



THE WATSON GROUP

SUB-STRATEGY OVERVIEW

Private Credit Secondaries

EXECUTIVE SEARCH

Secondary liquidity, LP-led transactions and portfolio acquisitions — the fastest-growing structural growth story in private markets.

\$150bn+

Private credit secondaries AUM (2025)

12–18%

Target net returns for diversified secondary portfolios

4x

Growth in LP-led transactions since 2020

Private Credit Secondaries — Market Overview & Talent Implications

Where liquidity meets complexity — providing exit solutions to LPs and portfolio acquisitions to buyers

\$150bn+

Global private credit secondaries AUM
AUM (2025)

12–18%

Target net returns for diversified
diversified portfolios

60%+

Of LP transactions require GP
consent

4x

Growth in mandates since 2020

What Is Driving Secondaries — and Who Can Deliver It

Market Overview

- Private credit secondaries have emerged as one of the fastest-growing segments of segments of the alternatives market, driven by record LP demand for liquidity liquidity solutions in an environment of limited distributions and extended hold extended hold periods.
- LP-led transactions now account for over 60% of deal volume, as institutional institutional investors seek to rebalance portfolios or exit legacy fund positions at positions at scale.
- GP-led continuation vehicles are increasingly prevalent, with managers offering offering preferred-equity and strip-sale structures to extend hold periods for top-top-periods for top-performing assets.
- The European market is significantly earlier in its development cycle than North than North America — estimated at roughly 25% of global volume — creating creating substantial first-mover opportunities for dedicated platforms.

Talent Implications

- The ideal profile spans credit analysis, portfolio valuation and transaction structuring — a rare combination that commands significant compensation premiums.
- Secondary-specific experience is highly prized: professionals who have priced, diligenced and closed LP or GP-led transactions understand the nuances of NAV attribution, discount analysis and fund document review.
- Fund-of-funds and primary credit professionals represent the most natural adjacent talent pool, alongside restructuring advisers with portfolio-level exposure.
- Origination relationships — with LPs, GPs and placement agents — are the primary the primary moat; candidates who bring established networks can accelerate deal accelerate deal flow materially.

Themes Reshaping the Private Credit Secondaries Talent Landscape

What the growth of LP-led and GP-led deal flow means for hiring — and why specialist search matters more than ever

The LP Liquidity Imperative

Prolonged distribution drought across private equity and credit is generating record LP demand for secondary liquidity. Secondary buyers with deep LP relationships and speed-to-close capabilities are commanding growing market share — and the professionals who can originate and execute these transactions are in exceptional demand.

GP-Led Continuation Vehicles Enter Credit Credit

GP-led secondaries — long established in private equity — are rapidly migrating to private credit, as GPs seek to retain top-performing assets beyond fund maturity. This is creating a new origination and structuring capability requirement, with demand for professionals who understand both the credit and GP-led transaction mechanics.

Scale Platforms & the Mid-Market White White Space

Large managers (Ares, Blackstone, Apollo) are building dedicated secondary credit capabilities, while the sub-€500m mid-market market segment remains significantly underserved in Europe. Early-mover platforms establishing coverage of regional LP regional LP bases and smaller GPs have a durable structural advantage.

What This Means for Search and Retention

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- 01** Dedicated private credit secondary professionals are exceptionally rare — the strategy sits at the intersection of credit analysis, fund structuring and M&A execution, requiring a genuinely cross-functional skillset.
 - 02** Fund-of-funds professionals and primary credit analysts with secondary exposure represent the highest-quality adjacent pipeline; direct restructuring backgrounds are increasingly valued for GP-led work.
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- 03** London remains the origination hub for European LP-led flow — candidates with established relationships across Nordic, DACH and Benelux LP communities carry outsized commercial value.
 - 04** Retention risk is acute: dedicated secondary platforms and multi-strategy strategy managers are aggressively competing for the same thin talent pool, talent pool, routinely offering significant carry uplifts.

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We would welcome the opportunity to discuss this in further detail.



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