

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.



# HALO REPORT™ CONTENTS

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

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For more information about ARI, please visit [angelresource.org](http://angelresource.org)  
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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 correlate 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.*

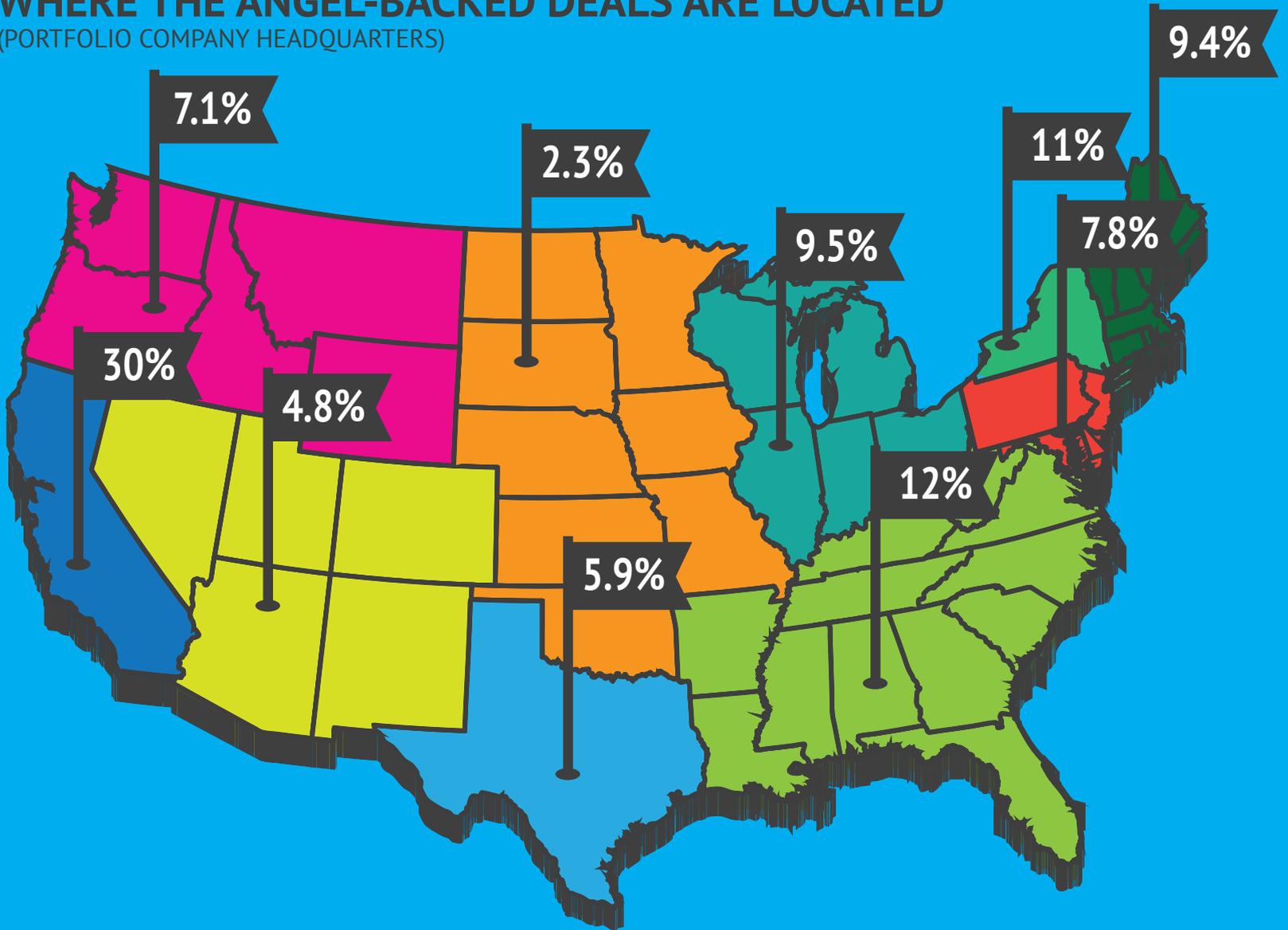
*This report discusses angel group investment trends for 2016, which represents a total of 2,751 deals and \$3.5B (excluding duplicates) in total rounds including co-investors. Deals with first-time investment rounds greater than \$5 million were excluded from this report to avoid skewing the data. The 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](http://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

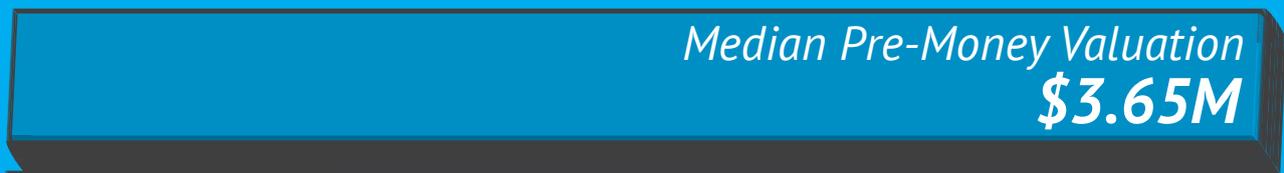
## WHERE THE ANGEL-BACKED DEALS ARE LOCATED

(PORTFOLIO COMPANY HEADQUARTERS)



## FINANCIAL TERMS OF ANGEL INVESTMENTS

(FIRST ROUND DEALS, AGNOSTIC TO GEOGRAPHY AND INDUSTRY)

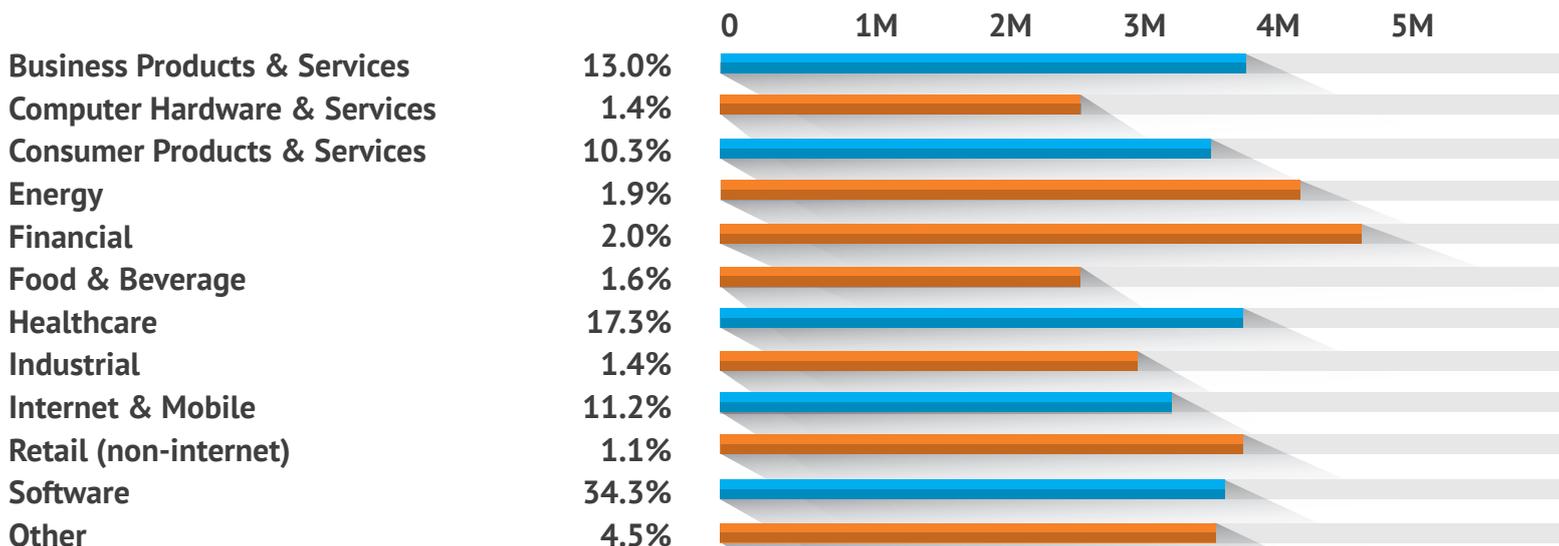


HISTORICAL MEDIAN  
PRE-MONEY VALUATION

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)



## 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



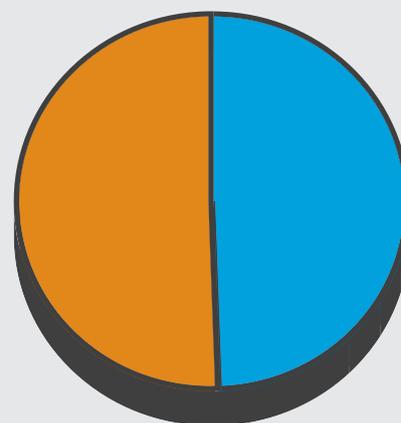
**83%**

**MEN**

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

## NEW OR FOLLOW-ON?

(DRY POWDER IS IMPORTANT TO ANGELS)



**50.4%**  
Follow-on

**49.6%**  
New Co

## 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.

## TOP ANGEL GROUPS RANKED BY # OF DEALS

(single group location)

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

(multiple group locations)

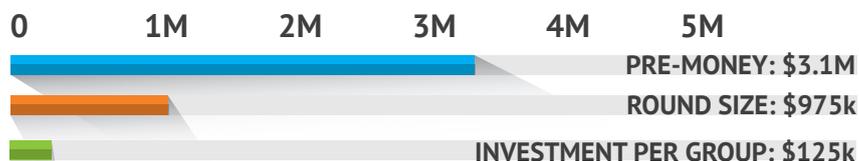
1. Keiretsu Forum
2. Tech Coast Angels
3. Investors Circle
4. Golden Seeds
5. Astia Angels

## 2016

# NORTHWEST

### VALUATION & INVESTMENT SIZE

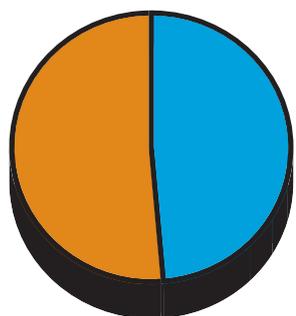
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



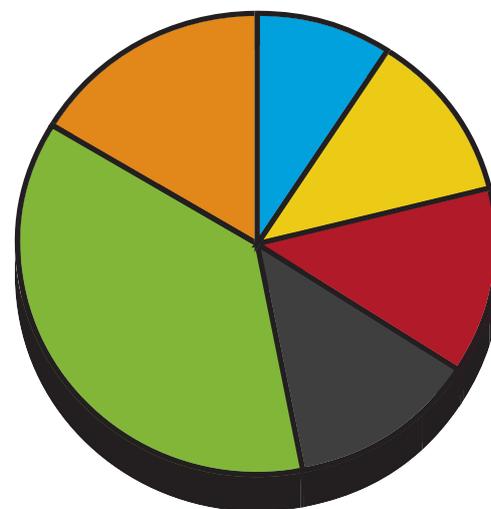
**79%**

**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 **50%** CONVERTIBLE NOTE **31%** SAFE, DEBT, OTHER **19%**

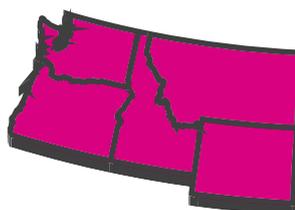
### % Deals in Region

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

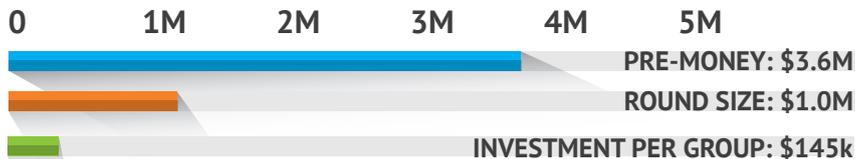
\*multiple locations

## 2016

# CALIFORNIA

### VALUATION & INVESTMENT SIZE

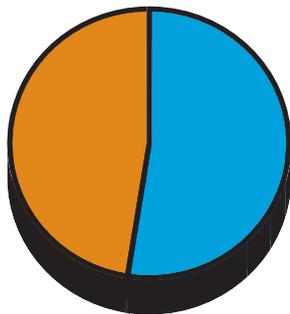
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



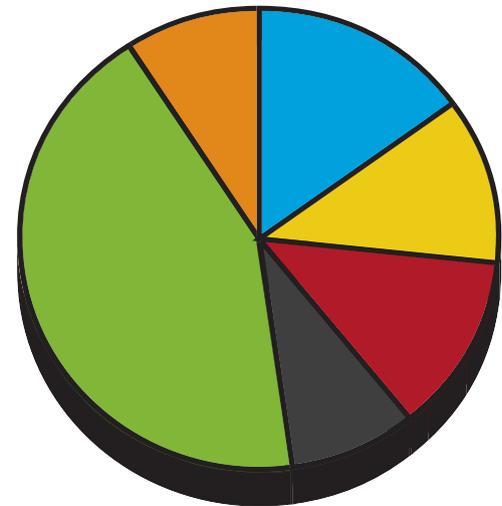
**84%**

**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%)

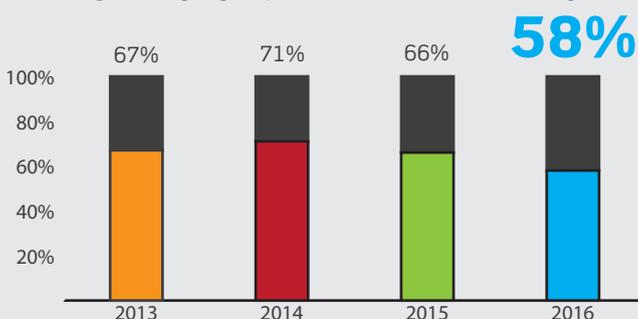
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
<b>36%</b>	<b>44%</b>	<b>20%</b>

### % 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\*

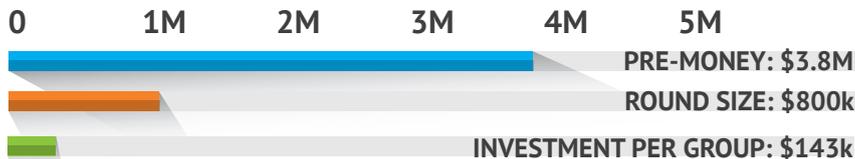
\*multiple locations

## 2016

# SOUTHWEST

### VALUATION & INVESTMENT SIZE

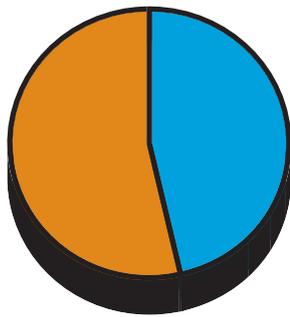
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



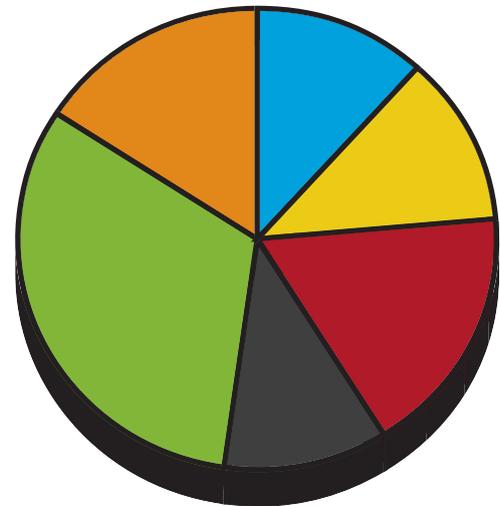
**79%**

**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%)

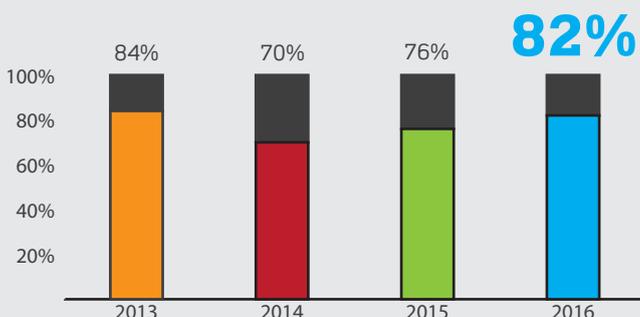
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
<b>55%</b>	<b>36%</b>	<b>9%</b>

### % 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**

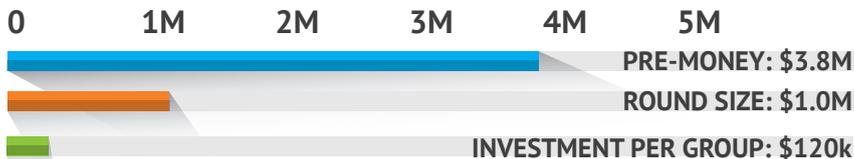
\*multiple locations

## 2016

# TEXAS

### VALUATION & INVESTMENT SIZE

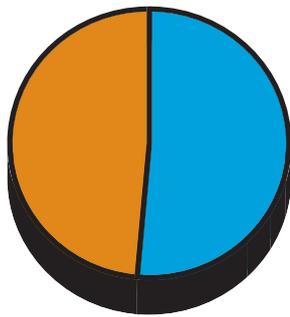
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



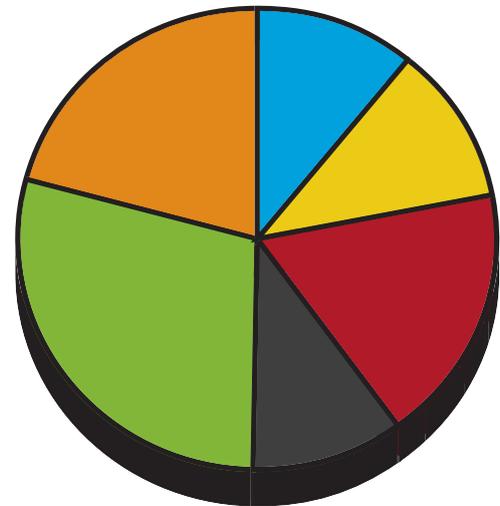
**85%**

**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%)

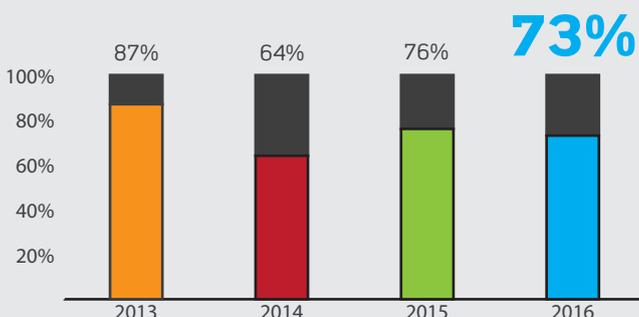
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK: **26%**    CONVERTIBLE NOTE: **57%**    SAFE, DEBT, OTHER: **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

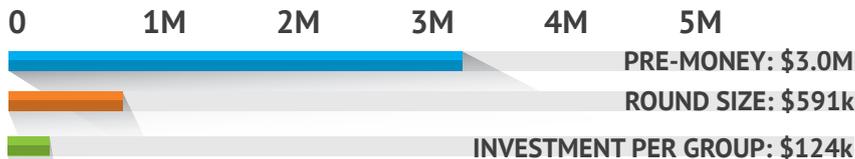
\*multiple locations

## 2016

# GREAT PLAINS

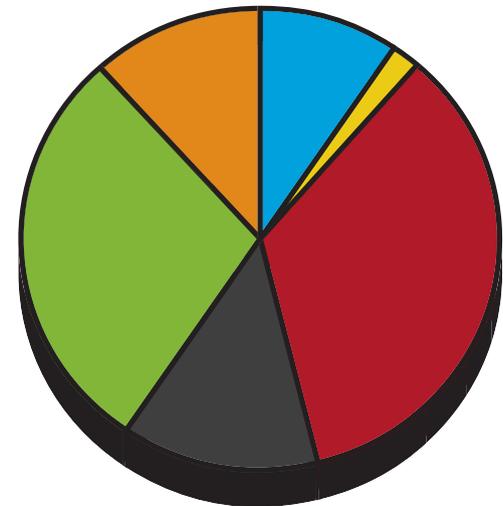
## VALUATION & INVESTMENT SIZE

(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



## REGIONAL INDUSTRY

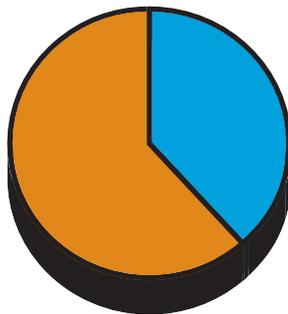
(PERCENTAGE OF DEALS IN THE REGION)



## 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.

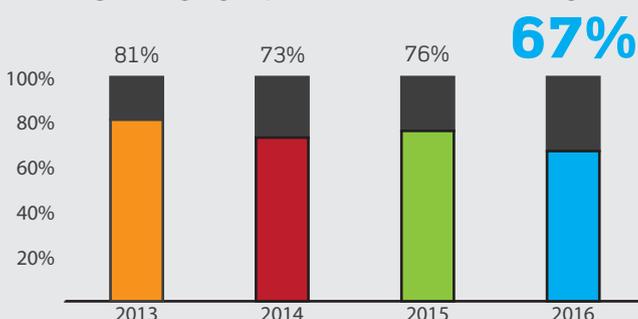
## DEAL STRUCTURE

(PERCENTAGE OF DEALS)

Structure	Percentage
PREFERRED STOCK	50%
CONVERTIBLE NOTE	20%
SAFE, DEBT, OTHER	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**

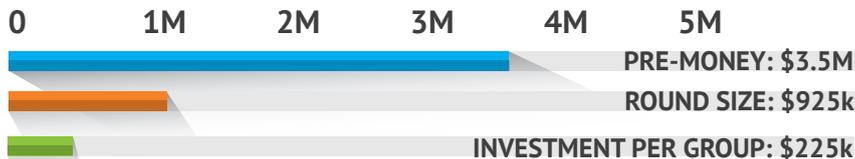
\*multiple locations

## 2016

# GREAT LAKES

## VALUATION & INVESTMENT SIZE

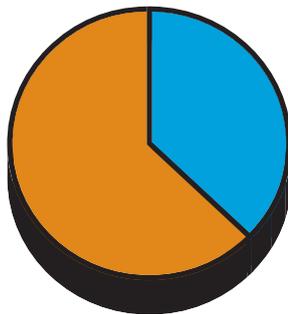
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



## 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



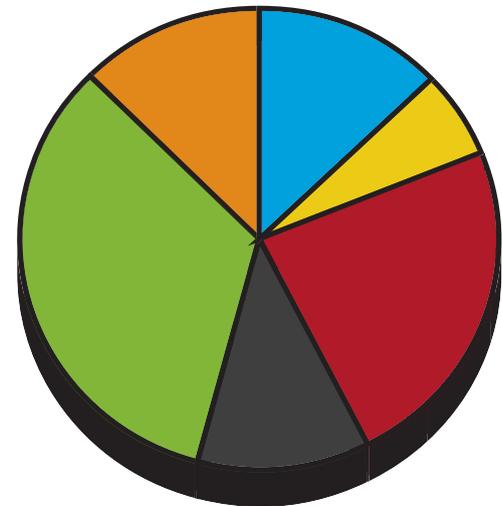
**84%**

**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%)

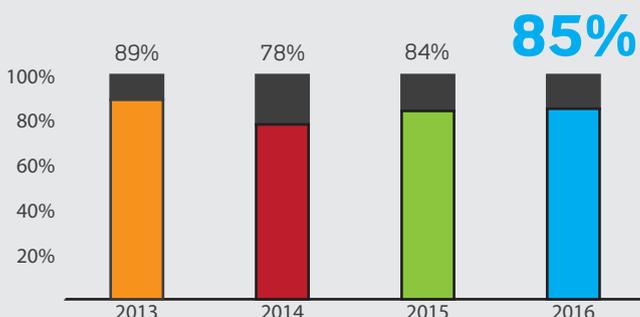
## DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
<b>51%</b>	<b>40%</b>	<b>9%</b>

## % 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

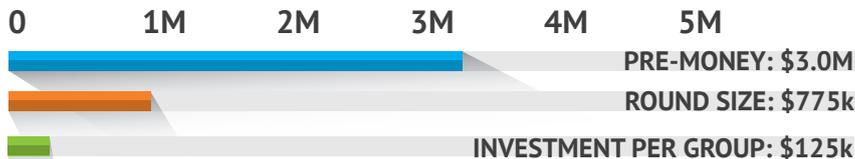
\*multiple locations

## 2016

# SOUTHEAST

### VALUATION & INVESTMENT SIZE

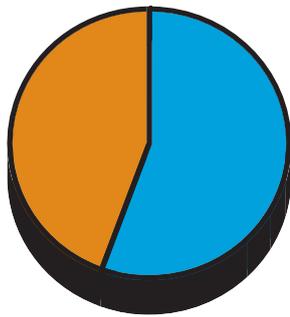
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



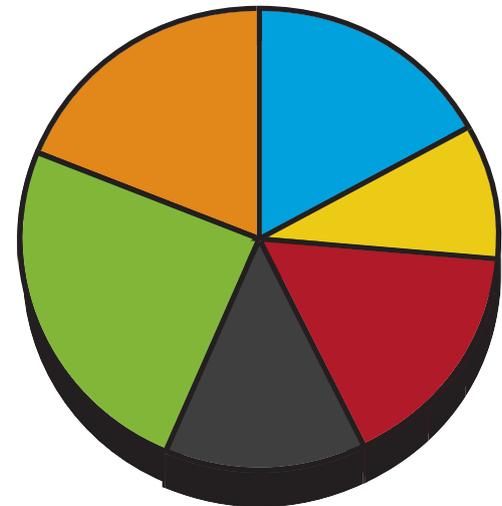
**84%**

**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
<b>55%</b>	<b>36%</b>	<b>9%</b>

### % 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\***

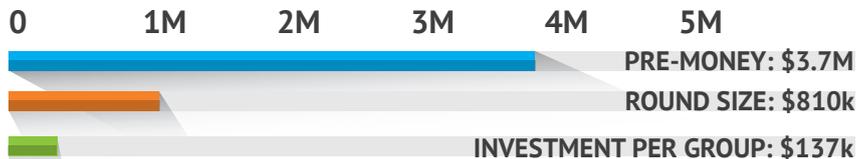
\*multiple locations

## 2016

# MID-ATLANTIC

### VALUATION & INVESTMENT SIZE

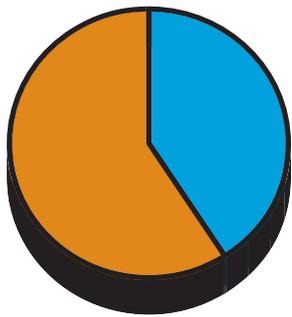
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



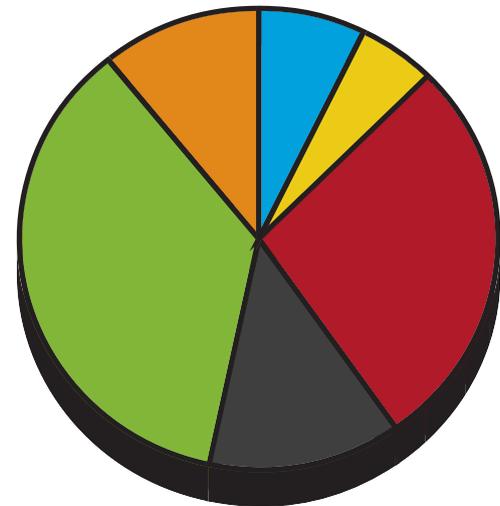
**86%**

**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%)

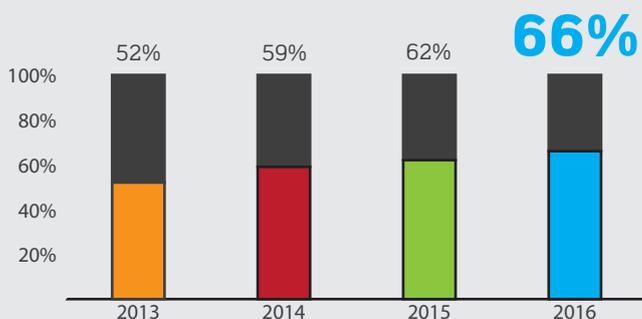
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
<b>59%</b>	<b>36%</b>	<b>5%</b>

### % 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**

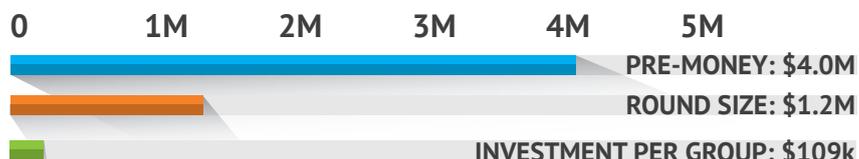
\*multiple locations

## 2016

## NEW YORK

### VALUATION & INVESTMENT SIZE

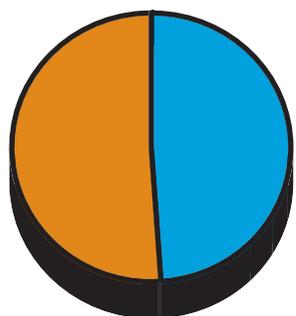
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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



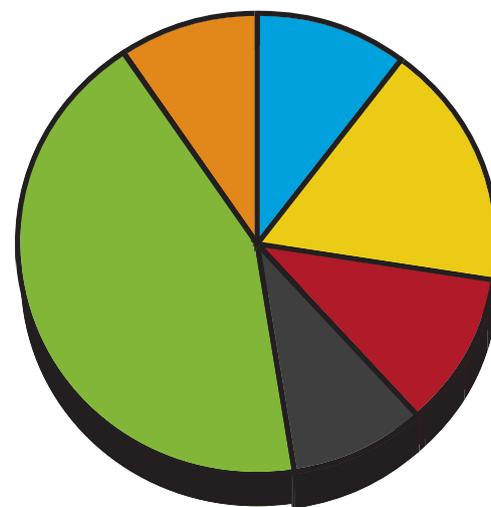
**80%**

**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%)

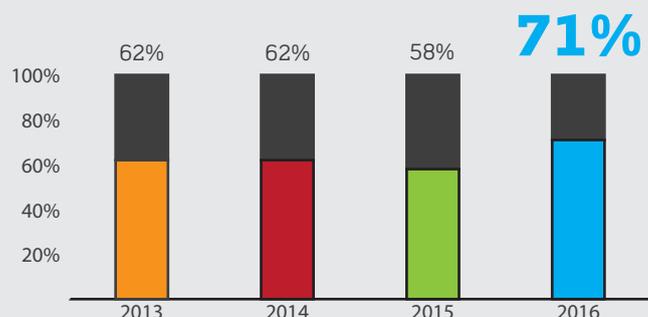
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED STOCK	CONVERTIBLE NOTE	SAFE, DEBT, OTHER
<b>61%</b>	<b>33%</b>	<b>6%</b>

### % 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\*

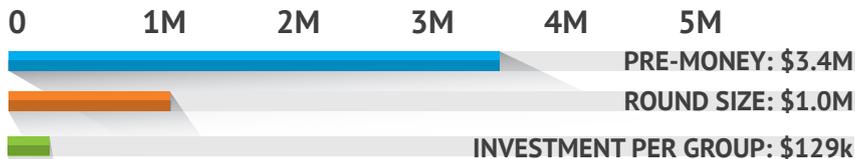
\*multiple locations

## 2016

# NORTHEAST

### VALUATION & INVESTMENT SIZE

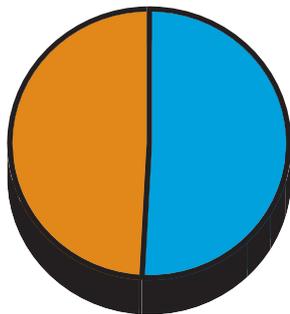
(FIRST ROUND DEALS, AGNOSTIC TO INDUSTRY, MEDIAN)



### 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%)

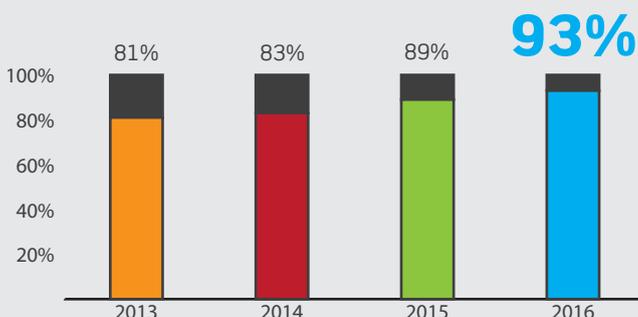
### DEAL STRUCTURE

(PERCENTAGE OF DEALS)

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

### % Deals in Region

Percentage of Angel group funded deals within own region



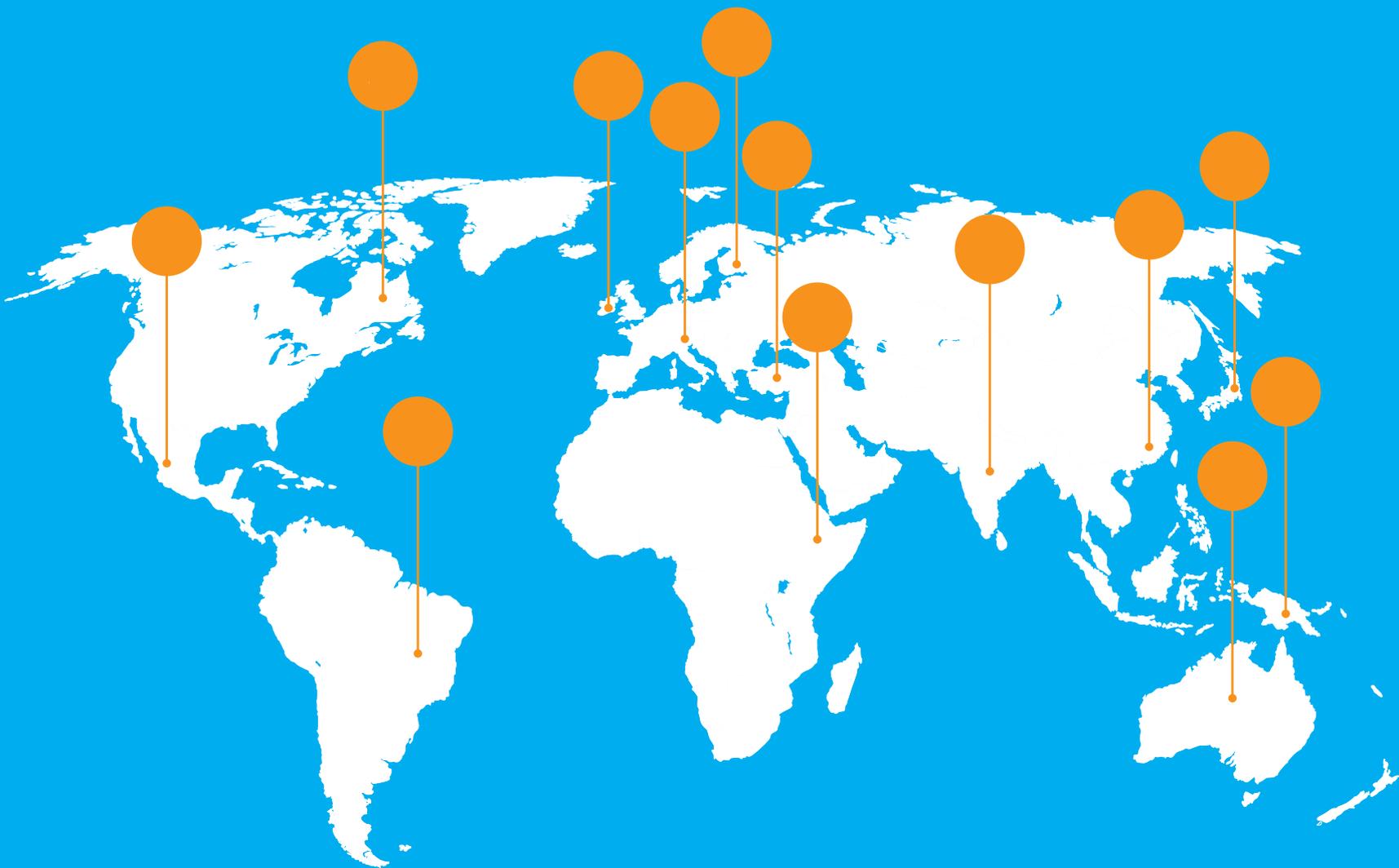
### Most Active Groups in Region

(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

€700k MEDIAN ROUND SIZE

# Deals

50

Median Angel Deal Size

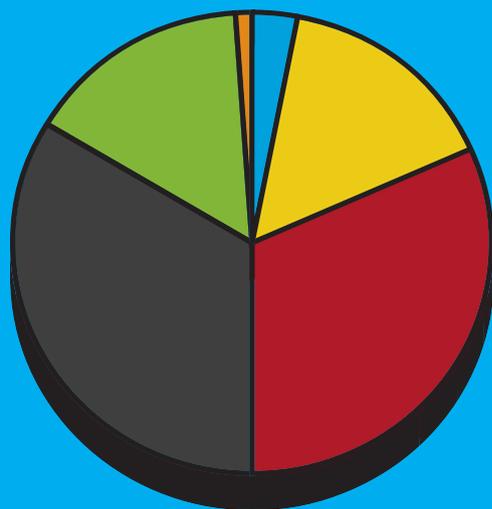
€200k

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](mailto: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%**



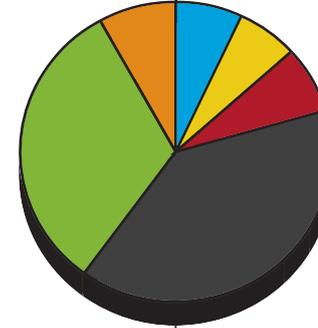
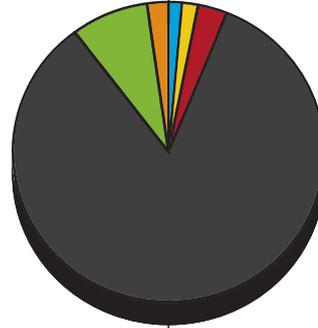
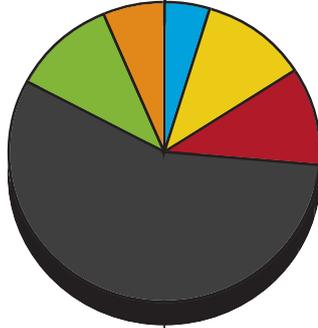
### MINORITY MEN

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

**26%**

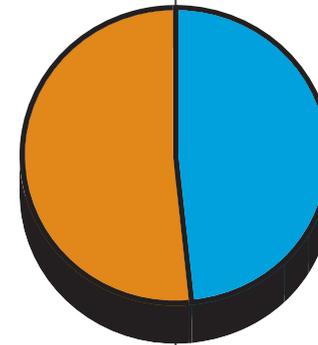
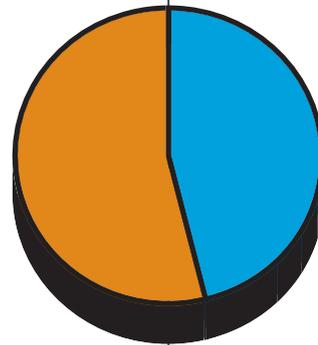
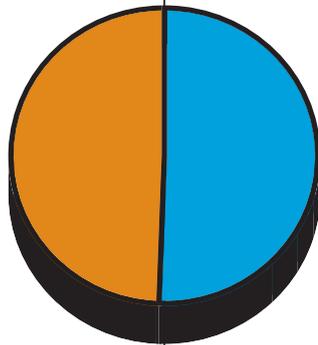
### INDUSTRY DIVERSITY (PERCENTAGE OF FUNDS INVESTED)

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



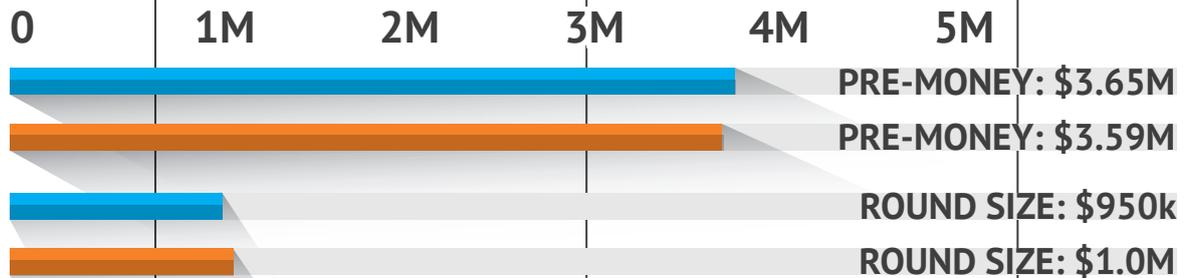
### INVESTMENT STAGE (WAS THIS A NEW DEAL?)

- 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.



# 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.

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## 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](http://angelresource.org)  
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