

About Shelley Capital:

Founded in 2010, with offices in London and Geneva, Shelley Capital is an independent advisor to the secondary market of hedge funds serving both buyers and sellers by means of a rigorous and competitive transaction process. With extensive contacts across the hedge-fund community, Shelley caters to: endowments, family offices, foundations, funds of funds, investment banks, pension funds, private banks, secondary-market specialists, and sovereign wealth funds.

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Shelley Capital Advisors was represented at this year's GAIM USA, held in late January, by Pascale Alvanitakis and John Seilern, both of whom spoke at the conference. At Pascale's panel discussion the speakers were asked to comment on the size of the secondary market of hedge funds and the amount of holdings still outstanding within it. Estimates ranged from \$40 billion to \$100 billion, though even higher estimates have subsequently been proposed. It was agreed that as the most liquid assets are sold and/or cash is returned by fund managers, the remaining sidepockets will take longer to liquidate, prompting more investors – both buyers and sellers – to turn to the secondary market.

Enquiries have indeed risen sharply since January, with sellers resolved to clean up their portfolios and buyers poised to take advantage of the resulting opportunities. A feature of the mandates won by Shelley in the last few weeks has been a greater supply in funds of funds and asset-backed lending, while diversified portfolios continue to be popular. Our current supply exceeds \$960 million of illiquid hedge funds and side pockets, spread across all strategies and managers, with more to come in the next few weeks.

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