Business mix differences across the firms

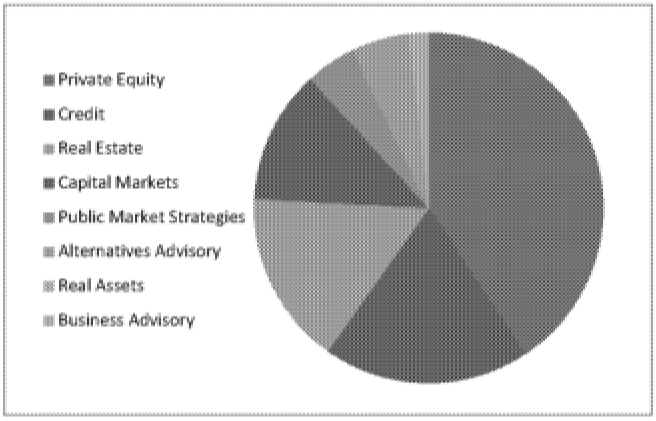
Figure 5 (repeated from page 6) shows the business mix differences across the five Alts by reported business segment as well as revenue type. Figures 6 and 7 show the aggregated totals for these five firms graphically for the combined annual periods of 2012-2014E. The key takeaway is that private equity (at over 40% of economic income) stills forms the foundation of the business mix for these firms (aside from OAK). This also explains the high proportion of revenue from carried interest and incentive fees (at nearly half), which is the primary revenue model for private equity (i.e. the Alts receive roughly 20% of the portfolio investment gains after achieving hurdle rates around 8% annually, in most cases).

Figure 5: Alternative Manager Business Mix by Reported Segment and Revenue Type

	APO	BX	CG	KKR	OAK	Average
Business Line	**Pretax Economic Income Mix (2012-14E)**					
Private Equity	72%	27%	62%	42%	0%	41%
Credit	27%	14%	0%	0%	93%	19%
Real Estate	0%	46%	0%	0%	0%	16%
Capital Markets	0%	0%	0%	51%	0%	12%
Public Market Strategies	0%	0%	18%	7%	7%	5%
Alternatives Advisory	0%	12%	11%	0%	0%	5%
Real Assets	0%	0%	9%	0%	0%	1%
Business Advisory	0%	2%	0%	0%	0%	1%
Revenue Type	**Revenue Mix by Type (2012-14E)**					**Average**
Fees	34%	42%	46%	31%	48%	40%
Carried Interest & Incentives	61%	48%	52%	41%	43%	49%
Principal & other income	5%	9%	2%	28%	9%	11%

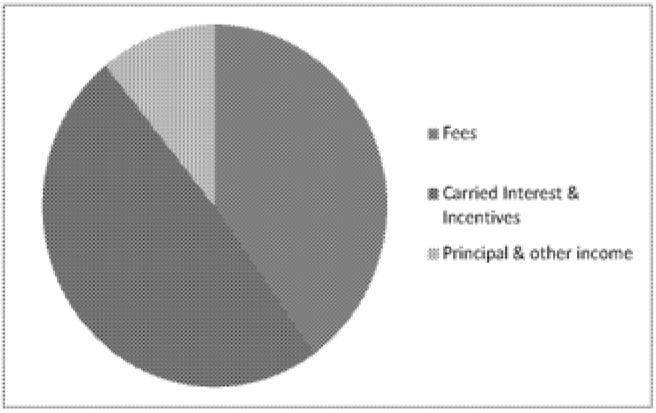
Source: Company reports and Deutsche Bank

Figure 6: Aggregate income mix by reported segment



Note: For 2012-14E
Source: Company reports and Deutsche Bank

Figure 7: Aggregate revenue mix by characteristic



Note: For 2012-14W
Source: Company reports and Deutsche Bank