



**THE
STARTUP
NURSERY™**
EMPOWERED BY **Ikove**

Q2 2021 INSIGHT

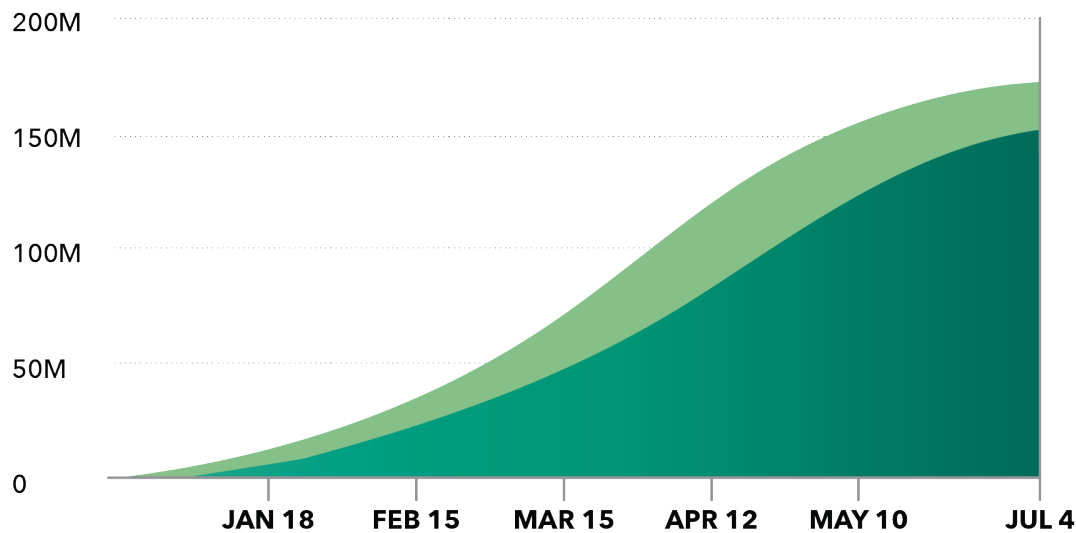
I. Macro Update

VACCINATIONS

FROM OUR WORLD IN DATA

TOTAL: UNITED STATES

At least one dose Fully vaccinated



July 4, 2021

At least one dose

Fully Vaccinated

% OF POPULATION

7.5%

47%

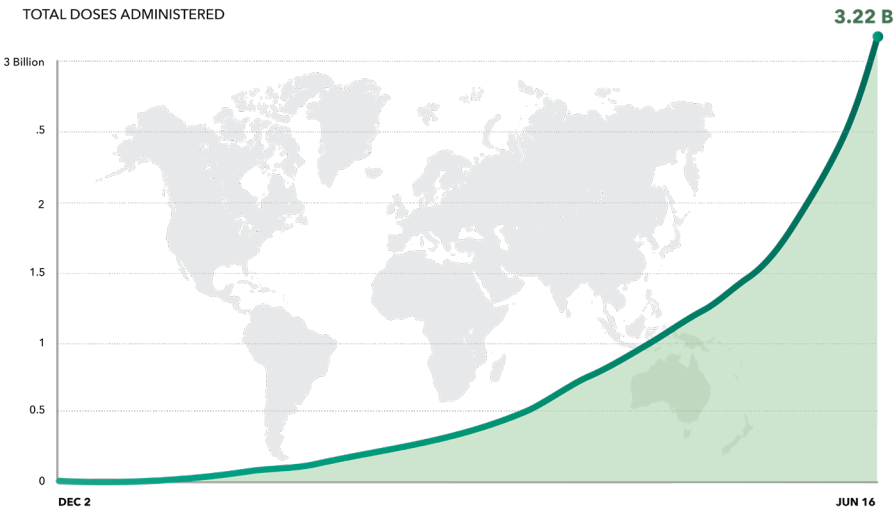
The US

has entered a new phase of the pandemic with President Biden just missing his target of 70% of adults getting at least one dose of the vaccine by July 4th. Hard hit states like New York have reached over 50% vaccination rates while other states, particularly in the south having a slower pace of vaccinations and are lagging significantly.

Vaccinations

have grown substantially in Q2 with over 2.45 billion doses administered worldwide.

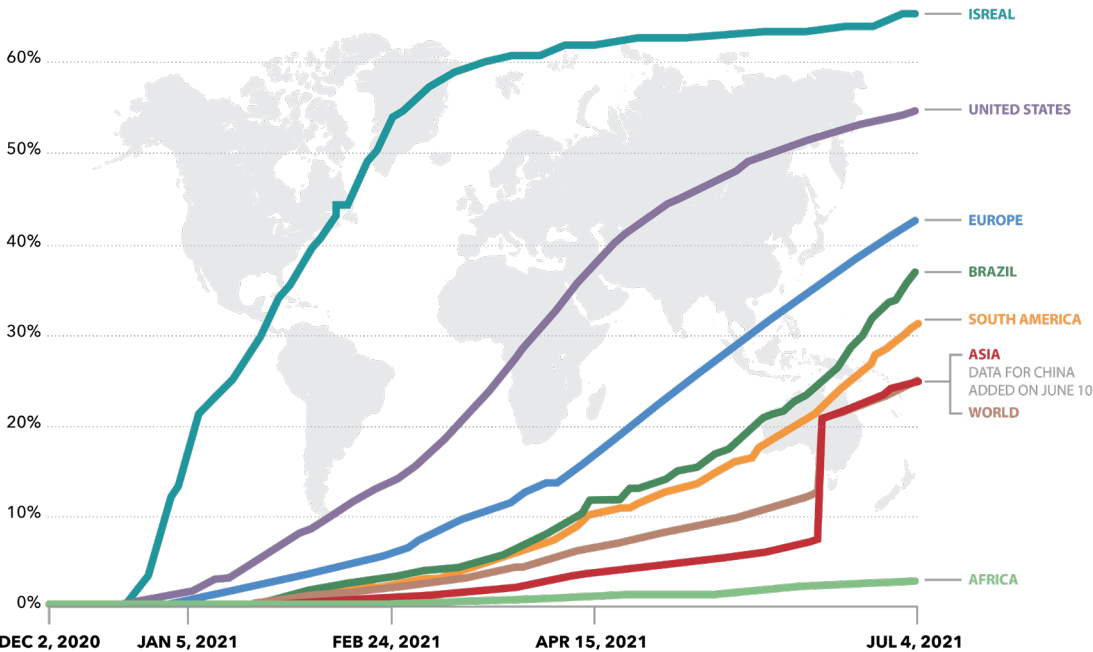
TRACKING CORONAVIRUS VACCINATIONS AROUND THE WORLD
TOTAL DOSES ADMINISTERED



MORE THAN 3.22 BILLION VACCINE DOSES HAVE BEEN ADMINISTERED WORLDWIDE, EQUAL TO 32 DOSES FOR EVERY 100 PEOPLE. THERE IS ALREADY A STARK GAP BETWEEN VACCINATION PROGRAMS IN DIFFERENT COUNTRIES, WITH MANY YET TO REPORT A SINGLE DOSE.

SHARE OF PEOPLE WHO RECEIVED AT LEAST ONE DOSE OF COVID-19 VACCINE

SHARE OF THE TOTAL POPULATION THAT RECEIVED AT LEAST ONE VACCINE DOSE. THIS MAY NOT EQUAL THE SHARE THAT ARE FULLY VACCINATED IF THE VACCINE REQUIRES TWO DOSES. THIS DATA IS ONLY AVAILABLE FOR COUNTRIES WHICH REPORT THE BREAKDOWN OF DOSES ADMINISTERED BY FIRST AND SECOND DOSES.



SOURCE: OFFICIAL DATA COLLATED BY OUR WORLD IN DATA

The US

continues to do quite well, and Europe has improved significantly after a slow start.

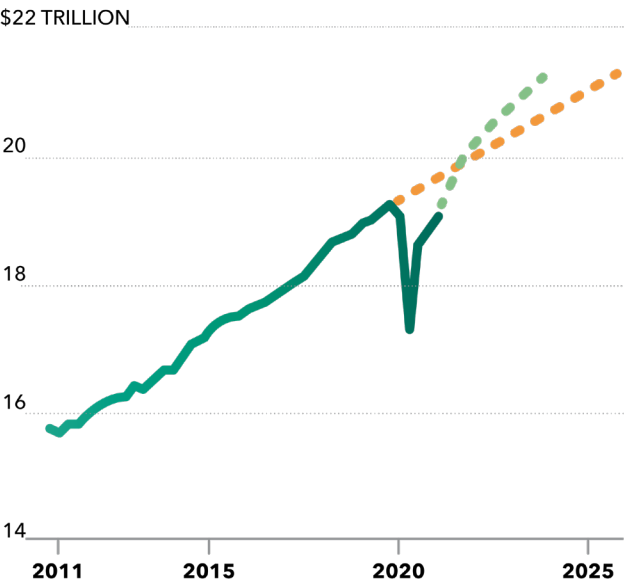
In the Political arena President Biden announced a deal with moderate Republicans for his Infrastructure Program to the tune of \$1.2 trillion. Initial bipartisan alignment with moderate republicans has been a fresh initiative and if passed, can add close to 1% to GDP during its peak spending on 2025-2026.

President Biden also held a successful G7 summit where he signaled to allies that the US was back on the table. The NATO and bilateral summit with President Putin of Russia were also both successful.

SNAPBACK

REAL GROSS DOMESTIC PRODUCT,
FORECASTED LEVELS VS. PRE-PANDEMIC TREND

- REAL GDP
- WSJ ECONOMISTS SURVEY
- CBO PROJECTION AS OF JANUARY 2020



The US Economy

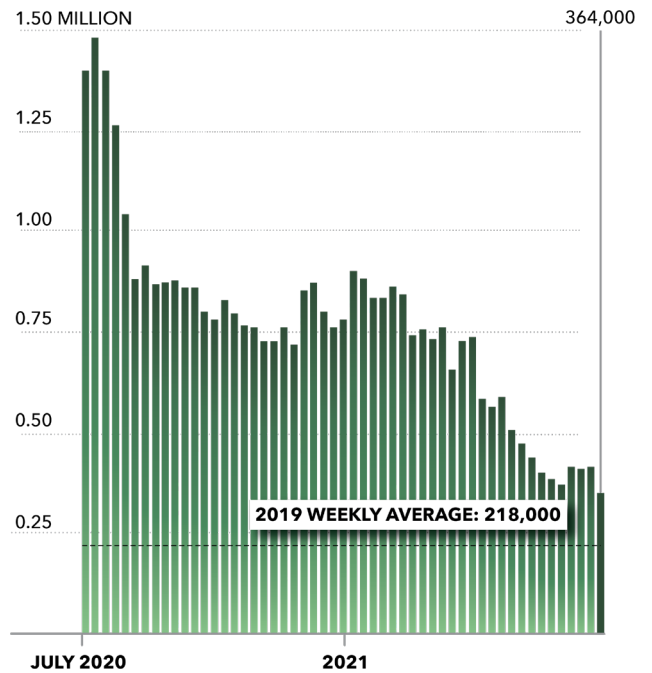
posted significant gains in Q2. Economists now expect stronger GDP growth trend versus pre-pandemic levels.

Non-farm payrolls

continued to improve in Q2, with over 850k jobs added in June alone. Many on the right believe that unemployment benefits have reduced the incentive for many to return to work and as a result some red states have been quick in cutting additional benefits and have seen strong employment growth.

FILINGS FOR JOBLESS BENEFITS

WEEK ENDED JUNE 26, 2021



NOTE: SEASONALLY ADJUSTED

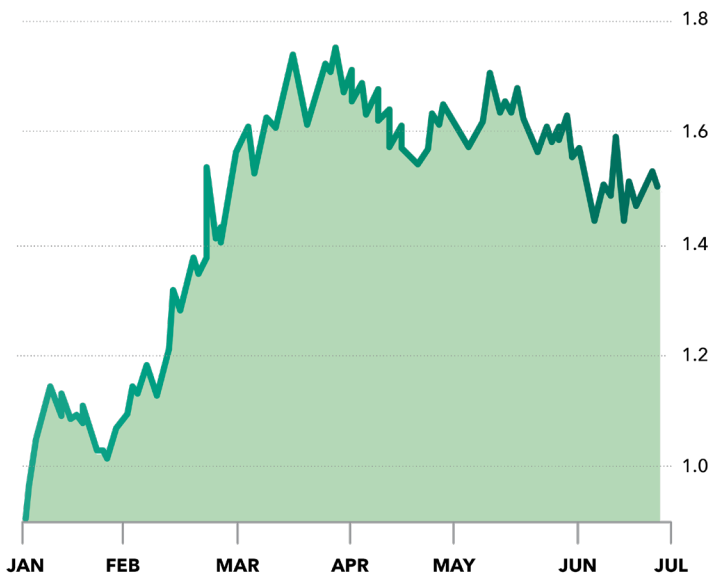
SOURCES: US DEPARTMENT OF LABOR VIA ST LOUIS FED

Unemployment benefits distributed during the pandemic have received quite a bit of scrutiny and ***Axios reported close to \$400 billion in unemployment benefits have been defrauded***

and distributed to organized crime and scam artists and expect that most of this money has left the US. This has serious national security implications.

US BENCHMARK TREASURY YIELDS DROP FROM 2021 HIGHS

10-YEAR GOVERNMENT BONDS (%)



SOURCE: REFINITIV

The big story of the quarter

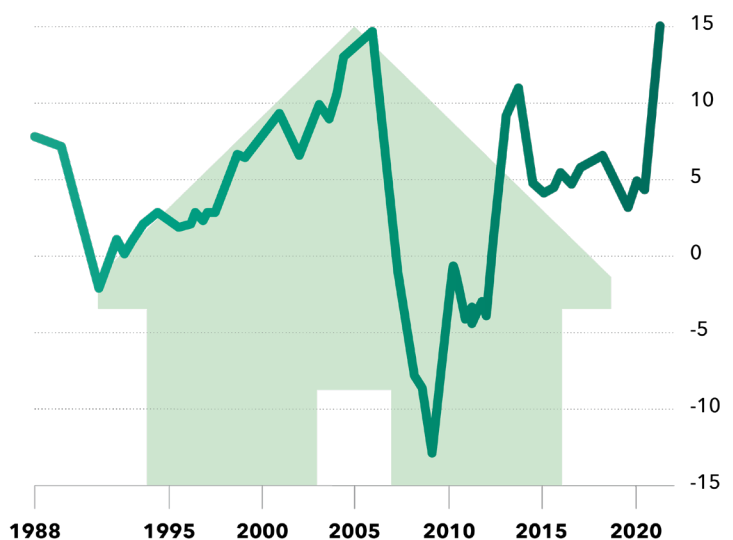
centered on the Fed jawboning its way to tamper inflation expectations. With inflation data coming in higher than some expected, notably consumer prices increasing 5.4% in the last 12 months, as well as producer prices increasing over 7% for the last 12 months, the Fed came out with new guidance that it plans to raise rates twice before the end of 2023, earlier than many expected, causing reflation trade to take a breather.

This new guidance

is necessary as overall markets across asset classes have seen worrisome signs of euphoria. A few examples are Real Estate,

US HOME PRICES JUMP MOST IN MORE THAN 30 YEARS

S&P/CASE-SHILLER US NATIONAL PRICE INDEX (YOY%)



SOURCES: S&P DOW JONES INDICES VIA FRED, MAMTA BADKAR/FT

And buyouts

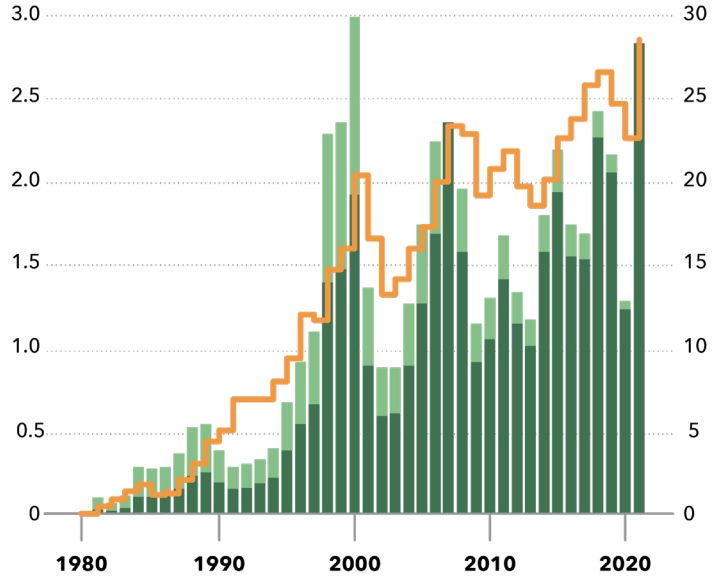
and M&A fueled by cheap money.

GLOBAL DEALMAKING ROCKETS

DEAL VALUE, FIRST HALF ONLY (\$TN)

DEAL VALUE ADJUSTMENT FOR INFLATION NUMBER OF DEALS ('000)

WORLDWIDE M&A ACTIVITY HIT \$2.8 TN DURING YEAR-TO-DATE, UP A RECORD 129% COMPARED TO THE SAME PERIOD LAST YEAR



SOURCE: REFINITIV

Financial markets

continued their strong performance during Q2. Of note, we see the disparity of performance between US/ Europe and Asia, based on the strength of monetary support and vaccination rates.

INDICES		STOCK MARKET INDEX PERFORMANCE				
		YTD	Q2 2021	Q1 2021	2020	2019
US	DJIA	12.65%	4.38%	7.69%	6.87%	23.76%
	S&P500	14.16%	7.63%	5.53%	15.76%	30.43%
	NASDAQ	11.93%	8.12%	2.23%	42.58%	37.89%
	RUSSELL 2000	16.94%	3.83%	12.39%	17.84%	23.95%
ASIA	NIKKEI 225	4.41%	-2.21%	5.81%	17.69%	20.36%
	SHANGHAI	3.35%	4.25%	-0.94%	13.26%	22.11%
EUROPE	HSI	6.43%	0.82%	4.77%	-3.60%	9.16%
	DAX	11.81%	3.17%	8.05%	3.67%	26.45%
	FTSE 100	8.93%	4.82%	3.92%	-14.34%	12.10%
	CAC 40	15.92%	7.04%	8.07%	-7.73%	28.78%
BRAZIL	BOVESPA	6.53%	8.71%	-2.01%	3.16%	31.95%
VOLATILITY	VIX	-31.29%	-14.89%	-15.80%	69.02%	-49.96%
COMMODITIES	GOLD	-7.39%	3.75%	-10.38%	24.70%	18.16%
	WTI CRUDE OIL	51.80%	23.50%	22.23%	-21.23%	33.32%
BONDS	US10Y YIELD	54.33%	-15.37%	86.74%	-51.81%	-27.64%
CURRENCIES	EUR/USD	-2.23%	1.47%	-3.69%	9.62%	-2.54%
	GBP/USD	1.12%	0.39%	0.42%	2.84%	2.85%
	USD/JPY	7.08%	-0.18%	6.86%	-5.12%	-0.69%
	EUR/GBP	-2.76%	1.08%	-3.55%	6.65%	-5.24%
	USD/BRL	-4.56%	-12.01%	11.16%	29.23%	3.50%

* AS OF JUNE 30, 2021

Venture activity is at strong pace. As Q2 comes to a close, we observe another quarter of record investment; with \$288 billion in venture funding provided to startups globally for this first half of 2021 and nearly \$154 billion of that figure coming in Q2 alone.

Providing more granularity, we can see the record levels of investment by stage.

\$103.8 billion was invested over 848 deals in late-stage companies, up 13.4% from the \$91.5 billion in funding during Q1 2021.

Investment in early-stage companies over the quarter came in at \$43.4 billion, up 15% from the \$37.7 billion in funding during Q1.

Finally, seed and angel funding hit the impressive level of \$6.3 billion invested during Q2, up 26% from the Q1 level of \$5.0 billion.

In addition to these promising funding numbers, we have also seen a healthy market for companies moving from the private to public domain. Seven companies have been listed on public markets for valuation over \$10.0 billion, just in Q2. Of note, companies such as Coinbase, Didi, and Oatly have made this list.

Overall, we continue to see strong support for markets throughout 2021 as the confluence of vaccinations, government support and pent-up consumer demand continues to play out and expand beyond the US as the world plays catch-up on vaccinations.

II. Looking Ahead

As we enter the second half of 2022, the US economy is firing on all cylinders, and with the Fed back at the steering wheel, we expect inflation to continue to trend higher, but our belief continues to be that the inflationary impact will be temporary as the economy transitions from the depth of the pandemic.

Overall, 2021 is proving to be a strong year for our legacy portfolio and holds strong tailwinds behind the launch of several new exciting portfolio companies.

**Thank you again for your continued support
and enjoy the summer.**



Flavio Lobato

Co-Founder and Principal/ Ikove Capital

Flavio Lobato is Principal and Founder of Ikove Capital Partners, a Venture Development investment company focused on commercializing life changing technologies in partnership with leading research institutions.

Previously, Flavio was an Executive Director at Liongate Capital Management, a multi billion alternative investment manager based in London and New York, which was sold to Principal Global Investors. Additionally, Flavio was a Founder and CIO of Swiss Capital Asset Management in Lugano, managing over \$1.5 billion in hedge fund investments for institutional clients. Flavio was a VP at Goldman Sachs & Co. and a director at Credit Suisse First Boston.

Flavio received his MBA from Harvard Business School with honors, and his undergraduate degree in International Finance and Marketing from the University of Miami, Cum Laude. Flavio is Co-Head of Fintech for Harvard Angels of NYC. He serves as Chairman or on the board of several high profile startups. He is a guest author at Venture-Beat, VC-List, Forbes and Alpha Week and has been featured in several podcasts.

THANK YOU



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