

ASANTE

QUARTERLY PRIVATE MARKETS OUTLOOK

Market Pulse

It's More Than Just Primary Fundraising These Days

The rise of multi-track capital solutions in a liquidity-constrained market across primaries, co-investments, and secondaries.



The single-track era is over

As we move through the second quarter of 2026, it is increasingly evident that capital formation in private markets has undergone a structural shift.

Fundraising is no longer the linear, single-track exercise it once was, anchored around a flagship vehicle and a defined cadence; rather, it has evolved into a more integrated dialogue spanning primaries, co-investments, secondaries, GP-led financings and solutions, and a growing range of bespoke structures designed to accommodate the broad needs of today's LP base.

Several factors have converged to drive this evolution. A protracted slowdown in distributions and subdued M&A and IPO activity have left many LPs capital-constrained and acutely focused on liquidity. At the same time, the volume of GPs in the market continues to outstrip available capital, intensifying the competitive backdrop. The cumulative effect is a market in which LP allocation decisions have become materially more selective, more conditional, and, in our experience, more demanding in terms of the breadth of relationship LPs expect from their managers.

Against this backdrop, LP priorities have coalesced around three interrelated themes. Increasingly, the question LPs are asking is not simply whether a given fund represents an attractive proposition on a standalone basis, but what the broader relationship can deliver across the wider platform.

LP PRIORITIES

Requirements are broadening

01

Liquidity

DPI has displaced unrealised metrics as the principal lens on performance – a prerequisite, not a preference, in re-up discussions

02

Flexibility

The capacity to calibrate commitment size, pacing, and exposure to each LP's own portfolio constraints

03

Access

Co-investment and secondary opportunities offering better economics, faster deployment, and J-curve mitigation



Secondaries have moved firmly into the mainstream

GPs, for their part, have responded by meaningfully broadening their toolkit. Co-investment programs, once handled on an ad-hoc basis, have in many cases been formalised and institutionalised at scale. GP-led secondaries have moved firmly into the mainstream as a means of actively managing portfolios and providing interim liquidity to existing investors.

LP-led secondaries, meanwhile, continue to offer a credible route into established managers and seasoned portfolios at attractive entry points. And at the more emergent end of the spectrum, seeded and warehoused portfolios are providing both newer and established managers with a means of de-risking first closes and offering LPs visibility into deployed capital from inception.

SECONDARIES

Secondary market transaction value – GP- & LP-led¹
(USD bn)



After a softer 2022, transaction volumes have compounded sharply – 2024 and 2025 each set successive records as secondaries became a core liquidity channel rather than an opportunistic one.

\$226 bn

Record secondary transaction value in 2025 – an all-time high

+69%

Growth in annual volume since 2021, a ~14% compound annual rate

¹ Kroll, "Secondary Market Evolution: Continuation Funds Emerge as a Viable Alternative to Traditional Exits," March 2026



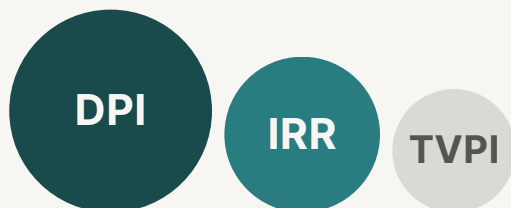
Where are we now?

If a single theme continues to define the current state of private markets fundraising, it is **liquidity**.

Notwithstanding cautious optimism around a gradually thawing exit environment and a modest pick-up in transaction activity, distributions remain materially below historical norms. LPs find themselves holding ageing portfolios characterised by substantial unrealised value but limited realised cash, and this imbalance is, in our view, the single most influential factor shaping allocation discussions today. DPI has firmly overtaken IRR and TVPI as the metric of primary focus; paper marks are being scrutinised with a degree of healthy scepticism, and managers able to evidence a consistent track record of returning capital are being rewarded with a disproportionate share of available wallet.

LP EMPHASIS

The metric in focus



FUNDRAISING TIMELINES

First to final close

Prior cycles



Today



Fundraising timelines reflect this dynamic in fairly stark terms. Even with sentiment having improved from the lows of 2023 and 2024, the average duration from first to final close has continued to extend. First closes are coming in at smaller absolute sizes, re-ups are taking longer to convert, and indications of interest are translating into signed documentation at a notably slower pace than in prior cycles. LPs are conducting more thorough diligence, asking sharper and more pointed questions, and operating to tighter pacing models that leave limited room for opportunistic or incremental commitments.



A backlog of unrealised value resulting in capital deployed with unprecedented discrimination

Compounding the pressure is a persistent backlog of unrealised investments. Hold periods have extended well beyond historical averages, and while sponsors are demonstrating increasing creativity in identifying paths to liquidity, the sheer weight of aged assets across private equity portfolios suggests that the distribution gap is unlikely to close in any meaningful way over the near term. For LPs, the practical consequence is constrained deployment capacity. For GPs, it means that the capital that is available is being deployed with a level of discrimination rarely seen in recent cycles – the bar for any new commitment, and in particular for the establishment of a new manager relationship, has rarely been higher.

The continued growth of LP-led secondaries reflects a structural need for active portfolio management and liquidity generation. The institutionalisation of co-investment programs reflects sustained LP demand for fee-efficient, accelerated exposure to managers in whom they already have conviction. And the marked expansion of GP-led continuation vehicles and other structured solutions reflects a market that has, of necessity, developed new mechanisms for delivering liquidity in the absence of a fully functioning traditional exit channel. The point, ultimately, is that these tools are not peripheral innovations – they are rational, considered responses to a market environment that increasingly requires them.

THE THROUGH-LINE

Liquidity is no longer a preference. It is the prerequisite that frames every allocation decision.

These pressures are driving the rise of secondaries, co-investment and continuation vehicles in tandem: not isolated tactics, but an interconnected response to the same underlying constraint.

SECONDARIES

CO-INVESTMENT

CONTINUATION VEHICLES



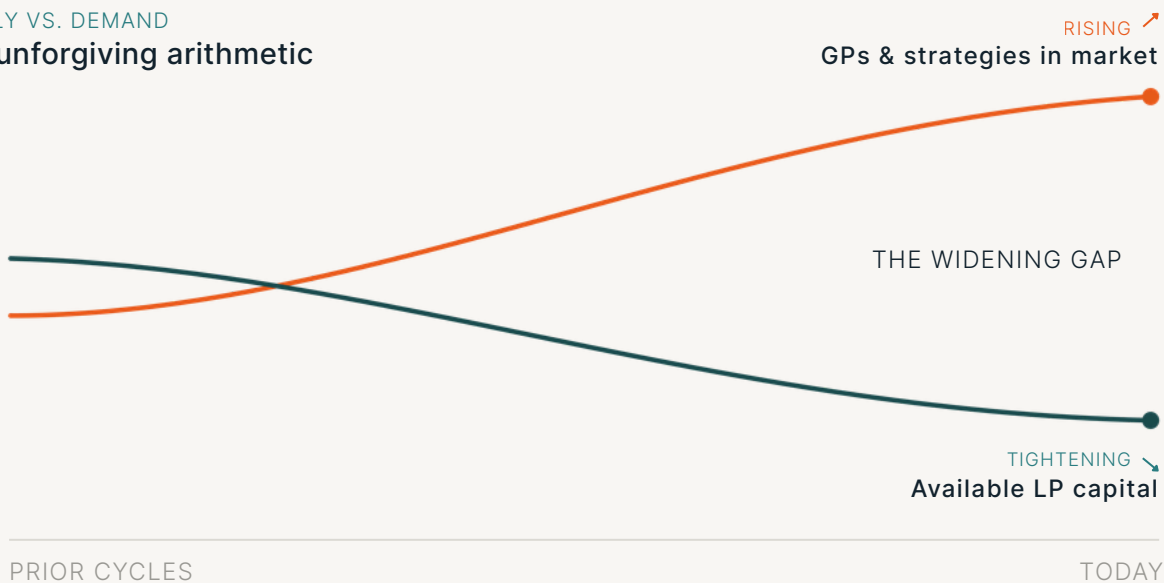
The expanded GP offering



The supply-demand imbalance in private markets fundraising remains notably pronounced in the current environment. The number of funds in market has continued to climb across virtually every strategy – buyout, growth, private credit, infrastructure, real estate, and an ever-broadening universe of niche and thematic vehicles. At the same time, LP allocation budgets have tightened materially, constrained both by the liquidity dynamics referenced earlier and by a more disciplined approach to pacing in the aftermath of recent denominator-effect experiences. The arithmetic is unforgiving: a greater number of managers, a wider range of strategies, and a meaningfully smaller pool of available capital. In this context, selectivity is no longer simply a stance adopted by LPs – it has become a structural necessity.

SUPPLY VS. DEMAND

The unforgiving arithmetic



CAPITAL SOLUTIONS

The toolkit is expanding



FOUNDATION

Primary funds

Long-term exposure & manager continuity



ALIGNMENT

Co-investments

Fee efficiency & direct, high-conviction exposure



LIQUIDITY

Secondaries

LP-led entry & GP-led continuation structures



PROOF

Seeded / warehoused

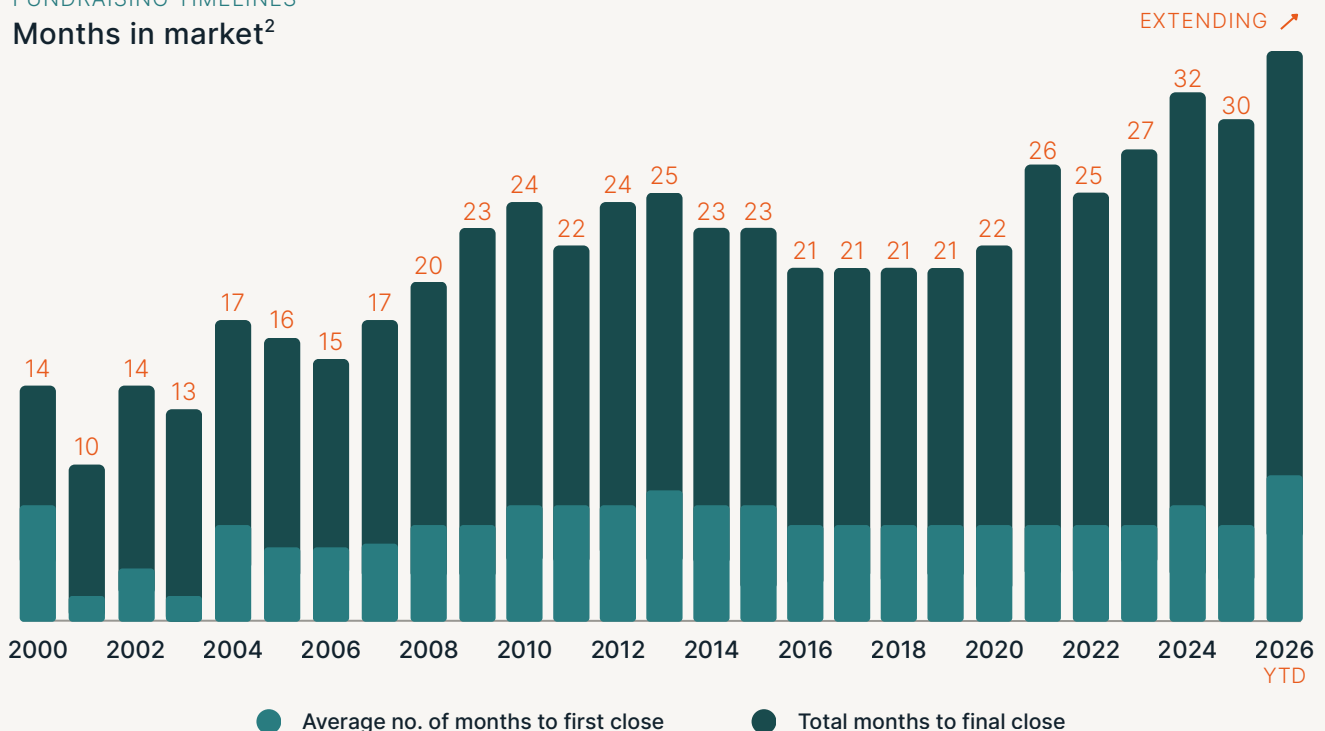
Early visibility & pre-fundraise execution



Fundraising timelines are extending and the bar for differentiation is rising

The implications for GPs are evident across the market. Fundraising timelines remain notably longer than in prior cycles. Capital continues to concentrate towards the top of the market, with mega-funds and established franchises capturing a disproportionate share of aggregate commitments. For emerging managers, the threshold has moved higher still – differentiation must be apparent at an earlier stage of the process, the narrative must be more sharply defined, and the supporting proof points must be more tangible. A pitch grounded primarily in strategy and conviction, absent demonstrable evidence, is unlikely to gain meaningful traction in the current environment.

FUNDRAISING TIMELINES Months in market²



2 Buyouts' Fundraiser Report



It is in precisely this context that capital solutions have transitioned from peripheral tactics to central strategic considerations.

01 Co-investments – the relationship differentiator

LPs increasingly regard co-invest access as a near-essential component of the GP relationship. Managers able to deliver high-quality deal flow alongside the primary fund are capturing share of wallet that performance alone would not have unlocked.

02 Secondaries – liquidity and trust, combined

Both LP-led entry points and GP-led continuation structures function as liquidity mechanisms and relationship-building instruments – engaging LPs on terms calibrated to current market realities rather than the conventions of prior cycles.

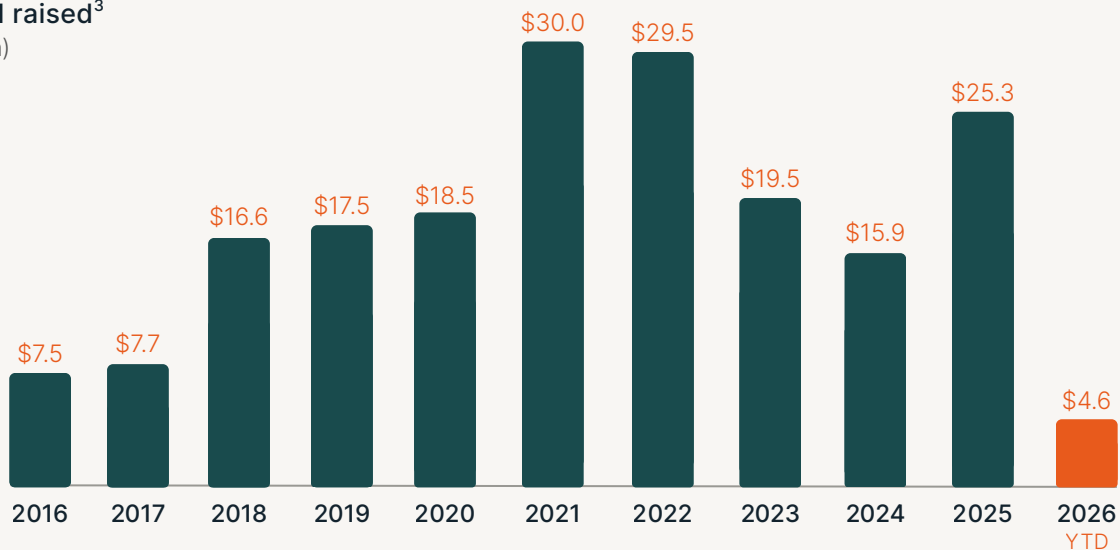
03 Seeded & warehoused portfolios – proof before the raise

A particularly effective tool for first-time funds and newer strategies, enabling GPs to engage prospective LPs on the basis of a tangible portfolio rather than a purely forward-looking thesis.

CO-INVESTMENTS

Capital raised³

(USD bn)



In a market in which numerous credible managers are competing for the same allocation slot, performance remains necessary but is no longer sufficient on its own. The managers gaining ground in 2026 are competing on access, flexibility, alignment, and the breadth of the relationship they can offer.

³ Preqin (as of May 2026)

Implications for LP portfolio construction

The implications of the current market environment are increasingly evident in how LPs are approaching portfolio construction.

01 Blended exposure

The traditional reliance on primary fund commitments as the core building block of a private markets program is giving way to a more blended approach. LPs are now more deliberately combining primaries with co-investments and secondaries, recognising that each component serves a distinct role within the broader portfolio. Primaries continue to provide long-term exposure and manager relationship continuity, but co-investments offer a means of enhancing returns and reducing fee drag, while secondaries introduce flexibility around entry points and liquidity. The result is a more dynamic portfolio construction framework – one that is calibrated not simply to target returns, but to balance exposure, liquidity, and pacing in a more deliberate and responsive manner.

LP STRATEGY

A blended portfolio



- **Primaries**
Foundation – long-term exposure & continuity
- **Co-investments**
Enhancement – returns & fee efficiency
- **Secondaries**
Flexibility – entry points & liquidity

02 Liquidity management

Within this framework, liquidity management has taken on a heightened level of importance. The denominator effect experienced in recent years has reinforced the need for more active oversight of cash flows, with distributions no longer assumed to provide a steady or predictable source of liquidity. LPs are placing greater emphasis on stress testing their portfolios under a range of distribution scenarios and are increasingly valuing tools that can help smooth cash flow volatility. Secondaries, in particular, have evolved from opportunistic transactions into core liquidity management instruments, providing LPs with optionality in both portfolio rebalancing and capital recycling.



03 Deployment pacing

Closely linked to this is a more disciplined approach to deployment pacing. The experience of overcommitment during periods of elevated valuations has led many LPs to reassess how they sequence capital deployment across vintages and strategies. Rather than maintaining static pacing models, LPs are adopting more flexible frameworks that allow for adjustments in response to market conditions, relative value, and underlying opportunity sets. Co-investments and secondaries play a critical role here as well, offering the ability to deploy capital more selectively and at a faster cadence when compelling opportunities arise, while also serving as a counterbalance to the longer J-curve profile associated with primary fund commitments.

DEPLOYMENT PACING

Capital deployed globally⁴

(USD bn)



04 Access to intermediaries

As portfolios become more complex and multifaceted, there is a growing reliance on intermediaries and platform-based solutions to access opportunities efficiently. The expansion of the private markets ecosystem – across strategies, geographies, and manager types – has made direct sourcing increasingly resource-intensive for many LPs. In response, intermediaries have become central to facilitating access, particularly in co-investments and secondaries, where deal flow, underwriting capabilities, and execution speed are critical differentiators. For many LPs, these platforms provide not only access, but also a degree of curation and diligence that would be difficult to replicate internally, allowing them to scale exposure without a commensurate expansion in internal resources.

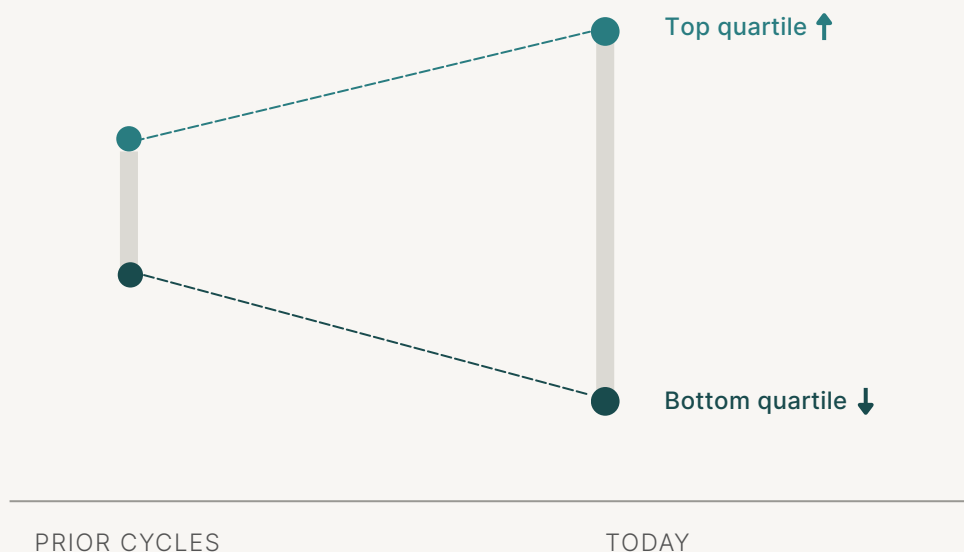
⁴ Preqin (as of June 2026)

05 Manager selection

Finally, the importance of manager selection continues to rise against a backdrop of widening performance dispersion. As capital has flowed into private markets and competitive dynamics have intensified, the gap between top- and bottom-quartile managers has become more pronounced. In this context, manager selection is no longer a function of identifying broadly competent platforms; it requires a more granular assessment of sourcing advantages, underwriting discipline, value creation capabilities, and alignment of incentives. The shift toward blended portfolios further amplifies this dynamic, as LPs must evaluate managers not only on primary fund performance but also on their ability to provide high-quality co-investment opportunities and to navigate complex liquidity solutions within secondaries.

MANAGER SELECTION

Dispersion is widening



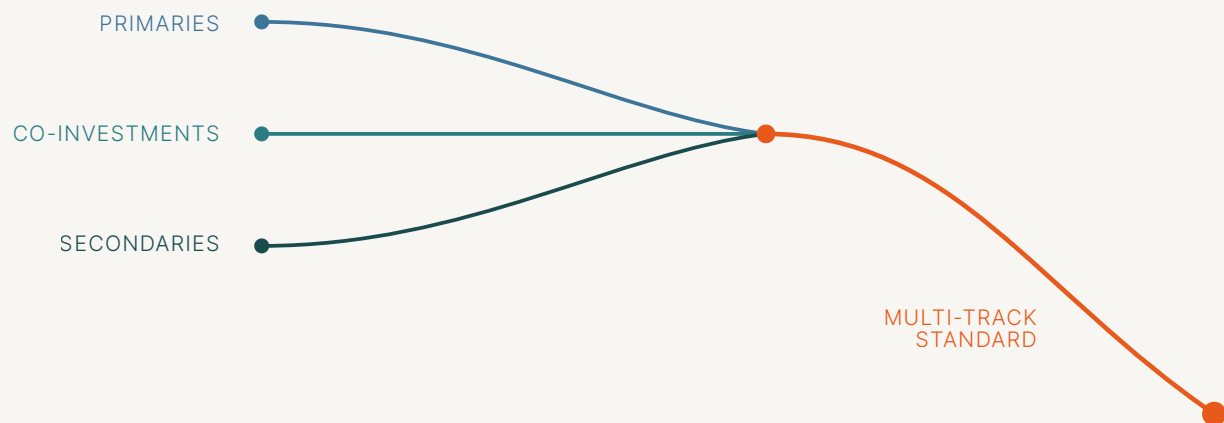
Taken together, these trends point to a more active, nuanced, and structurally complex approach to private markets portfolio construction. The LPs best positioned in the current environment are those that can integrate these elements coherently – balancing exposure across strategies, actively managing liquidity and pacing, leveraging intermediated access where appropriate, and maintaining a high bar for manager selection in an increasingly competitive and differentiated market landscape.



Looking ahead

In summary, the private markets landscape has moved beyond a single-channel fundraising model, with capital formation now occurring across a broader and more interconnected set of pathways. Liquidity considerations and heightened competition are reshaping both LP behaviour and GP strategy, reinforcing the need for more deliberate pacing, greater flexibility, and a more diversified approach to engagement. At the same time, as the universe of credible managers continues to expand, differentiation has become both more challenging to achieve and more critical to securing capital.

Looking ahead, multi-track capital strategies – integrating primaries, co-investments, and secondaries – are poised to become standard practice rather than a point of distinction, reflecting a market that increasingly rewards flexibility, access, and the ability to meet LPs across multiple dimensions of their portfolio construction needs.



Multi-track capital strategies will become standard – not optional.

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