

A³ Angels Investment Guidelines

Investment objective

A³ Angels helps its members to identify opportunities for long-term capital gains through investments in start-up companies within target segments of high technology supported by EPFL alumni and in particular software, IT, and life sciences. A³ Angels does not itself act as a financial advisor or investor.

Investment strategy

A³ Angels members invest predominantly seed money in early-stage private companies which are conservatively valued and have a convincing product and technology. The initial investment is typically made when the company's primary product is still in development and the company has not yet received venture capital financing. Investments usually vary from 20'000 to 100'000 CHF. Subsequently, the investment may be increased by selected A³ Angels members but more often A³ Angels will facilitate access to other business Angels or venture capital partners.

Instruments

A³ Angels members investments largely take the form of equity investments. A³ Angels members may also invest in other instruments including debt securities. A³ Angels members may pool their investments through an appropriate corporate structure. This approach creates a diversified investment portfolio of early-stage companies that matches the level of expertise and investment capabilities of the majority of A³ Angels members.

Geographical focus

Investments are in Switzerland but may exceptionally cover other countries provided a critical mass of alumni are found to support the activity.

Availability of funds

A³ Angels members pools a limited amount of short-term funds from pooled investors to ensure that it is able to fulfill all of its investment commitments. A³ Angels members do not use debt financing.

Portfolio structure

A³ Angels members optimize the asset allocation of their portfolio in consideration of deal-flow opportunities and the interest of its members. A³ Angels members aim at holding a broadly diversified portfolio of high-quality and high-potential companies. Usually, the acquisition cost of an investment may not exceed 20% assets managed by a pool of investors and 10 % of the total.

Investment decisions

Investment and divestment decisions in relation to individual companies are taken by A³ Angels members individually or within a pool of investors voting in proportion to their investments. A³ Angels facilitates the establishment of consensus among members regarding shareholders agreements.

The Investment Guidelines are a complement to A³ Angels code of conduct .