

# Greenhill

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For Immediate Release

## GREENHILL'S SECONDARY MARKET ANALYSIS SHOWS RECORD DEAL VOLUME DURING THE FIRST HALF OF 2017

DALLAS, August 2, 2017 – Greenhill & Co., Inc.'s secondary advisory team, a leading advisor focused on the secondary market for alternative assets, has released its semi-annual secondary market pricing study for the first half of 2017. The study reveals that the secondary market achieved record deal volume of \$22 billion during the first six months, nearly doubling the \$12 billion in volume recorded during the same period last year.

The surge in transaction volume was driven in part by the return of large transactions to the market. With only 5 deals of over \$1 billion completed in 2016, there have already been as many such transactions during the first half of 2017. Despite this record-setting volume, dry powder has remained high, with more than \$100 billion of estimated capital currently available to purchase secondaries. “A robust fundraising cycle across all private equity sectors has certainly benefitted the secondary market,” noted Stephen Sloan, a Managing Director of Greenhill and the Co-Head of Capital Advisory. “This abundance of dry powder has led to a sustained strong pricing environment across all strategies, which in-turn has resulted in more sellers, whether on a first-time or repeat basis,” added Sloan.

In addition to record volume, secondary pricing also rose to historic levels. The average high bid across all strategies was 91% of NAV during the first half of 2017, compared to 89% of NAV in 2016. Buyout funds again represented the highest pricing subset with an average high bid of 98% of NAV, while real estate reached its historic high of 92%. Venture pricing also witnessed a meaningful rebound with an average high bid of 82% of NAV, compared to 78% in 2016. The primary drivers of these pricing increases included a period of stabilized, steadily-climbing public equity markets, as well as a more attractive mix of funds being sold. During the first half of 2017, there was a greater supply of recent vintage funds which are in higher demand and have traded less frequently, as well as fewer tail-end portfolios (defined as funds that are at least 10 years old). “While we believe tail-end portfolio sales will always play a meaningful role in the secondary market, we are starting to see more sellers include younger, high-quality funds in sale portfolios in order to achieve their desired pricing objectives,” noted Sloan.

The report also highlights the resurgence of real assets funds. This strategy subset, which includes real estate, energy and infrastructure funds, accounted for over one-third of the funds sold by Greenhill during the first half of 2017. “Given the pent-up demand, we were not surprised to see real assets comprise such a significant share of our first half volume,” noted Sloan.

To help institutional investors understand the development and state of the secondary market, in 2005 Greenhill began providing insight into the pricing levels obtained in actual secondary transactions. In this latest release of the paper, Greenhill updates the pricing levels with an analysis based on the universe of funds marketed for its clients during the first half of 2017.

The full report is available to institutional investors upon request on Greenhill’s website ([www.greenhill.com](http://www.greenhill.com)).

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