ANGEL RESOURCE INSTITUTE

2016

HALO Report™

Annual Report on Angel Investments

AGGREGATED NATIONAL & REGIONAL DATA

The **HALO Report**™ is a collaborative effort of the Angel Resource Institute™, Angel Capital Association, and Pitchbook™ intended to raise awareness of early stage investment activities highlighting trends that impact returns for angels and entrepreneurs.

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PitchBook

HALO REPORT™ CONTENTS

2016 Highlights and Trends	3
Angel Activity Overview	4
National Trends and Data	5
Regionalized Data	6-15
Cross-Border International Investing	16
Special Article: How Ireland is building a budding ecosystem	17
Special Article: Minority Report	18
About the Report and Data Collection	19

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ANGEL RESOURCE INSTITUTE

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ACA
ANGEL CAPITAL ASSOCIATION

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Angel Group Update: Halo Report Annual 2016 Highlights & Trends

WHAT ANGELS NEED TO THINK ABOUT WHEN WRITING CHECKS

REGIONAL INVESTING continues to be important to angel groups in order to increase deal flow and portfolio diversification. The only region in the US where we don't see an outflow of capital is the Northeast where 93% of deals funded by local angel groups stay within the region.

SYNDICATION continues to be a trend that angel groups explore in order to complete deals and provide enough capital to budding entrepreneurs. The median angel group investment was $127,000 while the median round size was $950,000. This means it takes multiple angel groups to fund a deal and/or requires creating closer relationships with venture funds, family offices, platforms, and individual investors to get enough money around the table.

PRE-MONEY VALUATIONS are down from 2015. We see many angel groups continue to negotiate better terms and many are taking a flight to safety. Angels are doing a lot of smaller first round investments and reserving capital for follow-on rounds. 2016 was the first-year where angel groups did more follow-on deals than first-time investments in new portfolio companies.

RACE AND GENDER DIVERSIFICATION is a trend that the Angel Resource Institute is focused on going forward. While white males represent the vast majority of funded deals, female entrepreneurs represented 17% of angel funded deals in 2016. The big question is how this will coorelate to successful exits and angel group returns going forward.

CONVERTIBLE NOTES are surprisingly being used more and more by angel investors on first-time investments in new portfolio companies. This could be a function of lower valuations or an inability of investors and entrepreneurs to determine the right pre-money valuation and terms required to get a deal funded. We are excited to see the impact of this trend on the return data.

Data Validation & Methodology for 2016 HALO Report™

Angels and angel groups invest alone, together, and with many other types of investors. Unless otherwise noted, the 2016 HALO Report™ data includes funding rounds that have at least one angel group participating and may include other types of investors in those rounds. Note that "Median Angel Group Investment" is the median size of investments made by Angel groups in the reported deals. There are many groups that have the capability of making significantly higher investments; however, the 2016 data showed that many of these groups also invested small amounts of capital. It is important to note that the "Median Funding Round Size" includes investments from Angel groups and non-angel groups including venture funds, family offices, and individual investors.

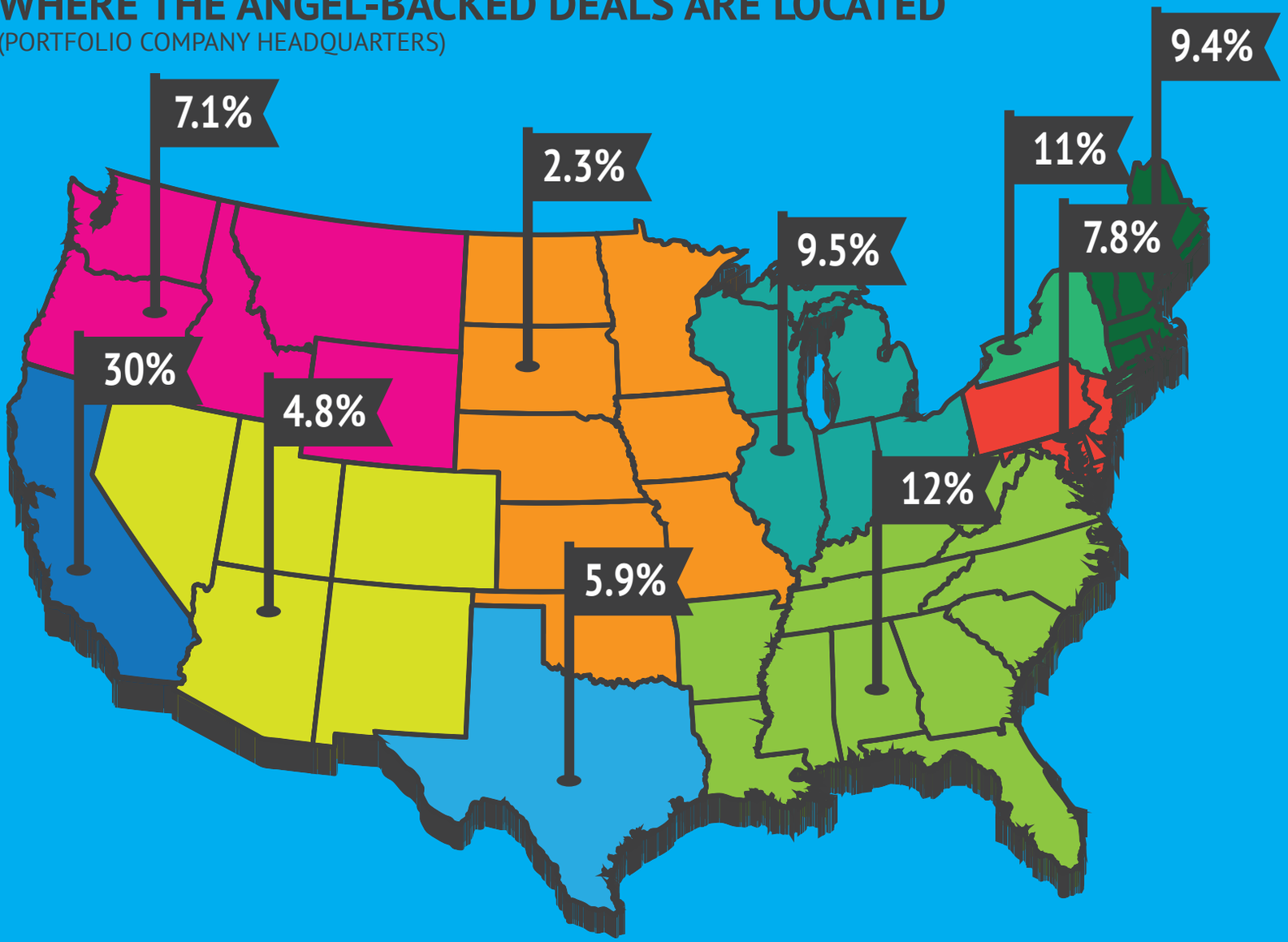
This report discusses angel group investment trends for 2016, which represents a total of 2,751 deals and $3.5B (excluding duplicates) in total rounds including co-investors. Deals with first-time investment rounds greater than $5 million were excluded from this report to avoid skewing the data. The number of deals provided directly from angel groups represents a 200% increase over 2015. Data was captured directly from angel groups through the Angel Resource Institute's data portal (www.arihaloreport.com), via email or phone calls from group leaders or administrators, and via Pitchbook. Additional data was collected from individual angels, but is not included in this report.

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 necessarily 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.

HALO REPORT OVERVIEW

WHERE THE ANGEL-BACKED DEALS ARE LOCATED

(PORTFOLIO COMPANY HEADQUARTERS)



FINANCIAL TERMS OF ANGEL INVESTMENTS

(FIRST ROUND DEALS, AGNOSTIC TO GEOGRAPHY AND INDUSTRY)

Median Pre-Money Valuation
$3.65M

Median Funding Round Size
$950k

Median Angel Group Investment
$127k

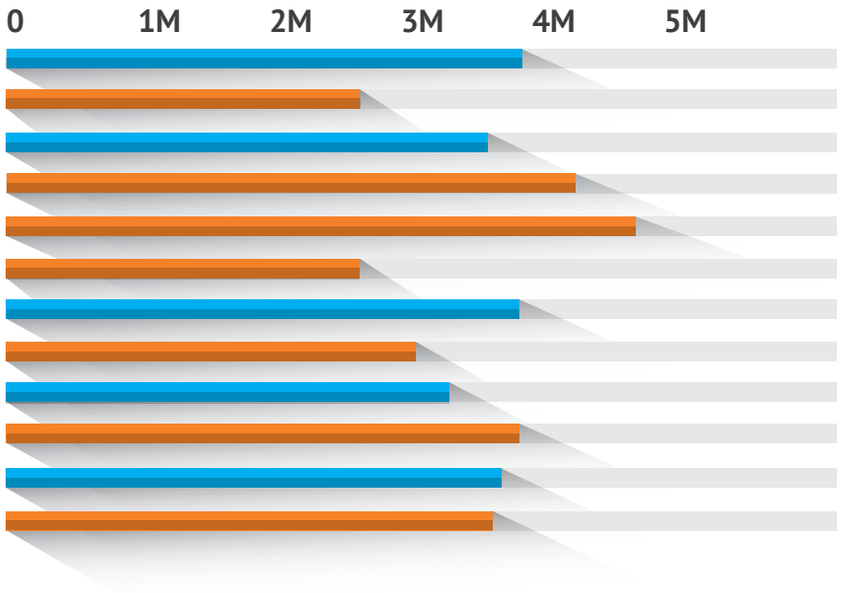
HISTORICAL MEDIAN PRE-MONEY VALUATION

2015 / $4.6 M
2014 / $3.0 M
2013 / $2.5 M
2012 / $2.5 M

INDUSTRIES ANGELS LIKE & NATIONAL MEDIAN PRE-MONEY

(INDUSTRY PERCENTAGE OF DEALS AND PRE-MONEY VALUATIONS ARE AGNOSTIC TO GEOGRAPHY)

Business Products & Services	13.0%
Computer Hardware & Services	1.4%
Consumer Products & Services	10.3%
Energy	1.9%
Financial	2.0%
Food & Beverage	1.6%
Healthcare	17.3%
Industrial	1.4%
Internet & Mobile	11.2%
Retail (non-internet)	1.1%
Software	34.3%
Other	4.5%



WHO ANGELS INVEST IN?

(GENDER AND RACE)

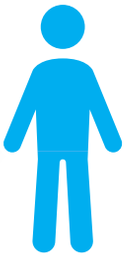
17%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 3% of all deals funded.



VS



83%

MEN

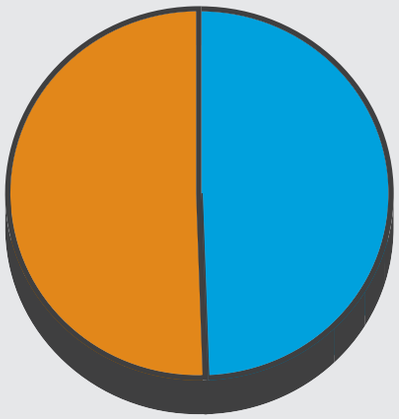
Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up an impressive 25% of all deals funded.

The battle of the sexes

The **Angel Resource Institute** just completed a major study looking at funding opportunities for female and minority entrepreneurs. The study reviewed more than 2,500 startup and early-stage deals funded by Angel groups in 2016 across the United States. An overview of the report is available on pages 18.

NEW OR FOLLOW-ON?

(DRY POWDER IS IMPORTANT TO ANGELS)



50.4%
Follow-on

49.6%
New Co

TOP ANGEL GROUPS RANKED BY # OF DEALS

(single group location)

1. Central Texas Angel Network
1. Houston Angel Network, tied
3. Hyde Park Angel Network
4. Alliance of Angels
5. Launchpad Venture Group
6. New York Angels
7. Blu Venture Investors
8. RTP Capital
9. Queen City Angels, tied
9. St. Louis Arch Angels

(multiple group locations)

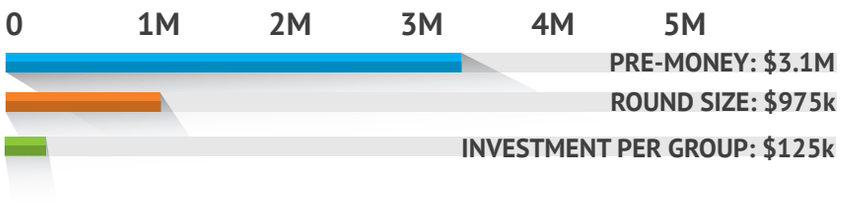
1. Keiretsu Forum
2. Tech Coast Angels
3. Investors Circle
4. Golden Seeds
5. Astia Angels

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2016

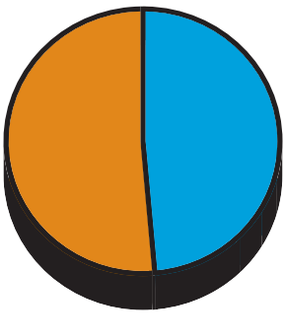
NORTHWEST

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

51%
Follow-on



49%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

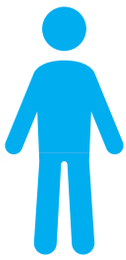
21%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 3% of all deals funded in the region.



VS



79%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 20% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

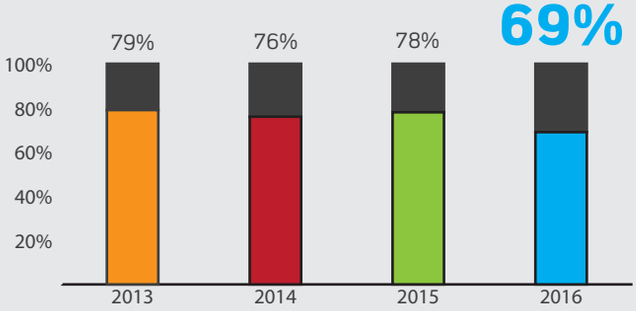


- Business Products & Services (9.3%)
- Consumer Products & Services (11.8%)
- Healthcare (13.0%)
- Internet & Mobile (13.0%)
- Software (36.6%)
- Other (16.1%)

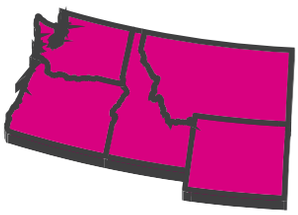
DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
50%	31%	19%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Alliance of Angels
Element 8
Keiretsu Forum*
Puget Sound Venture Club

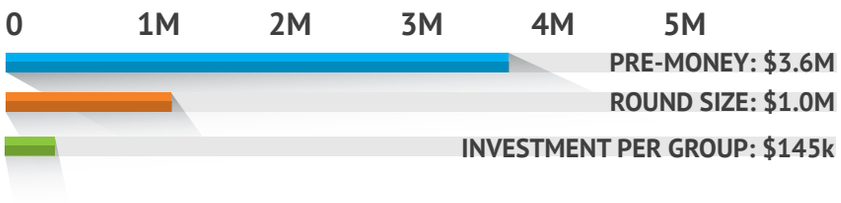
*multiple locations

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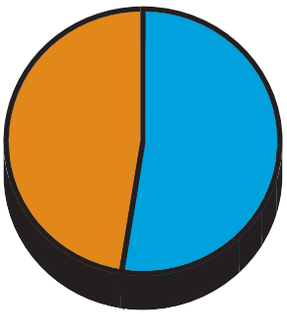
CALIFORNIA

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

47%
Follow-on



53%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

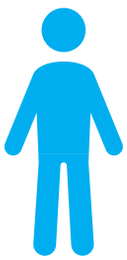
16%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 4% of all deals funded in the region.



VS



84%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 38% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

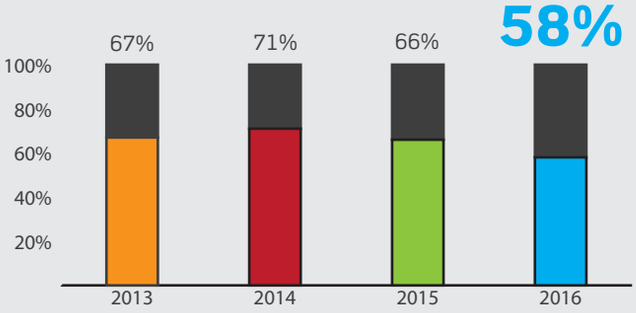


- Business Products & Services (15.1%)
- Consumer Products & Services (11.7%)
- Healthcare (12.4%)
- Internet & Mobile (8.6%)
- Software (43.1%)
- Other (9.1%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
36%	44%	20%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Golden Seeds*
Investors Circle*
Pasadena Angels
Tech Coast Angels*

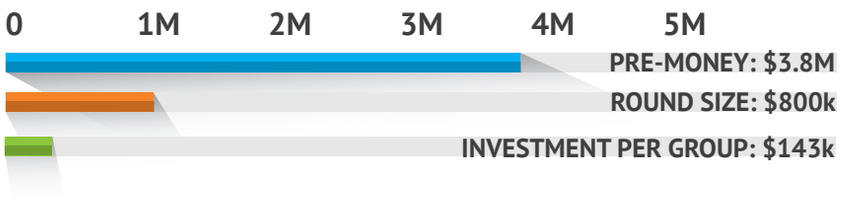
*multiple locations

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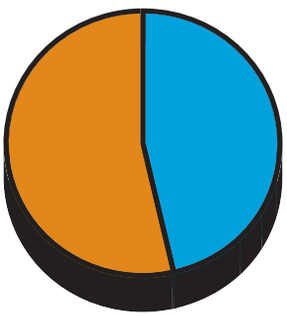
SOUTHWEST

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

54%
Follow-on



46%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

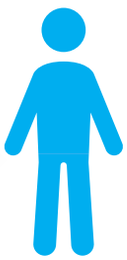
21%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 1% of all deals funded in the region.



VS



79%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 10% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

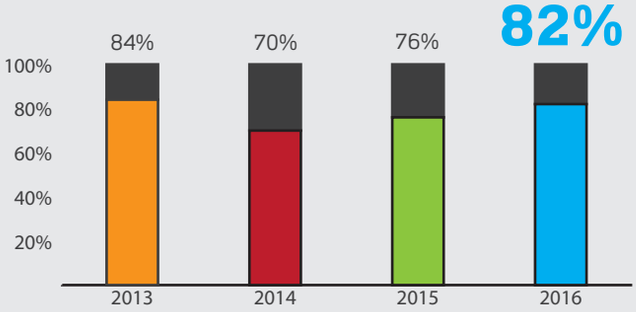


- Business Products & Services (11.9%)
- Consumer Products & Services (11.9%)
- Healthcare (17.4%)
- Internet & Mobile (11.0%)
- Software (32.1%)
- Other (15.6%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
55%	36%	9%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Arizona Tech Investors
Desert Angels
Rockies Venture Club
Sierra Angels

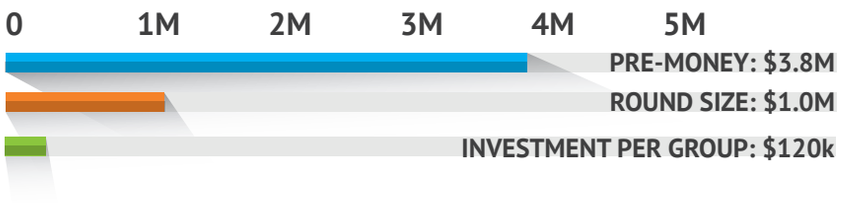
*multiple locations

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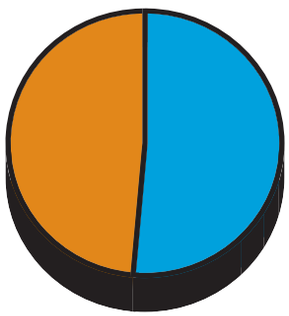
TEXAS

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

49%
Follow-on



51%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

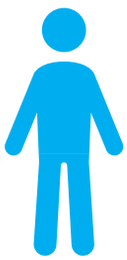
15%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 5% of all deals funded in the region.



VS

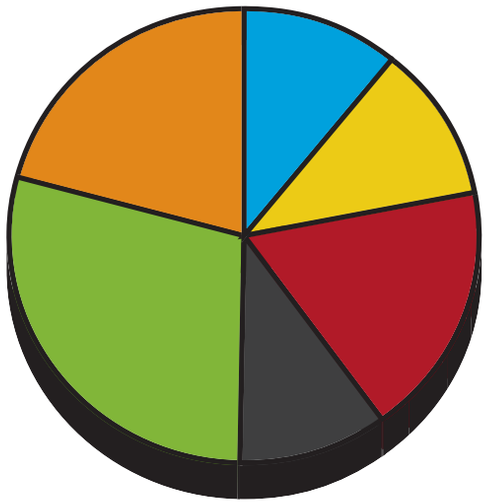


85%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 21% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

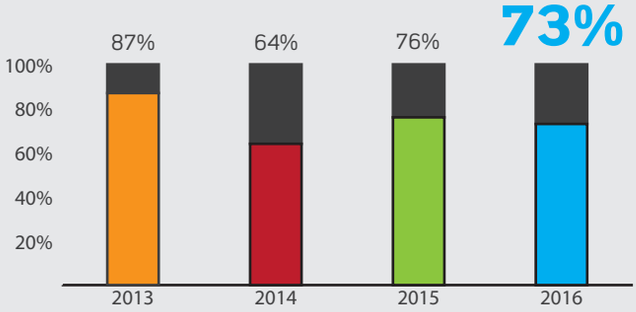


- Business Products & Services (11.1%)
- Consumer Products & Services (11.1%)
- Healthcare (17.8%)
- Internet & Mobile (10.4%)
- Software (28.9%)
- Other (20.7%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
26%	57%	17%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Baylor Angel Network
Central Texas Angels
Houston Angel Network
Lubbock Angel Network

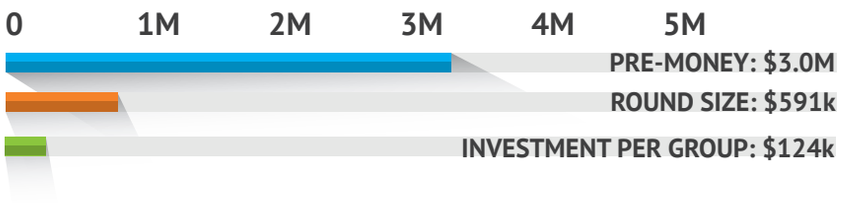
*multiple locations

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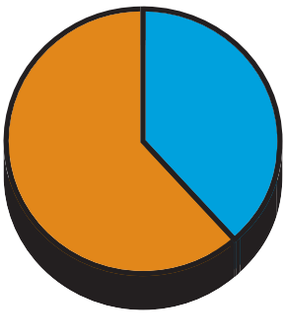
GREAT PLAINS

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

61%
Follow-on



39%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

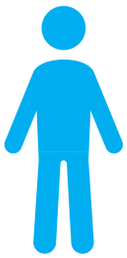
19%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up less than 1% of all deals funded in the region.



VS



81%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 16% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

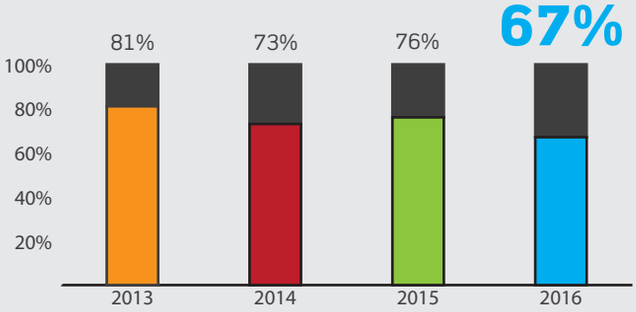


- Business Products & Services (9.6%)
- Consumer Products & Services (1.9%)
- Healthcare (34.6%)
- Internet & Mobile (13.4%)
- Software (28.8%)
- Other (11.5%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
50%	20%	30%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Angel Capital Group*
Billiken Angels
St. Louis Arch Angels
Sophia Angel Fund

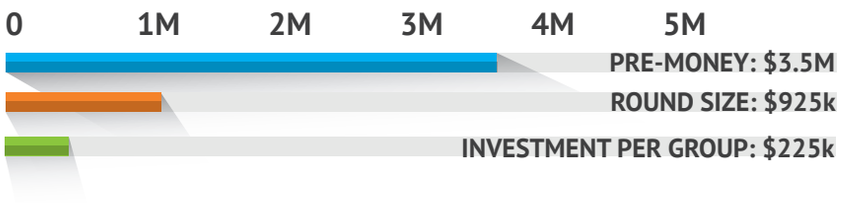
*multiple locations

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2016

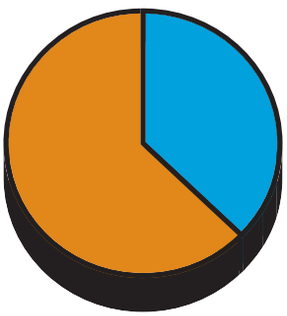
GREAT LAKES

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

63%
Follow-on



37%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

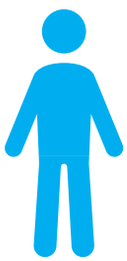
16%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 2% of all deals funded in the region.



VS



84%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 23% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

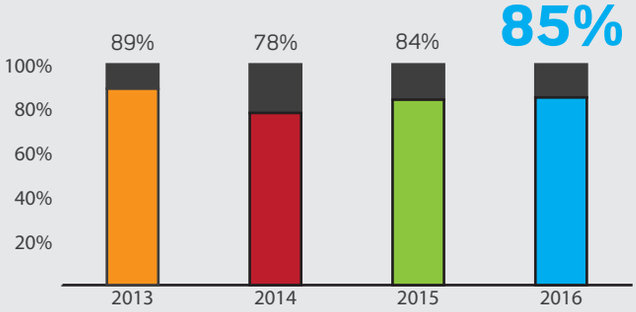


- Business Products & Services (13.0%)
- Consumer Products & Services (6.0%)
- Healthcare (23.6%)
- Internet & Mobile (11.6%)
- Software (33.3%)
- Other (12.5%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
51%	40%	9%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Hyde Park Angel Network
IrishAngels*
Queen City Angels
Wisconsin Invest. Partners

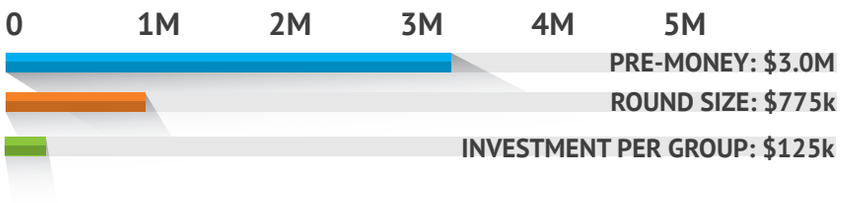
*multiple locations

HALO Report™

2016

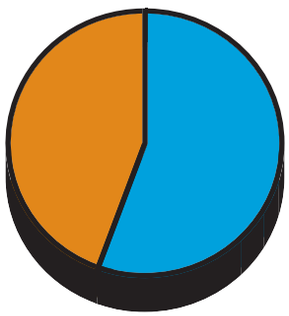
SOUTHEAST

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

44%
Follow-on



56%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

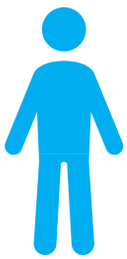
16%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 4% of all deals funded in the region.



VS



84%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 14% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

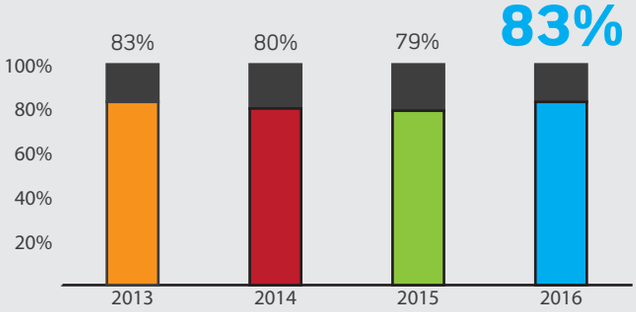


- Business Products & Services (17.0%)
- Consumer Products & Services (9.6%)
- Healthcare (16.2%)
- Internet & Mobile (13.6%)
- Software (24.7%)
- Other (18.8%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
55%	36%	9%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Blu Venture Investors
Charlottesville Angels
RTP Capital
VentureSouth*

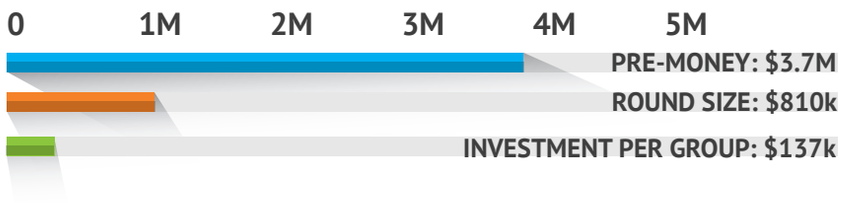
*multiple locations

HALO Report™

2016

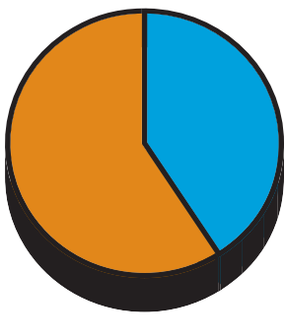
MID-ATLANTIC

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

59%
Follow-on



41%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

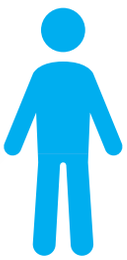
14%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 2% of all deals funded in the region.



VS



86%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 21% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

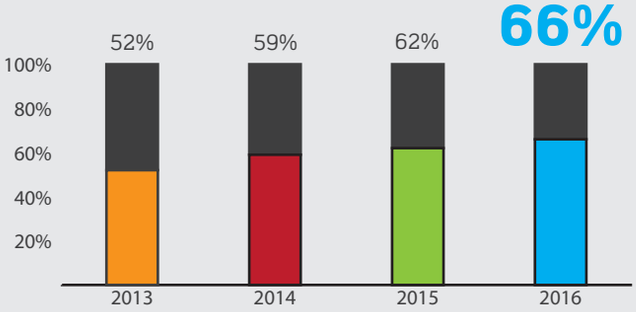


- Business Products & Services (7.4%)
- Consumer Products & Services (5.1%)
- Healthcare (27.8%)
- Internet & Mobile (13.0%)
- Software (35.8%)
- Other (10.8%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
59%	36%	5%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region

(alphabetical order)



Ben Franklin Tech Partners
BlueTree Allied Angels
Innovation Works
Robin Hood Ventures

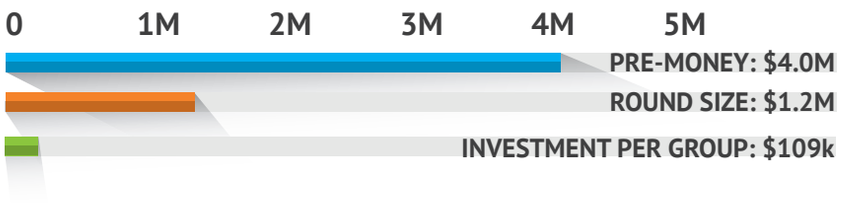
*multiple locations

HALO Report™

2016

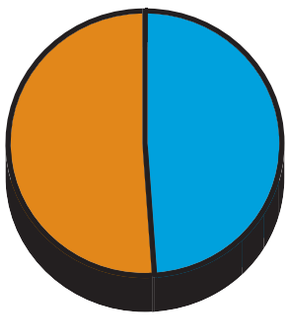
NEW YORK

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

51%
Follow-on



49%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

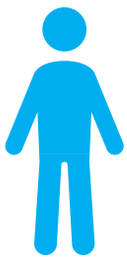
20%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 5% of all deals funded in the region.



VS



80%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 28% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

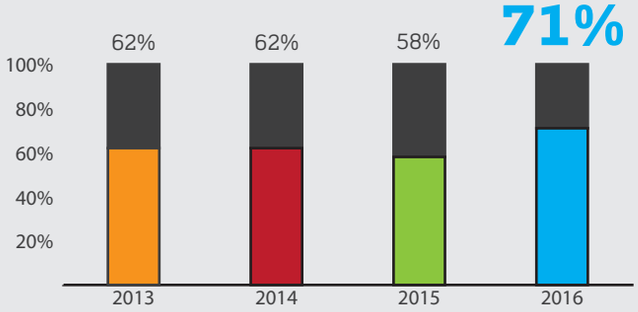


- Business Products & Services (10.5%)
- Consumer Products & Services (17.0%)
- Healthcare (10.9%)
- Internet & Mobile (9.3%)
- Software (42.9%)
- Other (9.3%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
61%	33%	6%

% Deals in Region
Percentage of Angel group funded deals within own region



Most Active Groups in Region



(alphabetical order)

Astia Angels*
Gaingels
New York Angels
Wharton Angel Network*

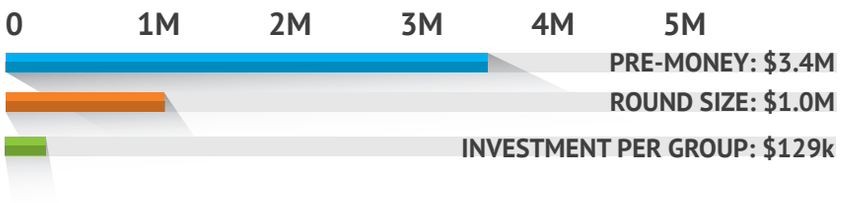
*multiple locations

HALO Report™

2016

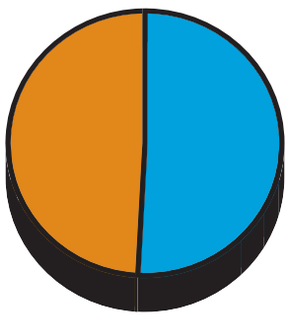
NORTHEAST

VALUATION & INVESTMENT SIZE
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



NEW OR FOLLOW-ON?
(PERCENTAGE OF DEALS DONE AS A FOLLOW-ON)

49%
Follow-on



51%
New Co

WHO ANGELS INVEST IN?
(GENDER AND RACE)

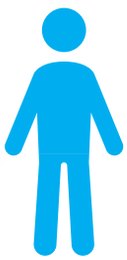
17%

WOMEN

Percentage of deals led or founded by a female entrepreneur. Minority female entrepreneurs make up only 3% of all deals funded in the region.



VS



83%

MEN

Percentage of deals led or founded by a male entrepreneur. Minority male entrepreneurs make up 14% of all deals funded in the region.

REGIONAL INDUSTRY
(PERCENTAGE OF DEALS IN THE REGION)

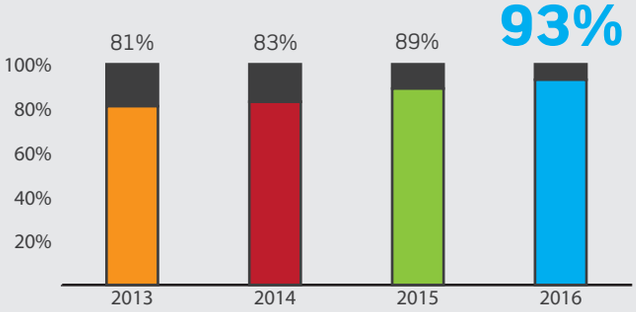


- Business Products & Services (14.2%)
- Consumer Products & Services (8.0%)
- Healthcare (29.7%)
- Internet & Mobile (12.7%)
- Software (20.8%)
- Other (14.6%)

DEAL STRUCTURE
(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
49%	34%	17%

% Deals in Region
Percentage of Angel group funded deals within own region

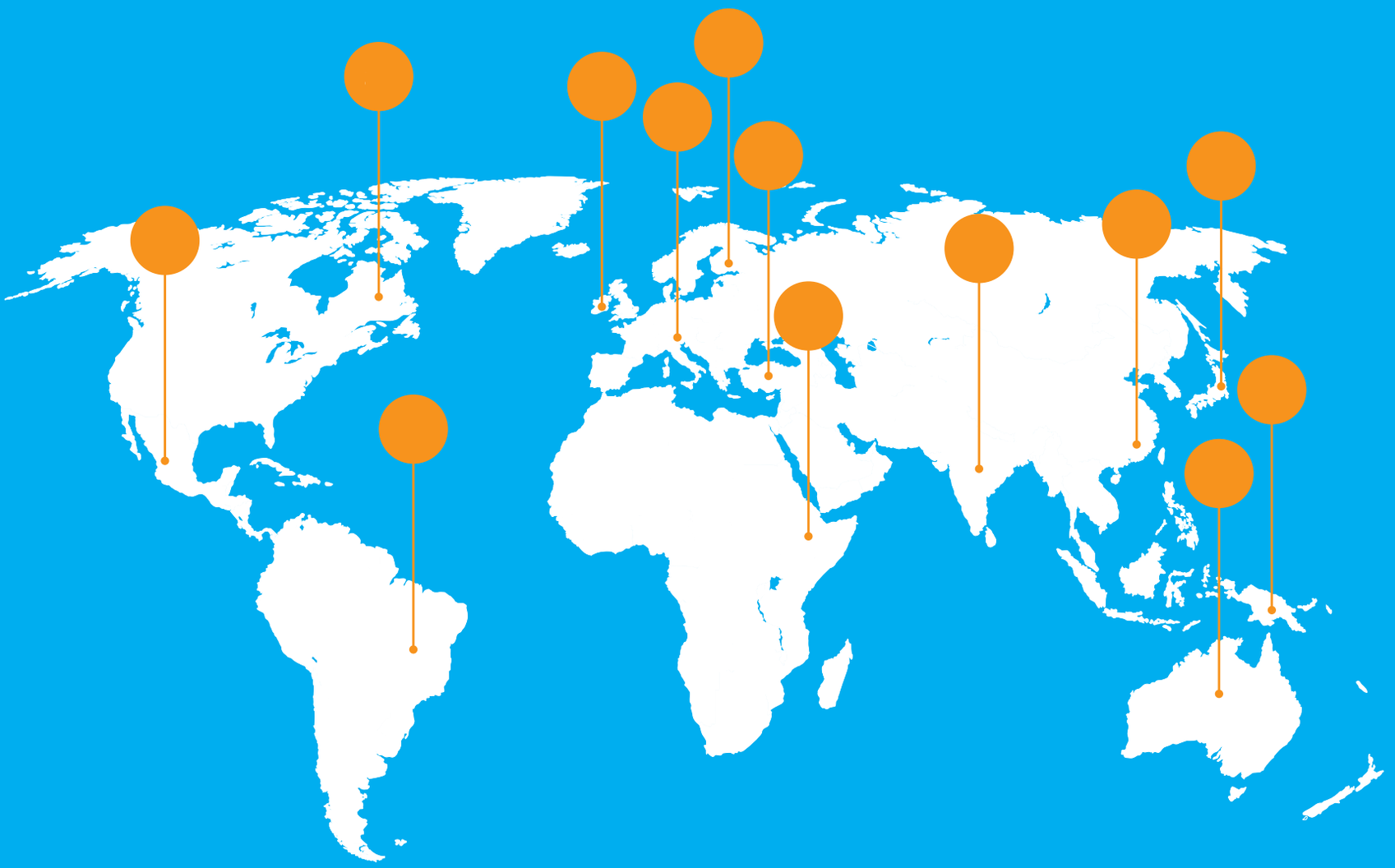


Most Active Groups in Region
(alphabetical order)



Cherrystone Angel Group
Hub Angels
Launchpad Venture Group
Maine Angels

*multiple locations



CROSS-BORDER INVESTING

List of Countries with Cross-Border Investments Reported by US Angel Groups

Australia	Latvia
Brazil	Mexico
Canada	Netherlands
China	New Zealand
Finland	Poland
Germany	Rwanda
India	Switzerland
Ireland	Taiwan
Japan	United Kingdom
Kenya	and more...

Thoughts about cross-border investing from a Canadian

In meeting many entrepreneurs from around North America, Europe and the Pacific Rim, I've learned that (a) fantastic founders can be discovered everywhere, (b) amazing ideas/ technologies are everywhere, (c) founders are eager to build relationships and (d) cultural strengths, once understood, are great assets.

As angel investors we talk about the importance of diversity in creating a portfolio of early stage investments. That diversity doesn't end at sector diversity. Cultural and market diversity are every bit as important.

The opportunities presented by cross border investing are enormous. We can take advantage of favorable exchange rates, tax policies, cultural benefits, new sources of deal flow and easier entry into new markets. (Not to mention having new and interesting places to vacation!)

My father taught me to never close doors on myself. Cross border investing opens many new doors for angel investors.

- **Ross Finlay**, First Angel Network

2016 SPECIAL SECTION

GET TO KNOW IRELAND

HBAN Halo Business Angel Network

€700k MEDIAN ROUND SIZE

Deals

50

Median Angel Deal Size

€200k

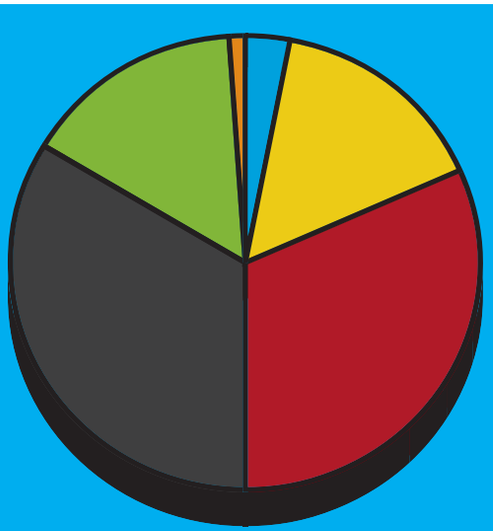
Angel Funds Raised

€13.6m

TOTAL FUNDING + MATCHING FUNDS **€34.1m**

INDUSTRY DIVERSITY

(PERCENTAGE OF FUNDS INVESTED)



- Energy
- Consumer Products
- Healthcare (31% funds / 17% deals)
- ICT (33% funds / 52% deals)
- Food
- Industrial

2016 HBAN UPDATE

According to **Sarah Cagney**, "HBAN now has 10 syndicates in operation both across the island and some newer diaspora syndicates operating outside of the country. Additionally, the island is beginning to see a dramatic increase in syndicates investing with other syndicates. We are also in the early development stages of growing diaspora syndicates and we expect these new syndicates to co-invest with existing locally-based syndicates in the future. In 2016, angel investments in Ireland were up twenty-five (25%) percent, year-over-year.

A few deals to spotlight from 2016 showing the impact on job creation: **Galway's Signum Surgical** to add 8 jobs following €2.6M HBAN-backed funding; €2M deal helps HBAN-backed **Wicklow Wolf** brew up 20 jobs; and, HBAN-backed **Soopa Pets** to add 10 jobs following €400K investment."

If you are interested in learning more about Ireland's investment community and possible syndication opportunities, contact Sarah at **sarah@hban.org**.

***ARI anticipates highlighting other global regions in future reports.**

2016 SPECIAL SECTION

MINORITY REPORT

TRACKING PORTFOLIO DIVERSITY

Analyzed 2,382 deals where the gender and race of the founder was verified.

WHITE WOMEN

Percentage of US angel-backed deals led or founded by a white female entrepreneur is:

13%

MINORITY WOMEN

Percentage of US angel-backed deals led or founded by a minority female entrepreneur is:

3%

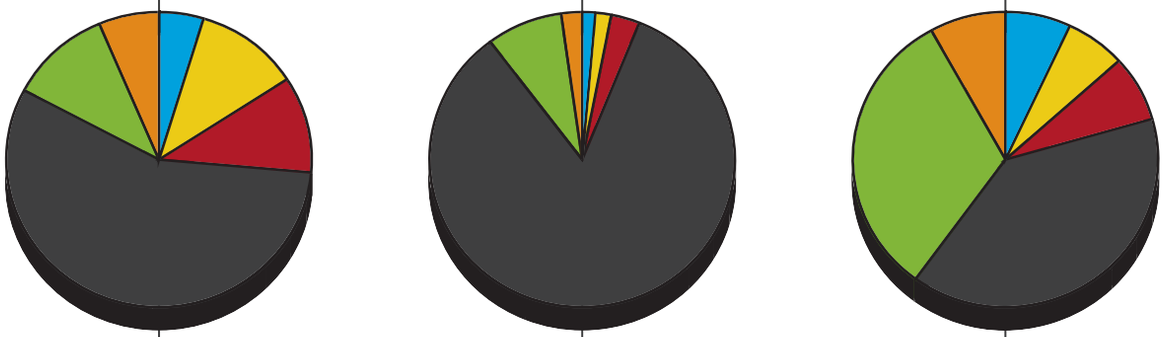
MINORITY MEN

Percentage of US angel-backed deals led or founded by a minority male entrepreneur is:

26%

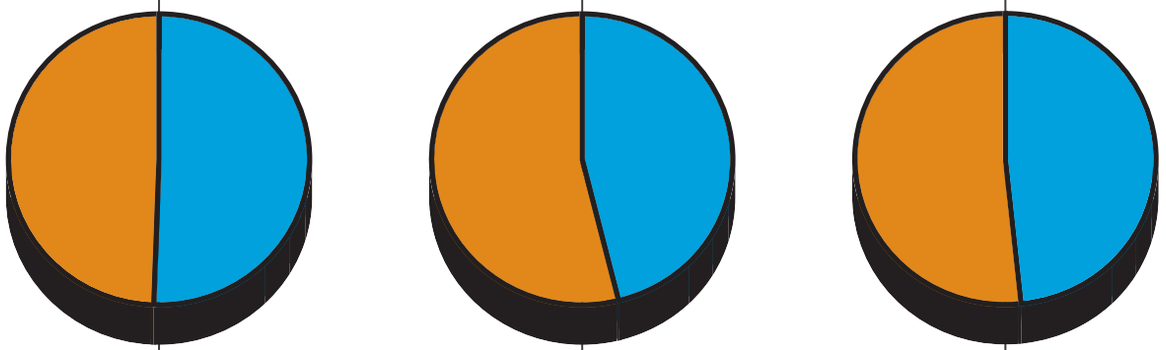
INDUSTRY DIVERSITY
(PERCENTAGE OF FUNDS INVESTED)

- Business Products & Services
- Consumer Products & Services
- Healthcare
- Internet & Mobile
- Software
- Other



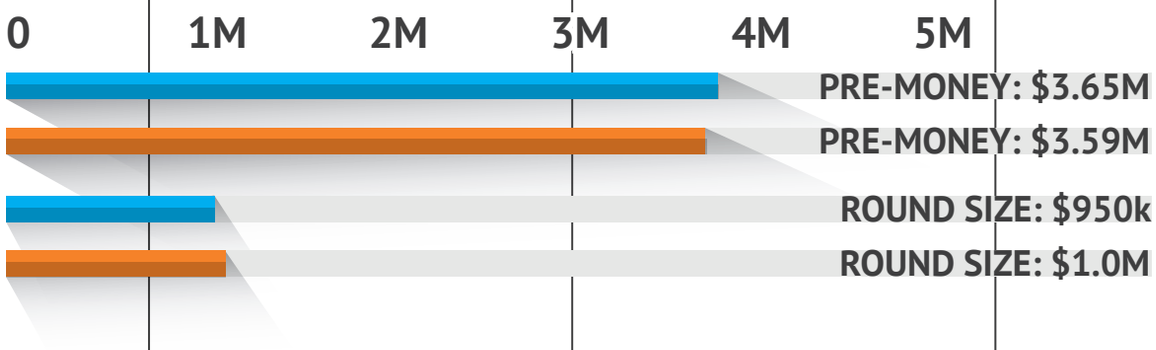
INVESTMENT STAGE
(WAS THIS A NEW DEAL?)

- New Deals Funded by Angels
- Follow-on Deals Funded by Angels



VALUATION + SIZE
(NATIONAL, MEDIAN)

- HALO Report Aggregated
- Minority and Female Deals



DOES DIVERSITY MATTER?

One of the more interesting lessons from the ARI Minority Report is the fact that, while minorities and women may be under-represented as a whole, there is no adverse impact on the typical terms given to these entrepreneurs from angel investors. In fact, pre-money valuation, round size, and dry powder are comparable to the terms that white males receive. So does investing in a minority entrepreneur help diversify your portfolio? The answer is we don't know. We need to follow these companies to learn more about the exits.

HALO Report™

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THE HALO REPORT™

The **2016 HALO Report**™ provides economic developers, community and business leaders, entrepreneurs and early-stage investors with best-in-class research reports to better understand how startups are funded.

About the HALO Report™

The **HALO Report™** 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. Deals where individual angels and angel groups represented only a small percentage of the total funding were removed from the calculations on valuation and round sizes. The report focuses on five (5) industries: Business Products & Services, Consumer Products & Services, Healthcare, Internet & Mobile, and Software. Future HALO Reports will attempt to dissect Healthcare into Medical Device, Pharma, & Biotech, and Healthcare IT. Unless otherwise noted, values of less than 10% in the industry sectors are grouped as "Other" and will not be labeled directly.

Angel Resource Institute™ (ARI)

The Angel Resource Institute (ARI) is a 501(c)(3) charitable organization devoted to education, mentoring and research in the field of angel investing. ARI was founded by the Ewing Marion Kauffman Foundation, and is a sister organization of the **Angel Capital Association**, the professional association of angel groups in North America. The programs of ARI include educational workshops and seminars, research projects and reports, and information about angel investing for the general public. More information is available at: www.angelresourceinstitute.org.

PitchBook™

PitchBook, a Morningstar company (MORN), is the industry's leading resource for meaningful information about global VC, PE and M&A activity. PitchBook empowers over 2,000 clients to make the most informed business decisions by providing them with the highest quality information on the entire investment lifecycle through its flagship product, the PitchBook Platform. This award-winning, web-based platform features a powerful suite of integrated technology that meets the diverse, data-driven needs of the private markets. For more information about PitchBook, please visit www.pitchbook.com.

Special Thanks

ACA group leaders who submitted data, ACA and ARI Board Members, Sarah Cagney (HBAN), Claire England (CTAN), Curtis Gunn (Desert Angels), Marianne Hudson (ACA), Tyler Knauss, Drew Knauss, and Tanner Planes for contributions to the report.

For more information about ARI or this report, please visit **angelresource.org**

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