



Colorado Fund I Fact Sheet

Investment Mission and Philosophy

Mission:

- To invest in the most promising and innovative early stage Colorado companies, help build them into strong, profitable businesses, and to capture that value creation through strategic financial decisions.

Investment Philosophy and Macroeconomic Analysis:

- The next several years will be one of the most significant periods of productivity gains in history. Advances in information technology, telecommunications and biotechnology will substantially drive these changes. These are all areas in which Colorado can excel.
- A new paradigm is developing in the biotechnology and pharmaceutical industry, whereby innovation is largely being supplied by younger, more focused biotechnology companies, commercialization and distribution is largely being supplied by mature, large pharmaceutical firms, and drug development is being shared by both.
- Information Technology and the Internet will continue to expand and will generate significant cash after large-scale investment. Those firms with simple, scalable business models and a high value proposition will benefit the most.
- The retail landscape is evolving, driven by technological advances and shifting demographics.
- The following components are critical for development of a successful business model:
 - High value consumer proposition
 - Defensible positioning
 - High margins
 - Large market opportunity
 - Simplicity of business model
- Management quality is as important as business model and market, and becomes more important as the company grows.

Investment Criteria

Minimum and Maximum Investment Size:

Minimum (individual) investment size:	\$250,000
Maximum (total) investment size:	\$3,375,000, or 15% of total capital under management
Target individual investment size:	\$500,000 to \$2,000,000

Investment Process

The Colorado Fund I investment process includes the following steps:

- Initial Qualification Screening
 - Investment Qualification (Location and Stage Requirements) – Venture Capital Authority
 - Investment Criteria – High Country Venture
- Initial Due Diligence
 - Business Plan Evaluation
 - Company Presentation
 - Management evaluation
 - Investment Committee Preliminary Approval
- Investigative Due Diligence
 - Development Milestones
 - Financial Projections and Capital Needs
 - Financing Strategy
- Investment Decision
 - Valuation and Term Sheet
 - Transaction structure
 - Investment Committee Decision
 - Negotiations
- Transaction Closing
- Business execution and monitoring

To submit a business plan or Executive Summary, please visit our website at www.Coloradofund1.com or email it to Coloradofund1@tangogroup.com.

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