

Media release of January 17, 2023

Bellevue Asset Management launches debut private equity secondaries fund

Shortly after the Secondaries Team consisting of Chris Davies, Steven Kroese and Lars Honegger, all experienced professionals in this field, commenced its activities at Bellevue on December 1, the asset management boutique is launching its maiden investment fund focused on the PE secondary market.

«Our clear and distinct concept for the Bellevue Global Private Equity Fund sets us apart from competitors. We wholeheartedly embrace the notion that small is beautiful and therefore focus exclusively on a market segment that is not on the radar screens of many PE investors. Large private equity secondaries players do not even look into transactions in the USD 1 mn to 30 mn range, whereas we believe this particular market segment thrives with alpha-generating opportunities,» says Steven Kroese, in describing the strategy behind the new fund.

The quality of the fund units in which investments are made is of paramount importance. In this inefficient segment of the market, the highly experienced team relies on its extensive network to identify and capture investment opportunities and ensures effective portfolio diversification and management. The fund has a global remit and is primarily active in the US and Europe. Its target return is comparable to primary buyout funds, but the margins of safety are significantly higher.

Unlike in public markets, investment success in the secondary PE market rests on having broad access to quality deal flow and to potential counterparties. Technology is another important aspect. Sophisticated quantitative financial modeling and valuation tools and the systematic gathering of a multitude of data points enable highly efficient and reliable analytics and the precise calibration of bids. Both are critical to the team's ability to operate in the secondaries market with agility and success.

Davies, Kroese and Honegger are supported by Jan Kollros, Head of Bellevue's Private Markets unit and the CEO of its independent adbodmer subsidiary.

A buyer's market

«Discounts to Net Asset Value are widening and secondary market supply is also growing,» says Lars Honegger with respect to the current situation in the private equity secondary market. «Investor flows to and from PE funds are already net negative. As the record level of dry powder suggests, we are likely to see increasing capital call volume. That means that the structural selling pressure on LPs is also likely to persist.»

«Already today, interests in private equity funds are being sold in the secondary market for reasons that tend to reflect the liquidity needs of individual investors, for example, rather than the actual performance and quality of the underlying investments. This is a very favorable environment that offers us superb investment opportunities which will allow us to build a stable and diversified portfolio with great value potential. Our PE secondaries fund is an ideal component for rounding out an investment portfolio in today's environment,» adds Chris Davies.

Visit www.bellevueglobalprivateequity.com for further information.

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Bellevue is a specialized asset manager listed on the SIX Swiss Exchange with core competencies covering healthcare strategies, entrepreneur strategies, alternative and traditional investment strategies. Established in 1993, Bellevue, a House of Investment Ideas staffed by 100 professionals, generates attractive investment returns and creates value added for clients and shareholders alike. Bellevue managed CHF 9.6 bn in assets as of June 30, 2022.