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NORTH SKY CAPITAL'S TOM JORGENSEN DISCUSSES HOW RECENT MARKET VOLATILITY IS AFFECTING THE SECONDARY MARKET

Minneapolis, MN – North Sky Capital's Managing Director, [Tom Jorgensen](#), recently spoke with the Wall Street Journal Pro about how he believes the secondary market rebound could be complicated by stock market volatility.

Many secondary advisers and buyers recognize that stock market volatility widens the pricing gap between buyers and sellers of private fund portfolios. Public stocks affect private company valuations because private equity firms typically value their portfolio companies based in part on valuations of similar public companies. Thus, when public stocks tumble, prospective buyers of private fund portfolios require larger discounts to account for the fact that private company valuations are now overvalued and won't be repriced to reflect public equity moves, until the next quarterly reporting cycle. Longer-term, sustained market volatility increases the uncertainty of exit timing for private companies and provides further justification for buyers to reduce their offers.

Tom explained that market volatility has already begun to dampen secondary fund pricing for various fund portfolios and provided an example of one portfolio previously valued at 100% of NAV that North Sky subsequently repriced to 85% due to a decline in the stock market. Given the recent stock market moves relating to Ukraine, we expect secondary prices to move even lower.

The full article is available [here](#).

Learn about North Sky Capital's impact secondaries strategy [here](#).

About North Sky

North Sky Capital is a pioneer in impact investing in the United States. Now in its 22nd year, North Sky has deployed more than \$1.1 billion across more than 125 impact investments on behalf of its ten impact funds. The Firm's active investment strategies focus on impact private equity (secondary strategy) and sustainable infrastructure (direct strategy) that support positive environmental and social change and can deliver strong financial returns. The firm's impact secondary funds provide liquidity solutions to impact funds, companies and investors across sectors within the themes of cleantech/climatech, sustainable food & agriculture, waste & water and healthcare. Based in Minneapolis with additional offices in New York and Boston, North Sky is one of the most active impact investment managers. For more information, visit northskycapital.com.

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