



Venture Capital Industry Raises \$7.1 Billion In Q1 2011

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Strongest Annual Start for Fundraising Dollars Since 2001

Thirty-six US venture capital funds raised more than \$7 billion in the first quarter of 2011, according to Thomson Reuters and the National Venture Capital Association (NVCA). This level marks a 76 percent increase, by dollar commitments, compared to the first quarter of 2010, which saw 44 funds raise \$4.0 billion during the period. The first quarter marks the strongest quarter for US venture capital fundraising since the third quarter of 2008 and the best annual start for fundraising in the US since 2001.

Fundraising by Venture Funds

Year/Quarter	Number of Funds	Venture Capital (\$M)
2007	237	31,091.7
2008	215	26,089.1
2009	151	16,315.8
2010	157	12,511.6
2011	36	7,180.8
4Q'08	49	2,709.1
1Q'09	57	4,940.9
2Q'09	39	4,993.2
3Q'09	34	2,332.0
4Q'09	46	4,049.8
1Q'10	44	4,023.6
2Q'10	49	2,152.8
3Q'10	51	3,281.4
4Q'10	41	3,053.8
1Q'11	36	7,091.4

Source: Thomson Reuters and National Venture Capital Association

"This year will be a defining one as many venture capital firms will be fundraising, some of whom have been waiting for the investor climate to improve before going out," said Mark Heesen, president of the NVCA. "While it is encouraging to see the increase in dollars this quarter, much of that was driven by several larger, established funds. We would like to see a similar increase in the *number* of firms successfully closing funds as the year progresses."

There were 25 follow-on funds and 11 new funds raised in the first quarter of 2011, a ratio of 2.3-to-1 of follow-on to new funds. The largest new fund reporting commitments during the first

quarter of 2011 was Tempe, Arizona-based True North Venture Partners, L.P., which raised \$192 million in its inaugural fund. A “new” fund is defined as the first fund at a newly established firm, although the general partner of that firm may have previous experience investing in venture capital.

VC Funds: New vs. Follow-On			
	No. of New	No. of Follow-on	Total
2007	79	158	237
2008	66	149	215
2009	44	107	151
2010	52	105	157
2011	11	25	36
4Q'08	17	32	49
1Q'09	10	47	57
2Q'09	14	25	39
3Q'09	14	20	34
4Q'09	14	32	46
1Q'10	15	29	44
2Q'10	19	30	49
3Q'10	19	32	51
4Q'10	14	27	41
1Q'11	11	25	36

Source: Thomson Reuters and National Venture Capital Association

The first quarter of 2011 saw three multi-billion dollar fundraising commitments, led by Bessemer Venture Partners VIII which raised \$1.6 billion during the quarter. Sequoia Capital 2010, L.P. raised \$1.3 billion and J.P. Morgan Digital Growth Fund, L.P. raised \$1.2 billion. The \$1.6 billion commitment for Bessemer Venture Partners VIII marks the largest US venture capital fund commitment since New Enterprise Associates 13, L.P. raised \$2.2 billion during the second quarter of 2009.

Methodology

The Thomson Reuters/National Venture Capital Association sample includes U.S.-based venture capital funds. Classifications are based on the headquarter location of the fund, not the location of venture capital firm. The sample excludes fund of funds.

Effective November 1, 2010, Thomson Reuters venture capital fund data has been updated in order to provide more consistent and relevant categories for searching and reporting. As a result of these changes, there may be shifts in historical fundraising statistics as a result of movements of funds between primary market & nation samples and/or between fund stage categories.