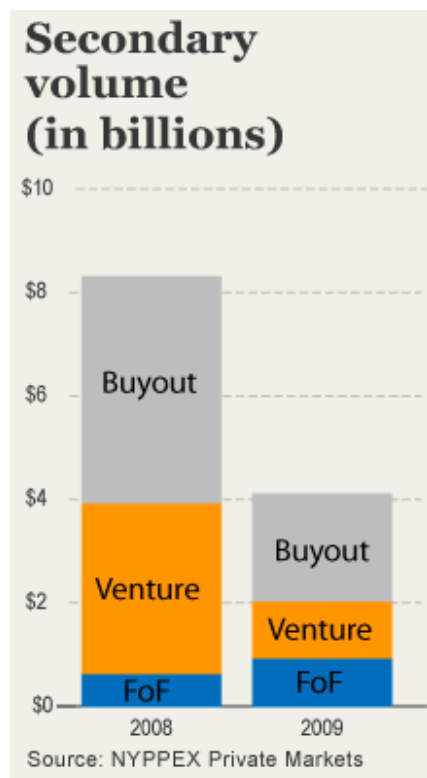


Pensions & Investments

Secondary market bids bouncing back

Source: Pensions & Investments
Date: June 18, 2009



Secondary median bids for private equity funds increased to 43.22% of net asset value as of June 1, from 36.26% at the end of the first quarter, according to a report to be issued Friday by NYPPEX Private Markets.

Private equity funds of funds saw the largest increase with the median bid rising to 35.54% of NAV as of June 1, from 25.72% in the first quarter. Buyout fund median bids increased to 42.68% of NAV, up from 39.89% during the same time period, while venture capital fund median bids rose to 55.53%, up from 43.16%.

“Secondary bids may have bottomed in the first quarter of 2009, when many net asset values appeared overstated and the S&P 500 was generating negative returns,” the report said.

The total secondary transaction volume year-to-date through June 1 was \$4.1 billion, which was 51% lower than the \$8.3 billion for the first five months of 2008. However, NYPPEX expects the volume to increase.

“We expect secondary private market transaction volume to increase substantially in the second half of 2009 as capital calls increase and many limited partners that have been exploring liquidity alternatives become active sellers,” the report said.

NYPPEX is estimating that secondary transaction volume of limited partner interests in private equity partnerships will increase to a new high of \$27 billion in 2009 from \$20.1 billion in 2008.