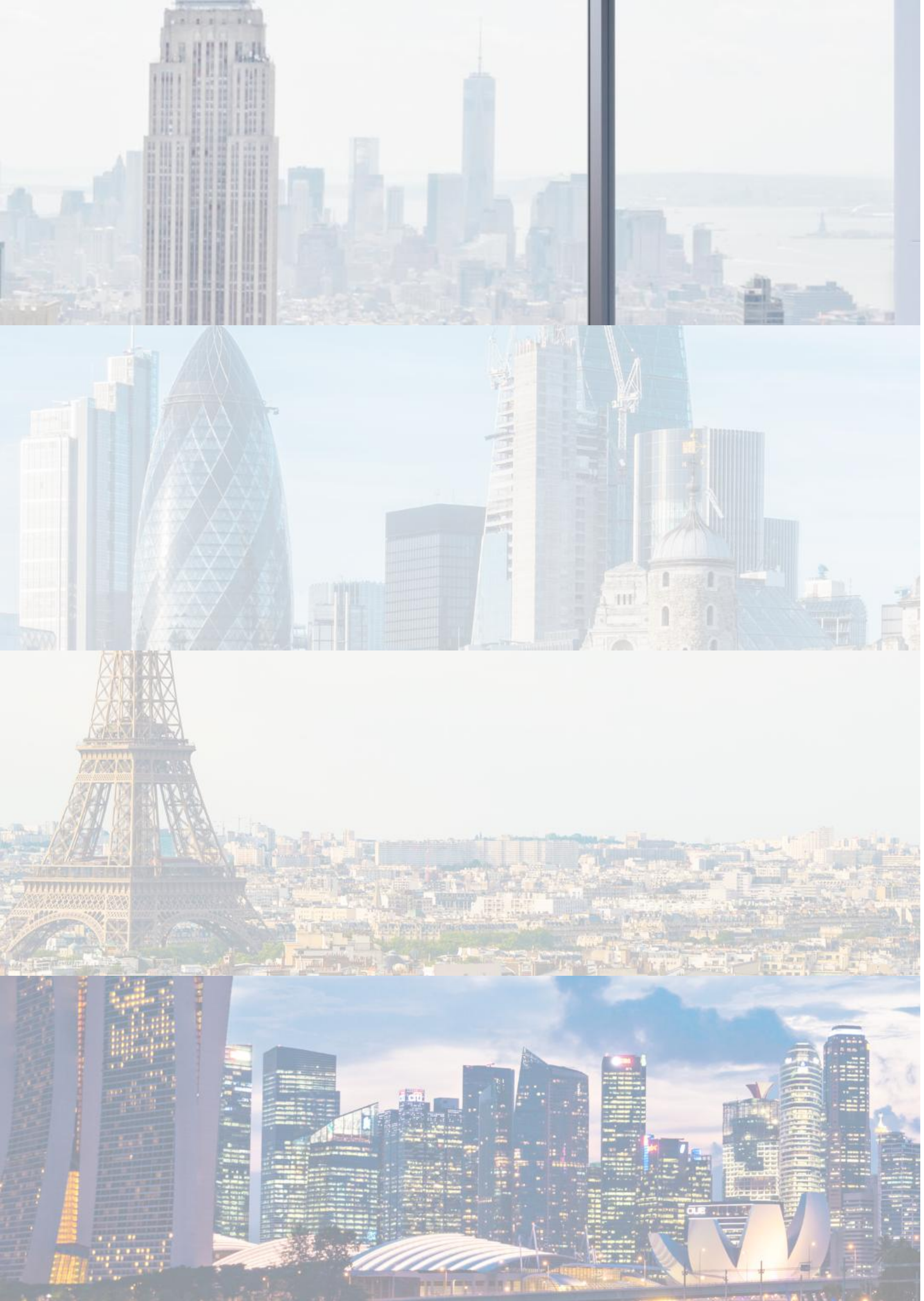

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AUGUST 2026

LAZARD

PRIVATE CAPITAL ADVISORY

Interim Secondary Market Report 2026

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As used herein, "Lazard Estimates" refers to a global survey that Lazard launched to take inventory on the secondary market in 2026 and an internal database at Lazard that tracks financial sponsor secondary transactions. The database aggregates information gathered from publicly available sources, discussions with secondary investors and transactions Lazard has executed in the applicable calendar year. The database does not capture all financial sponsor secondary transactions, and certain values in the database are estimates.

Introductory Remarks – Holcombe Green III

Following a record-setting 2025, the secondary market continued its acceleration in the first half of 2026, generating an estimated $124 billion in transacted volume and a record $260 billion over the trailing twelve months

The secondary market extended its record trajectory in the first half of 2026, generating an estimated $124 billion in transacted volume, up approximately 28% year-over-year and a new first-half record. Trailing-twelve-month volume through June 2026 reached approximately $260 billion, double the market's 2021 level, with both the GP-led and LP-led segments reaching new highs. Notably, these records came even as M&A volume surpassed its 2021 peak and IPO issuance rebounded sharply. The M&A recovery, however, has been driven disproportionately by large strategic transactions, while sponsor-led M&A has yet to fully rebound, leaving traditional exit channels selective for private equity. Together, this is evidence that secondaries have become a structurally growing source of liquidity and portfolio management for sponsors and limited partners alike. While adjustments in software valuations and geopolitical uncertainty tempered second-quarter activity, we expect growth to accelerate and volume to meet our full-year prediction of $275 billion.

The GP-led market represented approximately 49% of first-half volume with continuation funds accounting for 84% of GP-led deployment. Single-asset continuation funds rose to 54% of total GP-led transaction volume, extending the structural shift toward concentrated, high-conviction transactions. Pricing remained a clear signal of demand: Approximately 87% of single-asset continuation fund volume priced above 90% of net asset value ("NAV"), and the share of volume pricing above par nearly tripled to 23%, as an expanding and increasingly specialized buyer base competed for assets with strong revenue visibility and durable cash flows. The opportunity set also broadened meaningfully with Industrials, Business Services and Healthcare each gaining considerable share as Technology declined but remained the top sector overall; together, the top four sectors represented approximately 72% of single-asset volume.

The LP-led market accounted for approximately 51% of first-half volume, as limited partners continued to take their liquidity needs into their own hands amid persistent distribution pressure. Investors grew more selective, concentrating capital in smaller, targeted portfolios, while pricing remained well-supported by a deep and well-capitalized buyer universe. With a healthy backlog of portfolio opportunities and seasonality favoring the second half, we expect LP-led activity to accelerate through year-end.

Capital formation remains exceptionally strong. Approximately 76% of surveyed investors are raising flagship funds, 40% now operate an evergreen or '40 Act vehicle, and investors hold roughly $77 billion of dry powder earmarked for second-half GP-led deployment alone, more than the entire first-half GP-led market. With roughly 60% of annual GP-led volume historically closing after June, the market is well positioned for a record full year in 2026.

Finally, we were pleased to share an exciting development for our own franchise in the first half of this year. Lazard has entered into a definitive agreement to acquire Campbell Lutyens, a premier global private markets advisor, with closing anticipated later in 2026, subject to customary regulatory approvals. Upon closing, the combination will create Lazard CL, the largest and most comprehensive private capital advisory business in the world: more than 280 advisory professionals across 18 cities in 10 countries, over $190 billion of combined capital raised across 2024 and 2025, and complementary strengths spanning GP-led secondaries, fund placement, GP capital advisory, infrastructure and credit. We believe this combination will meaningfully deepen the insight, relationships and execution capabilities we bring to our clients worldwide. As always, we remain ready to address your needs in the secondary market. Thank you for reading our report, and we look forward to hearing from you.

~$260B
LTM Secondary Deal Volume through June 2026

~49%
Estimated GP-Led Market Share in 1H 2026

~54%
Estimated GP-Led Volume in Single-Asset Continuation Funds in 1H 2026

~87%
Estimated Share of Single-Asset Volume that Priced above 90%[1] of NAV in 1H 2026

+6 ppt
Average Share Increase across Top-Three Non-Tech Sectors by Single-Asset Volume in 1H 2026[2]

~23%
Investors Reporting an Average GP-Led Commitment >$200M

~76%
Percentage of Respondents Currently Fundraising for Flagship Fund

~$275B
Expected Secondary Market Volume for 2026

Source: *Lazard Estimates.*
1 Based on volume deployed by individual investors into single-asset transactions.
2 Represents Industrials, Healthcare and Business Services.

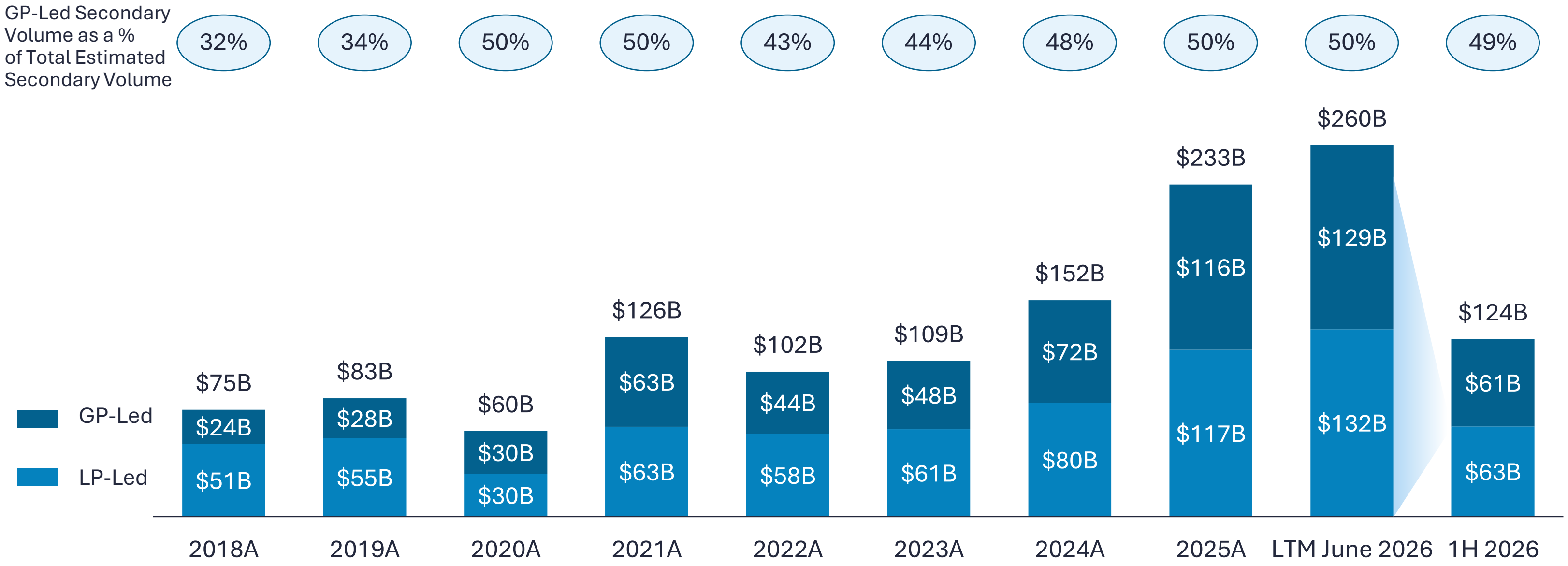
Table of Contents

I Secondary Market Overview

The Secondary Market Sustained Its Growth Momentum in the First Half of 2026

The secondary market sustained the growth momentum observed over the past two years with LTM volume through June 2026 increasing relative to CY 2025. Supported by several structural market drivers, both GP-led and LP-led segments reached new volume highs

Total Secondary Market Volume and Consecutive Periods of Growth



LAZARD Observation

- 1H 2026 secondary market volume reached a record first-half level, positioning 2026 for a record full year, as deployment is expected to accelerate in 2H 2026
- While closings remained elevated through 1H 2026 as previously launched processes came to completion, new deal launches moderated in mid-1H amid softer software conditions and geopolitical uncertainty. A growing backlog and extensive dry powder position the market for a reacceleration in activity during 2H 2026

Key Market Themes / Drivers for 2026

Sellside Themes (GPs and LPs)

- Large-Cap Sponsors Embrace the Secondary Market as a Mainstream Liquidity Tool
- Issuance of Continuation Funds Accelerates Outside Technology (e.g., Healthcare, Industrials, Services)
- Continuation Fund-to-Continuation Fund Exits Emerge as a Structural Tool for GPs Continuing to Drive Value in Trophy Assets

Buyside Themes (Secondary Investors)

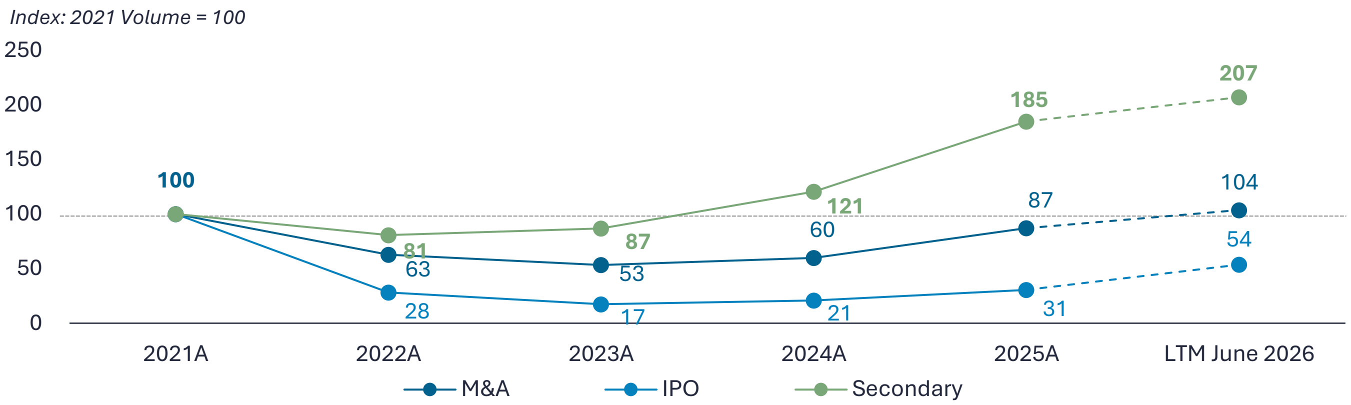
- Fundraising Momentum Signals Sustained Buyside Conviction in Secondaries as an Asset Class
- Secondary Buyers Sharpen Underwriting Discipline amid Widening Software Bid–Ask Spreads
- ’40 Act and Evergreen Capital Continue to Scale Check Sizes for GP-Led Deals

Source: *Lazard Estimates (market volume analysis is based on survey feedback from 80+ secondary investors).*
Note: Figures may not add up as a result of rounding.

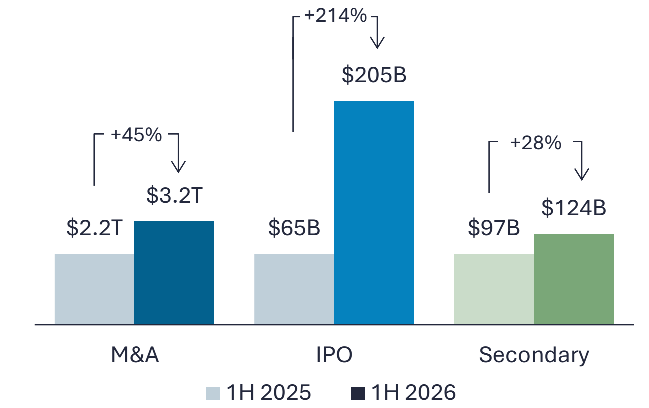
Secondary Market Volume Reaches a New Record as Exit Markets Normalize

Secondary market volume has reached a new trailing-twelve-month record, double its 2021 level, even as the broader M&A market surpasses its 2021 peak and IPO proceeds accelerate on megadeal concentration

Global Market Volumes, Indexed to 2021 Levels by Product



1H 2025 vs. 1H 2026 Market Volumes



M&A Market

- M&A volume reached $3.2 trillion in 1H 2026, up ~45% versus 1H 2025, one of the strongest first halves on record
- Trailing-twelve-month volume hit $6.2 trillion through June 2026, surpassing the 2021 peak
- Value rose far faster than deal count (+45% vs. +1%), reflecting a concentration in large strategic transactions rather than a broad-based recovery; sponsor-led M&A has lagged, and PE exit channels remain selective

IPO Market

- IPO proceeds more than tripled to $205 billion in 1H 2026, driven disproportionately by a handful of outsized US listings
- Trailing-twelve-month IPO proceeds reached $325 billion through June 2026, approximately 75% above 2025 levels but still only about half of the 2021 peak
- A healthy backlog of large-cap issuers could make the second half of 2026 one of the most active IPO windows since 2021

Secondary Market

- Lazard estimates 1H 2026 volume at $124 billion, up 28% year-over-year on the back of a record 2025
- Trailing-twelve-month secondary volume reached $260 billion through June 2026, a new record high
- Secondary volume has grown to more than twice its 2021 level (index 207), far outpacing M&A (index 104) and IPO issuance (index 54) over the same period

LAZARD Observation

- Secondary market volume continues to reach new highs even as headline M&A activity has exceeded its 2021 peak and IPO issuance has rebounded sharply. The M&A recovery has been concentrated in large strategic deals, and sponsor-led M&A has not yet fully recovered, so exit conditions for private equity remain more constrained than headline volumes suggest. Secondaries are therefore serving both cyclical liquidity needs and a durable, increasingly strategic role in portfolio construction and concentration management for both GPs and LPs
- With traditional exit markets improving and a sizable backlog of GP-led transactions and LP portfolio opportunities, secondary market volumes should remain well-supported in 2H 2026

Source: Dealogic, Lazard Estimates.
Note: Figures may not add up as a result of rounding.

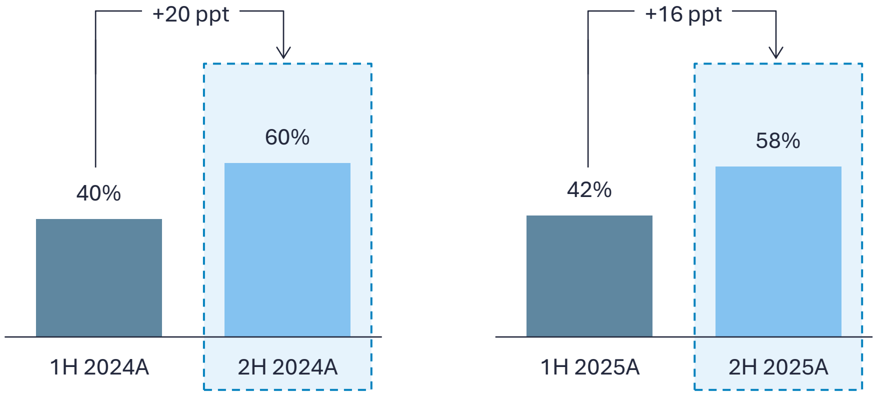
II GP-Led Deep Dive

Deployment Has Historically Favored the Second Half of the Year for GP-Led Secondaries …

GP-led deployment has historically skewed toward the second half of the year, and growing transaction backlogs and respondents' forward deployment expectations point to a similar acceleration in 2H 2026

1H and 2H Single-Asset Continuation Fund Deployment Pace

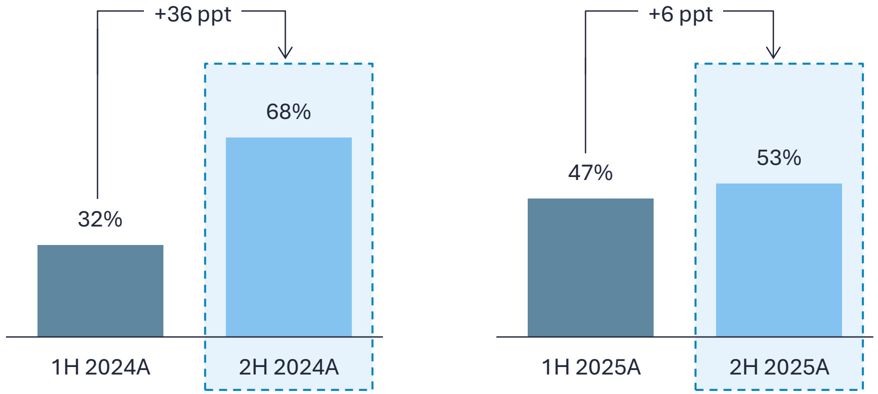
% of Annual Single-Asset Continuation Market Deployment by Half, 2024 – 2025



59% Average Share of Annual Volume occurring in the second half of the year, 2024A - 2025A

1H and 2H Multi-Asset Continuation Fund Deployment Pace

% of Annual Multi-Asset Continuation Market Deployment by Half, 2024 – 2025



61% Average Share of Annual Volume occurring in the second half of the year, 2024A - 2025A

LAZARD Observation

- Historically, deployment within the GP-led market has skewed toward the second half of the year across both single-asset and multi-asset continuation funds. This historical seasonality suggests a stronger second half in 2026, particularly given the evolving market backdrop
- Looking ahead to 2H 2026, respondents indicated that their own GP-led deployment targets are expected to increase by an average of 20% relative to 1H 2026. While these targets reflect investor demand intentions rather than overall market volume, they could support increased activity if deal supply remains available
- Technology may provide an incremental source of 2H activity, as transactions that paused or failed to close in 1H could return to market amid stabilizing software valuation expectations, narrowing bid–ask spreads and a more constructive market backdrop. The potential deferred activity pool is meaningful with respondents reporting approximately 27% of transactions having failed or been paused in 1H 2026

Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.

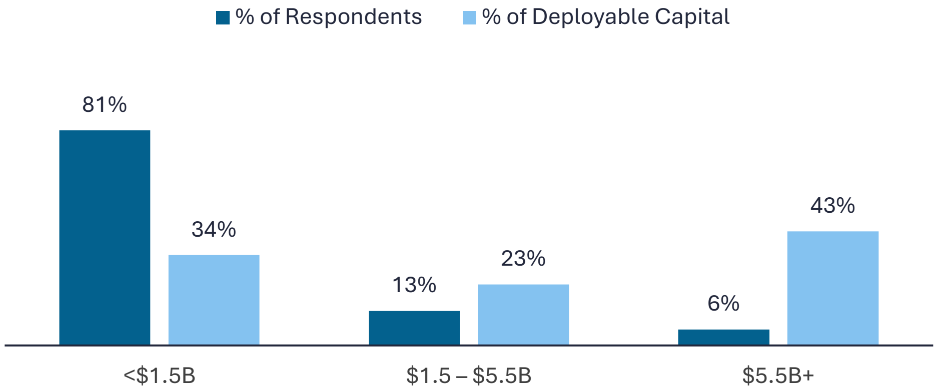
… And Current Dry Powder Earmarked for 2H 2026 Suggests This Trend Will Continue

Surveyed investors hold ~$77 billion of dry powder for 2H 2026 GP-led deployment, more than the 1H 2026 GP-led market, with the largest investors controlling a disproportionate share

$77B+ Reported dry powder earmarked for GP-led deals in 2H 2026, which exceeds total 1H 2026 GP-led volume (~$61B)

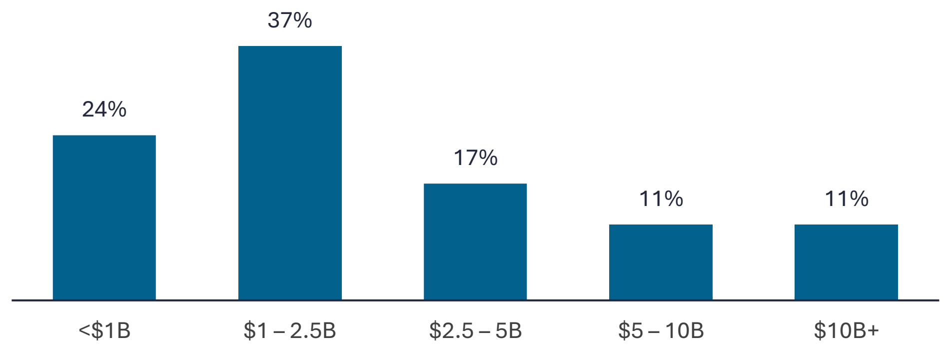
76% Raising a flagship secondary fund in 2026, replenishing capacity into 2027

Who Holds 2H 2026 Capital: Respondents vs. Dry Powder



6% of investors hold ~43% of 2H 2026 deployable capital, positioned to anchor 2H 2026 deal flow

Target Size of New Flagship Funds



11% targeting $10B+ mega-fund flagship funds (~22% at $5B+), as secondary platforms continue to scale larger

LAZARD Observation

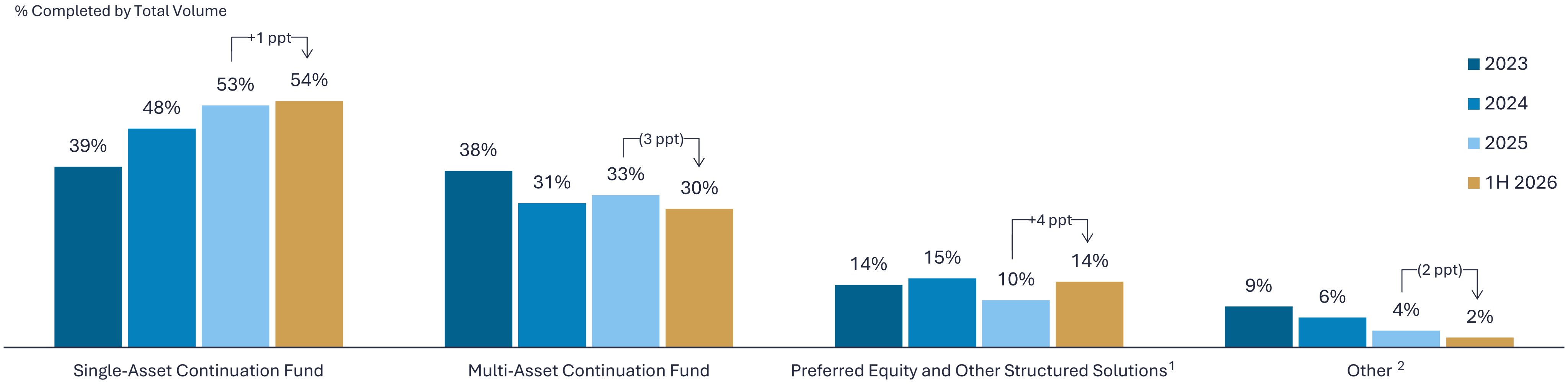
- Capital availability for GP-led opportunities continues to be robust for the second half of the year. Buyers report ~$77 billion of GP-led dry powder versus a ~$61 billion 1H 2026 market, creating ample capacity to drive continued growth and support competitive pricing
- Concentration will drive large-deal outcomes. The 6% of investors controlling approximately 43% of capital will influence clearing prices, making anchor commitments critical; mid-sized investors provide syndication depth
- With 76% of respondents raising flagship funds in 2026 and 11% targeting $10 billion-plus vehicles, the market's capacity is set to expand into 2027

Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.

Deployment by Transaction Type – Continued Single-Asset Continuation Fund Issuance

Continuation funds accounted for 84% of GP-led volume in 1H 2026 with single-asset continuation funds rising marginally to represent 54% of total deployment. This continued increase underscores buyer appetite for concentrated, high-conviction opportunities and sponsor inclination to hold onto the highest-performing assets in their private equity portfolios

Capital Deployment by Transaction Type



LAZARD Observation

- Single-asset continuation funds increased marginally to 54% of total GP-led volume in 1H 2026, extending the structural shift toward concentrated, high-conviction transactions. Sponsors continue to prioritize their highest-quality assets, while buyers favor the enhanced diligence, alignment and more targeted underwriting afforded by single-asset processes
- Multi-asset continuation funds declined to 30% of volume from 33% in 2025 but remain a significant component of the market. These transactions continue to offer investors diversification and concentration management benefits, although buyer selectivity is greater where portfolios feature more varied asset quality, performance profiles or sector exposure
- Preferred Equity and Other Structured Solutions increased to 14% of volume from 10% in 2025, highlighting continued demand for flexible liquidity solutions where a traditional continuation fund may not be optimal

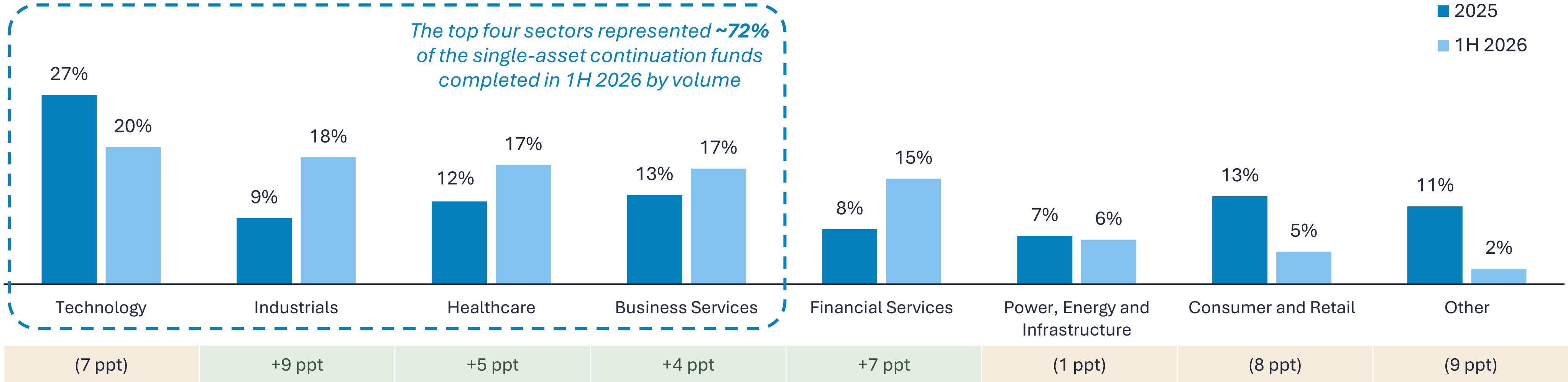
Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.
1 Excludes certain direct secondary sales and certain deferral mechanisms.
2 Includes tender offers and strip sales.

Deployment by Sector – Single-Asset Continuation Funds

Technology, Industrials, Healthcare and Business Services were the top four sectors by volume of single-asset continuation funds closed in 1H 2026

Investments in Single-Asset Continuation Funds by Sector

% of Single-Asset Transactions Completed by Sector (by Volume)



LAZARD Observation

- Technology's share declined from 27% in 2025 to 20% in 1H 2026, as buyers applied greater scrutiny to software and SaaS assets facing potential AI-driven disruption, including uncertainty around product differentiation, pricing power and the durability of growth. Technology nevertheless remained the largest sector by volume, in part reflecting transactions initiated in 2025 that progressed to closing during Q1 2026
- Industrials increased materially from 9% to 18% of single-asset continuation fund volume, reflecting buyer interest in businesses with resilient end markets, recurring revenue and identifiable operational value-creation opportunities
- Business Services and Healthcare also gained share, rising from 13% to 17% and 12% to 17% of volume, respectively. Both sectors were also top destinations for capital rotating away from software, due to the recurring, often long-term contracted revenue base in select Business Services segments and the underlying defensibility of Healthcare
- Consumer and Retail declined from 13% to 5%, consistent with continued buyer caution around discretionary demand, input-cost and tariff pressures and more variable earnings profiles. The sector mix illustrates continued selectivity as buyers are prioritizing assets with durable cash flows and identifiable downside protection

Source: Lazard Estimates.
Note: Figures may not add up as a result of rounding.

Buyout Continuation Fund Pricing Reflects an Increasingly Segmented Market

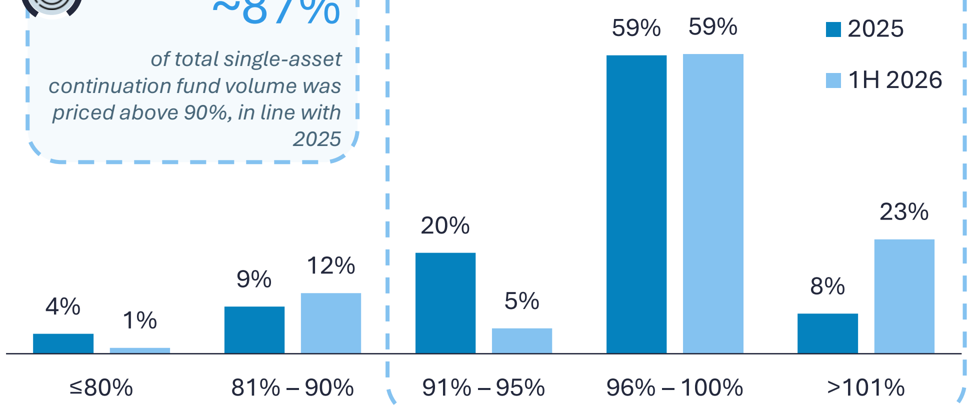
A growing and increasingly specialized buyer base is supporting competitive processes for proven assets and expanding the share of premium-priced transactions, while greater selectivity in underwriting is contributing to a higher proportion of multi-asset continuation fund volume pricing at a discount

Buyout Single-Asset Continuation Funds

Weighted Average GP-Led Pricing over Time[1,2]

~87%

of total single-asset continuation fund volume was priced above 90%, in line with 2025

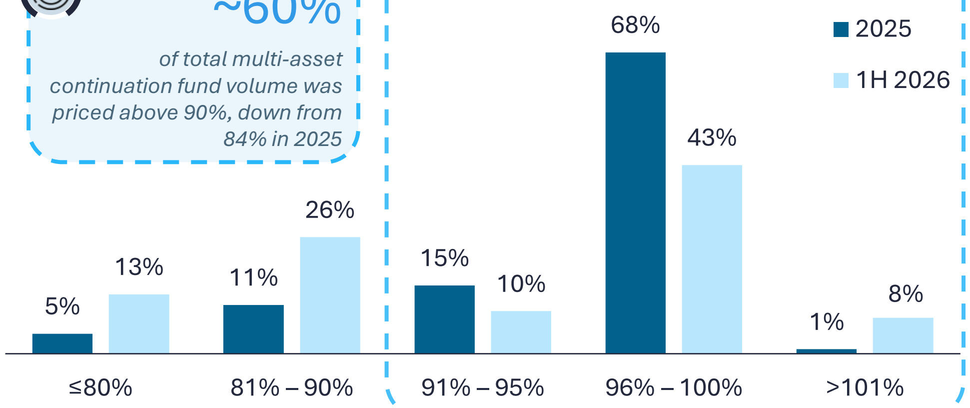


Buyout Multi-Asset Continuation Funds

Weighted Average GP-Led Pricing over Time[1,2]

~60%

of total multi-asset continuation fund volume was priced above 90%, down from 84% in 2025



LAZARD Observation

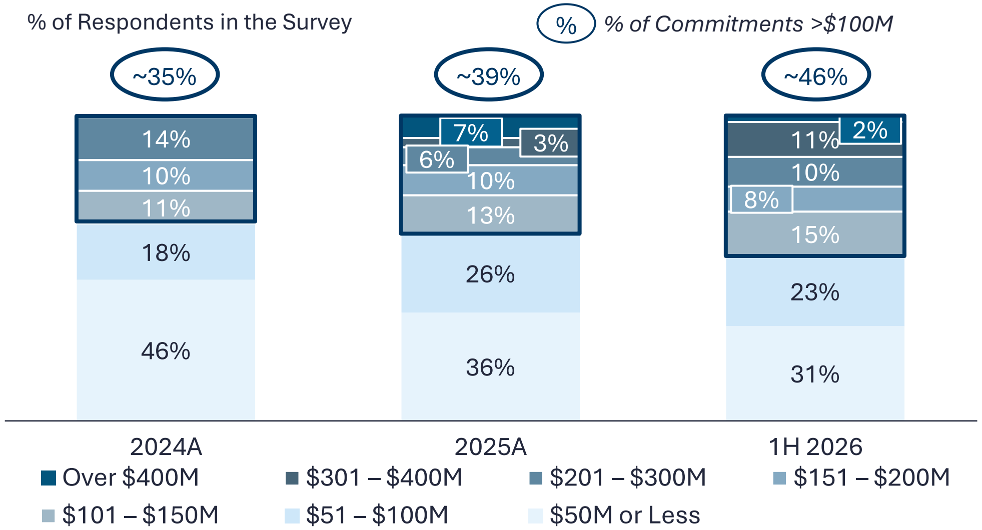
- Premium pricing strengthened in 1H 2026 with 23% of single-asset continuation fund volume and 8% of multi-asset continuation fund volume pricing above par, versus 8% and 1%, respectively, in 2025. Premium carry tiers also increased to approximately 39% of deals, from 25% in 2025
- Single-asset continuation fund pricing is becoming increasingly bifurcated as trophy assets continue to command strong valuations while transactions that do not meet pricing expectations appear less likely to close. Accordingly, the share of single-asset continuation fund volume pricing at 91–95% of NAV declined from 20% in 2025 to 5% in 1H 2026
- Multi-asset continuation funds offer greater execution flexibility, but investors are demanding sharper pricing for complexity. While the share of volume priced at 91–95% of NAV declined modestly from 15% in 2025 to 10% in 1H 2026, the share priced below 90% rose to 40% from 16%, reflecting greater discounts for mixed portfolios and performance profiles
- Pricing is becoming increasingly sector-dependent with software facing more fundamental scrutiny as investors place less reliance on sponsor-marked NAV

Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.
1 Pricing percentage is expressed by reference to portfolio / asset NAV as of the reference date.
2 Weighted average GP-led pricing is calculated using the volume of GP-led transactions completed by each respondent.

Deployment Trends – Average Commitment Sizes Continue to Increase

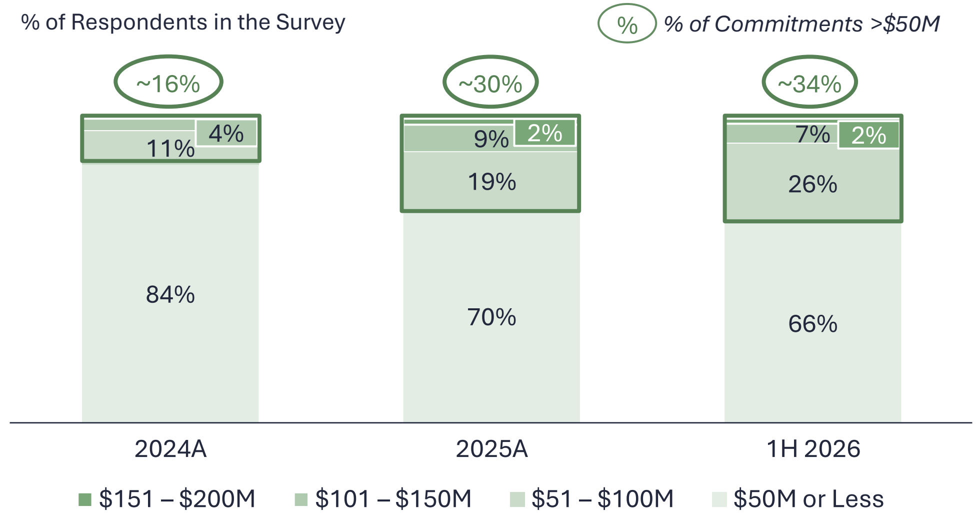
Larger capital pools and greater conviction in high-quality GP-led opportunities pushed average tickets higher in 1H 2026 with average lead commitments above $100M reaching ~46% of participants (~39% in 2025A) and syndicate tickets above $50M edging up to ~34% of participants

Average Lead Investor Commitment[1]



~46% of lead investors had an average commitment greater than $100M in 1H 2026

Average Syndicate Investor Commitment[2]



~34% of syndicate investors had an average commitment greater than $50M in 1H 2026

LAZARD Observation

- Strong secondary fundraising and increasing confidence in high-quality GP-led transactions have supported larger lead commitments with the proportion of lead tickets exceeding $100M rising to approximately 46% in 1H 2026, from ~39% in 2025A and ~35% in 2024A
- Syndicate participation is also scaling with approximately 34% of syndicate investors reporting average commitments above $50M in 1H 2026, up from ~30% in 2025A and ~16% in 2024A, underscoring the broader trend toward larger syndicate checks
- The continued growth in both lead and syndicate check sizes indicates increasing investor conviction in larger GP-led opportunities and a greater willingness to underwrite concentrated exposures

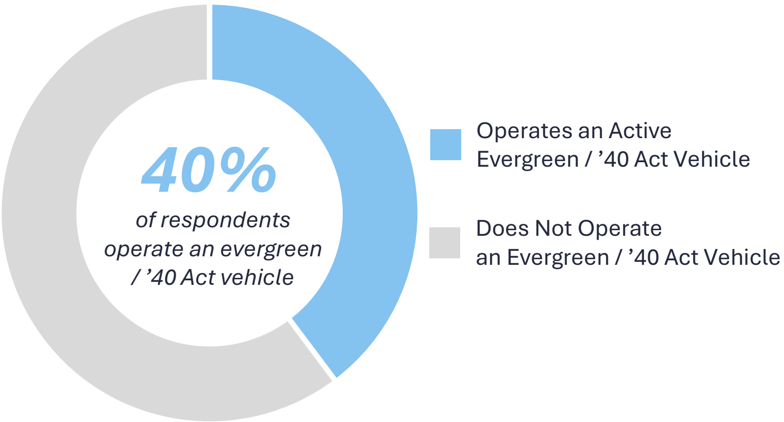
Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.
1 Due to data limitations, 2024A treats all check sizes above $200M as part of the $201 – $300M category.
2 Due to data limitations, 2024A treats all check sizes above $100M as part of the $101 – $150M category.

Secondary Investors Continue to Raise and Deploy from Evergreen Vehicles

Evergreen ('40 Act) vehicles, open-ended funds without fixed end dates, are a fast-growing channel for private wealth capital in private equity. Today, approximately 40% of secondary investors manage evergreen vehicles, and 40% of those investors have deployed this capital in more than half of the continuation fund deals in which they have invested in 2026 to date

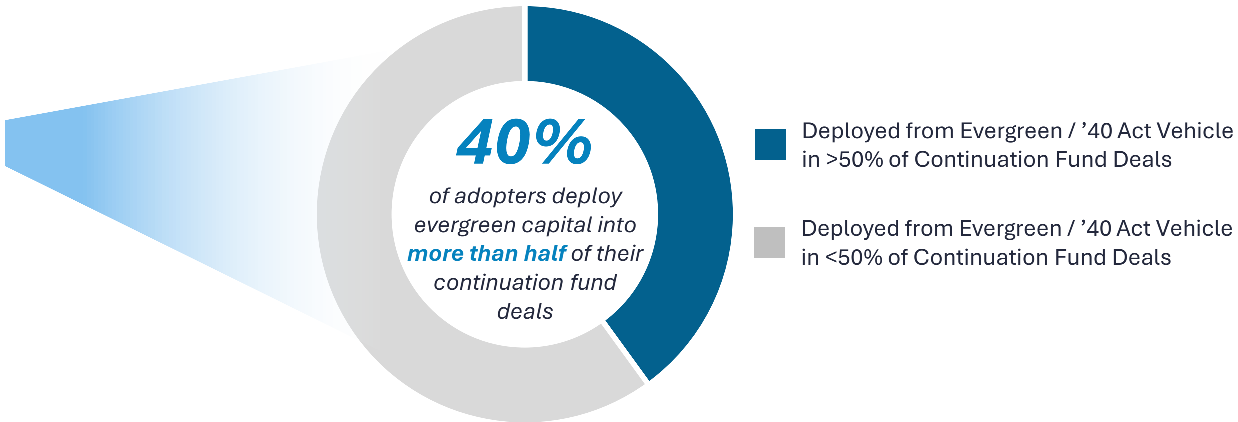
Evergreen / '40 Act Vehicle Adoption

% of Respondents in the Survey



Frequency of Use among Applicable Continuation Fund Investors[1]

% of Respondents with Evergreen / '40 Act Funds (by Deployment Rate)



LAZARD Observation

- The share of respondents operating an evergreen / '40 Act vehicle increased to 40% in 1H 2026, from 34% at year-end 2025. As more secondary investors have raised '40 Act / evergreen vehicles in recent years, their use in the continuation fund market has continued to expand
- Growth in evergreen / '40 Act fund AUM is increasing demand for rapidly deployable, diversified private market investments with recurring or predictable cash flows; multi-asset continuation funds are well-positioned to meet these requirements
- Greater evergreen capital availability and the generally lower return thresholds of these vehicles have supported secondary market pricing, generally compressed bid–ask spreads and intensified competition for LP interests
- Secondary investors are expected to continue raising and deploying capital through traditional closed-end flagship funds alongside evergreen / '40 Act vehicles. The ability to invest from both structures should broaden capital availability in the secondary market and help moderate the fundraising-related fluctuations in market activity seen historically

Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.
1 Represents evergreen adopters, measured by deal count; no respondents fell between 60% – 90%. Evergreen-exclusive firms are typically smaller, evergreen-only platforms.

III Thematic Deep Dive: Evolving Software Views in the Secondary Market

Following Early 2026 Volatility, Software Repricing Is Tracking a Predictable Sequence

The software secondary market is recalibrating after early-2026 volatility. Buyers have moved quickly to reprice opportunities while sellers are still adjusting, and capital has shifted toward new opportunities in the meantime

1 Volatility Hits

~86%

of surveyed secondary investors report greater caution toward software since the early-2026 shakeout

~19% significant caution; ~67% moderate caution

2 Buyers Reprice Unevenly

~64%

cite outright price compression across the sector, while 21% see more selective, quality-driven dispersion

Discounts are deepest in software businesses with significant AI displacement risks

3 Sellers Adjust Slower

~60%

note that GPs adjusted marks only modestly in 1H 2026 and, in many situations, continue to anchor to prior peak marks

vs. only 10% perceive a meaningful adjustment downward

4 Spread Widens, Capital Rotates

~46%

say bid–ask spreads in software-focused secondary transactions have widened over the past six months

In the months since, secondary investors have broadly rotated toward industrials, services and healthcare opportunities

LAZARD Observation

- Buyer caution toward software has broadened across the market with a majority of respondents describing the shift as modest rather than a wholesale re-rating of the sector
- Buyers are increasingly sorting by quality rather than applying a uniform discount, consistent with durable software separating from more exposed business models
- Sellers have adjusted as well, albeit slower than buyers, with broader market commentary pointing to real NAV markdowns already taken on software even as only a handful of respondents view GP marks as meaningfully adjusted downward
- The resulting spread looks more like a temporary dislocation than a permanent retreat with capital rotating broadly in the interim before durable software is expected to reenter the pipeline as repricing completes

Source: *Lazard Estimates.*
Note: Figures may not add up as a result of rounding.

Buyers Are Screening for AI Durability and Redirecting Capital While They Wait

As AI reshapes what counts as a durable software business, secondary investors are underwriting deals differently and shifting capital to other opportunities while they wait for greater clarity on disruption of business models and valuation, a shift already visible in 1H 2026 deal activity

Shifting Post-AI Software Underwriting …

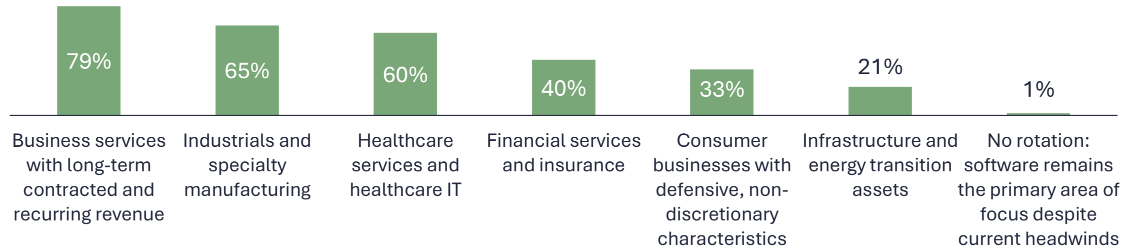
In light of AI disruption, the underwriting criteria for software assets have materially changed, with investors placing:

- **80%** *Greater weight on proprietary data advantages and network effects that AI-native entrants cannot easily replicate*
- **63%** *Deeper diligence on the asset's product roadmap and the GP's AI integration and value creation strategy*
- **57%** *More scrutiny on customer concentration and the AI substitution exposure of key accounts*
- **34%** *Greater emphasis on net revenue retention as a signal of product indispensability*
- **34%** *Increased focus on contract structure: multi-year commitments and switching cost visibility*

Only 4% of survey respondents noted no change in their approach to software underwriting in 1H 2026

… Is Redirecting Capital to Other Business Types[1]

Secondary investors are rotating capital into business services with long-term contracted and recurring revenue, industrials and specialty manufacturing and healthcare (services and IT)



For the Software Assets Investors Do Evaluate, Long-Term AI Defensibility Is Key

Primary Moats – Cited by the Majority of Investors

91%
Proprietary data and network effects not easily replicated by AI

80%
Deep workflow integration and switching costs in customer base

59%
AI-native / augmented asset vs. displacement target

Secondary Moats – Less of a Focus but Still Important Considerations for Investors

29%
Demonstrated net revenue retention through AI disruption in adjacent markets

28%
Customer base in regulated industries with slow AI adoption curves

8%
GP track record of successfully navigating prior technology transitions at portfolio companies

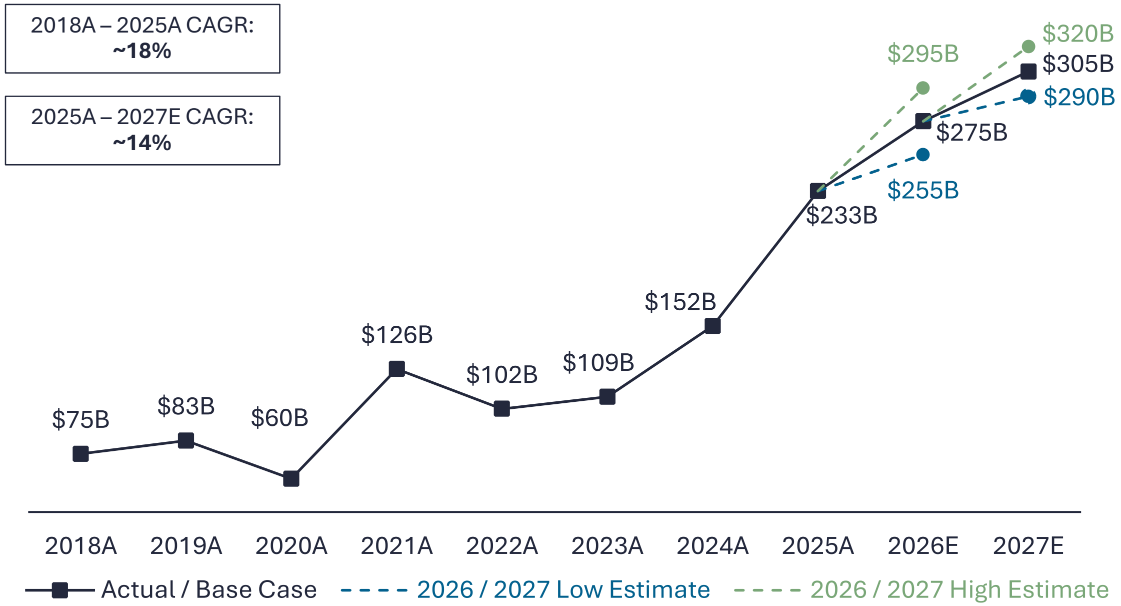
Source: *Lazard Estimates.*
1 Represents the percentage of respondents who selected each sector as one of up to three priority areas for GP-led secondary exposure outside of software.

IV Outlook and Predictions

Outlook for the Secondary Market in 2026

Despite broader macroeconomic uncertainty, secondary market activity remained resilient in 1H 2026. Full-year volume is expected to meet prior estimates as momentum accelerates into 2H 2026, supported by persistent portfolio liquidity needs, increasing demand from ’40 Act funds, continued new-market entrant activity and broader adoption of GP-led solutions

1H 2026 / 2026 Outlook for Secondary Market Volumes



- The secondary market maintained record momentum in 1H 2026 with 2026 volume expected to meet prior estimates as growth shifts to 2H 2026
- Dry powder, underpinned by new sources like ’40 Act funds and evergreen vehicles, continues pushing volumes upward in GP-led and LP-led transactions, though capital is intensifying pricing competition
- With headline M&A at a record high, though concentrated in strategic deals, and the IPO market recovering, the secondary market remains resilient; still-selective sponsor exit channels continue to support GP-led supply and buyer conviction even as wide bid–ask spreads and valuation uncertainty temper deal pace

Key Opportunities and Challenges for the Next 12 Months

Top 3 Opportunities (by % of Respondents)

30%	Persistent distributions to paid-in capital (“DPI”) and liquidity pressures continue to drive both LP portfolio sales and continuation fund supply
28%	Sustained growth in GP-led transactions, led by single-asset continuation funds from repeat and first-time issuers
20%	Increasing adoption of structured and creative deal solutions, including deferrals, minority recaps and direct share purchases, is broadening the buyer opportunity set

Top 3 Challenges (by % of Respondents)

35%	Macroeconomic and geopolitical volatility, including rate policy, tariff uncertainty and geopolitical conflict, weighs on market outlook
29%	Differing views between sellers and GPs on pricing and alignment in continuation fund transactions with seller expectations lagging repriced portfolios
27%	Elevated uncertainty around software and SaaS valuations, compounded by the risk of AI-driven business model disruption

Source: Lazard Estimates.

Progress Toward Our 2026 Predictions

A mid-year check against the eight predictions from our year-end 2025 Secondary Market Report

	Prediction	Mid-Year Progress Update		
1	GP-led transactions will surpass LP-led activity as the dominant segment of the market	Too Early to Determine	49% of Respondents Agree	• GP-led and LP-led volumes remained broadly balanced through the first half of 2026, although 62% of forward commitments are expected to favor GP-led transactions
2	Large-cap sponsors will increasingly tap the secondary market for liquidity solutions and private IPOs	On Track	96% of Respondents Agree	• Large sponsors are increasingly using the secondary market to generate DPI and extend ownership of trophy assets as traditional exit markets remain selective
3	’40 Act and evergreen vehicles will continue to expand AUM, growing the secondary market	On Track	93% of Respondents Agree	• The share of managers raising ’40 Act and evergreen vehicles continues to rise, as does AUM across the industry, contributing to greater capital availability and competition for secondary transactions
4	Private credit secondaries will see outsized growth relative to other alternative asset classes	On Track	81% of Respondents Agree	• Investor conviction remains strong as new credit managers enter the market and dedicated credit-secondary pools expand. Issuance has been constrained primarily by software-exposed portfolios
5	As investor competition intensifies and new entrants proliferate, secondary investors will increasingly specialize by sector or asset class	On Track	74% of Respondents Agree	• New entrants, often with direct-investing backgrounds, are launching focused strategies with a growing number pursuing GP-led-only or sector-specific mandates
6	Continuation fund-to-continuation fund (“CV-to-CV”) exits will become more common as GPs hold onto top-performing assets	On Track	81% of Respondents Agree	• As the first large wave of continuation funds matures, CV-to-CV exits are emerging as a credible realization path for trophy assets and are becoming more common with multiple examples over the last year
7	Whole-fund recapitalizations will become more prevalent as fundraising alternatives for managers undergoing generational transitions	Too Early to Determine	51% of Respondents Agree	• While market data indicates GP direct stake solutions are growing, whole-fund recapitalizations through the secondary market remained a niche structure through the first half of 2026
8	Continuation fund transactions will see declines in existing-LP selling volumes, driven by greater use of deferrals and LPs’ desire to maintain exposure	Not Yet on Track	36% of Respondents Agree	• Deferral usage remained a feature of the market, but existing LPs continue to favor selling over rolling their interests, indicating that liquidity needs still outweigh the desire to maintain exposure

Source: Lazard Estimates.

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