THE Angel Insights SERIES

Alternative Approaches to Angel Investing

ISSUE 5

WFW WOMEN FUNDING WOMEN

In partnership with
Richard Rooney

THE Angel Insights SERIES

A LETTER FROM WFW'S CO-FOUNDERS

At *Women Funding Women Inc. (WFW),* we are driven by the belief that informed action is the key to building a more equitable and dynamic investment landscape. It's with this conviction, and the generous support of *Richard Rooney*, that we proudly present **The Angel Insights Series**.

This insightful resource guide is designed to illuminate the world of angel investing for everyone involved. As co-founders of *WFW*, we bring our diverse experiences as entrepreneurs, investors, and corporate directors to address a critical need: bridging the funding gap for women-led businesses in Canada.

By demystifying the angel investing process, we aim to inspire and equip both founders seeking capital and funders looking to make impactful investments. This series is crafted to provide angel investors with the knowledge and tools to confidently invest in high-potential women-led ventures, and to offer founders invaluable insights into navigating the funding landscape, understanding investor perspectives, and securing the capital you need to thrive.

Whether you're a trailblazing founder ready to grow your venture or an individual eager to diversify your portfolio and champion the next generation of innovators, this series is for you. We believe that by mobilizing more women to become angel investors and by providing founders with the resources to effectively raise capital, we can build an equitable funding landscape, where women's groundbreaking ideas find the support they need to flourish.

We're happy you're here, helping us to bridge the persistent funding gap for Canadian women entrepreneurs.

Warmly,

Lara, Deborah and Sherry

Co-founders,
Women Funding Women Inc.



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Summary

ANGEL INVESTING IS NO LONGER A ONE-SIZE-FITS-ALL PROPOSITION.

Women in Canada can participate through a range of investment approaches, including managed funds, angel networks, investment collectives, special purpose vehicles (SPVs), and direct investments each offering different levels of financial commitment, time involvement, and investor engagement.

The 3 Ts: Time, Talent, and Treasure provide a useful framework for considering these alternatives. The right approach depends not only on how much an investor is prepared to invest, but also on how actively she wants to participate, the expertise she wants to contribute and the types of companies or sectors she is passionate about.

Finding the Approach That Fits

THERE ARE MANY WAYS TO PARTICIPATE IN ANGEL INVESTING.

There are many ways to participate in angel investing. This issue of Angel Insights explores five approaches: managed funds, angel networks, investment collectives, special purpose vehicles (SPVs), and direct investment, and considers how each differs in terms of capital requirements, time commitment, expertise, and level of engagement.

The five approaches to Angel Investing

1. Managed Funds
2. Angel Networks
3. Investment Collectives
4. Special Purpose Vehicles (SPVs)
5. Direct Investment

This issue was informed, in part, by insights shared during a June 4, 2026 panel discussion hosted by the Kellogg Schulich Executive Women Network. The panel was moderated by Dr. Sherry Shannon-Vanstone, CEO and Co-founder of Women Funding Women, and featured Kathryn From, Founder of Wonderment Ventures and Wonder Collective; Julie Ellis, experienced angel investor and former Chair of Angel One Network; Jasmine Cumberland, Managing Partner of Women's Equity Lab; and Nyla Ahmad, Commercial Growth at The51.

Together, the panelists brought perspectives from across the angel investing ecosystem, illustrating the range of ways investors can participate based on their capital, time, expertise, and desired level of engagement.

These approaches are not mutually exclusive. An investor may choose to participate in more than one at the same time or move among them as her experience, interests, available capital, and desired level of involvement evolve. Over time, she may experience several or even all of these approaches as part of her angel investing journey.

The 3 Ts: Time, Talent, and Treasure

The 3 Ts: Time, Talent, and Treasure are a framework traditionally used in philanthropy and non-profit stewardship to describe the resources individuals can contribute to a cause or community. It is equally useful when thinking about angel investing.

Different investment approaches require different combinations of the three:

TIME	How much time do you want to devote to sourcing opportunities, conducting due diligence, engaging with founders, and participating in the investment community?
TALENT	What professional experience, industry knowledge, networks, or other expertise do you want to contribute?
TREASURE	How much capital are you prepared to commit, both initially and over time?

Thinking about these three dimensions can help investors identify an approach that fits their goals, lifestyle, risk tolerance, and financial capacity.

1. Managed Funds

INCLUDING FUNDS SUCH AS THE51, SANDPIPER VENTURES, SPRING CAPITAL, AND PHOENIX FIRE

Managed funds offer investors a relatively hands-off way to participate in early-stage investing. General Partners (GPs) source opportunities, conduct due diligence, make investment decisions and manage relationships with portfolio companies.

For investors, this means the commitment of Time and Talent can be relatively limited. Opportunities to mentor or contribute expertise may still arise, but generally at the request of the fund's GPs.

Investment commitments vary by fund. Among the funds considered for this issue, commitments range from approximately $25,000 to $2 million, in addition to applicable management fees.

> **Best suited to:** Investors who want exposure to early-stage companies but prefer professional management rather than active involvement in individual investment decisions.

2. Angel Networks

INCLUDING NETWORKS SUCH AS ANGEL ONE AND GTAN

Angel networks provide a collaborative environment in which investors can evaluate opportunities alongside other angels. Compared with managed funds, angel networks generally require greater investor participation. Members may take part in due diligence, contribute their professional and industry expertise, interact with founders and mentor portfolio companies.

Investment expectations vary by group, but may range from approximately $25,000 to $100,000 annually.

> **Best suited to:** Investors who want to develop their angel investing knowledge, participate in due diligence and learn alongside other investors while contributing their own expertise.

3. Investment Collectives

INVESTMENT COLLECTIVES DEMONSTRATE PARTICULARLY WELL THAT THERE IS NO SINGLE MODEL FOR ANGEL INVESTING.

While they share a collaborative approach, their structures, financial commitments and expectations for member participation can differ considerably.

For example, Women's Equity Lab's Toronto Chapter has an entry point of approximately $6,000, while The Wonder Collective's initial investment commitment is $15,000 with 5 mandatory investments for a total of $75,000.

Collectives can also provide opportunities for investors to apply sector-specific expertise. The Wonder Collective, for example, focuses on Consumer Packaged Goods (CPG) and may draw upon members with relevant experience during due diligence.

The degree of investor involvement can therefore vary considerably - from primarily providing capital to actively contributing expertise, conducting due diligence, and engaging with founders.

> **Best suited to:** Investors who value a community-based approach and want the flexibility to combine capital with expertise and participation.

4. Special Purpose Vehicles (SPVs)

SPVs ALLOW INVESTORS TO PARTICIPATE IN A SPECIFIC INVESTMENT OPPORTUNITY RATHER THAN COMMITTING CAPITAL TO A BROADER FUND.

SPVs can provide a lower entry point often beginning around $5,000 and allow investors to decide, deal by deal, which companies they want to back. Depending on the vehicle, SPVs may also carry fees of approximately 2% to 5% of the initial investment.

Because the investor chooses whether to participate in each SPV, these vehicles offer considerable flexibility. The degree of personal due diligence may vary by vehicle and investor. SPVs can be particularly attractive to investors who want exposure to selected companies or sectors without making a longer-term commitment to a fund.

> **Best suited to:** Investors who want the flexibility to evaluate and select individual opportunities without committing to a full fund or investment program.

5. Direct Investment

DIRECT INVESTMENT OFFERS THE GREATEST DEGREE OF INDEPENDENCE AND TYPICALLY REQUIRES THE GREATEST COMMITMENT OF TIME AND TALENT.

Investors identify and evaluate individual companies, conduct their own due diligence, negotiate investment terms and communicate directly with founders. They may also provide mentorship, strategic advice, introductions and other support after investing.

The amount invested is negotiated on a deal-by-deal basis. Participation in follow-on rounds is generally optional; however, investors who do not participate may experience dilution. Some financings may also include pay-to-play provisions.

> **Best suited to:** Investors who want direct relationships with founders and are prepared to devote significant time and expertise to selecting and supporting individual companies.

Passion and Expertise Matter

ACROSS THESE APPROACHES, PASSION AND EXPERTISE CAN INFLUENCE HOW - AND WHERE - AN INVESTOR CHOOSES TO PARTICIPATE.

The degree to which an investor's expertise is required varies considerably.

Investors may seek opportunities that reflect their professional backgrounds, personal interests and values. A fund may specialize in areas such as health, wealth or work; another may focus on FemTech, biotechnology or FinTech; while a collective may concentrate on Consumer Packaged Goods.

For some investors, contributing expertise and mentoring founders is an important part of angel investing. For others, the priority may be gaining exposure to early-stage companies while relying on experienced investment professionals to manage the process.

No one approach is inherently better. The question is: Which approach or combination of approaches is right for you?

There is no single "right" way to be an angel investor and no requirement to choose just one approach. By considering your Time, Talent, and Treasure and the role you want to play in supporting founders, you can choose one or more approaches that reflect not only how much you are prepared to invest, but also how you want to participate in Canada's startup ecosystem. That mix may change over time as your experience, interests and investment goals evolve.

At a Glance: Alternative Approaches to Angel Investing

The accompanying chart compares these five approaches across key considerations, including initial and ongoing investment commitments, fees, due diligence, founder interaction, mentoring opportunities and the role of professional expertise.

Use it as a starting point, not a prescription for considering which combination of Time, Talent and Treasure best reflects how you want to participate as an angel investor.



Catch up on previous issues

Issue 1
What is an Angel Investor?

Issue 2
Forms of Early-Stage Financings and Term Sheets

Issue 3
What Angel Investors Need to Know to Invest in Startups

Issue 4
Risk Tolerance vs Risk Capacity

Read now

ABOUT WFW

Women Funding Women Inc. (WFW) is a Collective driven by a singular mission: to **address the persistent funding gap faced by Canadian women entrepreneurs.**

WFW operates as a platform and community, not a fund itself. Recognizing that access to capital is crucial for growth and success, we empower both sides of the funding equation. We're mobilizing more women to invest in women by activating more Canadian women angel investors, and connecting new and experienced women funders with high-potential, women-led ventures.

Our strategic alliances bring together organizations and resources committed to empowering women, championing gender equality, and catalyzing economic growth. By fostering informed action and building strong connections, we can create a more equitable and dynamic investment landscape.

A COLLECTIVE ADDRESSING THE PERSISTENT FUNDING GAP FACED BY CANADIAN WOMEN ENTREPRENEURS.

WFW IS A PLATFORM, A COMMUNITY, A MISSION - IT IS NOT A FUND.

LEARN MORE

WFW WOMEN FUNDING WOMEN

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WFW WOMEN FUNDING WOMEN



Together, we're building momentum to supercharge angel investing in women-led ventures, setting sights on coast-to-coast impact.

Canadian women are empowering women entrepreneurs by providing crucial funding. You can play a vital role in bridging the funding gap for women-led ventures by joining this movement - subscribe to our newsletter and follow us on LinkedIn!

NEWSLETTER

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