

# Investment Performance

## DB Secondaries Performance Highlights

The Manager believes that the Secondary Team has delivered attractive returns to investors in the DB Secondaries Funds to date, with a relatively low risk profile due to the broad diversification and cash flow characteristics of its secondary transactions.

Through September 30, 2013, the DB Secondaries Funds had invested<sup>25</sup> US\$1.1 billion in 39 closed transactions and generated a 1.75x net TVPI, 26.8% net IRR and 0.83x net DPI across all funds.<sup>26</sup>

### Exhibit 1: Performance of DB Secondaries Funds – September 30, 2013<sup>27</sup>

(US\$m)	DB SOF	DB SOF D	DB SOF II	Total
Fund vintage	2006	2010	2011	
Fund size	US\$ 565	US\$ 168	US\$ 614	US\$ 1,347
Invested capital	558	164	386	1,108
Capital called from investors	420	85	196	701
Unrealised value, net	296	138	242	676
Distributions to investors	485	76	20	581
Total value	US\$ 781	US\$ 214	US\$ 262	US\$ 1,257
Gross return on invested capital	2.07x	2.64x	1.34x	1.87x
Gross IRR	32.9%	48.0%	42.2%	35.1%
Net multiple (TVPI)	1.86x	2.15x	1.34x	1.75x
Net distributed (DPI)	1.16x	0.90x	0.10x	0.83x
Net IRR	25.3%	35.5%	32.4%	26.8%

The Manager believes that the performance and portfolio composition of the DB Secondaries Funds highlight both the attractiveness of secondary investments as an important part of a diversified private equity portfolio and the success of the Secondary Team's strategy.

**Strong Performance:**<sup>28</sup> DB SOF is a top decile 2006 vintage secondary fund,<sup>29</sup> having generated strong investment

<sup>25</sup> "Invested" is defined as the sum of the purchase price and remaining unfunded obligation as at the time of closing, or time of expected closing for pending deals.

<sup>26</sup> TVPI = Total Value to Paid-in Capital; IRR = Internal Rate of Return; DPI = Distributions to Paid-in Capital. The performance figures have not been audited and are based on the unaudited aggregated performance results of the DB Secondaries Funds as of September 30, 2013 and should be read and reviewed in conjunction with Appendix 5: *Important Performance Information* which sets forth, amongst other things, important information regarding the performance described above. Gross returns are gross of fees, expenses and carried interest, which are not charged at the investment level. Investors should consult with their own advisors as to the appropriate factors to be considered in evaluating this information. Past performance of the DB Secondaries Funds is not a prediction of their future performance or that of the Fund.

<sup>27</sup> The performance figures have not been audited and are based on the unaudited aggregated performance results of the DB Secondaries Funds as of September 30, 2013 and should be read and reviewed in conjunction with Appendix 5: *Important Performance Information* which sets forth, amongst other things, important information regarding the performance described above. Gross returns are gross of fees, expenses and carried interest, which are not charged at the investment level. Investors should consult with their own advisors as to the appropriate factors to be considered in evaluating this information. Past performance of the DB Secondaries Funds is not a prediction of their future performance or that of the Fund. DB SOF D is a Euro denominated fund, US\$ values have been converted at the September 30, 2013 rate of 1.35370.

<sup>28</sup> The performance figures have not been audited and are based on the unaudited aggregated performance results of the DB Secondaries Funds as of September 30, 2013 and should be read and reviewed in conjunction with Appendix 5: *Important Performance Information* which sets forth, amongst other things, important information regarding the performance described above. Gross returns are gross of fees, expenses and carried interest, which are not charged at the investment level. Investors should consult with their own advisors as to the appropriate factors to be considered in evaluating this information. Past performance of the DB Secondaries Funds is not a prediction of their future performance or that of the Fund.

<sup>29</sup> Based only on Cambridge Associates Secondaries Benchmark statistics as of June 30, 2013. DB SOF is shown benchmarked against its vintage year peer group. This information reflects a comparison of DB SOF performance against one benchmark only. DB SOF performance may differ when compared to other benchmark data. DB SOF performance is not included in the data set used to calculate the benchmark data.