

Just how big can secondaries get?

The rapid growth of the secondaries market has led to suggestions that it could see transaction volumes of \$500bn – or even \$1trn – by 2030. Just four years out from this deadline, are such predictions realistic? Amy Carroll reports

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A protracted liquidity squeeze and an estimated \$4 trillion backlog in unrealised asset value have handed the secondaries industry some gale-force tailwinds.

Transaction volumes hit a record \$226 billion in 2025, according to data from Evercore, and market protagonists are predicting a further vertiginous climb. Collier Capital's eponymous founder Jeremy Collier has previously stated he believes that we will see \$500 billion of annual volume by 2030, while Yann Robard, managing partner at Dawson Partners, has long put this figure at a dizzying \$1 trillion.

There is no doubt that investors are craving the liquidity the secondaries industry provides. But is doubling, or even quadrupling, volume in just four years really realistic, even for private markets' golden child?

"The market's growth in the first half tapered compared to historical norms given volatility in software and credit, as well as geopolitical conflict," says Scott Beckelman, global co-head of private capital advisory at Jefferies. Beckelman adds, however, that he believes all the ingredients are in place for continued long-term expansion. This is a directional conviction that all market participants appear to agree on, even if they diverge on speed and scale.

Collier, for one, is not backing down from his convictions. He tells *Private Equity International* he "absolutely believes" global secondary volumes will reach \$500 billion by 2030: "It's a prediction I first made back in 2018, and it's one I stand by today."

Others are more conservative: Wilfred Small, senior managing director and co-head of US secondaries and primaries at Ardian, forecasts around \$350 billion of closed transactions by 2030, up from the firm's historical predictions of \$300 billion based on the stock of aging NAV. "The increase also reflects the turnover rate which has previously stood at around 1.5 percent,

but which is now in excess of 2 percent," Small says. He notes, however, that dealflow brought to market could be closer to \$500 billion.

David Corey, chief operating officer of Blackstone Strategic Partners, thinks \$400 billion-\$500 billion is achievable by 2030: "Both the GP- and LP-led markets have drivers in play that are going to get us to that total."

Harold Hope, global head of vintage strategies at Goldman Sachs Alternatives, also believes a drawn-out dry spell in M&A markets has set secondaries on course for turbocharged growth. "The lack of distributions that exists in private markets right now is fuelling the growth of the secondaries industry, and we don't see that distribution rate bouncing back any time soon," he says.



"Everything becomes a secondary eventually"

JEREMY COLLIER
Collier Capital

Certainly, the scale of need is not in doubt: the market has \$4 trillion of private equity inventory and \$1 trillion of dry powder, with annual exit volumes averaging about \$500 billion, according to Vishnu Menon, managing director and co-head of Partnership Solutions at Warburg Pincus. "That means that, as it stands, the market structure is imbalanced in favour of buyers. The IPO market could step in, or we could see a transformative increase in strategic M&A, but both of those seem unlikely. Without that, we need a third channel to bridge the gap."

Menon continues: "In order for existing NAV to have cash yield that is commensurate with historic norms of about 20 percent, that \$500 billion of annual exit volume has to increase to at least \$700 billion-\$750 billion and stay there – and that's if the private equity market remains flat.

"Where is that \$250 billion of expansion capital going to come from? Secondaries feels like the most obvious channel, and that would imply a 200 percent growth in the market."

Blurring boundaries

For many, the secondaries industry's continued steep climb is simply a mathematical certainty. To get to Robard's ambitious \$1 trillion in a few short years, however, will require some existential thinking.

"We have talked about the industry having the potential to hit \$1 trillion by 2030, and I continue to have high conviction in that number," Robard tells *PEI*. "But it all depends on how you are defining the secondaries market."

Robard similarly points to the importance of taking secondaries' lateral expansion into account, given the rapid growth taking place in private credit, real estate and infrastructure. "Secondaries trading in those markets has lagged private equity, but is now catching up."

While traditional buyouts remain the market's biggest driver over the medium term, the secondaries

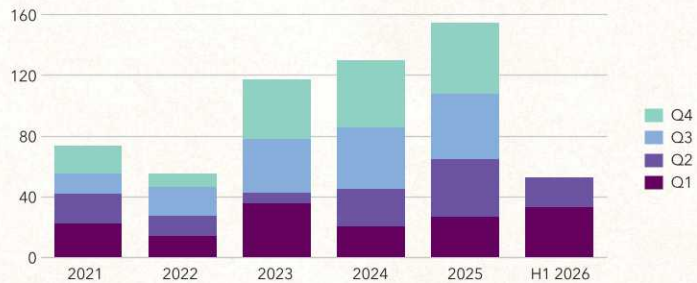
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70%

Year-on-year increase in private debt secondaries volume in 2025

Source: Evercore

Capital raised for secondaries funds (\$bn)



Source: PEI Group

15-20%

Average annual growth of the secondaries market

Source: Campbell Lutyens

\$155bn

Capital raised for secondaries strategies in 2025

Source: PEI Group

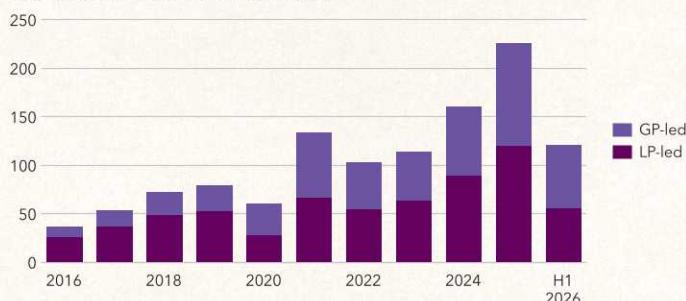
\$226bn

Secondaries transaction volume in 2025

Source: Evercore

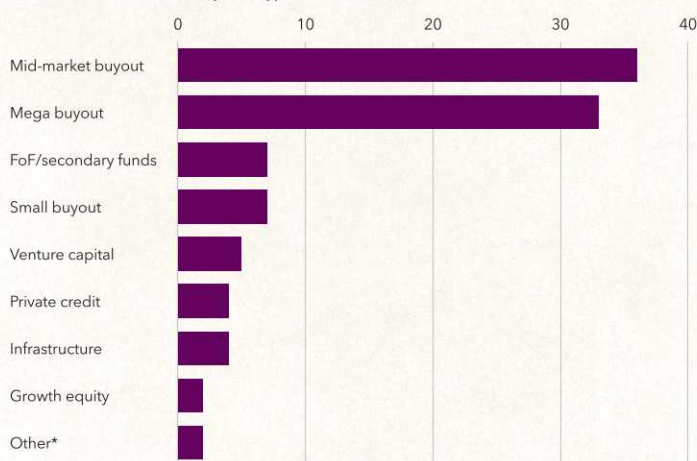
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Secondaries market transaction volume (\$bn)



Source: Evercore

LP-led secondaries volume by fund type in H1 2026 (%)



* Other includes energy, real estate and distressed or special sits
Source: Campbell Lutyens

market's asset class buildout is well underway, adds Beckelman. "We see a huge addressable demand for private credit and have witnessed a dramatic expansion in the buyer base for credit secondaries over the past 12 months. We've also seen several new entrants in venture and growth secondaries, as well as a notable expansion in real assets. This is a long-term theme that will continue to propel our market."

The potential for private credit secondaries, in particular, is enormous. "Private debt was the fastest-growing asset class in 2025, with global volumes up around 70 percent, driven by the increase in private equity volumes,

a pick-up in refinancing activity and financing supporting the AI infrastructure build-out," says Charlotte Morris, a partner in Pantheon's global private equity secondaries group.

Beyond asset class expansion, views on what constitutes a secondaries deal are also changing as the suite of available liquidity tools continues to grow.

"Today, you have LP secondaries, levered LP secondaries, CVs, preferred equity, NAV lending and CFOs. The boundary lines with GP stakes are also becoming less distinct," says Robard. "If you embrace that whole ecosystem, yes, I do believe we can reach \$1 trillion by 2030."

Jon Salon, executive vice-president and global head of private equity at BCI, also believes the taxonomy is blurring: "Structured equity, preferred capital, recapitalisations, GP stakes and continuation vehicles increasingly sit on a spectrum of liquidity and capital solutions. The common thread is flexible, creative partnership capital rather than a traditional control buyout."

To Collier, "everything becomes a secondary eventually". He adds: "Secondaries are a natural consequence of any large pool of capital, whether it's real estate, public equities or bonds. If you understand that, you understand that private equity will become secondaries. Inevitably, secondary transaction volume will continue to grow until it overtakes primary."

Many market participants are starting to refer to themselves as 'liquidity solutions providers' rather than secondaries firms. "Some of the terminology that has crept into our industry, including 'LP-led' and 'GP-led' secondaries, is unfortunate," says Goldman's Hope. "What we are really doing is providing solutions to people who need liquidity, whether we do so via a traditional LP secondaries sale, a CV, preferred equity or a structure secondary."

New groups entering the market tend to put secondaries under a GP solutions umbrella, alongside management company and fund-level finance, Ardian's Small says. Most will continue to do so through dedicated secondaries pools of capital "because the risk-return and cashflow profiles are so different. These are natural adjacencies to the core secondaries business, and it is likely we will see more groups expand along these lines".

Innovation required

This suite of liquidity tools will only continue to broaden. "This is a creative industry, and the liquidity downturn of the past three or four years has supercharged that creativity," says Will Rosener, head of institutional client

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solutions for Blackstone Strategic Partners.

The most significant example of this in recent years has, of course, been the repurposing of fund restructuring technology as the now ubiquitous continuation vehicle.

“GP-led volumes grew at a 49 percent compound annual growth rate between 2023 and 2025, far outpacing the 19 percent CAGR recorded in the broader M&A market over the same period, suggesting continuation vehicles are becoming a structural feature of the private equity exit landscape rather than a cyclical workaround,” says Pantheon’s Morris.

Innovation hasn’t stopped there. Goldman’s Hope points to the role that evergreen funds may soon start to play – not just as sources of capital for the secondaries industry, but as a tool for getting deals done. “We are already seeing CV technology being used to put a yielding asset in an evergreen format in the infrastructure space.”

Campbell Lutyens, for example, advised on an open-end fund which will house EQT portfolio company EdgeConnex earlier this year. Blackstone Strategic Partners anchored the novel evergreen fund, affiliate title *Secondaries Investor* reported in February. Since the vehicle’s formal launch in April, its NAV has increased from \$2.4 billion to \$9.4 billion, executives said on the firm’s Q2 earnings call, with CPP Investments investing \$1.75 billion into the AI infrastructure fund in July.

“That is a fascinating development, because it potentially provides a real alternative to an IPO,” says Immanuel Rubin, partner and global co-head of secondaries at Campbell Lutyens. “It offers all the benefits of staying private, while still offering the option of liquidity for investors. I think this is something we will see more and more of.”

Hope sees these evolutions as a necessity, particularly as private markets continue to take share from their public counterparts. “We are

increasingly seeing private businesses that have grown to a size where there is no longer an obvious exit route. The ultimate solution is not yet clear, but it is clear that a lot more innovation will be required to figure out how that liquidity will be achieved.”

As secondaries firms – or liquidity solutions providers – continue to push the boundaries of what is possible, the industry will inevitably grow.

“The question of how big the secondaries industry is likely to get largely depends on how you are defining secondaries and whether you believe we have reached the end state of what a

secondary actually is. Personally, I don’t think we have,” says David Perdue, a partner and head of the private capital solutions group at PJT Partners. “I believe, therefore, that some of the estimates that we are hearing – whether that is \$500 billion or \$1 trillion [by 2030] – could actually be light.”

Investors were promised an illiquidity premium when investing in private markets, but that premium has narrowed significantly. As a result, a suite of liquidity products has evolved to meet demand – starting with the single-asset market, Perdue adds. “I don’t think that is where it will stop. There is \$80 trillion traded across public entities each year, while there is only around \$5 trillion of M&A. There is, therefore, huge potential for alternative forms of private markets liquidity, and I believe more innovation is inevitable.”

Capital constraints

For Robard, however, innovation may be temporarily on hold while capital formation plays catch up.

“The secondaries market has innovated a lot over the past decade. In fact, it has almost out-innovated capitalisation,” he explains. “Yes, there will be more liquidity tools that emerge, but innovation doesn’t flourish in a world that is so capital constrained.”

Capital formation remains perhaps the biggest potential obstacle to the secondaries’ industry reaching its lofty growth ambitions. Andrew DiGeronimo, managing director and co-head of Partnership Solutions at Warburg Pincus, notes that secondaries’ potential is heavily dependent on its ability to attract funds.

“It is easy to put numbers out there that are statistically relevant,” he tells PEI. “Many market participants have suggested that LP stakes turnover will grow from 3 to 5 percent of existing NAV a year to 10-15 percent, thereby doubling or tripling the size of the market. That would get us to \$200 billion-\$300 billion of LP trades. Equally, you can build the same sorts



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Dawson Partners

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of arguments to support the potential growth of GP-leds, easily getting us to an overall market of \$500 billion-\$700 billion."

There's a catch, DiGeronimo adds: "The question [is], where is that money going to come from?"

That is not to say that capital formation is not moving in the right direction. Secondaries fundraising shattered all previous records in 2025, with dedicated funds raising \$155 billion globally – \$25 billion more than the prior record set in 2024.

"While fundraising in general is not very constructive right now, investors continue to commit to secondaries funds, including those that have not historically had secondaries allocations," says Hope. "People forget that while on the transaction side we are often dealing with investors that are overallocated, there are still lots of pools of investors, including those in Asia and the Middle East, where allocations are still growing."

In addition to institutional investor appetite remaining high, new sources of capital are also coming online. Small, for example, believes that the unlocking of insurance capital through the use of CFOs is going to be particularly impactful.

Rubin, meanwhile, points to two other pools of capital that are now aggressively pursuing this market. "The first is sovereign capital, and the other is retail. Retail money is flooding into private markets, but struggles on the primary side where real scale is required. Retail investors are therefore primarily accessing private markets through secondaries and co-investment evergreen vehicles where they can deploy capital instantaneously."

There are potential issues brewing in the evergreen universe, however: Small says that while evergreen vehicles tend to be more heavily weighted towards the GP-led market, when they do participate in LP-leds, pressure to deploy can lead to price inflation.

This is particularly evident in the sub-\$500 million market. "Even scaled evergreen funds aren't large enough to participate in the \$2 billion-plus segment, which is consequently insulated from elevated competition," Small adds.

Apollo Global Management CEO and co-founder Marc Rowan has been publicly vocal about his view that the practice of purchasing fund stakes at a discount to reported NAV before immediately marking them up as a paper gain is ill-suited to evergreen funds.



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PRAVI PRAKASH
Railpen

And others agree. One investor, who declined to be named, notes, "We are not enamoured with the idea of secondaries-only evergreen funds that print these really high IRRs through discount recapture and then have people trading in and out on those valuations. That works when the evergreen fund is growing and you are doing deals, but once that stops, the NAV growth in those portfolios may not look so attractive."

On the other hand, following Rowan's comments, senior executives at Hamilton Lane and StepStone have defended secondaries' valuation strategy in the context of evergreens. Trading on the secondaries market comes at a cost, which often results in discounts, they argue; a change to accounting rules would bring its own issues, with LP sellers often trading stakes at different prices.

"It would be hard to see why the accounting rules would change to recognise all these different seller situation transactions now being the fair value or the reported value," StepStone's head of strategy Michael McCabe said on the firm's Q4 2026 earnings call in May.

New entrants

Another important dynamic in the secondaries market's capitalisation conundrum is the influx of traditional buyout entrants in the GP-led space. This influx moves the needle in favour of those loftier estimates for volumes in 2030.

"Fundraising for these new entrants was initially challenged due to a lack of track record, but we are starting to see some really gain traction," says Rubin. "These firms are bringing fresh capital into the market, driving its growth even further."

DiGeronimo, who joined Warburg Pincus from incumbent LGT Capital Partners to kickstart its secondaries strategy, is seeing this demand in real time. "There is significant investor



Necessity breeds innovation

Secondaries players are turning to AI and new deal sourcing strategies to tackle a shortage of talented staff

Capital formation is not the only limiting factor in secondaries' growth: human capital is also in short supply.

Yann Robard of Dawson Partners notes that although the number of people working in the secondaries industry has increased in step with the market's recent growth, there is still a longer-term talent lag. "Technology will... have a role to play, of course, but that... takes time."

Other market participants agree that the advent of AI should make a dent in this human capital shortage by making workflows more efficient, thus reducing the need for increased hiring.

Indeed, some new entrants are positioning themselves as technology-first players.

"In secondaries, the challenge is to find the few opportunities that are genuinely compelling at the

right price," says Ingmar Vallano, managing partner at Clipway – one such tech-first firm, launched by ex-Ardian executives. Clipway's debut secondary fund closed on \$6.4 billion against a \$4 billion target this summer.

In order to meet the challenge, technology is increasingly becoming a non-negotiable support tool for secondaries underwriting, Vallano says.

Technology is not the only way secondaries buyers are adapting to human capital shortages, however. "Buyers are also starting to respond to growing volumes by taking a more proactive approach to deal sourcing," says PJT Partners' David Perdue. "This will narrow the pipeline that they need to pay attention to."

More targeted selection could lead to further specialisation in the secondaries market, says Warburg Pincus's Andrew DiGeronimo.

"An investor may want global healthcare exposure, for example, and will turn to groups that have access to that ecosystem," he says. "It will become more like stock picking rather than being reactive, as it often is now."

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interest in the GP-led market. That will bring in net new capital.”

Indeed, early concerns that new arrivals from the buyout world would hinder fundraising efforts due to perceived conflicts of interest appear to have been overblown. Blue Owl Capital’s debut GP-led strategy – which includes a closed-end fund targeting \$2 billion – closed on more than \$3 billion in February, just a month after Leonard Green’s Sage I closed on \$3.6 billion. In August, Painswick Capital closed its debut GP-led fund on \$1.5 billion, doubling its target.

When Warburg Pincus launched its own strategy, which as of August has not closed on a dedicated fund, the idea that GPs would be unwilling to work with the firm due to conflicts of interest was a concern, Menon notes. “Since then, we have met with well over half of the 400 or so mid-market North American GPs out there, and only on two or three occasions has the person on the other side of the table not been enthusiastic about working with us as a result of potential conflicts, or for any other reason.”

Matt Jones, co-managing partner of TPG GP Solutions, agrees. “Sponsors raising single-asset continuation vehicles are not selling to a competitor. They are looking for execution certainty to continue to own their best asset for longer,” he explains, adding that funds investing into CVs are passive LP capital. As of July, TPG has raised \$1.48 billion for its second GP solutions fund, which launched in June 2025 with an undisclosed target, according to PEI Group data.

“New entrants have executed many deals and proven this ‘problem’ is a red herring. In fact, many GPs are approaching private equity-backed new entrants before the rest of the market, and before launching processes, recognising that their credibility as a lead investor reduces execution risk,” Jones adds.

The relative ease with which traditional buyout houses have claimed

a place in the secondaries world is in part due to an ongoing structural shift in capital markets, DiGeronimo adds. Private companies are staying private for longer, which means there needs to be more ease of exchange between shareholders.

“It is my opinion, therefore, that information will become more ubiquitous over time, rather than being tightly held as it has been in the past. Information itself will no longer be a constraint or a moat – although, of course, knowing what to do with that information is something different entirely,” DiGeronimo says.

Ardian’s Small, however, believes that some new entrants have better stories to tell than others.

“Groups with a history of partnering with other sponsors, and that are more collaborative as it relates to management and board engagement, will fare better than those that have historically taken a more aggressive stance on working with other shareholders and lenders around the table,” he says. “All else being equal, I still believe GPs prefer working with friendlier versus competitive capital. They also favour platforms with the capacity to invest in subsequent funds through primary businesses.”

LP engagement

Another critical shift in the secondaries industry’s growth story is the increased engagement of its underlying LPs.

Certainly, LPs are becoming more proactive in their use of the market. Pravi Prakash, investment manager for private markets at UK pension Railpen, tells *PEI* that historically, many LPs only viewed secondaries as a liquidity management tool, used when portfolios became overallocated or when investors needed cash. Today, that perception has changed considerably.

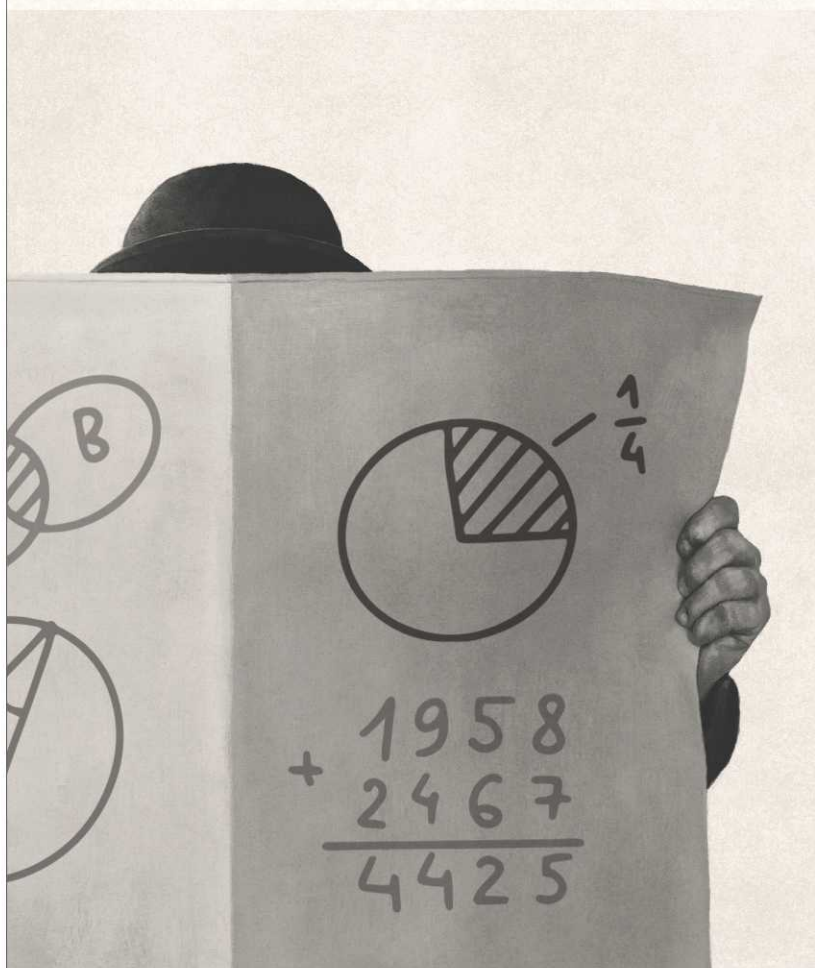
“Many larger pension funds, sovereign wealth funds and endowments now view secondaries as a mainstream portfolio construction tool,” Prakash explains. “As a result, a growing



number of large LPs have either established dedicated secondaries teams or developed specialist expertise within their private markets teams.”

Levels of sophistication, however, still vary. LPs’ internal capabilities to address secondaries greatly differ, according to Neal Prunier, managing director, industry affairs at the Institutional Limited Partners Association. “Dedicated expertise can help LPs evaluate transaction pricing, negotiate terms, assess strategic portfolio implications and respond more efficiently to increasingly complex transactions.”

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What could prove transformative for the overall growth of the market is the steps LPs take to address a dramatic increase in continuation vehicle election processes.

"LPs have realised this CV technology is here to stay. Many have also realised that they are not well set up to make sell-or-roll decisions," says Hope. "Some are, therefore, now changing their internal processes and supplementing their resources. This is one of the big issues that investors are grappling with and, as they do so, they are recognising that CVs represent a really interesting investment opportunity.

That will help with capital formation on the buy-side."

Indeed, ILPA has recently issued updated guidance encouraging LPs to develop clear internal protocols, governance frameworks and underwriting capabilities that enable timely and informed decisions when CV opportunities arise.

"This is important because LPs are increasingly being asked to evaluate concentrated exposure to specific assets, often under compressed timelines, and those decisions can have significant portfolio implications," says Prunier.

Positive changes are already underway, with the boards of large allocators now permitting investment teams to make asset-level decisions. This means they will no longer be default sellers in CVs, says PJT's Perdue. "This will be one of the biggest changes that we will see by 2030. It will solve a lot of the capital formation challenges that currently exist in this marketplace.

Today, a \$4 billion single-asset CV is at the upper end of what is possible, and only a very few deals of that size complete, Perdue adds. "If LPs start to recognise that, while this is a liquidity tool, they aren't forced by internal process constraints to take that liquidity, that will change overall supply dynamics and the scope of what is possible."

The scale question

Whether a staffed up and fully engaged LP base will get the secondaries industry to \$500 billion – or even \$1 trillion – in the next four years is another matter entirely.

"I believe in private markets' ability to generate superior returns," says Robard. "[They provide] more concentrated and aligned ownership, which we see as a better model for creating better businesses, and [they are] the reason US private equity-backed companies have increased in number from about 2,000 to more than 11,500 [over the past 25 years].

"The issue private equity faces is illiquidity, and that is what secondaries solves for. When you start to think about the mass migration of companies from public markets to private markets and you start seeing the secondaries industry as the liquidity engine behind that, you start to get some idea of the sheer potential scale of the addressable market."

In spite of some remaining hurdles, what is clear is that private markets are growing at breakneck speed – and so, inevitably, private market liquidity has no other choice but to find room to grow as well. ■