OLIVER WYMAN
A MARSH BUSINESS

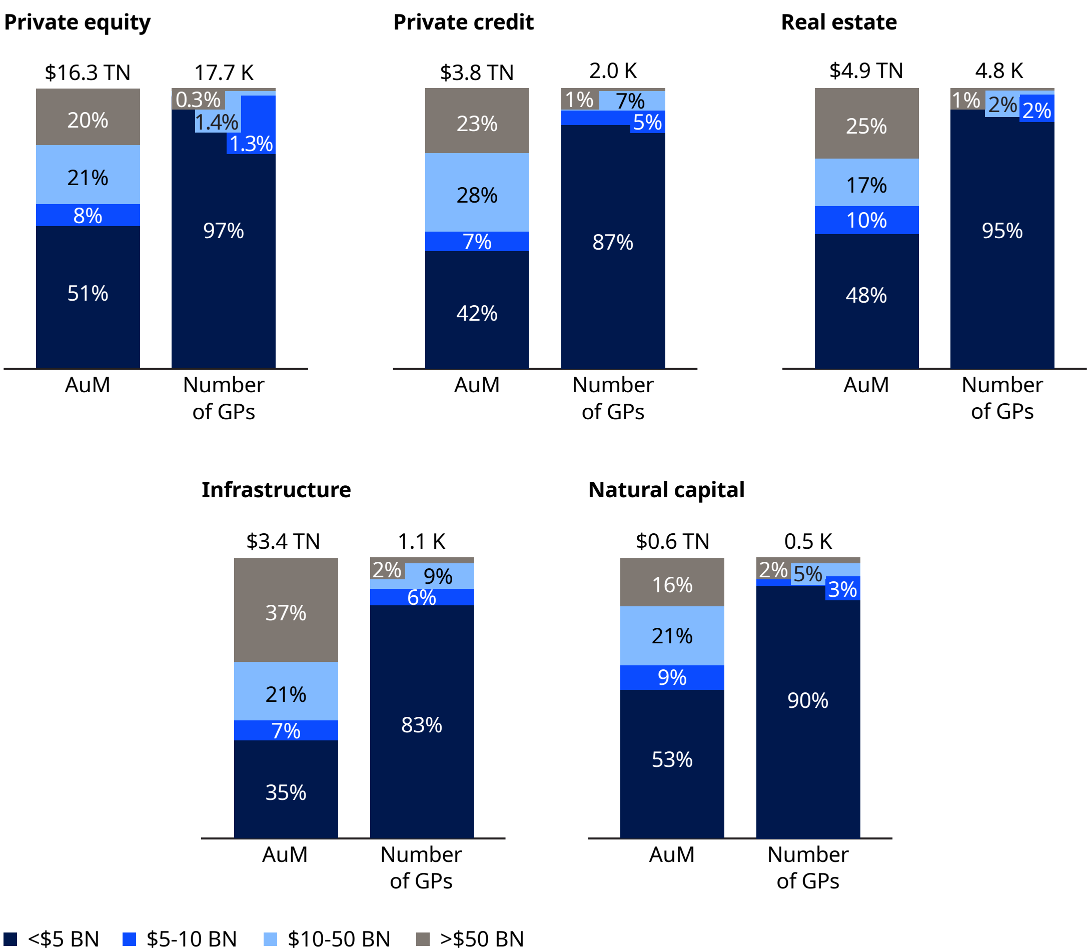
CAPITAL CURRENTS

The race for scale in private markets

Capital Currents is a cross-industry series focused on distilling the key trends in M&A and identifying how management teams can capture value.

Private markets are becoming one of the most active areas for dealmaking across asset management. While traditional asset classes continue to face fee pressure and slower growth, private markets assets under management (AuM) are expected to grow at about 12% per annum over the next five years, compared with about 8% for liquid asset classes, reinforcing the strategic importance of private markets franchises for asset managers.

Exhibit 1: Market remains fragmented: number of General Partners (GPs) by strategy and AuM
2025

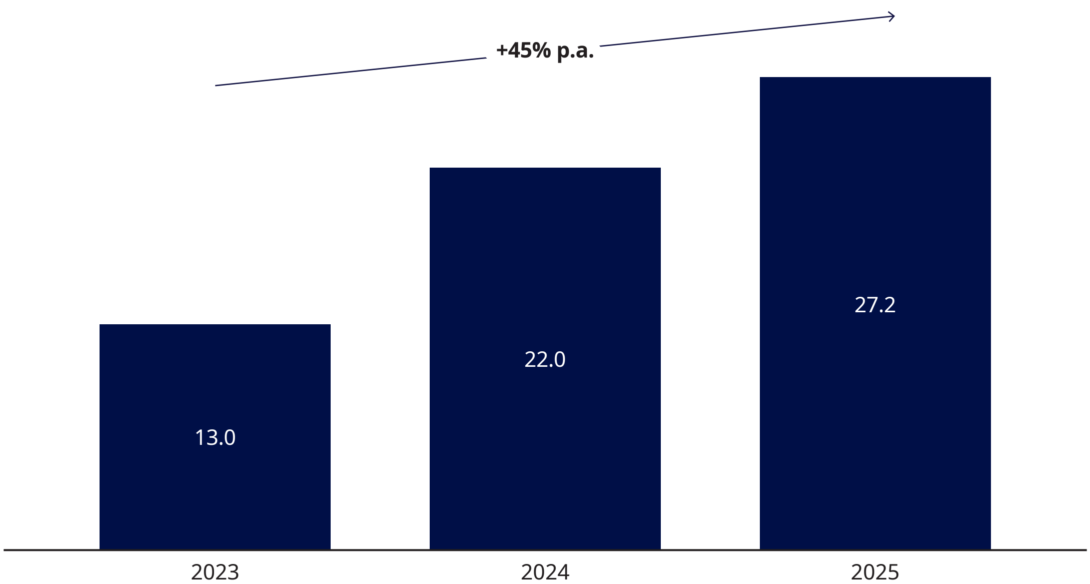


Source: eVestment, Preqin, Oliver Wyman analysis

Against this backdrop, private markets are entering a new phase of consolidation. As scale, multi-asset capabilities, and underwriting sophistication become increasingly decisive, competitive advantages are concentrating among a smaller group of large, integrated platforms. Yet, despite rapid growth, the market remains highly fragmented, with many firms still operating as single-strategy GPs. As asset managers seek to close capability gaps and strengthen fundraising relevance, M&A is emerging as one of the fastest paths to build broader and more resilient private markets franchises. Private markets transaction value grew at over 45% per annum between 2023 and 2025, and we expect this consolidation wave to continue.

Exhibit 2: Private markets M&A transactions value

$ BN, 2023-2025



Source: S&P Capital IQ, Oliver Wyman analysis

Private markets transaction value grew at over 45% per annum between 2023 and 2025, and we expect this consolidation wave to continue.

Why consolidation is accelerating

Competitive advantages in private markets are increasingly concentrating among larger, multi-capability platforms. As scale, product breadth, and underwriting capabilities become more important differentiators, many asset managers are turning to M&A to close capability gaps and strengthen their competitive positioning.

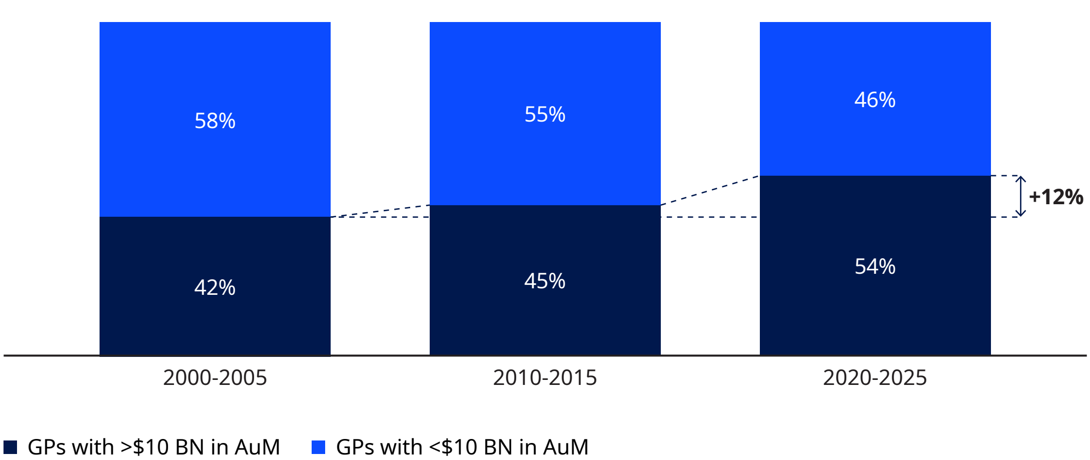
Scale

As fundraising concentrates and competition intensifies, size is shifting from an advantage to a prerequisite, making scale the most immediate catalyst for consolidation. Scaled managers with more than $10 billion in AuM have increased their share of global fundraising from 42% between 2000 and 2005 to over 54% over the last five years, reflecting a market that is rewarding platform depth and institutionalization.

Larger firms benefit from structural sourcing advantages including wider networks, brand-driven proprietary access, and parallel origination across sectors and geographies. They also retain talent more effectively. Scale also enables institutional-grade capabilities across risk, compliance, reporting, data, and portfolio operations; capabilities that increasingly matter to Limited Partners (LPs).

Exhibit 3: Economies of scale: Fundraising concentration at top GPs

% of total capital raised by GPs >$10 BN in AuM



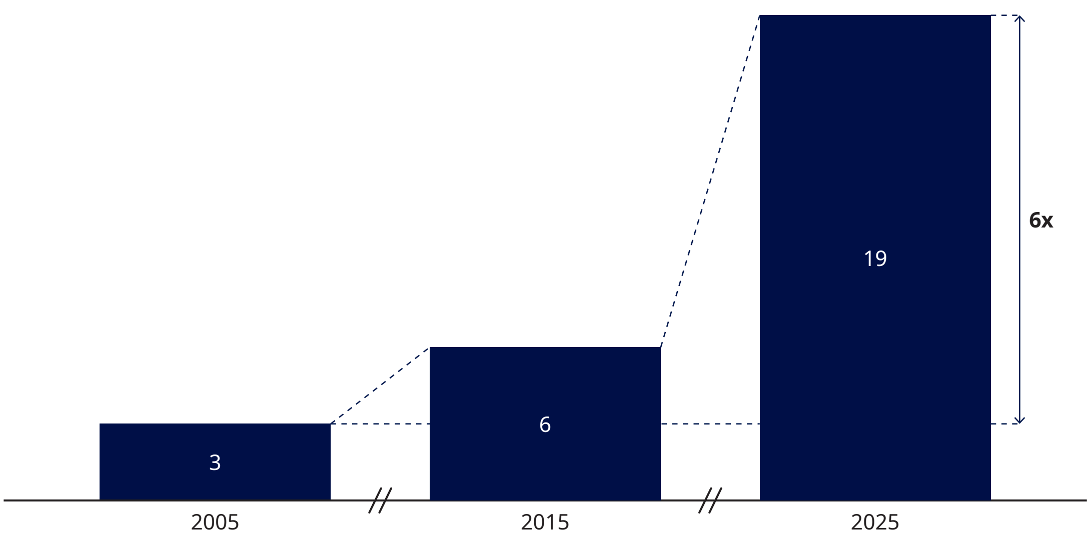
Source: Preqin; Oliver Wyman analysis

Scope

Once GPs reach meaningful size, the ability to offer more strategies, structures, and solutions across private markets becomes critical. Since 2005, the top 20 largest GPs have more than sextupled the average number of active products. They have expanded beyond flagship funds into suites spanning private equity and private debt and extending across the risk-return spectrum, from senior and mezzanine credit to hybrid and structured equity.

These multi-strategy platforms allow managers to meet sponsors and borrowers where needs are most acute, placing the right capital at the right point in the capital structure and shifting underwriting posture as market conditions change. On the LP side, broader product sets support more bespoke, scalable solutions delivered through a single operating and reporting backbone that deepens relationships and increases share of wallet.

Exhibit 4: Economies of scope: GPs building new products to gain market share
Average number of active products offered by 20 largest GPs[1]



1. Active product is defined as strategies with >$100 million of capital where a new fund has been raised in the past five years. Top GPs refers to top 20 largest private market asset managers, by year.

Source: Preqin, Oliver Wyman analysis

Since 2005, the top 20 largest GPs have more than sextupled the average number of active products.

Underwriting

Expanding across strategies only creates durable value if the platform can underwrite consistently through the cycle, particularly when liquidity is tighter and outcomes diverge. Underwriting is therefore returning to the center of LP and lender diligence as credit conditions tighten in pockets of the market and a large refinancing wall approaches over the next two to three years.

In today's more selective environment, performance depends increasingly on entry discipline, downside protection, and testing cash-flow resilience under higher-for-longer rates and slower growth. Rising maturities are also driving more stressed and complex cases where preserving value requires active portfolio management, workout skill, and proven turnaround capability, not just origination speed. We expect a continued rise of structured and hybrid equity solutions that sit at the boundary of private equity and private debt.

Scale, scope, and underwriting capabilities are becoming increasingly central to how asset managers compete in private markets. As firms seek to close capability gaps and build more resilient multi-strategy platforms, M&A is emerging as a key route to accelerate capability expansion and strengthen long-term competitive positioning.

We expect a continued rise of structured and hybrid equity solutions that sit at the boundary of private equity and private debt.

From capability gaps to value creation

As consolidation accelerates across private markets, acquirers are increasingly focused on how strategic combinations can create value. In most transactions, the primary drivers are centered on (1) revenue growth, (2) margin expansion, (3) multiple expansion, (4) GP alpha, a key consideration for GP stakes investors, and (5) LP alpha, a key strategic rationale for asset owners.

1. Revenue growth is often the most immediate and controllable driver of value.
This is particularly true where the acquirer can bring seeding capacity and distribution reach. In practice, this can accelerate three growth pathways:

- Scaling existing strategies
- Launching new products and expanding into adjacent sub-asset classes
- Entering new client segments

Examples include BlackRock/Global Infrastructure Partners, Schroders/Adveq and General Atlantic/Actis.

2. Margin expansion comes from scale and operating leverage.
Transactions can create cost synergies by removing duplicated infrastructure, consolidating vendor spend and spreading fixed costs across a larger asset base. Examples include Brookfield/Oaktree. The most common areas for synergies include:

- Technology platforms and market data
- Fund administration and external vendors
- Finance, compliance, risk and other support functions

3. Multiple expansion often functions as an upside rather than a guaranteed outcome.
It typically materializes when a transaction strengthens the platform narrative through:

- Improving diversification across strategies
- Increasing scale and earnings resilience
- Enhancing distribution breadth

These factors can improve how investors value the platform over time. Past examples of liquid asset managers expanding into the illiquid world through M&A underscore how challenging it can be to translate that strategic promise into sustained valuation uplift.

4. GP-alpha adds a second earnings engine beyond management fees.

It does so by giving the acquirer exposure to carried interest and performance fees. Well-capitalized and institutionalized platforms are often better positioned to:

- Sustain fundraising momentum and support future fund launches
- Increase carry and performance fee potential
- Fund GP commitments, strategic hires, and platform expansion

This GP alpha is a core rationale behind GP stakes strategies pursued by investors such as Blue Owl, Petershill or Wafra.

5. LP-alpha reflects stronger portfolio outcomes for asset owners.

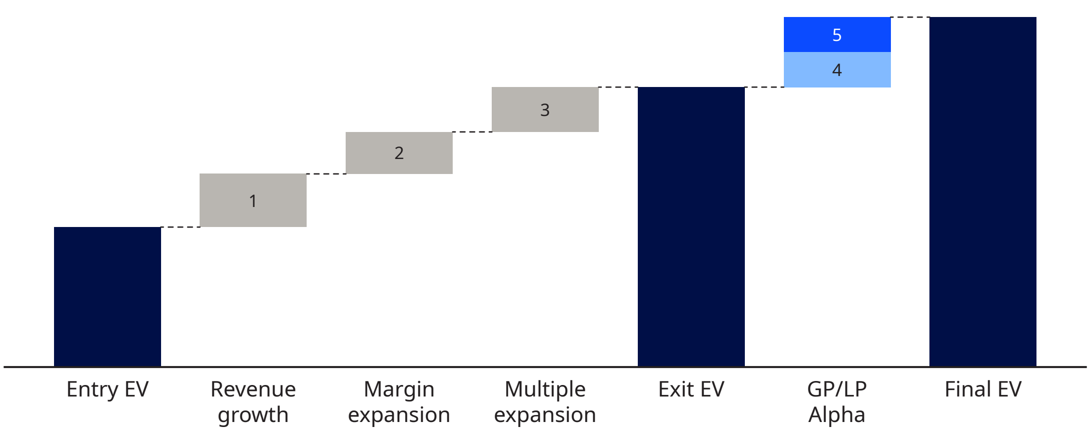
It can be a decisive rationale in asset-owner-led transactions where value is measured as improved portfolio outcomes, not just GP earnings. Examples include insurer-led transactions such as Nuveen/Arcmont, and Generali/Conning and pension-led transactions such as Nest/IFM. Strategic advantages that go beyond direct earnings contribution can include:

- Improved access to oversubscribed opportunities
- More tailored investment structures and mandates
- Better alignment between investments and portfolio needs

Taken together, these value levers explain why strategic combinations in private markets are increasingly focused on building broader, more scalable and more resilient platforms.

Exhibit 5: Value creation drivers

Illustrative analysis



1 revenue growth **2** margin expansion **3** multiple expansion **4** GP-alpha **5** LP-alpha

Source: Oliver Wyman analysis

How to execute M&A successfully in private markets

M&A in asset management is inherently hard to execute well. Only around half of transactions deliver a measurable improvement in cost-income ratio (CIR). Given these odds, management teams should approach M&A as an end-to-end program, anchored in strategic clarity and rigorous partner fit from day one.

Define the strategic rationale and align the story. Start with a clear “why now” and “why us” grounded in a small set of value levers including distribution, capabilities, operating leverage, and resilience through the cycle. Build two fully aligned narratives. The first one should be a concise, data-led, decision-ready case for management that includes value at stake, risks and required investment. The second should be a collaborative, value-proposition-led market narrative to engage targets that includes strategic logic, what success looks like for both parties, and principles for governance and integration. Ensure the transaction structure is aligned with your long-term plan.

Run a structured target screening. Map the actionable universe with transparent criteria and a prioritization logic that reflects both strategy and feasibility. Assess each target’s motivations and transaction readiness and diagnose why previous approaches may have stalled or never started. Include both conventional screens and outside-the-box options such as lift-outs and strategic minority stakes.

Execute deep diligence beyond legal and tax. Test three areas in depth: commercial attractiveness, investment-engine durability, and talent and culture. Commercial diligence should cover positioning, market demand, fundraising momentum, and pipeline. Investment diligence should assess track-record attribution, repeatability, risk management, and scalability. Talent diligence should focus on key-person risk, incentives and carry economics, leadership depth, and decision rights.

Plan the end game early. Pressure-test operating model scenarios; quantify realistic synergies with timing, cost-to-achieve, and dependencies; and translate the preferred option into a validated organization and operating model, avoiding integration by assumption.

Ultimately, the success of M&A in private markets depends on whether firms can expand capabilities and scale platforms while protecting the investment engine that underpins long-term fundraising and performance.

Oliver Wyman, a Marsh (NYSE: MRSH) business, is a management consulting firm driven by deep industry insight, bold innovation, and a collaborative approach that cuts through complexity to help organizations navigate their most defining transformative moments. Marsh is a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries. With annual revenue of $27 billion and more than 95,000 colleagues, Marsh helps build the confidence to thrive through the power of perspective.

For more information, visit oliverwyman.com, or follow us on LinkedIn and X.

Americas	Europe	Asia Pacific	India, Middle East & Africa
+1 212 541 8100	+44 20 7333 8333	+65 6510 9700	+971 (0) 4 425 7000

AUTHORS

Kamil Kaczmarski, CFA
Partner,
European Head of Asset Management
kamil.kaczmarski@oliverwyman.com

Adam Khadra
Principal,
Insurance and Asset Management
adam.khadra@oliverwyman.com

MARKET LEADS

Ronan O'Kelly
Head of M&A, Europe
ronan.okelly@oliverwyman.com

Magnus Burkl
Germany & Austria
magnus.burkl@oliverwyman.com

Andrew Wiseman
Nordics
andrew.wiseman@oliverwyman.com

Claudio Trocellan
Southern Europe
claudio.torcellan@oliverwyman.com

Kai Truempler
Switzerland
kai.truempler@oliverwyman.com

Elie Farah
France & Belgium
elie.farah@oliverwyman.com

David Gillespie
UK & Ireland
david.gillespie@oliverwyman.com

Simon Pelletier
Australia
simon.pelletier@oliverwyman.com

Hiten Patel
Private Equity, Europe
hiten.patel@oliverwyman.com

Joao Rodrigues
Wealth Management,
Germany & Austria
joaomiguel.rodrigues@oliverwyman.com

Copyright 2026 Oliver Wyman

All rights reserved. This report may not be reproduced or redistributed, in whole or in part, without the written permission of Oliver Wyman and Oliver Wyman accepts no liability whatsoever for the actions of third parties in this respect.

The information and opinions in this report were prepared by Oliver Wyman. This report is not investment advice and should not be relied on for such advice or as a substitute for consultation with professional accountants, tax, legal or financial advisors. Oliver Wyman has made every effort to use reliable, up-to-date and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied. Oliver Wyman disclaims any responsibility to update the information or conclusions in this report. Oliver Wyman accepts no liability for any loss arising from any action taken or refrained from as a result of information contained in this report or any reports or sources of information referred to herein, or for any consequential, special or similar damages even if advised of the possibility of such damages. The report is not an offer to buy or sell securities or a solicitation of an offer to buy or sell securities. This report may not be sold without the written consent of Oliver Wyman.