# How Does Industrial Policy Affect Venture Capital Performance? Evidence from China

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## Abstract

With the background of growing prominence of industrial policy around the world, we examine how industrial policy affects the exit performance of VCs that focus on the targeted industries in China. Applying a rigorous DiD (difference-in-differences) methodology to a large sample of 1,304 VCs in China, we find a robust, significant, and negative effect of the "Strategic Emerging Industry" policy in China implemented in 2010 on the performance of VCs focusing on the targeted industries. Such an effect is stronger for private VCs, domestic VCs, VCs headquartered in first-tier cities, and VCs headquartered in high-subsidy provinces. Robustness tests confirm our results. As the first study to examine the effect of industrial policy on the performance of VCs that focus on the targeted industries, our analysis contributes to the understanding of how government policies affect VC performance in general.



**JEL codes:** G24, L52

**Key words:** Industrial Policy, Venture Capital, Performance

## 1. Introduction

Recent years have witnessed a revival of industrial policy around the world. Industrial policy is defined by UNCTAD as a "concerted, focused, conscious effort on the part of government to encourage and promote a specific industry or sector with an array of policy tools" (Warwick, 2013). Examples of recent industrial policy include the "American Innovation Strategy" and "American Recovery and Reinvestment Act of 2009" in the U.S., the "Plan for Science and Technology Development" and the "Plan for National Strategic Emerging Industries" in China, the "Strategic Investment Fund" in France, the "Top Sector Initiative" in Netherlands, the "Innovation Investment Fund" in Australia, the "New Industrial Policy" in Japan and Korea, the "Industrial Strategy" in Turkey, and the "*Plano Brasil Maior*" in Brazil, etc. A central objective of the industry policy in many countries is to promote entrepreneurship, innovation and technological upgrading. Meanwhile, many venture capital investors aim at maximizing returns by investing in the most innovative firms with the greatest growth potential. Our research question is: when governments use industrial policy to promote the development of specific industries or sectors, would such a policy improve the performance of VCs that focus on the targeted industries?

To answer this question, we examine China's 12th Five-Year Plan. In October 2010, as an important component of China's 12$^{th}$ Five-Year Plan, the *Plan for National Strategic Emerging Industries* was published, identifying seven strategic emerging industries (SEIs) and 20 key projects, together with policy measures to facilitate the development of the relevant industries. These seven SEIs are: energy efficient and environmental technologies, next generation information technology (IT), biotechnology, high-end equipment manufacturing, new energy, new materials, and new-energy vehicles (NEVs). Under the Plan, the GDP share of the SEIs is targeted to rise by 8 percentage points by 2015 and by 15 percentage points by 2020. Using a difference-in-differences method, we find China's most recent industrial policy surprisingly decreased the exit performance of venture capital that focuses on the targeted industries in China.

To the best of our knowledge, our paper is the first to examine how industrial policy affects the performance of venture capital that focuses on the targeted industries. Our paper complements existing literature on how key tools of industrial policy affect firms in targeted industries. A strand of this literature examines the effects of government R&D subsidies on subsidized firms, while another strand of this literature examines how government-sponsored venture capital (GVC) affects the portfolio firms. Both strands of literature find mixed results. The first strand of literature finds mixed effects of government R&D subsidies on subsidized firms. For example, Guo, Guo and Jiang (2016) examine China's Innovation Fund for Small and Medium Technology-based Firms ("Innofund") established in 1999. They find that "Innofund" significantly increased the number of patents, sales from new products, and exports of subsidized firms. However, applying fuzzy regression discontinuity method to administrative data from "Innofund", Wang, Li and Furman (2017) find no evidence that Innofund grants cause higher corporate survival, patenting, or venture funding of subsidized firms. Wang, Li and Furman's (2017) results echo those from Guan and Yam (2015) who study major financial incentives provided by Beijing government to encourage innovation. Specifically, Guan and Yam (2015) find that all financial incentives of Beijing government were unrelated to the patents of either high tech or general firms, and Direct Earmarks even reduced the number of patents of these firms. One reason why government R&D subsidies may fail to promote innovation in subsidized firms is that such subsidies may crowd out private R&D investments. For example, Boeing (2016) finds that R&D subsidies provided by Chinese government crowded out business R&D

investments for Chinese publicly listed firms between 2001 and 2006. Similarly, Marino et al. (2016) find significant crowding out effect of public R&D subsidies on private R&D investments in France. On the other hand, recent evidence from U.S. Department of Energy's SBIR grant program (an R&D subsidy program) reveals an early stage award approximately doubles the probability that a firm receives subsequent venture capital and has large, positive impacts on patenting and revenue. These effects are stronger for more financially constrained firms (Howell, 2017). The effects of government R&D subsidies on the performance of subsidized firms are therefore mixed. In addition to providing R&D subsidies, many governments also directly sponsor government venture capital (GVC) to invest in companies. Another strand of the literature examines how GVCs affect portfolio firms, and finds mixed effects too. For example, Grilli and Murtinu (2014) find a negligible effect of GVCs on sales growth of European high-tech entrepreneurial firms, and Cumming, Grilli and Murtinu (2017) find GVC-backed firms have worse exit performance than private independent VC-backed firms in Europe. Zhang and Mayes (2016) find in China, portfolio companies backed by GVCs underperform those backed by PVC (private venture capital) in going public. They find portfolio companies backed by GVCs in China have a 27-percentage-point lower probability of getting listed on the stock market compared with those backed by PVCs. On the other hand, Colombo, Cumming and Vismara (2016) document the success of Australian Innovation Investment Fund, a prominent GVC. Brander, Du and Hellmann (2015) analyze international data and find a positive association between mixed GVC/PVC funding and successful exits, as measured by initial public offerings (IPOs) and acquisitions. Their research analyzes data from a large sample and confirms Lerner's (2009) policy recommendation for public-private partnerships.

While existing literature documents mixed effects of key tools of industrial policy on firms in targeted industries, no research has examined how industrial policy affects the performance of venture capital that focuses on the targeted industries. Given the rising importance of industrial policy around the world, this research question will be increasingly interesting and important to venture capital investors. If industrial policy indeed improves the performance of venture capital that focuses on the targeted industries, then more venture capital may follow industrial policy which may in turn make industrial policy more effective. Therefore, policy makers may be interested in this research question as well.

This paper also contributes to a broader literature on how government policies affect asset prices. For example, Croce, Kung, Nguyen, and Schmid (2012) show that fiscal policies have first-order effects on asset prices through corporate taxation. Gomes, Michaelides, and Polkovnichenko (2013) reveal that fiscal policies significantly affect the riskless rate and equity premium. Thorbecke (1997) discover that expansionary monetary policy increases stock returns. Bernanke and Kuttner (2005) find that, on average, a hypothetical unanticipated 25-basis-point cut in the Federal funds rate target is associated with about a 1% increase in broad stock indexes. Researchers also find that government policies have heterogeneous effects on different firms. For example, Belo, Gala, and Li (2013) find that in the U.S., during Democratic presidencies, firms with high government exposure experience higher cash flows and stock returns, while the opposite pattern holds true during Republican presidencies. Such results motivate us to analyze the effects of the industrial policy on different firms.

The remainder of this paper proceeds as follows. Section 2 develops the hypotheses, section 3 presents the empirical specification and data, section 4 discusses the results, and section 5 concludes.

## 2. Hypothesis Development

China's recent industrial policy aims at accelerating the development of strategic emerging industries. To achieve this goal, in October 2010, the State Council, the highest administrative body of China, officially announced: [1] The government shall establish a policy framework and regulatory system to promote the development of entrepreneurial finance and equity investments; [2] The government shall invest more in startup companies from emerging industries. The government shall utilize market mechanisms to encourage and guide private capital to invest in innovative firms in strategic emerging industries, especially early-stage or middle-stage firms. The specific policies include: fiscal and financial support, human capital development, and public services support. In terms of fiscal and financial support, the government provides subsidies and tax credits and guide banks to extend more loans to firms in targeted industries; the government also actively promotes the development of ChiNext, a NASDAQ-style board of the Shenzhen Stock Exchange that started trading in 2009 (Beladi, Chao, and Hu, forthcoming); the government also directs public funds and encourages private funds to invest in strategic emerging industries. In terms of human capital development, the government implements favorable policies to attract talents to join firms in strategic emerging industries. In terms of public services, the government streamlines public services for startup companies. Given China's industrial policy that favors emerging strategic industries since 2010, we would expect venture capital that focuses on these industries to benefit from such a policy and enjoy a better performance after 2010, compared with venture capital that does not focus on these industries. This leads us to Hypothesis 1a:

*Hypothesis 1a: Industrial policy that favors specific industries improves the exit performance of venture capital that focuses on those industries.*

On the other hand, China's industrial policy may lead to a flood of venture capital into emerging strategic industries, causing an oversupply of funds in the short run compared with available innovative firms that demand funds. This "money chasing deals" phenomenon (Gompers and Lerner, 2000) may increase venture capital return rate *if* the VC successfully exits from the investments. However, when the supply of VC funds increases faster than the number of available innovative firms that demand funds, the rate of successful exit will be lower. This leads us to Hypothesis 1b:

*Hypothesis 1b: Industrial policy that favors specific industries worsens the exit performance of venture capital that focuses on those industries.*

Next, we will further differentiate venture capital by various criteria because we expect industrial policy to have different impacts on various types of venture capital. Cao, Humphery-Jenner and Suchard (2013) and the research we discuss in the Introduction section show that Government-sponsored venture capital (GVCs) behave differently from Private Venture Capital (PVCs). On one hand, industrial policy may affect GVCs more than PVCs because GVCs may follow the government's guidance more closely and quickly increase their investments in targeted industries, resulting in a greater change in their exit performance. On the other hand, GVCs may suffer from bureaucratic inefficiency (Brander, Du and Hellmann, 2015) and a lack of business experience and proper managerial incentive structures (Leleux and Surlemont, 2003), while PVCs may enjoy greater efficiency in decision-making, more business acumen and better-developed managerial incentive structures. As a result, PVCs may more quickly increase their investments in targeted industries, leading to a greater change in their exit performance. Therefore, industrial policy may affect PVCs more than GVCs. This analysis leads us to the following hypotheses:

*Hypothesis 2a: Industrial policy that favors specific industries affects the performance of GVCs more than PVCs.*

*Hypothesis 2b: Industrial policy that favors specific industries affects the performance of PVCs more than GVCs.*

Humphery-Jenner and Suchard (2013) argue that the distance between foreign VCs and their portfolio companies in China may create information disadvantages for foreign VCs (Lutz et al., 2013), especially considering the importance of social connections in the Chinese financial markets (Batjargal and Liu, 2004; Allen, Qian and Qian, 2005). A lack of strong social connections between foreign VCs and Chinese security market regulators such as CSRC (China Securities Regulatory Commission) may also put foreign VCs at a disadvantage regarding the exits of VC investments, such as through IPOs and M&As, because these exits usually require state approvals by security market regulators in China. In contrast, most executive managers of domestic venture capital in China are former government officials or state-owned enterprise (SOE) managers (Guo and Jiang, 2013). These executive managers are expected to enjoy better access to information about government policies, as well as more social connections with the government, compared with their counterparts in foreign venture capital. Due to these reasons, compared with domestic VCs, foreign VCs may be less able to react quickly to China's industrial policy and take full advantage of the favorable policies for particular sectors. Therefore, foreign VCs may be less affected by China's industrial policy than domestic VCs. This analysis leads us to the following hypothesis:

*Hypothesis 3: Industrial policy that favors specific industries affects the performance of domestic VCs more than foreign VCs.*

Venture capital headquartered in different cities may respond to industrial policy with different degrees of efficiency. Venture capital headquartered in first-tier cities, Beijing, Shanghai, Guangzhou and Shenzhen, is expected to respond to industrial policy more efficiently due to their greater access to information, technology and talents, etc. This analysis leads us to the following hypothesis:

*Hypothesis 4: Industrial policy that favors specific industries affects the performance of VC headquartered in first-tier cities more than other VC.*

## 3. Empirical Specification and Data

### 3.1. Empirical specification

To evaluate the causal impact of industrial policy on VC exit performance, we use difference-in-differences method to examine the natural experiment of China's industrial policy related to its "strategic emerging industries". Specifically, we classify VCs into those that focus on the targeted industries of industrial policy and those that do not. We define the former as those with at least 40% of invested projects in the "strategic emerging industries", and the latter otherwise[1]. Specifically, the empirical specification is as follows:

$$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2010}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t} \qquad (1)$$

Where $Exit\_Performance_{i,t}$ is VC *i*'s exit performance in year *t*, $SEI_i$ is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries" between 2006 and 2009, and 0 otherwise, $POST2010_t$ is a dummy variable that equals one if year *t* is later than 2010, and 0 otherwise, and "*Z*" is a vector of control variables. The specification also includes VC fixed

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[1]In robustness check, we experiment with 30% and 50% as the cutoff value for the proportion, respectively.

effects and year fixed effects. In this regression equation, $\beta_1$ captures the causal impact of industrial policy on exit performance. This methodology is similar to the one used in Moser and Voena (2012).

### 3.2. Data

We examine over 10,000 portfolio companies invested by 1,304 VC companies in China between 2006 and 2013. This sample size is much larger than the sample sizes in leading papers on VC investments in China, such as Humphery-Jenner and Suchard (2013) and Jia and Wang (2017). The data source is China Venture's CVSource Database, which has been used in papers in leading journals such as Gu and Lu (2014). We also use some variables from CSMAR database and WIND database. When we compute the market to book ratio for high-tech industries, we use the industrial classification from National Bureau of Statistics of China.

Following Hochberg, Ljungqvist, and Lu (2007), Humphery-Jenner and Suchard (2013), Cumming, Grilli and Murtinu (2017), and Jia and Wang (2017), we focus on the exit performance of VC investments. We examine the exit performance between 2006 and 2016, where "exit" is defined as either IPO or M&A. Exit performance refers to the proportion of successfully exits in the next three years among all portfolio investments made in current year by the VC. We classify a VC as one that focuses on "strategic emerging industries" if it invested over 40% of its invested projects in the "strategic emerging industries" between 2006 and 2009. The reason that we pick 40% as the cutoff value is because the median value of this proportion is 40%. In robustness check, we also experiment with 30% or 50% as the cutoff value. When we test hypotheses 2 and 3, we include the following ownership variables: *GVC*, a dummy variable that equals one if the VC is owned exclusively by the state, and 0 otherwise; *GPVC*, a dummy variable that equals one if the VC is majority-owned by the state, and 0 otherwise; *PVC*, a dummy variable that equals one if the VC is privately owned, and 0 otherwise; *Foreign*, a dummy variable that equals one if the VC is exclusively owned by foreign owners, and 0 otherwise; *Joint*, a dummy variable that equals one if VC is a joint venture between a domestic VC and a foreign VC, and 0 otherwise. When we test hypothesis 4, we include *VC location*, a dummy variable that equals one if the VC is headquartered in first-tier cities (Beijing, Shanghai, Guangzhou and Shenzhen), and 0 otherwise. Following Nahata (2008), we include VC reputation, experience, and connectedness as control variables. We measure VC *reputation* by the number of IPOs and M&As backed by the VC in the three years prior to the year. We measure VC *experience* by cumulative aggregate investment by the VC in the three years prior to the year. We measure VC *connectedness* and *syndication size* by the number of unique VCs that the VC has syndicated with in the previous three years, and by the number of unique VCs that the VC syndicates with in the current year respectively. In addition, we also include the following control variables: [1] a dummy variable *CVC* that equals one if the venture capital is a corporate venture capital; and [2] a dummy variable *executive industry experience* that equals one if a founder or a partner or a large shareholder of the VC has previously served as the CEO or CFO or large investor in a strategic emerging industry.

Table 1 reports the summary statistics of the variables. Only about 5% of VC investments successfully exit. About 55% of VC investments are made by VCs headquartered in first-tier cities (Beijing, Shanghai, Guangzhou and Shenzhen).

## 4. Results

Before we run our difference-in-differences regressions, we need to make sure that the “parallel trend assumption” is satisfied. Figure 1 illustrates that before 2010 (the year when the industrial policy was implemented), venture capital that invested intensively in emerging strategic industries shared a similar trend in exit rate performance with venture capital that did not invest intensively in these industries. Their trends sharply diverged after 2010. To further confirm the conclusion from graphic analysis, we run the following regression:

$$\text{Exit\_Performance}_{i,t} = \beta_0 + \sum_{t=2007}^{2009} \beta_t * \text{Year dummy}_t * \text{SEI}_i + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t} \quad (2)$$

where we include Year dummies for $t$ = 2007,2008 and 2009, respectively. We use 2006 as the base year and focus on the data from pre-policy years. Our regression results in Table 2 confirm that the "parallel trend" assumption holds because none of the three coefficients of the interaction terms is significant, even though our control variables are mostly significant.

Next, we run difference-in-differences regressions as specified in equation (1). Our regression results in Table 3 support Hypothesis1b, i.e., industrial policy that favors specific industries worsens the exit performance of venture capital that focuses on those industries. Column (1) does not include control variables $Z_{i,t}$. The coefficient of the interaction term indicates that the industrial policy reduced the exit performance of VCs that focus on the targeted industries by about 2 percentage points. This effect is not only statistically significant at the 5% level, but also economically significant—since the average exit rate is only about 5 percentage points, the industrial policy reduced the exit rate of VCs that focus on the targeted industries by about 40%. In columns (2) to (6), we add control variables to the regressions, and the results reveal that the industrial policy significantly reduced the exit performance of VCs that focus on the targeted industries. For the control variables, the number of VCs that the VC syndicates with is significantly and positively associated with the exit rate. The average amount of investments in a portfolio firm is also significantly and positively associated with the exit rate. The number of successful exits by the same VC ("Reputation") is negatively and significantly associated with the VC's exit performance. This result differs from that in Nahata (2008) partly because we control for VC fixed effects and year fixed effects for a sample of Chinese firms while Nahata (2008) controls for industry fixed effects and year fixed effects for a sample of U.S. firms. Our results thus appear to reveal a "reversal" instead of "momentum" of VC performance in China[2].

To test the robustness of the results, we then use the Propensity-Score-Matching-Difference-in-Differences (PSM-DID) method (Smith and Todd, 2005). Specifically, we use kernel matching, where VCs are matched by *First-tier City, Executive Industry Experience, Connnectedness, GVC, GPVC, Foreign, Joint, CVC, Syndication_Size* and *MB_ratio*. The results in Table 4 show that the industrial policy reduced the exit performance of VCs that focus on the targeted industries by about 2 percentage points. Table 5 shows that the differences between the control variables in the treatment group and the matched control group are not statistically significant, confirming the validity of our PSM-DID method.

To examine the effects of industrial policy on GVCs versus PVCs, we run regression (1) for the subsamples of GVCs and PVCs, respectively. The results in Table 6 show that the industrial policy significantly affects PVCs but insignificantly affects GVCs, supporting hypothesis 2b.

To examine the effects of industrial policy on domestic VCs versus foreign VCs, we run regression (1) for the subsamples of domestic VCs and foreign VCs, respectively. The results in Table 7 show that industrial policy has negative and significant effects on the exit performance of investments made by domestic VCs, but no significant effects on the exit performance of investments made by foreign VCs. These results support hypothesis 3.

To examine the effects of industrial policy on VCs headquartered in first-tier cities versus other cities, we run regression (1) for the subsamples of VCs headquartered in first-tier cities and

[2] Braun, Jenkinson, and Stoff (2017) find the persistence of venture capital performance in the U.S. also substantially declined as the market became more competitive.

other cities, respectively. The results in Table 8 show that industrial policy has negative and significant effects on the exit performance of investments made by VCs headquartered in first-tier cities, but no significant effects on the exit performance of investments made by other VCs. These results support hypothesis 4.

As a robustness check, we split our sample into two subsamples: VCs headquartered in provinces with higher-than-median government subsidies, and those headquartered elsewhere. The results in Table 9 show that industrial policy has negative and significant effects on the exit performance of investments made by VCs headquartered in provinces with higher-than-median government subsidies, but no significant effects on the exit performance of investments made by other VCs. These results lend further support to Hypothesis 1b, i.e., industrial policy that favors specific industries worsens the exit performance of venture capital that focuses on those industries.

To further confirm the validity of our difference-in-differences methodology, we conduct placebo tests, where we assume the year when the emerging strategic industrial policy was implemented in 2007, 2008 and 2009 (instead of the actual implementation year of 2010), and rerun regression (1). Table 10 shows that none of the placebo effects are significant, supporting the validity of our difference-in-differences methodology. It also shows the negative and significant effects after 2011 and 2012, but not 2013. We believe this is because the effects of the industrial policy exerted significant effects on the exit performance of VCs between 2010 and 2012, and such effects may grow weaker over time.

For robustness check, we reclassify VCs that focus on the targeted industries as VCs with the majority (i.e., at least 50%) of their investments in the "strategic emerging industries." We also experiment with 30% as the cutoff value (in previous analysis, we use 40% as the cutoff value). Table 11 shows persistent negative and significant effects of the industrial policy on the exit rate of VCs focusing on the targeted industries, when we experiment with 50% and 30% as the cutoff values.

As another robustness check, we winsorize all variables at the 1% and 99% levels and rerun regression (1). Table 12 reports negative and significant effects of the industrial policy on the exit rate of VCs focusing on the targeted industries, supporting hypothesis 1b.

## 5. Conclusions

With the background of growing prominence of industrial policy around the world, we examine the effects of industrial policy on the exit performance of VCs that focus on the targeted industries in China. China is an ideal context where we examine this research topic because "the impetus for the development of the Chinese venture capital industry was government policy" (Ahlstrom, Bruton and Yeh, 2007, p.250). Our rigorous DiD (difference-in-differences) analysis reveals a robust, significant, and negative effect of the "Strategic Emerging Industry" policy implemented in 2010 on the performance of VCs focusing on the targeted industries. Our results confirm Ahlstrom, Bruton and Yeh's (2007) conjecture that "the involvement of the government has the ability to distort the market and have unintended negative consequences for venture capital firms and entrepreneurs" (p.264). We believe our analysis of the short-run effects of industrial policy on VC performance is important and interesting, even though only 7 full years have passed since China's initial implementation of the industrial policy related to "Strategic Emerging Industries" in 2010. A similar study on the short-run effect of government policy on VC investment is conducted by Cumming (2007), who examines the effect of Australia's Innovation Investment Fund (IIF) governmental program introduced in 1997 on VC exit performance up to 2015. He concludes that the exit performance of IIFs to date has not been statistically different than that of other private funds. To the best of our knowledge, we are the first to examine the effect of industrial policy on the performance of VCs that focus on the industries targeted by the industrial policy. Our analysis contributes to the understanding of how government policies affect VC performance in general. Our paper also complements current research on the effects of policy uncertainty on VC performance (Tian and Ye, 2017). Our evidence from China, the world's second largest economy, with the world's second largest VC market[3], sheds new light on the impact of government policies on venture capital performance.

[3]The size of China's VC market was US$92.6 billion in 2011, according to Cao, Humphrey-Jenner and Suchard (2013).

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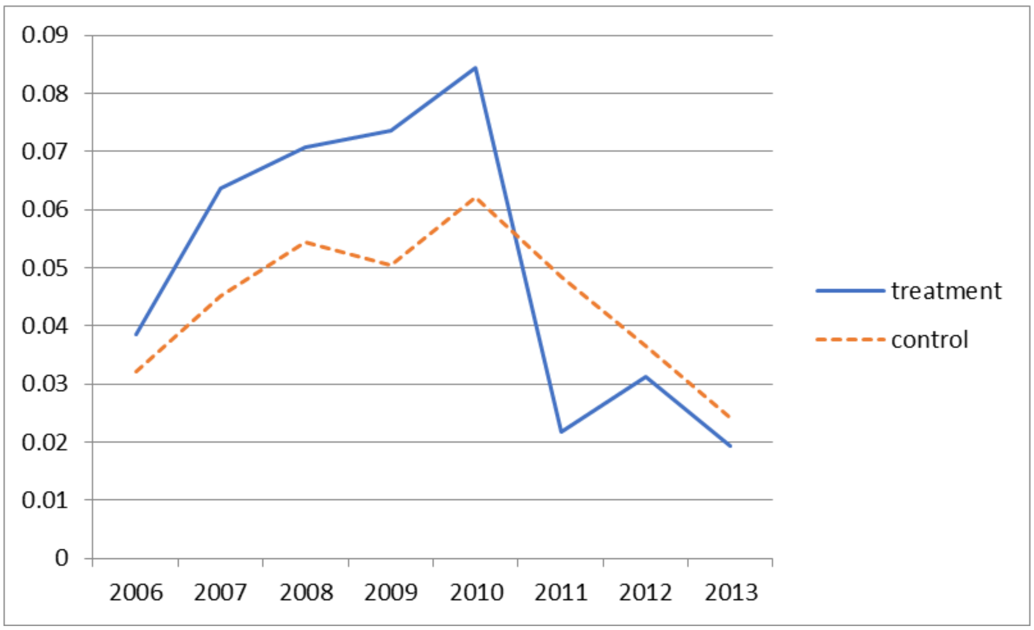


**Figure 1.** Common Trends before the Implementation of the Industrial Policy

This figure shows a parallel trend in the VC exit rate between the treatment group and control group prior to 2010, but the parallel trend discontinued after 2010. Graphically, the parallel trend assumption of our DiD (Difference-in-Difference) analysis is satisfied.

**Table 1. Variable Definitions and Summary Statistics**

This table reports the definitions of the variables and their summary statistics.

**Panel A. Variable Definitions**

| Variable Name | Definition |
|---|---|
| Exit_rate | The number of successful exits (IPOs and M&As) in the next three years divided by the total number of projects invested by VC *i* in the year. |
| SEI | A dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. |
| POST2010 | A dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. |
| First-tier City | Dummy=1 if the VC *i* is headquartered in Beijing, Shanghai, Guangzhou or Shenzhen and 0 otherwise |
| GVC | Dummy=1 if VC *i* is100% government-owned, and 0 otherwise |
| PVC | Dummy=1 if VC *i* is 100% privately-owned, and 0 otherwise |
| GPVC | Dummy=1 if VC *i* is majority-owned by the government, and 0 otherwise |
| Foreign | Dummy=1 if VC *i* is headquartered in a foreign country and 0 otherwise |
| CVC | Dummy=1 if VC *i* is a Corporate Venture Capital (CVC), and 0 otherwise |
| Reputation | The number of IPOs and M&As backed by VC *i* in the three years prior to the year |
| Experience | Cumulative aggregate investment (in million USD) by VC *i* in the three years prior to the year |
| Connectedness | The number of unique VCs that VC *i* syndicates within the three years prior to the year |
| Syndicate_size | The number of VCs that VC *i* syndicates with in the year |
| Avg_Inv_Amt | Total investment amount by VC *i* /The number of investment projects by VC *i* |
| MB_Ratio | Median Market-to-Book Ratio of Publicly-Listed Firms in the high tech industry |
| Executive_Industry _Experience | Dummy=1 if the partner/founder/large shareholder of VC *i* has served as the CEO/CFO/Chairman/large shareholder of a firm in a "strategic emerging industry", and 0 otherwise |

**Panel B. Summary Statistics**

| Variable | Mean | Standard Deviation | Q1 | Median | Q3 | Observations |
|---|---|---|---|---|---|---|
| Exit_rate (%) | 4.555 | 18.100 | 0 | 0 | 0 | 10432 |
| First-tier City | 0.547 | 0.498 | 0 | 1 | 1 | 10432 |
| Reputation | 0.413 | 1.603 | 0 | 0 | 0 | 10432 |
| GVC | 0.064 | 0.244 | 0 | 0 | 0 | 10432 |
| PVC | 0.666 | 0.472 | 0 | 1 | 1 | 10432 |
| GPVC | 0.071 | 0.256 | 0 | 0 | 0 | 10432 |
| Foreign | 0.130 | 0.336 | 0 | 0 | 0 | 10432 |
| CVC | 0.087 | 0.281 | 0 | 0 | 0 | 10432 |
| Experience (million USD) | 21.651 | 185.100 | 0 | 0 | 3.380 | 10430 |
| Connectedness | 2.560 | 8.763 | 0 | 0 | 1 | 10432 |
| Syndicate_size | 1.016 | 3.630 | 0 | 0 | 0 | 10432 |
| Avg_Inv_Amt | 1.985 | 13.760 | 0 | 0 | 0.502 | 10401 |
| MB_ratio | 2.136 | 0.772 | 1.500 | 1.868 | 2.878 | 10432 |
| Executive_Industry_Experience | 0.386 | 0.487 | 0 | 0 | 1 | 10432 |

**Table 2. Common Trend Test Before the Implementation of the Industrial Policy (2006-2009)**

This table reports the results of regressions:

$\text{Exit\_Performance}_{i,t} = \beta_0 + \sum_{t=2007}^{2009} \beta_t * \text{Year dummy}_t * \text{SEI}_i + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ . *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | (1) | (2) | (3) | (4) |
|---|---|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate |
| Year dummy2007*SEI | 1.218 | 1.449 | 1.483 | 1.501 |
| | (1.690) | (1.656) | (1.666) | (1.653) |
| Year dummy2008*SEI | 0.995 | 1.514 | 1.360 | 1.468 |
| | (1.876) | (1.826) | (1.857) | (1.827) |
| Year dummy2009*SEI | 1.670 | 2.166 | 1.807 | 2.109 |
| | (1.796) | (1.744) | (1.778) | (1.741) |
| reputation | | -5.609*** | | -5.150*** |
| | | (0.806) | | (0.800) |
| experience | | | | -1.630** |
| | | | | (0.724) |
| connectedness | | | -0.356** | -0.0489 |
| | | | (0.139) | (0.147) |
| syndicate_size | | 1.111*** | 1.000*** | 1.158*** |
| | | (0.228) | (0.249) | (0.238) |
| Avg_Inv_Amt | | 0.126* | 0.126** | 0.119* |
| | | (0.0653) | (0.0600) | (0.0615) |
| Constant | 3.357*** | 3.317*** | 2.808*** | 3.646*** |
| | (0.393) | (0.435) | (0.438) | (0.482) |
| | | | | |
| Year fixed effects | yes | yes | Yes | Yes |
| VC fixed effects | yes | yes | Yes | Yes |
| Observations | 5,216 | 5,213 | 5,213 | 5,211 |
| Adjusted R-squared | 0.004 | 0.038 | 0.024 | 0.042 |
| Number of VCs | 1,304 | 1,304 | 1,304 | 1,304 |

**Table 3. Difference-in-Differences Regression Results**

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$

, where SEI is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise.*POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -1.975** | -1.815** | -1.783** | -1.808** | -2.009** | -1.816** |
| | (0.946) | (0.900) | (0.899) | (0.899) | (0.938) | (0.904) |
| Reputation | | -2.303*** | -2.296*** | -2.235*** | | -2.183*** |
| | | (0.325) | (0.323) | (0.343) | | (0.336) |
| Connectedness | | | | -0.0280 | -0.159*** | 0.0197 |
| | | | | (0.0482) | (0.0493) | (0.0484) |
| Syndicate_size | | 0.647*** | 0.645*** | 0.648*** | 0.630*** | 0.666*** |
| | | (0.122) | (0.123) | (0.123) | (0.131) | (0.123) |
| Avg_Inv_Amt | | | 0.0495** | 0.0501** | 0.0522** | 0.0492** |
| | | | (0.0228) | (0.0229) | (0.0220) | (0.0222) |
| Experience | | | | | -1.061*** | -0.919*** |
| | | | | | (0.253) | (0.248) |
| Constant | 3.357*** | 3.286*** | 3.232*** | 3.235*** | 3.258*** | 3.412*** |
| | (0.404) | (0.407) | (0.408) | (0.408) | (0.425) | (0.417) |
| Year fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| VC fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 10,432 | 10,432 | 10,401 | 10,401 | 10,399 | 10,399 |
| Adjusted R-squared | 0.007 | 0.030 | 0.032 | 0.032 | 0.021 | 0.034 |
| Number of VCs | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 |

**Table 4. Propensity-Score-Matching-Difference-in-Differences Analysis Results**

This table reports the difference-in-differences (DID) analysis results for the propensity-score-matched (PSM) sample. We use kernel matching to construct the PSM sample. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | Control Group Before Policy | Treatment Group Before Policy | Difference | Control Group After Policy | Treatment Group After Policy | Difference | Difference-in-Differences |
|---|---|---|---|---|---|---|---|
| Exit_Rate | 4.629 | 6.161 | 1.533 | 4.317 | 3.912 | -0.405 | -1.938 |
| P-value | | | 0.003*** | | | | 0.008*** |

**Table 5. T-test Results for the Differences Between Treatment Group and Kernel-matched Control Group**

This table reports the difference-in-differences (DID) analysis results for the propensity-score-matched (PSM) sample. We use kernel matching to construct the PSM sample. All variable definitions are available in Panel A of Table 1. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| Variable | Control Group Mean | Treatment Group Mean | Difference | P-value |
|---|---|---|---|---|
| Exit_Rate | 4.628 | 6.161 | 1.533 | 0.006*** |
| First-tier City | 0.541 | 0.541 | 0.000 | 0.996 |
| Executive_Industry_Experience | 0.398 | 0.389 | -0.009 | 0.488 |
| Connectedness | 1.345 | 1.348 | 0.003 | 0.984 |
| GVC | 0.073 | 0.074 | 0.002 | 0.831 |
| GPVC | 0.105 | 0.106 | 0.001 | 0.890 |
| Foreign | 0.145 | 0.148 | 0.003 | 0.748 |
| Joint | 0.077 | 0.078 | 0.000 | 0.950 |
| CVC | 0.094 | 0.085 | -0.009 | 0.232 |
| Syndicate_size | 0.812 | 0.811 | -0.001 | 0.989 |
| MB_ratio | 2.043 | 2.044 | 0.001 | 0.970 |

**Table 6. Subsample analysis: GVCs versus PVCs**

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$

for government-sponsored venture capital (GVC) and private venture capital (PVC), respectively. *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | GVCs | PVCs |
|---|---|---|
| | Exit_rate | Exit_rate |
| SEI*Post2010 | -2.753 | -1.762* |
| | (2.388) | (0.979) |
| Reputation | -2.921*** | -2.109*** |
| | (0.835) | (0.363) |
| Experience | -0.841 | -0.904*** |
| | (0.621) | (0.268) |
| Connectedness | 0.164 | 0.00345 |
| | (0.165) | (0.0515) |
| Syndicate_size | 0.691 | 0.669*** |
| | (0.422) | (0.127) |
| Avg_Inv_Amt | 0.166* | 0.0266** |
| | (0.0929) | (0.0121) |
| Constant | 3.580*** | 3.405*** |
| | (1.168) | (0.448) |
| Year fixed effects | Yes | Yes |
| VC fixed effects | Yes | Yes |
| Observations | 1,398 | 9,001 |
| Adjusted R-squared | 0.053 | 0.033 |
| Number of VCs | 175 | 1,129 |

**Table 7. Subsample analysis: Domestic VCs versus Foreign VCs**

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$

for domestic VCs and foreign VCs, respectively. *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | Subsample: Domestic VCs | Subsample: Foreign VCs |
|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -1.672* | -1.563 |
| | (0.982) | (2.121) |
| Reputation | -2.470*** | -1.744*** |
| | (0.545) | (0.335) |
| Experience | -1.239*** | -0.192 |
| | (0.315) | (0.394) |
| Connectedness | 0.00505 | 0.0452 |
| | (0.0957) | (0.0540) |
| Syndicate_size | 0.953*** | 0.385*** |
| | (0.213) | (0.136) |
| Avg_Inv_Amt | 0.147** | 0.0157* |
| | (0.0595) | (0.00881) |
| Constant | 2.096*** | 8.484*** |
| | (0.396) | (1.340) |
| Year fixed effects | Yes | Yes |
| VC fixed effects | Yes | Yes |
| Observations | 8,316 | 2,083 |
| Adjusted R-squared | 0.040 | 0.041 |
| Number of VCs | 1,042 | 262 |

## Table 8. Subsample Analysis: VCs Headquartered in First-tier Cities versus Other VCs

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$

for VCs headquartered in first-tier cities and VCs headquartered in other cities, respectively. *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | First-tier Cities | Others |
|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -2.771** | -0.823 |
| | (1.303) | (1.227) |
| Reputation | -2.000*** | -2.770*** |
| | (0.399) | (0.497) |
| Experience | -0.889** | -0.897*** |
| | (0.356) | (0.337) |
| Connectedness | 0.0375 | -0.0220 |
| | (0.0630) | (0.0697) |
| syndicate_size | 0.450*** | 1.053*** |
| | (0.137) | (0.213) |
| Avg_Inv_Amt | 0.0177 | 0.0651* |
| | (0.0181) | (0.0364) |
| Constant | 3.609*** | 3.117*** |
| | (0.566) | (0.602) |
| Year fixed effects | yes | yes |
| VC fixed effects | yes | yes |
| Observations | 5,687 | 4,712 |
| Adjusted R-squared | 0.032 | 0.043 |
| Number of VCs | 713 | 591 |

## Table 9. Subsample Analysis: VCs in High-Subsidy Provinces versus Low-Subsidy Provinces

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$

for VCs headquartered in high-subsidy provinces and VCs headquartered in low-subsidy provinces, respectively. *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | Based on Subsidies in 2007-2009 | | Based on Subsidies in 2010-2012 | |
|---|---|---|---|---|
| | High Subsidy | Low Subsidy | High Subsidy | Low Subsidy |
| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -1.841* | -1.805 | -3.091** | -1.015 |
| | (1.023) | (1.846) | (1.570) | (1.096) |
| Reputation | -2.165*** | -2.505*** | -1.655*** | -3.030*** |
| | (0.380) | (0.549) | (0.394) | (0.409) |
| Experience | -1.025*** | -0.559 | -0.933** | -0.863*** |
| | (0.299) | (0.421) | (0.454) | (0.297) |
| Connectedness | 0.0381 | -0.0307 | -0.0183 | 0.0367 |
| | (0.0570) | (0.0825) | (0.0769) | (0.0614) |
| syndicate_size | 0.637*** | 0.730*** | 0.505*** | 0.784*** |
| | (0.144) | (0.223) | (0.178) | (0.162) |
| Avg_Inv_Amt | 0.0506 | 0.0454 | 0.0285 | 0.0527** |
| | (0.0338) | (0.0308) | (0.0304) | (0.0267) |
| Constant | 2.881*** | 5.807*** | 3.664*** | 3.294*** |
| | (0.439) | (1.132) | (0.683) | (0.518) |
| Year fixed effects | yes | yes | yes | Yes |
| VC fixed effects | yes | yes | yes | Yes |
| Observations | 8,531 | 1,868 | 3,979 | 6,420 |
| Adjusted R-squared | 0.033 | 0.044 | 0.034 | 0.037 |
| Number of VCs | 1,070 | 234 | 499 | 805 |

## Table 10. Placebo Test Results

This table reports the results of regressions:

$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2007}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ ,$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2008}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ ,$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2009}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$, $\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2011}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ ,$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2012}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ , ,$\text{Exit\_Performance}_{i,t} = \beta_0 + \beta_1 * \text{SEI}_i * \text{Post2013}_t + \gamma * Z_{i,t} + \delta_t + \theta_i + \varepsilon_{i,t}$ ,

where *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. *POST2007-POST2013* are dummy variables that equal one if the year *t* is later than 2007 (2008…2013), and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate |
|---|---|---|---|---|---|---|
| SEI*Post2007 | 0.285 | | | | | |
| | (1.142) | | | | | |
| SEI*Post2008 | | -0.616 | | | | |
| | | (1.037) | | | | |
| SEI*Post2009 | | | -1.037 | | | |
| | | | (0.942) | | | |
| SEI*Post2011 | | | | -2.861*** | | |
| | | | | (0.875) | | |
| SEI*Post2012 | | | | | -1.701** | |
| | | | | | (0.848) | |
| SEI*Post2013 | | | | | | -1.518 |
| | | | | | | (0.975) |
| Constant | 3.411*** | 3.411*** | 3.411*** | 3.415*** | 3.413*** | 3.412*** |
| | (0.417) | (0.418) | (0.417) | (0.417) | (0.417) | (0.417) |
| Year fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| VC fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| Control variables | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 10,399 | 10,399 | 10,399 | 10,399 | 10,399 | 10,399 |
| Adjusted R-squared | 0.033 | 0.033 | 0.033 | 0.034 | 0.033 | 0.033 |
| Number of VCs | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 |

**Table 11: Robustness Check: Changing the Cutoff Value in the Definition of VCs that Focus on Targeted Industries**

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i.t.}$, where *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. We classify a VC as one that focuses on "strategic emerging industries" if it invested over 40% of its projects in the "strategic emerging industries" between 2006 and 2009. The reason that we pick 40% as the cutoff value is because the median value of this proportion is 40%. In robustness check here, we experiment with 0%, 30% and 50% as the cutoff values. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| Cutoff Value | 0% | 50% | 30% |
|---|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -1.046 | | |
| | (0.758) | | |
| SEI*Post2010 | | -1.742* | |
| | | (0.920) | |
| SEI*Post2010 | | | -1.903** |
| | | | (0.858) |
| Constant | 3.390*** | 3.415*** | 3.405*** |
| | (0.418) | (0.417) | (0.418) |
| Year fixed effects | Yes | Yes | Yes |
| VC fixed effects | Yes | Yes | Yes |
| Control variables | Yes | Yes | Yes |
| Observations | 10,399 | 10,399 | 10,399 |
| Adjusted R-squared | 0.033 | 0.033 | 0.034 |
| Number of VCs | 1,304 | 1,304 | 1,304 |

## Table 12. Regression Results with Winsorized Variables

This table reports the results of regressions: $Exit\_Performance_{i,t}=\beta_0+\beta_1*SEI_i*Post2010_t+\gamma*Z_{i,t}+\delta_t+\Theta_i+\varepsilon_{i,t.}$

, where *SEI* is a dummy variable that equals one if VC *i* focuses on "strategic emerging industries", and zero otherwise. We winsorize all variables at the 1% and 99% levels. *POST2010* is a dummy variable that equals one if the year *t* is later than 2010, and zero otherwise. *Z* is a vector of control variables. All variable definitions are available in Panel A of Table 1. Robust standard errors clustered at the VC level are reported. *, ** and *** denote statistical significance at the 10%, 5%, and 1% levels, respectively.

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| VARIABLES | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate | Exit_Rate |
| SEI*Post2010 | -1.975** | -1.698* | -1.823** | -1.941** | -2.168** | -1.940** |
| | (0.946) | (0.886) | (0.882) | (0.883) | (0.930) | (0.887) |
| Reputation | | -4.166*** | -4.166*** | -3.932*** | | -3.841*** |
| | | (0.362) | (0.361) | (0.375) | | (0.373) |
| Connectedness | | | | -0.129** | -0.258*** | -0.0879 |
| | | | | (0.0568) | (0.0597) | (0.0597) |
| Syndicate_size | | 0.944*** | 0.884*** | 0.900*** | 0.968*** | 0.914*** |
| | | (0.143) | (0.143) | (0.143) | (0.146) | (0.143) |
| Avg_Inv_Amt | | | 0.392*** | 0.401*** | 0.402*** | 0.397*** |
| | | | (0.0702) | (0.0699) | (0.0707) | (0.0696) |
| Experience | | | | | -0.932*** | -0.577** |
| | | | | | (0.255) | (0.248) |
| Constant | 3.357*** | 3.367*** | 3.139*** | 3.157*** | 2.890*** | 3.254*** |
| | (0.404) | (0.416) | (0.418) | (0.416) | (0.426) | (0.423) |
| Year fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| VC fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 10,432 | 10,432 | 10,401 | 10,401 | 10,399 | 10,399 |
| Adjusted R-squared | 0.007 | 0.042 | 0.049 | 0.049 | 0.031 | 0.050 |
| Number of VCs | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 | 1,304 |