

Median secondary LP bid rises in Q1

Source: Pensions & Investments

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The median bid for private equity limited-partnership interests on the secondary market increased to 58.41% of net asset value in the first quarter, up from 56.44% three months earlier. That estimate, made by NYPPEX, was obtained today by P&I Daily.

In all, NYPPEX estimates that a total of \$33.9 billion of private equity limited-partnership interests will trade this year, up from \$12.3 billion for all of 2009 and \$20.1 billion in 2008. NYPPEX estimates that \$9.6 billion of direct investments in private equity portfolio companies will trade this year, up from \$2.4 billion for all of last year and \$5.7 billion in all of 2008, according to estimates from NYPPEX, a financial services firm and online marketplace for private securities

While the number of deals in the first quarter increased, the dollar amount decreased. However, NYPPEX is not releasing this data.

Part of the increase in price was due to the addition of new buyers in the secondary market, including asset managers and family offices. New buyers were involved in 68% of the deals in the first quarter and were willing to buy interests in private funds that had 65% uncalled commitments or more, according to NYPPEX analysis.

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