Corporate Finance
Mergers & Acquisitions
Strategy and Execution
Alternatives

Secondaries · LP-Led Sales

Selling at 85: The Real Economics of LP-Led Secondaries

A net-proceeds framework for comparing a discounted LP-interest sale with retained exposure, a NAV facility and staged liquidity

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ABSTRACT

This paper addresses whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. It converts the question into an evidence-led decision system covering economics, structure, timing, control and downside funding. The analysis uses current primary and authoritative sources, supported by transaction-specific documents and clearly identified hypothetical modelling assumptions. The recommended process links capital-account statement, partnership agreement, transfer provisions, unfunded schedule to headline price, net proceeds, reference-date movement, unfunded transfer. It also assigns preparation, challenge and approval across the relevant parties. Scenario outputs illustrate method only. Actual terms, values, timing, legal effect, tax treatment and investment outcomes require current evidence and qualified professional review.

Keywords

Secondaries · LP-Led Sales, headline price, net proceeds, reference-date movement, unfunded transfer, fees, single-interest sale, portfolio sale, strip sale

1. Executive thesis

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links capital-account statement, the data room milestone and the headline price measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Stale Reference Nav is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the single-interest sale route against at least the sale at 85 hypothetical case and record the sensitivity of headline price. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across selling limited partner, secondary buyer, general partner. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

- Evidence focus: capital-account statement.
- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.

2. The decision perimeter

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links partnership agreement, the indications milestone and the net proceeds measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Purchase-Price Adjustments is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the portfolio sale route against at least the sale at 95 hypothetical case and record the sensitivity of net proceeds. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across secondary buyer, general partner, fund administrator. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.

3. Assumptions and scenario limits

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links transfer provisions, the final bids milestone and the reference-date movement measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Gp Consent Delay is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the strip sale route against at least the retain interest case and record the sensitivity of reference-date movement. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across general partner, fund administrator, legal advisers. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

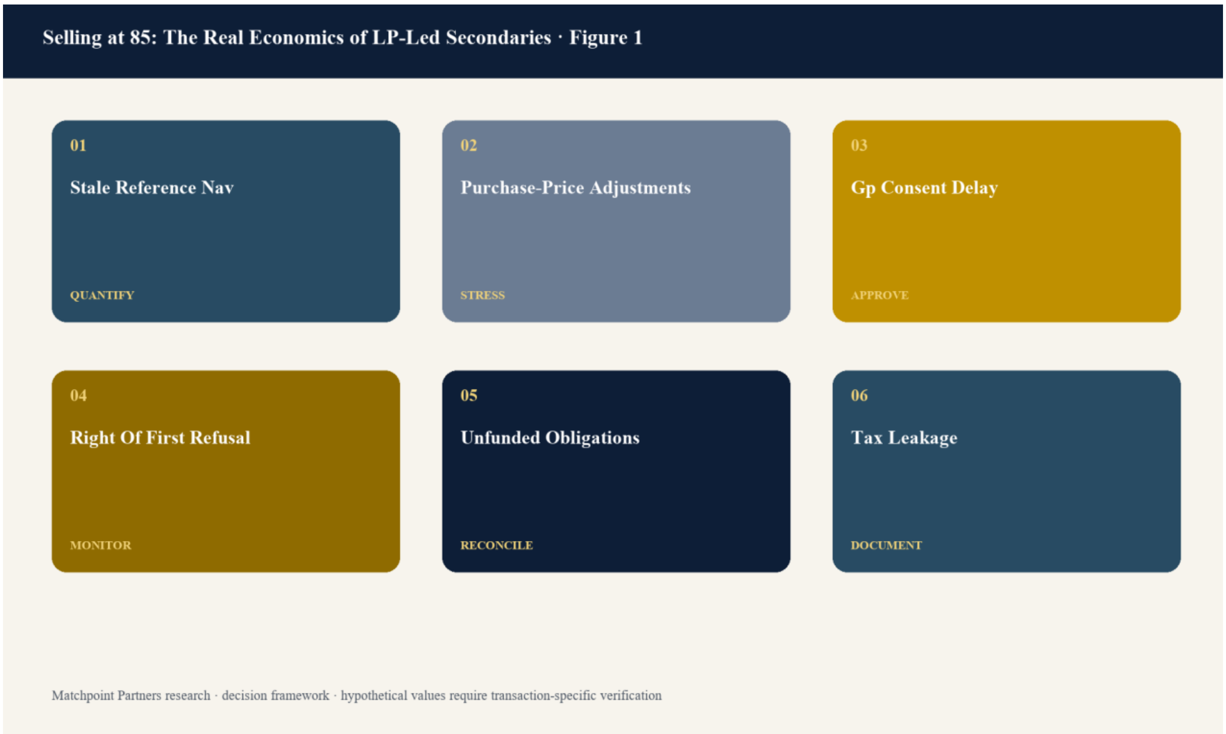

Figure 1. Structured decision view; categories are topic-specific and values require current transaction evidence.

4. Parties, authority and conflicts

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links unfunded schedule, the GP consent milestone and the unfunded transfer measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Right Of First Refusal is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the preferred liquidity route against at least the NAV facility case and record the sensitivity of unfunded transfer. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

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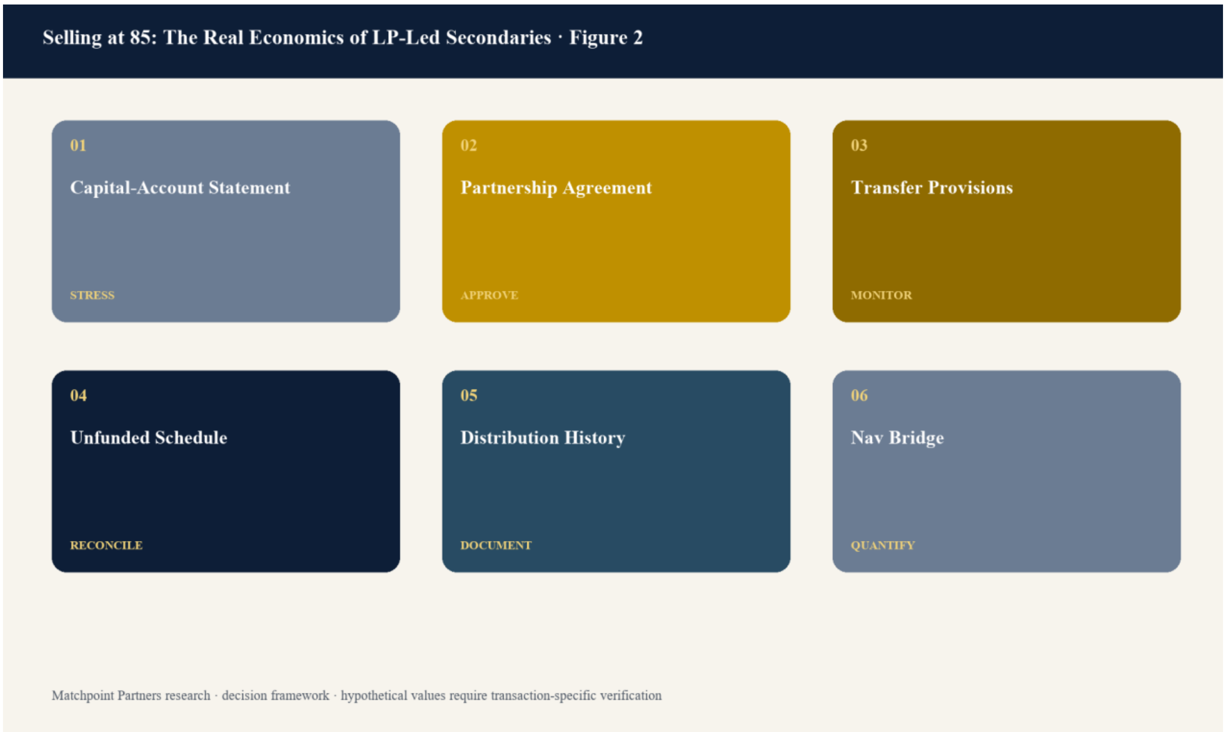

Figure 2. Structured decision view; categories are topic-specific and values require current transaction evidence.

5. Economics and value transfer

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links distribution history, the purchase agreement milestone and the fees measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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Figure 3. Structured decision view; categories are topic-specific and values require current transaction evidence.

6. Structure comparison

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links NAV bridge, the settlement milestone and the time to cash measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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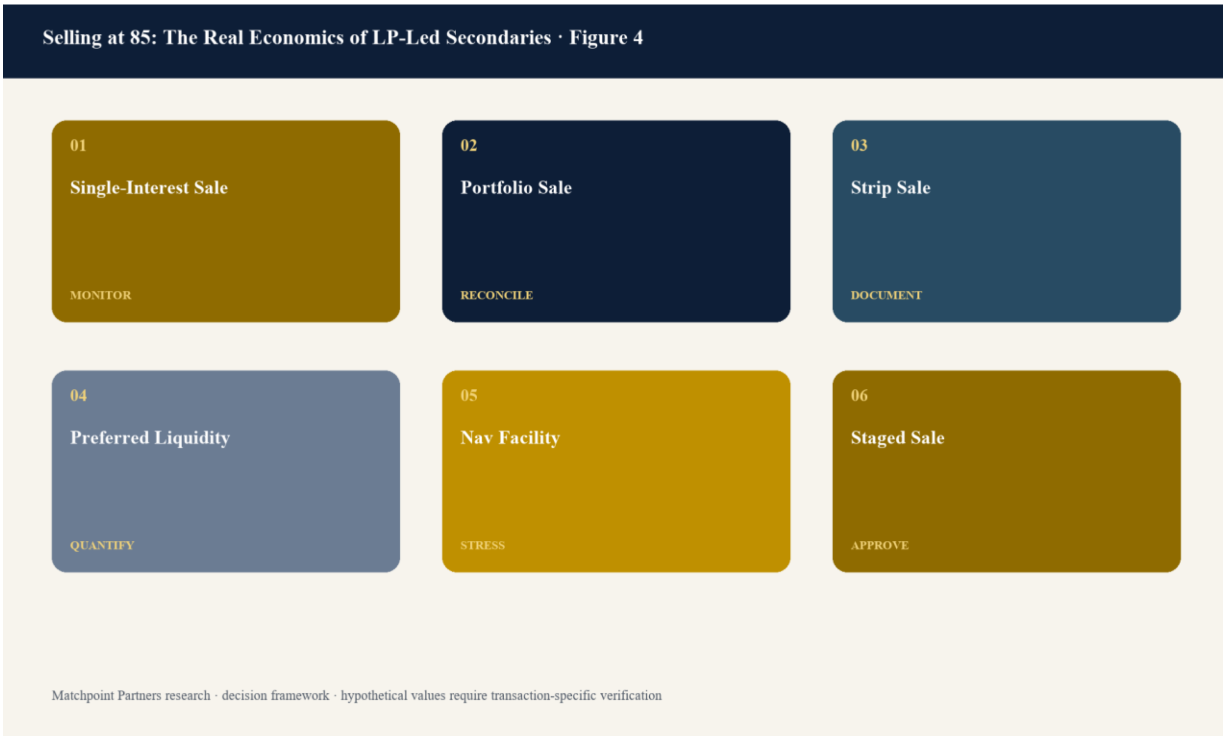

Figure 4. Structured decision view; categories are topic-specific and values require current transaction evidence.

7. Risk map and control response

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links bid comparison, the data room milestone and the retained upside measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: bid comparison.
- Evidence focus: closing statement.
- Evidence focus: capital-account statement.

8. Risk focus: Stale Reference Nav

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links capital-account statement, the final bids milestone and the headline price measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: capital-account statement.
- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.

9. Risk focus: Purchase-Price Adjustments

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links partnership agreement, the GP consent milestone and the net proceeds measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.

10. Risk focus: Gp Consent Delay

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links transfer provisions, the purchase agreement milestone and the reference-date movement measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.
- Evidence focus: distribution history.

11. Risk focus: Right Of First Refusal

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links unfunded schedule, the settlement milestone and the unfunded transfer measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Right Of First Refusal is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the staged sale route against at least the NAV facility case and record the sensitivity of unfunded transfer. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

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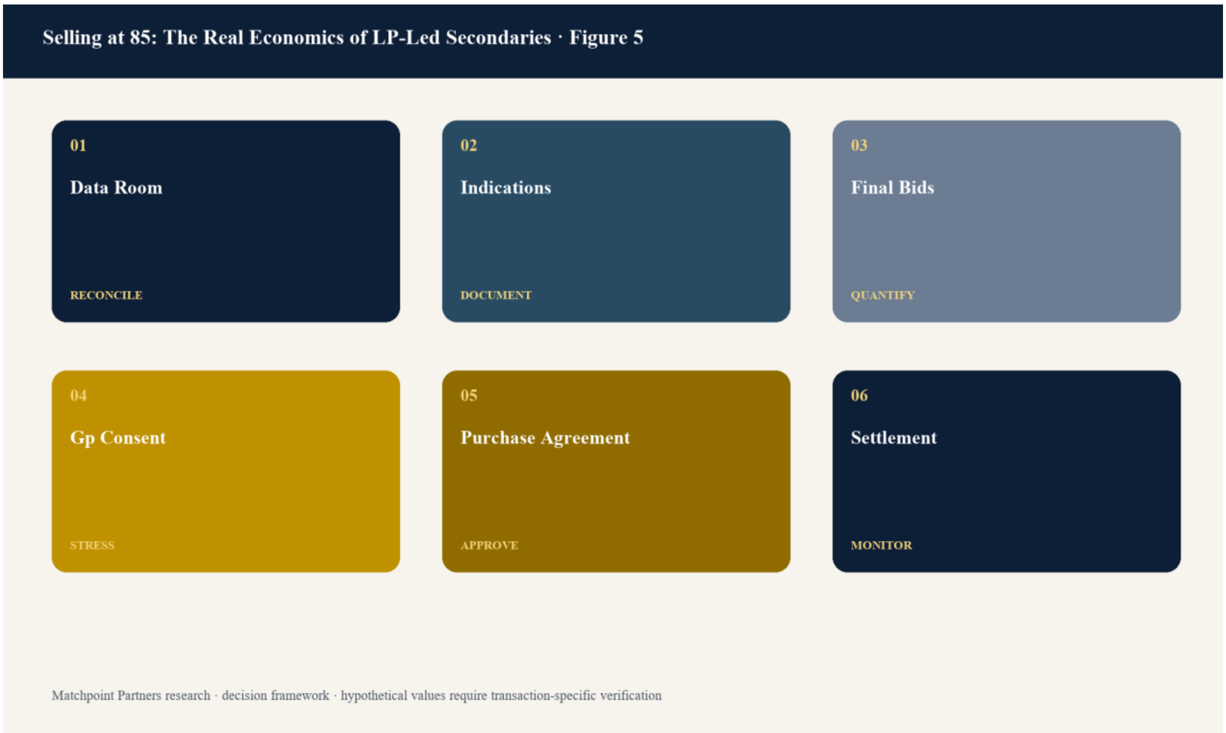

Figure 5. Structured decision view; categories are topic-specific and values require current transaction evidence.

12. Risk focus: Unfunded Obligations

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links distribution history, the data room milestone and the fees measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: distribution history.
- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.

13. Risk focus: Tax Leakage

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links NAV bridge, the indications milestone and the time to cash measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.
- Evidence focus: closing statement.

14. Risk focus: Closing Slippage

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links bid comparison, the final bids milestone and the retained upside measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Closing Slippage is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the strip sale route against at least the retain interest case and record the sensitivity of retained upside. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

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- Evidence focus: bid comparison.
- Evidence focus: closing statement.
- Evidence focus: capital-account statement.

15. Risk focus: Buyer Retrade

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links closing statement, the GP consent milestone and the facility cost measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Buyer Retrade is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the preferred liquidity route against at least the NAV facility case and record the sensitivity of facility cost. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

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- Evidence focus: closing statement.
- Evidence focus: capital-account statement.
- Evidence focus: partnership agreement.

16. Evidence focus: Capital-Account Statement

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links capital-account statement, the purchase agreement milestone and the headline price measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: capital-account statement.
- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.

17. Evidence focus: Partnership Agreement

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links partnership agreement, the settlement milestone and the net proceeds measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.

18. Evidence focus: Transfer Provisions

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links transfer provisions, the data room milestone and the reference-date movement measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.
- Evidence focus: distribution history.

19. Evidence focus: Unfunded Schedule

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links unfunded schedule, the indications milestone and the unfunded transfer measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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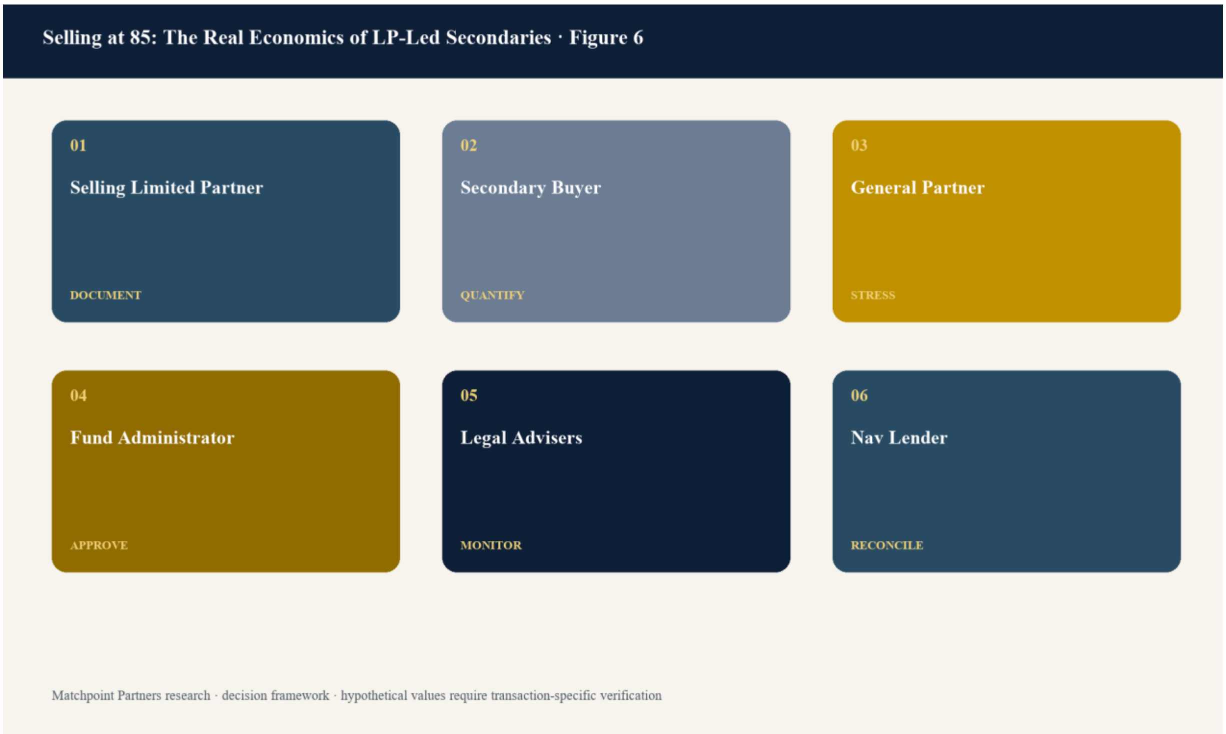

Figure 6. Structured decision view; categories are topic-specific and values require current transaction evidence.

20. Evidence focus: Distribution History

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links distribution history, the final bids milestone and the fees measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: distribution history.
- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.

21. Evidence focus: Nav Bridge

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links NAV bridge, the GP consent milestone and the time to cash measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.
- Evidence focus: closing statement.

22. Evidence focus: Bid Comparison

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- Evidence focus: bid comparison.
- Evidence focus: closing statement.
- Evidence focus: capital-account statement.

23. Evidence focus: Closing Statement

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links closing statement, the settlement milestone and the facility cost measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Buyer Retrade is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the staged sale route against at least the NAV facility case and record the sensitivity of facility cost. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

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- Evidence focus: closing statement.
- Evidence focus: capital-account statement.
- Evidence focus: partnership agreement.

24. Contract and term-sheet controls

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links capital-account statement, the data room milestone and the headline price measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

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Figure 7. Structured decision view; categories are topic-specific and values require current transaction evidence.

25. Downside funding and remedies

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links partnership agreement, the indications milestone and the net proceeds measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Purchase-Price Adjustments is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the portfolio sale route against at least the sale at 95 hypothetical case and record the sensitivity of net proceeds. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across secondary buyer, general partner, fund administrator. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

- Evidence focus: partnership agreement.
- Evidence focus: transfer provisions.
- Evidence focus: unfunded schedule.

26. Hypothetical scenario matrix

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links transfer provisions, the final bids milestone and the reference-date movement measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Gp Consent Delay is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the strip sale route against at least the retain interest case and record the sensitivity of reference-date movement. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across general partner, fund administrator, legal advisers. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

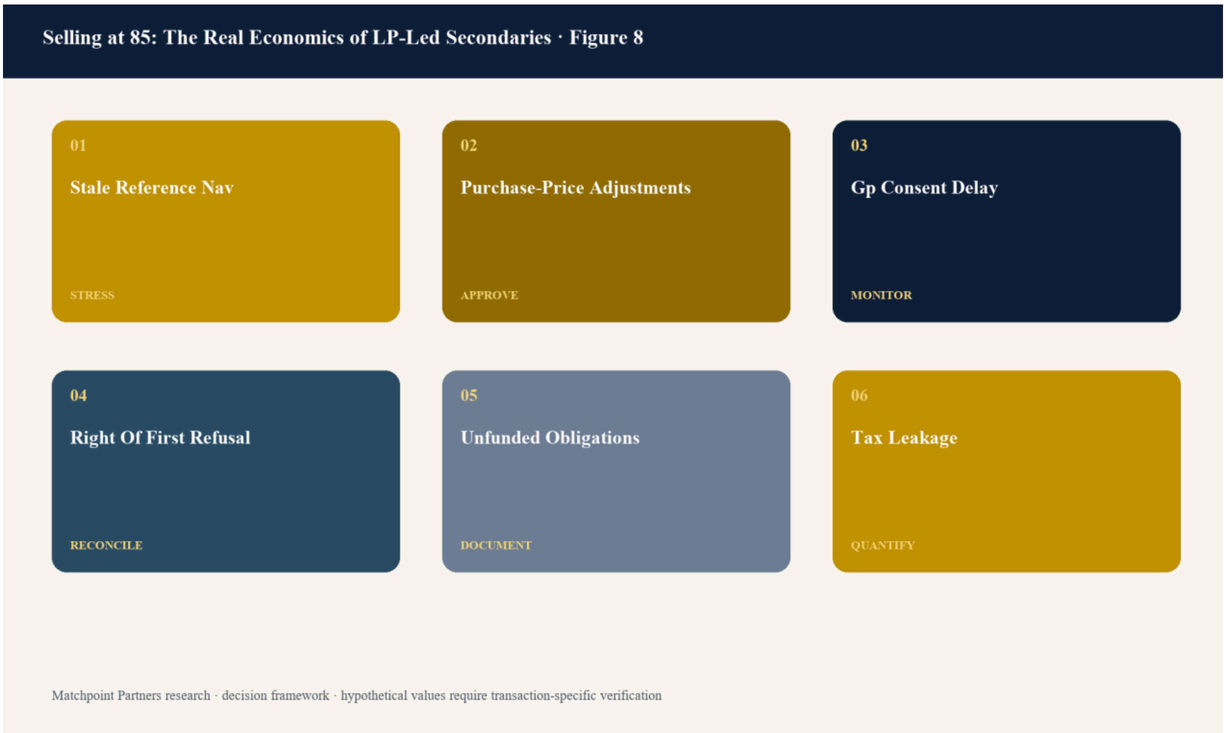

Figure 8. Structured decision view; categories are topic-specific and values require current transaction evidence.

27. Implementation roadmap

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links unfunded schedule, the GP consent milestone and the unfunded transfer measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Right Of First Refusal is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the preferred liquidity route against at least the NAV facility case and record the sensitivity of unfunded transfer. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across fund administrator, legal advisers, NAV lender. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

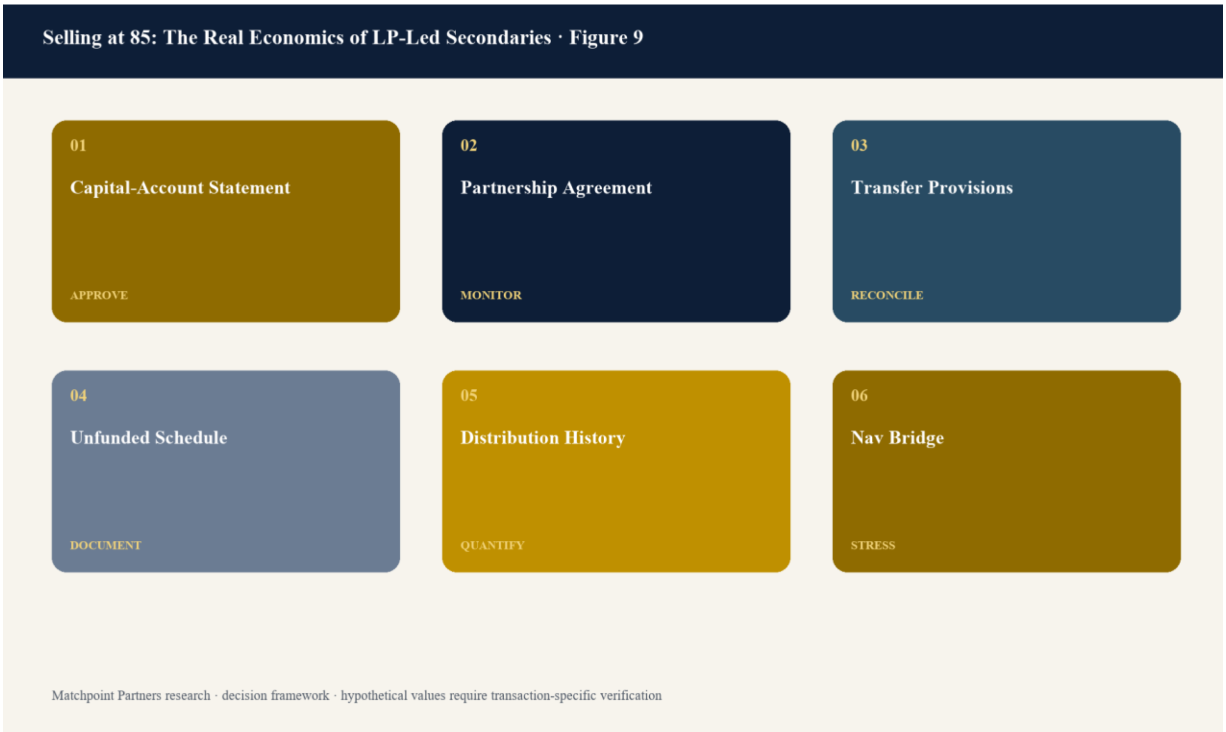

Figure 9. Structured decision view; categories are topic-specific and values require current transaction evidence.

28. Monitoring dashboard

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links distribution history, the purchase agreement milestone and the fees measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Unfunded Obligations is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the NAV facility route against at least the sale at 85 hypothetical case and record the sensitivity of fees. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across legal advisers, NAV lender, selling limited partner. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

- Evidence focus: distribution history.
- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.

29. Decision memorandum and approval gate

The decision is whether an LP-interest sale creates more usable liquidity than the alternatives after price, reference date movement, consent, fees, tax, leakage and retained obligations. The work begins with a dated perimeter, named decision authority and one controlled record. That record links NAV bridge, the settlement milestone and the time to cash measure. Each item carries a source, owner, date, status and exception. This structure lets the committee distinguish evidence that already exists from a management target or a hypothetical modelling assumption.

Tax Leakage is the principal focus on this page. Its effect can appear through timing, liquidity, control, value or enforceability. The review should test the staged sale route against at least the sale at 95 hypothetical case and record the sensitivity of time to cash. A reader should be able to reproduce the conclusion from the cited documents and the disclosed assumptions without relying on an unsupported market benchmark.

The control response assigns preparation, challenge and approval to different people across NAV lender, selling limited partner, secondary buyer. Open items remain in an exception register with a deadline and consequence. A financing or investment recommendation is released after the relevant evidence is complete, the downside case is funded, and the legal, regulatory, tax, accounting and technical questions have been reviewed by qualified advisers where applicable.

- Evidence focus: NAV bridge.
- Evidence focus: bid comparison.
- Evidence focus: closing statement.

30. Sources, method and author

Sources were selected for institutional authority, direct relevance and current availability. Official law, regulator, government, standards-body and issuer materials take priority. The source date does not remove the need to confirm the current rule, programme or document before a transaction decision.

No.	Source	URL
1	Institutional Limited Partners Association, Continuation Vehicles guidance	https://ilpa.org/industry-guidance/principles-best-practices/continuation-funds/
2	Institutional Limited Partners Association, Continuation Funds: Considerations for Limited Partners and General Partners	https://ilpa.org/wp-content/uploads/2023/05/Continuation-Funds-Considerations-for-Limited-Partners-and-General-Partners.pdf
3	U.S. Securities and Exchange Commission, Private Fund Statistics, 2025 Q3	https://www.sec.gov/data-research/statistics-data-visualizations/private-fund-statistics

Method

The paper separates source-backed statements, transaction evidence and hypothetical modelling assumptions. Scenario values illustrate a calculation pathway. They do not predict a market, issuer, fund, project, buyer, lender or family-office outcome.

Author

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