



CVC

PRIVATE WEALTH

How Private Equity Secondaries Can Improve Portfolio Outcomes

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What secondaries are:

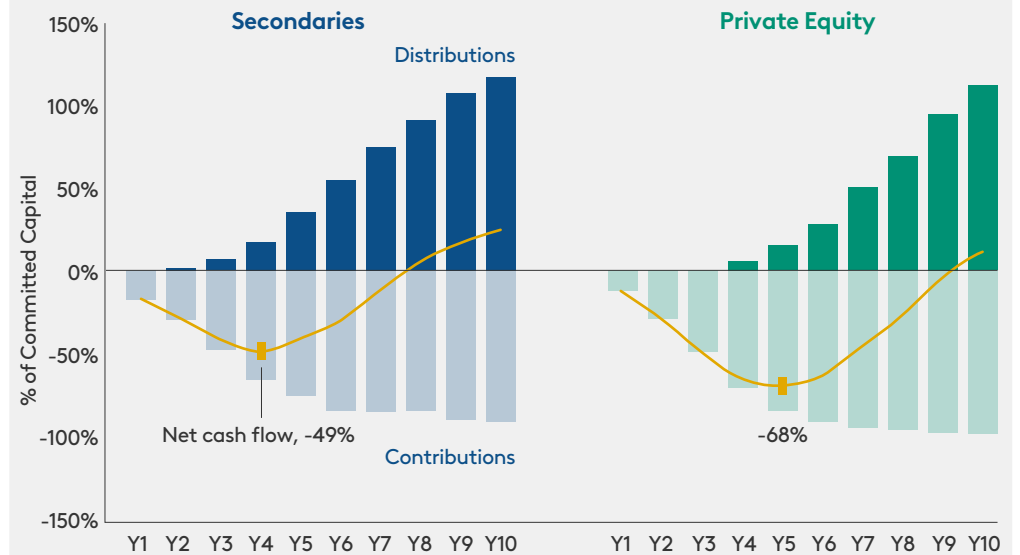
- Instead of investing at the start of a fund or company's journey, secondaries involve buying into existing private equity investments.
- These are assets that have been owned, developed and actively managed, often for several years.
- This gives investors exposure to value creation already underway, greater visibility on performance, and the potential to acquire high-quality investments at a discount.

What secondaries deliver:

- This translates into a distinct set of portfolio benefits:
 - Greater visibility and reduced blind pool risk, with known, more mature assets.
 - Faster capital return, with a reduced J-curve effect as investments are closer to exit.
 - More consistent outcomes, supported by diversified and partially de-risked assets.



Secondaries deliver faster distributions with a lower max cash outlay



Sources: Preqin, CVC. As of 30 June 2025. DPI and called capital trends for secondaries and private equity funds are based on the Preqin Secondaries – All (39) and Private Equity – All (223) benchmarks for 2007–2024 vintages as reported at year-end in each calendar year. Called capital and DPI calculations are based on median averages of the vintage-level medians. Past performance is not an indicator of future results. For illustrative purposes only.

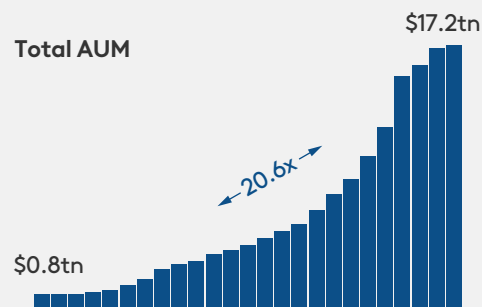
Secondaries' Structural Ascent

- Private equity secondaries have evolved from a niche liquidity solution into a core and rapidly expanding segment of the private markets landscape.
- Persistent distribution slowdowns, extended holding periods and significant unrealised value across private equity portfolios have created a growing imbalance between capital invested and capital returned to investors.
- Secondaries provide flexibility within an otherwise illiquid asset class, enabling liquidity generation, active portfolio management and strategic repositioning for both Limited Partners (LPs) and General Partners (GPs), while allowing underlying assets additional time to realise value.
- These dynamics are driving a broader, deeper and increasingly attractive opportunity set for secondary investors across both LP-led and GP-led transactions.

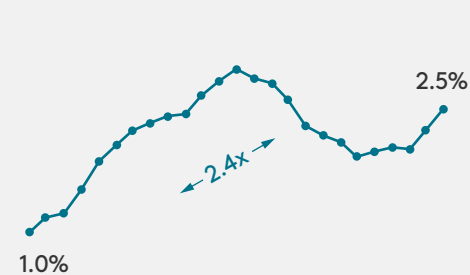
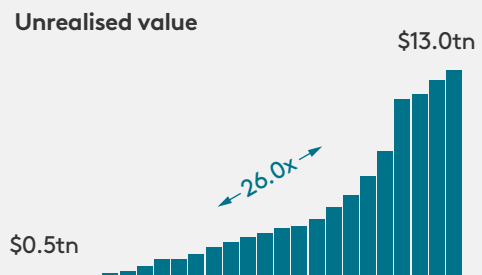
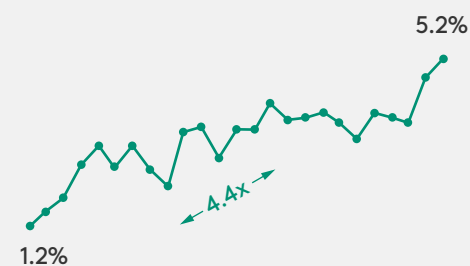
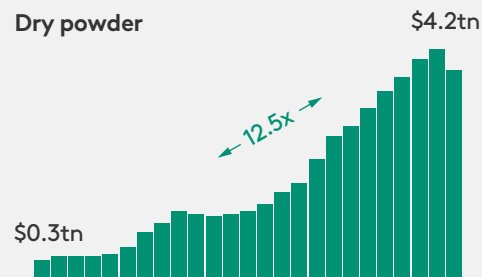
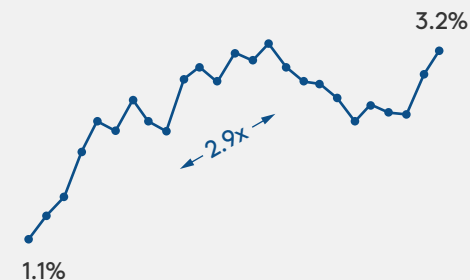


From niche to core

Private Equity



Secondaries share (%)



2000 2004 2012 2016 2020 2024

Sources: CVC analysis of Preqin data. As of 31/12/2024. For illustrative purposes only.

Where The Opportunity Really Lies

Secondaries opportunities broadly fall into two categories:

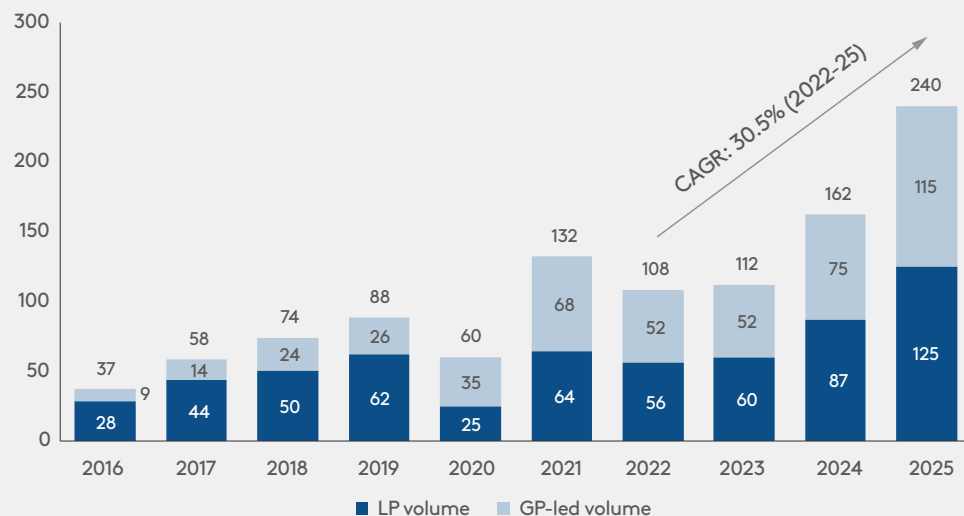
LP-led transactions

- These involve buying existing fund interests from investors.
- Investors may sell to rebalance portfolios, manage liquidity, or adjust exposures in a changing environment.
- These transactions can offer enhanced visibility on underlying portfolio performance and the potential to acquire high-quality assets at attractive entry valuations relative to primary investments.

GP-led transactions

- These involve acquiring assets directly from fund managers, often through continuation vehicles.
- These are typically high-quality companies that managers know well and believe have further value creation potential.
- This reflects a broader shift in private equity, where strong assets are held for longer to capture their full potential, rather than being sold according to a predefined fund life.
- For investors, this provides access to concentrated, high conviction opportunities in seasoned assets, often alongside leading sponsors.

Transaction volume reaches record high in 2025



Source: Jefferies, Global Secondary Market Review, January 2026 and previous editions. For illustrative purposes only.

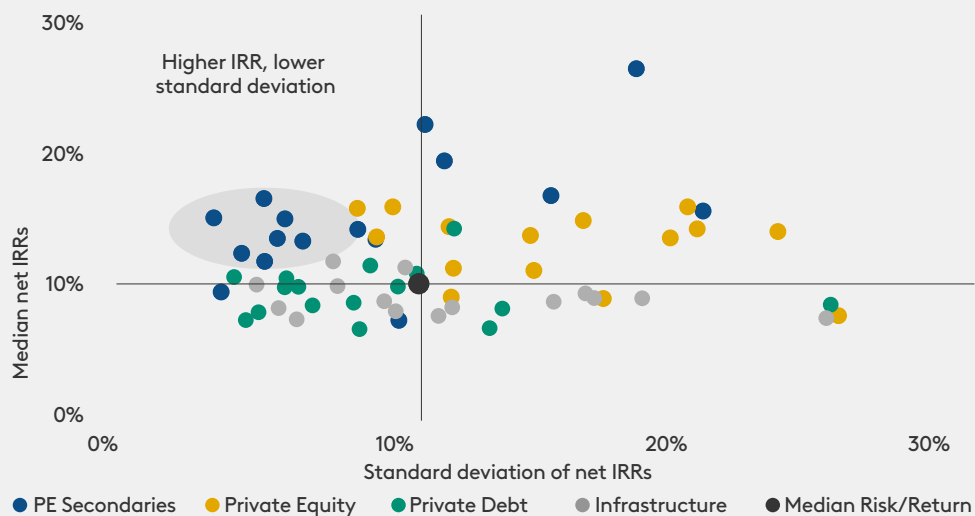


CVC – Built For Performance

Why this matters for investors:

- Across both types of transactions, the common theme is access to seasoned assets.
- Companies are already operating, strategies are in place, and value creation is underway.
- This can lead to:
 - more informed underwriting
 - shorter time to liquidity
 - and a more balanced risk return profile relative to primary investments
- The result is an investment profile that complements traditional private equity, providing access to the same asset class at a different stage of the lifecycle.

Secondaries: Higher median returns with lower fund volatility



Sources: CVC analysis of Preqin data. Data includes private market benchmarks by asset class for 2007 to 2022 vintages. Performance as of 31 December 2024. Chart excludes vintages with standard deviations in Net IRRs >60% (Infrastructure, 2009; Private equity, 2016). Past performance is not an indicator of future results. For illustrative purposes only.

Manager selection is key:

- While the opportunity set is large, outcomes can vary significantly.
- Secondaries is a sourcing driven market, where access, judgement and discipline determine outcomes.
- The most attractive opportunities are often proprietary and require deep relationships with both investors and fund managers.
- A leading manager can review a wide universe of transactions but invest selectively, focusing on situations where asset quality, pricing and future value creation align.
- Experience is also essential in assessing assets that are already in motion, understanding what has been achieved and what remains to be delivered.

The challenge is not whether to allocate to secondaries, but how to access the best opportunities consistently and at scale.



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