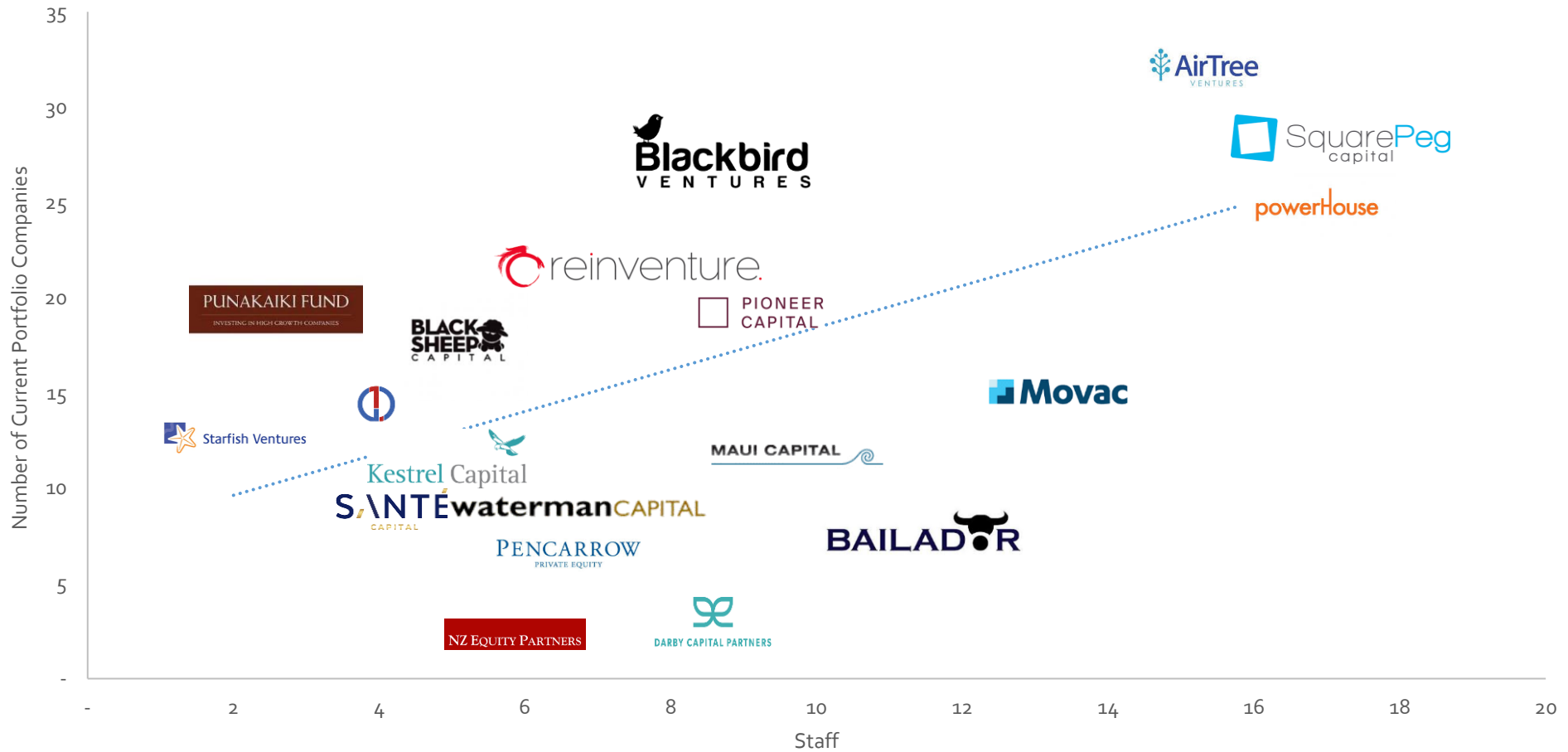


Overview

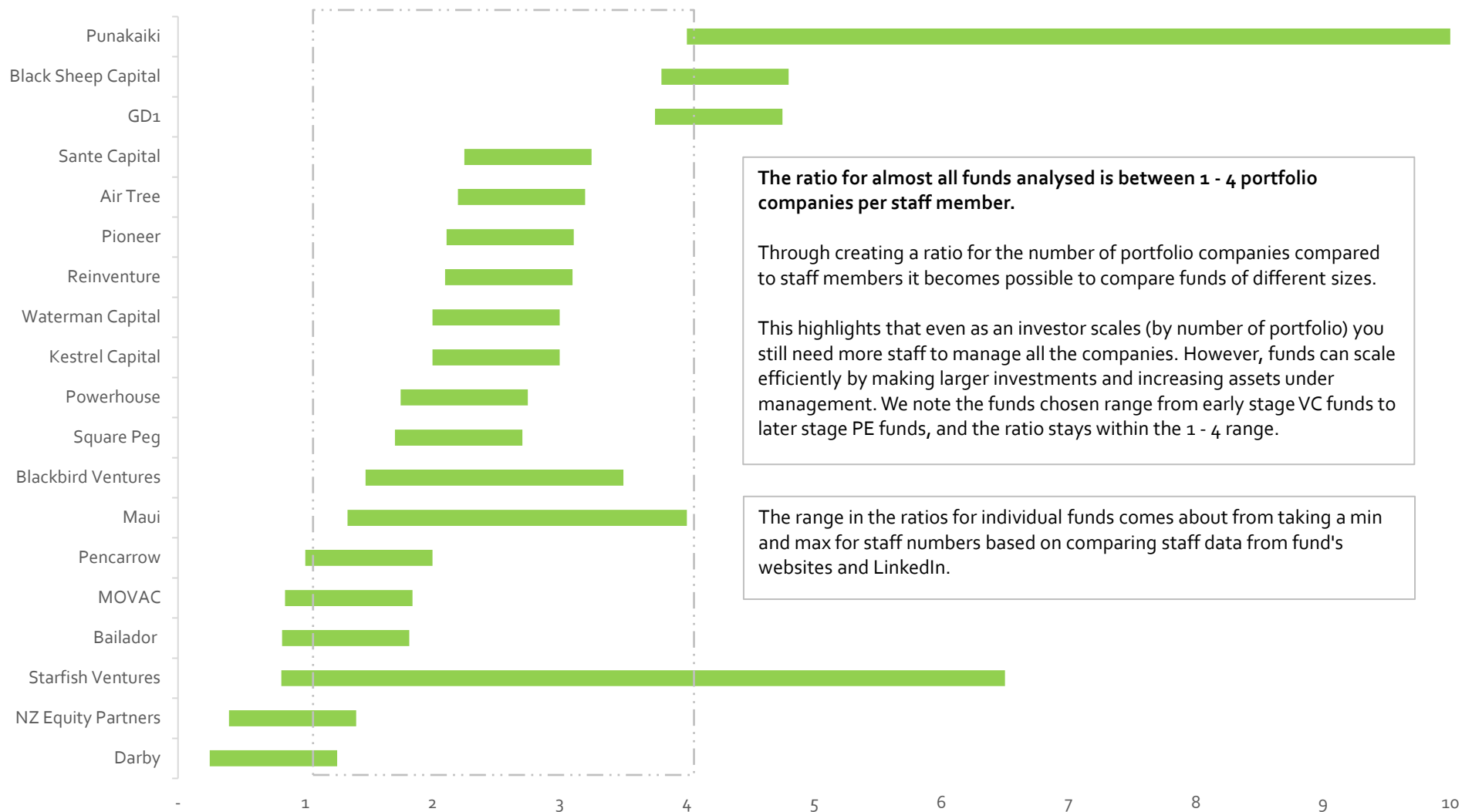
Clare Capital Tech Insights 92 - Portfolio to Staff Ratio - 2018o81o

There is a strong positive relationship between the number of investments a fund makes with the number of staff employed by the fund. While there is a wide variety of funds, strategies and portfolio structures. There appears to be a clear, linear relationship which highlights the nature of being an investor and the difficulty in scaling while owning a large portfolio. The sample set includes early stage VC funds, growth investors, corporate venture capital arms and private equity funds based in New Zealand and Australia. We note the graph is only as accurate as the source data, which in this case was fund's websites and LinkedIn.

Selected venture capital and private equity funds: Number of portfolio companies compared to staff numbers



Ratio of portfolio companies per staff member (wider range indicates variation in staff numbers on website and LinkedIn)



The ratio for almost all funds analysed is between 1 - 4 portfolio companies per staff member.

Through creating a ratio for the number of portfolio companies compared to staff members it becomes possible to compare funds of different sizes.

This highlights that even as an investor scales (by number of portfolio) you still need more staff to manage all the companies. However, funds can scale efficiently by making larger investments and increasing assets under management. We note the funds chosen range from early stage VC funds to later stage PE funds, and the ratio stays within the 1 - 4 range.

The range in the ratios for individual funds comes about from taking a min and max for staff numbers based on comparing staff data from fund's websites and LinkedIn.

Disclaimer

The information provided in this report has been solely sourced and calculated from public sources. Clare Capital holds no responsibility over the actual numbers. Clare Capital is not an Authorised Financial Adviser. This document is intended as analysis. If you are making investment decisions you should seek appropriate personalised financial advice.