



Tech Coast Angels – San Diego ACE Annual Fund FAQ

ACE 21 is TCA's third annual Fund launched with \$4M under management and over 200 members. Please see answers below to commonly asked questions by entrepreneurs.

Q: What kinds of companies does the Fund invest in?

A: The Fund invests in companies that have passed TCA due diligence AND are structured as US-based, C-Corps. The Fund does not invest in LLCs.

Q: How much does the Fund invest in each company?

A: The Fund has 2 tracks: Full Track and Fast Track deals. Full track deals receive either \$300K or \$500K and fast track deals receive \$250K. Decisions are based on voting thresholds by the Fund members.

Q: What is the difference between Full Track and Fast Track deals?

A: Full Track deals must meet 2 criteria; completing the 20-pg TCA Company Questionnaire and offering board visibility (board observer rights or board seat) to TCA. Board rights are granted to a member chosen by the company CEO and TCA deal lead(s). Fast Track deals do not require board visibility and the company must only complete the 5-pg TCA Company Survey. All deals must be recommended for investment by a deal team composed of Fund members.

Q: Why does every ACE 21 portfolio company need to sign a side letter assigning follow-on rights?

A: Since every ACE Fund, including ACE 21, is an annual fund, they cannot invest in follow-on rounds in different years. Therefore, any follow-on rights (including rights that could be added through restructuring in future rounds) are assigned by the current ACE Fund to the subsequent ACE Fund via side letter provided by TCA.

Q: How long does it take for the Fund to make a decision?

A: After the completion of TCA's due diligence process and the recommendation to invest (<30 days), the Fund takes 5 days to collectively review all diligence materials and vote on a deal.

Q: When does the Fund wire its investment if the round is a syndication deal with other investors?

A: The Fund (single cap table entry) makes its investment once the lead investor for the deal has invested its money. If there is no single lead investor, the TCA Deal Lead will determine when to wire the funds based on closing milestones for the round.