

# Transcript of Sarah Jennings

**Hall T. Martin:** [00:00:00] Well, hello, this is Hall Marching with Investor Connect. Today I'm here with Sarah Jennings, co-founder of Beyond Capital Funds and the director of the Beyond Angel Network.

Beyond Capital Funds invested alongside established VCs, targeting late seed to series A investment opportunities in disruptive innovations such as artificial intelligence and next generation internet beyond capital funds invest. In faith driven founders with rapidly scaling investment opportunities with near term exit options, five years or less from initial investment.

Sarah, thank you for joining us.

**Sarah Jennings:** Yeah, thank you for having me, Holly. Excited to be back.

**Hall T. Martin:** Well, great, great. So where are you calling from today?

**Sarah Jennings:** I'm calling from Dallas, Texas. So just up the road a little bit from Austin. That's

**Hall T. Martin:** great. That's great. Well, for those who haven't heard the previous podcast, can you tell us a little bit more about your background?

**Sarah Jennings:** Yes. Happy to do so. So like you said, I'm the co-founder of Beyond Capital Funds and also the director of our Angel Network Beyond Angels. And so I've had the pleasure of being involved with the organization [00:01:00] for the last, about three and a half, four years, and different roles both on the fund side as well as on the Angel Network side.

So really now today, day-to-day, I really manage our deal flow scouting process and also our investor relations. So it's a little bit about me and my background.

**Hall T. Martin:** Well, great. So tell us more about starting a faith-based group in the venture capital space. What's that like?

**Sarah Jennings:** Yeah, you know, it's a really fun environment to be a part of, and to get to launch into as well too.

So obviously it's a pretty established space over the last, probably decade especially, but it's been fun to see it grow and be a part of that really from the

angel network side first, but now also from the fun side. So it's just like any of the. Kind of sub-sectors or verticals and venture. It's fast paced, it's exciting.

And it also has an impact side as well too, which I found really interesting and also very rewarding, um, as well too. So it's been a lot of fun, lots of cool [00:02:00] people that we've gotten to meet and work with, both on the investor side and on the entrepreneur side as well too, and excited to kind of see this continue to grow and be a part of it.

**Hall T. Martin:** Well, great. Well, tell us more about the opportunity for investing in startups. What kind of returns are we seeing and, what's happening today? Yeah.

**Sarah Jennings:** So I think for us specifically with who we invest in and the types of companies we look to invest in are of course tech companies. So that's what we invest in, but we really like to see companies that have some kind of disruptive component to what they're doing.

So maybe they're creating a new market or maybe they're just disrupting a current market. And so for us, we feel like that's a really exciting spot to be investing in. And where there's a lot of. Potential, um, especially on the return side as well too. And so for us, we want to get to be a part of the next kind of wave of technological, of innovation and get to invest in today's startups, which then become, you know, tomorrow's.

Leaders in the marketplace. So I think there's been a lot of, [00:03:00] new things that have been coming out. So for us, with the kind of trends, we really are interested and focused on, artificial intelligence, so anything that's AI enabled and also some kind of web three oh things as well too. So we've made some AR and VR investments that are doing well and that we've been really excited about, so that's been a fun space to be a part of as well.

**Hall T. Martin:** Great. And so what do you find is the main challenge in investing today?

**Sarah Jennings:** So I think for, from the fund standpoint, it's, since we're in disruptive innovation, I think the challenge is keeping up with the constant new trends and new technology that's always going on. There's always something to learn.

You never know it for very long before you've gotta relearn it or, or learn the latest. And so I think that's probably the biggest challenge, just making sure.

You're staying up to date and on top of all of the new that's going on. And I would assume also from the founder's perspective, that has to be a challenge for them as well too, is making sure that they're staying on top of everything that's new and ongoing.

[00:04:00] And I think for any CEO who's trying to launch a company, um, that they think is disruptive is okay doing their research and are they actually disruptive or is somebody else already doing this? I think that would be a challenge I would think from the CEO side, but for us it's certainly just making sure that we stay in the market and the kind of line and . In tune with the current trends in the industry as well too.

**Hall T. Martin:** Great. And so what is the potential reward investing in these startups? What have you seen so far?

**Sarah Jennings:** You know, I think one of the rewards is just, like I said, getting to be involved in the next kind of wave of things, getting in on the ground floor. So thing about the people who got on the ground floor of things like Airbnb and Uber.

How exciting was that probably. And so for us, we wanna get to do that for the next set of Ubers and Airbnbs. So I think that's really rewarding in itself. And then also, of course, The benefit is, okay, as you invest in these new technologies, you would assume and expect to have a good, um, market rate of [00:05:00] return as well too.

So a good roi, but also the benefit of just getting to be a part of new technologies that are gonna transform the way that we live our lives and, and do even just daily activities as well,

**Hall T. Martin:** too. Great. Well, tell us more about the Beyond Capital Fund. Tell us more about the investment thesis and the structure there.

**Sarah Jennings:** Yeah, so for us, our investment thesis, I know you covered it a little bit, but at a high level, we invest in disruptive, companies that are being led by faith-driven founders. Technology. We typically invest at a seed or series, a initial entry point, but we will invest in follow on rounds across, you know, as they.

Progress as well as we've made some initial investments in later stage series B and series C investments as well too. So we're, we're open to that, but typically enter seed Series A and look to follow on in our winners, of course. And then of

course, structure-wise, we've done a couple of things that are, I think a little bit, they're starting to be more common, but a little bit unique.

And so for us, we've [00:06:00] moved to, from a. Typical kind of venture capital, maybe three year fund cycle in terms of launching a fund. Two, an annual fund structure. And we really did that for a couple of reasons. And one was just being, that's what our investors really wanted. They wanted to be able to allocate capital annually for that specific year, rather than trying to plan it out over a, you know, a three or multi-year capital call structure.

That was one reason. Second reason is what's really exciting is we've been growing, over the last, you know, couple of years. And so as we had the first fund that we closed over, uh, had a capital call structure, we then realized we had investors coming in. Who wanted to have an opportunity to get into a fund, but they couldn't because the fund was already closed.

So rather than wait for three or five years to launch a new one, we've moved to just doing an annual fund structure. So every year launching a fund for those investors that want to participate. And that particular year, we also have kind of the structural component of. An [00:07:00] Associated Angel network, so of course, separate entities, but we also have a, a National Angel Network of investors across the United States.

And so that's been a real benefit of having the Fun side and the Angel Network where they can both participate directly through the Angel Network and be a part of a community. As well as get diversification and have some, some passive allocation through a fund as well too. And so that's been great. We have some pitch events that investors can attend throughout the year if they so desire.

We have an annual meeting in Florida, which is really fun for our investors. Everyone wants to go to the beach at the beginning of the year, so we always really enjoyed that, fostering that community as well too. which is really exciting. Investment thesis is similar for both the network and the, uh, funds as well too.

That's a little bit about us. The last thing I'll mention is that through our funds and our Angel network, we've really created our own ecosystem of deal flow and syndication partners where that way we feel like the best [00:08:00] way to. We can help these entrepreneurs be successful is by working with others to fill out their rounds, to provide the right expertise, et cetera, along the full, timeline and stage in life of the startup.

, and hopefully that be a benefit for us all. And so we have relationships with people who go earlier than us. And then we can invest after them. And then we have relationships with people that invest at the same stage that we can syndicate on rounds with. And we also have relationships with, investors, so funds or, or larger groups who will invest much later stage than we will typically, so who can help, you know, close out rounds further on down the road as well too.

So I think that's been a really unique component and, and a big benefit for entrepreneurs as they come to us. Right now we have two funds investing. As well as our angel network personally, but then we can also introduce them to others in our Angel network, and fun kind of syndication network that we have.

And that's been really cool to see. We add about, I think, you know, a couple of one to two or sometimes [00:09:00] three, uh, syndication partners kind of a quarter. And so that's been really growing and exciting to build that out and provide more resources for our entrepreneurs that way as well too.

**Hall T. Martin:** Well, when you started the fund, what is one thing about that fund that you didn't expect to happen that did?

**Sarah Jennings:** That's a, that's a good one. I don't know. I think part of it is just the, how much it resonated with our investors really quickly. It's really the whole reason why we launched the first one and why we launched the second one and have intention to eventually launch a third one down the road. And was because our investors were interested and they, and they wanted to have that opportunity.

And so we did that. And then what we found was we had others who. Quickly joined along and, and joined the funds because they liked the one, the investment thesis, but they also liked the structure of being able to, like I said, allocate more passively rather than doing really active angel investing. We have a lot of our investors who are, you know, still very busy in their careers and so they don't have a whole lot of time to do, you know, [00:10:00] 40 plus hours of due diligence on each opportunity that comes their way versus a fund where they can.

Allocate some capital to, to venture and know that it's getting deployed. and I think the other thing that really resonated with our investors, which is maybe I thought we would, but it was exciting to see come too. Really fruition was how much they really supported the team. We have a great investment committees for each fund.

That's been really exciting to see those relationships kind of grow, , and really everyone is, is a great community to . Be a part of. I think that was the biggest shock. I think a lot of times that. venture can feel a little bit more, I don't know, siloed, like these are, this is my group and our investors, et cetera.

But it's been fun to also see that be a relationship with other funds we can partner together with. And also the partnership between our own personal investors and the funds. So the investment committees management, and also the CEOs as well too. Our investors are really, truly want to help the company [00:11:00] succeed.

And so what has been really exciting is to see how they've been able to use their own connections, their own careers, to be able to connect our CEOs, our portfolio companies with maybe a new potential client or other investment group, et cetera, who can help them be successful.

**Sarah Jennings:** So whether it's advisory work or they're trying to hire for a key position, our investors really kind of band together to see what they can do to help the companies be successful.

And I think that was a little bit of surprise as. With a passive fund, you would've assume maybe the investors would not be as on board to really dig in and help. But they've been totally on board, very supportive, and that's probably been one of the biggest surprises, but a wonderful surprise.

**Hall T. Martin:** Well, that's great.

So what advice do you give us to someone investing in a startup? What do you tell 'em to do before they write that check?

**Sarah Jennings:** Whoa, that's a good one. I think one is, you know, do your work and understand the space. I can think it might not be the best idea if you don't have any understanding of what you're about to invest in.

So take the opportunity to learn [00:12:00] something new. If you're not familiar with the industry that you're looking to invest in, I think also find others to do it with. So whether that's. Really informally with, you know, friends who may be investing as well too, that you guys can look at deals together with, or whether it's a formal part of an angel network or joining a fund.

I think doing it in a community makes it more fun, but also provides collective expertise that you can learn from and that you can kind of, leverage as you evaluate deals and build your own personal portfolio as well too.

**Hall T. Martin:** Great. And what advice do you give to those who are, uh, raising funding? What do you tell them to do before they launch that campaign?

**Sarah Jennings:** Ooh, that's another good one. So I think one is, do a little bit of, recon on investors. I think I would say, you know, understand what are investors looking for, and if you have specific groups that you wanna pitch to or you think you wanna have on your cap table, really take your time to understand who they are as a, as a firm or as an investor.

and understand if you'd be a [00:13:00] good fit for them as well too. I think that's important. I think it will save you a lot of time potentially to know who would be a good fit for, for you as an investor and who wouldn't, and also saves them a lot of time and they appreciate that as well too. I think, you know, find your story as well too.

Nothing resonates more than I think a good story and that you want it to be true and accurate, but how can you, , How can you share your story in a way that will draw your investors in and help your campaign be successful that way?

**Hall T. Martin:** Well, great. Well, the last few minutes that we have here, what else should we cover that we haven't.

**Sarah Jennings:** Well, I think, you know, we've covered a lot and Hall, I just appreciate everything that you do for the startup community and whether that's on the investor side or the c e O side. Love what you and 10 Capital are doing and it's been exciting to get to invest in some of the companies that we've found through 10 Capital.

So we're thankful for that as well too. And we'd love to say, hey, love to connect with anyone listening today and, and learn more whether that's, A company or an investor, I'd love to get to [00:14:00] connect and, , see if it's a good fit for us to invest or a, a good opportunity for us to have you come alongside us as an investor too.

**Hall T. Martin:** Great. So how best for listeners to get back in touch with you.

**Sarah Jennings:** You can find out a lot about us on our websites or feel free to reach out to me through LinkedIn. LinkedIn's probably the easiest way to connect with me and then we can kind of start a conversation and go from there.

**Hall T. Martin:** Great. We'll put your contact details in the show notes.

Wanna thank you for joining us today and hope to have you back for a follow up soon.

**Sarah Jennings:** Thank you, hall.