PitchBook

NATIONAL VENTURE CAPITAL ASSOCIATION

Venture Monitor

3Q 2016

Total VC invested is on pace to hit $74B in 2016, the second-highest level of the decade
Page 4

Median venture-backed exit size via M&A/buyout doubles from 2015
Page 13

Expanded league tables
Pages 16-18

The definitive quarterly review of the US venture capital ecosystem and trends.

Contents

Credits & Contact

PitchBook Data, Inc.

JOHN GABBERT Founder, CEO
ADLEY BOWDEN Vice President, Market Development & Analysis

Content

NIZAR TARHUNI Senior Analyst
GARRETT JAMES BLACK Senior Analyst
KYLE STANFORD Analyst
ELIZABETH ARMON Analyst
ANDY WHITE Data Analysis Manager
BRYAN HANSON Data Analyst
JENNIFER SAM Senior Graphic Designer

Contact PitchBook

pitchbook.com

RESEARCH
reports@pitchbook.com

EDITORIAL
editorial@pitchbook.com

SALES
sales@pitchbook.com

National Venture Capital Association (NVCA)

BOBBY FRANKLIN President and CEO
MARYAM HAQUE Vice President of Research
BEN VEGHTE Vice President of Communications and Marketing

Contact NVCA

nvca.org
info@nvca.org

Executive Summary

We are excited to release this inaugural issue of the PitchBook-National Venture Capital Association (NVCA) Venture Monitor. The result of a partnership forged between the leading source of private capital data and the venture industry's flagship trade association, the PitchBook-NVCA Venture Monitor serves as the definitive source of information and analysis about venture capital activity in the entrepreneurial ecosystem. From fundraising to investment to exit, the Venture Monitor paints a complete picture of US venture activity in one comprehensive report each quarter.

Headquartered in our nation's capital, NVCA's primary mission is advocacy and working with policymakers to implement a policy agenda to strengthen the entrepreneurial ecosystem. Viewed as a small, cottage industry in the minds of policymakers, it's always a challenge for venture capital to command a lot of attention in our nation's capital, especially when competing for airtime with large, entrenched industries. However, as policymakers and other stakeholders better understand venture capital and the unique and irreplaceable role it plays in our economy, more attention is being paid to the issues that matter to our ecosystem.

Most recently, the venture industry reached an important milestone in August when five venture-backed companies—Apple, Alphabet (Google), Microsoft, Amazon, and Facebook—held the top five spots as the most valuable companies in the world by market value. Knowing that these powerful brands, and their 530,000 employees, all trace their roots back to venture capital, it's not surprising to see venture capital continue to flow to the next generation of great American companies.

In the third quarter, close to 2,000 investors (namely venture capital firms, corporate venture capital firms, angels, accelerators, and incubators) deployed just short of $15 billion to over 1,600 companies in the entrepreneurial ecosystem. These investments spanned 48 states and the District of Columbia and across companies operating in a range of sectors, showing the true reach of the venture ecosystem. The extent of this reach was apparent with investments in companies like CVRx, a Minneapolis-based medical device company developing technology for the treatment of high blood pressure and heart failure; Dallas-based StackPath offering cybersecurity solutions via a web-based security platform; San Francisco-based game development company Unity Technologies; and Cambridge-based Moderna developing alternative treatments for a range of disease conditions. In each case, these innovative companies are driving value creation to our economy, shaping society, and improving the health and wellbeing of our citizens.

Knowing of the transformative changes being driven by these venture-backed companies, investors in venture capital funds, such as endowments, foundations and pensions, continue their strong interest in the asset class. Third-quarter fundraising totaled $9 billion, bringing total funds raised for the year to $32 billion. At this pace, it's likely 2016 could be one of the best fundraising years in recent memory. This isn't surprising given that investors increasingly want exposure to high venture capital returns, especially in a low interest-rate environment, as well as a front row seat to innovation.

Naturally, much of the recent attention on the ecosystem has been on the exit environment, as 2016 has proven challenging for venture-backed technology IPOs. In the third quarter, 14 venture-backed companies went public, raising $1.04 billion, and creating over $5.7 billion in public company market value. M&A remains the most likely exit route for venture backed companies, and although the pace of exits via acquisition continued to slow for the fourth straight quarter, the median acquisition/buyout price crossed $100 million, reaching an eleven-year high.

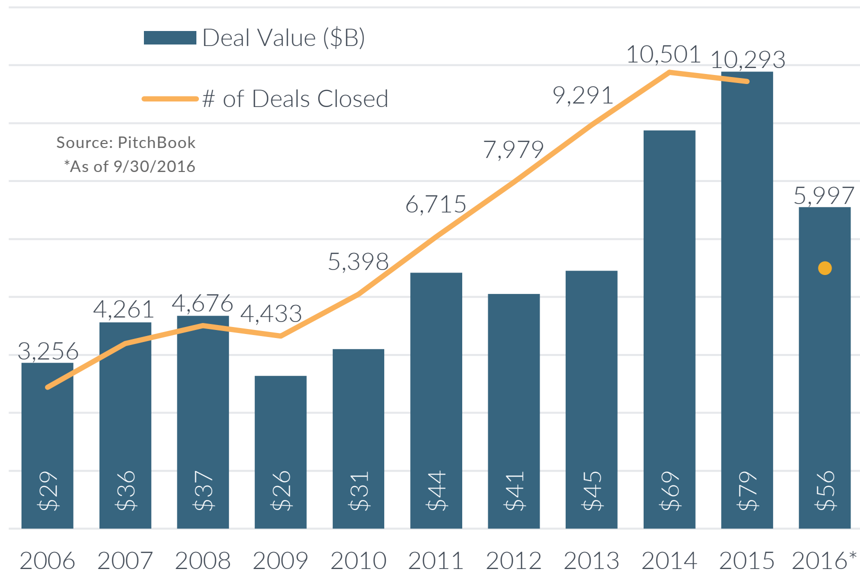
Overview

For some time now, we've maintained that the US venture industry is undergoing a regression to the mean. At its current pace, year-end VC invested could hit $74 billion for the entirety of 2016—the second-highest tally of the decade. Even if VC invested in the fourth quarter is as low as 3Q's tally, 2016 could still top 2014's figure. Simultaneously, however, that massive sum of capital is concentrated in fewer financings, with annual deal flow set to decline by 22% relative to the heights of 2015.

The decline in deal flow has been softer than some might have expected. As companies have secured massive amounts of capital over the last few years, investors have looked to utilize a more targeted approach to how they invest, which encompasses making fewer but larger bets.

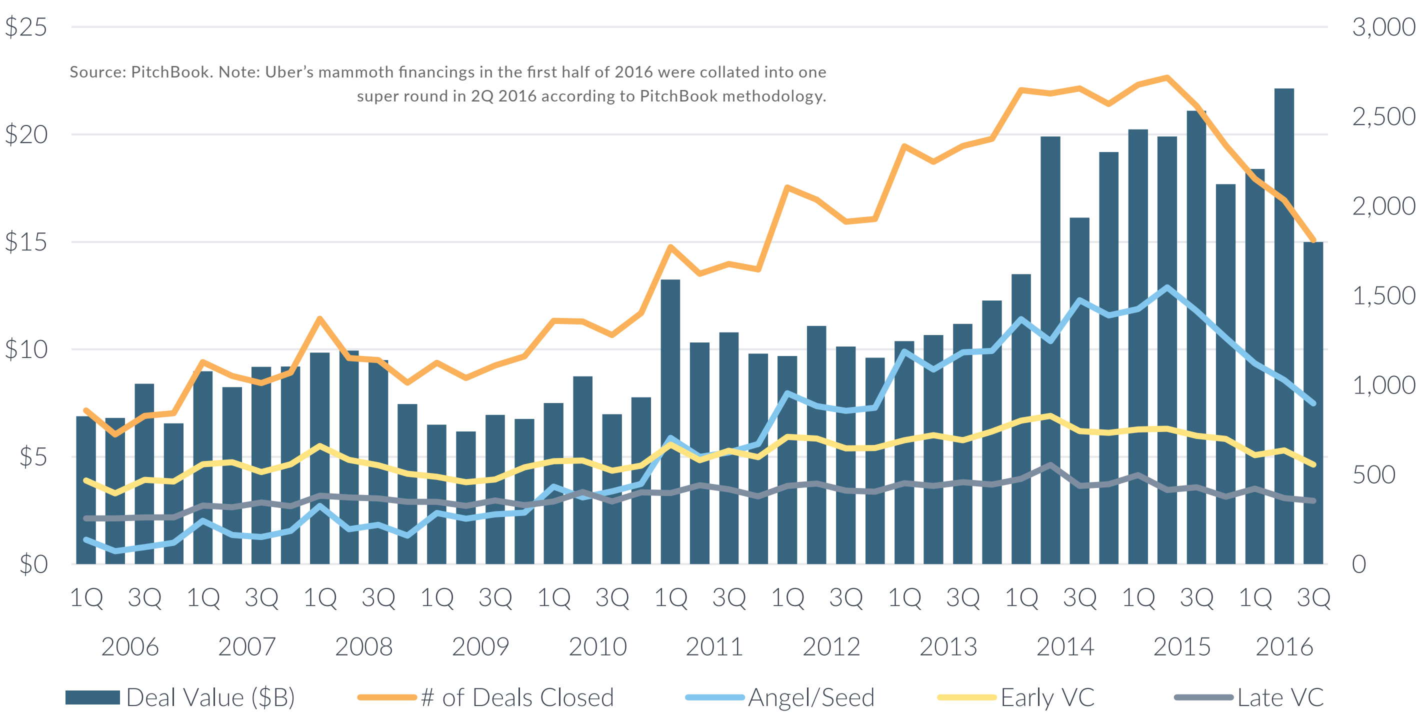
Massive sums still concentrated in fewer financings

US VC activity



3Q numbers illustrate the venture reset is still ongoing

US VC activity

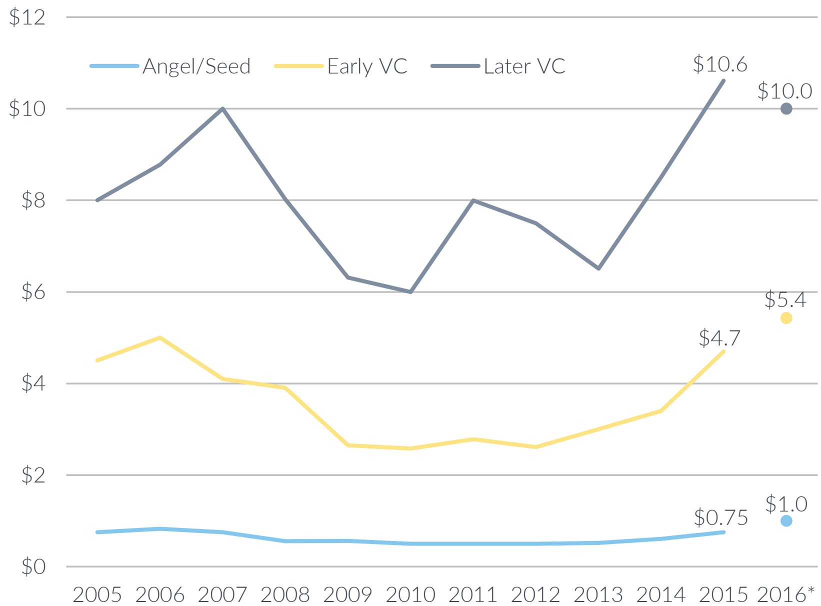


And to that point, 2016 is on pace to record over 600 financings of $25 million or more, in line with the 637 observed in 2014. In addition, median financing sizes still remain at near-record levels, three-quarters into the year.

The role of corporate venture arms must also not be discounted. As detailed below, 2015 saw an unprecedented $32.9 billion worth of total transactions that included corporate VCs; through September, this year has already seen $26.1 billion. Especially in technology, M&A has been critically important to many corporate giants as they see their legacy businesses slow. Before some companies may look to invest capital directly off their balance sheets, corporate VCs can play a pivotal role in helping their parents gain exposure to cutting-edge technologies. With that, parent companies can use their investment arms as an educational vehicle to help drive their future corporate development initiatives. These rationales have motivated corporate venture arms to maintain a significant investment pace, which in turn has helped soften any slide, particularly in total financing value.

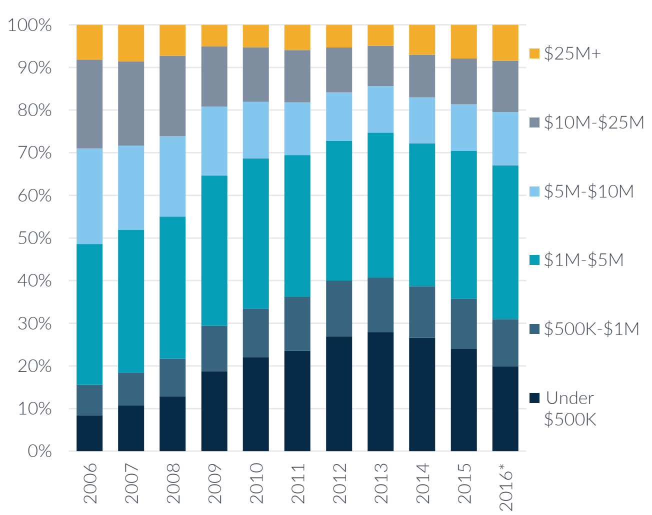
Investors still have plenty of money to deploy, overall returns for VC as an asset class are compelling enough for limited partners to maintain allocations, and plenty of entrepreneurs are still starting companies and courting funding. Lastly, many emerging technology platforms such as IoT, blockchain, virtual reality, immunotherapies, etc. will continue to pave the way for additional innovations and market opportunities.

Median VC round size ($M) by stage



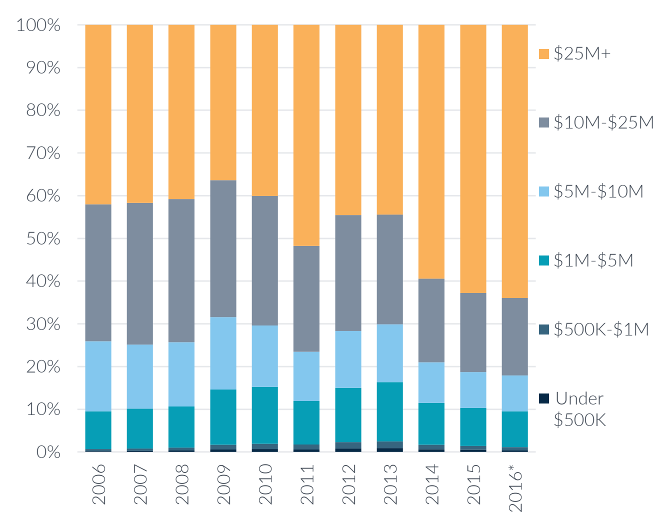
Source: PitchBook
*As of 9/30/2016

US VC activity (#) by size



Source: PitchBook
*As of 9/30/2016

US VC activity ($B) by size



Source: PitchBook
*As of 9/30/2016

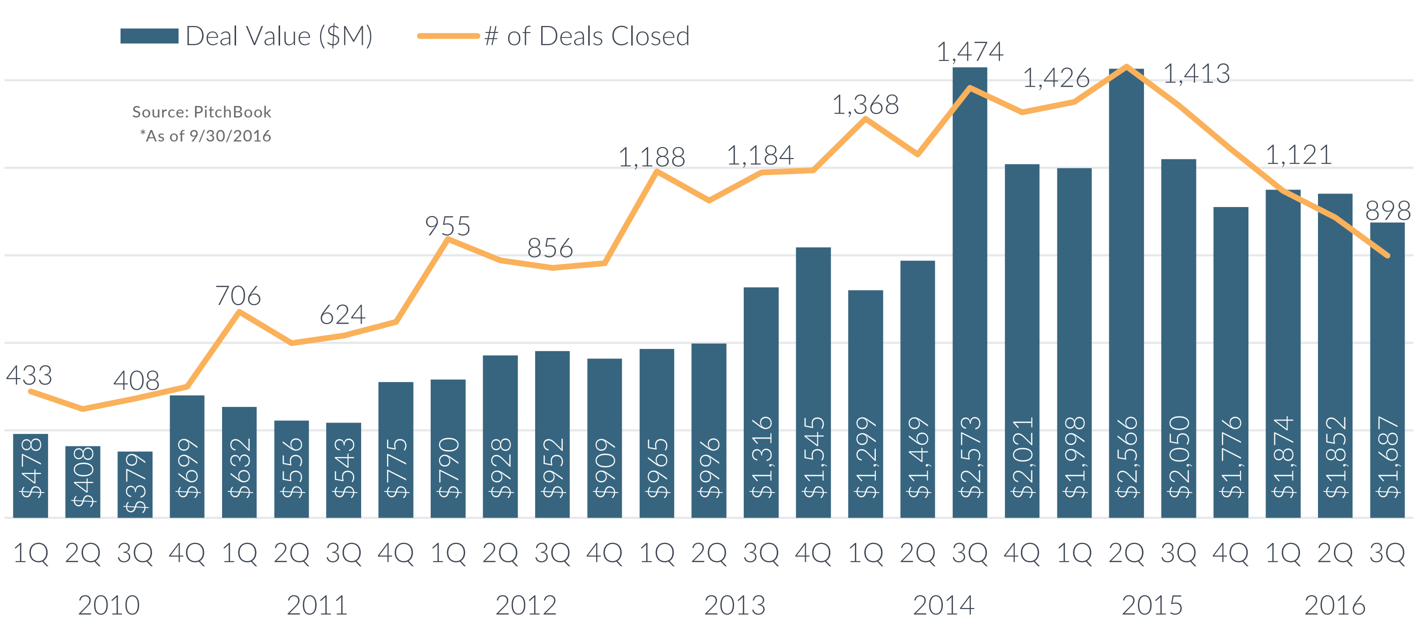
Declines must be put in historical context

Angel & seed activity in the US

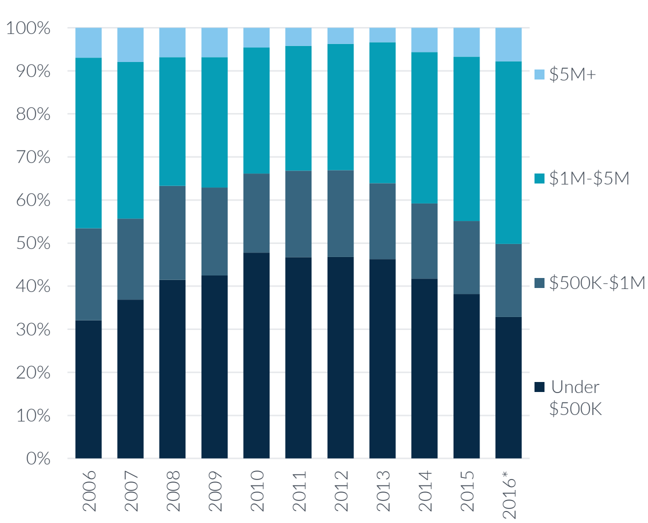
898 deals were completed at the angel/seed stage during 3Q, a decrease of roughly 13% quarter over quarter and the first time there were fewer than 1,000 completed deals in a given quarter since 4Q 2012. The dramatic fall in activity since 2Q 2015, however, must be contrasted with historical norms. Capital invested through angel deals in 3Q was higher than any quarter prior to 3Q 2014, and overall deal activity in angel and seed deals holds strong against pre-2013 levels. Angel deal value is slated to decline for the first time YoY since 2008, yet may still become the second-highest total by year.

Seed investment in particular has shifted further into the venture lifecycle in recent years, aligning more closely to early Series A deals of the past. Due to the rise of accelerator programs, as well as the number of pre-seed and angel investors, seed capital is often also no longer the first investment in a startup. Micro funds have become more common over recent years—more than 100 were raised each of the past four years—allowing seed investors to provide higher amounts of capital. The median seed deal value has made an enormous jump to $1.5 million during 2016, 50% higher than the median of 2015 and triple the median value from just three years ago.

US VC angel & seed activity

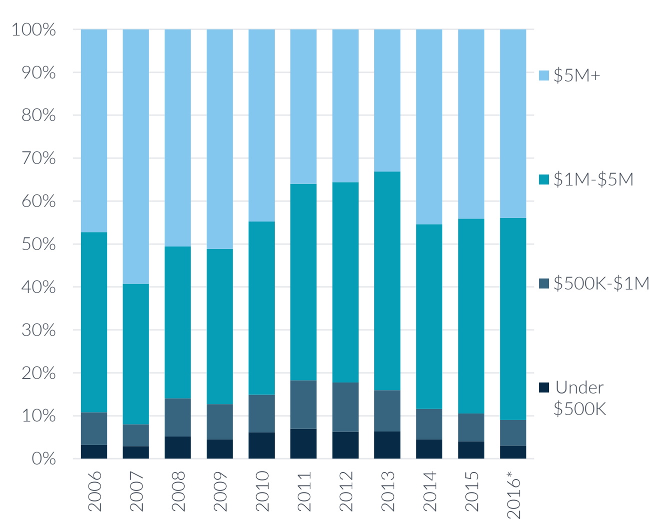


US angel & seed activity (#) by size



Source: PitchBook
*As of 9/30/2016

US angel & seed activity ($M) by size



Source: PitchBook
*As of 9/30/2016

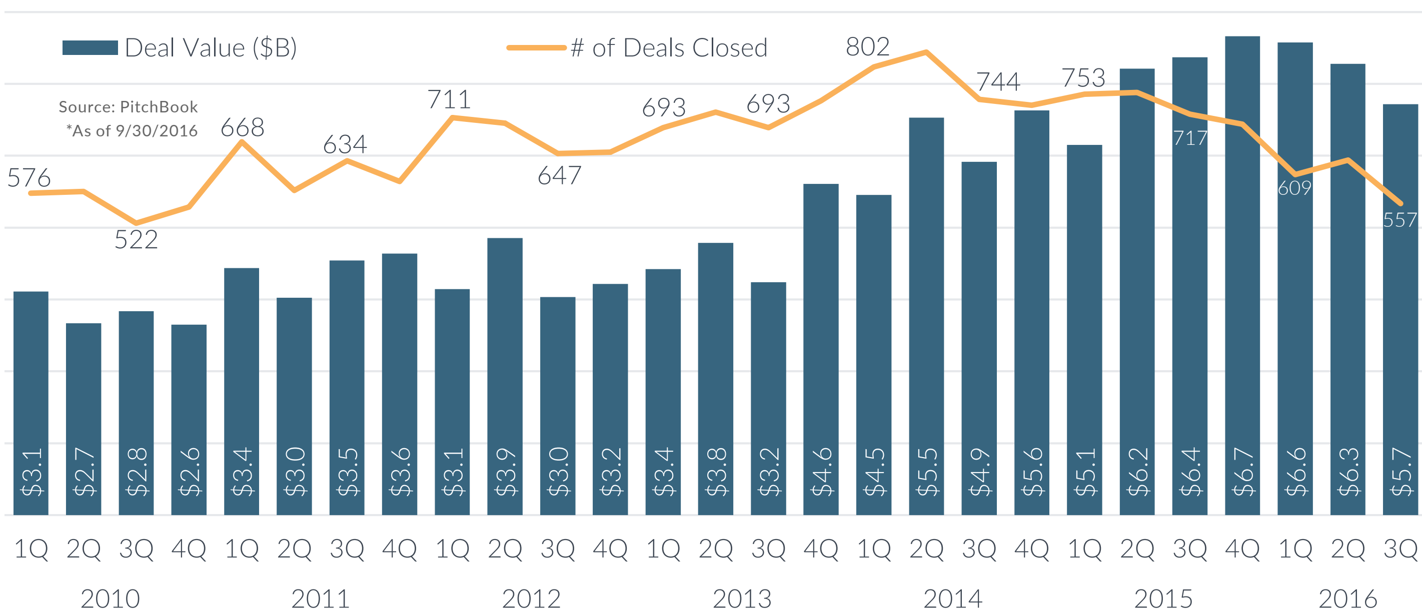
Similar to the seed stage, in part

US early-stage VC activity

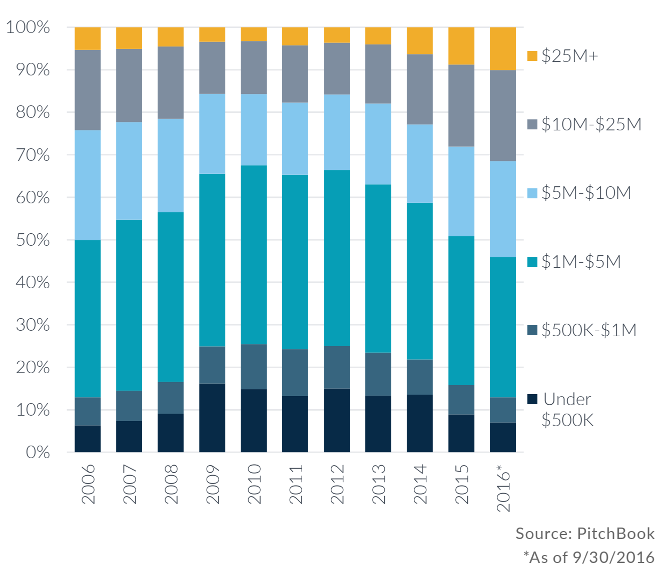
The early stage resembles its seed-stage counterpart. Deal count fell QoQ, failing to reach 600 completed deals for the first quarter since 4Q 2011. Deal count and capital invested at the early stage fell by 12% and 9%, respectively, though deal value still hit $5.7 billion. Several large deals bolstered that total, including the outlier financings of self-driving car developer Zoox ($200 million Series A) and StackPath ($180 million Series A). The portion of deals $10 million and larger has paced above more than 30% of all deals completed during the year, the largest percentage in more than a decade. Through 3Q, 165 deals worth over $25 million closed, while the median deal size has legged up more than $700,000 over 2015's tally to $5.4 million.

Investors have been more cautious at the early stage than they were in the prior few years, wary of hefty prices. That caution has translated into heightened diligence by venture firms, as they increasingly look for prospects to hit loftier benchmarks in revenues and other key performance indicators. While early-stage investors are also emphasizing capital efficiency in case of an economic downturn, they are still providing startups with the capital needed to weather a storm.

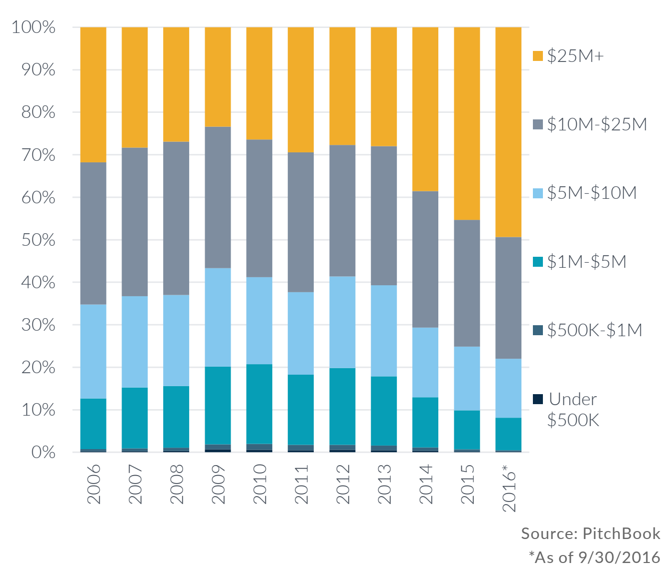
US early-stage VC activity



US early-stage activity (#) by size



US early-stage activity ($M) by size

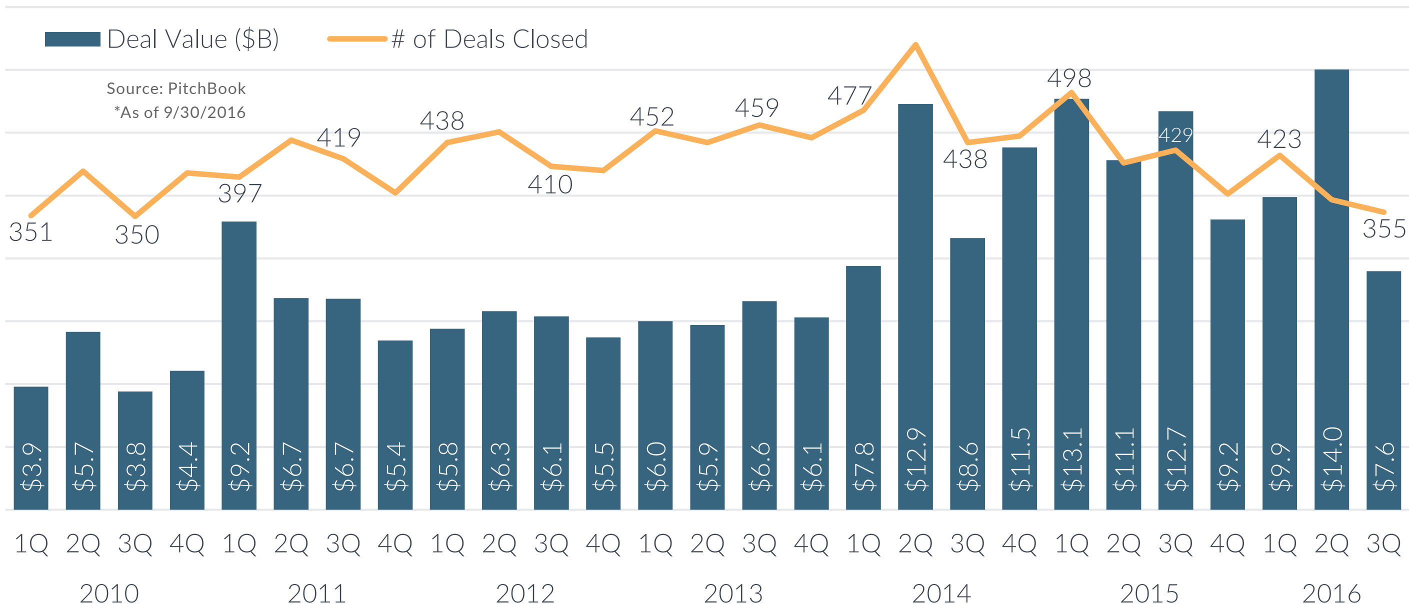


A post-surge slump in late-stage VC invested

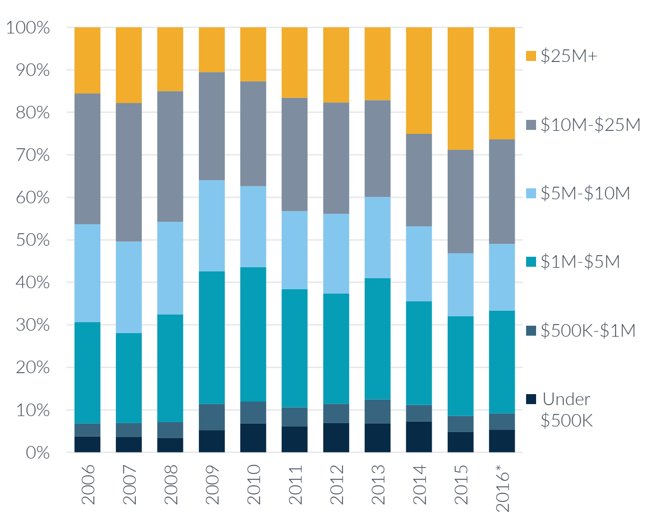
US late-stage VC activity

In the third quarter, we saw $7.6 billion invested across 355 late-stage deals, equating to a rather massive 46% decline in total capital invested and a 4% drop in total deal volume, both QoQ. Although 3Q saw the lowest amount of capital flow into late-stage companies since 4Q 2013, the massive decline in QoQ late-stage deal value was primarily impacted by a record 2Q, which saw more than $14 billion flow into such businesses. Further, late-stage transactions have also exemplified similar trends to what we've seen across the entire industry, where total activity has fallen but investors have placed more capital with select stand-out companies. This was shown last quarter as the concentration of capital in deals exceeding $25 million accounted for the largest amount we've seen in a decade. As the previous two years have seen investors put plenty of capital to work, the continued slowdown shouldn't necessarily alarm market participants. A pullback can be healthy as investors look to further examine the industries and ecosystems that remain poised to outperform. In a period where heightened uncertainty remains across most asset classes, the foresight to continue betting smaller and earlier, but then employing more selectivity in larger financings, should be interpreted as VCs actually looking to manage risk in a more prudent and efficient fashion.

US late-stage VC activity

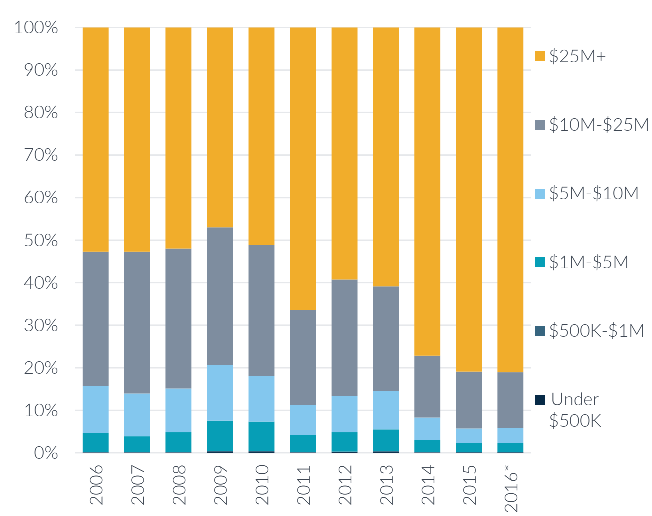


US late-stage VC activity (#) by size



Source: PitchBook
*As of 9/30/2016

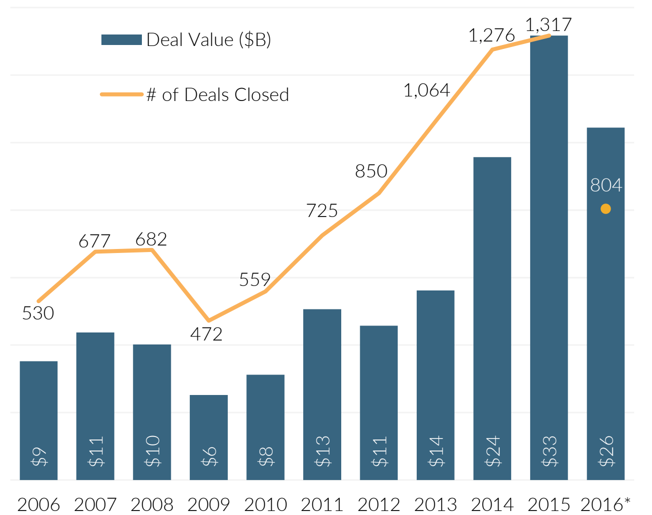
US late-stage VC activity ($M) by size



Source: PitchBook
*As of 9/30/2016

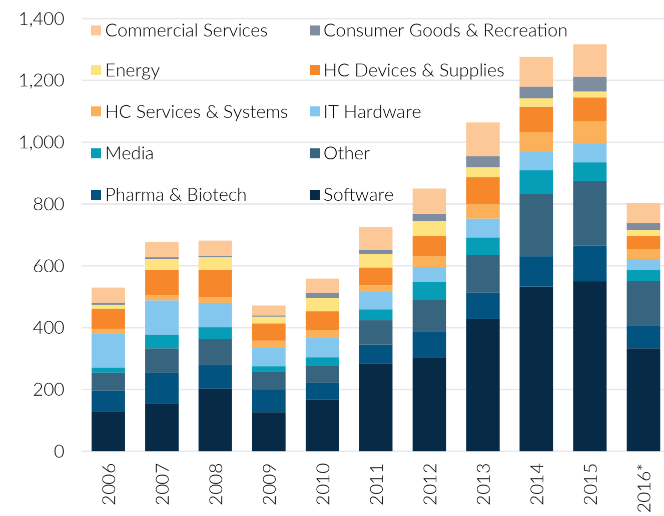
Corporate venture capital

US venture activity with corporate VC participation



Source: PitchBook
*As of 9/30/2016

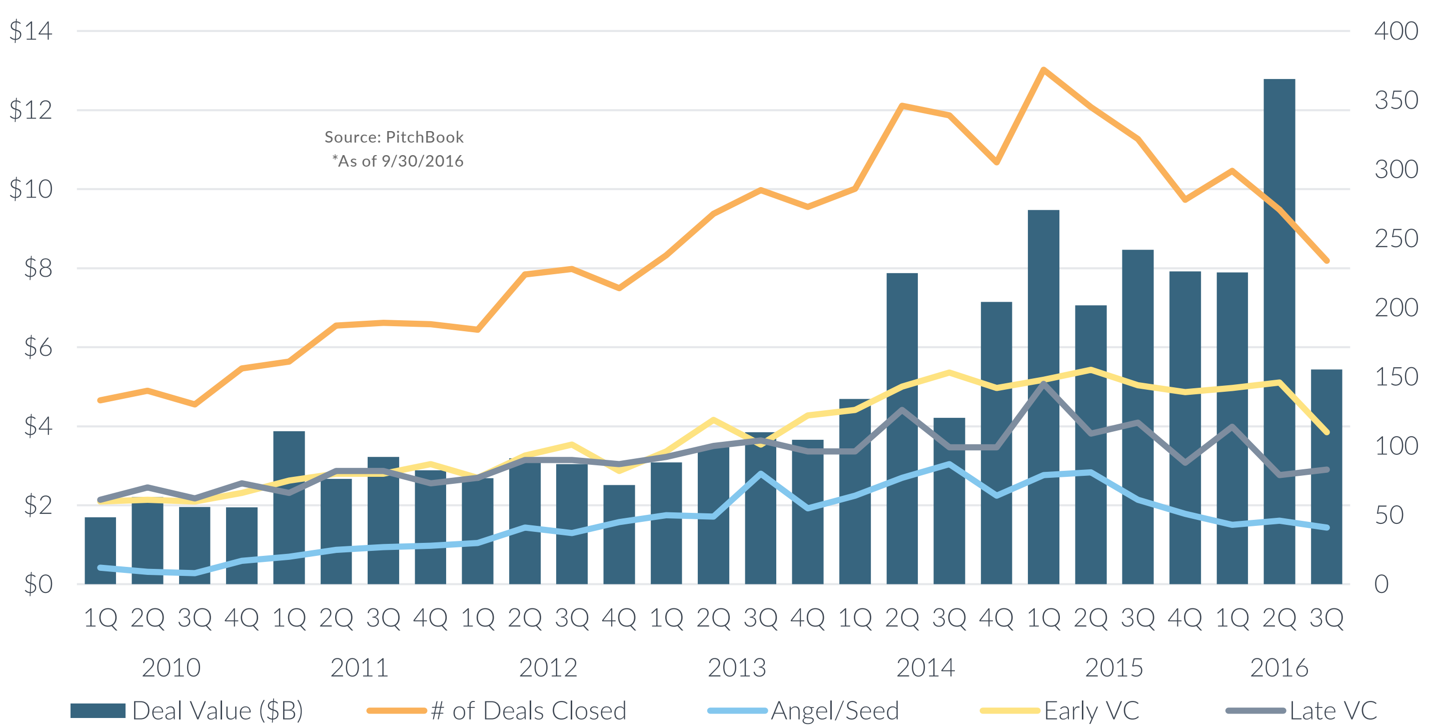
US venture activity (#) with corporate VC participation by sector



Source: PitchBook
*As of 9/30/2016

Even as overall CVC participation declines, aggregate financing value remains high

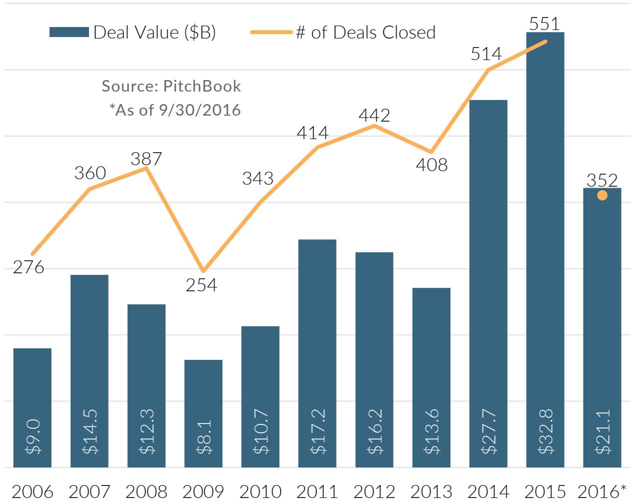
US VC activity with corporate VC participation



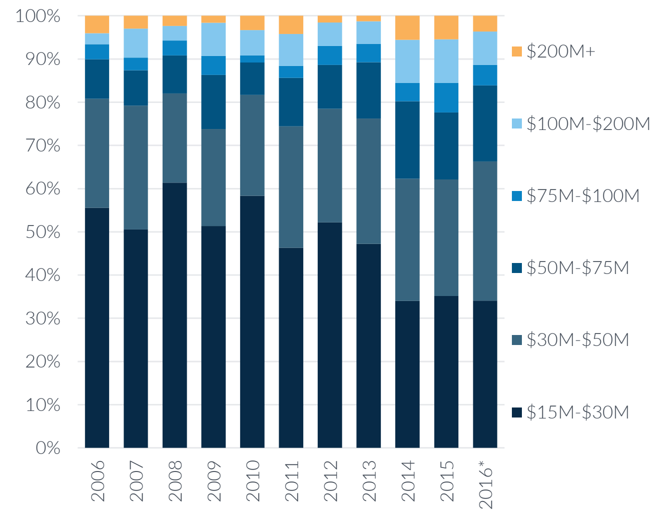
Growth equity

Note: Growth equity is not included as a subset of overall VC data, but is rather its own unique dataset. See the Methodology, page 19, for more details on this particular category.

US growth equity activity

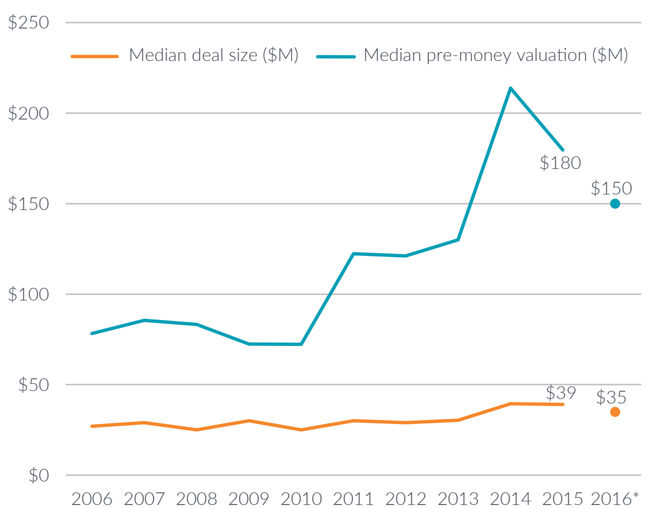


US growth equity activity (#) by size



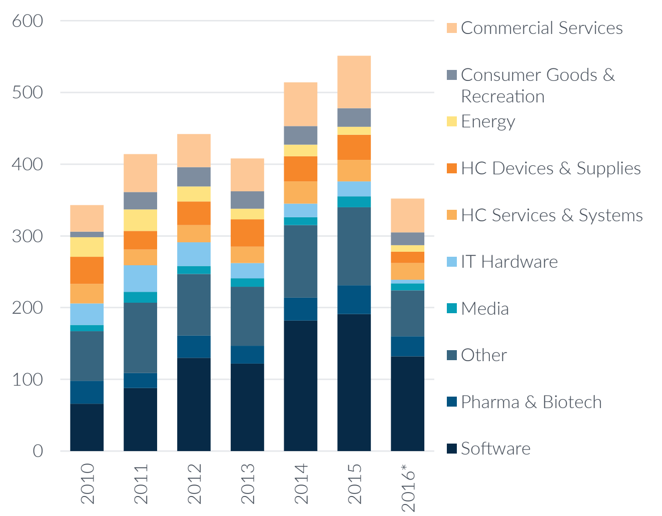
Source: PitchBook
*As of 9/30/2016

US growth equity deal size metrics



Source: PitchBook
*As of 9/30/2016

US growth equity activity (#) by sector

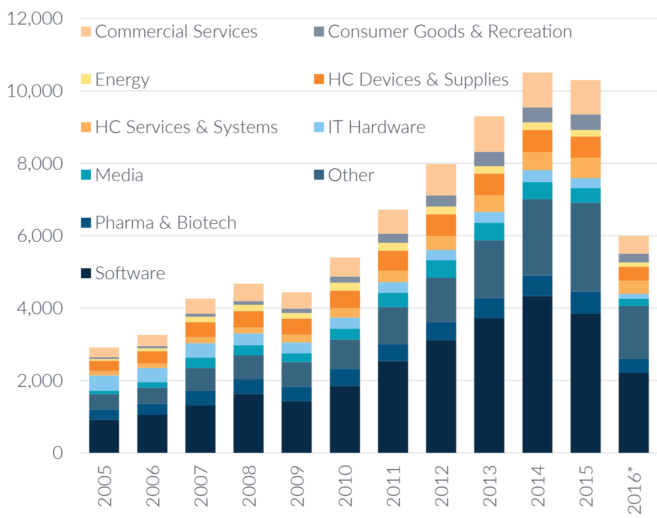


Source: PitchBook
*As of 9/30/2016

Rounds by sector

All sectors are off pace

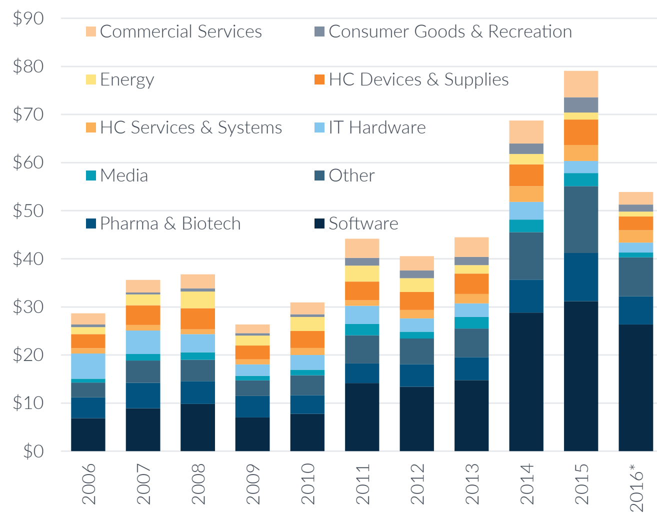
US VC activity (#) by sector



Source: PitchBook
*As of 9/30/2016

Software remains on top

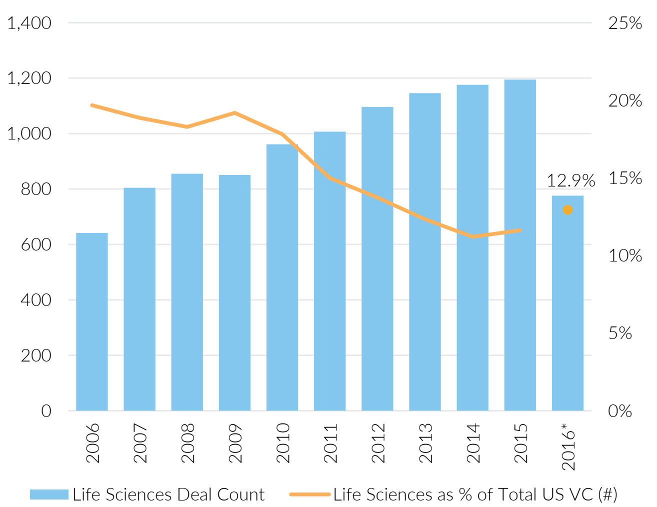
US VC activity ($B) by sector



Source: PitchBook
*As of 9/30/2016

A slight resurgence

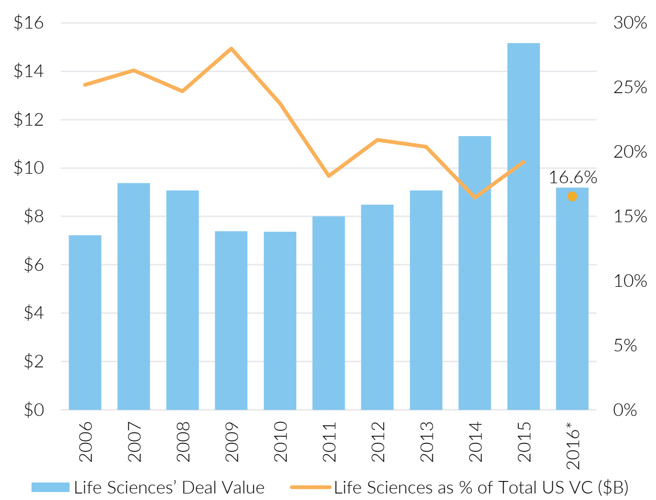
US VC activity (#) in life sciences



Source: PitchBook
*As of 9/30/2016
Life sciences is composed of pharma & biotech and healthcare devices & supplies combined together.

Dollars invested remain relatively low

US VC activity ($B) in life sciences



Source: PitchBook
*As of 9/30/2016

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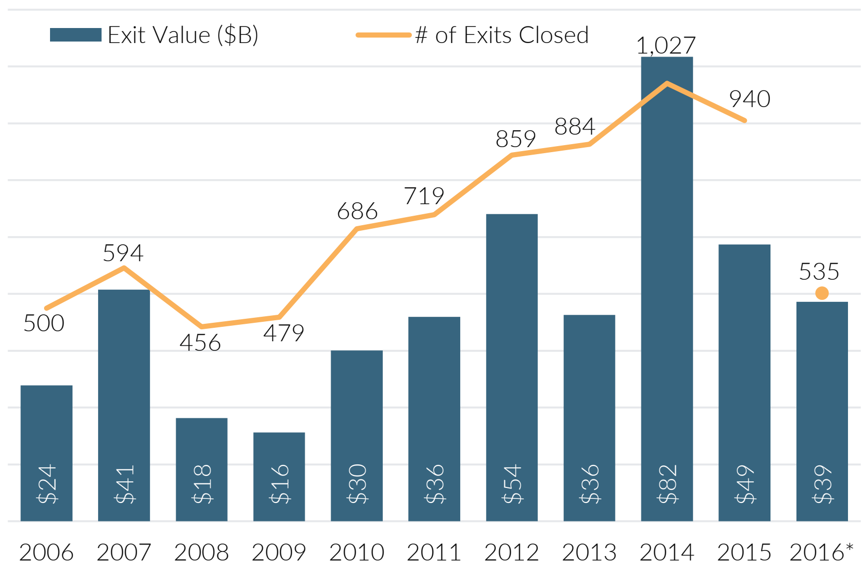
Exits

Total exit value has been somewhat resilient

US venture-backed exit activity



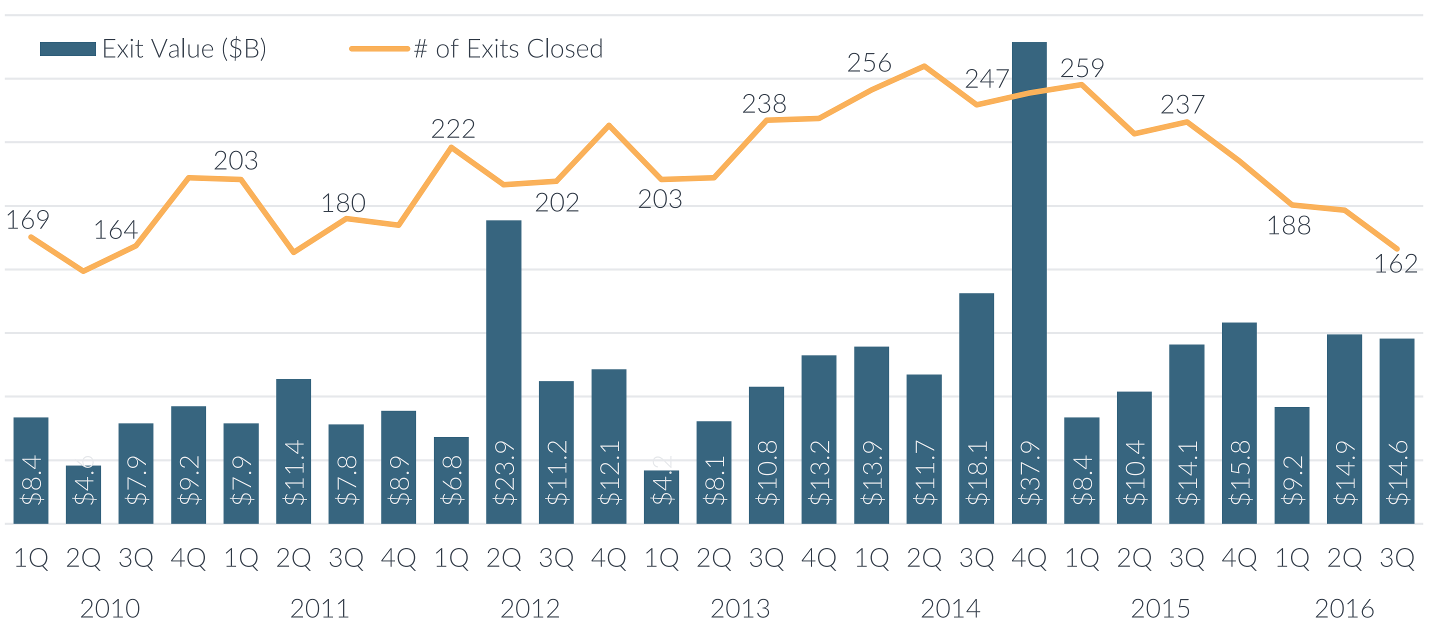
Source: PitchBook
*As of 9/30/2016

Total venture-backed exit value last quarter came in at $14.6 billion across 162 completed exits, representing a 2.3% decline in terms of total realizations and a 12.4% drop in exit volume. Through 3Q, 2016 has seen VCs achieve $38.6 billion in liquidity, putting exit value on pace to come in somewhat over what we saw in 2015, although total volume is on pace to come in lower for the second straight year.

The exit trends we've witnessed in recent quarters remained in place through 3Q. Corporate acquisition counts dropped 14% QoQ, yet they continued to account for the largest proportion of VC sales by a dominating margin, followed by PE buyouts. The median acquisition/buyout exit size hit a new historic high of $100 million last quarter; that same figure has doubled in size between 2015 and through September of 2016.

A pronounced, long-running decline

US venture-backed exit activity

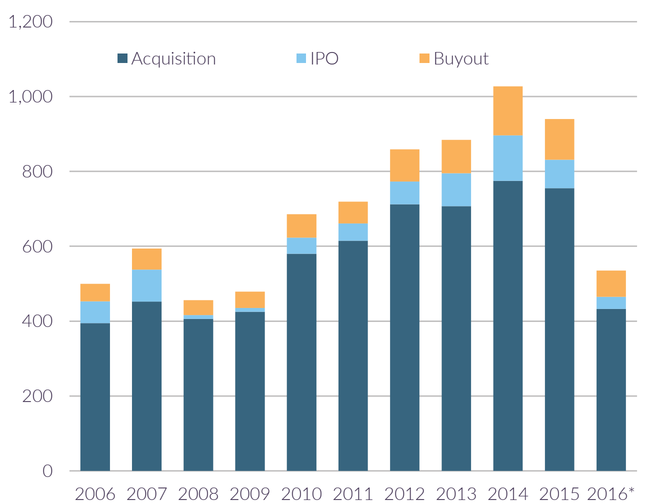


Source: PitchBook
*As of 9/30/2016

Amid a slowdown in M&A activity, VC-sponsored exit flow in general hasn't been helped by the scarcity of IPOs. Recently, some have opined that the IPO window may be widening on the basis of a handful of strong debuts. However, those debuts are still relatively few in number on a historical basis, and public equities remain flat, by and large. Cash-flow-positive companies with growing revenues operating in appealing sectors such as back-end enterprise technology can go public in the current environment and perform well, but each listing should still be considered on a case-by-case basis. Public markets are still prone to choppiness, especially given how far public multiples have stretched over the last few years, which will make it difficult for a wide range of businesses to price. Accordingly, the primary exit route for VC-backed businesses will come via the M&A route and we think the incentives that have sustained the recent high levels of tech mergers will remain in place.

The IPO slump is unlikely to reverse

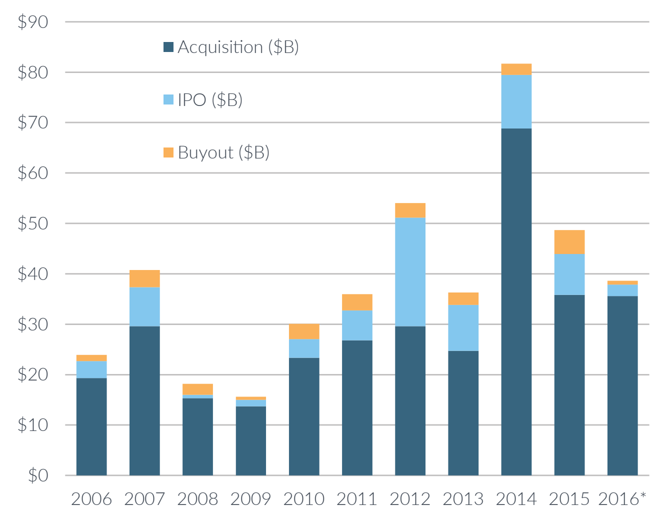
US venture-backed exits (#) by type



Source: PitchBook
*As of 9/30/2016. Note: M&A value is based on disclosed/reported figures.

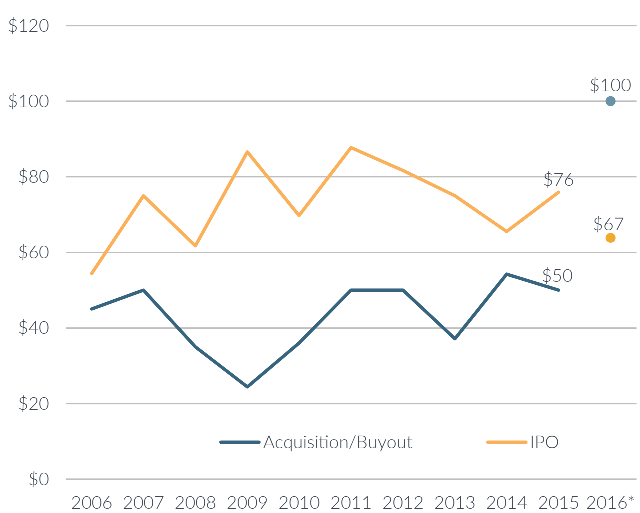
M&A proves most reliable

US venture-backed exits by type



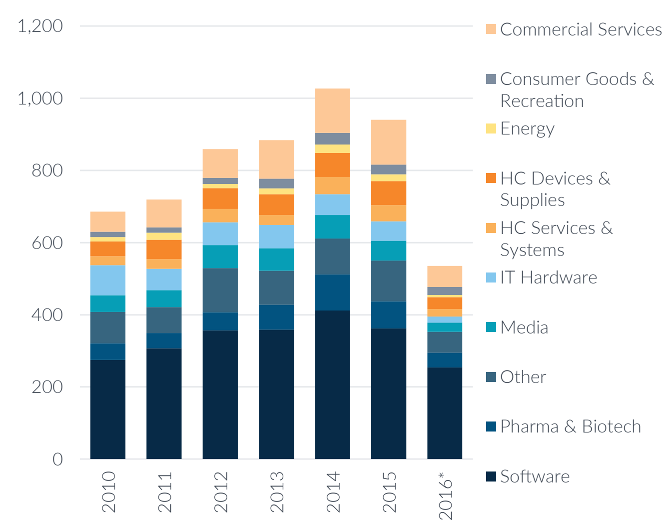
Source: PitchBook
*As of 9/30/2016

Median US venture-backed exit size ($M) by type



Source: PitchBook
*As of 9/30/2016

US venture-backed exits (#) by sector

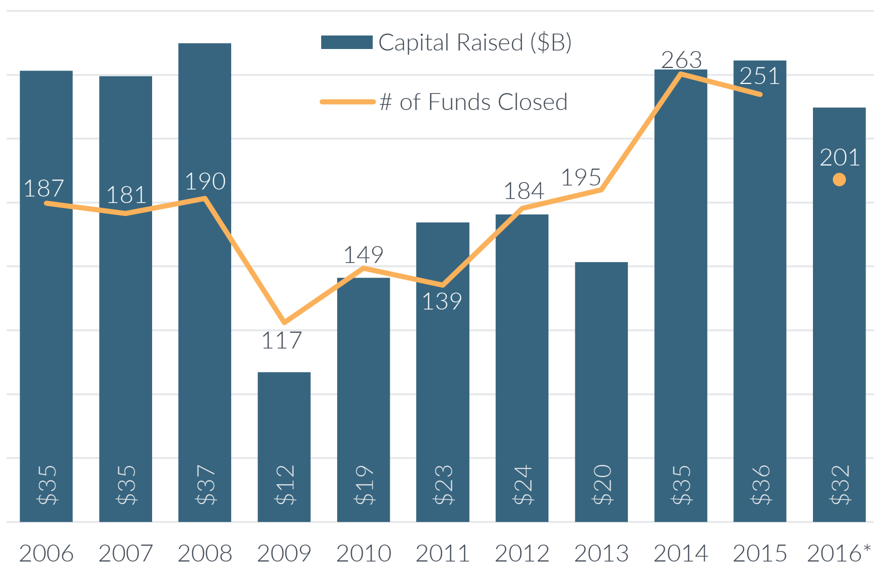


Source: PitchBook
*As of 9/30/2016

Fundraising

2016 could see the most raised since at least 2008

US VC fundraising

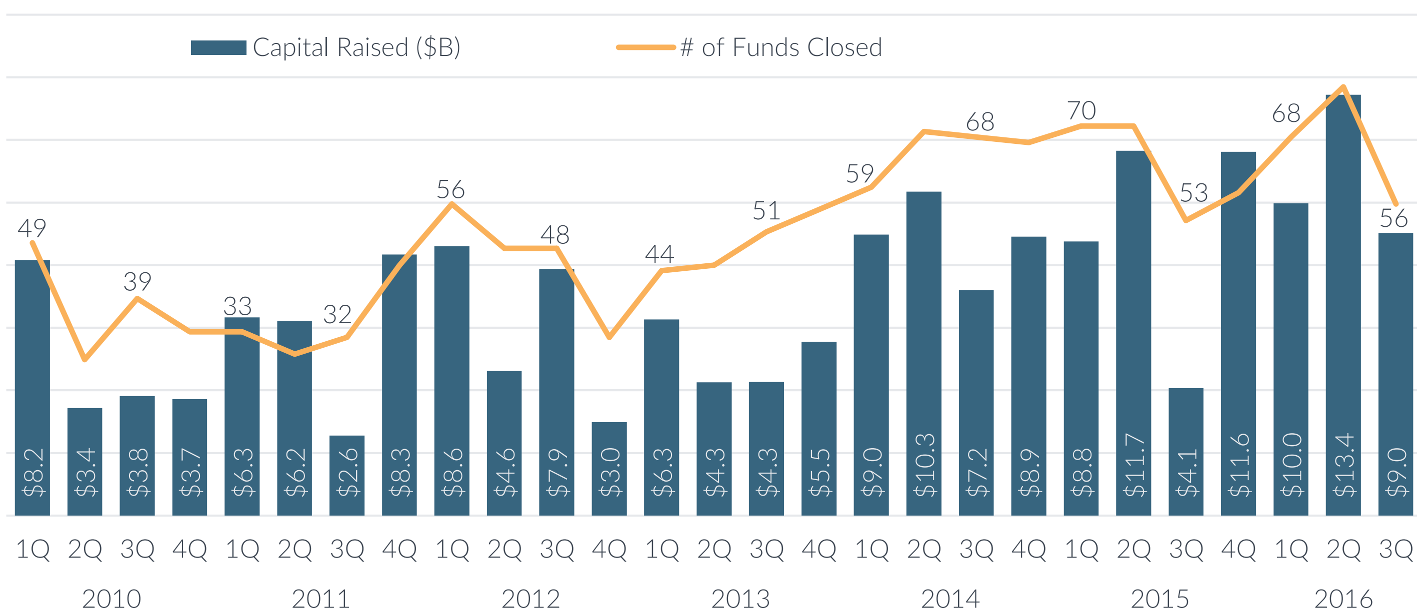


Source: PitchBook
*As of 9/30/2016

The huge amount of VC that has been raised during the first three quarters of 2016 may be chalked up in part to the oversized returns realized by the industry over the past couple years. $32.4 billion has been raised so far during the year, putting 2016 on pace to raise the largest amount of any year—$43 billion. 3Q saw $9 billion raised across 56 funds—declines of 33% and 27% respectively—however, those dips are relative, as 2Q saw the highest amount of VC raised for any quarter on record.

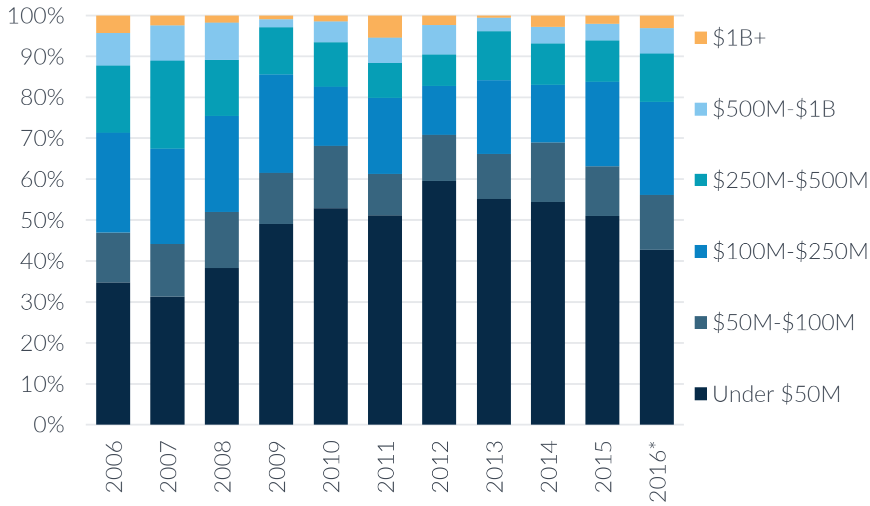
Since the beginning of 2014, more than 700 different VC vehicles have been closed in the US, the most of any three-year period. 2016 has already surpassed an aggregate of 200 closed venture funds, making it the third consecutive year to pass that mark. Roughly 10% of the funds closed this year have been first-time VC funds, accounting for 6% of the capital raised in that time period. As venture has become more and more lucrative for LPs—with $62.6 billion

US VC fundraising



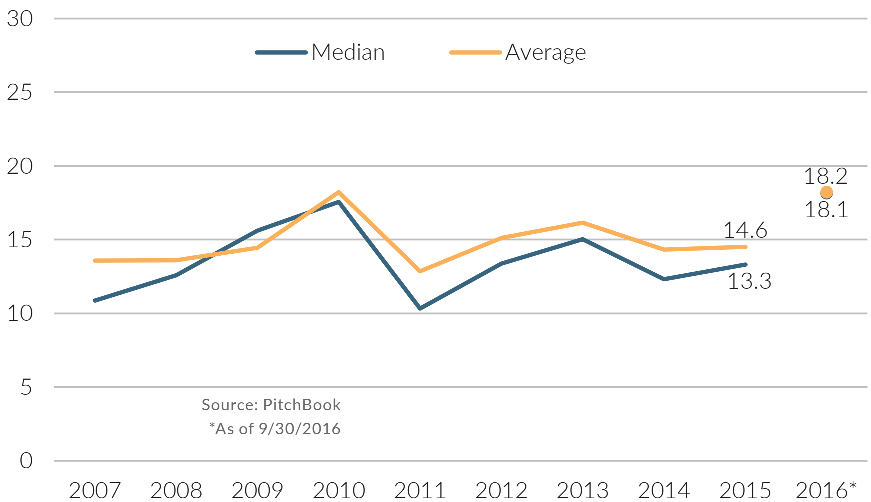
Source: PitchBook
*As of 9/30/2016

US VC fundraising (#) by size



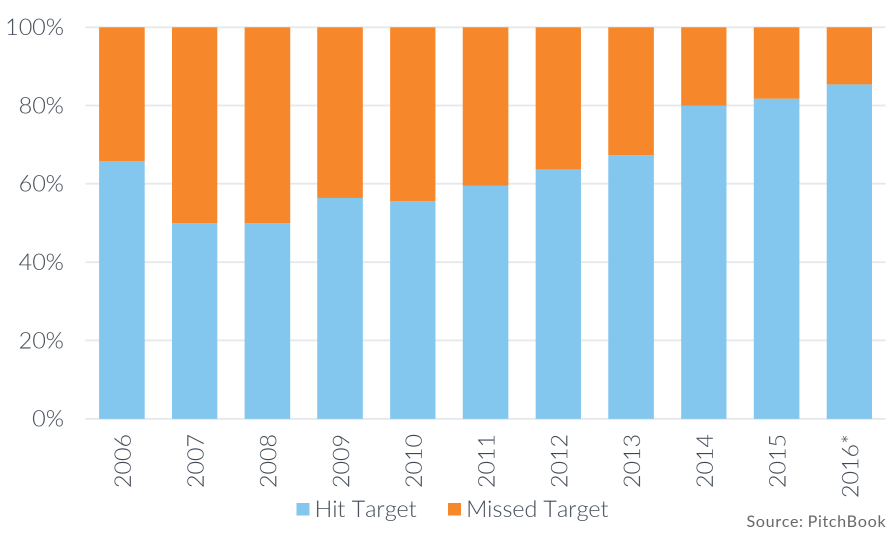
Source: PitchBook
*As of 9/30/2016

US VC funds' time to close (months)



Source: PitchBook
*As of 9/30/2016

US VC funds (#) hitting target



Source: PitchBook
*As of 9/30/2016

in distributions for all of 2015— even as the investment climate has grown more volatile, commitments have flowed to industry stalwarts, making it more difficult for newer investors without strong track records to raise commitments.

The median time to close a VC fund during 2016 jumped 36% YoY to over 18 months, the first time it has come in that high. That timeframe reflects venture funds that were launched squarely in the midst of unicorn mania, when investors were reaping huge paper gains with each succeeding financing round for their portfolio companies. In short, it was a good time for investors to go back to limited partners with an offer for a piece of their next fund. It should also be noted that median fund step-up sizes are trending at 1.4x for the second year in a row.

Some have noted that the enormous amount raised during the year could be a preventative measure by VCs, in plan for a VC market downturn or correction that could make raising capital for future vehicles more difficult. LP commitments to venture are traditionally small relative to overall LP allocations, limiting exposure to any venture capital downturn. To be brief, it is unlikely that a VC slip would heavily damage LPs' ability or desire to commit capital to the asset class, particularly given their timelines which can allow for some volatility in the short to midterm. For the first time in a decade, 85.4% of closed funds are hitting their target during 2016, a 3.6% jump from a year ago and a 29.8% climb from 2010, all the more highlighting that LP confidence in venture remains high.

3Q 2016 League Tables

Most active investors
Angel/seed

500 Startups	6
Liquid 2 Ventures	6
Keiretsu Forum	5
Y Combinator	5
Greycroft Partners	4
Social Capital	4
StartX	4
Eniac Ventures	3
General Catalyst Partners	3
Greylock Partners	3
Haystack Partners	3
Kapor Capital	3
Lerer Hippeau Ventures	3
Lightbank	3
Metamorphic Ventures	3
Techstars	3
The JumpFund	3

Source: PitchBook

Most active investors
Early stage

New Enterprise Associates	12
Greycroft Partners	10
GV	10
Khosla Ventures	8
SV Angel	8
Accel Partners	6
Great Oaks Venture Capital	6
Norwest Venture Partners	6
500 Startups	5
Andreessen Horowitz	5
Avalon Ventures	5

Most active investors
Early stage, ctd.

Bloomberg Beta	5
Correlation Ventures	5
First Round Capital	5
Floodgate Fund	5
General Catalyst Partners	5
Lerer Hippeau Ventures	5
Polaris Partners	5
RRE Ventures	5
Shasta Ventures	5
Y Combinator	5

Source: PitchBook

Most active investors
Late stage

New Enterprise Associates	7
Battery Ventures	6
Bessemer Venture Partners	6
Comcast Ventures	6
GE Ventures	6
GV	6
Sequoia Capital	6
Andreessen Horowitz	4
Canaan Partners	4
Charles River Ventures	4
EDB Investments	4
Index Ventures	4
Kleiner Perkins Caufield & Byers	4
Norwest Venture Partners	4

Source: PitchBook

Most active law firms
Early stage

Wilson Sonsini Goodrich & Rosati	45
Cooley	42
Gunderson Dettmer	34
DLA Piper	25
Orrick Herrington & Sutcliffe	20
Latham & Watkins	8
Goodwin Procter	5
Morgan, Lewis & Bockius	5
WilmerHale	5
Perkins Coie	4

Source: PitchBook

Most active law firms
Late stage

Cooley	26
Wilson Sonsini Goodrich & Rosati	19
Gunderson Dettmer	17
DLA Piper	14
Latham & Watkins	10
Morgan, Lewis & Bockius	7
Goodwin Procter	6
Orrick Herrington & Sutcliffe	5
Mintz Levin Cohn Ferris Glovsky & Popeo	3
Sidley Austin	3
WilmerHale	3

Source: PitchBook

Top 10 largest US venture financings in 3Q 2016

Company	Deal size ($M)	Series/Stage	Date	HQ City	State	Industry
Moderna	$474	Late Stage	9/7/2016	Cambridge	MA	Pharma & Biotech
Solar Mosaic	$220	Series C	8/17/2016	Oakland	CA	Other Financial Services
Zoox	$200	Series A	7/1/2016	Menlo Park	CA	Transportation
FreshDirect	$189	Late Stage	9/26/2016	Long Island City	NY	Retail
Carbon (3D Printing Technology)	$181	Series C	9/15/2016	Redwood City	CA	Commercial Products
Unity Technologies	$181	Series C	7/13/2016	San Francisco	CA	Software
StackPath	$180	Series A	7/25/2016	Dallas	TX	Software
Compass Therapeutics	$170	Series A	9/21/2016	Cambridge	MA	Pharma & Biotech
MetroMile	$153	Series D	9/21/2016	San Francisco	CA	Insurance
DraftKings	$153	Late Stage	9/1/2016	Boston	MA	Software

Source: PitchBook

Top 10 largest US venture funds closed in 3Q 2016

Investor	Fund	Fund size ($M)	Close date	State
Technology Crossover Ventures	TCV IX	$2,500	8/1/2016	CA
Thrive Capital	Thrive Capital Partners V	$700	7/18/2016	NY
Bain Capital Ventures	Bain Capital Venture Fund 2016	$600	7/8/2016	MA
Foundry Group	Foundry Group Next	$500	9/19/2016	CO
8 | partners	Eight Partners VC Fund I	$420	7/13/2016	CA
True Ventures	True Ventures V	$310	8/25/2016	CA
Drive Capital	Drive Capital Fund II	$300	8/31/2016	OH
Edison Partners	Edison Partners VIII	$275	7/6/2016	NJ
Danhua Capital	Danhua Capital II	$255	8/26/2016	CA
Volition Capital	Volition Capital Fund III	$250	7/26/2016	MA

Source: PitchBook

Top five largest IPOs of US-based companies in 3Q 2016

Company	Total raised ($M)	Post-valuation ($M)	Date	HQ City	State	Industry
Nutanix	$238	$2,196	9/30/2016	San Jose	CA	Software
Apptio	$96	$597	9/22/2016	Bellevue	WA	Software
Talend	$95	$503	7/29/2016	Redwood City	CA	Software
Protagonist Therapeutics	$90	$196	8/11/2016	Milpitas	CA	Pharma & Biotech
Everbridge	$90	$323	9/16/2016	Glendale	CA	Software

Source: PitchBook

Top five largest mergers and acquisitions of US-based companies in 3Q 2016

Company	Deal size ($M)	Date	HQ City	State	Industry
Jet	$3,300	9/19/2016	Hoboken	NJ	Retail
Afferent Pharmaceuticals	$1,250	7/29/2016	San Mateo	CA	Pharma & Biotech
Dollar Shave Club	$1,000	8/10/2016	Santa Monica	CA	Consumer Non-Durables
Telogis	$900	8/1/2016	Aliso Viejo	CA	Software
Quip	$750	8/8/2016	San Francisco	CA	Software

Source: PitchBook

States & territories by VC activity in 3Q 2016

State	Deal count
California	612
New York	198
Massachusetts	124
Texas	108
Washington	78
Colorado	58
Illinois	53
Florida	49
Pennsylvania	46
Virginia	38
North Carolina	36
Georgia	33
Maryland	29
Ohio	29
Utah	26
Oregon	24
Tennessee	21
Connecticut	19
Indiana	19
New Jersey	19
Michigan	18
Arizona	16
Minnesota	14
Wisconsin	14
Alabama	11
Missouri	11
Kentucky	10
South Carolina	10
District of Columbia	9
Iowa	8
Delaware	7
Kansas	7
Rhode Island	6
Vermont	6

States & territories by VC activity in 3Q 2016, ctd.

State	Deal count
Louisiana	5
Montana	5
Nevada	5
New Hampshire	5
Arkansas	4
Maine	3
Hawaii	2
Idaho	2
Mississippi	2
New Mexico	2
West Virginia	2
Alaska	1
Nebraska	1
North Dakota	1
Oklahoma	1
Puerto Rico	1
South Dakota	1

Source: PitchBook

Metropolitan Statistical Area (MSA) activity in 3Q 2016

San Francisco-Oakland-Fremont, CA	308
New York-Northern New Jersey-Long Island, NY-NJ-PA	199
Boston-Cambridge-Quincy, MA-NH	123
San Jose-Sunnyvale-Santa Clara, CA	116
Los Angeles-Long Beach-Santa Ana, CA	102
Seattle-Tacoma-Bellevue, WA	71
San Diego-Carlsbad-San Marcos, CA	49
Washington-Arlington-Alexandria, DC-VA-MD-WV	49
Chicago-Naperville-Joliet, IL-IN-WI	46
Austin-Round Rock, TX	37

Source: PitchBook

Congressional Districts by VC activity in 3Q 2016

State	Congressional District	Deal count
California	12	148
New York	12	100
California	18	63
California	14	51
California	17	43
New York	10	41
Washington	7	35
California	33	32
Massachusetts	7	32
California	52	22
Massachusetts	5	22
California	13	20
Illinois	7	19
Massachusetts	8	18
Colorado	1	17
Colorado	2	16
California	15	14
California	49	13
Virginia	11	12
California	37	11
Texas	21	11
California	24	10
Texas	10	10
Virginia	10	10

Source: PitchBook

Methodology

Fundraising
We define venture capital funds as pools of capital raised for the purpose of investing in the equity of startup companies. In addition to funds raised by traditional venture capital firms, PitchBook also includes funds raised by any institution with the primary intent stated above. Funds identifying as growth-stage vehicles are classified as PE funds and are not included in this report. A fund's location is determined by the country in which the fund is domiciled, if that information is not explicitly known, the HQ country of the fund's general partner is used. Only funds based in the United States that have held their final close are included in the fundraising numbers. The entirety of a fund's committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close.

Deals
We include equity investments into startup companies from an outside source. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, venture capital firms, corporate venture firms, and corporate investors. Investments received as part of an accelerator program are not included, however, if the accelerator continues to invest in follow-on rounds, those further financings are included. All financings are of companies headquartered in the US.
Angel/seed: We define financings as angel rounds if there are no PE or VC firms involved in the company to date and we cannot determine if any PE or VC firms are participating. In addition, if there is a press release that states the round is an angel round, it is classified as such. Finally, if a news story or press release only mentions individuals making investments in a financing, it is also classified as angel. As for seed, when the investors and/or press release state that a round is a seed financing, or it is for less than $500,000 and is the first round as reported by a government filing, it is classified as such. If angels are the only investors, then a round is only marked as seed if it is explicitly stated.
Early-stage: Rounds are generally classified as Series A or B (which we typically aggregate together as early stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
Late-stage: Rounds are generally classified as Series C or D or later (which we typically aggregate together as late stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.
Growth equity: Rounds must include at least one investor tagged as growth/expansion, while deal size must either be $15 million or more (although rounds of undisclosed size that meet all other criteria are included). In addition, the deal must be classified as growth/expansion or later-stage VC in the PitchBook Platform. If the financing is tagged as late-stage VC it is included regardless of industry. Also, if a company is tagged with any PitchBook vertical, excepting manufacturing and infrastructure, it is kept. Otherwise, the following industries are excluded from growth equity financing calculations: buildings and property, thrifts and mortgage finance, real estate investment trusts, and oil & gas equipment, utilities, exploration, production and refining. Lastly, the company in question must not have had an M&A event, buyout, or IPO completed prior to the round in question.
Corporate venture capital: Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity investments off balance sheets or whatever other non-CVC method actually employed.

Exits
We include the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of majority of the equity by another entity (corporate or financial acquisition). This does not include secondary sales, further sales after the initial liquidity event, or bankruptcies. M&A value is based on reported or disclosed figures, with no estimation used to assess the value of transactions for which the actual deal size is unknown.

PitchBook | National Venture Capital Association

The 411 on the PitchBook and National Venture Capital Association (NVCA) partnership

Why we teamed up

NVCA is recognized as the go-to organization for venture capital advocacy, and the statistics we release are the industry standard. PitchBook is the leading data software provider for venture capital professionals, serving more than 1,800 clients across the private market. Our partnership with PitchBook empowers us to unlock more insights on the venture ecosystem and better advocate for an ever-evolving industry.

Meet the PitchBook-NVCA Venture Monitor

A brand-new, quarterly report that details venture capital activity and delivers insights to inform your investment strategy. PitchBook's data will also bolster our year-in-review publication.

THE PERKS OF PARTNERSHIP

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