

A man with glasses and a beard, wearing a blue suit jacket over a white shirt, stands in a field of tall, golden-brown grass. The background is a bright blue sky with scattered white clouds. The man is looking directly at the camera with his hands in his pockets.

#MindfulInvestment

Justin Levine

October 2017



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The individual investor should act consistently as an investor and not as a speculator – Ben Graham

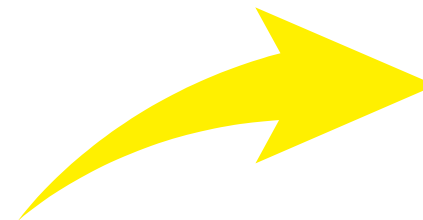
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The London-based virtual reality firm Improbable made headlines after it announced the closure of a whopping \$502m Series B from high-profile investors.

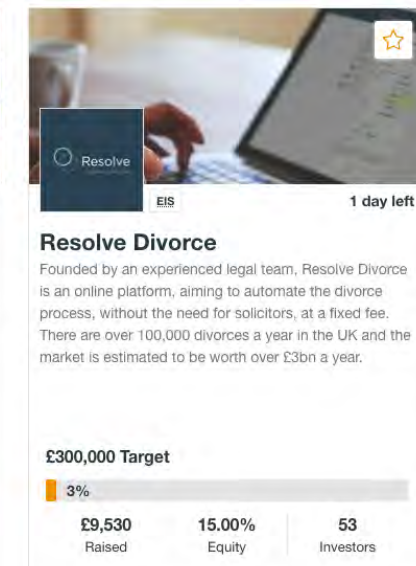
China unicorns that have emerged since Jan 2017..

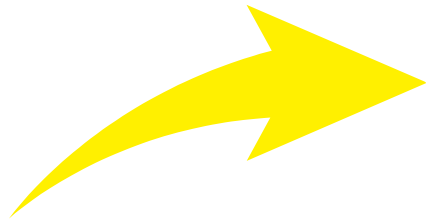
- Vipkid
- Cambricon
- E-shang Redwood
- Sense Time
- Zhaogang
- Mobike
- DT Dream
- Yuanfudao
- Tuandaiwang
- Netease Cloud Music
- Bytedance
- NIO
- Ofo
- UR Work
- Zhihu



Startups valued > \$1 billion

Thousands of crowdfunding projects added each week





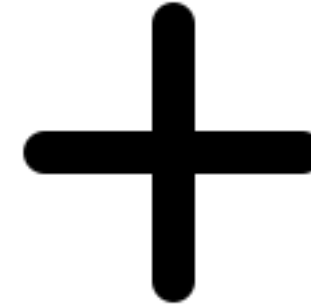
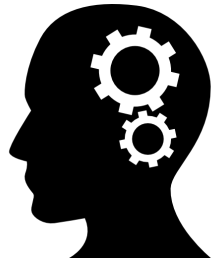
Outcome	Percentage
Goes out of business	50.0
Sale to a larger company	20.0
Acqui-hire	15.0
Walking dead	7.0
Soft landing with a competitor	3.0
Bought out by a later investor	2.0
Bought out by a lifestyle entrepreneur	1.0
Becomes part of a roll-up	1.0
Disappears	0.9
Initial public offering (IPO)	0.1

Most Common Angel Exits – USA

Sources:
Gust Equity Management (USA)
U.S. Small Business Administration



“ The Midas Touch? ”



“Group review + Data + Radical Truth!”

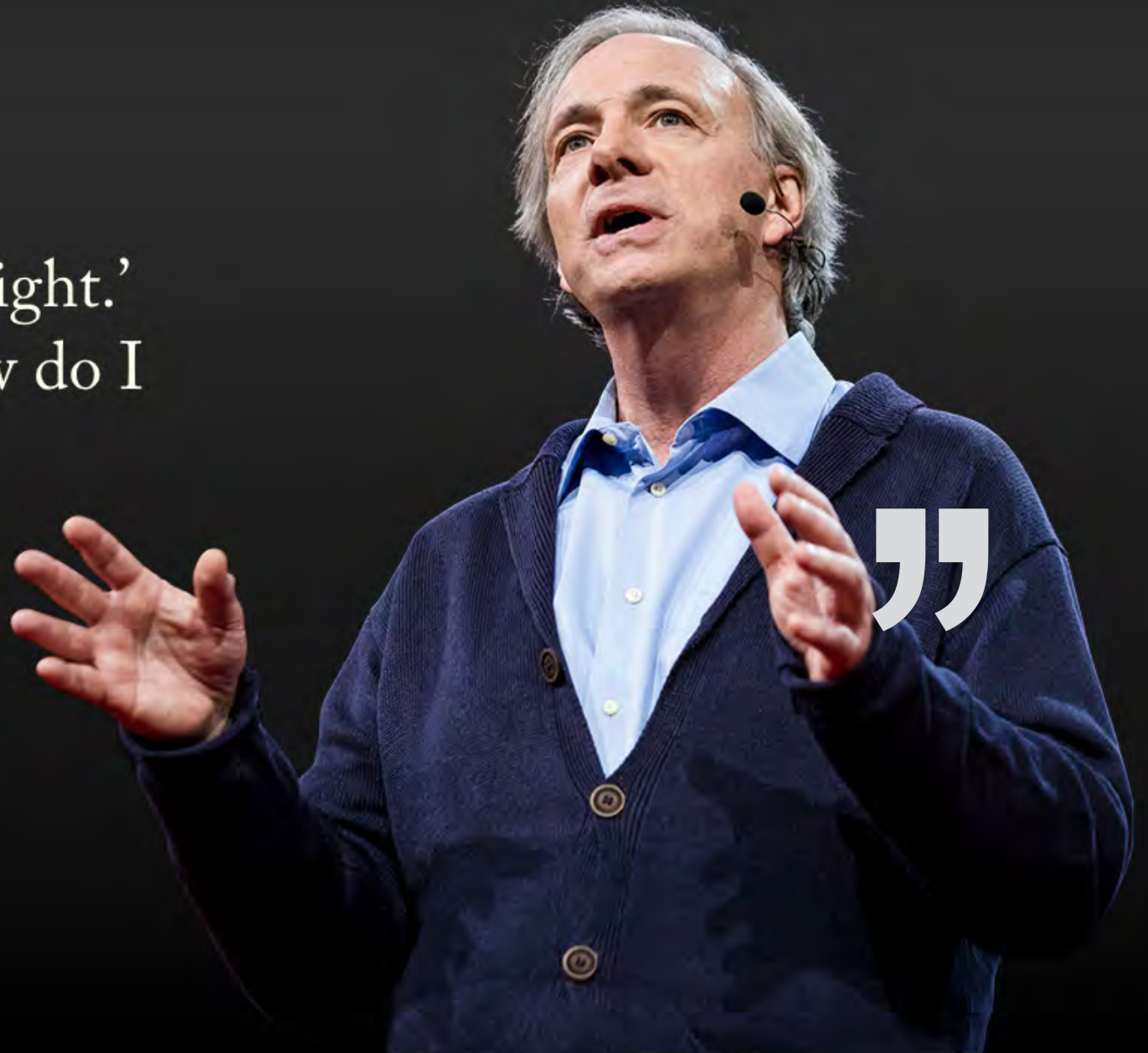
TED2017

“Rather than thinking, ‘I’m right.’
I started to ask myself, ‘How do I
know I’m right?’”



Watch the full TED talk

Ray Dalio, Bridgewater Associates
40 years experience
\$160Bn under management

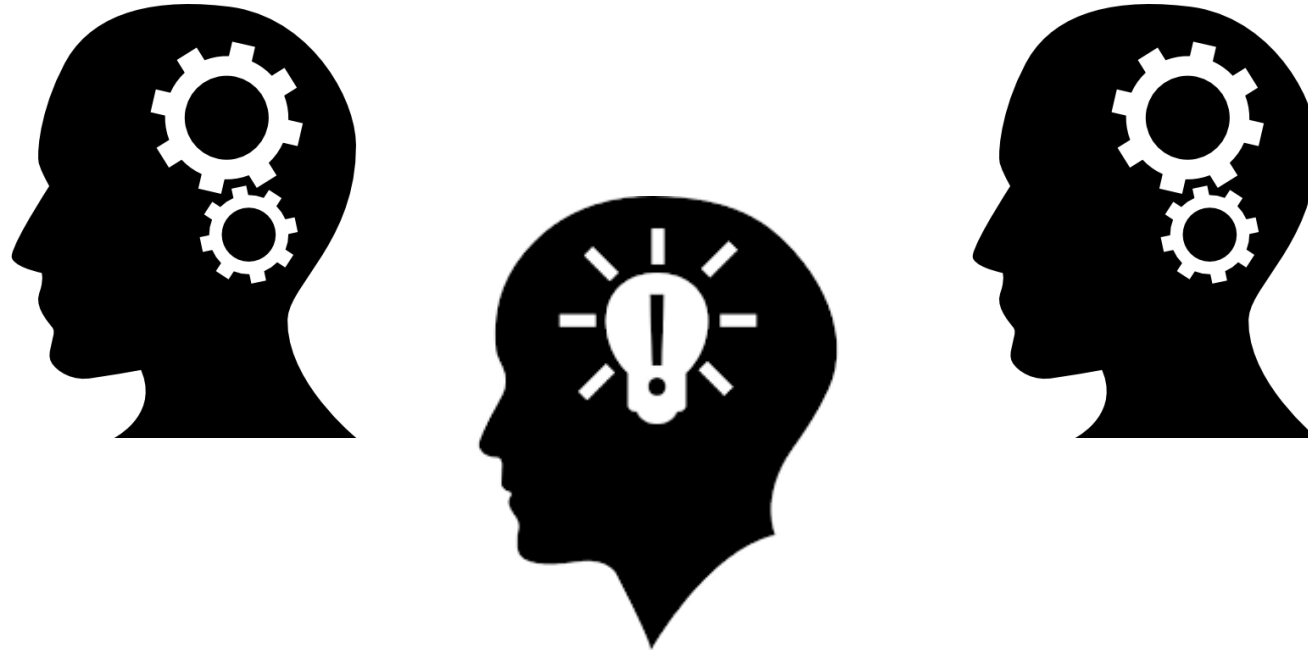


“ Some people are prone to taking on too much risk while others are too risk averse.

Some are too focused on the details while others are too big-picture.

Most of us are too much one way and not enough another.

”



“

Power of Thoughtful Disagreement

”

**“ This singular method of approaching
your investments can significantly
reduce your downside ”**

“ **Measure twice, cut once** ”

● Protect the downside



- Board seat – active participation
- Understand the difference between economics and control (protective provisions)
- Convertible debt including discount on later stage financing (vs a vs EIS / SEIS)
- Anti-dilution provisions on new share issues at lower price
- Liquidation preferences – know your stock options (preferred vs ordinary, participating vs non-participating)
- Redemption rights on preference share capital
- Spread risk over several investments

Thank You

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