

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 31 December 2025.

The secondary market continued to grow in 2025, reaching new highs in transaction volumes. The LP-led market is expected to have reached c.\$120bn of deal flow in 2025, a big increase from the \$90bn in 2024 (the previous record). Growing demand from buyers, supported by new entrants and expanding pools of dedicated secondary capital, was met with significant supply across a variety of deals. Record fundraising and a healthy flow of deals highlighted the market's resilience, even as exit activity slowed.

Private Equity Buyout



Discount remains 8% from June 2025

Private Debt



Discount remains 7% from June 2025

Real Estate Equity



Discount reduced from 20% in June 2025

Infrastructure Equity



Discount remains 9% from June 2025

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

Private equity secondaries stayed active in the second half of last year, with deal and portfolio sales hitting a three-year high.



- Optimism about falling interest rates and the regulatory outlook in the US has helped boost the value of firms sold over the period.
- With higher performing managers maintaining high prices even during weaker periods, buyers continue to factor in time-to-liquidity when pricing secondaries, with longer holds commanding deeper discounts.
- Many investors remain overexposed to 2019–2021 vintages (often with tail-end portfolios) and seek liquidity, increasing supply of secondaries.
- New buyers are focusing on smaller opportunities, tightening prices even for the smallest holdings.

Private Debt

Pricing remained strong or improved modestly, supported by record levels of activity and fundraising.



- The growing private debt secondary market is boosting buyer competition, with small portfolios now highly sought after.
- Pricing pressure emerged in some areas of private credit as lower interest rates and tighter spreads reduced underlying asset returns.
- Discounts and shorter durations supported returns, as quicker exits offset weaker earnings. Buyers demand larger discounts on distressed deferred-interest portfolios due to higher risk.
- As capital repayments rise from 2018–2020 Fund vintages, deferred payments are becoming more attractive to buyers.

Real Estate Equity

Real estate secondaries pricing has remained steady, with muted volumes and selective deployment.



- Relative to private equity, real estate secondaries see less activity and fewer buyers.
- Higher pricing is dictated by the shorter-duration funds with faster cash returns.
- Selectivity remains key, with preference for mid-market deals, and high-quality assets that can be bought at discounts to fair market value.
- Buyers focused on proprietary or less competitive sourcing channels over broadly marketed deals to reduce competition.
- Valuations, excluding offices, appear to have bottomed and are now trending upward. With buyer and seller expectations converging, the market is moving into a recovery phase.

Infrastructure Equity

Amid last year's volatility, infrastructure secondaries reached record volumes with pricing still adjusting.



- Heightened 2025 volatility drove record deal volumes and pricing activity, with the market favoring higher-return deals.
- Deal volumes are surging due to submarket dynamics, driven more by seller needs than asset performance.
- Insurers remain interested in the assets, but fund-wrapper constraints limit broader secondary market uptake.
- Demand by UK Local Government Pension Schemes remains muted whilst the focus is on the wider pooling mandate.
- Investors are increasingly aligned on valuation expectations, with infrastructure assets generally viewed as fairly valued on a net asset value (NAV) basis.

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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