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VENTURE CAPITAL FUNDS RAISED \$2.9 BILLION DURING SECOND QUARTER 2013

Lower Levels Reflect Consolidating Industry and Contracting Fund Sizes

New York, July 9, 2013 – U.S. venture capital firms raised \$2.9 billion from 44 funds during the second quarter of 2013, a decrease of 33 percent compared to the level of dollar commitments raised during the first quarter of 2013, but equal to the number of funds, according to Thomson Reuters and the National Venture Capital Association (NVCA). The dollar commitments raised during the second quarter of 2013 is a 54 percent decline from the levels raised during the comparable period in 2012 and marks the lowest quarter for venture capital fundraising, by dollars, since the third quarter of 2011. The top five venture capital funds accounted for 55 percent of total fundraising during the second quarter of 2013.

Year/Quarter	Number of Funds	Venture Capital (\$M)
2009	161	16,175.6
2010	173	13,423.0
2011	186	18,982.9
2012	213	19,699.1
2013	88	7,200.1
2Q'11	47	2,650.4
3Q'11	66	2,116.0
4Q'11	53	6,105.0
1Q'12	57	4,801.3
2Q'12	51	6,319.3
3Q'12	59	5,223.9
4Q'12	46	3,354.6
1Q'13	44	4,317.4
2Q'13	44	2,882.7

Source: Thomson Reuters and National Venture Capital Association



“The second quarter reflects not just the consolidation of the venture capital industry but also the overall contraction of fund size,” said Mark Heesen, president of the NVCA. “Many long-standing, pedigree venture firms are heeding the guidance from limited partners and raising smaller, more agile funds. Consequently, dollar values of capital under management are declining from historical levels. Counterbalancing this trend is the recent uptick in the venture-backed IPO market which, if sustainable, may very well draw more dollars into the asset class in the coming year.”

Second quarter 2013 venture capital fundraising was led by Massachusetts-based Matrix Partners X, L.P. which raised \$450.0 million, California-based Scale Venture Partners IV, L.P. which raised \$300.0 million and Foundation Capital VII, L.P. which raised \$282.0 million.

There were 29 follow-on funds and 15 new funds raised during the second quarter of 2013, almost a 2-to-1 ratio of follow-on to new funds. The number of new funds raised during the second quarter is more than double the number of first-time funds raised during the first quarter of this year, which was atypically low. By dollars raised, follow-on funds accounted for 89 percent of total dollar commitments during the second quarter of 2013. Over the past five years, follow-on fund dollars have accounted for 91 percent of total venture capital fundraising.

The largest new fund reporting commitments during the second quarter of 2013 was Massachusetts.-based Sigma Prime Partners IX, L.P. which raised \$115.6 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
2009	40	121	161
2010	57	116	173
2011	57	129	186
2012	71	142	213
2013	22	64	86
2Q'11	16	31	47
3Q'11	21	45	66
4Q'11	15	38	53
1Q'12	16	41	57
2Q'12	16	35	51
3Q'12	19	40	59
4Q'12	20	26	46
1Q'13	7	37	44
2Q'13	15	29	44

Source: Thomson Reuters and National Venture Capital Association



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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 fund 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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