



# The SWAN Member Experience



Information for potential and new Angel,  
Associate and Intern Members

# Who is an Angel Investor?



Accredited individuals who personally invest in early-stage, private startup companies, helping to bring those companies to market.

## Qualifications:

- 1) Accredited Investor - \$200k of individual income, or \$300k of joint annual income and/or net worth (excluding the home) of \$1 million.
- 2) New Sophistication Rules - Employees knowledgeable of a fund (you work there); Family offices with at least \$5 million in assets; LLCs with \$5 million in assets.

# How to Become an Angel?

- Join an angel network



- Help a friend or family member by investing in their startup
- Invest individually by personally networking with companies and other angels

# Why become an Angel Investor?



Support innovation and meet interesting startups



Use the skills and expertise you have developed over a lifetime



Learn new skills – early stage investing



Enjoy being part of a like-minded group



Make a financial return

# Why be an IMPACT Angel?

The prior slide + *align values with investments*



UN Sustainable Development Goals

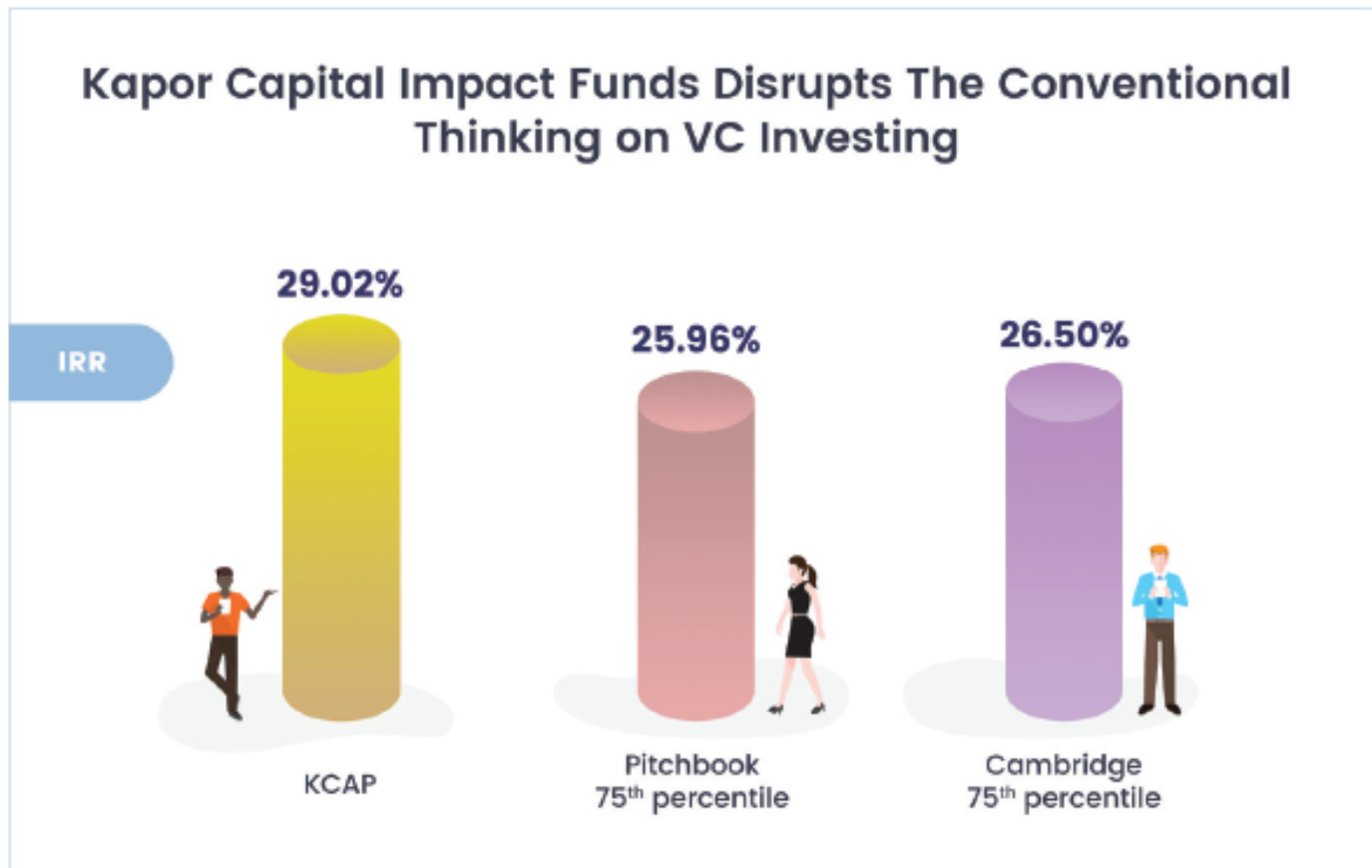
# You get to help advance our Impact Vision



“Our members are bound together by a passion for making the world a better place. We support dynamic startups that are striving to address serious challenges that our society faces. And we expect those companies to deliver measurable social or environmental impact and to have solid plans for financial success.”

# Impact investing can yield leadership returns

Impact Fund's IRR compared with 75th percentile benchmarks as of 9/30/18



# How to Think About Angel Investments

Angel investments become part of your overall asset allocation strategy

- For example: stock, bonds, hedge funds, private equity, venture capital and angel investments
- Recommend that angel investments be no more than 5-10% of overall allocation

Characteristics of Angel Investments

- High risk/high reward
- Patient Capital - 3-10 year holding periods
- Illiquid investments until a company is acquired or has an IPO

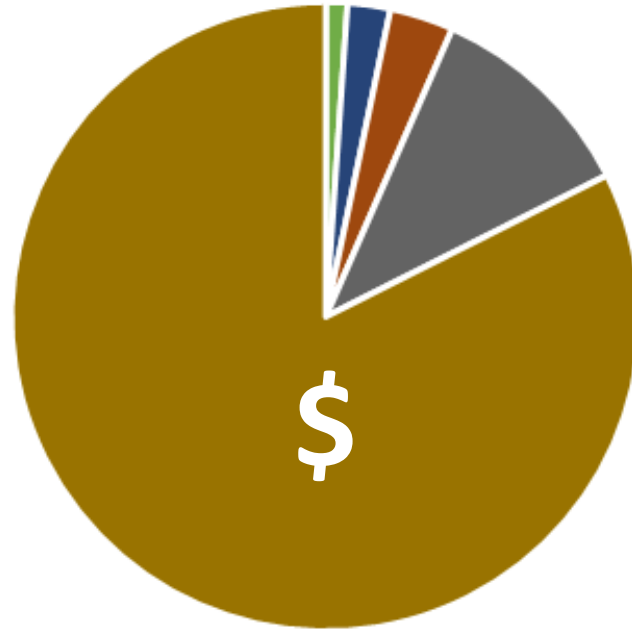


# Solid returns if you are diversified

Assume you make  
equal sized  
investments in 10  
companies



Then, maybe five  
companies will provide a  
return, and one of those  
will give you a big win.



**Recommended: 20 angel investments**

# Key Drivers of Angel Investing Success

Thoughtful due diligence (40+ person-hours per deal)

- Individually or collectively by network members

Access to expertise in the investment area

- Networks have immense collective expertise

Angels supporting portfolio companies after investing

- In a network, other angels might fill that role



**You get to meet  
interesting companies  
and founders**

50% of SWAN investments have  
been in companies with an  
under-served founder – woman  
or person of color

# SWAN Impact Network Investments

## Flow Below

- Improves truck fuel efficiency by 1.5%
- 2016 investment
- 2019 acquisition
- 35% IRR



Josh Butler  
CEO/Founder

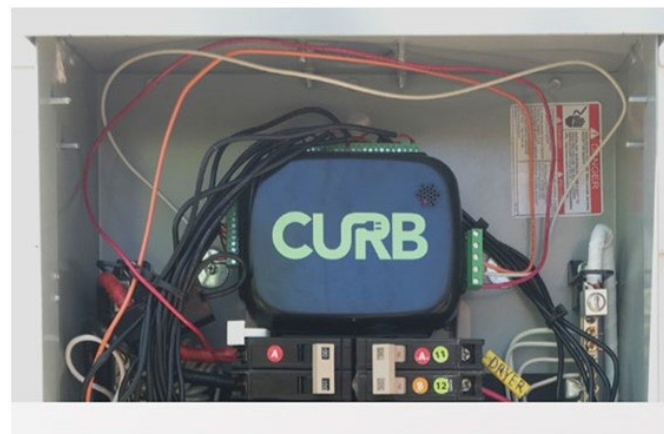


## Curb

- Enables residences to reduce power consumption by 20%
- Investments in 2019 and 2020
- 2020 merger (stock swap) → 1.1x multiple on cost basis



Erik Norwood  
CEO/Founder



# SWAN Impact Network Investments

## Speech Vive

- Restores conversational speech for Parkinson patients
- 2020 investment



Steve Mogensen  
CEO/Co-Founder



Dr. Jessica Huber  
CTO/Co-Founder

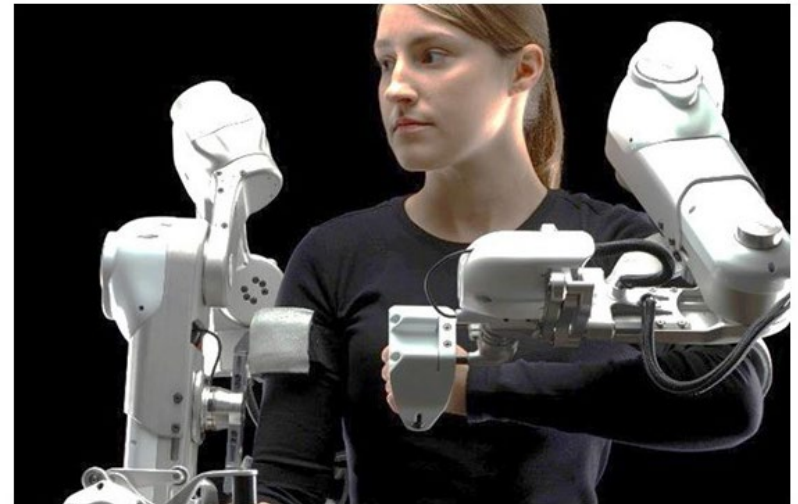


## Harmonic Bionics

- Robotic physical therapy system for stroke patients
- 2019 investment
- 1.9x unrealized gain in valuation



Chris Prentice  
CEO



# SWAN Impact Network Investments

## Shyft Energy

- Accelerates the integration of green energy in developing countries
- 2019 investment



Ugwem Eneyo  
CEO/Co-founder



## Clear Flame Engines

- Improves the fuel efficiency of diesel truck engines
- 2020 investment



Dr. BJ Johnson, CEO,  
Dr. Julie Blumreiter, CTO





**More about SWAN**

# SWAN's Personality

A friendly, welcoming group

- And we honor diversity

Focused on educating new angels

- Learn from experience angels

Humble

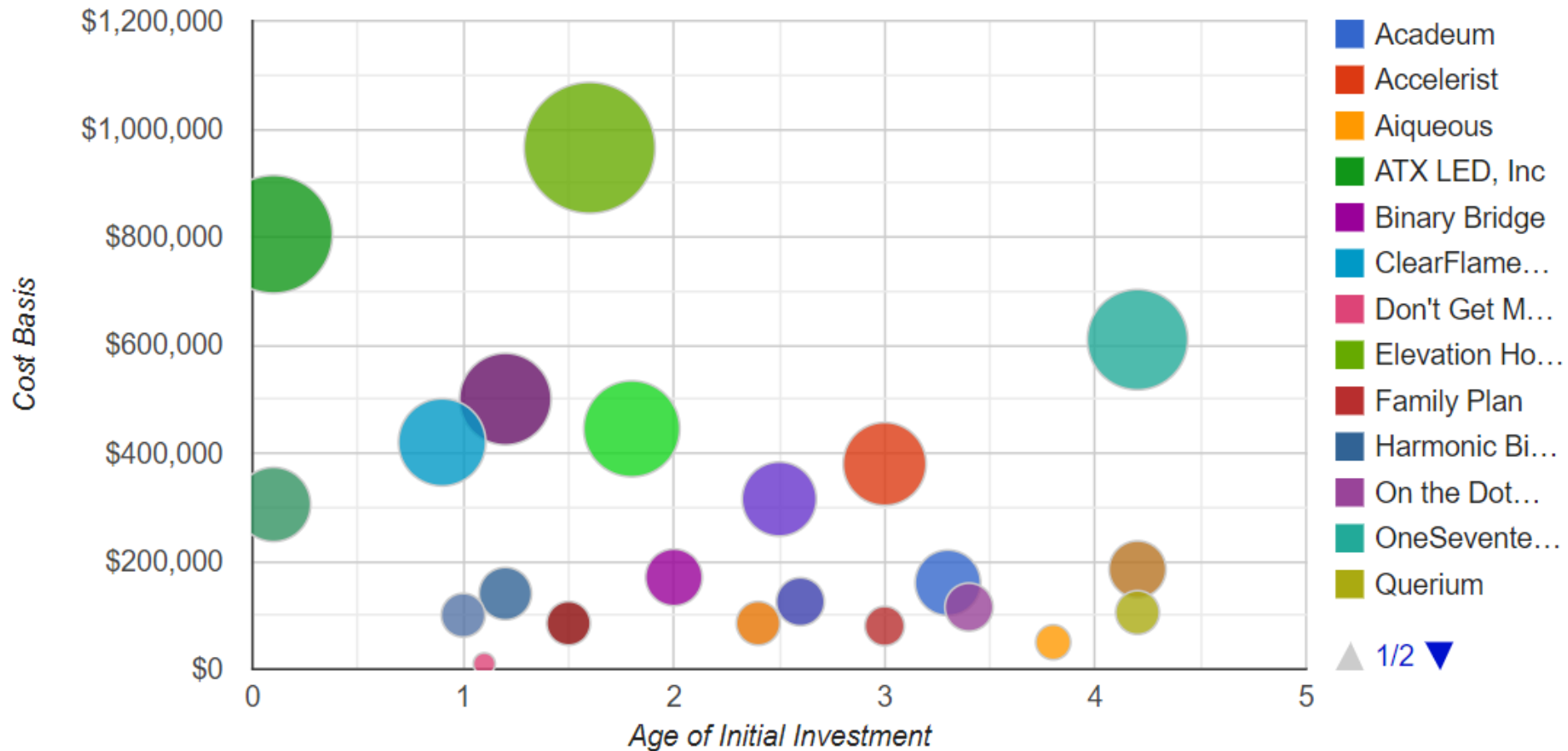
- Every angel has important insights

Shared desire to make the world a better place

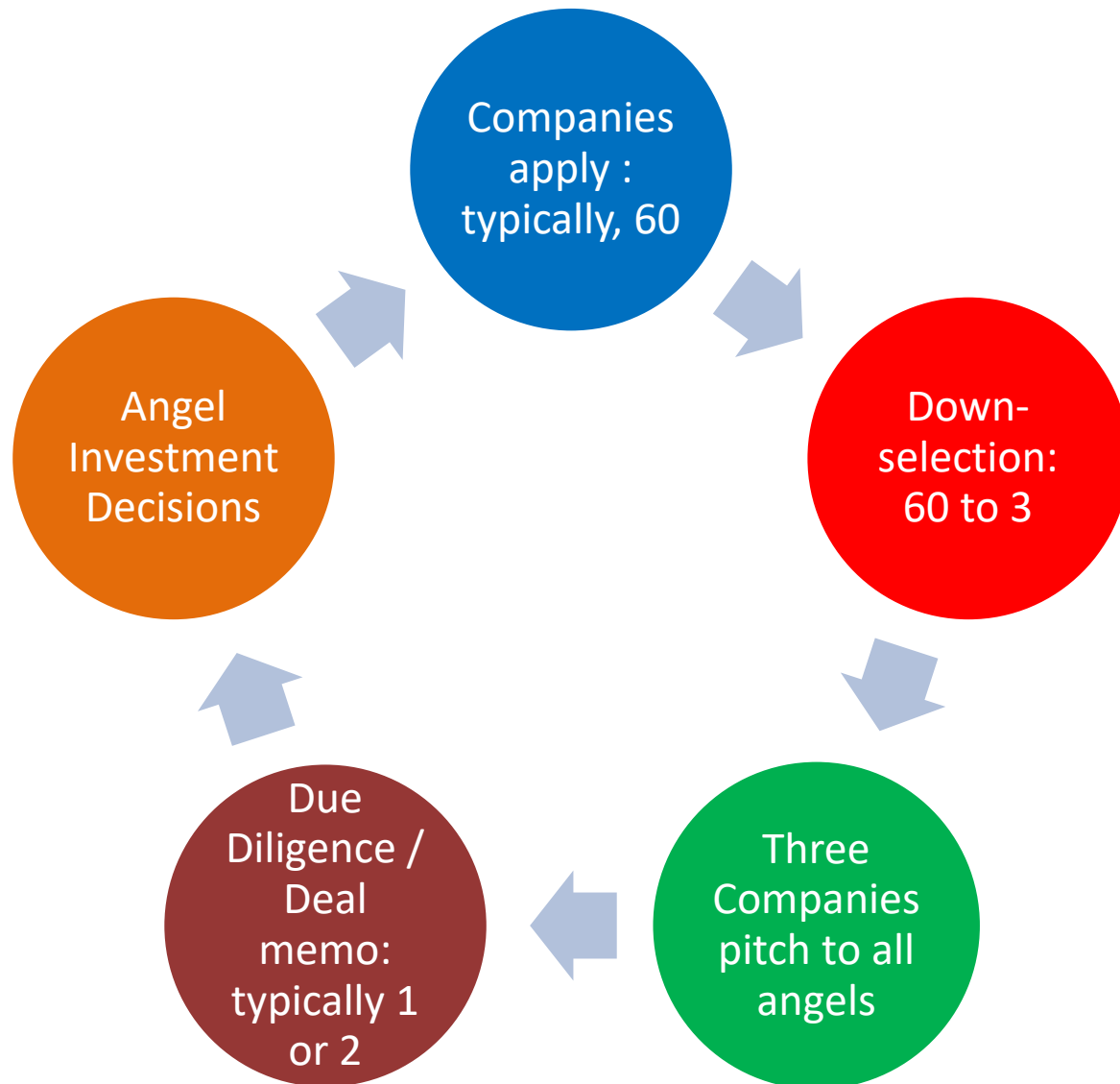
- Help build your personal legacy



# SWAN's current Portfolio By Year



# SWAN's Quarterly Cycle



# How the SWAN cycle works

## Down-selection

- Performed by volunteers
- Opportunity to help and learn
- Review 35 applications and then zoom calls with six companies

## Pitch Event

- For all angels
- 3 companies pitch & group Q&A
- Followed by breakouts with each company

## Due diligence/Deal Memos

- Performed by volunteers
- Opportunity to help and learn
- 20-page memo

## Investment Decisions

- You personally decide if you want to invest
- No investment required

# Ways to Plug into SEWAN

- Be part of our quarterly funding cycles
  - Optionally help with down-selection (via zoom)
  - Optionally help with deal memos (via zoom)
  - Attend pitch events (Hybrid with in-person and zoom options)
- Virtual Happy Hours (via zoom)
- In-person Community-wide Impact Happy Hours (Austin and Dallas)
- In-person Social events (Austin and Dallas)
- Affinity groups
  - Women@SWAN
  - POC@SWAN

# Additional Webinars



## Angel Investing 201

- The Big Picture: Basics of building an Investment Portfolio, and an introduction to how to do Due Diligence



## Angel Investing 202

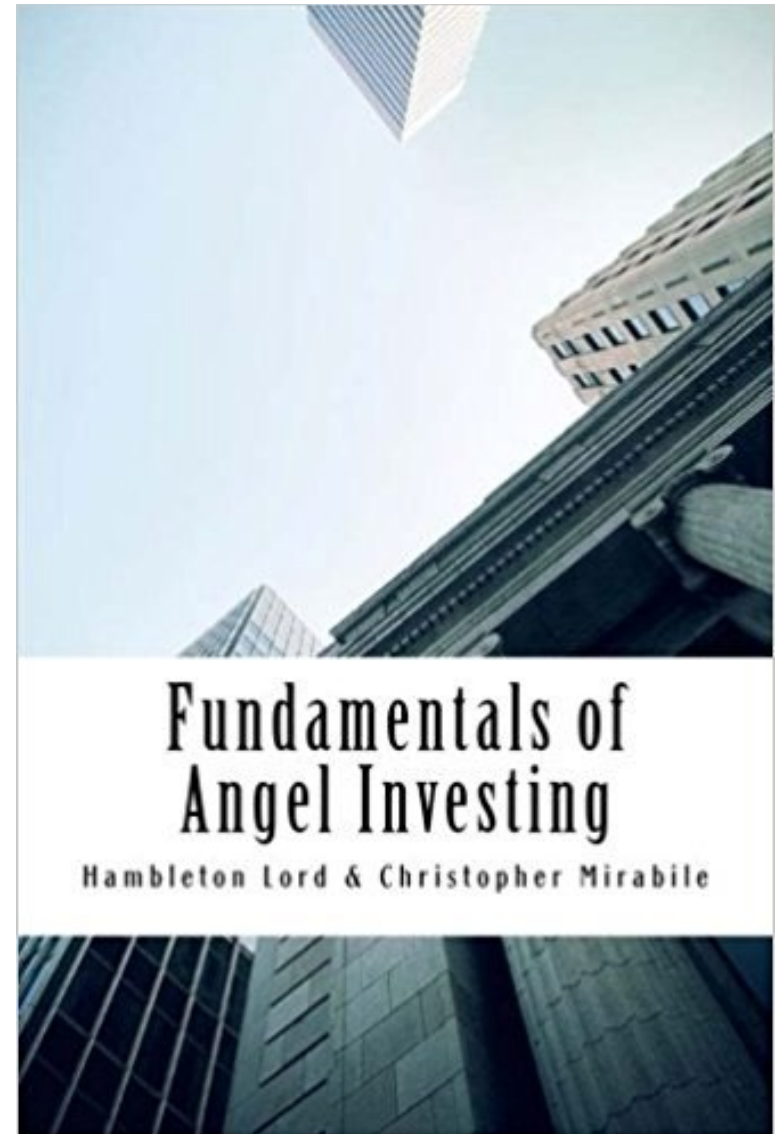
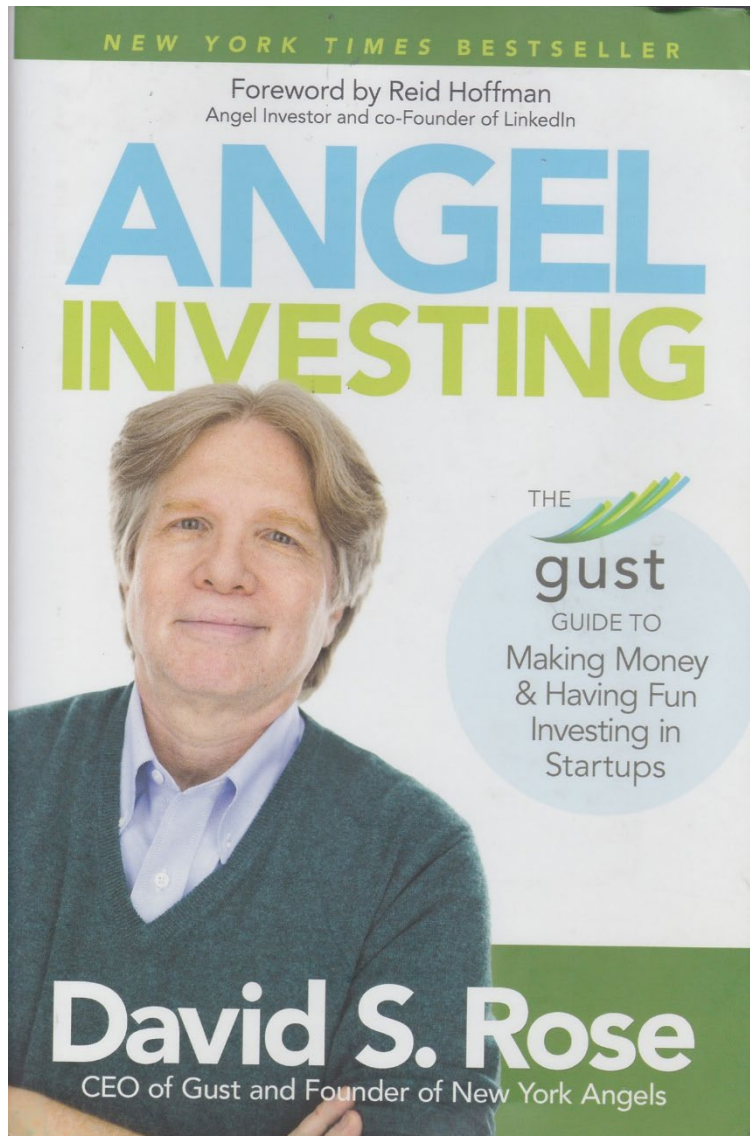
- The Mechanics of Investments: Investment instruments, company valuations, dilution across rounds, post-investment activities, and tax considerations



## Angel Investing 203

- Measuring Impact and Results: A Discussion of Metrics and Tools, and examples of SWAN impact assessments

# Good Resources



# Webinar Feedback



Any final  
questions?



What was  
most helpful?



What was less  
interesting?



What would you  
like to learn more  
about?



To receive your webinar refund, please send your  
mailing address to [bob.bridge@swanimpact.org](mailto:bob.bridge@swanimpact.org)