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Innovate or Imitate?

Good artists copy, great artists steal. - Pablo Picasso

I was lucky to have stumbled upon **Starbucks** in its early days. It was the fourth meeting I had on a rainy Thursday in Seattle and I almost blew it off to go straight to airport and fly home.

The concept of a national chain of coffee bars sounded ridiculous to me and I didn't even know what a Latte was. I figured I'd make it quick just so I could say that I had at least stopped to see what all the buzz was about.

Upon walking into Starbucks offices, you could tell something special was going on. The energy in the air was electric. After I met then 36 year old CEO Howard Schultz, I became a believer and a MEGA Starbucks BULL.

I became immersed in the coffee market and intoxicated by the store economics and potential. While I couldn't have been a bigger fan of SBUX, at the time, they were only in a handful of markets in this big country. Accordingly, when a start-up competitor **Caribou Coffee** opened up its first stores in my hometown of Minneapolis, I figured they would have a great opportunity to be #2.

Market Snapshot

Indices	Week	YTD
GSV 300	-1.7%	17.2%
S&P 500	-0.5%	11.1%
Dow	-1.1%	7.1%
NASDAQ	0.4%	17.8%
Russell 2000	0.0%	12.0%
MSCI	-2.7%	13.0%
Valuations	P/E Fwd	P/E/G
GSV 300	25.8x	0.9x
S&P 500	13.4x	1.3x
I-Rates	Now	YTD
10-Year Note	2.24%	18.5%
3-Month Bill	0.08%	300.0%
Sentiment	Current	
Bull-Bear	42.4-27.8	
Put-Call	1.04	
Vix	14.86	
Inflation	Now	YTD
Gold	\$1,662	4.1%
Oil	\$106.79	7.8%
Mutual Funds	Week	
Fund Flows (bil)	\$0.3	

Source: WSJ, Yahoo Finance, amgdata.com

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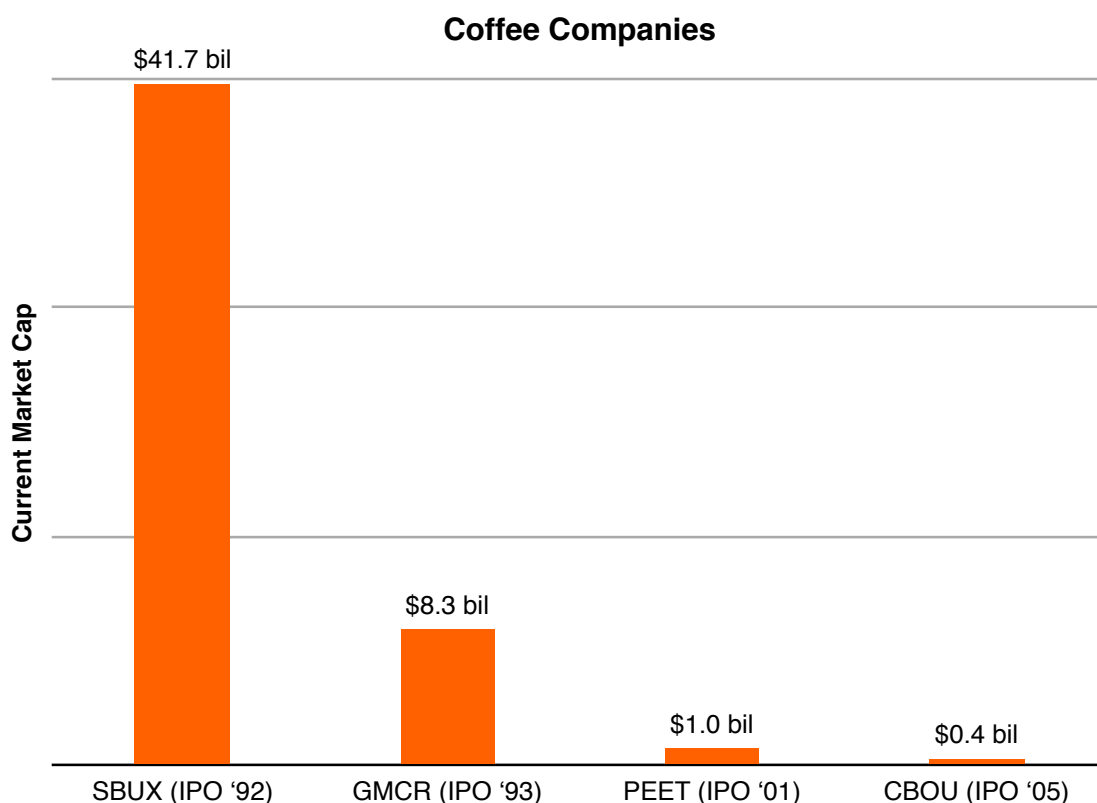
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Hindsight being 20/20, I should have put ALL the chips on RED and ridden the thoroughbred horse alone. Caribou did fine, it now has roughly 600 stores and over \$300 million in revenue from when I invested in them with 2 stores and less than a million dollars. BUT Starbucks now has 17,244 units and a \$42 billion market cap, up from 75 stores and a \$220 million market cap when I got involved.

Having learned my lesson of investing in the leader early, I couldn't get interested in the **Green Mountain** story or the **Peet's** story (though I love Peet's coffee!). Both have had decent success but my philosophy of betting on the best was too engrained.



Source: Yahoo Finance

The fall of the Berlin Wall in 1989 and the commercialization of the Internet twenty years ago made every corner of the Earth being one click away. A popular and successful strategy by investors is to find an Internet concept that was working in the U.S. and copy it for the local market.

If **Google** was a hit in the United States, **Baidu** could be the Chinese version of it and **Yandex** could be the Google of Russia. **Priceline** worked in the US, so why couldn't **Ctrip** do that in China and why couldn't **MakeMyTrip** do it in India?

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The answer was they could, and investors - including us - have benefited from these copy cat strategies.

	Mkt. Cap at IPO	Mkt. Cap Today
Google	\$23 billion	\$208.9 billion
Baidu	\$900 million	\$50.4 billion
Yandex	\$8 billion	\$7.8 billion
Priceline	\$1.6 billion	\$35.6 billion
Ctrip	\$300 million	\$3.3 billion
MakeMyTrip	\$420 million	\$900 million

Source: Yahoo Finance

Success breeds success, so smart investors started mapping out the World looking at successful US Internet concepts and exporting them especially to the BRIC Countries. Significant capital found its way to the best replications with leading investors such as Tiger, Accel, General Atlantic and Kleiner Perkins riding this theme.

Silicon Valley's Mindset Spreading Around the World

Industry	Original	International Equivalents		
Application Store	iTunes App Store (Apple)	GetJar (Lithuania) <i>Accel, Tiger</i>		
Car Service	Uber <i>Benchmark</i>	HailO (UK) <i>Wellington</i>		
Cloud Storage	Dropbox <i>Accel, Sequoia, Index, IVP</i>	Wengpan (China) (Baidu)		
Daily Deals	Groupon	Peixe Urbano (BRA) <i>Benchmark, Tiger, General Atlantic</i>	Deals&You (IND) <i>Springstar</i>	
Dining Reservation	OpenTable	LaFourchette (FRA) <i>Smart&co</i>		
e-commerce	eBay	Mercadolibre (ARG)		
e-tailer	Amazon	Dangdang (China)	Flipkart (IND) <i>Tiger</i>	Lazada (Indonesia) <i>Rocket Internet</i>
EV Charging	Better Place Technology <i>Vantage Point</i>	Ubitricity (GER) <i>Earlybird Ventures</i>		
Family History	Ancestry.com	MyHeritage (ISR) <i>Accel, Index</i>		
Flash Sales	Vente Privee (FRA) <i>Summit</i>	Gilt Groupe (USA) <i>General Atlantic, DFJ</i>	Trendyol (TUR) <i>KPCB, Tiger</i>	VIPStore (China) <i>Green Pine</i>
Group Texting	Groupme (Skype acquired)	SMS GupShup (IND)		
Location Service	foursquare <i>A16Z, SV Angel</i>	MXit (S. Africa)		
Micro-blogging	Twitter <i>DST, Benchmark, KPCB</i>	QQ (China) <i>Tencent</i>		
Mobile Payment	Square <i>KPCB, Khosla, Sequoia, Tiger</i>	iZettle (SWE) <i>Index</i>		

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Industry	Original	International Equivalents		
Movie Rental	Netflix	Lovefilm (UK) (Netflix Acquired)		
Online Lending	Lending Club <i>Canaan, Union Sq.</i>	Smava (GER) <i>Earlybird Ventures</i>	Zopa (UK) <i>Wellington</i>	Zizigo (TUR) <i>Springstar</i>
Online Video	YouTube (Google)	Youku (China)		
Professional Network	LinkedIn	Viadeo (FRA) <i>IDInvest, Ventech</i>		
Search	Google	Yandex (RUS)	Baidu (China) <i>DFJ</i>	
Shoe Retailer	Zappos.com (Amazon acquired)	Serenza (FRA)	Sapato (RUS) <i>Springstar</i>	
Social Gaming	Zynga	Nexon (JPN)	Vostu (BRA) <i>Accel, Tiger, Intel</i>	Peak Games (TUR) <i>Earlybird Ventures</i>
Social Influence Index	Klout <i>KPCB, IVP</i>	Peerindex (UK) <i>Antrak Capital</i>		
Social Music	Spotify (SWE) <i>KPCB, Accel, DST</i>	Deezer (FRA) <i>IdIninvest</i>	Rdio (USA) <i>Atomico, Mangrove Capital</i>	
Social Network	Facebook <i>DST, Accel</i>	Renren (China)		
Travel	Priceline	MakeMyTrip (IND)	Ctrip (China)	
Travel Search	ITA Software (Google acquired)	Vayant Travel (BUL) <i>Neveq</i>		

From Silicon Valley and the US...



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...to Global Silicon Valley



Source: GSV

While this has been a winning strategy, and as I mentioned, we've benefited from it, I'm starting to question the long-term validity. I met with a very successful Russian entrepreneur last week who said that his philosophy for any Company that he is involved with is to be successful GLOBALLY first, and then to bring it to his LOCAL Russian market.

The idea is that ultimately, Google is going to be in Russia and Russians will adopt the leader, not the local enterprise if Google is better. Cadillac's were great until you could have a Mercedes Benz. Caribou stores gushed cash until Starbucks came to town.

In a GLOBAL marketplace, being a copy-cat is likely to work only for so long. And then, the Internet is all about disproportionate gains to the leader in the category. Network effects exasperate that.

Language, which used to be a barrier to entry, is disappearing as the World/Internet is going English. In the next five years, China will have more English speaking people than America.

At the same time, Silicon Valley is no longer just a physical place but a mindset that has gone viral. Entrepreneurism and innovation are flourishing from Austin to Boston;

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from Chicago to Sao Paolo; to Mumbai, Shanghai and even Dubai. This is what we call the Global Silicon Valley.

For the sixth week in a row, NASDAQ moved higher, contrasting the S&P 500 which was down 0.5% and the Dow which was down 1.2%. For the week, NASDAQ was up 0.4% and is up 17.8% YTD.

World Indices

As of 3/24/12

Americas	Index	2012 YTD		Weekly Change		Euro-Asia	Index	2012 YTD		Weekly Change
		3/24/12	% change					3/24/12	% change	
US	GSV 300	1,407.1	17.2%	(1.7%)		China	SSE	2,349.5	6.8%	(2.3%)
	NYSE	8,180.1	9.4%	(1.1%)			Heng Seng	20,668.8	12.1%	(3.0%)
	Dow	13,080.7	7.1%	(1.1%)		Singapore	Straits Times	2,990.1	13.0%	(0.7%)
	NASDAQ	3,067.9	17.8%	0.4%		Indonesia	JKSE	4,041.6	5.7%	0.3%
	NASDAQ-100	2,728.6	19.8%	0.6%		Japan	Nikkei 225	10,011.5	18.4%	(1.2%)
	Russell 2000	830.0	12.0%	(0.0%)		India	Sensex	17,361.7	12.3%	(0.6%)
	S&P 500	1,397.1	11.1%	(0.5%)		Russia	RTS	1,668.4	20.7%	(4.6%)
Brazil	Bovespa	65,813.0	16.0%	(2.8%)		France	CAC 40	3,476.2	10.8%	(3.3%)
Mexico	IPC	38,334.9	3.4%	0.2%		Germany	DAX	6,995.6	18.6%	(2.3%)
Canada	S&P TSX	12,465.7	4.3%	(0.3%)		UK	FTSE 100	5,854.9	5.1%	(1.9%)

Source: finance.yahoo.com

What's encouraging to me, is that the best growth companies are acting best. We've been in a long period where what moved the Markets was a lot of noise, but now growth fundamentals are back in terms of what is driving share prices.

The thirty year BULL Market in Bonds is certainly over and the 10 year BEAR Market in growth companies looks finished as well. Accordingly, we are in with both fists buying what we believe are the best growth companies in the World at prices we don't believe reflect their true value.

Bubblin...

From [Luben](#)

Cloud storage is really going global now with China's **Baidu** announcing its **Dropbox** competitor product **Baidu Wangpan**. While we see Dropbox as THE global leader for data storage & sharing, it will be interesting to see how the Chinese will choose. Wangpan is still in Beta and for now only compatible on Windows and Android devices. Mac users will have to wait. When I recall two years ago when we started GSV, we were considering to use **Box.net** internally but the fact that they were not compatible on Macs made us switch to Dropbox... Being prepared for the rapidly growing Mac generation is certainly among one of the small reasons why Dropbox is leading the race so far at ~\$4 billion vs. Box.net at ~\$600 million valuation. People (execution) and Product are key for success!

Online Music companies continue to make headlines with **Spotify**, **Rdio** and **Deezer** all competing for the prime spot last week.

Spotify, which we've been following from its very inception and have huge interest in, announced 13 new apps. Most notably, one app allows users to browse lyrics, album notes, etc, another one is a Def Jam app for Hip-Hop fans to have a better genre discovery. Spotify is now an app of apps as it opened its platform to third party developers last Fall. Unquestionable, Spotify's edge is Mobility. Users pay \$10 a month to have access to all music on their phone. With an estimated 14% of total users paying the premium, Spotify has among the highest conversion ratios we see in any freemium models. Btw, Spotify is supposedly raising a [new round at a \\$3.5 billion](#) valuation.

The US equivalent of Spotify, Rdio, said it's among the first ones to launch its music app into Facebook's timeline for Canadian users. Rdio has 15 million songs and less than 1 million users.

France's Deezer, which is quite popular in Europe and actually has more total users than Spotify (but a much lower conversion ratio on paid subscribers), made an interesting improvement and is now accessible directly on the browser, without having to launch the app. The new service allows Google Chrome users to have access to their music on Deezer even when they have no Internet connection.

So I had to try [OMGPOP's Draw Something](#) after its amazing success. The app skyrocketed to being the #1 app on iOS and Android only after existing for just over 5 weeks. It reached 25 million registered users, 10 million active daily users, and close to 1 billion paid ad impressions every day. **Zynga** stepped in very quickly to buy the company for \$180 million. It's quite impressive how powerful the social aspect of a game can be if it's done well. Drawing and guessing with friends is highly addictive and lot's of fun.

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Fitting to the Global concept - yesterday I was walking by the **Abercrombie & Fitch** store in Paris... outside the store there was a 1 hour line and I curiously asked what was going on. The response was that it's Saturday afternoon and it's business as usual. Scarcity & A Great Global Brand have a pretty strong impact on people!

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Recent SharesPost Transactions

Date	Company	Price	Valuation (mil)
21-Mar	Facebook	\$40.50	\$94,446
21-Mar	Etsy	\$3.00	\$558
15-Mar	Gilt Groupe	\$25.00	\$1,025

GSV Universe

The AlwaysOn X portfolio advanced 2.4% last week, NASDAQ was up 0.4% and the S&P 500 down 0.5%. For the year, AO X is up 24.3%, NASDAQ is up 17.8% and the S&P 500 up 11.1%.

Best Weekly Performers

Ticker	Name	Change
1 LNKD	LinkedIn	9.3%
2 BIDU	Baidu.com	6.1%
3 PCLN	Priceline.com	5.8%
4 ALXN	Alexion Pharma	5.4%
5 AMZN	Amazon.com	5.4%
6 LULU	Lululemon	5.3%
7 SBUX	Starbucks	4.0%
8 ZNGA	Zynga	2.8%
9 GOOG	Google Inc.	2.8%
# V	Visa	1.8%

Worst Weekly Performers

Ticker	Name	Change
1 GRPN	Groupon	(6.3%)
2 APEI	American Public Ed	(3.1%)
3 YNDX	Yandex	(2.7%)
4 BPI	Bridgepoint	(0.8%)
5 HLF	Herbalife	0.3%
6 WWW	Web.com	1.0%
7 CMG	Chipotle Mexican G	1.2%
8 AAPL	Apple Inc.	1.8%
9 V	Visa	1.8%
10 GOOG	Google Inc.	2.8%

Lululemon continues to deliver strong results, reporting Q4 results that were better than expected. The yoga and sports wear maker had its revenue grow 51% driven by 26% same store sales growth. Sales per square foot increased to a record \$2,004. LULU opened 9 new stores in Q4 to a total of 174 in North America. For the week, LULU advanced 5.3%.

Baidu announced it is entering the cloud storage space by launching a Beta version of Baidu Wangpan. Similar to **Dropbox**, Baidu is expected to have a freemium model with a premium subscription for large storage user. Baidu will be allowing 5,000 users to join the service each day. For the week, BIDU advanced 6.1%.

Zynga investors had a volatile week after numerous developments. Mid week, Zynga acquired OMGPOP – the game that became the world's top app in just 7 weeks. Zynga reportedly paid \$180 million for the YCombinator founded game maker. On Friday, Zynga disclosed that it will be selling 43 million shares in a secondary offering, with Founder and CEO Mark Pincus selling a \$227 million stake, 15% of his holding. ZNGA ended the week up 2.8%.

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3/24/12

0/24/12

		Last	Day		Mkt		Mkt					
Company	Ticker	Price	Chng	Posi- tion	Value (mil)	Gain/ Loss	Cap (\$mil)	Fwd. P/E	P/S LTM	LTG (%)	P/E/ G	
Apple Inc.	AAPL	\$596.05	(0.5%)	11.3%	\$27.7	557%	545,446	14.3x	4.3x	20	0.7x	
Alexion Pharma	ALXN	\$93.82	(0.2%)	5.4%	\$13.3	42%	16,552	53.8x	21.1x	35	1.5x	
Amazon.com	AMZN	\$195.04	1.4%	5.7%	\$14.0	7%	84,331	NM	1.8x	31	-	
American Public	APEI	\$38.23	(0.9%)	4.7%	\$11.4	5%	708	15.5x	2.7x	25	0.6x	
Baidu.com	BIDU	\$144.33	0.4%	6.0%	\$14.6	15%	37,346	31.8x	21.2x	48	0.7x	
Bridgepoint	BPI	\$24.28	(1.2%)	1.0%	\$2.4	7%	1,266	8.9x	1.4x	22	0.4x	
Chipotle Mexican	CMG	\$415.70	(0.6%)	4.9%	\$12.0	130%	12,719	47.5x	5.6x	21	2.2x	
Google Inc.	GOOG	\$642.59	(0.5%)	6.6%	\$16.2	56%	161,256	15.4x	5.4x	21	0.7x	
Groupon	GRPN	\$16.89	0.0%	6.2%	\$15.3	1%	11,314	64.7x	7.0x	28	2.3x	
Herbalife	HLF	\$70.77	0.7%	6.2%	\$15.2	115%	8,182	19.1x	2.4x	14	1.4x	
LinkedIn	LNKD	\$99.50	(1.0%)	5.5%	\$13.5	27%	3,935	NM	18.1x	79	-	
Lululemon	LULU	\$75.88	(0.1%)	10.6%	\$25.9	192%	7,914	48.5x	11.9x	27	1.8x	
Priceline.com	PCLN	\$714.99	0.4%	5.1%	\$12.6	52%	33,606	22.2x	7.7x	27	0.8x	
Starbucks	SBUX	\$55.35	0.3%	2.6%	\$6.3	58%	39,949	30.2x	3.3x	18	1.7x	
Visa	V	\$118.79	1.3%	3.2%	\$7.9	36%	61,292	20.4x	10.0x	19	1.1x	
Web.com	WWWW	\$15.14	0.5%	2.6%	\$6.3	64%	709	10.1x	3.6x	15	0.7x	
Yandex	YNDX	\$24.01	1.1%	3.9%	\$9.5	5%	3,853	26.3x	11.5x	37	0.7x	
Zynga	ZNGA	\$13.40	(2.6%)	7.8%	\$19.2	43%	1,294	51.4x	8.1x	23	2.2x	
Day Performance			(0.2%)			YTD	ITD	2011	2010	2009		
				AO X Fund	24.3%	144.7%	4.6%	25.1%	50.5%			
				S&P 500	11.1%	49.9%	(0.0%)	12.8%	19.7%			
				NASDAQ	17.8%	88.0%	(1.8%)	16.9%	39.0%			
				Long	99.4%	\$243.3	Median	12,016	24.2x	6.3x	24	1.0x
				Cash	0.6%	\$1.4	Average	57,315	30.0x	8.2x	28	1.1x
				NAV	100%	\$244.7						

Source: CapIQ

Source: CapIQ

GSV universe subsectors performance

Green Sectors			Knowledge Sectors			Internet/Media Sectors		
Top Weekly Performers			Top Weekly Performers			Top Weekly Performers		
		% Chng.			% Chng.			% Chng.
1	Green Living	0%	1	Industry Research	2%	1	Systems Software	0%
2	Blue Technology	0%	2	Sports Franchises	1%	2	Marketing & Advertising	0%
3	Green Material	0%	3	Learning Services	1%	3	Wireless Services	0%
4	Semiconductor	-1%	4	Human Capital	1%	4	New Media	0%
5	Energy Intelligence	-1%	5	Life Sciences Research	0%	5	Open Source	-1%
6	Lighting	-1%	6	Outsourced Corp Svcs	0%	6	SaaS	-1%
7	Solar	-2%	7	Health IT	-1%	7	Music & Entertainment	-1%
8	Wind	-4%	8	Knowledge Publishing	-1%	8	Enterprise Software	-1%
			9	Higher Education	-1%	9	Next Gen Comm.	-1%
			10	K-12	-1%	10	eCommerce	-2%
			11	Online Education	-2%			
Top Monthly Performers			Top Monthly Performers			Top Monthly Performers		
		% Chng.			% Chng.			% Chng.
1	Green Living	2%	1	Industry Research	5%	1	Systems Software	11%
2	Lighting	0%	2	Human Capital	2%	2	Marketing & Advertising	2%
3	Semiconductor	-1%	3	Higher Education	1%	3	Enterprise Software	1%
4	Green Material	-2%	4	Learning Services	1%	4	Open Source	1%
5	Energy Intelligence	-2%	5	K-12	1%	5	SaaS	0%
6	Blue Technology	-3%	6	Sports Franchises	0%	6	eCommerce	0%
7	Solar	-5%	7	Life Sciences Research	0%	7	New Media	0%
8	Wind	-12%	8	Knowledge Publishing	0%	8	Wireless Services	-1%
			9	Outsourced Corp Svcs	-1%	9	Music & Entertainment	-1%
			10	Health IT	-2%	10	Next Gen Comm.	-1%
			11	Online Education	-4%			
Top Yearly Performers			Top Yearly Performers			Top Yearly Performers		
		% Chng.			% Chng.			% Chng.
1	Solar	24%	1	Health IT	19%	1	Systems Software	23%
2	Semiconductor	18%	2	Industry Research	18%	2	Open Source	21%
3	Green Living	16%	3	Learning Services	17%	3	SaaS	16%
4	Lighting	16%	4	Life Sciences Research	17%	4	New Media	16%
5	Blue Technology	13%	5	Knowledge Publishing	17%	5	eCommerce	16%
6	Green Material	12%	6	Human Capital	17%	6	Marketing & Advertising	16%
7	Wind	8%	7	Outsourced Corp Svcs	16%	7	Next Gen Comm.	15%
8	Energy Intelligence	3%	8	Sports Franchises	16%	8	Enterprise Software	13%
			9	Higher Education	15%	9	Wireless Services	9%
			10	K-12	8%	10	Music & Entertainment	6%
			11	Online Education	6%			

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Six Is		23-Mar		
Interest Rates		Now	Week	
10-Year Note		2.24%	(2.6%)	
3 Month Bill		0.08%	(11.1%)	
Spread Corp vs Govt.		1.43%		
Spread Junk vs. Govt.		5.18%		
Euro vs \$		\$1.33		N USD down 1.9% vs Euro YTD
Pound vs \$		\$1.59		
\$ vs Yuan		Y6.31		
\$ vs Yen		¥82.38		
Inflation		Now	Month	
CPI		227.7	0.4%	
PPI		192.7	0.4%	
Oil Price		\$106.79	(0.3%)	N Q4 GDP growth was 2.8%, 2011 growth was 1.7%
Gold Price		\$1,662	(2.8%)	
Corn Price		\$6.46	(1.5%)	
GDP Growth (latest Q)		2.8%		
Indices		P/E ttm	Month	
S&P 500		16.3x	2.3%	
Small Caps YTD		-	2.4%	
Value YTD		14.0x	2.4%	+ MSCI at attractive valuations
Growth YTD		18.0x	1.9%	
MSCI Emerging Mkts. Ytd		11.0x	(3.3%)	
Earnings Yield '09		7.46%		
Investors Sentiment		Current		
Bull - Bears		42.4-27.8		
Put-to-Call		1.0		N Bullish sentiment
VIX		14.9		
IPOs		YTD		
# of IPOs		32		
Pricing Above Range		37.5%		
Pricing in Range		34.4%		+ 3 IPOs last week; 2 price in range, 1 above
1 Day Pop (avg)		18.2%		
YTD Performance (avg)		31.2%		
Avg. Mkt. Cap (mm)		\$653		
Inflows		Week		
Mutual Fund Flows (billion)		\$0.3		+ \$13.6 bil inflows in last 4 weeks

Source: WSJ, Yahoo Finance, amgdata.com, Hoovers.com

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World Indices

As of 3/24/12

Americas	Index	2012 YTD		Weekly Change		Euro-Asia	Index	2012 YTD		Weekly Change
		3/24/12	% change					3/24/12	% change	
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	NASDAQ	3,067.9	17.8%	0.4%		Indonesia	JKSE	4,041.6	5.7%	0.3%
	NASDAQ-100	2,728.6	19.8%	0.6%		Japan	Nikkei 225	10,011.5	18.4%	(1.2%)
	Russell 2000	830.0	12.0%	(0.0%)		India	Sensex	17,361.7	12.3%	(0.6%)
	S&P 500	1,397.1	11.1%	(0.5%)		Russia	RTS	1,668.4	20.7%	(4.6%)
Brazil	Bovespa	65,813.0	16.0%	(2.8%)		France	CAC 40	3,476.2	10.8%	(3.3%)
Mexico	IPC	38,334.9	3.4%	0.2%		Germany	DAX	6,995.6	18.6%	(2.3%)
Canada	S&P TSX	12,465.7	4.3%	(0.3%)		UK	FTSE 100	5,854.9	5.1%	(1.9%)

Source: finance.yahoo.com

U.S Indices Snapshot

As of March 23, 2012

Valuation	P/E		Estimated LTG	P / E / G		Price / Sales	
	LTM	NTM		LTM	NTM	LTM	NTM
S&P 500	16.3x	13.4x	10.0%	1.6x	1.3x	2.2x	2.1x
NASDAQ	12.1x	14.6x	16.5%	0.7x	0.9x	21.7x	1.9x
Russell 2000	42.2x	21.3x	15.1%	2.8x	1.4x	2.8x	2.0x
GSV 300	NA	25.8x	28.4%	NA	0.9x	3.0x	NA

Source: Thomson One Analytics, FactSet

A 2 Apple

March 25, 2012

Insights on the fastest growing companies from A Round to Apple

GSV indices	Last Week	Last 30 Days	YTD	P/E NTM	P/S LTM	LTG	P/E/G	# Firms
GSV knowledge	(0.2%)	(0.4%)	14.9%	14.5x	1.1x	15.1%	1.0x	387
GSV green	(1.5%)	(2.8%)	20.0%	15.3x	1.3x	11.7%	1.3x	211
GSV internet	(0.7%)	(0.0%)	14.2%	15.2x	1.6x	15.2%	1.0x	663
GSV 300	(1.7%)	(1.6%)	17.2%	14.2x	3.0x	28.4%	0.5x	300
NASDAQ	0.4%	4.6%	17.8%	14.6x	21.7x	16.5%	0.9x	2872
Russell 2000	(0.0%)	1.7%	12.0%	21.3x	2.8x	15.1%	1.4x	2000
Dow	(1.1%)	1.1%	7.1%	12.8x	NA	NA	NA	60
S&P 500	(0.5%)	2.9%	11.1%	13.4x	NA	10.0%	1.3x	500

GSV universe	Last Week	Last 30 Days	YTD	P/E NTM	P/S LTM	LTG	P/E/G	# Firms
Knowledge Services and Technology								
Health IT	(0.8%)	(1.7%)	19.4%	29.0x	2.1x	21.2%	1.4x	22
Higher Education	(1.3%)	1.3%	15.2%	14.2x	1.1x	12.4%	1.1x	13
Human Capital	0.5%	1.7%	16.6%	32.8x	4.1x	21.4%	1.5x	13
Industry Research	2.5%	5.2%	18.4%	24.5x	2.6x	19.8%	1.2x	5
K-12	(1.4%)	0.5%	7.6%	25.5x	1.4x	26.8%	1.0x	8
Knowledge Publishing	(1.0%)	(0.0%)	16.9%	11.2x	1.0x	12.5%	0.9x	50
Learning Services	0.6%	0.7%	17.4%	23.7x	1.9x	27.7%	0.9x	12
Life Sciences								
Research	0.2%	0.4%	17.2%	19.3x	2.3x	14.9%	1.3x	51
Online Education	(2.5%)	(3.6%)	5.6%	15.3x	1.7x	14.7%	1.0x	5
Outsourced Corp Svcs	(0.1%)	(1.1%)	16.3%	13.2x	0.6x	12.8%	1.0x	173
Sports Franchises	0.6%	0.5%	16.1%	13.7x	1.2x	12.6%	1.1x	35
GreenTech/Living								
Blue Technology	(0.4%)	(3.0%)	12.7%	14.5x	2.2x	8.8%	1.7x	23
Energy Intelligence	(1.0%)	(2.2%)	3.5%	13.9x	1.2x	6.1%	2.3x	106
Green Living	0.1%	1.7%	16.2%	15.4x	1.4x	13.1%	1.2x	36
Green Material	(0.4%)	(1.7%)	12.1%	14.4x	1.2x	15.0%	1.0x	31
Lighting	(1.1%)	0.2%	15.8%	23.6x	1.2x	15.5%	1.5x	9
Semiconductor	(1.0%)	(0.8%)	17.8%	17.5x	1.8x	13.2%	1.3x	104
Solar	(1.7%)	(5.3%)	23.5%	14.0x	0.7x	12.5%	1.1x	23
Wind	(3.7%)	(12.0%)	7.7%	16.5x	1.5x	22.1%	0.7x	8
Internet/Media								
eCommerce	(1.7%)	0.1%	15.7%	33.2x	2.6x	20.1%	1.6x	10
Enterprise Software	(1.3%)	0.6%	13.0%	19.5x	2.9x	13.4%	1.5x	42
Marketing & Advertising	0.1%	2.4%	15.5%	13.8x	0.9x	19.1%	0.7x	61
Music & Entertainment	(1.0%)	(1.2%)	5.9%	9.7x	1.7x	15.6%	0.6x	32
New Media	(0.1%)	(0.5%)	15.7%	18.5x	2.3x	18.3%	1.0x	89
Next Gen Comm.	(1.4%)	(1.4%)	15.2%	14.8x	1.2x	15.8%	0.9x	125
Open Source	(1.0%)	0.5%	20.8%	21.7x	3.8x	18.8%	1.2x	10
SaaS	(1.0%)	0.2%	16.2%	15.5x	2.0x	15.1%	1.0x	159
Systems Software	0.3%	11.0%	23.0%	18.3x	2.0x	21.8%	0.8x	15
Wireless Services	(0.0%)	(1.1%)	9.3%	13.3x	1.1x	10.0%	1.3x	120

Source: CapitalIQ

* Indices contain all globally listed companies on major indices within each industry

Important Disclosures

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