Jefferies

SECONDARY ADVISORY

Global Secondary Market Review

JULY 2026

Introduction

Despite heightened geopolitical uncertainty and significant macroeconomic events, the secondary market remained exceptionally resilient in the first half of 2026, generating a record $118 billion of total volume and surpassing the prior first-half record of $103 billion set in 2025. Strong buyer demand and ample capital span all asset strategies while limited partners continue to seek liquidity due to muted private equity exits, setting up the secondary market for another record year.

H1 2026 HIGHLIGHTS

- Global secondary volume reached $118 billion, a new first-half high representing 15% growth over the $103 billion record set in H1 2025. The market is on pace to exceed the 2025 volume record of $240 billion.
- LP volume reached $56 billion, accounting for 47% of total secondary market activity. LP supply was primarily driven by LPs' need to generate and/or accelerate liquidity, as regular-way private equity distributions remain low. One-third of LP transactions utilized a form of structure, underscoring the growing creativity and sophistication of the market to achieve LPs' objectives.
- GP-led volume reached $62 billion, representing 53% of total secondary market activity and continuing the market's multi-year expansion. Single-asset CVs ("SACV") continue to grow in popularity, accounting for 68% of all CVs, while multi-asset CVs ("MACV") comprised 32% of CVs.
- Average pricing for LP portfolios remained stable at 87% of NAV in H1 2026, driven by demand for diversified, high-quality portfolios. Strong investor appetite for portfolios with limited software exposure supported pricing throughout the period.
- Dedicated available capital totaled $290 billion by the end of H1 2026, down from $327 billion at year-end 2025. Despite the decline, the market remains constructive and well-capitalized in the near-term, due in part to flexible capital sources. Fundraising activity remains active across both new and established secondary market participants, supported by net inflows from retail evergreen vehicles and increasing capital formation within dedicated strategies such as private credit, venture capital, and real assets.

About This Report

This report represents Jefferies' semi-annual review of the secondary market. We rely on insights from Jefferies' Secondary Advisory team, which works closely with the largest and most influential limited partners, general partners and other market participants on a regular basis. The results of our discussions, surveys and research are contained within this report, along with our transaction information and known market data. Unless otherwise noted, data included herein is based on transactions executed by Jefferies' Secondary Advisory team and public, non-Jefferies transactions.

Based on Jefferies internal data.

First Half Review

MARKET STATUS CHECK

H1 2026 outperformed H1 2025, with transaction volume reaching $118 billion. While the market remained balanced between GP-led and LP transactions at 53% and 47%, respectively, this period marked the first time since 2021 that GP-led volume represented the majority. Heading into H2 2026, the market is well-capitalized with $290 billion of dedicated available capital from traditional secondary buyers and is on pace for another record year.

	2026 Expectations	Status Check	Updated 2026 Outlook
Total Volume	$250 Billion	Exceeding	~$260 Billion
LP Pricing (Buyout)	Low 90s (% of NAV)	On Pace	Low 90s (% of NAV)
GP-Led / LP Volume Split	50% / 50%	Slight GP-Led Majority	52% GP-Led / 48% LP
Available Capital	$350 Billion	Slight Decline	~$300 Billion

MARKET RESILIENCE DEFINES A RECORD FIRST HALF

H1 2026 transaction volume established a new first-half record, growing 15% over H1 2025 volume of $103 billion. Notably, GP-led volume grew 32% over H1 2025 levels to $62 billion, marked by an abundant supply of CV opportunities. Despite ongoing macroeconomic volatility, buyers continued to deploy capital in high-quality companies, resilient business models, and diversified LP portfolios.

FLIGHT TO QUALITY DOMINATES MARKET ACTIVITY

LP portfolios and GP-led opportunities comprising top-quartile funds and trophy assets experienced rampant competition and were often oversubscribed. Questions around the durability of software valuations amid accelerating AI disruption reduced buyer appetite for software-focused transactions. However, as technology activity slowed, other sectors including healthcare, financial services, industrials, and business services absorbed much of the volume displaced from software transactions.

LACK OF DISTRIBUTIONS CONTINUES TO DRIVE SUPPLY

LPs primarily used the secondary market to generate liquidity, as annual distribution yield from LPs' portfolios stayed near 10% in H1 2026 and has remained below 20% since the beginning of 2023 (as compared to a historical average of 25% since 2001). Many LPs' portfolios also became more concentrated in large-cap, scaled businesses and co-investments accruing unrealized gains, resulting in many strip sales to crystallize gains and de-risk exposure.

CONTINUED STRENGTH IN DEDICATED CAPITAL

Dedicated available capital remained abundant at $290 billion, with closed-end secondary funds successfully raising larger funds and evergreen retail vehicles experiencing net inflows. Capital pools were also broadened with new buyers entering the market.

As of June 30, 2026

$118 Billion – Total Volume

$56 Billion – LP Volume

$62 Billion – GP-Led Volume

32% – H1 GP YoY Volume Growth

87% – Average LP Pricing

$290 Billion – Dedicated Capital

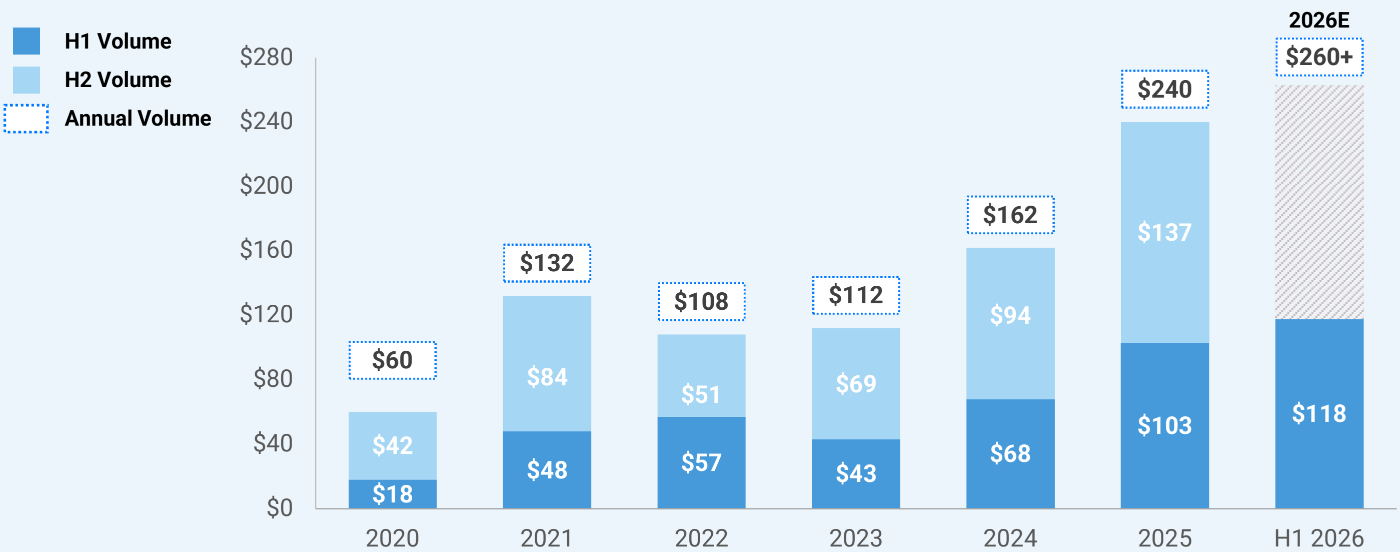
Based on Jefferies internal data.

Secondary Volume

VOLUME OVERVIEW

The secondary market delivered a record first half with $118 billion of total volume, representing the second consecutive H1 with volume exceeding $100 billion. Activity remained robust despite broader market challenges, including (i) software valuation pressure from AI disruption, (ii) geopolitical uncertainty and conflicts in the Middle East, (iii) widespread BDC and private credit redemptions, and (iv) commodity price volatility. The market demonstrated notable resilience and is positioned for another record full year, as the second half has historically been a busier period of activity.

Fig. 1. Secondary Market Transaction Volume ($B)



	2020	2021	2022	2023	2024	2025	H1 2026
LP / GP-Led Volume Split (%)	42% / 58%	48% / 52%	52% / 48%	54% / 46%	54% / 46%	52% / 48%	47% / 53%(1)
YoY Total Volume Growth (%)	–	120%	(18%)	4%	45%	48%	15%(1)
YoY LP Volume Growth (%)	–	154%	(13%)	7%	45%	44%	–(1)
YoY GP-Led Volume Growth (%)	–	95%	(24%)	–	44%	53%	32%(1)

GP VOLUME OVERVIEW

GP-led volume of $62 billion in H1 2026 reached record-breaking levels, surpassing H1 2025 volume of $47 billion, representing a 32% increase YoY. CVs have become a mainstream exit mechanism, with volume largely driven by a significant expansion in the capital base, increased acceptance among traditional LPs, and broadening use cases beyond trophy assets. As the market continues to expand, more sponsors are becoming repeat users of CV technology, and today, 82 of the top 100 sponsors by AUM have executed a CV.

Secondary capital continues to diversify beyond traditional secondaries funds, with evergreen vehicles, institutional LPs, and new entrants capturing an increasing share of transaction activity. Dedicated secondary capital is at record levels entering H2 2026, while many traditional LPs have built GP-led underwriting capabilities. Evergreen funds remain a significant source of incremental capital enabling investors to scale checks and participate across a broader spectrum of transactions.

LP VOLUME OVERVIEW

The LP market represented 47% of total H1 2026 volume, or $56 billion. Against a backdrop of constrained distributions, institutional investors continued to utilize the secondary market to generate liquidity (45% of all LP sellers), wind down older vehicles and clean up mature positions (26%), rebalance portfolios from overallocation concerns (16%), and reduce non-core strategies and GPs (13%). Buyer demand remained selective and focused on quality, favoring diversified portfolios with limited software exposure and resilient assets. The market easily absorbed many scaled transactions, including 15 deals of over $1 billion and a record 5 deals over $2 billion. Specialization among buyers supported large portfolio sales composed of specific strategies such as co-investments, infrastructure, and concentrated late-stage unicorn companies. Pensions and sovereign wealth funds remained the largest source of LP secondary supply, accounting for 48% of volume. Participation remained broad-based across fund-of-funds and secondary funds (27%), endowments and foundations (16%), family offices (5%) and financial institutions (4%).

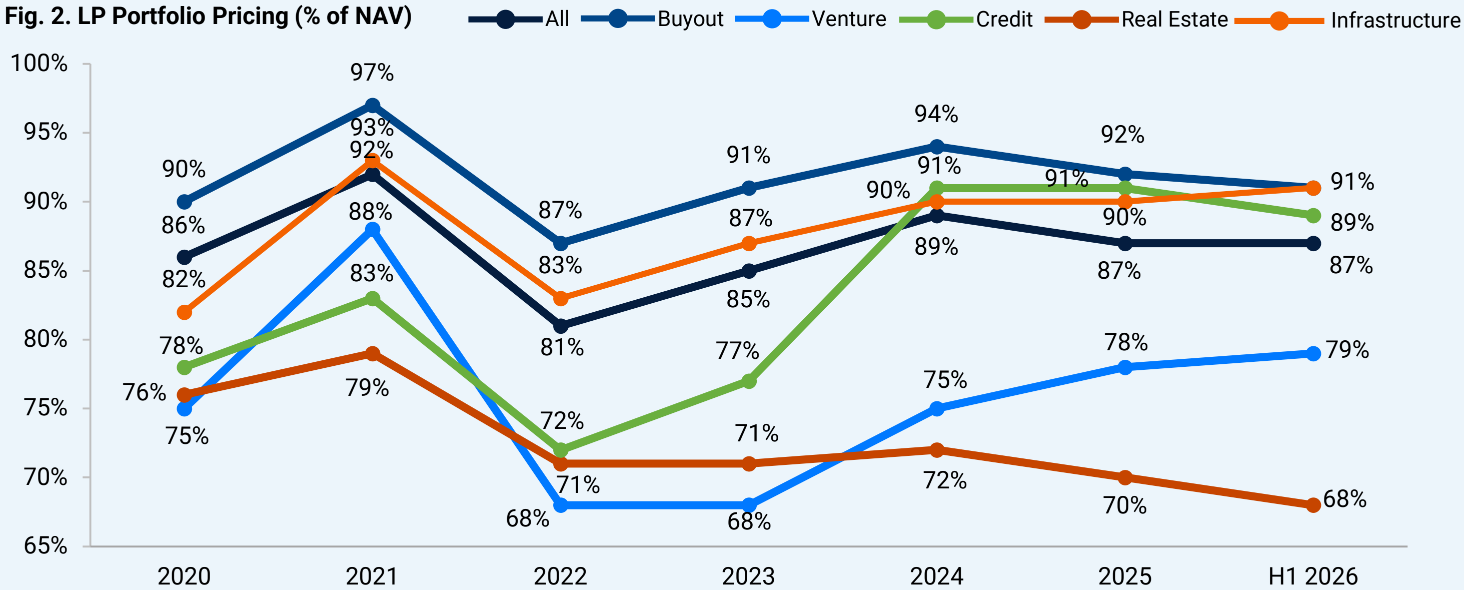
(1) Represents H1 volume growth year-over-year.
Based on Jefferies internal data.

LP Market

LP SECONDARY PRICING OVERVIEW

Average LP portfolio pricing for all strategies held steady at approximately 87% of NAV, consistent with year-end 2025 levels. Pricing was supported by strong buyer demand and competitive processes, record levels of available capital, and supply of high-quality opportunities. Although the S&P 500 and Nasdaq experienced gains in H1 2026 of 10% and 13%, respectively, secondary pricing varied by underlying sector exposure. Demand for non-SaaS buyout, direct lending private credit, infrastructure, and category-leading, AI-related businesses was the strongest, and those portfolios often traded at single-digit discounts to NAV. Commodity price volatility in the energy markets significantly increased the pricing and demand of upstream and natural resources funds during the period. Demand was limited for unfamiliar companies, SaaS exposure, tail-end funds, real estate, and early-stage venture, resulting in wider discounts.

Fig. 2. LP Portfolio Pricing (% of NAV)

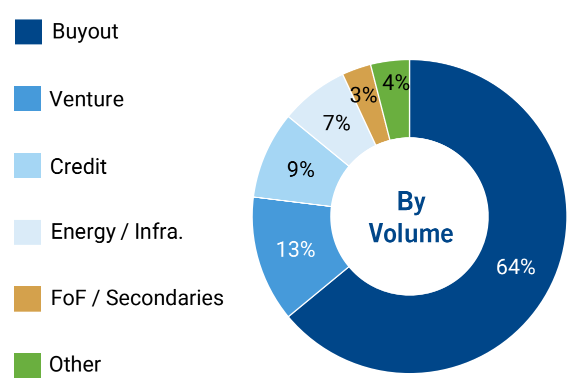


PRICING & DEMAND BY STRATEGY

Buyout: Buyout pricing remained resilient in H1 2026 at 91% of NAV, remaining near historically elevated levels. Elevated buyer demand for high-quality, diversified portfolios and strong competition for attractive buyout exposure supported pricing, despite persistent macroeconomic uncertainty, software weakness, and a muted distribution environment.

Venture: Venture pricing increased by 100 basis points to 79% of NAV in H1 2026, as improving sentiment toward technology assets offset continued investor selectivity and longer realization timelines. Demand remained concentrated among top-tier managers and portfolios with exposure to AI beneficiaries, while software-heavy funds, lesser-known managers, and assets with more distant liquidity prospects faced wider discounts. Pricing remained bifurcated, with buyers continuing to pay premium valuations for category-leading, AI-related companies, while traditional SaaS-focused portfolios experienced greater valuation pressure.

Fig. 3. LP Transaction Volume by Strategy



Infrastructure: Infrastructure pricing remained robust in H1 2026 at 91% of NAV, supported by strong investor demand for stable, predictable cash flows and high-quality core assets.

Credit: Credit pricing declined modestly to 89% of NAV in H1 2026 from 91% at year-end 2025. While buyer demand for direct lending exposure remained healthy, increased selectivity and a more cautious underwriting environment amid ongoing macroeconomic uncertainty contributed to modest pricing pressure.

Real Estate: Real estate pricing settled at 68% of NAV in H1 2026 as liquidity conditions remained challenged across the asset class. Limited transaction activity and continued uncertainty around exit timing and valuation realization contributed to softer pricing, as buyers increasingly favored diversified buyout portfolios over sectors facing a more prolonged path to liquidity.

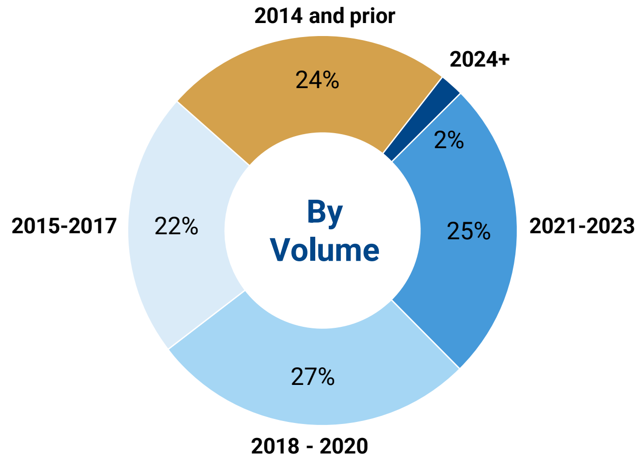
Based on Jefferies internal data.

LP Market (Cont.)

PRICING & DEMAND BY VINTAGE

Secondary activity remained concentrated in the market's "sweet spot" in H1 2026, with nearly 50% of funds sold between years four and eight of their lifecycle. The weighted-average vintage sold was 2018, unchanged from 2025. These seasoned portfolios offered the strongest combination of proven performance, remaining upside, and realization visibility, supporting strong demand and pricing. Recent vintages (less than five years old) priced at single-digit discounts and were often used as sweeteners in diversified portfolios to increase aggregate pricing. Tail-end funds (10+ years old) faced greater selectivity and priced at 25%+ discounts; a growing number of the businesses in older, tail-end funds are viewed as challenged and difficult to exit.

Fig. 4. LP Transaction Volume by Vintage



PRICING & DEMAND BY GEOGRAPHY

Demand was dominated by North American and European funds, comprising 95% of total LP volume. A flight to quality resulted in buyers eager to purchase assets in developed markets. Funds in these geographies achieved the strongest average pricing at 86-88% of NAV, on average. Demand for Asia and emerging markets exposure was significantly lower and continues to be muted and challenging to exit; these geographies priced at 35%+ discounts and were typically only included in sale portfolios alongside broader exposure from Western markets.

Fig. 5. LP Transaction Volume by Geography

	NORTH AMERICA	EUROPE	ASIA	OTHER / ROW
% of Total Volume	78%	17%	4%	1%
Average Pricing	88%	86%	66%	59%

INCREASED USE OF ALTERNATIVE TRANSACTION STRUCTURES

Structured solutions continue to gain share within the LP secondary market, reflecting growing demand for liquidity solutions tailored to specific economic, strategic and relationship objectives. Approximately 33% of all LP sales incorporated structured elements in H1 2026, including deferrals (26% of all LP sales) or other structured solutions such as preferred equity, managed funds and CFOs (together, representing 7% of all LP sales).

As the market has matured and buyer capital has expanded, investors have increasingly moved beyond traditional cash sales in favor of solutions that balance liquidity needs with upside retention, GP relationship considerations and broader portfolio management goals.

GROWTH OF CO-INVESTS, INFRASTRUCTURE, AND VENTURE PORTFOLIOS

H1 2026 experienced significant growth in select alternatives strategies, demonstrating the broadening of the LP market beyond traditional large-cap buyout exposure.

LP secondary sales of co-investment exposure gained momentum in H1 2026, supported by continued primary market fundraising, which increased 17% year over year to approximately $27 billion. As investors sought liquidity from these concentrated positions that have accrued significant unrealized gains, transaction activity accelerated. Many LPs sold partial commitments of large co-investments to de-risk their portfolios, including one deal exceeding $1 billion.

Infrastructure secondaries continued to expand as dedicated specialist buyers deployed capital into assets offering attractive return profiles and durable cash flows. Multiple transactions greater than $1 billion consisted of 100% infrastructure exposure and generated multi-billion-dollar demand.

Venture-focused LP portfolios were a notable source of deal flow in H1 2026, though buyer reception remained mixed. Some investors pursued diversified venture exposure, while most venture secondary buyers focused on select portfolios featuring leading venture-backed companies and top tier managers, resulting in greater dispersion in pricing and outcomes.

Based on Jefferies internal data.

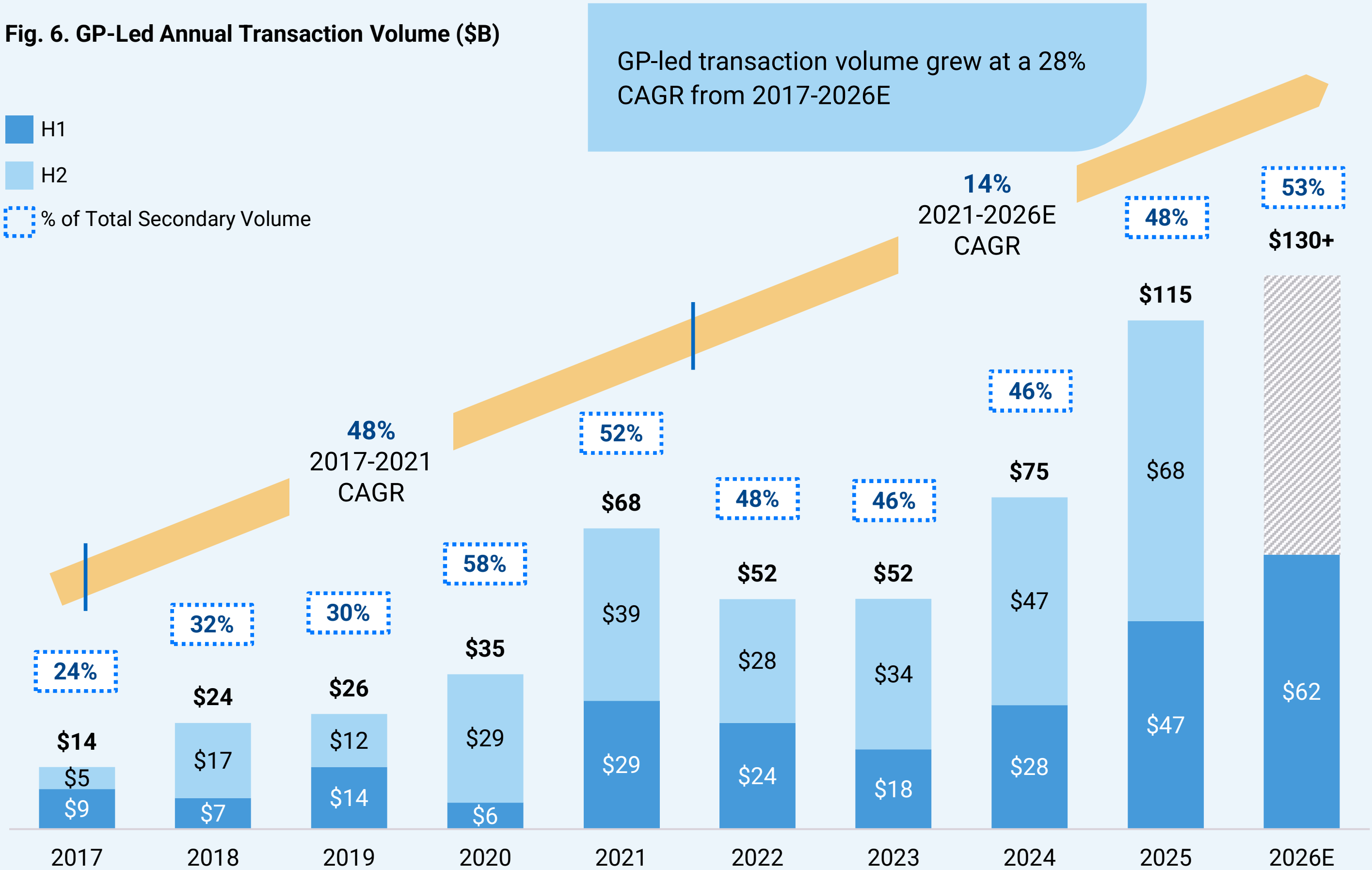
GP-Led Market

GP-LED VOLUME CONTINUES TO SOAR

GP-led transaction activity continued its multi-year expansion in H1 2026, reaching approximately $62 billion and representing 53% of total secondary market volume. Continued sponsor adoption, growing investor familiarity with CVs, and persistent demand for liquidity supported another period of strong growth across the asset class. CV activity was consistently strong through H1 2026 as sponsors sought to generate DPI, driving increased utilization of larger CVs and bringing repeat users back to market sooner than anticipated following the success of prior transactions. As a result, GP-led transactions continued to represent 14% of sponsor-backed exits, underscoring the evolution of continuation vehicles into a mainstream portfolio management tool rather than simply an alternative source of liquidity.

Capital availability remained a key driver of market expansion. Increasing investor check sizes, larger dedicated secondary funds, and growing participation from outside of the traditional secondary investor cohort supported a rising number of large-scale transactions. The market saw over 25 CVs exceeding $1 billion executed, with more investors demonstrating the willingness and capacity to underwrite substantial portions of transaction equity.

Fig. 6. GP-Led Annual Transaction Volume ($B)



FLIGHT TO QUALITY

A pronounced flight to quality remained one of the defining themes of the GP-led market in H1 2026. Ongoing geopolitical tensions, uncertainty surrounding interest rates and economic growth, and continued market volatility reinforced investor preference for businesses capable of delivering resilient earnings growth across a variety of macroeconomic environments. Blue-chip sponsors continued to benefit from this trend, often attracting stronger investor participation, tighter pricing, and faster execution processes. The result was a more bifurcated market, with premium assets receiving significant investor attention while average-quality opportunities faced a more selective underwriting environment.

Competition for high-quality opportunities remained intense as investors sought to deploy increasing amounts of capital into a concentrated universe of premium assets. Nearly 15% of secondary investors reported the ability to write checks exceeding $250 million into SACVs, up from 11% in 2025, while a growing subset can underwrite commitments of more than $500 million. This expanding capacity continued to shape dynamics in larger processes, supporting larger transaction sizes, broader syndications, and increasingly competitive outcomes for sought-after assets.

Based on Jefferies internal data.

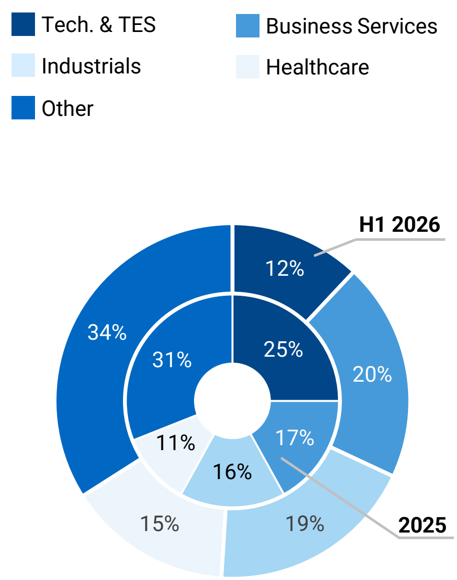
GP-Led Market (Cont.)

PROCESS EVOLUTION IN THE CV MARKET

Execution dynamics continued to evolve as sponsors increasingly prioritized certainty, speed, and transaction execution. Pre-emptive transactions gained further momentum in H1 2026 as sponsors looked to minimize market risk and accelerate timelines. At the same time, buyers increasingly differentiated themselves through their ability to underwrite the entire portion of transaction equity and provide comprehensive solutions to sponsors. In doing so, the syndicate capital available, especially on transactions under $750 million in size, has significantly decreased. Additionally, LP rollover activity stabilized in H1 2026 as growing demand to participate in CVs was offset by a higher premium on liquidity.

Competition for highly sought-after assets intensified throughout the period, resulting in premium pricing and, in certain cases, enhanced sponsor economics. Transactions involving trophy assets frequently attracted significant buyer interest, while more average-quality opportunities generally failed to experience similar pricing momentum. As competition increased, structured solutions continued to be utilized as an important tool to facilitate execution and balance stakeholder objectives.

Fig. 7. GP Transaction Volume by Sector



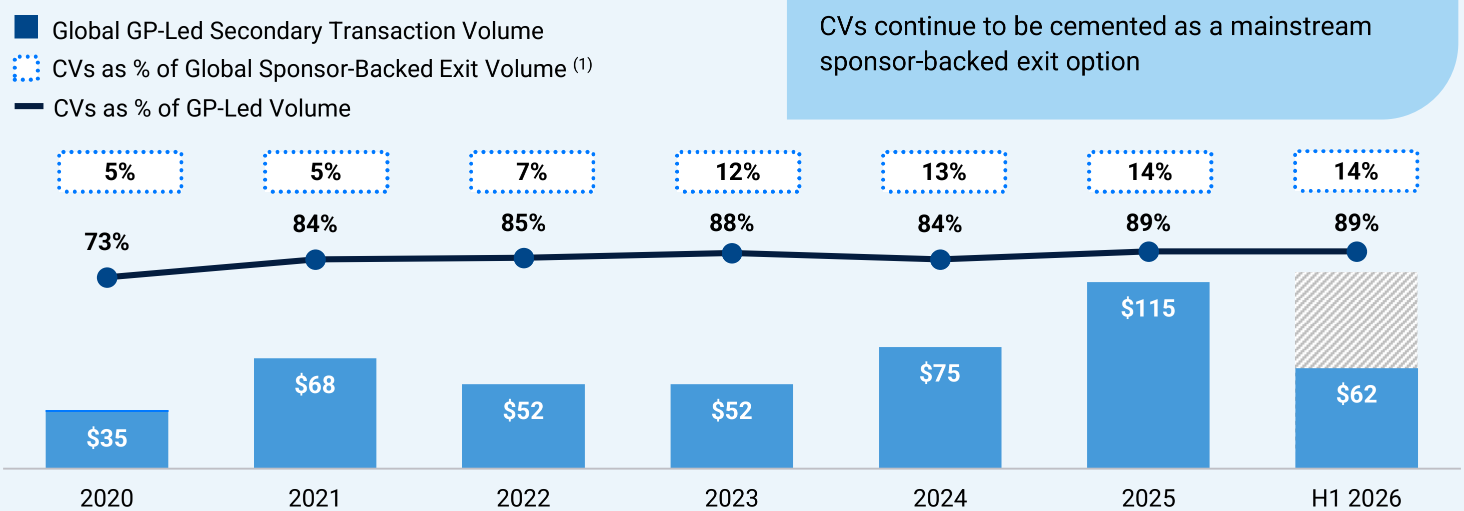
EXPANDING CV INVESTOR BASE

The CV investor universe continued to broaden throughout H1 2026. Traditional secondary funds remained the dominant source of capital, but competition continued to increase from a growing group of direct-style investors, strategic LPs, and evergreen vehicles. Direct underwriting platforms remained particularly active in concentrated, high-conviction single-asset opportunities, bringing sector expertise and private equity underwriting capabilities to the market.

Traditional LP participation also continued to increase. Many pensions, sovereign wealth funds, insurance companies, and endowments have developed meaningful relationships with dedicated secondary investors through prior GP-led transactions, and a growing subset has begun allocating internal resources to evaluate and underwrite continuation vehicles directly. Evergreen vehicles also emerged as an increasingly important source of capital, both supporting larger transaction sizes and providing additional liquidity across diversified GP-led opportunities.

Fig. 8. GP-Led Secondary Market Volume ($B)

CVs continue to be cemented as a mainstream sponsor-backed exit option



STRUCTURAL COMPONENTS IN CVS

The GP-led market continued to evolve as transaction structures became increasingly sophisticated. Subscription line facilities gained broader adoption and are being used with increased frequency alongside, or in certain instances in place of, portions of traditional syndicate capital. The increased use of leverage and financing solutions has enhanced execution flexibility and supported the continued growth of larger continuation vehicle transactions.

(1) Source: Dealogic estimates for sponsor-backed exit deal volume, including M&A and IPO proceeds. Percentage represents CV transaction volume (numerator) over sponsor-backed exit deal volume (denominator).

Based on Jefferies internal data.

GP-Led Market (Cont.)

Structured solutions also continued to gain traction throughout H1 2026. Deferrals, earn-outs, preferred equity, and contingent consideration structures were increasingly incorporated into transaction processes as buyers and sellers sought creative ways to bridge valuation gaps and align interests. Approximately 9% of secondary market volume represented structured liquidity solutions, held constant from 9% in 2025, reflecting the continued acceptance of bespoke transaction structures across the broader GP-led market.

EUROPE

The European GP-led market sustained momentum in H1 2026, reaching approximately $15 billion and representing 24% of global GP-led volume. Activity increased across both deal count and transaction size, with several of the largest GP-led transactions launched or completed over the last twelve months originating in Europe. As in North America, competition intensified for larger, high-quality opportunities, supporting stronger pricing and increasingly sponsor-friendly terms.

Activity remained well-distributed across the UK, Nordics, France, and DACH. Investor interest also strengthened, with approximately 65% of the largest GP-led allocators maintaining a European presence and more than half increasing regional headcount. GP alignment dynamics remain distinct in Europe. Unlike many North American transactions, carried interest in the selling fund is often not crystallized at transaction execution, contributing to lower headline GP commitment levels. Jefferies estimates GP commitments account for approximately 10% of total commitments in North American transactions versus 5% in Europe. However, European sponsors are more likely to participate on an out-of-pocket basis, often supported by financing solutions, while flagship fund participation is also more common, appearing in approximately 24% of transactions compared to 15% in North America.

Europe now represents approximately one-quarter of the global private equity opportunity set, with around 8,000 privately owned buyout and growth assets and nearly $950 billion of private equity AUM. Supported by increasing investor allocations and a robust pipeline of large-scale opportunities, Jefferies estimates the European GP-led market could generate approximately $35 billion of volume in 2026, positioning the region for another record year.

BUYOUT MARKET UPDATE

Buyout remained the largest segment of the GP-led market, accounting for approximately 66% of H1 2026 transaction volume. Investor demand increasingly concentrated around business services, infrastructure, and healthcare companies exhibiting resilient operating characteristics, defensive end markets, recurring revenue profiles, and strong organic growth. Investors prioritized businesses with clear visibility into future cash flow generation, multiple credible exit pathways, and the ability to generate attractive returns under static exit valuation or multiple contraction scenarios. Market activity continued to reflect a pronounced flight to quality, with the strongest assets attracting broad investor participation, competitive syndication processes, and favorable pricing outcomes. Conversely, investor appetite for more complex buy-and-build stories was more moderate, reducing demand for unfunded capital and increasing preference for mature businesses with lower future capital requirements. Investors also placed greater emphasis on downside protection, sponsor track record, GP commitment levels, and transaction structuring, making alignment considerations increasingly important in diligence and underwriting processes. As transaction sizes increased, larger continuation vehicles were supported by an increasingly diverse capital base spanning dedicated secondary funds, pension plans, sovereign wealth funds, and other institutional investors.

Sponsors increasingly viewed continuation vehicles as a strategic portfolio management tool, using them to retain ownership of high-conviction assets while providing liquidity and optionality to existing LPs.

Based on Jefferies internal data.

H1 2026 KEY STATISTICS

$62B
H1 2026 GP-Led Transaction Volume

89%
Continuation Vehicles (% Share of GP-Led Volume)

68%
Single-Asset Continuation Vehicles (% Share of Continuation Vehicles)

66%
Buyout Strategy (% Share of GP-Led Volume)

14%
Average LP Rollover

14%
Continuation Vehicle Exits (% of Sponsor-Backed Exit Volume)

2019
Average Vintage for Companies Acquired by Single-Asset Continuation Vehicle

GP-Led Market (Cont.)

CREDIT MARKET UPDATE

GP-led credit secondaries continued to experience strong momentum through the first half of 2026, building on the record levels of activity observed in 2025. The market saw numerous continuation vehicle transactions exceeding $1 billion close during the period, demonstrating the depth of demand from a growing and increasingly sophisticated investor base. Credit secondary transactions are also expanding both geographically and strategically. Landmark transactions that were completed across Europe highlighted the continued globalization of the asset class, while an increasing number of GPs have begun utilizing the market not only as a liquidity solution for mature vintages but also as a strategic capital formation tool. Sponsors are increasingly partnering with secondary investors to seed new vehicles with balance sheet assets, accelerate fundraising objectives, and secure long-term strategic capital relationships.

Despite broader concerns surrounding private credit, including increasing attention on AI-related disruption and evolving views around software exposure, the credit secondaries market has remained resilient and highly active. Transaction activity and pricing levels continue to benefit from a deeper and more diversified buyer universe, supported by record fundraising across dedicated credit secondary strategies.

As the market continues to mature, increased competition for high-quality portfolios has sustained attractive liquidity options for all parties involved. Credit secondary investors remain well-capitalized and actively seeking deployment opportunities across a broad range of credit strategies.

While investor appetite has historically centered on senior performing direct lending assets, secondary investors are increasingly expanding their focus to higher-yielding and more specialized credit strategies. In H2 2026, although we expect the majority of credit secondaries capital to continue targeting direct lending portfolios managed by blue-chip GPs, investor demand is broadening to include asset-based finance (ABF), mezzanine, and opportunistic credit strategies. This evolution reflects both the growing sophistication of the credit secondaries market and investors' willingness to pursue differentiated return opportunities across an increasingly diverse set of credit sub-asset classes.

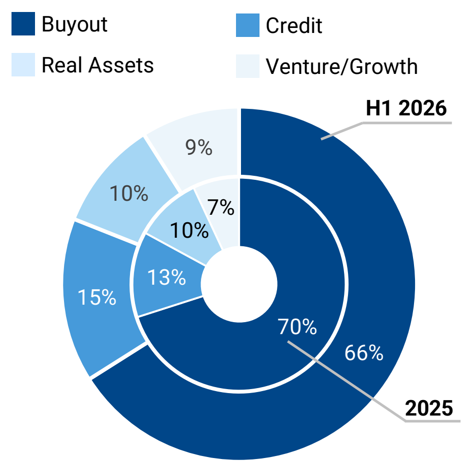
VENTURE & GROWTH MARKET UPDATE

In the first half of 2026, secondary investor demand for GP-led transactions in the venture and growth space continued to expand, while managers increasingly utilized these structures to provide liquidity across their portfolios.

Secondary investors remained highly focused on opportunities involving mid- and late-stage venture-backed companies benefiting from strong AI tailwinds. GP-led transactions, including continuation vehicles and fund recapitalizations, provided access to category-leading businesses characterized by durable revenue growth, strong market positions, and the ability to leverage AI to enhance products and drive operational efficiency. At the same time, existing LPs demonstrated strong receptivity to these transactions, which provided meaningful liquidity for high-performing investments.

As the IPO market reopens, Jefferies expects growing demand for venture and growth secondary transactions, including within the "next wave" of mid-stage companies poised to benefit from AI-driven disruption.

Fig. 9. GP Transaction Volume by Sub-Asset Class



Increased public market activity is expected to provide additional valuation benchmarks and clearer exit pathways, further strengthening investor confidence in the asset class. With a growing class of high-quality private companies, GP-led secondary transactions are expected to remain a critical tool for delivering liquidity to existing investors while enabling managers to maintain exposure to assets with long-term growth potential.

REAL ASSETS MARKET UPDATE

The real assets continuation vehicle market continues to expand as sponsors increasingly seek to retain ownership of high-conviction assets, extend value creation runways, and provide liquidity to existing investors. Across energy, infrastructure, and real estate, CVs have evolved from a niche liquidity tool into a strategic portfolio management solution, supported by growing investor demand for long-duration assets, differentiated return profiles, and scalable investment opportunities.

Within energy, investor demand remains concentrated on trophy assets, with buyers prioritizing scale, asset quality, operational visibility, and clear pathways to value creation. Upstream opportunities continue to attract significant capital given compelling risk-adjusted returns and supportive commodity fundamentals. Oil-focused transactions have drawn strong interest amid geopolitical uncertainty and energy security concerns, while natural gas has emerged as a major investment theme driven by AI-related power demand, data center growth, electrification, and LNG export expansion.

Based on Jefferies internal data.

GP-Led Market (Cont.)

REAL ASSETS MARKET UPDATE (CONT.)

Infrastructure sponsors have similarly utilized CVs to extend ownership of high-quality, cash-generative assets benefiting from durable secular tailwinds. Digital infrastructure remains a focal point as cloud adoption, AI deployment, and data center expansion drive substantial investment needs.

In real estate, investor demand remains focused on high-quality assets with attractive long-term fundamentals and visible cash flow growth. Sponsors have increasingly used CVs to retain ownership of trophy assets in sectors such as logistics, data centers, senior housing, and residential housing, where supply constraints and demographic trends continue to support value creation. Improving capital markets conditions and growing institutional interest in scaled real estate platforms have further supported transaction activity and capital formation.

Capital formation across the real assets secondaries market remains robust and increasingly diverse. Traditional LPs continue to increase participation through larger commitments and syndicate investments, while non-traditional investors represent a growing source of capital. Strategics have also become more familiar with continuation vehicles and are emerging as an additional source of demand, expanding the buyer universe for scaled, high-quality transactions.

Looking ahead, continued adoption of continuation vehicles reflects a broader shift toward long-term ownership strategies focused on asset-level value creation, alignment, and flexibility. Supported by sustained demand for premium assets, increasing sponsor sophistication, and a deepening institutional investor base, the real assets CV market appears well positioned for continued growth.

Evergreen Vehicles

CONTINUED GROWTH AMID SHIFTING DYNAMICS

Evergreen vehicles continued to scale in H1 2026, reinforcing their growing role in private markets and secondary capital formation. Evergreen FMV reached $120 billion[(1)], with allocations to secondaries continuing to increase and now representing a 46% share of portfolios, up from 41% in 2025. The expansion of the secondary market has been fueled by continued adoption of evergreen funds across institutional and wealth channels, supported by the growing availability of semi-liquid and ’40 Act structures.

At the same time, 2026 exposed several areas of friction within the evergreen model, triggering elevated redemptions across the evergreen capital pool and increasing pressure on semi-liquid vehicles. In response, several managers activated standard 5% NAV gating mechanisms to manage outflows, underscoring the growing importance of portfolio construction and liquidity planning within semi-liquid structures. This shift reflects a reassessment of the asset class, as investors gain greater visibility into liquidity and return dynamics.

In contrast, private equity evergreen funds have attracted growing interest from investors seeking differentiated return potential and broader value-creation opportunities. Private equity evergreen strategies have remained comparatively resilient from a fundraising perspective, benefiting from less compressed return expectations. This shift is reinforcing the role of secondaries as a key deployment channel for evergreen capital. As capital continues to funnel toward private equity evergreen funds, secondaries provide an efficient liquidity mechanism, exposure to seasoned assets, enhanced portfolio visibility, and predictable cash flow profiles. Demand is increasingly concentrated in CVs, where managers can offer scaled exposure to high-quality assets while retaining greater control over value creation and exit timing. In turn, evergreen vehicles are supporting scaled transactions and ticket sizes. As evergreen platforms continue to mature, secondaries remain well positioned to serve as an increasingly important and durable source of demand across the private markets ecosystem.

EVERGREEN MARKET SNAPSHOT

- **93% of FMV growth** in Evergreen vehicles is from **2021 onward**
- The top 10 secondary investors hold over **$33 billion in Evergreen FMV**
- Secondaries are the **largest allocation** for retail channels, comprising **46% of total FMV**[(1)]
- Secondary investors are regularly using evergreen capital to **commit scaled ticket sizes** to CV transactions

Source: Jefferies database; Morningstar, PitchBook.
(1) EvergreenLink data.

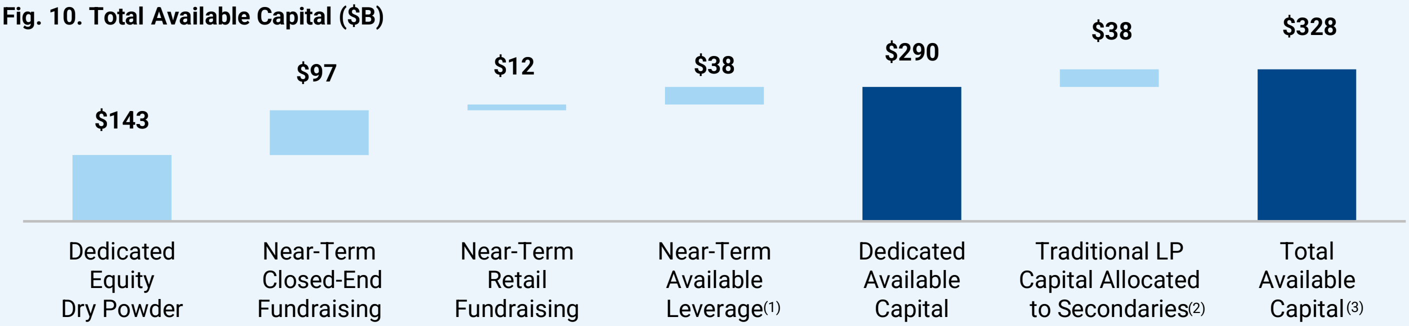
Available Secondary Capital

DEDICATED SECONDARY CAPITAL REMAINS ELEVATED

Dedicated available capital totaled $290 billion by the end of H1 2026, down from the record $327 billion reported at year-end 2025. The decline followed elevated secondary market deployment across both LP and GP-led transactions. Secondary market capitalization continues to be supported by ongoing fundraising activity, strong participation from evergreen vehicles and retail channels, and a growing universe of traditional LPs and specialist investors allocating capital directly to secondary opportunities.

In addition to dedicated capital from secondary funds, other organizations such as sovereign wealth funds, pensions, insurance companies, family offices and other non-traditional investors continue to supplement the market, supporting transaction activity and pricing. As the secondary market continues to mature, capital sources are also becoming increasingly diversified across strategies including buyout, credit, infrastructure, venture capital and real assets, each with dedicated capital pools.

Fig. 10. Total Available Capital ($B)



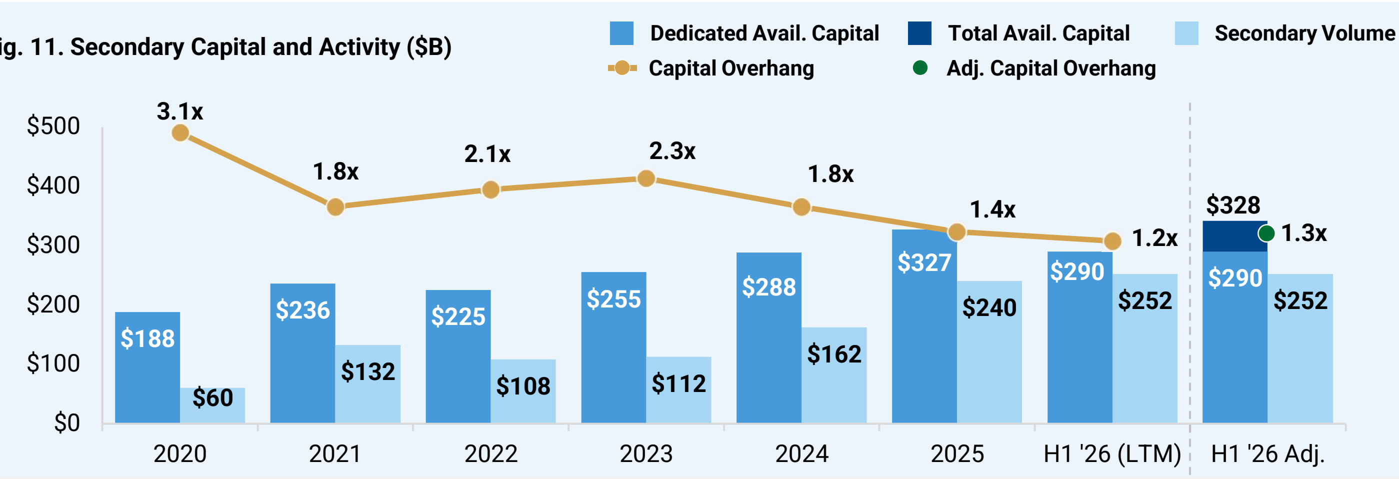
SECONDARY MARKET CAPITALIZATION

Even as dedicated available capital declined to $290 billion in H1 2026, the secondary market remains well-capitalized and is supported by flexible capital sources. Increased transaction activity and capital deployment drove the capital overhang multiple lower to 1.2x, below the prior year level of 1.4x. While available capital managed by specialist secondary investors moderated from peak levels, traditional LPs, evergreen vehicles and other non-traditional participants continue to provide meaningful incremental liquidity, bringing total available capital to approximately $328 billion and reflecting an adjusted capital overhang multiple of 1.3x.

H1 2026 (LTM) – CAPITAL OVERHANG (4)

$290 Billion	Dedicated Available Capital
$328 Billion	Total Available Capital
$252 Billion	LTM Secondary Volume
1.2x	Capital Overhang Multiple
1.3x	Adj. Capital Overhang Multiple

Fig. 11. Secondary Capital and Activity ($B)



	2020	2021	2022	2023	2024	2025	H1 '26 (LTM)	H1 '26 Adj.
Capital Overhang Δ	--	(1.3x)	+0.3x	+0.2x	(0.5x)	(0.4x)	(0.2x)	+0.1x

(1) Estimated at 15% of equity dry powder plus current fundraising.
(2) Source: Jefferies estimate.
(3) Total available capital includes fund level leverage.
(4) Capital overhang multiple represents the ratio of dedicated available capital to LTM transaction volume.

Conclusion

H2 2026 OUTLOOK

The secondary market is well positioned for continued growth in H2 2026, building on a record first half and supported by sustained liquidity demand across private markets. With distributions remaining below historical levels, the secondary market is expected to remain an important tool for portfolio management, rebalancing, and liquidity generation. We expect both LP and GP activity to remain elevated, supported by a well-capitalized buyer universe, growing specialization across strategies, and continued innovation in transaction structures. Pricing is expected to remain firm for high-quality opportunities, particularly in diversified portfolios and sought-after asset classes. These dynamics, combined with a strong pipeline of large-scale transactions and ample dedicated capital, position 2026 to exceed the record annual volume achieved in 2025.

Jefferies' Secondary Advisory team, comprising over 100 professionals, advised institutional investors and general partners on $30 billion of private equity secondary transaction volume in H1 2026. Through its personalized and analytical approach to the secondary market, Jefferies assists the most sophisticated institutional investors and general partners in achieving their objectives and fulfilling their fiduciary duties.

Jefferies is a leading global, full-service investment banking and capital markets firm that provides advisory, sales and trading, research and wealth and asset management services. With more than 40 offices around the world, we offer insights and expertise to investors, companies and governments.

If you are interested in a confidential discussion of your portfolio and ideas on avenues to generate liquidity, please contact us.

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