



Asset and Wealth Management Benchmarking Insights | Alternatives



Evolving Market Conditions & Valuation Trends
As of June 30, 2026

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Overview

Overview

PwC's Asset and Wealth Management practice is pleased to publish the results from our Asset and Wealth Management Benchmarking Insights Series for Alternatives.

Our benchmarking series is designed to gather, analyze and share information about key industry trends and metrics. This report summarizes industry practices and recent data related to valuation.



The insights of this report are derived from Valuation Insights, a PwC Product. **Valuation Insights** is PwC's proprietary valuation technology utilized to develop faster, more transparent valuations. The technology **standardizes data integration** and **valuation execution** and facilitates workflow and reporting. The Valuation Insights platform encompassed approximately 20,000 investments globally as of December 31, 2025. However, the Valuation Insights data presented in this report is derived from **approximately 4,500** private investments as of December 31, 2025 for which data-use consent was provided.

Should you have any questions about the data herein, we encourage you to reach out to our team. Refer to the back of the report for our contact information. We hope that you find this report interesting and useful as you evaluate your organization on the topics highlighted herein.

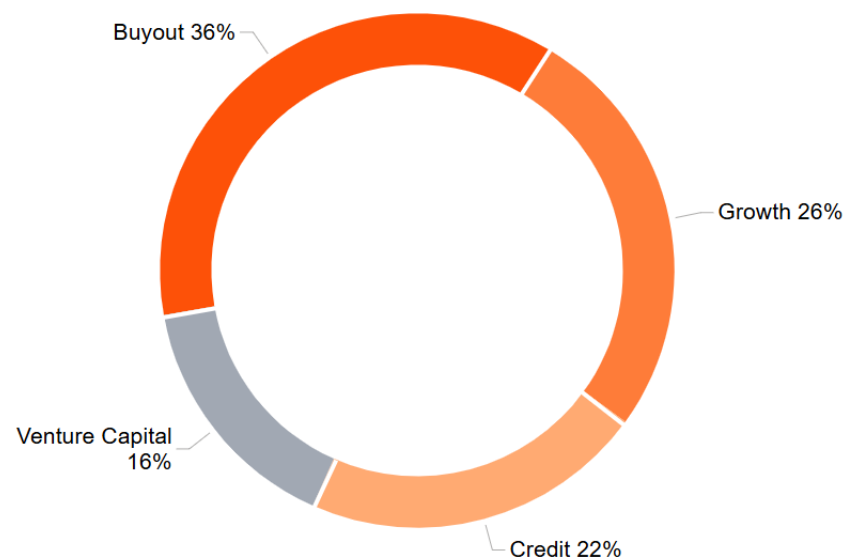
For more information about Valuation Insights, see: <https://www.pwc.com/us/en/products/valuation-insights.html>

Valuation Insights is powered by **Halo**, PwC's suite of data analysis tools.

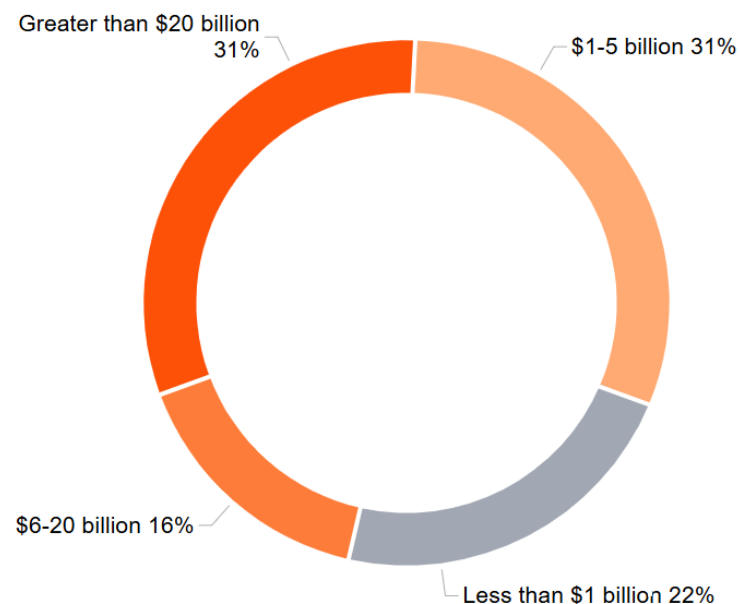
Data Demographics

The information reflected in this report leverages the data, knowledge and experience garnered from providing audit services to leading alternative asset management firms. Because of the diverse nature of alternative asset managers, these results should not be considered representative of all alternative asset management firms. Accordingly, these results should be viewed as directional, rather than authoritative, and do not necessarily represent practices applicable in all situations.

Investment Manager Composition by Strategy



Assets Under Management



Report Highlights – Evolving Market Conditions

PwC's Asset and Wealth Management Benchmarking Insights for Alternatives provides a data-driven perspective on evolving market conditions and valuation trends, drawing on data from Valuation Insights and public markets.

The Valuation Insights analysis examines public versus private market performance, changes in valuation multiples, private company operating performance, and valuation methodologies commonly utilized in practice. The analysis provides perspective across sectors and highlights how valuations and operating performance have evolved amid changing market conditions.

The report highlights market performance and periods of volatility during 2025 and into 2026, driven by policy uncertainty, geopolitical developments and changing expectations around artificial intelligence ("AI"). Despite these headwinds, global markets generated strong returns over the period, supported by resilient earnings and improving market sentiment.

The report further provides a spotlight on the SaaS industry, where the broader reset in software valuations driven by the disruption of artificial intelligence is reshaping investor expectations and placing greater emphasis on growth, profitability and company-specific fundamentals.

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Valuation Insights Data

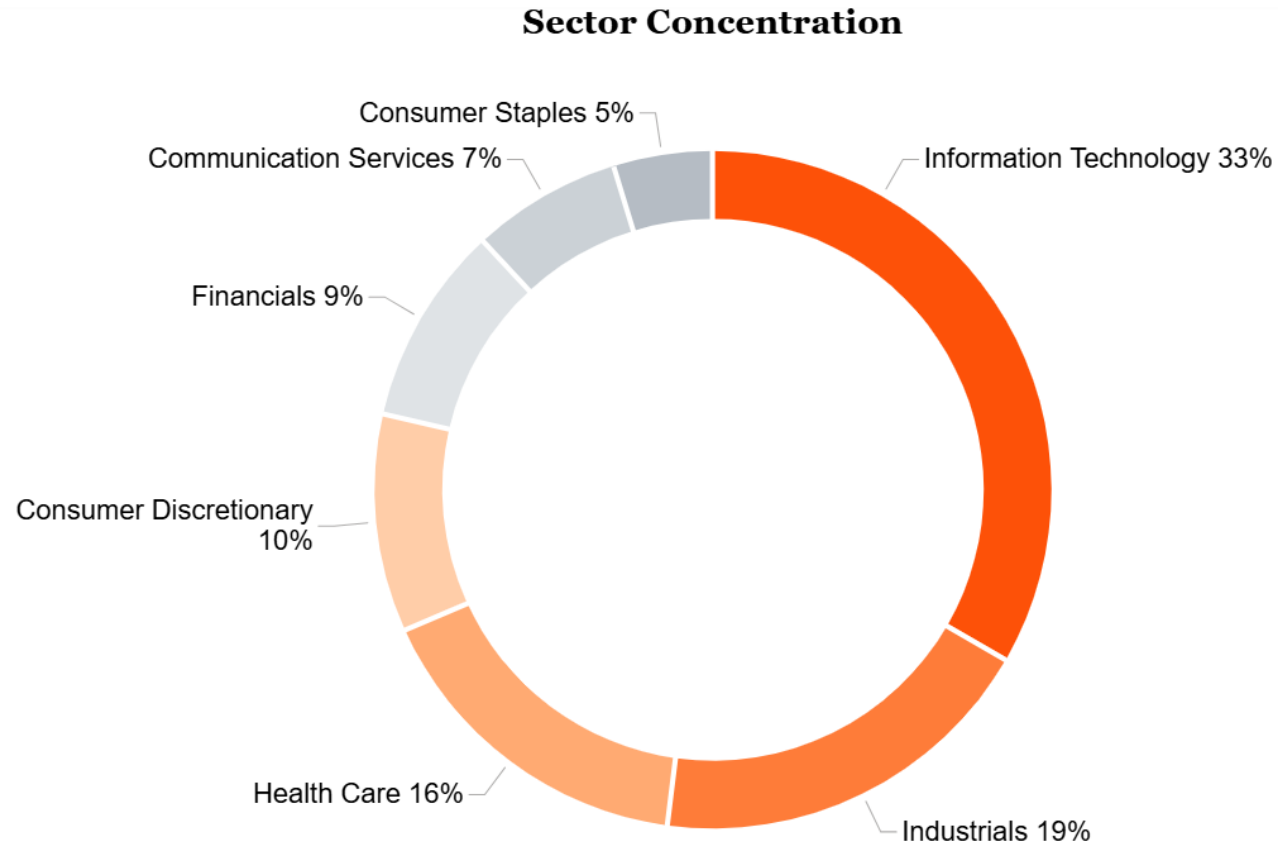
The following section includes an analysis of public and private market data as of **December 31, 2025**.

Valuation Insights - Private Company Portfolio Data

~4,500

Level 3 portfolio company valuations as of December 31, 2025, across various strategies such as leveraged buyouts, growth equity, venture capital, credit, and special situations.

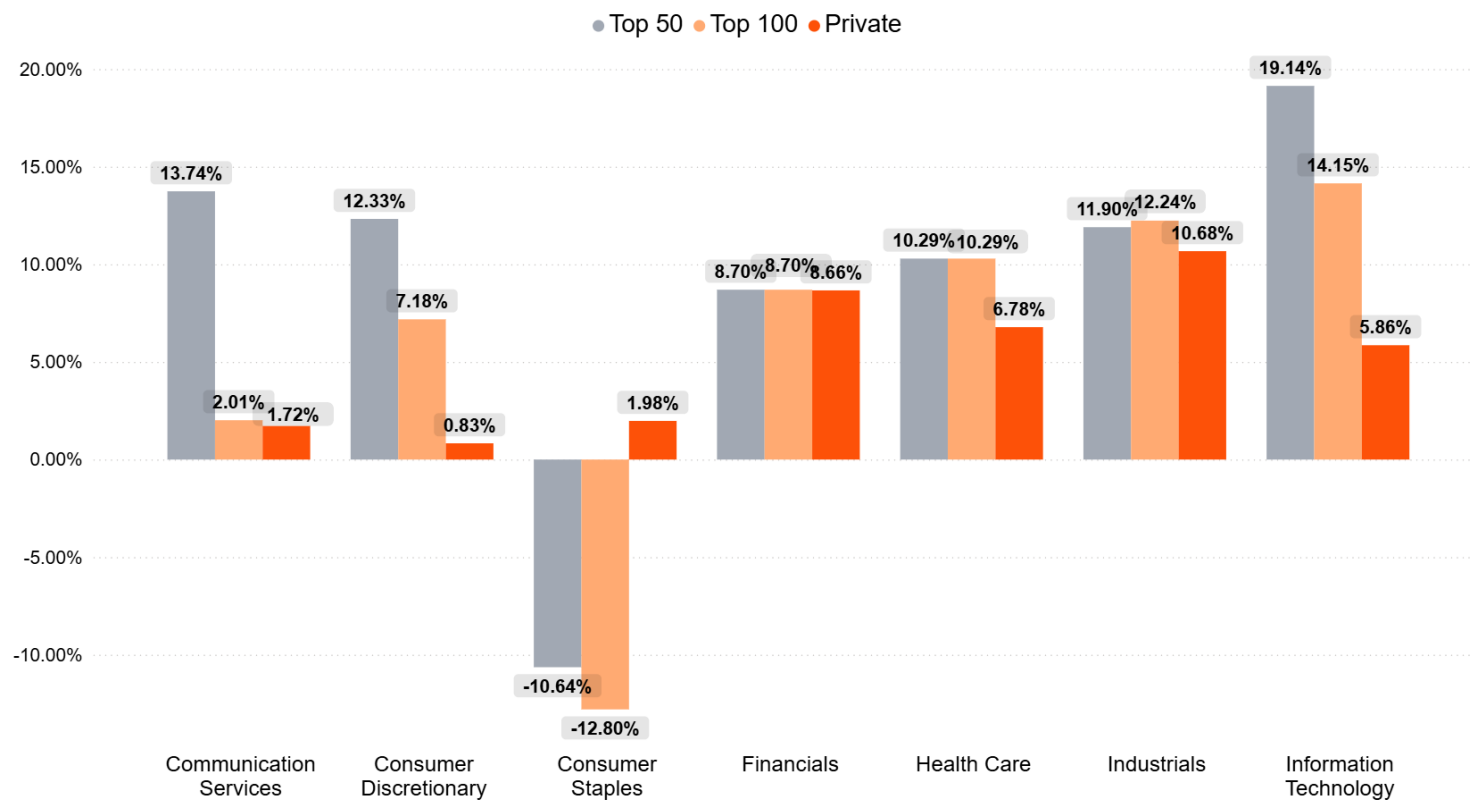
Information Technology represents one-third of the private company population, reflecting private capital concentration in software and AI-enabled businesses. The sector remains the largest portfolio exposure, followed by Industrials and Health Care.



Sector Valuation Performance

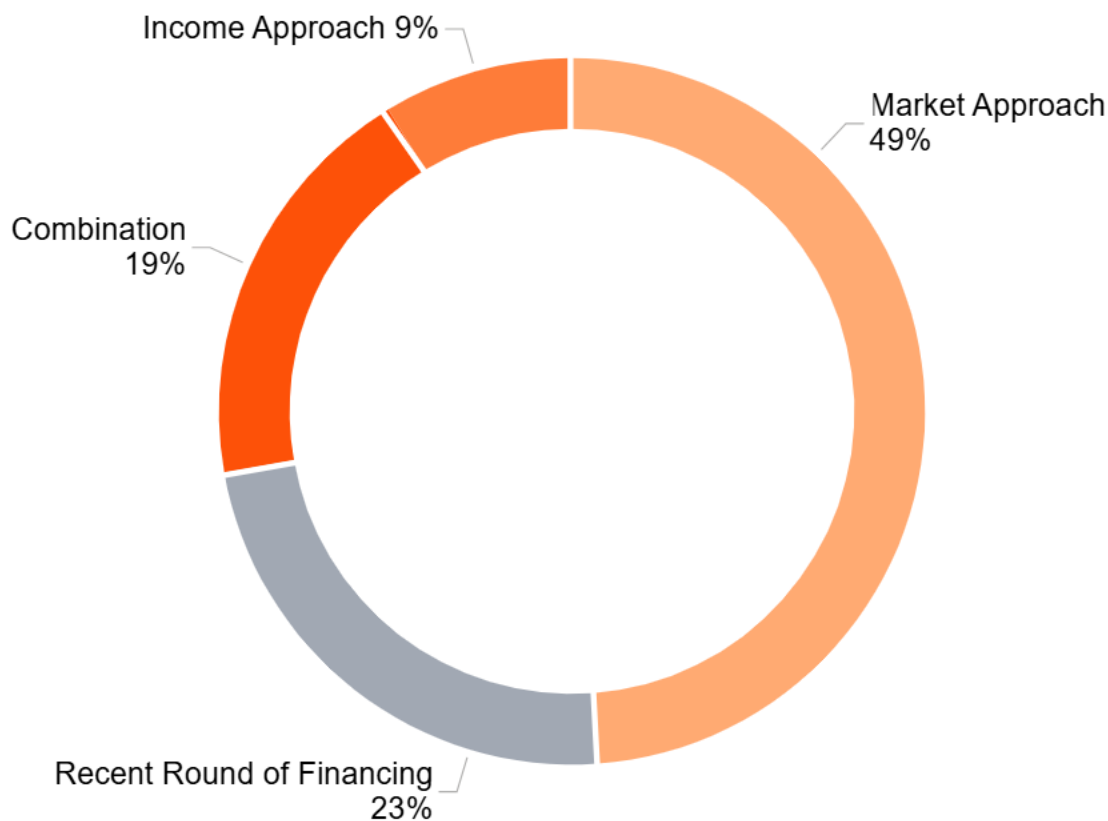
Despite a mixed macroeconomic backdrop, private company equity values **improved during 2025**. Consumer Staples sector displayed the **largest divergence** between public and private market performance. This sector faced inflationary pressures and heightened uncertainty surrounding tariffs and global supply chains. Industrials experienced the strongest increase in median private equity growth, likely supported by growing capital investment in **AI-related infrastructure** and increased investor demand for the aerospace and defense industry.

YoY Median % Change in Equity Value (Private vs Public Sector Top 50 & Top 100 by Market Cap - 2025)



The visual above presents the year-over-year median change for the top 50 and top 100 public companies by market capitalization within each sector, based on S&P Capital IQ data as of December 31, 2025. The analysis illustrates the larger-cap companies generally exhibiting stronger growth, which is most evident in the Communication Services, Consumer Discretionary and Information Technology sectors. Given the private market population is generally concentrated within the middle- and lower-middle market, the broader top 100 cohorts provide a more holistic view of sector performance.

Enterprise Valuation Approach



49% of valuations have utilized the **Market Approach**, driven primarily by the Guideline Public Company method.

The 'Combination' category reflects Management's decision to apply a weighting to two or more valuation methodologies, with the weightings applied to the Market Approach, Income Approach and/or Recent Round of Financing (RRF).

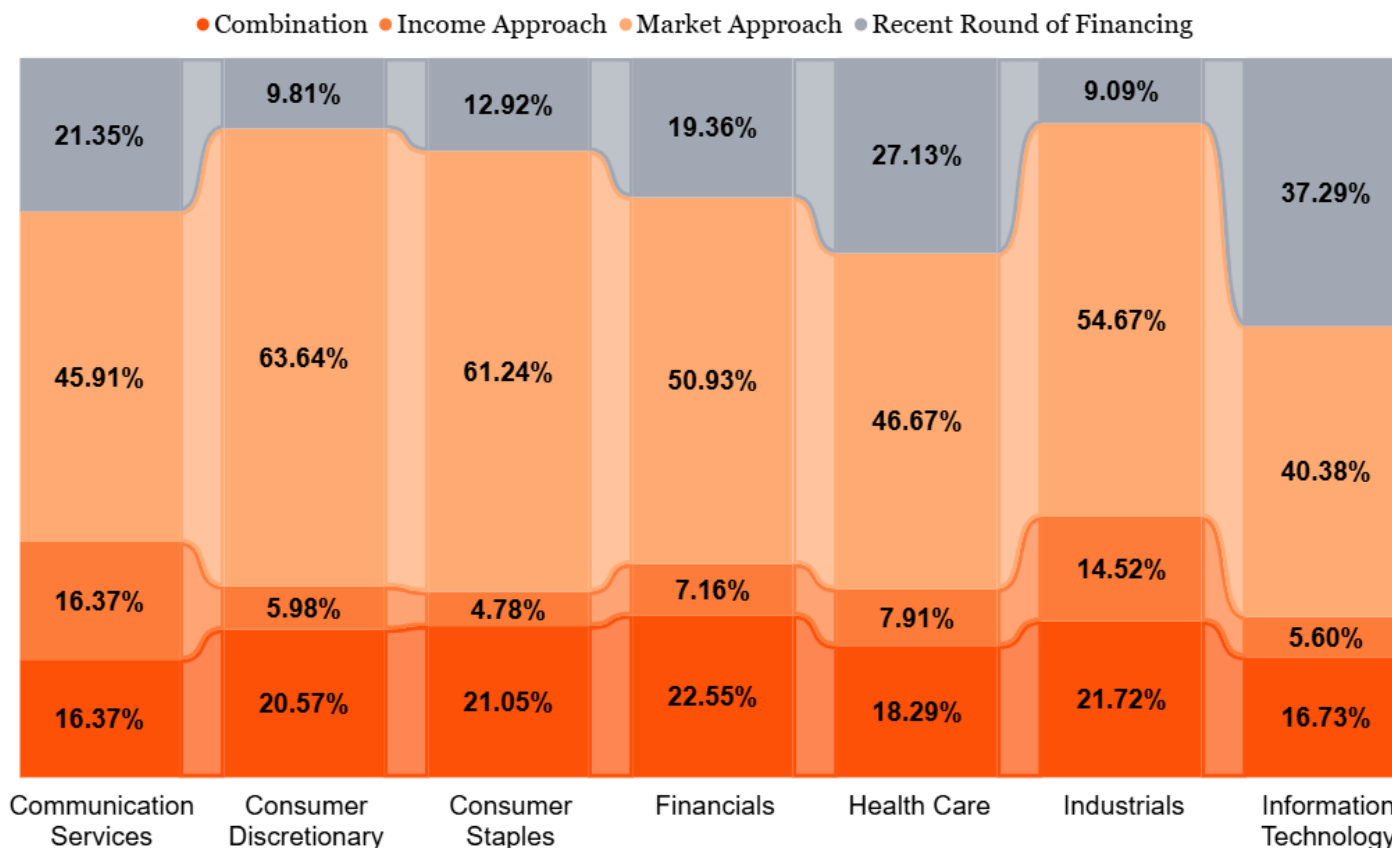
While the Income Approach is shown as the least frequently applied approach, it is worth noting that **approximately 55%** of valuations categorized under the Combination approach incorporate it as part of a blended methodology.

Enterprise Valuation Approach by Sector

The Market Approach, primarily through the Guideline Public Company ("GPC") method, remained the most frequently utilized valuation methodology across all sectors in 2025.

Information Technology displayed the highest reliance on the Recent Round of Financing ("RRF") methodology, representing **37%** of valuations, reflecting increased **capital-raising activity** within the sector. Health Care and Communication Services also demonstrated increased use of RRF relative to other sectors.

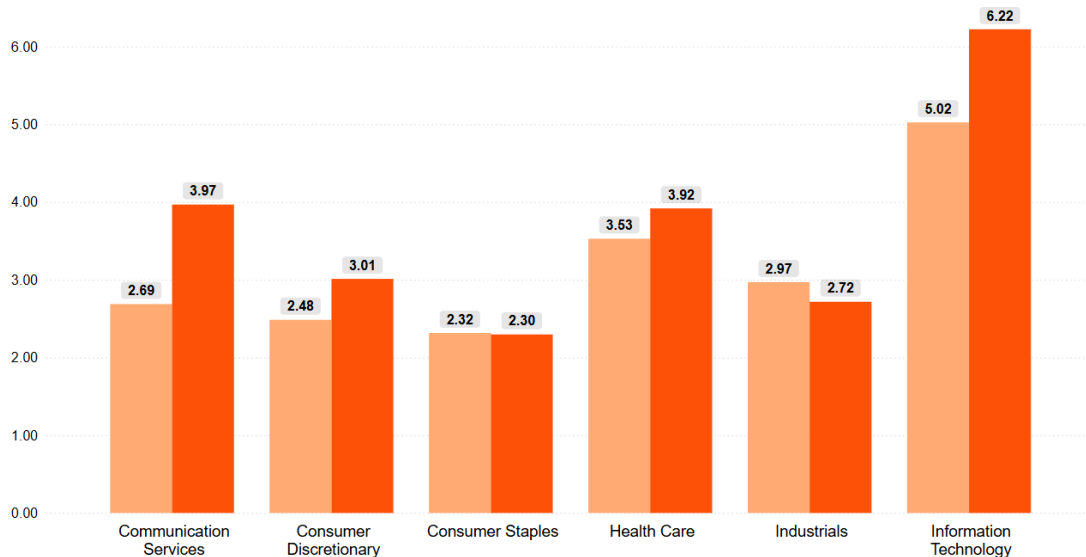
Sector Valuation Approach - 2025



Enterprise Value to Revenue Multiples

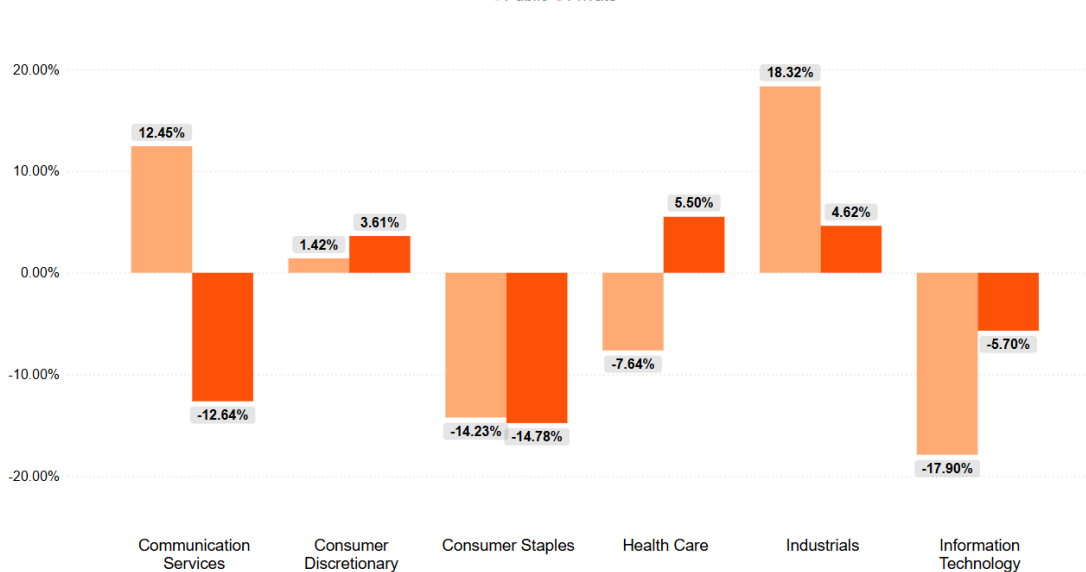
Public vs. Private EV / Revenue (Median) - 2025

Public Private



% Change in Public vs. Private EV / Revenue (Median) - 2024 to 2025

Public Private



Valuation Insights data indicates higher median revenue multiples for private-company population than the selected public-company population across most sectors, with the exception of Consumer Staples and Industrials.

The private company premium within the Information Technology sector expanded in 2025, reflecting **continued optimism** surrounding artificial intelligence, growing demand for AI-enabled solutions and continued investment in the infrastructure required to support these technologies.

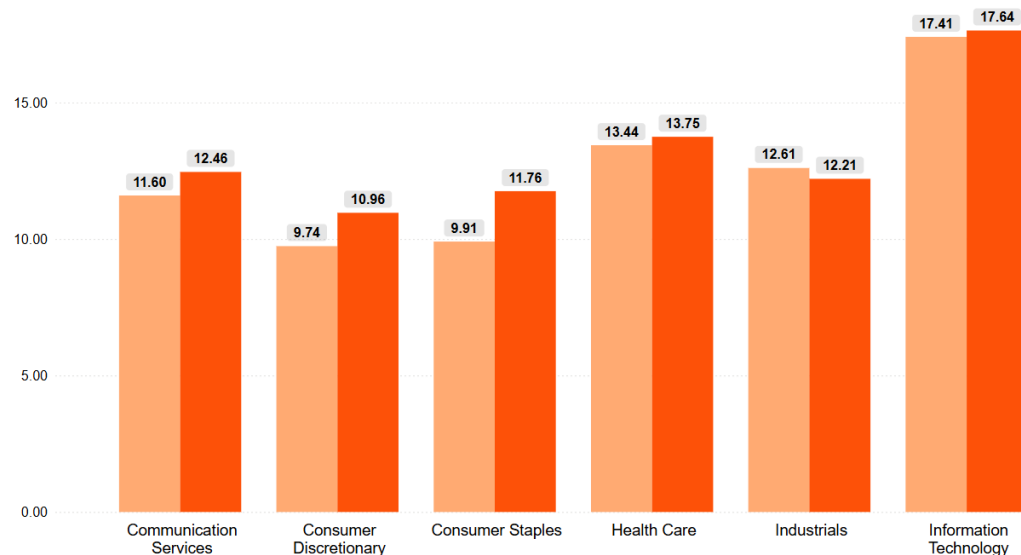
Consumer Staples experienced the largest decline in revenue multiples across public and private markets as companies navigated the **complex landscape** of tariffs, inflation and consumer behavior.

Public and private company populations differ in size, composition, and other characteristics; comparisons are intended to provide directional market context and should not be interpreted as directly comparable populations.

Enterprise Value to EBITDA Multiples

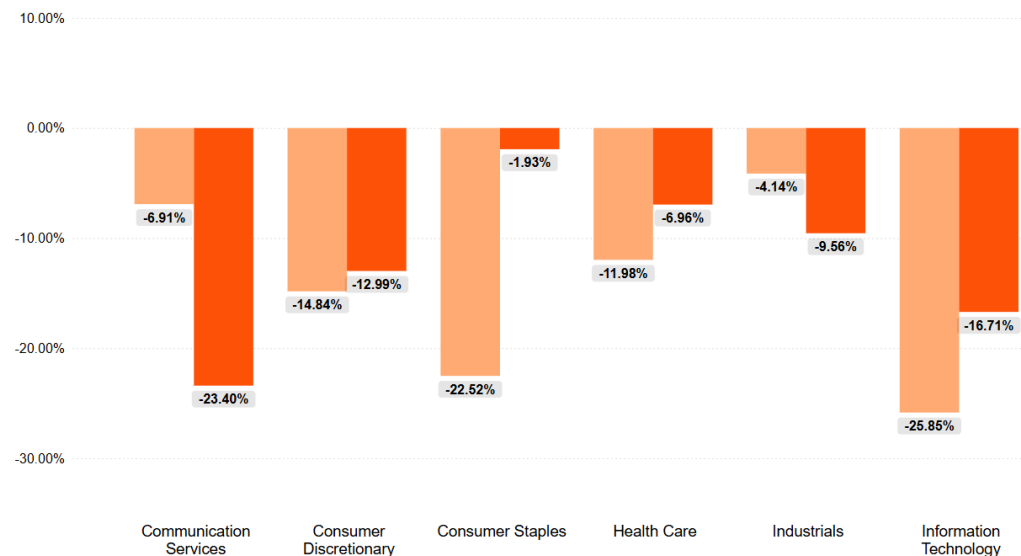
Public vs. Private EV / EBITDA (Median) - 2025

Public Private



% Change in Public vs. Private EV / EBITDA (Median) - 2024 to 2025

Public Private



During 2025, EBITDA **multiples contracted** across all sectors for both public and private markets.

Information Technology and Health Care command the highest EBITDA multiples, suggesting premiums for businesses with recurring revenue streams, predictable cash flows and significant operating leverage opportunities.

Despite remaining the highest-valued sector, Information Technology displayed a notable decline in public and private markets amid **increasing uncertainty** surrounding the long-term implications of **artificial intelligence**.

Industrials **demonstrated greater resilience** than other sectors, benefitting from favorable market dynamics in the aerospace & defense industry through increased government spending and long-term contracted revenue streams. These tailwinds were likely offset by ongoing cost pressures and tariff-related challenges across manufacturing businesses.

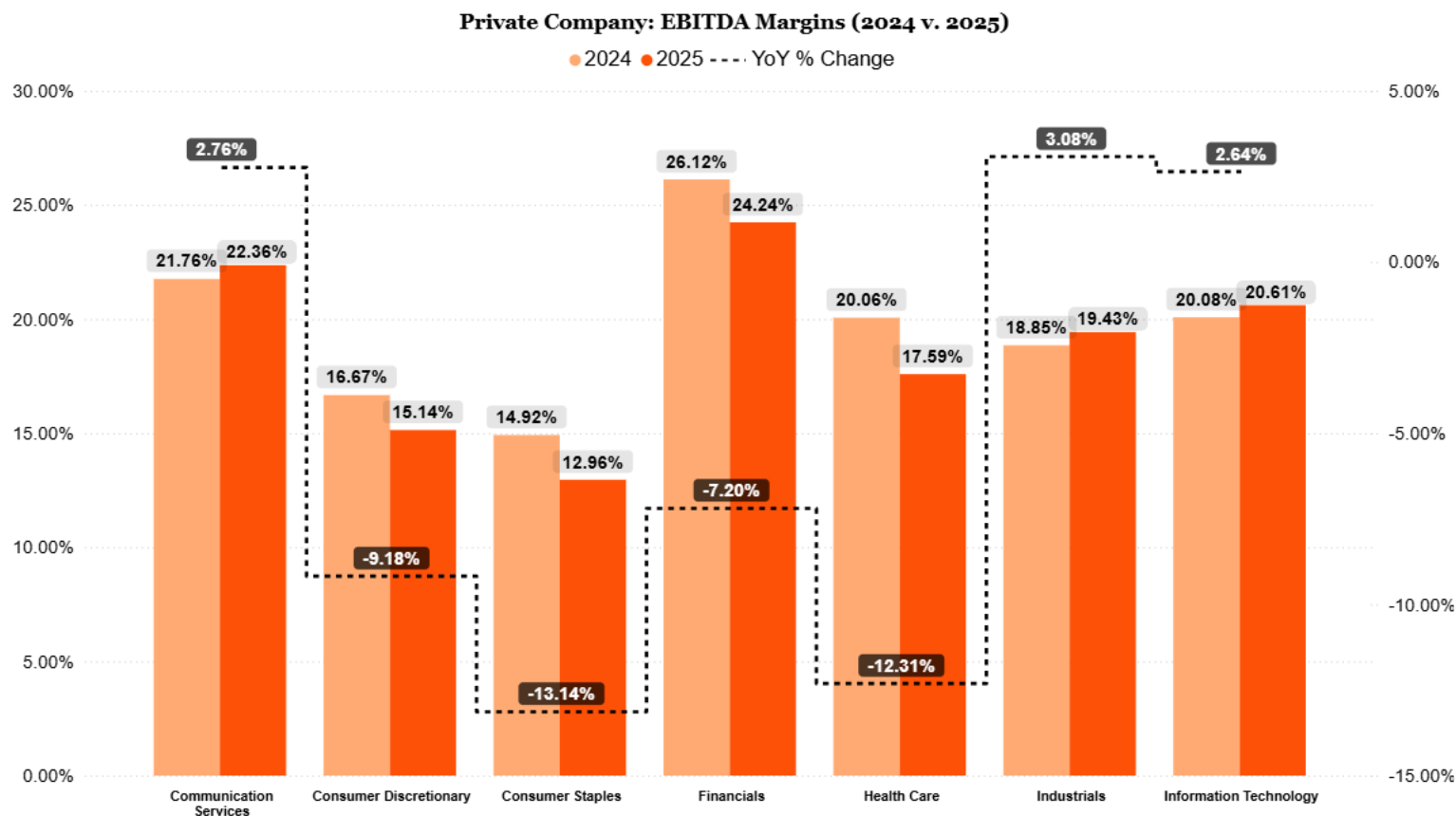
With valuation multiples compressing amid greater uncertainty, companies with **strong margin profiles** and **recurring revenue characteristics** are likely to support valuations amid the current environment.

Public and private company populations differ in size, composition, and other characteristics; comparisons are intended to provide directional market context and should not be interpreted as directly comparable populations.

Private Company: EBITDA Margins

Margin performance was mixed year-over-year. Information Technology, Industrials and Communication Services demonstrated modest margin improvement, reflecting cost discipline and productivity enhancements.

Conversely, several sectors **experienced margin pressure** as companies navigated inflationary costs, wage pressures and slower revenue growth.

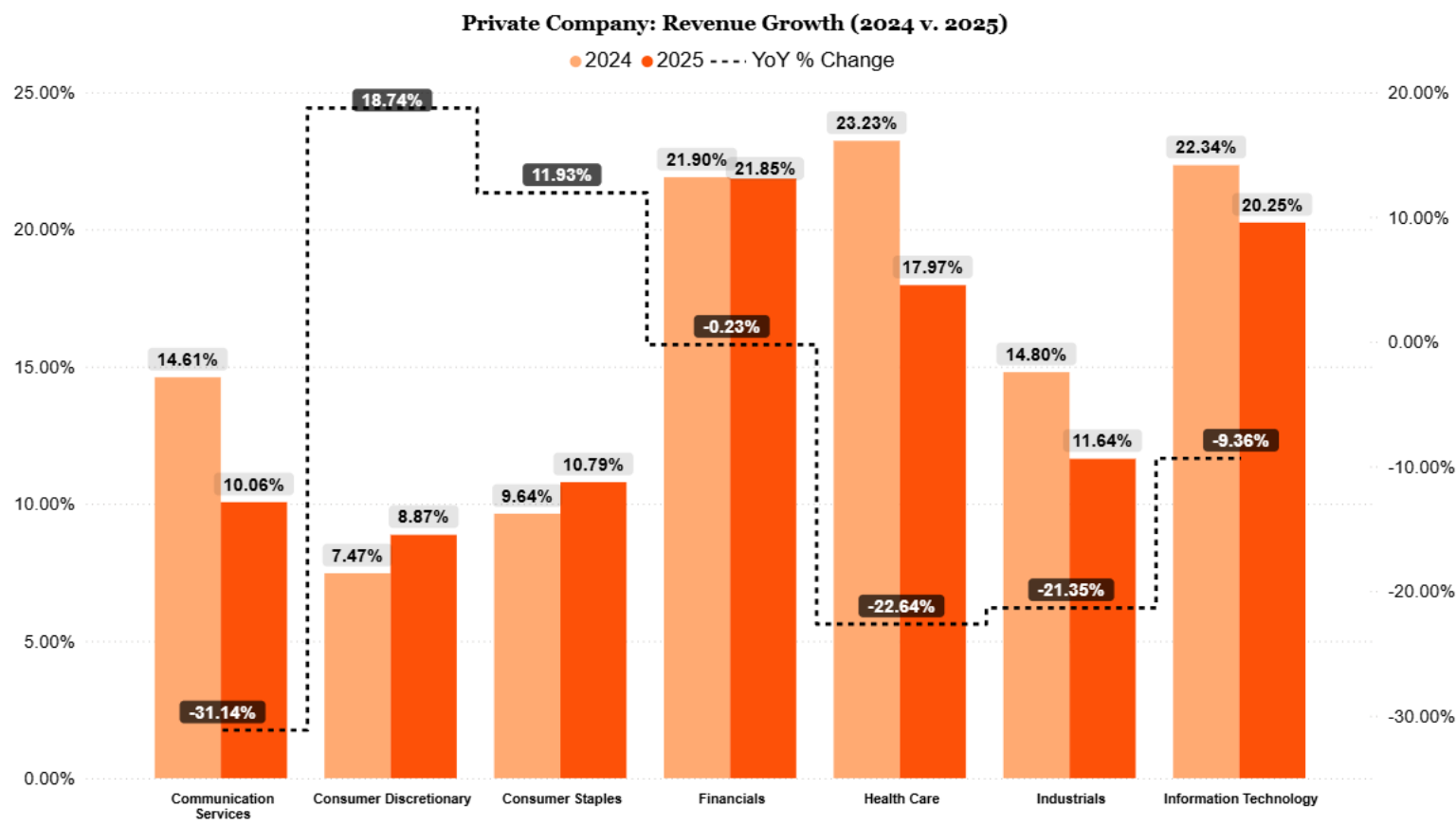


Private Company: Revenue Growth

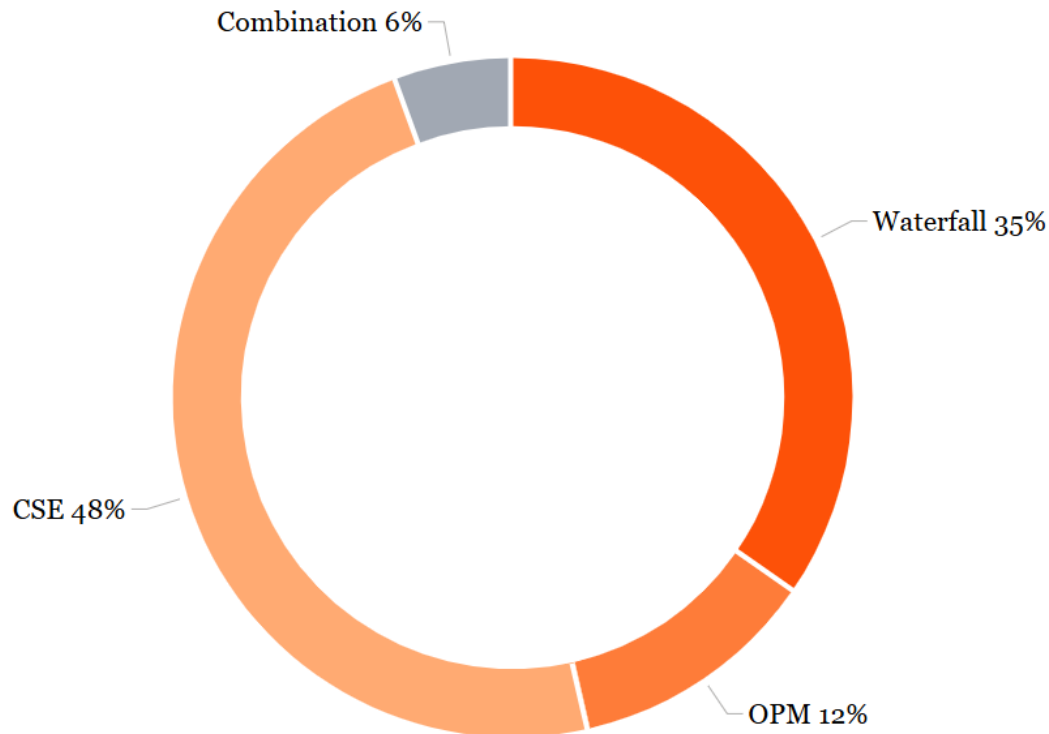
Revenue growth remained positive across all sectors in 2025, although growth rates **generally moderated** relative to 2024.

Consumer Discretionary and Consumer Staples were the only sectors to exhibit an increase in year-over-year revenue growth, while Communication Services, Health Care and Industrials experienced the most significant moderation.

Despite remaining positive across all sectors, the broad moderation in revenue growth signals a shift toward a more normalized growth environment following several years of elevated expansion.



Equity Allocation Approach



48% of the valuations utilized the **Common Stock Equivalent (CSE)** approach, which has remained the most frequently utilized allocation methodology, followed by the Waterfall method and the Option Pricing Model (OPM).

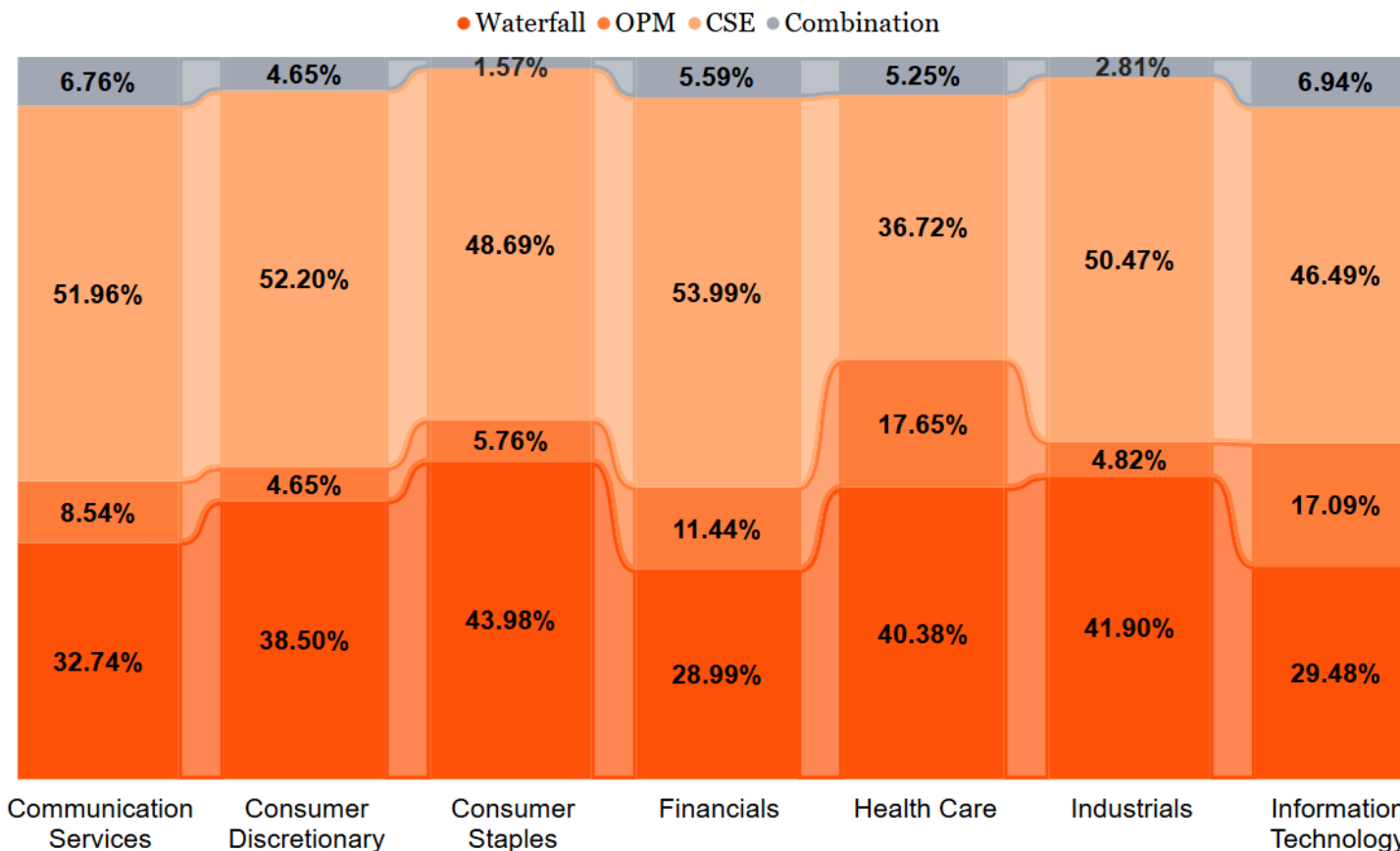
Although the OPM allocation approach is the least frequent approach utilized, it is worth noting that **75%** of the valuations within the 'Combination' category applied a weighting to OPM.

Equity Allocation Approach by Sector

The selection of an allocation approach depends on the specific facts and circumstances of the portfolio company, with ownership structure, capital complexity, and expected liquidity events serving as key considerations.

58% of the population were noted to have **complex capital structures** including multiple classes of equity with varying rights and preferences, while **66%** of valuations represented a **minority interest** in the underlying portfolio company.

Allocation Methodology by Sector - 2025

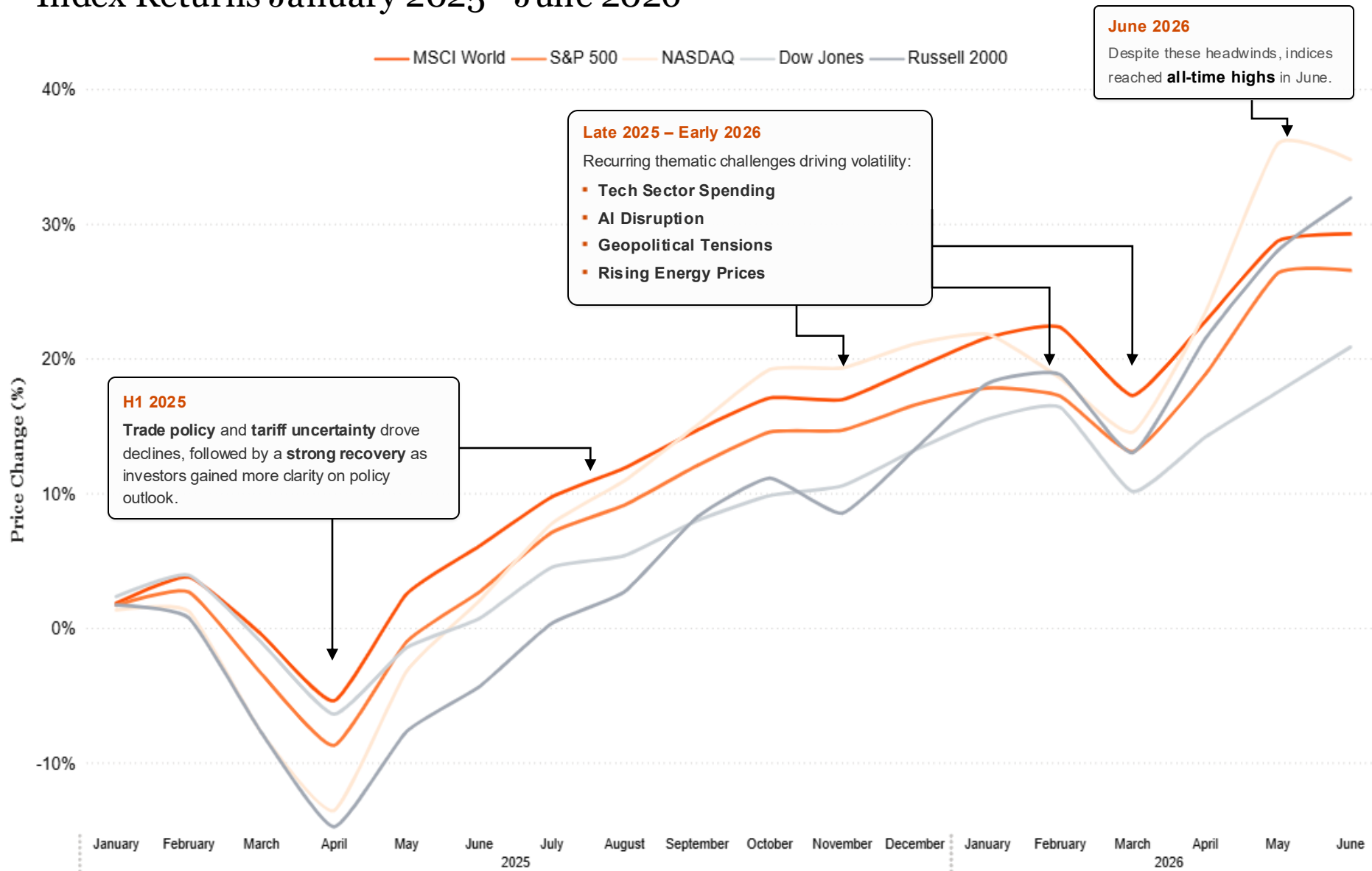


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Market Trends & Industry Spotlight

The following section examines public market developments through June 30, 2026 and provides a focused view of evolving SaaS valuation trends.

Key Events Shaping Public Market Performance: Index Returns January 2025—June 2026¹



Industry Spotlight: Software as a Service ("SaaS")

The following analysis provides a perspective on evolving SaaS valuation trends across public and private markets, where the broader reset in software valuations driven by the disruption of artificial intelligence is reshaping investor expectations and placing greater emphasis on growth, profitability and company-specific fundamentals.

Key themes include:

AI disruption is fundamentally reshaping software valuations across public and private markets

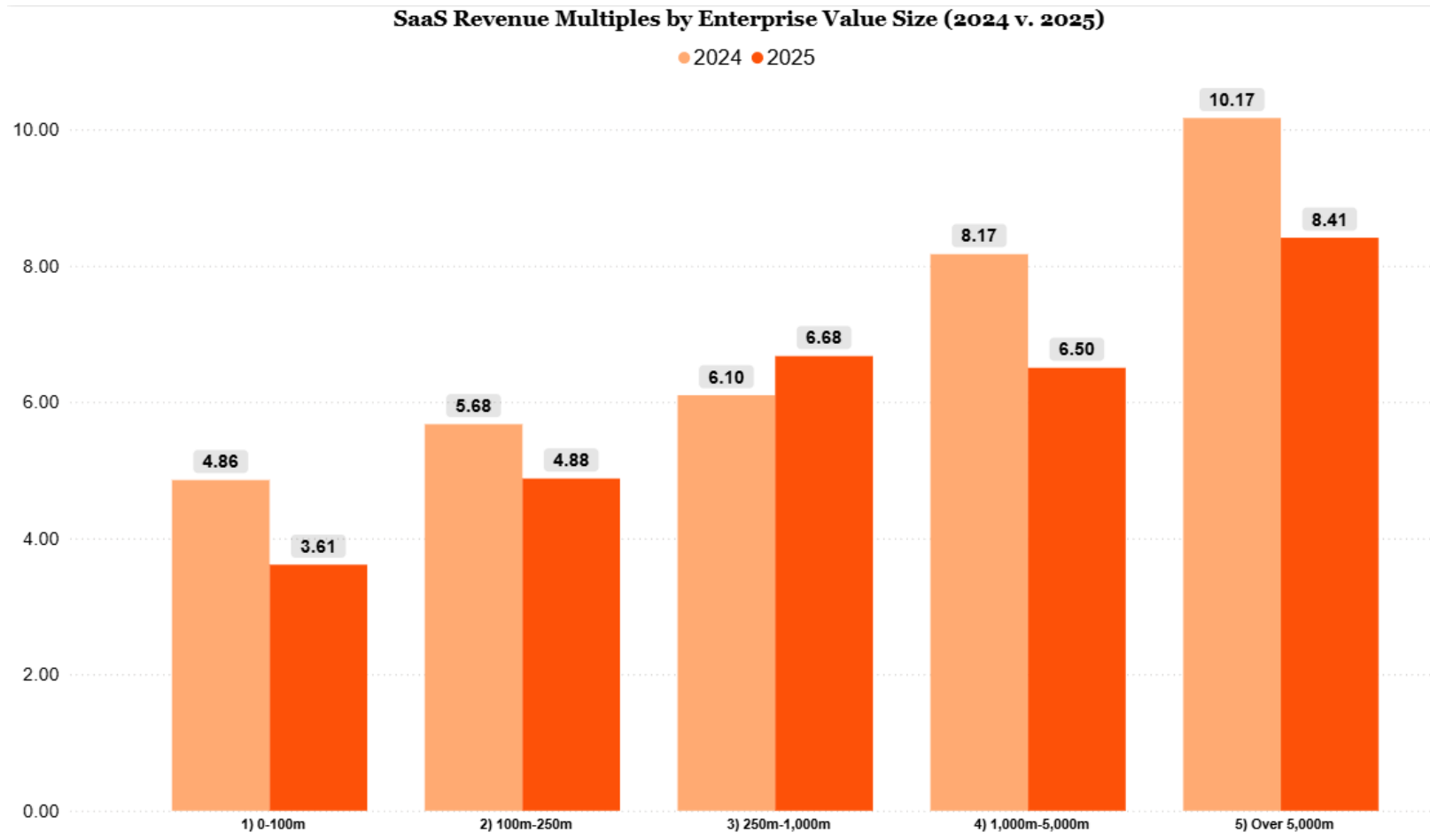
SaaS remains a large sector exposure across private equity and credit portfolios

A structural shift in multiples has implications for portfolio monitoring, credit risk, and private company valuation marks

The following analysis on SaaS companies shows private company data from Valuation Insights as of December 31, 2025 and public market data as of June 30, 2026.

Valuation Insights: SaaS Private Company: EV / Revenue by Size

SaaS revenue multiples declined across most enterprise value cohorts in 2025, reflecting the broader software contraction observed in the public markets. The largest declines occurred among smaller companies and large-scale platforms, while **middle-market businesses generally maintained stable** valuation multiples.

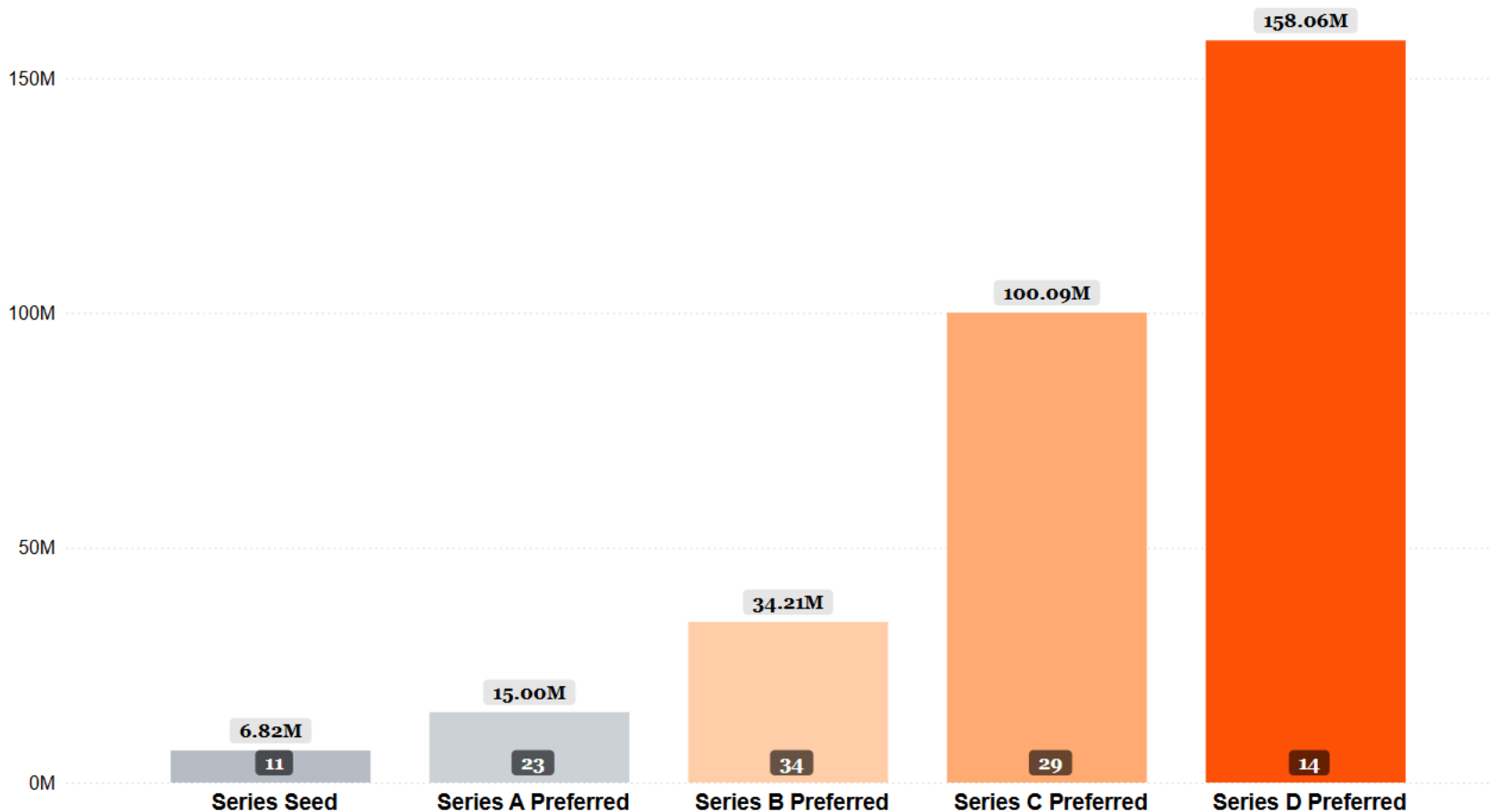


Valuation Insights: 2025 SaaS Private Capital Deployment by Financing Stage

While early-stage companies continued to attract investment, the largest capital raises remained **concentrated** among later-stage companies with median Series C and Series D financings reaching approximately \$100m and \$158m, respectively.

The concentration of capital in later-stage rounds suggests investors remain willing to deploy significant amounts of capital toward **scaled SaaS businesses** despite the broader software valuation reset.

2025 SaaS Deal Size by Share Class (Median) & # of Portfolio Companies

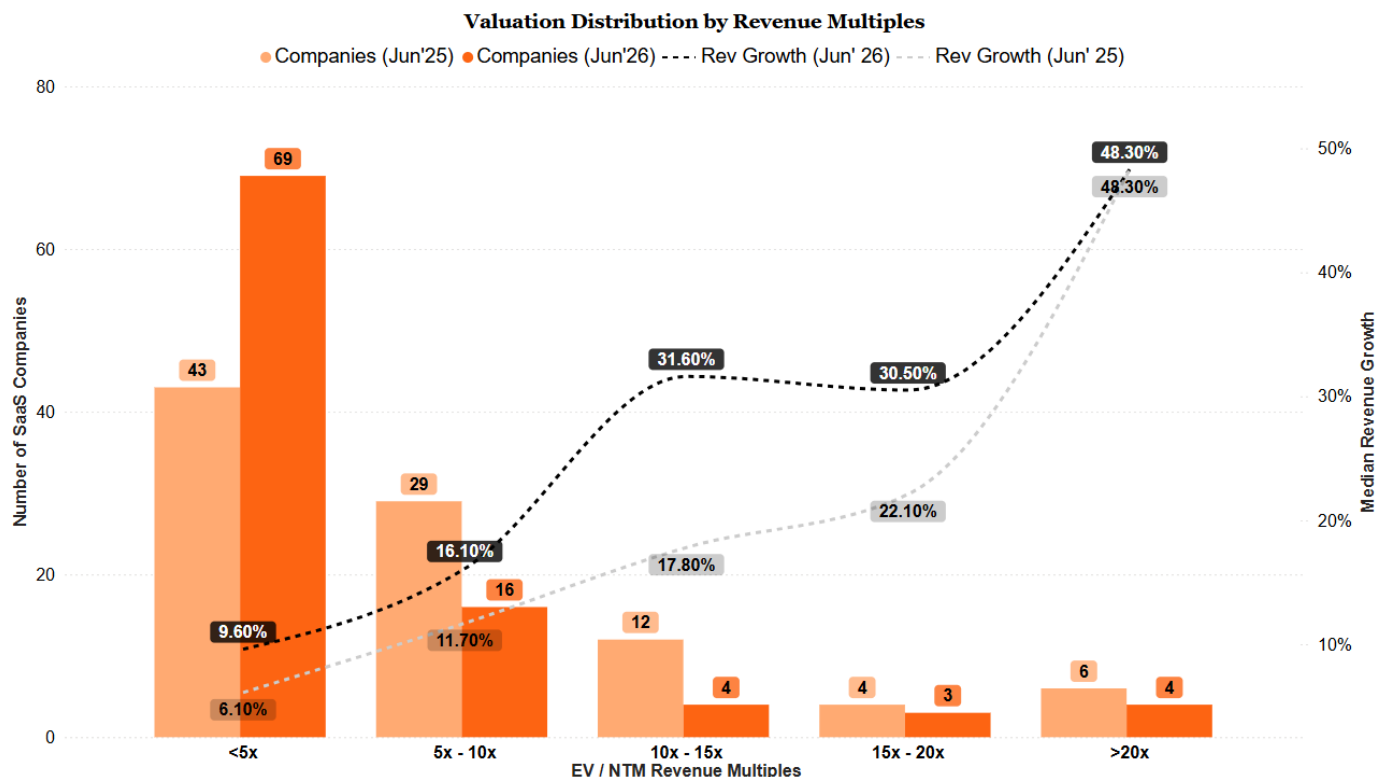


Public Market: SaaS Valuation Reset Signals Rising Risk for Leveraged Middle-Market Borrowers

AI disruption is reshaping software business models, competitive dynamics, and valuation frameworks. As capital is reallocated toward AI-enabled businesses and away from more vulnerable software models, liquidity may tighten and valuation pressure may increase for certain companies.

To assess how these dynamics are emerging in the public markets, the data below compares the 100 largest SAAS companies as of June 30, 2026 and June 30, 2025 (excluding companies with EV / NTM Revenue multiples above 100x).

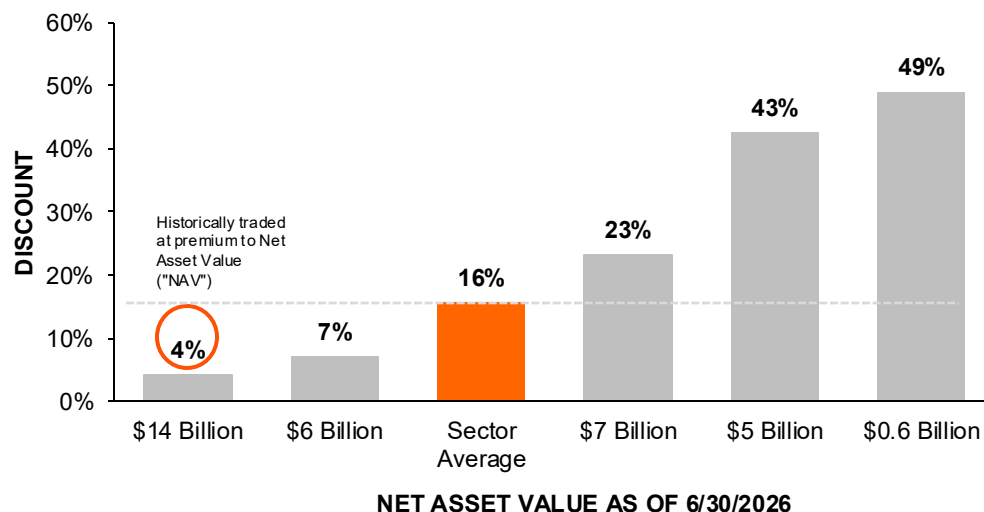
The data highlights that the distribution of SaaS valuations shifted meaningfully lower from 2025 to 2026, with **~72%** of companies trading below 5x EV / NTM Revenue in 2026 versus **~46%** in 2025, despite higher median revenue growth across all multiple brackets.



Public Market: SaaS or Technology & Commercial Services Dominate Business Development Companies ("BDCs") Loan Books

~30%

Market Participants' view of stated BDC NAV



Source: Pitchbook Data Inc., BDC quarterly filings, S&P Capital IQ Copyright © 2026

of Public BDC Assets Under Management ("AUM") (~\$507B) is allocated to SaaS or Technology, the largest sector exposure.

Certain vehicles are even more heavily concentrated in SaaS or Technology.

Concentration introduces correlation risk, where sector-specific stress could impact multiple BDC portfolios simultaneously.

Technology exposure increases private credit sensitivity to AI-driven disruption.

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