

The Shift to More Frequent Valuations: What's Driving Demand and What It Means for Managers

Private markets have historically operated on a quarterly net asset value (NAV) reporting cycle. The growth of evergreen and semi-liquid vehicles, increasing retail participation, convergence of public and private markets and broader expectations for transparency are changing that.

Lincoln's Valuations & Opinions Group is at the forefront of this evolution, valuing more than 7,450 operating companies and 2,000 asset-backed finance deal structures per quarter for over 250 distinct alternative asset managers. With the change in reporting cadence, an increasing number of valuations are performed more frequently than quarterly, currently representing more than 30% of valuations Lincoln performs.

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While real assets and direct lending have led the transition, demand is expanding across asset-backed finance, private equity, infrastructure and secondaries with assets requiring monthly, weekly and even daily valuations globally. Lincoln brings a thoughtful combination of timely market data, deep valuation expertise, scalable technology and high-touch client service to deliver more frequent valuations at scale. Below, Lincoln International's valuation experts unpack the benefits of frequent valuations, trends driving demand and considerations for asset managers.

What Frequent Valuations Deliver

A "frequent valuation" is any mark produced more often than quarterly, whether monthly, weekly or daily, typically to support subscriptions and redemptions, NAV reporting, portfolio monitoring and greater stakeholder transparency. As a whole, frequent valuations offer a host of benefits:

More-current NAV to support the purchase and sale of shares

Evergreen fund investors may transact based on frequently calculated NAVs, even though the underlying illiquid assets often lack observable market prices on the same cadence. Timely valuations help ensure NAVs reflect current market and investment conditions, reducing the risk of valuation asymmetry between entering and exiting investors.

Reduced reliance on stale marks

More frequent valuations allow managers to better reflect company-specific developments and market movements as they occur, providing a more current view of portfolio values and ongoing investment monitoring. That said, the valuation will reflect what is known or knowable as of the date of the valuation and therefore, the analysis may only reflect market changes and not include new financial or company specific information if no such changes are available at the time of the valuation.

Greater transparency into market movements and portfolio performance

As periods of volatility become more frequent, timely valuations are increasingly important. Recent disruptions such as COVID-19, tariffs, geopolitical conditions or even the SaaS market correction highlight the value of understanding how portfolio values evolve as market trends unfold rather than post-mortem.

Trends Driving Demand

Evergreen fund launches reached a decade high

Growth in evergreen and semi-liquid vehicles is accelerating the need for faster valuation and reporting cycles. While closed-end vehicles' filing requirements typically allow 60 to 90 days for reporting, evergreen and semi-liquid vehicles may raise capital continuously and offer periodic liquidity, requiring more frequent NAV updates. As a result, these structures typically demand an overhaul of manager processes and organizational frameworks that will impact not only new evergreen vehicles but also existing closed-end vehicles that hold the same investments.

Retail investors are entering private markets and demanding transparency

As private markets expand into retail and retirement channels, managers are serving investors historically accustomed to receiving live data and updates by the second in the public markets. While private assets do not offer the same level of liquidity or price discovery, these investors are increasingly seeking greater visibility into portfolio values and performance. More frequent valuations can help bridge this gap, supporting transparency and investor confidence as private market products reach a broader audience.

Valuation governance is receiving greater scrutiny

Beyond the demand for more data and transparency, regulators, boards, auditors and investors are placing greater emphasis on the rigor, independence and consistency of private market valuations. Regulatory bodies, including the SEC and FCA, have highlighted valuation and retail investor protections as key priorities in recent years. As valuation frequency increases, managers need frameworks that are repeatable and explainable and capable of incorporating new information on a timely basis, supported by appropriate controls, documentation and oversight.

Private market infrastructure is evolving

Across evergreen and closed-end funds, increasing interest in the private markets is creating a general rise in demand for transparency, standardization and comparability. Recent moves toward daily pricing across private credit illustrate this evolution. Entrants into the private capital market have increasing options as they select fund managers and investment opportunities. Increasing transparency in the form of frequent valuations enables investors, both institutional and retail, to make more informed decisions, raising conviction in the industry and reinforcing market growth trends.

Considerations for Fund Managers

1 Determine the right valuation frequency for your portfolio

There is no single appropriate cadence for every portfolio. The ideal frequency should reflect the fund structure, investor expectations, liquidity terms, redemption and subscription requirements, distribution platform requirements and the underlying assets.

Lincoln works with managers across a broad range of fund structures and asset classes to review valuation policies and establish a valuation cadence and approach tailored to their needs.

2 Adapt valuation frameworks to support increased frequency

Frequent valuations require appropriate calibration and refreshing each investment for fundamentals and market movements. For illiquid private assets, fundamental information is often available only quarterly or, in some cases, monthly. More-frequent valuations do not mean rebuilding every valuation from scratch. A quarter-end valuation can establish an anchor, with market data and company-specific developments used to refresh valuations between quarter-end valuation dates. Clear thresholds can identify when a material change requires deeper analysis or a new fundamental assessment.

3 Stay abreast of private market developments and strengthen portfolio monitoring

The quality of frequent valuations depends on staying abreast of relevant private market data, rather than simply marking to public benchmarks, which can introduce undue volatility and may not reflect how private market participants are transacting. Equally important is effective portfolio monitoring and information sharing between investment teams, portfolio companies and valuation teams to identify material developments as they occur.

Lincoln's breadth across asset classes and geographies, combined with the significant volume of intra-quarter valuations we perform, allows us to continuously monitor market developments and incorporate relevant data points into valuations on a timely basis. Lincoln Lens further enhances this transparency, helping investors and managers understand what is driving changes in value and how changes in key assumptions may impact NAV. While our technology makes information sharing and monitoring scalable, our private market intelligence and valuation expertise make them meaningful.

4 Ensure data, information and governance can scale with frequency

Moving from quarterly to more frequent valuations requires technology, information-sharing, monitoring and review workflows designed to operate on tighter timelines. Legacy models and manual processes can be difficult to scale, increasing demands on headcount and resources. Managers also need timely review and committee oversight, consistency checks, segregation of duties and supporting documentation. While quarterly to monthly valuations is generally a manageable transition, especially with third-party support, daily valuations, in contrast, require an internal operating model switch in systems, monitoring and workflows.

This is where the combination of technology, standardized processes and valuation expertise becomes critical. Lincoln performs daily valuations for a wide array of clients, leveraging our technology-enabled platform and standardized workflows to automate repeatable market refreshes, portfolio monitoring and valuation updates, with multiple layers of review and oversight to maintain rigor and consistency at scale.

5 Determine the right resourcing model

Managers should assess whether the technology, data, valuation expertise and governance required for frequent valuations are best managed internally, co-sourced or outsourced. Partnering with Lincoln can offer greater scale and broader market intelligence while bringing an independent perspective that helps mitigate potential conflicts of interest. Beyond performing valuations, our secure client platform Lincoln Lens brings valuation results, portfolio monitoring, benchmarking and collaboration into one connected experience, providing managers with transparency and efficiencies as their valuation needs evolve.

Looking Ahead with Lincoln

More frequent valuations are not simply about producing marks more often. They require a scalable approach that brings together timely private market intelligence, fundamental analysis, technology and independent valuation expertise.

Lincoln's private market data and benchmarks coupled with Lincoln Lens, our strong technology platform and deep-rooted technical-expertise help managers navigate this transition while maintaining rigor, consistency and transparency. Our team works with clients to design cadence, governance and tooling beyond just producing marks, tailored to support our clients' evolving needs as private markets continue to grow.

Reach out to Lincoln's valuations team to learn more about how we can support more frequent valuations as well as Lincoln Lens.

> Ready to discuss the opportunities ahead for you?
> Connect with a senior professional at connect@lincolninternational.com