

# NOTATION II

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# OVERVIEW

WHO WE ARE

FUND I: \$8M "PRE-SEED"

FUND I: WHAT WE LEARNED

FUND II: \$25M "FIRST-CHECK"

CASE STUDIES





# ALEX LINES

## GENERAL PARTNER

Alex focuses on hard tech, infrastructure, and product at Notation. Alex is a software engineer with experience in distributed systems and scalability. He has been building products and companies in NY for over 10 years.



# NICK CHIRLS

## GENERAL PARTNER

Nick focuses on product, customer acquisition, and capital raising at Notation. Nick was previously Head of Seed Investing at betaworks, and led product for several betaworks projects as well as previous startups.



WE ARE DEDICATED **FIRST-CHECK** INVESTORS IN **TECHNICAL** FOUNDING TEAMS BUILDING **CAPITAL EFFICIENT** INTERNET COMPANIES IN **NYC**.

We've worked with dozens of founding teams at this very early stage and are uniquely positioned in NYC to help shepherd companies through this critical first year.



# WE ARE A GROWING NETWORK OF COMPANIES AND PARTNERS

## FOUNDERS



SHARON GOLDBERG



MARISSA EVANS



ADAM FIELDS



ZACH SHERMAN



AVI KARNANI



ALANA BRANSTON



IAN OWNBEY



PATRICK BURNS



MIRIAM ALTMAN



JOEL WISHKOVSKY



RO GUPTA



LAUREN LETO



## SELECTED ADVISORS



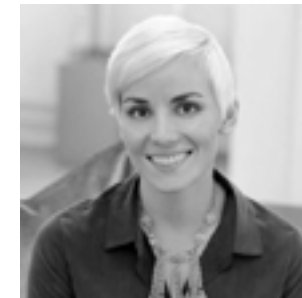
ALEX CHUNG



AMANDA PEYTON



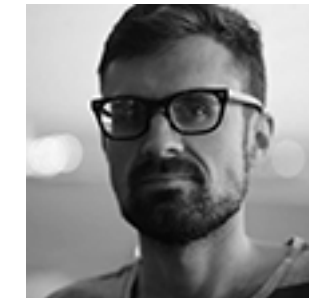
JOSH ABRAMSON



CAMILLE FOURNIER



ALEX RAINERT



MATT HACKETT



CHRISTINA D'AVIGNON



JON LAX



JAKE LEVINE



# FUND I: \$8M “PRE-SEED” PROOF OF CONCEPT

TWO YEARS AGO  
WE NOTICED AN  
EARLY-STAGE  
FUNDING GAP  
IN THE NYC  
ECOSYSTEM:

- A new critical mass of real technical and design talent, with many founders spinning out of successful NYC startups to start their own.
- The seed firms that launched 10 years ago were raising much larger funds and were no longer first institutional money in.
- The NYC angel ecosystem was not keeping pace with Silicon Valley, creating funding gaps at the earliest stages. This is what we started calling "Pre-Seed."

# FUND I SUMMARY

WE PROVED THAT  
WE CAN PARTNER  
WITH EXCEPTIONAL  
FOUNDING TEAMS, EARN  
MEANINGFUL OWNERSHIP,  
AND CONSISTENTLY  
HELP THEM GET TO  
INSTITUTIONAL SEED.

- We built a framework that we use to work with our portfolio companies and help them achieve first-year goals across tech, product, recruiting, and fundraising.
- We built the beginnings of a powerful network of founders, advisors, and LPs in NYC.
- We built a brand that is synonymous with “pre-seed” investing, stands for transparency and conviction, and is now a real asset to the firm.
- We built the foundation of a long-term institutional firm.



# FUND I SUMMARY (FEB 2016)

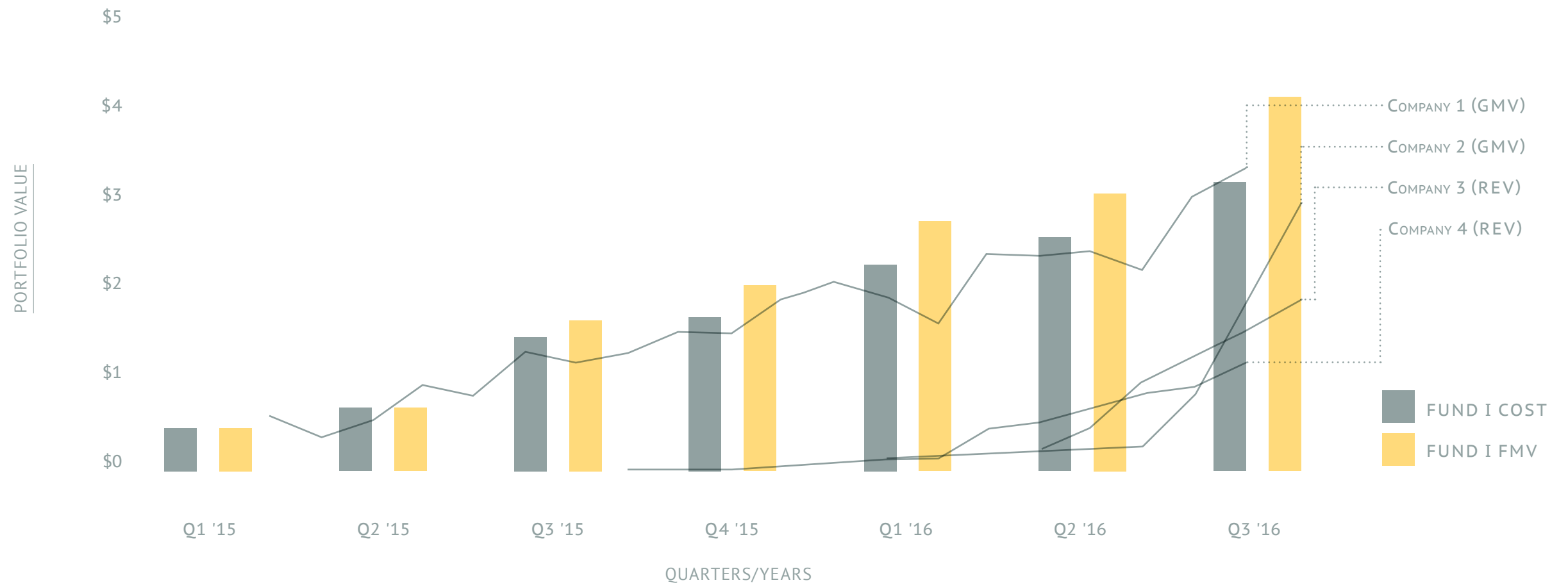
**20**  
# of Investments

**9\***  
Companies Raised  
Subsequent Seed Capital  
(\$???M+ Total)

**\$n**  
Avg Initial Investment

**y%**  
Avg Initial Ownership

**\$x PRE**  
Avg Implied Initial  
Valuation (in Millions)



Notation Fund I data validates risk:reward ratio at the Pre-Seed stage.

\* Of the remaining 11 companies, 2 are no longer operating (1 acquihire, 1 dissolution) and 9 are more recent investments that have not yet gone back to market



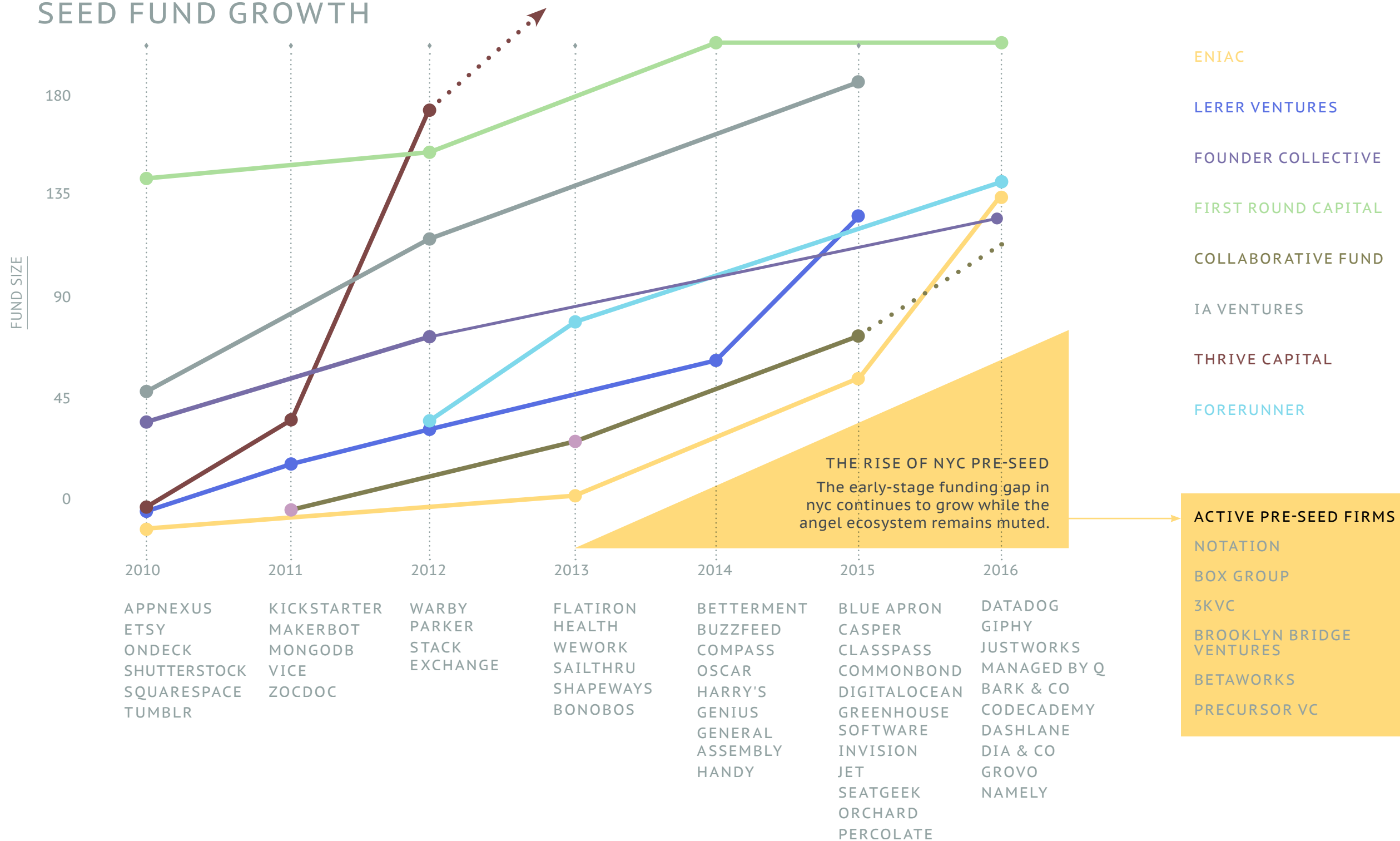
# A FEW THINGS WE LEARNED

- The pre-seed category includes a broad range of project stages, from pre-product to early customer and revenue traction.
- We better understand pre-seed financing dynamics, and thus ideal portfolio construction and ownership targets for Fund II.
- We know healthy partnerships require real care and we've put in the work.

# NYC ECOSYSTEM IN 2016

- NYC seed funds have moved up the capital stack in recent years, while the number of growth stage startups is accelerating.
- "Pre-Seed" is now a well defined funding stage.
- Notation was early to recognize this trend and thus well positioned to own this stage in NYC, even as more pre-seed funds come to market.

## SEED FUND GROWTH



- ACTIVE PRE-SEED FIRMS**
- NOTATION
  - BOX GROUP
  - 3KVC
  - BROOKLYN BRIDGE VENTURES
  - BETAWORKS
  - PRECURSOR VC

# FUND II STRATEGY

- Our dedicated first-check strategy is working, so we don't plan to change much other than right-size the fund for the opportunity set.
- Continue to market ourselves as dedicated first-check investors focused on technical founding teams, primarily in NYC.
- Continue to build out key parts of the long-term Notation foundation, including our brand, advisor group, and founder community.

**\$25M**

Target fund size

**\$400K**

Avg initial investment

**\$750K**

Avg pre-seed round size

**10%**

Target initial ownership

**1:1**

Follow-On Reserves: Approx

**30**

Investments

**3 Year**

Investment period



# OUR FUTURE

- A new wave of VC funds are coming to market, and disrupting venture from below just like the seed firms did ten years ago.
- We believe the opportunity to be high conviction and true first money in is just as valuable as it was then. Notation is in the early days of building the firm that defines this new category, particularly in NYC where the first-check funding gap is most acute.
- Fund I is working so we're doubling down on Fund II, and much longer-term as a partnership and a firm. We're looking to partner with others that share our long-term approach.

# NOTATION

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NOTATION.VC



# FUND | COMPANIES

ALICE

ARTA

Bulletin

Bumpers

CAMERA

COMMONWEALTH  
CRYPTO

HICKORY

KiN  
INVOLVED

LISTEN

nTopology

parsec

podia

Sawyer

li::epeer

Simple Contacts

SPRÛCE

TIMBER

URU

zipdrug