

## Jensen Partners Secondaries Newsletter

### *The secondaries space takes off as competition for specialized talent heats up*

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The secondaries market has become one of the fastest-growing sectors within the alternative investment industry. Despite the economic challenges presented by COVID-19, the market experienced a significant surge in interest from investors in 2020 that has carried over into 2021.

As noted by secondaries brokers, [Greenhill & Co.](#) and [Setter Capital](#), the size of the secondaries market was around \$60 billion in FY 2020. However, more than two-thirds of transactions (\$42 billion) came in the second half of the year, nearly matching pre-pandemic levels. As global secondaries investing continues to flourish, there is an expectation that the market will reach an all-time high of nearly \$90 billion in FY 2021, as reported by Setter Capital, suggesting a significant increase in demand for secondaries specialists with the right skills to do the work.

One of the main factors driving the growth of the market and the demand for secondaries specialists is the recent fundraising activity by secondaries managers. [According to data from Preqin](#), secondaries managers raised \$77.4 billion across 35 funds in 2020, far exceeding the \$23.1 billion raised in 23 funds in 2019. The market is set for bigger growth in 2021, having started the year strong with \$16.9 billion raised across 12 funds in the first quarter, and \$21.6 billion across 14 funds as of May, with another 71 funds seeking an additional \$40 billion. This puts the secondaries market in a position to hit record fundraising levels in 2021.

### *Increase in GP-led transactions leads to a surge in the number of hires*

Another growth factor is the increase in general partner-led transactions. In 2020, [general partners \(GPs\) accounted for approximately 50% of total secondary market deals](#). As a result of this shift toward GP-led transactions, [“the array of skills required on the buy- and sell-side has become far deeper and broader.”](#) Further, as more M&A advisory businesses and mega-managers enter the market, a growing number of secondaries professionals are becoming aware of their value, which results in more competitive hiring.

In the first half of 2021, we [witnessed a range of household names entering the secondaries market](#), both on the sellside (Goldman Sachs, Rothschild, and Guggenheim Partners) and the buy-side (TPG, Manulife, Ares Management, Brookfield Asset Management, Apollo Global Management). [According to PJT Park Hill’s Darren Schluter and David Perdue](#), the increased competition from both sides has made it even more crucial for secondaries professionals to expand their skillsets and geographic/strategic expertise, especially considering the spike in demand for secondaries specialists in marketing, sales, and business development is not likely to slow down anytime soon.

Our Q1 2021 data on marketing moves confirm this observation. In the first quarter of 2021, we recorded a massive surge in the number of secondaries professionals hires with a more than 1,000% increase (58 in Q1 2021 vs. 5 in Q4 2020), with Q1 already exceeding the total of 35 secondaries hires in FY 20 overall. The

majority (or 60.34%) of the moves were at the senior level, with the remaining 39.66% representing junior secondaries moves. In terms of region, our data shows that North America (31 hires) is leading the way in the number of hires, followed by the UK (20 hires), the rest of Europe (5 hires), and APAC (2 hires).

One interesting development is the concentration of these moves, with numerous professionals leaving a platform en masse for another platform. For example, five secondaries professionals left Greenhill in early Q1 for Jefferies as the latter firm seeks to bulk up its secondaries capacity. A similar trend played out with Park Hill as two mid-level professionals left to join Rothschild together. The previous year, Matthew Wesley and Joseph Slevin simultaneously submitted their resignations to both move to Guggenheim as that firm also is seeking to build out its secondaries practice. This signals a rush among firms to beef up secondaries teams as quickly as possible, a trend that will likely continue as the appetite for secondaries strategies grows.

### *Structural barriers to diversity, equity, and inclusion remain*

Despite the strong overall hiring numbers to start the year, the secondaries market has a long way to go on the diversity front. Of the 58 hires in the first quarter, females represented only ~21% and non-Caucasians represented only ~26% of all hires. While the percentage of non-Caucasian hires is roughly consistent with the broader alternative investment industry (21.7% in Q1 2021), the hiring of women among secondaries firms lags far behind the rest of the industry, where women represented 40.6% of all hires in Q1 2021 and 33.1% of all hires in 2020.

According to [Johanna Lottman of PJT Capital Hill](#), there are multiple structural issues that prevent women from achieving equal representation in the secondaries sector: **1)** the industry tends to recruit laterally, meaning the talent pool is restricted to those who are in higher rank within finance; and **2)** there is a lack of knowledge about the size and scale of the secondaries industry, which makes it less likely that women will consider a secondaries firm for a career. We are, however, optimistic that hiring practices will improve as GPs and LPs ramp up their demands for progress on diversity, equity, and inclusion (DEI).

We see the recent secondaries hiring cycle as similar to the rapid buildup in recent years of sales teams for private debt strategies, in which various players rushed the market at the same time, all seeking candidates with niche expertise that was in relatively short supply. We are confident that as the secondaries market continues to evolve, the competition for talent will become more intense, which could in turn lead firms to adopt aggressive strategies to prevent the poaching of newly hired employees by more aggressive bidders.

We will continue to monitor these developments and periodically share interesting data and insights on fundraising and hiring trends across the alternative investment industry.

Sincerely,

Sasha Jensen, CEO & Founder



## News Articles on Secondaries

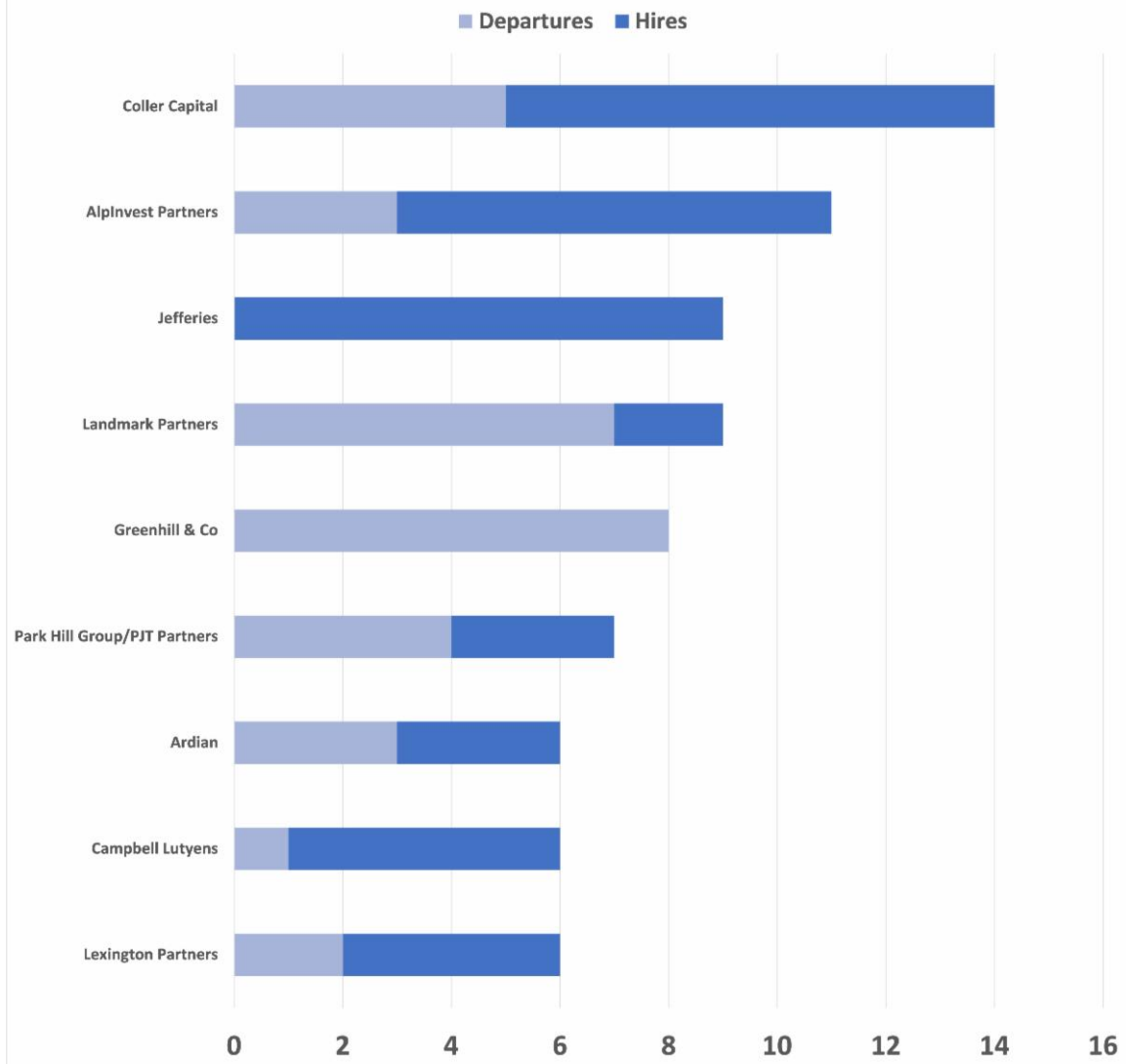
Here is a selection of recent articles about the key trends and developments in the secondaries space.

**Buyouts:** [Five reasons the future is bright for secondaries](#)  
**Buyouts:** [Secondaries market cratered last year but should come roaring back in 2021](#)  
**Buyouts:** [Innovation is in the air for the secondaries market](#)  
**Buyouts:** [Nine 'new' firms making waves in secondaries](#)  
**Campden FB:** [Secondary to None? Potential Benefits of The Private Equity Secondaries Market](#)  
**FundFire:** [Ares Scoops Up Landmark, Jumps into Fast-Growing Secondaries Biz](#)  
**FundFire:** [Managers Surge into Secondaries-Fueled Follow-on Funds](#)  
**FundFire:** [Apollo Dives into Red Hot Secondaries Market with \\$1B Platform](#)  
**FundFire:** [KKR Push Ramps Up Hot Secondaries M&A, Hiring Markets](#)  
**Institutional Investor:** [Secondary Deals Plummeted In 2020. Here's Why.](#)  
**Preqin:** [Finding Value in the Direct Secondary Market, Sustainably](#)  
**Preqin:** [Private Equity Secondaries Launched into Financial Market Stress Tend to Outperform](#)  
**Preqin:** [Navigating the Secondary Market in Uncertain Times](#)  
**Preqin:** [Experts Discuss the State of Play in Asia-Pacific's Secondary Market](#)  
**Private Equity International:** [What's in store for the secondaries market in 2021?](#)  
**Private Equity International:** [Secondaries growth leads to hiring spree](#)  
**Private Equity Wire:** [Evolving opportunities in secondary market](#)  
**Secondaries Investor:** [Rothschild hires PJT pair for secondaries advisory launch](#)  
**Secondaries Investor:** [Ex-Greenhill MDs on why they joined Jefferies and what's in store for the secondaries market](#)  
**Secondaries Investor:** [GP-leds heat up the secondaries market](#)  
**Secondaries Investor:** [Jefferies poaches Guggenheim advisory team](#)

## The Churn

The Churn shows which secondaries firms gained or lost the highest number of marketing professionals. The firms with the greatest number of new hires included Collier Capital (9), Jefferies (9), AlpInvest Partners (8), Campbell Lutyens (5), and Lexington Partners (4). Meanwhile, the firms with the highest number of departures included Greenhill & Co. (8), Landmark Partners (7), Collier Capital (5) and Park Hill Group/PJT Partners (4). Jefferies was the big talent winner in the first quarter with 9 additions against 0 departures, while Greenhill & Co. had the complete opposite experience with 0 additions against 8 departures.

## Secondaries 2021



### Recent Moves in the Secondaries Sector

Here is a selection of recent marketing moves specific to the Secondaries space.

❖ **Charles Carroll** joined the newly launched secondaries business at Morgan Stanley in June 2021 from Park Hill Group where he was a Managing Director on their Secondary Advisory unit for the last five years. Prior to his tenure with Park Hill, he spent a year on Blackstone's Secondary Advisory. He began his career with Bank of America Merrill Lynch in 2011 as an Investment Banking Analyst. He is based in New York.

❖ **Frank Schwahn** joined the Private Capital Advisory business with Jefferies in June 2021 as a Vice President in London after five years with HarbourVest Partners where he was a Senior Associate on their secondaries. Jefferies continues to bulk up its secondaries business after its launch just last year with a spate of new hires in both the US and in Europe.

❖ **Matthew Wesley** left his role as Managing Director and Head of Private Capital Advisory with Guggenheim Partners after joining the firm in February 2021 to launch Guggenheim's secondaries business. He is slated to join Jefferies as Co-Head of Secondaries, though his start date is TBD. He is bringing Guggenheim's secondaries team along with him to Jefferies, including: **Joseph Slevin**, **Richard Saltzman**, and **Benjamin Carper**. **Slevin** and **Carper** were both named Senior Vice Presidents and began their new roles with Jefferies on June 1, 2021

❖ **Darren O'Brien** joined the Secondary Advisory team with Campbell Lutyens in May 2021 as a Principal. He joined after eight and a half years with Origami Capital Partners, a manager that targets assets trapped in illiquid fund structures, where he was most recently a Partner of the firm. He is based

in Chicago and has also spent time with [WL Ross & Co.](#), [Brookfield Asset Management](#), [Citigroup](#), [UBS](#), and [KPMG](#).

❖ **Myra Choo** joined Secondary Advisory firm [Mozaic Capital](#) as a Director in Boston. Most recently, **Choo** led the San Francisco office of [MVision Private Equity Advisers](#) and was responsible for West Coast Investor Relations. In that role, she advised on over \$2.5 billion of fundraisings. Prior to [MVision](#), she served as an Investor Relations professional at [Thomas H Lee Partners](#), where she focused on the firm's Asia-based investor relationships.

❖ **Michael McKell** joined [Tradition Private Markets](#) as Head of Real Estate Secondaries in May 2021 in London. McKell had a similar role with [Tullett Prebon](#) for the last six and a half years. **McKell** is joined by **Edward Kingston**, who was with [Tullett Prebon](#) for the last nine years, most recently as a Director of Real Estate Secondaries. **Kingston** joined as a Principal and is also based in London. **Kevin Rogers** also joined [Tradition](#) in May as a Principal focused on Private Equity Secondaries in the firm's New York office. He joined from [Triago](#), where he spent the last two years as a Principal.

❖ **Earl Hunt** was tapped by [Apollo Global Management](#) in April 2021 to co-lead the recently launched [Apollo Credit Secondaries](#), a new platform with \$1 billion in assets to deploy to private credit secondary transactions. Based in New York, he was most recently a Partner with [Goldman Sachs'](#) Relationship Management & Strategy team. He joined [Goldman](#) in 2015 as a Vice President from [Citi](#) where he was most recently a Director of Credit Sales after beginning his career at that firm as an Analyst in 2004.

❖ **Matt Jones**, Partner and Co-Head of Secondaries with [Pantheon Ventures](#), has been tapped to join [TPG](#) as the firm continues to expand its secondaries unit. Based in London, **Jones** joined [Pantheon](#) in 2001 and is set to co-lead the US as well as the European secondaries teams along with **Michael Woodhouse**, who joined the firm only last year from [CPP Investments](#) to help launch [TPG's](#) secondaries practice. The start date for **Jones** is TBD.

❖ **Sameer Shamsi**, veteran secondaries professional began his new role with [Houlihan Lokey](#) as a Managing Director and Head of Secondaries for the firm's Private Fund group in May 2021. **Shamsi**, based in New York, has spent the last four years on the secondaries team with [Credit Suisse's](#) Private Fund Group business. He has also held senior roles at [Evercore](#) and [UBS](#). Just last year, [Credit Suisse](#) merged its private fund group and secondaries advisory into one unit called Capital Solutions, helmed by **Paul Van Hook** and **Jeremy Duskin**.

❖ **Roger Lengyel** joined [Central Park Group](#) in March 2021 as a Managing Director and Head of Private Equity Secondaries where he leads the secondary, liquidity solutions and GP-led private equity business. Previously, he was a Director and SVP with [Fortress Investment Group](#) for five years. Prior to that, he was an Executive Director with [J.P. Morgan Asset Management](#) for seven years. He has also held roles with [Bear Stearns](#) and [Deutsche Bank](#). He is based in New York.

## About Our DiversityMetrics™ Enterprise Software Platform

DiversityMetrics™ combines rich diversity analytics with the latest research from the field of human capital management, providing an objective, 360\* view of where a firm stands on DEI and how they can make meaningful progress towards a more diverse, equitable, and inclusive workforce, including:

- Verified demographic data for more than 25,000 investment and distribution professionals from across the industry
- A candidate pipeline of over 8,000 investment and distribution professionals who self-identify as having a diverse background
- A proprietary scoring algorithm that enables objective DEI comparisons across firms and industries

With DiversityMetrics™, firms can benchmark against competitors, develop diverse candidate pipelines, analyze hiring and retention practices, identify biases in workplace culture and report progress to investors. Jensen Partners uses DiversityMetrics™ to report

data and insights about trends in the alternative investment industry available exclusively in its newsletters.

## Our Awards



Best Recruitment Consultant  
Jensen Partners



privateequitywire  
US AWARDS 2020

WINNER

Best Recruitment Company for Investor Relations  
& Asset Raising



privateequitywire  
US AWARDS 2020

WINNER

Best Recruitment Company for Executives



Jensen Partners is a women-owned global advisory, corporate development and executive search firm specializing in the placement of leading investment and capital-raising candidates for the alternative asset management community. The firm leverages a data-driven approach to all human capital management, combining quantitative and qualitative information to source and place the best candidates for each specific role. Using the firm's proprietary DiversityMetrics™ platform, Jensen Partners has built a database with verified demographic data (e.g., race, gender, seniority, age, education, etc.) on more than 25,000 investment and distribution professionals, providing asset managers with the breadth and depth of information necessary to quantify, measure, report and improve workforce diversity, equity and inclusion (DEI). In addition to executive search, Jensen Partners also offers LP/GP referencing, proprietary 360° Investor Referencing™, and compensation benchmarking and analysis.

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