



Secondary Market Trends

January 2020

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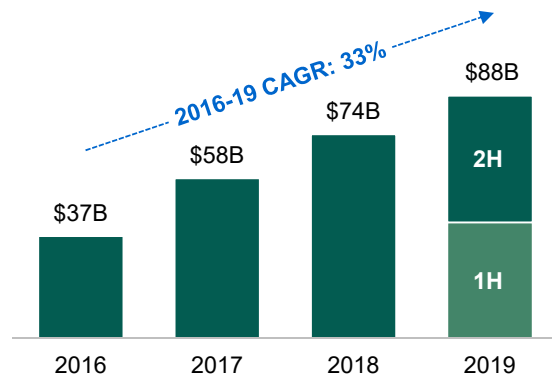
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Secondary Market Year in Review

Another record year, but cracks emerge

A New Volume Record ... But Growth Slows

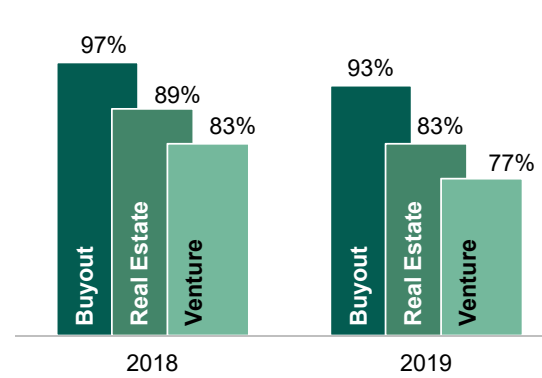
Transaction Volume by Year



Third straight year of record volume, but 2H volume (\$46B) was only 10% higher than 1H

Pricing Declines Modestly

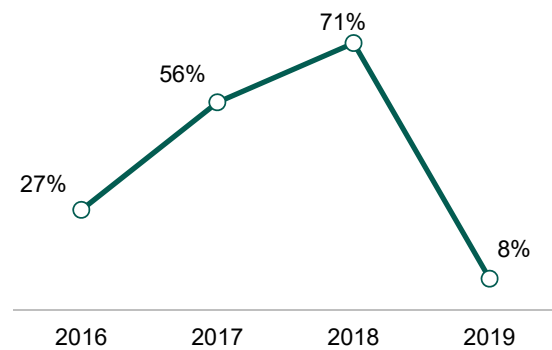
Average Purchase Price (% of NAV)



Pricing fell as buyer selectivity increased, valuations rose and distribution activity moderated

Sponsor-led Growth Stalls

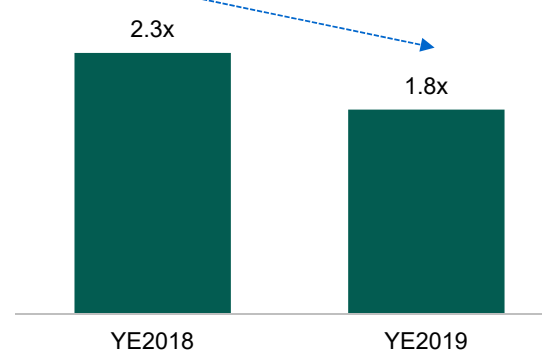
YoY Growth (Sponsor-Led Volume)



GP-led volume increased modestly; failed transactions became more prevalent

Capital Overhang Dives Lower

Near-term Available Capital to Secondary Volume

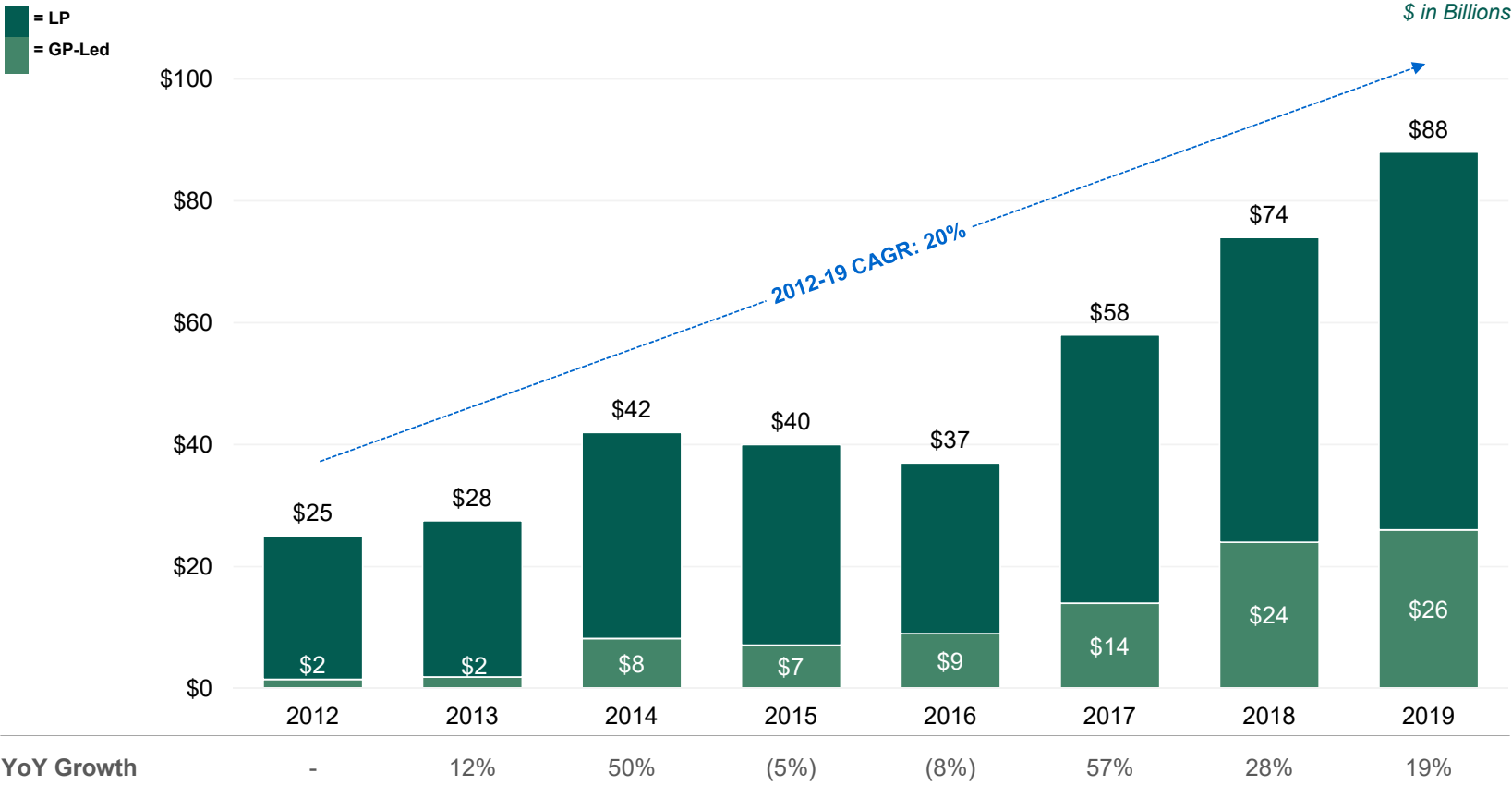


Growth of dry powder is not keeping pace with market supply

Volume Sets Record Although Growth Slows

Third straight year of record volume

Transaction Volume by Year ⁽¹⁾

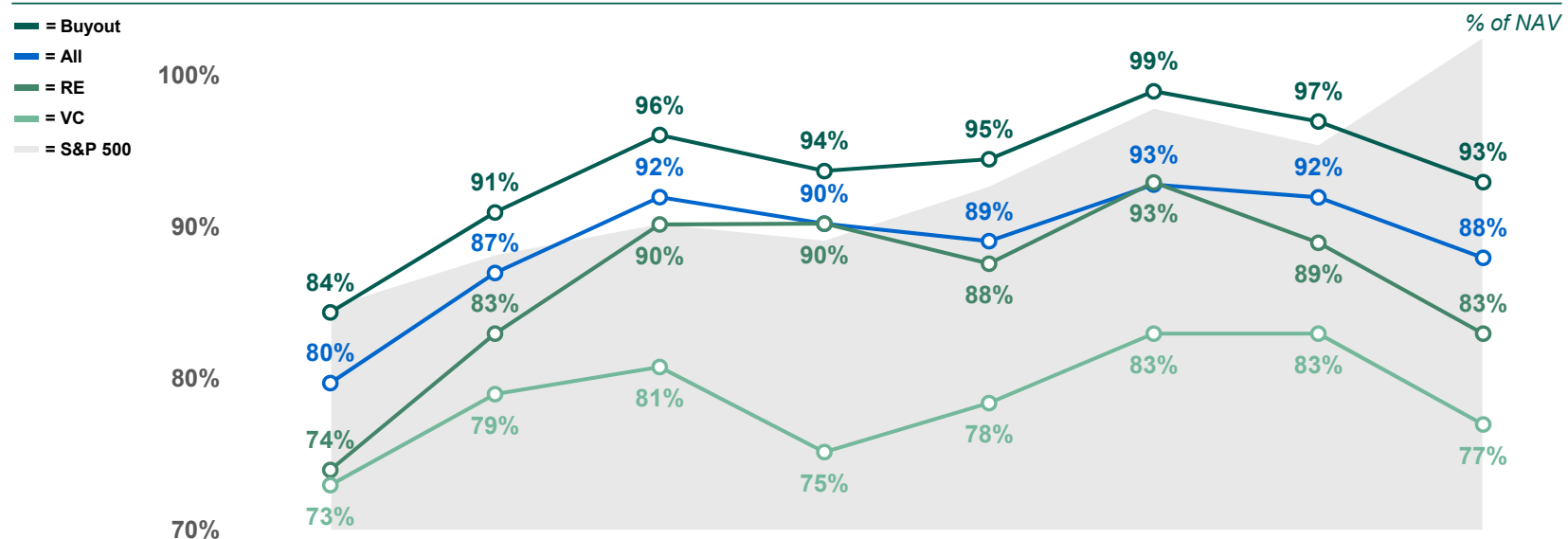


Note: ⁽¹⁾ Transaction volume defined as purchase price plus unfunded commitments
 Source: Greenhill transactions, known non-Greenhill transactions

Pricing Declines Modestly

As public markets rose, private valuations increased, putting pressure on discounts

Market Pricing by Year



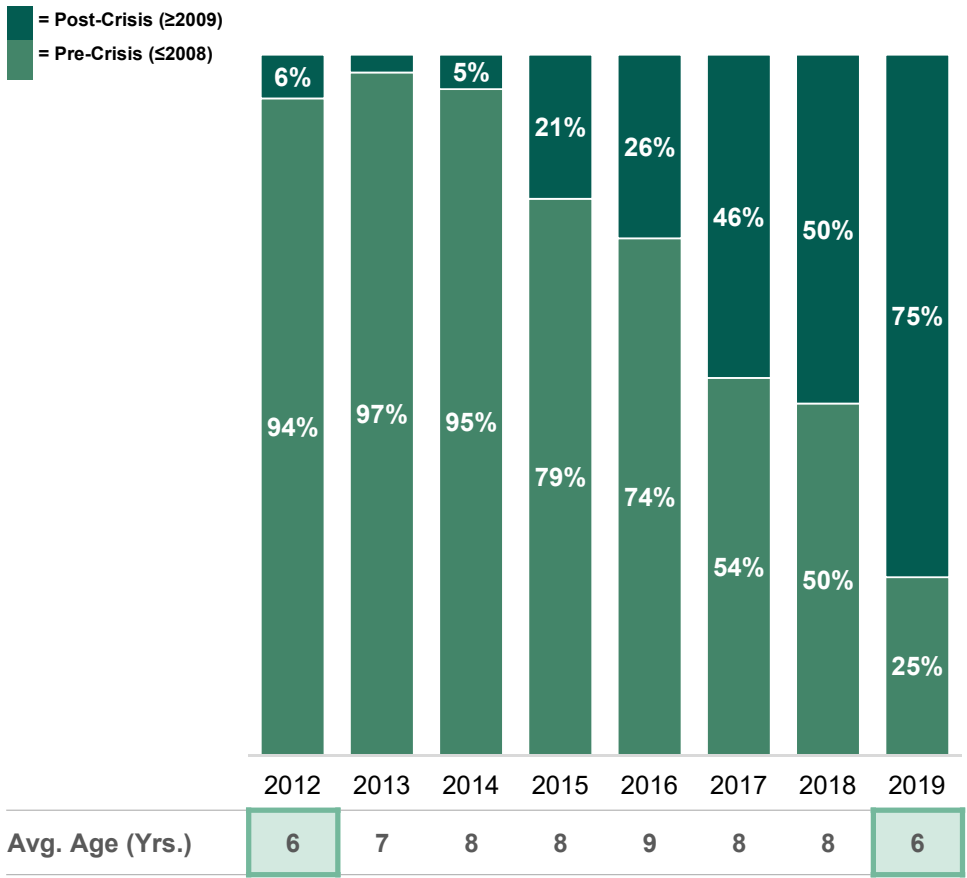
Share of Total Volume ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018	2019
Buyout	77%	77%	72%	38%	55%	44%	53%	59%
Real Estate	3%	14%	9%	41%	13%	20%	4%	7%
Venture Capital	6%	7%	14%	13%	14%	20%	22%	9%
Other ⁽²⁾	14%	2%	5%	8%	18%	16%	21%	25%

Note: (1) Transaction volume defined as purchase price plus unfunded commitments
 (2) Other defined as energy / infrastructure, mezz. / distressed, FoF / secondaries, and co-investments
 Source: Greenhill transactions

Average Age Reverts to Ideal Target

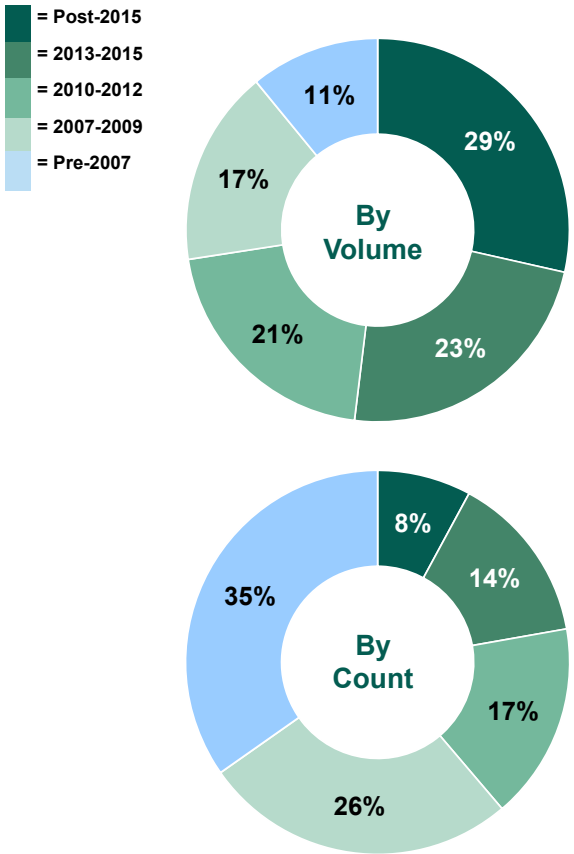
The share of pre-crisis funds fell by half as LPs turned toward selling more unfunded exposure

Share of Transaction Volume by Vintage Year



Source: Greenhill transactions, known non-Greenhill transactions

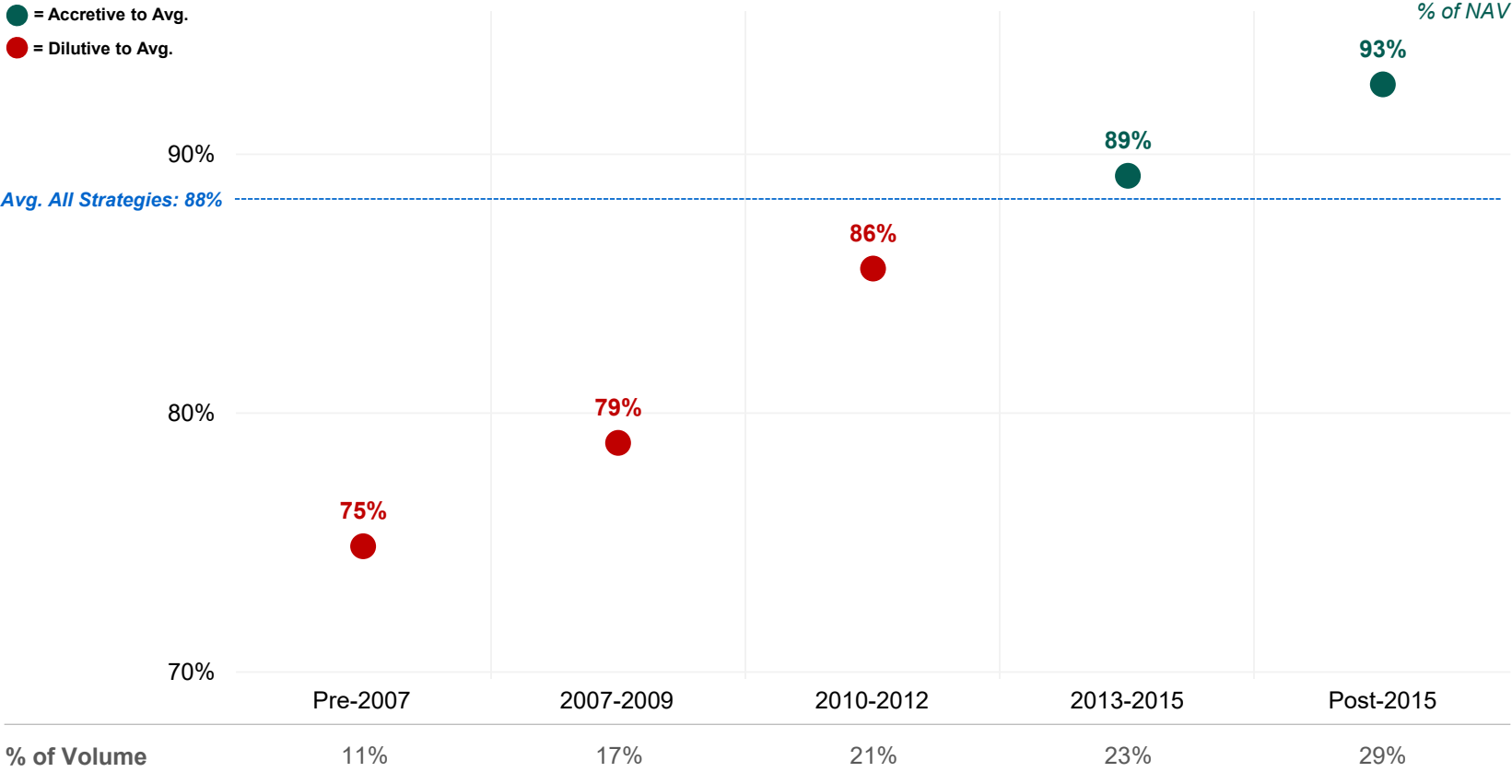
2019 Vintage Composition



Newer Vintage Funds Drive Pricing

Demand and pricing for older vintage funds was significantly less than for recent vintages

2019 Pricing by Vintage Year

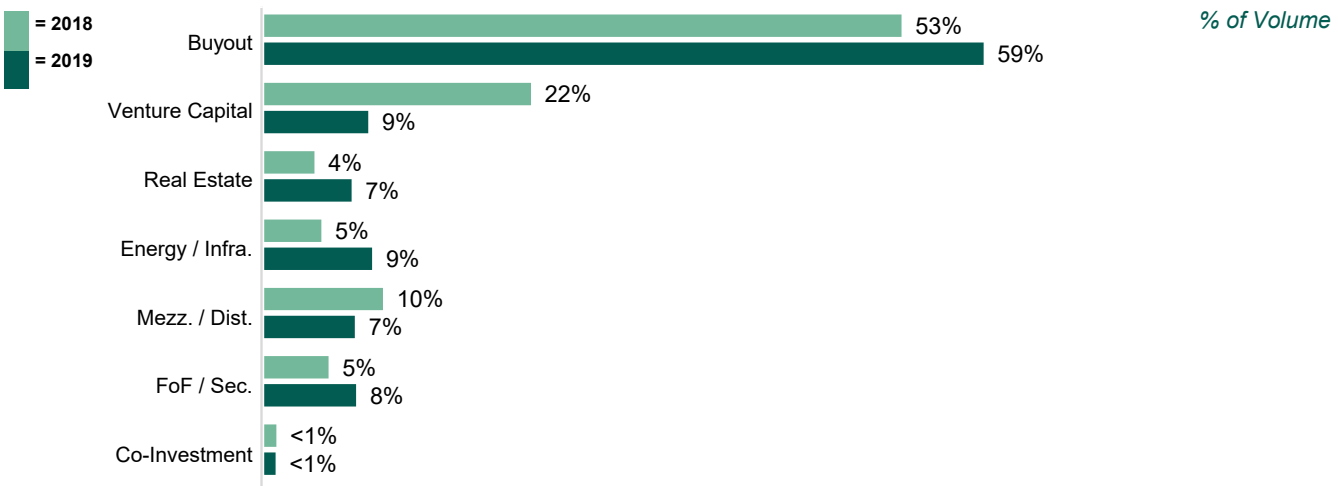


Source: Greenhill transactions

North American Buyout Continues to Dominate

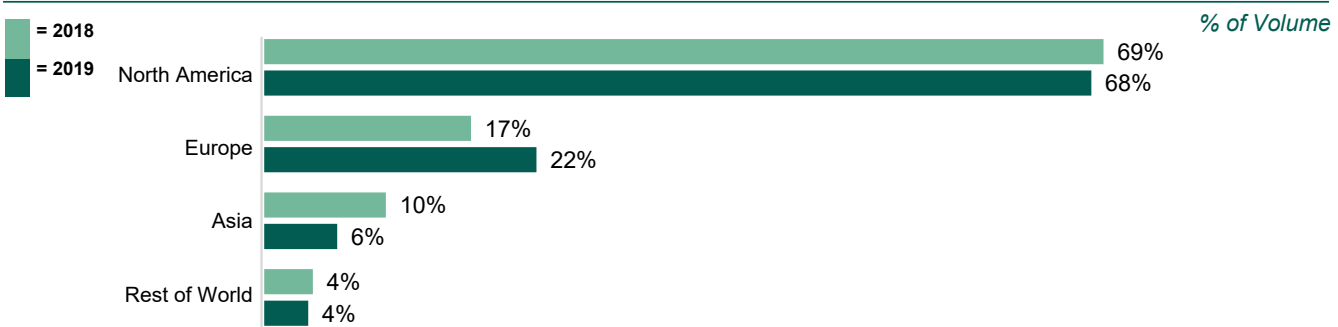
The predominant fund strategy and geography was unchanged from 2018 to 2019

Fund Strategy Diversification



Many buyers are ahead of their deployment targets for venture, putting pressure on appetite for the strategy

Fund Geography Diversification



North American funds remain the predominant geography sold; European funds gained share in 2019

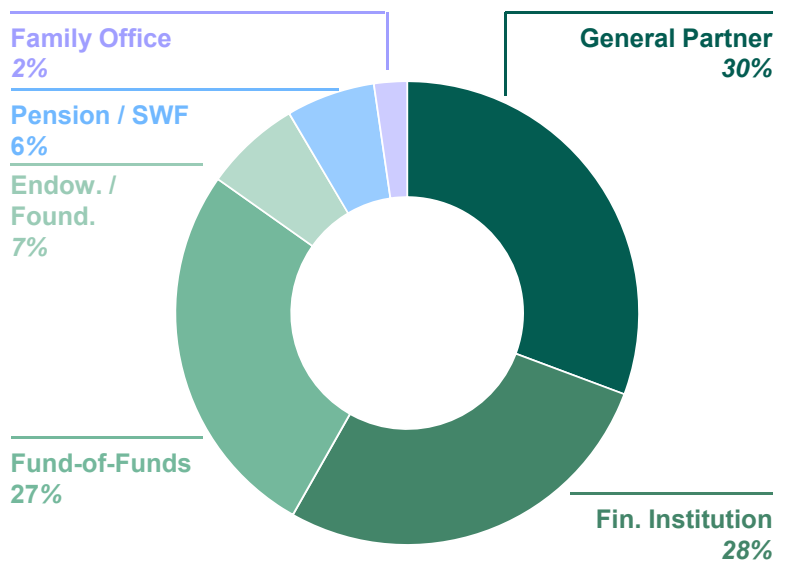
Source: Greenhill transactions, known non-Greenhill transactions

Seller Composition Remains Balanced

Active portfolio management and programmatic selling were key themes across all seller types in 2019

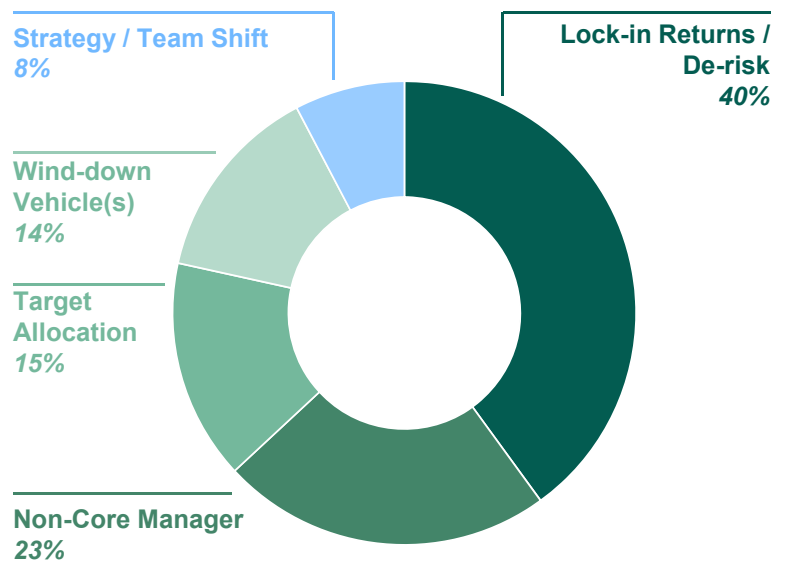
Seller Type Diversification

% of Volume



Seller Rationale Diversification

% of Volume



Source: Greenhill transactions, known non-Greenhill transactions

Available Capital Remains High

There is over \$150B of near-term available capital to deploy despite aggressive deployment in 2019

Fundraising ⁽¹⁾

Top 5 Funds	Current Fund	Prior Fund	% Change
Ardian VIII	\$19B	\$9B	+110%
Coller VIII	\$9B	\$6B	+50%
AlpInvest VII	\$8B	\$6B	+33%
(GS) Vintage VIII	\$7B	\$6B	+17%
Dover Street X	\$7B	\$4B	+75%

2019-2020

Lexington IX (2020)	\$14B	\$10B	+40%
Strategic Partners VIII	\$11B	\$8B	+38%
Hamilton Lane V	\$3B	\$2B	+50%
Whitehorse III	\$2B	\$1B	+100%
ICG III	\$2B	\$1B	+100%

2018

Landmark XVI	\$7B	\$3B	+133%
Lexington MM IV	\$3B	\$1B	+200%
Glendower IV	\$3B	\$2B	+50%
Pantheon VI	\$2B	\$2B	- %
Newbury IV	\$2B	\$1B	+100%

Note: (1) Funds may have completed interim closes
 (2) Leverage estimated as approximately 25% of equity dry powder plus near-term fundraising
 Source: Preqin

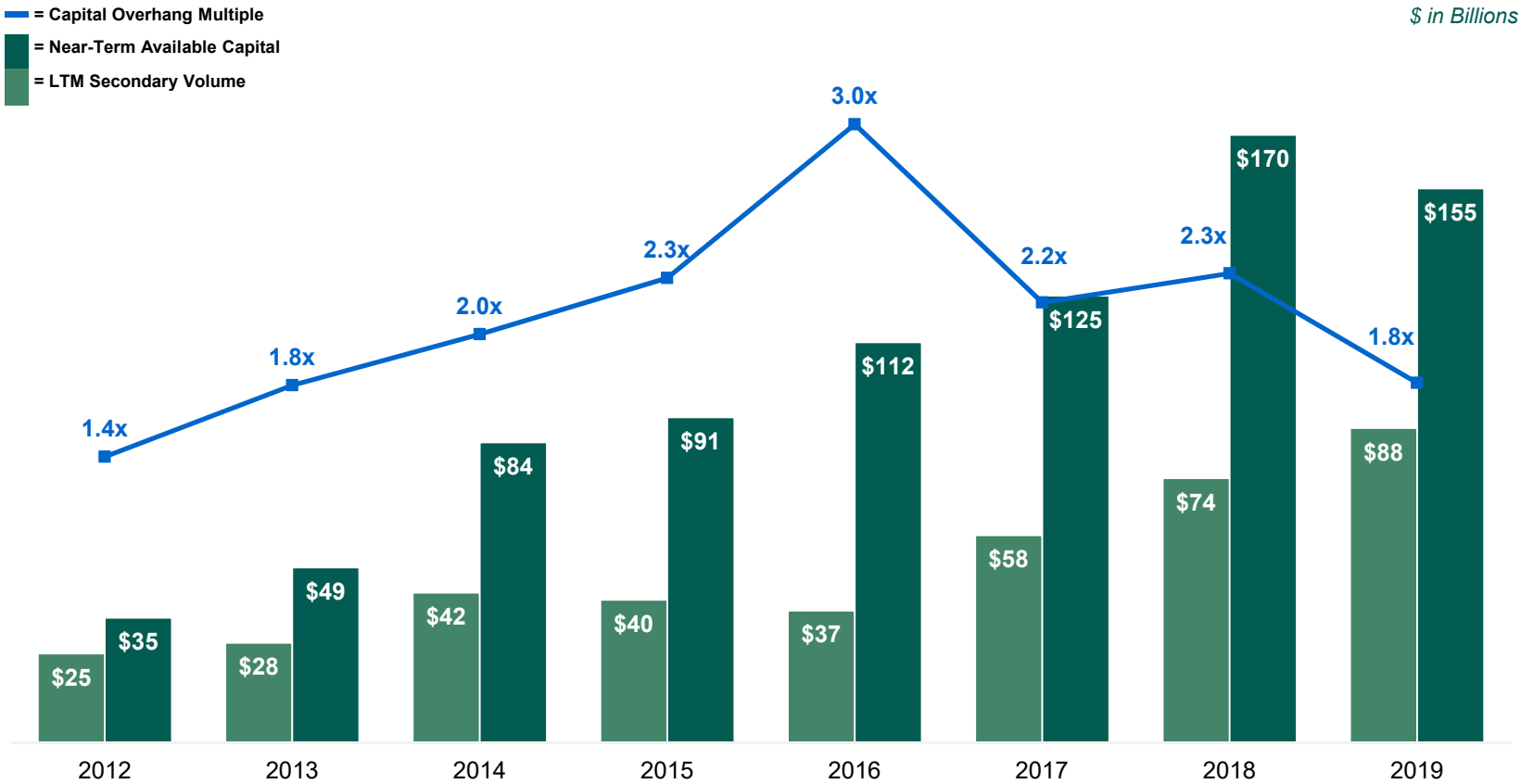
Near-Term Available Capital



Capital Overhang Dives Lower

Aggressive capital deployment led to a moderate decline in the capital overhang multiple

Year-End Historical Capital Overhang ⁽¹⁾



Note: (1) Represents near-term available dedicated capital to LTM secondary volume
 Source: Greenhill transactions, known non-Greenhill transactions, Preqin