



TEEC Angel Fund Closes \$30 Million, Launches Incentive Compensation Program to Defy Early-Stage Venture Investment Model

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PALO ALTO, CA--(Marketwired - Nov 4, 2015) - The venture capital landscape is shifting and so are its rules of engagement. Technology innovation and penetration are happening so fast, no longer can a traditional VC model and insular approach -- by the elite few -- feasibly keep pace. Outside Silicon Valley, blossoming startup cultures, such as those in China, are emerging at scale as overseas investment regulation becomes more lax and government-funding incubators ramp up efforts to spur innovation.

Venture capital fund, [TEEC Angel Fund \(TAF\)](#), is at the forefront of these wide-sweeping changes, and seeks to close the innovation gap between Silicon Valley and China. As part of its mission, TAF announced today the successful closure of its third fund at \$30 million, and the launch of a new incentive compensation program, called the Shared Return Program, which is poised to disrupt early-stage investment.

\$30 Million Fund Exceeds Target, Includes Wide Spectrum of Startups

Raised in just six months, TAF's third fund stands at more than three times its preceding fund, which closed at \$10 million in 2012. Comprised of more than 6% capital contribution from TAF fund partners, other investors include Tsinghua Holdings, Acorn Pacific Ventures, as well as several entrepreneurs in the U.S. and China.

"Through our efforts to attract top investment team talent, we've not only grown our fund substantially, but have made major advancements into exciting, new technology



sectors," said Eugene Zhang, TAF general partner and founding member. "We are thrilled to have surpassed our projected target by more than \$5 million, while also adding new strategic investors to our Limited Partner ecosystem, which will no doubt help to further accelerate our portfolio companies' growth and expansion plans."

The fund includes startups from a wide spectrum of industries, including biotech, healthcare, consumer, enterprise, financial services and hardware. Notable companies include KPI Therapeutics, Aromyx, Vango, HigherMe and more. To date, TAF portfolio startups have raised more than \$450 million, and the fund is on track to include seven Centaurs -- valued at \$100 million or more -- in 2015.

"Most bandwagon investors pass up opportunities because the space is not yet labeled 'hot,' but TAF's partners have deep technical backgrounds, allowing them to better understand a startup's technology faster," said Louay Eldada, CEO and co-founder of Quanergy Systems. "TAF partners invested in Quanergy early, and they remain dedicated to helping all of their portfolio companies in any way they can, without getting in the way."

Rendering Closed Carry Interest Models Obsolete

TAF also announces the launch of a new incentive compensation model, called the "Shared Return Program" (SRP), which seeks to remove the barriers to traditional carried models and better align fund compensation with today's investment process. No longer will carry be strictly limited to the fund's partners. Similar to a startup using stock options to attract new talent, TAF's program will allow deal contributors to share a portion of TAF's deal profits.

It is always important to onboard new talent and emerging visionaries to keep pace with technology's rapid penetration across borders and industry sectors. Over the last five years, TAF has spent considerable effort building a comprehensive network of advisers, investors, technologists and academic researchers to help aid the investment decision-making process. TAF's SRP aims to reward and recognize the expertise and counsel provided during the investment process.

"Closed carry interest structures will be obsolete over time, it is time for early-stage funds to better align their own business models with the fast-changing startup ecosystem. As a young fund, we embrace the startup culture and believe in a healthy dose of disruption, even in our own industry. We launched the SRP out of recognition for the need to attract a wider pool of industry experts and partners to help grow our



network, and fuel the investment process to ensure our portfolio's long-term success," added Zhang.

Created five years ago by a group of Tsinghua University alumni, TAF aims to advance entrepreneurship through investments across borders between the U.S. and China, and by funding innovative startups across several diverse sectors. TAF has co-invested with prominent VC firms such as Andreessen Horowitz, Softbank, Formation8, General Catalyst, Google Ventures, Khosla Ventures, Greylock Partners, GGV Capital, First Round Capital, IDG [Accel Partners], Northern Light and many more.

For more information about TAF, the company and its investments, please visit www.teec-angel.com.

About TEEC Angel Fund

Tsinghua Entrepreneurs and Executive Club Angel Fund (TAF) aims to advance entrepreneurship through investments that cross borders between the U.S. and China by funding innovative startups that change the world. Based in the heart of Silicon Valley, TAF was created five years ago by a group of alumni from Tsinghua University. It has grown to an ecosystem of more than 300 senior executives, elite accelerators, top-notch universities and seed funds that are empowering today's pioneering tech leaders to help make their dreams a reality. To learn more about TAF, please visit www.teec-angel.com.

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