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## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **US PRIVATE EQUITY SHORT-TERM PERFORMANCE TURNS FIRMLY POSITIVE; EFFECT OF TECH DOWNTURN EVIDENCED IN 10-YEAR VENTURE RETURNS**

#### **Returns Continue to Exceed the Public Markets Across Most Horizons**

**New York, NY, May 5, 2010** – US private equity performance showed positive returns across all investment horizons five years and turned firmly positive in the one-year time horizon for the period ending December 31, 2009, 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 demonstrated weakening trends from last quarter and a year ago as the effects of the technology downturn are evidenced in fund performance.

One year returns, which are most affected by the current market environment, moved in a positive direction registering a 15.3 percentage point increase from last quarter for venture capital funds (-10.7%) and just over 20 percentage point increase for buyout funds (-9.6%). 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 17.7% compared to 17.0% 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 December 31, 2009.



**Thomson Reuters US Private Equity Performance Index (PEPI)**

Investment Horizon Performance through 12/31/2009

| Fund Type                        | 1 Yr        | 3 Yr        | 5 Yr       | 10 Yr      | 20 Yr       |
|----------------------------------|-------------|-------------|------------|------------|-------------|
| Early/Seed VC                    | 0.8         | -1.0        | 0.9        | -0.3       | 23.0        |
| Balanced VC                      | 7.9         | 0.9         | 6.8        | 2.3        | 15.0        |
| Later Stage VC                   | 9.3         | 5.6         | 7.6        | 1.7        | 15.0        |
| <b>All Venture</b>               | <b>4.6</b>  | <b>0.9</b>  | <b>4.3</b> | <b>1.1</b> | <b>17.7</b> |
| All Venture (through 9/30/2009)  | -10.7       | 2.4         | 5.2        | 7.6        | 17.3        |
| All Venture (through 12/31/2008) | -16.3       | 3.7         | 6.1        | 15.3       | 17.0        |
| Small Buyouts                    | 4.3         | 0.1         | 4.2        | 3.4        | 11.5        |
| Medium Buyouts                   | 4.2         | 3.6         | 8.7        | 4.1        | 10.8        |
| Large Buyouts                    | 11.4        | 2.7         | 6.7        | 4.9        | 10.5        |
| Mega Buyouts                     | 11.2        | -1.0        | 4.8        | 4.7        | 7.8         |
| <b>All Buyouts</b>               | <b>11.0</b> | <b>-0.3</b> | <b>5.3</b> | <b>4.6</b> | <b>8.9</b>  |
| All Buyouts (through 9/30/2009)  | -9.6        | 0.2         | 6.5        | 4.8        | 9.1         |
| All Buyouts (through 12/31/2008) | -21.3       | 1.2         | 7.8        | 5.6        | 9.5         |
| Mezzanine                        | -4.8        | 0.7         | 2.8        | 2.9        | 6.8         |
| All Private Equity (excl. VC)    | 14.1        | 0.8         | 5.9        | 5.2        | 8.8         |
| <b>All Private Equity</b>        | <b>12.3</b> | <b>0.8</b>  | <b>5.5</b> | <b>4.0</b> | <b>11.2</b> |
| NASDAQ                           | 39.9        | -2.7        | 0.8        | -5.6       | 8.9         |
| S&P 500                          | 21.5        | -8.1        | -1.6       | -2.7       | 6.3         |

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 1,967 US venture capital and private equity partnerships with a capitalization of \$886 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 fund sizes are defined as following: Small: 0-250m, Medium: 250-500m, Large: 500-1000m, Mega: 1b+*

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