

Secondary Market Watch

XPS Secondary Market Watch tracks the latest pricing available and trends in the secondary market. The data is based on XPS Xchange which helps institutional investors buy and sell illiquid assets. The following charts depict our observed secondary market average pricing across various strategies expressed as a premium or discount to the Net Asset Value of the underlying holdings as at 30 June 2025.

Activity in Q1 was somewhat subdued as both buyers and sellers assessed the potential impact of Trump's tariff policy. However, despite the market shock on the tariffs initially set out on 2 April, as policy details have become clearer, transaction volume has rebounded in Q2 and is expected to maintain momentum through the remainder of the year.

Private Equity Buyout



Discount remains 8% from December 2024

Private Debt



Discount reduced from 10% in December 2024

Real Estate Equity



Discount reduced from 23% in December 2024

Infrastructure Equity



Discount reduced from 10% in December 2024

Notes: XPS observed secondary market average pricing is based on a mosaic approach using primary and secondary data sources, including interactions with markets participants.

Private Equity Buyout

The impact near-term performance and distributions have on buyers' levels of liquidity mean they remain cautious.



- Whilst the initial announcement of new tariffs by the Trump administration created uncertainty in the secondary market, by the end of Q2, prices were largely back at the levels they started the year.
- On average, pricing increased for the Private Equity funds targeting investments in smaller mid-market companies, since these tend to be more liquid and good diversifiers in a wider portfolio.
- Funds invested in large established companies remain constrained by asset scale, challenging exit environments, and a narrow IPO window, driving wider pricing dispersion.

Private Debt

Strong pricing reflects fresh capital inflows and rising interest from sophisticated private wealth buyers.



- High quality credit still trades at a sub 10% discount, whereas funds with lower credit ratings or atypical structures might demand higher discounts.
- Inflows of dedicated capital and appetite for diversified portfolios continues to increase pricing, as secondary managers compete with each other for the larger deals.
- Deal volume has been surging since the beginning of the year. This includes growth in general partner (GP) led deals, where the investment manager of the fund provides the opportunity for existing investors to remain in the fund or to fully divest.

Real Estate Equity

Buyers remain selective of what they buy, despite there being a wide discount for some of the assets.



- Most funds being sold are from the US and Asia, with a little from the UK.
- Despite asset pricing metrics showing little movement and refinancing channels still constrained, secondary market pricing is gradually increasing.
- Funds investing in Real Estate within Emerging Markets have typically not had their Net Asset Values (NAV) adjusted downwards, resulting in wider discounts to NAV on secondary pricing to better align with underlying fundamentals.
- Investor demand remains strong for higher-yielding sectors i.e. healthcare, industrial funds and student accommodation, while interest in retail and office assets continues to lag.

Infrastructure Equity

Persistent supply-demand imbalance in secondaries, amplified by market volatility from tariffs and shifting policies.



- Infrastructure secondaries have been driven by premium asset quality, resilient valuations and strong buyer demand with discounts for the largest and most diversified portfolios narrowing since end of 2024.
- Funds with greater investment return potential and inherent downside protection, like Core plus funds, are commanding smaller discounts.
- The Trump administration's phasing out of investment tax credits (ITCs) on wind and solar energy projects is beginning to ripple through pricing in renewables secondaries, depressing pricing.

Find out more

To discuss XPS Xchange or how we can help, please get in touch with **Beatrice Stanoescu** or **James Kidd**. Alternatively, please speak to your usual XPS contact.



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