Proskauer

Second (is) Best

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As one of the fastest-growing asset classes, the private credit market has reached a level of maturity that indicates secondary transaction volume will continue to pick up in a meaningful way. Current market conditions will drive both GPs and LPs to seek alternative liquidity solutions for their investments, with many LPs becoming forced sellers due to the denominator effect. In order to capitalize on such transactions, there will need to be secondary buyers in the market that have experience underwriting complex credit-related assets at scale. With increased volatility in the market, lenders will often end up in the strategic position to drive favorable pricing and negotiate lower leverage, obtain stronger covenant packages and other protections that control downside without sacrificing returns. This same dynamic is present with structured solutions in the secondaries market.

In a recent paper, Proskauer, in partnership with Atalaya Capital Management, explore what these trends mean and shares valuable insights into the evolving landscape of the credit secondaries market and delve into the extensive opportunities within the credit secondary market. Click below for the reasons behind the sustained growth in secondary activity and explore how secondary solutions can prove advantageous for both credit asset buyers and sellers.

Related Professionals

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