

Setter

# Volume Report H1 2025

25<sup>th</sup> Edition

First in the secondary market.

# Highlights

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The Setter Volume Report analyzes global secondary market activity in H1 2025 and covers the following topics:

- › Total Volume of Secondary Deals
- › Breakdown of Volume between Funds and Directs
- › Breakdown of Volume by Type of Assets Purchased
- › Breakdown of Volume by Geography of Assets Purchased
- › Maturity of Funds Purchased
- › Profile of Buyers
- › Number of Deals and Average Deal Size
- › Payment Terms
- › Execution Risk
- › Buyers' Scope of Interest
- › Buyers' Target Returns
- › Profile of Sellers
- › Percentage of Intermediated Deals
- › Predicted Secondary Deal Volume
- › Change in Level of Buyer Competition
- › Changes in Debt Levels
- › Pricing
- › Expected Hiring
- › Expected Returns of Secondary Purchases
- › Expected Distribution and NAV Changes
- › General Partners' Approach to the Secondary Market

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# The survey

As the secondary market continues to grow and evolve, we seek to take a comprehensive and methodical approach to quantifying the market and identifying trends. Using a survey approach, we directly asked principals the same questions that buyers, sellers and secondary fund LPs often ask us. How many transactions were completed in H1 2025? How much was completed in LBO, venture, real estate, infrastructure, credit, energy, real asset and hedge fund secondaries? How many GP-led transactions were completed? What are the expected returns and buyer debt levels?

This report summarizes the results of our 35-question survey of the most active global buyers in the secondary market for alternative investments, conducted at the end of June 2025. Volume is defined as total exposure (NAV + unfunded in USD) purchased by the respondents, including only deals where a binding agreement was entered into during H1 2025. Please note that all values throughout the report are denoted in USD.

We were pleased by the high response rate, as 91 of the 143 most active and regular buyers in the secondary market agreed to share their confidential results (see partial list of participants on page 26). The respondents to our survey represented 82.6% of the total market volume, making it the most reliable, consistent and exhaustive study of the industry's activities.

Being mindful of response bias, we compared the list of respondents to those who had declined to respond and did not find any obvious or meaningful differences in the known and observed levels of activity between the two groups. We then estimated and charted the total volume, number of transactions, and other reported figures herein by prorating the survey results based on the proportion of small, medium and large buyers that participated.

We hope you find the results interesting and useful. We welcome any questions and would be happy to provide further insights into the results.

# More Insight.

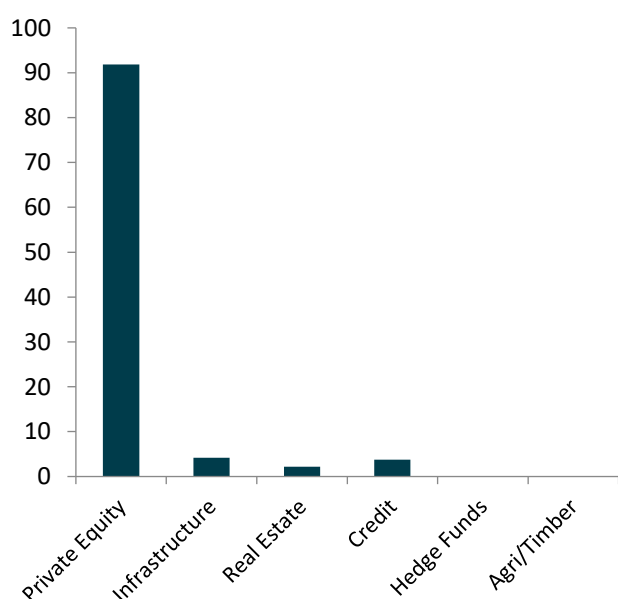
In the secondary market, knowledge is power.  
By providing granular custom portfolio analysis and  
industry-leading market research, we empower our  
clients to make the most informed decisions.

**Setter**

# Total volume

**Total secondary market volume for H1 2025 was \$102.23 billion.** This is the volume estimate derived from the 143 secondary buyers surveyed with dedicated secondary efforts and includes 115 secondary funds, 16 funds of funds, 5 hedge funds, 5 investment consultants, 1 family office and 1 pension. We believe this estimate is reliable as the 91 survey respondents alone reported \$84.39 billion of volume in their survey responses. The figure is also conservative, as **it does not include the activity of over 1000 opportunistic and non-traditional buyers**, whose combined activity may be significant and it also does not capture the activity in the secondary market for shares in venture-backed companies. For instance, the activities of all sovereign funds (including ADIA, ADIC, GIC, Temasek, etc.) were excluded entirely, even though some have built teams dedicated to secondary purchases.

## Types of assets purchased



**Private Equity (Directs<sup>1</sup> & Funds):** \$91.83 billion  
(45.0% increase YoY)

**Infrastructure (Directs & Funds):** \$4.22 billion

**Real Estate (Directs & Funds):** \$2.20 billion  
(48.2% increase YoY)

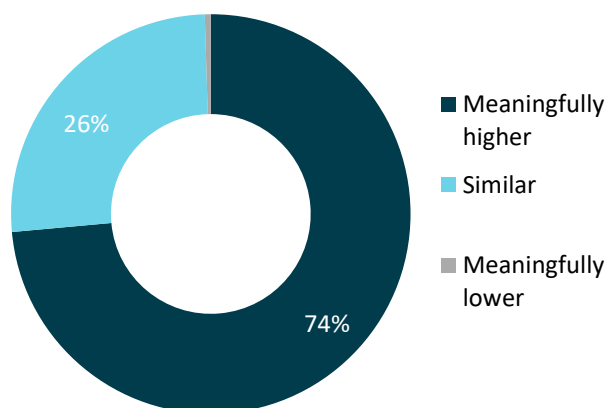
**Credit (Directs & Funds):** \$3.79 billion

**Hedge Funds:** \$80 million  
(164.7% increase YoY)

**Agriculture/Timber Funds:** \$100 million  
(268.10% increase YoY)

<sup>1</sup> Directs include GP-led deals such as fund recapitalizations, continuation funds and fund liquidations.

## H1 2025 volume vs. H1 2024 volume

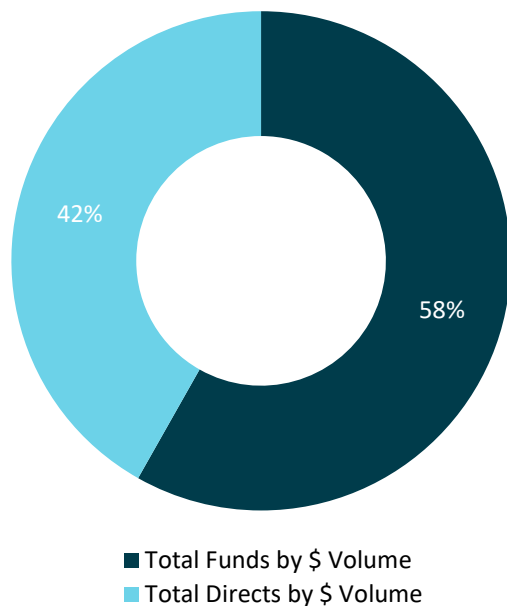


H1 2025 volume increased 51.0% compared to H1 2024, which was \$67.71 billion.

Only 0.5% of survey respondents felt their volume was lower in H1 2025, 26.0% felt their volume was similar and 73.6% of the respondents reported that their volume was meaningfully higher than H1 2024.

# Assets purchased

## Funds vs. Directs

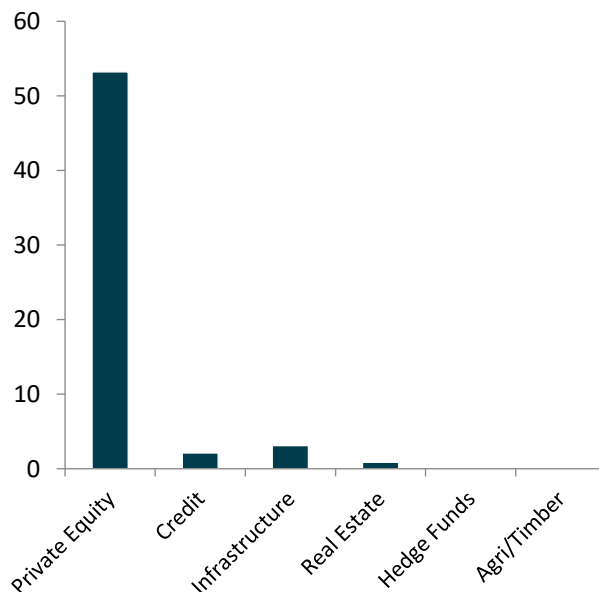


Fund secondaries jumped 56.3%, from the \$38.05 billion recorded in H1 2024 to \$59.49 billion in H1 2025. Direct secondaries, increased 44.1% from \$29.66 billion in H1 2024 to \$42.74 billion in H1 2025.

As a proportion of total volume, direct secondaries went from 43.8% in H1 2024 to 41.8% in H1 2025.

Survey respondents estimated the split between fund and direct secondaries in three years will be 55.7% funds and 44.3% directs.

## Breakdown of fund secondaries



**Private equity (non-credit):** \$53.20 billion  
(64.3% increase YoY)

**Infrastructure:** \$3.11 billion  
(10.4% increase YoY)

**Real estate:** \$884 million  
(13.4% increase YoY)

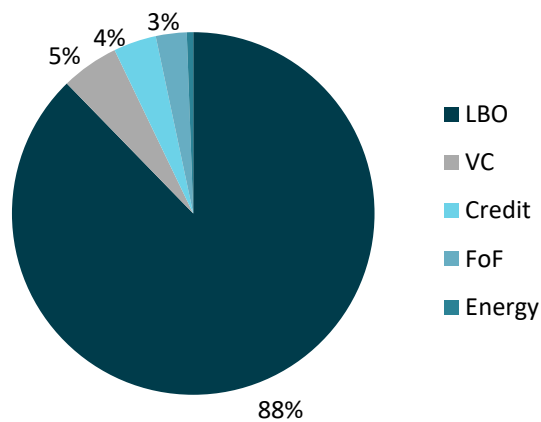
**Credit:** \$2.11 billion  
(6.9% increase YoY)

**Hedge funds:** \$80 million  
(21.3% increase YoY)

**Agriculture/Timber:** \$100 million  
(268.1% increase YoY)

# Types of funds purchased

## Private equity funds



**LBO** – \$48.52 billion  
(Up 70.0% YoY from \$28.53 billion)

**VC** – \$2.84 billion  
(Up 7.0% YoY from \$2.66 billion)

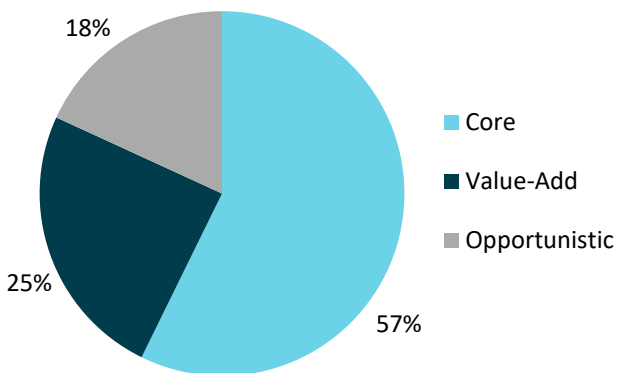
**Credit** – \$2.11 billion  
(Up 6.9% YoY from \$1.98 billion)

**Fund of Funds**<sup>2</sup> – \$1.52 billion  
(Up 40.1% YoY from \$1.09 billion)

**Energy** – \$315 million  
(Up 195.6% YoY from \$107 million)

<sup>2</sup> Includes total for both Fund of Funds and Secondary Funds

## Real estate funds



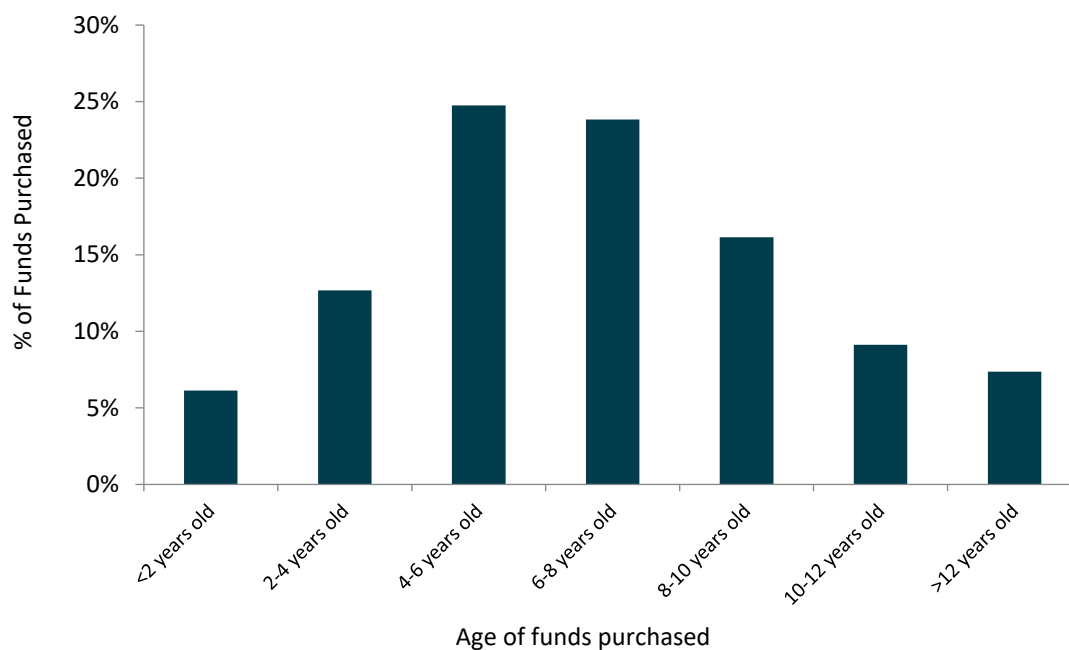
**Core** – \$506 million  
(Up 107.2% YoY from \$240 million)

**Value-Add** – \$217 million  
(Down 16.8% YoY from \$260 million)

**Opportunistic** – \$161 million  
(Down 42.0% YoY from \$280 million)

# Maturity of funds purchased

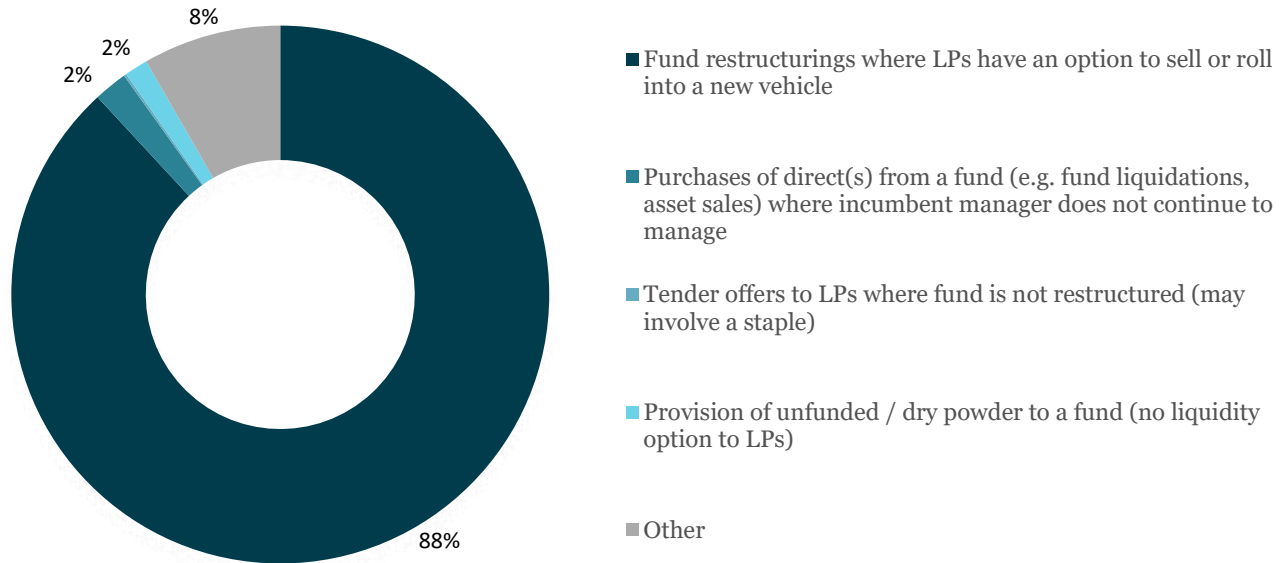
As illustrated below, buyers bought funds across various vintages, whether as a portfolio or on a single line basis. The average fund purchased was 6.76 years old which is slightly more mature than the average in H1 2024 (6.39 years old).



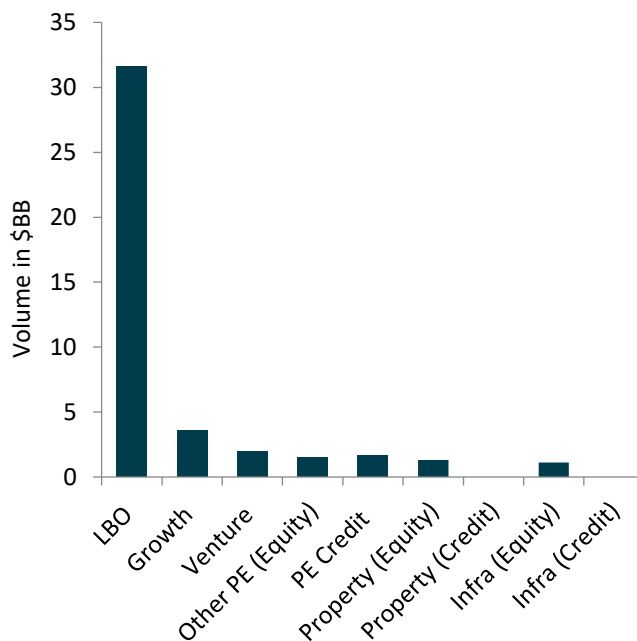


# Types of direct secondaries

## Types of deals completed

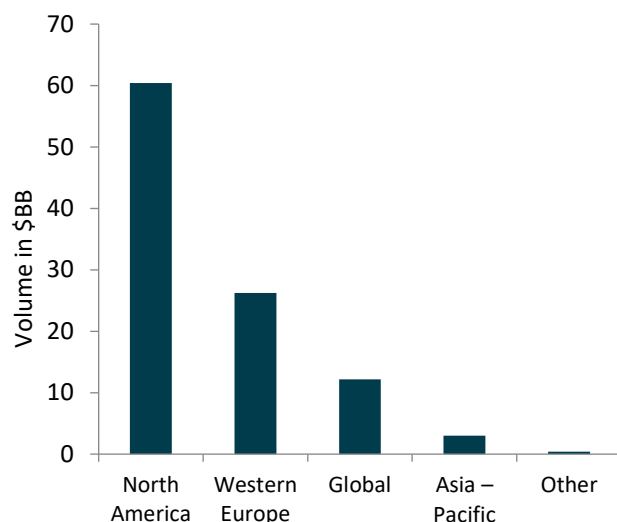


## Types of assets purchased in direct deals



The breakdown of assets purchased in Direct-GP transactions was as follows: 74.0% for LBO, 8.3% for Growth, 4.5% for Venture, 3.9% PE Credit, 3.5% for Other Private Equity (non-debt), 3.1% for Real Estate (non-debt) and 2.6% for Infrastructure (non-debt).

# Geography of assets purchased



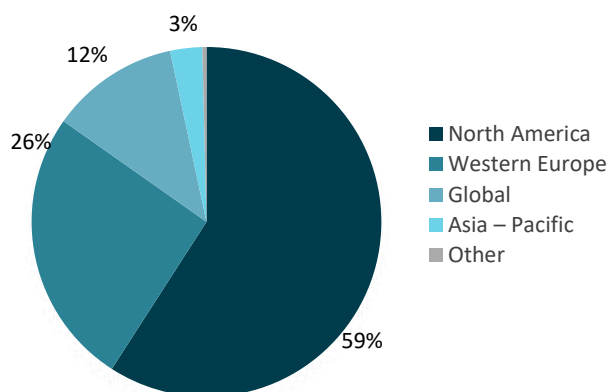
North American and Western European focused funds/directs accounted for the vast majority of assets purchased in H1 2025:

**North America** – \$60.42 billion  
(Up 39.8% YoY from \$43.23 billion)

**Western Europe** – \$26.23 billion  
(Up 66.3% YoY from \$15.78 billion)

**Global** – \$12.15 billion  
(Up 102.3% YoY from \$6.01 billion)

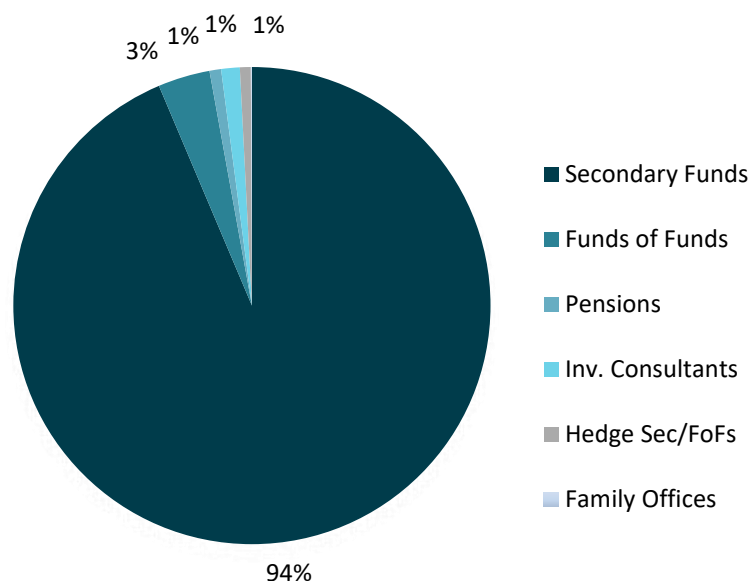
**Asia-Pacific** – \$3.03 billion  
(Up 21.0% YoY from \$2.50 billion)



In terms of percentage, North American-focused funds and directs accounted for 59.1% of total volume, Western European-focused assets accounted for 25.7%, global-focused assets accounted for 11.9% and Asia-Pacific-focused assets accounted for 3.0% of sales.

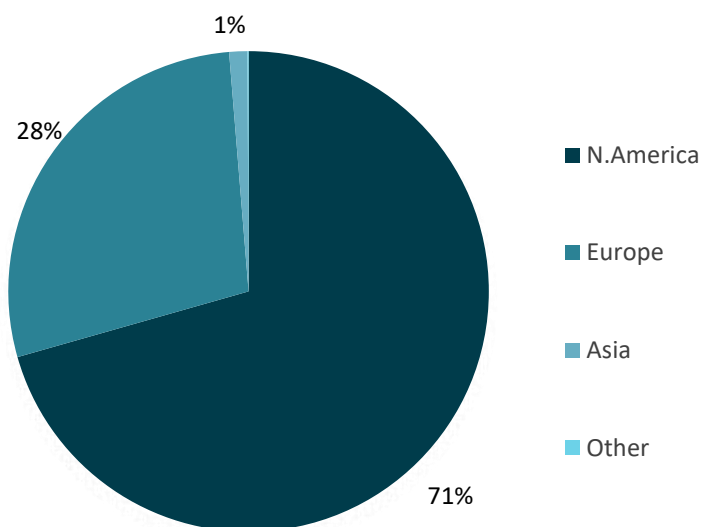
# Profiles of buyers

## Type of buyers



Secondary funds were again the most active buyers in H1 2025, accounting for 93.6% (\$95.71 billion) of total purchases while funds of funds accounted for 3.5% (\$3.60 billion).

## Location of buyers<sup>3</sup>



North American buyers transacted the most (70.6% of total volume) in H1 2025, down as a percentage from 75.0% total volume in H1 2024.

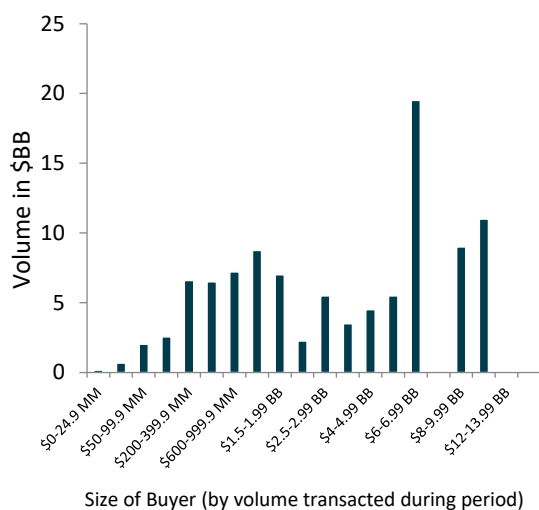
European buyers accounted for 28.1% of total volume in H1 2025, which was up from H1 2024 (23.6%).

<sup>3</sup>Location is based on head office location.

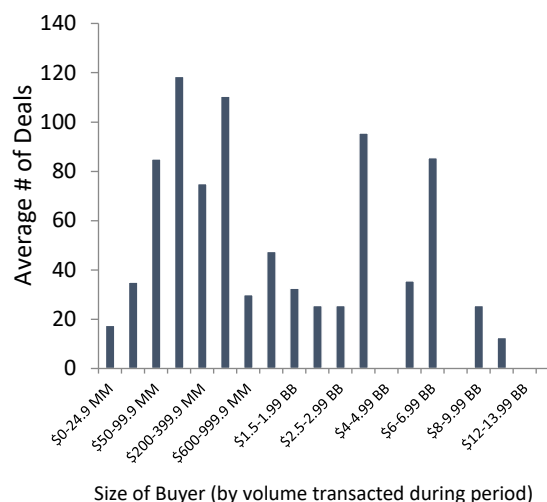
# Activity levels of small, medium and large buyers

Applying the survey respondents' dollar volume and transaction numbers, while taking into consideration the proportion of small, medium and large buyers that did not participate, we estimated the market share of small, medium and large buyers as follows:

**Volume distribution by size of buyer**



**Avg. number of deals by size of buyer**



31 large buyers (defined as those that deployed \$600 million or more in H1 2025) purchased \$83.70 billion, representing approximately 81.9% of total volume across 510 transactions with an average deal size of \$164.14 million. This was an increase from H1 2024, where large buyers accounted for 71.4%.

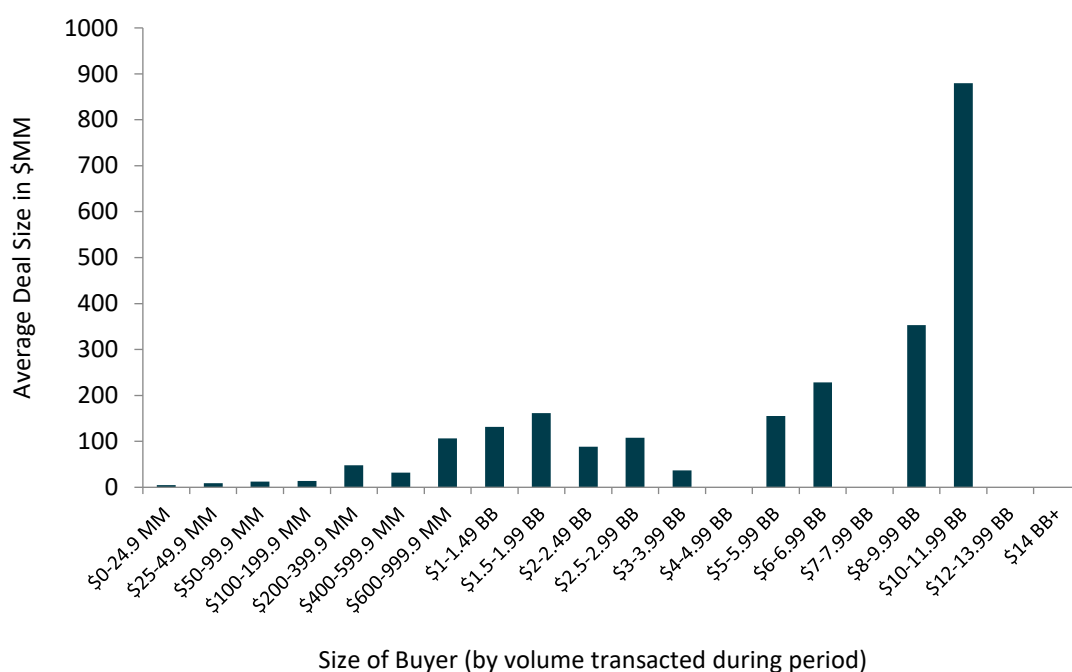
52 medium-sized buyers (defined as those that deployed \$100 million to \$600 million in H1 2025) purchased \$15.65 billion, representing approximately 15.3% of total volume across 544 transactions with an average deal size of \$28.78 million. This was a sizeable decrease from H1 2024, where they accounted for 24.7%.

59 small buyers (defined as those that deployed less than \$100 million in H1 2025) purchased \$2.88 billion, representing approximately 2.8% of total volume across 275 transactions with an average deal size of \$10.45 million. This was a decrease from H1 2024, where they accounted for 3.9%.

# Number of deals and average deal size

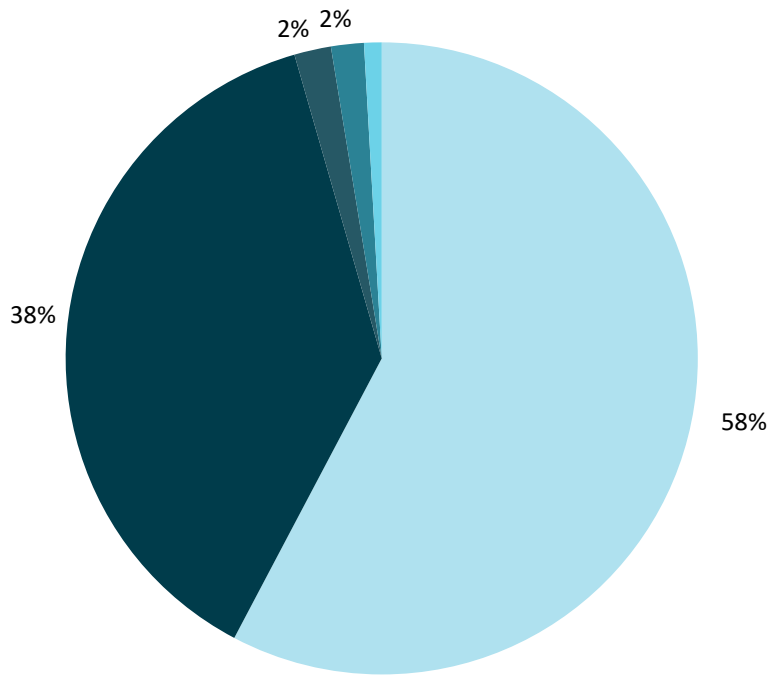
Secondary buyers completed 1329 transactions in H1 2025, with an average size of approximately \$76.94 million. The number of transactions increased 24.4% from 1068 transactions in H1 2024, while the average deal size increased 21.3% from \$63.42 million in H1 2024.

## Average deal size by size of buyer



# Payment terms

For 57.7% of their deals, buyers paid 100% cash on closing, while the balance of deals involved other payment terms or structuring as outlined below. For 37.8% of their deals, buyers paid a portion of the consideration in cash up front with the rest of the consideration being deferred. This payment structure was utilized more than in 2024 (23.7% of deals), as more buyers used deferrals to improve their prices and bridge the bid-ask spread.



■ 100% cash paid on closing

■ Payment was partially deferred (e.g. half on close, half in a year)

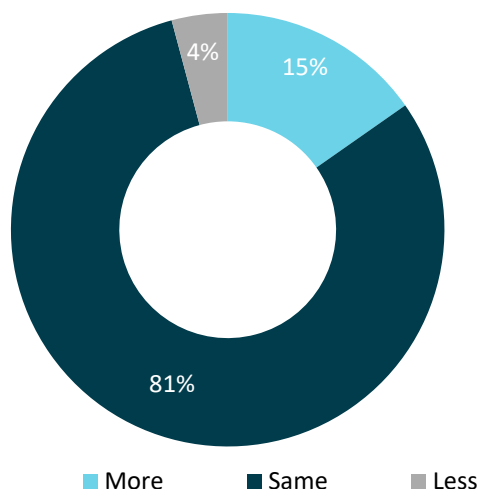
■ Preferred equity - a smaller consideration paid on closing - the buyer is entitled to a preferred return on distributions until some hurdle is achieved & little upside thereafter

■ Partial payment on close plus some upside sharing if a certain return or event occurs

■ Other

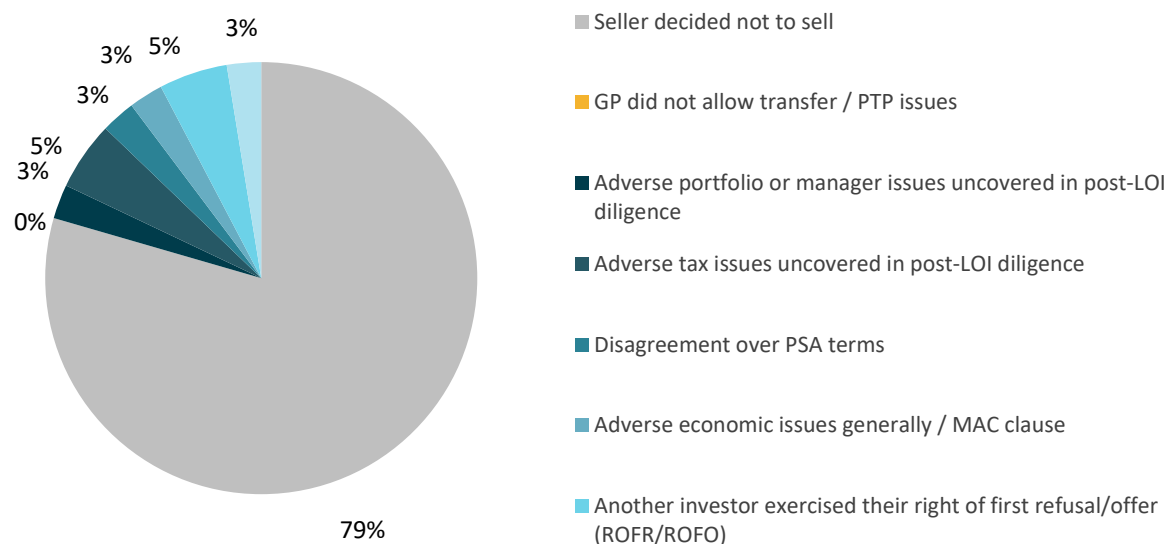
# Execution risk

## Percentage of deals that fell apart



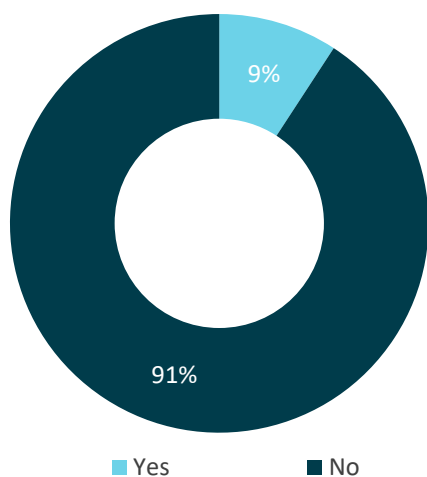
The majority of respondents had the same proportion of deals fall through in H1 2025 versus H1 2024, while only 15.3% of respondents had more fall through. This is higher than in H1 2024, when 11.0% reported a higher proportion of their deals falling through.

As outlined below, the main reason that deals fell apart was that the seller simply decided not to sell (79.5%). Other reasons were adverse tax issues uncovered in post-LOI diligence (5.1%), disagreement over PSA terms, adverse portfolio or manager issues uncovered in post-LOI diligence, disagreement over NAV or post reference date cash flows (incorrect reference date, gross NAV versus NAV adjusted for carry, etc), adverse economic issues generally / MAC clause (all at 2.6%).



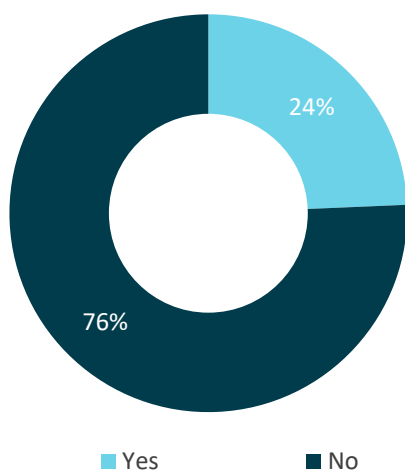
# Buyers' scope of interest

## Buyers broadening their focus in H1 2025



9.2% of participants broadened their secondaries focus in H1 2025 to include buying other alternative investment types (direct secondaries, infrastructure, private debt, etc.).

## Buyers that intend to broaden their focus in H2 2025



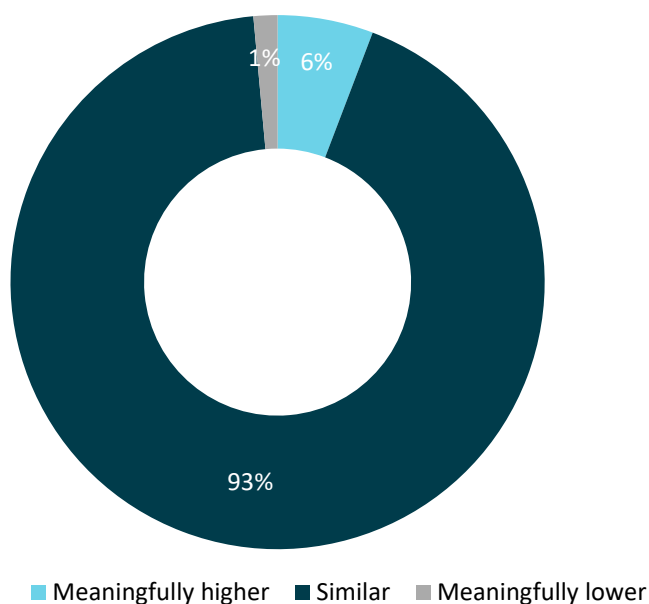
24.3% of participants plan to broaden their secondaries focus in H2 2025 to include buying other alternative investment types.

In lockstep, respondents also expected to increase their headcount by 6.6% in H2 2025.



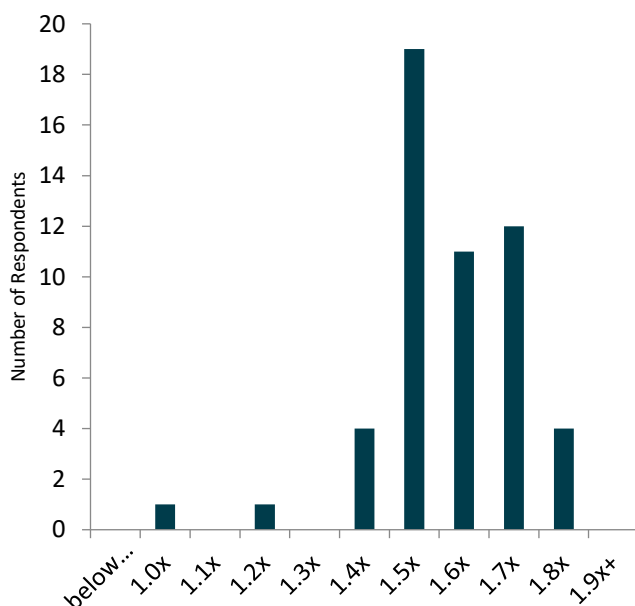
# Leverage and returns

## Level of debt used by buyers



Debt usage continued to be prevalent in H1 2025. 92.8% of respondents believed the level of debt used by buyers was the same as H1 2024, while only 1.4% felt it was less. This is significantly different from 2024, when 10.1% of buyers felt the level of debt used was lower.

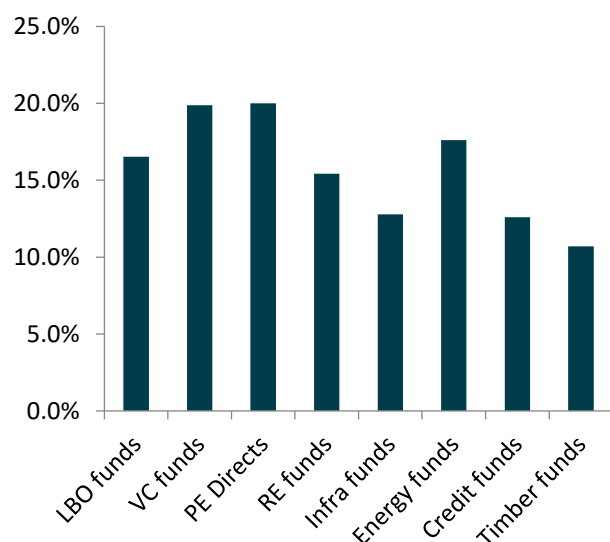
## Expected multiple for secondary deals completed in H1 2025



Respondents predicted that the average gross multiple for secondary deals completed in H1 2025 will be 1.57x, lower than the 1.63x buyers expected from deals completed in H1 2024.

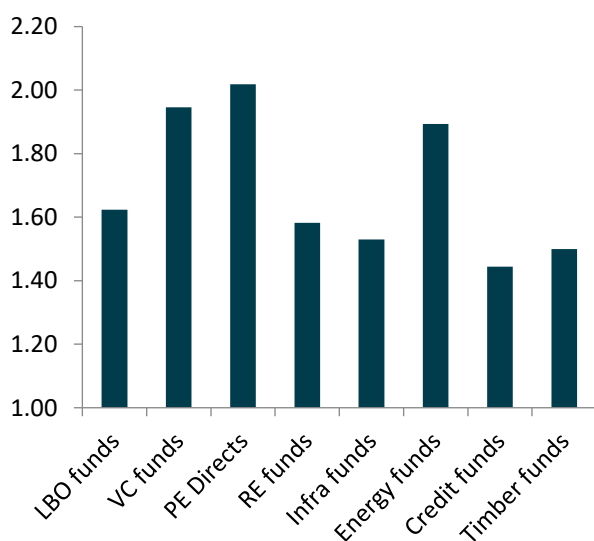
# Buyers' target returns

## Targeted IRRs on secondary purchases



When underwriting new purchases, buyers' average targeted IRR was 16.5% for LBO funds, 19.9% for VC funds, 20.0% for private equity directs, 15.4% for real estate funds, 12.8% for infrastructure funds, 17.6% for energy funds, 12.6% for performing debt funds and 10.7% for timber funds.

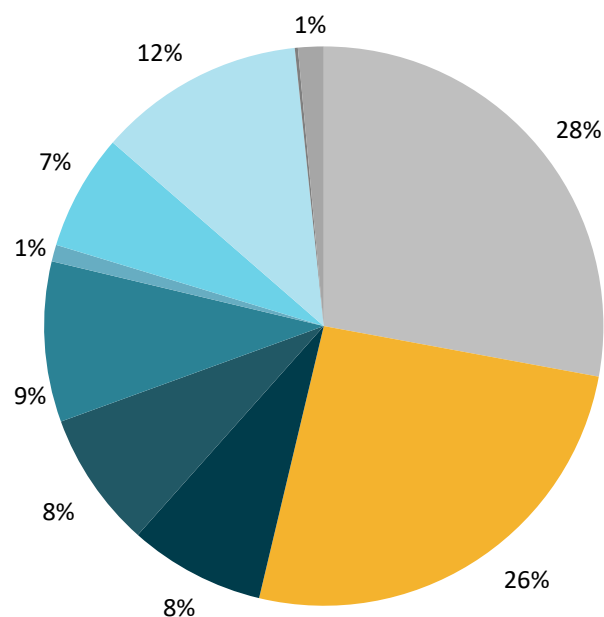
## Targeted multiples on secondary purchases



On average, buyers' average targeted multiple was 1.62x for LBO funds, 1.95x for VC funds, 2.02 for private equity directs, 1.58x for real estate funds, 1.53x for infrastructure funds, 1.89x for energy funds, 1.44x for performing debt funds and 1.50x for timber funds.

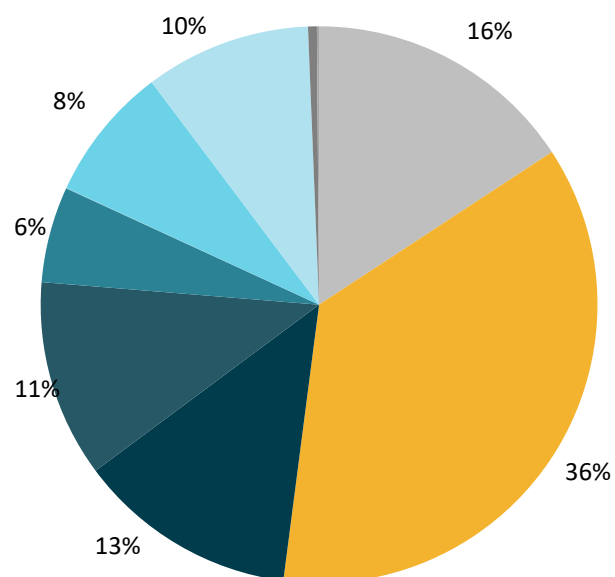
# Seller profiles

## Types of sellers in H1 2025



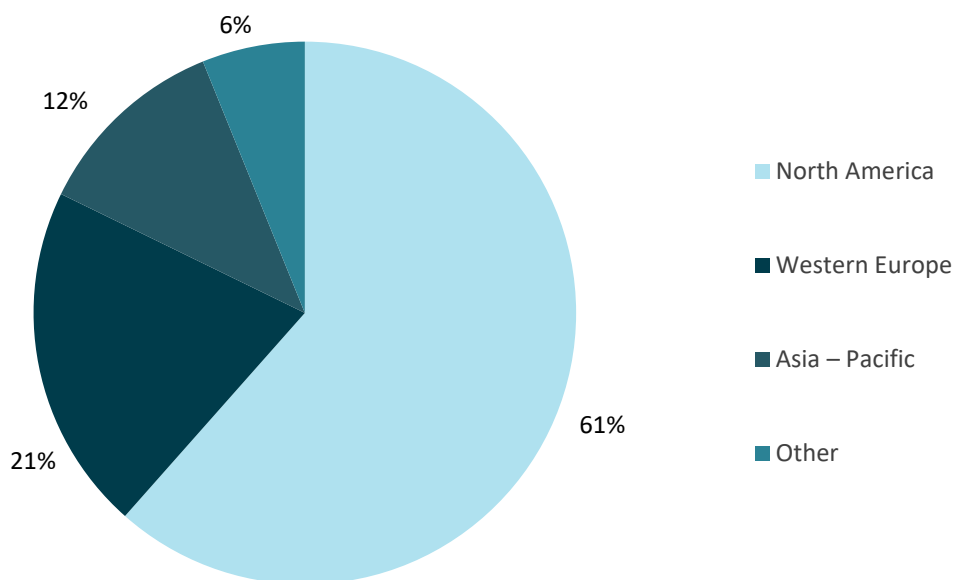
GPs (that are not funds of funds or secondary funds) and Pensions were the most active sellers in H1 2025 making up 27.9% and 25.8% of the H1 2025 volume, respectively. Most buyers expect pensions to be the biggest sellers in H2 2025 (36.3% of total transaction volume).

## Expected sellers in H2 2025

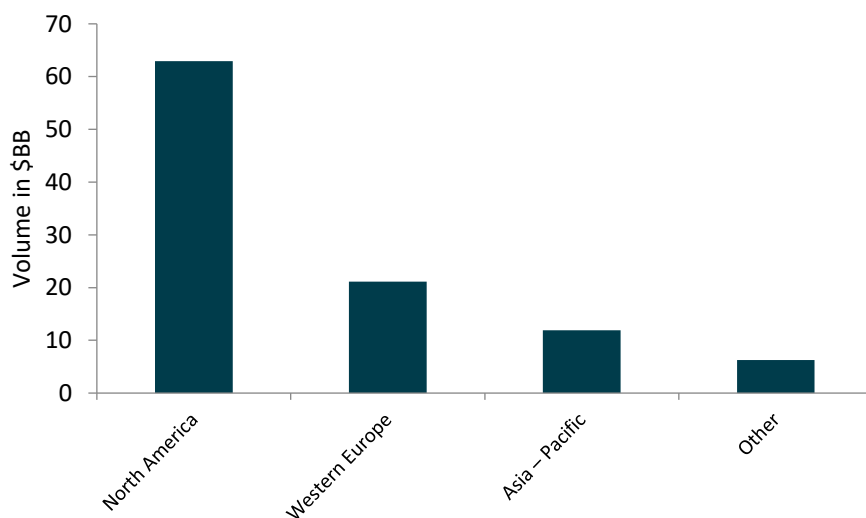


- GPs (non FoF or Sec Funds)
- Pensions
- Sovereign Funds
- Fund of Funds / Secondary Funds
- Family Offices
- Banks
- Insurance Companies
- Endowments / Charities
- Corporate - Balance Sheet (non-financial)
- Hedge Funds / Hedge Fund of Funds

## Seller location

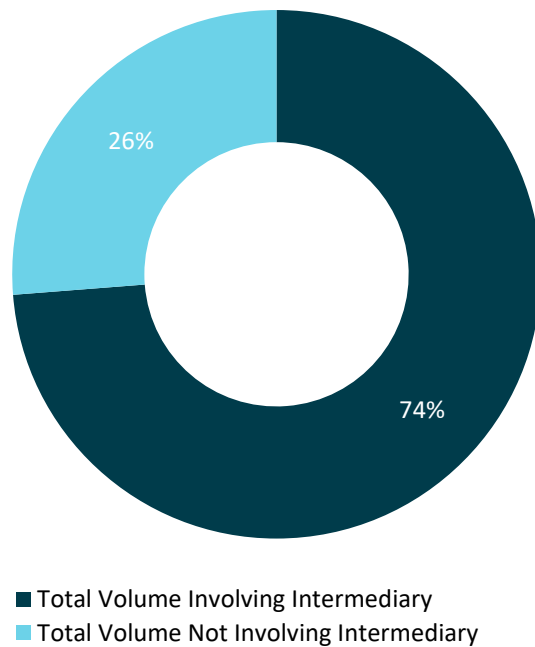


In terms of the location of sellers, North America accounted for the majority of volume in H1 2025. North American sellers sold \$62.90 billion (61.5% vs. 67.4% in H1 2024), whereas Asia-Pacific sellers sold \$11.91 billion (11.6% vs. 6.7% in H1 2024). Western European sellers accounted for 20.7% of the total volume down from 25.1% in H1 2024. Other geographies, such as the Middle East accounted for 6.1% of the total volume in H1 2025, up significantly from 0.8% in H1 2024.



# Intermediation and level of competition

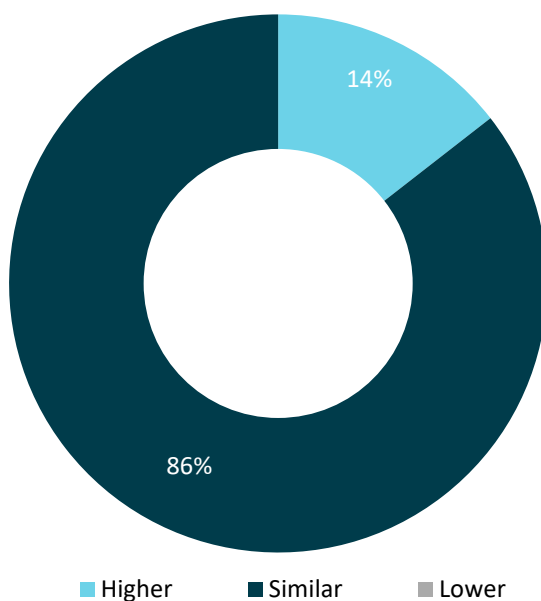
## Volume of intermediated transactions



Approximately 73.8% of total secondary volume involved an intermediary, on either the buy or sell-side, which was very similar in H1 2024 where they intermediated 73.9% of deals.

In terms of volume, agents intermediated a total of \$75.40 billion in deals, \$25.36 billion more than H1 2024, representing an increase of 50.7%.

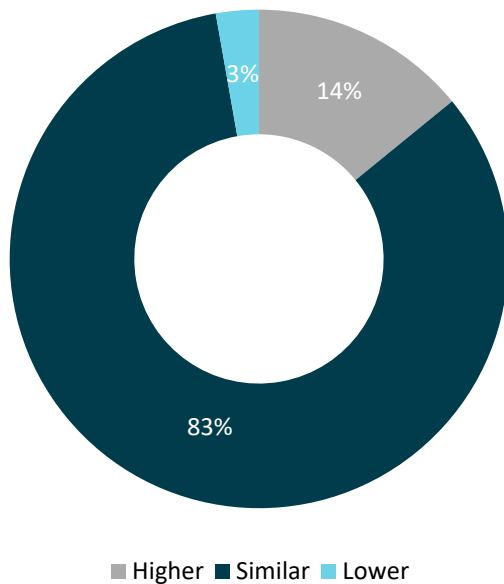
## Buyer competition for deals



85.5% of respondents felt buyer competition in H1 2025 was similar to H1 2024, while 14.5% felt buyer competition was significantly higher. No one among the survey respondents felt buyer competition was lower in H1 2025.

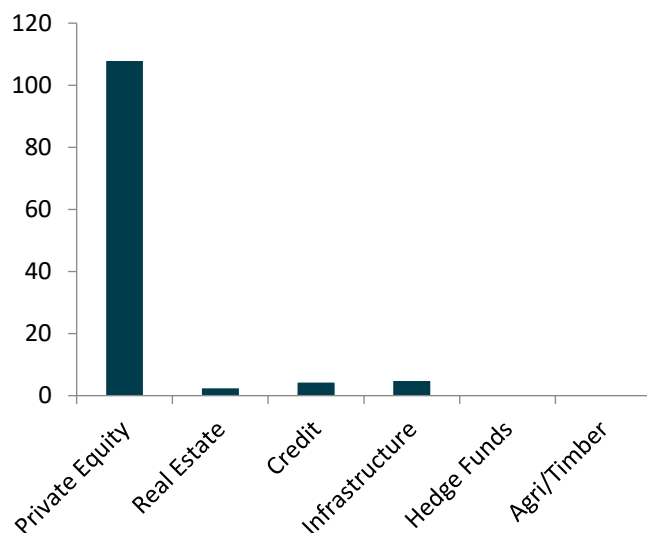
# Projected volume for H2 2025

## How H2 2025 volume will compare to H1 2025



H2 2025 is expected to be higher than H1 2025, as 14.1% of respondents felt that their H2 2025 volume will be meaningfully higher and 83.1% felt that it will be similar.

## Predicted volume for H2 2025

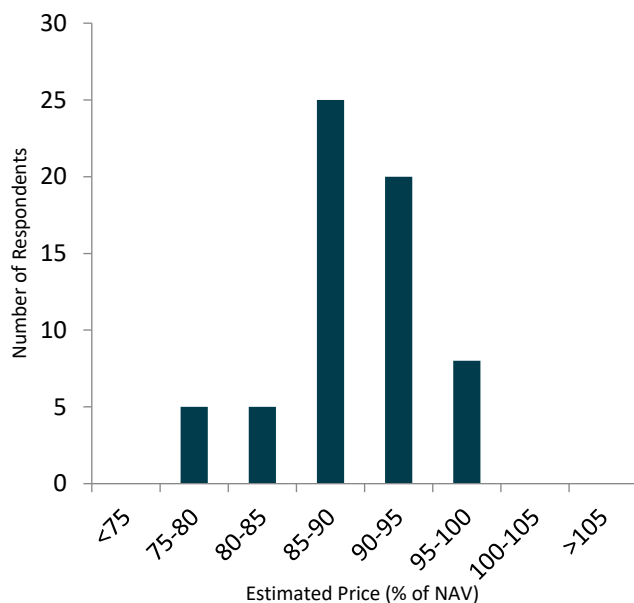


Respondents predicted the total volume for H2, 2025 will be \$120.24 billion, which would represent a 17.6% increase from H1.

Assuming proportions do not change in H2 2025, direct secondaries will be \$50.27 billion and fund secondaries will be \$69.97 billion. This also suggests that in H2 2025, private equity volume will be \$108.01 billion, credit will be \$4.46 billion, real estate will be \$2.59 billion, infrastructure will be \$4.97 billion, hedge funds will be \$90 million and agriculture & timber will be \$120 million.

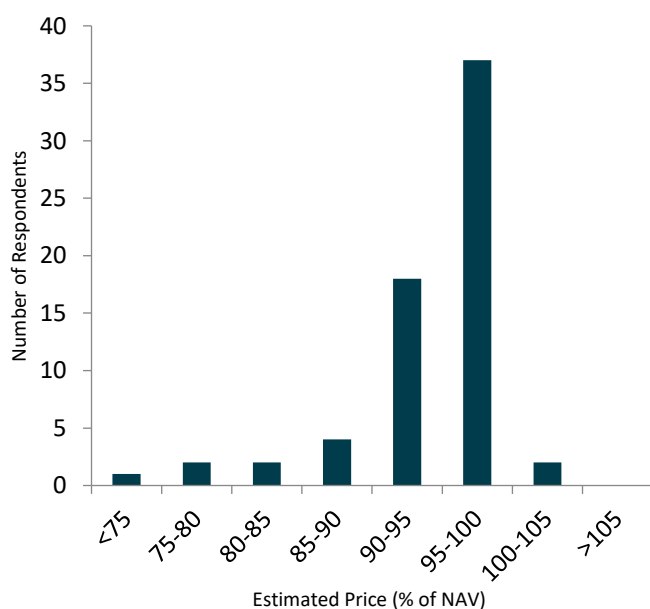
# Pricing in H1 2025

## Average price for LP-led fund sales



Respondents estimated that the average price for LP-led fund sales was a 10.8% discount to NAV in H1 2025.

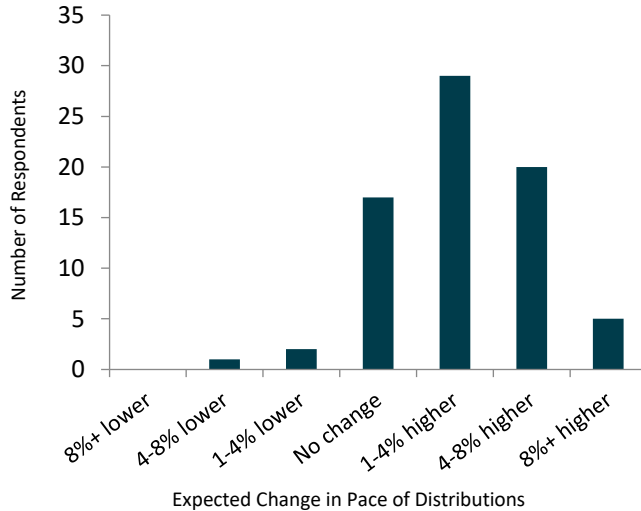
## Average price for GP-led direct deals



Respondents estimated that the average price for GP-led direct deals was a 5.8% discount to NAV in H1 2025.

# Expected distribution and NAV changes in H2 2025

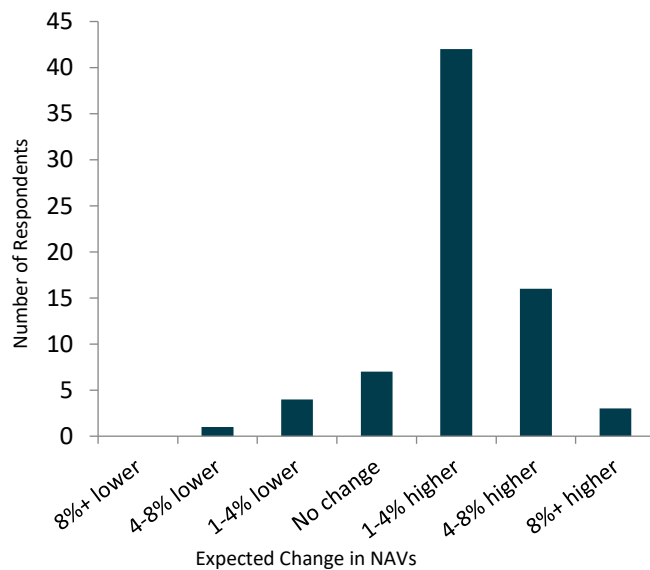
## Expected change in distributions



Respondents expect the pace of distributions in H2 2025 to be an increase of 3.1%.

Respondents are slightly less optimistic than they were in 2024, when they expected the pace of distributions to be up 4.0% in the coming year.

## Expected change in NAV

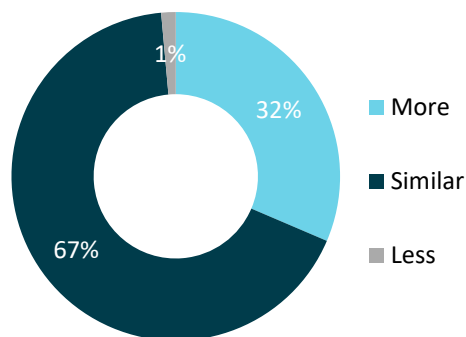


On average, respondents expect NAV valuations to increase by 2.9% in H2 2025 compared to H1 2025. This is lower than H1 2024 when respondents expected NAVs to increase by 3.1% in the upcoming year.



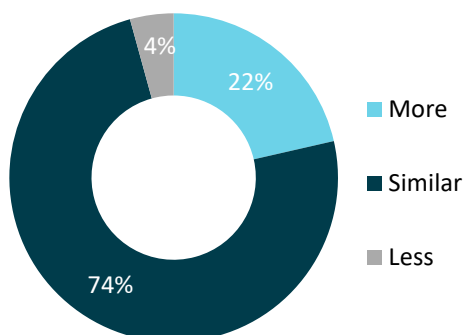
# General partners' approach to the secondary market

## Liquidations and restructurings



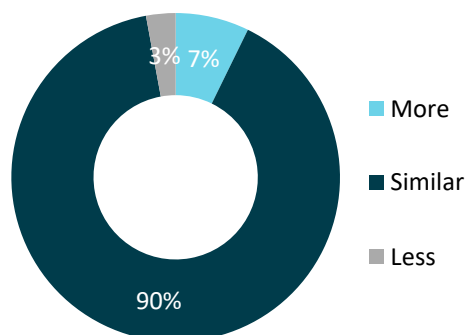
31.4% of respondents felt that meaningfully more GPs attempted to liquidate or restructure older funds in H1 2025 compared to H1 2024.

## Staples sought by GPs



21.4% of respondents felt that meaningfully more GPs sought staples in H1 2025 as compared to H1 2024.

## GPs' restrictiveness on transfers



The majority of the respondents felt that GPs' restrictiveness on transfers did not change in H1 2025 compared to H1 2024.

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# Select respondents

50 South Capital	Macquarie Asset Management
Aberdeen Standard Investments	Montana Capital Partners
Adams Street Partners	Morgan Stanley
Alpinvest Partners	Multiplicity Partners AG
AltamarCAM Capital	Neuberger Berman
Apogem Capital	Newbury Partners
Arcano Capital	North Sky Capital
Bee Alternatives Limited	Northleaf Capital
Bex Capital	Oddo BHF Private Equity
Blackrock	Overbay Capital Partners
Capital Dynamics	Pantheon Ventures
Churchill Asset Management	Partners Group
Coller Capital	Pathway Capital Management
Commonfund	PineBridge Investments
Corbin Capital Partners	Pomona Capital
CPPIB	Portfolio Advisors
Eurazeo	RCP Advisors
First Trust Capital Management	Roc Partners
Flexstone Partners	Schroder Adveq
Glouston Capital Partners	Stafford Capital
Golding Capital Partners	StepStone Group
Grosvenor Capital Management	Strategic Partners
Hamilton Lane	Sturbridge Capital
HarbourVest Partners	Sweetwater Private Equity
Headlands Capital	Tikehau Capital Advisors
Hollyport Capital	Top Tier Capital Partners
HQ Capital	TR Capital
Industry Ventures	UBS Asset Management
Intermediate Capital Group	Unigestion
Jasper Ridge	Velocis
Jera Capital	Vintage Investment Partners
Kline Hill Partners	W Capital
Knightsbridge Advisers	Warana Capital
Landmark Partners	Whitehorse Liquidity Partners
LGT Capital Partners	Willowridge Partners

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# About Setter

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional investors in the secondary market for alternative investments. We serve a diverse client base including some of the world's largest pensions, endowments, investment consultants and fund managers. To date, Setter Capital has completed over 2000 transactions, representing more than \$40 billion in liquidity across venture capital, private equity, infrastructure, real estate, real asset, and hedge fund investments.

Setter Capital's mission is to make the secondary market more transparent and efficient for all market participants. To this end, Setter provides the market with complimentary secondary market research and analytical tools such as:

**The Setter Volume Report™**

The semi-annual report that provides the most comprehensive and accurate assessments of the secondary market.

**The Setter30™**

The quarterly ranking of the most sought-after venture-backed companies in the global secondary market.

**The Setter Liquidity Rating™**

A unique rating system that allows buyers, sellers and creditors to assess the relative liquidity of over 7000 different fund families.

**The Setter Liquidity Report™**

A 17-page comprehensive review of an investor's portfolio addressing all aspects of active portfolio management and construction.

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**Voted Best Secondaries Solution & Platform**

Private Equity Wire US Award 2021, 2022, 2023 and 2024,  
European awards 2024