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Published on May 23, 2025

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# Q1 2025 US VC Secondary Market Watch

## Rethinking venture liquidity

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

- The US VC direct secondary market is expanding, with an estimated size of $60 billion, up from $50 billion in 2024. However, this growth was primarily driven by soaring unicorn valuations. Secondaries remain a relatively small piece of the broader venture ecosystem, accounting for just 1.9% of total unicorn value.

- Market momentum has cooled amid macroeconomic headwinds. Transaction volume remains heavily concentrated among a small group of the most highly valued startups, reflecting cautious buyer behavior given trade war uncertainty and public market volatility.

- Liquidity pressure continues to build amid a lack of exits. Intel Capital’s plan to shed legacy VC stakes may signal the start of a wider rebalancing trend among nontraditional investors, and more startups are using tender offers to give early investors and employees access to liquidity while controlling their valuations.

## Market overview

The direct secondary market is playing an increasingly vital role in the venture ecosystem as startups remain private for longer and investor demand for liquidity grows. Despite its importance, venture secondaries remain opaque due to limited disclosure and a lack of standardization.[1] This report draws on data from PitchBook and several leading secondary platforms and service providers to offer a comprehensive view of this rapidly evolving market.

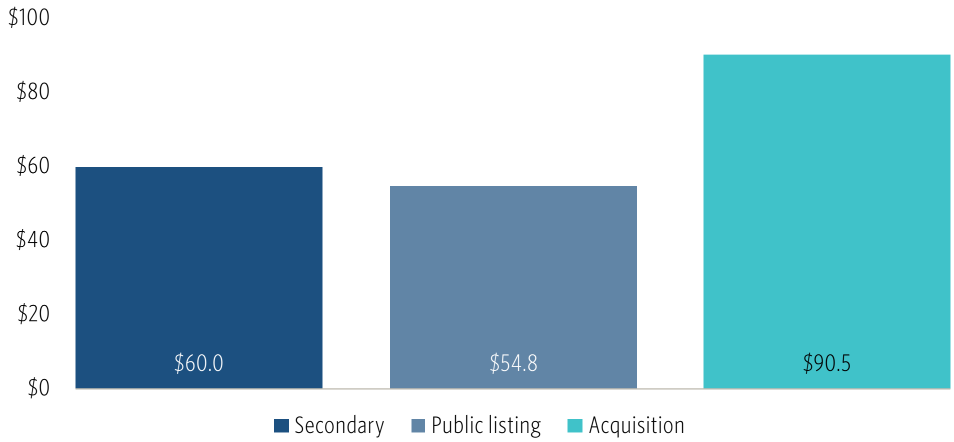
Based on activity over the last 12 months, our current estimate of the US VC direct secondary market ranges from $48.1 to $71.5 billion. The midpoint, about $60 billion, marks a notable increase from our 2024 estimate of $50 billion, primarily due to

The Morningstar PitchBook Unicorn 30 Index (UI30) tracks the performance of the largest and most liquid late-stage venture-backed companies, each valued at $1 billion or more. It provides exposure to some of the most innovative and rapidly growing private companies in developed markets, using market-driven pricing and liquidity screens for replicability.

Transparency is key to the UI30. By aggregating transaction data from secondary market price sources, it offers a continuously observable price for private companies, ensuring the inclusion of only actively traded companies that meet liquidity criteria.

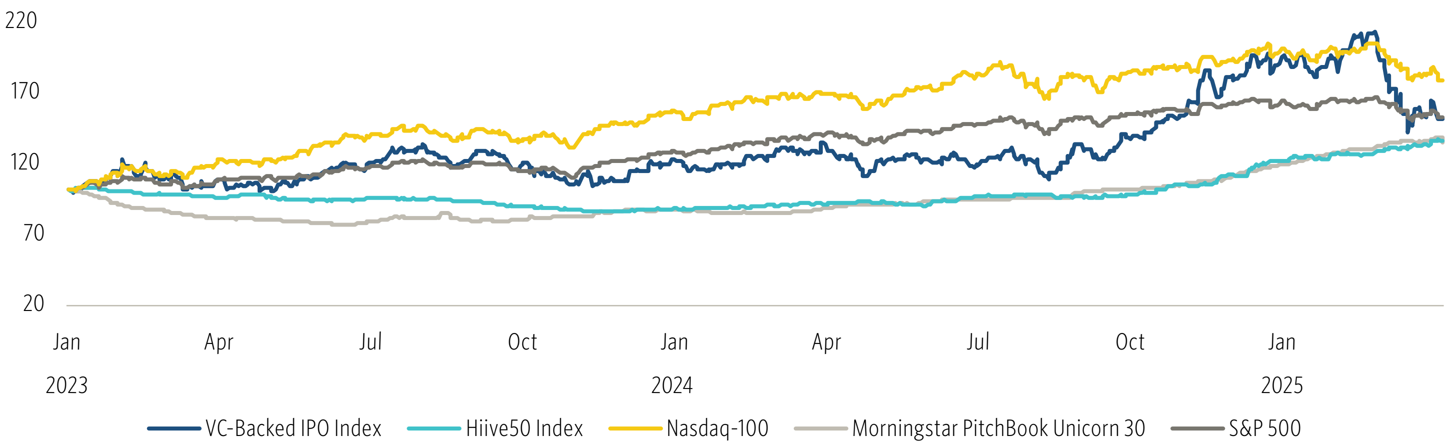
The UI30 serves two key purposes: It is a gauge for the late-stage VC market, helping investors understand its performance and risks, and it offers a way to invest in companies with secondary market transactions that are accessible to investors.

### TTM VC exit value ($B) by type




Source: PitchBook, Caplight, Forge, Hiive, Next Round Capital, Notice.co, and Rainmaker Securities
Geography: US • As of March 31, 2025

### Performance of select public and private market indexes




Source: PitchBook, Morningstar, and Hiive • Geography: Global • As of March 31, 2025

1: For further reading on secondary deal types, see our analyst note Exit Alternatives for US VC.

ballooning valuations from top unicorns.[2] Still, secondaries remain a relatively small slice of the broader venture landscape—for comparison, primary US VC exit value over the past four quarters was $173.9 billion.

The secondary market echoes primary VC trends, but with a lag of one to two quarters. After starting off the year strong with discounts flipping into premiums, rising uncertainty about tariffs and a potential trade war prompted many investors to wait out the volatility. CoreWeave's sharp stock price swings after its IPO in March highlight why investors are adopting more caution for the remainder of the year. CoreWeave shares traded on Notice.co at $56.50 just weeks before the company's IPO, only to fall below $36 in public markets by April 21, 2025, before finally surpassing that secondary price on May 12.[3]

Even though the market is currently small, venture secondaries have strong growth potential. As venture's exit stalemate stretches into its third year, corporate VC entities and other nontraditional investors may soon become prominent sellers. In April, Intel Capital announced plans to monetize its bloated venture position from the pandemic era, signaling what could be the beginning of a broader shift of nontraditional investors turning to secondaries to rebalance portfolios. At the same time, capital allocated to VC secondary funds has doubled since 2022, fueled by demand from new venture investors who view secondaries as a more accessible entry point to the asset class. When primary dealmaking and exit activity eventually rebound, secondaries are poised to expand in parallel. Greater pricing transparency—driven by increased dealmaking and exits of comparable startups—would help reduce today's heavy concentration in a few top companies by instilling more buyer confidence in valuations for a broader range of startups. For context, Rainmaker Securities facilitated $2 billion in secondary volume in 2021—double current levels—with over 4x as many startups actively closing trades, offering a glimpse of the secondary market's untapped potential.

## Dealmaking

In Q1 2025, the VC secondary market swung in favor of sellers, with average and median discounts flipping to premiums of 6% and 3%, respectively. However, closed secondary transactions are concentrated among a small group of top-tier startups, similar to how "The Magnificent Seven" drives a significant portion of the S&P 500's performance. This concentration is expected to deepen amid ongoing volatility—with sluggish dealmaking and limited exit activity in the primary VC market, secondary pricing has become increasingly opaque due to a lack of reliable comparables. Buyers are unwilling to take additional risks when liquidity is so scarce, as demonstrated by widening bid-ask spreads in lower quartiles. Startups that have recently raised capital or operate in high-conviction sectors like data and AI are better positioned to close secondary transactions, making up 69% of Caplight's trading volume over the past 12 months. Similarly, Hiive's top 20 startups

2: For more on secondary market size estimates, see our analyst note Sizing the US VC Secondaries Market.
3: CoreWeave Stock," Notice.co, May 20, 2025.

accounted for 83.2% of Q1 trading volume, with the top five representing 50.6%. For startups outside of the privileged few, discounts are anecdotally reported to be marked down 30% to 60% from their last priced primary round, though the lack of closed transactions among this group means these data points are few and far between.

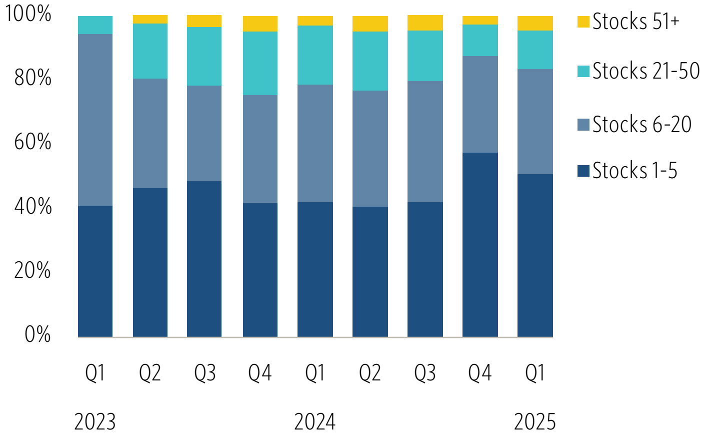
Several high-profile unicorns used tender offers in Q1 to provide liquidity while staying private for longer. Payment processor Stripe recently completed its third tender offer in a year, allowing current and former employees to sell shares with both Stripe and investors serving as buyers. This raised Stripe's valuation to $91.5 billion—more than double its previous Series I pre-money valuation from 2023 but still shy of its peak of $95 billion from 2021. Similarly, AI-powered financial software company Ramp finalized a $150 million secondary deal for employees and early investors, with a new $13 billion valuation that surpassed its previous $8.1 billion peak in 2022 and marked a welcome recovery from its 2023 down round. Leadership from both Stripe and Ramp reaffirmed that their companies have no immediate IPO plans. Finally, livestream shopping platform Whatnot raised $265 million in a Series E round at a $5 billion valuation and announced its first-ever tender offer of up to $72 million. More startups will likely start using tender offers to meet employees' and early investors' liquidity needs as the exit environment remains volatile.

## TTM notable tender offers

| Company | Deal value ($B) | Most recent post-money valuation ($B) | Deal date(s) |
|---|---|---|---|
| SpaceX | $1.3 | $350.0 | December 2024 |
| OpenAI | $1.5 | $300.0 | November 2024 |
| Stripe | $1.6 | $91.5 | April 2024, September 2024, February 2025 |
| Databricks | $10.0 | $62.0 | December 2024 |
| Anthropic | $1.3 | $61.5 | May 2024 |
| CoreWeave | $0.7 | $18.6 | November 2024 |
| Ramp | $0.2 | $13.0 | March 2025 |
| Figma | $0.4 | $12.5 | May 2024 |
| Whatnot | $0.1 | $5.0 | January 2025 |

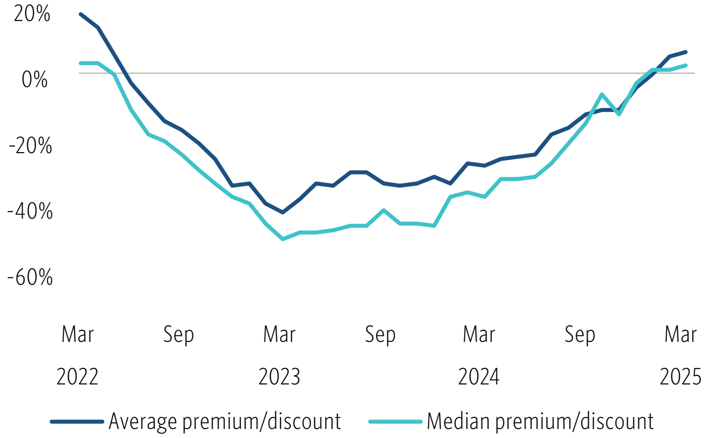
Source: PitchBook • Geography: US • As of March 31, 2025

### Share of secondary market value by select stock tier



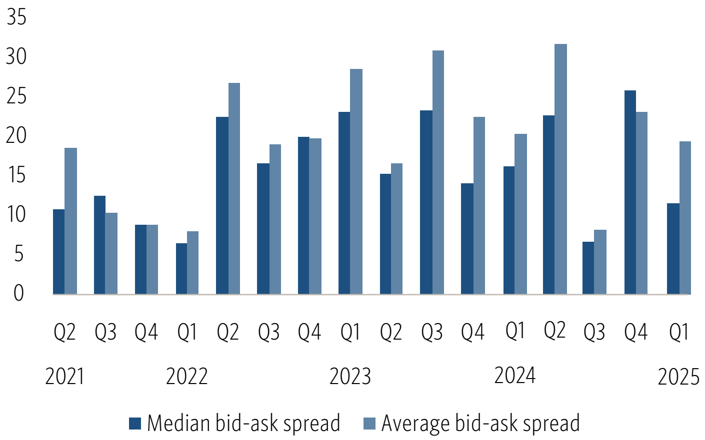

Source: Hiive • Geography: Global • As of March 31, 2025
*Note: Market concentration on a total dollar volume basis, with stocks reranked by liquidity daily.*

### Median and average premium as a share of last private round



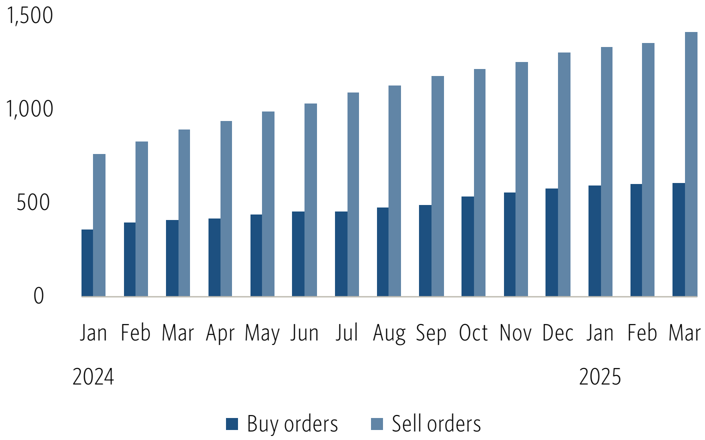

Source: Zanbato • Geography: Global • As of March 31, 2025

### Median and average bid-ask spread by quarter




Source: Notice.co • Geography: Global • As of March 31, 2025

### Security issuance count by buy versus sell order




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

## Market size

The VC direct secondary market remains opaque. Estimating its size requires combining data from confirmed transactions and a modeled approximation of untracked or "available" stakes.

To create our secondaries market size estimate, we began by aggregating 12-month transaction volumes from several leading secondary platforms and brokers: Caplight ($1.8 billion), Forge Global ($880 million),[4] Hiive ($1.3 billion), Next Round Capital ($500 million), Notice.co ($1.7 billion), and Rainmaker Securities ($1 billion). The resulting trade volume totaled $7.2 billion. To account for possible overlap across platforms, we applied a 10% adjustment, resulting in $6.5 billion in brokered trading volume.

Large tender offers continue to drive most recorded secondaries activity. Since Q2 2024, nine of the most high-profile startups have announced about $17.7 billion in tender offers.[5] When these offers are combined with brokered secondaries, the known secondaries market size expands to about $24 billion.

Our estimate of available secondary shares focuses on older stakes in mature unicorns, as Series C and older startups capture 90.8% of trade count and 85.8% of trade volume on Notice.co. Acknowledging that not all investors in a given series are able or willing to sell—and that some may have already exited—we used a tiered approach, assigning decreasing percentages to later stages. This methodology suggests that roughly 3.6% of stakes in VC-backed unicorns are viable for secondary trading.

We then applied the estimated ownership percentage to the top 50 most actively traded companies by valuation on Caplight, Hiive, and Notice.co, which account for a combined $1.3 trillion. Excluding outliers SpaceX and OpenAI, whose valuations are more than double their peers, reduces the total to $669 billion. Applying our 3.6% assumption for secondary market eligibility, the resulting market opportunity is $47.5 billion when including SpaceX and OpenAI, and $24.1 billion when excluding them.

Altogether, we estimate the current US VC direct secondary market to range from $48.1 to $71.5 billion, which is intentionally broad to reflect the impact of outliers. The midpoint, about $60 billion, marks a notable increase from our 2024 estimate of $50 billion, primarily due to increasing valuations from top unicorns. Still, the market size remains modest relative to VC's liquidity needs, since it is only 1.9% of the $3.2 trillion in total unicorn valuations and is comparable with Q1 2025's primary VC exit value of $51.4 billion.

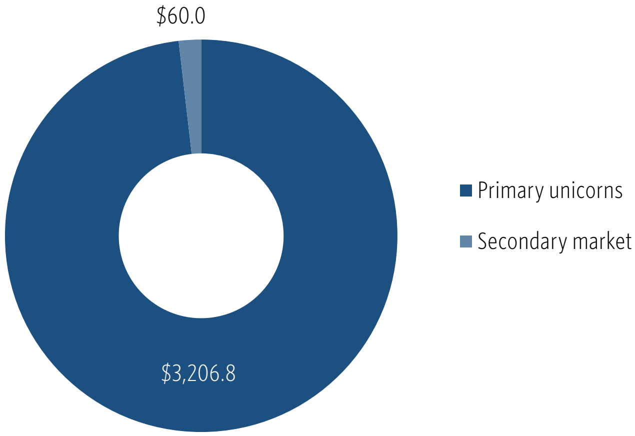
4: According to Forge's 2024 10-K, the value from both the buyer and seller in a trade is counted toward volume. To align the data with our definition of transaction volume, we halved the reported $1.8 billion from Forge's Q1 2025 Report.
5: Stripe's Q1 2025 tender offer amount was not disclosed, so this total assumes a comparable amount to the startup's previous tender offers.

## Unicorn share of secondaries market by series

| | Median time (years) since last round | Median ownership share | Share of secondaries applicability | Estimated share of secondaries ownership |
|---|---|---|---|---|
| Seed | 8.5 | 5.9% | 30.0% | 1.8% |
| A | 7.5 | 7.6% | 15.0% | 1.1% |
| B | 5.8 | 8.9% | 5.0% | 0.4% |
| C | 4.7 | 8.1% | 2.0% | 0.2% |
| D+ | 3.9 | 6.7% | 1.0% | 0.1% |

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

## Estimated unicorn market size ($B) by strategy




Source: PitchBook, Caplight, Forge, Hiive, Next Round Capital, Notice.co, and Rainmaker Securities
Geography: US • As of March 31, 2025

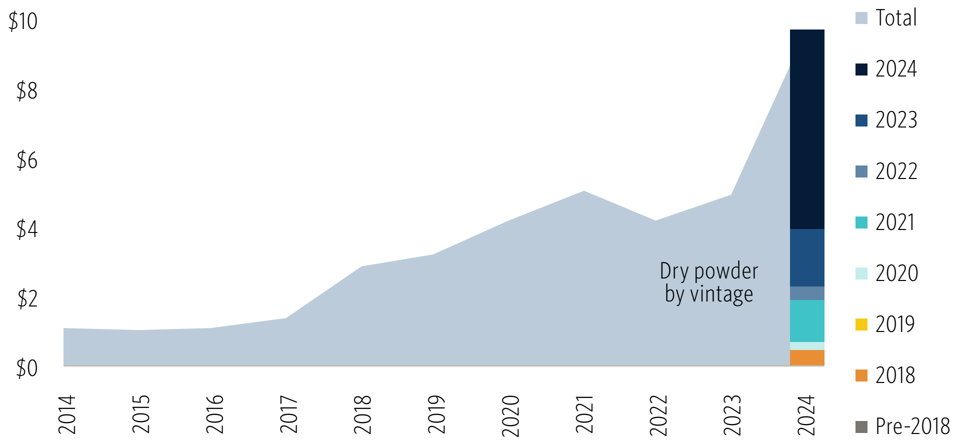
## Notable companies actively traded on secondary platforms

| Company | Most recent valuation date | Most recent valuation ($B) | Time (years) since first VC round |
|---|---|---|---|
| SpaceX | December 11, 2024 | $350.0 | 22.3 |
| Stripe | February 7, 2025 | $91.5 | 13.5 |
| Databricks | December 17, 2024 | $62.0 | 11.5 |
| Anthropic | March 3, 2025 | $61.5 | 3.8 |
| xAI | November 20, 2024 | $50.0 | 1.2 |
| CoreWeave | March 28, 2025 | $18.6 | N/A |
| Anduril | August 7, 2024 | $14.0 | 7.6 |
| Arctic Wolf | May 3, 2024 | $3.9 | 12.9 |
| Groq | August 5, 2024 | $2.8 | 8.3 |

Source: PitchBook, Caplight, Hiive, and Notice.co • Geography: US • As of March 31, 2025

## Fundraising

### VC secondary dry powder ($B)




Source: PitchBook • Geography: US • As of September 30, 2024

VC secondary dry powder has more than doubled since 2022, reaching $9.8 billion as of September 2024. However, this still represents just 3.4% of the dry powder allocated to primary VC funds. The true figure is likely higher when factoring in the $138.4 billion held by general secondary funds, many of which include allocations to venture assets.

Two notable VC secondary funds closed in Q1 2025, reflecting the growing demand for shareholder liquidity as companies remain private for longer. Hamilton Lane's inaugural Venture Access Fund raised $615.3 million, exceeding its $500 million target by 23%. Structured as an evergreen vehicle that combines primary and secondary transactions, the fund represents a strategic expansion for the firm. Backed by nearly three decades of experience and $24.1 billion in secondaries under management, Hamilton Lane has a competitive edge as an experienced manager in today's cautious LP environment. Similarly, the Venture Capital Fund of America (VCFA), a pioneer in the venture secondaries space, closed its Venture Partners VII fund at $122.5 million, a step-up from its $107.2 million predecessor in Q1 2021. With 11 funds raised and more than $1 billion returned to LPs, VCFA's continued momentum underscores the resilience of seasoned managers in a challenging market.

Upcoming policy developments could further accelerate secondaries market growth. The Developing and Empowering Our Aspiring Leaders Act of 2025, or the DEAL Act, could significantly ease regulatory burdens for VC investors by raising the 20% threshold for nonqualifying investments,[6] which include secondaries.[7] If passed, VCs would have greater flexibility in structuring funds without having to become registered investment advisors. The higher threshold would funnel more venture dollars to secondaries and help provide much-needed liquidity to the asset class.

6: "Discussion Draft: Developing and Empowering Our Aspiring Leaders Act of 2025," US House Committee on Financial Services, February 20, 2025.
7: The Securities and Exchange Commission's Investment Advisers Act of 1940 mandates that venture funds can invest only up to 20% of their capital in nonqualifying investments such as debt, secondaries, public equities, and funds of funds. At least 80% of investments must be made directly to private companies.

In parallel, special purpose vehicles (SPVs) have become an increasingly attractive tool for accessing high-value secondary deals that are otherwise constrained by board approvals or minimum investments often exceeding $100 million. They also allow for faster capital deployment. Increasingly, new SPVs are being created solely to invest in a startup's upcoming round or a top unicorn's tender offer. In Q1, Sydecar reported that its median SPV raised $794,973 from eight LPs in only 18 days, with a 10% carried interest fee and a 2% management fee.

Overall, opportunistic capital continues to find its way into the secondary market, even amid broader market constraints. The growth of funds dedicated to VC secondaries is necessary to accelerate the market's expansion and solidify secondaries as a vital liquidity outlet within the venture ecosystem.

## Top VC secondary funds by capital raised since 2020

| Fund | Close date | Fund size ($M) | City |
|---|---|---|---|
| StepStone VC Secondaries Fund VI | June 5, 2024 | $3,300.0 | New York, NY |
| StepStone VC Secondaries Fund V | May 1, 2022 | $2,600.0 | New York, NY |
| G Squared V | October 5, 2021 | $1,360.0 | Chicago, IL |
| G Squared VI | August 26, 2024 | $1,100.0 | Chicago, IL |
| Stepstone Secondaries Fund IV | January 6, 2020 | $800.0 | New York, NY |
| Hamilton Lane Venture Access Fund I | February 6, 2025 | $615.3 | Conshohocken, PA |
| Revelation Healthcare Fund IV | October 25, 2023 | $608.0 | Sausalito, CA |
| NEA Secondary Opportunity Fund | July 3, 2024 | $468.2 | Menlo Park, CA |
| Revelation Healthcare Fund III | March 16, 2021 | $350.0 | Sausalito, CA |
| Congruent Continuity Fund I | February 17, 2023 | $304.0 | San Francisco, CA |
| KVC Secondaries Fund II | January 1, 2021 | $255.0 | Belmont, MA |
| NewView Capital Fund II | February 23, 2022 | $241.0 | Burlingame, CA |
| OnePrime Secondary Fund II | December 31, 2021 | $230.5 | Palo Alto, CA |
| TrueBridge Secondaries I | May 14, 2024 | $230.0 | Chapel Hill, NC |
| NewView Capital Fund III | N/A | $214.0 | Burlingame, CA |
| Second Alpha Partners V | February 28, 2023 | $170.0 | New York, NY |
| Ion Pacific Stonecutter II | December 29, 2021 | $133.7 | Los Angeles, CA |
| VCFA VP VII | January 15, 2025 | $122.5 | New York, NY |
| VCFA VP VI | February 1, 2021 | $107.2 | New York, NY |

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