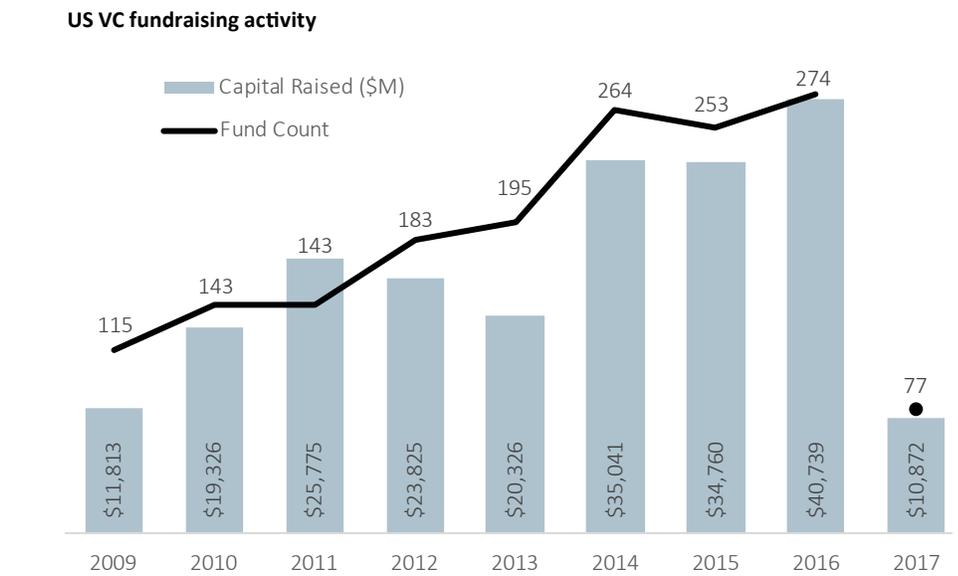


Venue Venture Capital Update

2017 VC FUNDRAISING PROVIDING NICE SURPRISE

The extent to which 2017 fundraising would be able to keep pace with recent years was an unknown moving into the year. More than \$75 billion combined had been raised in 2015 and 2016, and while last year ended as a decade-high record for capital committed to US VC funds, 4Q has seen a significant fall off in fundraising activity when compared to the rest of the year. 2017 was also fraught with unknowns. The US presidential election had produced a surprise that left the markets scrambling to analyze its effect, not to mention the venture industry had been running on a six-quarter slowdown in exit activity, meaning LPs weren't getting returns that could be turned around and re-invested into VC like they had been. The past couple of years of record fundraising had also been highlighted by the raising of multiple billion-dollar-plus funds, a relatively rare occurrence previously. 12 vehicles of at least \$1 billion in size had been raised during 2015 and 2016, accounting for a total of \$19 billion. What's more, each of those 12 funds had been raised by a different manager, proving that it wasn't just a couple of managers receiving increased interest from LPs in the industry. For comparison, a total of 22 \$1 billion+ funds were raised from 2009 through 2014, concentrated among 15 different investors. With these noted, it would seem likely that 2017 was set to be a slow year for fundraising.

If the first quarter of the year proved anything, it was to expect the unexpected. A total of \$7.85 billion



Source: PitchBook
*As of 4/30/2017

Select largest US VC funds closed in 2017

INVESTOR	FUND	FUND SIZE (\$M)	CLOSE DATE	INVESTOR HQ
Mithril Capital Management	Mithril II	850	1/19/2017	San Francisco, CA
Summit Partners	Summit Partners Venture Capital Fund IV	730	4/4/2017	Boston, MA
Spark Capital	Spark Capital Growth Fund II	612.9	3/15/2017	Boston, MA
Oak HC/FT	Oak HC/FT Partners II	600	4/17/2017	Greenwich, CT
DFJ Growth	DFJ Growth 2016	535	4/20/2017	Menlo Park, CA

Source: PitchBook

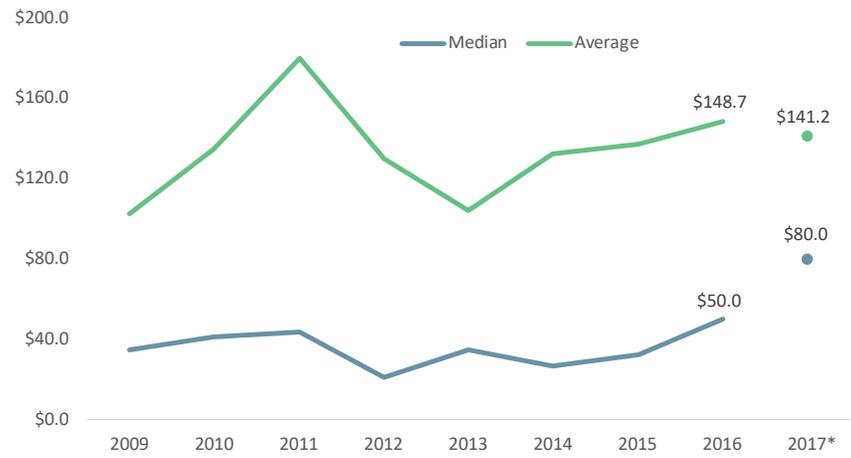
was raised across 59 venture vehicles in 1Q, nearly \$1 billion more than had been raised during 4Q 2016. And while that total is still much lower than the quarterly record of \$13.3 billion from 2Q 2016, it is well above the quarterly median of the past decade (\$6 billion). April has also brought a surprise in fundraising as \$3 billion was raised through 18 funds,

setting the second quarter on pace for \$9 billion in aggregate fundraising, taking the quarter's fundraising level back near the average quarterly haul from 2015 and 2016.

While it is still yet to be seen how the fundraising landscape pans out in 2017—we are still just a third of the way through the year—there is no reason to believe that fundraising

won't continue strong throughout the year. What's interesting is that there has still yet to be a fund raised this year that tops \$1 billion in commitments, meaning the aggregate commitment of VC isn't being skewed by a couple funds. While the largest fund sits at \$850 million, an undeniably large amount, it is the median size of VC vehicles that is propping up fundraising. At \$80 million, the median size is the largest we have tracked and is significantly larger than even the median size of last year (\$50 million), which had been the highest median since 2008. That median has consistently been driven higher in part because of the increase in the median deal size needed as building a startup with top talent in the US VC hubs has become increasingly expensive. Because the median has reached so high in 2017, coupled with the current lack of \$1 billion+ funds in this vintage, the year-end total could easily rival that of 2014 and 2015 (\$35 billion) with just a few over-sized funds. All in all, 2017 VC fundraising has so far provided welcomed surprise for the industry, further highlighting the high level of interest from LPs.

Median and average US VC fund size (\$M)



Source: PitchBook
*As of 4/30/2017

SELECT VC DEALS (APRIL 2017)

Company	Series	Deal Date	Size (\$M)	Select Investor(s)	HQ
Didi Chuxing	Late Stage	4/28	\$5,500	SoftBank, Silver Lake management	Baijing
Intarcia Therapeutics	EE	4/3	\$476	Kayon Partners, Baillie Gifford	Boston
OYO Rooms	Late Stage	4/24	\$250	SoftBank, Lightspeed Venture Partners	Gurgaon, India
EverFi	D	4/26	\$190	TPG Growth, Bezos Expeditions	Washington D.C.
Qualtrics	Late Stage	4/12	\$180	Insight Venture Partners, Accel	Provo, UT

Source: PitchBook



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