



H1 2025 Secondary Market Review

Evercore Private Capital Advisory

July 2025

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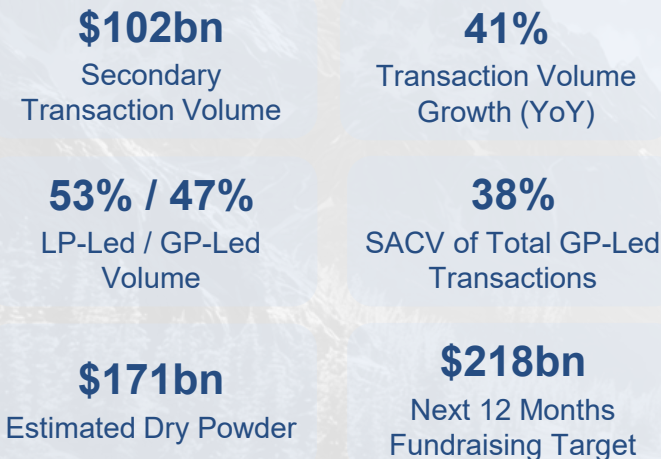
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Foreword

H1'25 Market Highlights



H1'25 Evercore PCA Highlights



Introduction: Secondary Market Landscape

The secondary market reached a new milestone in H1'25, with transaction volume surpassing \$100 billion, the highest on record for any half-year period and exceeding most full-year totals over the past decade. This surge underscores the market's expanding strategic role in private capital, as both sponsors and investors increasingly rely on secondaries to navigate liquidity challenges in a persistently complex macro environment.

The unprecedented growth in H1'25 unfolded against a backdrop of sustained inflationary pressure, tighter monetary policy, dynamic trade policies, and ongoing geopolitical uncertainty. These dynamics constrained traditional liquidity channels, which prompted market participants to turn to secondaries to manage pacing, rebalance portfolios, and unlock value. With fundraising slowing and exit activity subdued across private markets, secondaries continued to serve as a vital release valve for both GPs and LPs during this time period.

Activity surged across both GP-led and LP-led segments. On the GP-led side, sponsors leaned into alternative liquidity solutions, including single- and multi-asset continuation vehicles ("CVs") and other bespoke structures, to retain and reinvest in high-performing assets while delivering liquidity to existing investors. On the LP-led side, a wide range of institutions, from pensions and endowments to family offices, turned to the market to adjust exposures, mitigate denominator effects, and enhance portfolio flexibility. Favorable pricing, particularly for high-quality Buyout portfolios, further supported LP-led activity by offering sellers a reliable path to liquidity.

In parallel, adoption of non-buyout strategies, particularly in Credit, Infrastructure, and Venture, accelerated meaningfully, driven by compelling opportunities and strong investor demand from both new entrants and established market participants.

Entering the second half of the year, dry powder is slightly below levels seen at the same point last year, reflecting an elevated pace of deployment. These market conditions highlight the importance of differentiated deal flow, disciplined pricing, and structure-driven execution. Meanwhile, the buyer base continues to expand, with capital from institutional allocators, multi-strategy platforms, and semi-liquid funds increasingly drawn to the market's long-term potential.

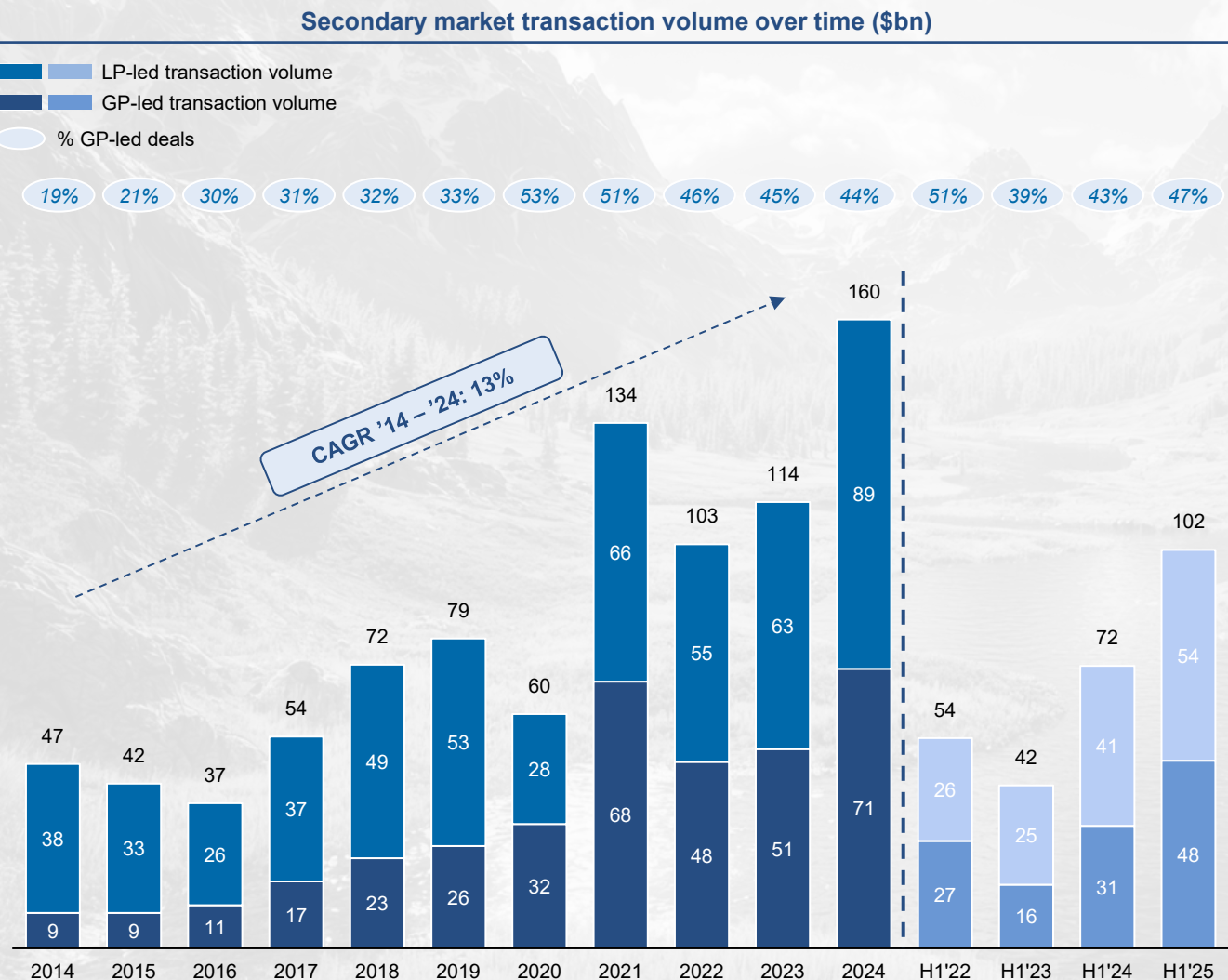
We are pleased to present Evercore's H1'25 Secondary Market Review, capturing the perspectives of many of the industry's most active and thoughtful participants. We sincerely thank those who contributed their time and insights to this report.

As we look ahead to the second half of 2025, we expect continued momentum and innovation across the secondary landscape. We look forward to partnering with you to design and execute tailored solutions that support your strategic objectives.

– The Evercore PCA Team

H1'25 Secondary Market Transaction Volume

H1'25 marked the record six-month period for the secondary market, on track for a record-setting 2025



Key trends & market drivers

LP-Led



Sustained Pricing Strength Fuels Selling

Despite ongoing geopolitical uncertainty, strong pricing persisted through H1'25, with high-quality buyout portfolios trading at tight single-digit discounts. This stability continued to attract a diverse mix of sellers seeking liquidity and capitalizing on resilient demand.



Proactive Portfolio Management

More LPs, including endowments and foundations, are institutionalizing secondaries as a core portfolio tool. Instead of one-off sales, they're adopting programmatic cycles to streamline portfolios, adjust strategy allocations, and focus exposure on preferred vintages, sectors, and managers.

GP-Led



CVs – a Fundraising Catalyst

Amid a challenging fundraising environment, sponsors are increasingly using CVs to boost DPI, return capital to existing LPs, and build momentum for future fundraises, positioning secondaries as a strategic fundraising tool.



Specialized Strategies Expand Market Breadth

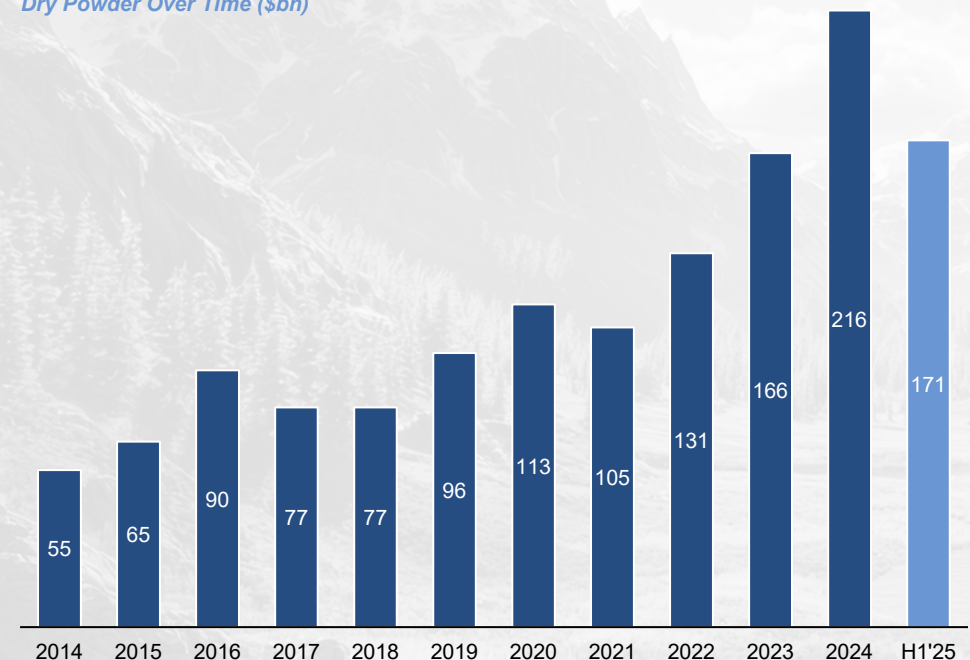
The growing presence of specialized buyers is driving a shift toward more thematic CVs, as investors seek exposure to targeted strategies. This has fueled increased activity across Credit, Infrastructure, and Venture secondaries, expanding the scope of the GP-led market.

Secondary Dry Powder Availability

Record deployment in H1'25 reflects a strong market, though dry powder, while historically high, trails supply growth

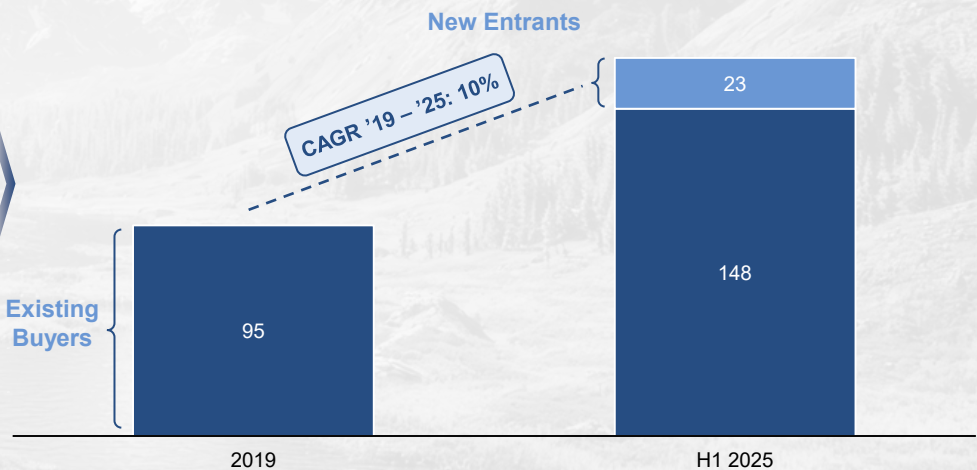
Secondary dry powder is at \$171bn

Dry Powder Over Time (\$bn)



The market is diverse with existing buyers and new entrants

Increase in Dry Powder (\$bn)

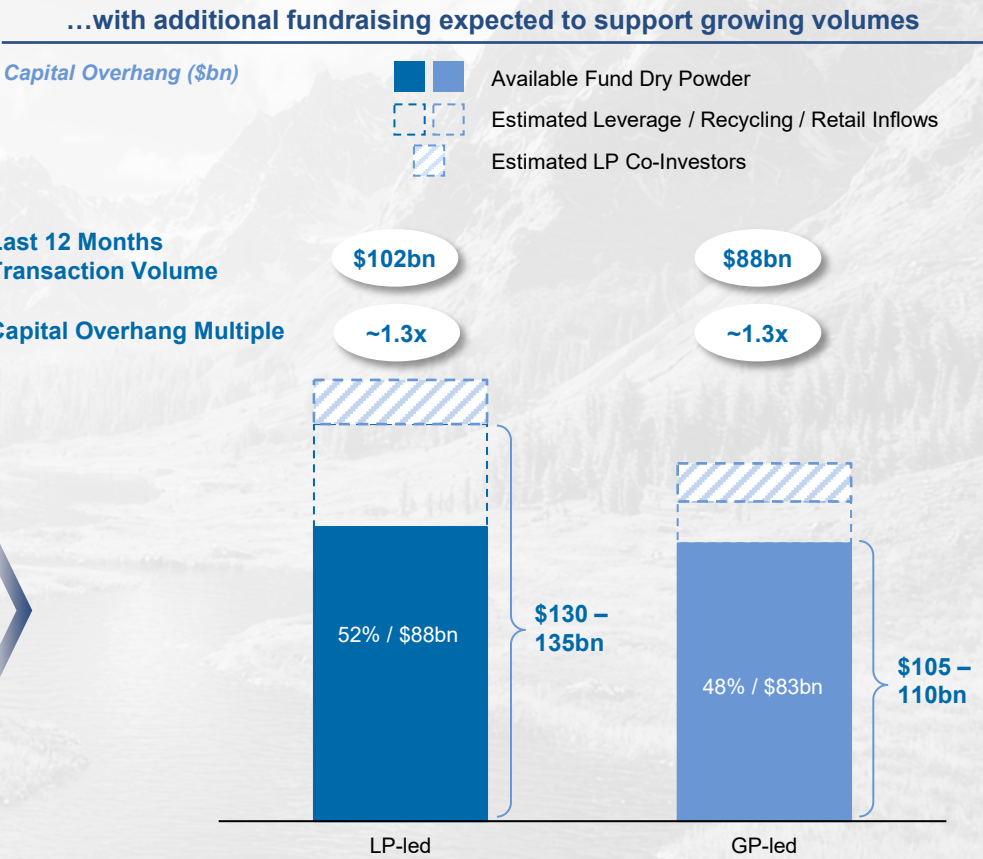
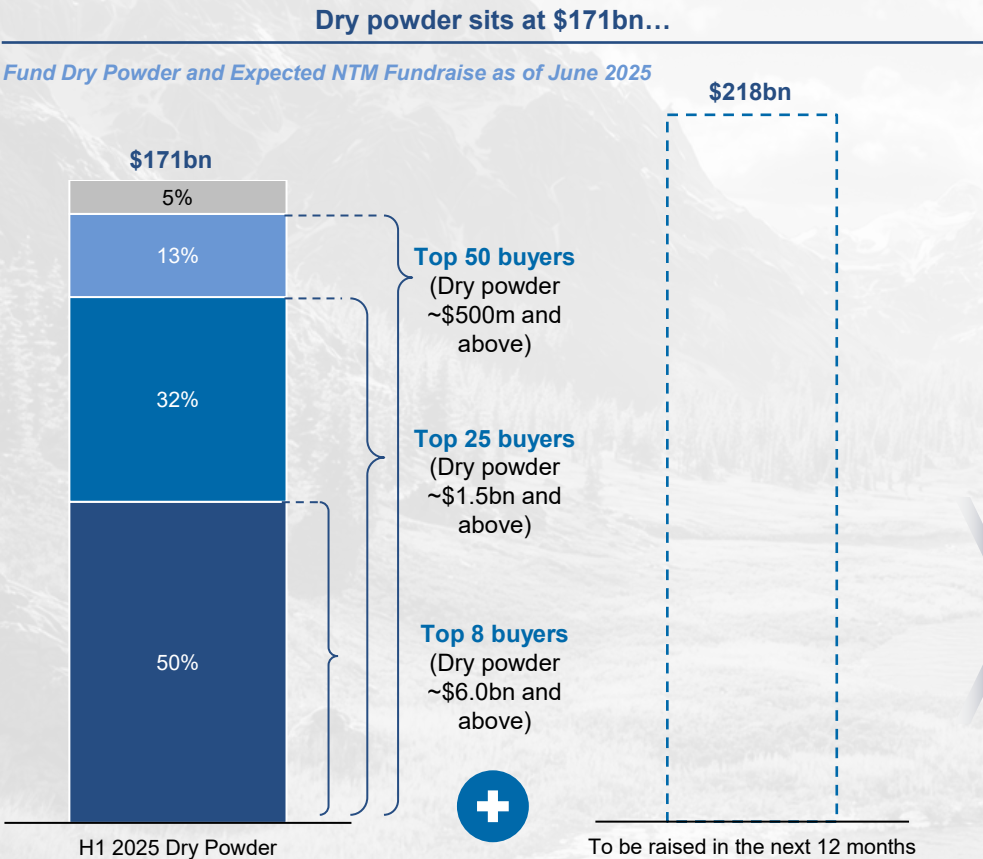


Highlights

- Dry powder following H1'25 is at \$171bn, declining from \$216bn to begin 2025, though is still strong compared to historical levels.
- The decrease in dry powder reflects elevated deployment activity in H1'25, though additional fundraising over the next 12 months is expected to replenish capital reserves and support continued market growth.
- Dry powder continues to be driven by large incumbent investors raising record-setting pools of capital.
- Activity from new and diverse entrants has grown compared to prior years, broadening the investor base and intensifying competition.
- The rise of retail capital vehicles continues to expand market capacity, with plans to raise approximately \$25 billion over the next 12 months, a meaningful portion of which is expected to be allocated to secondaries.
- This expanding pool of capital supports sustained market liquidity and continued growth in transaction volume.

Secondary Fundraising

Ambitious fundraising efforts are poised to support market growth following record H1'25 deployment



Highlights

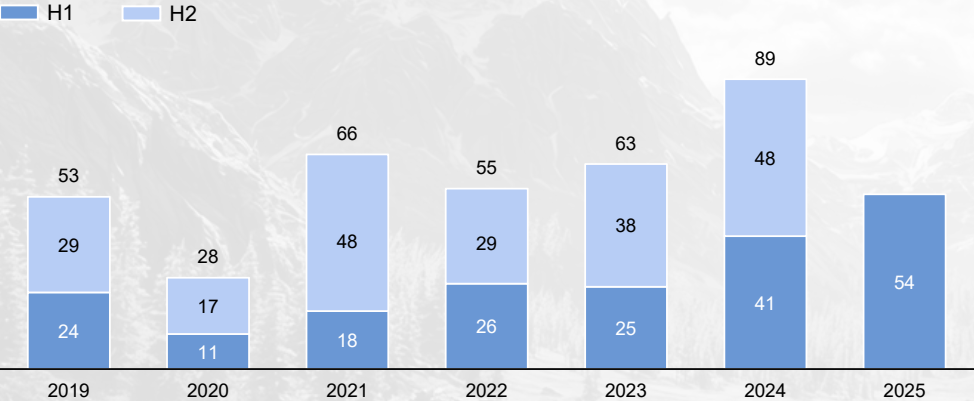
- Available dry powder sits at \$171bn, down 21% from YE'24, though buyers expect to raise an additional \$218bn over the next 12 months, up 90% from YE'24.
- Capital overhang multiples point to near-term capital constraints, though robust fundraising pipelines may help restore balance.
- Secondary investors are raising larger flagship funds while also launching specialized vehicles targeting specific deal types and asset classes.
- If fundraising goals are met, dry powder would reach record highs, underscoring the continued growth and strategic importance of the secondary market.

Deep Dive: LP-Led Market

LP-led volume reached a record high in H1'25, exceeding all prior periods and reflecting a 46% CAGR since H1'23

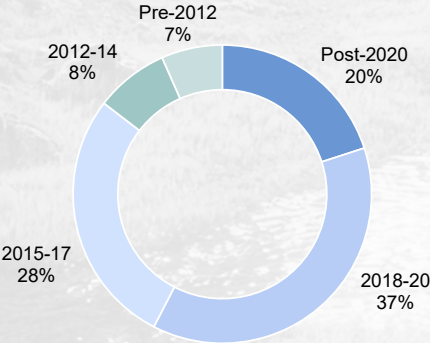
LP-Led market accounted for 53% of total volume in H1'25

Transaction Volume Over Time (\$bn)



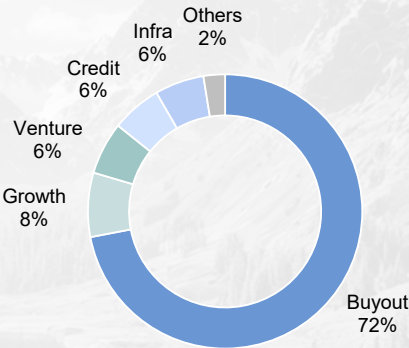
Funds with upside potential most traded in H1'25

Split by Fund Vintage (% of Transaction Value)



Buyout remains the most prevalent strategy, with others growing

Split by Fund Strategy

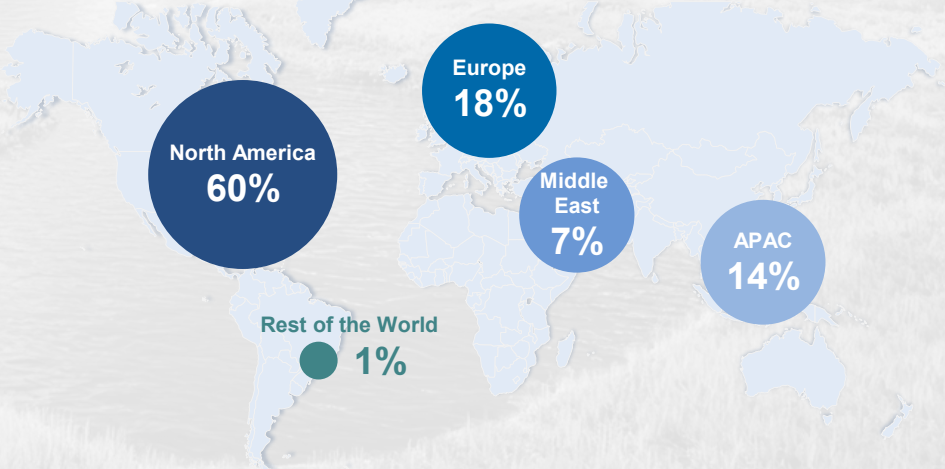


➤ Within broader private equity, **Buyout** now accounts for a smaller proportion of the total compared to prior years, as **Venture and Growth** have gained share driven in part by improved pricing since H1'24.

➤ **Infra and Credit** continue to expand, supported by growing pools of dedicated capital.

North American LPs continue to be most active sellers

Split by Seller Geography

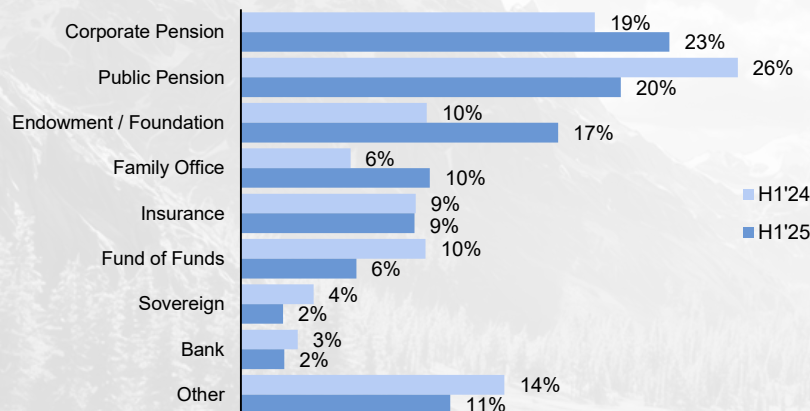


Deep Dive: LP-Led Market (Cont'd)

Intermediated transactions enable streamlined processes that lay the groundwork for growth and adoption of the market

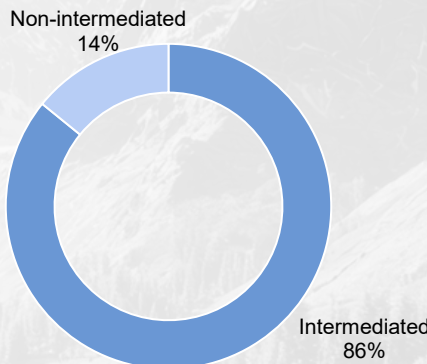
Expanding LP seller base, underscoring broad market adoption

Split by Seller Type



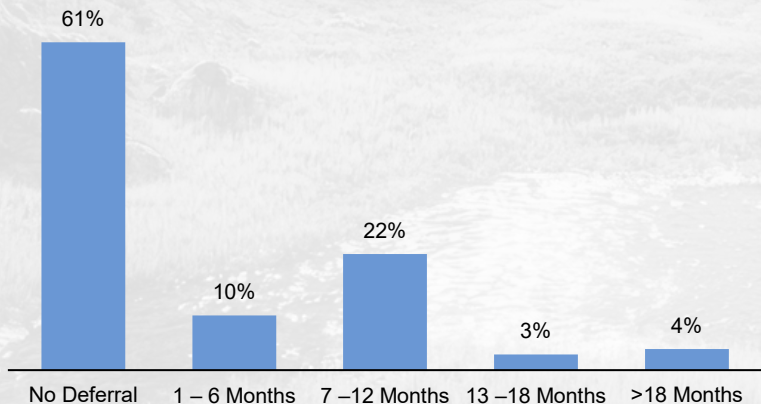
Majority of LP transactions were intermediated

Split by Intermediation (% of Transaction Value)



Buyers increasingly utilized deferral structures

Split by Deferred % of Transaction Value (% of Deals)



Highlights

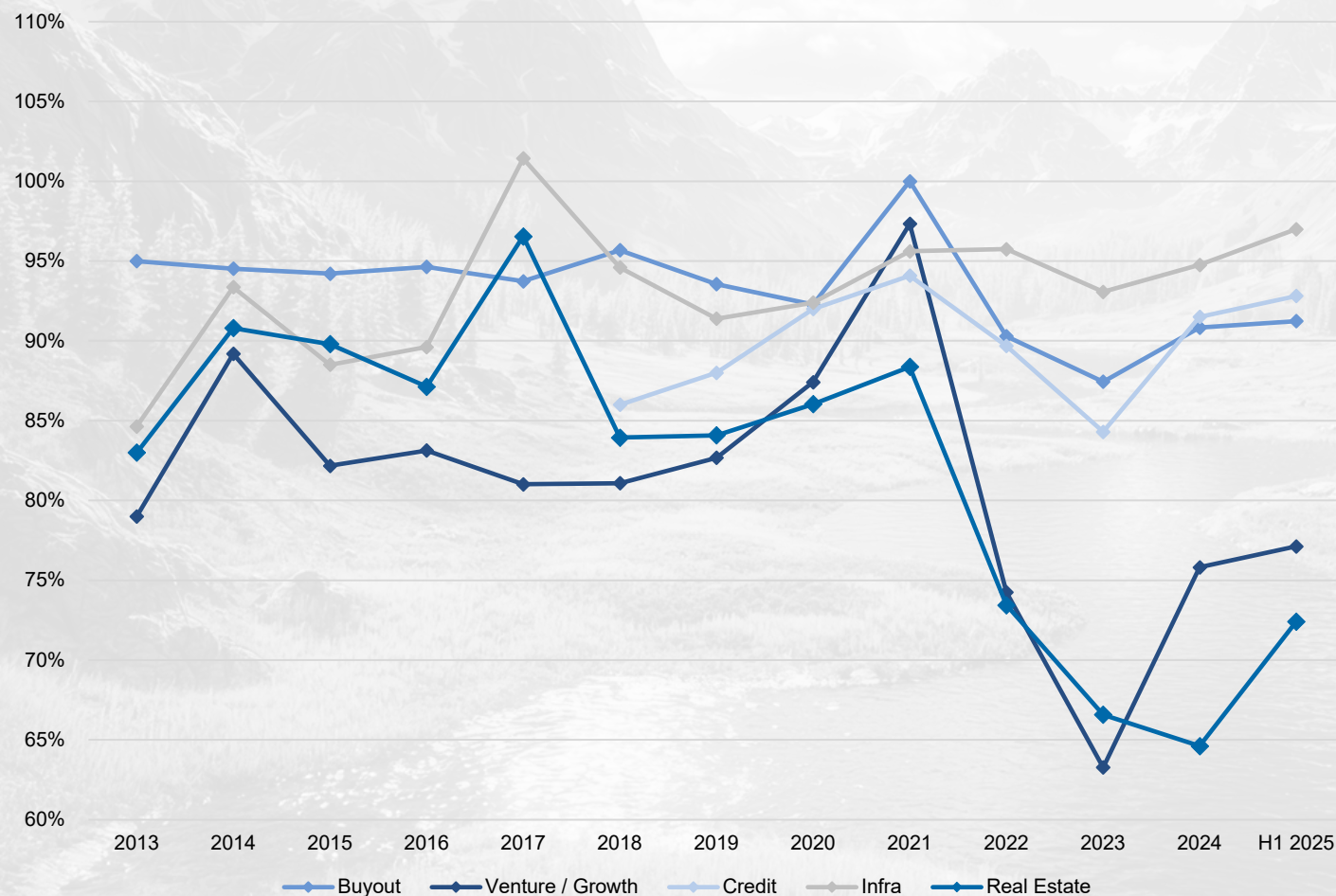
- **LP Participation Broadens, Fueled by Market Maturity**
 - ❖ **Endowments & Foundations Step Up:** Volume share rose 7% YoY as these groups adopt a more active, programmatic approach, building on Public Pensions' established presence.
 - ❖ **Family Offices Gain Traction:** Activity climbed meaningfully, reflecting growing comfort with secondaries as a routine liquidity tool.
 - ❖ **SWFs Still Underrepresented—for Now:** Despite large private capital holdings, SWFs remain a small slice of volume; that's expected to shift as they build internal secondaries capabilities.
- **Intermediation and Structuring Trends Support Scale**
 - ❖ **Market Still Largely Intermediated:** High advisor involvement continues to enable broad access, structured execution, and tailored solutions.
 - ❖ **Deferrals on the Rise:** Use of deferral mechanisms is now widely accepted as a strategic lever to support pricing and alignment.

Deep Dive: LP-Led Pricing

Buyer appetite continued to grow in H1'25, driving improved pricing across all strategies compared to 2024

Elevated competitive tension enhances pricing

LP-led Secondary Pricing Trends (% of Reference Date NAV)



Highlights

Pricing for high volume strategies is strong

- Appetite for Buyout, Credit, and Infra portfolios has increased, serving as a catalyst for rising prices. **Recent transactions have cleared in the high 90s to above par in some cases.**
- **Pricing for Venture funds has remained steady at 2024 levels** following reversal of two years of steep decline in 2024, as stronger public market performance boosts return expectations, particularly for funds with near-term IPO prospects.
- **Pricing for Real Estate funds increased after years of decline**, driven largely by stabilizing interest rates and strong buy-side demand for cash-flow-generating assets.

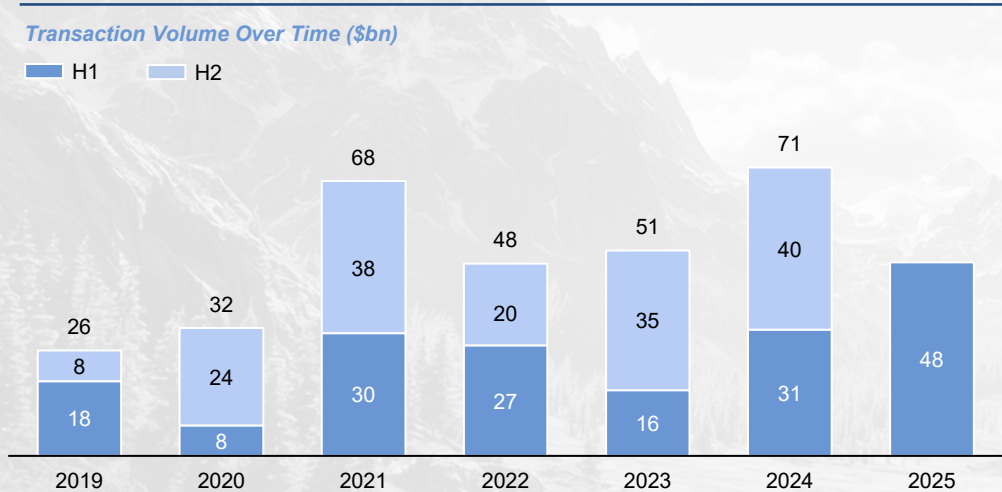
Large portfolios drive competitive tension

- **Buyers with ample dry powder are writing larger checks** and showing greater willingness to include lower-conviction funds within broader portfolio purchases. These buyers are also more open to **syndicating large transactions with co-investors** (a helpful strategy in the current fundraising environment).
- A growing number of **small- and mid-sized buyers will stretch on price** to offer comprehensive portfolio solutions, further driving up competitive tension in the market.
- **Mosaic deal structures** continue to provide sellers with **constructive options to optimize pricing** while pressuring buyers to remain competitive.

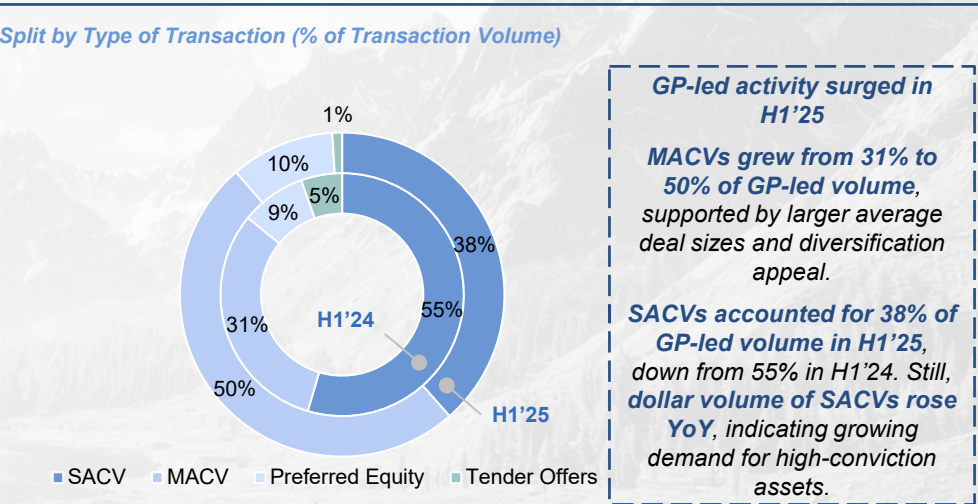
Deep Dive: GP-Led Market

GP-led activity hit a new record in H1'25, marking the strongest half-year period on record

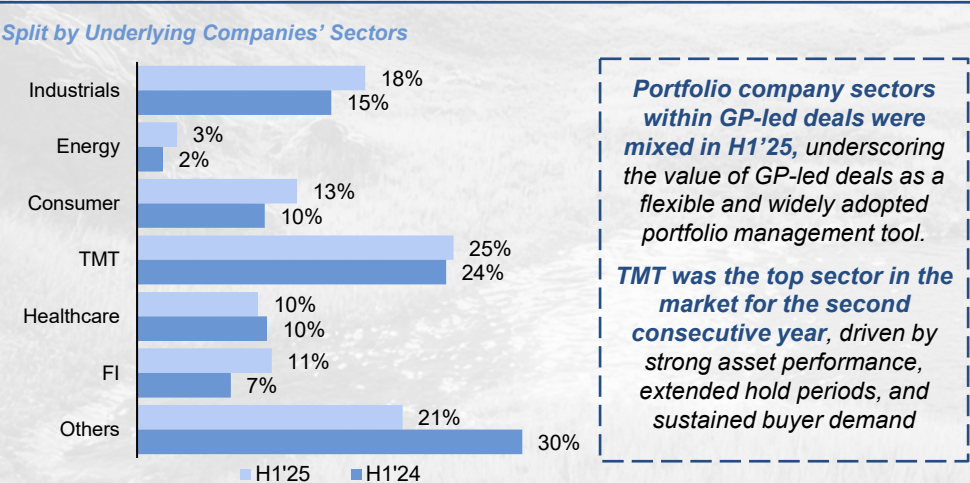
GP-Led market accounted for 47% of total volume in H1'25



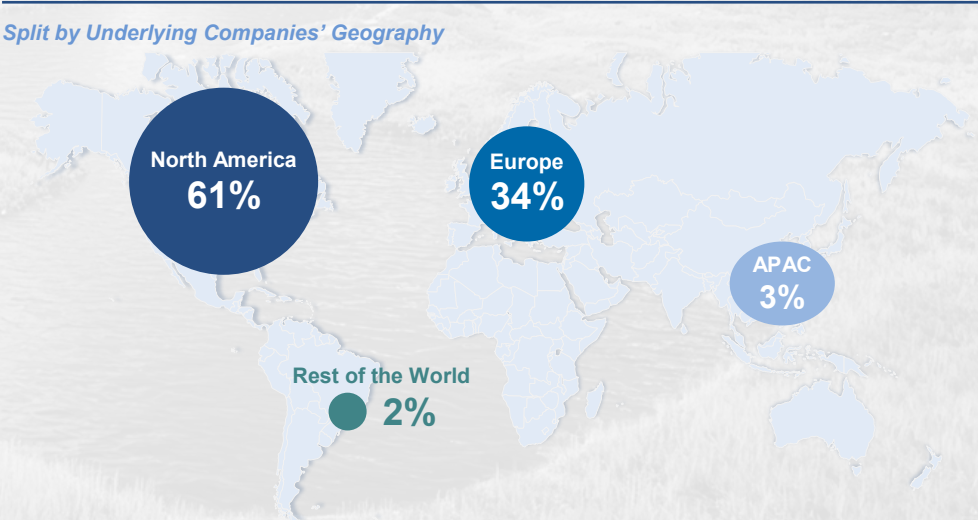
MACVs and SACVs are up YoY



Robust market activity across sectors, with TMT leading the way



North America remained the most dominant geography by volume

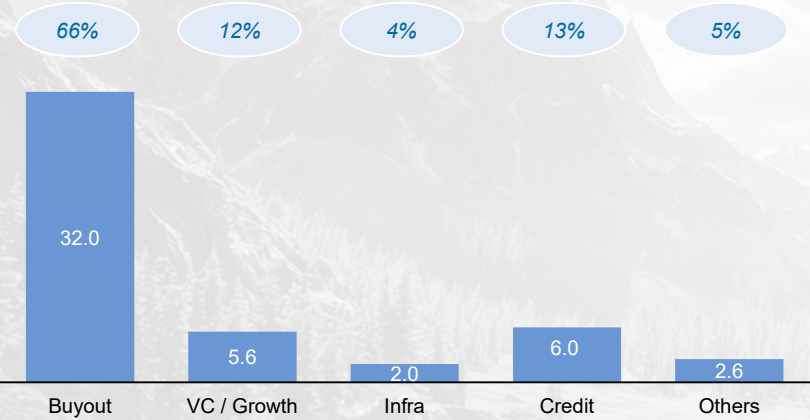


Deep Dive: GP-Led Market (Cont'd)

The GP-led landscape is evolving as participants navigate uncertain macroeconomics amid a flurry of activity

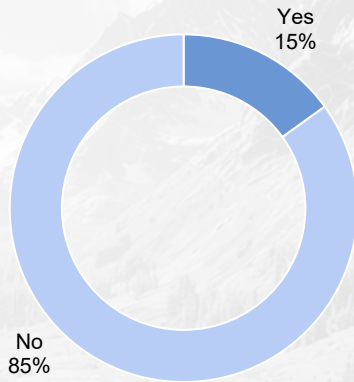
Buyout remains the dominant strategy

Split by Strategy (\$bn Transaction Volume)



Use of third-party leverage is subdued, but growing

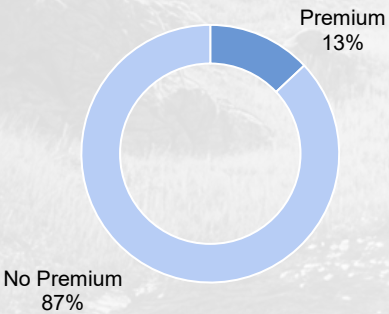
Split by Use of Third-Party Leverage (% of Deals)



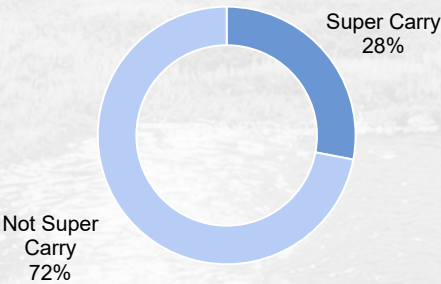
The **persistent high-interest rate environment** continues to dampen the use of leverage. However, the percentage of respondents reporting the **use of third-party leverage** has increased YoY from 6% in H1'24 to 11% in H1'25, indicating a **cautious but growing appetite for structured financing**.

The bulk of transactions still closing at standard pricing

Split by Premium Pricing (>100% of NAV) (% of Transaction Volume)



Split by Super Carry (>20%) (% of Transaction Volume)



Buyers can write very large checks into SACV transactions

Maximum Equity Check Size for SACV Deals (by amount of Total Dry Powder for SACV)



Most SACV capital is positioned to support checks sizes in the \$50m to \$250m+ range

At the upper end, 6+ buyers can now write **large checks (\$500m+)** into SACVs, and such checks now account for a **substantial portion of available capital**, reflecting buyers' increasing conviction in high-quality, concentrated transactions.

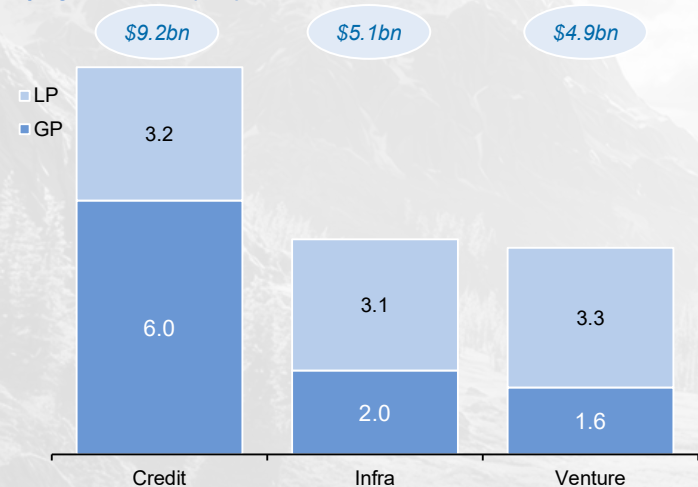
Sub-\$500m checks are also on the rise, driven by an expanding opportunity set as mid-market sponsors bring their strongest assets to market.

Deep Dive: Credit, Infra, and Venture Secondaries

Private equity remains dominant, though the secondary market is steadily expanding into non-traditional sectors

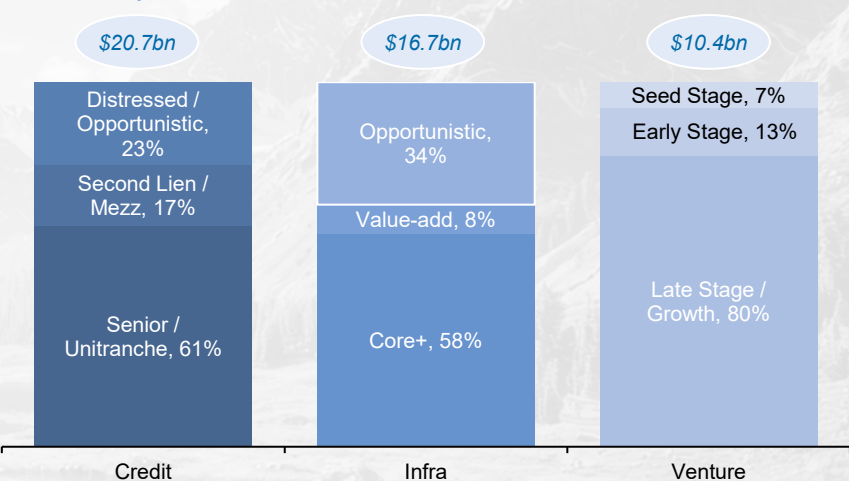
H1'25 deployment to non-buyout secondaries

Capital Deployed in H1'25 (\$bn)



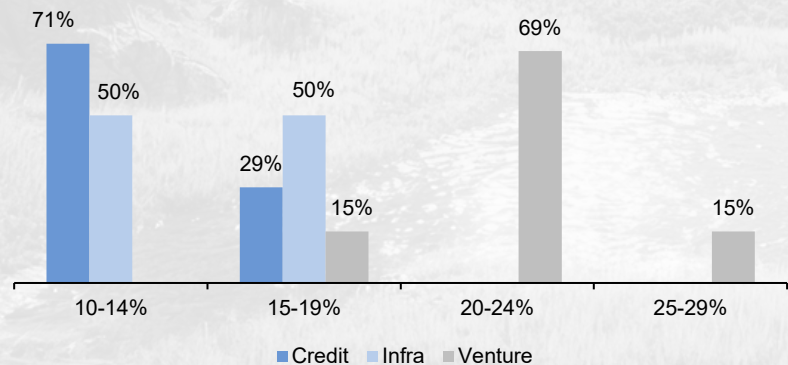
Robust dry powder will allow for market growth

Current Available Capital



Target returns vary by strategy

Target Cost of Capital (net IRR) (% of Respondents)



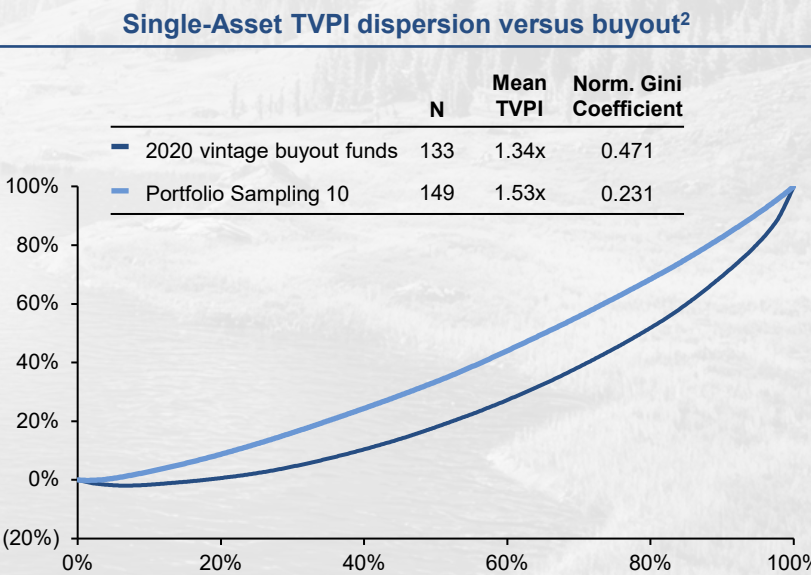
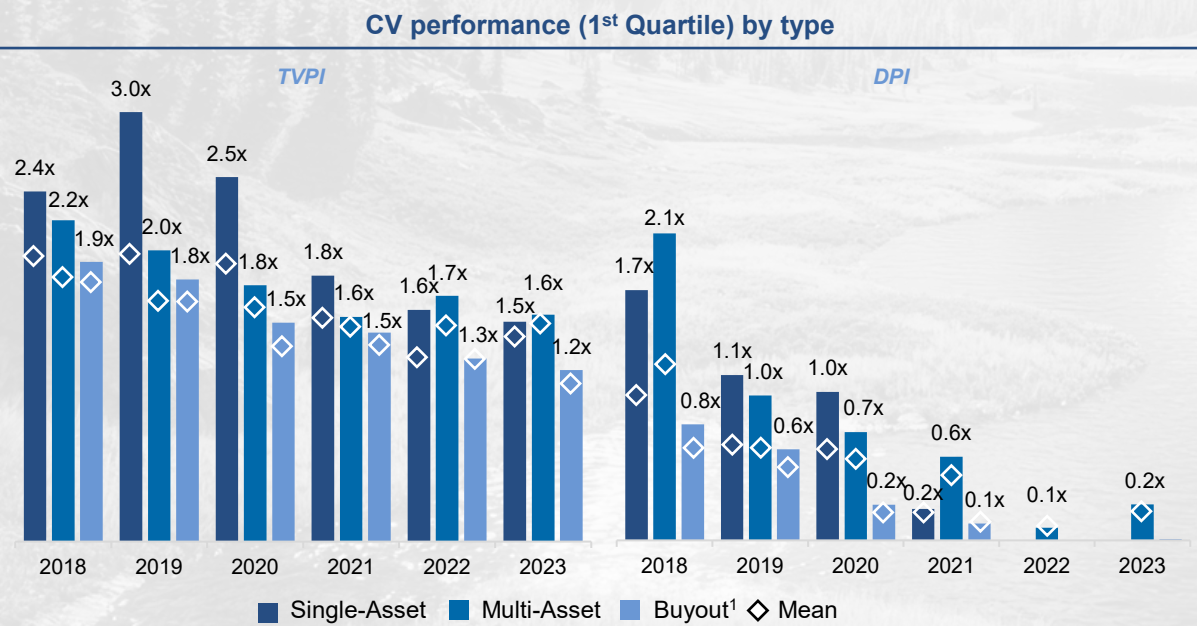
Highlights

- **Credit, Infra, and Venture secondaries are still a minority of total secondary volume, but they're increasing as sponsors and investors seek liquidity.**
 - ❖ **Credit secondaries** benefit from dislocation, demand for yield, and an aging pool of private credit funds reaching maturity or needing to rebalance.
 - ❖ **Infra secondaries** are gaining traction due to strong demand for long-duration, cash-flowing assets, especially in digital infra, energy transition, and transportation.
 - ❖ **Venture secondaries** are rebounding after a period of price discovery, with increasing volumes as sponsors and investors seek liquidity solutions for aging or concentrated Venture portfolios.
- As capital flows into non-buyout strategies and new, purpose-built secondary vehicles are launched, **these segments are positioned to play a significantly larger role in the evolution of the secondary market landscape.**

HEC CV Performance Study

HEC, in partnership with Evercore, recently conducted its third iteration of its independent study of CVs to assess how this fast-growing asset class is performing relative to the broader private equity market

- Highlights
- The inaugural study was published in March 2024 and focused on 2018-2022 vintages, a period during which the CV market emerged as an alternative exit route for high-performing assets.
 - For this third study, HEC was able to compile Q4 2024 performance data for 297 CVs formed between 2018-2023.
 - HEC analyzed performance by type and compared simulated baskets of 10 SACVs selected from 2020-2024 vintages versus 2020 vintage buyout funds.
 - The third CV performance study reinforces the thesis underpinning the asset class—a positive selection bias of best-performing assets that GPs wish to “buy again” for another investment cycle.



Source: HEC “Continuation Funds” Performance and determinants White Paper by Professor Oliver Gottschalg (June 2025)
1. Source: Preqin as of May 2025; includes North American and European buyout funds with available performance data
2. The curves capture what percentage y of returns is attributable to the percentage x of funds, ordered from lowest to highest performance. Subcategories where returns are uniform would have a curve close to the 45° diagonal

Methodology & Key Definitions

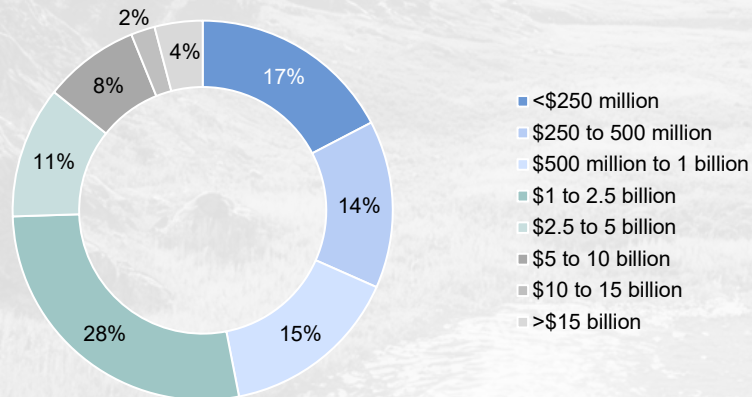
The Evercore Private Capital Advisory Team would like to thank respondents for incredible participation and continued partnership

Evercore PCA survey methodology & endnotes

- The data and insights laid out in this presentation are derived directly from survey responses received and from Evercore PCA's proprietary market leading information database.
- References to prior data, unless indicated otherwise, were sourced from prior editions of Evercore PCA's Secondary Market Survey.
- Unless otherwise noted, all Evercore PCA volumes reflect aggregate intermediated transactions across GP-led, LP-led, and structured capital solutions; GP-led volumes include new secondary capital raised (excluding GP / LP roll-over and new GP commitments), while LP-led volumes reflect the total exposure of interests sold.

Survey participants range from small-cap investors to market leaders

Breakdown of Participants by Current Secondary Investment Vehicle Size



Key definitions & acronyms

- **APAC** – Asia Pacific
- **Capital Overhang Multiple** – (Total dry powder at end of period + estimated leverage & recycling + estimated LP co-investors + retail inflows) / LTM transaction volume
- **EMEA** – Europe, Middle East, and Africa
- **Rest of World** – Any region or area not otherwise referenced in the same data set
- **New Entrants** – All new market participants in H1'25 vs. 2019, as identified by Evercore PCA
- **GP-led Transactions** – Include Single-Asset CVs, Multi-Asset CVs, Strip Sales, Tender Offers (GP-led offering of LP interests in a fund (no change in the original waterfall)), Preferred Equity, and others
- **LP-led Transactions** – LP Portfolio Sales (Single & Multi-Lines), managed funds / preferred equity, and other structured solutions
- **Transaction Volume** – Measured by purchase price + unfunded commitments + primary / staple

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