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# How investors can get access to the secondary and what are the upside for the LPs ?

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## EXECUTIVE SUMMARY

*Investors can access the secondary private equity market either directly or through specialized managers, and LPs benefit from liquidity, discounts, faster distributions and better visibility on assets when they do so.*

## 1. Why Secondary Private Equity, now?

In today's liquidity-constrained environment, secondary private equity has become an increasingly relevant solution for investors seeking both access and flexibility. Rather than relying solely on primary commitments and long holding periods, qualified investors can use secondary transactions to enter high-quality assets at attractive discount levels, while potentially improving portfolio diversification and reducing J-curve effects. Over the past few years, rising interest rates, geopolitical uncertainty and tighter regulatory conditions have made exit timing and liquidity less predictable across private markets. In this context, the secondary market offers a more dynamic way to access institutional returns, where disciplined pricing, strong asset selection and efficient execution matter more than ever.

The secondary market has matured into a structural component of private markets, no longer a niche, opportunistic segment used only in distressed situations. LPs today actively use secondaries to manage portfolio construction, recycle capital and align exposures with evolving risk and allocation views. For new investors, secondaries offer a route into seasoned portfolios with shorter duration and greater visibility, making the strategy increasingly attractive as part of a broader private equity allocation.

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## **2. How Investors Access the Secondary Market**

Investors can access the secondary market through several main channels, depending on their size, sophistication and governance constraints. At the most institutional end of the spectrum, large allocators may transact directly in LP-led or GP-led deals, often alongside specialist secondary funds. At the other end, smaller investors may gain exposure through pooled secondary vehicles, feeder funds or curated platforms that aggregate deal flow and provide operational support.

LP-led transactions in LP-led secondaries is an existing limited partner sells its interests in one or more private equity funds to a secondary buyer, effectively transferring its remaining commitments and future distributions. This route allows incoming investors to access diversified portfolios across strategies, vintages, sectors and geographies, often at discounts to reported NAV, while sellers gain liquidity and can rebalance their portfolios.

GP-led transactions in GP-led secondaries is when the initiative comes from the general partner, who structures a continuation vehicle or similar solution for a subset of portfolio companies and offers existing LPs the choice to sell or roll their exposure.

For new investors, GP-led deals can provide access to “trophy” assets with meaningful upside still ahead, under a sponsor they already know and can underwrite based on realized track record. LPs benefit from a liquidity option, while GPs secure additional runway to continue value creation

**Secondary funds and specialized managers:** Many investors choose to access the secondary market indirectly by allocating to specialized secondary funds or mandates managed by experienced teams. These managers aggregate deal flow, negotiate pricing, perform due diligence and actively construct diversified portfolios of secondary positions, giving LPs exposure to hundreds of underlying companies through a single commitment. For allocators with limited internal resources, this is often the most efficient way to benefit from the structural advantages of secondaries.

Building on this ecosystem, our approach focuses on proactive sourcing and disciplined selection. In today’s environment, opportunities are rarely “off the shelf”; they are created by mapping liquidity needs across LPs and GPs, understanding constraints, and structuring tailored secondary solutions. Our 360-degree method and expertise help us identify where pricing, quality and timing intersect most attractively for our investors.

### **3. The Upside for Limited Partners**

For LPs, the appeal of secondary investments lies in a combination of economic, risk and portfolio management benefits.

**Access at a discount and improved risk-return profile:** Secondary buyers frequently acquire interests at a discount to reported NAV, especially in periods of market stress, denominator effects or forced selling. These discounts can create immediate unrealized gains and enhance downside protection, as investors enter assets with a margin of safety relative to intrinsic value. When combined with robust underwriting of the underlying funds and companies, this pricing dynamic can improve risk-adjusted returns over a full cycle.

**Shorter duration and accelerated distributions:** Unlike primary commitments, where capital is deployed gradually and distributions may take many years, secondaries provide exposure to more mature portfolios already in the growth or harvest phase. As a result, LPs often experience a faster pace of distributions and a reduced J-curve, which can be particularly attractive for investors with tighter liquidity profiles or specific cash-flow objectives.

**Greater visibility and reduced blind-pool risk:** Secondary investors can review detailed information on portfolio holdings, historical financials, valuations and GP track records before committing capital, significantly reducing blind-pool risk compared with traditional primary funds. This enhanced transparency enables more granular risk assessment and allows LPs to target specific sectors, vintages and managers aligned with their convictions.

**Diversification and portfolio construction:** Secondaries can provide broad diversification across strategies, sectors, geographies, company sizes and fund vintages through a single allocation, which helps smooth return profiles and mitigate idiosyncratic risk. LPs can use secondary investments to fill gaps in existing portfolios, rebalance over-concentrated exposures, or tilt towards themes where they see better relative value, all while staying within their overall private markets budget.

**Active liquidity and balance sheet management:** For selling LPs, the secondary market is now a strategic tool for active balance sheet and allocation management in an otherwise illiquid asset class. It allows investors to crystallize gains, exit underperforming relationships, manage over-commitment and free up capital for new opportunities, instead of waiting for uncertain exit events. For buyers, this flow of liquidity-motivated selling is what creates a pipeline of discounted, seasoned assets to underwrite.

## **4. Our 360° Approach to Creating and Capturing Opportunities**

In this evolving market, access and execution are as important as analysis. Our 360-degree approach is built around three pillars: market mapping, pricing discipline and negotiation intelligence. As a result, we seek the best scenarios to invest at the right price and secure profitable exits, regardless of public market volatility. Our processes and negotiation network enable us to access attractive opportunities at discount levels while maintaining institutional standards of due diligence and risk control.

What is our recipe? Opportunities and best executions are only achieved through a broad network of inventory access and a deep understanding of all possible spread levels. We create opportunities by continuously scanning inventories with quality funds that meet minimum LP constraints, and by negotiating from a strong understanding of sellers' expectations and comparable target pricing. By combining structured market screening, independent analysis of non-listed assets and collaborative data from our network, we aim to position our investors where liquidity needs, valuation dislocations and long-term value potential intersect.

For LPs, partnering with a specialist in secondaries means more than accessing individual transactions. It offers a way to integrate secondary exposures into a coherent private equity strategy that balances liquidity, visibility and upside potential. In a world where capital is constrained and exit paths are less linear, secondaries are increasingly a core allocation tool –and a source of resilience and optionality within institutional portfolios.

## THE VALUE OF ACCESSING SECONDARY INVESTMENTS THROUGH OUR DEDICATED INTERMEDIARY DESK

### Upside for LPs (Sellers and Buyers)

- Access to a broader buyer universe (instos, FO, banks, secondary funds) and better price tension on sales.
- Faster execution thanks to pre-qualified counterparties and standardized processes (NDAs, data rooms, trade docs).
- Better price discovery and benchmarking versus recent trades, NAVs, and market color, reducing the risk of selling too cheap.
- Ability to structure transactions (portfolio sales, strips, preferred equity, tenders) instead of simple LP-stake blocks.
- Support on deal strategy: when to sell, which lines to include, and how to balance liquidity vs. upside.
- Reduced execution risk through KYC, eligibility checks, and coordination with GPs and custodians.
- Enhanced confidentiality by interposing a broker instead of directly showing positions to the whole market.
- Administrative relief: the broker manages bid collection, term comparison, and helps with closing logistics (transfer forms, side letters, etc.).
- For buying LPs, access to proprietary or off-market deal flow they would not see directly (club deals, single-asset, continuation funds).
- Improved portfolio construction: ability to source specific vintages, strategies, or sectors that match their target allocation.

### Upside for GPs

- Additional liquidity options to offer existing LPs without launching a process alone (tenders, GP-leds, continuation vehicles).
- Access to a curated pool of replacement LPs aligned with the fund's strategy and time horizon.
- Better control of cap table stability (avoiding distressed or unsuitable buyers) while still facilitating secondary trades.
- Market intelligence on pricing, investor appetite, and structures currently accepted in similar GP-led or LP-led deals.

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