



# Australian Private Capital Yearbook 2026

More mature, more disciplined, more focused

# The Numbers

## Resilience

# \$161bn AUM

Australian private capital industry is 2.3 times the size it was a decade ago

## Stable performance

# 9 out of 10 yrs

Australian private equity distributed more money than it called up in nine of the last 10yrs

## Fundraising

# +6%

increase year-on-year, defying the trend in rest of Asia-Pacific

## Bolt-ons and buyouts

# 70%

of all private equity deals in CY2025 were bolt-ons and buyouts

## AI in focus

# 36%

of all venture capital deals in CY2025 were in AI, a record high

## Consistent returns

# 12.7%\*

Net internal rate of return, outpacing all other global regions

## Low risk

# 16.6%\*\*

Lower risk than Asia

## Deployment accelerates

# \$42bn

In dry powder. Its proportion of AUM continues to decrease

## Venture matures

# 1.22 unicorns per US \$1bn invested<sup>1</sup>

Highest unicorn efficiency rate globally

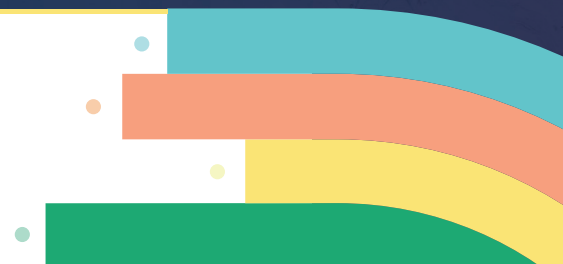
\* Median private capital net IRR, for 2015-2022 vintages

\*\* Standard deviation of net IRR, for 2015-2022 vintages

<sup>1</sup> Dealroom.co, Side Stage Ventures, AWS Startups, Australia Venture & Startup Report 2025. (2025).

# Table of Contents

- 4 Foreword**
- 5 Executive Summary**
- 7 Key Insights**
- 16 Private Equity**
- 21 Venture Capital**
- 25 Private Credit**
- 27 Who's Investing**
- 30 Appendix: Real Assets at a Glance**
- 33 About this Report**
- 34 About the Australian Investment Council**



# Foreword

It is shaping up as a year of confluence: geostrategic uncertainty, the disruptive influence of AI hitting light speed, and fragility in many of the world's major economies.

Private capital markets are not immune from these forces. But they are well-equipped to navigate them, and Australian private capital is particularly well positioned. The data in this edition of the Australian Private Capital Yearbook builds on the key observation from the previous issue: Australia continues to be a safe port in a wild storm, now with an underlying resilience and adaptability more deeply entrenched.

This is a vital differentiator at a time when Australia – like many other countries – is grappling with sclerotic productivity growth. Long-term investment horizons allow for looking through cycles and a focus on fundamentals. It allows for the risk taking and entrepreneurialism essential to a more dynamic economy.

The doubling of assets under management over the past decade, combined with the 600,000 full-time jobs supported and the 1,100-plus businesses backed are evidence of a more mature group of investors.

Returns through growth is the common thread connecting fund managers, their investors, and their portfolio companies. In this regard Australian private capital continues to outperform the much larger markets of North America, Europe and Asia. Investors in the market for hidden gems need look no further than Down Under.

Private capital internationally has had its own challenges of confluence: notably a shortage of liquidity and the need to raise capital as older fund vintages mature. In this, Australian private capital is navigating well with the secondary market evolving into a sophisticated pathway for recycling capital.

Of course, there is always more that can be done to create an environment more conducive to private capital investment. The biggest opportunity is in regulatory reform, a point not lost on governments around the world. In 2026, Australia is working through what that looks like. Our encouragement to Australian governments is that speed could be this country's superpower. Our caution is that the value of our longstanding, stable frameworks is at risk, making reform an urgent priority.

Sincerely,

**Chester Moynihan**  
Chair

**Navleen Prasad**  
CEO

## Acknowledgements

Serge Allaire, Cbus Super; Simon Anderson, Aylmer Anderson; Sean Aylmer, Aylmer Anderson; Dan Bennett, Salus Ventures; Craig Blair, Airtree; Karen Chan, Perennial Private Investments; Emily Davis, L.E.K. Consulting; Nick Gainsley, OneVentures; James Hindle, KPMG Australia; Mirela Leko, Allegro Funds; Jonathan Lim, LVP; Andrew Lockhart, Metrics Credit Partners; Kimberley Low, MinterEllison; Andrew Major, HESTA; Warwick Mancini, HarbourVest Partners; Kevin Martin, Allegro Funds; Emma-Jane Newton, Deutsche Bank Australia; Marten Peck, Salus Ventures; Simon Petris, Revolution Asset Management; Preqin, a part of BlackRock; Margaret Schlott, Cambridge Associates; Chris Yoo, Genesis Capital.

# Executive Summary

Australia's private markets are navigating a structural reset, shifting from the boom of 2021–22 toward a more sustainable, resilient growth phase, in which success will be defined by those who can drive rapid earnings growth through operational excellence, rather than financial engineering or passive market tailwinds.

As the sector enters 2026, three themes dominate across private equity (PE), venture capital (VC) and private credit: constrained liquidity and the rise of secondaries; a pronounced bifurcation favouring scale and quality; and the structural rise of private wealth reshaping capital formation and regulation.

## A Maturing Growth Sector

Australian private capital assets under management (AUM) remain near record levels at \$161 billion as at June 2025 – almost two and a half times as large as a decade ago. PE, VC and private credit together account for \$77.9 billion, with PE representing roughly two-thirds. The remainder sits across real estate, infrastructure and natural resources.

Australia's macroeconomic stability, transparent regulation and relatively low leverage underpin its appeal as a low-risk proxy for Asian exposure. Assets are viewed as high quality and competitively priced. Performance has been strong: Australia-focused funds from 2015–22\* vintages delivered a median IRR of 12.7 per cent, outperforming comparable North American, Asian and European peers.

## Liquidity Constraints and the Rise of Secondaries

The most pressing issue across private markets is the slowdown in exits and distributions-to-paid-in-capital (DPI), which has become the primary determinant of fundraising success in the current cycle. While elevated post-COVID valuations and geopolitical volatility have delayed traditional exits, limiting capital recycling, top-tier managers are increasingly distinguished by their ability to generate DPI through operational excellence rather than waiting for passive market tailwinds. This is becoming a strategic prerequisite for securing future investor commitments.

In response, the secondary market has become a critical liquidity tool. In private equity, secondaries enable retention of high-quality assets while providing liquidity to investors. In venture capital, they allow companies to remain private for longer while offering partial exits to limited partners (LPs).

## Private Equity: Resilient and Competitive

Australia's private equity market is well established, with \$13.6 billion in deals across 147 transactions in 2025, an increase of 8 per cent from 2024's \$12.6 billion, Preqin data shows. Add-on acquisitions and buyouts dominate activity, while technology – particularly AI-related opportunities – account for about one-third of transactions.

Fundraising remains competitive: although only 11 funds closed in 2025 according to Preqin data, \$4.4 billion was raised, including the \$3.2 billion close of Pacific Equity Partners Fund VII.

Top-tier managers with strong DPI track records attract capital, while smaller specialist managers succeed through differentiated strategies. Regulatory changes, including new Australian Competition and Consumer Commission (ACCC) merger rules and Foreign Investment Review Board (FIRB) scrutiny, may introduce timing uncertainty and confidentiality concerns around transactions.

\* Funds less than three years old have been excluded as their portfolios are typically still being deployed and have not yet produced returns reflective of long-term performance

## Venture Capital: Coming of Age

Australia's venture capital ecosystem has matured into a capital-efficient engine and talent incubator, producing global leaders such as Canva, Atlassian, Afterpay, and more recently, Eucalyptus and Advanced Navigation. Australia ranks first globally in unicorns created per US\$1 billion invested.<sup>1</sup>

Fundraising returned to its ten-year average in 2025 of \$1.3 billion across 13 new venture capital funds, with average fund sizes continuing to grow, Preqin data shows. While deal volumes declined, average fund size reached \$188 million in 2025, reflecting capital concentration in higher-quality opportunities. AI-related investments now represent more than one-third of total deal value.

## Private Credit: Structural Opportunity

Private credit continues to evolve as global capital flows into Australia. Industry participants broadly welcome the Australian Securities and Investments Commission's (ASIC) principles-based regulatory approach, viewing enhanced transparency as supportive of long-term credibility.

The sector is expected to follow private equity's evolutionary path, with scale, specialist expertise, and robust risk-based decision making determining long-term winners. As funds grow, diversification of risk exposures and liquidity management are expected to improve.

## Democratisation and the Road Ahead

Institutional capital, particularly superannuation funds, face liquidity and regulatory constraints, including the Your Future Your Super performance test and ASIC RG 97 fee disclosure rules. In contrast, private wealth and family offices are increasingly active, with managers launching evergreen vehicles to access high-net-worth and retail investors.

Overall, Australia's private capital market enters 2026 more mature and operationally disciplined. Growth-at-all-costs has given way to deployment discipline, stronger governance and strategic use of secondaries. With improving exit conditions, rising private wealth participation and resilient macroeconomic fundamentals, the sector is positioned for sustainable expansion in the years ahead.

The biggest headwinds remain geopolitical volatility, regulatory intervention, and the global competition for capital.

<sup>1</sup> Dealroom.co, Side Stage Ventures, AWS Startups, Australia Venture & Startup Report 2025. (2025).

# Key Insights

## Private Markets in Transition

Australia's private markets are navigating a reset, moving from the boom of 2021-22 toward sustainable, resilient growth. Three dominant themes cut across all the asset classes: the liquidity bottleneck and the secondary market, a sharp bifurcation favouring quality and scale, and the structural rise of private wealth and its regulatory implications.

The prevailing narrative entering 2026 is one of resilience and normalisation. The Australian private capital market has entered a phase of maturation, with more normal cycles expected in coming years.

## Growth Sector

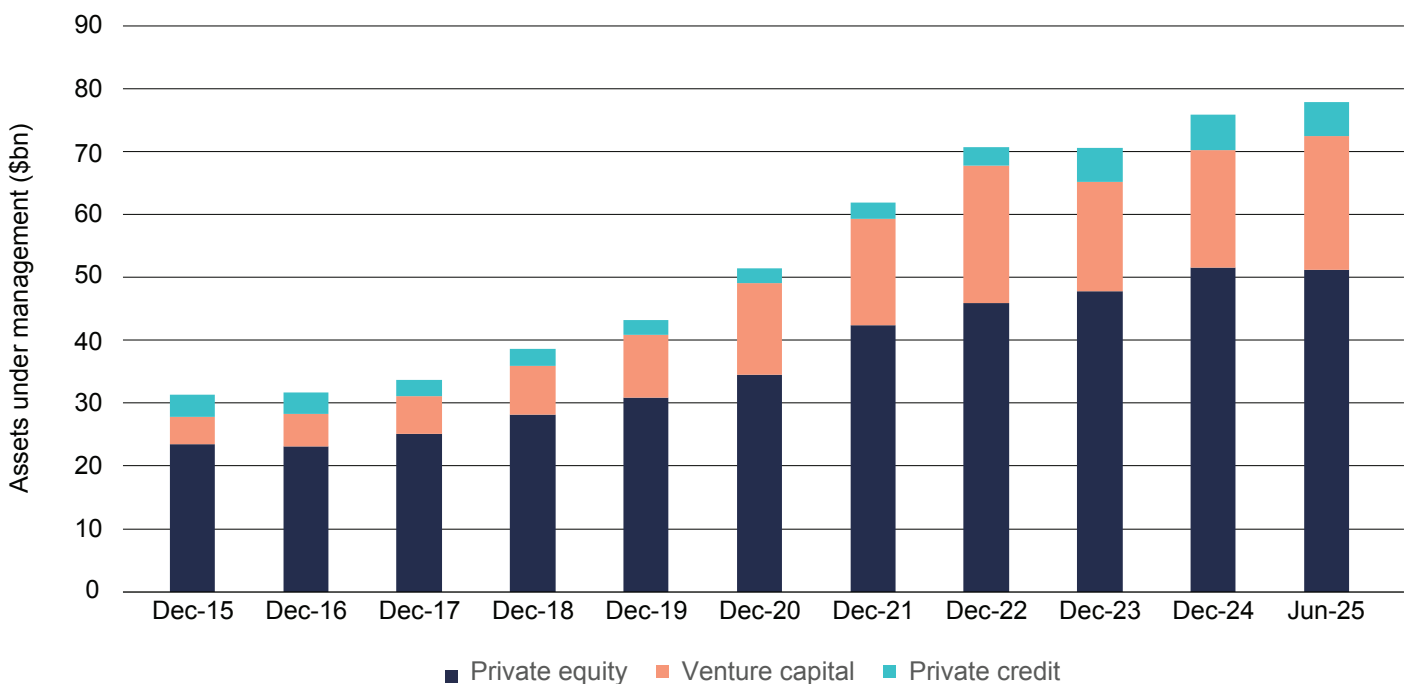
Australia-focused private capital assets under management (AUM) remained close to record levels, totalling \$161 billion as of June 2025. Our private capital industry is almost two and a half times larger today than it was a decade ago.

Australia-focused private equity, venture capital and private credit AUM reached a record \$77.9 billion as at June 2025. private equity dominated, accounting for about two thirds of AUM.

Venture capital accounted for 27 per cent of AUM and the remaining seven per cent was in closed-ended private credit funds, as tracked by Preqin.

**Fig. 1: Assets under management climbs to record level**

Australia-focused private equity, venture capital, and private credit AUM by asset class, December 2015 – June 2025\*

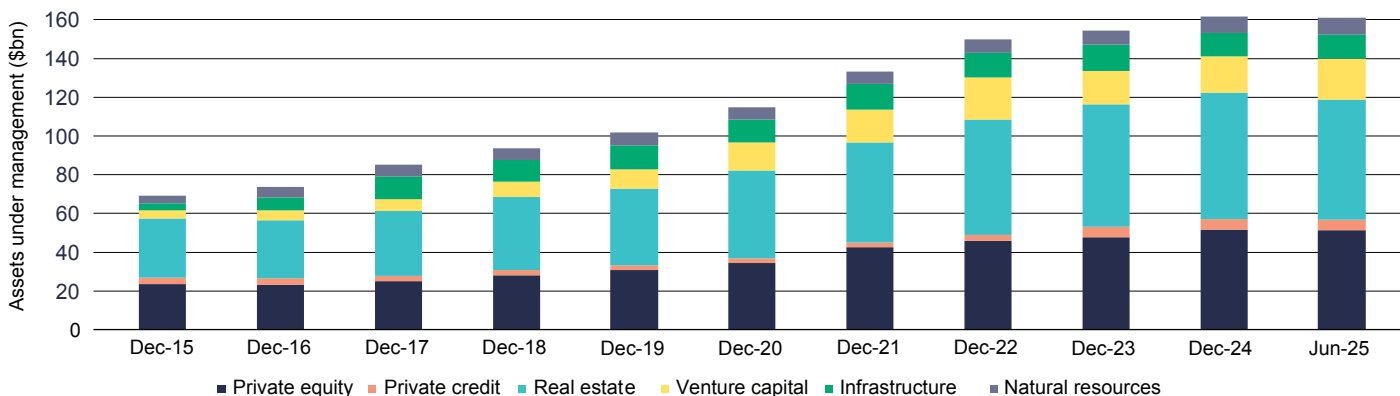


\*The latest available AUM figures in January 2026 are as of June 2025. Source: Preqin Pro. Data as of January 2026.

Across all private capital investments, real estate holds the highest value of AUM, at \$62 billion, followed by private equity (\$51.2 billion), venture capital (\$21.3 billion), infrastructure (\$12.4 billion), natural resources (\$8.8 billion) and private credit (\$5.4 billion).

## Fig. 2: PE, VC and private credit comprise almost 50 per cent of private markets investments

Australia-focused private capital AUM by asset class, December 2015 – June 2025\*



\*The latest available AUM figures in January 2026 are as of June 2025. Source: Preqin Pro. Data as of January 2026.

## Australia's Competitive Advantage

Australia's macroeconomic fundamentals are sound, governments and regulation are relatively stable as are interest rates, and the economy is a low-risk proxy for Asian exposure.

Australia presents value for investors, offering high quality, relatively lower leverage assets at competitive prices. As a result, we continue to attract global capital, although assertive deregulation agendas in other countries including the United Kingdom, Japan and the United States, are diverting investment from Australia. At the same time, foreign investment is flowing back into China after, for many investors, a hiatus of several years. The competition for capital remains fierce.

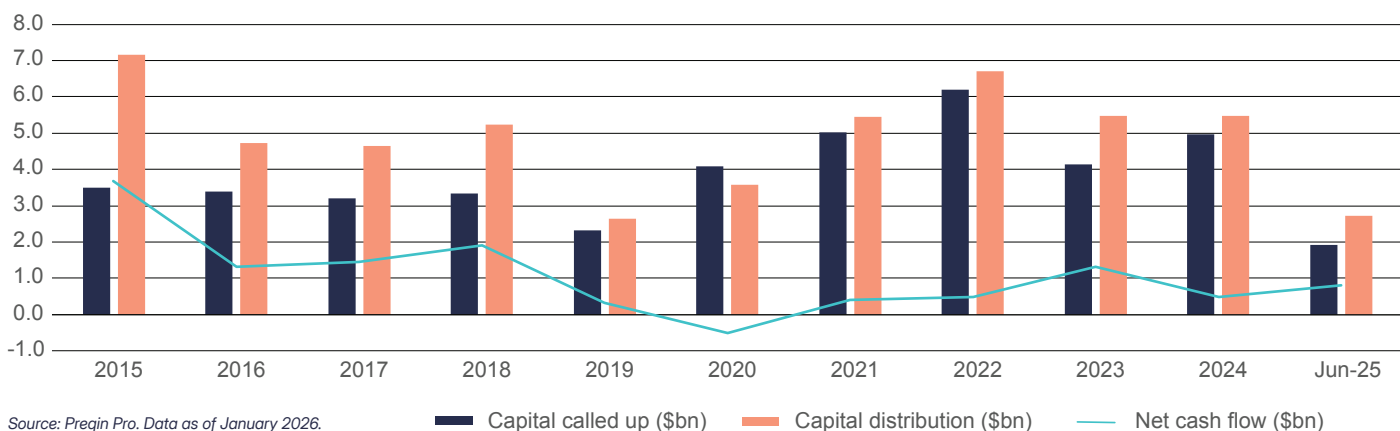
## Consistent Returns

The strength of Australia's private equity funds remains a significant drawcard for investors, in aggregate having consistently returned more money to investors than it has called in the last 11 years.

As shown in Fig. 3, while Australian private equity has historically distributed more money than it called up, investors are now prioritising managers who can demonstrate a repeatable 'DPI engine.' With the 'liquidity bottleneck' persisting, future fundraising success is becoming sharply bifurcated: managers who deliver consistent distributions are finding a ready path to new vintage raises, while those with unrealised 'paper' gains face an uphill battle.

## Fig. 3: PE distributions consistently higher than capital called up

Australia-focused private equity: annual capital called up, distributed and net cash flow, 2015-Q2 2025



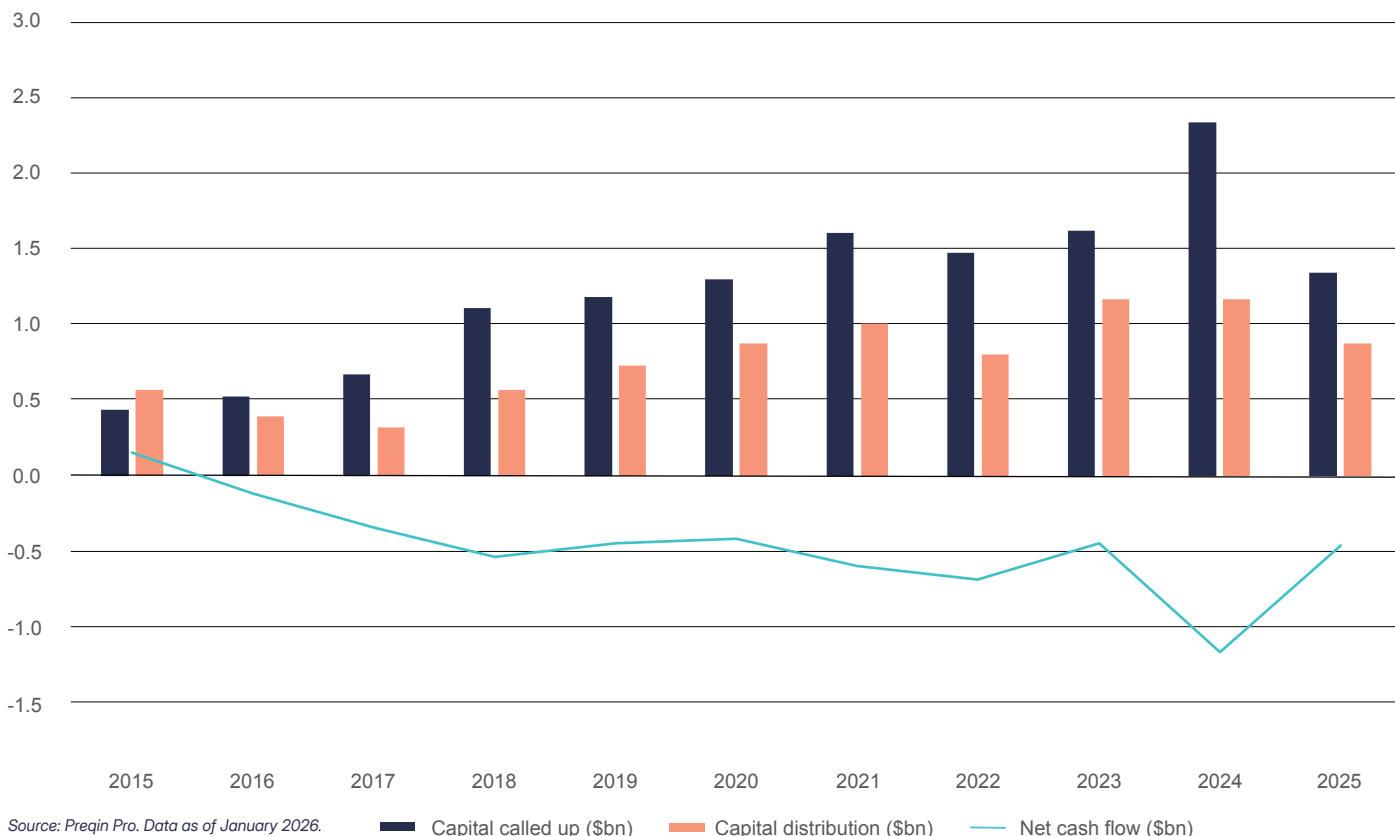
Source: Preqin Pro. Data as of January 2026.

Venture capital funds have been something of a victim of their own success in terms of the number of unicorns created but not yet exited. As a result, venture capital funds have called up more capital than they've distributed back to LPs as successful assets are held for longer.

Successful venture-backed companies, such as Canva, are expected to go public potentially this year. Recent market signals suggest growing expectations that venture capital exits will accelerate and IPO activity will regain momentum, with the announced exit of unicorn Eucalyptus serving as an early indicator.

**Fig. 4: VC distributions lag capital called up**

Australia-focused venture capital: annual capital called up, distributed and net cash flow, 2015-Q2 2025



## Global Outlook

Australian private capital investors and fund managers, like their global counterparts, faced increased geopolitical volatility, the introduction of widespread tariffs and growing uncertainty in the economic outlook.

As capital was being reallocated from China, the beneficiaries were Japan, Korea and India. Australia, a low-risk proxy for Asian exposure, could have been a bigger beneficiary. Now, investors are weighing up China as they reallocate away from the US. Australia could position itself as a smaller, higher quality, more stable proxy.

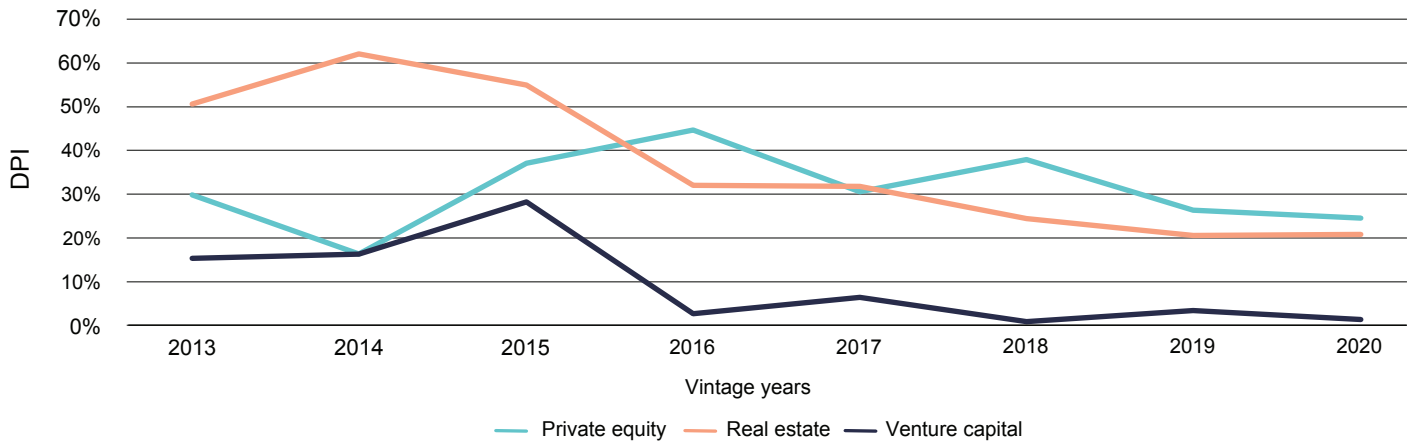
## Exits

Investors say that globally, distributions were lower over the past year, and Australia has been part of that trend. Higher valuations during and post COVID, increased geopolitical risk over the past year including the roll-out of tariffs, and the trend of assets staying private for longer, has contributed to the decline.

Promisingly as the sector enters 2026, exit channels are reopening and capital is being recycled out of legacy vintages, while the secondary market continues to gain acceptance and depth. Market participants reported a pick-up in exits in late 2025 and expect the DPI to grow throughout 2026 and into 2027.

**Fig. 5: DPI has trended lower across asset classes**

5-year median DPI: Australia-focused funds by asset class\*, vintages 2013 – 2020



\*There is insufficient data for infrastructure and private credit. Source: Preqin Pro. Data as of January 2026.

## Rise of Secondaries

The backlog of exits is the single most pressing challenge spanning every asset class and has been a driver of the secondary market, to recycle capital and preserve value in high performing assets.

No longer viewed merely as a distress mechanism, secondaries have become a critical tool for liquidity. In private equity, continuation fund strategies enable the retention of assets by GPs and recycling of capital by LPs. In venture capital, they provide a release valve for LPs while allowing companies to stay private longer.

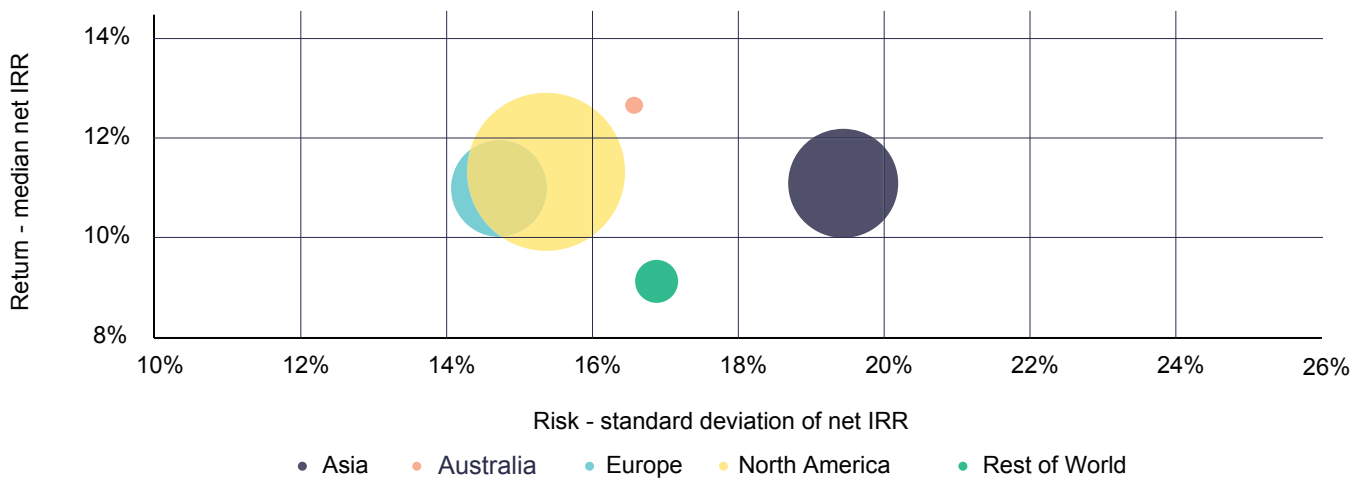
For investors, secondaries have evolved into a tactical lever for active portfolio management, essential for unblocking the “machine” of capital recycling.

## Risk Spectrum

Australian funds shifted slightly up the risk-reward spectrum in 2026. The median internal rate of return of 12.7 per cent for Australia-focused funds of vintages between 2015 and 2022 outperformed funds of the same vintages focused on North America (11.3 per cent), Asia (11.1 per cent), Europe (11 per cent) and the rest of the world (9.1 per cent).

**Fig. 6: Australia focused funds are still outperforming global peers**

Private capital risk/return by primary geographic focus (vintages 2015 – 2022)\*



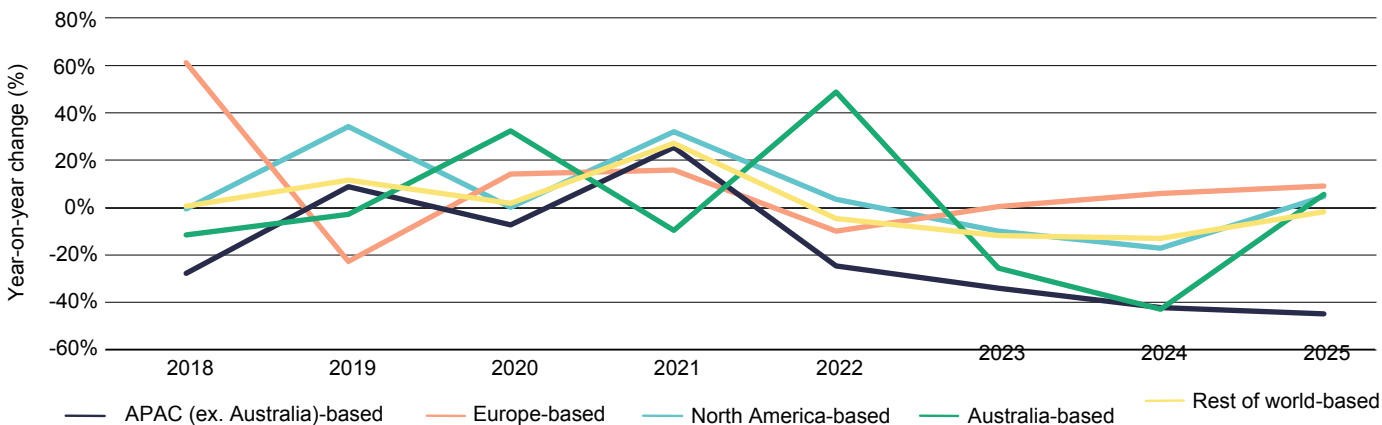
\*The size of each circle represents the capitalization of private capital funds used in this analysis. These funds are invested in by Australia-based and/or global institutional investors. Source: Preqin Pro. Data as of January 2026.

## Fundraising

Fundraising by managers based in Australia eschewed the negative trend in the Asia-Pacific region and grew by six per cent in 2025 to \$9 billion. The Asia-Pacific region, ex Australia, fell 45 per cent to \$98 billion, reflecting drops in raisings in China and to a lesser extent India.

**Fig. 7: Australia-based private capital lifts fundraising**

Year-on-year change in private capital fundraising by fund manager region, 2018 – 2025

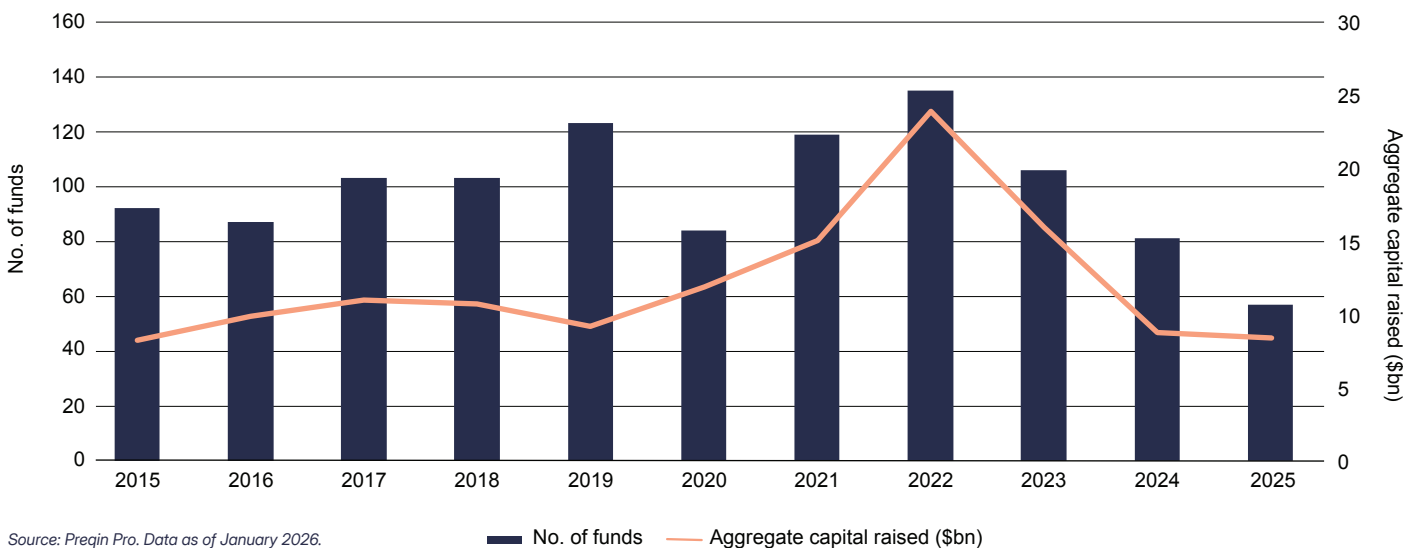


Source: Preqin Pro. Data as of January 2026.

However, the data tells a slightly different story when fundraising by global managers deploying capital in Australia is included, and international investments by domestic managers is excluded – through this lens aggregate capital raised declined by four per cent in 2025.

**Fig. 8: Australia-focused private capital fundraising was steady**

Number of Australia-focused private capital funds and aggregate capital raised, 2015 – 2025



Source: Preqin Pro. Data as of January 2026.

Globally, fewer funds successfully raised capital in 2025, and the aggregate amount raised dropped to a seven-year low. A total of just under \$2 trillion was raised globally in 2025, down 2.4 per cent on the year prior.<sup>2</sup>

The slowdown in exits has dampened the amount of capital being recycled. The trajectory of interest rates here and overseas has also had an impact, and particularly among venture capital funds, staying private for longer has meant less capital is available to reinvest. As a result, in some pockets of private markets fundraising was challenging in 2025, though participants are more upbeat about the 2026 outlook.

<sup>2</sup> Preqin Pro. Data as of January 2026.

## Institutionalising the GP

As competition for capital intensifies, fundraising has evolved into professionalised investor relations.

The ability to attract and retain commitments, especially from Australia's expanding superannuation sector, is increasingly contingent on the ability to demonstrate operational maturity and internal processes, operations, and compliance frameworks that meet institutional-grade standards.

This is forcing emerging GPs to institutionalise earlier in their lifecycle.

LPs are demanding diagnostic insights and operational clarity that often outweigh a GP's historical track record alone, including:

- Data-driven playbooks that utilise systematic approaches to segment the market and target specific LP needs across metrics, fees, and liquidity
- Enhanced reporting and compliance
- Systemic transparency for superannuation funds constrained by undrawn commitments and regulatory oversight
- Data standardisation and consolidated reporting frameworks to reduce "reporting noise" and allow managers to focus on what matters: driving EBITDA growth

This shift has also seen a deepening of GP - LP partnerships. Growth in co-investments is a sign of industry maturity, delivering greater fee efficiency while allowing direct LP participation across a broad range of transactions.

The growing prevalence of "GP staking" – where investors buy equity in the firm itself, instead of investing in a single fund – has also accelerated the institutionalisation of GPs. Despite holding minority interests, these external investors bring heightened expectations around governance, scalability, and institutional-grade infrastructure.

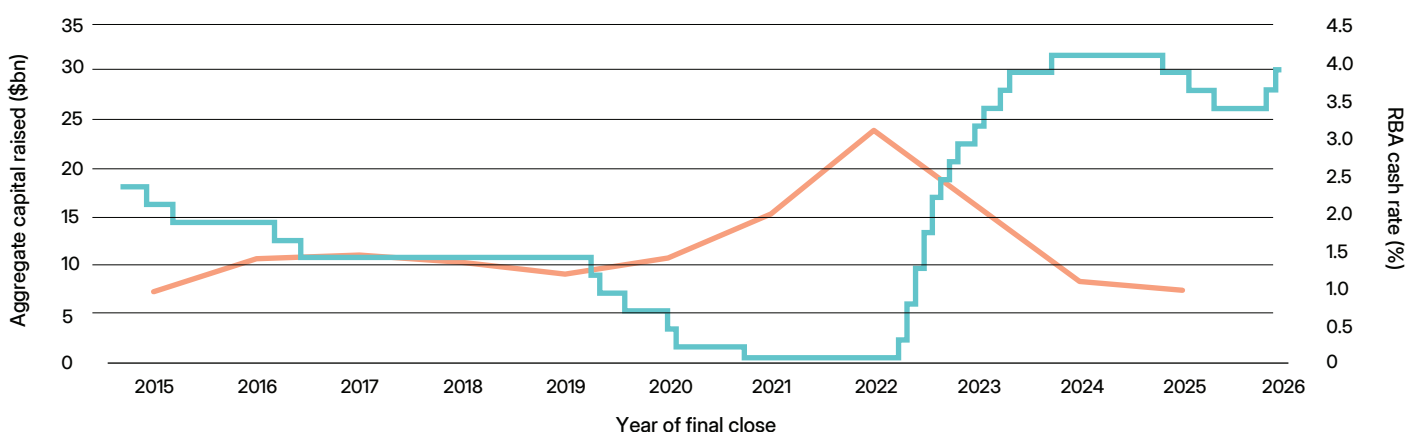
## Interest Rates

Over the past decade, there has been a clear inverse relationship between private capital fundraising and interest rates in Australia. Returns from low-risk investments, such as cash and bonds, rise on the back of rate increases, making private capital asset classes relatively less attractive. At the same time, indebted assets have to pay more in interest, so money generally becomes tighter.

With rates rising, fund managers are likely to face a challenging fundraising environment.

**Fig. 9: When RBA cash rate rises, fundraising heads in the opposite direction**

Australia-focused private capital fundraising vs RBA cash rate



Source: Preqin Pro, Reserve Bank of Australia.

— Aggregate capital raised (\$bn) — RBA cash rate (%)

## Investors

While it doesn't account for the size of the cheques being written by them, the number of local investors in Australian private markets has increased to 57 per cent for 2021-25 vintage funds. The number of Asian investors allocating to Australia also increased.

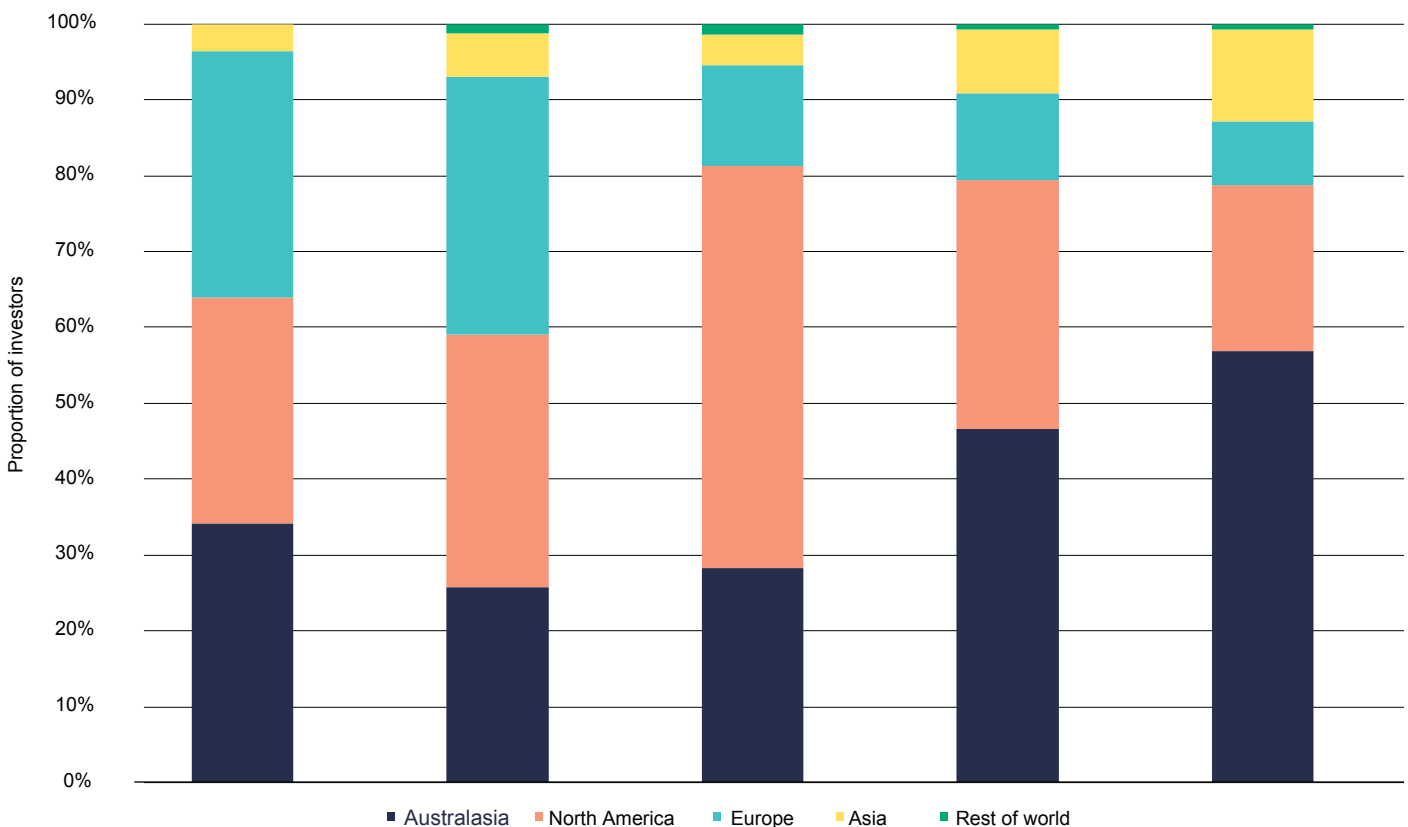
In dollar terms, foreign investment is playing a bigger role and will continue to do so going forward. This has amplified issues with Australia's foreign investment screening and approval process, which in 2024 became the most restrictive among OECD countries<sup>3</sup>.

The urgency among policymakers to court foreign capital is often obscured by a misconception that Australia has an abundance of capital due to its \$4.485 trillion<sup>4</sup> superannuation pool.

This fails to recognise that capital is not uniformly available, and that Australia's superannuation pool has outgrown the economy by a factor of 1.5:1. In the foreseeable future, it will be close to 2:1<sup>5</sup>. The US, UK, and other global capital markets will be key beneficiaries of Australia's inability to absorb all this capital.

**Fig. 10: By numbers, not dollars invested, Asian investors increased allocation to Australia**

Investors in Australia-based private capital funds by location and fund vintages



Source: Preqin Pro. Data as of January 2026.

In recent years there has been a drop in dry powder as a proportion of AUM, to \$42 billion or a little over one-quarter of AUM in June 2025. It reflects a steady deployment of capital, and lower fundraising. It is the lowest ratio of dry powder to AUM for Australian private capital in at least a decade.

Globally, dry powder as a proportion of AUM is also at a ten-year low.

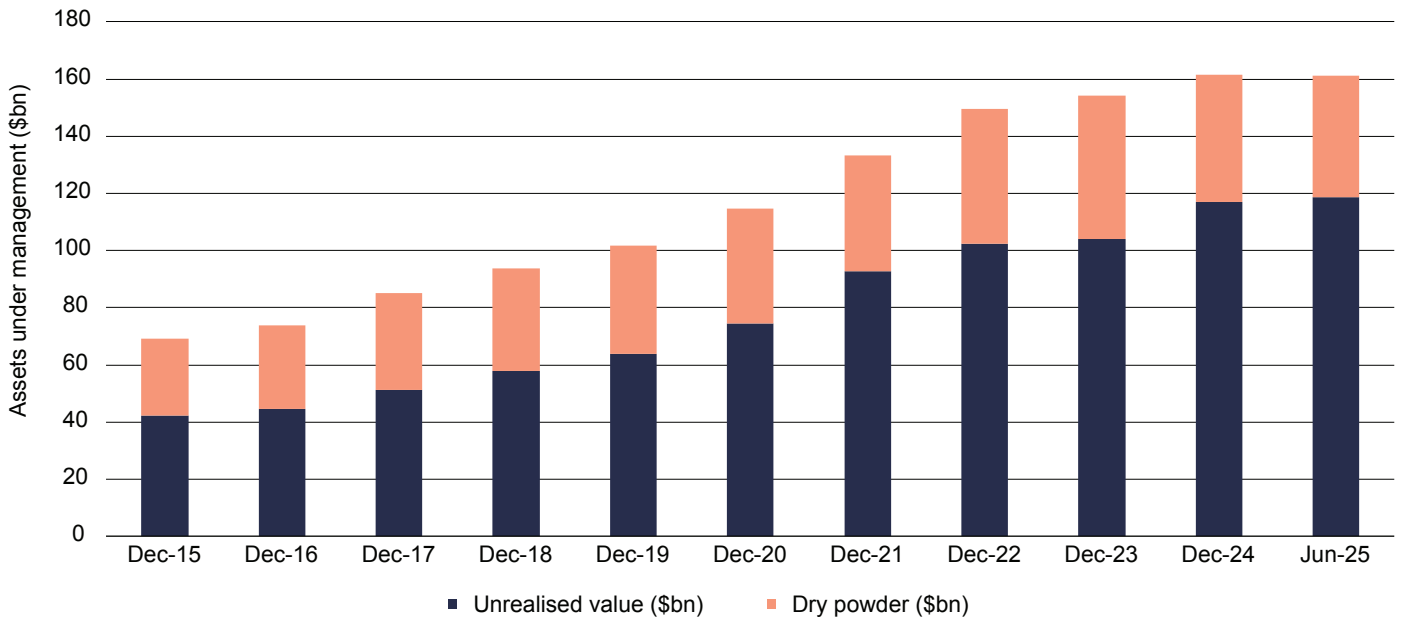
<sup>3</sup> OECD, *OECD Data Explorer*. (2024).

<sup>4</sup> APRA, *Quarterly Superannuation Statistics*. (2025).

<sup>5</sup> Bowtell, C., *Chair, IFM Investors* (quoted in *ABC News*, 2025).

**Fig. 11: A steady deployment of capital has resulted in less dry powder in Australia-focused funds**

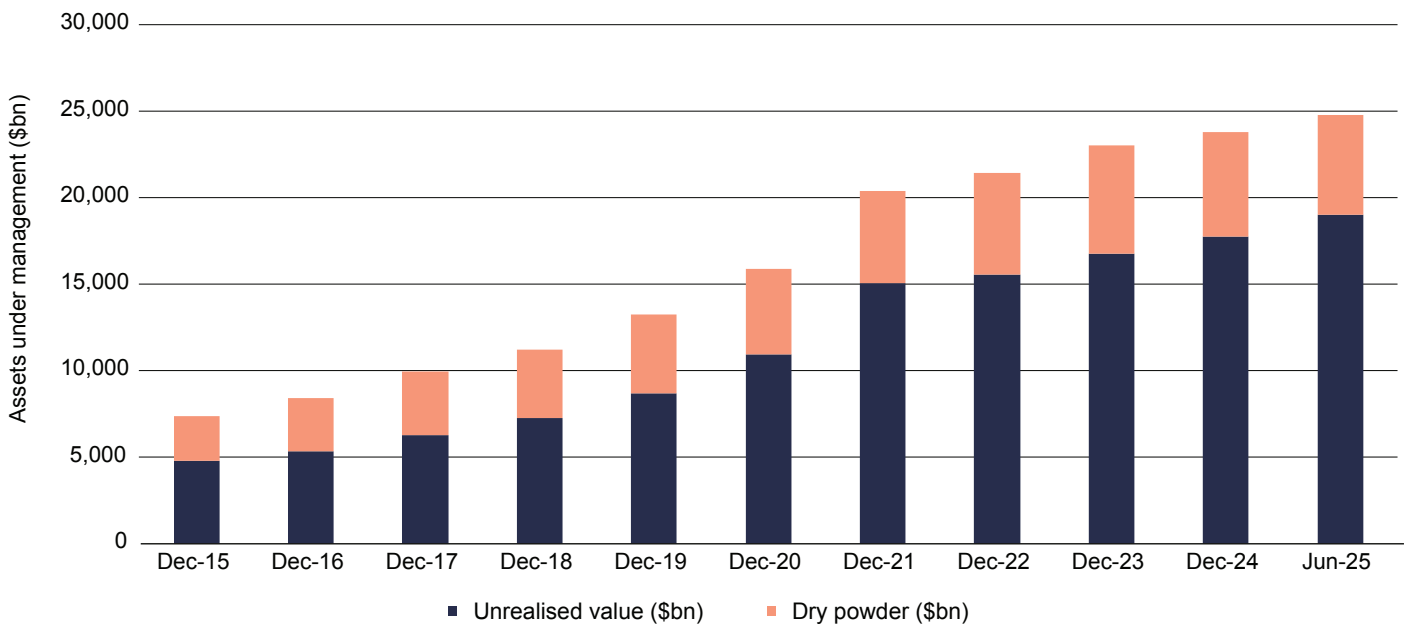
Australia-focused private capital AUM, December 2015 – June 2025\*



\*The latest available AUM figures in January 2026 are as of June 2025. Source: Preqin Pro. Data as of January 2026.

**Fig. 12: Proportion of dry powder globally is at a ten-year low**

Global private capital AUM, December 2015 – June 2025\*



\*The latest available AUM figures in January 2026 are as of June 2025. Source: Preqin Pro. Data as of January 2026.

## Flight to Quality

In private equity, the market is increasingly bifurcated. Top-tier managers, that can demonstrate differentiation or DPI outcomes, repeatable value creation systems, and transparency and reporting standards (both in terms of quality and in the use of formal frameworks) are more successful raising capital.

In venture capital, a consolidation is underway. The average size of funds has doubled over the decade, and capital is concentrating among a handful of proven firms, making it more difficult for new entrants to gain traction, especially with lower recent DPI levels. While it shows confidence in a maturing domestic venture capital sector, it has also triggered a debate around whether bigger is necessarily better.

Some investors believe the relatively young private credit industry is likely to follow private equity's evolutionary path, where larger firms possessing the scale and specialised expertise to manage risk and liquidity will command more of the capital flows.

Investors are raising the bar, prioritising relationships with large, diversified funds that offer stability or smaller specialists with clear competitive advantages.

## 'Democratisation' of Capital

As institutional capital becomes more constrained, driven by liquidity challenges and regulatory hurdles, the investor base is shifting. Australia's superannuation funds are duty-bound to make decisions based on members' best financial interests, and the consolidation in the sector has led to larger average cheque sizes – often bigger than what fund managers can absorb. The cheques needed to invest in start-ups, scale-ups, and small and medium businesses are too small for many superannuation funds.

There is growing awareness that addressing structural impediments in the superannuation settings, including RG 97 fee disclosure rules and the Your Future Your Super performance test, could unlock up to \$54 billion<sup>6</sup> in additional capital for start-ups and growth companies, as well as delivering better outcomes for retirees.

Conversely, private wealth and family offices are becoming more active in private markets. This "democratisation" is evident across asset classes, with managers creating specific vehicles to tap into both high-net-worth capital and retail investors, generally through evergreen funds.

*"Private equity is increasingly turning to public market takeovers to access scale assets and genuine differentiation - opportunities that sit outside contested and now often prolonged private market secondary auctions. We're also seeing AI defensibility and AI driven value creation rise sharply as a focal point in investment decisions."*

*- Emma-Jane Newton, Head of Investment Banking  
Deutsche Bank Australia*



## Regulation

Regulation acts as both a headwind and a stabiliser. While ACCC merger rules and FIRB scrutiny introduce friction and delay exits, industry participants in private credit largely welcome ASIC's efforts to weed out inexperienced managers and build long-term credibility.

Mandatory climate reporting, which also applies to private companies, took effect in January 2025. It will be phased in over three years based on headcount, turnover, assets, and whether companies meet an emissions threshold.

## Maturer and Stronger

Australia's private capital market enters 2026 stronger and more mature. The "growth at all costs" mindset has been replaced by a focus on operational excellence, deployment discipline, and the strategic use of secondaries to navigate a capital-constrained environment.

Participants report more positive momentum across the sector, whether it be the IPO and M&A markets, the gradual increase in distributions, or investors more willing to invest in private markets.

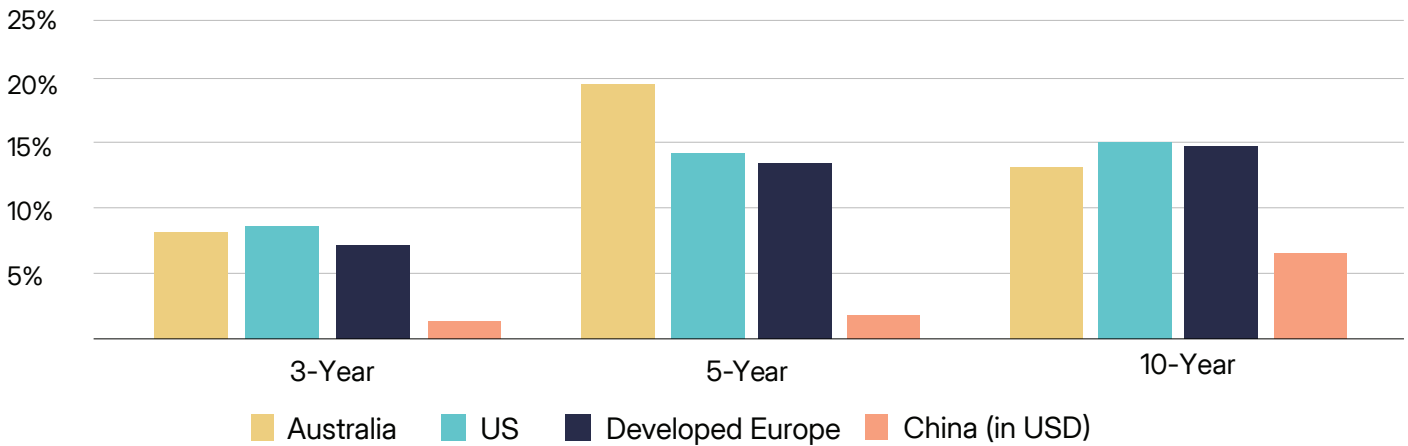
<sup>6</sup> Mandala. *Private capital: Australia's untapped opportunity. Removing barriers to superannuation investment. (2025).*

# Private Equity

Australia's private equity market is well established, well managed, and has a track record of strong performance. It has consistently returned more money to investors than it has called in the last 11 years. With a five-year net internal rate of return (IRR) of 19.5 per cent, Australian private equity has outperformed global peers.

**Fig. 13: Local PE market has a track record of success**

Australia PE index vs global peers



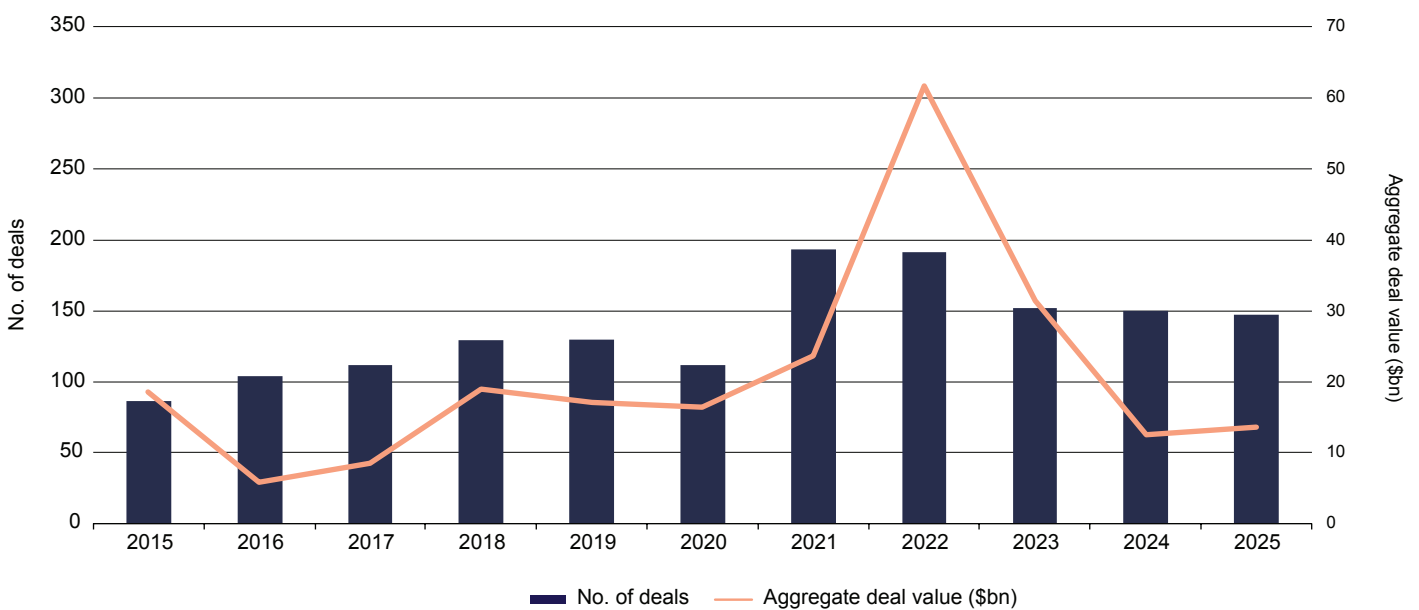
Source: Cambridge Associates. As of 30 September 2025. Pooled IRR (Net of fees, expenses, and carried interest). Local currency unless stated otherwise.

## Deal Activity

The past year was one of resilience, both locally and globally. Deal activity rose in 2025 though remained well below the peak of three years earlier. In 2025, private equity-backed deals totalled \$13.6 billion across 147 transactions according to Preqin data, with an increase in the average deal size to almost \$93 million.

**Fig. 14: After several tough years, PE deal activity stabilised in 2025**

Private equity-backed deals\* in Australia, 2015 – 2025

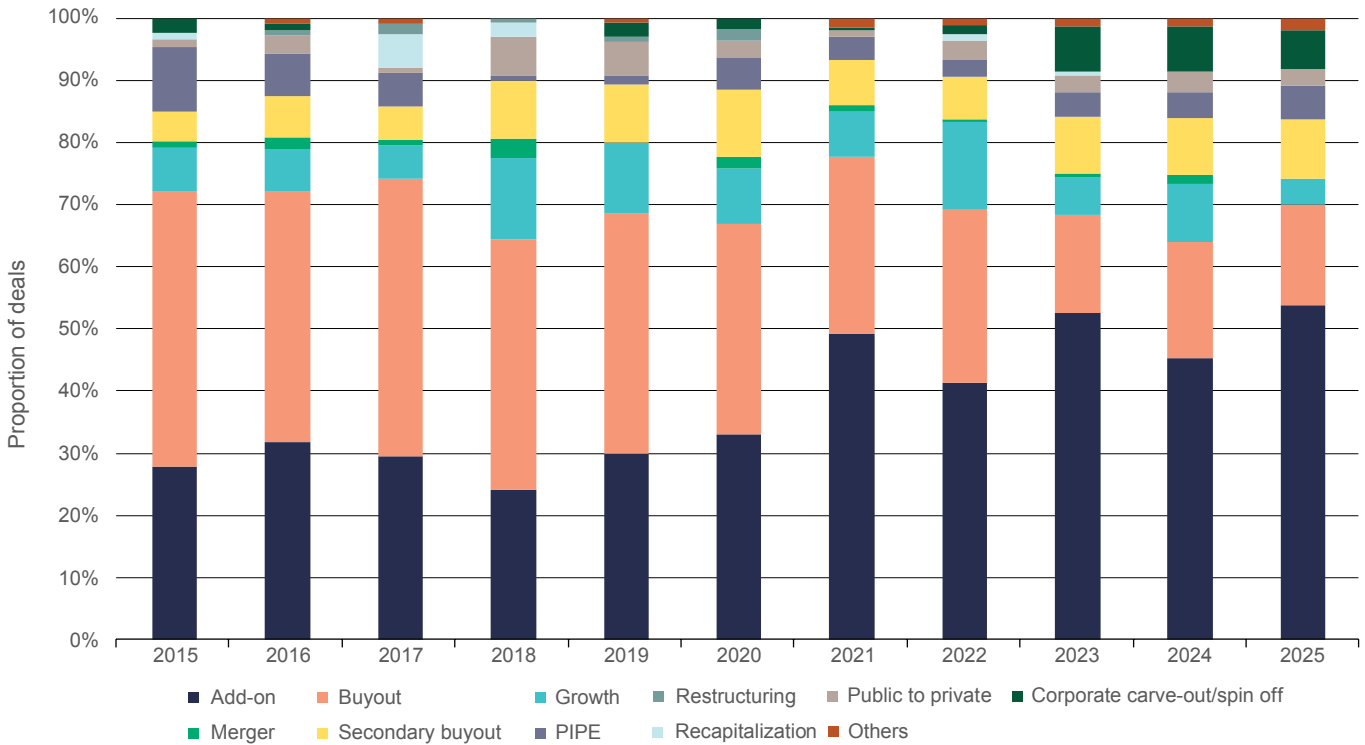


\*Figures exclude LP direct and private credit deals. Source: Preqin Pro. Data as of January 2026.

Add-on acquisitions and buyouts dominate the sector, representing 70 per cent of all transactions. Add-ons were near decade highs, as private equity firms looked to enhance portfolios.

**Fig. 15: Add-ons and buyouts led activity**

Number of private equity-backed deals\* in Australia by investment type, 2015 – 2025



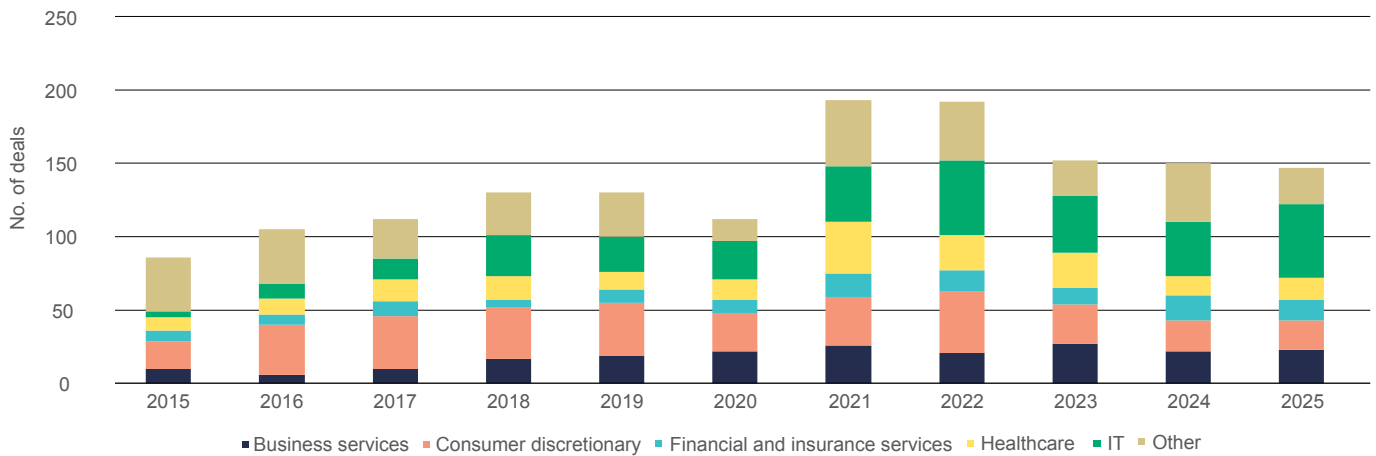
\*Figures exclude LP direct and private credit deals. Source: Preqin Pro. Data as of January 2026.

The technology sector emerged as the primary investment target, accounting for around one-third of private equity-backed deals in Australia last year, as the AI boom presents opportunities for managers.

But technology is not the only sector of interest. In 2025, there were significant numbers of deals across business services, consumer discretionary, finance and insurance, and healthcare.

**Fig. 16: PE deals across industry sectors**

Number of private equity-backed deals\* in Australia by industry type, 2015 – 2025



\*Figures exclude LP direct and private credit deals. Source: Preqin Pro. Data as of January 2026.

The largest individual private equity backed deals in Australia over the past two years have not been in technology, but rather telecoms and media (Foxtel Management) and finance and insurance (Insignia Financial and PSC Insurance Group).

**Fig. 17: Largest PE deals, by value, were in telco and media, finance and insurance**

Largest private equity-backed deals\* in Australia, 2024 – 2025

Portfolio company	Investment type	Investor(s)	Deal size (\$bn)	Deal status	Investor location	Industry	Deal date*
Foxtel Management Pty Ltd	Add-on, Corporate Carve Out, Trade Sale	DAZN Group Limited	3.4	Completed	UK	Telecoms & Media	Dec-2024
Insignia Financial Ltd	Public to Private	CC Capital, One Investment Management	3.3	Announced	US	Financial & Insurance Services	Jul-2025
PSC INSURANCE GROUP PTY LTD	Add-on	The Ardonagh Group Limited	2.3	Completed	UK	Financial & Insurance Services	May-2024
ProTen Holdings Pty Ltd	Secondary Buyout	KKR	2.2	Announced	US	Raw Materials & Natural Resources	Jul-2025
DBG Health	Buyout	BDT & MSD Partners	1.6	Announced	US	Healthcare	Aug-2025

\*Preqin Pro prioritises the date the deal was agreed and announced (where it is subject to regulatory filings and customary closing conditions before completion) over its completion date. Source: Preqin Pro. Data as of January 2026.

## Fundraising Dynamics

Private equity in Australia has become more competitive and attractive to global firms. It is a stable market both economically and politically, with low leverage relative to international peers.

These favourable market dynamics are pushing prices up for higher quality assets, and consequently, increasing the risk of overpaying and lower returns on exit.

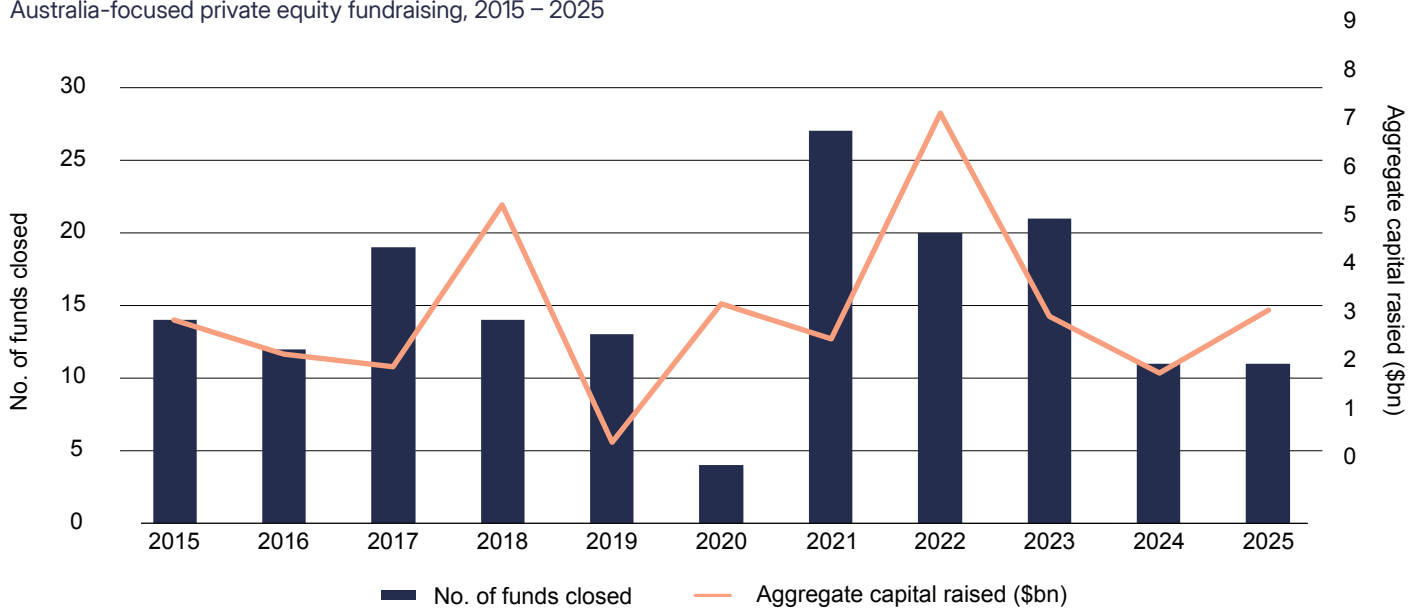
The local market is increasingly bifurcated: top-tier managers with strong performance track records alongside smaller, specialist managers with developing track records.

Global fundraising trends suggest that LPs are concentrating their limited capital with managers who have successfully broken the exit bottleneck. For Australia to remain competitive, firms must move beyond 'AUM growth' and focus on the velocity of capital recycling, as DPI is now the leading indicator for a manager's ability to maintain an 'upper-arm' position in the global recovery.

Preqin data shows that the number of funds closed in 2025 was a relatively low 11 though the aggregate capital raised of \$4.4 billion was among the best years in the past decade (a notable exception was the post-COVID boom year of 2022 when \$8.5 billion was raised).

**Fig. 18: PE fundraising increased in 2025**

Australia-focused private equity fundraising, 2015 – 2025



Source: Preqin Pro. Data as of January 2026.

Notably, the largest Australia-focused, private equity fund in recent years closed in June 2025. Pacific Equity Partners' Fund VII raised \$3.2 billion, triple the size of other recent funds raised.

**Fig. 19: PEP undertook the largest PE fundraising**

Five largest Australia-focused private equity funds closed, 2023 – 2025

Fund	Firm	Headquarters	Fund size (\$bn)	Fund type	Final close date
Pacific Equity Partners Fund VII	Pacific Equity Partners	Sydney	3.20	Buyout	Jun-2025
Crescent Capital Partners VII	Crescent Capital Partners	Sydney	1.00	Buyout	Mar-2023
Five V Fund V	Five V Capital	Sydney	0.77	Balanced	Dec-2023
Quadrant Growth Fund 3	Quadrant Private Equity	Sydney	0.66	Growth	Dec-2024
Potentia Capital II	Potentia	Sydney	0.64	Buyout	Jun-2024

Source: Preqin Pro. Data as of January 2026.

## DPI

The slowdown in DPI has meant investors have not had as much capital available to reinvest in the asset class. It has also triggered a drop in dry powder available for investing. The reduction in dry powder also reflects improved deployment of capital.

## Exits and the Secondary Market

Exit pressure remains private equity's most pressing challenge. Limited liquidity has constrained LPs' ability to make new commitments, creating urgency around distributions.

This has encouraged Australia's secondary market. Secondaries increasingly enable retention of high-quality assets while providing investor liquidity.

The lack of opportunities in the IPO market over the past two years has intensified focus on secondaries and strategic sales. This dynamic has affected larger private equity-backed businesses more than smaller assets, since the latter have had the option of sales to private equity funds with larger cheque sizes, or strategic acquirers.

Several private market participants said there are signs of the IPO market emerging from its slowdown of recent years. Bain Capital's Virgin IPO is a notable example of this, delivering partial, not full liquidity.

## Outlook and Strategic Considerations

Participants expect to see robust mid-market deal activity over the next 12-24 months supported by relatively less competition compared to offshore markets and solid macroeconomic conditions. Australia still represents good value.

Regulatory changes - especially new ACCC merger approval requirements and more stringent FIRB procedures - introduce uncertainty around transaction speed, costs and confidentiality.



*"Transactions in the financial services, technology, and infrastructure sectors underpinned private equity related deal activity in 2025. Exits remained challenging but we saw more deals completing due diligence, providing momentum for 2026. Whether private equity deals remain resilient to geopolitical risks is uncertain, but we expect exit activity and secondary deals to drive growth."*

*- James Hindle, Head of Private Equity, KPMG Australia*

# Venture Capital

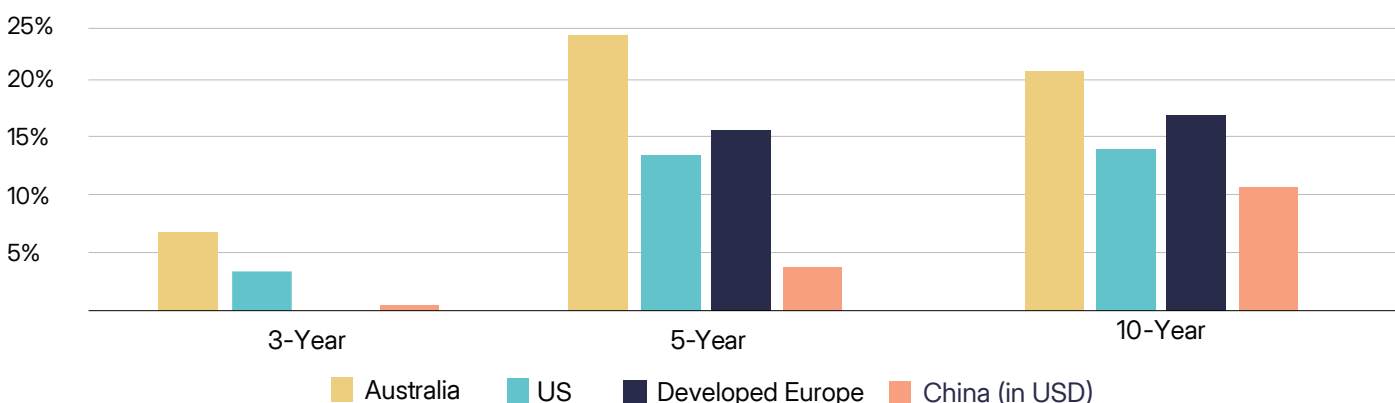
Australia's venture capital sector is coming of age. Long underestimated by global peers, it has emerged as a capital efficient start-up ecosystem, having built household names like Canva, Atlassian and Afterpay.

Australia is number one globally in unicorns created per venture capital dollar invested, having produced 1.22 unicorns for every US\$1bn, ahead of Israel (1.13), the UK (0.8), and the United States (0.69).<sup>1</sup>

Australian unicorns have done this despite raising far less venture capital than their US, China, and UK counterparts.

**Fig. 20: Australian VC sector continues to outperform other regions**

Australia VC index vs global peers



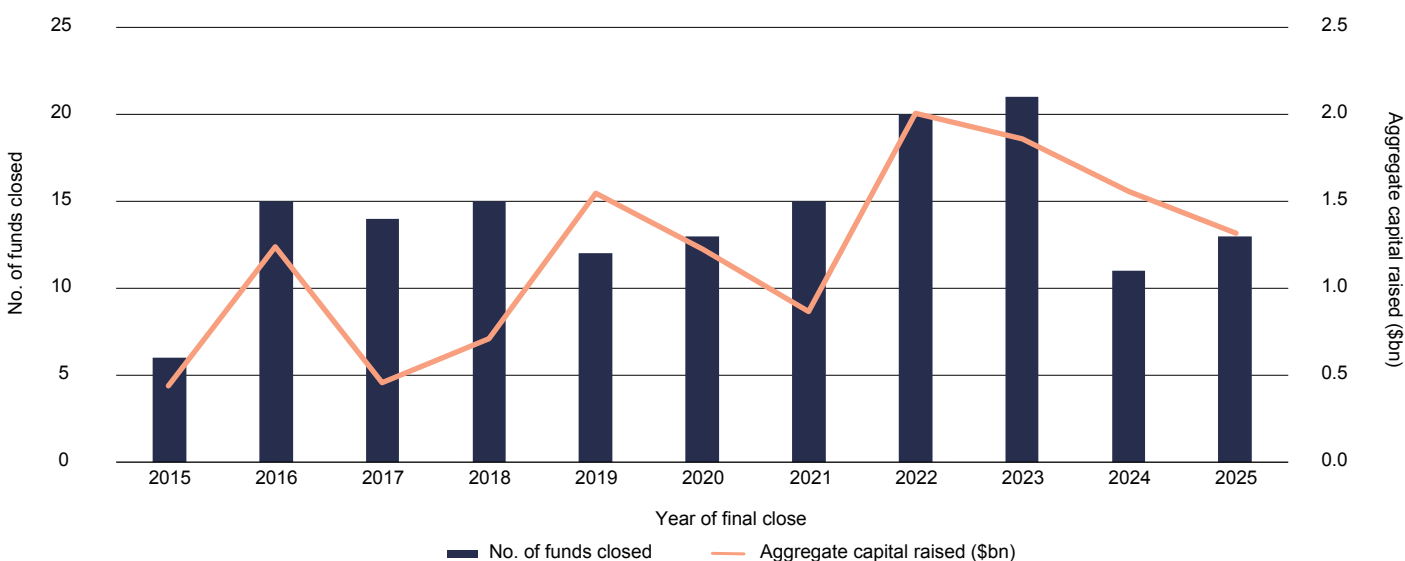
Source: Cambridge Associates. As of 30 September 2025. Pooled IRR (Net of fees, expenses, and carried interest). Local currency unless stated otherwise.

## Fundraising

In 2025, venture capital fundraising returned to its ten-year average of \$1.3 billion, with 13 new funds closing, Preqin data shows. The average fund size of \$188.1 million continues the 2024 trend of larger pools of capital per fund.

**Fig. 21: VC fundraising returned to more normal levels in 2025**

Australia-focused venture capital fundraising, 2015 – 2025



Source: Preqin Pro. Data as of January 2026.

<sup>1</sup>Dealroom.co, Side Stage Ventures, AWS Startups, Australia Venture & Startup Report 2025. (2025).

The near doubling in average fund sizes over the past decade is a notable structural shift in fund composition and reflects greater concentration among established players including Blackbird, Airtree, Main Sequence, Brandon Capital, and newer corporate venture capital entrant Immutable Ventures.

**Fig. 22: Established VC funds were able to raise funds**

Five largest Australia-focused VC funds closed, 2023 – 2025

Fund	Firm	Headquarters	Fund size (\$mn)	Fund type	Final close date
Immutable Developer and Venture Fund	Immutable Ventures	Sydney	975*	Venture (General)	Jan-2024
Blackbird Ventures 2022 Follow-on Fund	Blackbird	Sydney	664.5	Expansion / Late Stage	Jun-2023
Airtree Ventures Core Fund V Partnership	AirTree Ventures	Sydney	650	Early Stage	Jul-2025
Main Sequence Fund 3	Main Sequence Ventures	Sydney	450	Venture (General)	Mar-2024
BB6	Brandon Capital Partners	Melbourne	439	Early Stage: Seed	Jul-2025

\*Immutable Developer and Venture Fund is converted to AUD as it is typically denominated in USD. Source: Preqin Pro. Data as of January 2026.

This consolidation implies investors are increasingly backing proven managers with track records, which in turn makes it harder for new entrants to gain traction in the current environment.

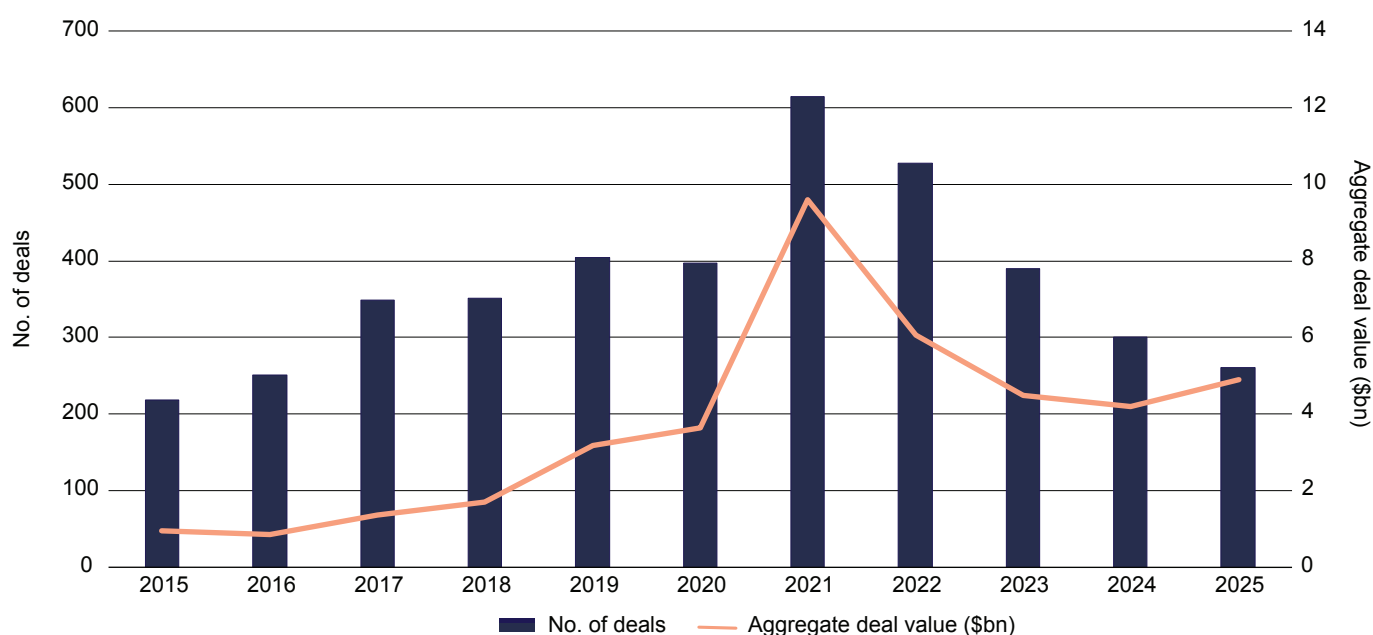
Those newer venture capital managers attracting capital tend to have some sort of professional track record, continuity within a team, and have secured some early anchor commitments.

## Deals

Deal activity presents a mixed picture. While 2025 saw the fewest number of deals in nearly a decade, average deal size reached an all-time high of \$18.8 million, and aggregate deal value was \$4.9 billion, versus the prior ten-year average of \$3.6 billion. It indicates selectivity and capital concentration in quality opportunities.

**Fig. 23: VC deal numbers fell, but average deal size hit all-time high**

Venture capital deals\* in Australia, 2015 – 2025

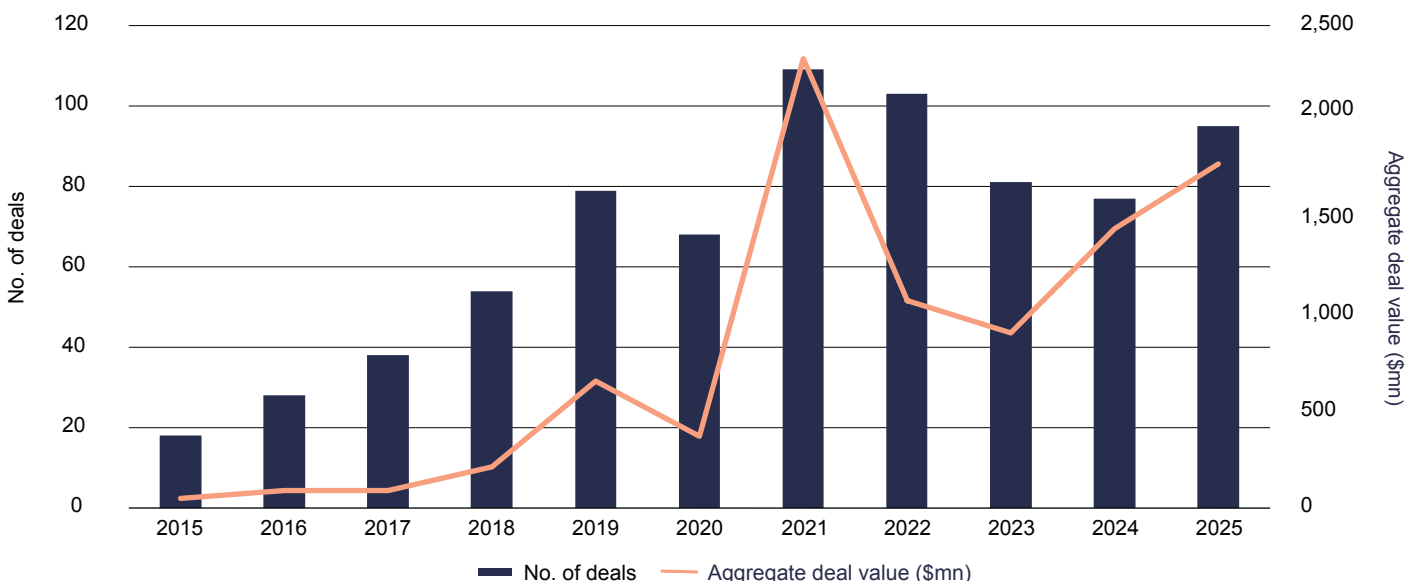


\*Figures exclude add-ons, grants, mergers, secondary stock purchases, and venture debt. Source: Preqin Pro. Data as of January 2026.

The number and value of AI related deals in venture capital is rising. Ten years ago, the AI vertical accounted for five per cent of venture capital deals, in value terms, in Australia. Five years ago, it was 10 per cent and in 2025 it was 36 per cent, in value terms, and 26 per cent in volume terms.

**Fig. 24: The number of AI related deals has surged**

Venture capital deals\* in Australia in the AI vertical, 2015 – 2025



\*Figures exclude add-ons, grants, mergers, secondary stock purchases, and venture debt.  
Source: Preqin Pro. Data as of January 2026.

Venture capital managers are increasingly using AI in their investment processes, which managers argue improves the sector’s risk profile by allowing them to understand and better model risk-reward outcomes.

The five largest deals of 2024-25 came from just two sectors – technology (most with an AI angle or story) and healthcare. Venture capital investments in Canva and Firmus Technologies demonstrated the health of the sector at the top end of the market.

**Fig. 25: Canva leads the way in VC deals**

Largest venture capital deals\* in Australia, 2024 – 2025

Portfolio company	Investment type	Investor(s)	Deal value (\$mn)	Deal status	Investor location	Industry	Deal date*
Canva Pty Ltd	Secondary Stock Purchase, Unspecified Round	Quadrant Private Equity	500.0	Completed	Australia	Information Technology	02-May-24
Firmus Technologies Pty Ltd	Unspecified Round	NVIDIA Corporation, Ellerston Capital	500.0	Completed	US, Australia	Information Technology	13-Nov-25
Firmus Technologies Pty Ltd	Pre-IPO	Archibald Capital, Regal Funds Management, NVIDIA Corporation, Tectonic Investment Management, Ellerston Capital	330.0	Completed	Australia, US	Information Technology	16-Sep-25
Harrison-AI Pty Ltd	Series C	Wollemi Capital Group, Blackbird, Alpha JWC Ventures, Horizons Ventures, National Reconstruction Fund Corporation, ECP Asset Management, Aware Super, Ord Minnett	179.0	Completed	Australia, Indonesia, Hong Kong SAR - China	Healthcare	11-Feb-25
Advancell Pty Ltd	Series C	5Y Capital, SymBiosis Capital Management, Morningside Group, Sanofi Ventures, Brandon Capital Partners, Abingworth, Tenmile, SV Health Investors	171.0	Completed	China, US, Australia, UK	Healthcare	03-Feb-25

\*Preqin Pro prioritises the date the deal was agreed and announced (where it is subject to regulatory filings and customary closing conditions before completion) over its completion date.  
Source: Preqin Pro. Data as of January 2026.

## Global View

The global fundraising environment remains challenging due to structural headwinds including geopolitical volatility, underperformance in previously favoured markets like China and India, and persistent DPI concerns. Illiquidity in other asset classes has impacted capital available for venture capital.

US mega-funds are absorbing increasing portions of global venture capital allocations, intensifying competition for capital. Success in this environment requires differentiated offerings, strong track records, and compelling narratives aligned with investors' asset allocation strategies.

## Regulation and Standards

Regulatory friction has intensified, particularly around FIRB scrutiny for funds accepting offshore capital and new ACCC merger rules that threaten to slow transaction approvals. These regulatory headwinds act as a potential deterrent to global capital that views Australia as a low-risk proxy for Asia.

The RG 97 framework governing superannuation fee disclosure creates perverse incentives, with superannuation funds overly focused on fee structures rather than net returns, making it difficult for most venture capital managers to access institutional capital.

At the same time, the capacity of superannuation funds to write cheques small enough for Australian venture funds to deploy domestically is diminishing due to industry consolidation in the superannuation sector, the ongoing growth and scale of the largest funds which is driving higher minimum commitment amounts, and the absence of a meaningful fund of funds presence in this market.

## Liquidity and Secondary Markets

Liquidity challenges dominate market dynamics. Global IPO markets, which largely shut post 2021-2022, re-opened with activity on both the NASDAQ and ASX increasing in the back end of 2025.

M&A activity has been constrained by valuation gaps and regulatory uncertainty.

As a result, there has been rapid growth in secondary markets. Secondaries provide crucial liquidity while enabling quality assets to remain private longer. Concerns exist about maintaining asset quality and avoiding using new capital merely to buy out existing investors, though those fears are less prevalent as the sector enters 2026.

## Outlook and Strategic Considerations

Looking forward, industry participants identify several critical priorities: delivering strong exits and DPI to restore investor confidence in 2026, loosening ACCC merger restrictions, reforming regulatory settings (RG 97) to enable greater superannuation fund participation, streamlining the foreign investment process to reduce transaction delays and give deal certainty, and modernising tax structures underpinning investment in innovation (VCLP and ESVCLP) so they remain fit for purpose.

Australian venture capital offers a relatively cheap entry point for investors, and distributions are expected to accelerate over the next 18 months.

Despite challenges, optimism persists around Australia's entrepreneurial ecosystem, deep tech capabilities, transformational AI applications and climate tech opportunities.

*"We continue to see Australian businesses represent a compelling opportunity in our work with both local and international GPs – and with that, a strong secondary market via fund-to-fund and continuation fund transactions."*

*- Kimberley Low, Private Equity Partner, MinterEllison*



# Private Credit

Australia's private credit sector is evolving as global capital flows increase and regulatory scrutiny intensifies.

The golden period for private credit during 2022-23 has moderated as bank competition returns, interest rates rise and new entrants compress margins. Notwithstanding the changed environment, strategic allocations continue growing.

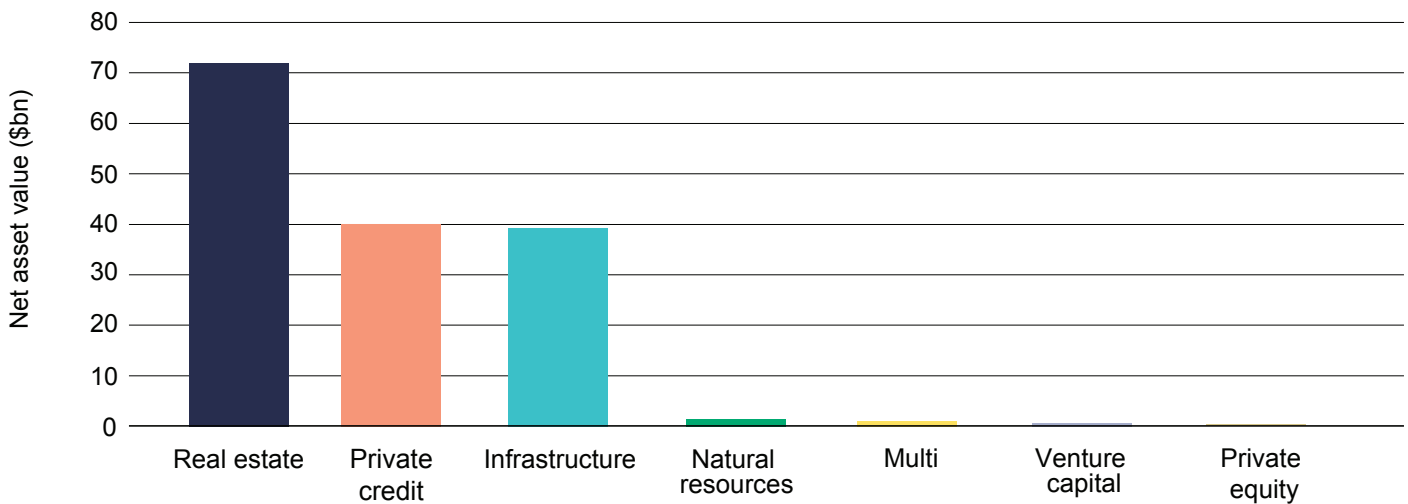
Industry leaders emphasise the sector's relative strength compared to other global markets, despite some concerns about deployment discipline and the need for enhanced transparency.

Prequin data shows \$5.4 billion AUM in closed-ended private credit funds, and a further \$40 billion in net asset value (NAV) in open-ended funds.

This makes it the second largest open-ended net asset value, behind real estate but ahead of infrastructure.

**Fig. 26: Private credit behind real estate in terms of net asset value**

Australia-focused open-ended net asset value as at December 2025



Source: Prequin Pro. Data as of January 2026.

## Market Positioning and Fundraising Dynamics

Australia's economic outlook remains strong relative to global peers when considering tariffs, geopolitical tensions, and demographic factors. That has attracted substantial international capital into private credit, including from insurance funds, high net worth individuals, and family offices. Australia has become an attractive investment destination after the US and Europe.

The influx has been both beneficial and challenging - while validating the market's appeal, it has intensified the need for deployment discipline as managers compete to put capital to work.

The sector anticipates accelerated growth driven by diversification demands from investors seeking alternative return sources.

Increasing allocations from private wealth investors are expected, along with substantial potential for large Australian private credit managers to attract Asian and European capital, contingent on better promoting Australia's diversified economy internationally.

There is already significant capital flow from Australian investors into global funds, demonstrating the two-way nature of private credit investment.

## Regulation and Standards

Industry practitioners broadly support ASIC's recent efforts to increase oversight of the sector and weed out inadequate governance and inexperienced managers, viewing it as necessary evolution to build long-term credibility.

Alongside already established regulatory standards, it will ultimately be beneficial for industry credibility if done well. However, they are concerned about regulatory overreach crimping the availability of capital for growth businesses and critical sectors.

Transparency is particularly important for retail and wealth clients, ensuring investors understand what they are purchasing.

## Fund Structure and Liquidity Management

A critical debate centres on appropriate fund structures for private credit. Do private credit's shorter-duration assets make it better suited to open-ended funds than traditional private equity? If so, private credit managers need to maintain rigorous discipline in managing capital flows and provide clear communication about redemption opportunities.

There is broad emphasis on the importance of investor education around fund mechanics and the fine print governing capital access.

## Scale, Performance and Market Maturation

Fund managers believe that private credit will follow private equity's evolutionary path, with larger firms possessing scale, diverse holdings, and specialised expertise, better positioned to weather shocks and deliver returns - a trajectory private equity took fifty years to complete in the US. As funds achieve greater scale, the risk of capital loss drops and liquidity improves, making the asset class increasingly compelling.

At the same time, Australia as a much smaller market than the US will continue to have credit needs that may not be met by banks or large private credit funds. The role that smaller or specialist private credit funds might occupy is yet to play out.

## Outlook and Strategic Considerations

There is cautious optimism from the sector, while acknowledgement of medium-term concerns around supply chain resilience and geopolitical fragmentation.

A fundamental demographic shift is underway that provides an enormous opportunity for local private credit. According to some industry participants, Australia's traditional "cult of equities" driven by franking credits and major privatisations no longer serves aging populations transitioning to retirement, creating structural demand for income-oriented investments such as private credit.

Delivering consistent returns above bank deposits and securitised products while maintaining appropriate risk management will be essential to sustaining growth and investor confidence in this maturing asset class.



*"In a more competitive deal environment, the bar for differentiation of GPs has been raised. GPs are no longer just supporting growth - they are differentiated on their ability to drive it, through increasingly sophisticated approaches to repositioning businesses, driving operational performance, and unlocking new avenues of value creation."*

*- Emily Davis, Partner & Head of Private Capital, L.E.K. Consulting*

# Who's Investing

Australia is a stable, resilient economy, with a highly skilled workforce and a transparent legal system, providing a welcoming environment for private capital.

Exits and distribution challenges dominated investor decisions in 2025. The slowdown in distributions is a global phenomenon, though it picked up toward the end of 2025 and investors noted improvement, particularly in the US.

IPO windows offer intermittent opportunities for exits, while secondary transactions provide tactical liquidity though require careful evaluation. The growth of secondaries in Australia has broadly benefited investors.

Investors report substantially reduced cash returns from asset classes, forcing scaled-back commitments and stricter manager selection.

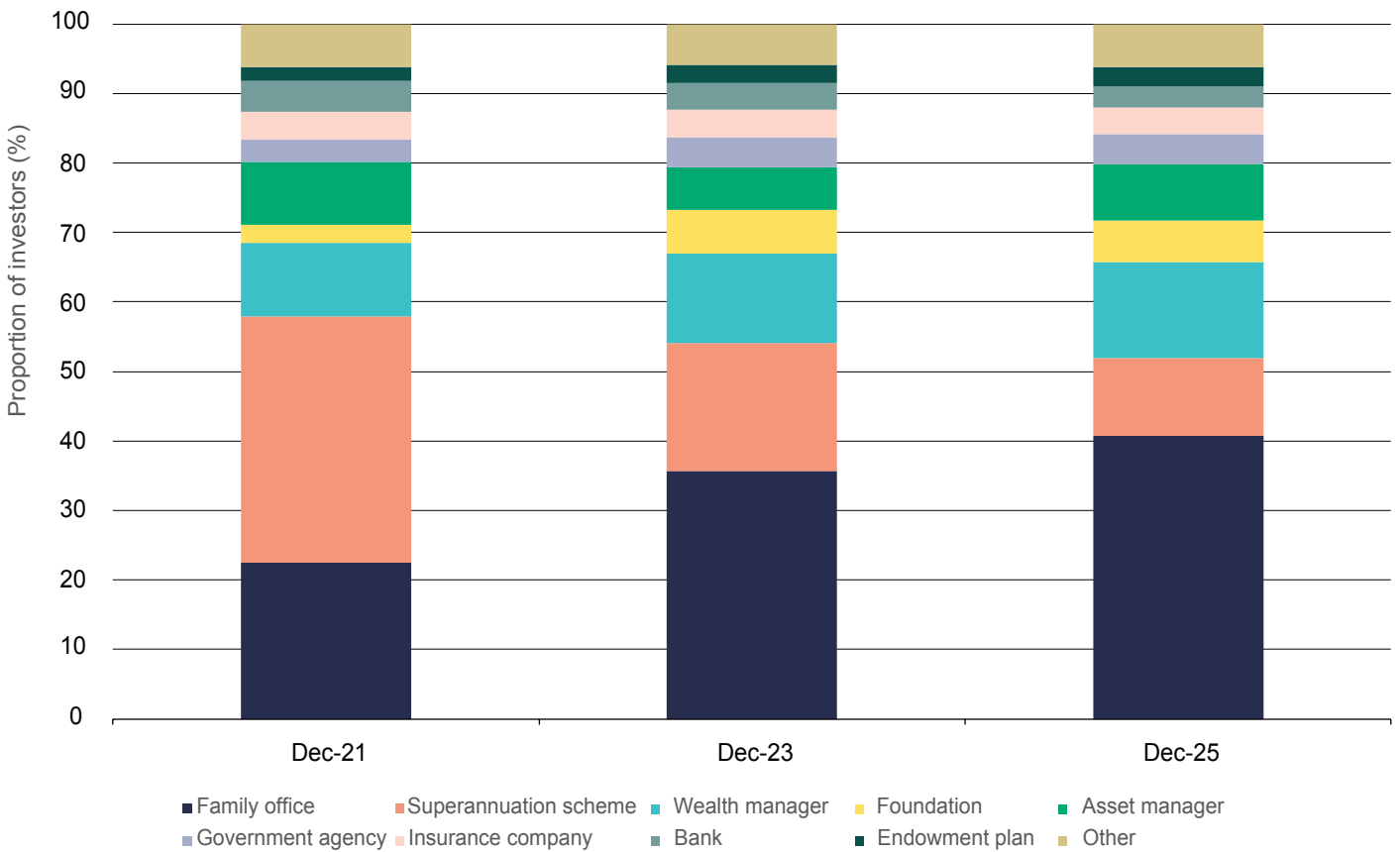
While there has been improvement more recently, the slowdown has prompted portfolio rebalancing and heightened scrutiny of existing relationships. One benefit for private markets is the trend among LPs to invest passively in listed markets, which is increasing their appetite for risk-adjusted and actively managed strategies in private markets.

## The Rise and Rise of Private Wealth

In recent years, family offices became more active private capital investors, though in volume terms, institutional investors, including superannuation funds, still dominate.

**Fig. 27: Family office activity in private markets is increasing**

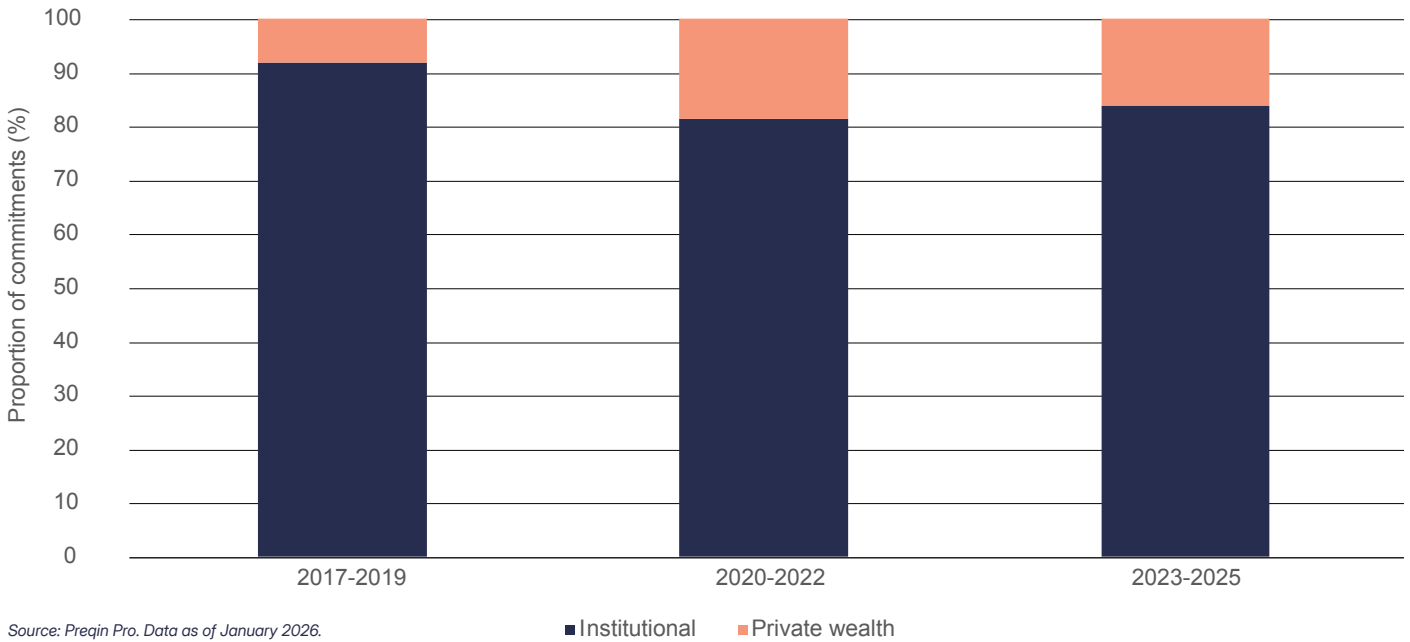
Active Australia-based private capital investors by type, 2021 – 2025



Source: Preqin Pro. Data as of January 2026.

**Fig. 28: Private wealth is growing its share of commitments this decade**

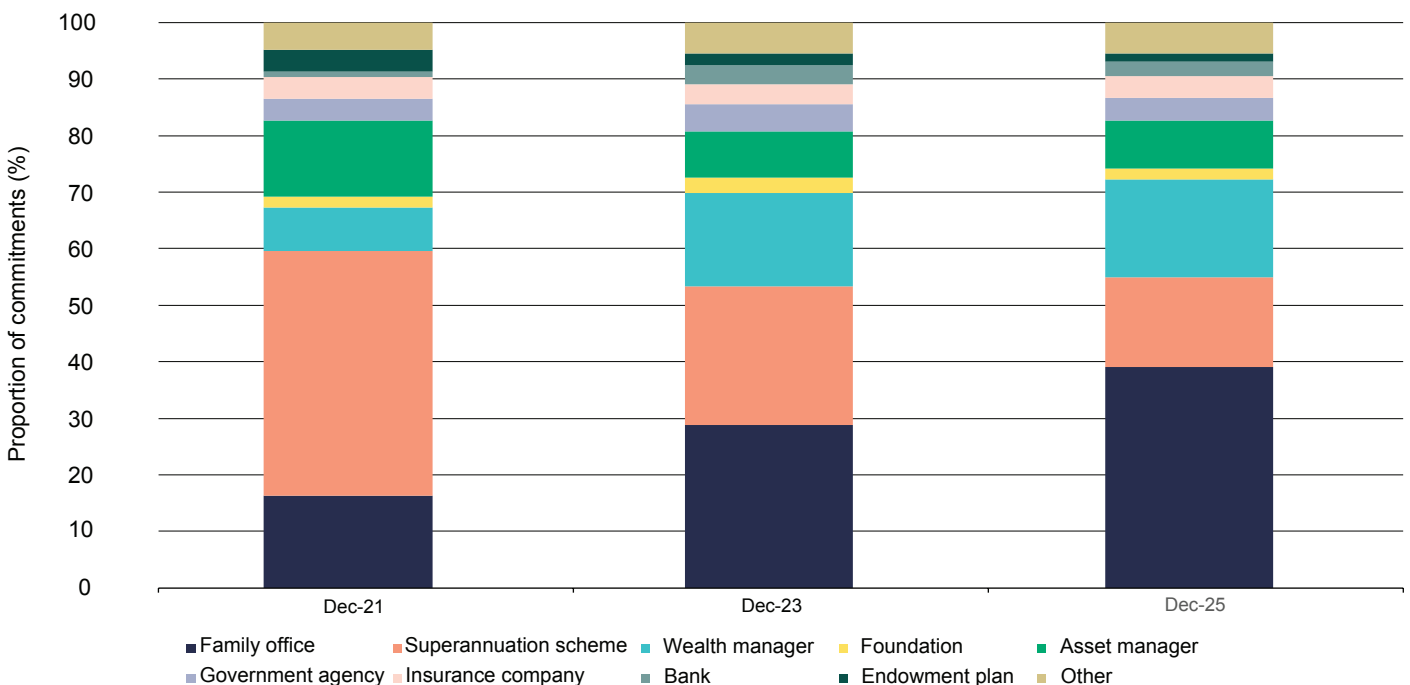
Commitments in Australia-focused private capital funds, institutional vs. private wealth\*, vintages 2017–2025



The 'democratisation' of private equity has allowed managers to create vehicles that take institutional products to the family office market and retail market.

**Fig. 29: There are more opportunities for retail and family office investors to participate in private equity**

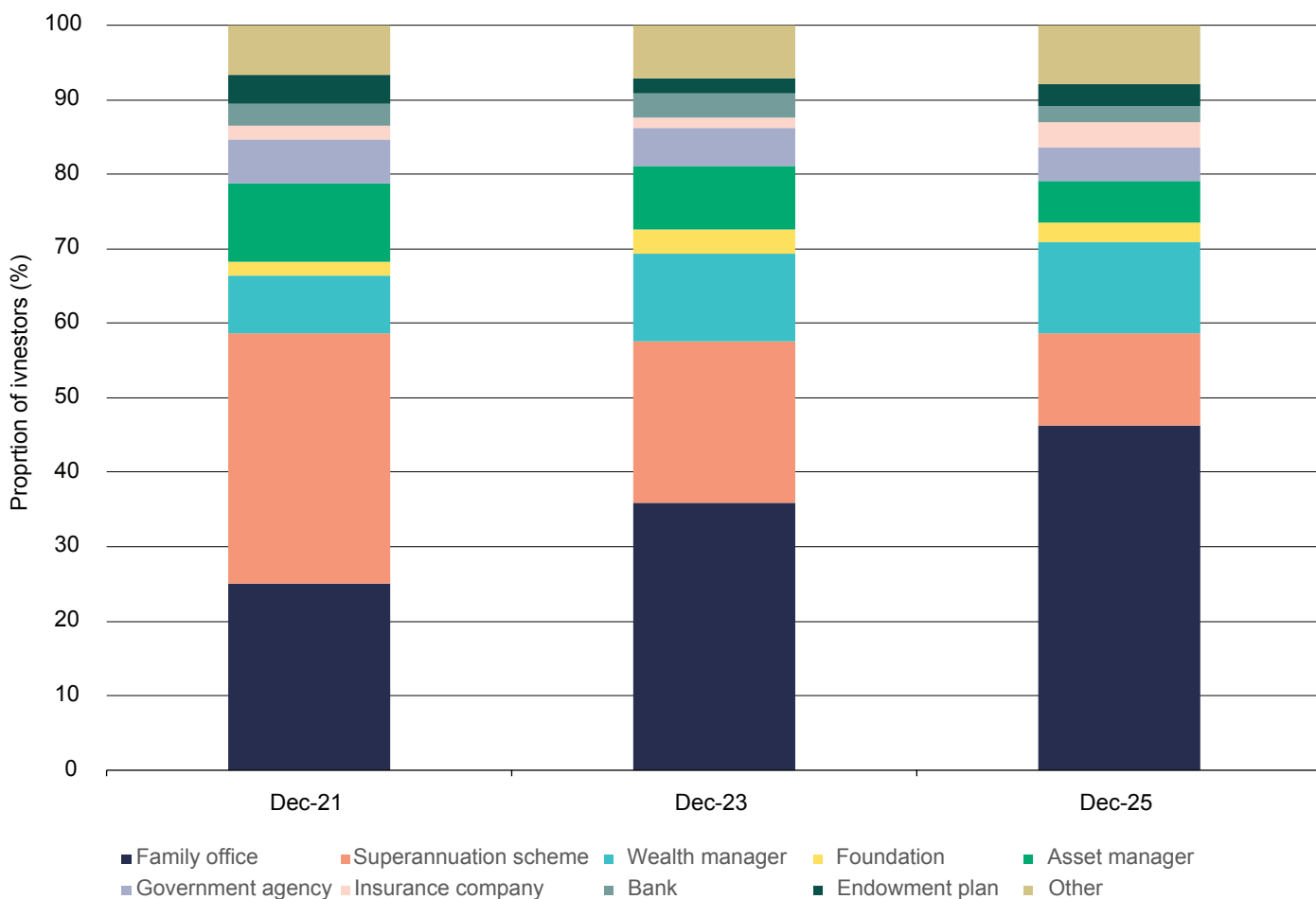
Active Australia-based private equity investors by type, 2021–2025



The number of active family office investors in venture capital is even more pronounced with almost half of all investors, by volume, from a family office.

**Fig. 30: By volume, almost 50 per cent of venture capital investors are family offices**

Active Australia-based venture capital investors by type 2021-2025



Source: Preqin Pro. Data as of January 2026.

The growth in the number of family offices accessing private capital products has created a new dynamic for managers. Interest rates are not the primary driver of deployment, but rather the underlying asset and the ability of the manager to improve its operational performance.

Manager selection has intensified, bifurcating between large, diversified funds offering stability and smaller specialists promising outperformance through competitive advantages in less crowded sectors.

## Outlook and Strategic Considerations

The data emphasises normalisation - a return to sustainable baselines after extraordinary peaks.

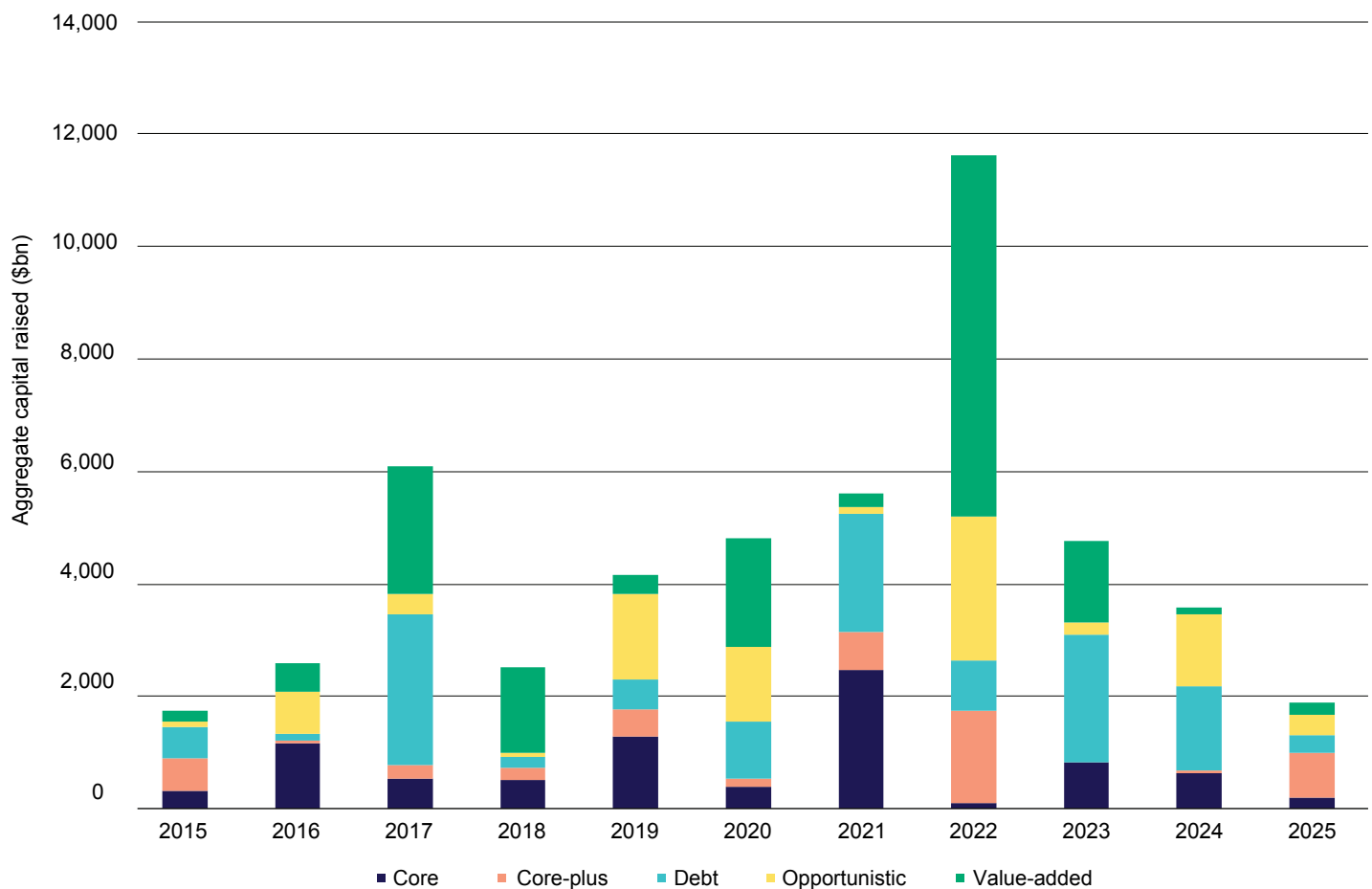
For investors, success requires rigorous capital deployment discipline, transparent communication, and delivering returns that justify illiquidity premiums.

Australia's regulatory evolution, economic resilience, and growing accessibility to private wealth position the market favourably, provided managers maintain quality standards and realistic investor expectations.

The winners will be those combining operational excellence, specialised expertise, and scale sufficient to weather market cycles while accessing global capital flows.

# Appendix: Real Assets at a Glance

Fig. 31: Australia-focused closed-end private real estate fundraising by strategy, 2015 – 2025



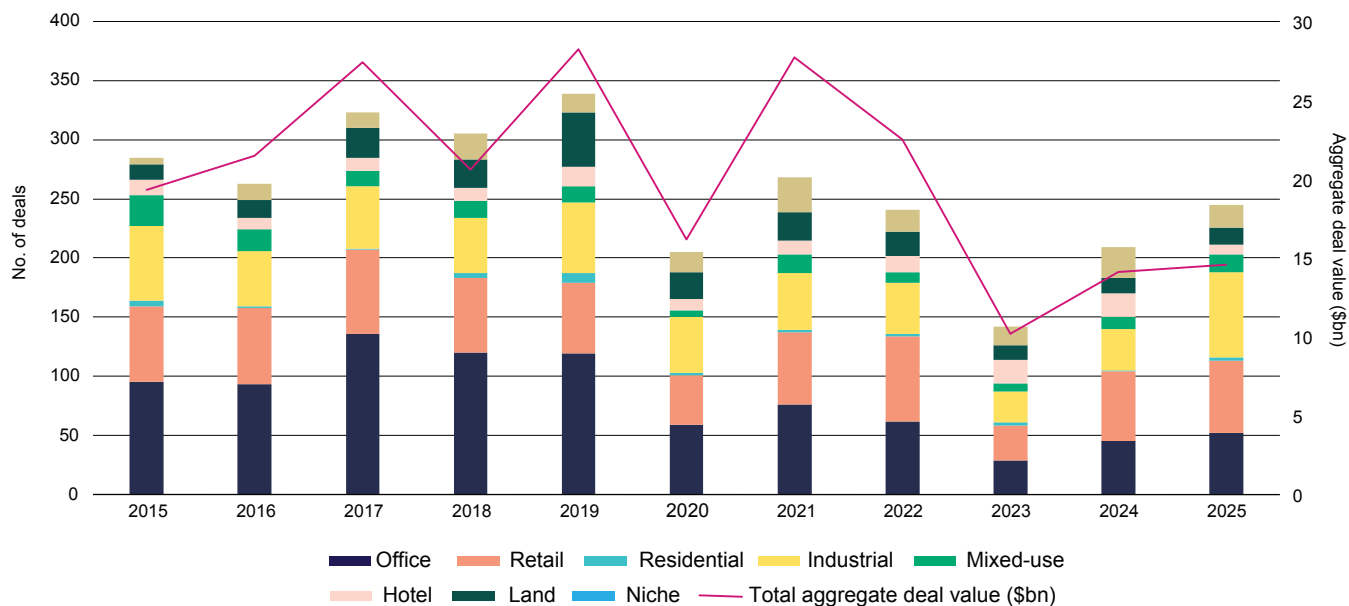
Source: Preqin Pro. Data as of January 2026.

Fig. 32: Largest Australia-focused closed-end private real estate funds closed, 2023 – 2025

Fund	Firm	Headquarters	Fund size (\$mn)	Fund type	Property type	Final close date
Qualitas Construction Debt Fund II	Qualitas	Melbourne	1950	Real Estate Debt	Apartment, Multi-family, Commercial	Aug-2023
Enhanced Value Partnership	Centennial	Sydney	700	Real Estate Value Added	Logistics, Industrial, Warehouse / Distribution	May-2023
Local: Residential Turnkey Venture I	Local Residential	Sydney	650	Real Estate Opportunistic	Residential	Feb-2024
Scape PBSA Joint Venture 3 Fund	The Living Company	Sydney	600	Real Estate Opportunistic	Student Housing	Sep-2024
60 Margaret Street	AsheMorgan	Sydney	565	Real Estate Core	Commercial, Mixed Use, Office	Apr-2024

Source: Preqin Pro. Data as of January 2026.

**Fig. 33: Number of private real estate deals in Australia by primary asset type, 2015-2025**



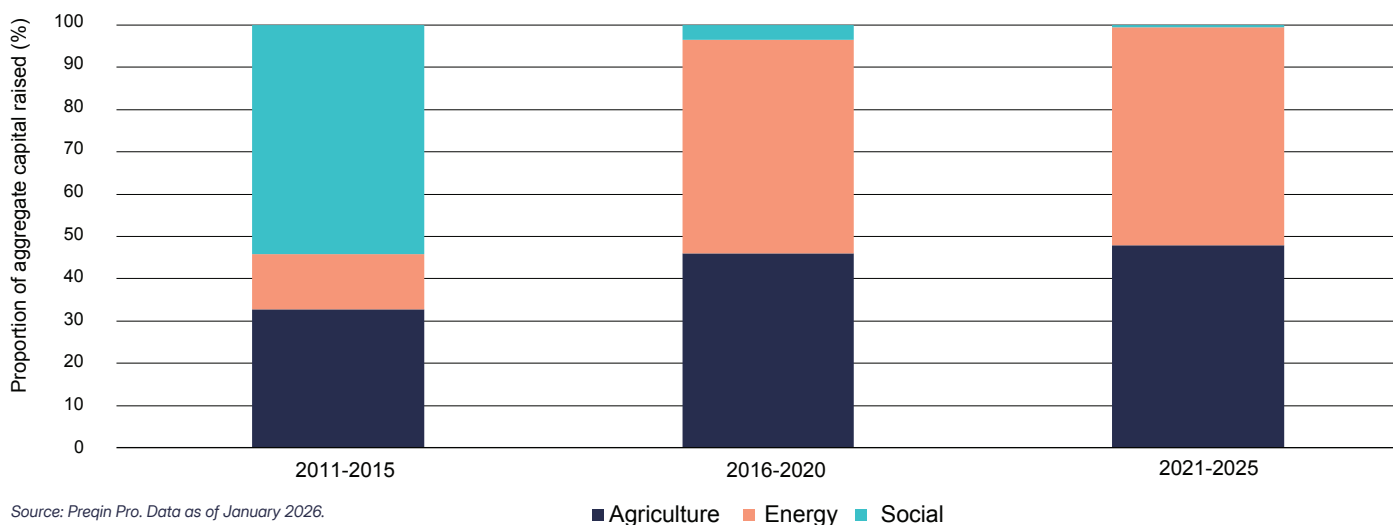
Source: Preqin Pro. Data as of January 2026.

**Fig. 34: Largest private real estate deals in Australia, 2024 – 2025**

Deal name	Deal date	Deal size (\$mn)	Primary asset type	Buyers	Sellers
Westpoint	Oct-24	AUD 900	Retail	Hines, Haben Property Fund	QIC
Burra Park	Mar-24	AUD 850	Land	UniSuper, ISPT	Unidentified Seller/s
Westfield Chermshire	Jul-25	AUD 683	Retail	Dexus	Scentre Group
Hyperdome	Oct-25	AUD 678	Retail	MA Asset Management (MA Financial)	QIC
Kings Forest Estate	Aug-25	AUD 620	Land	Stockland	Leda Holdings

Source: Preqin Pro. Data as of January 2026.

**Fig. 35: Aggregate capital raised by Australia-focused unlisted closed-end infrastructure and natural resources funds closed in 2011 – 2025, by primary industry**



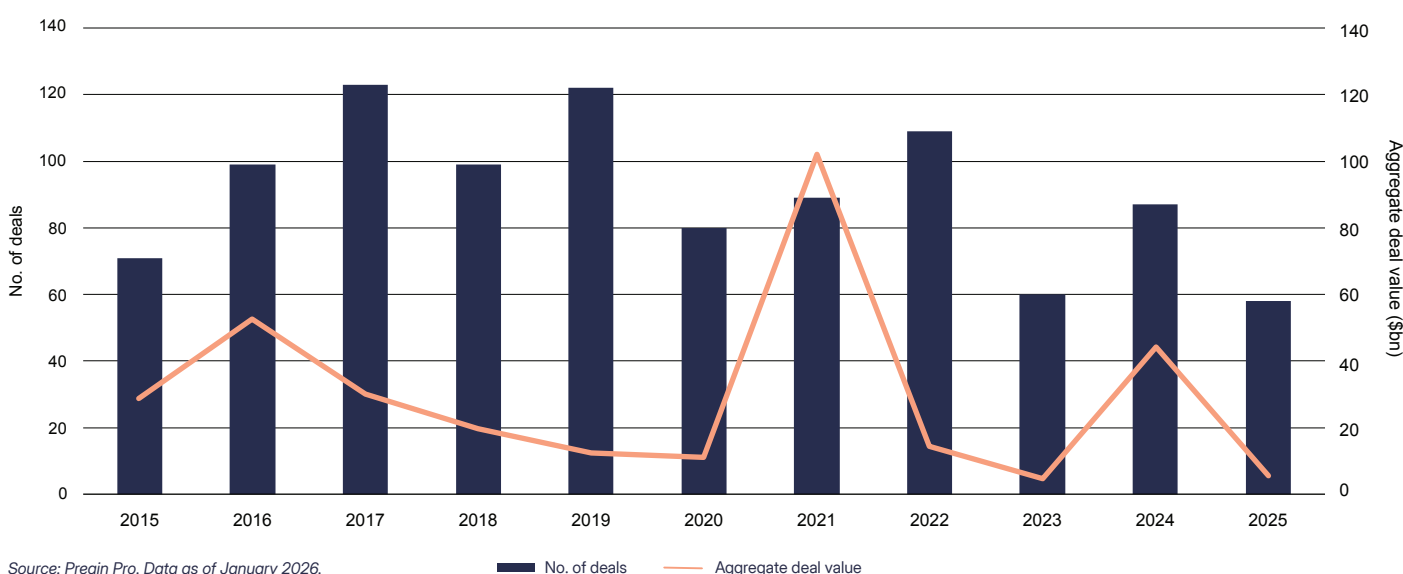
Source: Preqin Pro. Data as of January 2026.

**Fig. 36: Notable unlisted Australia-focused infrastructure and natural resources funds closed, 2023-2025**

Fund	Firm	Headquarters	Fund size (\$mn)	Primary strategy	Primary industry	Final close date
Pacific Equity Partners Secure Assets Fund II	Pacific Equity Partners	Sydney	1400	Infrastructure Value Added	Energy	May-2023
Solterra Agriculture	Warakirri Asset Management	Melbourne	1000	Natural Resources	Agriculture/Farmland	Dec-2023
Australia New Zealand Landscapes and Forestry Fund	New Forests	Sydney	600	Natural Resources	Timber	Jan-2025
ICAM ACIF Lucky Bay 2 Trust	ICAM	Adelaide	42	Infrastructure Core Plus	Transport	Jun-2023

Source: Preqin Pro. Data as of January 2026.

**Fig. 37: Number and aggregate deal value of private infrastructure deals, 2015 – 2025**



Source: Preqin Pro. Data as of January 2026.

**Fig. 38: Five largest private infrastructure deals in Australia by primary asset type, 2024 – 2025**

Deal name	Deal date	Deal value (bn)	Industry	Buyers	Sellers
AirTrunk	Sep-2024	24.0	Telecoms	Blackstone, CPP Investment Board	Public Sector Pension Investment Board, Unidentified Seller/s, Macquarie Asset Management
Australia Fixed Business and Fiber Network Portfolio	Oct-2024	5.3	Telecoms	Aware Super, Macquarie Asset Management	TPG Telecom
Queensland Airports	Sep-2024	3.0	Transport	Skip Capital, KKR	State Super, Australian Retirement Trust, Macquarie Asset Management
Global Switch Australia	Oct-2024	2.1	Telecoms	HMC Capital	Global Switch
Scarborough Energy Project	Feb-2024	2.1	Other	JERA	Woodside Energy

Source: Preqin Pro. Data as of January 2026.

# About this Report

The 2026 edition of the Australian Private Capital Yearbook tracks activity in the Australian private capital industry using data contained on the Preqin Pro platform, other data sources, and on-the-ground information collected by the Australian Investment Council and Preqin, a part of BlackRock.

- Any reference to 'private capital' refers to private equity, venture capital, private credit, real estate, infrastructure, and natural resources asset classes.
- Private credit refers to all non-bank lending and non-listed debt issuance, including loans, notes, and bonds.
- While data is provided for real estate, infrastructure, and natural resources, the primary focus of this report is on private equity, venture capital, and private credit.
- The data and commentary in this report covers Australia-focused private capital funds only. It excludes global and regional funds that have some allocation to Australia (see 'Scope of data' below).
- The most recent data and related commentary for assets under management (AUM) are as of June 2025. All other analysis and quotes in this report are correct as of January 2026.
- Unless otherwise stated, the scope of AUM, performance, and fundraising data includes private closed-end funds only, with the exception of Figure 22. Fund closes refer to final closes.
- An open-ended fund is a fund with no finite life that allows the continuous entry and exit of investors and typically engages in ongoing investment purchase and sale activities.
- Preqin tracks deals made by private capital fund managers and/or institutional investors. Investor allocation figures for each asset class generally represent the sum of allocations across three routes to market: direct investments, listed vehicles, and private funds.
- All currency figures are shown in Australian dollars, unless otherwise stated. Annual figures correspond to calendar year periods, unless indicated otherwise. Historical figures represent the most accurate data available at the time of publication and may differ from figures published in previous editions due to currency movements, data validation, or expanded data coverage.
- Past performance is not a guarantee of future returns.
- The Council conducted interviews with members across each asset class, which informed the industry analysis and commentary in this report.

## Scope of Data

- 'Australia-focused' refers to funds that predominantly invest in Australia, regardless of the location of the fund manager.
- 'Australia based' refers to funds managed by domestic fund managers headquartered in Australia, regardless of the fund's geographic investment focus.
- Definitions of asset-class-specific terms are available in the Preqin Pro Glossary of Terms.<sup>7</sup>

<sup>7</sup> Preqin, Preqin Pro Glossary of Terms.

# About the Australian Investment Council

The Australian Investment Council is the peak body for private capital in Australia. Our members comprise the leading domestic and international private equity, venture capital, private credit, family offices, superannuation, and sovereign wealth funds and the professional services that support the industry.

Private capital makes a significant contribution to Australia's economy, entrepreneurs and communities. More than 1,100 high-potential businesses are backed by our members, with the large majority being small and medium-sized businesses.

More than 600,000 full-time jobs are in businesses backed by our members. With a focus on growth, private equity and venture capital investment contributes more than three per cent to Australia's GDP each year.

Our purpose is to empower private capital to invest in Australian ideas, businesses and communities. We do this by advocating for our members, providing forums for connection, and equipping our community through education and insights.

Visit our website: [www.investmentcouncil.com.au](http://www.investmentcouncil.com.au)

## Official Data Partner

# PREQIN

a part of BlackRock

**DISCLAIMER:** This publication has been prepared by the Australian Investment Council Limited ("AIC") and is provided for general information purposes only. The information contained in this publication is current as at the date of publication and is subject to change without notice.

This publication does not constitute financial, legal, or investment advice and should not be relied upon as such. It is not intended to be used as the basis for any investment or other decision.

While reasonable care has been taken in preparing this publication, AIC does not warrant, guarantee, or represent the completeness, accuracy, or reliability of the information contained in it. To the maximum extent permitted by law, AIC disclaims all liability and responsibility for any loss or damage arising directly or indirectly from any use of, or reliance on, this publication or its contents.

This publication may include data and information sourced from third parties, including Preqin Pty Ltd, a part of BlackRock, Inc. AIC has not independently verified all third-party information and makes no representations as to its accuracy or completeness. Third-party providers are not responsible for the preparation of this publication and do not endorse its contents.

Any views or opinions expressed in this publication are those of AIC and do not necessarily reflect the views of its members, partners, or any third-party data providers.