

Greenhill

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For Immediate Release

GREENHILL'S SECONDARY MARKET ANALYSIS SHOWS RECORD DEAL VOLUME AND PRICING DURING 2017

DALLAS, February 1, 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 second half of 2017. The study reveals that the global secondary market set a record at \$58 billion of transaction volume in 2017, representing a 57% increase over 2016's volume of \$37 billion.

Historic levels of dedicated secondary dry powder and sustained growth across GP-led deal volume, which has experienced compounded annual growth of more than 50% over the past five years, are key drivers that contributed to the surge in market volume. Notwithstanding the record market volume, dedicated secondary dry powder sits at an all-time high, as secondary fundraising is currently outpacing deal volume. The breadth of the market was very pronounced, as buyout funds, which accounted for 54% of volume in 2016, gave way to other fund strategies and accounted for only 39% of total transaction volume in 2017. "The maturation of the secondary market continues, as investors are more frequently accessing the market as an asset allocation tool to opportunistically sell positions that don't align with their current investment strategy," noted Stephen Sloan, a Managing Director of Greenhill and the Co-Head of Capital Advisory.

Secondary pricing also set a record in 2017, with an average high bid for all funds at 93% of net asset value ("NAV") in 2017, a 400 bps increase from 2016 and a 100 bps increase from 2014 record pricing. While buyout funds continue to be the highest pricing strategy at 99% of NAV, real estate and venture funds also broke through previous records, with pricing at 93% and 83% of NAV, respectively. "Our clients benefited greatly from the supply / demand imbalance that persists across the secondary market landscape," noted Sloan.

The report also highlights the diversity of the seller universe and insights into sellers' rationale. "Sellers took a proactive approach in managing their private markets portfolio by locking-in returns across an otherwise illiquid asset class," 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 2017.

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, Madrid, Melbourne, San Francisco, São Paulo, Stockholm, Sydney, Tokyo and Toronto.

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