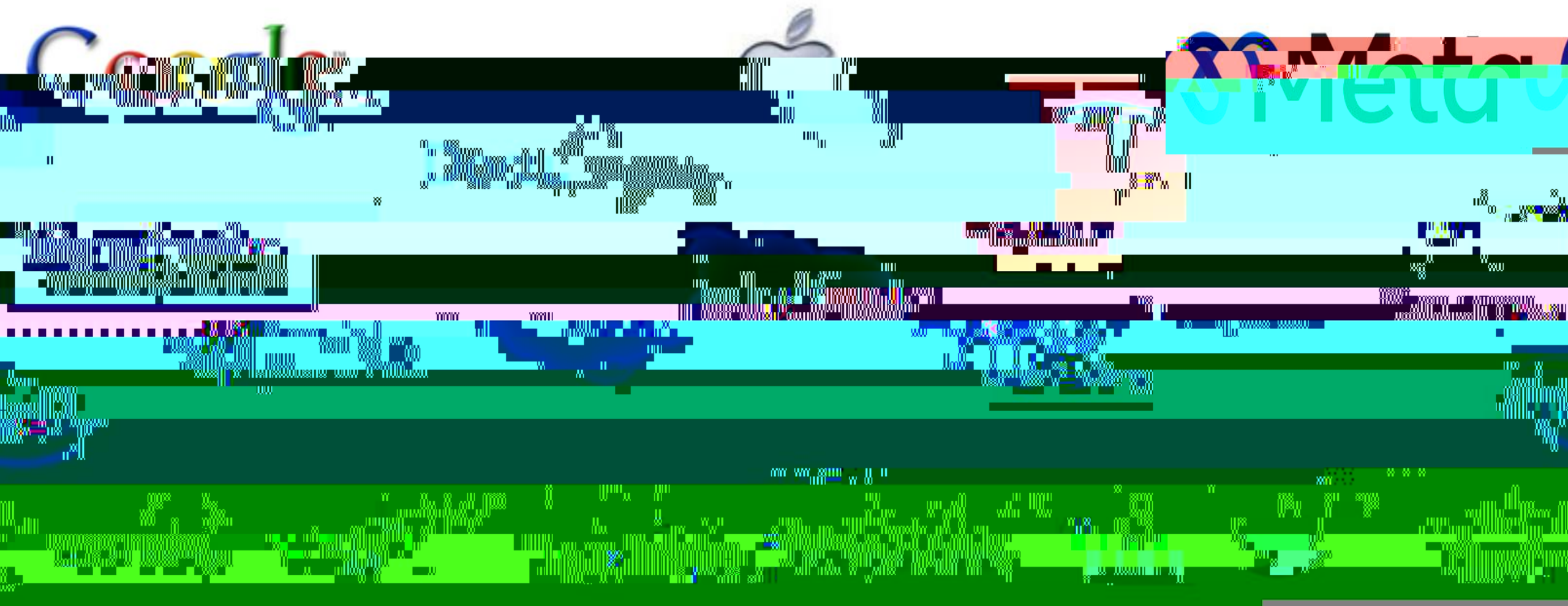


Southwest Venture Forum

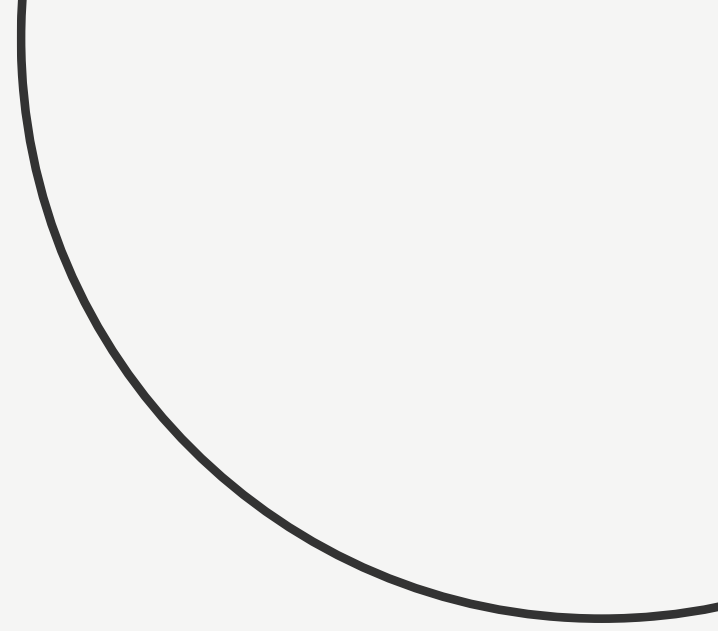
January 18, 2024

Bobby Franklin
President and CEO, NVCA



Some Venture-Backed Companies

THE MECHANICS OF VENTURE CAPITAL



General Partners

Venture Capitalists

Limited Partners



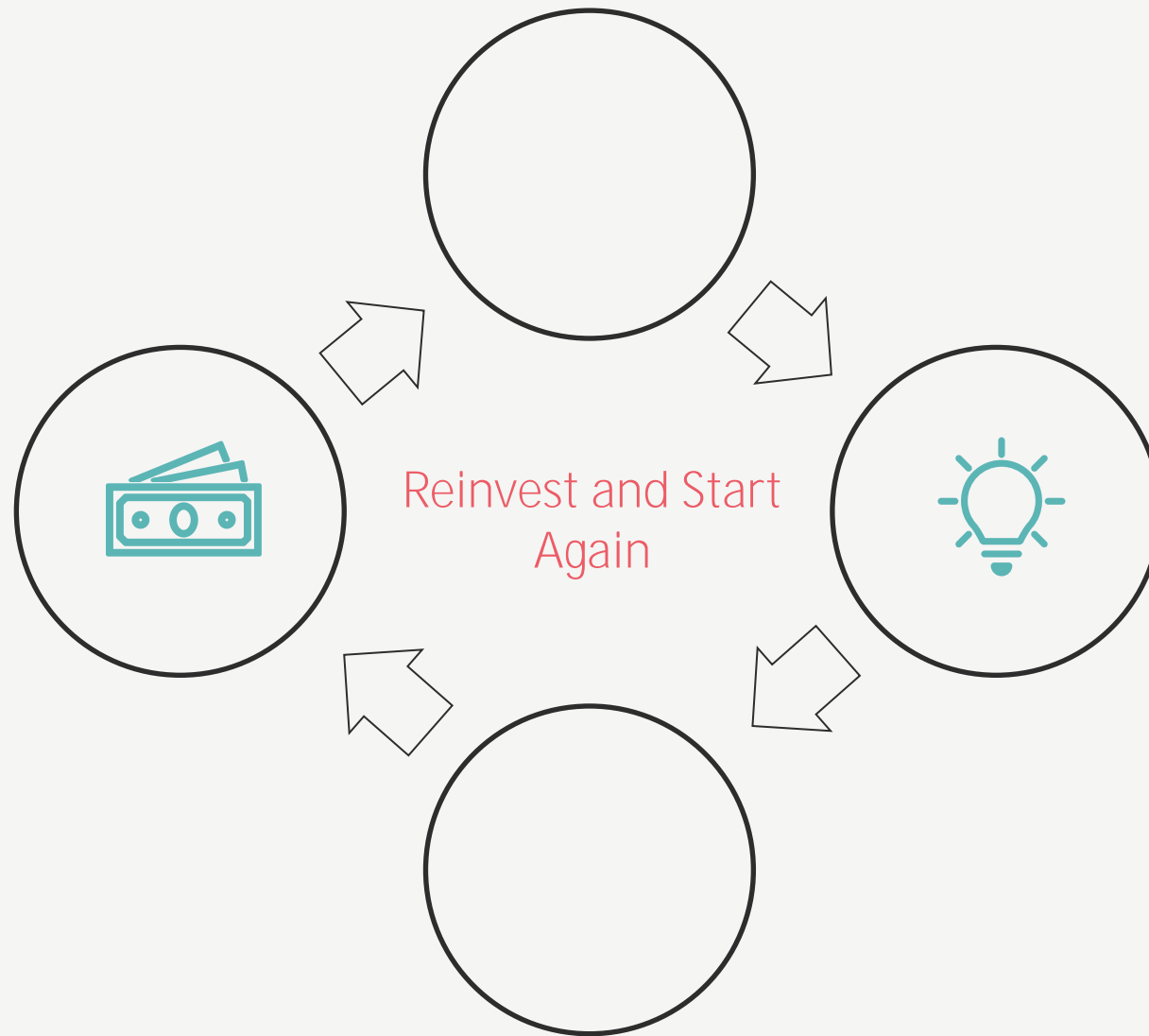
Institutional Investors



Non-Profit Endowments



Family Offices

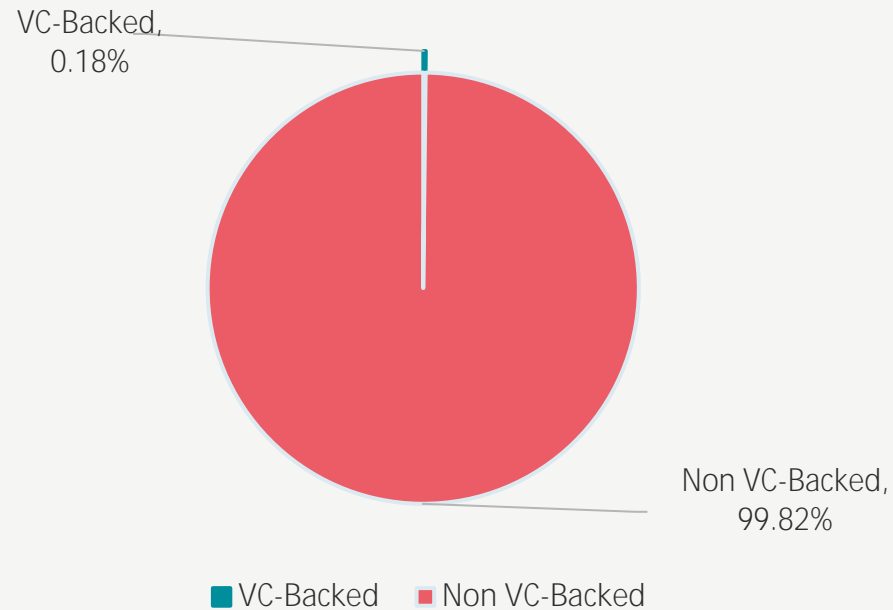




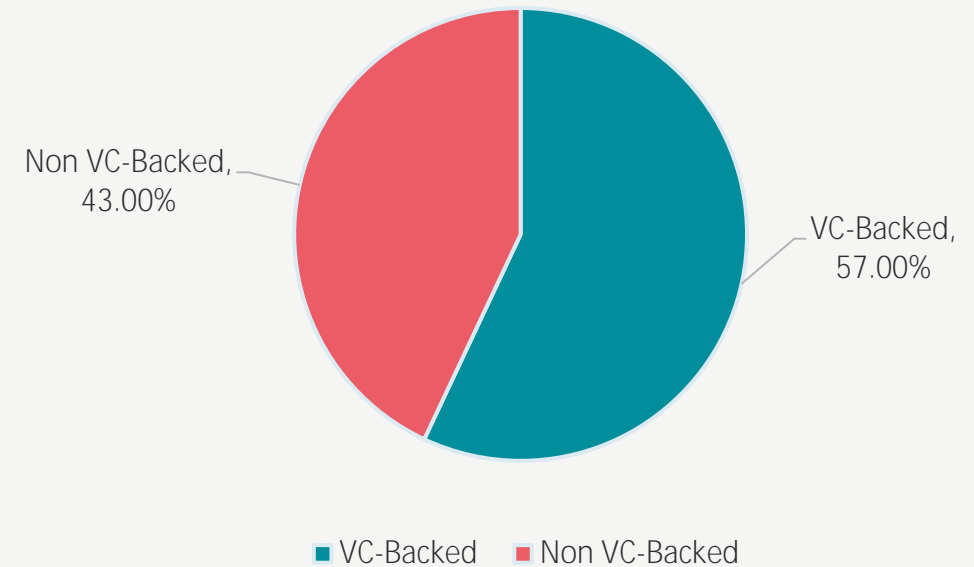
VC'S IMPORTANCE TO THE U.S. ECONOMY

VC-Backed Companies Create Tremendous Value

New Companies Founded Between 1975 and 2015

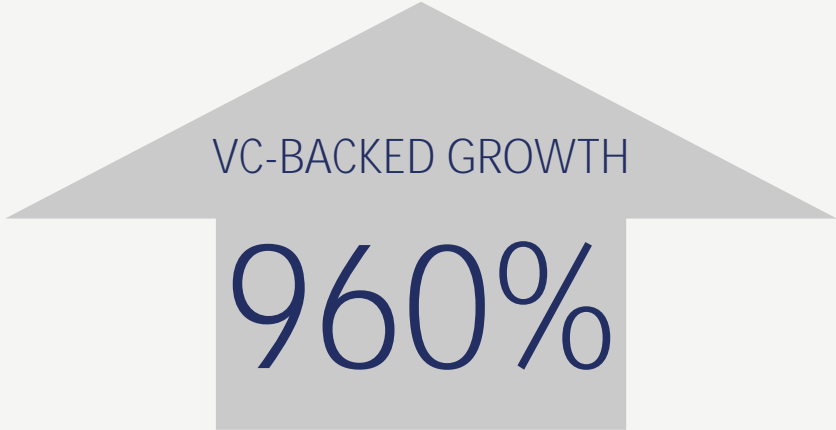


% of Public Market Cap of Public Companies Founded Between 1975 and 2015



Source: Strebulaev & Gornall

Employment Growth from 1990 to 2020



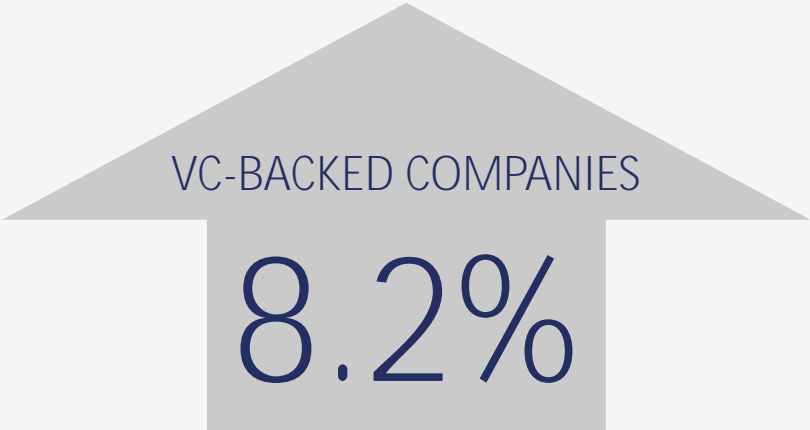
VS

TOTAL PRIVATE SECTOR

40%



Annualized Growth Rate of Employment from 1990 to 2020



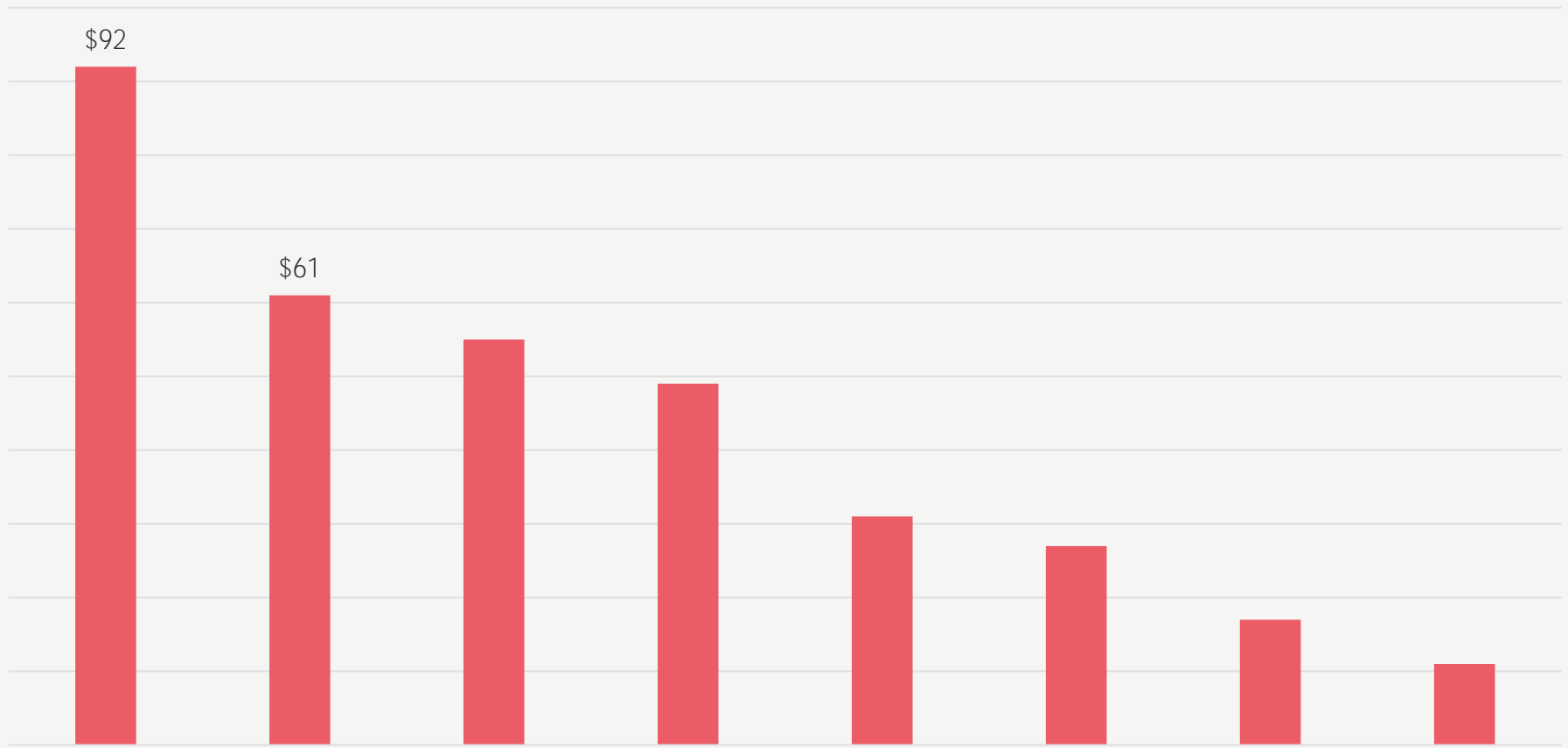
VS

TOTAL PRIVATE SECTOR

1.1%



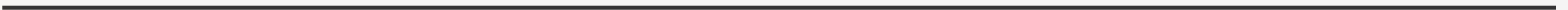
Source: Brown & Chow



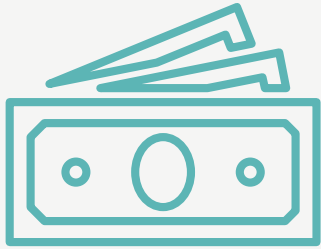
VC's Importance to the US Economy: Frontier Technology

54,000

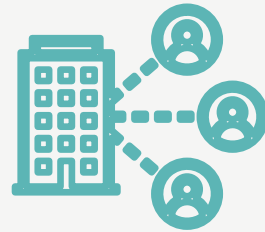
U.S. VC-Backed
Companies



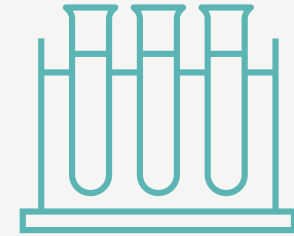
VC-BACKED COMPANIES



Generate
Greater Value

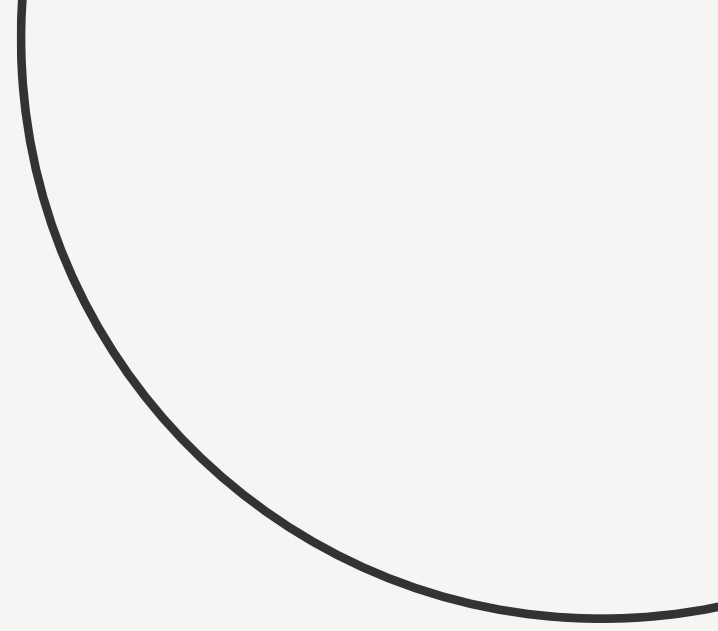


Create
More Jobs

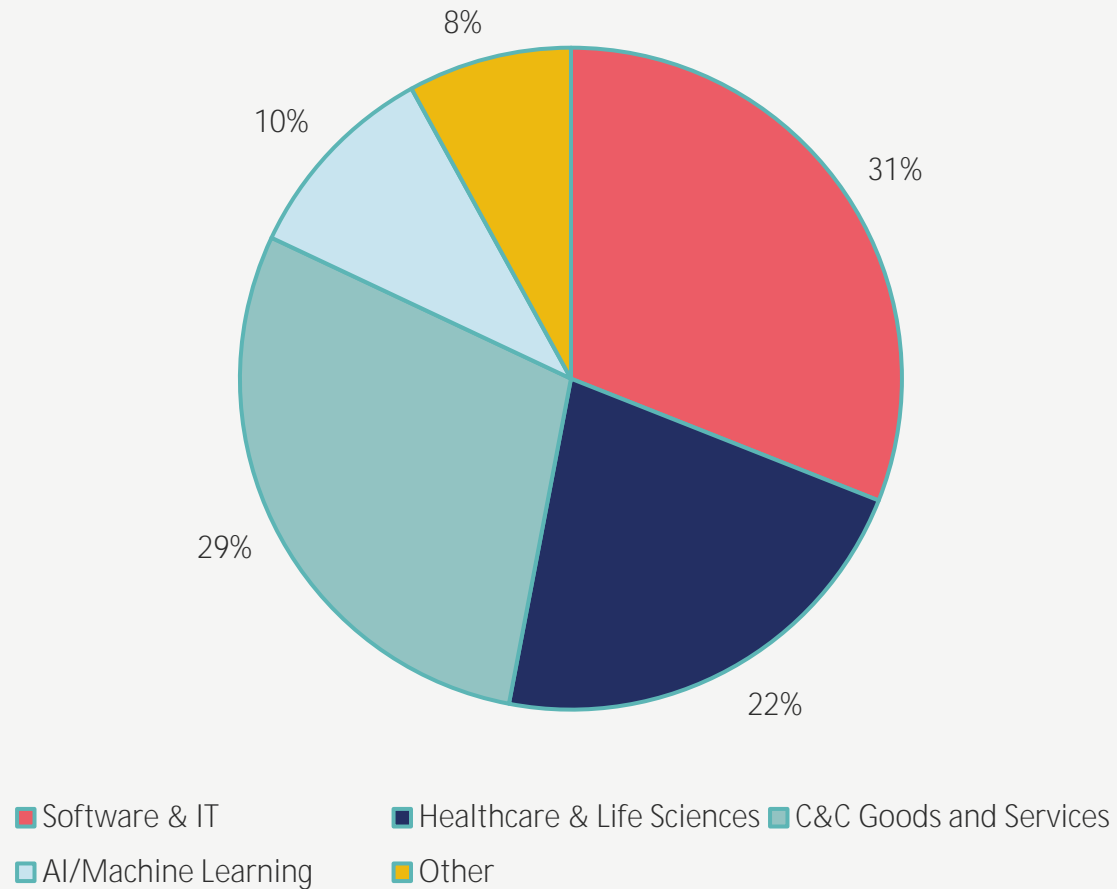


Spark
Better Innovations

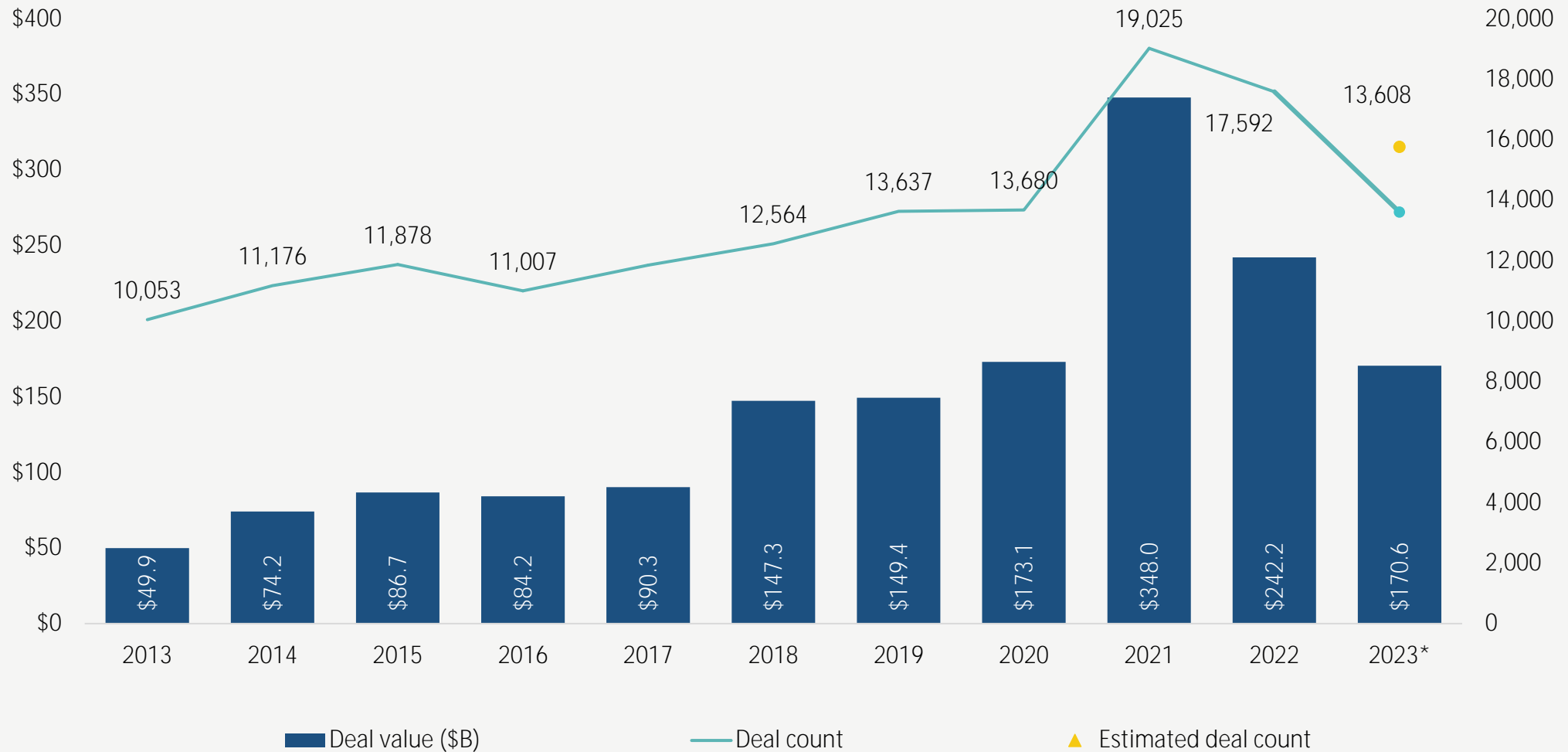
TRENDS IN VC



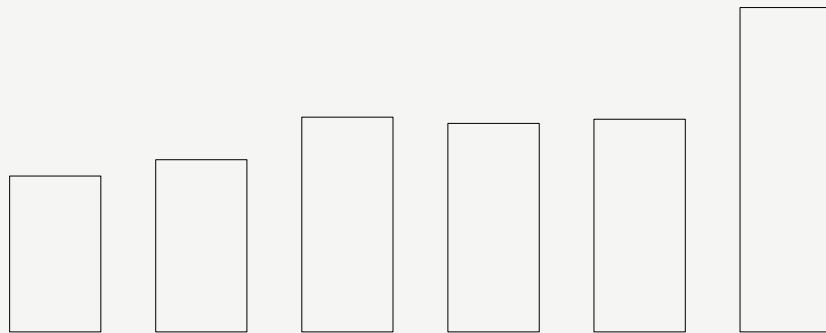
2023 Venture Investment by Sector (#)



INVESTMENTS: By Deals And Dollars

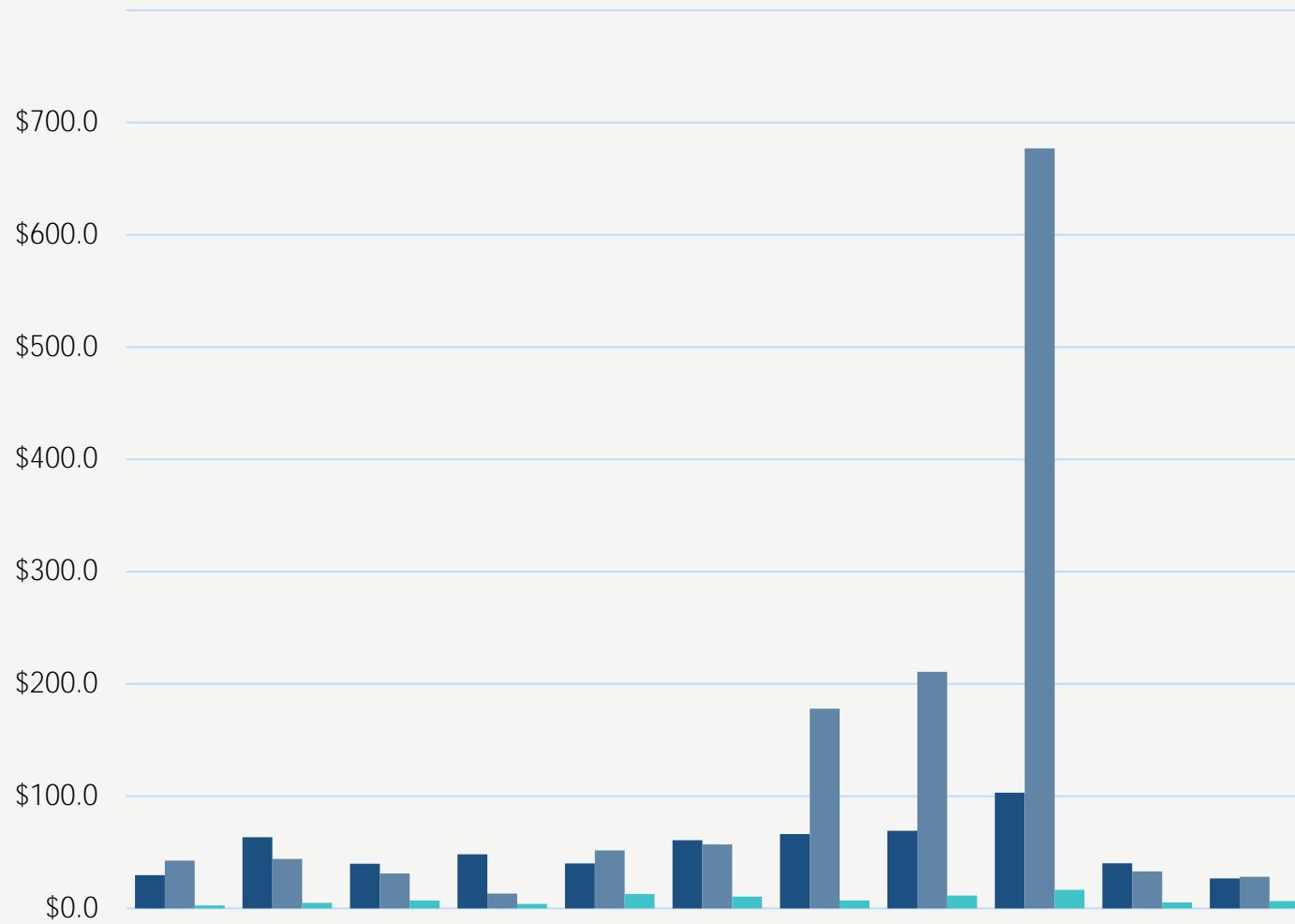


HEALTH OF THE ECOSYSTEM: First Time Financings



FUTURE INVESTMENT: Fundraising

MEASURES OF SUCCESS: Exits by count



So Where Are We Now?

54,000+

Private U.S. VC-
backed companies

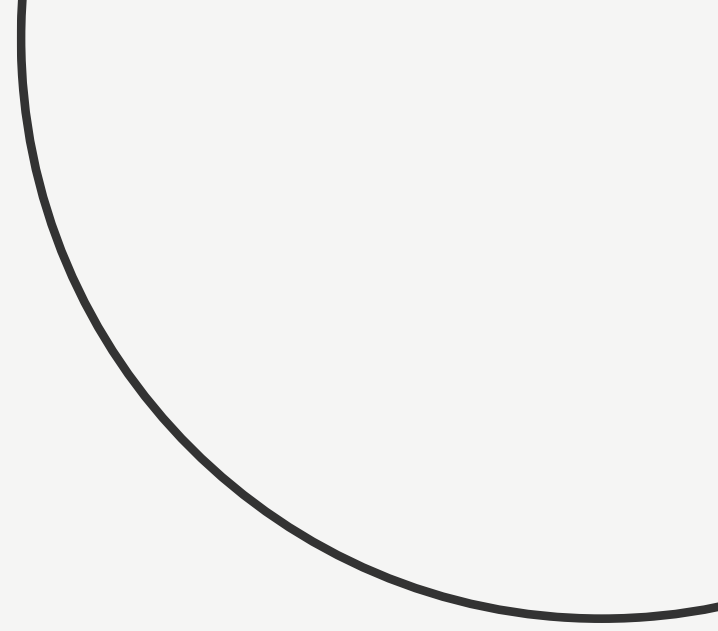
~100

Startups waiting to
go public

9 Years

Median Pre-
Listing Company
Age

POLICY



If You're Not At The Table, You're On The Menu



What is NVCA?

FTC

Commerce

Current

- Private Funds Rule
- Litigating with coalition to repeal new rule on private funds
- Rule would hamper ability for small funds to operate

Upcoming

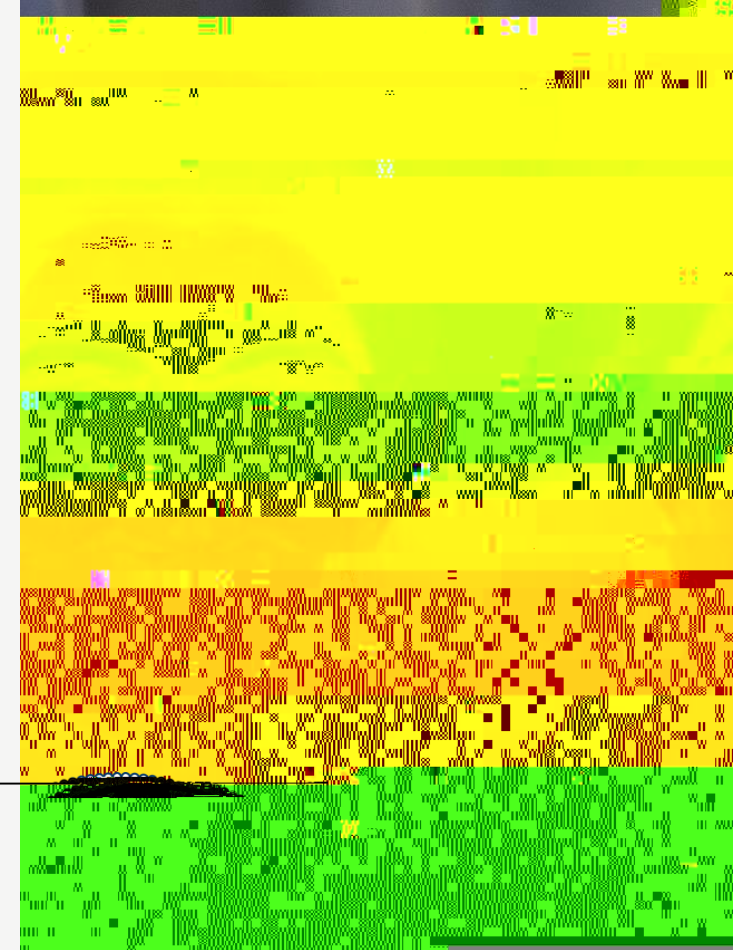
- Private Companies Rule

Current

- Anti-Trust
- 41 open antitrust cases right now
- Proposed doctrine would always penalize mergers

Upcoming

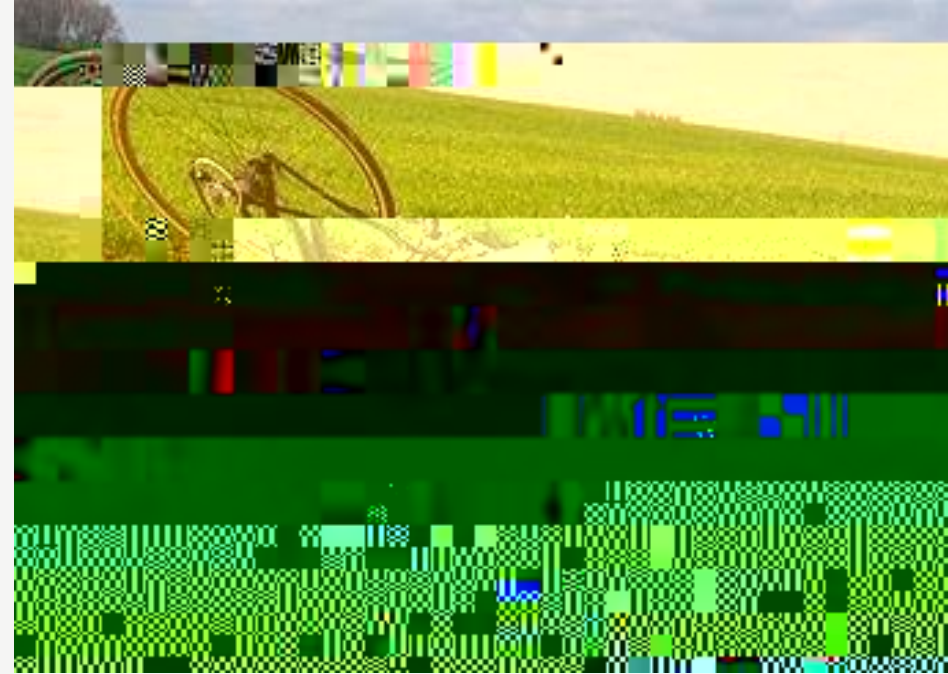
- Proposed Merger Guidelines w/ DOJ
- Proposed changes to Hart-Scott-Rodino

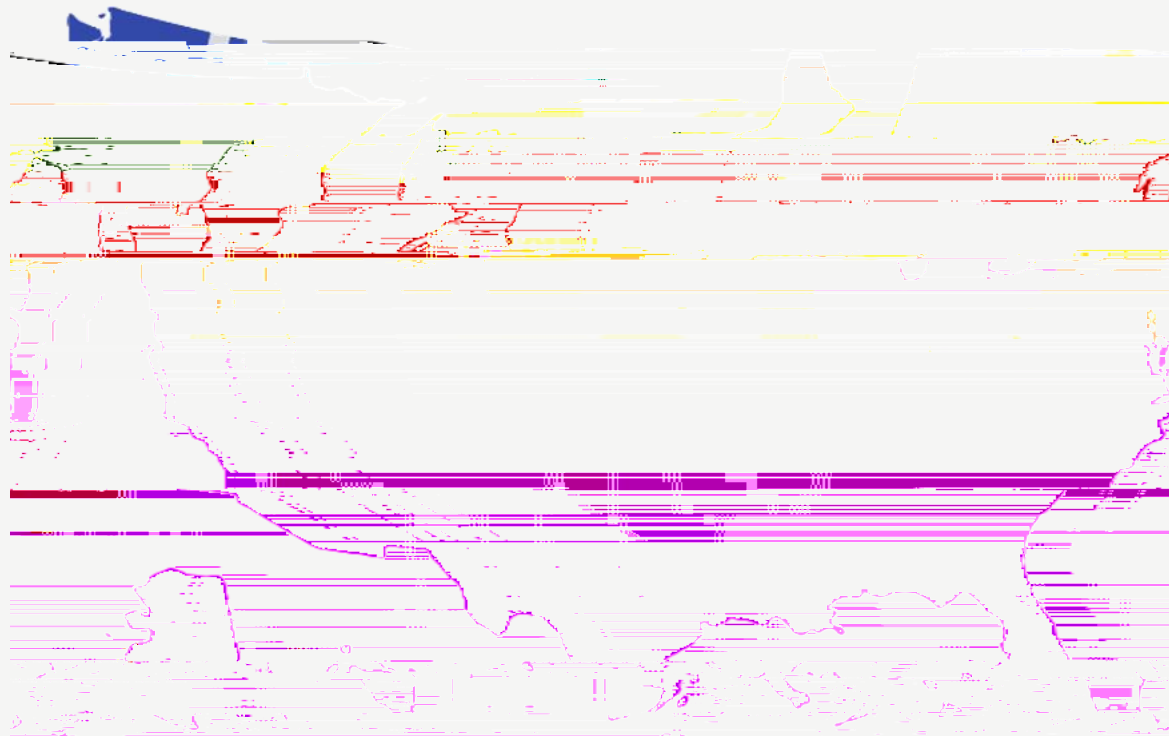


Upcoming

March-In Rights

- Proposed expansion of March-In rights would allow the government to seize any patents which had any federal research funding.
- Would render large portions of life sciences, materials research, and other areas, effectively un-investable.





Presidential

- Two Incumbents

Senate

- 10 seats held by Republicans
- 23 held by Democrats

House

- Republicans have Majority
- 22 Democrats Retiring
- 16 Republicans Retiring

*This election will decide the 2025
tax bill*

OPPORTUNITIES

INVESTMENT IN INNOVATION

\$10B

SSBCI

\$1.2T

Bipartisan
Infrastructure
Package

\$500B

Inflation
Reduction Act

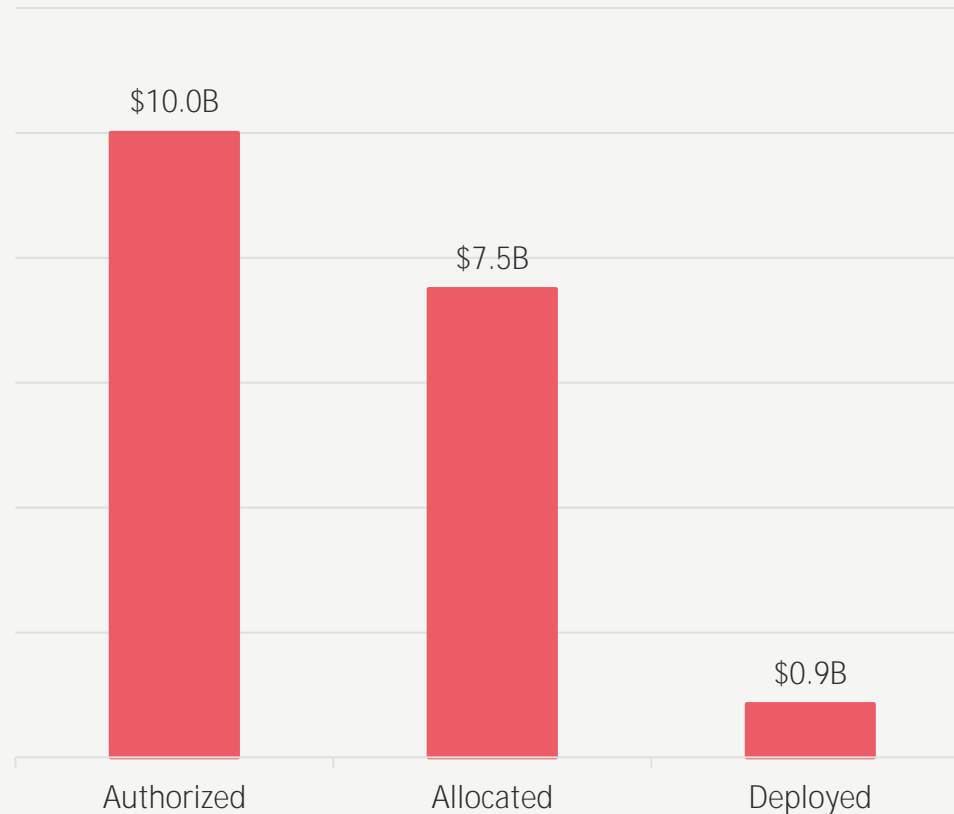
\$280B

CHIPS and
Science Act

\$10B

Authorized for a Variety
of Capital Formation
Programs

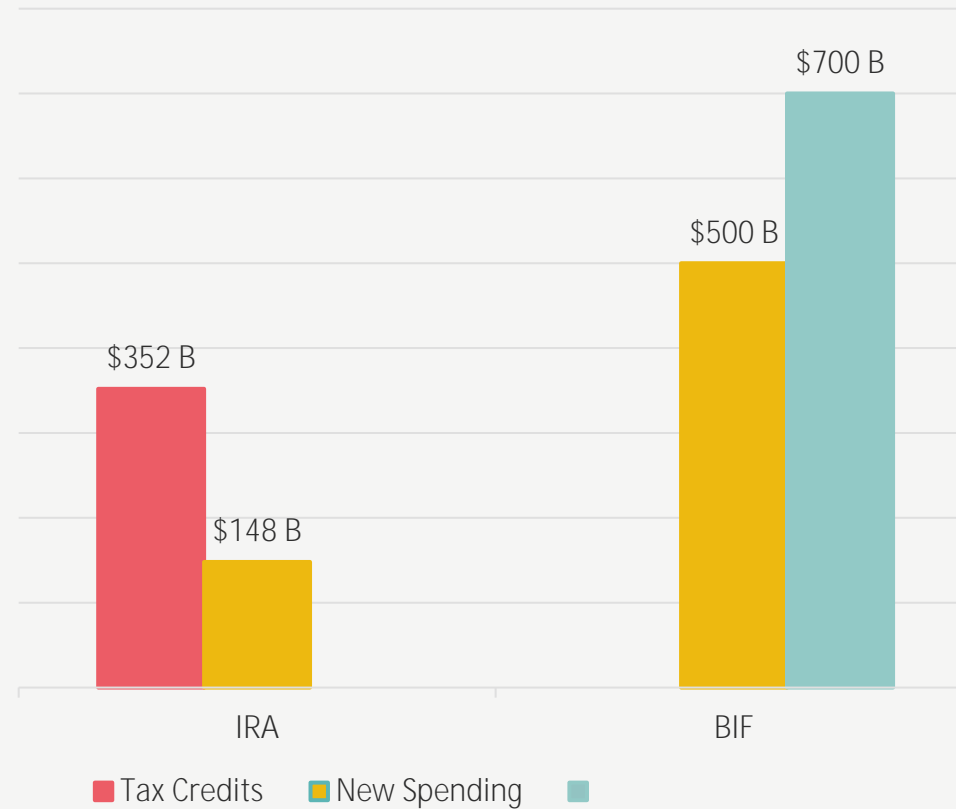
SSBCI Funds Status As of 12/2023



*\$2.5B of SSBCI Funds
Remain Unallocated and
\$6.46B Remain
Undeployed*

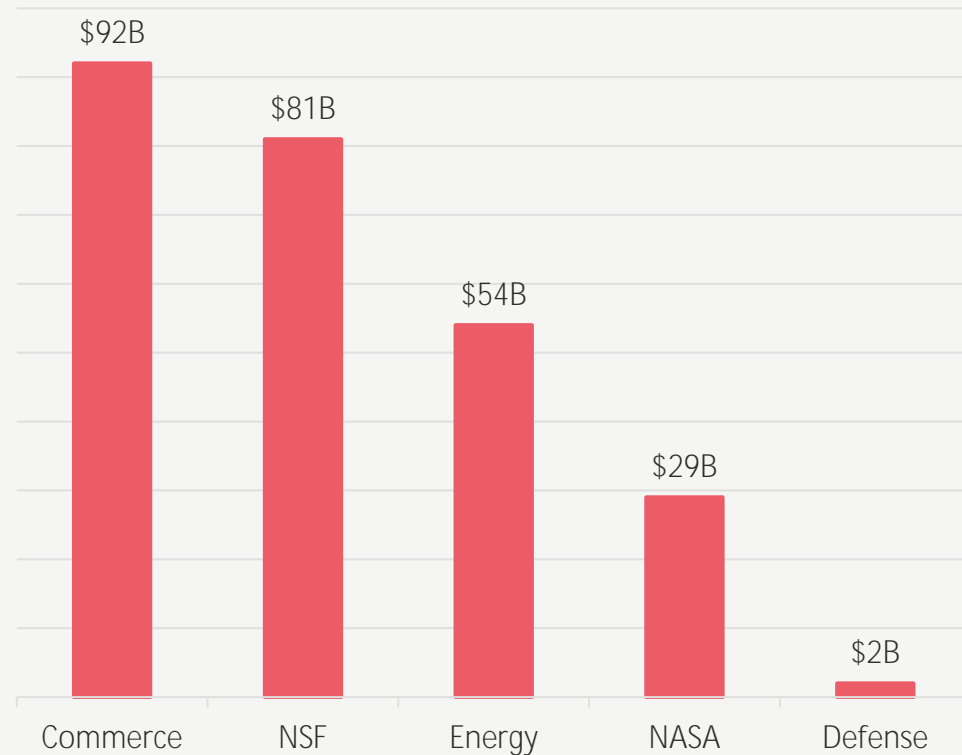
\$1.7T
Authorized for
Infrastructure
Modernization

IRA & BIF Spending Provisions



\$280B
Authorized for
Advanced
Manufacturing &
Technology
Commercialization

CHIPS + SCIENCE Spending By
Department



Between tax credits and

NVCA's POLICY AGENDA

SUPPORTS VENTURE RETURNS & STARTUP SUCCESS



Antitrust



Artificial Intelligence

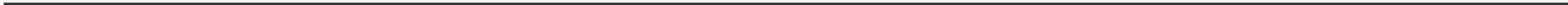
vS34y59onnot



National Security



Foreign
Investment



**Venture Forward is a 501(c)(3)
nonprofit founded by NVCA to
build a stronger, more diverse,
equitable, and inclusive future for
VC.**

The organization provides resources and opportunities to help aspiring investors enter the industry, to help current investors progress, and to help VC firms implement cultivate the next generation of investors.



VC University

The definitive online course in venture finance.



LP Office Hours

Workshops that connect emerging managers from diverse backgrounds to limited partners, experienced general partners, and industry advisors.



VC Human Capital Survey

The survey collects information from 300+ VC firms regarding demographic information, talent management practices, and mentorship programs.

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ventureforward.org | hello@ventureforward.org

QUESTIONS

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