



ASSOCIATION FRANÇAISE
DES INVESTISSEURS
POUR LA CROISSANCE



NET RETURNS OF FRENCH PRIVATE EQUITY FUNDS AT YEAR-END 2014

June 25, 2015

MAIN LESSONS - Key figures in 2014

Following 2014, a year of declining interest rates and renewed volatility in financial markets,

The CAC 40 dropped 0.5% during the year and experienced strong volatility (17%) in the second half

Oil prices plummeted (North Sea Brent Crude) down 44% over the year to levels unseen since 2009

Overall average hedge fund performance estimated at 4.1% over the year and 5.8% over 10 years

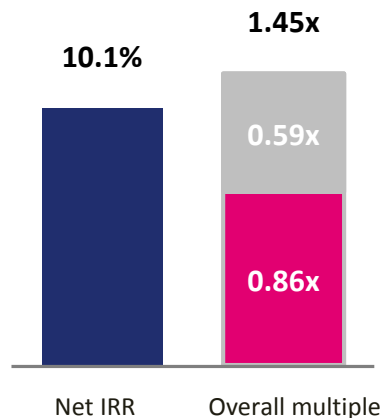
Source: Les Echos

Source: Insee

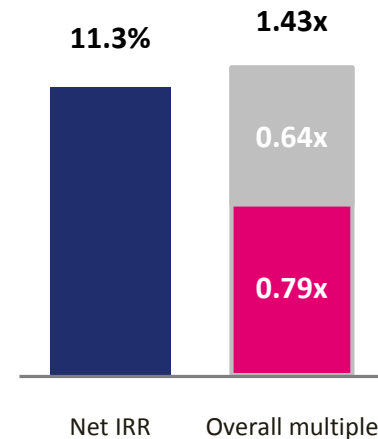
Source: Crédit Suisse

the long-term net return of French private equity is both stable and rising.

Net IRR and multiple
from inception to end 2014



Ten-year net IRR and multiple
from end 2004 to end 2014



0.0x Distributions multiple (DPI)

Residual multiple (RPVI)

Source: AFIC / EY

MAIN LESSONS - 2013/2014 year-on-year change

Long-term private equity net return measured at end 2014 came in at 10.1%, up 60bp in 2014.

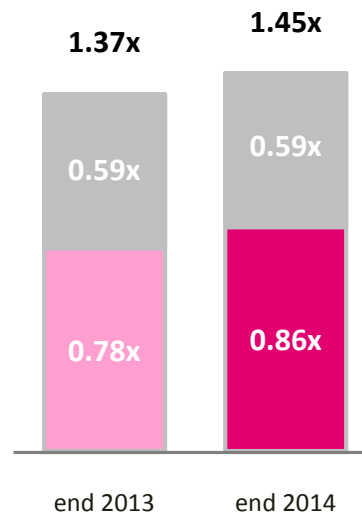
86% of capital called up from investors has already been redistributed.

Performance dispersion remains high at end 2014.

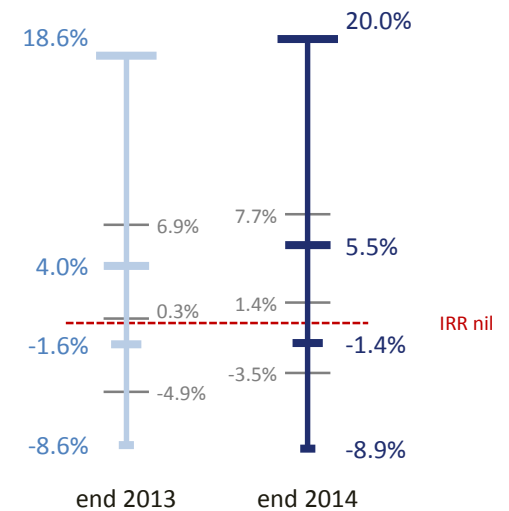
Net IRR from inception



Multiple from inception



Dispersion per quartile of net IRR from inception



0.0x Distributions multiple (DPI)

Residual multiple (RPVI)

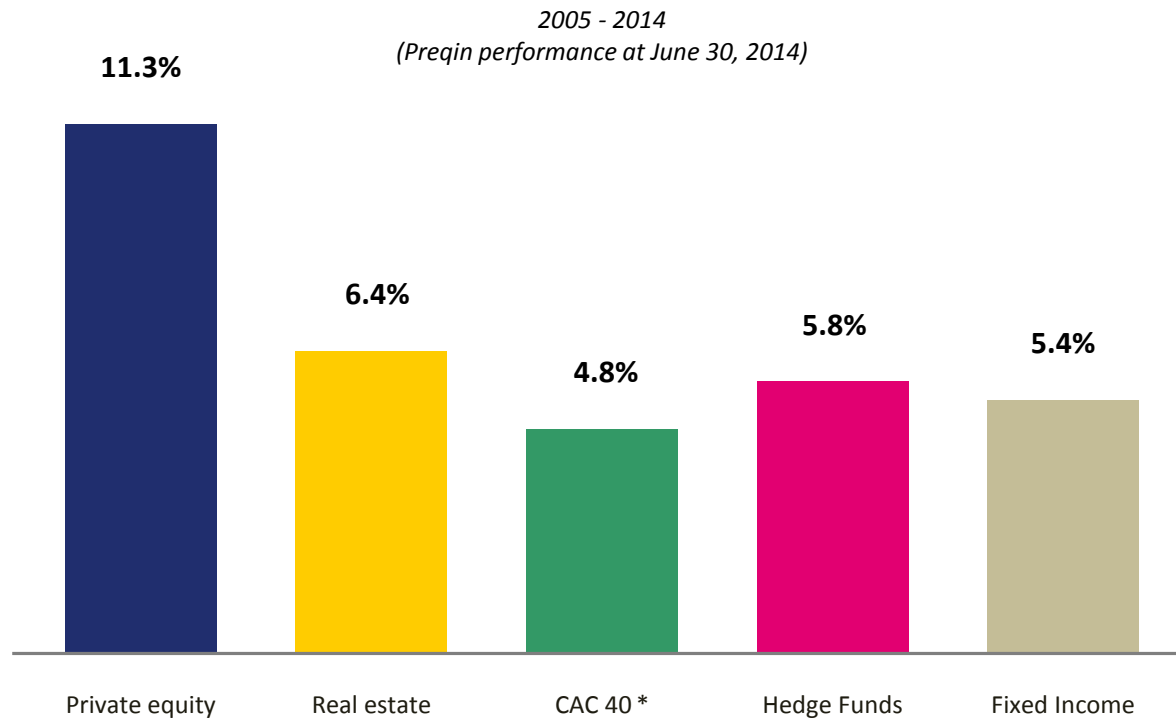
Source: AFIC / EY

COMPARISON TO OTHER ASSET CLASSES OVER 10 YEARS

French private equity has been outperforming French listed share markets and other asset classes over the long-term.

(Annualized average return over 10 years for CAC 40 indices with dividends reinvested, Credit Suisse Hedge Funds Index, immobilier Preqin, Fixed Income Preqin)

Annual average returns over 10 years - at end 2014

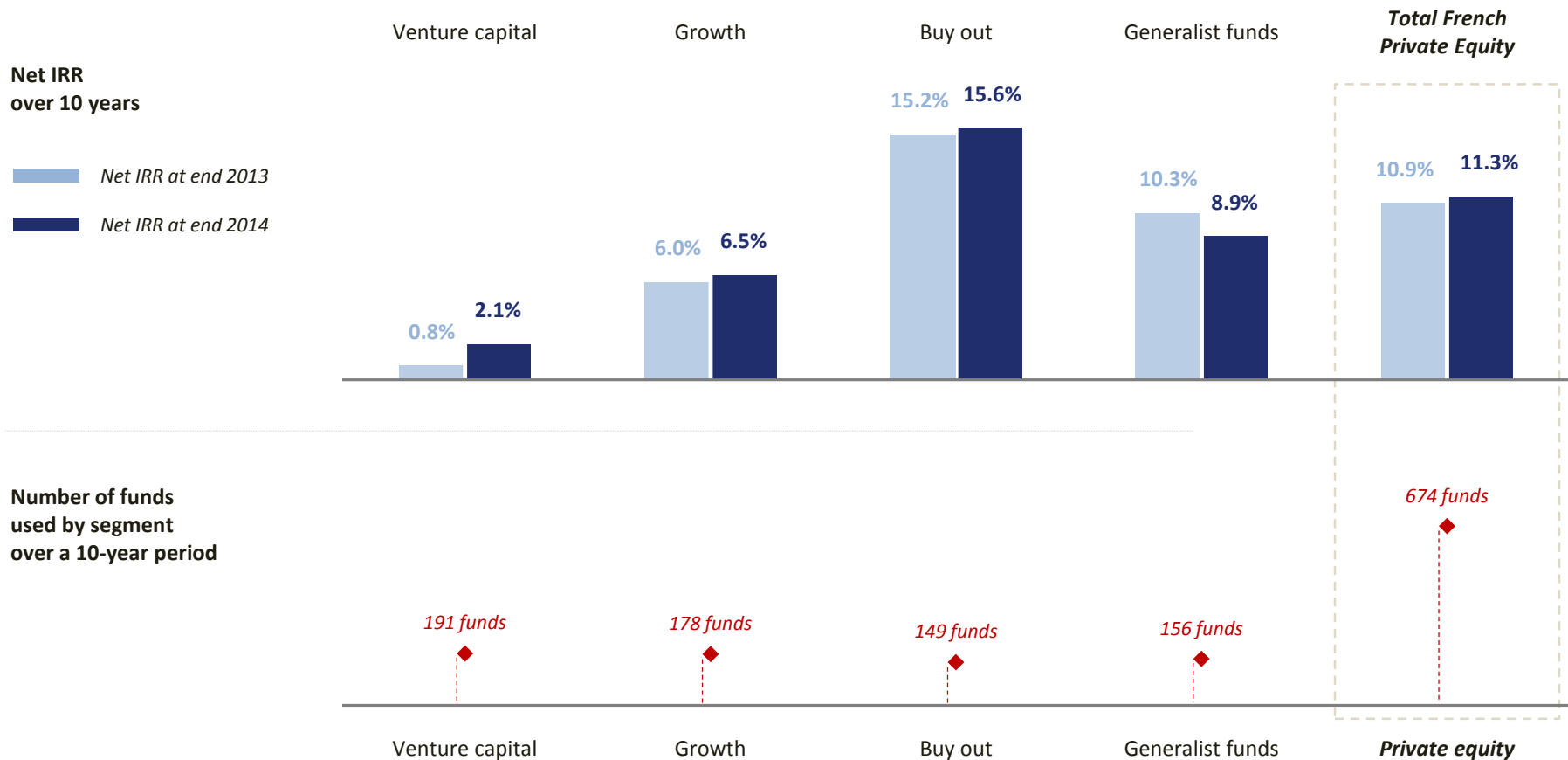


* Comparison performed using annual average returns for equity indices with dividends reinvested.

Sources: AFIC / EY - Preqin - Credit Suisse - Datastream Thomson Reuters

NET IRR OVER 10 YEARS BY SEGMENT

Returns remain stable over a 10-year horizon



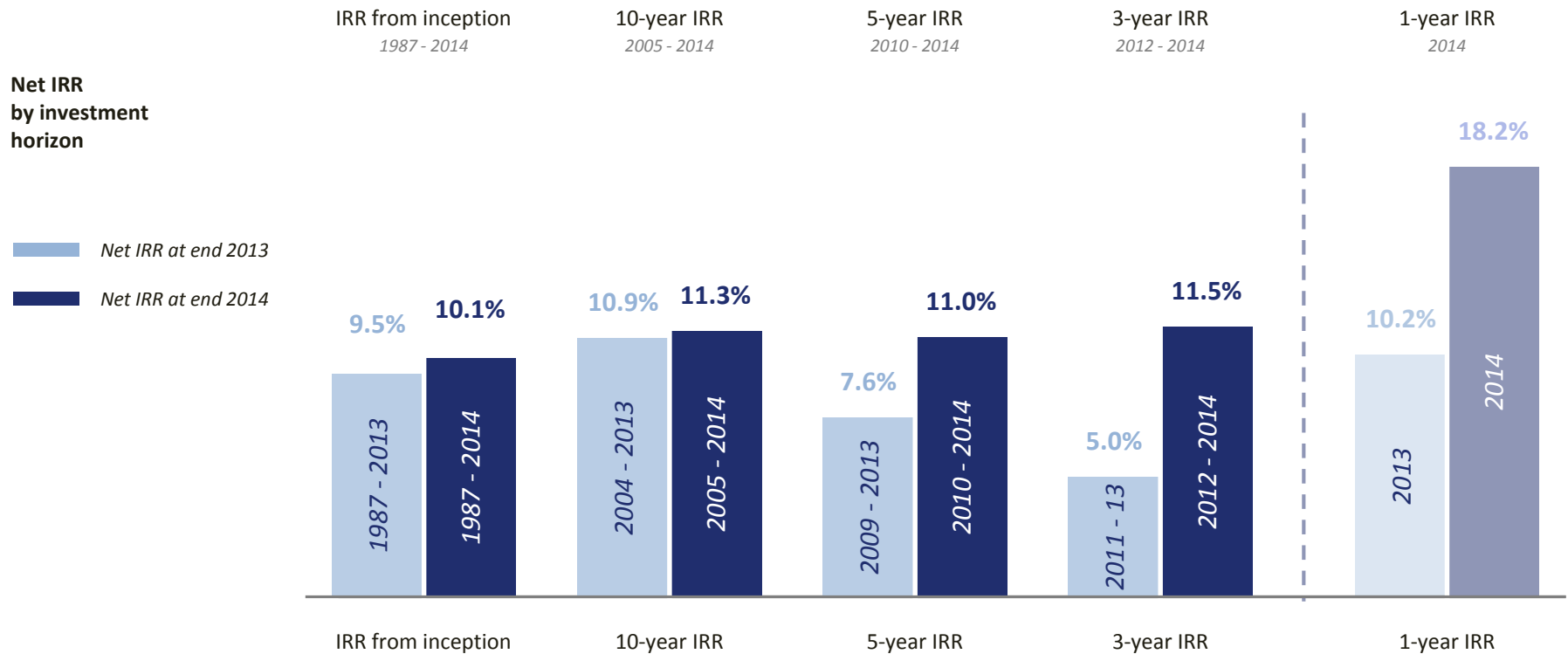
Source: AFIC / EY

NET IRR BY MAIN INVESTMENT HORIZON

The short-term performance at end-2014 corresponds to the portfolio revaluation powered by the solid dynamism of both market exits and equity indices.

The volatility of short-to-mid-term performance was much lower than for the listed equity markets.

Long-term net performance of private equity is stable, fixed at high levels.

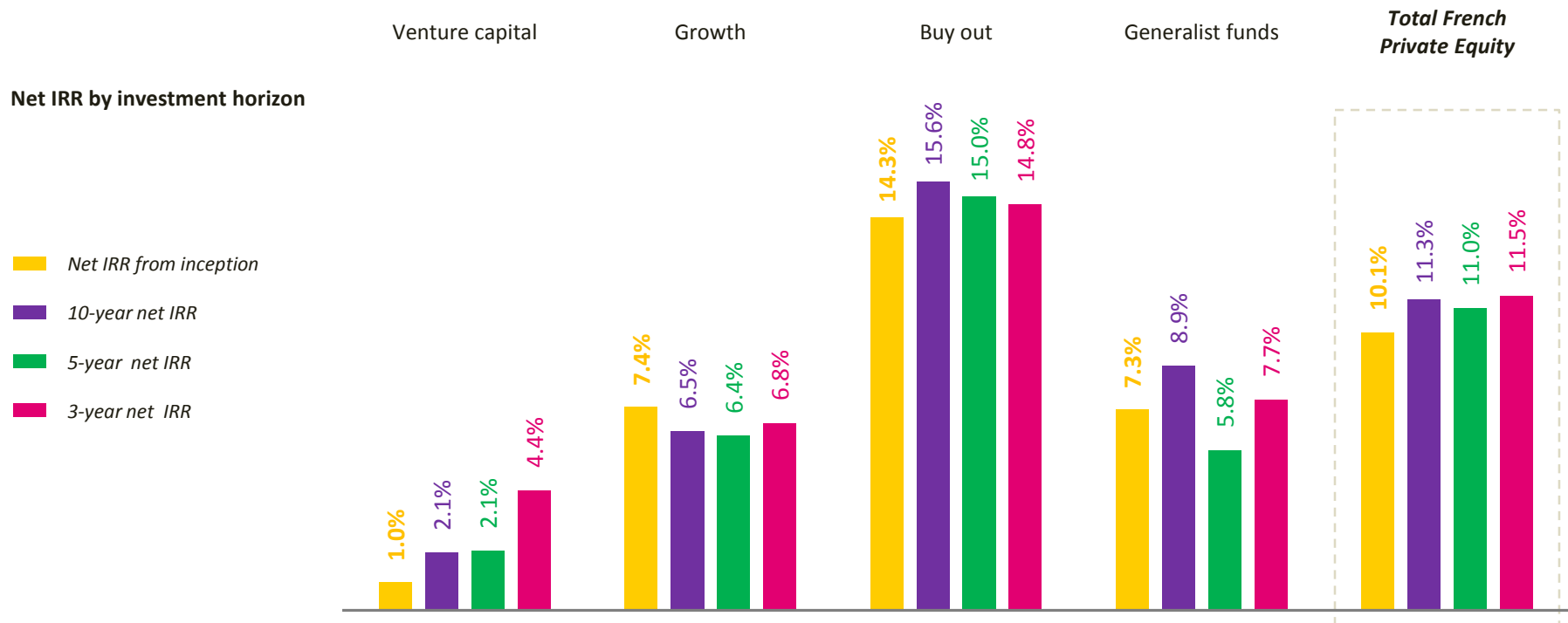


Source: AFIC / EY

NET IRR AT END 2014 - By segment and investment horizon

Buy out reports the best annual performance over a ten-year period.
 Venture capital performance is positive and up significantly in recent years.

Net IRR by investment horizon



Source: AFIC / EY