

Institutional Due Diligence: The Evolution of Private Market Data Rooms

Decoding the Data Room.

Key takeaways

- Global secondary volume reached US\$226–240bn in 2025, depending on which adviser is counting, raising the bar for the information buyers expect.
- Transferability now comes before price: on 11 May 2026 Anthropic said any transfer of its stock not approved by its board is void.
- Information parity, long promoted by ILPA for fund-level deals, is becoming the benchmark for direct secondaries as well.

A decade ago, diligence on a late-stage private company often began and ended with a pitch deck, a financing memo and a call to someone who knew the founders. That model is under strain. The secondary market has become too large, and its participants too institutional, for relationship-led information to carry the load on its own.

Scale changes expectations

Jefferies estimates that global secondary volume reached US\$240 billion in 2025, up 48% year on year [1]. Evercore, using its own methodology, puts the figure at US\$226 billion, up 41% [2]. That the two leading advisers differ by roughly US\$14 billion is instructive in itself: even the market's headline number depends on who is counting and how. The same principle applies to a single position, where no one data point should be relied on in isolation.

Table 1: The 2025 secondary market, two adviser estimates

Metric	Jefferies	Evercore
Total volume	US\$240bn	US\$226bn
LP-led volume	US\$125bn	US\$120bn
GP-led volume	US\$115bn	US\$106bn
Year-on-year growth	+48%	+41%

Source: Jefferies Global Secondary Market Review (10 Feb 2026) [1]; Evercore Private Capital Advisory, as reported by Chief Investment Officer (16 Jan 2026) [2].

Transferability moves to the front of the queue

The most consequential diligence development of recent weeks is not a valuation model but a legal notice. On 11 May 2026, Anthropic updated its website to state that any sale or transfer of its stock, or of any interest in its stock, that has not been approved by its board is void and will not be recognised on

its books. The company said it does not permit special purpose vehicles (SPVs) to acquire its shares and named several platforms it said were not authorised to offer access, including new offerings on Hiive and Forge Global [3][4]. CoinDesk reported that tokenised products referencing the company had been implying valuations the issuer cannot control [5].

For institutional buyers, the episode crystallises a long-standing principle of private markets: whether a position can be transferred, and whether the issuer will recognise the transfer, comes before what the position is worth. Rights of first refusal, board-consent requirements and co-sale rights sit in each company's charter and shareholder agreements, and they vary widely. Forward contracts and layered SPV structures can create economic exposure without a registered transfer, but issuers may decline to recognise them. Axios observed that policing such structures is difficult for issuers, which is exactly why buyers are examining the full chain of title rather than assuming it [6].

Longer holds, deeper files

Time is the second driver. McKinsey's Global Private Markets Report 2026 cites an estimate that 14% of sponsor-backed exits now run through continuation vehicles, and its survey found that about 30% of limited partners regard assets placed in those vehicles as distressed or challenged [7]. Longer holding periods mean more corporate events, including new share classes, down rounds, recapitalisations and tender offers, each of which must be reconciled before a buyer can be confident about what it is acquiring.

Information parity as an industry standard

For GP-led transactions, the Institutional Limited Partners Association (ILPA) has urged sponsors to give existing investors information comparable to what the acquirer receives, and to allow at least 30 calendar days (or 20 business days) for them to decide whether to sell or roll [8]. ILPA has since published a continuation fund disclosure template to standardise that information set [9]. These documents address fund-level deals, but the underlying principle, that each side of a trade should see a comparable body of information, is increasingly applied to direct trades in single-company shares.

From documents to data

Operationally, the change is a shift from static PDFs to structured, verifiable data: capitalisation tables reconciled against issuer records, share-class terms extracted into comparable fields, and pricing references drawn from several sources, including recent primary rounds, tender offers, observed secondary trades and listed comparables. AI-assisted review can speed up the extraction of key terms from charters and stockholder agreements. It does not replace legal judgement on how those terms apply to a particular transfer.

What remains hard

None of this eliminates information asymmetry. Private companies are not subject to public-company disclosure rules, secondary price observations are sparse and may reflect small or structured trades, and issuers control the most important records. Regulated intermediaries can help standardise the

process. In Hong Kong, for example, shares of private companies incorporated outside Hong Kong generally fall within the definition of securities, so dealing in them is typically a licensed activity [10][11]. Responsibility for diligence, however, rests with each investor and its advisers.

The direction of travel is clear. In a market measured in hundreds of billions of dollars, the data room is becoming less a filing cabinet and more a verification exercise, and the first item to verify is whether a position can change hands at all.

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