



NVCA Board Member Boot Camp

May 5th, 2022

nvca

Introductions

- Administrative Team
- Policy Team
- Development Team
- Communications Team
- Venture Forward Team



Bobby Franklin
President and CEO



MiChele Solomon
Senior Director of Administration



Kisme Williams
Director of Operations

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Administrative Team



Jeff Farrah
General Counsel



Justin Field
Senior Vice President of Government Affairs



Charlotte Savercool
Senior Director of Government Affairs



Jonas Murphy
Manager of Government Affairs



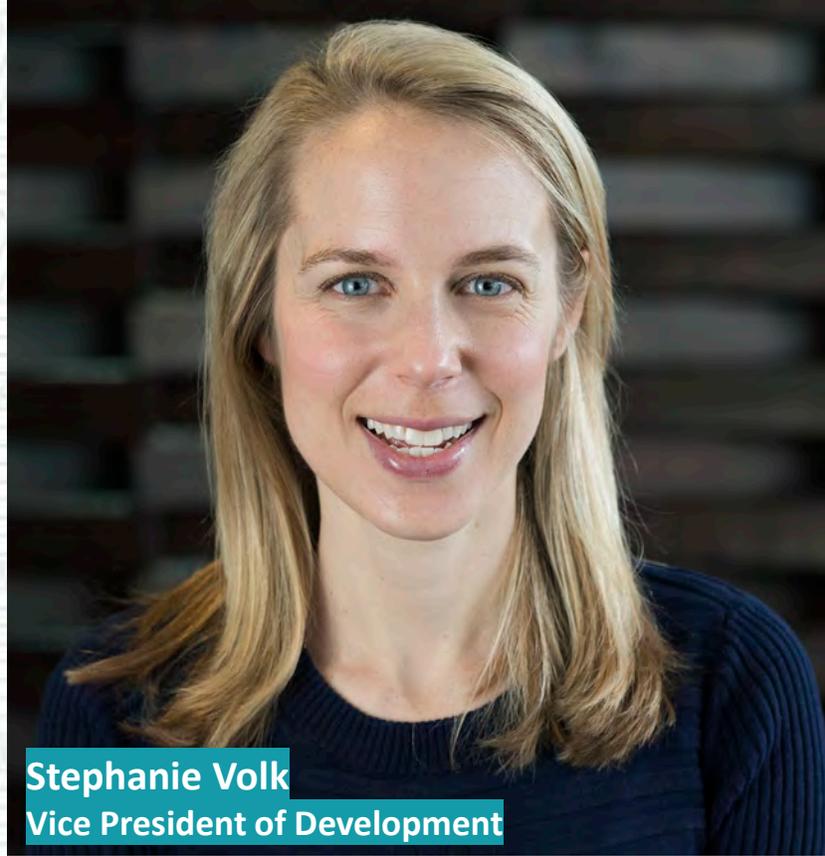
Gillian Carney
Public Policy Coordinator



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Policy Team



Jason Vita
Director of Programming & Industry Relations



Stephanie Volk
Vice President of Development

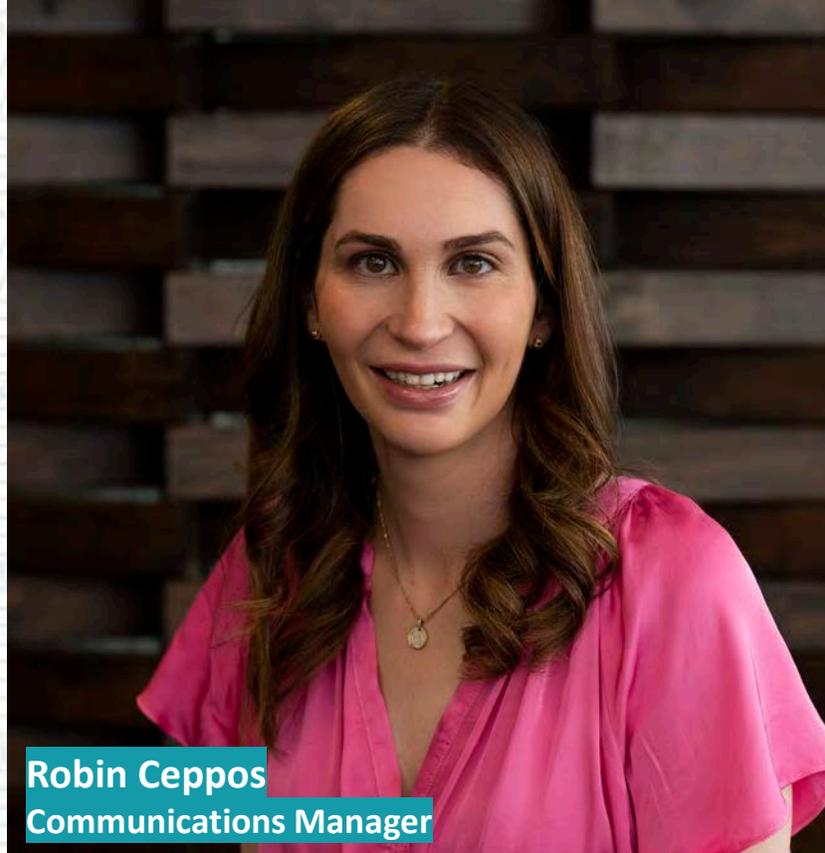


Jenny Zemel
Manager of Special Projects

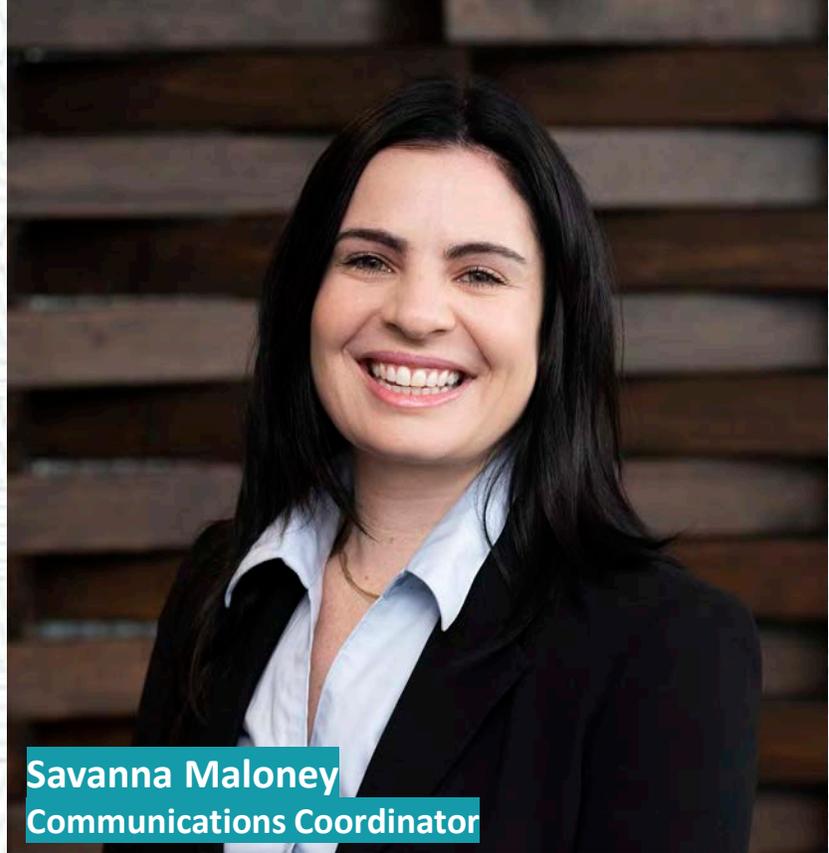
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Development Team



Sabrina Fang
Vice President Of Communications And Marketing



Robin Ceppos
Communications Manager



Savanna Maloney
Communications Coordinator

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Communications Team



Maryam Haque
Executive Director, Venture Forward



Rhianon Anderson
Senior Programs Director, Venture Forward

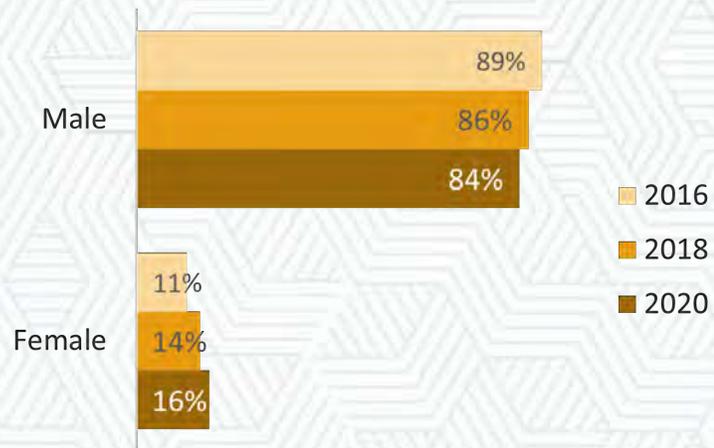


Venture Forward

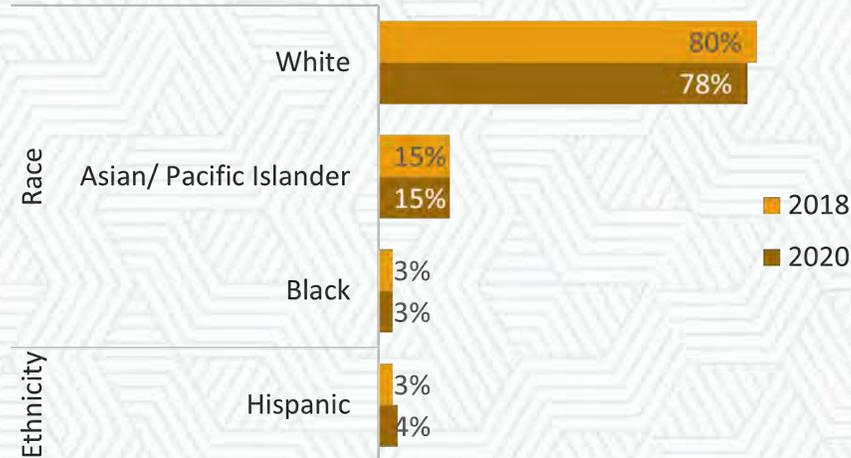
Why: The Need for Venture Forward

- Women, people of color, and other marginalized communities are underrepresented in the venture ecosystem.
- Our mission is to change that.

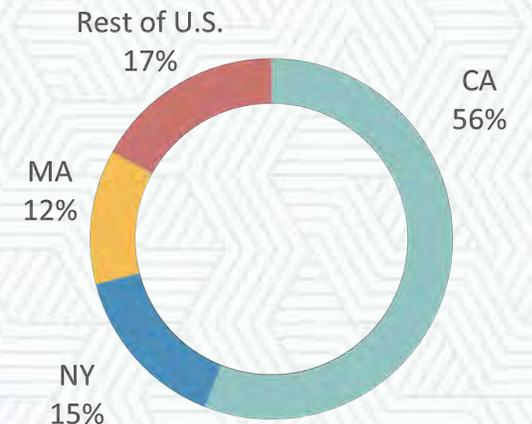
% of investment partners by gender



% of investment partners by race & ethnicity



% of 2021 VC AUM by state



Why: The Structure

- Venture Forward launched in June 2020 to address industry issues beyond non-policy
- 3 complementary structures—very common among trade associations—supporting the ecosystem
- By structurally separating our advocacy and industry advancement efforts, NVCA and Venture Forward are both better equipped to meet the needs of our community

Venture Forward Public Charity 501(c)(3)	NVCA Trade Association 501(c)(6)	VenturePAC Political Action Committee 527
<ul style="list-style-type: none"> - Mission-driven - Education, resources, & connections that directly advance DEI + support nextgen and emerging managers/GPs - Funded by donations from individuals <i>or</i> private entities - Donations <u>are</u> tax-deductible 	<ul style="list-style-type: none"> - Membership-driven - Lobbying and advocacy efforts to protect the VC industry from external regulatory forces - Funded by annual member firm dues - Membership dues are <u>not</u> tax deductible 	<ul style="list-style-type: none"> - Membership/Politics-driven - Supports the election of candidates who champion the VC industry - Funded by individual contributions - Donations are <u>not</u> tax deductible

Why: About Venture Forward

- Diversify, educate, and empower the VC investor class to advance the industry and maximize impact and returns
- Provide education, resources, and connections to drive intersectional diversity within the VC community



**VENTURE
FORWARD**

How: Key Initiatives

VC UNIVERSITY

LEARN THE NUTS & BOLTS OF VC!

StartUp@
Berkeley Law **nvca**  VENTURE
FORWARD

General Program

- 9 sold-out cohorts (3 cohorts/year)
- 1,690 participants
- 1,046 certificates awarded* (73% completion rate)
- Avg NPS* – 96.3%

Scholarship Program

- 264 full scholarships awarded
- Cohort 9 demographics
 - 81% people of color
 - 69% women or non-binary
 - 57% outside CA, MA, NY
 - 26% LGBT

LP OFFICE HOURS

- 4 in-person + 2 virtual programs held
- 154 underrepresented & emerging fund manager participants (EMs)
- 69 LPs
- 32 experienced GPs
- 278 1:1 meetings, 179 roundtable discussions facilitates
- EM demographics (latest program):
 - 76% women
 - 72% people of color
 - 32% outside CA, MA, NY
 - 12% veterans
- **May 19 Chicago; TBD 2H 2022**



- Biennial survey tracks and measures industry progress on DEI
- Collects data on workforce demographics + firm talent mgmt. practices
- Produced jointly w/NVCA & Deloitte
- 3 surveys conducted (2016, 2018, 2020)
- 378 firms participated in 2020 survey
- 4th edition of survey – 2H 2022

Who: Leadership



Christy Chin
*Draper Richards Kaplan
Foundation*



Bobby Franklin
NVCA



Jennifer Friel Goldstein
SVB Capital



Charles Hudson
Precursor Ventures



Rhianon Anderson
Senior Programs Director



Ray Leach
JumpStart



Kate Mitchell
Scale Venture Partners



Elliott Robinson
Bessemer Venture Partners



Nicole Walker
Arboretum Ventures



Maryam Haque
Executive Director

Get Involved: NVCA Board Members

- **Share VF opportunities**
 - Spread the word with underrepresented & emerging VCs in your networks
- **Share your firm job openings with VF community**
- **Volunteer**
 - Serve as a VC University Mentor
 - Host office hours
 - Fundraising/fund management experience – LP Office Hours
 - General VC guidance – VC University office hours
 - Speak on a VC University Lunch & Learn webinar or other educational programs
- **Participate (firm-level) in the 2022 VC Human Capital Survey**
- **Support VF financially**
 - Firm sponsorship of VC University scholarship program or another program
 - Donate: make a tax-deductible contribution



VC UNIVERSITY **Mentoring Forward**

Why would you encourage your VC peers to serve as mentors?

It's super interesting, personally rewarding and it's a way to pay it forward. You have not gotten to where you are without support, it's your time to give back.



Jeff Clavier
Uncork Capital



“As an emerging fund manager with limited social capital, events like Venture Forward’s LP Office Hours really make the difference. I appreciate being able to connect with top-tier GPs & LPs, start relationships with them and get insights to help me on my journey to become a successful fund manager.”

– Lolita Taub (General Partner, Ganas Ventures),
Venture Forward Program Participant

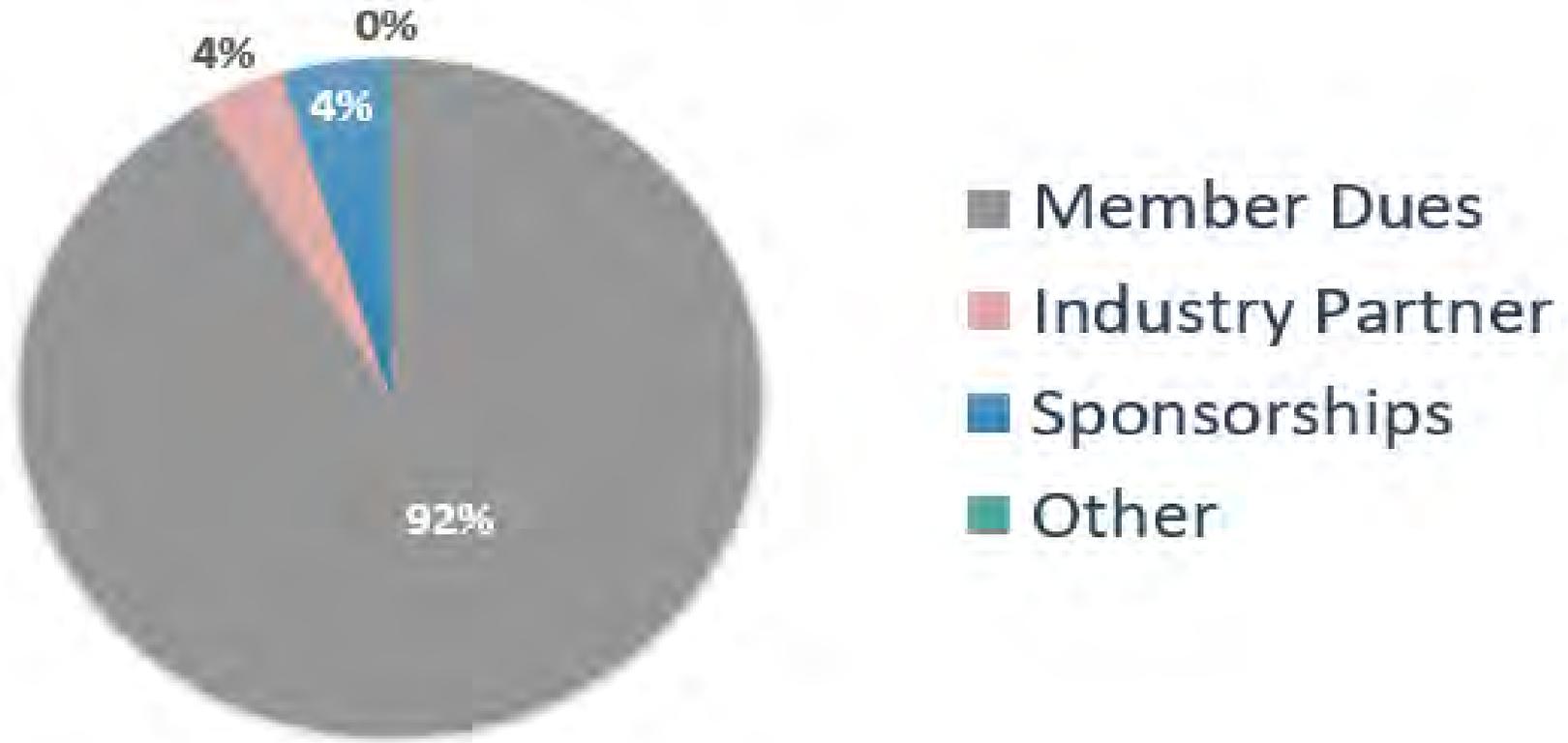
Development Team

What does the Development Team do?

- Manage member engagement (build relationships, tap expertise, meet needs, etc.)
- Oversee member operations (recruit new members, execute membership renewals, manage database)
- Plan events & programming (leadership dinners, conferences, Gala, peer/affinity groups)
- Solicit sponsorships (maintain and expand sponsor relationships, grow non-dues revenue)

Who funds NVCA?

REVENUE DISTRIBUTION: JANUARY – APRIL 2022

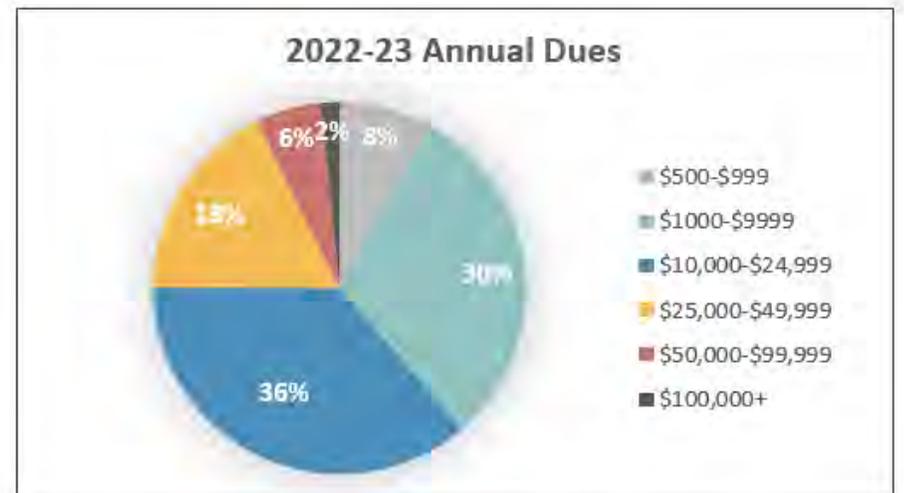
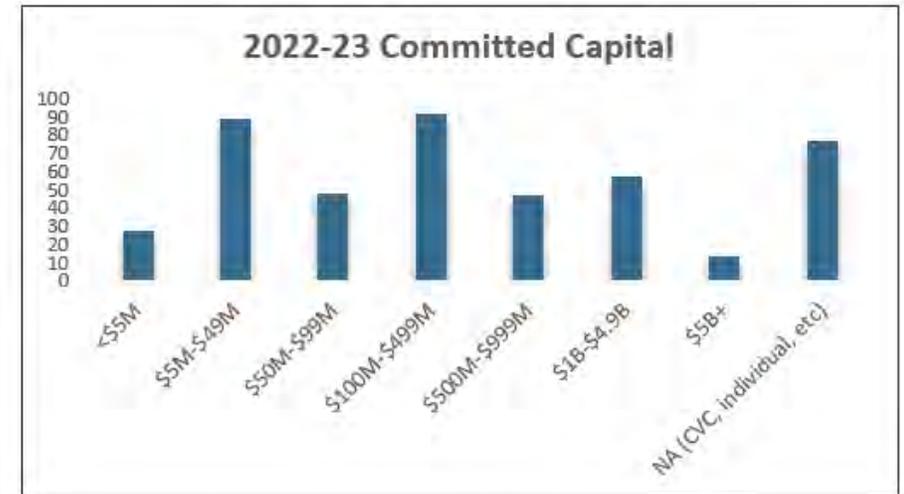


Who are NVCA members?

453 member firms from 38 states

- 201 CA (44%)
- 43 NY (10%)
- 36 MA (8%)

- 165 <\$100M in committed capital (36%)
- 69 CVCs (15%)
- 85 Healthcare focused (19%)



Membership: Challenges & Opportunities

Challenges:

- Value proposition - not a “must have,” easy to free ride
- Often single GP as firm champion, vulnerable to team transitions
- Reputation as “only for big coastal funds”
- Perception as primary focus is carried interest
- Anti-institution trend, particularly among next gen leaders

Opportunities:

- Motivating issues (SSBCI, climate, anti-trust, QSBS, immigration, anti trust, etc)
- Membership as firm marketing (i.e. Member Spotlight)
- Leverage Venture Forward, increasing interest in D&I
- Enthusiasm for value add events coming out of pandemic

Sponsorships

Service providers provide financial support to NVCA by underwriting programs. Sponsorships account for ~20% of annual revenue (in most years).

Sponsorship Opportunities

- Webinars
- Digital Assets
 - Series D.C. Newsletter
 - Biweekly Events Newsletter
 - Ad hoc promotion
- Major Ticketed Events
 - Awards Gala
 - Board Service Excellence Forum
 - Strategic Operations and Policy Summit
- Targeted and Customized Programming
 - Leadership Dinners
 - Peer Group Conferences
 - Happy Hours
 - Industry Focused Events
 - Spotlight On

Industry Partner Goals

- Brand awareness
- Business development
- Thought leadership

Top Partners (2022-2023)

- Aumni
- American Express
- EY
- Gunderson Dettmer
- Latham & Watkins
- PitchBook
- SVB
- William Blair

NVCA Events Explored

Education, thought leadership, professional development, and networking opportunities

Signature Events (50+ attendees)

- Leadership Gala, San Francisco (June)
- Board Service Excellence Forum, Austin (September)
- Strategic Ops & Policy Summit (CFO/COO event), Washington D.C. (November)

Targeted Events

- Leadership Dinners (~10/year, various cities)
- Growth Equity Dinners (NYC & SF)
- CVC Mentor Studio (6-8 virtual workshops)
- Annual Life Science Investor Reception (SF)
- Policy Briefings (TBD)
- StratComm (TBD)
- Lobby Days (TBD)
- Spotlight On
- Thought Leadership Webcasts

How you can help

- **Recruit new members (be an NVCA ambassador)**
- **Sponsor introductions**
- **Host events (large or small)**
- **Recommend Preferred Providers**

Public Policy Team Agenda

- Venture presence in Washington
- Policy Priorities
- Lobbying 101 and best practices

Venture Presence in Washington

Washington is a Big Pond

Google

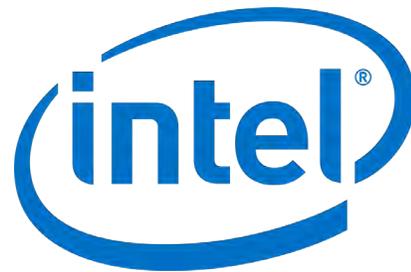
Consumer
Technology
Association™



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

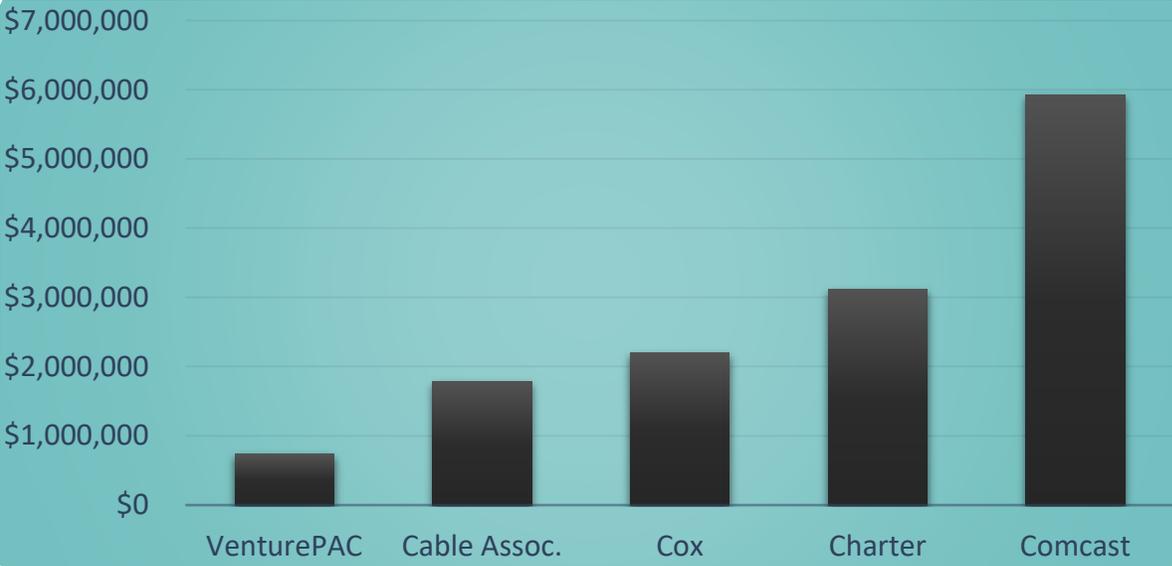


Information Technology
Industry Council

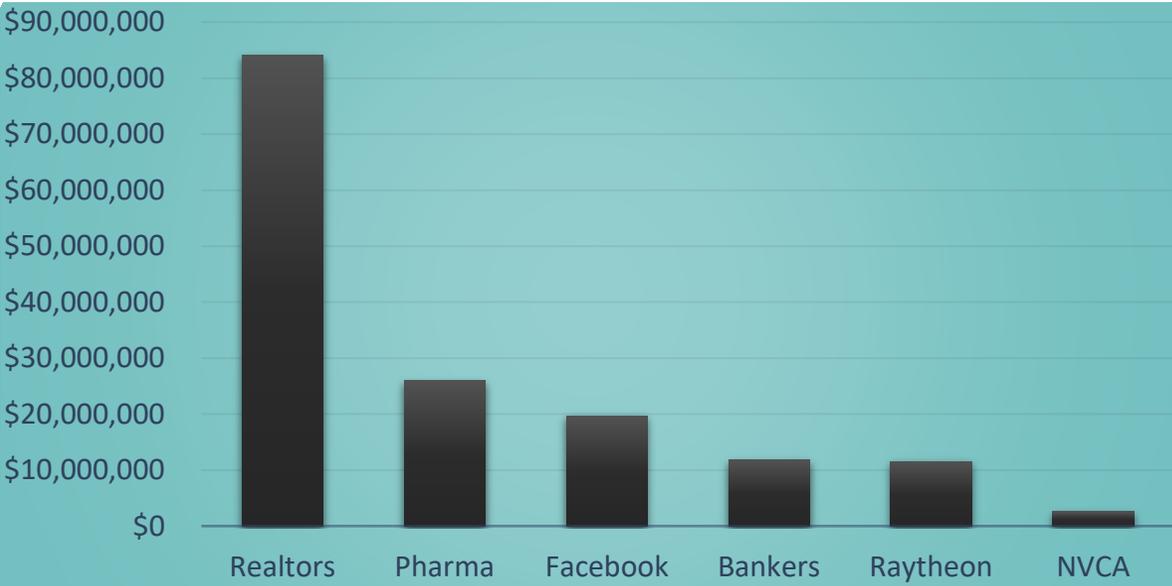


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VenturePAC Contributions vs. Cable



NVCA Lobbying vs. Other Industries



Our Strength is...

Passion of our members



Our Strength is...

**Technology as a solution to problems;
ability to capture the moment**



VC Weaknesses

- Negative Perception and Populist Incentive System



“VC is investing in things your Mom won’t do for you anymore.”
- **Senator Brian Schatz (D-HI)**

LETTER FROM SILICON VALLEY NOVEMBER 30, 2020 ISSUE

HOW VENTURE CAPITALISTS ARE DEFORMING CAPITALISM

Silicon Valley

Why venture capital doesn’t build the things we really need

The funding model that made Silicon Valley a global hub excels at creating a certain kind of innovation—but the pandemic has exposed its broader failures.

by **Elizabeth MacBride**

June 17, 2020

Moderna CEO Dumps Some MRNA Stocks in Planned Sell-Off

BY RACHEL CURRY

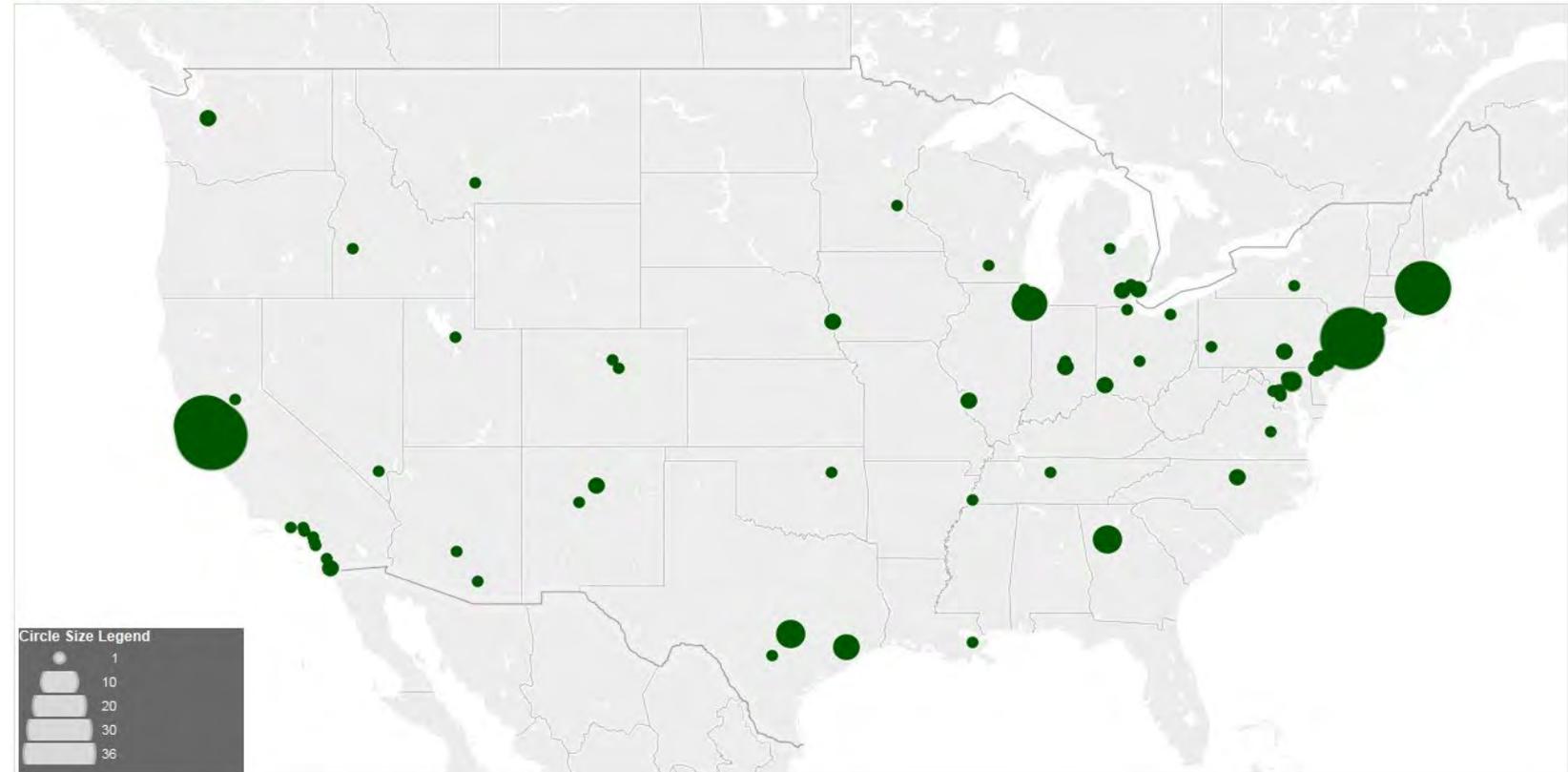
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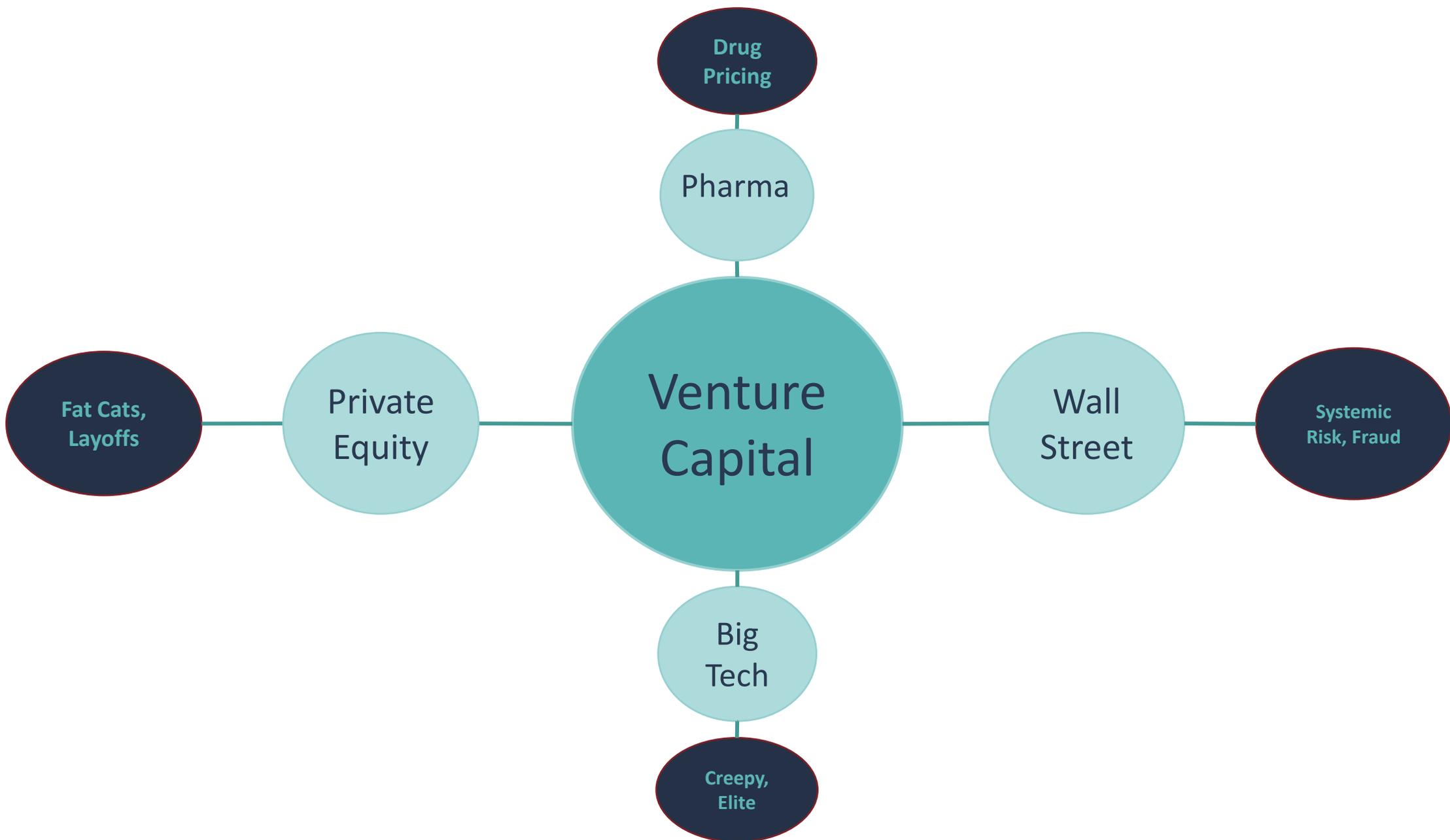
More Start-Ups Have an Unfamiliar Message for Venture Capitalists: Get Lost

VC Weaknesses

- Geographic Concentration

NVCA Member Firms by HQ





Allies in Washington



**Biotechnology
Industry
Organization**



ANGEL CAPITAL ASSOCIATION



**CENTER
for AMERICAN
ENTREPRENEURSHIP**

MIDMA

MEDICAL DEVICE MANUFACTURERS ASSOCIATION

**AMERICAN
INVESTMENT
COUNCIL**



The Real Estate Roundtable

Member Engagement

NVCA provides forums for members to discuss and engage on policy challenges.

- **Capital Gains Working Group**
- **CFO Task Force**
- **Climate and Sustainability Working Group**
- **Corporate Venture Group**
- **General Counsels Advisory Board**
- **Growth Equity Group**
- **Healthcare Innovation Working Group**
- **Strategic Communications Group**
- **Blockchain Working Group**

Policy Priorities

POLICY PRIORITIES

SUPPORTS VENTURE RETURNS & STARTUP SUCCESS

Tax

**Capital Markets
and Regulatory**

Immigration

**Tech
Commercial-
ization**

**Tech-Focused
Economic
Development**

Climate

**Healthcare
Innovation**

Antitrust

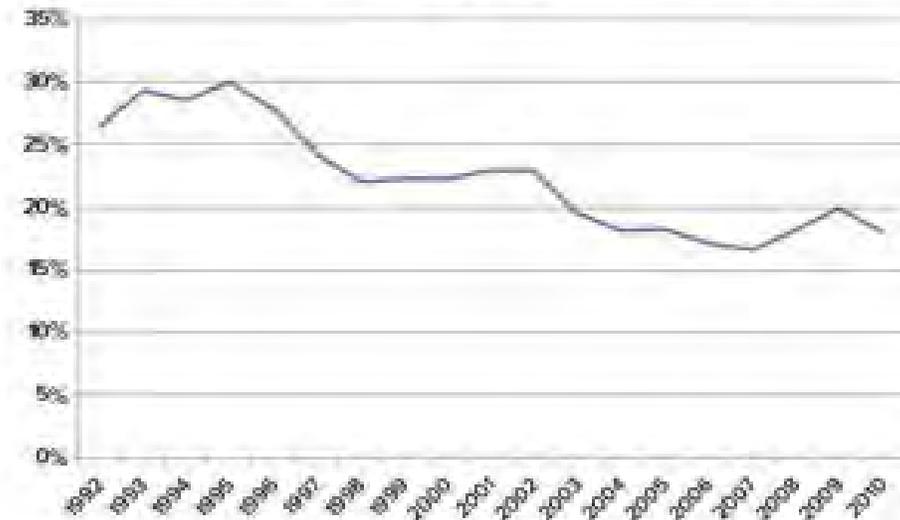
**Foreign
Investment**

Tax Policy

Capital Gains Policy Under Pressure

- **Capital gains rate differential**
 - In Biden Administration
- **Carried interest**
 - 5-year provision considered but dropped in BBB.
 - Carried Interest Fairness Act, introduced in the House and Senate
- **Taxation of unrealized gains**
 - Mark-to-market of capital gains and carried interest
 - Taxation of stock options at vesting
 - Wealth tax

Average Tax Rate Paid By 400 Taxpayers with Largest Incomes
1992-2010



Center for Effective Government

Source: Internal Revenue Service

Other Tax Policy Priorities

- NVCA advocates for tax policy that encourages new company formation:
 - Tax treatment of Net Operating Losses (NOLs)
 - Startup NOL Safe Harbor (Section 382)
 - IGNITE American Innovation Act
 - R&D Credit
 - Expand payroll tax offset for startups
 - Expand value of credit
 - Qualified Small Business Stock Rules (QSBS)
 - Preserve QSBS
 - Improve administrability

Capital Markets and Regulatory

Capital Markets Agenda

- Expand Emerging Growth Company (EGC) status to ten years and remove certain phaseout rules;
 - Created by the JOBS Act, EGC status allows a scaled regulatory/disclosure regime for firms under \$1B in revenue who are private or have been public for less than five years.
- Require investors to disclose short positions;
- Allow EGCs to consolidate their stocks' trading on a limited number of venues to improve liquidity;
- Review regulatory barriers to research coverage for EGCs;
- SPACs and direct listings as providing greater accessibility to the public markets



Regulatory Agenda: Proactive

Provide relief for 20% “non-qualifying investment” bucket

- NVCA regulatory and legislative campaign to modernize SEC definition of VC fund:
- Make investments into EGCs (including secondary) qualifying;
- Make fund of funds investments into other VC funds qualifying;
- Make token offerings qualifying.

Protect Volcker Rule exemption

- NVCA achieved an exemption from the Volcker Rule’s prohibition on bank investment into private funds for venture capital funds, using the SEC definition.

Create effective blockchain regulatory regime

- NVCA advocates for an effective regulatory regime for blockchain technology, providing clear rules of the road so entrepreneurs can experiment



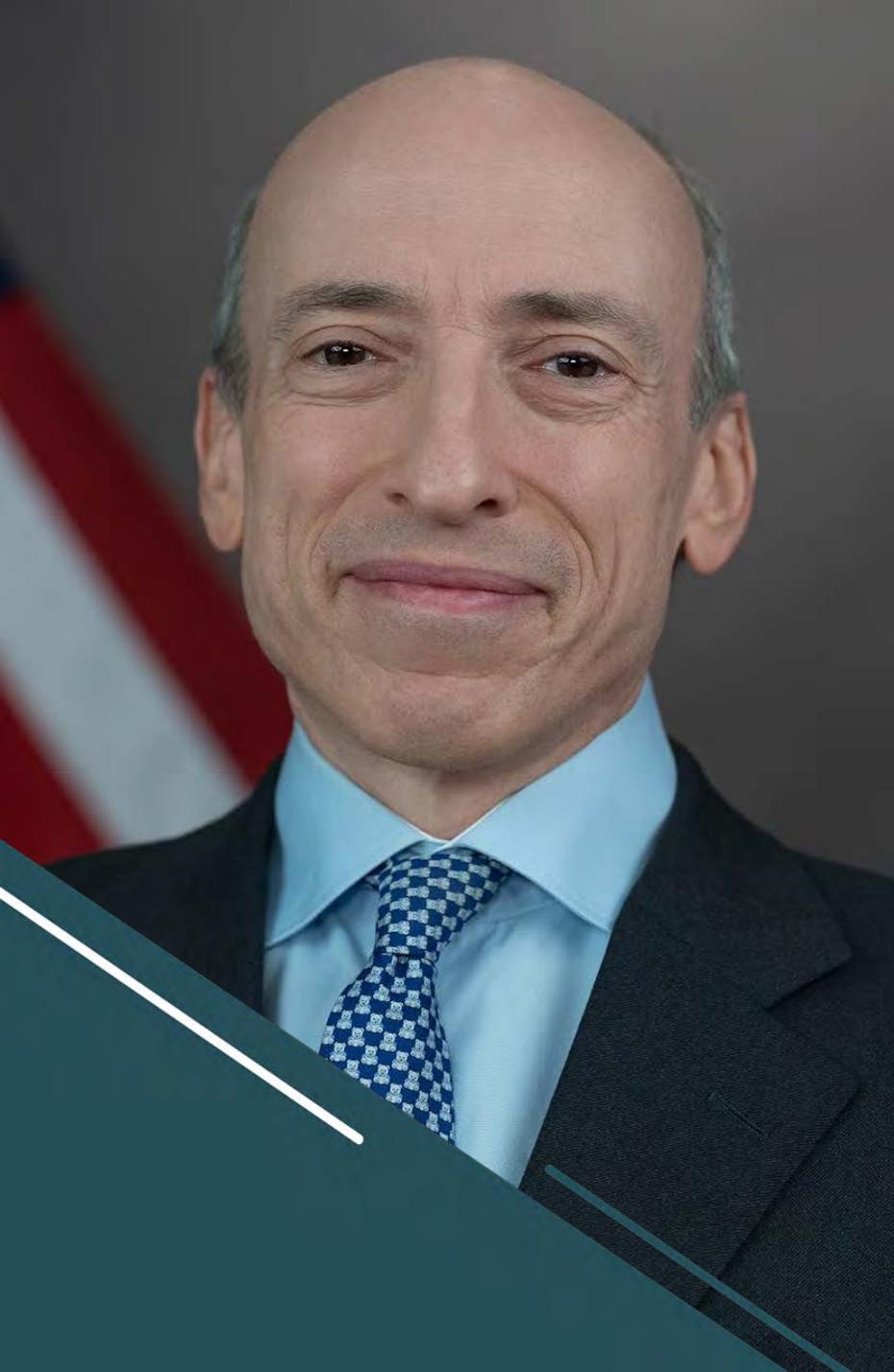
JOBS Act 4.0

Senate Republicans intro'd JOBS Act 4.0 to facilitate capital formation and make the public markets more attractive for innovative young companies

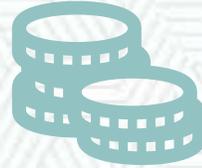
Top NVCA priority: DEAL Act modernizes the VC definition to make secondary and fund-of-fund investments qualifying at the SEC

Extends Emerging Growth Company status to 10 years and additional proposals to reduce the cost of being a public company

Allow small cap companies to consolidate liquidity on limited number of trading venues and measures to improve research coverage



SEC Agenda: Reactive



New regulations
for all private
funds

Prohibit side
letters and
indemnification



Mandate
quarterly LP
statements

Private company
disclosures



Immigration: Startup Visa

Startup Visa

Rep. Zoe Lofgren's (D-CA) Let Immigrants Kickstart Employment (LIKE) Act

Startup Visa is needed to create new jobs and maintain U.S. competitiveness

- U.S. makes it too difficult for foreign-born entrepreneurs to start new company in our country
- To qualify, the foreign-born founder would need to create full-time U.S.-based jobs and attract significant investment.
- The Kauffman Foundation estimates that the creation of 75,000, Startup Visas would result in **1.6 million new jobs** over 10 years.

Technology Commercialization

Technology Commercialization

NVCA supports:

- Renewed federal commitment to basic research funding
- Improve translation of federally-funded research into commercialized technology
 - Emphasis on new company formation to support startup model
 - SBIR, STTR, NSF I-Corps
- Bipartisan *Endless Frontier Act* leading priority



NVCA-endorsed *Endless Frontier Act*

\$120B to strengthen U.S. R&D in key tech focus areas through public-private partnerships

- Establishes NSF Technology & Innovation Directorate
- Increases authorized funding for existing NSF R&D activities
- Creates regional tech hub programs at Dept. of Commerce

NVCA Priorities

- New commercialization programs: tech transfer, test bed, R&D
- Each program prioritizes new business formation and entrepreneurship
- Opportunity to encourage university tech transfer best practices

Congress State of Play

June 2021: *Endless Frontier Act* core component of *U.S. Innovation and Competition Act*; passed Senate with 68-32 vote

February 2022: *America COMPETES Act* passed House with only Democratic votes

Formal conference negotiations ongoing: NVCA advocating for EFA priorities and Startup Visa; best legislative opportunity on Startup Visa since 2013



SBIR Commercialization Improvements

NVCA recommendations to maximize commercialization opportunity in SBIR/STTR programs:

Prioritize new company formation and growth

Expand eligibility for equity-backed companies to all SBIR programs (affiliation rules)

Expand "open topic" activities for innovative technology solutions (e.g. AFWERX)

Limit multi-award winners to increase access for startups and target SBIR mills



AFWERX

Tech-Focused Economic Development

SSBCI 2.0

American Rescue Plan (ARP) provided \$10B for SSBCI 2.0 (1.0 only \$1.5B)

States receive a minimum of \$56M to provide capital to small businesses

Can deploy debt and equity capital, including VC programs

NVCA SSBCI Working Group engaged with Treasury on implementation & education



Technology: Bipartisan Infrastructure Framework



Technology Procurement Programs



Technology Demonstration Project Grant Programs



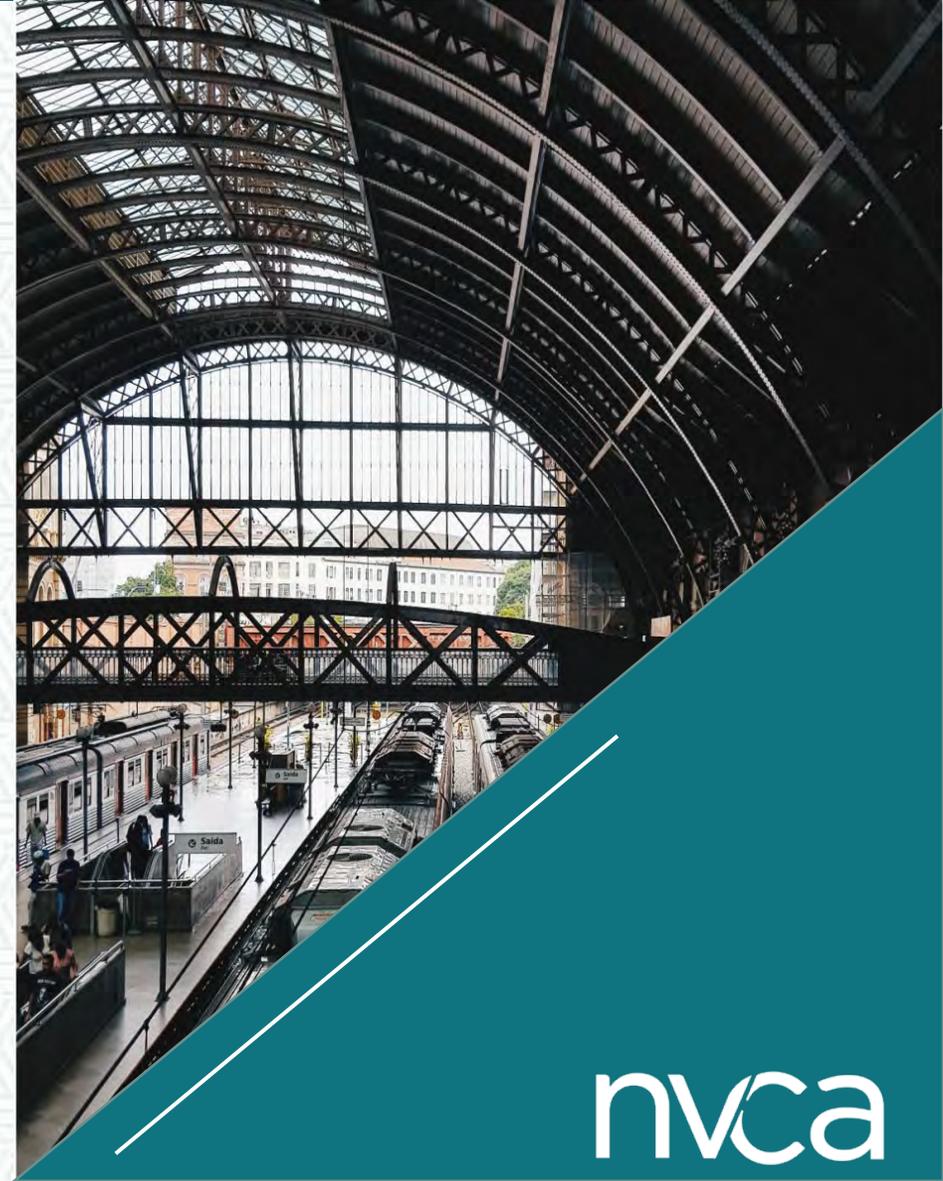
Research and Manufacturing Grant Programs



New Gov't Technology Offices and Working Groups

Examples of Technology Programs in Infrastructure

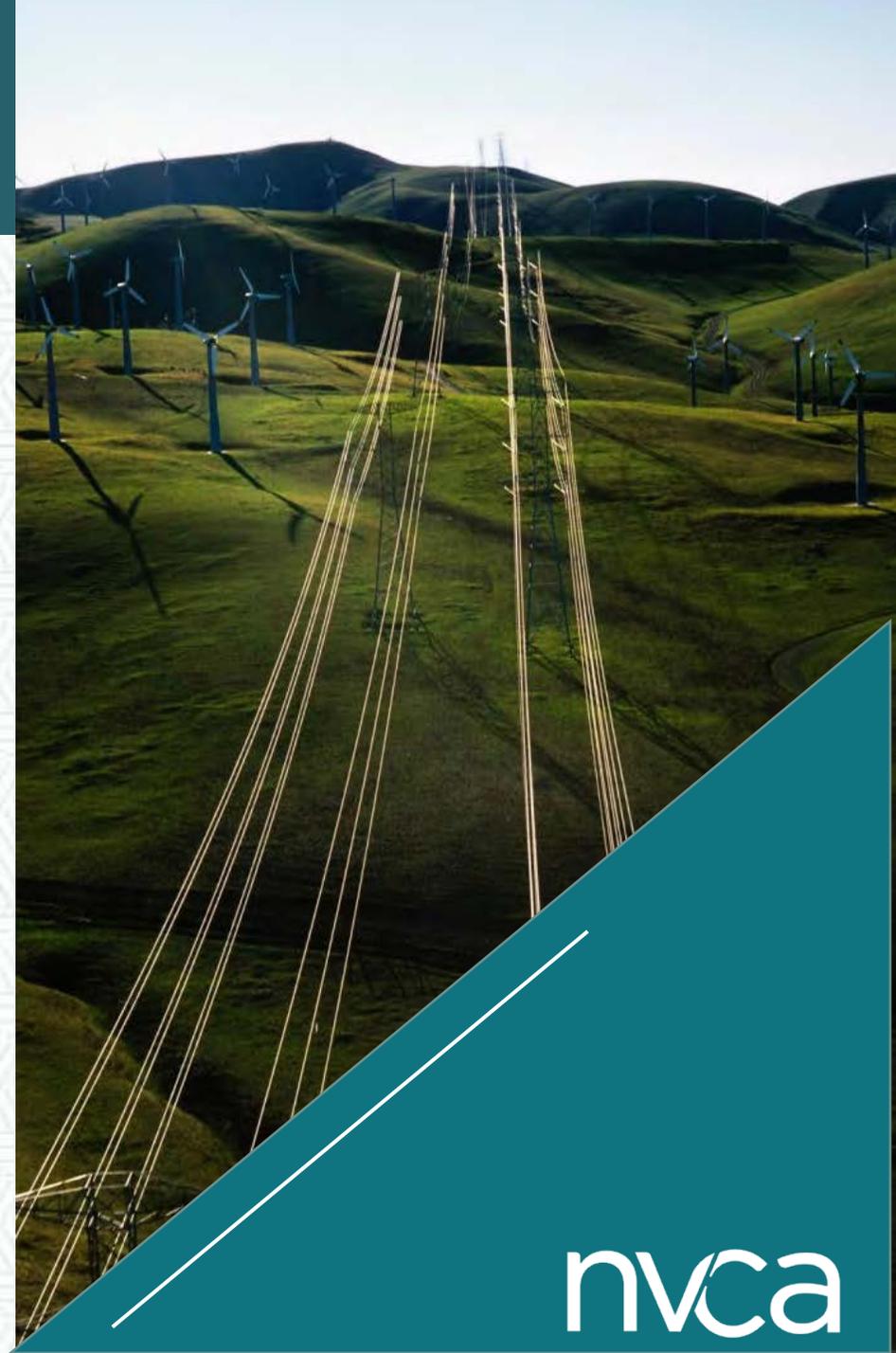
- \$7.5B for deployment of alternate fuel recharging infrastructure.
- \$3B Smart Grid Investment Matching Grant Program for deployment of technologies that enhance grid flexibility.
- Creation of Advanced Research Projects Agency-Infrastructure.
- \$550M for the Technology and Innovation Deployment Program to accelerate adoption of market ready transportation technologies.
- Expansion of Advanced Technology Vehicle Manufacturing Program to include medium and heavy –duty vehicles, trains, aircraft, maritime vessels and hyperloop technology.
- \$1B grant program to S&L governments and utilities/contractors to address cybersecurity risks and threats.



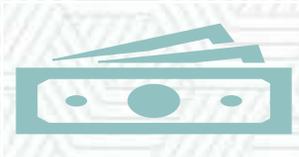
Climate & Sustainability

Climate & Sustainability

- Convene VCs and climate-focused entrepreneurs to discuss a policy agenda supporting climate technology startups & ensuring access to key programs.
- Engagement with Congress & key federal agencies including DOE, the White House Deputy Climate Advisor, ARPA-E, NSF, House Ways & Means Committee staff, Senate Agriculture Committee staff.



Policy Priorities



Direct pay mechanism for energy tax credits



Support for research, commercialization, and scale-up activities of climate and sustainability technologies



Programs to support decarbonization of agriculture



Creating a new energy storage tax credit

Healthcare Innovation

Healthcare Innovation

- **Drug pricing proposals**
 - Political attacks on big drug companies could harm high-growth startups
 - Our role in debate is educating policymakers on the crucial role venture capitalists play in new drug discovery
- **Medical device reimbursement**
 - NVCA supports MCIT pathway
 - Provides four years of Medicare coverage for FDA-designated breakthrough devices
 - Rescinded by CMS; advocacy continues
- **Cures 2.0 legislation priorities**
 - MCIT-like pathway for innovative medical technologies
 - ARPA-H implementation



Antitrust – M&A Restrictions

Senate Focus On Antitrust

Antitrust scrutiny has included restrictions on acquisitions by larger companies

Senators Klobuchar and Cotton introduced the Platform Competition and Opportunity Act

FTC and DOJ are pursuing changes to Merger Guidelines and once routine acquisitions are seeing new challenges



Why it Matters

M&A activity is most common positive outcome for VC-backed companies

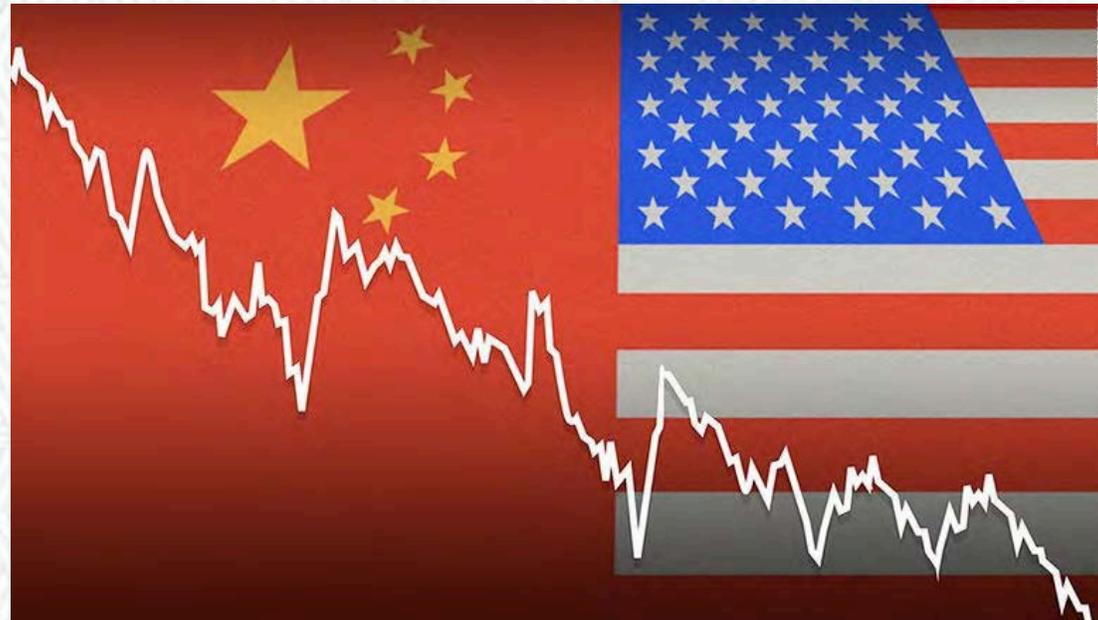
Proposed M&A restrictions come at a time when the public markets are difficult for VC-backed companies



Foreign Investment

Foreign Investment Scrutiny & VC

- *Foreign Investment Risk Review Modernization Act* fully implemented.
- FIRRMA greatly enhances power of CFIUS to review even minority, non-controlling investments (e.g. LPs)
- Motivation behind FIRRMA was China but bill is global
- CFIUS now significantly more relevant to venture and startups
- NVCA monitoring FIRRMA expansions



Lobbying 101

Lobbying is like venture except you are making the pitch



And it's all about...



Narrative

Everyone loves a good story

- Begin with overview of VC
 - Good VCs don't pick winners, they build them!
- Emphasize partnership with startups
 - Need to overcome idea that it's just about money
- Stories from your experience/portfolio a plus
 - Overcoming adversity on road to new company

Capitol Hill Rundown

- Our goal is to build relationships and develop champions.
- Alliances are issue-specific – sometimes a friend on one issue is an opponent on another issue.
- Venture capital activity is not widely or evenly distributed – we must be creative in finding champions.
- Explain importance of VC activity to policymaker goals – often, our best opposition arguments are explaining how poor startup policy can hurt the policymaker’s broader goals.
 - Meetings are usually, 15-30 minutes long
 - Generally, cover no more than 3 topics
 - Have a conversation; don’t filibuster
 - Members of Congress talking is usually a good thing in meetings!

Questions?