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For Immediate Release

GREENHILL'S SECONDARY MARKET ANALYSIS  
ANOTHER RECORD FOR TRANSACTION VOLUME

DALLAS, January 31, 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 2018. The report highlights continued momentum from the first half of the year, which led to a new all-time high of \$74 billion in secondary transaction volume.

2018 marked the second consecutive record year, surpassing the previous high of \$58 billion of transaction volume in 2017 (28% year-over-year growth). "There are several factors driving the sustained growth of the secondary market, including generally favorable and stable global equity markets, ample supply of dedicated dry powder, and the expanding diversity of sellers, assets, and transaction types," noted Stephen Sloan, the Head of Greenhill's Secondary Advisory practice. "With over \$190 billion of near-term purchasing capacity and an increasingly creative buyer universe, we expect this growth trend to persist," added Sloan.

Despite the meaningful year-over-year increase in transaction volume, aggregate pricing declined modestly. The average high bid for all funds was 92% of NAV, representing a decline of 100 basis points from the prior year. While newer vintages continue to attract strong, and in many instances, premium pricing, the continued supply of funds raised before the financial crisis (2008 and prior) has tempered pricing across all strategies – primarily due to their full valuations and limited remaining upside.

The report goes on to mention that the proliferation of GP-led transactions was a vital component to the secondary market's growth, with an estimated \$24 billion in transaction volume (up from \$14 billion in 2017). While these transactions represented approximately 32% of total volume in 2018, they accounted for over 60% of the market's year-over-year growth. "Fund sponsors continue to have an increased interest in proactively accessing the secondary market as a viable liquidity tool for their underlying LPs versus historically being reactionary to LP trades," 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 15<sup>th</sup> annual review of the secondary market, and includes an analysis of the universe of funds marketed on behalf of its clients in 2018, along with known-market data.

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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