



For KKR (Figure 13) we expect a relatively steady EI and revenue profile over time, though with likely more volatility along the way upon market ups & downs, given the high portion of EI from capital markets (mostly the firm's principal investments in funds on its balance sheet). We also see stronger growth in the public markets segment aided by growth initiatives and the likelihood for realizations to slow in the private markets segment. Positively, we expect the fee component of revenue to improve over time, although the principal investing contribution is likely sizeable at roughly 25% from a revenue perspective (with volatility) and closer to 40% from an EI perspective given limited costs attributed to the balance sheet operations. This higher proportion of principal-driven income over time may continue to restrain KKR's P/E – though this remains an active debate.

Figure 13: KKR – DB forecasts for EI by segment & revenue by type (\$mn)

Segments	Pretax Economic Income (€)					CAGR
	2012	2013E	2014E	2015E	2016E	2012-16E
Private Markets	\$832	\$935	\$715	\$776	\$624	-6.9%
Public Markets	\$103	\$166	\$175	\$198	\$237	23.2%
Capital Markets	\$1,196	\$1,022	\$836	\$750	\$851	-8.2%
Total	\$2,131	\$2,123	\$1,726	\$1,724	\$1,711	-5.3%

Segments	Pretax € Business Mix					Average
	2012	2013E	2014E	2015E	2016E	2012-16E
Private Markets	39.0%	44.0%	41.4%	45.0%	36.4%	41.2%
Public Markets	4.8%	7.8%	10.1%	11.5%	13.8%	9.6%
Capital Markets	56.1%	48.1%	48.4%	43.5%	49.7%	49.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segments	Revenues by Type					CAGR
	2012	2013E	2014E	2015E	2016E	2012-16E
Fees	\$824	\$1,007	\$1,201	\$1,262	\$1,300	12.1%
Carried Interest & Incentives	\$1,432	\$1,399	\$1,156	\$1,097	\$881	-11.4%
Principal & other income	\$1,111	\$932	\$737	\$631	\$720	-10.3%
Total	\$3,367	\$3,338	\$3,094	\$2,990	\$2,901	-3.7%

Segments	Revenue Mix by Type					Average
	2012	2013E	2014E	2015E	2016E	2012-16E
Fees	24.5%	30.2%	38.8%	42.2%	44.8%	36.1%
Carried Interest & Incentives	42.5%	41.9%	37.4%	36.7%	30.4%	37.8%
Principal & other income	33.0%	27.9%	23.8%	21.1%	24.8%	26.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company reports and Deutsche Bank

For OAK (Figure 14) we expect modest growth in EI over time, though still not reaching 2013 peak within our forecast horizon (given strong contribution from