

Monmouth Venture Partners *presents*

# Who's Getting Funded and Why? The Current State of Start-Up Funding in the NYC Region

*to the*



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Managing Partner

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# Areas of Operation

**MVP brings together a team with more than 50 years of diverse capital markets, strategic transaction and operational experience. We provide seasoned, objective expertise and focused execution in the areas of:**

- Strategic Advisory
- Mergers & Acquisitions
- Capital Formation
- Operational Execution



# Acknowledgements

BUSINESS INSIDER



THOMSON REUTERS

NYDAILYNEWS.COM

DAILY NEWS



PricewaterhouseCoopers  
National Venture Capital Association

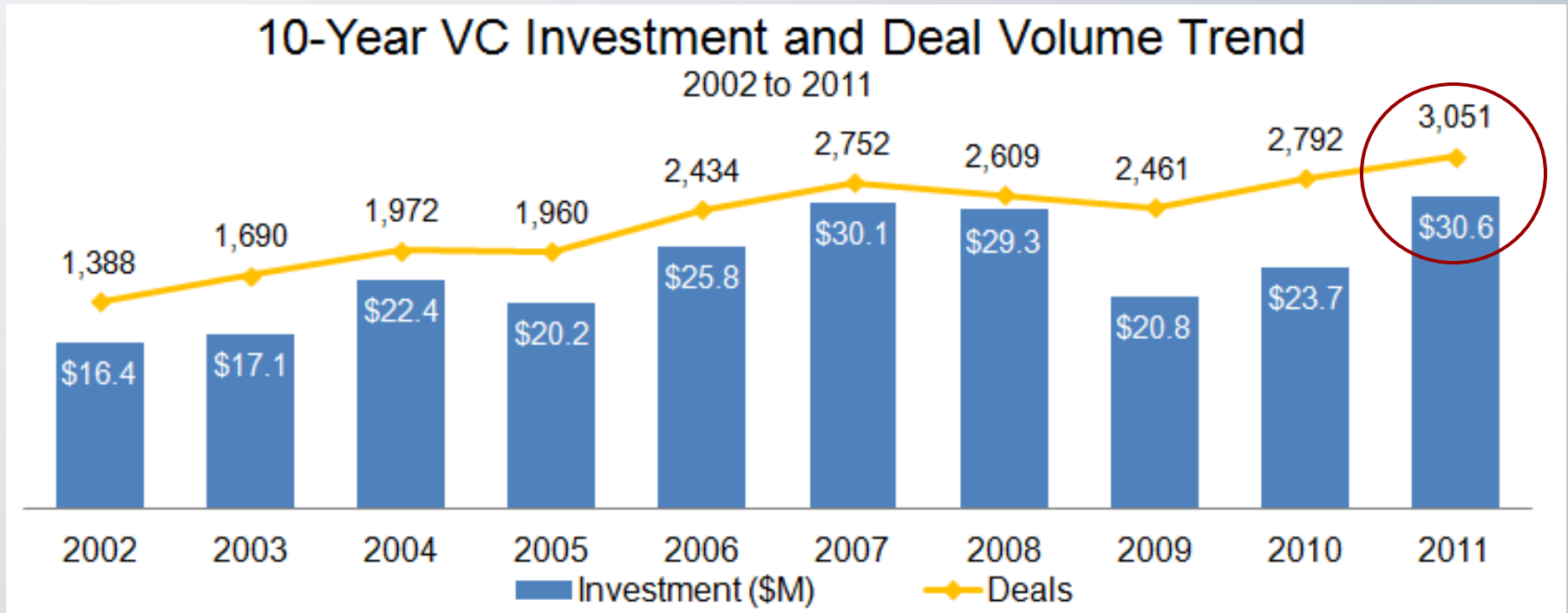
MoneyTree<sup>TM</sup> Report  
Data provided by Thomson Reuters



PRICEWATERHOUSECOOPERS 

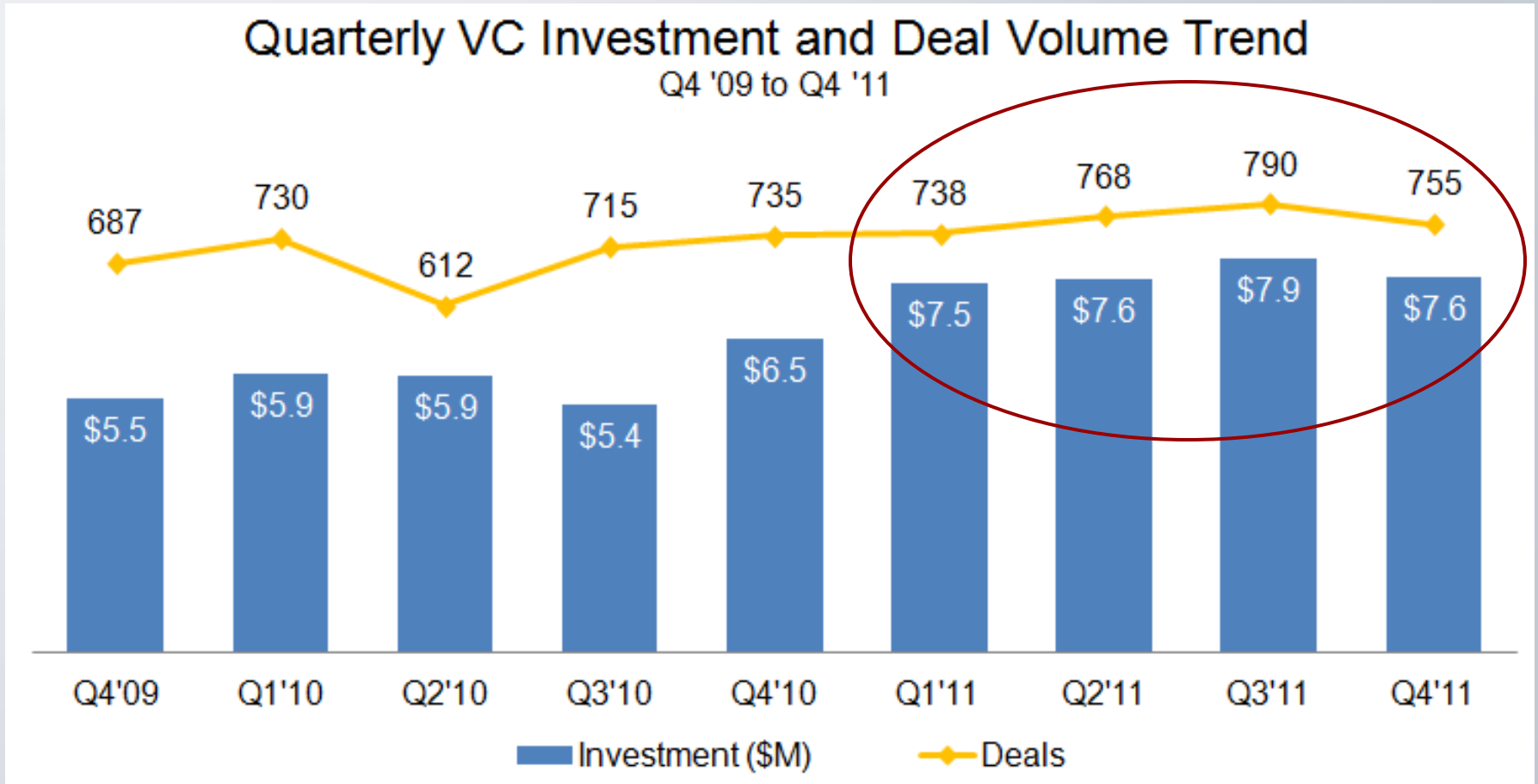
# Macro Trends

# Venture investing is back!



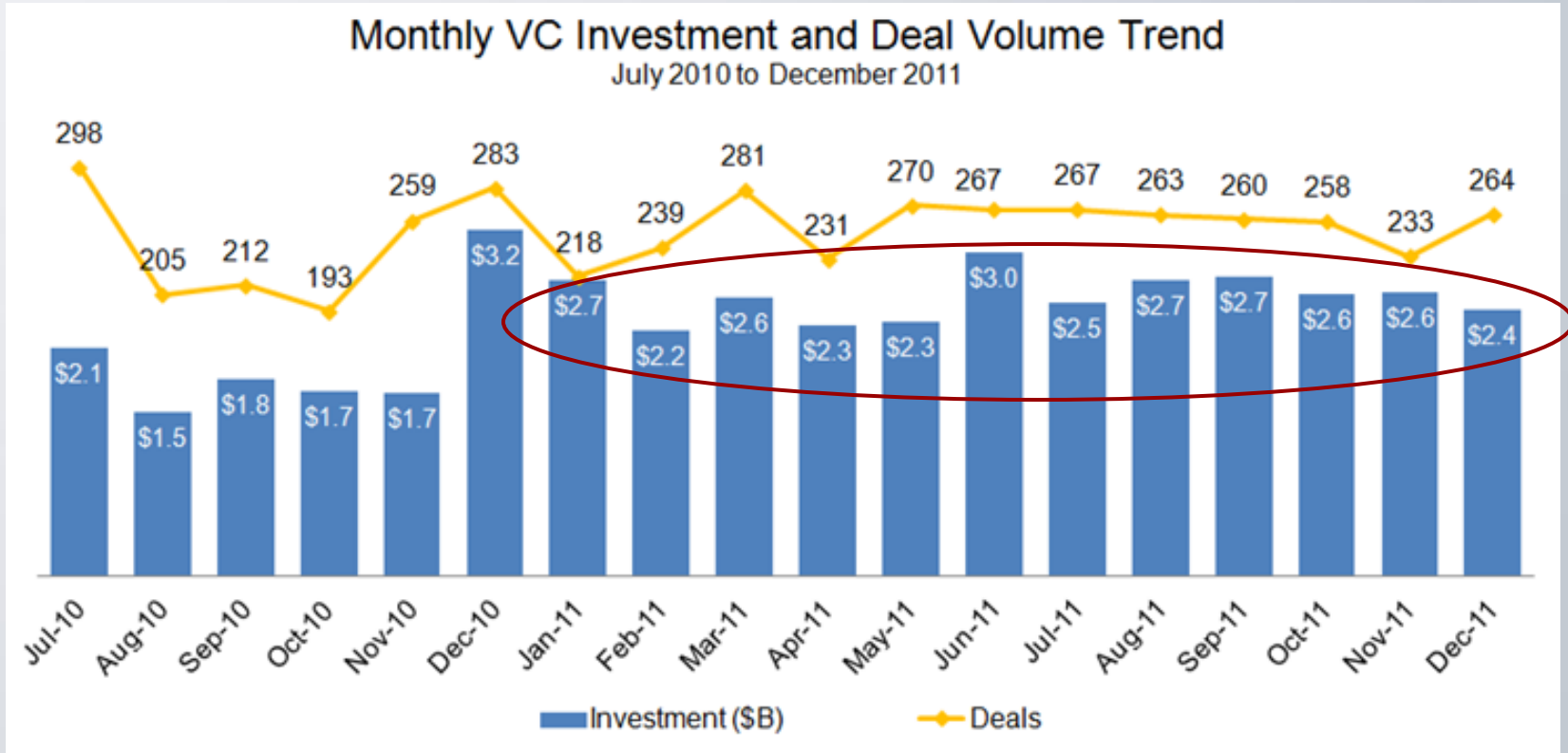
Source: CB Insights Venture Capital Activity Report Q4 2011

# 4 Qs of more deals and \$s invested



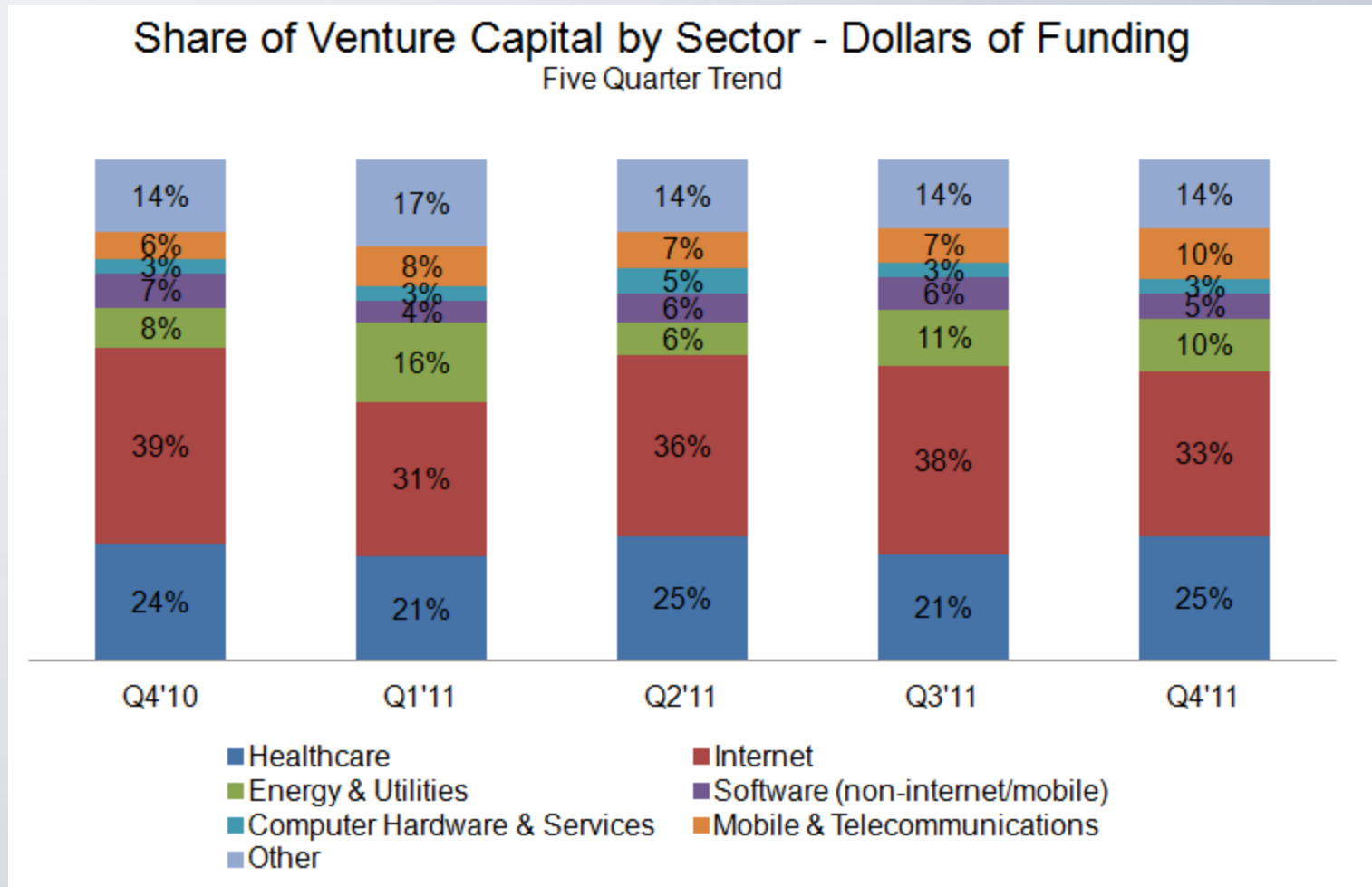
Source: CB Insights Venture Capital Activity Report Q4 2011

# \$2.5 billion average per month in 2011



Source: CB Insights Venture Capital Activity Report Q4 2011

# Internet dominates, healthcare rebounds

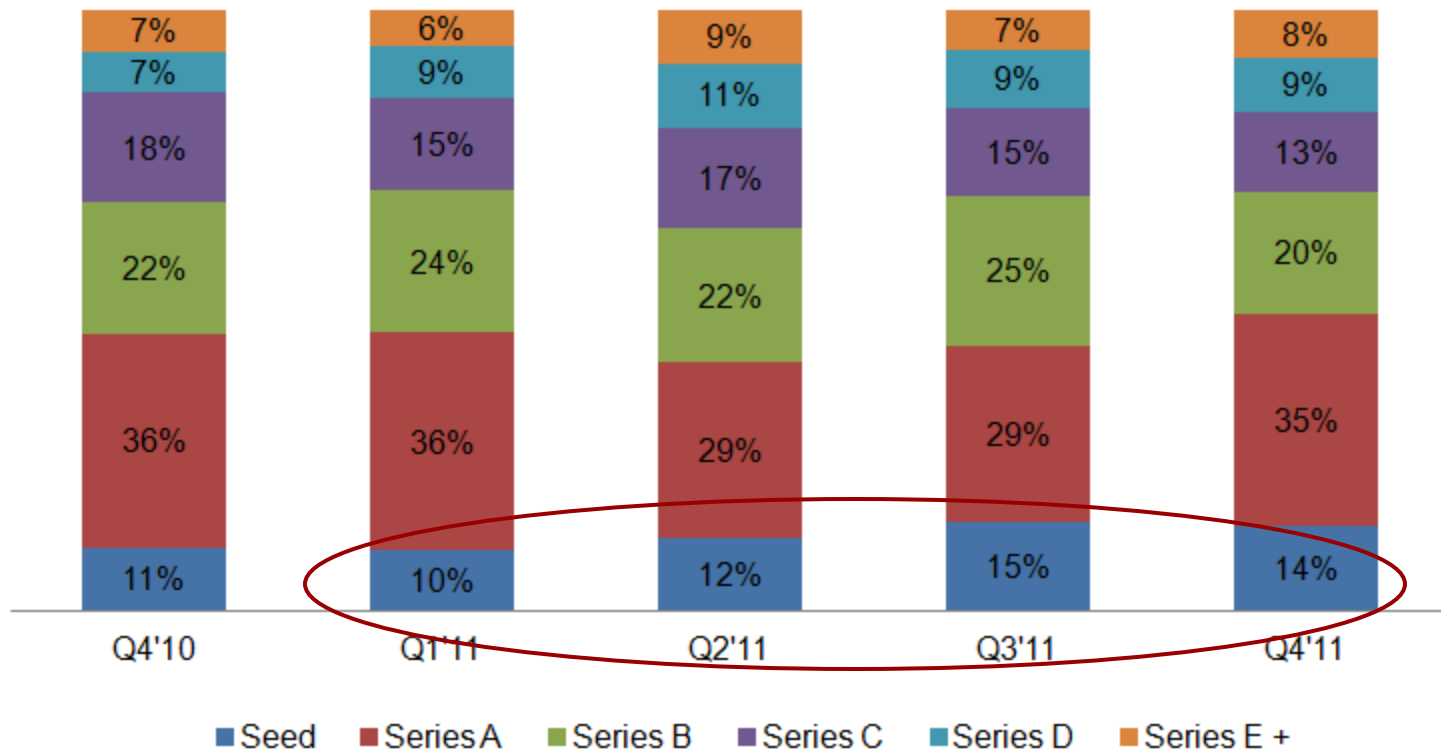


Source: CB Insights Venture Capital Activity Report Q4 2011



# Seed deals on an up trend...

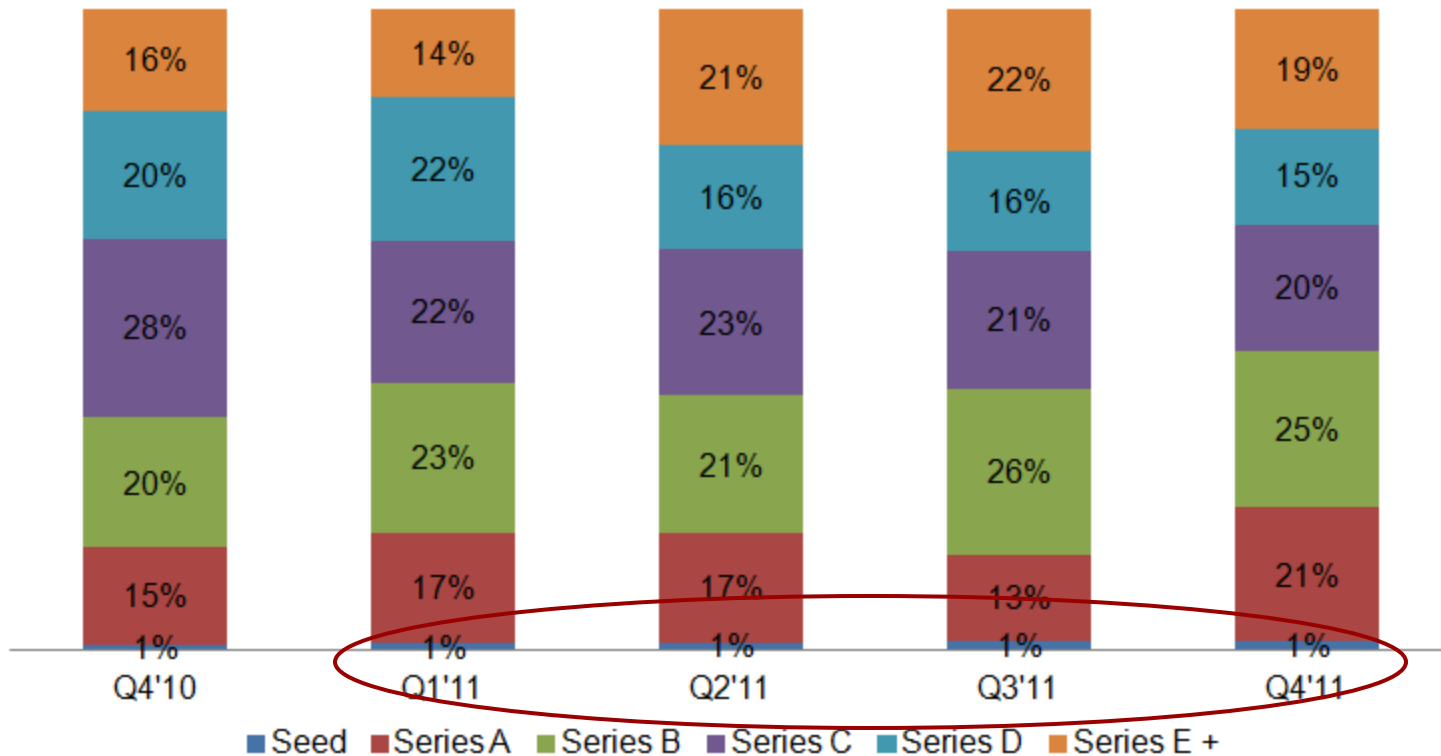
Share of Venture Capital by Series - Number of Deals  
Five Quarter Trend



Source: CB Insights Venture Capital Activity Report Q4 2011

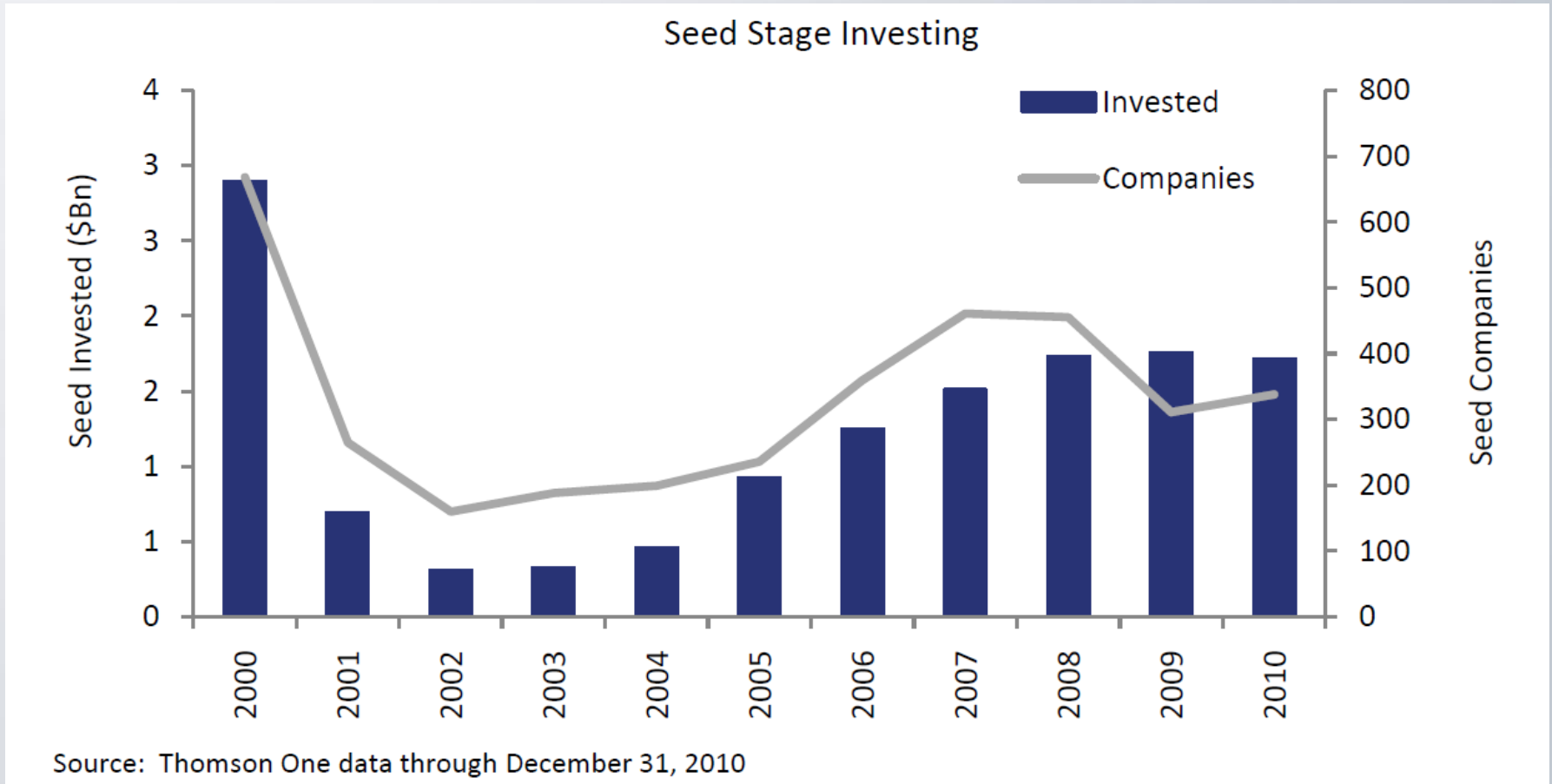
# ... but still a small % of total funding

Share of Venture Capital by Series - Dollars of Funding  
Five Quarter Trend



Source: CB Insights Venture Capital Activity Report Q4 2011

# “Super Angels” drive seed stage rebound



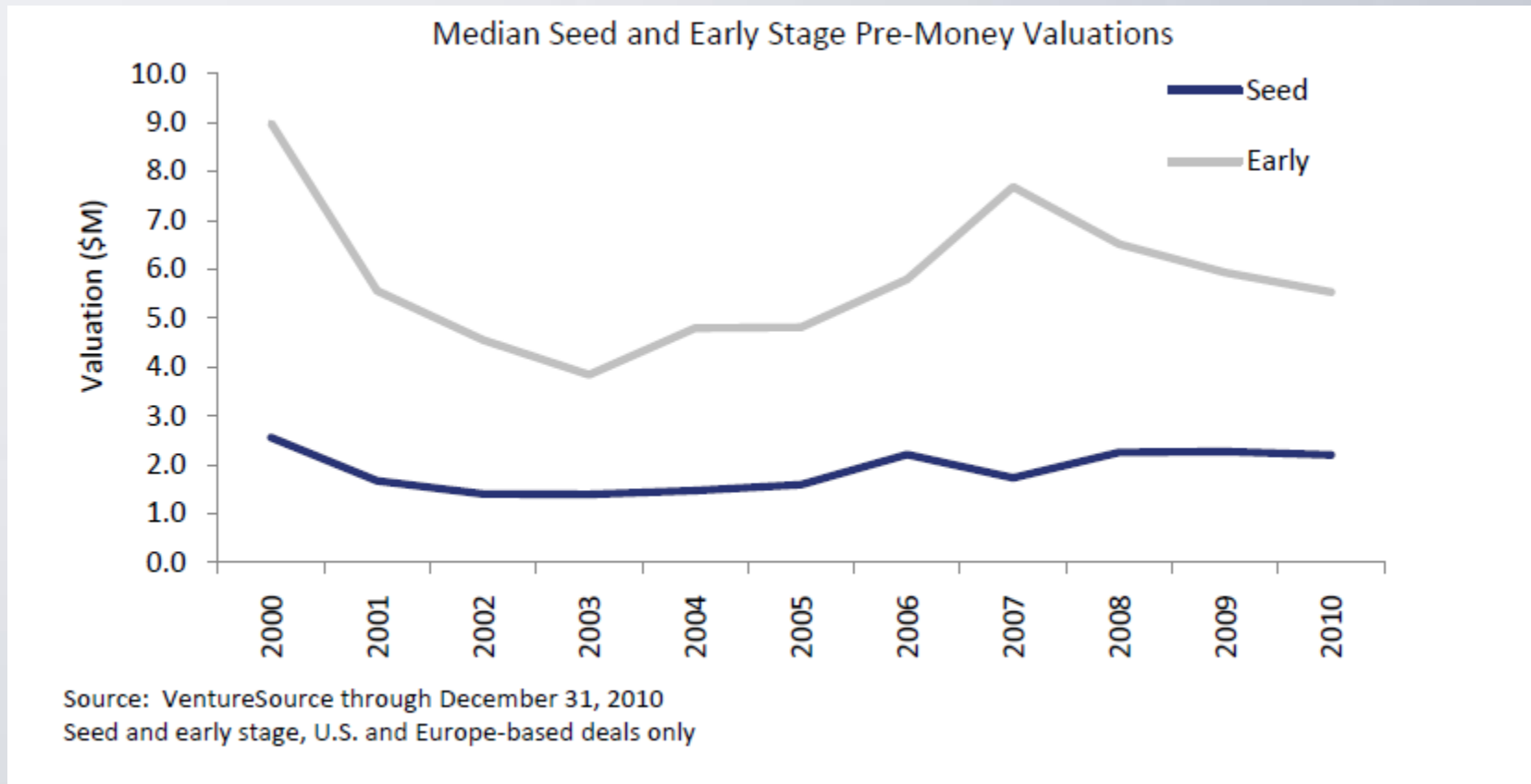
Source: TrueBridge Capital Partners “State of the Venture Capital Industry” Summer, 2011

# Reid Hoffman - “Super Angel” personified



- Former PayPal EVP
- Co-founder of LinkedIn
- Prolific angel investor
- Runs \$20MM Discovery Fund for Greylock Partners

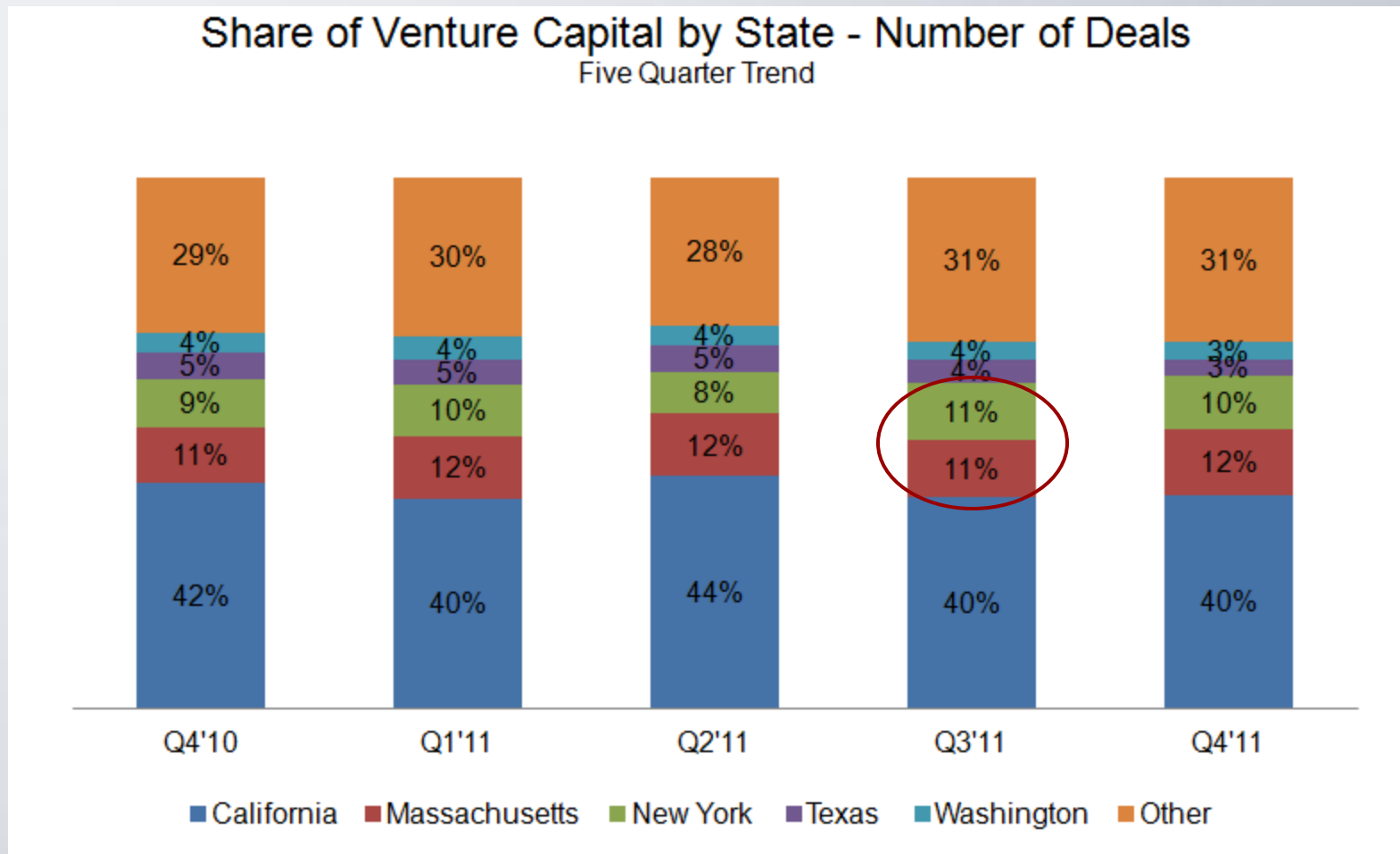
# Seed valuations holding steady



Source: TrueBridge Capital Partners “State of the Venture Capital Industry” Summer, 2011

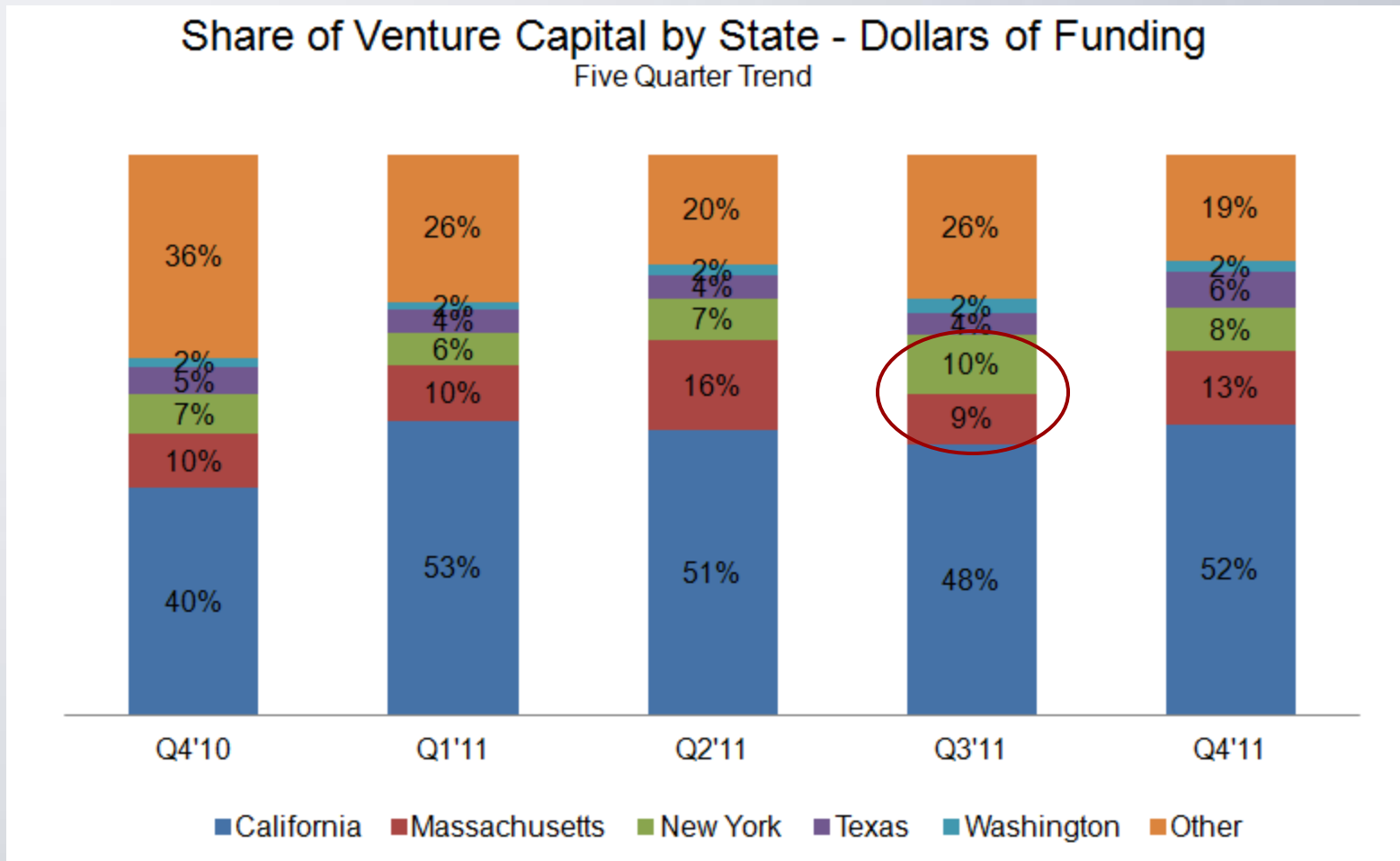
# Regional Trends

# VC Super Bowl: Giants tie Patriots 3<sup>rd</sup> Q



Source: CB Insights Venture Capital Activity Report Q4 2011

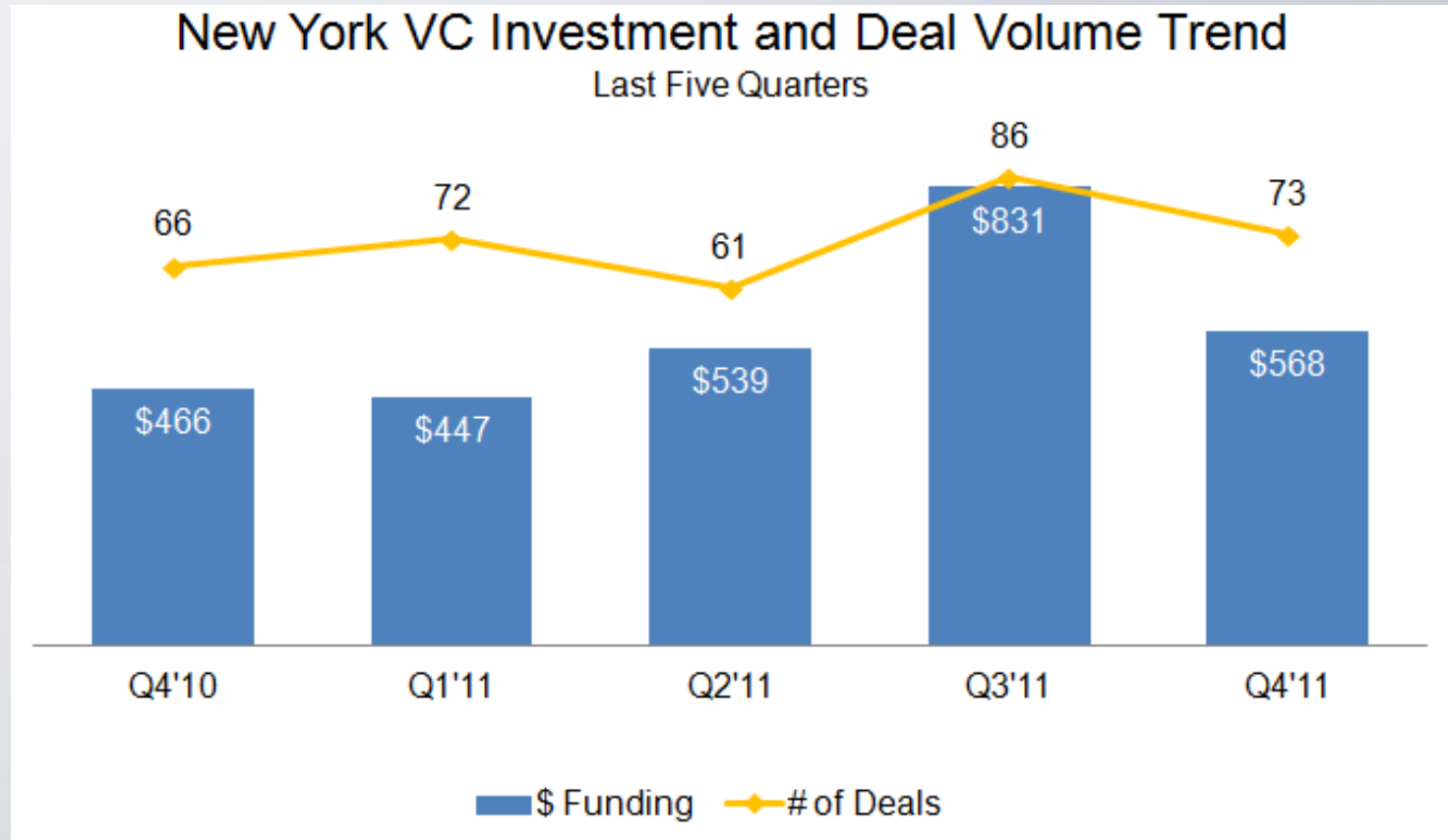
# Giants take \$ lead 3<sup>rd</sup> Q, but can't hold it



Source: CB Insights Venture Capital Activity Report Q4 2011

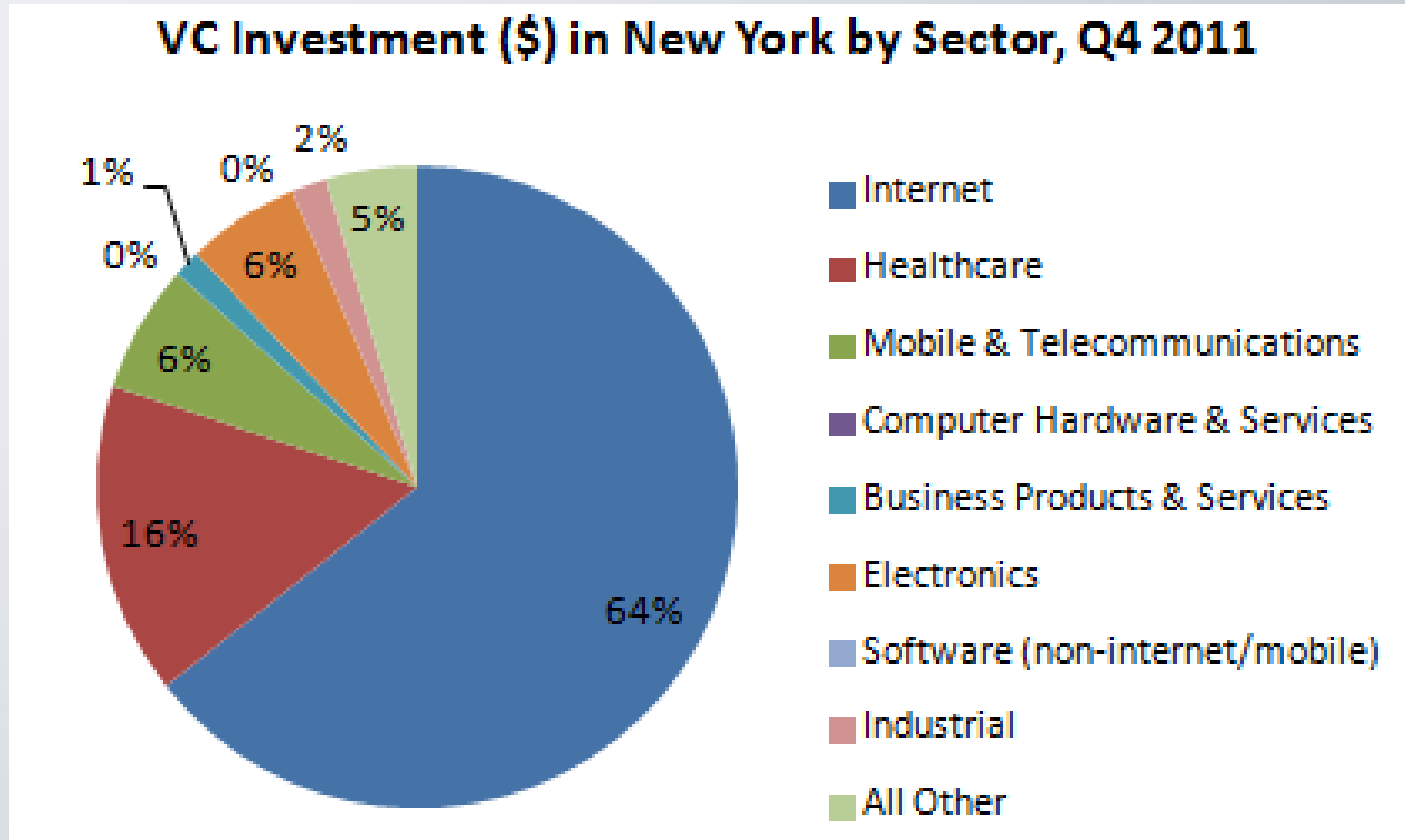


# Regardless, NY is a major center for VC



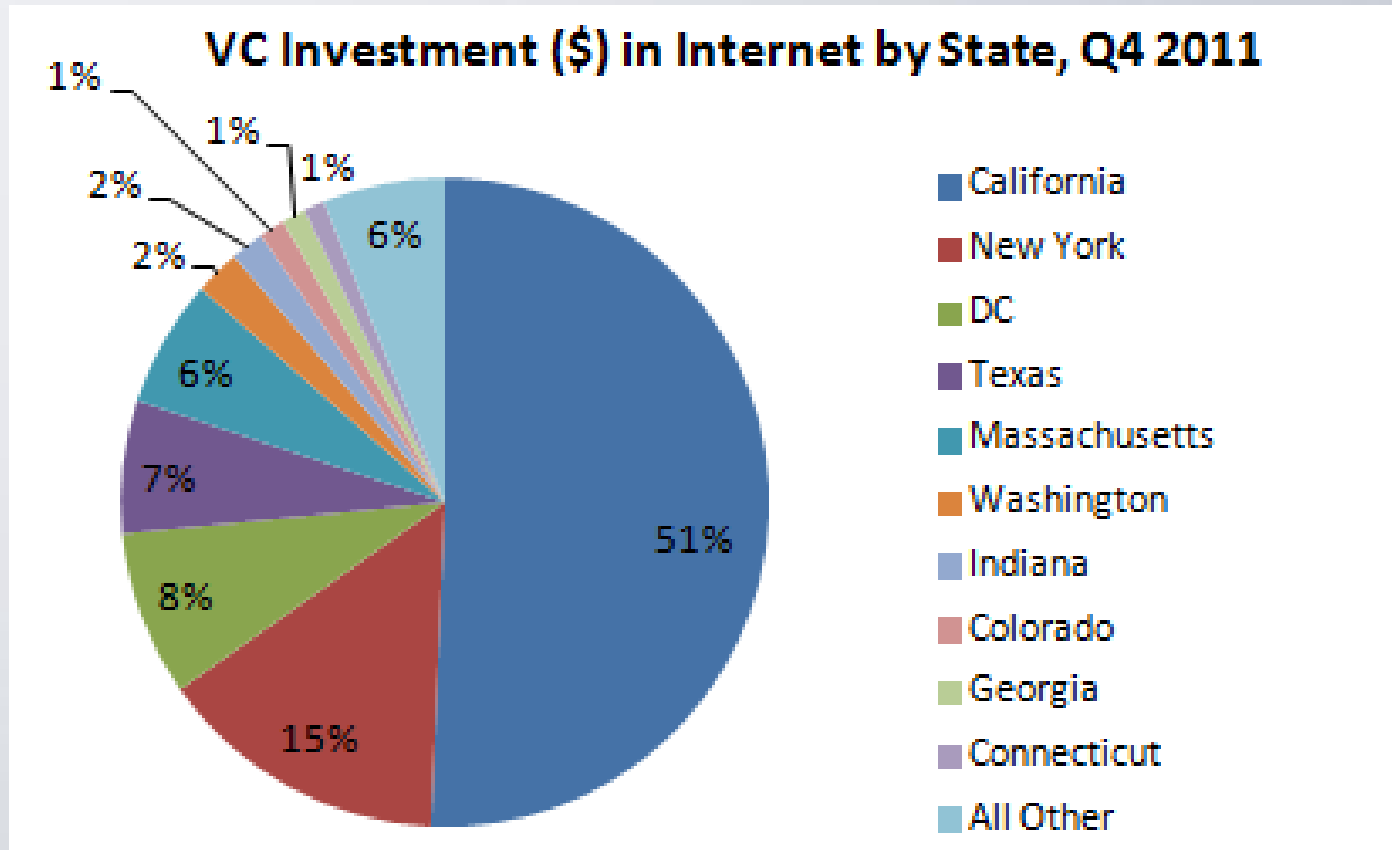
Source: CB Insights Venture Capital Activity Report Q4 2011

# Where's the New York \$ going?



Source: CB Insights Venture Capital Activity Report Q4 2011


# New York #2 in Internet investing



Source: CB Insights Venture Capital Activity Report Q4 2011

# New York: Internet and not much else?


<b>Deals by Sector - NY vs Mass (Q3 2011)</b>		
Sector	Massachusetts	New York
Internet (Tech)	25	62
Healthcare	34	4
Mobile & Telecommunications (Tech)	4	6
Computer Hardware & Services (Tech)	4	3
Energy & Utilities	5	1
Business Products & Services		5
Software (non-internet/mobile) (Tech)	4	1
Electronics (Tech)	2	1
Industrial	3	
Financial		2
Risk & Security	1	
Environmental Services & Equipment	1	
Food & Beverages		1
<b>Grand Total</b>	<b>83</b>	<b>86</b>

[www.cbinsights.com](http://www.cbinsights.com) 

Source: CB Insights “New York Venture Capital - Is the Lack of Industry Diversity a Positive of its Achilles Heel?”

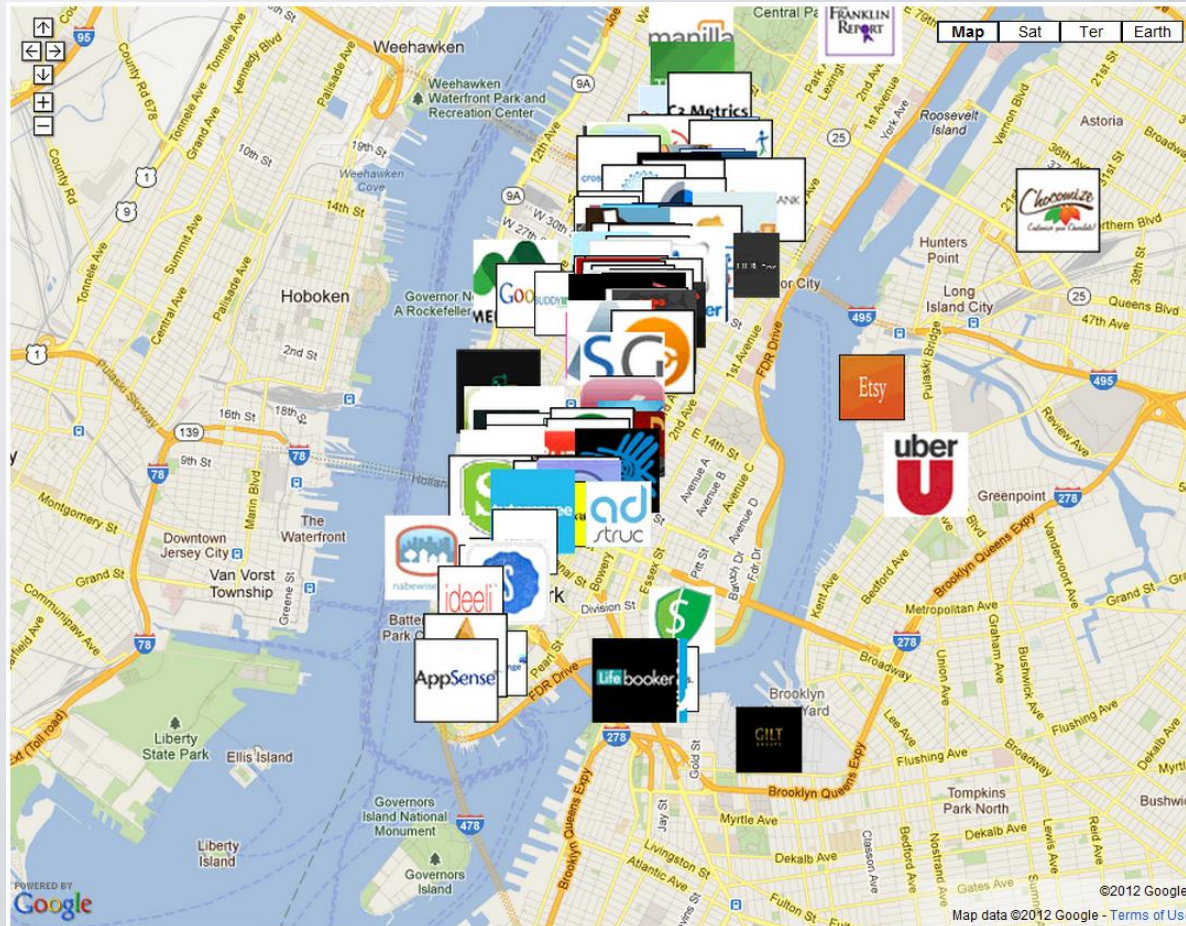
# What to make of lack of diversification?

<b>\$M Invested by Sector - NY vs Mass (Q3 2011)</b>		
Sector	Massachusetts	New York
Internet (Tech)	\$91.48	\$586.06
Healthcare	\$375.72	\$61.80
Energy & Utilities	\$155.87	\$14.50
Business Products & Services		\$77.90
Computer Hardware & Services (Tech)	\$14.50	\$31.00
Mobile & Telecommunications (Tech)	\$11.40	\$31.57
Environmental Services & Equipment	\$22.00	
Software (non-internet/mobile) (Tech)	\$18.54	\$0.81
Food & Beverages		\$18.00
Electronics (Tech)	\$15.62	\$1.00
Financial		\$8.00
Industrial	\$3.70	
Risk & Security	\$1.50	
<b>Grand Total</b>	<b>\$710.33</b>	<b>\$830.64</b>

www.cbinsights.com 

Source: CB Insights *“New York Venture Capital - Is the Lack of Industry Diversity a Positive or its Achilles Heel?”*

# Take the R – New York’s Silicon Subway



Sources: NYDailyNews.com “Take the R - New York’s Silicon Subway” December 4, 2011  
Business Insider December 9, 2011

# Representative recent NY financings

tumblr.

mojiva™



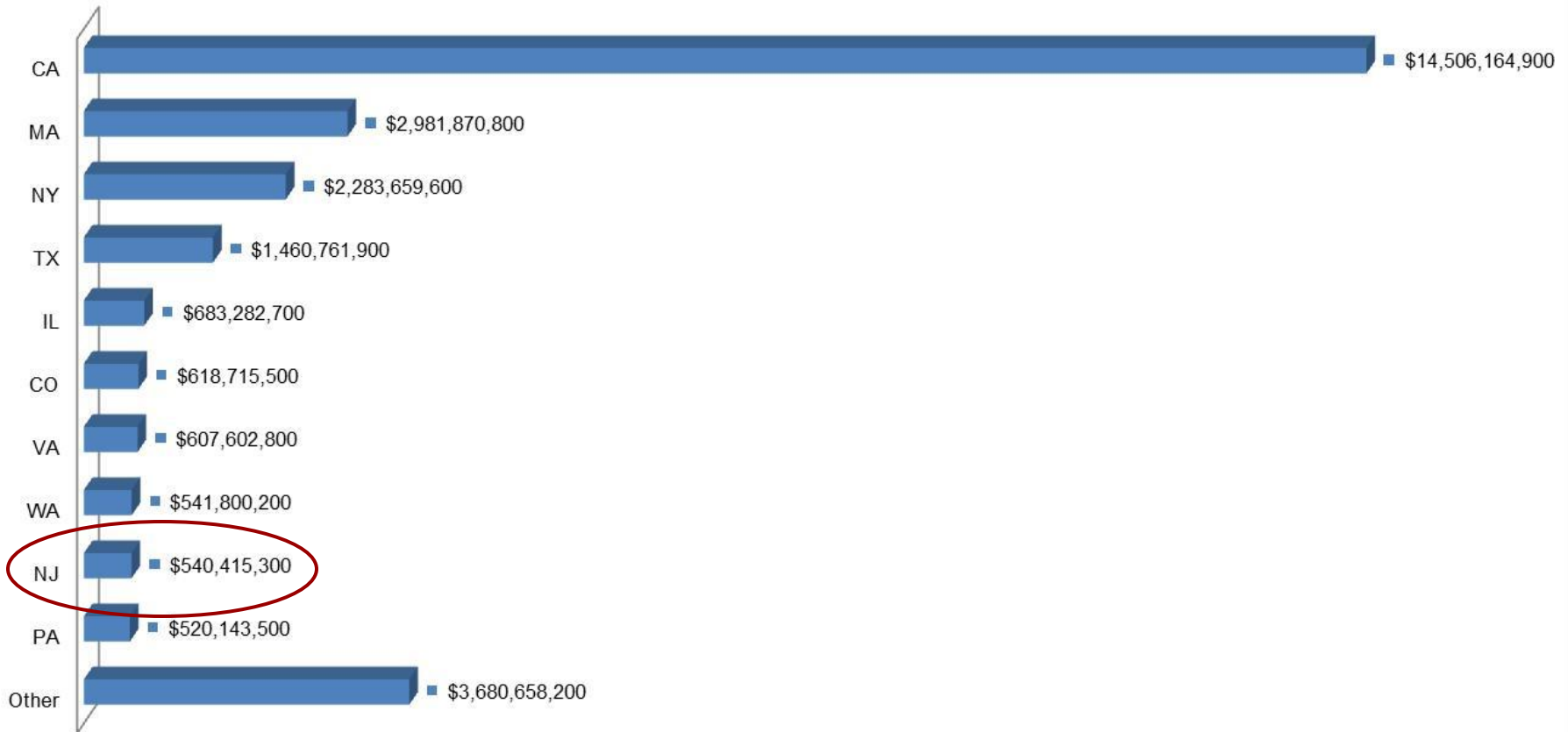
honestly, now...™  
BETA

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 Vizibility®  
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# NJ in the Top 10 for VC nationally

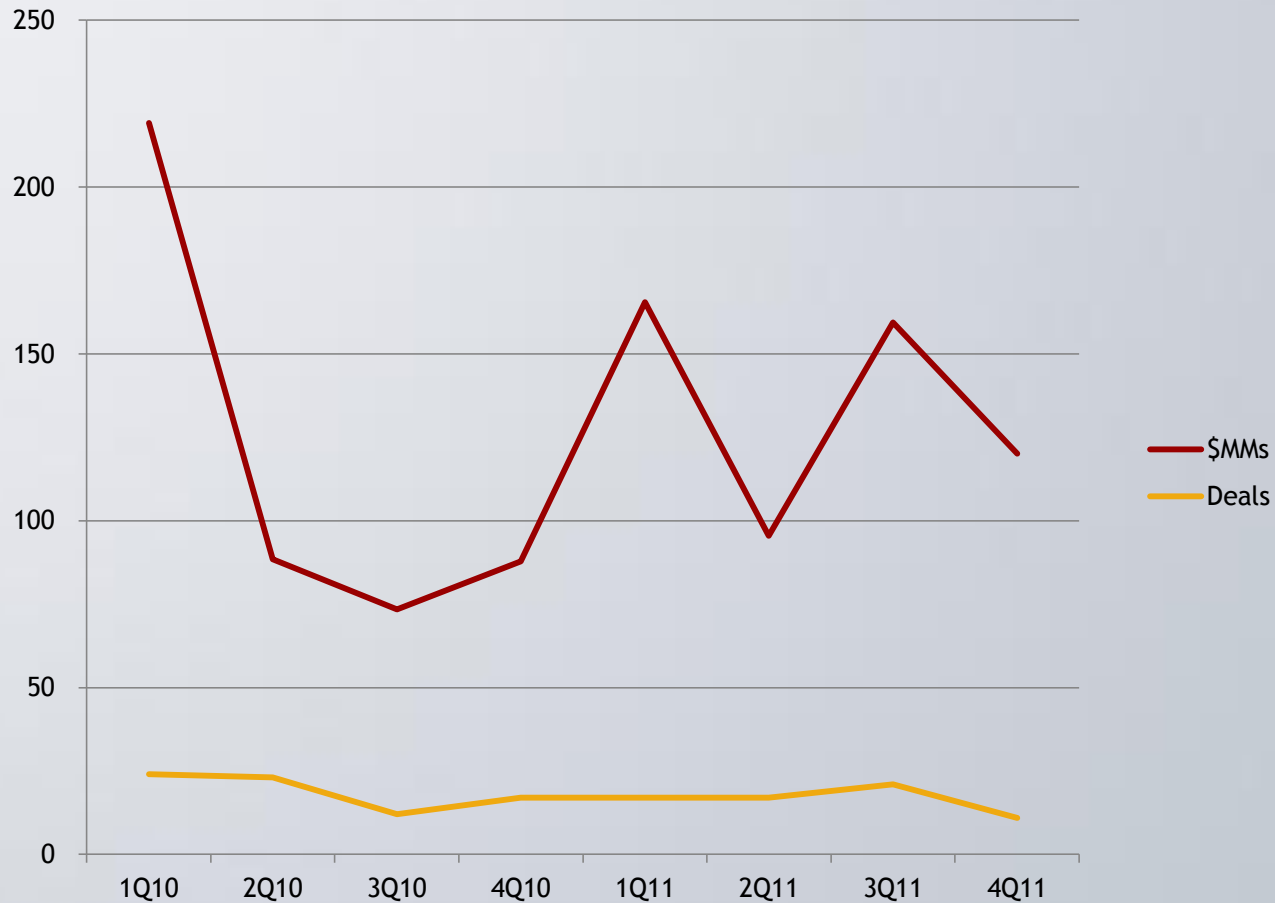
2011 Amounts Invested



Source: PWC MoneyTree™ 1Q1995 - 4Q2011 Historical Trend Data

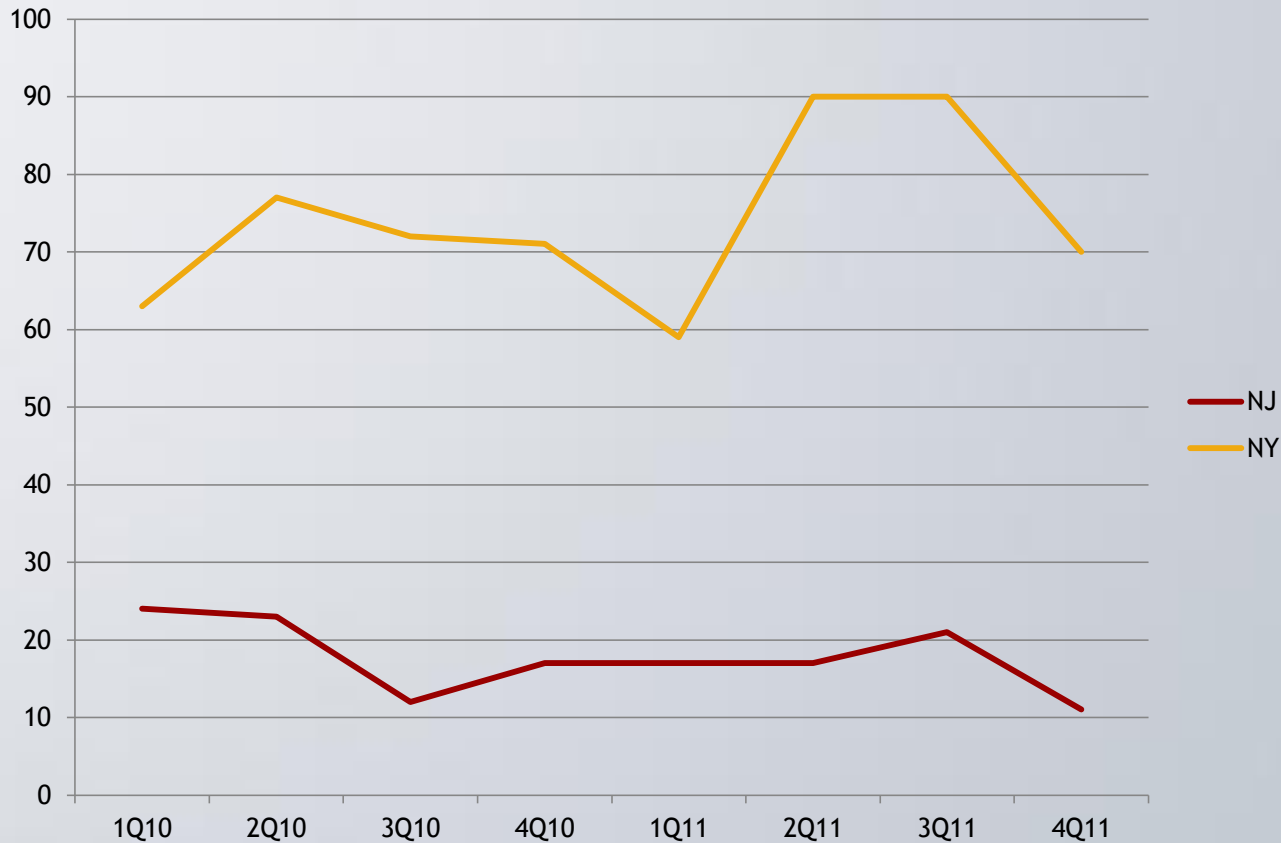


# NJ Venture Investing Readout



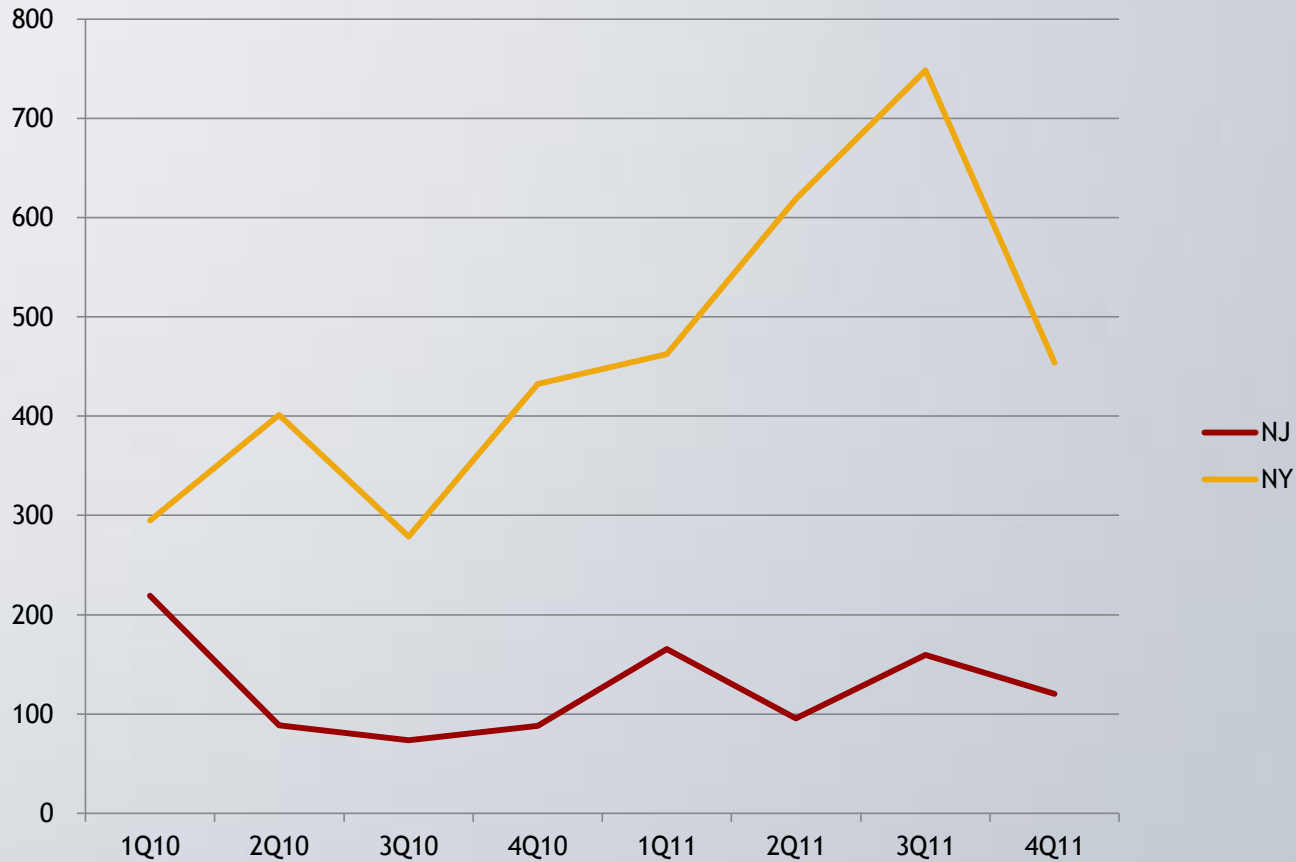
Source: PWC MoneyTree™ 1Q1995 - 4Q2011 Historical Trend Data

# NJ versus NY - # of deals



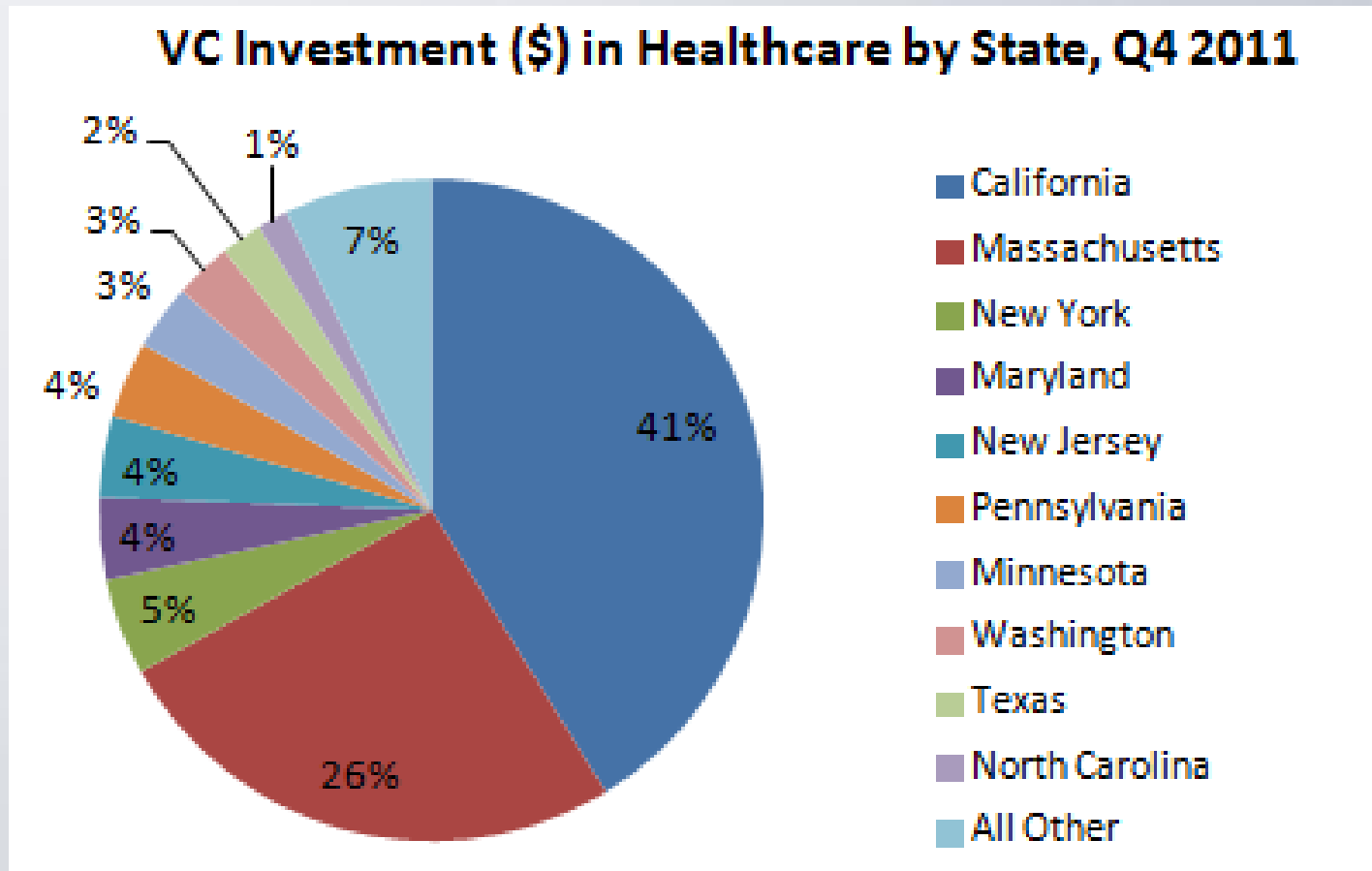
Source: PWC MoneyTree™ 1Q1995 - 4Q2011 Historical Trend Data

# NJ versus NY – \$ invested



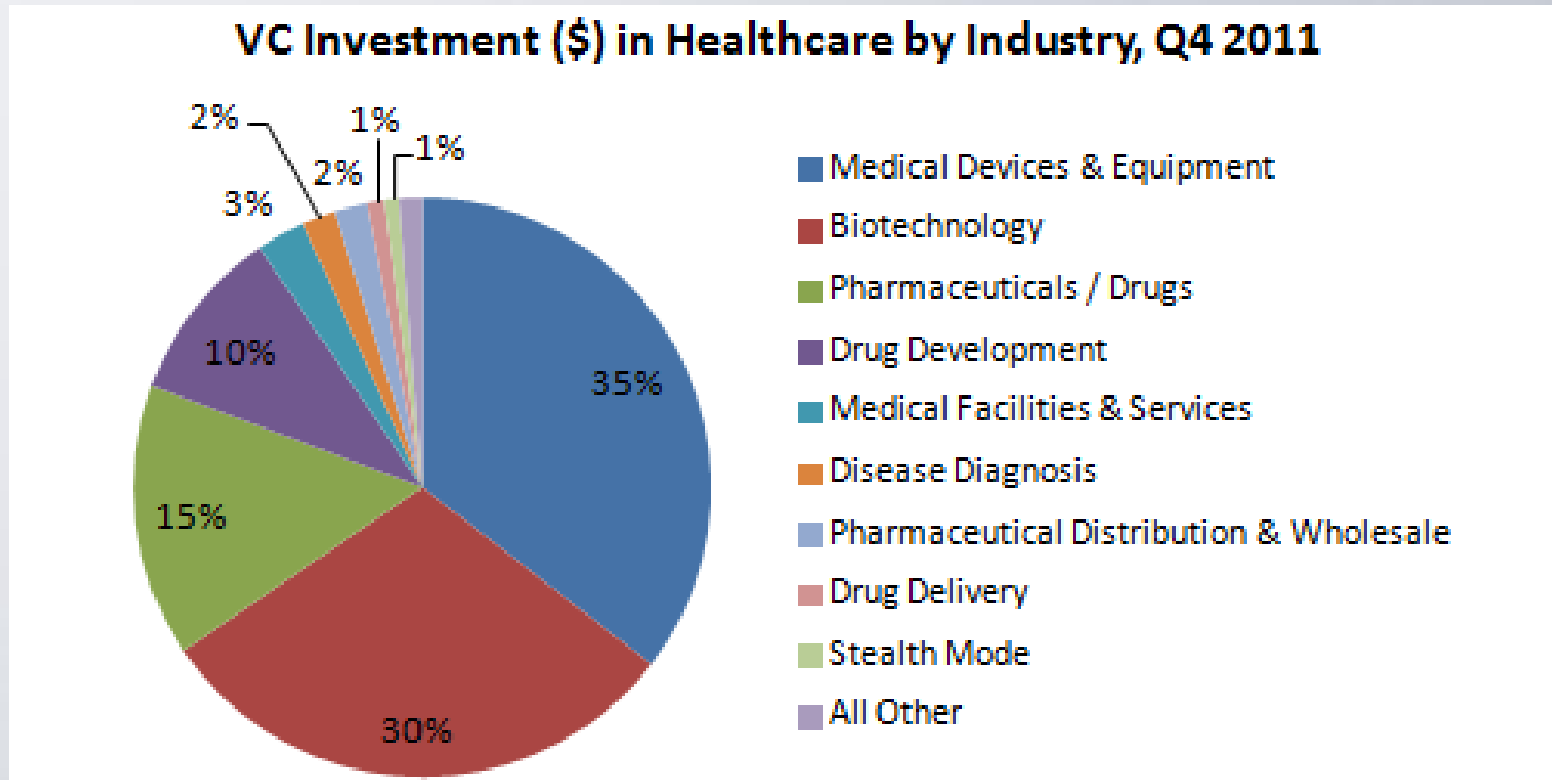
Source: PWC MoneyTree™ 1Q1995 - 4Q2011 Historical Trend Data

# New Jersey among leaders in healthcare



Source: CB Insights Venture Capital Activity Report Q4 2011

# Where's the Healthcare \$ going?



Source: CB Insights Venture Capital Activity Report Q4 2011

# NJ early stage venture ecosystem

The Vertical Group



JumpStart

NJ Angel Network

DOMAIN  
ASSOCIATES  
Princeton, New Jersey • San Diego, California



OMNICapital



Edison  
VENTURES



NJEN



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Technology



Trien Rosenberg

EISNER AMPER  
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# Representative recent NJ financings



# Some Conclusions & Discussion Points

- VC industry is alive and well in the U.S.
- “Super Angels” and Seed Investing are growing trends
- Despite this “frenzy”, seed valuations remain steady
- Start an Internet company if you want to raise \$ from NY VCs
- NY is either vulnerable or superbly positioned depending on Internet sector future direction
- NY’s early stage ecosystem very well developed due to unique circumstances of geography and resource concentration
- NJ punches above its weight class in early stage investing
- NJ has potential to be a national leader in healthcare VC
- Components of a robust ecosystem exist, but remain diffused and uncoordinated in NJ



# Discussion, Debate and Q & A



# Thank You

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