Secondary Pricing Report

2021 Q2

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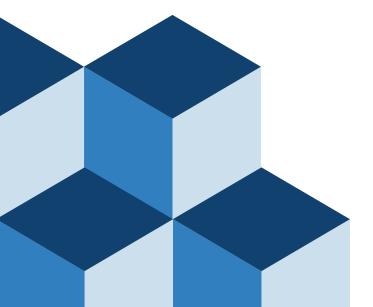
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Secondary pricing holds at par as market gains

The secondary market continues to show pricing buoyancy, with the median closed fund changing hands at par in the second quarter. This is a clear sign that buyers are willing and able to transact and points to a full market recovery in 2021 after a slump in deal activity last year.

There is no shortage of demand. Not only has secondary dry powder reached an all-time high following a record-setting fundraising period, thanks to the likes of AlpInvest, Ardian, Lexington, Coller Capital and others, emergent strategies are quickly establishing themselves too.

Following the close of its \$9bn fund in January, Coller is embarking on raising a dedicated credit strategy secondary fund. Similarly, Apollo Global Management recently launched its own



credit secondaries business with \$1bn at its disposal. The wider private capital universe is increasingly being catered to, allowing investors to realise liquidity ahead of schedule.

Of course, for closed deal volume to materialise sellers have to be willing to transact. The bottleneck that slowed deals last year has now eased. Since the last Secondary Pricing Report published in May, public markets have continued to march to all-time highs. This has supported the marking up of PE fund net asset values (NAV), giving LPs confidence that they can divest of funds at above their invested capital. The closing of the bid-to-NAV spread provides an even more solid foundation for vendors to sell.

With these fundamentals in place, 2021 has the potential to break new ground. While estimates vary, early calculations suggested that deal flow last year close to halved to \$40bn. More optimistic estimates put this figure at between \$60bn-\$70bn, with a marked recovery in the second half of the year. Don't be surprised if the \$100bn threshold is surpassed in 2021 for the first time.

Secondary pricings based on successful bids over the last quarter

Fund	Pricing (% of NAV)	Vintage
Actis Global IV	97%	2012
Adams Street Global Secondary Fund VI	97%	2017
Advent International GPE VIII	105%	2016
Advent Latin America Fund VI	89%	2015
AG Realty Fund IX	99%	2014
American Industrial Partners Capital Fund V	96%	2011
American Industrial Partners Capital Fund VI	100%	2016
ΑΡΑΧ ΥΙΙΙ	101%	2013
Audax Mezzanine Fund III	91%	2010
Blackstone Capital Partners VII	102%	2015
Brookfield Capital Partners Fund IV	109%	2015
CDH Fund IV	90%	2010
Charterhouse Capital Partners IX	87%	2009



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Fund	Pricing (% of NAV)	Vintage
Cinven V	100%	2009
Court Square Capital Partners III	100%	2012
CVC Capital Partners VII	103%	2012
Dyal Capital Partners V	103%	2018
FFL Capital Partners IV	102%	2020
Green Equity Investors VI	102%	2015
GS Vintage VII	102%	2016
GTCR XI 2013	108%	2013
Hellman & Friedman Capital Partners VII	94%	2009
Khosla Ventures IV	106%	2011
KKR Asian Fund II	99%	2013
KPS Special Situations Fund IV	96%	2014
Madison Dearborn Capital Partners VII	100%	2015
MBK Partners Fund IV	101%	2017
MHR Institutional Partners III	98%	2007
MHR Institutional Partners IV	93%	2014



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Fund	Pricing (% of NAV)	Vintage
Nordic Capital Fund VIII	100%	2013
PAG Asia II	99%	2016
Permira V	104%	2013
Silver Lake Partners III	95%	2007
Strategic Partners V	94%	2011
Strategic Partners VI	95%	2014
Summit Partners Growth Equity Fund VIII	96%	2011
Thomas H. Lee Partners Equity Fund VII	108%	2015
TPG Partners VII	103%	2015
Trident VII	101%	2017
Vista Foundation Fund II	103%	2013
Warburg Pincus Private Equity XI	100%	2012
Welsh, Carson, Anderson & Stowe XII	103%	2014



Secondary pricing report (by numbers)

Overview

All Funds	Pricing (% of NAV)
Mean/Average	99.31%
Median	100%
Number of Funds	42

Breakdown by Premiums/Discounts

	Below Par	Par and Above
Average Pricing as % of NAV	94.7%	102.8%
Number of Funds	18	24
% of Total Funds	43%	57%

