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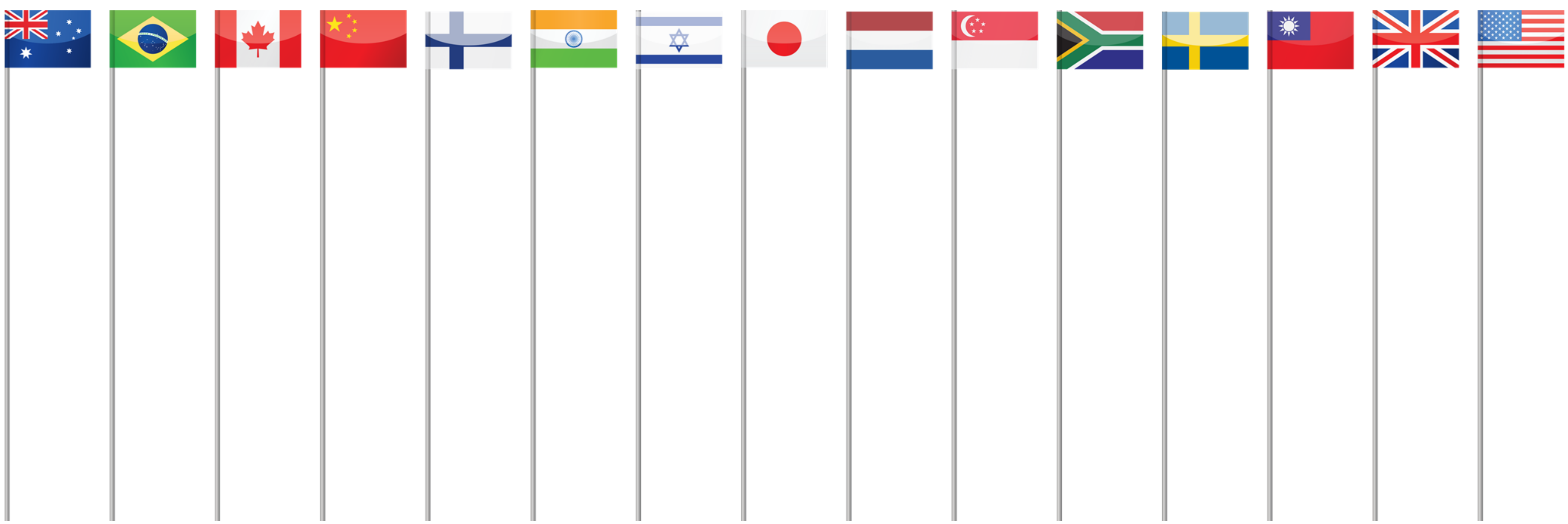
NATIONAL VENTURE CAPITAL ASSOCIATION

Funding innovation. Empowering entrepreneurs.

2014 Global venture capital confidence survey results

How confident are investors?

August 13, 2014



Contents

Survey methodology, key findings and demographics

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 levels between 4.0+ are considered very positive, 3.5 – 3.99 is considered positive, 2.5 – 3.49 is neutral and below 2.49 is negative.
- The survey was conducted during May and June of 2014.

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 Advanced Technology Industries (IATI)
- 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)

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.
- Global confidence levels continued to wane in Brazil and China, while Canada, Israel and the UK show increased confidence.

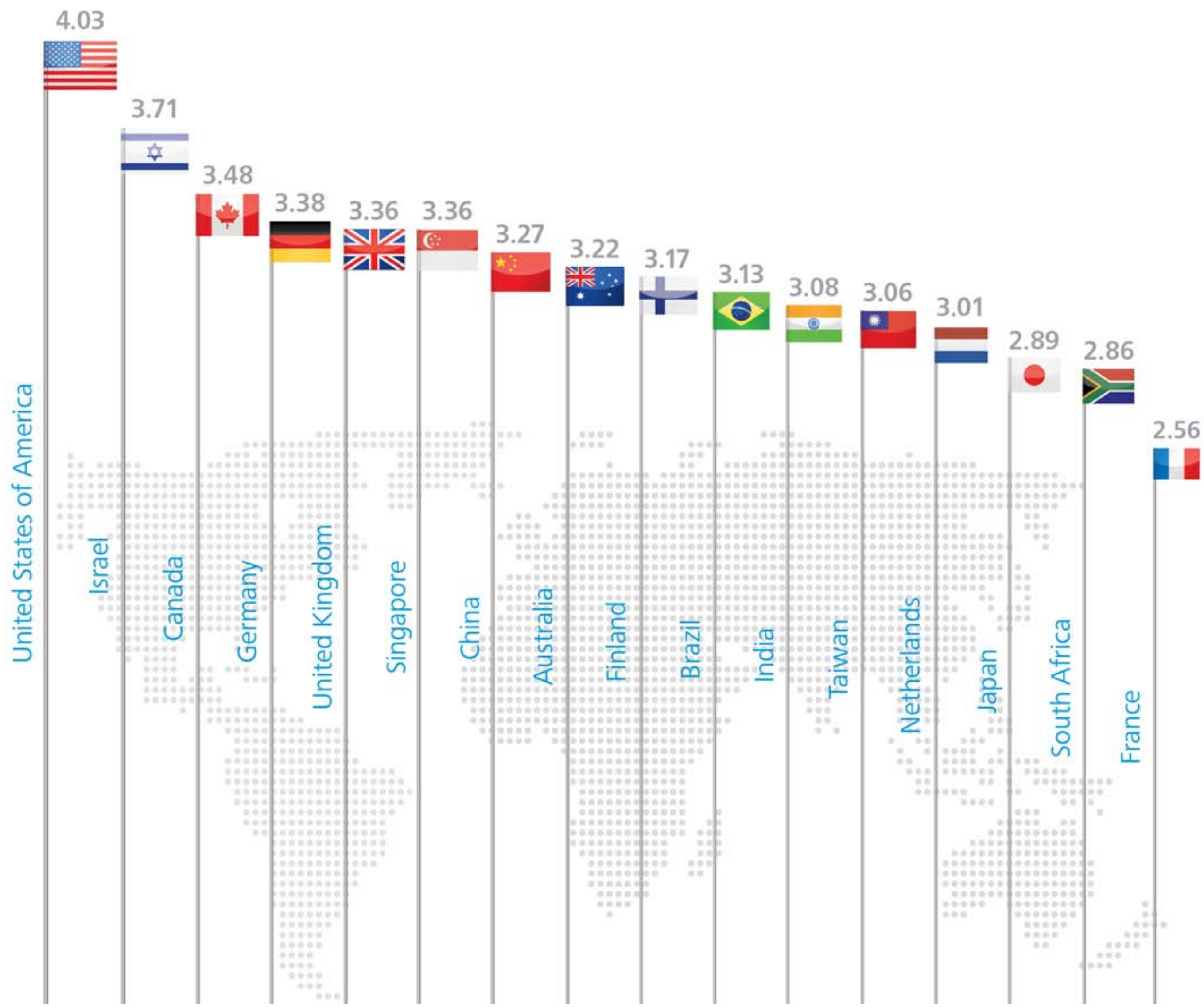
Country investing

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 & NVCA Global Venture Capital Confidence Survey

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NATIONAL VENTURE CAPITAL ASSOCIATION
Funding innovation. Empowering entrepreneurs.

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

Source: 2014 Deloitte & NVCA Global Venture Capital Confidence Survey

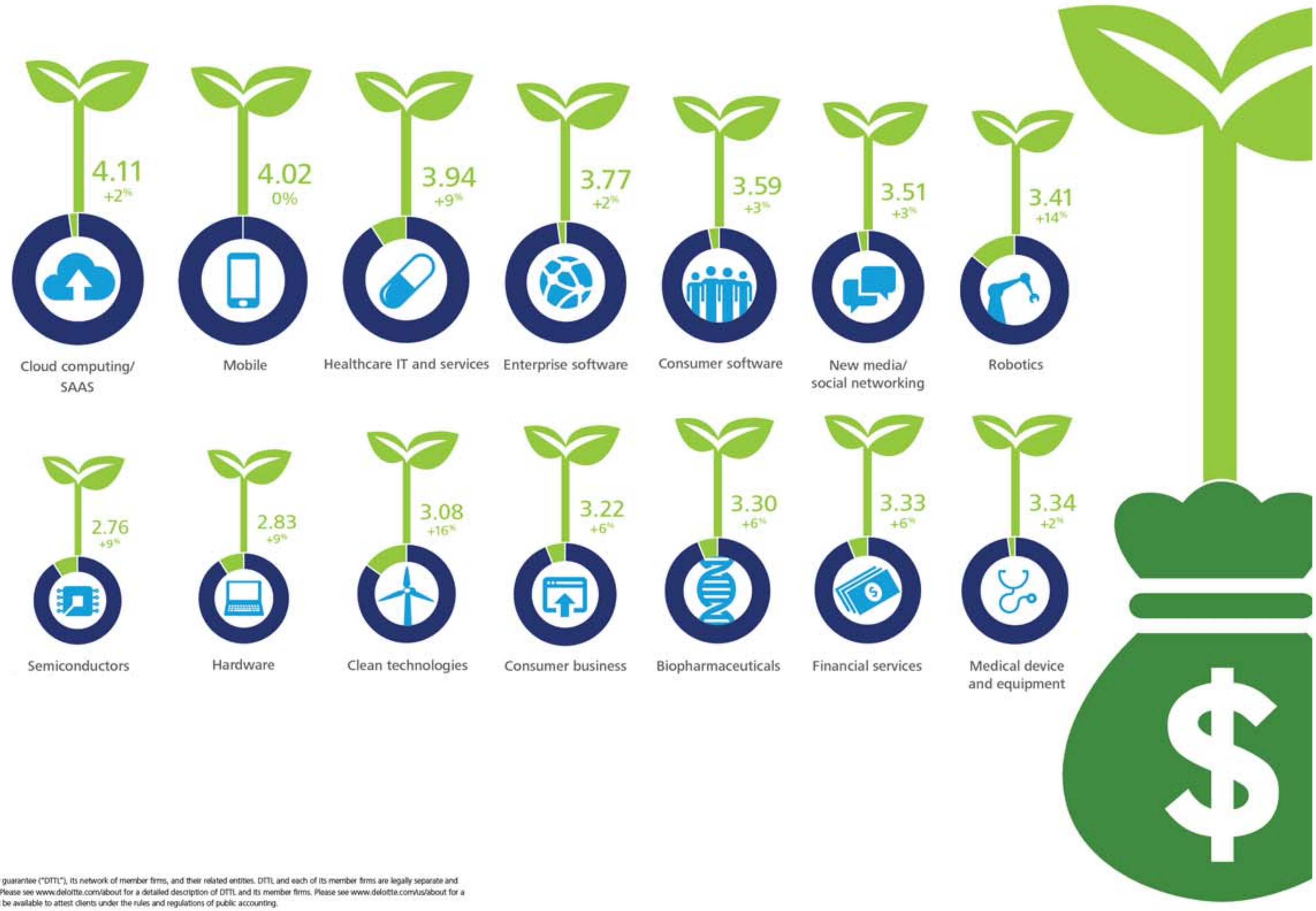
Sector investing

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.

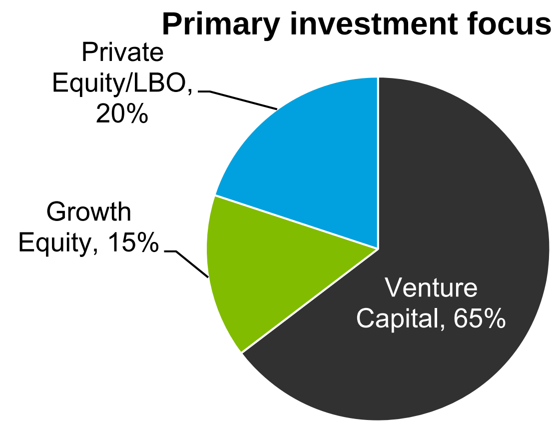
www.deloitte.com/us/2014vcsurvey

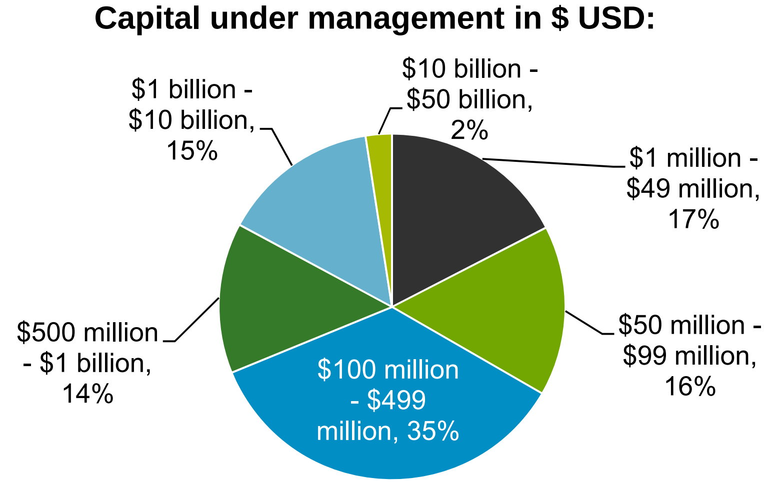


Source: 2014 Deloitte & NVCA Global Venture Capital Confidence Survey

Responses and demographics

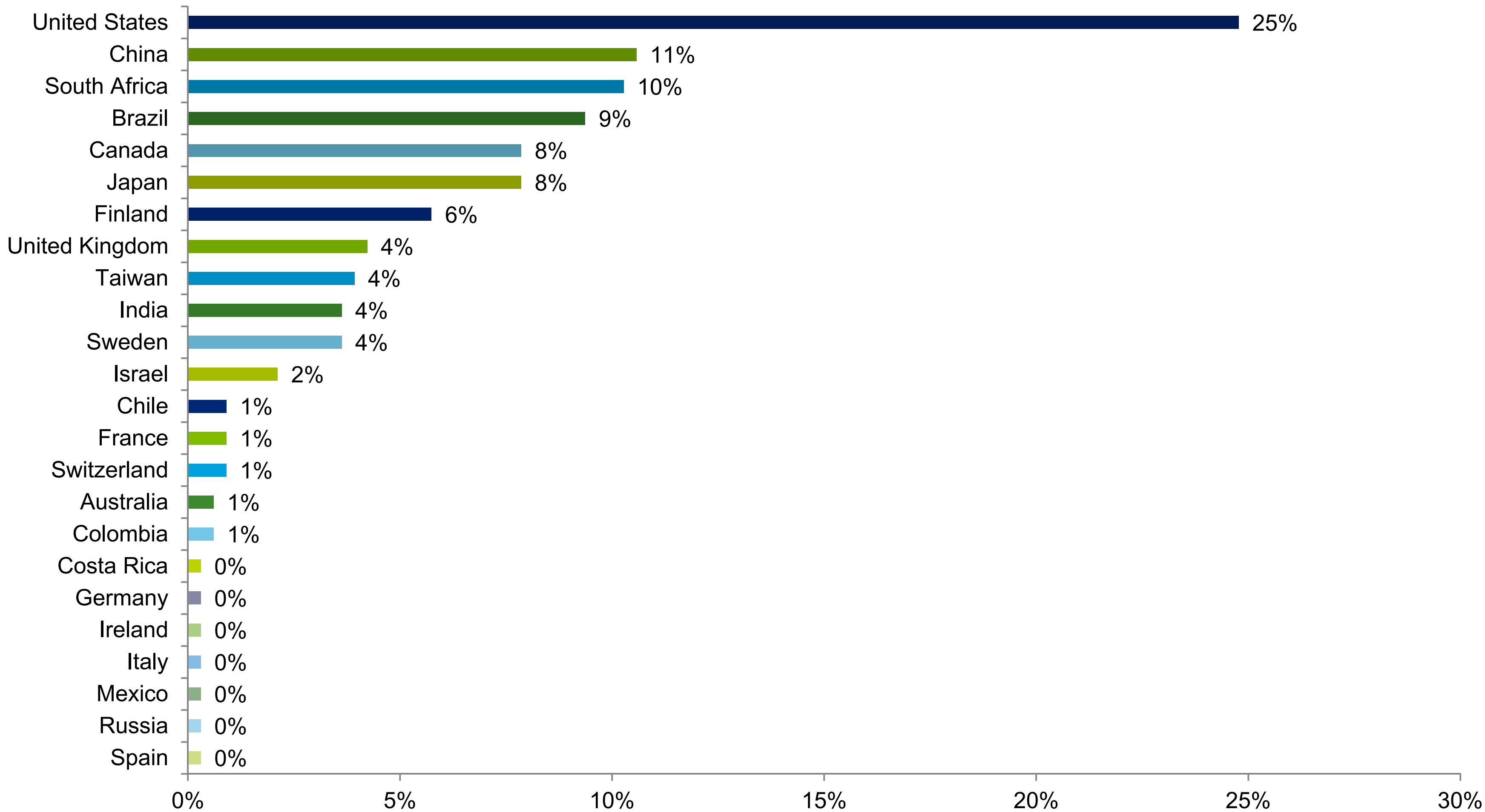
- 331 total responses
  - 25% from U.S.
  - 75% non-U.S. countries
- Survey conducted in the Americas, Europe, Middle East, and Asia Pacific
- Responses from large, midsized and small firms, with the largest concentration, 35%, with $100–$499 million in assets under management





Demographics

Respondents by home country

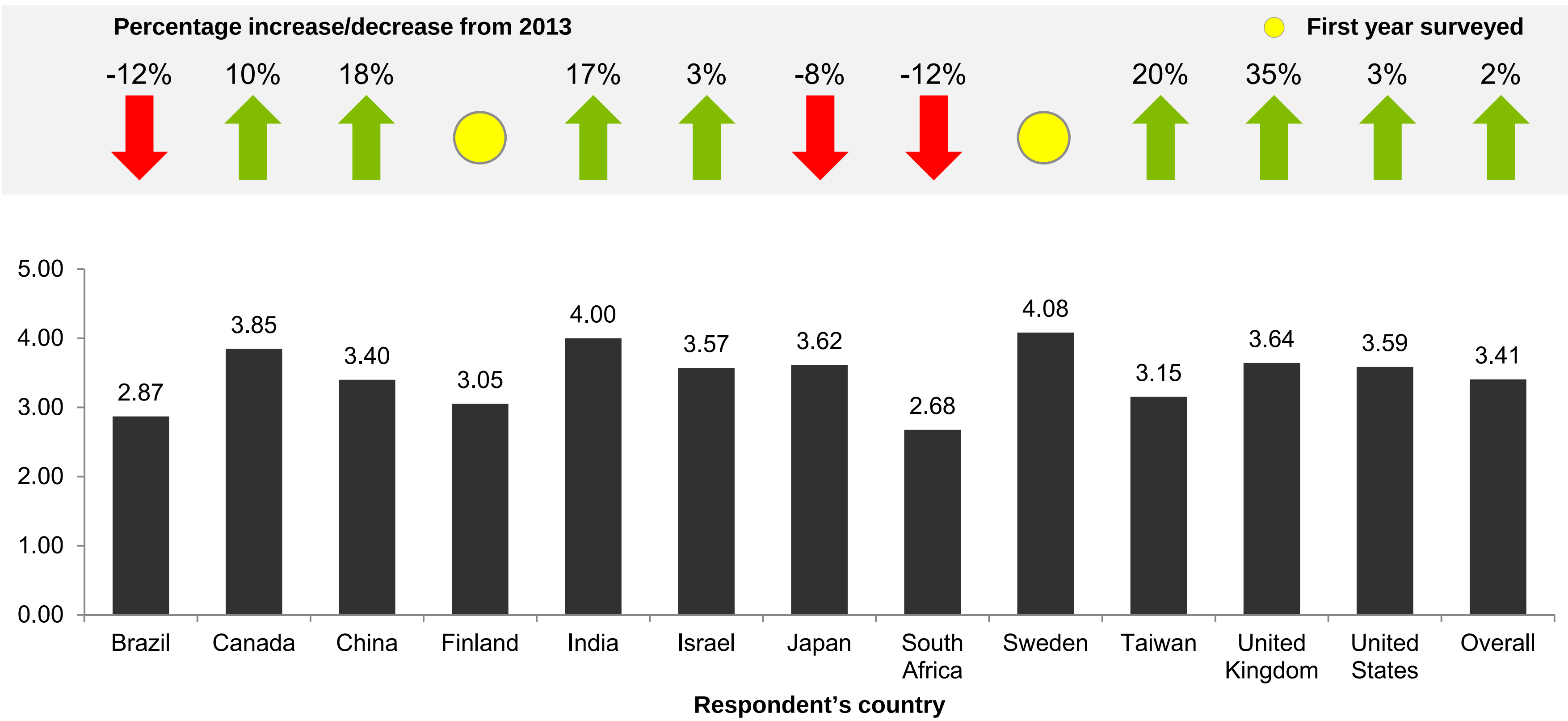


Percentages are rounded to nearest whole number

Economic trends

Economic trends

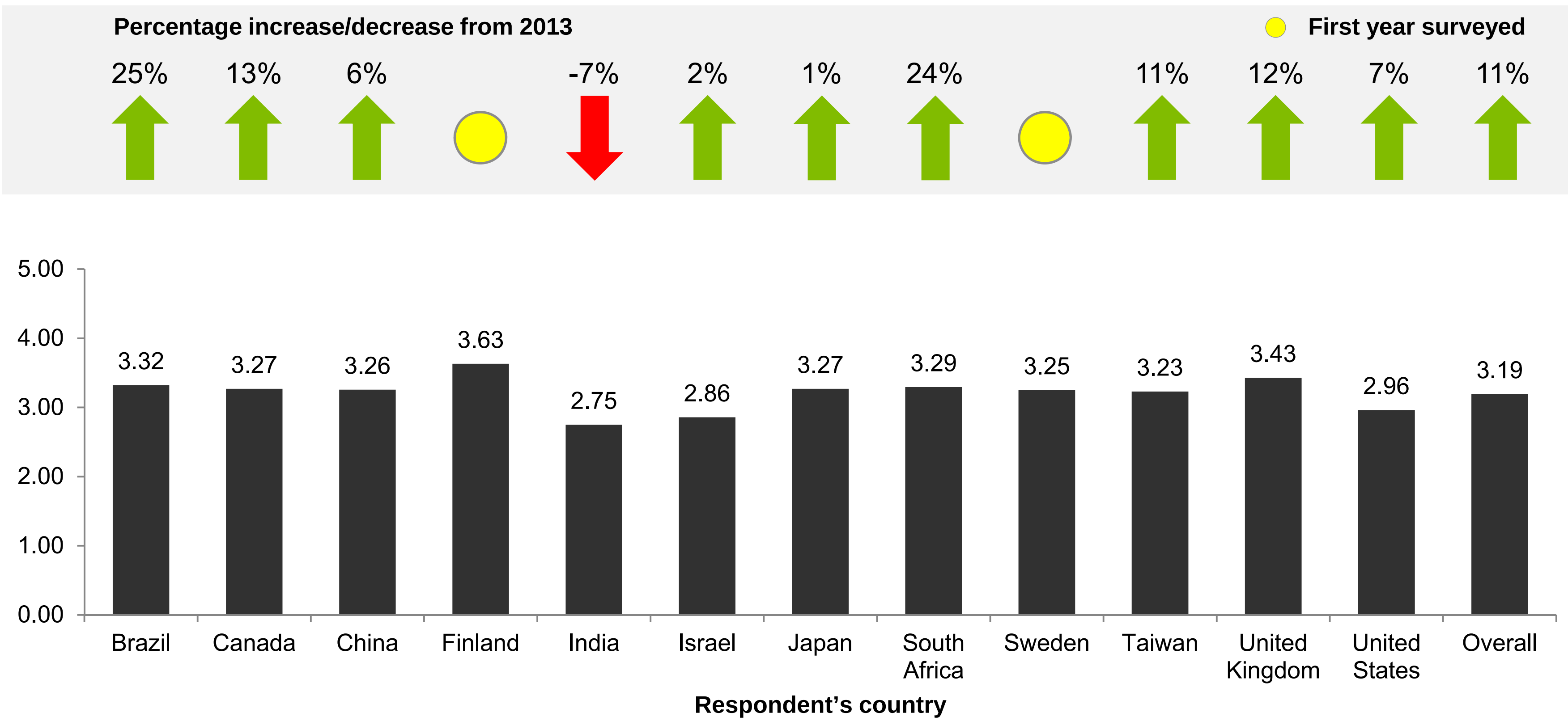
Overall confidence in my home country's macro economy in the next year



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

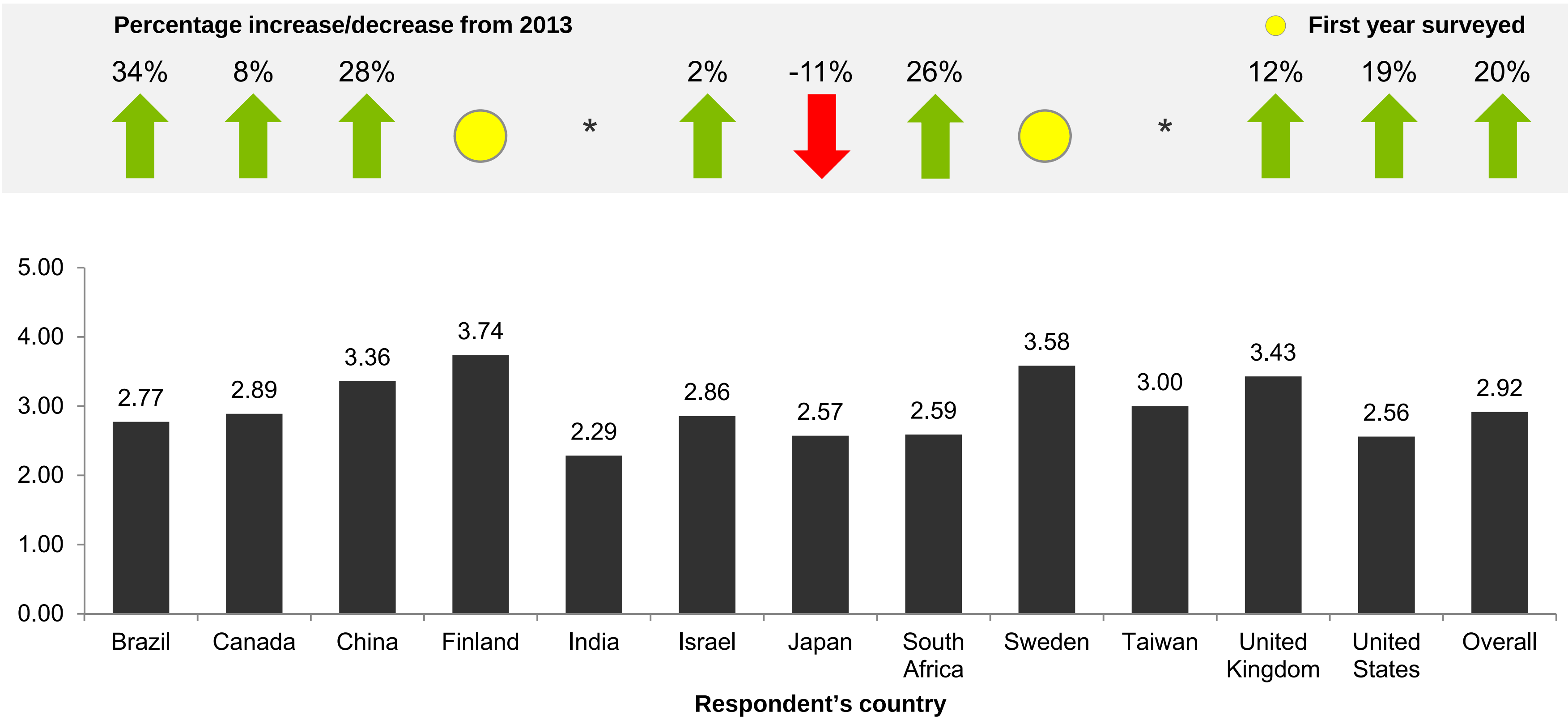


Key finding: Confidence in home country remains higher than global economy (3.41 v. 3.19).

Regional investing

Regional investing

Overall confidence in investing in Europe

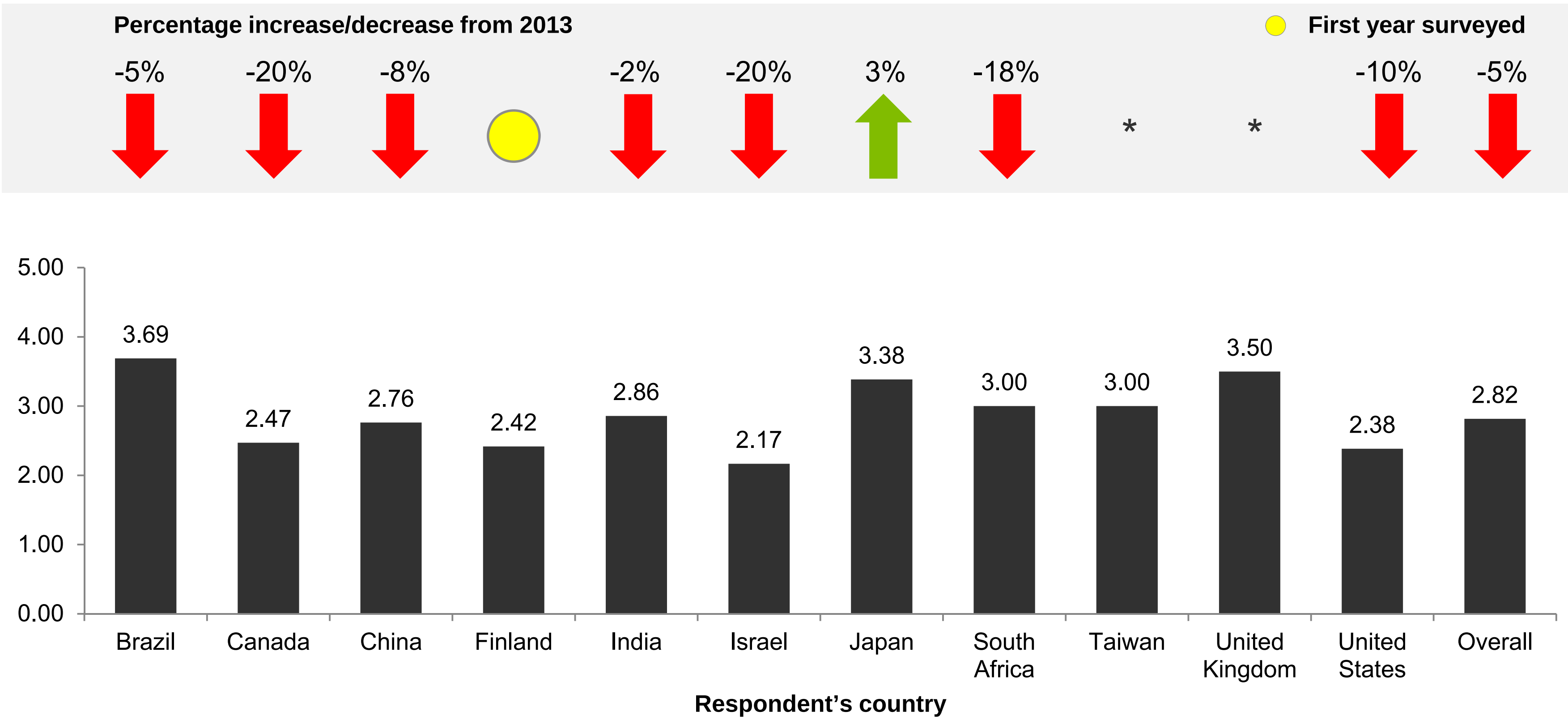


Key finding: Europe is the region with the largest increase in confidence compared to Latin America and Southeast Asia

* YoY data unavailable

Regional investing (cont.)

Overall confidence in investing in Latin America

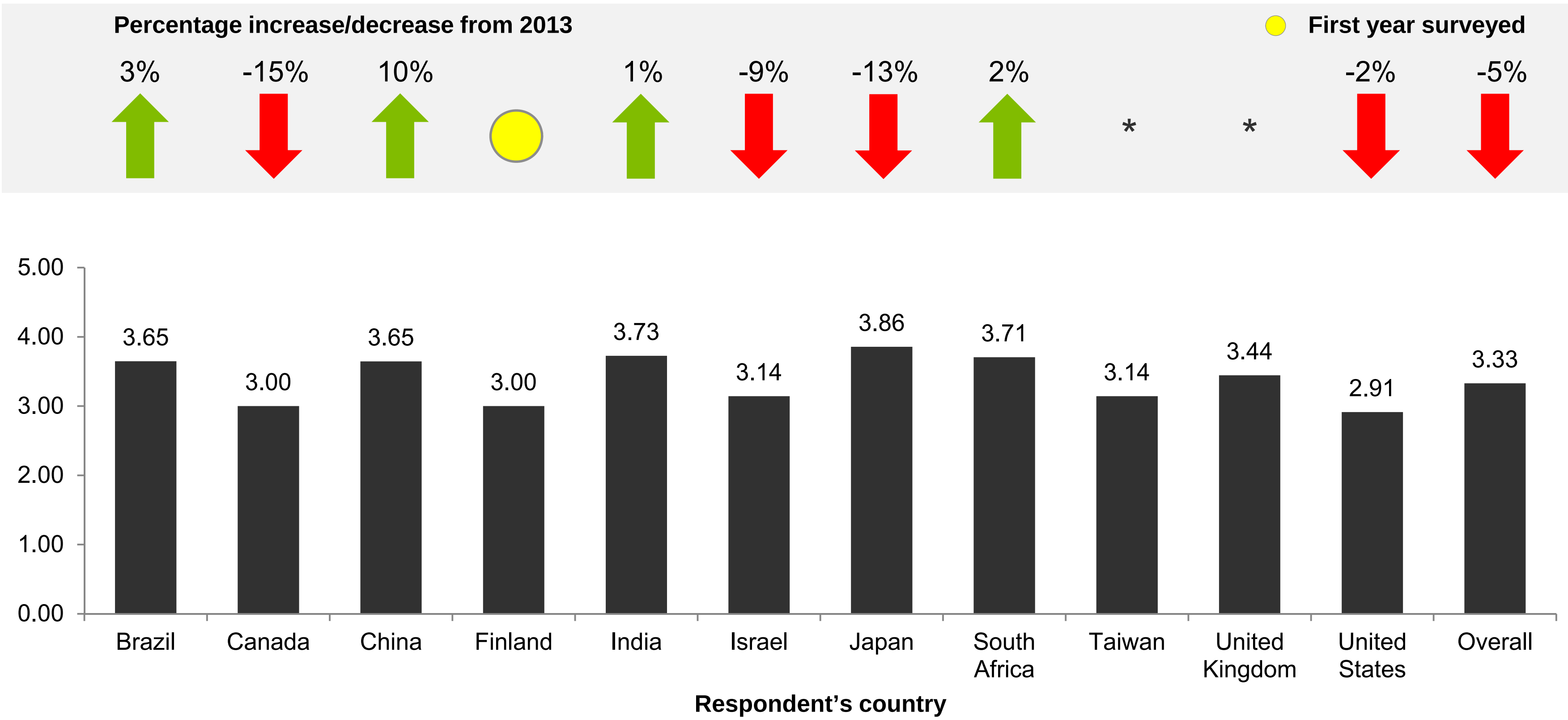


Key finding: Confidence is continuing to shift downward in Latin America.

* YoY data unavailable

Regional investing (cont.)

Overall confidence in investing in Southeast Asia



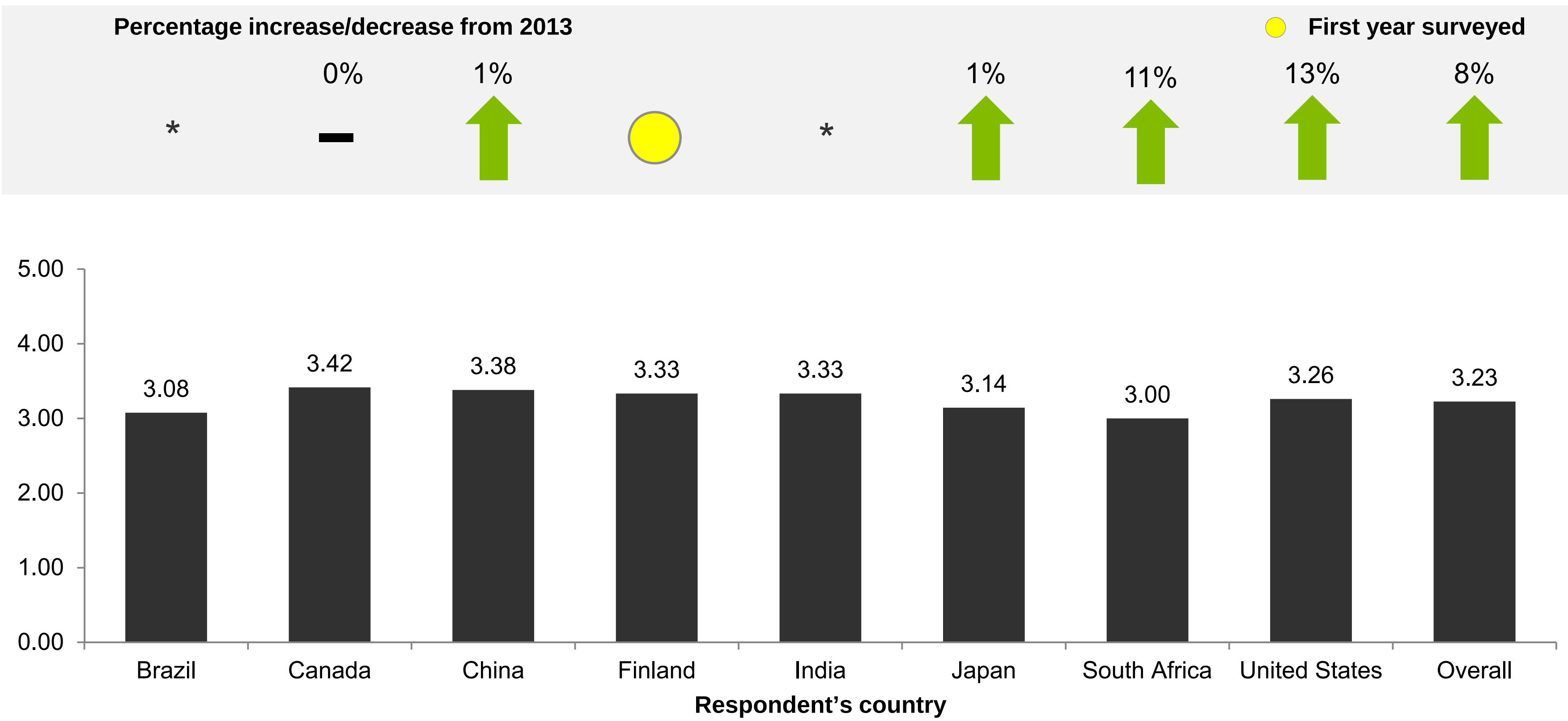
Key finding: Southeast Asia has highest confidence levels when compared to Europe and Latin America.

* YoY data unavailable

Country investing

Country investing

Overall confidence in investing in Australia

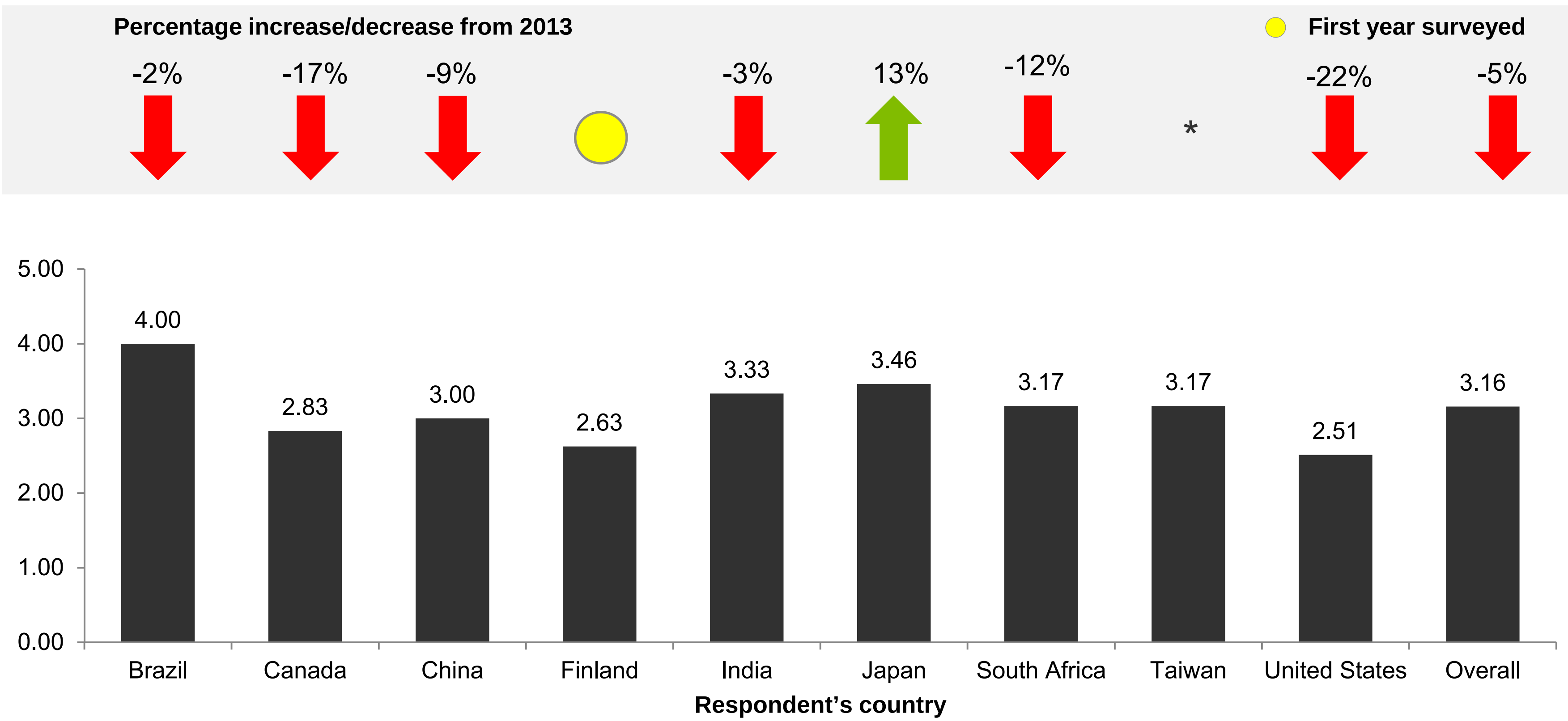


Key finding: Confidence levels in Australia increased in 2014.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Brazil

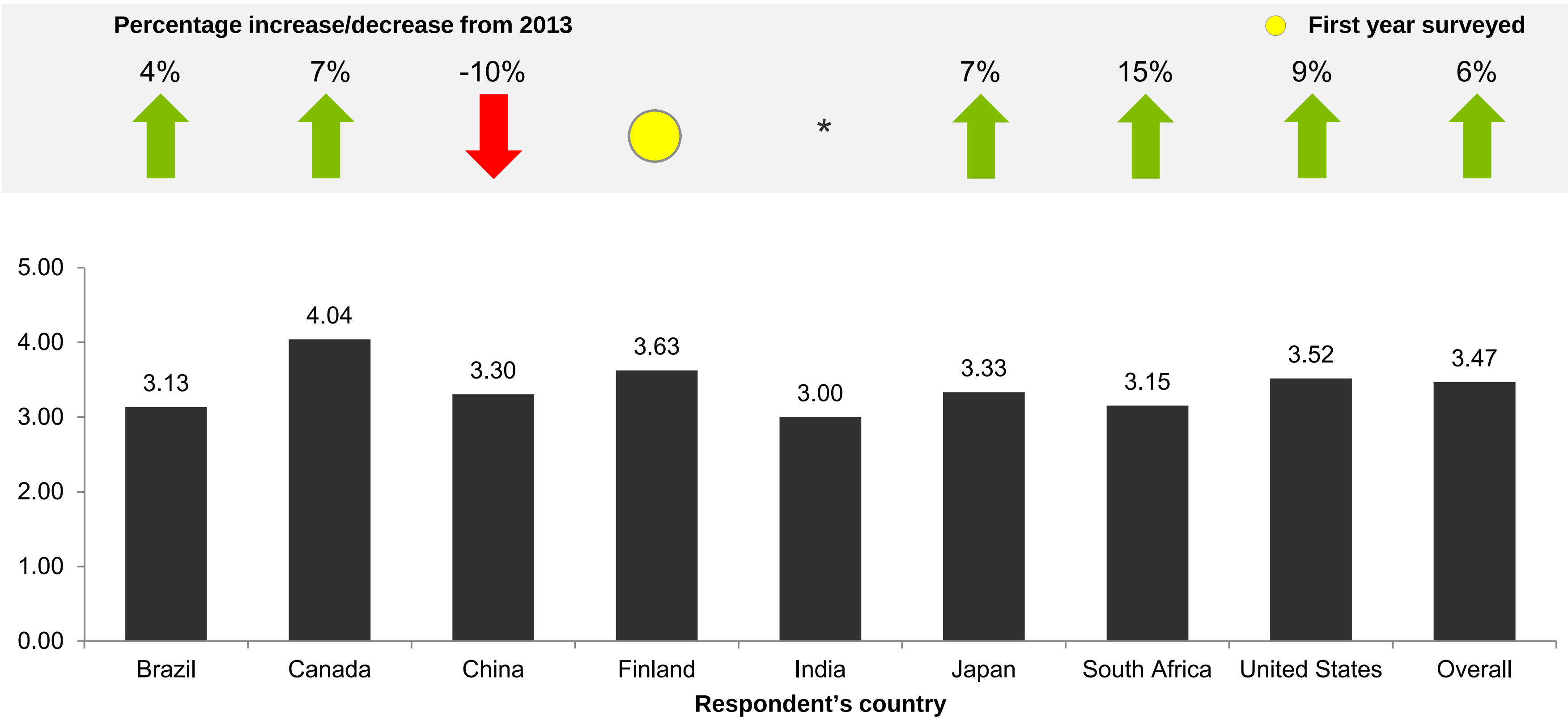


Key finding: Confidence in investing in Brazil continues to decrease.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Canada

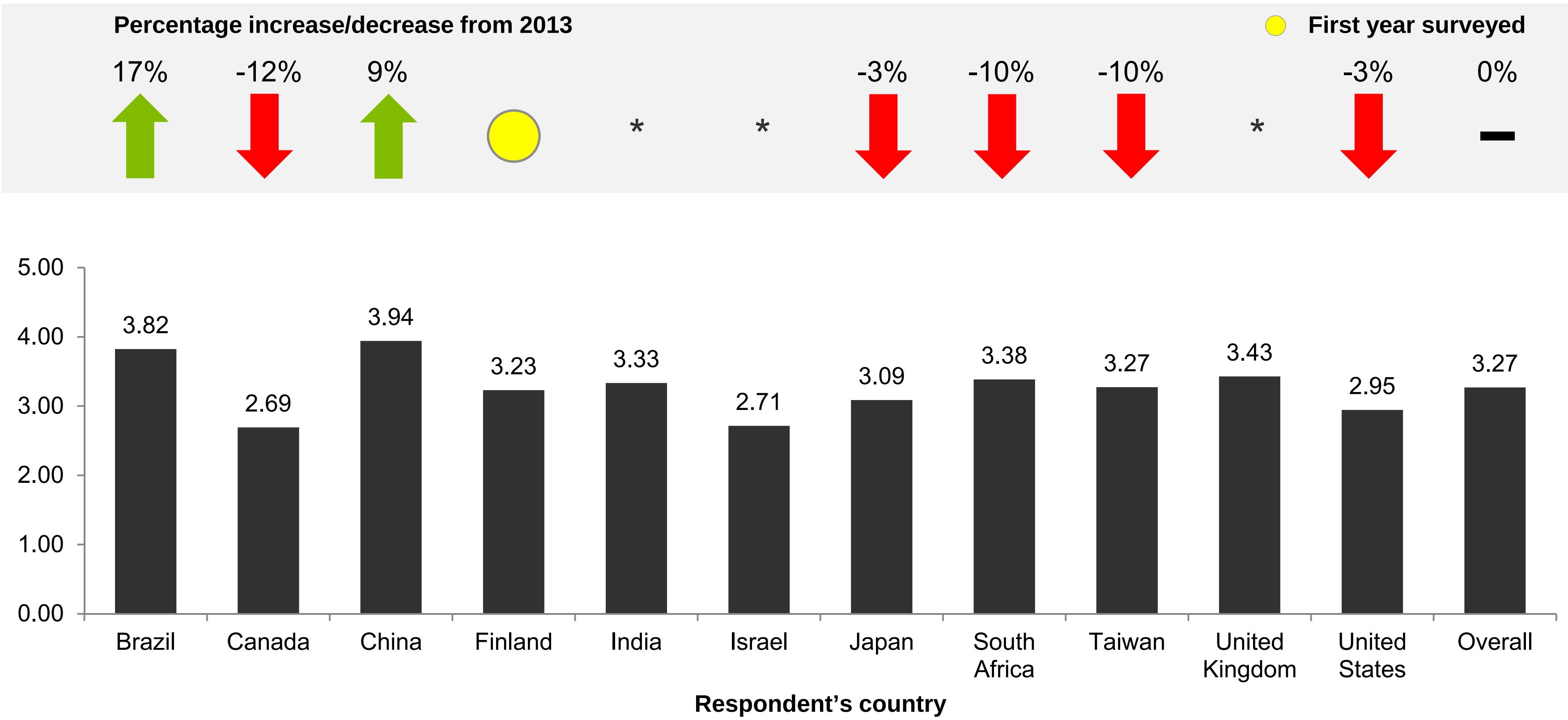


Key finding: Canada shows increased confidence among most countries except China.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in China

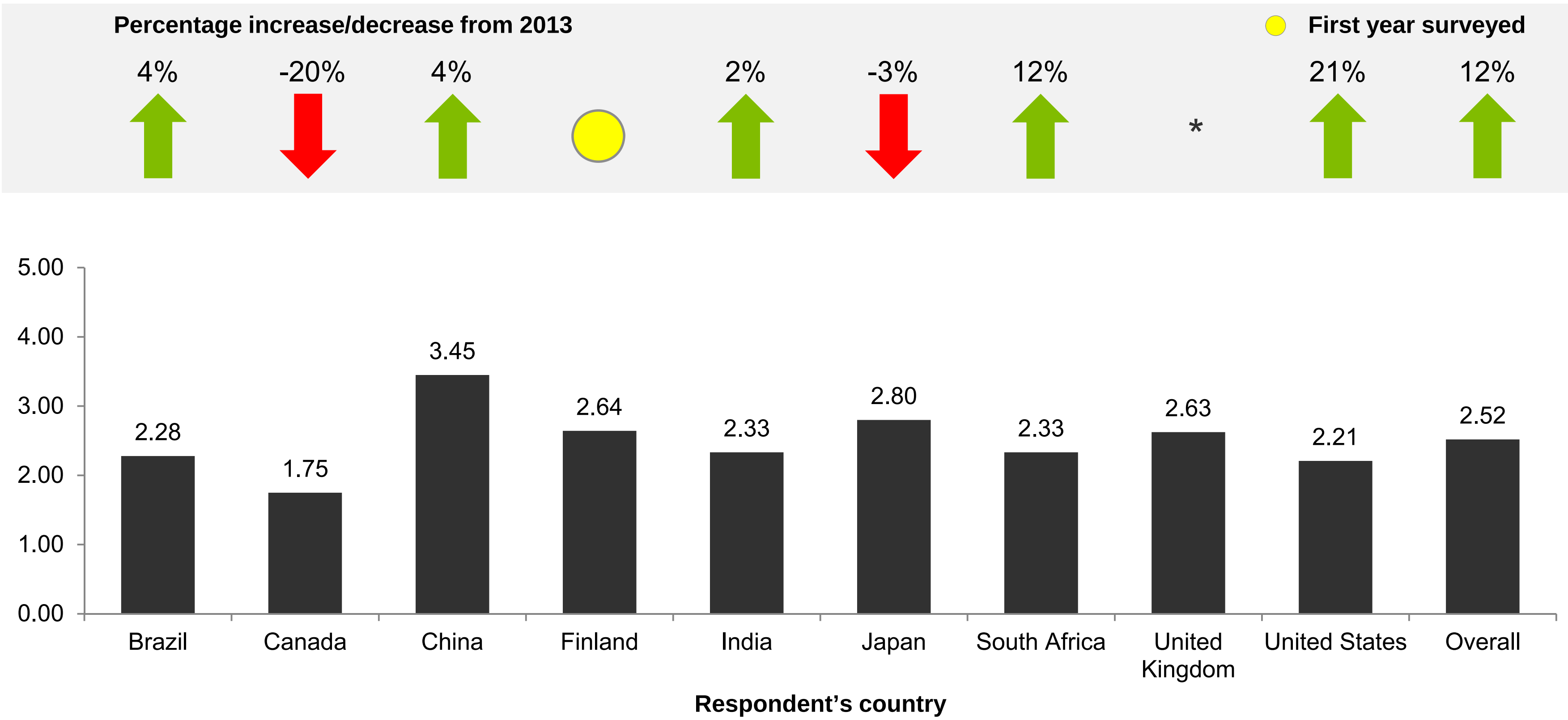


Key finding: Confidence in investing in China remained flat YoY.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in France

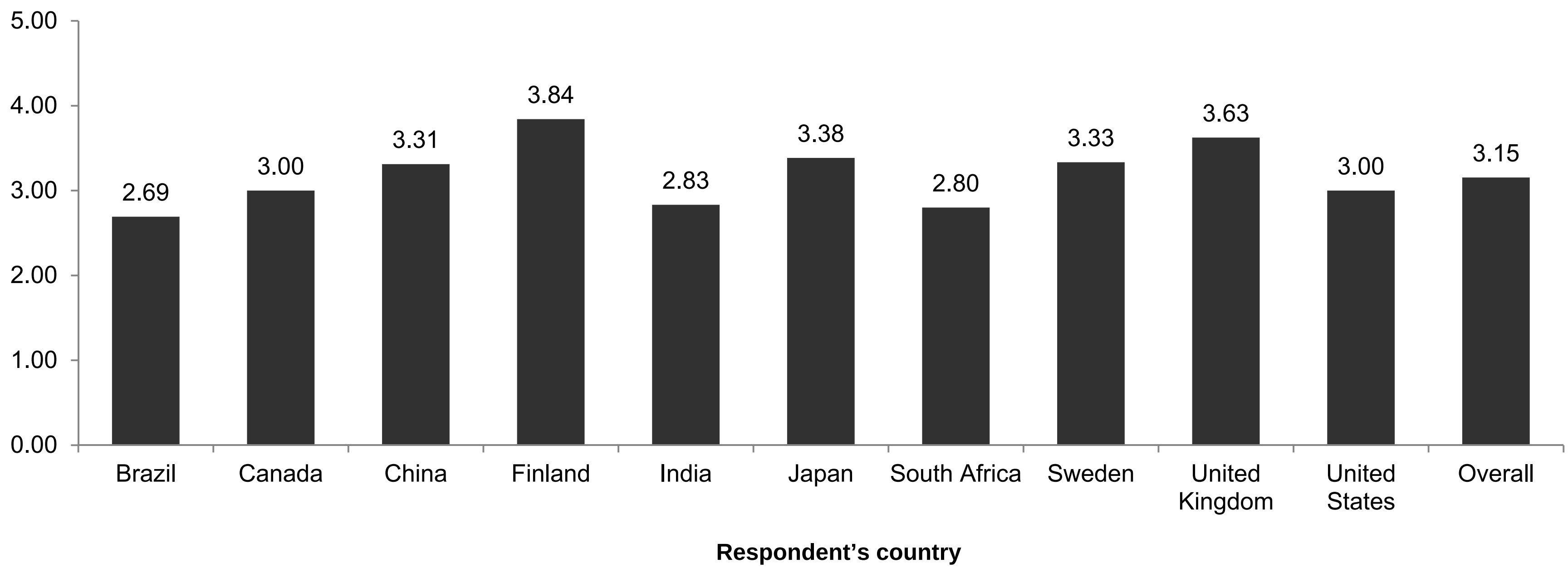


Key finding: Overall confidence level in France is lowest among all countries surveyed.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Finland

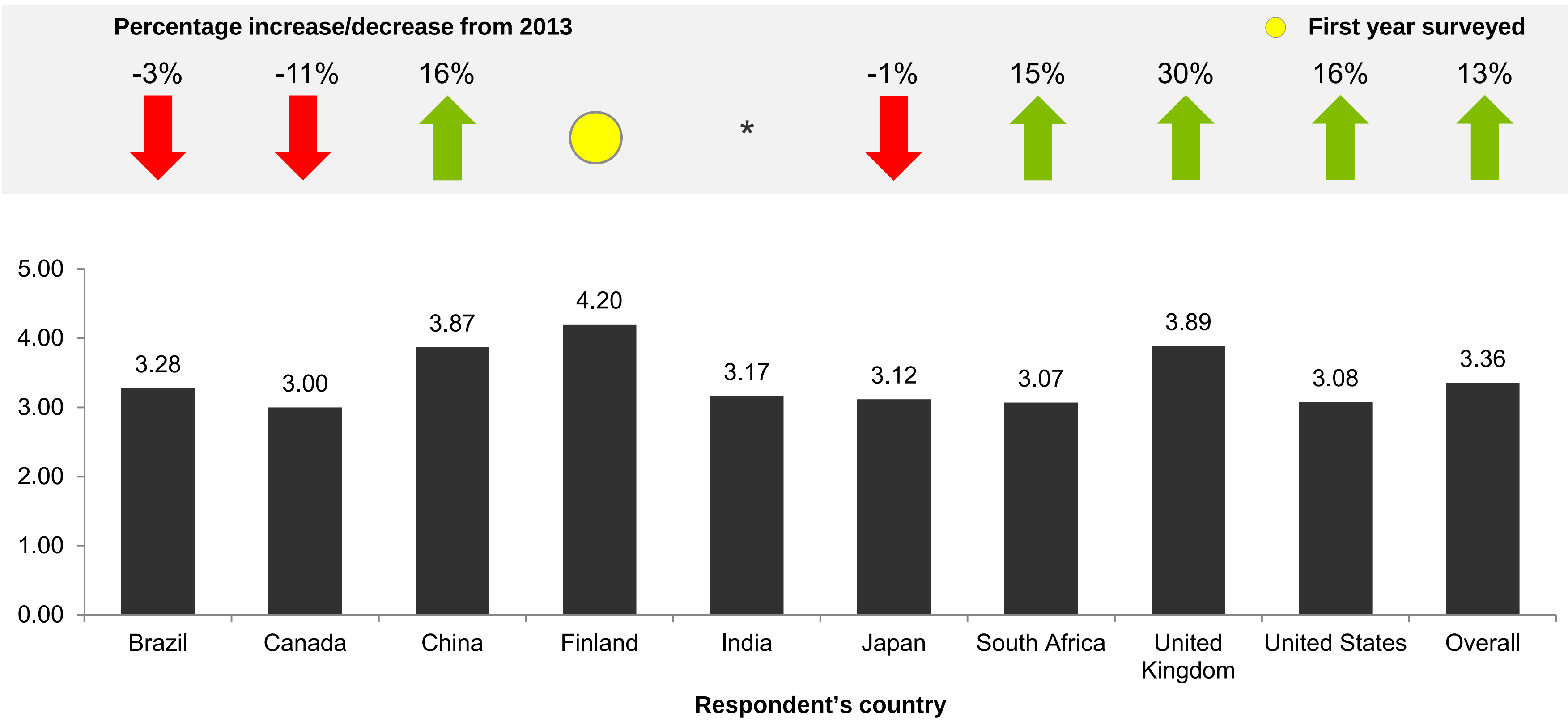


Key finding: European countries and Japan most confident in Finland.

Footnote: 2014 was first year survey asked about confidence in Finland. No YoY trending date is available.

Country investing (cont.)

Overall confidence in investing in Germany

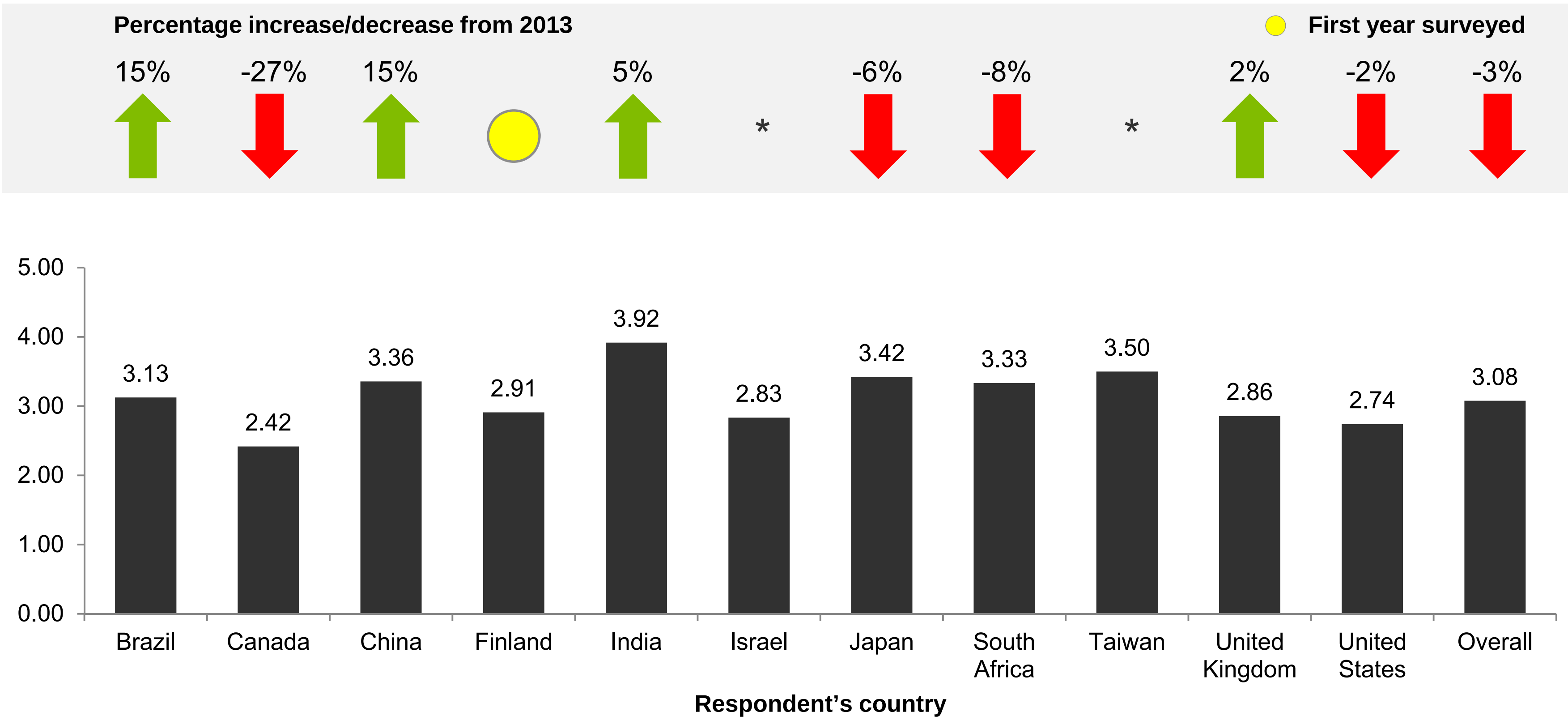


Key finding: Overall confidence in investing in Germany increases YoY.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in India

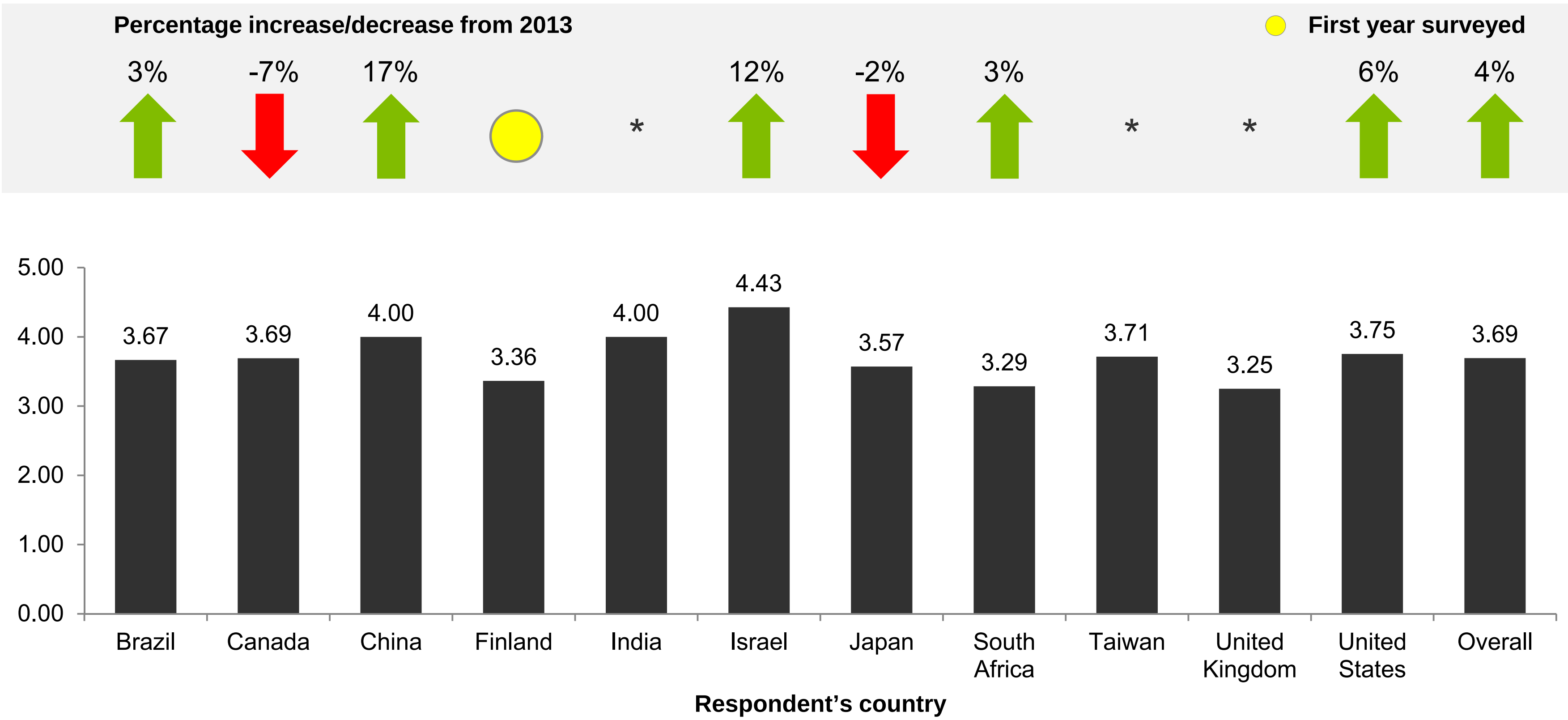


Key finding: India shows differing confidence levels by country.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Israel

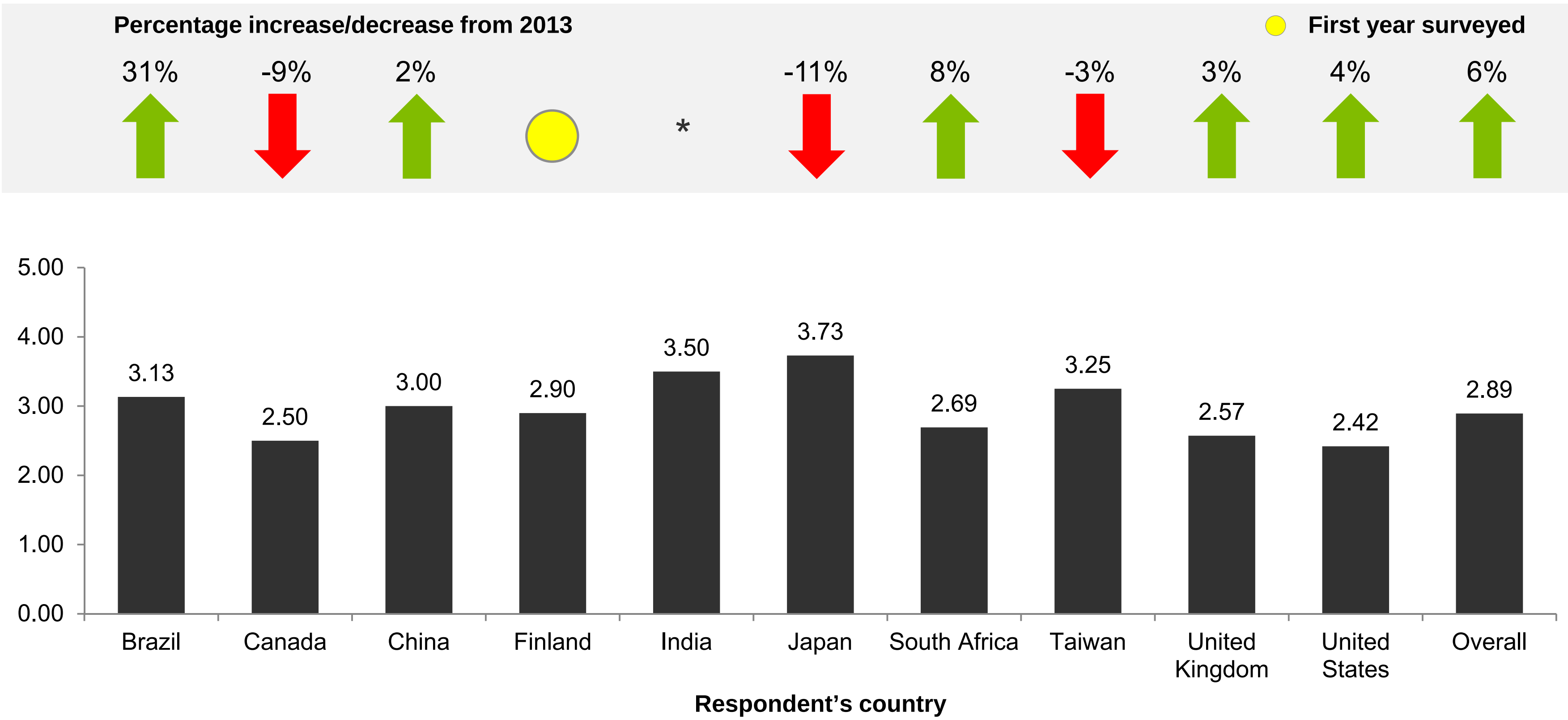


Key finding: Israel is very confident in investing at home.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Japan

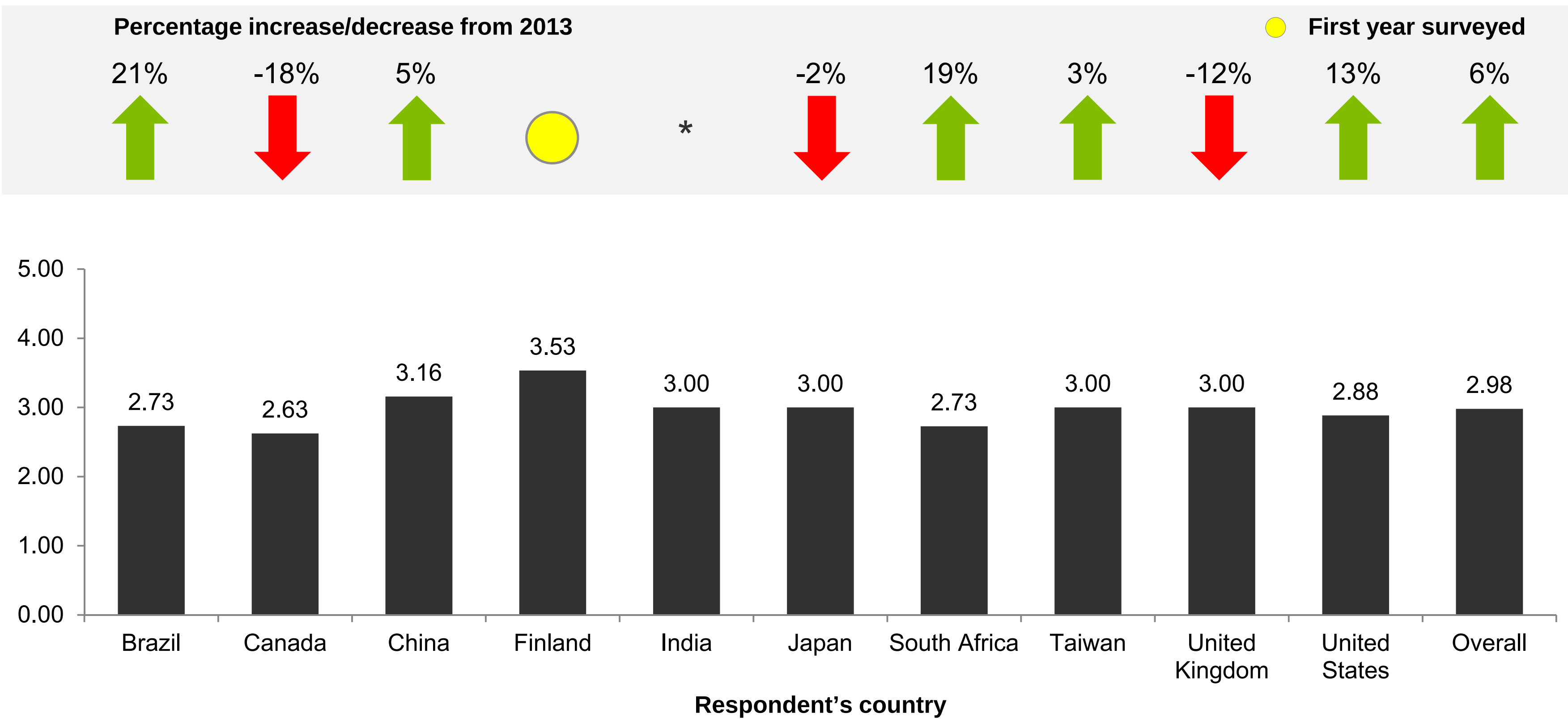


Key finding: Brazil respondents show a significant YoY increase.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in the Netherlands

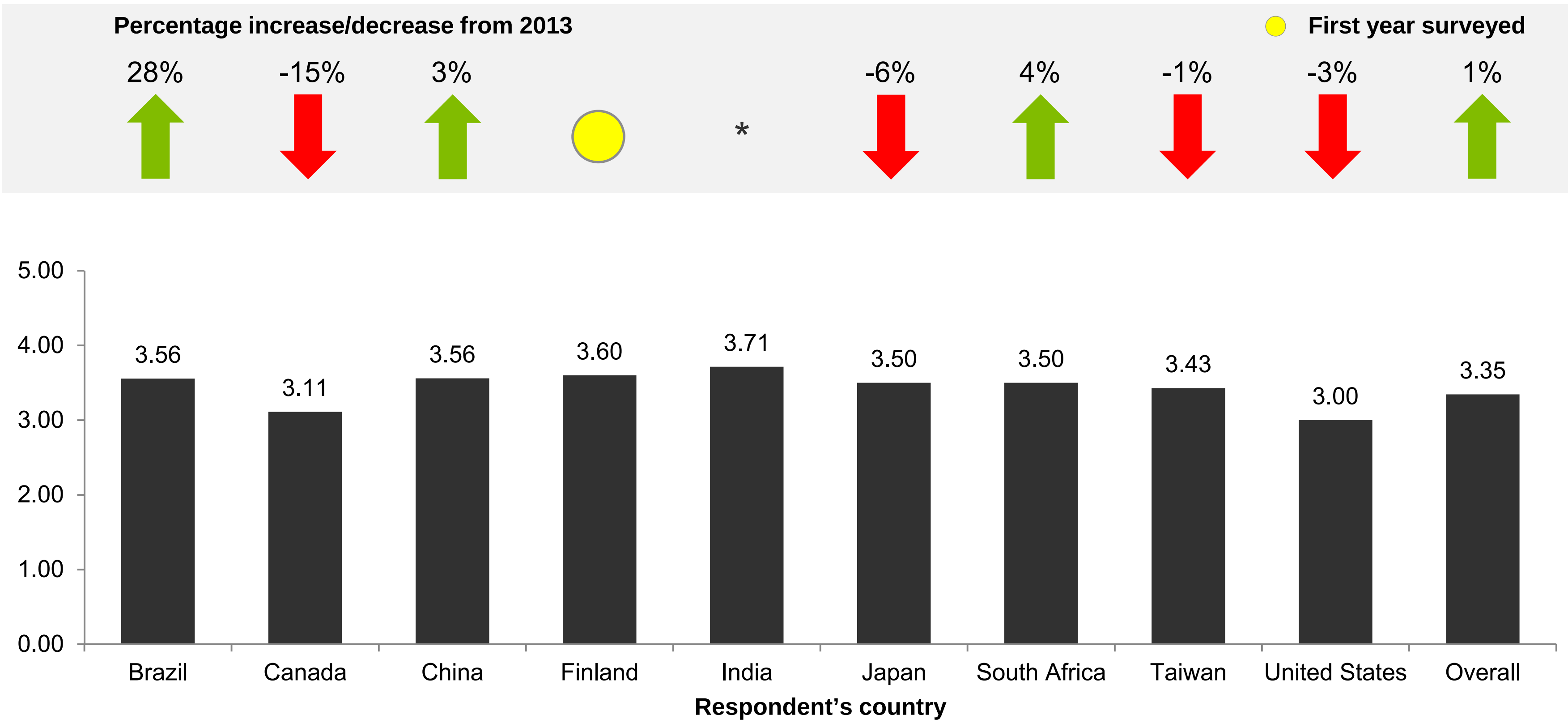


Key finding: The view on investing in the Netherlands is neutral.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Singapore

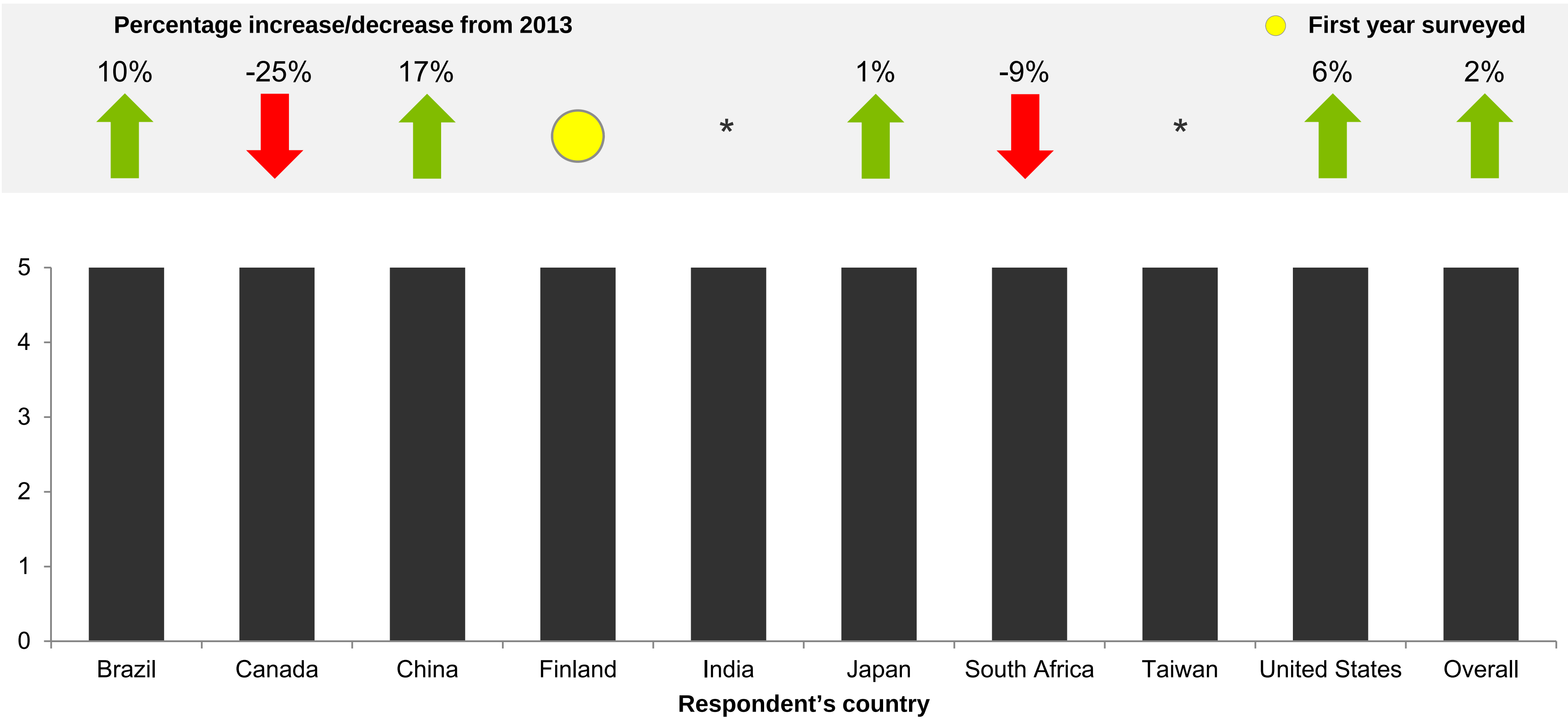


Key finding: All countries confidence levels in Singapore were above a 3.0

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in South Africa

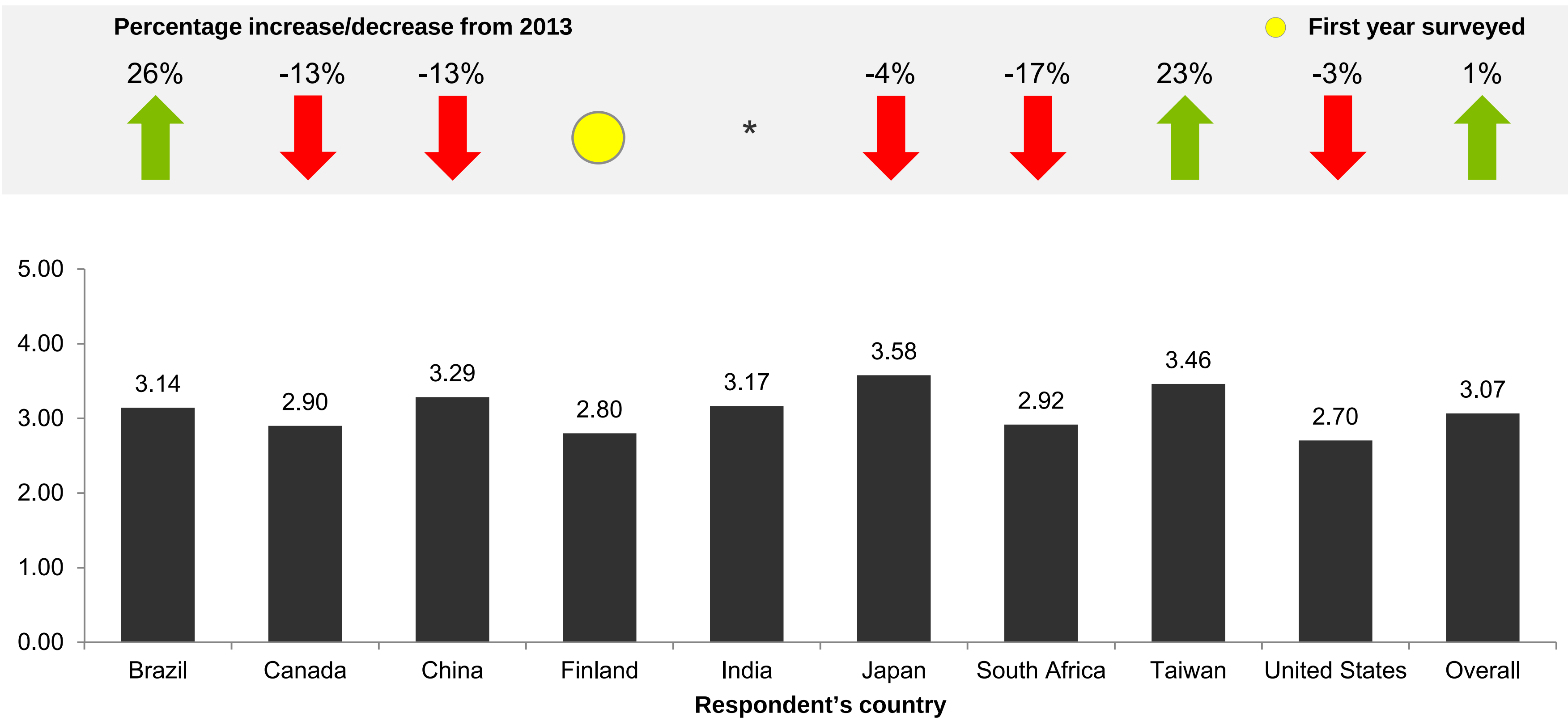


Key finding: Overall confidence level in South Africa remains constant.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in Taiwan

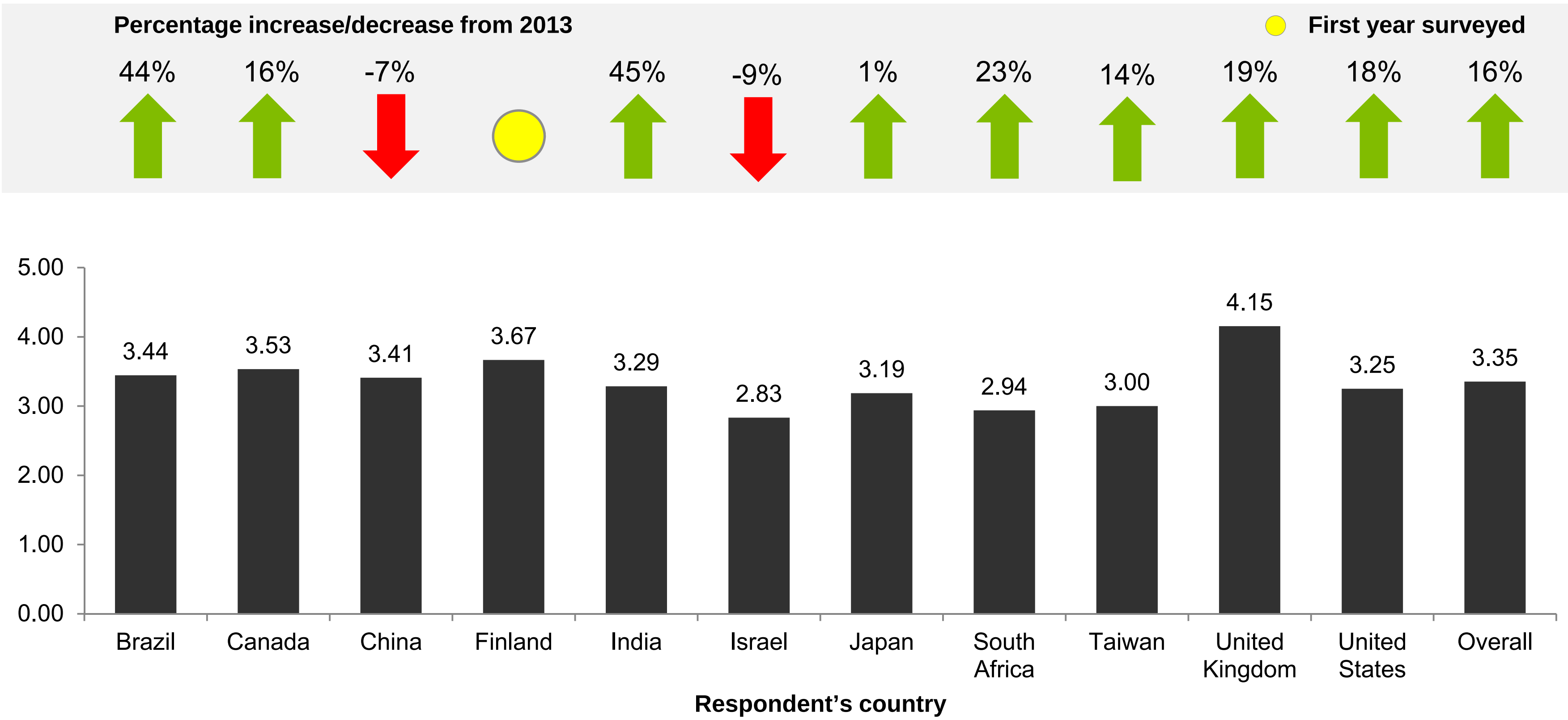


Key finding: Overall confidence in investing in Taiwan remains flat YoY.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in United Kingdom

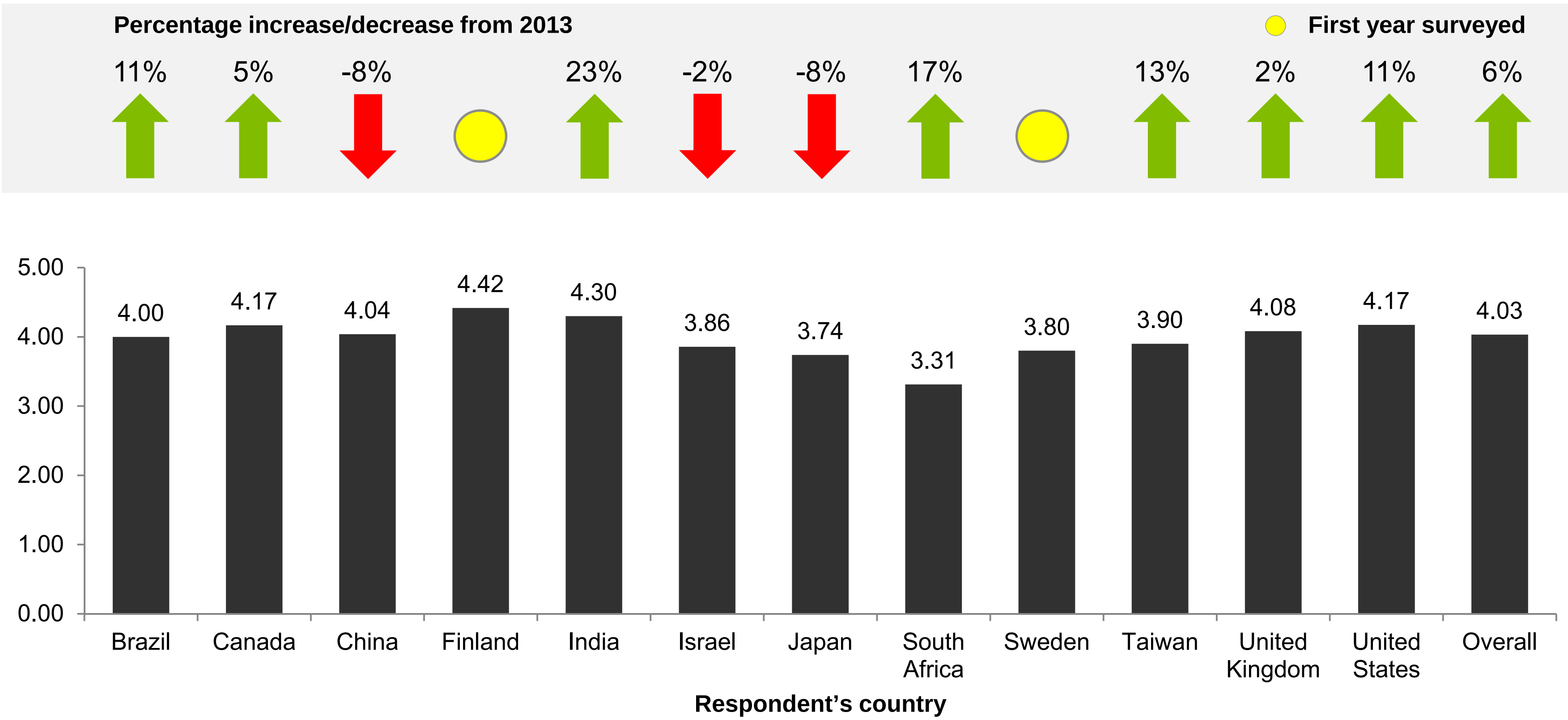


Key finding: Confidence levels in investing in UK had the highest percentage increase YoY.

* YoY data unavailable

Country investing (cont.)

Overall confidence in investing in the United States



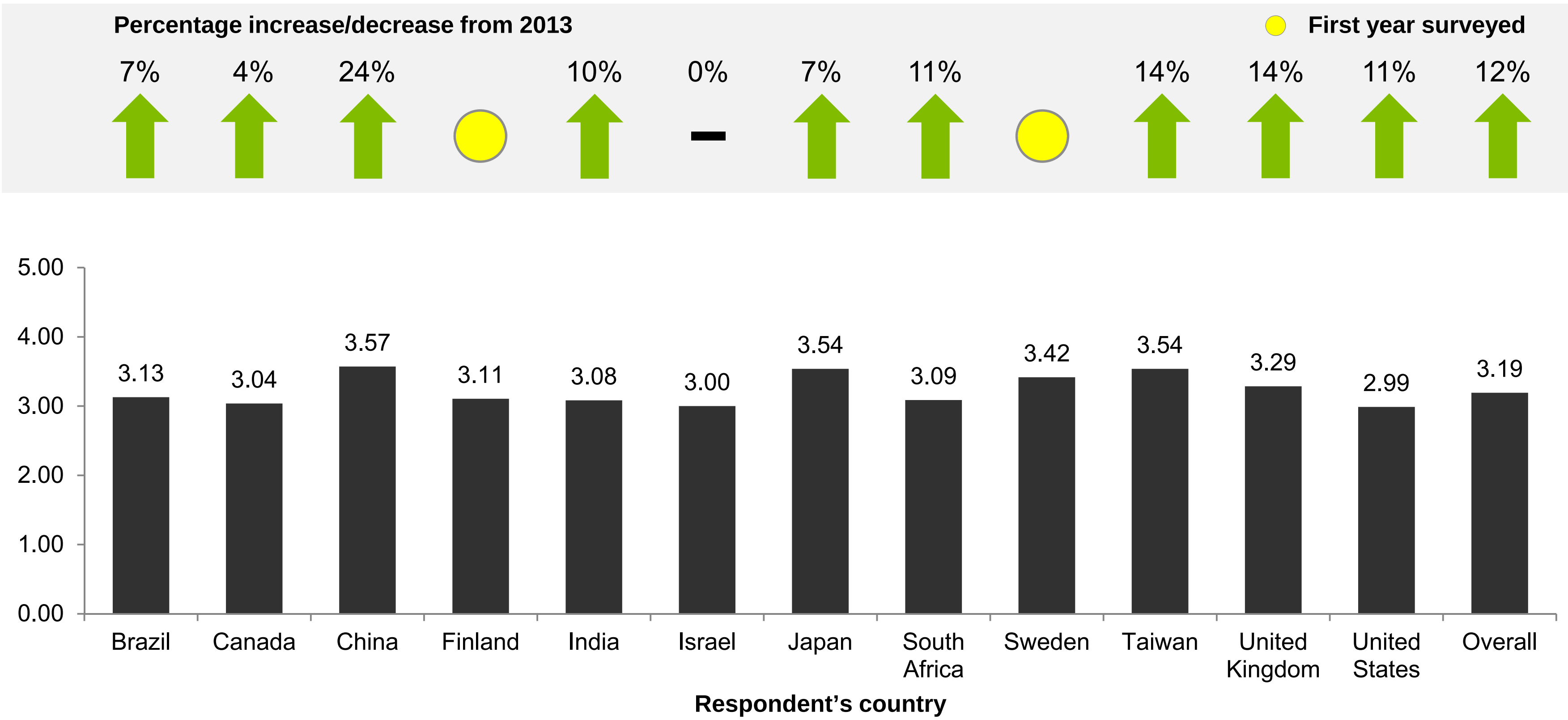
Key finding: Investors rated U.S. overall top country in which to invest.

* YoY data unavailable

Capital markets, policy and fundraising trends

Capital markets

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

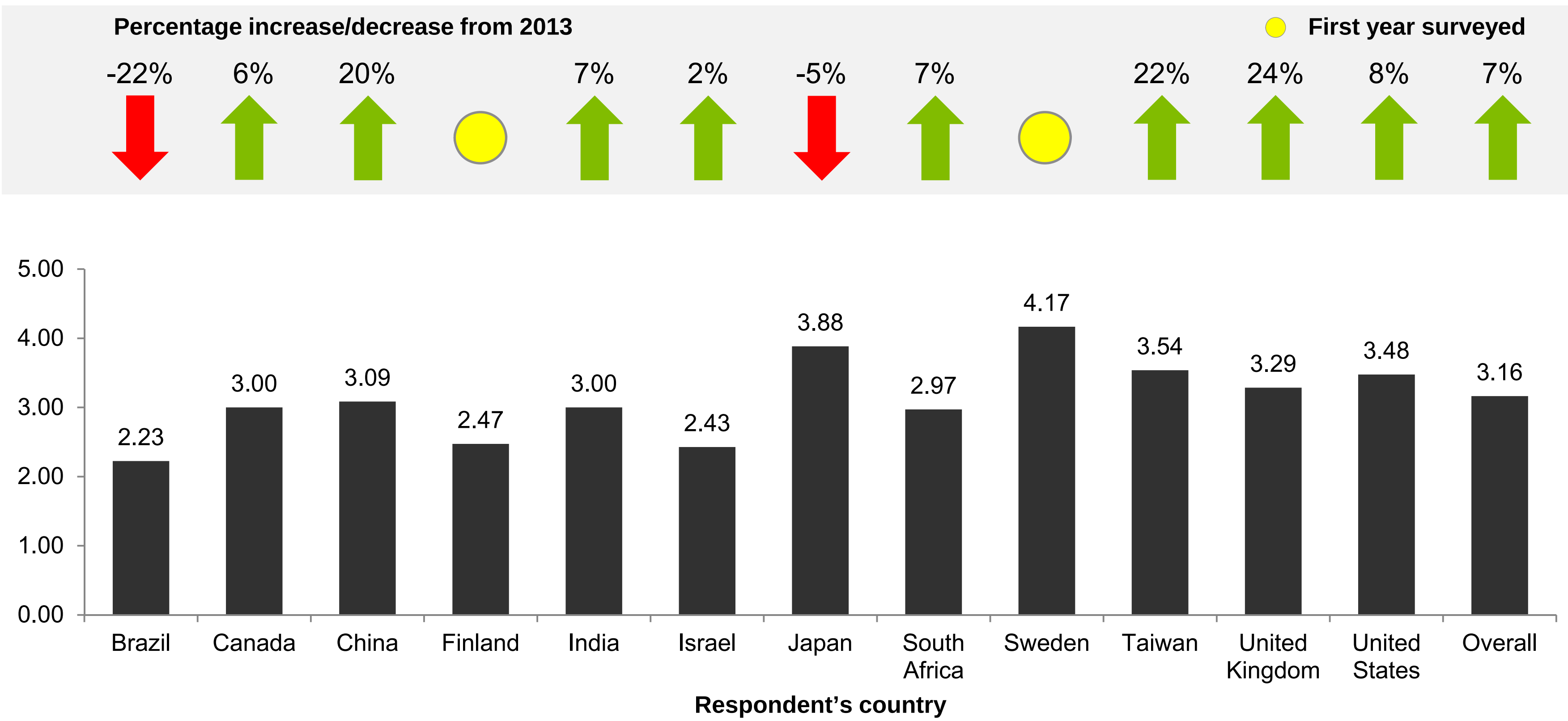


Key finding: Overall respondents are more confident in global capital markets compared to last year.

* YoY data unavailable

Capital markets (cont.)

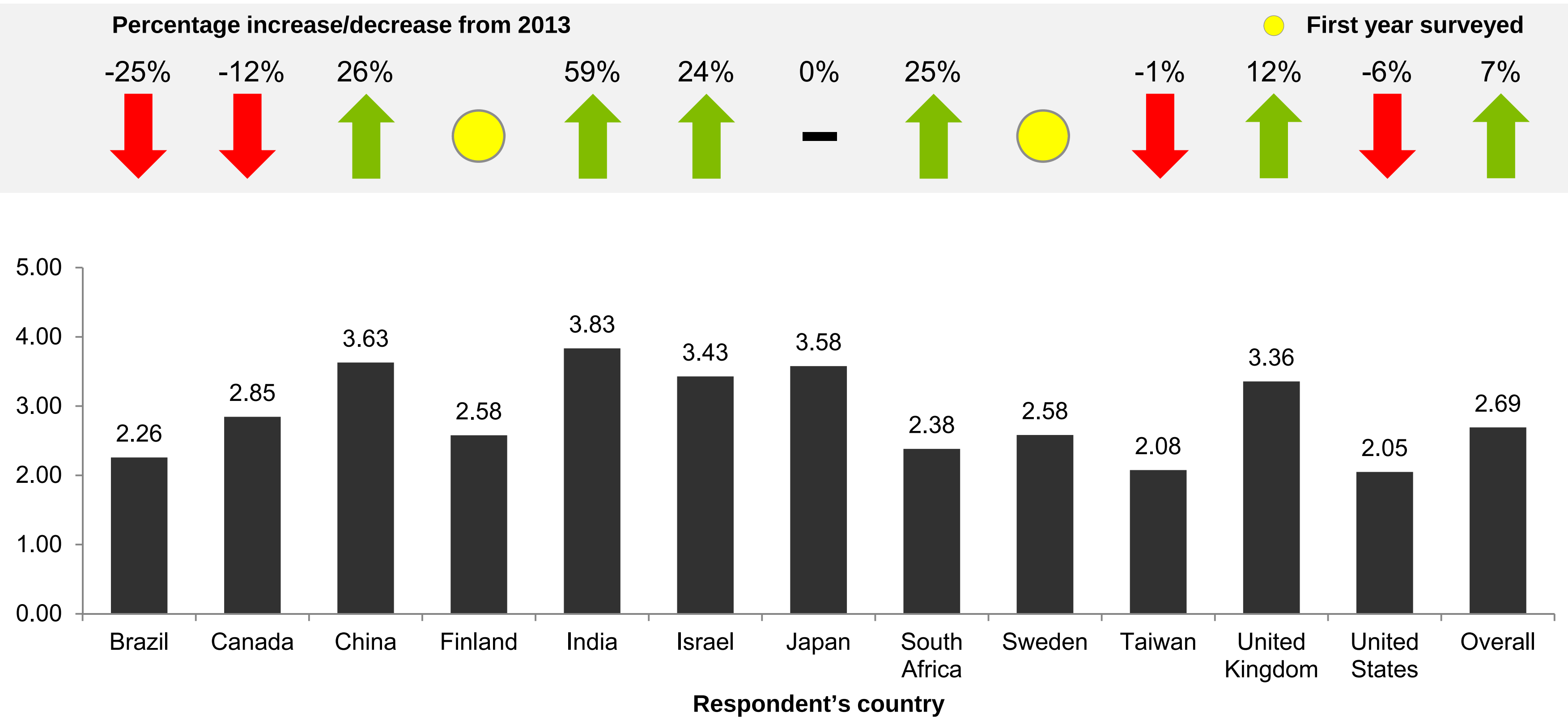
Overall confidence in my home country's capital markets system over the next year



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

Government policy

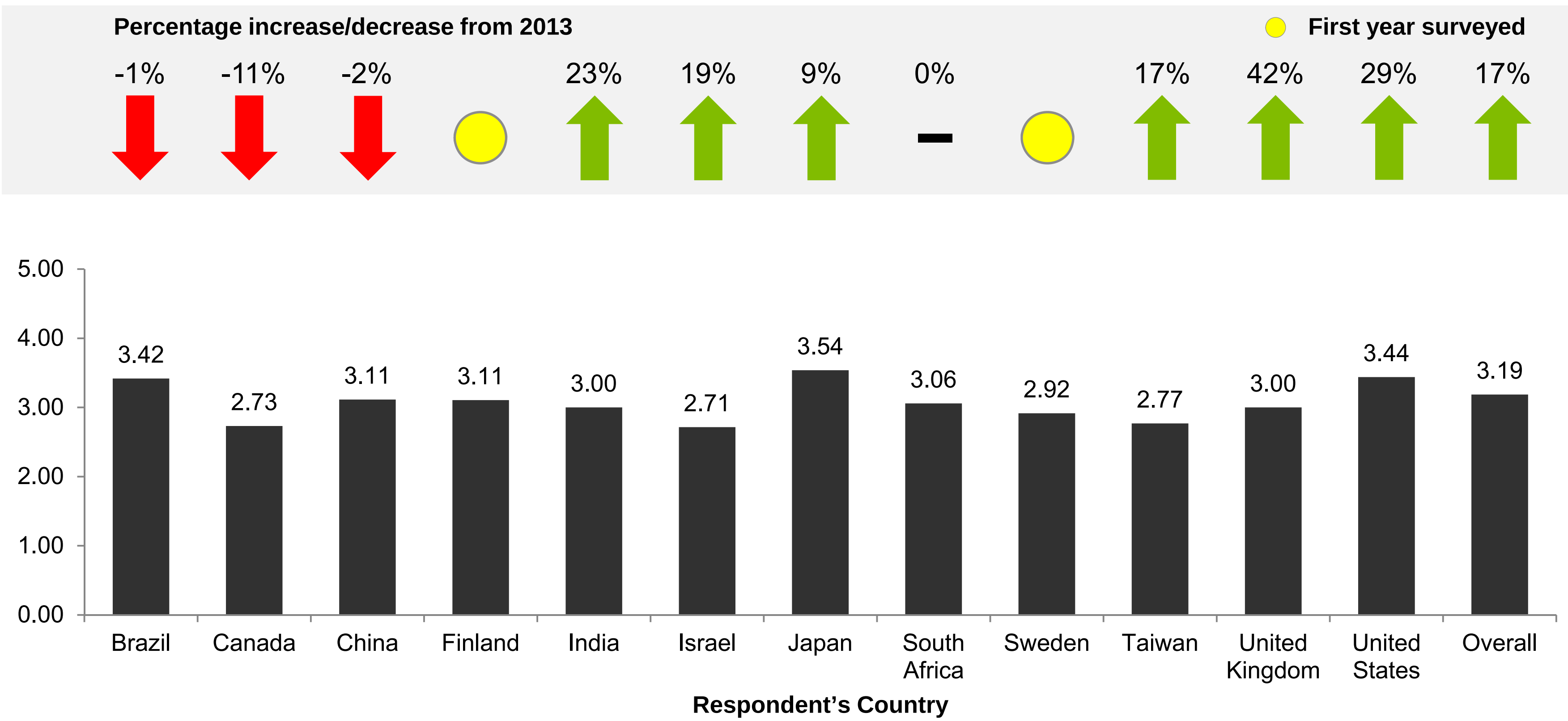
Overall confidence in my home country's ability to enact government policies that support the domestic investment in the next year



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

Fundraising trends

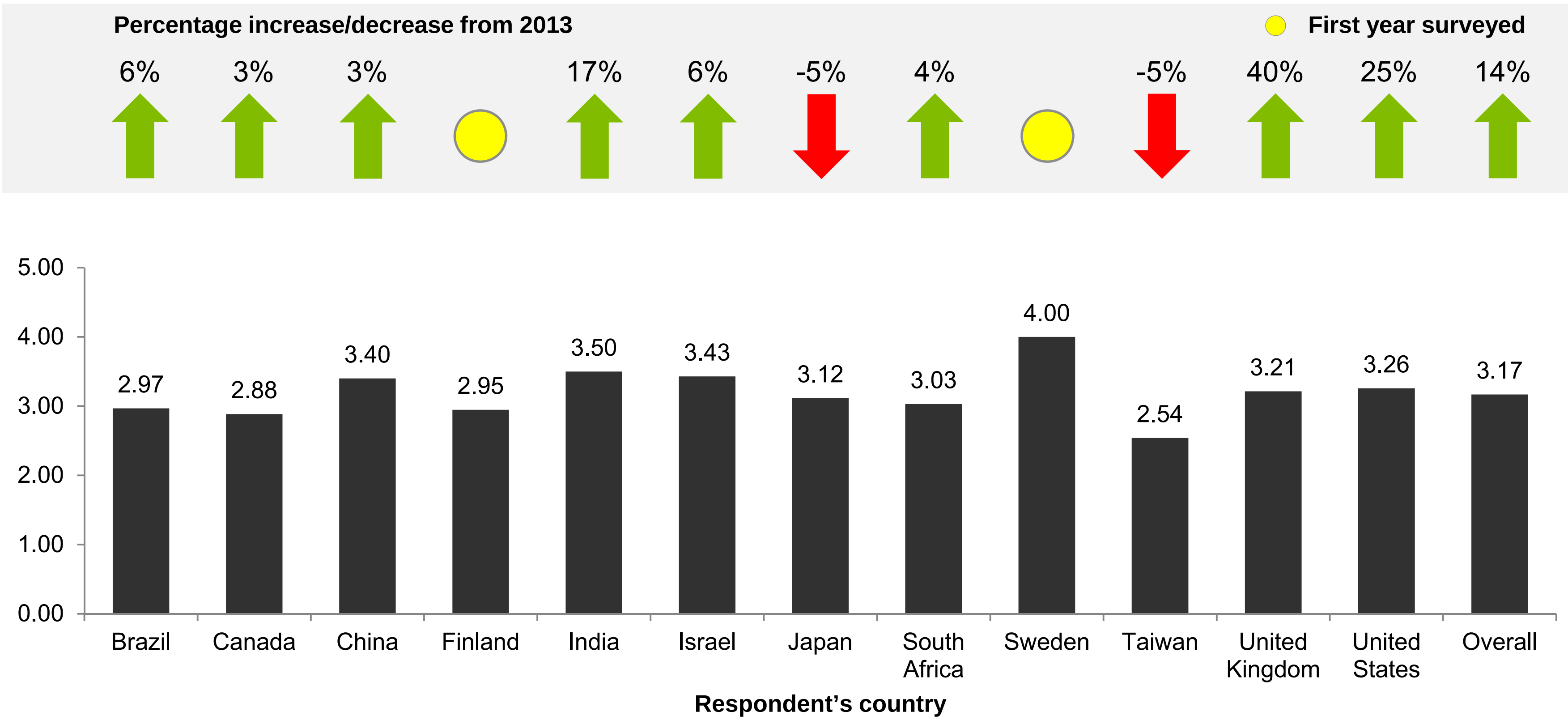
Overall confidence in the ability of the industry in my home country to raise funds from domestic Limited Partners (LPs) in the next year



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

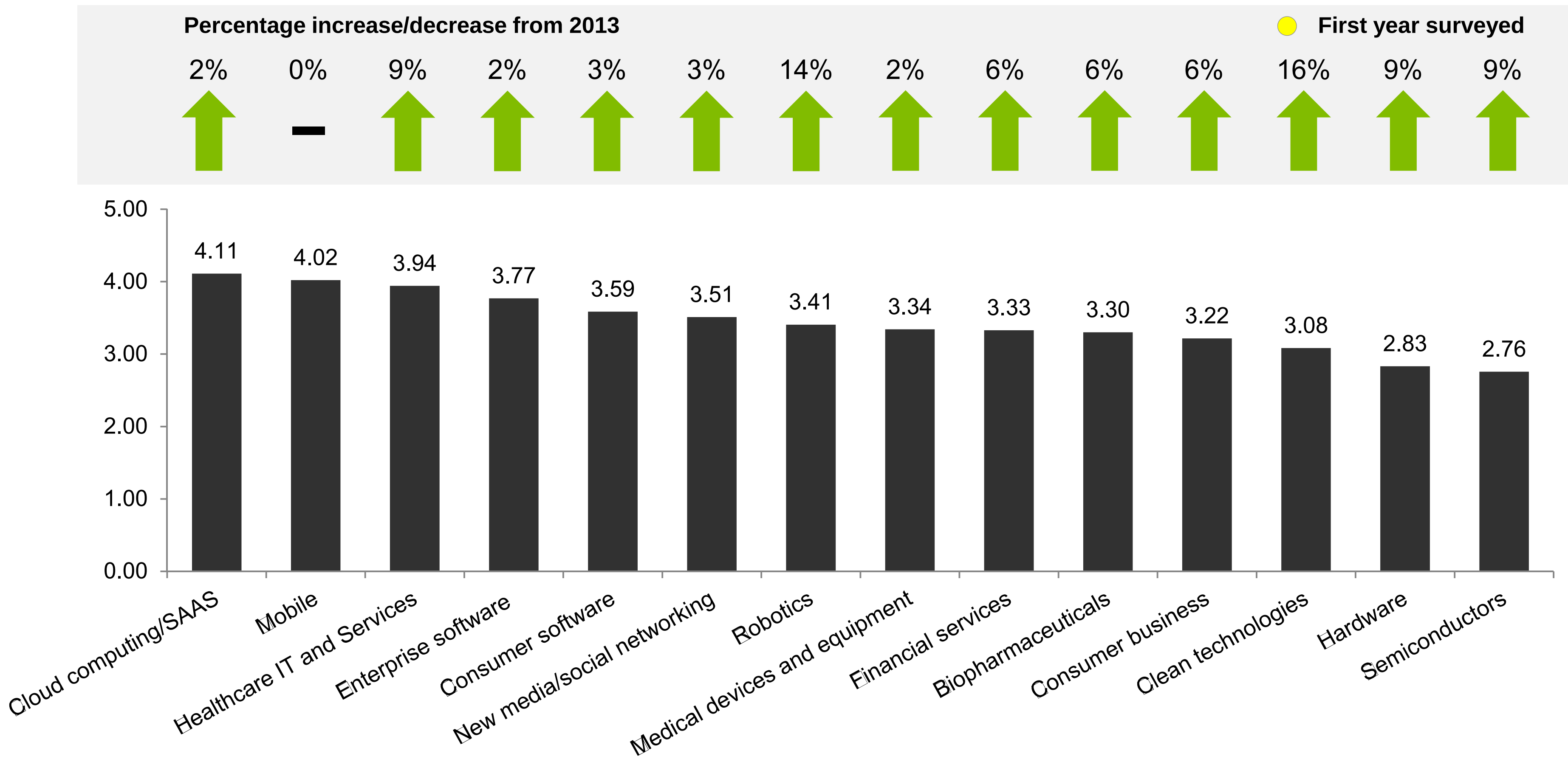


Key finding: UK largest percentage increase YoY.

Sector investing

Sector investing

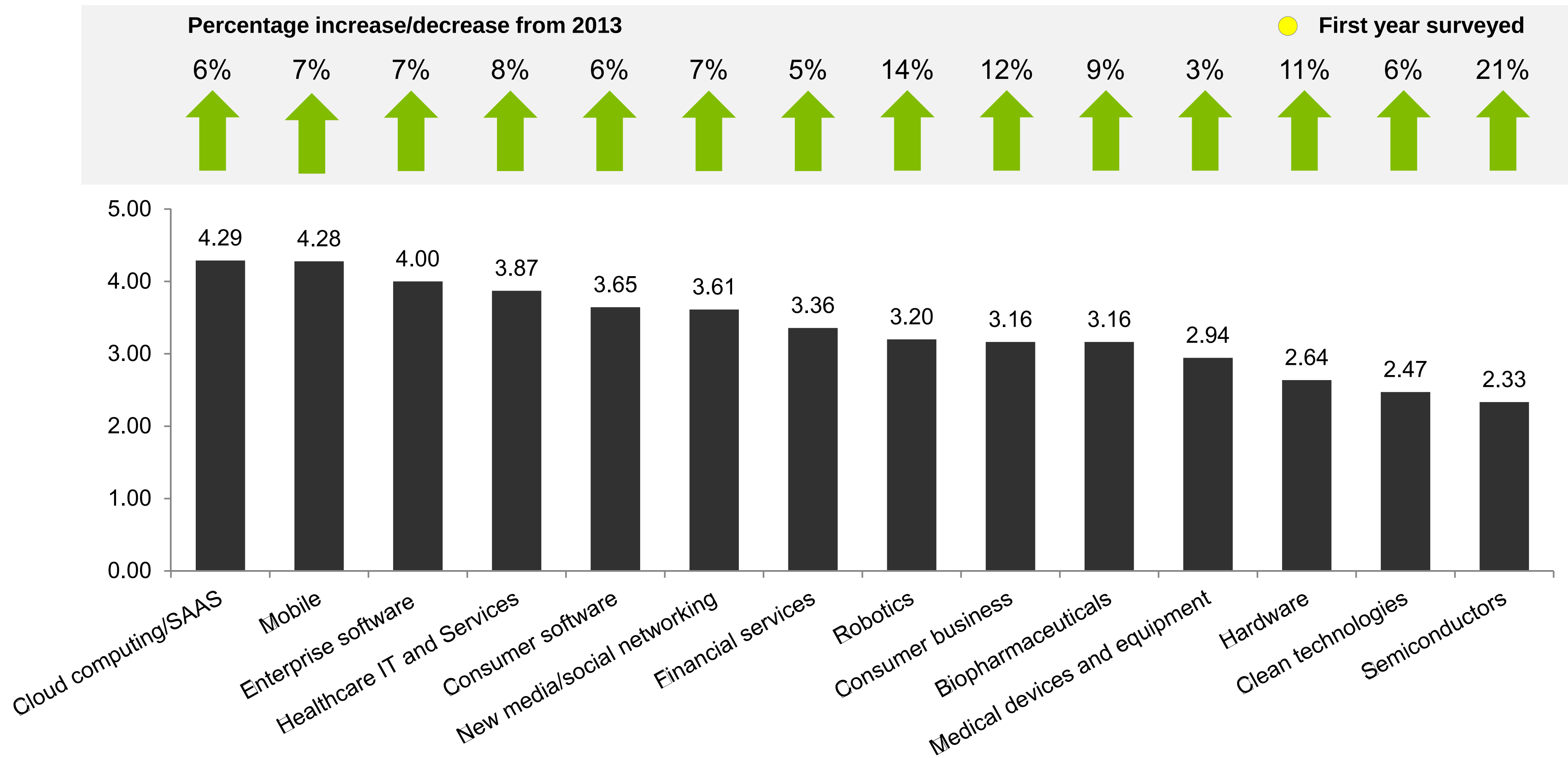
Overall confidence in Venture Capital (VC) investing by sector (all respondents)



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

Sector investing

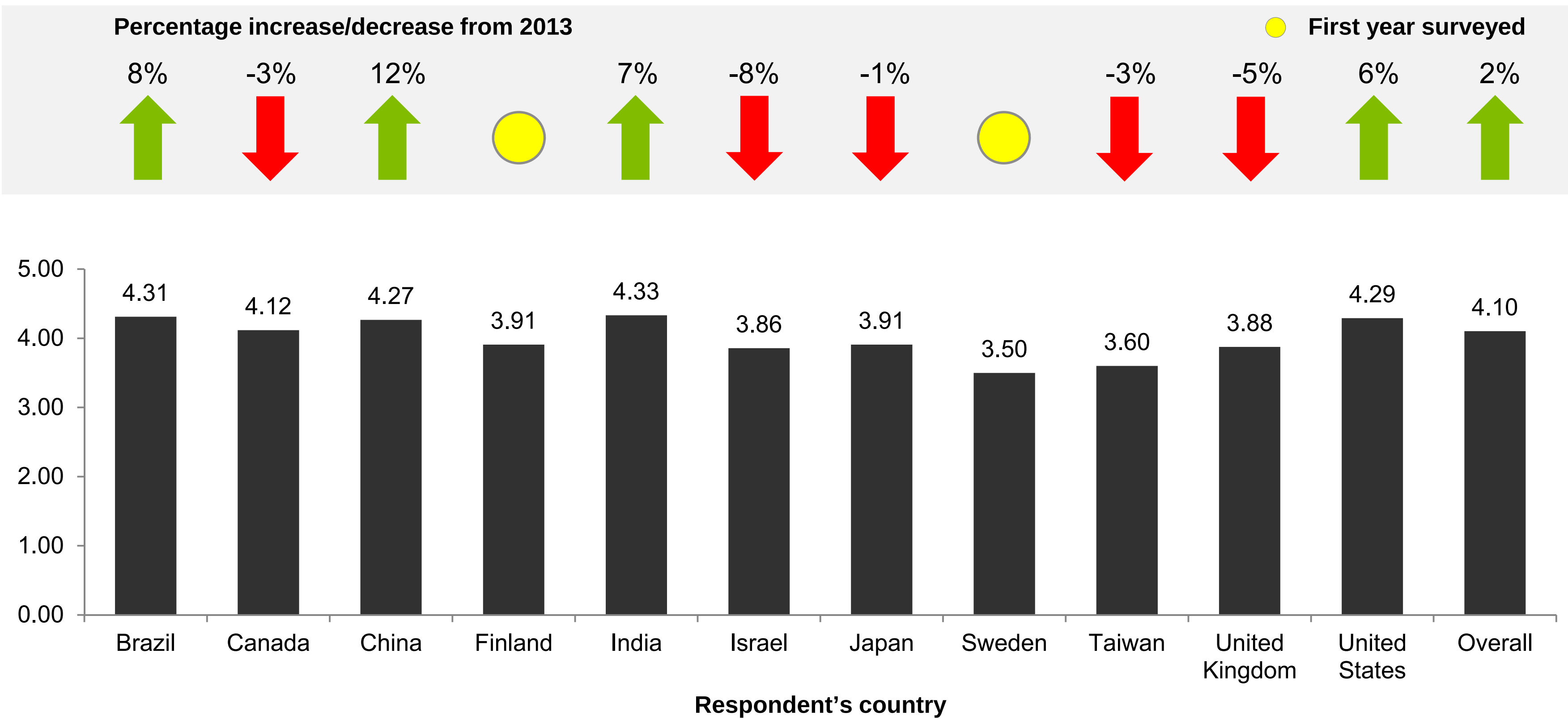
Overall confidence in Venture Capital (VC) investing by sector (U.S. respondents)



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

Sector investing (cont.)

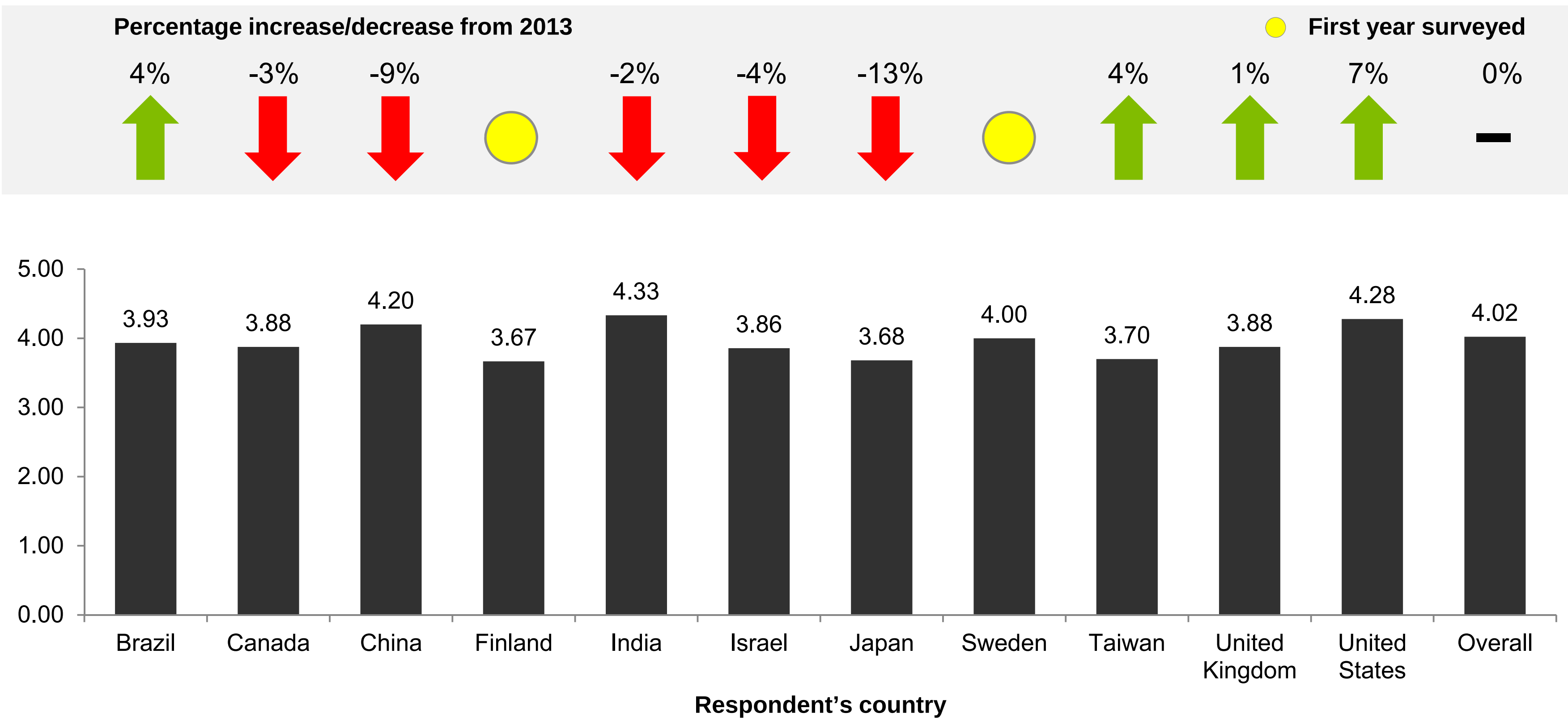
Overall confidence in VC investing in the Cloud Computing/SaaS sector



Key finding: Cloud computing/SAAS most confident sector of all sectors surveyed.

Sector investing (cont.)

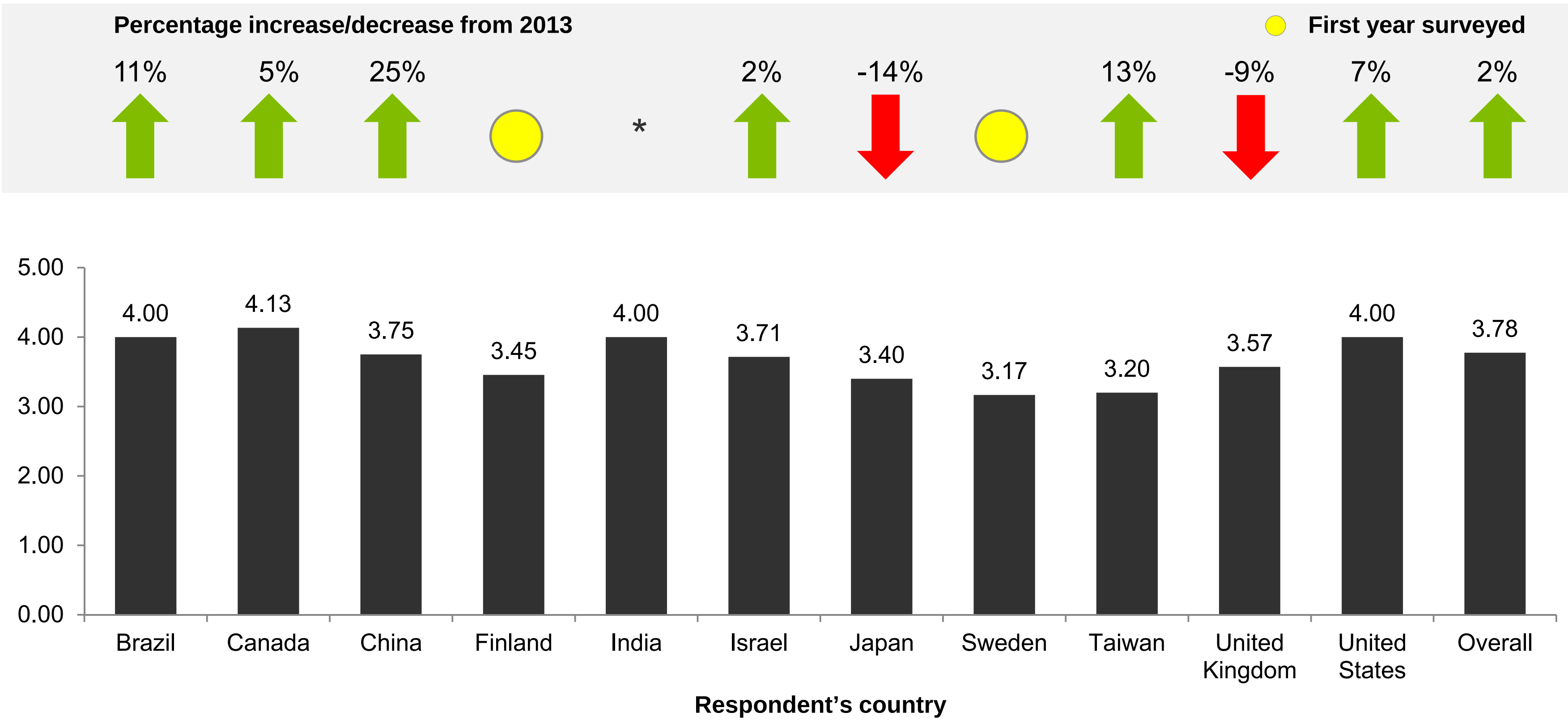
Overall confidence in VC investing in the Mobile sector



Key finding: India shows highest overall confidence in the mobile sector.

Sector investing (cont.)

Overall confidence in VC investing in the Enterprise Software sector

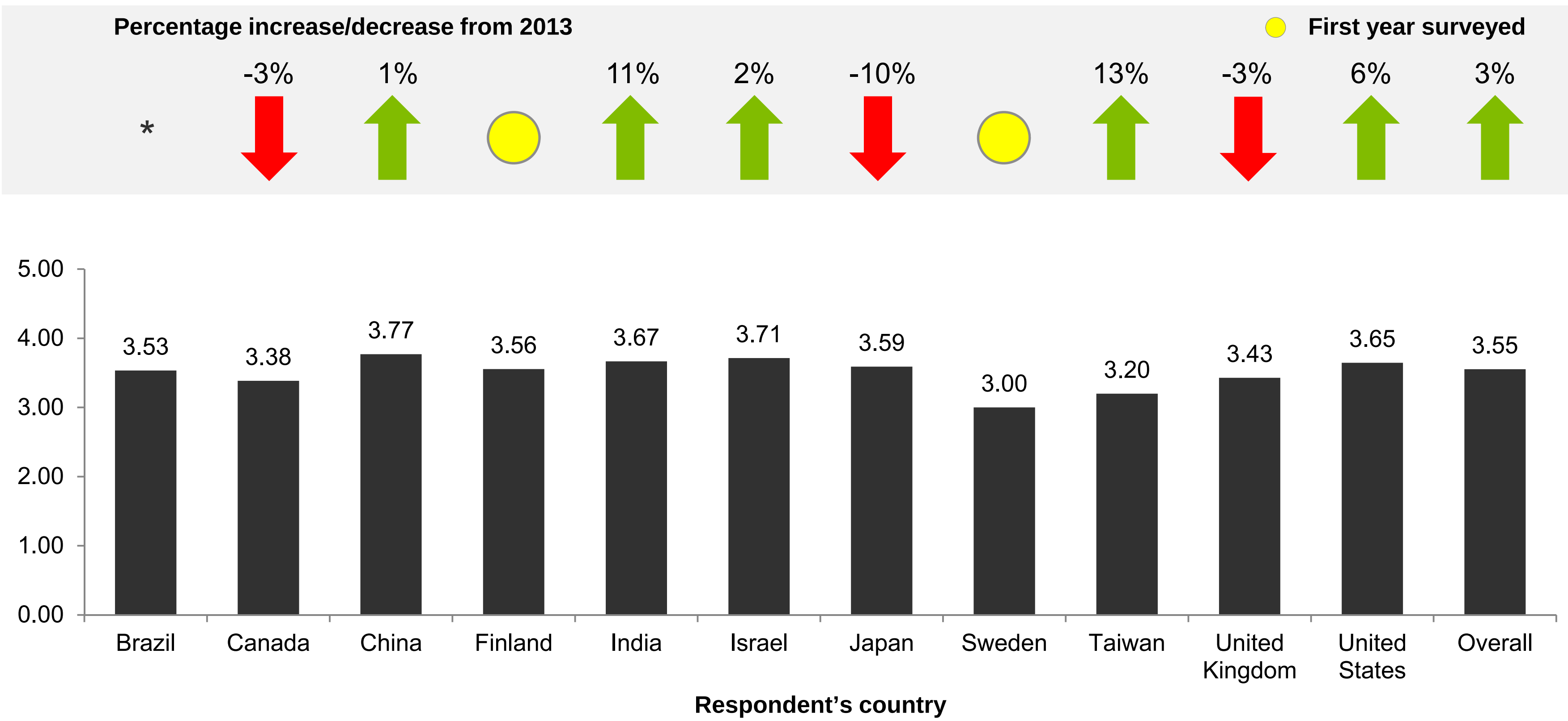


Key finding: Enterprise Software scored a 3.5 or higher in most countries.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Consumer Software sector

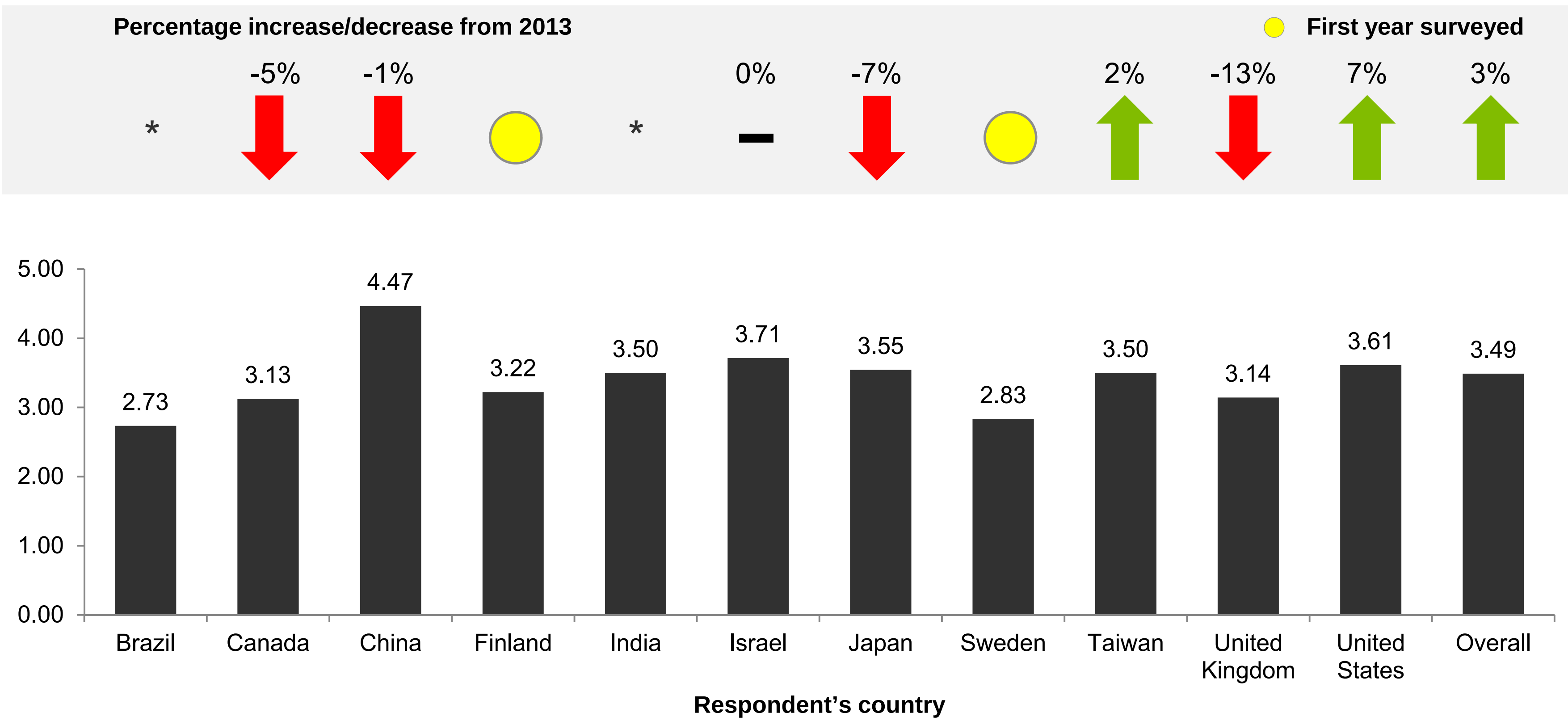


Key finding: Consumer Software scored a 3 or higher in every country.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the New Media/Social Networking sector

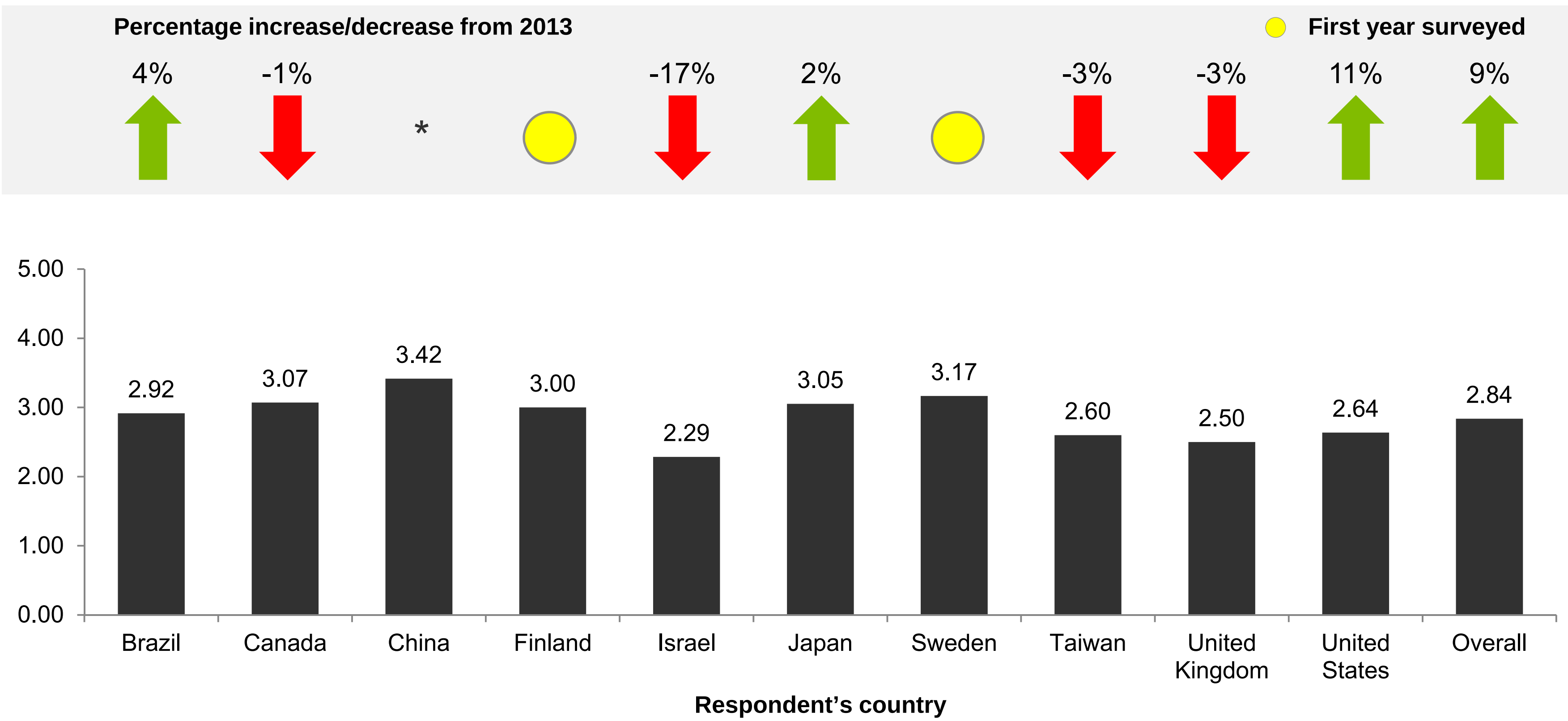


Key finding: China scores very high in social media.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Hardware sector

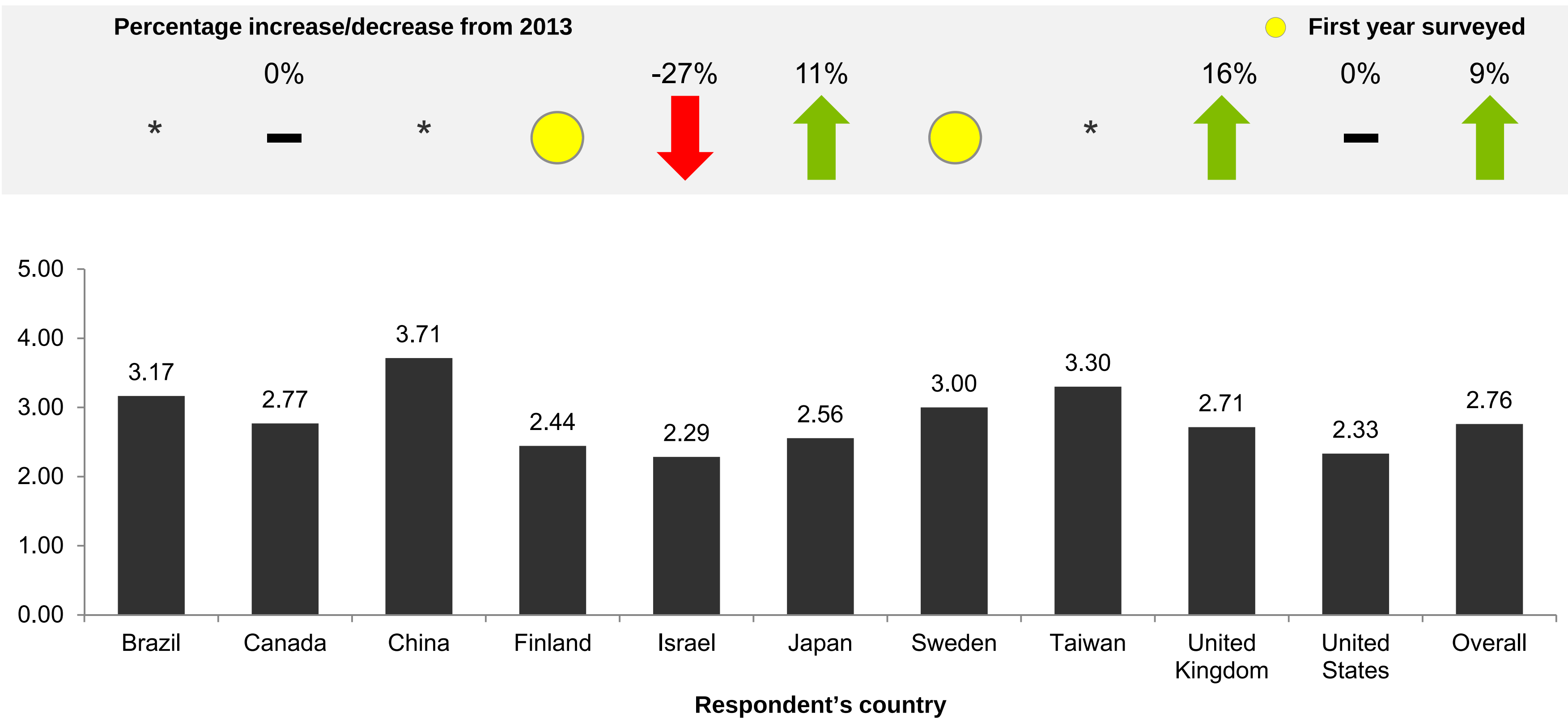


Key finding: Low scores across the board, but expected for a mature industry.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Semiconductor sector

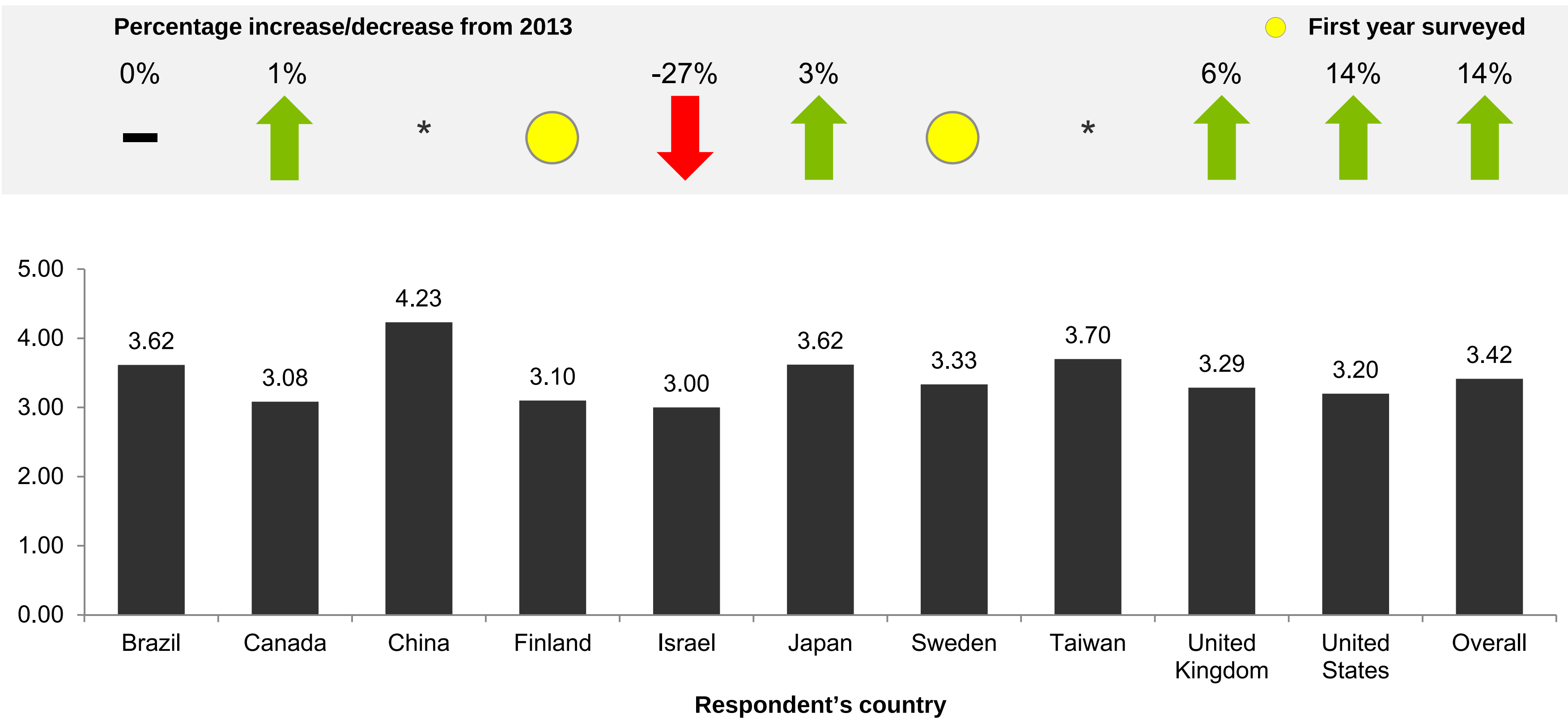


Key finding: Overall semiconductor confidence levels are the lowest amongst all sectors.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Robotics sector

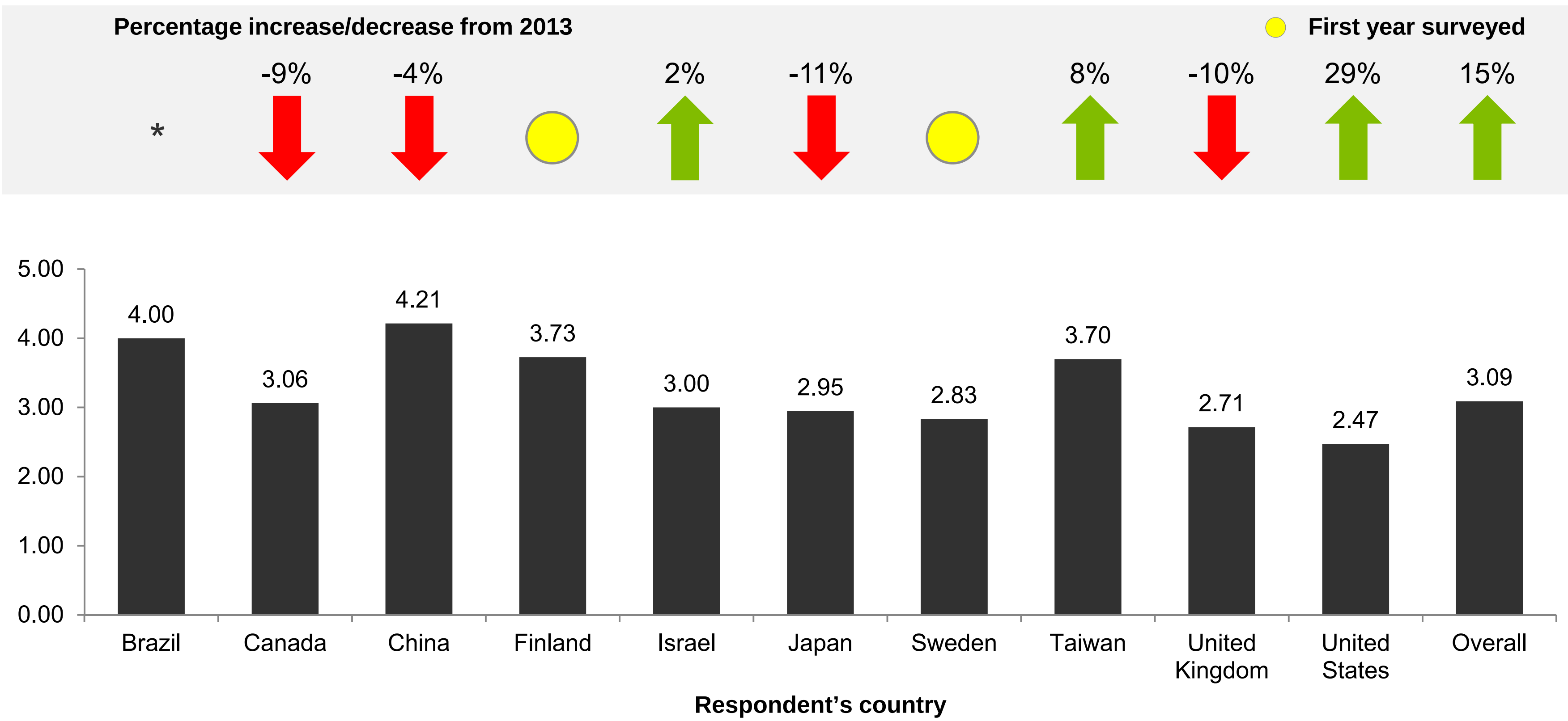


Key finding: 14% increase in overall confidence compared to last year.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Energy/clean technologies sector

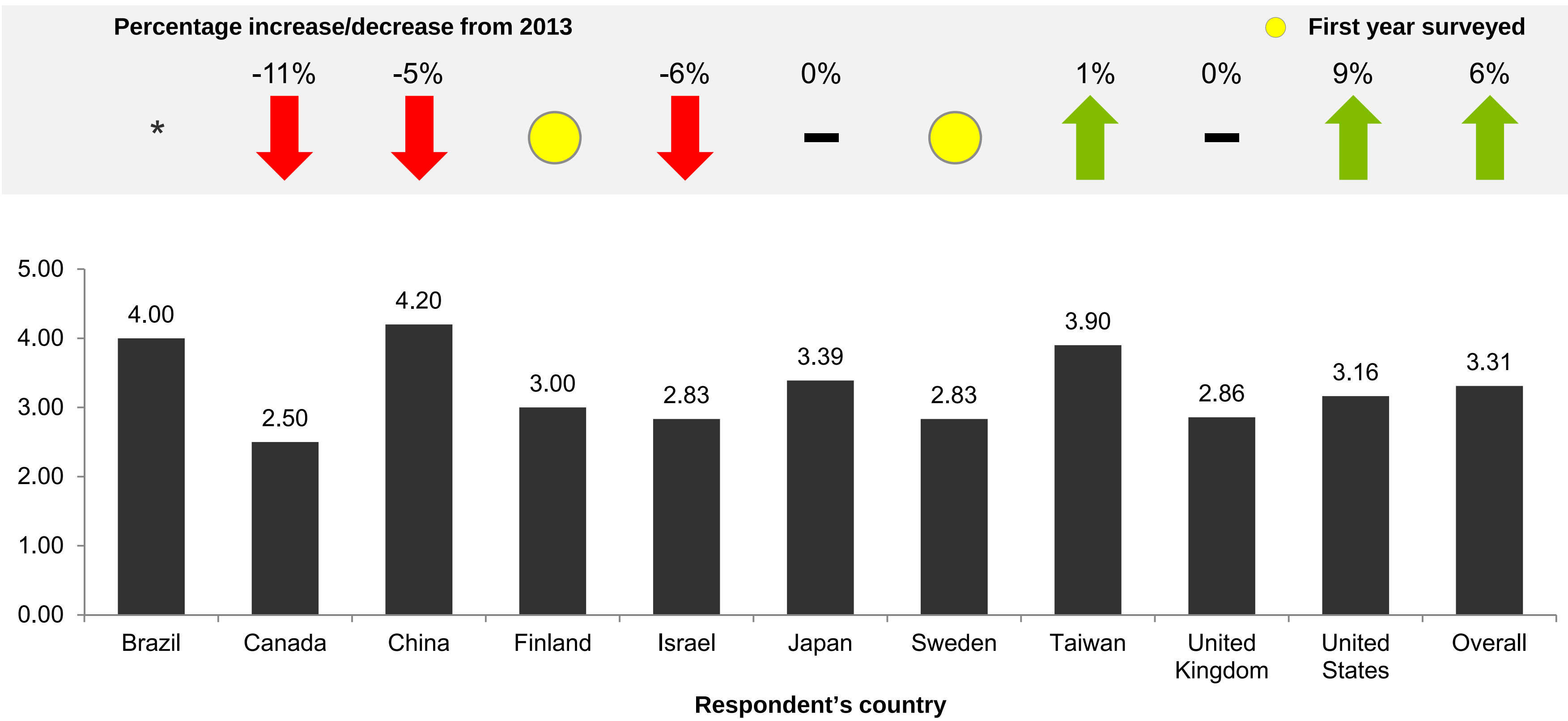


Key finding: Energy/clean tech saw an increase of 15%. U.S. ranks amongst lowest.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Biopharmaceuticals sector

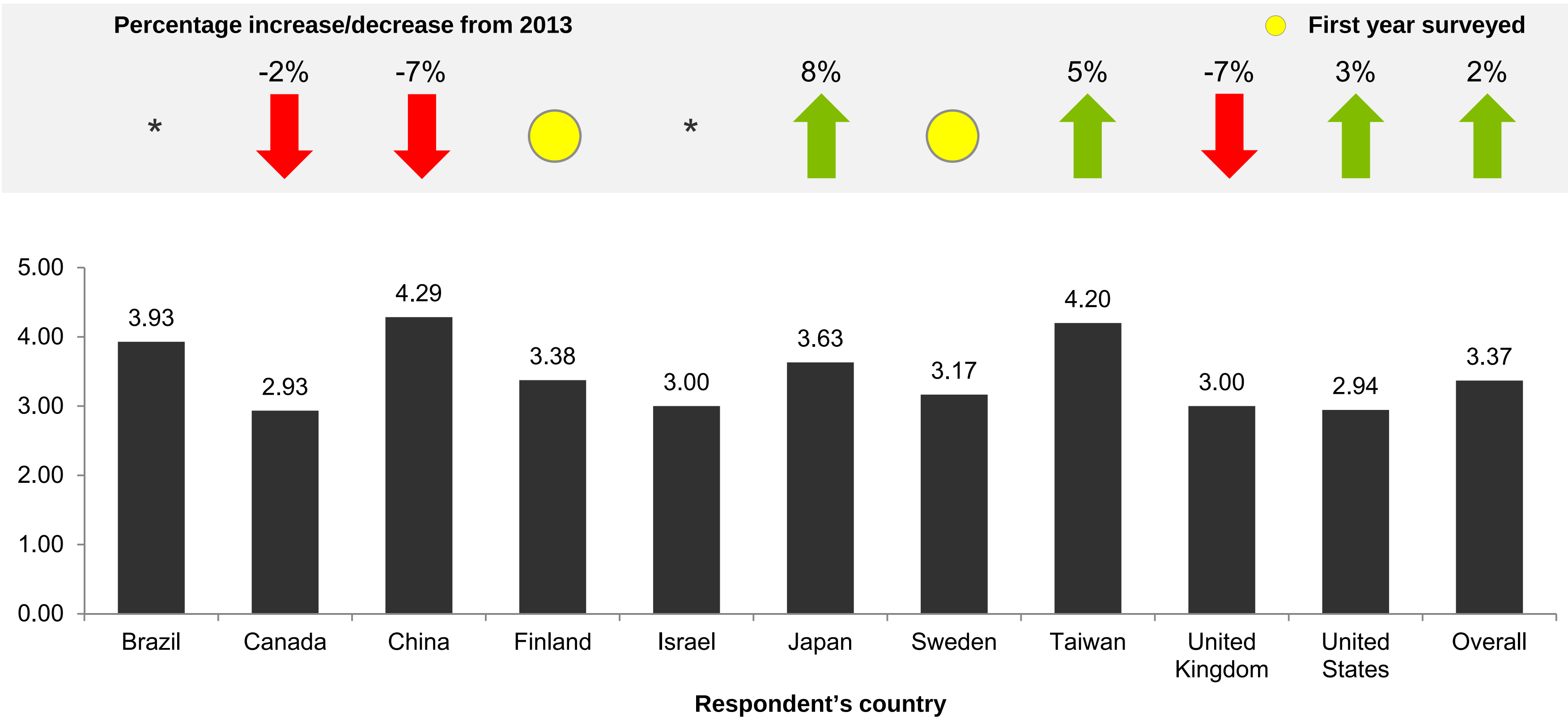


Key finding: Biopharm sees slight increase in confidence.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Medical Device & Equipment sector

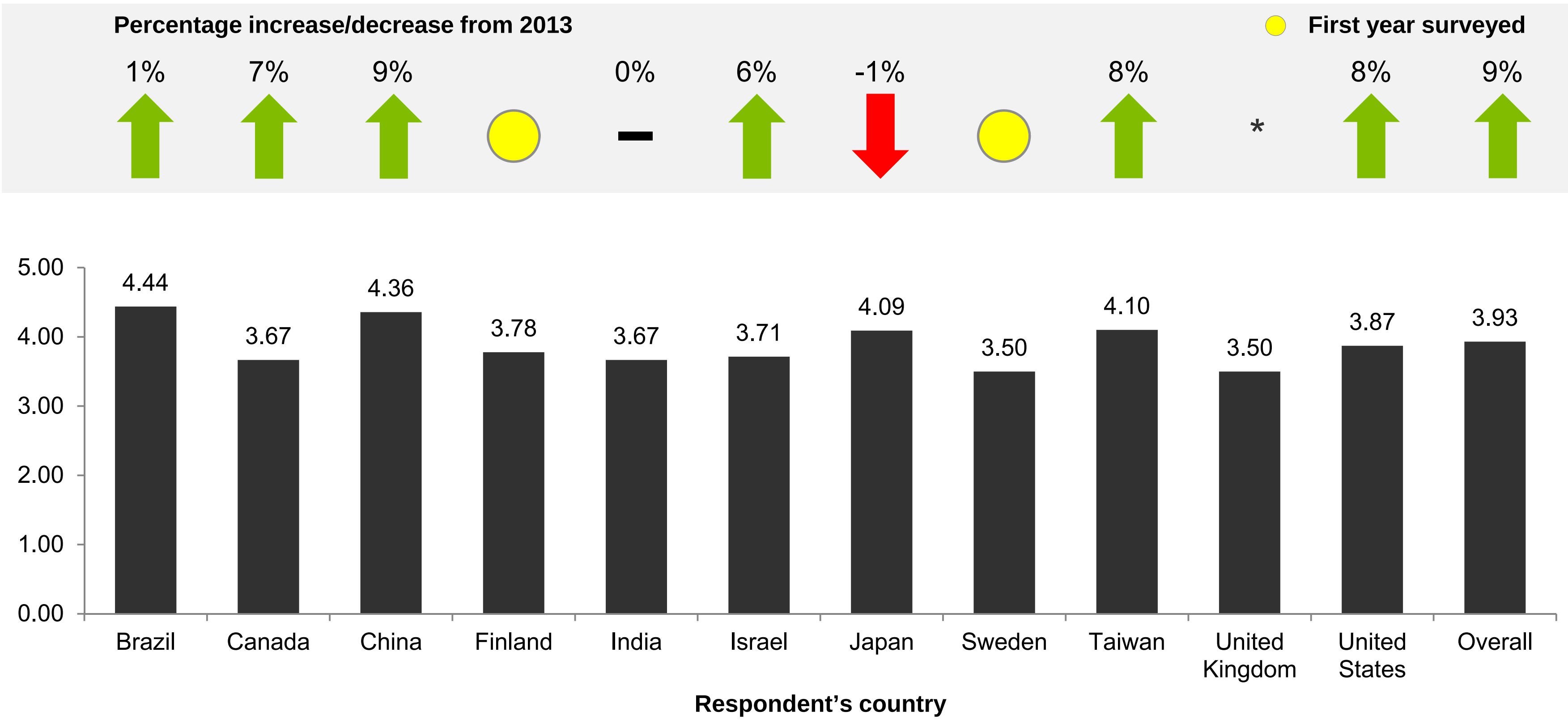


Key finding: Medical devices & equipment remains flat.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in Healthcare IT and Services

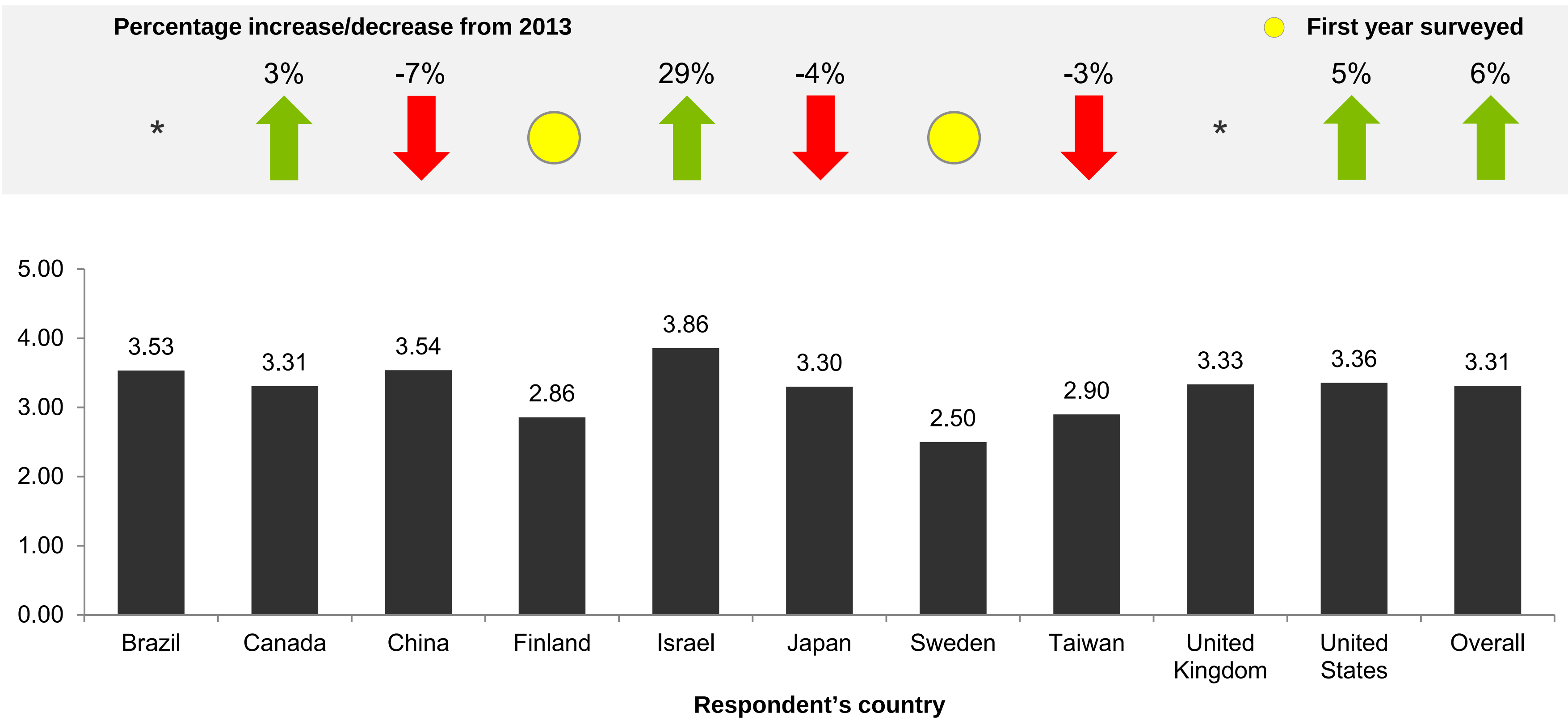


Key finding: Healthcare IT saw a slight upward tick, and remains one of the most confident sectors.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Financial Services sector

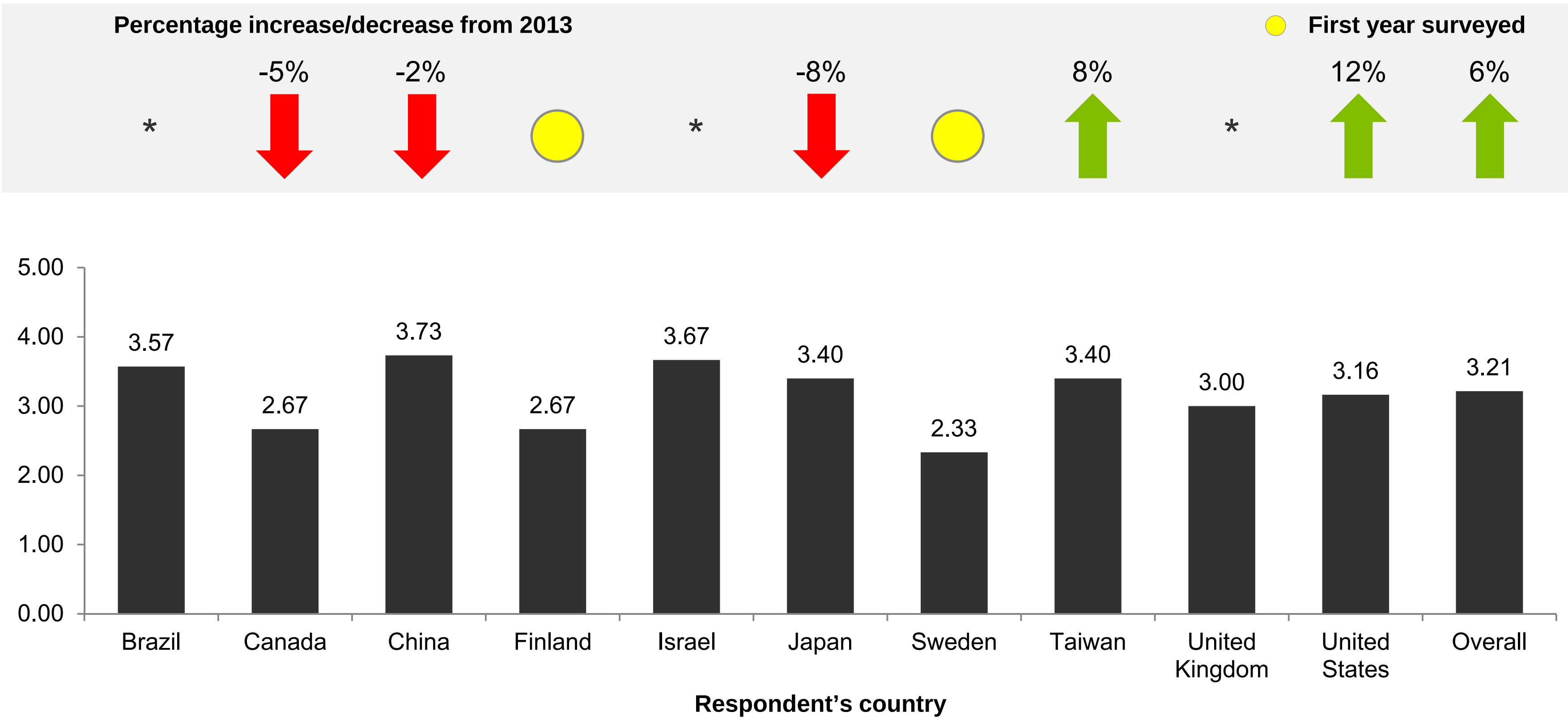


Key finding: Sector had a slight overall increase in confidence.

* YoY data unavailable

Sector investing (cont.)

Overall confidence in VC investing in the Consumer Business sector



Key finding: Sector saw a slight increase in confidence.

* YoY data unavailable

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