

Q2 2015

Presents the

 HALO Report™



Special Edition: Geography Report

Highlights

For the first time ever, we are able to report on the **geographic differences over the last several years** for the key metrics we've been reporting in the HALO Report™. Below are some of the highlights.

Seed stage valuations have risen steadily over the last five years to an all time high of 3.95M (Median), a 30% increase over 2014.

Round sizes in deals with only angel investors **have grown from \$800K in 2014 to over \$1M** year to date in 2015.

All regions across the U.S. have seen increases in round size in the last 6 quarters. The largest increases in round sizes were in the Great Plains (\$0.2 to \$1.1M), Mid-Atlantic (\$0.3M to \$1.5M), and Northwest (\$0.3M to \$1.5M) regions.

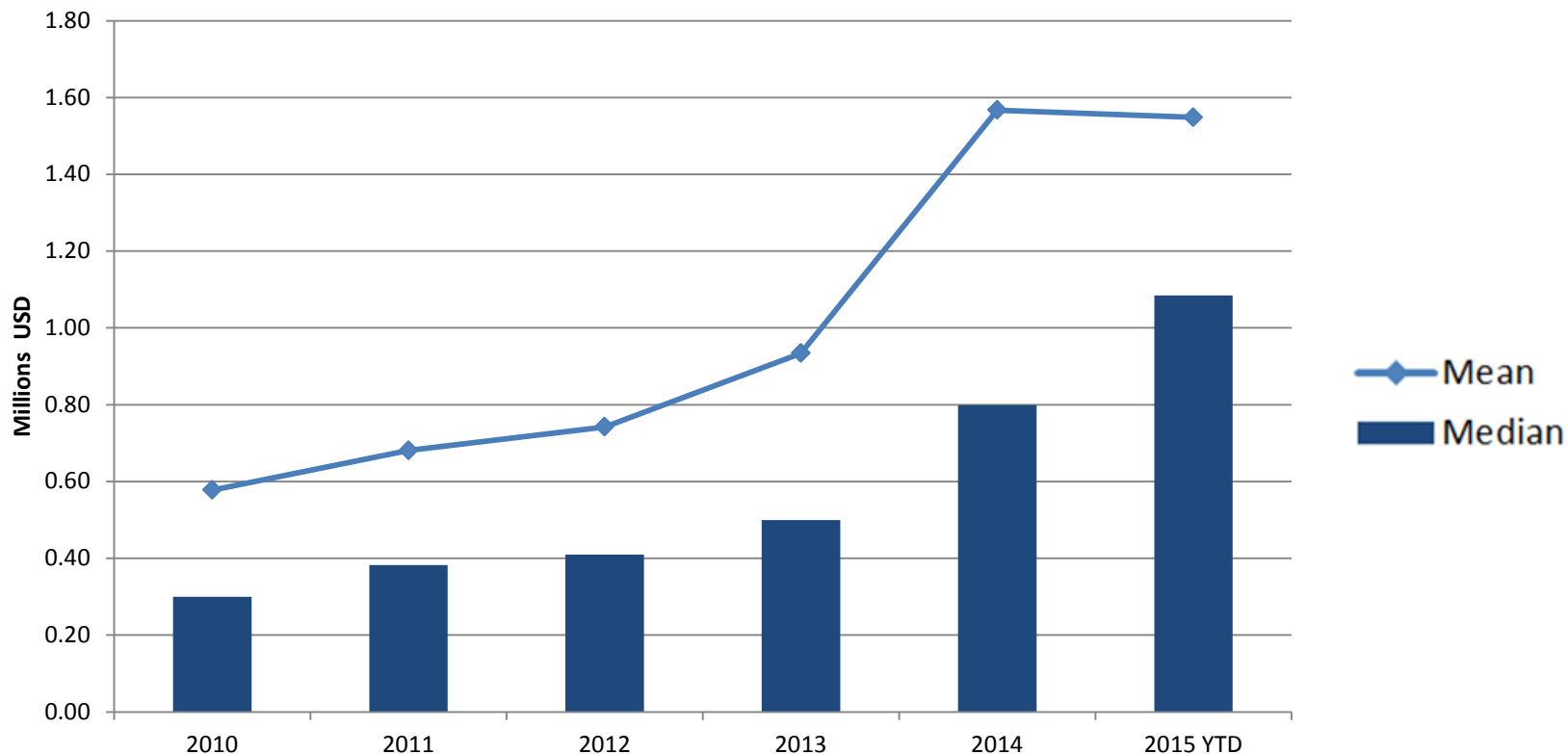
Over the last 5 years, California consistently completed the most investments, at 19.6% of the total, with New England (12.7%), and the Great Lakes (12.2%) following closely behind.

Angel investing activity is equally distributed across the country when parsed either East and West or North and South at approximately 50% / 50%.

Each region has different industry concentrations. California and New York have tended toward Mobile and Internet, while Texas has completed more investments in Food & Beverage than any other region. The Great Lakes tended toward Industrial and Healthcare, while New England and the Southeast maintain a relatively balanced “portfolio” across sectors.

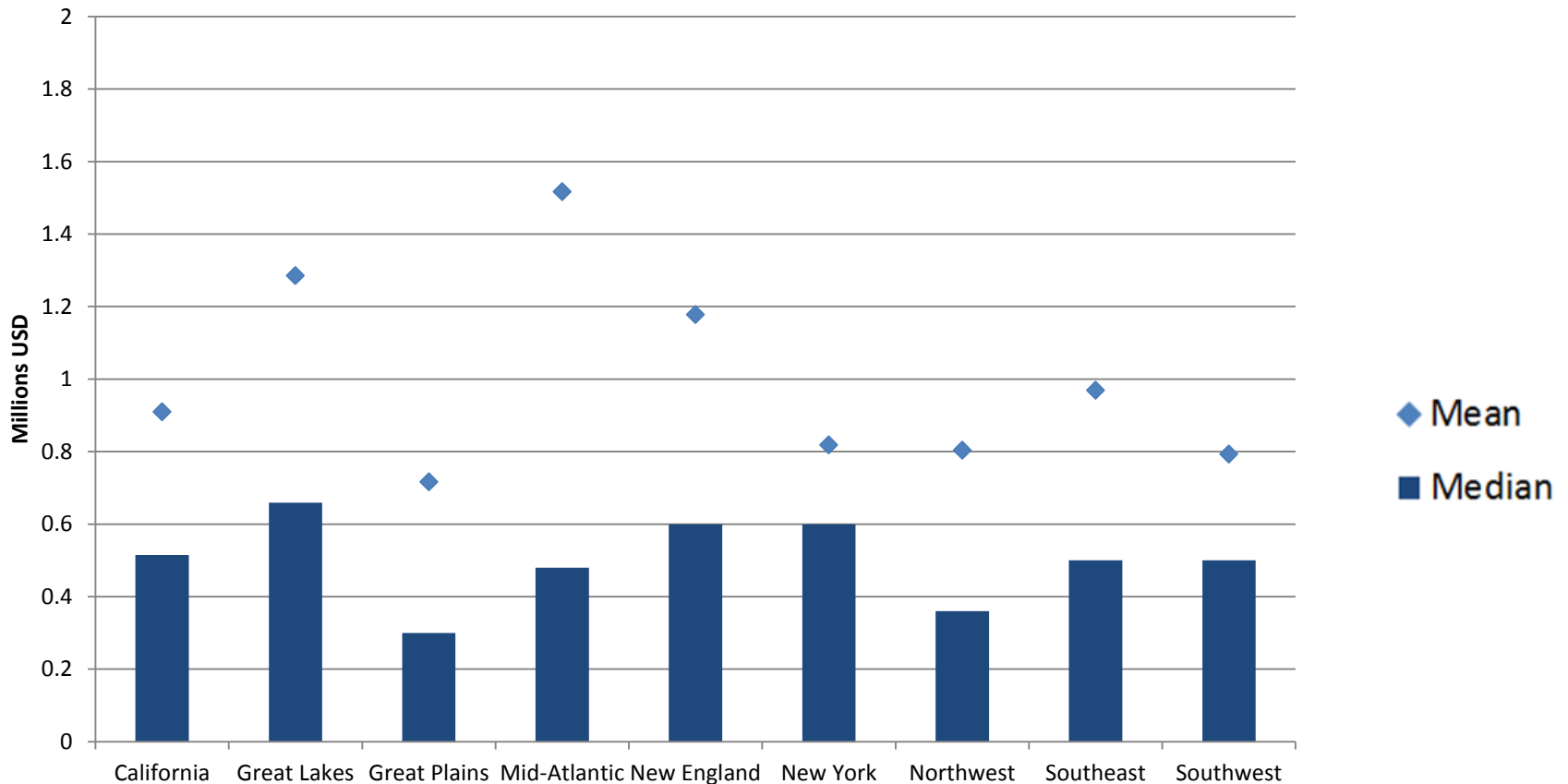
Median and Mean Round Sizes – rounds with only Angels

Round Size increase 25% 2015 YTD over 2014, but the mean has leveled off.



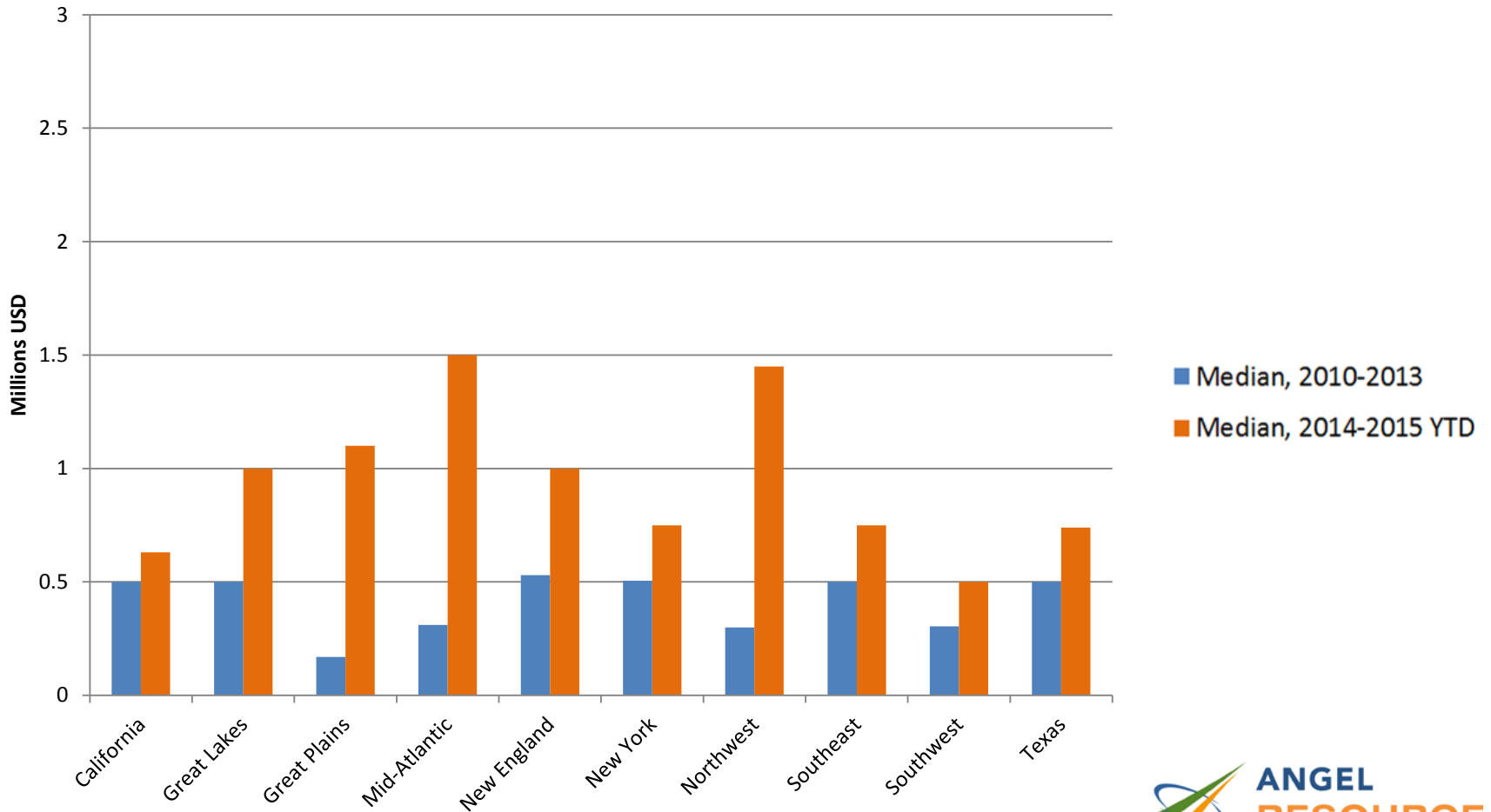
Round Size with only Angel investors, by Region, 2010-2015 YTD

Over the last 5 ½ years, the Great Lakes, New England, and NY regions consistently funded the largest rounds, at approx. \$600,000.



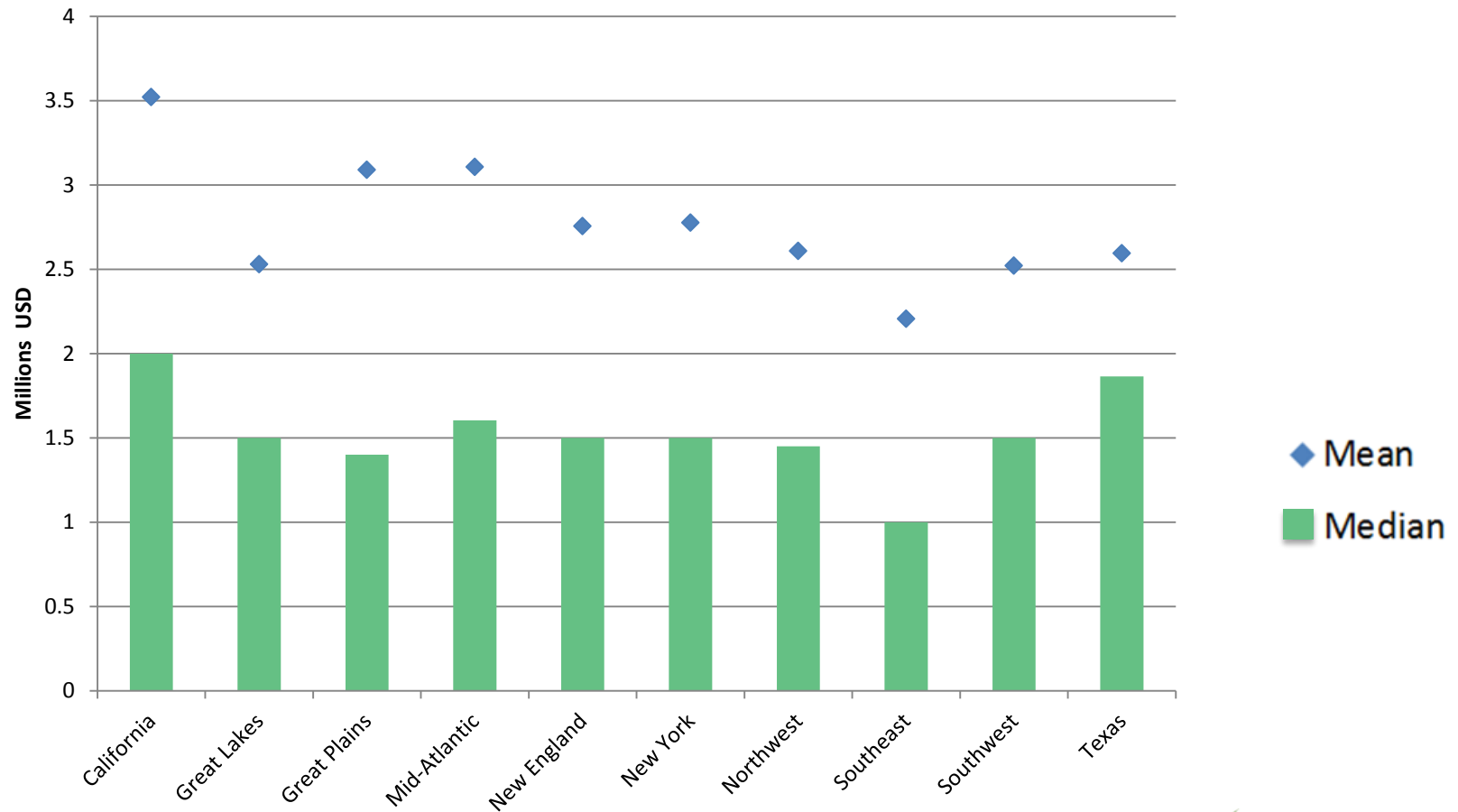
Round Size, with only Angels, 2010 - 2013 vs. 2014 - 2015 YTD

Every region is doing larger angel only rounds in the most recent 6 quarters, particular growth in the Great Plains, Mid-Atlantic, and Northwest regions.



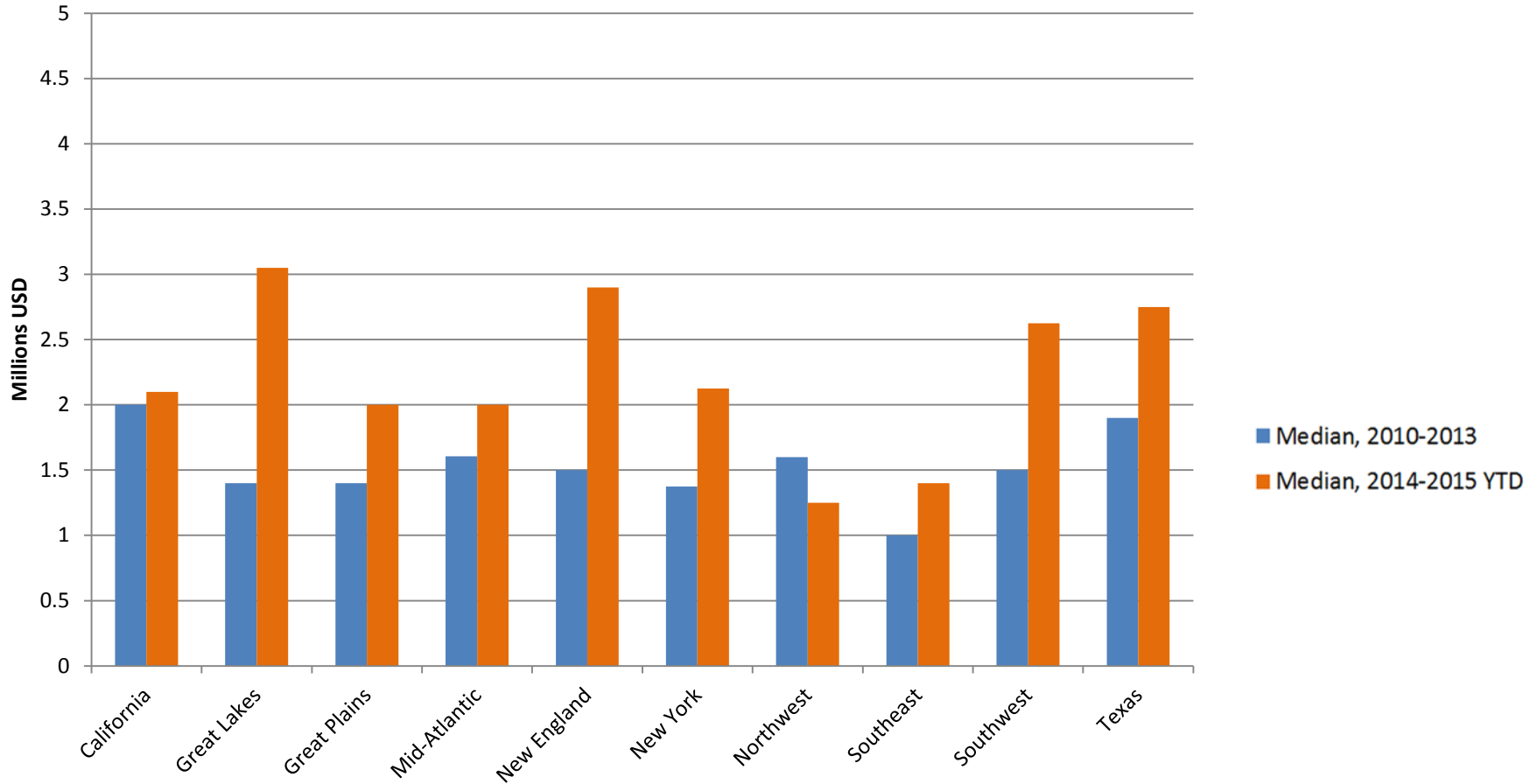
Round Size, Angels with Non-Angel Investors, 2010-2015 YTD

Over the last 5 ½ years CA has done the largest rounds when VC's were involved, with the Great Plains and Mid-Atlantic regions closely following.



Round Size, Angels with Non-Angel Investors, 2010-2013 vs. 2014-2015 YTD

Great Lakes, New England, Southwest up significantly over the last 6 qtrs.



Median Seed Stage Pre-Money Valuation

Pre-Money valuation continues to climb; has climbed consistently for the last 6 qtrs.

2014

\$13.5M
3rd Quartile:
\$4.4M
MEDIAN :
\$3.0M

1st Quartile:
\$2.0M

\$0.30M

\$10M

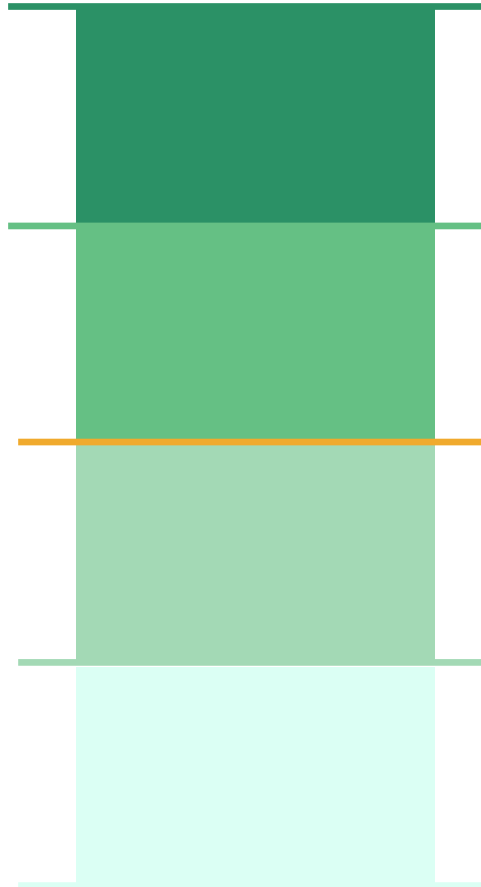
2015 YTD

3rd Quartile:
\$5.0M

MEDIAN :
\$3.95M

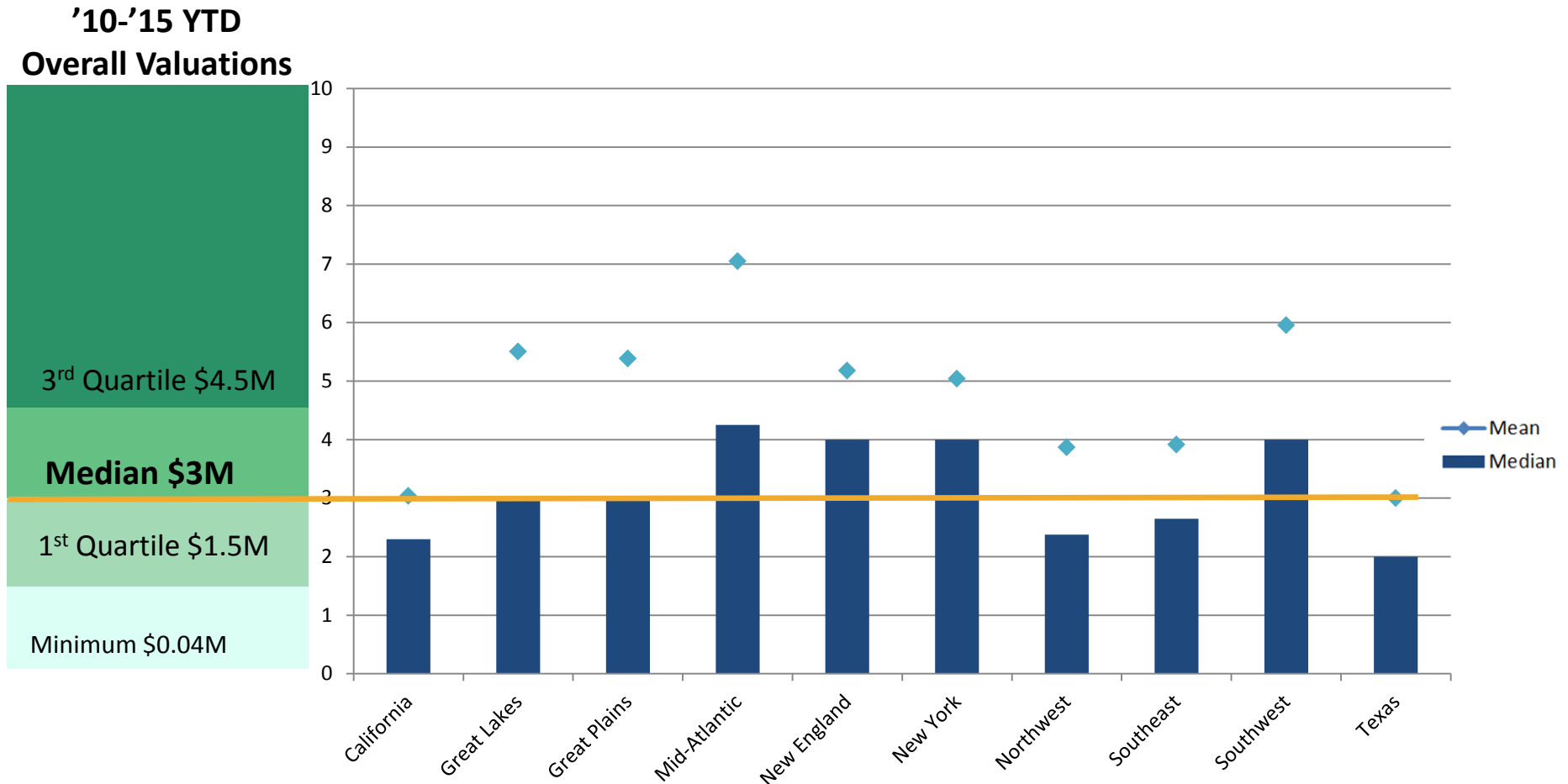
1st Quartile:
\$2.5M

\$0.30M



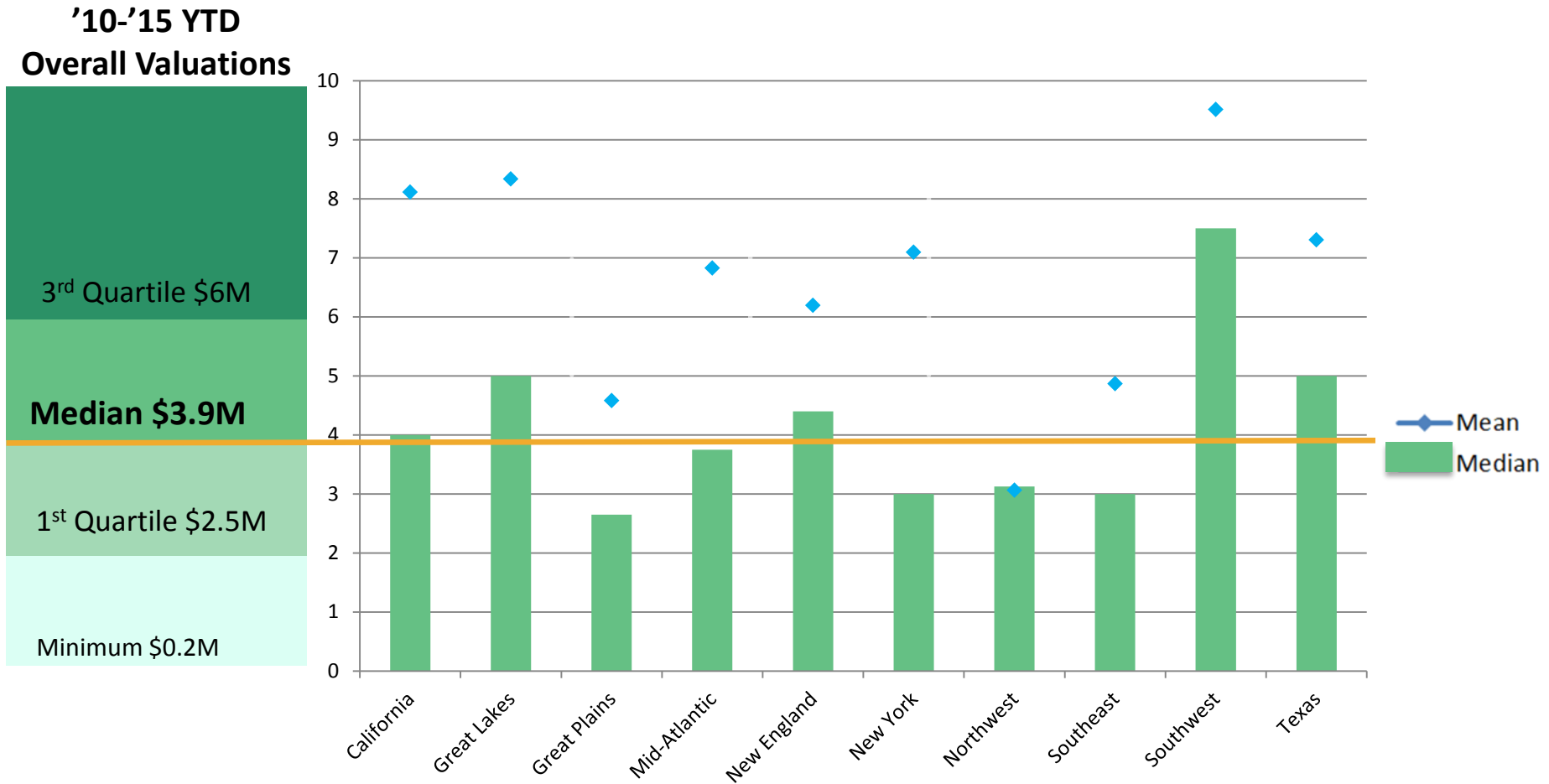
Pre-Money Valuation by Region, Angels Only, 2010 - 2015 YTD

Over the last 5 ½ years, the East Coast and SW have given the highest valuations

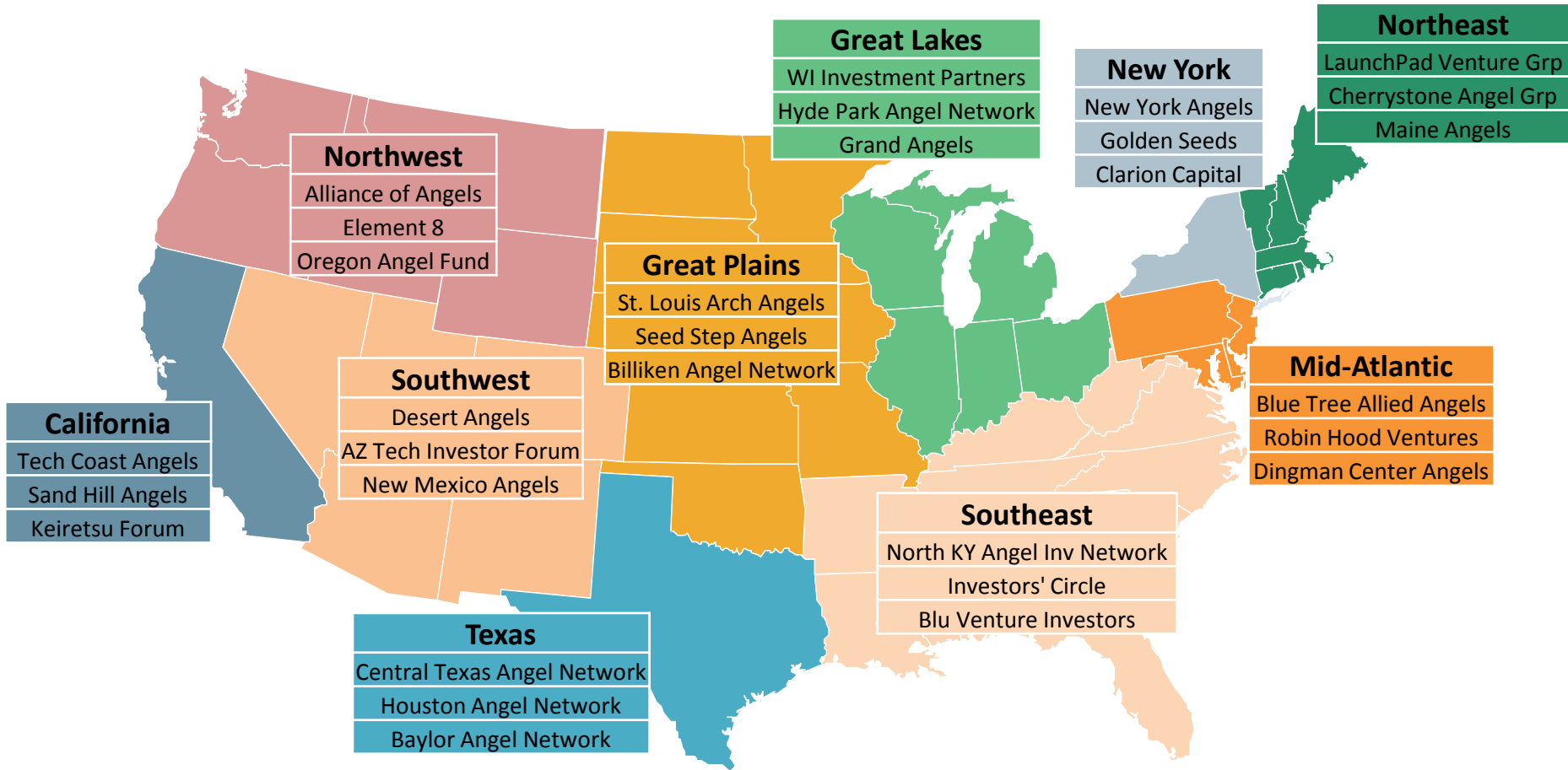


Pre-Money Valuation, Angels with Non-angel Co-Investors, 2010-2015 YTD

Overall valuations in angel/VC rounds has a median of \$3.9M over the last 5 ½ years.



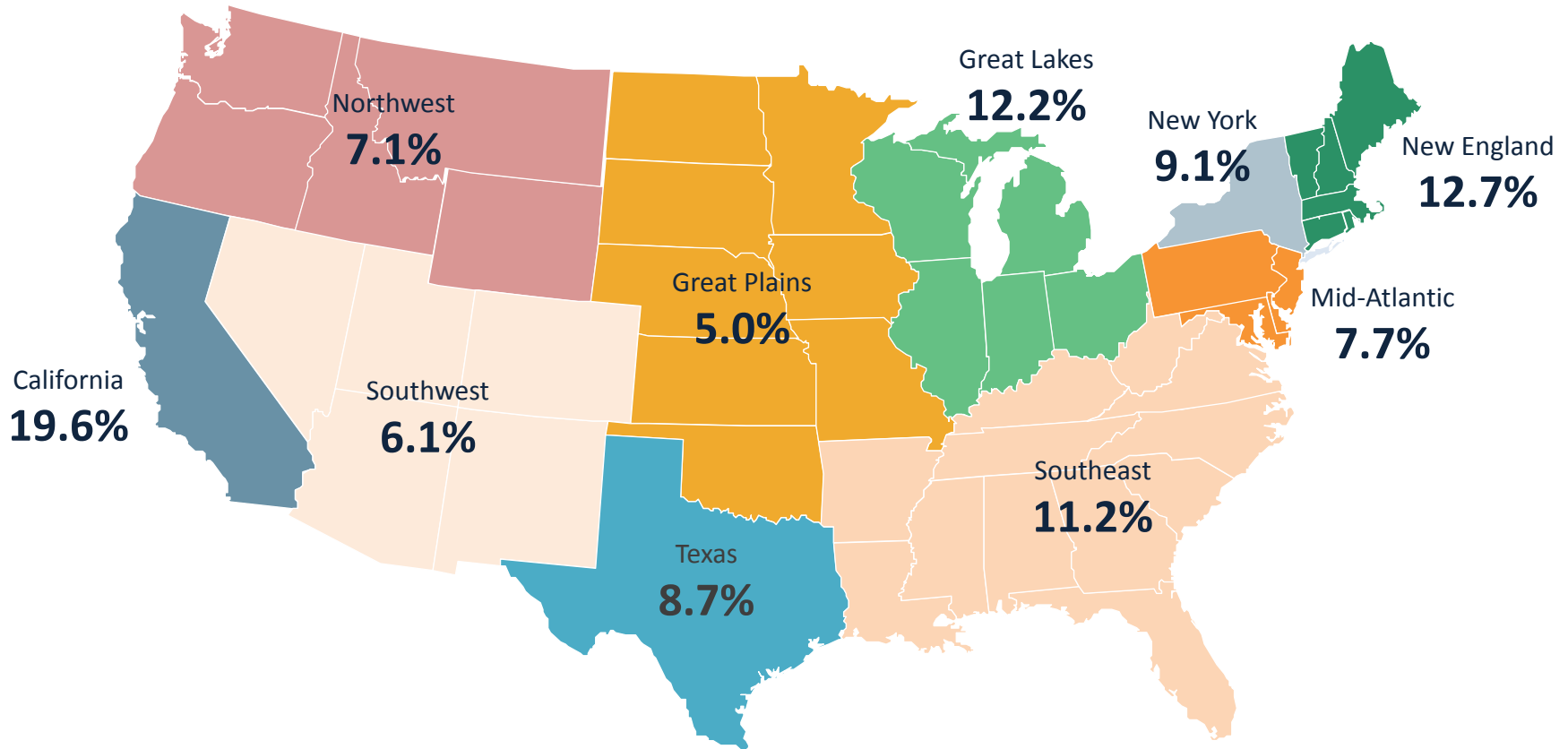
Top 3 Angel Groups by Region, cumulative deals 2010-2015 YTD



Cumulative Share of Angel Group **deals** by Region, 2010-2015 YTD

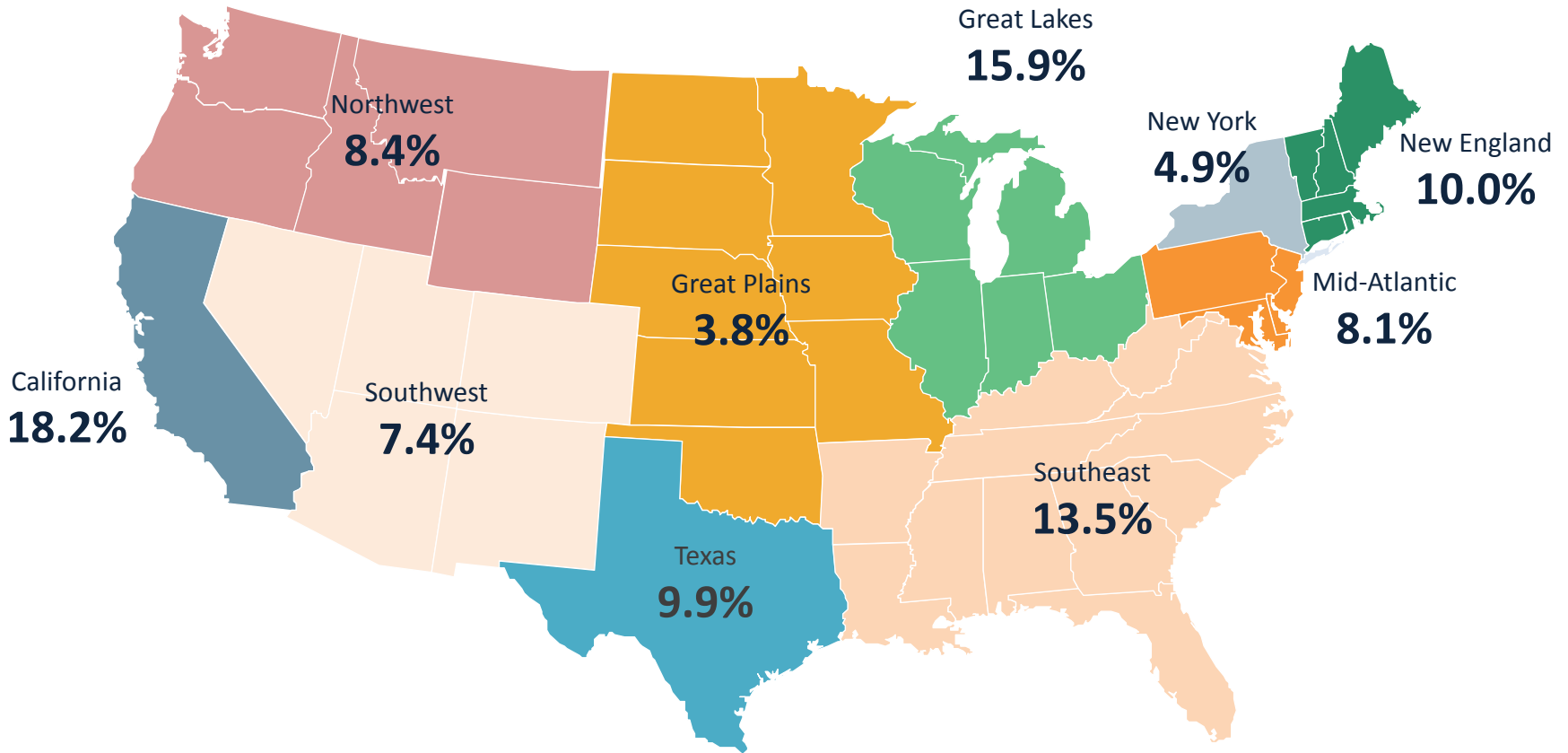
CA is consistently the leader in deals in the U.S.;

TX, the SW, and Great Lakes have seen increased activity in the first half of 2015.

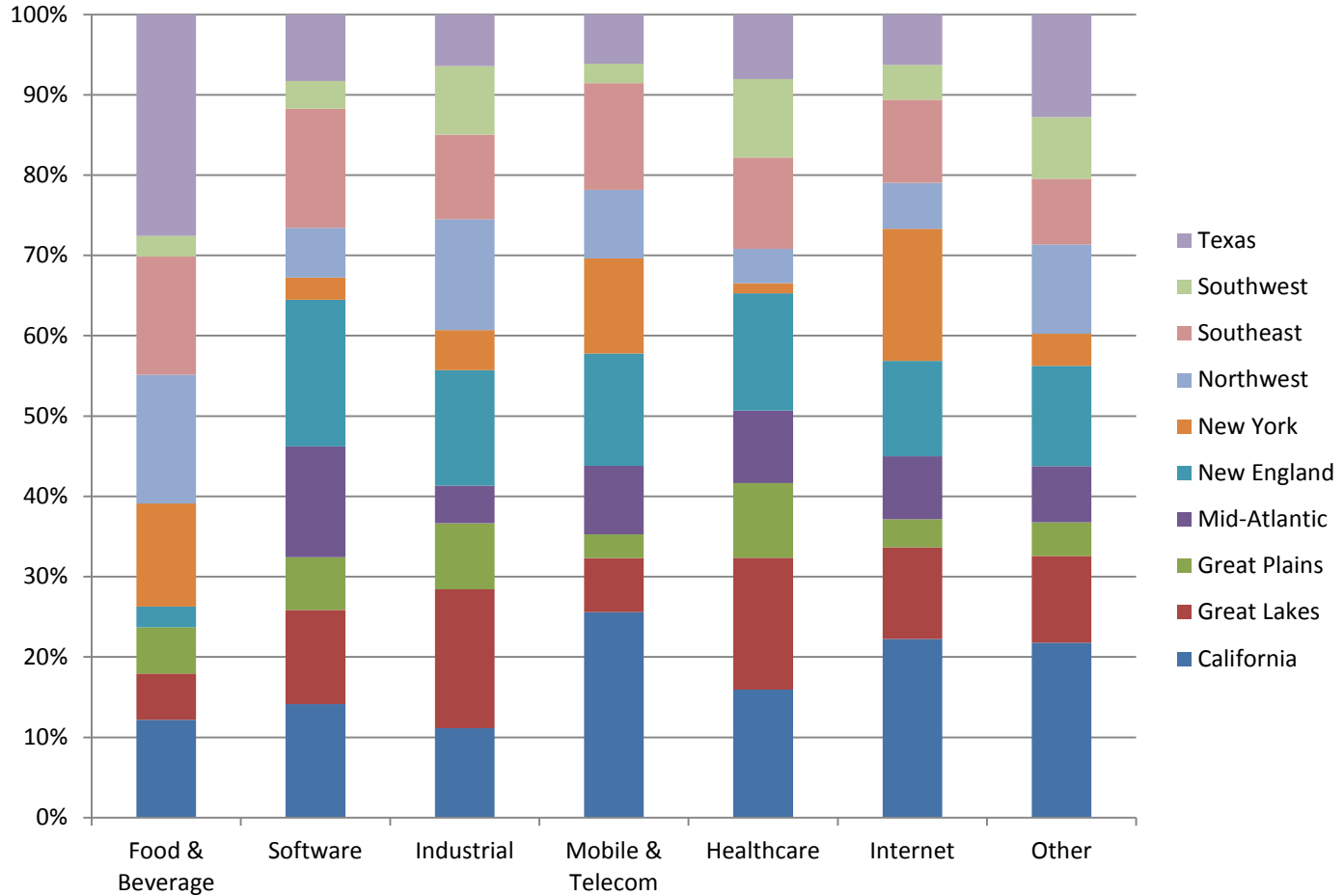


Cumulative Angel Investment **dollars** by Region, 2010-2015 YTD

While CA and New England have a consistent 28% of the dollars over the last 5 years, Great Lakes has been increasing significantly.



Share of Sector by Region, 2010-2015 YTD



About the HALO Report™



Understanding the Data: Special Round Types and Industry Sectors

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.

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

Unless otherwise noted, values of less than 1% in the industry sectors are included, but are not labeled directly.

HALO Report™ Industry Sectors

Internet	Industrial	Financial Services
Mobile & Telecom	Automotive & Transportation	Food & Beverages
Software	Business Products & Services	Leisure
Energy & Utilities	Consumer Products & Services	Media
Computer Hardware & Services	Electronics	Metals & Mining
Healthcare	Environmental Services & Equipment	Retail
		Risk & Security



HALO Report™ Contact

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The Angel Resource Institute (ARI) is a 501(c)(3) charitable organization devoted to education, mentoring and research in the field of angel investing, housed at Willamette University. 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 is an impartial private equity and venture capital research firm that provides premium data, news and analysis. Through a combination of publicly available sources and rigorous firsthand research with industry professionals, PitchBook has developed an extensive database with in-depth information and statistics on hundreds of thousands of companies, deals, investors, service providers and limited partners.

Willamette University MBA

Willamette University MBA is a leader in early stage investment research and entrepreneurship. In addition to being the home of the Angel Resource Institute, Willamette launched the world's first student run angel investment fund in 2008. Willamette faculty and researchers published the world's largest and most cited study on angel investor returns, Returns to Angel Investors in Groups (2007), and one of the most widely used textbooks on entrepreneurship, Effectual Entrepreneurship (2011). They also perform data analysis for the HALO Report.

