SONEAN



Connecting The Nodes

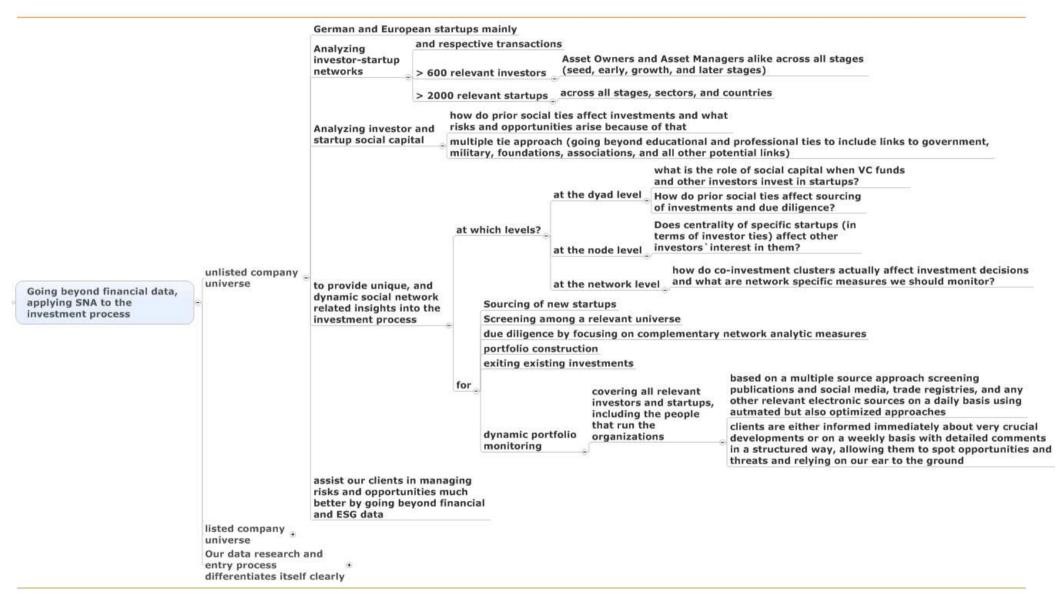
Going beyond Financial Data - The application of SNA to investments in the listed and startup company universe

Murat Ünal











	unlisted company universe	Largest European Companies					
		Analyzing board members and their social capital		and non-executive directors st listed companies in Europe			
Going beyond financial data, applying SNA to the investment process	listed company universe		> 10,000 organiza	ations/entities they are linked t	0		
		to provide unique, and dynamic social network related insights into the investment process	multiple tie approach (going beyond educational and professional ties to include links to government, military, foundations, associations, and all other potential links)				
				how do prior ties between executive and non-executive directors potentially affect corporate governance and decision making?	31 out ot the 50 largest European companies report to have independent directors		
					Overall there are 117 independent directors in those 31 large companies e.g. Barclays with the highest be amount of prior and existing		
			at the dyad level	Do specific ties (such as to			
				governments e.g.) turn out to an advantage in times of crisis			
			at the node level	how does the centrality of certain people or entire boards affect performance?			
			are companies whose board members or entire boards measure highly on certain network measures (such as social network heterogeneity) at the network level more successful?				
		to develop measures for investment decisions					
		to develop indices/benchmarks	where companies are over or underweight in terms of their SNA measures				
	Our data research entry process differentiates itse						



unlisted company universe listed company universe

Going beyond financial data, applying SNA to the investment process

> Our data research and entry process differentiates itself clearly

developing a proprietary database and not using existing ones. This allows us not only to control the content but above all go beyond existing databases and the available data

by employing people who have relevant and extensive experience from the investment industry seniors between 15-20 years on average

we go beyond corporate and educational ties by including people's links to any relevant organisation or entity which we can identify (foundations, associations, governments, military, NGOs etc.)

by having created multiple checks and balances to avoid data related errors and only include verified data hereby we triangulate extensively using all kinds of sources from publications, social media, to trade registries

by regularly optimizing data sources based on prior research

building on 13 years of relevant experience at our sister entity Funds@Work

WHY??? Quality of data is crucial and we don't want to end up with garbage in and garbage out



A conventional investment process in the startup universe



1.Sourcing

2.Screening

3.Due Diligence Process

4.Portfolio Construction

5.Portfolio Monitoring

6.Exit Process

Active investment sourcing via:

- Investor and coinvestor networks
- Websites
 (Uploads of business
 plans)
- Events (e.g. pitches and presenations)
- Platforms
- Conferences
- Other sources

Shortening the potential target list by using:

 Certain criteriabased preselection (stages, sectors, size of investment, financial metrics, and others)

Basis for investment decision making:

- Validity of business model
- Valuation
- Field checks
- Organisation & governance structure
- Legal & tax
- ESG-related factors

Active diversification and risk management through:

- Top-down, bottom-up allocation
- Sector and industry diversification
- Risk diversification through strategic and tactical cycle allocation
- Investment policy and restrictions

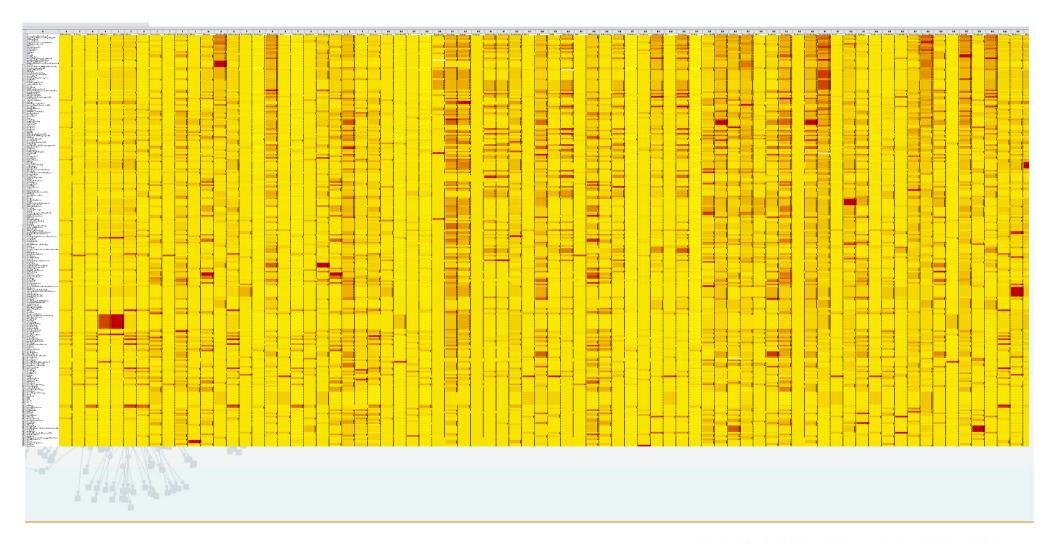
Spotting risks and opportunities by:

- Input from investor and co-investor network
- Regular reports coming from startups
- Publications, social media and others

Exit monitoring and execution through:

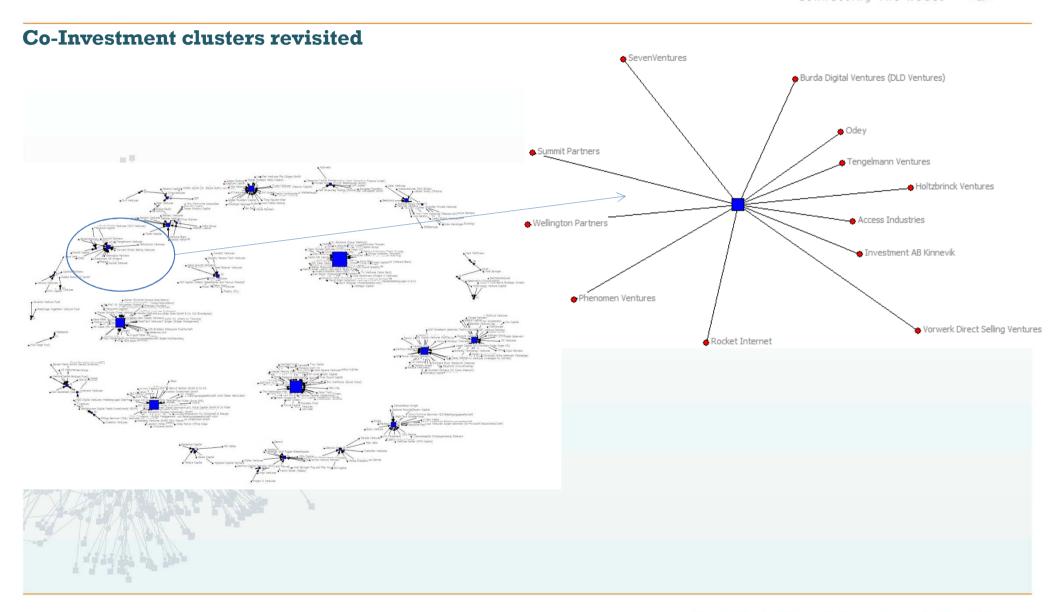
- IPO
- Tradesale
- Secondary Transaction

Converting two mode networks into one mode and creating heatmaps based on correlations

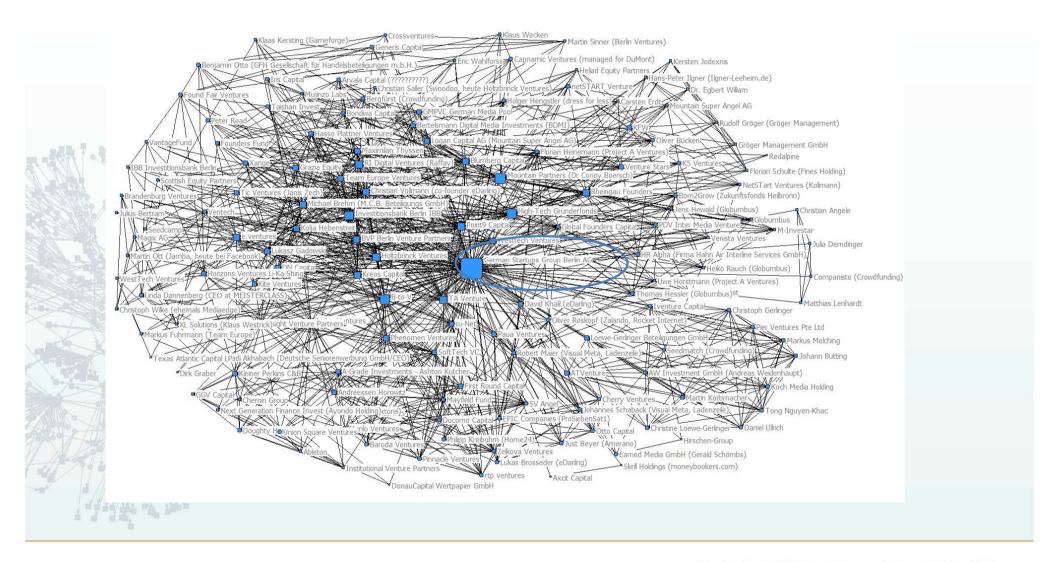


Converting two mode networks into one mode and creating heatmaps based on correlations

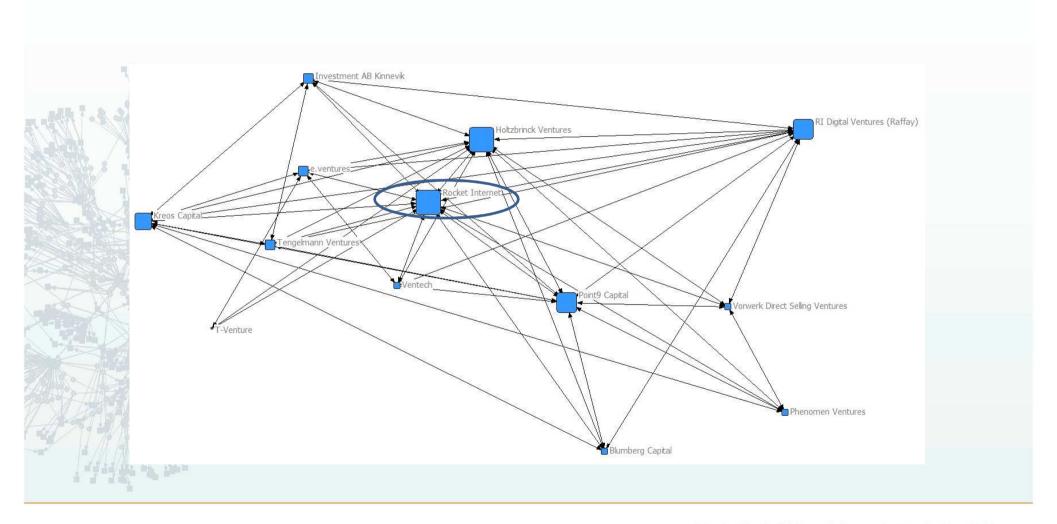
ID	Investment AB Kinnevik	Point9 Capital	Rocket Internet	Team Europe Ventures	Rheingau Found
Rocket Internet	0,84	0,34	1,00	0,17	-
Investment AB Kinnevik	1,00	0,26	0,84	0,12	-
Summit Partners	0,78	0,32	0,78	0,16	
Tengelmann Ventures	0,78	0,39	0,77	0,27	
Access Industries	0,76	0,37	0,73	0,21	
Holtzbrinck Ventures	0,67	0,44		0,28	
Vorwerk Direct Selling Venture	s 0,50	0,32	0,66	0,24	
SevenVentures	0,36	0,17	0,55	0,10	
Mangrove Capital	0,27	0,17		0,11	
Vostok Nafta	0,29	0,61	0,44		
Insight Venture Partners	0,36	0,49	0,44		
Kreos Capital	0,32	0,78	0,44	0,71	
Balderton Capital	0,31	0,29		0,26	
RI Digital Ventures (Raffay)	0,36	0,28	0,43	0,16	



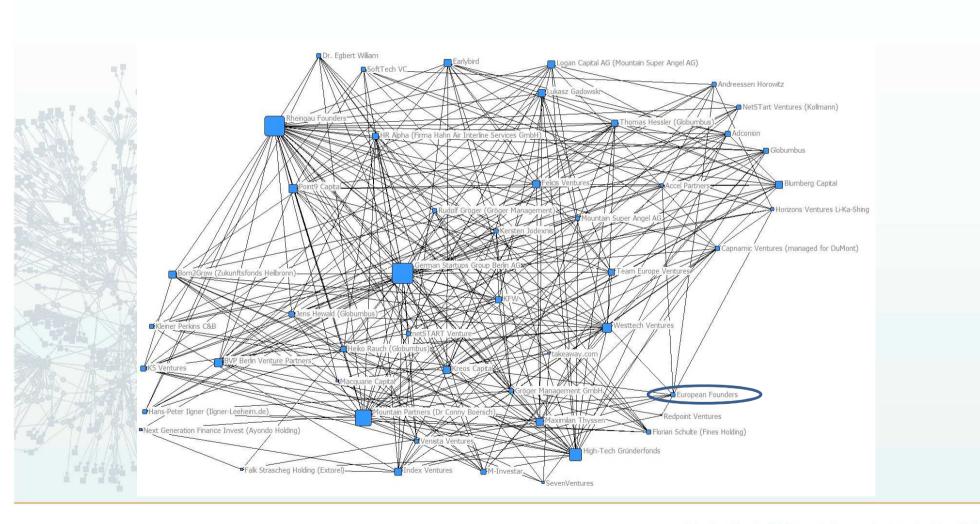
A single VC funds investor network based on mutual startups



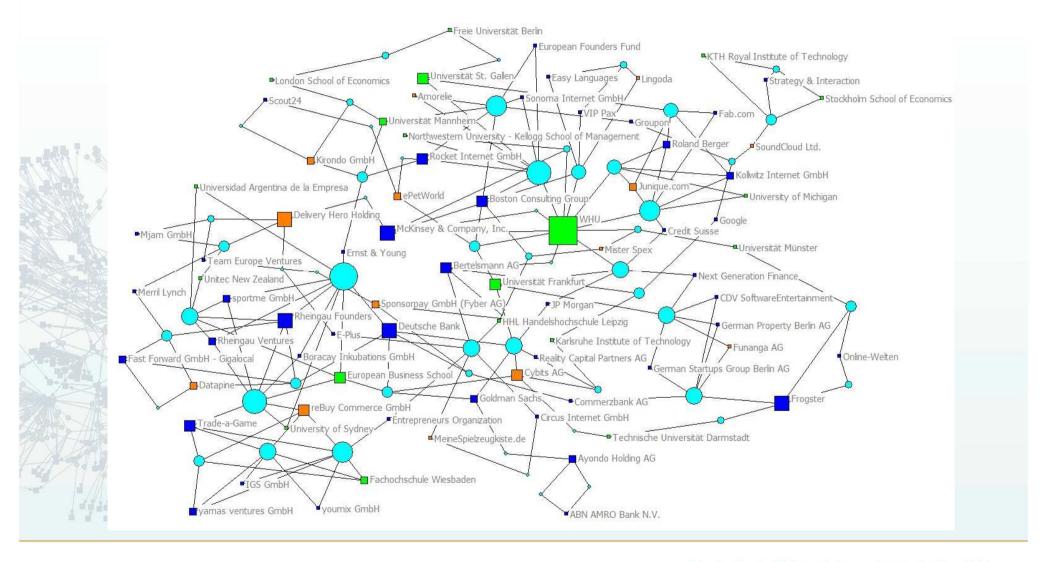
A single VC funds investor network based on mutual startups



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The ties that bin – the role of social capital in portfolio companies





Spotting risks and opportunities on a daily basis

