Engineering Liquidity:

Secondaries in 2026

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Executive Summary

In a volatile world, secondaries are an instrument of control. They allow investors and managers to exploit, rather than be governed by, the liquidity engines of private markets. The 48% year-on-year growth in volumes, per Jefferies' numbers, that have taken the market to $240bn in 2025 and could cross $300bn in 2026, would suggest these instruments are in high demand.

Secondary transactions have historically been needs-driven endeavours and our research finds this framing persists to a large extent. Whether they will evolve to be predominantly proactive exercises going forward is predicated on a number of key conditions.

The first relates to discipline. Discounts will only last so long in the wake of the great liquidity crunch, so successful transactions in the future will be driven by genuine value creation – a complicated undertaking when buying into assets and portfolios later in their lifecycle. Selectivity and look-through are now critical.

Discipline also dovetails into governance. The GP-led universe has come a long way, and while roll options and skin in the game are strong mechanisms to balance conflicts and interests – the LP and GP accounts of the average continuation vehicle transaction still diverge considerably. Greater transparency of rationale, bidding processes and pricing are of the essence, as is due time and consideration for LPs' own investment decision-making journeys.

Pricing prowess will be a core competency across the spectrum of asset classes – the seasoned exuberance in private credit posing its own share of opportunities and complexities. And the challenges across governance and valuations are set to be amplified exponentially as capital sources diversify into mass affluent and retail pockets.

Conversations around each of these areas are evolving in sophistication from one year to the next, but a functioning and resilient system – at the heart of which is a robust operational infrastructure – is now an existential need for those looking to thrive in secondaries. The interplay of data and AI has the power to dictate the market's future, putting the onus on firms to position themselves accordingly.

Routes to future-readiness vary. Consolidation is a big theme and scale is a decisive factor, while proprietary data pools and analytics capabilities – powered by AI – are meaningful competitive advantages. We're entering a period when return dispersion will fragment the secondary market, putting into sharp focus firms that have readied themselves, and those that haven't.

This report, produced by Private Equity Wire® in partnership with SS&C, investigates the engineering behind liquidity – from high-level growth drivers to the finer details of operational sophistication. We extend our warmest gratitude to all those who contributed to this research.

KEY FINDINGS

130 GP survey respondents, collected Q1 2026

SEASONING LOANS

83%

Of managers expect credit secondaries to grow in the next 12 months, with the main challenges in this space relating to pricing (28%), maturity mismatches (24%) and risk management (22%).

EARLY DAYS

62%

Of managers say their secondaries data management journey is either in early stages (28%) or a work in progress (34%), while 23% say it's sophisticated – up from 13% in 2025 – and 11% say it's advanced.

AI ASSISTANCE

46%

Of managers say AI's current role in secondaries is a supporter of basic tasks, while 28% say it's an informer of decision making, and 7% say it's at times an executor of decisions. Only 18% say AI plays no role at all at this stage – a remarkable drop from 54% in 2025.

KEY FINDINGS

NEEDS-DRIVEN **37%**

Of managers say pressing liquidity needs remain the biggest growth driver for the secondary market, followed by investor demand (21%) and private markets evolution towards designed liquidity (14%).

CONFLICT MANAGEMENT **35%**

Of managers say valuation conflicts are the most challenging aspect of continuation vehicles, followed by balancing of LP interests (27%) and fee structure conflicts (19%).

LOW VISIBILITY **35%**

Of managers say their biggest challenges are either portfolio assessment and reporting (20%) or portfolio management (15%), while other operational challenges include process efficiency (18%) and data ingestion/aggregation (12%).

SECTION ONE:
THE NEXT WAVE OF SOPHISTICATION

Downstream from a rapidly expanding private markets universe, the secondary market is maturing into a sophisticated capital recycling tool.

Still, most secondaries activity remains needs-driven according to our Secondaries Survey 2026 (see Fig. 1.1.), as investors and managers continue to work through the overhang of recent years' liquidity shortages.

"When cash flow yields of approximately 20% over a previous 25-year horizon in PE dropped to 10-12% since 2022, the structural liquidity shortfall could not be resolved through pacing adjustments alone," says Philippe Ferneini, Partner at StepStone Group focused on secondary investments.

He highlights how secondaries are playing a critical role in facilitating what may be described as synthetic distribution generation – enabling LPs to bridge cash flow gaps while preserving long-term portfolio integrity.

Exit momentum has certainly improved in the past two years, but liquidity needs persist. Jeff Akers, Partner and Head of Secondary Investments at Adams Street, says liquidity challenges don't resolve in a single year – even when distributions improve. "There is often a three- to five-year tail where LPs continue to rely on secondaries to recalibrate portfolios."

The question remains of whether secondaries growth will persist beyond this tail, as exit activity – presumably – resumes in full flow. According to Ferneini, the market may not grow at the 40% rate it's been setting for two years, but it will certainly maintain a healthy 20% even under favourable deal conditions.

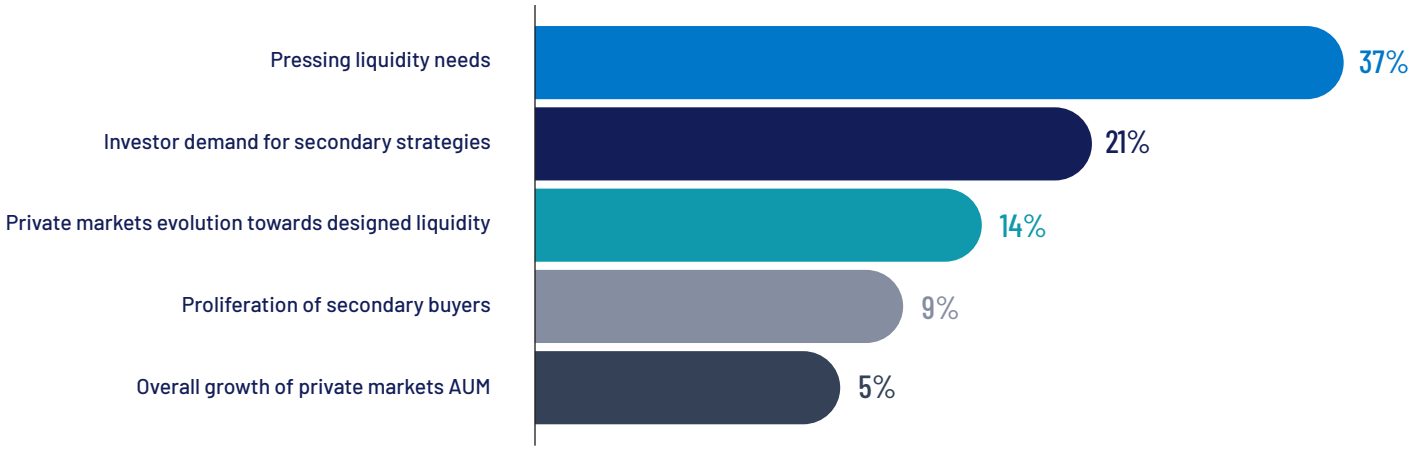
"Secondary trades still represent only a small percentage of total unrealised private markets NAV. Even modest increases in the percentage of NAV transacted annually could translate into significant absolute growth for the secondary market over the coming five-year horizon," he says.

Sophistication in the ecosystem has evolved to facilitate these capital flows. Akers says: "What once required extensive education is now broadly understood by LPs both as a selling tool and as a core investment strategy.

Many LPs now make primary commitments with the expectation that secondaries will be available as a future portfolio management tool, which has fundamentally changed how investors think about commitment pacing."

He adds that increased intermediation in the secondary market has driven fee compression and lowered execution

FIG 1.1. TOP FIVE GROWTH DRIVERS OF THE SECONDARY MARKET



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

costs, making it easier and more economical for even smaller LPs to run a secondary sale process.

And what of the discounts, which have attracted so many buyers to the market in recent years? They may contract and could have a tempering effect as a result, but that relates solely to those playing the market opportunistically.

Ian Wiese, Managing Director, Portfolio Finance at Barings, says: "Only around 20–30% of value creation in secondaries comes from discounts. The majority still comes from underlying asset value creation, particularly in seasoned portfolios where there is meaningful operational upside left."

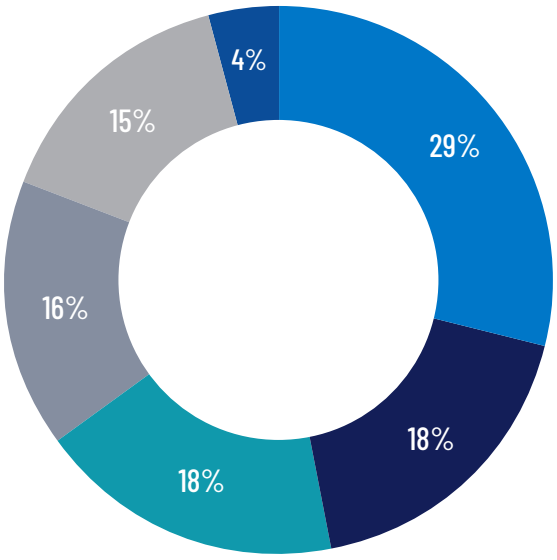
Market merging

Barring overcrowding and over-capitalisation, the numbers bode well for secondaries growth, and managers are rushing to position for the next phase of maturity. Complementing a primaries platform with secondary capabilities will, in theory, allow firms to control their portfolio all the way downstream – provided they can build with intention.

Routes to growth vary significantly (see Fig. 1.2.). Simple fundraising and AUM growth aside, consolidation, product diversification, accessing platforms and building operational sophistication are all popular ways to stay competitive in secondaries.

The build-versus-buy race is on – secondaries being an operationally intensive undertaking with a unique requisite skillset, having the right infrastructure in place is critical, as will be explored at length throughout this report. We've seen in the news how larger firms are opting to acquire secondaries platforms – the most recent and high-profile

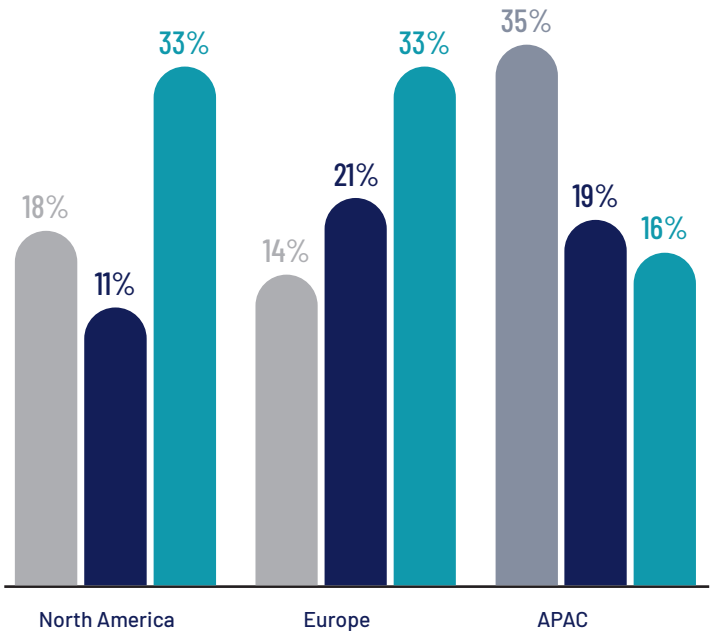
FIG 1.2. GROWTH STRATEGY FOR SECONDARIES



- Marketing to new investors
- M&A
- Marketing new products to existing investors
- Accessing secondary trade platforms
- Building operational sophistication
- Recruitment

FIG 1.2.1. TOP-THREE GROWTH STRATEGIES BY REGION

Larger firms (AUM >$10bn) are more focused on building operational sophistication than their smaller counterparts (AUM <$10bn) – the latter looking more to M&A as a means to scale. Consolidation also appears to be more prevalent in Europe and APAC than NA, while accessing secondary trade platforms is a popular route in APAC.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

example being EQT's acquisition of Coller Capital.

Ropes & Gray advised EQT on the $3.2bn transaction, which added $49bn to the PE giant's secondaries AUM. Paul Dali, who was the Group General Counsel for EQT during the transaction and is now a Partner at Ropes & Gray, says the growing instance of consolidation reflects rising regulatory complexity, expanding distribution requirements and the operational scale required to compete effectively on a global basis.

FIG 1.3. PREDOMINANT TRANSACTION TYPES

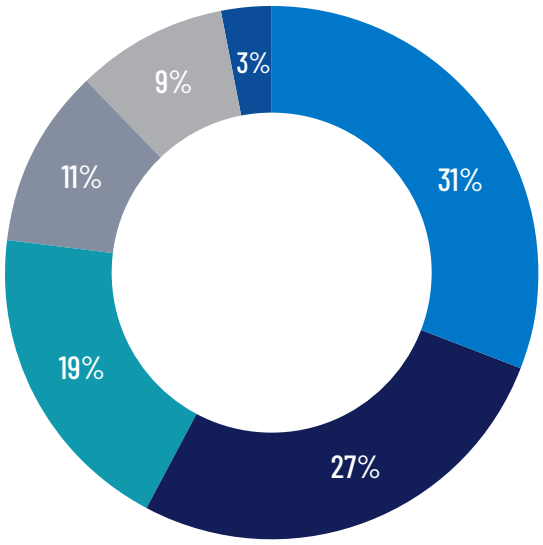
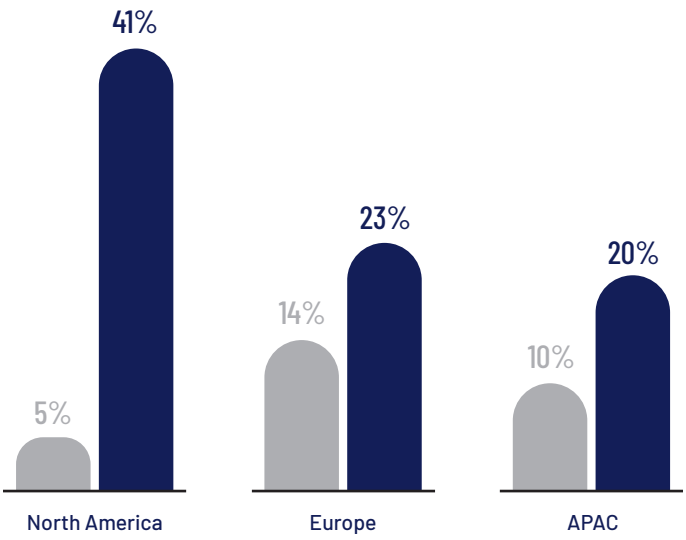


FIG 1.3.1. TRANSACTION TYPES WITH THE MOST VARIANCE BY REGION

Single asset CVs dominate in the US, but credit secondaries remain dormant for now.



LP-Led · Single-asset continuation vehicles · Multi-asset continuation vehicles · GP stakes · Credit secondaries · Tertiaries

Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Dali says: "Scale has become not merely advantageous but strategically necessary. The ability to provide structured liquidity is increasingly viewed as core to a firm's value proposition.

The acquisition of established secondary platforms enables managers to access specialist underwriting expertise, embedded deal flow networks, and institutionalised processes that would otherwise take years to replicate organically."

What does this mean for smaller players in the market? According to Shane Feeney, Managing Director and Global Head of Secondaries at Northleaf, specialists will maintain their right to exist. Feeney says: "Consolidation within the secondaries industry has already occurred to a meaningful degree, but we do not expect the market to converge into only a handful of mega-platforms.

"Innovation and specialist underwriting skill will continue to create competitive advantage, even as larger platforms benefit from scale and distribution strength. At its core, secondaries remains a talent-driven business. Access to experienced investment professionals with both primary and secondary insight is one of the principal constraints on industry expansion."

The majority will continue to build capability in house, as we'll explore in the next section.

Options for continuation

Perhaps the most prominent driving force of secondaries growth is the well-documented rise of GP-leds – an FT report from December 2025 estimates that continuation vehicles (CVs) now account for 20% of all private equity exits.

Our own data backs up proliferation. Nearly half (46%) of all managers say the majority of their secondaries transactions are now CVs – 27% of these being for single assets and 19% being multi-asset vehicles (see Fig. 1.3.). LP-leds, traditionally the lion's share of the market, account for 31%, while the rest are broken down among GP-stakes, credit secondaries and the fringe trend that is tertiaries.

FIG 1.4. PRIMARY USE CASES OF CONTINUATION VEHICLES

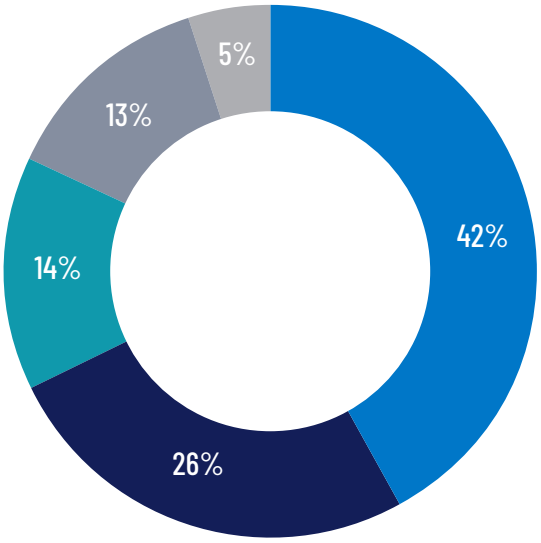
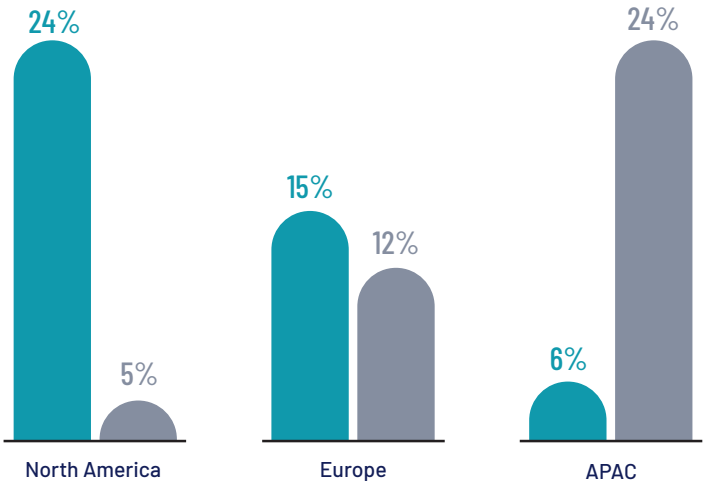


FIG 1.4.1. USE CASES WITH THE MOST VARIANCE BY REGION

More APAC firms use CVs for problem asset rollovers than other regional counterparts.



LP liquidity generation · Trophy asset retention · Access to trophy assets · Problem asset rollover · Carry reset

Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

As notable as the pace of growth in CVs has been the evolution of their use cases. The original thesis, which was the rollover of problem assets, is now the primary driver for only 13% of managers (see Fig. 1.4.). The most discussed use case, that is trophy asset retention, accounts for 26%, while LP liquidity generation remains the main driver among a decisive 42% of firms.

Ian Wiese of Barings says: "For many LPs, the decision to sell is not about stress or underperformance. It's about recycling capital from a fund that has already achieved its target multiple into a new vintage with a longer duration and better forward return potential."

And on the buy side, Wiese highlights the advantage of being able to underwrite a seasoned asset with several years of operating history, rather than relying purely on forward-looking projections and assumptions. These factors have powered the popularity of CVs worldwide.

The elephants in the room when it comes to CVs are the valuation conflicts and balancing of multiple interests – cited as key challenges by 35% and 27% of managers respectively (see Fig. 1.5.).

FIG 1.5. MAIN CHALLENGES WITH CONTINUATION VEHICLES

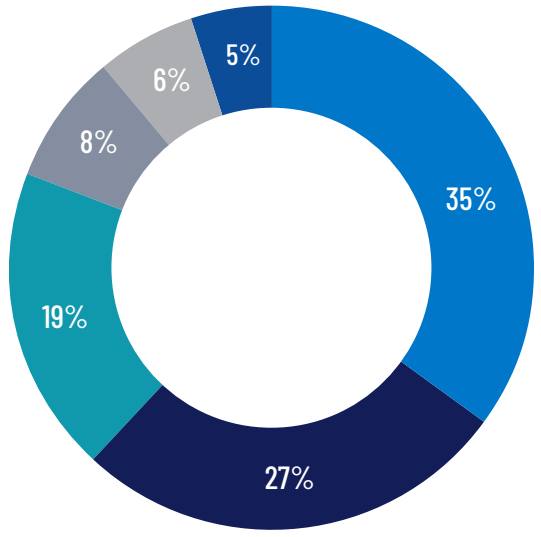
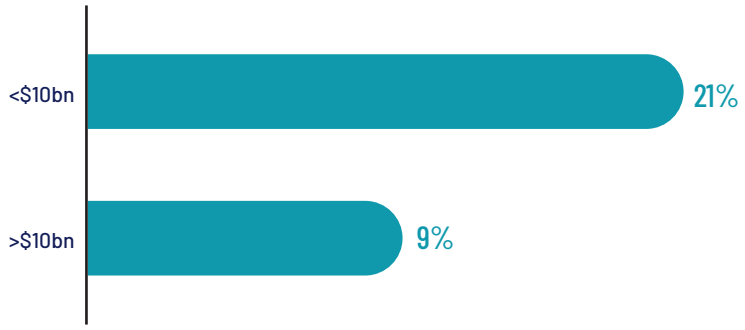


FIG 1.5.1. FEE STRUCTURE CONFLICTS BREAKDOWN BY AUM

Larger firms face more challenges with fee structure conflicts.



Valuation conflicts · Balancing of LP interests · Fee structure conflicts · Perception and stigma · Administrative complexity · Regulatory complexity

Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Patrick Knechtli, Head of Secondaries at Patria, says: "The long-term durability of continuation vehicles depends on securing decent outcomes for existing investors, as well as for GPs, buyers and intermediaries. For existing investors, that means not only the offer of liquidity, but also disciplined valuation practices, credible GP alignment and the ability to roll over into the new deal on similar terms."

Firms have progressed in their capabilities here – as the technology and knowhow around CVs has evolved. Shona Ha, Partner in the PE transactions group at Ropes & Gray, says: "The continuation vehicle market has entered what could be described as a second-generation phase, characterised by increasing structural sophistication, multi-asset portfolios, and even CV-to-CV transactions as earlier vehicles themselves mature.

The continuation vehicle market has entered what could be described as a second-generation phase.

"Conflict management frameworks have become significantly more robust. The availability of rollover elections functions as a fundamental governance safeguard, preserving investor choice and mitigating concerns that LPs are being compelled into transactions without meaningful alternatives.

Increased GP capital commitments within continuation vehicles materially reinforce alignment incentives, signalling confidence in the asset's forward trajectory and sharing risk alongside rolling investors. And independent valuation analyses and third-party fairness opinions are now embedded as baseline practice in mature transactions, reflecting the market's increasing emphasis on process integrity and defensibility."

A sizeable GP commitment is our starting point: we begin with the expectation that active participants of the GP will commit 100% of any proceeds they receive as part of the deal.

Giving the industry perspective, Edward Holdsworth, Managing Director of HarbourVest, says: "A sizeable GP commitment is our starting point: we begin with the expectation that active participants of the GP will commit 100% of any proceeds they receive as part of the deal.

We are often also able to negotiate an additional out-of-pocket cash commitment by the GP, which further aligns their interests with ours. In some transactions – particularly single asset deals – the manager's latest flagship fund will also participate in the continuation vehicle at its typical ticket size, further increasing the GP's franchise risk around the transaction.

Alongside well-structured carried interest mechanisms – often with a ratcheted structure linked to both TVPI and IRR hurdles – these continuation vehicle dynamics create meaningful alignment with the GP to deliver strong performance."

A word from ILPA

Brian Hoehn, Director of Industry Affairs at ILPA, says the LP experience of continuation vehicles has significant room for improvement.

The number of CV exits where LPs choose the sell option would suggest that a fair pricing mechanism has been devised, and GPs are meeting the range of requirements to mitigate conflict. But the Institutional Limited Partners Association – the go-to provider of guidance on CVs – suggests there are other factors pushing investors to sell.

Principal among these are ambiguity of rationale and time pressure. Brian Hoehn, Director of Industry Affairs at ILPA, says: *"Market estimates suggesting that 80–90% of LPs elect to sell should not be interpreted as an endorsement of pricing or process, but rather understood within the context of internal policy constraints and time pressures.*

From the perspective of our membership, CVs are more prevalent than at any point in the past, yet there remains a meaningful gap between published best practice and execution in reality.

Some managers have clearly improved transparency and process discipline, but there is still considerable room for greater standardisation. ILPA's guidance is explicit that continuation vehicles should be run for the benefit of existing investors in the fund. As transaction volumes increase, LPs are increasingly scrutinising whether that principle is consistently upheld.

Market estimates suggesting that 80–90% of LPs elect to sell should not be interpreted as an endorsement of pricing or process, but rather understood within the context of internal policy constraints and time pressures.

The starting point for any CV should be a clearly articulated and well-documented rationale explaining why this structure is superior to other tools available to the GP, such as a recapitalisation, follow-on investment, or traditional exit process."

Fairness opinions and third-party valuation reports that are increasingly viewed as baseline hygiene are not necessarily enough. LPs place greater weight on evidence of genuine market price discovery through a robust and competitive bidding process. *"Transparency around the number of bidders solicited, the number received, whether the highest price was selected, and how conflicts were managed is central to building LP confidence,"* says Hoehn.

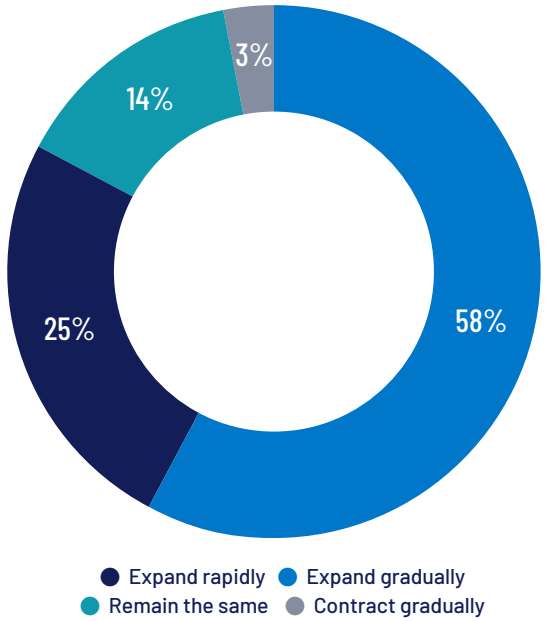
This doesn't appear to be the direction of travel. Status quo roll options, which entail no changes to fees, carry, governance terms or economic structure, are becoming less common – a growing source of LP frustration.

"The introduction of premium carry, reset management fees, or modified governance provisions materially alters the economic equation for LPs and complicates what is already a demanding roll-versus-sell decision."

And the process is truly demanding from an operational standpoint. Most institutional LPs treat a CV as a new investment requiring full underwriting of the underlying asset, updated value creation plans, revised legal documentation, and an independent assessment of structural terms.

"Compressed timelines, sometimes as short as 20 days or less, are frequently insufficient for LPs to complete internal investment committee reviews, legal diligence, and compliance approvals in a disciplined manner. Operational constraints, rather than dissatisfaction with asset quality, are often a primary driver of LP decisions to take the sell option in CV processes," Hoehn concludes.

FIG 1.6. CREDIT SECONDARIES GROWTH EXPECTATIONS (NEXT 12 MONTHS)

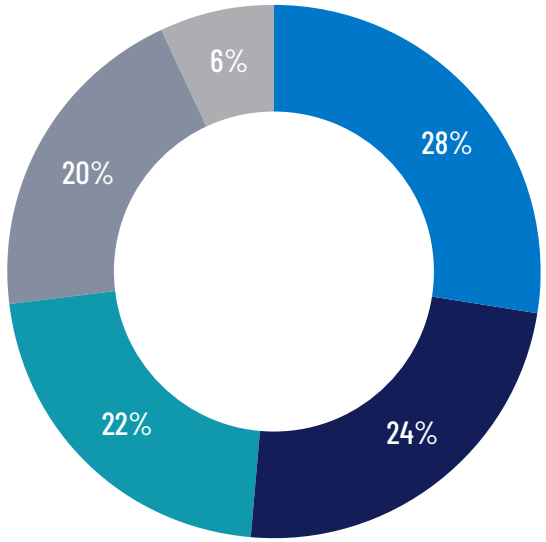


Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Credit due

The expansion of private markets AUM as a whole is a significant driver of secondaries growth, and one segment that has been particularly hot is private credit. As heavy capital inflows from recent years mature, credit secondaries are now in the spotlight – 83% of firms expect it to grow in the next 12 months, of which 25% expect growth to be rapid (see Fig. 1.6.).

FIG 1.7. MAIN CHALLENGES WITH CREDIT SECONDARIES



Michael Schad, Partner and Head of Credit Secondaries, Coller Capital, says: "In 2025, private credit secondaries moved into the mainstream, marked by several multi-billion-dollar transactions and strong investor interest. GP-led credit secondaries are set to drive momentum going forward. According to our latest Barometer, 85% of LPs expect GP-led secondaries in private credit to grow further, as the market gains sophistication."

Edward Holdsworth of HarbourVest highlights that the same pressures affecting PE are driving growth in credit secondaries, as the numbers would suggest. He says: "Approximately $20bn of private credit traded on the secondary market in 2025 – marking 9% of total market activity. The need for solutions spans both GPs and LPs, with about $8bn of LP-led deals and $12bn of GP-led transactions closing over the same period.

As a buyer we are attracted to the predictable yield, mitigated risk, and shorter duration of private credit secondaries. As the market matures, we expect to see greater segmentation between performing direct lending assets and stressed or special situation credit secondaries – similar to the differential pricing between buyout and venture assets on the equity side."

The segmentation will bring challenges in itself, as firms tackle pricing complexity amid maturity mismatches – both cited as key challenges by 28% and 24% of managers respectively, followed by risk management (22%) and a lack of standardisation (20%) (see Fig. 1.7.).

FIG 1.7.1. CREDIT SECONDARIES CHALLENGES WITH HIGHEST VARIANCE BY REGION

Smaller firms (AUM <$10bn) are more concerned about risk management in credit secondaries than their larger counterparts (AUM >$10bn) – the latter finding a lack of standardisation to be a bigger challenge, given larger volumes. European firms are less concerned by maturity mismatches than those in NA or APAC, with the latter region also presenting a high awareness of risk.

Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

According to Ian Wiese of Barings, firms will increasingly turn to CVs against this backdrop. "In private credit, there is often a mismatch between fund life and underlying loan maturity, which makes CVs a logical solution for holding high-quality, income-generating assets through to maturity."

Retail access

A well-embedded driver of private markets growth is now the expansion to mass affluent and eventually retail investors, and the flexible fund structures that enable these inroads. The pricing and standardisation challenges that are already incumbent in secondary trades are further accentuated when a diversifying investor base demands frequent and granular valuations.

An additional layer of complexity here comes from liquidity management – cited by more than a fifth of managers (21%) as a key challenge (see Fig. 1.8.).

FIG 1.8. TOP FIVE CHALLENGES WITH RETAILISATION

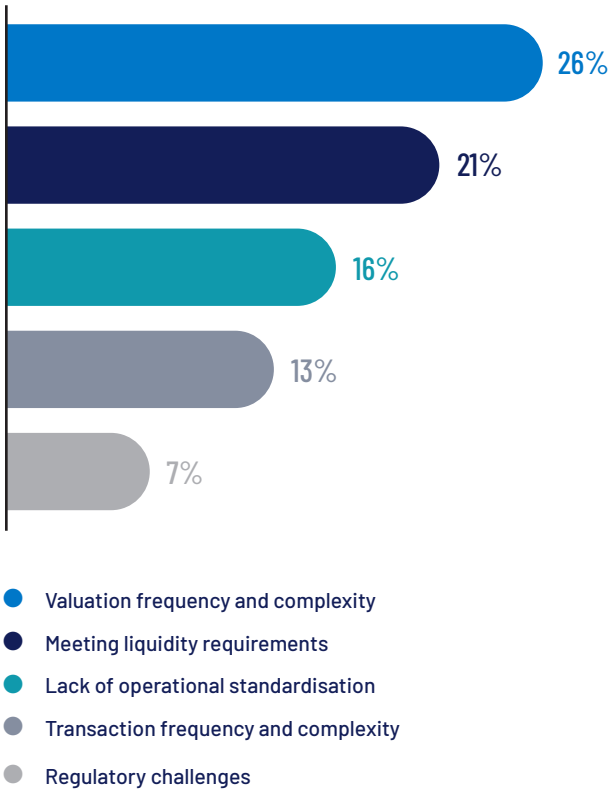
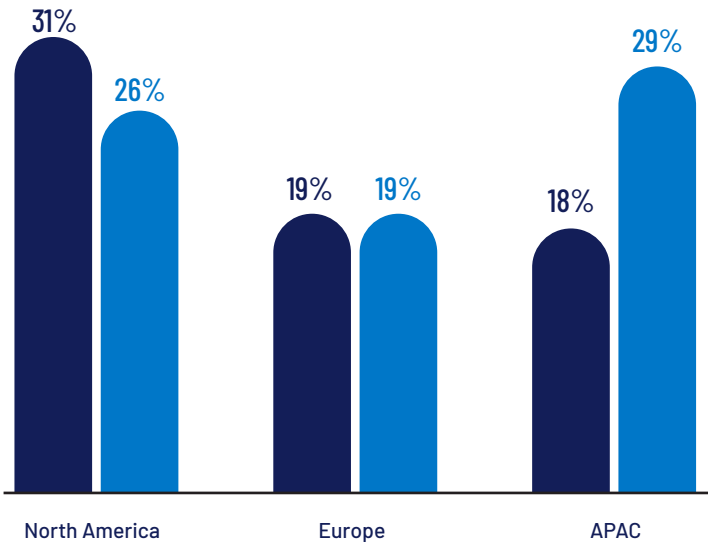


FIG 1.8.1. MOST VARYING RETAILISATION CHALLENGES BY REGION

A lack of operational standardisation concerns more larger firms (AUM >10bn) than smaller ones (AUM <$10bn) when it comes to retailisation – once again a reflection of scale in complexity. APAC firms are particularly concerned about the frequency and complexity of valuation demands brought by retail investors, while NA firms are particularly concerned about meeting liquidity requirements.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Semi-liquid and evergreen structures may themselves become structural liquidity providers within the secondary ecosystem, particularly during periods of market volatility when traditional exit channels are constrained.

Patria's Patrick Knechtli says increased participation from wealth and retail capital is already beginning to influence pricing dynamics, especially in larger and more competitive LP portfolio transactions where capital supply has expanded materially.

"Semi-liquid and evergreen structures may themselves have to seek liquidity within the secondary ecosystem, particularly during periods of market volatility when traditional exit channels are constrained.

However, greater retailisation also introduces heightened governance expectations, transparency requirements, and operational complexity, raising the bar for process integrity across transactions," he adds.

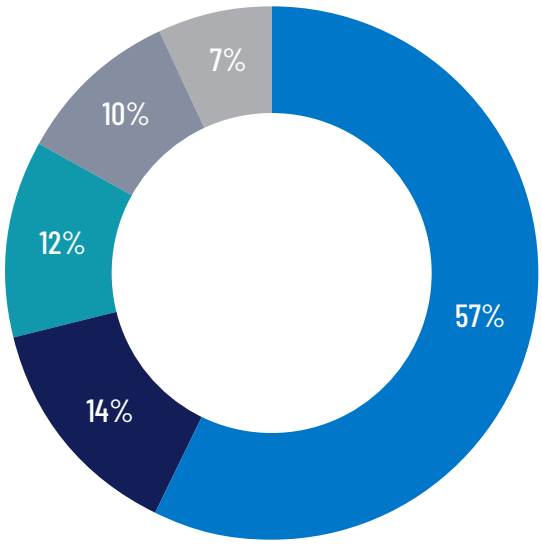
According to Shane Feeney of Northleaf, secondaries are particularly well suited to wealth and semi-liquid investors seeking diversification, shorter duration and improved liquidity characteristics.

He says: "As retail and semi-liquid capital enters the market, education and transparency become increasingly important, particularly around how liquidity mechanisms function under stressed conditions.

Over time, wealth and evergreen vehicles may themselves become a meaningful source of secondary supply, adding a new layer of systematic liquidity to the market ecosystem."

The horizon trend of democratised access is the eventual tokenisation of secondary interests, though few managers see that as a near-term reality. A not insignificant 17% of firms are considering it actively – which is up from 11% that said the same last year – though 10% of these are doing so only for 12 months down the line (see Fig. 1.9.).

FIG 1.9. INTENTIONS TO CONSIDER TOKENISATION OF LP INTERESTS



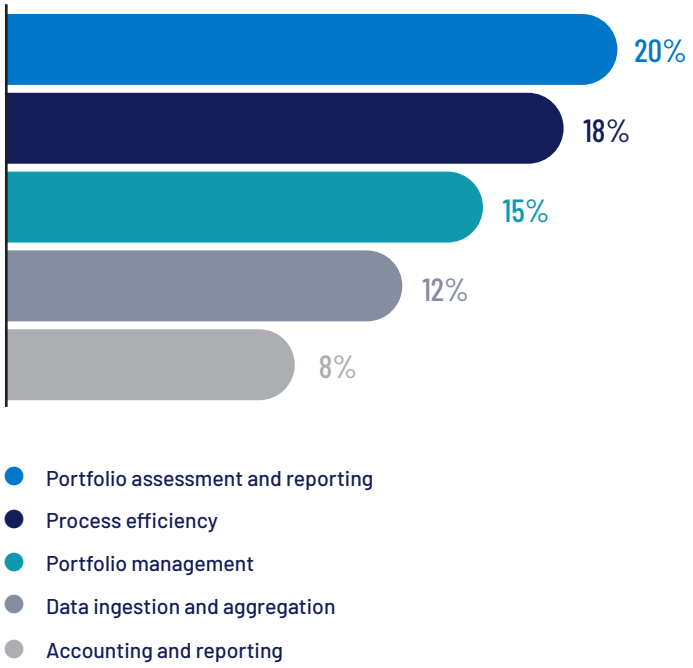
Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

"Providing liquidity is strategically important, but firms must also ensure that freed-up capital is redeployed within their own ecosystem."

SECTION TWO: GEARING UP FOR COMPLEXITY

The undercurrent of most developments in the secondary market is complexity – be it the look-through in LP portfolios, the conflicts and economics of CVs, the maturity matching of credit secondaries or the liquidity structuring needs from democratisation.

FIG 2.1. TOP FIVE AREAS OF OPERATIONAL IMPROVEMENT FOR SECONDARIES GROWTH



Operational sophistication is not just an existential imperative for firms involved in secondaries, but it's also increasingly a driver of client experience, performance and differentiation – making it a competitive necessity as well.

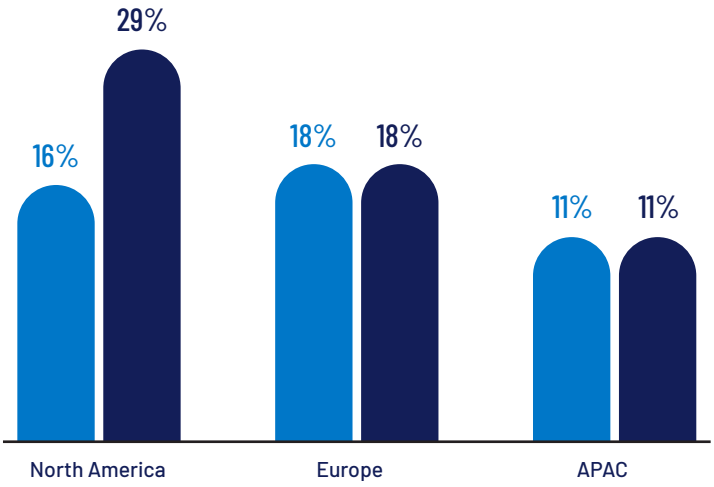
Our data suggests the entire operational spectrum is in need of improvement, from portfolio assessment and reporting (20%), and management (15%), to process efficiency (18%), data ingestion and aggregation (12%) and accounting and reporting (8%) (see Fig. 2.1.). The top five are consistent with challenges in late 2024, the last time we checked in on operational challenges – when transparency and compliance was also high on the list for 11% of managers.

Philippe Ferneini of StepStone Group says: "Operational complexity has increased materially as the market has evolved from relatively straightforward LP-led portfolio trades to multi-stakeholder GP-led transactions involving independent advisers, fairness processes, and intricate governance mechanics.

Scale provides meaningful competitive advantages through deeper GP relationships, enhanced information flow, and repeat transaction experience that improves execution certainty and underwriting calibration."

FIG 2.1.1. MOST VARYING OPERATIONAL SPOTLIGHTS BY REGION

Larger firms (AUM >10bn+) are strong on their processes but struggle more with ingesting and aggregating vast volumes of data – an equation that is flipped for smaller firms (AUM <$10bn). Regionally, portfolio assessment and reporting runs neck-and-neck with process efficiency as a top challenge – except in NA where the latter is far more of a concern.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Investor Experience in Continuation Vehicles

Al Blanco, Managing Director and Co-Head of Private Equity Services, SS&C GlobeOp, on the investor experience in continuation vehicle transactions.

One of the least discussed risks in continuation vehicle transactions is capital retention, according to Al Blanco of SS&C GlobeOp.

As the global secondary market becomes more operationally complex, firms are increasingly recognising that investor experience and operational infrastructure play a critical role in maintaining long-term capital relationships.

"Providing liquidity is strategically important, but firms must also ensure freed-up capital is redeployed within their own ecosystem, rather than migrating to competing managers. Otherwise, the transaction may dilute overall platform growth," he says.

Fundamental to retaining capital is a satisfactory investor experience – one firmly grounded in value delivery, but with space for LPs to execute their own decision-making processes.

"LP engagement in continuation vehicles requires more than document circulation. Investors expect a clearly articulated forward-looking thesis, supported by scenario modelling and return projections, so they can assess whether to roll or exit based on strategic conviction rather than time pressure," says Blanco.

From an operational standpoint, this is far easier said than done. Blanco says: *"Operational complexity in secondaries begins well before a transaction closes. From negotiating documentation and analysing book cost adjustments to recalibrating tax positions and performance baselines, managers must coordinate across legal, finance, and investor relations teams with precision."*

Once this work has been front-loaded, GPs present the roll-or-sell option to investors, often with a 20 to 30-day window to run their own decision processes. In this timeframe, the investor relations team must complete the intensive task of coordinating with each LP about specific transaction economics.

With GP-led secondary transactions now dominating the global secondary transaction landscape, firms addressing these challenges have the opportunity to gain a clear edge. According to Blanco, this requires rethinking the operational model, with technology at its core. *"Treating secondaries as a simple extension of primary investing underestimates the structural nuance involved. Successful platforms will need to process transactions efficiently and at scale, which requires automation and standardisation."*

The tech menu

The scope for technology deployment is vast. Advanced managers are integrating CRM systems, portfolio accounting platforms and investor analytics tools into unified ecosystems to support both operational efficiency and capital formation. Integrated portals are evolving from static document repositories into interactive platforms to support real-time transparency and structured decision-making workflows.

Automation in look-through portfolio analytics is enhancing pricing discipline in competitive auctions, allowing firms to move from qualitative judgement to data-informed conviction. As for AI, it's currently largely applied to document review and information extraction, but its longer-term impact will likely extend into scenario modelling, portfolio stress testing and performance simulation.

Success here is strongly contingent on firms evolving their data management strategies. Blanco says: *"Collecting more information does not create value unless there is clarity around how that information will inform portfolio construction, valuation discipline, or fundraising efforts."*

Scope for differentiation

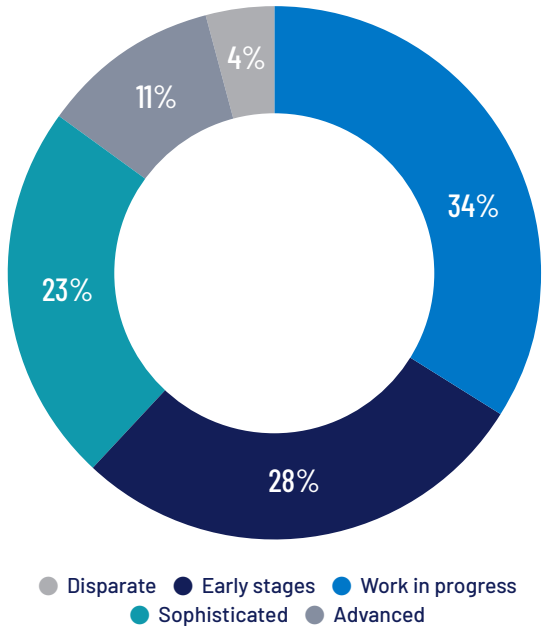
Technology will have a key defensive role to play to begin with – preventing friction in the investor experience and reducing the number of pricing errors or reporting disruptions, particularly in multi-asset continuation vehicles.

"In time, technology will lower the marginal cost of structural complexity, enabling differentiated fee arrangements, carry resets, and customised investor terms that would previously have been operationally prohibitive," Blanco says.

As the private markets investors diversify, a customised investor experience will no longer be a source of competitive advantage, but an expectation. *"Ultimately, the evolution of the secondary market will reward platforms that treat infrastructure as a strategic asset rather than an administrative necessity, particularly as transactions scale and investor expectations continue to rise,"* concludes Blanco.

LP engagement in continuation vehicles requires more than document circulation. Investors expect a clearly articulated forward-looking thesis, supported by scenario modelling and return projections.

FIG 2.2. STATUS OF DATA MANAGEMENT



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

The data-AI vortex

Transparency is the gruelling and persistent pursuit for private markets, and a coherent, uniform foundation of data is critical to feeding the information pipeline. Most firms remain very early in their journey of building this foundation – 28% saying this is in the early stages while 34% say it's a work in progress and 4% say it's disparate (see Fig.2.2.).

On the flipside, 23% say their use of data is now sophisticated and another 11% say it's advanced. The numbers hint at progress since last year's research – when only 13% said their data management was sophisticated, with the number of firms with advanced management remaining consistent over the past 12 months.

According to Edward Holdsworth of HarbourVest, the variance in progress is a defining characteristic of the market – driven by the fact that private markets data is, by definition, less readily available than public market data.

He says: "While private market data has grown in scope, it has done so asymmetrically, with some managers building an intentional data stockpile and others falling behind. This has created an uneven playing field and sparked a race to use analytics as a differentiating factor.

HarbourVest has developed a proprietary dataset over more than 40 years of private-markets activity, incorporating insights into more than 5,000 GPs, 23,000 funds and 74,000 deals. This forms the basis for a range of analytical tools used in the evaluation of secondary opportunities."

The data moat can be decisive, and the overlay of analytics and technology will only accentuate this. Ferneini says: "Proprietary databases integrated with AI-enabled analytical tools materially improve benchmarking precision, enabling more consistent identification of relative value across managers and vintages.

FIG 2.3. ROLE OF AI IN SECONDARIES OPERATIONS

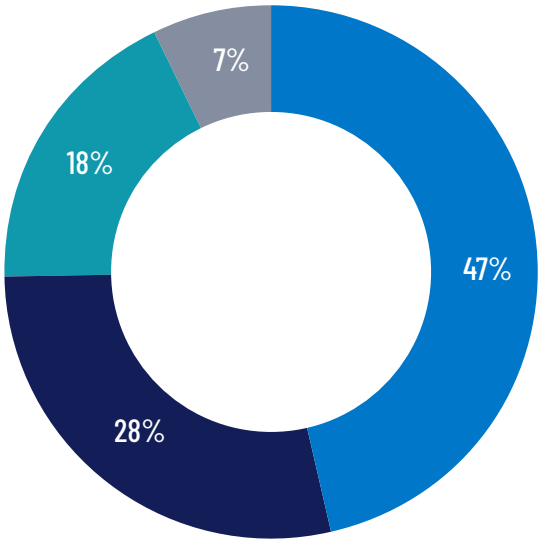
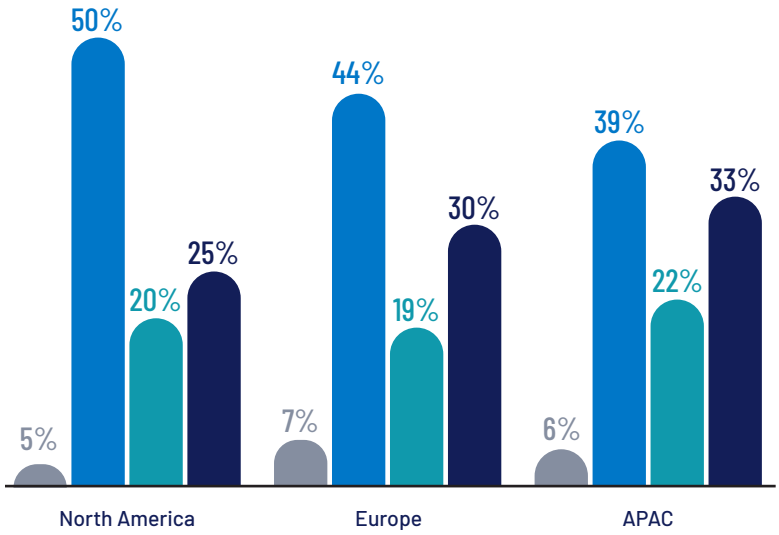


FIG 2.3.1. ROLE OF AI IN SECONDARIES BREAKDOWN BY REGION

AI is a widespread solution for basic tasks, but increasingly informs decisions worldwide.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Technology adoption is no longer optional at scale. The sheer volume of data associated with large secondary portfolios necessitates robust infrastructure capable of ingesting, standardising, and analysing complex datasets efficiently."

For now, AI remains an accelerator of basic tasks for nearly half (46%) of firms, but on the other hand 28% say it now helps to inform decisions – once again signalling the leaders in this space are extending their advantage, having laid a solid foundation (see Fig.2.3.). Progress since last year is seismic, with 54% saying AI played no role at all in their secondaries operation in early 2025, compared with 18% this year. Those using it to inform decisions has also more than doubled from 13% last year.

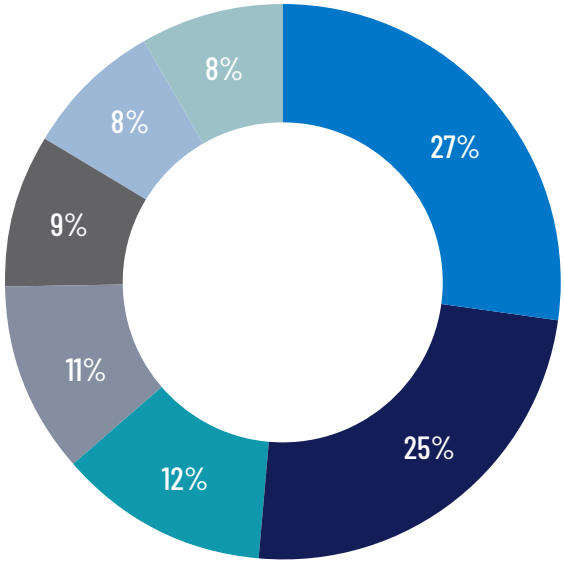
Still, many experience pain points around AI – relating to a lack of reliability (27%), data inconsistency (24%) and security concerns (12%) among others (see Fig. 2.4.).

Lack of adoption, which was cited as a challenge by 27% of firms last year, has dropped significantly to 9% this year – once again signalling the rapid progression of AI use in operations.

Proprietary is certainly an advantage here, as firms can control the quality of tools and the data therein. Whether or not this edge relates solely to scale is an interesting question.

While private market data has grown in scope, it has done so asymmetrically, with some managers building an intentional data stockpile and others falling behind.

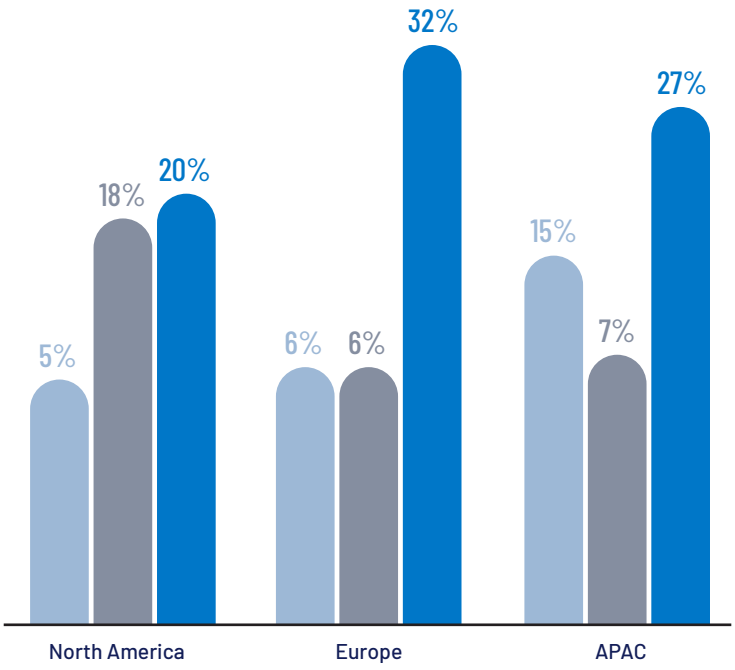
FIG 2.4. AI IMPLEMENTATION CHALLENGES



- Lack of AI reliability
- Data quality and inconsistency
- Lack of security
- Inadequate guardrails
- Lack of adoption
- High costs
- Unavailability of relevant tools

FIG 2.4.1. MOST SAYING AI IMPLEMENTATION CHALLENGES BY REGION

Beyond data inconsistency, which is the top challenge across the board, larger firms (AUM >$10bn) find an unavailability of relevant AI tools to be more of a concern – pushing them to in-house development – while smaller firms (AUM <$10bn) find lack of security to be a bigger challenge. Europe and APAC seem to have strong guardrails in place compared to NA, while costs are a notable concern in APAC.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

AI, Consolidation and the Race for Scale

Ian Kelly, Managing Director, Head of Private Markets International, SS&C GlobeOp, on scaling efficiently.

Scale is a prerequisite for managers to compete meaningfully in today's secondaries environment, according to Ian Kelly of SS&C GlobeOp. Across private markets globally, firms are increasingly recognising that operational infrastructure, data integration and technology are becoming decisive advantages as strategies expand and markets mature.

In Europe, our survey finds 45% of managers believe their most effective method of keeping pace with the market is through consolidation.

Kelly says: *"In a fast-evolving market, time becomes a competitive advantage. Buying an established manager provides immediate track record, distribution channels and operational depth; the organisation doesn't need to spend years assembling those components organically.*

We're seeing a shift from opportunistic acquisitions to deliberate roll-up strategies, with managers viewing consolidation as a means to grow strategy breadth and global geographic reach simultaneously."

Intentions to merge

Consolidation is far from simple in the best of cases, but in secondaries – a market where the transfer of assets and portfolios already entails balancing a plethora of competing interests and unstructured data points – the prospect of merging two firms is a daunting one.

Kelly says: *"Consolidation only works when it is underpinned by a coherent data model. Without a structured approach to data integration and normalisation, the operational complexity can quickly outweigh the strategic benefits. We are helping clients to achieve this goal for a number of years now.*

Firms that are merging successfully are doing so with pace and intent. It's not simply about acquiring capability – it's about integrating quickly, decisively and with a clearly articulated operational and data roadmap."

The AI engine

Another route to scale is operational sophistication, driven in part by the rapid advancement of AI tools. *"Large language models have meaningfully reduced the friction in analysing legal agreements and portfolio documentation. The human remains in the loop, but the preparatory burden has been materially reduced,"* says Kelly.

The impact of AI conflates interestingly with conversations around scale.

"AI's impact is not binary. Smaller managers can use AI to level certain aspects of the playing field, particularly where headcount limitations previously constrained deep analytical review. At the same time, larger institutions have the capacity to train highly specialised models tailored to their strategy and geography, which may create differentiation at the margins," Kelly says.

Horizon scanning

Private market trends further put operational sophistication into sharp focus. Two trends our data suggests will gain momentum this year – credit secondaries and democratisation – both entail a great degree of complexity.

Kelly says: *"The bifurcation within credit – from CLO-style instruments to more traditional structures – is creating multiple entry points for secondary strategies, but this brings complexity in equal measure.*

Pricing challenges in credit secondaries are unlikely to disappear. The only durable solution is deeper, faster understanding of the underlying instruments and contextual market risks. Maturity mismatches and structural nuances require managers to look through to the underlying assets in far greater detail than ever before."

Meanwhile, retailisation is moving from theoretical discussion to tangible execution. Intermediaries have played a key role here, providing the operational plumbing for managers to test the waters before making structural overhauls. Further downstream, the convergence of data integration, AI analysis and broader capital access is creating an ecosystem in which secondaries can scale more sustainably.

Managers that treat integration as a strategic competency — rather than a reactive necessity — are likely to shorten acquisition timelines significantly and position themselves to scale more sustainably.

Consolidation only works when it is underpinned by a coherent data model. Without a structured approach to data integration and normalisation, the operational complexity can quickly outweigh the strategic benefits.

The advantage of scale in some areas is undeniable. As explained by Shane Feeney of Northleaf: "Deploying technology effectively requires both scale and organisational commitment. Processing large data rooms and complex portfolio analytics demands infrastructure that smaller players may struggle to replicate."

That said, there are firms in the market that are leveraging technology to optimise investment decisions, having built their operations from scratch with transformation in mind. One such firm is Clipway, founded in 2021 as a next-gen, tech-driven secondaries firm.

Ingmar Vallano, Managing Partner and a member of the founding team at Clipway, says tech-enabled secondaries platforms are reshaping how liquidity is sourced, priced, and accessed. Firms that combine analytical depth with scalable infrastructure will be best positioned to sustain competitive advantage.

He says: "As capital inflows increase, performance dispersion in secondaries is likely to widen. Success will depend less on broad market beta and more on disciplined underwriting, selectivity, and structural insight.

Data-driven underwriting enhances the ability to distinguish between genuine trophy assets and portfolios where performance may be structurally constrained. This level of differentiation is increasingly critical as competition intensifies."

Vallano highlights how a tech-native approach has allowed Clipway to unearth patterns and breakdown investment teams' assumptions about portfolios. "For example, there is often significant volatility between interim valuation marks and ultimate exit outcomes, and this dispersion varies materially across managers. Without deep data infrastructure, those divergences are difficult to identify in advance.

Exit pricing frequently diverges from prior reported NAV, underscoring the importance of longitudinal data analysis. Understanding a manager's historical marking behaviour can reveal systematic conservatism or optimism that materially impacts underwriting decisions.

In some cases, conservative marking practices create embedded upside for informed secondary buyers. Identifying those situations requires both historical tracking and the ability to contextualise performance within sector and macro dynamics."

Granularity and look-through of this level could undoubtedly allow smaller specialists to compete effectively, but a tech-native infrastructure is critical. Another advantage is speed – Vallano says: "Automation materially enhances responsiveness in bilateral or non-intermediated transactions, where speed of analysis can determine access to attractive opportunities."

Access-driven innovation

Speed and granularity are already decisive advantages in secondaries, and this will only intensify as retail involvement expands in the asset class. Evolving fund structures, alongside other liquidity solutions, are seen as the most impactful areas of innovation for the secondary market. In third place, unsurprisingly, is the advancement of agentic AI (see Fig.2.5.).

An evolution of fund structures will invite further waves of retail involvement, which is the next frontier of growth not just for secondaries but for private markets as a whole. Secondaries remain undercapitalised from a dry powder perspective, relative to the market opportunity, but firms that work to engineer the right plumbing to support vast capital flows will be best positioned once the floodgates open.

FIG 2.5. TOP-THREE MOST IMPACTFUL AREAS OF INNOVATION FOR SECONDARIES

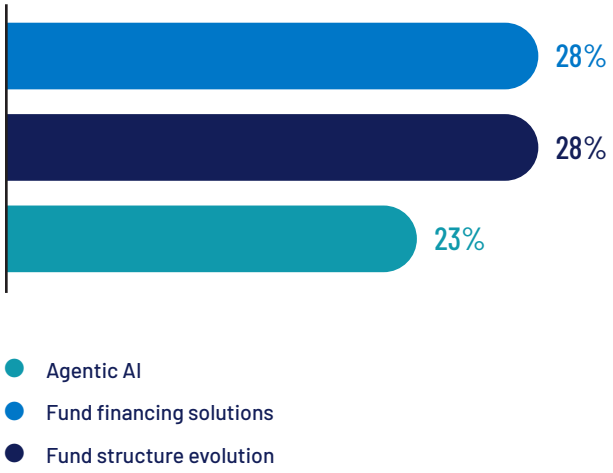
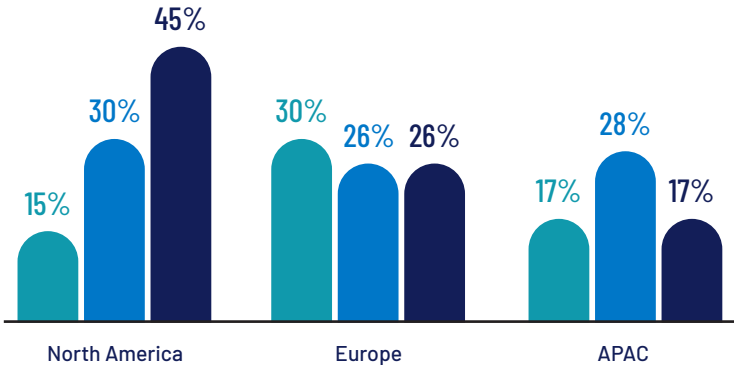


FIG 2.5.1. TOP-THREE INNOVATION AREAS BY REGION

Agentic AI will likely be transformational for larger firms (>AUM $10bn), with the evolution of liquidity engines following behind. For smaller firms (AUM <$10bn), flexible fund structures are the innovation to watch. Fund structure evolution is also the top pick in NA, while agentic AI is in focus in EU and fund financing in APAC.



Source: Private Equity Wire® and SS&C 2026 Secondaries Survey, 130 GP respondents

Valuation Discipline in the Secondary Market

Michael Li, APAC Head of SS&C GlobeOp, on the importance of discipline in valuations.

As GP-led transactions embed themselves in the secondary market worldwide, LP-led secondary transactions remain the dominant mainstay in APAC, according to Michael Li of SS&C GlobeOp.

Across regions, managers are increasingly recognising that data transparency and valuation discipline are becoming critical foundations for scaling secondary strategies.

"The region's prolonged exit constraints and structural challenges across IPO and M&A markets have kept capital locked in aging vintages. Investors are increasingly turning to secondaries as a strategic portfolio management tool rather than a purely opportunistic trade," he says.

What has historically been episodic secondaries growth will now translate into a more sustained trajectory in coming years as a result. The bedrock of this progression will be discipline and granularity, particularly when it comes to valuations.

Look-through in focus

Li says: *"Portfolio construction in secondaries often prioritises coherent pool exposure management over asset-by-asset optimisation, but this is changing. Asian secondaries today are defined by a pronounced flight to quality. Buyers are targeting high-conviction assets with durable fundamentals, rather than acquiring broad portfolios without discrimination."*

The shift spotlights the concept of look-through to the asset level – a data-intensive exercise requiring balancing baskets of acquired LP interests across multiple vintages, sectors and underlying managers. While look-through transparency inspires LP confidence, it requires systems capable of harmonising the data accurately and efficiently.

"Data inconsistency across acquired portfolios remains a meaningful barrier to scaling secondary platforms, particularly when information arrives in heterogeneous or unstructured formats. Firms capable of rapidly analysing exposures and reconciling data are better positioned in competitive secondary processes," says Li.

Technology has a critical role to play here. Having a uniform data architecture is fundamental. AI is beginning to play a role in supporting firms with these reconciliation and diligence processes.

Li says: *"Human expertise remains central in valuation and underwriting, particularly in diverse regional markets where qualitative judgement plays a major role. That said, operational readiness directly influences due diligence speed and bid confidence, particularly when quality assets become available in compressed timelines."*

The retail imperative

The need for operational sophistication is only growing. If transparency in LP-led transactions is already a complex proposition, the diversification of the investor base will intensify the need. *"Retail access to alternative strategies has the potential to reshape capital formation dynamics across APAC,"* says Li.

"As access widens, expectations around valuation transparency, liquidity mechanics and fee clarity inevitably rise. Managing hundreds of smaller investors materially increases reporting complexity, and there is tangible downside to inefficiency.

Timing mismatches between GP reporting cycles and wealth platform expectations, for instance, can create friction to be proactively managed to preserve investor trust. In time, regulatory frameworks are likely to evolve alongside retail participation, raising disclosure and governance standards."

The next phase of APAC's secondaries journey will hinge on operational integration, valuation confidence, disciplined deployment and transparency — capabilities that increasingly depend on robust data architecture and scalable technology infrastructure.

As access widens, expectations around valuation transparency, liquidity mechanics, and fee clarity inevitably rise. Managing hundreds of smaller investors materially increases reporting complexity, and there is tangible downside to inefficiency.

Global Roundup

Wider capital access combined with sophisticated engineering will keep secondaries on a steep upward trajectory worldwide – having recorded a staggering 48% growth in transaction volumes through 2025 to reach $240bn according to Jefferies.

That said, each region's liquidity landscape will evolve differently, in accordance with capital needs, market maturity and economic conditions. For instance, consolidation seems to be more of a theme in Europe, particularly compared to North America, while APAC firms are betting big on secondary trade platforms.

In North America, access to continuation vehicles is an inroad for trophy assets, while many APAC managers continue to use them to roll over problem assets. European managers are grappling with pricing challenges in credit secondaries, while risk management is the top concern in APAC and maturity mismatches top the list for North American firms.

When it comes to retail access and semi-liquid funds, valuations are top of mind for APAC firms, and though this is high on the list for North America too, firms there seems more concerned with meeting liquidity requirements.

And as the AI revolutions powers on, European firms struggle more than other regions when it comes to a lack of AI reliability, with North American firms putting more emphasis – comparatively – on adequate guardrails, and APAC firms on cost efficiency.

Maturity inevitably brings complexity, and it's clear the secondary market worldwide is evolving into an intricate web of transactions – as it provides solutions for a multitude of challenges in what is a rapidly expanding private markets industry. Keeping pace will be far from straightforward, but decisively rewarding.

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METHODOLOGY

More than 130 survey responses were collected from GP organisations across North America, Europe and APAC through January 2026 for this research. Data was analysed by the Private Equity Wire® editorial team and combined with in-depth, qualitative interviews with the above contributors – supplemented with public data and news sources – to make up the report commentary.

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