



IPEV Board Responds to NVCA and PEGCC endorsement of the IPEV Private Equity Valuation Guidelines

Brussels, 29 May 2013

The International Private Equity and Venture Capital Valuation Guidelines Board (IPEV) welcomes endorsements of the IPEV Valuation Guidelines from the U.S. National Venture Capital Association (NVCA) and the Private Equity Growth Capital Council (PEGCC). The NVCA and PEGCC join 40 other endorsing organizations around the world that represent both general partners (GPs) and limited partners (LPs); all of these groups support a consistent valuation framework that is compliant with relevant accounting standards for venture capital and private equity investment funds.

"The endorsement of the IPEV Valuation Guidelines by the NVCA and PEGCC further demonstrates the acceptance of common and consistent global valuation practices in the private equity and venture capital industry," said William J. Hupp, IPEV Board Vice Chairman and former Chief Financial Officer at Adams Street Partners. "LP investors need reliable and comparable estimates of value determined in compliance with applicable fair value accounting standards. Referencing the IPEV Valuation Guidelines by GPs in their fund raising and reporting communication to LPs helps assure an LP that they can use the reported valuations effectively in their investment process."

The IPEV Valuation Guidelines have been drafted to be consistent with US Generally Accepted Accounting Principles (US GAAP) and International Financial Reporting Standards (IFRS). The IPEV Valuation Guidelines include best practice valuation guidance developed by key stakeholders – including LPs, GPs, auditors, and valuation experts with deep industry experience.

"Fair Value estimates continue to face heightened scrutiny from auditors and regulators," said David Larsen, IPEV Board Member and managing director at financial advisory and investment banking firm Duff & Phelps. "The IPEV Valuation Guidelines help managers, investors, auditors and regulators understand and apply valuation judgments for the venture capital and private equity industry using the perspective of such market participants as is required by relevant accounting standards."

Notes to Editors:

The *IPEV Valuation Guidelines* exist to help the private equity industry address the need for greater consistency and comparability in assessing Fair Value for private equity and venture capital investments. The Guidelines also promote compliance with IFRS, US GAAP and other accounting principles.



Separate and distinct from the *IPEV Valuation Guidelines*, the *IPEV Investor Reporting Guidelines* address the need for information beyond requirements of financial statement reporting, taking into account the need for flexibility among various types of funds and fund managers.

About IPEV

Founded in 2005 as an independent professional body with a global perspective, IPEV provides high quality, uniform, globally acceptable, best practice guidance for Private Equity and Venture Capital Valuation and Reporting purposes. The IPEV Board monitors evolving market practices in the use of the IPEV Guidelines. It proposes amendments to the Guidelines following any relevant changes to accounting standards and market practices and formally reviews the Guidelines every three years. The Board has an advisory and educational role and gives guidance on the application of the Guidelines to all stakeholders in the private equity and venture capital industry including practitioners, investors, regulators and auditors.

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The private equity and venture capital associations supporting IPEV include:

AFIC - Association Française des Investisseurs pour la Croissance

AIFI - Italian Private Equity and Venture Capital Association

AMEXCAP - Mexican Private Equity Association

AMIC - Moroccan Venture Capital and Private Equity Association

APCRI - Portuguese Private Equity and Venture Capital Association

ASCRI - Spanish Private Equity and Venture Capital Association

ATIC - Tunisian Association of Capital Investors

AVCA - African Venture Capital Association



AVCAL - Australian Private Equity and Venture Capital Association

AVCO - Austrian Private Equity and Venture Capital Organization

BVA - Belgian Venture Capital & Private Equity Association

BVCA - British Private Equity and Venture Capital Association

BVK - German Private Equity and Venture Capital Association e.V.

CAPE - China Association of Private Equity

CVCA - Canada's Venture Capital and Private Equity Association

CVCA - China Venture Capital Association

CVCA - Czech Venture Capital and Private Equity Association

DVCA - The Danish Venture Capital and Private Equity Association

EMPEA - Emerging Markets Private Equity Association

EVCA - European Private Equity and Venture Capital Association

FVCA - Finnish Venture Capital Association

HKVCA - Hong Kong Venture Capital Association

HVCA - Hungarian Venture Capital and Private Equity Association

ILPA - Institutional Limited Partners Association

IVCA - Irish Venture Capital Association

LAVCA - Latin American Private Equity and Venture Capital Association

LPEq - Listed Private Equity

LVCA - Latvian Venture Capital Association

MENA Private Equity Association

NVCA - Norwegian Venture Capital & Private Equity Association

US NVCA - United States National Venture Capital Association

NVP - Nederlandse Vereniging van Participatiemaatschappijen (Dutch Private Equity and Venture Capital Association)

NZVCA - New Zealand Private Equity and Venture Capital Association

PEGCC - Private Equity Growth Capital Council

PSIK - Polish Private Equity and Venture Capital Association



Réseau Capital - Québec's Private Equity and Venture Capital Association

RVCA - Russian Private Equity and Venture Capital Association

SAVCA - South African Venture Capital and Private Equity Association

SECA - Swiss Private Equity and Corporate Finance Association

SLOVCA - Slovak Venture Capital Association

SVCA - Singapore Venture Capital and Private Equity Association

SVCA - Swedish Private Equity and Venture Capital Association