

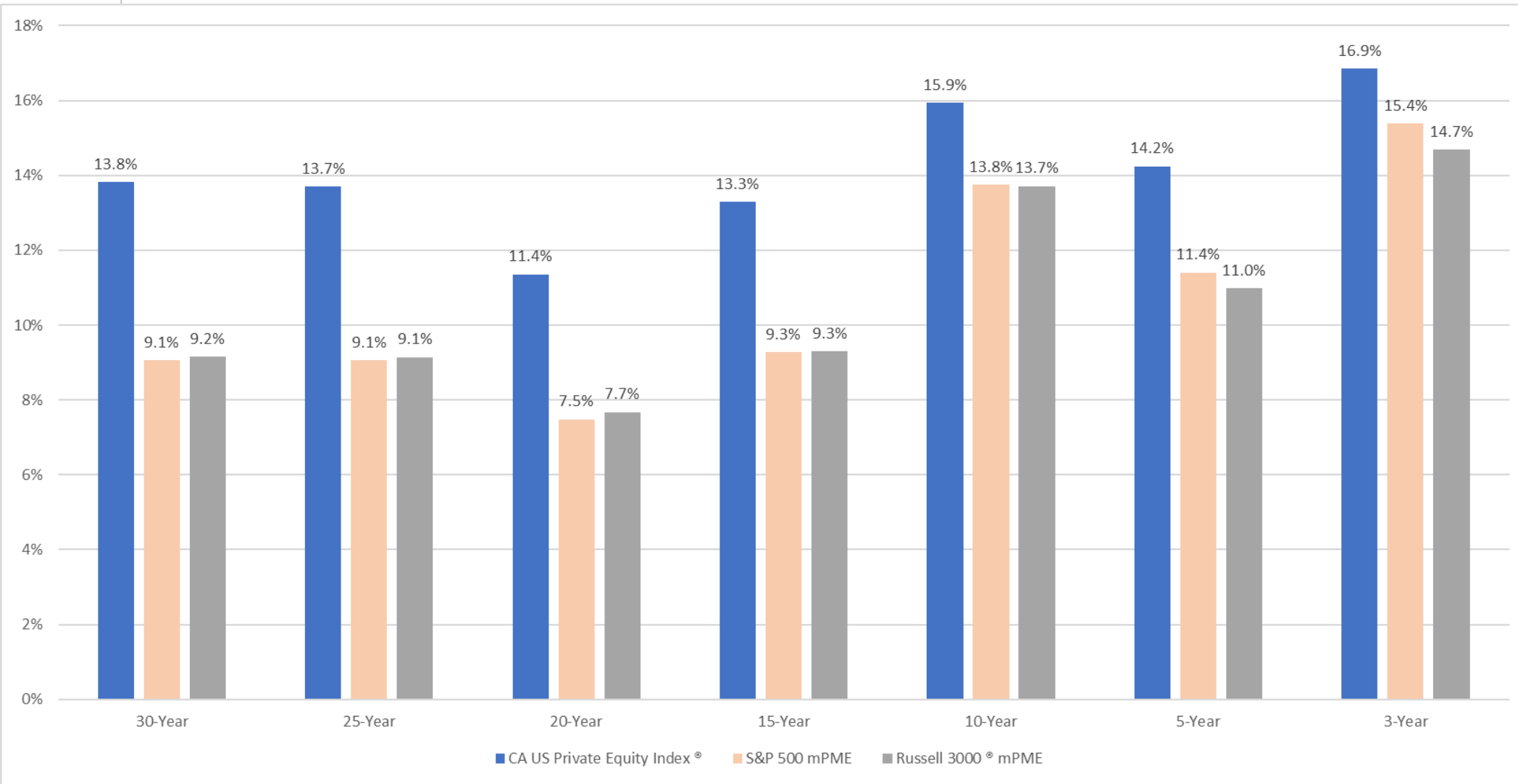
PRIVATE INVESTMENTS

AMAC PRIVATE INVESTMENTS SUBCOMMITTEE



US Private Equity returns vs. public market returns

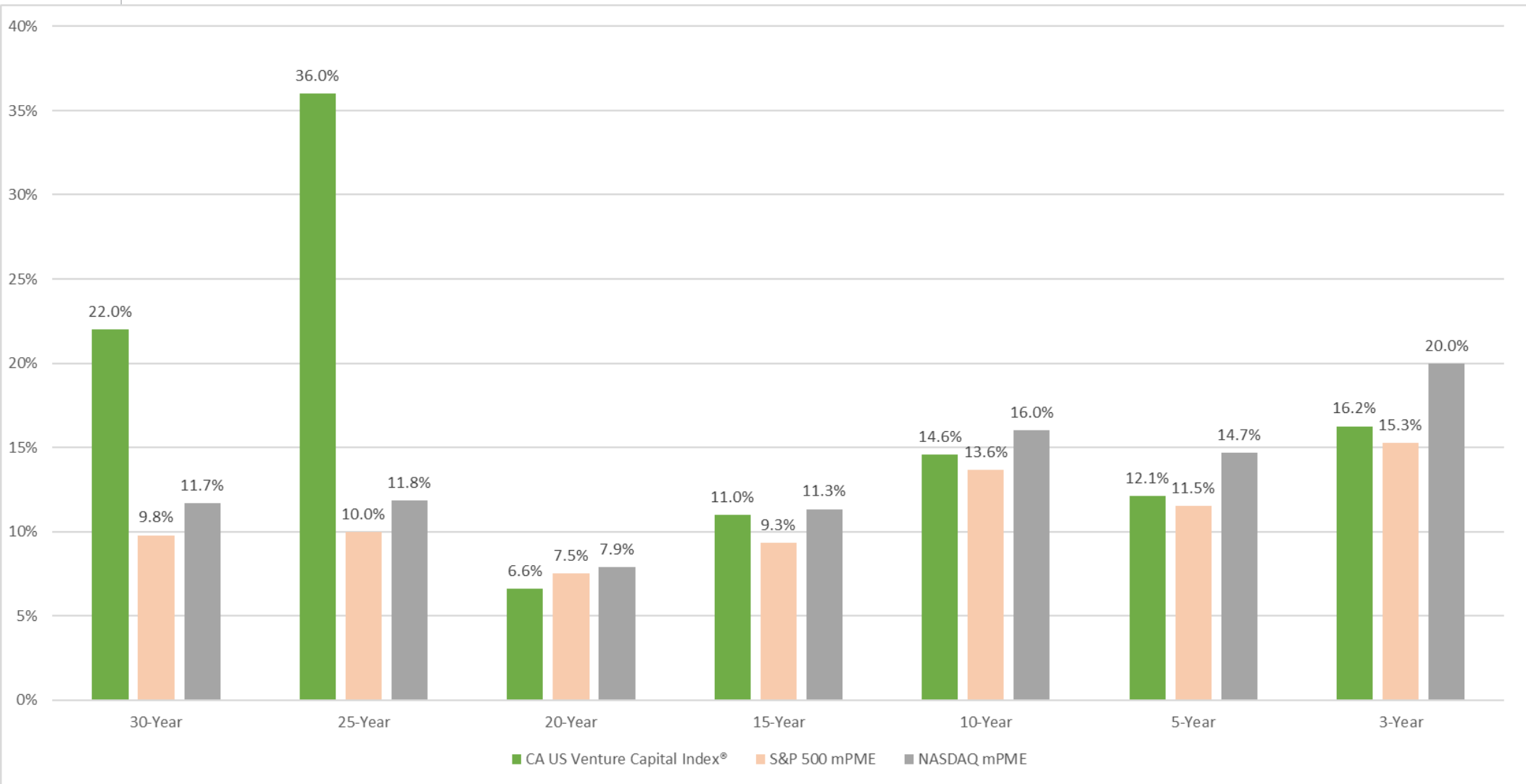
US PRIVATE EQUITY: INTERNAL RATES OF RETURN AND MPME PUBLIC MARKET EQUIVALENTS
As of December 31, 2019



Sources: Cambridge Associates LLC, Frank Russell Company, Standard & Poor's and Thomson Reuters Datastream.
Notes: Pooled private investment periodic returns are net of fees, expenses and carried interest. Private equity includes buyouts and growth equity. Multi-year annualized returns are generated for time periods ending December 31, 2019 using Data Mode 2020 Q1.

US Venture Capital returns vs. public market returns

US VENTURE CAPITAL: INTERNAL RATES OF RETURN AND MPME PUBLIC MARKET EQUIVALENTS
As of December 31, 2019

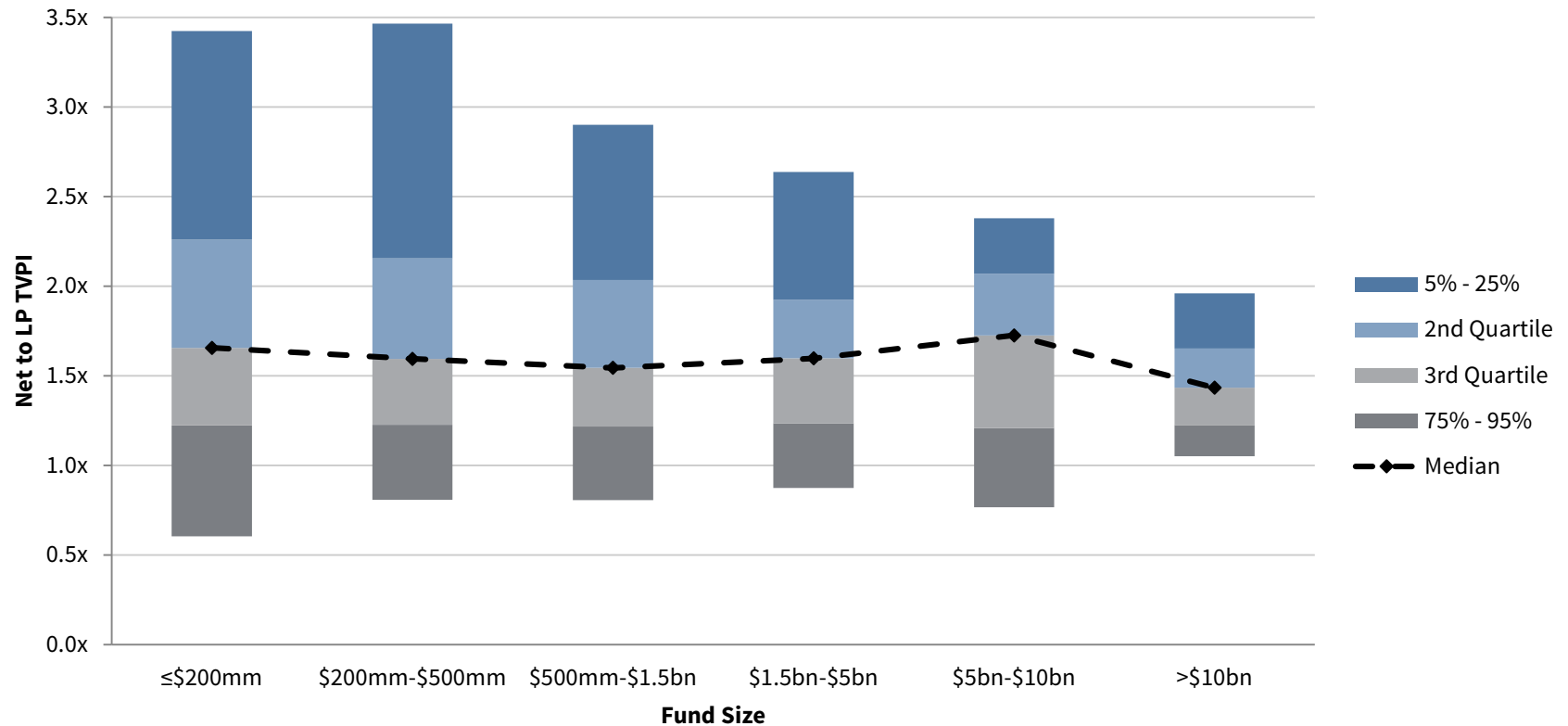


Sources: Cambridge Associates LLC Private Investments Database, Frank Russell Company, Standard & Poor's and Thomson Reuters Datastream.
Notes: Pooled private investment periodic returns are net of fees, expenses, and carried interest. Multi-year annualized returns are generated for time periods ending December 31, 2019 using Data Mode 2020 Q1.

Private equity returns and risks vary by strategy and fund size

US PRIVATE EQUITY (VINTAGE YEARS 1986-2017): TVPI

As of March 31, 2020

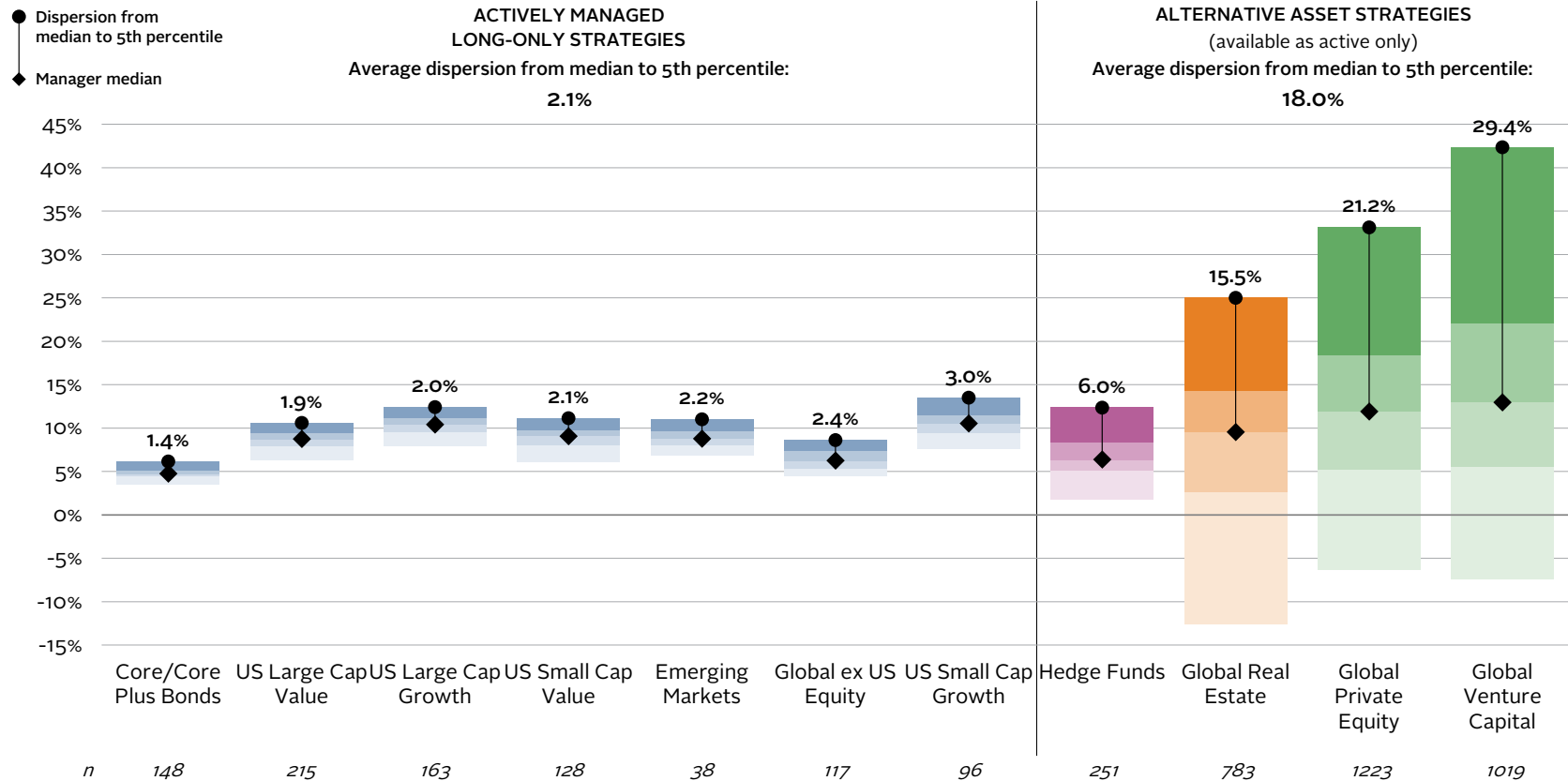


	≤\$200mm	\$200mm-\$500mm	\$500mm-\$1.5bn	\$1.5bn-\$5bn	\$5bn-\$10bn	>\$10bn
N	263	296	341	170	31	23
5%	3.4X	3.5X	2.9X	2.6X	2.4X	2.0X
25%	2.3X	2.2X	2.0X	1.9X	2.1X	1.7X
MEDIAN	1.7X	1.6X	1.5X	1.6X	1.7X	1.4X
75%	1.2X	1.2X	1.2X	1.2X	1.2X	1.2X
95%	0.6X	0.8X	0.8X	0.9X	0.8X	1.1X

Return dispersion in alternative assets illustrates the opportunity . . . Selection is important

AVERAGE ANNUAL MANAGER RETURNS BY ASSET CLASS

January 1, 2005–December 31, 2019



Source: Cambridge Associates LLC. Copyright © 2020 by Cambridge Associates LLC. All rights reserved.

Notes: Returns for bond, equity, and hedge fund managers are average annual compound returns (AACRs) for the fifteen years ended December 31, 2019, and only managers with performance available for the entire period are included. Returns for private investment managers are horizon internal rates of return (IRR) calculated since inception to December 31, 2019. Time-weighted returns (AACRs) and money-weighted returns (IRRs) are not directly comparable. Cambridge Associates LLC's (CA) bond, equity, and hedge fund manager universe statistics are derived from CA's proprietary Investment Manager Database. Managers that do not report in US dollars, exclude cash reserves from reported total returns, or have less than \$50 million in product assets are excluded. Performance of bond and public equity managers is generally reported gross of investment management fees. Hedge fund managers generally report performance net of investment management fees and performance fees. CA derives its private benchmarks from the financial information contained in its proprietary database of private investment funds. The pooled returns represent the net end-to-end rates of return calculated on the aggregate of all cash flows and market values as reported to Cambridge Associates by the funds' general partners in their quarterly and annual audited financial reports. These returns are net of management fees, expenses, and performance fees that take the form of a carried interest. Vintage years include 2005–2016.

Correlations also vary by fund strategy and size, providing more diversification at lower end

CORRELATION TO RESPECTIVE PUBLIC MARKET MPMES: GLOBAL BUYOUTS

As of September 30, 2018

	S&P 500	Russell 2000	Russell 2500	Russell Midcap	MSCI ACWI
Global Mega Cap PE Funds	0.61	0.59	0.61	0.63	0.62
Global Large Cap PE Funds	0.59	0.54	0.57	0.58	0.60
Global Mid Cap PE Funds	0.27	0.17	0.20	0.23	0.28
Global Small Cap PE Funds	0.44	0.38	0.41	0.44	0.53

CORRELATION TO RESPECTIVE PUBLIC MARKET MPMES: US BUYOUTS

As of September 30, 2018

	S&P 500	Russell 2000	Russell 2500	Russell Midcap	MSCI ACWI
US Mega Cap PE Funds	0.62	0.61	0.64	0.65	0.62
US Large Cap PE Funds	0.59	0.56	0.59	0.59	0.57
US Mid Cap PE Funds	0.42	0.35	0.37	0.38	0.43
US Small Cap PE Funds	0.38	0.36	0.37	0.36	0.41

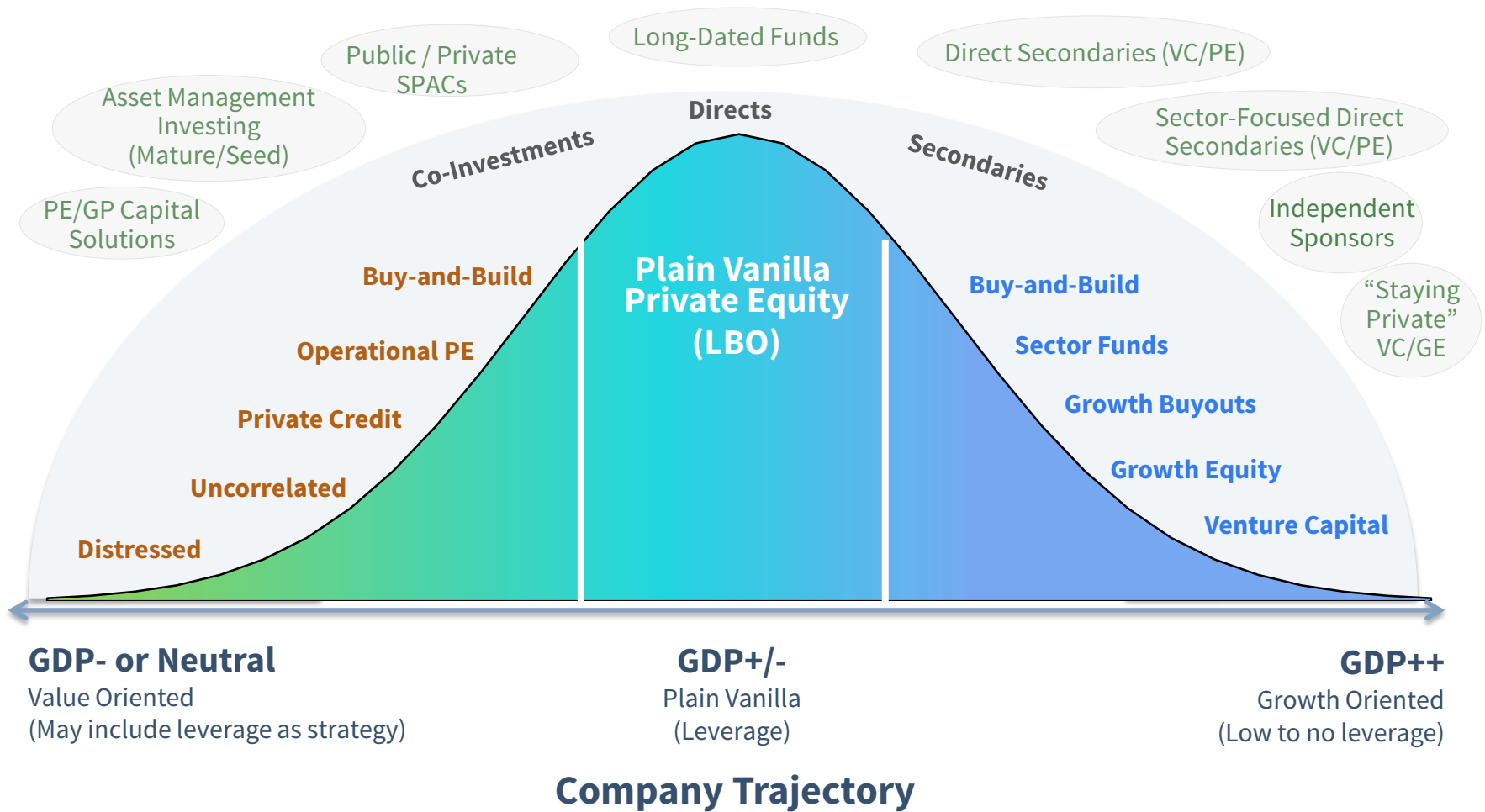
Source: Cambridge Associates LLC Private Investments Database. Copyright © 2020 by Cambridge Associates LLC. All rights reserved.

Notes: Data as of September 30, 2018. Vintage years included are 1995–2015 for Mega Cap and 1988–2015 for Large, Mid, and Small Cap. By Cambridge benchmark definitions, Mega funds don't date back further than 1995. Funds raised after 2015 are considered to young to have produced meaningful results. Data shows the correlation between the return of each sub grouping and the return of respective public mPME. Mega is defined as >\$10B from 2006–2015, >\$3.5B from 2000–2005, and >\$1B 1995–1999. Large is defined as \$1B to \$10B from 2006–2015, \$1B to \$3.5B from 2000–2005, \$750M to \$1B from 1997–1999, \$500M to \$1B from 1995–1996, >\$500M from 1993–1994, and >\$300M from 1988–1992. Mid is defined as \$350M to \$1B from 2000–2015, \$250M to \$750M from 1997–1999, \$200M to \$500M from 1995–1996, \$100M to \$500M from 1993–1994, and \$100M to \$300M from 1988–1992. Small is defined as <\$350M from 2000–2015, <\$250M from 1997–1998, <\$200M from 1995–1996, and <\$100M from 1988–1994.

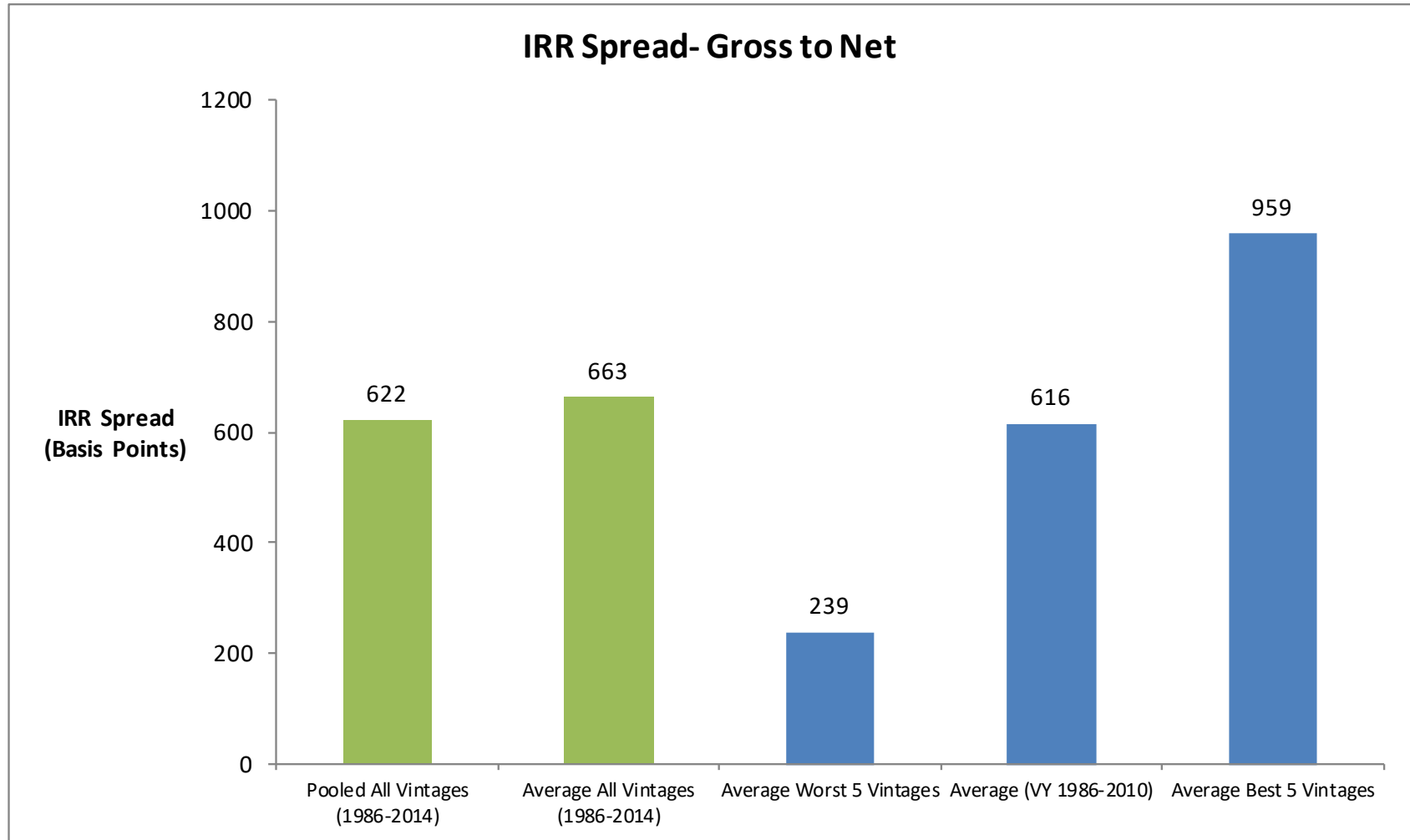
It's not just LBOs — The investable universe is expanding in all directions

PRIVATE INVESTMENTS 2.0 (2005–PRESENT)

Capital Concentration Estimation – for illustration purposes only



Private Equity is an expensive form of capital – GPs extract a lot of the value





Copyright © 2020 by Cambridge Associates LLC. All rights reserved.

This report may not be displayed, reproduced, distributed, transmitted, or used to create derivative works in any form, in whole or in portion, by any means, without written permission from Cambridge Associates LLC (“CA”). Copying of this publication is a violation of US and global copyright laws (e.g., 17 U.S.C. 101 et seq.). Violators of this copyright may be subject to liability for substantial monetary damages.

This report is provided for informational purposes only. The information does not represent investment advice or recommendations, nor does it constitute an offer to sell or a solicitation of an offer to buy any securities. Any references to specific investments are for illustrative purposes only. The information herein does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Information in this report or on which the information is based may be based on publicly available data. CA considers such data reliable but does not represent it as accurate, complete, or independently verified, and it should not be relied on as such. Nothing contained in this report should be construed as the provision of tax, accounting, or legal advice. Past performance is not indicative of future performance. Broad-based securities indexes are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Any information or opinions provided in this report are as of the date of the report, and CA is under no obligation to update the information or communicate that any updates have been made. Information contained herein may have been provided by third parties, including investment firms providing information on returns and assets under management, and may not have been independently verified.

The terms "CA" or "Cambridge Associates" may refer to any one or more CA entity including: Cambridge Associates, LLC (a registered investment adviser with the US Securities and Exchange Commission, a Commodity Trading Adviser registered with the US Commodity Futures Trading Commission and National Futures Association, and a Massachusetts limited liability company with offices in Arlington, VA; Boston, MA; Dallas, TX; Menlo Park, CA, New York, NY; and San Francisco, CA), Cambridge Associates Limited (a registered limited company in England and Wales, No. 06135829, that is authorised and regulated by the UK Financial Conduct Authority in the conduct of Investment Business, reference number: 474331); Cambridge Associates Limited, LLC (a registered investment adviser with the US Securities and Exchange Commission, an Exempt Market Dealer and Portfolio Manager in the Canadian provinces of Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec, and Saskatchewan, and a Massachusetts limited liability company with a branch office in Sydney, Australia, ARBN 109 366 654), Cambridge Associates Investment Consultancy (Beijing) Ltd (a wholly owned subsidiary of Cambridge Associates, LLC which is registered with the Beijing Administration for Industry and Commerce, registration No. 110000450174972), and Cambridge Associates Asia Pte Ltd (a Singapore corporation, registration No. 200101063G, which holds a Capital Market Services License to conduct Fund Management for Accredited and/or Institutional Investors only by the Monetary Authority of Singapore).