CANADIAN VENTURE CAPITAL & PRIVATE EQUITY INDUSTRY

PERFORMANCE DATA – Captive/Evergreen Funds

Toronto, May 28, 2009 – 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 December 31, 2008. The attached data shows returns on a gross basis for a sample of 78 captive/evergreen and retail 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 in the "About CVCA" section. More granular information regarding December 31, 2008 performance data is also available solely to CVCA members at the member's only section of the CVCA web-site.

"The data show that the Canadian private equity industry continues to develop in maturity and is progressing well." Said Gregory Smith, President of the CVCA. "As well, the CVCA has been working diligently with Thomson Reuters over a number of months to provide more in-depth and relevant data, particularly for CVCA members."

Investment Horizon IRRS to 12/31/2008

(As of 12/31/2008, based on gross IRR calculation)

Captive/Evergreen Funds		Net Horizon Returns Periods in Years (All periods ending Dec. 31, 2008)					Cummulative-since-inception Net Returns			
Investment Category	**# Funds in 1 Yr. Sample**	**1**	**# Funds in Sample**	**3**	**5**	**10**	**Pooled Avg.**	**Upper Quartile**	**Median**	**Lower Quartile**
All Venture Capital	18	-15.6	62	-0.2	-0.4	0.5	1.8	6.0	-0.1	-5.2
All Buyouts/Mezzanine	10	-9.9	16	-1.5	5.4	10.8	9.1	14.8	3.6	-2.0
All Venture Capital and Private Equity	28	-11.5	78	-0.9	2.4	5.2	5.7	6.4	0.0	-3.3

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 1500 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.

About Thomson Reuters

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CONTACTS

Gilles Duruflé
Chair, CVCA's Statistics & Reporting Committee
1.514.276.1348
gilles.durufle@sympatico.ca

Matthew Toole
Thomson Reuters
1.646.223.7212
matthew.toole@thomsonreuters.com

Lauren Linton
Director of Marketing, CVCA
1.416.487.4299
llinton@cvca.ca

Explanatory Notes

1. As of Q1 2009, global reporting of fund statistics by Thomson Reuters will be 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 Captive funds only. Performance returns for Captive funds are calculated on the basis of investments made by the investment fund into investee companies and reported on a gross basis. Captive fund returns are not comparable to separately reported private independent fund returns 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 Captive funds are included in this release.

2. The Canadian Performance Data for Captive/Evergreen Funds are based on information from respondents who (a) provided data on 36 segregated investment funds for various periods ended December 31, 2008; or (b) alternatively, had previously provided data on 45 additional segregated funds for periods ended earlier than December 31, 2008.

3. The respondents referred to in category (b) above did not provide data for the period ended December 31, 2008 principally because they had ceased investment operations or declined participation in the December 31, 2008 Annual 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 annual percentage returns for the stated periods and categories calculated on an internal rate of return (IRR) basis. Note that returns for captive funds are reported on the basis of investments made by the fund into investee companies and reported on a gross 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 81 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 6.1% to be included in the top quartile category.

Background Information

In an effort to continuously improve the quality of reporting for the Canadian Private Equity and Venture Capital community, Thomson Reuters, in conjunction with the CVCA, is implementing a number of key changes to the methodology and reporting of fund performance statistics.

Global Treatment of Captive Funds
Between now and the Q1 2009 report period, Thomson Reuters is implementing a global change to the reporting of fund performance statistics. Going forward, performance statistics reported by Thomson Reuters will be split into separate samples for Captive/Evergreen funds and Private Independent 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.

Changes to Statistics Reporting for the Canadian Market
In preparation for this global change and in recognition of the importance of Captive/Evergreen funds to the CVCA membership and Canadian market as a whole, split reporting of statistics will be implemented beginning with Q4 2008 reporting.

One sample will include Private Independent funds only and offer globally comparable returns for limited partners and private fund managers. Performance returns are calculated on the basis of cash flows between the investor and the fund, net of management fees and carried interest.

A second sample will be created for Captive/Evergreen funds in order to support comprehensive tracking of the health of the overall Canadian VC and PE fund management industry for a broad constituency which includes Captive and Retail Fund managers, Corporate subsidiaries and other industry and government agencies. Performance returns for Captive/Evergreen funds are calculated on the basis of investments made by the investment fund into investee companies and reported on a gross basis.

These two sets of data are not comparable as one is reported on a net basis and the other on a gross basis.

Expanded Data Reporting
Corresponding with the implementation of split reporting, the CVCA will also introduce greatly expanded performance data and analysis, available exclusively to CVCA members, including:

- Quartile return breakdowns for Investment Horizon and Since Inception returns
- Public market comparator data

Frequently Asked Questions:

How are IRRs Calculated?
In the case of private independent funds, the IRR is based on a cash-in/cash-out return, with consideration of the residual value or net asset value of the partnership's holdings. Specifically, the IRR is calculated for each fund as a cash-on-cash return to the investors on a cumulative basis, modified to incorporate the quarter end valuation of the partnership's unliquidated holdings or residual value. The quarter end residual value is as-reported from the partnership. The IRR is calculated as an annualized effective compounded rate of return using monthly cash flows and quarterly valuations. Returns are net of management fees and carried interest.

In the case of captive/evergreen funds, where there are no outside investor flows, the methodology for determining cash flows differs in the following respect: Investments in portfolio companies are treated as negative cash inflows. Proceeds from those portfolio company investments are treated as positive cash flows. Returns of captive/evergreen funds reflect returns to the fund from their portfolio holdings. Because captive/evergreen fund returns are not returns between the fund and outside investors, special note should be taken that returns do not reflect management expense ratios or internal costs nor carried interest associated with fund management.

Why has a decision been made to split performance reporting for Independent Partnerships and Captive funds?

While independent partnerships are an important form of investment, there is also a large portion of private equity investment done through captive and retail fund vehicles.

In cases where captive vehicles are investing on behalf of the parent, there is typically no management fee or profit split, thus making it difficult to compare "net" investment results. Additionally Captive/Evergreen fund returns do not reflect internal costs associated with fund management nor management expense ratios nor carried interest and cannot be compared with the Independent Returns which are net of fees and carry.

How do split Canadian returns compare to other Thomson Reuters performance returns?

Similar split of reporting will be implemented in the Thomson Reuters global sample on or before the Q1 2009 reporting period. A consistent methodology has been applied to the Independent and Captive/Evergreen samples. Returns within a fund type group (Independent or Captive/Evergreen) are comparable across regions, however returns between fund type groups are not comparable regardless of region. It should be noted that captive funds represent a much larger universe in Canada than in either Europe or the US.

Can the returns for Captive and Non-Captive funds be compared?

Performance for a limited partnership is calculated on the basis of cash flows between the investors in a fund and the fund itself. In the case of captive funds, there is no parallel cash flow. Captive funds' and evergreen companies' performance must be measured on the basis of the investment made by the investment vehicle in its portfolio or investee companies. Since this return is a gross return, it is not comparable with net returns prepared for Private Independent funds.

What is being done with respect to restatements of previous years' performance numbers?

In order to ensure comparability of current to prior year returns, historical returns back to 2005 will be provided for both Independent and Captive returns. It is important to note that the Thomson Reuters database is continuously updated to ensure the most accurate and complete information. As new funds are added to our sample, historical cash flow information is also added. Returns reported today for historical periods will reflect changes sample size and cash flow information since the time of original reporting. Previously reported combined returns data will not be re-stated.