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Secondaries Take Center Stage

Exploring the rising role of continuation vehicles



Secondaries have evolved well beyond their traditional role as a liquidity tool for limited partners (LPs) during constrained M&A and IPO markets. Today, they're a defining structural element of private equity — and the numbers reflect it. General Partner-led (GP) secondary volume reached \$115 billion in 2025, a 53% increase year-over-year and 48% of total secondary market activity.¹ Even as M&A markets rebounded in Q4 2025, GP-led secondary transactions continued to grow, giving sponsors and their LPs an expanding set of tools to access liquidity and manage portfolio exposure.



To explore the dynamics behind that growth — and what it means going forward — we spoke with two experts with extensive experience in the secondaries market: David Fox, partner at Leonard Green & Partners, and Josef Menasche, managing director at Goldman Sachs.

Secondaries as a reflection of a growing market



For David Fox, who has invested in secondaries for two decades, the trend line is straightforward. “The long-term structural growth of secondaries is a simple derivative of the flow of assets into the private market.”

Josef Menasche sees the volume surge as something more: a proof of concept at scale.

“With the increasing number of secondary deals over the last few years, we’ve probably seen capital form around the strategy more quickly than any other part of the private markets.”

Single-asset CVs gaining favor

GP-led single-asset continuation vehicles (SACVs) have become the most common secondary exit strategy, and both Fox and Menasche see sustained interest — particularly for high-performing companies. For Fox, the appeal is intuitive. “Single-asset vehicles look and feel like the natural extension of what PE firms already do, which is buy and sell companies one at a time.”

¹Jeffries, “2025 Global Secondary Market Review: Another Record-Breaking Year,” February 10, 2026.

²Jeffries, “H1 2025 Global Secondary Market Review,” July 2025.

The trend is also being shaped by how corporate leaders view public markets. “I think you’re going to see many companies want to stay private for longer, so you’ll increasingly see more creative structures allowing for longer hold periods with more liquidity,” Fox says.

Menasche agrees: “Some companies may benefit from staying in the private markets, where they can undertake strategic plans and focus on driving long-term value without the rigorous requirements associated with being a public company.”



In 2025, continuation vehicles accounted for more than **89%** of GP-Led secondary market activity and **43%** of total Secondary Market Volume (SMV).³

“The size, scale and ambition of what’s taken on as an alternative to conventional liquidity is going to continue to grow, particularly in the single-asset space.”

Josef Menasche, Goldman Sachs

Expanding exit options

Both experts see the broadening of exit strategies — across both private and public markets — as an expansion of opportunity rather than a zero-sum competition. “It’s not a zero-sum game, but more an expansion of opportunities for sponsors and LPs to generate liquidity that best supports the long-term objectives of portfolio companies,” Fox says.

For Menasche, that expanded menu allows sponsors to align exit strategy with strategic intent. “When a sponsor looks at his portfolio, he should think about who’s the best owner of this business for the next step. Do you want to have a private exit or a public exit? And if it’s a private exit, is it really an exit, or do you just need to generate liquidity for your investors? Then we know if we should be speaking about selling to a strategic acquirer or a sponsor.”

Risk management as a transaction accelerant

Familiarity with a portfolio company is one of the defining advantages of a continuation vehicle — and both Fox and Menasche see it as a meaningful risk mitigant. “If a sponsor wants to own a business for longer and has a great relationship with management, they often have a clearer view of what they want to do for the next four years,” Menasche says.

That familiarity also accelerates deal timelines. “You don’t need to undertake the same diligence required when buying a brand-new company that you may not be familiar with, so you may actually get better returns more quickly from an asset that you continue owning,” Fox adds. Menasche sees insurance playing an even greater role in secondaries than in traditional M&A — moving deals faster and protecting LPs from pullbacks and purchase price adjustments.

³Jeffries, “[Global Secondary Market Review](#),” January 2026.

“The world is evolving rapidly. To adjust to these changes, companies can shift their areas of focus and operations, and with that, their regulatory environment can also change. So, it’s very important to have a partner who can offer timely and practical advice, especially in sectors where they have a lot deeper experience than we do.”

David Fox, Leonard Green & Partners

Moving your organization forward

HUB’s representations and warranties specialists work alongside sponsors, counsel and secondary buyers to structure R&W policies purpose-built for GP-led transactions. Because sponsors entering a continuation vehicle already possess deep familiarity with the underlying asset, the underwriting process can move more efficiently, and coverage can be broader, than in a traditional acquisition. HUB advisors help clients capitalize on these advantages to minimize escrow requirements, reduce purchase price adjustment risk and close on accelerated timelines.

The growth of continuation vehicles is reshaping how sponsors create value, manage liquidity and build lasting partnerships with portfolio companies. Capitalizing on this evolution requires more than transactional insurance — it requires an advisor who understands the full arc of private equity ownership, from initial investment through exit and beyond.

HUB specialists bring deep expertise in R&W insurance, management liability, cyber risk and portfolio-level risk advisory, delivering practical, timely guidance at every stage of the deal lifecycle. HUB’s Private Equity team advises GPs and secondary buyers across industries with deep domain expertise — from healthcare, food and beverage to vegetation management, elevator maintenance and beyond.

That sector depth goes beyond traditional insurance counsel, offering nuanced insights that meaningfully inform underwriting and deal evaluation. The real one-two punch is partnering with a broker who brings both specialized expertise in placing secondaries R&W policies and deep industry sector knowledge. This combination creates a meaningful difference in the coverage achieved and the insight needed to support your thesis work through the next phase of growth.

When the pace and complexity of secondaries demand a partner who truly understands what you’re doing — at the transaction level and the industry level — HUB is ready to move with you.

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average years
of service
experience

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average of total
North American
transactions
engaged annually

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