IoT Golden Opportunities for Winning Partnerships

Professor GP Li
Director, Calit2
IoT Focus Leading Center in OC:
Calit2 @ UC Irvine

- IoT Focus
- Advice & accelerate
- Network
- Combine, refine & shine

Source: Bosch Source innovations
An OC Ecosystem for Ignition Venture Capital Fund

University of California - Irvine
Shaping the Future

Calit2

The Paul Merage School of Business
University of California - Irvine

The Don Beall Center for Innovation and Entrepreneurship

Calit2 UC Irvine
TechPortal

JCI Applied Innovation

OCEBN
Orange County Business Incubation Network

University of California, Irvine Calit2 IoT Gateway
What is IoTGO?

UNIQUE INVESTMENT IN IOT ECOSYSTEM

IoTGO’s focus is in the INTERNET OF THINGS

IoTGO seeks a $20mm fund to capitalize on University and tech community innovation, and create value in startup businesses in OC and beyond

Calit2 in UCI has been conducting IoT research and discoveries for over a decade and is equipped with resources in its facilities (INRF, LEXI, FABworks, Microsemi Innovation Lab, Digital Visualization Lab, eHealth Collaboratory, CalPlug) with access to expertise and equipment across the entire campus
Why IoT GO here?

**ORANGE COUNTY IS IDEALLY POSITION FOR INNOVATION AND IOT**

University of California, Irvine: part of the best public university system in the world

Southern California is **diverse**, not diffused. Home to multiple industries such as entertainment, hospitality, defense, etc.
OC: over 700 IT/telecom, 300 medical device 150 cleantech, 50 gaming, 22 car manufacturer design centers.

Orange County is not saturated and has room for growth. OC companies value market success over exit success.
Calit2, UCI and Orange County, CA

Challenges in Supporting Startups in OC

*We may be “David” to SV’s “Goliath” and we all know what happened to Goliath*

- $1 billion in venture capital in OC Startups in 2015 of which 63% ($636 million) invested in companies based in Irvine


*BUT total VC in US about $60bln, CA - $33bln, SV - $21bln, LA - $3.5bln & OC - $1bln*
NO IoT VC fund

Venture capital destinations in Orange County

VC industry breakdown
- Software - $334.6M
- Medical Devices/Equipment - $105.2M
- Healthcare Services - $57.3M
- Consumer/Business Products - $48.3M
- IT Services - $42.0M
- Electronics/Instrumentation - $30.0M
- Biotechnology - $10.0M
- Media/Entertainment - $9.9M

- In 2015, technology and medical companies raised a total of $637.3 million in venture capital funding through the first three quarters of the year.
- Firms that received large investments include Crowdstrike (software) $104.4M, Stance (consumer products) $47.5M, Cylance (IT services) $42.0M and Reshape Medical (medical devices/equipment).
- There were a total of 55 deals which equates to an average funding amount of $11.6 million.

Source: JLL Research, PwCMoneytree
IoTGO and IoT Startup Partnerships

IoTGO – “Fastlane”
Bridge the GAPS in
• Risk
• Education
• Diffusion into Diversity

Increase potential, public image & polish for market success and not exit strategy
How does IoTGO work?

**FUND IS STRUCTURED TO BE PROFITABLE AND SUSTAINABLE**

Qualified applications are reviewed and approved by an Investment Advisory Committee.

IoTGO is funded by investors and philanthropic sponsors who foster entrepreneurship and help UC and SoCal achieve its goal in building an IoT ecosystem.

For sustainability, 80% of profits are returned to investors while 20% are returned to IoTGO for fund replenishment.
# IoTGO Fund Terms

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<th><strong>FUND SIZE &amp; FOCUS</strong></th>
<th>Target $20 million, Angel and Seed-stage opportunities</th>
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<tr>
<td><strong>NUMBER OF PARTNERS</strong></td>
<td>~ 20 Limited Partners, investing on average $1,000,000</td>
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| **CARRIED INTEREST**  | 20% Carried Interest  
Carried Interest invested in subsequent funds and directed to building and sustaining IoTGo |
| **MANAGEMENT FEE**    | Only costs, not to exceed 2% per year |
| **MINIMUM INVESTMENT IN COMPANIES** | $100,000 |
| **TOTAL INVESTMENT**  | $250,000 to $1 million per company over the life of the portfolio |
| **NO OF INVESTMENTS EACH YEAR** | 2-4 per year |
| **UC BOOST**          | UCOP to match up to 25% of fund (up to $3mm max) |
THANK YOU
For more information, please contact
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