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## Trapped Capital & The Rise of GP-Led Venture Secondaries

How a \$1.7 Trillion Opportunity in Aged Fund Assets Is Reshaping the Secondary Market

*Based on World Economic Forum / Stanford GSB Venture Capital Initiative: The Future of Venture Capital: Unlocking Liquidity and Growth (May 2026)*

### EXECUTIVE SUMMARY

The World Economic Forum and Stanford Graduate School of Business Venture Capital Initiative published their landmark report, *The Future of Venture Capital: Unlocking Liquidity and Growth*, in May 2026. The findings validate what Saints Capital has long believed: the structural build-up of unrealized value in aging venture funds is not a temporary market dislocation — it is a permanent feature of the asset class that is creating a generational opportunity for firms focused on venture secondaries and particularly GP-led secondary specialists.

At the heart of this opportunity lies a simple but powerful reality: approximately \$1.7 trillion in unrealized net asset value (NAV) sits in VC funds launched in 2019 or earlier, with a meaningful portion of that capital trapped in funds over ten years old. These are the assets where Saints Capital plays — complex, mature, information-rich situations requiring expertise that few buyers possess. While secondary purchases of LP stakes have been around for a while, they require LPs to take the initiative and to do so each individually for the most part making liquidity at scale tougher. GP-led transactions, where the general partner of venture funds decides to provide liquidity to all LPs if they so choose through a CV, provides a larger and more efficient solution.

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Perhaps the single most striking statistic from the WEF report is the age profile of today's privately held unicorns. Of the 1,920 unicorns that remain private globally, almost two-thirds — 59% — were founded more than ten years ago. One in five was founded more than fifteen years ago. These companies and the funds that hold them have already exceeded the intended life of their venture fund vehicles, creating intense LP demand for liquidity solutions that only GP-led transactions can deliver at scale.

<p><b>\$3.2T</b></p> <p>Total unrealized NAV in VC funds globally <i>Stanford GSB / WEF, 2026</i></p>	<p><b>\$1.7T</b></p> <p>Unrealized NAV in funds vintage 2019 or earlier <i>Stanford GSB / WEF, 2026</i></p>	<p><b>59%</b></p> <p>Of today's 1,920 private unicorns founded 10+ years ago <i>Stanford GSB / WEF, 2026</i></p>
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The WEF report confirms that GP-led secondaries have evolved from a niche liquidity tool into permanent infrastructure for the venture ecosystem. For firms focused in this sector — this structural shift represents a growing opportunity to meet the needs of the asset class.

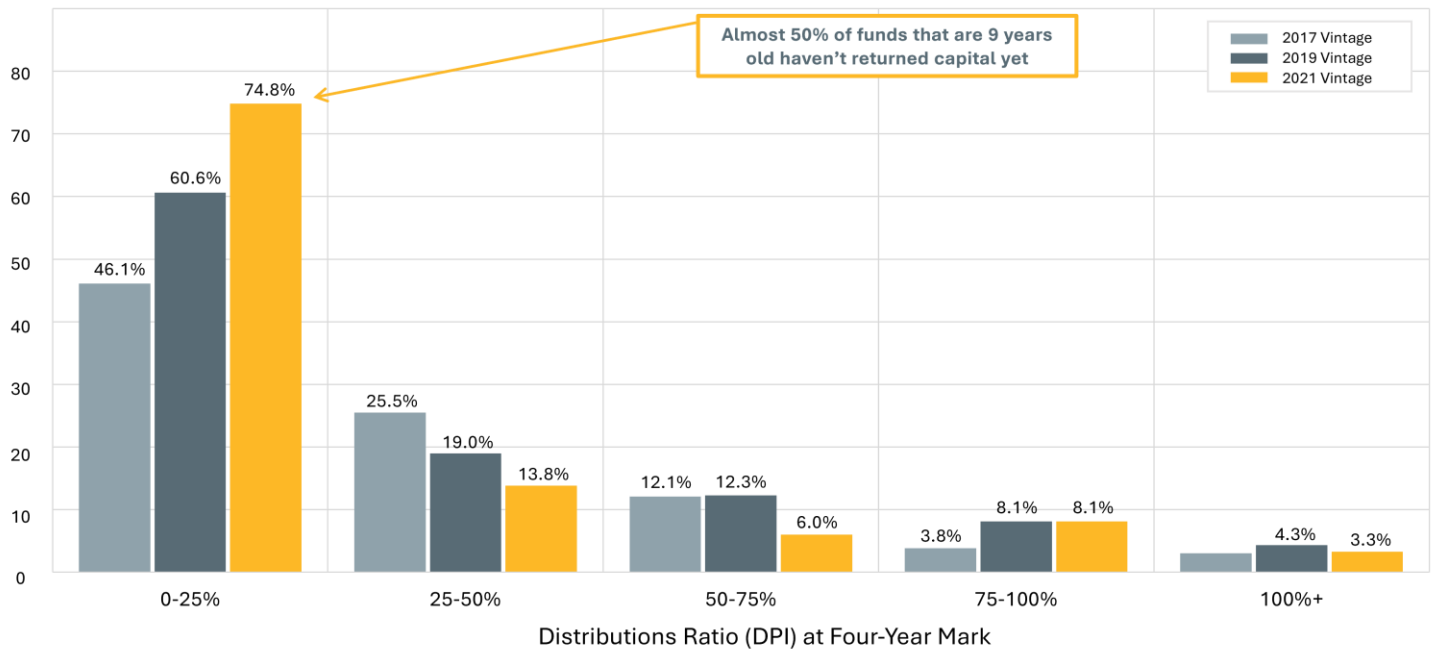
## THE LIQUIDITY CRISIS IN AGING VENTURE FUNDS

The venture capital model was designed around a predictable cycle: invest, scale, exit, and return capital. For decades, this flywheel spun reliably. Today it has stalled. The WEF report documents with precision how dramatically the exit environment has deteriorated — and why the consequences fall hardest on funds that have aged beyond their intended life.

Historically, funds in their prime return years (5–10 years old) returned roughly 20% of their value to investors annually. By end of 2025, the average had fallen to 12% — meaning investors are receiving back only about 60 cents for every dollar they would typically expect at this stage. Since 2022, US venture funds have drawn a net \$196.9 billion more from investors than they have returned — a sustained deficit without precedent in the industry's history.

The WEF report provides granular vintage-level data that makes the magnitude of this drought unmistakable:

### Cash Returned by Venture Funds: Distribution Ratios by Vintage at the Four-Year Mark



**Figure 1: Distribution Ratios (DPI) by Fund Vintage at the Four-Year Mark**

Source: WEF / Stanford GSB Venture Capital Initiative (May 2026), based on approximately 1,600 VC funds. Data drawn from PitchBook.

The data is striking. Among funds launched in 2021, three-quarters had returned less than a quarter of their investors’ money by their fourth anniversary. Fewer than 6% had returned more than half of investors’ capital — roughly half the rate seen in the 2017 vintage at the same point. And the problem seems to be worsening with each successive vintage: each new wave of funds shows a higher share of capital trapped in the lowest DPI bracket and while we don’t yet have data from the most recent vintages, it is reasonable to expect that the problem gets worse.

For LPs who funded the record vintage years of 2020–2022, the message is clear: traditional exits are not going to return this capital on any reasonable timeline. Active liquidity solutions — particularly GP-led secondary transactions — are the only viable mechanism for unlocking distributions in funds that have already exceeded or are approaching the end of their intended life.

*“Since 2022, US venture funds have drawn a net \$196.9 billion more from their investors than they have returned — a sustained capital deficit without precedent in the industry’s history.”*

— WEF / Stanford GSB Venture Capital Initiative, 2026

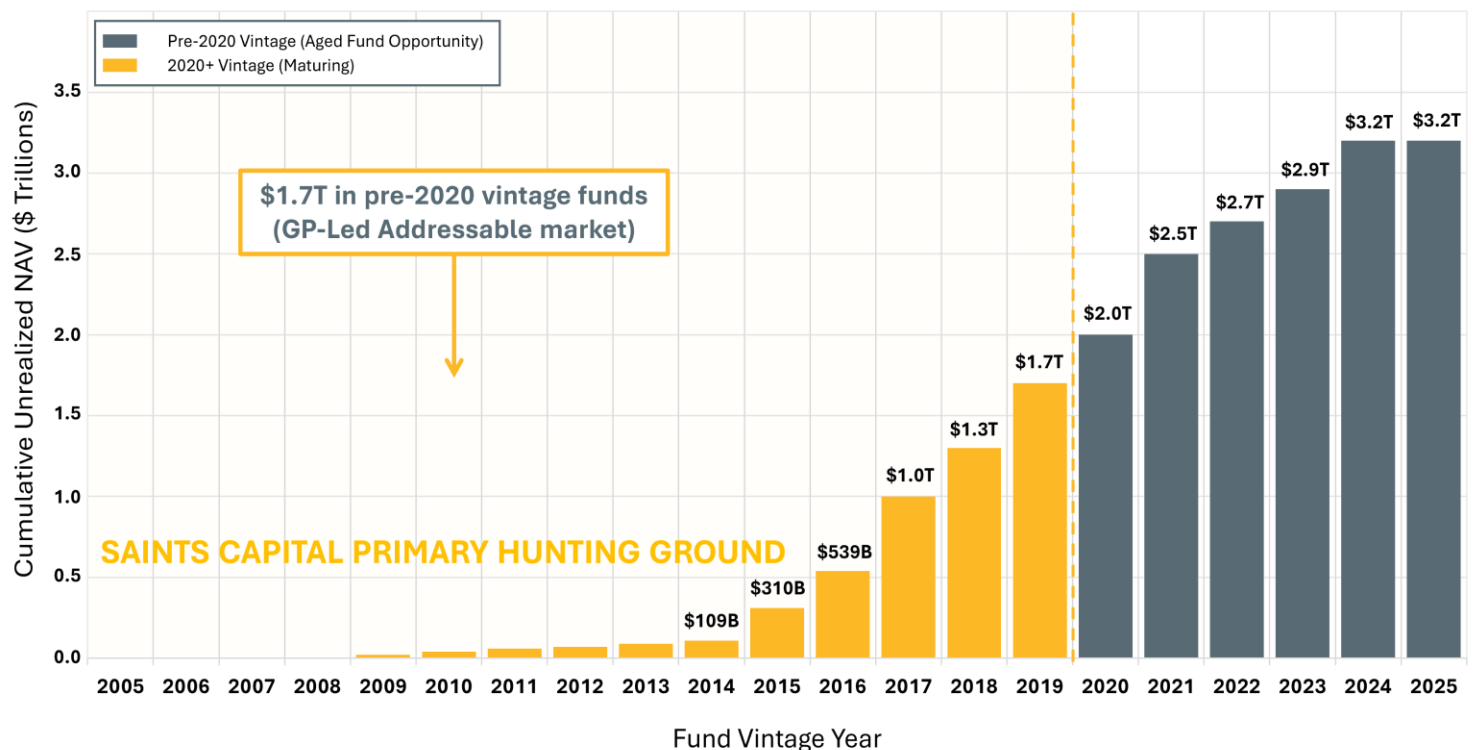
## THE SCALE OF TRAPPED VALUE: A \$1.7 TRILLION OPPORTUNITY

### Cumulative Unrealized NAV Reveals the Full Magnitude of the Problem

While the DPI data shows the flow problem — capital not being returned — the cumulative NAV data reveals the stock problem: the sheer volume of value that has accumulated in venture fund balance sheets with no clear path to realization. The WEF report provides the most comprehensive view of this build-up ever published.

Total unrealized NAV across all VC fund vintages reached \$3.2 trillion in 2025. But the most actionable segment of this opportunity is in funds vintage 2019 or earlier, where \$1.7 trillion in unrealized value sits. These are the funds that are 6+ years into their life, approaching or exceeding their contracted term, and where LP pressure for liquidity is most acute. This is Saints Capital’s primary addressable market.

### Cumulative Unrealized Net Asset Value in VC Funds by Vintage



Source: WEF / Stanford GSB Venture Capital Initiative (May 2026; Stanford GSB calculations based on pitchbook data)

Several features of this chart are worth highlighting for investors evaluating the GP-led opportunity:

- The build-up is exponential, not linear. NAV in the 2015–2019 vintages alone is \$1.6 trillion — a massive wave of capital that is now fully within the window for GP-led transactions.
- The 2016–2020 vintages saw average annual fundraising of \$235 billion, compared to just \$30 billion pre-2011 and \$75 billion in 2011–2015. This means the pipeline of aged assets requiring GP-led solutions will grow substantially every year for the next five to seven years as these record vintages age.
- Even the most recent vintages (2020–2025) are already accumulating large unrealized NAV, suggesting the structural need for GP-led solutions will persist well into the 2030s.

## SAINTS CAPITAL PERSPECTIVE: THE 10+ YEAR SWEET SPOT

Saints Capital focuses specifically on assets in funds that are at or beyond their ten-year contracted life.

This is where LP pressure for liquidity is greatest, where GPs have the strongest motivation to pursue restructuring solutions, and where transaction discounts compensate investors most generously for complexity.

According to PitchBook, there is over \$225 billion of unrealized NAV in funds 10 years or older, and we anticipate this number to expand materially as illiquidity has become a structural issue.

The WEF data confirms that this segment represents the highest-conviction, highest-barrier-to-entry portion of the secondary opportunity — exactly where Saints Capital's 35+ GP-led transaction track record creates the greatest competitive advantage.

## ALMOST TWO-THIRDS OF ALL UNICORNS ARE OVER 10 YEARS OLD

### The Age Profile of Private Unicorns Defines the GP-Led Opportunity

Perhaps no single data point from the WEF report is more relevant to the GP-led venture secondary thesis than the age profile of today’s private unicorns. Of the 1,920 privately held unicorns globally, 59% — almost two-thirds — were founded more than ten years ago. One in five (20%) was founded more than fifteen years ago. These companies have already exceeded the historical average time-to-IPO by a wide margin, and, in many cases, their fund investors have been waiting for liquidity far beyond reasonable expectations, notwithstanding some pro-active GPs selling small portions of the stakes in these unicorns in single asset transactions.

### 1,920 Privately Held Unicorns by Company Age Almost Two-Thirds Were Founded Over 10 Years Ago

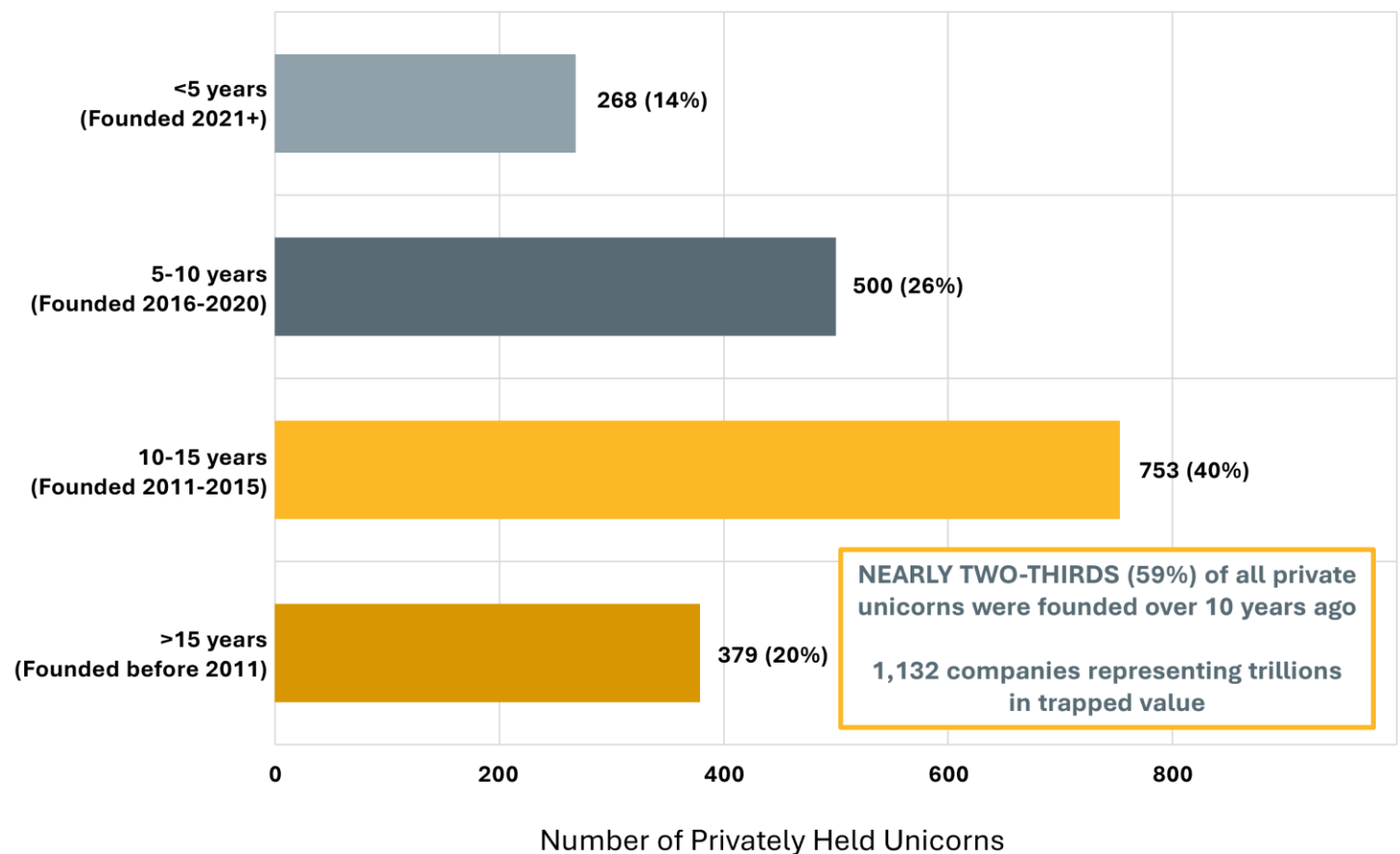


Figure 3: 1,920 Privately Held Unicorns by Company Age — Nearly Two-Thirds Founded 10+ Years Ago

Source: WEF / Stanford GSB VCI analysis (May 2026) using PitchBook, Dealroom, Preqin, Tracxn, Crunchbase, and VentureSource data.

The implications of this age profile for GP-led transactions are profound:

- 1,132 private unicorns — representing trillions in enterprise value — are over ten years old. The venture funds that invested in these companies during their early rounds have been holding positions for a decade or more without liquidity. LP patience is exhausted, and GP-led restructurings are the most viable path forward.
- The WEF report finds that 82% of the 2018 US unicorn cohort remains private, and 27% of unicorns founded in 2005 have yet to exit. These companies are creating acute pressure on their fund GPs to find creative liquidity solutions.
- Among US unicorns, 79% remain unprofitable and 75% have less than \$300 million in annual revenue — well below the threshold for a successful large-cap tech IPO. Traditional exits are not on the horizon for most of these companies.
- Only 25% of unicorns meet a combined benchmark of over \$100 million in revenue, at least 15% year-on-year growth, and margins no worse than negative 25%. For the other 75%, GP-led secondaries may be the only realistic mechanism for providing investor liquidity.

*“Among US unicorns, 82% of the 2018 cohort remain private and 27% of unicorns founded in 2005 have yet to exit. For LPs, this means more capital locked up for longer, with returns dependent on liquidity events whose timing remains increasingly uncertain.”*

— WEF / Stanford GSB Venture Capital Initiative, 2026

## WHY GP-LED SECONDARIES ARE A GOOD SOLUTION FOR AGED VENTURE ASSETS

### The Structural Advantages of GP-Led Transactions

The secondary market has grown dramatically, but the WEF report reveals a critical concentration problem: the 20 most actively traded companies account for 86.4% of direct secondary transaction volume. For the vast majority of venture-backed companies — including the 1,132 private unicorns over ten years old — the direct secondary market remains effectively closed. This is precisely the gap that GP-led transactions fill.

## The Power Law Problem Requires GP-Led Structuring

In venture capital, over 80% of returns are driven by fewer than 20% of portfolio companies. When a GP-led transaction selects the best assets for a continuation vehicle, the structuring must address what happens to the remaining portfolio. If only the winners are selected, LPs are left holding stranded tail assets with limited return potential. Continuation Vehicles that include all assets provide the ability for GPs to continue to benefit from the further upside of their best assets while solving LPs' desire for liquidity and providing a comprehensive solution for the long-tail assets.

## Information Asymmetry Favors Experienced Specialists

The WEF report highlights information asymmetry as a primary barrier to secondary market efficiency. Many venture GPs hold minority positions without access to standard financial metrics. Aged funds compound this problem with complex cap tables accumulated over 10+ years of financing rounds, management changes, and evolving governance structures. Saints Capital's 35+ GP-led transactions have built a proprietary database of comparable situations that few competitors can match.

## Regulatory Moat: The Venture Capital Advisor Exemption

Most venture capital GPs operate under the Venture Capital Advisor exemption, which exempts them from SEC registration. Executing a GP-led secondary typically requires the buyer to serve as GP of the continuation vehicle — which requires RIA registration. While there are GP-led solutions involving fund restructurings and GP sponsored LP tender offers, the industry standard of a traditional Continuation Vehicle offers some tax and structural benefit. This regulatory infrastructure is a meaningful barrier to entry.

## THE MARKET AHEAD: FIVE STRUCTURAL TAILWINDS

Drawing on the WEF report's findings and our own market intelligence, we identify five structural tailwinds that will drive sustained growth in GP-led venture secondaries over the next decade:

### Tailwind 1: The Aging Fund Wave Accelerates

Funds raised in the record vintage years of 2016–2022 are just beginning to enter the 8–12 year zone where GP-led transactions become most relevant. With \$235-400 billion raised annually in those years, and with the WEF confirming that 59% of private unicorns were founded over ten years ago, the pipeline of aged assets seeking GP-led solutions will grow substantially over the next five to seven years.

### Tailwind 2: LP Patience is Exhausted

The WEF documents a “sustained capital deficit without precedent in the industry’s history” — \$196.9 billion more drawn from LPs than returned since 2022. Venture fundraising saw the fewest new fund closings in a decade in 2025. Median time to close a US VC fund stretched to a record 15.3 months, up from 9.7 months in 2022. LPs are demanding active liquidity solutions.

### Tailwind 3: VC GPs Are Embracing GP-Led Transactions

VC continuation fund volume surged tenfold in 2024, with marquee firms including Lightspeed, NEA, and Insight Partners all executing transactions. The “social proof” of leading firms adopting GP-led structures is removing the cultural resistance that had historically inhibited venture GPs from pursuing these transactions.

### Tailwind 4: AI is Concentrating Value in Long-Duration Private Companies

In 2025, AI accounted for more than half of global venture deal value. AI companies are building at public-company scale while remaining private — OpenAI’s latest \$110 billion raise was four times larger than the biggest IPO in history. This concentration of value in long-duration private companies creates exactly the conditions under which GP-led transactions thrive.

### Tailwind 5: The Market Infrastructure Gap is Closing

The WEF recommends “improving secondary-market infrastructure” as a top priority, noting that the next frontier is extending efficient liquidity beyond the top tier of companies to the long tail. As transaction standards improve, LP familiarity with GP-led processes grows, and governance best practices solidify, the addressable market for GP-led transactions will expand significantly.

Period	Est. GP-Led VC Volume	Market Context
2019–2020	~\$1–2B	Early exploratory phase; primarily distressed
2021–2022	~\$3–5B	Growth as exit environment deteriorates
2023–2024	~\$8–10B	Surge; Lightspeed, NEA, Insight Partners transact
2025	~\$14.6B	Record volume; mainstream acceptance established
2026–2028E	\$25–40B+	Acceleration as aged fund wave hits critical mass
2029–2031E	\$50B+	Potential to approach PE GP-led scale as % of VC

Source: WEF / Stanford GSB VCI, 2026; Jefferies Secondary Market Review; Saints Capital estimates

## CONCLUSION: THE MOMENT FOR VENTURE SECONDARIES

The World Economic Forum’s 2026 report is, in many respects, a comprehensive validation of the thesis that has guided many secondary firms focused on the venture capital market: that the venture capital ecosystem requires specialized secondary liquidity infrastructure to function effectively, and particularly that GP-led transactions are uniquely suited to addressing the most complex liquidity challenges in aging venture funds.

The data leaves no room for ambiguity. \$1.7 trillion in unrealized value sits in pre-2019 vintage funds. Almost two-thirds of all private unicorns were founded over ten years ago. LPs have received \$196.9 billion less than they expected since 2022. Three-quarters of 2021-vintage funds have returned less than 25% of LP capital by their fourth year. The average venture-backed company now takes 12 years to reach an IPO. And 79% of unicorns remain unprofitable, far from the IPO-readiness thresholds that would enable traditional exits.

Against this backdrop, GP-led secondaries have grown tenfold in a single year — and still represent just 2.6% of total unicorn value. The distance between current penetration and the structural need is the opportunity. Saints Capital, with 35+ GP-led transactions executed, regulatory infrastructure to serve as continuation fund GP, and proprietary valuation and structuring expertise developed over decades, is positioned at the center of this market.

The WEF report concludes that “As the capital base deepens, governance standards mature and transaction structures diversify, GP-led solutions are becoming permanent infrastructure.” We agree. And we believe that the firms that have built their practices on the complexity of GP-led venture transactions — not as a side strategy but as a core competency — will capture a disproportionate share of the value this market creates over the next decade.

## ABOUT SAINTS CAPITAL

Saints Capital is a venture-focused secondary investment firm specializing in GP-led transactions. With over 35 GP-led transactions executed across our history, we are among the most experienced GP-led venture secondary investors in the world. Saints Capital is a registered SEC-registered investment adviser (RIA), enabling us to serve as continuation fund GP and provide complete GP-led transaction services to venture capital managers seeking liquidity solutions for their limited partners.

### SAINTS CAPITAL: BUILT FOR THE GP-LED VENTURE SECONDARY MARKET

- 35+ GP-led transactions executed — among the most in the industry
- SEC Registered Investment Advisor (RIA) — can serve as continuation fund GP
- Proprietary valuation and structuring methodology for aged venture assets
- Deep network of GP relationships cultivated over two decades
- Institutional-grade governance: independent valuations, LP process management, compliance frameworks
- Specialized focus on the most complex, highest-barrier segment of the market

## SOURCES AND DISCLOSURES

*Primary source: World Economic Forum and Stanford Graduate School of Business Venture Capital Initiative, “The Future of Venture Capital: Unlocking Liquidity and Growth,” May 2026. Additional sources: Jefferies Secondary Market Review 2025; William Blair Secondary Market Report; Preqin Private Equity & Venture Capital Data; PitchBook Venture Monitor; Lazard Secondary Market Report; Saints Capital proprietary transaction data.*

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