

IPEM Allocation and Fundraising Trend Report 2027



Executive summary

As LPs from across the world head to Paris for IPEM Global 2026, they are preparing for a private markets cycle that looks very different from the last.

Allocators are adapting to a more complex investment climate, where illiquidity is no longer expected to deliver the premium it once did.

The trend is most significant for private equity.

Investors anticipate that returns will track lower over the coming years, especially in large buyouts. In response, LPs are moving into alpha-generating segments such as small-cap funds, co-investment, and emerging managers.

The analysis also reveals how LPs are positioning for the AI supercycle. Demand for technology and software is down as allocators rotate into sectors likely to benefit from AI adoption, such as healthcare and industrials. The same logic is drawing capital into late-stage venture, where interest has climbed sharply. The AI arms race is strengthening the sovereignty thesis for deep tech, defense, and space.

The attractive risk-return profile of infrastructure is again underlined in this year's data, with LPs writing larger checks particularly active.

On the supply side, our data shows a manager base that's skewing larger even as the products they're bringing to market remain firmly mid-market. This is evidence of how the largest managers are being reshaped by the wealth investor base, launching evergreen vehicles alongside, rather than in place of, their closed-end programs, even as fundraising timelines continue to lengthen.

Speculation about a crisis in private credit has had little effect on allocators' plans. Investors show continued appetite for the asset class, albeit with an expectation that manager selection will be critical to avoid returns dispersion.

LPs show a renewed focus on diversification to mitigate the effects of geopolitical shocks. Allocators are more likely to invest internationally—the hesitation over US exposure last year appears to have been temporary—and use fund of funds to build exposure to strategies that are otherwise hard to access with in-house resources.

We aim to deliver insights into how LPs are assessing their investment options and, more generally, considering investing in a private markets space, as expectations around returns tick downwards. We also draw out key insights for GPs on the current state of play in the market and the best positioning for fundraising success.

We hope you find it a valuable read.

"A new private markets cycle is underway. A liquidity premium is no longer assumed by allocators, and they are seeking out areas of the market where the potential for returns is highest. Small- and mid-cap PE, late-stage VC, and emerging managers are all segments where LP appetite has increased, and the value creation capabilities of GPs are under the microscope in due diligence."

Antoine Colson, CEO & Managing Partner, IPEM

Key findings

€110bn+

to be allocated in the next 12 months

83%

of LPs are seeking €500m–2bn funds

88%

of LPs will back funds I–III

74%

of LPs will look for US funds next year

LP allocation trends

- ➔ More than €114bn to be allocated in the next 12 months by LPs in attendance at IPEM Global 2026
- ➔ Signs of liquidity returning as more LPs move into larger allocation bands from last year: 39% will allocate between €20m–100m, and a further 25% will allocate €100m–500m
- ➔ LPs are seeking alpha in private equity, prioritizing GP value-creation skills in selecting new funds and increasingly looking for small- and mid-cap funds. 83% are seeking €500m–2bn funds in the next 12 months, and 70% want €100m–500m funds
- ➔ Appetite for emerging managers has increased: 88% of LPs will back funds I–III, in line with the search for alpha defining LP programs in 2027
- ➔ LP interest in the US has recovered from the drop seen last year. 74% of LPs are looking for funds in the region next year

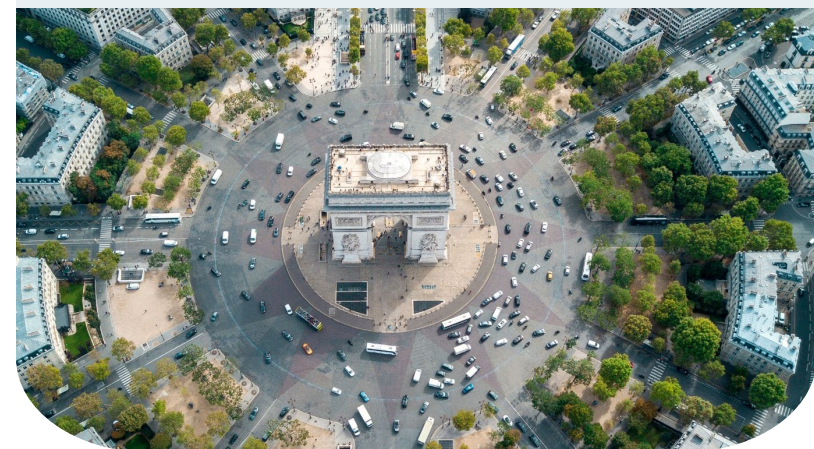
Fundraising trends

- ➔ Fundraising timelines continue to be extended, with fewer funds expected to hold a first close in the next 12 months
- ➔ Size of GP has grown this year, with more €50bn+ AUM firms (17% vs. 12% last year) and fewer €100m to €500m GPs (16% vs. 20% last year)
- ➔ However, fund size remains firmly mid-market; three quarters of the total funds represented are small (€100m to €500m) or mid-sized (€500m to €2bn) vehicles



Methodology and data summary

This report evaluates the data submitted by attendees of IPEM Global 2026, ahead of the conference in September. It includes responses from individual LP attendees, and GPs representing more than 1,200 funds. This year, it is also informed by IPEM's in-house intelligence database, which records our interactions with LPs, GPs, and others in the market. This distills the key themes from more than 500 separate interactions and is used to provide quotes that illustrate the data.



Allocation intentions

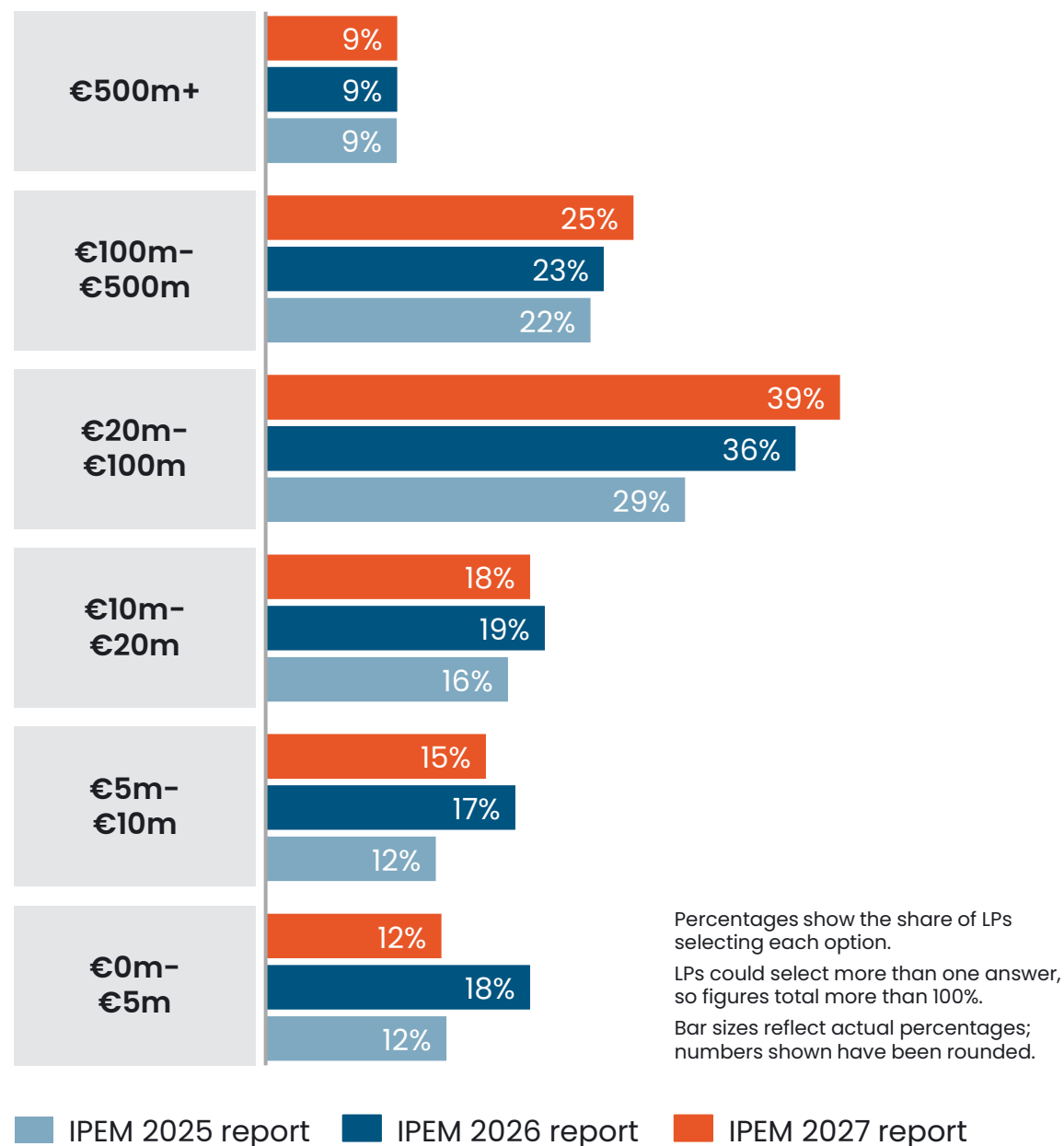
Fundraising in private markets has spent three years absorbing the effects of weak distributions, and the registration data from LPs attending IPEM Global 2026 suggest that this dearth of liquidity may be turning a corner. Primary fund allocation intentions for the next 12 months total more than €110bn, up from €100bn last year.

The distribution of individual allocation sizes has strengthened at the upper end (Figure 1). The number of investors expecting to deploy more than €500m has increased, as has the number in the €100m to €500m band. The most common allocation size remains €20m to €100m, cited by 39% of LPs. The movement has come from a decrease in the smallest band, perhaps a sign that liquidity is slowly returning.

“This year’s data indicates that some liquidity is returning to private markets. After years of weak distributions, commitment intentions are up on last year and a quarter of allocators are set to commit more than €100m next year. These commitments will be targeting returns-focused strategies, as well as, inflation-hedged capital preservation.”

Antoine Colson, CEO & Managing Partner, IPEM

Figure 1: LP primary fund allocation intentions, next 12 months



Appetite by fund size tells a clear story: LPs are seeking out smaller funds. Mid-sized funds (€500m to €2bn) remain the most sought-after segment, but small funds of €100m to €500m have risen in popularity—up to 70% of LPs plan to allocate next year. Demand for large funds from €2bn up to over €10bn is broadly flat. Investor demand is concentrating in smaller fund segments, where entry multiples are often lower, and the scope for value creation and returns potential appears higher.

“The trend is all coming down-market in private equity, because that's where the outsize alpha potential is.”

Family office principal

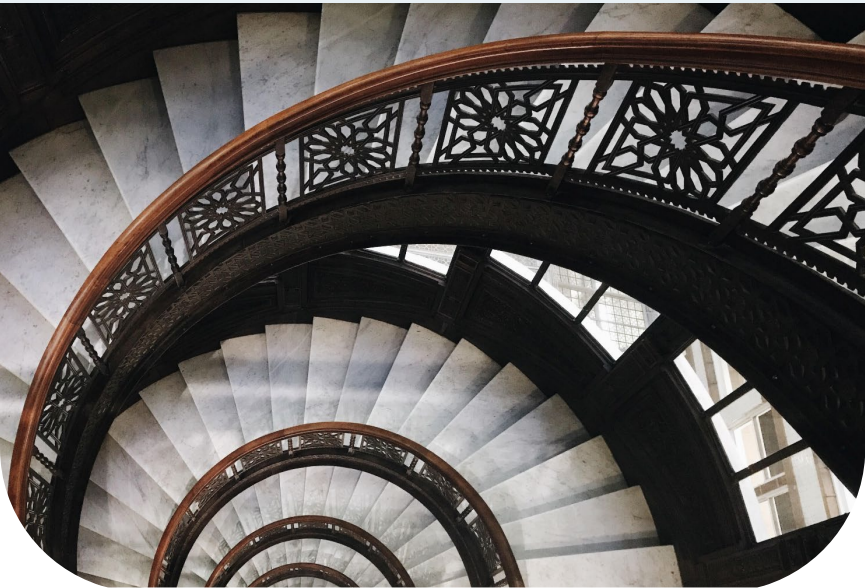
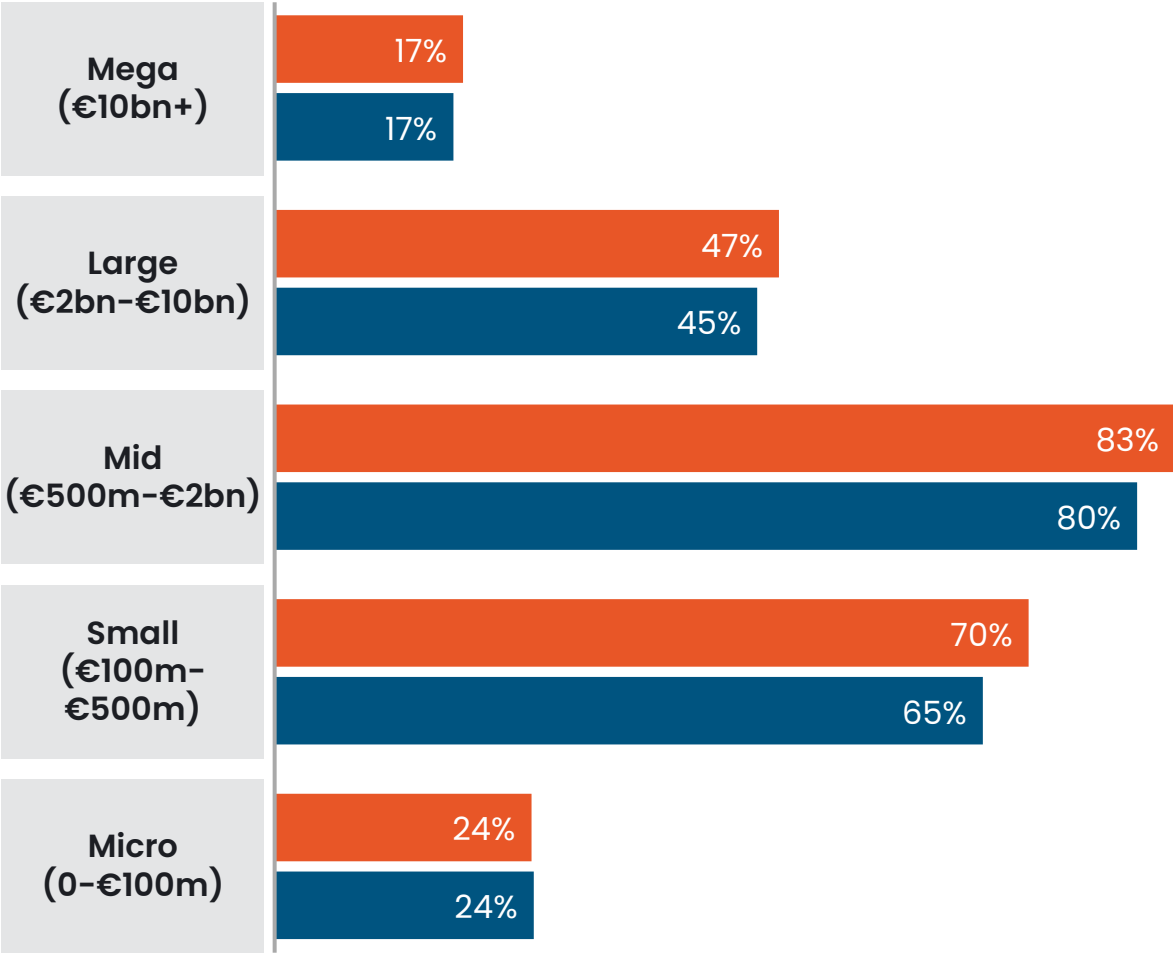


Figure 2: LP appetite by fund size segment



IPEM 2026 report IPEM 2027 report

Percentages show the share of LPs selecting each option.
LPs could select more than one answer, so figures total more than 100%.
Bar sizes reflect actual percentages; numbers shown have been rounded.



"We're doing a lot of similar, very granular analysis on the private credit side. We're not nearly as skeptical on it as some of the more public sentiment is, so we're leaning in on private credit right now."

US public pension fund

Infrastructure continues to dominate real assets, sought by 79% of LPs looking at this space. The segment has been a talking point in IPEM's interviews with LPs, with the inflation-adjusted income noted as attractive, and as a way to access the AI megatrend.

"We see [AI] in data centers and power in the infrastructure space, which probably has the biggest AI footprint of anything other than private equity."

Global LP consultant and fund-of-funds manager

With contracted cash flows in recent years, the risk-return profile of infrastructure becomes attractive against PE, especially for LPs writing large checks into both asset classes and, therefore, confined to mega-cap funds. It should be noted, too, that infrastructure GPs are broadening the range of deals they are looking at adding exposure to more PE-type services companies around their core industries, further increasing the segment's attractiveness.

Fund-of-funds interest is rising in every asset class. These offer access to niche parts of the market, such as emerging managers and smaller funds, two areas LPs are moving towards. Notably, secondaries showed the same broad-based climb in this report, two years before becoming a mainstream allocation.

Private equity continues to take priority in LP allocations, but the balance of strategies this year underlines how LPs are positioning private markets programs for the next cycle. Interest in Real Assets continues to grow as allocators prioritize the inflation-hedged income the strategy offers. Other strategies, which include GP stakes investing, insurance-linked securities, legal finance, and royalties, have seen the largest growth among asset classes. This aligns with the hunt for alpha, as allocators seek out niche, decorrelated strategies.

Within private equity, the quest for returns is reflected in strategies LPs are seeking. Co-investment, a strategy that provides concentrated, lower-cost investments, is now sought by 62% of investors, the largest increase in the asset class. Meanwhile, appetite for funds-of-funds, used to build exposure to niche areas of the market, has risen to 28%.

Income and returns are themes informing how LPs will commit to private debt. 75% of LPs allocating to the asset class will invest in direct lending strategies, providing the income component. Mezzanine has risen 51% as allocators seek the additional returns it generates. Appetite for private credit is undiminished, despite the negative headlines that appeared earlier this year.

The emerging manager wave is structural

Allocator appetite for emerging managers has risen sharply as LPs hunt for alpha. This year, 88% report interest in GPs raising funds I-III, up from 65% last year, and 64% are open to backing a fund I.¹

The performance case supports this appetite. The National Association of Investment Companies found that diverse and emerging manager programs have added 700 basis points in outperformance², and forging relationships with tomorrow's top-quartile firms future-proofs private markets portfolios. This is feeding into allocation plans, where new manager relationships still outweigh re-ups as LPs move away from incumbent GPs.

"Alpha generation has been embedded, in private equity data terms, in fund one and two sector specialists, cash flow asset investors. That's a 30-year data trend."

Global fund-of-funds manager

1. A note on methodology change. In last year's report, emerging managers covered funds I to III. This year the category covers funds II and III, with spin-outs and first-time teams covering only fund Is, and two further options added for established managers raising funds IV and above and independent sponsors
2. <https://www.prnewswire.com/news-releases/naic-study-finds-diverse-private-equity-managers-continue-outperforming-industry-benchmarks-302573462.html>

Figure 3: Where LP appetite is strongest by asset class



In the next 12 months, when seeking new funds, which strategies will you be targeting?

20%

Private debt
▼ -2 pp YOY

31%

Private equity
▼ -7 pp YOY

17%

Venture capital
= No change YOY

11%

Other
▲ +6pp YOY

20%

Real assets
▲ +2pp YOY

How allocators are building programs

The investors in this dataset are investing more internationally across multiple asset classes. Half (50%) of LPs seek funds in two world regions, up from 46% last year. A further 26% invest in three or more, leaving a quarter (25%) confined to a single region, down from 28% last year. Europe and North America together account for most of that activity, with 71% of allocators pursuing both.

Diversification extends across asset classes: 61% of LPs are active in three or more of the five asset classes tracked, up from 57% last year, and only 18% are working in a single asset class, versus one in five last year.

Geography and domicile

Unsurprisingly, given IPEM's roots, Europe remains the primary region for LPs in the dataset. Beyond that, sentiment toward North America has recovered from last year's cooling: 74% of LPs are seeking funds in the region over the next 12 months, back to levels seen before trade policy uncertainty put commitments on pause. Even so, Europe remains the regional default.

Appetite beyond these two regions remains limited. Asia is sought by 23% of LPs, Australasia by 12%, and Africa and the Middle East by 6%. GP capability is far broader than that demand, with 36% of managers reporting expertise in Asia, and 30% in Africa and the Middle East.

Fundraising trends

GPs registered for the event remain heavily committed to raising capital. 86% plan to come to market in the next 12 months. Two thirds of funds on our platform are open for investment and a further 14% are primed to come to market.

Among those attending, firms with more than €50bn AUM have risen to 17% while those managing between €100m and €500m AUM have fallen to 16%.

The size of funds has not followed. Three-quarters of funds are either small (€100m to €500m) or mid-sized (€500m and €2bn). Large funds (€2bn to €10bn) have fallen to 10% of the total, while mega-funds of more than €10bn are flat at 3%.

The gap between the scale of the manager base and the scale of the products being raised is the defining feature of this year's supply data. It underlines the diversification in products that has been a trend for some time, particularly GPs launching mid-cap funds alongside large flagship offerings.

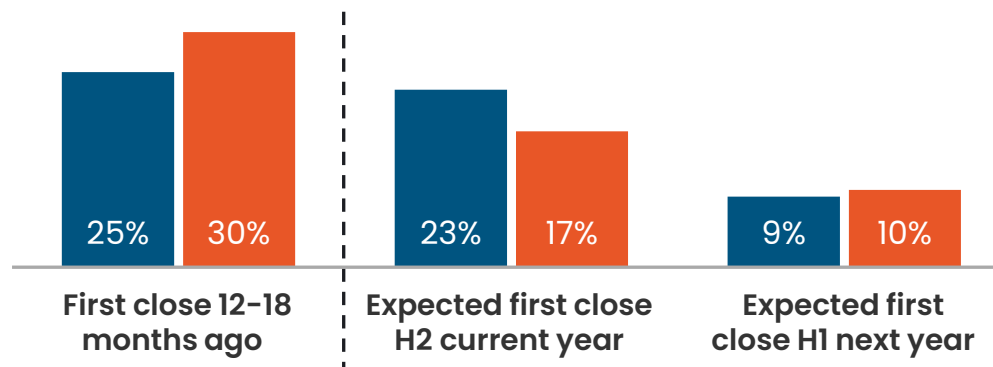
Strategy mix within funds has shifted toward liquidity and access. Secondaries vehicles have risen to 18% of private equity funds, and funds of funds to 10%, while co-investment vehicles have eased to 25%. Direct lending accounts for 70% of private debt funds and infrastructure for 77% of real asset funds, where real estate has almost halved to 14%.

Fundraising timeline expectations continue to lengthen. Of the funds stating an expected first close, 24% are expected within the next 12 months, compared with 32% in last year's report and 34% the year before. This suggests GP fundraising ambitions remain high, but market activity is unlikely to meet these expectations in the near term.

"It is true, fundraising is more challenging now than it's been in years for various reasons, the main one being the lack of distributions over the last four years and a lot of over-allocated programs."

Global private equity GP

Figure 4: First-close expectations across waves¹



1. The remaining fundraising GPs expect their first close outside of these periods

Bar sizes reflect actual percentages; numbers shown have been rounded

■ IPEM 2026 report ■ IPEM 2027 report

Access terms and the two investor bases

The terms attached to funds in market show the largest managers building for a second investor base. Evergreen and unlimited-term vehicles account for 11% of funds *stating a term*, up from 6%, and they are concentrated at the top of the manager spectrum. 67% of evergreen funds come from firms managing €10bn or more, against 28% of closed-end funds, and 44% come from firms above €50bn alone. Within the €50bn+ cohort, 31% of the funds *with a term recorded* are evergreen, against 6% at firms managing €1bn to €10bn and 2% at firms managing €100m to €500m.

On the demand side, GPs report targeting single-family offices more than any other investor type, at 92%, ahead of insurance companies at 86%, and pension funds, also at 86%. Private banks and wealth managers are targeted by 79%. For institutional allocators, the practical point is that the semi-liquid structures being built by the largest managers sit alongside their closed-end programs, rather than replacing them.

New relationships and re-ups

Last year, LPs showed a clear preference for seeking out new managers against making re-up commitments with legacy GPs, and that trend continues. With allocators looking toward the mid-market in private equity in 2027, new commitments are set to make up the majority in buyout in 2027. The story is similar for co-investments and secondaries, which both see a skew toward new managers, whereas the majority of checks in other PE strategies will be written to existing GPs.

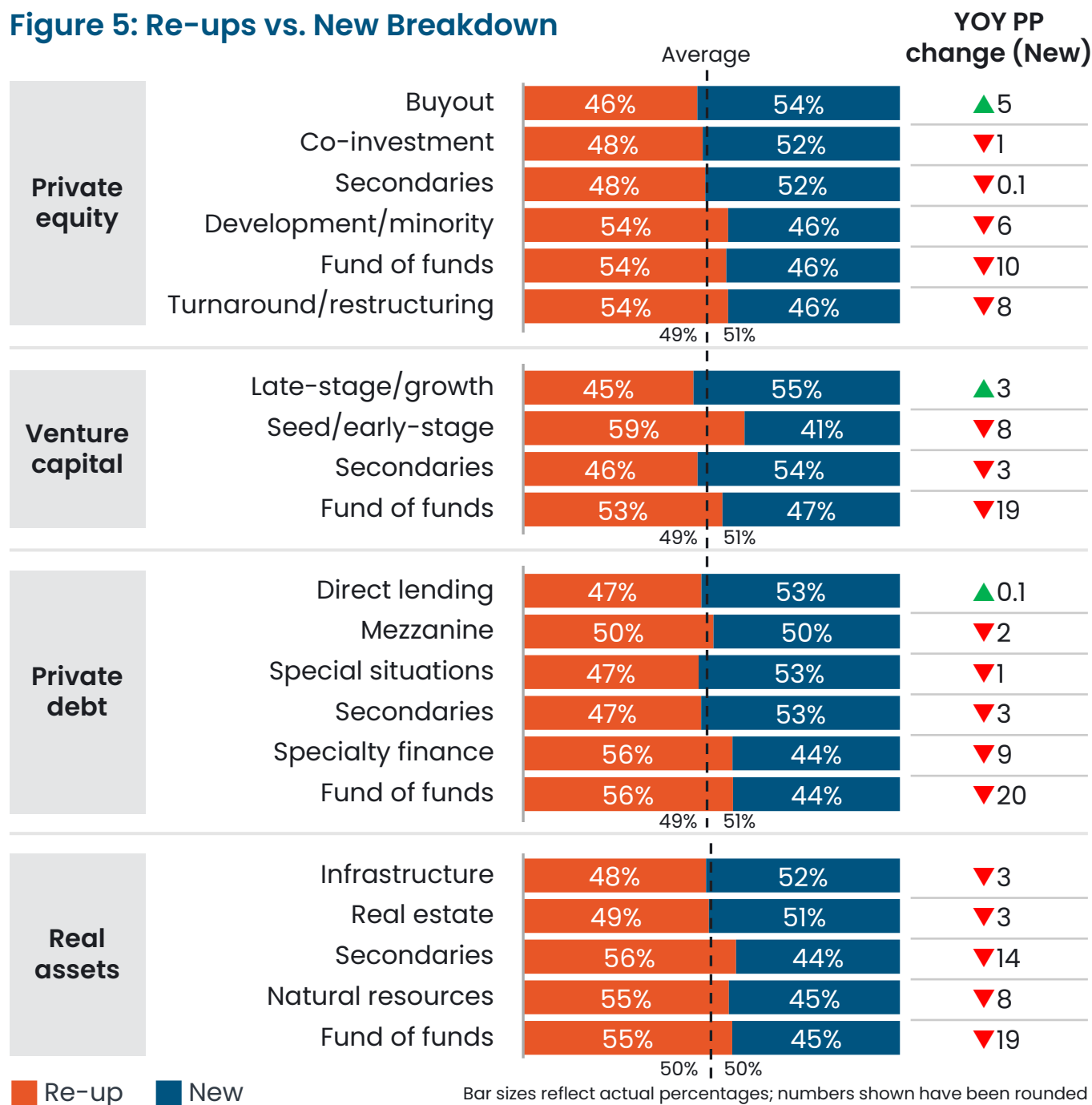
The correlation between increased LP interest and more new commitments is marked across asset classes. Within VC, late-stage and secondaries both skew to more new commitments, as does infrastructure in real assets.

Funds-of-funds managers, on the other hand, will see more re-ups than new commitments across the board, despite increasing interest in all categories.

“LPs are concentrating re-up capital on a select few existing managers as they continue to rationalize GP relationships. New managers are being sought in segments where allocators see the potential for alpha generation, and interest in emerging managers continues to support the trend towards new commitments.”

Nicolas Beaugrand, France PE & ESG Lead,
Partner & Managing Director, AlixPartners

Figure 5: Re-ups vs. New Breakdown





LP-GP alignment and misalignment

Among LPs registered for IPEM Global 2026, consistency of returns remains the top priority in selecting managers, cited by 60% of allocators. The four leading criteria are the same as last year, but it's noticeable that LPs are more focused on value-creation approach, which is one of just two factors that have increased in priority since last year.

LPs have prioritized the mechanism that generates returns ahead of the returns themselves, which is consistent with the shift in thinking that is happening as allocators consider how PE will have to adapt as returns expectations have come down.

“LPs are very focused on unrealized portfolios and what true value-creation levers are left within the portfolio, and then the GP’s ability to do it just from an operational standpoint. Are you actually creating value? Are you at the portfolio company every day? Are you actually doing things with the CEO, or are you more hands-off?”

Global asset manager

GPs continue to emphasize their investment expertise. Value-creation approach is their most-cited strength, followed by consistency of returns and sector or geography expertise.

The largest disparity between the LPs and GPs lies in consistency of returns, cited by 60% of LPs versus 42% of GPs, the largest gap in the dataset. GPs and LPs diverge on sector and geographic expertise, with 42% of GPs citing this compared with 29% of LPs.

Figure 6: LP key considerations and GP key strengths

LP key considerations

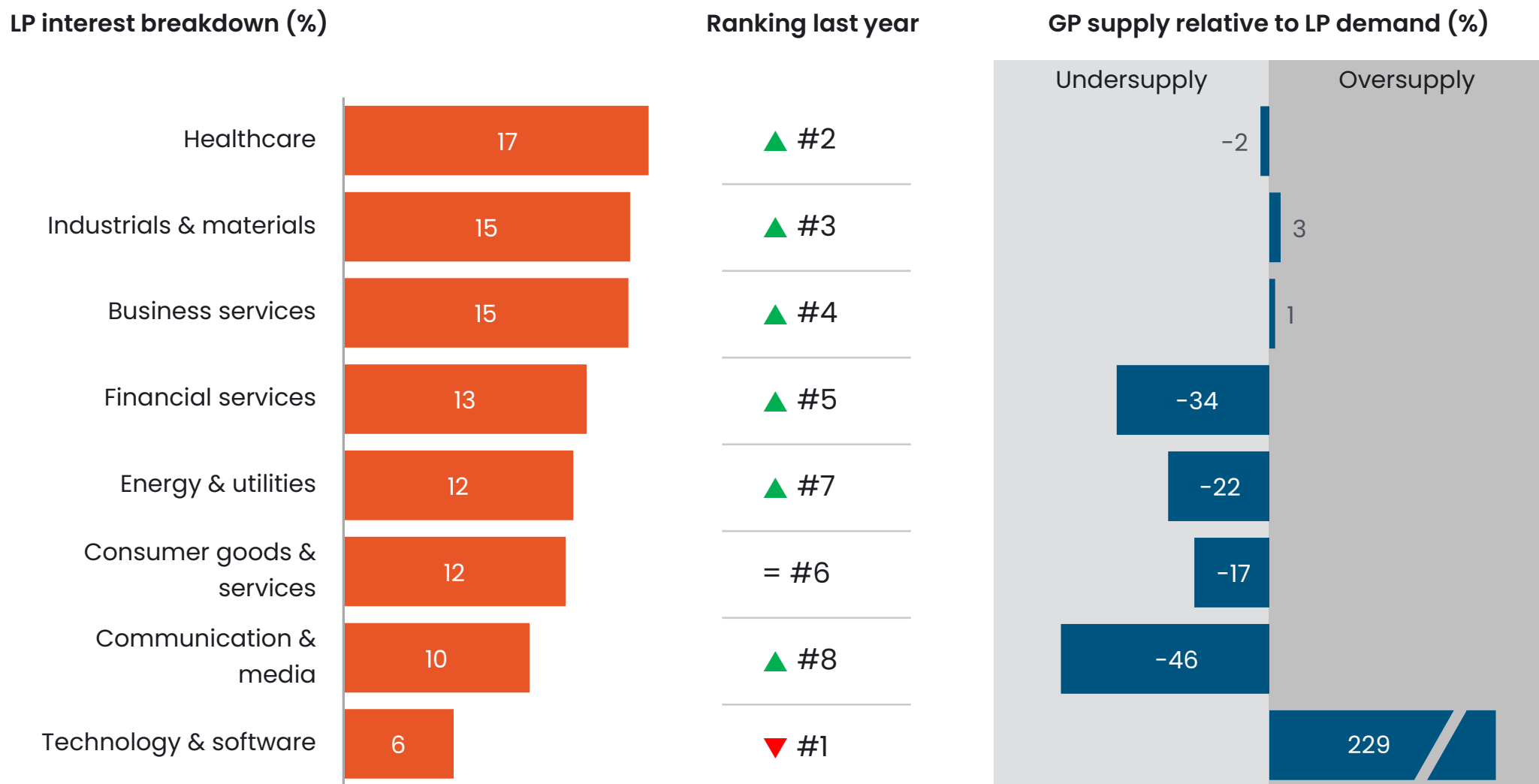
60%	Consistency of returns
45%	Absolute performance
43%	Value creation approach
29%	Sector/geography expertise
23%	Low loss ratio
22%	GP brand & reputation
19%	Alignment with LPs interests
17%	Access to co-investments
9%	Fee structure and transparency
9%	Leadership and firm's culture
8%	ESG conviction and innovation
4%	GP financial commitment to the fund
4%	Impact ethos
2%	Quality of fund operations

GP key strengths

Value creation approach	46%
Consistency of returns	42%
Sector/geography expertise	42%
Absolute performance	36%
Low loss ratio	23%
Access to co-investments	22%
Alignment with LPs interests	21%
GP brand & reputation	17%
ESG conviction and innovation	16%
Leadership and firm's culture	13%
GP financial commitment to the fund	5%
Impact ethos	5%
Fee structure and transparency	4%
Quality of fund operations	2%

Higher priority for LPs Higher priority for GPs Close alignment

Figure 7: LP demand and GP supply: Sectors



Bar sizes reflect actual percentages; numbers shown have been rounded

Consensus over the most attractive sectors has weakened. Last year, all eight sectors were ranked in the same order by managers and allocators. This year, LP demand for Technology and software has fallen from the most sought-after sector in 2026 to the least sought-after in 2027. GPs, however, continue to rank Technology and software as their leading sector strength, and it is the most common sector targeted by funds, creating a significant oversupply.

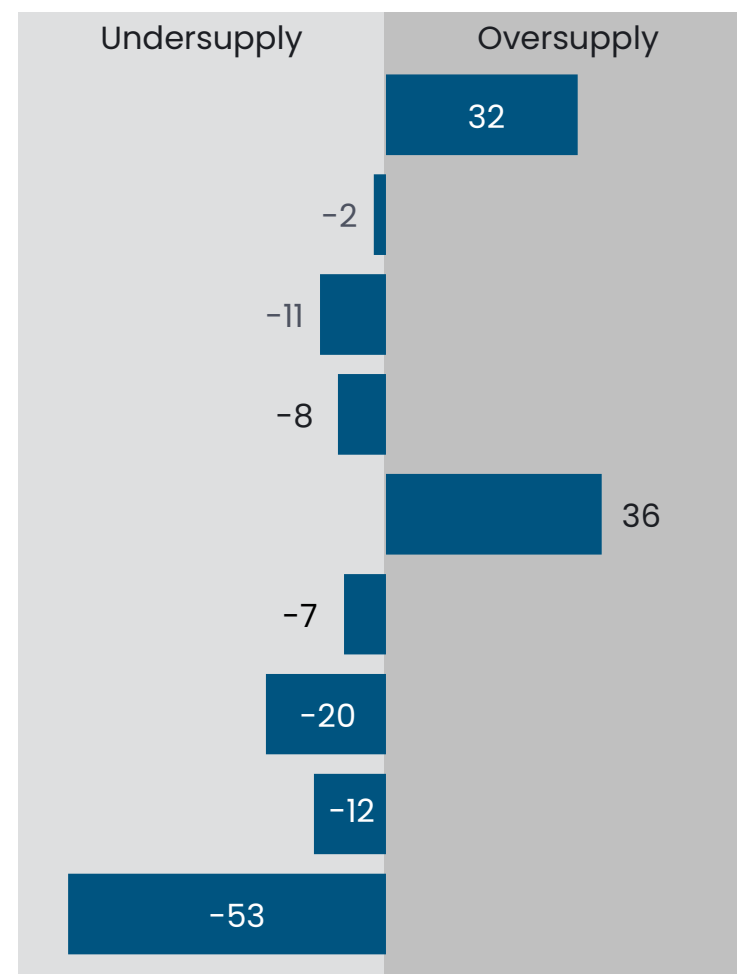
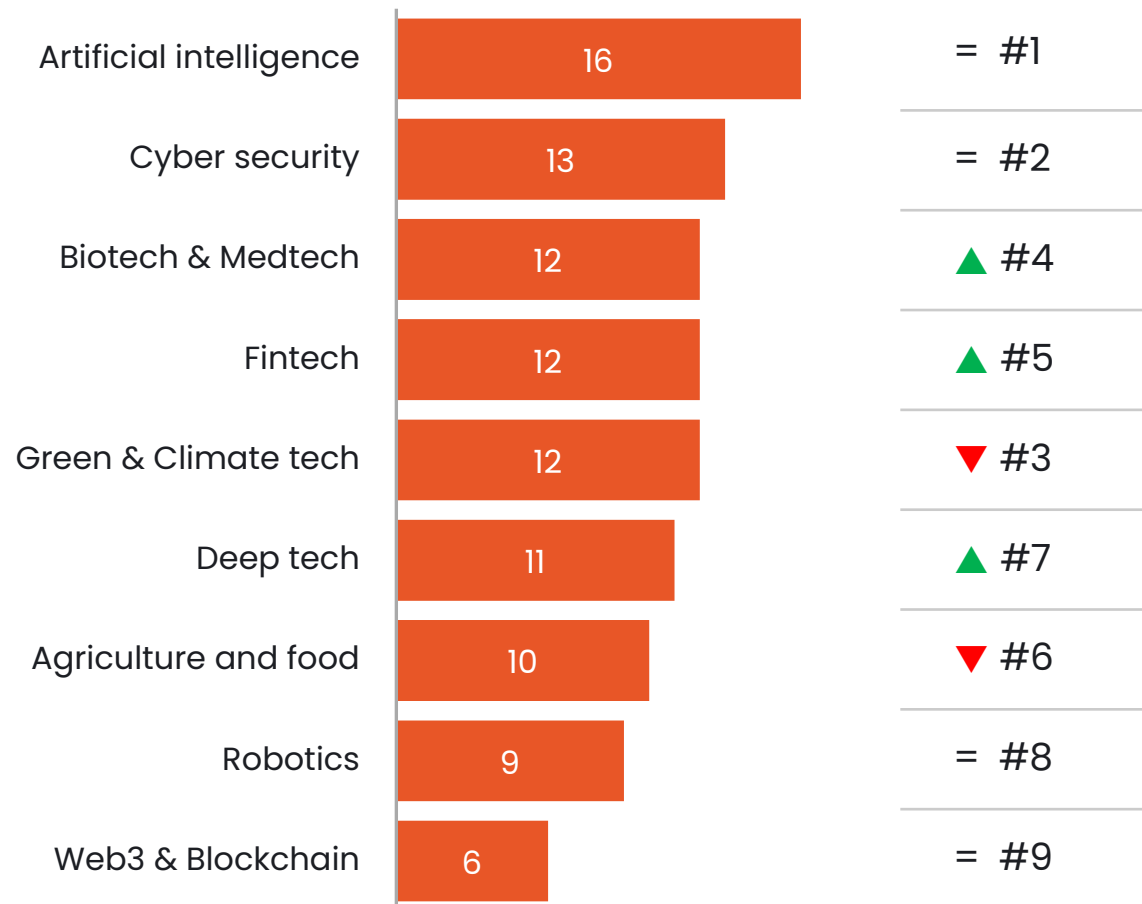
Business services, Healthcare, and Industrials & materials are balanced, whereas other sectors are undersupplied relative to LP demand.

Figure 8: LP demand and GP supply: Technologies

LP interest breakdown (%)

Ranking last year

GP supply relative to LP demand (%)



Within technologies, the picture is better matched; all but two fields are undersupplied. Green and climate tech is oversupplied by 1.36x and Artificial intelligence by 1.32x. Web3 and blockchain see twice as much demand as supply.

Value creation in a lower returns environment: How GPs should approach portfolio management

By Nicolas Beaugrand, France PE & ESG Lead, Partner & Managing Director, AlixPartners

The easy returns are gone. Cheap debt and rising multiples used to carry the case; now the business itself must do the work.

The new bar for value creation

The illiquidity premium has fallen to as low as 1% in some industry estimates. Investors are giving up access to their capital for almost no reward. Value creation is no longer a supplement to leverage and multiple expansion; it is the whole return.

Proving value in a tighter exit market

Delayed exits expose the gap between reported EBITDA and real business health. GPs have to show durable cash flow, not a margin story polished for sale. Longer holds reward genuine operating improvement over optics. Firms that install repeatable performance systems and build the foundations for growth and expansion, rather than reaching for one-off cost cuts, will hold value through the wait.

The next equity story starts at entry, not exit. In diligence, ask what will create the value for the next buyer and what operating model can deliver it.

Operating model is the backbone of value creation

The operating model is the transmission belt between strategy and execution. Get it right, and it drives growth. Get it wrong, and it quietly destroys value. Many buy-and-build platforms were assembled but never integrated, creating long-term drag when there is no backbone to run a larger business. A company at €400m in revenue cannot run on the model that served it at €100m.

AI is a value creation engine

AI is now a value creation lever in its own right, built deep into the portco. It shows up in products, services, cycle-time reduction, quality excellence, asset availability, and productivity. We are asked to assess it in nearly every project. The step change lives inside the business, not the data room. Scattered pilots produce noise; one coordinated strategy improves performance across holdings.

The mid-market is the value creation sweet spot

Mid-market and lower mid-market funds have held distributions at around 21% of NAV, while large buyout funds have seen that rate halve. Small funds now attract 70% of LPs. Smaller companies are less mature, quicker to adapt, and cheaper to buy. Relative to size, that creates more room to build returns through hands-on work.

Value creation is no longer only an equity lens

As private credit grows, lenders increasingly have to think like owners and weigh operational upside, not just the debt profile.

What GPs must do differently to win 2027 investor backing

In a world of accelerated and unpredictable disruptions, build an equity story the business can sustain and adapt. Over-optimized companies perform in ideal conditions and break under disruption. Stress-test the thesis against shocks, geopolitical shifts, and AI-driven change before you underwrite it. Sustained equity story execution now includes robustness, not just pure performance. The managers who prove it will define the next fundraising cycle.

IPEM spotlight

The search for alpha reshapes the route into buyout

LPs are converging on a clear view of where the next cycle's private equity returns will be generated, and it is not at the top of the market. The prevailing conviction is that scale and returns have parted company.

Distribution data reinforces the point. Large buyout funds have seen their distribution rate fall from approximately 30% of NAV before 2021 to less than half of that level, while mid-market and lower-mid-market funds have held steady at around 21% across both periods, according to a large fund-of-funds manager. This points to the structural resilience of the mid-market and below, and especially of sector specialists with attributable track records and emerging managers, which show a pronounced upside skew in returns. The dispersion argument has also become more precise. Preqin data shows the second decile of emerging managers tracks at or above the top decile of established managers and the lower half of the distribution is on a par with established managers.

Underlying all of this is a changed view of where value in private equity originates. LPs expect returns to be earned operationally, which places a premium on managers who can demonstrate real value creation and disciplined integration. Intention data from this year's IPEM Global attendees supports this.

Fund demand has moved down the size range. Small funds (€100m–€500m) are sought by 70% of LPs. Fund selection criteria also point to LPs seeking out GPs that can reliably generate alpha. Value-creation approach has gained ground with LPs, and consistency of returns remains the top priority, while absolute performance has fallen. Investors are weighing the repeatability of returns and the mechanism that generates them above the headline number.

LPs are also shifting strategies to hunt for returns. The clearest movement is in co-investment, which has seen the largest increase of any private equity strategy. These investments reduce blind pool risk and generally carry lower fees, an important factor as the illiquidity premium shrinks. Other returns-focused strategies that more LPs are exploring include late-stage/growth VC—sought by 83% of LPs that look at the asset class, up 7% on last year—and independent sponsor deals, which 19% of all LPs invest in.

Overall, allocation intentions among LPs are in line with expectations of a lower return private equity cycle, with LPs looking to strategies that maximize the performance required to justify the illiquidity of these investments.

"In the private equity space, we're focusing more on highly specialized teams, sector-focused or country-focused."

**Wealth Management arm
of a private bank**

IPEM spotlight

Stepping back from the technology sector, not from technology

The largest movement in this year's registration data is a fall in LP interest in the technology and software sector. Last year 85% of LPs answering the sector question identified it as an area of interest for the coming 12 months. This year, the figure is just 28%, moving technology and software from first place to last among the eight sectors tracked.

Interest in technology as a capability has not moved. Artificial intelligence remains the most sought-after technology theme among LPs at 78%, with interest growing on last year. Other tech segments that have seen interest grow are Deep tech, which has risen to 51% and Fintech, which is up 3% to 56%.

Capital has rotated into the industrial economy instead. Industrials and materials (73%) and business services (72%) have both risen from 65%, financial services to 62% from 57%, and healthcare to 83% from 80%, where it now leads all sectors.

Read together, the two datasets describe LPs buying AI adoption inside conventional businesses rather than exposure to technology as an asset class. A healthcare services platform applying AI to diagnostics, or an industrial group applying it to scheduling and maintenance, delivers the exposure without the entry multiples attached to software assets, as well as far less risk of disruption. Investment committees are reportedly focused on the potential for AI disruption and are proceeding with extreme caution where this may be the case.

This approach is impacting pure-play tech investments. LPs have reported extensive exercises to assess the technology exposure across portfolios and have arrived at numbers that leave many feeling overexposed. One allocator with a book of 60 GPs found a legacy concentration of around

40% software exposure, and another described a shift away from pure software toward software-oriented services, and implementer and ecosystem businesses.

"I think people are actually moving away from software, but more into software-oriented services. So, these implementer ecosystems have become very popular."

Global asset manager

As another indication of the lack of appetite for software, secondaries brokers are reporting buyers moving away from technology, and pricing weakening as a result.

Meanwhile, the supply side has not adjusted. Technology and software remains the leading sector strength among GPs at 65% and the leading sector focus among in-market funds at 56%. Measured against LP demand, it runs at 2x, the only oversupplied sector in the dataset.

2027 looks set to be a turbulent year for technology-focused investments. LPs are acutely aware of the potential for AI disruption in the sector and any possibility of this raises red flags in due diligence processes. Consequently, sectors that are insulated from disruption, such as healthcare and industrials, are taking the limelight.

IPEM spotlight

Venture capital boosted by European sovereignty focus

The data from IPEM Global 2026 attendees suggests that European venture capital is becoming a core institutional allocation rather than a satellite holding. More than half of LP profiles (51%) in this year's registration data are seeking venture funds over the next 12 months. Within VC allocations, interest in late-stage and growth has surged from 76% to 83%.

A third of LPs looking at VC in the next year are seeking exposure through funds of funds. As noted above, these structures offer routes into niche areas of private markets and can be used to quickly build a well-diversified pocket in a private markets portfolio. This interest indicates that the political push to get European pension money into private markets is having an effect.

What has changed alongside this increase in demand is the rationale. Venture is increasingly being underwritten as a sovereignty allocation as much as a return-generating one, and this is reflected in LPs' technology interests. Deep-tech allocations, where sovereign themes like defense and space sit, are up three percentage points on last year.

Deep tech has swung back to undersupplied, from an oversupply of 1.09x last year to 0.93x, and LP interest rose 0.8 points, the largest gain of any technology. However, funds are aligning with these strategic priorities. Deep tech is the second most common technology focus among venture GPs, and 81% of VC funds in market with a deep-tech focus target Europe.

Venture, it seems, is set to perform a dual role for institutions. The asset class offers high returns and is also the route through which allocators access exposure to the sovereignty theme. The capabilities Europe is trying to secure sit in companies too young for buyout, and the tilt toward late-stage and growth suggests mandated allocations are being implemented.

"There is a political willingness. [France's labeling scheme] has bent the arm of all the pension funds and said: you have to invest in venture. It's not an option anymore. In the UK there is the same willingness."

A European venture fund of funds

"The real interest is mainly UK, and it's from pension funds. They have committed to increasing their allocation to private capital and to venture specifically, so they are all looking to allocate."

Manager of a UK healthcare venture fund

"The sentiment around pro-Europe sovereignty has only increased over time, so there's been more and more interest from European LPs as well."

A French deep-tech GP

"I've been doing this for 26 years and the last several months are the busiest I have ever been. AI, defense technology, space, satellites, robotics, everything you'd describe as deep tech has never been more white-hot. Europe is really waking up, and a lot of that is just trying to develop sovereign capabilities."

A US deep-tech GP on the attractiveness of European investments



Conclusion

This year's report is evidence that LPs are adapting to a different era of private markets investing.

Allocators are more actively diversifying their portfolios across international geographies and multiple private asset classes, while also targeting areas with the highest potential for alpha.

Across private equity, VC, and private debt, funds of funds have seen a marked increase in interest, likely a result of LPs looking to access the specialist segments these vehicles target.

Value creation will be the key battleground for successful private equity investing in the coming years. GPs can expect greater emphasis on this from LPs in due diligence.

Allocators are also converging on stable, inflation-protected income generators such as infrastructure and direct lending, as well as more returns-focused strategies like late-stage/growth VC and mezzanine debt.

The message from our analysis is that allocators have emerged from a period of reflection. They are adapting investment strategy, manager selection, and portfolio monitoring in order to maximize returns in the coming years. Manager innovation is providing a wider range of tools that LPs can use to achieve these goals, suggesting that future collaboration will help them master the course together.



AlixPartners

The opinions expressed are those of the authors and do not necessarily reflect the views of AlixPartners, LLP, its affiliates, or any of its or their respective professionals or clients. This article IPEM Allocation and Fundraising Trend Report 2027 ("Article") was prepared by IPEM and AlixPartners, LLP ("AlixPartners") for general information and distribution on a strictly confidential and non-reliance basis. No one in possession of this Article may rely on any portion of this Article. This Article may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. The information in this Article reflects conditions and our views as of this date, all of which are subject to change. We undertake no obligation to update or provide any revisions to the Article. This Article is the property of IPEM and AlixPartners, and neither the Article nor any of its contents may be copied, used, or distributed to any third party without the prior written consent of IPEM and AlixPartners.