



VC Investment Thesis Template

This document will help you create a strong & compelling investment thesis.

_____ is launching a _____ _____
(Fund Name) (Size of Committed Capital) (Stage)

venture fund in _____ to fund _____
(Country, City) (Geography)

_____ with _____
(Sector/Market Companies) (Secret Sauce)

Examples

1. "Purple Ventures is launching a \$5 MM angel fund in Brussels to fund European government technology startups that leverage the partner's experience in various political and bureaucratic leadership roles across the EU."
2. "Found Capital is a \$15 MM Seed fund in Lagos to fund African mobile payment and fintech companies sourced from the partners network built while working as startup ambassadors at Google, PayPal and Microsoft in Africa."
3. "Sven Fund is a \$100 MM Series A fund in Singapore to fund blockchain startups in Asia that are building dynamic supply chain systems, which is a market segment where the partner had the largest recent exit in the region."

[Fund Name] When getting started, we recommend using a last name or color, like 'Ressi Ventures' or 'Orange Fund,' since the Thesis will evolve many times over the first months. After you feel that you have a final Thesis, then choose a name that represents your fund.

[\$x MM] This is the size of committed capital by LPs to the fund. You will be able to raise a fund that is 10 times the size of what you think you can easily close from contacts that you already have. So, if you think that you can easily raise \$500,000 from friends, acquaintances and other contacts, then your first fund size maximum is \$5 MM.

[Stage] Stage is usually based on fund size, and, for New Managers, the options are angel (<\$5 MM), pre-seed (\$5 MM to \$15 MM), seed (\$15 MM to \$50 MM) and Series A (>\$50 MM). It is easier to have a larger fund doing an earlier stage, such as a \$100 MM angel fund, than it is to have a smaller amount of money for a later stage, such as a \$10 MM Series A fund.

[Country / City] This is the city or country where the New Managers are living or plan to live while running the fund. Now, most funds have a life of at least 10 years, so make sure to pick a city or country where you and your fellow New Managers plan to be for some time. In addition, if you are living in a large country, then it is better to specify a city or region. "East Coast" is better than the United States.

[Geography] This is the region where the fund will invest in portfolio companies. If the Geography is not specified, then it is assumed that the funding will be local. This is particularly important for New Managers, who often try to be too broad and then do not appear credible. For example, it is unrealistic to assume that a New Manager with a small fund will do cross border deals that require complex legal management.

[Sector / Market Companies] This is the type of companies that the fund will focus on investing in, such as FinTech, digital health, SaaS or marketplaces. Ideally, when choosing a sector or market in a geography, the opportunity will be obvious to the right LPs, such as "East Coast Fintech companies" or "German SaaS companies."

[with Secret Sauce] 'Secret Sauce' is your insight into a sector or market opportunity based on your in-depth experience. For example, "West Coast health startups based on my 15 years leading the largest health tech angel group in San Diego while practicing neurosurgery." The secret sauce needs to show why you are uniquely qualified to create this fund, and, if the market opportunity is not obvious, it should also show why the market opportunity is important right now.

Learn more about the Founder Institute at FI.co or VC Lab at FI.co/vc.