3Q14

Trends in Terms of Venture Financings in Silicon Valley

Third Quarter 2014

Fenwick
FENWICK & WEST LLP

Silicon Valley Venture Capital Survey
Third Quarter 2014

Barry Kramer and Michael Patrick

Fenwick
FENWICK & WEST LLP

Background

We analyzed the terms of 180 venture financings closed in the third quarter of 2014 by companies headquartered in Silicon Valley.

Overview of Fenwick & West Results

Valuation results continued strong in 3Q14, but declined from 2Q14, which was the strongest quarter in the 12-year history of our survey.

- Up rounds exceeded down rounds 76% to 12%, with 12% flat, in 3Q14. This was a decline from 2Q14, when up rounds exceeded down rounds 80% to 6%, with 14% flat, but still a strong quarter.
- The Fenwick & West Venture Capital Barometer™ showed an average price increase in 3Q14 of 79%, a significant decline from the 113% registered in 2Q14, which was the strongest quarter on record, but a strong result nonetheless.
- The median price increase of financings in 3Q14 was 43%, again a decline from the 75% registered in 2Q14, but still solid.
- The software industry led all industries with 50% of all deals, and the highest percentage of up rounds, while the internet/digital media industry had the highest Barometer and median results. The hardware industry was also strong, but life sciences trailed noticeably, as did cleantech.
- Late stage financings showed less strength than other stages, with both Series D and Series E/later stage financings showing larger increases in down rounds, decreases in Barometer results and increases in use of senior liquidation preference. These results bear watching next quarter, to see if this was a one quarter occurrence, or a trend indicating that late stage financings are weakening.

Overview of Other Industry Data

Consistent with our results, third party data on the overall U.S. venture industry showed that the third quarter of 2014 was a strong quarter, but not as strong as the second quarter of 2014.

- Venture capital investment in 3Q14 declined significantly from a very strong 2Q14, but was still strong, as it was the highest quarterly investment amount since 3Q01, except for 2Q14.
- Venture backed IPOs declined slightly in the third quarter compared to 2Q14, but there have been more IPOs in the first three quarters of 2014 than any full year since 2000. However tech has not been strong, as 71% of 2014 IPOs have been in the life science industry.
- Acquisitions in the third quarter were very strong, and the amount of M&A proceeds was the highest quarterly amount since 3Q00.
- Venture fundraising declined in the third quarter compared to 2Q14, but was still healthy, and 2014 is on track to be the best year for venture fundraising since 2001.

- Venture capitalist confidence declined from 2Q14 to 3Q14 for the first time in two years, although the overall level was healthy.
- An analysis by VC Experts on the terms of Silicon Valley financings (based on our data) compared to the terms of venture financings in the rest of the United States, found that Silicon Valley based companies are generally receiving more entrepreneur favorable terms than companies in the rest of the U.S.

- **Venture Capital Investment**

U.S. venture capital investment in 3Q14 declined significantly from a very strong 2Q14, but was still healthy. A summary of results published by three leading providers of venture data is below.

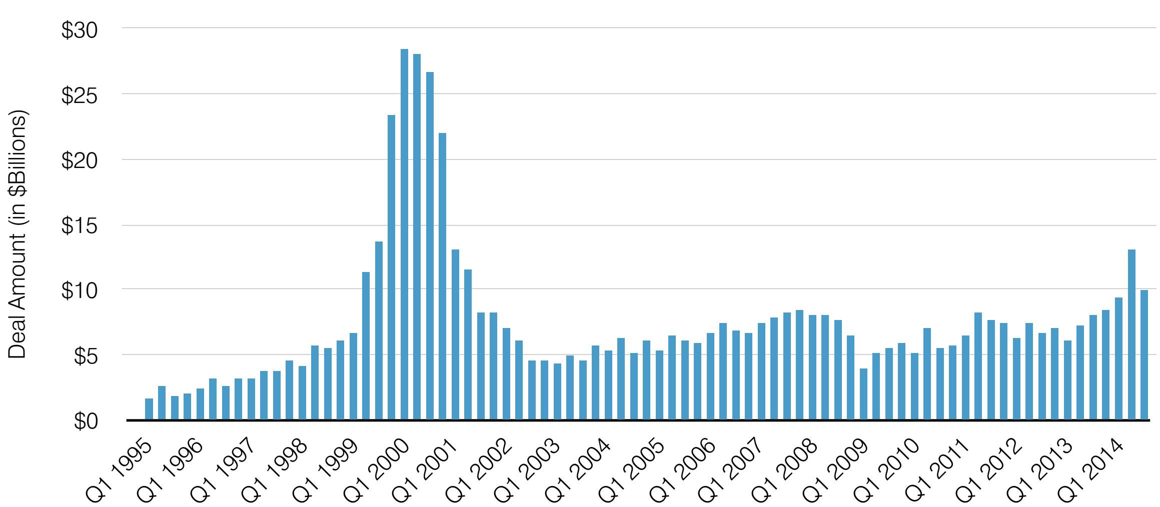
3Q14 Investing into Venture Backed U.S. Companies

	3Q14 ($Billions)	2Q14[1] ($Billions)	Difference %	3Q14 Deals	2Q14[1] Deals	Difference %
VentureSource[2]	$11.0	$13.8	-20%	899	917	-2%
Money Tree[3]	$9.9	$13.0	-24%	1,023	1,114	-8%
CBI[4]	$9.8	$13.9	-29%	878	974	-10%
Average	$10.2	$13.6	-25%	933	1,002	-7%

1 As reported July 2014
2 Dow Jones VentureSource (“VentureSource”)
3 The PWC/NVCA MoneyTree™ Report based on data from Thomson Reuters (“MoneyTree”)
4 CB Insights (“CBI”)

Although investment levels in 2014 have been strong, they are substantially lower than dot-com levels, even before adjustment for inflation over the past 15 years.

Investment into Venture Backed U.S. Companies

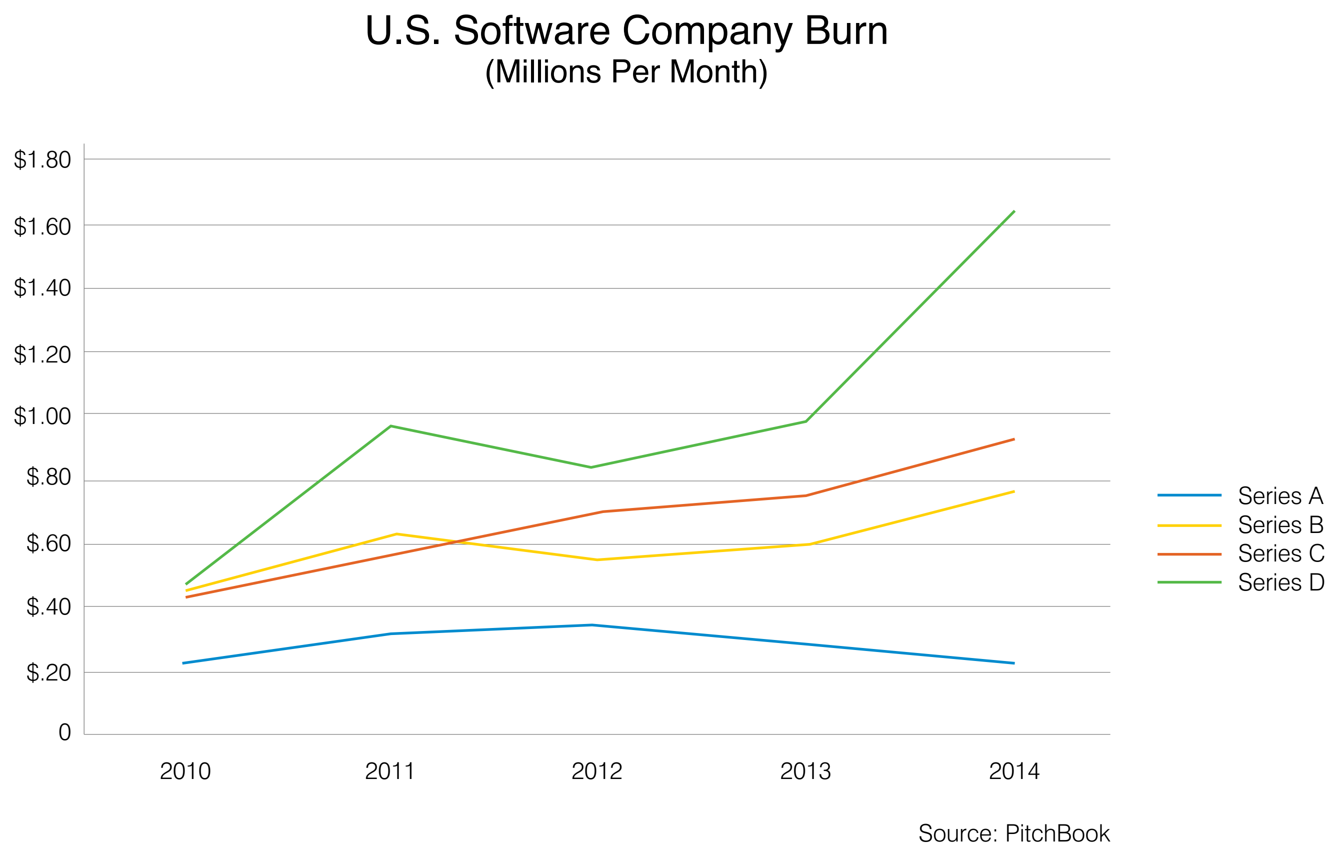


Source: Primarily Business Insider, based on information from the MoneyTree Report.

Aggregate investment for the first three quarters of 2014 was $37 billion, which is higher than the $35 billion invested in all of 2013, according to VentureSource. However, deal volume through the first three quarters of 2014 is running slightly behind the first three quarters of 2013, 2780 to 2803.

Burn Rates

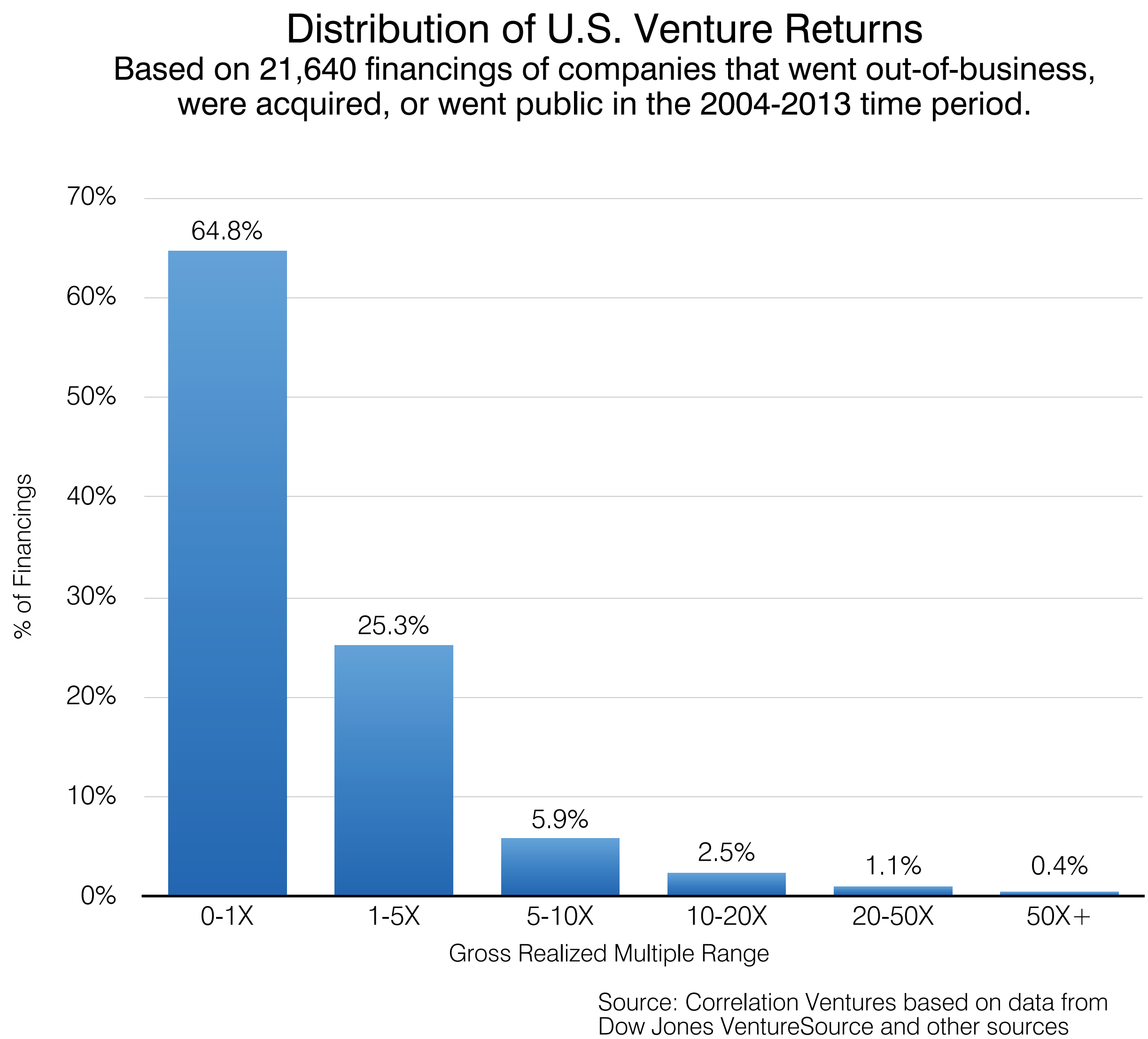
There has been a good deal of talk lately that venture backed companies are significantly increasing their burn rate, as investment becomes easier to attain, and concerns as to what will happen if available investment declines. Pitchbook has put together some data that supports the proposition that burn rates are noticeably increasing, at least as to late stage U.S. software companies.



But the question remains as to whether these increased expenditures are imprudent/ unsustainable, or a necessary risk in an environment that puts a premium on being first to market, building share rapidly, going global quickly and hiring the best talent.

Distribution of Venture Returns

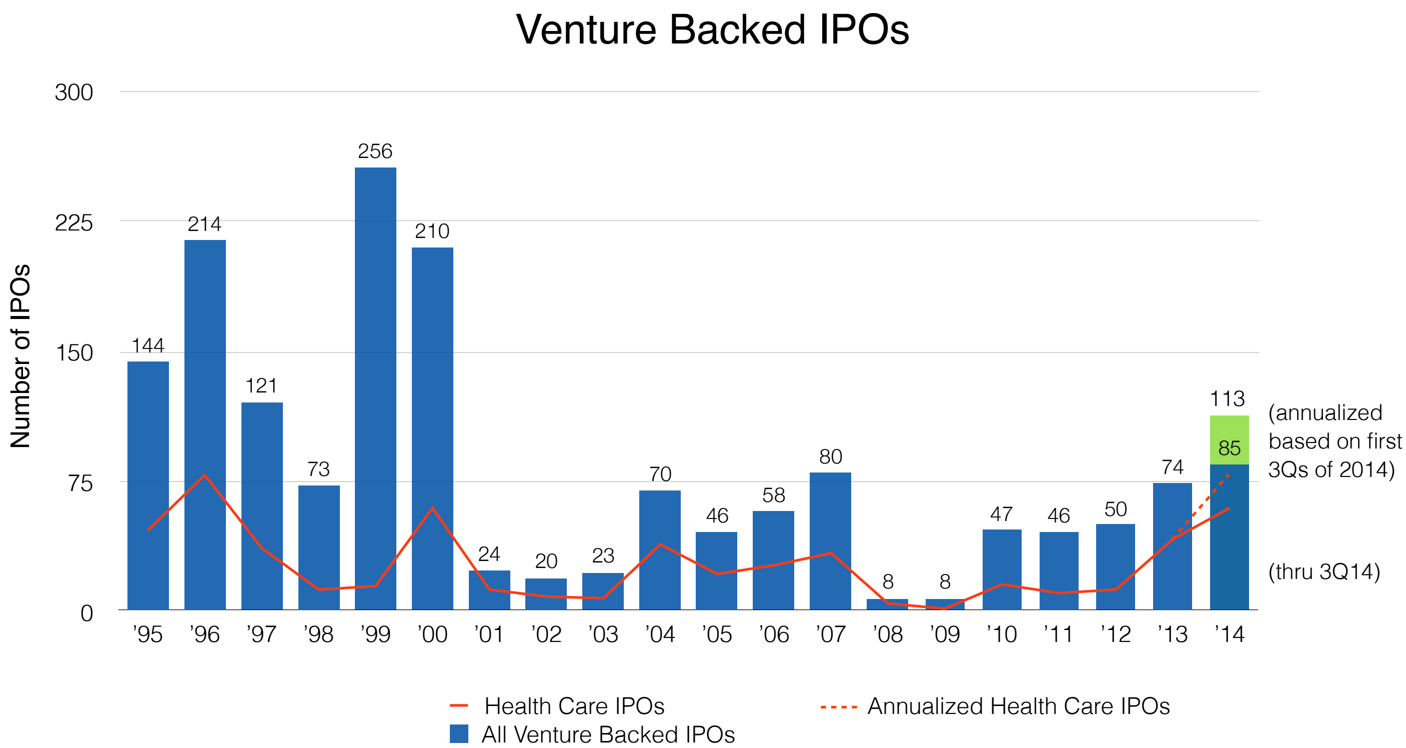
It is well known that venture investing is a very risky business, with the key to success often being the one investment that provides a huge return to offset the numerous money losing or small return investments in a fund. Sometimes a chart helps illustrate a point, so to that end we provide the below chart from Correlation Ventures, based on their analysis of the returns of venture backed companies that exited in the 2004-2013 time frame.



- **IPO Activity**

  There were 22 venture backed IPOs raising $1.3 billion in 3Q14, according to VentureSource. This was a decline from the 25 IPOs raising $2.2 billion in 2Q14, but through the first three quarters, 2014 has already had more venture backed IPOs than in any full year since 2000. Thomson Reuters and the NVCA (Thomson/NVCA) reported 23 venture backed IPOs raising $2.6 billion in 3Q14.

  However, there was only one U.S. based venture backed tech company IPO in 3Q14, as over 75% of the IPOs were life science companies, and five of the IPOs were non-U.S. based. One possible reason is that the Alibaba IPO froze the tech IPO market in 3Q14, but the dominance of life science IPOs is not limited to this quarter, as though the first three quarters of 2014, 60 of the 85 IPOs (71%) were in the life science industry.



Source: Dow Jones VentureSource

Post-IPO Market

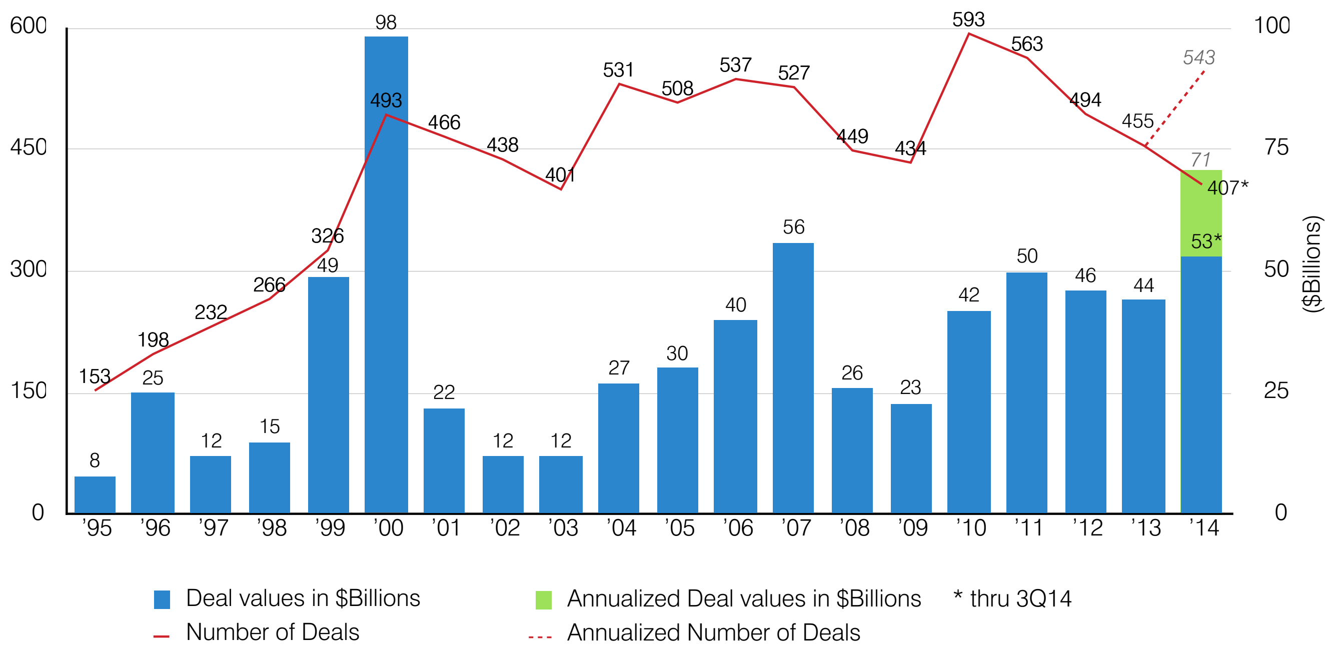
The post IPO market has been choppy for recent venture backed IPOs. Of the venture backed companies that went public in the first three quarters of 2014, 47% were below their offering price as of the end of the third quarter, according to Marketwatch. And the Thomson Reuters Post-Venture Capital Index, which measures the change in stock price of venture backed companies that went public over the past ten years, is down 17% in 2014 through September 30, 2014, which compares unfavorably to the overall Nasdaq which was up 8% in the same time frame.

- **Merger and Acquisition Activity**

M&A was very strong in 3Q14 with 127 U.S. based venture backed companies acquired in 3Q14, an 18% increase over the 108 acquired in 2Q14 (as reported in July 2014[1]). The amount paid for such acquisitions in 3Q14 was $20 billion, a 54% increase over the $13 billion paid in 2Q14 (as reported in July 2014[1]), according to VentureSource.

The $20 billion of proceeds was the highest quarterly amount since 3Q00, and with the large WhatsApp acquisition having already closed in the fourth quarter, 2014 will have the highest annual M&A proceeds since 2000 by a significant margin.

Venture Backed M&A



Source: Dow Jones VentureSource

Similarly, Thomson/NVCA reported a 22% increase in acquisition deals in 3Q14, with 119 deals in 3Q14 compared to 97 in 2Q14 (as reported in July 2014[1]), with 76% of the deals being in the IT industry.

Concentration of Buyers

An analysis of venture backed tech companies acquired for $500 million or more in the 2008-June 2014 time frame shows that acquisitions by just three companies (Facebook, Cisco and Google) accounted for 44% of the total $78 billion paid in such acquisitions, according to CBI.

Venture Backed Buyers on the Rise

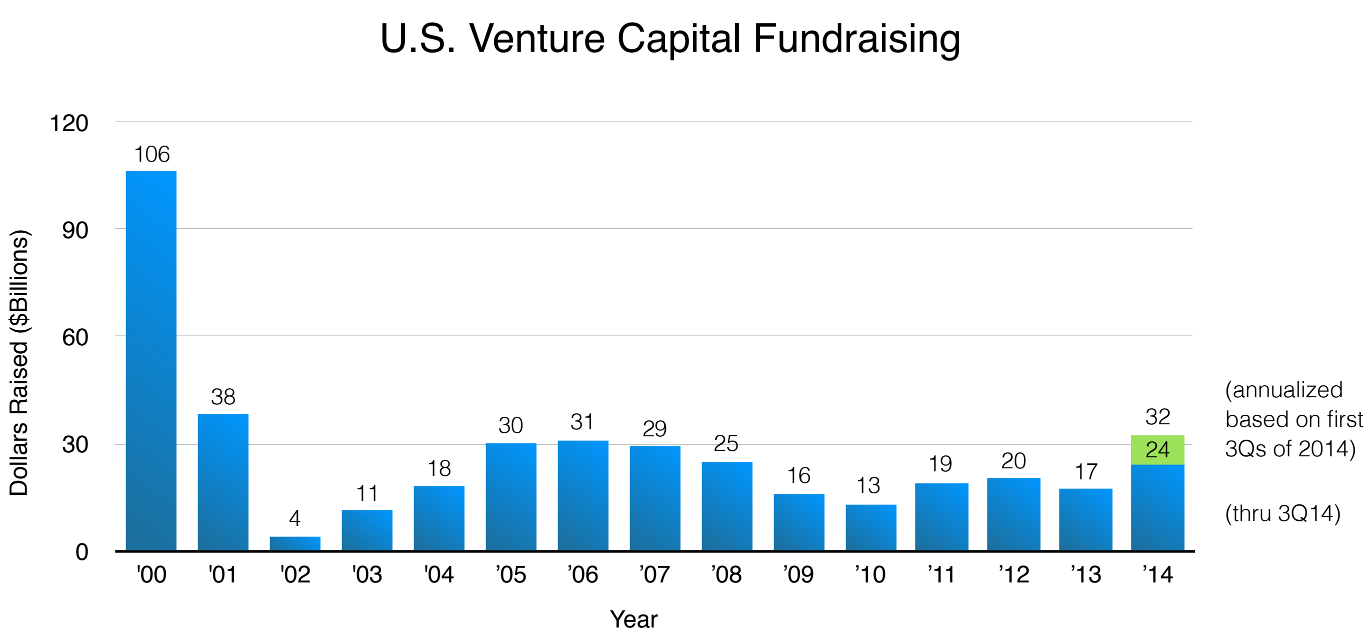
One interesting trend is that M&A involving both venture-backed buyers and sellers is at the highest level since at least 2004, according to VentureWire. Through the first half of 2014, venture backed companies acquired 50 other venture backed companies, accounting for 21% of all venture backed companies that were acquired. The likely reasons for this trend include a very selective IPO market encouraging companies to have significant scale before going public, and a good number of venture backed companies with high value stock and substantial cash resources to make acquisitions.

Some concerning news for tech bankers though is that not only were tech IPOs low this quarter, but tech acquirors appear to be reducing their use of investment bankers, with 69% of tech acquisitions worth more than $100 million not using bankers in 2014, compared to only 27% ten years ago, according to the New York Times based on data from Dealogic.

- **Venture Capital Fundraising**

  A total of $6.1 billion was raised by 60 funds in 3Q14, an 18% decrease in dollars and a 23% decline in funds from the strong $7.4 billion raised by 78 funds in 2Q14 (as reported in July 20141), according to Thomson/NVCA. Similarly VentureSource reported a 12% decrease in dollars raised in 3Q14 ($7.4 billion in 2Q14, as reported in July 2014[1], to $6.5 billion in 3Q14). Eight funds accounted for 68% of the $6.5 billion raised in 3Q14.

  Although 3Q14 was less strong than 2Q14, 2014 overall has been a strong year for fundraising, with the $23.8 billion raised through the third quarter already surpassing the $17.6 billion raised in all of 2013, and on track to possibly be the best year since 2001. And the number of funds raising money has also been healthy in 2014, as smaller funds are having increasing success raising money.

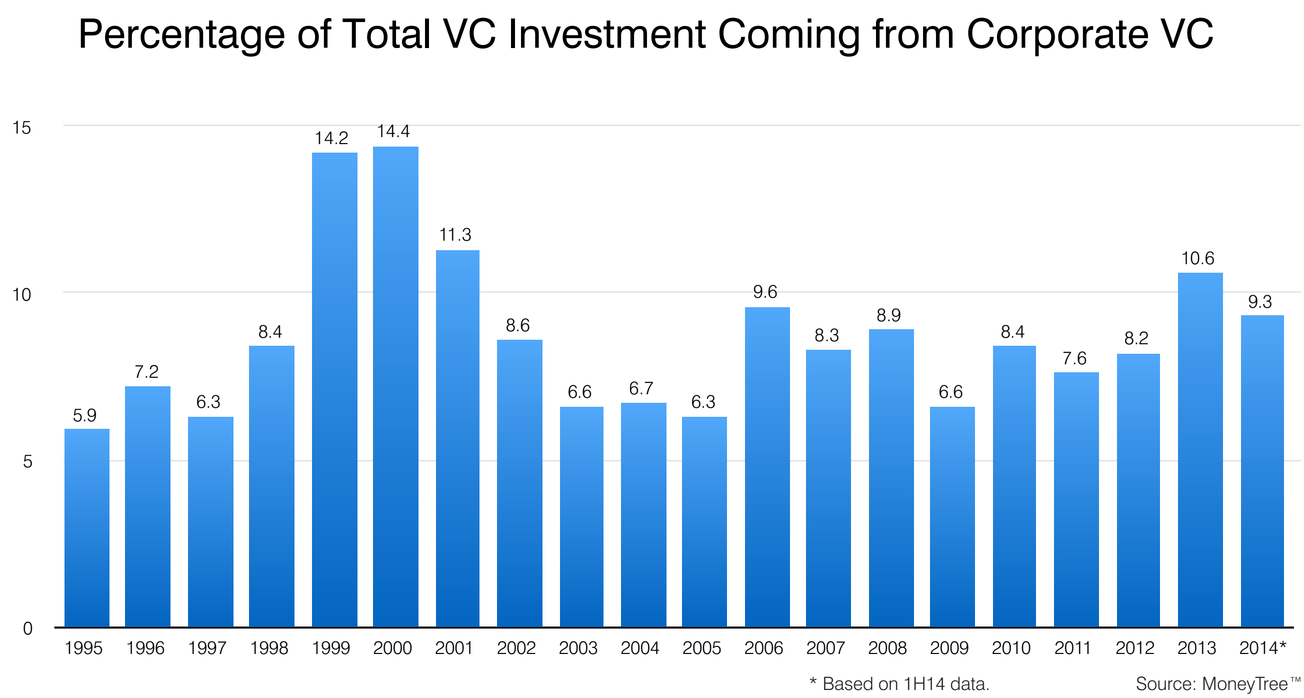


Source: Thomson Reuters/NVCA

  While the increase in fundraising is generally welcome, it remains to be seen whether the upswing reflects an increased long term commitment by LPs to the venture sector, or a short term reaction to recent increased distributions and returns in the industry.

- **Corporate Venture Investing**

  Corporate venture capital groups (CVCs) provided 9.3% of total venture investment in 1H14 according to the MoneyTree. It is interesting to note that the CVC percentage of all venture capital funding appears to increase in stronger economic environments.



Corporate venture groups provided the largest percentage of total investment in the biotechnology and semiconductor sectors (14% each), followed by telecom (13.3%), industrial/energy (12.8%) and medical devices (10.8%).

The growth of corporate venture investment in the life science sector is especially noticeable, with 2013 the first year since at least 1995 where CVCs provided over 10% of total venture dollars into the life science industry (10.1%), and 2014 is on track to substantially surpass that, as CVCs have provided over 13% of total venture dollars invested in life science through 1H14.

- **Hedge/Mutual Fund VC Investment**

With tech companies waiting longer to go public and the IPO market for tech companies being selective, hedge and mutual funds are playing a large role in late stage private company financings. Of the 50 largest 1H14 tech deals, the most frequent investors were Tiger Global (9 deals), T. Rowe Price (7 deals) and BlackRock (6 deals), with only four traditional VC funds in the top 10, according to CBI. Tiger Global alone has increased its investments in venture backed companies from 14 in 2012, to 17 in 2013 to 24 in 2014, according to the Venture Capital Journal.

The involvement of hedge/mutual funds is an important source of funding for companies that cannot or do not want to go public, but the high valuations and perhaps different negotiating strategies of these funds has caused friction at times with traditional VCs, according to two articles in the Wall Street Journal.

Public Markets More Discerning?

Hedge/mutual fund investments in venture backed companies has contributed to 24 venture backed companies receiving $1 billion or higher valuations in private investments in 1H14, while only six venture backed companies went public with a valuation of $1 billion or more in 1H14, the largest difference since at least 1992, according to the Wall Street Journal.

- **Secondary Funds**

  Secondary fund activity seems to be increasing, with Industry Ventures, Founders Circle and Akkadian Ventures all raising healthy funds in the past 12 months. Chris Albinson of Founders Circle estimates that the market for secondary shares in VC backed companies with $1 billion or higher valuations is up 20% in 2014, per an article in VentureWire.

  This might seem surprising, as arguably secondary funds should have more opportunities in down markets, when investors and employees need liquidity and other liquidity options are less available. But with many of the more successful companies voluntarily delaying liquidity events, yet still wanting to provide some liquidity to investors, and especially employees (with liquidity opportunities being a potential selling point to employees in a very competitive labor market) there are reasons for increased secondary opportunities.

  And if you are a believer that the market is over heated, now might be a good time to assemble some dry powder in secondary funds and wait for future opportunities. But with hedge funds and mutual funds driving up late stage valuations, caution is warranted.

- **Seed Investing/Accelerators**

  The seed/accelerator/crowdfunding portion of the venture ecosystem is especially dynamic, as it has been significantly impacted by changes in technology (facilitating online investing, and allowing start ups to go further on less money), law (allowing for public solicitation of investment) and demographics (a generation of successful entrepreneurs that are too young to retire and want to invest in and mentor the next generation).

  One recent development reported by VentureWire is Techstars' decision to accept more mature startups into its accelerator program and to offer an "equity back guarantee" if companies aren't satisfied with their experience at Techstars. There has been some discussion that accelerators could start investing more in their most promising companies, effectively competing with venture capitalists, but this action by Techstars seems to point them in the direction of expanding their focus on mentoring and networking, and not on increased investment.

  Another development worth watching is the syndicate program of Angelist. The syndicates, dubbed "Pop-Up VCs", consist of a leader who curates/selects companies listed on Angelist in which to invest, and passive investors who follow such leader (based on his/her track record/experience), co-invest on a deal by deal basis, and pay the leader a carry on deal profits. Currently, the largest of these syndicators, according to Strictly VC, is Gil Penchina, who has attracted 1300 investors to back deals he selects, and is trying to "build a Fidelity" with syndicates that specialize in different industry sectors.

  A recent academic study on crowdfunding cited in the New York Times argues for the value of the "wisdom of crowds." Although the study was focused on the theater industry, not the tech industry, it found that crowd funded theater projects were just as likely to be successful as projects picked by experts. Although the "wisdom of crowds" may be more valuable in areas where crowds have more knowledge (e.g., consumer focused products and projects), those areas are a significant part of the venture ecosystem and could provide a wealth of information for those looking for information on consumer behavior.

- **Observations on Funding Risk/R&D**

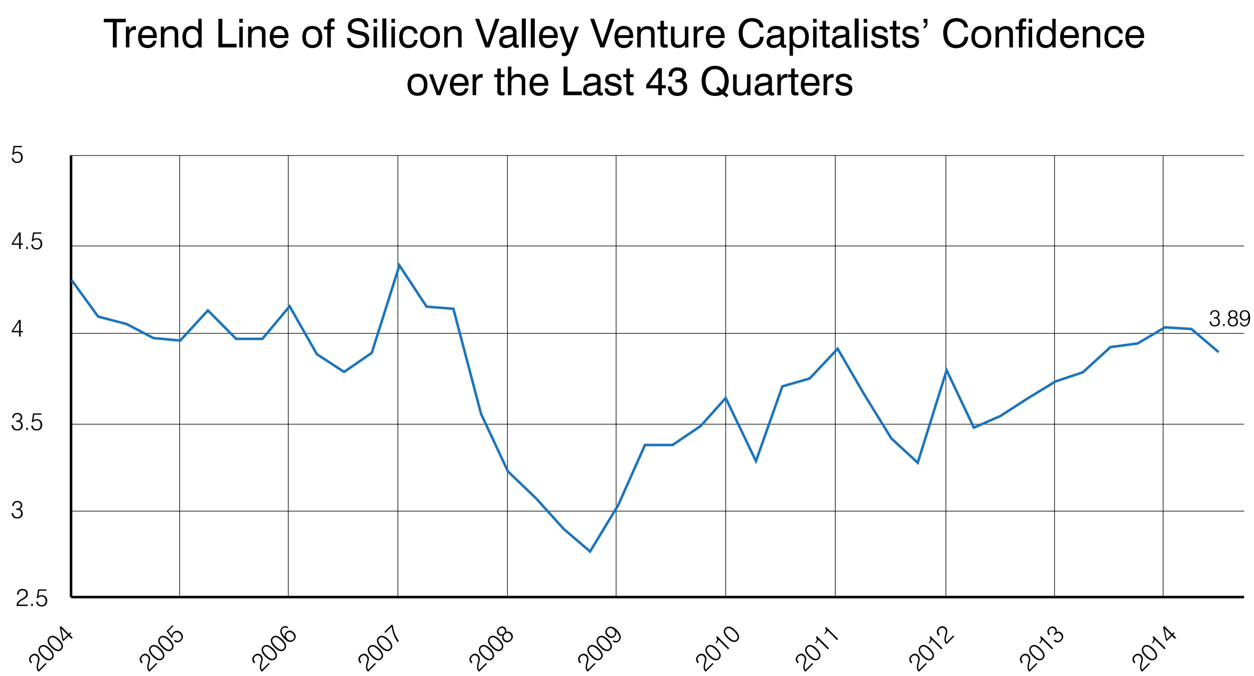
  Vinod Khosla recently noted in TechCrunch that "the biggest risk we can take is to not take any risks at all."

  A Wall Street Journal article discussed who is going to take the big risks. With federal government R&D funding declining as a percentage of GDP, large corporations doing less fundamental research (consider the reduced footprint of Bell Labs, Xerox Parc and Sarnoff Labs – although Google is an exception) and seeming to view acquisitions as a large part of their R&D strategy, and venture capital funds generally not structured for investment in long term fundamental research, we may be becoming increasingly reliant on ultra-wealthy individuals to fund the most speculative research in areas like space exploration, genome sequencing, clean energy development and longevity research.

  Or will the average person, through crowdfunding, play a significant role?

- **Venture Capital Sentiment**

  The Silicon Valley Venture Capitalist Confidence Index by Professor Mark Cannice at the University of San Francisco (the "Cannice Report") reported that the confidence level of Silicon Valley venture capitalists in 3Q14 was 3.89, a decline from the 4.02 posted in 2Q14 and the first decline in two years, although above the 10-year average of 3.72. Concerns about the venture environment focused on valuations and the macro environment, while positive signs were noted in the diversity of new products, technologies and services being developed.



Source: Cannice Report

The Deloitte/NVCA 2014 Global Venture Capital Confidence Survey found that global venture capitalists had more confidence in investing in the U.S. than any other country, with Israel second and Canada third. Despite that vote of confidence in the U.S. environment, venture capitalists in the U.S. had less confidence in U.S. government policies than venture capitalists in any other country felt about their own government. Notable concerns were patent reform, immigration policy and crowdfunding regulation.

- **Venture Capital Returns**

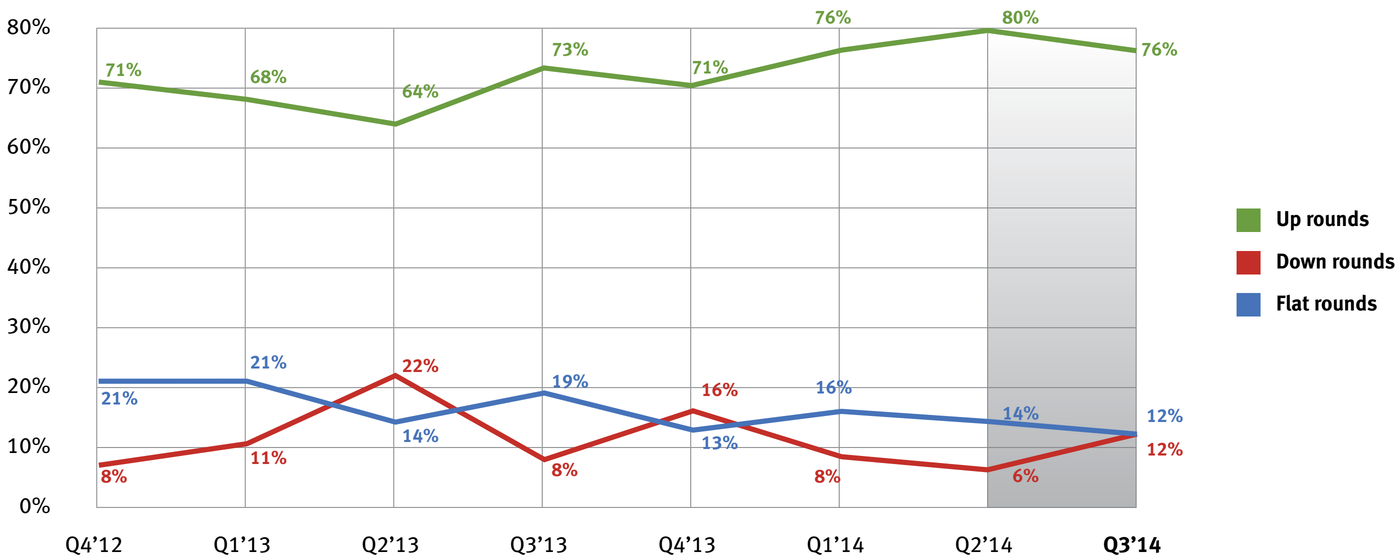
  Cambridge Associates reported that the value of its venture capital index increased by 3% in 2Q14 (3Q14 results have not been publicly released), which trailed the Nasdaq increase of 5% in the quarter. And despite recent good returns by the venture industry, venture results lagged Nasdaq for the 1, 3 and 5-year time periods, while exceeding Nasdaq for the 10-year time period and beyond.

- **Nasdaq**

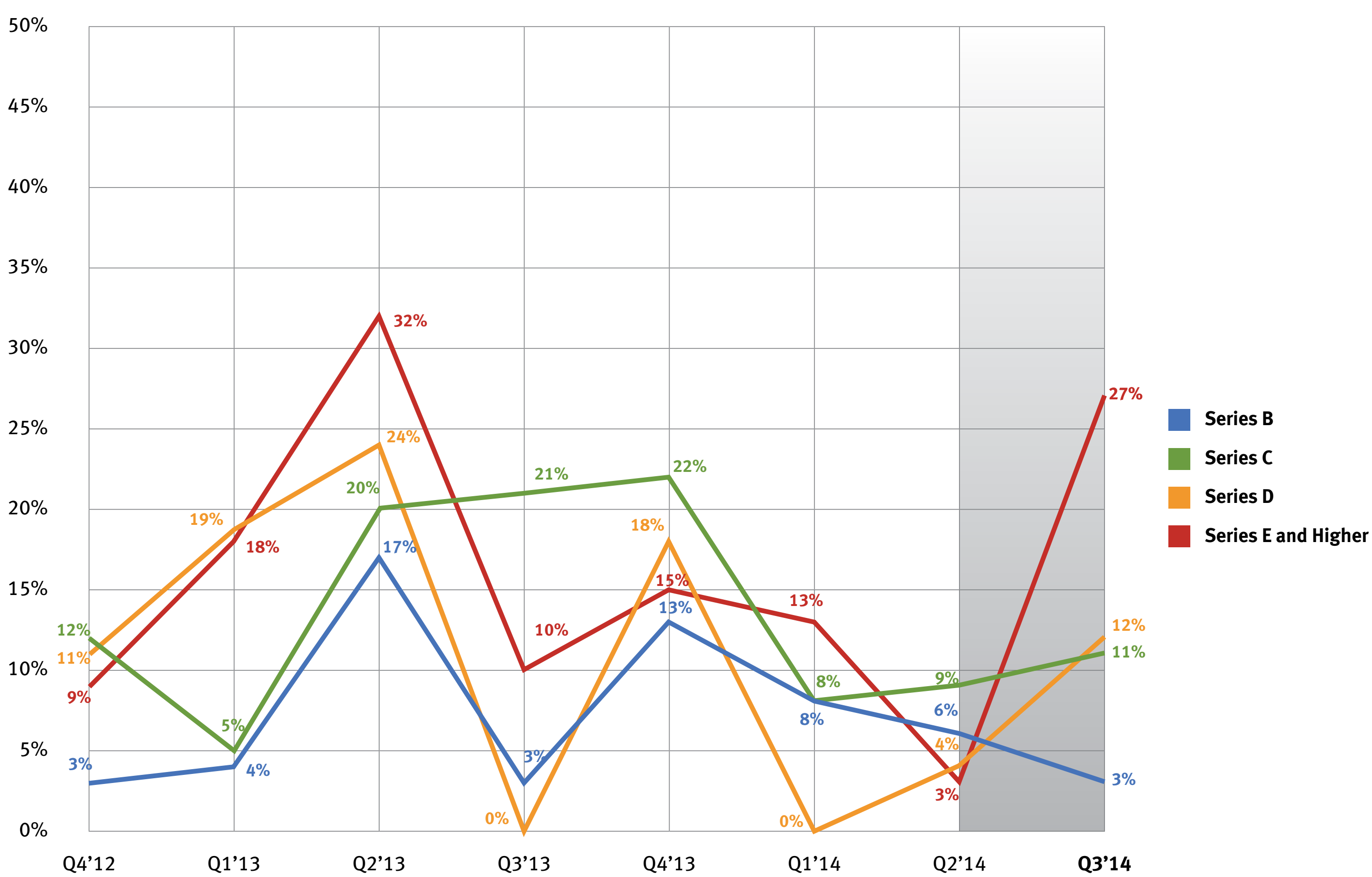
  Nasdaq increased 1.5% in 3Q14 and has increased an additional 3.2% through November 4, 2014.

Fenwick & West Data on Valuation

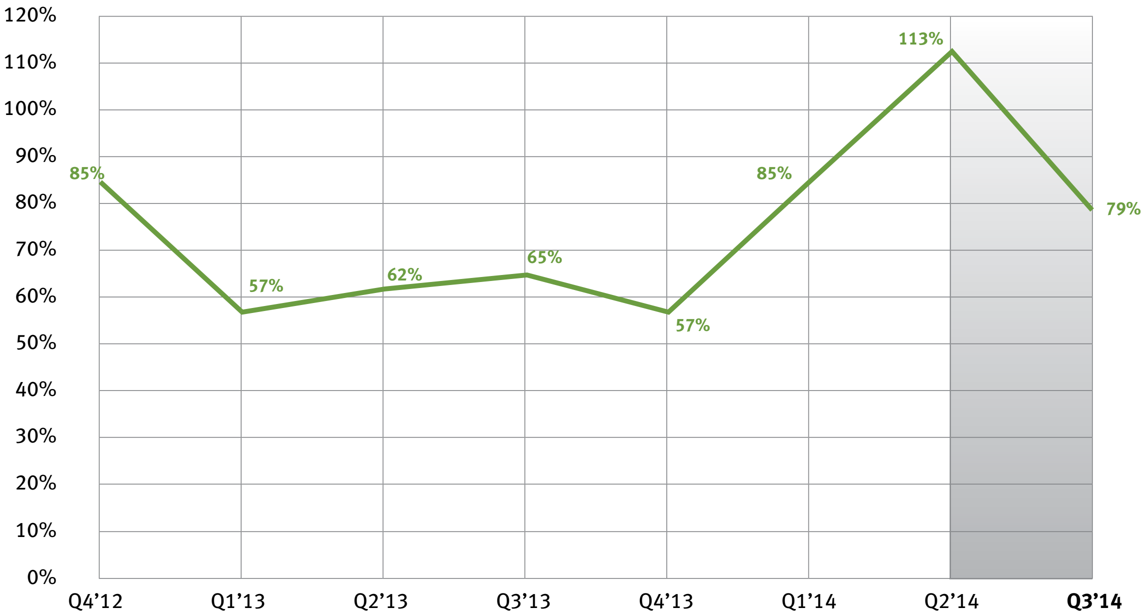
PRICE CHANGE—The direction of price changes for companies receiving financing in a quarter, compared to their prior round of financing.



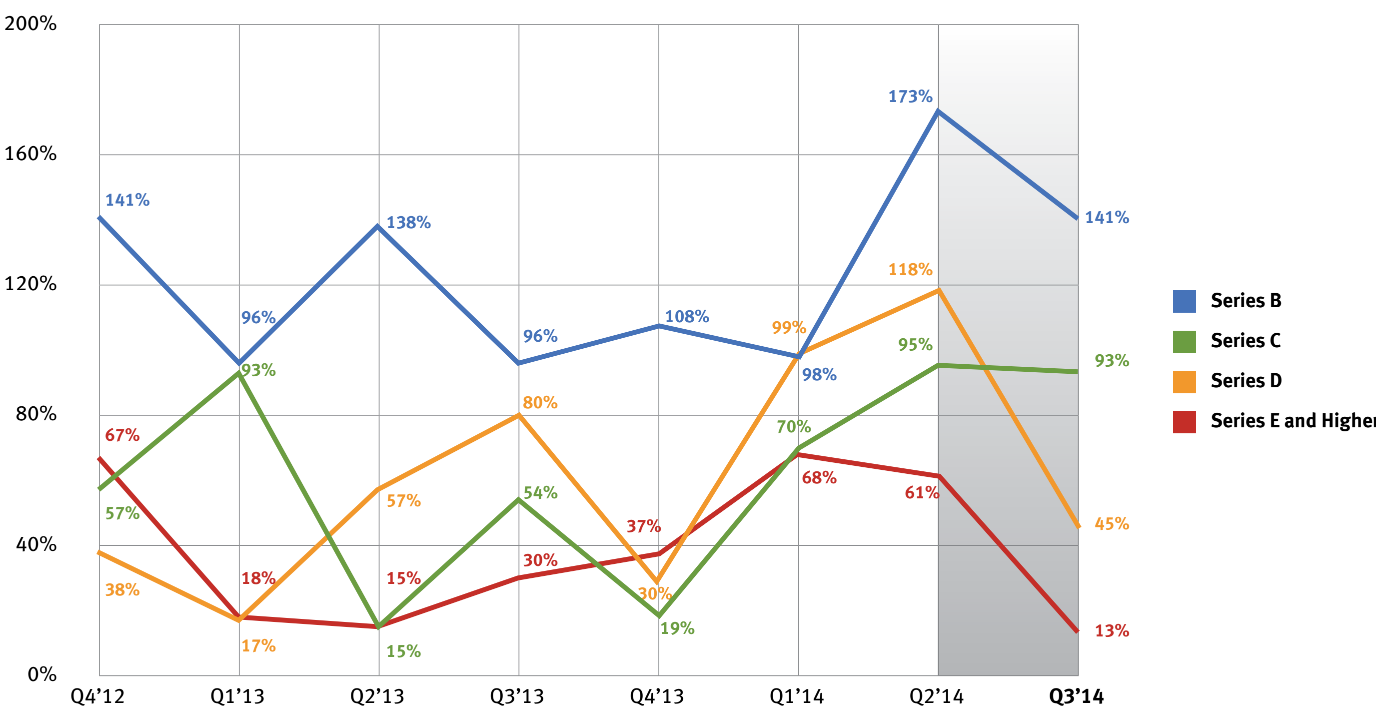
The percentage of down rounds by series were as follows:



THE FENWICK & WEST VENTURE CAPITAL BAROMETER™ (MAGNITUDE OF PRICE CHANGE) — Set forth below is the average percentage change between the price per share at which companies raised funds in a quarter, compared to the price per share at which such companies raised funds in their prior round of financing. In calculating the average, all rounds (up, down and flat) are included, and results are not weighted for the amount raised in a financing.



The Barometer results by series are as follows:



RESULTS BY INDUSTRY FOR PRICE CHANGES AND FENWICK & WEST VENTURE CAPITAL BAROMETER™ — The table below sets forth the direction of price changes and Barometer results for companies receiving financing in 3Q14, compared to their previous round, by industry group. Companies receiving Series A financings are excluded as they have no previous rounds to compare.

Industry	Up Rounds	Down Rounds	Flat Rounds	Barometer	Number of Financings
Software	84%	8%	8%	78%	65
Hardware	84%	8%	8%	85%	13
Life Science	47%	21%	32%	26%	19
Internet/Digital Media	81%	14%	5%	139%	21
Cleantech	0%	67%	33%	-47%	3
Other	78%	11%	11%	89%	9
Total all Industries	**76%**	**12%**	**12%**	**79%**	**130**

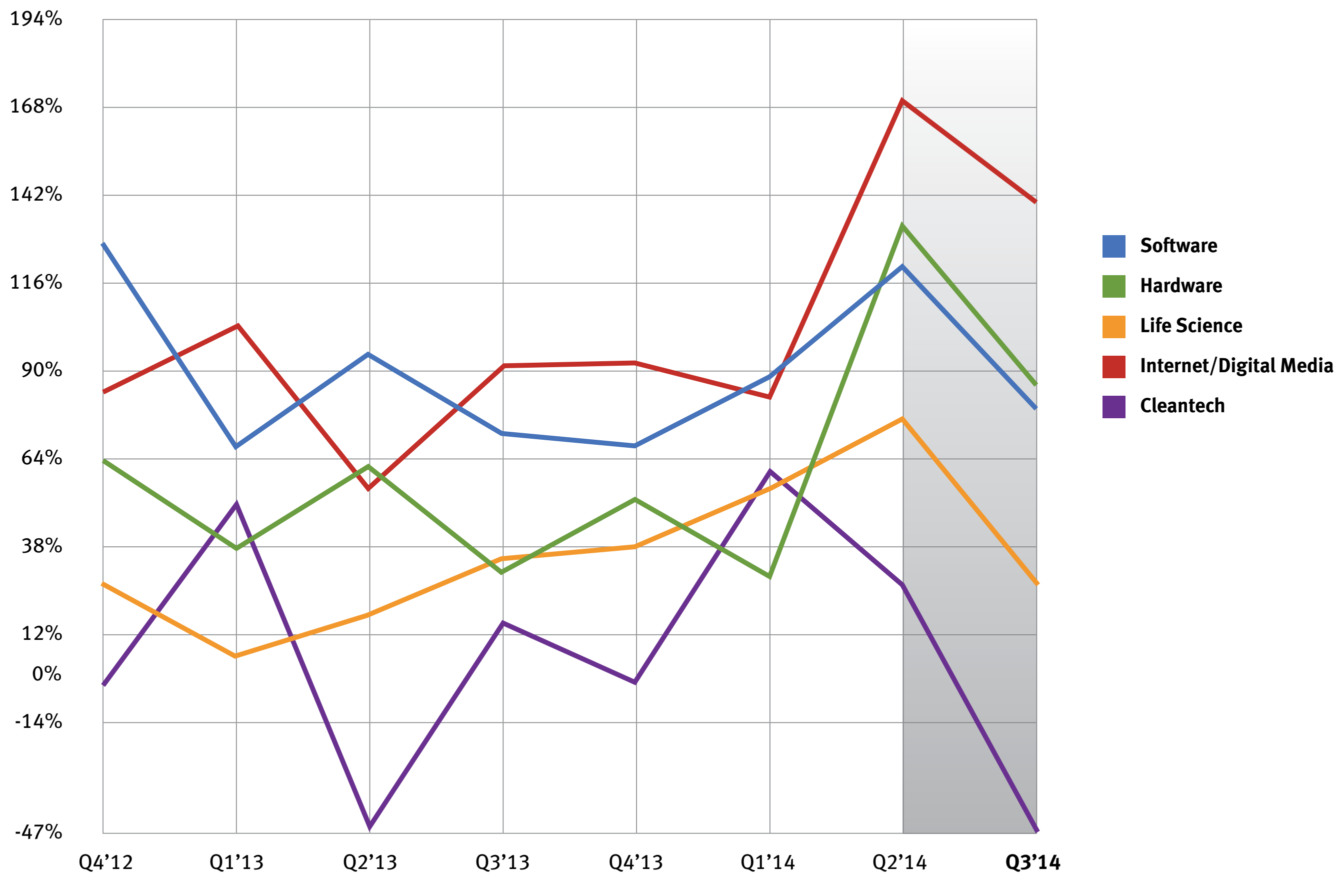
DOWN ROUND RESULTS BY INDUSTRY — The table below sets forth the percentage of "down rounds," by industry groups, for each of the past eight quarters.

Down Rounds	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Software	5%	10%	20%	5%	15%	7%	8%	8%
Hardware	8%	0%	9%	20%	12%	10%	8%	8%
Life Science	10%	33%	30%	20%	13%	12%	0%	21%
Internet/Digital Media	12%	6%	16%	5%	15%	11%	8%	14%
Cleantech	17%	0%	100%	0%	50%	0%	0%	67%
Other	0%	0%	50%	25%	0%	0%	0%	11%
Total all Industries	**8%**	**11%**	**22%**	**8%**	**16%**	**8%**	**6%**	**12%**

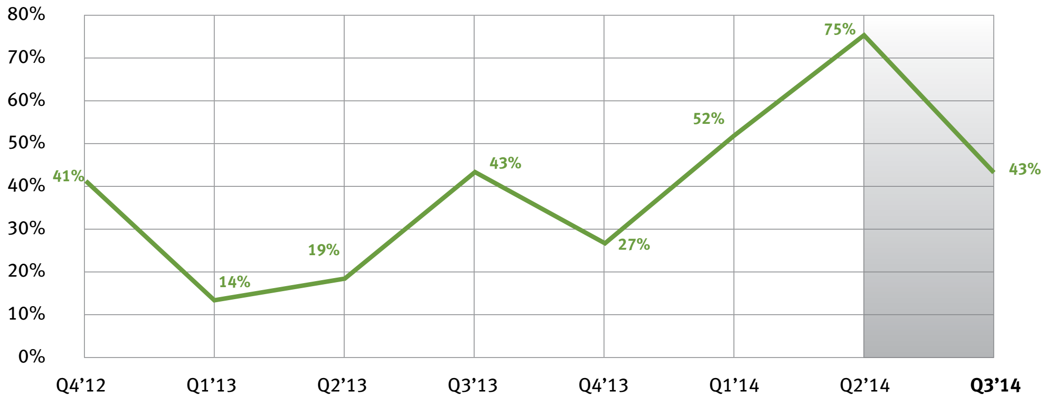
BAROMETER RESULTS BY INDUSTRY — The table below sets forth Barometer results by industry group for each of the last eight quarters.

Barometer	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Software	128%	67%	95%	71%	68%	88%	120%	78%
Hardware	64%	38%	62%	30%	52%	29%	132%	85%
Life Science	30%	6%	20%	34%	38%	55%	75%	26%
Internet/Digital Media	85%	103%	56%	91%	92%	82%	169%	139%
Cleantech	-2%	51%	-46%	15%	-2%	60%	26%	-47%
Total all Industries	**85%**	**57%**	**62%**	**64%**	**57%**	**85%**	**113%**	**79%**

A graphical representation of the above is below.



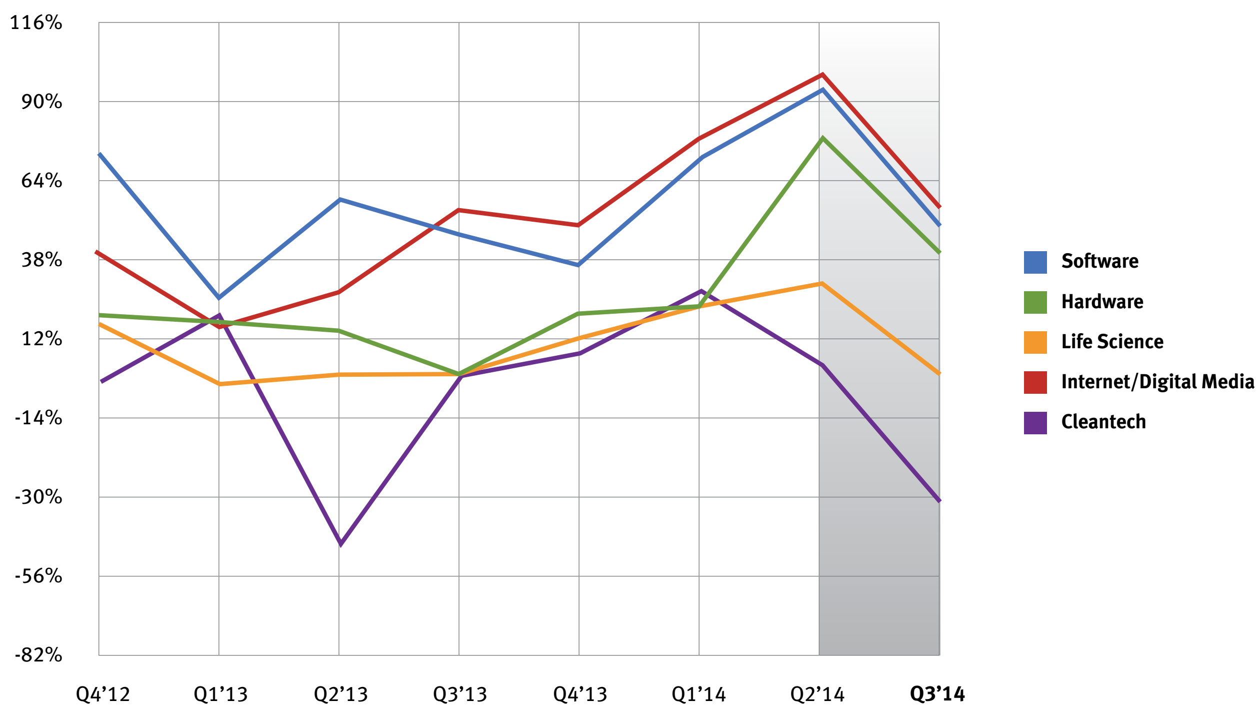
MEDIAN PERCENTAGE PRICE CHANGE—Set forth below is the median percentage change between the price per share at which companies raised funds in a quarter, compared to the price per share at which such companies raised funds in their prior round of financing. In calculating the median, all rounds (up, down and flat) are included, and results are not weighted for the amount raised in the financing. Please note that this is different than the Barometer, which is based on average percentage price change.



MEDIAN PERCENTAGE PRICE CHANGE RESULTS BY INDUSTRY—The table below sets forth the median percentage price change results by industry group for each of the last eight quarters. Please note that this is different than the Barometer, which is based on average percentage price change.

Barometer	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Software	74%	25%	58%	46%	36%	72%	94%	49%
Hardware	20%	17%	15%	0%	20%	23%	78%	40%
Life Science	17%	0%	0%	0%	12%	23%	30%	0%
Internet/Digital Media	41%	16%	28%	54%	50%	78%	99%	54%
Cleantech	0%	18%	-46%	0%	7%	28%	3%	-31%
Total all Industries	**41%**	**14%**	**19%**	**43%**	**27%**	**52%**	**75%**	**43%**

A graphical representation of the above is below.

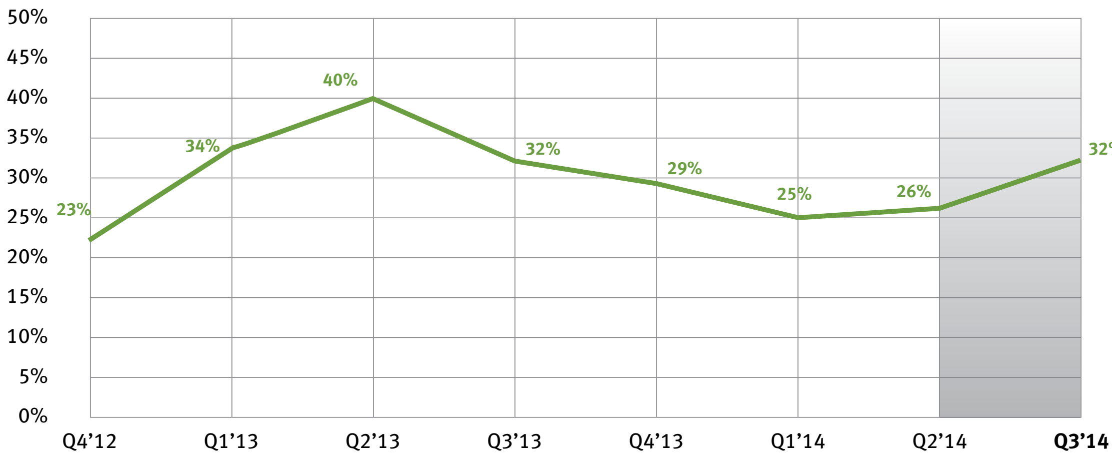


FINANCING ROUND—This quarter's financings broke down by series according to the chart below.

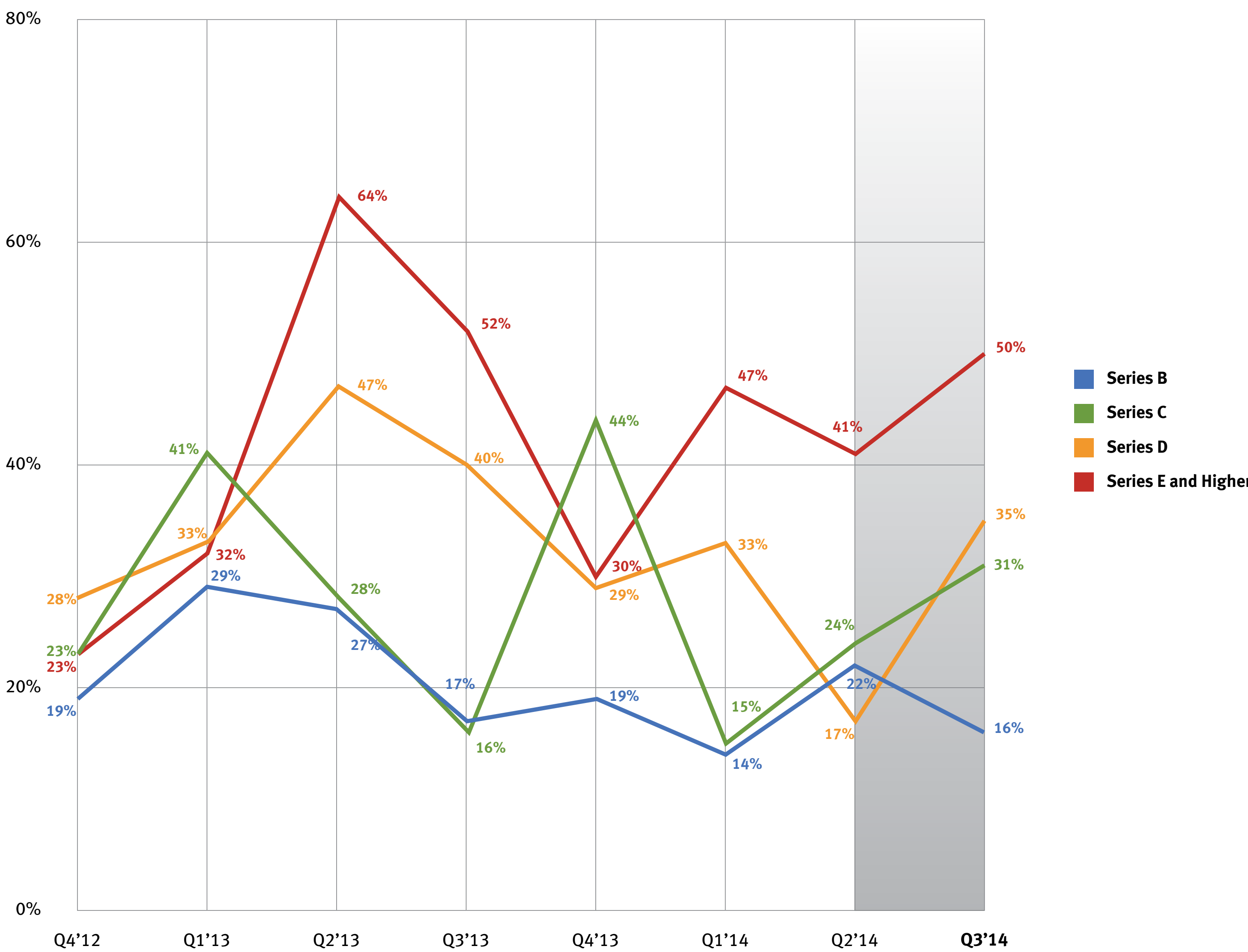
Series	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Series A	12%	25%	24%	24%	24%	23%	23%	28%
Series B	31%	20%	24%	23%	26%	31%	21%	21%
Series C	22%	19%	20%	15%	14%	17%	26%	20%
Series D	16%	18%	14%	15%	14%	10%	13%	14%
Series E and Higher	19%	18%	18%	23%	22%	19%	17%	17%

Fenwick & West Data on Legal Terms

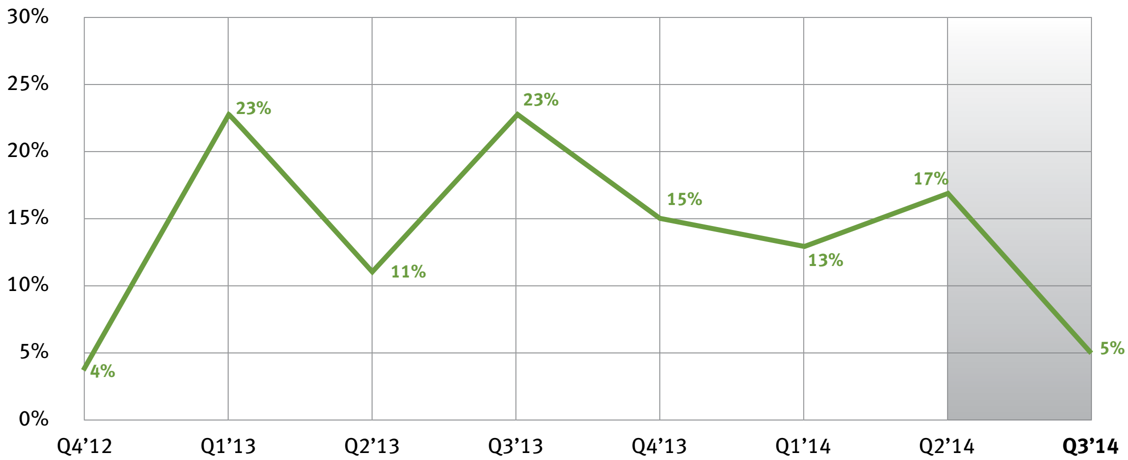
LIQUIDATION PREFERENCE — Senior liquidation preferences were used in the following percentages of financings.



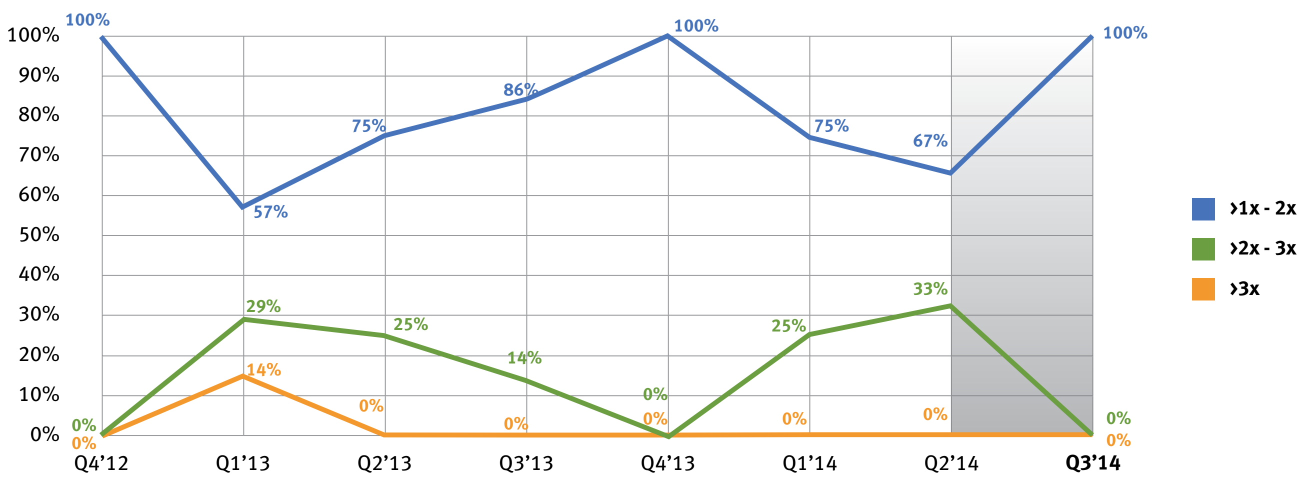
The percentage of senior liquidation preference by series was as follows:



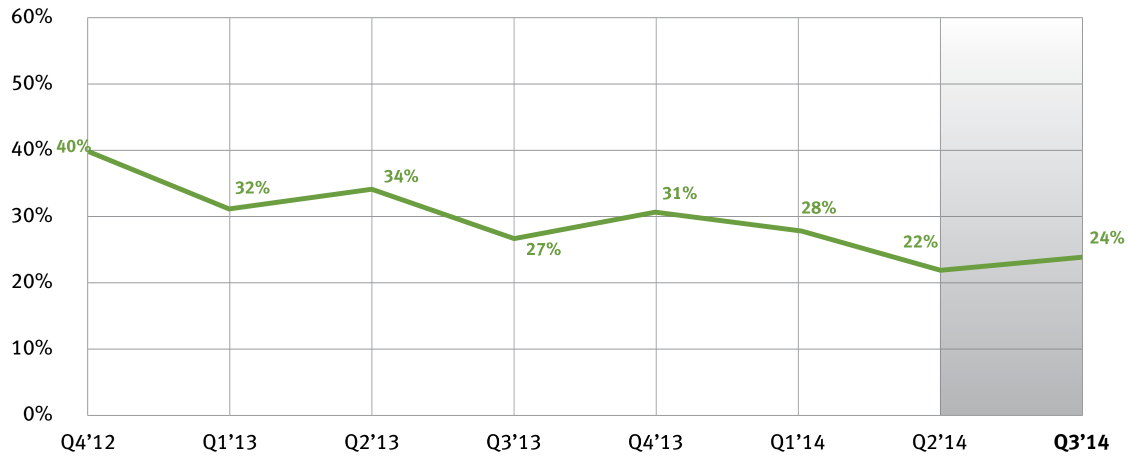
MULTIPLE LIQUIDATION PREFERENCES—The percentage of senior liquidation preferences that were multiple liquidation preferences were as follows:



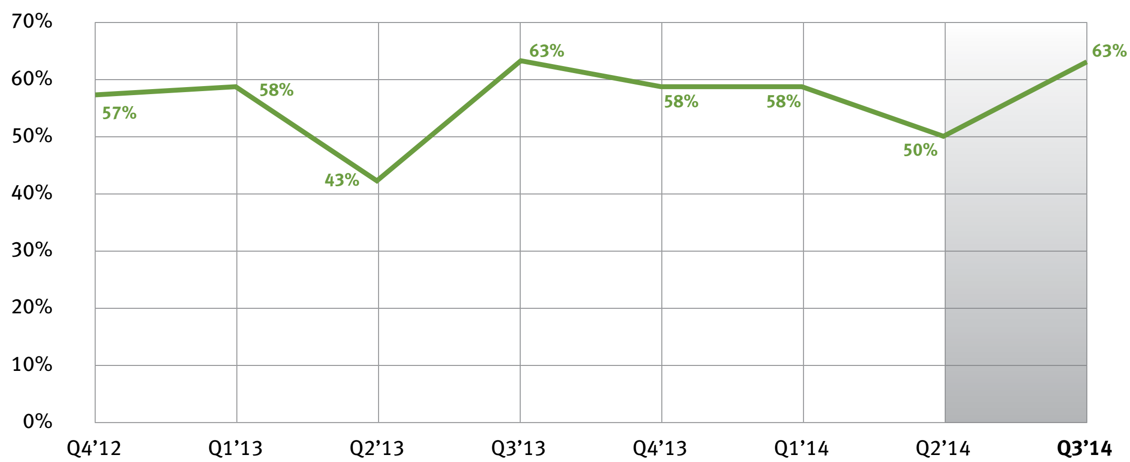
Of the senior liquidation preferences that were a multiple preference, the ranges of the multiples broke down as follows:



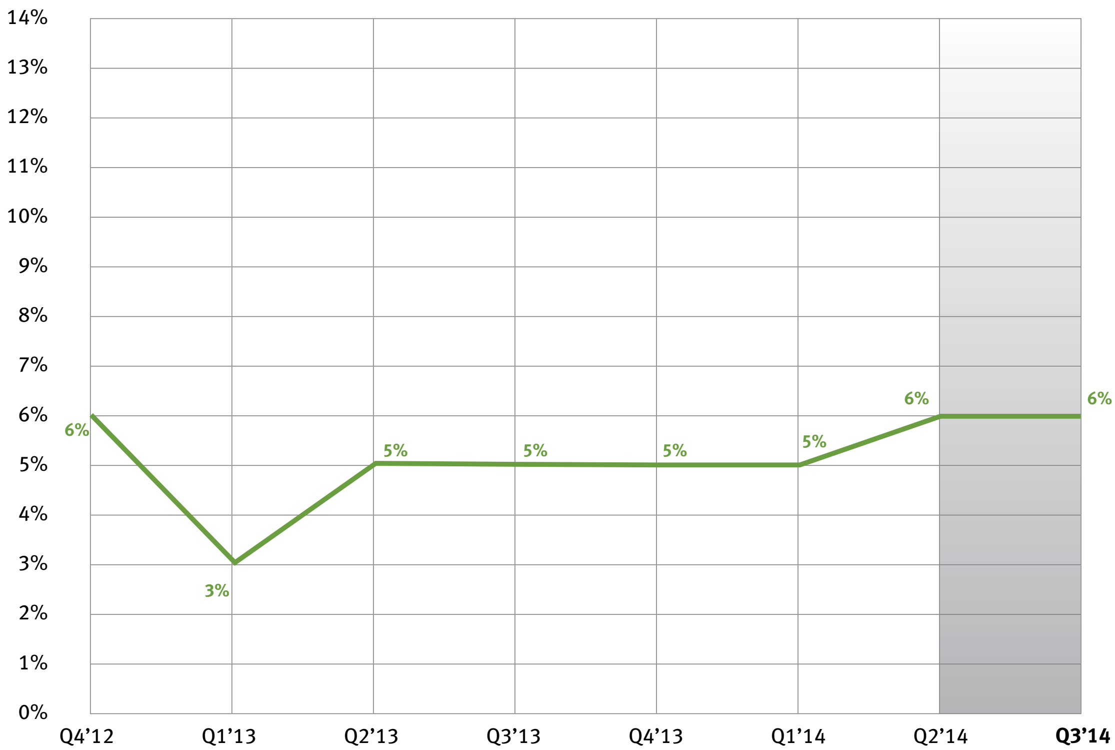
PARTICIPATION IN LIQUIDATION — The percentages of financings that provided for participation were as follows:



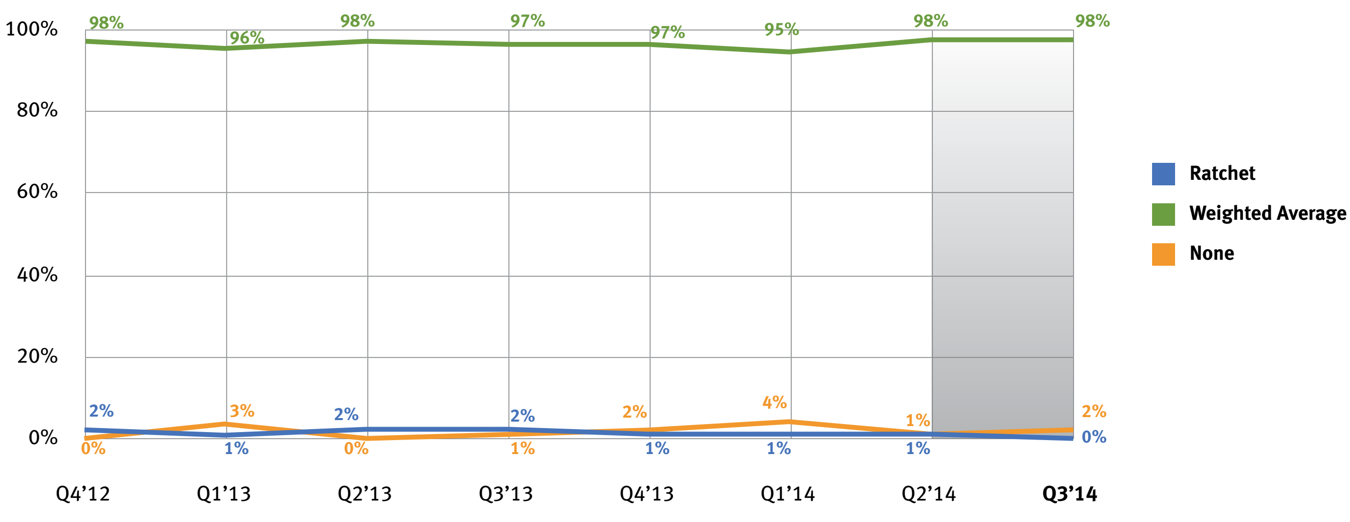
Of the financings that had participation, the percentages that were not capped were as follows:



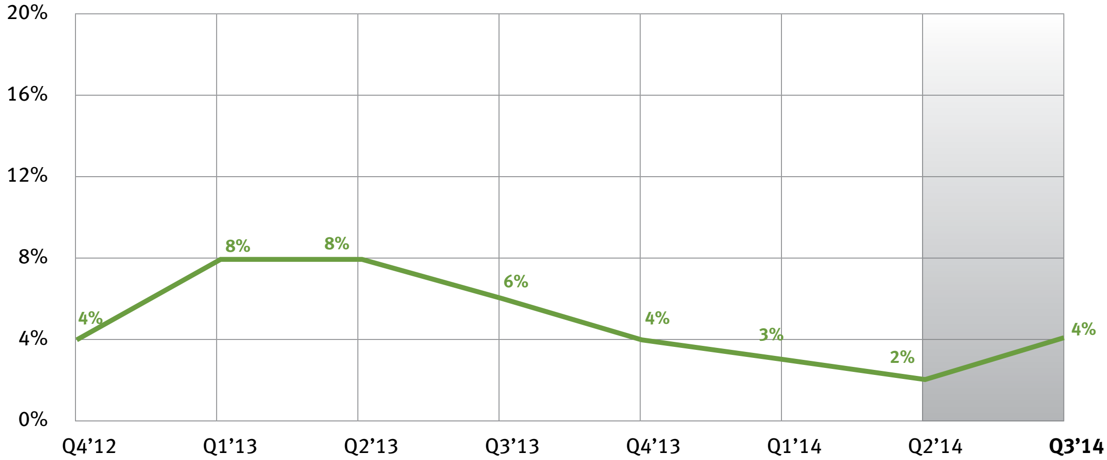
CUMULATIVE DIVIDENDS – Cumulative dividends were provided for in the following percentages of financings:



ANTIDILUTION PROVISIONS –The uses of antidilution provisions in the financings were as follows:

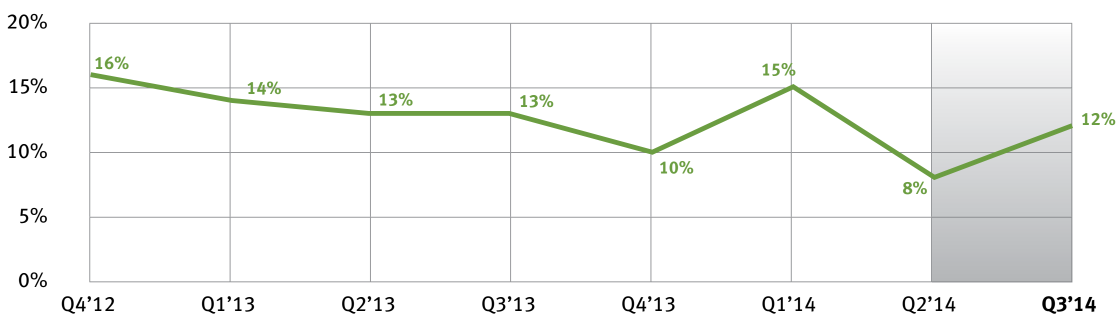


PAY-TO-PLAY PROVISIONS – The percentages of financings having pay-to-play provisions were as follows:

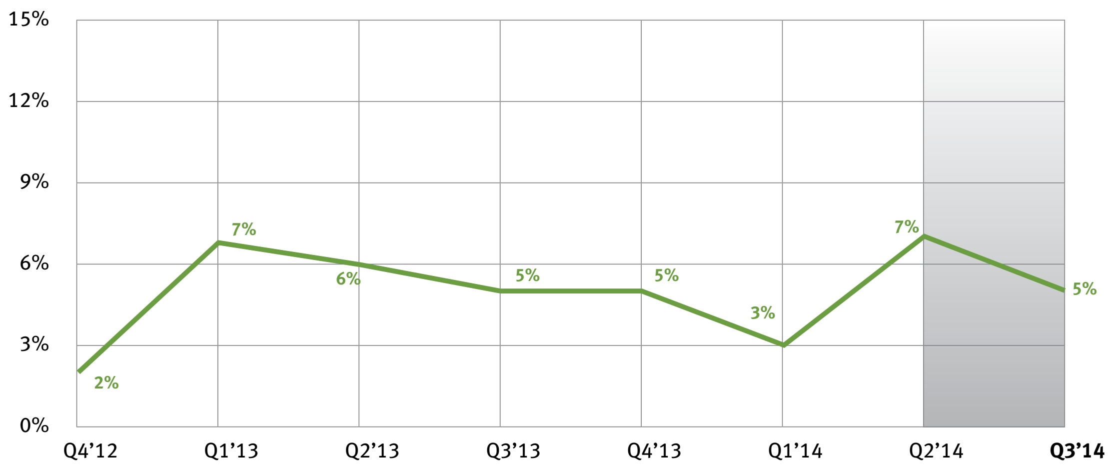


Note that anecdotal evidence indicates that companies are increasingly using contractual "pull up" provisions instead of charter based "pay to play" provisions. These two types of provisions have similar economic effect but are implemented differently. The above information includes some, but likely not all, pull up provisions, and accordingly may understate the use of these provisions.

REDEMPTION – The percentages of financings providing for mandatory redemption or redemption at the option of the investor were as follows:



CORPORATE REORGANIZATIONS – The percentages of post-Series A financings involving a corporate reorganization (i.e. reverse splits or conversion of shares into another series or classes of shares) were as follows:



Footnote

1 When comparing current period results to prior period results based on third party data (e.g., amounts invested by venture capitalists, amount of M&A proceeds, etc.), we use the prior period results initially published by the third party for the period, not the results that have been updated with additional information over time, to provide better comparability with the current period published results. For example, when comparing fourth quarter results to third quarter results, we use the initially published third quarter results, typically provided in October, not the updated results that are typically provided in January of the following year. Such situations are set forth in our report with a parenthetical as to the date the information was initially reported.

About our Survey

The Fenwick & West Venture Capital Survey was first published in the first quarter of 2002 and has been published every quarter since then. Its goal is to provide information to the global entrepreneurial and venture community on the terms of venture financings in Silicon Valley, as well as trends in the overall U.S. venture environment.

The survey is available to all, without charge, by signing up at www.fenwick.com/vcsurvey/sign-up. We are pleased to be a source of information to entrepreneurs, investors, educators, students, journalists and government officials.

The survey consists of two different information sources—(i) our own analysis of deals done in Silicon Valley, including information on both valuations and legal terms, and (ii) an analysis of third party data on overall trends in the U.S. venture environment.

Our analysis of Silicon Valley financings is based on independent data collection performed by our lawyers and paralegals, and is not skewed towards or overly representative of financings in which our firm is involved. We believe that this approach, compared to only reporting on deals handled by a specific firm, provides a more statistically valid and larger dataset.

We aim to publish our survey approximately six weeks after the end of each quarter, to allow time for the major third party sources of information on the nationwide venture environment to publish their results, so that we can analyze and report on the larger trends that might not be apparent in individual reports.

For purposes of determining whether a company is based in "Silicon Valley" we use the area code of the corporate headquarters. The area codes included are 650, 408, 415, 510, 925, 916, 707, 831 and 209. Although this is somewhat geographically broader than "Silicon Valley" we use this definition to comport with the definition used by Dow Jones in defining the San Francisco Bay Area.

- **Note on Methodology**

When interpreting the Barometer results please bear in mind that the results reflect the average price increase of companies raising money in a given quarter compared to their prior round of financing, which was in general 12 to 18 months prior. Given that venture capitalists (and their investors) generally look for at least a 20% IRR to justify the risk that they are taking, and that by definition we are not taking into account those companies that were unable to raise a new financing (and that likely resulted in a loss to investors), a Barometer increase in the 40% or so range should be considered average. Please also note that our calculations are not "dollar weighted," i.e. all venture rounds are treated equally, regardless of size.

We provide links to third party reports where possible, to provide our readers with more detailed information if desired. In this regard we would like to expressly thank the Venture Capital Journal, VentureWire and PeHUB for providing our readers access to links that would otherwise be behind their "paywall."

- **Disclaimer**

The preparation of the information contained herein involves assumptions, compilations and analysis, and there can be no assurance that the information provided herein is error-free. Neither Fenwick & West LLP nor any of its partners, associates, staff or agents shall have any liability for any information contained herein, including any errors or incompleteness. The contents of this report are not intended, and should not be considered, as legal advice or opinion. To the extent that any views on the venture environment or other matters are expressed in this survey, they are the views of the authors only, and not Fenwick & West LLP.

- **Contact/Sign Up Information**

For additional information about this report please contact Barry Kramer at 650-335-7278; bkramer@fenwick.com or Michael Patrick at 650-335-7273; mpatrick@fenwick.com at Fenwick & West.

To view the most recent survey please visit fenwick.com/vcsurvey. To be placed on an email list for future editions of this survey please visit fenwick.com/vcsurvey/sign-up.

FENWICK & WEST LLP