Welcome to 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
Your Opportunities

- 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
You are Helping to Make the World a Better Place

UN Sustainable Development Goals
Impact investing can yield leadership returns

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

Kapor Capital Impact Funds Disrupts The Conventional Thinking on VC Investing

29.02% IRR
25.96% Pitchbook 75th percentile
26.50% Cambridge 75th percentile
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
Flow Below
- Improves truck fuel efficiency by 1.5%
- 2016 investment
- 2019 acquisition
- 35% IRR

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

Speech Vive
- Restores conversational speech for Parkinson patients
- 2020 investment

Harmonic Bionics
- Robotic physical therapy system for stroke patients
- 2019 investment
- 1.9x unrealized gain in valuation
SWAN Impact Network Investments

Shyft Energy
• Accelerates the integration of green energy in developing countries
• 2019 investment

Clear Flame Engines
• Improves the fuel efficiency of diesel truck engines
• 2020 investment
SWAN’s current Portfolio By Year

Cost Basis

Age of Initial Investment

- Academum
- Accelerist
- Aiqueous
- ATX LED, Inc
- Binary Bridge
- ClearFlame...
- Don’t Get M...
- Elevation Ho...
- Family Plan
- Harmonic Bi...
- On the Dot...
- OneSevente...
- Querium
SWAN’s Quarterly Cycle

1. Companies apply: typically, 60
2. Angel Investment Decisions
3. Down-selection: 60 to 3
4. Due Diligence / Deal memo: typically, 1 or 2
5. Three Companies pitch to all angels

Angel Investment Decisions
How the SWAN cycle works

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<th>Step</th>
<th>Description</th>
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| 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 SWAN

• 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

[Images of book covers for "Angel Investing" by David S. Rose and "Fundamentals of Angel Investing" by Hambleton Lord & Christopher Mirabile]