

PARTNER PERSPECTIVES

Continuation Vehicles: Key Trends and Considerations for Sponsors Insights for Navigating the Evolving Secondaries Market



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Continuation Vehicles ("CVs") are gaining more traction as general partners ("GPs") seek to retain exposure to high-performing assets while providing optional liquidity to generally distribution starved limited partners ("LPs"). Campbell Lutyens ("CL"), a leading global private capital advisory firm founded in 1988, has been active in the secondaries space since 2000 and advised on \$23B in secondary volume in 2024.

Further education at both GPs and LPs can significantly unlock the opportunity set, particularly in the middle

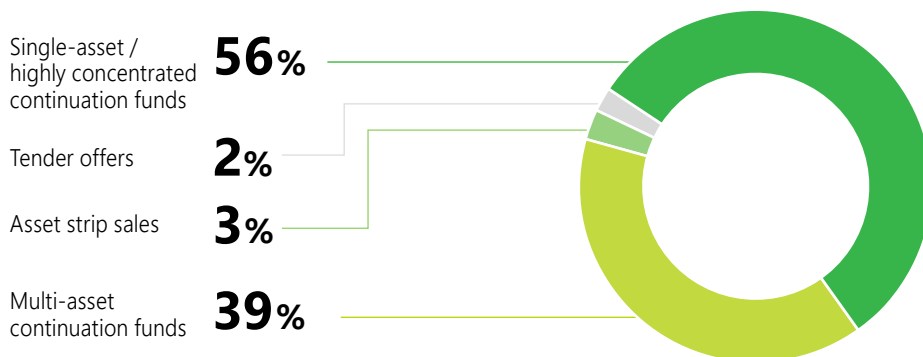
market. We wanted to highlight the following key trends / takeaways that could be helpful as sponsors further evaluate CVs:

- **Be clear on the problem(s) you're solving for.** It's important to keep in mind that the LP is the lifeblood of the GP business and every decision should be centered around that belief. Does the business still have substantial runway, including M&A, which would support the operational and financial case for a CV? The rationale for a CV as the optimal approach must be clear

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"The GP-led market continues to provide an effective pathway to liquidity for LPs. This consistency has drawn the attention of a diverse group of new market entrants on the buy-side as well as GPs seeking alternative liquidity options for their investors in a deal market that continues to search for stability."

2024 GP-Led Transactions by Type

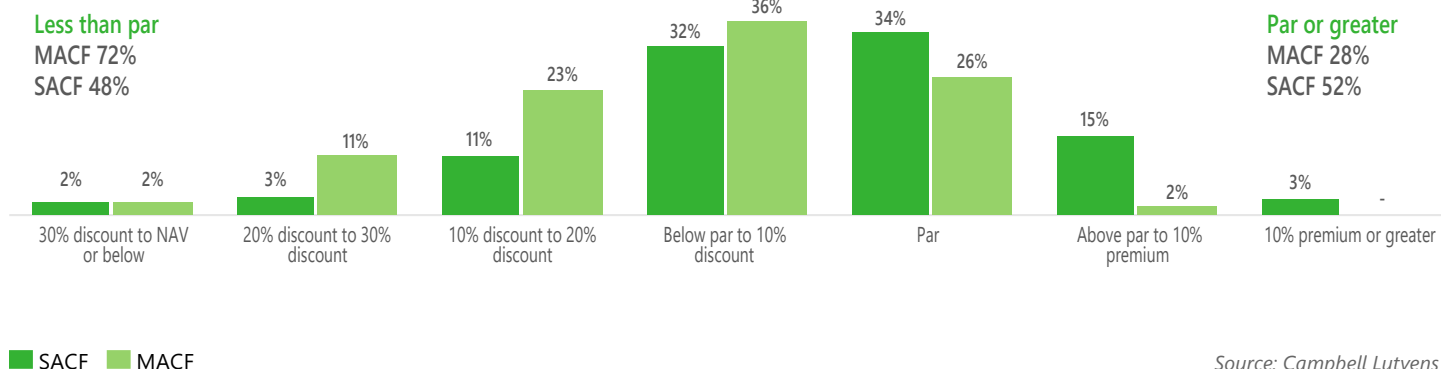


Source: Campbell Lutyens

and set out to LPs up front. Not all businesses are good CV candidates.

- **LPs are still largely opting for liquidity in CV roll / sell decisions.** While LPs are more familiar today with CVs, approximately 85-90% of LPs have recently opted for cash compared to rolling in a CV process.
- **GP-led volume grew by 41% in 2024 and remains robust to date in 2025.** According to CL's 2024 Secondary Market Report, we observed that GP-led transaction

2024 GP-Led Transaction Pricing



volume was driven by 1) continued emergence of dedicated, GP-led secondaries vehicles, 2) the entry of non-traditional secondary market participants investing in continuation vehicles, such as family offices, E&Fs, and public funds, and 3) a growing base of first-time CV sponsor users, reflecting broader adoption. These trends have continued into 2025. Single-asset deals are still the largest portion of GP-led volume as shown above.

- **Pricing trends remain strong for quality assets.** As shown above, 52% of single-asset GP-led transactions priced at par or better in 2024, with an average discount of 3.6%. Due to an abundance of supply in the market, only the highest quality companies are clearing in single asset transactions (typically at competitive pricing) whereas on multi-asset CVs we observe a wider mix of portfolio quality. While

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“The signature assets of GPs are often brought to market, generating high interest among buyer groups. However, liquidity for existing LPs is not the sole goal of the GPs. Attracting new LPs through GP-led transactions is emerging as a creative fundraising tool as well in very challenging fundraising market.”

pricing for multi-asset continuation funds wasn't as strong as single-asset transactions, the average multi-asset price was in the 90s, with 64% of transactions pricing at a 10% discount or better.

- **Strategic fundraising benefits for sponsors.** CVs offer more than just liquidity – they are a strategic fundraising tool. In two recent CVs advised by CL ranging from \$250MM to \$1.5B, new LPs were secured; most of those new LPs were primary oriented. Both deals also had approximately 20% of follow-on capital for growth initiatives. How sponsors treat existing and new investors can weigh heavily on a primary fund commitment decision (both positively and negatively).
- **Robust secondary industry fundraising will support continued growth of the CV market.** Secondary capital formation remains robust, with \$81B raised in 2024 compared to \$57B in 2021. This growing pool of capital will likely ensure that quality CVs will continue to find support. [WV](#)