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CAMBRIDGE ASSOCIATES LLC

AVCAL

The AUSTRALIAN PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION Limited

Media release

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Australian private equity outperformed S&P/ASX 300 Index by 10% for the 12 months to Q2 2012

Boston, MA, and Sydney, Australia

The Cambridge Associates LLC Australia Private Equity and Venture Capital Index (C|A Australia Index) rose by 2.95% (net of fees) in the twelve months leading to 30 June 2012, according to the latest quarterly report released by The Australian Private Equity and Venture Capital Association Ltd (AVCAL) today.

The C|A Australia Index outperformed the S&P/ASX 300 Accumulation Index (ASX 300) by 10% over the same period.

For the quarter ending 30 June 2012, the C|A Australia Index dipped by 0.28%, breaking five consecutive quarters of positive returns. Nevertheless, this was still 4.74% in excess of the ASX 300 Index's return of -5.02%.

The C|A Australia Index's medium to long term results remained steady, with annualised returns of 9.08%, 1.76% and 6.60% over the 3-, 5- and 10-year horizons respectively. In contrast, the ASX 300's returns fluctuated between 5.56%, -4.15% and 6.94% over the corresponding horizons.

In the twelve months leading to 30 June 2012, a total of AU$2.3B was distributed back to LPs while $1.6B was drawn down. Over this period, distributions peaked in Q4 2011, followed by a deceleration in Q1 2012, before picking up again in Q2 2012.

Australian Private Equity & Venture Capital Association (AVCAL) CEO Dr Katherine Woodthorpe said, "We are really pleased to see how the numbers demonstrate the stable, long term value generated by private equity in their investors' portfolios."

"And, contrary to the idea that private equity performance numbers were artificially stabilised during the global financial crisis by 'stale' prices carried forward in private equity portfolios, we now have several years' worth of post-crisis exits data, and it can be seen that private equity returns as a whole have consistently done well over the years compared to listed markets on a net cash-on-cash basis."

Eugene Snyman, Managing Director at Cambridge Associates' office in Sydney, Australia, said: "Following the slight decrease in distributions to LPs in the first quarter of 2012, the increase in Q2 will likely come as good news to investors. That said, this minor volatility in distributions is not a concern as Australian private equity continues to deliver steady long-term value."

The report is published on the AVCAL website www.avcal.com.au.

Cambridge Associates LLC Australia/AVCAL Index Returns for the period ending 30 June 2012

Index (A$)	1-Quarter	YTD	1-Year	3-Year	5-Year	10-Year
Cambridge Associates LLC Australia Private Equity & Venture Capital Index (A$)[1]	**(0.28)**	**1.23**	**2.95**	**9.08**	**1.76**	**6.60**
Cambridge Associates LLC Australia Private Equity & Venture Capital Index (US$)[1]	**(1.32)**	**1.12**	**(1.91)**	**17.71**	**6.29**	**12.31**
S&P/ASX 300 Index	(5.02)	3.13	(7.01)	5.56	(4.15)	6.94
S&P/ASX Small Ordinaries Index	(15.30)	(2.61)	(14.61)	3.39	(8.89)	6.67
UBS Australia Bank Bill Index	1.05	2.18	4.69	4.52	5.27	5.44
UBS Australian Composite Bond Index	4.57	5.39	12.41	8.57	8.17	6.79

The Cambridge Associates LLC indices are an end-to-end calculation based on data compiled from 57 Australia private equity and 22 Australia venture capital funds, including fully liquidated partnerships, formed between 1997 and 2012.

[1] Pooled end-to-end return, net of fees, expenses, and carried interest.

Sources: Cambridge Associates LLC, Bloomberg L.P., Standard & Poor's, Thomson Reuters Datastream, UBS AG and UBS Global Asset Management.

About Cambridge Associates

Founded in 1973, Cambridge Associates is a provider of independent investment advice and research to institutional investors and private clients worldwide. Today the firm serves over 900 global investors and delivers a range of services, including investment consulting, outsourced portfolio solutions, research services and tools (Research Navigator℠ and Benchmark Calculator), and performance monitoring, across all asset classes. The firm compiles the performance results for over 5,000 private partnerships and their more than 65,000 portfolio company investments to publish its proprietary private investments benchmarks, of which the *Cambridge Associates LLC U.S. Venture Capital Index*® and *Cambridge Associates LLC U.S. Private Equity Index*® are widely considered to be among the standard benchmark statistics for these asset classes. Cambridge Associates has more than 1,000 employees serving its client base globally and maintains offices in Arlington, VA; Boston; Dallas; Menlo Park, CA; London; Singapore; Sydney; and Beijing. Cambridge Associates consists of five global investment

consulting affiliates that are all under common ownership and control. For more information about Cambridge Associates, please visit www.cambridgeassociates.com.

About AVCAL

AVCAL is the voice of venture capital (VC) and private equity (PE) in Australia. Our membership includes 54 domestic and international VC and PE managers active in Australia as well as pension/super funds, service providers and other stakeholders. AVCAL is active in communicating, researching and advocating the significant contribution that VC and PE makes to the broader Australian economy. Australian VC and PE firms manage over $29bn in funds under management. They provide capital and expertise to companies in a range of business life-cycles: start-ups, SMEs and large organisations. AVCAL VC and PE members focus on enhancing innovation, productivity, entrepreneurial activity and sustainability in the companies they invest in. Australian VC and PE firms back more than 500 companies which employ over 100,000 full-time equivalent jobs. Since records began in the late 1990s, the industry has distributed around A$16 billion to its limited partner investors which include pension/super funds, institutions and governments.
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