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## NEWS RELEASE

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## VENTURE CAPITAL FUNDS RAISED \$8.9 BILLION DURING FIRST QUARTER 2014 FOR STRONGEST FUNDRAISING QUARTER SINCE 2007

### Number of New Funds Hit 14-Year High

**New York, April 14, 2014** – U.S. venture capital firms raised \$8.9 billion in new commitments from 58 funds during the first quarter of 2014, an increase of 81 percent compared to the level of dollar commitments raised during the fourth quarter of 2013 and a nine percent increase by number of funds, according to Thomson Reuters and the National Venture Capital Association (NVCA). The level of dollar commitments during the first quarter of 2014 more than doubled the comparable period in 2013 and marks the strongest quarter for venture capital fundraising, by dollars, since the fourth quarter of 2007 when \$10.4 billion was raised for venture capital investments.

Year/Quarter	Number of Funds	Venture Capital (\$M)
2005	233	30,071.9
2006	236	31,107.6
2007	235	29,401.0
2008	214	25,052.7
2009	159	16,122.0
2010	173	13,243.3
2011	185	18,962.1
2012	211	19,721.2
2013	191	16,916.9
2014	58	8,871.4
1Q'13	48	4,386.2
2Q'13	52	3,260.1
3Q'13	62	4,357.5
4Q'13	53	4,913.0
1Q'14	58	8,871.4

Source: Thomson Reuters and National Venture Capital Association



“With the exception of some established firms, fundraising for most venture capital firms has been difficult in recent quarters due to a shaky exit market,” said Bobby Franklin, President and CEO of NVCA. “Recently, however, we’ve been experiencing an uptick in IPO activity as well as momentum in the M&A market, enabling venture capital firms to distribute proceeds to their investors and begin the process of raising money for the next crop of American businesses. While conditions are certainly better, the fundraising environment for many of our members continues to be very difficult.”

Commitments were received by 33 follow-on funds and 25 new funds during the first quarter of 2014 with 92% of new capital committed going to follow-on funds. The number of new funds raised during the first quarter marks a 47 percent increase from the number of first-time funds raised during the fourth quarter of last year and registers as the strongest quarter for new funds since the fourth quarter of 2000 when 37 funds raised \$2.6 billion.

The largest new fund reporting commitments during the first quarter of 2014 was from Palo Alto, California-based WiL Fund I, L.P. which raised \$243.0 million for the firm’s inaugural fund. A “new” fund is defined as the first fund at a newly established firm, although the general partners of that firm may have previous experience investing in venture capital.

	No. of New	No. of Follow-on	Total
2010	54	119	173
2011	58	127	185
2012	74	137	211
2013	56	135	191
2014	25	33	58
1Q'13	10	38	48
2Q'13	18	34	52
3Q'13	18	44	62
4Q'13	17	36	53
1Q'14	25	33	58

Source: Thomson Reuters and National Venture Capital Association

First quarter 2014 commitments were led by Palo Alto-based TCV VIII, L.P. which raised \$1.38 billion, and San Francisco-based Founders Fund V, L.P. which raised \$1.01 billion. The five largest venture capital funds raised during the first quarter of 2014 accounted for 60 percent of new commitments during the quarter.



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### **Methodology**

The Thomson Reuters/National Venture Capital Association sample includes U.S.-based venture capital funds. Classifications are based on the headquarter location of the fund, not the location of venture capital firm. The sample excludes funds of funds.

Effective November 1, 2010, Thomson Reuters venture capital fund data has been updated in order to provide more consistent and relevant categories for searching and reporting. As a result of these changes, there may be shifts in historical fundraising statistics as a result of movements of funds between primary market & nation samples and/or between fund stage categories.

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### **About National Venture Capital Association**

Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. According to a 2011 Global Insight study, venture-backed companies accounted for 12 million jobs and \$3.1 trillion in revenue in the United States in 2010. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites its nearly 400 members through a full range of professional services. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).