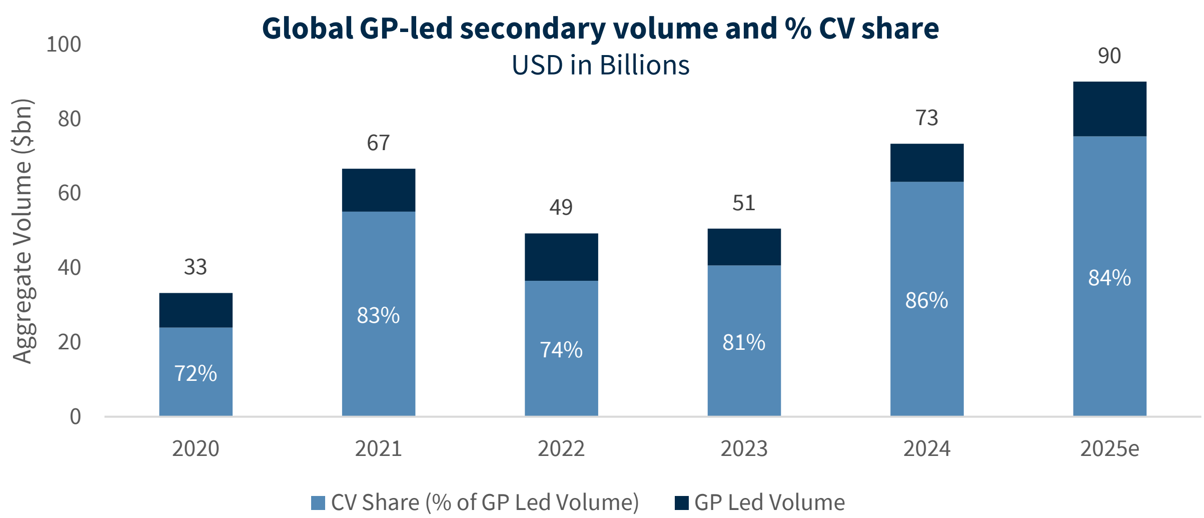
RAYMOND JAMES

Private Capital Advisory **Insights**

Speed, Alignment and Choice: Why Co-investment SPVs belong beside Continuation Vehicles in the GP-Led toolkit

October 2025

Few structures have reshaped GP-led secondaries like continuation vehicles. Sponsors with trophy assets and longer-term conviction have leaned heavily on these solutions, pitching them as a way to deliver liquidity to LPs while retaining upside in prized portfolio companies. The market has grown accordingly. By some estimates, GP-led transactions accounted for nearly half of secondaries volume in 2024, up from less than 20% a decade earlier. Most striking, of the approximately $73 billion in GP-led secondaries in 2024, about 86% involved CVs.



Source(s): RJ PCA market intelligence.

But not every capital need is a duration problem. Sometimes it is narrower: rolling a portion of your fund's interest in a performing company that has been acquired by another sponsor, a single-asset follow-on, or where the goal is to generate liquidity. In these cases, selling the fund's position to a dedicated Co-Investment SPV can be an attractive alternative. The fund exits cleanly, LPs receive a capital distribution at a third-party price, and those who want continued exposure can re-enter on tight, deal-specific terms. Because the Co-Invest SPV is typically light on fees and carry, the perceived conflicts shrink, the buyer universe widens, and timelines compress. The result looks and feels like a secondary sale with the frictions dialed down.

The friction falls because the Co-Invest SPV runs light. There is no LPAC to constitute, no layered fee stack to negotiate, and no internal sale to adjudicate. Governance mirrors fund-level provisions while keeping discretion with the GP and documentation deliberately lean. That simplicity does two things at once: it reduces perceived conflicts; and it widens the investor universe beyond traditional secondaries specialists to include co-investors, directs and, importantly, private wealth channels that respond to tight economics.

The sell-down also changes the LP experience in a useful way. Because the fund has sold its position, the status-quo path inside the fund for this asset disappears, replaced by a clean cash outcome and an opt-in lane. LPs that want continued exposure can re-invest their proceeds into the Co-Invest SPV on nominal fees and bespoke carry.

Pricing clarity is the engine that keeps diligence short and confidence high: minority sales and debt recaps provide recent trading references; limited market discovery demonstrates what real buyers will pay; and fairness opinions reconcile the GP's view with an independent lens. When the valuation arrives pre-wired and well-explained, underwriting shifts to what matters e.g. business quality, use of proceeds, and the path to value creation, rather than a prolonged debate about method.

There is also a fundraising logic to the structure. Because the Co-Invest SPV can be structured with reduced economics, investors are more willing to pair their Co-Invest SPV commitment with a fee-paying commitment to the next flagship. Contrast that with a CV that typically cannot include any stapled primary commitment. The point is not that one is good and the other bad, only that a lower-economic Co-Invest SPV is the better ally when the goal is to catalyse the next fund while delivering liquidity today.

	SINGLE ASSET CV	SPV	KEY STRUCTURING CONSIDERATIONS
Staple Ratio	◑	●	Both structures can attract investors capable of committing staple dollars into the New Fund, however, a much more attractive ratio can be achieved via an SPV
GP Economics	●	◔	Highly customizable SPV economics tailored to the situation, objectives, and investor needs
Follow-on	◑	◑	Both structures can provide follow-on capital, enabling the GP to continue supporting the asset over time and avoid dilution in the case of add-on acquisitions
Buyer Universe	◑	●	SPVs allow participation from a broader range of investors, including institutional investors who might not typically invest in a CV with fees and carry
Term Flexibility	◔	●	CVs typically follow market standards related to price discovery, fund life, and GP carry rollover expectations. SPVs can be structured with greater flexibility given the lack of GP economics
Governance	◑	●	SPVs offer lean and efficient governance structures, prioritizing GP discretion, with no LPAC and minimal LP influence
Legals	◑	●	Unlike a CV, which often requires complex legal negotiation, an SPV can be set up more efficiently and affordably
LP Optionality	●	◔	A CV offers maximum flexibility of LPs, whereas options may be limited for existing LPs in an SPV
Transaction Timing	◔	◕	An SPV transaction can be launched and closed within 3 months, substantially faster than a CV process

Execution still determines outcomes, and lower deal friction matters over time for LPs. The best versions feel like an extension of the fund. Information rights that mirror what LPs expect: clear MNPI protocols; a short list of sensible covenants; and timeline discipline. Sponsors who want broad participation should circulate useful materials early, establish allocation rules in advance, and resist the temptation to over-engineer carry for a vehicle whose purpose is focus and speed. Keep the economics tight and the disclosures specific, that is how you build the widest coalition at the best price.

Seen through this lens, the Co-Invest SPV is not a rival to the continuation vehicle so much as a different tool. Our advice is to define the problem with discipline and pick an advisor who can help structure a precise solution. If you need a duration reset with market-tested price discovery and the broadest roll-versus-sell choice set, run a high-integrity CV. If the job is a clean exit from the fund, fast liquidity for LPs, and a voluntary on-ramp for those who want to keep going, use a low-friction Co-Invest SPV.

The Co-Invest SPV can be a powerful tool in a GP's arsenal as we navigate the ever-evolving LP landscape.

RAYMOND JAMES

800 Carillon Parkway, St. Petersburg, FL 33716 | (727) 567-1000

(1) RJ PCA market intelligence.