

# Greenhill

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For Immediate Release

## GREENHILL'S SECONDARY MARKET ANALYSIS SHOWS RECORD DEAL VOLUME DURING THE FIRST HALF OF 2018

DALLAS, July 24, 2018 – 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 2018. The study reveals that the secondary market achieved record deal volume of \$27 billion during the first six months, outpacing the volume of \$22 billion recorded during the same period last year.

Record volume was driven in part by the continued strength in large deals, with 11 transactions over \$500 million, including 7 transactions over \$1 billion. “The secondary market has evolved significantly over the past 16 years, when \$300 million was considered a large deal; now we are consistently seeing transactions of \$1 billion or more,” noted Stephen Sloan, a Managing Director of Greenhill and the Head of Capital Advisory. “Most institutional investors have fully embraced the secondary market as a fundamental asset allocation resource to proactively manage their private markets portfolio by opportunistically pursuing sales,” added Sloan. As volume continues to grow, secondary pricing remains strong with the average high bid for all strategies at 93% of NAV; this is unchanged from 2017.

Greenhill's report further notes that the composition of the secondary market is more balanced than ever as there is broad diversity across the various components underlying the market (e.g., seller type, fund strategy and geography). In terms of geographical mix, North American funds maintained their leading position by representing 62% of funds sold during the first half of 2018 while Asian-focused funds' proportion of the market nearly doubled (14% of funds sold in 1H 2018 compared to 8% in 2017).

The report also highlights the momentum of GP-led transactions. Representing 26% of overall secondary market volume in the first half of 2018, GPs are increasingly adopting the secondary market as a liquidity management tool that has many inherent benefits to GPs and LPs alike. “Given the breadth of the GP universe and the number of ways GPs are now utilizing the secondary market, we expect GP-led transactions will continue to be a very active part of the secondary market for the foreseeable future,” 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 2018.

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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