PitchBook
a Morningstar company

Institutional Research Group

Emily Zheng
Senior Research Analyst,
Venture Capital
emily.zheng@pitchbook.com

pbinstitutionalresearch@pitchbook.com

Published on February 20, 2026

Contents

2025 Annual US VC Secondary Market Watch

A deep dive into venture secondaries and the outlook for 2026

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

Key takeaways

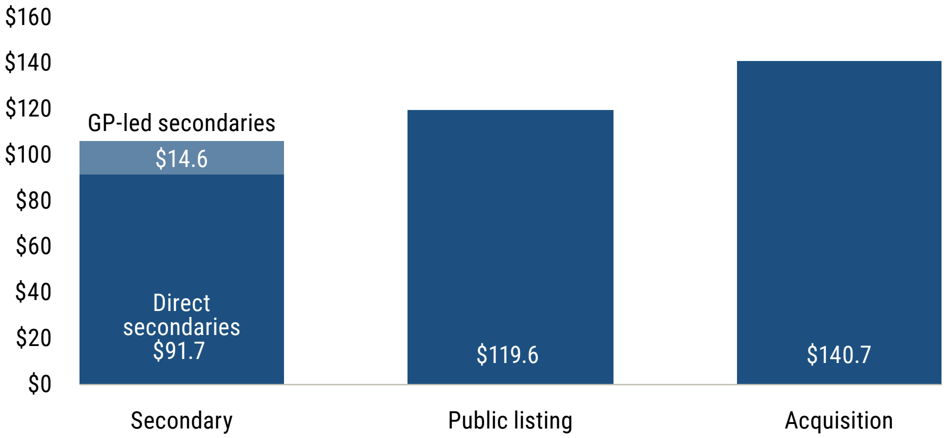
- 2026 will be a pivotal year for the venture secondary market as it evolves from proving relevance to becoming the industry standard.
- We estimate the total value traded through US VC secondaries in 2025 to be $106.3 billion. The secondary market is rapidly approaching the scale of IPOs and M&A.
- Secondaries are structural, not cyclical. The recent rise of institutional adoption signals that secondaries are becoming central to how capital is raised, allocated, and returned.
- The market is top-heavy, with the top 20 startups on Hiive accounting for 86.4% of secondary trading value in Q4 2025,[1] so mega-IPOs will create a temporary vacuum. However, in the long term, more IPOs will benefit secondaries by improving price discovery and expanding the universe of tradable companies beyond the top tier.
- Policy-aligned sectors will continue to dominate both primary and secondary VC activity. AI, crypto, defense, and aerospace are capturing outsized secondary trading volume due to federal regulatory tailwinds.
- Tender offers are becoming standard practice among leading startups. Regular company-led liquidity programs improve employee recruitment and retention while reducing pressure to exit prematurely.
- SPVs will persist but face greater oversight. Regulatory scrutiny is rising due to some bad actors, and issuers are taking back the reins to stymie the slew of unauthorized transactions. As a result, SPVs will be more limited to established players, and investors must conduct thorough due diligence to confirm actual ownership of shares.

1: "Hiive50 Index," Hiive, n.d., accessed February 13, 2026.

- The buyer base is broadening, with large new entrants such as Pinegrove Opportunity Partners' $2.2 billion venture secondary fund. US venture secondary dry powder reached $11.8 billion as of June 2025—up 2.8x since 2022—but still represents just 3.9% of primary venture capital, suggesting meaningful room for expansion.

2026 outlook

2025 VC exit value ($B) by type



Source: PitchBook • Geography: US • As of December 31, 2025

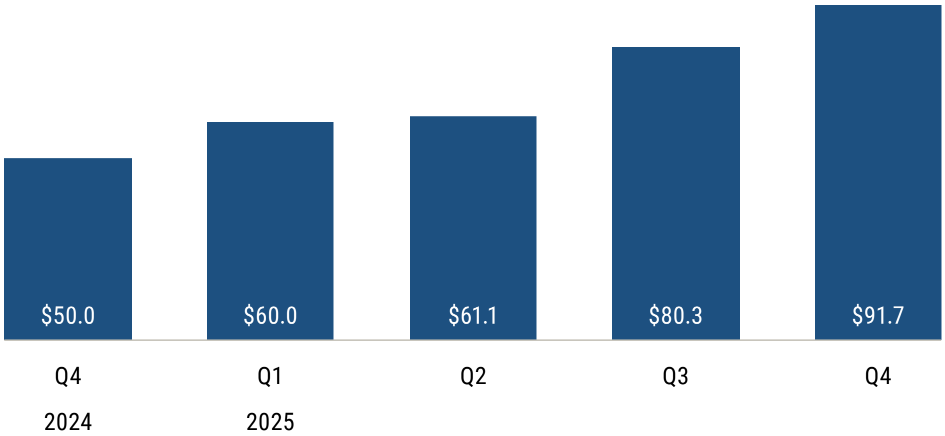
2026 will be a pivotal year for the US venture secondary market as it evolves into the industry standard. The past several years legitimized venture secondaries as startups stayed private for longer and exits remained few and far between. What will differentiate 2026 will be not just incremental growth but also a behavioral shift. Startups and investors across VC are integrating secondaries into capital planning, compensation strategy, and portfolio construction. The question will no longer be whether secondaries are a dependable source for realizing returns but whether they can establish a durable infrastructure that benefits VC at scale rather than only the elite few.

We estimate that $62.5 billion to $120.9 billion was traded through US VC direct secondaries in 2025.[2] This intentionally broad range reflects both the opacity of the market and the outsized impact of megacap outliers that are speculated to go public in 2026, including SpaceX, OpenAI, and Anthropic.

At the midpoint of our estimate ($91.7 billion), annualized venture direct secondary value rose 14.2% from the prior quarter's $80.3 billion. Much of this acceleration was driven by surging valuations for venture's top performers. A headline example is SpaceX, whose valuation skyrocketed from $350 billion at the beginning of 2025 to $1.25 trillion by February 2026.

2: Please refer to the appendix for the full methodology behind our market sizing. Secondary data providers include Augment, Caplight, Hiive, Nasdaq Private Market, Notice.co, and Rainmaker Securities.

Annualized VC direct secondary market value ($B) by quarter



Source: PitchBook • Geography: US • As of December 31, 2025

Combined with our GP-led venture secondaries estimate of $14.6 billion, the total estimated market size for US venture secondaries in 2025 is $106.3 billion. Secondaries are rapidly approaching the scale of public listings and acquisitions, solidifying their role as an essential liquidity provider.

Secondaries are structural, not cyclical

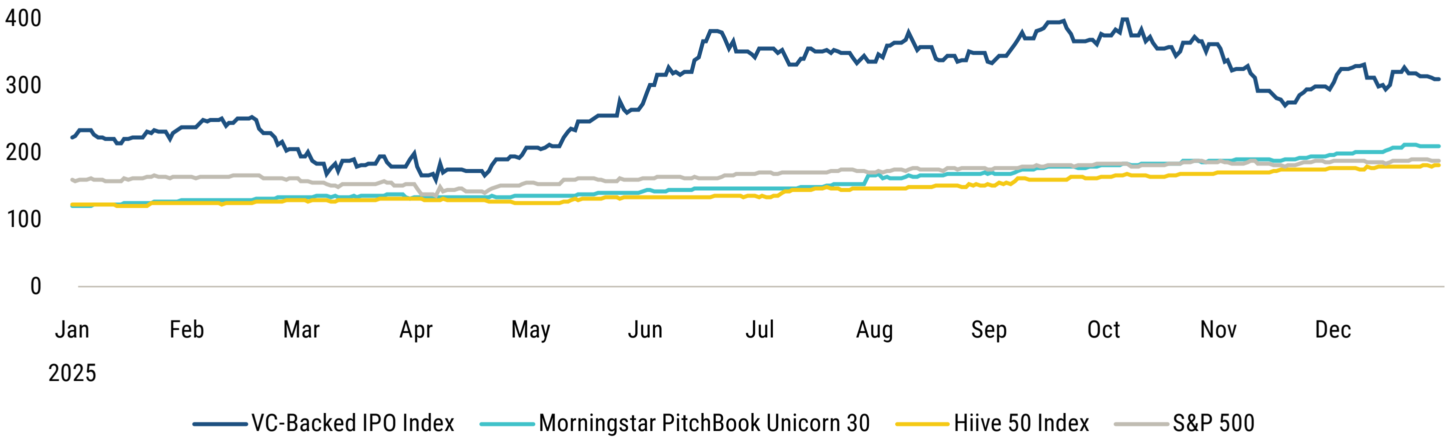
During the pandemic-era boom, secondaries provided access to highly sought-after startups amid oversubscribed rounds. More recently, they provided much-needed liquidity in a parched market. Their relevance at both extremes reinforces the notion that secondaries are structural, not cyclical.

A growing wave of acquisitions and partnerships since October signals that venture secondaries have become a strategic priority for the world's most influential financial institutions. Goldman Sachs' acquisition of investor Industry Ventures exemplifies this shift, extending the firm's reach across the venture lifecycle and enabling wealth management clients to access de-risked venture exposure through secondaries. Morgan Stanley and Charles Schwab quickly followed, acquiring the platforms EquityZen and Forge Global, respectively, to expand retail access to the VC asset class with less risk through secondaries. More recently, platform Nasdaq Private Market's partnership with investor G Squared reflects the strategic alignment of deal flow, granting G Squared priority access to tender offers, making it easier for startups to provide recurring liquidity to employees and investors.

Beyond acquisitions, leading banks are actively institutionalizing venture secondaries by building private market capabilities internally. J.P. Morgan has formed a dedicated private capital team within its investment bank, while Piper Sandler launched private markets trading following the hiring of senior talent from Forge Global.

Taken together, these moves highlight a broader shift: Secondaries are now central to how capital is raised, allocated, and returned.

Private and public company indexes (rebased to 100 in 2023)



Sources: PitchBook and Hiive • Geography: US • As of December 31, 2025

Mega-IPOs will create a temporary vacuum

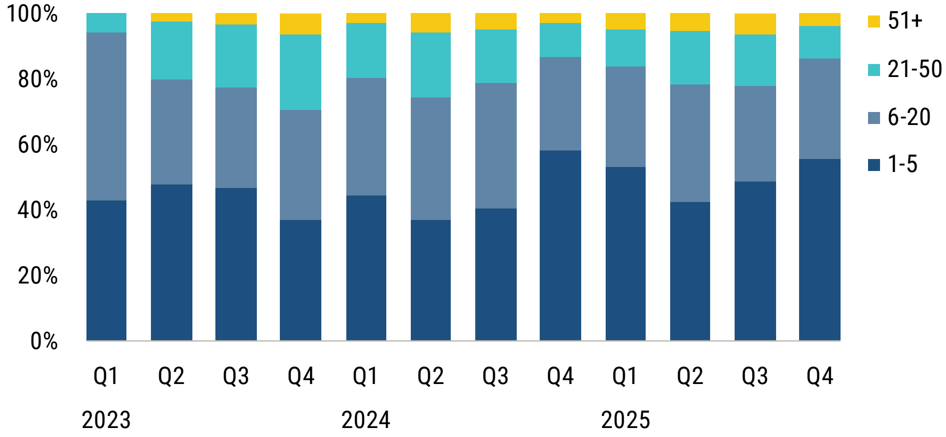
Unlike in prior years, when companies such as SpaceX, Anthropic, and OpenAI appeared able to raise virtually unlimited private capital, many of venture's most valuable startups are now actively preparing to go public in 2026. In capital-intensive, highly competitive sectors such as AI and space technology, the infrastructure, computing power, and talent required to maintain leadership increasingly make public markets essential, even for the best-capitalized companies.

However, today's secondary market remains highly concentrated. On Hiive, the top 20 startups accounted for 86.4% of secondary trading value in Q4 2025,[3] with the top five alone representing 55.6%. OpenAI's $6.6 billion tender offer finalized in early October underscores this concentration, accounting for 6.2% of annual secondary transaction value. SpaceX was the most actively traded name on Augment in Q4 2025, accounting for 12.5% of total activity on the platform.[4]

If several of these standout startups go public, secondary trading will see a significant short-term decline. This should be viewed less as a contraction of the market and more as a transition. Over the medium to long term, a healthier IPO environment is a net positive for venture secondaries. Unlike primary investors that invest for a decade or more, secondary investors prefer clearer, shorter exit timelines of typically four to six years. An increase in IPO activity reinforces a positive feedback loop: fresher pricing benchmarks, tighter bid-ask spreads, and growing confidence among buyers and sellers, which will expand secondary trading beyond a small group of elite companies, welcome newcomers, and ultimately grow the market. On Caplight, this trend has already started: In 2025, 70 companies saw their first secondary trade, totaling $492 million.[5]

3: "Hiive50 Index," Hiive, n.d., accessed February 13, 2026.
4: "Pre-IPO Market Rankings," Augment, n.d., accessed February 13, 2026.
5: "2025 Secondary Market Update," Caplight, January 15, 2026.

Quarterly share of VC secondary market value by stock tier



Source: Hiive • Geography: Global • As of December 31, 2025

Policy-aligned sectors will continue to dominate secondary activity

Sector-level tailwinds that defined secondary activity in 2025 are expected to extend into 2026, with demand increasingly concentrated in industries aligned with US policy priorities and targeted federal investment. AI, crypto, defense, and aerospace stand out as clear beneficiaries. In 2025, data, AI, and crypto companies accounted for 42.8% of trading volume on Caplight.[6] On Sydecar, AI, aerospace and defense, and fintech represented 41%, 23%, and 7% of secondary special purpose vehicle (SPV) volume, respectively.[7]

Primary venture activity reinforces this dynamic of buyers crowding into sectors positioned at the intersection of technological leadership and policy support. AI alone captured 65.4% of primary VC deal value and 39.4% of primary VC deal count in 2025, cementing its dominance. Higher valuation step-ups among AI startups relative to non-AI peers have created significant paper gains for employees and early investors, increasing the incentive to pursue partial liquidity through secondaries. This feedback loop leads us to expect that secondaries will remain disproportionately concentrated in a narrow group of sectors in 2026.

6: "Caplight," Caplight, n.d., accessed February 13, 2026.
7: "Sydecar," Sydecar, n.d., accessed February 13, 2026.

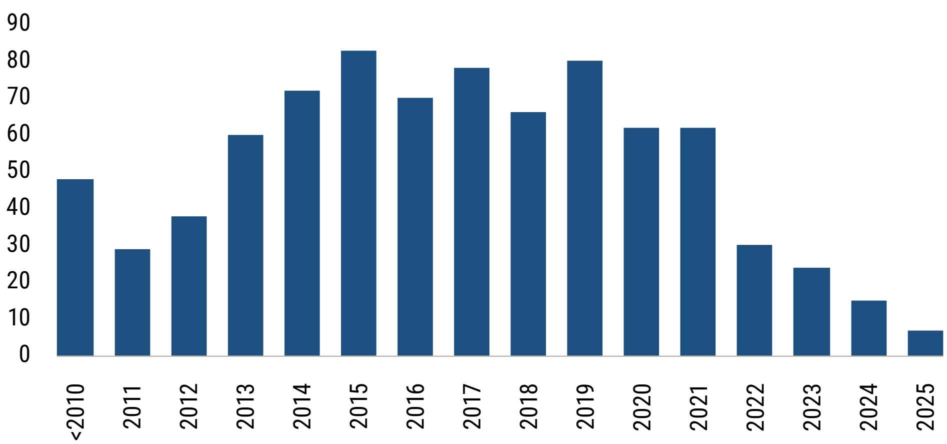
2025 median AI and non-AI primary VC round step-ups

Source: PitchBook • Geography: US • As of December 31, 2025

Tender offers become the standard

As competition for talent intensifies, especially in AI, liquidity has become a critical component of employee recruitment and retention. After all, 48.5% of unicorns had their first VC round in 2016 or earlier, meaning that for nearly half of venture's most valuable startups, early employees and investors have been waiting over a decade for their payday. Startups that host regular tender offers provide employees and early investors with more predictable paths to realize value. Because tender offers are company led, startups benefit from greater control over their cap tables, pricing, and volume than in third-party transactions. Nasdaq Private Market reported that startups increasingly leveraged tender offers in 2025 for cap table management, often mandating former employees to sell shares in fixed tranches of 0%, 50%, or 100%.[8] Plus, tender offers are frequently paired with primary rounds, which provide a clear price anchor and simplify alignment across buyers, sellers, and the company. Over time, regular liquidity programs give startups greater flexibility to plan exits strategically rather than around shareholders' liquidity constraints.

Unicorn count by first VC deal year



Source: PitchBook • Geography: US • As of December 31, 2025

8: "Nasdaq Private Market," Nasdaq Private Market, n.d., accessed February 13, 2026.

Notable tender offers in 2025

Company	Tender offer value ($B)	Most recent valuation ($B)	Deal month(s)
SpaceX	$2.6	$800.0	December
OpenAI	$6.6	$500.0	October
Ramp	$0.4[9]	$32.0	March and November
Rippling	$0.2	$16.8	May
Whatnot	$0.2	$11.5	January and October
Notion	$0.3	$11.0	December
Vercel	$0.3	$9.3	September
ElevenLabs	$0.1	$6.6	September
Plaid	$0.4	$6.1	April
Armis	$0.1	$6.1	July
Faire	$0.1	$5.2	November
Clay	$0.02	$5.0	May
Temporal	$0.1	$2.5	October
Hightouch	$0.03	$1.2	March

Source: PitchBook • Geography: US • As of December 31, 2025

SPVs will persist, but under tighter controls

The rapid adoption of SPVs in 2025 simultaneously exposed growing pains. SPVs attract investors seeking access to highly sought-after startups with greater speed and flexibility than traditional funds. On Sydecar, the median secondary SPV in 2025 had a fundraising period of just 16 days, raised $930,000 from nine LPs, and charged a 2% management fee and 10% carried interest.[10]

As demand surged, increasingly complex structures like multilayered SPVs emerged, making it more difficult to determine who was truly backing a company and on what terms. Regulators have taken notice. The Financial Industry Regulatory Authority's 2026 Annual Regulatory Oversight Report flagged concerns around misrepresentation and disclosure failures for pre-IPO investments.[11] Several high-profile enforcement cases in 2025, including Linqto's bankruptcy and the indictment of a Sestante Capital manager for defrauding investors, highlight how opacity can create risk, particularly for less experienced private market investors. These incidents do not invalidate SPVs entirely but underscore the need for stronger diligence and safeguards.

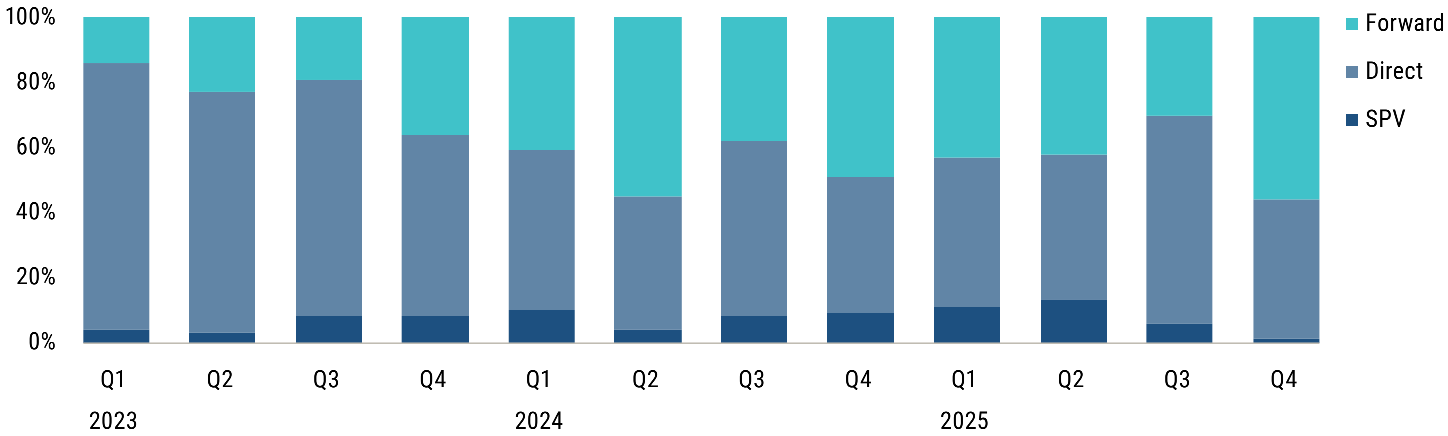
In 2026, SPVs are expected to face significantly greater scrutiny from both regulators and issuers. To limit unauthorized transfers and regain control over ownership, startups are tightening rules around SPV participation, including limiting which GPs are permitted to form SPVs and who may invest in these vehicles. As a result,

9: The value of the November 2025 tender offer was not disclosed, so an estimate was made based on the March 2025 transaction.
10: "Sydecar," Sydecar, n.d., accessed February 13, 2026.
11: "2026 FINRA Annual Regulatory Oversight Report," Financial Industry Regulatory Authority, December 9, 2025.

access will likely concentrate further among established players who are known, trusted partners, while opportunistic or loosely governed syndicates will face higher barriers to entry.

The burden of diligence will also shift more heavily onto buyers. Not all SPVs are created equal, and investors will need to scrutinize structures more carefully, understanding information rights, fee layers, and whether the SPV can verify ownership of the underlying shares.

Quarterly share of VC secondary deal structure by type



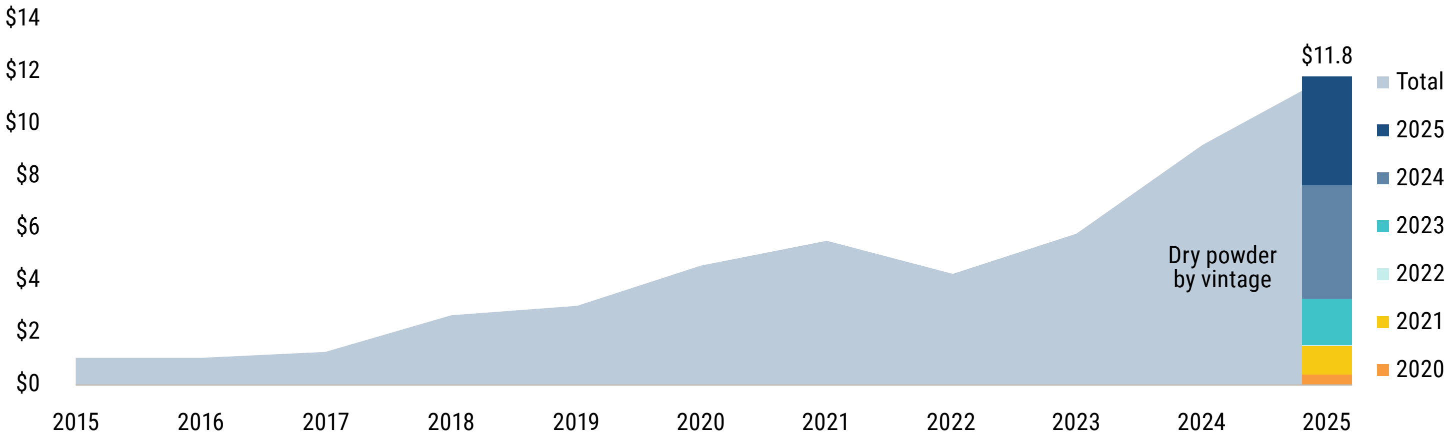
Source: Caplight • Geography: Global • As of December 31, 2025

A broader buyer base

In 2026, we expect a broader set of investors to participate in the US venture secondary market and leverage secondaries to build, defend, or rebalance exposure to high-conviction portfolio companies rather than relying solely on primary rounds. Recently, Pinegrove Opportunity Partners closed its $2.2 billion debut venture secondary fund, and Insight Partners poached an Industry Ventures veteran to create its venture secondaries strategy. We expect similar strategies to emerge throughout the year as investors capitalize on this rapidly developing market.

Dry powder dedicated to US venture secondary funds totaled $11.8 billion as of June 2025, up 2.8x from 2022, signaling growing appetite. Despite this growth, venture secondary dry powder still represents just 3.9% of the capital held by primary VC funds. This gap is expected to shrink as the market continues to mature, but for now, venture secondaries are still in the early innings.

VC secondary dry powder ($B)



Source: PitchBook • Geography: US • As of June 30, 2025

Top VC secondary funds by size (2020-2025)

Fund	Fund size ($M)	Close date
StepStone VC Secondaries Fund VI	$3,300.0	June 2024
StepStone VC Secondaries Fund V	$2,600.0	May 2022
Pinegrove Opportunity Partners I	$2,200.0	November 2025
Industry Ventures Secondary X	$1,463.3	September 2023
G Squared V	$1,360.0	October 2021
G Squared VI	$1,100.0	August 2024
Industry Ventures Secondary IX	$850.0	March 2021
StepStone Secondaries Fund IV	$800.0	January 2020
Hamilton Lane Venture Access Fund I	$615.3	February 2025
Revelation Healthcare Fund IV	$608.0	October 2023
Revelation Healthcare Fund III	$350.0	March 2021
OnePrime Secondary Fund III	$305.6	June 2025
KVC Secondaries Fund II	$255.0	January 2021
NewView Capital Fund II	$241.0	February 2022
OnePrime Secondary Fund II	$230.5	December 2021

Source: PitchBook • Geography: US • As of December 31, 2025

Share of institutional VC secondary volume by investor type

Source: Augment • Geography: Global • As of December 31, 2025

Looking forward

Growth in 2026 may not be smooth or linear, but the direction is clear. The venture secondary market is moving from proving relevance to becoming embedded infrastructure.

As more participants enter—from retail-adjacent platforms to institutional allocators—scrutiny will increase, governance standards will tighten, and weaknesses will be challenged. The volatility ahead is less a sign of fragility and more evidence of maturity.

Venture secondaries today sit squarely in the middle of their development cycle. 2026 will test whether the market can operate efficiently, absorb volatility, and redistribute liquidity beyond a handful of elite names.

Venture secondary market map

Brokers

Setter
RAINMAKER
NextRound Capital Partners
Elevation Securities
Hollister Associates LLC
Stonehaven
TrueCrest Capital
TREST

Platforms

Marketplace

Hiive
NPM Nasdaq Private Market
Forge
PALICO

Buyer-seller connectors

CAPLIGHT
Notice
EQUITYZEN
Zanbato
UNICORNS EXCHANGE
ReBloom

Evergreen vehicles

STABLETON

SPVs

Sydecar
augment

Investors

Multistrategy

INDUSTRY VENTURES
StepStone
PVC Practical Venture Capital
MANHATTAN Venture Partners
SEAFRONT CAPITAL
PINEGROVE
ONEPRIME CAPITAL
NVC
IONPACIFIC
Siena
TrueBridge
SUNVEST Capital Partners
Hamilton Lane
Revelation Partners
Knightsbridge

Direct secondaries

G SQUARED

GP-led secondaries

SAINTS

Structured solutions

3SPOKE

Acquired by Charles Schwab

Acquired by Morgan Stanley

Partnership

Acquired by Goldman Sachs

– Indicates subsidiary

Appendix: Methodology for direct secondaries market sizing

Estimating the size of the venture secondaries market is inherently challenging due to limited transparency. To address this, we combined verified transaction data with modeled estimates to produce a comprehensive market size.

Large tender offers drive a significant portion of recorded secondary value. In 2025, Nasdaq Private Market-hosted tender offers totaled $13.2 billion, with an average size of $142 million,[12] and 14 startups announced tender offers totaling about $11.3 billion. To account for possible overlap, we applied a 25% adjustment for a total of $18.4 billion.

Next, we aggregated 2025 trades from leading secondary platforms and brokers. Marketplaces include Hiive ($2.2 billion) and Augment ($300 million), and brokers include Rainmaker Securities ($1.1 billion). To accommodate cross-platform reporting, the volume from data providers Caplight ($3.7 billion) and Notice.co ($1.9 billion) was adjusted by 50%. Combined, the known secondary market size expands to $24.8 billion.

To estimate the portion of private company equity available for sale, we used PitchBook Valuation Estimates and analyzed ownership by funding series for the 65 most actively traded US unicorns on Augment, Caplight, Hiive, and Notice.co, supplementing the data with medians listed in the following table for missing values. Recognizing that not all shareholders are equally inclined or eligible to sell, we applied weights based on the age of each funding round. Stakes from rounds older than 10 years were assigned the highest probability of 30%, those from five to 10 years ago were weighted by 15%, and more recent rounds or those from Series D and later were weighted at 1%. This revealed a market opportunity of $96.1 billion for untracked stakes, which lowers to $37.7 billion when excluding potential IPO candidates SpaceX, OpenAI, and Anthropic.

Together, we estimate that the annual transaction value of the US VC direct secondary market ranges from $62.5 billion to $120.9 billion, with a midpoint of $91.7 billion. This intentionally broad range reflects both the opacity of the market and the outsized impact of high-valuation outliers on overall market sizing.

Median unicorn equity ownership by series

	Median time (yrs) since round	Median ownership
Seed	8.4	5.2%
A	7.6	7.3%
B	6.0	8.6%
C	5.1	7.8%
D+	4.4	6.6%

Source: PitchBook • Geography: US • As of December 31, 2025

12: "Nasdaq Private Market," Nasdaq Private Market, n.d., accessed February 13, 2026.

PitchBook provides actionable insights across the global capital markets.

Additional research:

Q1 2026 Analyst Note: 2026 IPO Outlook for US VC

Download the report here

Q4 2025 PitchBook-NVCA Venture Monitor

Download the report here

PitchBook Insights is an online compendium of in-depth data, news, analysis, and perspectives that shape the private capital markets.

PitchBook subscribers enjoy exclusive access to a comprehensive suite of private market insights, including proprietary research, news, data, tools, and more on the PitchBook Platform.

Nizar Tarhuni
Executive Vice President of Research and Market Intelligence

Paul Condra
Senior Director, Global Head of Private Markets Research

Kyle Stanford, CAIA
Director, VC Research

Report created by:

Emily Zheng
Senior Research Analyst, Venture Capital

Caleb Wilkins
Data Analyst

Chloe Ladwig
Graphic Designer

Learn more about PitchBook's Institutional Research team.

Click here for PitchBook's report methodologies.