



Invitation to join **Native Angels Network (NAN)**

India's First Native Region Focused Angel Investment Forum

Powered by Nativelead Foundation

Membership on invitation only



What is Angel Investment?

Angel Investors are high net-worth individuals who invest their own money in start-up companies in exchange for an equity share of the business and who can add value to the company by providing proactive advice, industry connections and mentoring support. Unlike a bank loan or other types of debt financing, equity capital gives an ownership interest in the company invested.

Most angel investors are entrepreneurs, corporate executives or high net worth individuals who have the knowledge, experience, connections and funds that help start-ups match up to industry standards. Angels tend to invest in companies that are located near them regionally or co-invest in a wider geography if a local investor they trust is involved.

Angels typically look for "scalable" businesses that have the potential for great growth and a clear path towards profitability. They make investments in order to gain a return on their money, to participate in the entrepreneurial process and often to give back to their communities by catalyzing economic growth. Angel Investors make return on their investment when the entrepreneur successfully grows the business and exits it, generally through a sale or merger.

Since "Angel Investments" are done in early stage start-up companies using a high-risk, high-return matrix, there is a possibility of some of the investee start-ups to fail within the first five years of their operations. The secret recipe for getting a good ROI is to diversify your investments into multiple startups, so that the ROI matrix is made positive. Angel investors should look to position themselves as investors in at least 10 startups in order to play the startup game right. However, carefully selecting your picks and knowing in who you are investing is very important. The right way to play this game is to be an integral part of the investee company and not staying away like a stock market investor.

What is NAN?

Native Angels Network (NAN) is a forum for Angel Investors who would invest in innovative ventures rising from their own native regions. NAN is created and managed by Nativelead Foundation, a non-profit organization working in the space of Start-up ecosystem building in Tier II & III regions with the participation of the respective native community.



In this era of knowledge economy, a particular region or country will become fundamentally strong only when it has powerful brands and intellectual properties (IP) based on innovative and scalable ideas. Nativelead Foundation is engaged in motivating and mentoring young entrepreneurs to work on such initiatives. However, these efforts will be meaningful only when supported with necessary financial investments in time. Conventional mode of funding is a complicated option. The present world is fast embracing the new model of risk investment in the names of Angel Funding and Venture Funding. NAN is one such funding facilitation forum with a very unique conceptual model designed to suit Tier II & III regions.

Why NAN?

The reason behind the success of America's Silicon Valley (area of technology ventures) was mainly because of the active presence of the new-age asset classes like Angels, VCs (Venture Capital) and PEs (Private Equity). These are dynamic investments which require special skills and passion to promote entrepreneurship. In India, this culture is catching up in large metros, Bangalore being the most vibrant place where most number of investments are taking place.

However, the large angel investor networks operating in big metro cities are looking for investments ranging only above INR 30 lakhs.

In developing Tier II & III regions, the needs, exposure and characteristics (at the early stages) of young entrepreneurs are much different when compared to that of large metros. After several rounds of brain storming and analysis with country's leading Angel Investment domain experts, we have devised a unique model to support the early stage ideas rising from these regions. This model has both profitability as well as social angle. An ideal NAN member would have a conceptual thought process of *"My role here is to evaluate the potential entrepreneurs rising from my native region and invest in their ideas. By investing, I become part of their team and mentor them to my best. In the process, they grow, I grow and my native region grows"*.

Investment in Ventures

- NAN looks at investment upto 25 lakhs
- In special cases NAN would take calls for investments above 25 lakhs.
- Ideally an investor would be part of the invested venture for a period of 3 to 5 years and gets an exit at that stage.

How it Works?

1. An individual or an organization can become a member after clearly understanding the concept dynamics and model.
2. The members have two different membership options to choose.
3. NAN members will have orientation within 30 days from the date of their membership about the operational framework.
4. NAN will have full time “Investment Analysts” to manage all the activities such as:
 - Membership drive
 - Knowledge Sessions
 - Identifying entrepreneurs
 - Evaluating and preparing entrepreneurs
 - Organize different types of pitch sessions (phone/video/direct)
 - Help providing requested details to investors on entrepreneurs and their ideas
 - Upon interest, assisting in closing the deal with the entrepreneur
 - Assisting in arriving at investment deal structure among investors
 - Managing the comprehensive due diligence aspects
 - Managing the Investment process and legal documentation
 - Post investment follow ups and reporting
5. NAN’s “Investment Analysts” would continuously work on identifying and evaluating innovative ideas in the market and organize regular pitch sessions through phone, video meeting or in-person based on the prevailing situations.
6. The interested investors may seek for a deeper understanding of the idea and entrepreneur. NAN would organize such meetings and manage the progressive encounters to closing the deal successfully.
7. Upon successful deal closing, all the due diligence and documentation will be done by NAN or under the supervision of NAN.



Knowledge Partner

Indian Angel Network (IAN) – Asia’s largest business angel group has agreed to be our Knowledge Partner to support NAN in setting up processes and IAN has offered to extend its help in providing knowledge and support required in building an active investor network in Tier II and III regions. Larger investments above 25 lakhs will be referred to organizations like IAN.

Members

- 1) There are two categories of membership for investors. Individuals or Institutions become members of NAN on payment of the requisite fees (details given below) and signing of the framework document.
- 2) Individual members are inducted in their individual capacity only and not as representatives of any organization. Members in this category can make investments in the NAN investee companies only in their name (this of course includes jointly with family members or through wholly owned personal investment companies or trusts).
- 3) Institutional members will be joining as representatives of an institution. Any investments made in ventures would need to be in the name of that institution only. A maximum of 2 senior members from the institution would be given access to deal flow.

Investment Commitment

- Members will have minimum investment commitment of INR 5 lakhs over a period of 3 years.
- It is advised that the members invest in atleast 5 NAN investee companies over a period of 3 years.

Membership Contributions

<i>Sl.No</i>	<i>Membership duration</i>	<i>Membership fees</i>
1.	Premium Investor (3 years)	INR 30,000
2.	Patron Investor (Lifetime)	INR 1,00,000

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