

The 49th State Angel Fund

The 49th State Angel Fund (49SAF) was created in 2012 when Mayor Sullivan's Administration successfully applied for a \$13.2 million allocation from the venture capital portion of the federal government's State Small Business Credit Initiative. This program was designed to provide investment capital to create and grow start-up and early-stage businesses.

As a result, the mission of 49SAF is to:

1. Provide a source of capital to high-growth businesses to promote entrepreneurship and foster innovation, creating jobs and economic benefit for Anchorage.
2. Help strengthen the local angel investment network and attract additional venture capital to the city.
3. Assist early stage and disadvantaged businesses.

The fund accomplishes this mission by making two kinds of investments.

DIRECT INVESTMENTS in high-growth companies early in their life cycle. Amounts range from \$30,000 to \$3 million.

INDIRECT INVESTMENTS in third-party managed angel/venture funds, which in turn invest in companies that benefit Anchorage and comply with program guidelines. Amounts range from \$100,000 to \$5 million.

49SAF works to achieve a return on each investment in line with the business model of risk capital. This is not a grant program.



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EVALUATION CRITERIA

The initial 49SAF application review team and Advisory Committee will evaluate direct investment opportunities based on the following criteria:

- Business Strategy
- Team
- Economic Impact to Anchorage
- Market
- Product or Service
- Project Budget
- Finance Plan



Photos courtesy of AEDC:
GA Photography



Photos courtesy of Susan Dickerson



Photos courtesy of AEDC: GA Photography



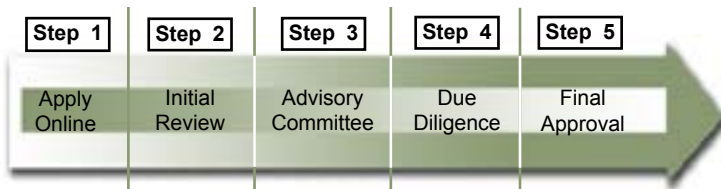
BEST FIT APPLICANTS

- Opportunities which best match 49SAF:
- Can grow their debt & equity financing 10x in 5 years
 - Create significant economic impact in Anchorage
 - Scale quickly and communicate an exit strategy



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For indirect investments, strong candidates help 49SAF satisfy its mission, offer high initial leverage and include experienced fund partners and managers.



PROCESS

After a complete application is received -

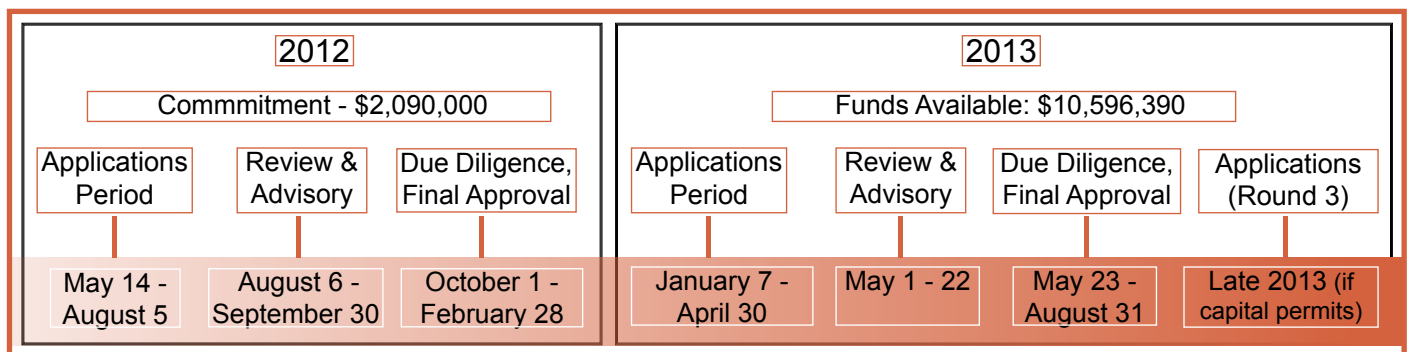
- Initial review occurs by program staff and the Anchorage Economic Development Corporation to determine overall compliance and quality.

- “Passing” plans go before the 49th State Angel Fund advisory committee, which reviews select opportunities and makes a funding recommendation for the round.
- Applicants receiving a recommendation for financing are notified; due diligence begins. It’s vital that in this process, applicant meet program requests & timelines, or risk the loss of 49SAF financing.
- The Mayor and Chief Financial Officer provide final approval and subsequent funding.

INVESTMENT DETAILS AND STRUCTURE

49SAF prefers to deploy capital indirectly, taking an ownership interest in third-party funds. For direct investments, particularly seed stage opportunities, 49SAF often uses a 2-year, 8% loan with options for conversion into ownership. Larger or later stage direct investments may use a different structure.

KEY DATES



The 49th State Angel Fund can provide exciting opportunities for new businesses and will have a positive impact upon Anchorage. For full details on eligibility and application procedures, please visit our website or contact us by email or phone.