

OCTOBER 2025

PE SECONDARIES: THE ROAD AHEAD



October 2025

PE SECONDARIES: THE ROAD AHEAD

By Aryn Hassanally



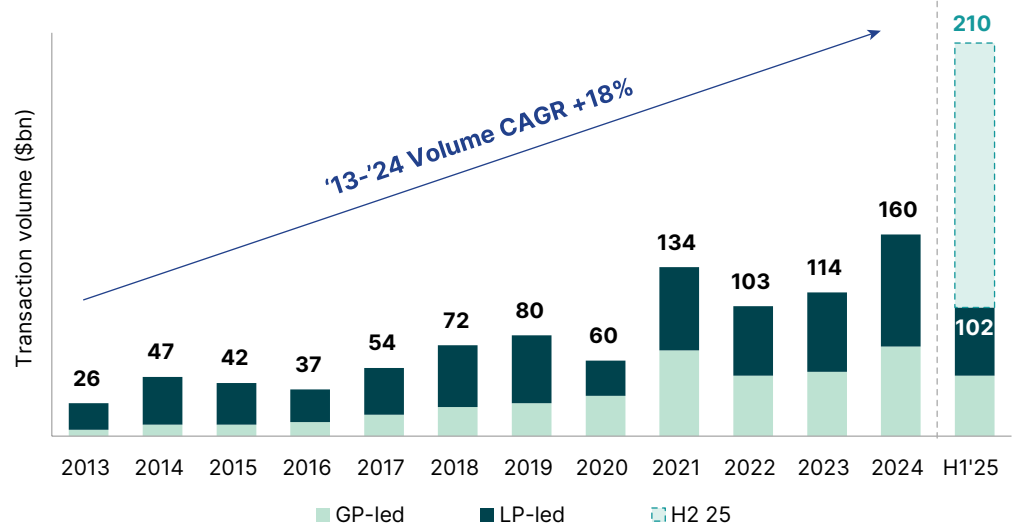
The momentum for private equity secondaries is growing, with both secular trends and an underlying market shift driving a step-up in the opportunities available. Looking ahead, we identify the market dynamics that may indicate more growth is to come.

The private equity secondaries market is entering a new phase of maturity. After seeing record-breaking volumes

in 2024, the first half of 2025 reached unprecedented levels of activity, registering over \$100 billion in deal volumes.¹

Figure 1
Secondaries market volume

Source: Secondary market volume from Evercore H1 2025 Secondary Market Review, July 2025. There is no guarantee these trends will continue. Jefferies H1 2025 Global Secondary Market Review, July 2025.



Investment banks operating in the market and other intermediaries estimate that full year deal volumes for 2025 will exceed the \$200 billion threshold – a remarkable milestone for the secondaries industry.²

Central to this story is the pace of private equity exits, with the secondaries market filling the liquidity gap as exits remain muted for the fifth straight year.

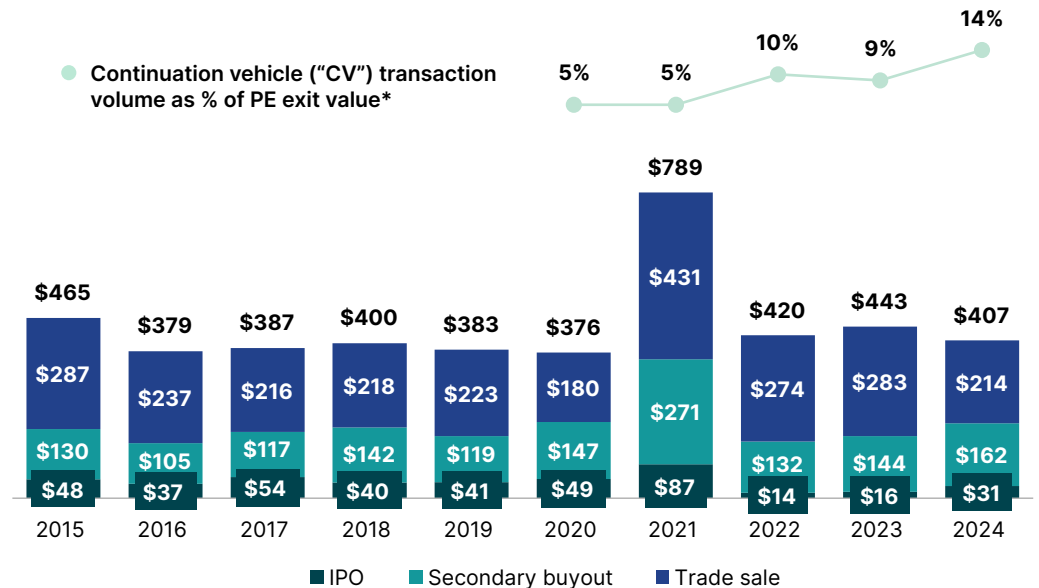
¹ Source: Secondary market volume from Evercore H1 2025 Secondary Review. There is no guarantee trends will continue.

² Jefferies H1 2025 Global Secondary Market Review, July 2025.

PE Secondaries: The road ahead

Figure 2
Exit flow by type
(\$bn)

Source Preqin, as of May 13, 2025. Excludes the following exit types: Bankruptcy/write-off, Sale to management, Unspecified exit, Private placement/follow on.
*Morgan Stanley Private Capital Advisory, "Continuation Fund Market Review: Full Year 2024", February 2025.



With fewer exits, liquidity constraints in the primary markets have accelerated reliance on continuation vehicles and secondary sales as the primary liquidity channel for LPs and GPs alike. The proportion (by value) of private equity sponsors exiting positions via continuation vehicles continues to increase, and in 2024 these accounted for 14% of all total private equity sponsor exits.³ This is the highest

proportion on record, and a remarkable uptick from just five years ago, when continuation vehicles accounted for only 5% of private equity sponsor exits by value.⁴

But the muted exit environment doesn't tell the whole story, and we see several other drivers of secondary market growth that we anticipate will play out for years to come.

The secular themes that are likely to bring more supply to this market include:

The increased use of secondaries as a portfolio management tool.

In 2024, some 51% of LP sales were driven by portfolio management considerations, up from 38% the year before.⁵ Institutional sellers are now routinely looking to the secondaries market to rebalance or trim their portfolios – not at any price – but typically with a reserve price in mind and a minimum amount of NAV they are looking to realize.

Growing transaction sizes across both LP- and GP-led markets.

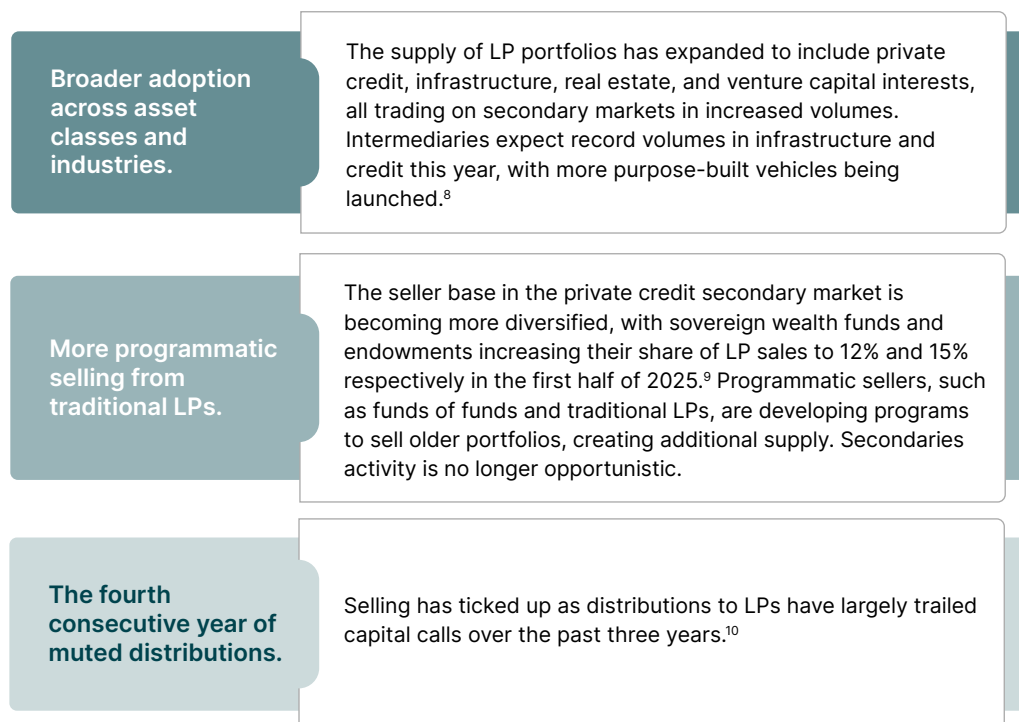
The average size of GP-led deals in 2024 jumped 16% year on year to \$870 million on average.⁶ There have also been a number of multi-billion dollar LP portfolio trades taking place, with eight continuation vehicles topping \$2 billion in the first half of 2025.⁷

^{3,4} Morgan Stanley Private Capital Advisory, "Continuation Fund Market Review: Full Year 2024", February 2025.

⁵ Blackrock Private Market Secondaries Report FY2024.

^{6,7} Morgan Stanley PCA: Continuation Fund Market Review 2024.

PE Secondaries: The road ahead



The private equity secondary market is not only benefitting from a growing volume of supply, but more capital is being raised by a variety of players to absorb the tremendous opportunity set we're seeing. The structural drivers for this growing demand include:

- An influx of retail capital via evergreen vehicles.**
 Evergreens, and semi liquid vehicles, have long been active in the secondaries market, but their exposure to private equity recently accelerated. Some 45% of the evergreen vehicles launched in the last three years had private equity exposure.¹¹ Many of these funds are deploying aggressively into secondaries opportunities as they ramp up, looking to benefit from the J-curve mitigation and diversification offered by the market. GPs managing 40'Act and other evergreen funds now account for more than \$80 billion in net asset value (NAV), a 100% increase from late 2023.¹²
- New sponsor entrants to secondaries.**
 We continue to see a steady stream of new entrants to the market, with direct sponsors entering the GP-led market, which remains probably the most undercapitalized part of the market today, and asset managers launching dedicated secondaries vehicles across asset classes.
- Continued secondaries fundraising growth.**
 Fundraising among incumbent secondary players remains robust, with managers raising increasingly larger funds to address the opportunity on offer. Around \$81 billion was raised in final closings in the first half of 2025

⁸ Campbell Lutyens Secondary Market Overview H1 2025.

⁹ Campbell Lutyens Secondary Market Overview H1 2025.

¹⁰ Based on LP net cash flow data for Private Equity from Cambridge Associates, as of Q2 24.

¹¹ According to data from Preqin.

¹² Jefferies H1 2025 Global Secondary Market Review, July 2025.

PE Secondaries: The road ahead

alone, a record in secondary fundraising, with intermediaries expecting another \$150-200 billion to be raised in the next 12 months¹³ with mega funds surpassing buyout funds in size.¹⁴

- **The emergence of specialized buyers focusing on particular asset cases or sectors.**

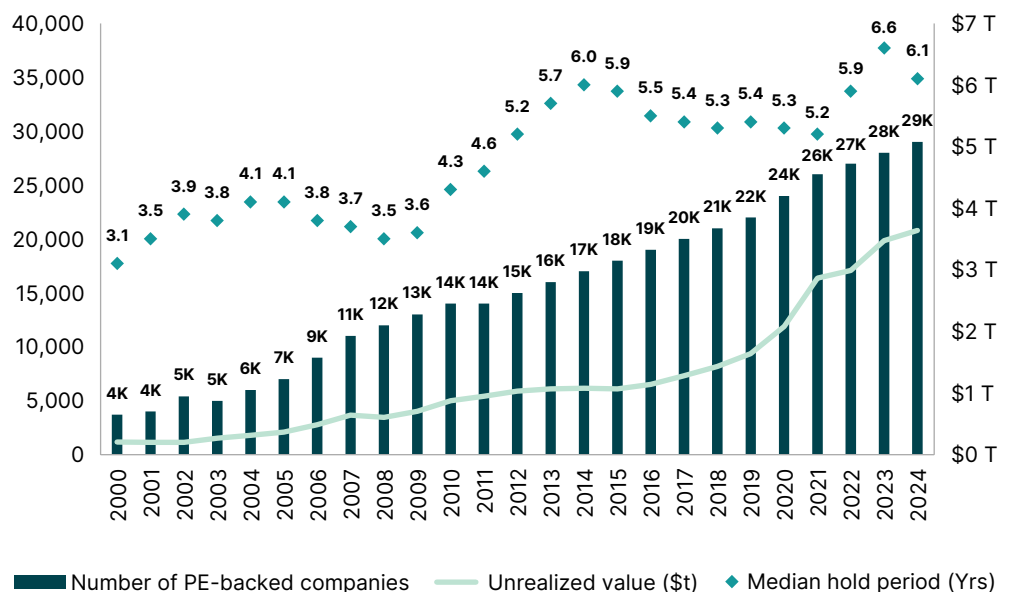
Specialized pools of capital are emerging to absorb secondaries across specific asset classes, with a record number of real assets and credit secondaries funds now out in the market.¹⁵ Secondaries sponsors are venturing into these new asset classes to see alpha,¹⁶ and we expect this trend to continue.

WHERE NEXT?

This backdrop of growth is remarkable, and we see no signs that the market's development is slowing. The amount of unrealized NAV in private equity buyout funds alone has been steadily accumulating, reaching around \$3.6 trillion, from some 29,000 companies. More than 50% of this NAV (around \$1.8 trillion) has been held for at least four years.

Figure 3
Portfolio growth and maturation of global buyout companies

Source: Bain, March 2025: "Global Private Equity Report 2025". Bain uses data from PitchBook (PE-Backed Companies and Holdings Period as of June 30, 2024) and Preqin (Unrealized Value as of September 30, 2024).



This is a deep and maturing opportunity set, and as GPs and LPs alike look to actively manage their portfolios we anticipate this will lead to more robust activity in the continuation vehicle market and for LP portfolios. It will take time for these assets to work their way through

the system, even given the record amount of dry powder available. Today, there is thought to be around \$219 billion of near-term secondaries capital available, with this number rising to \$302 billion when you include leverage, co-investor capital, and near-term fundraising.¹⁷

¹³ Based on Preqin data, as of August 2025.

¹⁴ Based on latest Evercore and Greenhill Secondary Market Reports, as of July 2025.

¹⁵ Based on Preqin data, as of August 2025.

¹⁶ Greenhill Global Secondary Market Review, H1 2025.

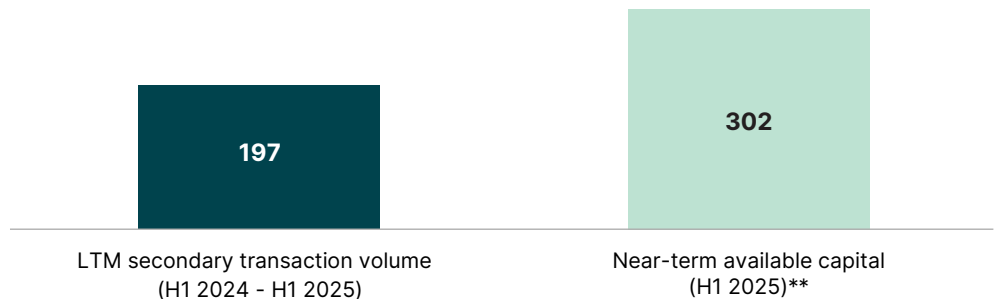
¹⁷ Near-term available capital sourced from Jefferies H1 2025 Global Secondary Market Review. Includes current equity dry powder (\$151bn), forecasted next 12 months' fundraising (\$112bn) and available leverage (\$39bn). LTM Secondary Transaction Volume also sourced from Jefferies H1 2025 Global Secondary Market Review and includes secondary transaction volume between June 2024 and June 2025. There is no guarantee estimates will come to fruition.

PE Secondaries: The road ahead

Figure 4

Available secondaries capital in relation to LTM opportunity set \$bn

**Near-term available capital sourced from Jefferies H1 2025 Global Secondary Market Review. Includes current equity dry powder (\$151bn), forecasted next 12 months' fundraising (\$112bn) and available leverage (\$39bn), LTM Secondary Transaction Volume also sourced from Jefferies H1 2025 Global Secondary Market Review and includes secondary transaction volume between June 2024 and June 2025. There is no guarantee estimates will come to fruition.



Notably, this is less than two years' worth of near-term capital relative to the transaction volumes of the last 12 months, as secondary buyers are taking advantage of the attractive market dynamics to deploy their dry powder almost as quickly as they are raising capital. This has meant that dry powder has not accumulated meaningfully over time, maintaining the supply-demand imbalance in the market that we believe will continue to favor secondary buyers for years to come.

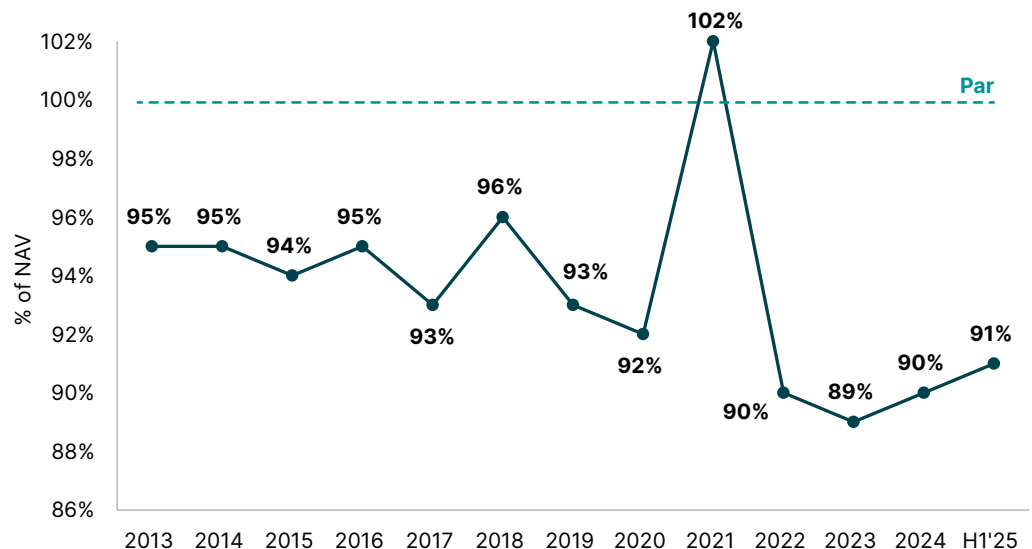
We also regard the outlook for buyout fund pricing as strong, with terms currently at the most attractive levels seen in the last decade. While spreads have tightened from where they were in 2023,¹⁸ discounts remain driven by fund maturity, asset quality, secure exposures, and competitive dynamics, with good dispersion between LP- and GP-led processes.

Figure 5

Historical buyout fund pricing

Source: Evercore H1 2025 Secondary Market Review, July 2025.

There is no guarantee that these trends will continue.



¹⁸ Evercore H1 2025 Secondary Market Review, July 2025.

PE Secondaries: The road ahead

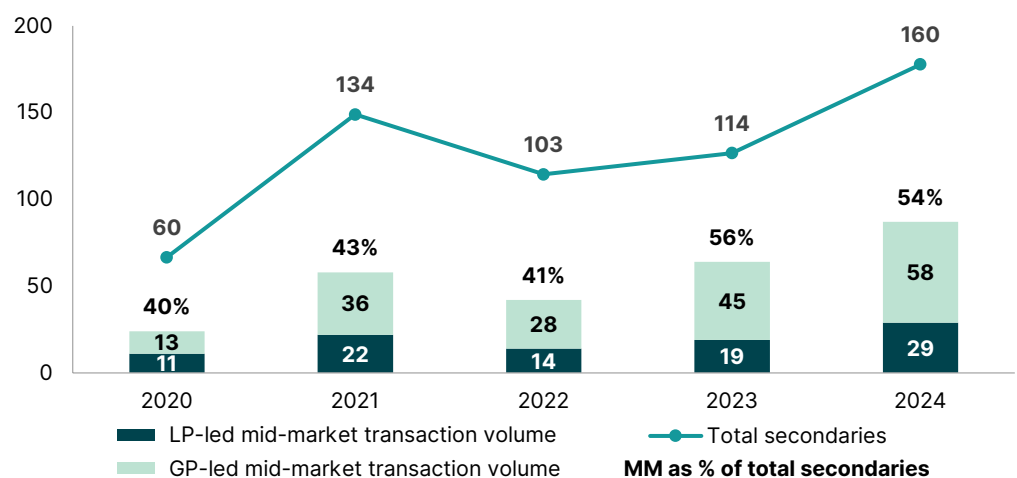
To sharpen their returns, we have seen secondary buyers continue to utilize structural solutions like deferrals and leverage, and we anticipate that this is a trend that will continue to grow.

The final market dynamic that we expect will continue to dominate is the increasing

importance of the mid-market to the secondary market. Over 2023 and 2024, mid-market deals represented more than 50% of all secondary market deals, with GP- and LP-led deal flow from this segment increasing.

Figure 6
Growing mid-market secondaries opportunity (\$bn)

Source: Campbell Lutyens and UBS for LP-led mid-market transaction volumes. Figures are mid-points of intermediary estimates. Morgan Stanley (data for 2023-2024) and UBS (data for 2020-2022) for GP-led mid-market transaction volumes. Secondary market volume from Greenhill Global Secondary Market Review, FY 2024, January 2025. There is no guarantee these trends will continue.

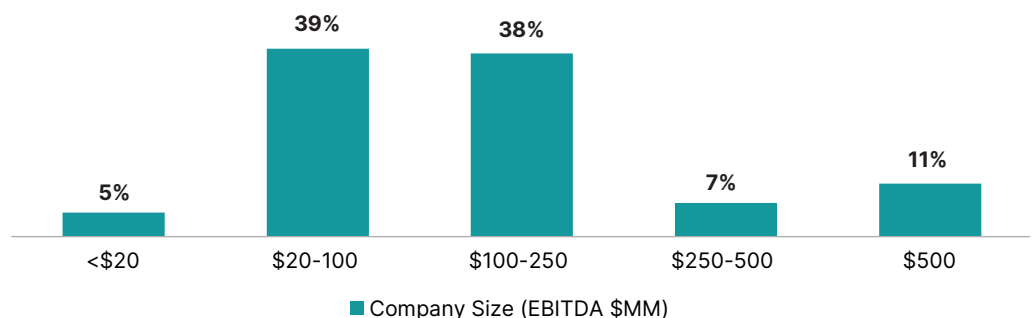


On the GP-led side of the market, some 82% of single-asset continuation vehicles

were in companies with EBITDA below \$250 million.

Figure 7
Single assets CVs: company size (EBITDA \$m)

Source: Campbell Lutyens and UBS for LP-led mid-market transaction volumes. Figures are mid-points of intermediary estimates. Morgan Stanley (data for 2023-2024) and UBS (data for 2020-2022) for GP-led mid-market transaction volumes. Secondary market volume from Greenhill Global Secondary Market Review, FY 2024, January 2025. There is no guarantee these trends will continue.



The concentration of single-asset CVs around smaller companies creates a distinct opportunity set versus large-cap continuation funds, with the number of GPs

enforcing transfer restrictions when LP interests are being transferred is materially more prevalent in the mid-market.

IMPORTANT DISCLOSURE

This publication has been prepared solely for illustration, educational, and/or discussion purposes. It does not constitute independent research and under no circumstances should this publication or the information contained in it be used or considered as an offer, inducement, invitation, solicitation, or recommendation to buy or sell any security or financial instrument or service or to pursue any investment product or strategy or otherwise engage in any investment activity or as an expression of an opinion as to the present or future value or price of any security or financial instrument. Nothing contained in this publication is intended to constitute legal, tax, securities, or investment advice. This publication may include “forward-looking statements”. All projections, forecasts or related statements or expressions of opinion are forward-looking statements. Although Pantheon believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct, and such forward-looking statements should not be regarded as a guarantee, prediction, or definitive statement of fact or probability. Pantheon has taken reasonable care to ensure that the information contained in this document is accurate at the date of publication. However, no warranty or guarantee (express or implied) is given by Pantheon as to the accuracy of the information in this document, and to the extent permitted by applicable law, Pantheon specifically disclaims any liability for errors, inaccuracies, or omissions in this document and for any loss or damage resulting from its use. Unless stated otherwise, any opinions expressed herein are current as of the date hereof and are subject to change at any time. Unless stated otherwise, all views expressed herein represent Pantheon’s opinion. This document is distributed by Pantheon which is comprised of operating entities principally based in San Francisco, New York, London, Dublin, Singapore, and Tokyo. Pantheon Ventures Inc. and Pantheon Ventures (US) LP are registered as investment advisers with the U.S. Securities and Exchange Commission (“SEC”) and Pantheon Securities LLC, is registered as a limited purpose broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Pantheon Ventures (UK) LLP is authorized and regulated by the Financial Conduct Authority (FCA) in the United Kingdom. Pantheon Ventures (Ireland) DAC is regulated by the Central Bank of Ireland (“CBI”). Pantheon Ventures (Singapore) Pte. Ltd holds a capital markets service license from the Monetary Authority of Singapore (“MAS”) to conduct fund management with accredited and institutional investors. The registrations and memberships described above in no way imply that the SEC, FINRA, SIPC, FCA, or the SFC have endorsed any of the referenced entities, their products or services, or this material. All materials published on the Site are protected by copyright, and are owned or controlled by Pantheon as the provider of the materials. If you download any information or software from this Site, you agree that you will not copy it without the prior written consent of Pantheon or remove or obscure any copyright or other notices or legends contained in any such information. Copyright © Pantheon 2025. All rights reserved

