

APRIL 2025

**FROM STRENGTH
TO STRENGTH:
PRIVATE EQUITY
SECONDARIES
MARKET SET FOR
MORE GROWTH
AFTER RECORD
YEAR**



Conditions for **private equity** secondaries continue to be supportive, leading to a growing interest in the market from both General Partners (GPs) and Limited Partners (LPs).

At Pantheon, we see **more opportunities** developing in this segment of the market as it matures.

Amyr Hassanally,
Partner and Global Head of Private Equity
Secondaries





The macroeconomic backdrop of the last few years has created a perfect storm for private equity secondaries supply.

High interest rates slowed down M&A and IPO markets leading to a decrease in fund distributions and as a result, secondary transactions have become a popular way to gain liquidity and exit investments.

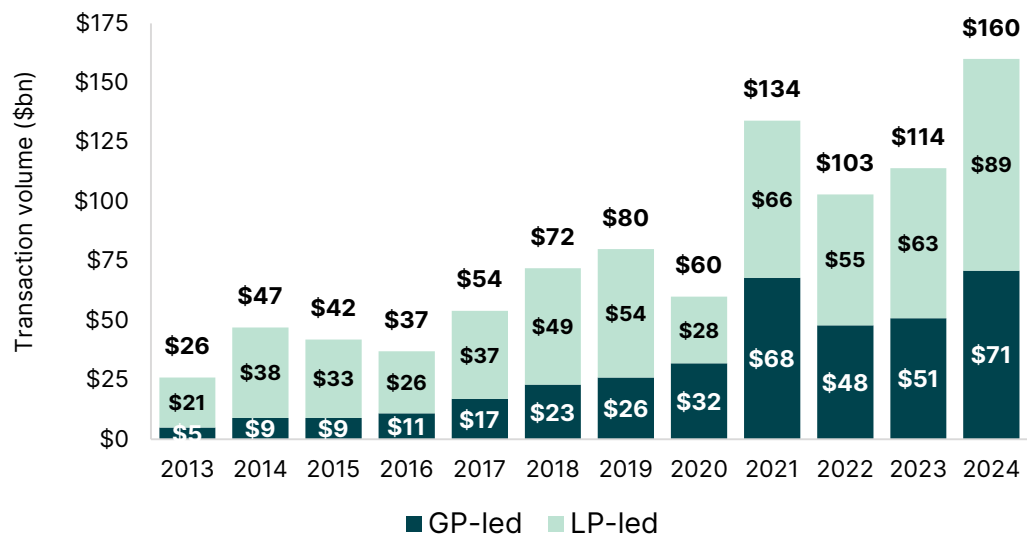
But in addition to the conditions in the private equity ecosystem, there has been a wider market shift that suggests the secondaries market has become an increasingly attractive option for both buyers and sellers. Even given the prospect of a recovery in deal and exit

markets that many had expected this year, sponsors and LPs are increasingly seeking alternative methods to manage their portfolios, with secondaries sales being one of them.¹

Indeed, 2024 marked a record-breaking year for the private equity secondaries market. Volumes exceeded \$160bn, passing the previous record of \$134bn set in 2021.²

Figure 1:

Secondary market transaction volume



Source: Evercore, January 2025, "FY 2024 Secondary Market Review"

The volume of last year's transactions exceeded or achieved most market participants' expectations, with LP-led deals outpacing predictions made by investment bank Evercore by around \$15bn.³

¹ Lazard, January 2025, "Secondary Market Report 2024"

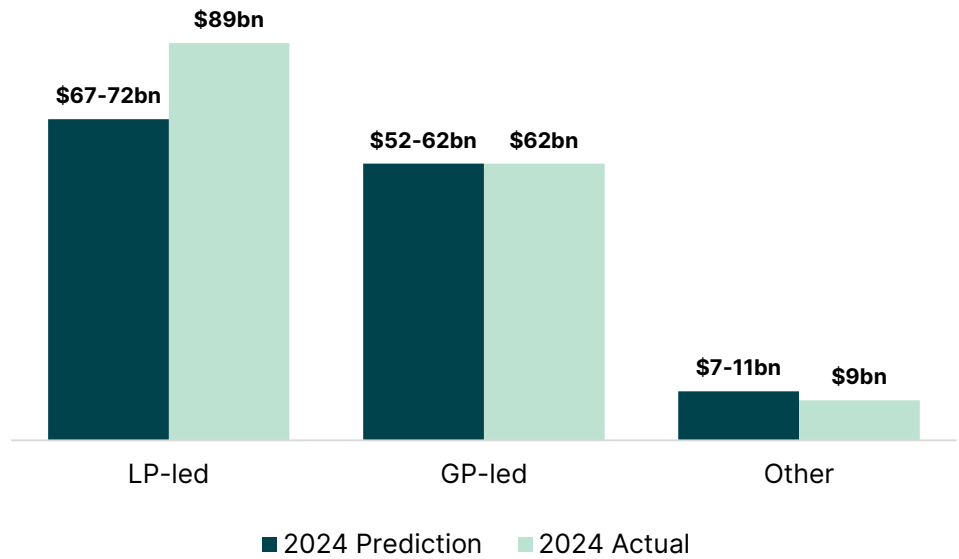
² Preqin, as of September 30, 2024

³ Evercore, January 2025, "FY 2024 Secondary Market Review"



Figure 2:

Evercore's 2024 secondary transaction volume predictions vs. actuals



Source: Evercore, January 2025, "FY 2024 Secondary Market Review"

But after this record-breaking year, the market is still set for further growth. According to Goldman Sachs's 2024 Private Market Diagnostic Survey, which collected data from 190 LPs and 45 GPs, there was a 6% rise in respondents with allocations to PE secondaries who consider themselves under-allocated to the asset class.⁴

Figure 3:

Percentage of LPs with existing allocations to secondaries who are under-allocated



Source: Goldman Sachs Alternatives, October 2024, "2024 Private Markets Diagnostic Survey: Charting New Routes"

⁴ Goldman Sachs Alternatives, October 2024, "2024 Private Markets Diagnostic Survey: Charting New Routes"

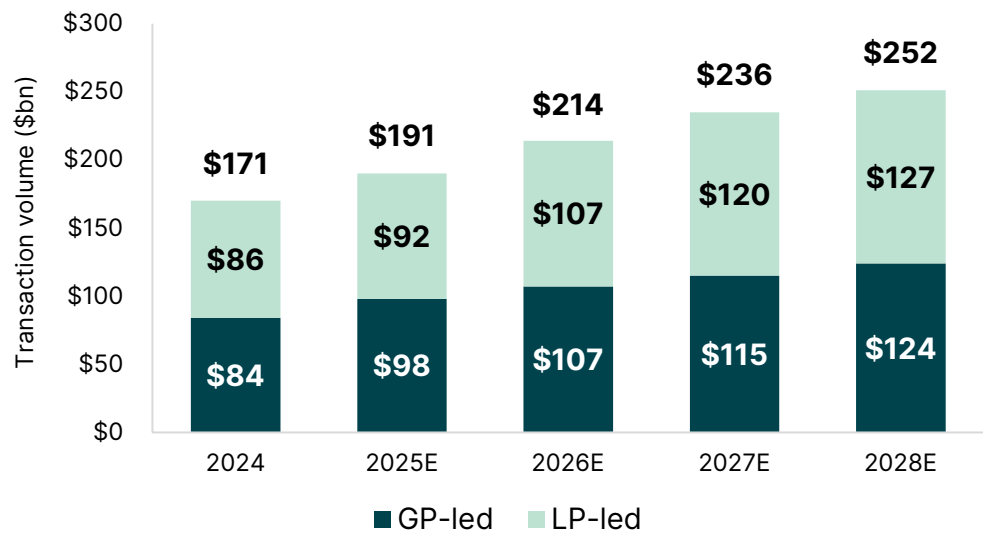


Elsewhere, Greenhill has predicted global transaction volumes of just under \$260bn by 2028.⁵ Projections for the growth of the LP-led market are based on a rising share of LP commitments being sold in the secondary market. GPs show a stronger preference to hold onto high-

performing assets — sometimes called ‘trophy assets’ — for longer periods, and the anticipated growth in this part of the market is attributed to the existing backlog of sponsor-owned companies expected to enter the market in the coming years.

Figure 4:

Secondary transaction volume estimates for 2025 to 2028



Source: Greenhill, February 2025, “Global Secondary Market Review FY 2024”

Certainly, for LPs, the benefits of the secondaries market are clear. Diversifying their private market investments with secondaries can help them attain their target allocations, enhance portfolio diversification, and potentially improve returns.⁶

GP-led deals surge ahead

The GP-led market also saw increased participation from new entrants and traditional primary LPs last year, driving up activity. In 2024, the GP-led secondary market volume reached \$75bn, with a significant surge in the second half, totalling \$47bn which represent a 68% increase from the first half of 2024.⁷

⁵ Greenhill, February 2025, “Global Secondary Market Review FY 2024”

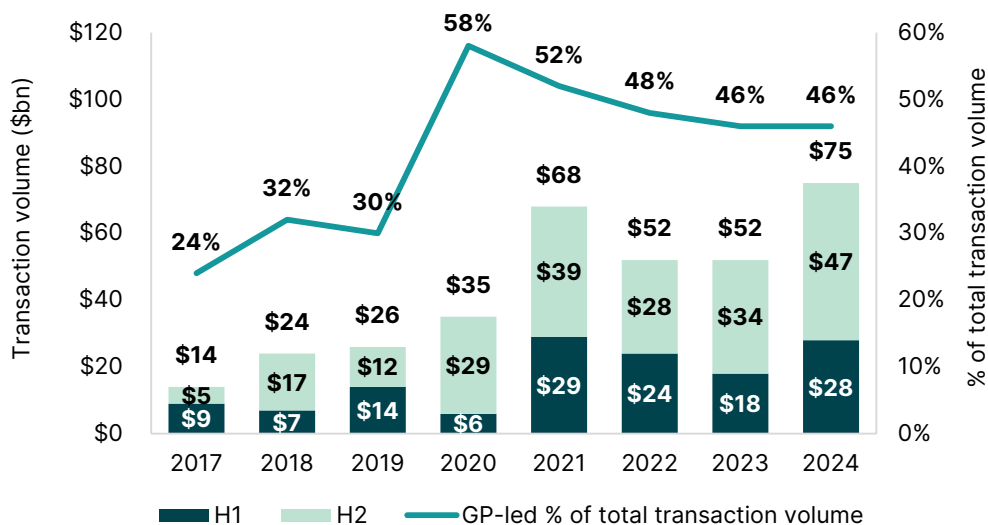
⁶ Goldman Sachs Alternatives, October 2024, “2024 Private Markets Diagnostic Survey: Charting New Routes”

⁷ Jefferies, January 2025, “Global Secondary Market Review”



Figure 5:

GP-led annual transaction volume



Source: Jefferies, January 2025, “Global Secondary Market Review”

Last year GP-led secondary volume exceeded peak 2021 levels by 10%, contrasting with M&A and IPO activities, which are still 52% and 79% respectively below 2021 levels respectively.⁸

One of the biggest recent developments that has driven this pace of growth was investors’ increasing acceptance and understanding of continuation vehicles (CVs) as a way for GPs to generate liquidity while holding onto some of their best-performing assets. Of the \$75 billion of GP-led secondary transactions in 2024, \$63bn came from CV transactions, the other \$12bn came from tender offers, structured equity, and fund finance transactions.⁹

As more market participants gain even deeper knowledge and exposure to continuation funds, we anticipate increased interest in these vehicles.¹⁰

Global fundraising still growing

Last year, secondary market fundraising reached \$56bn globally.¹¹ Although this figure was subdued compared to the prior year, secondaries fundraising still accounted for just under 10% of all private capital fundraising, a higher percentage than the average of the previous three years.

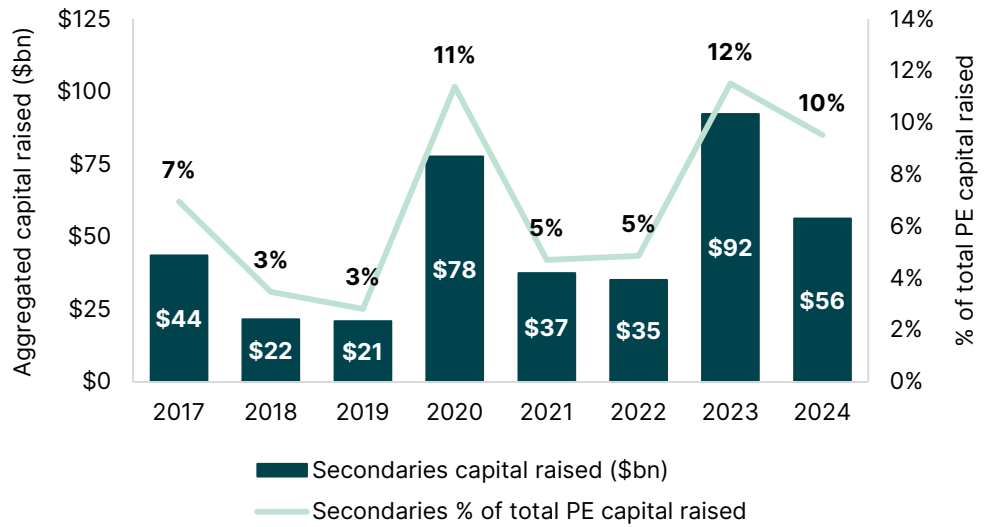
^{8,9,10} Jefferies, January 2025, “Global Secondary Market Review”

¹¹ Preqin, December 2024, “Preqin Global Report: Private Equity 2025”



Figure 6:

Secondary market fundraising



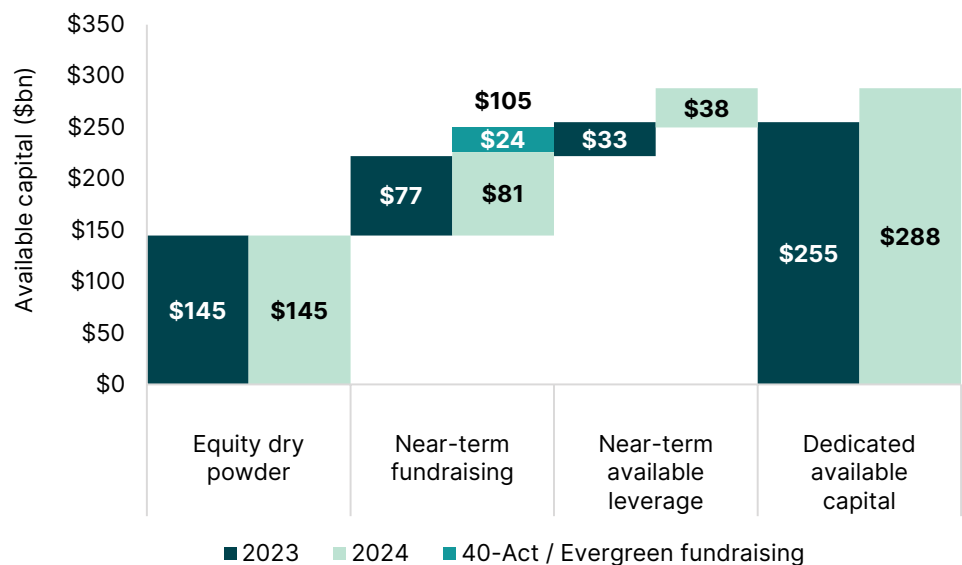
Source: Preqin, February 2025, "Private Equity Q4 2024: Preqin Quarterly Update"

Available capital hit an all-time high of \$288bn, up \$33bn from 2023.¹² It is important to note though that the market is concentrated, with the top 10 secondaries investors holding over 50% of the available capital, and nearly 30 buyers investing from funds larger than \$1bn.¹³

However, buyers still have ambitious plans to raise record-breaking funds. It is estimated that \$105bn will be raised over 2025, with around \$24bn of this figure raised in evergreen funds by retail investors.

Figure 7:

Dedicated available capital



Source: Jefferies, January 2025, "Global Secondary Market Review"

^{12,13} Jefferies, January 2025, "Global Secondary Market Review"



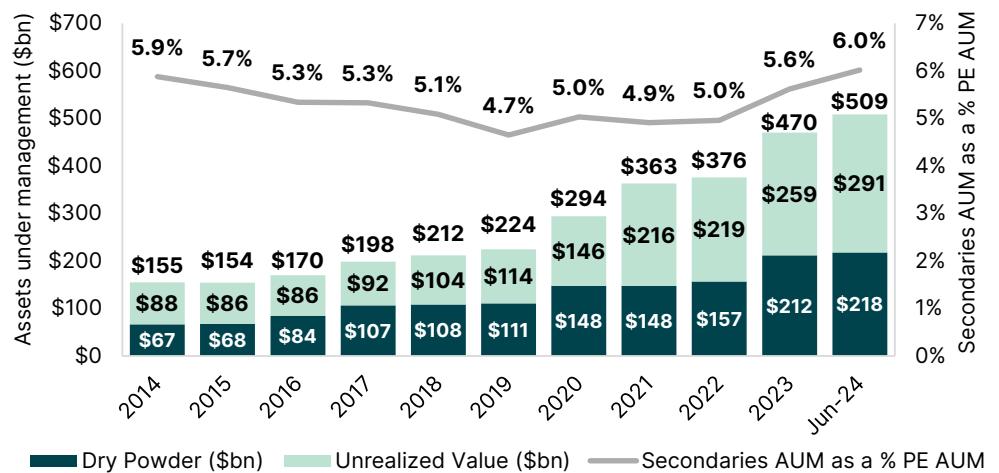
To date, evergreen fundraising has been highly concentrated, with the top five ‘40-Act’ investors (including Pantheon) accounting for nearly 70% of the total funds raised for evergreen vehicles. The perpetual fundraising structures of ‘40-Act’ and other evergreen retail vehicles, coupled with their distinct economic benefits, have stimulated secondary market activity, promoting swift capital deployment and heightening competition among secondary investors, especially at the larger end of the market (across large and mega buyout deals).¹⁴ The inflow of

new capital - including from the rise of ‘40 Act’ funds and retail capital - will deepen competition and support elevated GP-led and LP-led deal volumes.¹⁵

Established secondary funds are anticipated to raise larger vehicles, leading them to target larger ticket sizes for deals across GP-led and LP-led transactions.¹⁶ GPs committed to their mid-market strategy will benefit from this trend, as competitors shift more into the large- and mega-cap territory to deploy capital.

Figure 8:

PE secondaries assets under management



Source: Preqin as of February 2025, “Private Equity Q4 2024: Preqin Quarterly Update”

Pricing pressures stabilize

Increased competition for deals in 2024 put some pressure on pricing. While average buyout pricing increased from 91% to 94% over the course of the year, discounts stabilized in the second half of the year.¹⁷ This pricing stabilization is expected to continue into the near future as the effects of new entrants are absorbed into the market equilibrium. Even with discounts narrowing, attractively priced and high-quality buyout deals are still trading in the market.

¹⁴ Jefferies, January 2025, “Global Secondary Market Review”

¹⁵ Lazard, January 2025, “Secondary Market Report 2024”

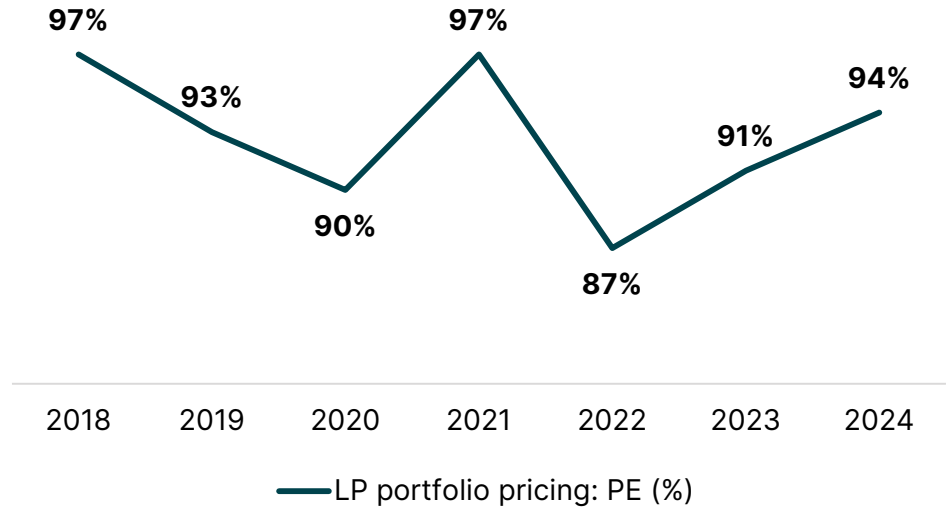
¹⁶ Evercore, January 2025, “FY 2024 Secondary Market Review”; Preqin, December 2024, “Preqin Global Report: Private Equity 2025”

¹⁷ Jefferies, January 2025, “Global Secondary Market Review”



Figure 9:

LP portfolio pricing



Source: Jefferies as of January 2025, "Global Secondary Market Review"

With dry powder reaching historic highs, demand for secondaries remains strong. The secondary market is expected to continue its growth, supported by an expanding buyer universe and innovative liquidity solutions.

For further details on the conditions in private markets in 2025 please follow the link: [Pantheon Perspectives: Private Markets in 2025 - Pantheon](#)

