



Key Result Areas

A successful institutional capital raise follows a highly engineered, repeatable sequence. It shifts from broad marketing to strict legal execution.

Flip through the granular, end-to-end breakdown of the six phases required to take your fund seeking company from initial investor discovery to a funded corporate bank account.

APKA goes the whole nine yards and deliver the structured six distinct phases.



1. Preparation & Sourcing Foundation:

This initial phase focuses on building your foundation and finding potential leads. Before approaching the market, we must build an institutional-grade foundation to ensure your company can withstand immediate scrutiny.

1. Collateral Architecture: Asset Creation

1. **Build a teaser:** A 1-page anonymized document highlighting macro metrics, the core problem, and high-level financials to gauge initial interest.
2. **Project Summary:** 5-page summary with borrower particulars and Project macro specifications
3. **Pitch Deck:** 25–30 slide presentation covering problem, solution, market size (TAM/SAM/SOM), product/tech moat, traction, business model, and the specific "Ask", SPV structure, financial metrics and Gantt PERT.
4. **Detailed Financial Model:** Dynamic, bottom-up 15-year forecast mapping revenue drivers, headcount, customer acquisition cost (CAC), lifetime value (LTV), burn rate, and capital deployment milestones.

2. Investor Intelligence and funnel building

1. **IIP Definition:** Identify the Ideal Investor Profile based on sector and stage.
2. **Funnel Mapping:** Generate a targeted list of potential matching investors. Categorize them into Tier 1 (dream leads), Tier 2 (strong fits), and Tier 3 (practice leads)
3. **Node Building:** Identify mutual connections via LinkedIn, current board members, or portfolio founders to facilitate warm introductions.

3. Data Room Orchestration Setup: Organize historical financials, legal docs, and IP records.

1. **Structural Setup:** Build a secure, tracked Virtual Data Room (VDR) via platforms like DocSend or ShareVault.
2. **Categorization:** Organize folders into corporate governance, historical financials, tax records, intellectual property, customer contracts, and employee equity pools (ESOP), if any.

2. Outreach Funnel Activation and First Meetings:



This phase converts cold profiles into active conversations. It aims to create competitive tension and secure initial qualification calls with investment team members.

1. Multichannel Out bound Campaign

1. **The Warm Introductions:** Leverage common internal engaged network nodes, founders, or advisors.
2. **The Warm Escalation:** Deploy highly personalized email sequences to investment partners. Draft bespoke, forwardable email templates for your network nodes to send to targeted Venture Capital (VC) or Private Equity (PE) partners.
3. **Cold Campaigns:** Deploy highly personalized email sequences to internal non engaged investment partners.
4. **The Cold Sequence:** Deploy personalized, data-led cold outreach sequences directly to Principals or Partners, leading with undeniable traction metrics rather than qualitative narratives.

2. The Qualification Cycle

1. **First Call:** Pitch the core value proposition and market opportunity.
2. **Follow-Up:** Provide requested high-level data points within 24 hours.
3. **The Gatekeeper Call:** Conduct the initial 30-minute introductory call, usually managed by an Associate or Principal. Focus on validating high-level thesis alignment.
4. **The Partner Meeting:** Secure an invitation to present to a sponsoring Partner. Dive deep into unit economics, product roadmaps, and competitive moats.
5. **The Follow-Up Protocol:** Return requested clarifying data points within 24 hours of any call to maintain momentum and signal execution capability.



3. Institutional Due Diligence:

This is the evaluation phase where investors verify borrower's metrics. Once an investor expresses formal interest, they will stress-test every claim made in your marketing collateral.

1. **Data Room Access: Share full access to your organized data depository.**
2. **Commercial and Technical due diligence: Investors validate unit economics, pipeline, and tech stack.**
 1. **Customer & Cohort Audits:** Investors run cohort analyses to verify net revenue retention (NRR), churn dynamics, and customer concentration risks.
 2. **Technical Parameters Review:** External tech experts evaluate technology partnerships, architecture scalability, security vulnerabilities, and dependency on third-party products and operating licenses.
3. **Financial and Forensic Audit: Professional accountants review your tax and bank statements.**
 1. **Quality of Earnings (QofE):** Third-party accounting firms match reported revenue against actual bank statements, invoices, and historical tax filings.
 2. **Working Capital Analysis:** Audit of current debt liabilities, cap table health, clean shareholder structures, and accounts receivable tracking.
4. **Management and Legal Screening:**
 1. **Reference Audits:** Backchannel reference checks on the following:
 1. Technology Partnership
 2. Off-take Entity
 3. Feed-stock supplier
 4. Operations and Maintenance Entity
 5. Energy Availability
 6. Human Capital availability
 2. **IP Verification:** Comprehensive legal searches to ensure clean ownership of all core technology, patents, trademarks, and employee invention assignments.
 3. **Reference Checks:** Background checks on founders and key client interviews.

4. Term Sheet Issuance and Structural Negotiation:



This phase defines the financial and structural terms of the investment. It transitions the relationship from evaluation to a formal, legally binding or non-binding commercial partnership framework.

1. **Term Sheet Evaluation: Receive an initial document mapping out company valuation.**

1. **Valuation vs. Dilution:** Evaluate the Pre-Money vs. Post-Money valuation alongside option pool expansion requirements to calculate true founder dilution.
2. **Economic Protections:** Analyze liquidation preferences (aim for 1x non-participating), dividend rights, and anti-dilution provisions (weighted average vs. full ratchet).

2. **Governance Framework Construction: Finalize board seats, voting rights, and veto powers.**

1. **Board Architecture:** Negotiate the composition of the Board of Directors (e.g., 2 Founder seats, 1 Investor seat, 2 Independent seats).
2. **Veto & Protective Provisions:** Define operational thresholds requiring explicit investor approval (e.g., taking on debt, changing core business lines, executive hiring).

3. **Exclusivity Clause(Optional): Lock in a 30-to-45 day "no-shop" period where the company cannot negotiate with alternative funding sources while definitive docs are being drafted.**

4. **Execution: Sign the binding or non-binding term sheet framework.**

5. Definitive Documentation & Closure & Funds Disbursement:



This phase locks in the capital and legal framework. It converts the high-level term sheet into enforceable corporate contracts and executes the cash wire.

1. Long-Form Drafting: Lawyers draft the Share Subscription Agreement (SSA).

1. **Share Subscription Agreement (SSA):** The primary contract governing the exact price per share, total capital injected, representations, and warranties.
2. **Shareholders Agreement (SHA):** Establishes investor rights, right of first refusal (ROFR), co-sale rights, drag-along/tag-along clauses, and information delivery mandates. This finalizes the legal operational rules among owners.

2. Corporate Actions & Closing Conditions: Meet corporate actions like filing updated articles.

1. **Board & Shareholder Consents:** Formally pass corporate resolutions approving the investment, amending the Articles of Association, and authorizing new share issuances.
2. **Closing Deliverables:** Ensure all pre-conditions outlined in the term sheet (e.g., settling legacy debts, executing new executive employment agreements) are fully resolved.

3. Funds Execution: Disburse funds into the company corporate account.

1. **The Wire Transfer:** Deliver validated bank routing coordinates and swift codes. Investors execute the wire transfer, and the funds are cleared into the corporate operating account.
2. **Post-Closing Maintenance:** Issue formal share certificates to the new investors and update the official company capitalization table.



6. Fund Management - I:

A **Post-Disbursement Fund Management Schedule** is a structured financial roadmap that governs how newly raised capital is allocated, tracked, and monitored immediately after closing a funding round or loan. This schedule ensures corporate transparency, compliance with investor covenants, and steady cash runway optimization. The implementation framework is divided into two contexts: **Equity Capital** (Venture Capital/Private Equity) and **Debt Capital** (Corporate/SME Loans).

1. **Deployment Audit:** Quarterly Trade Risk Exposure Audit to be conducted by S&P Global Ratings
2. **Regulatory Compliance:** Monthly direct and indirect Tax Audit will be conducted by KPMG
3. **Milestone mapping:** Result based lending parameter mandated scope mapping, monitoring and measurement management to be conducted by S&P Global Ratings
4. **Post-moratorium activity:** Revenue recovery, dividend and debt recognition management to be conducted by S&P Global Ratings
5. **Redeployment cycle:** Redeployment of internal accruals for the exponential expansion of the enterprise to be audited by S&P Global Ratings
6. **Repayment compliance:** Repayment of Rate of Interest, dividend and principal scheduled to be monitored and measured and audited by S&P Global Ratings.



6. Fund Management - II:

Equity Capital Post-Disbursement Schedule (VC / PE):

7. Equity Capital Post-Disbursement Schedule (VC / PE): For equity raises, this timeline transitions the company from fundraising into highly regulated operational execution, typically structured over the first 90 days:

1. Day 1 – Day 7: Settlement & Board Formalities

1. **Wire Verification:** Confirm the exact capital matching the signed Share Subscription Agreement (SSA) clears into the primary corporate operating account.
2. **Cap Table Update:** Update the company capitalization table via equity tracking platforms (e.g., Carta) to reflect the new investor share classes and diluted ownership percentages.
3. **Regulatory Filings:** Execute required regional regulatory actions (such as filing updated corporate charters, articles of association, or compliance documents with state or corporate registries).

2. Day 15 – Day 30: Financial & Budget Reconciliation

1. **Budget Activation:** Shift the financial framework from the "Fundraising Runway" to the active "Growth Budget" built within your bottom-up financial model.
2. **Treasury Management:** Move surplus capital out of the zero-interest checking account into low-risk, liquid instruments (such as treasury bills or institutional money market funds) to earn yields while maintaining runway access.
3. **Information Rights Framework:** Establish an automation template for monthly delivery metrics required by investor covenants (e.g., Net Revenue Retention, Cash Burn, and Runway).

3. Day 45 – Day 90: Governance & Post-Closing Audits

1. **First Post-Round Board Meeting:** Formally convene the newly structured Board of Directors to ratify the immediate 12-month operational execution and headcount hiring plan.
2. **Option Pool Allocation:** Carve out and authorize the updated Employee Stock Option Pool (ESOP) to begin executing core executive hires.



6. Fund Management - III:

Senior Debt Capital Post-Disbursement Schedule (Corporate Loans):

8. Debt Capital Post-Disbursement Schedule (Corporate Loans): For structural corporate loans or project financing, the schedule acts as a compliance calendar to prevent technical defaults and non-performing asset (NPA) triggers:

1. Milestone Mapping

Operational Timeline	Mandated Milestone Action	Objective & Compliance Target
Day 30	First EMI / Interest Payout	Ensure the Automated Clearing House (ACH) or National Automated Clearing House (NACH) debit mandate clears successfully from the operating account.
Day 30 – Day 60	End-Use Verification Audit	Submit formal vendor invoices, bank transaction records, and physical proof of machinery/asset procurement to verify funds match the stated loan intent.
Quarterly	Financial Covenant Tracking	Review and submit updated financial ratios (e.g., Debt Service Coverage Ratio (DSCR), Current Ratio) as outlined in the loan agreement.
Bi-Annually	Stock & Asset Inspections	Provide updated book debt statements, inventory aging reports, or facilitate physical asset verifications for secured facilities.

2. Key Variables Affecting the Schedule

- Tranche-Based Milestones:** In large-scale project financing or seed funding, the fund schedule dictates that capital is not dropped all at once, but unlocked in discrete stages based on product development or completion parameters.
- Exclusivity Covenants:** Certain post-disbursement schedules feature restrictive cash clauses, such as preventing the company from taking on secondary debt or executing unapproved M&A transactions without majority investor sign-off.

6. Fund Management - IV:

Credit Risk Exposure Audit Parameters



9. Credit Risk Exposure Audit Parameters: A **Credit Risk Exposure Audit** is an independent, systematic evaluation of a financial institution's credit portfolio, risk-modeling frameworks, and risk-mitigation techniques. The primary objective is to verify that risk exposures are accurately quantified, within regulatory boundaries, and backed by adequate capital reserves. An institutional credit risk exposure audit evaluates **five core parameters**.

- 1. Accuracy of Exposure Quantification:** Auditors test the statistical validity and underlying data integrity of the mathematical models used to calculate risk.
 - 1. Exposure at Default (EAD):** Validating the total dollar exposure when a counterparty defaults. This requires auditing outstanding balances alongside non-funded commitments like revolving lines of credit and letters of credit.
 - 2. Probability of Default (PD):** Reviewing historical default data, vintage analysis, and macroeconomic factor scoring to ensure loan risk ratings are statistically accurate.
 - 3. Loss Given Default (LGD):** Auditing the economic loss percentage if a default happens. This checks the realistic liquidation values of collateral after deducting legal and recovery costs.
 - 4. Credit Conversion Factors (CCF):** Testing the predictive accuracy of percentages used to convert off-balance sheet obligations into on-balance sheet credit exposures.

- 2. Credit Underwriting & Governance Review:** This parameter evaluates whether the credit team adheres to corporate policy and institutional risk limits during credit origination.
 - 1. Policy Compliance:** Sampling loan files to verify that approvals match established Credit Risk Policy guidelines (e.g., maximum Debt Service Coverage Ratio, minimum credit scores).
 - 2. Exception Tracking:** Audit of the frequency, business justification, and senior executive sign-offs for loans approved outside standard risk parameters.
 - 3. Concentration Limits:** Assessing compliance with internal and regulatory credit caps across specific industries, geographic areas, asset classes, and single counterparty groups.

6. Fund Management - V:

Credit Risk Exposure Audit Parameters



3. **Collateral & Risk Mitigation Valuation:** Auditors verify that the assets backing the credit exposure physically exist, are legally enforceable, and are valued accurately.
 1. **Appraisal Accuracy:** Auditing the independence, methodology, and freshness of third-party valuations for real estate, equipment, and inventory collateral.
 2. **Legal Perfection:** Reviewing public registries (e.g., UCC-1 filings, charge registries) to confirm the institution holds a first-priority legal lien on the collateral.
 3. **Haircut Calibration:** Assessing whether the discounts applied to collateral values match the asset's volatility and liquidation speed during market stress.

4. **Asset Quality Classification & Provisioning:** This parameter ensures the financial institution properly identifies deteriorating loans and holds enough regulatory capital to cover losses.
 1. **Loan Grading Realism:** Verifying that loans showing early signs of distress are downgraded to Special Mention, Substandard, or Doubtful categories on time.
 2. **Expected Credit Loss (ECL):** Evaluating compliance with accounting frameworks like IFRS 9 or CECL (Current Expected Credit Losses). This involves auditing forward-looking macroeconomic models and probability-weighted loss outcomes.
 3. **Write-off Integrity:** Reviewing the authorization trail and accounting execution for non-performing assets moved off the balance sheet.

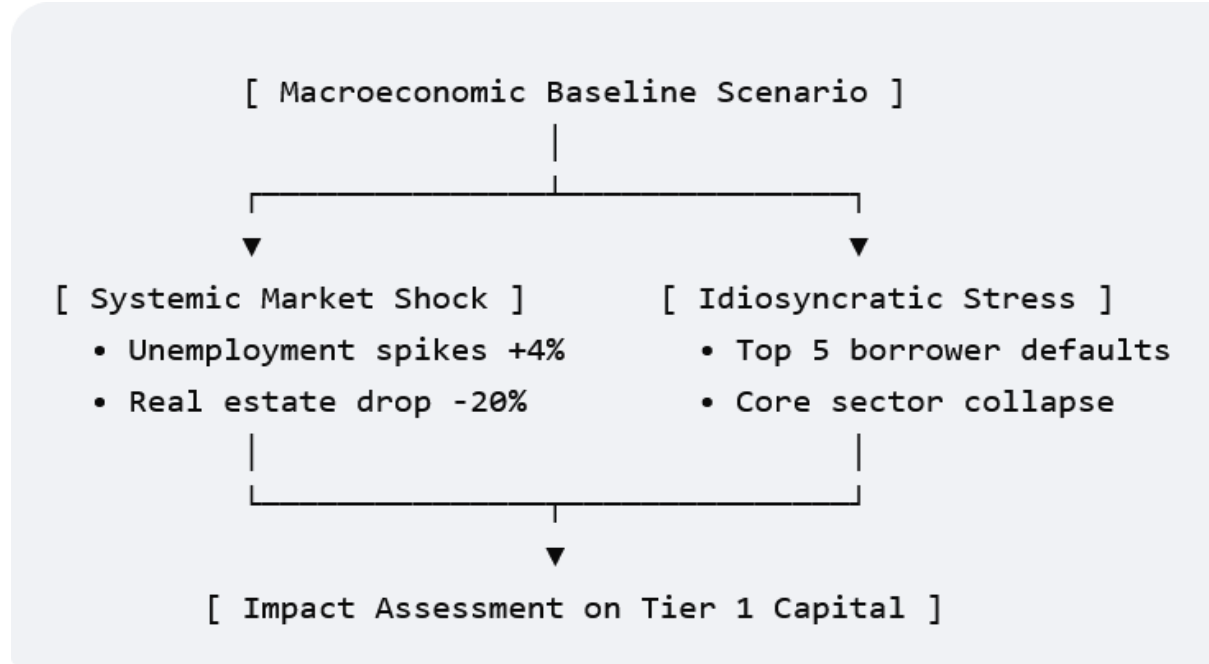


6. Fund Management - VI:

Credit Risk Exposure Audit Parameters

5. **Stress Testing & Scenario Analysis:** Auditors stress-test the portfolio's resilience against extreme economic shifts to identify hidden vulnerabilities.

1. **Scenario Design:** Checking if stress models include a realistic mix of systemic shocks (e.g., interest rate spikes, GDP drops) and idiosyncratic shocks (e.g., a top-five borrower defaulting).
2. **Capital Adequacy Integration:** Verifying that stress-testing results directly influence capital planning and risk appetite adjustments at the executive board level.



Credit Risk Exposure Audit Parameters Checklist

Audit Parameter Focus	Core Verification Document	Primary Technical Test
Model Validation	Quantitative Risk Model Documentation	Statistical back testing of predicted vs. actual historical defaults
Credit Monitoring	Early Warning System (EWS) Alert Logs	Sampling aged alerts to test the turnaround time for credit team remediation
Legal Compliance	Loan Facility Agreements & Legal Opinions	Cross-checking loan agreements against regulatory single-borrower limits
Counterparty Risk	Credit Support Annex (CSA) & ISDA Agreements	Verifying daily margin calls and mark-to-market collateral valuation cycles