Trailblazing the Global Silicon Valley

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Welcome to GSV and the historic Pioneer Hotel building.

GSV stands for "Global Silicon Valley" and reflects the entrepreneurial mindset that has long been part of the fabric of the West and has now spread globally.

When first built in 1882, the Pioneer Saloon welcomed travelers on the popular Whiskey Hill stagecoach route.

Today, GSV is proud to welcome you to the Pioneer. Our mission is to redefine growth investing by investing in tomorrow's stars. Today.

— SIGN AT THE ENTRANCE OF GSV'S HEADQUARTERS

The Pioneers get all the arrows….but the ones that survive get all the land!

The businesses that generate the most spectacular returns are small companies that become big companies. At GSV, our objective is to identify and invest in the *Stars of Tomorrow* — the fastest growing, most innovative companies in the world.

As such, we have identified 250 private companies that are poised to become the next generation of game-changing businesses. We call this group the *Global Silicon Valley Pioneer 250*.

One of the characteristics of great companies is that they are systematic and strategic in how they operate their business. Similarly, if you want to be a great investor, you need to be systematic and strategic in how you analyze companies. GSV's research process is structured to accomplish the identification of large, open-ended growth opportunities as well as individual companies that possess the critical elements necessary to capture meaningful market share in these opportunities.

Our top-down perspective focuses on Megatrends, or the technological, economic, and social forces that develop from a groundswell, move into the mainstream, and disrupt the status quo. We believe that understanding today's Megatrends provides us with a road map to where future market opportunities are developing.

GSV's bottom-up analysis is centered on the "Four Ps" — *People*, *Product*, *Potential*, and *Predictability* — an objective framework to assess a company's potential to realize sustained long-term growth resulting from market Megatrends.
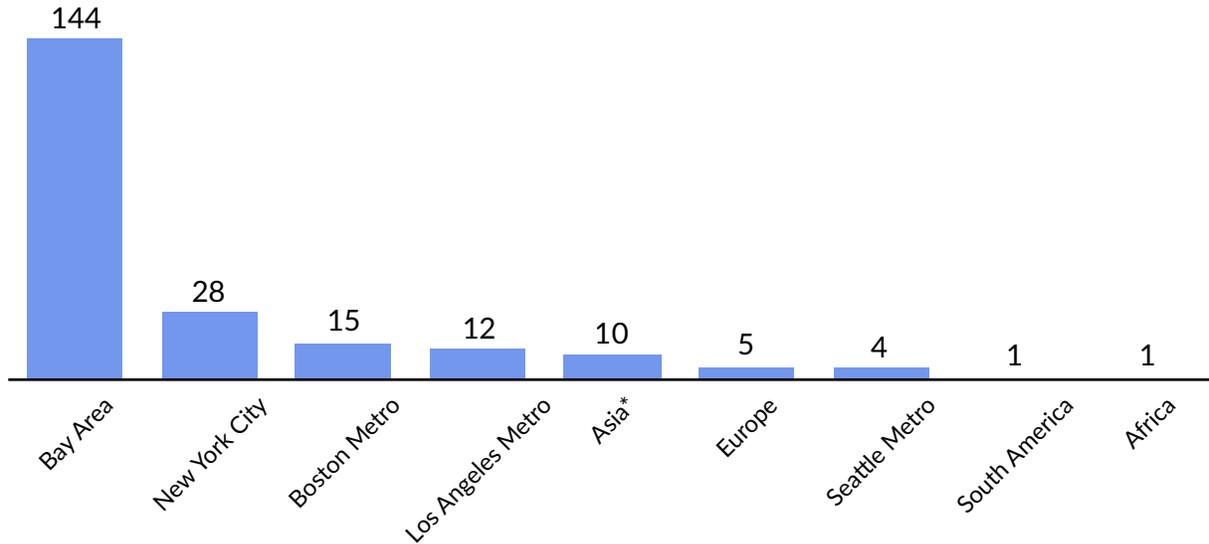
BASIC CRITERIA FOR PIONEER 250

Criteria
1. Under $1 Billion Market Value
2. Venture Backed
3. Can Impact at Least One Billion People
4. Opportunity to Be a Category Leader

Pioneer 250 Snapshot

Silicon Valley has become synonymous with big ideas, start-ups, and inventing the future. But today, the magic of Silicon Valley has gone viral, and it's gone global. From Austin to Boston, Chicago to Sao Paulo, from Shanghai, to Mumbai to Dubai, a Global Silicon Valley is emerging. Today, most of the *Pioneer 250* is clustered in the Bay Area, but we expect to find much broader geographic dispersion in the coming years.

PIONEER 250 GEOGRAPHIC DISTRIBUTION

Source: GSV Asset Management
*China (5), India (2), SE Asia (3)

It is our belief, based on our research and experience, that a disproportionate number of the big winners are found by focusing on themes where significant change and growth are taking place. Megatrends are powerful technological, economic and social forces that provide a tailwind at the back of growth sectors. The convergence of Megatrends and growth themes is how we develop investment themes.
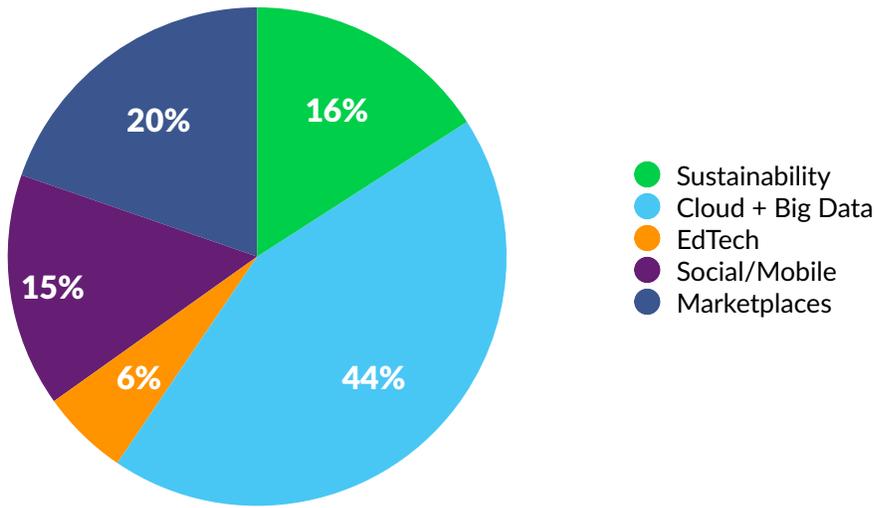
GSV has identified five core investment themes that we believe are the most fertile for investments in companies with the greatest potential:

1. **Education Technology**: In a Knowledge Economy and Global Marketplace, education makes the difference in terms of how well an individual does, how well a company does, and for that matter, how well a country does. The Internet democratizes education by lowering cost, increasing access, and now improving quality. Over the last 20 years the digital tracks have been laid, with over 3 billion people on the Internet today. We are starting to see what we call "Weapons of Mass Instruction"— rapidly scaling education companies attracting millions of students in a short period of time.

2. **Cloud + Big Data**: Every minute, over 200 million emails are sent, 2 million "likes" are registered on Facebook, and 300,000 tweets are released. Google alone conducts over 3.5 billion searches a day. "Infobesity" is an epidemic, with the amount of data captured and stored doubling every year. Powerful software analytics are creating massive opportunities for Big Data providers, with the industry expected to reach

$55 billion by 2017, up from $20 billion today. The Hadoop market, which was approximately $5 billion in 2014, is predicted to rise 10x to $50 billion in 2020.

3. **Social/Mobile**: Over 87% of Millennials sleep with their smartphone and 80% say the first thing they do when they wake up in the morning is look at social media. If Facebook were a country, it would be largest in the World with over 1.5 billion "citizens". Facebook-owned Instagram users upload 22 billion photos per year and WhatsApp processes a mind-bending 30 billion messages per day. We look at our phones an average of 110 times per day, and send over 550 million tweets per day. Social everything — communication, collaboration, photography, music, shopping, education and healthcare — is the future and it is going to be done anytime, anywhere on your mobile device.

4. **Marketplaces**: eBay is the granddaddy of online Marketplaces and nearly 20 years old. What started as a way to impress an entrepreneur's girlfriend and her love for Pez dispensers (and later fueled the Beanie Baby mania) has become the model for many great online businesses. The Internet is exceptionally suited to aggregate supply and demand within an industry, and smartphones amplify the tremendous network effects that can be created. The deeper the liquidity of the Market, the more equilibrium between supply and demand.

5. **Sustainability**: The good news is that the world's middle class will more than double to five billion over the next 15 years. The bad news is that the strain this will put on the environment will be extreme, with wealthier people traveling more, consuming more, using more electricity for everything—from air conditioning to lighting larger homes. Sustainability is not just Green Technology: it is also Water and Wellness. There is no longer a debate between being "green" or "growing"—both are important. Water is even more precious, with California's drought being a living example of how vital access to "blue gold" is for everything. Moore's Law has taken effect with numerous sustainable technologies being able to compete on cost with dirty fossil fuels.

PIONEER 250 BY GSV THEME

Legend:
- 🟢 Sustainability
- 🔵 Cloud + Big Data
- 🟠 EdTech
- 🟣 Social/Mobile
- 🔵 Marketplaces

Source: GSV Asset Management

Pioneer 250 companies have been backed by a range of leading VCs, led by Andreessen Horowitz, which counts 50 companies on the list. KPCB (second place) and NEA (third place) have each backed at least 30 companies.
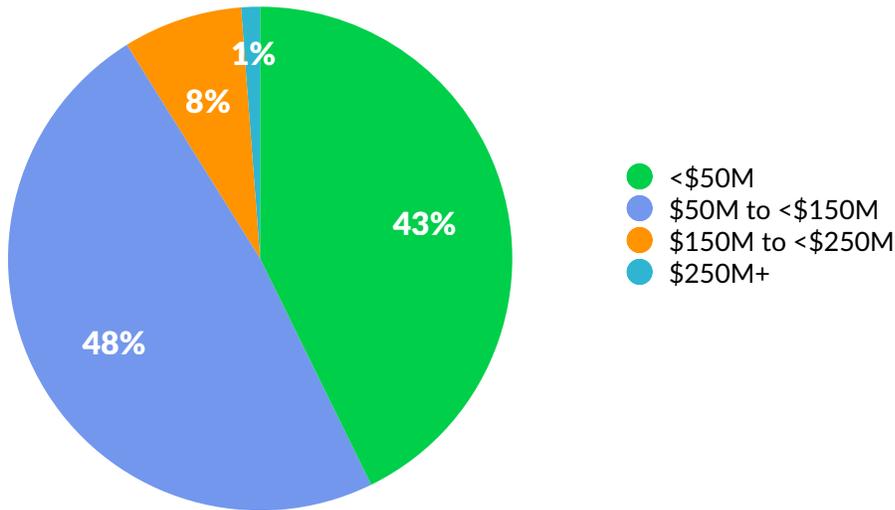
TOP VCs BACKING PIONEER 250 COMPANIES

VC (#of Deals)	
1. Andreessen Horowitz (50)	**5.** Google Ventures (22)
2. KPCB (36)	**7.** Greylock (20)
3. NEA (30)	**8.** Founders Fund (20)
4. Khosla Ventures (26)	**9.** Redpoint (18)
5. Sequoia (22)	**10.** Benchmark (17)

Source: GSV Asset Management

Equity funding raised across the Pioneer 250 ranges from $5.5 million (**Science Exchange**) to $320 million (**Affirm**). Over 90% of companies on the list have raised less than $150 million and 43% have raised less than $50 million.
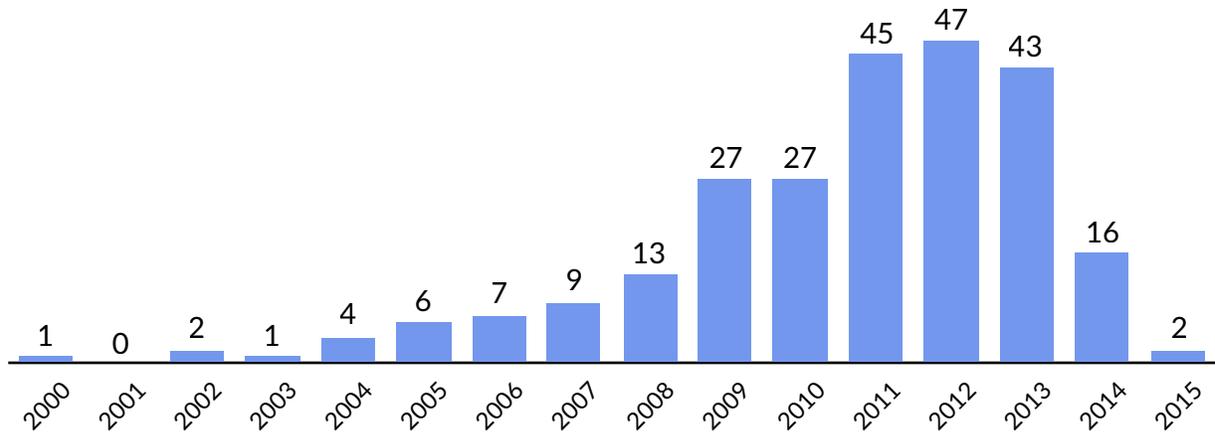
PIONEER 250 BY EQUITY FUNDING RAISED

- 🟢 <$50M
- 🔵 $50M to <$150M
- 🟠 $150M to <$250M
- 🔵 $250M+

43%

48%

8%

1%

Source: GSV Asset Management

Over 50% of the companies on the *Pioneer 250* were founded between 2011 and 2015 (135). Just 16 companies were launched in 2014 and only two in 2015.

PIONEER 250 BY YEAR FOUNDED

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Count	1	0	2	1	4	6	7	9	13	27	27	45	47	43	16	2

Source: GSV Asset Management

There have been 10 "graduates" from the *Pioneer 250* since it was initially published in 2015 — companies that were either acquired or surpassed $1 billion in market value.

PIONEER 250 GRADUATES

Companies Surpassing $1 Billion Market Value or Acquired since 2015 Publishing of Pioneer 250

Company	Outcome	Company	Outcome
1. Carbon3D	Surpassed $1B Market Value	6. Misfit Wearables	Acquired
2. Deliveroo	Surpassed $1B Market Value	7. PayTM	Surpassed $1B Market Value
3. HelloFresh	Surpassed $1B Market Value	8. Sakti3	Acquired
4. Illumio	Surpassed $1B Market Value	9. Thumbtack	Surpassed $1B Market Value
5. Jet	Surpassed $1B Market Value	10. Gusto *(Formerly ZenPayroll)*	Surpassed $1B Market Value

Source: GSV Asset Management

PIONEER 250

Company	Founded	About	Website
17zuoye	2007	17zuoye is an online learning platform for students K-12, teachers, and parents to facilitate the educational experience.	17zuoye.com
3D Robotics	2009	3D Robotics is an open-source UAV technology company manufacturing electronics and aerial vehicles.	3drobotics.com
Adatao	2012	Adatao is on a quest to deliver Data Intelligence for all. Adatao is offering a solution for data scientists and business users featuring a collaboration environment that lets them work together in one tool.	adatao.com
Addepar	2009	Addepar connects financial data for wealth management firms in a single, cloud-based repository.	addepar.com
Affirm	2014	Affirm, a financial technology services company, offers installment loans to consumers at the point of sale.	affirm.com
Airware	2011	Airware is building the aerial information platform for the rapid development and safe operation of commercial drones, providing hardware, software and cloud services.	airware.com

Company	Founded	About	Website
Algal Scientific	2009	Algal Scientific develops a wastewater treatment system that removes and recovers nutrients from wastewater using an algae-based process.	algalscientific.com
AlienVault	2007	AlienVault provides a platform with built-in security controls for organizations to address their compliance and threat management needs.	alienvault.com
AltSchool	2013	AltSchool is an interdisciplinary team of educators, technologists and entrepreneurs building a network of schools that prepare students for our changing world.	altschool.com
Ambiq Micro	2010	Ambiq Micro is a semiconductor company that has developed breakthrough technology that dramatically reduces the amount of power consumed by ICs.	ambiqmicro.com
Andela	2014	Andela finds the brightest young people in Africa and gives them the training and mentorship needed to thrive as full-time, remote developers for companies around the world.	andela.com
Anki	2010	Anki is an entertainment robotics company dedicated to bringing AI and robotics to our everyday lives.	anki.com
App Annie	2010	App Annie produces business intelligence tools and market reports for the apps and digital goods industry.	appannie.com
Aquion Energy	2008	Aquion Energy is creating safe, sustainable, and cost-effective batteries to reduce environmental costs.	aquionenergy.com
Aspiration	2014	Aspiration is an investment firm with a conscience built for the 21st century middle class.	aspiration.com
Athos	2012	Athos offers workout clothing fully integrated with wearable technology and capable of tracking heart rates, breathing levels, and more.	liveathos.com
August	2012	August builds products that allow physical environments to seamlessly respond to user behavior. The flagship product August Smart Lock is a new home access system that allows you to use smartphones in place of traditional keys.	august.com

Company	Founded	About	Website
Automatic	2011	Automatic is a private company based in San Francisco that seeks to empower drivers with knowledge about themselves and their cars so they can be safer and drive smarter.	automatic.com
Ayasdi	2008	Ayasdi provides big data analytics technology to organizations looking to analyze high-dimensional, high volume data sets. Ayasdi focuses on applying topology to data analysis in the areas of life sciences, oil & gas, public sector, financial services, manufacturing, retail, & telecom.	ayasdi.com
Babylon Health	2013	Babylon delivers high quality healthcare via your mobile phone	babylonhealth.com
Barkly	2013	Barkly is a new type of advanced security that actively protects users without slowing them down. By automatically recognizing modern attacks and stopping them before they can do more harm, companies are more prepared, more confident, and more productive with Barkly by their side.	barklyprotects.com
Beepi	2013	Beepi connects car buyers and sellers in a new radical way - removing negotiations, trips to the dealer, surprise costs, and the middle-man.	beepi.com
Betterment	2008	Betterment is a goal-based online investment company, delivering personalized financial advice paired with low fees and customer experience.	betterment.com
BetterWorks	2013	BetterWorks is a platform driving operational excellence and providing powerful insights about how work gets done.	betterworks.com
Bitglass	2013	Bitglass is a cloud security gateway that helps enterprises move to SaaS-based and mobile deployments securely.	bitglass.com
Blend Labs	2012	Blend Labs is a mortgage lending and analytics platform.	blendlabs.com

Company	Founded	About	Website
Blockstream	2014	Blockstream focuses on extending capabilities of Bitcoin through side chains, which are blockchains that are interoperable with each other and with Bitcoin, avoiding liquidity shortages, market fluctuations, fragmentation, security breaches and outright fraud associated with alternative crytpo-currencies.	blockstream.com
Blue Danube Systems	2006	Blue Danube Systems develops hardware and software solutions to increase average user data rates for wireless communication systems.	bluedanube.com
Blue Jeans Network	2009	Blue Jeans Network maintains a cloud-based video collaboration service that enables video conferencing using practically any device.	bluejeans.com
Bolt Threads	2009	Engineering the next generation of high-performance fashion fibers.	boltthreads.com
Branch Metrics	2014	Deep linking technology for mobile app developers to gain and retain users.	branchmetrics
BrightBytes	2012	BrightBytes is a SaaS-based data analytics platform that measures and links the use of technology to learning outcomes.	brightbytes.net
Bromium	2010	Bromium's microvirtualization technology hardware isolates threats on existing hardware and software platforms allowing organizations to eliminate compromises on the endpoint while delivering accurate and actionable threat intelligence.	bromium.com
Canary	2012	Canary is a New York-based company consumer building products that sense, organize, and curate meaningful information from the world. Canary blends deep learning technology with human-centered design to solve problems that all people share.	canary.is
Capriza	2011	Capriza provides mobility solutions for enterprises, enabling developers to create apps for any internal web application or portal.	capriza.com
CareCloud	2009	CareCloud offers comprehensive functionality for appointment scheduling, medical billing, reporting and claims processing.	carecloud.com

Company	Founded	About	Website
CipherCloud	2010	CipherCloud provides cloud information protection solutions for enterprise to encrypt sensitive information and store them in the cloud.	ciphercloud.com
Circle	2013	Circle is a consumer finance company focused on transforming the world economy with secure, simple, and less costly technology for storing and using money.	circle.com
CircleUp	2011	CircleUp is an online marketplace that links accredited investors with consumer product and retail companies.	circleup.com
ClassPass	2013	ClassPass is a membership program for fitness classes across multiple gyms and studios, making fitness more accessible.	classpass.com
Clean Power Finance	2015	Elevate Power provides a full suite of financing products for the solar and energy efficiency markets.	elevatepower.com
ClearStory Data	2011	ClearStory Data's platform modernizes data analysis by introducing a new user model for big data analysis, simplifying access to disparate data sources, automatically managing data harmonization, and enabling interactive analysis at scale.	clearstorydata.com
Clever	2012	Clever integrates student data with education apps, making technology easier to use in classrooms.	clever.com
CloudGenix	2013	CloudGenix revolutionizes networking by transforming legacy WAN's into a radically simplified, secure application-defined fabric, and virtualizing heterogeneous underlying transports into a hybrid WAN.	cloudgenix.com
CohereTechnologies	2013	Cohere Technologies develops wireless technology to address the ongoing increase in wireless bandwidth demand.	cohere-technologies.com
Coho Data	2011	Coho Data is delivering storage for the cloud generation by developing the first flash-tuned scale-out architecture designed for private cloud that delivers unparalleled performance at public cloud capacity pricing.	cohodata.com
Coinbase	2012	Coinbase is a bitcoin wallet platform where merchants and consumers can transact with digital currency.	coinbase.com

Company	Founded	About	Website
Collective Health	2013	Collective Health is the world's first cloud-based employer self-insurance platform	collectivehealth.com
CommonBond	2011	CommonBond is an online lending platform that connects borrowers and investors to make education finance better.	commonbond.co
Compass	2012	Compass is a tech-driven real estate brokerage firm that puts technology at the fingertips of its agents and clients to streamline and transform the process of finding a home.	compass.com
Course Hero	2006	Course Hero is a digital learning platform helping students learn and succeed with supplemental study materials, tutoring, and flashcards.	coursehero.com
Coursera	2012	Coursera is an education company partnering with universities and organizations worldwide to offer massive open online courses.	coursera.org
Curious	2012	Curious is an information platform for anyone to learn, teach and share knowledge and information on any topic.	curious.com
Cyanogen	2013	Cyanogen is an enhanced open source firmware distribution for smartphones and tablet computers based on the Android mobile OS, offering features and options not found in the official firmware distributed by vendors of these devices.	cyngn.com
Datadog	2010	Datadog is a monitoring service that helps software developers and web operators understand and turn their IT data into actionable insight.	datadog.com
Dataminr	2009	Dataminr develops modular desktop and API products with a mission to extract value from social media for clients in the finance and government sectors.	dataminr.com
DB Networks	2009	DB Networks provide insights into your core network including database discovery, application mapping, and database intrusions.	dbnetworks.com
Declara	2012	Declara makes it easy to discover, collect, and share knowledge with a community of like-minded people.	declara.com
DigitalOcean	2011	DigitalOcean is simplifying the cloud by providing an infrastructure experience that developers love.	digitalocean.com

Company	Founded	About	Website
Distil Networks	2011	Distil Networks is the global leader in Bot detection and mitigation focused on stopping automated attacks to make the web more secure.	distilnetworks.com
DNAnexus	2009	DNAnexus accelerates the development and delivery of genomic medicine with a global network for sharing and managing genomic data and tools.	dnanexus.com
DogVacay	2011	DogVacay is an online community that connects pet parents with over 20,000 pet sitters across North America.	dogvacay.com
Dollar Shave Club	2012	Dollar Shave Club home-delivers personal grooming products to its online subscribers every month.	dollarshaveclub.com
DoorDash	2013	DoorDash enables delivery in areas where it was not previously available.	doordash.com
DreamBox Learning	2004	DreamBox Learning offers elementary math education with a motivating learning environment and captures every decision a student makes while working within lessons and dynamically adapts and individualizes instruction in real time.	dreambox.com
Duo Security	2010	Duo Security provides cloud-based two-factor authentication to more than 4,000 organizations worldwide, protecting users, data, and applications from breaches, credential theft, and account takeover.	duosecurity.com
Duolingo	2011	Duolingo is a free online language learning service with more than 80 million students around the world, which makes us the biggest mobile language learning application in the world.	duolingo.com
Dwolla	2008	Dwolla is a free web-based software platform allowing users to send, receive, and request funds from another user.	dwolla.com
Earnest	2013	Earnest is a merit-based lender using data science to create a different approach to personal lending and credit.	meetearnest.com
eDaijia	2011	eDaijia is a mobile platform for consumers to find temporary drivers.	edaijia.cn
Eero	2014	eero is the world's first WiFi system. eeros work together to form a mesh network that blankets your home in super-fast and reliable WiFi.	eero.com

Company	Founded	About	Website
Ehang	2014	Global leading unmanned aerial vehicle (UAV) technology company	ehang.com
Elastic	2012	Elastic takes data from any source and search, and analyze and visualize it in real time.	elastic.co
Endgame	2008	Endgame is delivering the next generation of Security Intelligence & Analytics (SIA). Endgame provides clarity to digital domain and supports data analysis driven by ease of use, scalability, speed, and effectiveness.	endgame.com
Enjoy	2014	Enjoy revolutionizes the way people buy and enjoy the world's best technology by providing high-touch personal service to help people make the most of their important purchases.	goenjoy.com
Estimote	2012	Estimote creates small, wireless sensors that use Bluetooth low energy (BLE) to detect the location of nearby smartphones and communicate with them using an API they've developed to make it easy for developers to add micro-location features to their mobile apps.	estimote.com
Euclid Analytics	2010	Euclid Analytics is the world leader in location analytics	euclidanalytics.com
Evertrue	2010	EverTrue is a SaaS provider revolutionizing institutional advancement by combining CRM data with social data.	evertrue.com
Figma	2012	Figma is the first professional-grade, online tool created specifically for interface design. Built entirely in the browser, Figma enables the entire team's design process to happen in one online tool.	figma.com
Flatiron Health	2012	Flatiron is a cloud-based technology platform dedicated to improving cancer care.	flatiron.com
Flexport	2013	Flexport is a platform for global trade. The company makes it easy for businesses to move products by air, land, and sea around the world.	flexport.com
Flipagram	2013	Flipagram creates and share compelling visual stories with the music you love.	flipagram.com
Flux Factory	2012	Flux provides collaborative design software for the building design and construction industry.	flux.io

Company	Founded	About	Website
Foursquare	2009	Foursquare is a geo-technology platform that helps people explore the world with Foursquare/Swarm and powers Pinpoint's ad tech solutions.	foursquare.com
FreedomPOP	2011	FreedomPop is a wireless internet provider delivering 4G mobile broadband internet access.	freedompop.com
Freshdesk	2010	Freshdesk is a cloud-based customer support software that enables companies of all sizes to support customers through email, phone calls, and social media.	freshdesk.com
Fundbox	2012	Fundbox helps small business find access to easy capital.	fundbox.com
General Assembly	2011	General Assembly is creating a global community of individuals empowered to pursue work they love by offering courses on the most relevant courses of the 21st century.	generalassemb.ly
General Fusion	2002	General Fusion develops utility-scale fusion power using magnetized target fusion.	generalfusion.com
Genius	2009	Genius is an online knowledge project that breaks down information with line-by-line annotations, added and edited by anyone in the world - a crowdsourced archive and tool for interpreting human culture.	genius.com
Ginkgo Bioworks	2008	Ginkgo Bioworks built the world's first organism engineering foundry and has an outstanding team using the foundry to bring new organisms to customers.	ginkgobioworks.com
Glow	2013	Glow is a data science company on a mission to revolutionize women's reproductive health care. Its products assist women in many phases of their reproductive journeys: avoiding pregnancy, conceiving, pregnancy, and postpartum.	glowing.com
Go-Jek	2011	The fastest courier, transport, and shopping service in Jakarta.	go-jek.com
Greenhouse		Greenhouse is a recruiting optimization platform to help companies build and scale their recruiting processes.	greenhouse.io
Grofers	2013	Grofers is an on-demand delivery service that connects consumers with local merchants.	grofers.com

Company	Founded	About	Website
Guardant Health	2013	Guardant Health is committed to positively and significantly impacting patient health through technology breakthroughs in oncology.	guardanthealth.com
HackerOne	2012	HackerOne offers a platform that promotes a positive disclosure experience in pursuit of its mission of securing all things, with Hacks and Companies working together for the benefit of all.	hackerone.com
Handy	2012	Handy, formerly Handybook, is an app through which users can book cleaners, plumbers, handymen, and other household service providers.	handy.com
Harry's	2011	Harry's allows users to buy razors, German engineered blades and shaving creams at a fair price.	harrys.com
Hearsay Social	2009	Hearsay Social helps financial services teams efficiently and successfully use social media to attract prospects, retain customers, and grow business.	hearsaysocial.com
Hedvig	2012	Hedvig is re-architecting software-defined storage with true distributed systems DNA and collapses disparate storage systems into a single platform, creating a virtualized storage pool that provisions storage with a few clicks, scales to petabytes, and runs seamlessly in both private and public clouds.	hedviginc.com
Helium	2013	Helium provides the connective tissue between devices without relying on WiFI, Bluetooth, or cellular networks by combining low-powered wireless connectivity and a smart distribution network of data coming from those devices.	helium.com
Hello Alfred	2013	Hello Alfred pairs busy individuals with organized, knowledgeable, intuitive people who handle all of life's necessities.	helloalfred.com
Highfive	2012	Highfive is video and web conferencing you can simply implement for every meeting room & device.	highfive.com
Hipmunk	2010	Hipmunk is an online travel company providing users with hotel deals and flights results via a website and an app.	hipmunk.com
Hired	2012	Hired is a two-sided marketplace that matches technology talent with the right job opportunities.	hired.com

Company	Founded	About	Website
HotelTonight	2010	HotelTonight is a mobile booking application that allows users to find and reserve same-day hotel reservations from their smartphones.	hoteltonight.com
Hyperloop Technologies	2014	Hyperloop is developing the technology and hardware to make high-speed transportation possible, incorporating reduced-pressure tubes in which pressurized capsules ride on an air cushion driven by linear induction motors and air compressors.	hyperlooptech.com
IFTTT	2010	IFTTT or IF allows users to create recipes to connect their applications and devices to perform automated tasks.	ifttt.com
Impossible Foods	2011	Impossible Foods is developing a new generation of meats and cheeses made entirely from plants.	impossiblefoods.com
Improbable	2012	Improbable is developing an operating environment that makes building simulated worlds possible.	improbable.io
Infer	2010	Infer provides a predictive SaaS platform that helps businesses win more customers.	infer.com
Instart Logic	2010	Instart Logic accelerates cloud application delivery for the world's most performance-obsessed organizations.	instartlogic.com
Ionic Security	2011	Ionic Security, a data security platform, provides access control, intellectual property monitoring, data encryption, and policy management.	ionicsecurity.com
Iora Health	2011	Iora Health is building a new model of primary health care delivery from the ground up to ensure radically improved service, better health outcomes, and dramatically lower overall health care costs.	iorahealth.com
iZettle	2010	iZettle, is the number one mobile payments provider in Europe and Latin America, offers an easy way to take card payments using mini credit card readers that transform smartphones and tablets into cash registers.	izettle.com
JAMF	2003	JAMF Software develops management solutions exclusively working on Mac and iOS devices.	jamfsoftware.com

Company	Founded	About	Website
Jaunt	2013	Jaunt develops a technology combining computational photography, statistical algorithms, parallel processing, hardware, and virtual reality.	jauntvr.com
Jelli	2008	Jelli is the first cloud-based programmatic ad platform for the $40 billion global radio market. Jelli is the first cloud-based programmatic ad platform that enables the global radio market to buy and run ads.	jelli.com
JIBO	2012	Jibo is the World's first social robot for the home.	myjibo.com
Kensho	2013	Kensho combines natural language search, graphical user interfaces, and secure cloud computing to create a new class of analytics tools for financial markets.	kensho.com
Keybase	2014	Keybase allows users to easily encrypt, decrypt and share messages within a tried-and-tested encryption standard.	keybase.io
Knewton	2008	Knewton is an adaptive learning technology provider that makes it possible for anyone to build applications that provide real-time proficiency estimation, activity recommendations, analytics, and more.	knewton.com
Kymeta	2012	Kymeta is developing antennas for next generation satellite communications for mobile and fixed applications.	kymetacorp.com
Lehigh Technologies	2003	Lehigh Technologies transforms end-of-life tires and other post-industrial rubber into high-performance, low cost, sustainable micronized rubber powders that replace oil- and rubber-based feedstocks in a wide range of industrial and consumer applications.	lehightechnologies.com
Life360	2008	Life360 keeps millions of families connected no matter what chaos life throws in their way through part location and part communication - see where you parked your car, view live video from your webcams, and unlock doors all within the app.	life360.com
LIFX	2012	LIFX produces energy-efficient, multi-color, Wi-Fi enabled LED bulbs that can be controlled via any Wi-Fi equipped device such as a smartphone or smart watch.	lifx.com

Company	Founded	About	Website
Lightsail Energy	2011	Lightsail Energy is developing energy storage systems that use compressed air as the storage medium.	lightsail.com
Lily	2013	Lily started in September 2013 in the basement of a UC Berkeley robotics lab, where Henry and Antoine built the first prototype using a Raspberry Pi and an Arduino.	lily.camera
Liquidity Nanotech	2009	Liquidity manufactures breakthrough water purification cartridges, based on revolutionary membrane nanoscience.	liquico.com
littleBits Electronics	2011	littleBits is an open source library of over 60 electronic modules that snap together with magnets to allow users to view, download, and share designs and make their own Bits through the use of prototypes.	littleBits.cc
Livongo Health	2014	Livongo Health is reinventing the way we manage chronic conditions by blending the power of technology, real-time information and human support to make life easier for people with chronic conditions.	livongo.com
Lomark	2010	Lomark provides mobile advertising solutions, working from a network of offices in 45 cities nationwide.	lomark.cn
Looker	2011	Looker is a software company employing business intelligence to make data accessible to organizations and data analysts.	looker.com
Luxe	2013	Luxe is a new service that sends valets to park for you, wherever you are - it's fast, stress-free and reliable.	luxe.com
Lytro	2006	Lytro develops light field enabled hardware and software to unlock new applications for photography, video, 3D, virtual reality and additional areas	lytro.com
Malwarebytes	2008	Malwarebytes develops anti-malware technologies to detect and remove malicious programs from PCs.	malwarebytes.org
Mantis Vision	2005	Mantis Vision develops technologies products and experiences that will bring 3D to every mobile device, home and business.	mv4d.com
Matterport	2010	An end-to-end virtual media solution. Our users capture, edit, and share interactive 3D models of real spaces with ease.	matterport.com

Company	Founded	About	Website
mCube	2009	mCube is the provider of the world's smallest MEMS motion sensors, key enablers for the new Internet of Moving Things.	mcubemems.com
Medium	2011	Medium is a platform for people to share their ideas and stories with the right audiences.	medium.com
Mesosphere	2013	The Mesosphere Data Operating System is a new kind of operation system that spans all of the servers in a physical or cloud-based datacenter, and runs on top of any Linux distribution.	mesophere.com
MetaMind	2014	MetaMind develops state-of-the-art AI solutions for enterprises powered by Deep Learning, and provides tools accessible for everyone.	metamind.io
Meteor	2012	Meteor is an open-source platform for developing web applications.	meteor.com
Minerva Project	2011	The Minerva Project is designed to prepare students for leadership and innovation, combining liberal arts and sciences curriculum.	minervaproject.com
Mixpanel	2009	Mixpanel is an advanced analytics platform to help companies dive deep into product usage, conversion rates, and user retention.	mixpanel.com
Modern Meadow	2011	Modern Meadow is developing new ways to grow animal products.	modernmeadow.com
Motif Investing	2010	Motif Investing is a portfolio of up to 30 stocks that reflect real-world trends and investments.	motifinvesting.com
Munchery	2011	Munchery has in-house chefs create dishes that get delivered right to your door, ready to heat when you want to eat.	munchery.com
Nantero	2000	Nantero uses carbon nanotubes to develop semiconductor devices, including memory, logic, and other semiconductor products.The company's objective is to deliver a product that will replace all existing forms of memory, such as DRAM, SRAM and flash memory.	nantero.com
Narrative Science	2010	The leader in advanced natural language generation, we tell the stories hidden in your data. With Quill™, all you have to do is read.	narrativescience.com

Company	Founded	About	Website
Navdy	2013	The world's first Head-Up Display (HUD) made for any car & all the apps you love.	navdy.com
NerdWallet	2009	NerdWallet provides financial education and empowerment via online tools, research and experts to help people lead better lives.	nerdwallet.com
Ninebot	2012	Ninebot is a Chinese-based robotics engineering company specialized in autopilot and personal transportation.	ninebot.com
NuBank	2013	A leading digital finance company in Brazil that helps customers with financial spending, planning and record-keeping.	nubank.com.br
Numenta	2005	Numenta is laying the groundwork for the new era of machine intelligence by developing software based on principles of the neocortex.	numenta.com
Ogin	2007	Ogin develops shrouded wind turbines using a novel aerodynamic technology known as a mixer/ejector.	oginenergy.com
One Medical Group	2007	One Medical Group is committed to making health care personal, accessible, and affordable.	onemedical.com
OneFineStay	2009	OneFineStay offers upscale city accommodation for visitors while the homeowner is out of town, allowing homeowners to earn an extra income.	onefinestay.com
Onshape	2012	Onshape is a new venture-backed company that is applying cloud, web and mobile technologies to CAD.	onshape.com
Opendoor	2014	Opendoor is an online home-selling service aimed at streamlining the sales process down to a few days.	opendoor.com
OpenEnglish	2006	Open English is focused on English language learning for the Latin American & US Hispanic markets.	openenglish.com
OpenGov	2012	OpenGov provides cloud-based financial data visualization and analysis software for local governments.	opengov.com
Optimizely	2010	Optimizely is a experience optimization platform enabling A/B and multivariate testing for users to enhance their websites & mobile apps.	optimizely.com
OYO Rooms	2013	OYO Rooms is India's largest network of hotels offering standardized stay experiences at an unmatched price and driven through technology.	oyorooms.com

Important disclosures are on page 35

Company	Founded	About	Website
Ozy Media	2012	OZY Media is an international online magazine that focuses on news, arts, and culture. OZY focuses on the "change generation" by delivering content that focuses on what is new and next which is delivered to a global audience.	ozy.com
PayNearMe	2009	PayNearMe enables consumers to pay with cash for rent, utilities, online purchases and more, at 17,000 retail store locations.	paynearme.com
Pebble	2009	Pebble is a company that develops a technology designed for smart watches to connect with iPhone and Android smartphones using Bluetooth.	getpebble.com
peerTransfer	2009	peerTransfer offers an international student payment solution that enables payments in home currencies.	peerTransfer.com
PernixData	2012	PernixData offers software that virtualizes server-side flash to enable scale-out storage performance.	pernixdata.com
Personal Capital	2009	Personal Capital is the leading digital wealth management firm.	personalcapital.com
PillPack	2013	PillPack is an online pharmacy offering a modern technology-based system that helps people take timely medication.	pillpack.com
Pindrop Security	2011	Pindrop Security provides anti-fraud authentication technology solutions for financial institutions' call centers.	pindropsecurity.com
PlaceIQ	2010	PlaceIQ provides location intelligence services that enable advertisers to reach mobile brand audiences for marketing activities.	placeiq.com
PlanetLabs	2010	Planet Labs uses satellites to image the entire Earth, every day, and then make this data accessible through web tools.	planet.com
PlanGrid	2012	PlanGrid is a cloud-based app that allows users to store blueprints and construction documents on iPad and iPhone.	plangrid.com
Platfora	2011	Platfora's Big Data Analytics Platform makes the complexity of Hadoop, making it easy for customers to understand all the facts in their business across events, actions, behaviors and time.	platfora.com

Company	Founded	About	Website
PolicyGenius	2014	PolicyGenius, based in Brooklyn, NY, was founded in 2014 by two former McKinsey consultants who saw a gap in the insurance industry and dedicated themselves to shifting the industry online and into the hands of the consumer.	policygenius.com
Postmates	2012	Postmates is an urban logistics and delivery platform that allows users to ship any item within the city for same-day delivery.	postmates.com
Practice Fusion	2005	Practice Fusion provides a free, web-based Electronic Health Record (EMR) system and medical practice management technology to physicians.	practicefusion.com
Procore Technologies	2002	Procore is a cloud-based construction management software application built for the construction industry professional, striving to make project management effortless, one task at a time. With Procore's easy-to-use and collaborative software, users can manage their projects at anytime, from anywhere, with any Internet-connected device.	procore.com
Project Frog	2006	Project Frog develops component buildings that assemble easily onsite, giving architects and builders a fast and cost-effective way to create beautiful and energy-efficient buildings.	projectfrog.com
Quantopian	2011	Quantopian is an algorithmic trading platform providing users with tools to learn, create, and trade their algorithmic strategies.	quantopian.com
Quip	2012	Quip is a word processor enabling users to create documents on devices such as phones, tablets and desktops.	quip.com
Qumulo	2012	Qumulo is a startup company developing simple, scalable, and efficient enterprise data storage systems.	qumulo.com
Raise Marketplace	2010	Raise is a P2P gift card marketplace to buy and sell gift cards.	raise.com
Ravello Systems	2011	A cloud service powered by nested virtualization. Enterprises run VMware or KVM workloads on AWS or Google without modifications.	ravellosystems.com

Company	Founded	About	Website
Realm	2011	Realm is a mobile database that enables its users to develop applications faster and craft amazing user experiences. It can save users thousands of lines of code & weeks of work, and lets them craft amazing new user experiences.	realm.io
Redfin	2004	Redfin provides a real estate search and brokerage services through a combination of real estate web platforms and access to live agents.	redfin.com
Redmart	2011	RedMart is a Singapore-based online supermarket that home-delivers groceries and essentials.	redmart.com
Remind	2011	Remind is a web and mobile application that enables teachers to text message students and stay in touch with parents.	remind.com
Revinate	2009	Revinate is an enterprise-grade, cloud-based SaaS platform sold on a monthly subscription basis to hospitality companies.	revinate.com
Robinhood	2013	Robinhood is a commission-free, mobile-first stock brokerage.	robinhood.com
Samsara	2015	Samsara disrupts the traditional sensor model with an integrated, software-centric solution. Its products combine plug-and-play sensors, wireless connectivity, and rich cloud-hosted software, all tightly-integrated for simple deployment.	samsara.com
Science Exchange	2011	Science Exchange is a marketplace for scientific collaboration, where researchers can order experiments from the world's best labs.	scienceexchange.com
Scribd	2007	Scribd is a digital library, featuring e-book subscription services on iPhone, iPad, Kindle Fire and Nook Tablet.	scribd.com
Seeo	2007	Seeo provides rechargeable lithium-ion batteries based on a nano-structured polymer electrolyte.	seeo.com
Segment	2012	Segment is a single hub for customer data. Collect your customer data in one place, send it anywhere.	segment.com
SendGrid	2009	SendGrid is a proven cloud-based email delivery platform that successfully delivers over 18B customer engagement emails each month.	sendgrid.com

Company	Founded	About	Website
Shape Security	2011	Shape Security stops automated web and mobile application attacks, like credential stuffing, content scraping, and application--layer DDoS, that bypass existing defenses	shapesecurity.com
Shapeways	2007	Shapeways is the world's leading 3D printing service, marketplace and community enabling anyone to bring amazing products to life.	shapeways.com
Shift	2013	Shift is people-powered marketplace for buying and selling cars.	shift.com
Shyp	2013	Shyp comes to your house, picks up items and takes them away to be professionally packaged and shipped to their destination.	shyp.com
SignalFX	2013	SignalFX is an advanced monitoring platform for modern applications and enables customers to create custom analytics pipelines on metrics data collected from thousands or more sources to create meaningful aggregations within seconds of receiving data.	signalfx.com
SKULLY	2013	SKULLY has carefully optimized helmets for motorcyclists that delivers an unparalleled riding experience.	skully.com
Skycatch	2013	Skycatch allows you to deploy flying autonomous drones with real-time HD imagery and video from the sky.	skycatch.com
Skyhigh Networks	2011	Skyhigh Networks enables organizations to adopt cloud services with appropriate security, compliance, and governance.	skyhighnetworks.com
SmartDrive Systems	2004	SmartDrive gives fleets and drivers driving performance insight and analysis, helping save fuel, expenses and lives.	smartdrive.net
SnapLogic	2006	SnapLogic is an integration platform allowing companies to connect any number of applications in the cloud and on-premise.	snaplogic.com
Snowflake Computing	2012	Snowflake Computing is delivering a data warehouse designed from the ground up for the cloud and for today's data needs.	snowflake.net
Solexel	2005	Solexel develops high-efficiency, low-cost, crystalline silicon solar cells and modules for photovoltaic (PV) electricity generation.	solexel.com
Soylent Corporation	2013	Soylent is a food supplement that can be personalized for different body types and customized based on the individual's taste.	soylent.com

Company	Founded	About	Website
Spiceworks	2006	Spiceworks is the professional network for the IT industry.	spiceworks.com
Spire	2012	Spire a satellite-powered data company that offers data innovation, technology, and applications.	spire.com
Squarespace	2004	Squarespace is a SaaS-based Content Management System (CMS) offering a website builder, blogging platform and hosting service.	squarespace.com
Stack Exchange	2008	Stack Exchange provides an online network of community-driven question and answer sites primarily for programmers and software developers.	stackexchange.com
Stitch Fix	2011	Stitch Fix is a personal styling platform that delivers curated and personalized apparel and accessory items of perfect fit for women.	stitchfix.com
Sumo Logic	2010	Sumo Logic is a cloud-based log management and analytic service that leverages machine-generated big data to deliver real-time IT inisghts.	sumologic.com
Switch Communications	2011	Switch is a cloud-based phone system built for Google Apps users.	switch.co
Synack	2013	Synack is a human-powered security solution offering scalable continuous testing for enterprise applications and networks.	synack.com
Taboola	2007	Taboola serves over 200 billion recommendations to over 550 million unique visitors every month and connects people with content they may like.	taboola.com
Takealot Online	2010	Takealot strives to be the largest, simplest, most customer centric online shopping destination in Africa.	takealot.com
Talend	2005	Talend is an open source software vendor that provides data integration, data management, enterprise application integration and big data software and services.	talend.com
Talkdesk	2011	Talkdesk is an easy-to-use, cloud-based call center software solution that helps growing businesses improve customer interactions, while simultaneously reducing costs. Unlike other call center solutions, Talkdesk requires no phones, hardware, coding or downloads - all that is needed is a computer and an Internet connection.	talkdesk.com

Company	Founded	About	Website
Tamr	2012	Tamr makes data source connectivity and enrichment fast, cost-effective, scalable and accessible to the entire enterprise.	tamr.com
Tealium	2008	Tealium is a provider of a tag management system, including analytics, advertising and affiliate enterprise websites.	tealium.com
Teespring	2011	Teespring is a commerce platform that empowers anyone to design and sell products that people love.	teespring.com
Thync	2011	Thync creates wearable technology that uses neurosignaling to shift your state of mind, inducing on-demand shifts such as energy, calm or focus.	thync.com
Tilt	2012	A next-generation crowdfunding platform, Tilt is the easiest way to collect, fundraise, or pool money securely and effectively online.	tilt.com
Toast	2011	Toast is a tablet point-of-sale app for restaurants, cafes, bars, clubs, and other businesses in the food service and hospitality space.	pos.toasttab.com
Tokopedia	2009	Tokopedia is one of Indonesia's biggest online marketplace that provides customer to customer retail, enabling individuals and business owners to open and maintain their online stores for free.	tokopedia.com
Tradesy	2012	Tradesy is an e-commerce platform that trades used clothing, shoes, bags, and accessories.	tradesy.com
True North Therapeutics	2013	True North Therapeutics is a pioneering biotechnology company selectively inhibiting the Complement pathway for diseases.	truenorthrx.com
Truecaller	2009	Truecaller is a mobile app that let's you see who's calling and block unwanted calls.	truecaller.com
uBeam	2011	uBeam is a wireless power startup that transmits power over-the-air to charge electronic devices.	ubeam.com
Upstart	2012	Upstart is an online lending platform that uses data to bring together high potential borrowers and investors.	upstart.com
Upwork	2005	Upwork (formerly oDesk) is the world's largest freelance talent marketplace, connecting businesses with great talent faster than ever.	upwork.com

Company	Founded	About	Website
Uxin	2011	Uxin is a professional online transaction service provider for used cars.	xin.com
VeloCloud	2012	VeloCloud, a cloud networking services company, simplifies branch WAN networking.	velocloud.com
Vessel	2013	Vessel is a video service that gives YouTubers a more attractive platform to showcase their work on.	vessel.com
Vicarious	2010	Vicarious is building a unified algorithmic architecture to achieve human-level intelligence in vision, language, and motor control.	vicarious.com
VMTurbo	2008	VMTurbo is an intelligent workload management solution providing virtualization management software and data center control.	vmturbo.com
Walker & Company Brands	2013	Walker & Company Brands makes health and beauty simple for people of color	walkerandcompany.com
Wealthfront	2011	Wealthfront is the largest and fastest growing automated investment service, with over $2 billion in assets under management.	wealthfront.com
Welltok	2009	Welltok's CaféWell Health Optimization Platform provides consumers with personalized guidance and incentives to optimize their health.	welltok.com
WeTransfer	2009	WeTransfer is a cloud-based file transfer service designed to transmit small to large files.	wetransfer.com
x.ai	2014	x.ai builds and maintains an artificial intelligence powered personal assistant that schedules meetings for the business customers	x.ai
Xapo	2012	Xapo combines the convenience of an everyday bitcoin wallet with the security of a deep cold storage vault.	xapo.com
Zerto	2009	Zerto provides enterprise-class business continuity and disaster recovery (BCDR) solutions for virtualized infrastructure and cloud.	zerto.com
Zuora	2007	Zuora provides subscription billing as well as recurring revenue, payments, and billing solutions.	zuora.com

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A hugely oversold Market rebounded last week with the NASDAQ, S&P 500 and GSV 300 advancing, 3.8%, 2.8% and 5.8% respectively. The 10-Year Note yield remained almost flat at 1.74%.
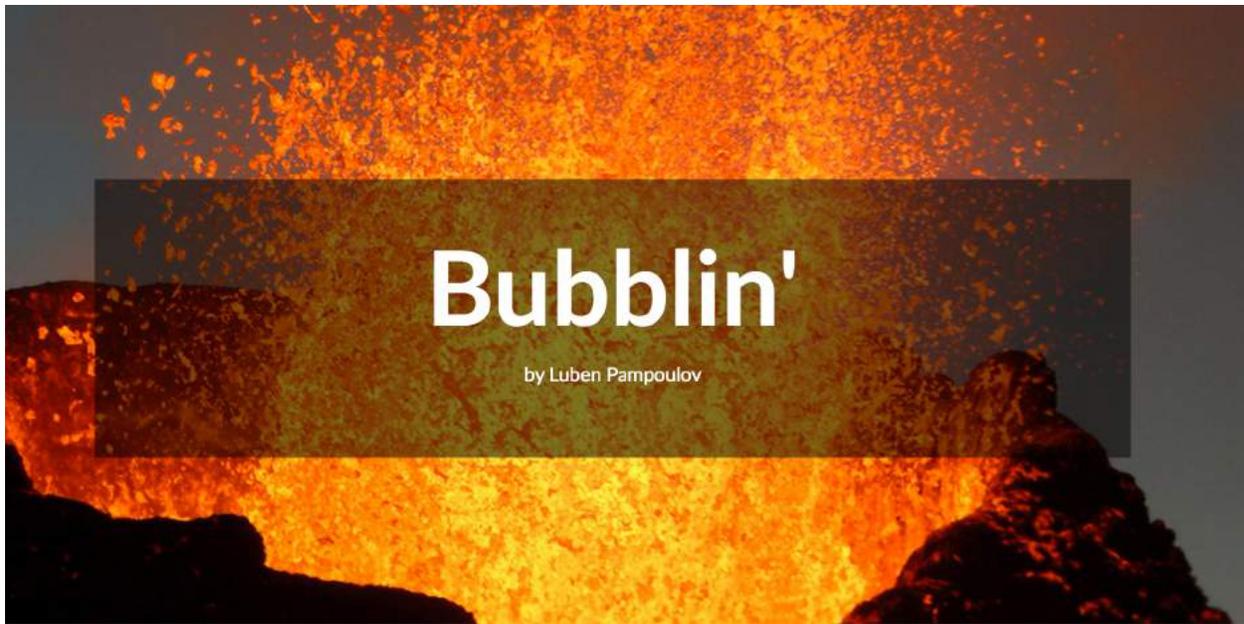
World Indices

Americas	Index	2/21/16	YTD	Week	Euro-Asia	Index	2/21/16	YTD	Week
US	GSV 300	68	(23.4%)	5.8%	China	SSE	2,860	(19.2%)	3.5%
	NYSE	9,486	(6.5%)	2.8%		Heng Seng	19,286	(12.0%)	5.3%
	Dow	16,392	(5.9%)	2.6%	Singapore	Straits	2,657	(7.8%)	4.6%
	NASDAQ	4,504	(10.0%)	3.8%	Indonesia	JKSE	4,698	2.3%	(0.4%)
	NASDAQ-100	4,164	(9.3%)	3.6%	Japan	Nikkei 225	15,967	(16.1%)	6.8%
	Russell 2000	1,010	(11.1%)	3.9%	India	Sensex	23,709	(9.2%)	3.1%
	S&P 500	1,918	(6.2%)	2.8%	Russia	RTS	1,793	1.8%	3.9%
Brazil	Bovespa	41,543	(4.2%)	4.4%	France	CAC 40	4,223	(8.9%)	5.7%
Mexico	IPC	43,375	0.9%	2.3%	Germany	DAX	9,388	(12.6%)	4.7%
Canada	S&P TSX	12,813	(1.5%)	3.5%	UK	FTSE 100	5,950	(4.7%)	4.3%

Source: Yahoo Finance, GSViQ

The Fed, fearing a greater meltdown, decided to leave rates where they are given the negative Market action and plummeting oil prices. Clearly, business leaders and investors are scared, so trying to calm nerves took precedence over longer term economic realities.

More and more, government action seems to be a heavy hand that's influencing both business and Markets. The Mexican standoff between the FBI and Apple over allowing the government access to private records of the San Bernardino terrorist forced a judge to weigh in, telling Apple to give up the ghost. The FCC voted 3-2 to make it easier to switch from set-top boxes to devices sold by companies like **Alphabet** (Google), **Apple** and **TiVo**. (Disclosure: GSV owns shares in Apple and Alphabet)

Our Market view is to block out the noise created by the daily mood of stocks and focus on identifying and investing in the strongest growth companies in the World. What do we like? Alphabet, **Facebook**, **Amazon**, **VipShop**, and **TAL Education** to name a few. **Twitter** and **Chegg** both provide tremendous risk reward opportunities in our view. (Disclosure: GSV owns shares in Alphabet, Facebook, Amazon, VipShop, TAL Education, Twitter, and Chegg)

Bubblin'

by Luben Pampoulov

Big on Yello(w)

As a tea lower, I was lucky to meet with the owner of TWG Tea, one of the World's premium tea brands based in Singapore. TWG has 52 outlets typically located in high-end locations in major cities, and it operates several restaurant gardens in select places. Looking at its **website**, I was amazed by the huge selection of teas. Even more amazingly, I learned that the most rare tea, the Yellow tea, has an annual supply of only 20kg globally, and the cost of a single tea cup is well over $100.

TWG Tea Outlet

What makes Yellow tea so unique and special is it does not go bitter, even after being in the water for over 30 minutes. It's the purest, highest quality of all teas, and the true unicorn of teas!
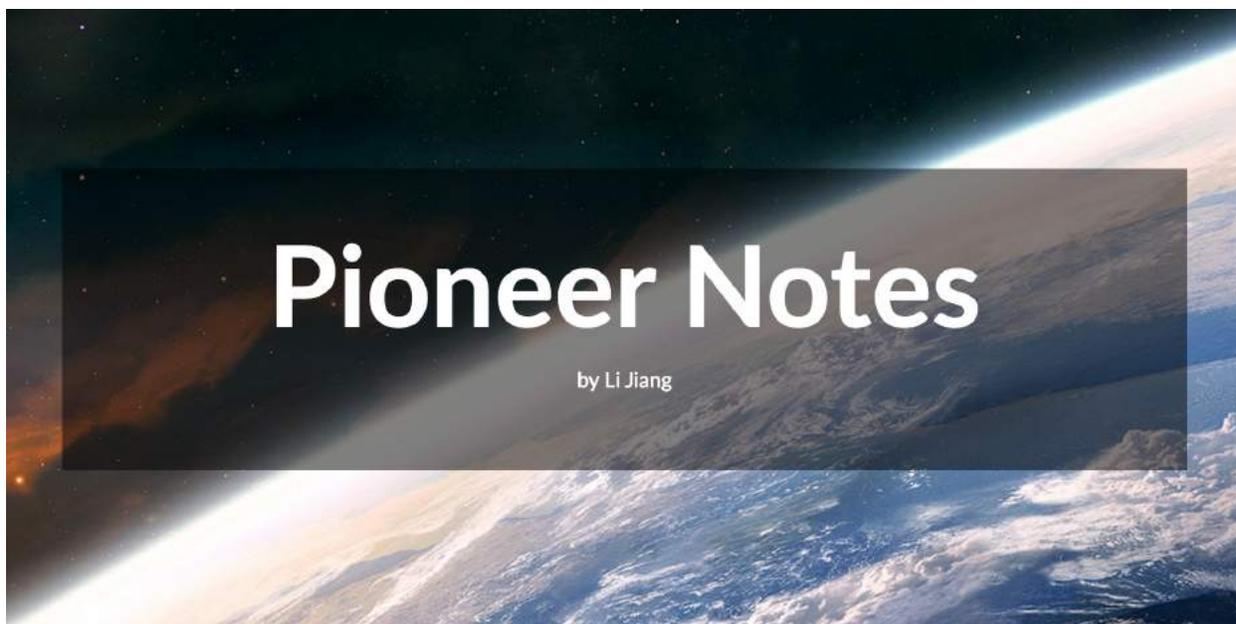
Another emerging premium brand is **Yello Mobile**. Operating in South Korea, Yello is a mobile app platform focused on five different categories: shopping, media, advertising, travel and offline-to-online business (SMATO). It is Korea's largest mobile platform with over 25 million monthly service users, and is valued at $4 billion...and the company is just over three years old. During the third quarter of 2015, Yello's ~$80 million of revenue grew an impressive 274% YoY, and it reported a positive EBITDA margin of 3%. This is a rare profile for a tech unicorn, as most companies with such growth profile are losing significant amount of money.

Yello's Founder and CEO Lee Sang Hyuk

The impressive growth has been fueled by a series of acquisitions — Yello's entire network consists of 80 different companies offering over 40 different services. One could think of Yello as a combination of **Amazon**, **Facebook**, **Lyft**, **Lending Club** and **Priceline**... talk about a Monopoly.

One of its earliest investors was Formation 8, and late last year, Yello Mobile raised $43 million in a strategic partnership from SBI Holdings, Japan's a largest internet financial group. The investment was made into Yello Financial Group, which is one of Yello's subsidiaries, and is focused on financial technology.

How to Make Bad Investments

If you have read the classic **The Innovator's Dilemma**, you will realize that the reason why established companies can't innovate quickly isn't because they are stupid or blind, but because they are efficient and optimized to make their current business more profitable. Clay Christensen studied companies that were well run and found that they miss great innovations because those areas are initially too small to impact their core business. Paradoxically, the best run companies are often the most effective at building their core business and thus less flexible to pursue new areas of innovation.

"As long as he continues to come up with brilliant investment strategies that way, we'll just leave him alone."

Investing in startups has a similarly paradoxical nature. No one wants to make bad investments, but optimizing for the characteristics that make most established companies work well is exactly the wrong way to invest in startups.

Here are a few pairs of myths and realities of investing in startups.

1. Let's talk about the team. Everyone wants a great team.
Myth: *look for a team who has great experience and has "done it before".*
Reality: *look for a team who is able to learn and grow the fastest.*

In well established companies and industries, leaders need to have significant prior experience to work with a more experienced team. They benefit from industry relationships built up over the years. But in a startup, the crucial factor is speed. No matter how much experience someone has, doing something new will create new problems that requires rapid responses. Speed and experience are not mutually exclusive, but sometimes having experience creates a sense of "we already know how to do this". In reality, there will always be many unforeseen challenges so look for the team that is willing to experiment and learn the fastest.

2. People all want to invest in a killer new product or service.
> Myth: look for products with *better and more features.*
> *Reality: look for products that are different and are hacked together quickly but gaining traction with a small core group of "addicts".*

Rarely does a better product win over the incumbent choice. Usually the product has to be meaningfully different than existing solutions. Big companies can compete with a slightly better products with massive marketing—why do you think you see so many car, fast food, and financial services ads. Those are mature industries with incremental product improvements that rely on mass distribution. As a startup, you need to rely primarily on organic product growth by building something unique and loved by a core group of users. How do you build something different? Focus on a rapidly emerging market segment, which brings us to the next idea.

3. Everyone wants to invest in companies that operate and grow in a huge markets.
> Myth: invest in gigantic mar*kets.*
> *Reality: invest in small markets t*hat are growing dynamically — the Internet in 1990s.

Great startups can only be built in rapidly growing markets. In large, but stagnant markets, the major players are already competing and beating each other over market share. It would be the opposite of smart and strategic for a startup to jump in. In 1994, when Jeff Bezos founded Amazon, the Internet grew at a rate of 2,300% off of a meaningful base. Over the next two decades, not only did that growth allow for Amazon to blossom, but it created almost all of the most significant companies of this generation. The emergence of a new market create a vacuum of customer needs for a company to fill and is the white space that startups can work to fill.

4. We all want to invest in companies that have strong and predictably business models.
> Myth: look for companies that have revenue and/*or profit.*
> *Reality: look for companies that are focused on building huge protective moats around technology and network but aren't monetizing yet.*

Ultimately companies need a healthy financial model but their long term success is determined by two forms of competitive advantage. One form is a technology advantage —a startup can win with the best technology that gets transformed into the best product. The other is a network advantage—a startup uses network effects to create a positive cycle where each new person that joins the network creates more value for everyone in that network (Facebook, Airbnb, Lyft). Sacrificing short term revenue and/or profit to build long term competitive moats can be taken to an extreme, but only focusing on financials without intently creating long term advantages is dangerous.

The Investor's Dilemma

As with the innovator's dilemma, there is also the investor's dilemma of trying to check all the standard boxes for what makes for a great large corporation.

Paradoxically, those boxes are not the ones that make for the best startups to invest in. It requires discipline and contrarian thinking to get past the investor's dilemma and find the most valuable growth companies of the future.

IMPORTANT DISCLOSURES

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