

Cogent Partners' Secondary Market Analysis Reveals Buyout Pricing at 86.4% of NAV, Up from 68.9% of NAV During H2 2009

Dallas – July 29, 2010 – Cogent Partners, the leading secondary sell-side advisor to institutional investors in private equity, has released the first half 2010 update to its ongoing study of pricing levels in the secondary private equity market. The most recent analysis shows that pricing for buyout funds, which comprised over two-thirds of the funds Cogent marketed during the first half of 2010, increased to 86.4% of net asset value (NAV), up from 68.9% of NAV in the second half of 2009. The analysis also reveals that meaningful growth in the supply of natural resource, real estate, and distressed funds has more than compensated for a significant decline in the transaction volume of venture funds.

“Despite volatility in the public equity markets, pricing for limited partnership interests increased steadily during the first half of 2010, with an average high bid of 79.6% of NAV for all funds, up from 72.0% of NAV during the second half of 2009,” said Todd Miller, Managing Director of Cogent Partners. “As pricing has improved, the composition of sale portfolios has migrated back to predominately funded assets, with many sellers looking to actively manage current NAV exposure versus reduce unfunded commitments.”

In addition to historical pricing and volume levels, the report provides insight into recent transaction trends. “Greater visibility into portfolio company values and performance outlook has contributed to rising secondary prices, which have in turn led to deals of significant size being consummated during the first half of 2010, particularly from financial institutions,” said Brian Mooney, Managing Director of Cogent Partners. “Despite a return to sales of funded assets and a re-engagement of many traditional buyers who were largely inactive for much of 2009, non-traditional buyers such as endowments, foundations, and pensions continue to successfully participate in the secondary market.”

To help institutional investors understand the development and state of the secondary market, in 2005 Cogent Partners began providing annual insight into the pricing levels obtained in actual secondary transactions. In this latest release of the paper, Cogent updates the pricing levels with an analysis of the over \$3 billion in represented transactions of a diverse group of fund interests during the first half of 2010.

The report is available upon request from Cogent Partners on its website.

www.cogent-partners.com