

CONVENTIONAL VCS

VS

REINVENTURE CAPITAL

Radical Innovation. Solid return

INVEST WHERE CAPITAL IS CONCENTRATED
COMPETITION IS SEVERE
RISK IS ELEVATED

INVEST WHERE CAPITAL IS SCARCE
COMPETITION IS MINIMAL
RISK IS DECREASED

WHY

EXCLUSION
90% WHITE MEN/
SHRINKING POPULATION SEGMENT

INCLUSION
100% PEOPLE OF COLOR AND WOMEN/
EXPANDING POPULATION SEGMENT

Investment Allocation OF U.S. VENTURE CAPITAL:

- >90% MALE FOUNDERS¹
- 77% WHITE FOUNDERS⁴
- 2.2% FEMALE FOUNDERS¹
- <1% BLACK FOUNDERS⁴
- <0.2% BLACK WOMEN³



Yet...
OF ALL U.S. BUSINESSES
51% ARE FEMALE FOUNDERS⁶
39% ARE FOUNDERS OF COLOR⁶

For every dollar of funding, female-founded startups generated 78 cents, while their male peers generated just 31 cents¹⁰

⁵ RATE OF DECLINE: WHITE MEN'S BUSINESSES -6%
⁷ RATE OF DECLINE TO 2060: WHITE POPULATION -10%

38% RATE OF GROWTH: MINORITY BUSINESSES⁵
74% RATE OF GROWTH TO 2060: NON-WHITE POPULATION⁷

OPPORTUNITY

"WE ARE KILLING EACH OTHER FOR DEALS"

MORE DEAL FLOW THAN WE CAN ENGAGE

HOW

HUNTING UNICORNS- VALUATION FOCUSED

Conventional VCs focus on engineering near-vertical valuation trajectories to achieve unicorn / mega-unicorn / dragon exits.

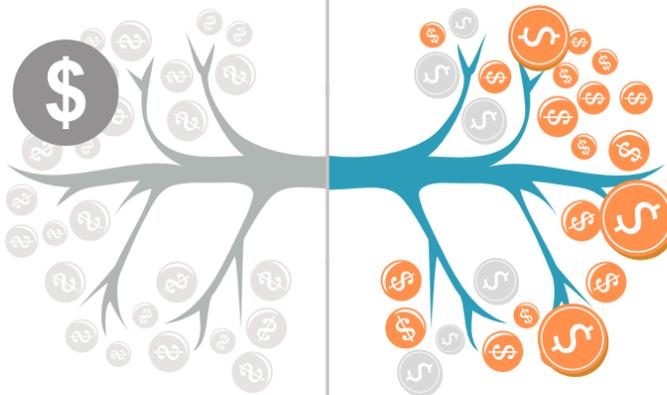
GROWING ECONOMIC ENGINES- PROFITABILITY FOCUSED

We focus on sustaining profitable growth to propagate multiple self-sustaining economic engines.

BURN CAPITAL FAST TO DRIVE VALUATION

CONCENTRATE BLOCKBUSTER EXITS IN A FEW COMPANIES

Many unicorns still losing money/consuming capital despite multi-billion-dollar valuations⁸.



UTILIZE CAPITAL SENSIBLY TO FUEL PROFITABLE GROWTH

MAINTAIN WIDEST POSSIBLE RANGE OF HIGH RETURN OUTCOMES

Profitable enterprises create value far beyond capital returned.

IMPEDIMENT TO VALUATION INCREASE

PROFITABILITY

KEY TO VALUE CREATION

WHAT

MAJORITY CASUALTIES- BINARY OUTCOMES

'All or nothing'
Winners-take-all approach/extractive mindset
High risk

MAJORITY SUCCESSES- ANALOG OUTCOMES

Many successes
Generative mindset
Lower risk

1. AGGLOMERATE WEALTH IN FEW
2. HOMOGENIZE PRODUCTS & SOLUTIONS
3. NARROW OPPORTUNITY & ECONOMIC VITALITY
4. PROPAGATE FINANCIAL INEQUITY



1. PROFITABLE ENTERPRISES
2. CREATE DIFFERENT PRODUCTS & SOLUTIONS
3. EXPAND OPPORTUNITY & ECONOMIC WEALTH
4. BREAK FINANCIAL INEQUITY

¹CASUALTIES > 9 IN 10 DEALS HAD NO EXITS IN THE PAST DECADE
¹45% OF VC CAPITAL WAS ALLOCATED TO UNICORNS IN 2019
⁹YET MANY UNICORNS DO NOT CREATE UNICORN OUTCOMES

SUCCESSES > 7 OF 10 DEALS
DIVERSIFIED PORTFOLIO OF VARIED BUSINESS MODELS
BENEFITS STAKEHOLDERS AND SECTORS AS WELL AS INVESTORS

CAPITAL, WEALTH, OPPORTUNITY, INFLUENCE, PRIVILEGE
CONCENTRATE ← → DISSEMINATE

WHO

DISRUPTORS

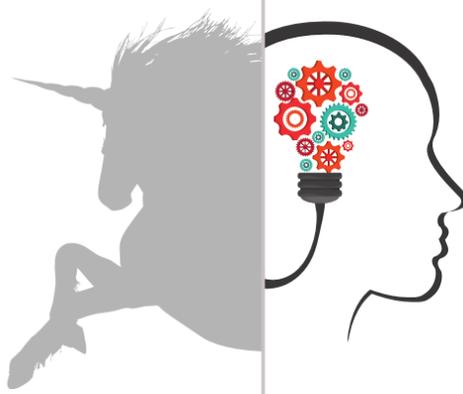
CHANGE AGENTS

OPERATING PHILOSOPHY:

MOVE FAST AND BREAK THINGS

RETURN ALONE

RETURNS ONLY - IMPACT IS A DISTRACTION
POSITIVE IMPACT IS ASSUMED, BASED ON FINANCIALS
NEGATIVE IMPACT IS CONSIDERED IMMATERIAL



OPERATING PHILOSOPHY:

GENERATE, SUSTAIN AND IMPROVE

RETURN AND IMPACT

RETURNS DRIVEN BY INTENTIONAL POSITIVE IMPACT

¹¹Global VC ten year Horizon IRR, 2018 **11% IRR**

32% IRR Prior fund return

Data Sources (accessed on 10th December, 2019) :

1. NVCA Venture Monitor Summary Q3 2019, Pitchbook
2. Unicorn Report 2018, Pitchbook
3. ProjectDiane 2016, DigitalUndivided
4. Investors Are Still Failing to Back Founders from Diverse Backgrounds, TechCrunch
5. Fact Sheet: U.S. Minority Owned Firms, US Department Commerce

6. Survey of Business Owners 2012, US Census Bureau
7. The US will become 'minority white' in 2045, Brookings Institutions
8. A new addition to the VC bestiary, Medium
9. Update: Unicorns Vs. Dragons, TechCrunch
10. Why Women-Owned Startups Are a Better Bet, BCG 2018
11. Global Fund Performance Report, Q4 2018, Pitchbook