Women Angels: Investing with Confidence
November 1, 2017

Glossary Investor Types

Accelerator: An accelerator takes a set amount of seed equity from a number of young startups in exchange for capital and mentorship. Accelerators will bring a cohort of start-ups in what is typically an on-site program which lasts for three to four months.

At the end of the program, companies will ‘graduate’ from the accelerator program, and may present their company in front of potential investors at the respective accelerator’s Demo Day.

Angel Group: An angel group is a network of angel investors who invest collectively in small startups or entrepreneurs. They typically invest in angel, seed, and sometimes Series A rounds.

Corporate Venture Capital: A Corporate Venture Capital firm is an arm of a corporation, where the investment funds come from the corporation, providing capital to invest in innovative start-up companies.

Co-Working Space: A co-working space is a company that provides a shared working environment for teams working typically for different employees, typically in an office. No equity is taken from companies that work in a co-working space.

Family Investment Office: A Family Investment Office is a fund of an ultra-high-net-worth investor family. They typically do one-off investments.

Fund of Funds: A Fund of Funds is an investment strategy where firms will hold a portfolio of other investment funds rather than investing directly in bonds, stocks, or other types of securities.

Funding Platform: A Funding platform is an online service that represents companies that are seeking investment. Through the platform, investors are able to buy equity in exchange for capital.

Government Office: A government office may invest in startups in their municipality, district, state, or country. They may or may not take equity in companies in exchange for capital and/or mentorship.

Hedge Fund: A Hedge Fund is a private investment partnership that invests for wealthy individuals or institutions. They will typically invest in private equity rounds, or late stage venture rounds (Series D or beyond).

Incubator: An incubator brings in an external team to manage an idea that was developed inside the incubator. An incubator will also take a larger amount of equity in contrast to accelerators.

Investment Bank: A bank that purchases newly issued shares and resells them to investors. When they do invest directly in companies, it will typically be in Post-IPO Equity or Private Equity rounds.

Micro-VC: A micro-VC invests in startups and typically has a fund size less than $100M. Micro-VCs are a type of Venture firm that focuses on early stage seed and Series A investments.

Private Equity Firm: A private equity firm is an investment management company. When they do invest in startups, it is typically in the private equity, or later stage venture rounds (Series C and beyond).

Secondary Purchaser: A Secondary Purchase is a purchase of stock in a company from a shareholder rather than a purchase of stock directly from the company. This can happen before a company goes public, and is typically not publicized.

Startup Competition: Startup Competitions are held by a variety of companies, government offices, and firms. The prize for many startup competitions will be capital with no equity component.

Technology Transfer Office: An office typically a part of a company, university or governmental organization which is dedicated to research which has potential commercial interest.

University Program: Many universities have programs dedicated to entrepreneurship. Their services range from supporting entrepreneurs with capital or mentorship.

Venture Capital: Venture Capital firms invest in startups at a variety of stages, ranging from seed to Series A and beyond. Venture Capital firms take equity in exchange for capital, seeking to invest in firms from the earliest stage Series A, through to later stages as the company grows. Venture firms typically lead only a single round, and cede to other investors for the next round, to avoid conflicts of interest in pricing the next round.

Venture Debt: Venture Debt firms provide capital in exchange for a loan (plus interest) to be paid back at a later date.

Non-Equity Program: A non-equity program invests mentorship, office space and/or goods and services. They do not receive equity. They might have corporate sponsors, who are able to engage with the startups in the program.

Glossary Funding Types

Angel: Angel rounds are the first round a company may go through. Angel investors, friends, and/or family may invest in an angel round to get a new company off the ground.

Seed: Can range between $10K-$2M, though larger seed rounds have become more common in the last ten years. Seed rounds are one of the first rounds of funding. They typically come after Angel rounds (if applicable), but before any of the Series rounds.

Venture: A Venture round encompasses our Series A, B, C, D, E, F, G, H rounds. You can select a more specific Series by selecting ‘Venture’ under 'Funding Type'.
Series A-B are funding rounds for earlier stage companies and can range anywhere from $1M-$20M.Series C funding rounds and onwards are for later stage and more established companies and can range anywhere from $10M+.

Equity Crowdfunding: Some funding platforms will allow their user base to invest in companies in exchange for equity. Companies allow investors to invest typically small amounts of money in exchange for equity. Syndicates are formed to allow an individual to take a lead on evaluating an investment, and pooling funding from a group of individual investors.

Product Crowdfunding: A product crowdfunding round is where a company will provide its product in exchange to raise capital. This kind of round is also typically completed on a funding platform.

Private Equity: A private equity round is led by a private equity firm or a hedge fund typically and is a late stage round. It is a less risky investment and the rounds are typically upwards of $40M+.

Convertible Note: A convertible note is an ‘in-between’ round funding to help companies hold over until they want to raise their next round of funding. You will typically see convertible notes after a company raises a Series A but does not yet want to raise a Series B.

Debt Financing: Debt financing rounds are where firms will lend money to a company. In exchange, a company will promise to repay the principal as well as added interest on the debt.

Secondary Market: Secondary market rounds are when stocks are sold in a company from a shareholder rather than purchasing stock directly from the company. This can happen before a company goes public, and is rarely announced or publicized.

Grant: A grant is when a company, investor or government agency will give capital to a company and does not take equity in a company.

Initial coin offering (ICO): ICO is an unregulated type of crowdfunding via use of cryptocurrency as capital. In an ICO, a percentage of the newly issued cryptocurrency is sold to investors in exchange for legal tender or other cryptocurrencies such as Bitcoin.

Post-IPO Equity: Post-IPO Equity round takes place when firms invest in a company after they have already gone public.

Post-IPO Debt: Post-IPO Debt round takes place when firms loan a company money after they have already gone public. Similar to debt financing, a company will promise to repay the principal as well as added interest on the debt.

Round: A round is a general term for a funding round used when no other funding type seems appropriate.

Non-Equity Assistance: A non-equity assistance round is when a company or investor provides office space or mentorship and does not get equity in return.