

## **Cogent Partners Study Reveals Secondary Market Pricing of 84.7% for H1 2008 Secondary Pricing Declines with Public Market Drop**

Dallas, September 12, 2008 – Cogent Partners, the leading secondary sell-side advisor to institutional investors, has released the first-half 2008 update to its ongoing study of pricing levels in the secondary private equity market. The most recent analysis shows a decline in pricing for secondary assets, with an average high bid of 84.7% of net asset value (NAV). The analysis also shows an increase in the estimated average secondary underwriting rate (or expected return of the winning secondary purchaser) to 13.3%.

“While secondary pricing fell in the first half of the year on an absolute basis from the levels seen in 2006 and 2007, this analysis shows that the drop in pricing is in-line with the decline in public equities,” said Colin McGrady, managing director of Cogent Partners. “The analysis shows the drop was driven by changes in the expectations regarding portfolio companies, not the risk appetite of buyers. The return required by secondary buyers increased only modestly, remaining well below the private equity return hurdles for institutional investors, and indicating that secondary sales continue to be an attractive portfolio management tool for institutional investors.”

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 its transactions, called the Secondary Pricing Analysis. In this latest release of the paper, Cogent updates the pricing levels with an analysis of the over \$3B in represented transactions of roughly 200 fund interests for the first half of 2008.

The report is available upon request from Cogent Partners.

### **About Cogent Partners**

Cogent Partners is a leading private equity-focused investment bank that specializes in secondary market transactions and related private equity research products for institutional investors. Recognized globally as the leader in private equity sell-side advisory services, Cogent Partners has earned a reputation for successfully initiating, marketing, negotiating, structuring and closing the sale of private equity assets. Since inception, the company has advised on more than \$20 billion in private equity commitments. Cogent Partners is headquartered in Dallas, with offices in New York, London and Tokyo.

For more information, please visit [www.cogent-partners.com](http://www.cogent-partners.com)

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