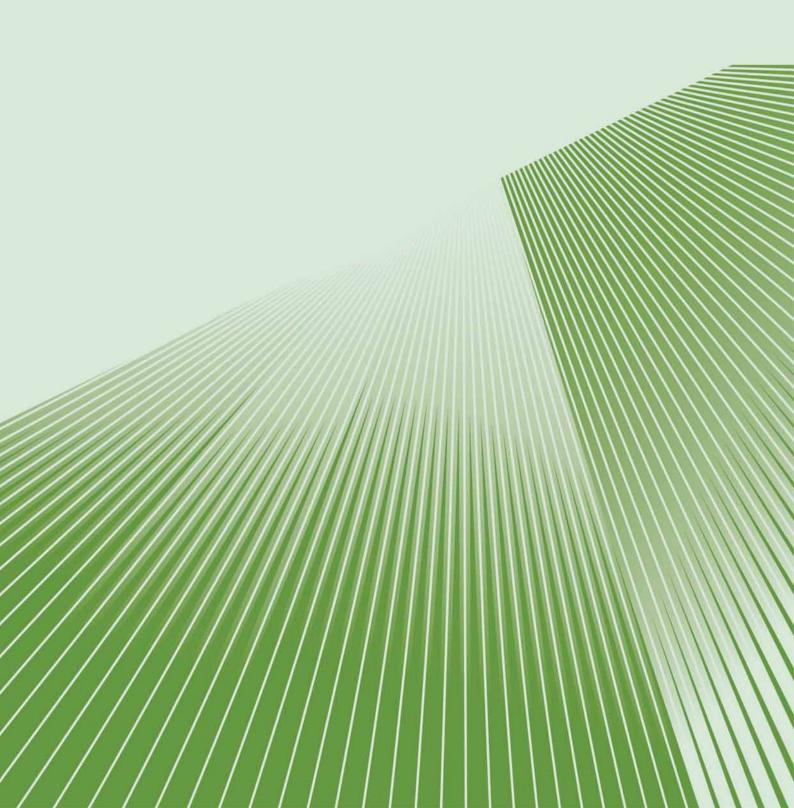


The AUSTRALIAN PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION Limited

2009 YEARBOOK

AUSTRALIAN PRIVATE EQUITY AND VENTURE CAPITAL ACTIVITY REPORT

- NOVEMBER 2009



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ABOUT THE REPORT PARTNERS



AUSTRALIAN PRIVATE EQUITY AND VENTURE CAPITAL ASSOCIATION LIMITED (AVCAL) AVCAL was established in 1992 as a forum for participants in the private equity and venture capital industry. AVCAL is the central voice of the Australian industry and its membership includes almost all the domestic, regional and global private equity and venture capital firms active in Australia.



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Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 130,000 people are united by our shared values and an unwavering commitment to quality. We have a dedicated team of professionals committed to helping our private equity clients and their investee companies achieve their potential. Ernst & Young will address your investment, transaction and portfolio needs to help deliver the returns your stakeholders expect.

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ABOUT THE SURVEY

The survey results are based on the FY2009 activities of 63 Venture Capital and Private Equity firms, representing \$24.5b in funds under management. Of this number, 54 submitted data directly to AVCAL and 4 provided partial data. Publicly available information from firm websites, press releases and industry news sources was used to estimate the activities of the remaining 5 firms.

Notes

- 1. "Fiscal years" refer to Australian financial years ending 30 June. "Calendar years" refer to years ending 31 December.
- 2. The survey collected data for the fiscal year ending 30 June 2009. Where 2009 figures are reported, data coverage is only until 30 June 2009.
- 3. "Venture Capital" refers to Seed, Early Stage, Balanced VC and Later Stage VC funds. "Private Equity" refers to Growth/Expansion, Generalist, Buyout/Later Stage, Turnaround, Secondary and Mezzanine funds. Further details on specific terms and stages can be found in the Glossary.
- 4. All currency units are denominated in Australian dollars unless otherwise stated.
- 5. Companies with multiple VC or PE investors are only counted once under "number of companies".
- 6. "Investments" refer to capital (in the form of equity, convertible equity, mezzanine, unsecured debt or secured debt) invested by the fund. It does not refer to the deal's transaction/enterprise value. Both new and follow-on investments are included in total investments. For syndicated deals, the amount invested by each syndicate partner is accounted for as a separate investment.
- 7. "Number of divestments" is based on each fund's exit from an investee company (e.g. two funds exiting the same company will be counted twice).
- 8. All FY2009 data is sourced from AVCAL's PEREP_Analytics database, except where otherwise stated. Data for prior year(s) are sourced from AVCAL/Thomson Reuters.

FUNDRAISING

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FUNDRAISING

Total funds raised

Like most asset classes, VC and PE were severely affected by the global financial crisis in FY2009. In Australia, total funds raised fell to \$1,540 million, on par with FY2004 levels. This sharp decline mirrored that seen in other major markets, such as the US.

In FY2009, funds raised by PE firms totalled \$1,277 million, bringing total funds raised in the five years between FY2005 and FY2009 to \$18,541 million. The decline in funds raised in FY2009 reflects both the impact of the global financial crisis and the lower number of new funds established over the past two years. This followed intensified fundraising activity the preceding year in anticipation of a rapidly closing fundraising window towards the end of the economic boom.

At a tenth the size of the PE industry, VC was hit hard by the global financial crisis. In FY2009, funds raised by venture firms fell by 19% from the previous year to \$263 million, most of which was raised in the first half of FY2009. Total new VC commitments declined by two consecutive quarters in the first half of 2009 (-89% q-o-q in 1Q 2009 and -32% q-o-q in 2Q 2009), reflecting the difficult fundraising environment faced by the sector.

Only one VC fund reported a final closing in 1H 2009: the \$125 million GBS Bioventures IV Fund in March 2009. This followed the \$185 million Starfish Technology Fund II which reported its final closing in November 2008, making it the largest Australian VC fund raised to date.

TABLE 1: Amount of funds raised by fiscal year (in AUD millions)

YEAR	VENTURE CAPITAL	PRIVATE EQUITY	TOTAL
FY2000	485.30	948.90	1,434.20
FY2001	361.60	519.40	881.00
FY2002	60.00	639.90	699.90
FY2003	161.50	376.70	538.20
FY2004	155.30	863.20	1,018.50
FY2005	84.30	3,453.40	3,537.70
FY2006	184.70	3,614.20	3,798.90
FY2007	435.60	4,584.40	5,020.00
FY2008	323.60	5,612.20	5,935.80
FY2009	263.39	1,276.60	1,539.99

FUNDRAISING

Figure 1: VC and PE funds raised in Australia by fiscal year (in AUD millions)

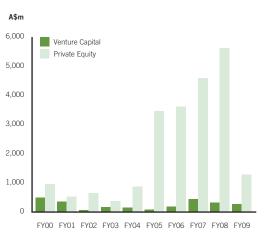


Figure 2: VC and PE funds raised in the US by (Australian) fiscal year (in USD millions)



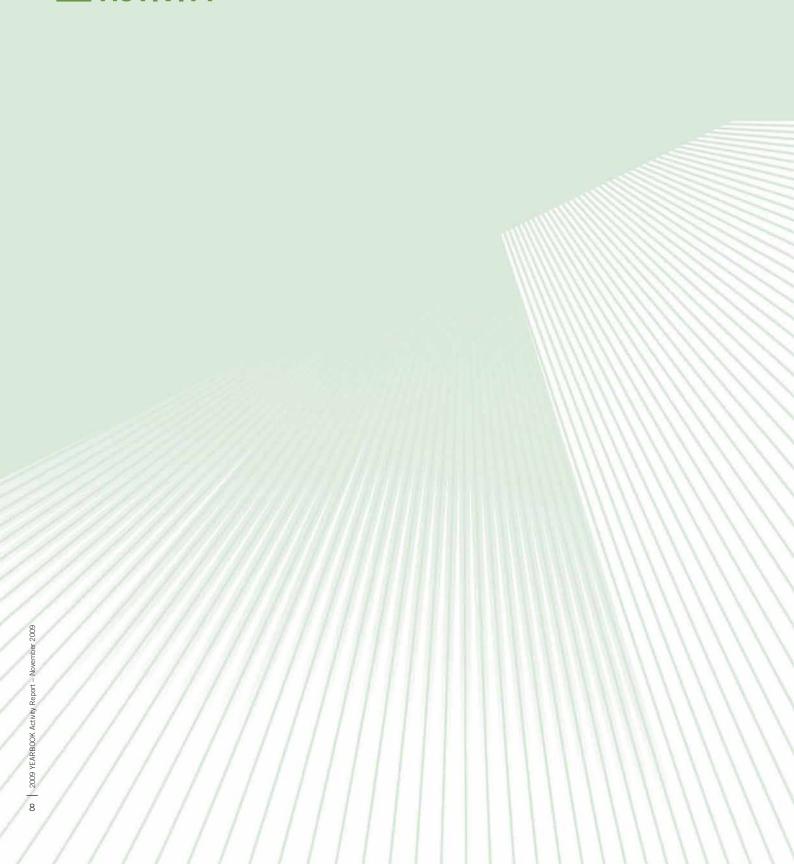
Funds raised by investment stage focus

All new VC commitments in FY2009 were for Early Stage or Balanced VC funds. None of the new VC commitments in FY2009 was specifically for seed investments, indicating a gap at this stage of the innovation pipeline.

Growth/Expansion and Buyout stage funds saw a decline in new commitments raised, with only 2 Growth/Expansion funds and 10 Buyout funds raising commitments of a combined total of \$1,242 million.

TABLE 2: Funds raised by investment stage focus - amounts raised in FY2009 (in AUD millions)

INVESTMENT STAGE	AMOUNT (AUDm)	NO. OF FUNDS RAISING CAPITAL
Seed Stage	-	0
Early Stage VC	44.10	3
Later Stage VC	_	0
Balanced VC	219.29	4
TOTAL VENTURE	263.39	7
TOTAL GROWTH / EXPANSION PE	50.58	2
Generalist PE	391.47	4
Buyout / Later Stage PE	602.06	4
Turnaround	197.50	2
TOTAL BUYOUT	1,191.02	10
Other / Unknown	35.00	2
NEW FUNDS RAISED	1,539.99	21



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INVESTMENT ACTIVITY

Total investments

Despite the sharp decline in new funds raised, both VC and PE investment activity remained relatively stable in FY2009 at \$1,740 million. This bucks the trend seen in many other markets such as the US where investment activity slowed dramatically during the last 12 months. A large proportion of this capital provided to existing investees for follow-on investments and capital restructures.

While fundraising slowed significantly in FY2009, PE investment levels remained steady at \$1,560 million – slightly higher than FY2008. Given liquidity issues and trading and covenant pressures, PE deployed most of this as follow-on investment into portfolio companies to help them weather the downturn. As a result, 108 companies received the benefit of this investment, 25% fewer than the previous year.

Like PE, VC sustained its investment levels in FY2009, putting \$180 million into 103 companies. The number of VC investment rounds increased in FY2009 – largely due to additional capital being injected into existing investees – but at smaller round amounts than previously. This led to a 44% decline in the average VC investment round size from almost \$2 million in FY2008 to \$1 million in FY2009.

TABLE 3: Investments by fiscal year

YEAR	VENTURE CAPITAL		PRIVATE EQUITY			TOTAL			
	AMOUNT (AUDm)	NO. OF INV	NO. OF CO.S	AMOUNT (AUDm)	NO. OF INV	NO. OF CO.S	AMOUNT (AUDm)	NO. OF INV	NO. OF CO.S
FY2000	203.18	146	100	500.93	128	108	704.11	274	208
FY2001	415.37	191	142	710.73	152	130	1,126.10	343	272
FY2002	154.8	167	126	984.8	172	133	1,139.60	339	259
FY2003	229.48	146	116	706.76	121	98	936.24	267	214
FY2004	126.51	115	100	583.67	103	88	710.18	218	188
FY2005	209.97	133	113	1,391.50	122	97	1,601.47	255	210
FY2006	124.56	105	93	2118.08	149	132	2,242.64	254	225
FY2007	163.38	102	85	2115.86	154	133	2,279.24	256	218
FY2008	179.75	100	82	1,539.59	142	119	1,719.34	242	201
FY2009	180.25	179	103	1,559.96	108	89	1,740.21	287	192

Figure 3: Investments by Australian VC funds by fiscal year (in AUD millions)

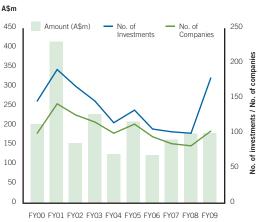


Figure 5: Investments by Australian PE funds by fiscal year (in AUD millions)



Figure 4: Investments by US VC funds by (Australian) fiscal year (in USD millions)

Source: Thomson Reuters

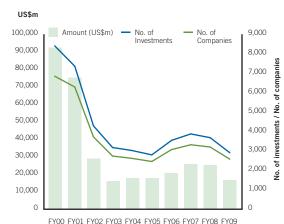
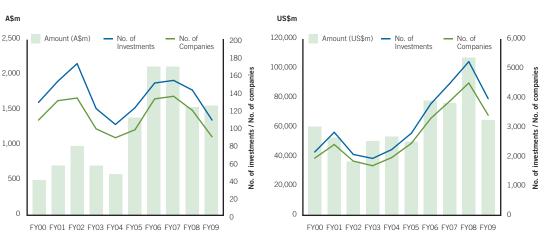


Figure 6: Investments by US PE funds by (Australian) fiscal year (in USD millions)

Source: Thomson Reuters



Distribution of investments by current stage of the investee company

Of the \$1,740 million invested in FY2009, 9% of this was in seed, start-up and early stage, and later stage venture companies. Companies in the growth/expansion stage received 24% of total investment, while companies in the rescue/turnaround, secondary/replacement capital, buyout and other buyout stages received 67% of investment capital. The bulk of funds invested (59% of total investment value) was in the buyout segment.

Despite making up a relatively small proportion of the overall amount invested in FY2009, investments at the seed stage, start-up and early stage, and later stage ventures accounted for approximately half of the total number of investments made (comprising both new and follow-on rounds), as well as the total number of investee companies receiving capital. This reflects the typical VC investment pattern where successive financing rounds occur at relatively regular intervals over the investment period.

TABLE 4: Distribution of investments in FY2009 (by stage of investee company)

STAGE OF INVESTEE COMPANY	AMOUNT (AUDm)	% OF TOTAL	NO. OF INV	% OF TOTAL	NO. OF CO.S	% OF TOTAL
Seed	12.65	1%	34	12%	15	8%
Start-up & early stage	120.93	7%	111	39%	66	34%
Later stage venture	23.10	1%	11	4%	4	2%
Growth / Expansion	424.05	24%	72	25%	61	32%
Rescue / Turnaround	43.81	3%	5	2%	5	3%
Secondary purchase / Replacement capital	65.29	4%	4	1%	3	2%
Buyout	1,028.98	59%	46	16%	35	18%
Other buyout	21.40	1%	4	1%	3	2%
TOTAL INVESTMENT	1,740.21	100%	287	100%	192	100%

Distribution of investments by company sector

The industry continued to fund companies across a broad range of sizes and sectors. Business and industrial services received the highest amount of investment (27% of total amount invested), followed by computer & consumer electronics (16%).

High-tech companies received 17% of the total amount invested, while cleantech companies received 2% of the total amount invested.

TABLE 5: Sectoral distribution of investments in FY2009

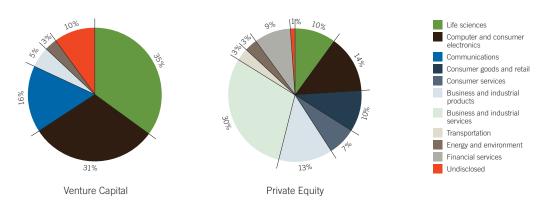
NOTE: Sectors with fewer than 3 companies receiving investments have been aggregated into "Other/ Undisclosed".

SECTOR	AMOUNT (AUDm)	%	NO. OF INV	%	NO. OF CO.S	%
Business and industrial products	215.15	12%	34	12%	27	14%
Business and industrial services	461.43	27%	22	8%	18	9%
Communications	29.98	2%	20	7%	9	5%
Computer & consumer electronics	271.08	16%	44	15%	31	16%
Consumer goods and retail	155.35	9%	19	7%	17	9%
Consumer services: other	114.59	7%	8	3%	6	3%
Energy and environment	48.16	3%	10	3%	9	5%
Financial services	146.77	8%	4	1%	4	2%
Life sciences	225.55	13%	88	31%	51	27%
Transportation	42.35	2%	3	1%	3	2%
Other/Undisclosed	29.80	2%	35	12%	17	9%
TOTAL INVESTMENT	1,740.21	100%	287	100%	192	100%
Subtotal high-tech	287.16	17%	62	22%	36	19%
Subtotal cleantech	29.31	2%	9	3%	8	4%

The top three sectors receiving VC investments in FY2009 were life sciences (35%), computer and consumer electronics (31%) and communications (16%). By contrast, PE investment went largely to business and industrial services (30%), computer and consumer electronics (14%), and business and industrial products (13%). In terms of total investment from VC and PE, business and industrial services received 27%, computer and consumer electronics 18% and life sciences 13%.

Figure 7: Sectoral distribution in FY2009, by investment amount

Note: Sectors with fewer than 3 companies receiving investments have been aggregated into "Other/Undisclosed".



Distribution of investments by geographical location

As expected, Australian-domiciled companies accounted for the lion's share (84%) of the total amount invested. US-domiciled companies came second: a large proportion of these companies are VC investees building on Australian-grown technologies that have since relocated to the US.

Companies in Victoria received the most VC and PE funding in FY2009, accounting for nearly half of all funds invested in Australia. The state received over 60% more in capital invested than the next most popular Australian investment destination, New South Wales, followed by Queensland, Western Australia and South Australia.

TABLE 6: Investment amounts by company location in FY2009 (in AUD millions)

NOTE: Locations with fewer than 3 companies receiving investments have been aggregated into "Other".

	AMOUNT (AUD millions)	% OF TOTAL
Australia	1,466.00	84%
Victoria	690.30	47%
New South Wales	424.09	29%
Queensland	146.78	10%
Western Australia	58.60	4%
South Australia	9.15	1%
Unknown	137.08	9%
US	144.00	8%
New Zealand	119.82	7%
Other	10.39	1%
TOTAL INVESTMENTS	1,740.21	100%

Total investee companies in VC and PE portfolios

The total number of companies in VC and PE portfolios was 504 at 30 June 2009. Of this number, 35% were in VC portfolios and 65% in PE portfolios. This number comprises only unique companies and does not double-count companies with multiple VC or PE investors.

Approximately 21% of investee companies were classified as high-tech companies (which were mostly VC investees). Cleantech companies made up 3% of total investees, with both VC and PE firms alike investing in this sector.

TABLE 7: Number of investee companies in VC and PE portfolios as of 30 June 2009

YEAR	VENTURE CAPITAL	PRIVATE EQUITY	TOTAL	
TOTAL NUMBER OF COMPANIES	178	326	504	
Subtotal: No. of High-tech Companies	84	21	105	
Subtotal: No. of Cleantech Companies	8	9	17	

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DIVESTMENT ACTIVITY

Distribution of divestments by exit methods

There were 54 exits (of 37 companies) in FY2009. Of the 37 companies exited, 9 were exited through trade sale, 9 were write-offs, and the remaining 19 were exited through various other means. No IPO exits were recorded, reflecting the generally lacklustre appetite for new listings in the public market over the reporting period.

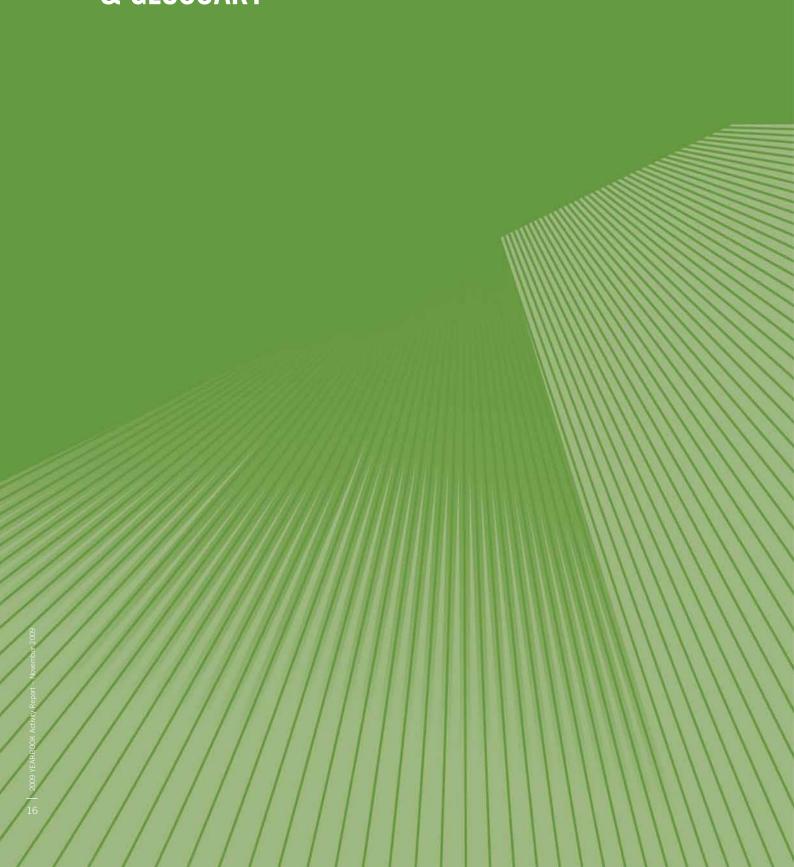
TABLE 8: Divestments by exit routes in FY2009

NOTES:

1. Divestment types with fewer than 3 companies have been aggregated into Type of Divestment = Other/ Undisclosed.

TYPE OF DIVESTMENT	NO. OF DIVESTMENTS	% OF TOTAL	NO. OF COMPANIES	% OF TOTAL
Trade sale	16	30%	9	24%
IPO	0	0%	0	0%
Write-off	16	30%	9	24%
Repayment of preference shares / loans	4	7%	4	11%
Sale to another PE firm	3	6%	3	8%
Sale to management	8	15%	6	16%
Other / Undisclosed	7	13%	6	16%
TOTAL DIVESTMENT	54	100%	37	100%

METHODOLOGY & GLOSSARY



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METHODOLOGY

SAMPLE

All Venture Capital and Private Equity firms that are members of AVCAL are requested to provide their fundraising, investment and divestment data to AVCAL. The sample does not include fund of funds, infrastructure or real estate funds.

Firms that participate in the survey benefit in the following areas:

- They receive more detailed analyses & data based on the data collection results.
- They can request customised research reports from AVCAL, based on the aggregated data collected from the survey.
- They receive a customised IRR performance benchmark report for their firm/fund, prepared by Thomson Reuters.

Non-AVCAL members are also eligible to participate in the survey; however, they will need to contact research@avcal.com.au to receive individual login details to the PEREP_Analytics platform.

DATA COLLECTION

Participants have the choice of providing data via the secure online PEREP_Analytics platform, or through standardised Excel spreadsheet templates which are then uploaded by AVCAL research staff into the online platform.

The data collection exercise is complemented by the use of public sources of information (e.g. firms' websites, press releases, news reports). This data is used for the following purposes:

- To pre-populate the database. The participant then either validates or edits this pre-populated information as necessary.
- To reduce response errors and verify accuracy of responses.
- To fill in missing information where such data is not provided directly.

Each submitted piece of information is reviewed according to a systematic process of quality checks, of which a certain number of checks are built into the PEREP_Analytics platform. AVCAL research staff also contact the participating firms where necessary to seek further clarifications on the data provided.

EXCHANGE RATES

The Yearbook's default currency is the Australian dollar (AUD). PEREP_Analytics automatically converts non-AUD fundraisings and investments/divestments to AUD at the Reserve Bank of Australia's spot foreign exchange rates (which can be found here: http://www.rba.gov.au/statistics/exchange_rates.html) on the date of the fund's reported close or investment/divestment date.

FUNDRAISING

Fundraising amounts

This refers to the amount of capital commitments received as of a first, intermediate or final fund closing occurring within a particular financial year. It refers to the incremental capital raised during a particular period. If a fund has had successive closings over more than one reporting period, only the incremental amount raised during the reporting period is included.

Fundraising by location of fund management office

Information on funds and fundraisings are for funds managed from offices located in Australia and New Zealand only. The fund country is defined by the location of the advisory team, not by the place of incorporation of the fund for tax reasons. Global/regional VC and PE firms headquartered outside of Australia – including those with Australian offices – with funds that invest in Australia are not included in total funds under management or fundraising numbers, unless the fund manager can identify the specific amount allocated to Australian investments. However, investments/divestments made by these funds are included in the investment/divestment results.

Average fund size

Only funds with final closings in a particular year (using cumulative total amounts raised) are used to calculate average fund size.

This is done in order to obtain more representative figures for average fund size. As a result, it should be noted that the average fund size cannot be derived from simply dividing the total funds raised by total number of funds raising capital as reported in Table 2 (which includes funds that have only recorded first or intermediate closings).

METHODOLOGY

INVESTMENTS AND DIVESTMENTS

Important parameters apply to the measurement of investments and divestments:

- Only investments and divestments derived from VC or PE funds are included. This means that financing (whether
 equity or debt) for investments are included only if these originate from funds raised through VC or PE vehicles.
- Secured debt amounts within all investment packages are not included in the investment figures, unless the debt is provided by VC or PE funds.
- While ad hoc investments into real estate or infrastructure deals made by qualifying funds are captured, any
 investments made by dedicated real estate or infrastructure funds are not captured (as these funds do not
 qualify as part of the universe of eligible funds in the sample).
- Investments and divestments by funds managed from Australian and New Zealand offices are included.
- Investments and divestments by global/regional funds who are AVCAL members are also included.

Amount of Investment

This refers to capital (in the form of equity, convertible equity, mezzanine, unsecured debt or secured debt) invested by the fund. It does not refer to the deal's transaction/enterprise value. Both new and follow-on investments are included in the total amount of investment. For syndicated deals, the amount invested by each syndicate partner is accounted for as a separate investment.

Number of investments

The number of investments is calculated based on the number of investments made by each reporting investment vehicle. For example, if a PE firm that manages three separate funds invests in a company using capital from each of these funds, then this is counted as three investments. New and follow-on investments are counted as separate investments. For syndicated deals, the investment attributable to each vehicle in the syndicate is counted as a separate investment.

Number of companies invested in

This refers to the companies receiving VC or PE investment. Companies with multiple VC or PE investors are only counted once under "number of companies".

Distribution of investments by stage of investee company

In Table 4, it should be noted that the sum of the investments in investee companies at the seed stage, start-up and early stage, and later stage ventures will not be exactly equal total investments by VC funds. This is because some VC investee companies will have progressed to the Growth/Expansion stage after successive rounds of investment.

Number of divestments

This is based on each fund's exit from an investee company (e.g. two funds exiting the same company will be counted twice). Partial divestments are included in this number. A company could have had a number of divestments made from it in any particular year.

Number of companies being divested

This is the number of companies where there have been full or partial exits during a given reporting period. A company will only be counted once even if two or more funds are exiting from that company, or if multiple partial exits from the company have been made in any particular year.

Exit method

This refers to the means by which the divestment occurs. If the divestment is to a syndicate made of various types of players (e.g. a corporate, management and another buyout firm), the splits by divestment method would reflect the respective divestment methods (e.g. divestments by trade sale, sale to management and sale to another private equity firm). Similarly, partial divestments through different methods would reflect the respective divestment methods at each partial divestment.

GLOSSARY

Balanced VC

Venture capital funds focused on both early stage and development stage with no particular concentration on either.

Buyout/Later Stage PE

Private equity funds whose strategy is to acquire other businesses.

Calendar year

Year ending 31 December.

Cleantech

Covers a diverse range of products, services, and processes that are inherently designed to provide superior performance at lower costs, greatly reduce or eliminate environmental impacts and, in doing so, improve the quality of life. Clean technologies span many industries such as Agriculture, Energy, Manufacturing, Transportation and Water.

Closing

A closing is reached when a certain amount of money has been committed to a private equity fund by investors. Several intermediate closings can occur (the initial one is called first closing), which allow the PE managers to draw capital for investments while they are still finalising the fundraising. Some funds only have one (final) closing. So the fundraising is captured at the date of commitment (when the closings are formalised) where possible. Where this data is not available (typically for older data) the date of the first post-closing capital calls are used. For evergreen funds their closings are always classified as intermediate closings.

Divestment

A full or partial exit from an investee company.

Early Stage VC

Financing to companies that have completed the product development stage and require further funds to initiate commercial manufacturing and sales. They will typically have a proven concept, with minimal products but negative earnings. In most cases the product has not yet been commercialised. They will not yet be generating a profit.

Equity

Ownership interest in a corporation, represented by the shares of stock, which are held by investors.

Fiscal year

Year ending 30 June.

Fund of Funds

A private equity fund that primarily takes equity positions in other private equity funds.

Funds under Management

The total amount of funds available to fund managers for future investments plus the amount of funds already invested (at cost) and not yet divested. Excludes cumulated management fees. Excludes fund of funds, real estate funds, infrastructure funds, and venture credit funds.

Generalist Fund

Funds with either a stated focus of investing in all stages of private equity investment, or funds with a broad area of investment activity.

Growth/Expansion PE or Growth/Expansion Capital

Private equity investment in the second stage of the product life cycle, after its market introduction and before product maturity. Financing is provided for the growth and expansion of an operating company, which may or may not be breaking even or trading profitably. The capital may be used to finance increased production capacity, market or product development, and/or to provide additional working capital.

High-tech

A company with exclusive ownership of certain intellectual property rights such as design rights, patents, copyrights, etc. which are critical elements in adding value to the products and business of a company and which are being developed in-house by the company's permanent staff. Although companies possessing these attributes are not limited to specific industries, they are most frequently found in telecommunications hardware, internet technology, computer hardware, software and computer services, electronics, semiconductors, biotechnology, medical instruments and devices.

Investment

Capital (in the form of equity, convertible equity, mezzanine, unsecured debt or secured debt) invested by the fund. It does not refer to the deal's transaction value/enterprise value.

IPO

Initial public offering.

Later Stage VC

Focused on investing in companies that are in need of expansion capital to obtain critical mass in preparation for an exit.

Mezzanine Fund or Mezzanine financing

Mezzanine Funds are funds which provide (generally subordinated) debt to facilitate the financing of buyouts, frequently alongside a right to some of the equity upside. Mezzanine financing is loan finance that is halfway between equity and secured debt, either unsecured or with junior access to security.

GLOSSARY N – Z

Other PE

This describes funds that are not else where classified. Other private equity funds may include publicly traded funds or hybrid funds.

Portfolio companies

Companies the private equity firm has invested in and has not fully divested.

Private Equity

Private Equity covers Growth/Expansion, Generalist, Buyout/Later Stage, Turnaround, Secondary and Mezzanine funds.

Repayment of preference shares/loans

If the private equity firm provided loans or bought preference shares in the company at the time of investment, then their repayment according to the amortisation schedule represents a decrease of the financial claim of the firm into the company, and hence a divestment.

Rescue/Turnaround

Investment in companies with poor performance with an intention to achieve a positive performance reversal.

Sale to another PE firm

The sale of company shares to another PE Firm.

Sale to management

The sale of company shares to the management of the company.

Secondary Funds or Secondary purchase/ Replacement capital

Secondary Funds are funds that focus on purchasing the portfolios of investee companies from an existing

A secondary purchase is typically a minority stake purchase of existing shares in a company from another private equity firm, or from another shareholder(s).

Seed Stage

Financing provided to research, assess and develop an initial concept before a business has reached the start-up phase.

Start-up

Financing provided to companies for product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially.

Venture Capital

A venture capital firm refers to a firm that makes equity investments made for the launch, early development, or expansion of a business, typically in an innovative/high-tech product or service. Venture Capital covers Seed, Early Stage, Later Stage VC and Balanced VC funds. It does not include buyout investing, mezzanine investing, fund of fund investing, secondaries, etc.

Vintage vear

The year of the first closing of the fund; for funds that were formed in the last three months of the year but did not have a capital call until the following year, or for funds that made their first investment more than six months after their closing, the vintage year is determined by the date of first investment.

Write-off

The write-down of a portfolio company's value to zero or a symbolic amount. The value of the investment is eliminated and the return to investors is zero or negative.