dakota insights

DAKOTA PRIVATE MARKETS REVIEW

JANUARY 2026

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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.

KEY MARKET INDICATORS

Private markets are entering the year from a position of strength. We're seeing improving LP sentiment, large sponsors returning to market, and a clear pickup in transaction activity. Just as important, the exit environment is showing early signs of reopening, creating a constructive setup for distributions, fundraising momentum, and deal flow as we move through the year.

- **LP Sentiment Continues to Improve:** According to a recent McKinsey survey, 70% of LPs plan to maintain or increase PE allocations.
- **Venture Capital is in Demand:** Andreessen Horowitz (a16z) recently announced it had raised $15B+, capturing over 18% of total U.S. venture dollars.
- **Mega-Funds Returning:** Large sponsors are coming back to market with flagship funds, including Clayton, Dubilier & Rice and Francisco Partners.
- **Private Markets Consolidation:** PE platforms continue to acquire specialist capabilities, highlighted by EQT's $3.2B planned acquisition of Coller Capital and CVC's $1.2B acquisition of Marathon Asset Management.

Liquidity is also improving. After several years of constrained exits, January saw meaningful acceleration in both announced IPOs and M&A activity. That matters. Realizations ultimately drive distributions, and distributions drive the next cycle of commitments. With over $312 billion in transaction value announced during the month, activity levels suggest capital is moving again.

FUNDRAISING HIGHLIGHTS

Fundraising activity in January carried forward the momentum that built through the end of last year. In private equity, several large sponsors signaled a return to the market. Clayton, Dubilier & Rice (CD&R) is preparing CD&R Fund XIII, targeting $26+ billion, while Francisco Partners is seeking a combined $18 billion across Francisco Partners VIII and Agility IV. This comes alongside recent multibillion-dollar fund closes from managers such as Lindsay Goldberg's Fund VI and Warburg Pincus's Warburg Pincus Financial Sector III. Secondaries were also a focal point, highlighted by Leonard Green's Sage Equity Investors, which closed a $3.6 billion vehicle. This is their first fund dedicated to single-asset continuation deals.

In private credit, sizable raises from Ares Management's Ares Credit Secondaries and Monroe Capital's Monroe Capital Private Credit V pointed to sustained demand for both private credit secondary exposure and middle market direct lending. This was complemented by new evergreen and semi-liquid strategies from firms including PGIM and Invesco, targeting the private wealth channel. Real assets fundraising was also strong, led by Benefit Street's $10 billion opportunistic real estate debt fund, the largest close of the month, with additional capital raised for value-add real estate and European infrastructure strategies.

In venture, Andreessen Horowitz closed $15 billion across multiple strategies, a positive sign for VC fundraising. In aggregate, this represented roughly 18% of all VC capital raised in the 2025, reflecting renewed LP willingness to back large venture platforms. The raise included its Growth, Apps, Infrastructure, American Dynamism, and Bio + Health strategies, reinforcing investor appetite for diversified exposure to AI, software, defense-tech, and healthcare innovation. Lux Capital has closed its oversubscribed $1.5 billion Fund IX, focusing on defense, deep tech, and physical AI. Meanwhile, Battery Ventures returned to the market, seeking over $3 billion for their Fund XV.

Institutional commitments in January reinforced these themes. Credit and value-add real estate captured a meaningful share of allocations, including a $200 million commitment from Kansas Public Employees Retirement System to Blue Owl Real Estate Fund VII. Kansas PERS also allocated $225 million to Blackstone Infrastructure Partners, while LASERS committed $100 million to Warburg Pincus Global Growth 15. Kansas PERS also committed $110 million to Lux Venture IX.

Large firms with long track records and clear strategies are raising larger funds, while mid-sized specialists in the right corners of the market are also finding success. Secondaries are increasingly becoming a part of LPs private markets allocation, not just a liquidity tool, as investors value faster deployment and aim to take advantage of mispriced opportunities within the market. Managers are also adapting product structures by launching evergreen or semi-liquid vehicles to better align with how institutional and the growing private wealth channel increasingly want to allocate capital.

NOTABLE FUND CLOSES

Fund Name	Asset Class	Closed Amount	Notes
Andreessen Horowitz *(multiple strategies)*	Venture Capital	$15B	Raised over 18% of all US venture capital across flagship and focused strategies
Benefit Street Real Estate Opportunistic Debt Fund II	Real Estate Debt	$10B	Invests in opportunistic senior and mezzanine loans across U.S. commercial real estate
Ares Credit Secondaries	Private Credit	$7.1B	Acquires seasoned private credit assets and LP interests in the secondary market
Monroe Capital Private Credit V	Private Credit	$6.1B	Provides direct lending solutions to middle-market companies across the US
Lindsay Goldberg VI	Private Equity	$4.9B	Over 40% larger than its predecessor, the fund focuses on industrials, services, and healthcare sectors

M&A Activity

Dakota collected approximately 1,900 announced transactions in January, totaling $312 billion in disclosed deal value. It's a strong start to the year across both sponsor-backed and strategic activity. Financials led with roughly $68.0 billion, followed by Information Technology at $47.8 billion and Industrials at $45.8 billion. Utilities ($33.5 billion) and Healthcare ($33.3 billion) were close behind, with Real Estate, Materials, Consumer Discretionary, and Energy also contributing meaningful volume.

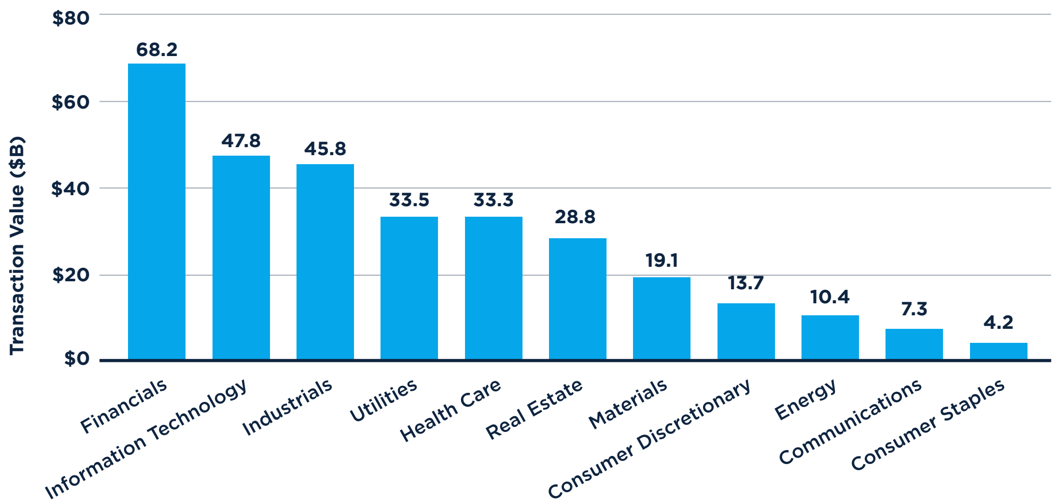
Within buyout and broader M&A, January showed growing confidence around executing large, complex transactions. The $26.6 billion acquisition of Calpine combines Constellation's nuclear, geothermal and other clean energy assets with Calpine's natural gas and geothermal fleet to create the nation's largest electricity producer (~55 GW of capacity) and expand its platform to meet rising power demand from AI-driven data centers, advanced manufacturing and critical infrastructure. The $24.25 billion Worldpay transaction reflects continued consolidation across financial services infrastructure. In healthcare, the $14.5 billion Penumbra deal highlights appetite for scaled, innovation-driven medical technology platforms by giving Boston Scientific expanded entry into fast-growing vascular and neurovascular segments with Penumbra's mechanical thrombectomy, embolization and advanced interventional devices to address complex cardiovascular and stroke conditions. The amount of deal flow across Financials, Utilities, and Industrials indicates capital is moving toward cash-flowing, defensible businesses with durable earnings visibility.

On the venture and growth side, elevated volume in Information Technology and Healthcare signals continued interest in structural growth themes. The $20 billion transaction involving xAI reflects ongoing capital formation around AI and next-generation computing platforms. xAI wasn't the only AI company attracting significant dollars, as Skild AI and Waabi raised $1.4B and $750M Series C rounds, respectively. Technology-oriented deals such as OneStream ($6.4 billion) reinforce demand for enterprise software assets with strong recurring revenue profiles.

NOTABLE TRANSACTIONS

Transaction Target	Transaction Participants	Sector	Transaction Value	Notes
Calpine Corporation	Constellation Energy Corporation, Energy Capital Partners	Utilities	$27B	Constellation acquired Calpine, creating the largest U.S. power producer across nuclear, gas, and geothermal.
Worldpay	Global Payments, GTCR	Financials	$24B	Global Payments closed the Worldpay deal, building a global payments platform.
xAI	Valor Equity Partners, StepStone	Industrials	$20B	xAI closed a $20B Series E to fund AI development and expand compute capacity.
Penumbra	Boston Scientific Corporation	Health Care	$15B	Boston Scientific agreed to buy Penumbra for $14.5B to expand cardiovascular/neurovascular devices.
Anywhere Real Estate Group	Compass Inc	Real Estate	$10B	Compass merged with Anywhere in an all-stock deal to create a larger brokerage platform for agents and clients.

TRANSACTION VALUE BY SECTOR



CLOSING THOUGHTS

The early read on 2025 is constructive. LP sentiment is improving, fundraising is accelerating at the top end of the market, and transaction activity is picking up across both strategic and sponsor-backed channels. Liquidity is not fully normalized, but the direction is positive. If exit markets continue to reopen and distributions improve, the setup supports a more active year for fundraising and dealmaking across private markets.

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