ACA Member Landscape – 2009
Different Than 2008 (And Not)

April 16, 2009

Summary of ACA Membership – April, 2009

- Full Members: 146
- Provisional Members: 16
- Accredited Investors in Groups: 7,062
- States & Provinces: 49
- Affiliate Organizations: 19
Growth in Number of American Angel Groups

Sources: Center for Venture Research (pre 03 data) and Kauffman Foundation/ACEF (04-09 data)
Comparing Average Group Investment Data

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of investments</td>
<td>6.3</td>
<td>7.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Total dollars invested</td>
<td>$1.77 mil</td>
<td>$1.94 mil</td>
<td>$1.78 mil</td>
</tr>
<tr>
<td>Dollars invested per round</td>
<td>$276,918</td>
<td>$265,926</td>
<td>$241,528</td>
</tr>
<tr>
<td>Number of new companies</td>
<td>3.7</td>
<td>4.5</td>
<td>4</td>
</tr>
</tbody>
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In 2008:
- 62.7% had follow-on or co-investments with VC firms
- 23.4% had 1 or more positive exits

Source: ACA Angel Group Confidence Surveys – 2007, 2008, and 2009 (self-reported, not verified)

Average Preferred Investment Per Round - 2008

Source: 2009 ACA Angel Group Confidence Survey and 2008 Member Directory
Predictions for 2009 Overall Investment Changed in 4 Months

- Deals and dollars up
- Everything is same
- Deals up, dollars down
- Deals down, dollars up
- Deals and dollars down
- Other

November, 2008
March, 2009

Source: 2008 and 2009 ACA Angel Group Confidence Surveys

2009 Prediction:
How Long Will Credit Crunch/ Current Economy Last?

- Q2 2009
- Q4 2009
- 2010
- 2011
- Later

November, 2008
March, 2009

Source: ACA Angel Group Confidence Survey - November 19, 2008
2009 Prediction:
Plan Major Changes to Group Structure or Investment Process?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase member angels</td>
<td>29.2%</td>
</tr>
<tr>
<td>Decrease member angels</td>
<td>0.0%</td>
</tr>
<tr>
<td>Establish sidecar fund</td>
<td>19.4%</td>
</tr>
<tr>
<td>Raise new fund</td>
<td>12.3%</td>
</tr>
<tr>
<td>More investment in portfolio cos</td>
<td>32.3%</td>
</tr>
<tr>
<td>More co-investment with other groups</td>
<td>53.8%</td>
</tr>
<tr>
<td>Increase co-investment (general)</td>
<td>35.4%</td>
</tr>
<tr>
<td>Update industry preferences</td>
<td>15.4%</td>
</tr>
<tr>
<td>No changes planned</td>
<td>21.5%</td>
</tr>
<tr>
<td>Other changes</td>
<td>23.1%</td>
</tr>
</tbody>
</table>

Source: 2009 ACA Angel Group Confidence Survey

Co-Investment/ Follow-On Preferences

- Individual angels
- Other angel groups
- Early-stage VC
- Later-stage VC
- Family offices
- Other private equity
- No co-investment

Source: 2008 ACA Angel Group Confidence Survey
Impact of Recession:
Appetite for Adding New Ventures to Your Portfolio?

- Recently decreased
- No change
- Aggressively seek new opportunities?

Source: 2009 ACA Angel Group Confidence Survey

Investment Preference – 2008-2009

Source: 2009 ACA Angel Group Confidence Survey and 2008 Member Directory
Preferred Investment/Company Stage – 2008-2009

Source: 2009 ACA Angel Group Confidence Survey and 2008 Member Directory

Investors Per Group

Average = 43.6
Median = 32.5

Source: 2009 ACA Confidence Survey and 2008 Member Directory
### Organization Types

- **For Profit**: 59% (87 groups)
- **Non Profit**: 25% (36 groups)
- **No Structure**: 16% (24 groups)


### Investment Structure

- **Network (69.8%)**
- **Fund (22.2%)**
- **Network/Sidecar (7.8%)**

Group Led by Members or Hired Manager?

- Members (54.8%)
- Manager (41.1%)
- Both (3.4%)


Key Values for Members

- Improve Bottom-line of Member Groups
  - Refer angels interested in joining member groups
- Knowledge and Insight
  - Strong Summit programs and networking opportunities
  - Revamped Members’ Only Web site, searchable directory
  - VentureSource: large discounts on database and Dow Jones pubs
- Collaboration
  - Syndication Best Practice Guide release at Summit
- Public Policy
  - Representing American members in Washington (1st hearing March 26)
- Services and Toolkits
  - New partners for exploring angel insurance, background checks
Need More Information?

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