PitchBook

U.S. Venture Industry
REPORT

2Q 2016

SPONSORED BY

Deloitte.

CITY NATIONAL BANK
The way up.

Deloitte.

Get ready to be big.

Going public is a unique moment in a company's life. So, too, is its first formal audit. Deloitte's Emerging Growth Company team leverages deep public company audit experience to provide audits that deliver the outside-in perspective investors demand as well as operational insight for company leaders to consider. At Deloitte, audit is more than an obligation. It's an opportunity that can help companies and investors as they pursue high performance.

Learn more about our Emerging Growth Company Practice at **deloitte.com/us/egc.**

Audit | Tax | Consulting | Advisory

Audit

Copyright © 2016 Deloitte Development LLC. All rights reserved.

PitchBook

SPONSORED BY Deloitte.

CO-SPONSORED BY City National Bank The way up.

Contents

Venture Industry
REPORT

Credits & Contact

PitchBook Data, Inc.

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

Content

GARRETT JAMES BLACK Senior Analyst
BRIAN LEE Senior Analyst
JENNIFER SAM Senior Graphic Designer

Contact PitchBook

pitchbook.com

RESEARCH
reports@pitchbook.com

EDITORIAL
editorial@pitchbook.com

SALES
sales@pitchbook.com

COPYRIGHT © 2016 by PitchBook Data, Inc. All rights reserved. No part of this publication may be reproduced in any form or by any means—graphic, electronic, or mechanical, including photocopying, recording, taping, and information storage and retrieval systems—without the express written permission of PitchBook Data, Inc. Contents are based on information from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. Nothing herein should be construed as any past, current or future recommendation to buy or sell any security or an offer to sell, or a solicitation of an offer to buy any security. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon as such or used in substitution for the exercise of independent judgment.

The U.S. venture environment remains subdued

Introduction

To an analyst of venture capital, the past few years are a rich trove of novel developments ripe for inquiry. The global backdrop of persistently low or slowing economic growth as well as unprecedented monetary policies dictating financial markets has burnished the relative appeal of private equity, including venture capital. As technology further revolutionizes every industry, whether quickly or slowly, the allure of outperformance has never shone brighter. Hence the familiar narrative of many late-stage private companies still raking in large amounts of capital and financings in what seems to be the new status quo. That's on top of valuations remaining inflated by historical standards, even as overall VC activity falls yet again on a quarterly basis, albeit a little less steeply than before. It's not that investors are still foolishly pumping up a bubble, but rather that there is an overabundance of capital to be allocated to worthwhile opportunities. At the same time, venture capitalists and nontraditional VCs are well aware they need to exert and dictate more discipline in the event of a global slowdown.

This confluence inevitably has resulted in a cooling of investment frequency but not funding size, as capital is increasingly concentrated in maturer companies. Simply put, having already entered the high-risk, high-reward field of VC, investors are willing to tolerate greater levels of illiquidity risk, as long as it's within a certain timeframe. The question that then ensues is that of where the tipping point for illiquidity risk is, as well as the liquidity prospects of the existing crop of late-stage, heavily funded companies.

We hope the analysis and datasets within this report prove useful as you conduct your business over the coming quarter. If you have any questions or comments, don't hesitate to let us know at reports@pitchbook.com.

GARRETT JAMES BLACK
Senior Analyst

PitchBook

The data you need to be **a better VC investor**

The PitchBook Platform for venture capital

- Know everything that happens in the venture space
- Make smarter investments
- Find LPs & raise funds faster
- Elevate your firm with kick-ass technology

With data on:
Companies
Investors
Deals
M&A
Limited partners
Funds
Financials
Advisors
People

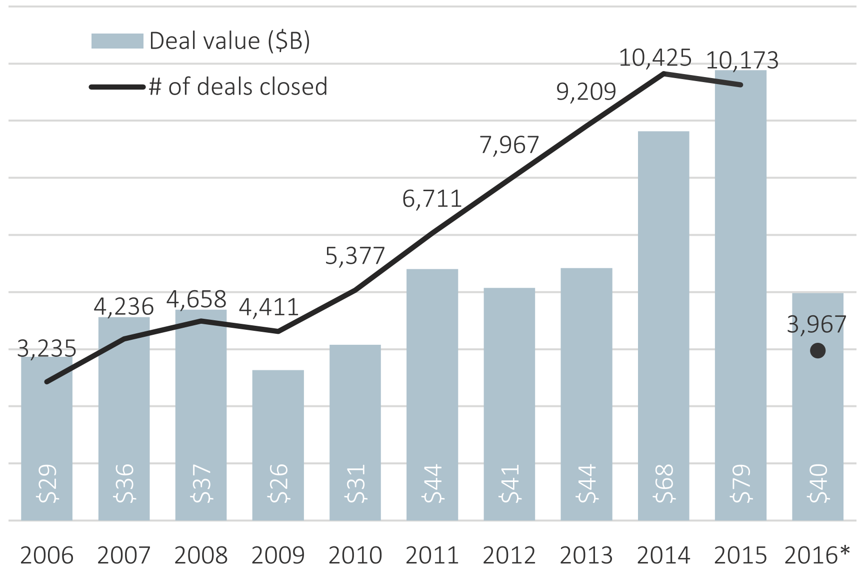
Request a free trial
demo@pitchbook.com
+1 206.623.1986
pitchbook.com

Broadly, trends remain the same

Overview

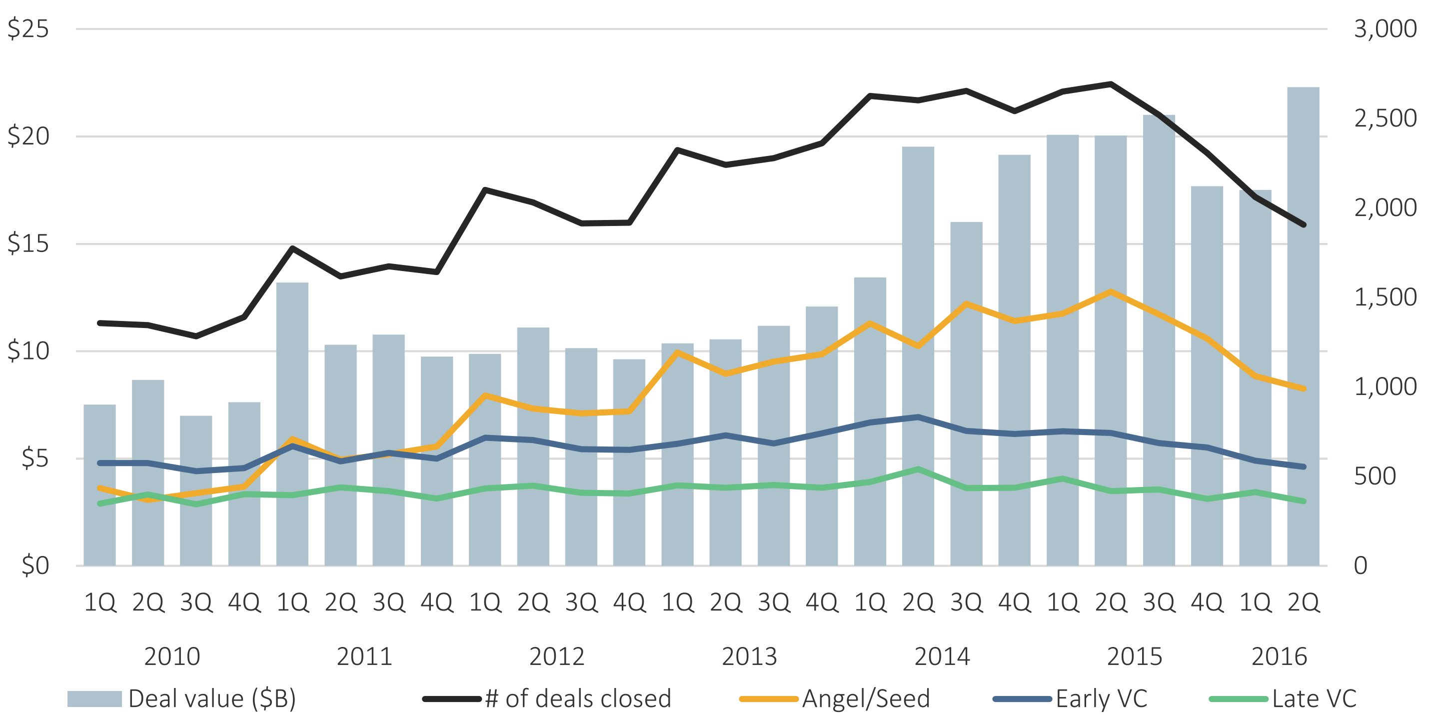
Having concluded the first half of 2016, the primary narratives driving the venture industry have not changed. If anything, the key storyline of mature, late-stage companies—either full-fledged unicorns or their slightly lower-valued counterparts—staying private and continuing to amass substantial sums has intensified. They are the reason, after all, that the second quarter of 2016 saw a sum invested that approaches what can safely be called ludicrous: $22.3 billion. Even if the quarterly total of round counts inches up in the weeks to come as more data is gathered, there has been a clear deceleration in venture financings that we anticipate to plateau, in accompaniment of that immense number. In conjunction, both illustrate that many investors never

Midway through the year, capital invested is on pace to match last year
U.S. VC activity



Source: PitchBook
*As of 6/30/2016

Thanks to mega-rounds, 2Q saw a staggering $22.3B invested in total
U.S. VC activity

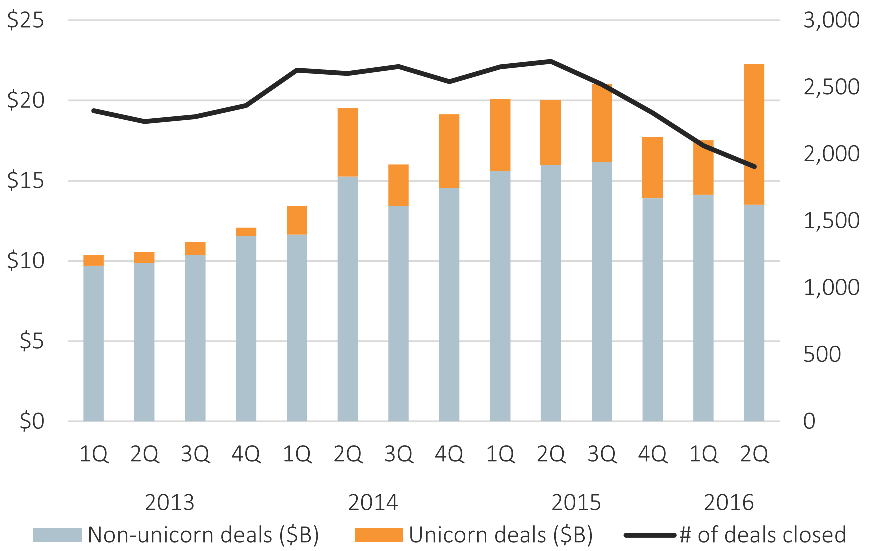


Source: PitchBook. Note: Uber's mammoth financings in the first half of 2016 were collated into one super round in 2Q 2016 according to PitchBook methodology.

truly bought into the exaggerated hype of a venture capital bubble, but rather they're well aware that overexuberance occurred and consequently have begun dialing back. It's not just the traditional VCs, of course, but also hedge and mutual funds that have pulled back, although their place has been taken by other, similarly nontraditional VC investors. But both nontraditional and traditional investors are hedging somewhat, even if by doubling down on unicorns. The extent of not only company age but also dollar sums that are now in play call into question whether such financings should even be considered in tandem with late-stage venture. Although their advent has changed the entire late-stage conversation, the fact remains that since many VCs still back unicorns, their eventual fate is crucial. On one hand, Twilio's IPO is a somewhat promising sign for not just unicorns but other mature VC-backed companies, but on the other, Zenefits' troubles illustrate all too well the difficulties many prominent unicorns not in the class of Uber and Airbnb face—and, consequently, their investors face. That story is still ongoing, its conclusion indefinite. What is definitive is the steady decline in overall VC activity, even if dollar amounts remain stubbornly high. VCs are still—more cautiously—hunting for good opportunities to put their abundant capital to work, while tourist VCs are still backing what they consider to be clear winners in certain verticals. The second half of 2016 will witness potential resolution of liquidity challenges for some late-stage companies via tech M&A or a return to public markets, but the consequences of capital abundance will continue to be felt, as investors still have plenty of capital and a mandate to back worthwhile companies.

Winners take all: Since 2014, unicorns have been responsible for much of the surge in VC invested, with Uber's billions in 1H 2016 the standout

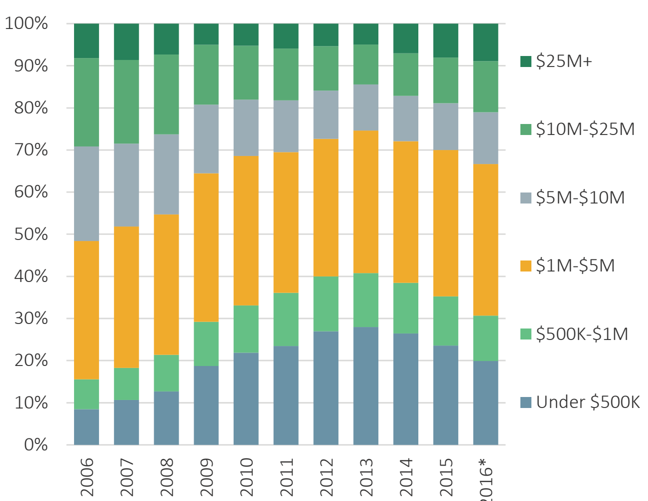
U.S. VC activity by financings of unicorns



Source: PitchBook

A flight to quality is still boosting the proportion of large financings

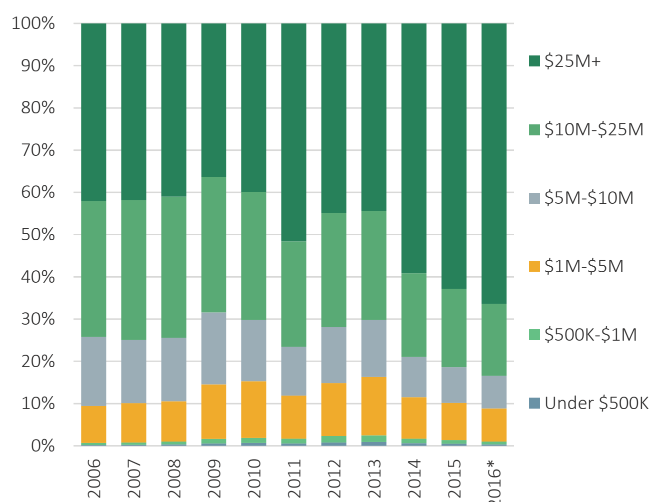
U.S. VC activity (#) by round size



Source: PitchBook
*As of 6/30/2016

Focus on maturer cos. evidenced by $25M+ financings accounting for over 66% of all VC invested in 1H

U.S. VC activity ($B) by round size



Source: PitchBook
*As of 6/30/2016

“City National helped us double our sales.”

Over 200 million Smule music applications have been installed on devices across the world. We’re growing at a pretty rapid rate, and with the support of City National Bank we have more than doubled in sales. City National has been incredibly flexible in helping us put together a financing structure that has allowed us to continue executing on our business plan…and actually accelerate it.

City National is *The way up*® for Smule.

Jeffrey Smith
CEO, Smule

Hear Jeffrey’s complete story at
Findyourwayup.com/TechSolutions

Find your way up.℠

Contact
Rod Werner
Senior Vice President, Managing Director
(888) 403-1906

CITY NATIONAL BANK
The way up.®

©2016 City National Bank

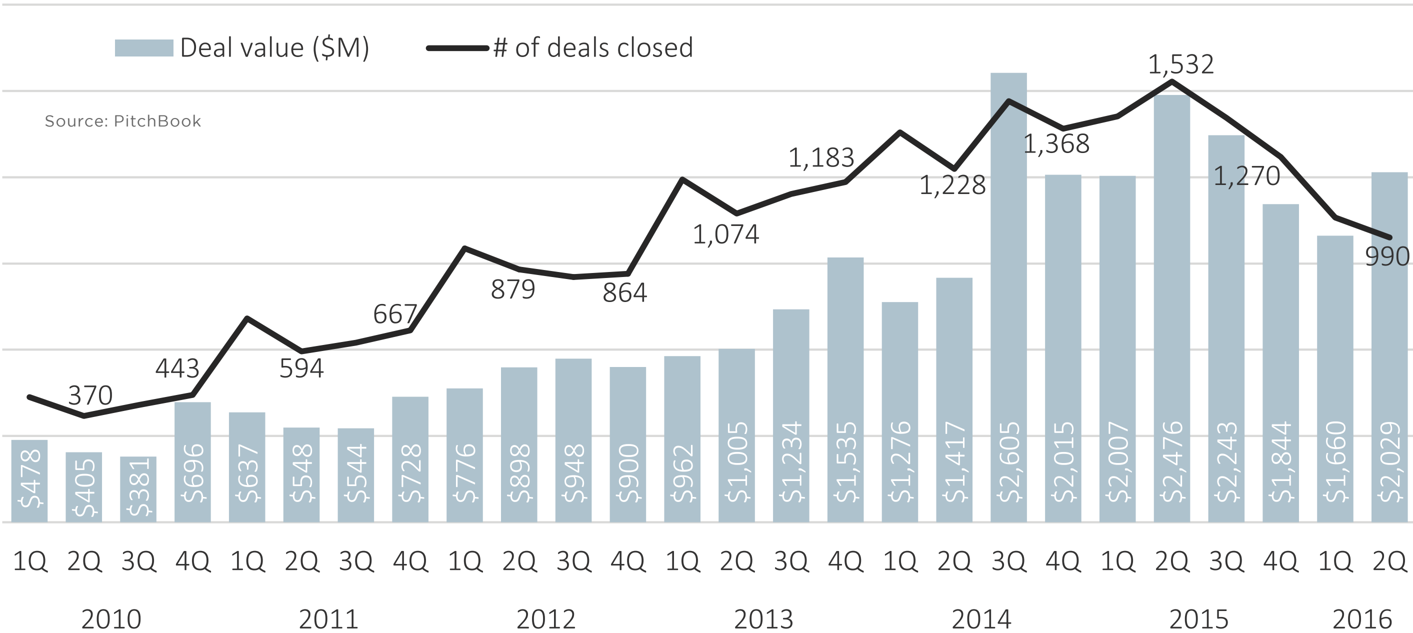
CNB MEMBER FDIC

Activity descending to 2012 levels by count

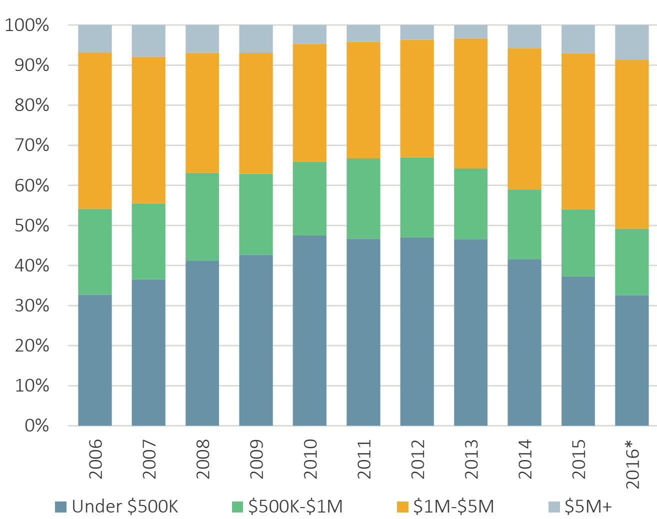
U.S. angel & seed activity

The angel & seed environment has grown increasingly sophisticated. Apart from novel methods of assembling and dispersing pools of capital such as angel syndicates, crowdfunding and more, the profound effects of the influx of capital at the late stage still continue to reverberate at even the earliest stages. For example, even though quarterly activity fell yet again between 1Q and 2Q 2016, the fact over $2 billion was invested across 990 rounds indicates that many angel & seed investors still have plenty of money on hand, they are just increasingly selective about where they put it. In broader context, high net-worth individuals' portfolios are facing considerable volatility currently, so many are recalibrating their risk tolerance. The softening decline in the number of angel & seed rounds implies a pending plateau at a lower level, as dedicated seed-stage firms still have capital to spend and angel investors will still seek some exposure to venture. Round size inflation may be mild relative to the multimillions of dollars sloshing around the late stage, but it still persists among angels and seed-stage firms, and will continue until a substantive macroeconomic or financial shock or drought of liquidity occurs.

U.S. angel & seed activity

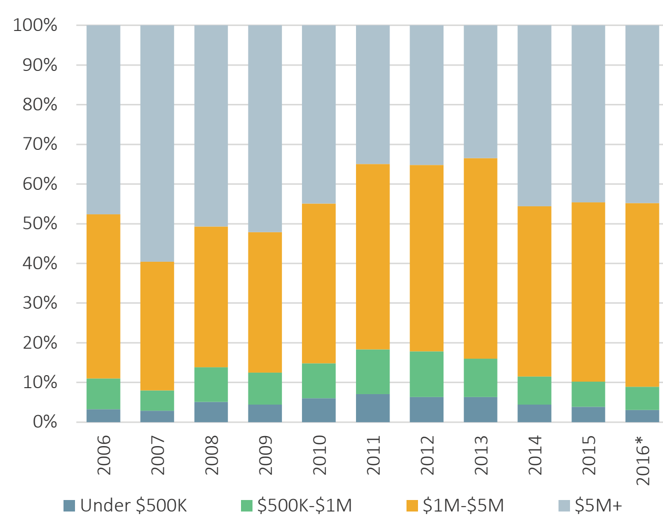


U.S. angel & seed activity (#) by round size



Source: PitchBook
*As of 6/30/2016

U.S. angel & seed activity ($M) by round size



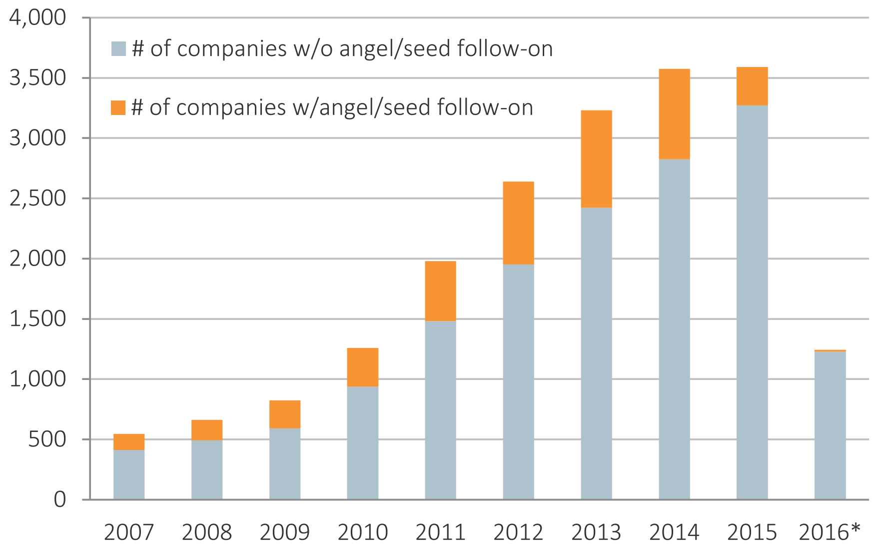
Source: PitchBook
*As of 6/30/2016

Is there a Series A crunch?

Follow-on venture rounds at the early stage

Until last year, more and more companies received additional angel/seed follow-on financings

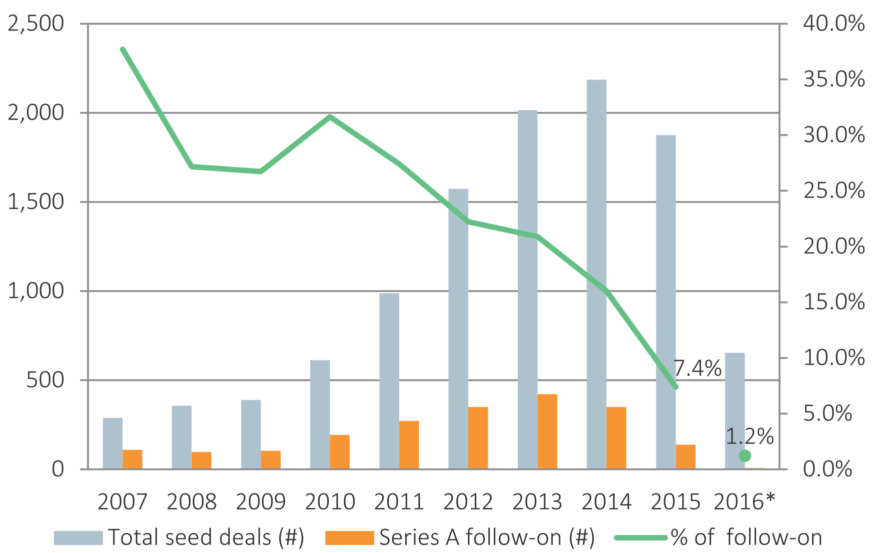
U.S. companies (#) with angel/seed follow-ons by first investment year



Source: PitchBook
*As of 6/30/2016

Series A follow-ons did not increase in proportion to a surge in seeds, though recency should be taken into account

U.S. seed rounds (#) with Series A follow-on investments



Source: PitchBook

One of the more important shocks to consider is the potential for a crunch of capital at the early stage, particularly between seed and Series A financings. Is it actually happening, however? First, the background must be established. The venture boom contributed to an increasingly competitive early-stage funding environment for both investors and founders. From an investor's supply perspective, the impact of cloud hosting among other cheap, scalable technologies and former employees of successful venture-backed companies founding their own startups led to a bumper crop of opportunities for investors, as well as intense competition for funding. This led to the formation of angel syndicates and dedicated seed-stage funds such as NextView Ventures, with many jockeying to position themselves as the first institutional investors. As long as plenty of capital kept flowing into the coffers of VC funds and liquidity prospects remained bright, the variety of sources of financing led to nearly linear growth in angel/seed rounds up until 2014 and 2015, when an elevated plateau was reached. Swelling in round sizes and valuations inevitably ensued, with lines blurred between what was traditionally a seed or a Series A.

At the same time, an increasing number of companies began garnering angel/seed follow-on financings, as they required additional capital to reach milestones and the seed environment bifurcated into pre-seed and seed and grew in sophistication. Given the inflation in median angel/seed financing sizes, investors began doling out capital in more tranches, tying infusions of cash to achievement of certain metrics. Meanwhile, more companies also graduated to Series A follow-ons, but not nearly in a number proportionate to the swell in seed funding.

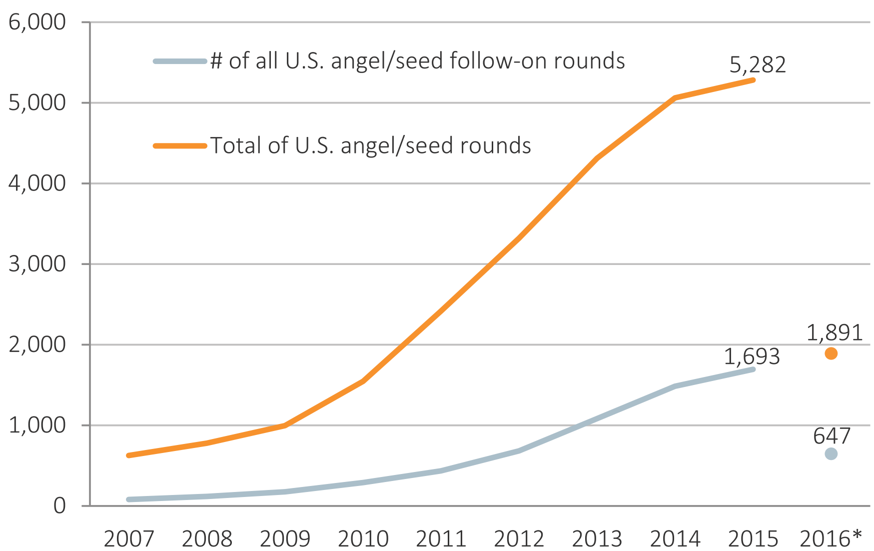
As the venture boom began losing steam amid overheated valuations, moreover, VCs and angels still retained plenty of capital looking to be put to work. Accordingly, the competitive challenge in a cautious market is backing the best teams with increasingly efficient albeit meaningfully bespoke capital injections. That way, investors hope to usher portfolio companies along a steadier path in these trying times. Even at the seed stage, investors expect startups to display metrics exhibiting good product-market fit—among others—that previously were reserved for those looking to raise a Series A, while also customizing to founders' specific abilities and needs.

A potential problem is that follow-on financings can be viewed as a sign of strength in VC firms' portfolios but also can lead to a downward spiral of more money chasing bad deals. Particularly since much of the low-hanging fruit in certain sectors such as consumer software is now gone, being capital efficient in such areas no longer means as much. In other, more capital-intensive sectors such as hardware, those advantages still play a role but not nearly as significantly.

What all this entails is that angel/seed activity will continue to moderate into a plateau at best or further diminish as investors remain cautious. In the meantime, micro-funds will likely consolidate or wash out given lackluster performance. Meanwhile, the barriers to Series A or significant institutional funding will remain quite high, given the sheer crop of opportunities still available. The funnel of money at early stages has narrowed and is narrowing in that semi-nebulous area between seed and Series A. Consequently, the angel/pre-seed/seed environment will remain fragmented, with many follow-ons within that arena, and relatively fewer Series As on a historical basis. And so, there will be a contraction, if not an outright crunch.

In the first half of 2016, the proportionate decrease in angel/seed follow-ons has been smaller

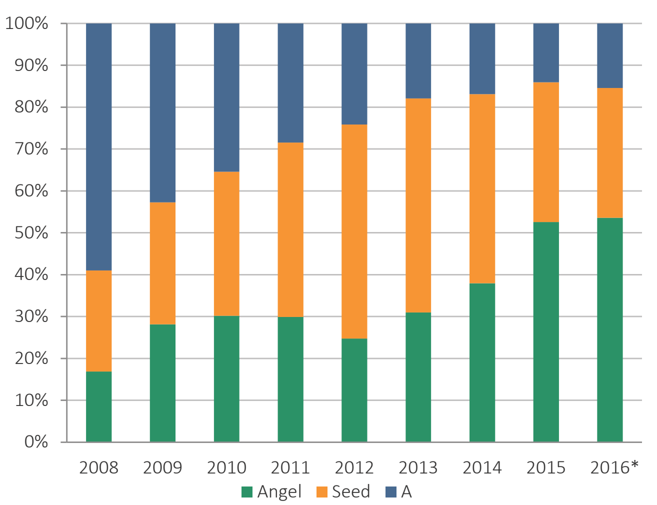
Angel/seed rounds & all angel/seed follow-ons in U.S.



Source: PitchBook
*As of 6/30/2016

Angels' increasing importance is clear

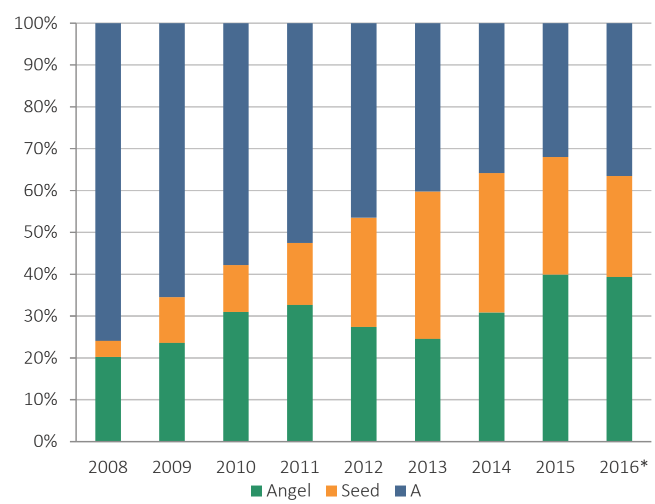
U.S. first VC rounds (#) by series



Source: PitchBook
*As of 6/30/2016

Follow-on seeds became increasingly prevalent

U.S. first follow-on VC rounds (#) by series



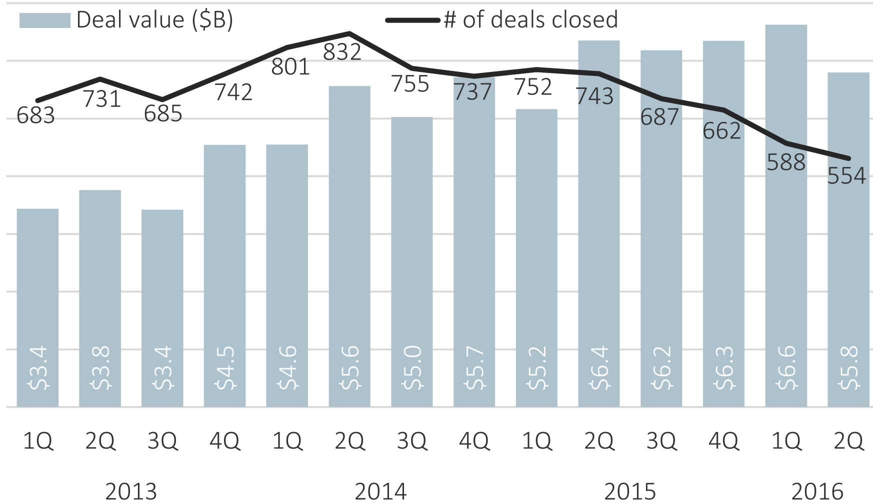
Source: PitchBook
*As of 6/30/2016

The new normal?

U.S. early & late-stage VC activity

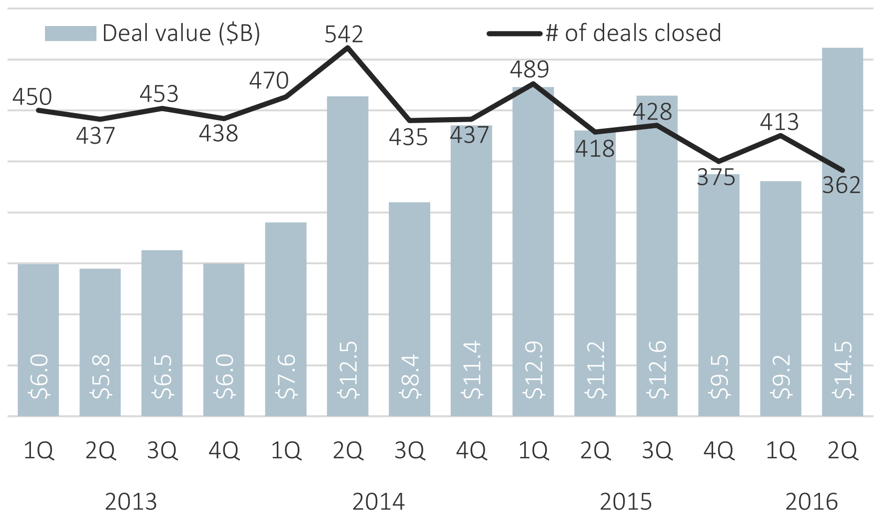
The totals of U.S. venture activity in 2Q illustrate clearly that the so-called venture capital bubble is not so much popping as slowly deflating. At the late stage, a handful of highly successful companies continue to rake in giant sums that blur the line between VC and growth investment in exchange for minority stakes. Earlier in the investment lifecycle, meanwhile, fewer and fewer companies are getting funded, yet as capital remains abundant, those that can demonstrate robust metrics are still able to command fundings of hefty size. This trend will continue until such large financings either fail to result in adequate gains. Alternately, they may continue to garner funds and thereby help prolong the venture investment cycle into this new normal of fewer yet historically large venture rounds. With flagship VC firms moving further down the capital stack in terms of company age and mid-range VC fund managers competing at the post-traction phase, there is surely no shortage of capital, although caution will continue to depress the level of activity.

U.S. early-stage VC activity



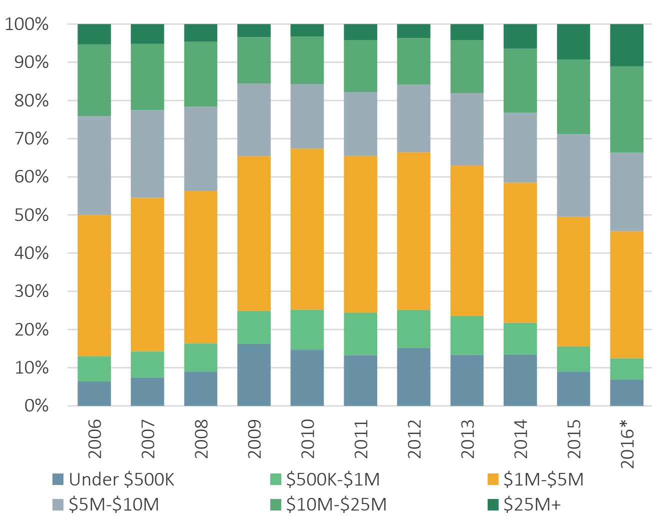
Source: PitchBook

U.S. late-stage VC activity



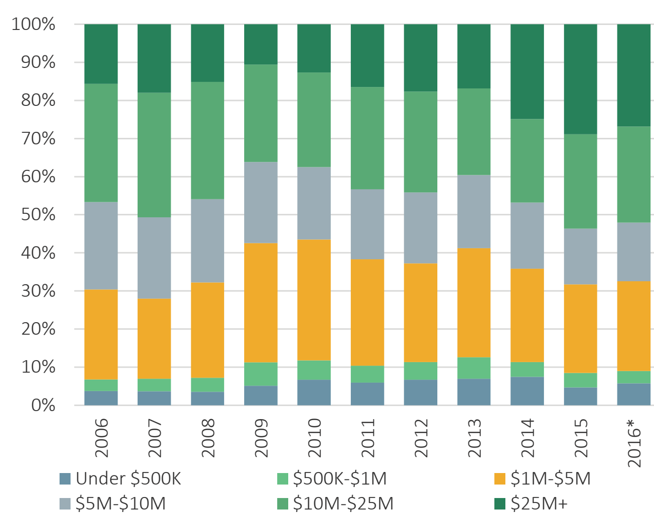
Source: PitchBook

U.S. early-stage VC activity (#) by round size

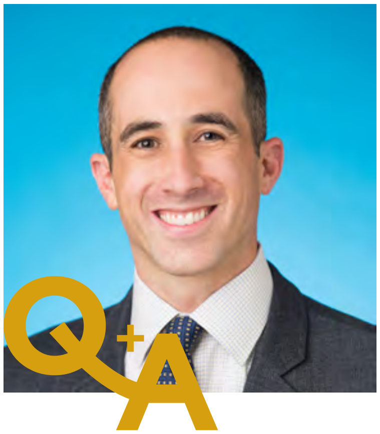


Source: PitchBook
*As of 6/30/2016

U.S. late-stage VC activity (#) by round size



Source: PitchBook
*As of 6/30/2016



Robin Gill

Senior Vice President,
New York Market Manager,
Technology Banking
City National Bank

Robin Gill manages the New York office of City National Bank's Technology and Venture Capital Banking team. The team, with offices in Palo Alto, San Francisco, Santa Monica and Boston, provides banking and lending services to companies ranging from pre-revenue, venture-backed startups, to later-stage and profitable technology companies. For more than a decade, Robin has worked closely with a number of the top fast-growing companies in New York, Boston and Silicon Valley, providing them with a wide array of credit, banking and investment solutions. He is a Bay Area native with significant expertise in serving technology companies and is committed to adding value and leveraging his network to help entrepreneurs be successful.

Technology deal volume dropped significantly in the second quarter, with a larger downward trend over the past 15 months. How has that been reflected in your experience so far this year?

The funding environment has definitely shifted. The volatility of public markets, combined with technology market sentiment, means that valuations are down and equity funding rounds are taking a lot longer to close. Also, investors are being more diligent about their investments. And we are seeing a lot of inside rounds, where current investors are focusing their efforts on existing portfolio companies.

Have there been any changes in what City National Bank's clients are looking for, in terms of company fundraising expectations?

The "grow at all cost" mentality is gone and while companies continue to strive for growth they are more focused on maintaining efficient burn rates. Many of the conversations regarding size of an equity round have revolved around ensuring the company has sufficient cash to get to profitability without any reliance on future equity. While we continue to see companies able to raise capital, the bar is higher and the valuations are often lower.

You started your career in the Bay Area. How long have you been in New York City and how has the market changed in that time?

I moved to New York in 2010. In the past six years, the technology market in the city has grown at an extremely fast clip. I've had the benefit of working with some of the most exciting high growth companies that are becoming fixtures in our New York community. I've seen growth among native New York entrepreneurs as well as among transplants like me, who moved here specifically to be part of this exciting time.

How has activity in New York shaped up so far this year, relative to what other City National offices are seeing?

In 1Q, New York was the only major regional market that remained steady in terms of the number of companies being funded, with 225 relative to 219 in 4Q 2015. We continue to see the market remain healthy and a lot of good companies get funded. The City National brand is getting stronger in this region too, so personally we are seeing more activity than ever before.

Does your activity in New York differ substantively from what other City National offices do?

The evolution of the New York technology market is still in its early days, as compared to Boston or the San Francisco Bay Area. The market continues to expand and there are more later-stage companies than we had in the past. A few successful IPOs would help to affirm New York's status as a top U.S. tech market.

Additionally, here in New York with City National Bank we have the benefit of our entertainment practice, which has established an extremely strong brand in this city. There are many overlaps between technology and entertainment companies these days and that gives us a significant advantage over other banks.

Our other strength is private banking. We are seeing savvy entrepreneurs use this time to make sure that their personal investments are structured in an optimum way. Even for companies still in the early stages, founders need help establishing efficient tax and trust strategies to minimize future obligations.

On a sector basis, how does your approach in transactions differ between, say, helping provide a certain amount of debt in a late-stage financing to a SaaS company as opposed to a hardware business, particularly in the current venture environment?

We are focused on working with the top companies backed by the best VCs. History has shown that successful companies can be created in any market, so we continue to maintain an open view on industry/sector trends. We do find ourselves lending to more SaaS companies these days, particularly late-stage companies that have good metrics. These companies typically have controlled burn rates with strong growth trajectory allowing us to help fuel more growth by providing debt.

What do you see happening later this year and into 2017?

One thing I anticipate, which happens sometimes in environments where funding is a little more difficult, is a greater concentration of funding in the largest tech markets. It just so happens that coincides with where we have technology bankers—San Francisco, Palo Alto, Boston, Southern California and here in New York.

In this environment, we often see investors stay closer to home or where their portfolio is currently located when they make new investments.

CITY NATIONAL BANK
The way up.®

About City National

With $41.2 billion in assets, City National Bank provides banking, investment and trust services through 74 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta. In addition, the company and its investment affiliates manage or administer $55.7 billion in client investment assets.

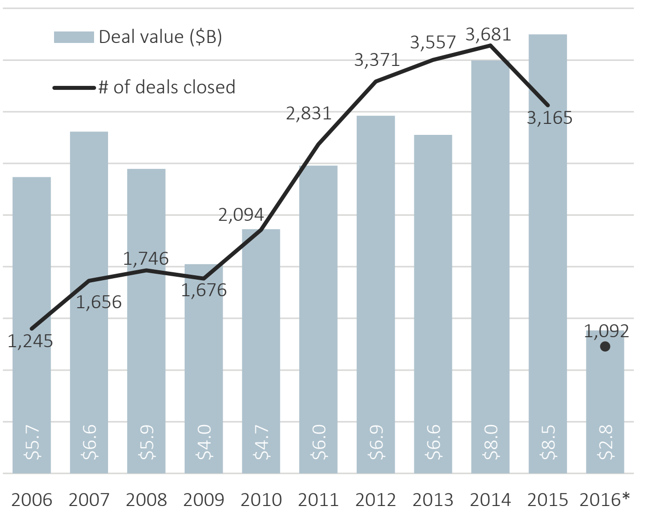
City National is a subsidiary of Royal Bank of Canada (RBC), one of North America's leading diversified financial services companies. RBC serves more than 16 million personal, business, public sector and institutional clients through offices in Canada, the United States and 36 other countries.

For more information about City National, visit the company's website at cnb.com.

Increasing caution

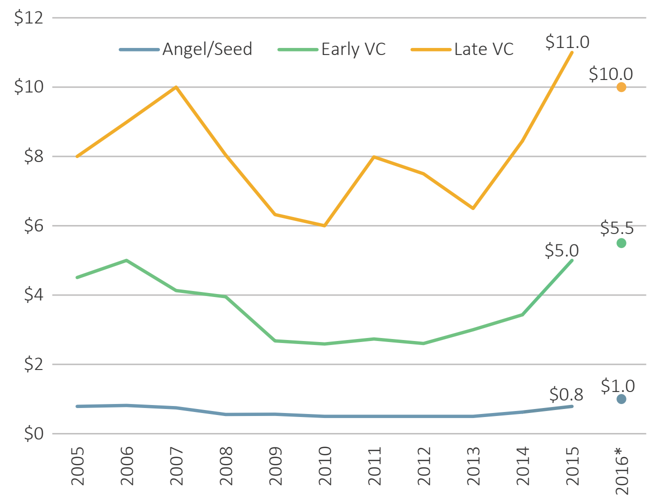
VC activity by first financings, sector & median deal size

Trepidation is evident
First venture financings in the U.S.



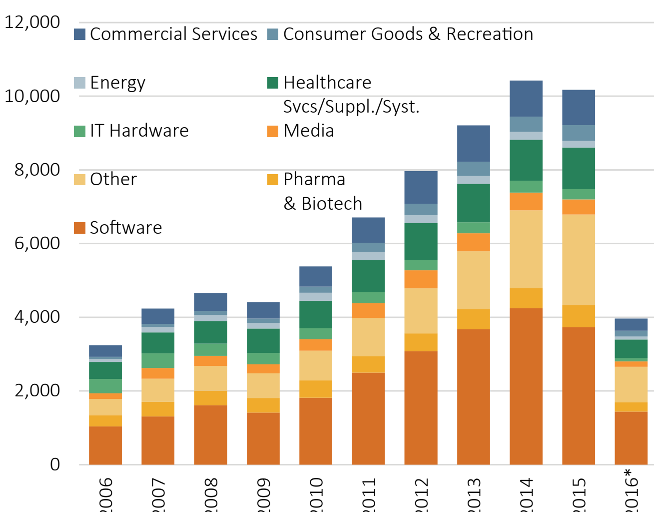
Source: PitchBook
*As of 6/30/2016

Investors are still bidding up quality opportunities
Median VC round size ($M) by stage



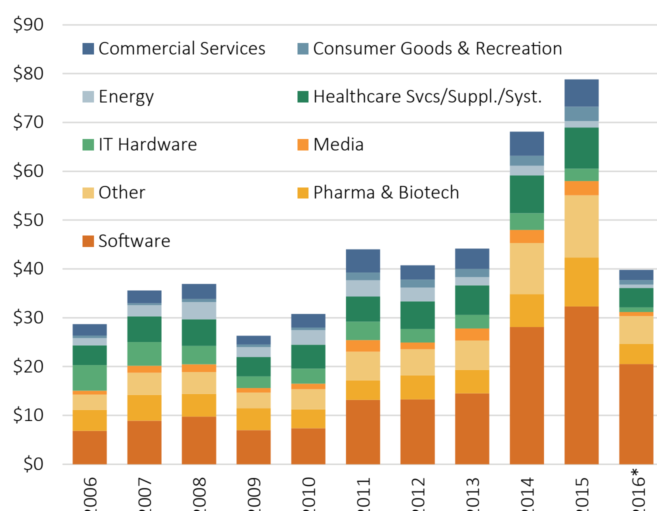
Source: PitchBook
*As of 6/30/2016

Every sector remains significantly down
U.S. VC activity (#) by sector



Source: PitchBook
*As of 6/30/2016

Software raked in $20.5B in 1H 2016
U.S VC activity ($B) by sector

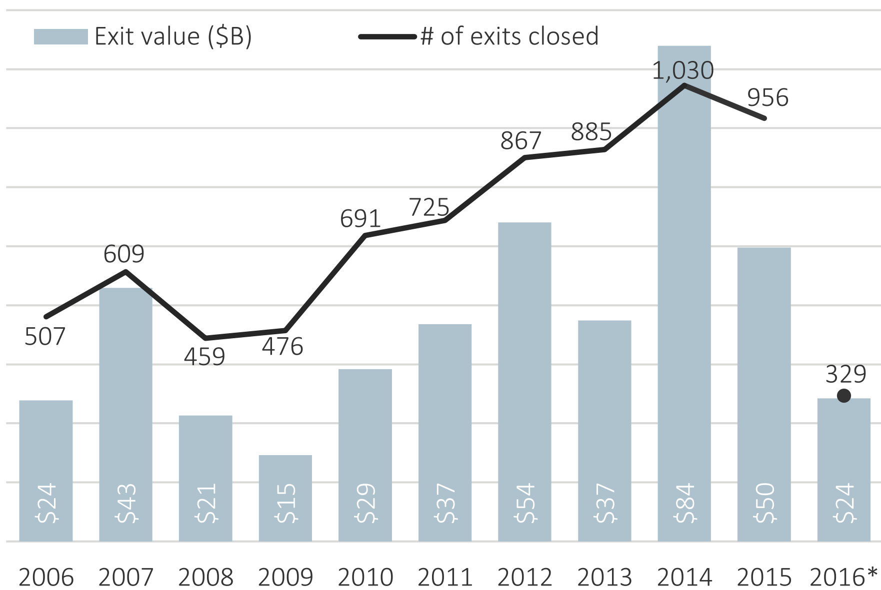


Source: PitchBook
*As of 6/30/2016

Plateauing or deepening?

Exits

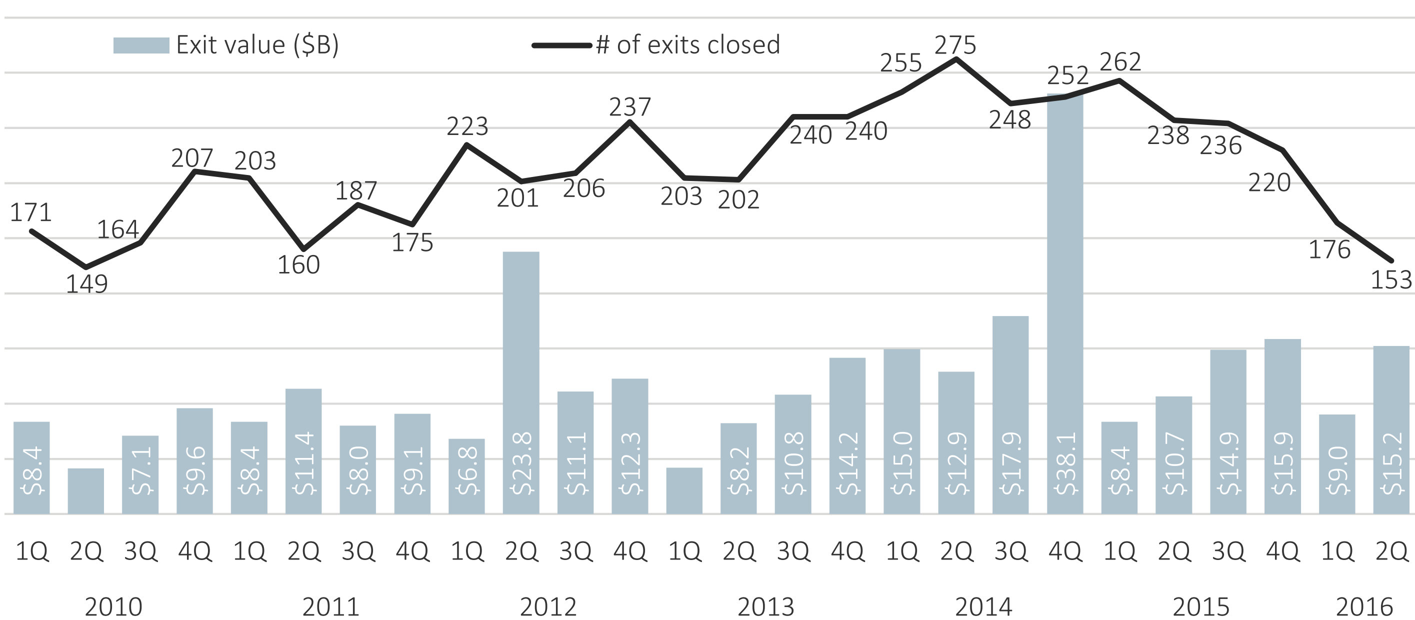
On pace to record the fewest exits since 2010
U.S. venture-backed exit activity



Source: PitchBook
*As of 6/30/2016

Venture-backed exits in the U.S. remain scarce, although, similarly to dealmaking, what events are occurring have been relatively lucrative, with a total of $24.2 billion in total exit value achieved in the first half of the year. On a quarterly basis, the deepening slide in the number of completed exits—with 2Q 2016 recording the fewest since the same period in 2010—is more troubling, but even a half-year's tally must be kept in perspective. This slowing was preceded by a two-plus-year stretch of considerable exiting, as corporate acquirers and the public markets welcomed VC-backed portfolio companies with open arms. Now, of course, public markets remain quite choppy—despite Twilio's debut, which is little more than a signpost that each will read differently—and strategic buyers have been reining in their acquisitive hunger.

The slide in sales deepens, even as exit value sees a bump
U.S. venture-backed exit activity



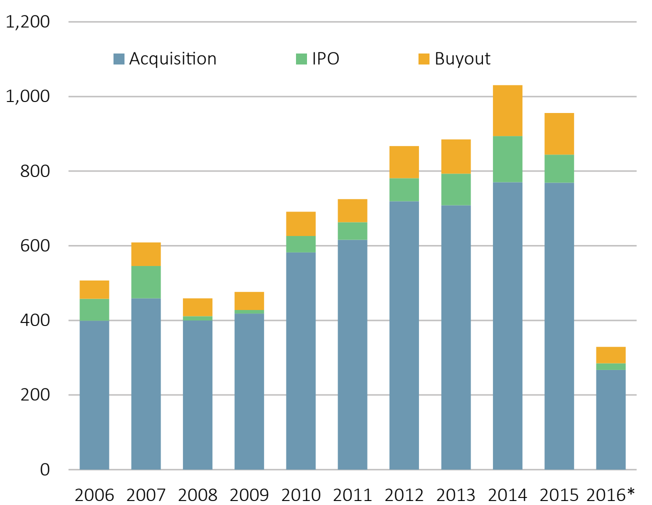
Source: PitchBook

The question is whether this slide will deepen even further or prove more of a temporary plateau. Potentially, as predicted by several venture luminaries, a correction in valuations could lead to a spate of sales to strategics, with some taking LinkedIn's purchase by Microsoft as a prominent example of consolidation intensifying in verticals such as SaaS. Prolongation of the current macroeconomic landscape, which has encouraged M&A as one of the few methods of obtaining growth, will also help, as will the Series A contraction, which could produce a surplus of seed-stage exits by companies unable to hurdle that gap. But the countervailing trend of staying private for as long as investors and founders remain amenable still holds.

On top of that, multiple factors that continue to contribute to public markets' volatility remain in play—hardly an inducement for some to take their companies public unless given significant reason. Pressure to achieve liquidity and access to broader and deeper sources of capital will result in more public offerings down the road, but they shall remain few and far between for the remainder of this year, barring unexpectedly positive macro shocks. As for M&A, given the continuance of the status quo in the event of a decline in valuations, that will likely recover somewhat, yet not to the levels experienced in 2015.

At 44 through 1H, PE buyers find tech to their liking

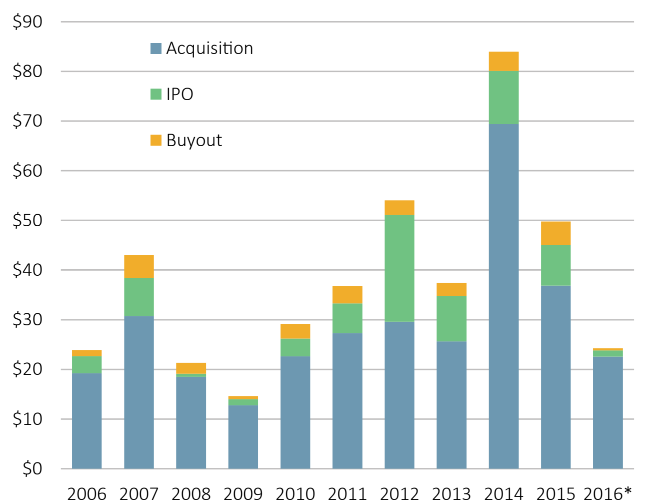
U.S. venture-backed exits (#) by type



Source: PitchBook
*As of 6/30/2016

The appetites of corporate acquirers remain key

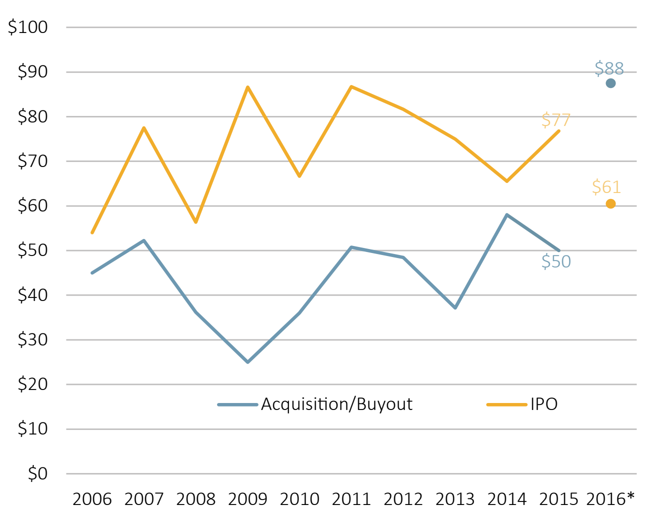
U.S. venture-backed exits ($B) by type



Source: PitchBook
*As of 6/30/2016

Fewer exits, but still lucrative

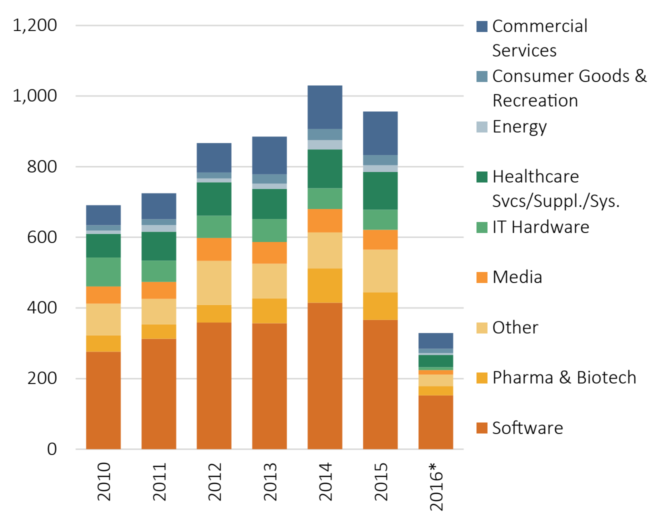
Median venture-backed exit size ($M) in U.S.



Source: PitchBook
*As of 6/30/2016. Note, due to the scarcity of IPOs, this number is skewed.

Only commercial services remains on pace with 2015

U.S. venture-backed exits (#) by sector

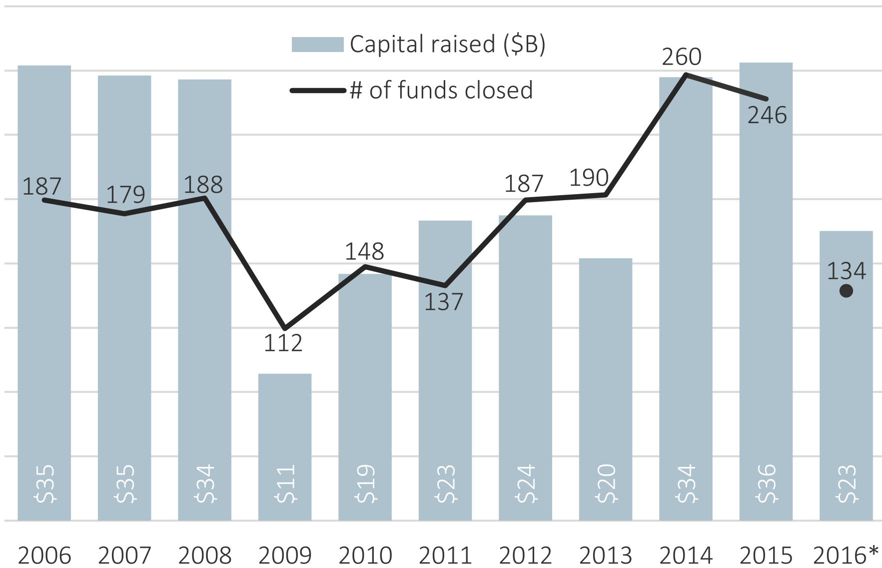


Source: PitchBook
*As of 6/30/2016

Concentration of capital

Fundraising

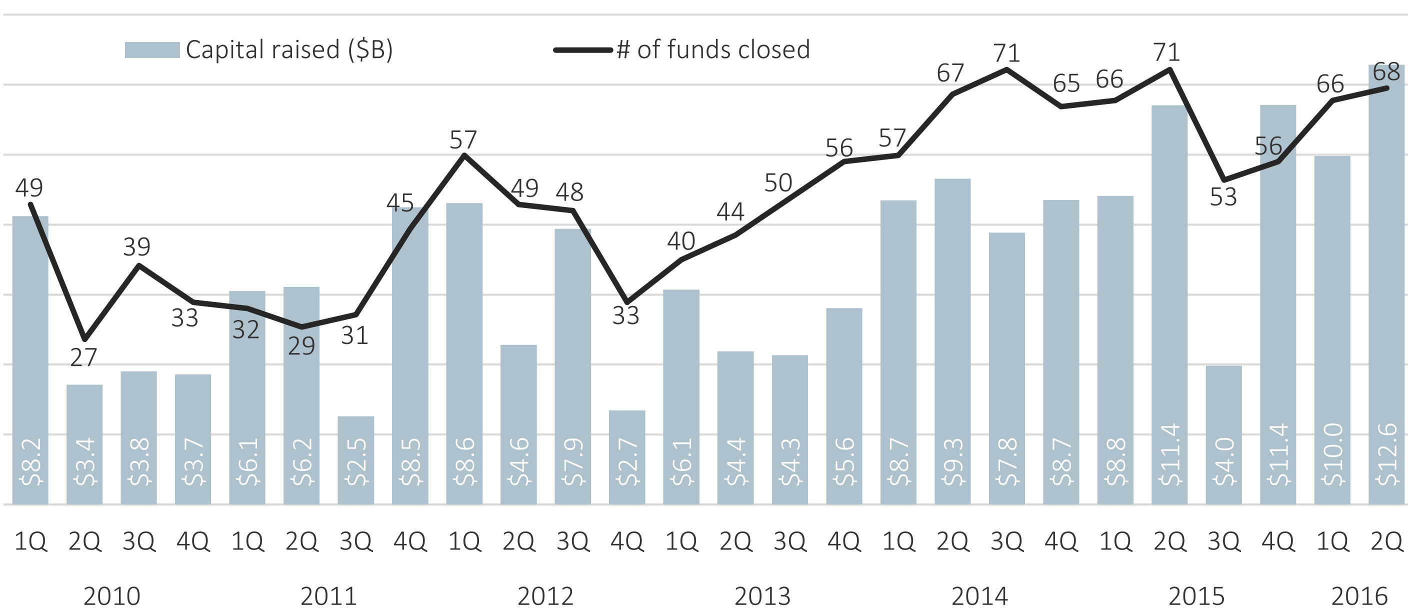
Strong numbers sustained
U.S. VC fundraising



Source: PitchBook
*As of 6/30/2016

Fundraising figures represent the last piece of the current venture market puzzle. It was surprising to some that the first quarter of 2016 saw $10 billion raised for 66 U.S. venture funds, one of the stronger quarterly tallies on record. But even amid a continually apprehensive landscape, investors went on to raise more money in a single quarter than ever before, with funds such as Andreessen Horowitz's $1.5 billion pool closing. This resulted in no less than $12.6 billion in commitments to VC. All told, at the midway point of 2016, $22.5 billion has been amassed across 134 venture funds in the U.S. It would seem that limited partners are more sanguine than even many GPs about the long-term prospects of the venture industry. But that's not the whole story. There are many reasons as to why VC fundraising continues apace.

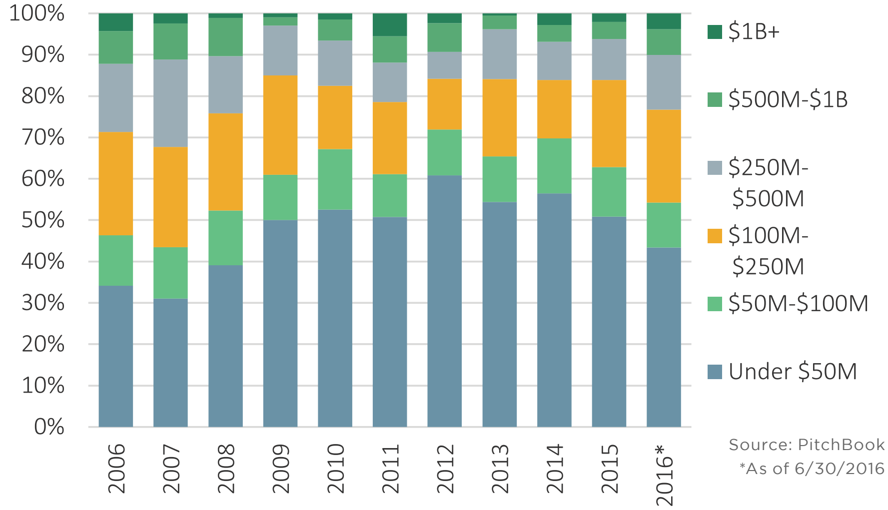
2Q saw a mammoth $12.6B earmarked by LPs for VC funds
U.S. VC fundraising



Source: PitchBook

Expectedly, 13 funds of $500M or more have closed in 1H 2016

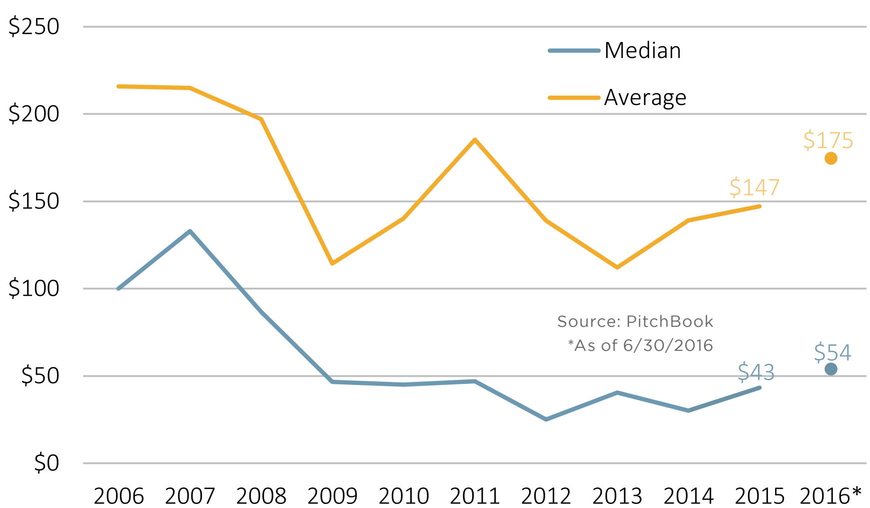
U.S. VC funds (#) by size



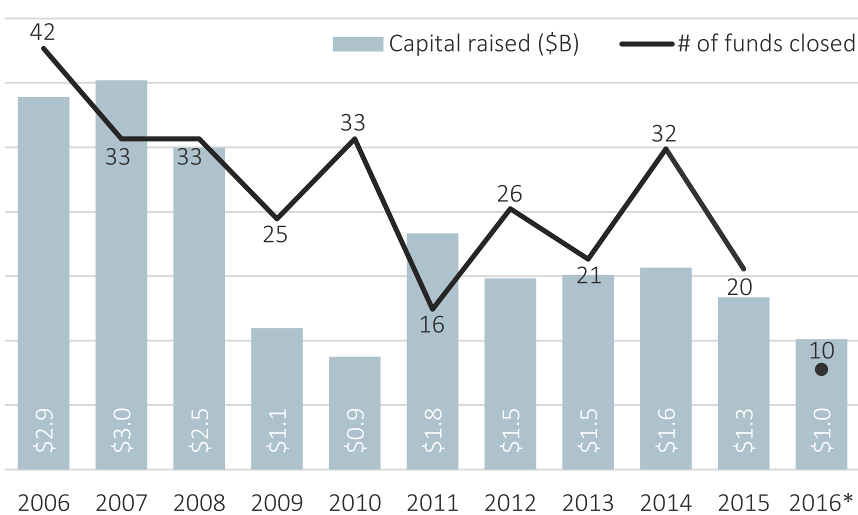
Source: PitchBook
*As of 6/30/2016

Continued closes on large funds result in higher average fund sizes

U.S. VC fund size



First-time U.S. VC fundraising



Source: PitchBook
*As of 6/30/2016

First, the sheer sums raised are skewed by a handful of huge vehicles. Secondly, the healthy number of pools closed indicate how LPs are willing to turn to venture capital—i.e. private equity in general, of which VC is just a small slice—in a global environment where outperformance is distinctly difficult to come by. LPs from family offices to public pensions managing billions of dollars in assets are at the very least maintaining their allocations to VC as it simply is more attractive than other asset classes, even discounting its overall risk, especially when it comes to liquidity. Furthermore, the potential risk from being underinvested in potentially lucrative innovation is perceived as too lofty to not be invested in VC. That doesn't mean LPs are hurling their dollars at any VC fund manager; the uptick in capital concentrated among bigger funds shows they are still seeking a measure of stability by committing to known managers. Thus far in 2016, only 10 first-time VC funds have closed—granted, they have garnered $1 billion in commitments, an impressive haul, but that leaves this year on pace to match 2015, which had the second-lowest tally of first-time funds in the decade. In times of uncertainty, particularly in an industry with as much inherent risk as venture, investors crave stability. Despite whatever advantages emerging fund managers may be able to offer, accordingly, LPs will continue to focus on more established GPs. That $1 billion sum collected by first-time VCs speaks more to both proven individuals striking out on their own as well as LPs' overall willingness to gain exposure to the asset class. As for GPs, they are happy to raise while they can take advantage of LPs' open purses, fully cognizant that such conditions may not persist forever. There is only so much liquidity risk that both GPs and LPs can stomach, after all.

League tables

2Q 2016

Most active investors
Angel/seed

Jumpstart Foundry	12
500 Startups	6
SV Angel	6
True Ventures	5
Andreessen Horowitz	5
Ben Franklin Technology Partners	4
Bloomberg Beta	4
Maveron	4
NXT Ventures	4
Tech Coast Angels	4
Techstars	4
Upfront Ventures	4
Y Combinator	4
RRE Ventures	4

Source: PitchBook

Most active investors
Early stage

New Enterprise Associates	17
Khosla Ventures	11
DreamIt Ventures	9
Greycroft Partners	9
GV	9
General Catalyst Partners	9
500 Startups	8
Accel Partners	8
Battery Ventures	8
Intel Capital	8
Sequoia Capital	7
GE Ventures	7

Source: PitchBook

Most active investors
Late stage

Kleiner Perkins Caufield & Byers	9
New Enterprise Associates	8
General Catalyst Partners	7
Spark Capital	6
Sequoia Capital	5
Insight Venture Partners	5
Intel Capital	5
Lightspeed Venture Partners	5

Source: PitchBook

Most active law firms
Early stage

Gunderson Dettmer	71
Cooley	60
Wilson Sonsini Goodrich & Rosati	29
DLA Piper	24
Latham & Watkins	10
Fenwick & West	9
Goodwin Procter	8
Orrick Herrington & Sutcliffe	7
WilmerHale	7

Source: PitchBook

Most active law firms
Late stage

Gunderson Dettmer	43
Cooley	32
DLA Piper	18
Wilson Sonsini Goodrich & Rosati	17
Goodwin Procter	12
Jones Day	8
Latham & Watkins	7
Fenwick & West	6

Source: PitchBook

All league tables are compiled using the number of completed VC rounds for U.S.-based companies in 2Q 2016. Rounds in which a firm advised multiple parties will only be counted once for that firm. To ensure your firm is accurately represented in future PitchBook reports, please contact survey@pitchbook.com.

Methodology

Venture capital

Venture capital, for the purposes of this report, is defined as institutional investors that have raised a fund structured as a limited partnership from a group of accredited investors, or a corporate entity making venture capital investments.

Valuations

Pre-money valuation: the valuation of a company prior to the round of investment. Post-money valuation: the valuation of a company following an investment.

Exits

This report includes both full and partial exits via mergers and acquisitions, private equity buyouts and IPOs.

Fundraising

This report includes all U.S.-based venture capital funds that have held a final close. Funds-of-funds and secondary funds are not included.

Interested in sponsoring our reports and getting your firm in front of 460,000+ opt-in industry subscribers?

CONTACT:

ANDREW DOHERTY, DIRECTOR OF ADVERTISING & SPONSORSHIPS

andrew.doherty@pitchbook.com

+1 206.336.5710

Deloitte's Emerging Growth Company (EGC) Practice

We understand that one size doesn't fit all. Each emerging growth company has its unique needs and issues at different stages of growth. As your company grows, we make the necessary changes to grow with you. Quality is our top priority; our approach to client service focuses on the challenges of high-growth companies, the road to IPO and a commitment to the venture community.

We are committed to delivering a distinctive client experience through service offerings tailored to address the specific circumstances of your company. From startups to billion dollar companies, Deloitte's collaborative approach brings the full breadth of our technical and industry capabilities, along with access to the global resources of our member firm network, to help you capture opportunities and address challenges. Our extensive IPO experience, along with our experienced professionals, enables us to provide insights that others may miss.

We have helped countless venture-backed companies achieve their goals. As you plan for your next stage of growth, make sure your organization is well equipped. Engage with our team of professionals that understands your challenges as a growing company, with specific industry knowledge and insights to the financial and operational challenges you may face.

www.deloitte.com/us/egc

As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.