

Winter 2026

Liquidity Solutions

Newsletter

This debut installment of Willkie's Liquidity Solutions newsletter features a review of the 2025 private equity secondaries market and trends we anticipate for 2026.

2025 By the Numbers

2025 was a notable year of growth for the global secondaries market. As of the end of 2025:

Secondaries transaction volume was estimated to be over \$200 billion

Private equity investors noted that 1 in every 5 exits in 2025 occurred through a GP-led secondary transaction

In 2025, Willkie advised on over \$20 billion on secondary transactions

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Our 2026 Market Predictions

Continuation Funds Will Need Liquidity

2026 marks six years since the COVID-19 pandemic and the dislocation in markets attributed to the pandemic, including inflationary pressure that led to a higher interest rate environment and ultimately slower and less frequent private equity investment exits. GP-led secondary transactions saw marked growth starting from 2020, and continuation funds raised during this early part of the decade will see their terms ending. We expect 2026 to be a year in which sponsors with early continuation funds seek "CV-on-CV," tertiary transactions or other creative solutions to either bridge or provide liquidity.

Secondaries Markets Will Continue to Focus on Non-Traditional Sources of Capital

Sellers in the secondaries market have turned to a consistent bench of institutional capital with secondaries mandates. Those traditional sources of capital, while deep, have been tapped by a continually developing pipeline of deals and secondary funds coming to market. These traditional players will need liquidity in order to continue funding deals. We anticipate a growing demand in the secondaries space to be filled by a growing nontraditional bench of investors adopting private equity secondaries mandates, including insurance companies, family offices, wealth distribution platforms, pension funds and sovereign wealth funds.

Specialization Will Increase

As more nontraditional secondaries buyers come online, we will see more specialization among secondaries market participants competing for deals, particularly single-asset continuation funds. Specialization will be asset-class specific as firms with secondary mandates proclaim expertise in one of a variety of specific sectors including credit, real estate, traditional buy-out, venture and infrastructure. Asset-specific expertise will also lend itself to better underwriting and due diligence and will lend itself ultimately to more accurate pricing discussions.

Investors Will Focus More on Valuations

As the spread between public and private market valuations narrows, we anticipate that investors will begin to focus more on valuations of secondary deals and begin to question if deep discounts make sense. There will be even less reliance on "market" discounts to NAV and increased focus on asset-level underwriting with discounts reflecting views of underlying asset quality.

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