

SEATTLE

\$8.4B VC invested
in Seattle-based startups

NEW YORK

\$64.4M: 1H 2016 late-stage pre-money valuation

CHICAGO

\$9.95B: total VC-backed exit value since 2010

SAN FRANCISCO

\$203.8B AUM in SF MSA

AUSTIN

Most VC invested in 1st financings ever in 2015: **\$324M**

PitchBook

US Venture Ecosystem

FACTBOOK

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*Carly, Lead UX Designer
at PitchBook*



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the latest VC data to power the **US Venture Ecosystems Report**

See the Platform

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How do we analyze a VC ecosystem?

Introduction

In any opaque investment market—particularly venture capital—personal networks are crucial, whether for purposes of exchanging capital, sharing information or collaborating. Venture capital as an industry has been driven by the evolution of such networks in urban settings, due to the practical benefits of proximity and access to travel, among other urban-related factors. Accordingly, it's always been a goal for us at PitchBook to provide comprehensive datasets & accompanying analysis on a regional level, lending greater insight into venture trends at a more granular level. Quantifying an ecosystem is difficult, but by breaking down relevant datasets and statistics by metropolitan statistical area (MSA), it's possible to get a better sense of how macro, national trends are composed of a loose patchwork of local venture environments, not to mention how those national trends may or may not hold on the micro scale. But where to start?

What made the most sense was to begin with a broad, macro view of VC activity by MSA. Consequently, we have produced the largest PitchBook report ever: over 40 pages of key VC and external datasets for the top 12 US MSAs (in terms of overall deal flow). Down the road, we will develop frameworks for more in-depth scrutiny such as composite scores of each ecosystem's health, as well as datasets tailored to each MSA's unique attributes. Those endeavors will take quite some time, hence why this first installment rather focuses on top-level statistics with a brief section detailing potential use cases and a ranking of ecosystems by size alone. Is every single relevant factor included? No, as that is frankly impossible. This report is intended to serve as an introductory base on which to build smaller, more analytically rigorous examinations of regional data and potential correlations or causations between external and internal factors for the venture industry. In large part, it is also meant as a jumping-off point for your own analysis, as well as a potential reinforcement for what you already know and/or have concluded.

As this is the inaugural installment of the series, we welcome your feedback and questions—reach out to us at reports@pitchbook.com.



GARRETT JAMES BLACK

Senior Analyst

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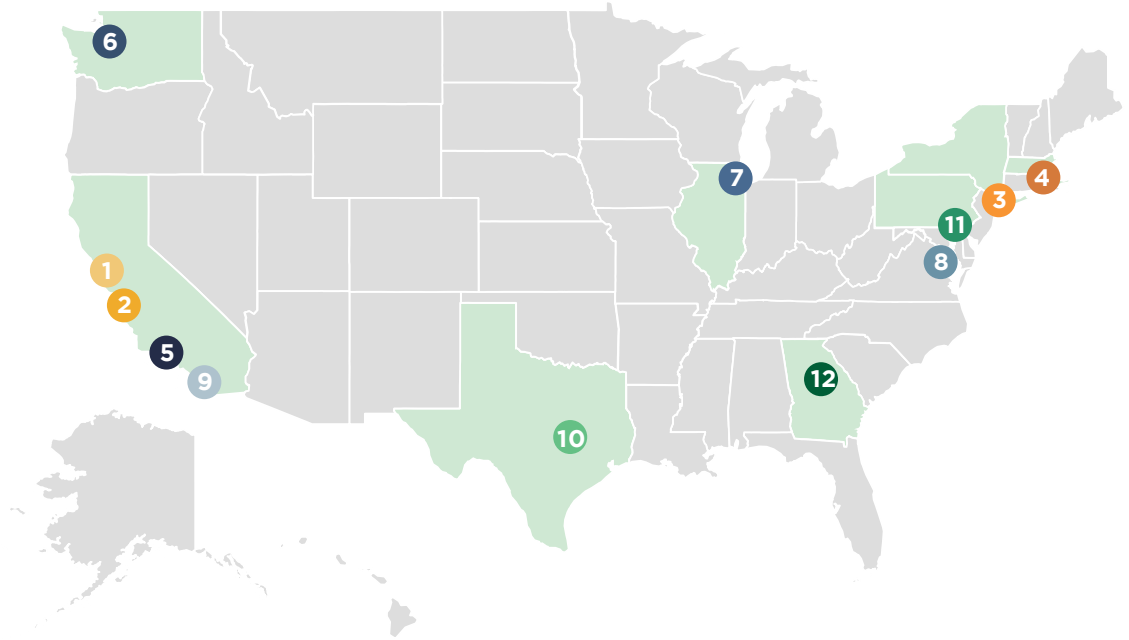
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ECOSYSTEM RANKINGS



MSA	Size of VC ecosystem, ranked	Total VC funds raised since 2006	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
San Francisco	#1	#1 \$117.6 billion	#1 \$101.4 billion	#1 9,710	#1 \$90.8 billion
San Jose	#2	#4 \$35.5 billion	#2 \$43.3 billion	#3 4,152	#2 \$63.5 billion
New York	#3*	#2 \$43.6 billion	#3 \$33.9 billion	#2 6,174	#4 \$17.6 billion
Boston	#4	#3 \$41.2 billion	#4 \$30.7 billion	#4 3,664	#3 \$28.7 billion
Los Angeles	#5	#9 \$2.7 billion	#5 \$21.3 billion	#5 3,403	#5 \$11.2 billion
Seattle	#6	#5 \$7.6 billion	#7 \$8.4 billion	#6 1,717	#10 \$6.7 billion
Chicago	#7	#7 \$3.4 billion	#8 \$8.3 billion	#9 1,348	#6 \$9.95 billion
Washington, DC	#8	#6 \$4.8 billion	#9 \$8.2 billion	#7 1,416	#9 \$7.4 billion
San Diego	#9	#11 \$1.5 billion	#6 \$9.4 billion	#10 1,317	#7 \$8.7 billion
Austin	#10	#10 \$1.9 billion	#10 \$6.6 billion	#8 1,376	#12 \$3.7 billion
Philadelphia	#11	#8 \$3.0 billion	#12 \$4.8 billion	#11 1,003	#11 \$5.4 billion
Atlanta	#12	#12 \$1.15 billion	#11 \$5.0 billion	#12 837	#8 \$7.8 billion

Source: PitchBook. *As of 6/30/2016. New York and San Jose technically tied but given San Jose's exit value and VC invested we gave it second place.

Note: This ranking was generated by weighting capital raised, VC invested, VC activity and venture-backed exit value equally, tallying up their ranking in each area, then summing and sorting from lowest to highest, with a lower score indicating a larger ecosystem. Is this definitive? Hardly—you can quibble over which metric is more representative of an ecosystem's size, or point to additional factors that are not included. But hopefully this table will provide food for thought as you go on to explore each MSA in detail in the pages below.

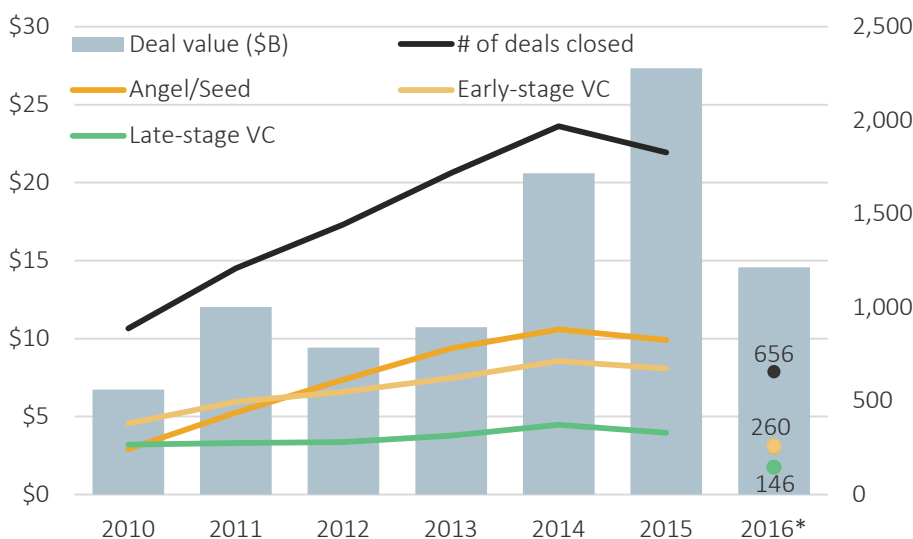


San Francisco-Oakland-Fremont

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
San Francisco-Oakland-Fremont	\$203.8 billion	\$117.6 billion	45	\$101.4 billion	9,710	\$90.8 billion

Source: PitchBook
*As of 6/30/2016

San Francisco MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
omada	Outcome mgmt	\$77.5	100	GE Ventures, Humana Ventures, Norwest Venture Partners
hello	B2C electronics	\$42.9	96	Forward Partners, Temasek Holdings
fitpay	Database software	\$3.1	99	Giesecke & Devrient, Plug & Play, Comerica

Source: PitchBook. *As of 6/30/2016



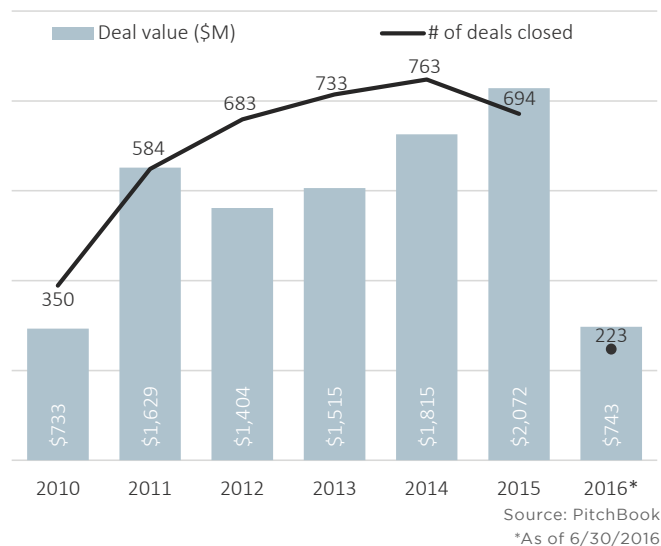
MEDIAN EMPLOYEE COUNT

Median employee # at startups in San Francisco MSA by year of financing

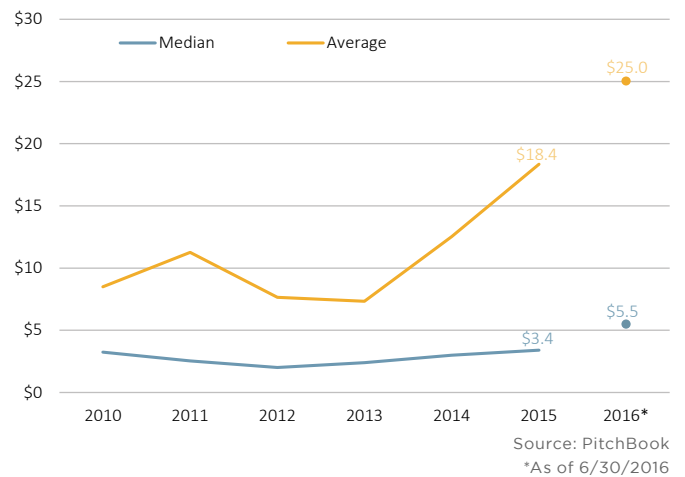


Source: PitchBook
*As of 6/30/2016

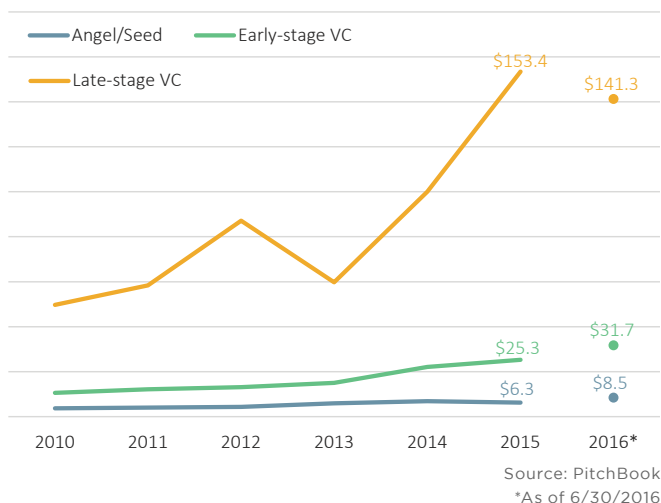
Activity has slowed significantly in 2016 thus far
San Francisco MSA first venture financings



Currently, many rounds still skew averages high
SF MSA median & average VC round size (\$M)



SF MSA median pre-money valuation (\$M) by stage



San Francisco-Oakland-Fremont		Select statistics
Employment'		2.3 million
Change in employment''		2.9%
Median two-bedroom apartment rent, San Francisco^		\$4,650
Change in rent price, San Francisco*		-1.5%
Office lease median rate, \$ per square foot per year^		\$77
Number of listings in the last 90 days^		661
Annual mean wage, computer & mathematical occupations**		\$108,960
Change in pay, full-time private industry employees***		3.5%

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
'May 2016, ''May 2015-May 2016, ***2Q 2016

Select accelerators, incubators, & universities in SF MSA

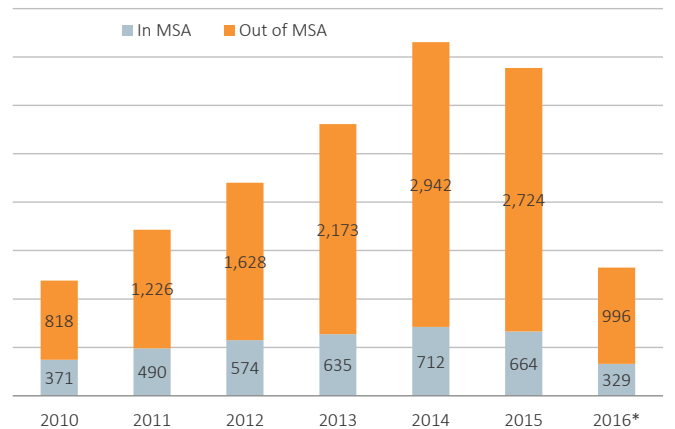


2015's most active investors by VC deals (#) in San Francisco MSA

500 Startups	81
Andreessen Horowitz	45
Khosla Ventures	44
New Enterprise Associates	42
First Round Capital	40
Kleiner Perkins Caufield & Byers	38
GV	36
Accel Partners	34
SV Angel	32
Greylock Partners	30
Data Collective	30

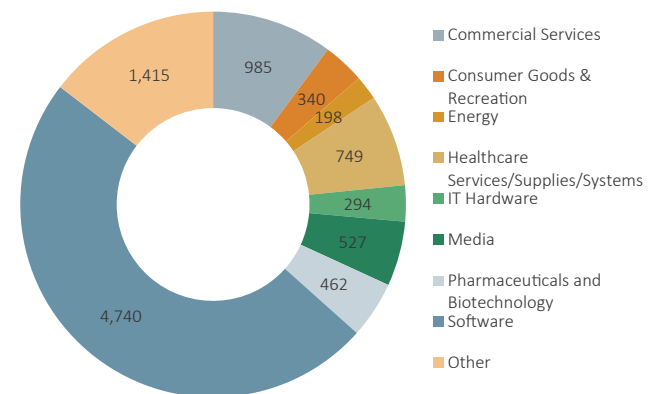
Source: PitchBook

Investors (#) active by HQ in San Francisco MSA



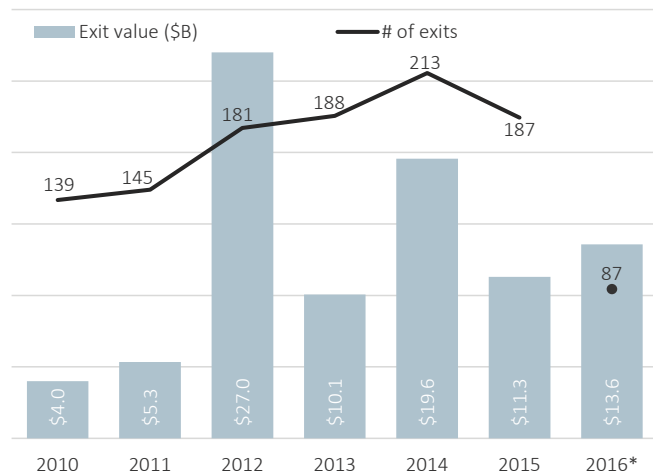
Source: PitchBook
*As of 6/30/2016

2010-2016* San Francisco MSA VC activity (#) by sector



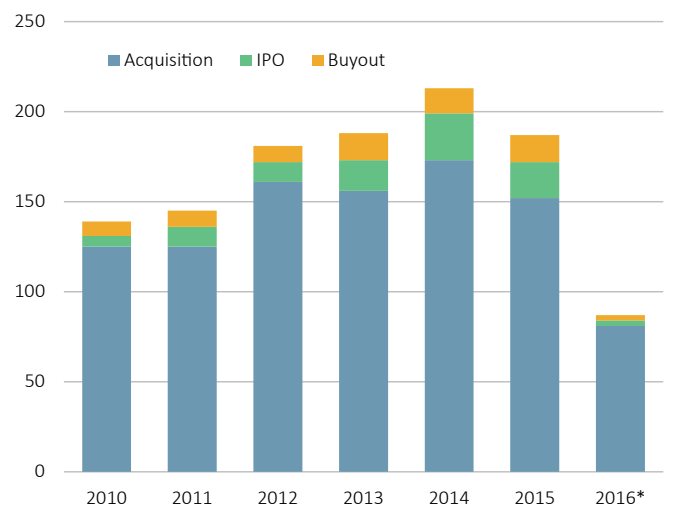
Source: PitchBook
*As of 6/30/2016

San Francisco MSA VC-backed exit activity



Source: PitchBook
*As of 6/30/2016

San Francisco MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016

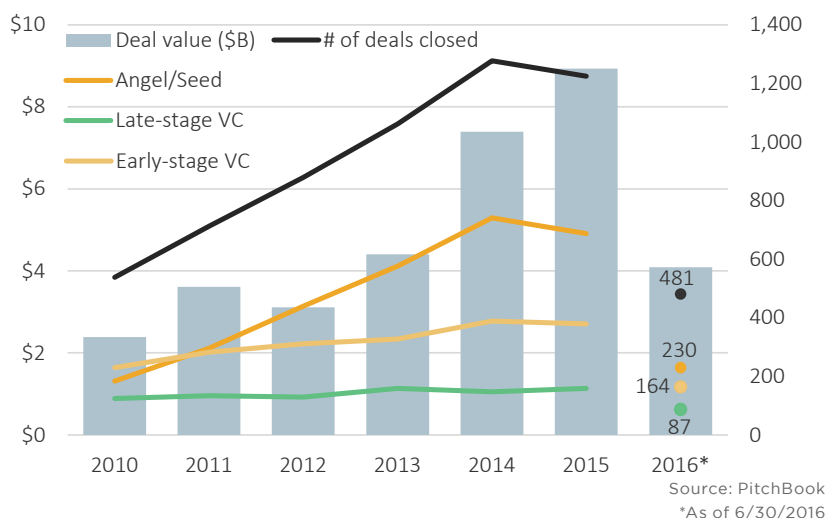


New York-Northern New Jersey-Long Island

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
New York-Northern New Jersey-Long Island	\$97.8 billion	\$43.6 billion	16	\$33.9 billion	6,174	\$17.6 billion

Source: PitchBook
*As of 6/30/2016

New York MSA VC activity



Select local Fortune 500 companies



Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
story2	Educational software	\$2.2	99	Edovate Capital, Techstars, Kaplan EdTech Accelerator
Rocketrip	Business software	\$17.1	91	Bessemer Venture Partners, CrunchFund, Canaan Partners

Source: PitchBook. *As of 6/30/2016

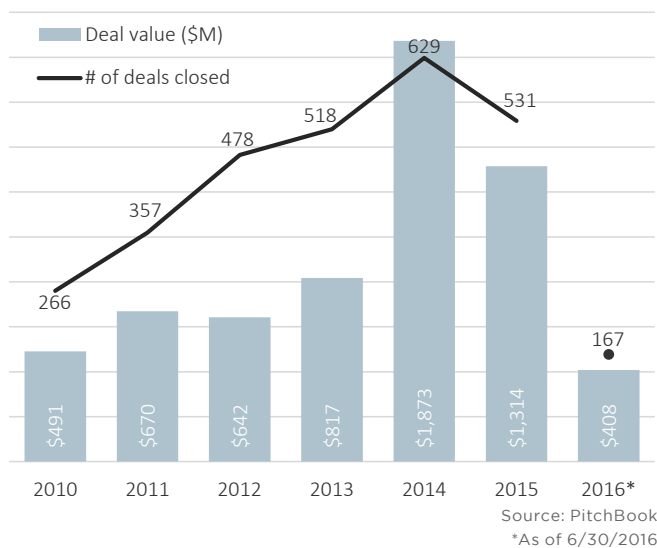
New York-Northern New Jersey-Long Island	Select statistics
Employment'	9.52 million
Change in employment''	1.5%
Median two-bedroom apartment rent, New York^	\$4,600
Change in rent price, New York*	0.2%
Office lease median rate, \$ per square foot per year^	\$67
Number of listings in the last 90 days^	2,645
Annual mean wage, computer & mathematical occupations**	\$97,570
Change in pay, full-time private industry employees***	2.3%

Sources: ApartmentList, BLS, PayScale, 42Floors

*July 2015-July 2016, **May 2015, ^July 2016

'May 2016, ''May 2015-May 2016, ***2Q 2016

Indicating a dose of caution, first financings are down NY MSA first venture financings



Select accelerators, incubators, & universities in NY MSA

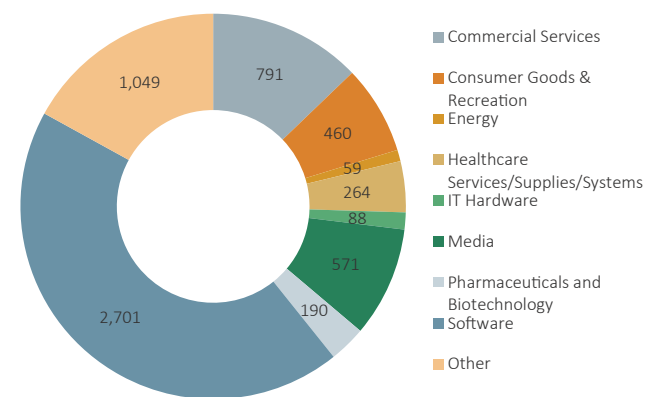
almaworks



LAUNCH R



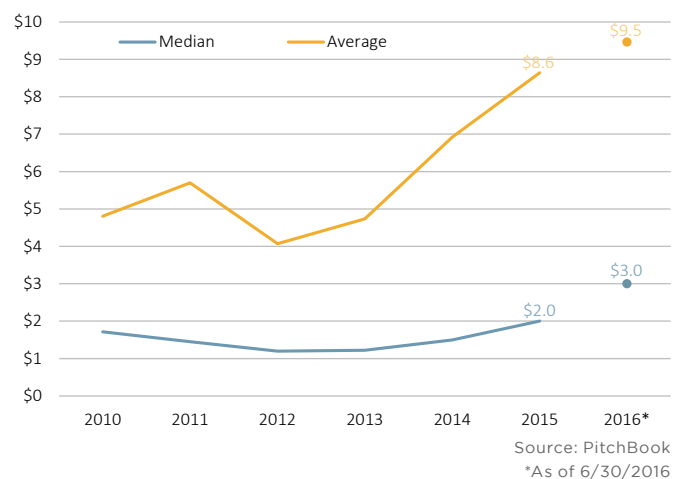
2010-2016* NY MSA VC activity (#) by sector



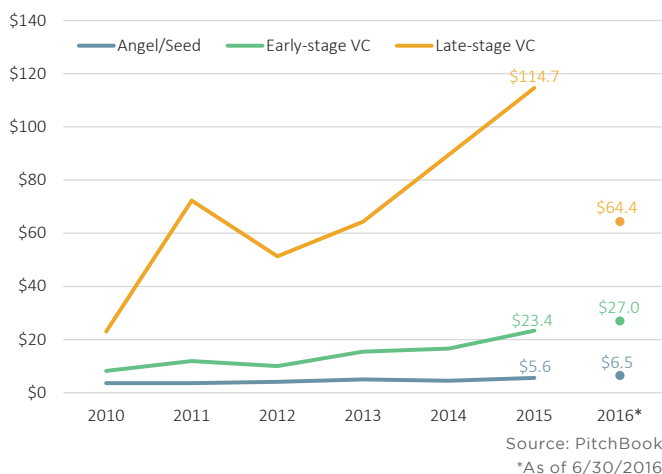
Source: PitchBook

*As of 6/30/2016

Disparity suggests increased vetting of prospects NY MSA median & average VC round size (\$M)



NY MSA median pre-money valuation (\$M) by stage





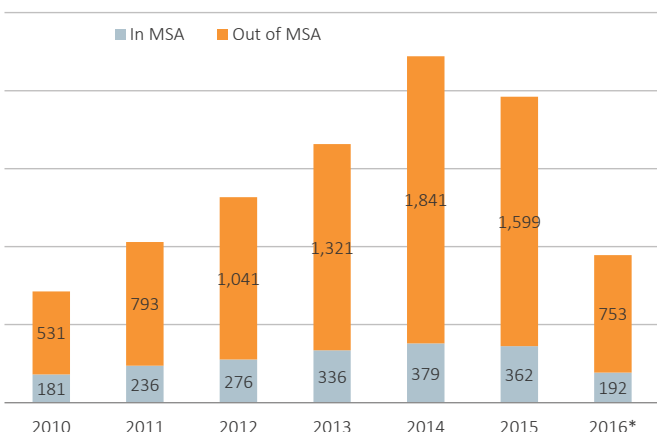
MEDIAN EMPLOYEE COUNT

Median employee # at startups in New York MSA by year of financing



Source: PitchBook
*As of 6/30/2016

Investors (#) active by year, HQ in NY MSA



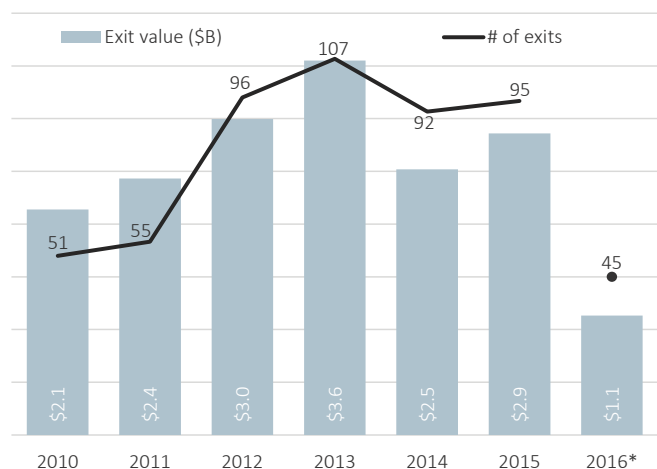
Source: PitchBook
*As of 6/30/2016

2015's most active investors by VC deals (#) in New York MSA

Lerer Hippeau Ventures	29
Social Starts	24
500 Startups	21
General Catalyst Partners	20
Thrive Capital	19
Greycroft Partners	17
RRE Ventures	16
Great Oaks Venture Capital	16
New Enterprise Associates	15
New York Angels	15
BoxGroup	15

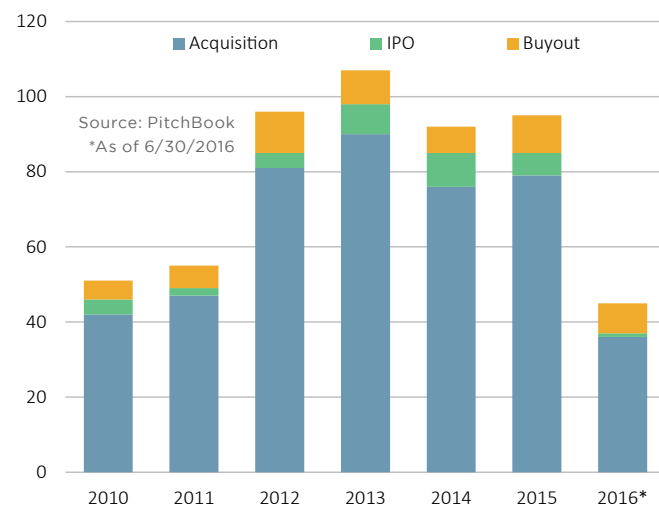
Source: PitchBook

NY MSA VC-backed exit activity



Source: PitchBook
*As of 6/30/2016

NY MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016



San Jose-Sunnyvale-Santa Clara

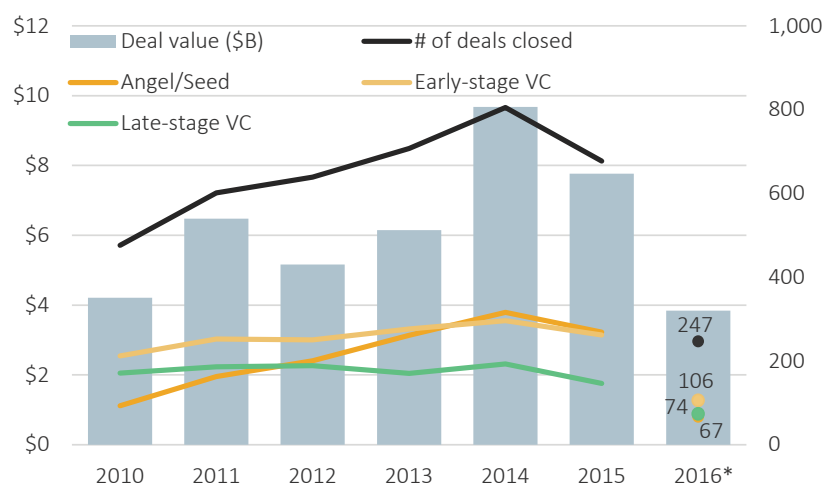
MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
San Jose-Sunnyvale-Santa Clara	\$89.7 billion	\$35.5 billion	14	\$43.3 billion	4,152	\$63.5 billion

Source: PitchBook
*As of 6/30/2016


Select local Fortune 500 companies



San Jose MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
QuantumScape	Energy storage	\$146.3	98	Khosla Ventures, KPCB, Lightspeed Venture Partners
 xangati	Application software	\$29.9	97	Walden International, Alloy Ventures, HighBAR Partners

Source: PitchBook. *As of 6/30/2016



MEDIAN EMPLOYEE COUNT

Median employee # at startups in San Jose MSA by year of financing



Source: PitchBook
*As of 6/30/2016

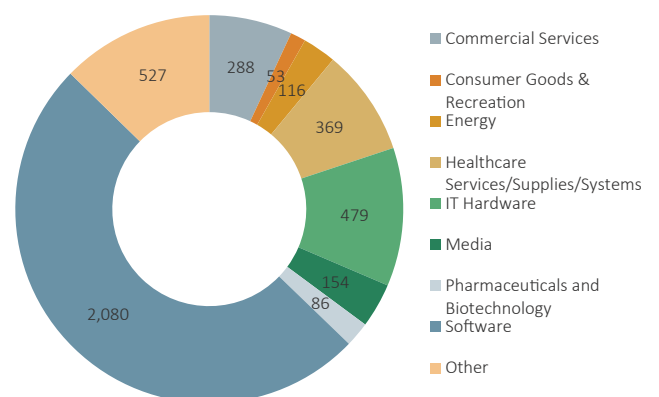
San Jose-Sunnyvale-Santa Clara	Select statistics
Employment'	1.1 million
Change in employment''	3.7%
Median two-bedroom apartment rent, San Jose^	\$2,670
Change in rent price, San Jose*	0.3%
Office lease median rate, \$ per square foot per year^	\$48
Number of listings in the last 90 days^	768
Annual mean wage, computer & mathematical occupations**	\$128,850
Change in pay, full-time private industry employees***	N/A

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
'May 2016, ''May 2015-May 2016, ***2Q 2016

Select accelerators, incubators, & universities in San Jose MSA

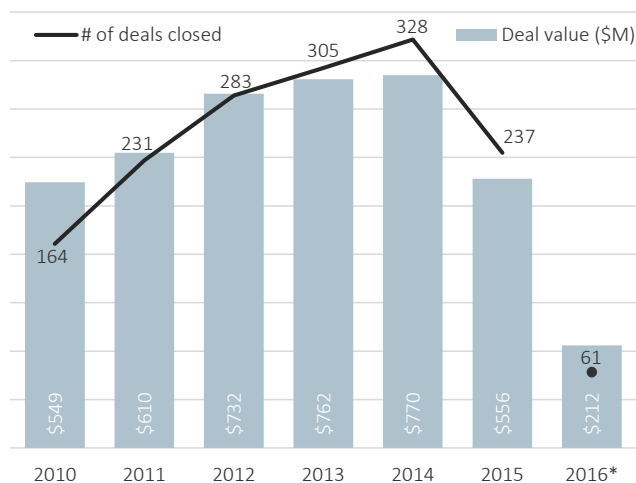


2010-2016* San Jose MSA VC activity (#) by sector



Source: PitchBook
*As of 6/30/2016

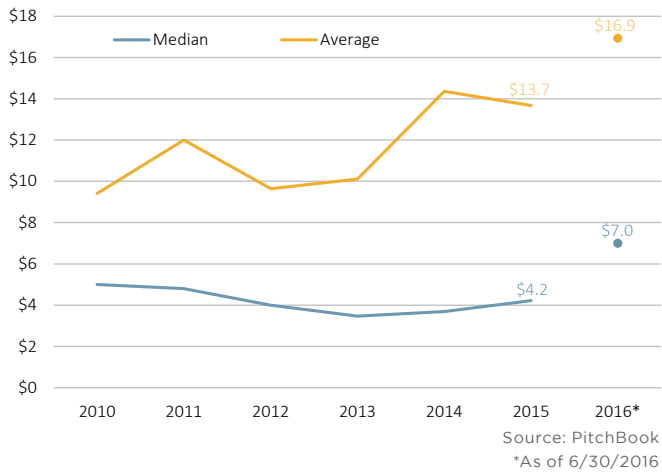
San Jose MSA first venture financings



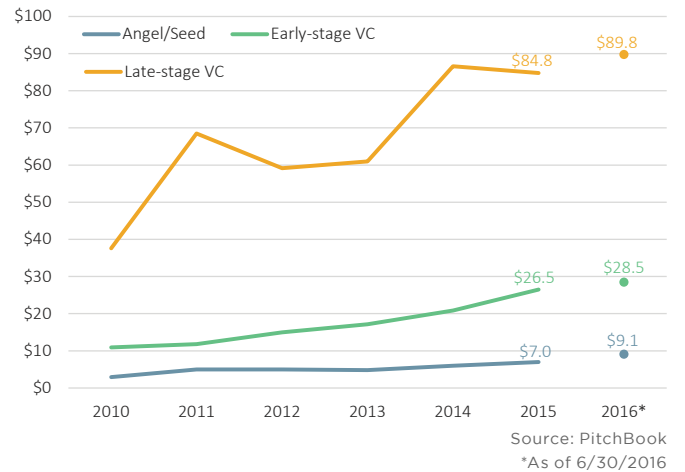
Source: PitchBook
*As of 6/30/2016

Even the median round in San Jose is still quite high

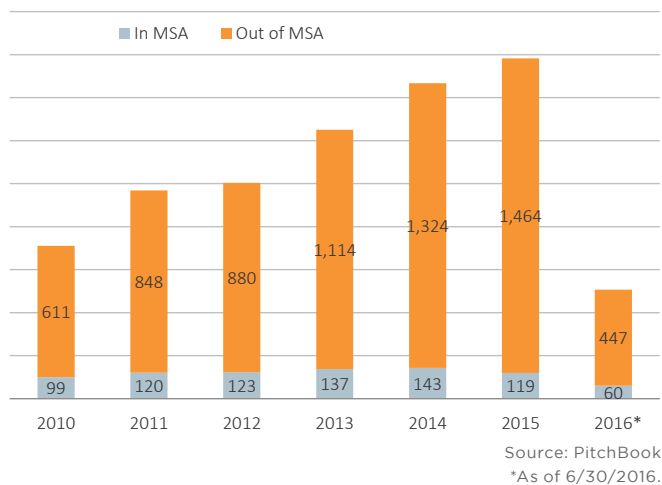
San Jose MSA median & average VC round size (\$M)



San Jose MSA median pre-money valuation (\$M) by stage



Investors (#) active by HQ in San Jose MSA

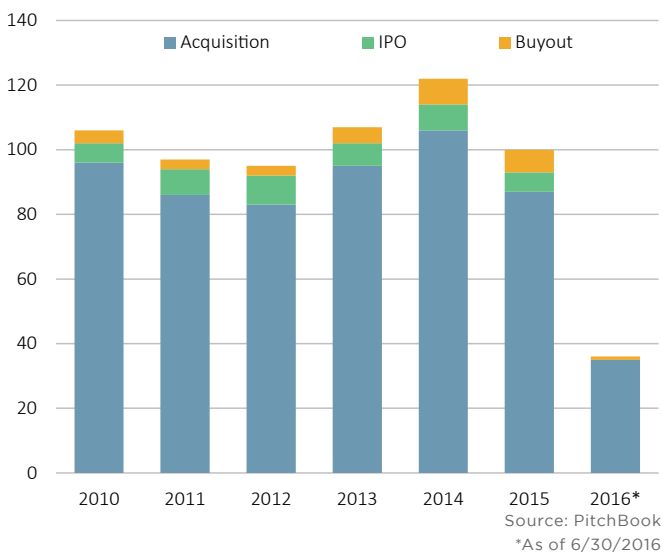


2015's most active investors by VC deals (#) in San Jose MSA

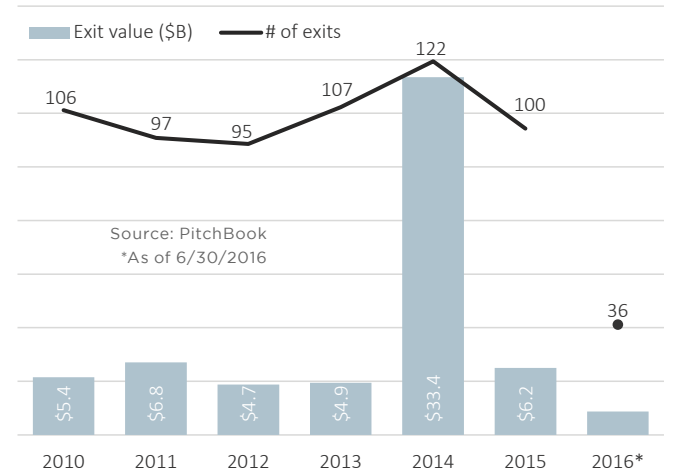
New Enterprise Associates	22
Formation 8	16
Lightspeed Venture Partners	15
AME Cloud Ventures	15
Andreessen Horowitz	14
500 Startups	14
Accel Partners	14
Intel Capital	13
Sequoia Capital	12

Source: PitchBook

San Jose MSA VC-backed exits (#) by type



San Jose MSA VC-backed exit activity



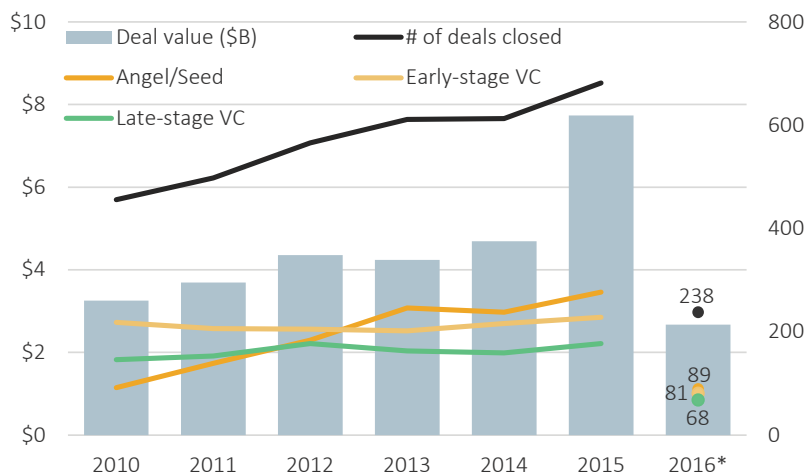


Boston-Cambridge-Quincy

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Boston-Cambridge-Quincy	\$80.9 billion	\$41.2 billion	4	\$30.7 billion	3,664	\$28.7 billion

Source: PitchBook
*As of 6/30/2016

Boston MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
energysage	Social/platform software	\$5.0	95	Clean Energy Group, Launchpad Venture Group
Behavioral Technologies	B2C electronics	\$0.6	97	Mass Challenge, IncWell, Bolt Innovation Group

Source: PitchBook. *As of 6/30/2016



MEDIAN EMPLOYEE COUNT

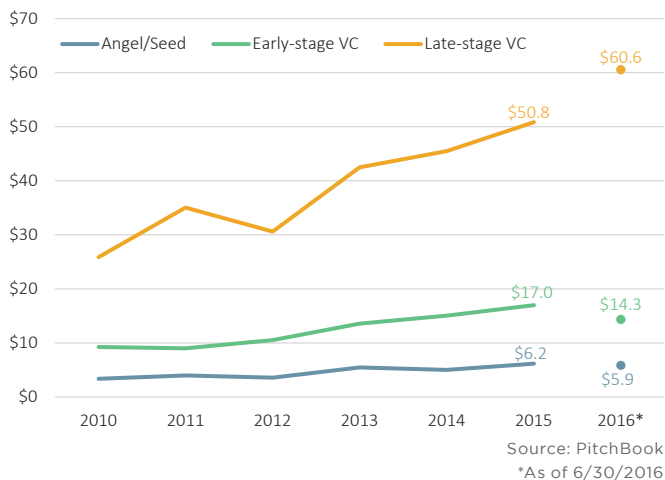
Median employee # at startups in Boston MSA by year of financing



Source: PitchBook
*As of 6/30/2016

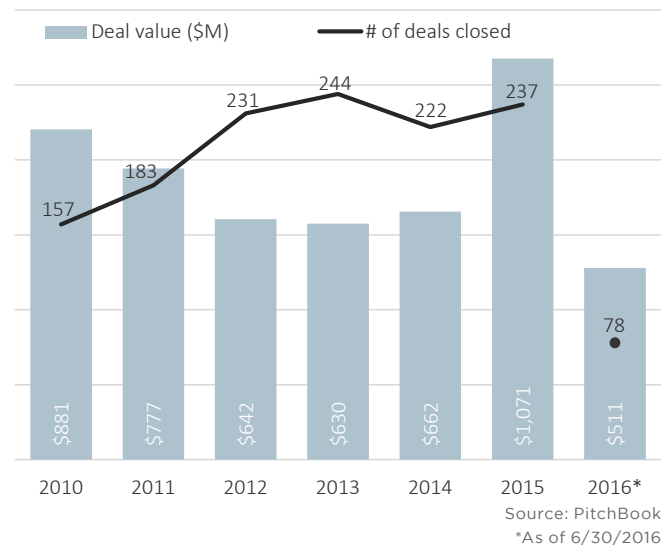
Late-stage valuations remain high

Boston MSA median pre-money valuation (\$M) by stage



In value, first financings are roughly on pace with 2015

Boston MSA first venture financings

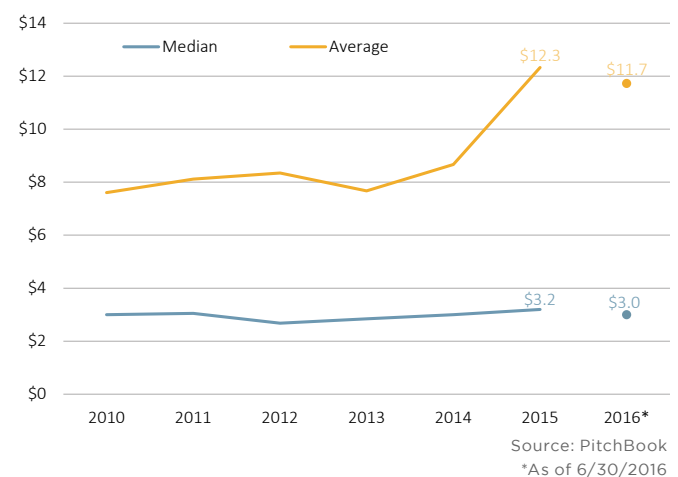


Select accelerators, incubators, & universities in Boston MSA

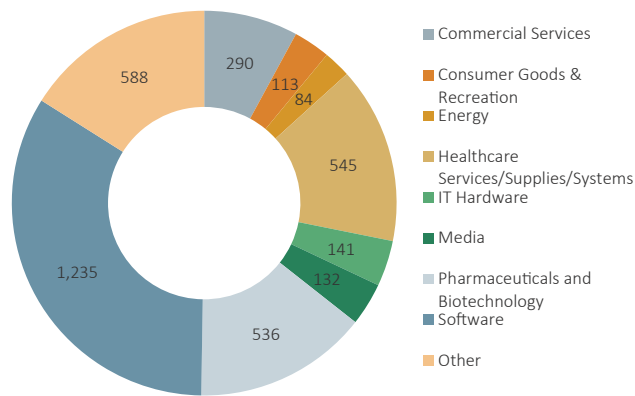


The past 1.5 years exhibit distinct skewing

Boston MSA median & average VC round size (\$M)



2010-2016* Boston MSA VC activity (#) by sector



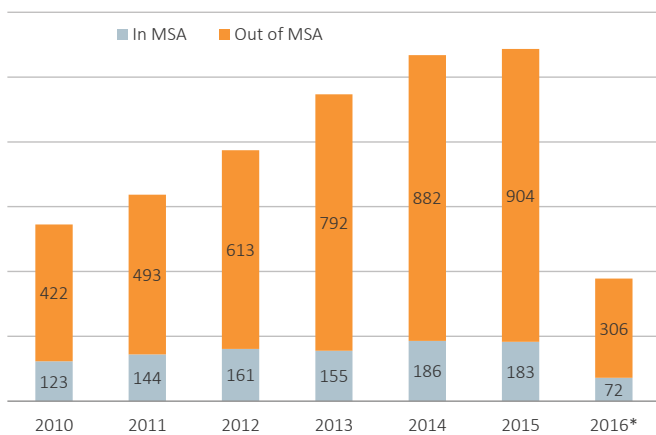
Source: PitchBook
*As of 6/30/2016

2015's most active investors by VC deals (#) in Boston MSA

Atlas Venture	23
Launchpad Venture Group	22
Converge Venture Partners	18
Polaris Partners	15
General Catalyst Partners	14
New Enterprise Associates	13
Accomplice VC	13

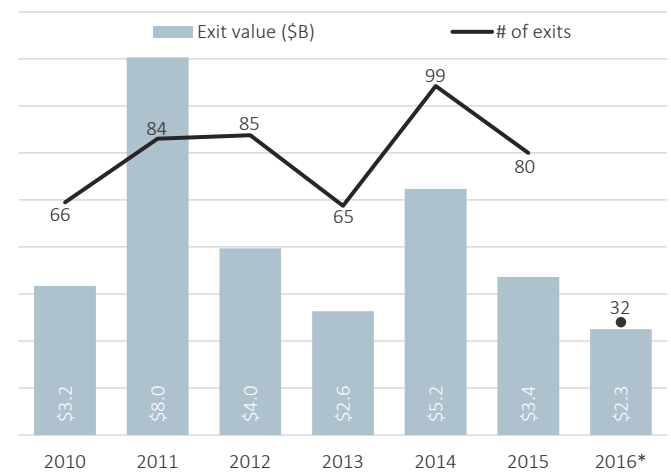
Source: PitchBook

1H 2016 has seen quite a slump in outside interest Investors (#) active by year, HQ in Boston MSA



Source: PitchBook
*As of 6/30/2016

Boston MSA VC-backed exit activity

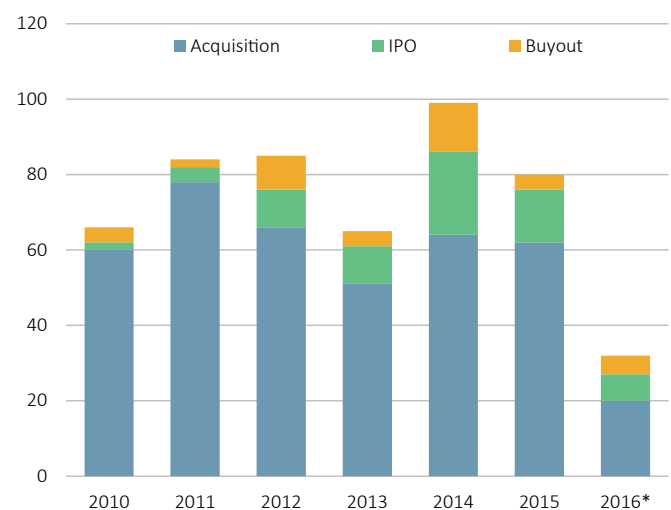


Source: PitchBook
*As of 6/30/2016

Boston-Cambridge-Quincy	Select statistics
Employment ¹	2.7 million
Change in employment ²	1.2%
Median two-bedroom apartment rent, Boston ³	\$2,950
Change in rent price, Boston ⁴	0.3%
Office lease median rate, \$ per square foot per year ⁵	\$50
Number of listings in the last 90 days ⁶	196
Annual mean wage, computer & mathematical occupations ⁷	\$97,480
Change in pay, full-time private industry employees ⁸	2.3%

Sources: ApartmentList, BLS, PayScale, 42Floors
¹July 2015-July 2016, ²May 2015, ³July 2016
⁴May 2016, ⁵May 2015-May 2016, ⁶2Q 2016

Boston MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016



Los Angeles-Long Beach-Santa Ana

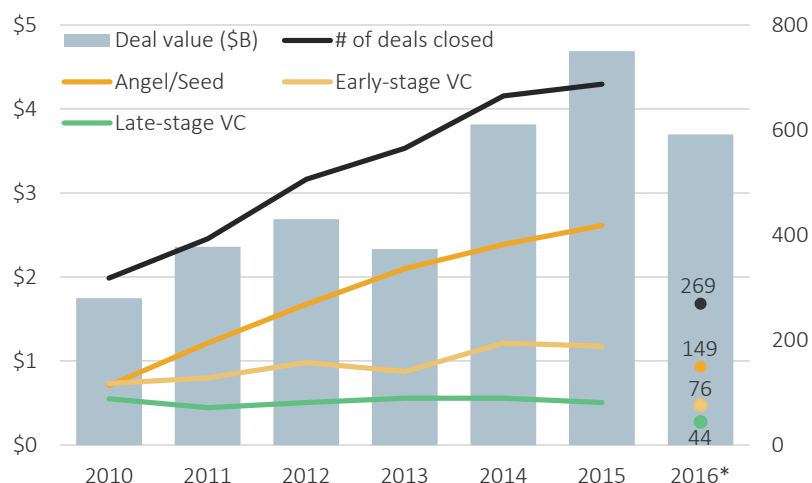
MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Los Angeles-Long Beach-Santa Ana	\$26.1 billion	\$2.7 billion	9	\$21.3 billion	3,403	\$11.2 billion

Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



LA MSA VC activity

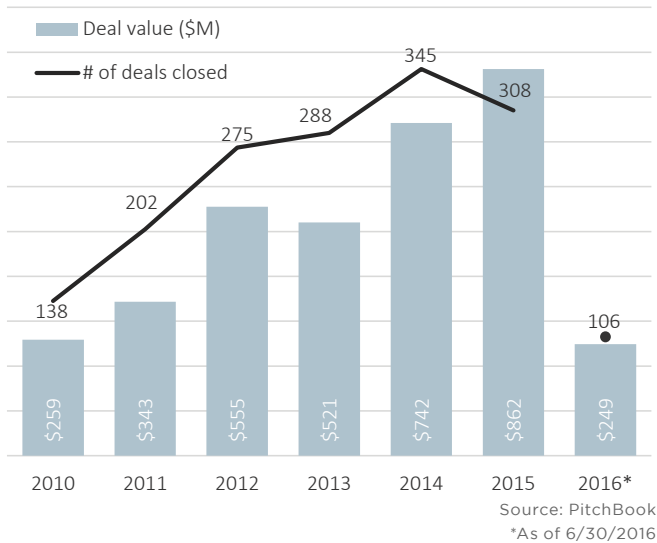


Source: PitchBook
*As of 6/30/2016

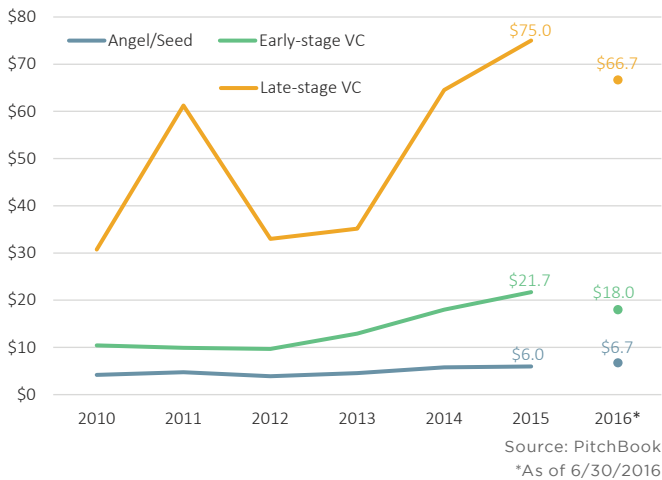
Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
Happier Camper	Recreational goods	\$1.2	100	Scott Greenburg
incentive	Automation software	\$3.5	98	Microsoft Accelerator

First financings are slowing

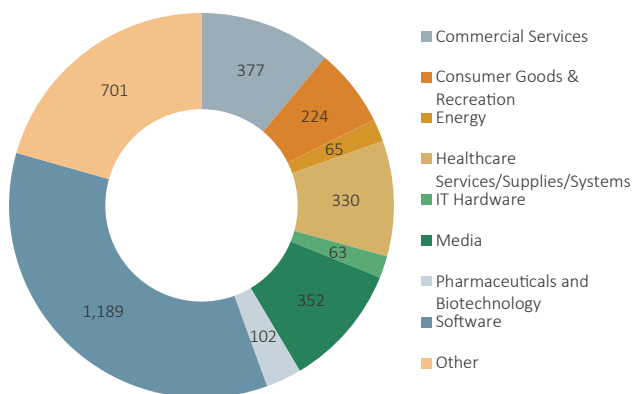
LA MSA first venture financings



LA MSA median pre-money valuation (\$M) by stage



2010-2016* LA MSA VC activity (#) by sector

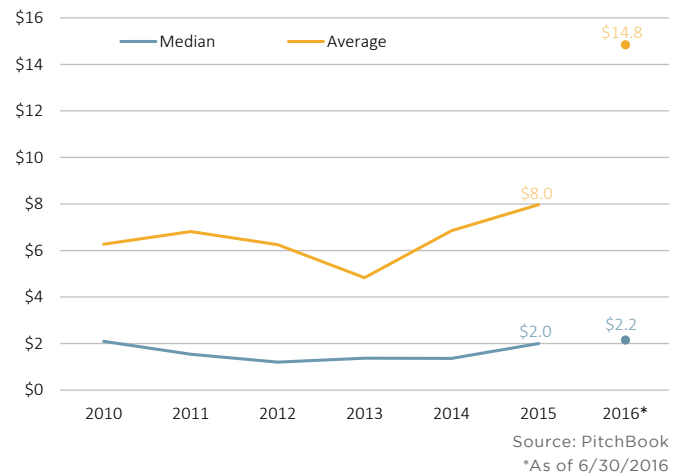


Select accelerators, incubators, & universities in LA MSA



The disparity in size suggests lots of cautious capital

LA MSA median & average VC round size (\$M)



Los Angeles-Long Beach-Santa Ana	Select statistics
Employment*	6.0 million
Change in employment**	2.7%
Median two-bedroom apartment rent, Los Angeles^	\$2,630
Change in rent price, Los Angeles*	3.3%
Office lease median rate, \$ per square foot per year^	\$40
Number of listings in the last 90 days^	1,182
Annual mean wage, computer & mathematical occupations**	\$91,150
Change in pay, full-time private industry employees***	2.7%

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
*May 2016, **May 2015-May 2016, ***2Q 2016



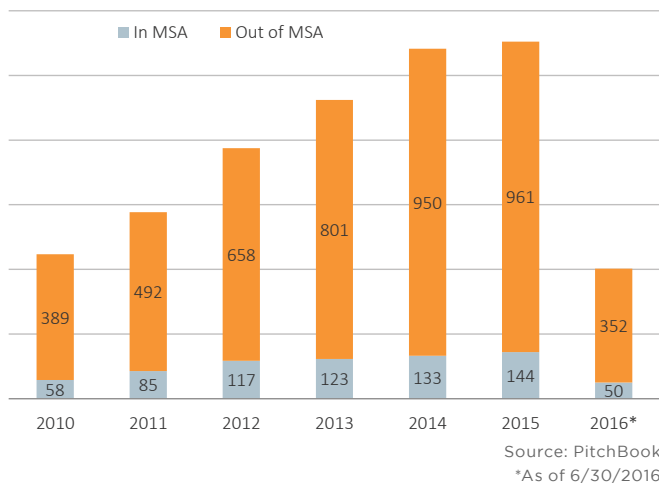
MEDIAN EMPLOYEE COUNT

Median employee # at startups in Los Angeles MSA by year of financing



Source: PitchBook
*As of 6/30/2016

Investors (#) active by HQ in Los Angeles MSA

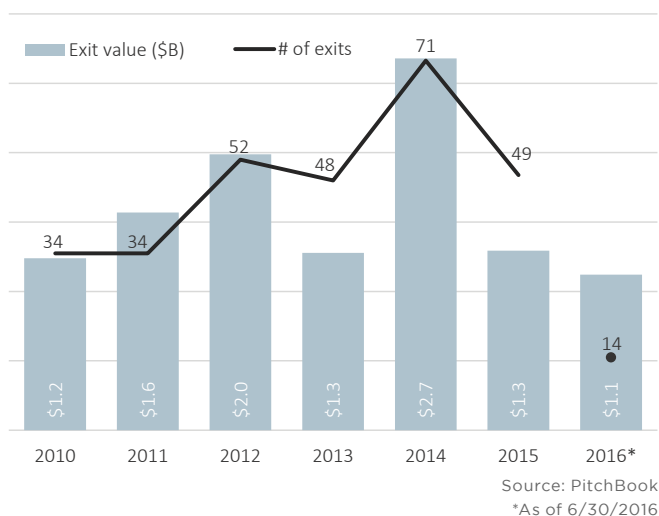


2015's most active investors by VC deals (#) in Los Angeles MSA

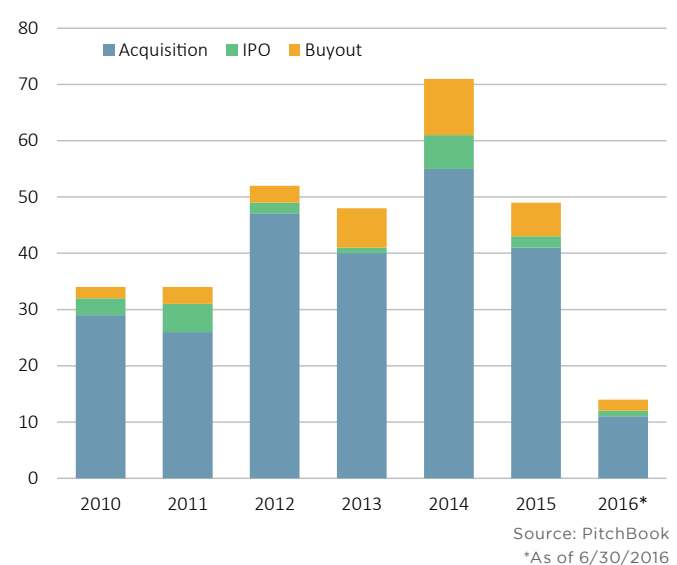
Wavemaker Partners	22
Tech Coast Angels	22
Upfront Ventures	18
Bam Ventures	15
Greycroft Partners	13
Third Wave Digital	12
Pasadena Angels	11
Frost Data Capital	11
Allen DeBevoise	11
Crosscut Ventures	11

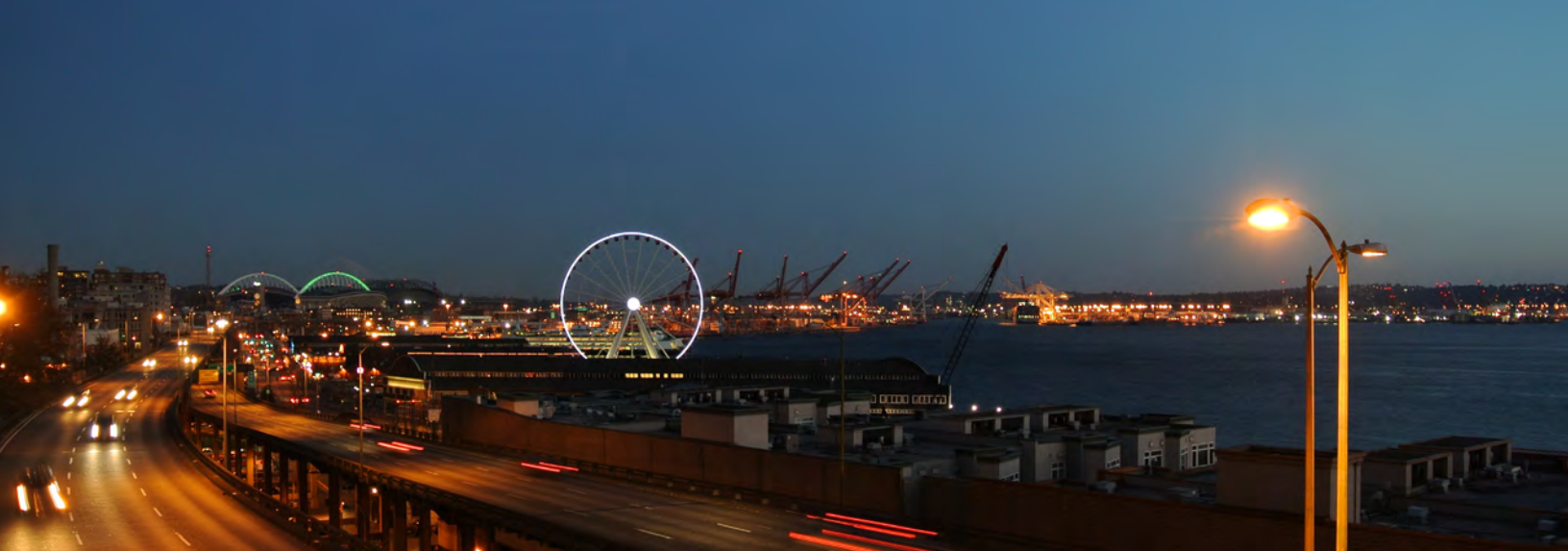
Source: PitchBook

LA MSA VC-backed exit activity



LA MSA VC-backed exits (#) by type



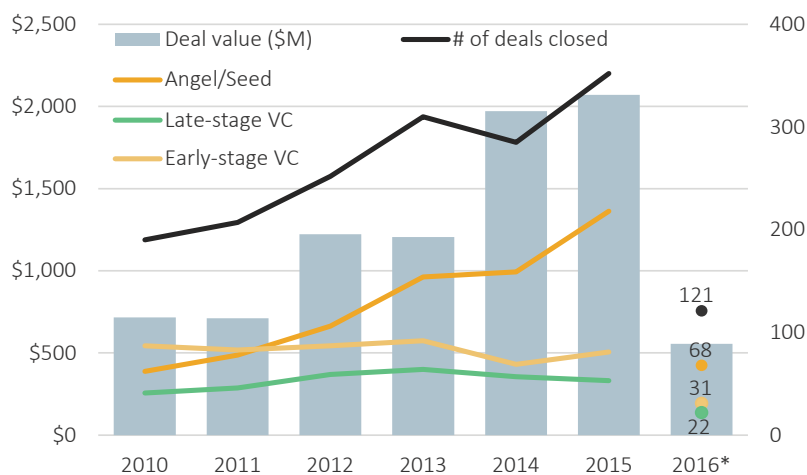


Seattle-Tacoma-Bellevue

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Seattle-Tacoma-Bellevue	\$16.0 billion	\$7.6 billion	0	\$8.4 billion	1,717	\$6.7 billion

Source: PitchBook
*As of 6/30/2016

Seattle MSA VC activity



Source: PitchBook
*As of 6/30/2016


Select local Fortune 500 companies

amazon

COSTCO
WHOLESALE

Microsoft

NORDSTROM

Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
Boatbound	Marine	\$9.5	97	Atlas Venture, 500 Startups, BoxGroup
	Energy transportation	\$12.7	98	Maveron, Madrona Venture Group, Conversion Capital



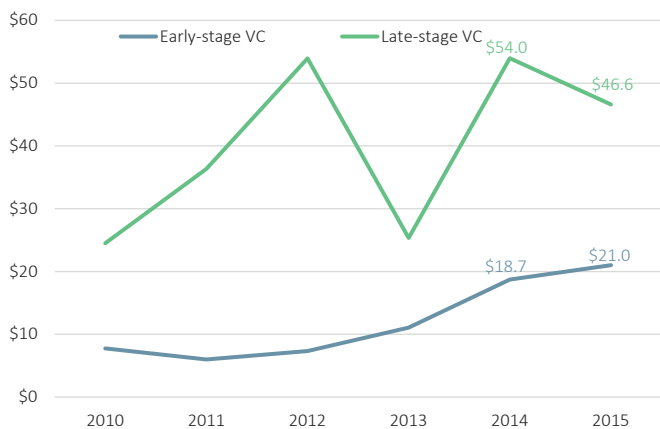
MEDIAN EMPLOYEE COUNT

Median employee # at startups in Seattle MSA by year of financing



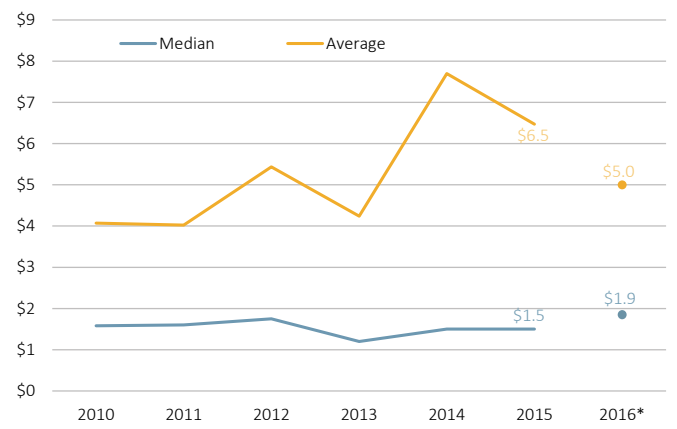
Source: PitchBook
*As of 6/30/2016

Seattle MSA median pre-money valuation (\$M) by stage



Source: PitchBook

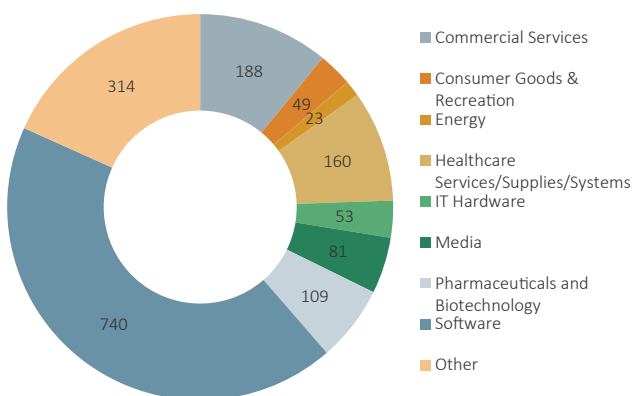
Seattle MSA median & average VC round size (\$M)



Source: PitchBook
*As of 6/30/2016

Unsurprisingly, software dominates Seattle

2010-2016* Seattle MSA VC activity (#) by sector

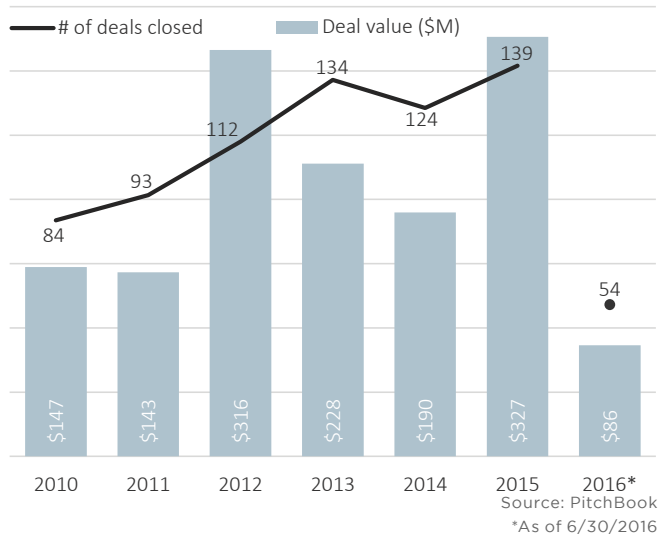


Source: PitchBook
*As of 6/30/2016

Seattle-Tacoma-Bellevue	Select statistics
Employment'	1.95 million
Change in employment''	3.6%
Median two-bedroom apartment rent, Seattle^	\$2,250
Change in rent price, Seattle*	6.5%
Office lease median rate, \$ per square foot per year^	\$40
Number of listings in the last 90 days^	551
Annual mean wage, computer & mathematical occupations**	\$107,290
Change in pay, full-time private industry employees***	3.4%

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
'May 2016, ''May 2015-May 2016, ***2Q 2016

Seattle MSA first venture financings

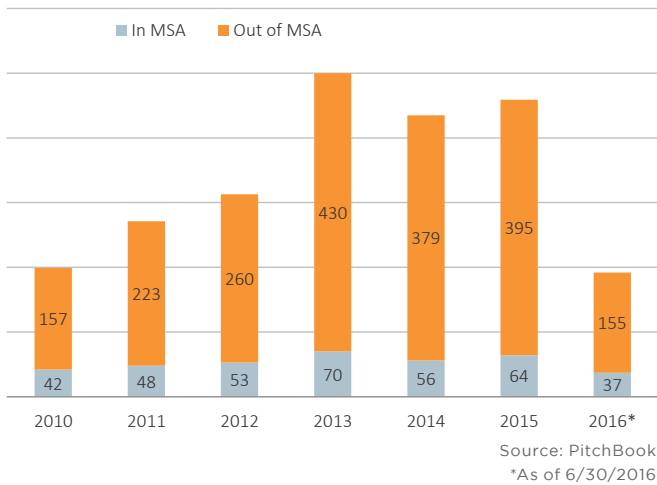


2015's most active investors by VC deals (#) in Seattle MSA

Alliance of Angels	23
Madrona Venture Group	14
Keiretsu Forum	12
Vulcan Capital	11
Rudy Gadre	8
WRF Capital	8
Gary Rubens	7
Founder's Co-Op	7
The W Fund	6
Voyager Capital	6
Trilogy Equity Partners	6

Source: PitchBook

Investors (#) active by year, HQ in Seattle MSA

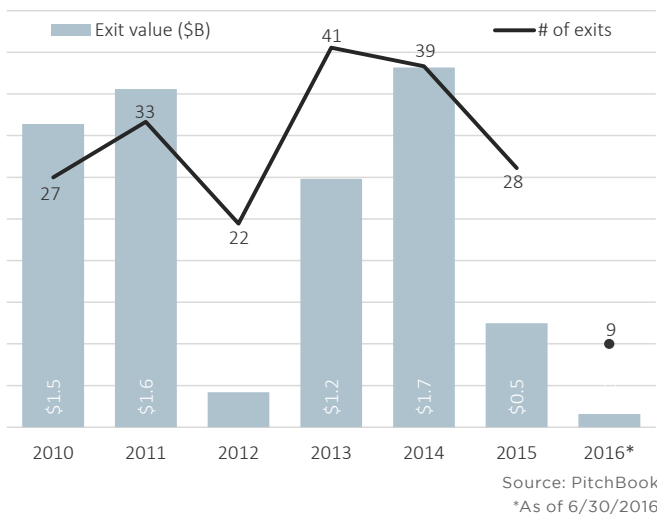


Select accelerators, incubators, & universities in Seattle MSA

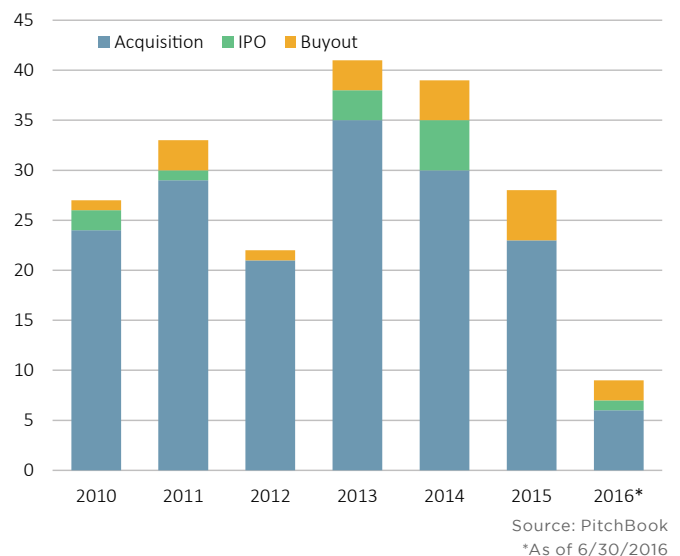


COMOTION
INNOVATION » IMPACT

Seattle MSA VC-backed exit activity



Seattle MSA VC-backed exits (#) by type



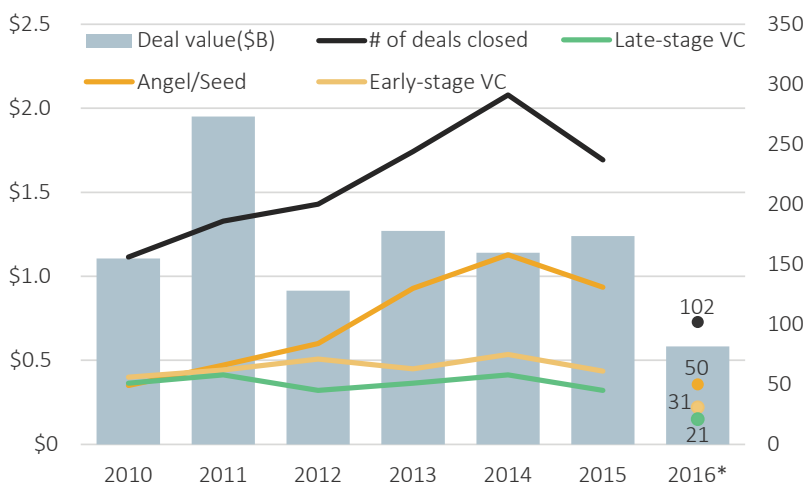


Washington, DC-Arlington-Alexandria

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Washington, DC-Arlington-Alexandria	\$19.2 billion	\$4.8 billion	2	\$8.2 billion	1,416	\$7.4 billion

Source: PitchBook
*As of 6/30/2016

DC MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



Select high-growth startup	Sector	Total VC raised to date (\$M)	PitchBook growth rate percentile	Select active investors
Room	Financial services	\$1.2	100	N/A
vagabond	Hardware	\$3.0	99	Irish Angels, Baltimore Angels, Blue Venture Investors, Middleburg Capital Development



MEDIAN EMPLOYEE COUNT

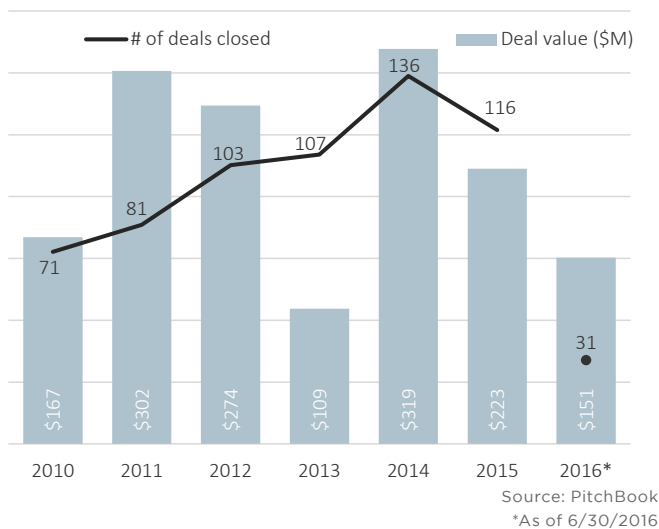
Median employee # at startups in DC MSA by year of financing



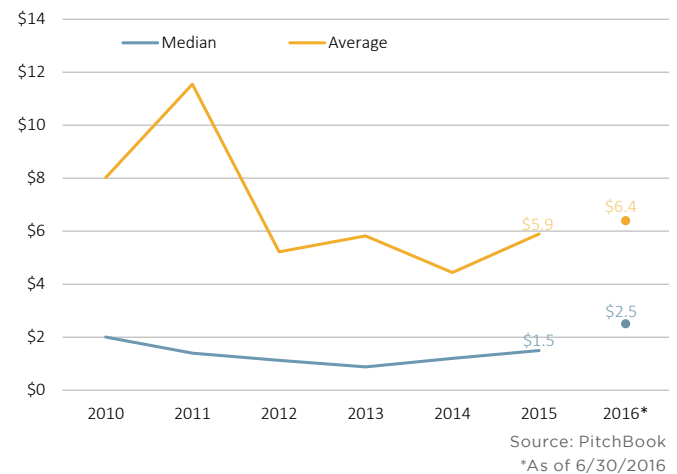
Source: PitchBook
*As of 6/30/2016

DC is seeing 1st financings of considerable size in 1H

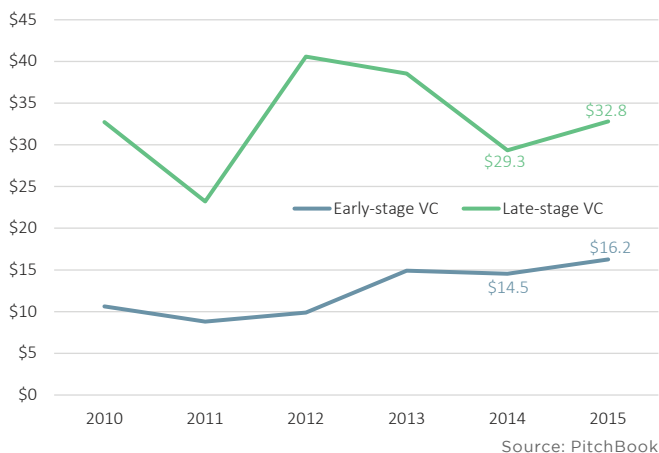
DC MSA first venture financings



DC MSA median & average VC round size (\$M)



DC MSA median pre-money valuation (\$M) by stage



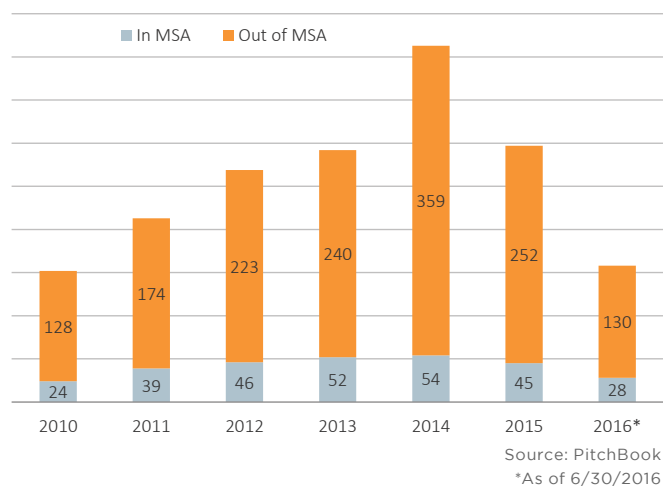
Washington, DC-Arlington-Alexandria		Select statistics
Employment¹		3.2 million
Change in employment²		1.9%
Median two-bedroom apartment rent, Washington, DC³		\$3,120
Change in rent price, Washington, DC*		3.6%
Office lease median rate, \$ per square foot per year⁴		\$33
Number of listings in the last 90 days⁵		1,287
Annual mean wage, computer & mathematical occupations**		\$102,010
Change in pay, full-time private industry employees***		2.3%

Sources: ApartmentList, BLS, PayScale, 42Floors
¹July 2015-July 2016, **May 2015, ³July 2016
⁴May 2016, ⁵May 2015-May 2016, ***2Q 2016

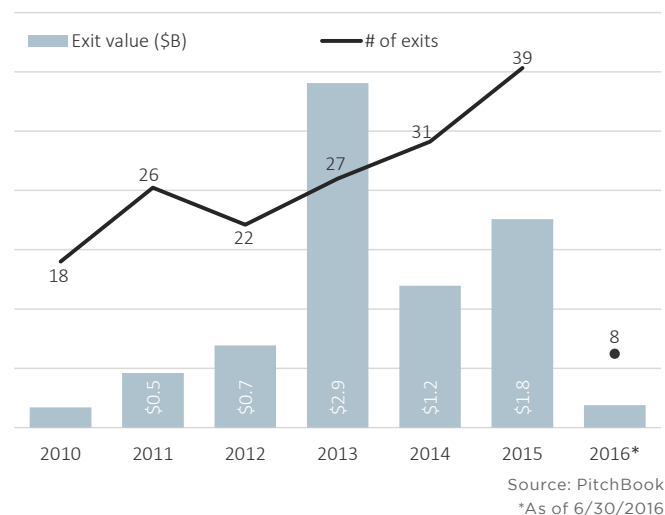
Select accelerators, incubators, & universities in DC MSA



Outside investment peaked in 2014 Investors (#) active by HQ in DC MSA



DC MSA VC-backed exit activity

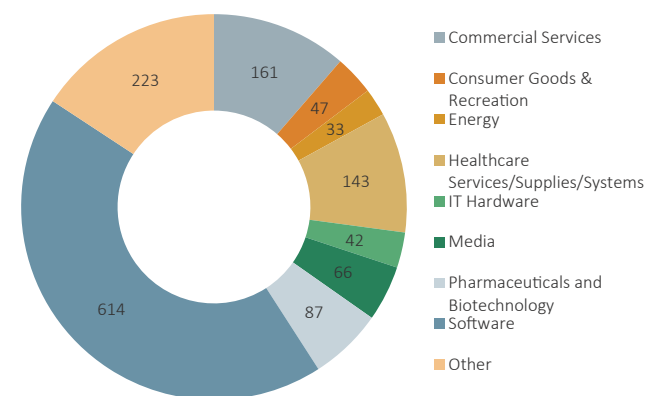


2015's most active investors by VC deals (#) in DC MSA

Blu Venture Investors	10
Center for Innovative Technology Gap Funds	7
New Enterprise Associates	6
Grotech Ventures	4
NextGen Venture Partners	4
Baltimore Angels	4
Hammerstone Capital	4

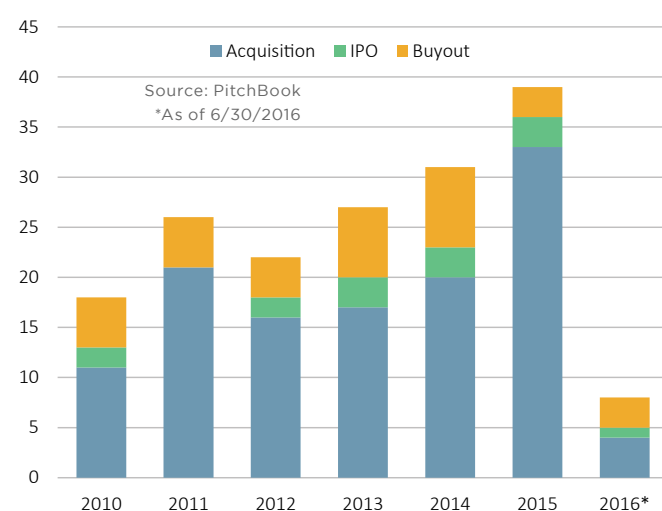
Source: PitchBook

2010-2016* DC MSA VC activity (#) by sector



Source: PitchBook
*As of 6/30/2016

Strategic buyers led to last year's surge DC MSA VC-backed exits (#) by type



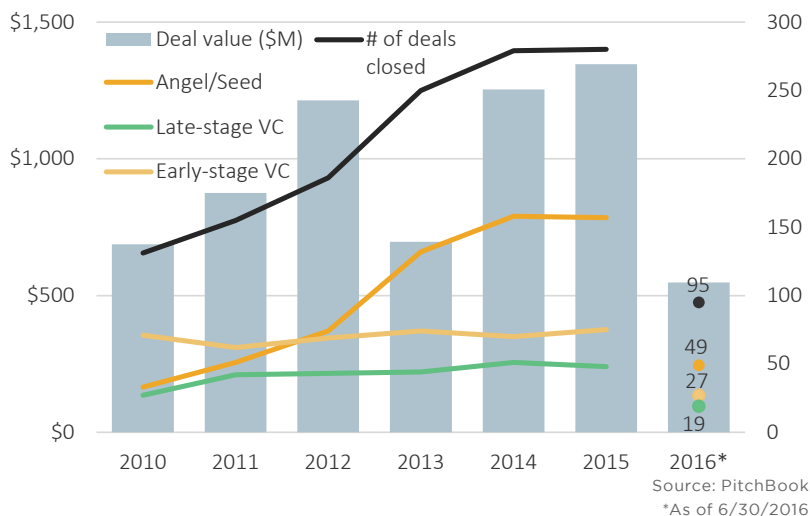


Austin-Round Rock

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Austin-Round Rock	\$3.4 billion	\$1.9 billion	0	\$6.6 billion	1,376	\$3.7 billion

Source: PitchBook
*As of 6/30/2016

Austin MSA VC activity



Select accelerators, incubators, & universities in Austin MSA

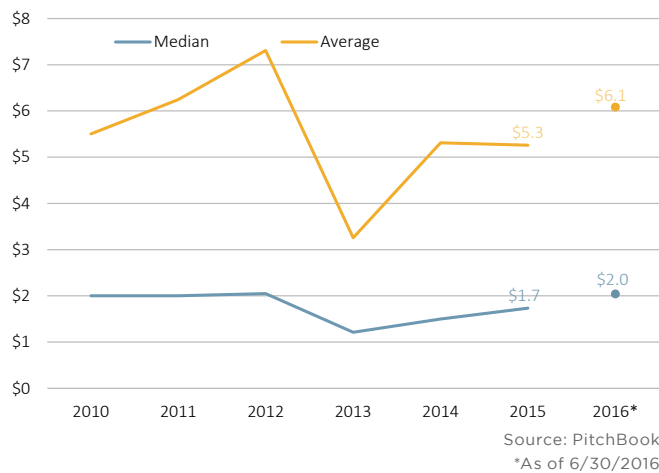


Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
TurnKey VACATION RENTALS	Real estate services	\$20.1	99	Altos Ventures, Silverton Partners

Austin-Round Rock	Select statistics
Employment'	994,000
Change in employment''	3.9%
Median two-bedroom apartment rent, Austin^	\$1,500
Change in rent price, Austin*	3.6%
Office lease median rate, \$ per square foot per year^	\$30
Number of listings in the last 90 days^	430
Annual mean wage, computer & mathematical occupations**	\$84,660
Change in pay, full-time private industry employees***	2.7%

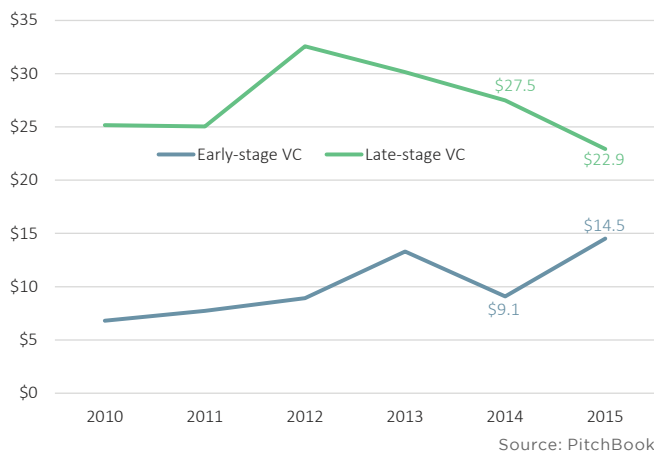
Sources: ApartmentList, BLS, PayScale, 42Floors
 *July 2015-July 2016, **May 2015, ^July 2016
 'May 2016, ''May 2015-May 2016, ***2Q 2016, Dallas

Austin MSA median & average VC round size (\$M)



Interestingly, late-stage numbers have trended downward in Austin for some time

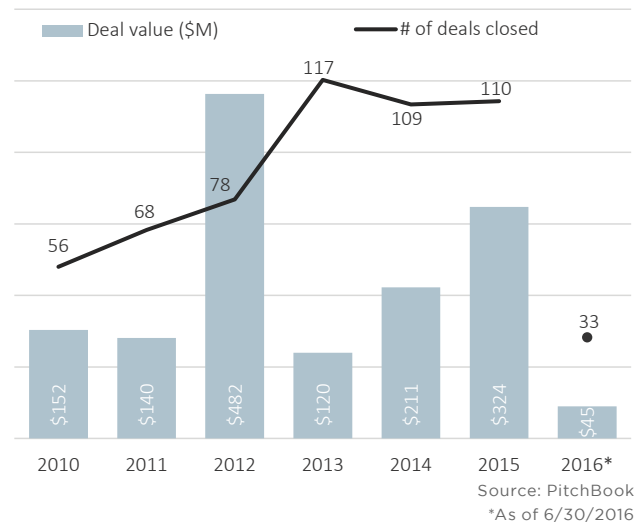
Austin MSA median pre-money valuation (\$M) by stage



Select local Fortune 500 companies

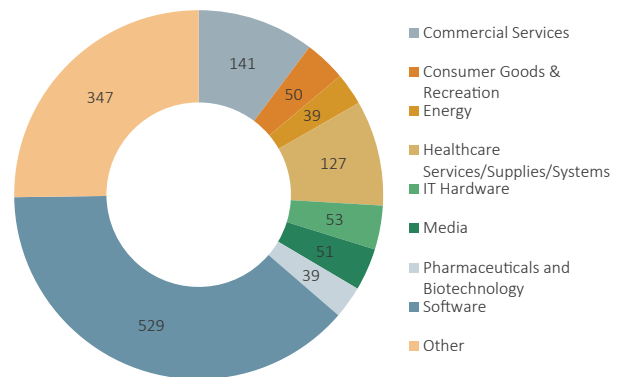


After an elevated plateau, Austin sees a slowdown Austin MSA first venture financings



Austin boasts considerable diversity

2010-2016* Austin MSA VC activity (#) by sector





MEDIAN EMPLOYEE COUNT

Median employee # at startups in Austin MSA by year of financing

14

2010

15

2011

34

2012

23

2013

17

2014

15

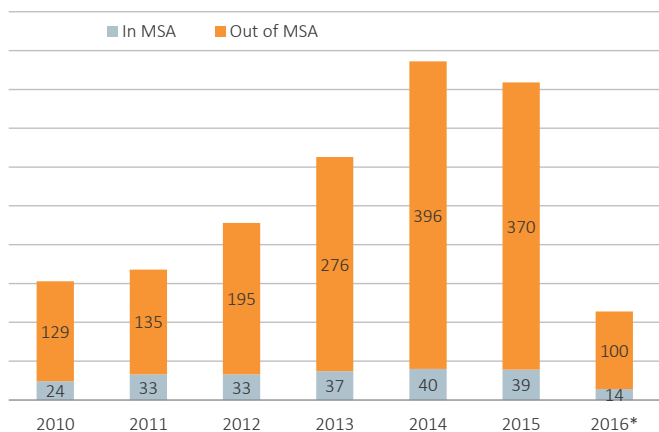
2015

15

2016*

Source: PitchBook
*As of 6/30/2016

Outside investment soared between 2014 and 2015 Investors (#) active by HQ in Austin MSA



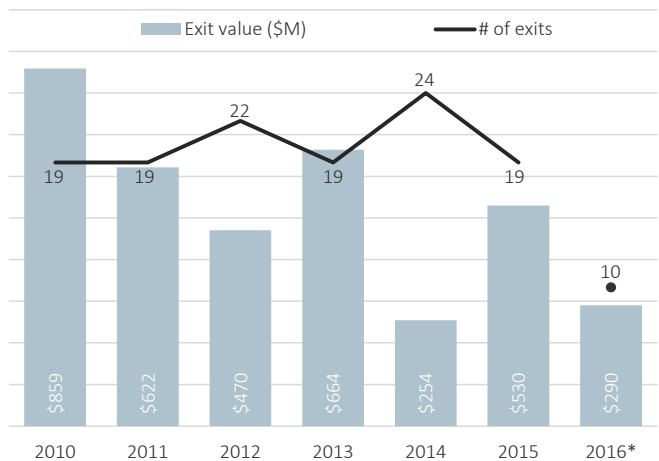
Source: PitchBook
*As of 6/30/2016

2015's most active investors by VC deals (#) in Austin MSA

Central Texas Angel Network	29
Capital Factory	15
Houston Angel Network	11
Silverton Partners	10
Wild Basin Investments	9
ATX Seed Ventures	8
Sante Ventures	6
S3 Ventures	5
Austin Ventures	5
UT Horizon Fund	5
LiveOak Venture Partners	5
Geekdom Fund	5

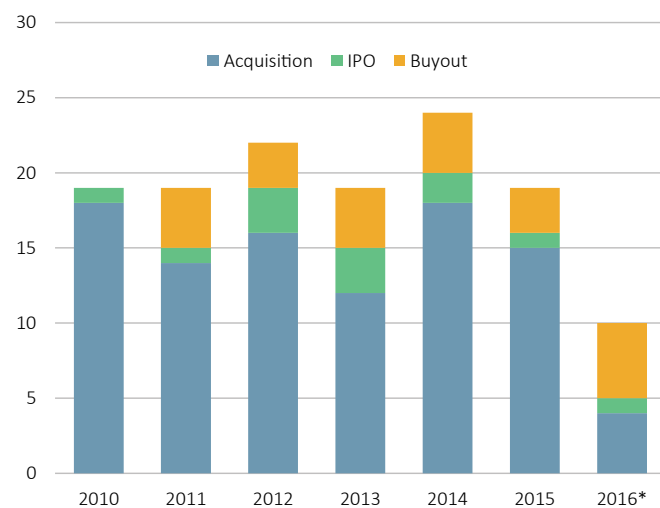
Source: PitchBook

Exits have been relatively healthy in 2016 so far Austin MSA VC-backed exit activity



Source: PitchBook
*As of 6/30/2016

Austin MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016

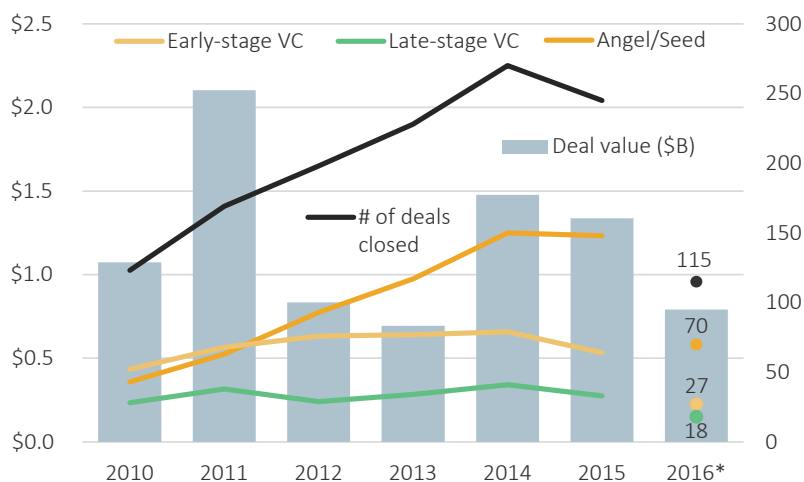


Chicago-Naperville-Joliet

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Chicago-Naperville-Joliet	\$11.7 billion	\$3.4 billion	4	\$8.3 billion	1,348	\$9.95 billion

Source: PitchBook
*As of 6/30/2016

Chicago MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



abbvie

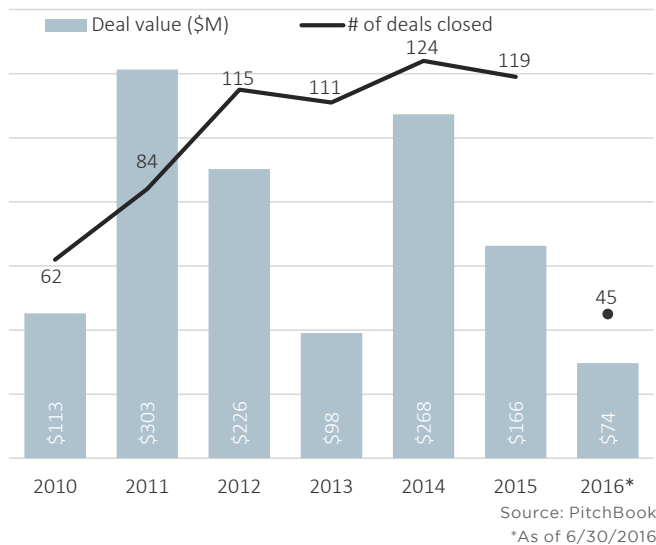
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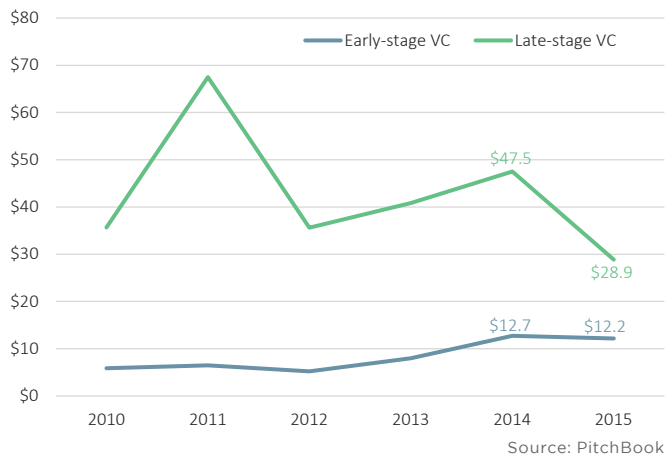
Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
RxBar	Food products	\$0.8	95	N/A
Open Airplane	Platform software	\$0.6	99	The Bunker Incubator

1st financings stayed remarkably steady since 2012

Chicago MSA first venture financings



Chicago MSA median pre-money valuation (\$M) by stage



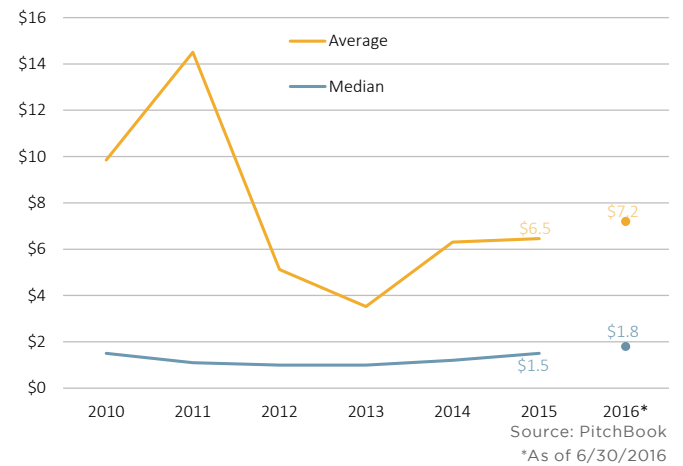
Select accelerators, incubators, & universities in Chicago MSA

Northwestern
N.XT

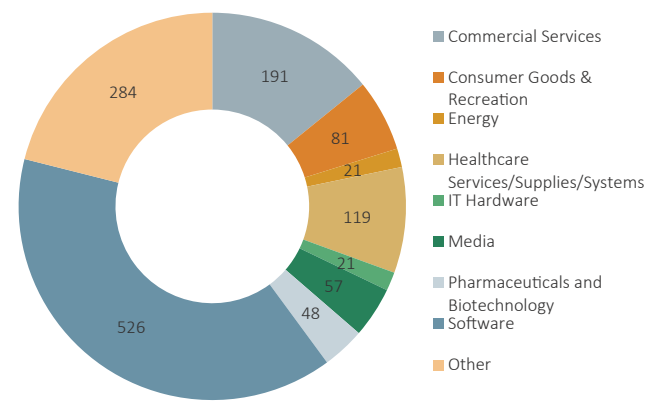
CHICAGO
INNOVATION
EXCHANGE
AT THE UNIVERSITY OF CHICAGO

ILLINOIS
VENTURES

Chicago MSA median & average VC round size (\$M)



2010-2016* Chicago MSA VC activity (#) by sector



Source: PitchBook
*As of 6/30/2016

Chicago-Naperville-Joliet	Select statistics
Employment*	4.7 million
Change in employment**	1.3%
Median two-bedroom apartment rent, Chicago^	\$1,800
Change in rent price, Chicago*	-1.2%
Office lease median rate, \$ per square foot per year^	\$37
Number of listings in the last 90 days^	679
Annual mean wage, computer & mathematical occupations**	\$83,250
Change in pay, full-time private industry employees***	2.3%

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
*May 2016, **May 2015-May 2016, ***2Q 2016



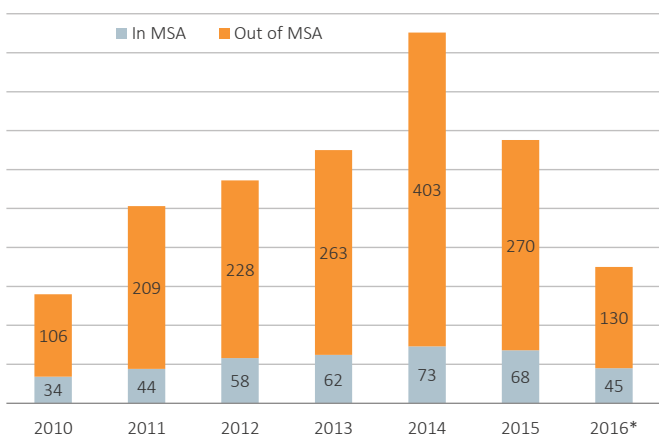
MEDIAN EMPLOYEE COUNT

Median employee # at startups in Chicago MSA by year of financing



Source: PitchBook
*As of 6/30/2016

Investors (#) active by HQ in Chicago MSA



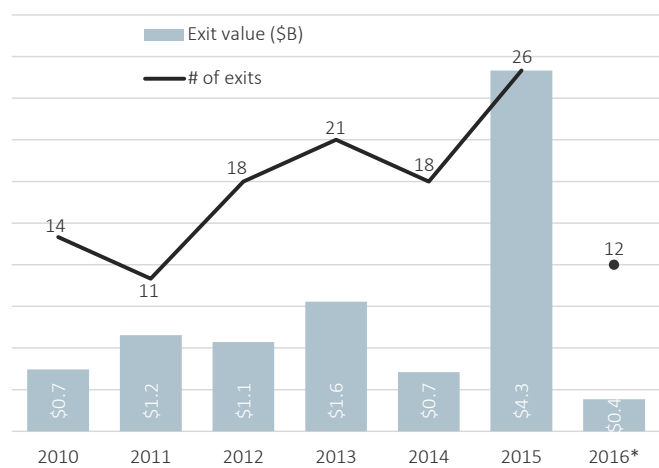
Source: PitchBook
*As of 6/30/2016

2015's most active investors by VC deals (#) in Chicago MSA

Pritzker Group Venture Capital	14
Hyde Park Angels	11
Chicago Ventures	9
Jumpstart Ventures	8
KGC Capital	7
OCA Ventures	6
Tribal Ventures	6
Hyde Park Venture Partners	6

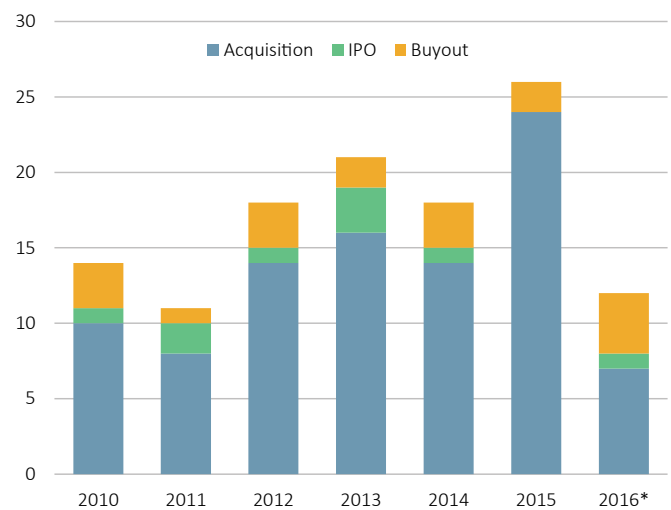
Source: PitchBook

A few huge deals skewed 2015 numbers Chicago MSA VC-backed exit activity



Source: PitchBook
*As of 6/30/2016

Chicago MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016

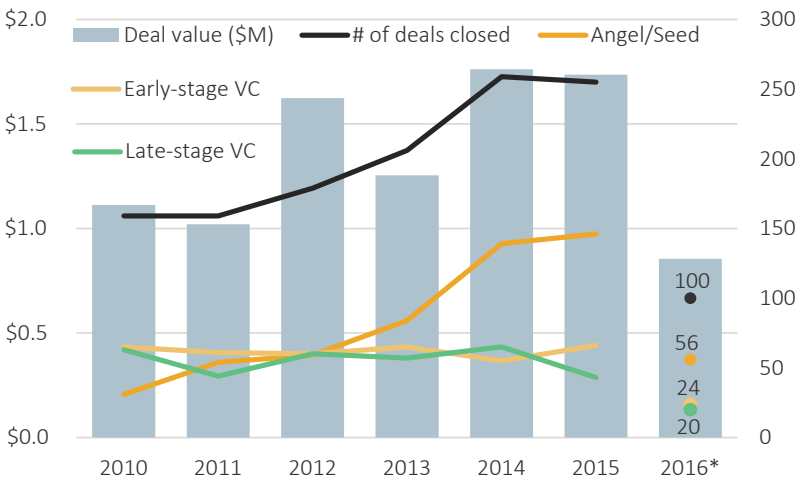


San Diego-Carlsbad-San Marcos

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
San Diego-Carlsbad-San Marcos	\$4.8 billion	\$1.5 billion	2	\$9.4 billion	1,317	\$8.7 billion

Source: PitchBook
*As of 6/30/2016

San Diego MSA VC activity



Source: PitchBook
*As of 6/30/2016

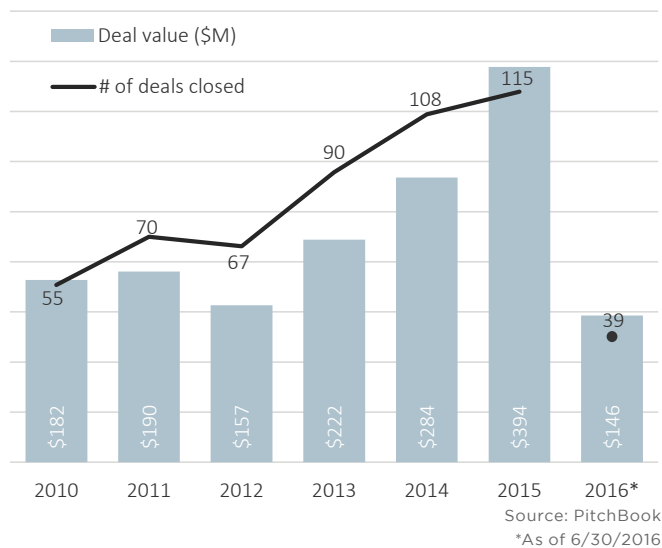
Select local Fortune 500 companies



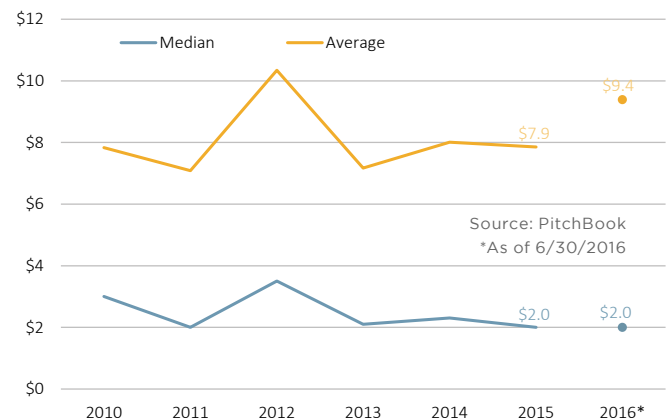
Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
AquaSpy®	Electronic equipment	\$10.5	100	Apsara Capital, Alpina Partners, Sandbox Industries
BioNano Genomics	Healthcare discovery tools	\$108.9	95	Legend Capital, Domain Associates

Last year saw a boom in first-time financings for SD

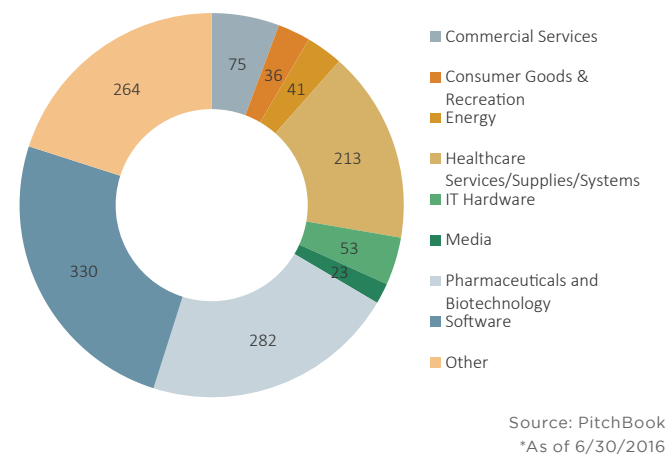
San Diego MSA first venture financings



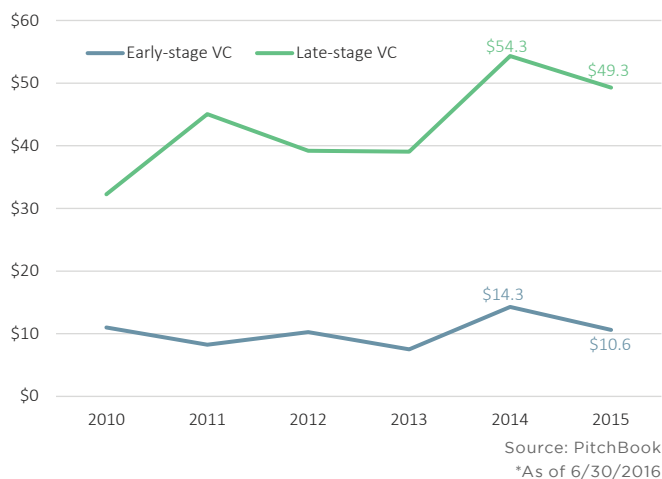
San Diego MSA median & average VC round size (\$M)



2010-2016* San Diego MSA VC activity (#) by sector



San Diego MSA median pre-money valuation (\$M) by stage



Select accelerators, incubators, & universities in San Diego MSA



San Diego-Carlsbad-San Marcos	Select statistics
Employment [†]	1.4 million
Change in employment ^{††}	2.3%
Median two-bedroom apartment rent, San Diego [^]	\$2,020
Change in rent price, San Diego [*]	3.0%
Office lease median rate, \$ per square foot per year [^]	\$36
Number of listings in the last 90 days [^]	846
Annual mean wage, computer & mathematical occupations ^{**}	\$92,460
Change in pay, full-time private industry employees ^{***}	3.1%

Sources: ApartmentList, BLS, PayScale, 42Floors
^{*}July 2015-July 2016, ^{**}May 2015, [^]July 2016
[†]May 2016, ^{††}May 2015-May 2016, ^{***}2Q 2016



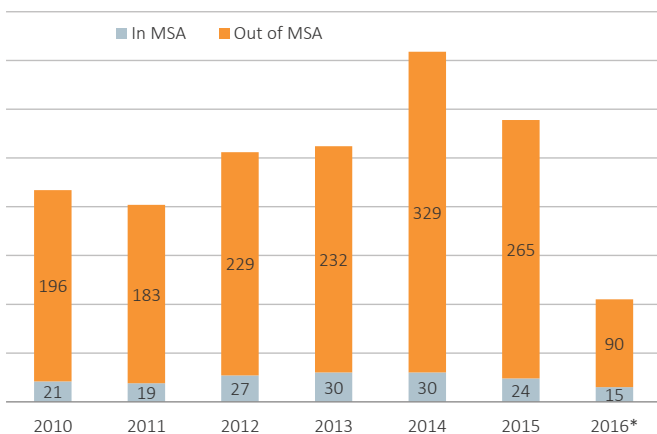
MEDIAN EMPLOYEE COUNT

Median employee # at startups in San Diego MSA by year of financing



Source: PitchBook
*As of 6/30/2016

In the past year and a half, outside investment has slid Investors (#) active by HQ in San Diego MSA



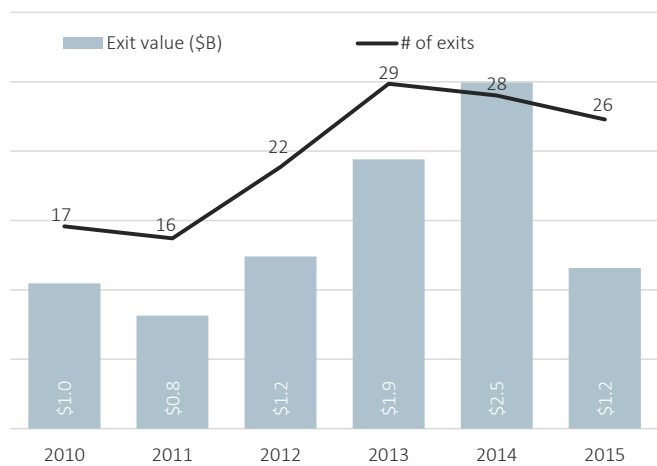
Source: PitchBook
*As of 6/30/2016

2015's most active investors by VC deals (#) in Austin MSA

Biobrit	10
Tech Coast Angels	8
Avalon Ventures	7
ARCH Venture Partners	4
Crosslink Capital	4
Vertical Venture Partners	4
Keshif Ventures	4
Correlation Ventures	4
Versant Ventures	4

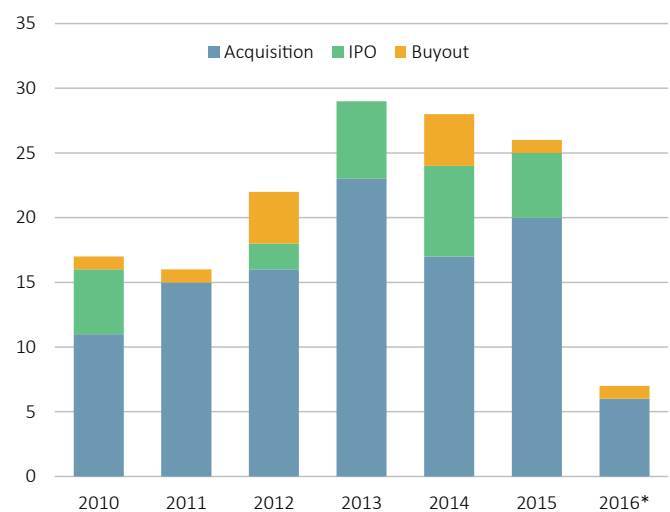
Source: PitchBook

San Diego MSA VC-backed exit activity



Source: PitchBook

San Diego MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016

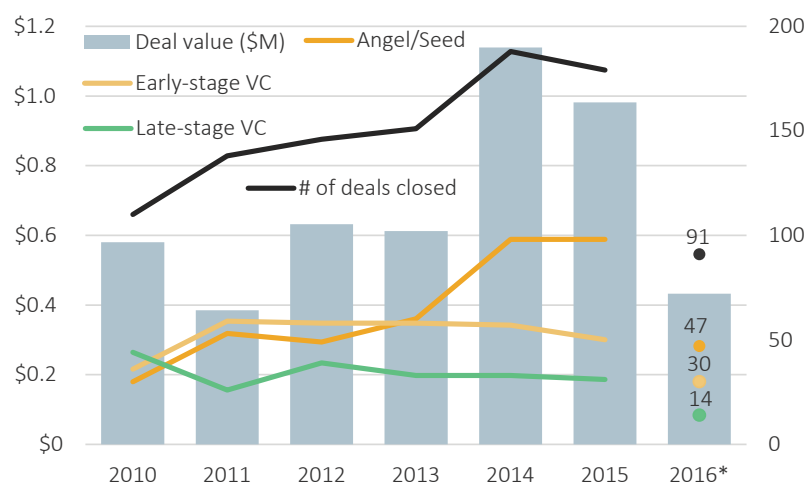


Philadelphia-Camden-Wilmington

MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Philadelphia-Camden-Wilmington	\$7.1 billion	\$3.0 billion	0	\$4.8 billion	1,003	\$5.4 billion

Source: PitchBook
*As of 6/30/2016

Philadelphia MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies



Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
ChargeltSpot	B2C electronics	\$4.7	100	Start Capital, Wharton Venture Initiation Program
ROAR	B2C electronics	\$0.9	100	Ben Franklin Technology Partners, Investors' Circle, DreamIt Ventures



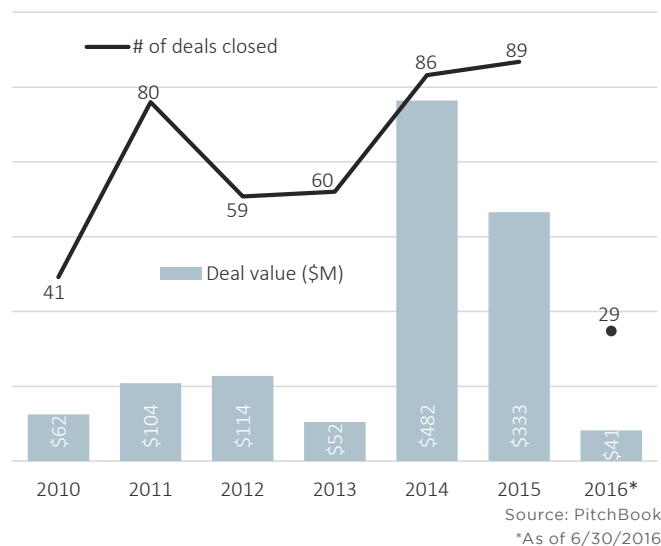
MEDIAN EMPLOYEE COUNT

Median employee # at startups in Philadelphia MSA by year of financing

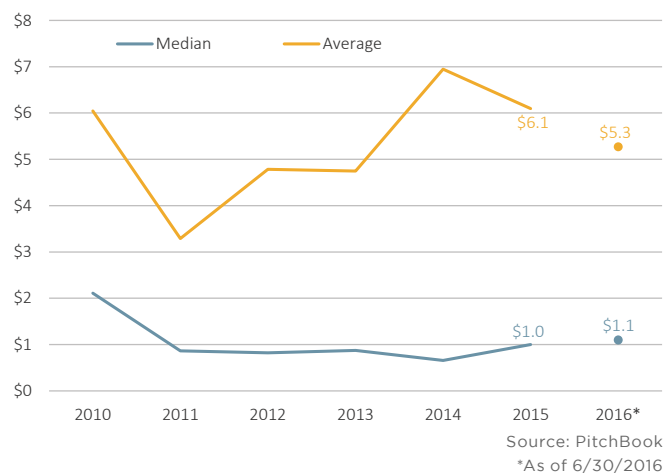


Source: PitchBook
*As of 6/30/2016

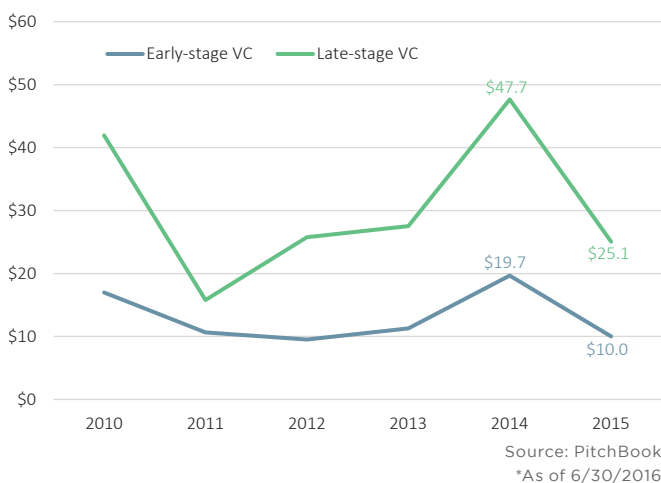
2016 is unlikely to match last year's peak Philadelphia MSA first venture financings



Round sizes are regressing to the mean Philadelphia MSA median & average VC round size (\$M)



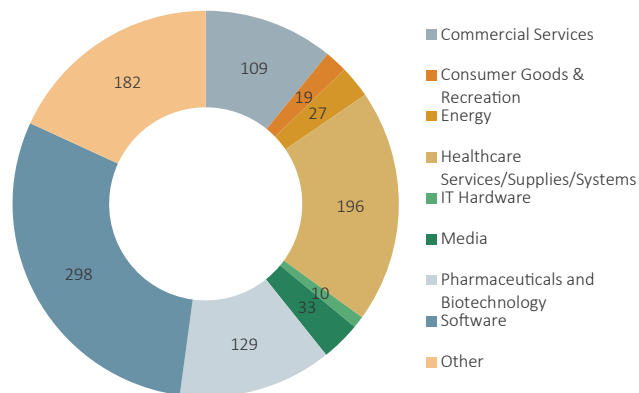
Philadelphia MSA median pre-money valuation (\$M) by stage



Philadelphia-Camden-Wilmington	Select statistics
Employment'	2.9 million
Change in employment''	2.1%
Median two-bedroom apartment rent, Philadelphia^	\$1,580
Change in rent price, Philadelphia*	2.0%
Office lease median rate, \$ per square foot per year^	\$30
Number of listings in the last 90 days^	297
Annual mean wage, computer & mathematical occupations**	\$86,620
Change in pay, full-time private industry employees***	1.5%

Sources: ApartmentList, BLS, PayScale, 42Floors
*July 2015-July 2016, **May 2015, ^July 2016
'May 2016, ''May 2015-May 2016, ***2Q 2016

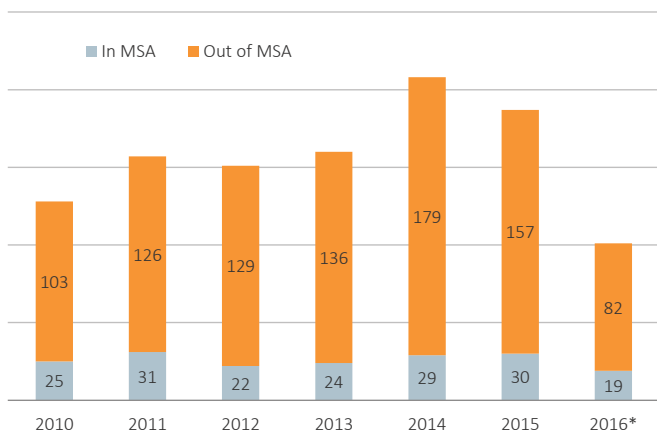
Philadelphia MSA VC activity (#) by sector



Source: PitchBook
*As of 6/30/2016

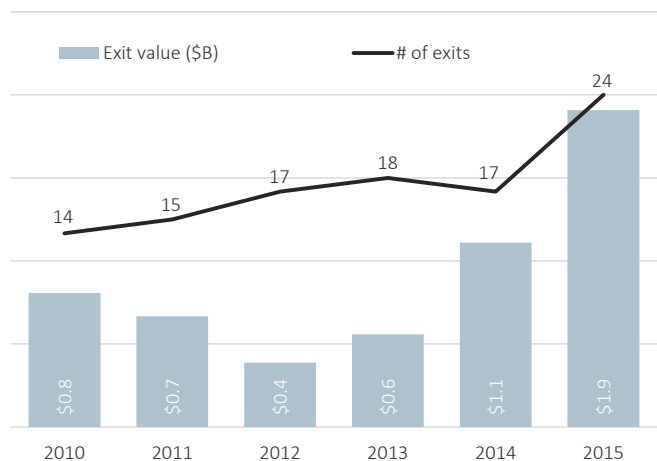
Philly is actually on pace to see even more outside investment interest in 2016

Investors (#) active by HQ in Philadelphia MSA



Source: PitchBook
*As of 6/30/2016

Philadelphia MSA VC-backed exit activity



Source: PitchBook

Select accelerators, incubators, & universities in Philadelphia MSA

MENTORTECH VENTURES



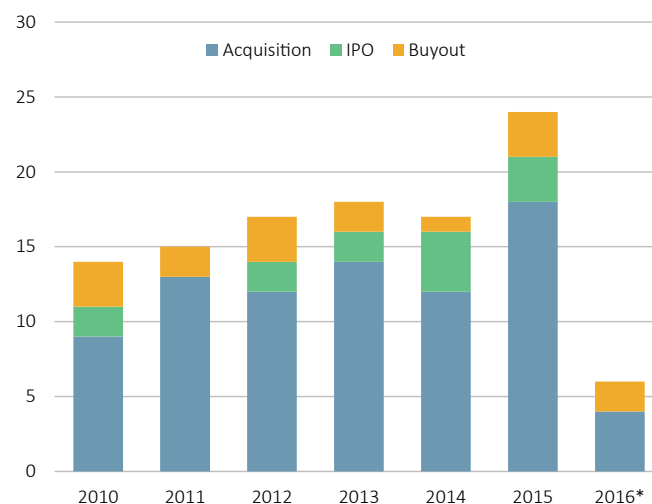
2015's most active investors by VC deals (#) in Philadelphia MSA

Ben Franklin Technology Partners of Southeastern Pennsylvania	33
Robin Hood Ventures	12
DreamIt Ventures	9
Osage Partners	5
Investors' Circle	5
Keiretsu Forum	4
Safeguard Scientifics	4
Wharton Venture Initiation Program	3

Source: PitchBook

M&A helped bump exit totals considerably last year

Philadelphia MSA VC-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016



Atlanta-Sandy Springs-Marietta

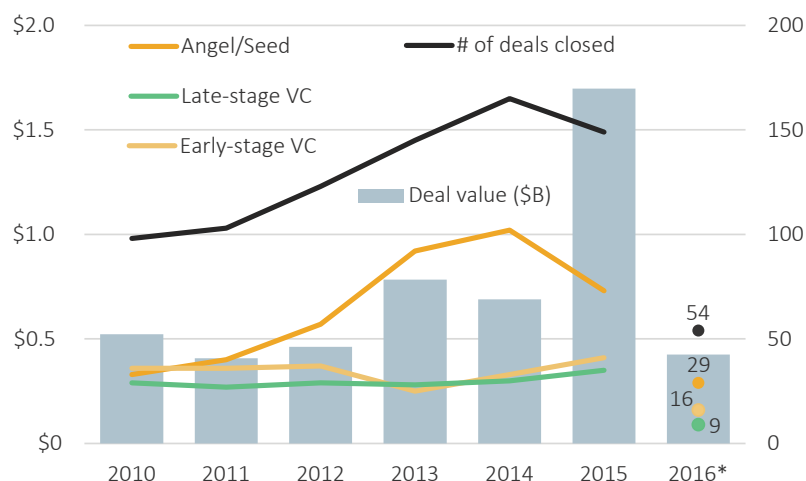
MSA	Total investor AUM	Total VC funds raised since 2006	# of current unicorns	Total VC invested since 2010	Total # of VC rounds since 2010	Total exit value since 2010
Atlanta-Sandy Springs-Marietta	\$6.1 billion	\$1.15 billion	1	\$5.0 billion	837	\$7.8 billion

Source: PitchBook
*As of 6/30/2016

Select accelerators, incubators, & universities in Atlanta MSA



Atlanta MSA VC activity



Source: PitchBook
*As of 6/30/2016

Select local Fortune 500 companies





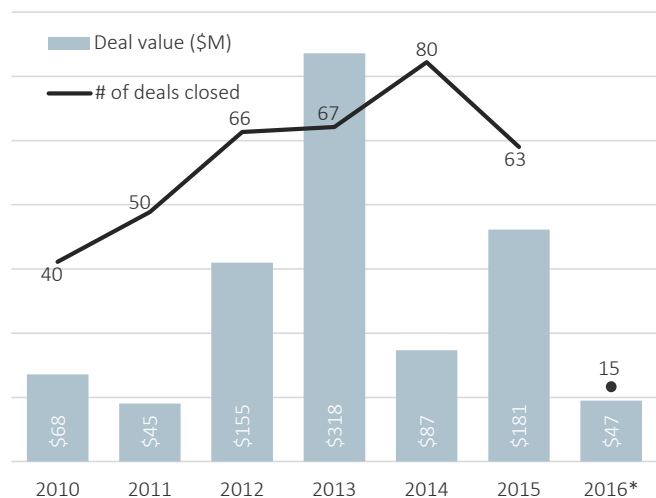
MEDIAN EMPLOYEE COUNT

Median employee # at startups in Atlanta MSA by year of financing



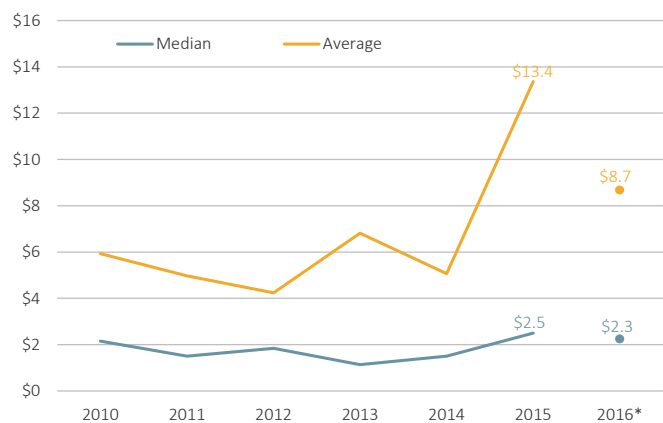
Source: PitchBook
*As of 6/30/2016

Since 2014, first-time startups have had diminishing luck in attracting VC
Atlanta MSA first venture financings



Source: PitchBook
*As of 6/30/2016

2015 experienced a serious spread in round sizes
Atlanta MSA median & average VC round size (\$M)

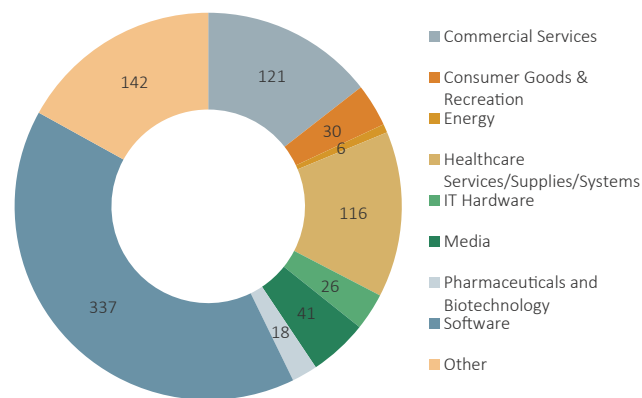


Source: PitchBook
*As of 6/30/2016

Atlanta-Sandy Springs-Marietta		Select statistics
Employment [†]		2.7 million
Change in employment ^{††}		3.0%
Median two-bedroom apartment rent, Atlanta [^]		\$1,650
Change in rent price, Atlanta [*]		4.6%
Office lease median rate, \$ per square foot per year [^]		\$36
Number of listings in the last 90 days [^]		448
Annual mean wage, computer & mathematical occupations ^{**}		\$83,580
Change in pay, full-time private industry employees ^{***}		2.4%

Sources: ApartmentList, BLS, PayScale, 42Floors
^{*}July 2015-July 2016, ^{**}May 2015, [^]July 2016
[†]May 2016, ^{††}May 2015-May 2016, ^{***}2Q 2016

Atlanta MSA VC activity (#) by sector

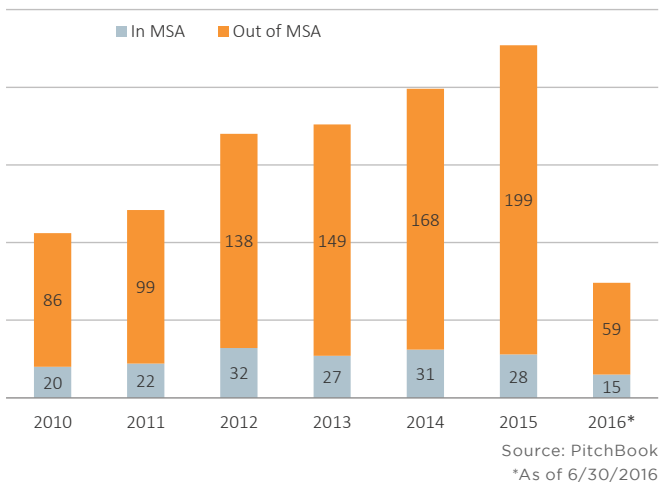


Source: PitchBook
*As of 6/30/2016

Select high-growth startup	Sector	Total VC raised to date (\$M)	Growth rate percentile	Select active investors
Allconnect	Real estate services	\$80.1	95	New Cycle Capital, Escalate Capital Partners, Maveron
pindrop security	Network mgmt software	\$122.5	100	Google Capital, GV, Andreessen Horowitz

Atlanta has attracted a steady stream of outside investors over the past few years

Investors (#) active by HQ in Atlanta MSA



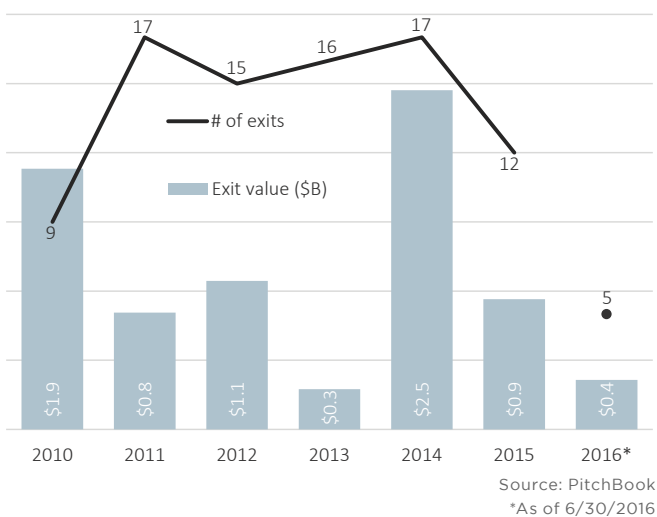
2015's most active investors by VC deals (#) in Atlanta MSA

BIP Capital	8
Mosley Ventures	7
Advanced Technology Development Center	5
Thomas Noonan	5
Southeast Investor Group	5
Atlanta Technology Angels	4
TechOperators	4
BLH Venture Partners	4
UPS Strategic Enterprise Fund	4
GV	3
Webb Investment Network	3
Tech Square Venture Partners	3
Alerion Ventures	3
Hallett Capital	3

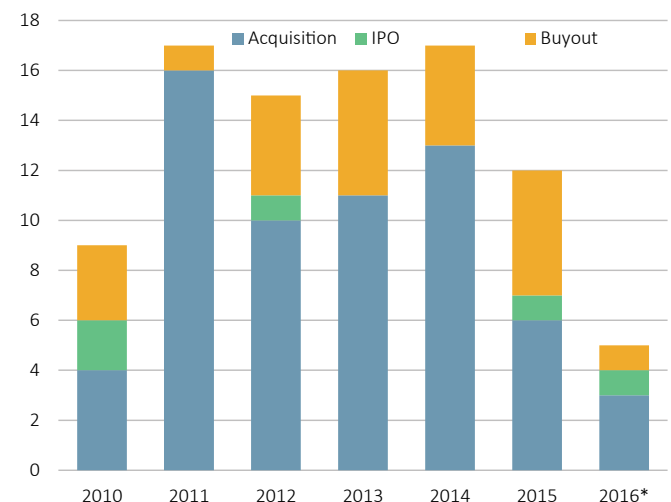
Source: PitchBook

Exits are down from a 2014 high

Atlanta MSA VC-backed exit activity



Atlanta MSA VC-backed exits (#) by type

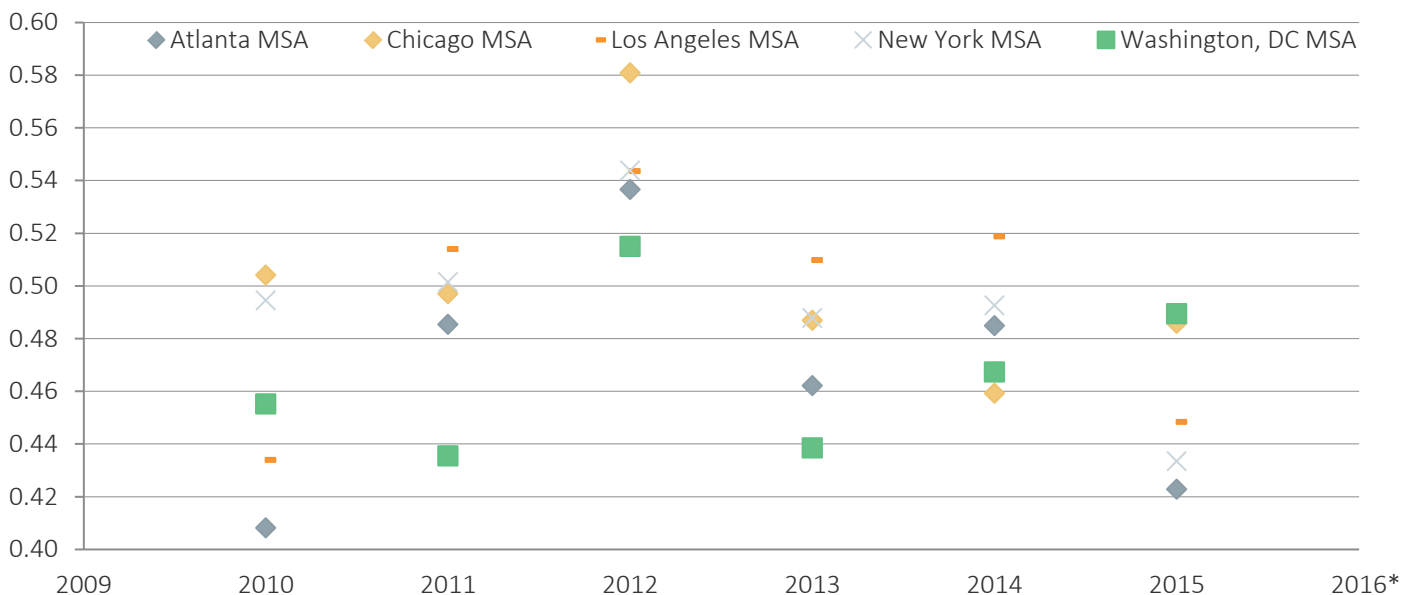


Source: PitchBook

*As of 6/30/2016

Sample use cases

First financings/overall deal activity by select MSA



Source: PitchBook
*As of 6/30/2016

The differences between the MSAs covered in this report could lead one to suppose that comparing and contrasting would be foolhardy. But as long as we employ similar metrics and bear in mind that any comparisons are rough approximations, not completely factual, then it can be useful to analyze certain MSAs. For example, to produce the chart above, we calculated the ratio of first venture financings of local startups to overall venture financing by year, thereby normalizing the figures. Then we removed the seven MSAs that had either highly variable or sub-0.40 ratios of first-time financings to overall VC activity.

As we already cautioned, we cannot draw conclusions with a high degree of confidence from this data. But we can certainly use them to inform what

we already know as well as reinforce existing hypotheses. The fact that every single MSA saw a sharp spike in that ratio in 2012 correlates strongly with the first significant stirrings of the venture boom of the past few years. Investors both domestic and foreign began funding fledgling businesses across such MSAs as Atlanta or Washington, DC—which may not normally be thought of as hotbeds of venture capital—at a rate that produced a significant uptick in the numerator of that ratio. Increases in capital committed to smaller funds as well as the development of angel syndicates and dedicated seed-stage firms doubtless contributed. Since we’ve seen that venture activity across every MSA in this report was quite healthy in 2012, which leads to the conclusion that it was first-

time financings that rose. This is an explanation after the fact, but the same analysis of more recent data suggests VC in LA, NY and ATL MSAs is flowing more across all financing stages, while first-time VC fundings have also slid. These are just a few of the conclusions that can be drawn from these datasets.

Delving deeper into the data, there are plenty more heuristics to generate. [A recent PitchBook piece](#) examining multiples on invested capital (MOIC) by US city illustrates one such way, but to remain focused on contextualizing our existing, broader knowledge of VC trends with specific datasets in this report, let’s examine how median financing sizes and employee counts are correlated. To keep things simple, we’ve broken out median employee

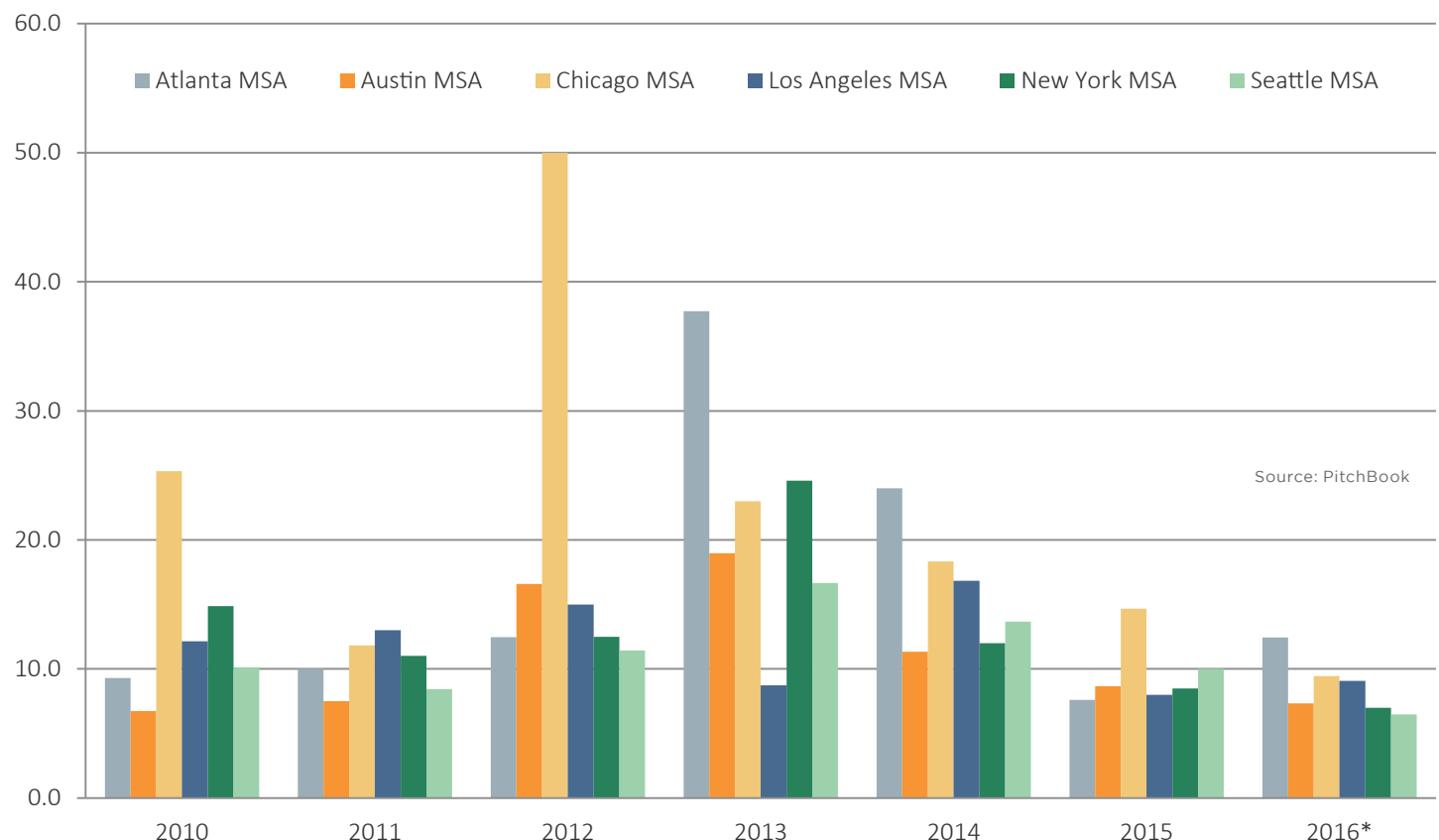
count by year over median financing size below by select top MSAs. As this ratio declined in recent years, it's clear that the typical financing within a given MSA grew larger in size or employee counts dwindled; in light of national venture trends, with median valuations & financing sizes rising by and large over the past few years, it's more reasonable to suppose that the former was the case. Looking at this aggregation and certain MSA-specific statistics from above is also instructive. Chicago MSA employee counts were skewed considerably in 2010 and 2012, with a median of 38 and 50, respectively, even though its median financing hovered around \$1 million in size. This disparity suggests that in those years there existed a population of mature Chicago-based companies, already boasting a considerable roster of employees,

that received venture financing. At the same time, most startups garnering VC backing in the Chicago MSA during those years were still pulling in smaller sums—they still are, as a matter of fact, with the median financing in 1H 2016 at \$1.8 million. We must also bear in mind that living costs, which certainly factor into startup run rates when it comes to matters of payroll, also tend to be lower in Chicago MSA than, say, San Francisco. In addition, the fact that certain key costs for starting up a business have plummeted over the past several years, given the rise in outsourcing or crowdsourcing basic duties and infrastructure.

The number of variables and their interactions that must be considered are complex, but as mentioned previously, these datasets will hopefully serve as a starting point for

many avenues of analysis, whether on your own or in subsequent installments of this US Venture Ecosystem series. On the next page we sketch out various other comparisons between select regional numbers, along with commentary, to further enrich your lines of reasoning.

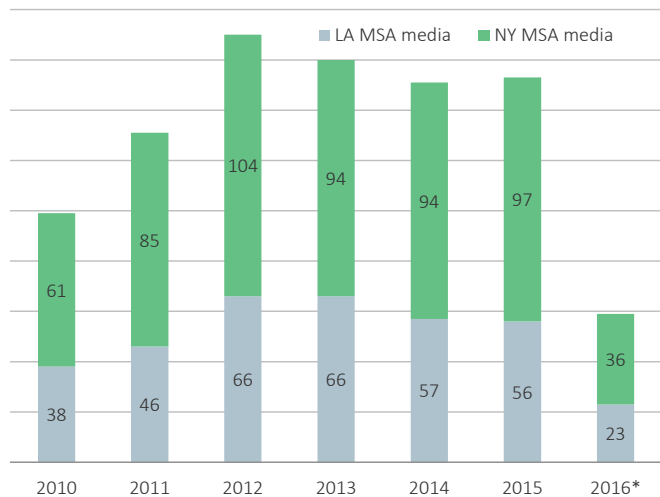
Median employee count/median financing size by select MSA



Source: PitchBook

New York media has typically outpaced LA in drawing interest from investors

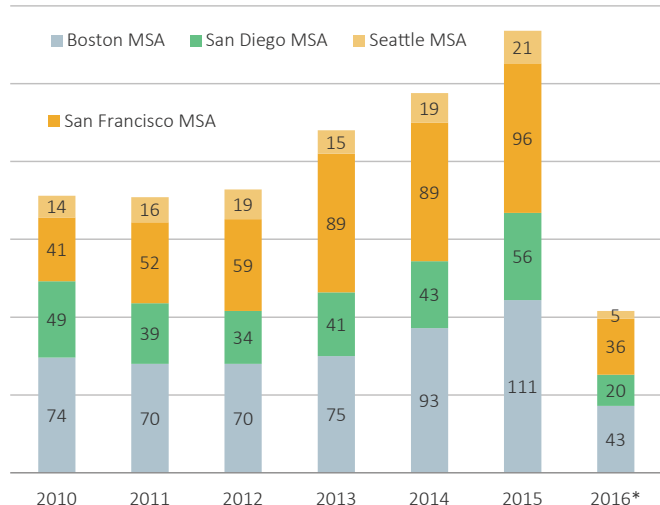
VC activity (#) in media



Source: PitchBook
*As of 6/30/2016

When it comes to a research-intensive, often expensive field such as pharma & biotech, the confluence of traditional VC and a nexus of vaunted research universities is hard to beat

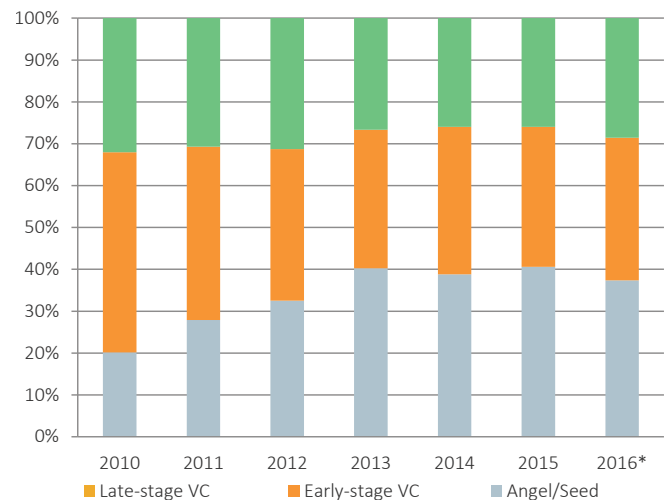
Pharma & biotech VC activity breakdown



Source: PitchBook
*As of 6/30/2016

Interestingly, of all MSAs that have over 1,000 total late-stage rounds since 2010, Boston has the most equitable breakdown between stages by count

Boston MSA VC activity (#) by stage



Source: PitchBook
*As of 6/30/2016

Los Angeles has a whopping 6.9x disparity between its average and median VC financing sizes for the first half of the year

Spread between avg. & median round sizes by MSA

MSA	Average financing size/median financing size in 1H 2016
Atlanta	3.9
Austin	3.0
Boston	3.9
Chicago	4.0
Los Angeles	6.9
New York	3.2
Philadelphia	4.8
San Diego	4.7
San Francisco	4.6
San Jose	2.4
Seattle	2.7
Washington, DC	2.6

Source: PitchBook

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