondaries -7.1%	VC 12.3%	Buyout megafunds 9.0%	Infrastructure 7.4%	Secondaries 7.7%	FoF 14.1%	Opportunistic real estate 8.9%	FoF 7.3%	Natural resources 9.0%	Private debt 5.7%	Private debt 8.1%	Value-add real estate 5.6%	Value-add real estate 28.7%	PE growth -6.2%	VC -5.2%	FoF 2.9%	Value-add real estate 9.5%
PE growth 10.0%	Private debt -27.7%	Opportunistic real estate -44.6%	FoF 11.4%	Infrastructure 5.0%	VC 7.1%	Natural resources 7.1%	Secondaries 13.4%	Private debt 3.3%	Secondaries 5.8%	Infrastructure 8.7%	Opportunistic real estate 5.2%	Infrastructure 4.1%	Opportunistic real estate 3.6%	Infrastructure 18.3%	FoF -7.6%	Opportunistic real estate -5.4%	Opportunistic real estate -0.6%	Infrastructure 9.4%
Value-add real estate -3.9%	Opportunistic real estate -29.7%	Value-add real estate -45.0%	Value-add real estate -2.4%	Private debt 4.1%	Natural resources 5.9%	Infrastructure 6.1%	Natural resources -0.7%	Natural resources -17.6%	VC 0.2%	Opportunistic real estate 5.2%	Natural resources 4.5%	Natural resources -9.7%	Natural resources -14.8%	Private debt 17.1%	VC -17.2%	Value-add real estate -10.3%	Value-add real estate -2.2%	Natural resources 5.3%

Source: PitchBook • Geography: US • As of December 31, 2024
Note: Middle-market buyout funds are those between $100 million and $5 billion. Buyout megafunds are $5 billion or larger.
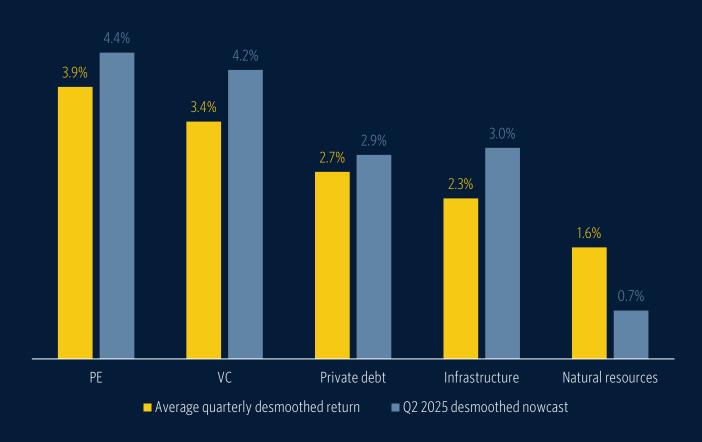
Our Private Capital Return Barometers provide a gauge for the relative attractiveness of the macro environment for private fund returns. While conditions have become less favorable since 2024, they remain above long-term historical averages.

Figure 20 ▶ **PitchBook Private Capital Return Barometers** scores

Figure 21 ▶ **PitchBook Private Capital Return Barometers** implied three-month return

● December 2024   ● June 2025

■ Average quarterly desmoothed return   ■ Q2 2025 desmoothed nowcast

Source: PitchBook • Geography: US • As of June 30, 2025
Note: The color scale represents different return environments: Red indicates a weak environment (below 25), gray represents a neutral environment (between 25 and 75), and green signifies a strong environment (above 75).

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Average quarterly returns were calculated starting in Q1 2009. The infrastructure average quarterly return was calculated starting in Q1 2019 due to data availability.

PE strategies have generated strong returns over the long run. VC has stagnated of late, while income-focused private debt and infrastructure have gained momentum.

Figure 22 ▸ Hypothetical growth of $100 invested in Q1 2007 by PitchBook Private Capital Index

Middle-market buyout: $1,058
PE growth: $996
Buyout megafunds: $820
Secondaries: $761
FoF: $677
VC: $625
Infrastructure: $512
Private debt: $431
Natural resources: $277
Opportunistic real estate: $182
Value-add real estate: $167

Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

Private Capital Indexes

Our analysis assumes a person could invest quarterly in our universe of funds for which we have cash flows and NAV data available each quarter. It is a hypothetical result if someone were able to invest in a "market" portfolio of funds starting, in this case, at the beginning of 2007. We calculate the change in NAV, plus/minus cash flows that occur during each quarter, aggregated across all available funds. This allows us to build a time-weighted return series, which we have represented here as the growth of $100 invested.

Actual results experienced by investors will vary widely, and the indexes should not be considered investable.
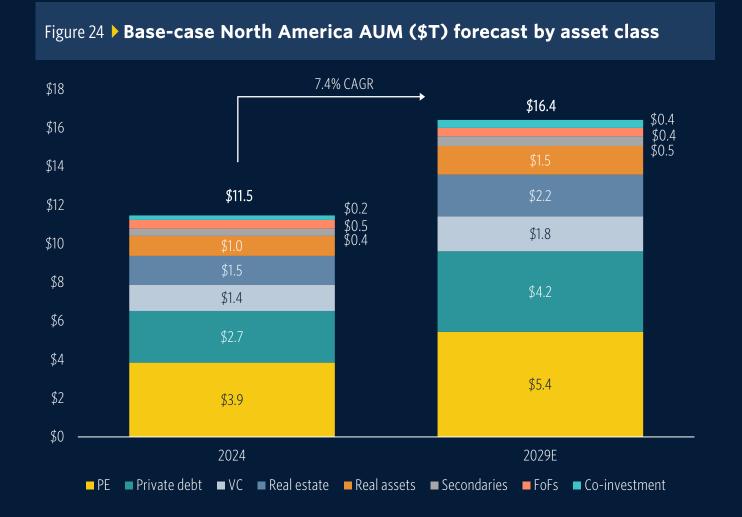
Private capital AUM expanded significantly over the past decade, led by traditional drawdown vehicles. We forecast that future growth will continue to be supported by these structures, but increasingly driven by evergreen, semi-liquid models.

Figure 23 ▶ North America private capital AUM ($T) forecast

Source: PitchBook • Geography: North America • Forecasts generated on April 14, 2025
Note: Historical data does not include evergreen structures.

Figure 24 ▶ Base-case North America AUM ($T) forecast by asset class

Source: PitchBook • Geography: North America • Forecasts generated on April 14, 2025
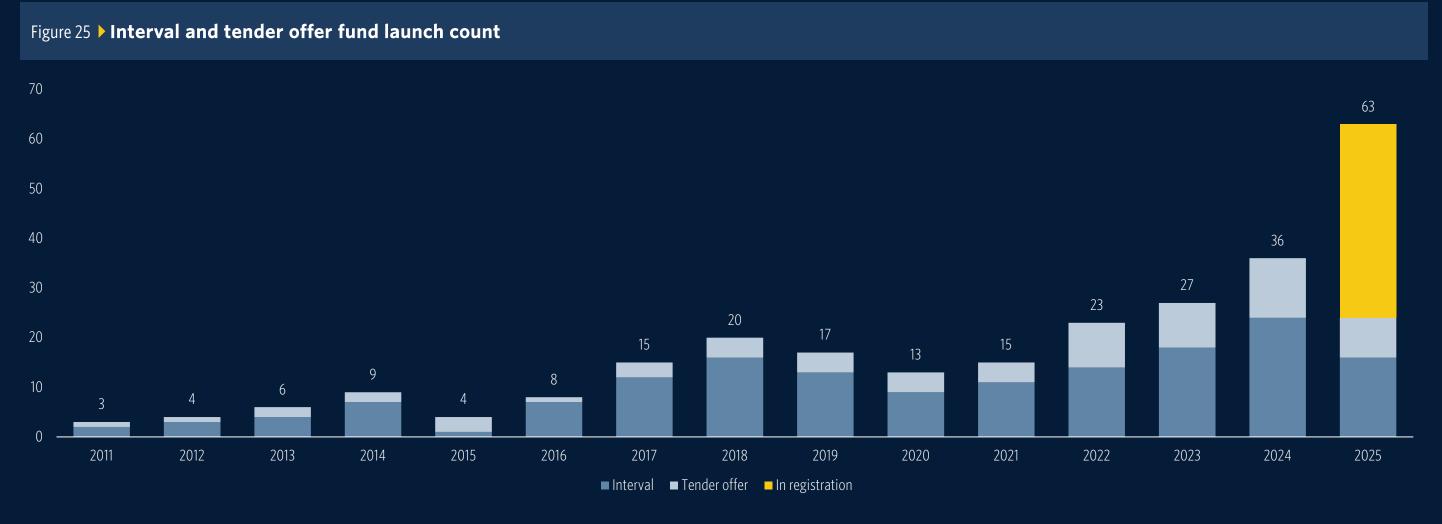
A key source of the growth in private wealth investment in private markets has been in interval and tender offer fund structures. 2025 is on pace for a record year of new launches.

Figure 25 ▸ **Interval and tender offer fund launch count**

Legend: ■ Interval ■ Tender offer ■ In registration

Year	Value
2011	3
2012	4
2013	6
2014	9
2015	4
2016	8
2017	15
2018	20
2019	17
2020	13
2021	15
2022	23
2023	27
2024	36
2025	63
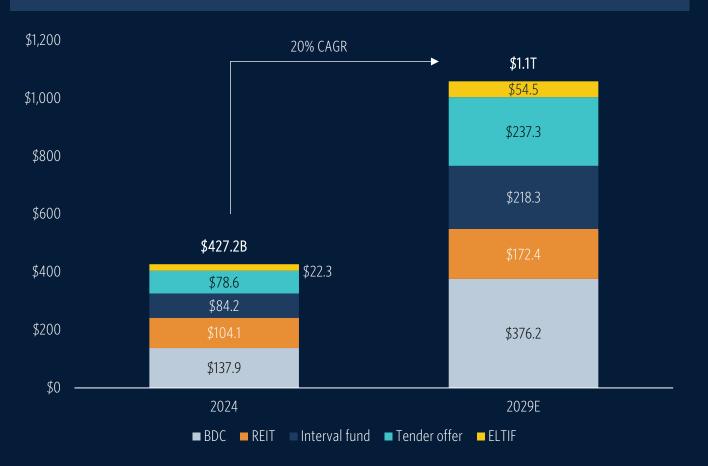
Source: Morningstar • Geography: US • As of July 15, 2025
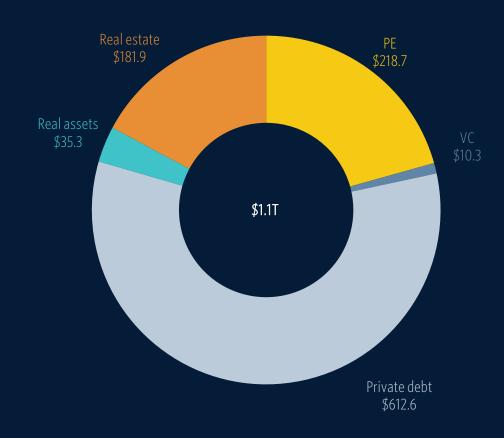
The rapid expansion of evergreen fund offerings shows no signs of slowing, with new partnerships and fund launches seemingly occurring daily. We forecast in our base case that these structures will eclipse $1 trillion in assets before 2030.

Figure 26 ▶ **Base-case wealth-focused evergreen fund AUM forecast ($B) by structure**

Source: PitchBook • Geography: US and Europe • Historical AUM and forecasts generated on April 14, 2025

Figure 27 ▶ **Base-case wealth-focused evergreen fund AUM 2029 forecast ($B) by primary asset class**
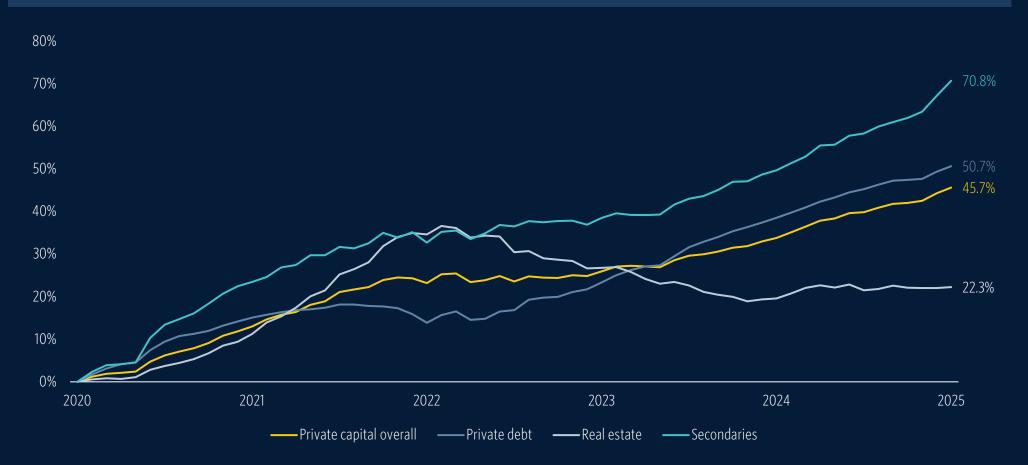
Source: PitchBook • Geography: US and Europe • Historical AUM and forecasts generated on April 14, 2025

To track returns of the growing evergreen universe, we have constructed a preliminary suite of indexes. Secondaries-focused vehicles have generated strong returns on paper.

Constructing an index

To build the suite of indexes, we incorporated a few guidelines to systematically calculate histories:

- Each index cohort includes a minimum of five funds.

- We use Class I shares or whichever share class is available when a fund has only one.

- A maximum fund weight of 20%, based on total net assets.

- A minimum of $25 million in total net assets per fund.

- Quarterly rebalancing.

- To be included, a fund must have a minimum of three months of returns history prior to the rebalance date.
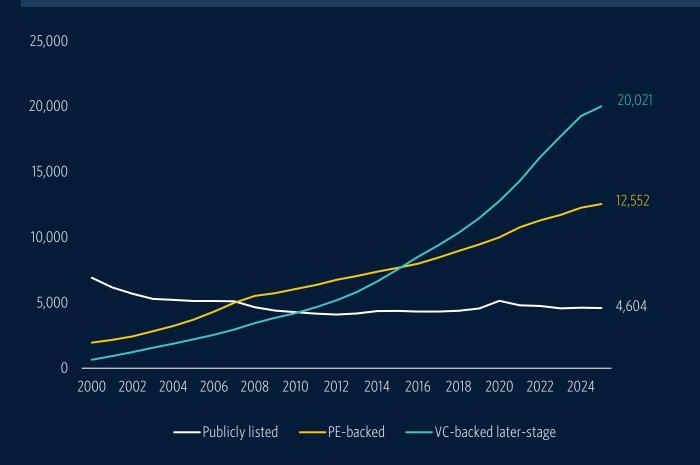
These indexes allow us to assess category-level performance trends and provide a baseline for performance attribution, peer comparison, and risk-adjusted return evaluation. They also allow us to evaluate the aggregate performance of the semi-liquid universe and various underlying strategies for asset class return comparisons.

Read more in our Q2 2025 Analyst Note: The Return of Evergreen Funds.

Figure 28 ▶ **Five-year cumulative returns of select evergreen fund indexes**

Legend: Private capital overall — Private debt — Real estate — Secondaries

Values shown: 70.8%, 50.7%, 45.7%, 22.3%

Sources: Morningstar, PitchBook • Geography: US • As of June 30, 2025
Note: These indexes are currently made up of registered interval and tender offer funds tracked by Morningstar Direct.
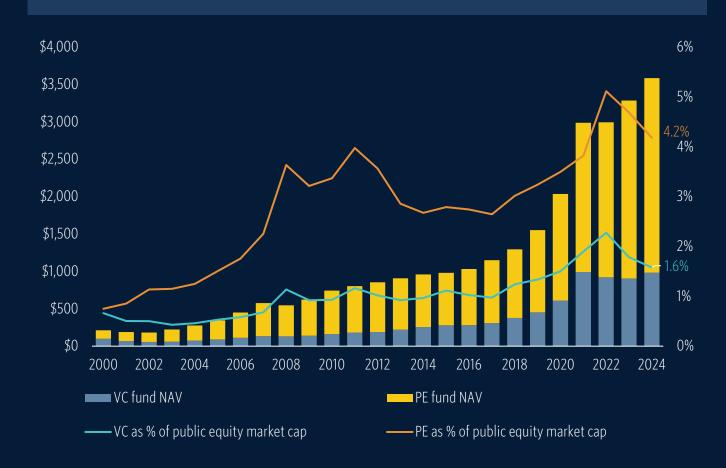
Private firms account for an increasingly large share of the overall opportunity set, yet the value of private assets held remains far below public equity market size. Investors allocating to private funds should be mindful...

Figure 29 ▸ Publicly listed versus PE- and later-stage VC-backed company count

- Publicly listed — 4,604
- PE-backed — 12,552
- VC-backed later-stage — 20,021

Legend: Publicly listed, PE-backed, VC-backed later-stage

Sources: World Bank, Statista, PitchBook, Morningstar • Geography: US • As of June 30, 2025
Note: Publicly listed data reflects domestic firms listed on the NYSE and Nasdaq from before 2024 and is from World Bank and Statista. 2024 data is from Morningstar. Later-stage VC refers to companies that have raised late-stage VC and venture-growth rounds.

Figure 30 ▸ PE and VC fund NAV ($B) as a share of public equity market cap

- PE as % of public equity market cap — 4.2%
- VC as % of public equity market cap — 1.6%

Legend: VC fund NAV, PE fund NAV, VC as % of public equity market cap, PE as % of public equity market cap
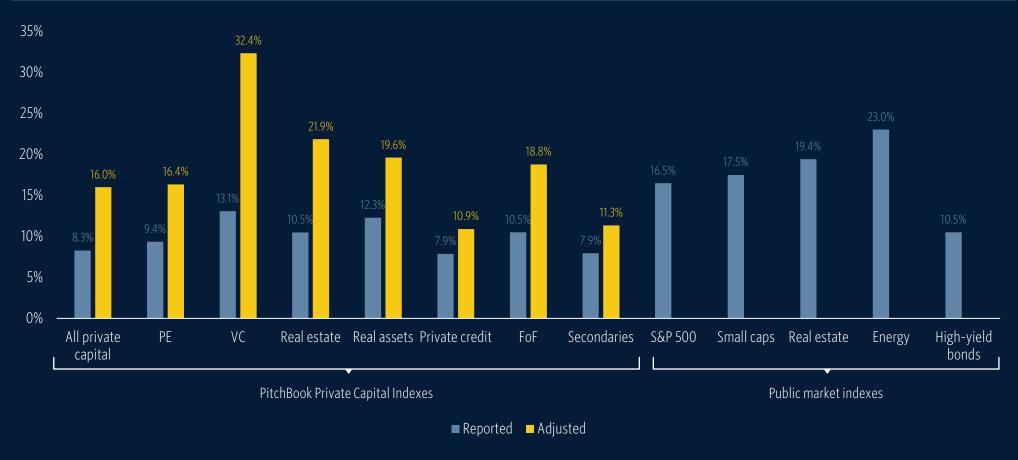
Sources: Siblis Research, PitchBook • Geography: US • As of December 31, 2024

...that volatility smoothing in private markets can distort perceived diversification. We estimate that private capital funds exhibit significantly higher volatilities than reported.

Desmoothing returns

Figure 31 ▶ Reported and adjusted private market volatility compared with public indexes

Reported and adjusted private market volatility compared with public indexes. Chart values:

Category	Reported	Adjusted
All private capital	8.3%	16.0%
PE	9.4%	16.4%
VC	13.1%	32.4%
Real estate	10.5%	21.9%
Real assets	12.3%	19.6%
Private credit	7.9%	10.9%
FoF	10.5%	18.8%
Secondaries	7.9%	11.3%
S&P 500	16.5%	
Small caps	17.5%	
Real estate	19.4%	
Energy	23.0%	
High-yield bonds	10.5%	

PitchBook Private Capital Indexes · Public market indexes

■ Reported ■ Adjusted

Sources: Morningstar, PitchBook • Geography: US • As of March 31, 2025
Note: Public indexes are based on quarter-end total returns. Public indexes aside from the S&P 500 are provided by Morningstar Indexes.

In contrast with public markets, private investments are valued largely according to appraisal-based pricing, which involves infrequent and typically unaudited approximations. Appraisal-based pricing can introduce significant downward bias on private investment volatility and correlation measures, which results in artificially higher allocations using mean-variance portfolio optimization.

To account for these smoothed returns and to provide a more accurate depiction of private market volatility, we implement a Geltner autocorrelation desmoothing method. Read more about our methodology in our Analyst Note: Return Smoothing in Private Markets.

The concentration in public equity indexes has left allocators and their advisors seeking diversification benefits, with private markets playing a key role. Using desmoothed returns, though, we find there is not a free lunch...

Figure 32 ▶ Return correlation matrix using adjusted returns since 2000

	PitchBook Private Capital Indexes							Public market indexes						
All private capital	PE	VC	Real estate	Real assets	Private debt	FoF	Second-aries	S&P 500	Small caps	Real estate	Energy	High-yield bonds	US Treasuries	
1.00	0.97	0.65	0.61	0.56	0.75	0.62	0.26	0.77	0.79	0.64	0.60	0.69	-0.39	All private capital
	1.00	0.55	0.55	0.51	0.66	0.55	0.23	0.78	0.80	0.64	0.57	0.68	-0.36	PE
		1.00	0.19	0.32	0.44	0.63	0.25	0.47	0.45	0.30	0.27	0.39	-0.33	VC
			1.00	0.31	0.47	0.28	0.14	0.35	0.36	0.38	0.27	0.24	-0.14	Real estate
				1.00	0.36	0.38	0.10	0.40	0.42	0.36	0.53	0.38	-0.25	Real assets
					1.00	0.41	0.29	0.63	0.69	0.65	0.64	0.71	-0.42	Private debt
						1.00	0.31	0.43	0.45	0.34	0.28	0.38	-0.18	FoF
							1.00	0.25	0.25	0.26	0.27	0.11	-0.16	Secondaries
								1.00	0.96	0.76	0.65	0.75	-0.40	S&P 500
									1.00	0.84	0.72	0.82	-0.38	Small caps
										1.00	0.58	0.79	-0.14	Real estate
											1.00	0.61	-0.52	Energy
												1.00	-0.25	High-yield bonds
													1.00	US Treasuries

Sources: Morningstar, PitchBook • Geography: US • As of March 31, 2025

...and from a portfolio construction standpoint, while return correlations to public equities are a key input, they are not static. Recently, private market correlations have been declining, offering credence to the diversification narrative.

Figure 33 ▶ **Rolling five-year correlation with S&P 500 quarterly returns using adjusted private capital returns**
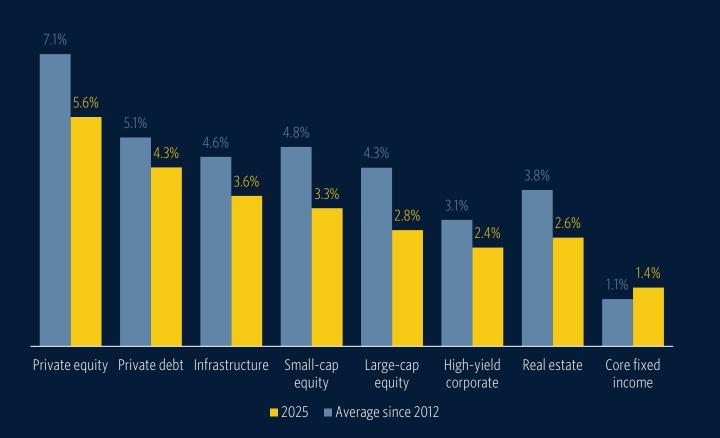
Sources: Morningstar, PitchBook • Geography: US • As of March 31, 2025
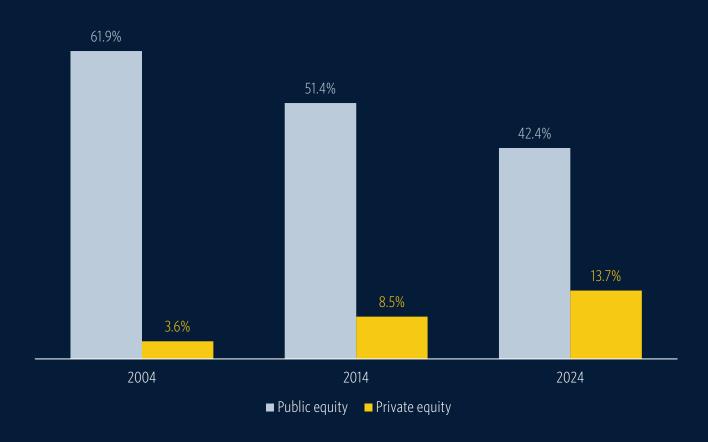
Over the past two decades, pension funds have steadily increased allocations to private equity in search of yield, responding to a prolonged period of declining risk premiums.

Figure 34 ▸ 10-year expected risk premiums for select asset classes

	Private equity	Private debt	Infrastructure	Small-cap equity	Large-cap equity	High-yield corporate	Real estate	Core fixed income
Average since 2012	7.1%	5.1%	4.6%	4.8%	4.3%	3.1%	3.8%	1.1%
2025	5.6%	4.3%	3.6%	3.3%	2.8%	2.4%	2.6%	1.4%

■ 2025   ■ Average since 2012

Sources: PitchBook, Horizon Actuarial • Geography: US • As of August 2025
Note: The private debt average is only since 2019 due to data availability.

Figure 35 ▸ Public pension plan allocation to public and private equity

	2004	2014	2024
Public equity	61.9%	51.4%	42.4%
Private equity	3.6%	8.5%	13.7%

■ Public equity   ■ Private equity

Source: Public Plans Data • Geography: US • As of December 31, 2024
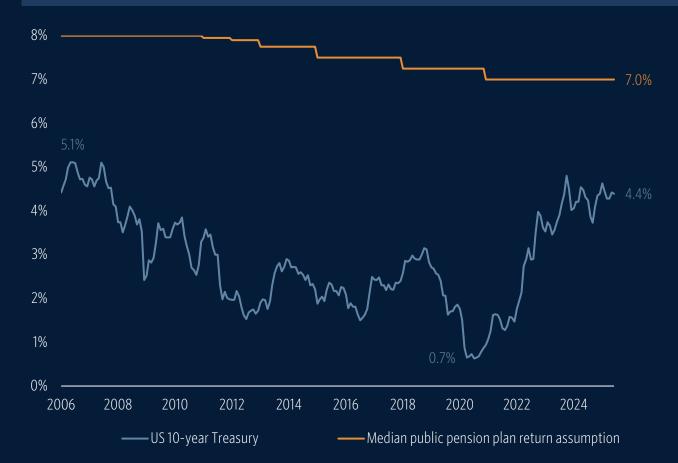
The earnings yield for equities remains historically low despite the upswing in Treasury and corporate bond rates. Also, buyout pricing has yet to reset meaningfully. Some institutional investors may revisit their need for risk-asset allocations.

Figure 36 ▶ Average yields on select asset classes

Legend: LBO EBITDA yield · S&P 500 earnings yield · ICE BofA high-yield corporate · 10-year Treasury

Values shown: 7.8%, 7.3%, 4.4%, 2.8%

Sources: PitchBook, FRED, Robert Shiller • Geography: US • As of June 30, 2025
Note: LBO EBITDA yield is the inverse of the average buyout enterprise value (EV)/EBITDA multiple.

Figure 37 ▶ Pension plan return assumptions versus 10-year Treasury

Legend: US 10-year Treasury · Median public pension plan return assumption

Values shown: 7.0%, 5.1%, 4.4%, 0.7%
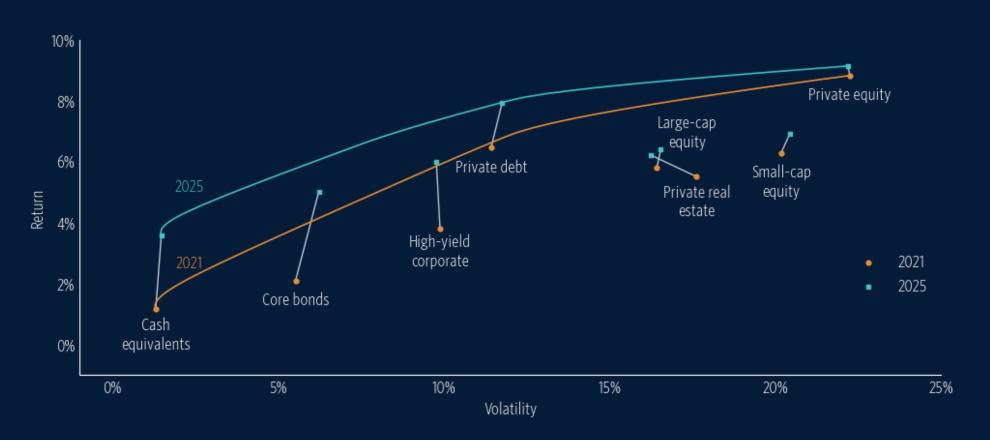
Sources: FRED, National Association of State Retirement Administrators • Geography: US • As of June 30, 2025

Recent rate hikes have flattened the efficient frontier, though this dynamic may reverse as markets begin pricing in benchmark rate cuts later this year.

Figure 38 ▶ **10-year expected risk and return for select asset classes with efficient frontiers**

Sources: PitchBook, Horizon Actuarial • Geography: US • As of August 2025

Changing expectations

For asset allocators, most of the 2010s were defined by low expected long-term returns across asset classes due to a decade of loose monetary policy in the wake of the GFC. Facing fixed return targets, many allocators were pushed "out on the risk curve." This dynamic hit an extreme after another massive episode of monetary stimuli in 2020 and 2021. Private market strategies were key beneficiaries of low expected returns as money flowed into riskier assets.
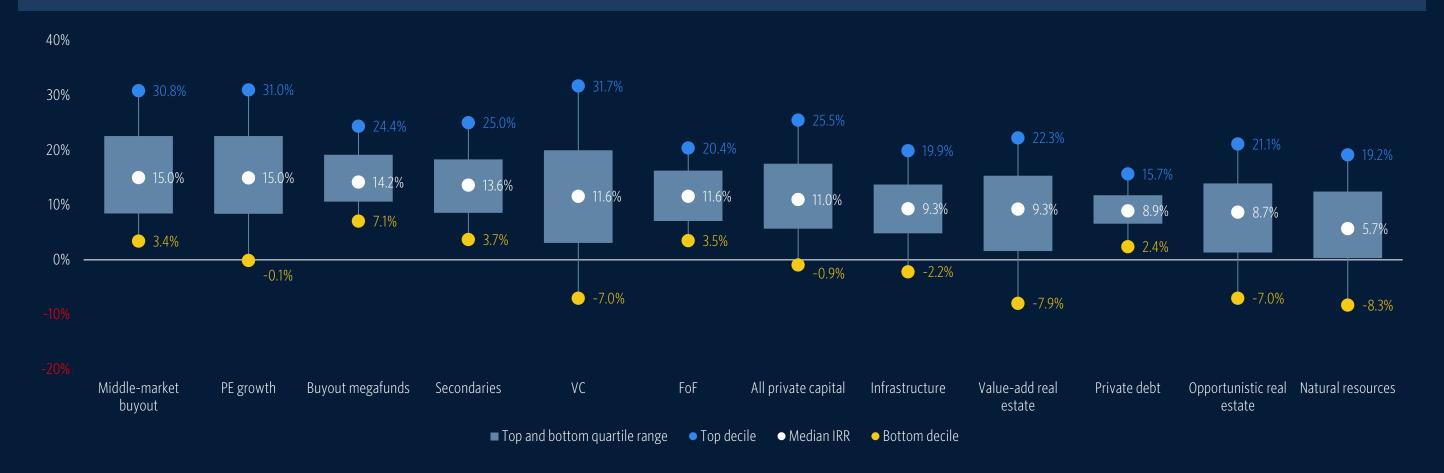
The long-term outlook for returns now looks quite different from the past decade, especially since risk premiums bottomed in 2021. The entire efficient frontier has shifted higher, but much more so on the lower end of the risk spectrum. This will allow allocators to take less risk to meet return targets and, in turn, decrease demand for risky assets such as PE and high-yield debt.

Read more in our outlook for investors 2025 Allocator Solutions: Private Market Opportunities.

Industry-wide pooled returns hide the wide dispersion that exists across fund manager performance. Individual fund returns vary considerably, and VC, for example, can offer substantial upside. Careful fund selection is crucial.

Figure 39 ▶ **Private closed-end fund net IRR dispersion by strategy (2002-2019 vintages)**

■ Top and bottom quartile range ● Top decile ● Median IRR ● Bottom decile
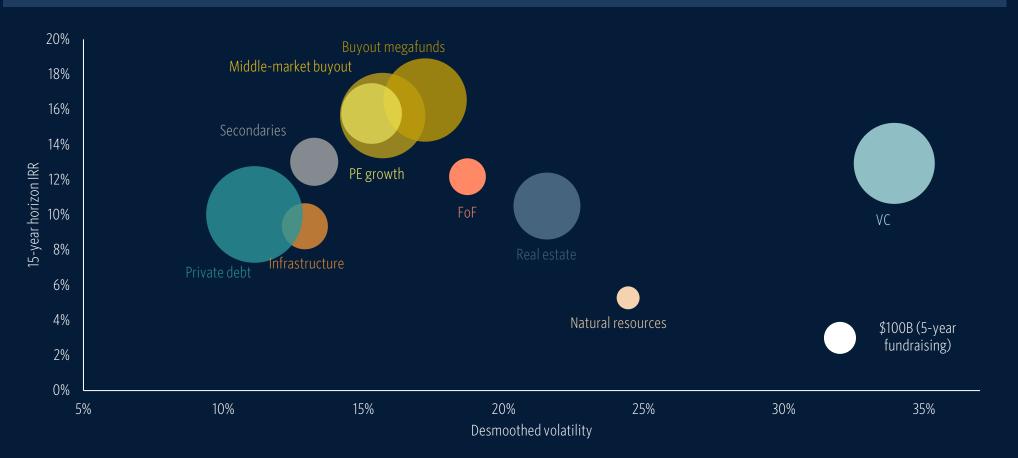
Source: PitchBook • Geography: US • As of December 31, 2024

In addition to IRR dispersion, estimated volatility can proxy risk. VC and natural resources are currently positioned well outside the efficient frontier.

Figure 40 ▶ 15-year returns by select asset classes versus estimated volatility

Source: PitchBook • Geography: US • As of December 31, 2024
Note: Fundraising data as of June 30, 2025. Bubble size corresponds to capital raised in the past five years.

LPs vote with their feet

We have seen a substantial pullback from traditional natural resources funds and in particular oil & gas, which has coincided with relatively poor performance over the past 15 years given the risk undertaken by the commodity-linked strategy.

Real estate has also seen a slower pace of new fund commitments lately, given the higher-rate environment and question marks surrounding major areas of the commercial real estate sector.

Venture funds raised a considerable amount of capital in 2020 and 2021, early on in our five-year horizon, but poor performance and low distributions as of late have undoubtedly left more VCs challenged to find LPs willing to write checks.

Private debt's relative high returns and lower risk profile compared with other private market strategies have attracted significant AUM. However, as a new strategy that came into its own post-GFC, its estimated volatility may understate potential behavior during periods of market stress.

With distributions at GFC-era lows, NAV is locked in private funds, straining LP liquidity. PE and VC lag, while private debt and real assets have delivered more reliable payouts lately.

Figure 41 ▶ Rolling 12-month distribution yields as a share of beginning NAV by asset class

Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

Similarly, funds are drawing down capital more slowly, reflecting a challenging deal environment where managers are becoming increasingly selective in their investment deployment.

Figure 42 ▶ **Rolling 12-month capital call rates as a share of beginning dry powder by asset class**

Legend: PE, VC, Private debt, Real estate, Real assets

End labels: 37.4%, 36.1%, 31.9%, 30.5%, 27.7%
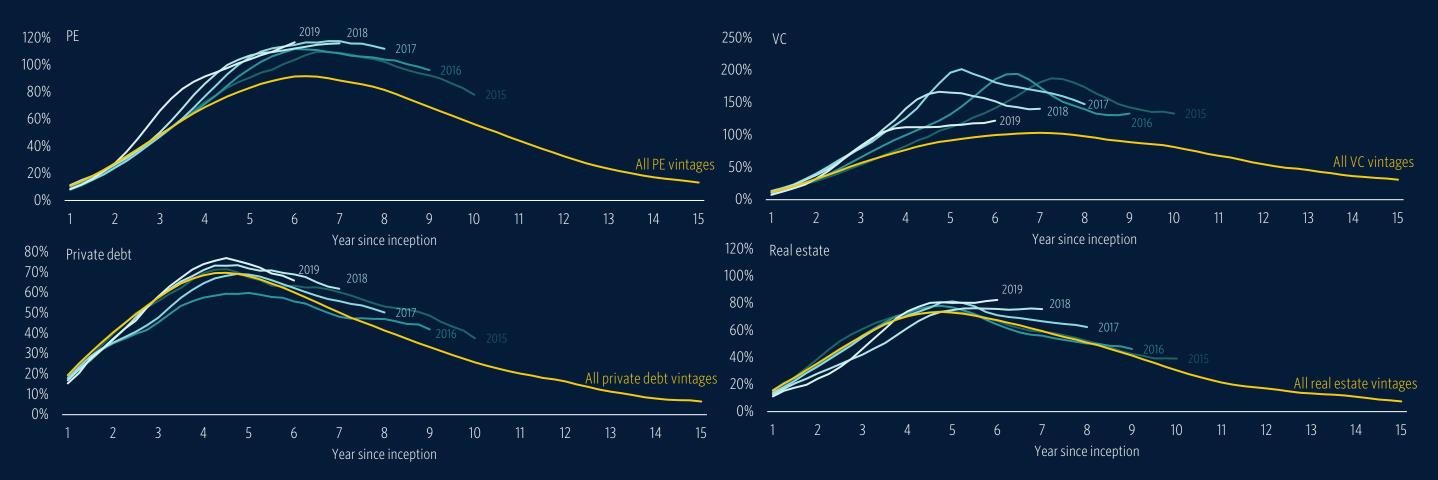
Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

PE and VC funds have seen NAVs extend beyond their expected trajectories, with sluggish realizations delaying capital returns. Income-oriented strategies like private debt have proven more reliable in returning capital.

Figure 43 ▶ Average NAV as a share of fund commitments by select vintages compared with historical averages

PE

VC

Private debt

Real estate
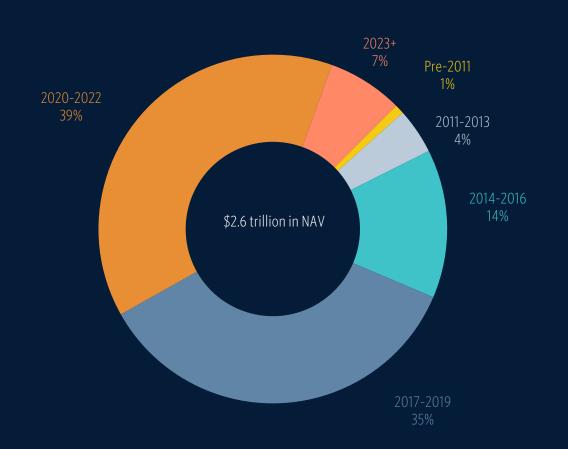
Source: PitchBook • Geography: US • As of December 31, 2024
Note: Average NAV values are smoothed using a four-quarter rolling average. All vintages refers to vintages from 1995 to 2024.
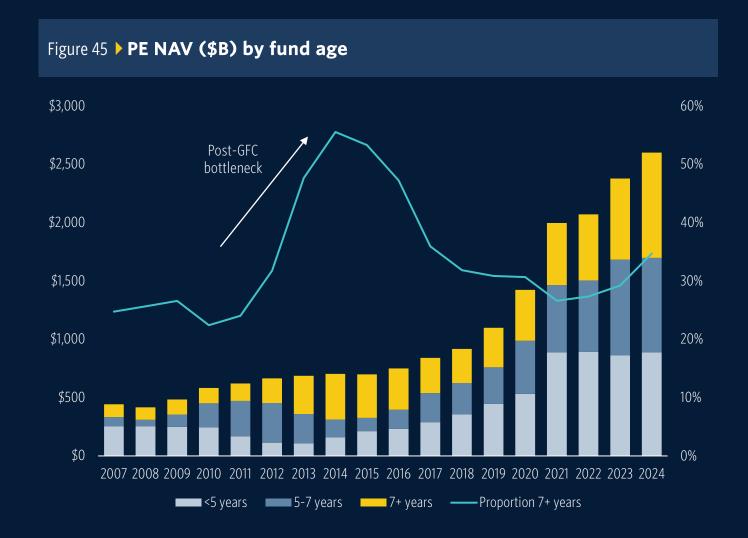
Extended NAV profiles have led to aging of the buyout fund market, with the proportion of PE funds at least 7 years old climbing to 35% during the multiyear exit drought.

Figure 44 ▶ PE NAV ($B) by vintage

$2.6 trillion in NAV

- 2023+ 7%
- Pre-2011 1%
- 2011-2013 4%
- 2014-2016 14%
- 2017-2019 35%
- 2020-2022 39%

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 45 ▶ PE NAV ($B) by fund age

Post-GFC bottleneck

Legend: <5 years | 5-7 years | 7+ years | Proportion 7+ years
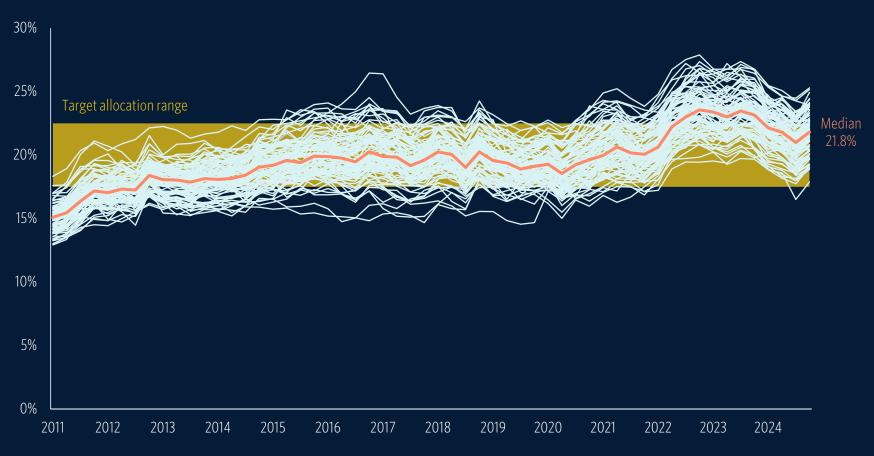
Source: PitchBook • Geography: US • As of December 31, 2024

We revisited our hypothetical allocator simulations to analyze how low distributions have affected PE exposures in a 60/40 portfolio...

Figure 46 ▶ **PE buyout allocation simulations**

Source: PitchBook • Geography: US • As of December 31, 2024

Portfolio simulations

Our simulation of hypothetical allocator portfolios was based on a simple 60/40 framework, with one-third of the equity bucket being PE buyout (20% of the total portfolio value). The 20% PE allocation target has a +/- range of 2.5%.

We used the actual historical returns for the Russell 3000 Index to represent the public equity portion of the portfolio and an aggregate high-yield bond index for the fixed-income portfolio, and included a 1.5% allocation to a Treasury bills index to represent cash. We rebalanced quarterly between the equity and bond buckets.

We generated a commitment pacing schedule using our Portfolio Forecasting tool and ran a random fund selector, picking four funds per vintage year starting in 2004 (we removed most of the ramp period from the chart). We used actual historical NAV paths for each buyout fund and tracked the hypothetical portfolios' allocations to private markets over time.

We found that relatively steady financial markets, coupled with the disciplined commitment plan, translated into more than 90% of simulated portfolios falling within the target PE allocation range for much of the 2010s.
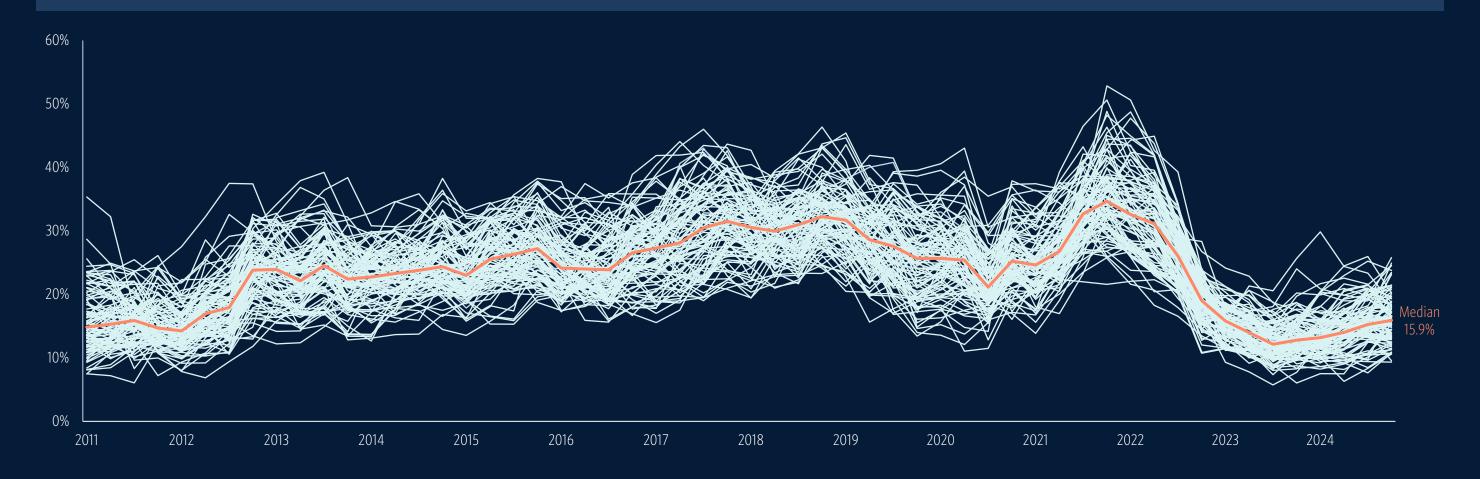
However, the majority of the simulated portfolios were overweight in PE starting in 2022 as public markets fell and the denominator effect was strong.

As public markets recovered from the end of 2022 into 2025, slow distribution yields maintained an elevated allocation, which started coming down only as we tracked the simulations through Q4 2024.

...as well as the variation in simulated distribution rates across our hypothetical buyout portfolios. The results show historically low cash returns to LPs even in the best scenarios.

Figure 47 ▶ **PE buyout distribution yield simulations**
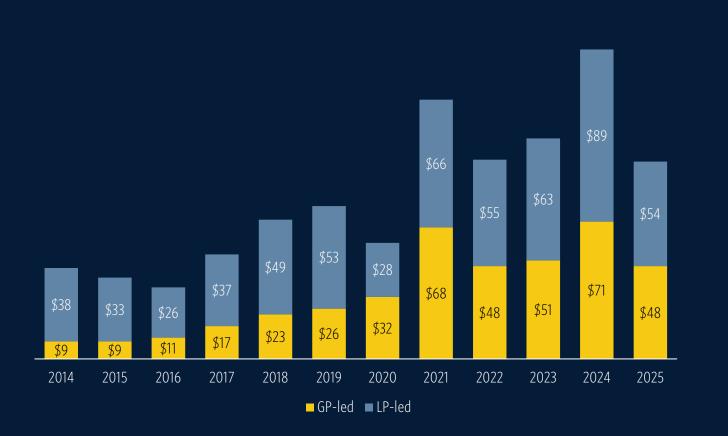
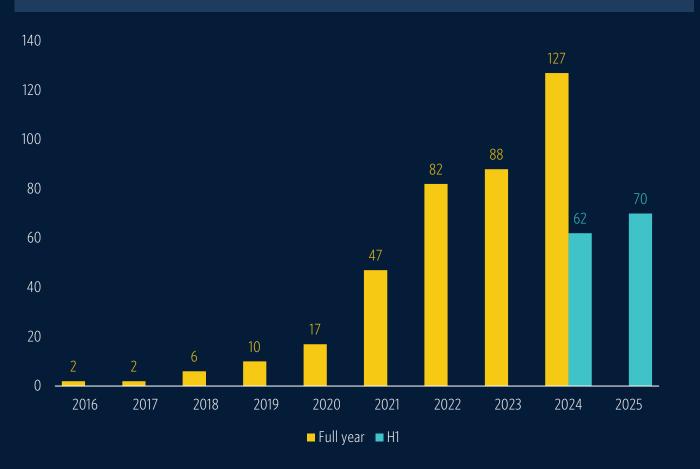Source: PitchBook • Geography: US • As of December 31, 2024

Extended PE holding times led to record secondaries transaction volumes in 2024. At $71 billion, GP-led deals have become a mainstay in liquidity solutions. 2025 is setting up for another record as fund secondaries become mainstream.

Figure 48 ▶ Secondaries transaction value ($B) by type

Year	GP-led	LP-led
2014	$9	$38
2015	$9	$33
2016	$11	$26
2017	$17	$37
2018	$23	$49
2019	$26	$53
2020	$32	$28
2021	$68	$66
2022	$48	$55
2023	$51	$63
2024	$71	$89
2025	$48	$54

Source: Evercore • Geography: Global • As of June 30, 2025

Figure 49 ▶ Notable continuation-fund-related exit count

Year	Full year	H1
2016	2	
2017	2	
2018	6	
2019	10	
2020	17	
2021	47	
2022	82	
2023	88	
2024	127	62
2025		70
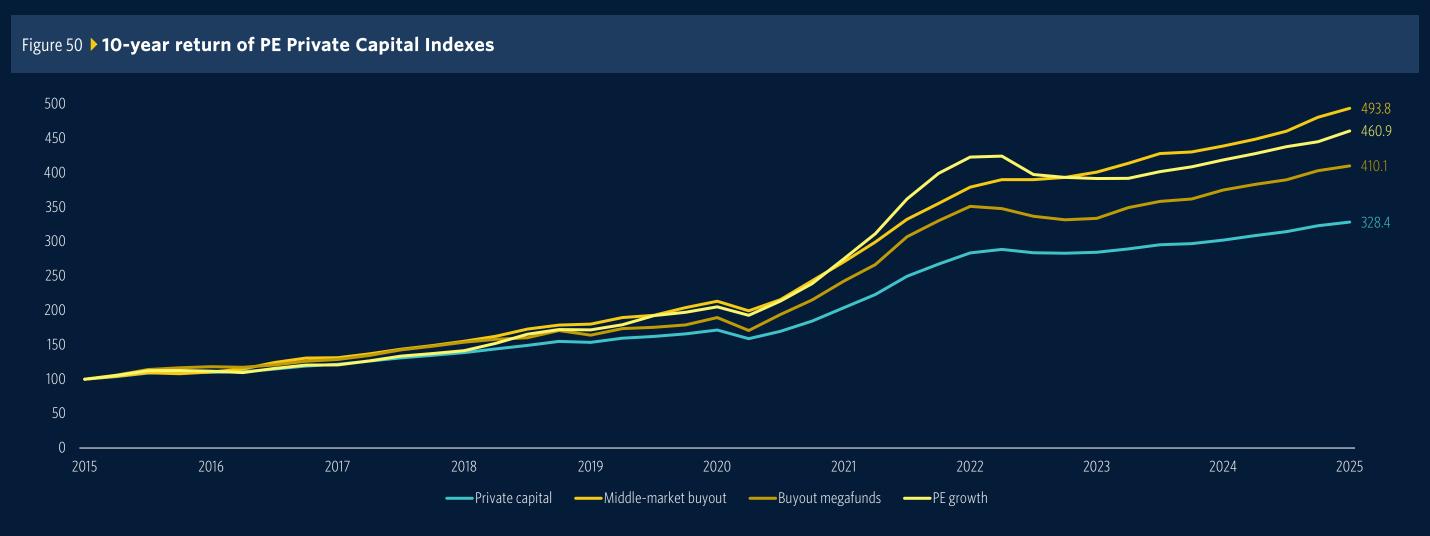
Source: PitchBook • Geography: North America and Europe • As of June 30, 2025

Private equity

Private equity has shown steady performance following a hiccup in 2022. Middle-market buyout in particular has been the top-performing PE strategy over the last decade.

Figure 50 ▸ **10-year return of PE Private Capital Indexes**

Private capital — Middle-market buyout — Buyout megafunds — PE growth

Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

The PE capital formation flywheel has slowed, with fewer exits and distributions dampening fundraising momentum. While limited in number, buyout megafunds continue to capture a disproportionately large share of commitments.

Figure 51 ▶ **PE capital raised ($B) by select strategies**

Buyout megafunds ■ Middle-market buyout ■ Under $100M ■ PE growth

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 52 ▶ **PE fund count by select strategies**

Buyout megafunds ■ Middle-market buyout ■ Under $100M ■ PE growth

Source: PitchBook • Geography: US • As of June 30, 2025
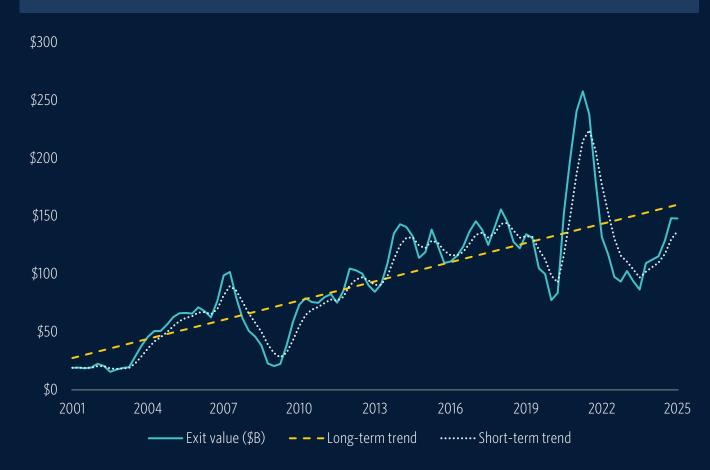
The scarcity of buyout deals and exits has been the primary drag on buyout capital formation. Encouragingly, both deal value and exit activity are beginning to revert toward long-term trends.

Figure 53 ▶ **Trailing six-month PE buyout deal value trends**

Deal value ($B) — Long-term trend ······ Short-term trend

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Data is seasonally adjusted and includes estimates for the four most recent quarters.

Figure 54 ▶ **Trailing six-month PE exit value trends**
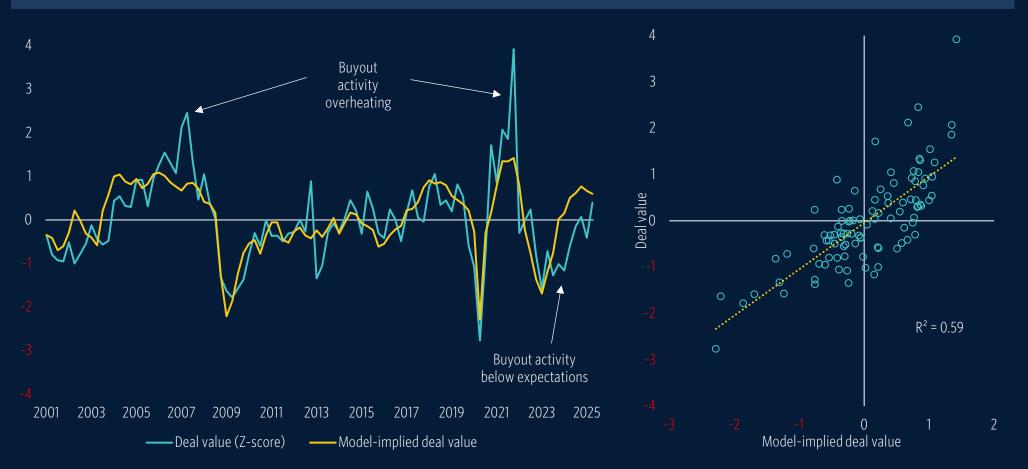
Exit value ($B) — Long-term trend ······ Short-term trend

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Data is seasonally adjusted and includes estimates for the four most recent quarters.

Our dealmaking model indicates that macroeconomic conditions have been supportive of buyout activity, yet only recently has actual deal flow begun to close the gap.

Figure 55 ▸ **Detrended quarterly PE buyout deal value versus macro model-implied deal value (Z-score)**

Source: PitchBook • Geography: US • As of June 30, 2025

Macro matters for dealmaking
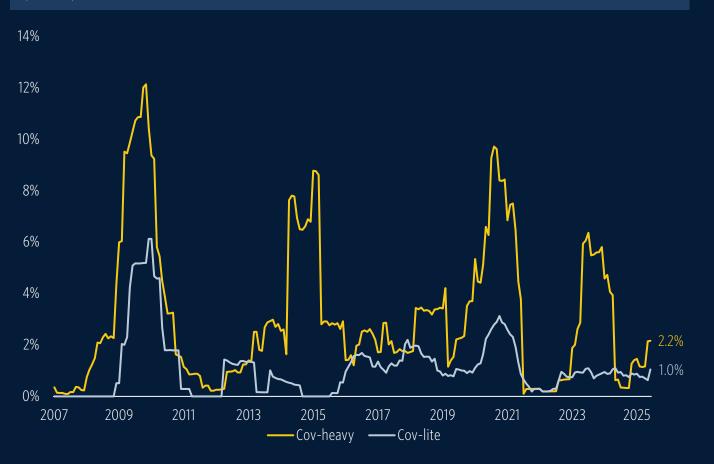
The level of buyout deal activity is heavily influenced by the macro environment. We created a simple linear model to explain the variance in quarterly PE buyout deal value with the four key macro variables: real GDP, inflation (modeled as a second-order polynomial), business confidence, and high-yield spreads. The output from this model provides a high-level contemporaneous indicator of the dealmaking environment. Using data from 2001, the model has explained 60% of the variance in quarterly deal value.

Outside of overheating activity in the pre-GFC and post-pandemic periods, the biggest gap between actual deal value and model-implied deal value occurred in Q4 2024, when deal values fell short of expectations. If macro conditions remain supportive, we expect deal activity to continue to improve over the next few quarters.
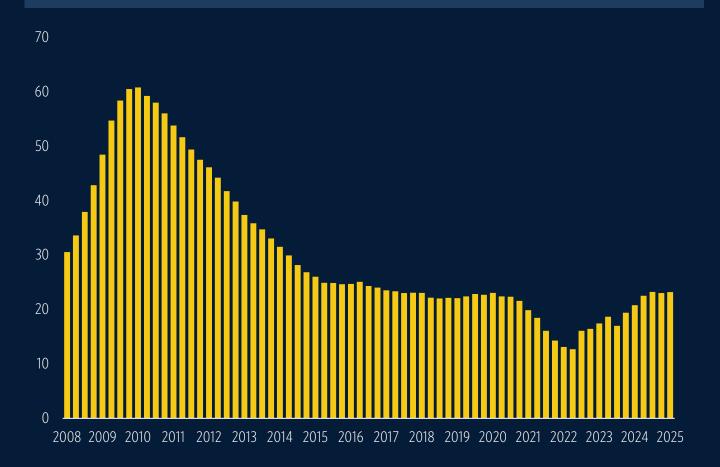
Defaults across the leveraged loan market remain muted, though this masks the extent to which borrowers are avoiding default through lender workouts. At the same time, US bankruptcy filings have been on an upward trajectory since 2022.

Figure 56 ▶ **Morningstar LSTA US Leveraged Loan Index trailing 12-month (TTM) default rates**

Sources: PitchBook | LCD, Morningstar • Geography: US • As of June 30, 2025

Figure 57 ▶ **TTM corporate bankruptcy filing count (thousands)**

Source: US Courts • Geography: US • As of March 31, 2025

Buyout portfolios are aging as limited exit options extend holding periods. The median holding period for actively held buyout-backed companies has reached 3.8 years. Over one-third of all portfolio companies have been held for at least five years.

Figure 58 ▶ **Holding period (years) of buyout-backed company inventory**

Figure 59 ▶ **Share of buyout-backed companies by holding period**

Source: PitchBook • Geography: US • As of June 30, 2025
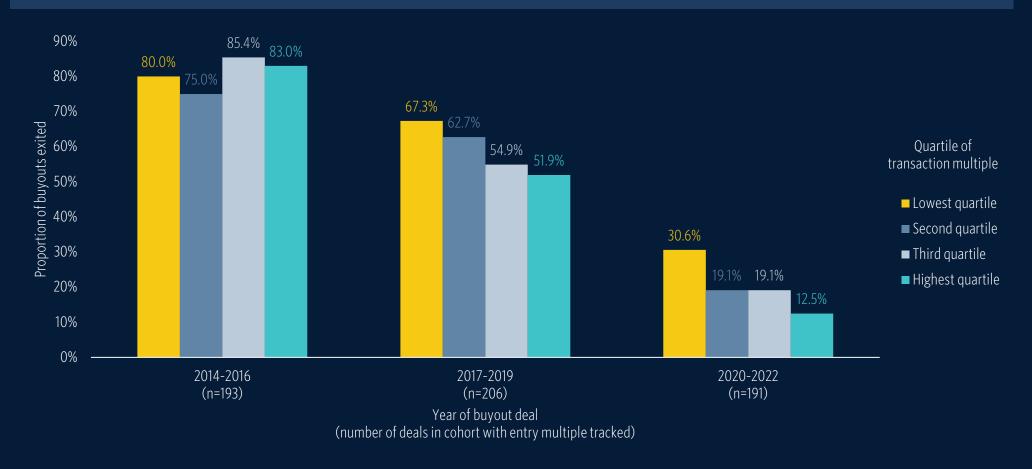
Source: PitchBook • Geography: US • As of June 30, 2025

Elevated entry multiples have led in part to the slowdown in exit activity. The highest priced buyout deals have proven to be the slowest to exit.

Figure 60 ▸ Buyout exit rates by EV/EBITDA multiple quartile at entry

Proportion of buyouts exited

2014-2016 (n=193): 80.0%, 75.0%, 85.4%, 83.0%
2017-2019 (n=206): 67.3%, 62.7%, 54.9%, 51.9%
2020-2022 (n=191): 30.6%, 19.1%, 19.1%, 12.5%

Year of buyout deal
(number of deals in cohort with entry multiple tracked)

Quartile of transaction multiple
- Lowest quartile
- Second quartile
- Third quartile
- Highest quartile

Source: PitchBook • Geography: US • As of June 30, 2025

Pricey deals slow exits
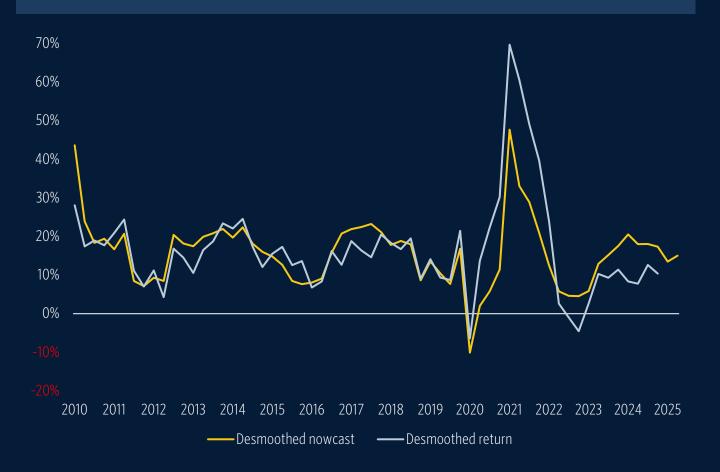
In this analysis we look at the EV/EBITDA multiple at entry across the US buyout market and group deals into quartile within each deal year. We then looked at deals within each quartile, grouped together into three-year cohorts, and tallied the portfolio companies that have since exited.

As average transaction multiples have largely risen the last decade-plus, so has the delta to the highest quartile of deals. In turn, those high-priced portfolio companies have exited at a slower pace relative the rest of the universe. In general, we find a high correlation between more recent transaction multiples and their pace of exit activity.
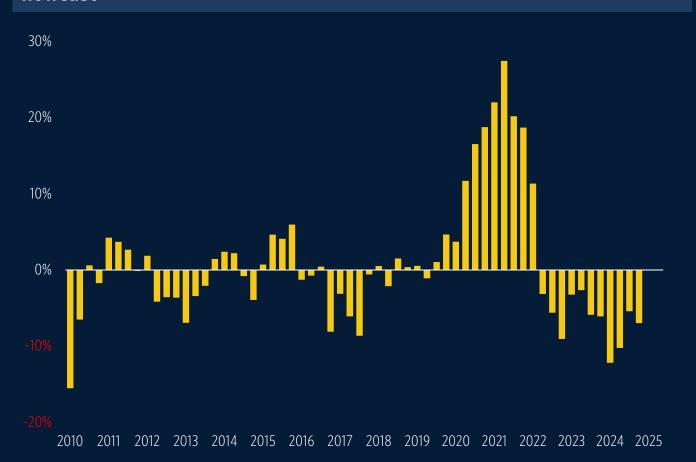
Given current market and macroeconomic conditions, the PE Barometer signals continued potential for strong returns. However, in recent years, realized PE performance has trailed the levels implied by the barometer.

Figure 61 ▶ **Rolling one-year desmoothed PE fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 62 ▶ **Difference between one-year desmoothed PE fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025

Venture capital
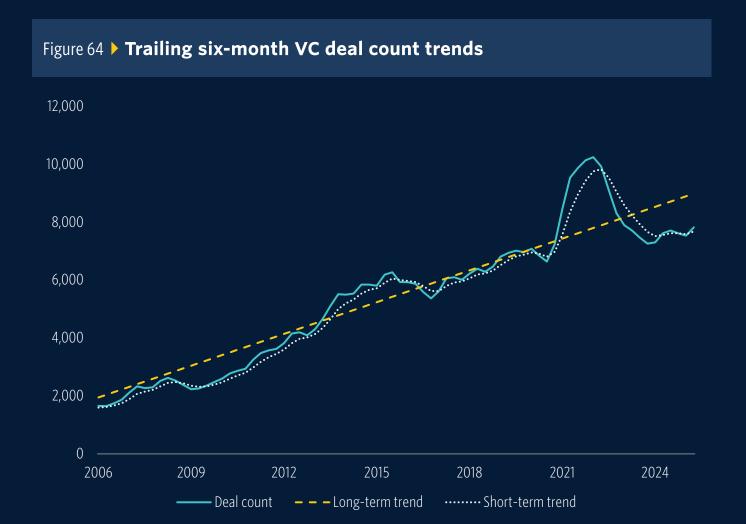
VC fund performance continues its slow recovery amid the ongoing liquidity drought. Despite widespread optimism going into the year, shifting US trade policy has added yet another obstacle to market recovery.

Figure 63 ▶ **10-year return of VC Private Capital Indexes**
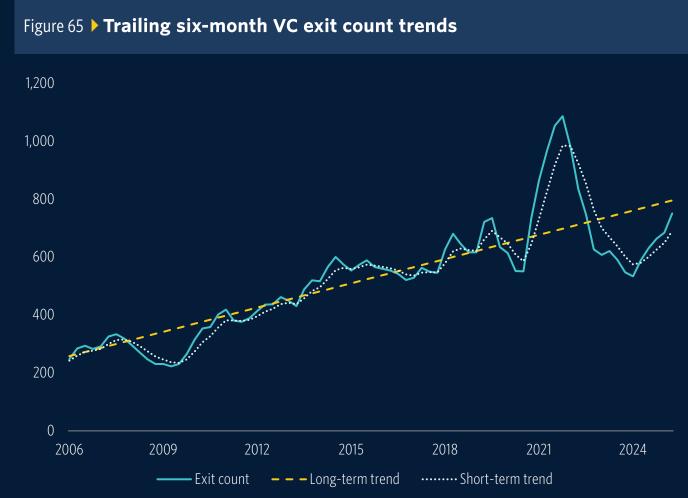
Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

Exit activity is edging closer to long-term trend lines, but the market remains in a reset, not a rebound. Ongoing exit pressures strain the capital flywheel, with contraction likely to weigh on dealmaking ahead...

Figure 64 ▸ Trailing six-month VC deal count trends

Deal count — Long-term trend .... Short-term trend

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Data is seasonally adjusted and includes estimates for the four most recent quarters.

Figure 65 ▸ Trailing six-month VC exit count trends

Exit count — Long-term trend .... Short-term trend

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Data is seasonally adjusted and includes estimates for the four most recent quarters.

…with AI & ML standing out as the sole vertical with a positive long-term trend, accounting for 64% of VC deal value in 2025.
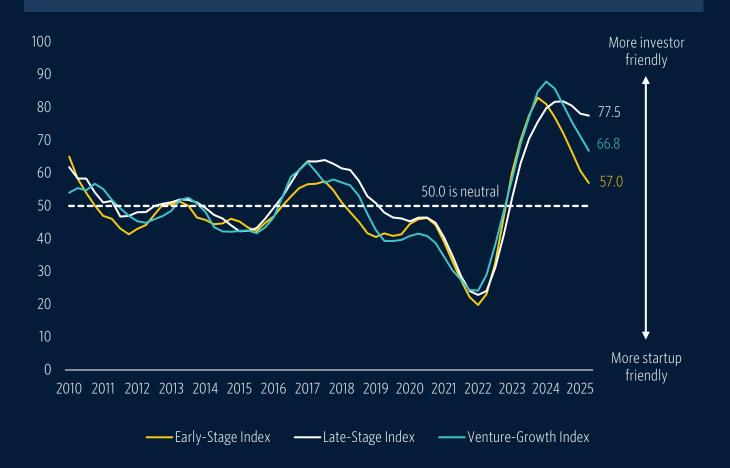
Dashboard methodology

The deal trends dashboard provides a quantitative assessment of overall deal activity in the past six months, as well as within each vertical and stage after adjusting for seasonality and reporting lags. The top seven verticals in this venture dashboard were selected based on their number of venture deals over the past two years.

The long- and short-term Z-scores represent a Z-score normalized derivative from a full-period linear trend line and a 12-month exponential moving average, respectively.

Figure 66 ▸ Trailing six-month VC deal trends dashboard

Segment	Deal count				Deal value			
	Current	% of total	Long-term score	Short-term score	Current ($B)	% of total	Long-term score	Short-term score
Total	7,826	100.0%	-1.6	-0.3	$49.5	100.0%	-0.8	-0.3
AI & ML	2,811	35.9%	2.4	0.1	$19.7	39.8%	1.6	0.2
Big Data	626	8.0%	-1.5	-0.5	$5.6	11.3%	-0.4	0.0
Fintech	854	10.9%	-0.7	-0.4	$5.9	11.9%	-0.7	-0.3
Healthcare	930	11.9%	-1.1	-0.9	$7.4	15.0%	-0.4	-0.6
Lilfe sciences	632	8.1%	-2.6	-0.9	$6.1	12.3%	-2.0	-1.5
Mobile	615	7.9%	-2.5	-0.5	$3.4	6.8%	-2.2	-0.8
SaaS	2,345	30.0%	-1.2	0.2	$16.8	33.9%	-0.6	0.5
Pre-seed/seed	2,173	27.8%	-2.8	-1.2	$6.7	13.6%	-0.7	-1.0
Early-stage VC	2,705	34.6%	-0.8	0.4	$14.7	29.7%	-1.1	-0.4
Late-stage VC	2,382	30.5%	0.4	0.4	$20.6	41.6%	-0.6	-0.1
Venture growth	554	7.1%	3.3	1.0	$7.5	15.1%	-0.2	0.6

Vertical / Stage

Trend (Z-score): -2.0 / +2.0

Source: PitchBook • Geography: US • As of June 30, 2025
Note: "Current" refers to the seasonally adjusted trailing six-month value.

AI-driven hype inflates market momentum as investors continue to chase the trend. Outside of AI, our Dealmaking Indicator shows the current dealmaking environment remains in investors' favor, though the environment is becoming more neutral.

Figure 67 ▸ **PitchBook VC Dealmaking Indicator**

More investor friendly

50.0 is neutral

77.5
66.8
57.0

More startup friendly

—— Early-Stage Index   —— Late-Stage Index   —— Venture-Growth Index

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 68 ▸ **Early-Stage AI Dealmaking Indicator**

50.0 is neutral

69.6
49.8

—— Early-Stage Index (excluding AI)   —— Early-Stage AI Index
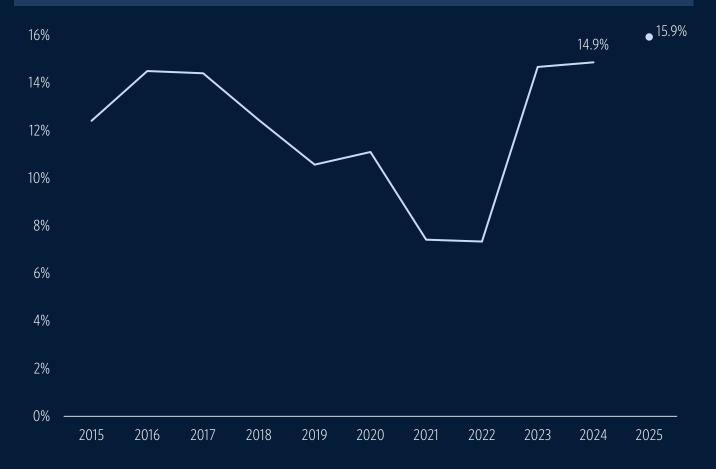
Source: PitchBook • Geography: US • As of June 30, 2025
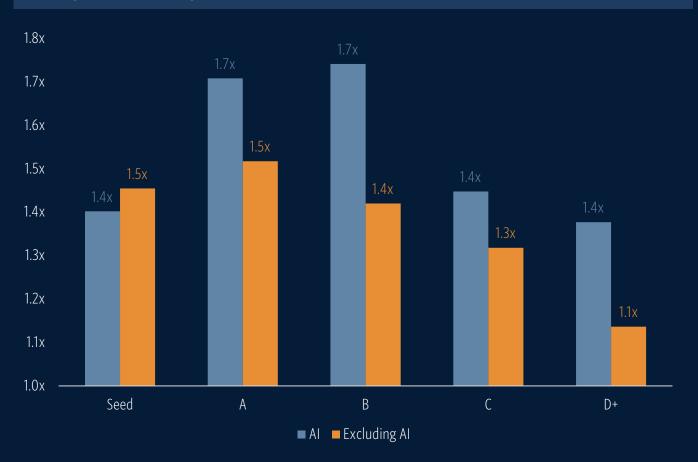
Down rounds have climbed to a decade high, around 16% of 2025 VC deals, as private valuation resets materialize. Yet, the bifurcation within venture is clear, with AI startups consistently outpacing the broader market in valuation growth.

Figure 69 ▶ Down rounds as a share of all VC deals

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 70 ▶ Median step-up multiple from latest 2021 and 2022 post-money valuation by series

Sources: PitchBook • Geography: US • As of June 30, 2025
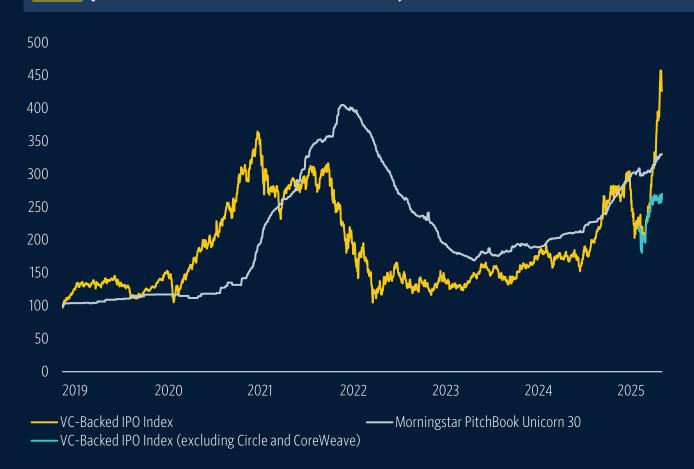
IPO sentiments remain largely subdued, while high-profile unicorn exits showcase mixed performance. Without Circle and CoreWeave, our VC-Backed IPO Index remains relatively flat.

Figure 71 ▶ **Monthly VC public listing activity**

Exit value ($B) — Exit count

Source: PitchBook • Geography: US • As of June 30, 2025
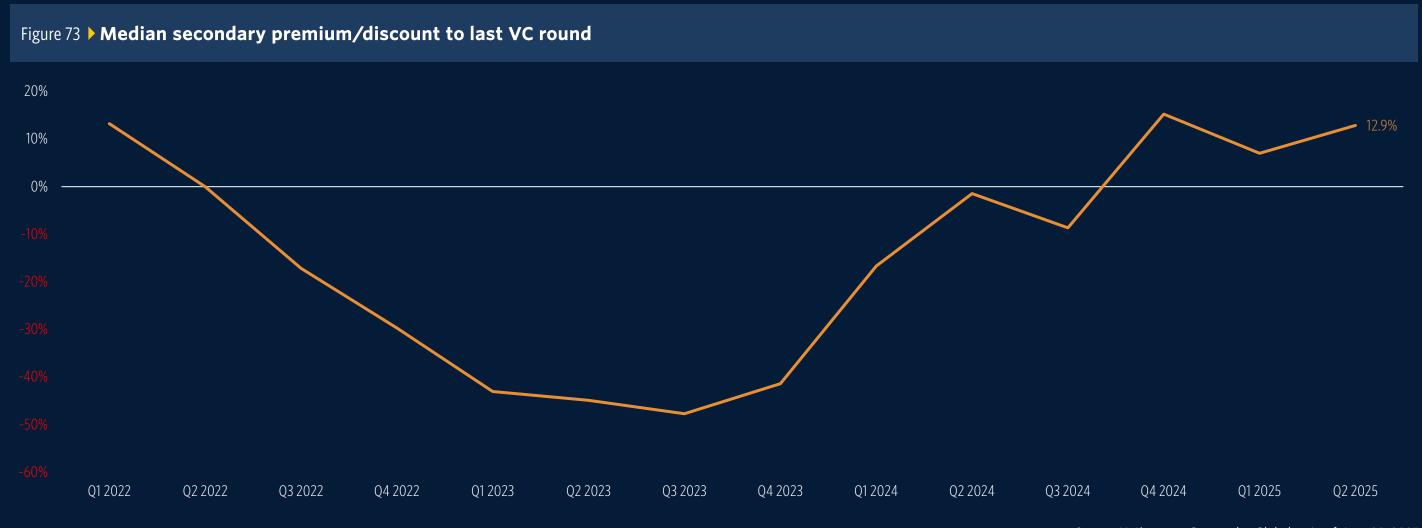
Figure 72 ▶ **VC-Backed IPO Index and Morningstar PitchBook Unicorn 30 Index (rebased to 100 at the end of 2018)**

— VC-Backed IPO Index — Morningstar PitchBook Unicorn 30
— VC-Backed IPO Index (excluding Circle and CoreWeave)

Sources: PitchBook, Morningstar • Geography: US • As of June 30, 2025

Secondary discounts to last VC rounds continued to narrow through 2024 and flipped to modest premiums in early 2025. The shift is largely driven by a small cohort of high-demand startups attracting strong secondary interest.

Figure 73 ▶ **Median secondary premium/discount to last VC round**

Source: Notice.co • Geography: Global • As of June 30, 2025
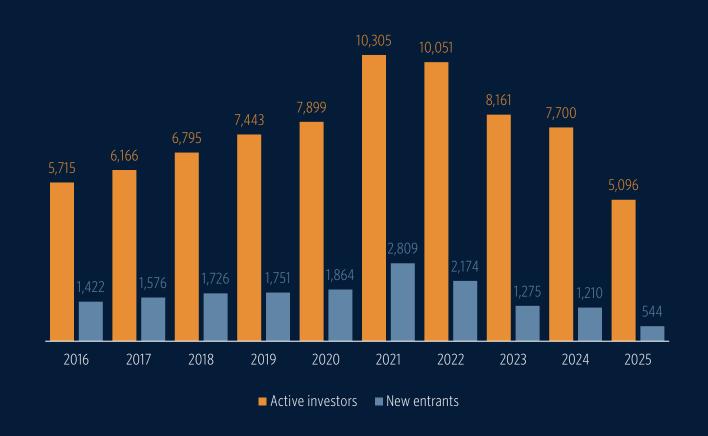
Megafunds accounted for over 46% of total VC fundraising in 2024. Concurrently, a decline in both active investors and new entrants narrows the pool of market participants, further consolidating share in the hands of these large players.

Figure 74 ▶ **Megafunds ($1B+) as a share of all venture capital raised ($B)**

Figure 75 ▶ **Count of active VC investors and new entrants**

- Venture capital raised
- Megafund capital raised
- Megafund share of total

Source: PitchBook • Geography: US • As of June 30, 2025

- Active investors
- New entrants

Source: PitchBook • Geography: US • As of June 30, 2025
Note: This chart includes only US investors investing in US VC deals.
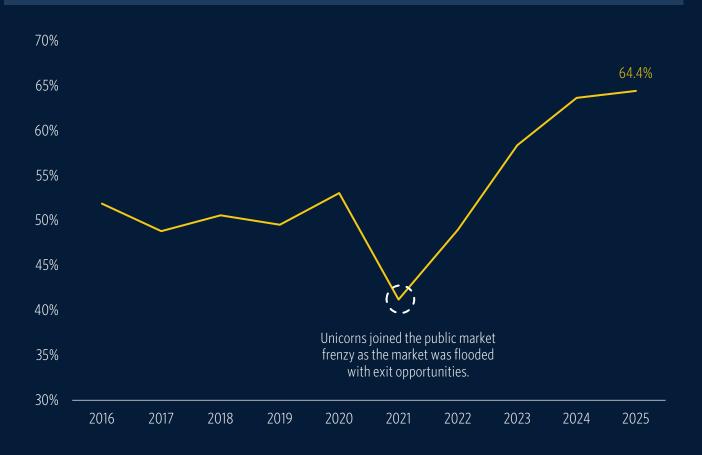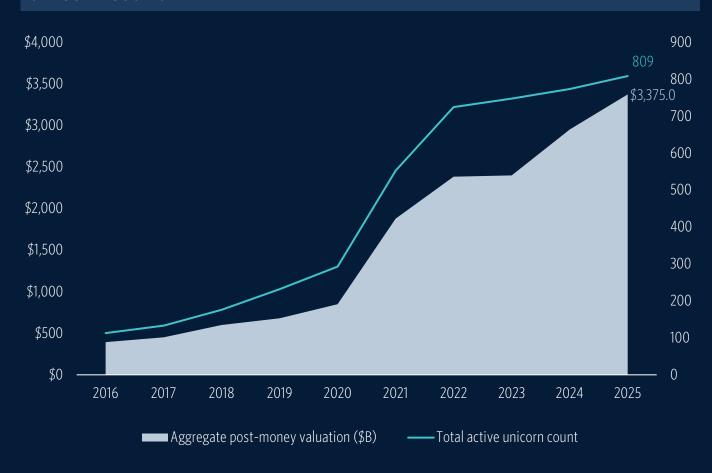
Despite shifts in secondary pricing, the market remains unable to absorb the growing backlog. Unicorn valuations now approach $3.4 trillion, with an increasing share of companies still private more than seven years after their first VC round.

Figure 76 ▶ **Share of active unicorns that raised their first VC round at least seven years ago**

Figure 77 ▶ **Aggregate unicorn post-money valuation and active unicorn count**

64.4%

Unicorns joined the public market frenzy as the market was flooded with exit opportunities.

809

$3,375.0

Aggregate post-money valuation ($B) — Total active unicorn count

Source: PitchBook • Geography: US • As of June 30, 2025
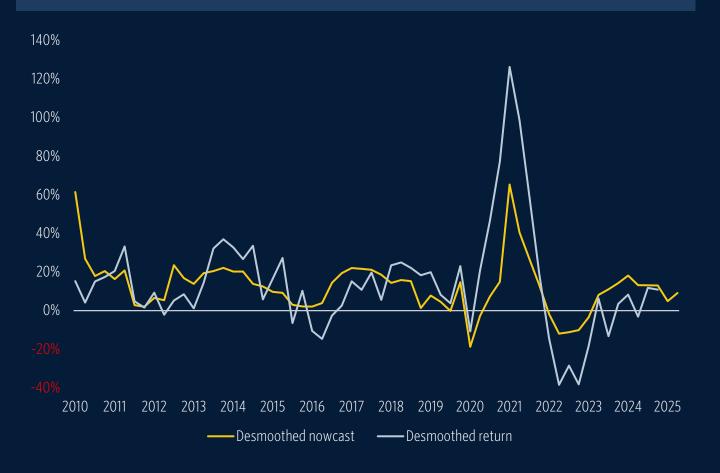
Source: PitchBook • Geography: US • As of June 30, 2025

VC desmoothed returns remain broadly aligned with fundamental expectations. Based on macro and market data through H1 2025, we anticipate reported returns will stay relatively flat as performance data is collected for Q1 and Q2.

Figure 78 ▶ **Rolling one-year desmoothed VC fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 79 ▶ **Difference between one-year desmoothed VC fund returns and nowcast**
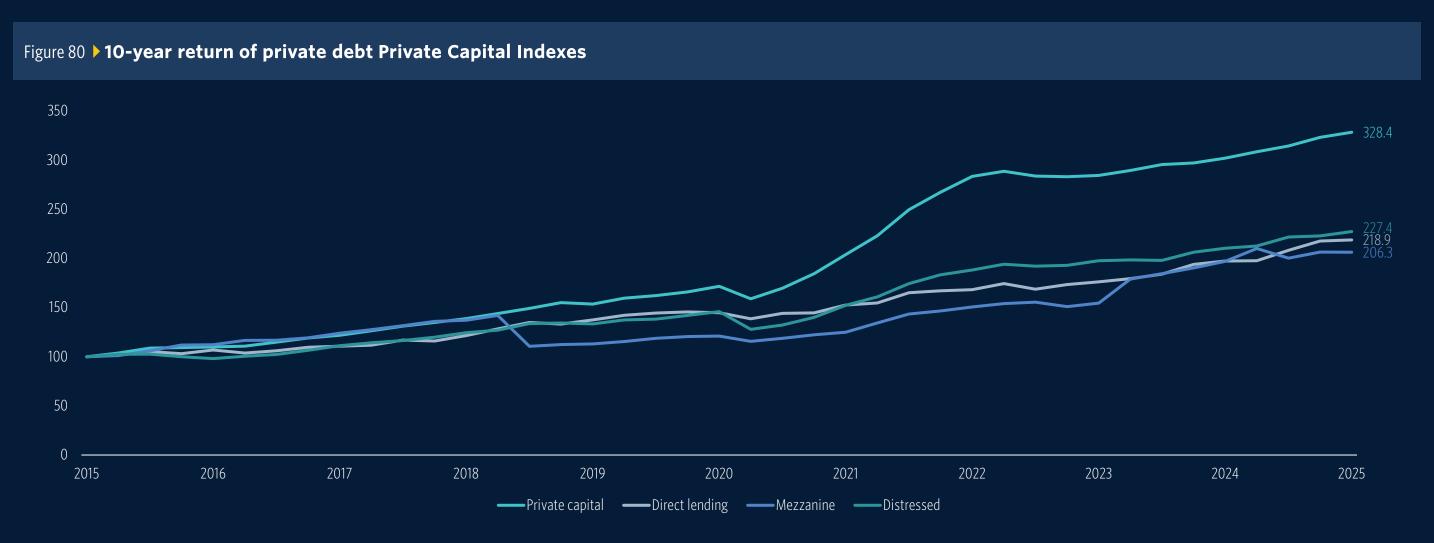
Source: PitchBook • Geography: US • As of June 30, 2025

Private debt
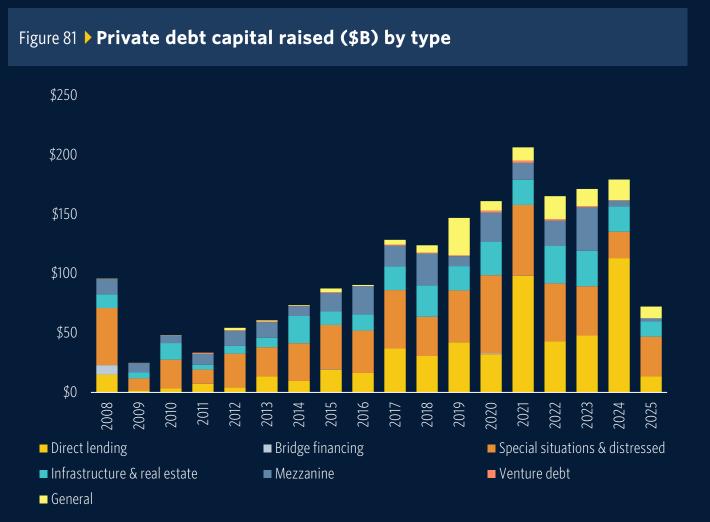
Private debt continues to deliver stable yields, yet its position higher in the capital stack has led to underperformance relative to broader private markets.
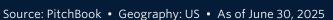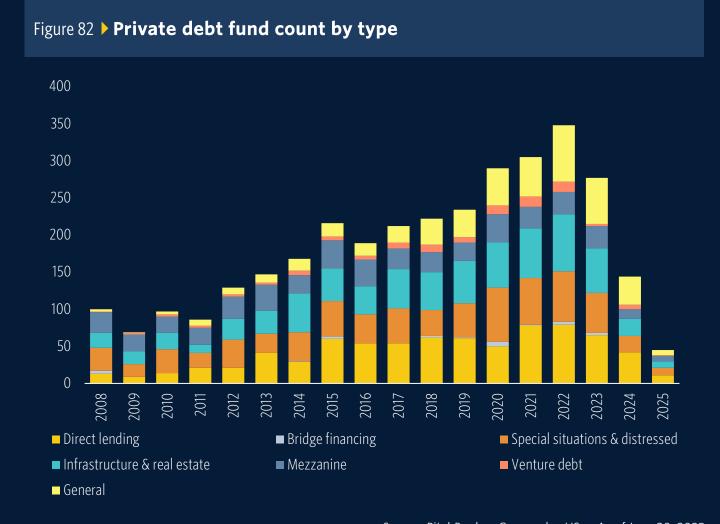
Figure 80 ▶ 10-year return of private debt Private Capital Indexes

Legend: Private capital — Direct lending — Mezzanine — Distressed

Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

Private debt remains a magnet for capital, achieving record-breaking direct lending commitments in 2024 amid enduring investor interest in private credit strategies.

Figure 81 ▸ **Private debt capital raised ($B) by type**

Source: PitchBook • Geography: US • As of June 30, 2025

Figure 82 ▸ **Private debt fund count by type**
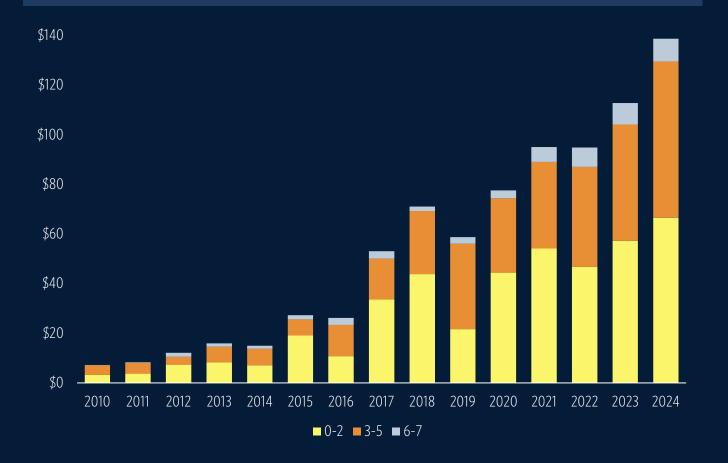
Source: PitchBook • Geography: US • As of June 30, 2025
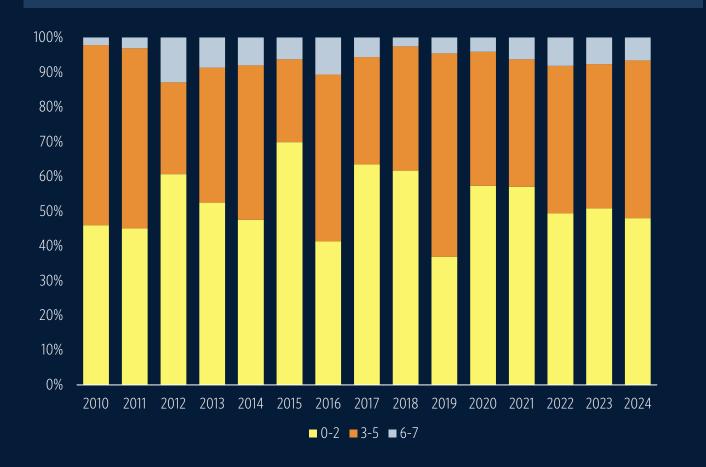
As direct lending strategies continue to attract commitments, dry powder is not only growing but also aging. With lower PE buyout deal volumes, lenders face a more competitive and challenging deployment environment.

Figure 83 ▶ **Direct lending dry powder ($B) by age bucket (years)**

Source: PitchBook • Geography: US • As of December 31, 2024

Figure 84 ▶ **Share of direct lending dry powder by age bucket (years)**

Source: PitchBook • Geography: US • As of December 31, 2024

At the start of 2025, banks appeared to tighten credit conditions, but that reversed in Q2 as lending standards eased toward neutral. Conditions are now similar for small and medium-to-large firms.

Figure 85 ▶ **Net share of banks tightening standards on loans to small and medium-to-large firms**

Small firms ▬▬ Medium-to-large firms ▬▬

Source: Senior Loan Officer Opinion Survey • Geography: US • As of August 4, 2025
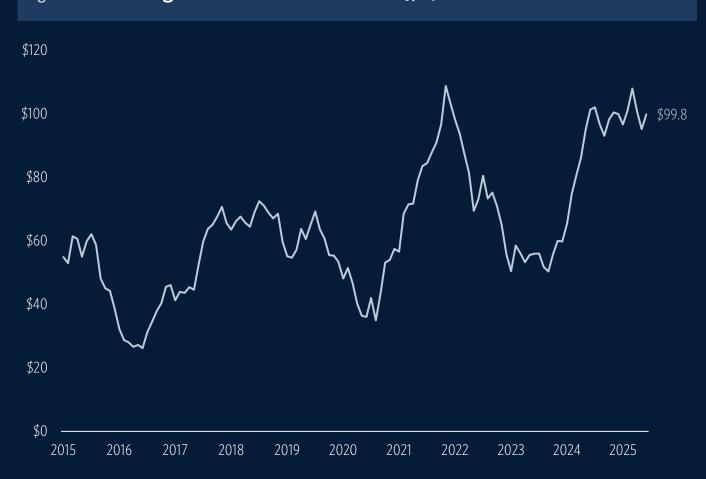
Despite the flurry of economic policy changes and general business environment ambiguity, leveraged loan and collateralized loan obligation (CLO) issuance have remained robust.

Figure 86 ▶ **Trailing six-month leveraged loan issuance for LBOs ($B)**

Source: PitchBook | LCD • Geography: US • As of June 30, 2025
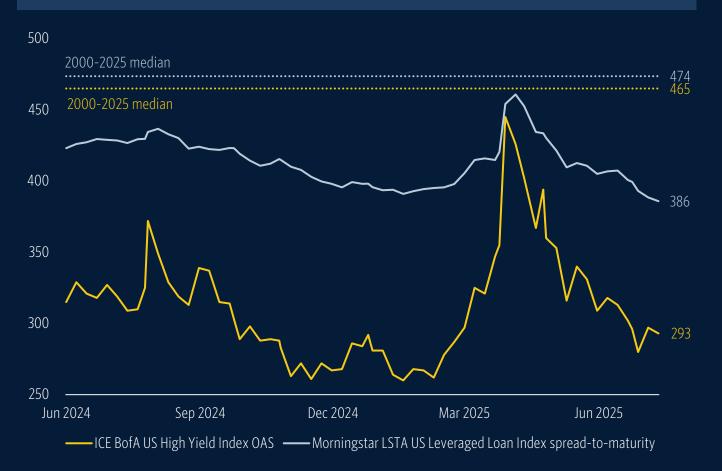
Figure 87 ▶ **Trailing six-month CLO issuance ($B)**

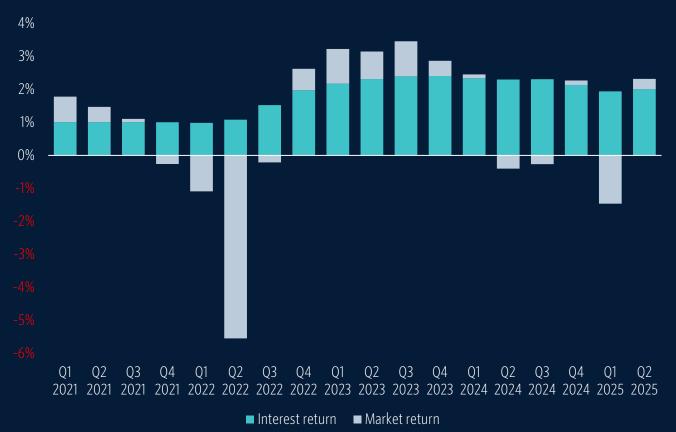
Source: PitchBook | LCD • Geography: US • As of June 30, 2025

Tariff headlines drove market dislocation in April. Spreads have since tightened to near lows, with credit compression delivering positive price return for the Morningstar LSTA US Leveraged Loan Index in Q2 2025.

Figure 88 ▶ **Leveraged loan and high-yield bond credit spreads**

2000-2025 median ············· 474

2000-2025 median ············· 465

386

293

— ICE BofA US High Yield Index OAS — Morningstar LSTA US Leveraged Loan Index spread-to-maturity

Sources: Morningstar, ICE Indexes • Geography: US • As of July 18, 2025

Figure 89 ▶ **Morningstar LSTA US Leveraged Loan Index returns by source**

■ Interest return ■ Market return
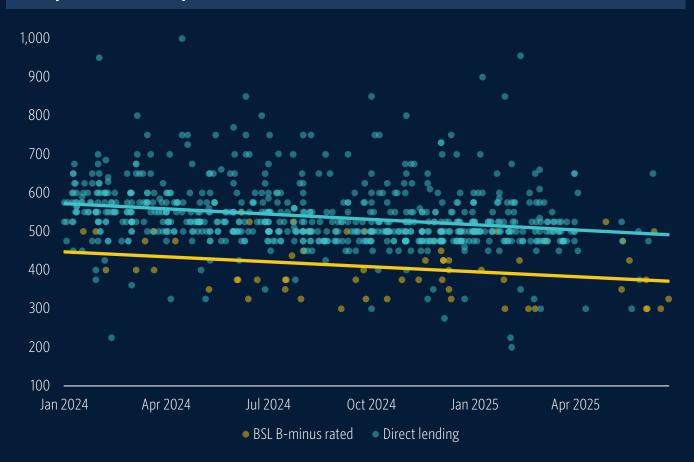
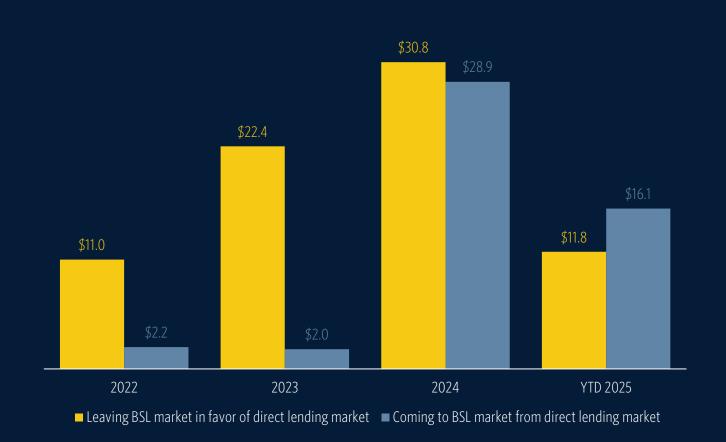Source: Morningstar • Geography: US • As of June 30, 2025

New direct lending issues continue to price above BSL equivalents. After two years of favoring direct lenders for their flexibility, borrowers are now gravitating back to BSL markets as cost sensitivity takes higher priority.

Figure 90 ▶ **New-issue spread of acquisition-related deals by PE-backed companies (basis points)**

- BSL B-minus rated
- Direct lending

Source: PitchBook | LCD • Geography: US • As of June 30, 2025

Figure 91 ▶ **Syndicated loans and direct lending takeouts ($B)**

- Leaving BSL market in favor of direct lending market
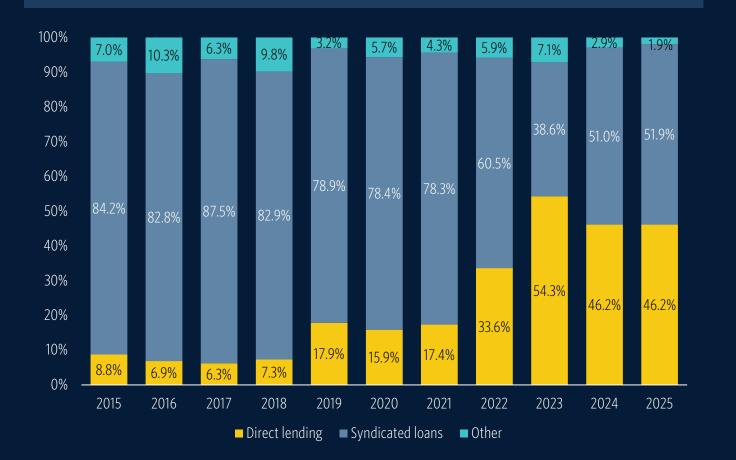- Coming to BSL market from direct lending market

Sources: PitchBook | LCD • Geography: US • As of June 30, 2025

Direct lending has quickly grown to capture a large portion of big-ticket buyouts. In the BSL market, take-privates and corporate carveouts are replacing the pre-rate-hike dominance of sponsor-to-sponsor LBOs.
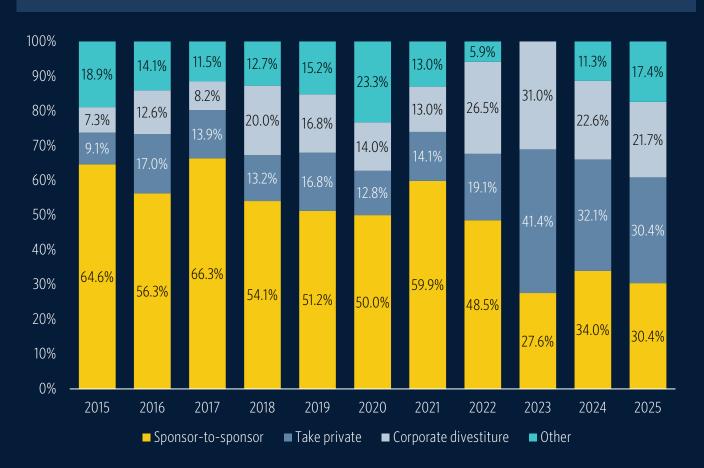
Figure 92 ▶ Share of global buyouts over $1B by financing type

Direct lending | Syndicated loans | Other

Year	Direct lending	Syndicated loans	Other
2015	8.8%	84.2%	7.0%
2016	6.9%	82.8%	10.3%
2017	6.3%	87.5%	6.3%
2018	7.3%	82.9%	9.8%
2019	17.9%	78.9%	3.2%
2020	15.9%	78.4%	5.7%
2021	17.4%	78.3%	4.3%
2022	33.6%	60.5%	5.9%
2023	54.3%	38.6%	7.1%
2024	46.2%	51.0%	2.9%
2025	46.2%	51.9%	1.9%

Figure 93 ▶ Share of BSL-financed LBOs by type
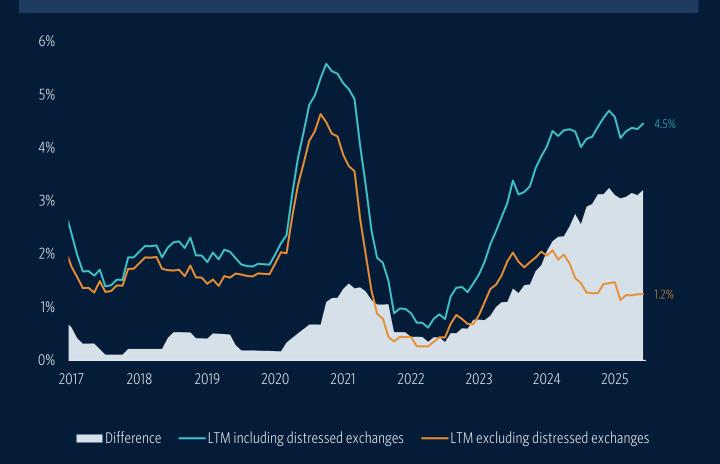
Sponsor-to-sponsor | Take private | Corporate divestiture | Other

Year	Sponsor-to-sponsor	Take private	Corporate divestiture	Other
2015	64.6%	9.1%	7.3%	18.9%
2016	56.3%	17.0%	12.6%	14.1%
2017	66.3%	13.9%	8.2%	11.5%
2018	54.1%	13.2%	20.0%	12.7%
2019	51.2%	16.8%	16.8%	15.2%
2020	50.0%	12.8%	14.0%	23.3%
2021	59.9%	14.1%	13.0%	13.0%
2022	48.5%	19.1%	26.5%	5.9%
2023	27.6%	41.4%	31.0%	
2024	34.0%	32.1%	22.6%	11.3%
2025	30.4%	30.4%	21.7%	17.4%

A declining default rate obscures the true level of stress in the leveraged loan market. Five years ago, distressed exchanges were rare, but they now represent the majority of credit events recorded in the Morningstar LSTA US Leveraged Loan Index.

Figure 94 ▶ **Dual-track loan default rate for issuer count**

Difference — LTM including distressed exchanges — LTM excluding distressed exchanges

Sources: PitchBook | LCD, Morningstar • Geography: US • As of June 30, 2025

Figure 95 ▶ **Share of distressed exchanges and payment defaults**

■ Distressed exchanges ■ Payment defaults
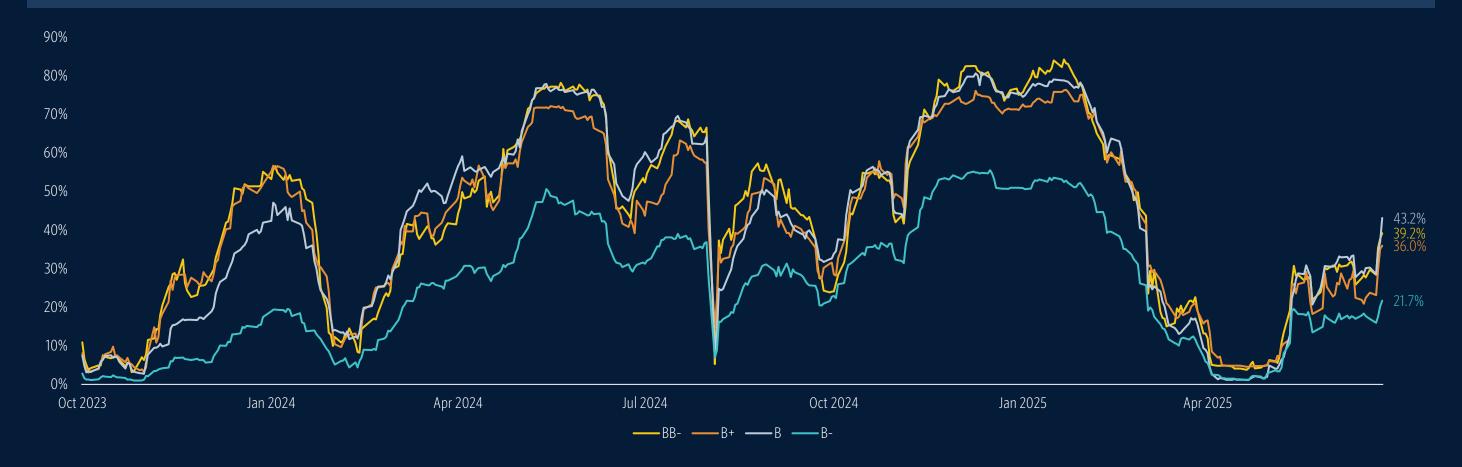
Sources: PitchBook | LCD, Morningstar • Geography: US • As of June 30, 2025

Trade uncertainty in April temporarily halted repricing activity. But since then, lenders have shown a willingness to adjust terms and lower coupons, signaling the potential start of another repricing wave.

Figure 96 ▶ **Loans priced at par and above by issuer rating**

Source: PitchBook | LCD • Geography: US • As of June 30, 2025
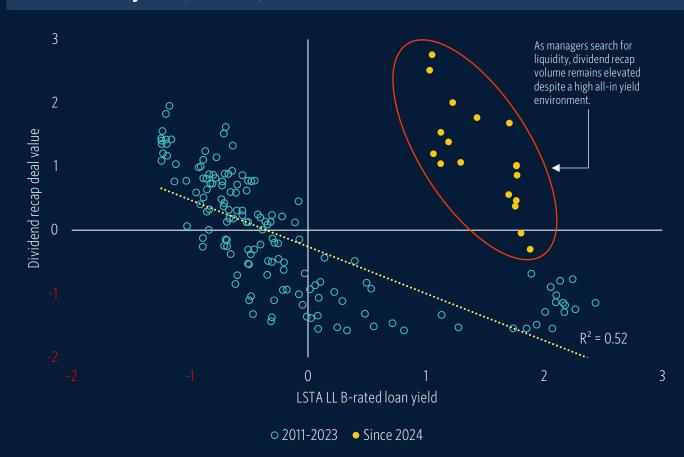
Historically, rising dividend recap volumes have coincided with lower yields, as cheap financing spurred deal activity. In 2024, however, this pattern broke down, with dividend recaps surging despite an elevated cost of capital.

Figure 97 ▶ **Standardized sponsored dividend recap deal value and LSTA LL B-rated loan yield (Z-score)**

Rolling six-month dividend recap deal value — LSTA LL B-rated loan yield

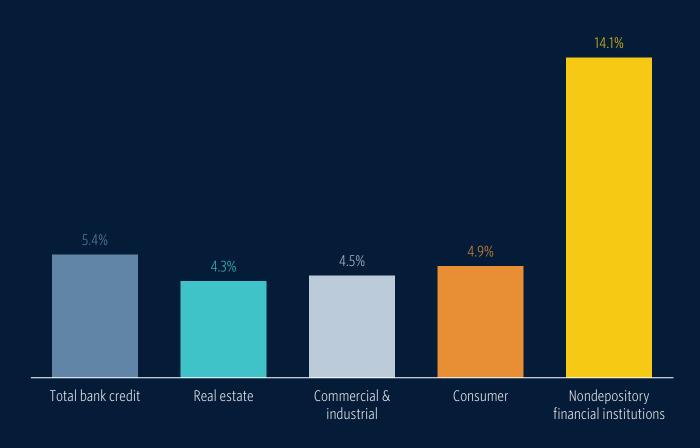Source: PitchBook | LCD • Geography: US • As of June 30, 2025

Figure 98 ▶ **Standardized sponsored dividend recap deal value and LSTA LL B-rated loan yield (Z-score)**

As managers search for liquidity, dividend recap volume remains elevated despite a high all-in yield environment.

R² = 0.52

○ 2011-2023 ● Since 2024
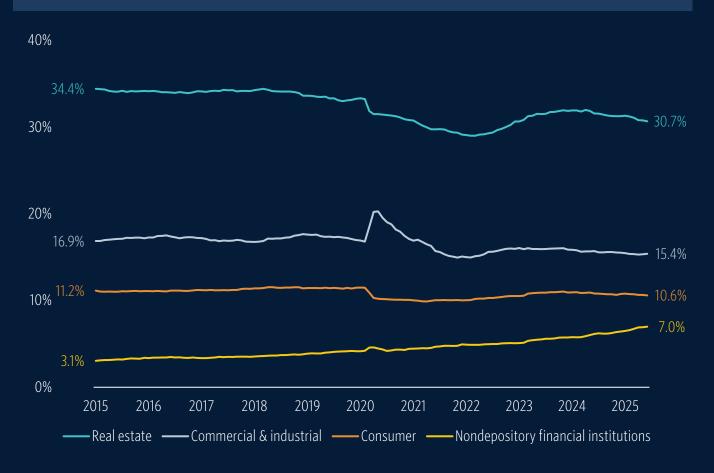
Source: PitchBook | LCD • Geography: US • As of June 30, 2025

Banks are scaling back slightly on direct real estate and corporate lending while expanding their exposure to nondepository financial institutions—such as private funds—essentially supplying capital to businesses through a different channel.

Figure 99 ▶ **Share of commercial bank assets by loan type**

Real estate — Commercial & industrial — Consumer — Nondepository financial institutions

Source: Federal Reserve • Geography: US • As of June 30, 2025

Figure 100 ▶ **Annualized 10-year growth in loan assets at commercial banks**
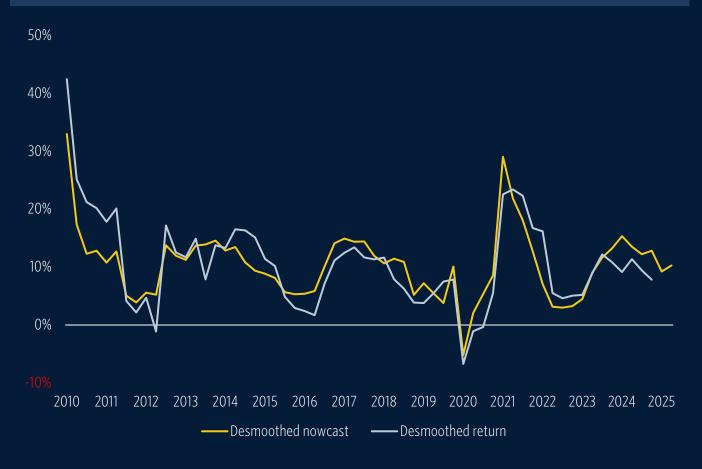
Source: Federal Reserve • Geography: US • As of June 30, 2025
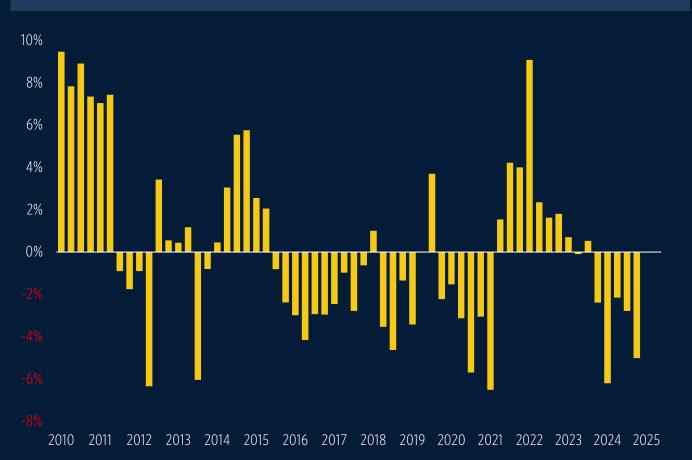
Private debt returns are tracking closely with our barometer, consistent with fundamental expectations. Desmoothed estimates indicate reported returns could strengthen in the first half of 2025.

Figure 101 ▶ **Rolling one-year desmoothed private debt fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025

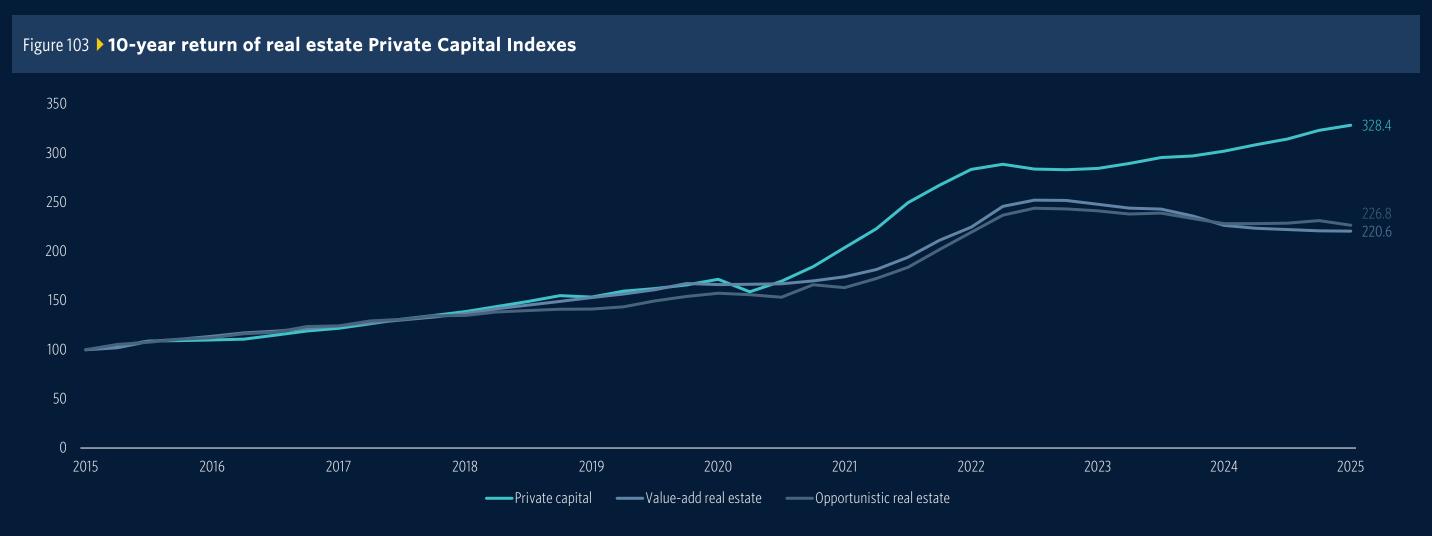Figure 102 ▶ **Difference between one-year desmoothed private debt fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025

Real estate

The broader real estate market is dealing with depressed valuations, which have weighed on returns. Real estate has underperformed all private capital, without much difference in value-add and opportunistic strategies.

Figure 103 ▶ 10-year return of real estate Private Capital Indexes

Legend: Private capital — Value-add real estate — Opportunistic real estate

Values shown: 328.4, 226.8, 220.6

Fundraising for private real estate stayed below $100 billion in 2023 and 2024. Longer fundraising cycles for major funds keep activity uneven, with top GPs holding up dollar volumes despite fewer funds overall.

Figure 104 ▶ **Real estate capital raised ($B) by select strategies**

Figure 105 ▶ **Closed real estate fund count by select strategies**

Source: PitchBook • Geography: US • As of June 30, 2025

Source: PitchBook • Geography: US • As of June 30, 2025

The pace of tightening for real estate bank lending is diverging through H1 2025, with the multifamily nearly neutral and commercial and construction lending noting a modest uptick in credit scrutiny.

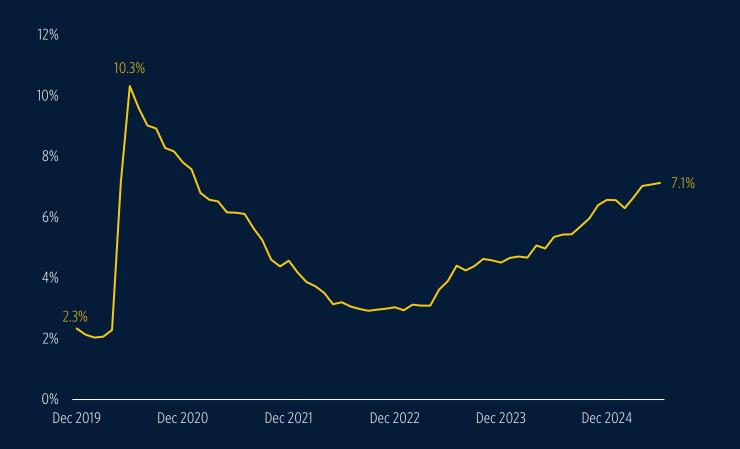**Figure 106** ▶ **Net share of banks tightening standards on real estate loans by category**

Source: Senior Loan Officer Survey • Geography: US • As of June 30, 2025
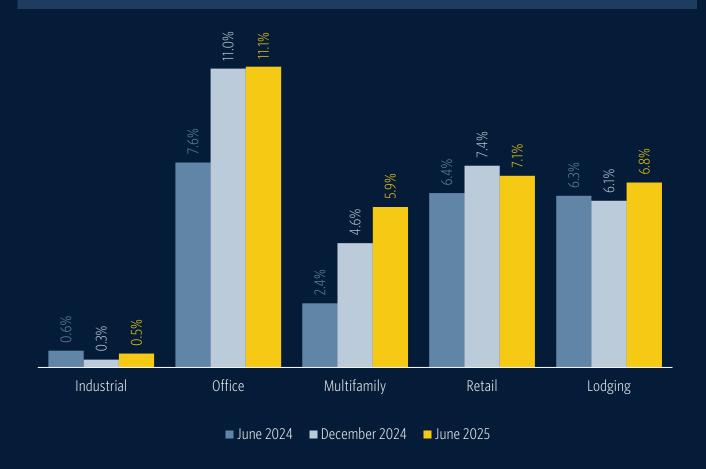*Note: The survey series was split starting in 2014.*

CMBS delinquencies continue to ratchet upward, largely fueled by the office sector, which has maintained double-digit rates since 2024. Concerningly, multifamily is also showing a rise.

Figure 107 ▶ CMBS delinquency rates

Source: Trepp • Geography: US • As of June 30, 2025

Figure 108 ▶ CMBS delinquency rates by property type

Industrial: 0.6%, 0.3%, 0.5%
Office: 7.6%, 11.0%, 11.1%
Multifamily: 2.4%, 4.6%, 5.9%
Retail: 6.4%, 7.4%, 7.1%
Lodging: 6.3%, 6.1%, 6.8%

■ June 2024 ■ December 2024 ■ June 2025

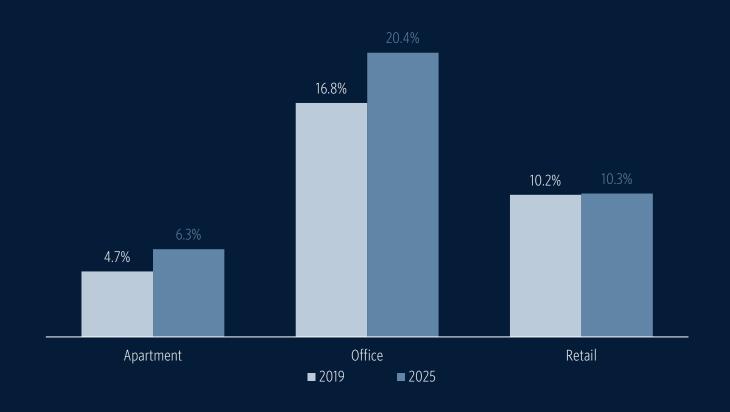Source: Trepp • Geography: US • As of June 30, 2025

Vacancy rates have ticked up in office and apartments over the past year. The average office vacancy rate has eclipsed 20%, reflecting structural changes that began in 2020. Return-to-office announcements have yet to reverse drops in occupancy.

Figure 109 ▶ Change in average vacancy rate by property sector

Source: Moody's • Geography: US • As of March 31, 2025

Figure 110 ▶ Average vacancy rates by property sector

Source: Moody's • Geography: US • As of March 31, 2025

The rise in the industrial property sector has faced difficulties in 2025, and the sector has been a poor relative performer over the past year. Hopes of a bottoming out and more return-to-office announcements helped lift office REITs in 2024.

Figure 111 ▶ REIT Index returns by sector (rebased to 100 at end of 2015)

289.1
200.7
177.0
162.7
124.3
107.0
95.2

+24.3%

Legend: Retail, Industrial, Apartment, Lodging, Office, Self-storage, Healthcare

Source: Nareit • Geography: US • As of June 30, 2025

Figure 112 ▶ One-year REIT Index returns by sector

Sector	Return
Healthcare	+24.3%
Office	+19.0%
Retail	+12.6%
Apartment	+3.9%
Self-storage	+1.8%
Industrial	-6.2%
Lodging	-10.3%

Source: Nareit • Geography: US • As of June 30, 2025

In private markets, real estate valuations picked back up in 2024 and 2025, led by retail and multifamily. Private market values for office have not yet followed the stock price appreciation experienced in public REITs in 2024.

Figure 113 ▶ Green Street All Property Return Index by quarter

Legend: ■ Price return ■ Income

Source: Green Street • Geography: US • As of June 30, 2025

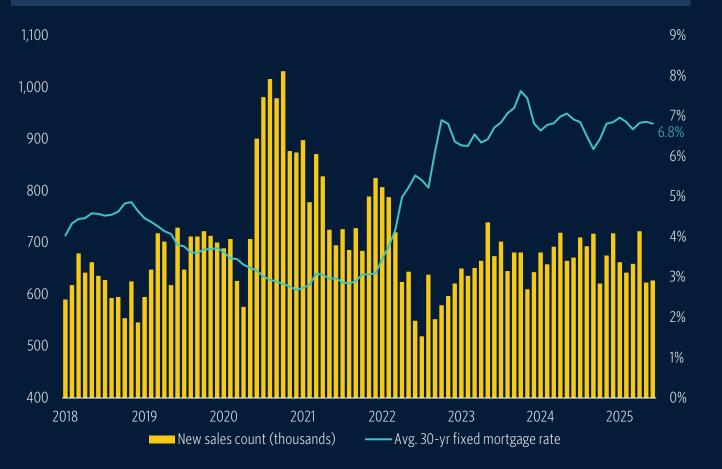## Figure 114 ▶ Green Street Price Index one-year change by property type

Property type	Change
Mall	9%
Strip retail	7%
Healthcare	6%
Manufactured home	5%
Apartment	4%
Industrial	3%
All property index	3%
Office	0%
Self-storage	-3%
Lodging	-6%

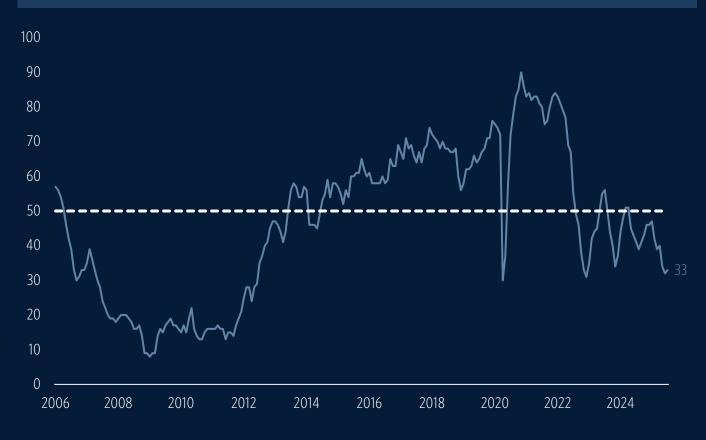Source: Green Street • Geography: US • As of June 30, 2025

Mortgage rates have stalled alongside the fed funds rate. New sales and housing market sentiment remain suppressed, waiting on hopes of further relief from the Fed.

Figure 115 ▶ **New single-family home sales and average 30-year fixed mortgage rate**

New sales count (thousands) — Avg. 30-yr fixed mortgage rate

Source: FRED • Geography: US • As of July 24, 2025; new sales as of June 30, 2025
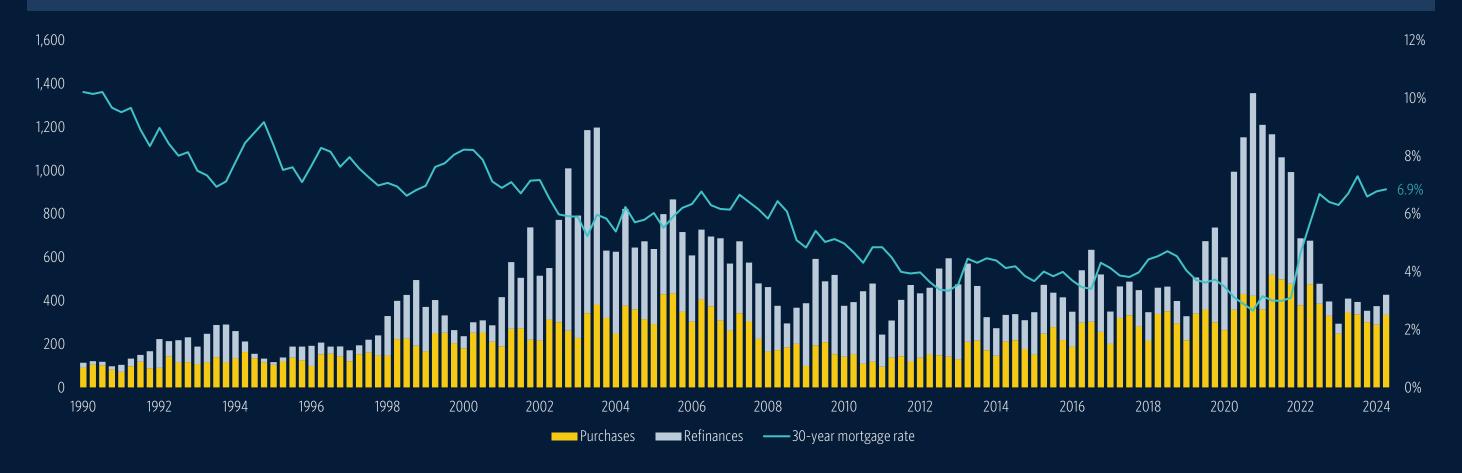
Figure 116 ▶ **NAHB/Wells Fargo Housing Market Index**

Source: NAHB/Wells Fargo • Geography: US • As of July 17, 2025

With most homeowners locked into bottom-low interest rates, there has been little demand for refinancing. It will likely take sustained declines in rates to drive growth outside of seasonal fluctuation.

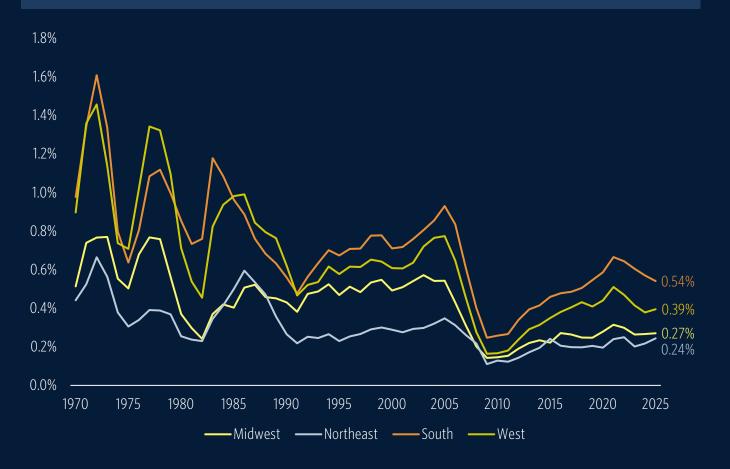Figure 117 ▸ **Quarterly mortgage origination estimates and average 30-year mortgage rate**

Purchases   Refinances   30-year mortgage rate

Sources: Mortgage Bankers Association, FRED • Geography: US • As of March 31, 2025

Multifamily housing starts in the South continue to show weakness as other regions have stabilized or shown modest growth. Overall units under construction continue their descent as a modest uptick in starts do not offset completions.

Figure 118 ▸ Housing starts as a share of population by region

Midwest — Northeast — South — West

Source: FRED • Geography: US • As of June 30, 2025

Figure 119 ▸ Annualized multifamily housing starts and completions (five-plus units, thousands)

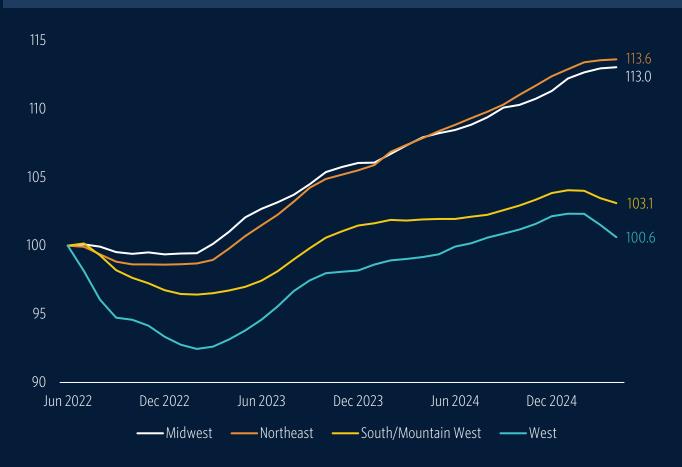Under construction — Completions — Starts

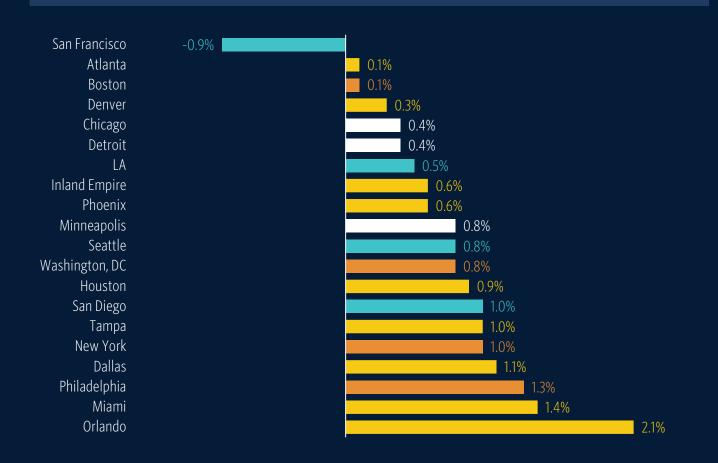Source: FRED • Geography: US • As of June 30, 2025

Home value appreciation is closely matched in the Northeast and Midwest, while the South and West have experienced declines. Employment growth has held up, with San Francisco an exception on the back of a contraction in tech headcount.

Figure 120 ▶ Average home price appreciation by region (rebased to 100 at end of 2021)

Legend: Midwest, Northeast, South/Mountain West, West

Values: 113.6, 113.0, 103.1, 100.6

Source: FRED • Geography: US • As of April 31, 2025

Figure 121 ▶ One-year change in employment in select cities

City	One-year change
San Francisco	-0.9%
Atlanta	0.1%
Boston	0.1%
Denver	0.3%
Chicago	0.4%
Detroit	0.4%
LA	0.5%
Inland Empire	0.6%
Phoenix	0.6%
Minneapolis	0.8%
Seattle	0.8%
Washington, DC	0.8%
Houston	0.9%
San Diego	1.0%
Tampa	1.0%
New York	1.0%
Dallas	1.1%
Philadelphia	1.3%
Miami	1.4%
Orlando	2.1%

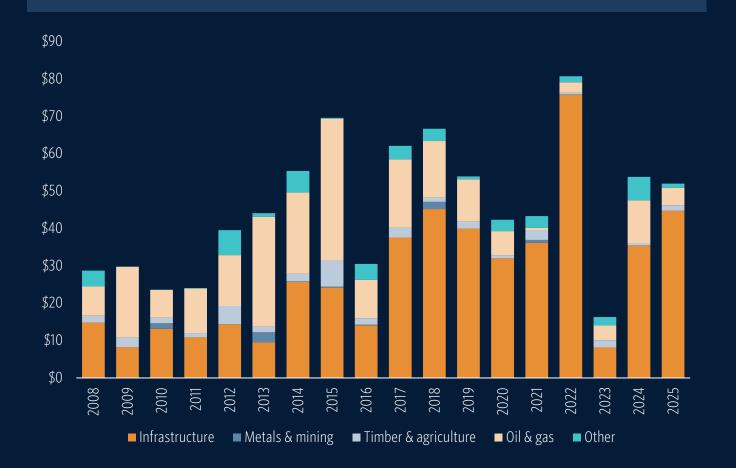Source: Bureau of Labor Statistics • Geography: US • As of May 31, 2025

Infrastructure and natural resources

Steady infrastructure returns reflect the sector's resilience, driven by countercyclical demand and inflation-linked cash flows. Natural resources, more sensitive to commodity swings, have shown greater return variability.

Figure 122 ▸ **10-year return of real assets Private Capital Indexes**

Legend: Private capital, Infrastructure, Natural resources

Source: PitchBook • Geography: US • As of March 31, 2025
Note: Data for Q1 2025 is preliminary.

The outperformance of infrastructure relative to natural resources has coincided with infrastructure's growing domination of LP commitments. Fundraising improved substantially in 2024, and 2025 has nearly eclipsed last year's haul through H1.

Figure 123 ▶ Infrastructure and natural resources capital raised ($B)

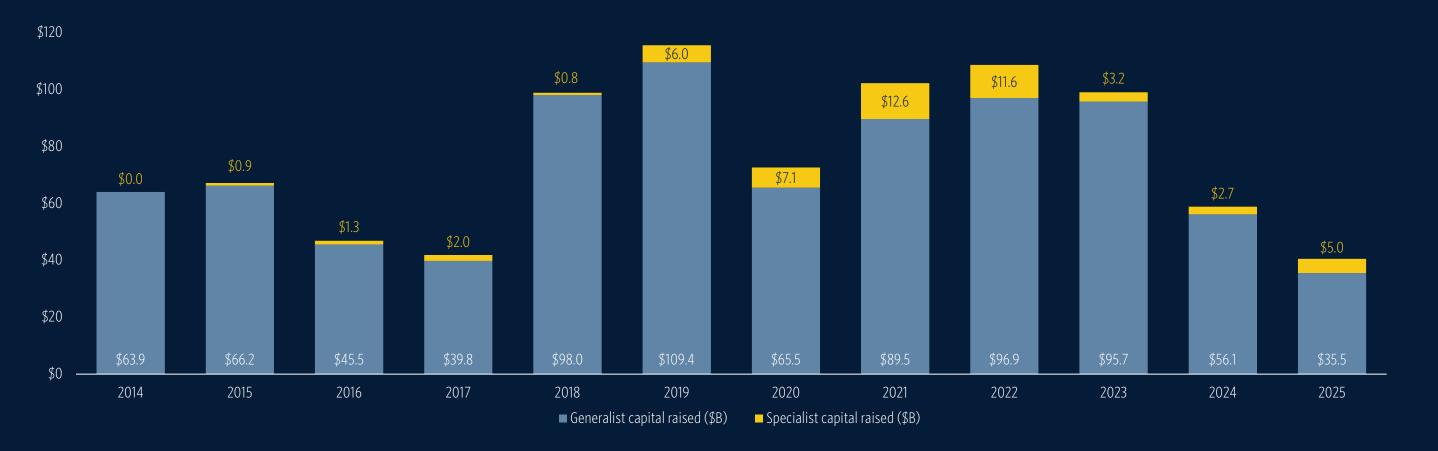Source: PitchBook • Geography: US • As of June 30, 2025

Figure 124 ▶ Closed infrastructure and natural resources fund count

Source: PitchBook • Geography: US • As of June 30, 2025

Digital infrastructure has benefited from secular tailwinds—cloud computing in the 2010s and AI in the 2020s. 2025 is on pace to eclipse 2024's relatively light aggregate fundraising total.

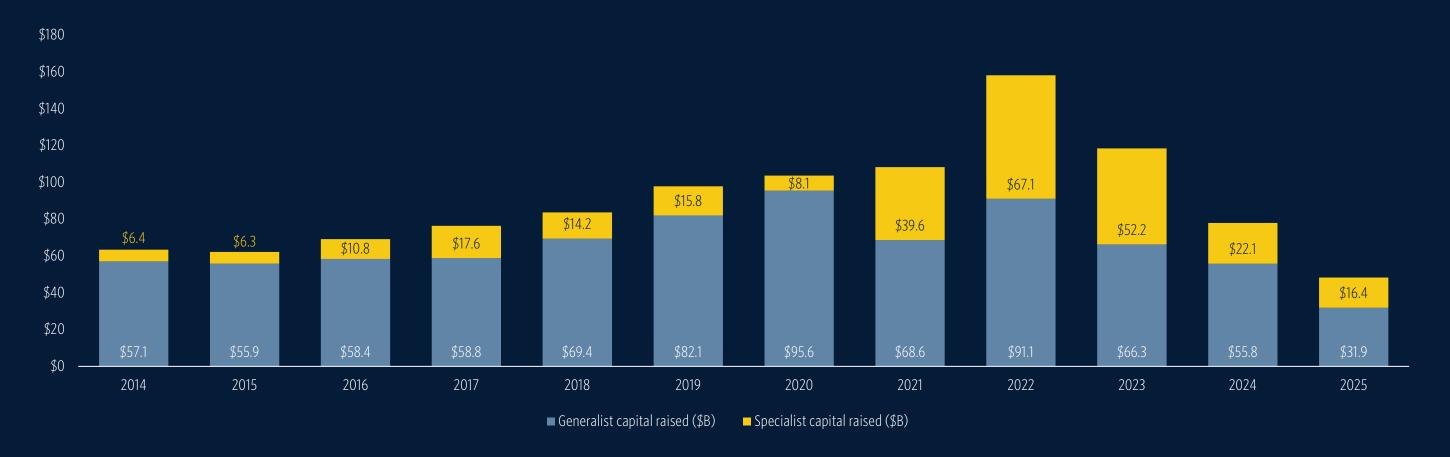**Figure 125 ▶ Capital raised among vehicles investing in digital infrastructure**

■ Generalist capital raised ($B) ■ Specialist capital raised ($B)

Source: PitchBook • Geography: Global • As of March 31, 2025

Specialist funds targeting the energy transition have gained traction as managers focus expertise on an expanding, more complex sector.
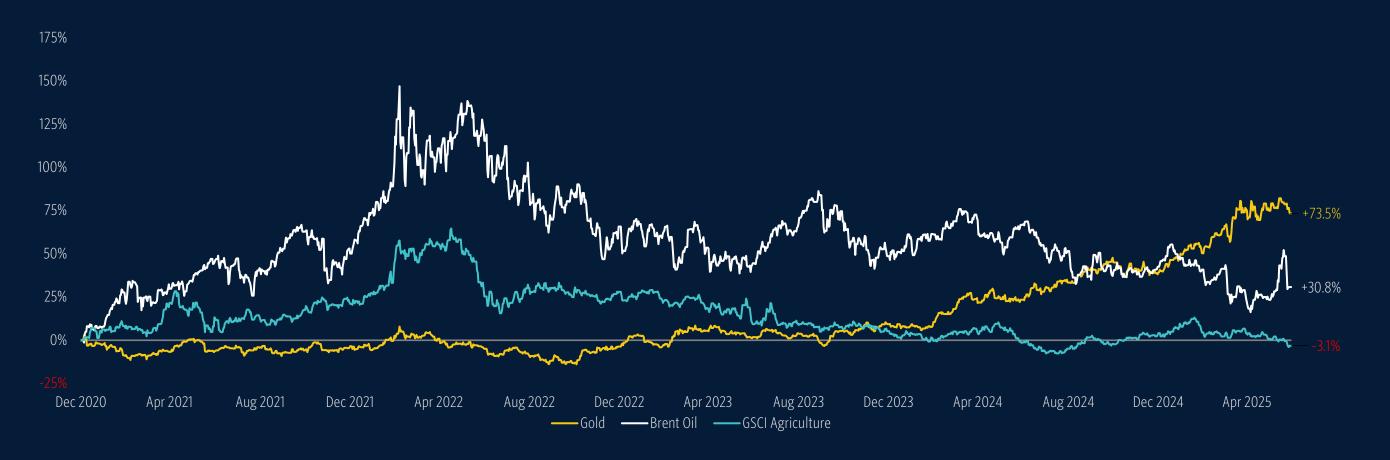
Figure 126 ▶ Capital raised among vehicles investing in energy transition infrastructure

Legend: ■ Generalist capital raised ($B) ■ Specialist capital raised ($B)

Year	Generalist capital raised ($B)	Specialist capital raised ($B)
2014	$57.1	$6.4
2015	$55.9	$6.3
2016	$58.4	$10.8
2017	$58.8	$17.6
2018	$69.4	$14.2
2019	$82.1	$15.8
2020	$95.6	$8.1
2021	$68.6	$39.6
2022	$91.1	$67.1
2023	$66.3	$52.2
2024	$55.8	$22.1
2025	$31.9	$16.4

Source: PitchBook • Geography: Global • As of March 31, 2025

Gold remains a safe haven for investors, with central banks steadily increasing purchases as they seek to diversify reserves away from the US dollar. Meanwhile, geopolitical instability has weighed on agricultural markets and whipsawed oil.

Figure 127 ▸ **Select commodities price performance**

Source: Morningstar • Geography: Global • As of June 30, 2025

Since the pandemic, the cost of shipping goods has largely stabilized as supply chain constraints are firmly in the rearview mirror. Though a slight uptick in sea freight PPI shows the initial impact of tariffs...

Figure 128 ▶ Producer Price Index change since 2019 for freight transportation components

Source: FRED • Geography: US • As of June 30, 2025

...as container volume shows annual increases. Importers are have likely pushed to bring more goods through the US ports before most tariffs go into effect in H2 2025.

Figure 129 ▶ **Port of Los Angeles 12-month container volume (millions TEUs)**
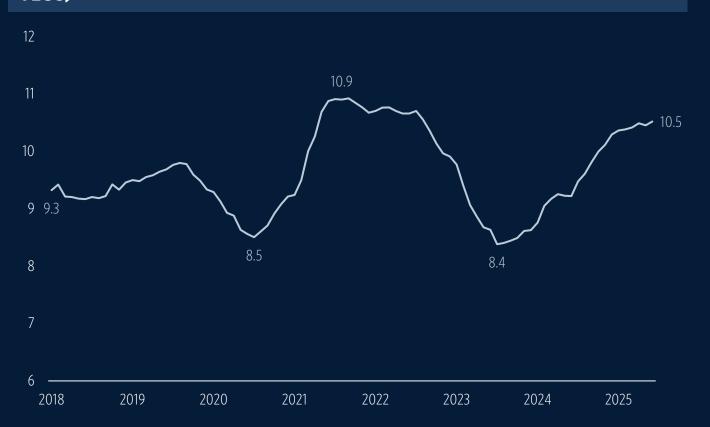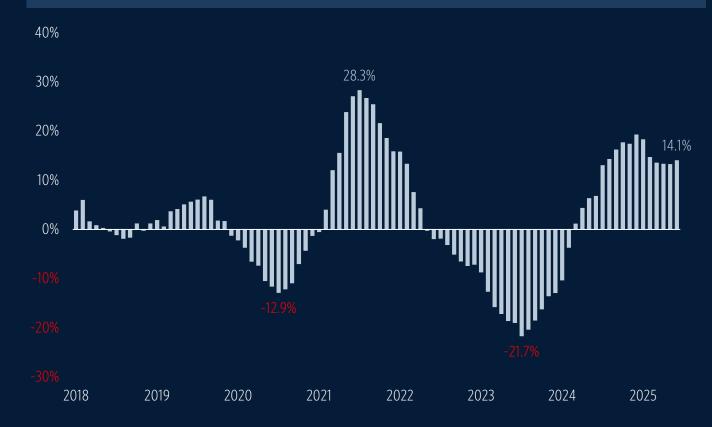
Figure 130 ▶ **Port of Los Angeles container volume YoY change**

Source: Port of Los Angeles • Geography: Los Angeles • As of June 30, 2025
Note: TEU stands for 20-foot equivalent unit.

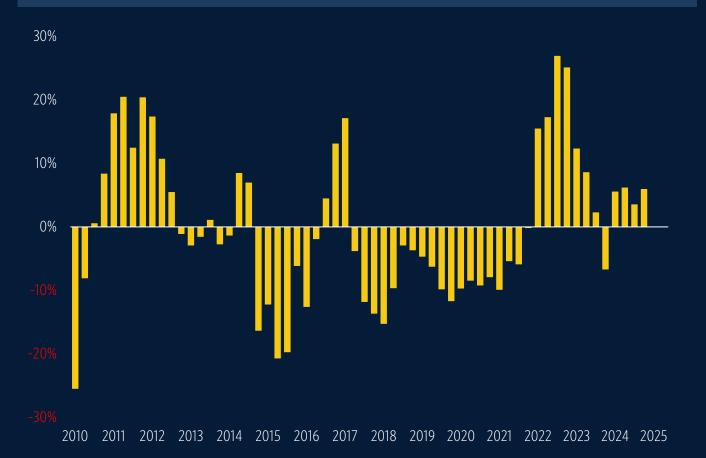Source: Port of Los Angeles • Geography: Los Angeles • As of June 30, 2025

The natural resources barometer has been weighed down by falling commodity prices, which dropped in early April and remain below March highs. Implied returns slipped below neutral, with modestly positive performance expected in Q2 2025.

Figure 131 ▶ **Rolling one-year desmoothed natural resources fund returns and nowcast**

Desmoothed nowcast   Desmoothed return

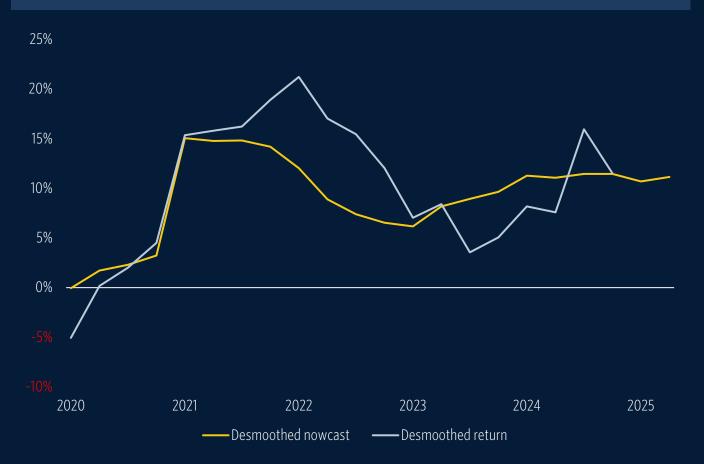Source: PitchBook • Geography: US • As of June 30, 2025

Figure 132 ▶ **Difference between one-year desmoothed natural resources fund returns and nowcast**

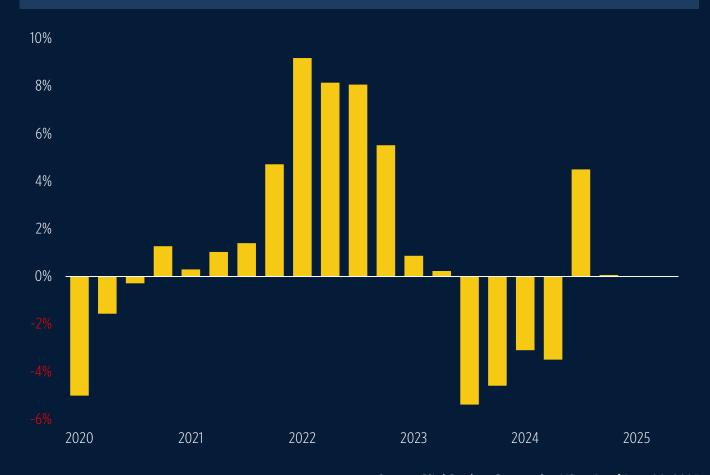Source: PitchBook • Geography: US • As of June 30, 2025

The infrastructure barometer points to above-neutral return expectations for Q2 2025, supported by gains in global public infrastructure indexes and tighter credit spreads.

Figure 133 ▸ **Rolling one-year desmoothed infrastructure fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Due to data availability, the infrastructure barometer starts in Q1 2019.

Figure 134 ▸ **Difference between one-year desmoothed infrastructure fund returns and nowcast**

Source: PitchBook • Geography: US • As of June 30, 2025
Note: Due to data availability, the infrastructure barometer starts in Q1 2019.

Additional research

Market updates

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