

## **Adams Street's 2025 Advisor Outlook Highlights Rising Demand for Access to Private Markets**

*Shift towards private markets accelerates as wealthy individuals seek diversified investment opportunities*

CHICAGO, IL – April 14, 2025 – **Adams Street Partners**, LLC, a leading private markets investment firm with more than \$62 billion in assets under management, today released its inaugural Advisor Outlook. Titled “**The Rise of Private Wealth in Private Markets**,” the report presents insights from over 100 financial advisors across North America, Europe, and Asia. Respondents cite growing client demand for private market exposure, with 92% expecting the asset class to outperform public markets over the long term. In turn, more than two-thirds (67%) anticipate an increase in the percentage of clients with an allocation to the asset class over the next three years.

“Private markets are becoming an essential part of a well-diversified portfolio, and financial advisors are on the front lines of this shift,” said **Jim Walker**, Partner & Global Head of Wealth at Adams Street. “Adams Street is focused on equipping advisors with access to institutional-quality origination, education, and a range of structures to help meet client goals. As an employee-owned firm with significant assets invested alongside our clients, we are deeply aligned with those we serve.”

While complexity, limited access, and tax reporting preferences have historically limited private market participation, advisors report meaningful progress in addressing those barriers. Structures such as semi-liquid evergreen funds and digital platforms, along with an increasingly favorable regulatory environment are expanding the reach of private investments. As a result, the wealth management market has emerged as a significant and fast-growing source of private markets capital. Individual investors account for about \$2.7 trillion, or one-fifth, of the \$14 trillion in private market assets under management, according to Morgan Stanley.<sup>1</sup> This is projected to rise to 37% within five years, signaling a profound shift in capital flows and a growing democratization of private markets investing.

“Individual investors are playing an increasingly vital role in the evolution of private markets,” said **Jeffrey Diehl**, Managing Partner & Head of Investments at Adams Street. “As access expands and product innovation accelerates, we see a meaningful opportunity to deliver differentiated returns through high-quality private equity and private credit investments—strategies traditionally reserved for institutional portfolios. Our proprietary insights and longstanding relationships have historically helped us to identify and access many companies that were able to serially compound revenue and profit growth to drive long-term outperformance in private markets.”

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<sup>1</sup> Morgan Stanley, “Accessing the \$70Tr Private Wealth TAM”, November 2024



Key findings from the Advisor Outlook include:

**Client Momentum:** More than 65% of FAs stated that at least 10% of their clients currently had private market investments and two-thirds (67%) of FAs expect that proportion to increase over the next three years, with nearly 7% predicting that the percentage of clients with alternative holdings will increase by more than 20%, reflecting growing familiarity and deeper engagement with alternative strategies.

**Product Innovation:** Evergreen structures are gaining traction, with 44% of advisors preferring them to traditional closed-end funds (37%). Over half cite broader client access as a primary benefit of these vehicles.

**Education Gap:** 69% of advisors say the complexity of private markets makes it difficult to communicate effectively with clients. Less than half (49%) rate their own expertise as “advanced”—while client understanding trails, with just 32% of advisors reporting that their clients have “advanced knowledge”.

**Investment Priorities:** Technology is seen as a key investment sector in 2025 for 58% of advisors, followed by financial services (42%). North America-based advisors report that clients prioritize wealth preservation and tax efficiency, while those in Europe emphasize access to new investment opportunities. In Asia, advisors highlight private markets’ ability to drive income and diversification.

**AI Outlook:** Advisors expect artificial intelligence to transform how they engage with clients, predicting enhancements in risk management (52%), market forecasting (48%), and operational efficiency (48%).

To read the 2025 Advisor Outlook, please visit [advisoroutlook.adamsstreetpartners.com](https://advisoroutlook.adamsstreetpartners.com)

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