



Private Equity Performance Report

Fund Performance Data as of Q2 2012

February 2013

Fund Performance Data as of Q2 2012

Prequin currently holds transparent net-to-LP performance data for over 6,100 private equity funds of all types and geographic focus, representing over 70% of all funds ever raised by the industry in terms of aggregate value. Using data from Performance Analyst, Prequin has analyzed the returns generated by private equity partnership as of 30th June 2012 in order to provide an independent and unbiased assessment of the performance of the private equity industry.

For more information on Performance Analyst, the private equity industry's leading source of performance data, please visit: www.prequin.com/pa.

1. Private Equity Horizon IRRs

1.1. Horizon IRRs by Fund Type

Fig. 1.1 shows the one-, three-, five- and ten-year horizon returns as of 30th June 2012 for the main private equity fund types. All fund types shown are experiencing positive returns across all periods shown. Over the one-year period, returns for all fund types are similar, ranging between 5.0% and 7.6%, with the private equity industry as a whole generating a one-year return of 5.5%.

Buyout funds are showing the highest three-year horizon returns of 18.4%, while mezzanine funds are showing the highest five-year returns of 6.5%. Over these periods, the returns of private equity as a whole are similar to those of buyout funds as these funds make up the majority of capital within the industry.

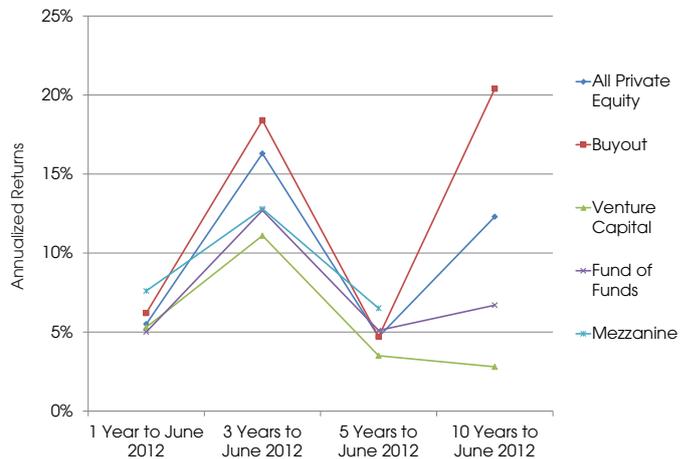
Over the ten-year period, there is a much larger range of returns – between 2.8% and 20.4%. There is a wider gap between the returns of buyout funds and those generated by the industry as a whole due to the lower proportion of capital in the industry held by buyout funds at the beginning of this period. The ten-year horizon returns for buyout funds stand at 20.4%, with the whole industry at 12.3% as of 30th June 2012.

1.2. Private Equity Performance vs. Public Indices

The annualized returns over the one-, three-, five-, and ten-year periods to 30th June 2012 for private equity are shown in Fig. 1.2, along with those for a selection of public indices. Private equity returns stand at 5.5% over the one-year period, and at 16.3%, 4.7% and 12.3% over three, five and ten years respectively.

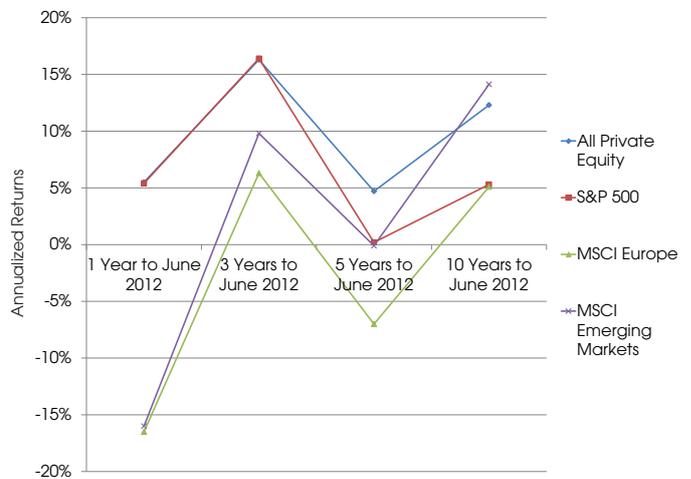
The S&P 500 index is also in the black over the one-year period, showing very similar returns to those generated by private equity, with a return of 5.4%. In contrast, the MSCI Europe and MSCI Emerging Markets Indices are both showing returns in the red over the year to 30th June 2012.

Fig. 1.1: Private Equity Horizon IRRs as of 30 June 2012



Source: Prequin Performance Analyst

Fig. 1.2: Private Equity Horizon IRRs vs. Public Indices as of 30 June 2012



Source: Prequin Performance Analyst

All indices shown are experiencing positive returns over the three-year period, with the S&P 500 and private equity outperforming the MSCI Europe and MSCI Emerging Markets over this period. Over the five- and ten-year period, private equity has generated greater returns than both the S&P 500 and the MSCI Europe, with only the MSCI Emerging Markets achieving higher returns over the ten-year period at 14.1%.

Any comparisons made between private equity and public markets should be viewed in the correct context as the private equity asset class is illiquid and investors' capital is locked up over a long period of time.

1.3. Rolling One-Year Horizon IRRs

The rolling one-year horizon IRRs from June 2009 to June 2012 for buyout funds, venture capital funds and private equity as a whole are shown in Fig. 1.3. The graph shows that the returns for buyout funds and all private equity follow each other closely due to buyout funds accounting for the largest amount of capital in the private equity industry. Similar trends can be seen in the one-year returns of venture capital funds, but to a lesser extent, with smaller losses during the downturn and smaller gains as the markets subsequently recovered.

In the one-year period to June 2012, the returns of buyout funds, venture capital funds and the private equity industry as a whole are lower than in the one-year period to March 2012, with buyout funds generating one-year returns of 6.2%, venture capital funds 5.3% and the private equity as a whole 5.5% over this period.

1.4. Buyout Fund Horizon IRRs by Fund Size

Fig. 1.4 shows the horizon returns for buyout funds by size to June 2012 over the one-, three- and five-year periods. Over the one-year period, small buyout funds outperformed the other size groups, with returns of 11.6%.

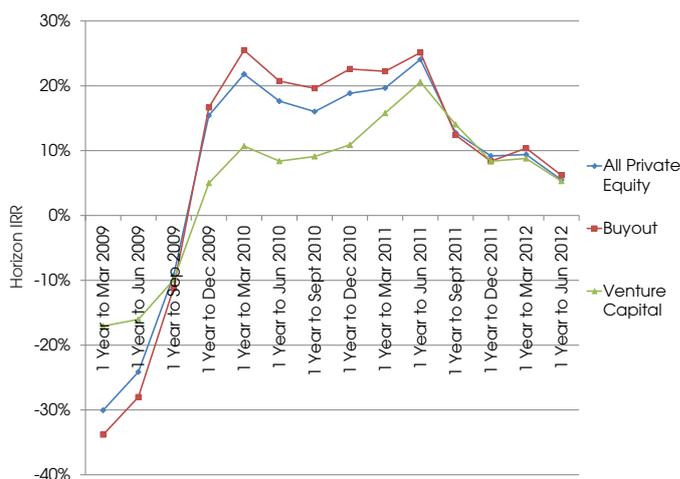
Across the three-year timeframe, mega buyout funds show the highest returns, with 20.1%, while small and mid-sized buyout funds both have returns of 15.8% and large buyout funds stand at 15.0%.

Over five years, small buyout funds are once again the best performers, with a horizon IRR of 10.8%. In contrast, mega buyout funds are showing the smallest horizon IRR figure of 4.0%, as these funds were the most affected during the downturn of 2008 and 2009.

1.5. Regional Horizon IRRs

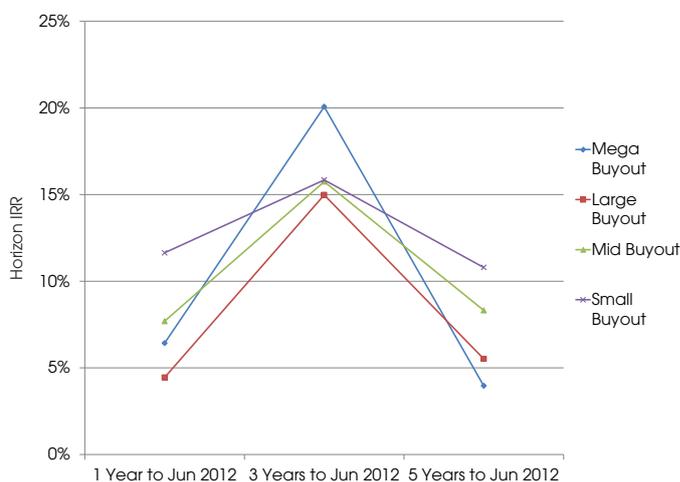
Fig. 1.5 shows the horizon returns for funds primarily focusing on each of North America, Europe and Asia. North American- and European-focused funds show one-year returns of 5.3% and 8.7% respectively, while Asian-focused are in the red over this period. Returns over three years are the highest of the time horizons shown, with European-focused funds standing at 18.3%, North American-focused funds at 16.3% and Asian-focused funds at 11.3% over this time period. Across the five-year period, European funds post returns of 4.0%, North American funds 5.0% and Asian funds 3.5%.

Fig. 1.3: Rolling One-Year Horizon IRRs



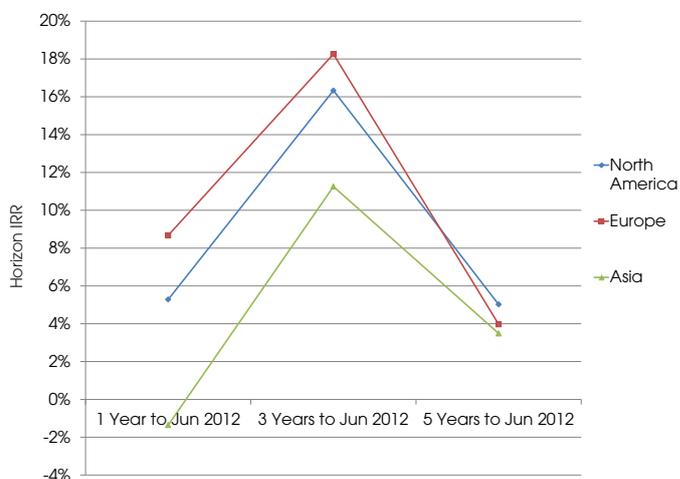
Source: Preqin Performance Analyst

Fig. 1.4: Buyout Fund Horizon IRRs by Size* as of 30 June 2012



Source: Preqin Performance Analyst

Fig. 1.5: Horizon IRRs by Fund Primary Regional Focus as of 30 June 2012



Source: Preqin Performance Analyst

* Size Ranges:

Vintage 1992-1996: Small Buyout ≤ \$200mn, Mid Buyout \$201-500mn, Large Buyout > \$500mn
 Vintage 1997-2004: Small Buyout ≤ \$300mn, Mid Buyout \$301-750mn, Large Buyout \$751mn-\$2bn, Mega Buyout > \$2bn
 Vintage 2005-2012: Small Buyout ≤ \$500mn, Mid Buyout \$501mn-\$1.5bn, Large Buyout \$1.51-4.5bn, Mega Buyout > \$4.5bn

2. Changes in NAV

2.1. All Private Equity - Change in NAV by Quarter

The average quarterly changes in net asset value (NAV), both weighted and non-weighted, for all private equity funds between September 2011 and June 2012, are shown in Fig. 2.1. The weighted metric takes the fund size into account, allowing larger funds to have a greater impact on the overall figure and thus reflecting the larger share of the market that they occupy. The graph shows that following a fall in Q3 2012, private equity experienced quarterly increases in NAV for the following three quarters. The weighted metric increased by 0.7% in Q2 2012 and the non-weighted by 1.0%.

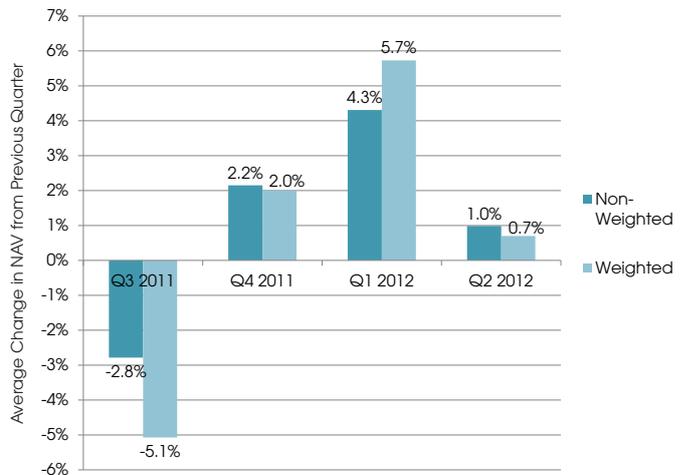
2.2. Quarterly Change in NAV by Fund Type

Fig. 2.2 shows the average quarterly changes by fund type. Buyout funds, funds of funds and venture capital funds all saw average decreases in NAV during the third quarter of 2011, with the private equity industry as a whole also experiencing a decrease during this quarter. For the subsequent three quarters, all fund types have seen average increases. Q1 2012 was a particularly strong quarter, with buyout and venture capital funds experiencing average increases in NAV of 5.1% and 4.2% respectively.

2.3. Quarterly Change in NAV by Buyout Fund Size

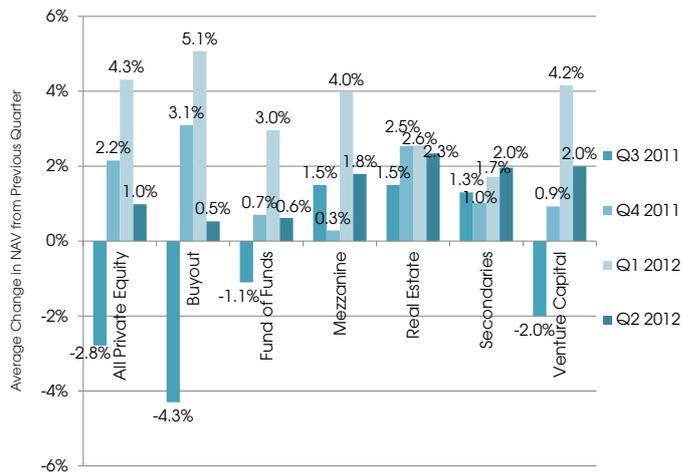
Fig. 2.3 shows the average quarterly change in NAV of buyout funds by fund size. All fund sizes experienced negative average changes in NAV during Q3 2011, with mega buyout funds showing the largest decrease during this quarter of -7.9%. Each fund size shows average increases for the next three quarters, with the exception of large buyout funds, which show a small quarterly decrease in Q2 2012 of 0.6%.

Fig. 2.1: All Private Equity - Change in NAV by Quarter



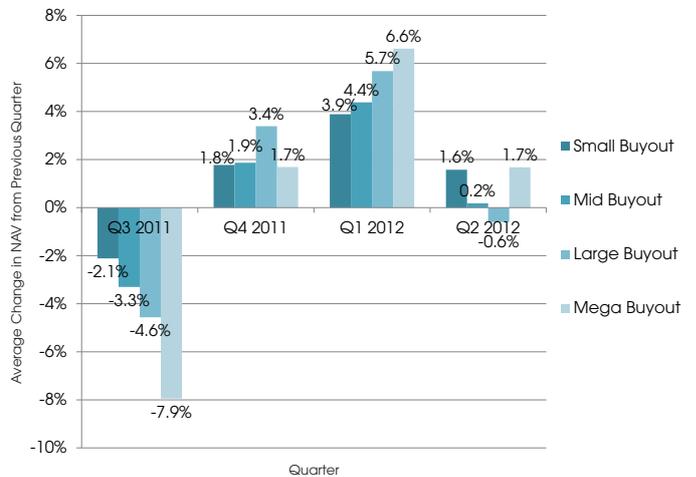
Source: Preqin Performance Analyst

Fig. 2.2: Quarterly Change in NAV by Fund Type (Non-Weighted)



Source: Preqin Performance Analyst

Fig. 2.3: Quarterly Change in NAV by Buyout Fund Size* (Non-Weighted)



Source: Preqin Performance Analyst

* Size Ranges:

Vintage 1992-1996: Small Buyout ≤ \$200mn, Mid Buyout \$201-500mn, Large Buyout > \$500mn
 Vintage 1997-2004: Small Buyout ≤ \$300mn, Mid Buyout \$301-750mn, Large Buyout \$751mn-\$2bn, Mega Buyout > \$2bn
 Vintage 2005-2012: Small Buyout ≤ \$500mn, Mid Buyout \$501mn-\$1.5bn, Large Buyout \$1.51-4.5bn, Mega Buyout > \$4.5bn

3. Listed Private Equity Funds: Trends and Developments

Listed private equity enables investors able to gain exposure to private equity without the need to commit large sums of capital and the requirement to have capital locked up for a long period of time, traits both associated with the traditional private equity fund model. Listed private equity vehicles often report their results earlier than unlisted private equity funds and can therefore act as an early indicator as to the performance of more traditional private equity funds.

3.1. Average Change in NAVPS and Share Price of Listed Private Equity by Quarter

Fig. 3.1 shows the average quarterly changes in net asset value per share (NAVPS) and market price for listed private equity funds. In Q4 2011 and the first three quarters of 2012, share prices experienced average increases following successive decreases in the first three quarters of 2011. NAVPS also shows average increases in Q4 2011, Q1 2012 and Q2 2012. In the latest quarter, share prices show an average quarterly increase of 4.4% while NAVPS also increased, by an average 1.0%.

4. Performance by Vintage

4.1. Median Net IRRs by Fund Type

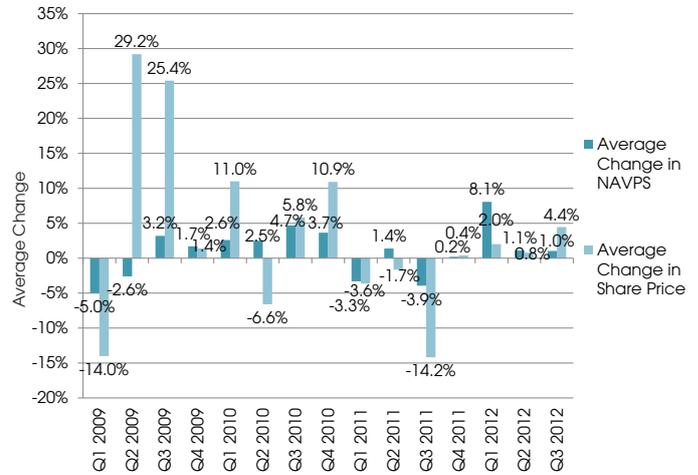
The median net IRRs as of 30th June by vintage year for buyout funds, venture capital funds and private equity funds as a whole are shown in Fig. 4.1. The highest median IRR shown has been generated by vintage 1997 venture capital funds. However, following the dot-com crash, the median IRRs for venture capital funds with more recent vintages are much lower. Buyout funds achieve their highest median net IRR of 27.5% with the 2001 vintage. Vintage 2005 and 2006 real estate funds are currently showing negative median net IRRs as these funds were the most affected during the market turmoil of 2008 and 2009.

Median returns for vintage 2009 funds range between 5.9% and 12.9% across all fund types; however, these funds are still early in their fund lives and returns could change as fund managers look to add value to their investments.

4.2. J-Curves of Net IRR

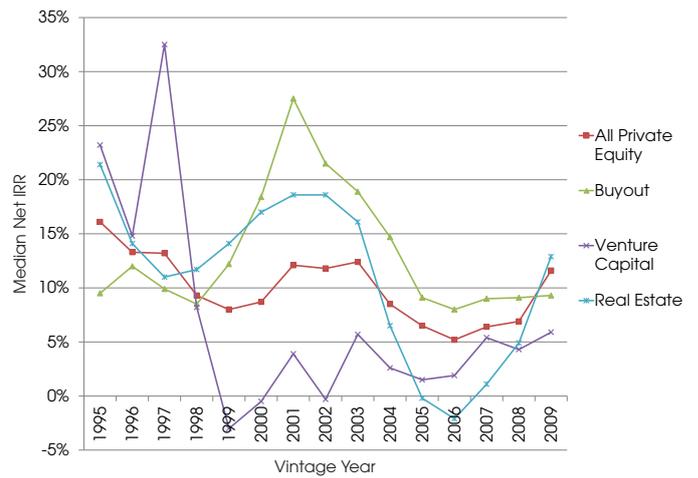
Fig. 4.2 shows the private equity 'J-curves' by vintage year. J-curves show the trajectory of private equity returns over the life of a fund and are plotted using the median net IRR for each vintage year as at each quarter-end. In the early part of a typical private equity fund's life, returns tend to be in the red and then transition into positive territory as the investment cycle progresses and fund managers add value to their investments and begin to distribute capital back to investors. Vintages 2005 and 2006 had previously moved into positive territory before the financial crisis caused returns to fall back into the red. However, the median IRRs of both vintages have since recovered and stand at 6.5% and 5.2% respectively as of 30th June 2012. Vintage 2009 funds have the highest median IRR as of 30th June 2012 of all of the vintages shown at 11.6%.

Fig. 3.1: Change in NAVPS and Share Price of Listed Private Equity by Quarter



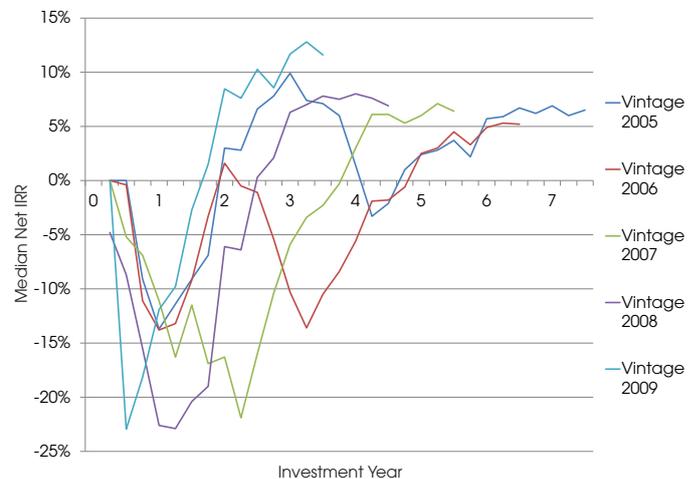
Source: Preqin Performance Analyst

Fig. 4.1: Median Net IRRs by Fund Type as of 30th June 2012



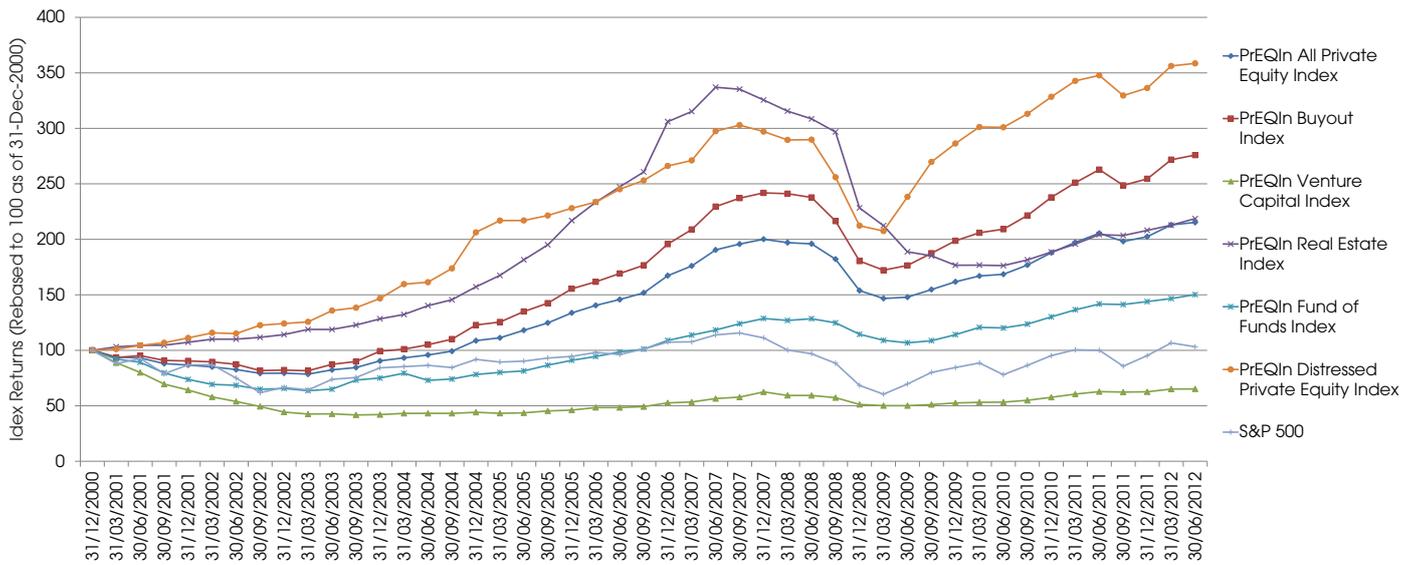
Source: Preqin Performance Analyst

Fig. 4.2: All Private Equity - J-Curve: Annual Median Net IRRs by Vintage



Source: Preqin Performance Analyst

Fig. 5.1: PrEQIn Index: All Strategies



Source: 2012 Preqin Performance Analyst

5. PrEQIn Index

5.1. PrEQIn Private Equity Quarterly Index

The PrEQIn All Private Equity, Buyout, Venture Capital, Real Estate, Fund of Funds and Distressed Private Equity Indices, together with the S&P 500, (all rebased to 100 as of 31st December 2000) are shown in Fig. 5.1. These indices give an insight into the performance of the main private equity fund types in comparison to each other and the industry as a whole from a specific point in time. It is important to note that the last two quarters are subject to change, with the former being in the advanced stages and the latter being in the early stages of data collection.

The graph shows that all of the PrEQIn Indices experience an increase in the second quarter of 2012, with the PrEQIn Real Estate Index showing the largest quarterly increase of 2.8%. The PrEQIn All Private Equity Index increased by 1.0% in Q2 2012. Since December 2000, the best performing private equity fund type has been distressed PE, with the PrEQIn Distressed Private Equity Index standing at 358.5 in Q2 2012. This is followed by the PrEQIn Buyout Index at 275.9, while the PrEQIn Real Estate, Fund of Funds and Venture Capital Indices stand at 218.7, 150.2 and 65.2 respectively. The S&P 500 Index currently stands at 103.2 as of Q2 2012, showing that most private equity fund types are outperforming this public index over the period shown. It is important, however, to view these returns in context, as private equity is an illiquid asset class with capital locked up over a long period of time and is considered to carry a higher risk than traditional asset classes.



Prequin Private Equity Performance Analyst

Performance Analyst is the most comprehensive, detailed source of private equity performance data available today. Prequin's team of analysts collect and monitor data from a number of different sources, including from GPs themselves, in order to provide the most comprehensive private equity performance data available.

All of our performance data conforms to the same standardized metrics, with all data representing net-to-LP returns. We currently hold transparent net-to-LP performance data for over 6,100 private equity funds of all types and geographic focus. In terms of aggregate value, this represents around 70% of all capital ever raised.

This high level of coverage enables us to produce the most meaningful benchmarking and comparative tools available in the industry.

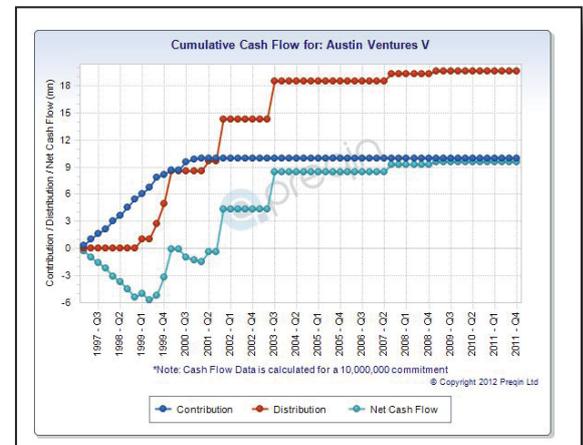
Key features of this powerful database include:

- View performance data online: for private equity funds worldwide. Compare individual funds against each other and the appropriate benchmarks.
- Compare funds of all types: venture, buyout, mezzanine, distressed, special situations, real estate, natural resources, fund of funds, secondary.
- Assess key performance data for each fund: size, vintage, type, called-up, distributed, unrealised value, multiple, IRR.
- View historic performance for over 36,000 data points to assess how performance data has changed overtime (Premium access required).
- Keep current with developments: with monthly updates you always have access to the latest data.
- View cash flow graphs for over 2,100 funds: assess how quickly funds have called and distributed capital and what their net cash flow position is.
- Select, compare and analyze funds according to your criteria: by type, size, vintage year etc.
- Assess each firm's long-term track record: quartile performance over several fund generations.
- Median, pool, weighted and average Benchmarks: view fully transparent market benchmarks by fund type and region focus. Benchmarks data is available for called-up, distribution, value and top, median and bottom quartile IRRs and multiples. View details of constituent funds behind the benchmarks.
- Top performing GPs: view a list of firms that have consistently had funds ranked in the 1st and 2nd quartiles.
- Unlimited Excel downloads for further analysis (Premium access required).
- Create a tailored peer group of funds for comparative purposes.

Performance Analyst - Market Benchmarks

US / Venture (Median) - 30 September, 2009

Year	Median Fund	Multiple	IRR	Value	Called	Distributed	Rem. Value	Multiple	Net IRR
2002	13	1.1	0.0	24.5	0.00	0.00	0.00	0.70	100%
2003	29	23.2	9.0	25.2	0.00	0.00	0.00	0.70	100%
2004	40	25.8	5.0	47.1	1.04	0.00	0.00	0.8	10.0
2005	25	12.0	0.0	30.0	1.14	1.00	0.00	1.22	0.2
2006	17	12.0	21.0	25.2	1.26	1.27	0.00	1.02	0.0
2007	23	66.0	20.4	79.0	1.30	1.32	0.00	0.0	0.0
2008	45	100.0	30.0	100.0	1.30	1.30	0.00	0.0	0.0
2009	65	140.0	40.0	140.0	1.30	1.30	0.00	0.0	0.0



Apollo Investment Fund V

Data | Cash Flow Charts | Historic Data | Portfolio Companies

Fund Details

Vintage	Type	Size (Mn)	Firm	As At:	Quartile:
2001	Buyout	3,742 USD	Apollo Global Management	30-Sep-2011	1 st

Industry Focus: Diversified
Location Focus: North America, US

Performance Overview

	Called (%)	Distributed (%) DPI	Rem. Value (%) RVPI	Multiple (X)	Net IRR (%)
Apollo Investment Fund V	92.7	223.9	40.1	2.64	38.1
Median Fund: 2001 / US / Buyout	95.7	171.9	28.6	1.89	24.4
Apollo Investment Fund V vs Median	-2.9	52.0	11.5	0.75	13.7

Performance Analyst (Standard)
USD 2,150 / EUR 1,550 / GBP 1,295

Performance Analyst (Premium)
USD 4,295 / EUR 3,075 / GBP 2,595

For a demo or to find out more about this product, please visit www.prequin.com

About Preqin

Preqin provides private equity information products and services to private equity firms, funds of funds, investors, placement agents, law firms, investment banks and advisors across the following main areas:

- Fund Performance
- Fundraising
- Investor Profiles
- Fund Terms
- Fund Manager Profiles
- Buyout Deals
- Employment and Compensation

Our customers can access this market intelligence in three different ways:

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Preqin regularly releases research and information on fundraising and all other aspects of the private equity industry as both research reports, and as part of our monthly Spotlight newsletter. To register to receive more research and analysis, please visit www.preqin.com/research

If you have any comments on this report, please contact:
info@preqin.com

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New York:

One Grand Central Place
60 E 42nd Street
Suite 2544
New York
NY 10165

Tel: +1 212 350 0100
Fax: +1 440 445 9595

London:

Equitable House
47 King William Street
London
EC4R 9AF

Tel: +44 (0)20 7645 8888
Fax: +44 (0)87 0330 5892

Singapore:

One Finlayson Green
#11-02
Singapore 049246

Tel: +65 6305 2200
Fax: +65 6491 5365

Silicon Valley:

303 Twin Dolphin Drive Suite
600
Redwood City
CA 94065

Tel: +1 650 632 4345
Fax: +1 440 445 9595

Email: info@preqin.com
Web: www.preqin.com