**Private Markets Secondaries Exchange – *Real Estate***

1. **Exchange Design Overview**
   1. **Core Functions**
      1. **Matching Engine**
         1. Handles bids and offers for LP/GP interests
            1. Can be continuous (like NYSE)
            2. Can be periodic (auction-based)
      2. **Order Book & Pricing**
         1. Displays live bid-ask spreads, historical pricing data, discount/premium to NAV, and recent trade comps
      3. **Market Making / Liquidity Provisions**
         1. Likely need designated market makers (DMMs) or liquidity providers (hedge funds, secondaries funds, etc.) to seed volume and maintain tighter spreads.
         2. Incentivized market making? Fee breaks or rebates
      4. **Custody and Clearing**
         1. Likely need a custodial solution for fund documents, investor consents, ROFOs, KYC/AML, etc.
         2. Administrators and Transfer Agents for execution and record-keeping
      5. **Regulatory Compliance**
         1. ATS in U.S. / MTF in Europe
            1. Accredited Investor verification
            2. Blue sky laws / cross-border rules
            3. SEC and FINRA Compliance
            4. FCA Compliance (U.K.)
            5. IIROC Compliance (Canada)
      6. **Fee Model** 
         1. Commission / Success-based fee (e.g. 25 bps)
         2. Buyer access fee or membership fee
         3. Subscription model for premium data access (comps, NAV history, analytics, modeling, etc.)
      7. **Valuations and Transparency**
         1. Integrate quarterly NAV data from GPs with tools to estimate fair value mid quarter
            1. Discount estimation tools based on leverage, vintage, strategy, J-Curve Stage, subscription/redemption queue, growth projections, etc.
      8. **Process Flow**
         1. Seller Posts Interests
            1. Fund Name, NAV reference date, ask price (% of NAV), GP Transfer Status
         2. Buyer Bids
            1. Can be blind or visible
            2. Matches on % of NAV or discount/premium basis
         3. Match / Confirmation
            1. Soft match pending due diligence / documentation
            2. Counterparty agreement & GP approval initiated
         4. Execution
            1. Legal documents signed
            2. Custodial entity updates ownership
            3. Settlement via wire.
      9. **Participants**
         1. **Sellers**
            1. LPs seeking liquidity (pensions, endowments, HNWs, fund-of-funds)
         2. **Buyers**
            1. Secondaries funds, family offices, PE fund platforms (iCapital)
         3. **GPs**
            1. Will need to provide consent
         4. **Market Makers**
            1. Hedge funds or prop desks
      10. **Scale**
          1. Global expansion & asset coverage
             1. Regional hubs in NYC, London, Singapore, Zurich, etc.
             2. Include Infrastructure, private credit, GP stakes, co-investments, ESG/Impact secondaries
      11. **Strategic Advantage**
          1. Speed of execution
          2. Price discovery and transparency
          3. Fee disintermediation (removing brokers from process)
          4. Data analytics and warehousing