



Private equity ripe for a rebound

Managers of three private equity trusts discuss the outlook for the sector.

Update

23 January 2026

Our series of private equity events kicked off with a roundtable, during which three investment trust managers outlined the potential green shoots appearing for the sector.

Schiehallion (MNTN), NB Private Equity Partners (NBPE) and HarbourVest Global Private Equity (HVPE) all have very different approaches, but they all offer exposure to unlisted or private companies, have longer-term investment strategies, and aim to deliver capital growth. Each of them participated in our round table, and will be presenting separately next week. [Click here](#) to register for their webinars.

Discounts across the AIC Private Equity sector have been with us over the long term, and it is only relatively recently that their cousins in the AIC Growth Capital sector have joined them. The main influences on changing discount levels over time are firstly external shocks – the GFC and Covid saw discounts ballooning. And secondly, performance. Over the last three years, discounts across both sectors have been wider than average, following a period of moderate performance.

Is the past any guide to the future? Well, history never repeats, but it can sometimes rhyme. The ten years up to 2020 was a pretty good one for NAVs. However, precipitated by the 2008 global financial crisis and having started the last decade (2010-2019) at wide discounts, share prices performed even better, nearly doubling the NAV returns.

COVID predictably saw discounts widen but NAVs were resilient during 2020, and then the Private Equity and Growth Capital sectors had a strong run post COVID. PE NAV's have been relatively flat since the start of 2022, but share prices have performed quite strongly of late. Growth Capital saw NAVs and share prices fall dramatically during 2022, but so far on a sector basis we haven't seen much of a recovery.

So what did our presenting managers have to say on the prospects for a recovery? [Click here](#) for the replay. In summary, we heard that this is the longest ever period of public market outperformance over private markets. Yet, strong underlying operating performance from private companies in these trusts' portfolios have not been reflected in NAVs.

Green shoots may be appearing, given deal activity is returning, and for NBPE, 2025 was the second strongest year for exits since launch. We heard that globally, 20,000 private equity owned businesses have been held for over four years, meaning there is no shortage of deals waiting to happen.

HVPE's managers commented that they are seeing a "pronounced uptick in activity" in their venture holdings, benefitting from a

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shift in sentiment towards tech and AI. As a result, venture is making a positive contribution to NAV growth once more.

Schiehallion's manager commented that the valuation reset for Growth that we witnessed during 2022 was akin to a GFC moment for the space, but it has cleared out "tourist" investors. This has resulted in a healthier investor landscape, and when combined with continued execution in revenue growth from their portfolio companies coming through, means there are grounds for optimism. Each of the managers commented that valuations are not stretched, unlike in some areas of public markets.

Each of the managers highlighted companies in their portfolio which have delivered strong growth for their trust's shareholders as private companies, and if the IPO window remains open, are potential sources of liquidity. Companies discussed include SpaceX, Bending Spoons, Action Group, Visma and Shein.

The managers of Schiehallion, NB Private Equity Partners and HarbourVest Global Private Equity will be presenting on the detail and specifics of their respective trusts next week, so please do [sign up](#) for those sessions if you are interested.



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