



**BAI** REPRESENTING  
ALTERNATIVE  
INVESTMENTS

# Investor Survey 2025

**October 2025**

© Bundesverband Alternative Investments e.V. (BAI)

# Introduction

The Bundesverband Alternative Investments e.V. (BAI) presents the 2025 BAI Investor Survey. Now in its twelfth year, 107 institutional investors took part in the survey, combining more than €2.23 trillion in Assets under Management (AuM). In addition, for the 5th time we surveyed BAI member companies: worldwide operating asset managers and service providers. This allows us to compare investors' responses with those of asset managers and service providers to gain a better understanding of the industry as a whole and all of its stakeholders. This report highlights our annual survey results with a hope of providing you with a deeper understanding of how and why institutional investors in the DACH-region invest in alternative assets – not just today, but also in the future.

The BAI Investor Survey has been an important component of BAI's research activities since 2013. The framework for institutional investments in Alternatives is subject to constant dynamic changes, which have been systematically captured in the survey once again. Therefore, the range of questions is continuously updated and adjusted to meet the needs of the investors and BAI member companies.

Founded 1997 in Bonn, the currently 309 BAI association's members are based in any field of the professional alternative investments business. The objective of our association's work is to improve the level of public awareness, create internationally competitive and attractive conditions for alternative investments by representing the interests of the industry. The BAI's annual Investor Survey helps to increase the transparency in the alternative investments market. The results will hopefully serve as a valuable source of information for you.

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# Methodology & Participants (1/2)

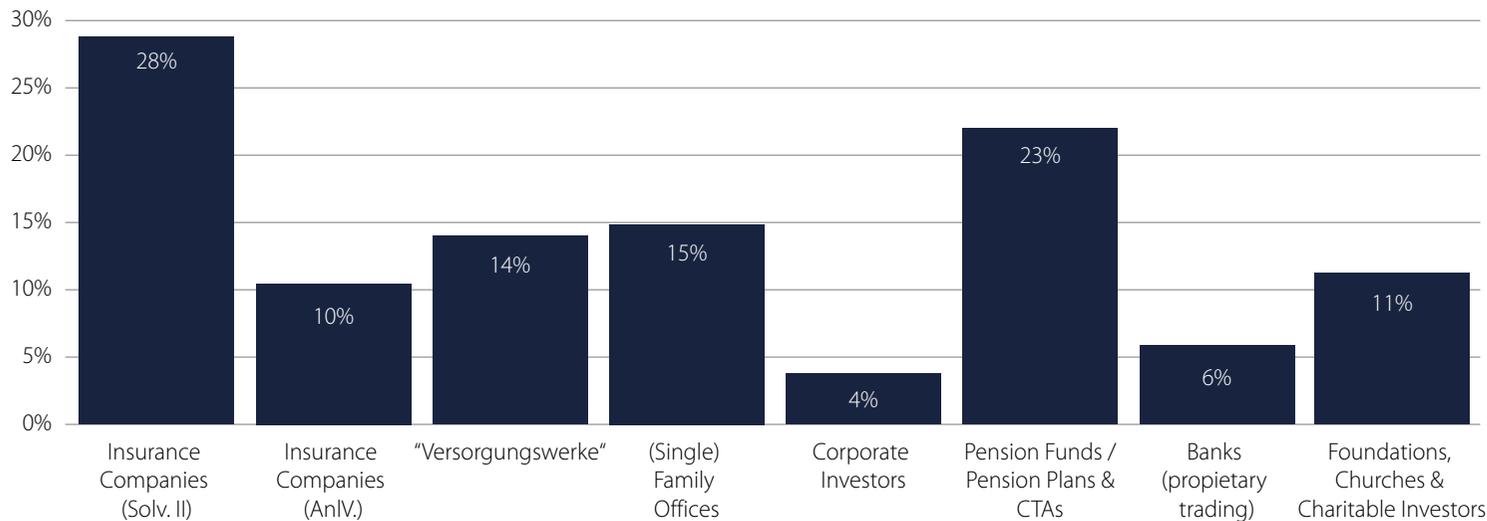
The following charts summarize the profile of this year's respondents. The data was collected in July and August 2025. The vast majority of investors (LPs) are based in Germany. The asset managers (GPs) and service providers surveyed are predominantly member companies of the BAI and are based worldwide, primarily in Europe. **The participating LPs, GPs & service providers represent a broad cross section of the alternative investments industry in terms of lines of business and size.**

**Composition: 107 institutional investors across the DACH-region** participated in the 2025 BAI Investor Survey. We refer to this group as limited partners (LPs) in the following. This year, the survey included LPs that invest over €2.23 trillion in balance sheet assets. The composition of participating LPs and GPs changes from year to year, which can lead to slight shifts in the data despite the large sample size.

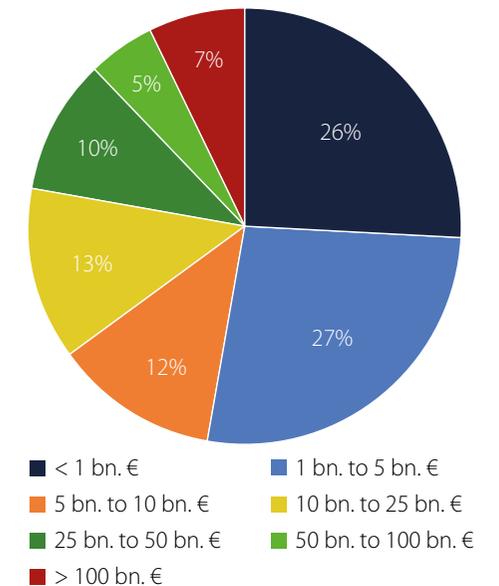
**Self-selection bias:** Occurs, when participants in a survey or study do not participate randomly, but rather on the basis of their own decision – in this case, at the invitation of our association. As the German association and representatives of the alternative investments industry, we tend to have better access to and contact with investors who allocate to alternative investments, which is why the results could be systematically biased and investors with little or no alternative allocation may be underrepresented.

## Investor Survey participants (LPs)

\* multiple answers possible



## Participant investors AuM (LPs)

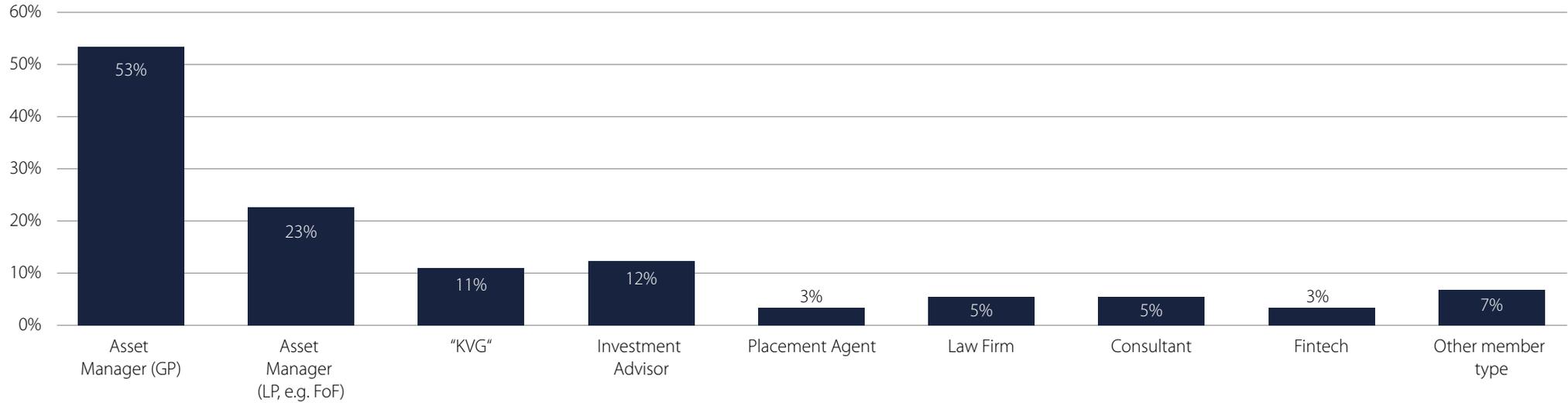


# Methodology & Participants (2/2)

In addition to our LP survey, we received responses from 147 BAI member companies, mainly globally operative asset managers (95), we refer to this group as general partners (GPs) in the following, as well as service providers (52).

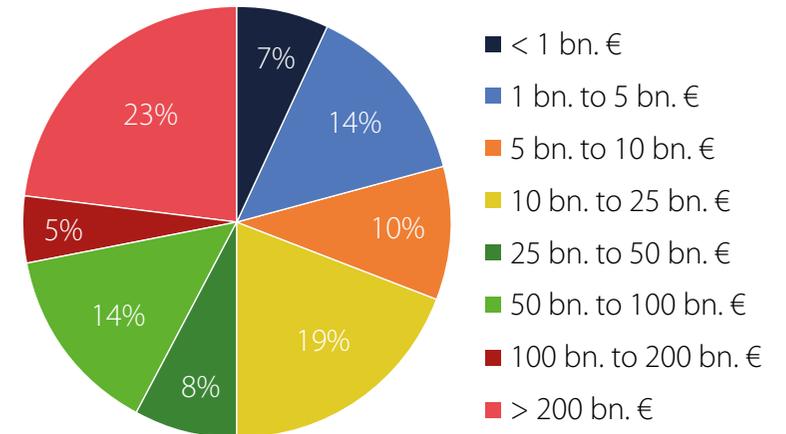
## BAI Member Survey participants

\* multiple answers possible



**BAI Member Directory**

## Participant asset managers AuM (GPs)



# How we define alternative investments (1/2)

Alternative Investments Navigator				Debt		Equity		
Strategy	Liquid	Semi-liquid	Illiquid	Examples	Senior	Junior	Mezzanine	Equity
Public Market {Mainly Liquid}	Liquid Alternatives (and other)			<ul style="list-style-type: none"> <li>Hedge Fund Strategies within regulated UCITS vehicles</li> <li>Crypto Assets</li> </ul>				
	Hedge Funds			<ul style="list-style-type: none"> <li>Equity Strategies</li> <li>Macro Strategies</li> <li>Event Driven Strategies</li> </ul>				
	Commodities			<ul style="list-style-type: none"> <li>Energy</li> <li>Metals</li> <li>Agricultural</li> </ul>				
Private Markets {Mainly Illiquid}	Corporate			<ul style="list-style-type: none"> <li>Private Debt incl. Direct Lending</li> <li>Private Equity</li> <li>Venture Capital</li> </ul>				
	Real Estate			<ul style="list-style-type: none"> <li>Residential Real Estate</li> <li>Commercial Real Estate</li> <li>Social Real Estate</li> </ul>				
	Infrastructure			<ul style="list-style-type: none"> <li>Transportation</li> <li>Communication</li> <li>Energy / Renewables</li> </ul>				
	Other Real Assets			<ul style="list-style-type: none"> <li>Aviation</li> <li>Shipping</li> <li>Raw Materials incl. Timber</li> </ul>				
	Specialties			<ul style="list-style-type: none"> <li>Insurance Linked Securities</li> <li>Trade Finance</li> <li>Regulatory Financing</li> </ul>				

Further existing: Listed Private Equity Funds, Listed Private Debt Funds, Listed Infrastructure Funds, Listed Real Estate Investment Trusts etc.

# How we define alternative investments (2/2)

For the purposes of this survey, we have defined the following seven main asset classes and seven sub- or niche asset classes. All other investments are subsumed under 'other alternative investments'.

## Main asset classes:

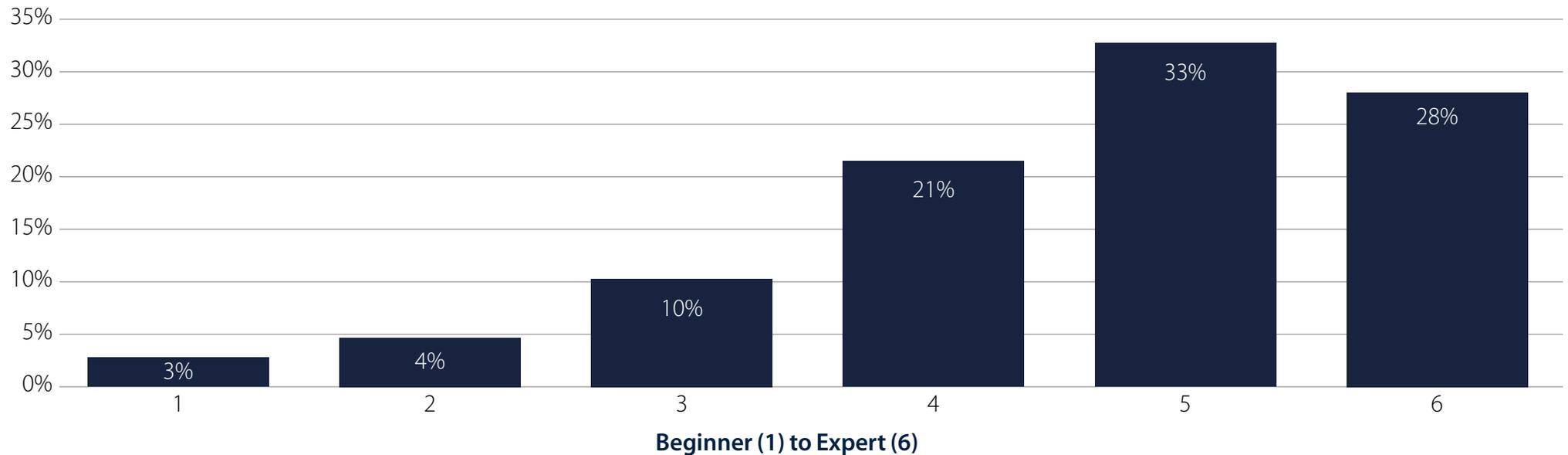
- Corporate Private Equity
- Corporate Private Debt
- Infrastructure Equity
- Infrastructure Debt
- Real Estate Equity
- Real Estate Debt
- Hedgefunds / Liquid Alternatives

## Sub- or niche asset classes:

- Venture Capital
- Credit Specialities / Opportunities
- ILS / Cat Bonds
- Natural Capital (e.g. Farmland, Timber etc.)
- Other Real Assets (Aircraft, Shipping etc.)
- Commodities
- Cryptocurrencies & Tokenized Assets

# Most German investors are very experienced, only a few new investors moved into the private markets recently for the very first time

## LPs in-house experience in alternative investments



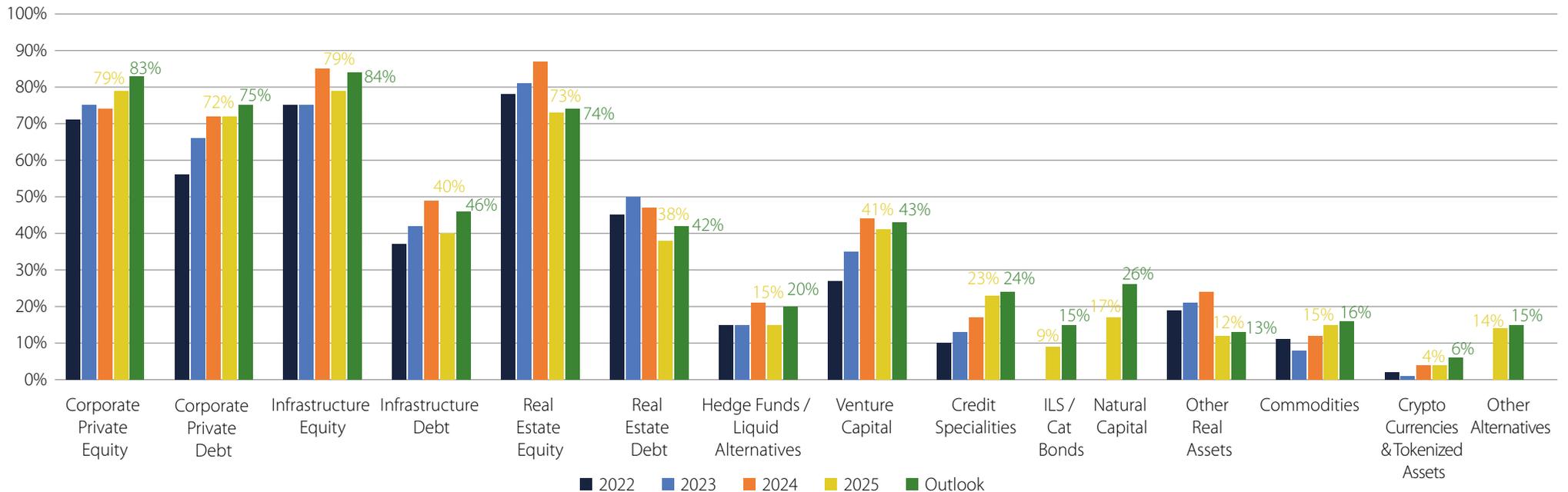
Investors gave a self-assessment on a scale from 1 (low) to 6 (high).

- 61 % consider their alternative investment team to be (almost) experts (level 5 & 6 in the self-assessment): The figure remains stable compared to the previous year.
- In recent years, the number of early-stage private markets investors was declining and has now stabilised at a low level.

# Past, present, and projected alternative investments allocation

The chart shows the percentage of the surveyed institutional investors allocating to each asset class – in the past (2022-2024) and at present (2025). **The outlook** (green numbers) **adds the planned entries of new investors to each asset class in the coming years**, ceteris paribus, that the current investors all remain invested.

**Proportion of investors allocating to each asset class**



- Last year, we predicted new entries into private equity. This has already materialized.
- In contrast, the announced market entries in the infrastructure asset classes have failed to materialise for many investors. However, this should only be a temporary measure. The plans have not been cancelled, only postponed as our outlook shows.
- In private debt, credit specialties saw strong growth and attracted new investors.

- A recovery of the real estate markets is in sight, but it is very questionable whether this is sufficient to attract investors to enter the market. Instead, the number of investors in the equity and debt markets is stagnating.
- The diversification of portfolios is steadily increasing and former niches such as venture capital, credit specialties, ILS, natural capital and real assets are benefiting from this. Their outlook remains positive. We expect more and more investors to diversify their private markets portfolios with additional asset classes.
- Crypto assets are and will remain a niche asset class in institutional portfolios.

\* ILS/Cat Bonds & Natural Capital: Now surveyed separately, previously subsumed under 'other real assets'. We have also introduced the category 'Other Alternatives' in the survey.

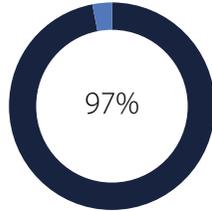
# Many years of experience and investments are reflected in highly diversified alternative portfolios

## Number of alternative asset classes invested in

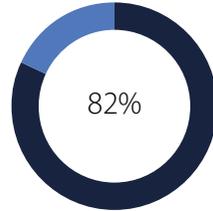
At Least invested  
in One



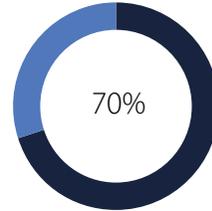
At Least invested  
in Two



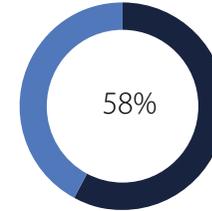
At Least invested  
in Three



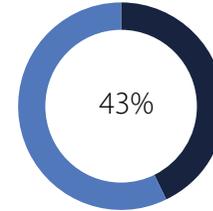
At Least invested  
in Four



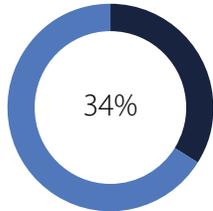
At Least invested  
in Five



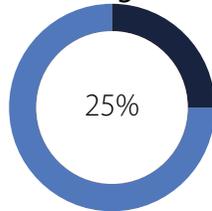
At Least invested  
in Six



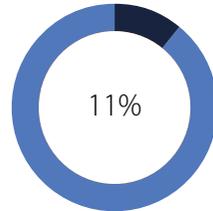
At Least invested  
in Seven



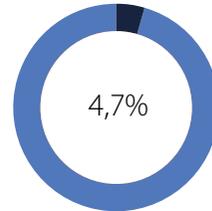
At Least invested  
in Eight



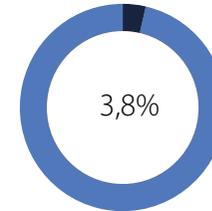
At Least invested  
in Nine



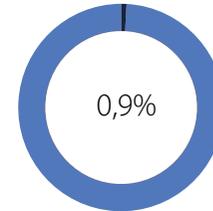
At Least invested  
in Ten



At Least invested  
in Eleven



At Least invested  
in Twelve



- Diversification has not further increased compared to the previous year.
- Interestingly, two developments are emerging that show investors are moving away from the middle range (diversification across three to six asset classes): On the one hand, more investors than ever are diversified across seven or more asset classes. On the other hand, more investors than last year are diversified across fewer than three asset classes.
- But still more than two out of three investors are invested in at least four alternative asset classes.
- One in three invests in at least seven different alternative asset classes.

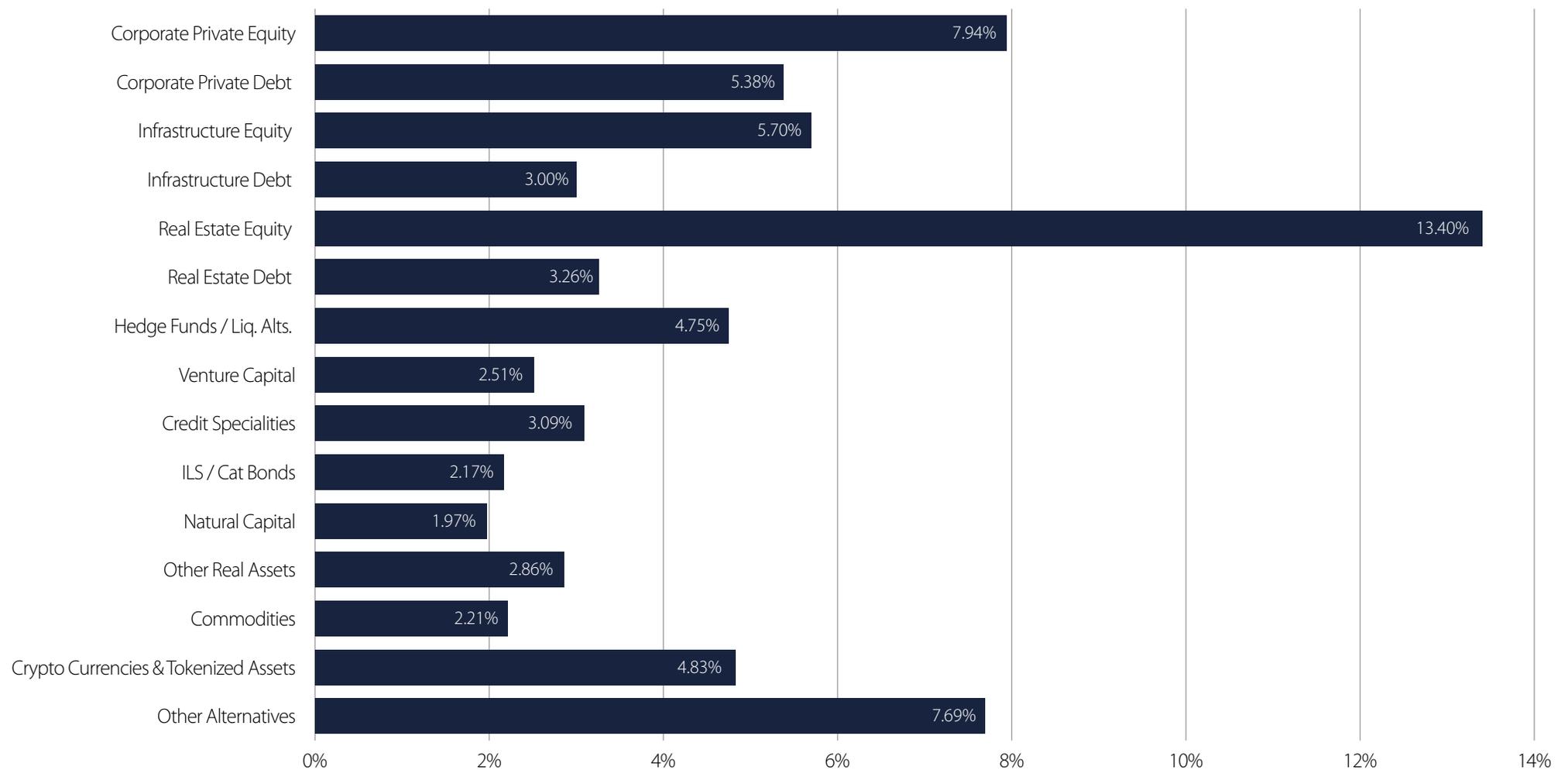
# Status quo of the institutional portfolio (1/3)

From the previous charts, we can see that diversification in the institutional portfolio is well advanced. Now let's examine of how the allocations in the respective asset classes are distributed.

We asked investors who allocate in the respective alternative asset classes about their current allocation ratios.

Important: The chart shows the **average allocation of invested LPs**. This statistic does not include any LPs with no allocation in the respective asset classes.

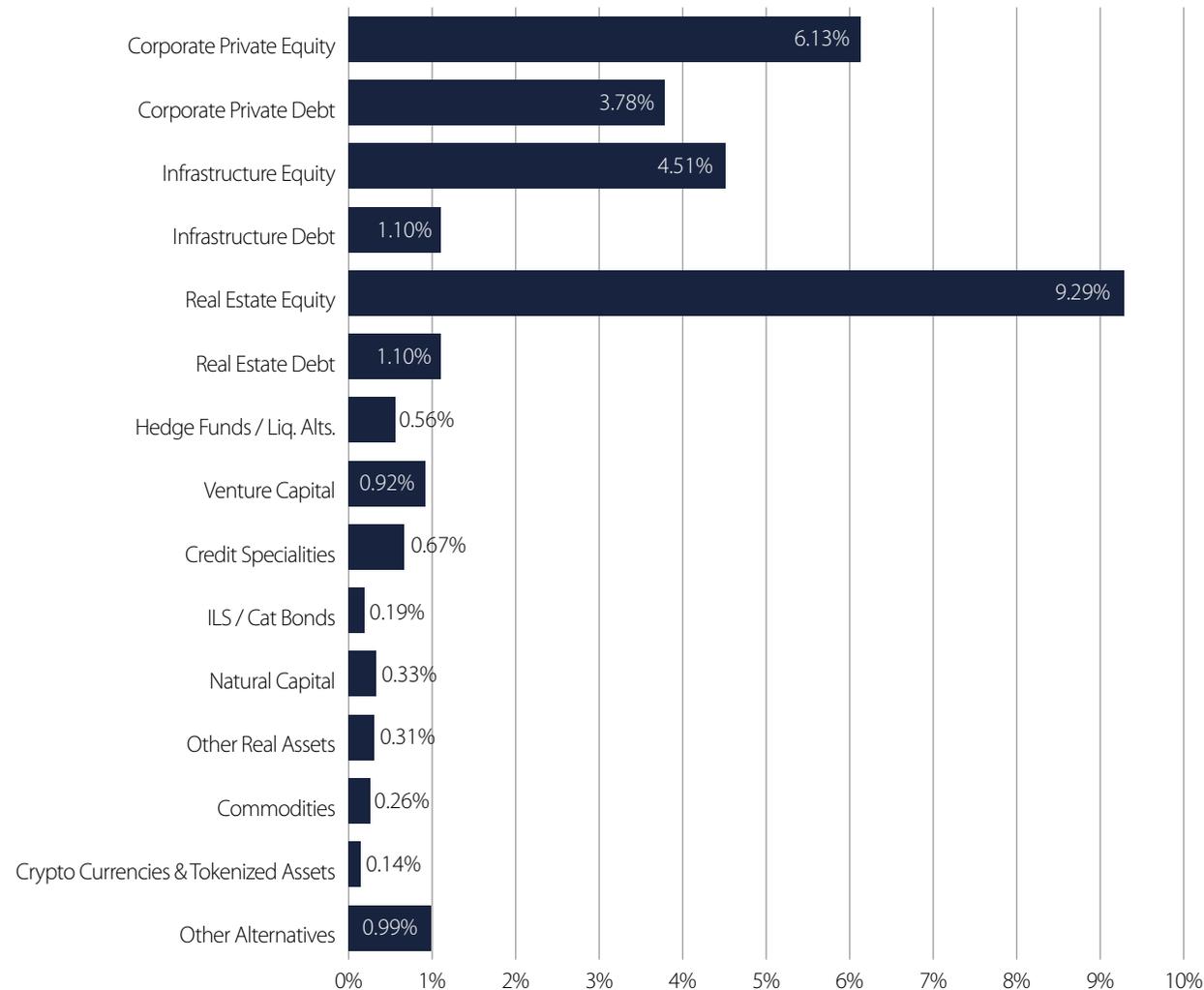
## Average allocation of investors in the respective asset classes



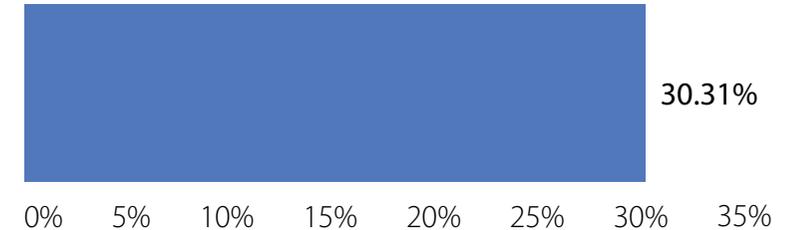
# Status quo of the institutional portfolio (2/3)

We asked investors about their current allocation ratios. If we now add to the previous statistics those investors who have no allocation in the respective asset classes, we can determine the **average alternative investment portfolio of an LP**.

## Average alternative investment allocation across all investors in detail per asset class



## Alternative investments account on average for 30,31 % of the institutional portfolio.



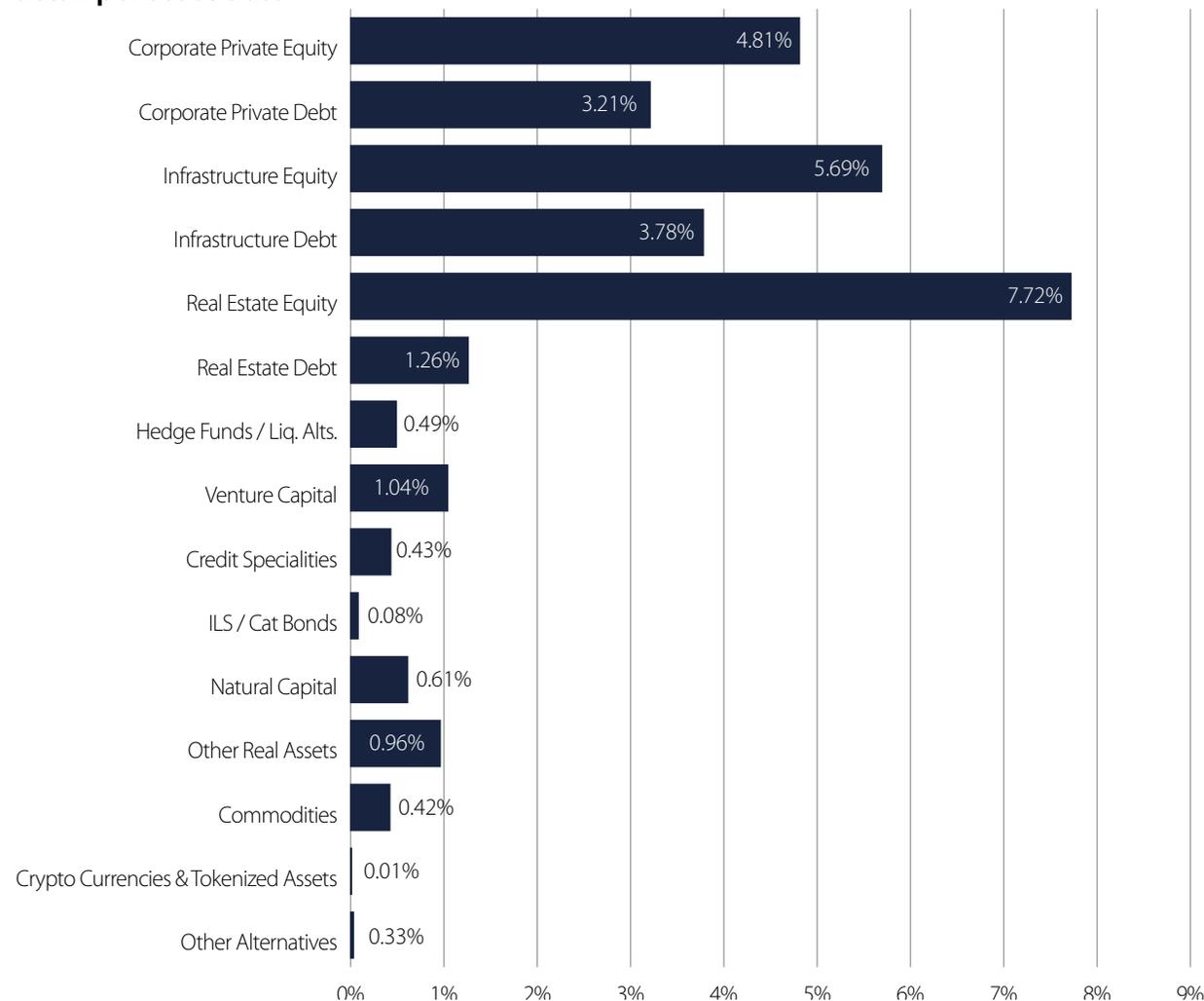
- Overall, the alternative portfolios of German institutional investors are becoming quite “alternative-heavy.”
- If we include real estate, we’re looking at slightly above 30% on average — with most of the assets in equity.
- Across all asset classes, the average LP allocates about 7% of its total assets in private credit — and that share is expected to rise.
- The previous pages have shown that diversification across additional asset classes in portfolios is increasing. However, a closer look at the portfolios reveals that the absolute volume of most ‘niche asset classes’ is still relatively small.

# Status quo of the institutional portfolio (3/3)

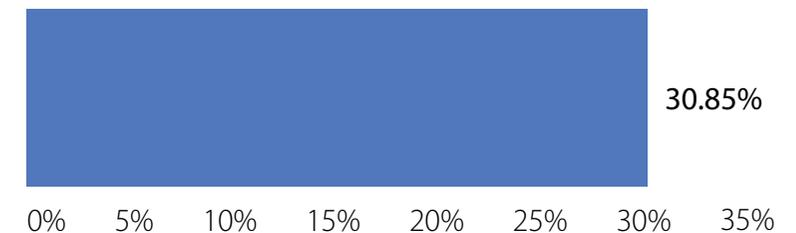
The statistics shown in the previous section do not take into account the size (AuM) of the LPs or their sometimes very different regulations. Accordingly, the average portfolio can only serve as an approximate value. The actual portfolios sometimes differ greatly.

In the following, we therefore **weight the average portfolio allocation with the size (AuM)** of the investor. From this, we can **derive how much of the total €2.23 trillion AuM of the LPs surveyed flows into the respective asset classes.**

## Average AuM-weighted alternative investment allocation in detail across all investors in detail per asset class



## Alternative investments account on average (AuM-weighted) for 30,85 % of the institutional portfolio.



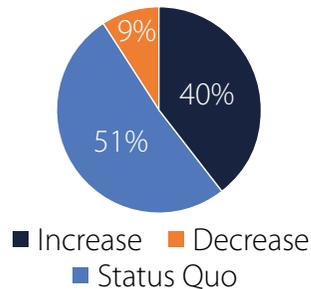
- Interestingly, the size (AuM) of the LP does not have a major impact on the alternative investment share of the overall portfolio.
- However, a look at the individual asset classes reveals major differences.
- Large LPs are more often subject to stricter regulation (e.g. insurance companies) and therefore invest in other assets than smaller LPs (e.g. foundations or family offices). This is particularly evident when looking at the major asset classes. Infrastructure is significantly more prevalent in the portfolios of large LPs.

# Allocation adjustments in the making

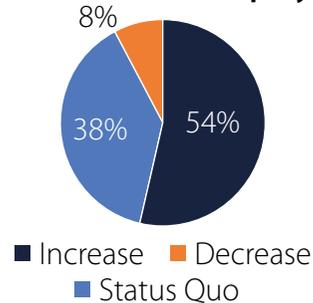
The charts provide an overview of intended allocation adjustments per asset class for investors already allocating.

## Future allocation adjustments

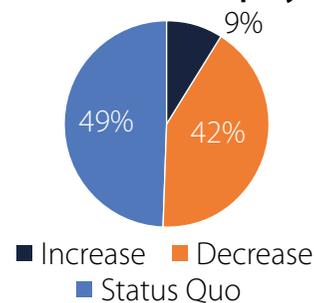
### Corporate Private Equity



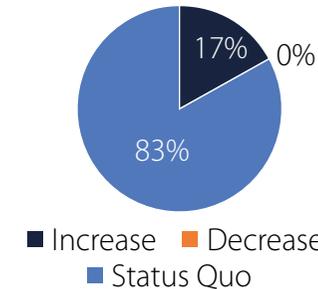
### Infrastructure Equity



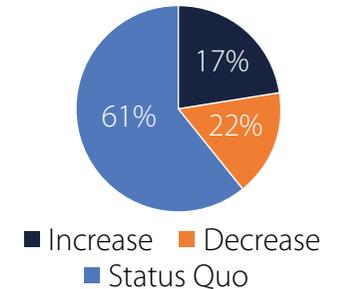
### Real Estate Equity



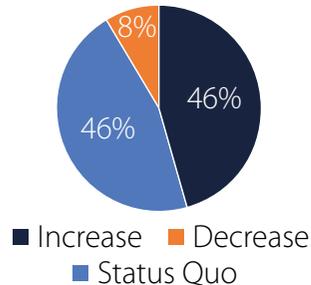
### Hedge Funds/Liquid Alternatives



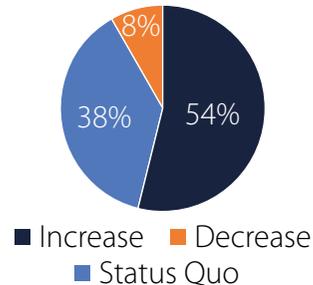
### Bonds



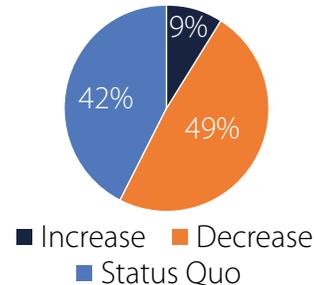
### Corporate Private Debt



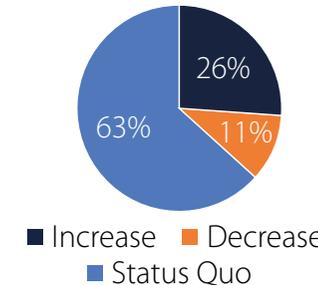
### Infrastructure Debt



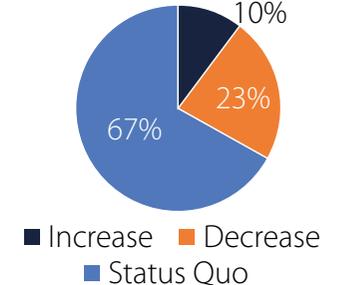
### Real Estate Debt



### Stocks



### Cash/Liquidity

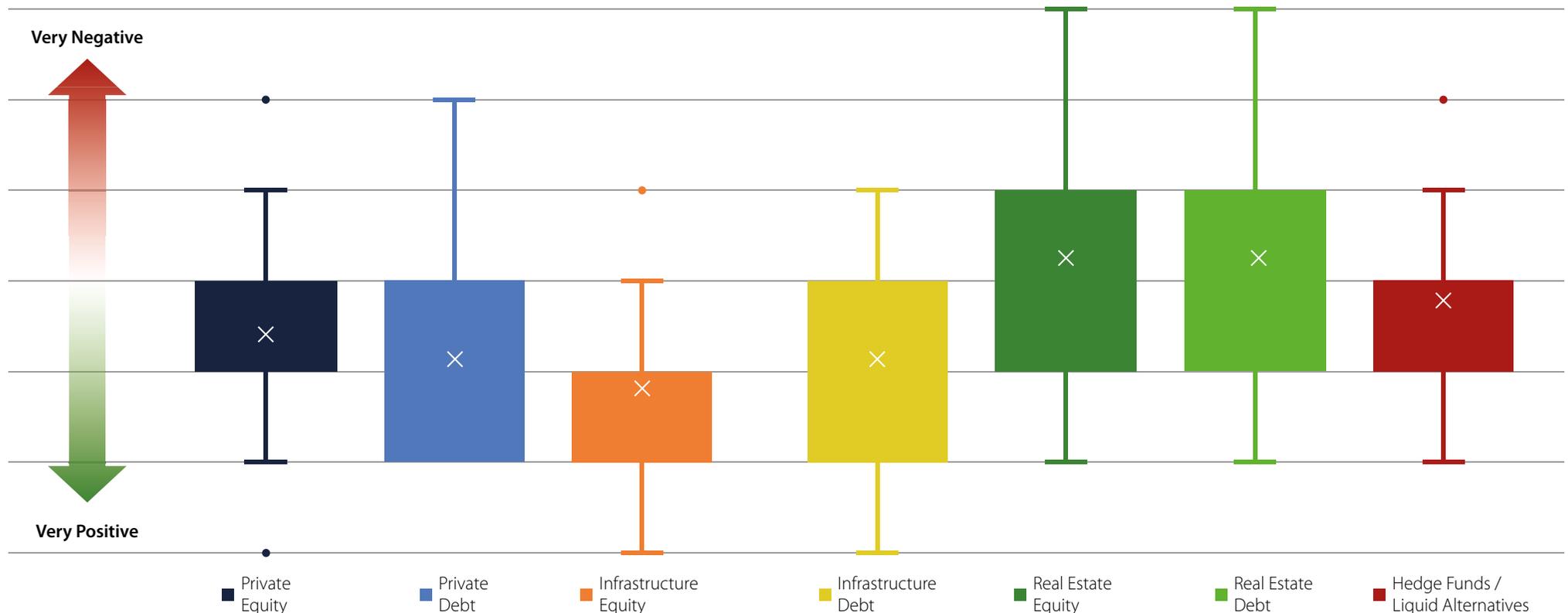


- As in the previous year, we also expect the following year significant fund inflows for infrastructure investments at a steady level. Asset managers have recognized this. Many GPs want to build infrastructure teams for the first time and give DACH investors access to this asset class.
- On the corporate side, investor demand for private debt investments declines slightly but remains higher compared to private equity.
- Real estate: Although the real estate markets are recovering after the difficult previous years, investors remain cautious, and many want to further reduce their allocation. The situation has deteriorated, particularly for debt capital.
- With interest rates declining, demand for bonds is decreasing noticeably, while demand for stocks is significantly stronger than in the previous year.

# BAI Sentiment Barometer – assessment of the private markets (1/2)

Investors (LPs), asset managers (GPs) and service providers were asked to assess the present investment environment for various asset classes and strategies.

## LPs market sentiment



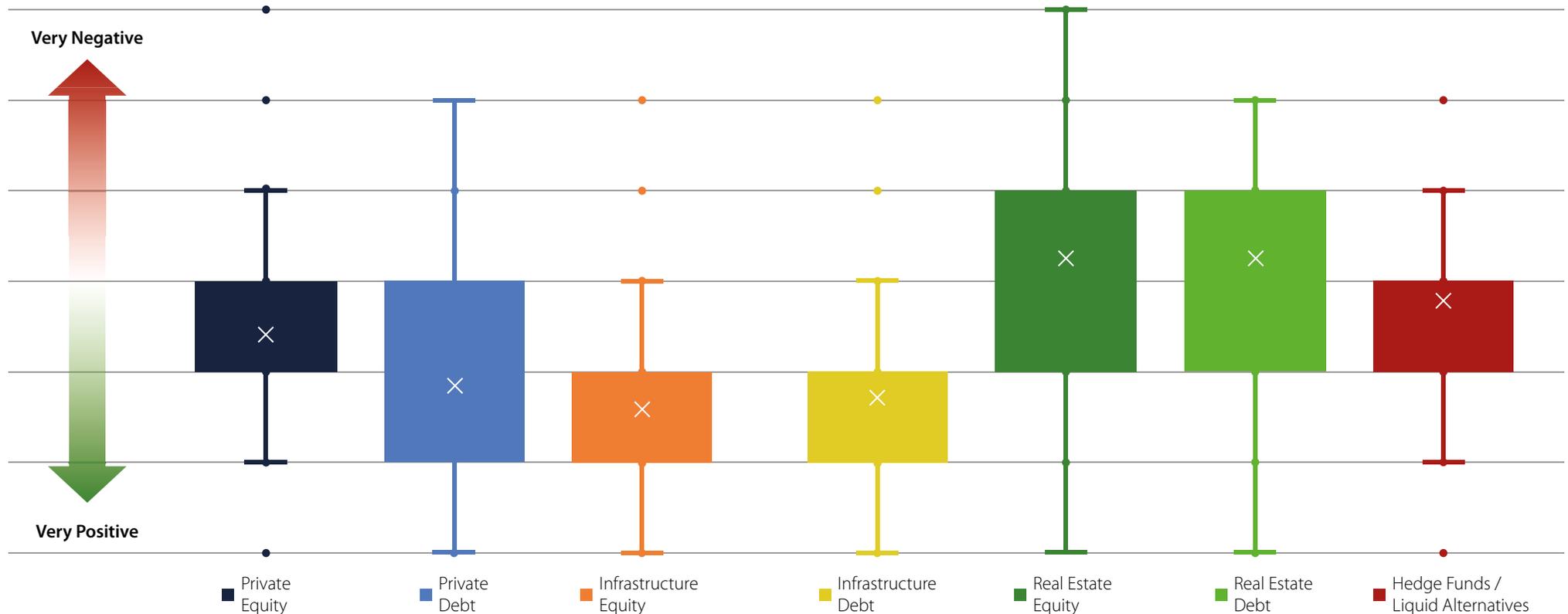
■ LPs market sentiment: All in all, we see only minor changes compared to the previous year

■ It is encouraging that the responses from GPs, service providers and LPs are fairly aligned (continued on the next page).

*How to read our boxplots: the box represents the interquartile range (IQR) which is defined as the distance between the 1st quartile and the 3rd quartile (50% of observations within this range). The middle line of the box represents the median. The x in the box represents the mean. The whiskers (vertical lines) extend from the ends of the box to the minimum value and maximum value within 1.5 times the IQR. A data point is considered an outlier if it exceeds a distance of 1.5 times the IQR.*

# BAI Sentiment Barometer – assessment of the private markets (2/2)

## GPs & service providers market sentiment



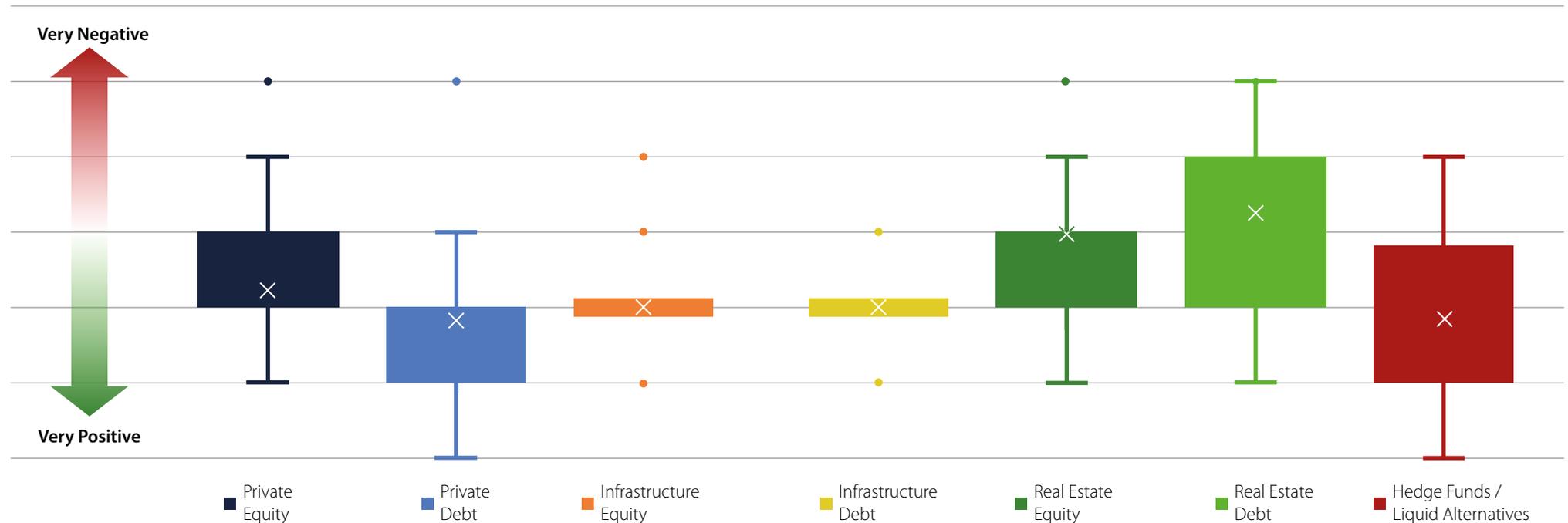
LPs, GPs & service providers market sentiment - All in all, we see only minor changes compared to the previous year:

- The overall positive sentiment in private equity, private debt and infrastructure is almost unchanged with a slightly negative trend in private debt and a positive trend in infrastructure compared to the previous year.
- The recovery on the real estate markets is reflected in a slight improvement in sentiment, although the overall picture is still somewhat negative.
- It is encouraging that the responses from GPs, service providers and LPs are fairly aligned. All in all, GPs and service providers view the market sentiment somewhat more positively than LPs.

# Have the asset classes delivered what they promise?

We asked LPs to what extent their investments have met their expectations over the past 12 months.

## Satisfaction with the investment performance faces upwards



The Sentiment Barometer confirms the satisfaction with the performance results in recent months. We see a clearly positive trend in the responses compared to last year.

- Private Debt is leading among alternative asset classes in LPs satisfaction
- Investors are satisfied with their private equity performance overall, we see a positive trend compared to the same period last year.
- Infrastructure (equity & debt) and corporate private debt also confirm the positive long-term performance in 2025.
- LPs also remain satisfied with the performance of alternative strategies.
- Unsurprisingly, many real estate investments have failed to meet investors' expectations over the last years. We are now seeing a clear reversal of this trend. Over the past 12 months, investors have been much more satisfied with the performance of their real estate investments.

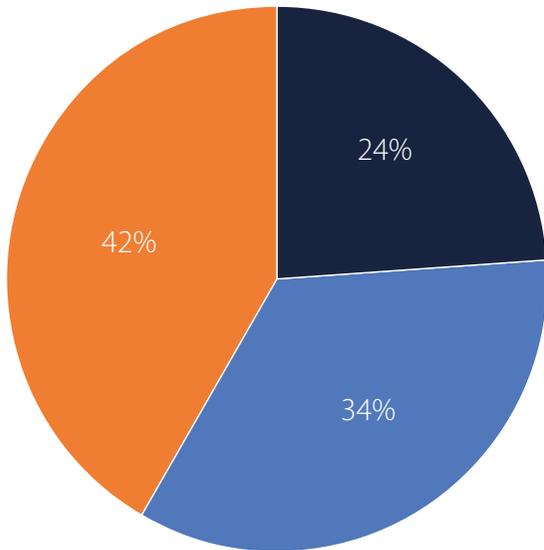
# Defence as a new megatrend?

Defence investments in dual-use technology, SMEs, aerospace and defence-related infrastructure are growing in importance.

LPs and GPs agree: defence-related investments are or will become a new megatrend.

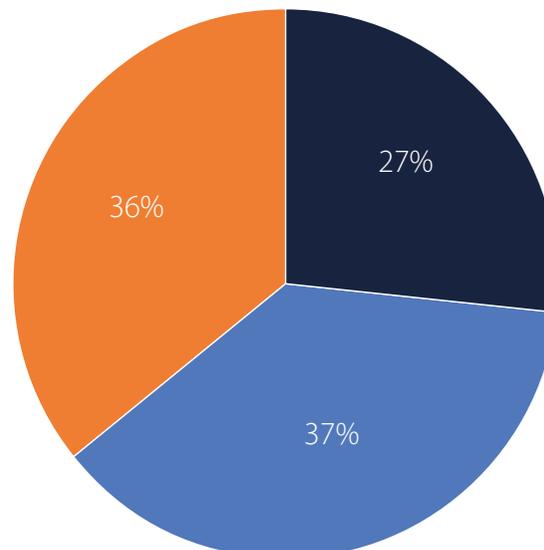
We therefore asked LPs whether they were already allocating into defence. It became apparent that many LPs had their hands tied in the past and were unable to invest due to internal self-imposed limits and restrictions. Defence is being discussed in many investment committees and is one of the hot topics. However, many are not yet ready to invest. There will be a lot of movement in the market in the coming years.

**LPs: Are defence-related investments becoming a new megatrend?**



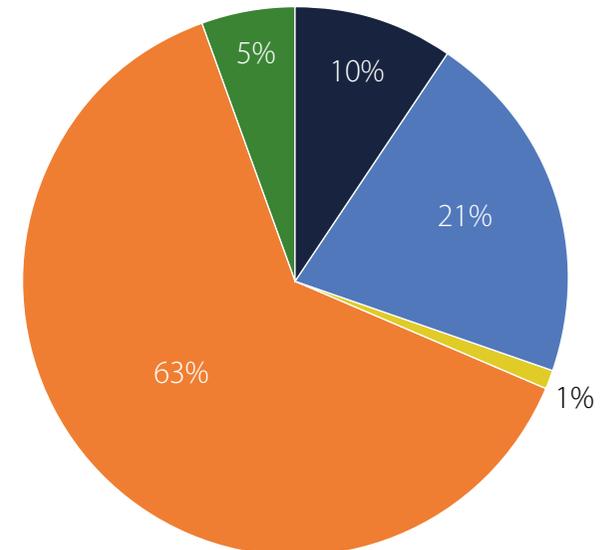
- Yes, Defence is already a megatrend
- Defence
- No

**GPs: Are defence-related investments becoming a new megatrend?**



- Yes, Defence is already a megatrend
- Defence
- No

**LPs: Are you already invested directly or indirectly in defence?**

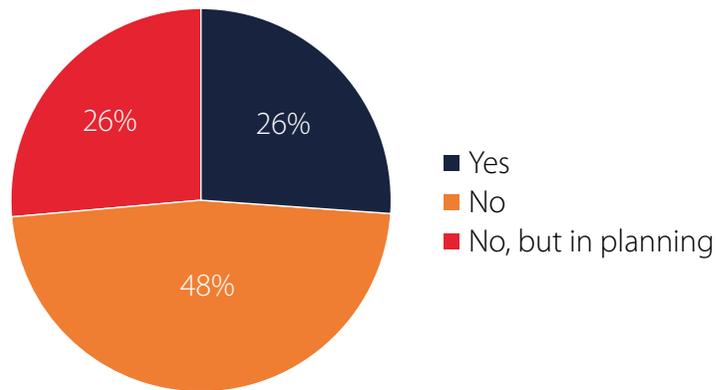


- Yes, and investments are to be expanded
- Yes, and we maintain the status quo
- Yes, but investments are to be reduced
- No
- No, but we are planning to invest

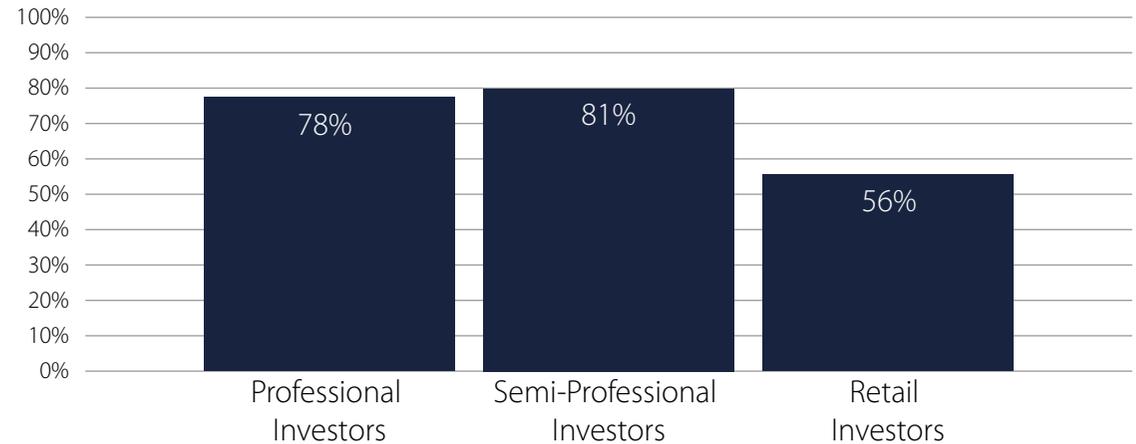
# ELTIF 2.0

An increasing number of BAI members are tailoring their private markets offerings to HNWI, the wealth and retail client segment. We want to understand this better and have asked the GPs in our association about their offering and intentions. When it comes to ELTIFs, the focus is usually on retail investors. At BAI, we can clearly see that our members are targeting their offerings specifically at professional investors, too.

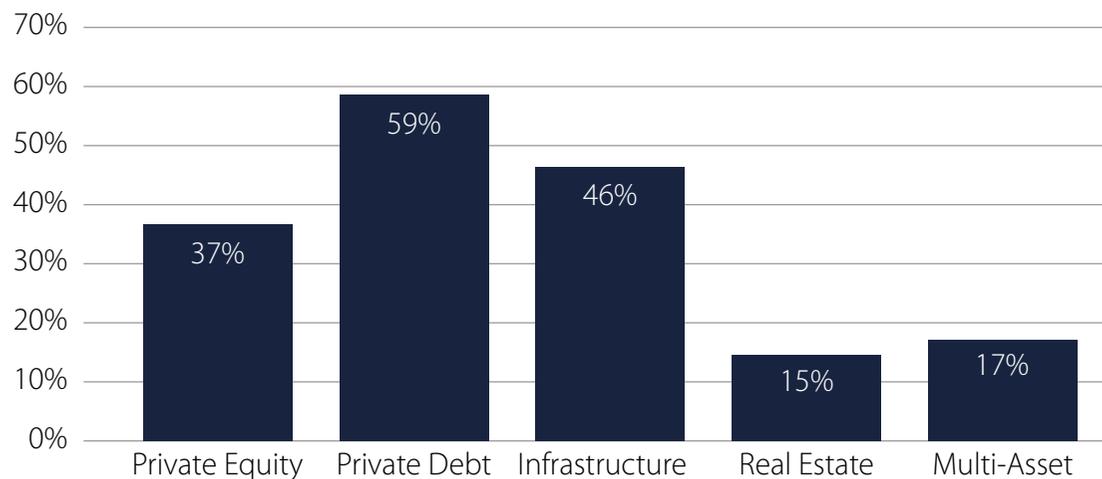
**Do you offer investors access to private markets via ELTIFs?**



**To which investor groups do you provide or intend to provide ELTIFs?**



**Which asset classes are currently covered or planned in your ELTIF offerings?**

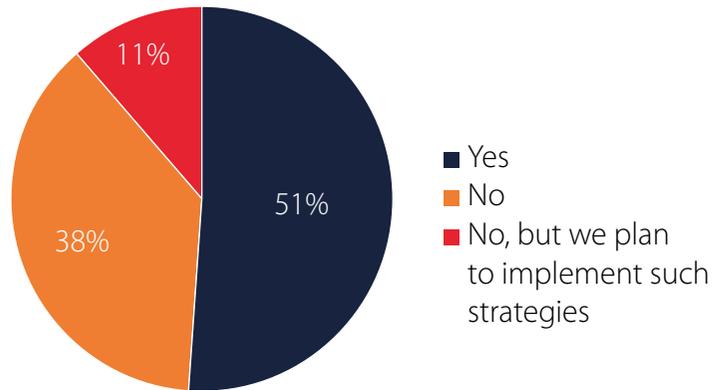


# Impact Investing & SFDR

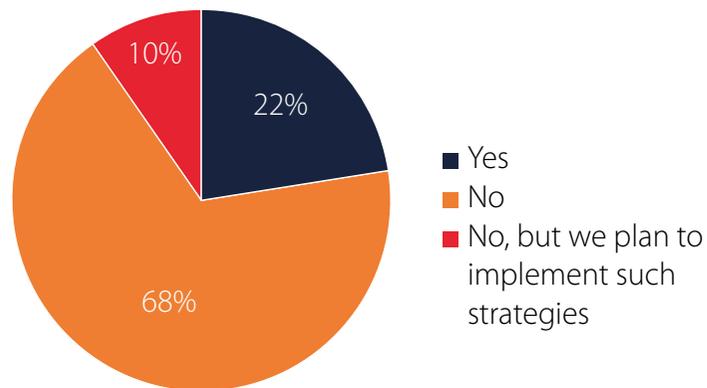
We asked LPs and GPs whether they pursue impact investing strategies.

Many asset managers in the BAI state that they pursue impact strategies and offer them to investors. DACH-LPs, on the other hand, tend to be rather conservative when it comes to specific allocation to such strategies.

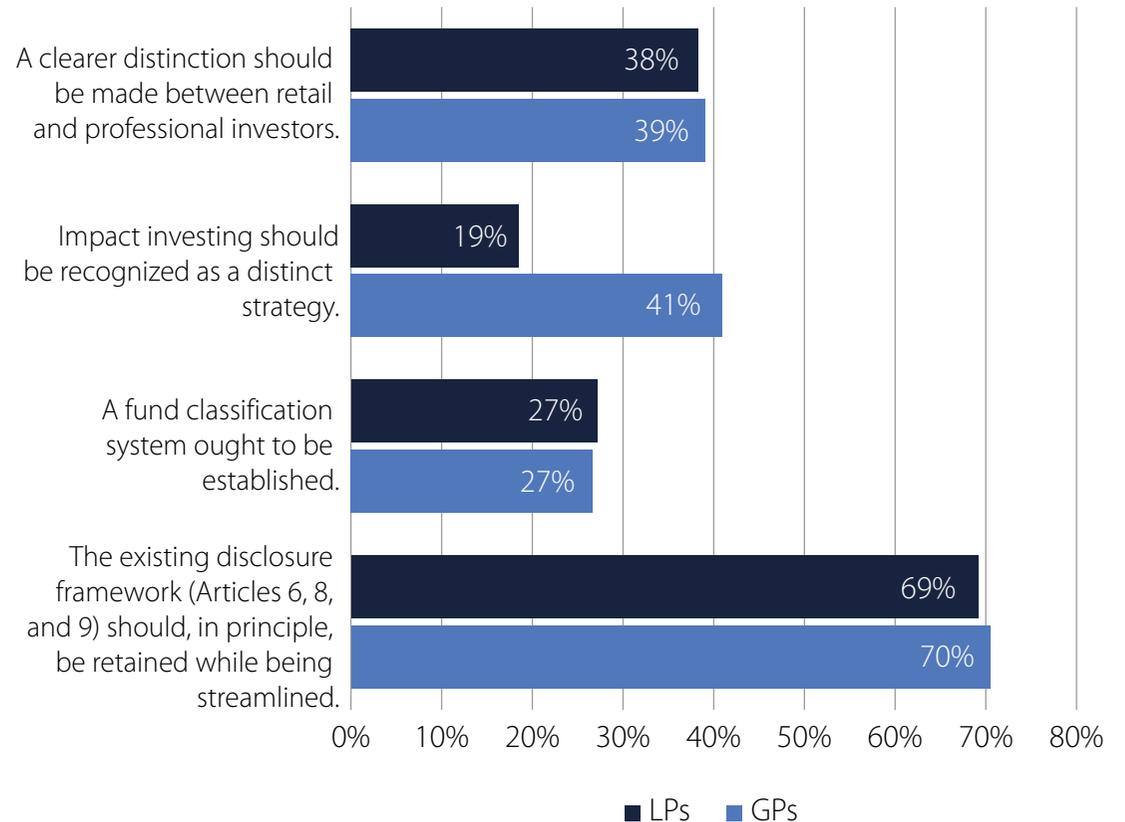
## GPs: Do you pursue impact investing strategies?



## LPs: Do you pursue impact investing strategies?



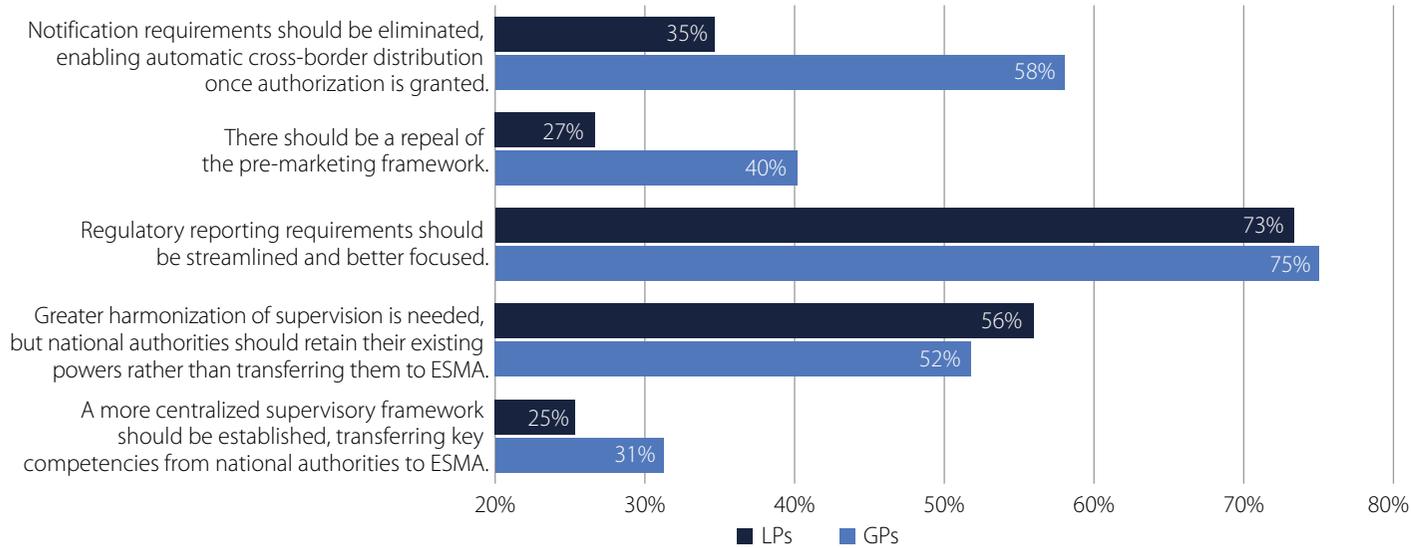
## The SFDR review should address:



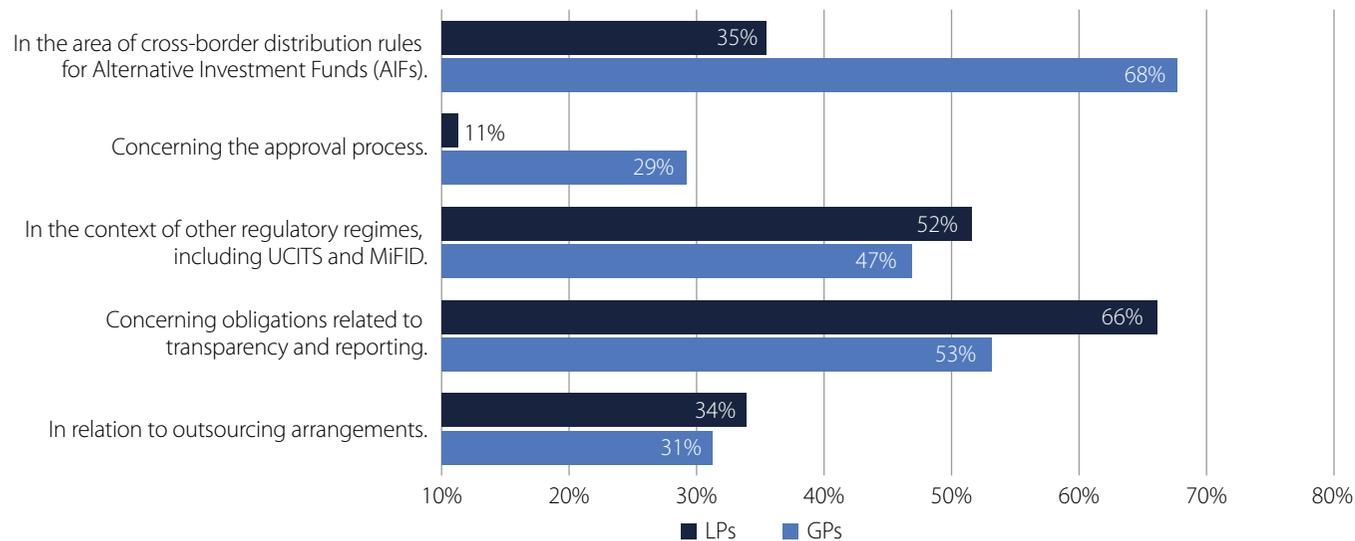
# Regulation designed with the future in mind

We look ahead and ask what LPs and GPs would like to see.

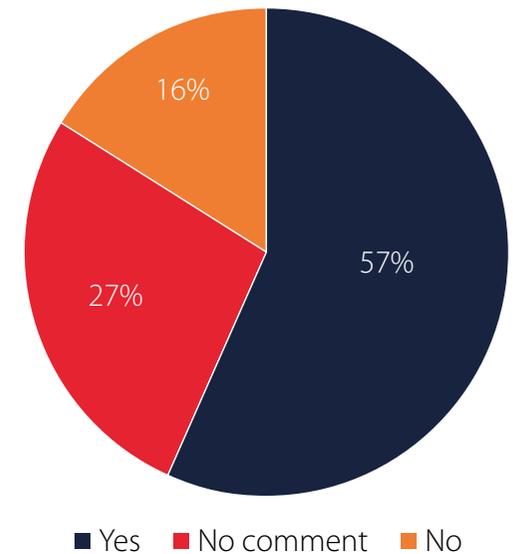
## What should be the key focus or orientation of European fund supervision in the future?



## Which aspects of the AIFMD do you believe require further review or adjustment?



## GPs: Should the EU introduce a distinct investor category for semi-professional investors?



# About us



The Bundesverband Alternative Investments e.V. (BAI) is the asset class- and product-spanning representation of interest for Alternative Investments in Germany.

## Our goals

- We are improving the level of public awareness for alternative strategies and asset classes
- We are creating internationally competitive and attractive (regulatory) conditions for the investment in Alternative Investments
- We are representing the interests of the industry to politics and regulators
- We are serving as a catalyst between professional German investors and recognized worldwide providers of Alternative Investments products and services
- We are supporting scientific research in the field of Alternative Investments

Founded 1997 in Bonn, the association's members are resident in any field of the professional Alternative Investments Business. 309 national and international companies are members of the BAI. The members directory can be found [here](#).

