



Asante Market Pulse

Q1 2026

Asante Capital would like to thank all who completed our recent survey. The insights gathered are invaluable as we continue to navigate the evolving private equity landscape.

As we move through the first half of 2026, the narrative has shifted from "waiting for recovery" to "preparing for deployment". Investors are signaling a distinctive thaw in liquidity, with a majority expecting distributions to finally flow back into the system, fueling a renewed appetite for the 2025/26 vintages.



Where are we now?

Liquidity returns and the “Vintage of the Decade”

The outlook for 2026 is defined by a tangible return of optimism regarding liquidity. A striking 59% of respondents expect distributions in 2026 to be greater than 2025, demonstrating a significant reversal from the liquidity drought of previous years. The key drivers of this trend include:

01

Reopening of IPO markets and rising M&A activity

Q3 2025 was the biggest quarter for new issuance across US public markets since 2021¹. In the same vein, global buyout exit values rose in 2025 and M&A transaction value was up 25% quarter-on-quarter and 35% year-on-year in Q3 2025².

47%
rise in global
buyout exit values³

02

Increasing pressure from LPs to generate liquidity

There are roughly 32,000 unsold portfolio companies valued at \$3.8 trillion still sitting on GP books³ and this prolonged period of muted distributions is driving LPs to apply growing pressure to accelerate liquidity generation, particularly in advance of a GP’s upcoming fundraise.

<15%
of NAV distributed
annually over the
past 4 years³

03

Growing use of continuation vehicles

Continuation vehicles surged to unprecedented levels in 2025, accounting for nearly one-fifth of all private equity sales⁴.

\$115bn
in continuation
vehicle volume

How much larger or smaller do you expect the distributions in 2026 to be relative to 2025?



1 Private Markets Outlook 2026 (Adams Street Partners)

2 Global M&A by the Numbers: Q3 2025 (S&P Global)

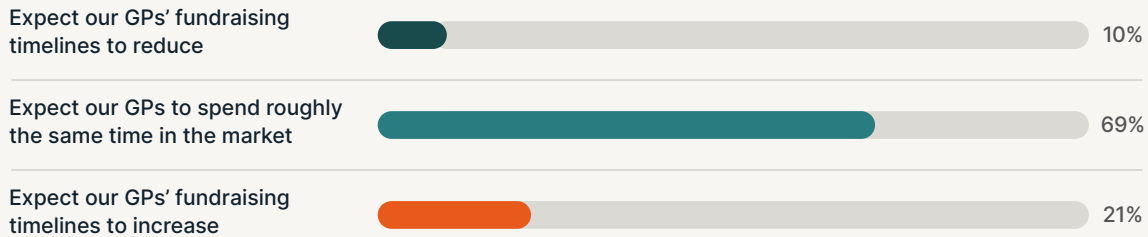
3 Private Equity Outlook 2026: Gaining Traction (Bain)

4 The Continuation Vehicle Boom: Structural Shift or Liquidity Patch? (CAIA)



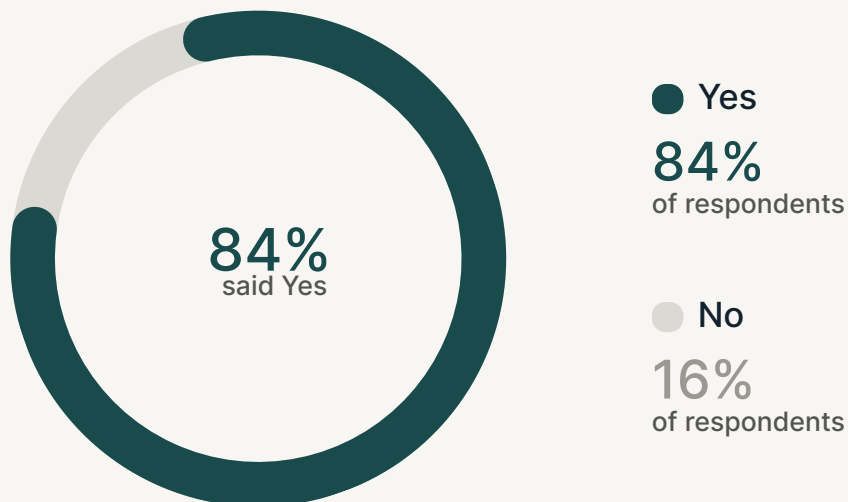
However, despite the optimism surrounding liquidity, LPs don't yet foresee these positive developments to translate into accelerated fundraising outcomes. 69% expect GP fundraising timelines to remain extended, and 21% expect a further increase in final close dates. The bar for capital commitments remains incredibly high.

Do you expect the fundraising timelines for your existing managers to extend for those who will still be in the market in 2026?



Despite uncertainty across the macroeconomic landscape and geopolitical environment, periods of market stress or dislocation often create the foundations for strong vintage years, and there is an overwhelming faith that 2025/2026 vintage funds will outperform their more challenged 2021-2024 peers, with 84% of LPs expecting the former to be stronger.

Do you expect 2025/26 vintage funds to be relatively stronger performers vs the recent 2021-2025 vintages?





Expected trends for 2026

The Power remains with the LP

The shift in leverage towards the Limited Partner has solidified into the status quo. The days of "Premium Terms" are largely behind us for all but the absolute top-tier outliers.

Survey data indicates a fundraising market that is aggressively buyer-friendly.



76% of LPs expect to see **less prevalence of premium terms**

75% expect to see **more fee discounts**

82% expect to be offered **more co-investment opportunities**, which remains a critical tool for LPs to average down fees



Product extensions & GP stakes

LPs are scrutinising how GPs grow their franchises. While 53% remain skeptical of general product extensions, there is a nuanced view on GP stake sales. 67% of investors support a manager selling a stake in the GP, provided the proceeds are reinvested into the platform rather than taken off the table by partners. This distinction underscores LP preference for growth that strengthens the core franchise, whether through team build-out, succession planning, technology, or geographic expansion, over financial engineering. Capital raised at the GP level is viewed positively when it enhances alignment, reinforces long-term commitment, and supports sustainable scale, rather than diluting focus or signaling partner monetisation.



Secondaries & innovation

The normalisation of GP-Led solutions

The stigma once associated with GP-led secondaries has largely evaporated. 65% of LPs now express explicit support for GP-led secondaries and continuation vehicles.

This is reflected in activity levels: participating in a fund that will set up a continuation vehicle or run a GP-led process is the most common expected secondary activity for 2026 (29%), followed closely by investing directly in secondary transactions as a buyer (27%).

As the volume of GP-led secondaries is forecasted to increase even further in 2026, we expect the number of LPs participating in these transactions to increase as well. There still exists an imbalance of supply and demand in the market, which should drive additional activity by LPs investing directly as a buyer, especially with GPs and assets they know well.

29%

expect to participate in a continuation vehicle or GP-led process

27%

plan to invest directly in secondary transactions as a buyer

65%

explicitly support GP-led secondaries and continuation vehicles

Spin-outs

With the fundraising bottleneck persisting, spin-out activity remains bifurcated. While 46% of LPs expect to see more spin-out activity, an equal number expect no change, suggesting that only the most differentiated teams are brave enough to leave established platforms in this climate.

When evaluating spin-outs, LPs tend to focus on three key areas: team cohesiveness and prior experience together, successful track record of sourcing, leading and exiting deals, and advanced industry expertise with a unique investing approach. Differentiating amongst the crowd is harder to accomplish, requiring many spin-out teams to complete deal-by-deal investments in order to prove out their thesis and build the trust of the LPs ahead of a fundraising.



Concern over 2026 performance factors

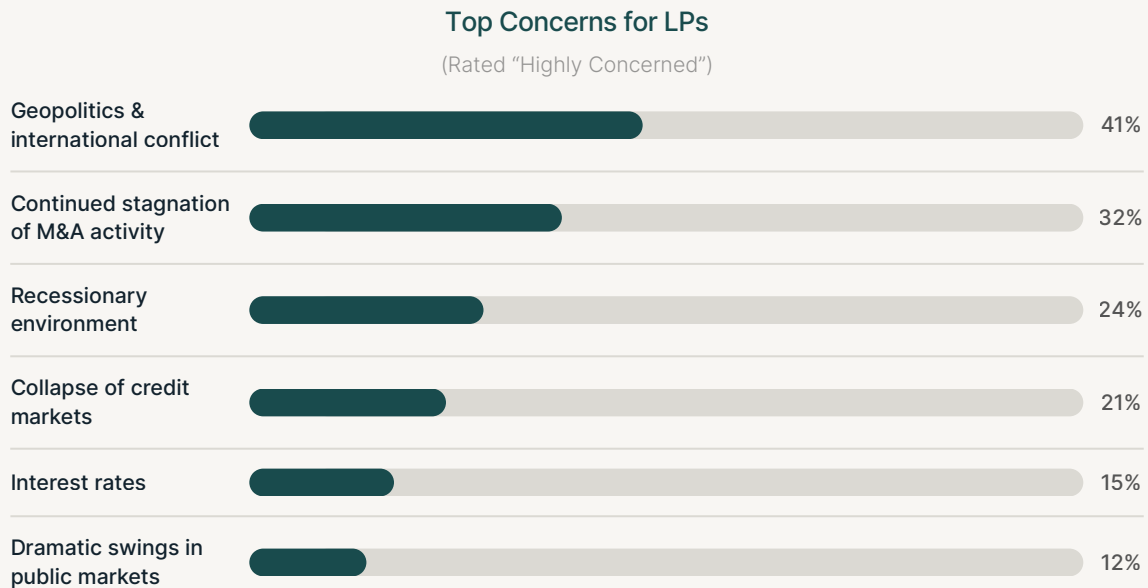
Geopolitics displaces interest rates

The fear gauge has shifted. While interest rates dominated conversations in 2023 and 2024, they have receded significantly as a primary concern. While rates remain elevated by historical standards, the uncertainty that defined 2023 and 2024 has faded. For LPs, interest rates are no longer the dominant swing factor, but a known constraint that can be planned around. Today, in their place, the macro-risk is political. Rather than focusing on the cost of capital alone, LPs are reassessing portfolio construction and capital deployment through the lens of geopolitics. With rate risk largely normalised, attention has turned towards resilience: geographic exposure, sector defensiveness, supply-chain sensitivity, and the ability of managers to operate through political disruption and macro uncertainties.

- 41%** ● **Geopolitics and international conflict**
The primary threat to portfolio stability. In turn, this impacts LP confidence and portfolio construction simultaneously.
- 32%** ● **Stagnation of M&A activity**
LPs are worried that despite the desire for exits, deal friction will persist. Through continued slow exit activity, DPI suffers, and liquidity pressure builds.
- 24%** ● **Recessionary environment**
Economic stagnation remains a worry. This threatens private equity by compressing earnings, delaying exits, and extending holding periods just as liquidity is needed most.



Notably, only 15% of respondents are now "highly concerned" about interest rates, signaling an acceptance of the current rate environment and a focus shift away from monetary policy when allocating.



A pivot to Western Europe

In a surprising twist, Western Europe has emerged as the region where LPs are most likely to increase allocations (38%), surpassing North America (22%). The rebalancing towards Europe is a culmination of recent geopolitical tensions and macro developments focusing more minds on the region, a search for lower entry valuations to capitalise on valuation arbitrage opportunities and a more concerted effort to diversify currency risk.

How will you be rebalancing your portfolio in 2026?

Region	Increase	No change	Decrease	N/A
North America	22%	63%	11%	4%
Western Europe	38%	56%	3%	3%
China	4%	36%	11%	49%
Developed Asia-Pacific (Australia, South Korea, Japan)	10%	40%	11%	39%
Developing Asia-Pacific (Ex-China)	6%	36%	12%	46%



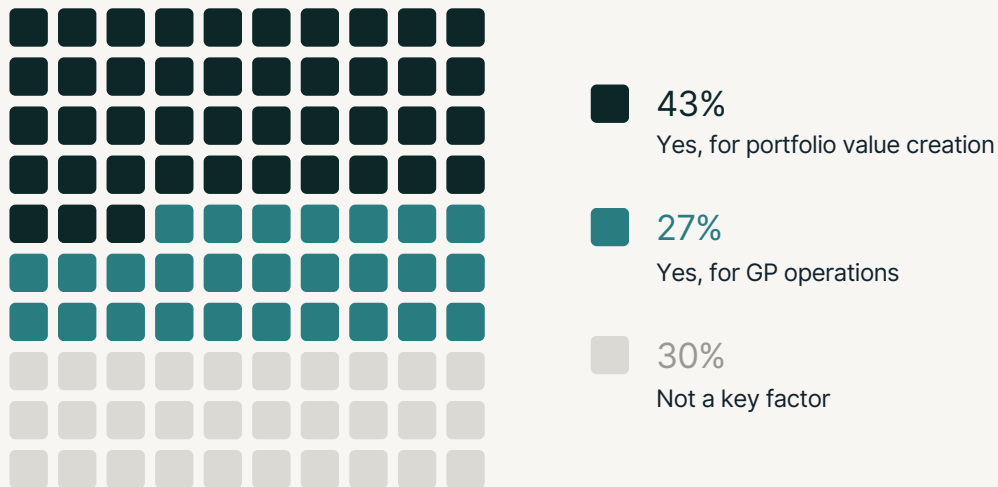
The AI factor

For the first time, our survey tracked the impact of AI on diligence. AI disruption has naturally been a hot topic of focus for LPs in recent months, and there is a significant shift in the amount of time and effort investors are spending to get comfortable on the topic and facilitate investment decision making. Not only does this encapsulate forming a view on the strategies that are best placed to navigate AI disruption, but it delves deeper into underlying portfolio companies and their business models to ascertain those that are most resilient / capable of weathering the evolving technological landscape. AI is also no longer just a buzzword; it is a value-creation lever. 43% of LPs view AI adoption as a key factor when assessing a GP's ability to drive portfolio value creation, compared to only 27% who prioritise it for the GP's internal operations.



“AI is no longer just a buzzword; it is a value-creation lever”

Is AI adoption a key factor when diligencing fund managers?



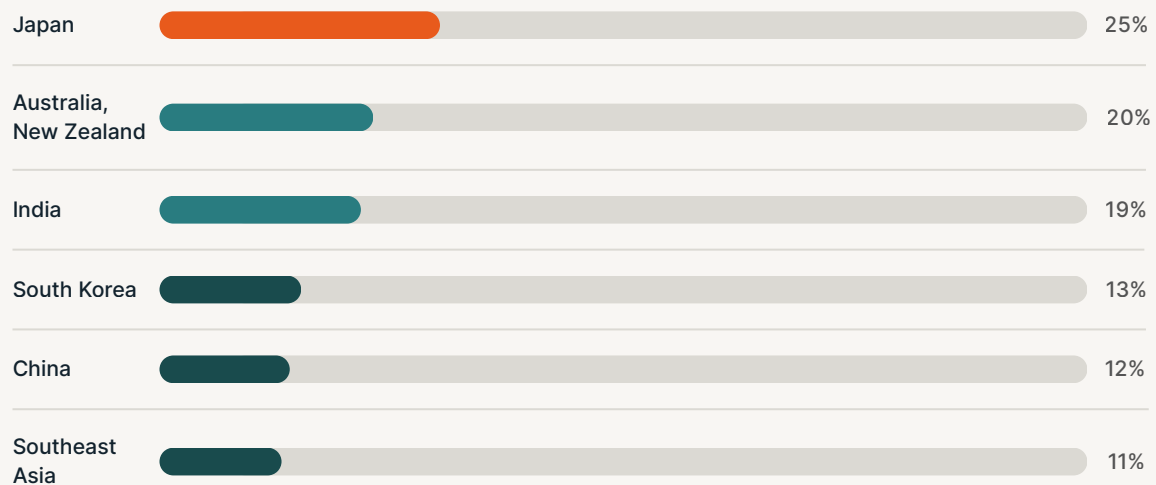


Momentum in Asia-Pacific

Japan leads, Australia follows

Investor sentiment in the Asia-Pacific region is evolving into a highly sophisticated, multi-pronged strategy. While Geopolitics and International Conflict ranks as the top macro concern for 2026 (cited by 41% of LPs), the actual deployment data suggests that LPs are looking past the headlines. Rather than retreating, investors are finding distinct pockets of opportunity across both developed and emerging Asian markets, displaying remarkable steadfastness in their core allocations. Remarkably, the developed Asian markets of Japan and Australia are most in favor.

Areas of interest for investing in Asia



The stability of the Chinese market

Despite complex geopolitical narratives, the survey data reveals a surprisingly resilient foundation for Chinese private equity. While generalist capital may have paused, dedicated investors remain deeply anchored in the market. A significant 36% of LPs report making "No change" to their China allocations for 2026, demonstrating a steadfast commitment to the region's long-term growth fundamentals and an unwillingness to abandon mature, high-performing GP relationships.

Japan and the developed trio lead on volume

Alongside the resilient core in China, Japan (25%) continues to attract the highest volume of broader regional interest. Investors remain highly enthusiastic about the country's unique macroeconomic positioning, deep pool of aging founders driving succession-led buyouts, and ongoing corporate governance reforms unlocking carve-outs. Australia and New Zealand (20%) represent the second most attractive destination, offering a highly transparent regulatory environment and a robust mid-market. Together with South Korea (13%), this "Developed Asia-Pacific" segment remains a strong pillar, with 10% of LPs actively planning to increase their portfolio weightings here.

India's growth and Southeast Asia's maturation

Rounding out the regional picture, India (19%) continues to attract strong conviction. It is successfully capturing the structural tailwinds of global supply chain diversification and a rapidly expanding domestic middle class, serving as a powerful complementary growth engine alongside China. Meanwhile, Southeast Asia (11%) maintains a dedicated following, as investors look to tap into its youthful demographics and rising digital economy, balancing the region's complex exit environment with its undeniable long-term potential.





Looking ahead

Unshaken conviction

Despite the volatility of the last three years, the fundamental thesis of private equity remains intact. When asked if they expect private markets to outperform public markets over the long term, 95% of respondents said yes. As we move deeper into 2026, the market is characterised by a "new normal": longer fundraising timelines and stricter diligence, but underpinned by a powerful belief that the funds raised today will generate the vintage returns of tomorrow.

How do you see aggregate commitment levels changing in 2026 relative to 2025?



64%

Expected change in commitments

Despite the macroeconomic volatility that defined the first half of the decade, the fundamental thesis of the asset class remains entirely unshaken. As we move deeper into 2026, the market is shifting into a highly strategic deployment phase, driven by a return of liquidity: 59% of LPs expect distributions to increase this year, causing the PE flywheel to finally restart. This incoming cash is expected to directly fuel the next commitment cycle. In fact, over a quarter of LPs focused on Europe (28%) and North America (26%) plan to actively increase their volume of re-ups compared to 2025, eager to reward the GPs who successfully generated DPI during the downturn.

Ultimately, 2026 is shaping up to be a foundational deployment year. Underpinned by the overwhelming belief that capital deployed today will generate premium returns, with 84% of LPs expecting the 2025/26 vintages to be the strongest of the recent cycle, investors are cautiously but confidently partnering with the managers best equipped to navigate this new era of value creation. This is no return to the boom years, yet - fundraising timelines remain extended, LP terms are firmly buyer-friendly, and geopolitics has replaced interest rates as the dominant risk factor reshaping portfolio construction. Western Europe is stealing the spotlight from North America, AI has moved from buzzword to value-creation imperative, and GP-led secondaries have shed their stigma to become mainstream exit tools. The message is clear: the PE flywheel is turning again, but only the most disciplined and differentiated managers will capture the opportunity that this foundational deployment year presents.

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