

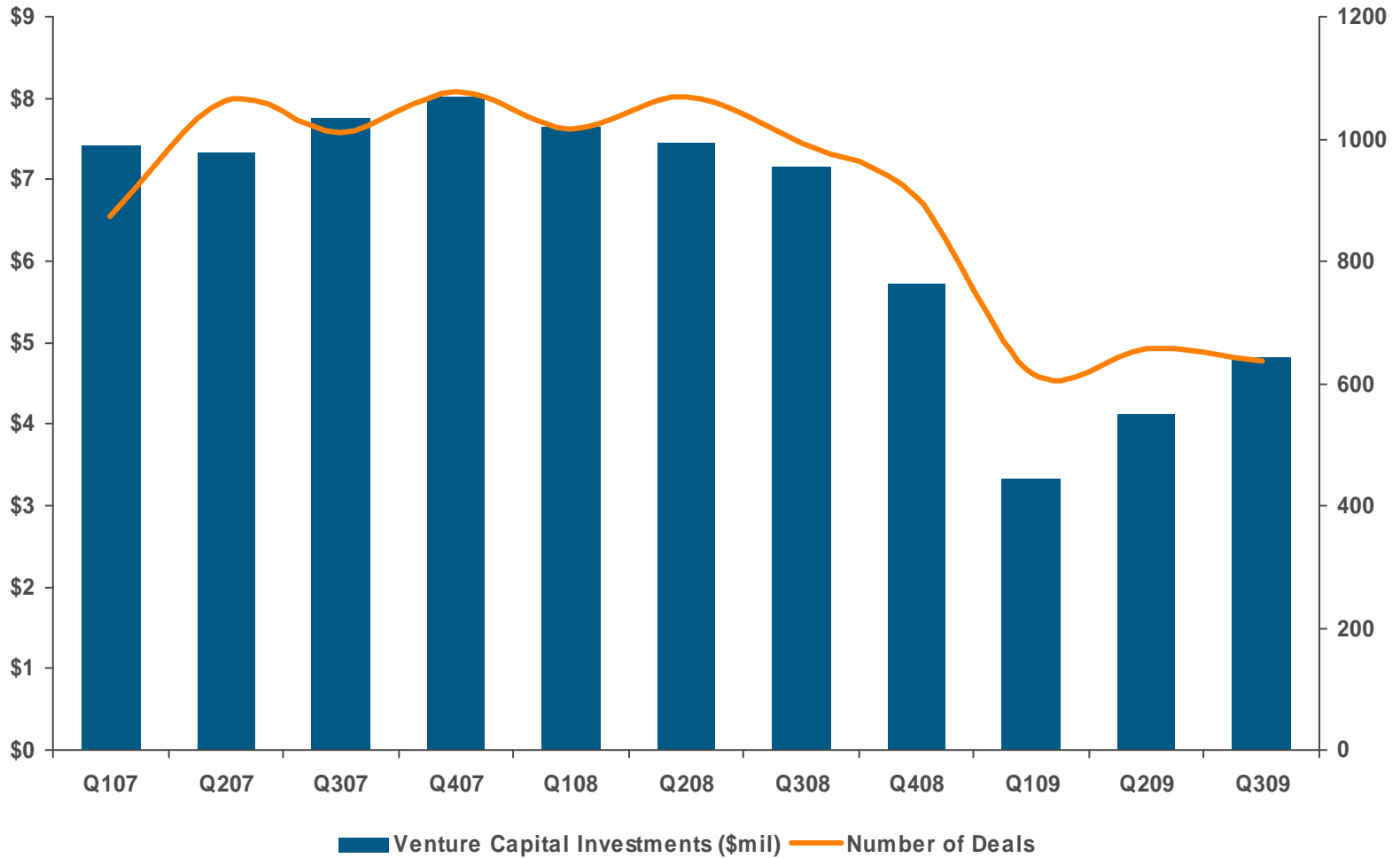
STATE OF THE MARKET: MIDWEST VENTURE CAPITAL AND PRIVATE EQUITY

MATTHEW TOOLE
IVCA CFO SUMMIT
OCTOBER 22, 2009

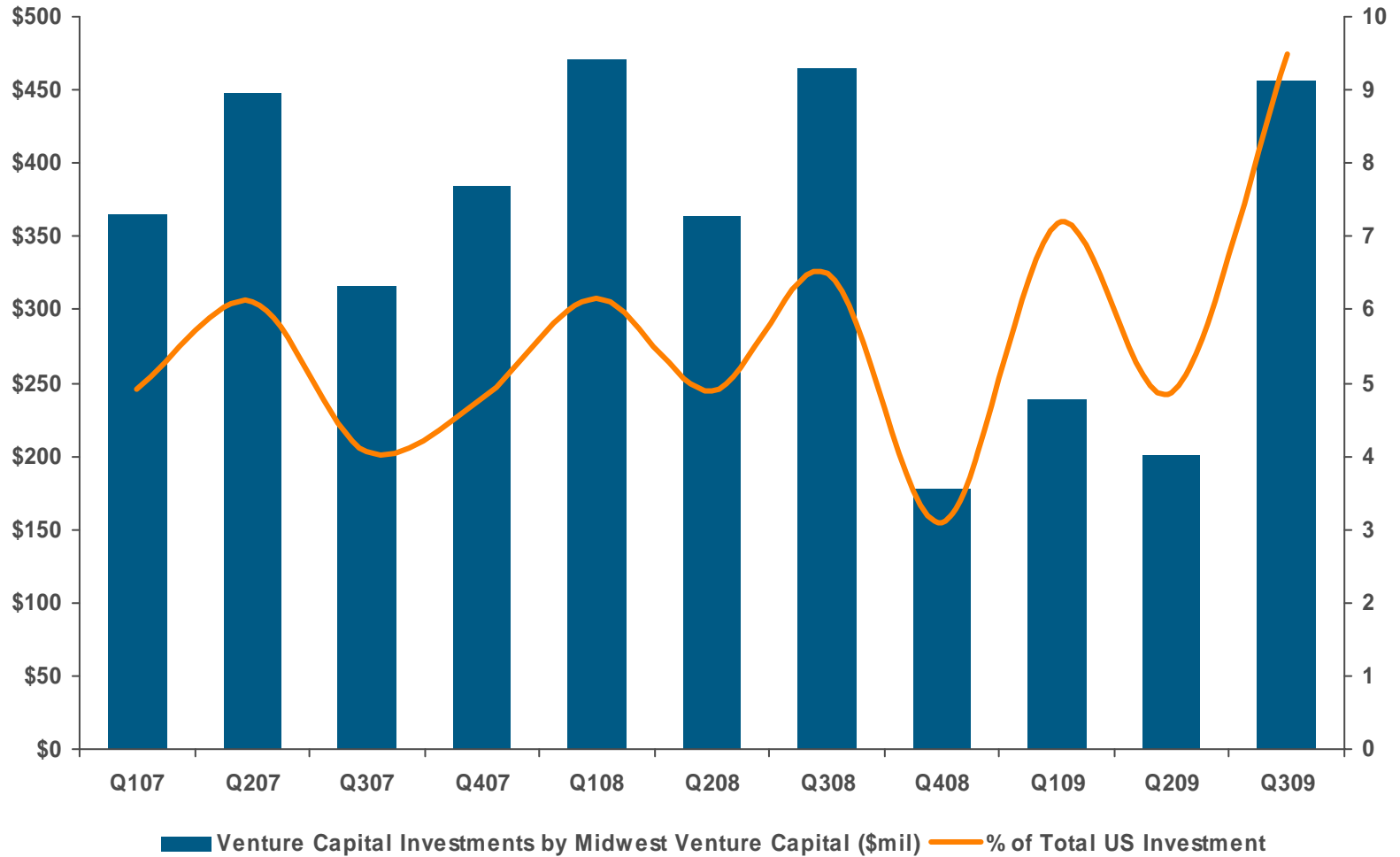


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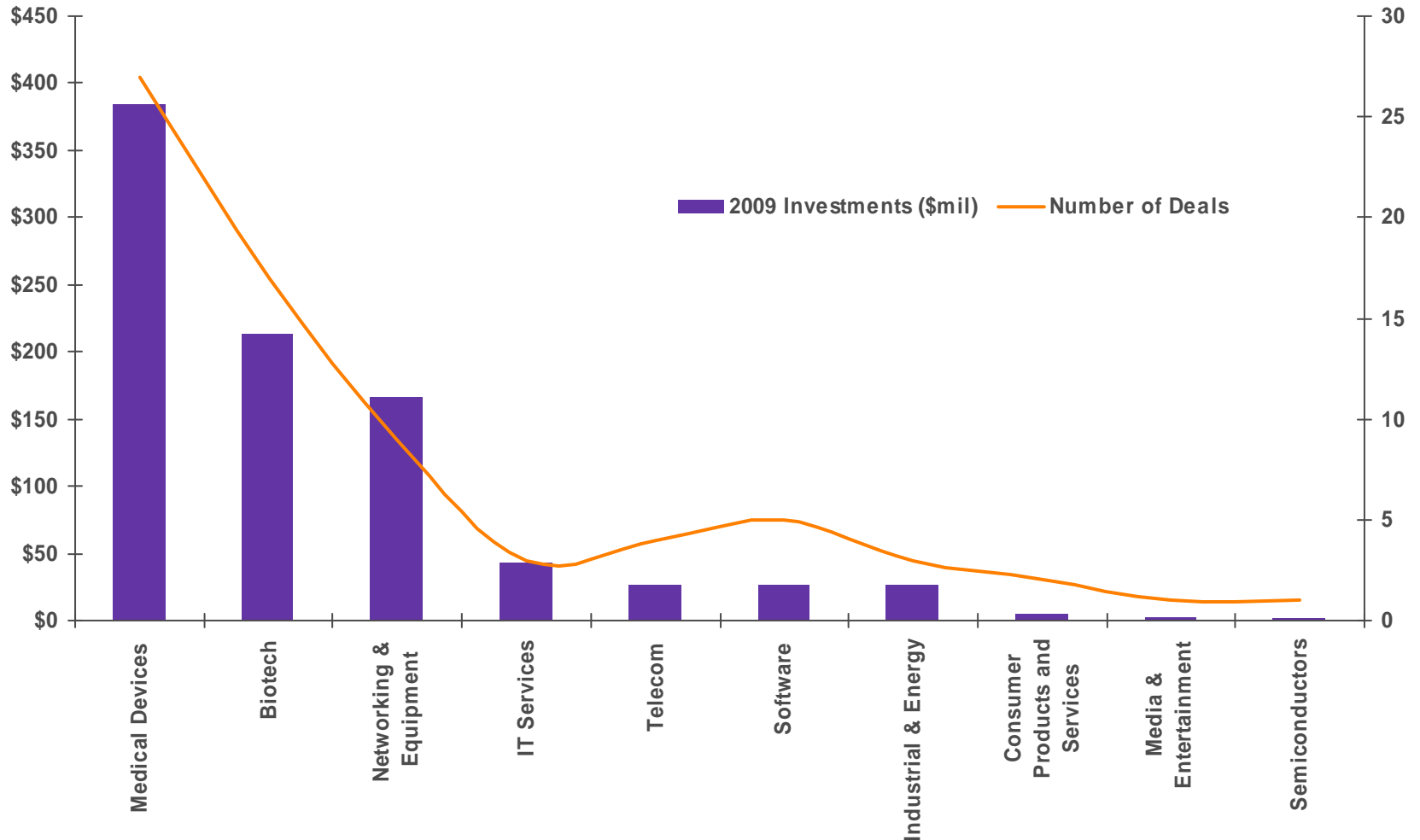
Quarterly US Venture Capital Investments



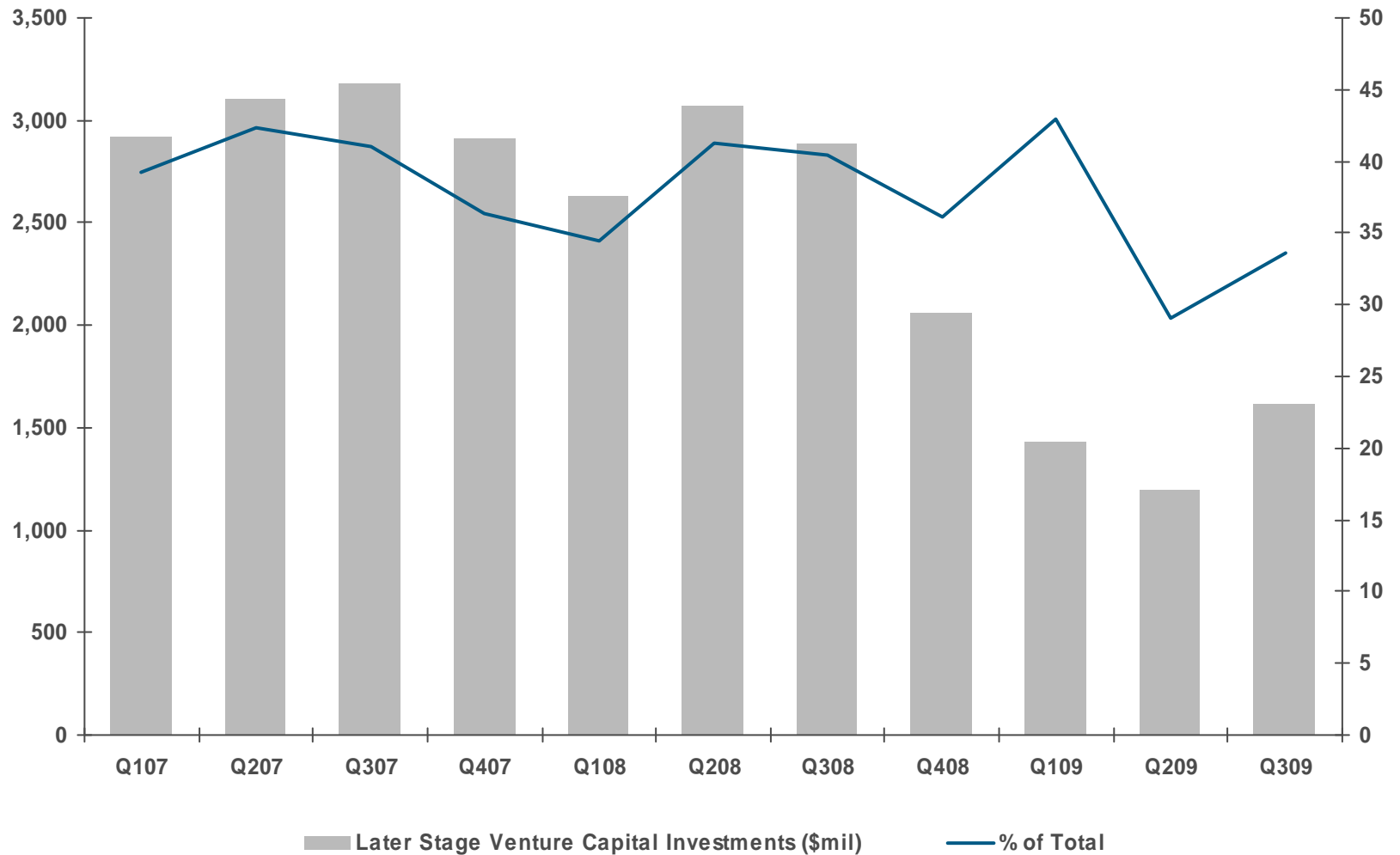
Midwest Venture Capital Firms Account for Nearly 10% of US Investment in Q3'09



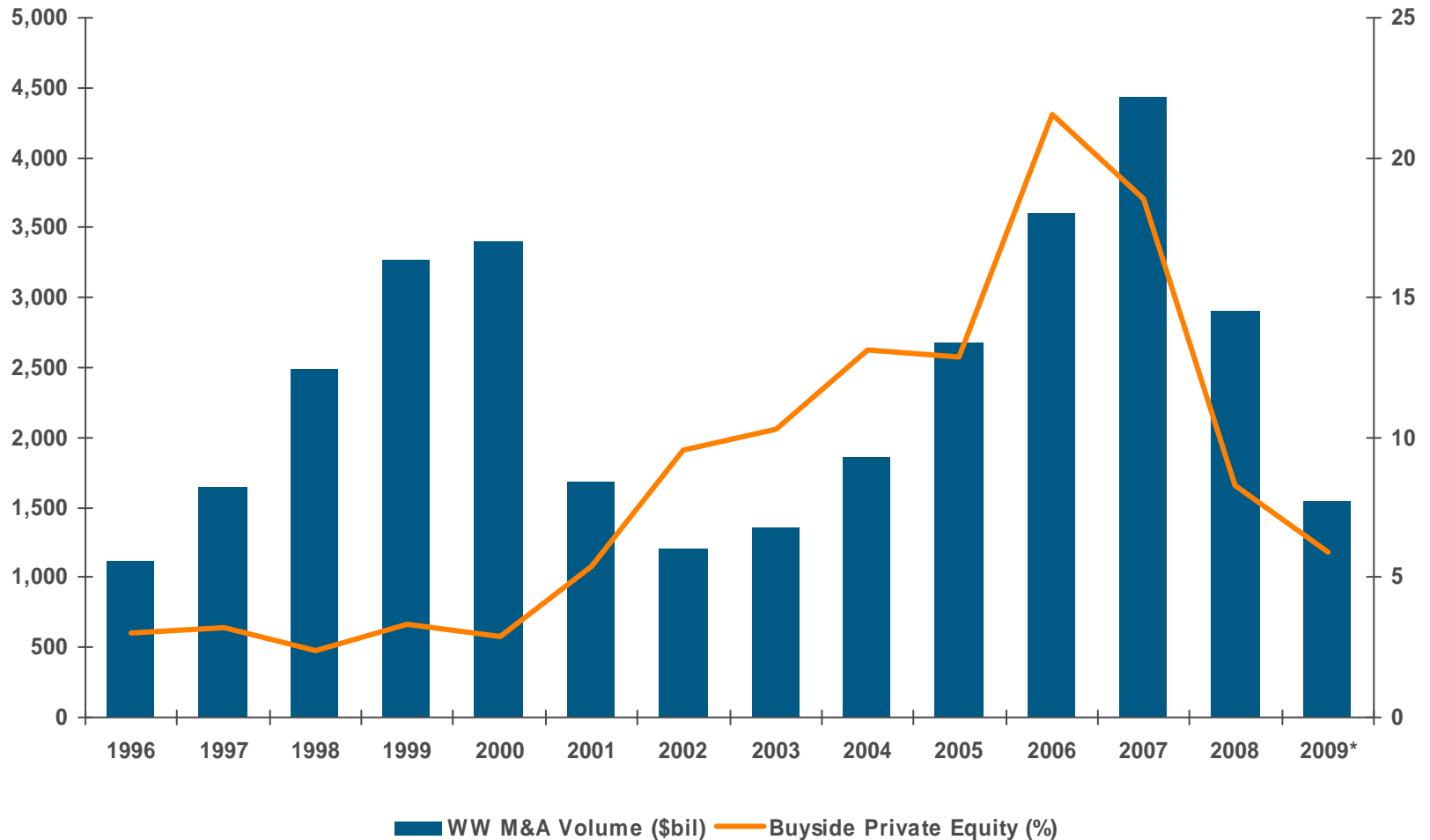
Midwest Venture Capital Investments Dominated by Medical Devices and Biotechnology



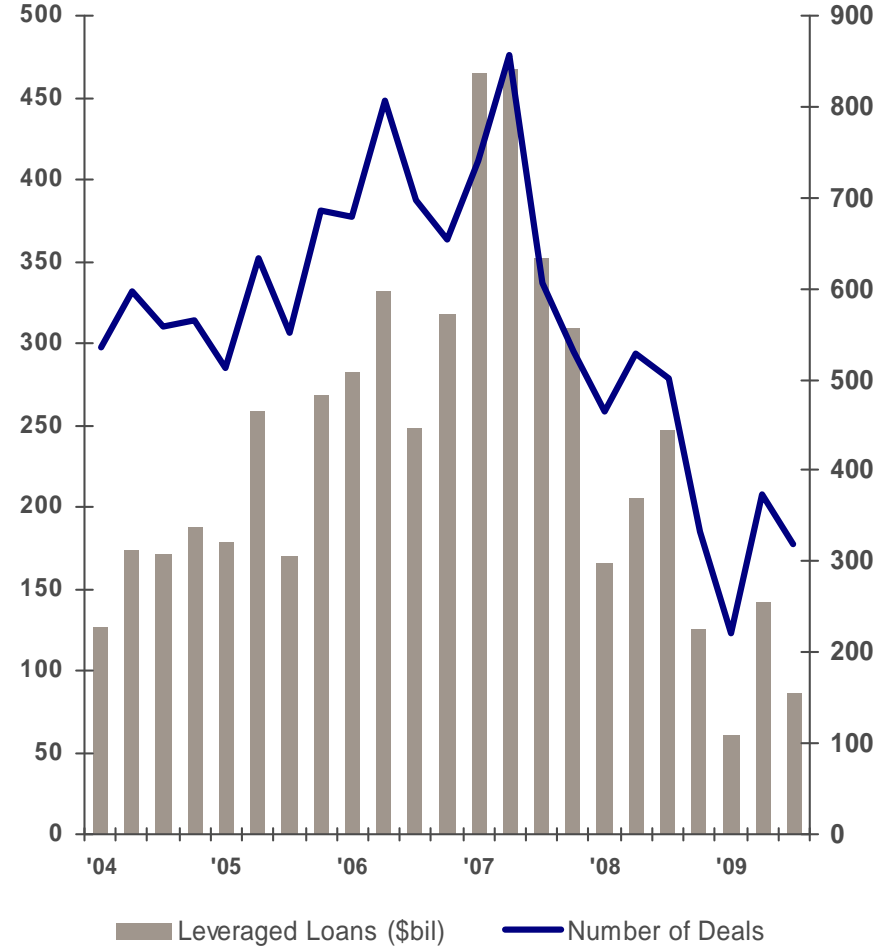
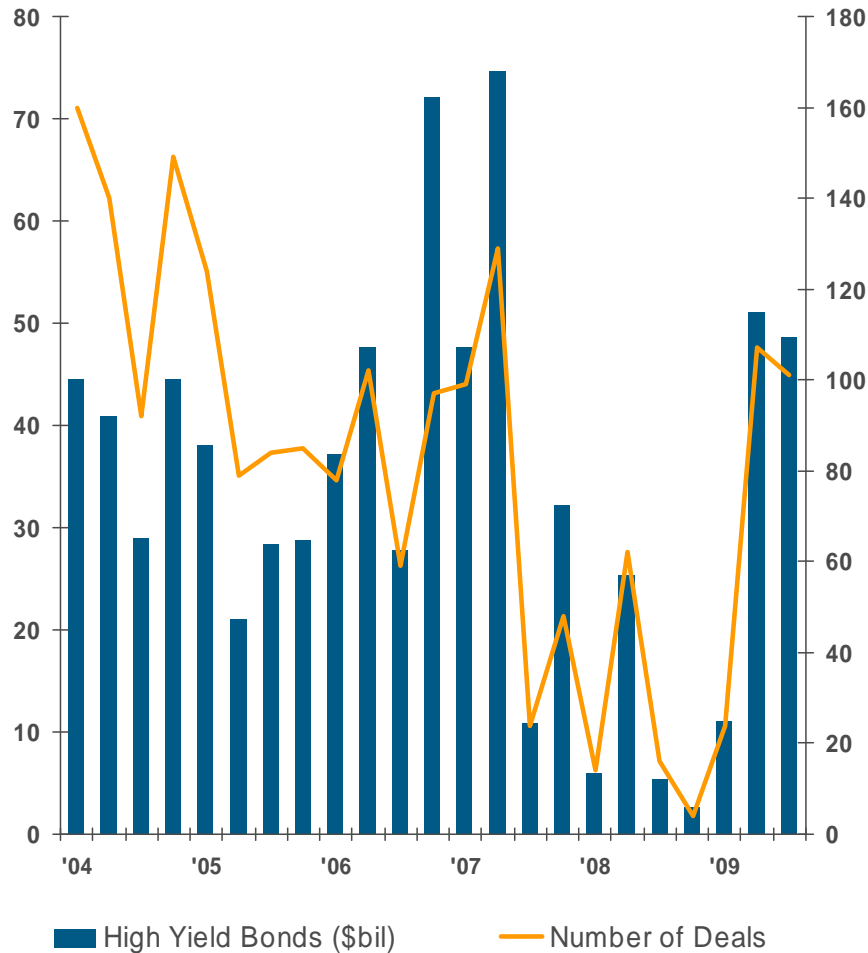
Later Stage Companies Account for 34% of Overall Investments in Q3'09



Global Buyouts Plummet Amidst Credit Crisis

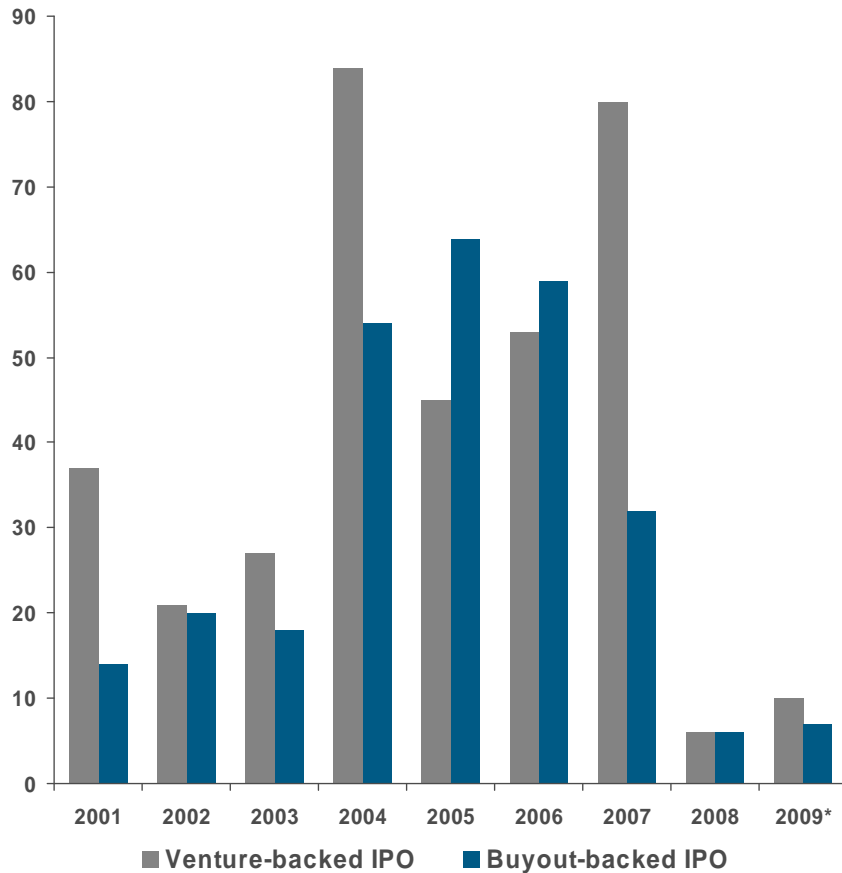


Global High Yield activity nearly triples over 2008; Shift from Bank Loans to Bonds

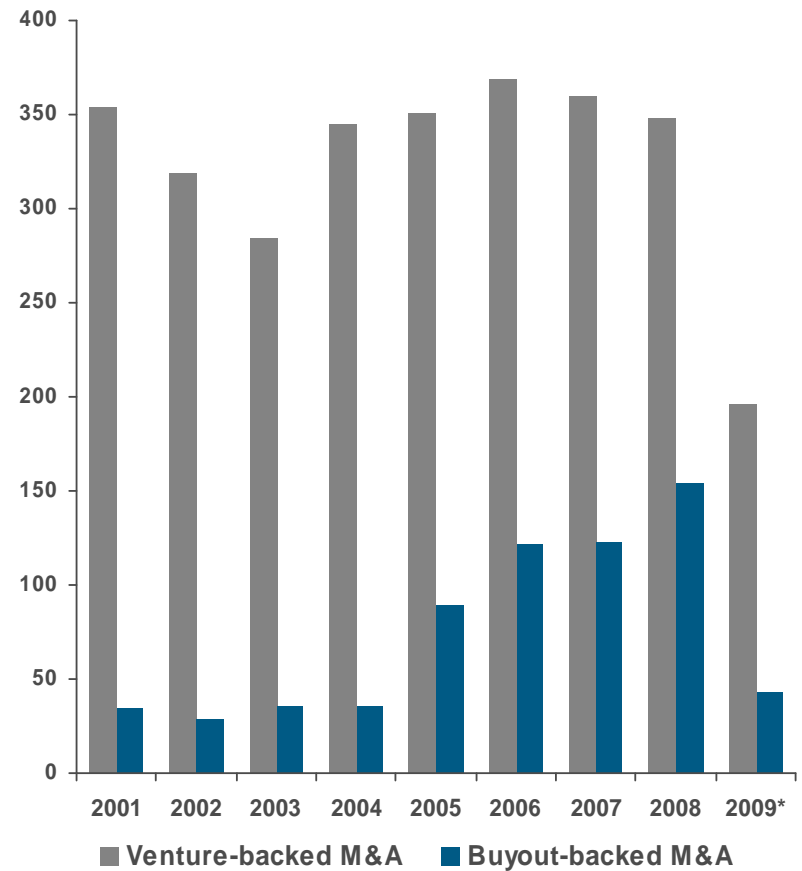


A Slight Return for Exits

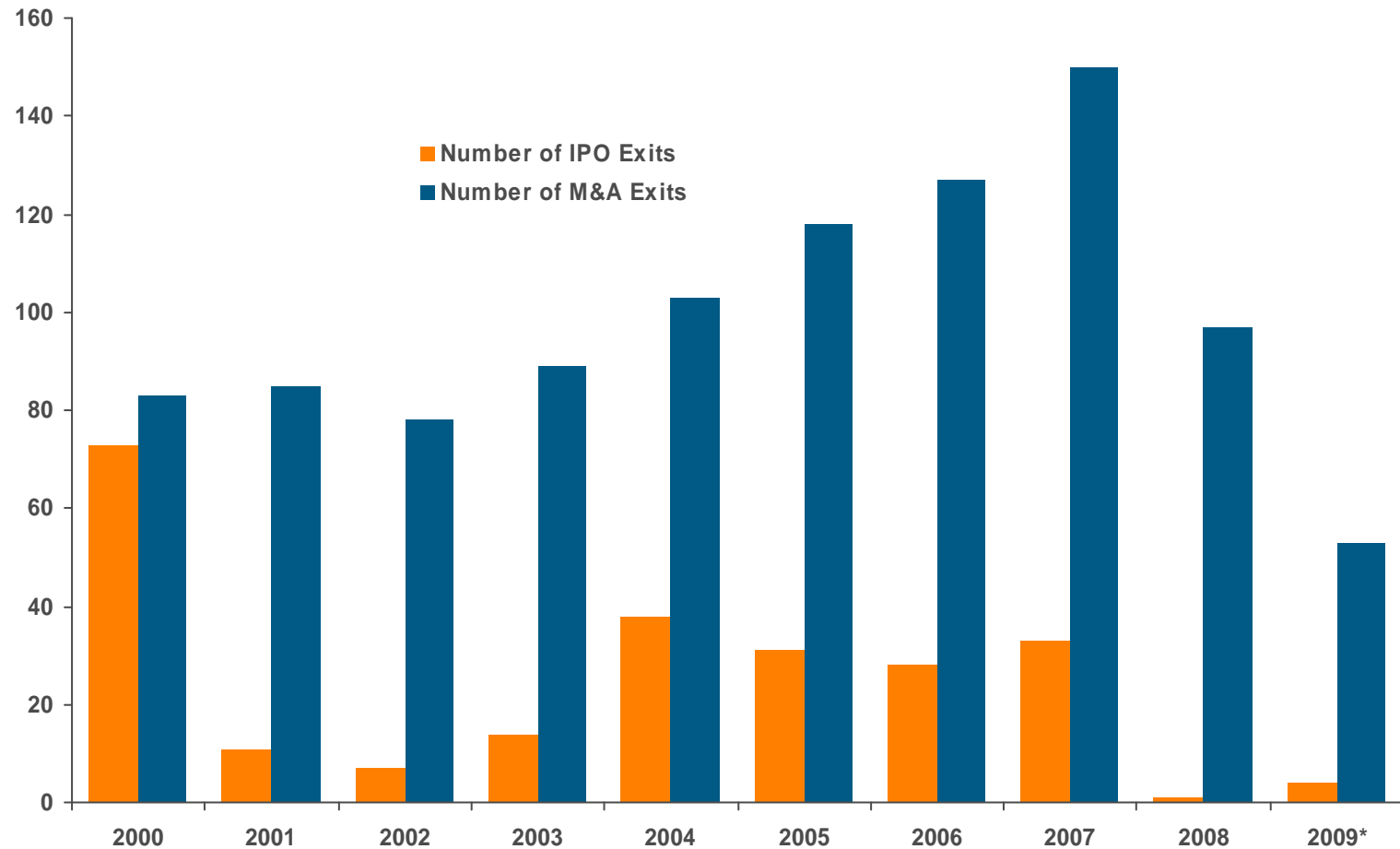
US Initial Public Offerings



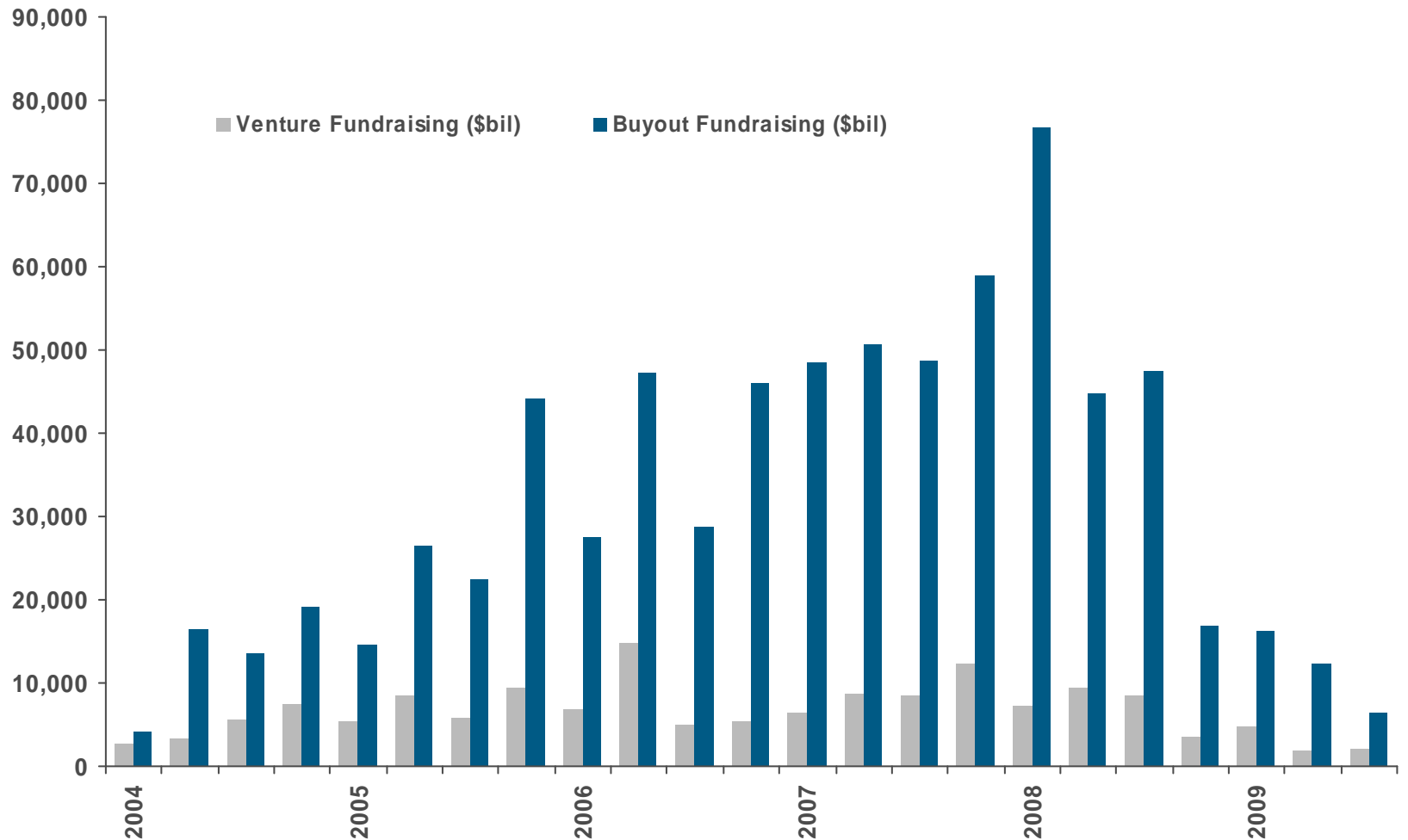
US Mergers & Acquisitions



Exits in the Midwest



US Private Equity Fundraising





Performance Methodology

- **All calculations are done at the fund level* by Thomson Reuters based on cash flows and NAVs reported by participating LPs and GPs**
- **Cash flow database contains 1800+ US private equity funds (480+ buyout funds)**

Definitions:

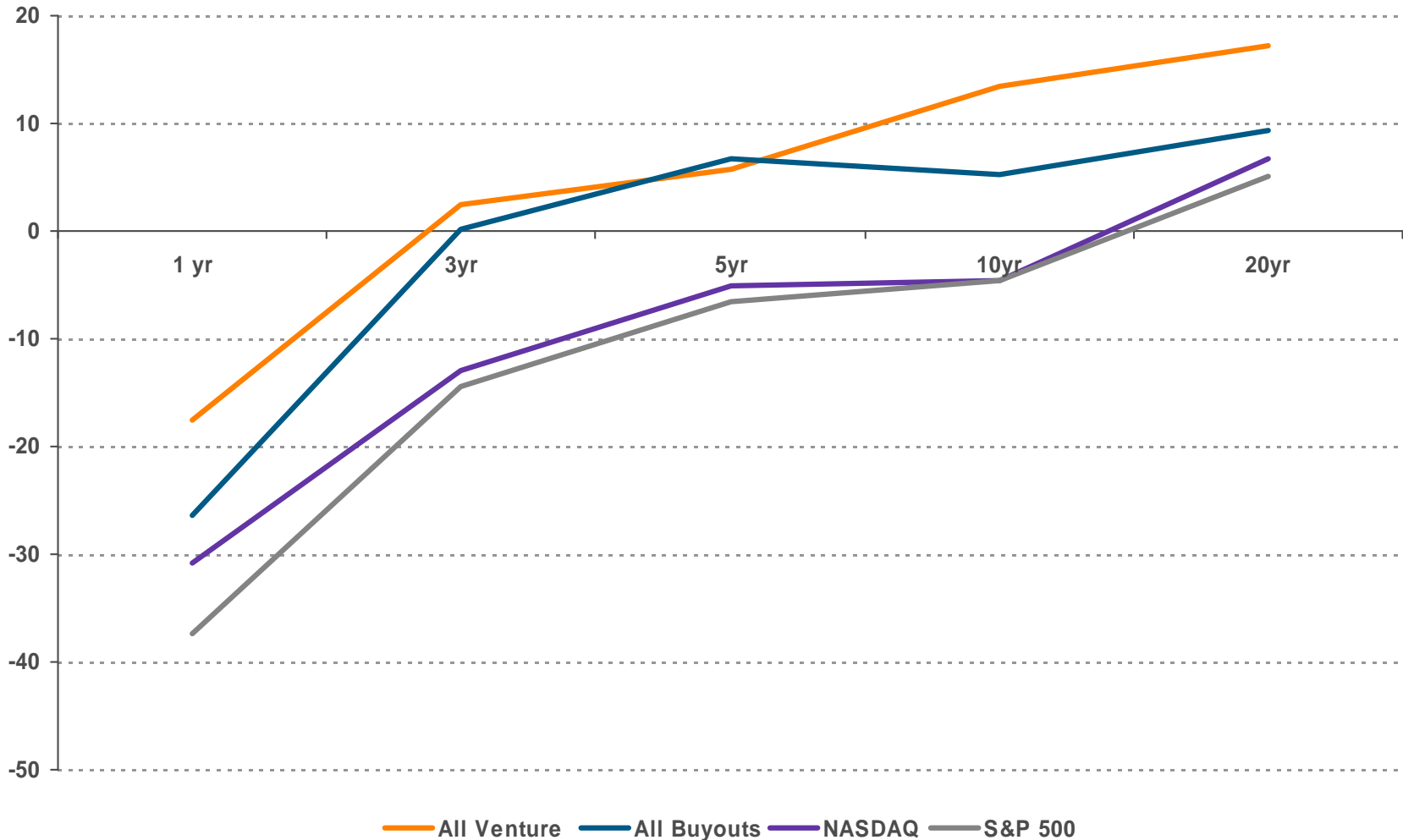
- **Pooled IRR: IRR of a group of funds where their cash flows have been aggregated together before IRR calculation**
- **Investment Horizon Return: IRR calculated with Net Asset Value as capital outflow at beginning of period, Net Asset Value at end of period, and actual cash flow in between**

* net of management fees and carried interest

US Performance Benchmarks

Fund Type	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Early/Seed VC	-16.9	-0.01	3.0	25.5	22.1
Balanced VC	-21.7	3.0	7.5	12	14.6
Later Stage VC	-7.9	7.7	8.1	7.3	14.7
All Venture	-17.5	2.5	5.7	13.4	17.2
Small Buyouts	-13.0	2.5	7.4	4.6	12.3
Medium Buyouts	-24.1	6.4	11.1	7.5	11.4
Large Buyouts	-13.7	3.4	6.8	6.1	10.6
Mega Buyouts	-27.4	-1.0	6.1	4.7	8.0
All Buyouts	-26.4	0.2	6.7	5.2	9.3
Mezzanine	-14.8	1.8	3.2	4.4	7.1
All Private Equity (excl. VC)	-26.1	0.8	6.8	5.5	9.0
All Private Equity	-24.4	1.3	6.5	7.1	11.5
NASDAQ	-30.8	-12.9	-5.1	-4.6	6.8
S&P 500	-37.3	-14.5	-6.6	-4.6	5.1

US Private Equity Performance Index Shows Private Equity Continues to Outperform the Public Markets -



THANK YOU

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