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Are you intending to build up your very own company, but reluctant to do so thanks to lack of funding? Don't know where to get money for your business? If that is the case then, this piece is for you. With the beginning of recession and with the stringent policies that most finance establishments have, it is hard for you to get the required capital to startup your suggested company. Not all business companies can live without venture capital (VC) or starting capital. The stockholders actually would like to see they are intending to make a heavy profit off your company in a brief period of time. You need to be capable of making the financier pumped up about your business, or they're going to think it's not profitable for them to make an investment in. Do not think you are restricted to this kind of loan but because there are a lot of other enterprise funding methods out there that you may not know about. If you believe this isn't for you, think about looking into a personal financier, or getting funding from banks.

Preferred - Preferred shares give preferred investors certain privileges and rights over common investors. Such rights include liquidation preference, preemptive rights, right of first refusal, tag-along rights, drag-along rights, registration rights, for example. the pre-money valuation of the company is US\$4,000,000. Price per share : Each share is priced at $\$4,000,000 / 5,000,000 = \0.8 (worked out on a fully-diluted basis). Post-money valuation : Now, Financier An invests US\$2,000,000 into Venture Tech Limited . the post-money valuation of the company will be US\$ (4,000,000 + 2,000,000).

= US\$6,000,000. Number of new shares provided to Financier An in the Series A round : Since each share is costed at \$0.8, Financier A gets ($\$2,000,000 / \$0.8 = 2,500,000$ Series A shares.