



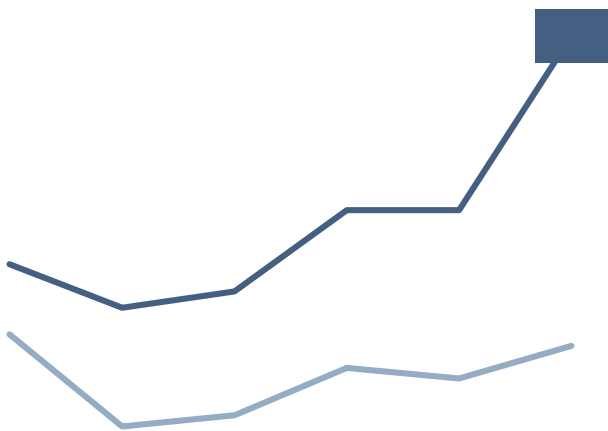
Bobby Franklin
President & CEO, NVCA
Dallas, Texas

National Venture Capital Association (NVCA)

NVCA empowers the next generation of American companies that will fuel the economy of tomorrow.

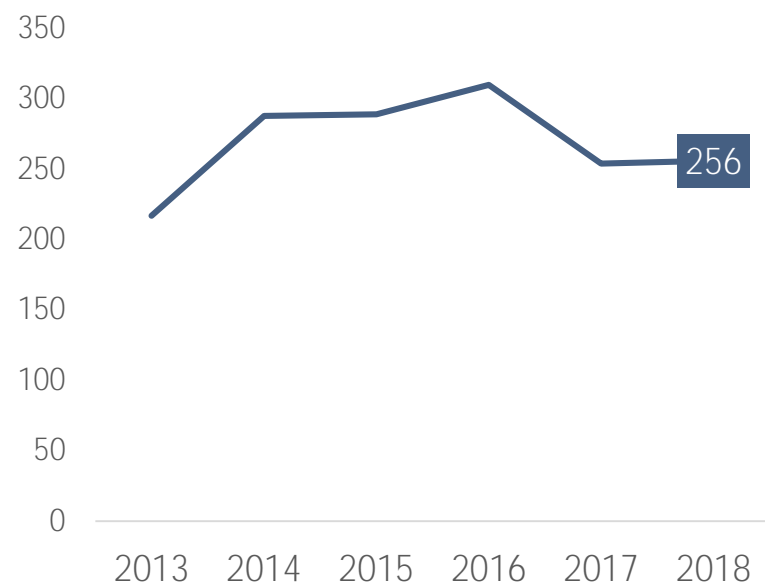
As the voice of the U.S. venture capital and startup community, NVCA advocates for public policy that supports the American entrepreneurial ecosystem and arms the venture community for success, serving as the leading resource for venture capital data, practical education, peer-led initiatives, and networking.

2. Bigger Funds, Investments, & Exits

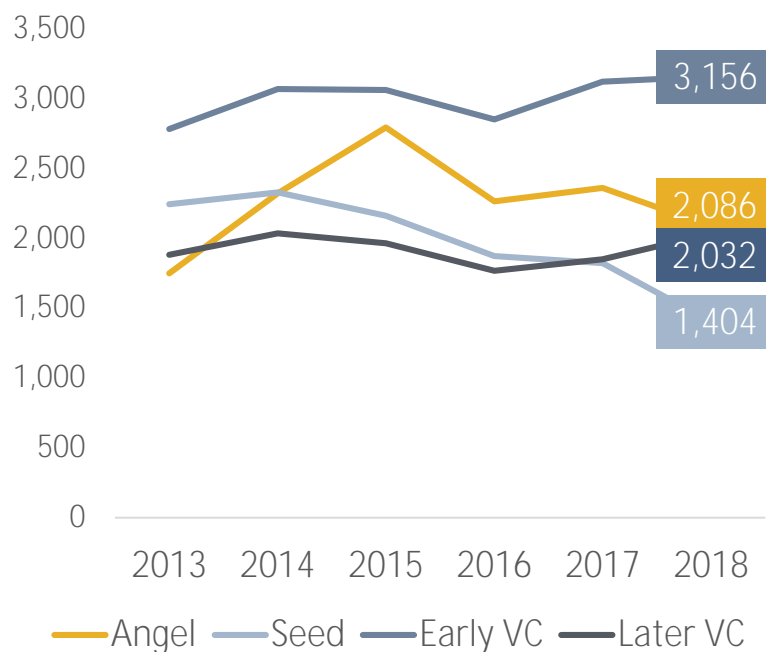


3. Fewer Funds, Investments, & Exits

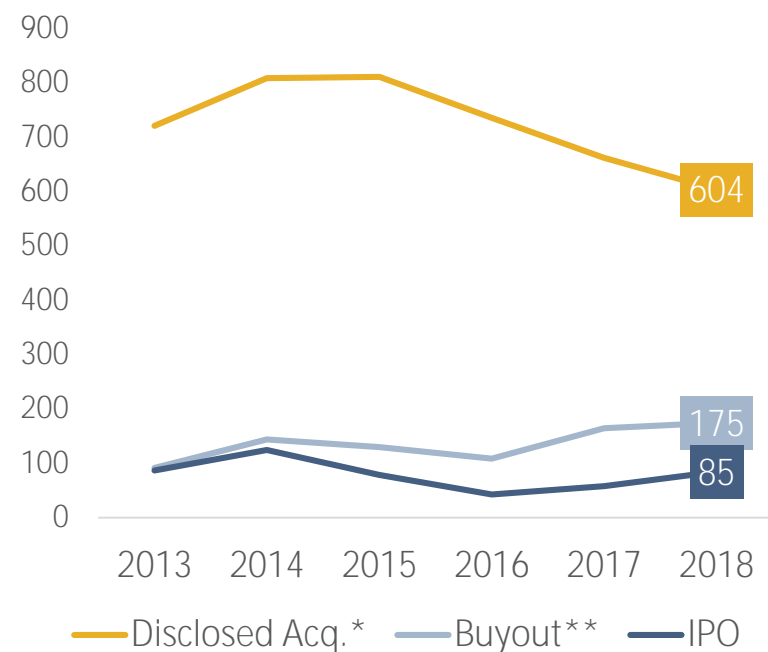
No. of U.S. VC Funds Closed



No. of U.S. VC Investments



No. of U.S. VC-backed Exits



* Strategic acquisition by a corporation; ** PE-sponsored acquisition

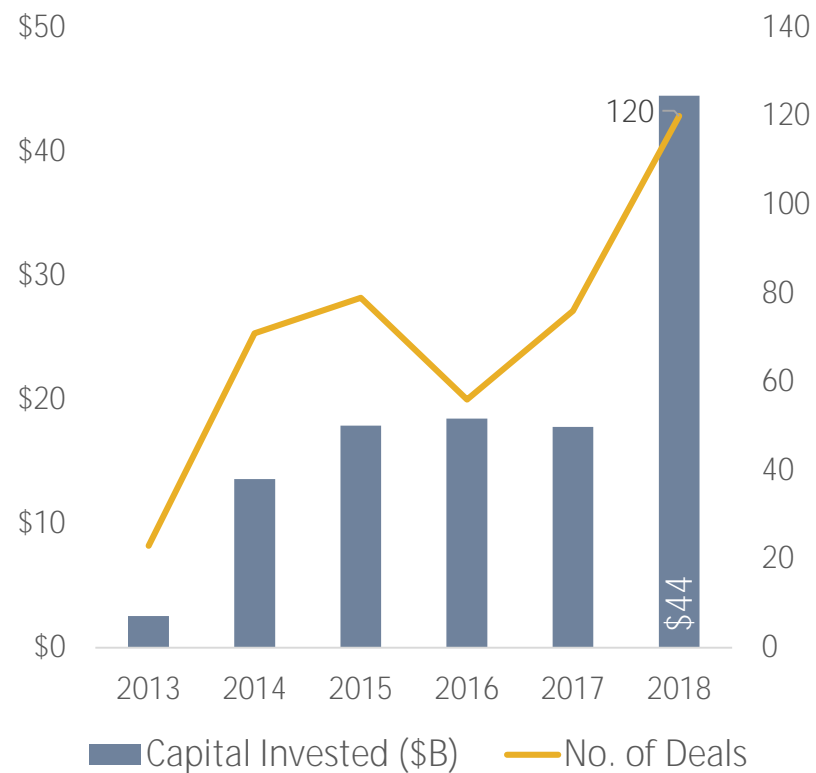
Data as of 12/31/2018

Source: 4Q 2018 PitchBook-NVCA Venture Monitor

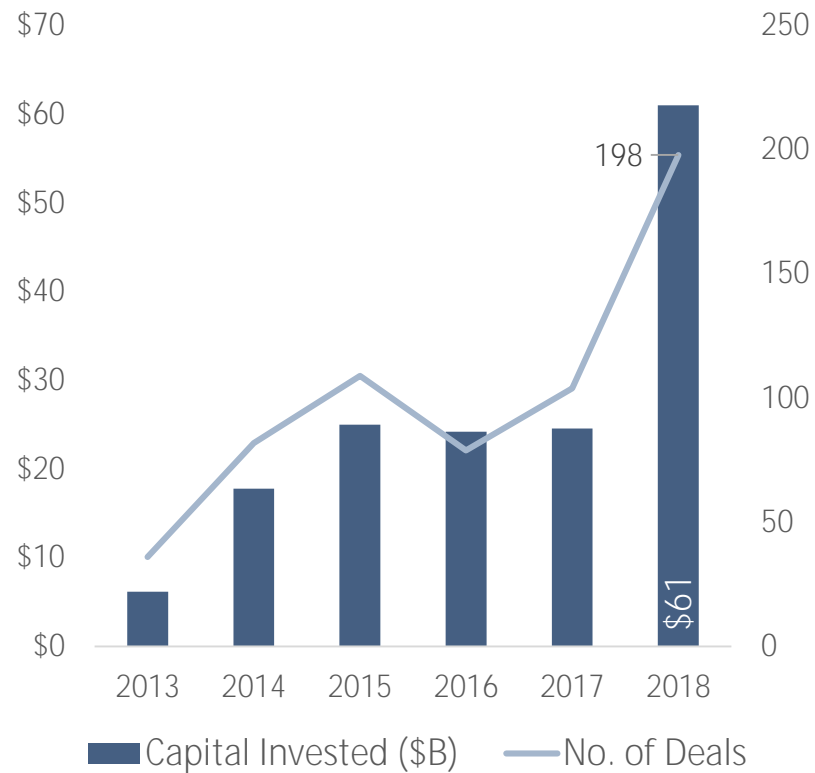


5. Unicorns & Mega Deals Make Big Mark

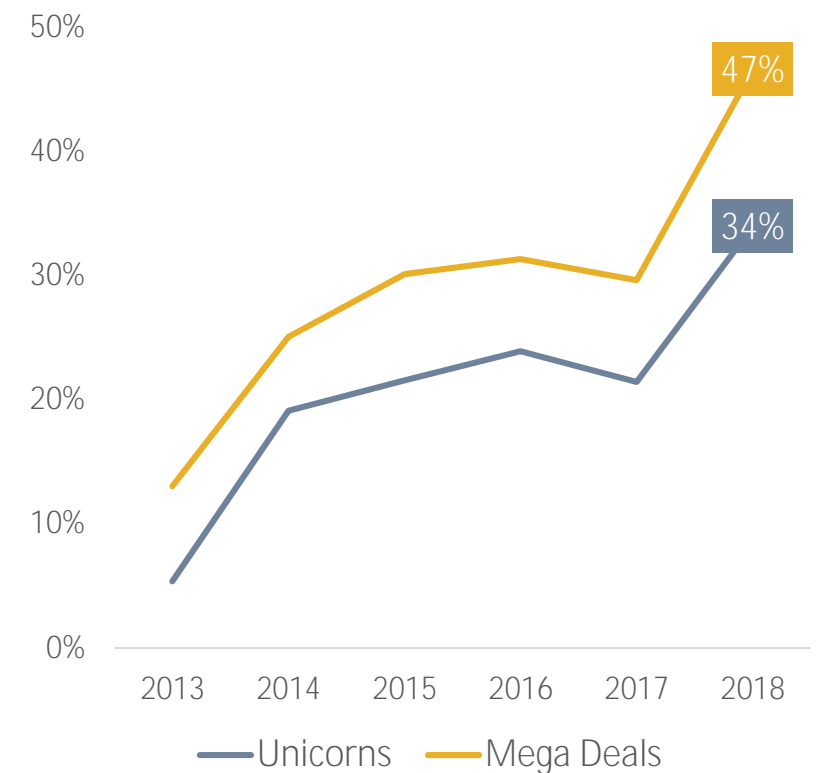
U.S. VC Unicorn Activity



U.S. Mega Deal (\$100M+) Activity

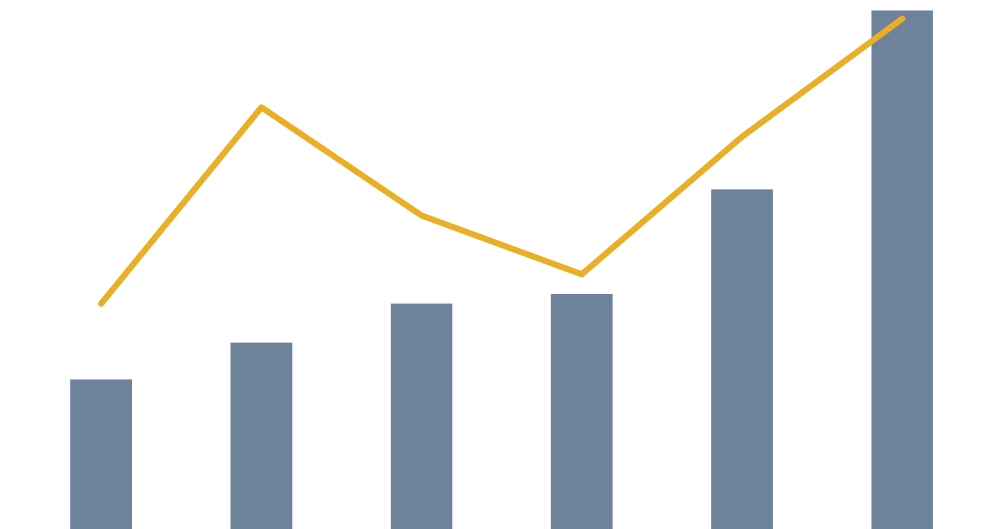
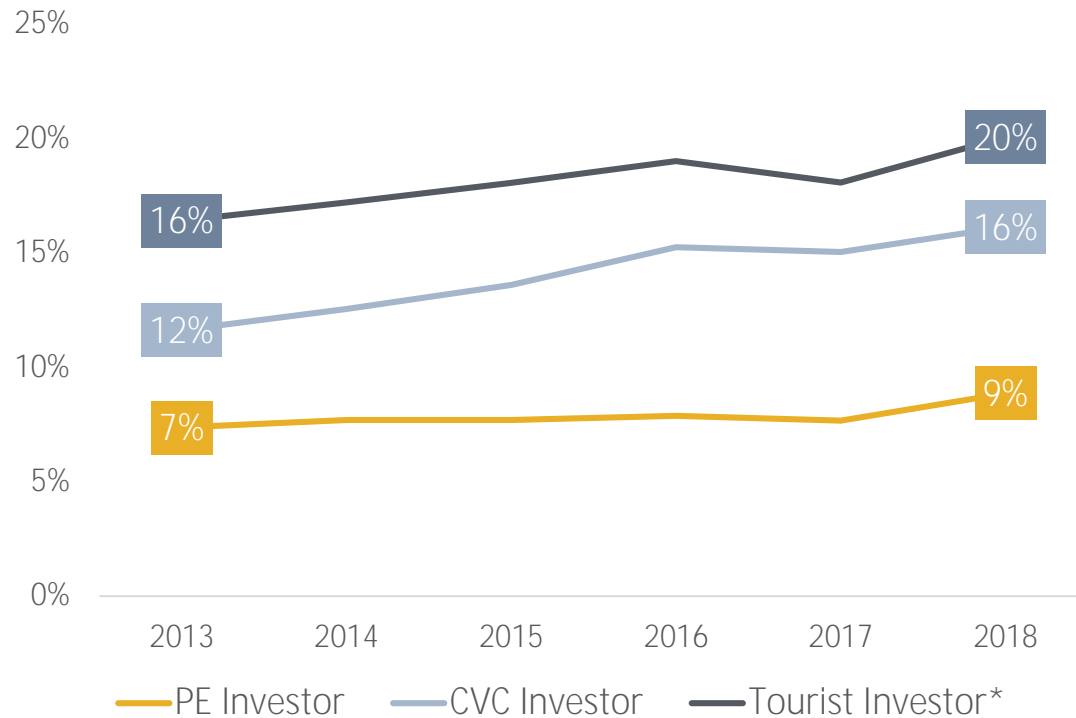


Unicorns & Mega Deals (\$) % of Total VC



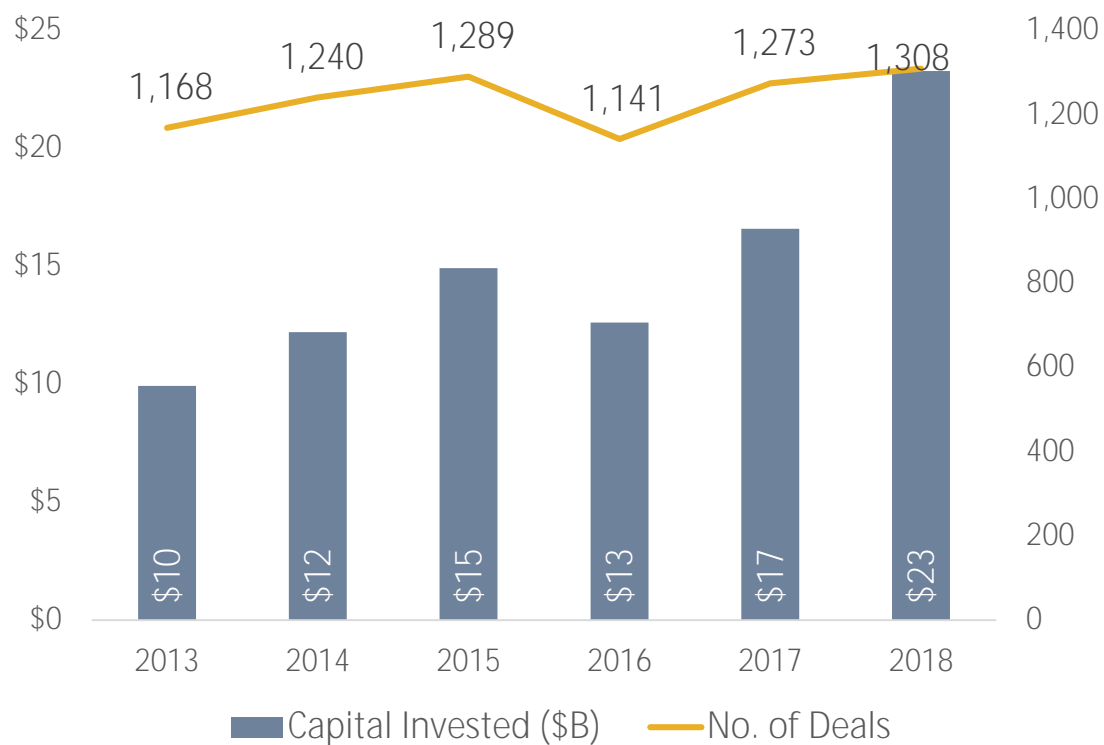
6. New Players: Types of Investors + New VC Funds

% of All U.S. VC Deals (#) with Investor Participation

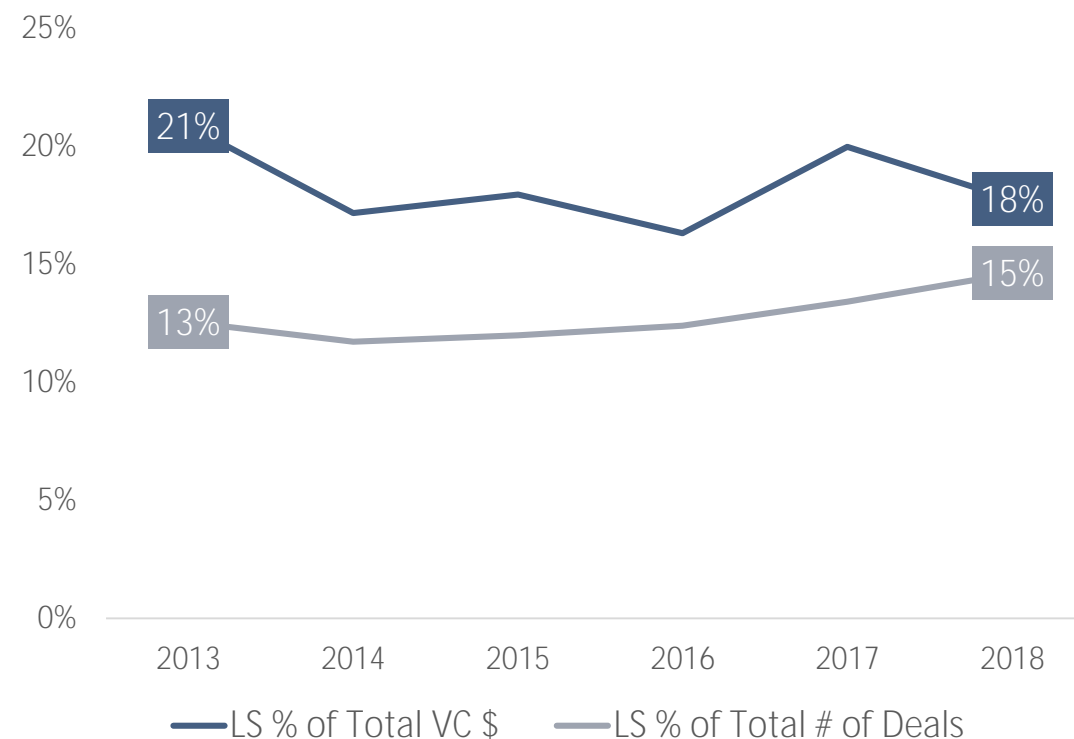


7. Record Year for Life Sciences

U.S. VC Life Science Investment Activity

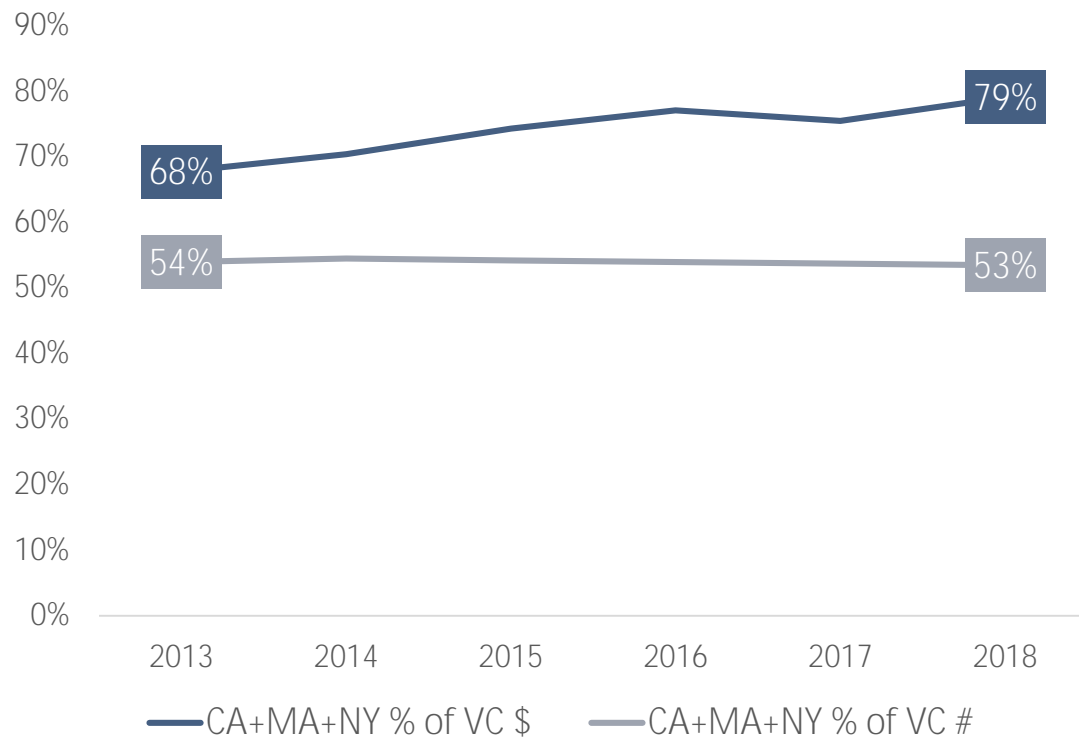


U.S. VC Life Science Investment % of Total VC



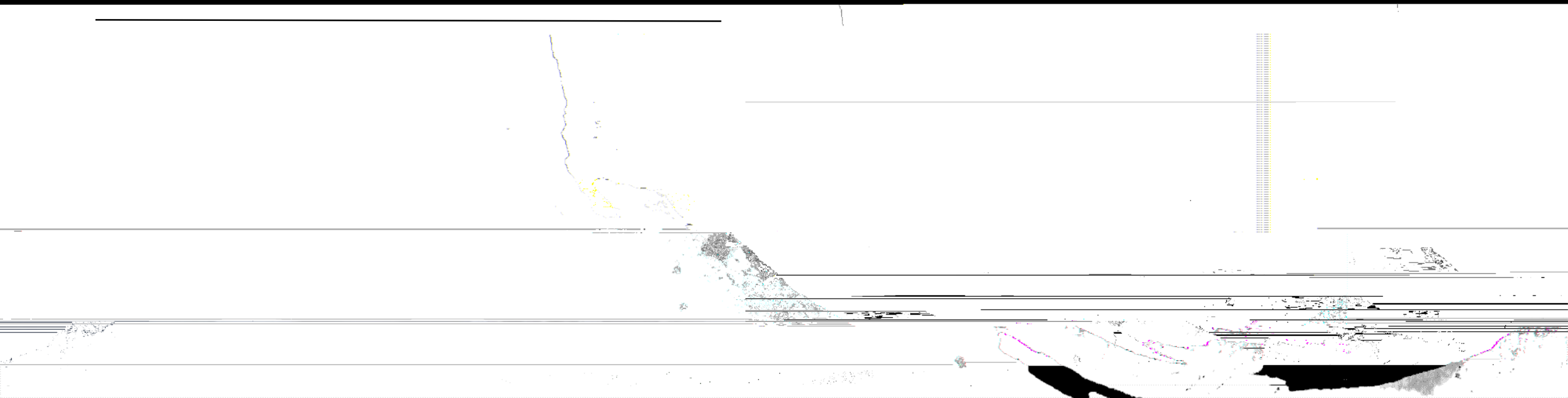
8. VC Still Geographically Concentrated but Bright Spots in Emerging Ecosystems

VC Investment in CA+MA+NY as % of Total U.S.



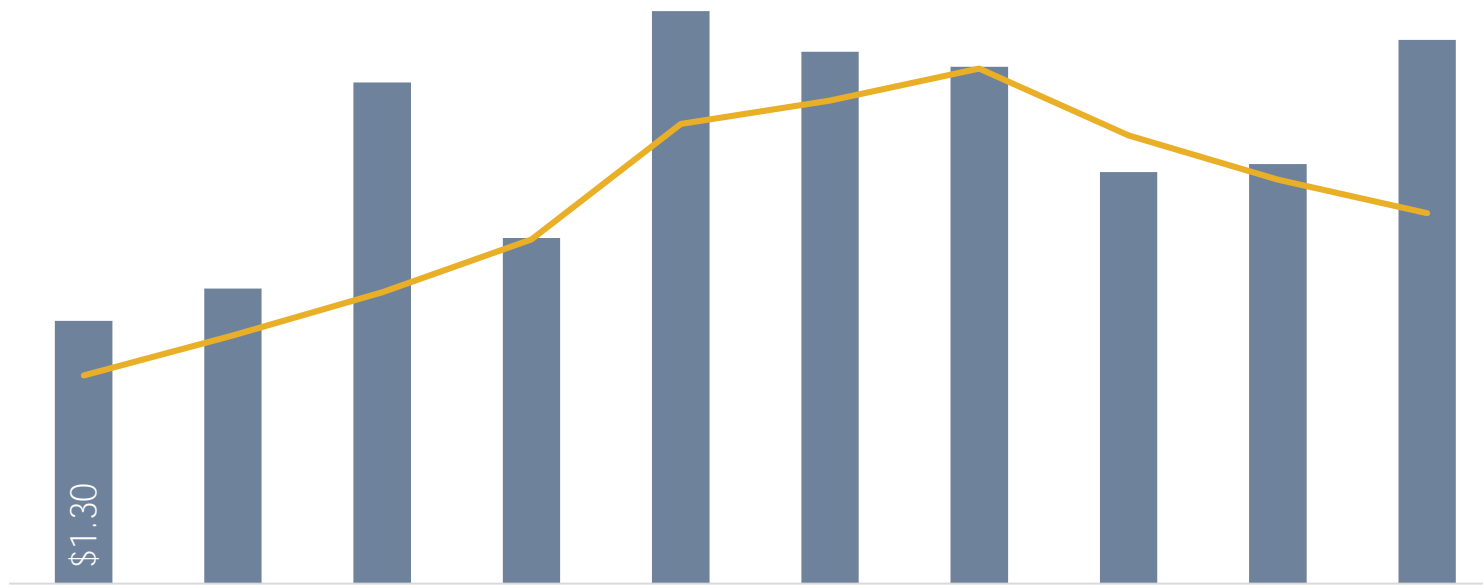
	Capital Invested (\$M)		
	2017	2018	YoY % Change
Vermont	\$14	\$37	165%
North Carolina	\$998	\$2,621	163%
Ohio	\$410	\$1,026	150%
Maryland			

What's Happening in Texas





2018 VC \$ Invested in TX was 2nd Highest in Decade; 6-year Low for Deal Count





What's Happening in Washington

Public policy objectives

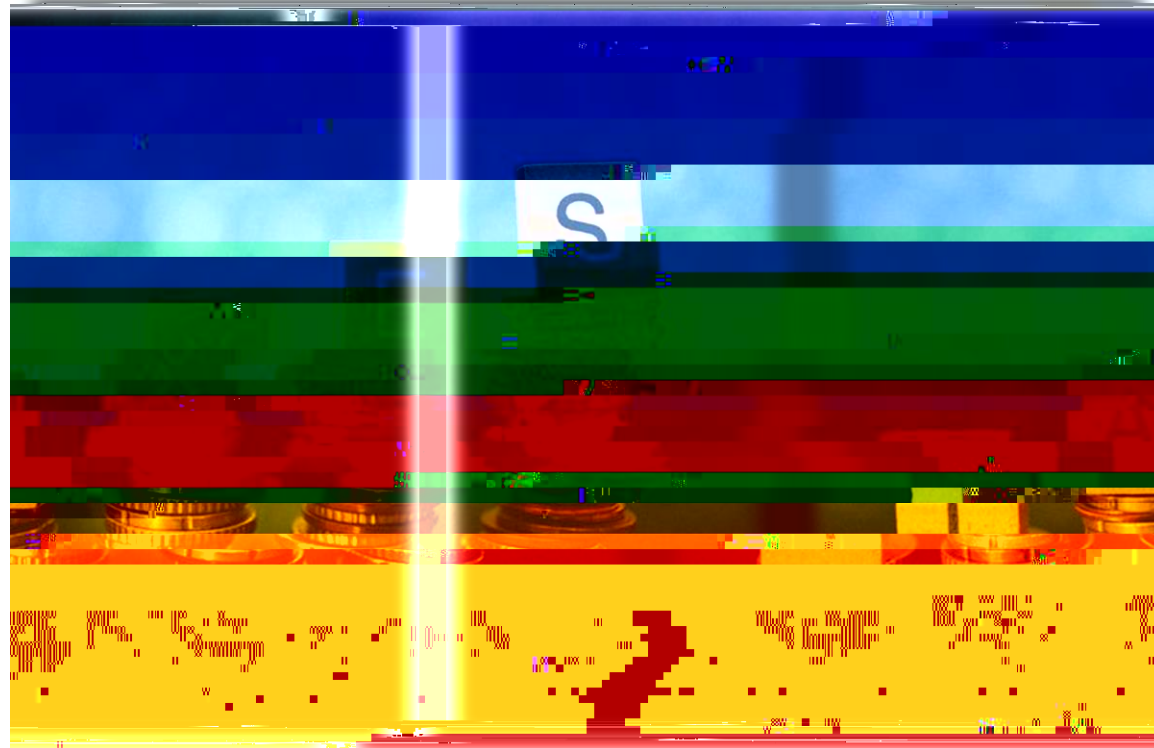
Foreign investment scrutiny has significantly impacted the VC and startup ecosystem in recent months:

*Foreign Investment Risk Review
Modernization Act (FIRRMA)* became law in
August
MA?

Who should care about FIRRMA?

Tax Policy

NVCA advocates for tax policy that encourages new company formation



Drug Pricing: politics could motivate activity

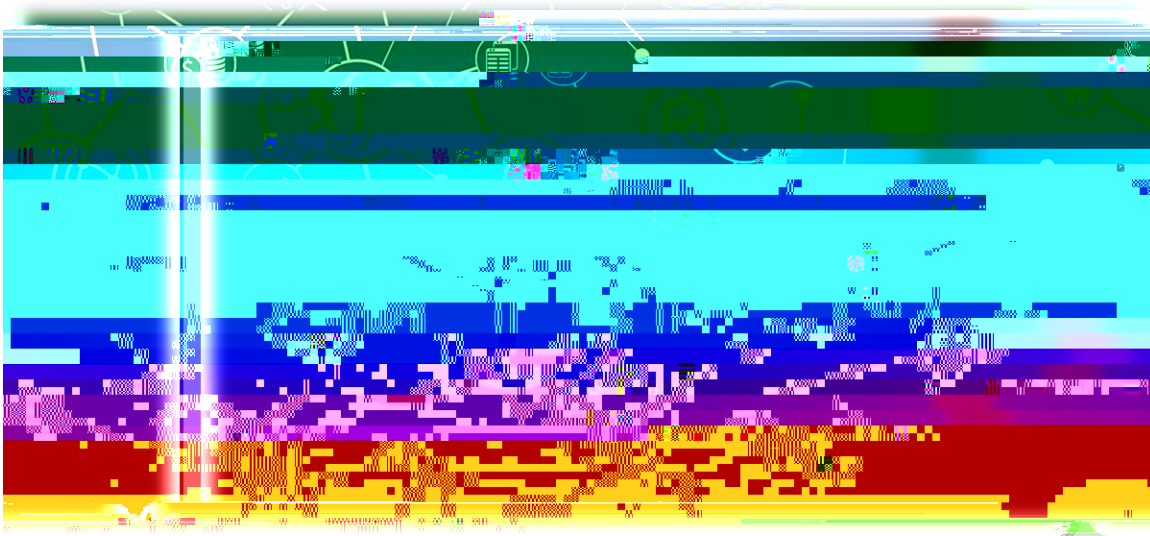
Our role in this debate is educating policymakers on the crucial role venture capitalists play in new drug discovery

Political attacks on big drug companies could harm high-growth startups

Our July 2018 comments shared data on our industry's impact on medical innovation and stressed sensitivity toward how drug pricing reforms might influence early-stage investment in medicine



Blockchain Technology



VCs make some of the most critical technology investment decisions in the U.S. economy

Regulatory certainty for fully functional blockchain networks is critical to determining the full promise of the technology

Immigration: What is the fate of IER?

International Entrepreneur Rule (IER) is in place due to NVCA lawsuit, but DHS issued new rule to end IER

In May 2018, NVCA submitted comments and led coalition. To repeal IER, the administration needs to process vast amount of comments

Current state of Dept. Homeland Security has two possibilities

Working on repeal order *or*

Their repeated attempts to repeal has chilled applications enough to effectively kill the program, but they are keeping IER on the books has benefit

H-1B rule

Volcker Rule Reform

- NVCA submitted proposal to regulators in October
- Allow **bank investment into venture capital funds**
- Two regulatory paths to achieve proposal
 - Exempt VC
 - Regulatory parity



VC Definition Modernization (RIA)



Techlash (and implications for startups)

Big Tech is **on its heels** in DC as tech backlash has become bipartisan headache

Emboldened by the administration, Republicans no longer giving tech the **benefit of doubt** they give to private enterprise

Not to be outdone by the administration, Democrats stepping up **historical criticism** of data use



Questions?
Contact NVCA

NVCA@nvca.org