



Media release

14 June 2011

Australia Private Equity and Venture Capital Generated Attractive Returns for the Year Ended December 31, 2010

Boston, MA, and Sydney, Australia

Australian private equity and venture capital continued to generate attractive returns over one-, three- and five-year periods as of the year ended December 31, 2010, when compared with the S&P/ASX 300 Index.

Performance for the same periods was mixed when compared with the S&P/ASX Small Ordinaries Index, which performed stronger over the one-year period, according to the Cambridge Associates LLC Australia Private Equity and Venture Capital Index.

“Despite its relative underperformance during the fourth quarter of 2010, the Index performed favourably over the medium- to longer-term, when compared against the domestic public market and domestic bond market indices,” said Eugene Snyman, Managing Director at Cambridge Associates’ office in Sydney, Australia.

The Australian Private Equity and Venture capital Association (AVCAL) CEO Dr. Katherine Woodthorpe said: “Australian PE has consistently outperformed over the one- to five-year horizons, since the second quarter of 2010, when the Index commenced, to this most recent report.

“It is also encouraging to see that funds raised in 2008, during the height of the global financial crisis, are already reporting strong interim performance numbers. However, it remains to be seen how the evolving economic and regulatory climate will impact fundraising, investment and divestment activity going forward.”

This is the third quarterly report from the Index, which is a result of a strategic partnership between AVCAL and Cambridge Associates, global provider of independent research and investment consulting services.

The response rate from Australian private equity and venture capital managers providing their financial fund data to the benchmark continues to grow, as reflected by the almost 10% increase in



the number of funds in the benchmark from the prior quarter, bringing the total number of funds reporting their data to 58.

**Cambridge Associates LLC Australia Private Equity & Venture Capital Index Returns
for the Period ending
December 31, 2010**

Index (A\$)	<u>1-</u> <u>Quarter</u>	<u>1-</u> <u>Year</u>	<u>3-</u> <u>Years</u>	<u>5-</u> <u>Years</u>	<u>10-</u> <u>Years</u>
Cambridge Associates LLC Australia Private Equity & Venture Capital Index (A\$) ¹	(1.2)	7.3	0.6	5.7	8.3
S&P/ASX 300 Index	4.7	1.9	(5.0)	4.4	8.5
UBS Australian Composite Bond Index	(0.2)	6.0	7.4	5.8	5.9
UBS Australia Bank Bill Index	1.2	4.7	5.2	5.7	5.5
S&P/ASX Small Ordinaries Index	11.2	13.1	(5.9)	5.5	9.3

The Cambridge Associates LLC Australia Private Equity & Venture Capital index is an end-to-end calculation based on data compiled from 41 Australia private equity and 17 Australia venture capital funds, including fully liquidated partnerships, formed between 1997 and 2010.

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

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

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About Cambridge Associates

Founded in 1973, **Cambridge Associates** delivers investment consulting, independent research, and performance reporting services, and outsourced portfolio solutions to over 900 institutional investors and private clients worldwide. Cambridge Associates has advised its clients on alternative



assets since the 1970s and today serves its clients with more than 180 professionals dedicated to consulting, research, operational due diligence and performance reporting on these asset classes. For more information about Cambridge Associates, please visit www.cambridgeassociates.com.

About AVCAL

The Australian Private Equity & Venture Capital Association Limited (“AVCAL”) is a national association which represents the private equity (“PE”) and venture capital (“VC”) industries. AVCAL's members comprise most of the active private equity and venture capital firms in Australia. These firms provide capital for early stage companies, later stage expansion capital, and capital for management buyouts of established companies. www.avcal.com.au.

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