



2025 Advisor Outlook: Top Ten Private Market Insights

INSIGHT 1

Why are financial advisors (FAs) recommending private markets to their clients?

FAs recognize private markets as an attractive alternative to traditional public debt and equity securities due to their potential for superior long-term returns, diversification benefits, and lower volatility. According to the Adams Street survey, more than nine in 10 clients of FAs (94%) frequently express interest in private markets investments, 92% of responding FAs expect private markets to outperform public markets in the long run, and 86% believe private companies offer superior governance.

INSIGHT 2

What are the primary reasons FAs cite for clients' interest in investing in private markets?

The top priorities for private wealth clients include:

- Access to new investment opportunities (42%)
- Wealth preservation (40%)
- Maximizing income and tax efficiency (both at 37%)

Notably, environmental, social, and governance considerations ranked the lowest among priorities at 17%.

INSIGHT 3

How is access to private markets changing for individual investors?

Access to private markets is expanding due to innovations such as evergreen funds, digital platforms, and regulatory initiatives. These changes make private investments more accessible by reducing or eliminating barriers such as intermittent capital calls, and improving liquidity through periodic distributions. More than two-thirds (67%) of FAs expect an increase in the percentage of their clients with an allocation to private markets over the next three years.

INSIGHT 4

What role do evergreen funds play in private market investing?

Evergreen funds generally provide periodic liquidity and redemption options, reduce administrative burdens by eliminating intermittent capital calls and simplifying tax reporting, and have lower minimum commitments. Evergreen funds are therefore gaining popularity, with 44% of responding FAs favoring them over traditional closed-end funds (37%). However, some concerns remain about liquidity risks and fund gating during periods of high withdrawals.

INSIGHT 5

How much are FA clients currently allocating to private markets?

All survey respondents stated that at least some of their clients have exposure to private markets, with more than 65% of FAs stating that at least 10% of their clients have private market investments. Less than 6% foresee a decline in the number of clients allocating to private markets, while 67% of FAs expect the percentage of clients investing in private markets to grow.

INSIGHT 6

What sectors are attracting the most private market investments?

Technology is seen as the top investment sector in 2025 for 58% of FAs, followed by financial services (42%) and energy and utilities (31%). AI-driven investments are particularly attractive, with venture-backed AI companies capturing 46.6% of venture deal value in 2024.

INSIGHT 7

Which regions are expected to present the best private market investment opportunities in 2025?

North America is expected to provide the best private markets investment opportunities in 2025 for 31% of survey respondents. Europe was the preferred choice of 18% of FAs, followed by emerging Asia-Pacific and China, which were ranked top by 16% of advisors.

INSIGHT 8

How do FAs anticipate that AI will impact private wealth management and investing?

FAs expect AI to enhance their operational efficiency by:

- Improving risk management (52%)
- Increasing their ability to forecast market trends (48%)
- Streamlining operational processes (48%)

AI is also fueling investment opportunities, with digital platforms projected to manage nearly \$6 trillion in assets by 2027.

INSIGHT 9

What challenges do FAs face when discussing private markets with clients?

A key challenge is the complexity of private market investments, which can hinder effective client communication. More than two-thirds of FAs cited this issue. Additionally, clients generally have less knowledge of private markets, necessitating greater education efforts by advisors.

INSIGHT 10

What factors influence FAs decisions to recommend private market investments?

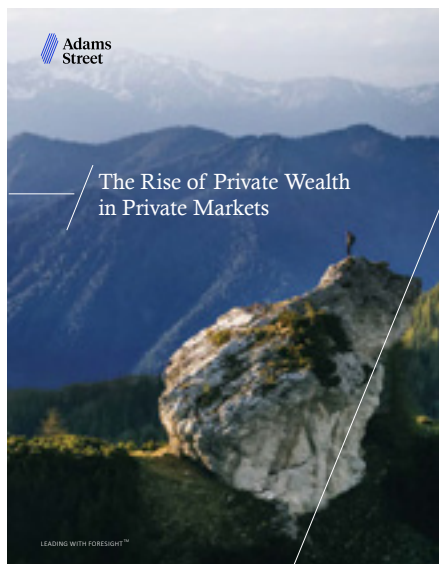
The most important factors FAs consider when recommending a client invest in private markets include:

- Risk-return profile (51%)
- Knowledge of private markets (40%)
- Client demand and diversification (both at 37%)

Clear and accurate reporting on returns, taxes, and fees is also an essential consideration for FAs before presenting options to investors.

DISCLOSURES / IMPORTANT NOTES

1. PitchBook, *NVCA Venture Monitor Q4 2024*, January 27, 2025, Pages 8-9
2. PwC, *AI is transforming asset and wealth management*, 2023



2025 Advisor Outlook

Read the full *The Rise of Private Wealth in Private Markets* report

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