

OUTLOOK 2026

PRIVATE CAPITAL SOLUTIONS



Not long ago, private capital solutions such as continuation vehicles (CVs) and junior capital were relatively unfamiliar to many M&A market participants. Both the secondaries market and the junior capital market have achieved record volumes in 2025, with additional growth in the forecast. The secondaries market alone is expected to reach \$381 billion in 2029, up from approximately \$200 billion in 2025.¹

Here, we explore four recent client engagements highlighting the rapid growth and evolution of private capital solutions and the value they can unlock for shareholders.



Catalyzing Platform Expansion via a Bespoke Single-Asset CV

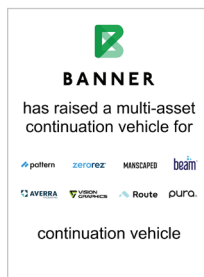
Heading into 2026, single-asset CVs are continuing to serve as vital tools for accelerating strategic transformation, as exemplified by our recent work with [Heartwood Partners and the Amlon Group](#), a national leader in waste-to-value and industrial waste processing services. “The business had strong fundamentals, including secular tailwinds related to sustainability and the circular economy,” explains [Andrew Gulotta](#), head of [Private Capital Solutions](#). “While Amlon had achieved robust EBITDA growth through M&A and operational improvements, Heartwood encountered natural fund capital limitations to support continued expansion.”



To help address these challenges, Harris Williams orchestrated a bespoke single-asset continuation vehicle at this pivotal “midlife” stage, delivering accelerated liquidity for limited partners and a significant refresh of equity firepower for Amlon. In addition to creating an exit option, the transaction unlocked capital to fund acquisitions and greenfield investments that would support long-term growth. It also enabled several new limited partner relationships for Heartwood, alongside an increase in DPI for Heartwood’s existing limited partners. “This transaction exemplifies how CVs today are facilitating platform growth, much-needed liquidity, enhanced stakeholder alignment, and new limited partner relationships,” says Gulotta.

Institutionalizing a High-Growth Portfolio Through a Multi-Asset Continuation Fund

In recent years, the independent sponsor model has moved from a niche strategy to a mainstream and rapidly growing segment of the private equity market. In fact, the number of active independent sponsors in the U.S. has nearly doubled over the past five years to over 1,500.² For many independent sponsors, the goal is to evolve from executing deal-by-deal investments into becoming fully institutionalized private equity platforms.



Banner Capital highlights this trend. Led by a team with deep sector roots, Banner had built substantial value across a portfolio of eight investments anchored by two standout holdings. However, with no conventional fund structure in place, the general partner faced a dilemma: While the unrealized value of Banner’s portfolio had grown materially, it was not the ideal time to sell its individual portfolio companies.

To help Banner bridge this gap, Harris Williams advised it on the structuring and execution of a multi-asset continuation fund, rolling all eight pre-fund assets into a newly formed institutional vehicle anchored by a leading secondary investor. “The portfolio recap provided partial liquidity and a new limited partner structure for legacy investors to maintain upside in the portfolio while providing Banner with the validated marks and track record it needed to kick-start its inaugural primary fundraise,” says Gulotta. “The process was as much about narrative as it was about capital. Banner could now present itself as a manager with incremental credibility and scale that would benefit its franchise on the fundraising trail.”

For other sponsors making the leap from a transaction-by-transaction to a true fund model, says Gulotta, Banner offers a blueprint for how a CV can facilitate the next life-cycle phase.





Unlocking Growth With Flexible Junior Capital in a Challenging Exit Environment

Junior capital is playing an increasingly important role in helping sponsors boost their flexibility and take advantage of growth opportunities, especially in markets facing uncertainty around traditional exits. This dynamic is highlighted by our recent engagement with [Unifeye Vision Partners](#).



“The sponsor found itself at an inflection point,” says [Richard Siegel](#), a managing director. He explains that after attempting a traditional sale of the business, Unifeye faced a mature capital structure with a fully levered balance sheet and looming debt maturities. At the same point in time, the sponsor identified an acquisition target that could reignite the platform’s growth trajectory and help build equity value in a market in which valuations had reset. “To bridge the funding gap, our team originated and structured a junior capital solution, splitting the proceeds to fund the acquisition and pay down senior debt, with the added benefit of extending the senior maturity and better managing cash interest burdens,” says Siegel.

Siegel notes that this type of junior capital solution preserves strategic flexibility for sponsors when timing or market dynamics won’t deliver immediate liquidity through traditional M&A exits: “The approach allows sponsors to reinvest in growth and provide partial liquidity events. Well-structured non-control capital can function as a lever to buy time, execute against an incremental equity story, and keep sponsors in the driver’s seat until market conditions improve.”

Delivering Limited Partner-Driven Liquidity With a Tailored End-of-Fund Secondary Solution

A recent Harris Williams engagement with a leading European private equity group highlights the potential of tailored secondary solutions to help generate liquidity at the end of a fund’s life. “The sponsor found itself seeking creative solutions with a single remaining asset in a successful but aging fund,” says [Jonathan Abecassis](#), a managing director. “After a standard sale process fell short of the desired outcome in a sector

that attracts only selective buyer appetite, the sponsor was looking for alternative ways to unlock the value of this resilient, market-leading company but was reluctant to force an exit on limited partners at a potential discount to net asset value.”

The sponsor, guided by our team’s advice, orchestrated a targeted process to launch a dedicated liquidity vehicle for its limited partner base. What distinguished this solution was an opt-in structure, allowing investors to proactively select whether to take liquidity or remain exposed to future value creation while permitting a final liquidation of the old fund.

“This approach lessened the potential for conflicts, which was particularly important since the general partner and its management team acted as significant participants on the buy side,” says Abecassis. “It also enhanced governance by putting the decision explicitly in the hands of limited partners, and it offered maximum flexibility.” Abecassis explains that limited partners could calibrate their exposure based on their needs for liquidity, concentration, or long-term upside, while the sponsor preserved meaningful continuity and alignment.

Looking ahead, Abecassis says this type of bespoke, elective liquidity solution is an example of how the continuation fund market continues to evolve as it grows: “For sponsors balancing the twin mandates of maximizing DPI and continuing to steward marquee assets, thoughtful structuring and transparent process design can meet a wide range of investor requirements while delivering outcomes that are both elegant and effective.”

WHAT’S NEXT

The swift expansion and transformation of private capital solutions are reshaping the M&A landscape. Looking ahead to 2026, increasingly prevalent continuation vehicles, junior debt, and preferred equity are giving market participants a broader toolkit, and the most astute sponsors are focused on mastering these new levers.

The evolution of the general partner-led secondary market offers a compelling alternative to a classic M&A exit—unlocking fresh possibilities for liquidity, value realization, and dynamic portfolio management. In the same vein, the junior capital market is an interim source of flexible, hybrid capital that can fund organic growth, acquisition pipelines, shareholder liquidity, and refinancings.

“It’s an exciting time to be part of the innovation happening in this market,” says Gulotta. “Our clients are actively seeking tailored solutions to maximize value in today’s dynamic environment, and the growing range of private capital solutions has never been more relevant.”

[Learn more about the Harris Williams Capital Solutions Group.](#)

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Featured Engagements

HEARTWOOD PARTNERS
has raised a single-asset continuation vehicle for
THE AMLON GROUP
continuation vehicle

BANNER
has raised a multi-asset continuation vehicle for
pattern zerorez HANOVER beam
AVIRRA SPACELINK Route DUPO
continuation vehicle

Waud Capital
has raised junior capital for
UNIFEYE
VISION PARTNERS
capital raise

CAPVEST
has arranged a liquidity vehicle for
FUND III
tender offer

Green Rock ENERGY PARTNERS
has completed a multi-asset continuation vehicle for
BioTown BIOGAS **NEU ENERGY**
continuation vehicle

2026 Outlooks by Market

OVERALL MARKET OUTLOOK >

AEROSPACE, DEFENSE & GOVERNMENT SERVICES >

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CONSUMER >

ENERGY, POWER & INFRASTRUCTURE >

HEALTHCARE & LIFE SCIENCES >

INDUSTRIALS >

PRIMARY FUND PLACEMENT >

TECHNOLOGY >

TRANSPORTATION & LOGISTICS >

¹“The Era of Mega-Consolidation is Here,” CNBC, November 2025

²“HIG 2025 A Lender’s Lens on the Independent Sponsor Market.”

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