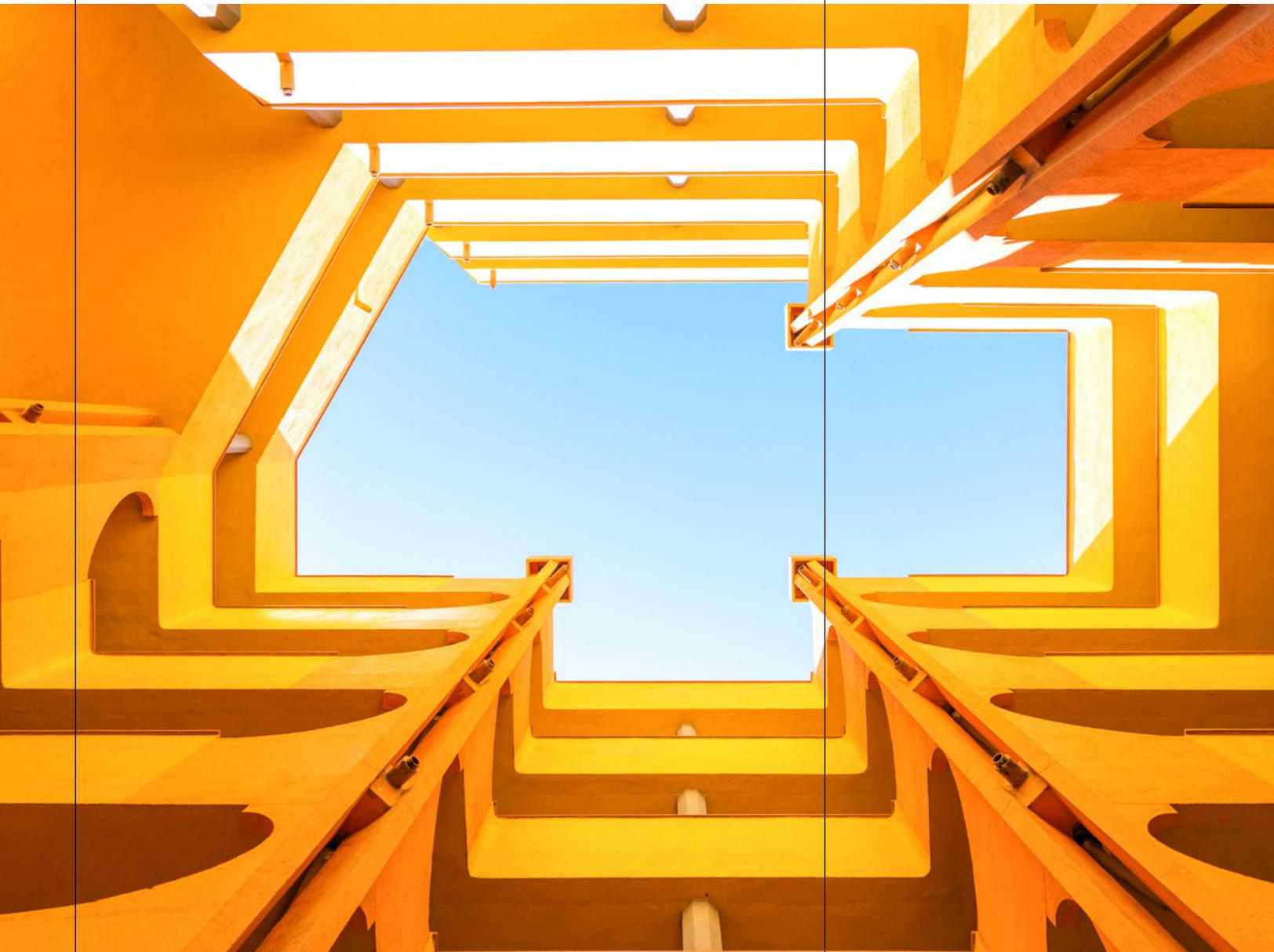


In This Report

Secondaries Set Records Once Again in 2025

Highlights and Analysis From William Blair's Private Capital Advisory Team

2026 Secondary Market Report



William Blair Private Capital Advisory Winter 2026 Secondary Market Report

Secondary volumes reached \$220 billion in 2025, another record year that exceeded expectations—with no signs of slowing in 2026.

Secondaries Set Records, Again

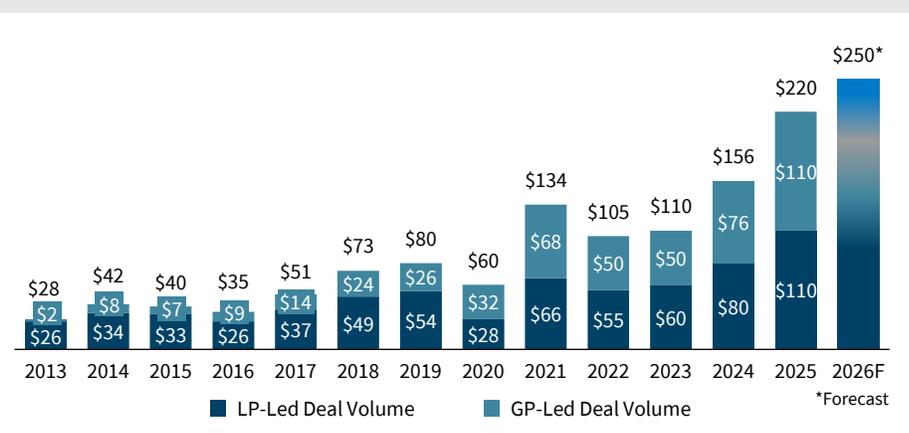
The secondary market achieved a record-breaking 2025, driven by all-time highs in both GP- and LP-led transaction volumes. With an even split across both categories, accounting for \$220 billion in total volume,² the market grew 42% year-over-year. This performance outpaced the 37% increase in global M&A³ and was in line with the 44% surge in IPO activity,⁴ which followed years of relative stagnation.

Growth in secondaries, on the other hand, has been exceptional for years, which continued as the 2025 results blew past even the bullish predictions from insiders surveyed for our [previous annual report](#), and doubled the totals from 2023. Looking ahead, respondents to our latest survey project \$250 billion of total secondaries volume in 2026.⁵

How M&A, IPO Trends Are Driving Secondaries

Although M&A volumes increased to nearly \$5 trillion last year,⁶ the

Exhibit 1: Global Secondary Market Volume (in Billions)¹



recovery has been concentrated in megadeals (valued at over \$5 billion), while the midmarket activity has been rather static. A similar pattern emerged with IPOs, where proceeds rose to approximately \$181 billion in 2025,⁷ though the total number of IPOs remained largely flat. Despite the uptick in large-cap transaction activity, many private equity portfolios continue to experience limited liquidity and extended hold periods, reinforcing secondaries' growing role as a viable exit alternative.

GP-led volume in 2025 was \$110 billion, mostly driven by the surge in single-asset transactions, which represented 55% of GP-led volume in 2025 compared to 45% in 2024. Notably, 56% of GP-led transactions were sponsored by repeat issuers.

LP-led sales were driven by evergreen demand fluidity and new entrants, among other factors as highlighted later in this report.

Resilience Amid Macroeconomic, Geopolitical Tensions

Of course, 2025 was a tumultuous year from a macroeconomic perspective, with tariffs implemented by the U.S. and geopolitical tensions including the continuing Russia/Ukraine war and conflicts in the Middle East stoking market uncertainty. But secondary investors were not deterred—and some even sought to arbitrage the broader market volatility: 91% of respondents indicated no impact in deployment due to recent macroeconomic uncertainty and geopolitical tensions when asked about interest rate volatility, inflation, and global conflicts generally. Twelve

1. Source: William Blair Estimates; 2026 William Blair Secondary Market Survey.
2. Source: Ibid.
3. Source: [PitchBook 2025 Annual Global M&A Report](#).
4. Source: S&P Global CapitalIQ.
5. Source: William Blair Estimates; 2026 William Blair Secondary Market Survey.
6. Source: [PitchBook 2025 Annual Global M&A Report](#).
7. Source: S&P Global CapitalIQ.

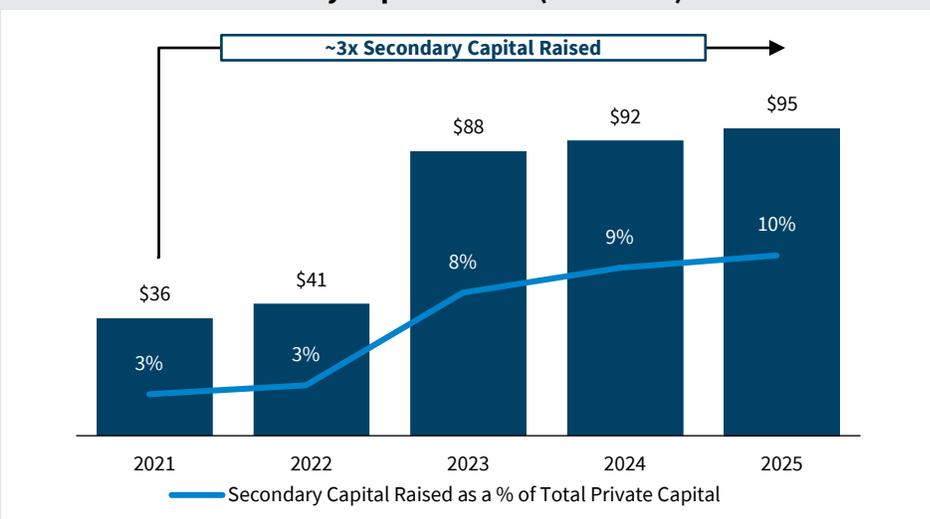
Growth in secondaries has been exceptional for years, which continued as 2025's results blew past even the bullish predictions from insiders surveyed last year, doubling the totals from 2023.

percent reported an increased proclivity for diversified transactions, such as multi-asset continuation funds and LP trades, to limit tariff exposure risks.

Supply and Demand Stoke Record Volumes

A main driver of the strong activity in 2025 was the pressure felt by GPs to generate liquidity, stemming from trillions in unrealized global private equity assets, as well as industrywide extended hold periods. That backlog, paired with an uncertain M&A environment, continues to help fuel the supply of secondary transactions coming to market. At the same time, secondary funds maintained their fundraising momentum, raising a record \$95 billion in 2025 (and a further \$17 billion through year-to-date February 2026), arming specialist secondary investors with dry powder of \$248 billion as of the end of 2025. Secondary capital raised as a percentage of total private capital has continued to trend upward, rising from 3% in 2021 to 10% last year.⁸

Exhibit 2: Total Secondary Capital Raised (in Billions)⁹



In addition to incumbent secondary investors raising record funds (e.g., Ardian's \$30 billion fund and ICG's \$11 billion single-asset-focused fund), new entrants such as Leonard Green & Partners and Painswick Capital have recently launched secondary strategies, with strong capital formation momentum providing further lift to aggregate secondary fundraising totals. Furthermore, the continued proliferation of evergreen funds, which are now approaching \$700 billion in AUM¹⁰ and are expected to grow meaningfully faster than the broader private markets over the next decade, has amplified the supply of investable capital. Evergreen structures, which allow continuous fundraising and reinvestment rather than fixed periodic closings, are well suited to secondaries given the asset class's shorter duration, J-curve mitigation, and more predictable distributions.

Global Teams Grow to Capture Demand

One trend that has been supported by record fundraises and the expected continued supply of secondary opportunities is the expansion of secondary investment teams around the globe. In the U.S., 73% of secondary investors have actively expanded their teams in the past 12 months, and 79% plan to expand further over the next 12 months. In Europe, nearly 50% of investors expect to expand in the next 12 months to meet demand.

For the first time, this report details secondaries' growth in Europe (page 8) along with other trends from 2025. The report focuses on the GP-led market, while also providing analysis of LP-led activity (page 7) and a look ahead (page 9), as increasingly bullish insiders predict \$250 billion in volume in 2026 and \$400 billion by the end of the decade.

8. Source: Preqin, a part of BlackRock.

9. Source: Ibid.

10. Source: [Hamilton Lane 2025 Market Overview, Evergreen Funds and Private Wealth](#).

Highlights and Analysis From William Blair’s 2026 Secondary Market Survey

GP-Led Volumes Continue to Surge

GP-led volumes reached \$110 billion, accounting for half of all secondary activity and surging from \$76 billion in 2024. Single-asset continuation funds (“SACF”) jumped from \$34 billion to \$60 billion, a 76% increase. The ability to provide liquidity to LPs and lock in gains on trophy assets—while extending the runway for value creation—continues to resonate with sponsors, and there has been a significant expansion of the addressable investor universe for SACF transactions. Notably, check sizes grew meaningfully in 2025 as secondary investors increasingly looked to co-investors and evergreen vehicles to write larger checks.

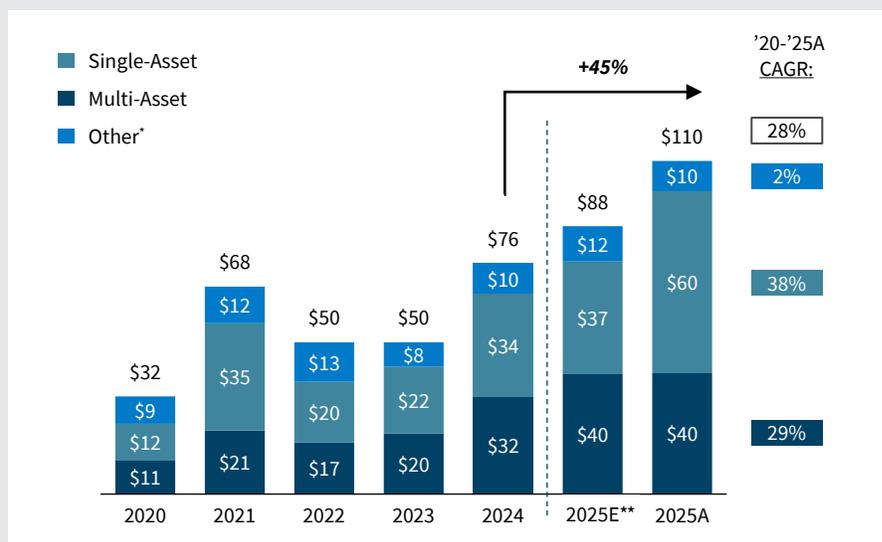
Multi-asset continuation funds (“MACF”) increased from \$32 billion in 2024 to \$40 billion, a 25% increase, as sponsors continue to see value in driving large liquidity events for investors, through either winding down older-vintage funds or creating curated CF portfolios.

Other GP-led structures remained relatively flat, with strip sales and preferred equity transactions complementing traditional continuation fund deals. These solutions provide targeted liquidity tools within a GP’s broader toolkit to address specific situations in which a full continuation fund may not be appropriate.

Investors Continue to Prioritize Organic Growth

Strong organic growth remains investors’ top priority. This is consistent with the common refrain that in the current M&A environment, premium valuation multiples are increasingly reserved for assets demonstrating sustainable organic momentum. Investors also continue to prioritize GP alignment, a historical relationship with the GP, and a company’s exit feasibility and timing.

Exhibit 3: Global GP-Led Secondary Volume by Deal Type (in Billions)



Other includes annex funds, strip sales, preferred equity, and tender offers.
 **2025E figures represent original 2025 from market participants in Q1 2025.

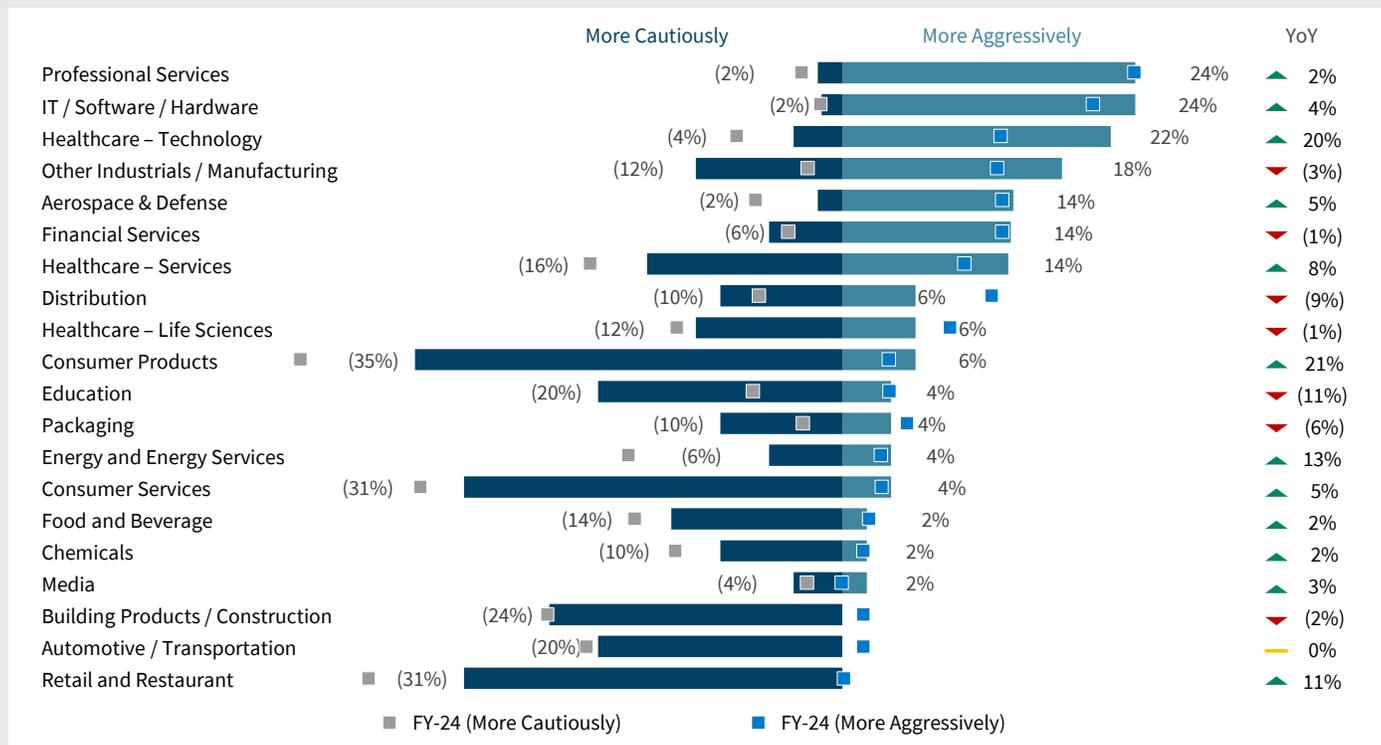
Exhibit 4 : Most Important Transaction Criteria

	2024	2025	
1	Strong Organic Growth	Strong Organic Growth	Yellow
2	GP Alignment With CF	GP Alignment With CF	Yellow
3	Limited Downside Risk	GP Relationship / Angle	Green
4	GP Relationship / Angle	Exit Feasibility and Timing	Green
5	Exit Feasibility and Timing	Limited Downside Risk	Red

Evolution of Sector Preferences

When our survey was conducted (from November 2025 to January 2026), secondary investors continued to lean into professional services, IT/software/hardware, healthcare-related technology, industrials & manufacturing, and aerospace & defense. With a few exceptions on a relative basis, these ratings largely tracked with last year’s findings. Following the conclusion of this survey, the rapid advances in generative AI and LLM capabilities have catalyzed a significant rerating across publicly traded software and certain professional services companies. While the long-term impact of AI on financial performance and valuations remains unknown, secondary investors are already employing a more rigorous vetting of potential AI-related headwinds and tailwinds for target portfolio companies, particularly those in software and services sectors.

Exhibit 5: Investors’ Latest Sector Preferences



Positive Pricing Momentum

SACF pricing (see Exhibit 7 on following page) remained strong, with approximately 48% of transactions pricing at par or higher. This represents a moderate contraction from 2024 (55%). One possible explanation for this is increasing deal sizes—2025 saw SACF volumes climb while deal counts remained stable, suggesting that larger average transaction sizes may have tipped pricing power in favor of investors. Amid persistent macroeconomic volatility, return targets have also inched higher for both SACFs and MACFs.

While larger transactions completed at modest discounts were a key contributor to the pricing trend in this segment, over 90% of single-asset deals were completed at 90% or higher of NAV, which effectively mirrored 2024’s performance.

In most years, MACFs generally see a wider range of pricing than SACFs (see Exhibit 8 on following page), given bespoke portfolio composition and varying investment and fund vintages. Still, the category saw a positive pricing shift in 2025 with 40% of deals pricing at par or better, up from 33% in 2024.

Exhibit 6: Target CF Returns

	SACF		MACF	
	2024	2025	2024	2025
Net MOIC	2.1x	2.2x	1.9x	2.0x
Net IRR	20%	21%	19%	19%

Exhibit 7: SACF Pricing

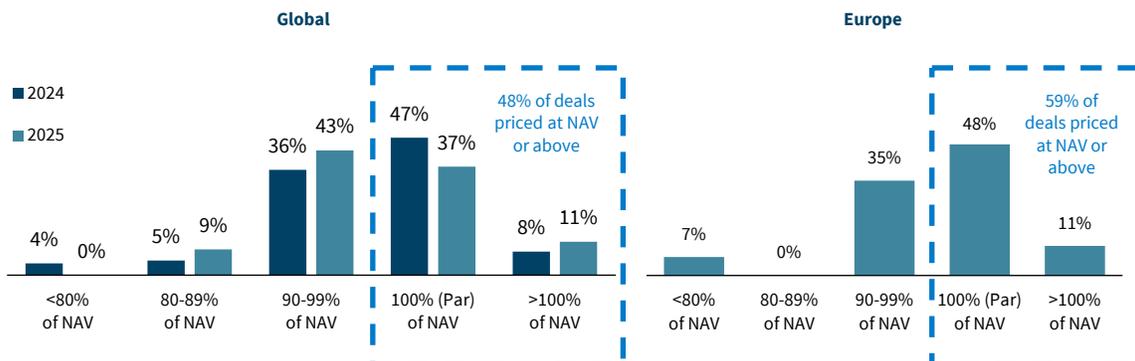
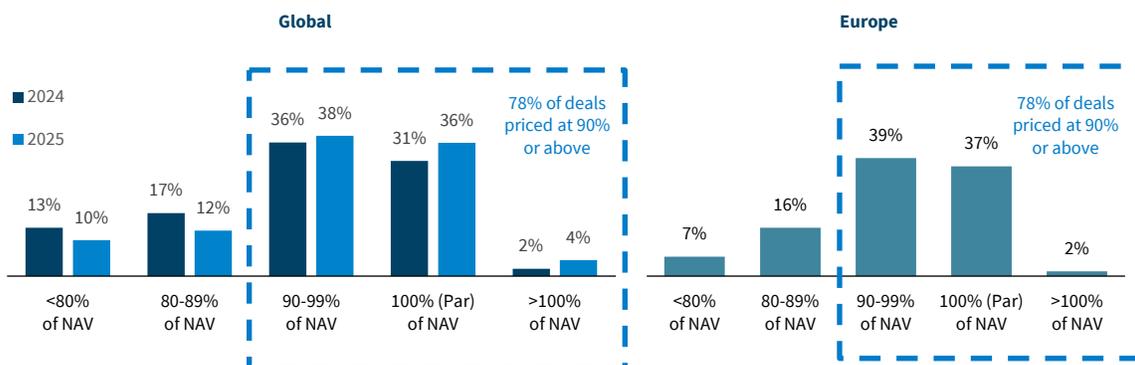


Exhibit 8: MACF Pricing



Continuation Fund Terms

Management fee structures (as shown in Exhibit 9 on the following page) across continuation funds remained consistent in 2025, with 75% of continuation funds earning management between 50 bps and 100 bps. Fourteen percent of deals featured management fees above 100 bps, while 11% priced below 50 bps.

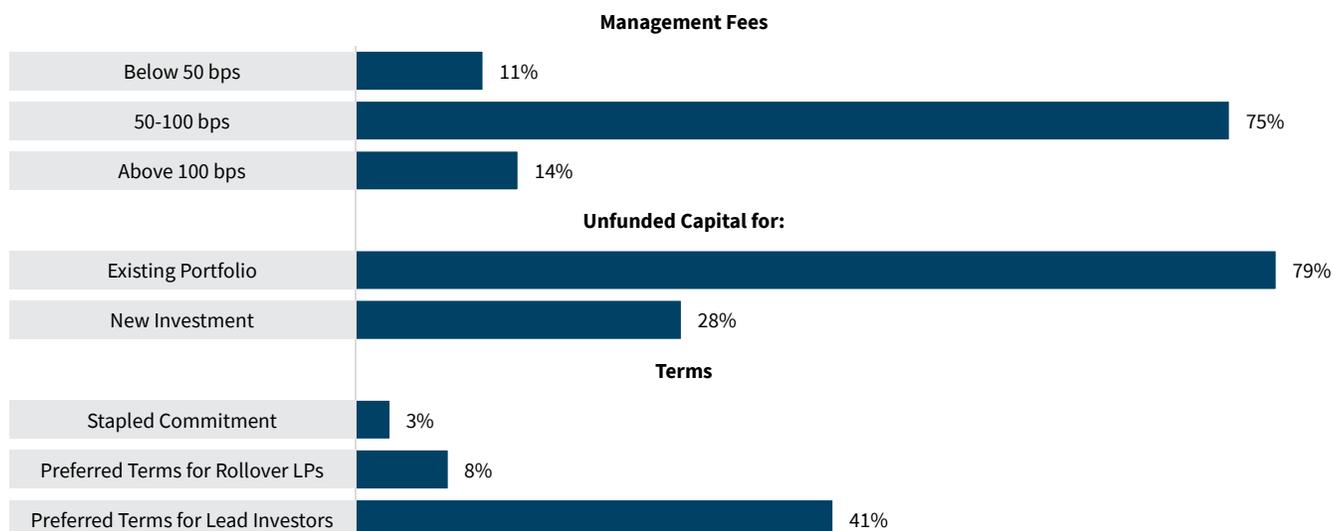
The inclusion of unfunded capital remained a defining feature of continuation fund structures. Nearly 80% of continuation fund transactions included unfunded capital designated for add-on acquisitions to support the existing portfolio, providing sponsors with additional runway for inorganic growth.

While explicit stapled commitments remained uncommon, sponsors successfully drove voluntary fundraising through secondary transactions. Approximately 49% of U.S. investors and 43% of European investors committed primary capital to a sponsor’s successor flagship fund following a continuation fund close.

While not the norm, 15% of continuation fund transactions included a carried interest tier above 20% (known as super carry). Forty-one percent of transactions saw preferred terms for lead investors.

Exhibit 9: Terms, Unfunded Capital, and Management Fees

As a % of total number of CFs



Alignment With GPs, Management Still Prioritized by Investors

Consistent with 2024, investor focus on GP alignment remained strong in 2025, with a 100% rollover of sponsor economics continuing as the market-standard expectation for CFs. While exceptions persist for specific liquidity needs (see Exhibit 6, page 4), LPs continue to view a full rollover as a critical signal of high-conviction sponsorship. There was also a significant uptick in the percentage of transactions where management took no liquidity, estimated at 47% in 2025, up from 27% in 2024. This is situation-specific. While it may make sense for management teams to not receive liquidity in situations where they have otherwise received liquidity recently, or they are new to the company, in our experience investors are typically supportive of management receiving liquidity, so long as reasonable alignment is maintained.

GP commitment norms evolved in 2025, with 37% of continuation funds involving the GP investing alongside the continuation fund from its most recent flagship funds, a significant increase from 23% in 2024. In addition, the frequency of GPs investing additional capital on top of rollover equity remained steady at approximately 50% over the same period.

Exhibit 10: GP Liquidity in CFs

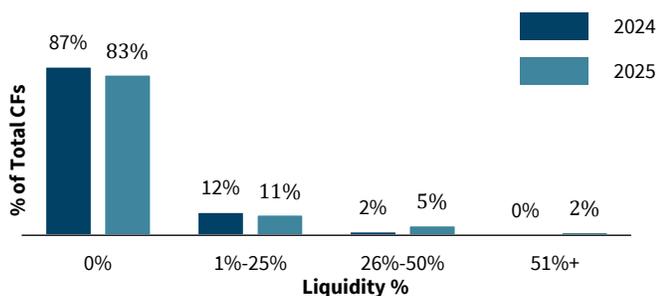


Exhibit 11: Additional Alignment Features

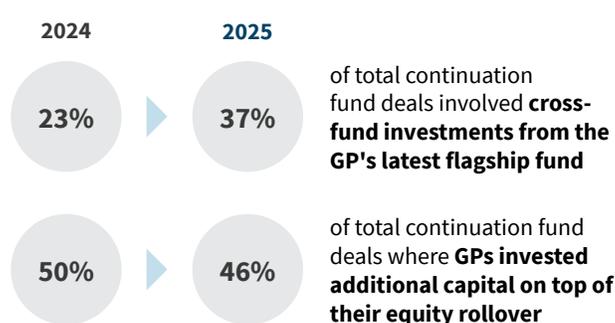
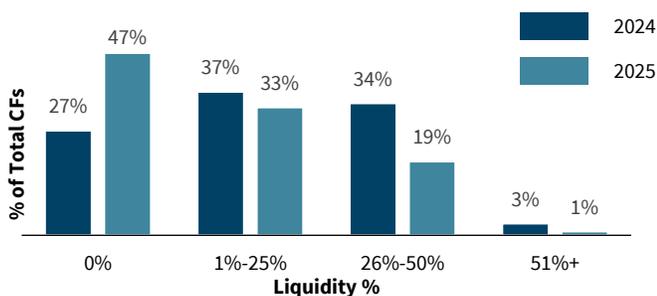


Exhibit 12: Management Liquidity in CFs



Third-Party Pricing and Purchase Price Deferrals

The prevalence of “market-tested” pricing, where a previous M&A process informs the CF valuation, contracted by 400 basis points year-over-year, falling to 11% of total volume. This decline suggests a shift toward more independent price discovery, requiring secondary leads to rely more heavily on fundamental underwriting rather than external third-party validation.

Purchase price deferrals became more prevalent, appearing in 25% of continuation funds in 2025, up 1,300 basis points from 2024. The increase highlights continued structuring flexibility in GP-led transactions, allowing sponsors and investors to bridge valuation gaps through higher headline pricing supported by deferred consideration structures.

Exhibit 13: Third-Party Pricing

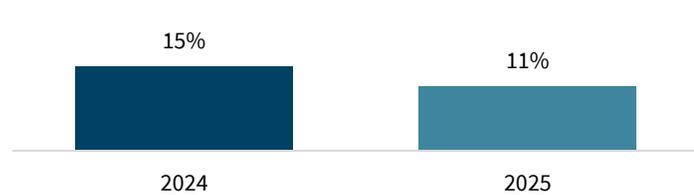
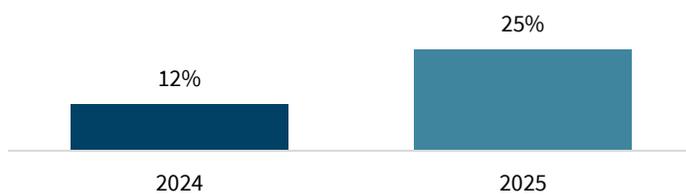


Exhibit 14: Purchase Price Deferrals



Another Record Year for LP-Leds

While LP-leds set records last year, 2025 was characterized by demand fluidity.

Tariff uncertainty last spring delayed many launches until July, just as a planned wave of third-quarter offerings emerged. The result was a glut of attractive deal flow that surpassed the market’s capacity.

A brief dip in average pricing followed as evergreen ’40 Act funds—often the drivers of outlier pricing that attracted so many of these sellers to market—hit their allocation ceilings for LP portfolios or tapped out altogether. Traditionally structured secondary buyers continued to absorb deals at a sure-and-steady pace and buyer capital was sufficiently replenished in October. But the dip shows the extreme fluidity of a market with price outcomes increasingly driven by ’40 Act fund appetites.

Still, the vast majority of LPs that have sold in the secondary market appear pleased with the outcome. Those that sold for active-portfolio-management initiatives and track real-time performance metrics can often already demonstrate program-performance improvement resulting from sale-proceeds redeployment. This sentiment, combined with what has been and may continue to be a protractedly slow distribution environment, is boosting LPs’ confidence about taking matters into their own hands. That will continue to propel LP market momentum.

A growing number of buyers are also focusing on or getting more comfortable with funds outside the tried-and-true buyout strategy. Venture pricing has steadily improved as GP marks appear more reality-based, credit appetite continues to expand, infrastructure and other real assets draw more attention in the form of dedicated capital pools, and real estate finally seems on the verge of having a moment, fueled by long-awaited visibility into future office use, combined with credible GP marks-to-market. That will create more opportunities for LPs to rebalance portfolios without having to sell plum core-sponsor holdings.

Barriers to entry continue to fall, making modest fundraises by market-veteran spinouts more feasible, and adding to ecosystem breadth across the market. Even a few new micro-cap buyers can spur sellers of smaller deals to act and reap the benefits of healthy competitive dynamics.

Lastly, in the emerging world of buyers tapping private-wealth channels to fuel secondary trades, not all legal perspectives on transfer terms are created equal. Diverging points of view on disclosure requirements to evergreen investors can lead to drawn-out—and expensive—transfer-agreement negotiations. This often proves to be a modest offset to a better price outcome but is a thorny issue that sellers are well served to approach thoughtfully and preparedly.

Secondaries' Growth in Europe

For the first time, our survey addressed the expanding European secondary landscape, where record transaction volumes of approximately \$60 billion underscore the market's rapid maturation. This milestone was driven by a balanced contribution from both secondary segments, with the market recording \$31 billion in GP-led mandates and \$28 billion in LP-led activity—reflecting a global trend toward broader institutional adoption of secondary liquidity solutions.

As detailed in Exhibits 7 and 8 on page 5, significant pricing strength persists across Europe, with 59% of European SACFs transacting at or above most recent NAV and 78% of European MACFs at or above 90% of most recent NAV, underscoring underlying asset integrity and disciplined mark-to-market practices.

Additionally, intensifying competition for trophy assets drove a sustained firming up of pricing, with nearly one-fifth of market participants projecting continued pricing appreciation throughout the coming quarters, while 77% expect prices to remain at least the same.

European GPs are also increasingly using CFs to broaden and diversify their institutional LP base. Secondary buyers leverage primary capital as a differentiator to access premium secondary deal flow. Following a continuation fund close, 43% of survey respondents reported committing primary capital to the same GP's latest flagship fund.

Looking at the European market through a regional lens, the United Kingdom accounted for 34% of total volume, reflecting its position as Europe's most developed market. The DACH region was next, supported by Germany (Europe's largest economy), and then the Nordics, where GP familiarity with secondaries continues to underpin activity.

Allocations in Europe remain concentrated in buyout and growth, representing approximately 85% of invested capital, while the expanding pool of secondary capital is driving increased investment across infrastructure, real estate, and venture.

The European market appears poised for another record year, with participants expecting volumes close to \$70 billion in 2026. Europe is a key growth region for GP-led secondaries, scoring 3.4 on a scale of 5 as far as deployment priority, with most secondary investors already active on the continent: 65% have dedicated deal teams there, and 50% plan to expand their local presence over the next 12 months.

Exhibit 15: European Deal Volume Split by Deal Type

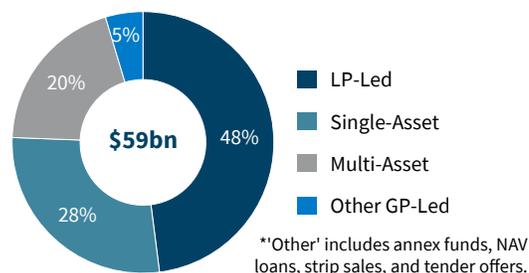


Exhibit 16: European Volume by European Region*

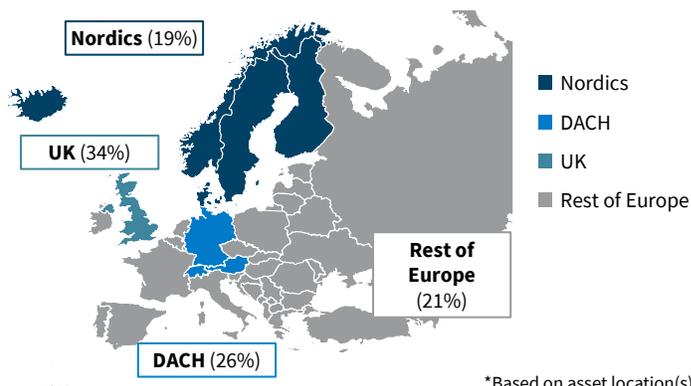
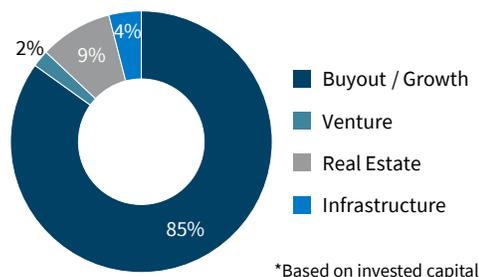


Exhibit 17: European GP-Led Deployment by Strategy*



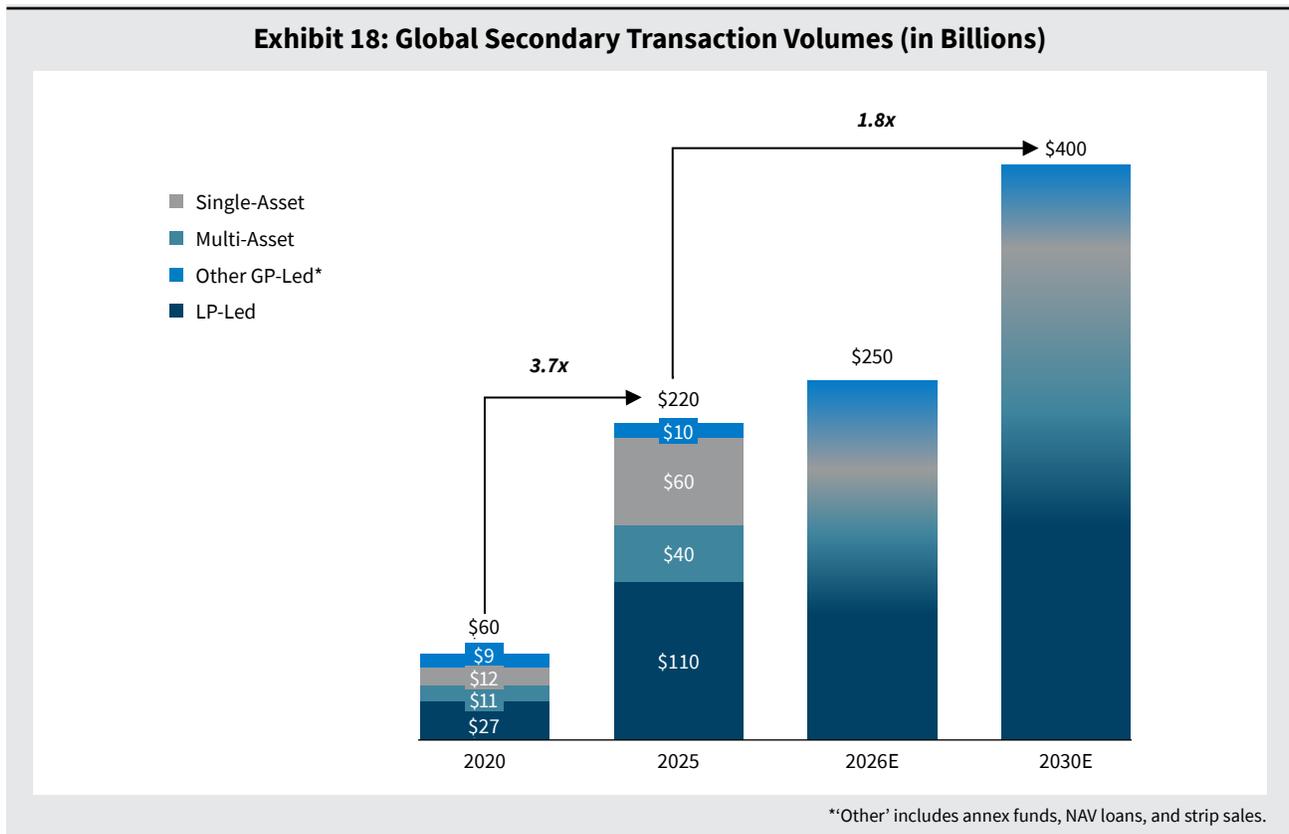
Projections of \$250 Billion in 2026—and \$400 Billion by 2030

Secondaries appear poised for further adoption and repeat use among GPs. Furthermore, while still early in the maturation of the market, the continuation fund track record to date is strong, supporting larger fund sizes and new market entrants.

There is also a continual need for LP liquidity in private markets, particularly as more retail capital enters. The secular “democratization of alternatives” supports retail capital inflows, including President Trump’s August executive order that directs federal regulators to review and modify existing guidance so private market investments—including private equity, private credit, real estate, digital assets, and other alternatives—can be offered in retirement plans, which had previously been limited mostly to stocks and bonds.¹¹

As we look to the rest of the year and decade, secondaries’ strong recent run has insiders recasting their projections—with some now predicting secondaries could reach an astonishing \$400 billion by 2030, according to our survey. That growth occurs as forecasts for the global alternatives market are set to increase from approximately \$20 trillion in 2025 to \$32 trillion in 2030.¹²

As that massive pool of capital ages, it supports a large and growing supply of potential secondary flow. Additionally, with the secondary market aggressively expanding beyond its traditional private equity buyout roots into adjacent asset classes—including private credit, infrastructure, and real estate—annual transaction volumes are poised for meaningful upward trajectory.



11. Source: White House Presidential Actions: [Democratizing Access to Alternative Assets for 401\(k\) Investors](#), August 7, 2025.

12. Source: Prequin, a part of BlackRock. Figures are forecasted.

Learn More About What's Driving the Secondary Market

William Blair's Private Capital Advisory team would welcome the opportunity to share our perspectives and discuss how these market themes affect you. Please do not hesitate to contact us if you are interested in learning more about our survey or continuing the conversation about key themes in the market.

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Appendix: Survey Details

From November 2025 through January 2026, William Blair surveyed 60 secondary investors: 52% were dedicated secondary investors, 38% were combined primary and secondary investors, and those remaining were opportunistic primary or direct investors.

Respondents included many of the largest secondary investors in the market, with approximately 60% of respondents having invested over \$500 million in secondary transactions in 2025, and approximately 40% having invested over \$1 billion.

Unless otherwise cited, all data in this report comes from the survey results. Total percentages in some charts may not foot due to rounding.

Disclosure

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