

Emerging Trends in Alternative Assets

October 23, 2025



Trends are sourced from the CEM Global Investment Database which includes over 300 Institutional Investors.



Fund Types

- DB & DC funds; Buffer funds; Sovereign Wealth Funds; Foundations, Endowments; Social Security Funds; Other asset owners



Fund Size

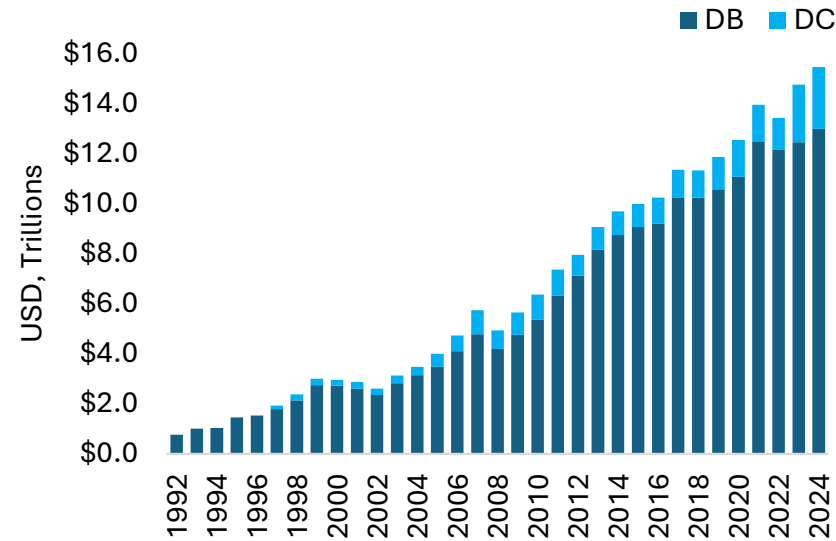
- Range – \$1.5T to \$270 million USD with a median size of \$9.3 billion



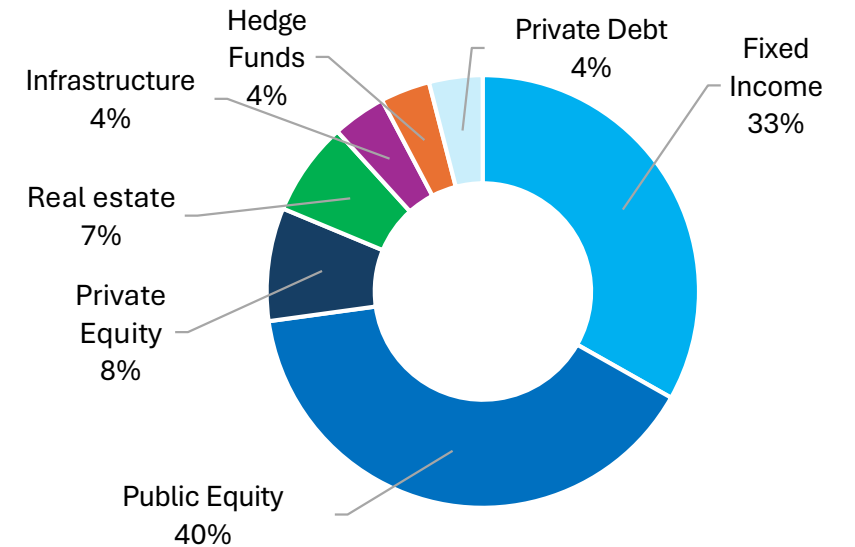
Geography

- Funds from 20+ countries

Participating AUM, 1992-2024



CEM Investment Database Average Asset Mix (2024)

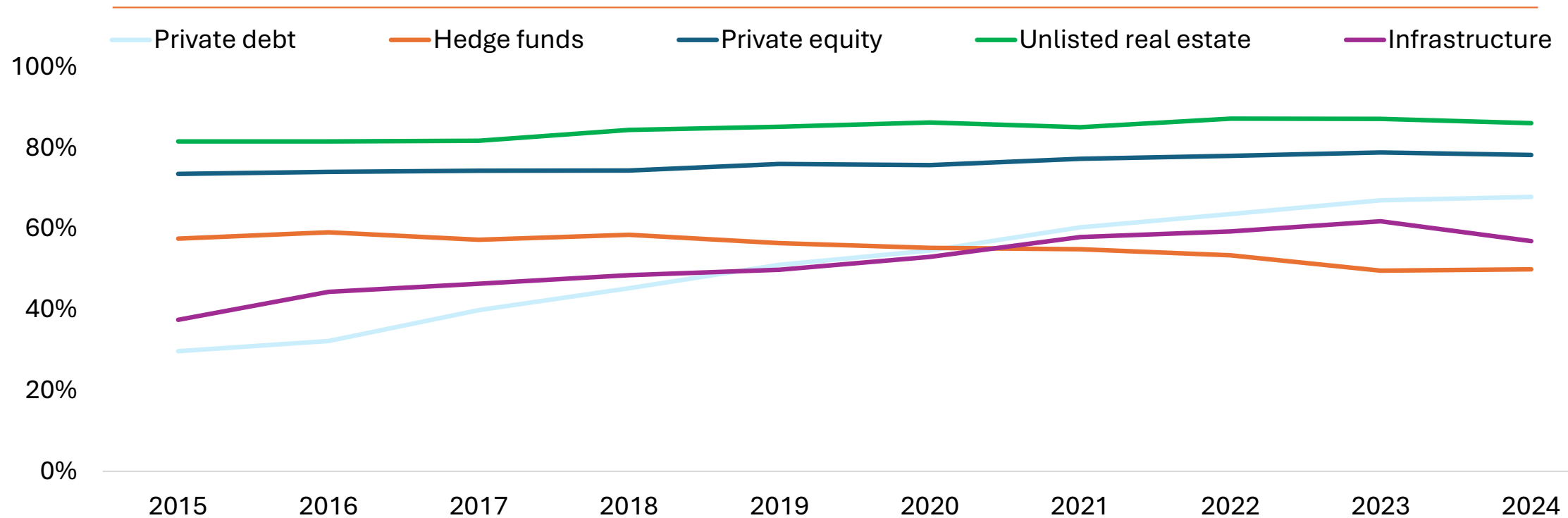


Most clients have provided data to us on an uninterrupted basis



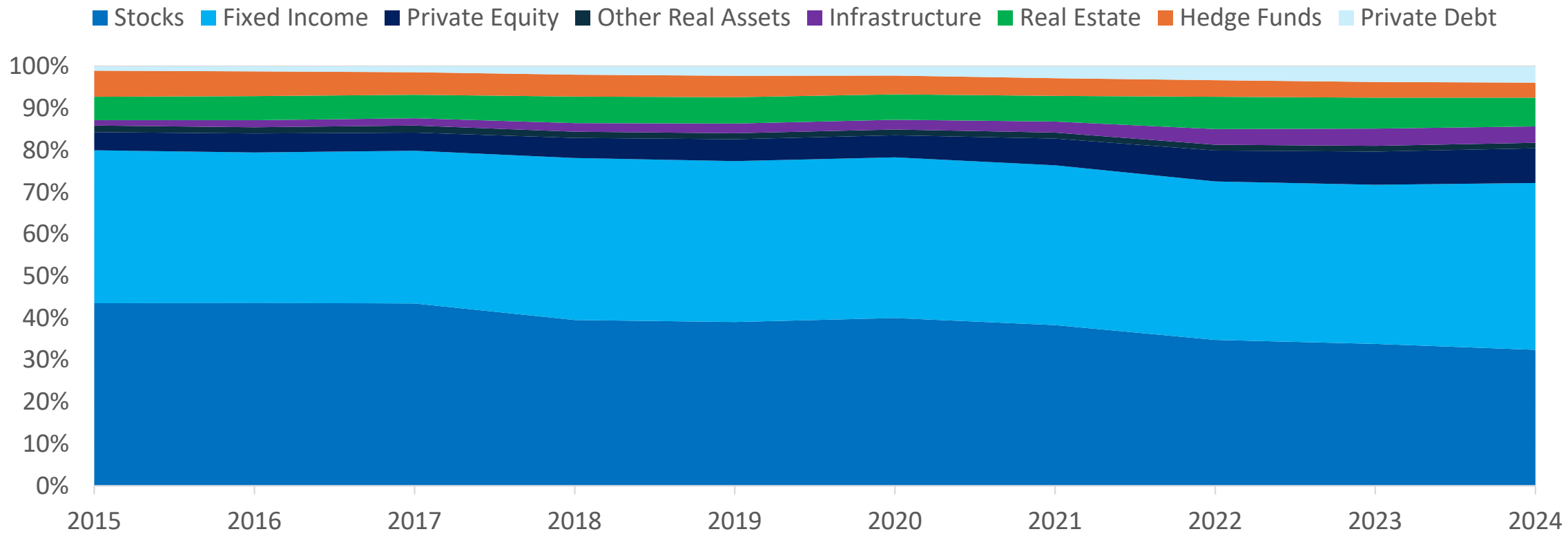
Most funds include private market assets in their asset allocation. The proportion of funds holding private debt has doubled over the past 10 years.

Proportion of plans in CEM's database that report a dedicated portfolio



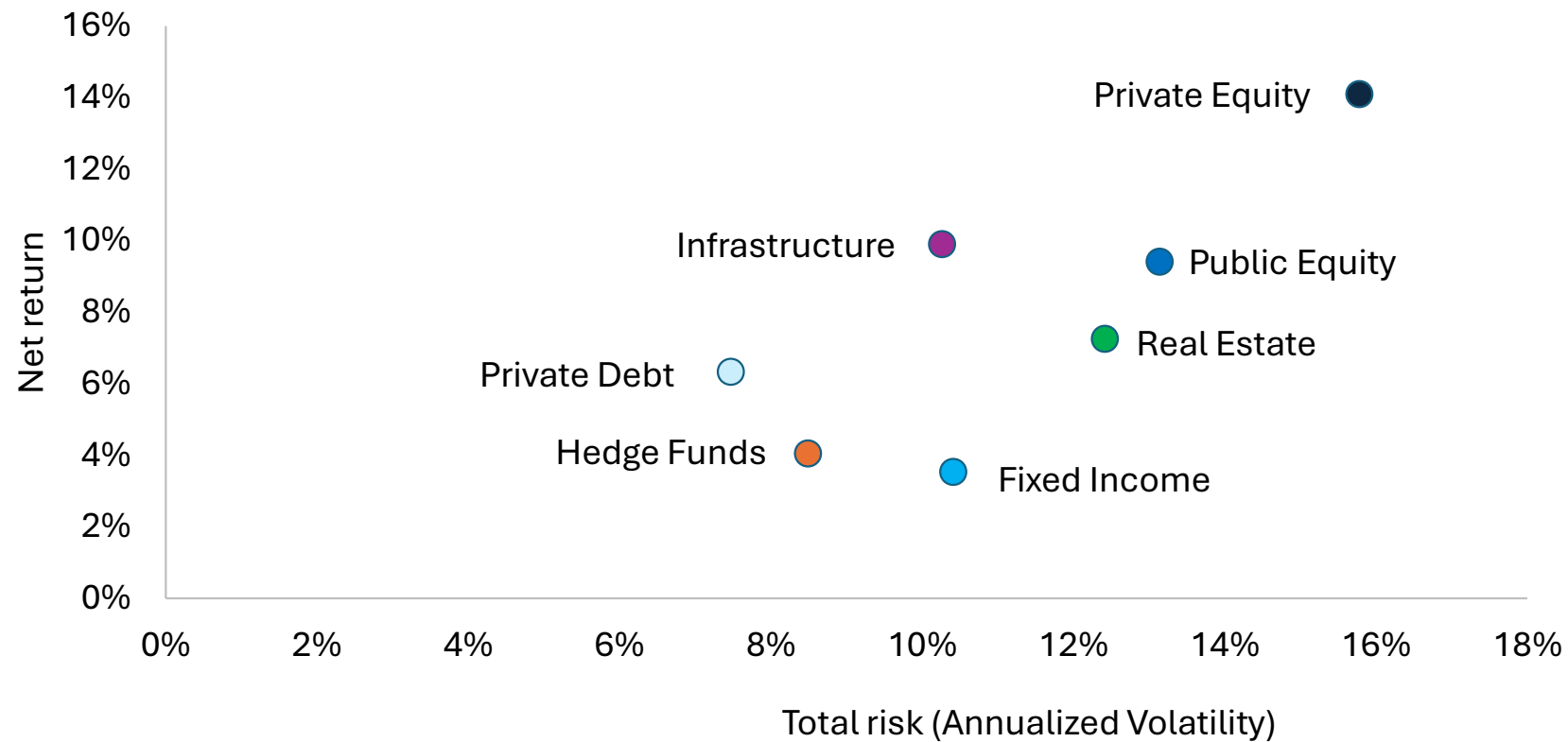
Allocations to private market assets and Hedge Funds have increased from 20% to 28% of AUM over the past 10-years.

10-year asset allocation trend



10-year performance vs. risk for major assets classes:

Net return vs Total risk by asset class

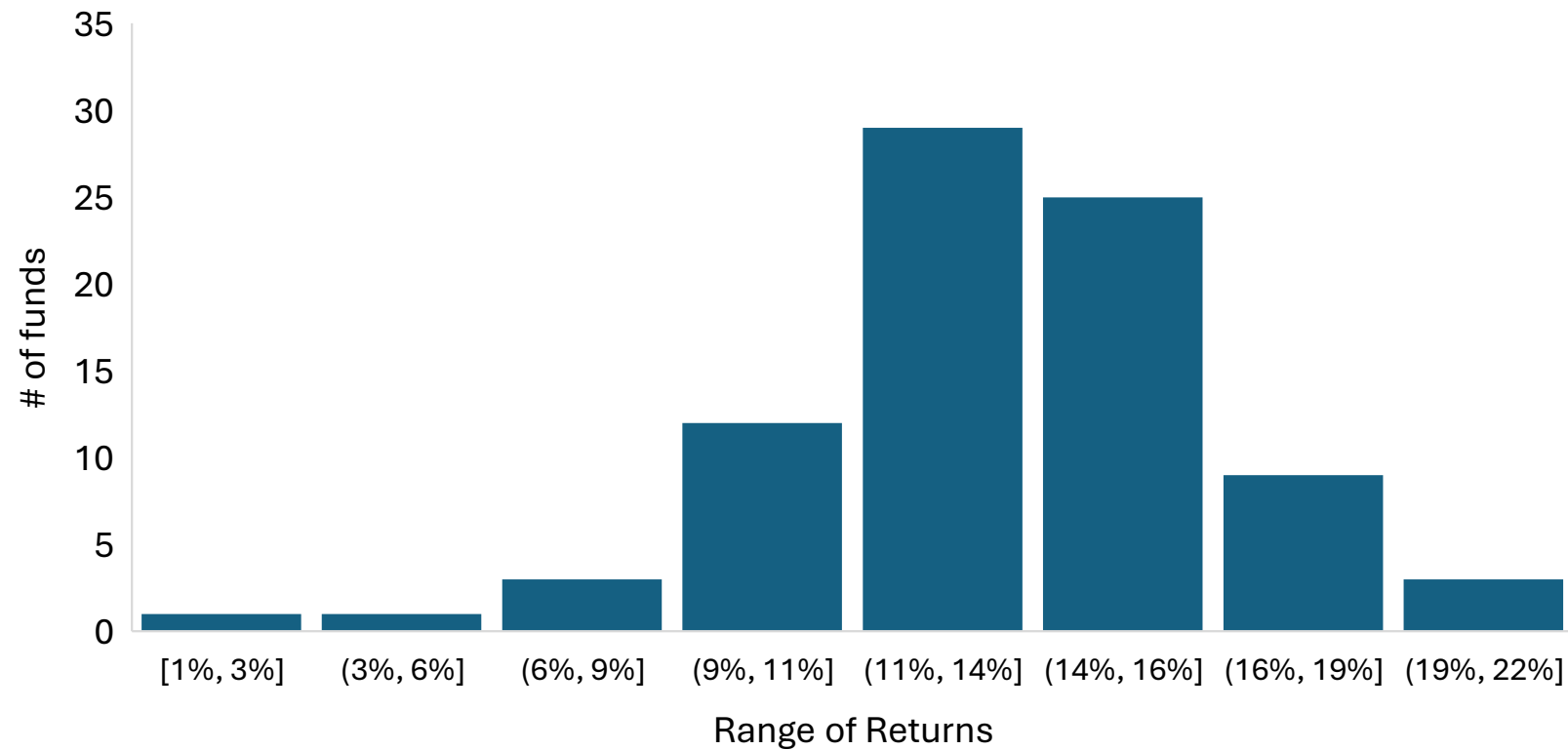


This analysis uses average annual returns of each asset class over 10 years, rather than average 10-year compound returns realized by investors. Realized compound returns would be somewhat lower due to the impact of volatility, with the impact being larger for the more volatile asset classes.



Results in private market asset classes vary widely.

Histogram of 10-year private equity portfolio returns from the CEM database



- A major reason for return differences across funds is the use of higher (E.g., Fund of Funds) or lower (E.g., Co-Inv.) cost implementation structures
- There are several examples of global funds adopting cost-efficient collaborative implementation approaches with external managers and other funds: E.g., IFM, GLIL Infrastructure, Vasakronan.



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