



NUFUND VENTURE GROUP
2022 MEMBERSHIP
QUICK START GUIDE

Table of Contents

Contents

1. About NuFund Venture Group	1
2. How We Interact With Each Other.....	3
3. Our Systems: Flock, Zoom, Google Drive, Website.....	6
4. Our Meetings	10
5. How We Engage With And Fund Companies	13
6. The Annual Fund	15
7. How To Participate In Deals	16
8. Our Governance	18
9. Resources.....	20

NuFund Venture Group Quick Start Guide

Welcome to NuFund Venture Group!

NuFund is a new wave of angel investors with a new fund model investing in new technology leaders. NuFund was formerly known as Tech Coast Angels - San Diego (TCA - SD), and the organization is one of the largest, most active and most successful early-stage investor groups over the past 20+ years. We continually strive to foster a culture that is friendly, innovative, engaging, rewarding and fun for all stakeholders.

The purpose of this Quick Start Guide is to give new members an overview of all of the different elements of NuFund membership. You will learn how we interact with each other, how we source companies, and how we ultimately fund those companies that inspire us.

Thank you for joining us and we look forward to having you fully participate with us. Each of our members brings unique experience and perspective to the deals we process and community we share, and we look forward to hearing from you!

1. About NuFund Venture Group

NuFund Venture Group was founded in 1998 as San Diego Angels, Inc. (SDAI) and has resulted in investment in over 425 companies and \$255M in member funding since that time. Some of those investments have gone on to generate significant return for our members, and even greater benefits for our communities and overall economy. Recent successful exits include: Doctible (8x ROI), Discover Echo (5x), Companion Medical (58x), Zentalis Pharmaceuticals (6x), Insight Medical Systems (4x) and Portfolium (6x).

NuFund is a 501(c)6 nonprofit trade association of individual investors. Our intent is to provide a framework for deal-sourcing, screening, and due diligence that makes it easier for interested investors to participate in the “early stage” or “seed” asset class. Investments in this asset class represent some of the highest-risk and highest-return opportunities, which is why we believe that a disciplined approach to seed investing allows our members to achieve maximum returns. With that said, many of our investments will fail (you will lose everything), and some of our investments return 100x or more. The riskiness of this genre is why membership is restricted to only individuals who certify that they are Accredited Investors, as defined by the Securities and Exchange Commission (SEC), [HERE](#).

NuFund’s collective 350+ members make us one of the largest angel investment groups in the country, both in investor count and funding.

Our San Diego Roots

Due to NuFund’s origin and headquarters in San Diego, CA, we have members with significant background in life science, biotech and medical devices. Many of these life science members are medical doctors, PhDs, and senior executives at large (and small) biotech and diagnostics companies. Due to our proximity to Qualcomm and UCSD, we also have a large contingent of members with significant “hard tech” experience in areas such as wireless, sensors, IoT and semiconductors. This is rounded out by members from



many other disciplines ranging from real estate to enterprise software to social impact and education.

NuFund formed the first “Annual Fund” for members in 2018. These funds allow our members to invest as little as \$10,000 each year into a single fund, which then invests in 15 - 25 of our most promising companies each year.

In addition to investing through our Annual Funds, many members often invest directly into those companies that inspire them the most. Individual investment is typically \$25,000 or \$50,000 per investment (with some of our “whales” and family offices investing much more). The specific amounts and rules are set by each entrepreneur we fund. For example, an entrepreneur might choose to accept investment from our Annual Fund and from individual members investing a minimum of \$50,000. Some deals may also have a Special Purpose Vehicle (SPV) investing option to pool smaller investments into one entity, with fees set by the SPV Manager, who may or may not be a member of NuFund.

NuFund has full-time operational staff that supports volunteer members to manage the organization. We also have a volunteer board of up to 13 of our members who serve as Directors of the corporation to manage our governance.

There are 2 types of NuFund membership with different benefits suiting different types of members: Standard (individuals) and Affiliate (entities). You can read a summary of the various classes in the overview [HERE](#). Members can request to change their class any time by notifying the staff. We may have a cap of members based on logistics and current members always receive priority access to special events and benefits.

The remainder of this guide will provide you with more details on how we work, how you can participate, and how we all aim to deliver strong return on investment for our members, while also making friends and doing great things for our entrepreneurs, our community, and our economy!



2. How We Interact With Each Other

When you joined NuFund, you joined a group of diverse members who are all passionate about investment opportunities in early-stage companies. Many of our members don't just invest together - they go on to become life-long friends. Some form businesses together or go on to invest together in projects outside of NuFund. We keep a database of all member backgrounds including hobbies where you can meet your fellow members. If you haven't already done so, or you're new, submit your Member In-Take Survey [HERE](#). And if you're a "Tweep," follow other NuFund members on the Twitter List [HERE](#), and the NuFund Fund portfolio List [HERE](#).

Our mission at NuFund is to be, "The best place for the best companies to raise their angel funding." To accomplish that mission, we ask our members to observe some general guidelines and rules about how they interact with other members, entrepreneurs and the community.

Core Values: We hope to foster a culture that is diverse, inclusive, engaging, rewarding and fun at the same time for all stakeholders. Our values are straightforward:

- Participate! You will get the most out of your NuFund membership by actively participating with other members and the community. This includes sharing your wisdom, participating in screening, and investing in those companies that inspire you.
- Entrepreneurs are Customers. If we want to attract the BEST companies and teams, we need to make it worth their while. These teams are our customers and we do what it takes to win them over (while they do what it takes to win us over 😊).
- Make Friends. Your fellow NuFund members are there for you – even outside of the transactional relationships that occur within NuFund.
- Be Nice. ... to members AND entrepreneurs. Jerks don't fit in here.
- Invest! We are an association of individual investors. So that means that we invest. Join us in our Annual Fund, where you get exposure to 15-25 of our strongest



companies each year for one easy investment. And for those companies and deals that really inspire you, make an individual investment along with other members.

Rules: Our official rules can be found in our Rules of Membership and Conduct, also known as the "ROMAC," which each member signs when they join NuFund. A few highlights and supplemental guidelines are summarized below:

- a. No soliciting of members for ANYTHING outside of the companies we screen. This includes investing in a great real estate deal, hiring a former employee, or supporting a philanthropic or political cause.
- b. Disclose any conflicts you may have when discussing a company with NuFund members (i.e. if you are a board member, vendor, compensated advisor, existing investor, etc.).
- c. Recognize that entrepreneurs are engaging with us primarily for funding. While they may also value our advice, we request that you provide such advice "after you write the check", and not in any of our group presentations or meetings.
- d. When engaging in Q&A with entrepreneurs in a group setting (like our monthly meetings or due diligence meetings), please only ask questions if the answer is relevant to your personal investment decision. And please - no advice or judgment phrased in the form of a question!
- e. Understand that not every member will see each opportunity the way that you do. We encourage openly sharing your thoughts, but please stop short of personal attacks or stating opinions as facts.
- f. We expect each member to invest a minimum of \$10,000 each year in our Annual Fund, or \$50,000 per year if investing outside of the Annual Fund.
- g. And finally, our members cannot ever earn a fee in return for bringing a company to NuFund or in return for a company being funded by NuFund.

That's it! One of our members said it best ... the rules of conduct are basically to, "Have fun, be nice, move fast, and write checks!"



If you have any questions about how our rules of conduct may apply to your specific situation, please reach out to our President or Executive Director to explore further.



3. Our Systems: Flock, Zoom, Google Drive, Website

NuFund primarily uses 3 online platforms with custom integrations for organization and communication, and each serves unique functions.

Our website, NuFund.com, includes our membership portal focused on the following:

- Company deal rooms - Every company that applies to NuFund has a page containing their NuFund application, deck, presentation videos and links to associated due diligence files. You can search for any company that has presented to NuFund from the search box. The company database also maintains the status of our review of each company, (e.g. screening, due diligence, declined, closed).
- Member profiles – There is an individual member profile for every member. Any NuFund member and her/his contact information and background can be found by searching. Please remember to respect everyone’s privacy and not share outside NuFund without consent.
- Events calendar - All NuFund events for the year are listed in the calendar created on Google. You can Subscribe to the calendar and your personal calendar app will be automatically updated throughout the year.

Please see the NuFund Member Website Guide [HERE](#) for help with registration, login and navigating all of the main features.

Flock is an internal messaging platform (similar to Slack) for creating threaded discussions about each company and for sharing general NuFund and community news. We use Flock for all of our company due diligence activities, as well as for other topics that would benefit from member-wide announcement or discussion. Flock is available on the web AND as a mobile app.



For a NuFund-specific video tutorial about using Flock, please see [HERE](#), or refer to the Flock Help section [HERE](#).

You can add yourself to any Flock deal channel in order to read and post comments by doing the following (for the desktop Flock version):

- Click the Directory icon in Channels & Contacts sidebar menu on the right
- Click Join Channels link that appears
- Type in the deal you want to join, e.g. "Crafter"
- Click Join button

The general NuFund channel is called "#NuFund Hub." Members can post to NuFund Hub any time but please keep in mind the following guidelines:

- No solicitation for topics outside of NuFund (philanthropy, non-NuFund investments, politics, etc.)
- Only post a non-NuFund event ONCE
- Keep content related to NuFund and our startup community

Other active channels include #Annual Fund Admin for Annual Fund administration (not deal discussions), #Tech Committee, #Life Science Committee and #Pre-Seed Interest Group. There are also channels for miscellaneous discussions such as #StockTalk and #Real Estate. Individuals or groups of members can also send private direct messages to each other on Flock.

Before using Flock, we strongly recommend that you review our Flock etiquette tips for promoting constructive, healthy discussion:

- Try a short introduction. NuFund is growing as an organization; we have many new members; it takes only seven seconds to form an opinion and a tenth of a second to determine personality traits like trustworthiness. The simple act of introducing yourself can do wonders. As investors that share diligence and investment decisions, building rapport and trust is paramount for success.



- Remember the human behind the chat. Avoid saying something you wouldn't say out loud and in person. Remember that in person, chances are you would take the time to listen and consider what the other person is saying before responding, continuing the discussion by validating their thoughts or opinions. Be a proactive listener and ask thoughtful questions.
- Be mindful of spelling, punctuation, formatting, and other mechanics. Like all text-based conversations, we cannot hear inflection, tone or volume. Make sure you consider punctuation, as without, the context of a statement can be completely skewed.
- Keep it simple. Try and keep messages short. Break up longer messages up into shorter sentences. Writing long messages makes it hard for other members on the channel to respond or follow the conversation. It's ok to use standard abbreviations in chat conversations.
- Try to avoid stating opinion as fact. Anecdotes, stories, and opinions are valuable, but they become harmful when presented as facts, especially if continuously repeated. It is challenging for members to evaluate a company if the conversation becomes a ping pong of very strongly stated, highly subjective statements. When making statements, try to provide as many sources as you can.
- Keep the tone constructive. To truly connect as members, we need to incorporate a positive tone in our conversations. That doesn't mean you can't disagree or express your concerns. Try to leave out negative words or tone if you can positively frame the same point, and avoid sarcasm, i.e.

✓ *"This team would benefit from an experienced technical lead. It will be critical to have one going forward. We should confirm the hiring plan."*

✗ *"This team doesn't have an experienced technical lead. I've seen this problem before; it's not going to work."*

- Don't get too personal. Flock is a business application for NuFund, not a family Facebook page. Please refrain from rants and content that is not relevant to NuFund's operations or community. We welcome people to connect through NuFund and build personal relationships offline.



Google Drive is a cloud-based file system where many general NuFund documents are stored for management and member access. Each NuFund meeting has its own master folder containing the meeting agenda, company interest vote forms and presentation decks.

To access a company interest vote form to register your interest in a company, click the link to the form in the meeting agenda and submit your name, email and check the appropriate box(es) for your interest level in the company. You are also encouraged to join the discussion on the Company's dedicated Flock channel.



4. Our Meetings

There are recurring NuFund meetings that are held each month. The meeting formats are different, but generally include 3 presentations from companies. All presentations are recorded and shared on the company's profile page in the member website and the company's Flock channel within 24 hours. Companies are scheduled for a particular meeting based on a variety of factors. In some cases, a company may be invited to present at more than one meeting to keep our membership informed about a deal or to create more awareness about an imminent closing of company financing.

All NuFund meetings are hosted on Zoom and some have a hybrid offline (office) option. Meeting formats are subject to change with notice. The main Zoom link for NuFund virtual meetings is: <https://NuFund.com/zoom> and you can find NuFund's Zoom guide [HERE](#).

General Membership Meeting (GMM): Our monthly meeting typically is scheduled for the fourth Thursday of each month. GMMs start at 9:30am (sharp!) and end by 12:30pm. Companies that present at GMM may be at the initial or later stages of their review by NuFund and they tend to be companies that general members can understand during a 12-minute presentation. At the end of the company's presentation, there is always an internal discussion among the members to assess whether there are individuals who are interested in advancing into due diligence. An unofficial Zoom "straw poll" of interest is taken during the discussion and the official tally for due diligence participation is taken in the online company interest form counted after 72 hours so that all members can review the video and materials. GMMs also typically include an educational presentation on a topic relevant to angel investors such as legal, market trends, ecosystem partners, tax strategies and technical topics. All educational videos can be viewed on the NuFund Members' Education web page: <https://NuFund.com/knowledge>. A GMM recap email with the status and next steps for each company is always sent to all members and posted to the #NuFund Hub Flock channel following the meeting.

Tech & Life Science Committee Meetings: In our monthly committee meetings, we screen new companies and discuss the status of existing companies. We typically hold our Tech



committee meeting on the second Thursday of the month, and our Life Science committee meeting on the second Friday of the month. Committee meetings start at 9:30am and end by 12pm. Our Tech committee meeting typically focuses on software, hardware, cleantech, and “frontier” tech companies. Our Life Science committee focuses on biotech-related ventures including therapeutics, medical devices, genomics, diagnostics, and digital health. Company presentations including Q&A tend to be longer than GMM presentations in order to dig deeper into the companies that typically require subject matter expertise in order to review. All members are welcome to attend committee meetings. An experienced member serves as Chair for each committee. The steps for gauging interest in DD are the same as GMM.

All Deal Meetings: Meeting agendas with all information are distributed via email and posted on the #NuFund Hub Flock channel before each meeting and stored online in the corresponding meeting folder:

- www.NuFund.com/tech
- www.NuFund.com/lifescience
- www.NuFund.com/GMM

Happy Hour/Dinner: Our bi-monthly happy hour or dinner meeting is typically scheduled at 5pm on the second Tuesday of the month and includes a Summer Social in August and Holiday Party in December. The goal of these events is to network with other NuFund members, build relationships and have fun! Social events take place both offline (in person at local venues) and online (e.g. virtual wine tasting) with a mix designed to engage the full NuFund membership that resides all around the country with the majority in San Diego. Email invitations with logistics are distributed prior to all special events and it is critical that you RSVP. Happy Hours and Dinners are only open to Standard & Affiliate Members in good standing.

Wednesday Power Hours: Monthly Wednesday Power Hours from 5pm – 6pm are periodically scheduled for educational topics, speaker panels, company showcases and deal updates that have not been covered during other meetings. Power Hours are announced in advance and open to all members.



Board Meetings: Every month, board meetings take place from 3pm - 5pm. Board meetings are open to all NuFund members, except during (rare) closed Executive Sessions that are only open to voting board members. Board meetings focus on reviewing NuFund's key managerial performance indicators (KPIs) such as membership, sponsorship and funding activity, and general NuFund strategy. The meetings alternate monthly between governance board meetings and strategy sessions addressing topics such as special events and new initiatives. Every two years, NuFund also holds its Annual Meeting of the Members to vote on our incoming board of directors.

Guest Policy: All guests must be approved by the Executive Director in advance. Only guests who are interested and eligible to join NuFund will be approved. Guests who attend a meeting will be given the opportunity to introduce themselves to the group during the meeting. Entrepreneurs who want to learn about NuFund's process, or service providers who want to network with NuFund members, will not be approved so that we can maximize the meeting experience for both members and company presenters.

In addition to recurring meetings, NuFund also organizes events for members and the public each year including Women in Angel Investing, Inventors & Investors, and Quick Pitch.

The full 2022 NuFund calendar can also be downloaded in PDF form [HERE](#), or see How To Guide [HERE](#) with instructions for adding ALL events to your online calendar automatically in a few clicks.



5. How We Engage With And Fund Companies

Companies generally approach NuFund through one or more of the following channels: referral by NuFund member, referral by other trusted people and programs, events such as Quick Pitch, or unsolicited “over the transom.” An average of 2 - 3 companies approach NuFund *every day* through one channel or another.

For referrals, the engagement process generally starts with review of a pitch deck or executive summary. All decks can be sent to the Executive Director, who will begin review and share with the appropriate Tech or Life Science committee member(s) for consideration to schedule into a meeting. If the company is deemed a good fit for NuFund, the CEO will be contacted in order to schedule an initial call, informal small group meeting, or formal presentation at one of NuFund’s regular monthly meetings. All companies under review must submit a NuFund application online [HERE](#).

If you want to refer a company to NuFund, please send the deck or executive summary to the Executive Director, or accelerate the process by submitting the more detailed Company Referral form [HERE](#).

Companies invited to present to us typically have one or more of the following characteristics:

- Post-revenue (B2B SaaS) or thousands of users (B2C) with a recent trend of growth
- Strong IP protection or other competitive advantage
- Non-dilutive funding and clear regulatory pathway for life science companies
- Well-defined business model
- Novel invention
- Lead investor who will share due diligence
- US-based C-Corp (note that the Annual Fund can only invest in US-based C-Corps by charter but individual members can invest in other entity types)



If a company is based outside Southern California, we typically require a lead investor who is willing to share due diligence (i.e. syndicate the deal to NuFund).

If a company is not a fit for NuFund, we do our best to refer them to another relevant resource such as an incubator or training program.

Deals that successfully complete NuFund's due diligence process become open for investment from both individuals and the Annual Fund. Members are always welcome to invest on their own in any deal regardless whether NuFund invests as a group.



6. The Annual Fund

One of the most exciting elements that sets NuFund above and apart from other angel investment groups is our Annual Fund, which we created in 2018. Several years ago, we realized that if we were going to be the “best place for the best companies to raise their angel funding,” then we were going to have to move faster and be willing to write bigger checks for the strongest companies. And it was with that mission that our Annual Fund was born. Here’s how it works...

Our members purchase one or more units of the fund, where each unit represents a \$10,000 investment. This typically amounts to between \$5M and \$7M raised for each fund. Then over the next year, whenever we complete due diligence on a company and have at least five of our fund members recommending investment, we go out to a vote of all fund members and if $\frac{2}{3}$ approve funding, then the fund provides up to \$500,000. The actual funding amount is determined by the Fund’s operating agreement and by the amount requested by the due diligence team.

The Annual Fund was designed and launched in 2018 and has been one of the key drivers of our increased membership and deal flow. Our mid-2021 to early-2022 fund, ACE 22, has over 240 members participating and \$6.9M of raised capital. Each annual fund invests in companies until the funding is depleted or until 15 months elapse, whichever is earlier. We target a 12-month investing period with investment in 15 - 20 companies in each fund. Annual Fund administration and reporting take place on dedicated platforms and there is an Executive board committee that oversees each Fund.

While it is not a requirement for every member to participate in the Annual Fund, we strongly recommend participation by all members (over 85% of our members participate each year). Fund investment ensures that you participate in our strongest deals each year, and also allows you to get substantial diversification for relatively low investment (as little as \$10,000). We expect those members who do not participate in the fund to invest a minimum of \$50,000 each year in NuFund-related companies as an individual investor. *That minimum requirement is waived in the first year to allow our new members to “get their feet wet” and also have an opportunity to get into the next Annual Fund.*



7. How To Participate In Deals

As a new member, the best way to participate in NuFund is to actively participate in our meetings (see above), and then to join the due diligence teams for those companies that inspire you. Our due diligence process works like this:

- a. If sufficient members are interested in a company, then a 2-3 hour due diligence kick-off meeting is scheduled. All interested members are encouraged to attend that meeting. One member will typically volunteer to Chair the meeting.
- b. If there continues to be interest at the end of the kick-off meeting, then a Deal Lead (who may or may not be the same person as the DD meeting Chair) is nominated to lead the due diligence effort, and the members of the due diligence team have up to 30 days to complete due diligence. NuFund has a variety of tools to facilitate an effective process, including a DD questionnaire, company survey and exit analysis documents, as well as volunteer Analysts to help us with due diligence.
- c. At the conclusion of due diligence, the Deal Lead and DD team spread the word about the financing opportunity to other members through Flock and through announcements in our monthly meetings. They may also choose to recommend the deal for funding by our Annual Fund.
- d. The deal terms are negotiated, the company is funded, and sometimes (but not always) a NuFund member will then represent us on the company's board of directors or participate as a board observer. Traditionally, the Deal Lead determines who the board participant will be - usually it is the Deal Lead.

For NuFund to be most effective, we need our members to be active, which also means stepping up to lead those deals that they are interested in. We know that leading a deal can be intimidating for newer members, so we have created a Deal Lead Guide [HERE](#), and any new Deal Leads will be paired with an experienced Co-Lead, or Deal Coach, who will work with them throughout the process. Our Executive Director and board are also always standing by to support our Deal Leads and due diligence teams to make the process a rewarding, effective, and FUN experience for all participants.



Another way to participate is to help us source the highest quality deals. You can help by joining our Life Science and Tech committee meetings or by participating or volunteering in the startup ecosystem to identify and mentor those companies in the community who may be a good fit for NuFund. The best way to refer a deal is to submit the Company Referral form [HERE](#).



8. Our Governance

We are governed by a Board of Directors of San Diego Angels, Inc. (doing business as NuFund). Our Board is comprised of up to 13 directors who appoint a President of the corporation and receive a monthly internal management report. Additional directors are typically nominated by the incoming President and then voted on by membership in a biannual membership meeting. All directors (including President) serve a 2-year term by default. Some directors hold additional specific roles. At a minimum, the Board has a President, Treasurer and Secretary as required by corporate law. At the President's discretion, board members may take on other roles, including:

- Vice President
- Annual Fund Executive Committee
- Tech and Life Science Committee Chairs
- Education
- Diversity & Inclusion
- Due Diligence
- Funding
- Membership
- Analytics
- Marketing
- External Relations

These roles are appointed at the discretion of the President. It is also possible that members will be assigned to these roles without them joining the Board as a director.



We welcome all members to actively participate in our board meetings and board strategic sessions, which are typically held at 3pm on the second Tuesday of each month. We alternate between formal board meetings and strategic sessions where a pre-published topic is presented for further discussion.



9. Resources

The following resources are available to help all NuFund members optimize their experiences.

Business Cards: For interacting with each other, and the community, we've set up a portal for you to order your own NuFund-branded business cards. The subsidized cost is passed through to you and paid directly to Zuzaprint. To order your cards:

- Go to URL: <https://www.zuza.zuzaprint.com>
- Log in: nufund
- Pw: nufundA

You'll be asked to enter your information including name, address and credit card. Please use your name on the card as the Description in the Description field.

@NuFundVentures Social Channels:

- [Facebook](#)
- [Twitter](#)
- [LinkedIn](#)
- [Instagram](#)
- [NuFund Members Twitter List](#)
- [NuFund Fund Portfolio Twitter List](#)

Websites:

- [Flock](#)
- [NuFund website](#)
- [NuFund blog](#)
- [Member education webpage](#)
- [Member in-take survey](#)



Miscellaneous:

- [Member website guide](#)
- [Zoom guide](#)
- [Zoom backgrounds](#)
- [GMM agenda](#)
- [Tech committee meeting agenda](#)
- [Life Science committee meeting agenda](#)
- [Logo files](#)
- [Order business cards](#) (User = nufund / PW = "nufundA")
- [Merch store](#)

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