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## CONTACTS

Gilles Duruflé  
Chair, CVCA's Statistics & Reporting Committee  
1.514.276.1348  
[gilles.durufle@sympatico.ca](mailto:gilles.durufle@sympatico.ca)

Lauren Linton  
Director of Marketing, CVCA  
1.416.487.4299  
[llinton@cvca.ca](mailto:llinton@cvca.ca)

Matthew Toole  
Thomson Reuters  
1.646.223.7212  
[matthew.toole@thomsonreuters.com](mailto:matthew.toole@thomsonreuters.com)

## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **CANADIAN VENTURE CAPITAL & PRIVATE EQUITY INDUSTRY** **PERFORMANCE DATA – Private Independent Funds**

**Toronto, December 13, 2011** – The CVCA – Canada's Venture Capital & Private Equity Association, today released Canadian performance data for venture capital and private equity industry for the period ending June 30, 2011. The attached data shows returns on a net basis for a sample of 84 private independent funds and has been compiled with the assistance of Thomson Reuters. The release of this data continues the CVCA's commitment to provide comprehensive, detailed and accurate performance information for the venture capital and private equity asset classes in Canada on a regular and timely basis.

The CVCA continues to work closely with several interested parties to extend the quality of the performance data. Thus, the CVCA has endorsed the International Private Equity and Venture Capital (IPEV) valuation guidelines on this subject. These guidelines are set out on the CVCA web site [www.cvca.ca](http://www.cvca.ca) in the "About CVCA" section. More granular information regarding June 30, 2011 performance data is also available solely to CVCA members at the member's only section of the CVCA web-site.

The CVCA is committed to producing comprehensive, detailed and timely data releases. With respect to the semi-annual industry financial performance data, the CVCA provides its members with a more granular and comparative analysis than is available to non-members, including equivalent comparisons with other global regions.



**Investment Horizon IRRs to 06/30/2011  
Private Independent Funds**

(As of 06/30/2011, based on net IRR calculation)

Private Independent Funds	# Funds in 1 Yr. Sample	Net Horizon Returns Periods in Years (All periods ending Jun. 30, 2011)					Cumulative-since-inception Net Returns			
		1	# Funds in Sample	3	5	10	Pooled Avg.	Upper Quartile	Median	Lower Quartile
All Venture Capital	21	-0.2	48	1.0	0.2	-3.1	-1.7	0.8	-3.9	-12.8
All Buyouts/Mezzanine	19	21.6	36	6.3	12.5	15.8	16.0	19.1	9.6	3.8
All Venture Capital and Private Equity	40	12.2	84	4.2	7.2	6.4	7.7	11.2	0.4	-8.3

Source: Thomson Reuters and CVCA

**CVCA - Canada's Venture Capital & Private Equity Association**

The CVCA - Canada's Venture Capital & Private Equity Association, was founded in 1974 and is the association that represents Canada's venture capital and private equity industry. Its over 1900 members are firms and organizations which manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters.

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## Explanatory Notes

1. As of Q1 2009, global reporting of fund statistics by Thomson Reuters has been split between Private Independent and Captive/Evergreen funds. This change has been made in order to a) ensure accurate comparisons of opportunities and returns by Limited Partners and Private Fund General Partners and b) enable global comparability of reported statistics. In preparation for this change split reporting of statistics has been implemented beginning with Q4 2008 reporting for the Canadian market.

Data reported in this release covers Private Independent funds only. Performance private independent funds are calculated on the basis of cash flows between the investor and the fund, net of management fees and carried interest. Data covering Captive/Evergreen funds has been reported in a separate release. These two data sets are not comparable as one is reported on a net basis and the other on a gross basis. A decrease in reported sample size from prior reported periods reflects that only private independent funds are included in this release.

2. The Canadian Performance Data for Private Independent funds are based on information from respondents who (a) provided data on 40 segregated investment funds for various periods ended June 30, 2011 or (b) alternatively, had previously provided data on 44 additional segregated funds for periods ended earlier than June 30, 2011.

3. The respondents referred to in category (b) above did not provide data for the period ended June 30, 2011 principally because they had ceased investment operations or declined participation in the June 30, 2011 survey.

4. All funds have been categorized according to the principal focus of their investment strategies. Venture capital funds have been distinguished from buyout/mezzanine funds.

5. Categorization of funds has been restricted to those categories containing a sufficiently large sample so as to maintain confidentiality of individual fund performance.

6. The indicated investment returns are net annual percentage returns for the stated periods and categories calculated on an internal rate of return (IRR) basis.

7. The horizon returns are provided on a "pooled basis" which involves the aggregation of data from respondents in a particular category and the treatment of the category as a single hypothetical "fund". The category "Overall" represents the summation of data from all 84 funds and hence represents the best available performance information for the venture capital, buyout and mezzanine sector as a whole.

8. The horizon investment returns for the indicated periods are based on residual values at the beginning and end of each period and cash flows from investments during the respective periods. The sample for 1 year horizon returns include only those funds which have reported actual residual values at the beginning and end of the 1 year period.

9. Cumulative investment returns for the sample are further classified by quartile. This indicates the investment returns required for a fund to be included in a particular quartile. For example, in the All Venture Capital category, a fund must have generated an annual IRR of at least 0.8% to be included in the top quartile category.