

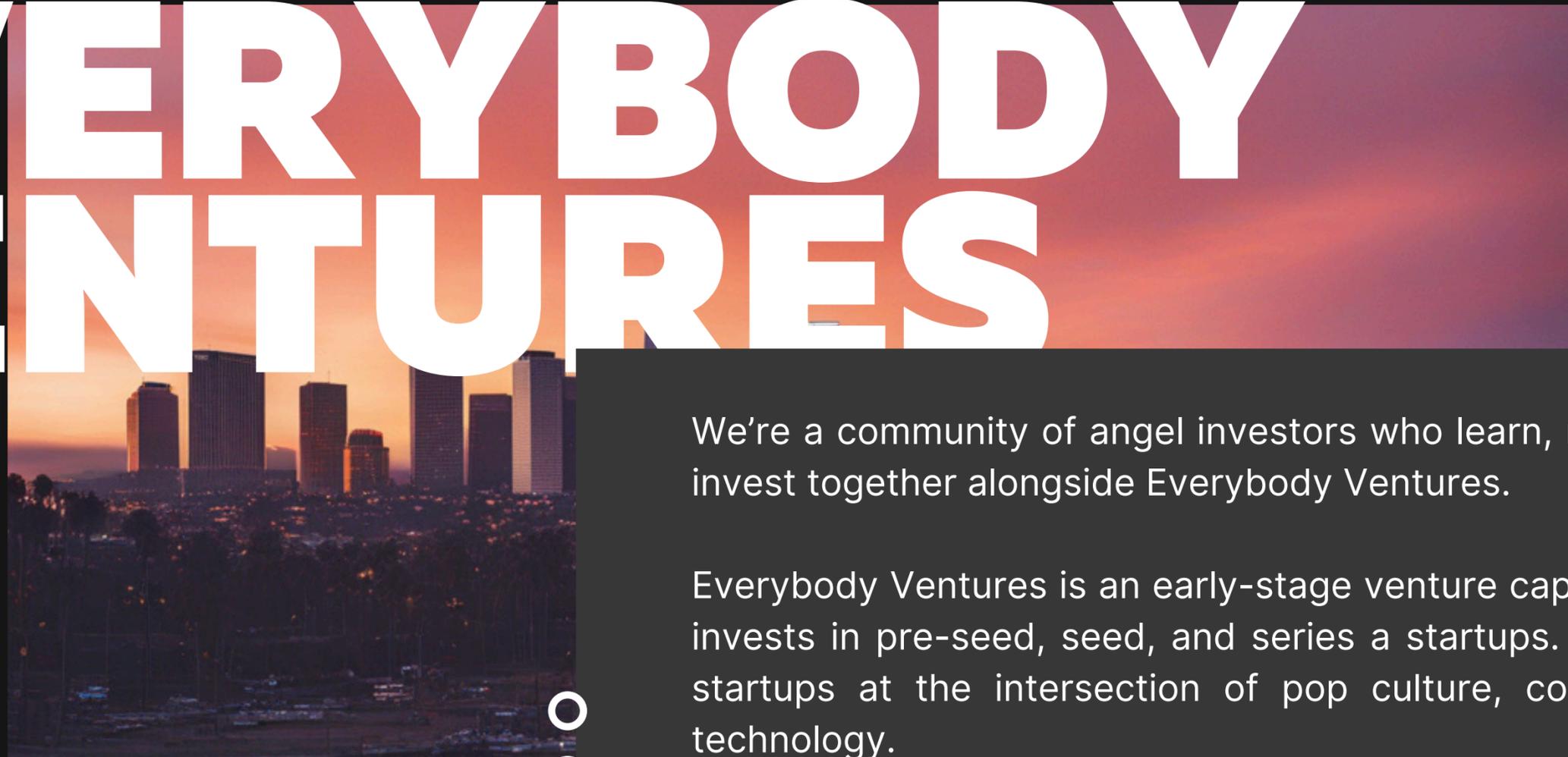
*Everybody
Ventures*

ANGEL INVESTING STARTER KIT



FOR THOSE JUST STARTING OUT OR
LOOKING FOR A REFRESHER.

WELCOME TO EVERYBODY VENTURES



We're a community of angel investors who learn, network, and invest together alongside Everybody Ventures.

Everybody Ventures is an early-stage venture capital fund that invests in pre-seed, seed, and series a startups. We invest in startups at the intersection of pop culture, consumer, and technology.

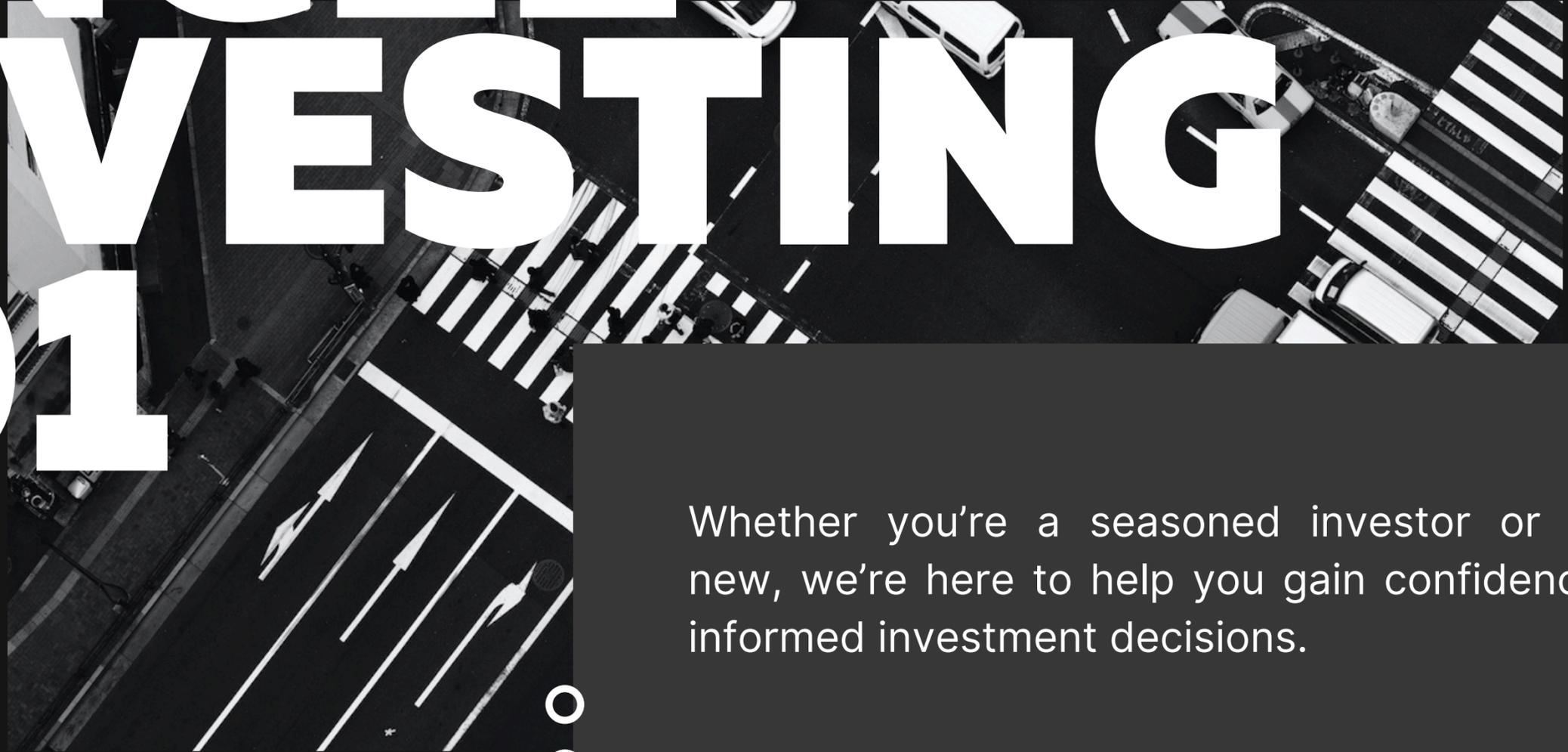


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ANGEL INVESTING 101



Whether you're a seasoned investor or completely new, we're here to help you gain confidence to make informed investment decisions.



WHAT IS ANGEL INVESTING, EXACTLY?

Angel investing is the art of supporting early-stage startups by providing capital and guidance. It's like being a fairy godparent for entrepreneurs, helping their dreams take flight.

Angel investors are willing to take higher risks in exchange for potentially significant returns (50x - 5000x+) if the startup succeeds. They provide funding and guidance to help entrepreneurs navigate the early stages of their business and increase their chances of attracting later-stage investments.

There's a misconception that you have to be ultra-wealthy to angel invest. That's totally false. These days, most angels invest between \$1k and \$5k into a given company

RISKS & BENEFITS

With any type of investing, there are always risks and rewards. Here are some that are unique to angel investing.

BENEFITS

HIGH RETURNS

At Everybody Ventures, we only invest in a company when we think there's a potential for 50x-100x returns. Early investors in Uber received 5000x returns. \$5k to \$25M!

INFLUENCING OUTCOMES

Unlike public stocks, you can influence the outcome of your investment by helping your companies. One intro can change the trajectory of a company.

RISKS

LOSING MONEY

Most companies aren't the next Uber, and you will most likely invest in companies that have to shut down (and you lose money!)

LONGTERM HORIZON

Your money is locked up for a LONG time which can be frustrating. Early investors in Airbnb were locked up for 12+ years.



TERMS TO KNOW WHEN GETTING STARTED

Pre-seed:

Refers to the earliest stage of startup funding. It represents the initial capital raised by entrepreneurs to develop their business idea before seeking larger investments from formal venture capitalist or institutional investors.

Seed:

Refers to the stage of startup funding that follows the pre-seed stage. Seed funding represents the first formal investment round where startups seek capital to develop their product or service, build a team, and scale their operations.

Valuations:

Refer to the process of assigning a monetary value to a startup or company. Valuations are important because they determine the percentage of ownership that investors receive in exchange for their investment.

Special Purpose Vehicle:

SPVs are created to simplify the investment process, streamline legal and administrative matters, and provide a unified vehicle for investors to participate in a startup's funding round. Instead of each individual investor negotiating separate terms and signing individual investment agreements, they invest through the SPV, which acts as a single investor entity.

OUR ADVICE FOR GETTING STARTED

TAKE BABY STEPS

Start small, gain more experience. Since this is a high-risk asset class, it's important to diversify across 30-50 companies over the span of a few years.

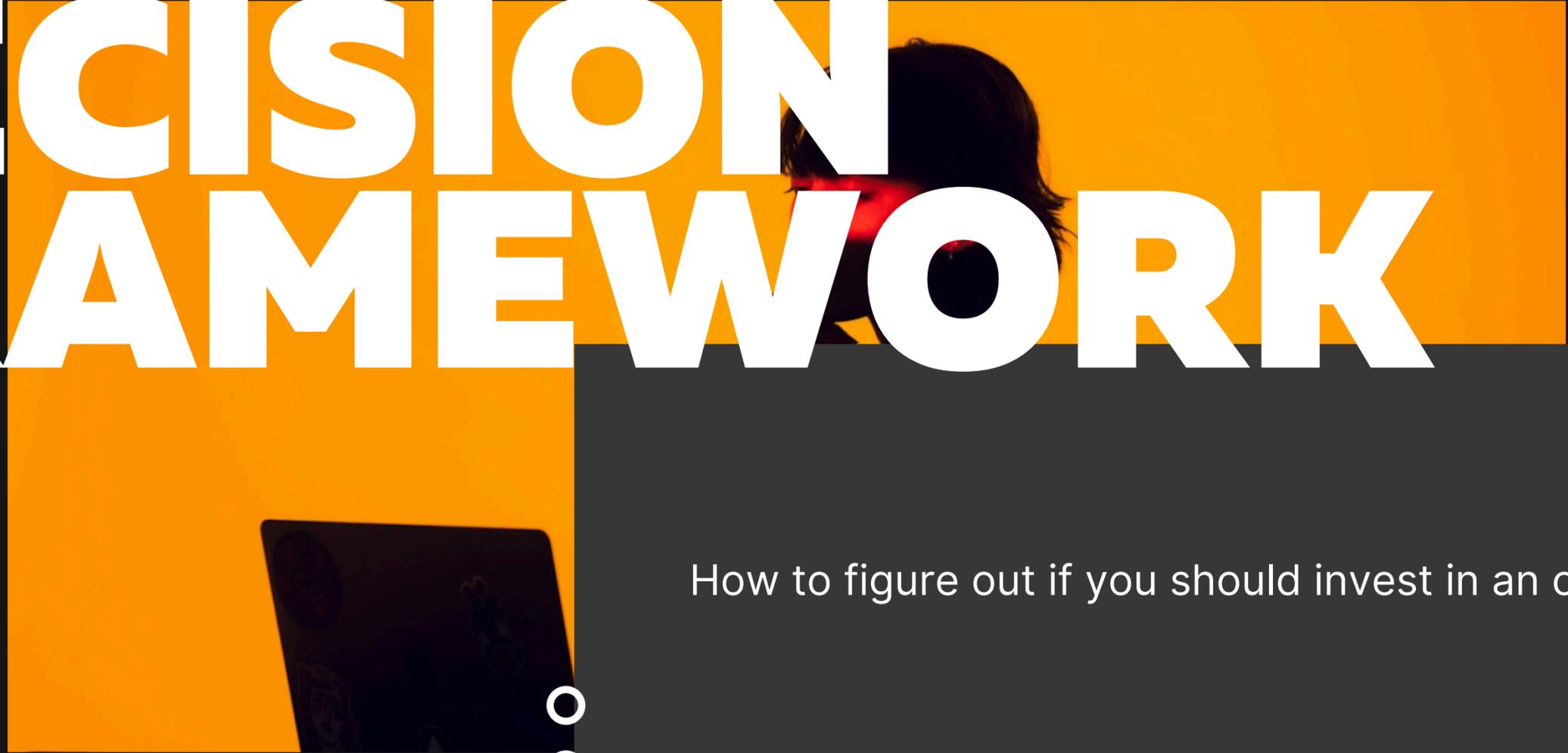
KEEP IT FUN

Angel investing is meant to be fun. Identify what you're passionate about or your area of expertise to give you a leg up when making decisions.

ALWAYS BE WILLING TO LEARN

Angel investing gives you the chance to learn from founders about a topic that they know deeply, and to be inspired by the solution that they are building.

INVESTMENT DECISION FRAMEWORK



How to figure out if you should invest in an opportunity



DECIDING TO INVEST

The inputs that matter most will be different for everyone, but here is what matters most to Everybody Ventures when we're evaluating an early stage startup:

Team:

Because you have so little to go on, you're largely betting on if you believe this team can get it done.

Solution (Product / Service):

Think about the larger business model, and how the product or differentiated in the market.

Market:

Think about how many people actually have this problem. Is it a big group or more niche?

Execution:

Think about customer acquisition, growth metrics, and how quickly founders are executing.

Fundraise-ability:

Consider whether the founder(s) will be able to run a future fundraising round effectively.

VALUATIONS

After you've evaluated the company, you've decided you're in!

But wait, let's make sure it's a fair price.

You must know the valuation. If you find out that a shirt you love is 10x more than you thought it would be, would you buy it?

The valuation of a company is how much the company is (deemed) to be worth at the time of fundraising. So if you invest \$1000, how much of it do you own?

Here are "reasonable" valuations based on the market in 2023:

Pre-seed: pre-revenue: \$3 - 7M valuation

Seed: post-revenue: \$5 - 12M valuation

This is very loose guidance

Companies in hot sectors or founders with strong track records can command valuations above the rest of the market. The location of the startup also impacts the valuation.

IS ANGEL INVESTING RIGHT FOR ME?

Now that you know what angel investing is, and what some of the benefits and risks are, you might be asking yourself “is this right for me?”

Use the checklist below to see if you are ready.

	What to ask yourself	Yes	No
Risk Tolerance	Am I okay high risk investing, understanding I may lose my initial investments?		
Financial Situation	Do I have the means to invest \$1k+ into early stage companies?		
Budget	Based on my risk tolerance and financial situation, can I define how much I would be comfortable investing each year?		
Startup Ecosystem	Do I want to get more involved with startups and potentially help founders / operators?		

IF YOU ANSWERED "YES", YOU'RE READY!

Deal flow

As an Everybody Ventures Club member, you've got the inside track on pre-vetted deals handpicked by the Everybody Ventures team. You can jump in with an investment as little as \$1,000!

Learning

Access to information that provide in-depth knowledge of angel investing. Practice evaluating deals alongside the Everybody Ventures team on a monthly basis.

Community

Meet professionals from all over the world, both beginners to experts in angel investing. Join us for in-person events and virtual opportunities. Angel investing can be intimidating, so we make the process much easier.

JOIN INVESTORS FROM ALL WALKS OF LIFE

Whether you're an athlete, lawyer, startup founder, executive, or doctor... you're welcome here.

LEARN
INVEST
NETWORK

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