

**K.E.Y.**  
**PLATFORM**  
**2014** April 23 – 24, 2014  
Conrad Seoul, Korea



# ASSET MANAGEMENT VENTURES

Digital Health, Technology and Life Sciences

Skip Fleshman  
General Partner  
[skip@assetman.com](mailto:skip@assetman.com)  
@SkipFleshman, @AMV

# Firm Facts



**AMV** invests in **early stage** startups spanning **digital health, technology** and **life sciences**.



**Early stage**  
including a seed  
allocation



**Integrated** health and  
tech team



Emphasis on mobile, big  
data and **digital  
health**



**33%** gross IRR since  
1965, no negative fund  
returns

# Domain, Entrepreneurial & Operating Expertise



**Skip Fleshman**

General Partner  
Stanford GSB

Founder and COO  
**BGI simulation software**

F-16 Pilot and Mission Commander  
**U.S. Air Force**

**Digital Health**

HealthTap  
Lark  
Reify  
AchieveMint

**Mobile, Big Data**

Kii  
Skybox  
Madvertise



**Lou Lange**

General Partner  
Harvard, MD, PhD

Founder and CEO  
**CV Therapeutics**, \$1.4 billion exit

Professor of Medicine and Chief of  
Cardiology  
**Washington University**

**Therapeutics**

Esperion Therapeutics  
ImmunoCellular Therapeutics  
Rapidsan Pharma Solutions

**Genomics**

CardioDX  
Maverix Biomics



**Rich Simoni**

General Partner  
Stanford Electrical Engineering, M.S., PhD

Founder and CTO  
**Talkway Communications**

**Chromatic Research**

**Digital Health**

Proteus Digital Health

**Mobile, Big Data**

KeepSafe  
Womply

**Genomics**

Twist

# Historical Strategy (1965-2008)

## Software

EVANS & SUTHERLAND

stratavia®

NUANCE

Provade

## Hardware

  
Molecular Imprints

 TANDEM COMPUTERS

PMC

AMCC

## Medical Devices & Diagnostics

 Applied Biosystems

  
Enteric Medical Technologies, Inc.

 COHERENT.

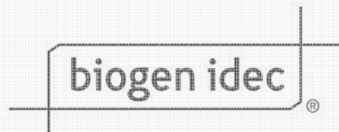
  
TRIVASCULAR™

## Biotech

AMGEN®

BiPar  
sciences

 THERAPEUTICS¹

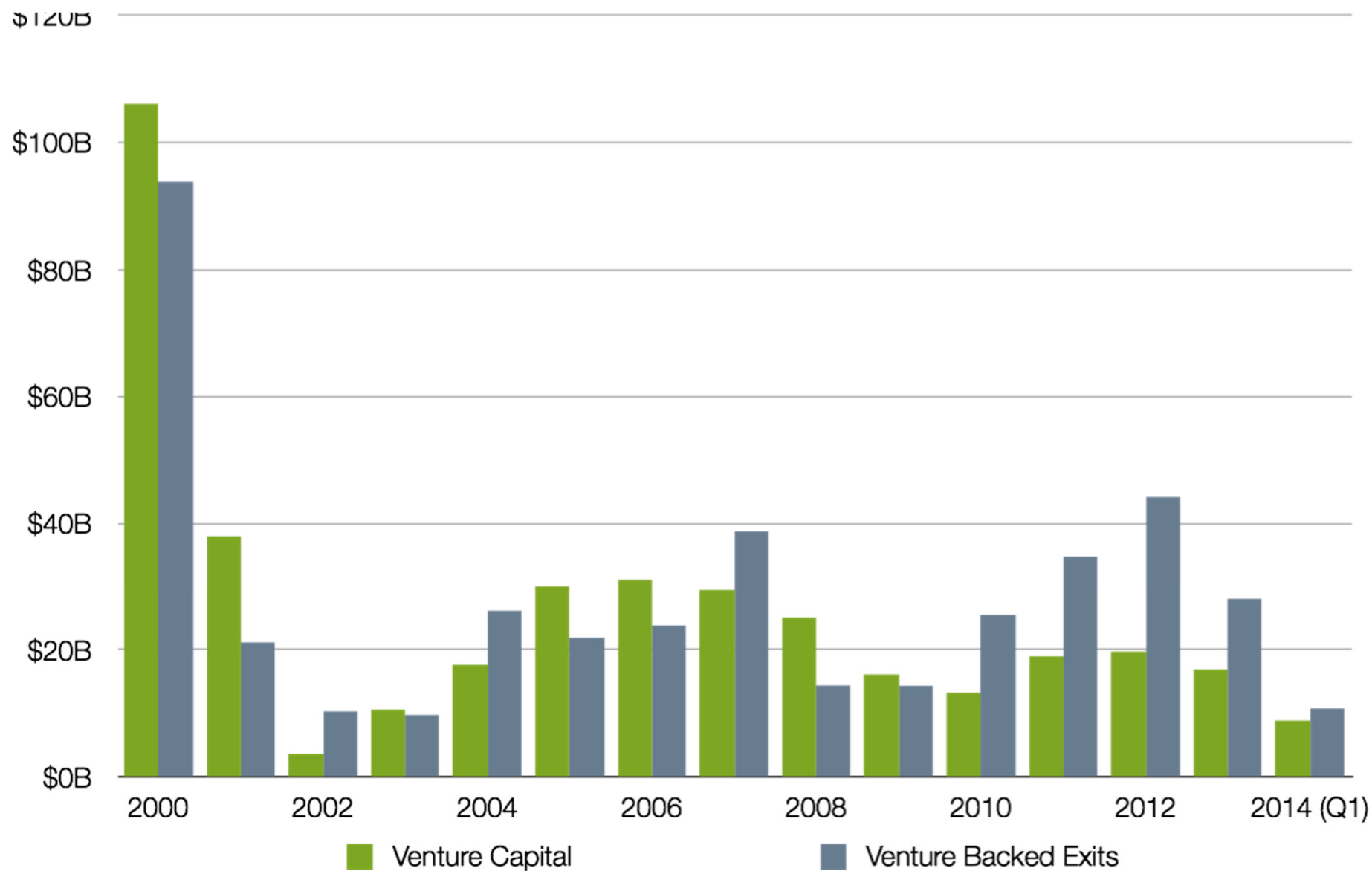
  
biogen idec®

# Present-Day Investment thesis

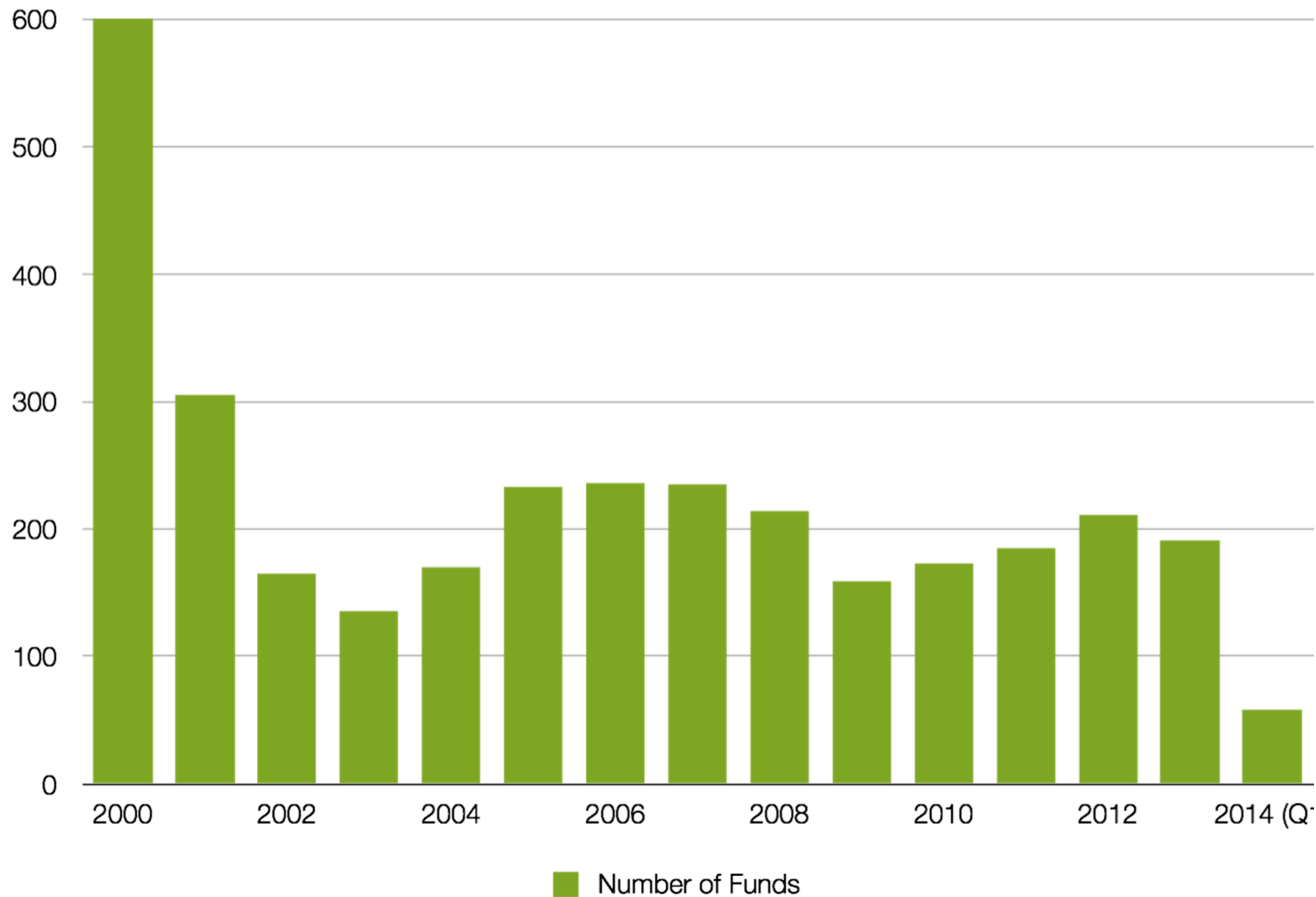


# Silicon Valley Venture Capital Evolution: 2000-2014

# Venture Capital Plummet after 2000



# Many Funds Don't Make It





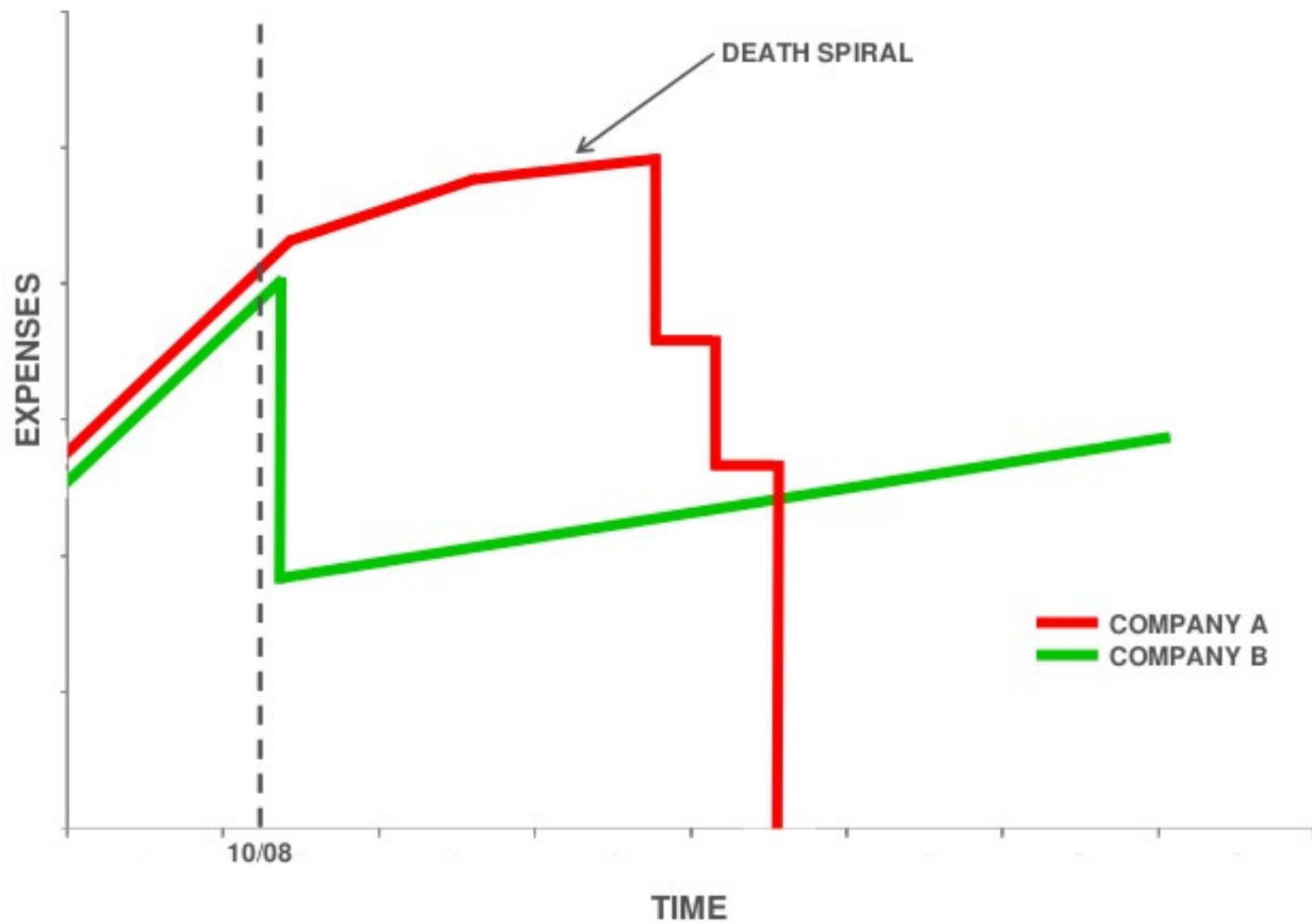
# Why? The 2008 Financial Crisis was a big hit



# Sequoia Capital's Famous Message



## SURVIVAL OF THE QUICKEST



# But.....Social Networks and SaaS Bets Pays Off

## Social Networks



**\$150 Billion** Market Cap



**\$23 Billion** Market Cap



**\$20 Billion** Market Cap



**\$19 Billion** Acquisition



**\$3.8 Billion** Valuation



**\$1.2 Billion** Acquisition



**\$1.1 Billion** Acquisition



**\$1 Billion** Acquisition

## SaaS



**\$13.4 Billion** Market Cap



**\$9.6 Billion** Valuation



**\$9 Billion** Valuation



**\$7.1 Billion** Market Cap



**\$7 Billion** Market Cap



**\$3.9 Billion** Market Cap



**\$3.5 Billion** Market Cap



**\$2.7 Billion** Market Cap

Now - Startup Costs Lower than Ever

# Instant Distribution



App Store



Google play

# One-Click Feature Addition

**stripe**

**Kii**

 **twilio**

Parse

mixpanel

 AUTHY

 **Optimizely**

 **KISSmetrics**

SimplyInsured



ZENEFITS



Instacart

HOMEJOY

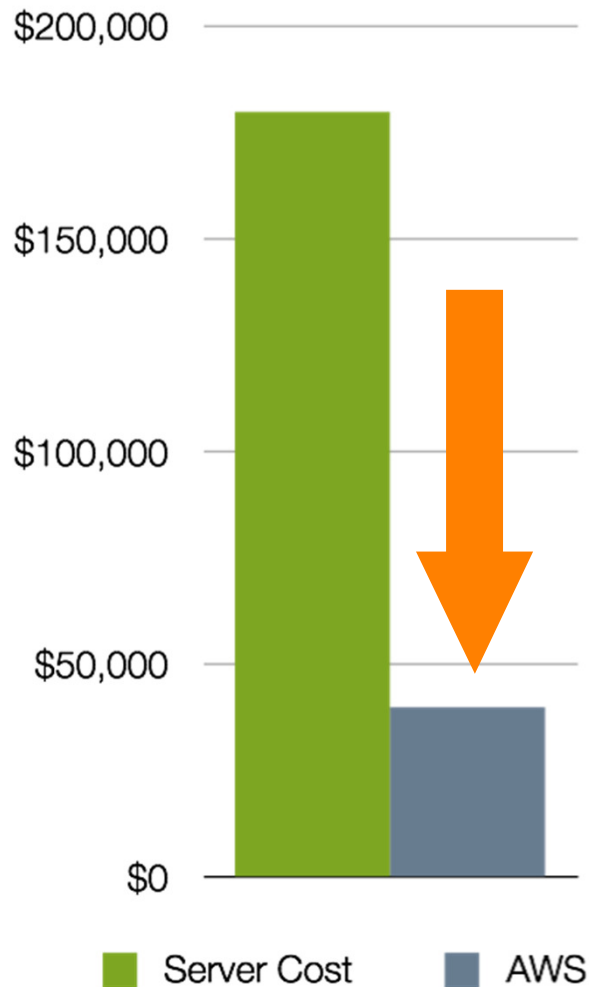


# Flexible Office Space



# Cheap Servers

## Typical Startup Savings



70-80% cost savings

No need to maintain physical servers

Instant deployment

Easily absorb spikes in traffic  
(for when you appear in TechCrunch)

No server crashes

# New Investment Landscape



# Successful Startups Mint New Millionaires

**900**

Millionaires created by Google IPO

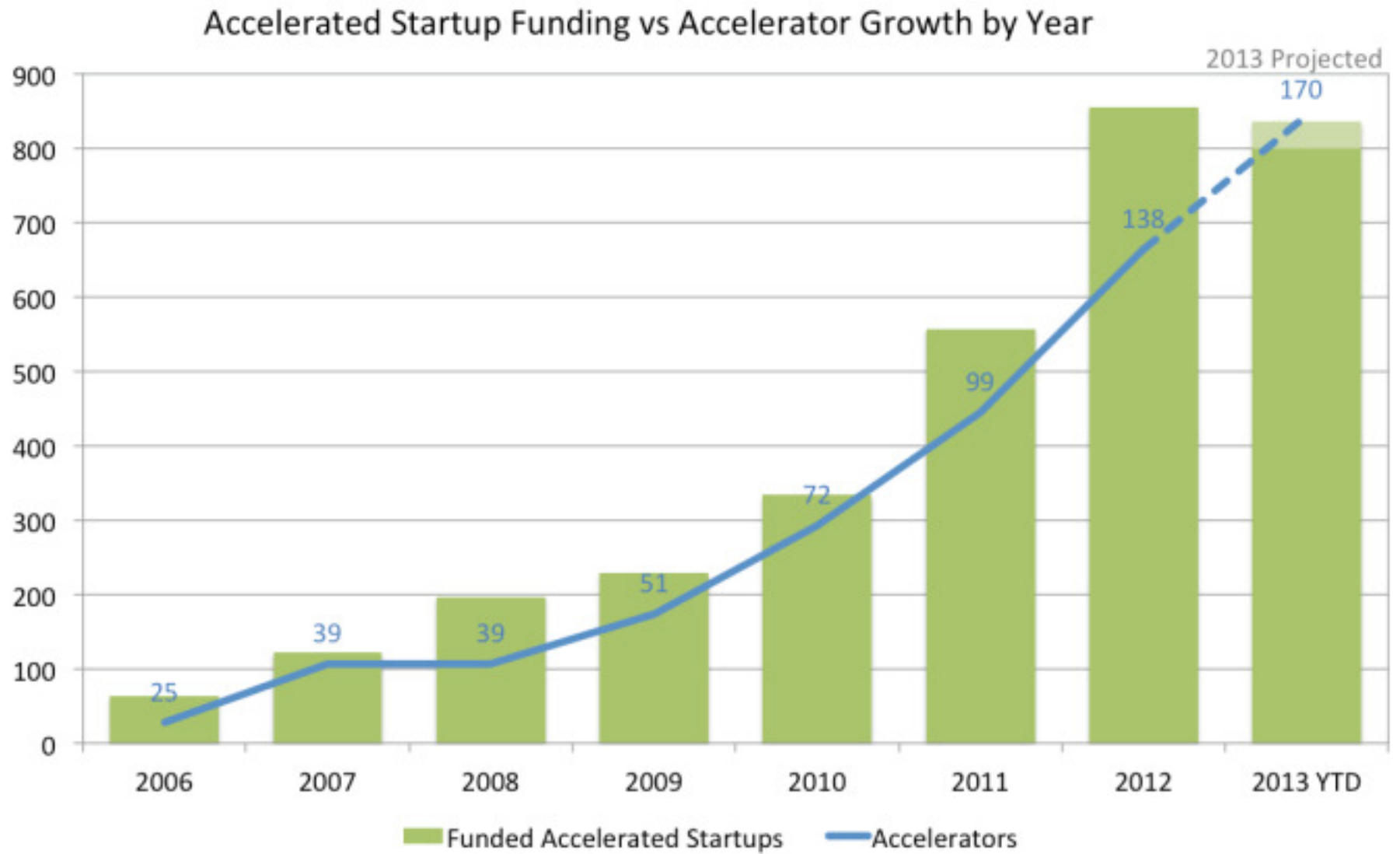
**1,000**

Millionaires created by Facebook IPO

**1,600**

Millionaires created by Twitter IPO

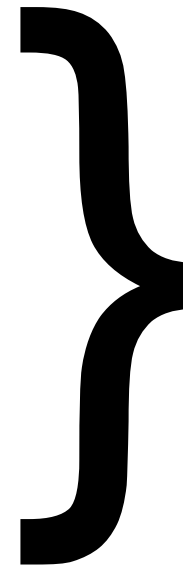
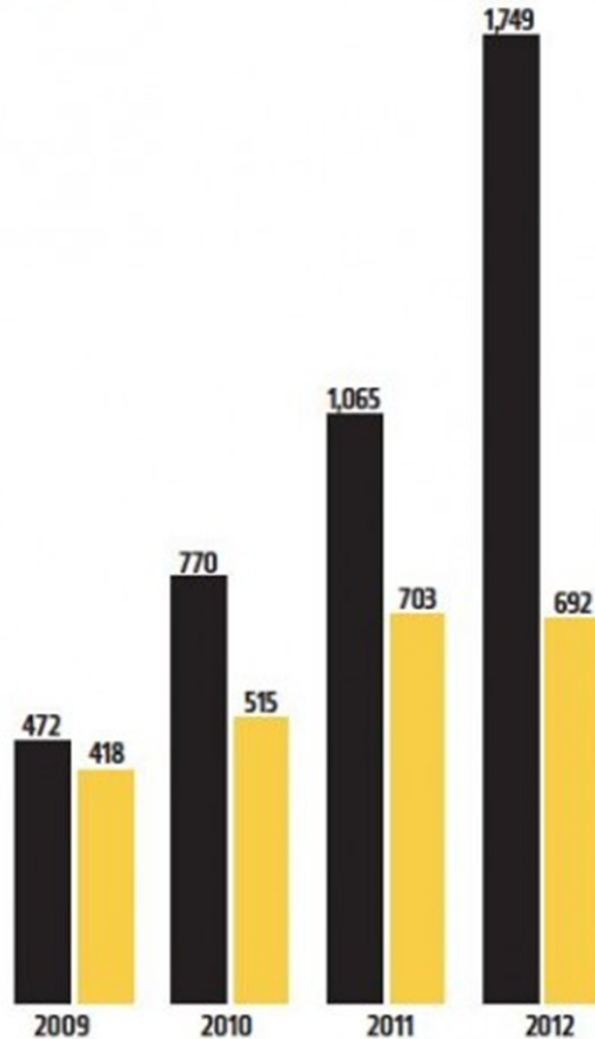
# Who Invest in More Startups



Source: CrunchBase

# Too Many Startups

■ Seed deals  
■ Series A deals



Seed-funded  
startups that don't  
make it to Series A

SOURCE: CB INSIGHTS

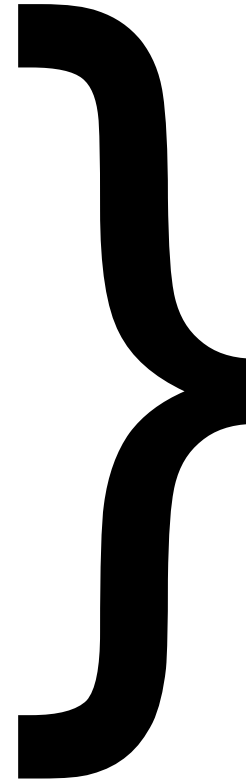
## Mega VCs are UnderPerforming

“Only four of thirty venture capital funds with committed capital of more than \$400 million delivered returns better than those available from a publicly traded small cap common stock index.”—Kaufmann Foundation

# Too Much Money Chasing Too Few Deals

42

Venture Capital Firms > \$1B Under Management



Underperforming  
mega venture firms

4

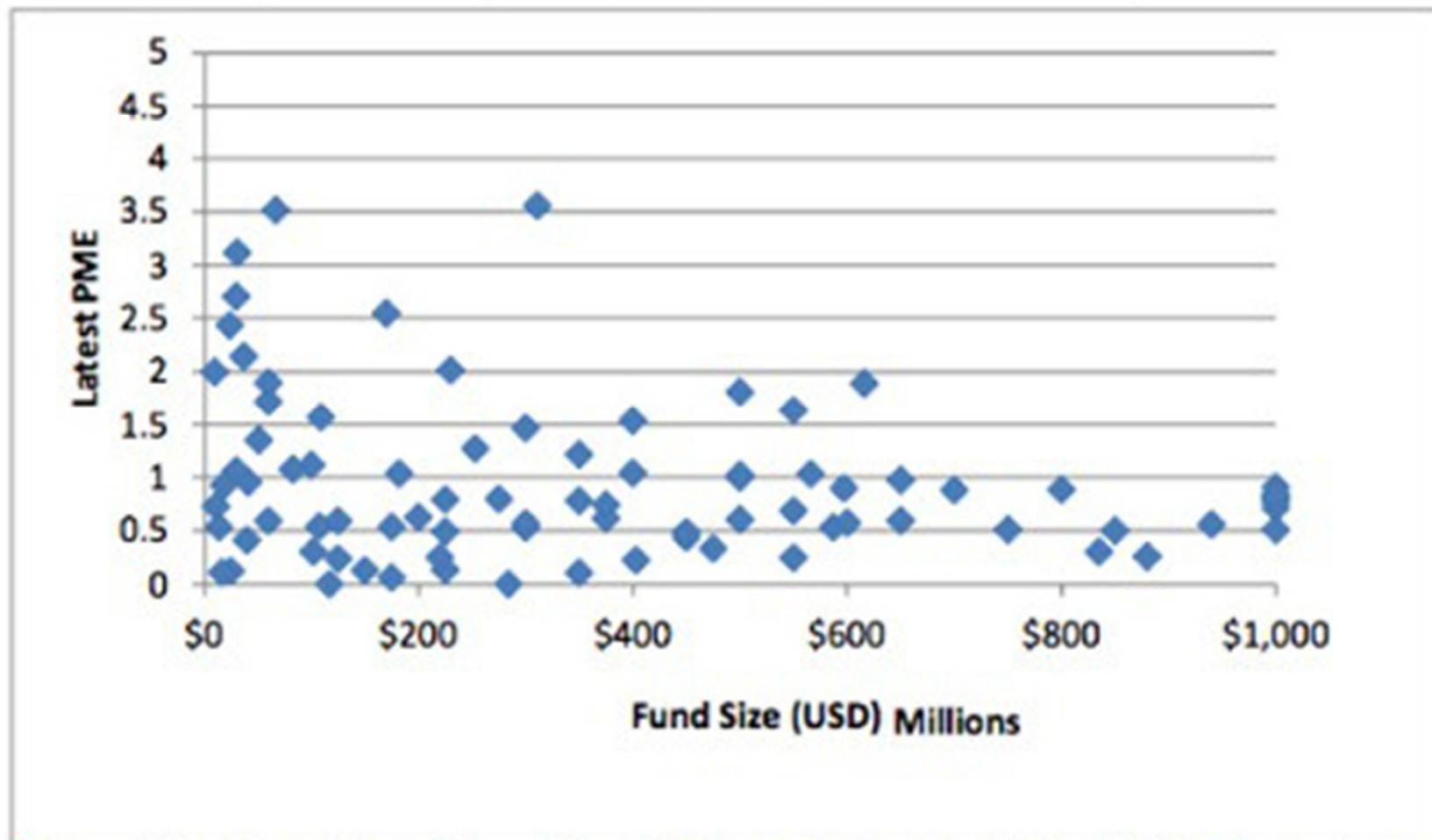
Companies started each year that will  
reach > \$1B valuations (on average  
since 2003)



# Small VCs Perform Better

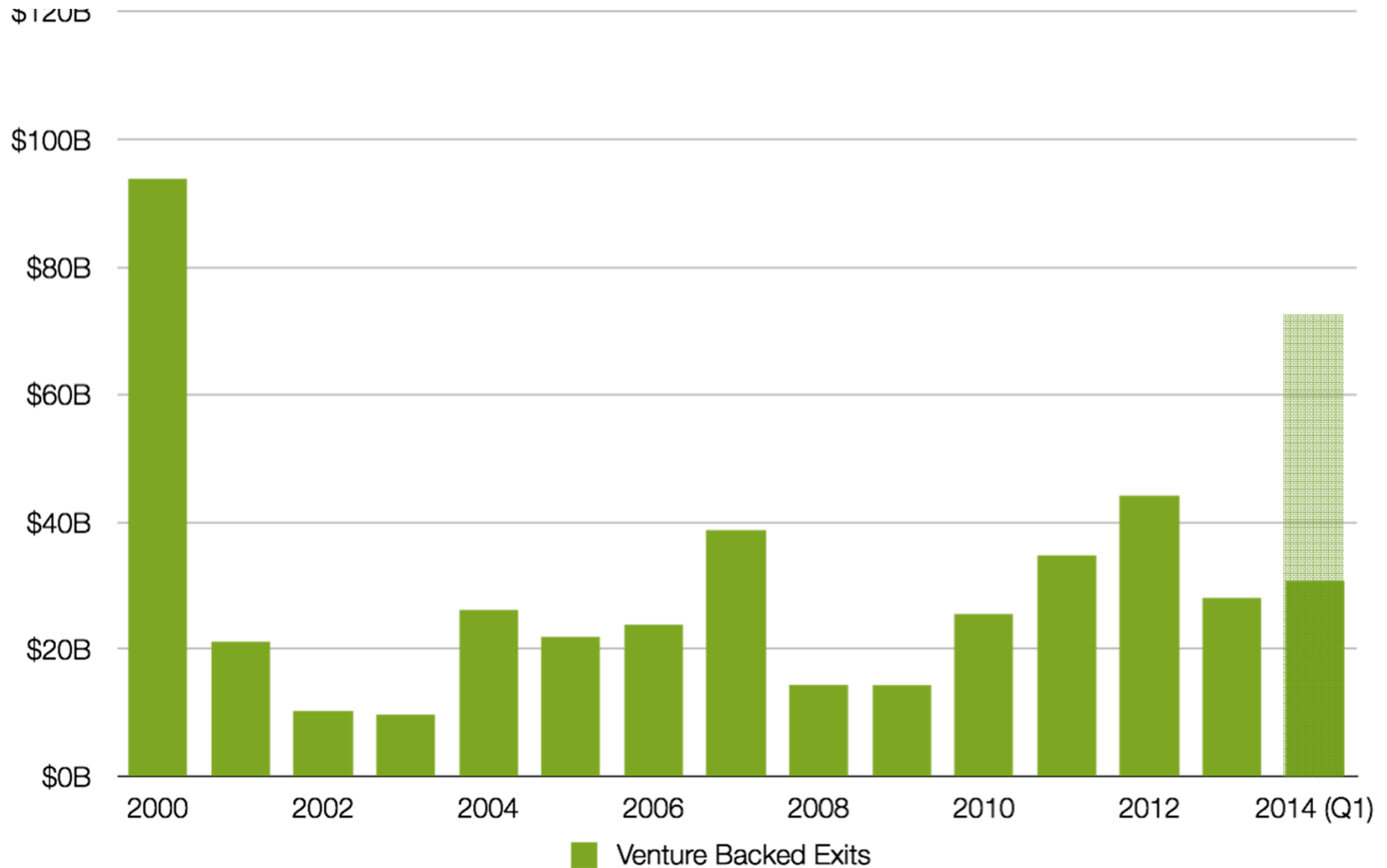
Figure 1

## Best-performing VC funds are smaller than \$250M



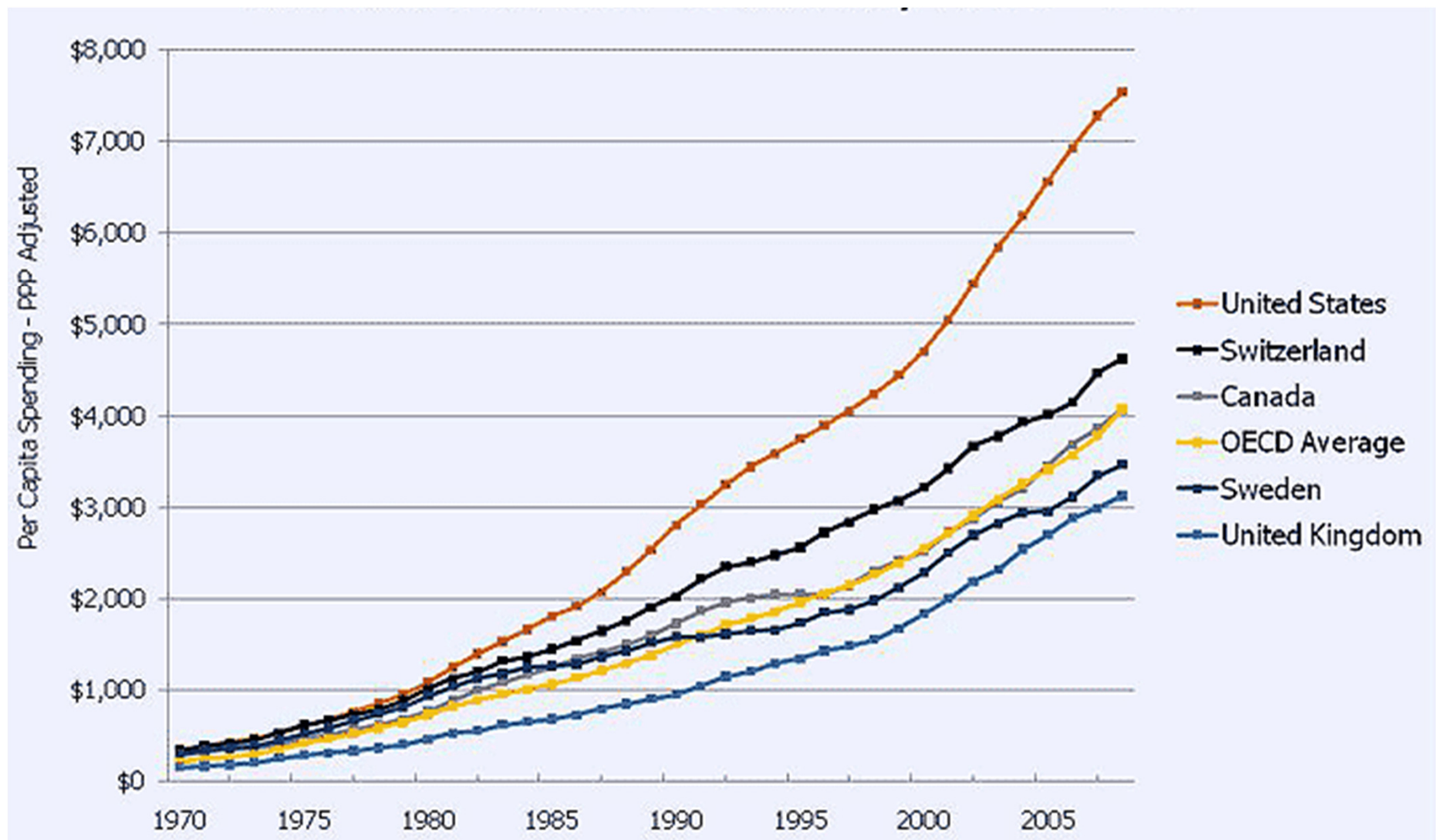
Source: Kauffman Foundation VC portfolio analysis, ninety-five VC funds, vintage years 1989–2007.

# Robust (But Not Bubble-y) M&A and IPO Markets



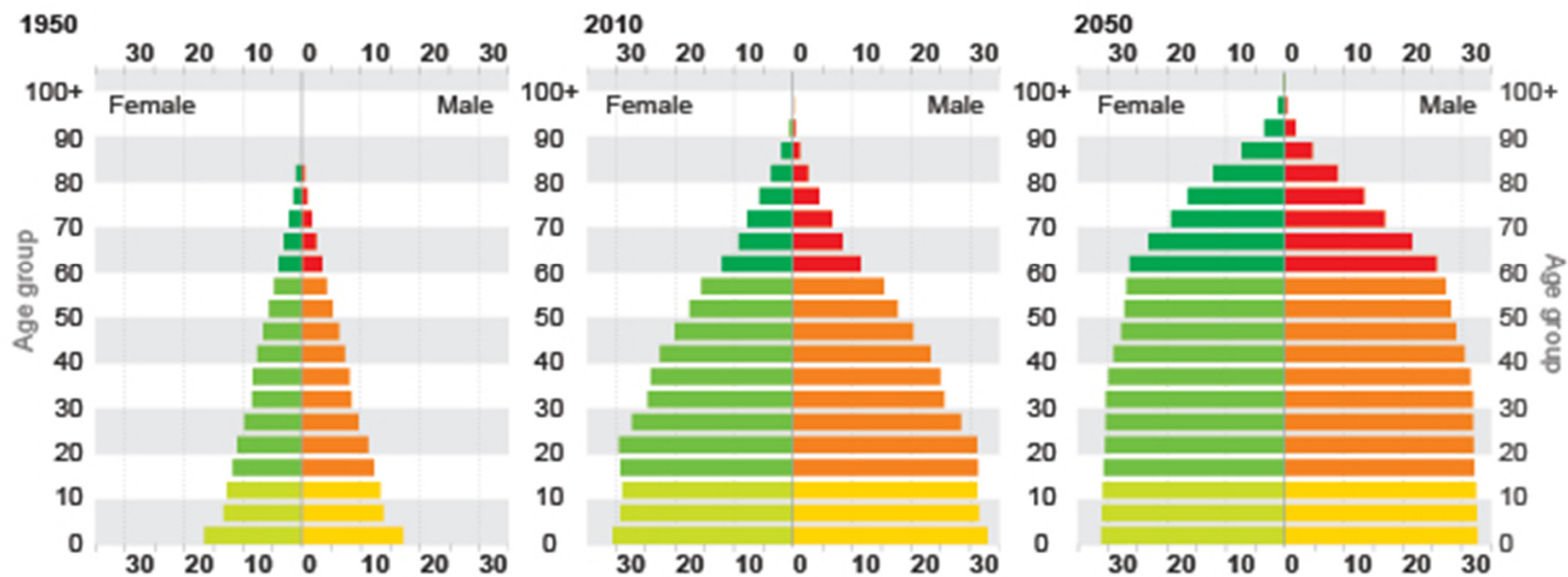
# Emerging Opportunity in Digital Health

# Globally Soaring Healthcare Costs



# Growing, Aging population

Population by age group and sex Millions



## Applies emerging technologies...



### **Mobile Devices**

Phones, tablets,  
Google glass



### **Ubiquitous Computing**

Wearables, internet of things



### **Genomics**

Sequencing, synthetic  
biology, analysis  
algorithmns



### **Big Data/SaaS**

Unique datasets,  
predictive computing

**...to \$7 trillion global healthcare market...**



**... driving efficiency and better outcomes**

# Mobile Health: Rapid Adoption

Top 10 mobile health apps are downloaded a combined **4 million** times a day

**52%** of smartphones currently used to gather health-related information

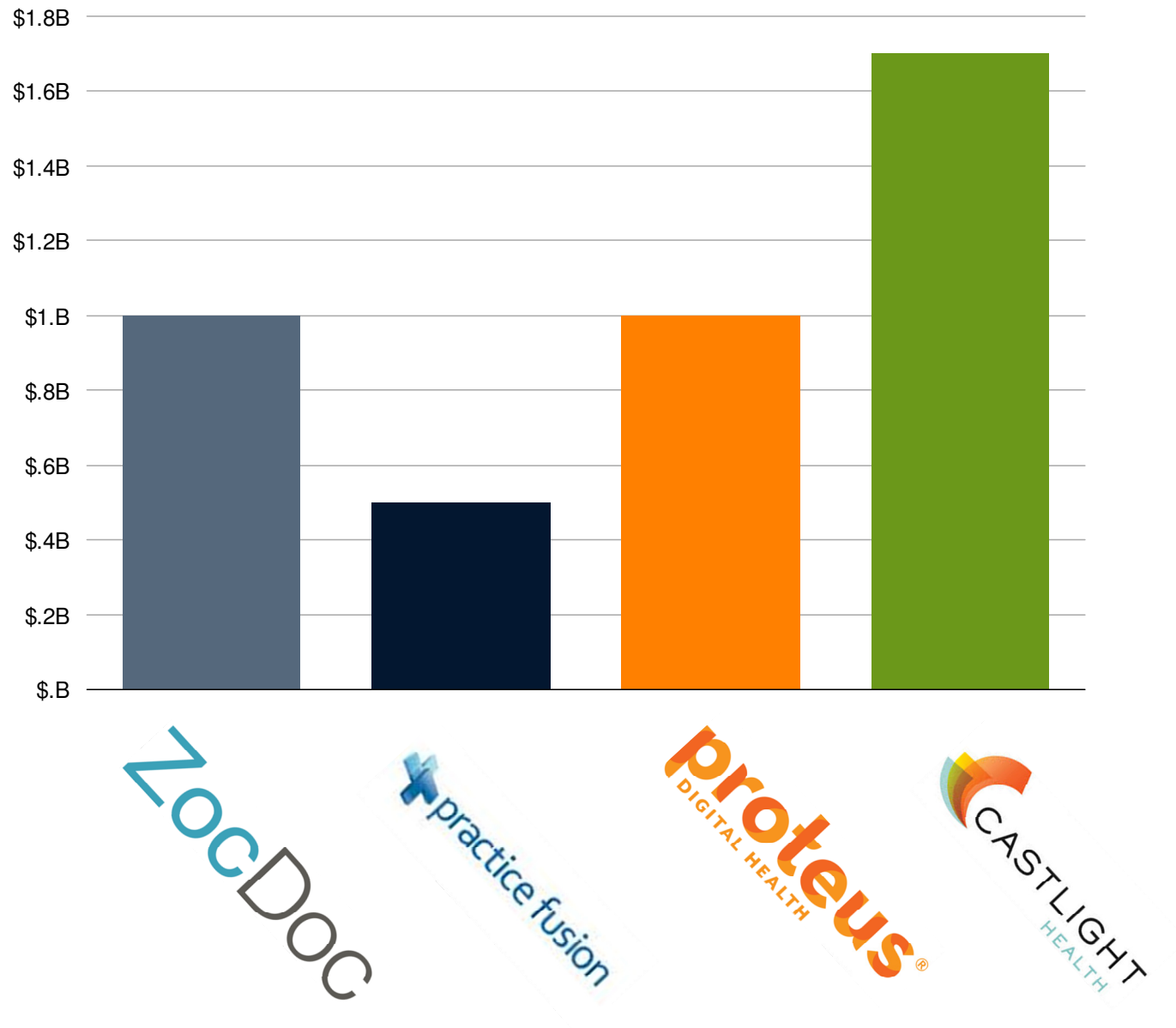
**40,000+** health apps available for download through iTunes

Global mobile health market is projected to reach **\$26B** in 2017

**90 million** wearables expected to ship in 2014



# New entrants to the billion dollar valuation club



## Industry titans jump in

**TOSHIBA**

**SONY**



**QUALCOMM**<sup>®</sup>



**Google**

# In Conclusion



**AMV** has spent the past **six years** developing the best **digital health investment ecosystem** to capitalize on **unprecedented changes** in healthcare



## Experience

spanning pharma, payers, providers, big data, and mobile



Top venture capital and angel **syndicate partners**



Established **digital health** thought leaders



Relevant core **expertise** in technology and life sciences