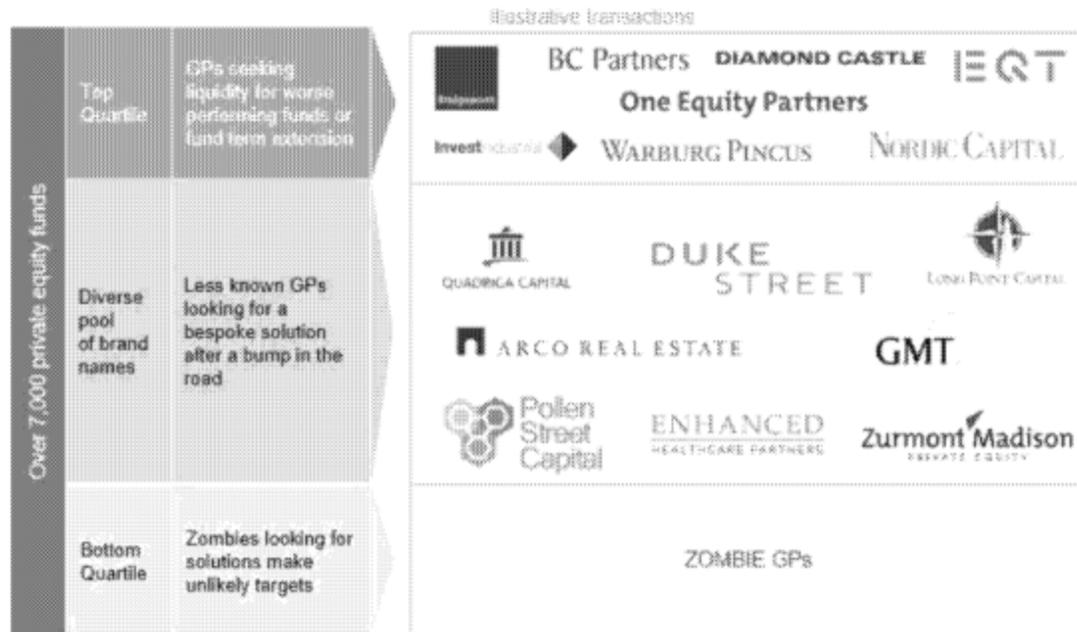


curiosities, Glendower observes that GP-led Secondaries have quickly grown to be an important aspect of the market, one that Glendower expects to continue to actively drive volumes in the future. Glendower believes that it is only a matter of time before large brand name GPs utilize the Secondary market to achieve liquidity solutions for their older funds.

While there has been a large influx of GP-led opportunities, Glendower has not observed that this automatically translates to closed deals. In fact, various market intermediaries have noted increased instances of failed transactions. GP-led Secondaries are inherently complex with many stakeholders involved. Glendower continues to believe the common themes among successful GP-led Secondaries include early and open communication with existing LPs, quality assets that are fairly valued, well-aligned managers and the creation of a set of options for existing investors that are more attractive than the status quo.

The increased transaction risk and structuring sophistication that characterize GP-led Secondaries require more advanced secondary transactional expertise, larger teams and mid-to-large fund sizes to underwrite deals that are more concentrated than traditional LP portfolios. Glendower has taken a cautious, value-oriented approach to GP-led Secondaries and focuses on opportunities where there is strong alignment with the manager, diversified portfolio, attractive cash flow positive assets, near-term liquidity and a compelling rationale for the GP to seek a comprehensive liquidity solution for existing LPs. It is important to focus on deals that have the right dynamics to lead to a successful outcome for all involved parties.

Exhibit 18: Glendower expects an increasing prevalence of GP-led Secondaries with "Top Quartile" GPs<sup>66</sup>



<sup>66</sup> Glendower Capital market intelligence.