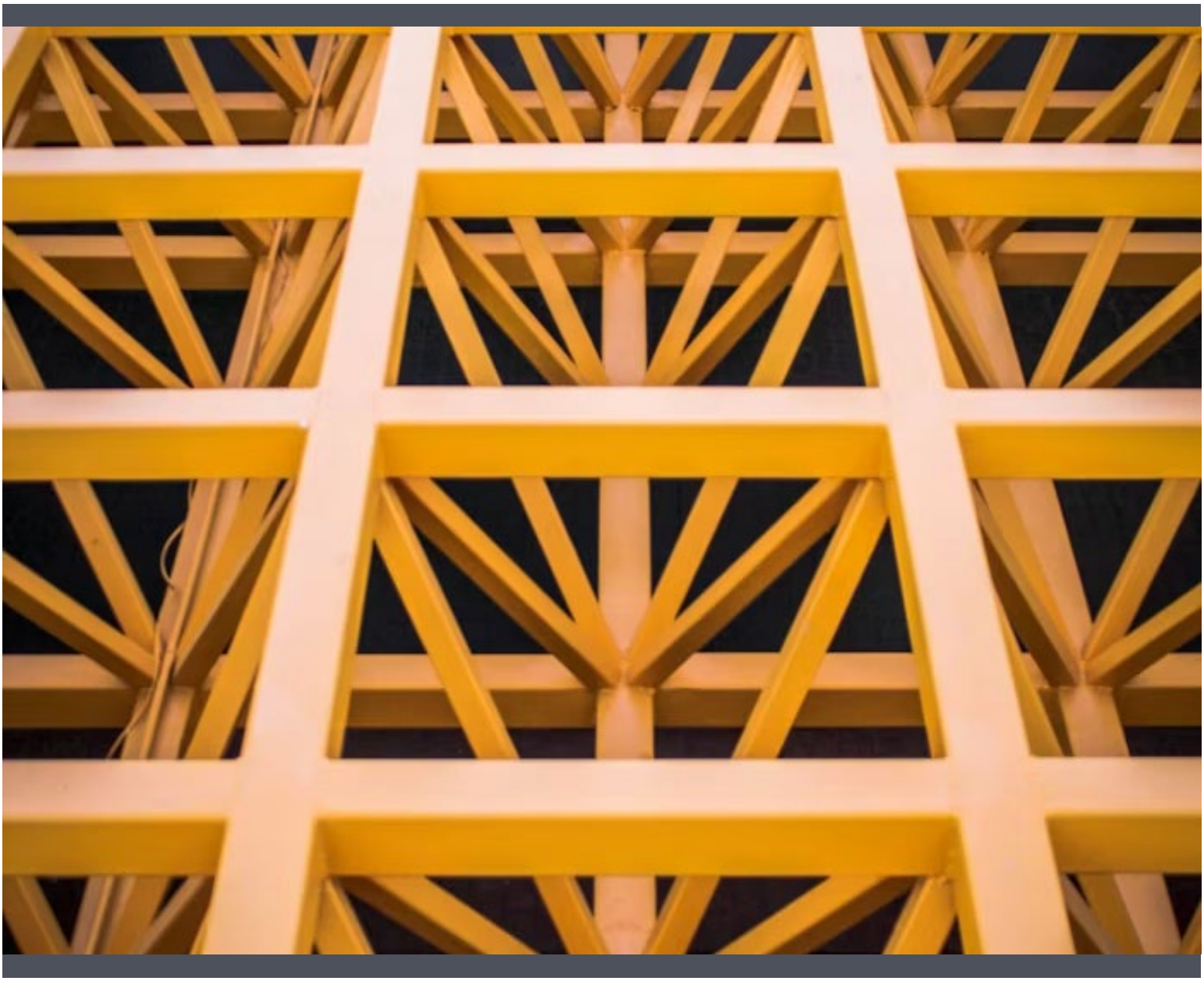
ABBOTT CAPITAL



Q3 2025

PRIVATE EQUITY MARKET OVERVIEW

Venture Capital

U.S. Private Equity

European Private Equity

Secondaries

Abbott Capital Management, LLC

Overview

After a volatile first half of the year, markets continued their upward trajectory in the third quarter of 2025. The Nasdaq and S&P 500 reached record highs in the quarter as the Federal Reserve eased rates, investors continued to support AI-related shares, tariff uncertainty abated, and the tariffs themselves appear not to have exacerbated inflation as much as feared. While employment itself is weakening, the unemployment rate remained relatively stable, suggesting a domestic workforce that is contracting as baby boomers continue to retire and net immigration slows.

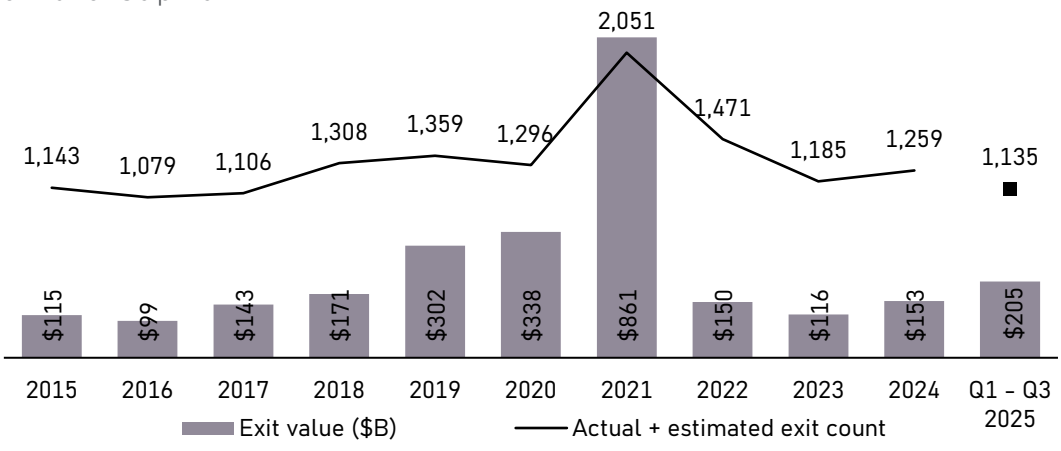
Strong equity markets no doubt helped fuel the rebounding private market exit activity across venture capital, North American private equity, and European private equity. Deal activity climbed as well, with pricing rising in venture capital, but slightly softer in buyouts.

Notwithstanding improving metrics, 2025 thus far has not generated the flood of exit activity some were predicting a year ago. As we go to print, continued strength in the public markets and a further rate cut by the Fed may help provide support for a strengthened investment and exit environment in the coming quarters.

Venture Capital

- U.S. venture capital fundraising continued to contract in 2025 from its record high in 2022. Average fund sizes appear to have declined with 376 funds having raised $46 billion in the first three quarters of 2025, representing a 30% decline relative to the first three quarters of 2024.
  - The number of funds that raised over $1 billion in total fund size also continued to fall, with only seven such funds raising through Q3 2025. In contrast, over 50% of all funds by count raised less than $50 million. Notably, 69% of the dry powder for the 2025 vintage cohort falls within funds up to $1 billion, compared to 51% for vintage 2024, as of Q1 2025.
- Venture capital deal value has continued to rebound. Deal value in Q3 2025 reached $81 billion, slightly above Q2's $77 billion and nearly doubled the prior-year period. Deal count has retracted slightly (including estimated deals), but that may be due to a reporting delay.
  - Early-stage activity saw a moderate 17% increase in deal value compared to Q3 2024, while late-stage activity grew 98%. Megadeal ($100 million or larger round size) activity increased across nearly all stages compared to Q2 2025 and was over three times the deal value seen in Q3 2024.
- Valuations in 2025 through Q3 rose across all funding stages compared to full year 2024. Seed valuations rose over 15% to a median of $15.8 million. Series C median valuations rose the most, by over 35%, to reach $307 million.
- U.S. venture capital exit activity continued to climb from a trough in 2023, with the Q3 2025 value up 92% year over year. Year-to-date exit value reached $205 billion, which exceeds the full-year exit value for each of the last three years. The number of public listings in Q3 2025 was almost double Q3 2024, and the aggregate Q1-Q3 value nearly tripled from $31 billion in 2024 to $92 billion in 2025, driven by a notable increase in listings exceeding $500 million.

EXIT ACTIVITY
U.S. Venture Capital

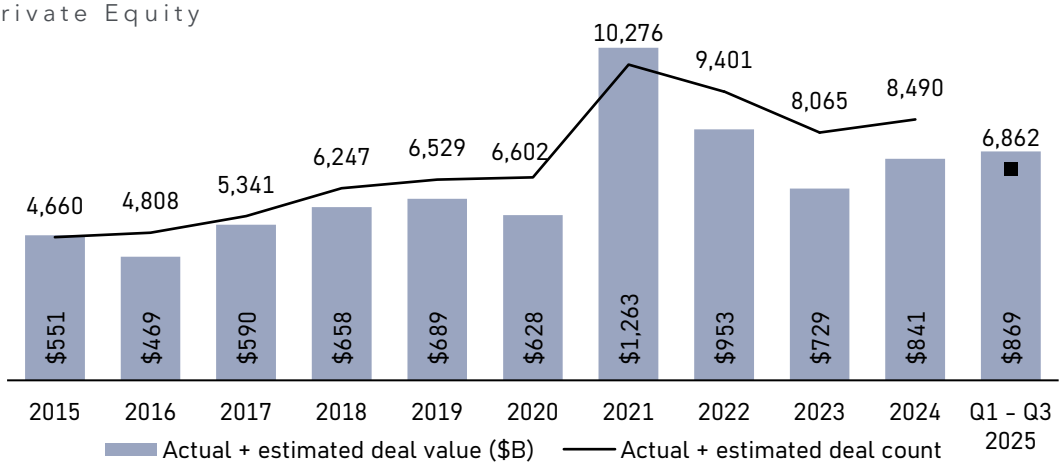


Data Source: Q3 2025 PitchBook-NVCA Venture Monitor.
2024 includes estimated exit count of 6 and 2025 includes estimated exit count of 102.

U.S. Private Equity

- U.S. private equity fundraising remained subdued through Q3 2025, with $214 billion raised year to date across 244 funds, slightly above the fund count of 220 during the same period in 2024 but below its $236 billion in commitments raised.
  - LP allocations continued to concentrate around mega-funds ($5+ billion), while middle-market funds ($100 million – $5 billion) accounted for 50% of the total capital raised through Q3 2025, up from 40% in H1 2025.
- Deal activity accelerated during Q3 2025, with $331 billion in deal value recorded across 2,347 transactions (includes estimated deal value of $40 billion and deal count of 671).
  - This represents a 38% increase in value and a 12% increase in volume compared to Q3 2024, extending the positive momentum seen since the second half of the prior year (includes estimated deals).
- Year-to-date deal value reached $869 billion (includes estimated deal value of $69 billion), representing a 37% increase from the same period in the prior year.
  - This translates to an annualized figure for 2025 of nearly $1.2 trillion, which would represent the second-highest total ever behind the record setting $1.3 trillion in 2021.
- Valuation multiples for U.S. buyouts trended lower to a median 12.0x EV / EBITDA (TTM Q3 2025), which is below 2024's 13.7x, but above the 2023 trough of 10.2x.
- During Q3 2025, $126 billion in exit value was recorded across 464 transactions (includes estimated exit value of $19 billion and exit count of 182).
  - While the exit value represents a 30% decrease from Q2 2025, the $516 billion (includes estimated exit value of $44 billion) of exits recorded year to date is also a 93% increase from the same period in the prior year.
  - This data suggests that exit activity continues its strong recovery, which may underscore a healthier liquidity environment heading into year end.

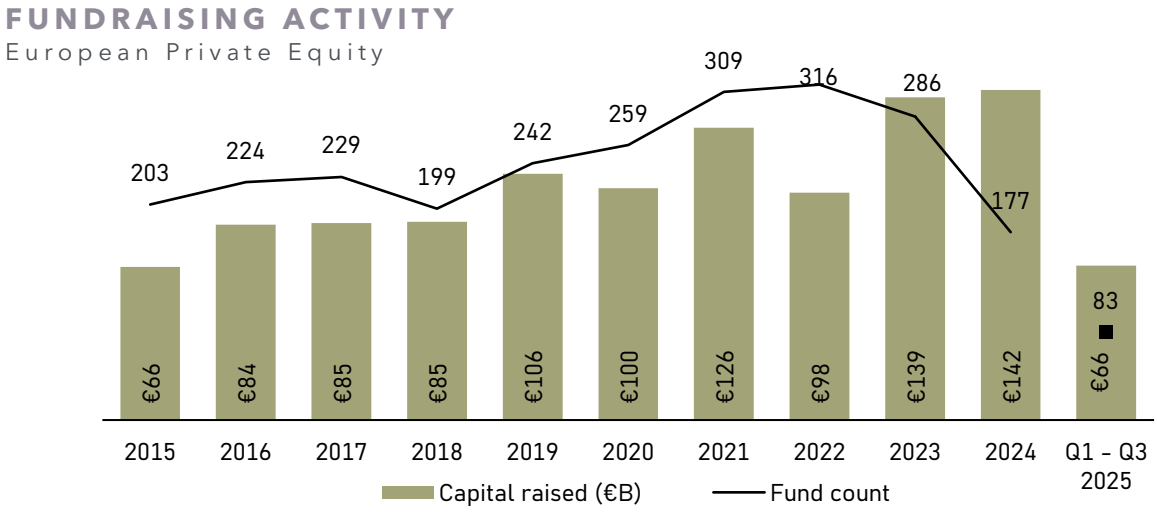
DEAL ACTIVITY
U.S. Private Equity



Data Source: Q3 2025 PitchBook US PE Breakdown.
2024 includes estimated deal count of 71 and estimated deal value of $4B.
2025 includes estimated deal count of 1,148 and estimated deal value of $69B.

European Private Equity

- European private equity fundraising in 2025 has slowed significantly, with €66 billion raised across 83 funds year to date, compared to €142 billion raised across 177 funds in full year 2024.
  - The drop, particularly in volume, was partially the result of the lack of large cap funds in the market in 2025, with Advent and EQT being the exception to the rule.
  - The mid-market segment (€1 billion – €5 billion) on the other hand is on track for a record year, with €42 billion raised in the first nine months of 2025 alone, and annualized will likely finish the year with the highest amount raised in a decade. This move to the mid-market may reflect LPs' preference for strategies with more differentiated sourcing angles, better exit optionality and perceived potential for outsized returns.
- European dealmaking through Q3 2025 reached €461 billion in value from 6,345 deals and is on track to surpass the full year 2024 figures of €562 billion across 7,936 deals (includes estimated deal value of €54 billion and deal count of 1,185 in Q1-Q3 2025 and estimated deal value of €3 billion and deal count of 67 in 2024). This recovery in activity has been fueled by a decrease in interest rates across Europe and a subsidence of inflationary pressures.
- European private equity exit activity has seen a rebound in Q3 2025 after a weak Q2, which was affected by the threat of potential trade tariffs coming into place. Overall, 2025 is expected to come in slightly stronger than 2024, with 1,238 liquidity events and €215 billion in exit value year to date in 2025 compared to 1,600 deals and €274 billion in full year 2024 (includes estimated exit value of €31 billion and exit count of 353 in Q1-Q3 2025 and estimated exit value of €1 billion and exit count of 10 in 2024).
  - The growth of North American and European GP-led secondary transactions as an exit route remained a trend with 105 exits worth €53 billion though Q3 2025, compared to 126 exits and €55 billion in full year 2024 (deals of unknown value were assigned a value of €426 million).

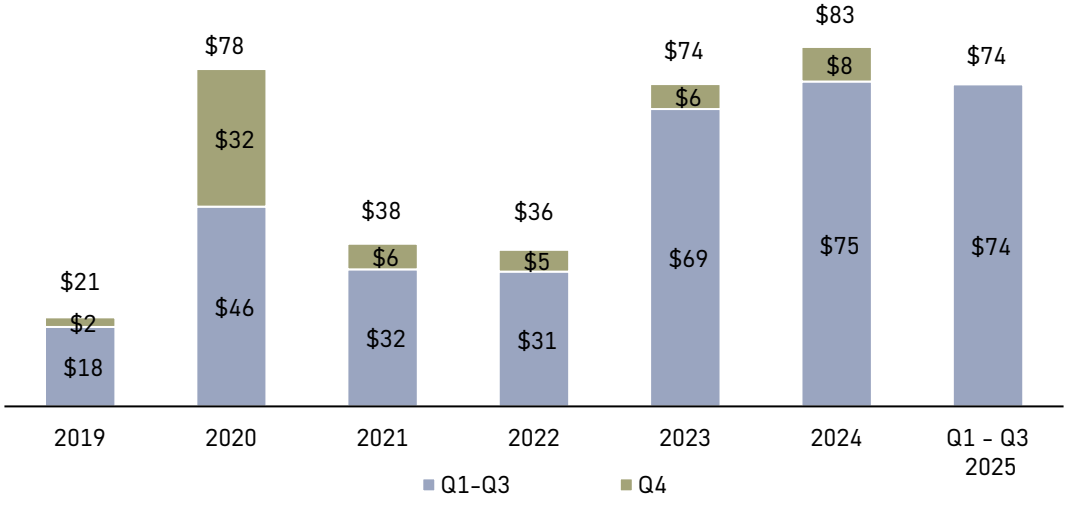


Data Source: Q3 2025 PitchBook European PE Breakdown.

Secondaries

- Thus far in 2025, secondary fundraising is on pace to compete with 2024's record year. In Q3 2025, secondary funds raised $30.4 billion of capital, slightly above the $29.9 billion raised in the prior-year period.
  - While total capital raised is comparable year over year, concentration has been more significant in Q3 2025, with just seven funds collecting that capital. In Q3 2024, 14 funds raised roughly the same amount.
  - For 2025, year-to-date fundraising has been more concentrated as well. According to Preqin, 20 secondary funds raised $74 billion through September, compared to the same period in 2024 where approximately 39 funds raised $75 billion.
- Deal volume for the quarter increased when compared to the prior year, with PJT Partners estimating $60 billion of transaction volume (compared to approximately $52 billion in Q3 2024). PJT Partners also projects total secondary transaction volume to reach $210 billion in 2025 compared to $165 billion in 2024.

FUNDRAISING ACTIVITY ($B)
Secondaries

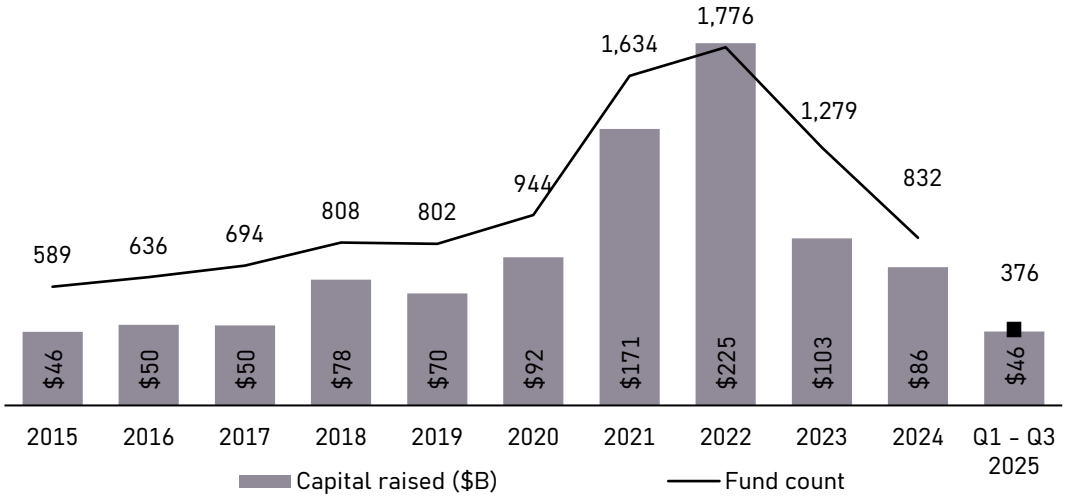


Data Source: Preqin, 10/22/2025.
Historical fundraising data for secondaries and direct secondaries funds based on total fund size at final close.

Additional Charts

FUNDRAISING ACTIVITY

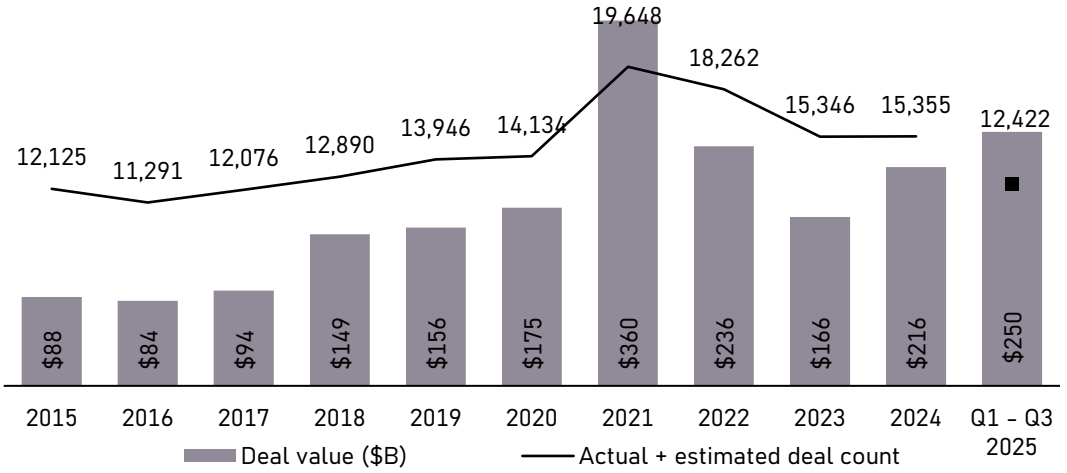
U.S. Venture Capital



Data Source: Q3 2025 PitchBook-NVCA Venture Monitor.

DEAL ACTIVITY

U.S. Venture Capital

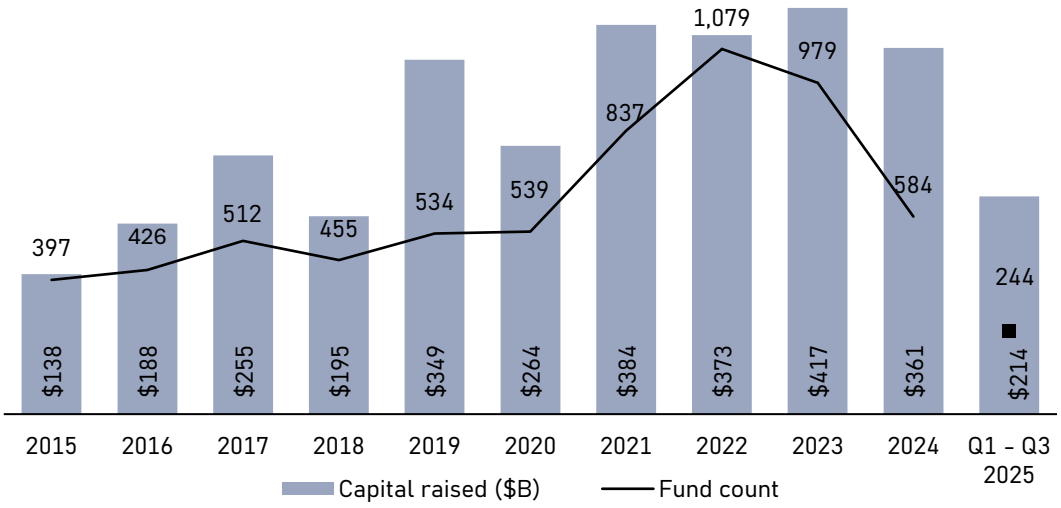


Data Source: Q3 2025 PitchBook-NVCA Venture Monitor.
2024 includes estimated deal count of 120 and 2025 includes estimated deal count of 1,806.

Additional Charts

FUNDRAISING ACTIVITY

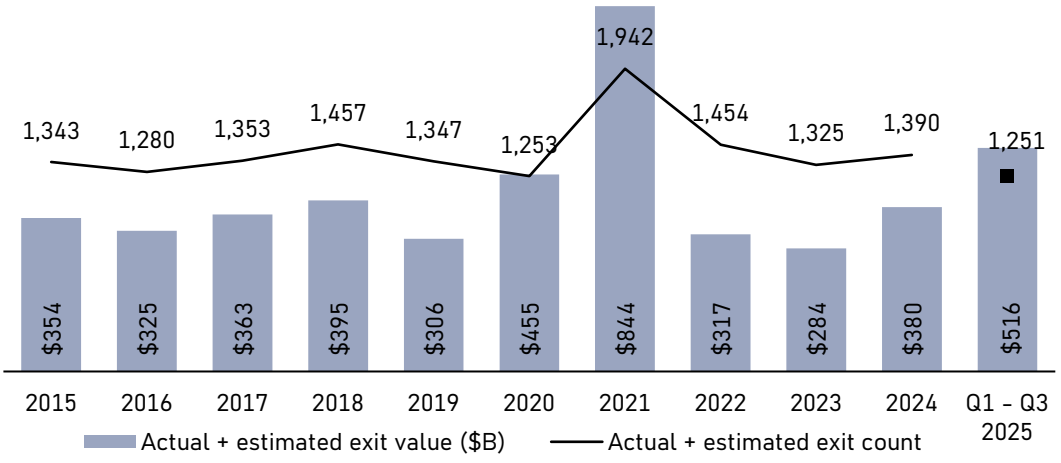
U.S. Private Equity



Data Source: Q3 2025 PitchBook US PE Breakdown.

EXIT ACTIVITY

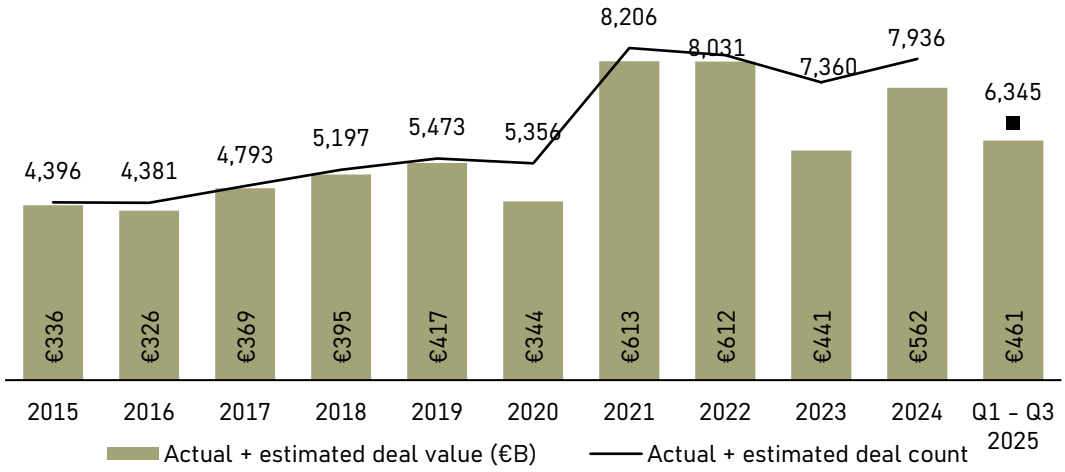
U.S. Private Equity



Data Source: Q3 2025 PitchBook US PE Breakdown.
2024 includes estimated exit count of 25 and estimated exit value of $3B.
2025 includes estimated exit count of 411 and estimated exit value of $44B.

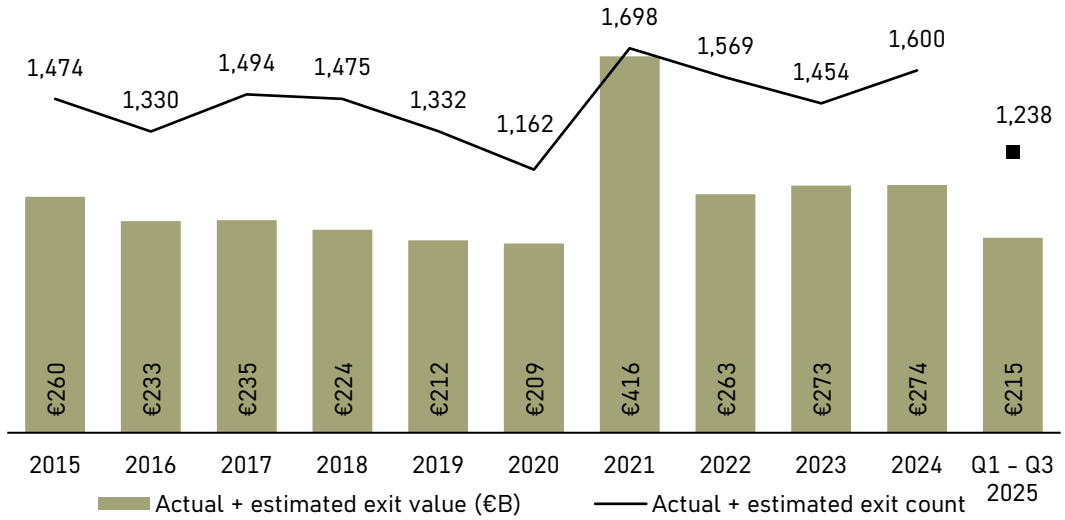
Additional Charts

DEAL ACTIVITY
European Private Equity



Data Source: Q3 2025 PitchBook European PE Breakdown.
2024 includes estimated deal count of 67 and estimated deal value of €3B.
2025 includes estimated deal count of 1,185 and estimated deal value of €54B.

EXIT ACTIVITY
European Private Equity



Data Source: Q3 2025 PitchBook European PE Breakdown.
2024 includes estimated exit count of 10 and estimated exit value of €1B.
2025 includes estimated exit count of 353 and estimated exit value of €31B.

ABOUT ABBOTT

Abbott Capital Management, LLC was founded in 1986 with the objective of providing long-term continuity and accountability in private equity portfolio management. As an independent investment adviser specializing in the creation and management of private equity investment programs, Abbott manages assets for a global investor base comprised of public, corporate, and multi-employer pension funds, foundations, endowments, family offices, and high net worth individuals.

SOURCES

Unless otherwise noted, with respect to private equity information, data sourced through: Q2 2025 PitchBook US PE Breakdown, Q3 2025 PitchBook US PE Breakdown, and Q3 2025 PitchBook European PE Breakdown.

Unless otherwise noted, with respect to venture capital information, data sourced through: Q3 2024 PitchBook-NVCA Venture Monitor and Q3 2025 PitchBook-NVCA Venture Monitor.

Unless otherwise noted, with respect to secondaries information, data sourced through: Preqin historical fundraising data for secondaries and direct secondaries funds as of 10/22/2025 and PJT Partners Q3 2025 Secondary Market Insight, October 2025.

IMPORTANT INFORMATION

Past performance is not a guide to future results and is not indicative of expected realized returns.

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