

Appendix

Appendix 1: Overview of interviewed VCs

VC firm	General Partner	Office location	Other offices	Firm geographical investment focus
Alta Partners	Jean Deleage	San Francisco, CA, US	-	Worldwide
Atlas Venture	Axel Bichara ¹⁵⁹	Boston, MA, US	London, UK	US and Europe
RRE Ventures	Stuart Ellmann	New York, NY, US	-	US (focus on NY-region)
Siemens Venture Capital	Dr. Ralf Schnell ¹⁶⁰	Munich, Germany	US Asia	Worldwide
Sofinnova Partners	Chika Yoshinaga	Paris, France	-	Europe
Star Ventures	Dr. Meir Barel	Herzelia, Israel	Germany US	Worldwide
Target Partners	Waldemar Jantz	Munich, Germany	-	Germany, Austria, Switzerland
TVM Capital	Dr. Alexandra Goll	Munich, Germany	Boston, MA, US	Worldwide
Wellington Partners	Rolf Dienst	Munich, Germany	London, UK Palo Alto, CA, US	Europe

¹⁵⁹ Mr. Bichara's experience was collected at the 2009 edition of the VC Panel Discussion organized by the LMU Entrepreneurship Center (LMU EC, Ludwig-Maximilians-Universität München), the Center for Digital Technology and Management (CDTM, Ludwig-Maximilians-Universität München and Technische Universität München) and the Institute for Innovation Research, Technology Management and Entrepreneurship (INNOtec, Ludwig-Maximilians-Universität München) under the theme "Startup Financing – US and German Approaches Compared" at Amerika Haus on Tuesday, May 5th, 2009.

¹⁶⁰ Idem.

Appendix 2: Overview of the data collected from ThomsonONE.com

Each type of observation is gathered in a separate data set.

The table lists the information collected from ThomsonONE.com.¹⁶¹

The variables used as identifiers are underlined, key variables linking data sets together are in italics.

VC firms (7,601 observations)	
<u>vc_name</u>	VC firm name
vc_type	VC firm type
vc_city	VC firm city (HQ)
vc_state	VC firm state code (HQ)
vc_nation	VC firm nation (HQ)
vc_capital	VC firm reported capital under management (USD million)
vc_nbfunds	VC firm number of funds
vc_amt	Total known amount invested by VC firm in all PCs (USD thousand)
vc_nbpcs	Number of PCs in which VC firm invested
vc_founded	VC firm founding date
vc_status	VC firm investment status
VC funds (15,820 observations)	
<u>fund_name</u>	Fund name
vc_name	VC firm name
fund_type	Fund type
fund_size	Fund size (USD million)
fund_stage	Fund stage focus
fund_yr	Fund year
fund_amt	Total known amount invested by fund in all PCs (USD thousand)
fund_nbpcs	Number of PCs in which fund invested
Investments (227,441 observations)	
<u>pc_name</u>	PC name
<u>vc_name</u>	VC firm name
<u>inv_round_date</u>	Investment round date
pc_ipo_date	PC IPO date, if applicable
<u>fund_name</u>	VC fund name
inv_new	New investment (or follow-on)
inv_round_nb	Investment round number
inv_deal	Investment deal value (USD million)
inv_round_usd	Investment round amount disclosed (USD million)
inv_round_usd_e	Investment round amount estimated (USD million)
inv_nbinv	Number of investors in investment round
pc_stage	PC stage at round date
Portfolio companies (PCs) (50,766 observations)	
<u>pc_name</u>	PC name
pc_city	PC city (HQ)
pc_state	PC state code (HQ)
pc_nation	PC nation (HQ)
pc_ind	PC industry sub-group
pc_status	PC current public situation
pc_ipo_date	PC IPO date, if applicable
pc_founded	PC founding date
pc_descr	PC business description
pc_nbinv	Total number of PC investors
pc_amt	Total known amount invested in PC (USD million)
pc_vcs	VC firms invested in PC
Limited partners (LPs) (7,906 observations)	
<u>lp_name</u>	LP name
lp_type	LP type
lp_city	LP city
lp_state	LP state
lp_nation	LP nation
lp_assets	LP total assets under management (USD million)
lp_alt_assets	LP total alternative assets under management (USD million)
lp_inv_vc	LP VC fund commitments (USD million)
lp_inv_lbo	LP LBO fund commitments (USD million)
lp_inv_mezz	LP mezzanine fund commitments (USD million)
lp_inv_fof	LP fund of fund commitments (USD million)
lp_inv_other	LP other PE fund commitments (USD million)
lp_inv_dir	LP direct fund commitments (USD million)
lp_inv_pe	LP total PE fund commitments (USD million)

¹⁶¹ This table only contains the raw information obtained from ThomsonONE.com and does not include the additional variables created or researched manually by the author.

Appendix 3: Industry classification based on Venture Economics Industry Codes

Primary assigned industry	Included industry sub-groups
IT	Computer hardware Communications Computer software Computer (other) Semiconductors / Electronics Internet-specific
Life Sciences	Medical / Health Biotechnology
Non High-Technology	Business services Agriculture / Forestry / Fish Transportation Construction Industrial / Energy Financial services Utilities Consumer-related Manufacturing Other

Appendix 4: Classification of nations by continents

North America			
Canada	US		
Europe			
Austria	Georgia	Luxembourg	Slovenia
Belarus	Germany	Macedonia	Spain
Belgium	Greece	Malta	Sweden
Bosnia Herzegovina	Hungary	Moldova	Switzerland
Bulgaria	Iceland	Monaco	Turkey
Channel Islands	Ireland	Netherlands	Ukraine
Croatia	Israel	Norway	UK
Cyprus	Italy	Poland	
Czech Republic	Kazakhstan	Portugal	
Denmark	Kyrgyzstan	Romania	
Estonia	Latvia	Russia	
Finland	Liechtenstein	Serbia and Montenegro	
France	Lithuania	Slovakia	
Asia			
Australia	Indonesia	Pakistan	Taiwan
Bangladesh	Japan	Philippines	Thailand
China	Malaysia	Singapore	Vietnam
Hong Kong	New Zealand	South Korea	
India	North Korea	Sri Lanka	
ROW			
Afghanistan	Colombia	Kuwait	Senegal
Algeria	Comoros	Lebanon	Sierra Leone
Angola	Costa Rica	Macau	Somoa
Argentina	Cuba	Madagascar	South Africa
Armenia	Dominica	Mali	St Lucia
Azerbaijan	Dominican Rep.	Mauritania	Swaziland
Bahamas	Ecuador	Mauritius	Tanzania
Bahrain	Egypt	Mexico	Togo
Belize	El Salvador	Morocco	Tonga
Benin	Fiji	Mozambique	Trinidad and Tobago
Bermuda	French Guiana	Netherlands Antilles	Tunisia
Bolivia	Gabon	Nicaragua	Uganda
Botswana	Ghana	Niger	Uruguay
British Virgin Islands	Guatemala	Nigeria	United Arab Emirates
Brazil	Honduras	Oman	Venezuela
Burkina Faso	Ivory Coast	Panama	Zambia
Cameroon	Jamaica	Papua N Guinea	
Cayman Islands	Jordan	Peru	
Chile	Kenya	Saudi Arabia	

Only observed nations (location of at least one VC or PC involved in an observed investment) are listed.

Appendix 5: Number of observed investments by VC location (1989-2008)

North America		Total	178,513
US	175,109	Canada	3,404
Europe		Total	37,206
UK	9,559	Czech Republic	148
France	6,726	Russia	116
Germany	5,735	Hungary	109
Finland	1,998	Luxembourg	80
Israel	1,576	Greece	72
Netherlands	1,551	Channel Islands	65
Belgium	1,523	Romania	52
Sweden	1,416	Iceland	22
Spain	1,207	Ukraine	17
Denmark	982	Slovakia	11
Switzerland	947	Turkey	10
Austria	944	Latvia	7
Ireland	628	Slovenia	7
Norway	546	Estonia	5
Italy	392	Lithuania	5
Portugal	383	Bulgaria	3
Poland	361	Cyprus	3
Asia		Total	10,916
South Korea	3,033	New Zealand	129
Australia	2,230	Malaysia	98
Japan	1,178	Thailand	41
India	1,120	Philippines	29
Singapore	966	Vietnam	20
Taiwan	907	Indonesia	13
Hong Kong	863	Pakistan	5
China	280	Sri Lanka	4
Rest of the world		Total	774
Brazil	364	Togo	8
South Africa	78	United Arab Emirates	8
Nigeria	52	Botswana	7
Mauritius	36	Madagascar	7
Bermuda	35	Nicaragua	7
Cameroon	33	Bahamas	6
Bahrain	29	Ghana	6
Tunisia	21	Swaziland	6
Costa Rica	18	Chile	4
Cayman Islands	14	Mexico	4
Argentina	11	Ecuador	1
Netherlands Antilles	9	Kuwait	1
Morocco	8	Trinidad and Tobago	1
Total			227,409

Investments for which the VC location is unknown are not included.

Appendix 6: Location of observed VCs (by nation)

VC location (HQ)	Number of observed VCs
North America	
US	4,256
Canada	206
Europe	
UK	482
France	271
Germany	246
Sweden	136
Israel	97
Spain	94
Netherlands	87
Switzerland	85
Italy	70
Belgium	66
Denmark	57
Finland	52
Austria	44
Norway	40
Ireland	39
Portugal	27
Poland	20
Other (Europe)	114
Asia	
Japan	160
Australia	144
South Korea	114
China	111
Hong Kong	99
India	97
Singapore	69
Taiwan	63
Malaysia	24
Other (Asia)	41
ROW	
Brazil	45
South Africa	28
Other (ROW)	83
Total	7,567

VCs for which the nation is unknown are not shown in this graph (N=3).
 Only nations with over 10 observed VCs are listed, others are aggregated.

Appendix 7: Number of VC firms participating in observed financing rounds

Number of VC firms participating in observed financing round	Number of observed investment rounds	Share of observed investment rounds
1	49,478	45.4%
2	23,640	21.7%
3	13,234	12.1%
4	8,381	7.7%
5	5,212	4.8%
6-10	7,866	7.2%
>10	1,117	1.0%
Total	108,928	100.0%

Financing rounds with more than one VC firm participating are syndicated financing rounds.

Appendix 8: Location of observed portfolio companies (by nation)

PC location (HQ)	Number of observed investments
North America	
US	162,859
Canada	2,919
Europe	
UK	8,460
France	6,739
Germany	3,981
Israel	1,868
Sweden	1,705
Netherlands	1,357
Denmark	1,116
Finland	1,113
Other (Europe)	7,239
Asia	
South Korea	3,053
Australia	2,288
India	2,098
China	2,094
Other (Asia)	3,098
ROW	
Other (ROW)	1,498
Total	213,485

Nations in which PCs received less than 1,000 investments are aggregated by world continent. Investments for which the PC location is unknown are not included.

Appendix 9: Number of observed financing rounds received by portfolio companies

Number of rounds of financing received by PC	Frequency	Percent
1	24,918	51.30%
2	9,028	18.59%
3	4,871	10.03%
4	3,089	6.36%
5	2,061	4.24%
6	1,674	3.45%
7	968	1.99%
8	654	1.35%
9	442	0.91%
10	266	0.55%
11	208	0.43%
12	129	0.27%
13	86	0.18%
14	61	0.13%
15	46	0.09%
16	23	0.05%
17	9	0.02%
18	10	0.02%
19	5	0.01%
20	5	0.01%
21	6	0.01%
22	4	0.01%
23	3	0.01%
24	1	0.00%
25	1	0.00%
27	1	0.00%
Total	48,569	100.00%

Appendix 10: Number of observed investments per industry

PC industry	Number of observed investments	Share of observed investments
IT	134,938	59.33%
Non High-Technology	32,896	14.46%
Life Sciences	44,385	19.51%
Unknown	15,222	6.69%
Total	227,441	100.00%

Appendix 11: Specification of the random utility maximization nested logit model¹⁶²

The utility assigned by VC firm i to the target location j has a deterministic part and a stochastic part:

$$U_{ij} = V_{ij} + \epsilon_{ij}$$

The probability P_{ij} that VC firm i chooses target location j is equal to the probability of U_{ij} being the largest of all U_{ij}, \dots, U_{ij} . With $y_i \{1, \dots, J\}$ denoting the alternative that decision maker i chooses, this probability is:

$$\begin{aligned} P_{ij} &= \Pr(y_i = j) = \Pr(U_{ij} > U_{ik} \forall k = 1, \dots, J: k \neq j) \\ &= \Pr(\epsilon_{ik} - \epsilon_{ij} \leq V_{ij} - V_{ik} \forall k = 1, \dots, J: k \neq j) \end{aligned}$$

The deterministic part of the utility V_{ij} can be written as:

$$V_{ij} = \alpha_j + \mathbf{x}_{ij}\beta + \mathbf{z}_i\gamma_j$$

where \mathbf{z}_i is the vector of VC firm-specific variables describing characteristics of the decision maker, γ_j is the parameter vector for each alternative j associated with the individual-specific variables, \mathbf{x}_{ij} is the matrix of alternative-specific variables varying both over individuals and alternatives and β is the parameter for each alternative.

The target location choices available to the German VC firm are now partitioned into 3 subsets (nests): B_m , $m \in \{1, 2, 3\}$, with $B_1 = \text{national}$, $B_2 = \text{continental}$, $B_3 = \text{global}$, so that each target location belongs to exactly one nest. The nest to which alternative j belongs is denoted $B(j)$. Considering the top 10 target locations of investments by German investors, following nests are built:

$$B_1 = \{\text{Germany}\},$$

$$B_2 = \{\text{UK, Switzerland, Israel, France, Austria, Netherlands, Sweden}\},$$

$$B_3 = \{\text{US, Canada}\}$$

The probability of the VC firm i choosing alternative target location j , $\Pr(y_i = j)$, is equal to the product of the probability to choose some alternative in nest $B(j)$, $\Pr\{y_i \in B(j)\}$, and the conditional probability to choose exactly alternative j , given some alternative in the same nest $B(j)$ is chosen $\Pr\{y_i = j | y_i \in B(j)\}$; that is, $P_j = \Pr(y = j) = \Pr\{y = j | y \in B(j)\} \cdot \Pr\{y \in B(j)\}$. For example, the probability of a German VC firm to invest in a venture located in

¹⁶² The model specification is adapted from Heiss (2002).

France $\Pr(y = \text{France})$ is equal to the probability of that VC choosing a continental investment $\Pr\{y \in B_2\}$ times the conditional probability of investing in a French start-up given a continental scope is chosen $\Pr\{y = \text{France} | y \in B_2\}$.

The random utility maximization nested logit model allows the alternatives within a nest to have mutually correlated error terms. For each nest $m = \{1,2,3\}$, the joint distribution of the error terms has an additional parameter τ_m that represents a measure of the mutual correlation of the error terms of all alternatives within this nest. $\tau_m = \sqrt{1 - \rho_m}$ with ρ_m representing the correlation coefficient.

The utilities are rescaled by the inverse of the dissimilarity parameter $\tau(j)$ for this nest¹⁶³:

$$\Pr\{y = j | y \in B(j)\} = \frac{e^{V_j/\tau_j}}{\sum_{k \in B(j)} e^{V_k/\tau_j}}$$

The denominator in this equation represents a scaled measure of the attractiveness of the nest $B(j)$. The log of this expression for each nest m is called inclusive value IV_m . It corresponds to the expected value of the utility VC firm i obtains from the alternatives in nest m :

$$IV_m = \ln \sum_{k \in B_m} e^{V_k/\tau_m}$$

so that:

$$\Pr\{y \in B(j)\} = \frac{e^{\tau(j)IV(j)}}{\sum_{m=1}^3 e^{\tau_m IV_m}}$$

¹⁶³ Thanks to the normalization, the utilities in each nest are scaled by a similar factor and can therefore be compared across nests.

Appendix 12: Naïve scope model (base model)

	(1)	(2)	(3)	(4)
	Worldwide	US	Non-US	Germany
PC is in Life Sciences industry (d)	-0.002 (0.006)	-0.009 (0.005)	0.012 (0.018)	-0.169* (0.080)
PC is in non High-Tech industry (d)	-0.014 (0.008)	0.061*** (0.012)	-0.169*** (0.016)	-0.191* (0.089)
PC industry is unknown (d)	-0.023 (0.021)	0.224*** (0.067)	-0.237*** (0.023)	-0.222* (0.110)
VC is located in Europe (d)	0.341*** (0.032)		-0.034 (0.052)	
VC is located in Asia (d)	0.371*** (0.033)		-0.045 (0.052)	
VC is located in ROW (d)	0.414*** (0.068)		0.026 (0.078)	
Date of investment 1998-2001 (bubble) (d)	0.022 (0.011)	0.052*** (0.009)	-0.182*** (0.037)	-0.377*** (0.114)
Date of investment 2002-2008 (post-bubble) (d)	0.016 (0.013)	0.044*** (0.010)	-0.191*** (0.049)	-0.223 (0.129)
Observations	213,452	161,157	52,295	4,286
Log pseudo-likelihood	-72,552.486	-35,096.307	-33,925.769	-2,777.548
$\chi^2(8)$	502.230	234.164	149.738	65.849
Pseudo-R ²	0.157	0.029	0.027	0.049
<i>p</i>	<0.001	<0.001	<0.001	<0.001

Investments by VC firms, 1989-2008

Logit model (scope = 1 if VC and PC are located in different nations, scope = 0 if VC and PC are located in the same nation); Marginal effects; Standard errors in parentheses

(d) for discrete change of dummy variable from 0 to 1

References: PC is in IT, VC is located in North America, Date of investment 1989-1997

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Appendix 13: Naïve scope model (full model)

	(1)	(2)	(3)	(4)				
	Worldwide	US	Non-US	Germany				
Relative supply of deals in VC nation (in investment year)	-0.458***	(0.099)	-0.048	(0.036)	-18.019***	(1.840)	-9.496	(6.400)
Relative demand for deals in VC nation (in investment year)	-0.183**	(0.061)	-0.488***	(0.078)	5.519***	(1.039)	-9.510	(10.902)
Fund is industry-specialized (d)	0.026***	(0.006)	-0.002	(0.006)	0.148***	(0.020)	0.090	(0.075)
Fund is specialized in Life Sciences (d)	0.017	(0.012)	0.010	(0.010)	0.017	(0.031)	0.021	(0.106)
Fund is specialized in non High-Tech (d)	-0.011	(0.011)	0.015	(0.012)	-0.059	(0.041)	-0.091	(0.157)
Fund is stage-specialized (d)	-0.051***	(0.009)	-0.007	(0.006)	-0.207***	(0.031)	-0.258***	(0.076)
Fund is specialized in growth stage (d)	0.054***	(0.013)	0.032**	(0.011)	0.107***	(0.032)	0.121	(0.079)
Fund is specialized in late stage (d)	0.055***	(0.016)	0.007	(0.009)	0.154***	(0.042)	0.288**	(0.110)
Fund size (USD billion)	0.000	(0.000)	0.000***	(0.000)	0.000	(0.000)	0.000	(0.000)
Fund type = corporate (d)	0.076***	(0.016)	0.052***	(0.015)	0.153***	(0.041)	0.302***	(0.085)
Fund type = bank (d)	0.000	(0.012)	0.033*	(0.014)	-0.043	(0.026)	0.040	(0.103)
Fund type = individuals (d)	0.006	(0.039)	0.018	(0.042)	-0.094*	(0.047)	0.130	(0.197)
Fund type = public (d)	-0.048***	(0.011)	-0.029*	(0.012)	-0.180***	(0.038)	-0.332***	(0.070)
Fund type = unknown (d)	-0.014	(0.021)	0.016	(0.023)	-0.108*	(0.055)		
Fund age	0.001	(0.001)	-0.000	(0.000)	0.002	(0.002)	0.000	(0.006)
VC age	0.001*	(0.000)	0.000	(0.000)	0.003**	(0.001)	-0.015	(0.009)
VC number of investments to date	0.000*	(0.000)	0.000*	(0.000)	0.000***	(0.000)	0.002**	(0.001)
Syndicated investment (d)	0.014**	(0.005)	-0.058***	(0.008)	0.179***	(0.014)	0.326***	(0.039)
PC is in Life Sciences industry (d)	-0.001	(0.004)	-0.007	(0.004)	0.004	(0.014)	-0.177**	(0.056)
PC is in non High-Tech industry (d)	-0.001	(0.006)	0.032***	(0.006)	-0.085***	(0.015)	-0.005	(0.096)

PC industry is unknown (d)	-0.005	(0.018)	0.112***	(0.031)	-0.113***	(0.032)	-0.002	(0.183)
VC is located in Europe (d)	-0.012	(0.015)			0.079	(0.042)		
VC is located in Asia (d)	-0.017	(0.015)			0.085	(0.050)		
VC is located in ROW (d)	0.008	(0.028)			0.203**	(0.074)		
Date of investment 1998-2001 (bubble) (d)	-0.036***	(0.010)	-0.003	(0.006)	-0.113***	(0.026)	-0.229*	(0.099)
Date of investment 2002-2008 (post-bubble) (d)	-0.055***	(0.014)	-0.016*	(0.007)	-0.131***	(0.032)	-0.196	(0.130)
Observations	213,452		161,157		52,295		4,286	
Log pseudo-likelihood	-		-		-		-	
$\chi^2(26)$	67,553.834		33,056.136		29,089.222		2,144.944	
Pseudo-R ²	1,003.328		1,287.263		602.312		395.965	
Pseudo-R ²	0.215		0.085		0.166		0.266	
<i>p</i>	<0.001		<0.001		<0.001		<0.001	

Investments by VC firms, 1989-2008

Logit model (scope = 1 if VC and PC are located in different nations, scope = 0 if VC and PC are located in the same nation); Marginal effects; Standard errors in parentheses

(d) for discrete change of dummy variable from 0 to 1

References: Fund is specialized in IT, Fund is specialized in early stage, Fund type = independent partnership,

PC is in IT, VC is located in North America, Date of investment 1989-1997

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Appendix 14: Descriptive statistics and correlation matrix (VC firms worldwide)

#	Variable	Mean	SD	1	2	3	4	5	6	7
1	Relative supply of deals in VC nation (in investment year)	0.24	0.14	1						
2	Relative demand for deals in VC nation (in investment year)	0.46	0.26	0.95	1					
3	Fund is industry-specialized	0.49		0.02	0.07	1				
4	Fund is specialized in IT	0.38		0.06	0.11	0.81	1			
5	Fund is specialized in Life Sciences	0.07		0.00	0.02	0.28	-0.22	1		
6	Fund is specialized in non High-Tech	0.03		-0.12	-0.13	0.18	-0.14	-0.05	1	
7	Fund is stage-specialized	0.39		-0.28	-0.30	-0.01	-0.03	-0.05	0.13	1
8	Fund is specialized in early stage	0.10		-0.12	-0.14	0.01	-0.01	0.05	-0.01	0.42
9	Fund is specialized in growth stage	0.24		-0.20	-0.21	0.00	0.02	-0.08	0.07	0.70
10	Fund is specialized in late stage	0.05		-0.07	-0.06	-0.03	-0.08	-0.01	0.16	0.29
11	Fund size (USD million)	218.32	533.78	-0.02	0.01	-0.06	-0.04	-0.03	0.00	0.01
12	Fund type = independent	0.72		0.16	0.16	0.07	0.05	0.04	-0.01	-0.14
13	Fund type = corporate	0.07		-0.02	-0.01	0.15	0.15	0.02	-0.03	0.06
14	Fund type = bank	0.18		-0.12	-0.14	-0.15	-0.14	-0.05	0.03	0.09
15	Fund type = individuals	0.01		0.01	0.01	-0.02	0.00	-0.02	-0.01	0.01
16	Fund type = public	0.02		-0.12	-0.13	-0.05	-0.06	0.00	0.02	0.07
17	Fund type = other	0.01		-0.04	-0.04	-0.05	-0.04	-0.02	0.00	0.01
18	Fund age	5.68	6.54	0.07	0.07	-0.12	-0.08	-0.04	-0.04	-0.09
19	VC age	13.44	12.40	0.03	0.03	-0.14	-0.10	-0.06	-0.03	-0.08
20	VC number of investments to date	182.04	307.36	0.10	0.15	-0.07	-0.03	-0.04	-0.08	-0.16
21	VC relative number of national investments to date	0.83	0.26	0.55	0.58	0.05	0.07	-0.01	-0.05	-0.13
22	VC is located in North America	0.76		0.88	0.95	0.10	0.13	0.03	-0.14	-0.29
23	VC is located in Europe	0.18		-0.71	-0.76	-0.10	-0.14	-0.02	0.11	0.22
24	VC is located in Asia	0.06		-0.41	-0.45	-0.01	-0.02	-0.03	0.05	0.16
25	VC is located in ROW	0.00		-0.11	-0.12	0.01	-0.02	-0.01	0.09	0.05
26	Date of investment 1998-2001 (bubble)	0.34		-0.05	-0.01	0.11	0.17	-0.08	-0.05	0.10
27	Date of investment 1989-1997 (pre-bubble)	0.20		0.46	0.30	-0.18	-0.16	-0.06	0.00	-0.11
28	Date of investment 2002-2008 (post-bubble)	0.46		-0.33	-0.23	0.04	-0.04	0.12	0.05	0.00
29	Syndicated investment	0.78		0.19	0.23	0.10	0.13	0.06	-0.17	-0.14
30	PC in IT industry	0.59		0.09	0.12	0.24	0.47	-0.31	-0.19	-0.05
31	PC in Life Sciences industry	0.20		0.05	0.04	-0.09	-0.32	0.48	-0.08	-0.06
32	PC in non High-Tech industry	0.14		-0.08	-0.12	-0.15	-0.23	-0.10	0.36	0.10
33	PC industry unknown	0.07		-0.13	-0.14	-0.12	-0.10	-0.02	-0.01	0.05

Descriptive statistics and correlation matrix (VC firms worldwide) (continued)

# Variable	8	9	10	11	12	13	14	15	16	17
8 Fund is specialized in early stage	1									
9 Fund is specialized in growth stage	-0.19	1								
10 Fund is specialized in late stage	-0.08	-0.13	1							
11 Fund size (USD million)	-0.07	0.05	0.02	1						
12 Fund type = independent	-0.02	-0.14	-0.01	-0.03	1					
13 Fund type = corporate	-0.02	0.09	0.00	-0.07	-0.44	1				
14 Fund type = bank	-0.02	0.10	0.02	0.11	-0.74	-0.13	1			
15 Fund type = individuals	0.03	-0.02	0.01	-0.03	-0.15	-0.03	-0.04	1		
16 Fund type = public	0.15	-0.01	-0.02	-0.04	-0.22	-0.04	-0.06	-0.01	1	
17 Fund type = other	-0.02	0.03	-0.01	-0.01	-0.14	-0.02	-0.04	-0.01	-0.01	1
18 Fund age	-0.09	-0.03	-0.01	-0.04	-0.11	-0.03	0.09	0.03	0.02	0.20
19 VC age	-0.09	-0.02	-0.01	0.23	-0.01	-0.07	0.05	-0.02	-0.01	0.06
20 VC number of investments to date	-0.09	-0.10	-0.03	0.39	0.10	-0.08	-0.02	-0.04	-0.06	-0.02
21 VC relative number of national investments to date	0.01	-0.14	-0.04	-0.12	0.11	-0.06	-0.09	0.02	0.00	-0.02
22 VC is located in North America	-0.13	-0.22	-0.05	0.02	0.14	0.00	-0.12	0.01	-0.12	-0.04
23 VC is located in Europe	0.09	0.16	0.05	0.02	-0.06	-0.05	0.08	0.00	0.07	0.02
24 VC is located in Asia	0.09	0.12	0.00	-0.07	-0.16	0.09	0.08	-0.02	0.11	0.04
25 VC is located in ROW	0.03	0.03	0.02	-0.01	0.00	-0.01	0.01	-0.01	0.01	0.00
26 Date of investment 1998-2001 (bubble)	-0.02	0.17	-0.10	-0.01	-0.06	0.09	0.03	-0.01	-0.04	0.03
27 Date of investment 1989-1997 (pre-bubble)	-0.03	-0.07	-0.06	-0.09	0.06	-0.06	-0.01	0.02	-0.02	-0.05
28 Date of investment 2002-2008 (post-bubble)	0.04	-0.10	0.14	0.08	0.01	-0.04	-0.02	0.02	0.08	-0.03
29 Syndicated investment	-0.09	-0.08	-0.04	-0.05	0.05	0.05	-0.05	-0.01	-0.09	-0.01
30 PC in IT industry	-0.02	0.00	-0.08	-0.02	0.04	0.08	0.08	0.01	-0.05	-0.01
31 PC in Life Sciences industry	0.04	-0.08	-0.03	-0.02	0.02	-0.04	0.00	-0.02	0.02	-0.01
32 PC in non High-Tech industry	-0.02	0.07	0.11	0.03	-0.05	-0.05	0.08	0.01	0.03	0.02
33 PC industry unknown	0.01	0.03	0.04	0.03	-0.04	-0.02	0.06	-0.01	0.02	0.01

# Variable	18	19	20	21	22	23	24	25	26	27
18 Fund age	1									
19 VC age	0.36	1								
20 VC number of investments to date	0.23	0.47	1							
21 VC relative number of national investments to date	0.01	-0.05	0.02	1						
22 VC is located in North America	0.08	0.04	0.16	0.53	1					
23 VC is located in Europe	-0.04	0.00	-0.10	-0.45	-0.82	1				
24 VC is located in Asia	-0.07	-0.06	-0.11	-0.22	-0.46	-0.12	1			
25 VC is located in ROW	-0.03	-0.05	-0.04	-0.06	-0.12	-0.03	-0.02	1		
26 Date of investment 1998-2001 (bubble)	-0.11	-0.06	-0.06	0.00	-0.01	-0.02	0.05	0.00	1	
27 Date of investment 1989-1997 (pre-bubble)	-0.01	-0.03	-0.13	0.12	0.19	-0.16	-0.08	-0.03	-0.36	1
28 Date of investment 2002-2008 (post-bubble)	0.11	0.08	0.16	-0.10	-0.15	0.15	0.02	0.03	-0.66	-0.47
29 Syndicated investment	0.04	0.02	0.08	0.09	0.25	-0.18	-0.13	-0.08	0.04	-0.03
30 PC in IT industry	-0.03	-0.03	0.04	0.09	0.12	-0.12	-0.03	-0.02	0.18	-0.07
31 PC in Life Sciences industry	0.01	0.01	0.01	0.02	0.04	-0.01	-0.05	-0.02	-0.12	0.05
32 PC in non High-Tech industry	0.00	0.00	-0.07	-0.04	-0.14	0.11	0.06	0.06	-0.08	0.08
33 PC industry unknown	0.03	0.04	0.00	-0.16	-0.11	0.09	0.05	0.00	-0.07	-0.05

Descriptive statistics and correlation matrix (VC firms worldwide) (continued)

#	Variable	28	29	30	31	32
28	Date of investment 2002-2008 (post-bubble)	1				
29	Syndicated investment	-0.01	1			
30	PC in IT industry	-0.12	0.13	1		
31	PC in Life Sciences industry	0.07	0.08	-0.60	1	
32	PC in non High-Tech industry	0.01	-0.23	-0.50	-0.20	1
33	PC industry unknown	0.11	-0.05	-0.32	-0.13	-0.11

Pearson correlation coefficients (for two continuous variables)

Point biserial coefficients (for one continuous variable and one dummy variable)

Phi coefficients (for two dummy variables)

Correlations stronger than .4 are marked in bold.

(N=227,408)

Appendix 15: Descriptive statistics and correlation matrix (US-based VC firms)

#	Variable	Mean	SD	1	2	3	4	5	6	7
1	Relative supply of deals in VC nation (in investment year)	0.31	0.06	1						
2	Relative demand for deals in VC nation (in investment year)	0.60	0.04	0.82	1					
3	Fund is industry-specialized	0.52		-0.22	-0.23	1				
4	Fund is specialized in IT	0.42		-0.19	-0.18	0.83	1			
5	Fund is specialized in Life Sciences	0.08		-0.08	-0.11	0.28	-0.25	1		
6	Fund is specialized in non High-Tech	0.02		0.03	0.02	0.13	-0.11	-0.04	1	
7	Fund is stage-specialized	0.31		-0.02	-0.03	0.02	0.01	-0.03	0.12	1
8	Fund is specialized in early stage	0.08		0.03	-0.02	0.02	-0.02	0.06	0.01	0.44
9	Fund is specialized in growth stage	0.18		-0.02	0.02	0.03	0.05	-0.08	0.06	0.72
10	Fund is specialized in late stage	0.04		-0.07	-0.09	-0.03	-0.06	-0.01	0.14	0.32
11	Fund size (USD million)	224.43	488.95	-0.13	-0.15	-0.04	-0.03	-0.03	0.03	0.01
12	Fund type = independent	0.76		0.01	-0.01	0.04	0.02	0.04	0.01	-0.12
13	Fund type = corporate	0.07		-0.06	-0.04	0.16	0.15	0.03	-0.02	0.10
14	Fund type = bank	0.15		0.04	0.06	-0.13	-0.11	-0.05	0.00	0.04
15	Fund type = individuals	0.01		-0.03	-0.03	-0.03	-0.02	-0.03	0.00	0.02
16	Fund type = public	0.01		-0.03	-0.05	-0.05	-0.05	0.00	0.01	0.05
17	Fund type = other	0.00		0.02	0.02	-0.04	-0.03	-0.02	0.00	0.07
18	Fund age	5.97	6.74	-0.01	-0.06	-0.11	-0.08	-0.05	-0.02	-0.05
19	VC age	13.70	11.91	-0.01	-0.07	-0.11	-0.07	-0.07	-0.01	-0.08
20	VC number of investments to date	213.49	327.20	-0.16	-0.23	-0.07	-0.04	-0.04	-0.06	-0.12
21	VC relative number of national investments to date	0.92	0.13	0.09	0.11	0.06	0.08	-0.01	-0.07	-0.07
22	VC is located in North America	1.00		.	.	.	.	.	.	.
23	VC is located in Europe	0.00		.	.	.	.	.	.	.
24	VC is located in Asia	0.00		.	.	.	.	.	.	.
25	VC is located in ROW	0.00		.	.	.	.	.	.	.
26	Date of investment 1998-2001 (bubble)	0.34		-0.14	-0.06	0.11	0.16	-0.08	-0.03	0.11
27	Date of investment 1989-1997 (pre-bubble)	0.25		0.80	0.87	-0.24	-0.21	-0.08	0.03	-0.06
28	Date of investment 2002-2008 (post-bubble)	0.42		-0.57	-0.70	0.11	0.03	0.15	0.00	-0.05
29	Syndicated investment	0.84		-0.11	-0.08	0.09	0.10	0.04	-0.13	-0.05
30	PC in IT industry	0.63		-0.10	-0.06	0.23	0.46	-0.34	-0.15	-0.01
31	PC in Life Sciences industry	0.20		0.04	0.01	-0.11	-0.35	0.49	-0.06	-0.04
32	PC in non High-Tech industry	0.12		0.12	0.11	-0.17	-0.20	-0.09	0.30	0.07
33	PC industry unknown	0.05		-0.02	-0.04	-0.07	-0.06	-0.01	-0.01	0.01

Descriptive statistics and correlation matrix (US-based VC firms) (continued)

#	Variable	8	9	10	11	12	13	14	15	16	17
8	Fund is specialized in early stage	1									
9	Fund is specialized in growth stage	-0.14	1								
10	Fund is specialized in late stage	-0.06	-0.10	1							
11	Fund size (USD million)	-0.06	0.03	0.05	1						
12	Fund type = independent	0.02	-0.15	0.00	-0.09	1					
13	Fund type = corporate	-0.02	0.13	0.00	-0.07	-0.49	1				
14	Fund type = bank	-0.05	0.08	0.00	0.18	-0.73	-0.11	1			
15	Fund type = individuals	0.04	-0.02	0.02	-0.04	-0.18	-0.03	-0.04	1		
16	Fund type = public	0.14	-0.03	-0.01	-0.04	-0.17	-0.03	-0.04	-0.01	1	
17	Fund type = other	-0.02	0.10	-0.01	-0.01	-0.13	-0.02	-0.03	-0.01	-0.01	1
18	Fund age	-0.08	0.00	-0.02	-0.10	-0.15	-0.02	0.13	0.04	0.02	0.24
19	VC age	-0.08	-0.04	-0.01	0.17	-0.03	-0.10	0.10	-0.02	-0.02	0.10
20	VC number of investments to date	-0.07	-0.09	-0.01	0.37	0.04	-0.09	0.04	-0.05	-0.05	-0.01
21	VC relative number of national investments to date	0.06	-0.10	-0.06	-0.23	0.14	-0.04	-0.15	0.00	0.03	0.00
22	VC is located in North America	.	.	.	.	.	.	.	.	.	.
23	VC is located in Europe	.	.	.	.	.	.	.	.	.	.
24	VC is located in Asia	.	.	.	.	.	.	.	.	.	.
25	VC is located in ROW	.	.	.	.	.	.	.	.	.	.
26	Date of investment 1998-2001 (bubble)	-0.04	0.21	-0.09	0.01	-0.08	0.08	0.05	-0.02	-0.04	0.04
27	Date of investment 1989-1997 (pre-bubble)	0.01	-0.05	-0.05	-0.13	0.02	-0.06	0.04	-0.02	-0.03	0.00
28	Date of investment 2002-2008 (post-bubble)	0.04	-0.16	0.13	0.10	0.06	-0.02	-0.08	0.04	0.07	-0.04
29	Syndicated investment	-0.05	-0.02	-0.02	-0.06	0.01	0.04	-0.02	-0.01	-0.06	0.00
30	PC in IT industry	-0.03	0.03	-0.05	-0.02	0.02	0.07	-0.06	0.00	-0.04	0.01
31	PC in Life Sciences industry	0.06	-0.08	-0.02	-0.03	0.02	-0.04	0.00	-0.02	0.03	-0.02
32	PC in non High-Tech industry	-0.01	0.06	0.07	0.05	-0.03	-0.05	0.06	0.02	0.02	0.01
33	PC industry unknown	-0.03	0.00	0.05	0.04	-0.02	-0.01	0.03	0.00	-0.01	0.00

Descriptive statistics and correlation matrix (US-based VC firms) (continued)

#	Variable	18	19	20	21	22	23	24	25	26	27
18	Fund age	1									
19	VC age	0.35	1								
20	VC number of investments to date	0.21	0.46	1							
21	VC relative number of national investments to date	-0.01	-0.03	-0.08	1						
22	VC is located in North America	.	.	.	.	1					
23	VC is located in Europe	.	.	.	.	.	1				
24	VC is located in Asia	.	.	.	.	.	.	1			
25	VC is located in ROW	.	.	.	.	.	.	.	1		
26	Date of investment 1998-2001 (bubble)	-0.09	-0.04	-0.05	-0.01	.	.	.	.	1	
27	Date of investment 1989-1997 (pre-bubble)	-0.03	-0.04	-0.18	0.09	.	.	.	.	.	1
28	Date of investment 2002-2008 (post-bubble)	0.11	0.08	0.21	-0.07	.	.	.	.	-0.60	-0.49
29	Syndicated investment	0.01	0.02	0.05	0.10	.	.	.	.	0.03	-0.09
30	PC in IT industry	-0.02	-0.01	0.03	0.11	.	.	.	.	0.17	-0.11
31	PC in Life Sciences industry	0.00	-0.01	0.00	0.03	.	.	.	.	-0.13	0.05
32	PC in non High-Tech industry	0.01	0.00	-0.05	-0.07	.	.	.	.	-0.07	0.12
33	PC industry unknown	0.02	0.02	0.02	-0.18	.	.	.	.	-0.03	-0.02

#	Variable	28	29	30	31	32
28	Date of investment 2002-2008 (post-bubble)	1				
29	Syndicated investment	0.05	1			
30	PC in IT industry	-0.06	0.08	1		
31	PC in Life Sciences industry	0.08	0.05	-0.66	1	
32	PC in non High-Tech industry	-0.04	-0.18	-0.48	-0.19	1
33	PC industry unknown	0.05	0.00	-0.29	-0.11	-0.08

Pearson correlation coefficients (for two continuous variables)

Point biserial coefficients (for one continuous variable and one dummy variable)

Phi coefficients (for two dummy variables)

Correlations stronger than .4 are marked in bold.

(N=168,653)

Appendix 16: Descriptive statistics and correlation matrix (non US-based VC firms)

#	Variable	Mean	SD	1	2	3	4	5	6	7
1	Relative supply of deals in VC nation (in investment year)	0.01	0.01	1						
2	Relative demand for deals in VC nation (in investment year)	0.03	0.02	0.71	1					
3	Fund is industry-specialized	0.40		-0.14	-0.13	1				
4	Fund is specialized in IT	0.27		-0.08	-0.09	0.75	1			
5	Fund is specialized in Life Sciences	0.06		-0.06	-0.03	0.30	-0.15	1		
6	Fund is specialized in non High-Tech	0.07		-0.07	-0.07	0.33	-0.17	-0.07	1	
7	Fund is stage-specialized	0.64		-0.01	-0.08	0.02	0.02	-0.07	0.07	1
8	Fund is specialized in early stage	0.18		-0.01	-0.10	0.04	0.06	0.03	-0.06	0.35
9	Fund is specialized in growth stage	0.39		-0.02	-0.03	0.00	0.03	-0.08	0.02	0.60
10	Fund is specialized in late stage	0.07		0.03	0.05	-0.01	-0.11	-0.02	0.19	0.21
11	Fund size (USD million)	200.80	645.06	0.13	0.21	-0.10	-0.09	-0.02	-0.03	0.03
12	Fund type = independent	0.59		0.04	0.12	0.09	0.07	0.03	0.02	-0.04
13	Fund type = corporate	0.07		-0.05	-0.07	0.12	0.16	0.01	-0.06	-0.01
14	Fund type = bank	0.27		0.02	-0.05	-0.15	-0.15	-0.04	0.01	0.07
15	Fund type = individuals	0.01		0.00	0.01	0.03	0.05	-0.02	-0.02	0.00
16	Fund type = public	0.05		-0.06	-0.10	-0.03	-0.04	0.02	0.01	0.03
17	Fund type = other	0.01		-0.02	-0.01	-0.07	-0.05	-0.03	-0.02	-0.12
18	Fund age	4.85	5.85	0.02	0.07	-0.18	-0.14	-0.04	-0.05	-0.11
19	VC age	12.66	13.67	0.14	0.27	-0.23	-0.19	-0.05	-0.06	-0.04
20	VC number of investments to date	91.76	217.59	0.26	0.37	-0.18	-0.13	-0.04	-0.08	-0.11
21	VC relative number of national investments to date	0.58	0.35	0.19	-0.02	-0.09	-0.11	-0.08	0.09	0.19
22	VC is located in North America	0.06		-0.12	-0.01	-0.01	0.02	0.01	-0.05	-0.07
23	VC is located in Europe	0.68		0.30	0.35	-0.07	-0.10	0.03	0.01	-0.04
24	VC is located in Asia	0.24		-0.22	-0.33	0.07	0.10	-0.03	-0.02	0.07
25	VC is located in ROW	0.02		-0.13	-0.16	0.04	0.00	-0.02	0.10	0.04
26	Date of investment 1998-2001 (bubble)	0.34		-0.02	0.00	0.11	0.20	-0.06	-0.09	0.08
27	Date of investment 1989-1997 (pre-bubble)	0.07		-0.13	0.07	-0.06	-0.07	-0.03	0.04	-0.03
28	Date of investment 2002-2008 (post-bubble)	0.59		0.08	-0.03	-0.07	-0.15	0.08	0.06	-0.06
29	Syndicated investment	0.61		0.03	0.11	0.06	0.11	0.10	-0.17	-0.13
30	PC in IT industry	0.49		0.02	0.01	0.21	0.48	-0.22	-0.23	-0.01
31	PC in Life Sciences industry	0.17		0.00	0.04	-0.04	-0.23	0.47	-0.11	-0.08
32	PC in non High-Tech industry	0.22		0.01	-0.01	-0.08	-0.26	-0.12	0.42	0.06
33	PC industry unknown	0.12		-0.03	-0.05	-0.18	-0.14	-0.05	-0.05	0.03

Descriptive statistics and correlation matrix (non US-based VC firms) (continued)

#	Variable	8	9	10	11	12	13	14	15	16	17
8	Fund is specialized in early stage	1									
9	Fund is specialized in growth stage	-0.37	1								
10	Fund is specialized in late stage	-0.13	-0.22	1							
11	Fund size (USD million)	-0.08	0.11	-0.02	1						
12	Fund type = independent	-0.02	-0.02	0.00	0.07	1					
13	Fund type = corporate	-0.02	0.01	-0.01	-0.06	-0.34	1				
14	Fund type = bank	-0.02	0.06	0.04	-0.02	-0.73	-0.17	1			
15	Fund type = individuals	0.01	0.00	-0.02	-0.02	-0.10	-0.02	-0.05	1		
16	Fund type = public	0.13	-0.05	-0.04	-0.05	-0.26	-0.06	-0.13	-0.02	1	
17	Fund type = other	-0.03	-0.08	-0.02	0.00	-0.14	-0.03	-0.07	-0.01	-0.03	1
18	Fund age	-0.08	-0.06	0.02	0.12	-0.06	-0.07	0.04	-0.02	0.04	0.16
19	VC age	-0.09	0.03	0.00	0.35	0.02	-0.01	-0.01	-0.05	0.00	0.00
20	VC number of investments to date	-0.09	0.00	-0.07	0.51	0.17	-0.08	-0.11	-0.03	-0.05	-0.03
21	VC relative number of national investments to date	0.16	0.04	0.03	-0.12	-0.09	-0.13	0.11	0.04	0.12	0.01
22	VC is located in North America	0.02	-0.08	0.00	-0.01	-0.08	0.01	0.10	-0.01	-0.05	0.02
23	VC is located in Europe	-0.06	-0.01	0.03	0.10	0.19	-0.17	-0.08	0.04	-0.05	-0.04
24	VC is located in Asia	0.04	0.06	-0.04	-0.10	-0.17	0.19	0.04	-0.03	0.08	0.04
25	VC is located in ROW	0.03	0.00	0.03	-0.02	0.03	-0.03	-0.08	0.02	-0.02	0.07
26	Date of investment 1998-2001 (bubble)	0.04	0.11	-0.12	-0.05	-0.03	0.09	-0.01	0.04	-0.05	0.02
27	Date of investment 1989-1997 (pre-bubble)	-0.04	0.01	-0.03	-0.02	0.06	-0.03	-0.02	-0.02	-0.05	0.00
28	Date of investment 2002-2008 (post-bubble)	-0.02	-0.11	0.13	0.05	0.00	-0.08	0.02	-0.02	0.07	-0.02
29	Syndicated investment	-0.08	-0.05	-0.03	-0.05	0.01	0.08	-0.02	-0.02	-0.06	0.00
30	PC in IT industry	0.03	0.03	-0.13	-0.03	0.04	0.10	-0.09	0.03	-0.04	-0.01
31	PC in Life Sciences industry	0.03	-0.08	-0.04	0.01	0.01	-0.03	-0.01	-0.02	0.03	0.00
32	PC in non High-Tech industry	-0.08	0.03	0.18	0.01	-0.03	-0.07	0.07	-0.01	0.01	0.01
33	PC industry unknown	0.02	0.00	0.02	0.03	-0.04	-0.03	0.05	-0.02	0.02	0.01

#	Variable	18	19	20	21	22	23	24	25	26	27
18	Fund age	1									
19	VC age	0.37	1								
20	VC number of investments to date	0.24	0.57	1							
21	VC relative number of national investments to date	-0.08	-0.17	-0.18	1						
22	VC is located in North America	0.04	0.02	-0.05	-0.10	1					
23	VC is located in Europe	0.08	0.09	0.14	-0.01	-0.38	1				
24	VC is located in Asia	-0.09	-0.09	-0.11	0.06	-0.15	-0.82	1			
25	VC is located in ROW	-0.05	-0.08	-0.05	0.01	-0.03	-0.19	-0.07	1		
26	Date of investment 1998-2001 (bubble)	-0.17	-0.11	-0.09	0.02	-0.02	-0.08	0.10	-0.01	1	
27	Date of investment 1989-1997 (pre-bubble)	-0.04	0.00	-0.04	-0.11	0.04	-0.04	0.03	-0.02	-0.20	1
28	Date of investment 2002-2008 (post-bubble)	0.19	0.11	0.11	0.04	0.00	0.09	-0.11	0.02	-0.86	-0.34
29	Syndicated investment	0.03	0.01	0.01	-0.21	0.11	0.01	-0.05	-0.08	0.06	-0.07
30	PC in IT industry	-0.09	-0.09	-0.02	-0.06	0.00	-0.05	0.07	-0.02	0.23	-0.05
31	PC in Life Sciences industry	0.04	0.04	0.03	-0.04	0.00	0.07	-0.07	-0.03	-0.07	0.01
32	PC in non High-Tech industry	0.02	0.00	-0.04	0.15	-0.08	0.02	0.00	0.07	-0.09	0.10
33	PC industry unknown	0.07	0.09	0.06	-0.06	0.09	-0.02	-0.02	-0.02	-0.14	-0.06

Descriptive statistics and correlation matrix (non US-based VC firms) (continued)

#	Variable	28	29	30	31	32
28	Date of investment 2002-2008 (post-bubble)	1				
29	Syndicated investment	-0.02	1			
30	PC in IT industry	-0.19	0.13	1		
31	PC in Life Sciences industry	0.07	0.12	-0.44	1	
32	PC in non High-Tech industry	0.04	-0.24	-0.52	-0.24	1
33	PC industry unknown	0.17	-0.05	-0.36	-0.17	-0.20

Pearson correlation coefficients (for two continuous variables)

Point biserial coefficients (for one continuous variable and one dummy variable)

Phi coefficients (for two dummy variables)

Correlations stronger than .4 are marked in bold.

(N=58,755)

Appendix 17: Descriptive statistics and correlation matrix (Germany-based VC firms)

#	Variable	Mean	SD	1	2	3	4	5	6	7
1	Relative supply of deals in VC nation (in investment year)	0.01	0.00	1						
2	Relative demand for deals in VC nation (in investment year)	0.03	0.00	0.49	1					
3	Fund is industry-specialized	0.48		0.05	0.11	1				
4	Fund is specialized in IT	0.35		0.11	0.06	0.77	1			
5	Fund is specialized in Life Sciences	0.11		-0.08	0.08	0.36	-0.25	1		
6	Fund is specialized in non High-Tech	0.02		-0.03	0.01	0.16	-0.11	-0.05	1	
7	Fund is stage-specialized	0.49		0.15	0.07	-0.01	-0.02	-0.05	0.14	1
8	Fund is specialized in early stage	0.16		0.09	-0.01	0.04	0.05	0.01	-0.04	0.45
9	Fund is specialized in growth stage	0.28		0.14	0.06	-0.06	-0.04	-0.06	0.04	0.64
10	Fund is specialized in late stage	0.04		-0.08	0.05	0.03	-0.05	-0.03	0.32	0.22
11	Fund size (USD million)	111.01	105.83	0.00	0.13	-0.06	-0.09	0.05	-0.01	-0.20
12	Fund type = independent	0.66		-0.08	-0.12	0.08	0.00	0.12	0.00	-0.16
13	Fund type = corporate	0.12		0.02	0.08	0.17	0.27	-0.12	-0.04	-0.01
14	Fund type = bank	0.16		0.06	0.04	-0.24	-0.23	-0.06	0.04	0.14
15	Fund type = individuals	0.02		0.09	-0.02	0.11	0.15	-0.04	-0.01	0.13
16	Fund type = public	0.03		-0.06	0.07	-0.06	-0.10	0.06	0.01	0.11
17	Fund type = other	0.01		0.06	0.03	-0.09	-0.07	-0.03	-0.01	-0.09
18	Fund age	4.51	5.13	-0.11	0.07	-0.20	-0.17	-0.07	0.03	-0.19
19	VC age	7.80	7.04	-0.22	0.07	-0.10	-0.21	0.12	0.09	-0.29
20	VC number of investments to date	59.64	91.46	-0.13	0.17	0.08	-0.01	0.19	-0.08	-0.35
21	VC relative number of national investments to date	0.57	0.37	0.21	0.14	-0.12	-0.17	0.03	0.07	0.36
22	VC is located in North America	0.00		.	.	.	.	.	.	.
23	VC is located in Europe	1.00		.	.	.	.	.	.	.
24	VC is located in Asia	0.00		.	.	.	.	.	.	.
25	VC is located in ROW	0.00		.	.	.	.	.	.	.
26	Date of investment 1998-2001 (bubble)	0.44		0.67	-0.16	-0.01	0.08	-0.12	-0.05	0.11
27	Date of investment 1989-1997 (pre-bubble)	0.05		-0.46	-0.79	-0.09	-0.07	-0.04	0.00	-0.09
28	Date of investment 2002-2008 (post-bubble)	0.51		-0.47	0.49	0.05	-0.05	0.14	0.05	-0.07
29	Syndicated investment	0.71		-0.09	0.03	0.03	0.03	0.04	-0.10	-0.20
30	PC in IT industry	0.56		0.11	-0.06	0.19	0.48	-0.36	-0.15	0.00
31	PC in Life Sciences industry	0.26		-0.06	0.04	-0.05	-0.36	0.53	-0.09	-0.05
32	PC in non High-Tech industry	0.14		-0.07	0.02	-0.17	-0.20	-0.12	0.33	0.07
33	PC industry unknown	0.04		-0.04	0.04	-0.06	-0.03	-0.04	-0.02	-0.02

Descriptive statistics and correlation matrix (Germany-based VC firms) (continued)

#	Variable	8	9	10	11	12	13	14	15	16	17
8	Fund is specialized in early stage	1									
9	Fund is specialized in growth stage	-0.27	1								
10	Fund is specialized in late stage	-0.09	-0.13	1							
11	Fund size (USD million)	-0.24	-0.03	0.01	1						
12	Fund type = independent	0.00	-0.17	0.00	0.01	1					
13	Fund type = corporate	-0.08	0.08	-0.06	-0.18	-0.52	1				
14	Fund type = bank	-0.08	0.19	0.08	0.23	-0.61	-0.17	1			
15	Fund type = individuals	0.10	0.07	-0.02	-0.09	-0.17	-0.05	-0.06	1		
16	Fund type = public	0.28	-0.09	-0.04	-0.13	-0.25	-0.07	-0.08	-0.02	1	
17	Fund type = other	-0.04	-0.06	-0.02	0.06	-0.13	-0.04	-0.04	-0.01	-0.02	1
18	Fund age	-0.15	-0.09	0.00	0.02	0.03	-0.07	0.03	0.03	-0.08	0.08
19	VC age	-0.20	-0.18	0.05	0.23	0.21	-0.19	-0.05	-0.04	-0.09	0.01
20	VC number of investments to date	-0.18	-0.21	-0.08	0.34	0.23	-0.06	-0.18	-0.06	-0.05	-0.04
21	VC relative number of national investments to date	0.28	0.17	0.02	-0.19	0.01	-0.26	0.07	0.09	0.19	0.10
22	VC is located in North America	.	.	.	.	.	.	.	.	.	.
23	VC is located in Europe	.	.	.	.	.	.	.	.	.	.
24	VC is located in Asia	.	.	.	.	.	.	.	.	.	.
25	VC is located in ROW	.	.	.	.	.	.	.	.	.	.
26	Date of investment 1998-2001 (bubble)	0.10	0.11	-0.14	-0.09	-0.01	-0.03	0.04	0.13	-0.13	0.05
27	Date of investment 1989-1997 (pre-bubble)	-0.04	-0.07	-0.01	-0.10	0.12	-0.07	-0.05	-0.03	-0.04	-0.02
28	Date of investment 2002-2008 (post-bubble)	-0.08	-0.08	0.14	0.13	-0.04	0.06	-0.01	-0.12	0.14	-0.04
29	Syndicated investment	-0.15	-0.05	-0.11	0.10	-0.01	0.05	0.02	-0.07	-0.02	-0.06
30	PC in IT industry	0.03	0.03	-0.11	-0.08	-0.07	0.19	-0.07	0.09	-0.07	-0.01
31	PC in Life Sciences industry	0.01	-0.04	-0.07	0.09	0.09	-0.17	0.02	-0.06	0.08	0.01
32	PC in non High-Tech industry	-0.04	0.02	0.19	-0.02	-0.01	-0.07	0.08	-0.03	0.02	0.01
33	PC industry unknown	-0.04	-0.03	0.08	0.03	0.00	0.02	0.01	-0.03	-0.03	-0.02

#	Variable	18	19	20	21	22	23	24	25	26	27
18	Fund age	1									
19	VC age	0.48	1								
20	VC number of investments to date	0.22	0.62	1							
21	VC relative number of national investments to date	-0.05	-0.15	-0.43	1						
22	VC is located in North America	.	.	.	.	.	.	.	.	.	.
23	VC is located in Europe	.	.	.	.	.	.	.	.	.	.
24	VC is located in Asia	.	.	.	.	.	.	.	.	.	.
25	VC is located in ROW	.	.	.	.	.	.	.	.	.	.
26	Date of investment 1998-2001 (bubble)	-0.20	-0.30	-0.27	0.16	.	.	.	.	.	.
27	Date of investment 1989-1997 (pre-bubble)	0.00	0.02	-0.07	-0.19	.	.	.	.	.	.
28	Date of investment 2002-2008 (post-bubble)	0.19	0.29	0.29	-0.08	.	.	.	.	.	-0.20
29	Syndicated investment	0.06	0.09	0.18	-0.32	.	.	.	.	.	-0.12
30	PC in IT industry	-0.12	-0.20	-0.03	-0.13	.	.	.	.	.	0.16
31	PC in Life Sciences industry	0.05	0.13	0.12	0.12	.	.	.	.	.	-0.07
32	PC in non High-Tech industry	0.10	0.08	-0.12	0.07	.	.	.	.	.	-0.11
33	PC industry unknown	0.02	0.09	0.02	-0.05	.	.	.	.	.	-0.06

Descriptive statistics and correlation matrix (Germany-based VC firms) (continued)

#	Variable	28	29	30	31	32
28	Date of investment 2002-2008 (post-bubble)	1				
29	Syndicated investment	0.12	1			
30	PC in IT industry	-0.17	-0.02	1		
31	PC in Life Sciences industry	0.08	0.11	-0.66	1	
32	PC in non High-Tech industry	0.10	-0.15	-0.46	-0.24	1
33	PC industry unknown	0.07	0.06	-0.24	-0.12	-0.09

Pearson correlation coefficients (for two continuous variables)

Point biserial coefficients (for one continuous variable and one dummy variable)

Phi coefficients (for two dummy variables)

Correlations stronger than .4 are marked in bold.

(N=4,464)

Appendix 18: Target location model descriptive statistics and correlation matrix¹⁶⁴

# Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1 distance	1.71	0.89	1												
2 Austria	0.01	0.03	0.03	1											
3 Canada	0.00	0.09	-0.01	0.09	1										
4 France	0.02	0.04	-0.01	-0.01	0.04	1									
5 Germany	0.58	-0.94	-0.12	-0.08	-0.15	0.04	1								
6 Israel	0.02	0.04	-0.01	-0.01	-0.02	-0.15	0.04	1							
7 Netherlands	0.01	0.03	-0.01	-0.01	-0.01	-0.11	-0.01	0.04	1						
8 Sweden	0.00	0.02	-0.01	0.00	-0.01	-0.08	-0.01	-0.01	0.04	1					
9 Switzerland	0.03	0.06	-0.02	-0.01	-0.02	-0.20	-0.02	-0.02	-0.01	0.04	1				
10 UK	0.03	0.05	-0.02	-0.01	-0.02	-0.19	-0.02	-0.02	-0.01	-0.03	0.04	1			
11 US	0.28	0.90	-0.06	-0.04	-0.08	-0.74	-0.08	-0.06	-0.04	-0.11	-0.10	0.04	1		
12 PC in IT industry	0.58	0.16	-0.05	0.05	0.02	-0.15	0.04	0.04	0.03	-0.03	0.04	0.14	0.14	1	
13 PC in Life Sciences industry	0.27	-0.12	0.07	-0.04	0.00	0.10	-0.01	-0.03	-0.02	0.05	-0.03	-0.12	-0.71	0.14	1
14 PC in non High-Tech industry	0.15	-0.07	-0.01	-0.02	-0.04	0.08	-0.05	-0.01	-0.02	-0.03	-0.02	-0.04	-0.49	-0.25	-0.25
15 PC industry unknown	0.00	-0.03	-0.01	0.00	-0.01	0.02	0.03	-0.01	0.00	0.02	-0.01	-0.03	-0.06	-0.03	-0.03
16 Date of investment 1998-2001 (bubble)	0.44	-0.16	-0.01	0.01	-0.03	0.17	0.00	-0.01	0.03	-0.04	-0.02	-0.14	0.15	-0.08	-0.08
17 Date of investment 1989-1997 (pre-bubble)	0.05	0.16	-0.01	-0.01	0.00	-0.13	0.02	-0.01	-0.02	-0.03	-0.03	0.17	0.01	-0.02	-0.02
18 Date of investment 2002-2008 (post-bubble)	0.51	0.09	0.02	0.00	0.03	-0.11	-0.01	0.01	-0.02	0.06	0.04	0.06	-0.15	0.09	0.09
19 Relative supply of deals in target location (in investment year)	0.21	0.31	0.89	-0.07	-0.04	-0.07	-0.72	-0.09	-0.06	-0.04	-0.11	-0.09	0.99	0.14	-0.12
20 Relative demand for deals in target location (in investment year)	0.19	0.25	0.90	-0.07	-0.04	-0.07	-0.73	-0.09	-0.06	-0.05	-0.12	-0.08	1.00	0.14	-0.12
21 VC experience in investing in the target location alone	0.72	0.45	-0.38	-0.09	-0.05	-0.12	0.42	0.01	-0.05	-0.04	-0.08	-0.11	-0.26	-0.03	0.03
22 VC has an office in target location	0.74	-0.56	-0.17	-0.11	-0.21	0.70	-0.22	-0.15	-0.11	-0.24	-0.21	-0.30	-0.10	0.08	0.08
23 Target location follows civil law	0.67	-0.92	0.07	-0.09	0.09	0.83	-0.19	0.06	0.05	0.12	-0.23	-0.88	-0.17	0.13	0.13
24 Target location speaks a Germanic language	0.67	-0.93	0.07	-0.09	-0.18	0.83	-0.19	0.06	0.05	0.12	0.12	-0.89	-0.16	0.12	0.12
25 Target location has a common border with VC nation	0.64	-0.93	-0.14	-0.09	0.09	0.88	-0.18	0.07	-0.09	0.13	-0.22	-0.84	-0.16	0.12	0.12

# Variable	14	15	16	17	18	19	20	21	22	23	24	
14 PC in non High-Tech industry	1											
15 PC industry unknown	-0.02	1										
16 Date of investment 1998-2001 (bubble)	-0.12	0.02	1									
17 Date of investment 1989-1997 (pre-bubble)	0.02	-0.01	-0.20	1								
18 Date of investment 2002-2008 (post-bubble)	0.11	-0.01	-0.91	-0.23	1							
19 Relative supply of deals in target location (in investment year)	-0.04	-0.04	-0.12	0.25	0.01	1						
20 Relative demand for deals in target location (in investment year)	-0.05	-0.04	-0.13	0.21	0.04	1.00	1					
21 VC experience in investing in the target location alone	-0.01	0.03	0.06	-0.15	0.00	-0.28	-0.27	1				
22 VC has an office in target location	0.03	0.00	0.08	-0.01	-0.08	-0.29	-0.28	0.54	1			
23 Target location follows civil law	0.07	0.02	0.14	-0.16	-0.07	-0.87	-0.88	0.30	0.45	1		
24 Target location speaks a Germanic language	0.06	0.02	0.14	-0.16	-0.07	-0.88	-0.88	0.31	0.46	0.88	1	
25 Target location has a common border with VC nation	0.07	0.02	0.14	-0.15	-0.08	-0.83	-0.83	0.34	0.53	0.95	0.87	1

Pearson correlation coefficients (for two continuous variables)

Point biserial coefficients (for one continuous variable and one dummy variable)

Phi coefficients (for two dummy variables)

Correlations stronger than .4 are marked in bold. (N=4,245¹⁶⁵)

¹⁶⁴ The table relates to investments by Germany-based VC firms.

¹⁶⁵ Only the top investment target locations by the main 10 investor nations are considered in this model (i.e., 27 alternative target locations per investment), hence the slightly lower number of observations.

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