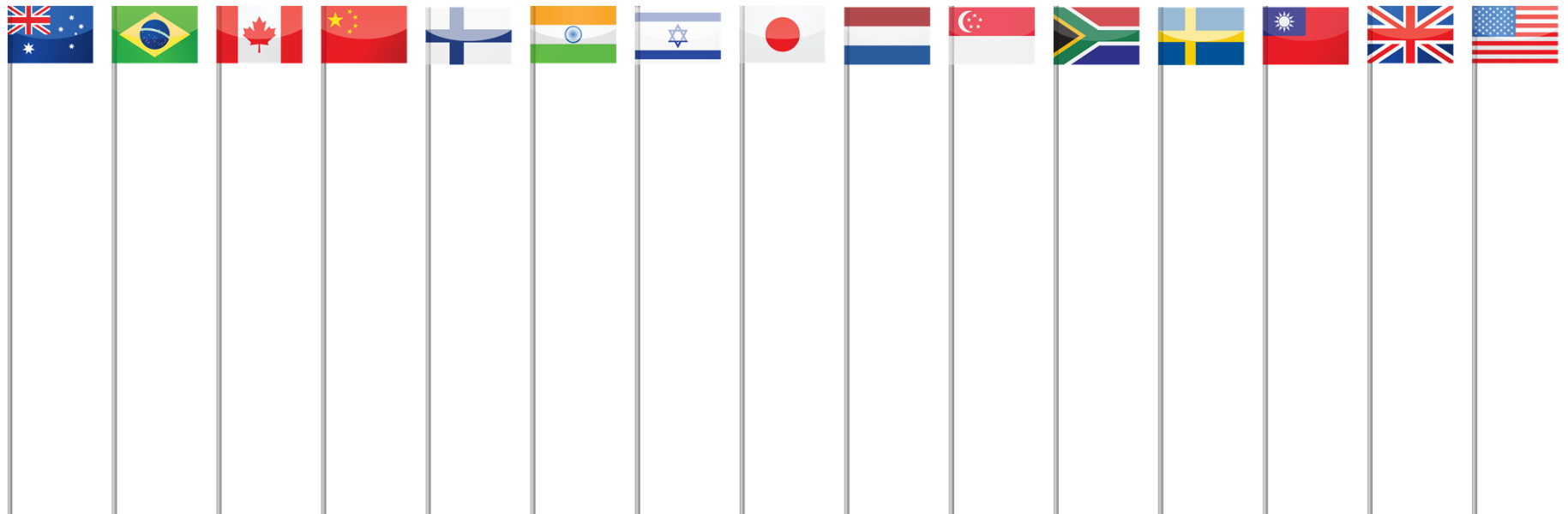


2014 Global venture capital confidence survey results

How confident are investors?

August 13, 2014



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Survey methodology and key findings

Methodology

- The 2014 Global Venture Capital Confidence Survey was conducted jointly by Deloitte & Touche LLP and the National Venture Capital Association (NVCA). It was administered to venture capitalists in the following regions: the Americas, Europe, Middle East, and Asia Pacific.
- Deloitte received 331 responses from general partners with assets under management ranging from less than \$50 million to greater than \$10 billion. Multiple responses from the same firm were encouraged as the survey was a general measurement of the state of global investing from general partners and not attitudes of specific firms.
- Confidence levels were measured on a scale of 1-to-5, with a score of 5 representing the most confidence.
- Confidence ratings between 3.5 – 3.99 are considered positive, 4.0+ is considered very positive, 2.5 – 3.49 is neutral and below 2.49 is negative.
- The survey was conducted during May and June of 2014.

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Key findings

- Confidence in the U.S. is increasing which is driven by strong IPO markets, innovative companies and increased confidence in investors being able to fundraise, all of which bodes well for entrepreneurs.
- Confidence is increasing in the U.S. in the face of negativity around the government not being able to enact policies to support the VC industry.
- Less capital intensive sectors such as Cloud and SaaS are seen as more confident.
- Confidence levels continued to wane in Brazil and China, while Canada, Israel and the UK show increased confidence.

Country investing

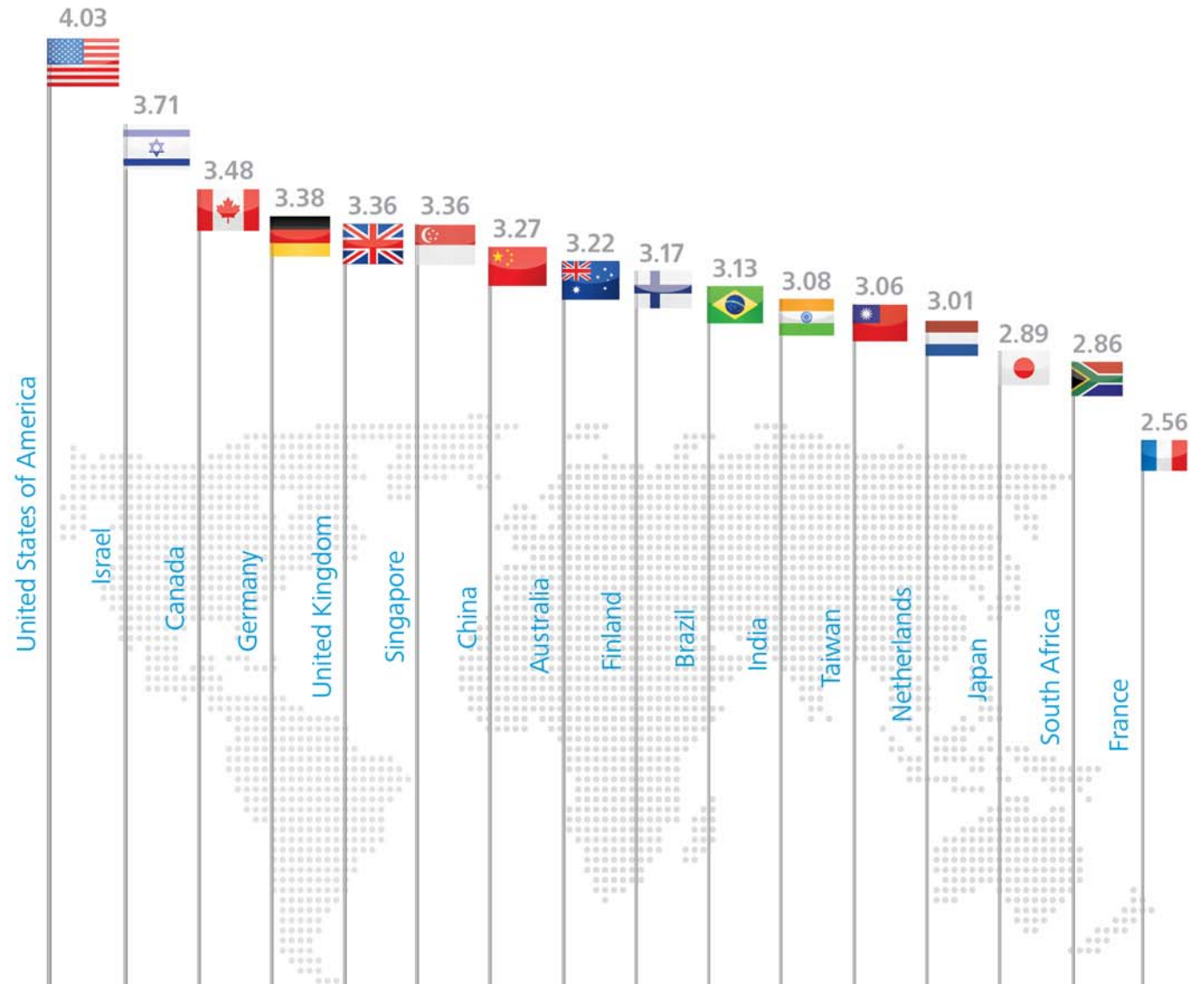
2014 Global Venture Capital Confidence Survey Results

Investors were asked to rate their **overall confidence level in each country**. Confidence levels were measured on a scale of 1-to-5, with a 5 representing the most confidence.

About survey

331 venture capital, private equity, and growth equity investors were surveyed from May to June 2014 representing 20 venture capital associations throughout North and South America, Africa, Europe, and Asia Pacific.

www.deloitte.com/us/2014vcsurvey



Source: 2014 Deloitte & NVCIA Global Venture Capital Confidence Survey

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Government policy

2014 Global Venture Capital Confidence Survey Results

Investors were asked to rate their confidence level in their **own governments' ability to enact policies that support domestic investment** in the next year. Confidence levels were measured on a scale of 1-to-5, with a 5 representing the most confidence.

About survey

331 venture capital, private equity, and growth equity investors were surveyed from May to June 2014 representing 20 venture capital associations throughout North and South America, Africa, Europe, and Asia Pacific.

www.deloitte.com/us/2014vcsurvey



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Source: 2014 Deloitte 6 NVCA Global Venture Capital Confidence Survey

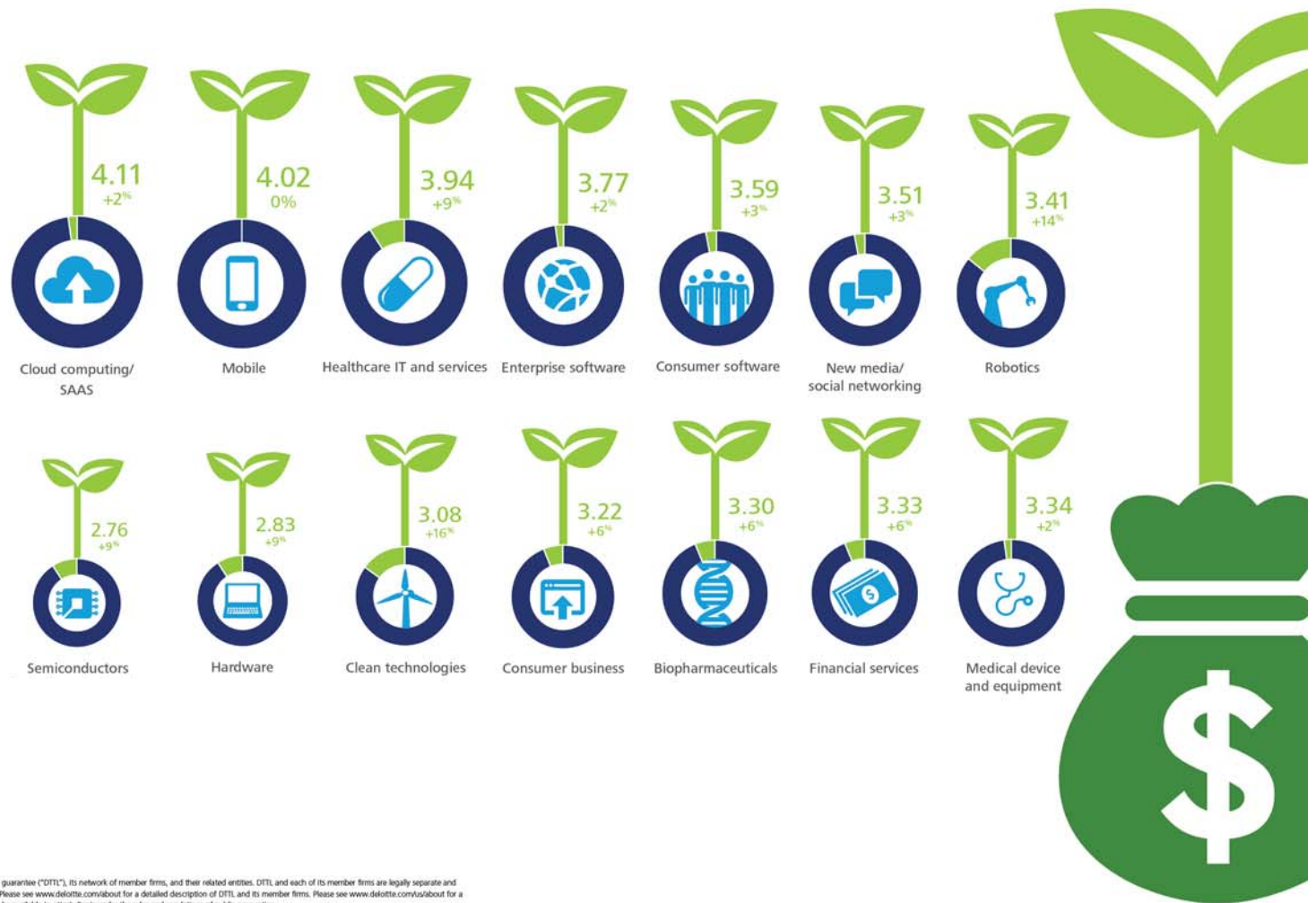
Sector investing

2014 Global Venture Capital Confidence Survey Results

Investors were asked to rate their **confidence level in each industry sector**. Confidence levels were measured on a scale of 1-to-5, with a 5 representing the most confidence. Percentage figures indicate year-over-year changes.

About survey
214 venture capital investors were surveyed from May to June 2014 representing 20 venture capital associations throughout North and South America, Africa, Europe, and Asia Pacific.

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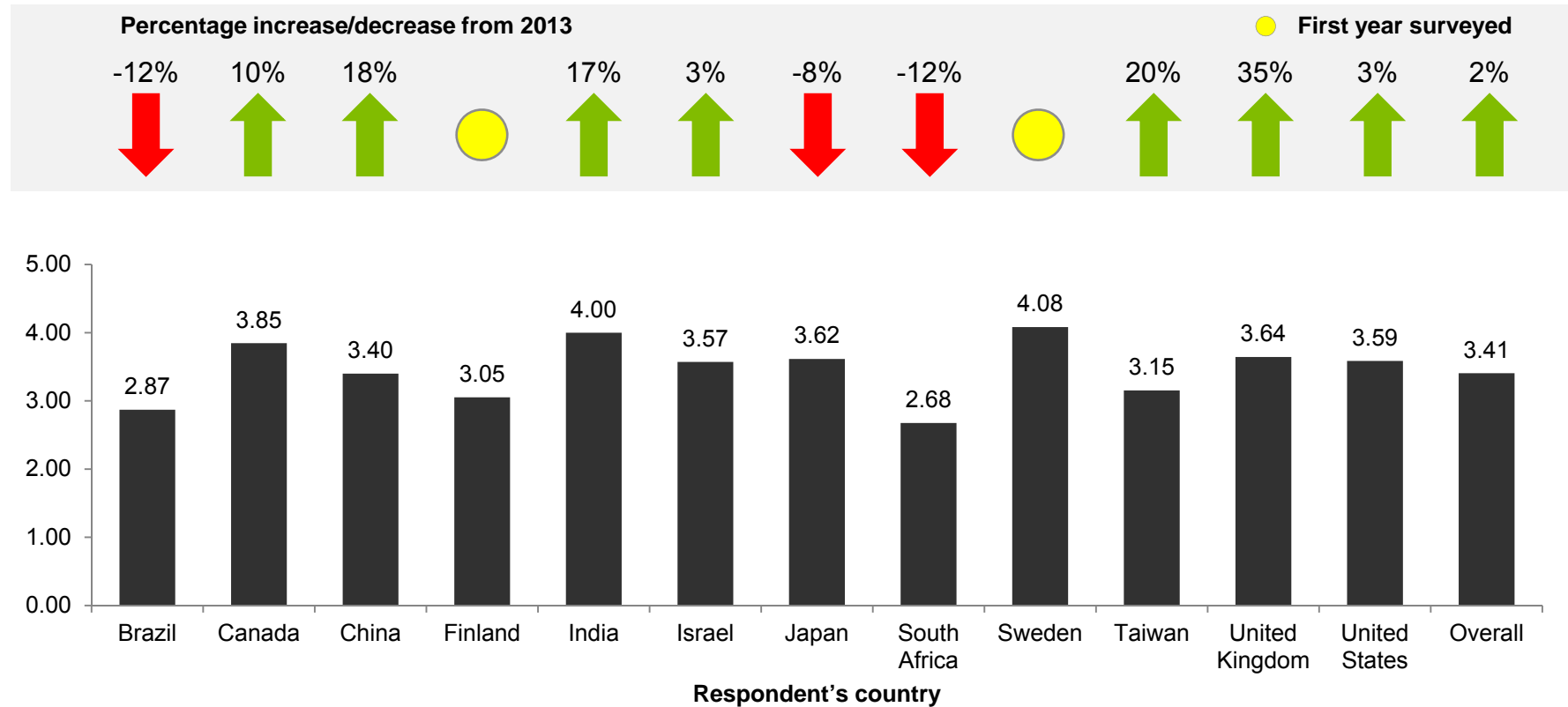
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Source: 2014 Deloitte & NVCA Global Venture Capital Confidence Survey

Economic trends

Economic trends

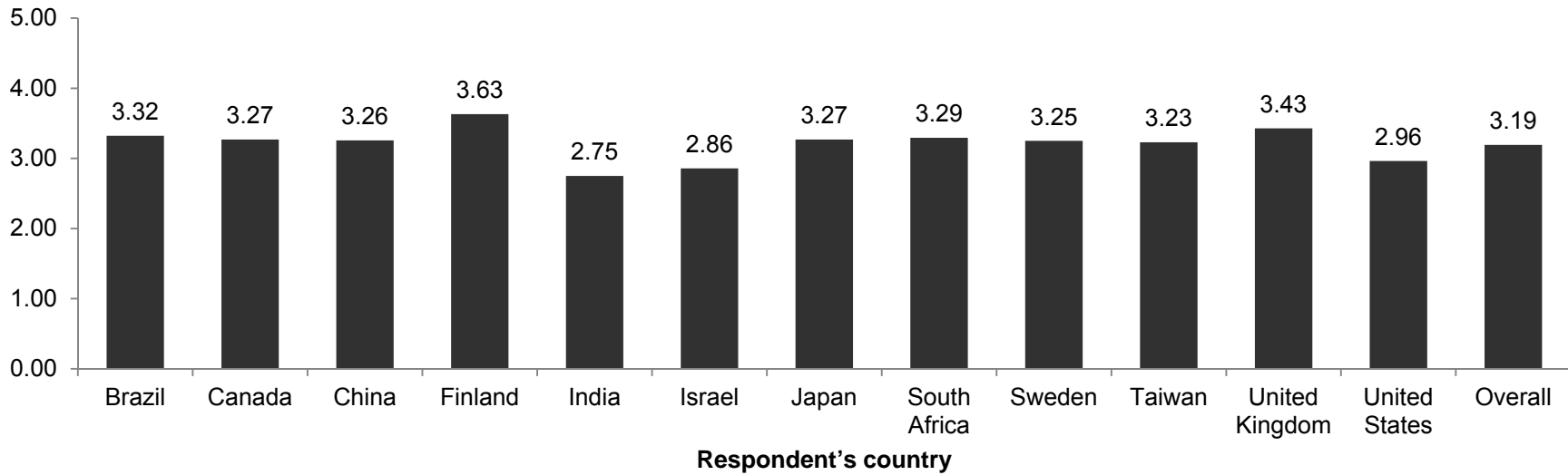
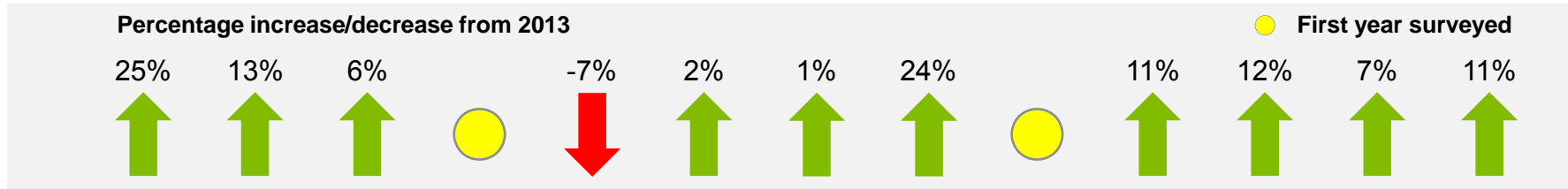
Overall confidence in my home country's macro economy in the next year



Key finding: Sweden and India are most confident in their economy, UK shows largest YoY increase.

Economic trends (cont.)

Overall confidence in the global economy in the next year is

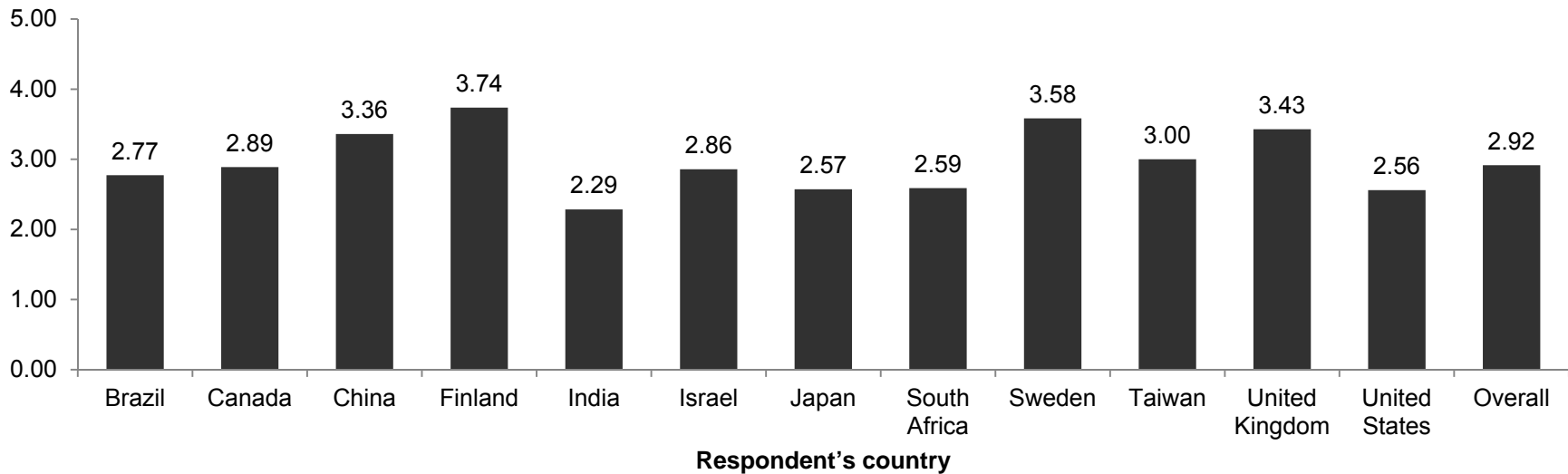
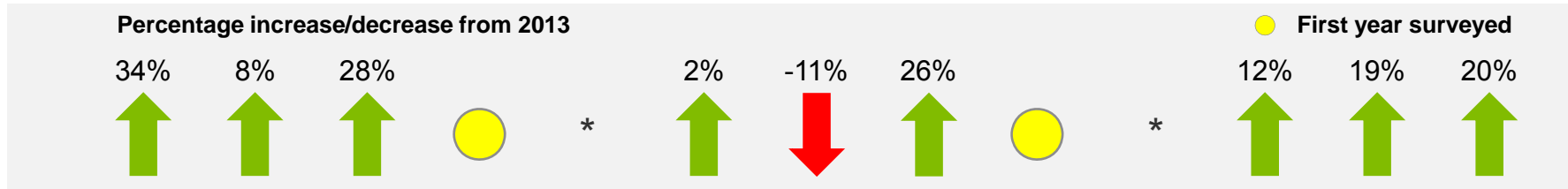


Key finding: Confidence in home country remains higher than global economy (3.41 v. 3.19).

Regional investing

Regional investing

Overall confidence in investing in Europe

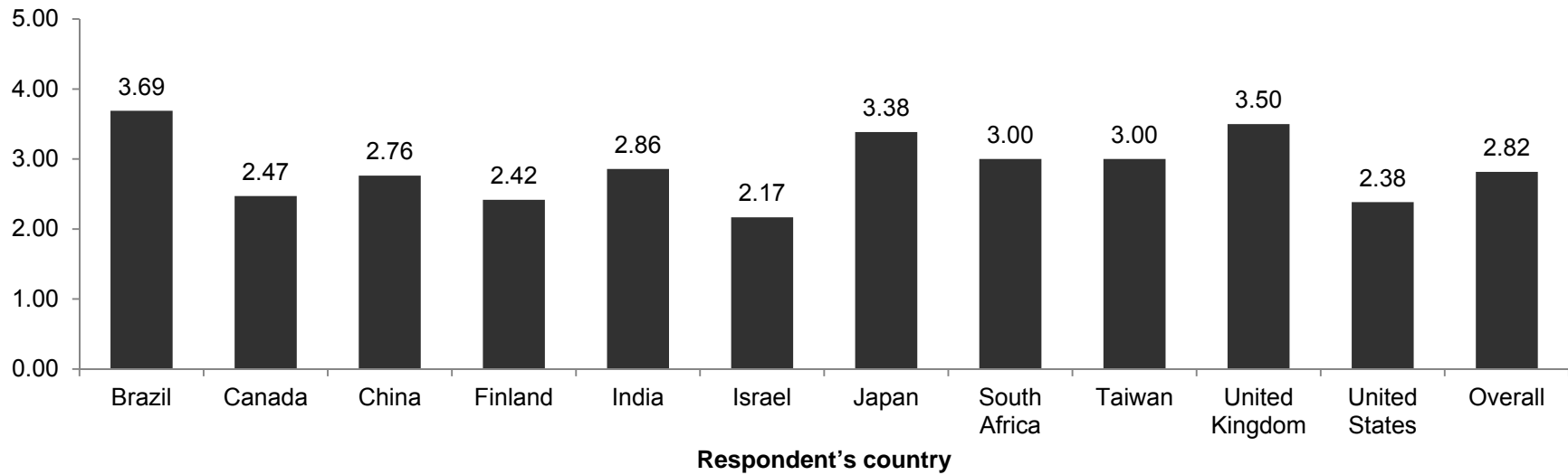
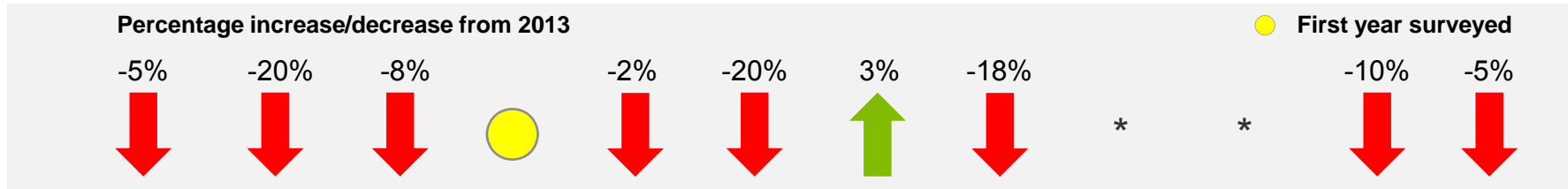


Key finding: Europe is the region with the largest increase in confidence compared to Latin America and Southeast Asia

* YoY data unavailable

Regional investing (cont.)

Overall confidence in investing in Latin America

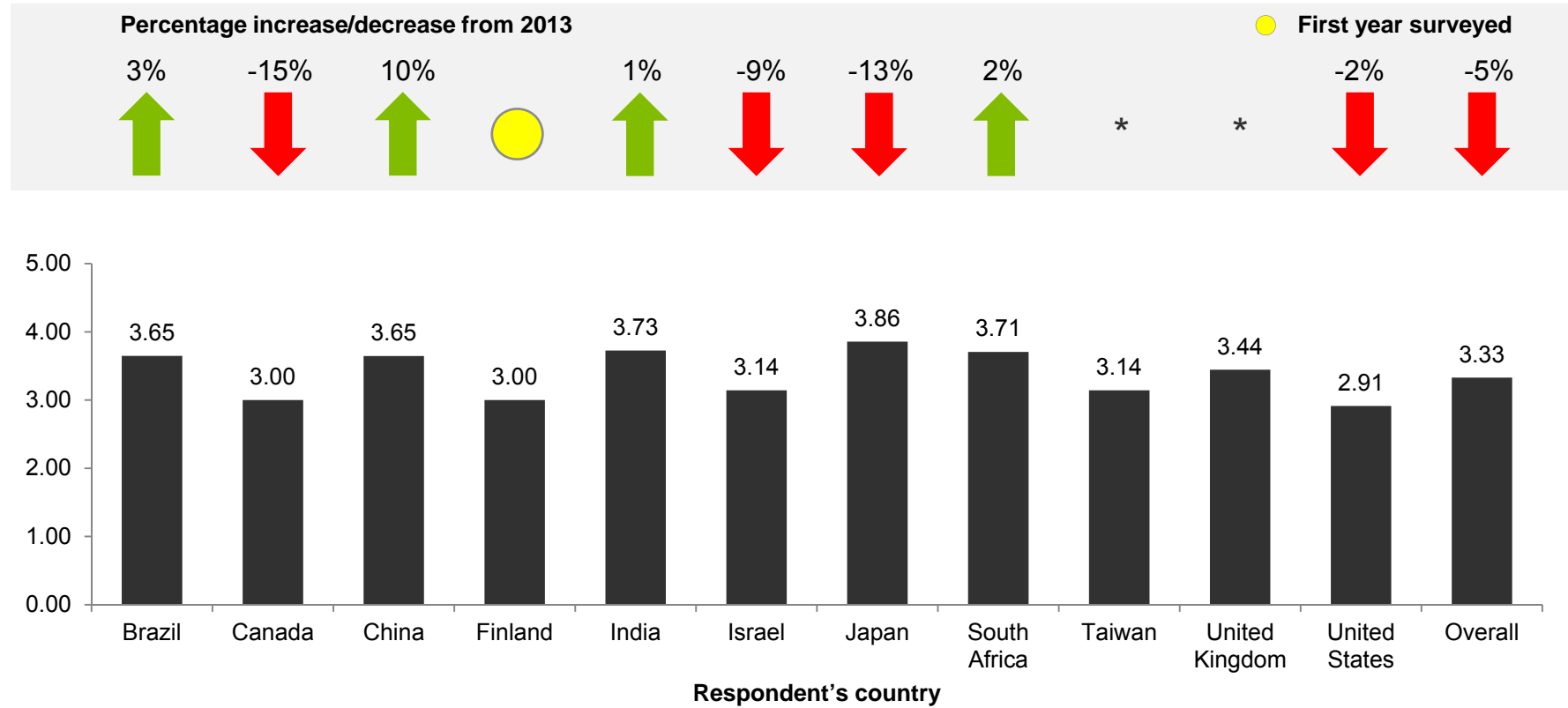


Key finding: Confidence is continuing to shift downward in Latin America.

* YoY data unavailable

Regional investing (cont.)

Overall confidence in investing in Southeast Asia



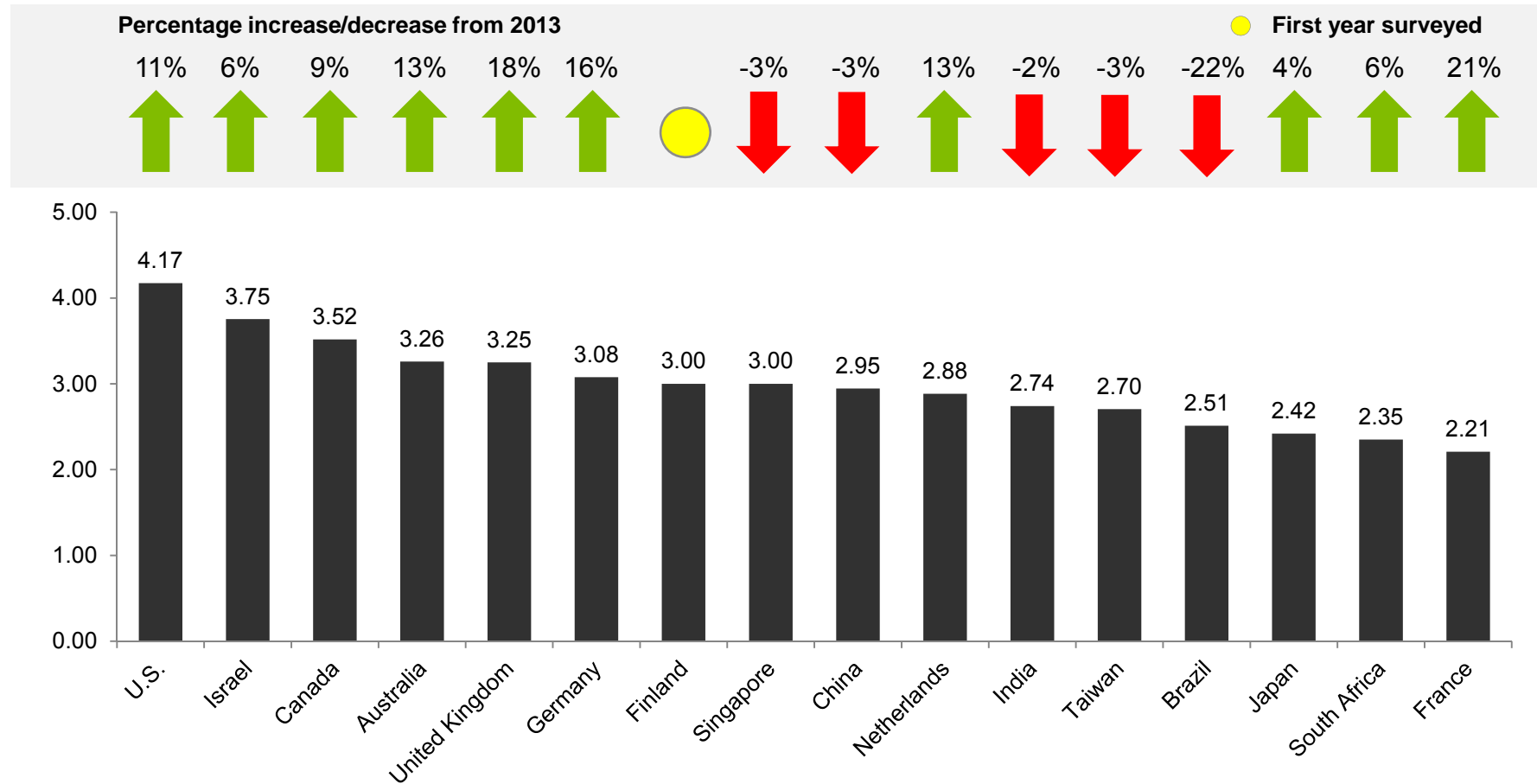
Key finding: Southeast Asia has highest confidence levels when compared to Europe and Latin America.

* YoY data unavailable

Country investing

Country investing

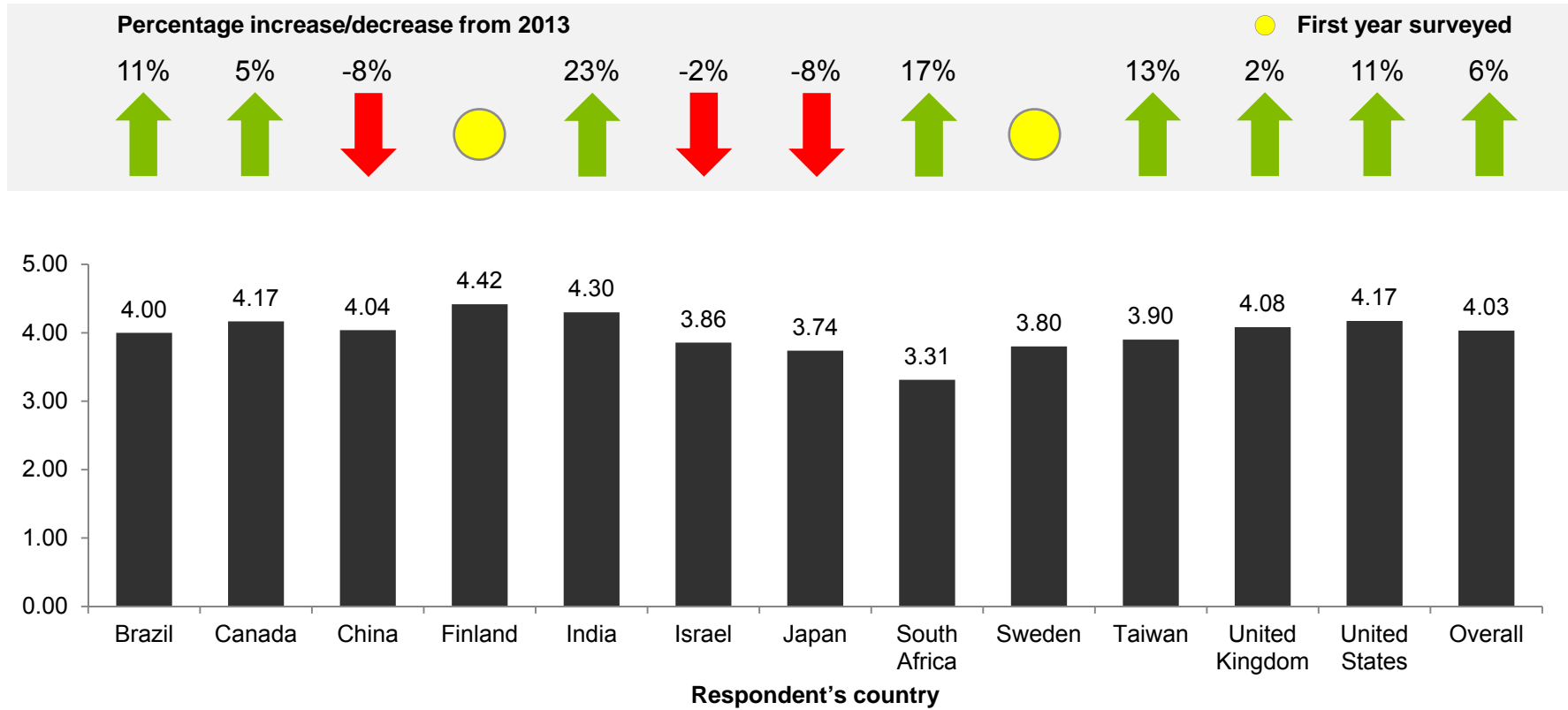
U.S. investors confidence in investing by country



Key finding: U.S. investors confident in investing at home and in Israel & Canada.

Country investing

Overall confidence in investing in the United States

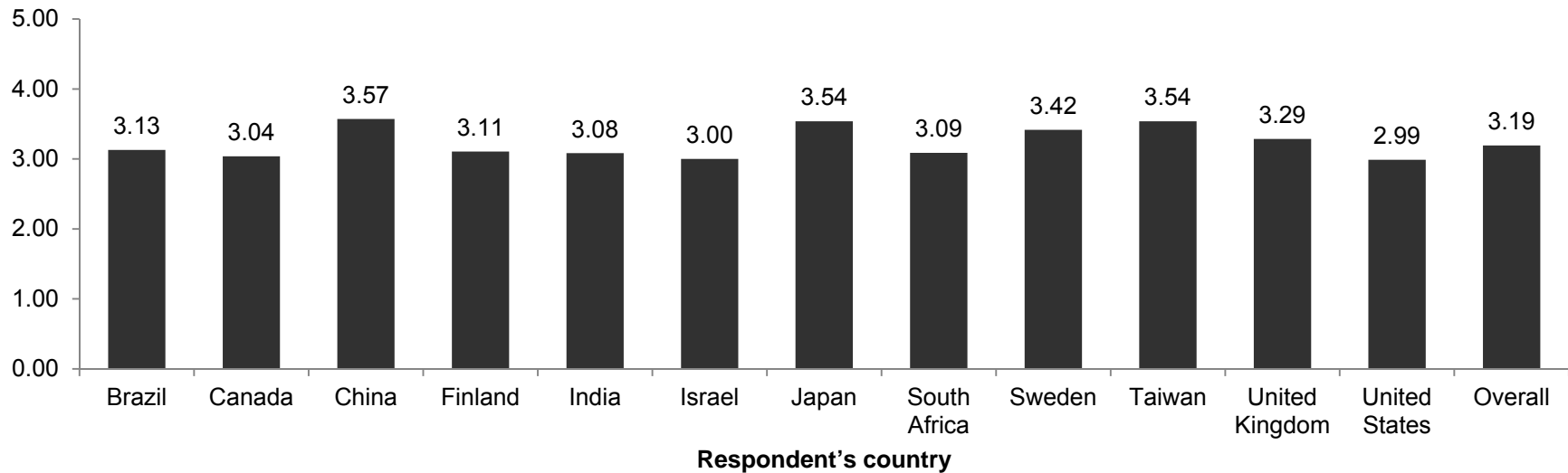
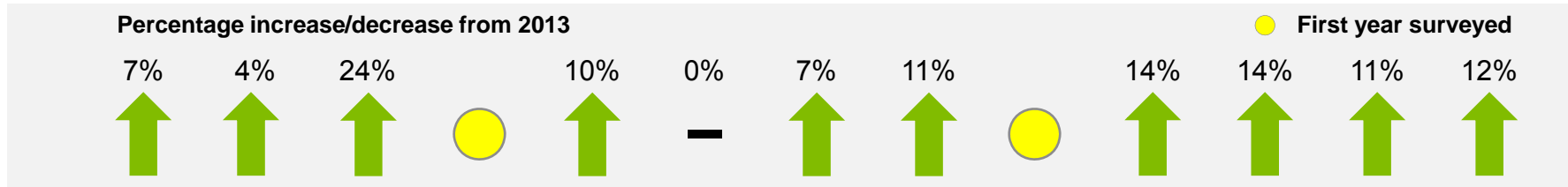


Key finding: Investors rated U.S. overall top country in which to invest.

Capital markets, policy and fundraising trends

Capital markets

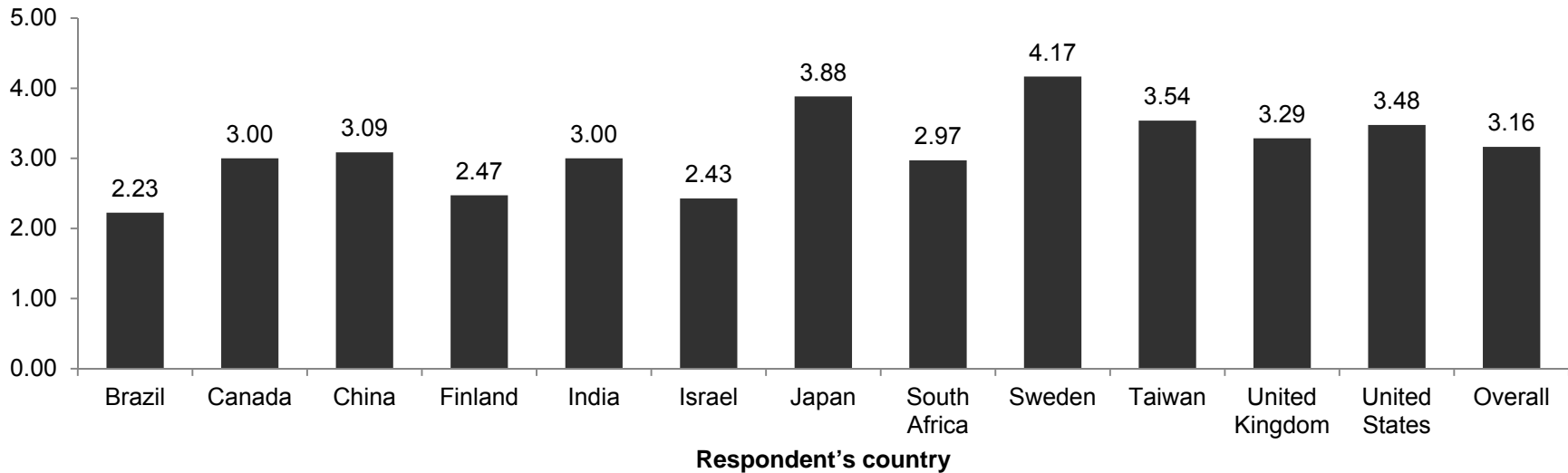
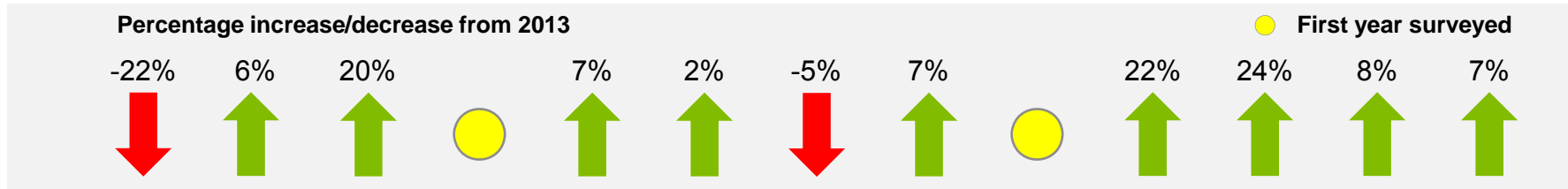
Overall confidence in the global capital markets system over the next year



Key finding: Overall respondents are more confident in global capital markets compared to last year.

Capital markets (cont.)

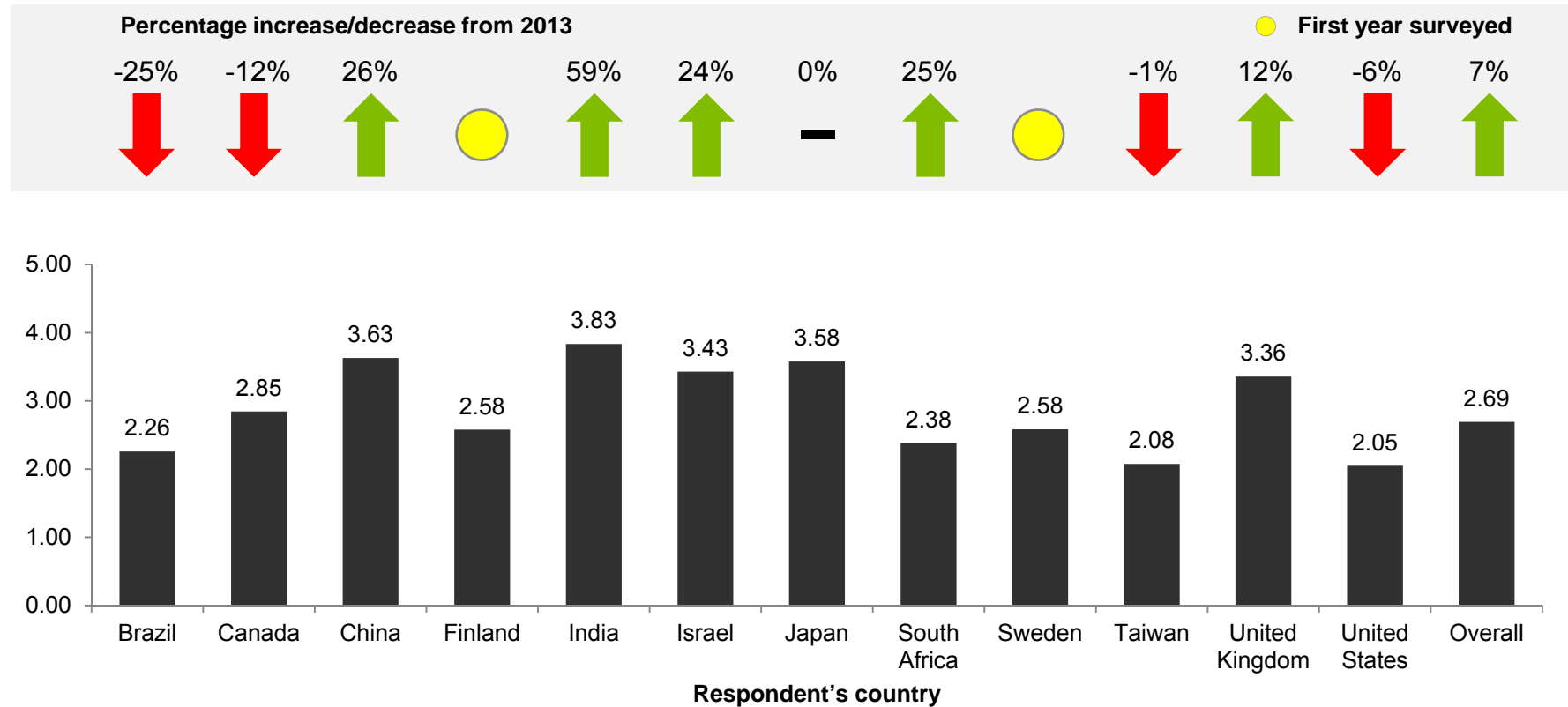
Overall confidence in my home country's capital markets system over the next year



Key finding: Overall confidence is increasing, with Japan and Brazil as the exceptions.

Government policy

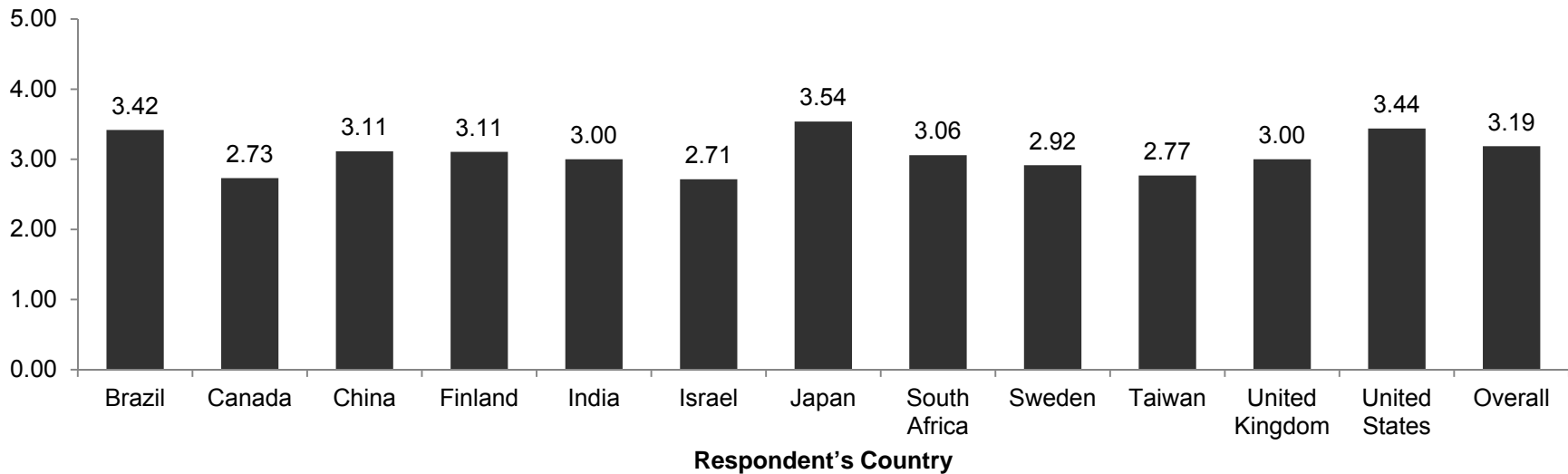
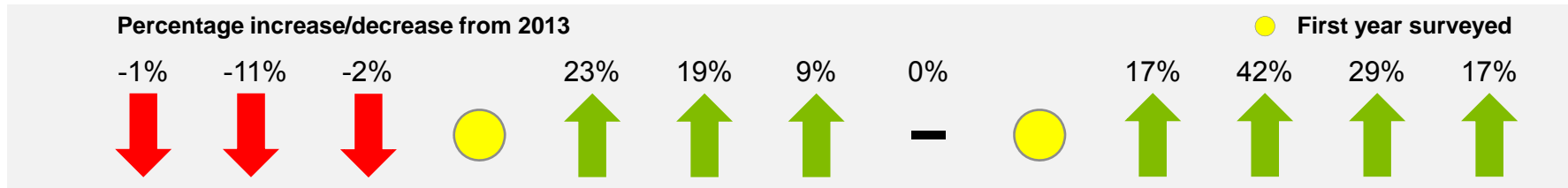
Overall confidence in my home country's ability to enact government policies that support the domestic investment in the next year



Key finding: U.S. & Taiwan confidence in domestic government amongst world's lowest.

Fundraising trends

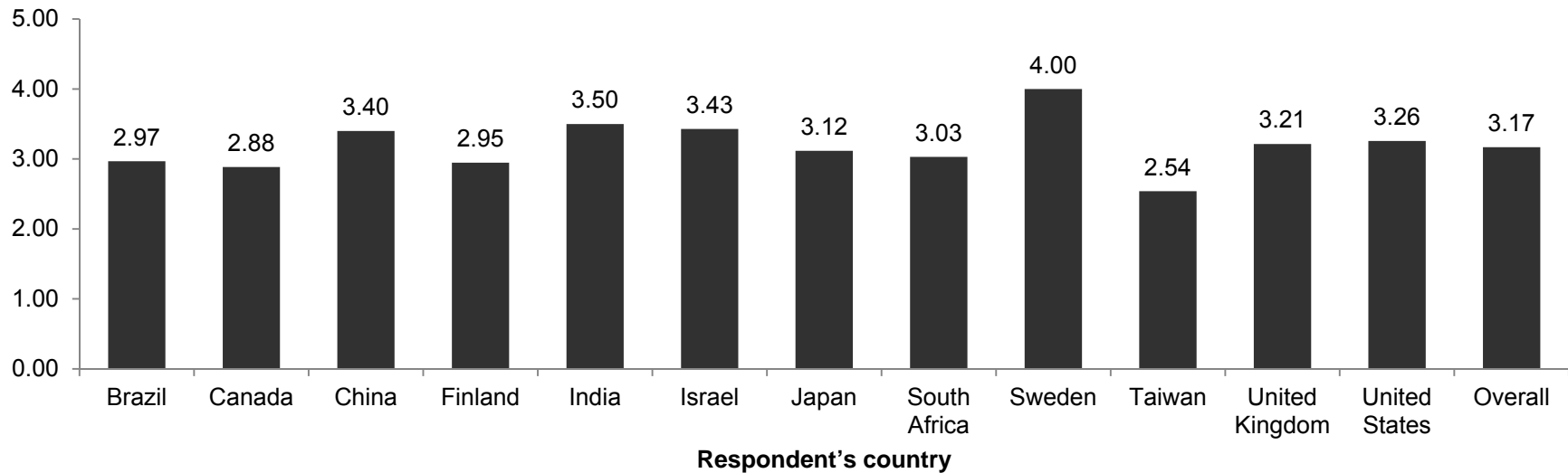
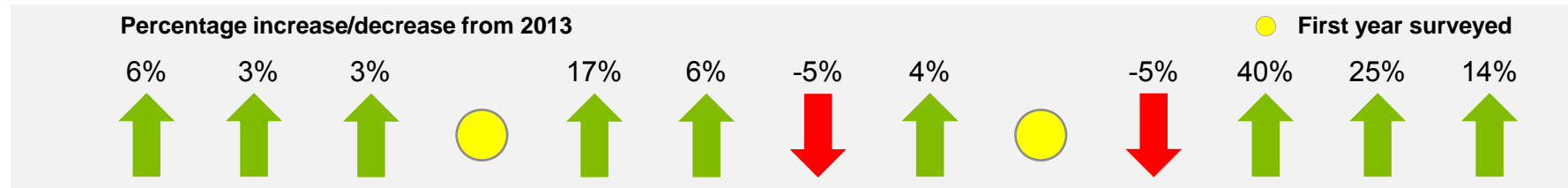
Overall confidence in the ability of the industry in my home country to raise funds from domestic Limited Partners (LPs) in the next year



Key finding: United Kingdom confidence scores dramatically increase.

Fundraising trends (cont.)

Overall confidence in the ability of the industry in my home country to raise necessary funds from LPs outside my home country in the next year

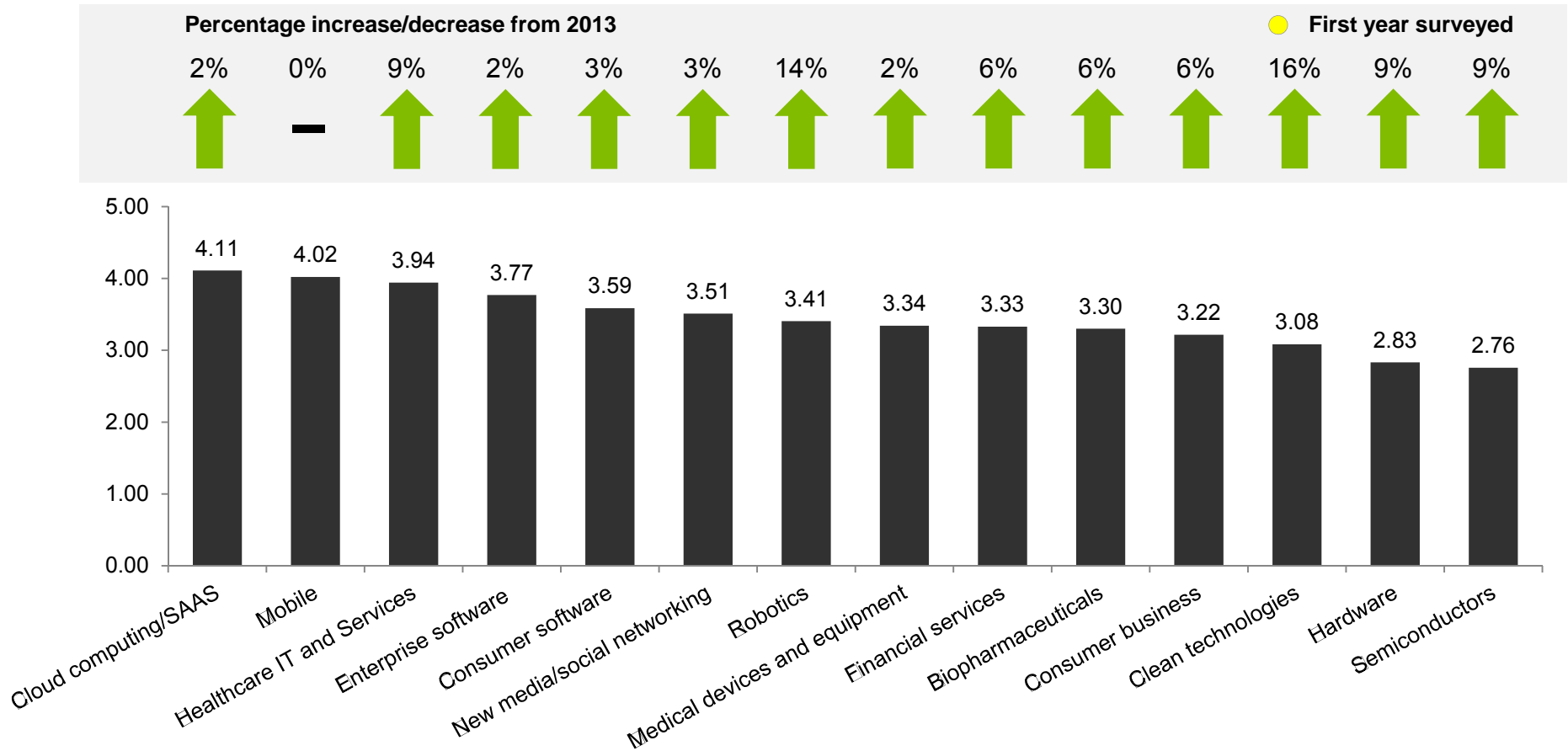


Key finding: UK largest percentage increase YoY.

Sector investing

Sector investing

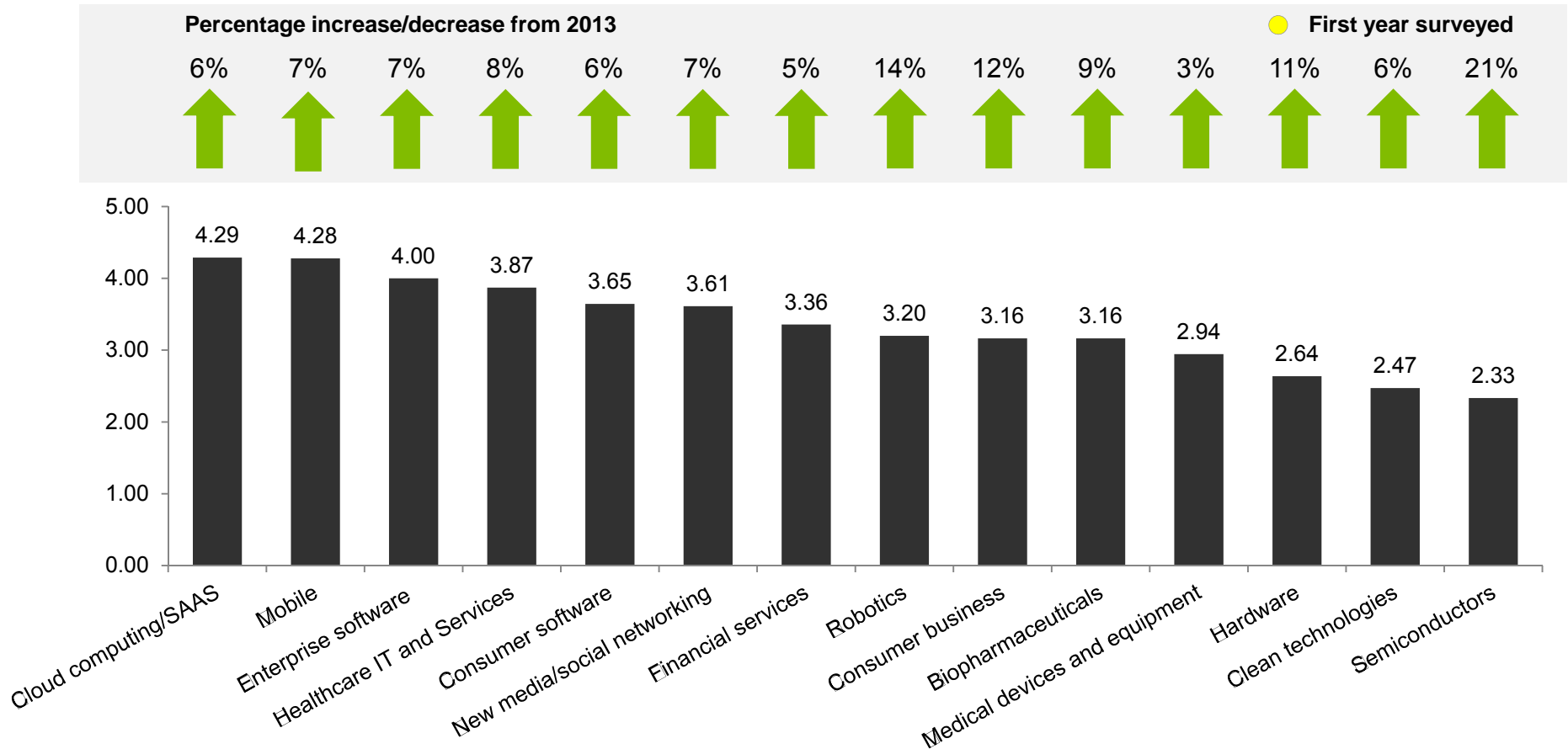
Overall confidence in Venture Capital (VC) investing by sector
(all respondents)



Key finding: Confidence in sector investing is on the rise.

Sector investing

Overall confidence in Venture Capital (VC) investing by sector
(U.S. respondents)



Key finding: U.S. VC investors are very confident in cloud computing, mobile and enterprise software sectors.

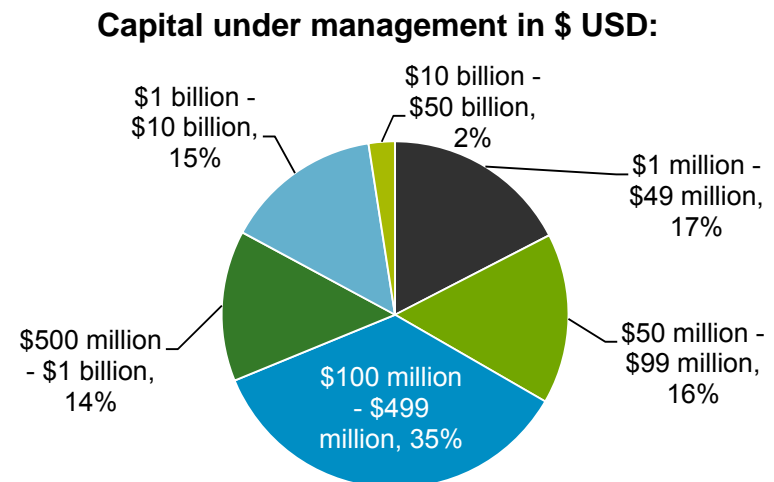
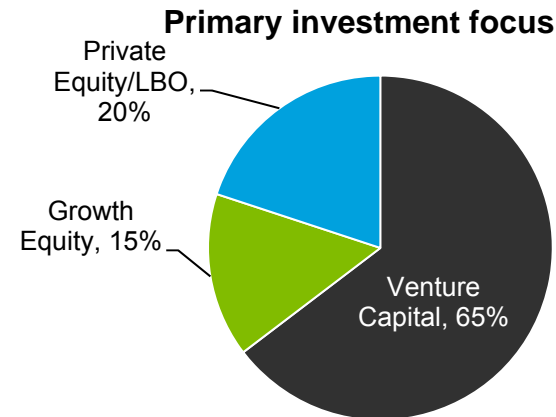
Demographics

Participating venture capital associations

- African Venture Capital Association (AVCA)
- Australian Private Equity & Venture Capital Association Limited (AVCAL)
- Brazilian Association of Private Equity & Venture Capital (ABVCAP)
- British Venture Capital Association (BVCA)
- Canada's Venture Capital & Private Equity Association (CVCA)
- China Venture Capital and Private Equity Association (CVCA)
- East Africa Venture Capital Association (EAVCA)
- Emerging Markets Private Equity Association (EMPEA)
- European Private Equity and Venture Capital Association (EVCA)
- Finnish Venture Capital Association (FVCA)
- Indian Venture Capital Association (IVCA)
- Israel High Tech Industry Association (HTIA)
- Japan Venture Capital Association (JVCA)
- Latin America Venture Capital Association (LAVCA)
- National Venture Capital Association (NVCA)
- Private Equity Growth Capital Council
- Singapore Venture Capital & Private Equity Association (SVCA)
- South African Venture Capital & Private Equity (SAVCA)
- Swedish Private Equity & Venture Capital Association (SVCA)
- Taiwan Venture Capital Association (TVCA)

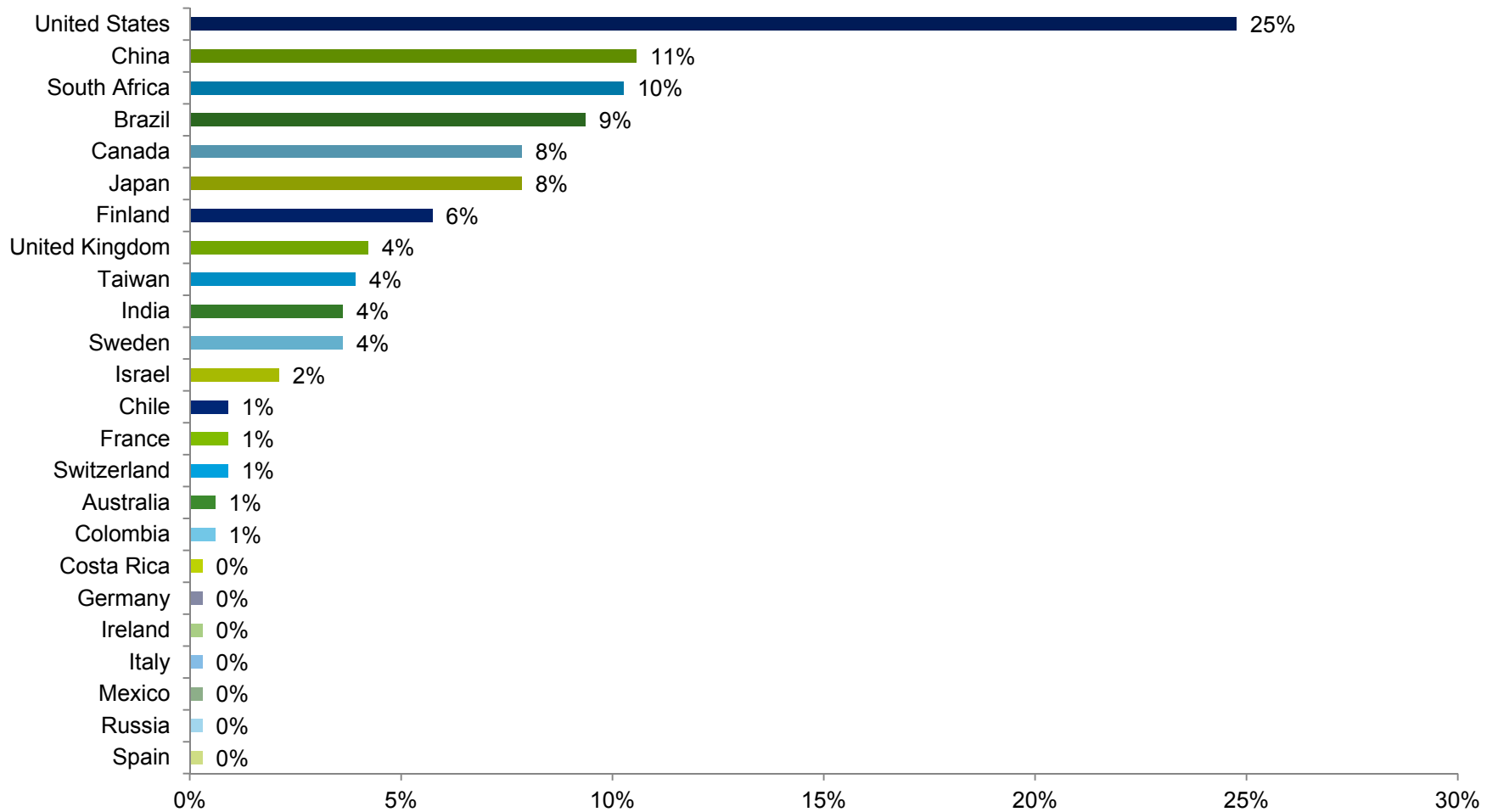
Responses and demographics

- 331 total responses
 - 25% from U.S.
 - 75% non-U.S. countries
- Survey conducted in the Americas, Europe, Middle East, and Asia Pacific
- Responses from large, mid-sized and small firms, with the largest concentration, 35%, with \$100–\$499 million in assets under management



Demographics

Respondents by home country



Percentages are rounded to nearest whole number

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About NVCA

Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites nearly 400 members through a full range of professional services. For more information about the NVCA, please visit www.nvca.org.

About Deloitte's Emerging Growth Company (EGC) practice

Deloitte's emerging growth company practice works with innovative high-growth companies on their way to becoming the next generation of market leaders. Through our multidisciplinary approach focused on quality, our team of dedicated professionals understands the challenges that venture capital-backed companies face and offers a broad perspective on emerging issues, leading practices and industry trends. Our extensive IPO experience, across all industries, along with our experienced professionals, enables us to deliver insights that others may have missed. The practice is also home to Tech Venture Centers (TVC) in Waltham, MA and McLean, VA. The Centers are designed to create communities of leading service providers, addressing the needs of emerging, high-growth IPO bound companies and the venture capital community. For more information, please contact EGC@deloitte.com or visit www.deloitte.com/us/egc.

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