

Funding for New Venture Capital Funds: Round 3

Form Preview

ELIGIBILITY

* indicates a required field

Under this Funding Round, the following definitions apply:

Angel Investor is an investor with a high-risk appetite who provides seed investments into early-stage startup ventures, prior to institutional investors including venture capitalists. Typically, Angel Investors provide more than investment alone – they bring business experience, mentorship and networks that can help the invested startup accelerate its growth.

Angel Network is a formalised group of Angel Investors that collectively evaluate and invest in entrepreneurial ventures. For the purposes of this funding round, Angel Networks include:

- Angel syndicates/groups where individual Angel Investors join together with other angels to evaluate and invest in entrepreneurial ventures;
- and Angel networks that match entrepreneurs and Angel Investors, but remain neutral and generally refrain from formally evaluating business plans or angels.

Establishment Costs include legal and accounting fees related to any fund establishment, company registration, and costs associated with establishing a new office for a New to Victoria VC Fund.

Lead Partner will be a Partner of the New VC Fund (or equivalent), who will lead the activities of the New VC Fund in Victoria and will be permanently based in Victoria as their primary place of residence.

New VC Fund may include “Brand New VC Funds” or “New to Victoria VC Funds”:

- **Brand New VC Funds** where the manager has not previously raised a VC fund before, but agrees to open an office in Victoria with a Partner that permanently resides in Victoria. Note: If the manager has not got significant experience managing a portfolio of startup investments (e.g. through their personal portfolio or as a leader of an angel network) the application will not be viewed as competitive, and they should apply for the concurrent Angel Network Grant Round to build experience.

New to Victoria Funds are existing funds with a head office interstate or overseas, that have not yet established an office in Victoria, but agrees to open an office in Victoria with a Partner (or equivalent member of the Senior Management Team) that permanently resides in Victoria

Operating Costs include staff salaries, rent, event costs, insurance, accounting and legal costs, marketing and promotion costs, reasonable travel costs, and other reasonable operating costs.

Startups LaunchVic defines a startup as an innovative, technology-based business that can scale rapidly and capture mass markets.

Examples of technology-based businesses include: software and application development (Artificial Intelligence (AI), blockchain, big data analytics, e-commerce or marketplaces, augmented or virtual reality, Software as a Service (SaaS)), hardware, advanced manufacturing, sensor technology, robotics, autonomous vehicles, quantum technology, deep tech, and genomics and life sciences (including biotech & medtech). Once a startup has demonstrated accelerated growth sufficiently it becomes a scaleup.

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VC Funds are a type of financing for startup companies with long-term growth potential. For the purpose of this grant round, the priority focus is on early-stage (seed and Series A) startups. The VC Fund may provide equity, debt or hybrid financing directly to startups or indirectly to startups via fund of fund mechanisms. LaunchVic will consider novel fund structures in addition to those aligned with the Early Stage Venture Capital Limited Partnerships (ESVCLP) Program.

Victorian Startup means the startup must have at least 50% of its assets and employees located in Victoria and the business must be registered in Victoria.

Eligibility Checklist

To apply, applicants must satisfy the following general eligibility criteria:

- The Lead Partner(s) for the New VC Fund must have demonstrable and significant experience in venture investments into pre-seed, seed and early-stage startups evidenced by at least one of the following:
 - Having held a senior position at an existing VC fund for at least two years, contributing to investment decisions;
 - Managing an angel network for at least two years, including participation in management / investment committees meetings; or
 - Managing a significant personal or family office startup investment portfolio of at least 10 startup investments over three years.
- Applicants must be seeking funding to either:
 - support the establishment of a Brand New VC Fund in the State of Victoria by registering a company in the State of Victoria through ASIC; or
 - enable a New to Victoria VC Fund currently registered with ASIC outside of the State of Victoria to establish its first official branch/office in the State.
- Lead Partner(s) for the New VC Fund must commit to permanently reside in Victoria.
- Applicants must be seeking to raise a fund of at least \$10 million with a focus on investing in Victorian Startups.
- Applicants seeking up to \$300,000 (exclusive of GST) over 2 years are eligible; and
- Applications must be submitted via the LaunchVic online application system before the closing date and time to be eligible.

The following applicants are ineligible to apply:

- Existing VC funds operating in Victoria that have achieved a final close of the Fund for which this application relates.
- Applicants seeking funding for another proposal unrelated to establishing a New VC Fund.

All applications will be assessed for eligibility by LaunchVic. Applications that do not meet the eligibility criteria will not be assessed.

Do you meet the eligibility criteria? *

- ☐ Yes
- ☐ No
- ☐ I'm not sure

If you are unsure about your eligibility please contact the LaunchVic Grants Team by emailing grants@launchvic.org before completing this application form. If you have selected No and are seeking funding from LaunchVic for another proposal, we recommend you go to the LaunchVic website and sign-up to our newsletter to hear about future funding opportunities.

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APPLICANT INFORMATION

* indicates a required field

Type of Applicant

Please select the type of applicant.

- **Brand New VC Funds** where the manager has not previously raised a VC fund before, but agrees to open an office in Victoria with a Partner that permanently resides in Victoria. Note: If the manager has not got significant experience managing a portfolio of startup investments (e.g. through their personal portfolio or as a leader of an angel network) the application will not be viewed as competitive, and they should apply for the concurrent Angel Network Grant Round to build experience.
- **New to Victoria Funds** are existing funds with a head office interstate or overseas, that have not yet established an office in Victoria, but agrees to open an office in Victoria with a Partner (or equivalent member of the Senior Management Team) that permanently resides in Victoria.

*

- ☐ Brand New VC Fund
- ☐ New to Victoria Fund

Existing Fund Details

Applicant ABN

The ABN provided will be used to look up the following information. Click Lookup above to check that you have entered the ABN correctly.

Information from the Australian Business Register	
ABN	
Entity name	
ABN status	
Entity type	
Goods & Services Tax (GST)	
DGR Endorsed	
ATO Charity Type	More information
ACNC Registration	
Tax Concessions	
Main business location	

Must be an ABN.

Applicant Primary Address

Address

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Website

Must be a URL.

Twitter

LinkedIn

Applicant Details

Lead Applicant Name *

Organisation Name

For Existing Funds, please enter the Organisation Name. For New Funds, please enter the proposed Fund name.

Primary Contact Details

Main contact *

First Name

Last Name

Position (Fund) *

Please included the proposed position at the Fund

Location (State) *

Phone Number *

Email *

Secondary Contact Details

Secondary contact *

First Name

Last Name

Position (Fund) *

Please included the proposed position at the Fund

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Location (State) *

Phone Number *

Email *

PROJECT DETAILS

* indicates a required field

Applicants need to enter information on their proposed Victorian VC Fund. Fields with a red * are mandatory.

Proposed Victorian VC Fund

Project Title *

This can be the name of the Fund

Short description *

Word count:

Must be no more than 100 words.

Provide a short description (100 words recommended) of your VC Fund - what are you out to do?

Start Date *

Must be a date.

Please include a start date when you will start activities under the LaunchVic Grant if successful. Refer to the grant guidelines for expected timing of contract execution.

End Date *

Must be a date.

End date of activities under the LaunchVic funding (funding provided over 2 years).

Total Amount Requested *

\$

Must be a dollar amount.

What is the total financial support you are requesting in this application from LaunchVic? LaunchVic is seeking funding proposals up to \$300k (exclusive of GST).

KEY ASSESSMENT CRITERIA

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Applicants need to address all Key Assessment Criteria questions. Please note the word count, the system won't stop you entering text if you go over the word count.

1. VC Fund Overview

a) Describe the proposed VC Fund, including investment thesis, taking note of any industry (vertical), technology (horizontal) or social (diversity, inclusion, and underrepresented founders) focus. *

Word count:

Must be no more than 250 words.

b) Outline why LaunchVic funding is required. *

Word count:

Must be no more than 100 words.

c) Upload a timeline of fund operations, including establishment of legal structure (if applicable), capital raising period, investment period and post-investment period. *

Attach a file:

2. Experience

a) Who is the Lead Partner(s)?

Full Name	LinkedIn	Upload CV
	Must be a URL.	

b) Please provide a capability statement of the Lead Partner(s) including:

- Capital raising experience that responds to the relevant Eligibility Criteria.
- Experience in investing in early-stage startups, including methodology to assess prospective investments.

If you have held a senior position at an existing VC fund, provide:

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- A list of startups investments you led / managed (including number and amount of capital allocated)
- Total Funds Under Management of the Fund
- Total no. investments into early-stage startups made by the Fund
- Total amount of capital invested into early-stage startups made by the Fund
- Fund performance (including any unrealized returns and where applicable, historic gross and net IRR and times money).

If you manage(d) an angel network, provide:

- A list of investee startups (including no. of investments and amount of capital allocated)
- Financial performance of the portfolio (including any unrealised returns and where applicable, historic gross and net IRR and times money).

If you manage(d) an angel network or a personal or family office startup investment portfolio, provide:

- A list of investee startups (including no. of investments and amount of capital allocated).
- Financial performance of the portfolio (including any unrealised returns and where applicable, historic gross and net IRR and times money).

Upload capability statement (no more than 1 page) *

Attach a file:

c) Who are the proposed members of the Investment Committee?

Full Name	LinkedIn	Upload CV
	Must be a URL.	

Please provide a capability statement of the Investment Committee Members. * *

Attach a file:

e) Upload two letters of support for the Lead Partner, from two existing VC Fund Managers. *

Attach a file:

*

Attach a file:

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3. Budget

a. Budget

Provide a budget of the proposed expenditure of the LaunchVic grant.

The Total Expenditure must add up to the requested amount from LaunchVic.

The expenditure must include a breakdown of **Establishment** and **Operating Costs**.

Establishment Costs include legal and accounting fees related to any fund establishment, company registration, and costs associated with establishing a new office for a New to Victoria VC Fund.

Operating Costs include staff salaries, rent, event costs, insurance, accounting and legal costs, marketing and promotion costs, reasonable travel costs, and other reasonable operating costs.

Expenditure (description)	\$ (exclusive of gst)
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

Budget Totals

Total Expenditure Amount

\$

This number/amount is calculated.

b) Will other cash contributions be made to support the establishment of the New VC Fund? If yes, please detail the amount and how these funds will be used. (Co-contributions will be viewed favourably.)

Total Cash Contributions

\$

Must be a dollar amount.

Word count:

Must be no more than 100 words.

Provide Evidence of Commitment

Attach a file:

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4. Capital Raising

a) What is the size of the VC Fund?

- For a **brand New VC Fund** what is the targeted final close?
- For a **New to Victoria VC Fund** what are the total Funds Under Management (FUM) and what proportion of this is expected to be available to prospective/future investments in Victoria, and what is the remaining investment period for those funds?

*

Word count:

Must be no more than 50 words.

b) Capital Raising Strategy:

- For a **Brand New VC Fund**, please describe your capital raising strategy including: - Capital raising process; - Timeframe of proposed capital raising; - Target investors (e.g. # of investors, investor type, location); - Any existing committed capital that is proposed to be allocated to the New VC Fund (if applicable).
- For a **New to Victoria VC Fund**, do you plan to undertake new capital raises in the next two years? If so, how much do you expect to raise?

*

Word count:

Must be no more than 150 words.

5. Investment Strategy

a) Please describe your investment strategy including how you will support Victorian startups. *

Word count:

Must be no more than 100 words.

6. Operating Model and Structure

a) What is the legal and ownership structure of the New VC Fund? *

Word count:

Must be no more than 100 words.

b) Upload the proposed organisational structure for the New VC Fund. *

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Attach a file:

c) Do you currently have an AFSL license? If yes, please provide a copy of the license.

Attach a file:

If no, please articulate how you propose to meet regulatory requirements as a Fund Manager.

Word count:

Must be no more than 200 words.

d) What is your proposed fee structure (including management fees and carried interest)? *

Word count:

Must be no more than 50 words.

7. Risks

Identify key risks and mitigants for the New VC Fund.

Key Risks

Key Mitigants

8. Diversity and Inclusion

Outline how the applicant (organisation) addresses diversity and inclusion in its organisation and investments. *

Word count:

Must be no more than 200 words.

RETURN OF LAUNCHVIC FUNDING

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* indicates a required field

LaunchVic recognises that VC funds struggle with cash flow in the early years, hence the provision of funding to support early-stage VC Funds. However, we also expect VC Funds to create a significant monetary return over the life of the fund. As a result LaunchVic has required previously supported funds to repay LaunchVic Funding through long term profit sharing. Our standard contractual terms are as follows:

In the event the Recipient achieves a Qualifying Payment Event, the Recipient agrees to repay LaunchVic a sum equivalent to the Repayment Amount, paid in instalments annually of no less than 10% of annual net profit earned by the Fund Manager; or no less than 10% of the Fund Manager's proportion of carried interest from the time such carried interest is received from the Fund. The Recipient may elect to make repayments in advance.

Qualifying Payment Event means the Recipient achieves net profit earned by the Fund Manager in excess of \$200,000 (including from management fees) or receives carried interest from returns on investments, according to the Recipient's agreed terms for performance fees set out in Fund documentation.

Repayment Amount is defined as the value of the Grant plus interest equal to the RBA's cash rate, accumulated on a monthly basis.

Please confirm you are comfortable with these terms or propose an alternate repayment mechanism for LaunchVic's consideration.

I am comfortable with these proposed terms *

☐ Yes

☐ No. If you selected no, please upload an alternate proposal repayment mechanism for LaunchVic's consideration.

Upload proposal

Attach a file:

DECLARATION

* indicates a required field

Declaration

- I declare that I have read and understood the *Funding for New Venture Capital Funds: Round 3 Guidelines* located on the [LaunchVic website](#).
- I declare that the information contained in this application together with any statement provided is, to the best of my knowledge, true, accurate and complete.
- I understand that I may be requested to provide further clarification or documentation to verify the information supplied in this form.
- I understand that submitting this application does not guarantee success. I understand this application will be assessed by LaunchVic and LaunchVic may appoint external experts to be a member of the Assessment Panel and assess applications.
- I understand that the approved applicants for funding will ultimately be determined by LaunchVic's Board (or delegate) and the decision is final.

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- If the application is successful, I agree to enter into a legal contract with LaunchVic Ltd and provide project reporting and evidence of project progress towards KPIs to receive payments under milestones.
- I approve of the information in this application being communicated to LaunchVic Ltd may be provided to the Department of Jobs, Skills, Industry and Regions (DJSIR) within the Victorian State Government in electronic form.
- I declare that I am authorised to complete this form and to sign and submit this declaration on behalf of the applicant.

By including my name in this application it is deemed to be my signature for the purpose of this form.

First Name *

Last Name *

Date *

Must be a date.