

# PE Gate Celebrates Its First Investor-to-Employee Equity Sale in a Portfolio Company Through Its Secondary Market

*PE Gate proudly announces another successful transaction on its proprietary secondary market.*

TORONTO, ONTARIO, CANADA, November 26, 2024 /EINPresswire.com/ -- PE Gate proudly announces another successful transaction on its proprietary secondary market, generating for the exiting investor an unlevered return of 4.8x their original investment and an IRR of 45.5%, net of fees. This achievement underscores PE Gate's innovative approach to facilitating access to liquidity in small-cap private equity, reflecting its dedication to creating exceptional value for its investors. These milestones reaffirm PE Gate's mission to democratize private equity investing in the lower-middle market while fostering growth and success across its portfolio companies.



## Enabling Liquidity Through PE Gate's Secondary Market:

PE Gate's proprietary secondary market enabled one of its investors to fully divest their equity position in a portfolio company PE Gate acquired five years ago. Unlike traditional private equity models, PE Gate's platform allows individual investors to liquidate a portion of or all their equity position without requiring a full divestiture of the portfolio company.

The exiting investor's unlevered returns, net of fees, were 4.8x their original investment, yielding an IRR of 45.5%. This transaction exemplifies PE Gate's commitment to delivering liquidity in traditionally illiquid small-cap private markets. With multiple successful trades since its launch, the secondary market is proving to be a game-changer for private investors.

Ara Sahakian, Managing Partner at PE Gate, commented:

"Our secondary market is redefining what's possible in private equity. This transaction highlights our ability to provide access to liquidity while maintaining strong returns for investors—a

hallmark of our innovative approach. By enabling investors to align liquidity with their individual investment horizons, we're creating unprecedented flexibility in the private equity space."

#### Empowering Key Employees Through Ownership:

In a testament to PE Gate's focus on value creation and alignment, the buyer of the exiting investor's shares was a key staff member at the portfolio company. By facilitating this transaction, PE Gate not only demonstrated the market demand for its secondary market but also underscored its ability to turn employees into equity stakeholders.

"This is a perfect example of how our process enables us to foster ownership within the businesses we invest in," said Sahakian. "Employee ownership drives engagement, retention, and long-term value—key pillars of PE Gate's approach to sustainable growth."

#### PE Gate's Role in Portfolio Success:

The portfolio company has achieved remarkable growth, recently expanding operations to new markets and serving major industries such as cement manufacturing and power generation. This strategic move builds on the company's reputation as a leader in its field, solidifying its presence across Canada.

This success is a testament to PE Gate's active involvement and strategic oversight since acquiring a majority stake five years ago. Under PE Gate's ownership, the business has delivered exceptional returns—150% of capital returned and 40% annual dividends—while scaling operations and maintaining its commitment to quality and reliability. PE Gate's guidance has positioned the company for long-term success and sustained market leadership.

#### About PE Gate:

[PE Gate LP](#) is an Exempt Market Dealer registered with the Ontario Securities Commission. By working with a network of investment professionals, vetted investment opportunities in private businesses are secured and posted on their platform for accredited investors (Members). Members have the opportunity to make investment decisions on a specific industry or deal-by-deal basis, while also having the opportunity to anonymously offer their shares for sale. By offering a user-friendly interface and reliable transaction processes, PE Gate has established a marketplace for selling positions in private businesses, whether it be a primary offering or a secondary trade. PE Gate opportunities typically target over 25% IRR.

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