

AMERICAN INVESTMENT COUNCIL

Performance Update 2022 Q3

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Private Equity Performance – Benchmarks (as of Sep 30, 2022)

Private Equity Benchmark Returns (Horizon IRR)	1-Year	3-Year	5-Year	10-Year
Cobalt Private Equity Benchmark	6.1%	22.6%	20.0%	18.5%
Cambridge Associates U.S. Private Equity Index (excluding venture capital) ¹	0.2%	22.2%	19.6%	17.5%
Cepres North America PE Index (excluding venture capital)	-9.4%	13.3%	13.9%	16.1%
State Street U.S. Private Equity Index (buyout + private debt, ex. VC)	6.2%	18.0%	15.5%	14.3%
State Street U.S Buyout Index	6.5%	19.3%	16.6%	15.0%

Public Market Returns	1-Year	3-Year	5-Year	10-Year
Russell 3000 Index (including dividends)	-17.6%	7.7%	8.6%	11.4%
S&P 500 Index (excluding dividends)	-16.8%	6.4%	7.3%	9.5%
S&P 500 Index (including dividends)	-15.5%	8.2%	9.2%	11.7%
S&P 500 Index (without FAANG) ²	-14.8%	4.9%	5.9%	8.9%

Analysis	1-Year	3-Year	5-Year	10-Year
Median Private Equity Benchmark Return (excluding venture capital) ³	3.2%	20.1%	17.6%	16.8%
Private Equity Benchmark Outperformance (excluding venture capital) ⁴	18.6%	12.0%	8.3%	5.1%

Performance figures are based on most recent publicly available information

¹ Cambridge Associates benchmarks data included with explicit approval by Cambridge Associates

² FAANG means for Facebook, Apple, Amazon, Netflix, and Alphabet

³ Calculated by taking the median of Cobalt Private Equity Benchmark, Cambridge Associates U.S. Private Equity Index (excluding venture capital), CepreX North America PE Index (excluding venture capital) and State Street U.S. Private Equity Index (buyout + private debt, ex. VC).

⁴ Calculated by subtracting the S&P 500 Index (including dividends) return from the median private equity benchmark return.

Returns are reported net of fees, unless otherwise stated. Returns exceeding one year are annualized. Public market returns are time-weighted.

Private Equity Performance – Benchmarks (as of Jun 30, 2022)

Private Equity Benchmark Returns (Horizon IRR)	1-Year	3-Year	5-Year	10-Year
Cobalt Private Equity Benchmark	14.4%	24.1%	21.1%	19.1%
Cambridge Associates U.S. Private Equity Index (excluding venture capital) ¹	6.7%	23.0%	20.6%	17.8%
Cepres North America PE Index (excluding venture capital)	0.3%	17.2%	16.7%	18.0%
Pitchbook North America Private Equity Median Return (excluding venture capital)	14.6%	25.9%	21.1%	18.2%
Preqin North America Private Equity Horizon IRRs	18.0%	20.8%	17.9%	15.7%
State Street U.S. Private Equity Index (buyout + private debt, ex. VC)	12.4%	18.7%	16.3%	14.7%
State Street U.S Buyout Index	13.2%	20.0%	17.4%	15.4%

Public Market Returns	1-Year	3-Year	5-Year	10-Year
Russell 3000 Index (including dividends)	-13.9%	9.8%	10.6%	12.6%
S&P 500 Index (excluding dividends)	-11.9%	8.8%	9.3%	10.8%
S&P 500 Index (including dividends)	-10.6%	10.6%	11.3%	13.0%
S&P 500 Index (without FAANG) ²	-10.4%	7.1%	7.8%	10.0%

Analysis	1-Year	3-Year	5-Year	10-Year
Median Private Equity Benchmark Return (excluding venture capital) ³	13.4%	21.9%	19.2%	17.9%
Private Equity Benchmark Outperformance (excluding venture capital) ⁴	24.0%	11.3%	7.9%	5.0%

Performance figures are based on most recent publicly available information

¹ Cambridge Associates benchmarks data included with explicit approval by Cambridge Associates

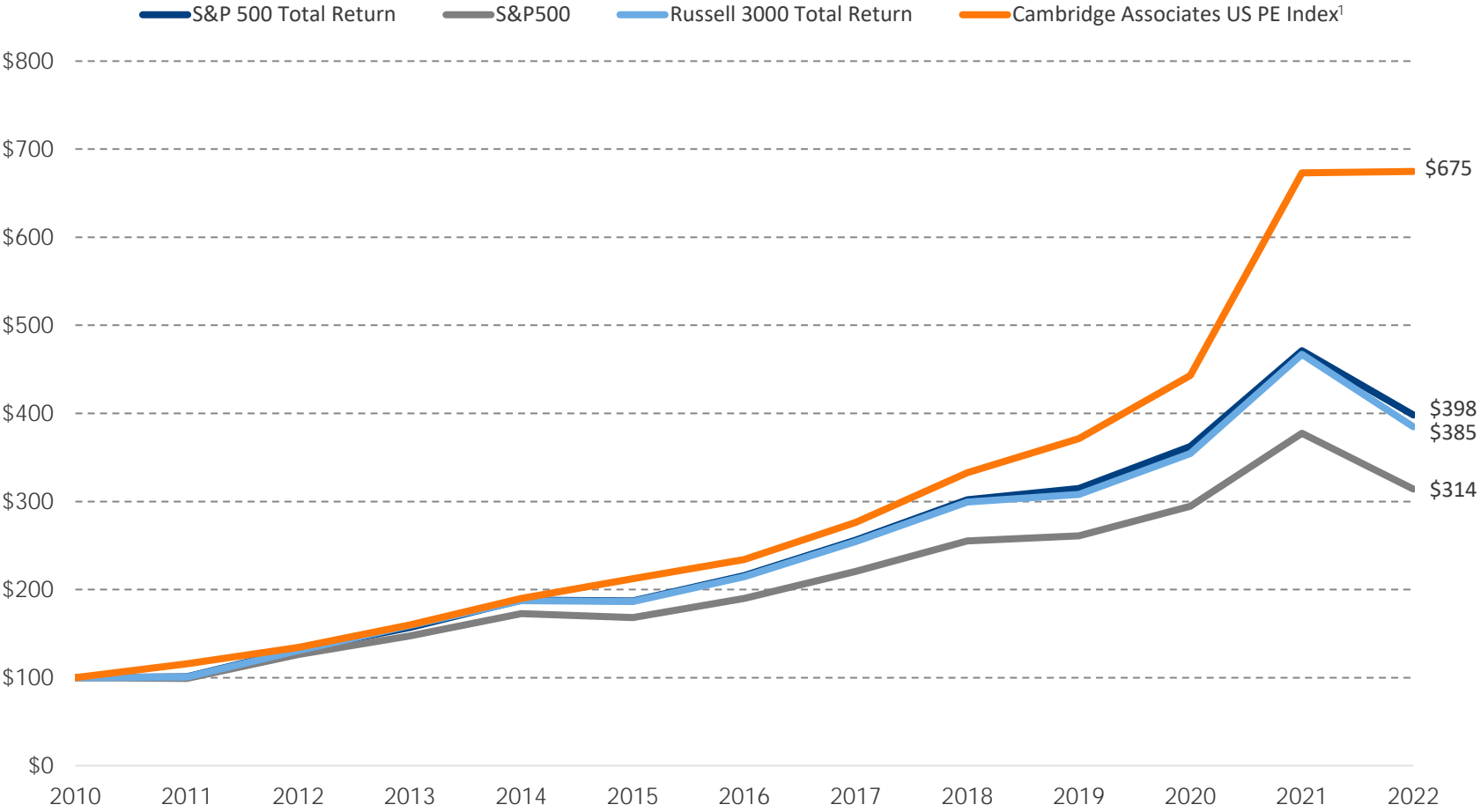
² FAANG means for Facebook, Apple, Amazon, Netflix, and Alphabet

³ Calculated by taking the median of Cobalt Private Equity Benchmark, Cambridge Associates U.S. Private Equity Index (excluding venture capital), CepreX North America PE Index (excluding venture capital) and State Street U.S. Private Equity Index (buyout + private debt, ex. VC).

⁴ Calculated by subtracting the S&P 500 Index (including dividends) return from the median private equity benchmark return.

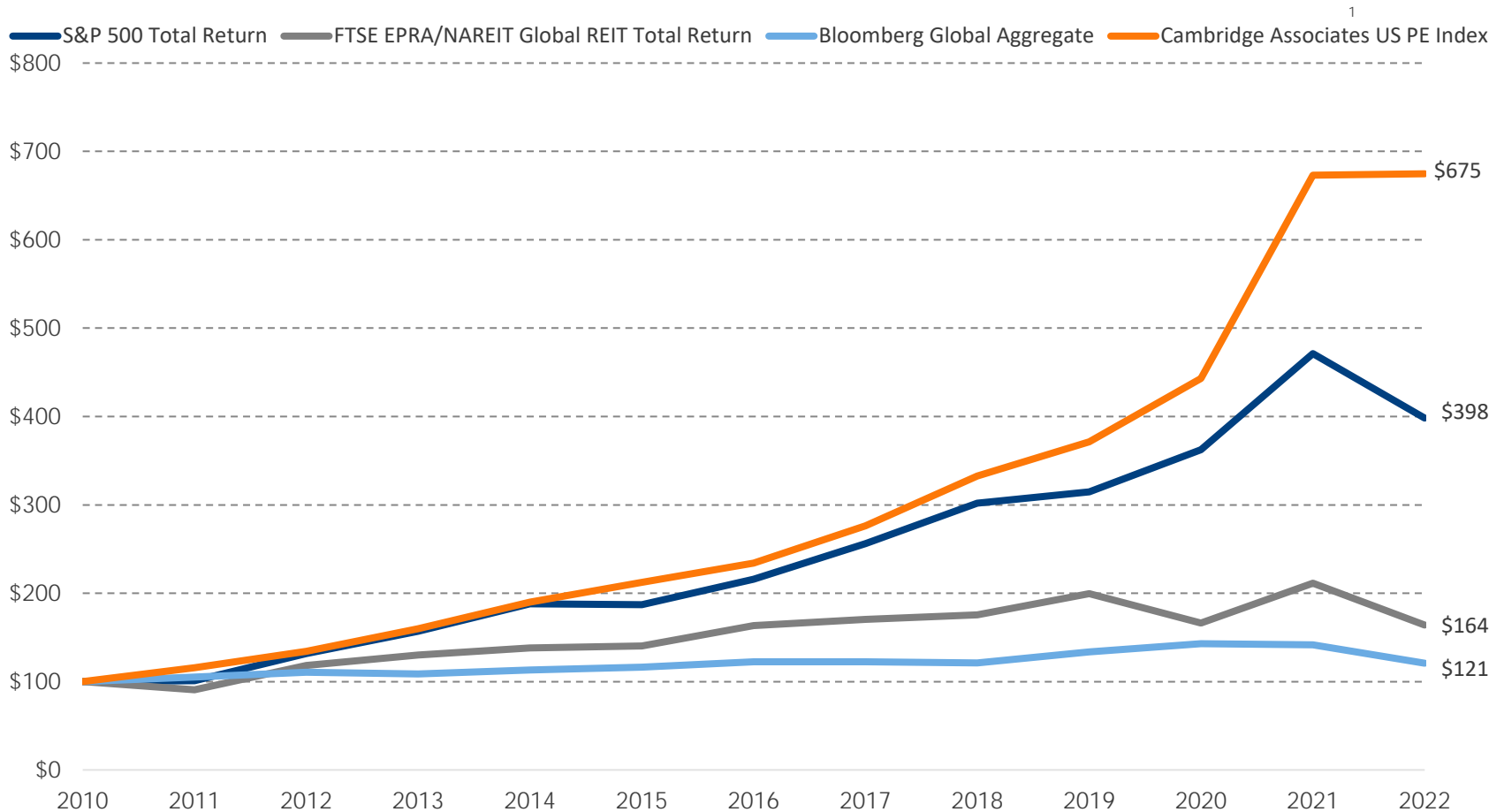
Returns are reported net of fees, unless otherwise stated. Returns exceeding one year are annualized. Public market returns are time-weighted.

\$100 dollars invested in US public markets compared to \$100 dollars invested in US private equity

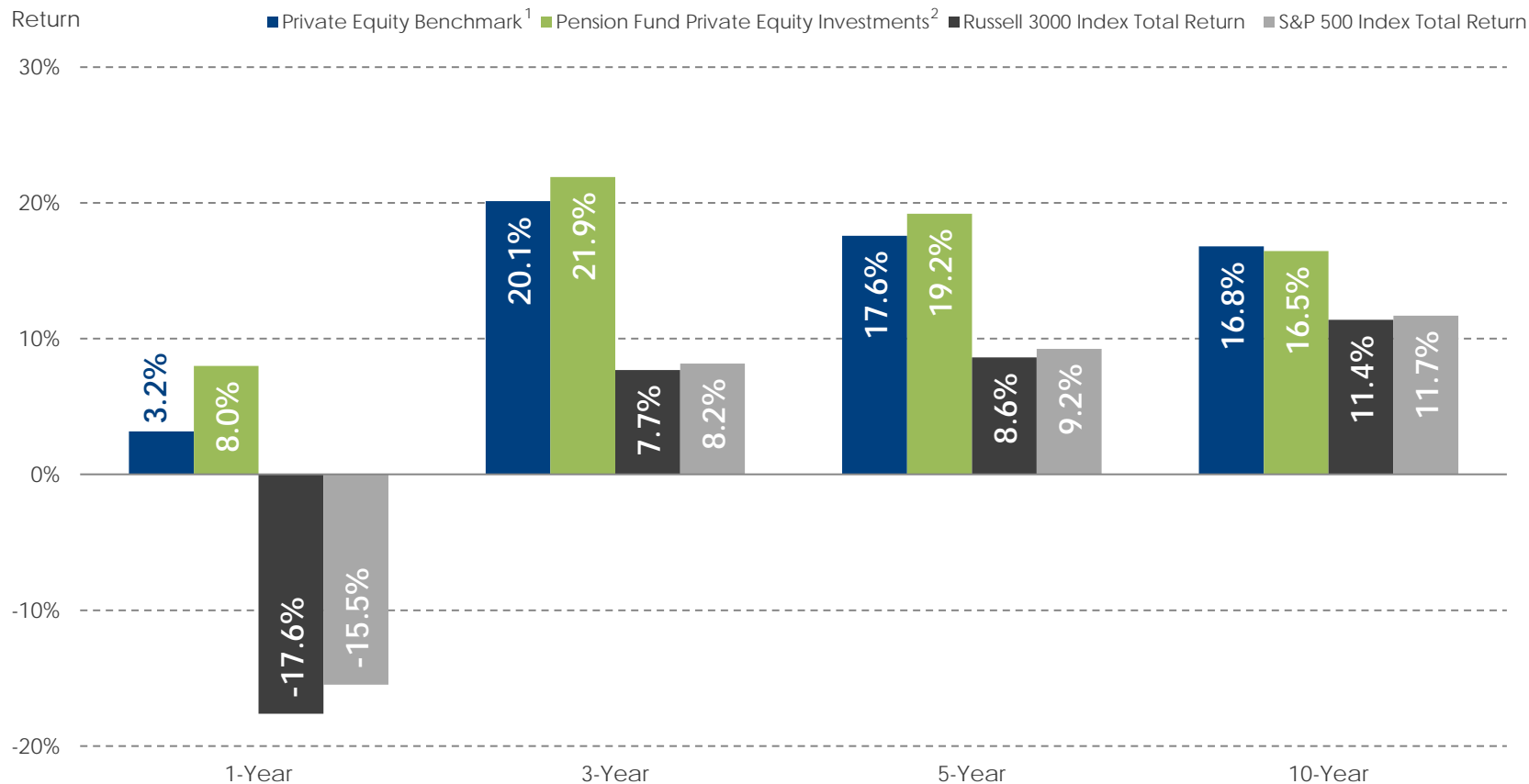


¹ Net to limited partners

\$100 dollars invested in US public markets compared to \$100 dollars invested in US private equity



Private Equity Performance – Public Pensions (as of Sep 30, 2022)

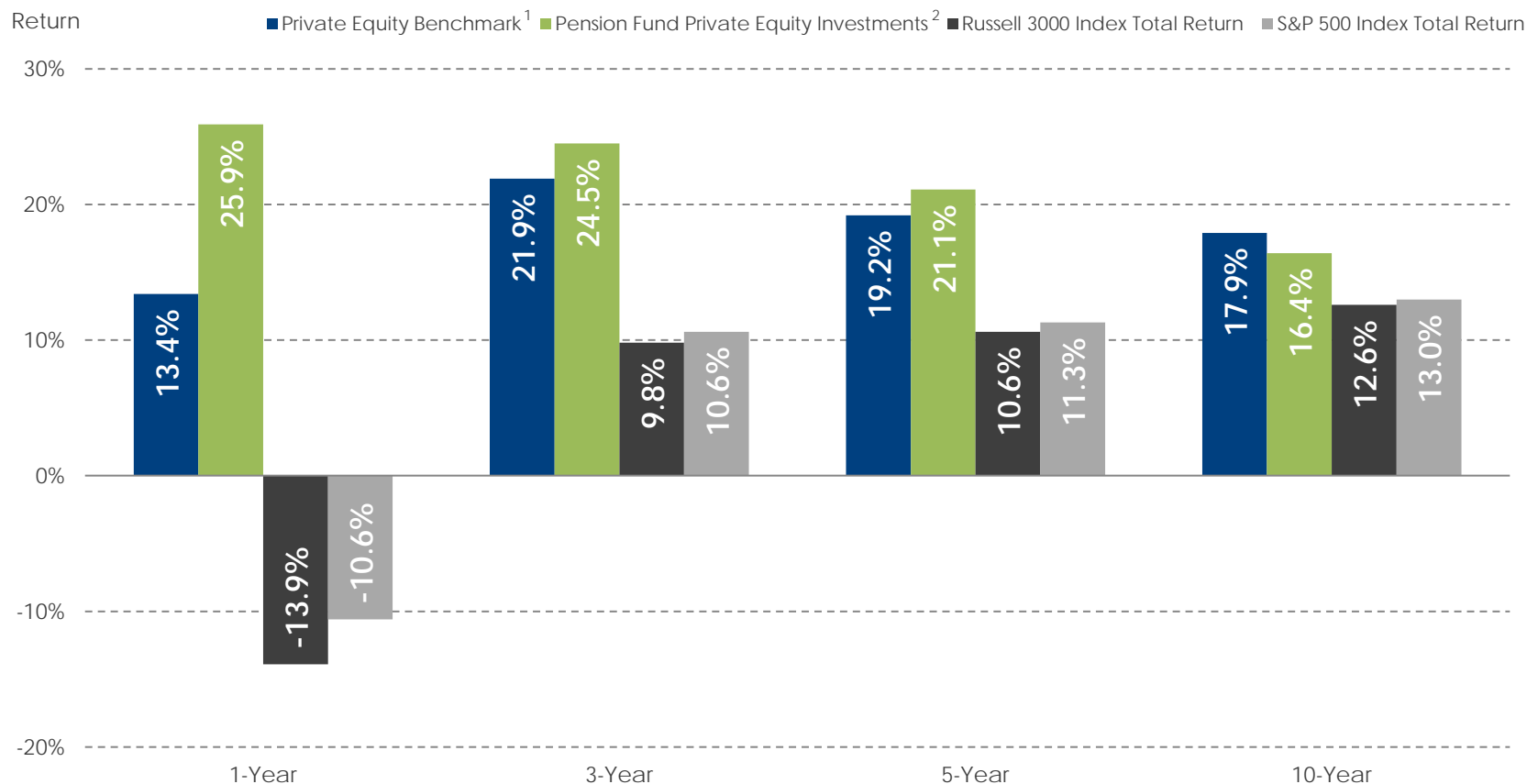


¹ Median of Cobalt Private Equity Benchmark, Cambridge Associates U.S. Private Equity Index (excluding venture capital) (included with explicit approval by Cambridge Associates), Cepres North America PE Index (excluding venture capital) and State Street U.S. Private Equity Index (buyout + private debt, ex. VC).

² Median return of pension fund private equity investments included in this report.

Performance figures of private equity benchmarks are reported as IRRs, while those of pension fund private equity investments are reported as time-weighted returns. Pension fund private equity investment returns reflect the performance of the asset class itself, as well as the fund manager's ability to identify profitable investment opportunities. The private equity asset class may be defined differently depending on the pension fund.

Private Equity Performance – Public Pensions (as of Jun 30, 2022)



¹ Median of Cobalt Private Equity Benchmark, Cambridge Associates U.S. Private Equity Index (excluding venture capital) (included with explicit approval by Cambridge Associates), Cepres North America PE Index (excluding venture capital), PitchBook North America Private Equity Median Return (excluding venture capital), Preqin U.S. Private Equity Horizon IRRs and State Street U.S. Private Equity Index (buyout + private debt, ex. VC).

² Median return of pension fund private equity investments included in this report.

Performance figures of private equity benchmarks are reported as IRRs, while those of pension fund private equity investments are reported as time-weighted returns. Pension fund private equity investment returns reflect the performance of the asset class itself, as well as the fund manager's ability to identify profitable investment opportunities. The private equity asset class may be defined differently depending on the pension fund.

Description of Private Equity Benchmarks

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Private Equity Benchmarks

Cobalt Private Equity Benchmark

Cobalt's North American Buyout & Growth Equity pooled return indices draw from a transparent dataset of close to 2,000 funds with since inception cash flows. The indices cover buyout, growth equity, and infrastructure funds formed between 1991 and 2022.

Cambridge Associates U.S. Private Equity Indices

The US Private Equity Index is a horizon calculation based on data compiled from 1,248 US private equity funds, including fully liquidated partnerships, formed between 1986 and 2022.

CepreX-Cepres Private Equity Index

The CepreX Private Equity Index is compiled using data from 2,863 U.S. funds. These funds cover industries such as Consumer industry, Healthcare/LS, Hightech/IT, Industrials and Infrastructure. Funds from all stages except venture capital form a part of this index, falling under the time frame 2000-September 2022.

ILPA (Institutional Limited Partners Association) U.S. Private Equity Index

The ILPA U.S. Private Equity Index is a subset of ILPA Private Markets Benchmark and excludes the performance of venture capital funds. The ILPA Private Markets Benchmark is compiled using data from over 4,364 global (U.S. & ex U.S.) funds formed between 1981 and 2022. Fund types included in the ILPA Private Markets Benchmark are private equity, venture capital, distressed securities, fund of funds, secondary funds and natural resource funds.

State Street GX Private Equity Index

The U.S. Private Equity Index is compiled using data from 1,533 U.S. buyout and private debt funds formed between 1980 and 2022 Q4. The U.S. Buyout Fund Index reflects the performance of 1,177 U.S. buyout funds (formed between 1980 and 2022 Q4). The U.S. Private Debt Fund Index contains 356 U.S. mezzanine, distressed and special situation funds (formed between 1988 and 2022 Q2).

Preqin Private Equity Horizon IRRs

Horizon IRRs indicate how the private equity industry is performing during a defined period (i.e. during 1 year, 3 years, 5 years and 10 years). Horizon IRRs are calculated using the fund's net asset value as a negative outflow at the beginning of the period, any cash paid or received during the period and the fund's residual value as a positive inflow at the end of the period. Preqin calculates horizon IRRs using cash flow data for over 2,800 private equity funds.



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