

## VENTURE CAPITAL: BY THE NUMBERS AND VC 101

Indiana's attraction of venture capital ranked 35th nationally for the 2014-2016 time period in the *Indiana Vision 2025 Report Card* released earlier this year. Included on these pages are numbers for the state and its Midwest neighbors, as well as information explaining the entrepreneurial funding landscape.

### Michigan

**2016:** \$5.97 million per deal  
41 deals / \$245 million total

**2017** (through first two quarters):  
18 deals / \$94 million

### Indiana

**2016:** \$2.22 million per deal  
36 deals / \$80 million total

**2017** (through first two quarters):  
17 deals / \$38 million

### Ohio

**2016:** \$3.73 million per deal  
68 deals / \$254 million total

**2017** (through first two quarters):  
31 deals / \$124 million

### Illinois

**2016:** \$7.82 million per deal  
141 deals / \$1.1 billion total

**2017** (through first two quarters):  
65 deals / \$968 million

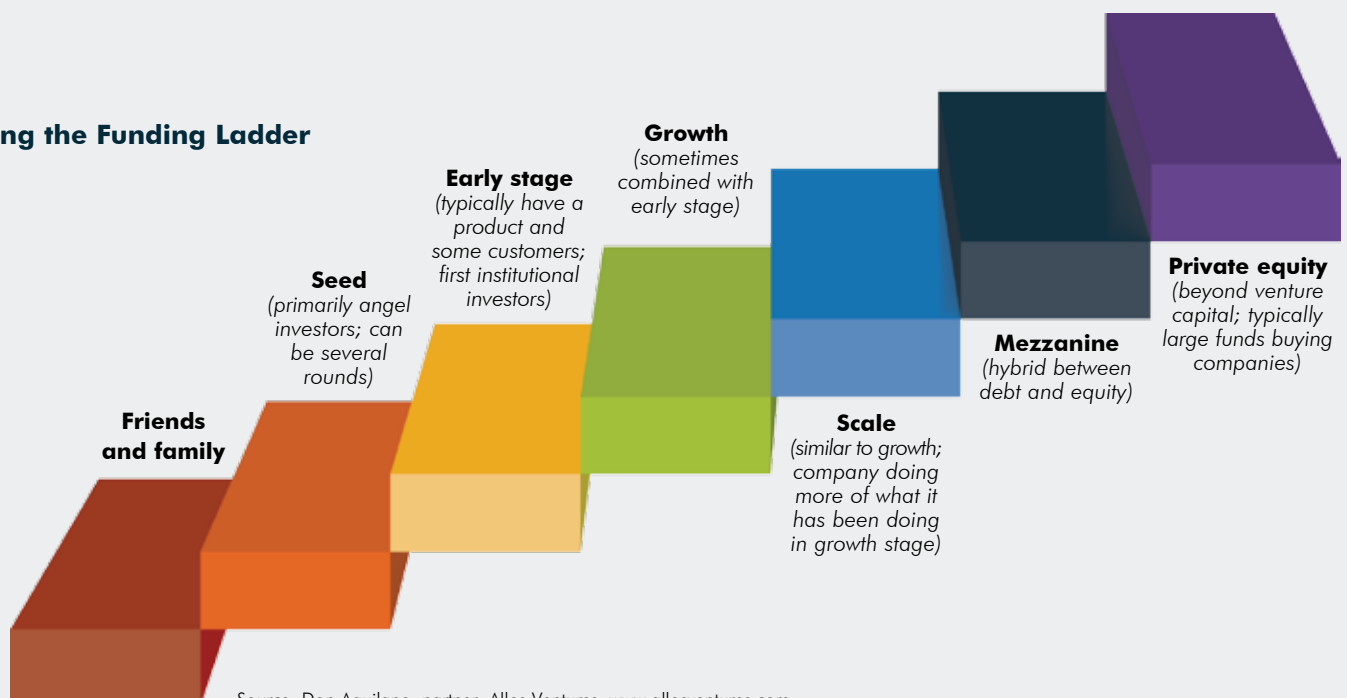
### Kentucky

**2016:** \$6.53 million per deal  
15 deals / \$98 million total

**2017** (through first two quarters):  
5 deals / \$12 million

Source: PwC/CB Insights Money Tree Explorer. Periodic data updates take place. This information was accurate as of July 31, 2017.

## Climbing the Funding Ladder

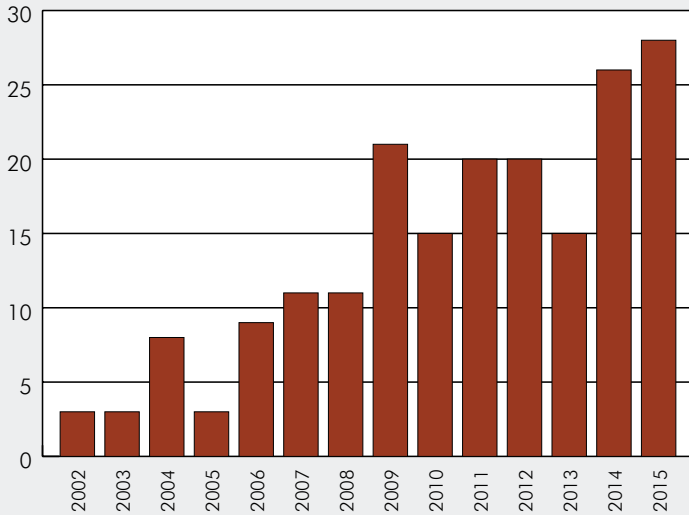


Source: Don Aquilano, partner, Allos Ventures, [www.allosventures.com](http://www.allosventures.com)

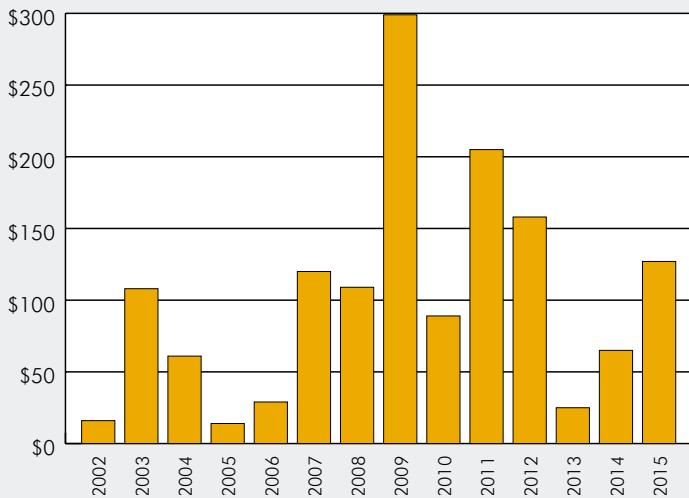
## Indiana Deals, Dollars and Average Deal Size

2002-2015

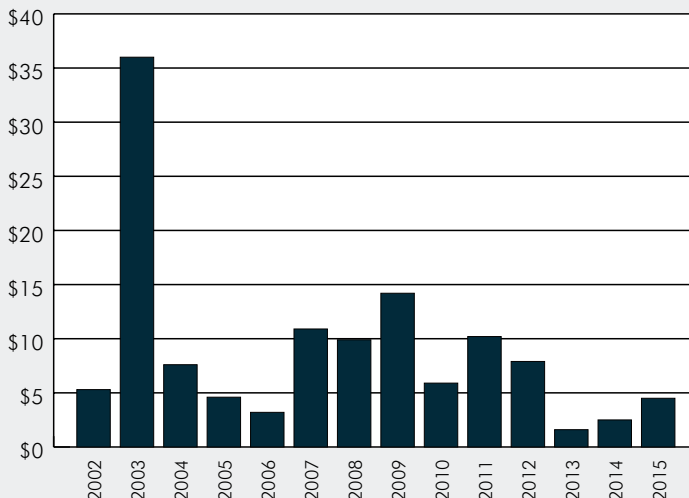
### Deals



### Total Dollars (millions)



### Average Deal Size (millions)



Source: PwC/CB Insights Money Tree Explorer. Periodic data updates take place. This information was accurate as of July 31, 2017.

## Typical VC Fund



### Investors

- **General partner(s):** Manage the fund; invests  $\geq 1\%$  of total dollars of limited partners
- **Limited partners:** Foundations, corporations, insurance companies, high net worth individuals, pension funds
- Limited partners generally pay general partners 2%-2.5% annual management fee and 20% of net capital gain
- **Desired returns:** 20% +/- individual rate of return; "bubble" years 50-100%; "bust" years negative returns

## Venture-Backed Companies as a Percentage of Public U.S. Companies Founded Since 1979

**43%**

Number of companies

**57%**

Market capitalization

**38%**

Employees

**82%**

Research and development

Source: Don Aquilano, partner, Allos Ventures



## Venture Capital Landscape

Approximately 898 U.S. firms – compared to 872 in 2004

Source: National Venture Capital Association