

* **BFS** Fall 2025 ~ November 24, 2025

Investment Lifecycle

Guest Speaker: Smit Haria





Overview

Pre-Seed and Seed
Rounds

Venture Capital
Round

Growth Equity

IPO

Stock Selection
Framework

Resources +
Recruitment

Introduction



Linkedin: <https://www.linkedin.com/in/smit-haria/>

Email: smitharia@g.ucla.edu





Pre-Seed Stage

Ideas are untested, risk is highest, and upside is the greatest

What is Pre-Seed?

- Just an idea, a conviction, or a rough prototype
- No revenue, no product-market fit, **high uncertainty**
- Capital used to build the first version and **test the core hypothesis**

What Investors Evaluate?

- **Size** and **urgency** of the problem
- Plausibility of the initial solution
- Founder **conviction**, resilience, and speed
- **Asymmetric upside** if the idea works



YC invested USD
\$20,000 at
Pre-Seed

Seed Stage

Where early traction begins to validate original idea

What is Seed?

- Scrappy but functional first version
- Early users or small initial customer group
- Evidence of engagement and repeat usage
- High uncertainty but emerging traction signals

What Investors Evaluate?

- Early evidence that the product solves a real problem
- Passionate feedback from a small but vocal user base
- Behavioral signals of retention and stickiness
- Confidence in founders ability to iterate quickly





Venture Capital Stage

From early traction to real scale

What is Series A?	What Series B Investors look for?
<ul style="list-style-type: none">• Product has clear traction and early product-market fit• Customer base is defined and growing• Acquisition loop becomes repeatable• Capital used to <i>scale what already works</i>	<ul style="list-style-type: none">• Can this product become the category leader?• Market large enough for hundreds of millions in revenue• Ability to scale globally• Improving unit economics
What each Series' money funds?	
Series A	Series B
<ul style="list-style-type: none">• Building real teams beyond founders• Sales, marketing, and customer support• Product expansion• Preparing for larger customers	<ul style="list-style-type: none">• Building real teams beyond founders• Sales, marketing, and customer support• Product expansion• Preparing for larger customers



SEQUOIA

GENERAL CATALYST

Series A & B investors aren't betting on survival anymore - they're betting on **scale**, **execution**, and **category leadership**

Growth Equity Stage

Where early traction begins to validate original idea

What is Growth Equity?

- Represents **Series C, D, and later rounds**, but conceptually reflects a **single inflection point**
- Company has transitioned from high-potential to **operationally mature**
- Focus shifts from “does this work?” to “**how quickly and efficiently can it scale?**”

The Canva logo is displayed in a stylized, cursive font. The word "Canva" is written in a gradient of colors, starting with a light blue 'C', transitioning through green and yellow, and ending with a purple 'a'.

What Investors Evaluate?

- Large, expanding total addressable market
- Clear and economically sound growth
- Organizational maturity and operational discipline
- Credible path to category leadership





IPO Stage

Transitioning from private growth to public markets



Companies Perspective

Why companies go public?

- Access to large-scale capital for expansion and acquisitions
- Increased visibility, trust, and brand credibility
- Ability to attract top talent with liquid equity
- Liquidity for early investors and employees
- Transition into a more transparent, accountable operating model

Banker Responsibilities

What investment bankers do?

- Conduct deep due diligence on business model, financials, risks
- Build valuation range & offering structure
- Position company relative to public comps
- Lead the roadshow: pitch to institutional investors
- Manage pricing, allocation, and first-day trading
- Ensure a smooth transition to public market expectations

IPO Example: Rivian (2021)

Company Perspective

- Needed capital to scale EV production and factory capacity
- Required credible long-term forecasts and operational readiness
- Needed to show differentiation vs. Tesla, Ford, and legacy OEMs

Banker Perspective

- Underwriting led by Morgan Stanley, Goldman Sachs, JP Morgan
- Positioned Rivian as a differentiated EV entrant
- Modeled long-term demand and addressed uncertainty
- Timed the offering to favorable market conditions
- Built institutional demand during the roadshow

Stock Selection Framework

Structured Filtration Process for High-Quality Stock Selection



Stocks

~ 775

~ 250

~ 120

~ 50

~ 30

Universe of Ideas

General Market Observations
&
Stock Screeners

Few Screening Criteria (3-5 Years)

- Market Cap > \$2 Billion
- Sales & Profit Growth > 15%
- ROE > 15%
- ROCE > 15%

1 Circle of Competence Filter

- Is the business simple? Do I understand its products/services?
- Familiarity ≠ Competence
- Size of Circle doesn't matter, Knowing Boundary does!
- Read, Learn, Grow!

2 Wide Moat Filter

Better than competitors? Sustainable or Fleeting Moat? Do the numbers prove this? How has the management historically allocated the capital? Owner-Oriented Management? Has the performance been consistent over time? Long Runway of Sustainable Growth?

3 Price Filter

- Is the Valuation Reasonable or Expensive?
- Is there Margin of Safety?
- What could go wrong?

Stocks that don't pass the filter **goes to our watchlist**

Stocks that pass the filter **goes to our portfolio**



Stocks worth owning for the **long term** or till they are good on all 3 criteria



Resources

**UC INVESTMENTS
ACADEMY**



yahoo!
finance

 joinyellowbrick.com

Yellowbrick Investing

The best stock pitches from analyst reports,
professional fund letters, blogs, and more

 **Wall Street Prep**

Recruiting: Asset Management



Less structured, more selective, and driven by independent thinking

How Recruiting Works?

- No centralized timeline or universal process
- Firms hire when individual teams have needs
- Preparation must be continuous, not seasonal

What actually differentiates you?

Thinking > Networking

- Networking helps, but does not move the needle like IB
- What matters: the quality of your ideas, not call volume
- One strong investment memo beats ten shallow conversations

How to demonstrate ability?

- Bring well-reasoned, independently developed pitches
- Show understanding of business models & risk frameworks
- Communicate clear, coherent rationales behind your ideas

What students should actively do?

- Participate in stock pitch competitions — skill-building + visibility
- Prepare one long pitch and one short pitch for interviews
- Align pitches with each firm's investment philosophy
- Consider CFA — accelerates analytical development and career growth



Get in touch

EMAIL

smitharia@g.ucla.edu

Linkedin

Smit Haria