2011 Angel Group Year in Review
What is the Halo Report™?

**Angel Group Investment Trends**: The Angel Resource Institute, Silicon Valley Bank and CB Insights set out to raise awareness of early stage investment activities by angel investment groups. The Halo Report is the result. The research series highlights angel investment activity and trends in North America and provides much sought after data that has not been previously available to entrepreneurs or early stage investors.

The Halo Report includes aggregate analysis of investment activity by angels and angel groups and highlights trends in round sizes, location and industry preferences. The data is collected via survey and aggregation of public data using CB Insights innovative data analyses.

**Get Involved**: Angel groups and individual angel investors interested in including their data in the Halo Report should contact Sarah Dickey, ARI Research Manager: 913-894-4700 and sdickey@angelcapitalassociation.org.
Regional Activity

Angel Groups are active throughout the US: California is still king & leads in both deals & dollars for 2011. However, 79% of angel group investments occurred outside of California. In addition, 70% of the total dollars in 2011 deals were invested outside of California.

Sector Activity

58% of 2011 angel group investments are in healthcare and internet and 60% of healthcare deals were in medical device & equipment companies.

Round Size

The median size of angel & angel group syndicate rounds was $700K in 2011. This represents a 40% increase from the $500K reported median round size in 2010.
Angel Groups Were Active Throughout the US in 2011

California 21%

New York 6.6%

New England 14.6%

Mid-Atlantic 8.9%

Southeast 12.0%

Great Lakes 15.9%

Great Plains 4.1%

Northwest 7.2%

Southwest 8.9%
California Leads the Pack in Share of Total 2011 Dollars
California Deals Parallel National Trends for Top 2011 Sectors

- Internet: 37.4%
- Healthcare: 23.5%
- Mobile & Telecom: 10.4%
- Energy & Utilities: 4.3%
- Electronics: 4.3%
- Consumer Products & Svcs: 3.5%
- Other: 16.5%

2011
New England Displays Diverse Investment Interests in 2011 Deals
Great Lakes Regional Preferences in 2011

- Healthcare: 31.1%
- Internet: 28.4%
- Industrial: 12.2%
- Automotive & Transportation: 5.4%
- Mobile & Telecom: 5.4%
- Software (non-internet/mobile): 4.1%
- Other: 13.5%
Healthcare Leads Southeast Deals in 2011

- Healthcare: 30.2%
- Internet: 23.8%
- Software (non-internet/mobile): 7.9%
- Mobile & Telecommunications: 7.9%
- Industrial: 6.3%
- Consumer Products & Services: 4.8%
- Other: 19.0%
2011 Southwest Deals Show Strong Healthcare Preference

- Healthcare: 42.3%
- Internet: 23.9%
- Food & Beverages: 7.0%
- Industrial: 7.0%
- Business Products & Services: 4.2%
- Software (non-internet/mobile): 4.2%
- Other: 11.3%
Median Angel Round* Size is $700K in 2011
This is up 40% over the 2010 angel round median

*Angel rounds include angels & angel groups only
Median Round Size is $1.5M when Angel Groups Co-Invest with Other Types of Investors

![Bar chart showing median and mean round sizes for 2010 and 2011.

- In 2010:
  - Median Round Size: $2.00
  - Mean Round Size: $3.99

- In 2011:
  - Median Round Size: $1.50
  - Mean Round Size: $3.33]
Angel Groups Co-Invest Majority of Deals in 2011

* 75% of reported 2011 co-investments include at least one non-angel
2011 Median Healthcare & Internet Round Sizes Hold Steady
Internet and Healthcare Combine for More than Half of 2011 Deals

- Internet: 33.8%
- Healthcare: 24.1%
- Mobile & Telecom: 10.3%
- Software (non-internet/mobile): 8.0%
- Energy & Utilities: 15.0%
- Industrial: 5.0%
- Other: 3.8%
Healthcare Dominates per Share of 2011 Funding Dollars

- Healthcare: 37.4%
- Internet: 27.2%
- Mobile & Telecom: 7.0%
- Energy & Utilities: 5.6%
- Industrial: 5.2%
- Software (non-internet/mobile): 3.9%
- Other: 13.7%
Medical Devices & Equipment Deals Eclipse All Other 2011 Healthcare Investments

- **Medical Devices & Equipment**: 60.0% (2011), 57.4% (2010)
- **Drug Development**: 8.6% (2011), 8.8% (2010)
- **Pharmaceuticals / Drugs**: 7.1% (2011), 6.6% (2010)
- **Medical Facilities & Services**: 5.7% (2011), 6.6% (2010)
- **Biotechnology**: 6.4% (2011), 5.1% (2010)
- **Disease Diagnosis**: 2.9% (2011), 5.9% (2010)
- **Other**: 9.3% (2011), 9.6% (2010)

2011 Healthcare Investments: Medical Devices & Equipment Deals Eclipse All Other Categories.
Understanding the Data: Special Round Types and Industry Sectors

The Halo Report™ is a quarterly report that provides analysis and trends on US angel and angel group activity.

Angels and angel groups invest alone, together, and with many other types of investors. Unless otherwise noted the Halo Report data includes all rounds that have at least one angel group participating and may include other types of investors in those rounds. For 2011 this represents 573 deals and $873.3M invested.

A few slides report on an “Angel Round,” a special classification of investment for when angel groups invest alone or just with other angels and angel groups.

Unless otherwise noted, values of less than <1% are included, but are not labeled.

**Halo Report Industry Sectors**

- Internet
- Mobile & Telecom
- Software
- Energy & Utilities
- Computer Hardware & Services
- Healthcare
- Industrial
- Automotive & Transportation
- Business Products & Services
- Consumer Products & Services
- Electronics
- Environmental Services & Equipment
- Financial Services
- Food & Beverages
- Leisure
- Media
- Metals & Mining
- Retail
- Risk & Security
Angel Resource Institute
Sarah Dickey, sdickey@angelcapitalassociation.org

The Angel Resource Institute (ARI) is a charitable organization devoted to education, mentoring and research in the field of angel investing, a growing driver of our entrepreneurial economy. ARI was founded by the Ewing Marion Kauffman Foundation. The programs of ARI include educational workshops and seminars, research projects and reports, and information about angel investing for the general public. ARI is affiliated with the Angel Capital Association, the professional association of angel groups in North America. More information is available at www.angelresourceinstitute.org.

Silicon Valley Bank / SVB Accelerator
Carrie Walsh, cwalsh@svb.com

Silicon Valley Bank is the premier bank for technology, life science, cleantech, venture capital, private equity and premium wine businesses. SVB provides industry knowledge and connections, financing, treasury management, corporate investment and international banking services to its clients worldwide through 26 U.S. offices and seven international operations. (Nasdaq: SIVB) www.svb.com.

Silicon Valley Bank is the California bank subsidiary and the commercial banking operation of SVB Financial Group. Banking services are provided by Silicon Valley Bank, a member of the FDIC and the Federal Reserve System. SVB Financial Group is also a member of the Federal Reserve System.

CB Insights
Anand Sanwal, asanwal@cbinsights.com

CB Insights is a National Science Foundation-backed data-as-a-service firm that collects information on private companies and their investors and acquirers. CB Insights data and technology is used by firms to make better marketing, procurement, lending, acquisition and equity investment decisions and to gather data-driven market and competitive intelligence. The firm's data is regularly cited by leading media publications including the New York Times, Forbes, BusinessWeek and Fast Company among others. For more information, visit http://www.cbinsights.com.
©2012 SVB Financial Group. All rights reserved. SVB>, SVB>Find a way, SVB Financial Group, and Silicon Valley Bank are registered trademarks.

Angel Resource Institute and CB Insights are independent third parties and are not affiliated with SVB Financial Group.

This material, including without limitation to the statistical information herein, is provided for informational purposes only. The material is based in part on information from third-party sources that we believe to be reliable, but which have not been independently verified by us and for this reason we do not represent that the information is accurate or complete. The information should not be viewed as tax, investment, legal or other advice nor is it to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision. Nothing relating to the material should be construed as a solicitation, offer or recommendation to acquire or dispose of any investment or to engage in any other transaction.