Silicon Valley Bank
A Division of First Citizens Bank

Trends Impacting
Private Markets

Global Fund Banking Outlook Report

H1 2025

Introduction

Facing macro headwinds while managing what's under your control

As we reflect on the past year, our industry continues to navigate a landscape shaped by global economic uncertainties, shifting market dynamics and rapidly changing trade policies. While headwinds persist, private funds CFOs and COOs are finding ways to adapt, positioning themselves for long-term success in an ever-changing landscape.

This edition of our report delves into the details of how clients like you are working through the challenges brought on by the current environment, specifically in the realm of fundraising. Most **funds CFOs and COOs expect the difficult fundraising environment to continue through the year,** citing a prolonged weak exit market, continued macroeconomic headwinds and fierce competition for limited partner (LP) dollars. Still, there are signs of green shoots in the LP space especially, with high net worth individuals (HNWs) starting to appear in higher numbers in recent fundraises. International LPs, meanwhile, are increasingly looking to US funds in search of stability in a less certain world.

This report also dives into two hot topics. The first considers the evolution of firms as they raise subsequent funds. With several large LPs reopening to small and emerging managers, data on fund size and LP composition may be helpful for firms as they manage their growth. The second is a **deep-dive on tax topics** as a follow-up to our recent SVB Tax Summits in Boston and San Francisco. These **survey findings range from tax team composition and operations to expectations for the year ahead.** We hope they provide clarity on how your peers in both private equity (PE) and venture capital (VC) firms are tackling some of today's toughest challenges.

As you read through the report, we invite you to engage with us on any questions or comments you may have about the findings. We are ever grateful for your partnership and remain committed over the very long term to the relationships with you and your firms, as well as the private markets in general.

Jesse Hurley
Head of Global Fund Banking

Contents

svb Silicon Valley Bank
A Division of First Citizens Bank

VOICES FROM THE **COMMUNITY**

ADVICE FROM SVB'S NETWORK

Q: When is the right time to establish a dedicated tax team?

A: It's when bills start to pile up because you're contacting your external tax firm every day ... It's when the tax work becomes inefficient.

Sean Carlson
Head of Tax, Lightspeed Venture Partners

Page 16

Macro

A Cautious Outlook for 2025

Macro PE Dashboard

Recovering returns signal stronger investment performance for private equity (PE) and venture capital (VC) firms.

Fundraising

US-based funds, by vintage ($B)[1]

	2023	2024	
PE: Buyout	$192	$64	↓ 67%
PE: Growth	$19	$37	↑ 97%
VC	$59	$49	↓ 17%
Private debt	$79	$13	↓ 84%

Investment

Investment by US-based funds ($B)[2]

	2023	2024	
PE: Buyout	$313	$333	↑ 7%
PE: Growth	$55	$86	↑ 57%
VC	$147	$199	↑ 36%

Performance

Rolling one-year horizon IRRs[3]

	Dec. '23	Jun. '24	
PE: Buyout	9.5%	10.8%	↑ 1.3 pts.
PE: Growth	3.5%	7.5%	↑ 4.0 pts.
VC	-5.3%	-4.9%	↑ 0.4 pts.
Private debt	7.4%	8.0%	↑ 0.6 pts.

Exits

Deal value of PE/VC-backed exits ($B)[4]

	2023	2024	
IPOs	$46	$47	↑ 1%
M&A	$243	$266	↑ 9%
Buyout	$198	$150	↓ 24%

svb Silicon Valley Bank
A Division of First Citizens Bank

Notes: 1) Based on vintage years, US-HQ'd funds. Data as of March 8, 2025. 2) VC includes early- and late-stage VC. Data as of March 4, 2025. 3) Internal rate of return. As of March 4, 2025. Global data. 4) Exits by companies backed by US investors. IPOs include secondary offerings and reverse mergers. Buyout includes secondary buyouts. As of March 4, 2025.

Sources: Preqin, PitchBook Data, Inc. and SVB analysis.

Markets in Less Charted Territory

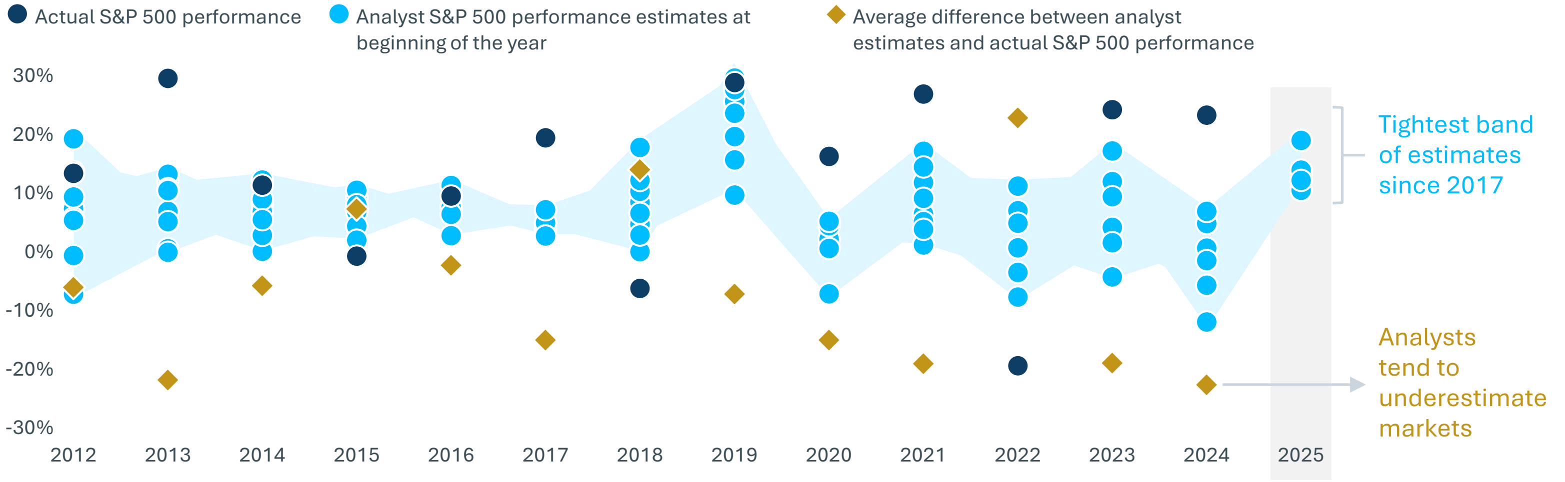
Where will the market go in 2025? Likely not where most investors expect.

History tells us that while economists and equity strategists may be smart, they aren't always the best forecasters. On average, prominent analysts have missed their S&P 500 targets by double digits ~60% of the time since 2012. Heading into 2025, the variation among estimates is the tightest it's been since 2017. Even more uncommon, analyst estimates are overwhelmingly positive, with the lowest expecting a 12% return this year and the highest expecting a 19% return. Where the market ends in 2025 is anyone's guess, but it's likely not where forecasters expect. Market sentiment has already rapidly reversed in Q1, leading to high volatility and sell-offs.

This year in many ways is uncharted territory for the market. Since 1928, there have been only five instances where the market delivered back-to-back 20%+ performance years — all of them before the turn of the century. Given that history, while the market could still deliver positive performance this year, the forecast for stellar returns seem increasingly unlikely. **Instead, volatility and uncertainty seem more likely due to policy changes, worries over elevated interest rates and valuations and a weaker economic outlook.**

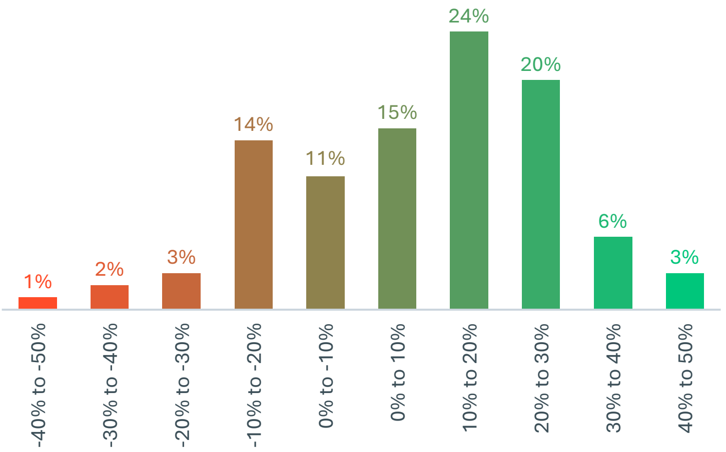
What To Expect? Historically Not What the Experts Predict

S&P 500 end-of-year price target estimates from top banks and final year S&P 500 return[1]



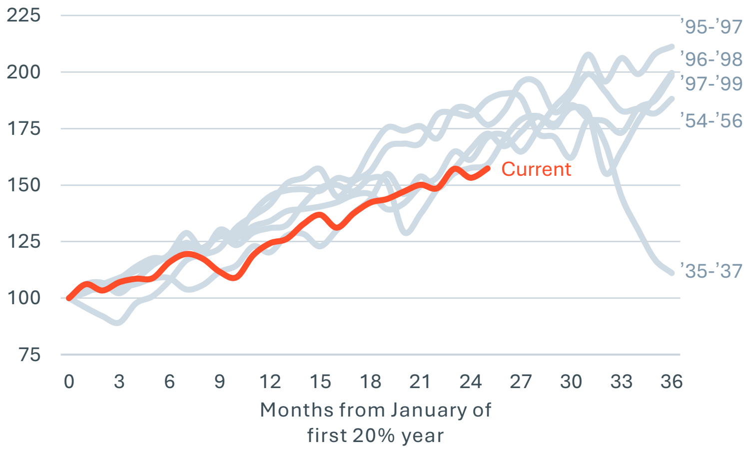
Most Returns Are Low Double Digits

Share of annual S&P 500 returns by performance buckets[2]



Trajectory of Past Back-to-Back 20%+ Years

S&P 500 performance of previous back-to-back 20% years by month, indexed to 100



Notes: 1) S&P 500 price return. Analyst estimates as of previous year, where applicable. 2) Includes data from 1928 to 2024.
Source: Business Insider, Barron's, TheStreet, Yahoo Finance, CNBC, Reuters, Financial Times, Forbes, Street Insider, sell side company reports, S&P Capital IQ and SVB analysis.

Silicon Valley Bank
A Division of First Citizens Bank

What Goes Up Might Stay Up?

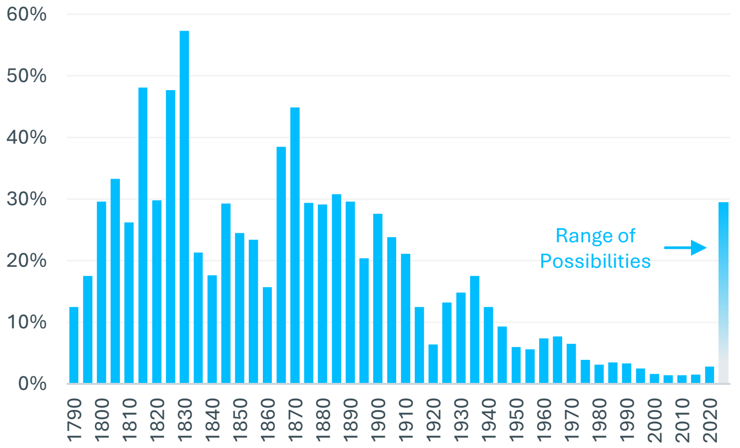
Regulation and inflation may lead the Fed to hesitate on further rate cuts as the Trump administration continues to pursue inflationary tariffs. The range of tariff possibilities remains wide amid continued negotiations and fluid details. **PE is likely more insulated than the broader economy, given a majority of its industry exposure is concentrated in tech** (~43% of NAV), where value creation is derived from innovation and intellectual property compared to more import-reliant industries.[1] Nevertheless, tariffs could trigger widespread macroeconomic headwinds and materially contribute to inflation.

Higher inflation generally means higher interest rates, which in turn has implications for private investors in the form of higher borrowing costs and an LP base less interested in risky assets. The Fed has celebrated inflation falling from its peaks, but has also acknowledged that it remains stubborn. Tariffs may only make things worse. In fact, a recent study by the Boston Fed estimates that **current tariff scenarios could contribute upward of 2% to PCE.**[2,3] While inflation may be more modest today, it has outpaced the Fed target as well as incomes. This trend has been particularly notable for the Common Man CPI,[4,5] which attempts to isolate the items that the average person buys regularly, such as food, energy, shelter, clothing, etc. The Fed must now enter a new phase of its balancing act, as it **weighs the continued fight against inflation with emerging concerns about the health of the economy.**

svb Silicon Valley Bank
A Division of First Citizens Bank

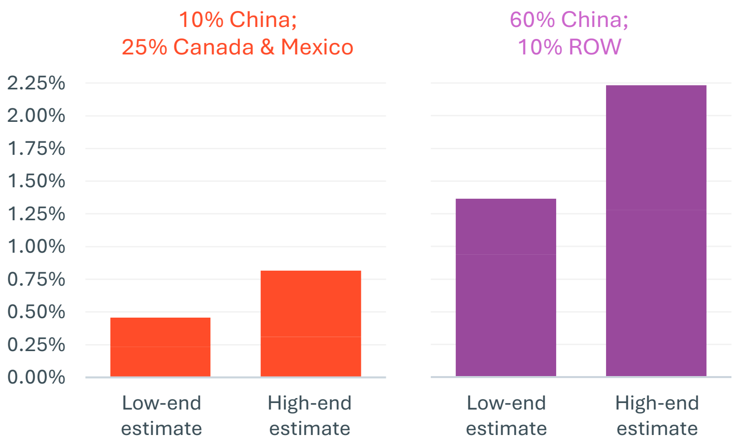
Tariffs Could Be Highest in Modern History

US weighted average effective tariff rate



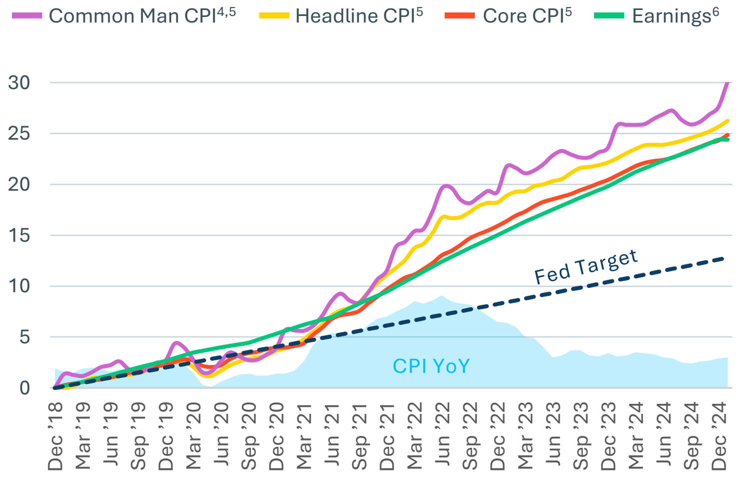
Fed Model Sees Tariffs Increasing Inflation

Contribution to PCE inflation under proposed tariff scenarios[2,3]



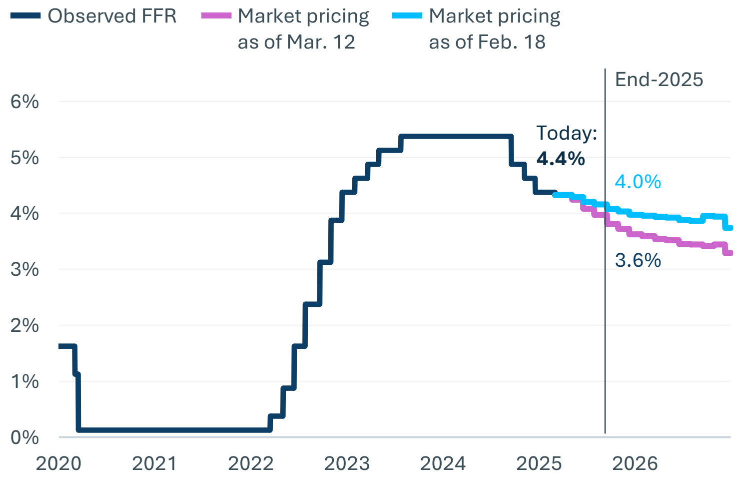
No Signs of Slowing for Inflation

Changes in various inflation indicators since 2019



Economic Fears Lower Rate Expectations

Federal funds rate (FFR) and market-implied path



Notes: 1) Exposure data according to Neuberger Berman. 2) Based on a model by the Boston Federal Reserve. High- and low-end estimates reflect different assumptions in the model. 3) Personal consumption expenditures. 4) Created by Strategas. 5) Consumer price index. 6) The Employment Cost Index (ECI) measures the change in the hourly labor cost to employers over time. Seasonally adjusted, private sector only.

Source: Bloomberg, Strategas, Boston Federal Reserve, Ludwig Institute for Share Economic Prosperity, Yale Budget Lab and SVB analysis.

Private Market Trends

Six Areas to Watch in 2025

Silicon Valley Bank
A Division of First Citizens Bank

Fundraising Outlook: Cautious but Divided

Despite hopes for a rebound, fundraising conditions remain largely unchanged from 2024 to 2025. According to the fifth iteration of SVB's ongoing survey of fundraising trends, **sentiment has stayed constant, reflecting a persistently difficult environment.** Fund managers cite three key challenges: a prolonged weak exit market, continued macroeconomic headwinds and heightened competition for LP dollars.

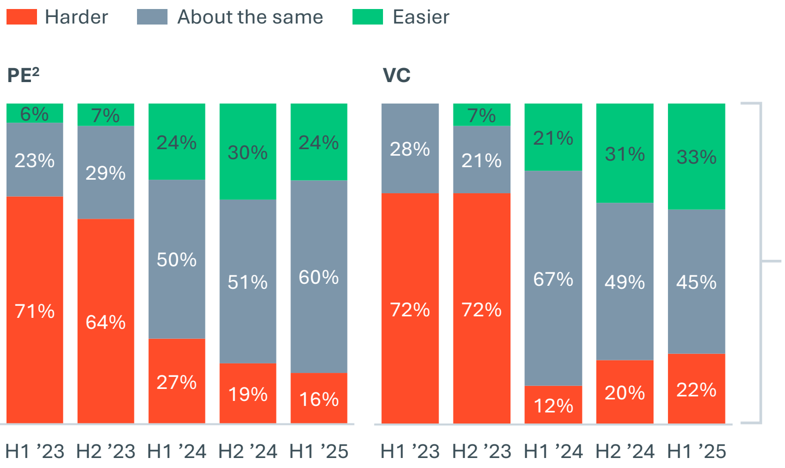
While the overall outlook remains cautious, roughly three-in-ten managers report a more optimistic fundraising outlook. These firms attribute their optimism to sustained LP interest in private markets and strong track records from prior funds. Interestingly, many of these optimistic respondents also cite macroeconomic conditions, a direct contrast to those who see the environment as a headwind. This split in perception underscores a **divergence among fund managers — while some view the macro backdrop as improving, others see persistent challenges.**

Regardless of sentiment, the reality is that fundraising remains significantly more challenging than during peak years. Fund managers continue to have to source more LPs than pre-peak, and fund sizes have started to tick down. With many funds struggling to raise capital, **market consolidation may be on the horizon,** with stronger managers acquiring their less fortunate peers.

Silicon Valley Bank
A Division of First Citizens Bank

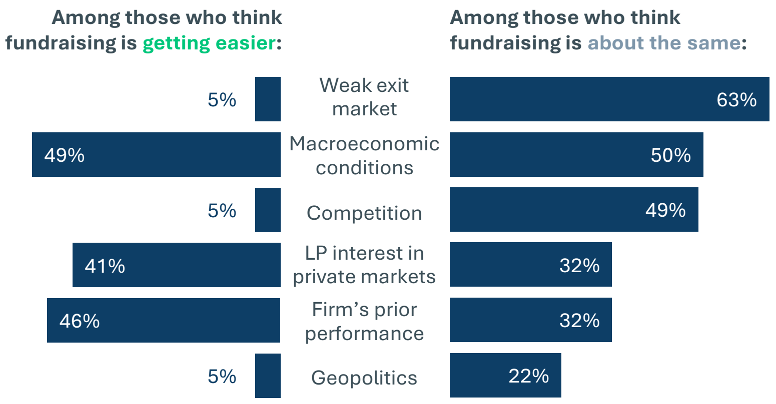
A Similar Fundraising Outlook for 2025

Q: How do you view the fundraising environment going forward?[1]



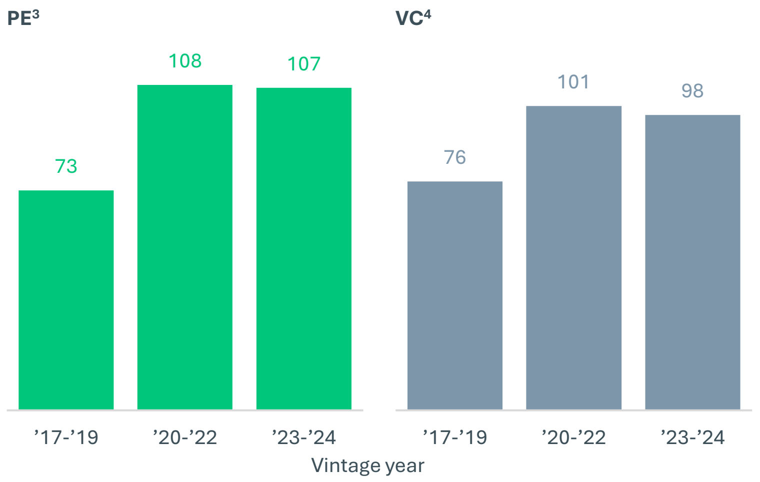
Exit Markets Continue to Weight Heavily

Q: What factors are contributing to this fundraising view?[2]



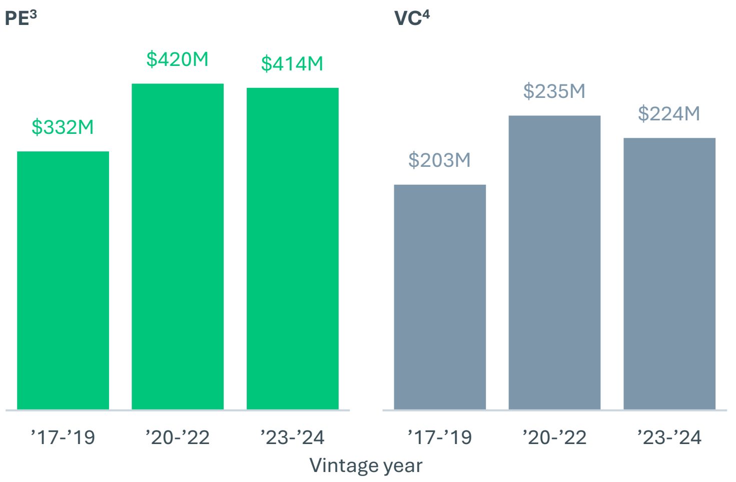
Fund Managers Still Look for More LPs

Average number of LPs per fund, by vintage year group



Fund Sizes Tick Down

Median fund sizes, by vintage year group



Notes: 1) Among those who had an opinion. 2) The sample size of those believing the fundraising environment is getting harder is too small to break out that category. 3) PE includes growth and buyout funds in this analysis. 4) Because VCs in our sample must have a capital call line of credit, they may be larger and more mature than the general population of VC funds.

Source: SVB proprietary data and SVB analysis.

What Do LPs Want?

As market conditions evolve, LP preferences have followed suit. After the surge in early-stage VC allocations during peak fundraising years, investors pulled back, favoring more stable asset classes like buyouts — an enduring cornerstone of institutional portfolios. By 2024, however, sentiment had shifted again, with 71% of LPs expressing renewed interest in early-stage VC. **With valuations resetting, many see this as a prime opportunity to reenter the early-stage VC space.** Private credit, while still a relatively small allocation in most portfolios, also continues to gain traction.

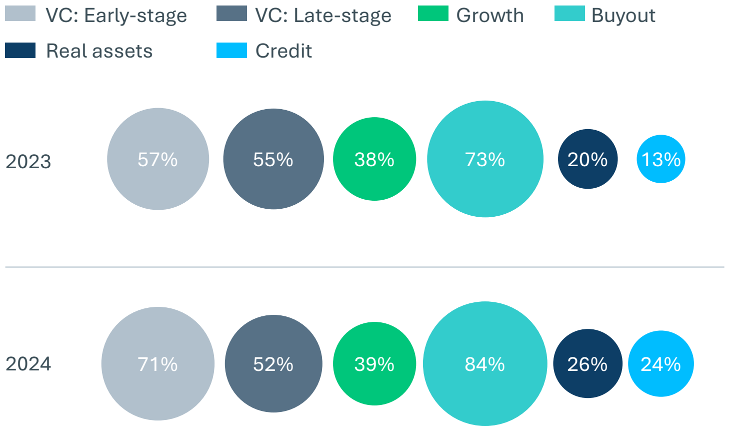
Though LP preferences are largely consistent across investor types, subtle differences remain. Investment firms lean more heavily toward more stable assets like real estate and credit funds, while foundations and endowments show a greater appetite for higher-risk VC investments.

Another notable shift is the **slow but growing return to emerging managers (EMs).** Following a period of retrenchment, institutions like CalPERS and Texas Teachers have recently renewed their focus on smaller managers.[3] There could be an opening for smaller managers or EMs in the coming year, as nearly 90% of LPs expect to deny a re-up to at least one existing manager within the next 12 months.[2] For those seeking capital, though, a strong track record remains the single most important factor for success — a key challenge for general partners (GPs) just getting started.

svb Silicon Valley Bank
A Division of First Citizens Bank

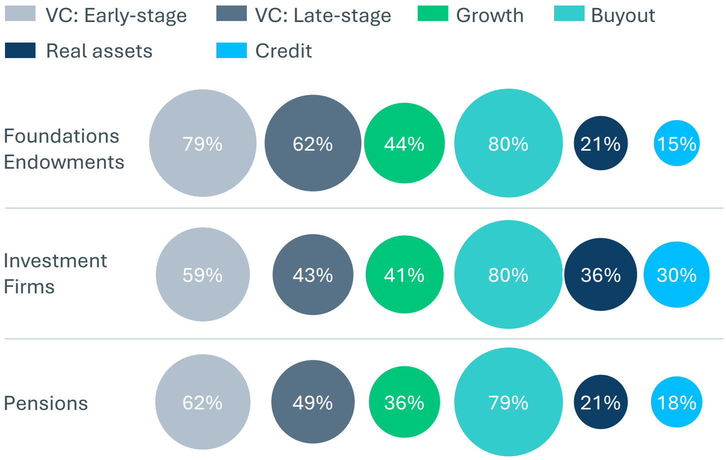
LPs Return to Early-Stage VC and Buyout

Percentage of LPs interested in new manager commitments, by asset class



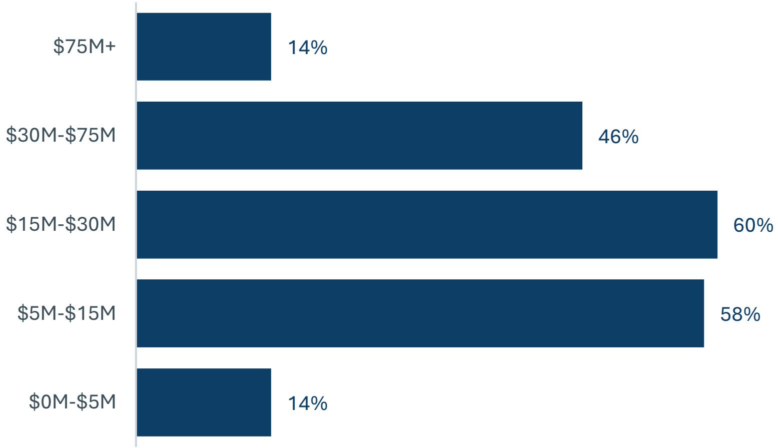
Fund Preferences Differ by LP Type

Percentage of LPs across entity types interested in new manager commitments, by asset class[1]



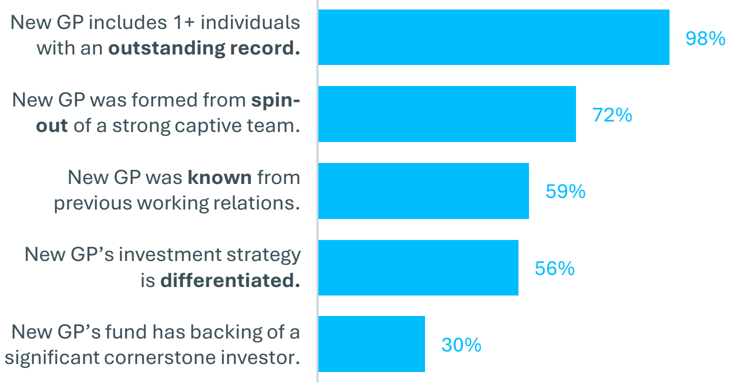
Many LPs Target $5M-$30M Commitments

Percentage of LPs targeting each commitment amount[1]



Track Record Is Critical, Especially for EMs

External Survey: If you are able to invest in debut funds from newly formed GPs, which of the following factors are important and influential factors in your investment decision?[2]



Notes: 1) Based on data gathered from LPs between January 2023 and January 2025. 2) Based on the Coller Capital survey from winter 2024-2025. 3) According to reporting by Private Equity International (PEI).

Source: Coller Capital's 41st Edition Global Private Capital Barometer Winter 2024-2025, Kirk Falconer's "Meeting in the Middle" from PEI's February 2025 report, SVB proprietary data and SVB analysis.

Where Fundraising Dollars Come From

In every fundraising cycle, a new wave of LPs enters private markets — a mix of family offices, funds of funds, foundations and others. A notable shift has been the ebb and flow of HNWs.

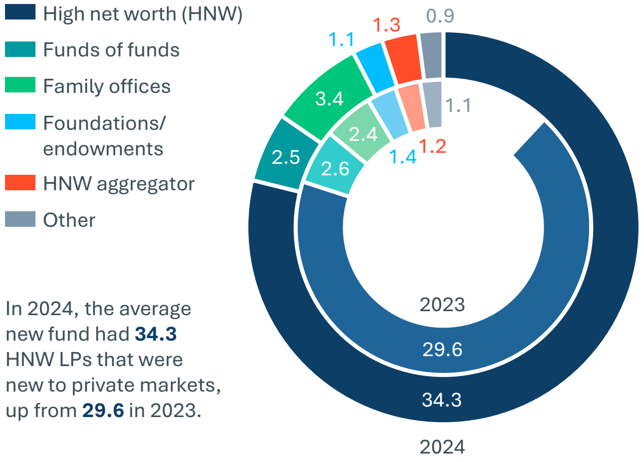
Many HNW investors suffered from the valuation reset following the peak times in 2020-2021, leading to a decline in enthusiasm for the asset class. By 2023, their representation in funds had dropped more than 10 points, from 57% to 44% (by LP count). But in 2024, participation began to climb back up, and the number of new HNWs investing in the industry rose. **While HNWs generally represent a small portion of the total committed capital for a fund, they are large in number and are growing.** HNW portfolio allocations to PE/VC remain relatively modest compared to institutional investors. Because of this, **fund managers view HNWs — and increasingly, retail investors — as a promising growth area** for fundraising and diversification of the LP base.

At the same time, funds are looking abroad more for new sources of capital. While Western Europe continues to be the dominant source of international capital for US funds, there has been notable expansion in the Middle East, particularly among American VCs. US firms such General Catalyst and Campbell Lutyens are even establishing offices in Gulf financial hubs like the UAE to court investor relationships.[6]

Silicon Valley Bank
A Division of First Citizens Bank

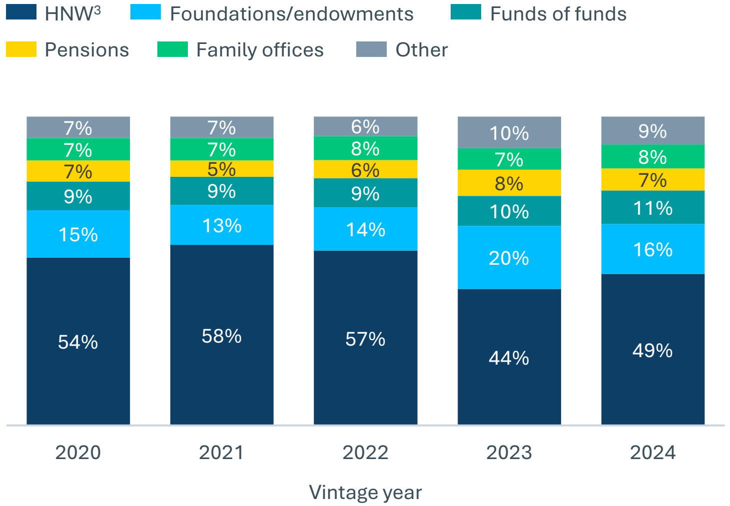
Funds Increasingly Target HNWs

Count of LPs new to private markets per fund raised[1]



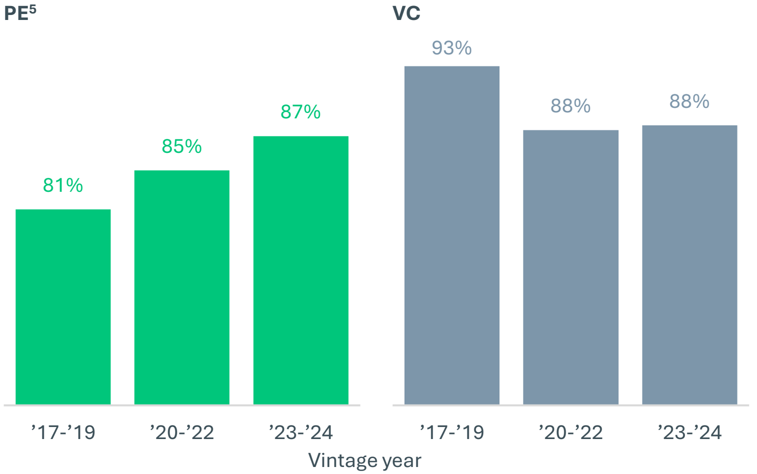
HNWs Start to Come Back to Private Funds

Percentage of LPs in private funds, by count of LPs[2]



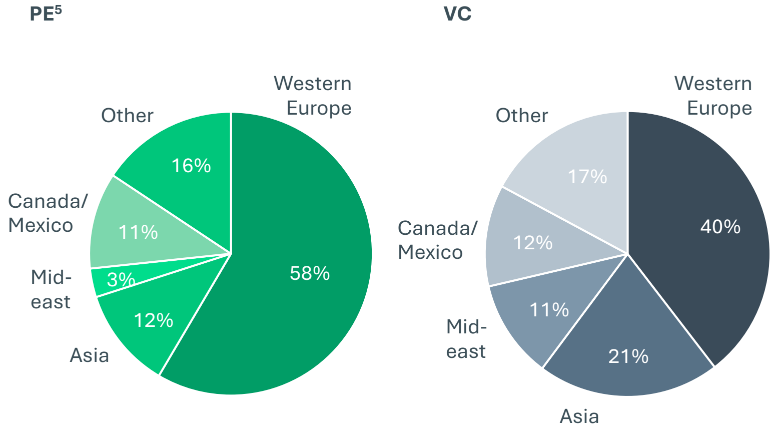
Foreign LP Interest in US PE on the Rise

Percentage of US funds with at least one foreign LP



Asian, Middle Eastern LPs Focus More on VC

Percentage of foreign LPs in US funds by region of origin, excluding US-based LPs[4]



Notes: 1) Count of net new LPs added to SVB's database, divided by the count of net new funds added to the database. 2) Percentage by count of LPs in each fund. 3) Includes aggregators. 4) Vintages 2023-2024. Percentages by LP count. 5) PE includes growth and buyout funds in this analysis. 6) According to industry reports.

Source: SVB proprietary data and SVB analysis.

Evolution From First Fund to Institution

The evolution of a PE/VC fund manager is defined by its ability to **raise successive funds, grow in size and attract a more sophisticated LP base.** While the path is not always linear, clear patterns emerge when analyzing fund growth and investor composition over time.

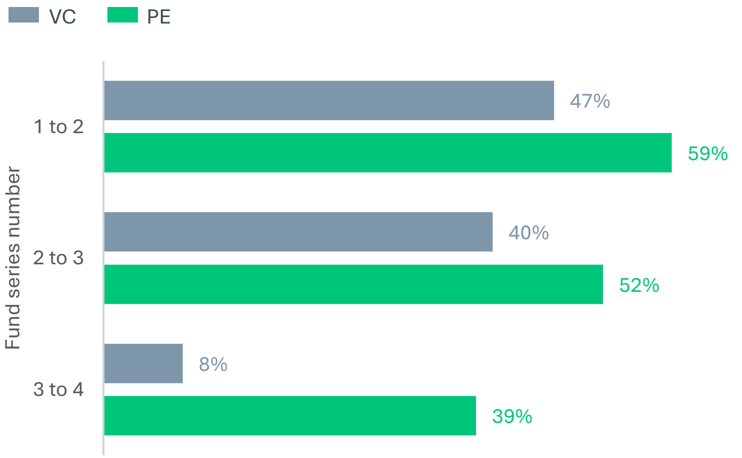
The largest jump in fund size typically occurs between the first and second fund, reflecting the firm's initial proof of concept and early successes. VC follows a similar pattern to PE but at a somewhat slower pace. This could reflect a bifurcation in strategy among VCs — while some choose to scale aggressively, others remain boutique investors, staying focused on niche areas. PE firms, meanwhile, often scale more naturally, as their investment strategies allow for bigger deals from ever-larger funds.

As fund managers raise successive funds, they bring in more LPs, but again, PE funds experience more dramatic expansion. Rather than LP count, however, **the defining characteristic of a firm's institutionalization is the increasing share of institutional LPs over time.** Early funds rely heavily on personal networks and scrappy fundraising. This is where HNWs play a crucial role as early backers of a fund manager. In later funds, however, a firm has built a track record and attracts institutional LPs, such as pensions, endowments and funds of funds. Ultimately, the evolution of a firm is about more than just raising capital — it's about creating a lasting institution.

Silicon Valley Bank
A Division of First Citizens Bank

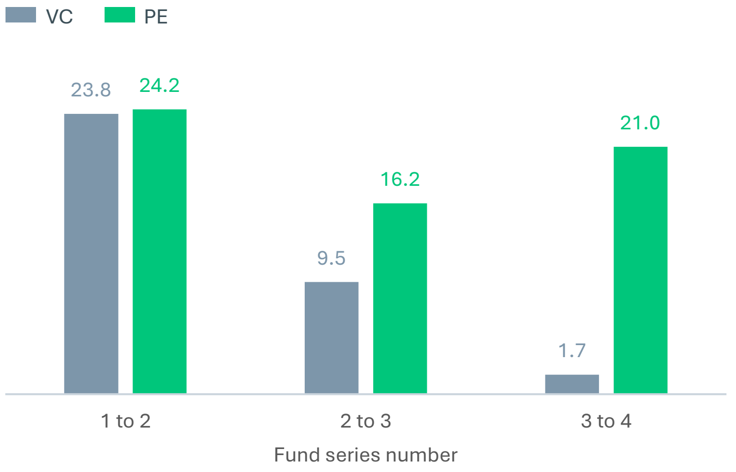
Biggest Jumps in Fund Size from Fund 1 to 2

Average growth in fund size from previous fund[1]



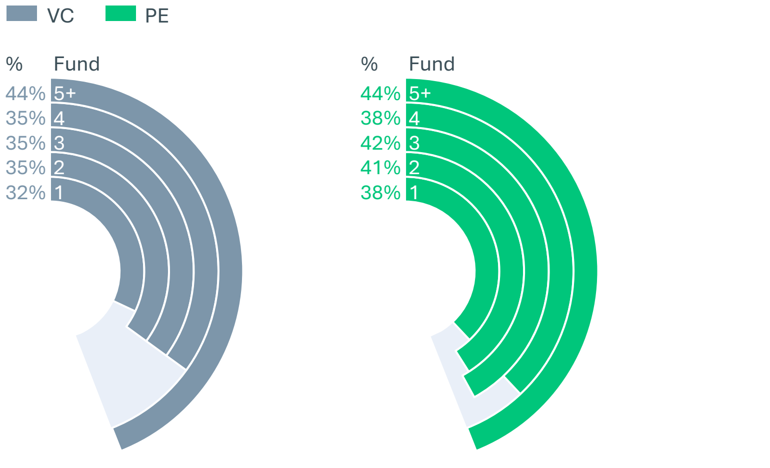
PE Funds Acquire More LPs Than VC Funds

Average increase in the number of LPs per fund from previous fund[1]



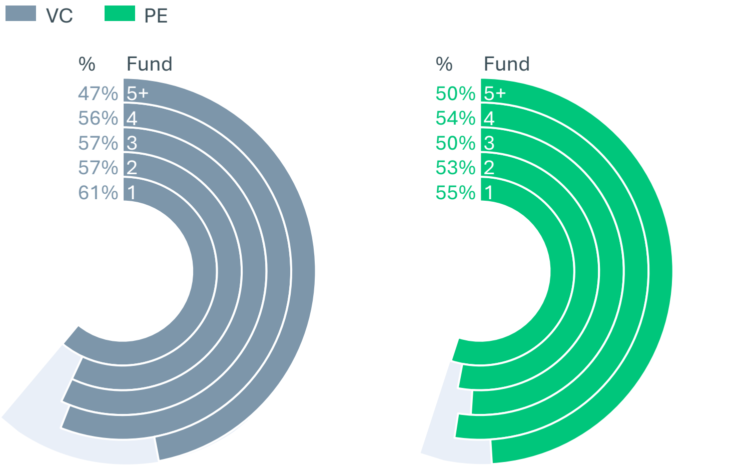
LP Base Gets More Institutional Over Time

Average percentage of institutional LPs in each fund, by fund series[2]



Number of HNW LPs Decreases Over Time

Average percentage of a fund's LPs that are HNW, by fund series[2]



Notes: 1) Among funds within the same fund family. Data winsorized at the 5th and 95th percentiles. Funds with an active capital call line of credit are included in this analysis. 2) Among all funds in the data set with an associated fund series number. Funds with an active capital call line of credit are included in this analysis.

Source: SVB proprietary data and SVB analysis.

The Pulse of Capital Call Lines

Following the significant market correction, capital call lines of credit **(CCLOCs) seem to have found their footing.** Despite some volatility in the index, levels of buyout, growth and late-stage VC CCLOCs ended 2024 about where they began.

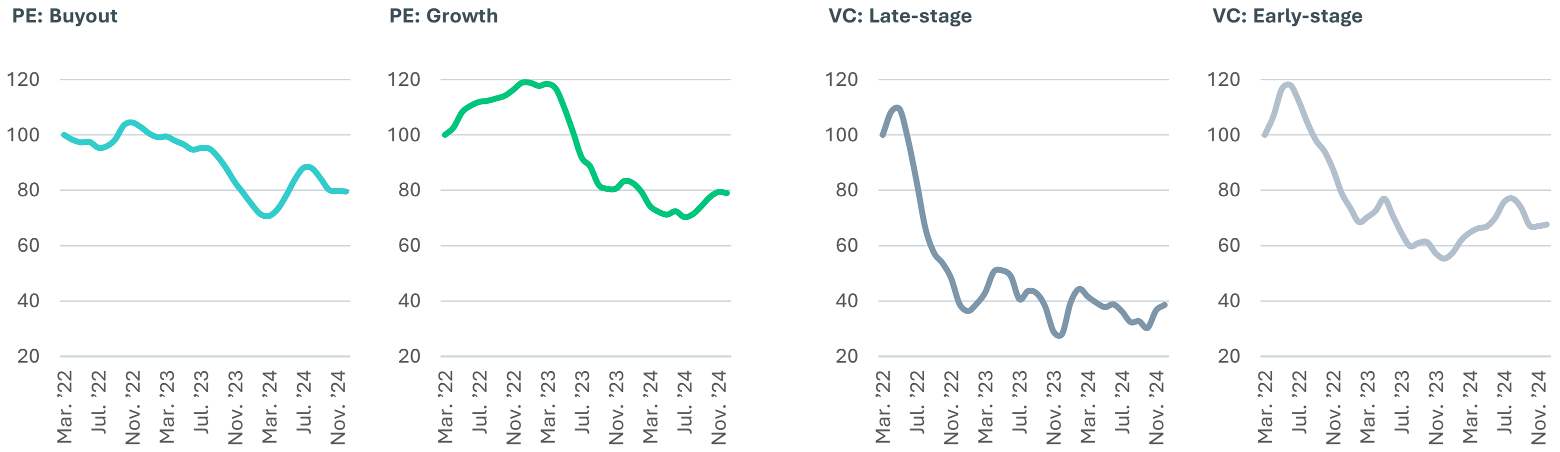
At the same time, a rise in direct capital calls from funds to LPs could be a promising leading indicator of a stronger year ahead. Compared to Q4 2023, Q4 2024 saw 22% more funds calling capital and 38% more total capital being called. However, fund managers have also been somewhat less enthusiastic about keeping large balances outstanding on their CCLOCs for long periods of time because of the higher interest rate environment. Calling more capital directly from LPs could reflect a strategy to mitigate these higher interest costs.

Still, for many managers, **the IRR benefit of these lines could continue to outweigh their interest rate cost.** Using a sample of cash flows from more than 700 buyout funds, our model showed that a typical fund that pays off its CCLOC at the end of the year stands to gain 2.5 points on its IRR compared to a fund that doesn't use a CCLOC. When the interest rate increases from 6% to 8%, that IRR boost decreases by just 0.4 points. For this reason, CCLOCs continue to be a popular way to streamline fund operations, reduce administrative burdens and provide immediate liquidity for timely investments.

svb Silicon Valley Bank
A Division of First Citizens Bank

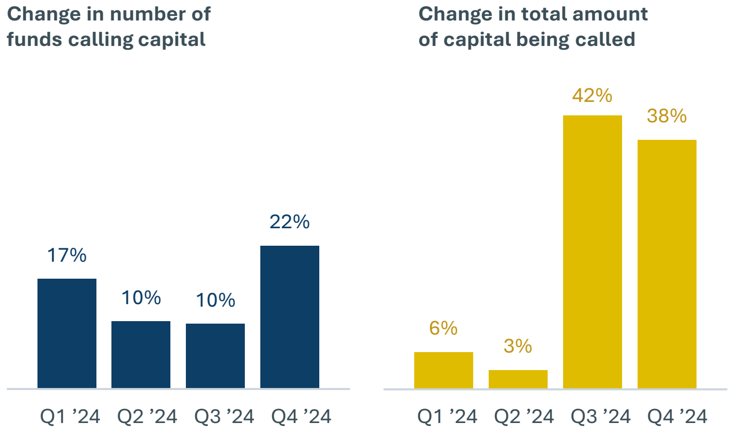
Market-Level Activity Subscription Line Index

Sum of all fund-level capital call line balances, three-month moving average, indexed[1]



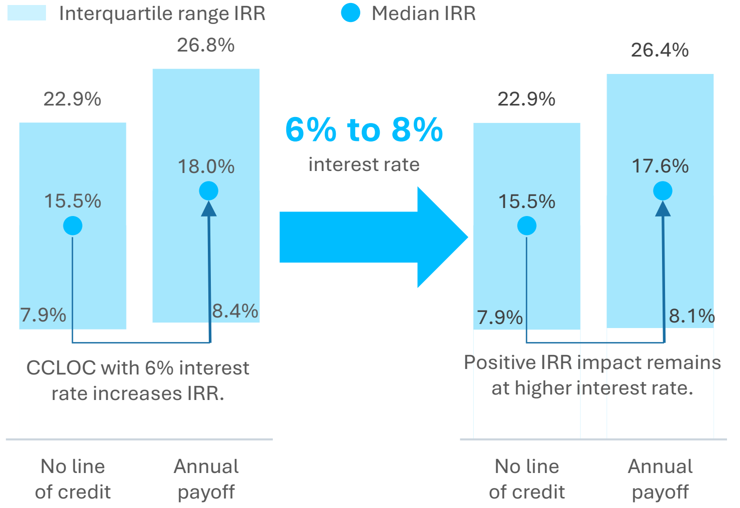
More Funds Are Calling More Capital

Change in number of funds calling capital from their LPs and the total amount of capital called from LPs compared to Q4 2023[2]



CCLOC Brings Benefits, Including IRR Boost

Buyout fund IRR ranges under various CCLOC interest rates[3]



Notes: 1) Usage rates are indexed based on a three-month rolling average of the average monthly balances on CCLOCs. The index is based to 100 starting in March 2022. 2) Based on all private funds with an active CCLOC. 3) For this model, a data set of sample buyout fund cash flows were used **only** to demonstrate the effects of CCLOCs. The interquartile ranges should not be used as performance benchmarks.

Source: Preqin, SVB proprietary data and SVB analysis.

Liquidity: The Clock Runs Out

Exit markets remain stuck in a deep freeze, with initial public offerings (IPOs), buyouts and M&A exits at their lowest levels in years. In this environment, GPs have relied more on alternative liquidity solutions such as continuation funds and NAV loans. Continuation funds are increasing in volume, and interest in NAV loans remains. Per Mark Thylin, Head of Structured Fund Solutions, "NAV loans remain an important tool for liquidity management, but while they are growing in popularity, the volume has not exploded to the extent some anticipated in 2023-2024." **While these products can help bridge the liquidity gap, they aren't enough to offset a stalled exit market.**

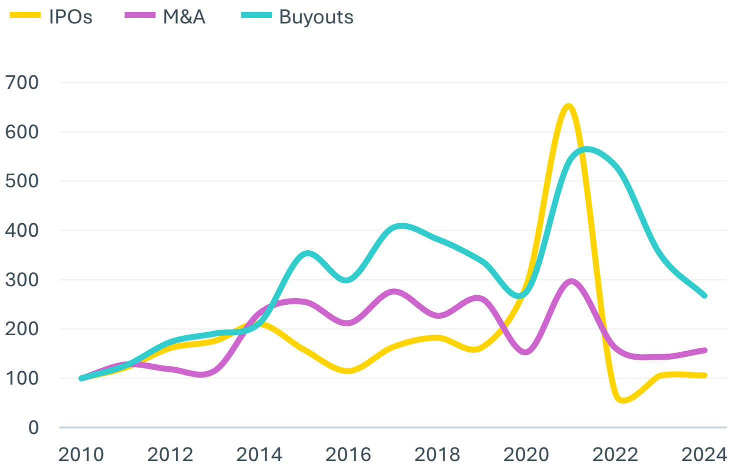
Many companies and funds are simply running out of time. For VC-backed companies in particular, financial struggles are leading to limited options. According to SVB's data, fewer distressed VC-backed companies are finding acquirers, and a rising number are winding down. While absolute numbers remain small, bankruptcies of both PE and VC portfolio companies are on the rise, nearing levels seen during the peak of the COVID crisis.

Public market volatility isn't helping. Market sell-offs amid an evolving tariff and policy environment add to investor uncertainty. These trends make the IPO outlook, and indeed the outlook for exit markets overall, less bullish than many hoped at the start of the year.

svb Silicon Valley Bank
A Division of First Citizens Bank

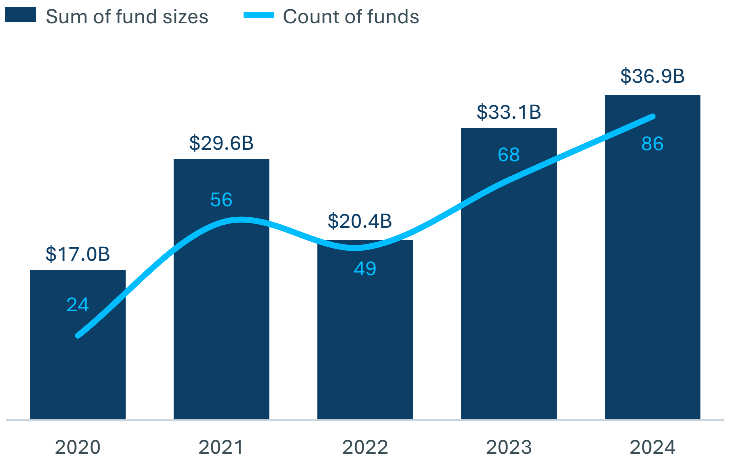
Exit Markets Remain Depressed

Index of exits of PE/VC-backed companies HQ'd in the US



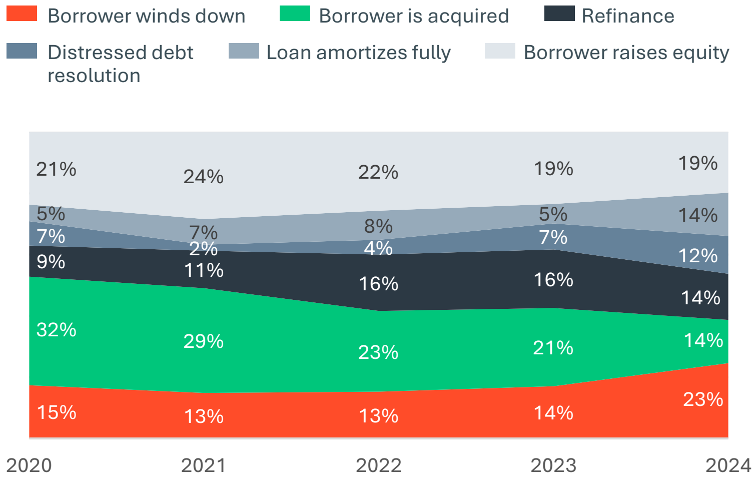
GPs Continue to Look for Alternatives

Count and dollar amount of continuation funds, globally



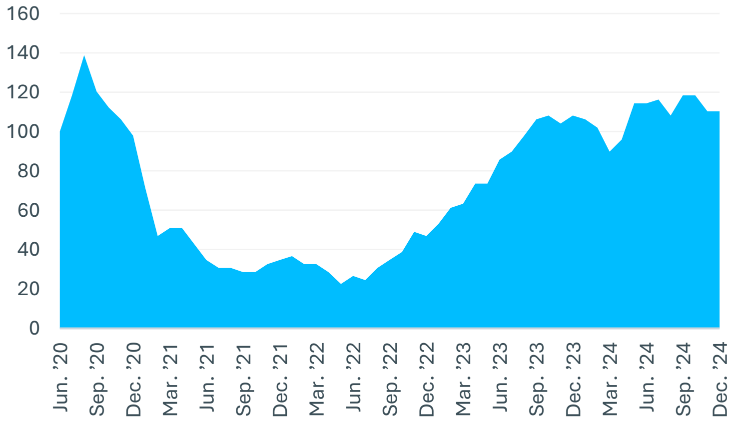
Options for Troubled Portcos Are Limited

Distribution of outcomes of troubled VC portco debt deals[1]



Number of Portco Bankruptcies at Peak

Rolling six-month average monthly number of US PE/VC portco bankruptcies, indexed to 100 in June 2020[2]



Notes: 1) Data for 2024 includes Q1-Q3 only. "Other" outcomes are excluded, so each year does not sum to 100%. 2) Includes private companies with public debt where assets or liabilities are $2M+ and other private companies with assets or liabilities of $10M+.
Source: PitchBook Data Inc., Preqin, S&P Global Market Intelligence, SVB proprietary data and SVB analysis.

Spotlight: Tax

Tax Topics for Private Funds

Current Tax Team Breakdowns

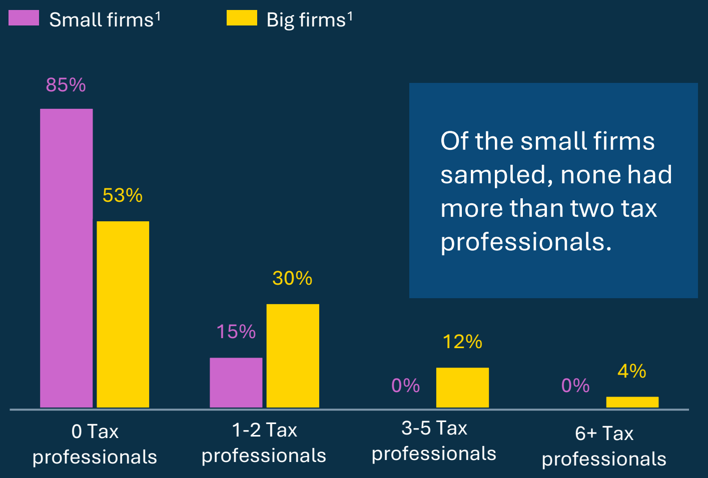
Tax isn't often at the forefront of an investment firm's operations, but at some point it can be. Surprisingly, **nearly three-quarters of the clients and partners we surveyed don't have any in-house tax professionals.** Larger firms tend to have more dedicated tax teams, likely due to the complexity of their investment portfolio. Of those surveyed with tax teams, a majority of the tax team was senior, with over a decade of experience.

When is the right time to establish a dedicated tax team? Based on our survey, there is no relationship between a firm's age and when it formally establishes a tax team. Therefore, other factors such as assets under management (AUM), complexity of transactions, new types of investments, geographic diversity and innovative fund structures drive the decision. Sean Carlson, Head of Tax at Lightspeed Venture Partners, described the right time for a fund to hire dedicated tax professionals as "when bills start to pile up because you're contacting your external tax firm every day and you realize you need to be more proactive from a tax standpoint. **It's when the tax work becomes inefficient and you realize that a fully ingrained tax function as part of the day-to-day business creates value."** As the tax environment continues to evolve and become more nuanced, look for firms to start to incorporate dedicated tax teams into their growth and strategic plans.

Silicon Valley Bank
A Division of First Citizens Bank

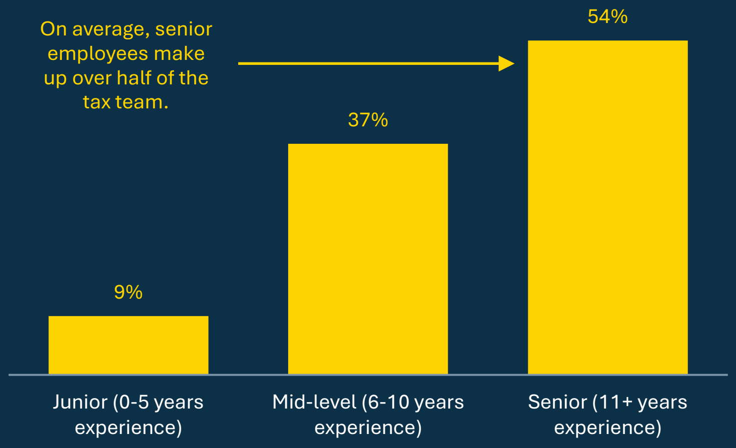
Most Firms Don't Have Tax Professionals

Number of dedicated tax professionals by firm size[1]



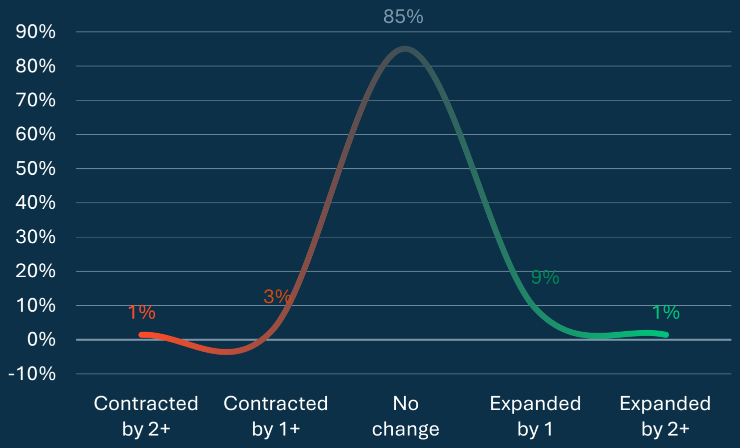
Most Tax Teams Skew Senior

Average share of tax team makeup by level of experience



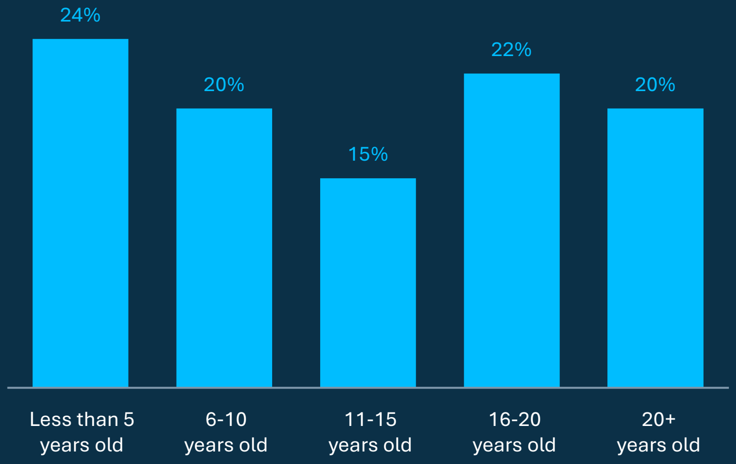
Most Firms Have Left Tax Head Count Steady

Share of firms that expanded or contracted tax head count in the last 12 months



Firm Age Doesn't Determine Tax Practice

Firm age when a tax team was established, among those with dedicated tax professionals



Notes: 1) Firms in the sample were grouped into those above the median and below the median ($1.7B) in terms of firm-wide total AUM .
Source: SVB H1 2025 GFB Survey and SVB analysis.

Tax Team Operations

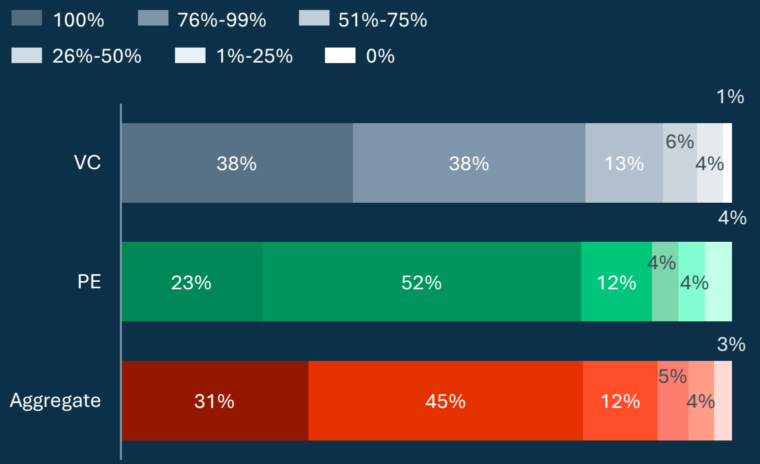
Of the clients and partners surveyed in the ecosystem, **nearly 90% outsource at least half of their tax work. Almost a third outsource all of their tax work.** With varying and complex tax systems, changing regulations, increased cross-border activity, exotic transactions and evolving fund structures and entities, firms must rely on external partners for help and guidance. But they must strike a balance between utilizing external experts and hiring dedicated internal tax professionals. As Sean Carlson, Head of Tax at Lightspeed Venture Partners puts it, “at a certain point, it’s simply not enough to send documents to external tax firms and tell them to figure it out. You need in-house professionals to pull the details together accurately, make decisions and take a first crack at analyzing transactions. Then, you **rely on external experts for guidance and advice**.” Accounting firms specialize in different areas, so it’s not uncommon for some firms to work with a handful of external partners depending on the complexity of their transactions, fund structures and geographic diversity.

In terms of support, VC and PE firms seem to want different things. VCs want more access to specialists, while PE firms want head count and better technology. However, both PE and VC firms indicated they were not using AI nor did they have plans to adopt it in the near future. This could be related to ongoing concerns about data security as well as uncertainty about the ultimate value of such tools.

Silicon Valley Bank
A Division of First Citizens Bank

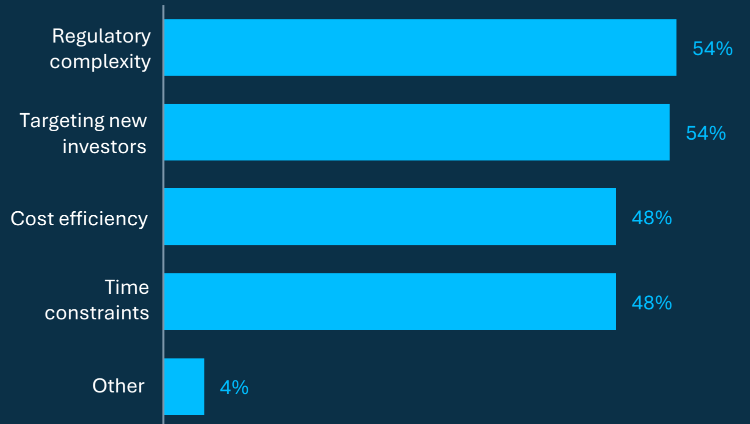
Firms Outsource More Than Half of Tax Work

Share of tax-related work outsourced vs. handled in-house



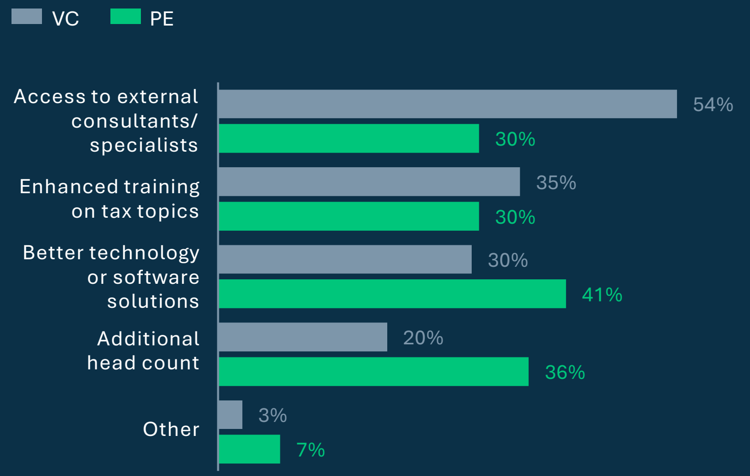
Reasons For Outsourcing Vary

Share of responses on why teams outsource tax work



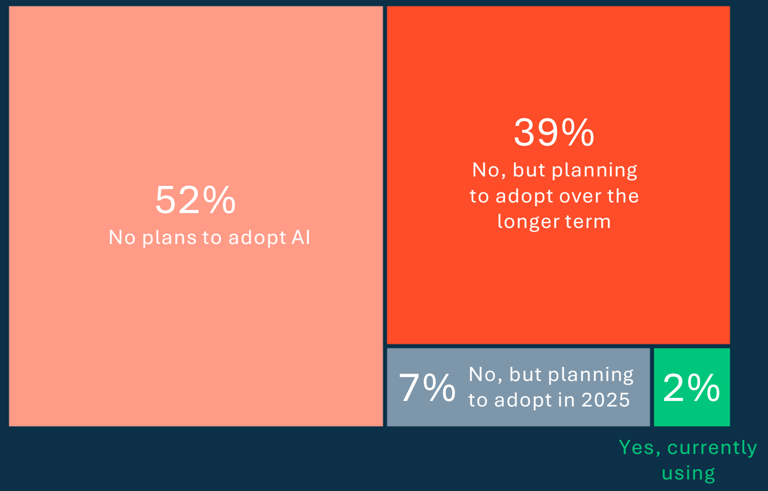
Firms Need More Tax Support

Share of responses on what resources would bring the most benefit



No Plans for AI Adoption in the Short-Term

Share of responses on AI adoption in tax management



Source: SVB H1 2025 GFB Survey and SVB analysis.

Tax Team Expectations

What's in store for 2025? When it comes to top concerns, delivering documents accurately and in a timely manner to LPs dominates our survey responses. Following the pandemic, a flood of new investors from different asset classes and geographies entered the ecosystem, all with their own reporting requirements. Mix in increased transparency demands from LPs and smaller checks (leading to a need for more investors to meet fundraising targets), and it's no surprise document handling remains a top concern for firms. According to SVB's proprietary data from the previous section, ~90% of funds have at least one foreign LP, and the average fund has over 100 LPs to manage. **Despite the challenges associated with this more complex LP makeup, 80% of firms remain confident they will be able to meet these challenges through 2025.**

When it comes to changes under the Trump administration, tax rates and sector-specific incentives dominate responses. Surprisingly, carried interest scores lower among respondents despite continued chatter about extending holding period requirements for carried interest taxes. Even with the challenges in this changing landscape, head count is projected to remain flat in 2025 as firms manage expenses. Nevertheless, with an evolving regulatory environment and larger investor bases, complexity is only likely to increase.

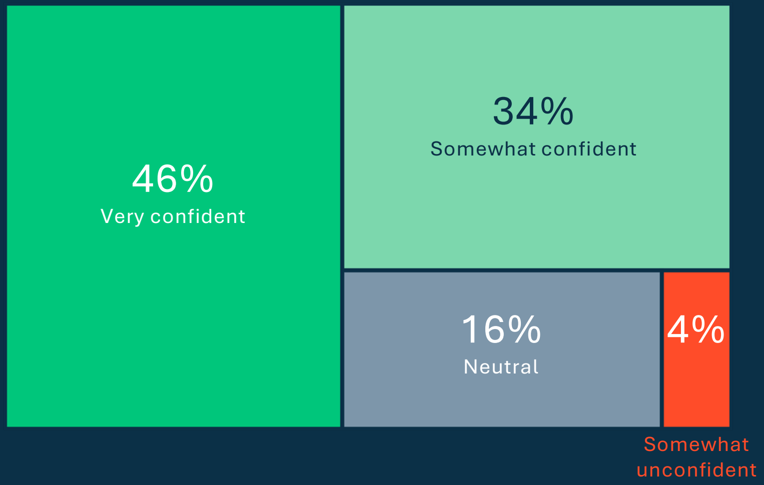
Silicon Valley Bank
A Division of First Citizens Bank

LP Demands Dominate 2025 Tax Concerns

Firms' top concerns regarding 2025 tax management

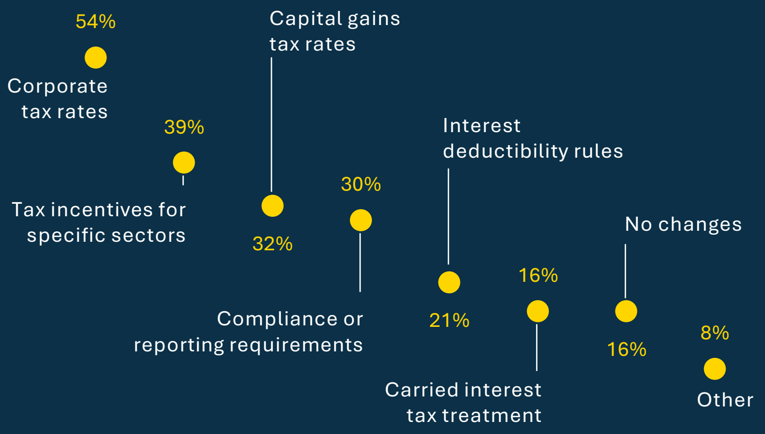
Firms Confident They Can Handle It

Confidence in tax team's ability to address concerns in 2025



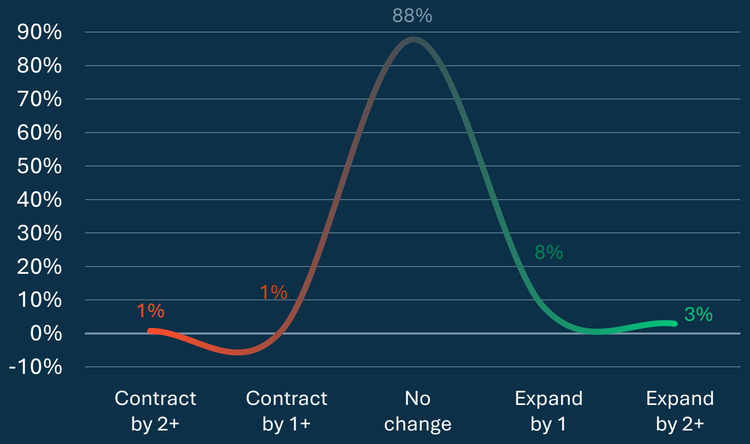
Most Firms Expect Regulatory Changes

Share of responses on tax changes expected under the Trump administration



Most Firms Plan to Keep Tax Head Count Flat

Share of firms that plan to increase or decrease their tax head count in the next 12 months



Source: SVB H1 2025 GFB Survey and SVB analysis.

Spotlight: Operating Best Practices

2025 SEC Exam Guidance and Advice for Fast-Growing VC firms

svb Silicon Valley Bank
A Division of First Citizens Bank

How Private Funds CFOs Can Prepare for SEC Examinations in 2025

In 2024, the SEC charged firms a collective $2.1 billion in civil penalties. SVB invited Annie Kong, senior managing director at global investor service provider IQ-EQ, to outline how private funds CFOs can prepare for SEC examinations.

Her article walks CFOs through:

- The SEC's priorities for 2025 exams
- The process the SEC uses to select firms for examination
- Potential outcomes of an examination
- Best practices to help CFOs prepare their teams for an exam

Read the article >

Annie Kong
Senior Managing Director
IQ-EQ

VOICES FROM THE **COMMUNITY**

ADVICE FROM SVB'S NETWORK

Lessons for Managing the Growth of VC Firms

As VC firms grow, they face challenges scaling their operations efficiently. SVB sat down with Kristy Trieste, CFO of Motive Partners, to discuss factors that set firms up for success during periods of rapid growth.

The conversation includes insights on:

- Steps young VC firms can take to instill confidence in investors
- What to look for when selecting service providers to supplement lean teams
- The importance of cybersecurity controls
- How to build strong teams and a cohesive culture

Read the article >

Kristy Trieste
CFO
Motive Partners

VOICES FROM THE
COMMUNITY

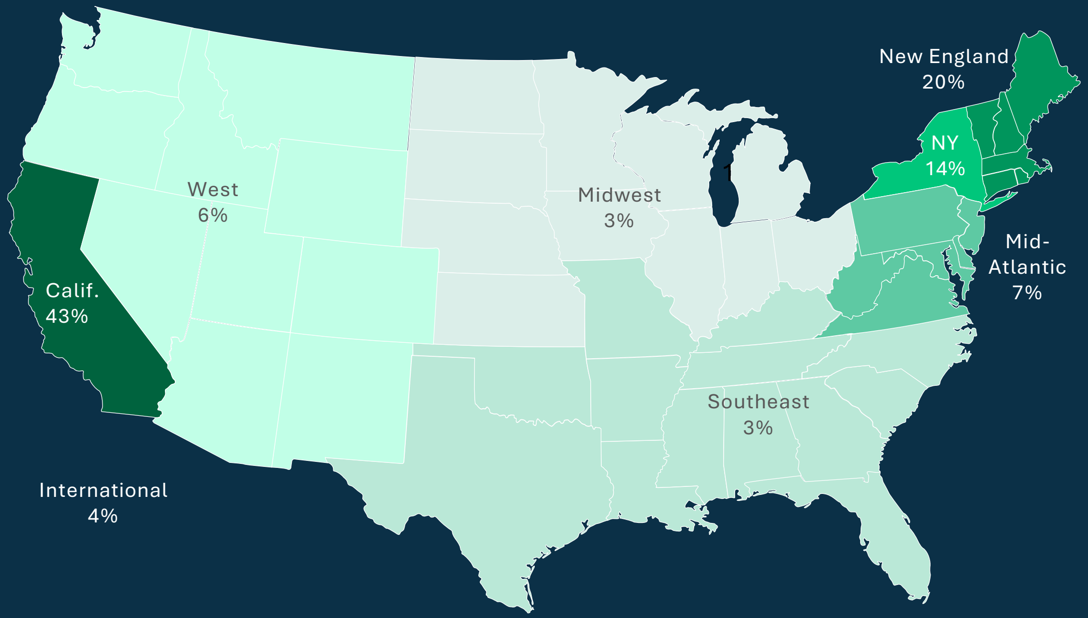
ADVICE FROM SVB'S NETWORK

Appendix

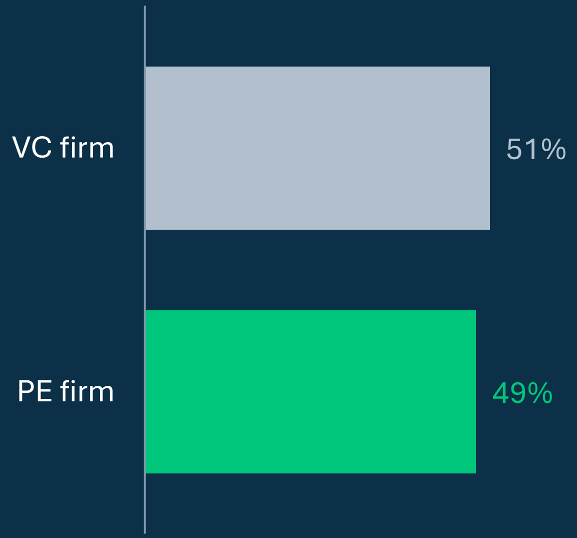
Survey Details

About SVB's Global Fund Banking Survey Respondents

Respondents by organization primary location



Respondents by firm type[1]



Survey respondents

Total respondents:

146

Total AUM:[2]

$940B+

Notes: 1) Among those firms with disclosed types. 2) Among those firms with AUM listed in Preqin.
If AUM is unavailable, the dollar amount of funds raised in the last 10 years is used as a proxy.

Source: Preqin, SVB survey and SVB analysis.

svb Silicon Valley Bank
A Division of First Citizens Bank

Silicon Valley Bank
A Division of First Citizens Bank

Global Fund Banking Leadership

To learn more about Global Fund Banking's capabilities to provide relevant insights, connections and banking and financing solutions for your firm, fund and executives, please contact:

Jesse Hurley
Head of Global Fund Banking

Robin Gill
Head of East Region

Mark Lau
National Head of Venture Relationships

Larry Zahn
Head of West and Central Region

To access more insights from Global Fund Banking, please visit our Private Equity CFO Insights library

Market Insights Team

Market Insights delivers proprietary research and analysis to private equity and venture capital firms on the trends, behaviors and decision-making of sectors, investors and companies driving the innovation economy.

Jake Ledbetter, CFA
Senior Researcher
Market Insights

Andrew Pardo, CFA
Senior Researcher
Market Insights

To access more insights from Market Insights, please visit our Signature Research page

Silicon Valley Bank
A Division of First Citizens Bank

About Silicon Valley Bank

Silicon Valley Bank (SVB), a division of First-Citizens Bank, is the bank of some of the world's most innovative companies and investors. SVB provides commercial and private banking to individuals and companies in the technology, life science and healthcare, private equity, venture capital and premium wine industries. SVB operates in centers of innovation throughout the United States, serving the unique needs of its dynamic clients with deep sector expertise, insights and connections. SVB's parent company, First Citizens BancShares, Inc. (NASDAQ: FCNCA), is a top 20 U.S. financial institution with more than $200 billion in assets. First Citizens Bank, Member FDIC. Learn more at svb.com.

Silicon Valley Bank

www.svb.com

See complete disclaimers on following page.

Silicon Valley Bank
A Division of First Citizens Bank

Disclaimers

The views expressed in this report are solely those of the authors and do not necessarily reflect the views of SVB.

This material, including without limitation to the statistical information herein, is provided for informational purposes only. The material is based in part on information from third-party sources that we believe to be reliable but which has not been independently verified by us, and, as such, we do not represent the information is accurate or complete. The information should not be viewed as tax, accounting, investment, legal or other advice, nor is it to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to the material should be construed as a solicitation, offer or recommendation to acquire or dispose of any investment, or to engage in any other transaction.

All non-SVB named companies listed throughout this document, as represented with the various statistical, thoughts, analysis and insights shared in this document, are independent third parties and are not affiliated with Silicon Valley Bank, division of First-Citizens Bank & Trust Company. Any predictions are based on subjective assessments and assumptions. Accordingly, any predictions, projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results.

First-Citizens Bank & Trust Company is not licensed to undertake banking business in any country outside the United States, or to undertake any other regulated activity in any country outside the United States.

Investment Products:

Are not insured by the FDIC or any other federal government agency	Are not deposits of or guaranteed by a bank	May lose value