

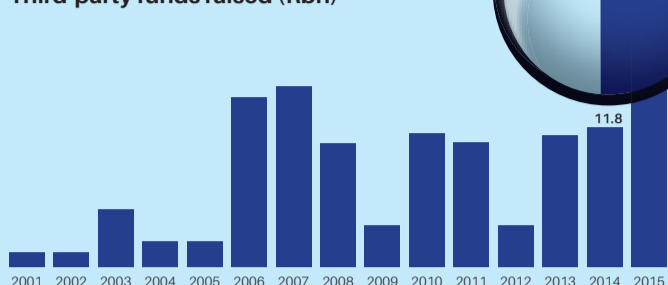


# SAVCA 2016 Private Equity Industry Survey

SAVCA Venture Capital and Private Equity Industry Performance Survey of Southern Africa, for the 2015 calendar year

The standout theme for 2015 was the fund raising activity of private equity fund managers...

## Third-party funds raised (Rbn)

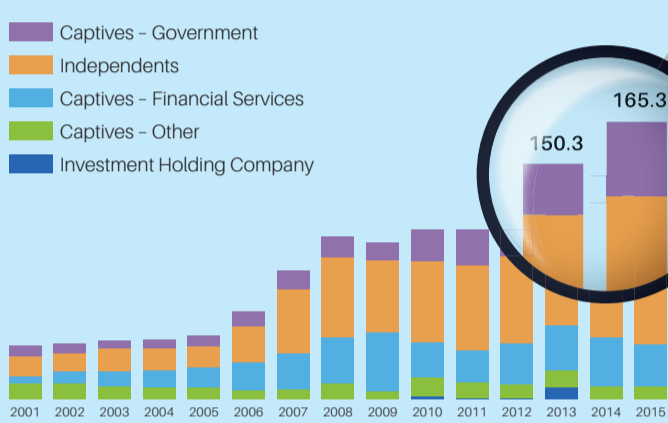


### FUND RAISING

- R29.0bn raised by private equity in 2015
- R5.7bn of this is earmarked specifically for South Africa
- Of funds for South African investment
  - 56.2% from pension funds
  - 24.4% from development finance institutions
  - 10.3% from funds of funds
- Of cumulative funds raised and not yet returned to investors, 54.7% is from South Africa, followed by UK (20.7%) and USA (9.8%)

...which helped drive industry funds under management higher.

## Total funds under management (Rbn)

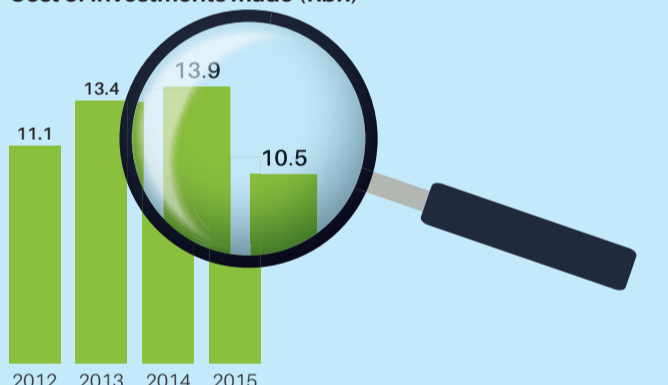


### FUNDS UNDER MANAGEMENT (FUM)

- R165.3bn in FUM in 2015, up from R150.3bn in 2014
- The bulk of FUM are managed by independent managers with third-party funding sources, for late-stage, generalist mandates
- R40.6bn in undrawn commitments, around half of which is for South African investments
- 11.9% compound annual growth in industry since 1999

Private equity transactions were done across a range of industries...

## Cost of investments made (Rbn)



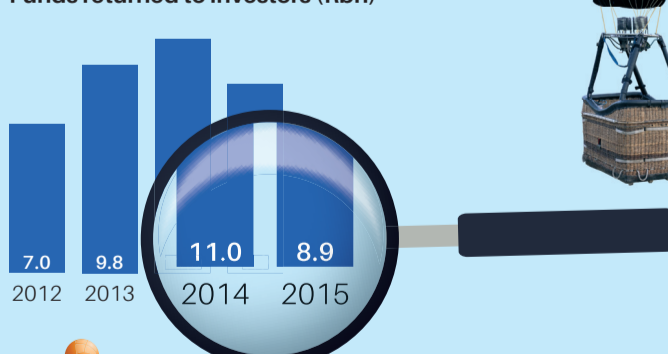
...with BEE featuring significantly.

### INVESTMENT ACTIVITY

- R10.5bn invested into 534 deals
  - New deals: R6.1bn
  - Follow-on deals: R4.4bn
- Top sectors by value
  - Financial services (15.9%)
  - Retail (15.7%)
  - Infrastructure (14.2%)
  - Manufacturing (11.8%)

A healthy flow of funds back to investors...

## Funds returned to investors (Rbn)



...supports a sturdy returns performance by the industry

### EXITS AND FUNDS RETURNED TO INVESTORS

- R8.9bn in funds returned to investors (includes proceeds from disposals, loan repayments, interest and dividends)
- R4.5bn in exits (disposals)
- Top two exit routes, by value:
  - Trade sale (40.0%)
  - Sale to another private equity house (28.9%)

### Comparing industry returns

| Private equity | Ten-year compound annual growth |            |           |
|----------------|---------------------------------|------------|-----------|
|                | ALSI TRI*                       | FINDI TRI* | SWIX TRI* |
| Pooled IRR     | 14.1%                           | 18.9%      | 14.7%     |

\* Listed index returns are before fees; private equity returns are net of fees  
Source: RisCura and SAVCA