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DAKOTA
PRIVATE MARKETS REVIEW

DECEMBER 2025

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In the Dakota Private Markets Review, our team curates the most critical trends and developments shaping institutional capital allocation. We leverage exclusive Dakota data to provide limited partners, general partners, service providers, and other key players in the private markets ecosystem with actionable intelligence on capital commitments, fundraising activity, and strategic shifts in alternative investments.

EXECUTIVE SUMMARY

December activity capped a much stronger 2025 for private markets than many expected. After a slow start, M&A picked up meaningfully over the year, with deal activity accelerating and dry powder finally being put to work. By year-end, the market was active but disciplined: capital was available, but increasingly focused on large, proven managers and assets with reliable cash flow. Fundraising continued, led by private credit and infrastructure, while secondaries became a more important tool for managing liquidity as exits remained slow. Deal activity in December was driven by a mix of large strategic transactions and sponsor-led carve-outs, with buyers prioritizing essential businesses and long-term growth themes. Heading into 2026, fundraising conditions are improving, and capital deployment remains selective rather than risk-off.

FUNDRAISING HIGHLIGHTS

Private Equity

Private equity fundraising remained active but highly selective, with LP capital concentrating in specialist and control-oriented managers. Blackstone raised $3.6B for Life Sciences VI as part of its broader effort to serve growing private market demand, while WindRose Health Investors closed its seventh buyout fund at a $2.6B hard cap in just six months, reflecting continued appetite for healthcare specialists with proven execution. Industrial and services-focused sponsors also found strong support, including Truelink Capital's Fund II eyeing $1.5B and Expedition Growth Capital's $375M Fund III hard-capped in four months. Concurrently, liquidity pressure and weak exits are reshaping fundraising dynamics, accelerating the use of GP-led secondaries and continuation vehicles (now roughly half of secondary market volume) as sponsors seek to deliver distributions, retain top assets, and stabilize fundraising cycles amid longer hold periods.

Venture Capital

Venture fundraising showed a clear bifurcation between large, established platforms and smaller, tightly constructed vehicles. Larger managers such as Lightspeed ($9B across six funds), Dragoneer ($4.3B Fund VII), Nexus Venture Partners ($700M Fund VIII), and Lux Capital (targeting $1.5B for Fund IX) continued to attract capital by leaning into AI, life sciences, and frontier technologies. In parallel, emerging and regional funds emphasized disciplined fund sizes, including India-based Fireside Ventures' $253M Fund IV, 6 Degrees Capital's €154M early-stage fund, and Chui Ventures' $60M Africa-focused Fund II. Venture secondaries gained further traction, highlighted by SecondQuarter Ventures' new fund to tap Australia's $2.6B VC secondaries market and TrueBridge's $350M secondaries program, as LPs increasingly seek liquidity tools and portfolio rebalancing options in a slower exit environment.

Private Credit

Private credit remained the strongest fundraising segment, benefiting from bank retrenchment, heavy refinancing needs, and sustained borrower demand. Oak Hill Advisors closed a record $17.7B across its senior private lending platform, while TPG raised $6.2B for its oversubscribed Credit Solutions Fund III, underscoring LP confidence in large-scale, structured credit strategies. Demand also extended across the spectrum, with Allianz Global Investors raising €1.2B for Private Debt Secondaries Fund II, SL Green closing a $1.3B opportunistic debt fund, and Nuveen Real Estate exceeding target with a $650M US Strategic Debt Fund. Product innovation continues to accelerate through evergreen vehicles, credit secondaries, and niche strategies such as BridgeInvest's new open-ended CRE lending fund and Eiffel's €1.2B Energy Transition III, reinforcing private credit's evolution into a core allocation within private markets.

Real Assets

Real assets fundraising reflected durable LP demand for income-oriented and infrastructure-backed strategies tied to long-term secular themes. Large closes included Sculptor Capital's $4.6B opportunistic real estate Fund V, Arcus' €3B European Infrastructure Fund 4, and Blue Owl's $1.7B Digital Infrastructure Trust alongside a $1.5B U.S. data center acquisition. Infrastructure and transition capital witnessed plenty of activity as well, with AXA/BlackRock GIP securing a $340M first close for its Infrastructure Resilience Development Fund and Stonepeak filing for a follow-on opportunities fund. While infrastructure and digital assets continued to draw strong inflows, real estate fundraising was more mixed: Oaktree closed its ninth opportunistic real estate fund at $2.6 billion, well below its $5 billion target, underscoring a shift toward core-plus, income-oriented strategies tied to power, data, logistics, and housing demand.

INSTITUTIONAL COMMITMENTS

Institutional allocation activity was led by large, named public pensions deploying capital into specific, well-known managers and vehicles, with real assets and private credit receiving the largest single-ticket commitments. New Hampshire Retirement System committed $100M to KKR Global Infrastructure Investors V, reinforcing infrastructure as a core allocation. One of the single largest allocations came from Indiana Public Retirement System, which committed $1B to Parametric Gold, reflecting continued institutional use of real assets and commodities for inflation protection and diversification. On the real estate side, Los Angeles City Employees' Retirement System approved a $65 million commitment to Realty Income Core Plus Fund , while Plymouth County Retirement System committed $80M to TA Realty Core Property Fund, demonstrating a preference for income-oriented, lower-volatility property exposure.

Private credit and secondaries were also prominent destinations for capital. Los Angeles City Employees' Retirement System committed $80M to Nuveen's Energy and Power Infrastructure Credit strategy , while San Diego City Employees' Retirement System allocated $50M to the Blue Owl Senior Diversified Lending Fund, highlighting continued pension demand for yield and downside protection. In private equity, the Alaska Retirement Management Board continued to emphasize liquidity-oriented secondary exposure, while the Montana Board of Investments approved new commitments of $58 million to an emerging manager fund-of-funds vehicle and $53 million to a lower middle-market buyout fund. Venture allocations were fewer and smaller by comparison, though Pennsylvania State Employees' Retirement System committed $65M to BVIP Fund XII, standing out as one of the larger VC tickets in the month.

PEOPLE MOVES

StepStone Group named partner Lindsay Creedon as its next head of private equity, effective January 2026, succeeding CEO Scott Hart while retaining her investment committee roles. Additionally CVC appointed Peter Rutland as president and Søren Vestergaard-Poulsen as chief investment officer of private equity as part of the firm's largest promotion round, expanding leadership responsibilities across the platform. Overall, December was a relatively quiet month for job changes across the private fund manager landscape, with only a limited number of senior leadership moves announced.

M&A ACTIVITY

Information Technology

IT deal flow was heavy and very top-weighted, with mega strategic and sponsor moves like Armis ($7.8B acquisition), a Temasek divestiture to Schneider Electric ($6.4B), and Spectris plc ($5.6B LBO). There was also big-ticket growth/late-stage capital including Databricks ($4.0B pre-IPO) and strategic software deals like Moveworks ($2.9B) and Verint Systems ($2.0B take-private). Deal flow across enterprise software, cyber, and IT services was robust, such as Hornetsecurity ($1.8B), Coastal ($700M acquisition), Saviynt ($700M Series B), Eventbrite ($500M), and multiple $100M–$300M growth/venture rounds, pointing to sustained appetite for enterprise platforms and security despite tougher underwriting.

Healthcare

Healthcare was extremely active across biotech, services, devices, and pharma, led by Merus ($8.0B) and large services carve-outs like OneOncology ($5.0B). Biotech M&A stayed strong with Amicus Therapeutics ($4.8B) and Halda Therapeutics ($3.05B), while provider/services and devices featured meaningful sponsor activity such as Vicebio ($1.6B), Teleflex Medical OEM ($1.5B) and Kangji Medical ($1.4B take-private). The mid-market was deep too, with Quipt Home Medical ($260M) and multiple $50M–$150M venture rounds in health tech and biotech, showing broad-based capital deployment beyond just a few headline deals.

Financials

Financials saw some of the largest non-tech transactions, spanning banks, asset managers, insurance, and fintech. Highlights included Trade Republic ($14.7B growth equity secondary), Janus Henderson ($7.4B take-private), OneDigital ($7B buyout), and banking M&A like Grupo Financiero Banamex ($2.3B) and Laurentian Bank ($1.9B). Insurance and intermediaries were active with Vantage Group ($2.1B), Bamboo Insurance ($1.8B LBO), Newfront ($1.05B), CAC Group ($1B), and a steady stream of fintech growth rounds (e.g., Kalshi $1.0B, Airwallex $330M, Imprint $150M, plus multiple $50M–$100M rounds), indicating continued consolidation plus sustained funding for payments and alternative finance.

Industrials & Materials

December activity in Industrials & Materials was anchored by several multi-billion-dollar carve-outs and control deals, plus steady mid-market consolidation. On the industrial side, the biggest transactions included SPX Flow ($4.8B acquisition) and TRC Companies ($3.3B acquisition), alongside defense/platform activity like Smiths Detection ($2.7B platform buyout) and ARKA Group ($2.6B acquisition). Materials contributed major strategic and packaging moves, led by Castrol Ltd. ($10.1B acquisition), Foley Products ($1.8B), and TC Transcontinental Packaging ($1.5B), with large resource exposure via Western Australia Iron Ore ($2.0B) plus a long tail in mining/metals (e.g., Tongon Gold Mine $305M, St Barbara Mining $245.5M, Alta Copper $101M). Overall, the combined segment reflected buyers prioritizing essential industrial cash flows, defense/mission-critical assets, and scale in chemicals/packaging and resources.

Energy & Utilities

Energy & Utilities deal flow was defined by large renewables/power transactions alongside continued upstream and midstream consolidation. The biggest utilities-linked deal was the completion of the sale of Hornsea 3 Offshore Wind Farm ($6.5B), complemented by larger power platform moves like Intersect Power ($4.8B) and Alinta Energy ($4.3B acquisition). Energy M&A was active in hydrocarbons with LLOG Exploration ($3.2B) and Vital Energy ($3.1B), plus infrastructure/midstream deals such as Stakeholder Midstream ($1.3B) and a JET Tankstellen Deutschland ($2.8B) carve-out. The segment also showed meaningful financing and transition capital (e.g., Fervo Energy $462M growth equity, Ecoplexus $300M structured credit, Outpost Solar Project $252.5M), pointing to a barbell between conventional consolidation and scaled renewables/infrastructure buildout.

Consumer

Consumer deal activity combined mega brand consolidation with selective sponsor activity in retail, leisure, and household categories. The standout was Kellanova ($35.9B strategic acquisition) in staples, while discretionary featured major brand and platform moves such as Versace ($1.5B) and The ODP Corporation ($1.0B take-private). Leisure and hospitality were active through both M&A and credit, including Bally's ($1.1B direct lending) and CityCenter Las Vegas recap ($800M), alongside meaningful brand/platform reshaping like Wella ($750M) and Middleby Residential ($885M carve-out). Staples had additional notable transactions such as East African Breweries ($2.3B), Stampede Culinary Partners ($662.5M acquisition), and BeatBox ($490M), while smaller restaurant/hospitality deals (e.g., easyHotel $466M, Del Taco $119M) rounded out the month. Net-net: buyers paid up for resilient brands, while sponsors stayed active in carve-outs and cash-flowing consumer platforms.

Real Estate

Real estate was very active across trophy offices, retail, multifamily, hospitality, and development land, with large transactions like Alexander & Baldwin ($2.3B take-private) and Marina Bay Financial Centre Tower 3 ($1.1B). Retail and mixed portfolios featured prominently—Westfield Sydney ($576M), Texas Retail Properties ($440M), and several multi-asset portfolios such as a 2.6 MSF industrial portfolio ($400M) and various logistics/industrial properties (e.g., four industrial & logistics properties $238M, last-mile facility $211M). Hospitality and specialty assets also showed up (e.g., InterContinental NY Times Square $230M, Stewart Hotel $255M, Atma Miami by Aman land $520M plus $464.5M credit), reinforcing that capital is rotating toward high-quality, financeable assets and portfolio deals rather than broad office beta.

CLOSING THOUGHTS

December reflected a private markets environment that is functional but disciplined: capital remains available, but increasingly selective and concentrated around the right managers, assets, and structures. LPs continue to recalibrate portfolios with an emphasis on yield, liquidity management, and resilience, while sponsors are adapting through longer hold periods, creative exit solutions, and targeted consolidation strategies.

In regards to M&A, 2025 was a very strong year, with transaction activity rebounding meaningfully and elevated levels of dry powder beginning to come down as capital was put back to work. This deployment has improved the fundraising backdrop heading into 2026, with many funds preparing to return to market. Public equity markets at or near all-time highs are further supporting portfolio rebalancing and broader allocations to alternative asset classes, particularly those offering durable return profiles and income.