

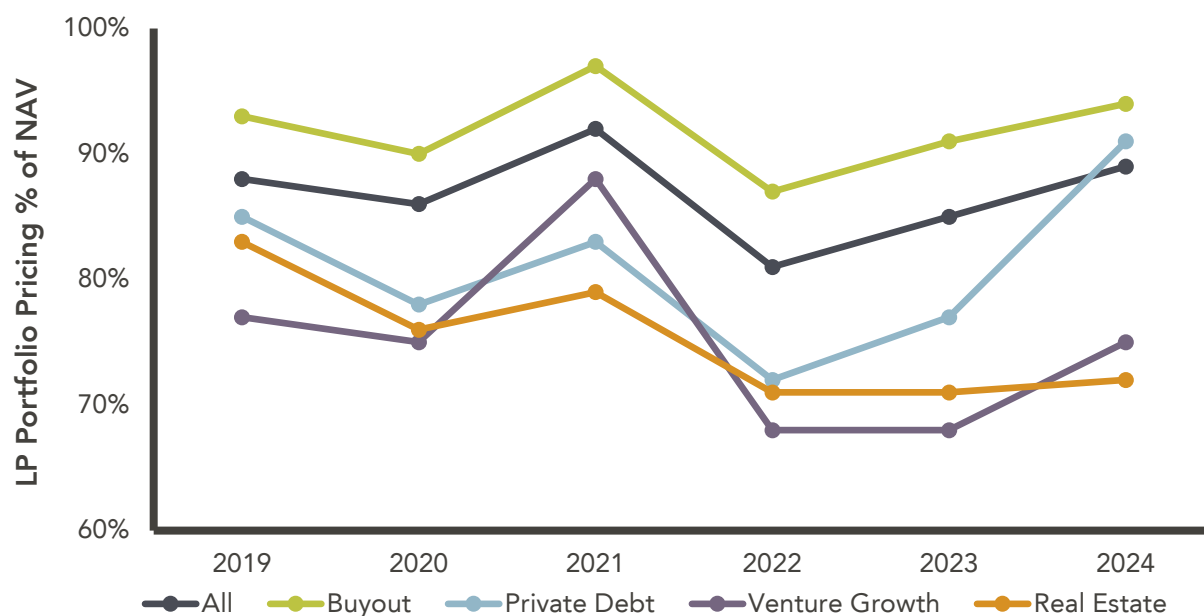
Chart of the Week

September 2, 2025

What's It All Worth?

AMY MILLER, ASSOCIATE DIRECTOR OF PRIVATE EQUITY

▣ Strong capital inflows may be supporting secondary price increases within private markets



Source: McKinsey Global Private Markets Report 2025

In private markets, secondary transactions have increasingly gained attention and acceptance as a viable liquidity option for both general partners ("GPs") and limited partners ("LPs"). During the first half of 2025, secondary market volume reached record levels, surpassing \$100 billion for the first time in history. Specifically, volume totaled \$102 billion in the first six months of the year, with a nearly even split between LP-led (53%) and GP-led (47%) transactions. To put this in perspective, secondary transaction volume for the entirety of 2022 was \$103 billion. Although dry powder has declined in recent months — from \$216 billion in 2024 to \$171 billion — fundraising is expected to more than offset this decrease, with \$218 billion projected to be raised over the next year.

As is common with most asset classes, increased market participation leads to more capital being raised and deployed, which, in turn, drives asset prices higher. The secondary market follows this same trend. Typically, secondary transactions are priced at a discount to the net asset value ("NAV") of the assets or stakes being sold. However, secondary pricing across all private asset classes increased in 2024, reaching 89% of NAV (up from 85% in 2023). Buyout secondaries saw the highest pricing last year, trading at 94% of NAV, while pricing of private debt secondaries jumped from 77% of NAV in 2023 to 91% in 2024. In contrast, real estate secondaries

[CONTINUED >](#)

traded at the lowest percentage of NAV, settling at 72% in 2024. This figure is more consistent with the 71% trading value exhibited by real estate secondaries in 2022 and 2023.

This brings us to the central question of this piece: What's it all worth? Simply put, whatever someone is willing to pay! But how do we value an asset purchased at a discount? Can we trust the original valuation? Historically, secondary buyers have tended to mark acquired assets up relative to the previous owner's NAV shortly after the transaction closes, but is this a fair and accurate way to value an asset? If buyers conduct thorough due diligence, their own assessments of a company or portfolio will inform their willingness to pay market-clearing prices, meaning pricing is not determined solely by the current value of an asset. Indeed, buyer perspectives on future growth potential, exit opportunities, and comparable market transactions all influence secondary market pricing. Additionally, recent strong capital inflow for the asset class may be putting pressure on acquirers to put money to work, potentially contributing to the recent uptick in pricing. ■

PREPARED BY MARQUETTE ASSOCIATES

180 North LaSalle St, Ste 3500, Chicago, Illinois 60601 PHONE 312-527-5500
CHICAGO BALTIMORE MILWAUKEE PHILADELPHIA ST. LOUIS WEB marquetteassociates.com

CONFIDENTIALITY NOTICE: *This communication, including attachments, is for the exclusive use of the addressee and contains proprietary, confidential and/or privileged information; any use, copying, disclosure, dissemination, or distribution is strictly prohibited. Marquette Associates, Inc. retains all proprietary rights they may have in the information.*

Marquette Associates, Inc. ("Marquette") has prepared this document for the exclusive use by the client or third party for which it was prepared. The information herein was obtained from various sources, including but not limited to third party investment managers, the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources.

The sources of information used in this document are believed to be reliable. Marquette has not independently verified all of the information in this document and its accuracy cannot be guaranteed. Marquette accepts no liability for any direct or consequential losses arising from its use. The information provided herein is as of the date appearing in this material only and is subject to change without prior notice. Thus, all such information is subject to independent verification and we urge clients to compare the information set forth in this statement with the statements you receive directly from the custodian in order to ensure accuracy of all account information. Past performance does not guarantee future results and investing involves risk of loss. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell.

Forward-looking statements, including without limitation any statement or prediction about a future event contained in this presentation, are based on a variety of estimates and assumptions by Marquette, including, but not limited to, estimates of future operating results, the value of assets, and market conditions. These estimates and assumptions, including the risk assessments and projections referenced, are inherently uncertain and are subject to numerous business, industry, market, regulatory, geopolitical, competitive, and financial risks that are outside of Marquette's control. There can be no assurance that the assumptions made in connection with any forward looking statement will prove accurate, and actual results may differ materially.

The inclusion of any forward-looking statement herein should not be regarded as an indication that Marquette considers forward-looking statements to be a reliable prediction of future events. The views contained herein are those of Marquette and should not be taken as financial advice or a recommendation to buy or sell any security. Any forecasts, figures, opinions or investment techniques and strategies described are intended for informational purposes only. They are based on certain assumptions and current market conditions, and although accurate at the time of writing, are subject to change without prior notice. Opinions, estimates, projections, and comments on financial market trends constitute our judgment and are subject to change without notice. Marquette expressly disclaims all liability in respect to actions taken based on any or all of the information included or referenced in this document. The information is being provided based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any interest in any investment vehicle, and should not be relied on as such. Targets, ranges, and expectations set forth in this presentation are approximations; actual results may differ. The information and opinions expressed herein are as of the date appearing in this material only, are subject to change without prior notice, and do not contain material information regarding the Marquette Model Portfolio, including specific information relating to portfolio investments and related important risk disclosures. The descriptions herein of Marquette's investment objectives or criteria, the characteristics of its investments, investment process, or investment strategies and styles may not be fully indicative of any present or future investments, are not intended to reflect performance and may be changed in the discretion of Marquette. While the data contained herein has been prepared from information that Marquette believes to be reliable, Marquette does not warrant the accuracy or completeness of such information. Client account holdings may differ significantly from the securities in the indices and the volatility of the index may be materially different from client account performance. You cannot invest directly in an index.

About Marquette Associates

Marquette was founded in 1986 with the sole objective of providing investment consulting at the highest caliber of service. Our expertise is grounded in our commitment to client service — our team aims to be a trusted partner and as fiduciaries, our clients' interests and objectives are at the center of everything we do. Our approach brings together the real-world experience of our people and our dedication to creativity and critical thinking in order to empower our clients to meet their goals. Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request and on our website. For more information, please visit www.MarquetteAssociates.com.