



# Alternative Investment Analyst Review

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## **IR&M MOMENTUM MONITOR**

### **IR&M Momentum Monitor**

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## **VC-PE INDEX**

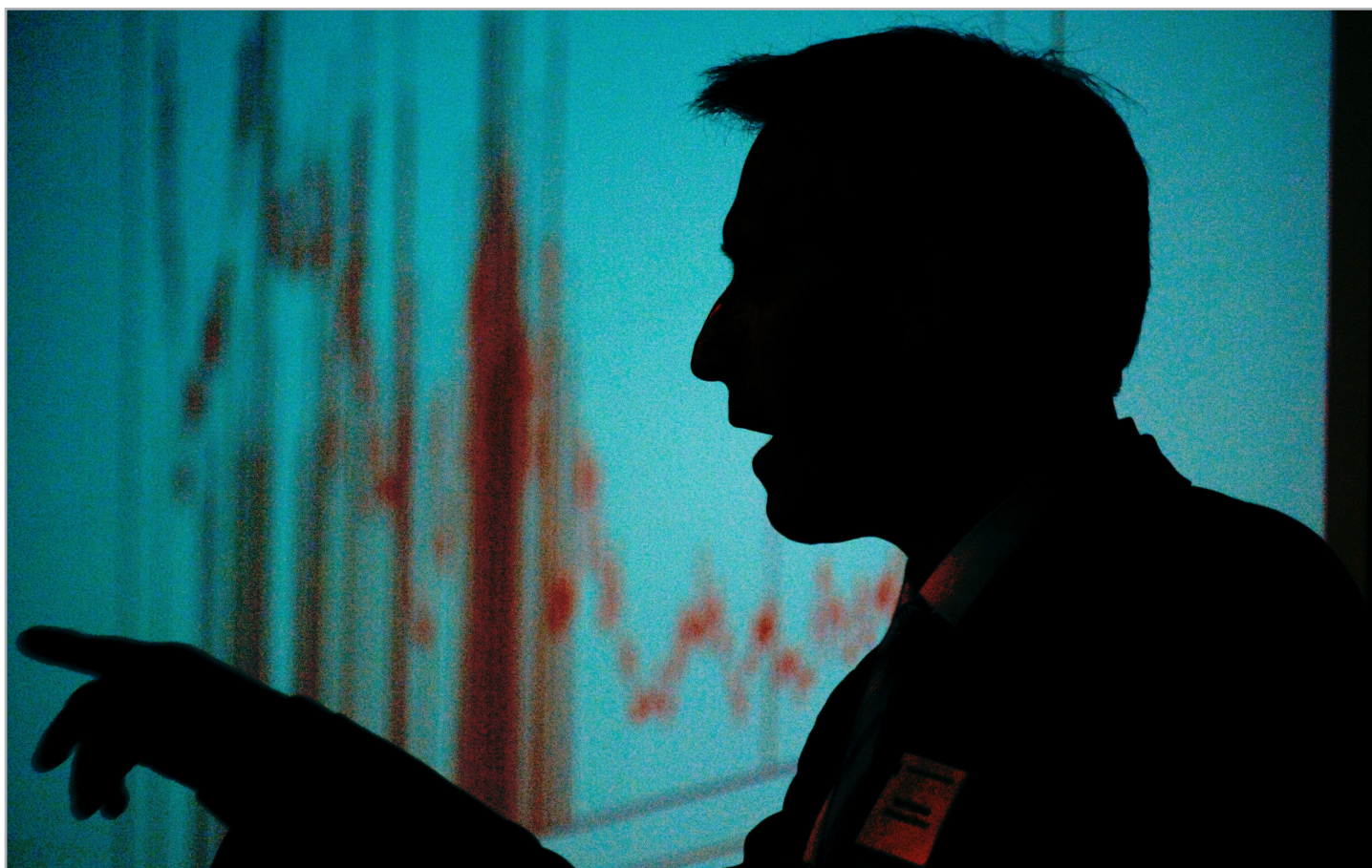
### **VC-PE Index**

*Mike Nugent and Mike Roth*

## **THE IPD GLOBAL INTEL REPORT**

### **The IPD Global Intel Report**

*Max Arkey*



# VC-PE Index: A Look at Private Equity and Venture Capital as of Q2 2014

**Mike Nugent**  
CEO/Co-Founder, Bison

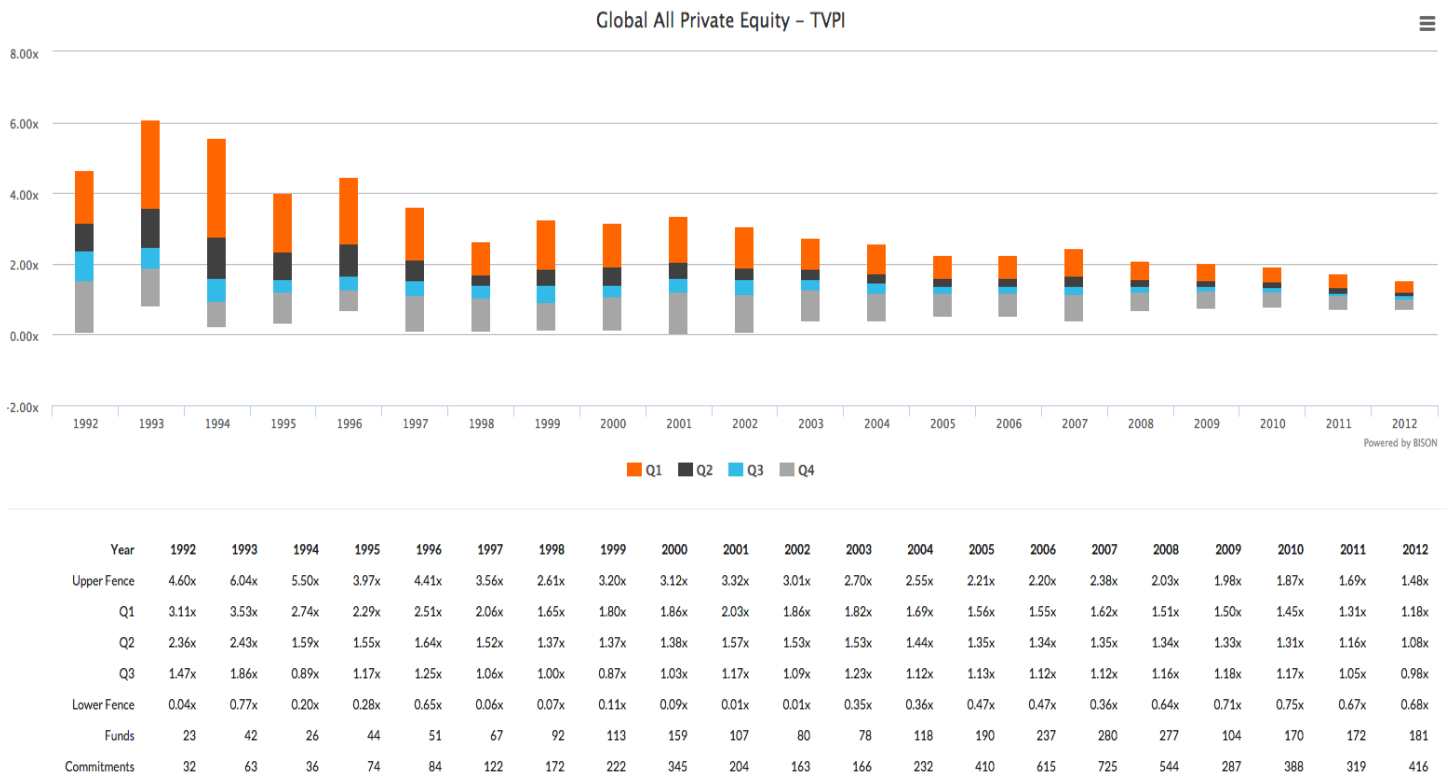
**Mike Roth**  
Research Manager, Bison

Looking at the Global All PE category for 2002 - 2012, the median TVPI, DPI and IRR figures have drifted up slightly quarter over quarter for most vintage years. The median Momentum (year-over-year valuation change) averaged 7.8% for the 2002 – 2012 vintage years. This is slightly below Q1’s median Momentum, which averaged 7.9%.

(2004 – 2007). The gap between the first and second quartile boundaries has also widened, highlighting the importance of picking first quartile managers. For 2004 through 2007, the difference between first and second quartile is averaging 396 basis points. By contrast, that difference for the 2008 through 2011 vintage years is averaging 626 basis points.

Honing in on IRRs briefly, funds that are in their value creation stage (2008 – 2011 vintage years) are producing noticeably better returns than the bubble years

For a more in depth look at the buyout and venture capital benchmarks, please visit [www.bison.co](http://www.bison.co).



**Exhibit 1 Global All Private Equity TVPI Benchmark**

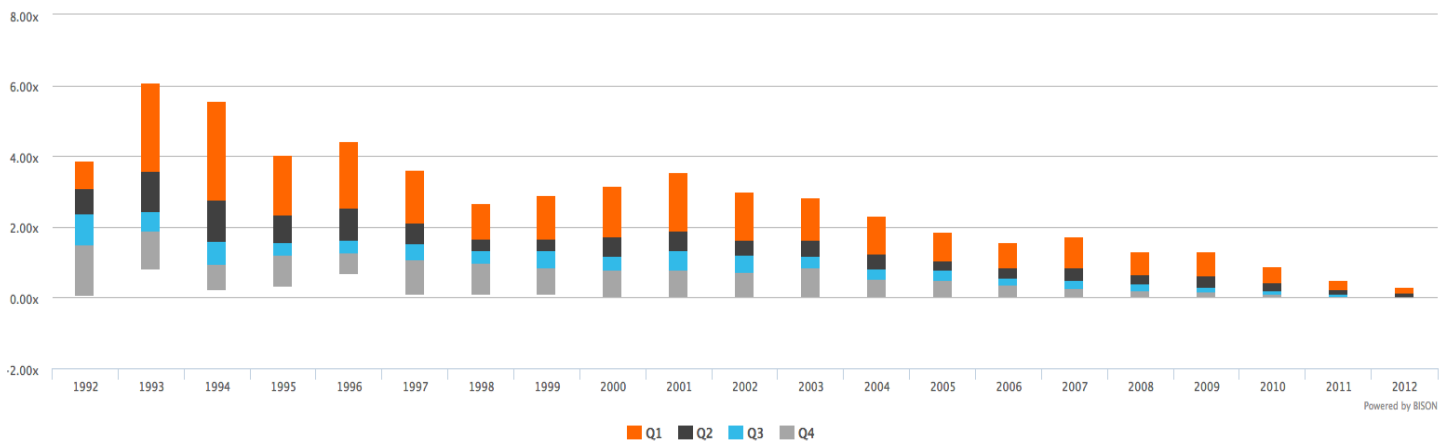
Global All Private Equity - IRR



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Fence	56.88%	80.04%	91.88%	65.29%	75.14%	48.24%	33.97%	34.80%	41.78%	53.05%	40.13%	33.45%	25.58%	22.33%	22.81%	31.25%	31.13%	35.40%	37.26%	41.60%	38.46%
Q1	27.96%	40.13%	34.57%	28.42%	32.67%	20.00%	13.83%	12.99%	17.29%	22.82%	17.00%	16.50%	12.02%	10.58%	10.71%	14.35%	15.70%	18.82%	19.95%	19.10%	15.38%
Q2	19.86%	24.57%	14.80%	10.60%	10.30%	10.28%	7.82%	7.99%	7.80%	10.50%	9.09%	10.24%	7.82%	6.94%	7.55%	9.52%	10.74%	13.09%	13.19%	11.53%	8.81%
Q3	8.67%	13.52%	-3.63%	3.84%	4.36%	1.18%	0.41%	-1.55%	0.97%	2.67%	1.58%	5.20%	2.97%	2.75%	2.65%	3.08%	5.41%	7.77%	8.40%	4.10%	0.00%
Lower Fence	-20.24%	-8.10%	-22.56%	-16.78%	-7.38%	-27.06%	-19.73%	-23.36%	-23.53%	-27.56%	-21.55%	-11.75%	-10.60%	-9.00%	-9.44%	-13.83%	-10.02%	-8.81%	-8.92%	-18.40%	-23.08%
Funds	22	40	25	43	51	63	89	106	151	104	80	77	118	188	229	276	270	103	165	153	162
Commitments	31	61	35	72	83	111	165	211	333	198	161	160	227	404	593	717	527	271	355	267	330

Exhibit 2 Global All Private Equity IRR Benchmark

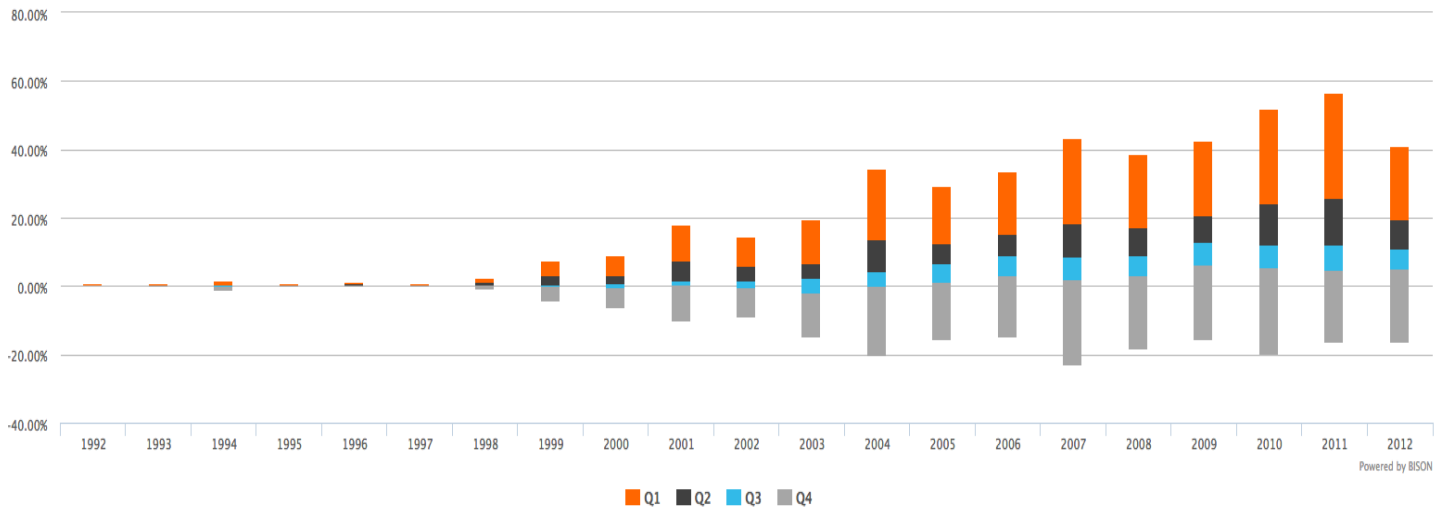
Global All Private Equity - DPI



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Fence	3.82x	6.05x	5.50x	3.99x	4.39x	3.57x	2.64x	2.85x	3.13x	3.49x	2.94x	2.80x	2.27x	1.83x	1.52x	1.69x	1.26x	1.27x	0.85x	0.45x	0.26x
Q1	3.05x	3.53x	2.74x	2.30x	2.50x	2.06x	1.62x	1.63x	1.69x	1.84x	1.59x	1.60x	1.19x	1.01x	0.80x	0.82x	0.60x	0.58x	0.37x	0.18x	0.11x
Q2	2.35x	2.43x	1.58x	1.54x	1.61x	1.51x	1.32x	1.32x	1.16x	1.31x	1.17x	1.14x	0.78x	0.75x	0.54x	0.46x	0.37x	0.28x	0.19x	0.06x	0.02x
Q3	1.47x	1.86x	0.89x	1.17x	1.24x	1.05x	0.95x	0.82x	0.74x	0.74x	0.68x	0.80x	0.47x	0.46x	0.31x	0.23x	0.16x	0.13x	0.05x	0.00x	0.00x
Lower Fence	0.04x	0.77x	0.20x	0.28x	0.65x	0.06x	0.07x	0.05x	0.00x	0.01x	0.01x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	-0.00x	-0.02x	-0.00x	-0.05x
Funds	23	42	26	44	51	67	92	112	159	107	80	78	118	185	232	272	272	102	166	167	178
Commitments	32	63	36	74	84	122	172	221	345	204	163	165	231	403	607	704	527	274	375	304	402

Exhibit 3 Global All Private Equity DPI Benchmark

## Global All Private Equity - MOMENTUM



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Fence	0.16%	0.20%	1.01%	0.34%	0.68%	0.52%	1.70%	6.85%	8.34%	17.61%	14.06%	19.09%	33.68%	28.84%	32.94%	42.79%	38.06%	41.90%	51.33%	56.21%	40.33%
Q1	0.04%	0.02%	0.09%	0.03%	0.20%	0.12%	0.59%	2.50%	2.74%	7.08%	5.23%	6.15%	13.24%	11.99%	14.86%	17.92%	16.76%	20.24%	23.53%	25.07%	18.86%
Q2	0.00%	-0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.54%	1.36%	1.41%	2.04%	3.88%	6.21%	8.73%	8.25%	8.78%	12.67%	11.73%	11.68%	10.48%
Q3	-0.04%	-0.10%	-0.53%	-0.17%	-0.12%	-0.14%	-0.15%	-0.40%	-0.99%	0.06%	-0.67%	-2.47%	-0.38%	0.75%	2.80%	1.35%	2.57%	5.80%	5.00%	4.32%	4.55%
Lower Fence	-0.17%	-0.29%	-1.44%	-0.47%	-0.60%	-0.54%	-1.27%	-4.75%	-6.59%	-10.47%	-9.50%	-15.41%	-20.82%	-16.10%	-15.29%	-23.52%	-18.72%	-15.87%	-20.40%	-16.90%	-16.93%
Funds	21	34	23	38	43	57	81	100	144	96	76	62	99	158	199	248	245	95	137	139	135
Commitments	30	49	29	59	67	100	146	191	296	184	147	138	194	360	535	646	476	258	319	258	315

### Exhibit 4 Global All Private Equity Momentum Benchmark

#### Author Bios



Prior to founding Bison, **Mike Nugent** held senior roles at SVG Advisers, LP Capital Advisors and HarbourVest Partners, and has more than \$3B in private market commitments to his credit. Mike started his career in the public markets with the NASDAQ Stock Market, and also gained significant operating experience while running operations for a textiles manufacturer. He received his MBA from Boston College, and his BA from St. Bonaventure University. Mike lives on the North Shore of Massachusetts with his wife and two sons.



**Mike Roth** is the Research Manager at Bison and oversees the data collection and content production. Before Bison, Mike spent six years on the investment team at SVG Advisers. There, he conducted research and due diligence on buyout and venture capital funds in the Americas. Mike received his BA in Economics from Boston College and is a CFA Level III candidate.