



VC-PE Index: A Look at Private Equity and Venture Capital as of Q3 2014

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Now that the Q3 numbers are in, we can start to look at the numbers and pick out any trends that will likely characterize 2014. Besides the much talked about tech euphoria, 2014 looks like it is shaping up to be a year of strong distributions.

Looking at 2003–2012, the average DPI change for top quartile North American managers from Q4 2013 through Q3 2014 is 0.16x. The 2007 and 2009 vintage years stand out as the biggest movers. This is being driven by both buyout and venture capital/growth equity funds. In fact, 2007 and 2009 venture capital/growth equity funds have distributed more, relatively speaking, than buyout funds through the first three quarters of 2014.

This is a positive development for the VC/GE industry. However, the VC/GE industry is still struggling to deliver money back to investors. You need to go back to 1998 to find a median DPI figure that is above 1.0x, meaning they have returned more than their investors paid in.

For a more in depth look at the buyout and venture capital benchmarks, please visit www.bison.co.

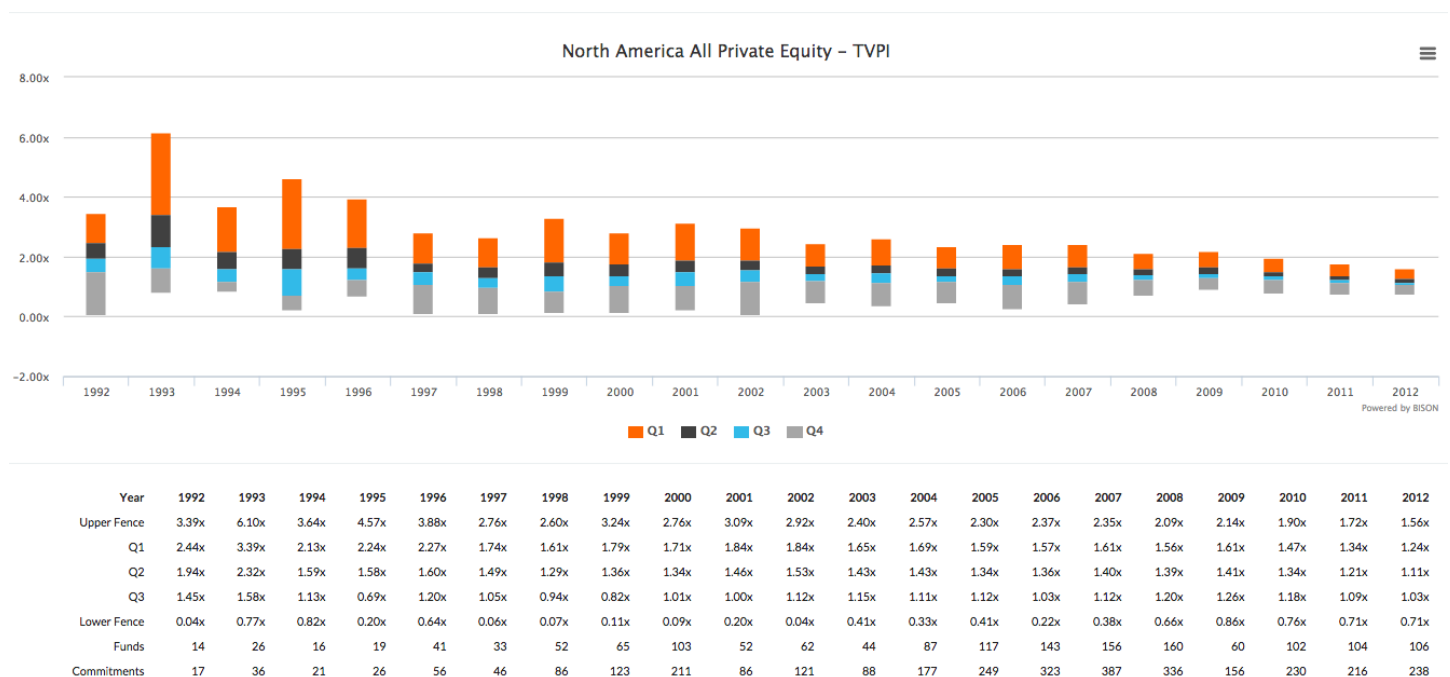
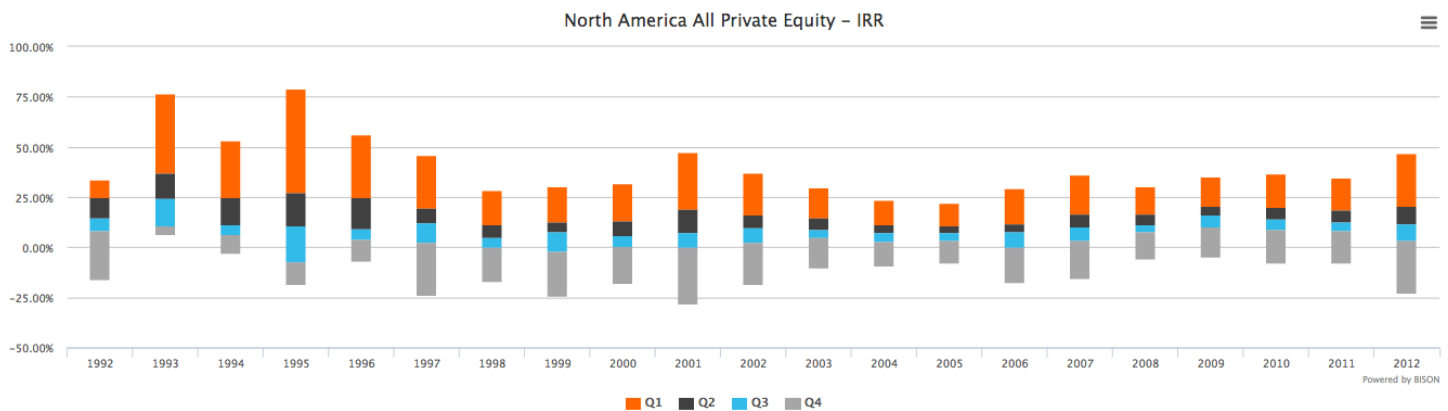
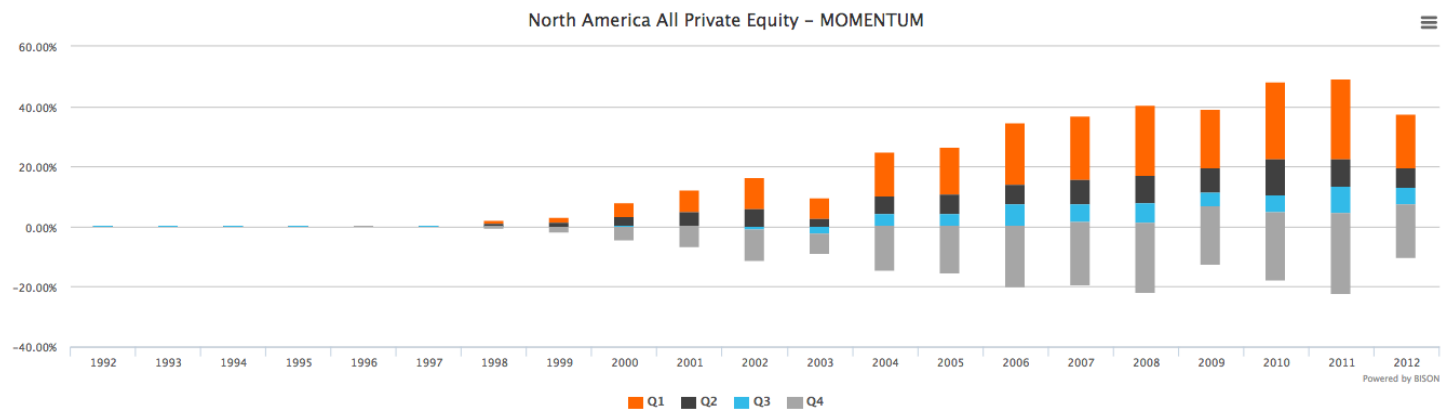


Exhibit 1 North America All Private Equity TVPI Benchmark



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Fence	33.27%	75.66%	52.59%	78.50%	55.40%	45.06%	27.66%	29.68%	30.99%	46.60%	36.25%	28.92%	22.96%	21.17%	28.50%	35.26%	29.76%	34.71%	36.01%	34.09%	45.97%
Q1	24.06%	36.30%	24.48%	26.67%	24.30%	19.08%	10.70%	11.95%	12.47%	18.40%	15.58%	14.01%	10.72%	10.14%	11.10%	15.90%	16.10%	19.69%	19.37%	18.17%	20.02%
Q2	14.33%	24.09%	10.85%	10.28%	8.94%	11.85%	4.70%	7.29%	5.48%	6.76%	9.61%	8.68%	6.92%	6.82%	7.59%	9.91%	11.11%	15.73%	13.63%	12.36%	11.29%
Q3	7.69%	10.06%	5.73%	-7.89%	3.57%	1.76%	-0.61%	-2.72%	0.12%	-0.40%	1.80%	4.08%	2.55%	2.79%	-0.50%	2.99%	7.00%	9.68%	8.29%	7.56%	2.72%
Lower Fence	-16.87%	5.66%	-3.73%	-18.85%	-7.61%	-24.22%	-17.58%	-24.72%	-18.40%	-28.60%	-18.87%	-10.83%	-9.70%	-8.23%	-17.90%	-16.37%	-6.65%	-5.34%	-8.35%	-8.35%	-23.24%
Funds	14	25	16	19	41	32	51	64	104	53	58	38	86	114	137	156	160	59	99	101	99
Commitments	18	37	21	26	58	46	89	125	217	87	117	83	182	245	311	390	333	150	212	192	196

Exhibit 2 North America All Private Equity IRR Benchmark



Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Upper Fence	0.00%	0.00%	0.00%	0.02%	0.13%	0.00%	1.65%	2.77%	7.53%	11.93%	16.05%	9.27%	24.50%	26.12%	34.03%	36.56%	40.01%	38.69%	47.91%	48.90%	37.25%
Q1	0.00%	0.00%	0.00%	0.01%	0.05%	0.00%	0.66%	0.96%	2.90%	4.77%	5.63%	2.30%	9.80%	10.45%	13.69%	15.43%	16.66%	19.39%	22.03%	22.08%	19.24%
Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.29%	0.00%	-0.05%	4.26%	4.26%	7.25%	7.52%	7.89%	11.20%	10.46%	13.40%	12.85%
Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%	-0.25%	-0.18%	0.00%	-1.32%	-2.34%	0.00%	0.00%	0.13%	1.35%	1.08%	6.53%	4.78%	4.19%	7.23%
Lower Fence	0.00%	0.00%	0.00%	-0.01%	-0.08%	0.00%	-1.01%	-2.06%	-4.81%	-7.16%	-11.73%	-9.31%	-14.70%	-15.67%	-20.22%	-19.78%	-22.27%	-12.76%	-18.09%	-22.64%	-10.78%
Funds	14	26	16	18	39	30	52	60	100	50	60	41	73	101	126	133	136	56	89	90	79
Commitments	17	33	20	23	50	43	83	110	198	78	106	76	128	193	257	303	245	132	186	169	177

Exhibit 3 North America All Private Equity Momentum Benchmark

Author's Bios



Mike Nugent

Prior to founding Bison, Mike Nugent held senior roles at SVG Advisers, LP Capital Advisors and HarbourVest Partners, and has more than \$3B in private market commitments to his credit. Mike started his career in the public markets with the NASDAQ Stock Market, and also gained significant operating experience while running operations for a textiles manufacturer. He received his MBA from Boston College, and his BA from St. Bonaventure University. Mike lives on the North Shore of Massachusetts with his wife and two sons.



Mike Roth

Mike Roth is the Research Manager at Bison and oversees the data collection and content production. Before Bison, Mike spent six years on the investment team at SVG Advisers. There, he conducted research and due diligence on buyout and venture capital funds in the Americas. Mike received his BA in Economics from Boston College and is a CFA Level III candidate.