



LaunchVic One-Off Application Guidelines
The Alice Anderson Fund
Building a robust investor community



BACKGROUND

Globally, only 13% of founders receiving angel investment are women. LaunchVic's data on Victoria's startup ecosystem shows that only 16% of startups receiving investment have women on their founding team. For startups that only have women founders the problem is much worse. For example, in 2017 StartupAus reported that only 4% of women-only founders received funding.

Yet the positive impact of Angels on startup success is well known. For startups that have received angel support, 70% are more likely to obtain follow on financing, 20% are more likely to hire additional employees and 10% are more likely to be involved in a successful exit.

This data confirms that more needs to be done to support women-led businesses to access early-stage capital.

OBJECTIVES

The objectives of The Alice Anderson Fund are to:

- Directly increase the number of Victorian-based women-led startups receiving investment by incentivising and leveraging private investment; and
- Increase the individual funding round size for each investment in a Victorian-based women-led startup to help these businesses gain traction and scale faster.

OVERVIEW

The Alice Anderson Fund has been designed as a side-car fund to leverage the experience and expertise of investors in performing due diligence and market assessment on eligible startups that meet the assessment criteria. LaunchVic is seeking applications to The Alice Anderson Fund from eligible Investor applicants that can demonstrate a sound investment process, including due diligence, terms of investments, founder assessment, level of startup support and an ability to work with VCs to attract follow-on investments. These guidelines are to provide all the necessary information to Investor applicants to The Alice Anderson Fund.

Please note that all investors are required to apply via the one-off investment process. Investors that make several deals per year in women-led eligible startups via the Alice Anderson Fund may be invited by the Investment Committee to join The Alice Anderson Fast-Track panel for expedited investment review.

DEFINITIONS

The below definitions apply to this Application process:

- **Applicant** must be an investor in early-stage startups.
- **Angel Investor** is an investor with a high-risk appetite who provides seed investments into early-stage startup ventures prior to institutional investors including venture capitalists. Angel Investors provide more than investment alone – they bring business experience, mentorship and networks that can help the invested startup accelerate its growth.
- **Angel Network** is a formalised group of Angel Investors that collectively evaluate and invest in entrepreneurial ventures.
- **Early-stage VC fund** is a VC fund that makes seed-stage investments (i.e., angel or pre-series A).
- **A Family Office** is a privately held company that handles investment and wealth management for a high-net-worth family or group of families.
- **A Startup** is a young technology-based business that uses innovation to scale rapidly and capture global markets. Examples of technology include software/apps, artificial intelligence (AI), blockchain, advanced manufacturing & robotics, Internet of Things (IoT), big data analytics, augmented / virtual reality, 3D printing, advanced materials, genomics & life sciences (including Biotech & MedTech) and autonomous vehicles.
- **Related Parties** include spouse, child, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendent or adopted child. If a relationship exists where services are provided in lieu of equity this is also considered to be a related party. Any funding provided by a public fund or grant also must be declared. The Alice Anderson Fund will not co-invest on the funding provided by related parties or by public funds or grants
- **Woman-led** means the startup meets either of the following criteria:
 - 1) At least 50% of the entity owned by one or more women (prior to any investment by the Alice Anderson Fund and excludes any private investment); OR
 - 2) All of the following:
 - At least 30% of the entity is owned by one or more women (prior to any investment by the Alice Anderson Fund and excludes any private investment)
 - The entity has at least one woman as CEO/COO/CTO (President/Vice President) or equivalent level (within 100 days before and after the investment), and
 - Where there is a Board of Directors, at least 30% of the Board of Directors (or similar governance group) are women (within 100 days both before and after the investment).

- **Victorian-based** means the startup must have at least 50% of its assets and employees located in Victoria and the business must be registered in Victoria. The founder(s) that meets the criteria for “woman-owned and led” are persons that have a primary residence in Victoria.

ELIGIBILITY

The following Investor applicants are eligible to apply to The Alice Anderson Fund:

- An individual Angel investor
- An Angel Network
- ESVLCP (Early-Stage Venture Capital Limited Partnerships)
- Managed Investment Scheme
- A Family Office
- Interstate and international Individual Angels Investors, Angel Networks, Family Offices, or Early-Stage VC Funds are permitted to apply.

Investor applicants must satisfy the following eligibility criteria:

1. Applicants must meet the minimum fiduciary requirements of being a sophisticated investor (as set out in the Corporations Act 2001) or hold an AFS license.
2. Applicants must be seeking to invest in Victorian-based women-led startups.
3. Applicants must demonstrate that they are completely independent from the founders of the Startup.
4. Applications must be submitted via the [LaunchVic online application system](#) while the Alice Anderson Fund remains active (i.e., not all funds are committed).

The following applicants are ineligible to apply:

- Applications from Startups seeking investment.
- Applications from investors into small or medium enterprises (as opposed to startups)
- Applications from investors into later-stage startups or scaleups
- Applications from related parties
- Applications from funds utilising only public funding. The Alice Anderson Fund may co-invest in rounds that include funding from public funds but the application must be made by a private sector investor and the Alice Anderson Fund will only leverage investment provided by private investors.

Investee startups must satisfy the following eligibility criteria:

1. Meets LaunchVic’s definition of a Startup
2. Be Woman owned and led
3. Be a registered Business
4. Based in Victoria

5. Adheres to Victorian Government Policy on ESG Prohibited Activities; The Business must not be involved with:
- tobacco or tobacco-related products;
 - Cluster munitions and other controversial weapons;
 - Thermal coal;
 - Gambling;
 - Logging of old growth forests;
 - Uranium;
 - Unregulated animal testing;
 - Live cattle and/or sheep exports; or
 - Fracking.

If you are a woman-led Startup seeking investment we recommend you engage with an Angel Investor group. A list of Angel Investors is available at findingstartups.launchvic.org.

INVESTMENT TERMS

The Fund will co-invest alongside eligible investors into three different types of early-stage investment scenarios; Pre-seed, Seed, Pre-series A/ early VC investment (Deep-tech companies raising Series A rounds may be eligible if the company is pre-revenue).

Investments will range from a minimum of \$50,000 to a maximum of \$300,000. Investments will be made at a minimum ratio of 3:1 private investment to Fund investment. The Fund will co-invest alongside eligible investors in larger Seed rounds, but the investment will be capped at \$300,000. In investments that include both related and unrelated investor parties, the Fund will co-invest at a 3:1 ratio on the amount invested by unrelated parties only. Applications need to have verifiable committed capital. Allocations that 'may' be filled are not acceptable.

Our investment is structured so that only 85c in the dollar is taken as equity, and the rest will be given as a non-dilutive grant to the startup. Investee startups for whom the initial investment was between \$50,000 and \$250,000 in Fund investment will be eligible to apply for follow-on funding up to a total contribution of \$300,000 (However there should be no expectation that a follow-on application will be approved and it will be determined on a case-by-case basis).

If any parties in the round are being paid as capital introducers there are to be no fees charged on the Alice Anderson Fund component of the investment.

APPLICATION REQUIREMENTS

Applicants are required to address the following Key Assessment Criteria via the LaunchVic online application system. Included below are the required responses.

KEY ASSESSMENT CRITERIA

	Response Required	Word Count (Maximum)
1. Investor Overview	a. Outline Key Personnel	Table - Full Name - Role - LinkedIn
	b. How many investments have you made Startups?	Number
	c. How many startup investments have you made in the past 12 months?	Number
	d. Have you invested in startups via a Fund or syndicate in the past?	Yes/No
	e. Please provide a brief overview of your investment thesis and approach to investing in Startups.	500 words
2. Angel Investing Process	a. What is your process for managing pipeline and deal flow? <ul style="list-style-type: none"> I/We have a website where applications can be submitted I/We am part of a network that provide opportunities to review startups I/We attend accelerator demo days and/or make direct approaches to startups I/We don't have a process Other [free text entry] 	Tick boxes (as many as apply)
	b. What additional, or other types of support do you provide founders and investee companies?	200 words

	Response Required	Word Count (Maximum)
	c. How do you approach follow-on investing for your investee companies? <ul style="list-style-type: none"> • I/We don't follow on • I/We follow on based on performance and results • I/We introduce startups to VC or other investors that fund later stages • Other [free text entry] 	Tick Box (as many as apply)
3. Current Investment Opportunity	Briefly describe the current investment opportunity and upload the investee company pitch deck	200 words And Upload Pitch Deck
	Why are you investing in this startup?	200 words
	Who performed the due diligence for this opportunity and their relevant skills and experience?	Table - Full Name - Role - LinkedIn - Skills/ Experience
	Please provide your due diligence for this startup.	Upload
4. Deal information	Are you the lead investor?	Yes/No If No, who is the lead?
	Please provide a post-round fully diluted Cap Table	Upload
	How much is being invested in total in this round?	\$
	How much are you investing in this round?	\$
	Investment Instrument (please pick) Priced Round SAFE Note Convertible Note	Multiple choice
	if, PRICED ROUND: Pre-Money Valuation: \$	\$
	If SAFE NOTE, Valuation Cap: Discount: Maturity Date:	
	If, CONVERTIBLE NOTE Valuation Cap: Discount: Maturity Date:	

	Response Required	Word Count (Maximum)
	Coupon:	
	Liquidation preferences	Clauses from the term sheet
	Information Rights	Clauses from the term sheet
	Details of previous rounds (if applicable), including key investors, round size and valuation	200 words
	Please upload a copy of the term sheet for this investment	Upload
5. Other	Is there anything else we need to know about this round?	250 words

ASSESSMENT AND SELECTION

Eligible applications will be assessed against the Key Assessment Criteria by the Alice Anderson Investment Committee (IC). The IC comprises of three independent angel investor experts (including a Chair) and two LaunchVic members.

Due Diligence: shortlisted investor applicants and investee startups may undergo financial due diligence by LaunchVic. This may include (but not be limited to) a Financial Risk Assessment conducted by an approved third party and Company & Director checks. Information will be kept strictly confidential. Financial reports including (but not limited to) profit and loss statements, balance sheets and cash flows may be required for a Financial Risk Assessment of Angel Groups or VC Funds.

Applicants may be required to provide additional information as part of the application process. The Investment Committee ultimately determines the success of One-Off applications, and their decision is final.

All applications are made at the applicants' own cost and will not be reimbursed, whether the application is successful or unsuccessful.

ONE-OFF APPROVAL

Successful applicants will be informed in writing of the outcome of their application.

APPLICATION FORM

To register your interest in applying, preview and start an application form please go to the [LaunchVic online application system](#).

QUESTIONS?

If you have a question regarding the One-Off application process or your eligibility, please email investments@launchvic.org. Relevant questions will be posted on the LaunchVic website via the [Frequently Asked Questions](#).

GUIDELINES CHANGE REGISTER

NUMBER	SECTION	CHANGE DESCRIPTION SUMMARY	DATE CHANGE ISSUED
V2		Eligibility criteria updated, Investment terms added	26/10/21
V3		Additional definition for Related Parties	17/03/22
V4		Definition of Victorian based updated	28/11/22
V5		Women-Led definition, Related Party definition and Applicants Ineligible to Apply definitions updated	05/01/23
V6		Updated description to follow-on funding	09/03/23
V7		Updated threshold to follow-on funding	04/10/24