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For Immediate Release

GREENHILL'S SECONDARY MARKET ANALYSIS
FIRST HALF OF 2019 SETS RECORD FOR TRANSACTION VOLUME

DALLAS, August 1, 2019 – Greenhill & Co., Inc.'s Secondary Advisory team, a leading advisor focused on the secondary market for alternative assets, has released its *Global Secondary Market Trends & Outlook* for the first half of 2019. The report highlights that the secondary market achieved record transaction volume of \$42 billion during the first six months of the year, representing a 56% year-over-year increase in transaction volume compared to the first half of 2018.

Record volume was driven in part by the continued prevalence of large deals, with nine transactions of over \$1 billion in net asset value (“NAV”), including the largest secondary transaction ever completed. “Steady market supply across strategy, vintage and geography has provided secondary buyers of all sizes with opportunities to invest,” noted Stephen Sloan, Head of Greenhill's Secondary Advisory practice. “Secondary buyers are raising record amounts of capital, and we will see at least three secondary funds close on over \$10 billion this year, which no one would have expected just a few years ago,” added Sloan.

Despite the meaningful year-over-year increase in transaction volume, aggregate pricing declined modestly. The average high bid for all funds was 89% of NAV, representing a decline of 300 basis points from the prior year. While newer vintages continue to attract strong, and in many instances, premium pricing, there remains a steady supply of tail-end portfolios which price at much wider discounts—over 30% of the funds sold in the first half were raised before 2008. Additionally, most transactions completed in the first half of the year priced off of a September 30, 2018 record date, which was a recent high point for valuations, given the subsequent declines in the public equity and commodity markets in late 2018.

The report also highlights the proliferation of GP-led transactions, which represented an estimated \$14 billion in transaction volume over the first six months of the year (up from \$7 billion in the same period last year). These transactions comprised approximately one-third of total volume in the first half of 2019, and with several sizable GP-led transactions still in the market, we expect they will capture an increased share of the market through the end of the year. “Given the breadth of the GP universe and the number of ways GPs are now utilizing the secondary market as an alternative source of liquidity, we expect GP-

led transactions will continue to play an integral role in the growth of the secondary market for the foreseeable future,” noted Sloan.

Since 2005, Greenhill has provided insights into the development and state of the secondary market to better help institutional investors and fund sponsors evaluate and manage their alternative asset portfolio. This report represents Greenhill’s 15th semi-annual review of the secondary market, and includes an analysis of the universe of funds marketed on behalf of its clients in the first half of 2019, along with market data from leading sources such as Preqin and PEI.

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

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