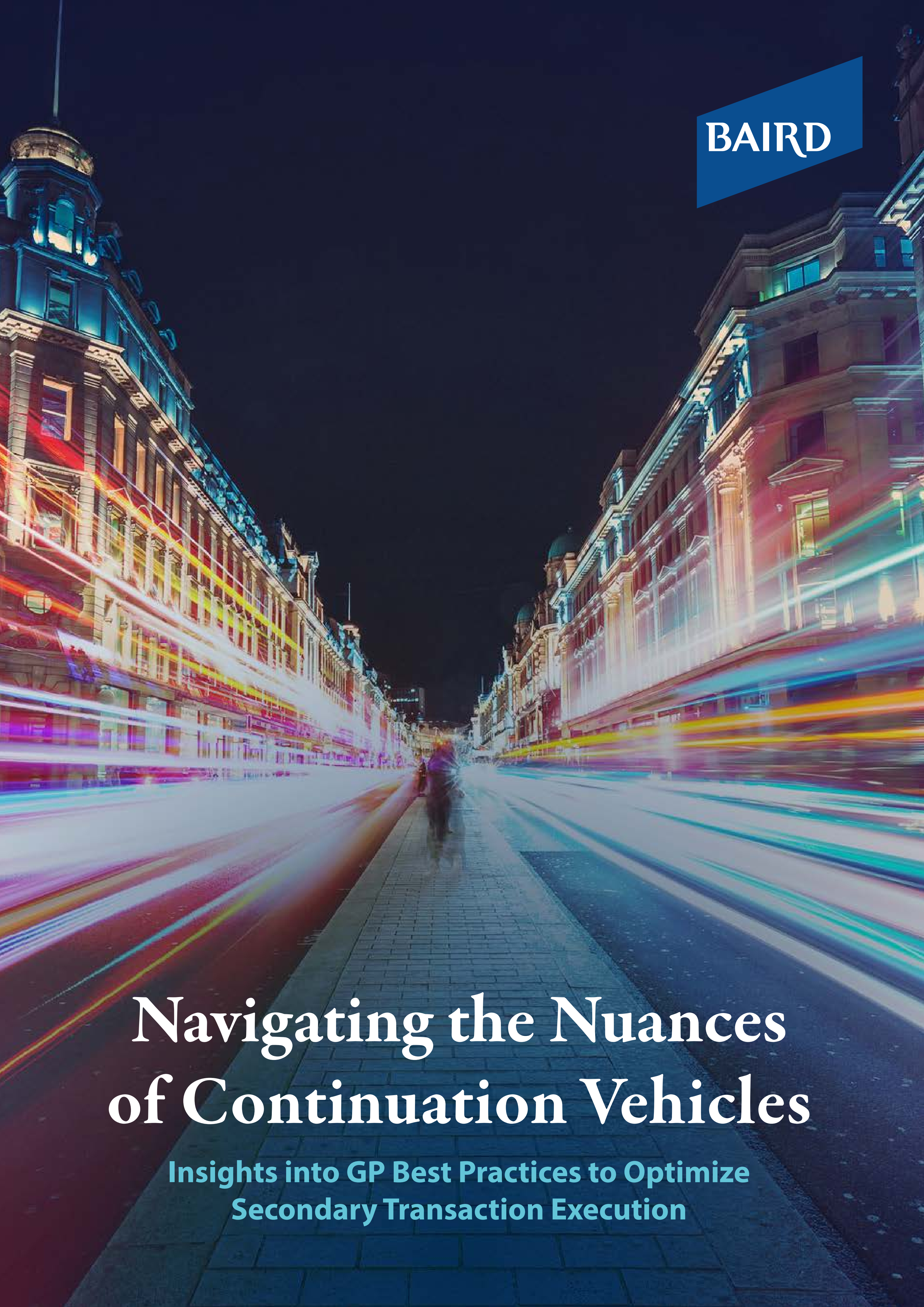
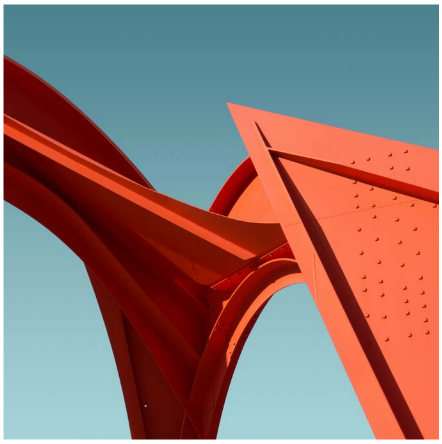


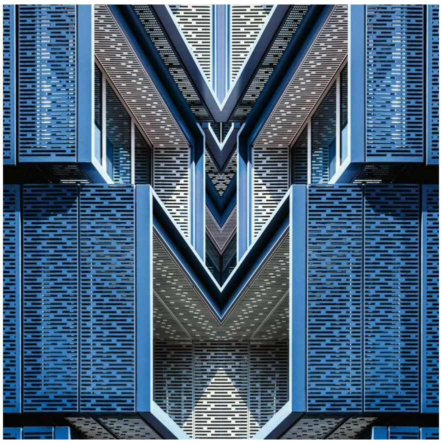
BAIRD

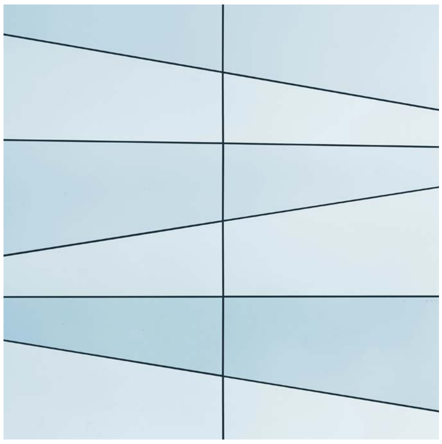
Navigating the Nuances of Continuation Vehicles

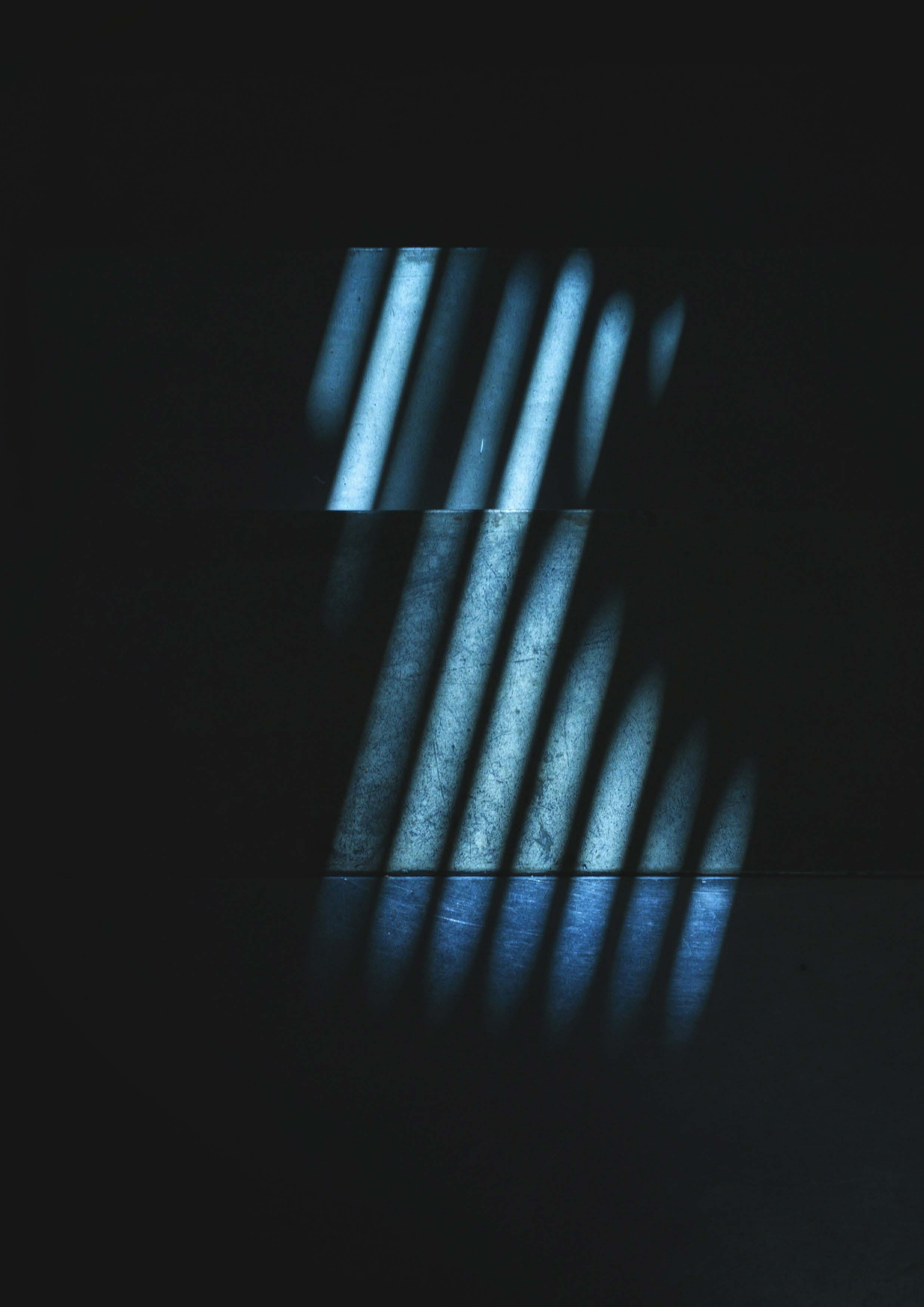
Insights into GP Best Practices to Optimize Secondary Transaction Execution

Contents









FOREWORD

The GP-led continuation vehicle (CV) market is quickly becoming a vital source of liquidity and means of value creation for financial sponsors.

While this market has been much discussed, the asset class is still underpenetrated relative to broader M&A. Some GPs have done a handful of CVs, but most are on a steep learning curve with limited experience with this type of transaction technology.

To facilitate better knowledge, Baird commissioned H/Advisors Cicero to conduct 60 in-depth interviews, gathering views and opinions from general partners (GPs), limited partners (LPs) and secondary investors (buyers) regarding their experiences with and around CV transactions. The resulting report weaves together these different perspectives to create a truly new and differentiated piece that also includes additional analysis and market information.

This report shows that all three constituent groups increasingly understand the benefits of CVs as a compelling option for sponsor portfolio companies. However, the report also makes clear that GP success in the CV market requires proactively navigating the nuances of these distinct groups. We have distilled our findings down to seven key themes and best practices for executing CVs. And a substantial CV market overview in the conclusion demonstrates the tremendous growth potential for GP-led CVs.

GPs should use this piece as a guide to becoming more proficient in executing CV transactions. Read further for commentary and share your feedback afterward. And on behalf of Baird Global Investment Banking, we offer many thanks to the participating GPs, LPs and secondary buyers for being so generous with their time and insights.

Jeremy Duksin
Co-Head of Baird's GP Solutions Group

Alexander Mejia
Co-Head of Baird's GP Solutions Group

EXECUTIVE SUMMARY

Baird believes the global market for continuation vehicles is in the early stages of a powerful long-term growth trend. While CV technology is by no means new, GPs have increasingly used these vehicles over the past several years to proactively manage their portfolios and drive optimized outcomes. The market research and analysis in this report are designed to help GPs deliver positive results and a seamless experience to LPs and buyers, thereby enhancing relationships and fundraising potential with these constituent groups while also sustaining momentum for CV activity.

Participants in our interviews provided valuable perspectives on the pros and cons of CV transactions, from a variety of vantage points. Wide-ranging discussions validated the core elements of the CV value proposition as a viable alternative to more traditional exit paths: enabling sponsors to address LP liquidity considerations, maintain ownership and future upside for prized assets, extend partnerships with management teams and raise incremental dry powder for follow-on funding. Respondents also offered candid responses regarding common issues and challenges of CV processes.

Varying priorities across three different constituencies

The three constituent groups have varying priorities that a well-structured and executed CV can address. As a result, numerous nuances, particularly around rationale, alignment and valuation, must be navigated for an optimal outcome. The onus is on GPs, along with their advisors, to communicate with all parties throughout the CV process, especially the LP Advisory Committee (LPAC) of the existing fund and the lead buyer(s) in the CV. In our sample, a significant majority of GPs see CVs as requiring more resources and a longer lead-time than other strategic alternatives such as a sale or IPO. Over time, we expect CV processes will become more efficient as more GPs become experienced with the product.

Common Priorities of Each Key Constituency in CV Transactions

GPs
(General Partners)

- Extend value creation and funding for high performing asset(s)
- Facilitate liquidity optionality for LPs, especially when M&A and IPO exits are challenging
- Complete a fund monetization in conjunction with selling a minority equity stake in a portfolio company
- Avoid tainting the asset and wasting time / resources through a failed CV process

"CVs have the potential to be a good win for all parties given the ability to take an extremely illiquid long-term vehicle and create opportunities for limited partners to select out from time to time in a way that is more efficient than simply an LP transfer." *(General Partner)*

LPs
(Limited Partners)

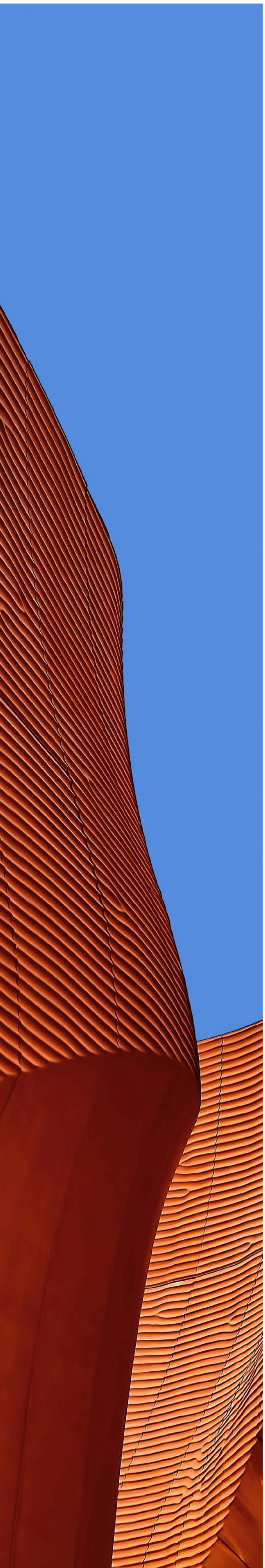
- Confirm GP conflict of interest has been properly "cleansed" and waived per ILPA guidance
- Ensure the GP hires an advisor to run a competitive auction process
- Receive a clean option to remain invested in conjunction with a liquidity option, with adequate time to submit a decision

"Regarding how to better facilitate communication, the best-in-class GPs either have a webinar or a virtual due diligence session where they give an overview to every LP of what's happening, why they're doing it and some of the underwriting cases." *(Limited Partner)*

Buyers
(Secondary Investors)

- Understand GP's rationale for a CV early in the process – not perceived as a "backup" plan
- Validate quality of the business, ongoing performance trajectory and growth of its end market
- Ensure GPs are aligned with the new capital and maintain their "skin in the game"
- Underwrite GP's investment performance track record and team continuity

"Rollover from the GP, perhaps a new money commitment, a commitment from their newer flagship fund, showing that they do not want to take any chips off the table, and displaying a high degree of alignment and conviction on the asset are also critical for us." *(Buyer)*



Key themes and best practices

We heard a range of views across market participants in the 60 interviews. However, one common viewpoint was prevalent: successful CVs require GPs to adhere to best practices (and avoid pitfalls) to ensure a frictionless experience for existing LPs and to create an attractive investment opportunity that resonates with secondary buyers. We analyzed the detailed feedback to compile a checklist of seven key themes and best practices to maximize success in GP-led secondary processes.

1. **Importance of a compelling rationale**
GPs should articulate a clear rationale for pursuing a CV transaction, substantiated by a competitive, advisor-driven secondary auction process.

2. **Ensuring full alignment across three constituent groups**
GPs should establish measures solidifying alignment of interests among all constituent groups to enhance the probability of a CV's success.

3. **Effective communication with LPs**
Clear communication among various parties must remain a high priority for GPs throughout the CV process.

4. **Emphasizing optionality for LPs**
Where possible, a status quo option should be provided to LPs with proper legal counsel and advisor consultation to ensure all structural and procedural nuances are addressed.

5. **Variety of views on establishing a fair transfer valuation**
GPs should enter a CV process aware of market perspectives on best practices for determining a fair transfer valuation in the context of macro conditions, varying LP objectives and asset funding needs.

6. **Effective resource and process management**
GPs can effectively manage CV process timelines by identifying and aligning internal resources upfront, partnering with an experienced advisor with relevant credentials and selecting a credible, reputable anchor LP counterparty.

7. **Appropriate CV frequency and expected SACV vs. MACV preferences**
GPs should consider the frequency of their use of CV alternatives in light of our discussions with constituent groups as well as our analysis of the market's long-term potential, each highlighted throughout this paper.

Common issues and challenges

Continuation vehicles can be a "win-win-win" for all parties involved – extending value creation for GPs, liquidity optionality for LPs and an attractive investment opportunity for buyers. However, there must be alignment of the CV with the legacy LP base as well as wider stakeholders in the underlying asset(s) – CV processes do not work in isolation. Interview respondents disclosed several common issues and challenges that GPs should proactively consider when managing CV transactions, including insufficient communication, mismanaged valuation expectations and extended closing timelines. We advise following the best practices outlined previously and detailed in the following section in order to clear the hurdles presented by a CV.

Common Issues Identified in Prior CV Processes by Key Constituents

GPs
(General Partners)

- Extended process timelines relative to expectations due to inexperience with CVs, limited upfront resource management and process preparation related delays
- Limited familiarity and guidance around transfer pricing for CV transactions, leading to frustration throughout the process
- Underestimated internal systems needed to report to each LP (with varying economic arrangements) post-close of CV

"It's a mix of a fundraise, an M&A deal and a significant existing investor amendment with lots of back-office work. You need high levels of communication with LPs."
(General Partner)

LPs
(Limited Partners)

- Insufficient communication by GPs, in particular around transaction rationale, benefits to existing LPs and LP options
- LPs receiving an election form without sufficient advance notice from GP
- Inadequate design of a rollover or re-investment option to be deemed equitable and non-coercive by the broader LP base
- View that the GP is acting unilaterally, without alignment or collaboration with existing LPs
- Mismanaged expectations around transaction pricing relative to initial guidance

"If GPs are perceived as trying to hoard management fees by continuing to keep the investment, then that is seen negatively. If the rationale for pursuing the investment is clear, then that's favorable."
(Limited Partner)

Buyers
(Secondary Investors)

- Perception that the GP's rationale for the CV deal is primarily "fundraising related"
- Insufficient GP alignment with new secondary investors
- Inconsistency and lack of transparency in GP valuation methodologies – e.g., GPs changing internal valuation methodology in quarters leading up to the deal
- GP's lack of knowledge of the secondary market – not aware of buyers' target return, duration and alignment objectives
- Mismanaged or poorly communicated timeline

"NAV and fair value have become more in line and the gap has narrowed. Twelve to eighteen months ago, more deals fell over due to valuation expectations, because judgement on fair value relative to NAV or carrying value was off."
(Buyer)

KEY THEMES AND BEST PRACTICES

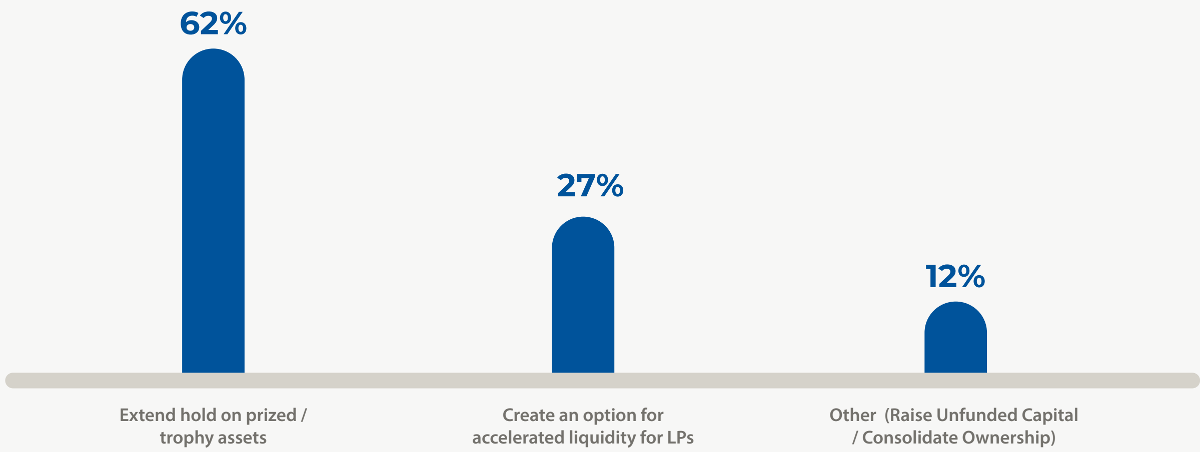
Importance of compelling rationale

Best practice: GPs should articulate a clear rationale for pursuing a CV transaction, substantiated by a competitive, advisor-driven secondary auction process.

"Why is the sponsor pursuing a continuation vehicle transaction?" This is typically the first question secondary investors and limited partners ask when approached with a CV transaction. While sponsor rationale has always been a core focus for these constituents, the recent multi-year slowdown in traditional exit paths such as M&A or an IPO has intensified the focus from secondary investors and LPs alike to ensure a CV is the appropriate exit path for one or more underlying assets. Therefore, it is critical for a GP to present a robust rationale that aligns with the collective interest of stakeholders, particularly in assets that would benefit from an extended holding period, additional funding or interim liquidity. GPs must address these points clearly for LPs and buyers, demonstrating how they are maximizing value for potential selling LPs while also presenting an attractive entry point for new buyers.

When surveyed, 62% of GPs identified extending the hold period for trophy assets as the primary motivation for pursuing a CV, while just over 25% highlighted creating an accelerated liquidity option for LPs.

Which of the following factors motivated your decision to pursue a continuation vehicle? – Single greatest factor



As the term "continuation" implies, the primary motivation for a GP in a CV transaction is to extend value creation for a high performing asset(s) while presenting LPs with an option to achieve liquidity if desired. The rationale for a CV can be further strengthened by factors such as a need for fresh equity capital to fund significant organic and inorganic growth initiatives, or a desire to extend duration on an asset that has undergone a transformation over the hold period and is experiencing high momentum and ongoing value creation.

In both single asset and multi-asset continuation vehicle contexts, it is imperative for sponsors to uphold credibility in their rationale for pursuing such transactions. For instance, opting for a single asset CV involving an underperforming asset, or including lower-quality assets with high-quality assets in a multi-asset CV, are practices that often encounter market push-back. These approaches can detract from presenting a sound and credible rationale, potentially undermining investor confidence and the perceived integrity of the transaction.

From an LP perspective, the CV should represent the best of multiple attractive options for an asset that has met or outperformed its underwritten case, a crucial narrative for GPs to communicate effectively given they are on both sides of the transaction as a buyer (through rolled GP capital) and seller (as a GP of the selling fund). Almost all LPs and buyers agree that hiring a qualified advisor to conduct a competitive secondary auction is essential for cleansing this implicit conflict of interest. LPs generally support these transactions provided the GP has clearly communicated the transaction objectives, provided a constructive rollover or re-investment option, confirmed the asset aligns with the characteristics of a suitable CV candidate and demonstrated that a competitive secondary process has been undertaken.

“

We kept LPs up to speed along the way to make sure they understood the rationale for the CV and that it wasn't driven by GP economics. We wanted to make sure the relationship management side of it with our investors was well done."
(General Partner)

“

Main aspect is why the continuation fund is being pursued. What's the rationale, and why does it make sense over traditional liquidity or exit path."
(Limited Partner)

“

You need to have an advisor reach out to secondary players. Important to show they've evaluated alternatives before putting a proposal in front of LPs." *(Limited Partner)*

CV investors are equally focused on sponsor transaction rationale from the outset of a process, often evaluating this dynamic alongside a handful of other key metrics such as asset performance, sponsor track record, GP alignment and headline valuation. This evaluation is crucial in determining whether to engage. Furthermore, buyers expect sponsors to roll their existing economics into the CV as a signal of conviction in the ongoing opportunity.

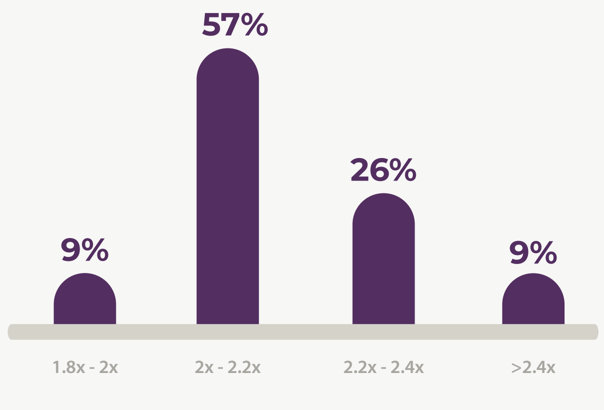
Notably, a CV should not be perceived as a backup plan relative to a regular way sale process or IPO that has either stalled or is being avoided due to expectations of a disappointing (i.e., non-actionable) outcome. Prior to 2022, it was less common to see this dynamic in the CV market given the attractive exit environment; however, this dynamic became more prevalent in the subsequent 12-24 months, in turn driving lower process completion rates. Keep in mind that a large majority of CV investors are diversified asset managers with scaled secondary, primary and co-investment programs. These investors thereby have remarkable access to information through in-house data and access to other sponsors with inside knowledge, thus enabling these investors to efficiently uncover these undesirable dynamics when they are present. Sponsors should be mindful of these optics when considering an asset for a CV, as investors will have lower tolerance for unclear motivations.

Regarding the most important factors in pursuing a CV, **more than half of buyers** chose the quality of the asset / business model. In addition, buyer replies to various questions referred to a strong GP rationale and alignment of GP motivations as essential elements of a successful CV.

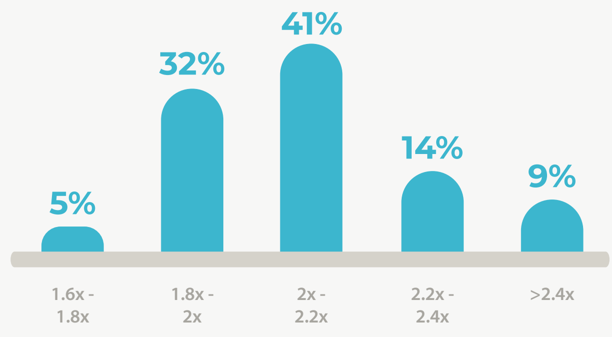
"I think the deals that work well are where the story makes sense as to the rationale for why they're doing the transaction. It's a fairly clean situation." *(Buyer)*

In considering the characteristics of how CV investors calibrate new opportunities, it's important to understand that their return objectives are to marginally outpace traditional buyout return targets as compensation for the double layering of management fees and carried interest. See the following charts for responses across the surveyed buyers, as these outline the targeted underwritten returns across single asset and multi-asset continuation vehicles.

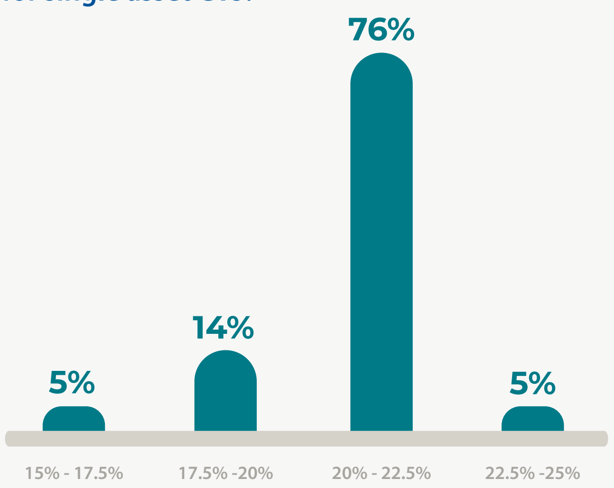
What net MOIC targets are you underwriting for single asset CVs?



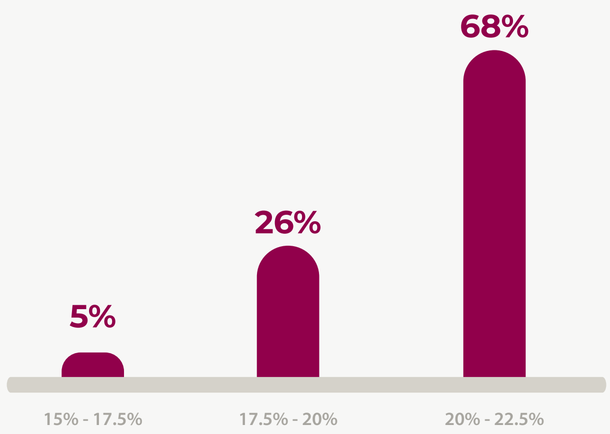
What net MOIC targets are you underwriting for multi-asset CVs?



What net IRR targets are you underwriting for single asset CVs?



What net IRR targets are you underwriting for multi-asset CVs?



As indicated in the data, over 90% of buyers target returns north of 2.0x MOIC and 20.0% IRR net of CV economics when evaluating single asset deals. For multi-asset deals, buyers are usually tolerant of lower returns closer to 1.8x-2.0x+ MOIC and 17.5%-20.0%+ IRR net CV economics in light of the added diversification present in these transactions.

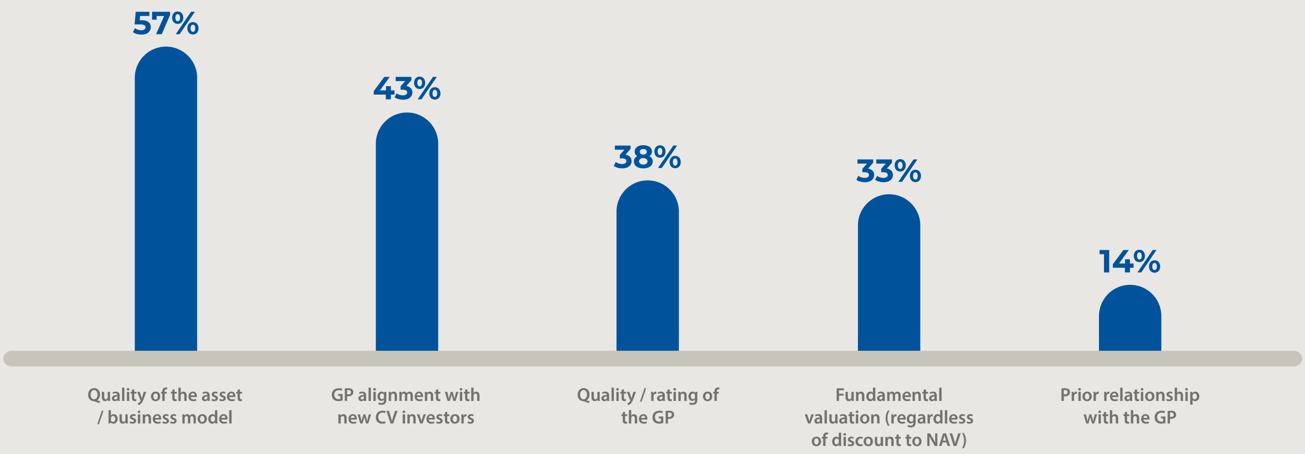
Tying this back to the theme on sponsor rationale, GPs should take note of these minimum thresholds and be prepared to articulate a concise, credible path to achieving the underwritten set of returns.

Ensuring full alignment across three constituent groups

Best practice: GPs should establish measures solidifying alignment of interests among all constituent groups to enhance the probability of a CV's success.

Alignment among GPs, LPs and buyside constituents is increasingly critical to ensuring success in a CV transaction. The absence of such alignment can be a deal-breaker in today's market, where an abundance of deal flow allows buyers to remain selective. Secondary investors are acutely focused on ensuring GPs are aligned with new capital and that the transaction does not create the appearance of a mere de-risking exercise for a sponsor (with nuances to this further detailed herein). When we asked buyers to rank their highest-priority factors in determining the quality of a GP-led continuation vehicle transaction, GP alignment ranked near the top alongside other factors such as asset and manager quality.

When pursuing a single asset continuation vehicle transaction, could you please rank the top three most important from the following list?



Typically, full roll of existing GP economic exposure, including carried interest and equity, is expected in a CV transaction, which according to buyer survey participants occurred in over 90% of CV deals over the last 24 months. Discussions about alignment often begin with expectations of 100% GP rollover, with buyers advocating for additional alignment measures, such as an incremental out-of-pocket cash commitment from the active sponsor deal team or a new equity investment from the GP's latest flagship fund. Investing fresh capital from a flagship fund is regarded by CV investors as the gold standard for alignment, as the sponsor has signaled the opportunity is compelling enough to meet the criteria for a regular-way new investment. Very few precedents exist in which a CV failed to transact when a sponsor expressed the intention to make a substantive investment from their latest fund, which illustrates the high level of execution certainty that comes with a powerful signal of alignment from the sponsor. While each scenario is unique and depends on the GP's capacity to commit new capital, buyers consistently seek these strong signals of conviction. In fact, a well-aligned deal may often take priority over a potentially superior deal in respect of other important metrics related to the asset or sponsor track record.

In the CV deals you have seen, what percentage have resulted in the following:

	Current level	Pre-2022 level
100% roll of crystallized GP economics	91%	88%
Out-of-pocket GP cash commit	52%	3%
New fund investment	32%	9%

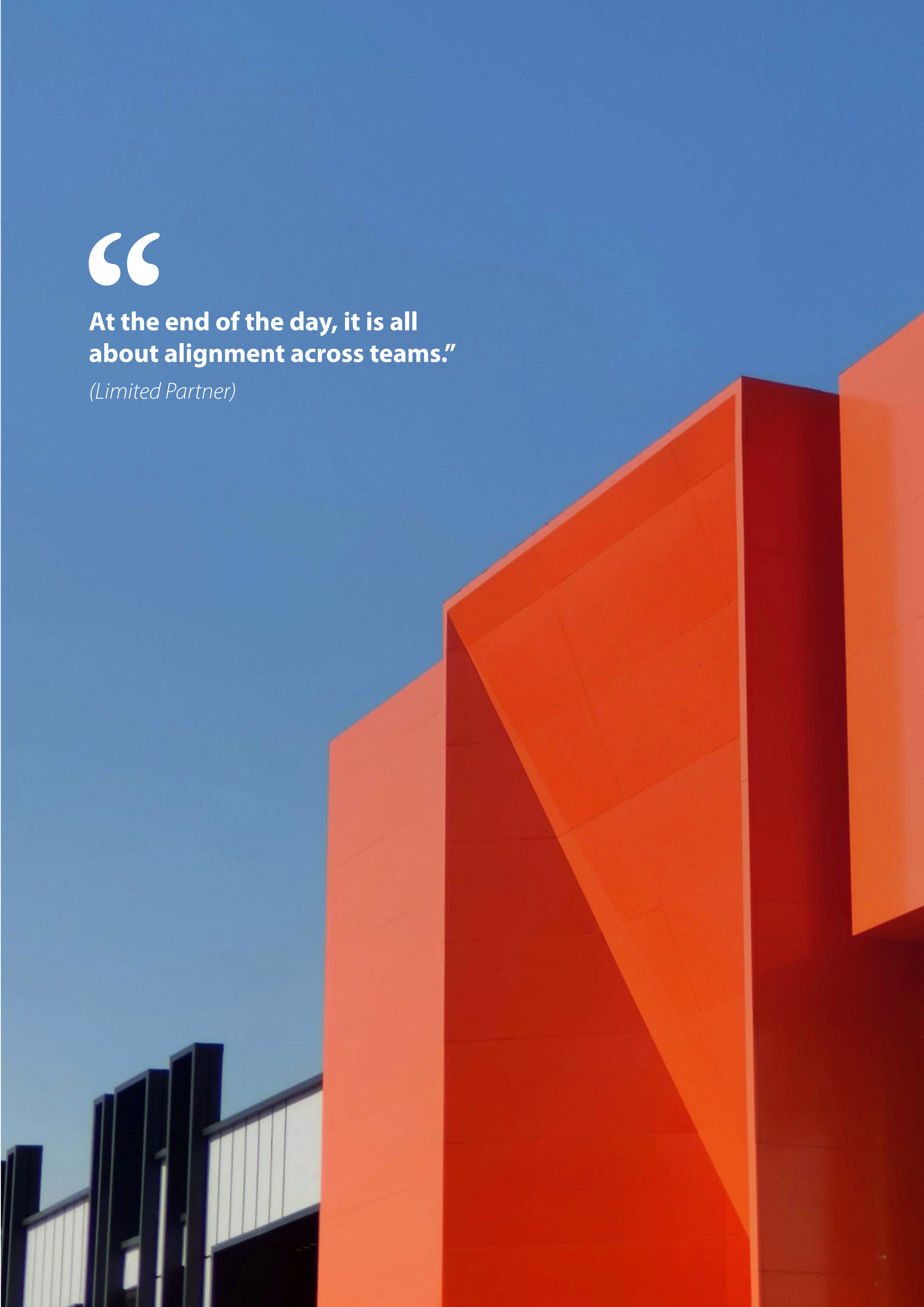
The increasing prevalence of a GP investing fresh dollars from its latest flagship fund simultaneous with completing a CV transaction, which was rarer prior to 2022, is indicative of the heightened focus from buyers on ensuring alignment with the sponsor at the close of a transaction. This is in part due to the more uncertain economic environment, but also a result of secondary investors running full diagnostics on the relative performance of their own portfolio of CV investments. CV transaction volume began its acceleration of growth over the 2018-2020 timeframe, so today this emergent category is only beginning to see realized performance data. One thing is clear for secondary investors running these analytics: better alignment is powerfully correlated with investment performance, assuming rolled GP principal exposure and a tiered carry structure as proxies for healthy alignment dynamics.

The number one thing the GP can do is understand the importance of alignment. There's a number of different ways that can be executed. It can be them making a new investment out of their current fund into the deal, for example." *(Buyer)*

Rollover from the GP, perhaps a new money commitment, a commitment from their newer flagship fund, showing that they do not want to take any chips off the table and display a high degree of alignment and conviction on the asset are also critical for us." *(Buyer)*

We mentioned that there are nuances to how "alignment" in CV transactions is pursued by the secondary market, alluding to exceptions to this seemingly dogmatic principle. As an example, secondary investors are usually tolerant of liquidity for passive carry pool participants and junior investment professionals so long as the active partners at a GP are rolling 100%. This emphasis ensures that alignment is maintained with those who significantly influence the transaction's success. In fact, liquidating passive carry participants and re-allocating carry economics within a CV to individuals most involved in value creation can be viewed as a uniquely attractive alignment dynamic.

While alignment features are negotiated between new CV investors and the GP, existing LPs are inherently focused on these dynamics as well given the conflicted aspects of the transaction. LPs want to ensure the sponsor is acting in the best interest of the existing fund as a whole, not only aligning interests among rolling LPs and the sponsor. In this respect the role of the fund's LPAC is critical. In the context of a potential CV transaction, the LPAC's role includes reviewing any conflicts associated with the CV transaction to ensure the process is transparent and fair, and that adequate options are being offered to the fund's LPs. Areas requiring resolution can include LP economics in the CV, support for asset pricing via a fairness opinion and GP responsibilities toward LPs per existing fund documentation. In response to a question about their recommendations to GPs with regard to CVs, **nearly all LPs** indicated that they would support a proposed CV if they see healthy alignment with the fund's LPs.



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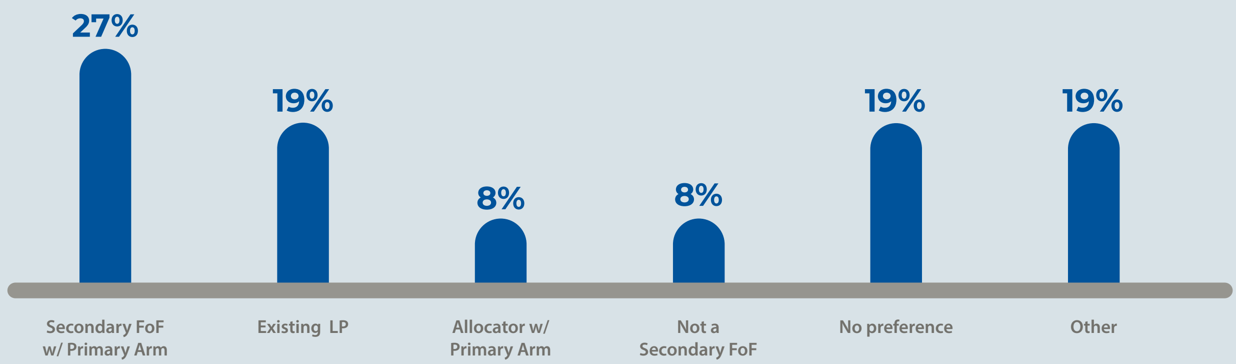
At the end of the day, it is all about alignment across teams.”

(Limited Partner)

Understanding that CV transactions are seen as partnership opportunities both with new investors and existing LPs is crucial. Hence, creating alignment with new investors and ensuring fair treatment across existing LPs are paramount to nurturing long-term trust. Beyond simply extending ownership of trophy assets, CV transactions can also foster enduring relationships with an investor base capable of supporting GPs in various capacities, e.g., through primary commitments, CV participation, co-investments, lending capabilities, etc. Sponsors have become increasingly aware of this dynamic as indicated by survey responses to preferred new investor counterparty type.

Survey responses reinforced the importance of long-term partnership dynamics. When asked about the ideal profile of a buyer investing in a CV, over 50% of surveyed GPs stated a desire to partner with an institution that can support their business in other ways, notably primary fundraising, whether that be an existing LP, secondary FoF with primary capabilities, or a more traditional allocator such as a pension or endowment fund. This bias has always existed in the secondary market; however, the multi-year slowdown in fundraising across private equity has tilted the scales more in favor of buyers with capabilities to support a GP beyond a point-in-time continuation vehicle transaction.

If you were to pursue a CV in the future, what would be the ideal profile of LP to invest in a CV?



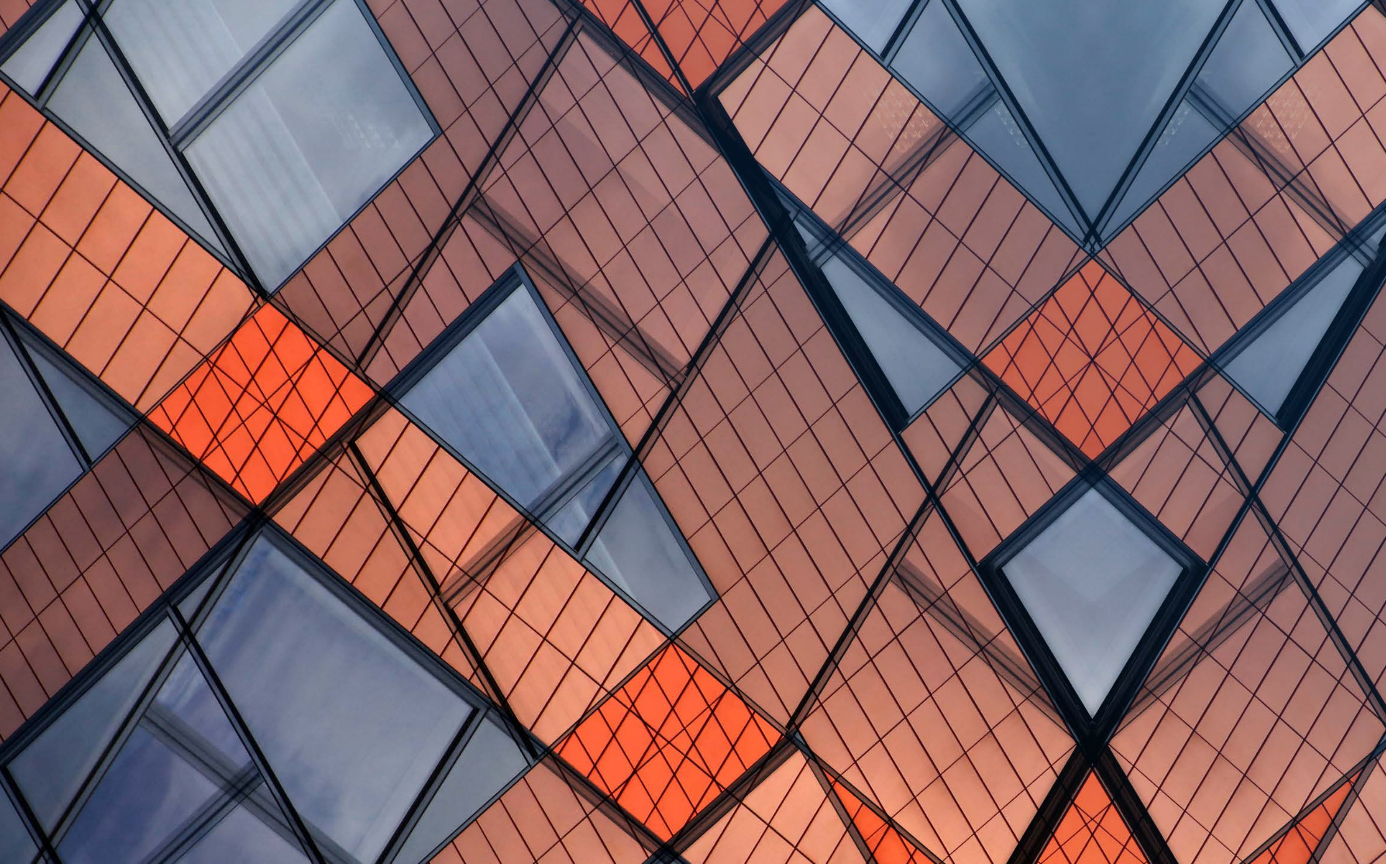
Prior to 2022, it was often the case that secondary investors were primarily focused on GP-led transactions with existing sponsor relationships. While that bias exists to some extent today, nearly 40% of buyers noted that a pre-existing relationship with the sponsor was not important when considering a GP-led transaction. This shifting preference is coupled with the recognition that secondary transactions can facilitate relationship in-roads with a GP, with **nearly 70% of buyer participants** believing that a GP-led transaction increases the likelihood of a primary commitment to the sponsor's fund in the future.

“

An existing relationship is a nice to have, but it's not a necessity – you don't limit the food you eat to what you've previously eaten.“ *(Buyer)*

"We want to do deals with GPs that we have a good relationship with. We don't do these as trades. In terms of the criteria we look for, we want a great GP that we know, we want a great asset and preferably with some experience investing in the space, we want good valuation, and we want good alignment with the GP."

(Buyer)



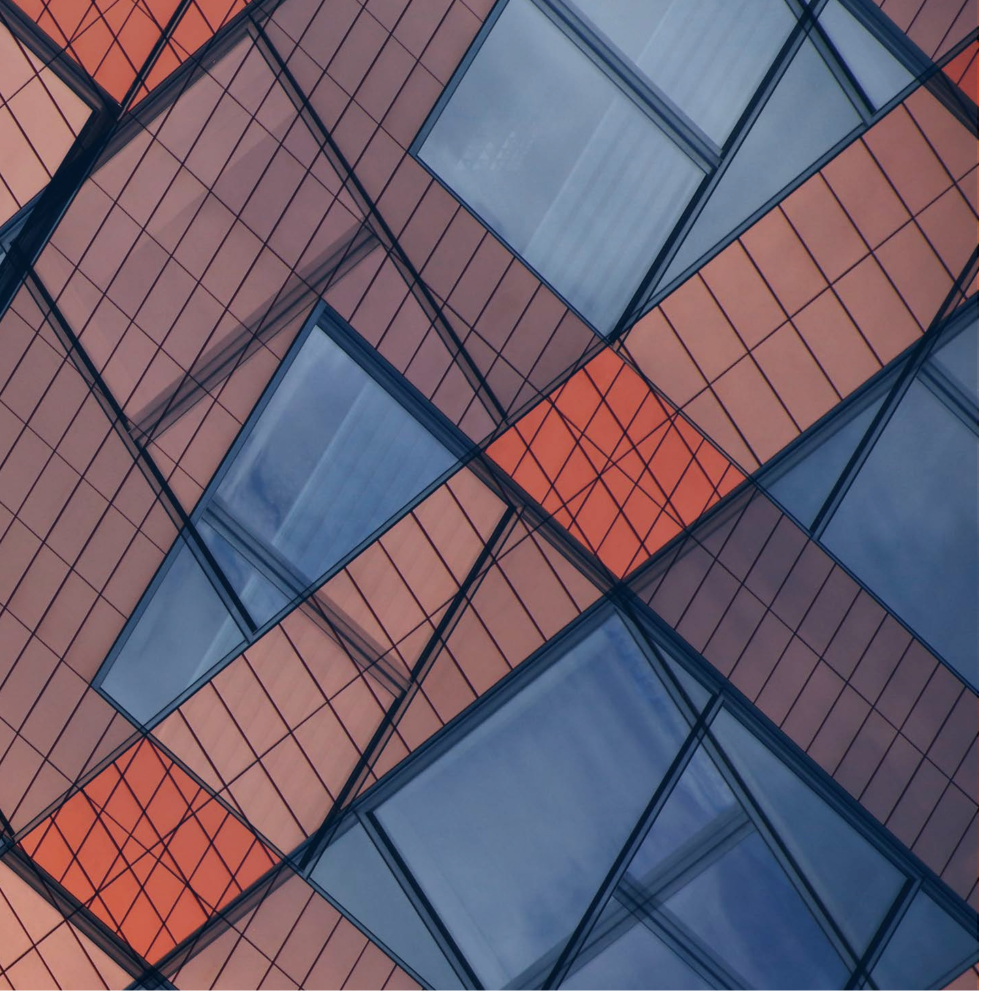
Effective communication with LPs

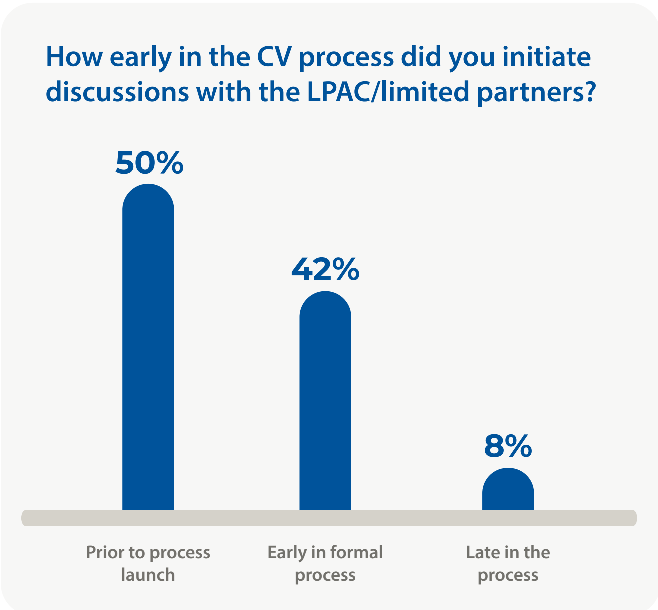
Best practice: **Clear communication among various parties must remain a high priority for GPs throughout the CV process.**

Effective communication is essential to the success of a CV transaction, meaning it's critical for GPs to keep LPs and buyers apprised of the rationale as well as relevant developments applicable to a CV process. Once a CV appears to be the most likely path forward for an asset, GPs should engage with their LPAC to solicit initial feedback and address any preliminary concerns. Given that LP optionality is central to a CV transaction, failure to communicate clearly and promptly to the underlying LP base can undermine the foundational partnership ethos valued by most private fund allocators.

Regular communication is not only a best practice in the spirit of good partnership, but it is also essential for LPs who are today regularly managing multiple CV election processes simultaneously. GPs that adhere to communication guidelines will provide LPs foresight into when an election form may be due, thus facilitating a more efficient and properly resourced response. The most common LP frustration cited was when LPs received an election form without adequate advance notice from a sponsor.

Indeed, half of GPs in our survey initiated a dialogue with existing LPs prior to process launch, with most of the rest beginning discussions early in a formal process, indicating that timely, partnership-driven communication with LPs are high priorities for GPs. As of late 2023, formal ILPA guidelines recommend communication prior to process launch, so going forward we are hopeful the data will start to trend in this direction, with all sponsors engaging with their LPAC prior to launch.



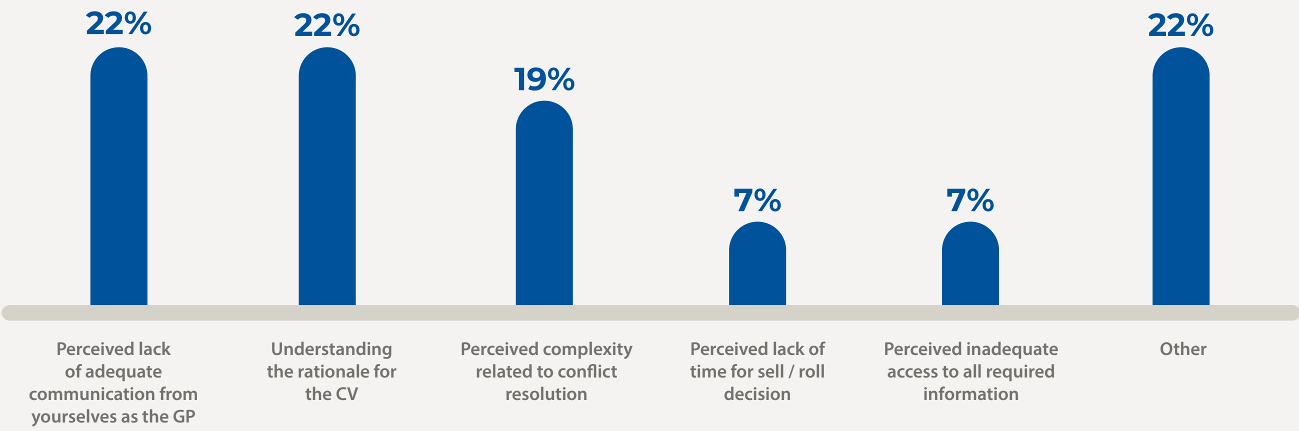


"We were very keen on making sure that there was good communication to our LPs and that they previewed it, before we went down the path." *(General Partner)*

GPs and their advisors should strive for systematic transparency in communications with LPs and buyers throughout the CV process. Information symmetry is most critical during the LP election period, i.e., during the period in which LPs are presented with the option to either cash out or participate in the CV. This symmetry means that all LPs have access to the same information provided to buyers when evaluating the investment opportunity.

In crafting an effective communication strategy, GPs should recognize that separate LPs may react differently to CV processes. When we asked GPs about expected challenges with existing LPs related to future CV transactions, inadequate communication with LPs was cited most often. Other leading responses related to the communication theme, including ensuring that LPs understand the CV rationale and the potential complexity related to conflict resolution.

Given prior experience with CV transactions, what challenges would you most expect with respect to communication and response from existing Limited Partners?



Many of the themes presented in this report are interrelated. As examples of the connection between communication and other themes:

- GPs should engage proactively with the other constituents to convey their rationale for pursuing a CV.
- GPs should also keep LPs and buyers apprised of timing, terms, documentation and market conditions as part of demonstrating aligned interests.
- Effective process management (discussed later in the report) also depends heavily on clear communication by GPs and their advisors with LPs and buyers.
- Sponsors must aim to provide information symmetry between what is provided to buyers and LPs throughout the process so that LPs can make an informed decision based upon all information.

"From our perspective, the key has been very direct and frequent communication with our LPs about the rationale for why we're looking to do what we're doing."
(General Partner)

"Regarding how to better facilitate communication, the best-in-class GPs either have a webinar or a virtual due diligence session where they give an overview to every LP of what's happening, why they're doing it and some of the underwriting cases."
(Limited Partner)

When we asked buyers about the 2-3 pitfalls that GPs should avoid when pursuing a CV, more than half of buyers cited lack of communication or alignment with underlying LPs, with these deficiencies far outranking all other answers.

"I think probably the biggest issue with your LPs is communication, from understanding what their preferences are, from the standpoint of motivation and the impact to the existing fund. I think other best practices are just transparency throughout process, giving transparency to various constituents so there is information parity and people feel good about the transaction."
(Buyer)

Emphasizing optionality for LPs

Best practice: Where possible, a status quo option should be provided to LPs with proper legal counsel and advisor consultation to ensure all structural and procedural nuances are addressed.

As LPs are central to any continuation vehicle transaction, GPs should ensure that LPs are offered sufficient optionality. Typically, once a transaction comes together, LPs are given 20 business days to respond to an election form that outlines the details of the deal and requires them to either affirmatively elect to roll into the new CV or otherwise cash out. Increasingly, GPs are encouraged to offer a "status quo" option that allows LPs to maintain their current economic terms, in addition to offering the option to re-invest their proceeds under new terms aligned with new investors. This approach aligns with recommendations from ILPA, advocating that a true status quo option be made available, which ensures that no changes are made to the LPs' initial investment conditions, including non-crystallization of carried interest and maintenance of original cost basis for the assets.

Based on LP survey responses, **about 50% of respondents** acknowledged that a true status quo option has been provided in at least half of continuation vehicle transactions over the last 12 months, signaling that while some GPs have offered this structure, there is still room for adoption.

> **"Ensuring a status quo option where economics aren't going to change / get worse."** *(Limited Partner)*

> **"Giving those LPs a true status quo option is key. I also want to maximize my existing structure, and the minute you start to deviate from that, then LPs get a sour taste in their mouth."** *(Buyer)*

Although providing a status quo option is universally acknowledged as helpful towards fostering LP goodwill, practical implementation can vary depending on the specifics of the transaction. For example, implementing a true status quo option for a CV involving all the remaining assets in a fund is fairly straightforward and executed via creation of a new share class within the CV mirroring the existing fund's economic terms. However, the scenario becomes increasingly complex with single assets, portfolio strip sales and transactions involving assets across different funds and co-investment vehicles possessing varying economic terms and investor constituencies. The structural complexities of replicating a status quo condition for underlying LPs in these scenarios are outside the scope of this report, but the task can occasionally require structural solutions with binomial implications (i.e., multiple sub-CVs and multiple sub-CV share classes).

What is generally not pointed out enough to sponsors is that these point-in-time structural decisions have lingering impacts for the GP when tasked with administratively reporting to each of their LPs who may have varying economic arrangements. It is important for sponsors to appreciate this dynamic at the outset to ensure proper internal processes and resources are in place to accommodate these intricacies post-close.

GPs should critically assess feasibility in consultation with their advisor and transaction legal counsel early in the CV process. We have noted instances where GPs prematurely promised a status quo option only to determine later that it was not practicable, necessitating a retraction in communications with LPs. In a worst-case scenario, GPs believe they are providing a status quo option only for their own LPs to discover after election forms have been distributed that the structure has non-status quo elements. Missteps such as these should be avoided to foster long-term trust with LPs when pursuing continuation vehicle transactions.

Proper guidance from advisors and legal counsel is critical, and sponsors should generally aim to balance their dialogue with underlying LPs on potential options until it is known with certainty that a status quo option is practically achievable. Ultimately, sponsors must maintain clear and open dialogue with their underlying limited partners to understand their expectations on optionality.

Variety of views on establishing a fair transfer valuation

Best practice: GPs should enter a CV process aware of market perspectives on best practices for determining a fair transfer valuation in the context of macro conditions, varying LP objectives and asset funding needs.

The determination of the transfer valuation for an asset into a CV is one of the most nuanced issues in the secondaries market today. Particularly for GPs new to this market, it can be surprising to learn that secondary investors often base their pricing expectations on the GP's reported holding valuation. As GPs are inherently on both sides of the transaction, the interrelation of transfer price and reported NAV complicates the resolution of potential conflicts. However, best practices exist to ensure these conflicts are effectively addressed.

As noted elsewhere in the report, it is critical to run an advisor-led competitive secondary auction process to facilitate price discovery. Furthermore, recent SEC regulations mandate the procurement of an independent valuation or fairness opinion in connection with a CV transaction. It is also becoming increasingly common in single asset CVs that a third-party sponsor invests in the asset prior to the execution of the CV, with that recap valuation effectively setting price for the CV. **Since 2020, ~15% of single asset CV transactions** have involved this third-party recap dynamic, which has sometimes frustrated new secondary investors that prioritize a role in directly negotiating price with the GP.

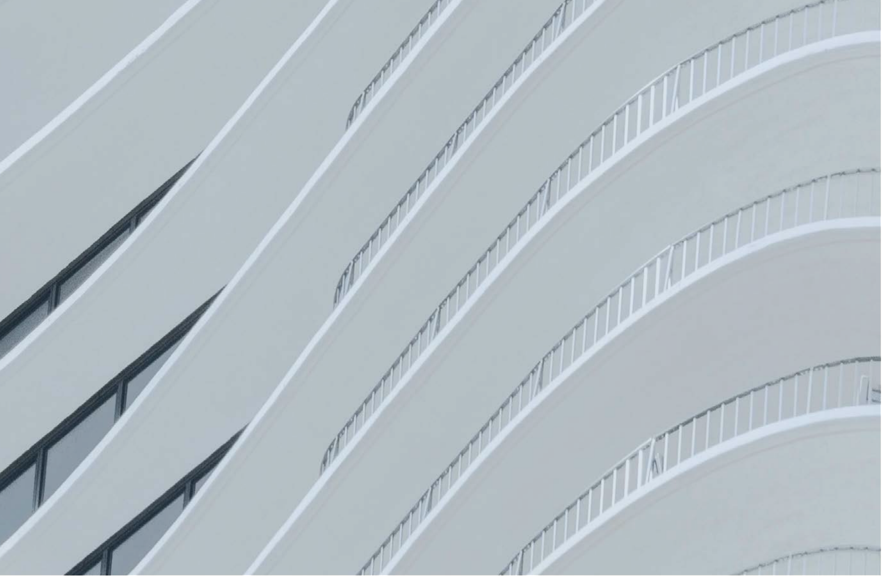
This valuation topic has gained importance as GPs increasingly recognize the need to align their reported marks more closely with actual market values, as most attest to a conservative bias in their valuation methods. Now, with an entire asset class rapidly forming around these privately-held assets, the question must be asked: will GPs begin to refine their approach to fair market value reporting?

Nearly 40% of GP respondents describe their valuation methodology as conservative or in need of alignment with fair market values based on market data, reflecting a growing awareness of the significance of these methodologies in the secondary market context.

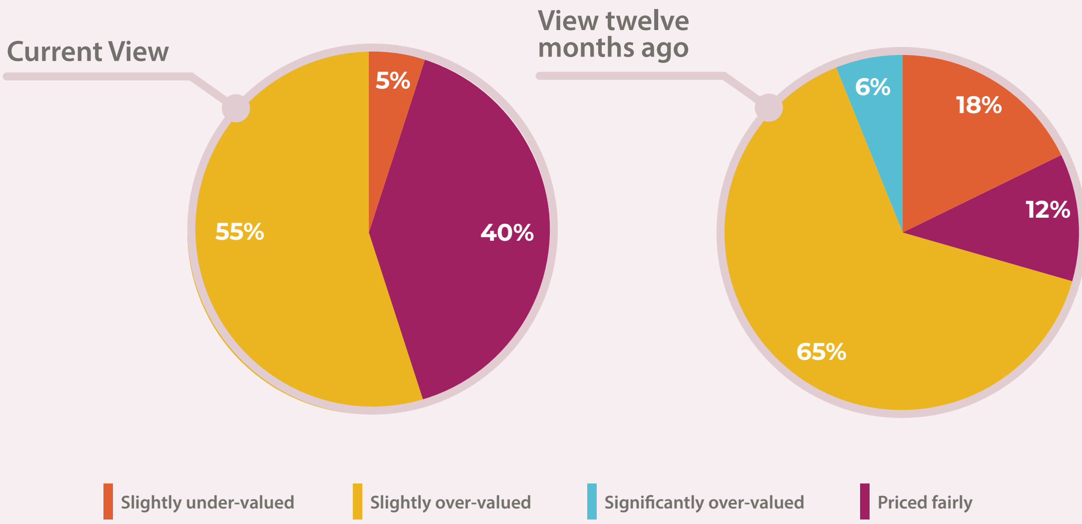
Our dialogues with buyers revealed reservations regarding how GPs determine NAVs, and some healthy skepticism as to whether GPs are in fact generally conservative in their reporting methods. Buyer concerns in this respect are primarily focused on:

- Inconsistency and lack of transparency in GP valuation methodologies.
- GPs being influenced by CV plans when making their latest mark to NAV.
- Whether public market and M&A valuation levels in recent periods were properly incorporated into NAV.

Reflecting these concerns, 55% of surveyed buyers viewed NAVs as slightly overvalued relative to fair value, while 40% characterized NAVs as priced fairly. As a group, buyers noted a shift relative to 12 months earlier, when NAVs were described by 65% as slightly overvalued and by only 12% as priced fairly. This low "priced fairly" rate is largely attributed to the lack of movement in private valuation marks during 2022 despite large declines in public equity markets. Relative to 1-2 years ago, many assets have grown into their valuations such that more participants believe PE valuations are now fairly valued, supporting deal activity over the last 6-12 months.



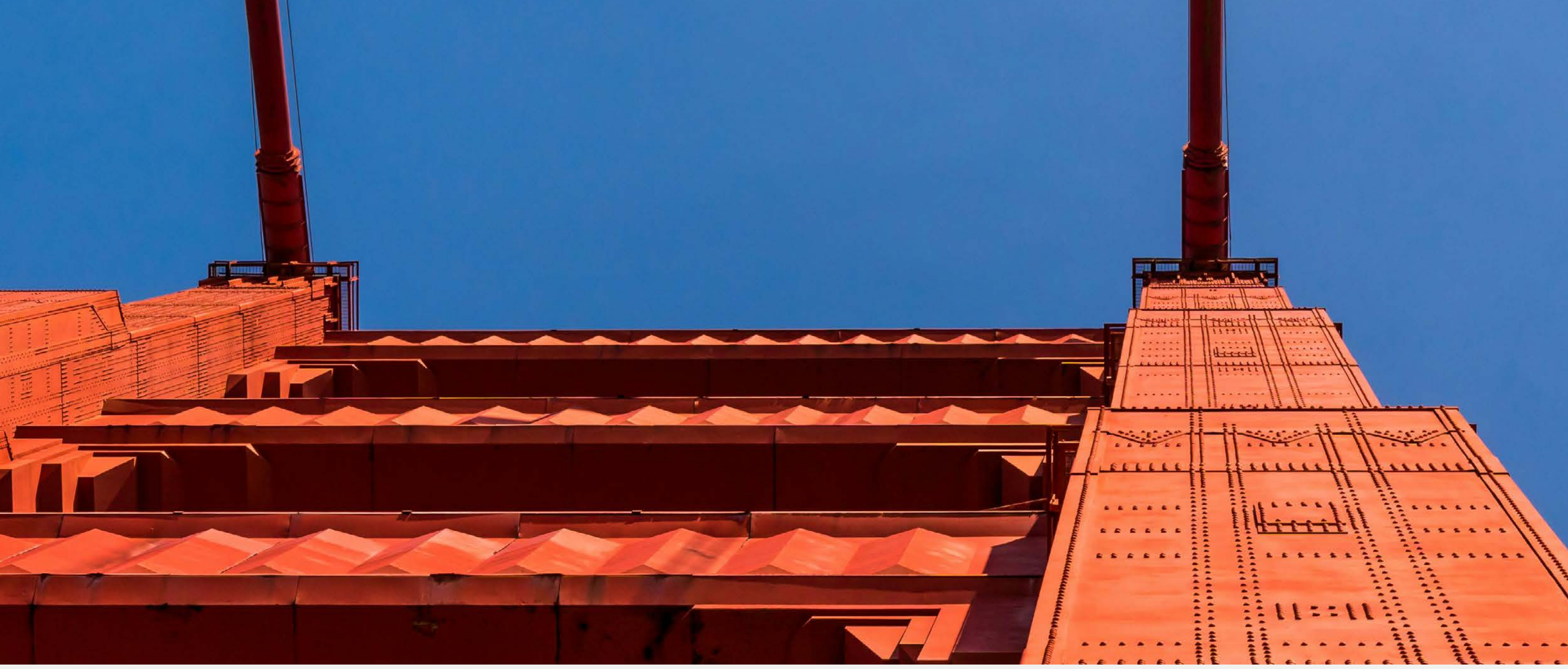
How would you characterize reported Net Asset Values relative to fair value today?



"NAV and fair value have become more in line and the gap has narrowed. Twelve to eighteen months ago, more deals fell over because of valuation expectations, because judgment on fair value relative to NAV or carrying value was off." *(Buyer)*

"NAV is an interesting point, but it doesn't determine what is thought about the value of the business." *(Buyer)*

In this market, the majority of buyers are diversified asset managers with extensive commitments across private equity, providing unique insights into assets, valuation methodologies and fund management strategies. Transactions are therefore not only evaluated against asset fundamentals but also benchmarked against how other sponsors value similar assets. Buyers also conduct comparative analyses on managers to determine which GPs have a demonstrated record of having a conservative valuation approach (as measured by "pop at exit" achieved over time), which in turn influences their investment decisions. The GPs known for their conservative valuation methodologies generally attract enhanced attention from buyers.



Effective resource and process management

Best practice: GPs can effectively manage CV process timelines by identifying and aligning internal resources upfront, partnering with an experienced advisor with relevant credentials and selecting a credible, reputable anchor LP counterparty.

The unique challenges of executing a CV, especially for parties less experienced with the technology, underscore the importance of effective process management and proper resource allocation from the outset. To achieve efficient progress throughout a planned transaction, GPs must utilize the appropriate resources from inside and outside the firm.

GP-led transactions can be thought of as a hybrid between a traditional M&A sell-side transaction and a fundraise, requiring investors to perform due diligence on the asset(s) and conduct primary-level work on the sponsor to form a holistic view on the quality of the opportunity. The process naturally involves a variety of GP resources, including senior partners, asset deal teams, investor relations and administrative back-office departments. It is therefore not surprising that **over 70% of sponsor respondents** noted that CV transactions require more resources relative to an IPO or M&A transaction. In and of itself, this is not necessarily a negative, but GPs should be aware upfront of resource requirements to manage internal expectations and to maintain process pace.

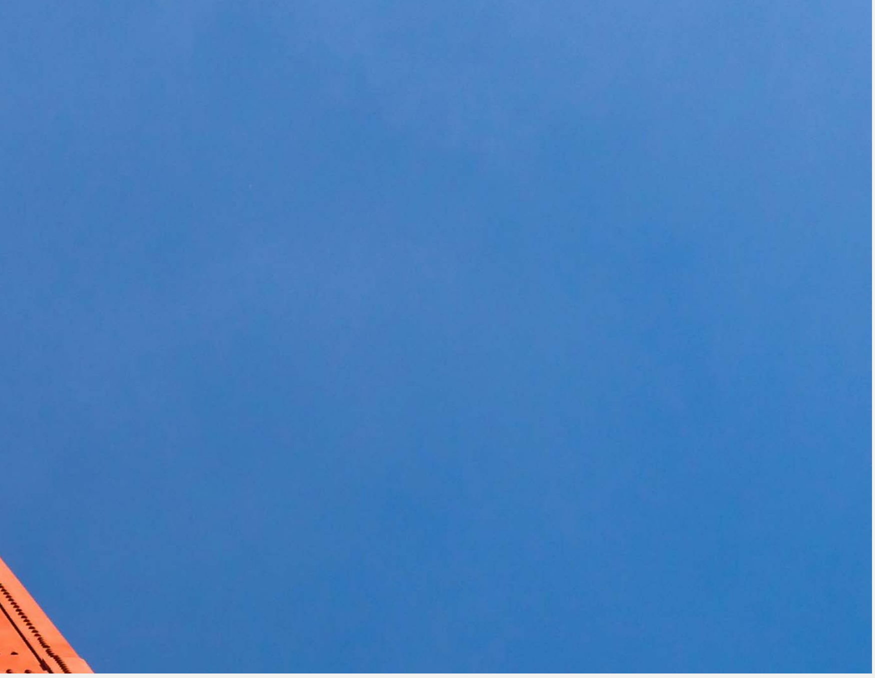
Increasingly, sponsors are appointing GP-led transaction "champions" to establish transaction leadership internally. This dynamic is particularly prevalent among GPs who have begun to programmatically tap the secondary market with regularity. Note, it is not always the case that excess resources are required to execute CVs, as 30% of GP respondents indicated similar utilization of resources across different functional specialties.

“

It's a mix of a fundraise, an M&A deal and a significant existing investor amendment with lots of back-office work. High levels of communication with LPs. Multi-assets are more difficult." *(General Partner)*

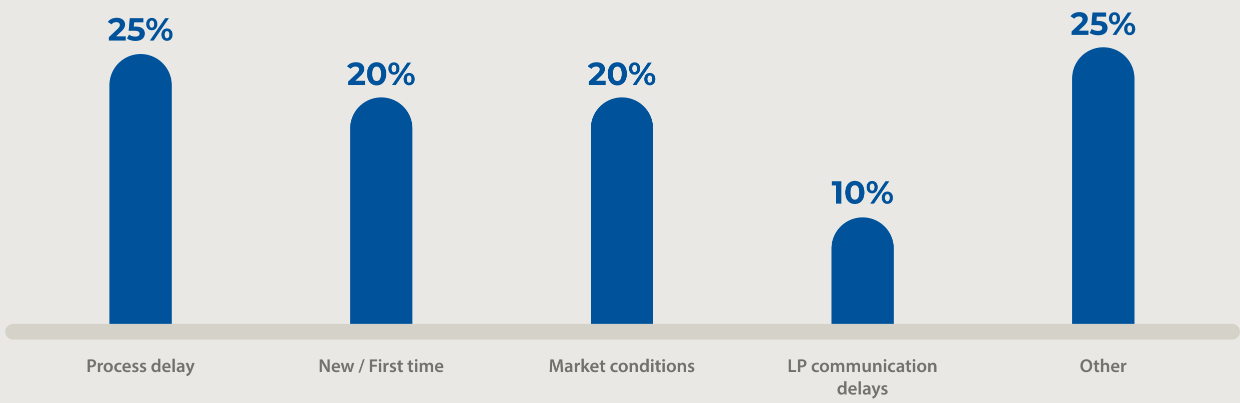
“

Similar, if not fewer resources needed from the deal team; however, more people across senior management, finance, IR, capital markets. It is very collaborative." *(General Partner)*



While timelines will vary depending on specific deal circumstances, a CV transaction generally requires more time to execute than a traditional M&A deal primarily due to the extended closing process which involves a 20 business day period for LPs to make a sell or roll decision. This focus on efficient resource utilization is integral to broader process management and is essential for meeting the timeline expectations of sponsors. When asked about aspects of a CV that did not proceed as planned, 70% of GPs indicated the transaction took longer than expected. Commonly cited reasons included challenging market conditions, inexperience with CVs and process preparation delays.

What factors would you attribute to any difference in expectation versus actual time taken to complete a CV?



"More lead time given so many different constituents to align, also the need to think more critically around how this will manifest with LPs over time."
(General Partner)

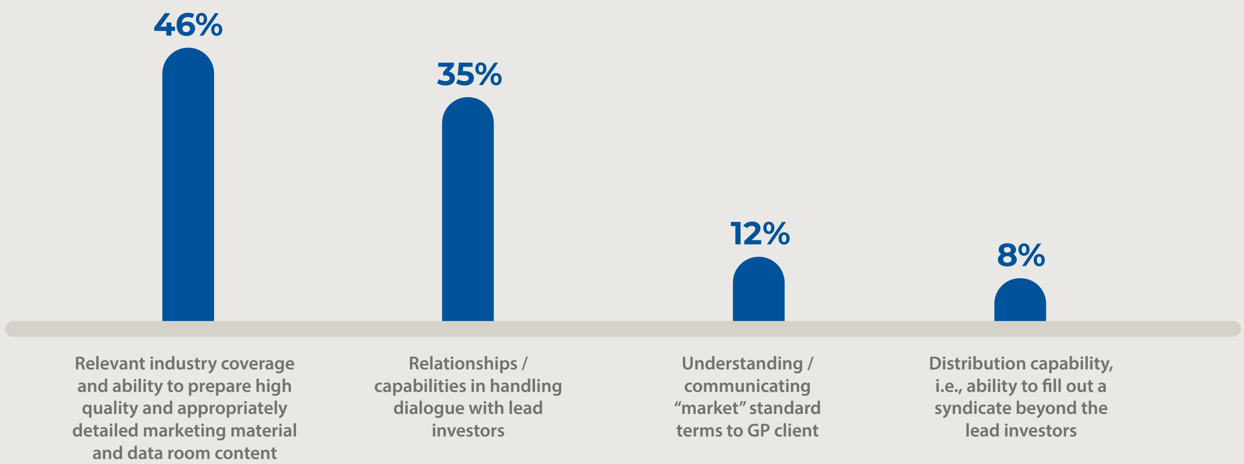
"Marketing material prep took longer than expected, as did the due diligence and the data room info." *(General Partner)*

Buyers also play a critical role in the pacing of a secondary transaction, and this is most evident during legal negotiations where there can be a bias for new investors to let negotiations linger; given new investors are acquiring assets off a fixed reference valuation, an extended closing timeline is often return-enhancing for buyers. This dynamic, coupled with most GP-led deals requiring multiple buyers to complete a transaction, often leads to extended process timelines and GPs feeling exhausted by the time of closing. Hence, it should be no surprise that over 50% of GPs cited proven execution experience for similar transactions or the ability to execute and close efficiently as a top differentiating factor among new buyers.

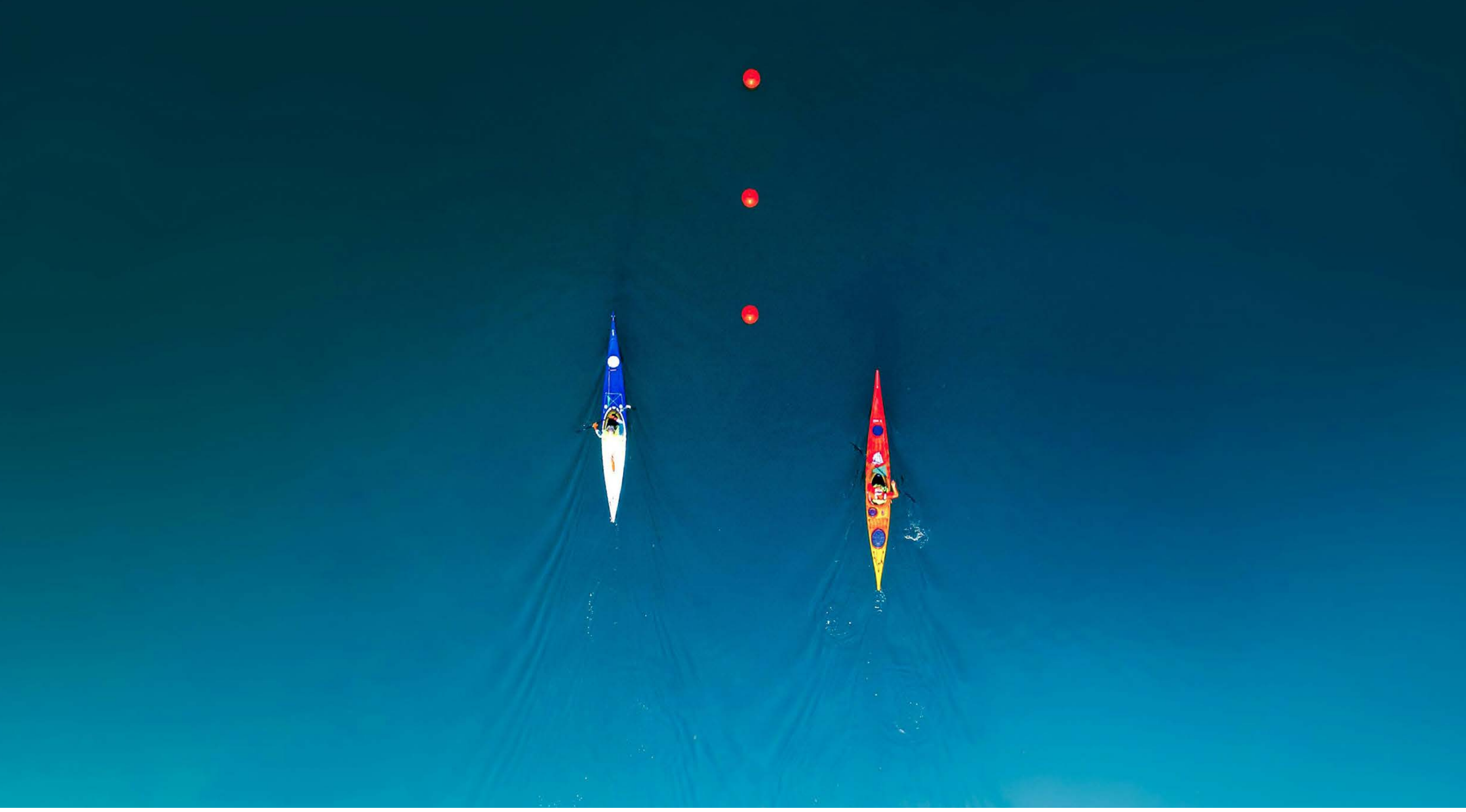
As with any emerging trend, growing pains are to be expected, and we anticipate these challenges to subside over time as GPs complete multiple CVs. However, it is again important to note that advisor selection is critical to ensure proper expectations are being set initially around an execution timeframe, as well as roles and responsibilities of key constituents. As the market matures, GPs are increasingly demanding higher levels of sophistication from advisors, including marrying industry-specific knowledge and robust transaction execution capabilities with every transaction.

To that end, nearly 50% of GPs cited relevant industry coverage and marketing proficiency as a core decision factor when selecting an advisor, while another 35% focused on advisor capabilities in understanding market standards and handling discussions with lead investors.

Following your CV process, what do you now perceive as the most critical capability of an advisor in providing best execution to GP clients in CV execution?



"It was about the integration of product and industry resources. That was a key consideration for us. I think we had a level of comfort around the product team and the secondary team, but the ability to bring in healthcare resources to supplement investor discussions and keep a continuous dialogue from an advisory perspective around the asset was important." *(General Partner)*



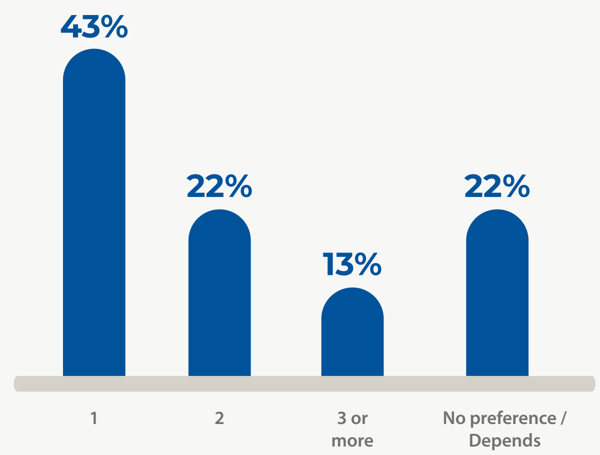
Appropriate CV frequency and expected SACV vs. MACV preferences

Best practice: GPs should consider the frequency of their use of CV alternatives in light of our discussions with constituent groups as well as our analysis of the market's long-term potential.

Input from each constituent group supports the notion that GPs should consider utilizing CVs frequently across funds, provided such decisions are made with sound rationale and alignment. In addition, our estimates of future activity indicate immense growth potential for the GP-led secondary market, as discussed in the next section.

Our group of interviewed GPs expects to regularly use these vehicles as a value creation tool across their fund programs. **Nearly 80% of surveyed GPs explicitly expressed a willingness to complete at least one continuation vehicle per fund**, with most others indicating that the amount depends on each fund's unique situation. Notably, none of the respondents viewed their previous CVs as isolated transactions, demonstrating a broad acceptance of continuation vehicle transactions as a regular exit avenue. Factors influencing these decisions included portfolio concentration, availability of follow-on capital, sector tailwinds, potential pushback from LPs and individual fund dynamics.

In a future steady state, how many continuation vehicle exits would you consider per fund?



Two per fund potentially. It's got to be exceptional assets that we think have a lot of runway left in them to want to underwrite that second run."
(General Partner)

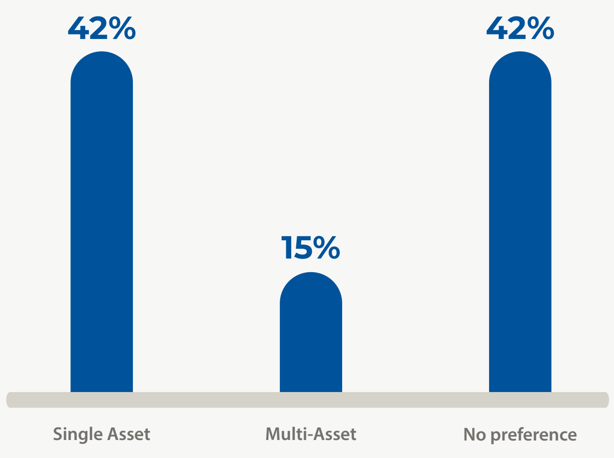
When LPs were queried about their preferred frequency of CVs pursued by a GP, half indicated an optimal frequency of one or possibly more per fund, while the other half cited flexibility on the extent of CV activity provided decisions are made with healthy alignment. This is an important point to pause on, as broad acceptance by LPs has historically been a gating factor to widespread adoption. For most GPs, a critical prerequisite to pursuing a CV is avoiding at all costs any potential resulting friction with their underlying LP base. While several years ago some LPs were predisposed to discourage sponsors from pursuing CV transactions, the responses to this recent survey indicate that today, LPs are broadly appreciating CVs as a regular-way and acceptable exit alternative if completed using best practices and with an aligned rationale. While many market participants would agree this widespread acceptance has been evolving for some time, it's not surprising that the notable shift in LP perspective is coinciding with one of the driest distribution environments in recent memory.

Buyers tend to be adaptable and accepting of frequent CV usage by a GP, though it's nevertheless crucial for sponsors to avoid the perception that they are over-utilizing the product for self-interested reasons. Most CV transactions involve high performing assets, often referred to as "trophy" or "crown jewel" assets. High frequency market engagements with similar narratives can occasionally prompt skepticism among buyers about the strategic intent of such dealings. Superior alignment and clear articulation of transaction rationale are essential to mitigate these concerns.

Notably, **over 50% of buyers** indicated that the underperformance of a GP's prior CVs would negatively impact their likelihood of participating in a future CV with that sponsor. About half noted their decision would depend on the context of each unique transaction. This finding is critical and ties into several themes discussed, underscoring the exceptionally high standards to which sponsors are held by a relatively small universe of buyers. Factors such as poor communication, misaligned incentives or underperforming CVs (notwithstanding strong flagship fund performance) can impact a sponsor's reputation among secondary market participants. Therefore, it is crucial for sponsors to apply best practices to these initial transactions to help lay the groundwork for potential future programmatic CV issuances.

Regarding the preference for types of CVs, surveyed GPs indicated a preference for single asset continuation vehicles (SACVs) over multi-asset continuation vehicles (MACVs), although many are open to both options depending on the situation.

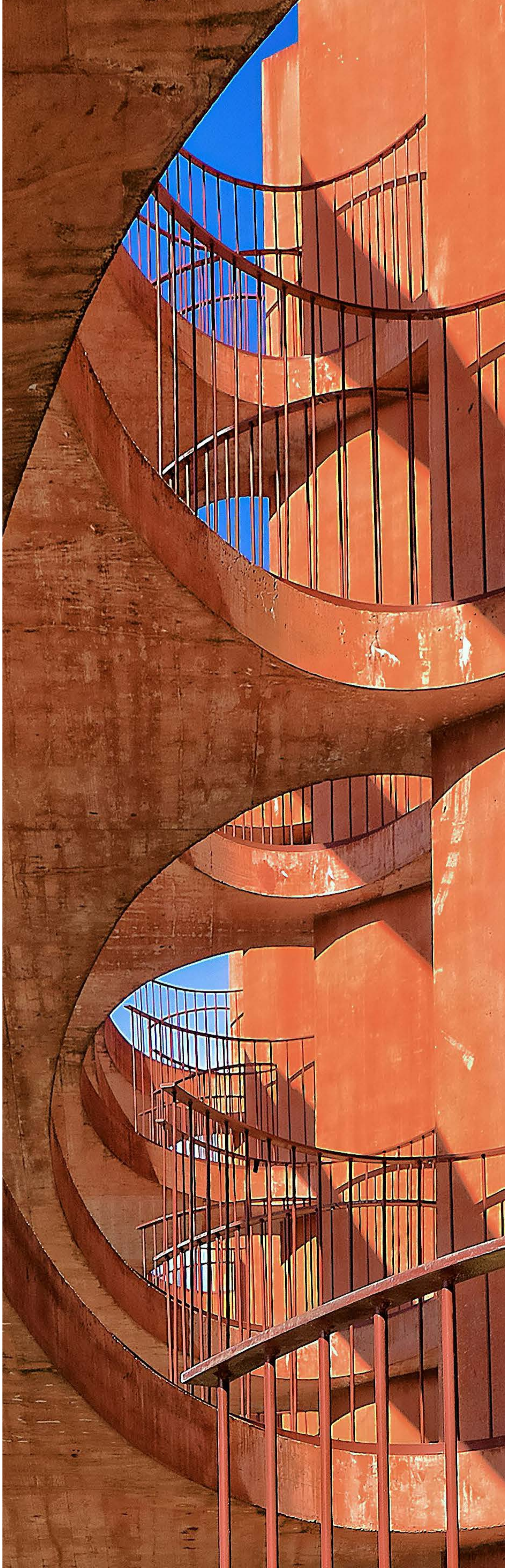
Which of the following do you expect you will pursue most frequently?



For SACVs, relative advantages cited by GPs include ease of execution, less GP time required and a cleaner story focused around one prized asset as opposed to a basket of companies. These preferences are particularly notable among GPs that have yet to complete a CV, reflecting a perception that single asset CVs are a "walk before you run" activity that can lead to a multi-asset CV transaction down the road. Conversely, MACVs often represent an attractive opportunity for a GP to structure a CV around several high performing assets thereby delivering a substantial liquidity option for underlying LPs, or otherwise liquidate all of the remaining assets in a long-dated fund. Both use cases are highly viable, as indicated by the roughly equal split of SACV and MACV volume in 2023, so long as a logical transaction rationale is articulated and the GP is well-aligned with all constituents.

Interestingly, transaction data suggests that smaller GPs tend to prefer single asset continuation vehicles, while larger GPs prefer multi-asset continuation vehicles. In 2023, the median AUM of sponsors completing a SACV was $2.7 billion, while the median AUM of sponsors completing a MACV was $6.0 billion, supporting the notion.

Buyers have historically maintained a bias for multi-asset continuation vehicle transactions, citing their focus on diversification as a key differentiator. However, this perspective is rapidly evolving as new secondary market entrants and new funds raised by incumbent buyers are increasingly dedicated to investing in SACVs. In response to a question about the percentage of total investment capital expected to be targeted toward SACVs (vs. MACVs) over the next 12 months, SACVs are slated to receive 64% on average, with a large majority of buyers expecting to allocate at least 50% toward SACVs.



MARKET TRENDS AND OVERVIEW

While the CV market has expanded significantly over recent years, Baird believes we are only a few chapters into its powerful growth story. Findings from the recent interviews detailed in this report are consistent with the encouraging trends evident in our ongoing proprietary market research, reinforcing our bullish thesis on this market.

Despite a history of rapid development in CVs, our enthusiasm for the future of GP-led continuation vehicles remains stronger than ever. This section delves into the foundational elements fueling the growth of the GP-led market and outlines structural frameworks indicating long-term expansion.

Evolution of the GP-led secondaries market

The evolution of the GP-led secondaries market over the past decade has established a solid base for long-term growth. During this time, CVs have gained substantial traction as an effective portfolio management tool for GPs and as an attractive investment category for LPs and secondary buyers. Sustained growth in the number of CV participants in these constituent groups is now leading to improved supply and demand dynamics that should drive future deal activity.

Progression through previous phases has positioned the GP-led market for large growth upside.

Nascent but growing market of 2012-2018:

- Sponsors utilized GP-led technology to restructure older-vintage funds with assets requiring extended periods to achieve optimal traditional M&A and IPO exits.
- Transactions were typically pricing at a discount, reflecting lower market demand for these older holdings.
- Deal sizes typically landing in the mid- / large-cap range.
- Universe of market participants growing but remaining narrow.

Significant adoption during 2019-2023:

- CVs gained acceptance as a viable alternative to traditional liquidity pathways, driving unprecedented growth with an aggregate deal volume of ~$210 billion over 2020-2023, representing an ~18% CAGR.
- Trophy asset CVs accelerating through H2 2020 in the wake of the COVID-19 crisis as scheduled exit windows became less feasible and sponsors began considering continuation vehicles as a tool to extend ownership on high-quality assets and raise dry powder to support ongoing value creation initiatives.
- Peak activity occurred in 2021 as total GP-led volume reached $71 billion, reflecting stellar conditions for exit transactions of all types and an expanding universe of market participants.
- Exit markets cooled in 2022 as global transaction activity across M&A, IPO and continuation vehicle transactions pulled back and buyers and sellers grappled with bid-ask disparities across private assets.
- Despite a continued challenging environment for traditional exits in 2023, GP-led secondary deal volume was resilient in declining only 4%, comparing very favorably to the 30%+ decline in overall PE distribution value.
- GP-led CV solutions shined in this slower M&A environment, with 12% of all PE fund realizations in 2023 estimated to be driven by CV transactions versus only 3% in 2018.

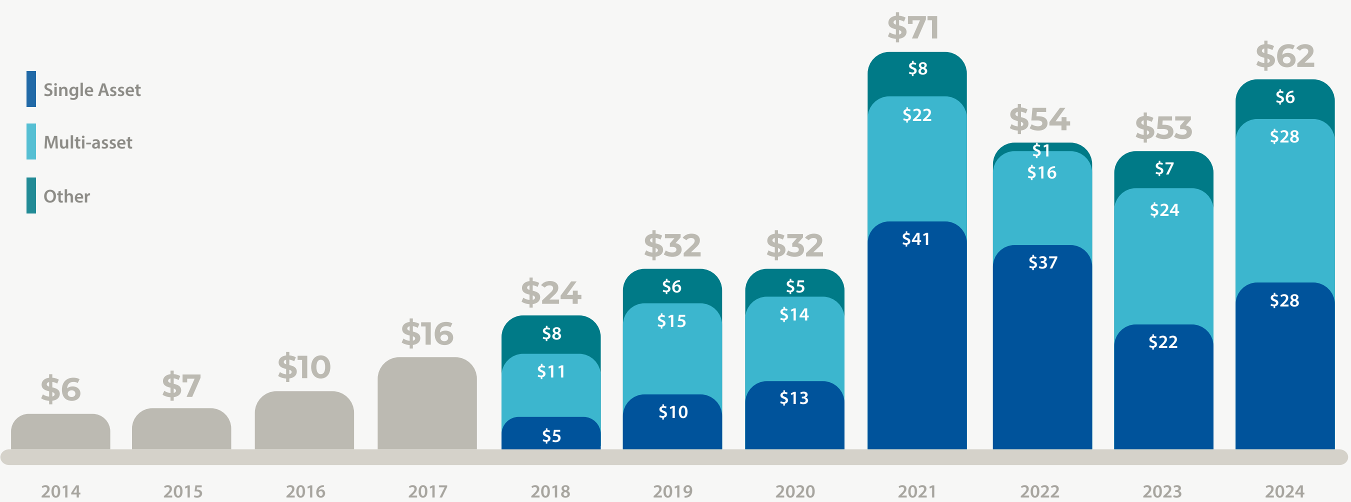
Looking ahead, the GP-led secondary market is set for robust growth, with the current momentum suggesting potential for annual deal volumes to hit new highs. This optimism is supported by:

- Stable macroeconomic and interest rate conditions, with private assets now growing into sponsor holding valuations which have remained relatively flat to slightly up since early 2022, resulting in narrowing bid-ask spreads.
- Over $3.2 trillion in unrealized value across buyout portfolios globally, with 46% of holdings at least four years old after the sharpest drop-off in distribution activity since the Global Financial Crisis (Source: Pitchbook and Preqin).
- High watermark levels of secondary market dry powder, estimated at $191 billion, fueled by incumbent buyers closing record fund sizes as well as new entrants raising dedicated pools for GP-led transactions. This figure likely underestimates difficult-to-measure "shadow demand" from diverse capital sources such as sovereign wealth funds, insurance companies, family offices and even traditional buyout funds that are selectively participating in GP-led transactions.
- Continued adoption of continuation vehicle solutions by the sponsor community as a tool to extend ownership of high-quality assets and deliver scaled liquidity solutions to distribution-starved LPs. As evidence of this adoption, **76% of the top 100 PEI sponsors and 61% of the top 200 PEI sponsors, respectively, have completed at least one CV transaction, and we expect this penetration to continue into the middle-market sponsor universe, which remains relatively untapped by comparison**.
- Critical mass acceptance of CV transactions by the LP community, driven by the dearth of distributions and adoption of streamlined frameworks to better respond to election decisions.

Survey results from buyers indicated the projected volume for GP-led transactions is expected to reach $62 billion in 2024, representing ~19% growth from 2023 and nearing the record-setting $71 billion achieved in 2021. Notably, no surveyed buyers anticipate a contraction in deal volume for 2024, an optimistic outlook given broader economic uncertainties.

Baird expects GP-led transaction volume to reach $175 billion by 2030.

Total GP-led secondary volume ($ in billions)[1]



[1]Source: Various market research publications and internal sources and estimates. Inclusive of launched or closed deals in 2023.

Mainstream adoption signaled by proliferation of middle-market CVs

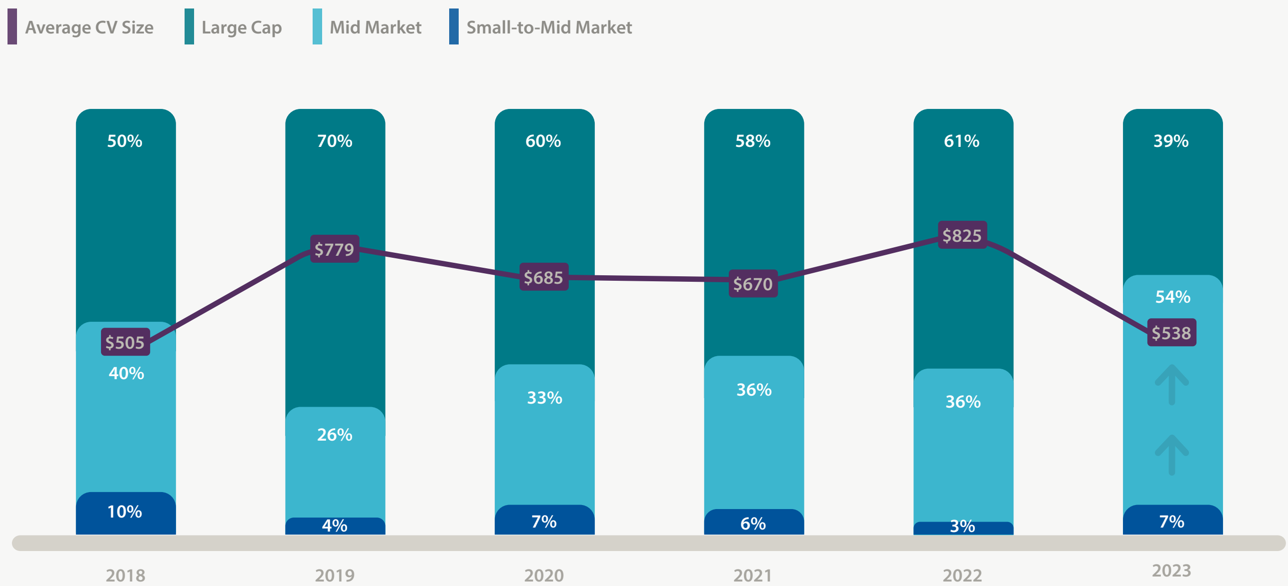
Strong contributions from middle-market deals in 2023 are a key indicator that the CV ecosystem is thriving. Historically, GP-led transactions have tilted toward $1+ billion transactions, orchestrated by some of the world's largest and most sophisticated private equity sponsors such as Hellman & Friedman, Leonard Green, Insight Partners and Clearlake. These firms were early adopters of proactive CV solutions. However, the market landscape has evolved considerably, with an increasing number of lower-and-middle-market GPs embracing CVs, leading to a surge in transactions ranging from $250 million to $1 billion. High-quality deals in this size range are characterized by a balanced supply-demand dynamic, resulting in faster transaction processes, broader buyer interest and reduced execution risks. This stands in contrast to larger transactions that generally require more time, effort and broad buyer engagement. Secondary buyers frequently comment that their underlying portfolios are sub-optimally weighted to larger-cap companies likely to require IPO exits, fueling a rising interest in smaller yet scaled companies with alpha-generation potential and multiple paths to exit.

See below for some interesting data points that further illustrate this trend:

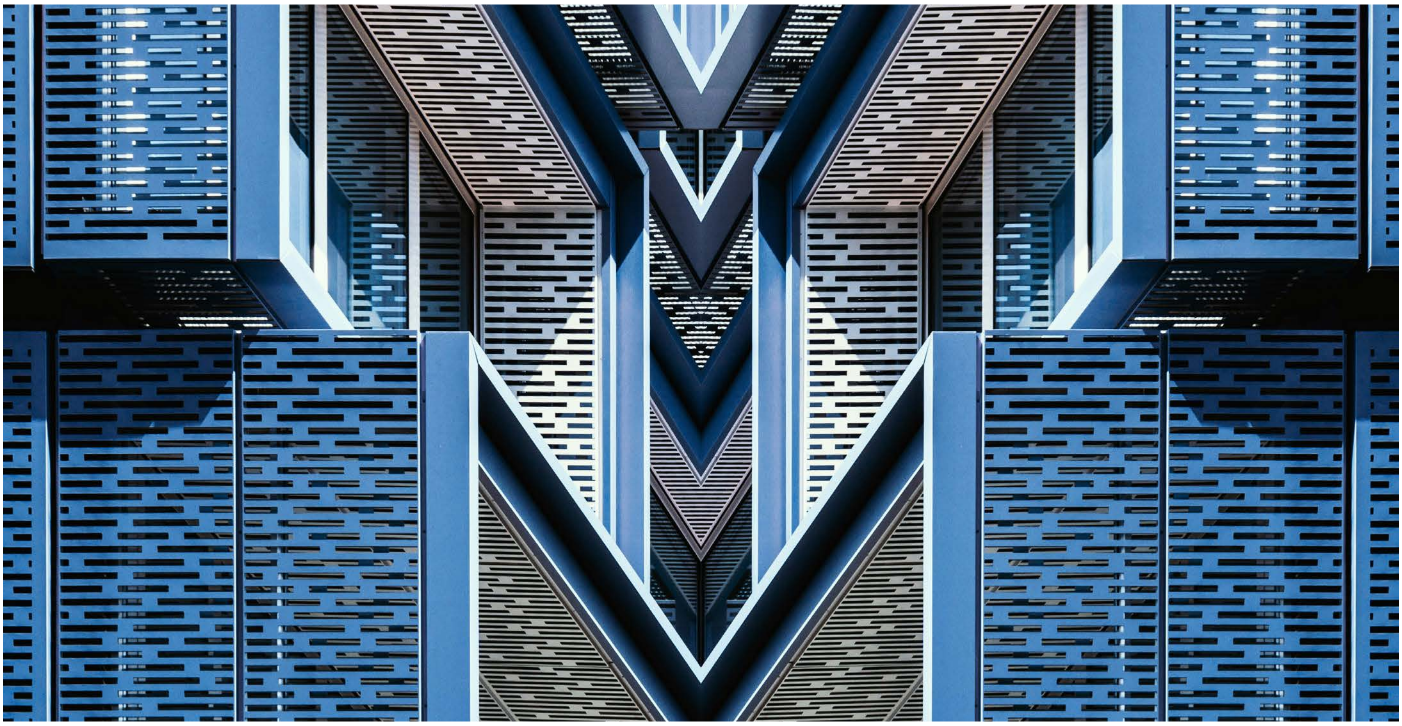
- CV transactions sized under $1 billion accounted for roughly 60% of deal volume in 2023, up from 39% in 2022 and 42% in 2021.
- The average size across all CVs completed in 2023 was $538 million, which is 35% below the mean size in 2022. This breakdown reflects SACV and MACV average sizes of approximately $475 million and $635 million, respectively.
- Over half of the buyers interviewed reported that the most recent CV transaction they completed fell within the $500-750 million range.
- By the end of 2023, 61% of the top 200 sponsors had launched or closed at least one CV transaction.
- Frequent, recurring use of GP-led secondaries demonstrates sustainability on the asset supply side. For example, 70% of GPs that have led multiple secondary deals completed another CV transaction within two years of the prior CV.
- While there has been much talk of potential sector specialization across buyers, we have yet to see that manifest in a significant way with most buyers continuing to be sector agnostic. Historically, deal flow has favored technology & services end markets with a well-balanced distribution across healthcare, consumer, financial services, industrials and energy as well as other emerging asset classes such as infrastructure and private credit.

We expect the middle market to remain the sweet spot for CVs due to continued adoption of CV solutions by middle market sponsors and shifting buyer preferences for more optimally sized deals where their role can be elevated in a transaction and afford them access to trophy assets with asymmetric upside.

Average CV transaction sizes over time



Source: Various market research publications and internal sources and estimates. Inclusive of launched or closed deals in 2023.



Secondary buyer demand rising to record levels

Improving demand fundamentals are central to our positive outlook for the CV market. Amid challenging conditions for traditional portfolio company exits over the last couple of years, the supply of CVs in the market exceeded demand from leading buyers, and as a result, buyers have been privileged to be highly selective on deal flow. We anticipate that this imbalance will stabilize as capital continues to accumulate in the market, fueled by both traditional secondary buyers and new entrants drawn to this attractive opportunity set.

Mounting evidence of expanding buyer appetite for CVs includes:

- **Record Levels of Secondary Dry Powder:** Secondary dry powder reached an unprecedented $191 billion following a record-breaking fundraising year for secondary firms in 2023.
- **Increasing Demand Among Traditional Buyers:** Many traditional secondary buyers are launching dedicated GP-led focused funds to expand their market presence. This is in part driven by a need to navigate implicit or explicit single-asset concentration limits in their flagship funds. Notably, **75% of interviewed buyers expect to raise capital focused exclusively on GP-led secondary transactions, with another 10% suggesting the potential to raise such capital in the future.**
- **Emergence of New Market Entrants:** Notable new participants include Apollo, TPG, Leonard Green, AEA, AKKR and Blue Owl, alongside increased activity from non-traditional secondary investors such as sovereign wealth funds, insurance companies and family offices. We believe that significant capital formation in the secondary market over the next five years will stem from these non-traditional sources as they develop secondary allocation programs and manufacture deal flow directly from agents as well as through co-investor relationships with existing secondary GPs in the space.
- **Open-Ended Evergreen Vehicles:** Perhaps the most exciting among these new pools of capital are evergreen vehicles focused on secondary investing. These proliferating products cater to a high net worth retail audience and are designed to provide a continuous source of dry powder through perpetual recycling of distributions. The relatively untapped potential of the retail market coupled with unique structural mechanisms engineered to create a capital deployment flywheel could create an explosion of capital availability over the next five years.

Greater demand should fuel increased CV transaction activity this year and beyond. As noted in the Key Themes and Best Practices section, market participants across constituent groups anticipate GP-led deal counts in 2024 to surpass 2023 levels. Better balance in supply-demand tension should factor into more mutually agreeable outcomes for pricing and terms, leading to a higher success rate for CVs launched into the market.

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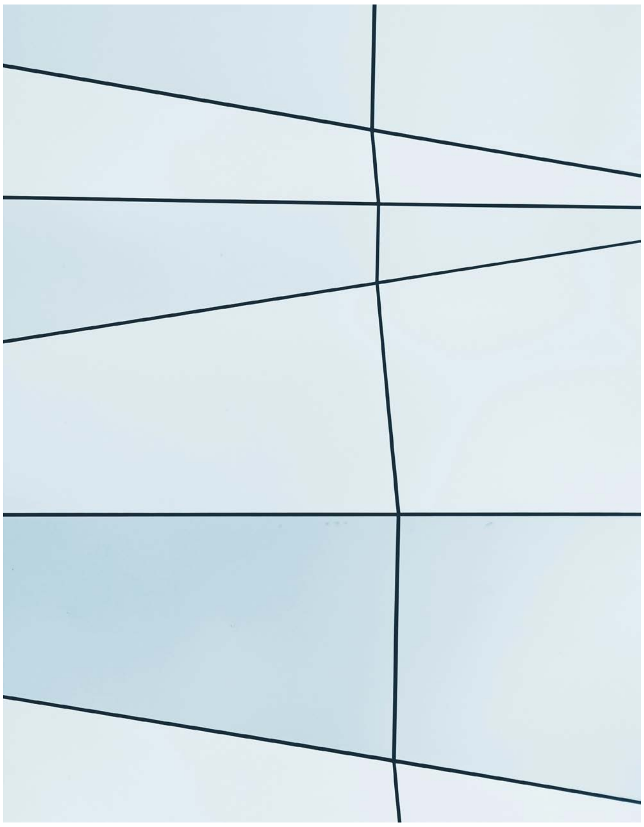

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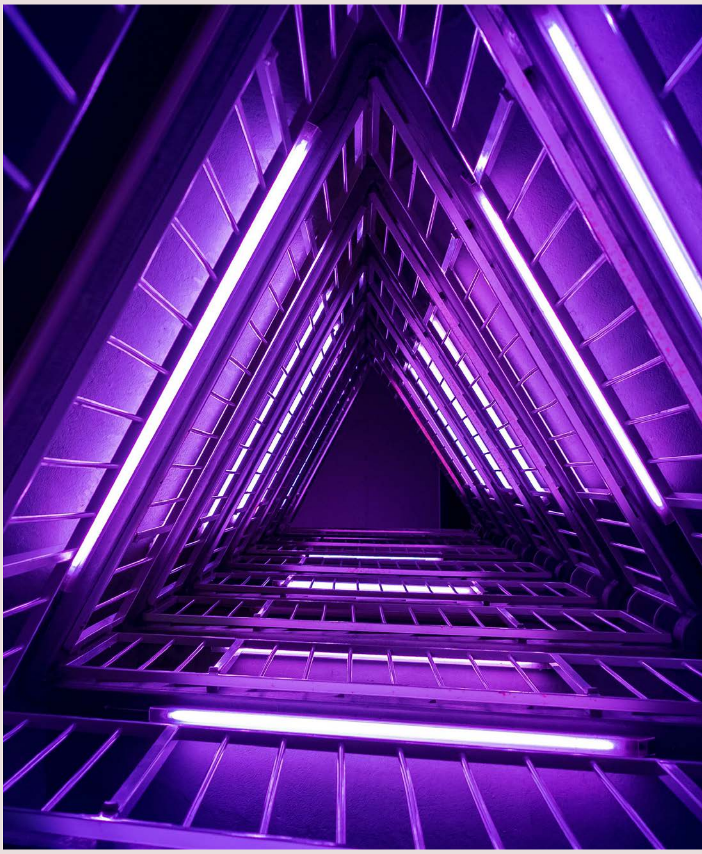
ABOUT BAIRD GP SOLUTIONS



Baird's GP Solutions Group delivers highly customized advice to financial sponsor clients pursuing GP-initiated secondary transactions, optimizing outcomes via the team's independent, holistic advisory approach. As a part of Baird's Global Investment Banking platform, this dedicated team works in partnership with Baird's industry bankers to provide innovative solutions that address a wide array of sponsor objectives. Our deep, firmwide resources across product and sector coverage enable us to help clients navigate evolving markets. With direct access to a broad universe of investors including secondary funds, fund of funds, pensions, sovereign wealth funds, endowments, foundations and family offices, we provide extensive reach and capabilities across GP-led transaction types.

ABOUT THIS REPORT

To capture more comprehensive insights on the maturing but still relatively new continuation vehicle (CV) market, Baird commissioned H/Advisors Cicero to undertake detailed interviews with 60 GPs, LPs and buyers regarding their experiences with and perceptions around CV deals. This report reflects the analysis of the feedback collected, which yielded common themes and best practices related to executing secondary transactions.

FOR MORE INFORMATION

Contact a member of Baird's GP Solutions or Global Financial Sponsors Group to discuss this report in further detail.

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*Percentages based on survey responses have been rounded and may combine for slightly more or less than 100%.