



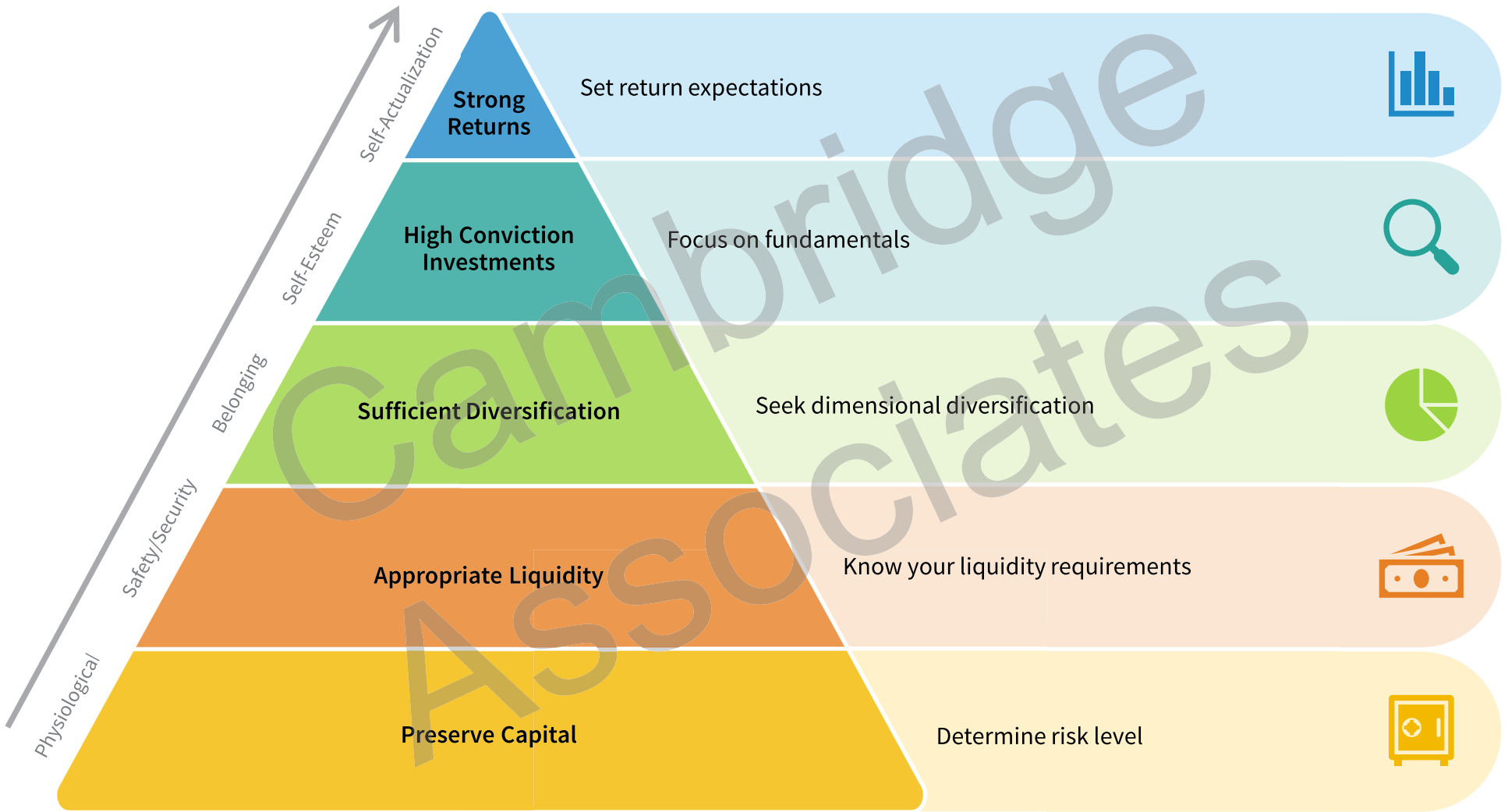
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# Anchoring Long-Term Portfolio Outperformance with Private Investments

Andrea Auerbach

April 2026

# Private investment portfolios are anchored in fundamentals

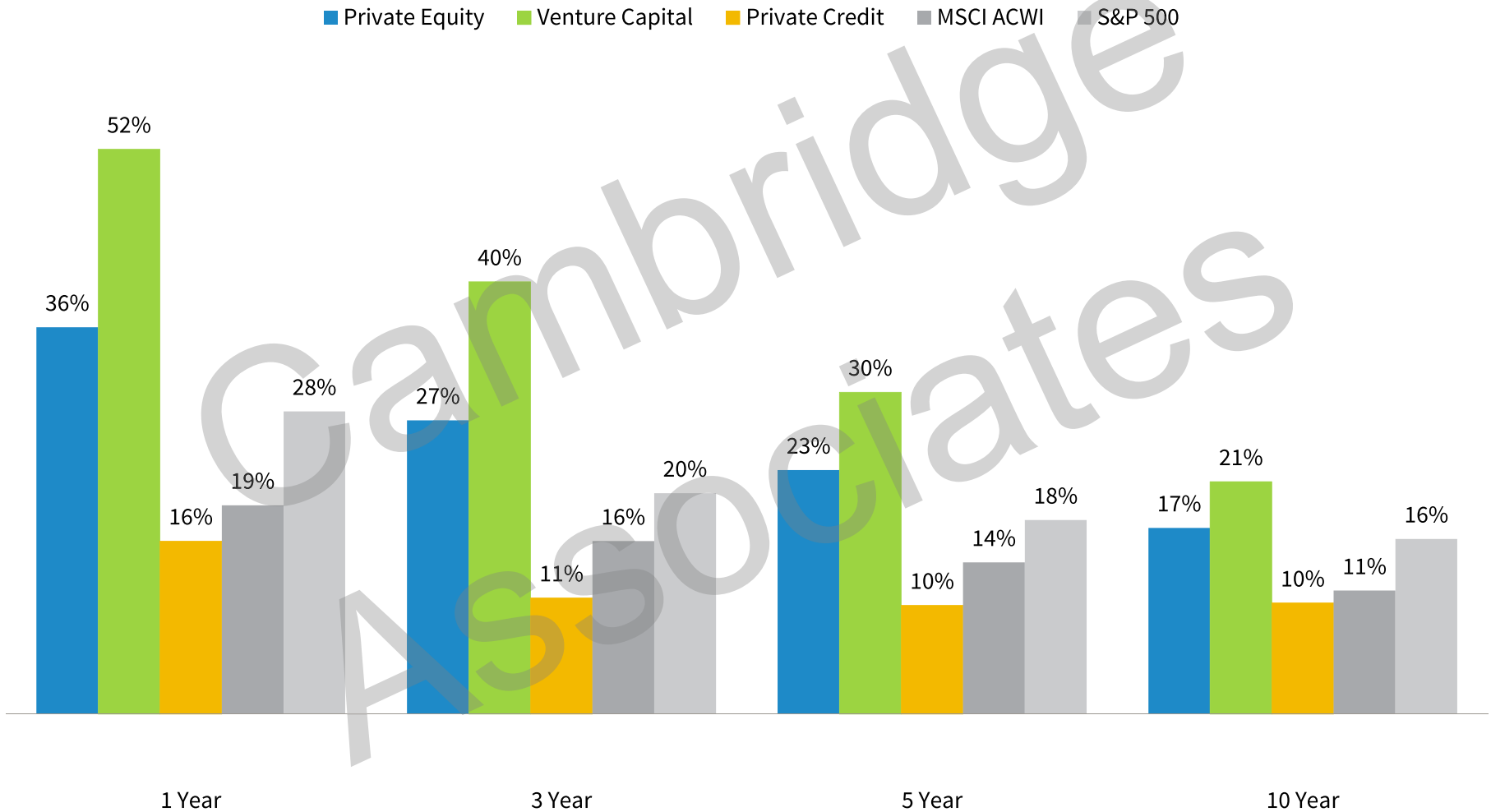


Sources: Cambridge Associates LLC and McLeod, S. A. (2018, May 21). Maslow's Hierarchy of Needs. Retrieved from <https://www.simplypsychology.org/maslow.html>.

## Those Covid-era returns were something else

### Private Equity, Venture Capital, and Private Credit: Periodic Rates of Return

As of December 31, 2021



Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.

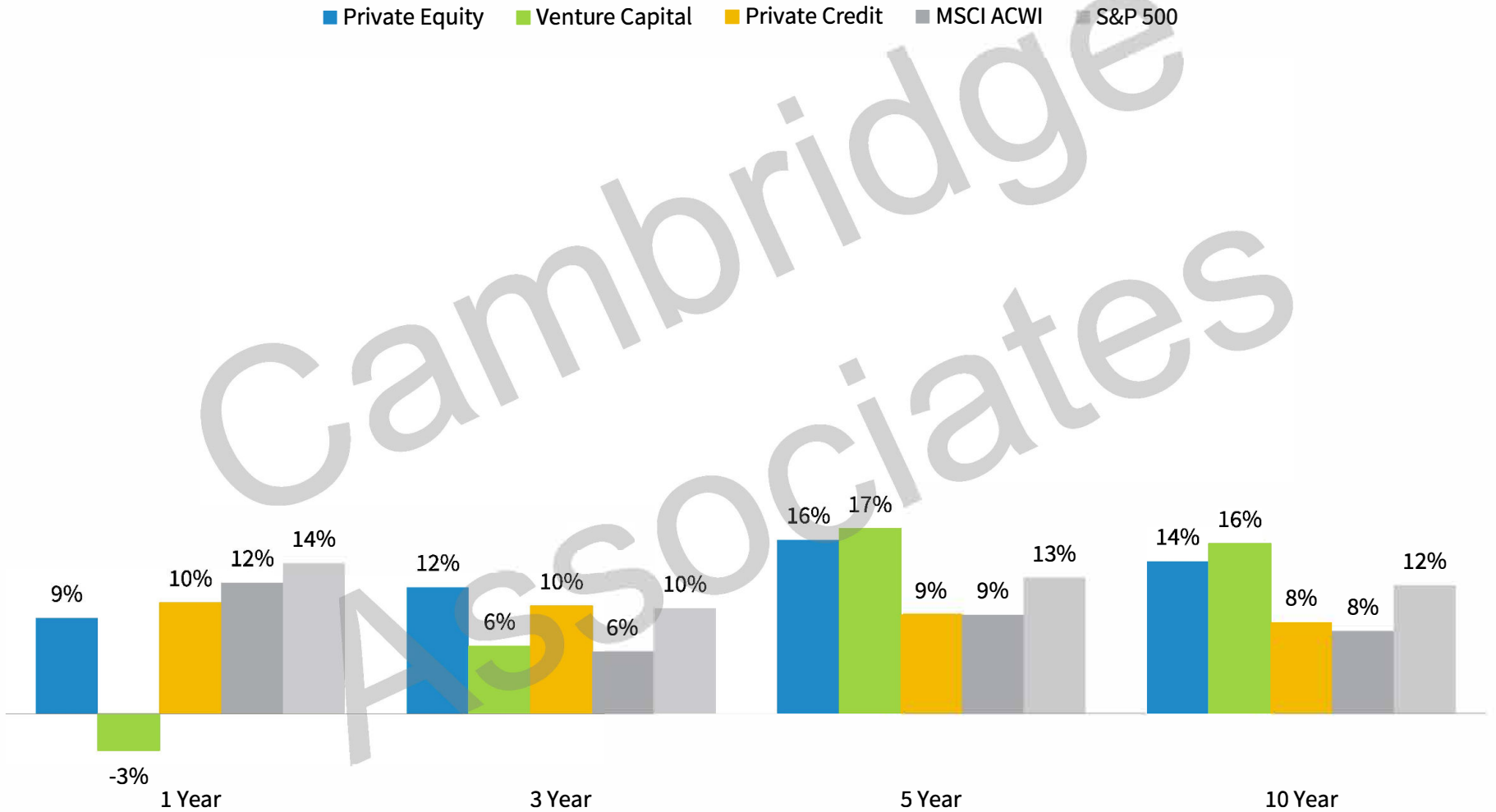
Sources: Cambridge Associates LLC, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Pooled private investment periodic returns are net of fees, expenses and carried interest. Multi-year annualized returns are generated for time periods ending on the as of date for this analysis.

# Everything came back down to earth — and then some — in 2023

## Private Equity, Venture Capital, and Private Credit: Periodic Rates of Return

As of December 31, 2023



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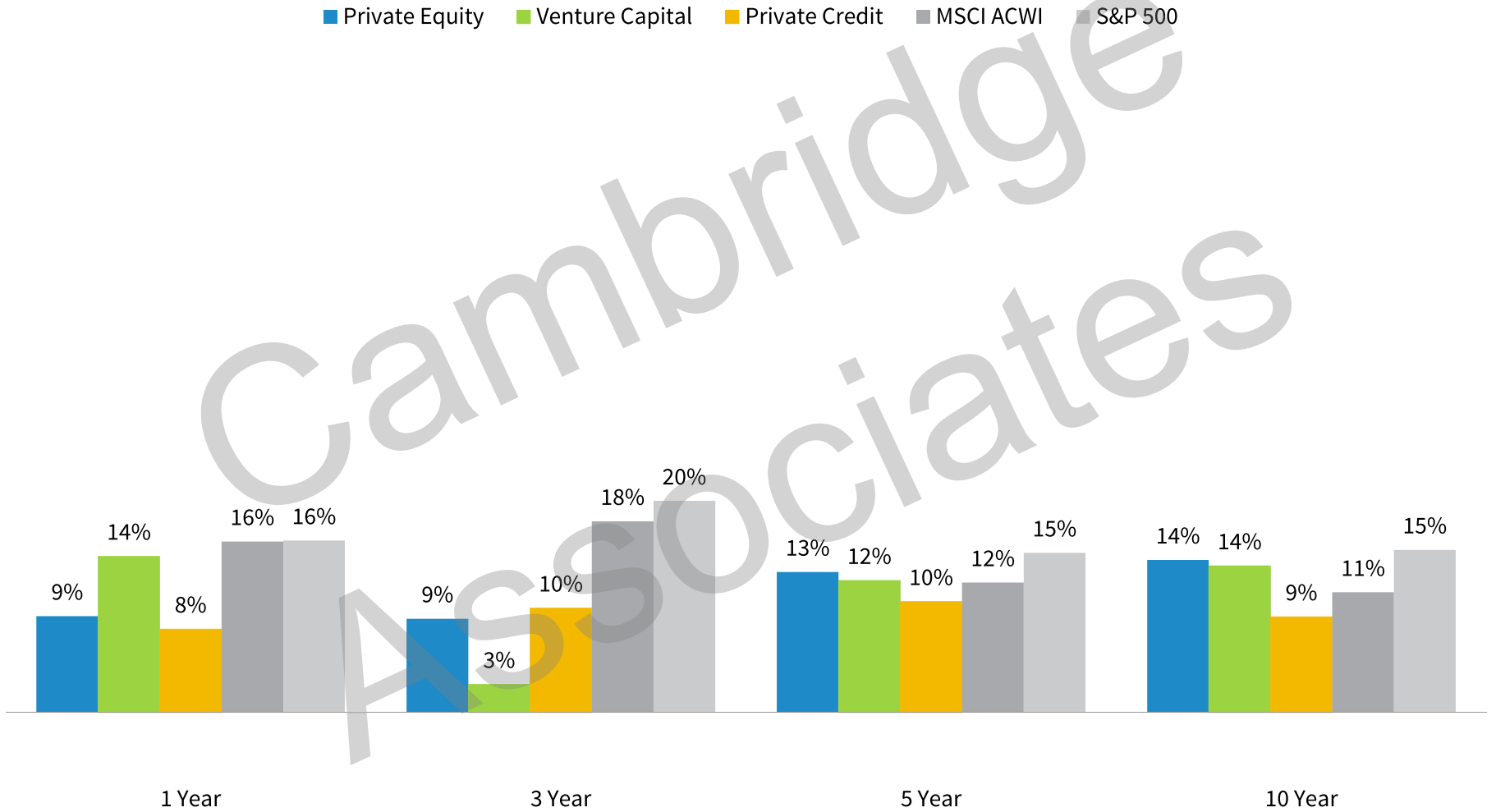
Sources: Cambridge Associates LLC, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

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# Today's returns slowly getting back track

## Private Equity, Venture Capital, and Private Credit: Periodic Rates of Return

As of September 30, 2025



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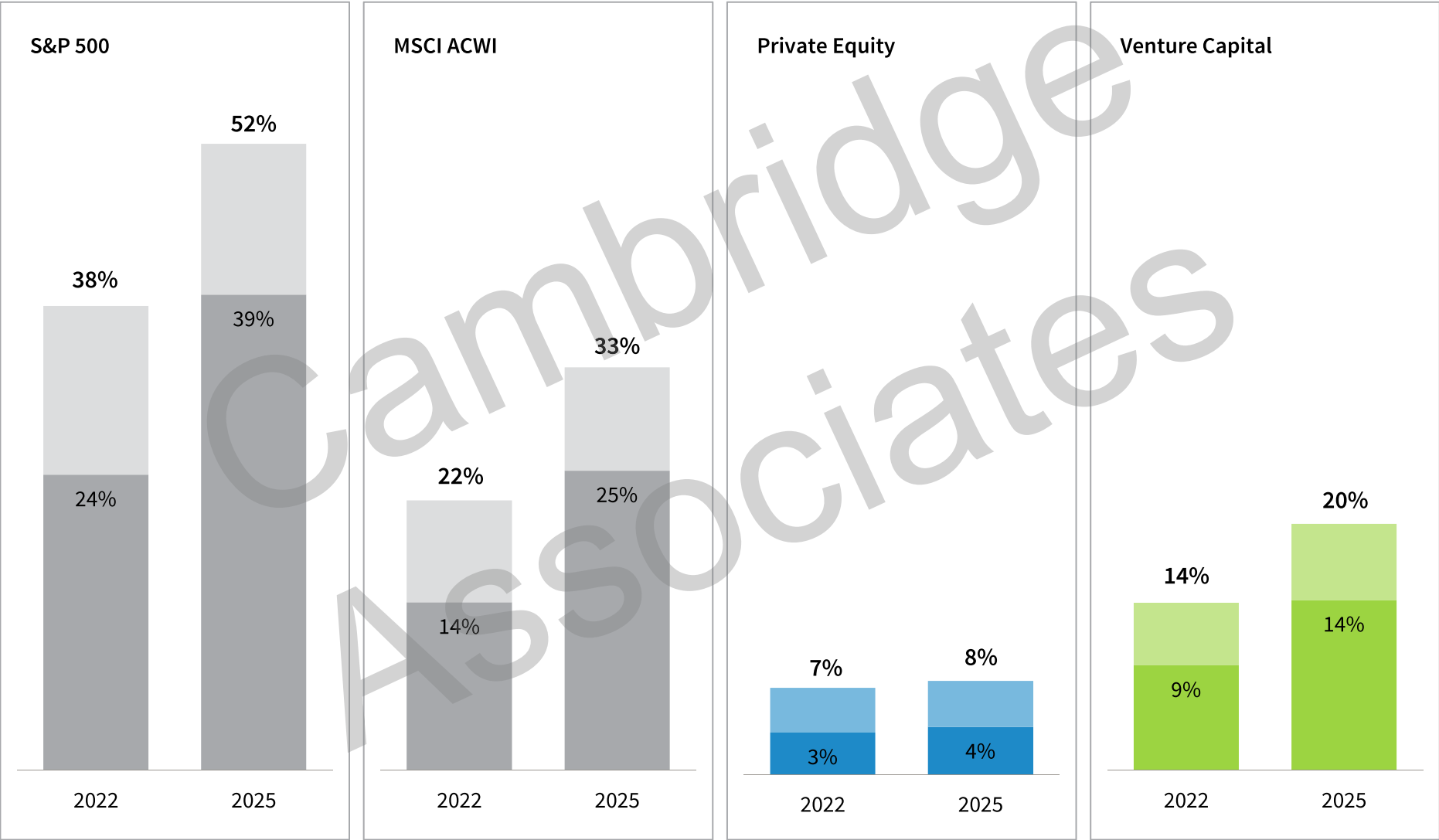
Sources: Cambridge Associates LLC, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

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# Market concentration levels vary widely

Largest 25 Companies by Percentage of Market Value

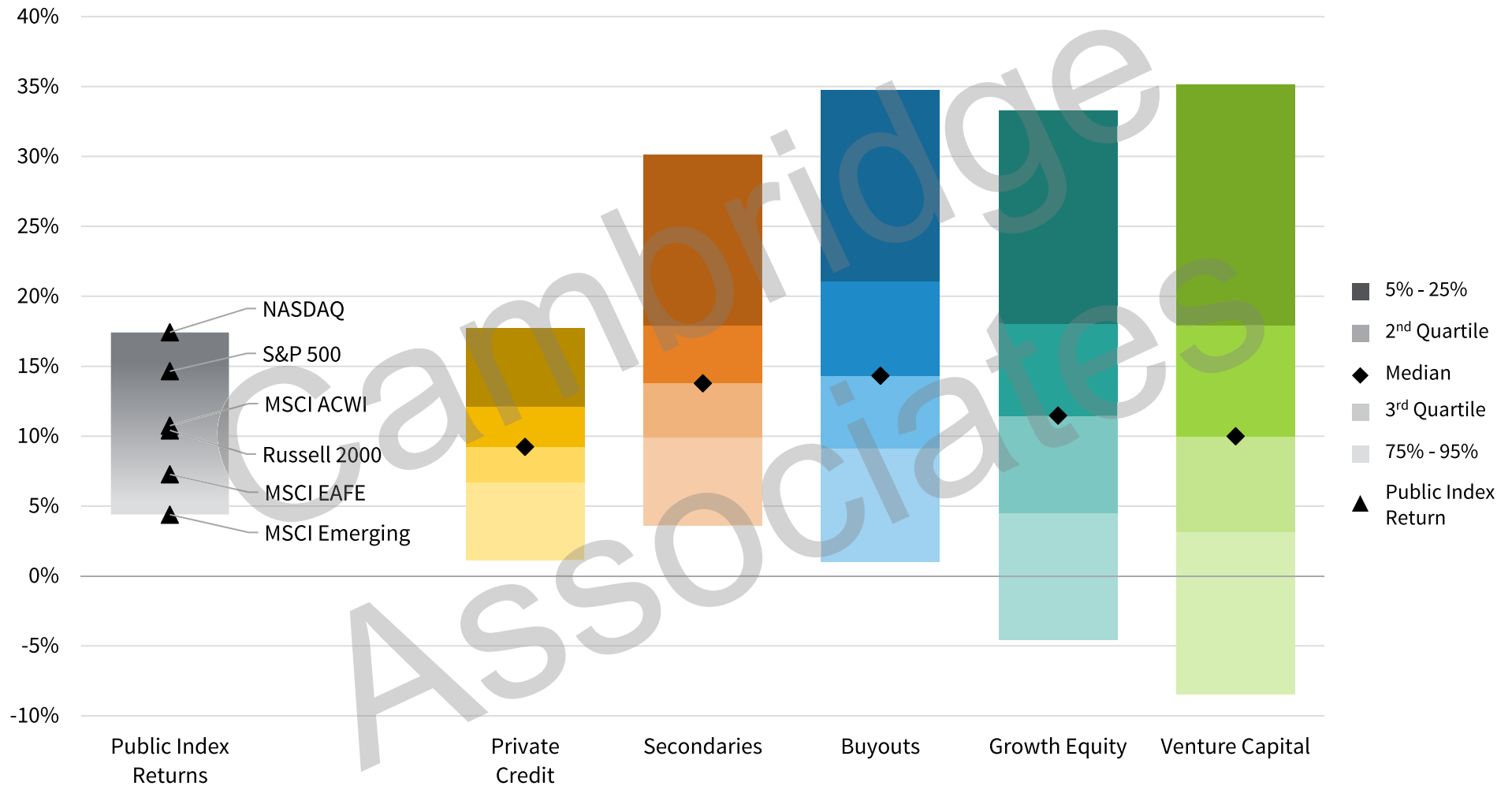
■ Largest Ten Companies   ■ Next 15 Largest Companies



Sources: Cambridge Associates LLC, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: Public indices as of December 31, 2025, venture capital and private equity are as of September 30, 2025.

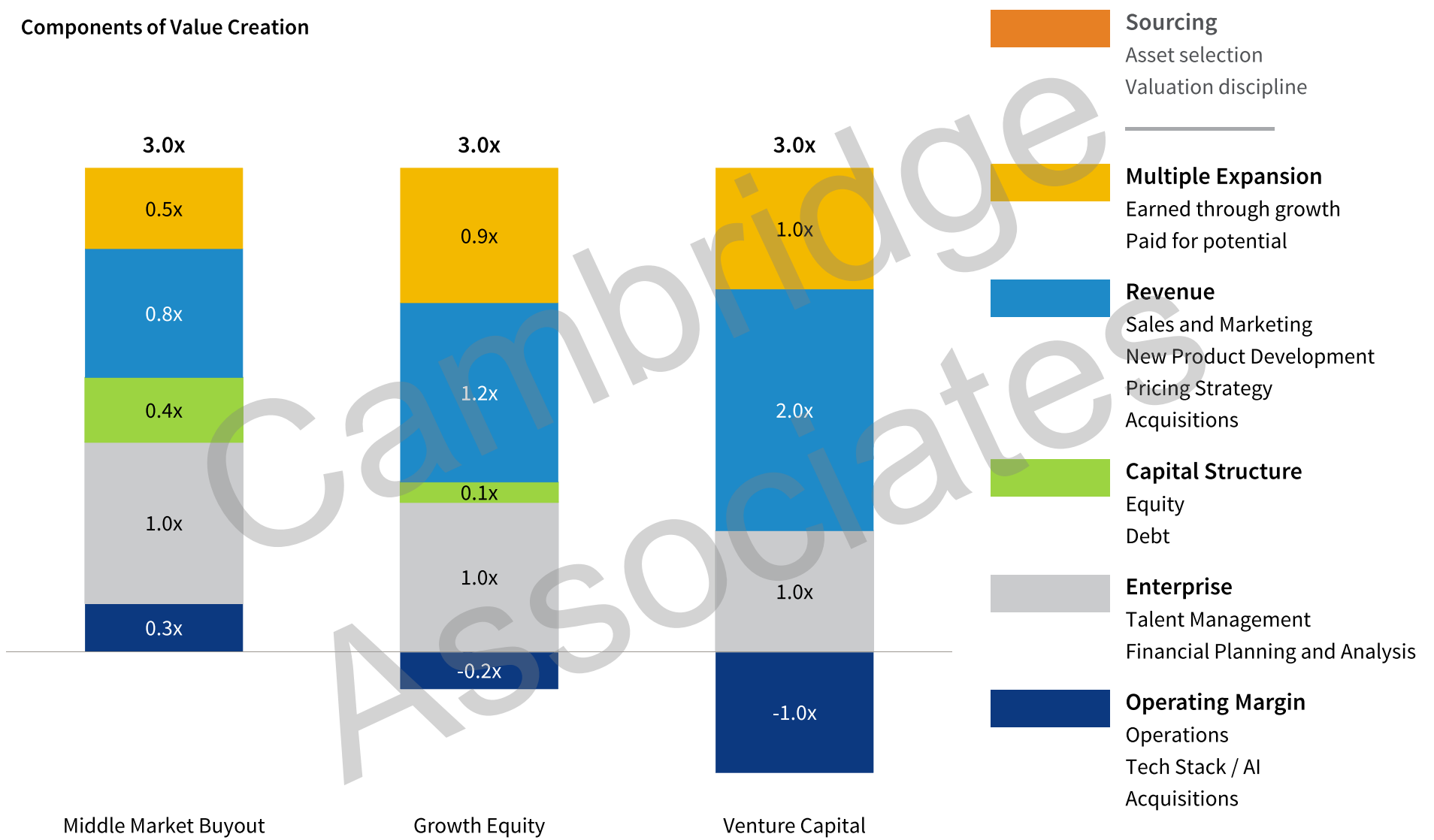
# Private markets are more mosaic than monolithic

Private Investment Return Dispersion by Asset Class vs Public Index Returns



Sources: Cambridge Associates LLC, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.  
 Notes: Returns for public indices are average annual compound returns (AACRs) for the 15 years ended September 30, 2025. Returns for private investment managers are net internal rates of return (IRRs) calculated since inception to September 30, 2025 for vintage years 2010-2022. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis. Time-weighted returns (AACRs) and money-weighted returns (IRRs) are not directly comparable.

# Private managers and their management teams actively execute value creation strategies

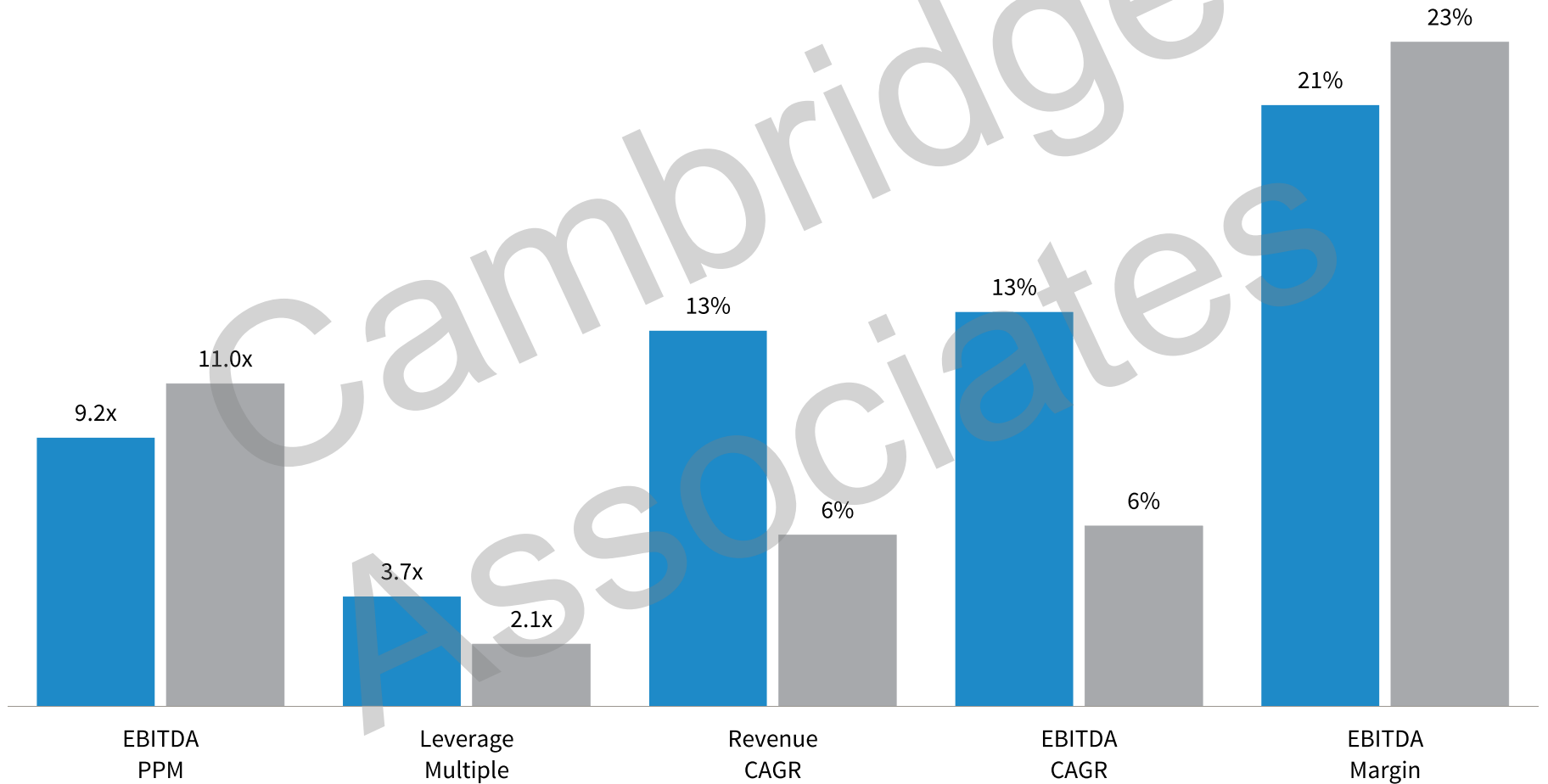


Source: Cambridge Associates LLC. For illustrative purposes only.

## As a result, private companies mostly outperform public counterparts

### Private Equity vs MSCI All Country World® Index: Operating Metrics

■ Private Equity ■ MSCI ACWI

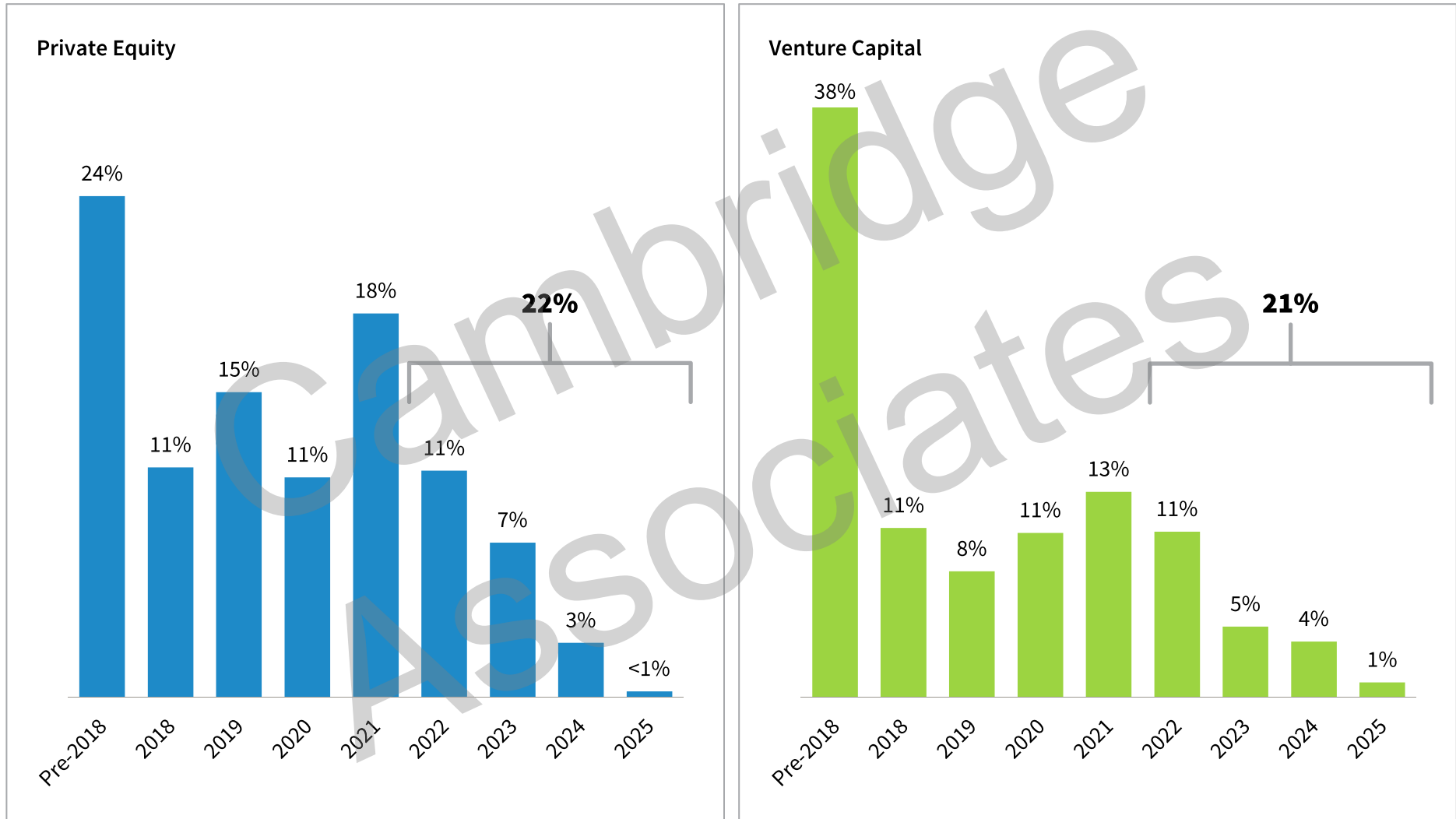


Sources: Cambridge Associates LLC Private Investments Database (as reported by investment managers), MSCI Inc. MSCI data provided “as is” without any express or implied warranties.

Notes: Private equity metrics are as of December 31, 2024, and based on fully realized global buyout and growth equity deals acquired in 2008–2024. EBITDA PPMs and leverage multiples are medians (at acquisition). Growth metrics are median CAGRs. EBITDA Margins are annual averages with outliers removed. Public company data for revenue, EBITDA growth, and EBITDA margins are averages with outliers removed based on calendar years 2008–2024.

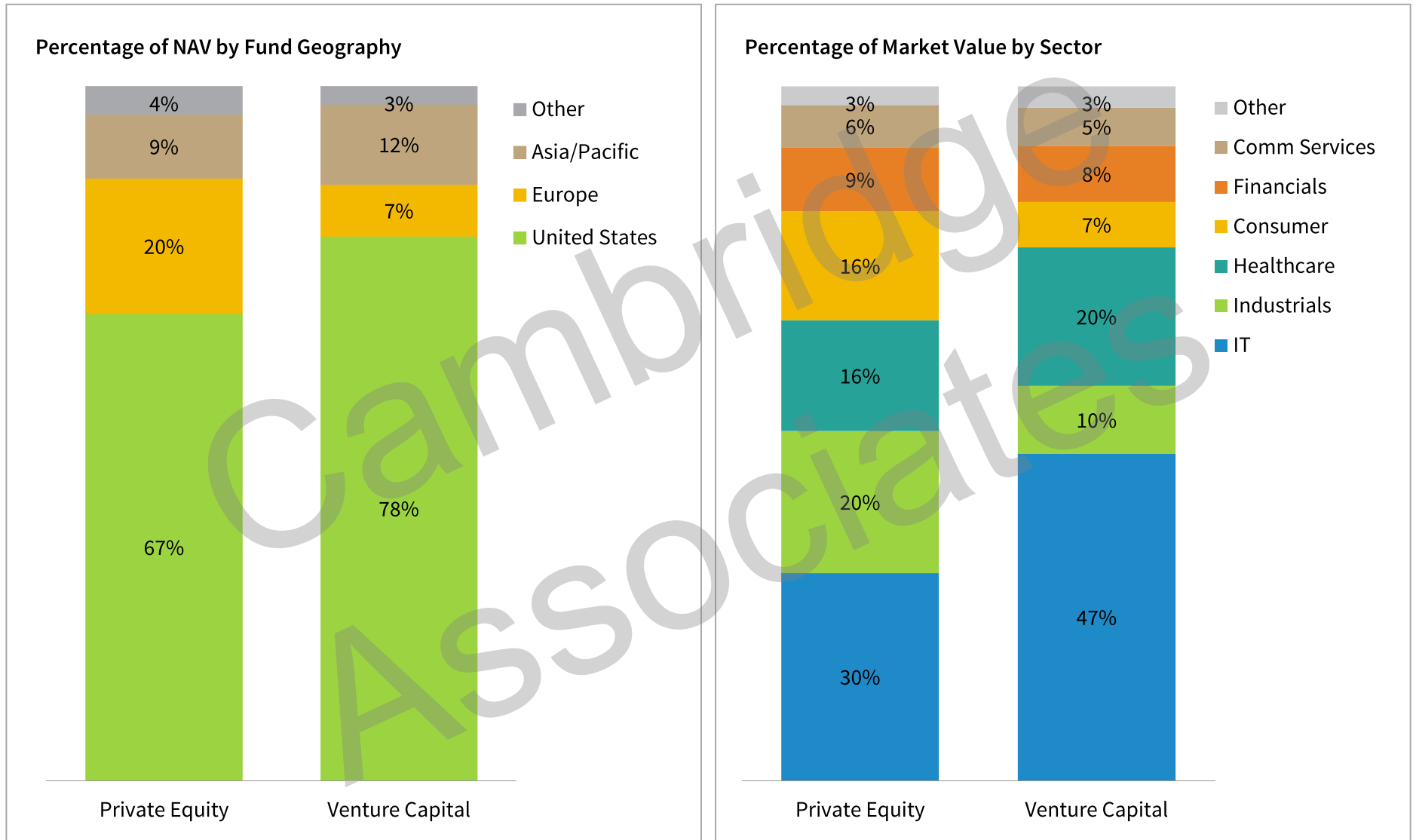
# Private portfolio diversification can be a “when” question

Percentage of NAV by Vintage Year



Source: Cambridge Associates LLC  
Notes: As of September 30, 2025. Represents percentage of LP NAV in each vintage year.

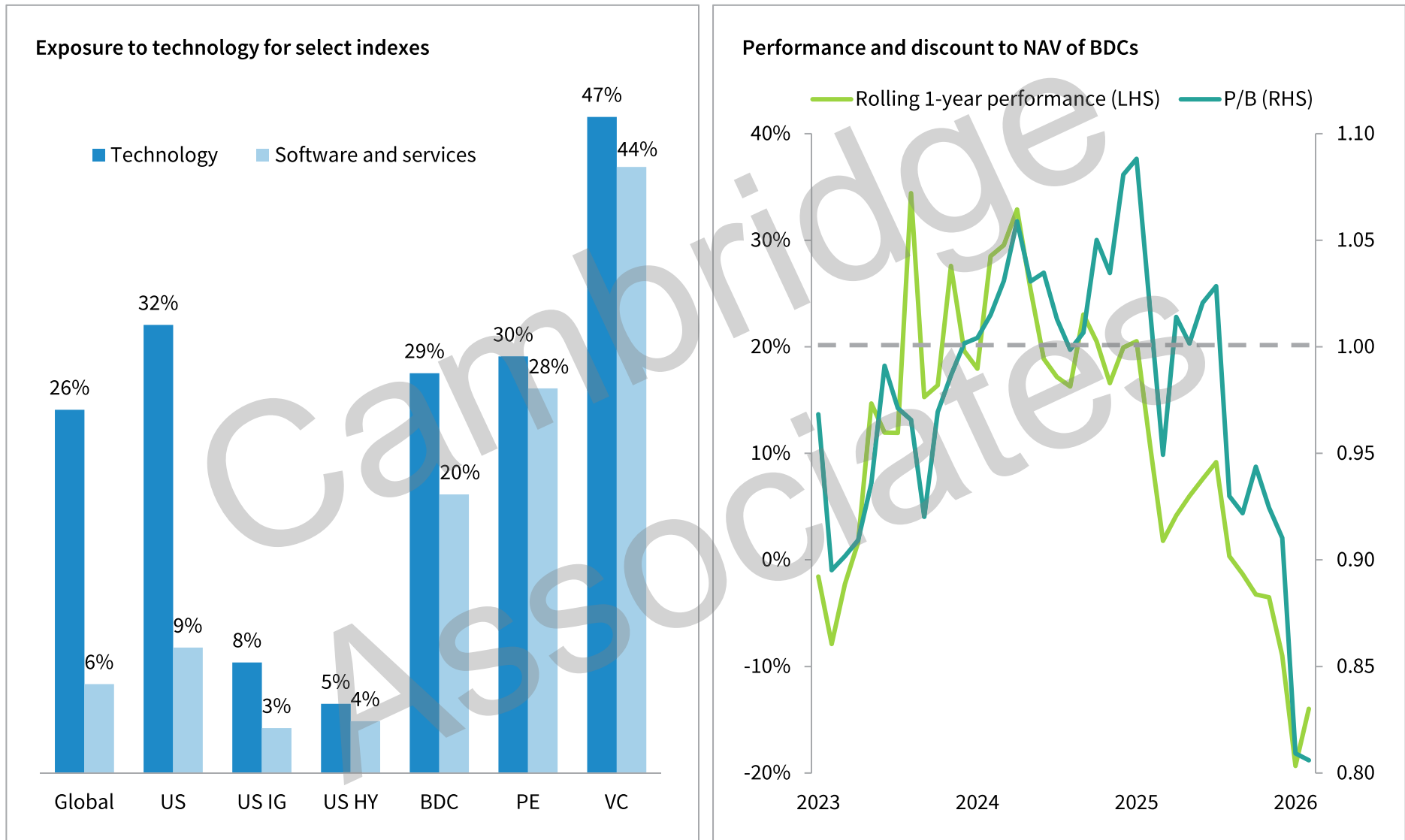
## It can also be a “where” or “what” question



Source: Cambridge Associates LLC

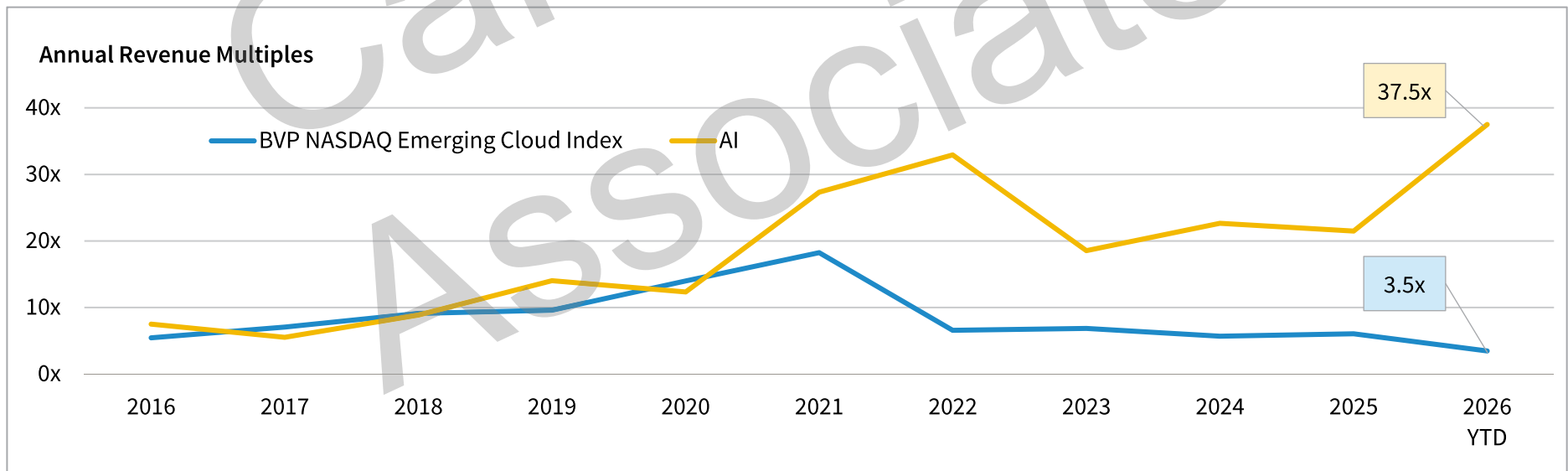
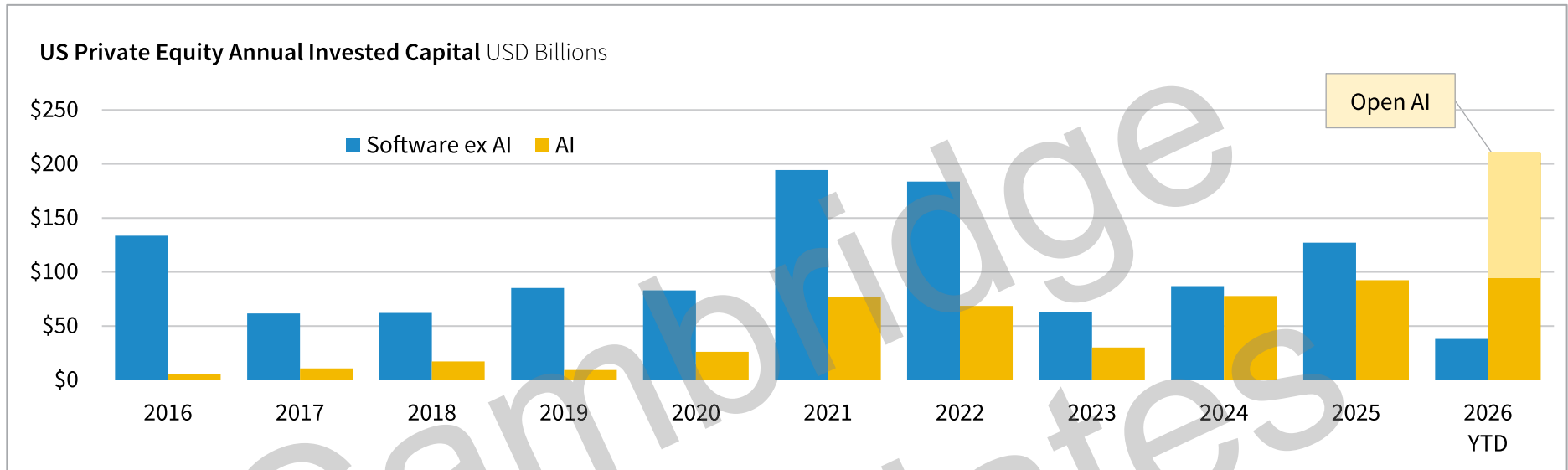
Notes: As of September 30, 2025. Left-hand graph represents percentage of LP NAV in each region. Consumer includes discretionary and staples, industrials includes materials and industrials, and “other” includes energy, utilities, real estate, fund of funds investments. The Global Industry Classification Standard (GICS®) was developed by and is the exclusive property and a service mark of MSCI Inc. and S&P Global Market Intelligence LLC and is licensed for use by Cambridge Associates LLC.

# Enterprise software has long had a starring role in many markets as the hero and lately, the villain



Sources: Cambridge Associates LLC, Bloomberg L.P., FactSet Research Systems, Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties. Notes: Asset classes on left-hand chart are represented as follows: Global equities by the MSCI All Country World Index; US equities by the MSCI US Index; US IG bonds by the Bloomberg US Corporate Investment Grade Index; and US HY bonds by the Bloomberg US Corporate High Yield Index; BDC by the S&P BDC Index; PE and VC by Cambridge Associates benchmarks. Public data as of February 28, 2026 and PE/VC data as of September 30, 2025. Right-hand chart represents data from February 28, 2023 to March 31, 2026.

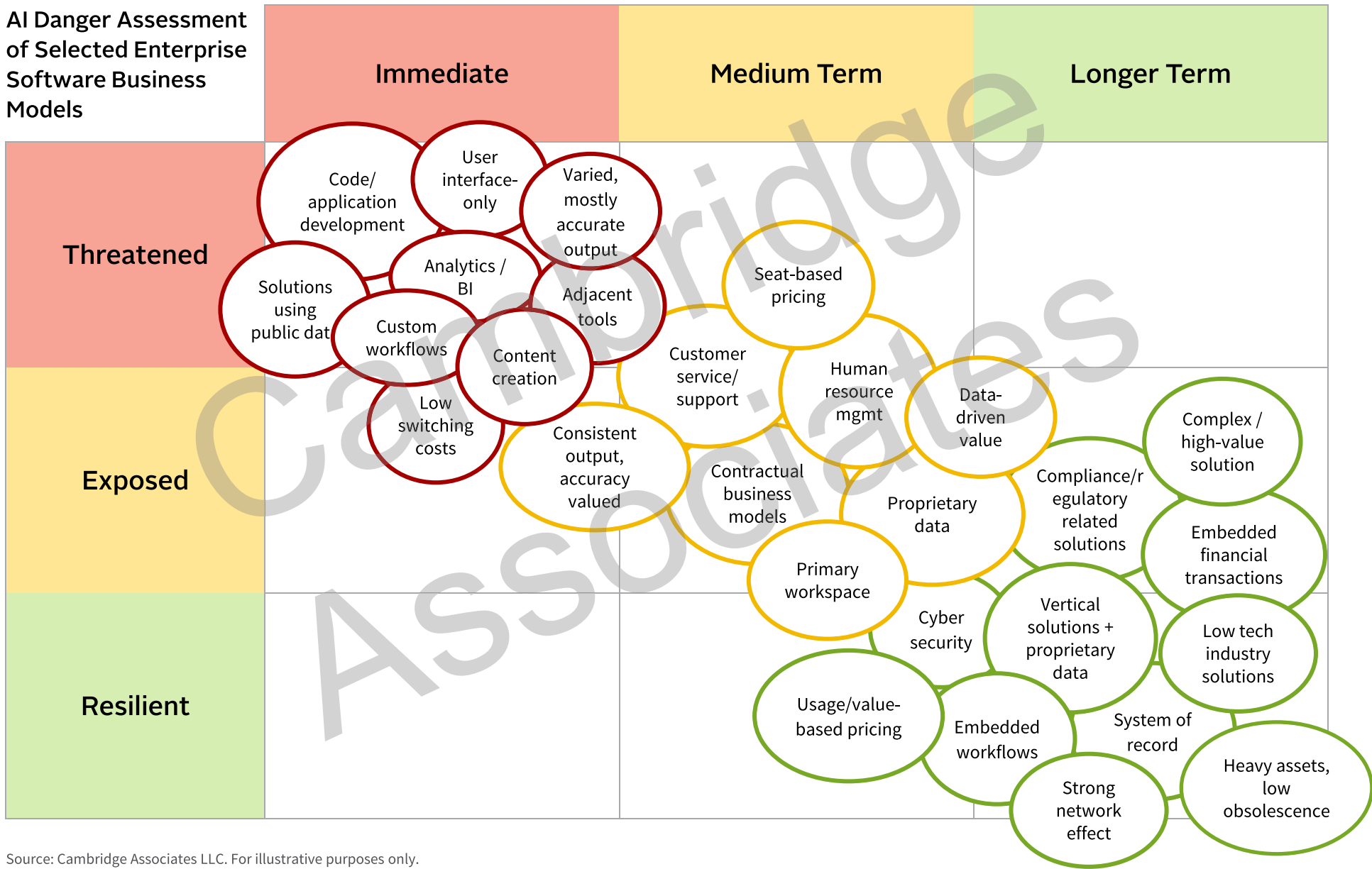
# AI, anyone?



Sources: Cambridge Associates LLC, Pitchbook, and Bessemer BVP Cloud Index Revenue Multiple

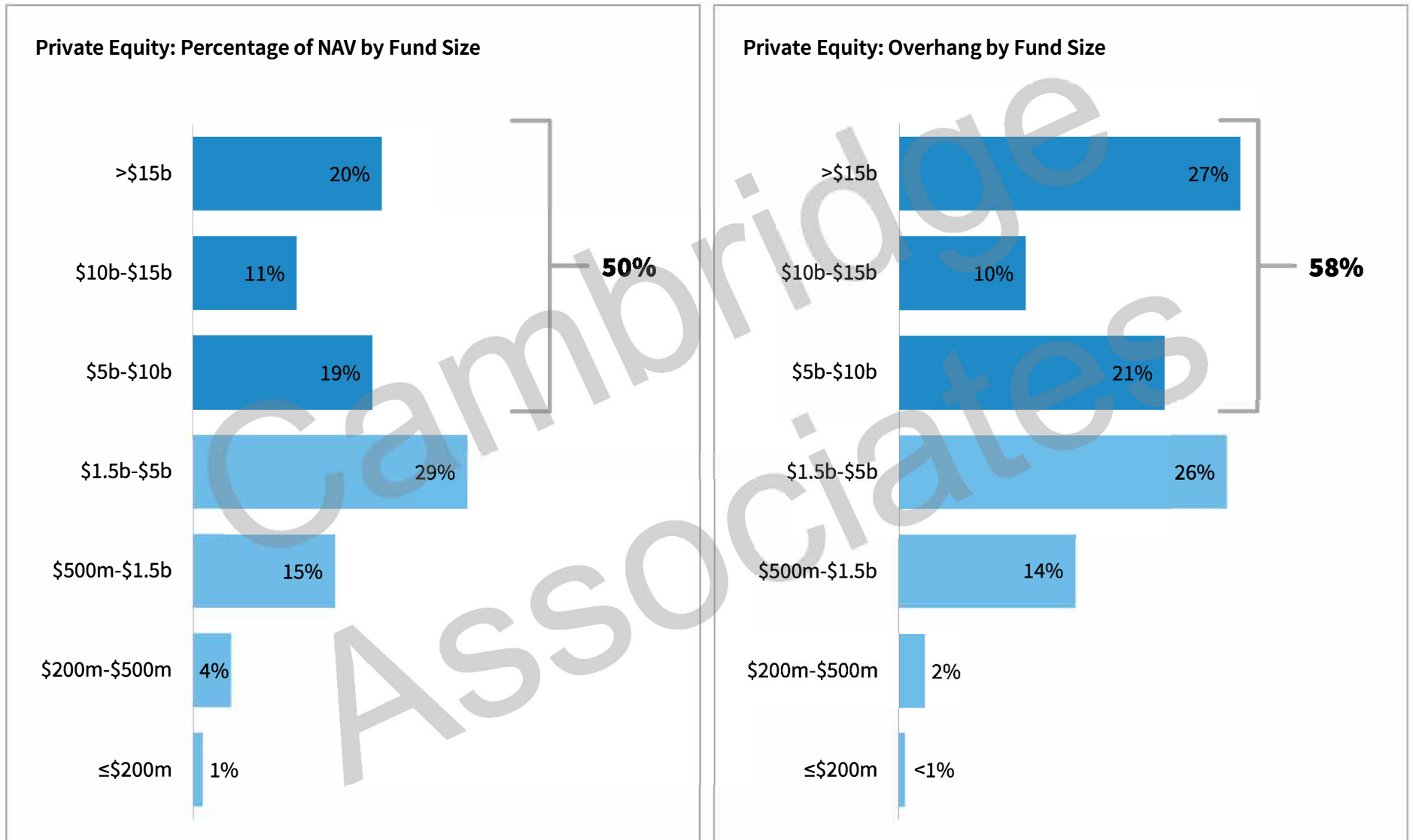
Notes: As of March 31, 2026. Revenue multiples are medians. AI revenue multiples in bottom chart correspond to the same US private equity AI investments in top chart.

# Reminder: Not all enterprise software is created equal



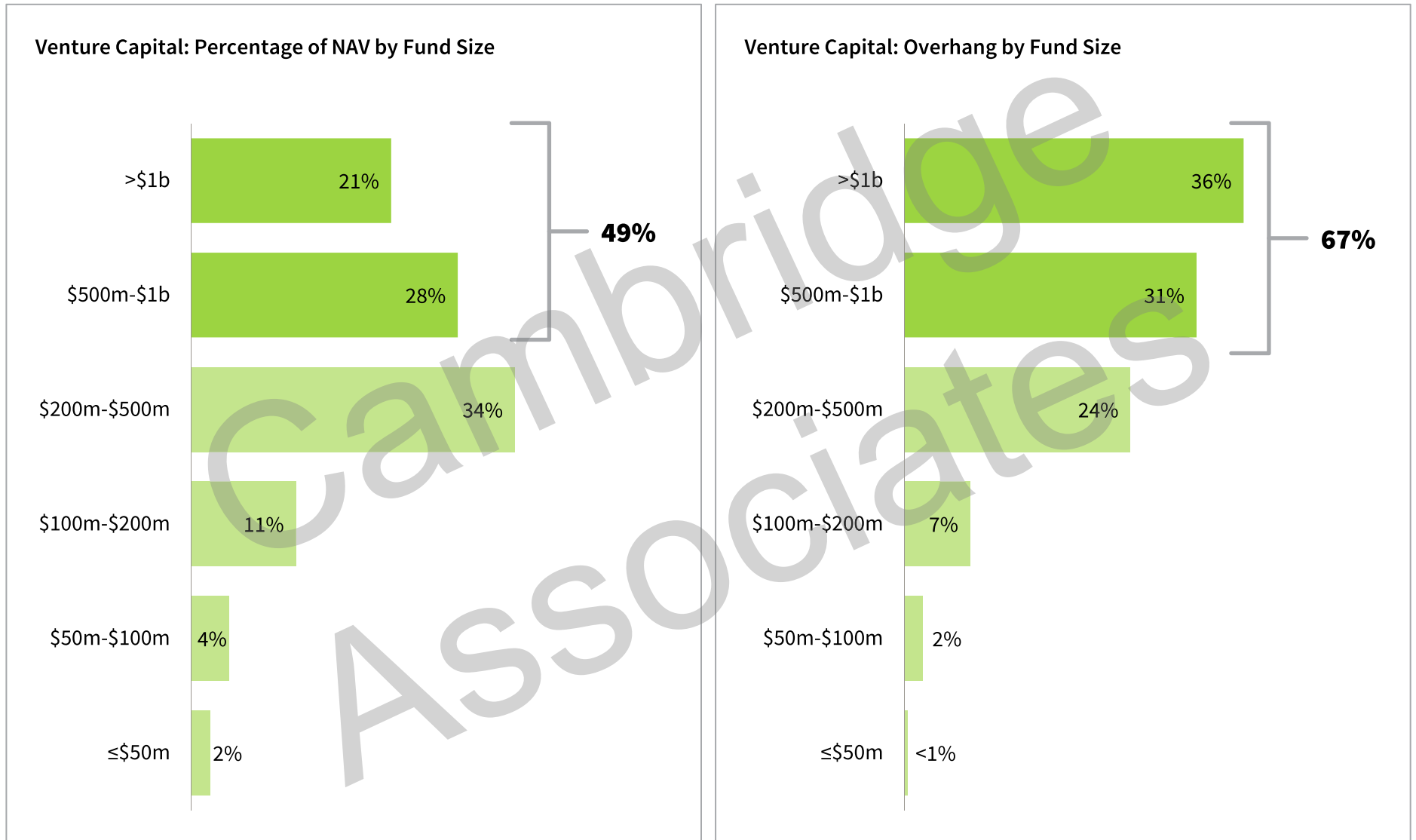
Source: Cambridge Associates LLC. For illustrative purposes only.

## Back to diversification: Let's not forget "who" is also a diversifier



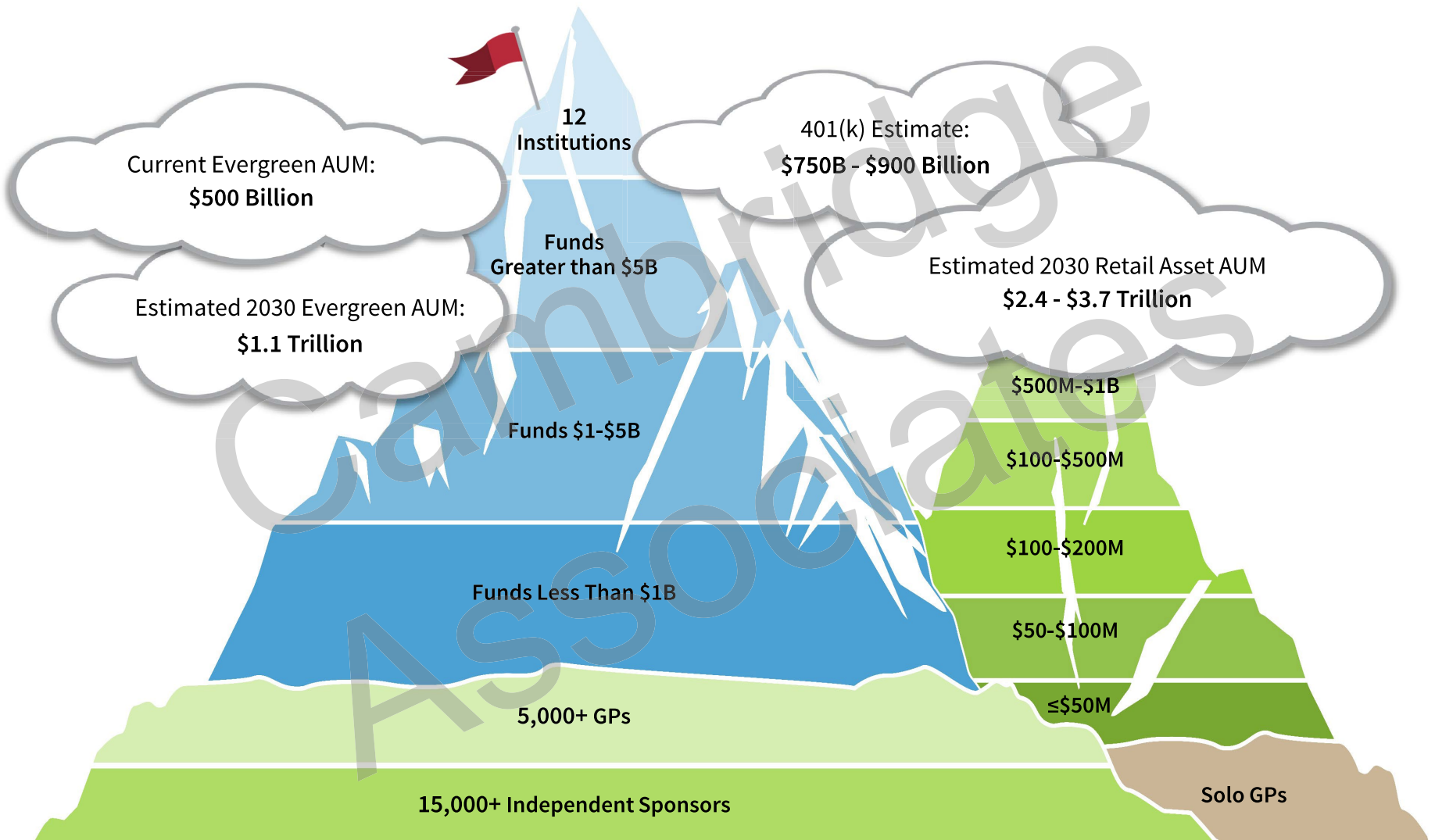
Sources: Cambridge Associates LLC and PitchBook Data, Inc.  
 Notes: NAV data is LP only and as of September 30, 2025. Overhang data as of December 31, 2025.

## Let's not forget "who" in venture as well



Sources: Cambridge Associates LLC and PitchBook Data, Inc.  
 Notes: NAV data is LP only and as of September 30, 2025. Overhang data as of December 31, 2025

# Notice where capital is collecting



Source: Cambridge Associates LLC, Cerulli Associates, Deloitte, PitchBook Data, Inc. For illustrative purposes only.

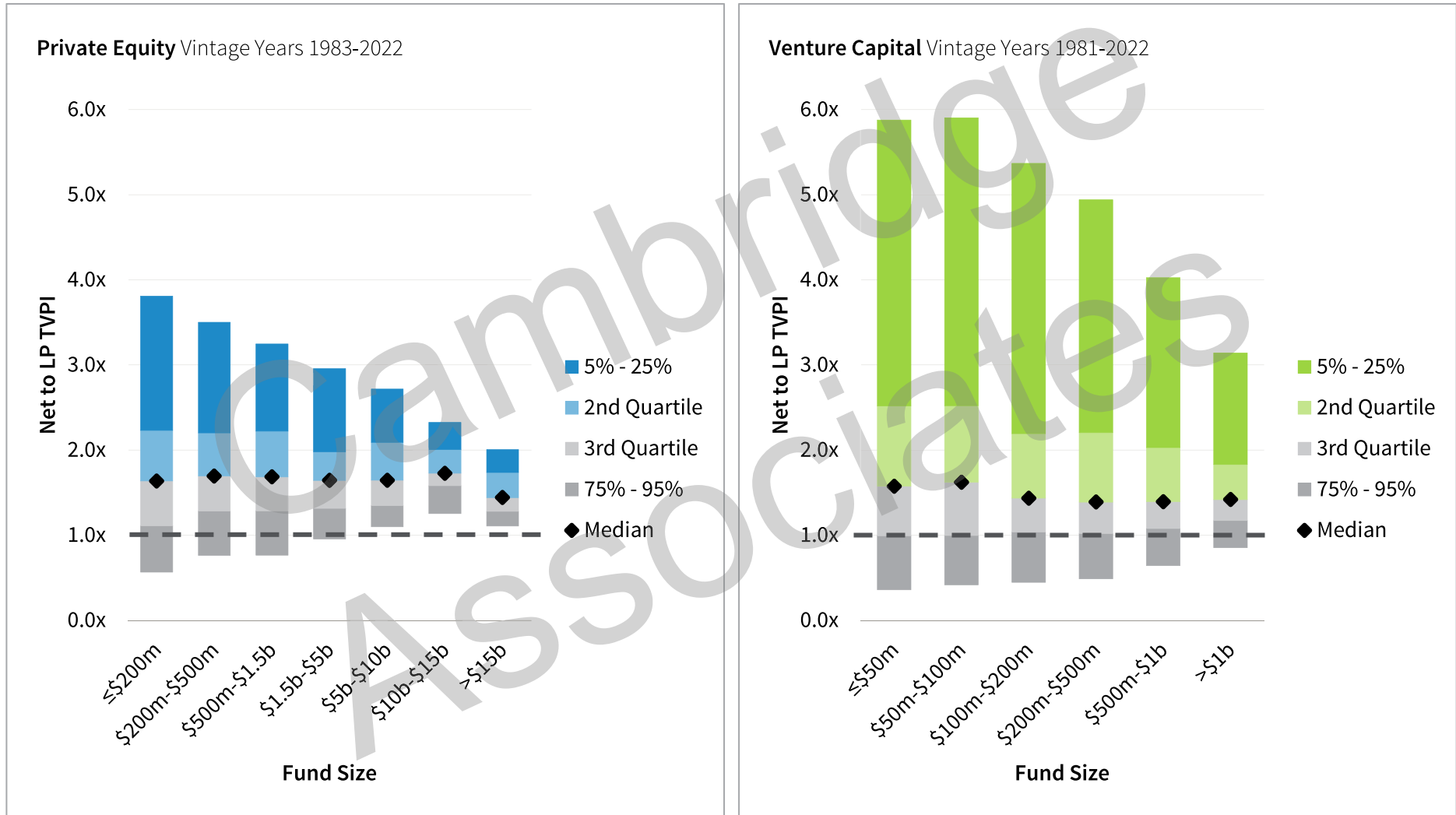
## Closely monitor weather conditions at the summit



Source: Cambridge Associates LLC

# Return dispersion reflects capital concentration

## TVPI Dispersion by Fund Size

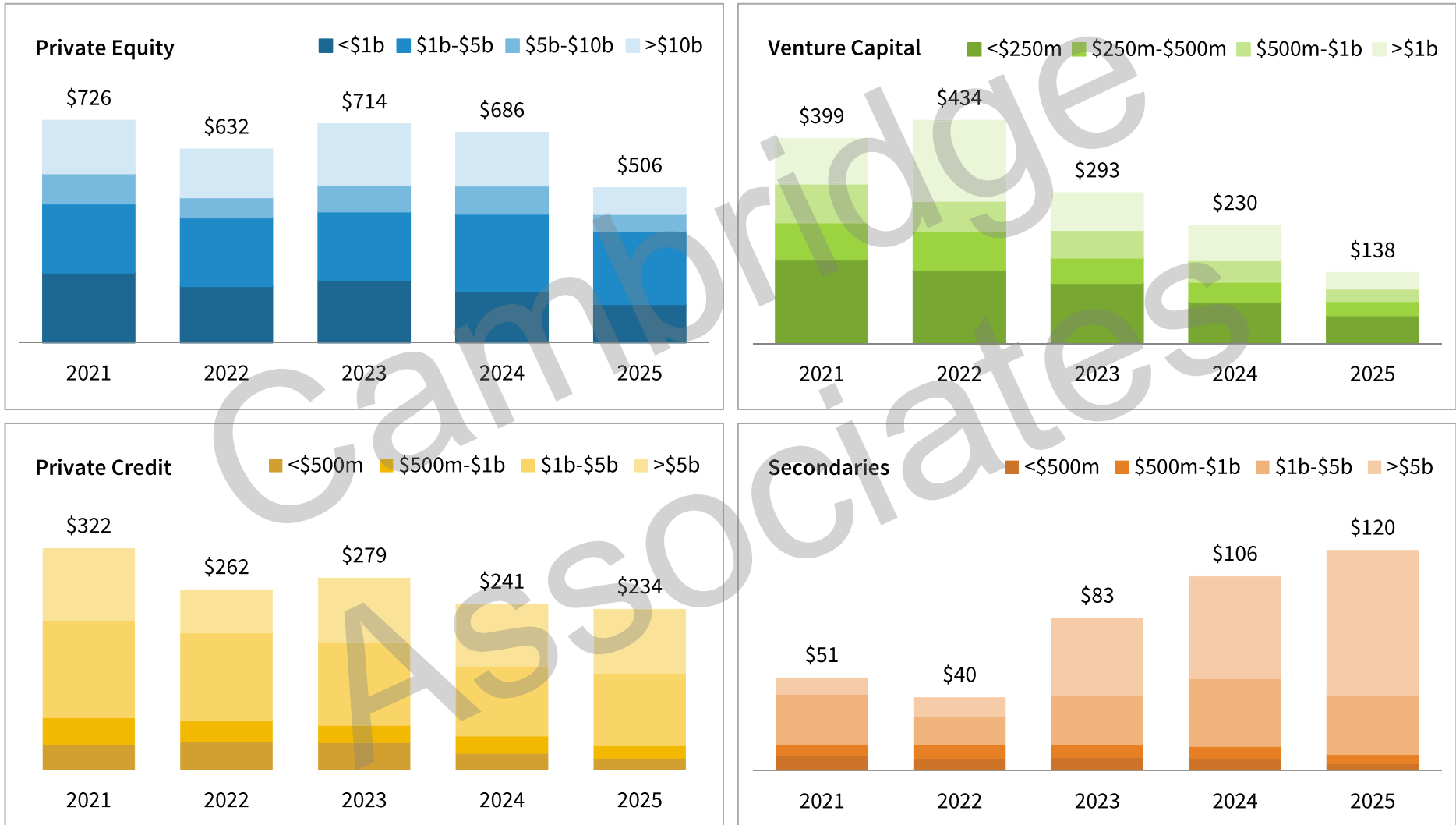


Sources: Cambridge Associates LLC

Notes: As of September 30, 2025. Pooled returns are net of fees, expenses and carried interest. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis.

# Institutional fundraising trends vary

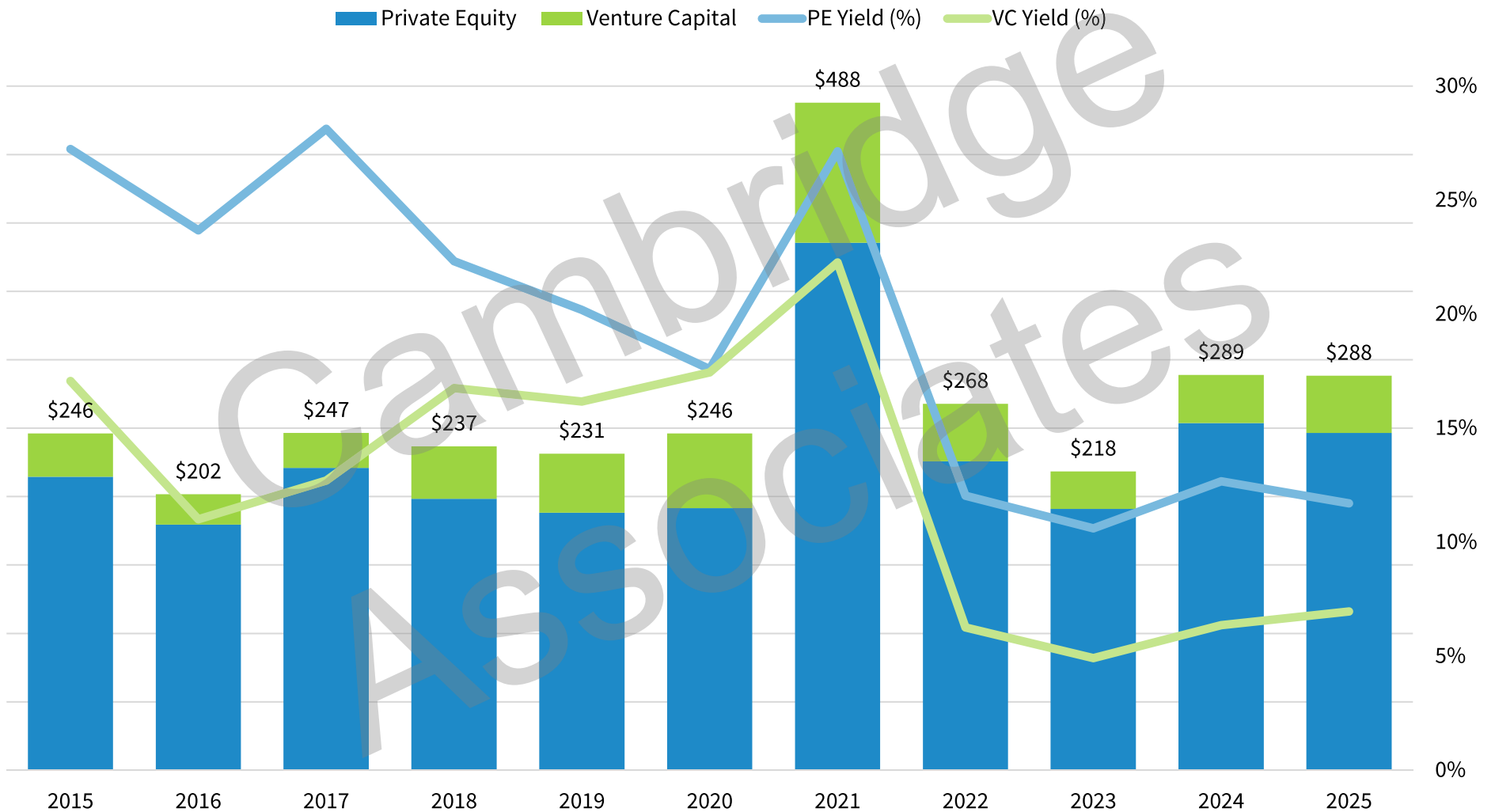
Annual Fundraising by Fund Size USD Billions



Sources: Cambridge Associates LLC and PitchBook Data, Inc.  
Notes: As of December 31, 2025.

# Dollar distributions holding steady but...we're not getting any younger over here

Annual Distributions and Distribution Yields by Calendar Year USD billions



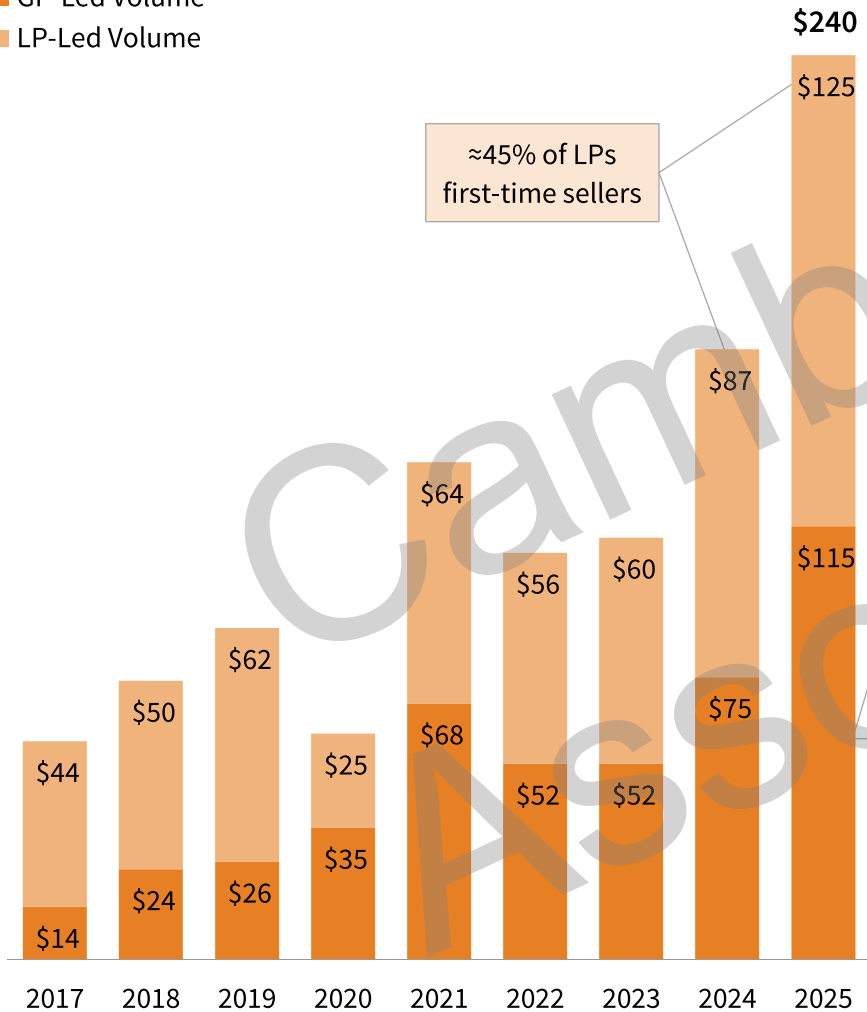
Sources: Cambridge Associates LLC

Notes: Calendar year distribution yield is annual LP distributions/beginning NAV. For 2025, distributions and yield are through September 30 and annualized. Distributions are net of recallable returns of capital.

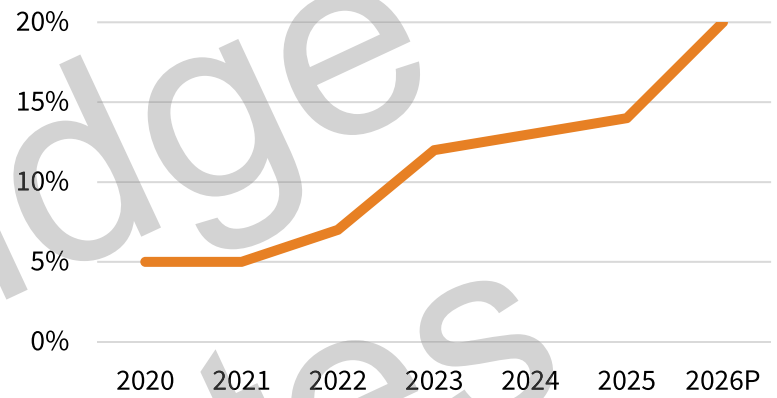
# Prioritizing secondaries: LPs and GPs alike are manufacturing liquidity

Annual Secondaries Transaction Volume USD Billions

- GP-Led Volume
- LP-Led Volume



GP-Leds Climbing as % of Exit Volumes USD Billions



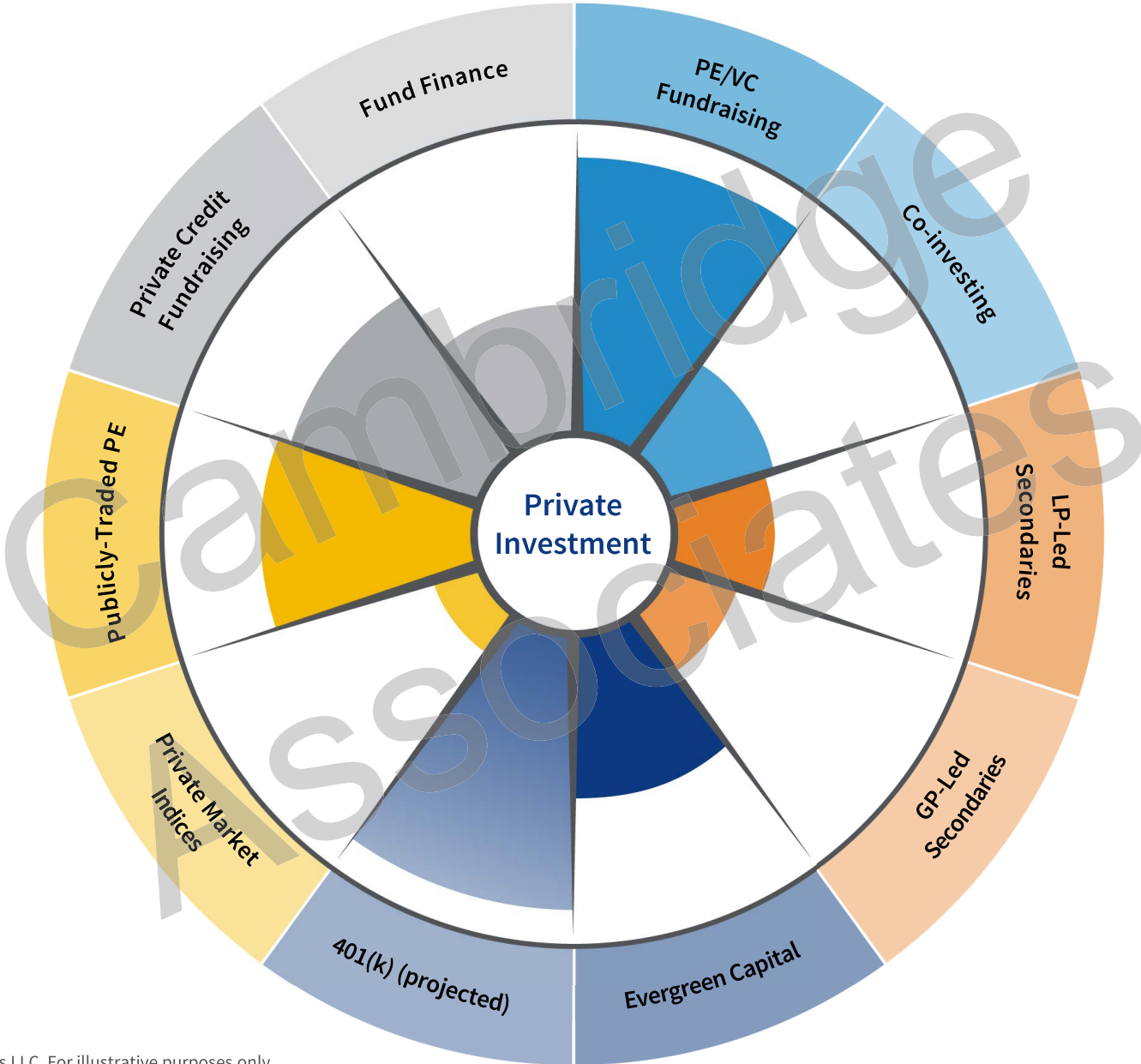
### GP-Leds

- “Exit”
- Majority occur at discount to NAV
- Increasing % purchased with deferred payment
- NAV leverage often employed
- Typically sliding carry
- CVs can shift GP/LP alignment
- As usage climbs, overall cohort performance likely to be a “tweener”
- Increasing % including older assets

Sources: Cambridge Associates LLC and Jefferies, 2025 Global Secondary Market Review

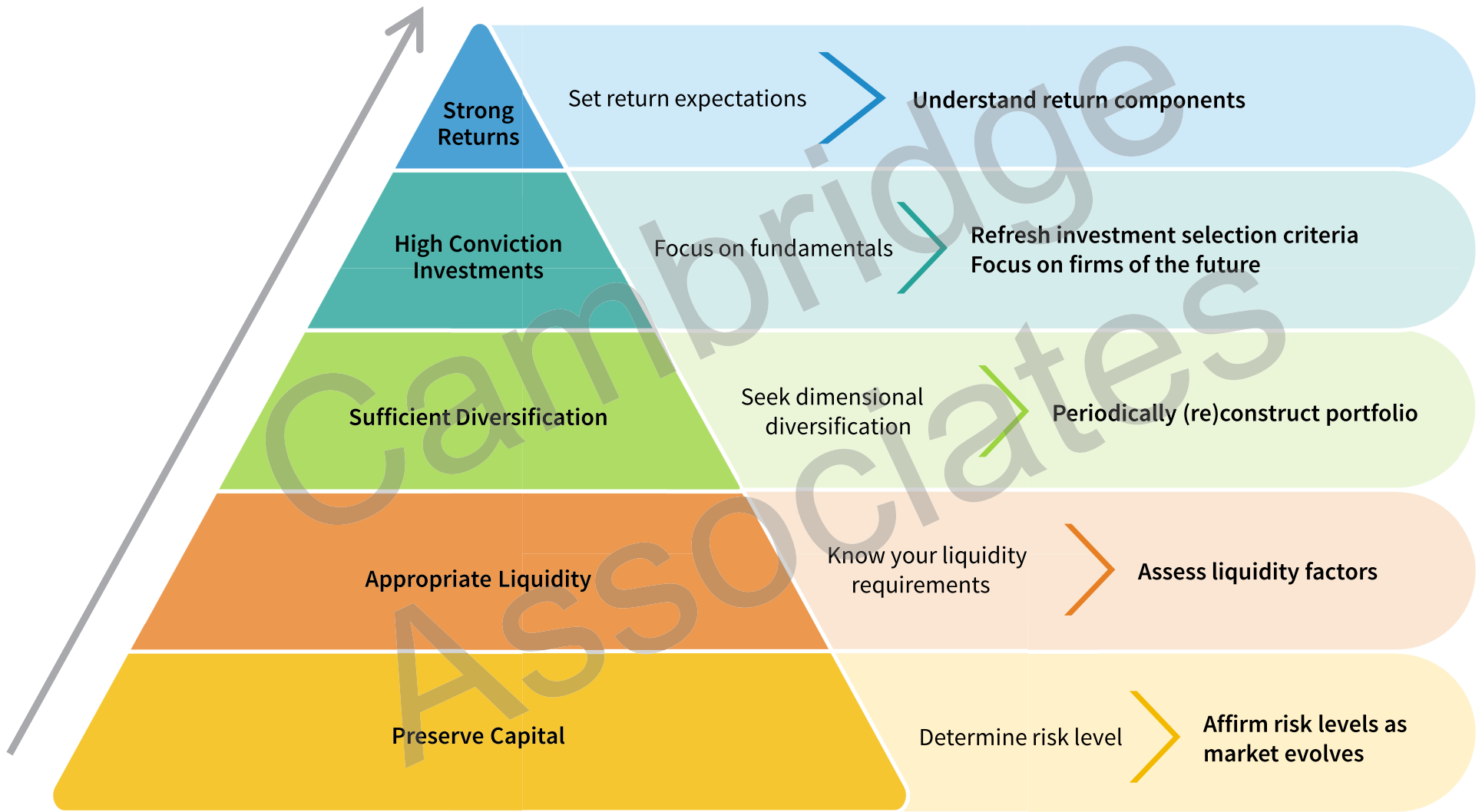
Notes: As of December 31, 2025. Chart on the right represents annual secondaries transaction volume as a percentage of NAV and unfunded capital in active buyout, growth equity, venture capital, distressed, private credit, natural resources, real estate, and infrastructure funds formed since 2000.

# Big wheel keeps on turning



Source: Cambridge Associates LLC. For illustrative purposes only.

# Anchor your private portfolio in fundamentals



Sources: Cambridge Associates LLC and McLeod, S. A. (2018, May 21). Maslow's Hierarchy of Needs. Retrieved from <https://www.simplypsychology.org/maslow.html>.

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