

US Private Equity Short-Term Performance Turns Sharply Positive; 10-Year Venture Capital Returns Dip Negative

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Returns Continue to Exceed the Public Markets Across Long-term Time Horizons

NEW YORK, NY, Aug 10, 2010 (MARKETWIRE via COMTEX) --

Overall US private equity performance showed positive returns across all investment horizons and turned sharply positive in the one-year time horizon for the period ending March 31, 2010 according to Thomson Reuters.

With improving stability in the broader capital markets and a return for venture capital and private equity IPO and M&A exits, near-term horizon returns saw marked improvements over last quarter. The 10-year time horizon for venture capital funds demonstrated weakening trends from last quarter and a year ago, registering negative investment returns as the cash flows and corresponding valuations seen in 1999 are no longer included in the sample.

One year returns, which are most affected by the current market environment, moved in a strongly positive direction registering a seven percentage point increase from last quarter for venture capital funds (11.5%) and a 9.1 percentage point increase for buyout funds (19.4%). Longer-term time horizons held strongly positive for venture capital funds with a slight increase from the third quarter return in the 20-year time horizon to 17.8% compared to 17.1% a year ago. In the buyouts category, small and medium buyout funds in the longer-term time horizons continued to drive performance, with double-digit performance figures.

Overall, venture capital and buyout fund returns across most time horizons continued to outperform US public market indices, NASDAQ and the S&P 500, through March 31, 2010.

Thomson Reuters US Private Equity Performance Index (PEPI)
Investment Horizon Performance through 03/31/2010

Fund Type	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Early/Seed VC	4.0	-1.3	1.1	-3.6	23.2
Balanced VC	16.9	0.2	7.0	-0.1	14.8
Later Stage VC	19.3	5.7	8.3	0.3	15.5
All Venture	11.5	0.5	4.6	-1.5	17.8
All Venture (through 12/31/2009)	4.5	0.8	4.2	1.1	17.7
All Venture (through 3/31/2009)	-17.4	1.8	5.2	13.0	17.1
Small Buyouts	0.0	0.5	4.4	3.3	11.8
Medium Buyouts	12.8	3.7	8.1	2.7	10.9
Large Buyouts	16.0	2.6	6.9	3.9	10.5
Mega Buyouts	20.0	-1.3	4.9	4.2	7.8
All Buyouts	19.4	-0.5	5.4	4.0	9.0
All Buyouts (through 12/31/2009)	10.3	-0.5	5.1	4.5	8.9
All Buyouts (through 3/31/2009)	-24.4	-0.9	6.0	4.9	9.1
Mezzanine	4.0	0.8	2.7	2.3	6.7
All Private Equity (excl. VC)	24.0	0.7	6.2	4.7	8.9
All Private Equity	21.9	0.6	5.8	2.8	11.3

NASDAQ	51.5	-0.3	3.6	-6.2	9.1

S&P 500	42.3	-6.1	-0.2	-2.4	6.5

Source: Thomson Reuters

*The Private Equity Performance Index is based on the latest quarterly statistics from Thomson Reuters' private Equity Performance Database analyzing the cash flows and returns for over 2,044 US venture capital and private equity partnerships with a capitalization of \$982.6 billion. Sources are financial documents and schedules from Limited Partners investors and General Partners. All returns are calculated by Thomson Reuters from the underlying financial cash flows. Returns are net to investors after management fees and carried interest. Buyout funds sizes are defined as following: Small: 0-250m, Medium: 250-500m, Large: 500-1000m, Mega: 1b+

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