

Greenhill

Contact: Stephen Sloan
Managing Director | Co-Head of Capital Advisory
Greenhill & Co., Inc.
(214) 871-5400

For Immediate Release

GREENHILL COGENT'S SECONDARY MARKET
ANALYSIS SHOWS MARKET VOLUME REACHES
\$40 BILLION FOR THE SECOND STRAIGHT YEAR

DALLAS, February 3, 2016 – Greenhill Cogent, Greenhill & Co., Inc.'s secondary advisory team and a leading advisor focused on the secondary market for alternative assets, has released its semi-annual secondary market pricing study for the second half of 2015. The study reveals that the secondary market recorded \$40 billion of global transaction volume in 2015, making it the second most active year in history behind last year's record volume of \$42 billion.

Secondary pricing remained strong in 2015, with the average high bid across all strategies reaching 90% of net asset value ("NAV") for the second straight year. Continuing the trend witnessed for the last several years, buyout funds commanded the highest demand and pricing, averaging 94% of NAV in 2015. Real estate was the second highest pricing strategy, at 90% of NAV for the year, while venture dipped to 75% of NAV. While broader secondary pricing remained high for the year as a whole, public market volatility, declining commodity prices and rising private company valuations contributed to a slight dip in secondary pricing during the second half of 2015 relative to the first half of the year. "Despite some macroeconomic turbulence in the second half of 2015, seller-favorable conditions prevailed in the secondary market, and our client base was able to successfully execute strategic sales in order to rebalance their alternative asset portfolios," commented Todd Miller, a Managing Director of Greenhill Cogent.

In addition to pricing and volume statistics, the report also discusses other emerging trends in the broader secondary market. One of these trends includes the recent surge in real estate secondary volume. In particular, real estate secondaries comprised over \$7.5 billion of transaction volume in 2015, reflecting an almost 90% year-over-year increase. "The real estate secondary market has experienced unprecedented growth in both transaction count and dollar volume," commented Stephen Sloan, a Managing Director and Co-Head of Capital Advisory. "There are more than triple the number of active buyers in this space compared to just a few years ago, which in turn has intensified competition, bolstered pricing and led to more sellers. We don't see these dynamics changing anytime soon," added Sloan.

Another segment of the secondary market in which Greenhill Cogent predicts significant growth is GP-led transactions, which includes secondary directs, fund restructurings, recapitalizations, spin-outs, tender offers, etc. “GPs across all strategies are increasingly proactive in utilizing the secondary market to generate liquidity and new options for their funds and their investors,” noted Brian Mooney, Managing Director. “As these transactions are now mainstream and terms have become more LP-friendly, GPs can be comfortable with the wide array of solutions that are available,” said Mooney.

To help institutional investors understand the development and state of the secondary market, in 2005 Greenhill Cogent began providing insight into the pricing levels obtained in actual secondary transactions. In this latest release of the paper, Greenhill Cogent updates the pricing levels with an analysis based on the universe of funds that Greenhill Cogent marketed for clients during the second half of 2015.

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

Greenhill & Co., Inc. is a leading independent investment bank entirely focused on providing financial advice on significant mergers, acquisitions, restructurings, financings and capital raising to corporations, partnerships, institutions and governments globally. It acts for clients located throughout the world from its offices in New York, Chicago, Dallas, Frankfurt, Hong Kong, Houston, London, Melbourne, San Francisco, São Paulo, Singapore, Stockholm, Sydney, Tokyo and Toronto.

Greenhill’s secondary advisory team, operating as Greenhill Cogent, is a leading advisor focused on the secondary market for alternative assets. The dedicated team delivers conflict-free and client-focused advice to the secondary market for fund investments and leverages Greenhill’s leading Mergers & Acquisitions and Financing Advisory & Restructuring practices, industry expertise and global relationships and resources. Since inception, Greenhill Cogent has advised on approximately \$150 billion in transactions.

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