

## Andreea Danila of Global Millennial Capital

**Speaker1:** [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode. Interested in learning more about investing in startups, launching a new startup need to raise funding, the startup Funding Espresso is a daily podcast in a short, concise format delivered to your inbox every day Monday through Friday, the time it takes to drink an espresso. We can learn about startup funding to subscribe, go to invest, connect again through email to the paperbarks.

**Speaker2:** [00:00:43] Hello, this is Hall Martin with Investor Connect. Today, we're here with Andrea Dunia, founding partner at Global Capital. Global Millennial Capital is the first venture capital investor from the Middle East to introduce artificial intelligence in the investment process, invest in global, scalable, tech enabled and highly transformational consumer centric early stage to opportunities in Silicon Valley. Andrea, thank you for joining us.

**Speaker3:** [00:01:07] Thanks so much, Martin. It's a great pleasure to be here with you. Thank you for the invitation.

**Speaker2:** [00:01:14] Well, thank you for joining us. And let's kick off with your background. What did you do before investing in early stage companies?

**Speaker3:** [00:01:21] Thank you, Martin, and I think as a general partner of of an emerging fund, it was really critical for me before starting to get my hands dirty on investing. I spent more than a decade actually in private equity and venture capital, and I was fortunate enough to stop my career in London. With Portale Group, a fund that we were basically investing in early stage technologies, mainly R&D, who had a clear view on commercialisation, and this is actually my first love to invest in startups began. And then I joined a billion dollar fund from the Middle East and I became an emerging market specialist. And that gave me a very interesting perspective and a very broad view into all this only and growth, spinout carveout, Buyside says. So seeing the entire investment cycle give me a very, very good understanding on how to invest in early stage. And in 2000, the late 90s, beginning 2020. I set up my first fund, which is the Global

Capital Fund. We already completed six investments and we are very, very confident. By the end of the year, we should be on track to deliver 15 highly diversified, highly growth ventures predominantly in the US and Silicon Valley. And we are completing a couple of them in Texas as well.

**Speaker2:** [00:02:49] Great. So what excites you right now?

**Speaker3:** [00:02:52] I think it's a it's a super question, Martin, and I believe that the covid pandemic, from our perspective, has been a great stimulator towards creating a new dynamic in the market that previously was not available and basically transitioned the traditional, even the traditional consumers into the very online space and completely accelerated the adoption of technologies. As a result, we have seen that companies in the tech space, across technology solutions, across innovations have reported double digit growth and we have seen valuations attractive in the middle of the pandemic when we just launched our fund. And then, of course, we have seen a significant valuation deal to our fund has already actually advised 90 percent growth in less than a year as a result of very attractive entry point from our perspective when it comes to verticals and investing. We believe that innovation is an asset. Class is really important. We are very passionate about artificial intelligence, think tank mobility, as well as other transformational sectors, but mainly because we believe FinTech has had a great run as a result of the last probably three to five years. We have seen a large number of unicorns being created within the fintech space. We have seen large amounts of capital going into the space and we believe that artificial intelligence block chain crypto are some of the hot trends that are coming to market within the space.

**Speaker2:** [00:04:34] Great. Well, you see a lot of startups and work with a lot of investors. What's your advice for people investing in startups in your sector? What do you tell them to do before they write that check?

**Speaker3:** [00:04:45] It sounds great and I think for for us, as far as the fun we bring, bring more the institutional approach, and I would say as an emerging fund manager, the same institutional approach. The great thing about the fund, like, you know, today we represent the large amount of time the individual who ideally they would have the passion for investing into to start up. They would understand that the investment cycle, however, they would probably like the

diversification, lack the supporting administration reporting our advice for retail and even professional investors is to look at investing in startups as as really a portfolio investing. And while startups provide an excellent opportunity for return, we believe diversification is really, really important because some of these startups have a certain level of risk. As a result, we feel that the evolution in the same space has provided investors with with options. So even retail investors today, especially based in the US but also in other emerging markets, can look at the wide variety of ways to hedge risk and invest in startups that are Wrobel devices, that are fintech apps that are investment managers like as the angel groups with whom they can group and and still look at a very, very attractive investment term. However, they have to remember the diversification and portfolio exposure remains a risk for generating those risk adjusted returns. And they have to factor an illiquid asset class of five to seven year lock up. So, of course, with all that in mind, the startup environment is really attractive. US is a fantastic investment geography. It still generates one of the largest unicorn per capita ratio. And I think there are so many exciting things to look in this environment right now.

**Speaker2:** [00:06:45] And then on the other side of that table. What's your advice for people running startups? What do you tell them to do before they go out to raise that first round of funding?

**Speaker3:** [00:06:52] I think it's a nice, nice way of looking at both sides of the table. As an entrepreneur myself and as a founder myself, I feel that it's really critical how entrepreneurs will look at the strategic positioning. I think entrepreneurs have to be definitely very passionate about the business idea and the ambition to really be successful. It's it's it's an important criteria. However, I would also advise to them that they should analyze, plan and basically execute on a very strategic business idea. Positioning as a competitive advantage over medium to long term growth could be a really critical factor towards achieving those unicorn returns. As a result, I believe that innovation, the quality of innovation remains key. I would encourage entrepreneurs to try to develop highly qualitative and highly innovative ideas could give them advantage over long term. The second advice I would have for entrepreneurs, I would say across sectors would be the human human capital element. And I think while it's challenging in the early stages of startup to attract the best in class talent, you prove yourself as an entrepreneur. I think it's really critical to surround yourself by very, very talented and basically passionate people about your idea and both management and board level, because those actors as your

multiplier of growth. And of course, there are a lot of other considerations to two factors as you build and grow your business business structuring, business risk, legal structure, structuring all sorts of different business challenges and opportunities will come in front of a very skilled and a very passionate entrepreneur.

**Speaker2:** [00:08:49] Great. Well, let's talk about the state of investing in startups. How do you see the industry evolving from here?

**Speaker3:** [00:08:56] Sounds great, and I think that that was definitely a topic that was on our mind, on our investor mind, and I think especially when we look at venture capital in the verticals where we operate, we we believe that the industry is transforming and we see financial services in general going through a very transformative point in time. And we believe the market structure as a result of the evolution of different technologies is really back to the way people invest, but also the way we as fund managers create financial products. And that was definitely at the heart of the creation of the global millennial capital investment thesis. We wanted to bring to the market the product that retail and professional investors did not have access to. And, of course, look at transforming the way the traditional and old school of investing was done. And that was really at the heart of what we do today with the introduction of our data analytics and machine learning model is basically we take a data driven global perspective investing. And that is very important for us to understand where with startups currently are clustered, what is a global benchmarking criteria looking like, and how we can translate those investment questions on investment criteria into program. Because as we all know, deep learning is definitely transforming and turbocharging various industries. And we believe that venture capital is also also one of the industries that will be transformed. We are extremely excited to be at the forefront of the industry in terms of transformation and transformative investment solutions and approaches.

**Speaker2:** [00:10:51] Great, let's talk about your investment thesis. What exactly is it and what is your criteria for looking at startups?

**Speaker3:** [00:10:58] Sounds great and I thank you so much for all this valuable questions and very insightful conversation as probably any other venture capitalists, we believe in the technology intersection for the online and offline business models, and we believe in the

acceleration of the adoption of technologies globally, but also in emerging markets. We feel the US taking global investor perspective or an investor that sits in MiddleEast. We believe in us as an investment. Geographie remains at the forefront of innovation in terms of unit cost per capita, but also short on investment cycles as compared to anywhere else in the world. So the US time to unicorn around five years on average as compared to the MENA region where we we spend almost 10 years waiting for a unicorn to emerge, but also again betting on key verticals that are transformed, including artificial intelligence, fintech mobility and consumer services. So from our perspective, we look at investment, geography, the fundamentals of the investment geography to enable a fund like us that aims to be highly diversified, to generate the best in class risk adjusted returns. We then look at key trends in key verticals. We look at transformation. We look at sectors that will become attractive in the next five, six years.

**Speaker3:** [00:12:30] And we break down that data to understand how the evolution of that trend emerges. For example, today we see a massive trend coming into Krypto, a massive trend coming to block change. We believe decentralised finance is really going to be the new rule of the book in financial services. And, of course, all the other insights that come from our data that the crunching and data criteria and lastly, I believe is for us, we we would call ourselves a consumer tech focus. So you could see also a sector agnostic. And, you know, we were quite generalist in the sector, but we again, take the criteria approach to posterization approach and for us is really critical to understand if the startups that we based on have the features of of of a unicorn within that stage, within that investment cycle, within that cluster. So looking like unicorn features is really what we look for. And we believe that we can detect those features early on because we know out of ten thousand feet the companies, a company like and Vale, for example, that we invested in is definitely the portal sort of cluster for us.

**Speaker2:** [00:13:49] So what exactly is your criteria when you look at Estrada? What do they have to pass in order to get through to an investment?

**Speaker3:** [00:13:57] Sounds great, and I think it definitely I would say we break down our investment approach in terms of an intersection of a thematic player in a fund manager, mainly due to the fact that across our three traditional investment stages, I would say the investment origination and preliminary assessment is then purely utilizing data in code. And then the investment decision is basically done based on due diligence. And finally, I would say or senior

advise from my sales based on being on the team and some of our board members. But to go to the specifics of how we look at selecting startups, we definitely look at around 12 to 18 questions when evaluating and running the three hundred sixty degree assessment on a startup. What we call we look at the quality of the innovation of the business model and the vertical world with that startup would be positioning itself as well as we look at assessing the criteria or the success factor based on a formulation that is driven on the basis of entrepreneur background entrepreneurs. Education previous exceeds quality of innovation, statistical indicators such as, of course, evaluation, funding, number of investors, among others. So I would say it's really sort of a, you know, a deep learning what we would call a multiple criteria set.

**Speaker3:** [00:15:36] And a lot of the startups, we pick them up through our Kuai. So, you know, keywords is really key and I believe keywords. It's something that we are definitely improving our algorithm, but it's something that we can really take out of a large dataset. So again, we are not taking a regional approach. Submit your business plan approach. Actually, we don't need we don't need to receive business plans because we will look for you. We have the data on you. We we we have access to the data. And of course, if you a startup that wants to raise capital, you tend to be, of course, publishing your your your data. But we hope that by September we should be launching our app as well. That will enable global entrepreneurs to submit the data if they want and get what we call a unique company success score that can help them. And looking at certain areas of their business and being able to improve in order for them to have a greater access to funding, a greater valuation, as well as understand how competitive and benchmarked global benchmarking landscape will look at and positioning themselves.

**Speaker2:** [00:16:46] Ok, great. So you work with a lot of startups and investors in these jobs, you work with, what is the main challenge you find they face?

**Speaker3:** [00:16:55] I believe that there could be, of course, depending on the business model, there could be various challenges and intrapreneurs could face, I think, for female entrepreneurs and minority entrepreneurs is definitely access to funding. So I think as far as financial services think venture capital evolves, I think more nonbiased capital will be allocated towards more minorities, which will increase the rate of success within those those groups. But I think in the second perspective that I would take to to challenges and we'll talk more about

opportunities as well, that entrepreneurs have coming from different backgrounds as well will be probably different structural and legal frameworks thought would be, of course, competition. I think entrepreneurs with bold ideas have to consider the competition. They have to move ahead. They have to be bold and they have to be focused 24/7 in achieving their goals. And I think in the technology space that that's something that any entrepreneur has to have on that idea. It's how to take full advantage of the first mover advantage of first mover position and how to scale up their business.

**Speaker2:** [00:18:11] Right, then, on the investor side, what do you see as the main challenge investor faces today with startups?

**Speaker3:** [00:18:17] Of course, some of our learnings in post investment and having done, you know, investments across the the spectrum of stages, I would say, and one of the reasons also why we saw some of the challenges in post investing was to create the fund that was not think traditionally is the lead investor, because statistically, when we assess funds that don't make more than 20 investments and, you know, into into each fund, they tend not to generate the two times cash on cash, which is just because each general partner cannot have more than five to six board seats. And going back specifically to your question, I believe for us in investing, we believe we we feel that entrepreneurs, you know, are probably the main challenges to keep the entrepreneur committed in delivering on his business plan, especially in the first three to five years of investing. And I think that commitment to the business plan is really what is driving potential returns, because we are at the end of the investing in people at the early stage where we invest in seed and seeds. And I think the commitment of the entrepreneurs to to implement the business plan, even though there is a in there is, of course, an evolution in the business plan, I think that's really critical to see entrepreneurs that are fully committed to deliver a company from a PowerPoint presentation until a potential unicorn or IPO.

**Speaker2:** [00:19:52] Right. Well, you mentioned several applications and sectors in the interview today. You had to pick one or two that you think are the best opportunities for investors to pursue. What would you call out as number one and number two?

**Speaker3:** [00:20:05] And from our perspective, we we absolutely believe that block chain crypto bitcoin are the number one trend to watch, and I think something that currently we are

evaluating to in our portfolio to to increase our exposure. We started in a more conservative or from the, you know, the more traditional way. But today we are very bullish on on crypto block chain and Bitcoin. And I think probably a second trend would be mobility. I think electric vehicles is, again, a trend that we are observing very close to, especially in us to the center of innovation. And third, I believe fintech will continue to grow across different spaces. So that's, again, somewhere we will continue exposing our portfolio to.

**Speaker2:** [00:20:57] Great, when the last is that we have here, what else should we cover that we have in?

**Speaker3:** [00:21:02] Maybe I could then ask a couple of views from your side in terms of how how do you see Mr. Appetite and how do you see new fund managers gaining market share in any and suggestions you would have for me?

**Speaker2:** [00:21:17] You know, I think the market is very frothy right now. There's going to be many startups coming up. Funds are turning up at a great rate. I think this is the best time to be investing in the market stock market of all time. High interest rates are zero. And so there's a tremendous new startup cycle starting because of covid. And a whole new world has a whole new set of care about. So I think you're in a good spot here to pick up on the next phase of startup funding. And there's just a tremendous number of talking about breaking up big tech that's going to create many, many white spaces on the board for filling in where that that leaves the company. So I think it's a tremendous time to be a fund manager. The biggest challenge I face as an investor is just the explosion of the number of companies that are out there and business models that are coming up as well. I think you're in a great spot there with the fund that you have and the track record that you have so far.

**Speaker3:** [00:22:17] Sounds great, Martin, and it was really, really nice speaking to you today. I always, always listen to your shows and I follow you. I think you're doing a great work. We are all inspired by your work. And of course, if if your audience wants to reach we we we are very active on LinkedIn and global millennial capital. And, you know, we we are we look forward to hearing in case they have any questions or they want to reach out.



**Speaker2:** [00:22:47] Great. We'll put that in the show notes. We want to thank you for joining us today and hope to have you back for a follow up soon.

**Speaker3:** [00:22:53] Thanks so much, Martin. See you soon.

**Speaker1:** [00:22:56] Investor Cadec helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect. Doug Alti Martin is the director of Investor Connect, which is a five C3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.