



University of Oxford

**Centre for Entrepreneurship
and Innovation**

Saïd Business School

Student-Led Venture Funds

2010 Survey

Saïd Business School Venture Fund



13

Funds Surveyed

36

Companies Invested In

5

Average Age of Funds

5

Funds with Profitable Exits

\$10K → \$250K

Common Investment Size

1% → 15%

Most Common Equity Take

\$19.4M

Total Amount in Initial Funds

\$39.8M

Value of Funds Today

\$1.3M

Median Initial Fund Size

\$2.4M

Median Value of Funds Today

Executive Summary

The objective of this report is to provide an overview of the “Student-Led” venture investing community. Universities have recently begun setting up investment vehicles based on university endowments and appropriated donations. The majority of these funds have a primary goal of enhancing business education and a secondary goal of creating returns for the funds. Students manage, administer and make investment decisions on behalf of these funds.

We hope the broader venture investment community is able to use this report as a benchmark and temperature gauge for business education in the area of early venture investing. Additionally, it should:

1. Increase quality and performance of future student led venture fund management.
2. Encourage venture firms to offer advice and syndications to Universities which have these funds.

Of the 17 funds we were able to locate in 2010, 13 responded to the survey.

Major conclusions from the survey include:

- No funds which have limited investment to only alumni of the university at which they are a part have achieved an exit.
- 38% of student led venture funds have achieved an exit. One fund has gone dormant.
- All funds list education as an objective. 46% of funds list returns as a major objective.
- Funds tend to operate as extensions of university’s foundation, independent non-profit vehicles or as individual corporations.
- Student-led venture funds expect to invest more in IT/Software and Greentech than any other investment domain.

The following funds and universities participated in the survey in 2010:

- Garber Venture Fund (Penn State)
- Miami University Student Venture Fund (Miami University)
- Student Social Venture Fund (New York University)
- UND Venture Fund (University of North Dakota)
- Saïd Business School Venture Fund (University of Oxford)
- Sagem Ventures, LLC (Yale University)
- Hop-On Student Venture Fund (The University of Akron)
- University Venture Fund (University of Utah)
- Rady Venture Fund (University of California)
- Big Red Ventures (Cornell University)
- Wolverine Venture Fund (University of Michigan)
- Frankel Fund (University of Michigan)
- Ross Social Venture Fund (University of Michigan)

This report was compiled by the Oxford Saïd Business School Venture Fund Committee.

Michael Aiello, Co-Chair, Class of '10



Survey Results

Part 1: Overview of the Student Venture Investing Industry

1. Size of Industry
2. Number of Investments
3. Investment Sizes
4. Take
5. Investment Vehicles
6. Exits and Returns
7. Fund Objectives
8. Age of Funds
9. Participating Students

Part 2: Fund Operations

1. Governance and Independence Regulatory Environment
2. Student Portfolio / Board Participation
3. Advisors
4. Partnerships
5. Year on Year Continuity
6. Investment Limitations / Requirements

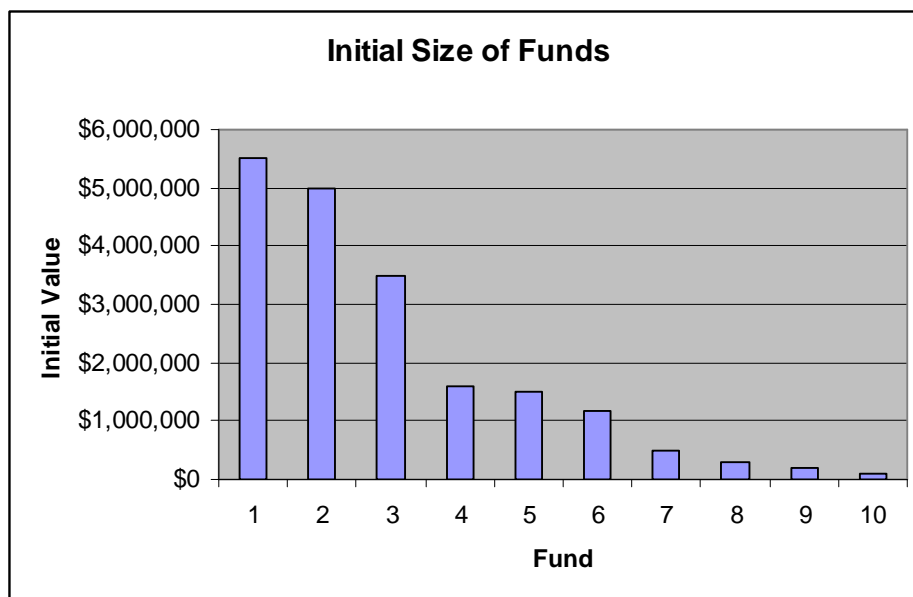
Part 3: Future Investment Views

Part 1: Overview of the Student Venture Investing Industry

1. Size of Industry

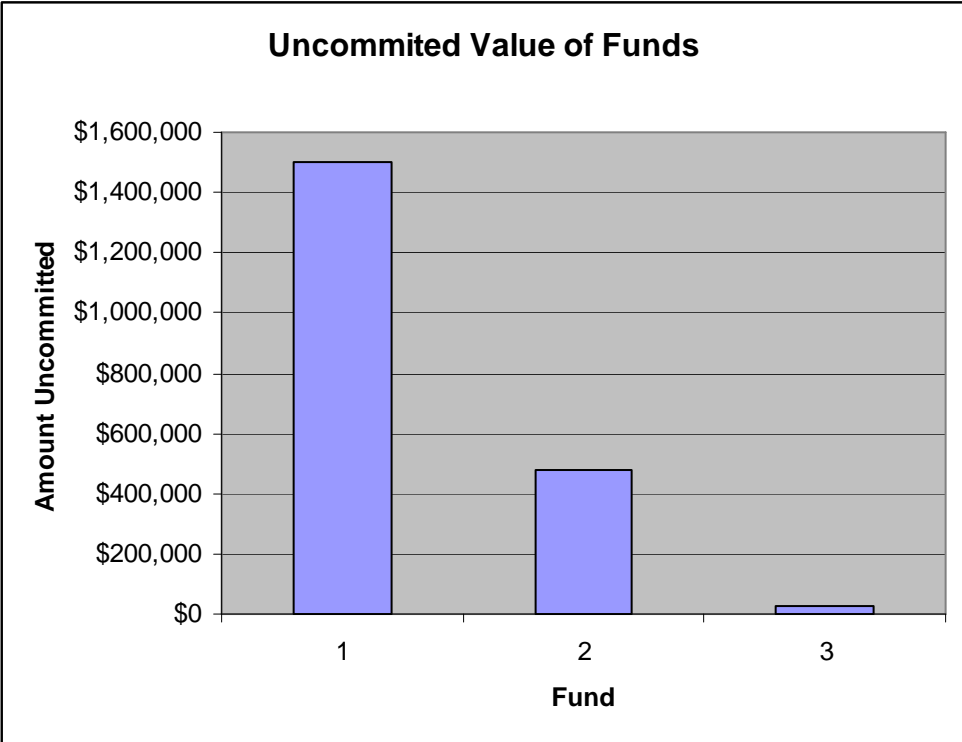
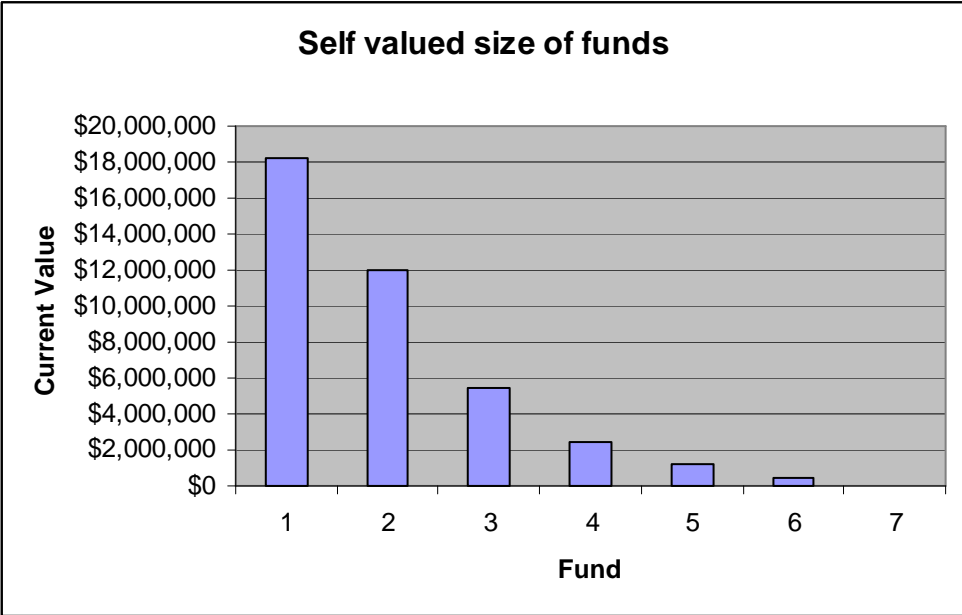
Initial Fund Sizes

- Funds were asked to report the size of their fund at inception
- Numbers represent either endowment commitment or specific amounts raised in vehicles for the fund
- 10 of 13 funds reported
- Total: \$19.4M



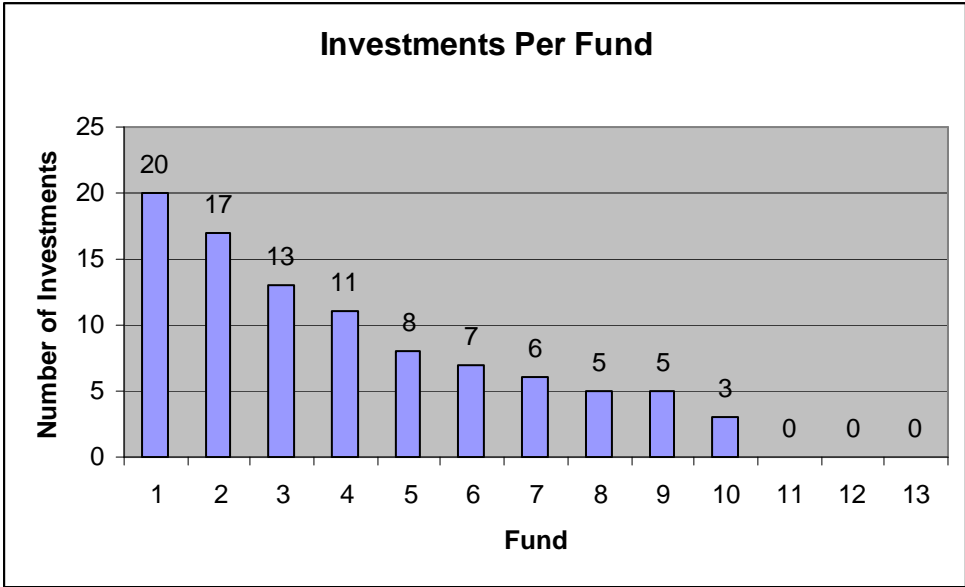
Current Fund Sizes

- Funds responded by providing self valuations of their funds
- 7/13 provided equity and cash stakes valued at last investment round. \$39,845,000 Total
- 3/13 provided the amount of uncommitted cash. \$2,005,000 Total.



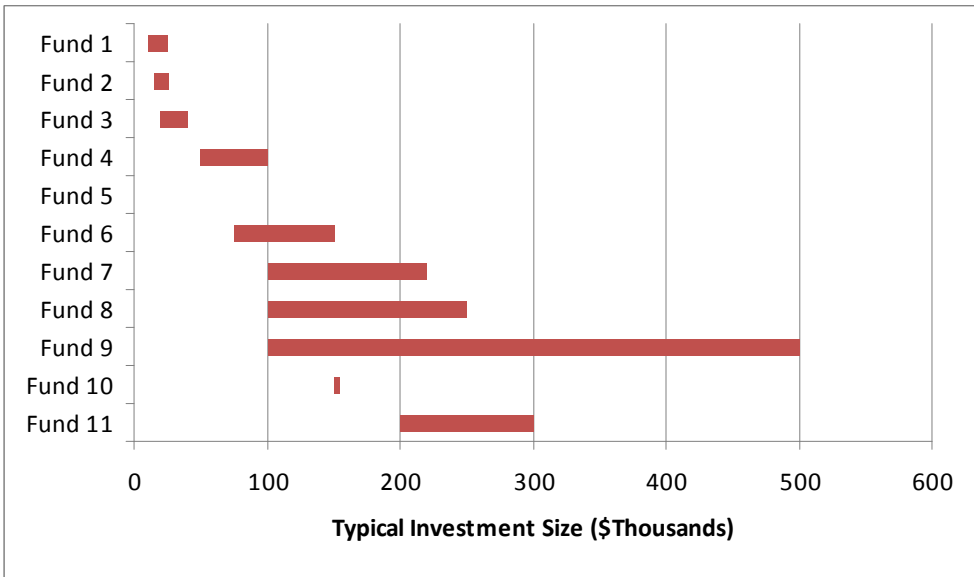
2. Number of Investments

- Funds responded with the number of unique companies in which they have invested
- 13 Funds responded. Total of 36 investments.



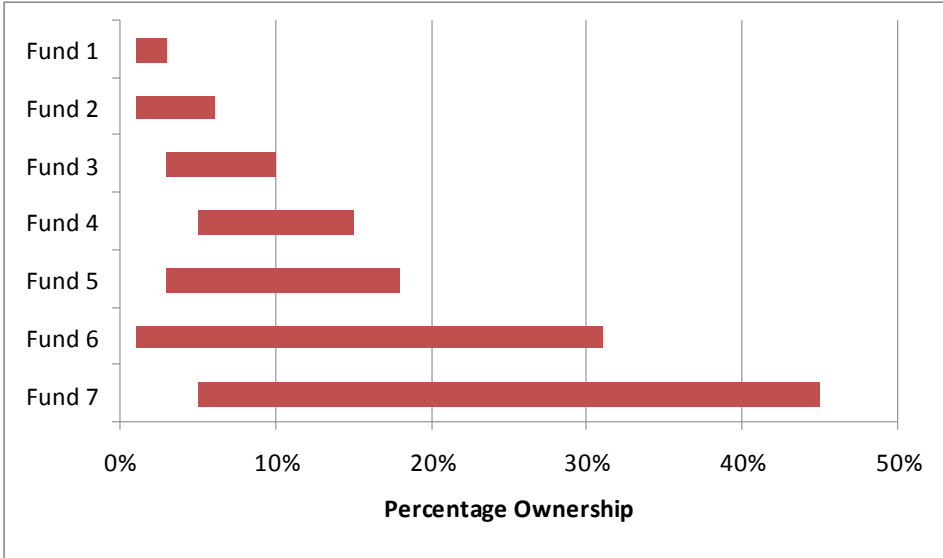
3. Investment Sizes

- Funds responded with ranges of investment amounts.
- 11 Funds responded.



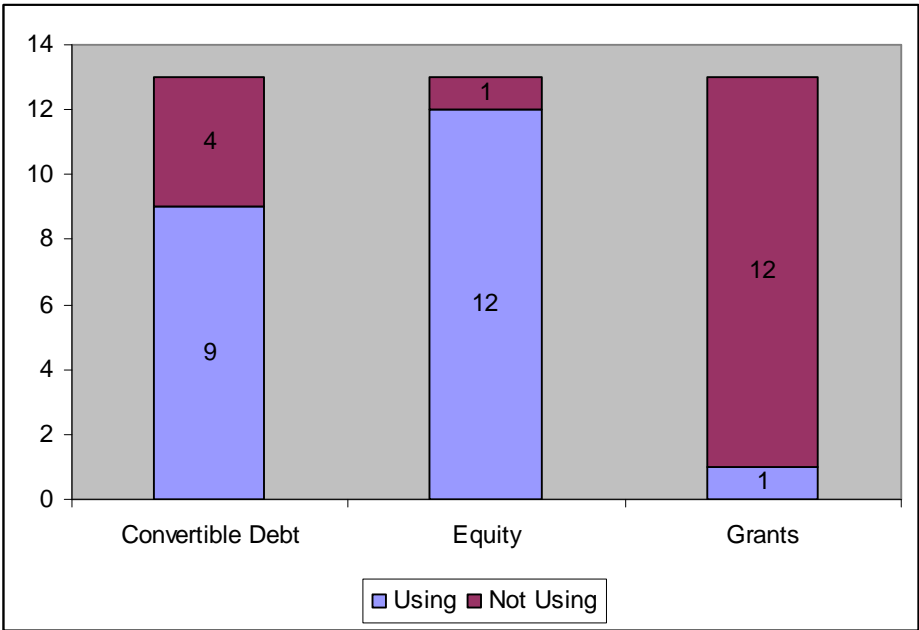
4. Take

- Funds responded with ranges of equity stakes taken for their investments.
- 7 Funds responded



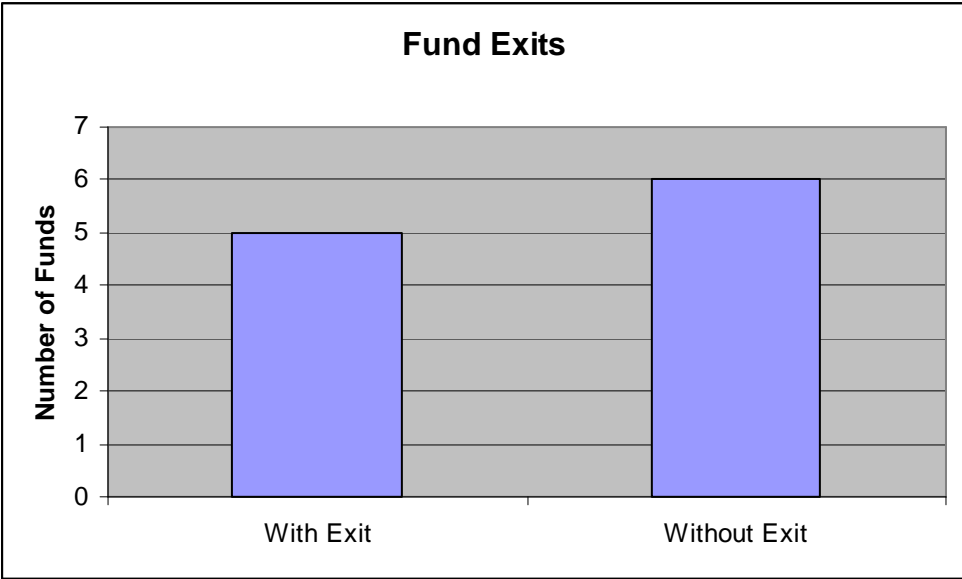
5. Investment Vehicles

- Funds responded with the types of investments in which they are able to participate
- 13 Funds responded



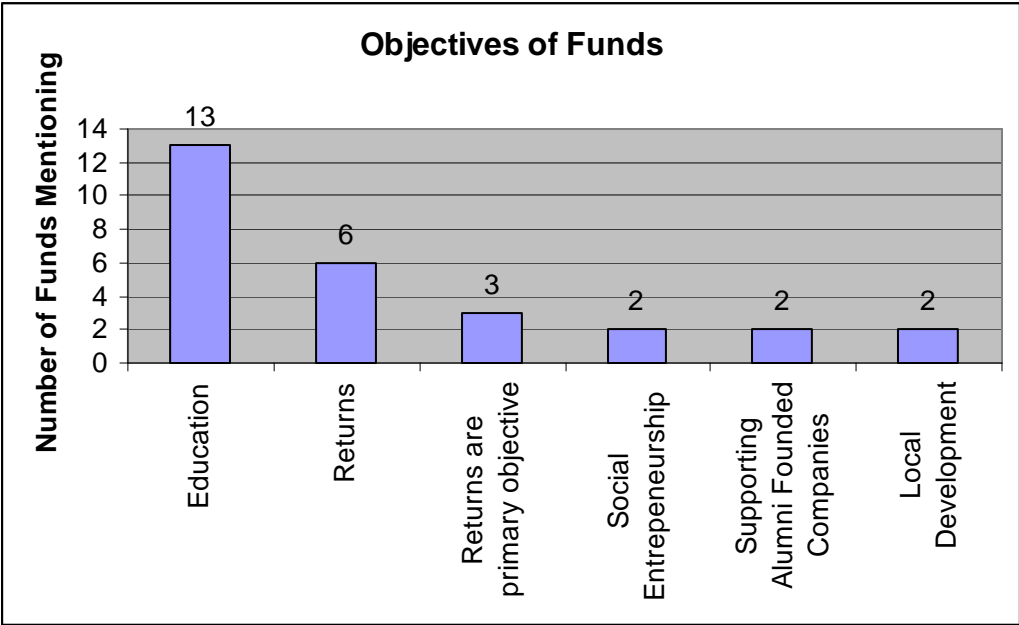
6. Exits and Returns

- Few funds (5) reported exits and three gave a description of their returns on investment.
- Description of returns
 - 5x Cash on Cash
 - 2x Cost
 - 30% IRR
- 11 Funds responded



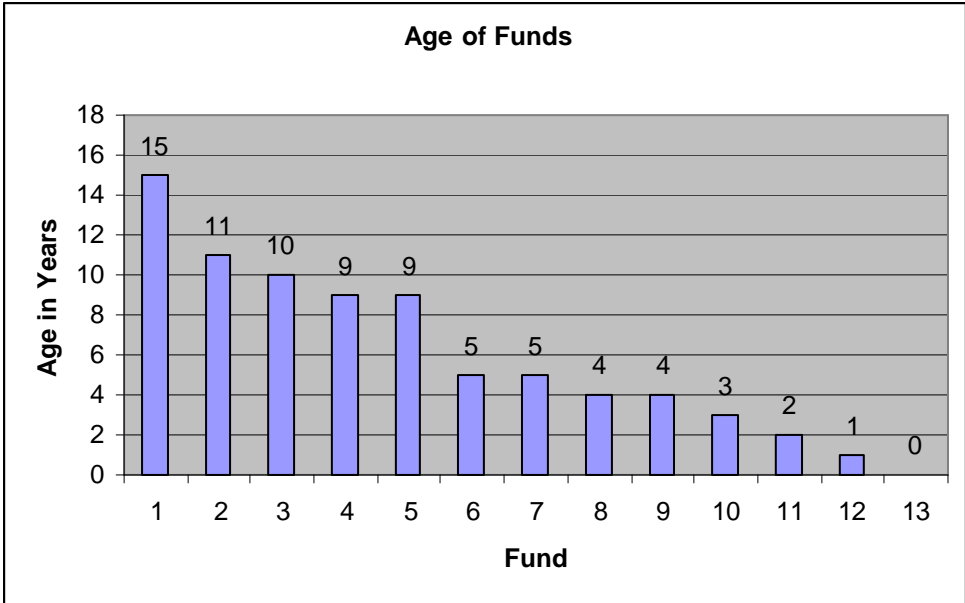
7. Fund Objectives

- Funds described the primary objectives. A single fund was able to list multiple objectives
- 13 Funds responded



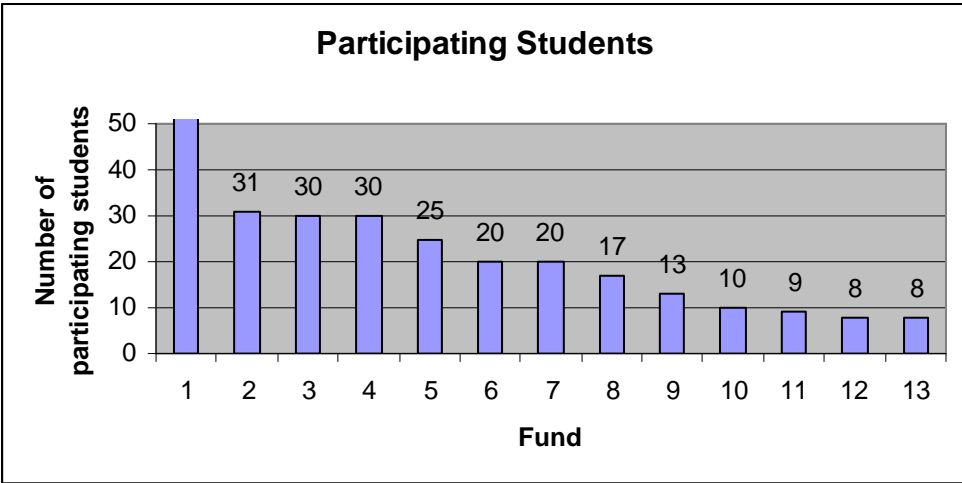
8. Age of Funds

- 13 Funds responded



9. Participating Students

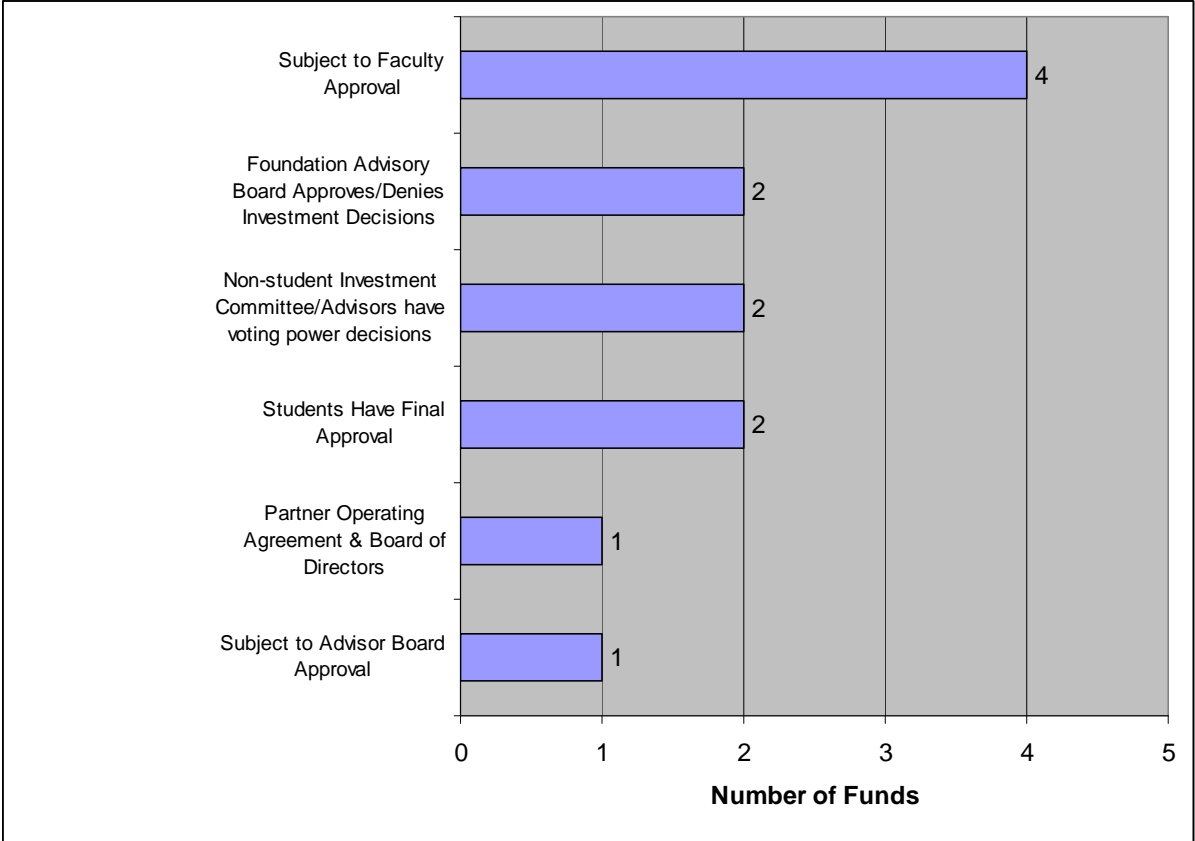
- Funds described the number of students participating in the management of the fund.
- 13 Funds responded
- One fund was structured as a classroom exercise and listed more than 200 participating students



Part 2: Fund Operations

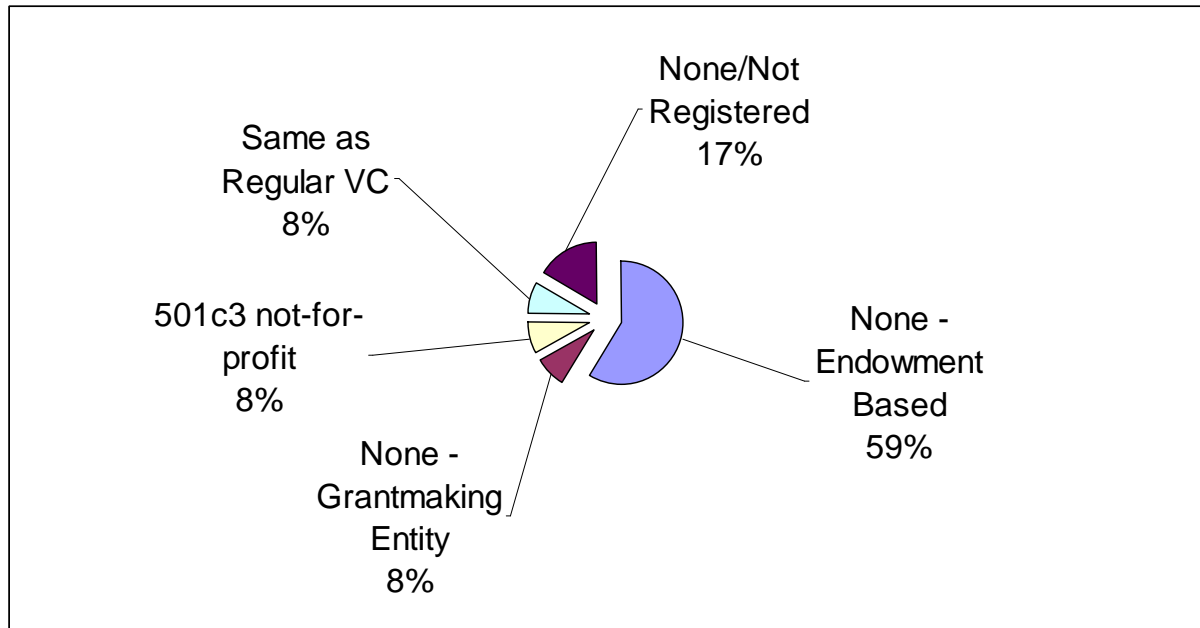
1. Governance and Independence

- Funds described their investment governance structures
- 12 Funds responded



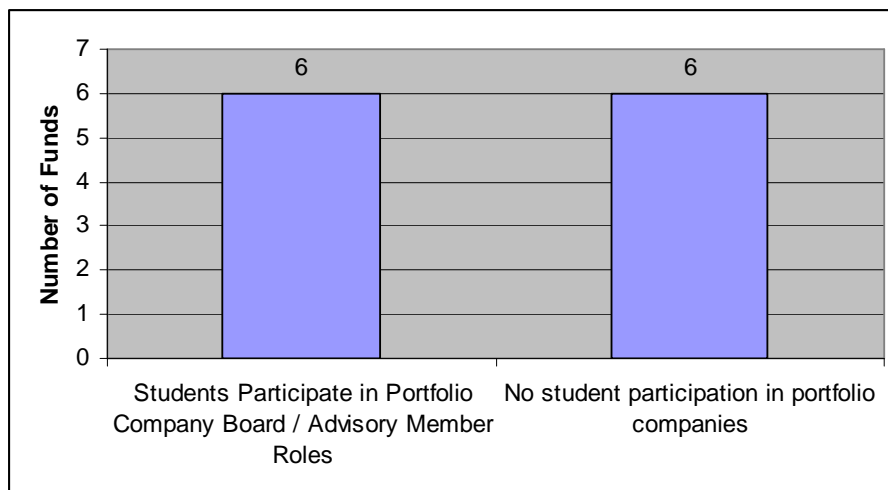
2. Regulatory Environment

- Funds described their involvement with regulatory bodies and their organizational structure
- 12 Funds responded



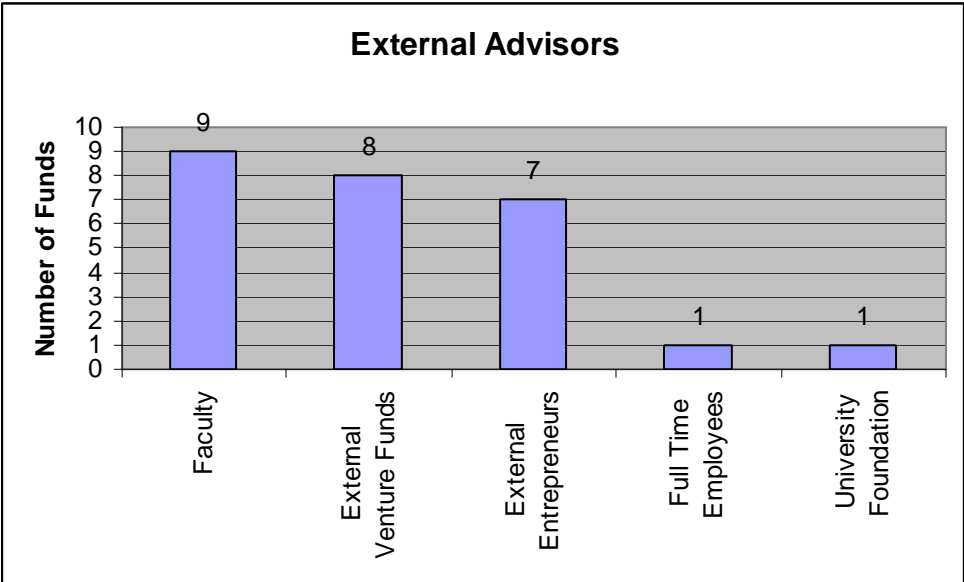
3. Student Portfolio / Board Participation

- Funds described their participatory role in investments
- 12 Funds responded



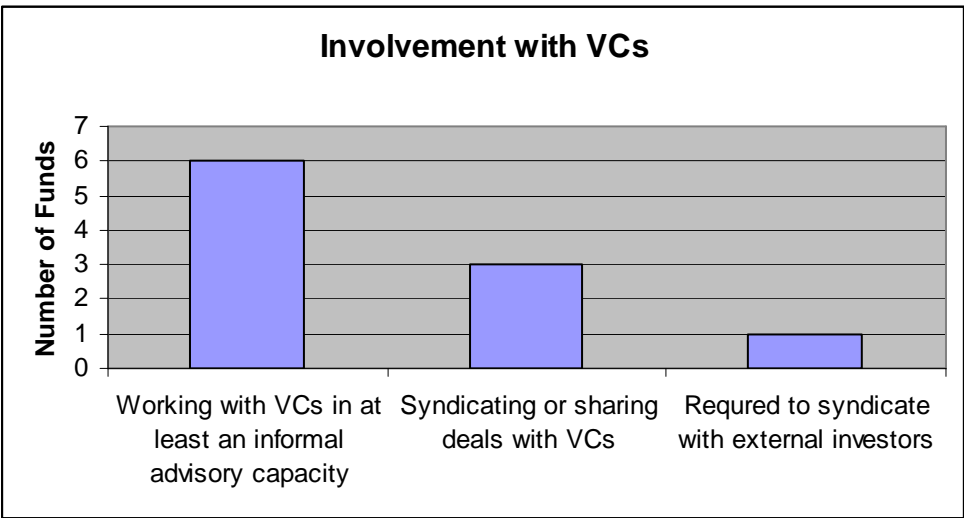
4. Advisors

- Funds described external advisors to the fund's investment decision making and operations
- 13 Funds responded



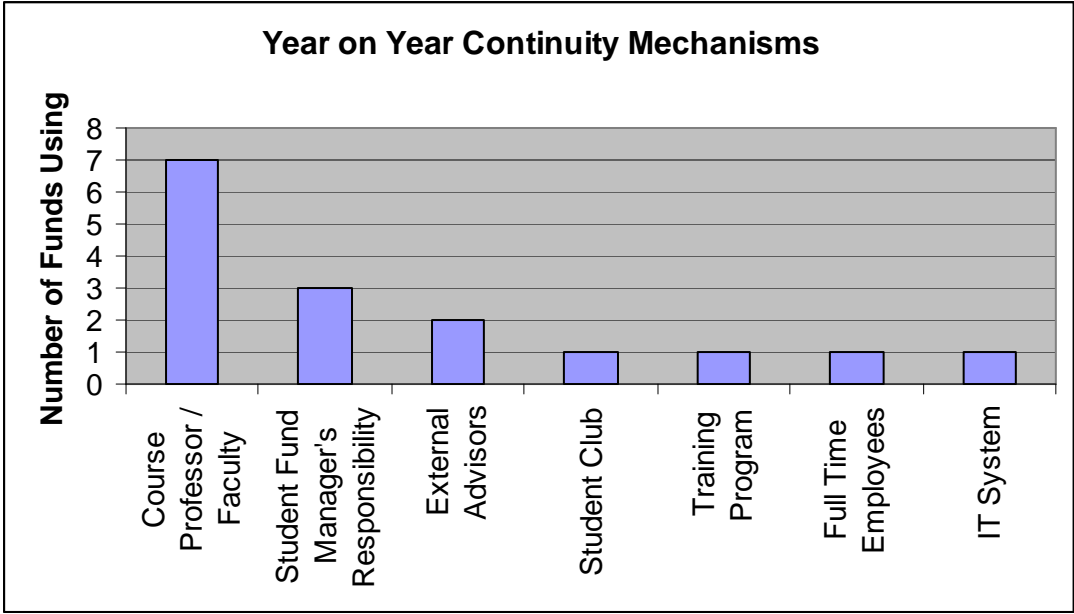
5. Partnerships

- Funds described external VC partners or syndicates
- 13 Funds responded



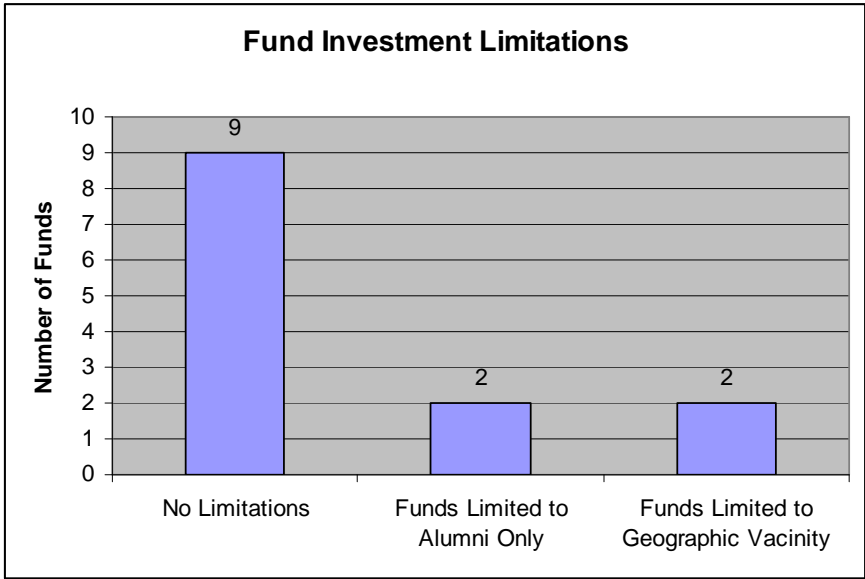
6. Year on Year Continuity

- Typical MBA programs run 1 or 2 years. There is high student manager turnover for these funds. Funds described their year on year continuity process.
- 13 Funds responded



7. Investment Limitations / Requirements

- Funds described any investment rules/limitations which are material to the management of the fund.
- 13 Funds responded



Part 3 Future Investment Areas

- Funds described areas in which they are seeking to invest.
- 12 Funds responded

