

# Unlocking Women's Capital in Early-Stage Private Investing

Your entry-point guide to early-stage angel investing with clarity, intention, and an impact lens.

## The Capital Gap



## Your Impact Thesis



## How Deals Work



## Building Your Portfolio



## Your Starter Tool Kit



## The Capital Gap



"Millions of women are ready to build and lead, yet remain largely **invisible** in investment capital flows." by Raquel Bell

### THE MOMENT WE ARE IN

We are entering one of the largest intergenerational wealth transfers in history—an estimated **\$30 to \$84 trillion** will shift in the United States over the coming decades, with women expected to control a growing share, potentially the majority by 2030.

Yet despite this growing financial power, women remain underrepresented in early-stage investing and in the roles that decide where capital flows. Much of this wealth continues to sit in traditional portfolios—often managed without a clear connection to personal values or intentional impact.

At the same time, more women are building companies than ever before, but they still receive **less than 3%** of total venture capital when founding teams are all women (Pitchbook, 2026).

The result is a structural gap: capital is concentrating in women's hands, while investment power—who decides what gets funded—remains largely unchanged.

Many women approach angel investing as a question of preparedness: Do I know enough? Do I have enough? Am I qualified? These are valid concerns. A more useful question is: who is currently allocating early-stage capital on my behalf—and do they reflect my perspective on risk, innovation, and impact? In most cases, they do not.



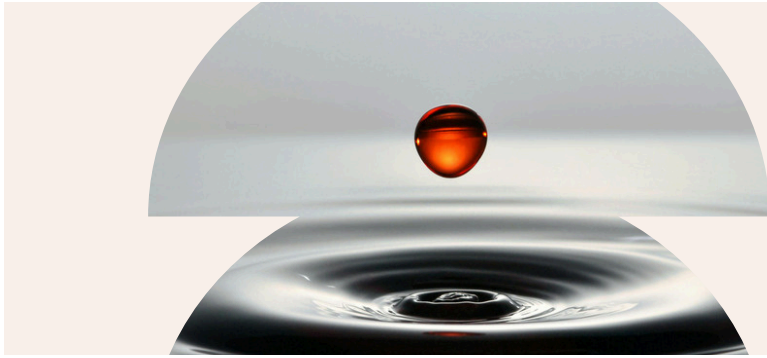
*The opportunity cost is not just financial. When women don't deploy capital, the companies that serve women's lives don't get built at scale. The playbook you don't write is the one someone else writes for you — with different values and different priorities.*

Who never had that innovator friend, that neighbor with the idea that should exist, the local business you quietly rooted for, and wished you could do more than cheer on? Who never wondered where the money goes that funds the things that actually change lives — and why it never seems to flow toward the problems you actually care about?

What if your capital could actively support the kinds of businesses and futures you care about — simply and intentionally? It can. Angel investing is not reserved for insiders, institutions, or the ultra-wealthy. It is a learnable decision process — and this playbook is your starting point.



# Your Impact Thesis



If a man knows not to which port he sails, no wind is favorable.

LETTERS FROM A STOIC, SENECA

I see an **Impact Investment Thesis** as a way to clarify what truly matters to you as an investor. It's a personal statement that aligns together your long-term financial goals and the impact you want your capital to have.

It recognizes that financial performance and real-world impact can work together. This is where you define the criteria that will guide your decisions with intention and clarity.

The most rigorous standard-setter in this space is **IRIS+**, a catalog of impact metrics maintained by the Global Impact Investing Network (GIIN). The UN's **Sustainable Development Goals (SDGs)** provide a common language for aligning investments to global priorities – from SDG 3 (Good Health) to SDG 10 (Reduced Inequalities). You don't need to memorize either system. **What you need is a clear framework for evaluating impact before you write a check.**

## COMMON MISCONCEPTIONS



it sacrifices returns for impact



It's philanthropy



ESG screening and impact investing are the same thing



Any company with a mission statement qualifies

## WHAT ACTUALLY MEANS



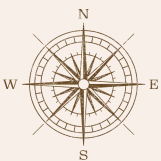
Intentionally investing to generate returns and measurable social or environmental impact



It requires verifiable outcomes, not stated intentions



The power to influence systemic change is real



### One important note:

Impact investing isn't just about avoiding certain companies or industries—**it's about putting your money to work in solutions.** Many people think “doing good” means not investing in harmful sectors, but that alone doesn't create change. Real impact comes from actively investing in businesses and ideas that improve the world—whether in climate, clean water, healthcare, regenerative agriculture, or women-led ventures. In simple terms, **it's the difference between stepping away from a problem and helping fund the solution.**

# Applying Your Impact Lens

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*From your **local community** to **global impact**, I encourage you to think critically about where capital flows, who benefits, and what kind of future it helps build.*



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## 1. Problem

Before evaluating any solution, you must understand the problem deeply and independently — not through the founder's lens alone. What structural, economic, or systemic forces have kept it unsolved? A real problem has evidence.

*Ask: Who suffers most from this problem, and are they currently being served? What is the cost of inaction? Do they impact your community?*

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## 2. Solution

A well-defined problem deserves a well-designed solution. Evaluate whether the solution is genuinely matched to the problem.

*Ask: Is the solution directly addressing the root cause? Does the solution get more accessible as the company scales? Could this solution cause unintended harm?*

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## 3. Desired Outcome

Impact investing requires clarity about what success looks like — not just financially, but in the lives of the people the company is built to serve. Define this before you invest, not after.

*Ask: How does the company define and measure impact? What happens to the impact if the company is acquired?*

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## 4. Evaluate Results

Due diligence does not end when you write the check. Post-investment evaluation is how you protect your capital, hold founders accountable, and learn what to look for in the next deal.

*Ask: Is the company's impact trajectory moving in the right direction? Are the agreed impact metrics being tracked and reported?*

# How Deals Work



Welcome to the language of early-stage investing — where a "safe" isn't really about safety, a "note" isn't something you write, a "cap" won't go on your head, and a "round" has nothing to do with buying drinks (though you may want one after your first term sheet).

## THE LANGUAGE AND STRUCTURE OF EARLY-STAGE DEALS

This is where I see many of us—especially as we step into early-stage investing—pause and question things. I've been there too: Is this deal too risky? What am I actually getting in return? And how liquid is this investment? Should I sign this SAFE?

After going through both sides of due diligence—impact and financial—and having multiple conversations with founders, users, and advisors, there comes a moment where you either pass or commit. This is where decisions get real. And before you do, I want to walk you through the most common terms you should know so you can move forward with clarity.

Valuation Cap

Discount Rate

Check Size

Pro-rata Rights



01

### Valuation Cap

A **valuation cap** is the highest company value your investment will use when turning into shares.

**Why it matters:** It rewards early investors, you get shares as if the company were worth less, so you receive more ownership.

**Limitation:** If the next round is below the cap, it doesn't apply—you convert at that lower price.



02

### Discount Rate

A **discount rate** is a percentage reduction on the share price you pay when your investment converts into equity.

**Why it matters:** It rewards early investors—you buy shares at a lower price than new investors.

**Example:** You have a 20% discount; new investors pay \$1 per share → you pay \$0.80 → you get more shares.



03

### Check Size

**Check size** is the amount of money you invest in a single deal.

**Strategic angle:** Smaller checks = more diversification; larger checks = higher conviction but higher concentration risk.



04

### Pro-Rata Rights

The right for existing investors to invest in future funding rounds.

**Why it matters:** It gives early investors the opportunity to continue participating as the company grows instead of being diluted over time.

*You do not need to master every term overnight — just understand enough to ask better questions and invest with more clarity and confidence.*

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## CONVERTIBLE SECURITIES: THE THREE MAIN INSTRUMENTS

Convertible securities are investment instruments that allow money invested today to convert into equity ownership in a company at a later date—typically when the startup raises a future financing round. These instruments can be structured as either debt or equity-like agreements. Instead of receiving shares immediately, you, the investor receives the right to convert their investment into equity under pre-defined terms, often at a discount or valuation cap.

### 1. SAFE - Simple Agreement for Future Equity



**(+)** A SAFE is an agreement where you invest now and receive equity later—typically converting into preferred stock in a future round, often at more favorable pricing (through a price limit or discount). It's perceived as a simpler and faster deal term.

**(!)** **No Dividends:** returns come only if the SAFE converts into equity.

**(-)** **Risk of Non-Conversion:** If the startup doesn't raise a future round, the SAFE may never convert, leaving you with no return.

*Best for: Pre-seed and seed stage. Fast to close.*

**(+)** **Investor-Aligned:** A convertible note is a loan that converts into equity in a future round—often at more favorable pricing (via a price limit or discount), with added downside protection as debt.

**(!)** **Terms to Watch:** Includes interest and a maturity date—if the company doesn't raise a new round in time, terms may be renegotiated or repaid under uncertain conditions.

**(-)** **Complexity & Risk:** More complex than SAFEs, and if no conversion happens, repayment is not guaranteed—especially in early-stage companies.

### 2. Convertible Notes



### 3. Priced Equity



**(+)** **Clarity & Ownership:** You invest and receive shares immediately at a set valuation, with defined ownership and full shareholder rights.

**(!)** **Terms to Watch:** Pricing, dilution, and investor rights (e.g., liquidation preference, voting) materially affect outcomes—terms matter as much as valuation.

**(-)** **Access & Flexibility:** Typically reserved for later stages; less flexible and more time-consuming to execute, with higher legal costs.

# Building Your Portfolio

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I am a gardener — and that is the best way I know to explain what a portfolio actually is. It's not a single seed you plant and hope for. Some things bloom early, some take seasons, and some never germinate. But a garden tended with knowledge and intention, that is something else entirely. *A garden of one seed in one season is not a garden — it is a gamble.* The same is true of a portfolio.

A thoughtful portfolio is built with diversity in mind — across sectors, stages, geographies, timelines, and even types of founders and solutions. In early-stage investing, uncertainty is part of the landscape, which is why concentration can quickly become fragility.



## Across Sectors

Spread investments across sectors aligned to your thesis. A single sector concentration means one regulatory shift or market downturn could affect your entire portfolio. Sector diversity is not diluting your thesis, it is protecting it.

*Avoid concentrating all investments in one industry or trend.*



## Across Stages

Many new angel investors unintentionally allocate too heavily into the earliest stages because entry checks are smaller and access feels exciting. But portfolio construction benefits from balancing different maturity levels.

*Blending stages creates a more balanced risk-return profile.*



## Across Check Sizes

Remember the garden — you want different types of growth. Some investments will grow steadily; others are simply experiments worth planting. A common mistake among new investors is **emotional sizing**: investing too heavily in founders they personally relate to, or overcommitting to exciting narratives too early. Ultimately, you are looking for both financial returns and impact. Stay committed to your due diligence, even when the story feels compelling.

*Not Every Check Should Be the Same Size*



## Across Founders and Team Background

Intentionally funding founders from different communities, geographies, and lived experiences is not charity — it is access to markets and insights that homogeneous portfolios systematically miss.

But diversity of background is only half of the evaluation. Understand who is in the room — not just who is on the pitch deck. A balanced team with complementary skills is not a nice-to-have; it is a signal of resilience and execution capacity.

*Culture and team balance often matter as much as the product itself.*



### **Across Time Horizon and Liquidity**

Deploy capital across 2–3 years, not all at once. Market conditions change.

Unlike public markets, startup investing is **illiquid**. Capital can remain locked up for 7–10 years or more, and exits are never guaranteed.

This changes how you should think about portfolio design. The question is not only: *What do I want to invest in?* But also: *What portion of my capital can realistically remain patient?*



### **Across Geographies**

Diversifying across geographies brings exposure to different markets, consumer behaviors, and innovation ecosystems. Some of the most overlooked opportunities come from founders building solutions within the communities and regions they understand deeply. A geographically concentrated portfolio can miss important perspectives, trends, and growth opportunities.

*One honest limitation worth stating: investing outside your geography requires more deliberate relationship-building.*



### **Minimum Portfolio Size**

Early-stage investing is not linear. A small number of companies often drive most of the returns, while many startups may fail or return little capital at all. That is why portfolio construction matters so much. If you only invest in a handful of companies, you may never give yourself enough exposure to the few breakout businesses that can meaningfully outperform. Many experienced angel investors therefore build portfolios gradually over time — often aiming for 15–30 investments — to create enough room for both experimentation and long-term upside.



# Your Foundation Toolkit

## Phase 1 - Start as an Observer

### ○ ACTION 01

Talk to people, join an angel group or investment club

Start as a listener before you become a decision-maker. Pipeline Angels, Golden Seeds, local angel groups, or a syndicate on AngelList are all valid entry points. You are not investing yet — you are building context.

### ○ ACTION 02

Write down your impact thesis - sectors, problems, values

Write what you care about: the problems, the populations, the sectors. This is a live document — not set in stone. It will change as you learn. But it's a good starting point for evaluating your first deal.

### ○ ACTION 03

Share your thesis with your financial or investment advisor

Angel investing is illiquid capital. Your advisor needs to know it exists in your portfolio. They can also help you think through how much capital to allocate without disrupting your overall financial plan.

### ○ ACTION 04

Confirm your accredited investor status

Most early-stage private deals in the U.S. are limited to accredited investors — generally individuals with over \$1M in net worth (excluding a primary residence) or annual income above \$200K. However, some startup investing opportunities are also available to non-accredited investors through other regulated exemptions.

## Phase 2 - Building Confidence

### ○ ACTION 05

Attend pitch events or demo days

Not to invest. To practice evaluating founders out loud. Learn to evaluate founders, markets, and storytelling patterns without the pressure to invest.

### ○ ACTION 06

Learn the language

It might not be the most exciting part, but becoming familiar with basic deal terms matters. Learn concepts like SAFE, valuation cap, dilution, ownership, runway, and exits — not to become a lawyer, but to participate in conversations with more clarity and confidence.

### ○ ACTION 07

Follow one or two startups for 6 months

Track how a company evolves over time — product launches, fundraising, hiring, and traction. Learn how startups actually grow. Spend time building judgment.

### ○ ACTION 08

If you can: Contribute before writing a check

Before investing, explore how you might support a startup beyond financial capital. This can include introductions, community building, technical expertise, strategic thinking, or simply becoming an early advocate. Early-stage investing is often relationship-driven long before capital is deployed.

## Phase 3 - Before the first check

### ○ ACTION 09

Start your first deal with support

Your first investment feels a lot less intimidating when you have someone more experienced you trust to go through the process with you. Not to decide for you — but to help you think through the questions and the mechanics of closing your first deal.

### ○ ACTION 10

Run full due diligence on your first candidate

Financial and impact diligence in parallel. Use your five-phase impact framework. Negotiate for pro-rata rights and information rights before signing. Do not skip this because the founder is compelling. Conviction is not due diligence.

### ○ ACTION 11

Document your thinking

One page. Why this company. Why this founder. What impact outcome do you hope to see in five years? What could failure look like? Writing forces clarity. Reading it again three years later shows how much your judgment has evolved.

### ○ ACTION 12

You have planned, learned, and sown your first seeds

This is not the time to sit and wait. A good gardener stays present — observing, adjusting, and tending to what is growing. Keep your eyes on what is emerging. Watch which founders stand out, how they speak about the problems they are solving, and what early traction looks like in the sectors you care about.