

Doubling Down on Private Markets

How Institutional Portfolios Changed Between 2021 and 2026

Between 1Q21 and 1Q26, average allocations to Private Equity and Venture Capital within the OCIO Analytics Endowment & Foundation universe increased from 5.8% to 11.2%.

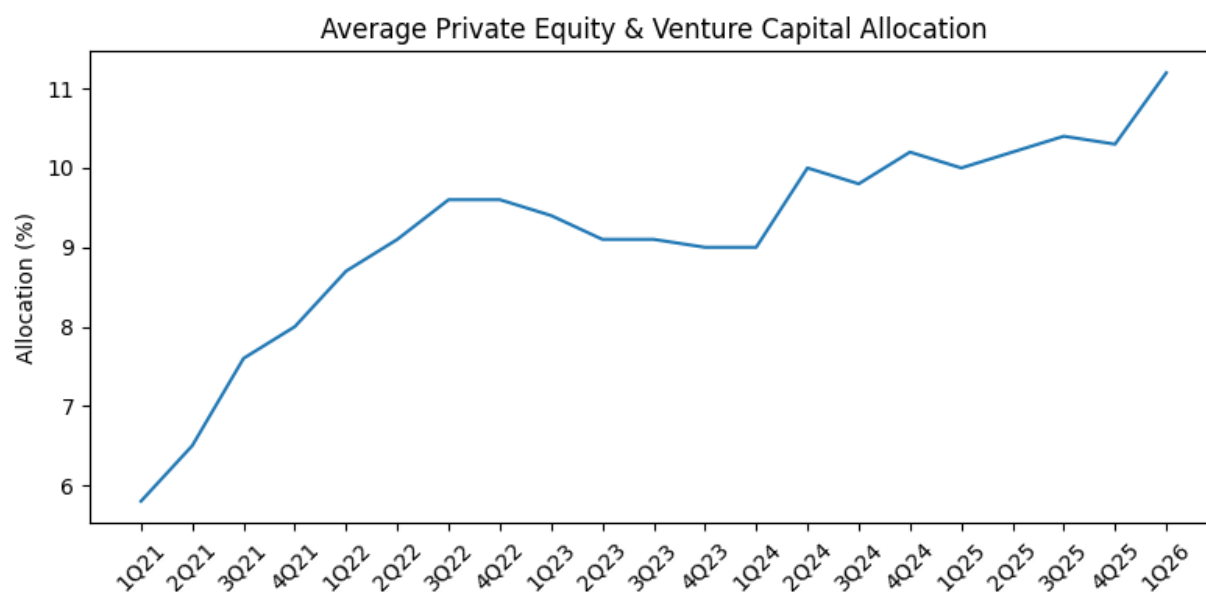
Source: OCIO Analytics / Endowments & Foundations Universe

The increase occurred across every institution size segment, from portfolios under \$100 million to those exceeding \$500 million. Over just five years, average exposure nearly doubled.

Private markets are no longer a niche allocation. They have become an increasingly important component of institutional portfolio construction.

The Numbers

To better understand this trend, we examined Endowment & Foundation portfolios within the OCIO Analytics database from 1Q21 through 1Q26.



The results show a meaningful increase in exposure to Private Equity and Venture Capital across the entire OCIO-managed universe.

Institution Size	1Q21 PE/VC	1Q26 PE/VC	Change
\$0-\$100M	4.6%	9.5%	+4.9%
\$100M-\$250M	5.4%	9.3%	+3.9%
\$250M-\$500M	7.6%	12.7%	+5.1%
\$500M+	14.2%	20.1%	+5.9%
All Institutions	5.8%	11.2%	+5.4%

One of the most striking findings is that the increase was not driven solely by the largest institutions. Every size segment increased allocations by approximately four to six percentage points over the period. The trend was remarkably consistent regardless of institution size.

Institutions under \$100 million more than doubled their exposure. Institutions between \$250 million and \$500 million increased allocations by more than five percentage points. Even institutions that already maintained meaningful private market exposure continued to increase allocations.

The result is clear: Private Equity and Venture Capital now occupy a significantly larger role in institutional portfolios than they did just five years ago.

Reality Check

The increase from 5.8% to 11.2% likely understates the magnitude of the shift.

Unlike public market allocations, private market exposure cannot be increased overnight. Institutions first approve policy changes, make commitments to private market funds, and then wait for capital to be called and invested over time. In many cases, reported allocations lag investment decisions by several years.

A portfolio reporting an 11% allocation to Private Equity and Venture Capital in 2026 may have made many of the underlying commitment decisions in 2022, 2023, or earlier. Viewed through that lens, the data are not simply measuring current portfolio construction. They are measuring the cumulative effect of years of institutional decision-making.

In other words, the industry's move toward private markets may be further advanced than current allocation data alone suggests.

The New Institutional Portfolio

Five years ago, a portfolio with a 15% or 20% allocation to Private Equity and Venture Capital was often associated with larger, more sophisticated institutions. Today, those allocations are increasingly common across the institutional landscape.

This does not mean institutions are becoming identical. Significant differences remain. Institutions with more than \$500 million in assets continue to maintain approximately double the Private Equity and Venture Capital exposure of institutions under \$100 million. The gap remains meaningful.

What has changed is the starting point. Private markets are no longer viewed as a specialized allocation reserved for a small group of elite investors. They have become an increasingly mainstream component of institutional portfolio construction.

More Than an Asset Allocation Decision

The growth of private markets represents more than a shift in asset allocation. It reflects a broader evolution in how institutional portfolios are built.

As allocations increase, institutions face a new set of decisions. Manager selection, commitment pacing, vintage year diversification, liquidity planning, and portfolio construction become increasingly important drivers of outcomes. Two institutions may each maintain a 15% allocation to Private Equity and Venture Capital and experience dramatically different results based on how those allocations are implemented.

Private markets are no longer simply an allocation decision. They represent a long-term organizational commitment. Institutions increasing allocations today are making decisions that will influence portfolio structure, liquidity, and governance for years to come.

The allocation itself is only the starting point.

Looking Ahead

Whether the growth of private markets ultimately improves long-term performance remains a question that can only be answered over much longer periods of time.

What is already clear, however, is that institutional portfolios look different today than they did five years ago. Private Equity and Venture Capital allocations increased across every size segment of the OCIO Analytics Endowment & Foundation universe. What was once viewed as an alternative allocation has become an increasingly mainstream component of portfolio construction.

The rise of private markets is no longer confined to the largest institutions.

It is a story about the changing structure of institutional portfolios themselves.