



TRACKING ANGEL RETURNS

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Methods & Sources

HALO Report Set

- Longitudinal panel data of firms reported to Halo prior to 2012
- Tracked via Pitchbook & Inventurist
- Completed investments only (liquidity events or closures)

Angel Fund Set

- Sample of US Angel Funds (sidecar & direct)
- Direct report of investments & outcomes
- Completed investments only (liquidity events or closures)

HALO Report Set

VERY different approach than the '07 Study.

Good: No survivor bias, Minimal selection bias, Repeatable

Bad: **Right justified data**, **Less data**, **VC bias**, **Fewer strategic points**

More Visibility of VC backed firms, thus more data with VC
2/3 have VC\$ in addition to Angel\$ (1/3 in the '07 study)

Angel Resource Institute Directly collects quarterly investment data from angel groups.

Pitchbook Scraping & collecting from ventures and investors;
Active fact checking through direct venture contact.

Inventurist Focused on activity indicators/survival via social media

The HALO Set

356 total firms identified in the HALO process prior to 2012

109 of those are now completed investments

56% of events from **2013-2016**

36% from **2010-2012**

8% prior to **2010**

Angel Fund Set

Sample of U.S. angel funds (sidecar & direct)

31 funds contacted, 20 participated

Good: direct investor gp/lp accuracy, **Repeatable**

Bad: self selection risk, some survivor bias risk,
limited strategic variables, 0 exits for many so far

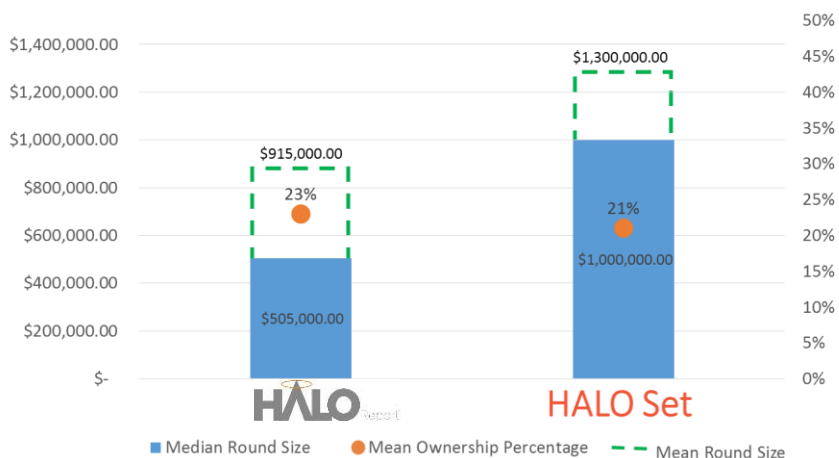
136 complete investments

65% of events from **2013-2016**

25% from **2010-2012**

10% prior to **2010**

Round Size & Ownership Percentage in first round with angels only



Raising Capital in the HALO Set

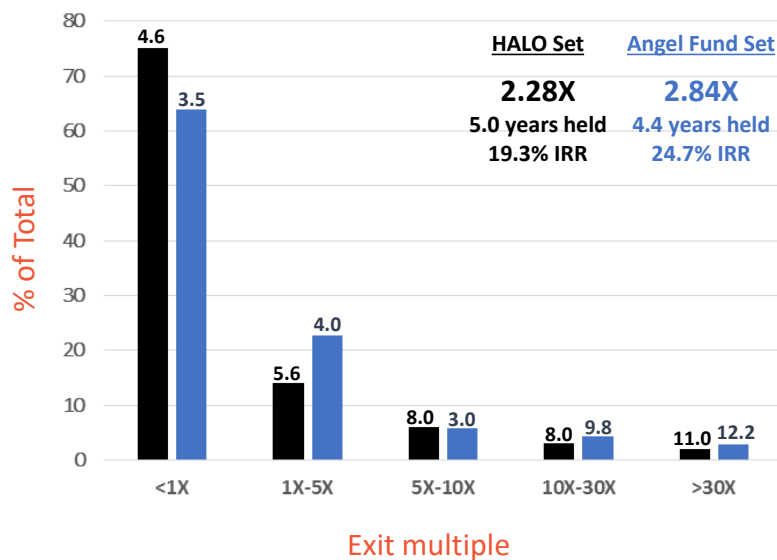
- Investors own 2/3 of a venture's equity by liquidity event
- VC was involved in 2/3rds of the ventures
- VC's are significantly related to success
45% of the <1X outcomes, but 70% of the >1X

Completed investments: pre-money valuation = \$4.0M

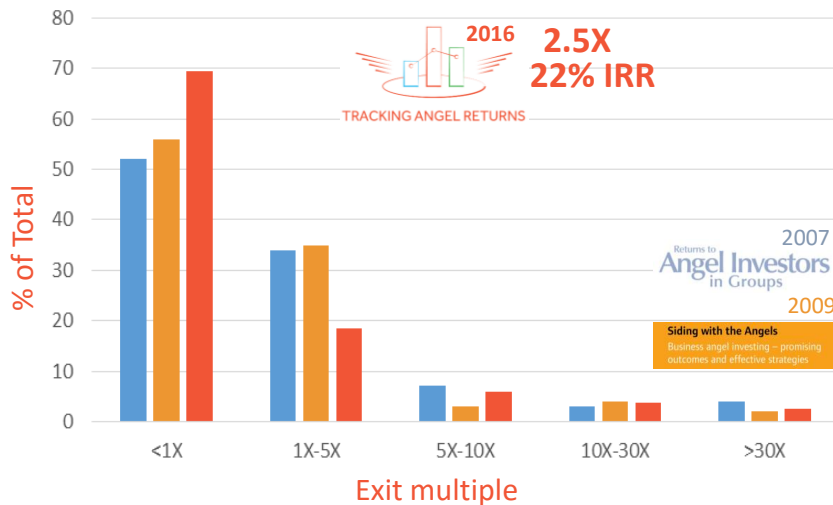
Ongoing investments: pre-money valuation = \$5.0M

Comparable years for whole HALO data set = \$3.2M

Distribution of Outcomes



Distribution of Outcomes



Perspective

	Multiple	Hold	IRR	<1X	10% of exits to \$
2016 TRACKING ANGEL RETURNS	2.5X	4.5yrs	22%	70%	85%
2007 Returns to Angel Investors in Groups	2.6	3.5	27%	52%	90%
2009 Siding with the Angels Business angel investing – promising outcomes and effective strategies	2.2	3.6	22%	56%	80%
CAMBRIDGE C A ASSOCIATES Early stage VC '05-'11	2.1		29%		
	Gross TVPI & includes carried value				