



2016 Semaphore Confidence Survey Highlights

[Click here for the 2015 results](#)

[Click here for the Semaphore Signals Blog with our commentary](#)

1. Choose one of the following descriptions that best represents you:

- a. 24 % were from PE shops
- b. 44% were VCs
- c. 11% were LPs
- d. 8% were operating executives
- e. 6% were Investment bankers
- f. 7 % were third party vendors/advisors to the industry (lawyers, accountants, etc)

2. Gender:

89% Male 11% Female

3. In 2015 I invested in and/or worked on investment deals with the following dollar value:

- a. 20% said their first deal was \$1MM to \$5MM and 32% said their first deal was over \$25MM
- b. 54% of all deals were over \$25MM
- c. 100% did 1-4 deals
- d. 53% completed 6 or more deals

4. In 2016 I expect to invest in and/or work on investment deals with the following dollar value:

- a. 11% expect their first deal to be in the \$1MM to \$5MM
- b. 54% expect future deals to be over \$25MM
- c. 0% do not plan on doing any deals
- d. 96% are going to work on 1-3 deals
- e. 53% plan to complete more than 6 deals
- f. 13% of all deals are anticipated to be in the \$1-\$5MM range and 44% between \$5MM and \$25MM and 53% more than \$25MM

5. In what top three industries do you expect to make deals in 2016?

- a. Health Care, Enterprise Software, and Financial Services are #1, #2 and #3

- b. Business Services was # 4 and Mobile Commerce was #5

6. Please rate your confidence in ...

- a. 75% were confident or somewhat confident in their own business and 63% believed similarly in their industry
- b. 60% were confident in their competitors
- c. 33% had no or little confidence in the US National economy with 40% confident
- d. 63% had no or little confidence in the International economy and 12% expressing confidence

7. Please rate your confidence in...

- a. 99% have confidence in themselves
- b. 73% have confidence in their immediate boss
- c. 66% have confidence in their CEO, Managing Partner with fully 60% similarly confident in their competitors' CEO, Managing Partner
- d. 59% are confident or somewhat confident in President Obama and 48% in his economic team
- e. 26% are not confident in President Obama and 29% have no confidence in his economic team
- f. 5% of respondents had confidence in Congress with 74% expressing no or little confidence
- g. 25% expressed confidence in newly installed Speaker Ryan and Senate Majority Leader McConnell had only 8% expressing confidence and 71% responding with no or little confidence
- h. 69% had little or no confidence in US national tax and spending policy with only 3% expressing confidence
- i. State Government and Legislatures fared significantly better with 25% expressing confidence and 34% having no or little confidence
- j. International respondents thought of their governments much less ably with 13% confidence and 81% having no or little confidence

8. In 2016 I expect to earn personally:

- a. 64% expect to earn more than they did in 2015 with 13% expecting to earn less and 22% the same amount

9. In 2015 I earned personally:

- a. 62% earned more than the prior year, 26 percent less and 13% the same as 2014

10. Where our respondents live:

- a. The top six states were 29% California, 25% Massachusetts, 17% New York, 4% Connecticut and 5% Texas. Washington State 4%, Washington DC and Illinois came in at 3% and no other state represented more than 1%.
- b. Internationally the UK represented 26% of international respondents, 11% Canada, Germany 9%, China 7% and 3% France, with multiple respondents from Australia, Singapore, the Philippines, Brazil, Russia, Japan, Viet Nam and single responses from 9 other nations.

11. US President

- a. Fully 56% predicted a Clinton/Trump contest, 19% suggesting a Clinton/Rubio race, another 8% believing a Clinton/Cruz faceoff, and 3% a Clinton/Bush election. Fully 83% believe that Clinton will win the Presidency with 6% expecting Trump, 3% each for Cruz and Rubio, 2% Bush and 1% Sanders.
- b. The preference of those wishing who would be President, Clinton received 56%, Bloomberg 11%, Rubio 7%, Bush and Kasich with 3%, with Sanders, Speaker Ryan, Mitt Romney and Vice President Biden receive 2% each. Isolated votes were cast for all other candidates along with Governor Jay Nixon of Missouri, former US Senator Mitch Daniels of Indiana, and author/economist Malcom Gladwell.

Some of the more interesting comments received were:

“The VC music will stop. Commodities will be a mess. Emerging markets will hurt. US and Europe will be OK relative to world. Moving to an island if we get Trump.”

“Politicians fear-monger ahead of elections, and negatively bias economic sentiment. While our country is run by buffoons, they are still better than other countries' buffoons.”

“Early stage tech VC is continuing to decline in terms of fund sizes, number of funds, and capable partners.”

“We need a leader with some cajones in the white house. Can we resurrect Teddy? “

“...If only the US Government stops interfering into other countries internal fairs, this world will be much more beautiful and safe.”

“Really interested to see how new crowdfunding rules impact the industry. Will small/middle class people get involved? “

“It will be interesting to see if the deal pace continues and how long it takes/if private valuations drop following the public markets slide.”

“Woe is us. Pogo was right we have met the enemy and he is us.”

“Weak oil, strong consumer!”

“In Series A-D deals nationwide, West Coast VCs are still spraying and praying with little diligence, high valuations, and extending term sheets with no dividends or participation. They put out a term sheet based on product and theme within 2 weeks of an initial meeting and can close shortly thereafter. This is part of the reason valuations are so high.”

“Of all the sectors, healthcare is still the frothiest. Biotech and devices have been this way for a while, but the absurd valuations have spread to healthcare software and even healthcare services. Strategic investors are mostly to blame for this phenomenon IMO.”

“We are closely watching the commodity markets. Continued declines will make investing in certain of our core sectors difficult.”

“BDCs are under so much pressure from investors and scrutiny to increase transparency that they will continue to trade below book and unable to raise new equity. As such, lower-middle market and middle market private equity will be forced to pay much more for their debt financing. I think within one to two years a new alternative to the BDC shadow banking world starts to develop.”

“Outside of consumer products, the VC world is very overheated and overhyped. I expect a significant sell-off in the unicorn market and more value creation by traditional consumer products businesses.”

“Valuation multiples will return to reality, thankfully”

“If Bernie wins I'm going to move to Sweden...oh wait.”

“Feels like 2007...things are tipping down and whoever gets elected will be a one term president.”

“Confidence in ourselves will be the key. There is plenty of capital around. Re-investment in our own economy is the key. Upgrade, innovate, grow!”

Mark S. DiSalvo is the President and CEO of Sema4 Inc., dba Semaphore, www.sema4usa.com, a leading global professional services provider of troubled Private Equity and Venture Capital funds under management. Semaphore currently holds fiduciary obligations as General Partner for seven Private Equity and Venture Capital funds, is a New Markets Tax Credit provider and advises General and Limited Partners around the world. Semaphore's corporate offices are in Boston with principal offices in New York, London and Dallas.