GLENMEDE
PRIVATE WEALTH

Beyond the Ticker: Private Markets and the Arc of Value Creation

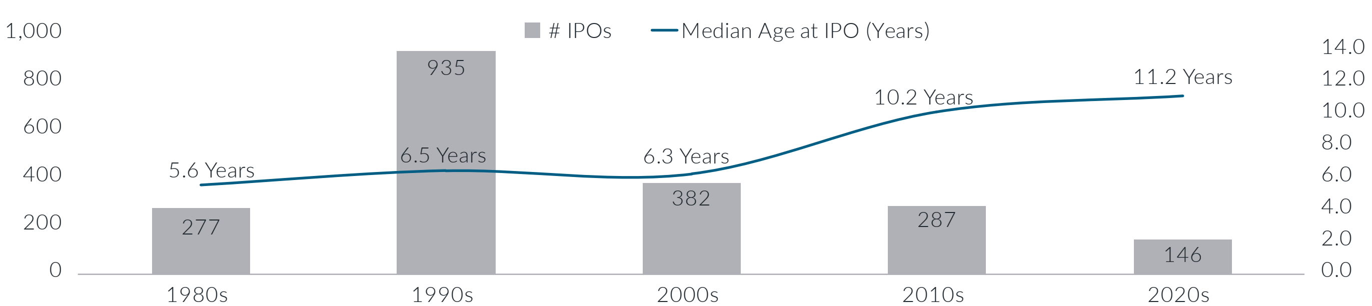
One of the most significant structural shifts in capital markets over the past several decades has gone relatively unnoticed: the companies with the most compelling growth stories are no longer in a hurry to go public, and in many cases, they are choosing not to go public until they are much further along in their life cycles.

Brian K. Green, CFA
CIO of Glenmede Private Wealth
The Glenmede Trust Company, N.A.

Why Companies Are Staying Private Longer

Venture-backed technology companies went from staying private for roughly five to seven years before an initial public offering (IPO) in the 1980s to approximately 12 years today, with 2024 reaching 14 years—the highest single-year median on record.[1] The number of domestic companies listed on major U.S. exchanges peaked at 7,451 in mid-1997 and has since fallen by more than 50%, standing at just 3,657 at the end of 2025.[2] This decline has unfolded even as the broader economy and the universe of high-growth private companies have expanded considerably.

Exhibit 1: VC-backed tech IPOs: volume & median age by decade



Source: Jay R. Ritter, Director - The IPO Initiative; University of Florida

As of 3/17/2026

Several forces working together over time have caused this shift, including regulatory change, administrative preference, and capital formation.

Regulatory Change

On the regulatory side, going public was more of an obligatory event than it is today. Under Section 12(g) of the Securities Exchange Act of 1934, a company that crossed certain shareholder and asset thresholds was required to register with the Securities and Exchange Commission (SEC) and file public disclosures, often before management felt ready for the responsibilities that came with it. The Sarbanes-Oxley Act of 2002 furthered this issue by significantly increasing the cost of being publicly listed, with these costs falling disproportionately upon smaller and midsize companies.

The turning point came with the JOBS Act of 2012, which raised the shareholder trigger threshold from 500 to 2,000, providing growth companies with a much longer private runway. The following year, SEC amendments to Regulation D lifted the ban on general solicitation for certain private placements, further expanding the pool of capital available to private companies without triggering public reporting requirements.

Administrative Preference

Administrative considerations reinforce the appeal of staying private. Quarterly earnings guidance, investor relations, ongoing disclosure requirements, and the relentless scrutiny of public markets create pressure that is often in direct conflict with long-term, strategic decision-making. The burden is not just financial; it also impacts organizational structure and how a company competes in its respective industry. Staying private allows management teams to remain focused on what matters over a longer time horizon, without the distractions associated with short-term market reactions.

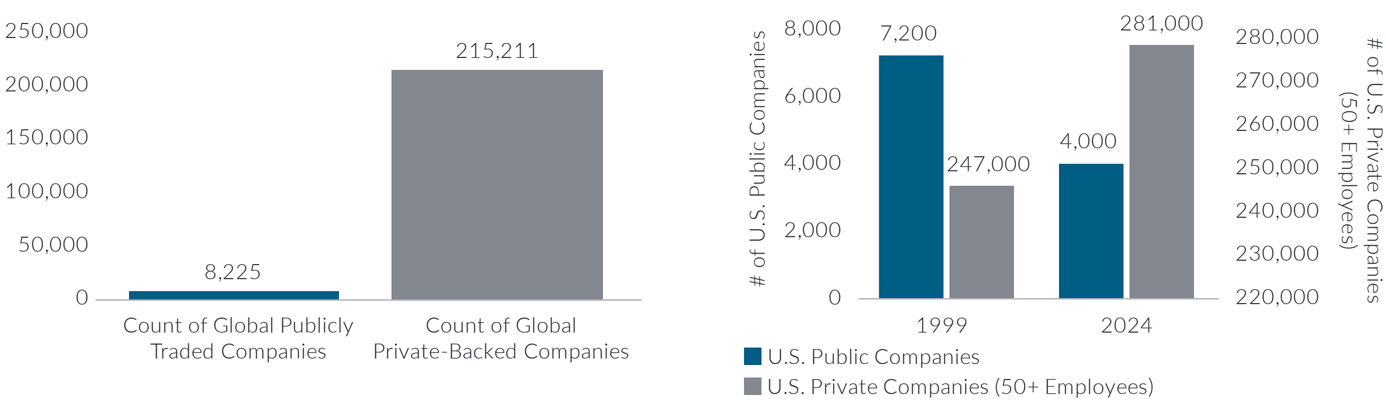
Capital Formation

The third force is capital formation, and it is the most self-reinforcing of the three. Late-stage venture and growth equity investors gained scale, prevalence, and influence. Sovereign wealth funds, pension funds, and crossover investors gained like significance. These investors, in contrast to earlier stage investors, require more de-risked business models and demonstrated revenue trajectories.

Late-stage fundraising across Series C rounds and beyond exceeded $900 billion in aggregate over the five years ending in 2025.[3] These new capital sources have enabled companies to stay private longer, creating a cycle that has fundamentally changed the structure of where growth companies live across private and public domains.

Exhibit 2:
Public markets capture only a fraction of investment possilbities

The center of gravity has shifted to private markets

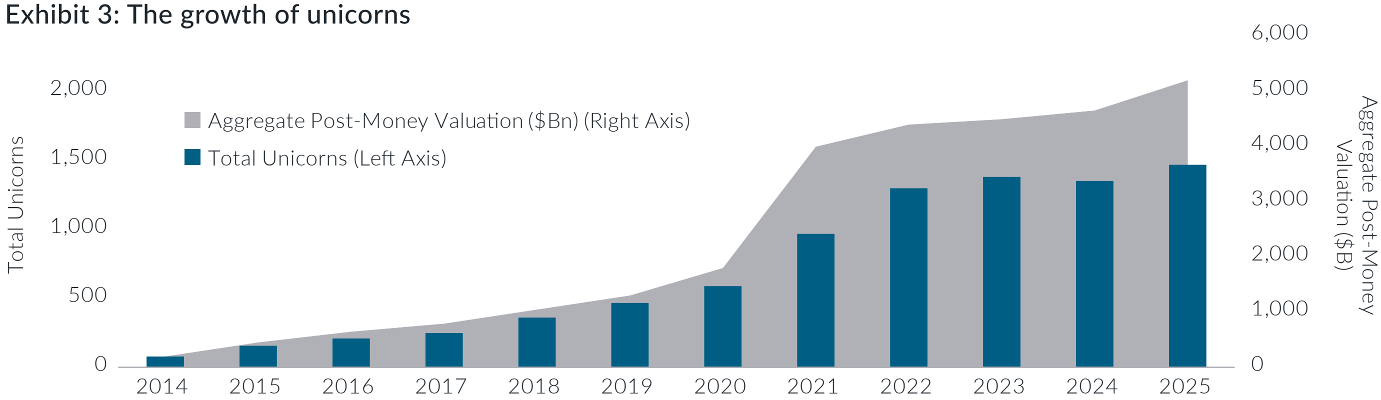


How Companies Are Staying Private Longer

Capital availability explains why companies want to stay private as long as possible. The maturation of private market infrastructure explains how they achieve this.

The private equity ecosystem has evolved from a relatively undifferentiated category into a well-segmented continuum of capital, spanning pre-seed, seed, early-stage, late-stage, and growth equity. A company can now move from its earliest days through significant scale—raising hundreds of millions of dollars along the way—without ever listing publicly. There are over 1,450 private "unicorns" globally today, with a combined enterprise value exceeding $5.3 trillion.[4] Many of these companies would have been publicly listed had they existed 15 or 20 years ago, simply because the private capital infrastructure to support them at that scale did not yet exist.

Exhibit 3: The growth of unicorns



The development of secondary markets has been equally important. Historically, an IPO was often the primary avenue for early employees and investors to realize their investment gains. Secondary transactions, including the growing prevalence of continuation vehicles, have provided investors with an alternative source of liquidity. Transaction volume in private company secondary markets reached approximately $226 billion in 2025, nearly nine times the level of a decade earlier.[5] This growth has not only addressed the liquidity problem but has also improved price discovery, meaningfully reducing what was historically known as the blind pool risk of private investing.

When companies do eventually choose to go public, they are doing so on fundamentally different terms. The median public float, the share of total equity released at IPO, has declined from roughly 30% to 35% in the 1980s and 1990s to just 14.5% in 2025.[6] Companies are retaining more control and concentrating prior-stage access among early investors. The governance shift is equally striking: dual-class share structures, which preserve superior voting rights for founders, were used in fewer than 10% of IPOs through most of the 1980s and 1990s. In 2025, 41% of all IPOs and nearly half of technology IPOs employed them.[7] The IPO has become less a transfer of ownership and more a partial liquidity event conducted on the issuing company's own terms.

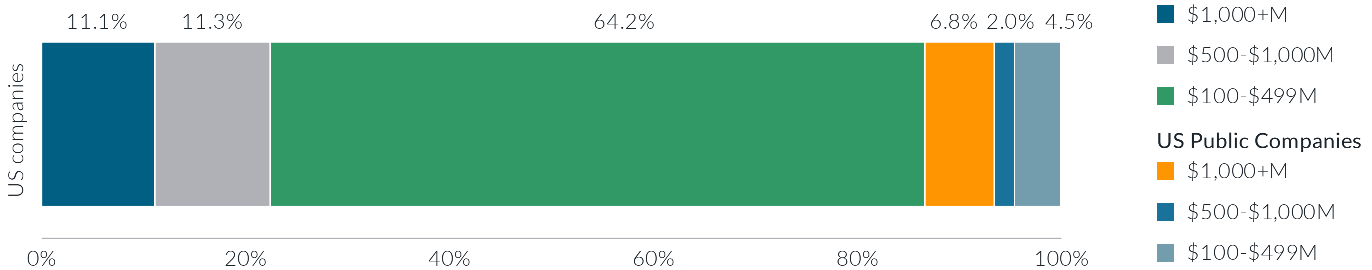
Together, these developments have created a self-sustaining ecosystem in which companies can access capital, provide liquidity, and manage their growth trajectories entirely within the private markets for extended periods. The public markets have not become irrelevant but are no longer the only path, and for many of the most ambitious companies they are no longer the preferred one.

Implications for Markets and Investors

The implications for investors who focus exclusively on public markets are meaningful and worth examining carefully, while recognizing that public and private markets serve different roles and carry different risk, liquidity, transparency, and cost considerations.

Globally, nearly 90% of companies with annual revenues above $100 million are private. In the U.S., only 14% of companies with such annual revenues are publicly listed.[8] A portfolio composed entirely of public securities is, by design, accessing a narrower slice of the overall economy than one that also considers private companies. Public markets have become more concentrated over time—the ten largest companies in the S&P 500 now represent approximately 40% of the index by market capitalization.[9] The rise of passive, index-driven investing has reinforced this dynamic, directing flows toward the largest existing constituents regardless of their underlying fundamentals. Public market investors are, in aggregate, increasingly making a concentrated bet on a small number of large companies, many of which have already reached maturation.

Exhibit 4: The mid-market has a large and diverse company universe



This structural shift in value creation is important for investors to consider. When Amazon went public in 1997, at three years old with a market capitalization of approximately $438 million, virtually all of its extraordinary wealth creation occurred in public markets. When Meta went public in 2012 at eight years old and already valued at roughly $133 billion, a meaningful portion of the company's value had already been realized by early investors.[10] The companies going public today, with a median age of 12 years and a 2024 peak of 14 years, may have completed more of their early growth before public market investors could participate.

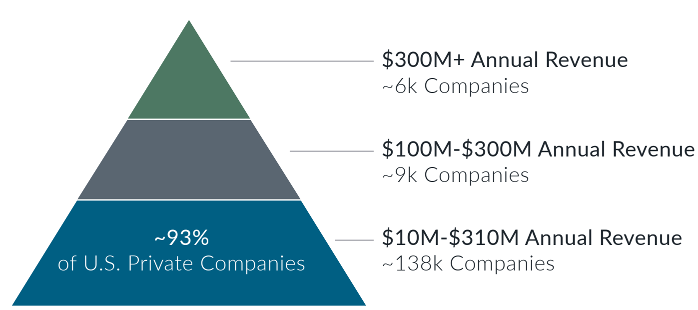
In other words, some compounding that once occurred on public exchanges is increasingly happening earlier, in private hands. The data illustrates this trend: the top 50 private VC-backed companies have demonstrated revenue growth of approximately 150% annually compared with roughly 21% for the top 50 public growth stocks. This gap is not a short-term artifact: a longitudinal analysis of PE-backed companies, tracking median revenue growth and EBITDA margins against public benchmarks from 2011 through 2022, also suggests that private ownership has shown growth and margin advantages across multiple market cycles.[11]

Public markets have also shifted in ways worth understanding. Throughout the 1980s, roughly 19% of IPOs involved companies with negative trailing earnings. In contrast, from 2001 to 2025, that share had risen to 61%, and in 2025 alone it stood at 53%.[12] This does not necessarily indicate deteriorating quality; rather, it may reflect the reality that some profitable and cash-generative private companies have less immediate need to list. What public markets are increasingly receiving are companies that may still require the capital and visibility that listing provides. Meanwhile, the VC-backed share of all U.S. IPOs has risen from roughly 25% to 35% in the 1980s to an average of 52% since 2001, and 54% in 2025, underscoring the importance of the private ecosystem as one pathway to public markets.[13]

The Glenmede Perspective

With private markets becoming what we see as an increasingly essential component of Private Wealth portfolio construction, manager selection becomes paramount. Glenmede has thoughtfully evolved its private markets platform over the past several decades, and seeks to offer eligible clients with access to select opportunities where appropriate.

Exhibit 5: Distribution of U.S. private companies by revenue (USD)



Source: FactSet, Pitchbook, J.P. Morgan Asset Management As of 6/31/2024

At Glenmede, we believe thoughtful private markets exposure requires a dedicated and experienced team that carefully vets select managers. Our platform is designed to focus on high-conviction opportunities across areas such as lower middle market buyout, growth equity, and early-stage venture capital. We seek to leverage our key structural advantages—our size and quality of capital—in an effort to maximize return potential for appropriate clients.

Glenmede offers a number of private markets investment solutions for clients, including commingled vehicles, separately managed accounts, and direct offerings, intended to support the varying needs and objectives of our clients. Each of these are designed to provide thoughtful, high-conviction exposure.

As private markets continue to evolve, it may be worth discussing with your Glenmede Portfolio Manager whether and how they align with your family's investment strategy, risk tolerance, and broader wealth objectives. I wish you and yours a healthy and restful summer, and I look forward to writing you again soon.

[1] Jay R. Ritter, University of Florida, IPO Data, updated April 2026. Median age at IPO, all IPOs (Table 4) and VC-backed tech IPOs (Table 4i). Available at site.warrington.ufl.edu/ritter/ipo-data/.

[2] Jay R. Ritter, University of Florida; CRSP. Number of domestic operating companies (CRSP share codes 10 and 11) listed on major U.S. exchanges, 1980–2025. Data as of December 31, 2025.

[3] ABS Global Investments / PitchBook. Late-stage fundraising (Series C and later), aggregate over five years ending December 31, 2025.

[4] ABS Global Investments / PitchBook. Private unicorn count and combined enterprise value as of early 2026.

[5] ABS Global Investments / Evercore. Private company secondary market transaction volume, 2025. Data as of December 31, 2025.

[6] Jay R. Ritter, University of Florida, IPO Data, Table 21. Median public float as a percentage of post-issue shares outstanding, 1980–2025. Updated December 31, 2025.

[7] Jay R. Ritter, University of Florida, IPO Data, Table 23. Dual-class IPOs as a percentage of all operating company IPOs, 1980–2025. Updated December 31, 2025.

[8] J.P. Morgan Asset Management, Alternatives Outlook 2026. Percentage of U.S. companies with annual revenues above $100 million that are privately held.

[9] CIBC Asset Management, "From Public to Private: How Privatization Is Reshaping Capital Markets," January 2026. S&P 500 top-10 concentration as a percentage of index market capitalization.

[10] Morgan Stanley / Counterpoint Global, "Birth, Death, and Wealth Creation," 2025. Amazon IPO market capitalization (1997) and Meta IPO market capitalization (2012).

[11] PitchBook; Bloomberg. Revenue growth comparison: top 50 U.S. private VC-backed companies vs. top 50 U.S. public growth stocks, excludes biotech. Data as of December 31, 2025. Verify prior to publication.

[12] Jay R. Ritter, University of Florida, IPO Data, Table 9. Percentage of IPOs with negative trailing twelve-month earnings, by year and subperiod, 1980–2025. Updated December 30, 2025.

[13] Jay R. Ritter, University of Florida, IPO Data, Table 4. VC-backed share of all U.S. IPOs by year, 1980–2025. Updated April 2026.