

TalkingPoints

Opening Up Private Markets — Creating More Access and Transparency



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Amid growing allocations globally to private markets, the focus has shifted to more transparent and liquid access to assets. The goal is making them more transparent and investable, with recent index innovations by S&P Dow Jones Indices (S&P DJI) a key starting point.

1. What is the current state of private markets, and what is driving increased interest in this space?

With continued capital flows into private markets, the universe of these assets has become too significant to ignore.

Fueled by investors seeking diversification and higher risk-adjusted returns, private markets have reached around USD 14 trillion in assets under management (AUM)—and are forecast to soar to up to USD 25 trillion by the end of the decade.¹ Yet the scope is much bigger, since opportunities today remain limited mostly to institutions and ultra-high-net-worth individuals.

Transparency, liquidity and accessibility are the holy grail of private markets investing—not only to tap into a much wider group of different types of investors keen to allocate, but also to cater to those asset owners seeking more cost efficiency.

Take mass affluent investors, those with assets over USD 500,000. Collectively, this group represents roughly USD 20 trillion in AUM in the U.S. alone but is yet to expand into private markets. Further, standardization can benefit liquidity in the institutional segment, with these investors keen to explore index solutions alongside direct access.

This all aligns with S&P DJI's goals in this space. We want to first create more transparent private markets indices, and then indices that can be the basis of investable products. Maybe different, or new, players need to be involved in this ecosystem, with GPs as the originators of these assets potentially playing a bigger role in making the data they hold more widely available.

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¹ Source: <https://www.ardian.com/news-insights/article/private-market-assets-could-reach-25-trillion-2030>.

2. How are private markets benchmarked today?

To meet demand for private markets access, S&P DJI has been increasingly focused on developing new benchmarks customized to these assets.

For the last few years, for example, we have had a strategic relationship with Cambridge Associates as an exclusive distributor of the firm's benchmark. The objective has been to leverage Cambridge Associates' 50-year track record in providing performance evaluation tools and insights for private investments. This includes sourcing its data directly from private investment fund managers, which contribute their fund financial statements anonymously across strategies and geographies.

Yet while this benchmarking is broader and relatively in-depth across private equity, venture capital, private credit and real assets, confidentiality agreements with GPs limit transparency.

A more recent agreement involving S&P Global, Cambridge Associates and Mercer in September 2025 has moved private markets performance analytics forward. It aims to tackle data fragmentation through aggregated, anonymized insights into global fund performance monitoring, fundraising tracking and deal analytics.

3. What innovations are we seeing in indices that measure private markets?

Despite these initiatives, market participants still need investable products that democratize private market assets. In response, S&P DJI has drawn on its long history of making markets more accessible by taking indexing in this space to the next level.

Most notably, we created the foundation for investable products with the September 2025 launch of the S&P Private Equity 50 Indices, in collaboration with NewVest, the private markets index manager.

A key driver was to accurately measure and represent this emerging asset class. This is a broad, rules-based benchmark representative of institutional private equity portfolios through the S&P Private Equity 50 Indices.

The indices measure the performance of 50 of the largest available private equity funds in each vintage period. In turn, market participants can get an efficient and accessible view into some of the largest funds in North American and European private equity that make performance data available.

We believe the new benchmarks capture broad, high-quality and diversified exposure in an innovative way that is enhancing transparency and scalability.

Put simply, by creating a formal index standard, S&P DJI is bringing greater comparability, and accessibility, via benchmarks for a broader set of investors.

4. How is S&P DJI enabling greater access to private credit?

The private credit landscape might take a little longer to penetrate. Inevitably, the confidential nature of these assets means companies want some level of anonymity or confidentiality.

Availability of data is a key component that needs to be worked on, and this plays to S&P DJI's advantage through S&P Global Market Intelligence, a division of S&P Global and a reliable source of pricing data for fixed income instruments, including loans.

For the time being, some transparency is emerging as Business Development Companies (BDCs) become a bigger part of the growing direct lending ecosystems. With BDCs providing new forms of debt and equity financing to SMEs in recent years, more investors have been able to gain exposure to private credit without sacrificing the oversight and transparency required by regulators in public markets. At the same time, however, since BDCs trade on public exchanges, they can be influenced by broader market fluctuations. As a result, while they offer a gateway into private credit, their performance may still be affected by public equity market dynamics.

Our eventual goal is to have a benchmark that represents the entire private credit market, but we're approaching it piece by piece, starting with direct lending.

Ultimately, private markets are too big and important to remain opaque.

With the potential for these assets to play a more significant role in portfolio construction and risk management, breakthroughs via indices can ensure there is wider access for all types of investors. This should fuel further innovation and usher in a new era for investable products.

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