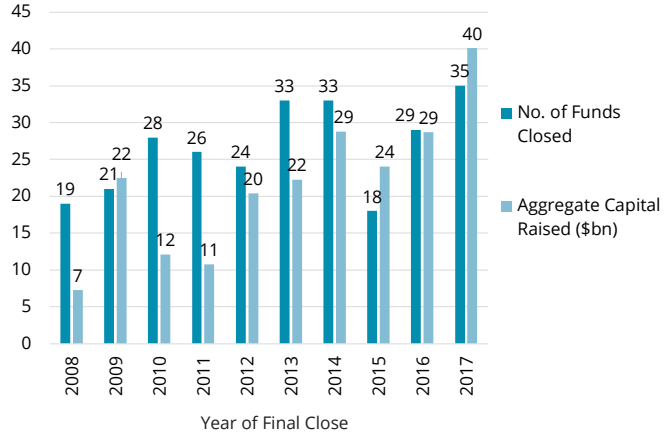
THE SECONDARY MARKET IN 2017

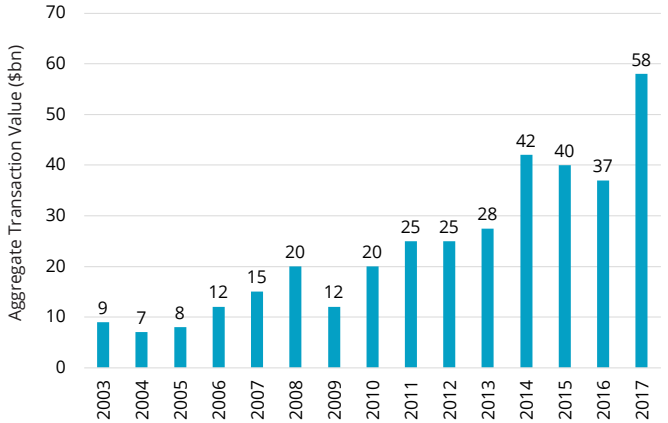
We recently surveyed secondary fund managers to gauge their views on the market in 2017, a year characterized by record fundraising and transactions.

Fig. 1: Annual Secondaries Fundraising, 2008 - 2017



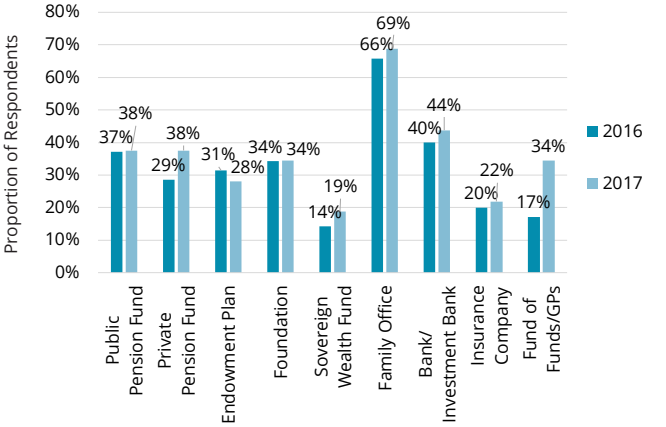
Source: Preqin Secondary Market Monitor

Fig. 2: Annual Secondary Transactions, 2003 - 2017



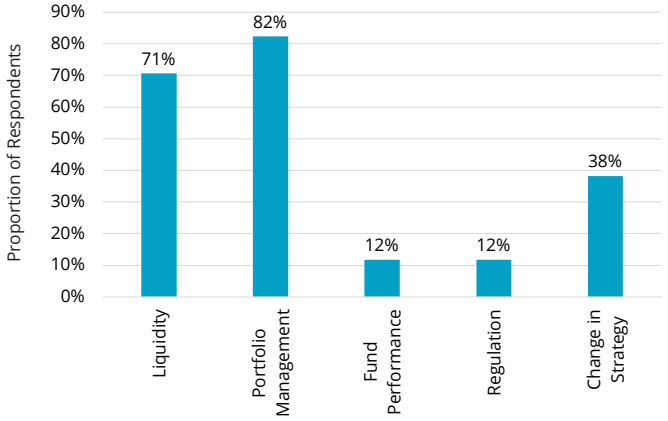
Source: Greenhill Cogent

Fig. 3: Firm Types from Which Secondary Buyers Purchased Fund Interests, 2016 vs. 2017



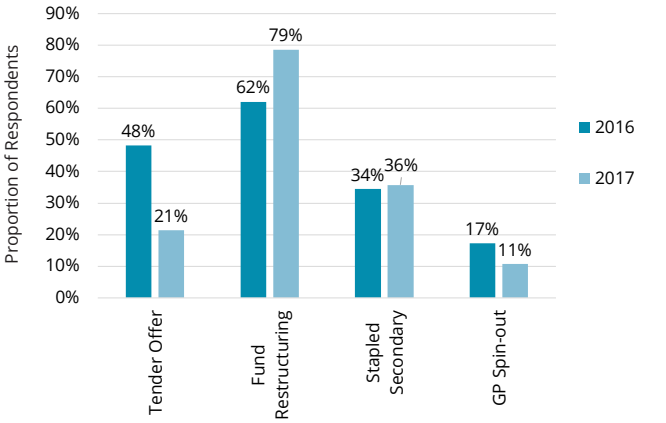
Source: Preqin Secondary Fund Manager Survey, January 2017 - 2018

Fig. 4: Secondary Buyers' Views on LP Motivations for Selling Fund Interests in 2017



Source: Preqin Secondary Fund Manager Survey, January 2018

Fig. 5: Non-Traditional Secondary Transactions Completed by Secondary Buyers, 2016 vs. 2017



Source: Preqin Secondary Fund Manager Survey, January 2017 - 2018

PREQIN'S SECONDARY MARKET MONITOR: A VITAL TOOL

The **Secondary Market Monitor** is the leading source of intelligence for the private equity, private real estate, infrastructure and private debt secondary markets. It provides online access to information on potential buyers, sellers and intermediaries, fundraising, transactions and pricing.

For more information, or to arrange a demonstration, please visit:

www.preqin.com/smm

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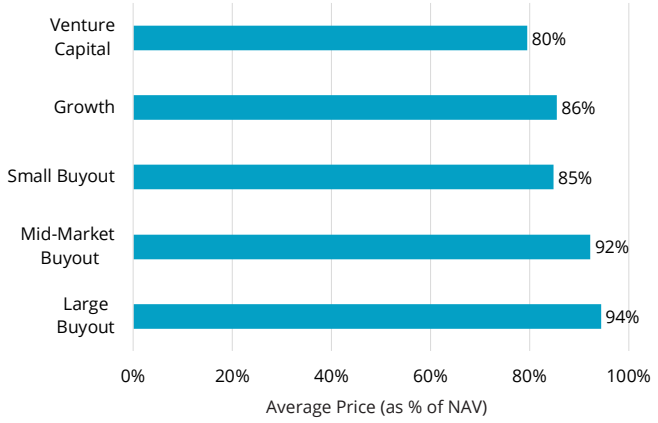
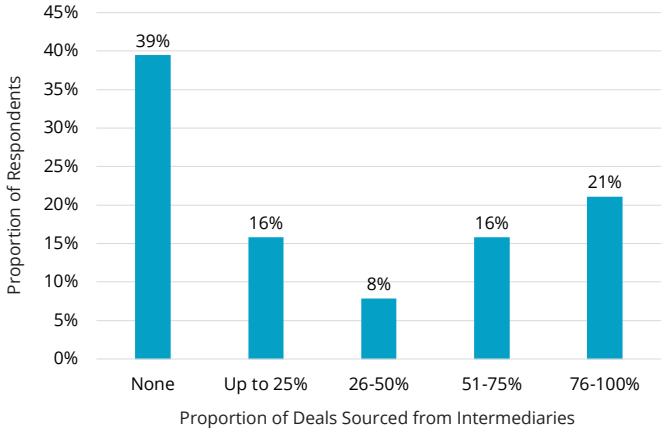
Fig. 6: Secondary Buyers: Average Price Paid (as a % of NAV) in 2017 by Fund Type



Source: Preqin Secondary Fund Manager Survey, January 2018

Fig. 7: Secondary Buyers: Proportion of Deal Flow Sourced from Secondary Intermediaries in 2017



Source: Preqin Secondary Fund Manager Survey, January 2018

Fig. 8: Largest Secondaries Funds Closed in 2017

Fund	Firm	Fund Size ($bn)
Strategic Partners VII	Strategic Partners Fund Solutions	7.5
Vintage Fund VII	Goldman Sachs AIMS Private Equity	7.2
AlpInvest Secondaries Fund VI	AlpInvest Partners	6.5
Lexington Middle Market Investors IV	Lexington Partners	2.7
NB Secondary Opportunities Fund IV	Neuberger Berman	2.5
Hamilton Lane Secondary Fund IV	Hamilton Lane	1.9
ASF VII Infrastructure	Ardian	1.7
17Capital Fund 4	17Capital	1.3
AESF VI	Ardian	1.2
ICG Strategic Secondaries Fund II	ICG Strategic Secondaries	1.1

Source: Preqin Secondary Market Monitor

Fig. 9: Sample Secondary Transactions Completed in 2017

Seller(s)	Fund(s)	Buyer(s)	Transaction Price (mn)	Secondary Intermediary	Transaction Type	Transaction Information
Kuwait Investment Authority	PAI Europe V, 3i Europartners V, 3i Growth Capital, Baird Capital Partners Europe, Apax Europe, Doughty Hanson & Co V	Coller Capital	-	-	Fund Portfolio Sale	The portfolio of predominantly mature buyout funds was sold to Coller Capital following a change in strategic direction by the sovereign wealth fund.
Not Yet Identified	BC European Capital IX	Lexington Partners	700 USD	Campbell Lutyens	GP-Led Fund Restructuring/ Stapled Secondary	As well as the purchase price of approximately $700mn by 22 investors in Fund IX, Lexington Partners also committed $300mn to BC Partners' Fund X.
Partners Group	BC European Cap VII, BC European Cap VIII, Candover 2005, Cinven IV, Duke Street Capital VI, PAI Europe V	Goldman Sachs AIMS Private Equity	1,000 USD	-	Fund Portfolio Sale	Partners Group sold a portfolio of 18 private equity fund interests worth approximately $1bn to Goldman Sachs Asset Management.
Ontario Teachers' Pension Plan	BDCM Opportunity Fund II	Portfolio Advisors	20 USD	Greenhill Cognet	Sole Fund Interest	Portfolio Advisors purchased one of four stakes auctioned for Black Diamond Capital Management's 2006 vintage fund. The four interests traded at between 90% and 116% of NAV compared with the 30 September valuation date.
British Columbia Investment Management Corporation	IK 2004 Fund, IK 2007 Fund, IK VII Fund	Temasek Holdings	-	Greenhill Cognet	Fund Portfolio Sale	British Columbia Investment Management Corporation looked to sell a portfolio of private equity fund interests worth between $600mn and $800mn. Lexington Partners also purchased part of the asset manager's portfolio in a separate deal.

Source: Preqin Secondary Market Monitor

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