



Media Contacts:
Sara Firouzyar/Sarah Caddy
Gong Communications
+44 (0)20 7935 4800/ +44 (0)7766 021351
avca@gongcommunications.com

**NEW INDEX FOR AFRICAN PRIVATE EQUITY REVEALS 11%
ANNUALISED RETURN FOR 10 YEARS ENDING SEPTEMBER 2012**

*African private equity funds outperformed US venture capital over last decade,
discloses benchmark return data by Cambridge Associates and the African Venture
Capital Association*

LONDON, UK – Tuesday, 9 April, 2013 – A new index of institutional-quality private equity funds in Africa posted an 11.2% annualised return for the 10 years ending September 30, 2012¹.

This is the first quarterly report of the **Cambridge Associates LLC African Private Equity and Venture Capital Index**, a collaboration between the **African Venture Capital Association (AVCA)** and **Cambridge Associates**, the global investment advisor that maintains databases and tracks performance data of private investments around the world.

The data reveal that:

- African private equity funds outperformed U.S. venture capital and are roughly in line with the broad Cambridge Associates emerging markets private equity and venture capital index for the most recent 10-year period.
- For earlier 10-year periods – for instance, those ending in 2008 to 2010 – African private equity outperformed the 10-year emerging market benchmark.
- Except for the most recent periods, African private equity has performed in line with or ahead of Asian and Latin American private equity.
- Over 40% of the funds in the African Private Equity and Venture Capital Index beat the broad emerging markets median fund for their vintage year.

¹ This figure is an "end-to-end" or "horizon" return, representing an annualised return over the 10 years. It is calculated using the internal rate of return (IRR) function that is commonly used for private investments, but using the total Net Asset Value (NAV) of existing African PE investments as of the starting date as the initial cash inflow, and the final NAV as the terminal value. All the intervening quarterly cash inflows and outflows, plus the two NAVs, are then used to calculate the IRR.

Further notes on the methodology can be found on the Cambridge Associates website in the proprietary indices section where you can find reports for US VC or PE. Each report contains notes that describe the various methodologies.

- The strongest performing sectors within the private equity funds in the African index were IT/telecom, industrial, manufacturing and consumer. Other than the consumer sector, all of these have outperformed their other emerging market peers.
- African funds from the older, more mature vintage years (1996 to 1998 and 2002 to 2004) have outperformed African, emerging markets, and developed markets stocks on a Public Market Equivalent (PME) basis.
- African funds from the 2005 to 2007 vintages are trailing African and emerging markets stocks to date, but are slightly ahead of developed markets stocks on a PME basis.
- Many of the funds in the African benchmark remain early in their lifecycle and are largely unrealised, making comparisons to public markets for more recent vintages less meaningful for now.
- A much smaller proportion of African funds are showing a partial or total loss than U.S. venture capital over the vintage years 1995 to 2008.

The African Private Equity and Venture Capital Index comprises 40 institutional-quality private equity and venture capital funds based in Africa that invest third-party limited partner capital. The benchmark excludes captive funds, real estate funds and funds with open-ended structures. The total fund capitalisation is US\$7.3 billion, and the vintage years covered are 1995 to 2012. The 40 funds include investments in more than 350 companies headquartered in more than 25 African countries, as well as a small number of Africa-focused companies headquartered outside the continent. Cambridge gathers data by tapping verifiable data sourced directly from each fund's financial statements. Additional funds will continue to be added to the dataset over time.

“We are delighted to be working with AVCA to provide the first institutional-quality pan-African private equity performance benchmark. We believe it will go a long way to help limited partners assess and participate in private investment opportunities in Africa. Without systematic coverage of a broad group of funds – both ‘winners’ and ‘losers’ – it can be hard for limited partners to gauge the landscape and evaluate individual fund managers. We look forward to further expanding the dataset of private investment performance in Africa and reporting additional results as the industry continues to build its track record,” said Eric Johnson, Managing Director at Cambridge Associates.

Michelle Kathryn Essomé, CEO at AVCA added, “This launch marks a monumental moment for African private equity investment. For the first time, investors looking at the continent have a performance benchmark akin to those that well-established emerging markets have enjoyed for some time. We look forward to collaborating further with Cambridge Associates on this project.”

Providing additional industry viewpoint, Runa Alam, AVCA Chair and CEO and co-Founder of Development Partners International said: “The private equity business in



Africa has become established with institutionalized private equity firms, realised track records, and now more and more African institutions investing in African private equity. The fact that Cambridge Associates, a global thought leader in researching and presenting benchmarks, is able to present an Africa private equity benchmark illustrates this.”

David Wilton, Chief Investment Officer and Manager Global Private Equity at IFC added, "IFC welcomes the new African Private Equity and Venture Capital index, which is of high quality and joins the ranks of global private equity benchmarks. IFC works to catalyze private equity investments to help develop Africa's private sector. We expect the index to increase investor confidence, as it shows that returns from private equity in Africa are as attractive, if not more attractive than other regions.”

Kike Longe from ACA Group continued, “ACA is happy to have collaborated with AVCA and Cambridge Associates on the development of a much needed Africa-focused PE benchmark. We welcome the introduction of this pan-African performance benchmark, which we believe will go a long way in bridging the information gap in private equity returns in Africa. We are committed to supporting AVCA and Cambridge Associates in the effort to collate and disseminate reliable data on private equity and venture capital in Africa and look forward to future publications.”

The AVCA and Cambridge Associates will issue quarterly performance data, comparing the African returns to other market indices. Returns data are aggregated to protect the confidentiality of individual funds and their underlying portfolio investments.

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Notes for Editors:

About the African Venture Capital Association (AVCA): Delivering African Excellence

At the African Venture Capital Association, our mission is to promote, develop and stimulate private equity and venture capital in Africa. Our members span a diverse range of private equity and venture capital firms, institutional investors, foundations and endowments, international development institutions, professional service firms and academic institutions.

Yet within this diversity, AVCA brings together a common purpose: a desire to be part of the African private equity and venture capital growth story. Key to achieving our mission is a focus on excellence. We promote the highest ethical standards in governance and transparency, and seek to enhance the industry’s professionalism through the provision of training to our members.



Our regular networking events offer further, unrivalled opportunities for members to share best practice, exchange ideas and uncover new opportunities. In addition, we gather and initiate ground-breaking intelligence and thought leadership on the industry.

Our organisation is focused on the African market with a team drawn from a range of backgrounds that reflect the continent's diversity. Together with a network of experts and collaborators across Africa and beyond, we represent the voice of the industry in discussions with governments, regulators, lawmakers and the media.

AVCA – delivering African excellence today for a larger, stronger private equity and venture capital industry of tomorrow.

For more information, see: www.avcanet.com

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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 (through C|A Capital Management), research services and tools (Research Navigatorsm and Benchmark Calculator), and performance monitoring, across asset classes. Cambridge Associates has more than 1,000 employees based in eight global 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.