

Secondaries Market Outlook



Secondaries Market will remain active

- \$3 trillion of private equity NAV + unfunded
- Secondaries market still only represents less than 1% per annum

Banks are not finished selling

- Banks have reduced overall exposure to PE
- However still account for approximately 6% or \$100 billion of total PE assets

Sources of dealflow will increasingly include GP restructurings

- Primary funds reach the end of their lives and new fundraising becomes more difficult
- An increasing number of GPs will need to reinvent themselves

Trend towards smaller / more complex deals

- Many of the large bank sales and pension plan 'macro' restructurings have happened
- This leaves smaller and more difficult assets to sell

Source: Cogent Secondary Pricing Trends & Analysis, UBS Outlook 2013, both January 2013 and 2013 Preqin Global Private Equity Report, February 2013.
Note: GP = General Partner.