THE FOUNDER LIBRARY

What we would tell you in the first meeting, written down.

Nine papers for founders, drawn from the published thesis and from running regulated companies on these models. They cost nothing and need no account. Read them before you apply, or instead of applying.

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NINE PAPERS

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Band, Deal Room, Professional Client and the rest.

Paper 01

The five tests, turned on your own company

SELF-ASSESSMENT

The fund reads every company against five tests. They are published, so there is no reason to meet them for the first time in our office.

01 Ownership of the customer and the data

Who does the customer think they are buying from? If the answer is your distributor or your model provider, stop here. Then ask where the data your product generates is held, and who may use it.

02 A regulated position

Name the licence, the registration or the supervised process a competitor would need before doing what you do. If there is none, name the thing that takes two years to copy.

03 Distribution through institutions

List the institutions your customer deals with every month. Which one of them carries your product to that customer?

04 Selling the work, not the tool

Read your last invoice. Does it charge for seats, or for something finished?

05 Model agnosticism by architecture

If your main model doubled its price tomorrow, how many weeks would it take to replace, and would the customer notice?

Thesis I is plain about the odds: 'Most companies will fail these tests, and some that pass will still lose'. A company that fails two of the five today can still be worth a conversation, if you can say which two and what closes them.

THE TESTS, AS PUBLISHED →

Paper 02

What to have ready for the application

CHECKLIST

The application covers the ground any serious investor will cover. Have these eleven things to hand and it can be done in one sitting.

- [ ] **The company.** Where it is incorporated, who the directors are, and any group structure.
- [ ] **The team.** Who is full time, who holds what, and what each of you did before.
- [ ] **Product and technology.** What you built, what you bought, which models you use, and where the data is held.
- [ ] **The market.** Who pays, how many of them there are, and why now.
- [ ] **Traction.** Revenue, growth, retention and unit economics. At pre-seed, less is expected and less is asked.
- [ ] **Financials.** Profit and loss to date, monthly burn and runway.
- [ ] **The cap table.** Fully diluted, with the documents of any earlier round.
- [ ] **The round.** How much, in what instrument, on what terms.
- [ ] **Intellectual property and compliance.** Who owns the code and the data, and which licences you hold or need.
- [ ] **Risks.** The things most likely to kill the company, in your own words.
- [ ] **References.** Customers, and people who have worked with you.

One rule saves time on both sides. A number you claim will be asked for in a document: claim revenue, and expect to show the export.

Paper 03

The founder's data room

CHECKLIST

A data room is the company in documents. Build it before anyone asks, and every later round gets shorter.

At pre-seed

- [ ] Certificate of incorporation and the constitutional documents.
- [ ] Founder agreements, with vesting.
- [ ] Assignment of intellectual property to the company, signed by everyone who wrote code.
- [ ] The cap table, fully diluted.
- [ ] The deck, and a plan for the next twelve to eighteen months.
- [ ] Any pilot agreement or letter of intent.

Added by seed

- [ ] Management accounts and a revenue export.
- [ ] Customer contracts.
- [ ] Terms with key suppliers, model providers included.
- [ ] Data protection documents: the notice, the register of processing, any transfer mechanism.
- [ ] Licences held, applications in progress and correspondence with regulators.
- [ ] Employment and contractor agreements.
- [ ] The executed documents of every earlier round.

Name files so a stranger can find them. Date everything.

Paper 04

Unit economics when intelligence is metered

WORKING PAPER

Intelligence is now an input you buy by the unit, and its price keeps falling. Thesis I cites a fall of more than 280-fold in two years for a fixed level of capability. Your accounts should be built to catch that.

Measure the task, not the token

The number that matters is the cost of one completed piece of work: a case closed, a claim assessed, a file reviewed. Add up every model call, every retry and every human check inside it. That figure, set against what the customer pays for the same piece of work, is your margin.

Tier the models

Most steps in a workflow do not need the most capable model. Put bulk extraction on the cheapest model that passes your tests, routine classification on a small one, and keep the most capable for output that reaches a customer or sits in an audit trail. Fix the tiers in code and review them every quarter.

Price the outcome

If you charge per seat or per token, every fall in model prices is passed to the customer. Charge for the finished work and the fall stays with you. That is the fourth test, and the reason it is there.

Paper 05

Selling to a regulated institution

WORKING PAPER

Thesis I puts distribution through institutions ahead of app stores. Institutions are slow to let a small company in and slower to let it go. Both facts work in your favour once you are inside.

Find the person who is accountable

An innovation team can run a pilot. It cannot sign for production. Ask early who carries the regulatory responsibility for the work your product touches, and sell to that person.

Answer the regulator before the regulator asks

Four questions come up every time. Where does the data sit? Who can see it? Who reviews the output before it reaches a customer? What happens when the model is wrong? Have the answers written down, with a named human sign-off wherever an output is client-facing, and a record of every decision.

Come in through a door that is already open

An existing supplier, a platform the institution already uses, a network it belongs to. Procurement for a new vendor takes months. An addition to an approved one takes weeks.

Contract for the work

Seats get cut in a bad year. Completed work does not.

Paper 06

Built to swap

CHECKLIST

The fifth test asks for every model to be replaceable in weeks without the customer noticing. That is an architecture, decided early. Seven checks.

- [ ] Every model call goes through one layer of your own code.
- [ ] Prompts and evaluation sets are versioned in the repository beside the code.
- [ ] A test set of real cases, with the outputs you expect, runs before any change of model.
- [ ] A second provider runs in production or in shadow.
- [ ] No customer contract names a model or a provider.
- [ ] Customer data is held in your store. A provider processes it and keeps nothing.
- [ ] You have timed a swap, and the answer is in weeks.

A company that passes all seven treats a price cut by any provider as good news.

Paper 07

Instruments in plain words

EXPLAINER

The fund invests through equity and equity-linked instruments. Three of them cover almost every early round.

A priced round	Shares issued now at an agreed valuation, with a shareholders' agreement that sets out investor rights. More documents and more cost, and nothing is left open.
A SAFE	A simple agreement for future equity. The investor pays now and receives shares at the next priced round, usually at a valuation cap, a discount or both. It carries no interest and has no maturity date.
A convertible note	A loan that converts into shares at a later round or at maturity. It carries interest and a maturity date, which a SAFE does not.

Which one fits depends on your stage and on where the company is incorporated. This page explains the terms and is not legal advice. Take your own before you sign any of them.

Paper 08

The programmes

DIRECTORY

Six providers run programmes for startups. We help the companies we back with the introduction and the application. The links below go to each provider's own page.

AWS Activate aws.amazon.com/activate	Cloud credits and technical support from Amazon Web Services, usable on its infrastructure and on the models it hosts.
Google for Startups cloud.google.com/startup	Cloud credits from Google Cloud, with technical training and access to its startup specialists.
Microsoft for Startups www.microsoft.com/en-us/startups/apply	Credits for Azure and GitHub, with a route to enterprise buyers through the Microsoft marketplace.
NVIDIA Inception www.nvidia.com/en-us/startups	Developer tools and training, preferred pricing on hardware and software, and partner offers. No fee and no cohort.
Notion www.notion.com/en-gb/startups	Notion for Startups: the workspace free of charge for a period, for startups that qualify.
HubSpot www.hubspot.com/startups	HubSpot for Startups: the marketing, sales and service platform at a startup rate.

Credit levels, terms and eligibility are set by each provider and change without notice to us. The provider's page is the authority, and nothing here is an offer on its behalf.

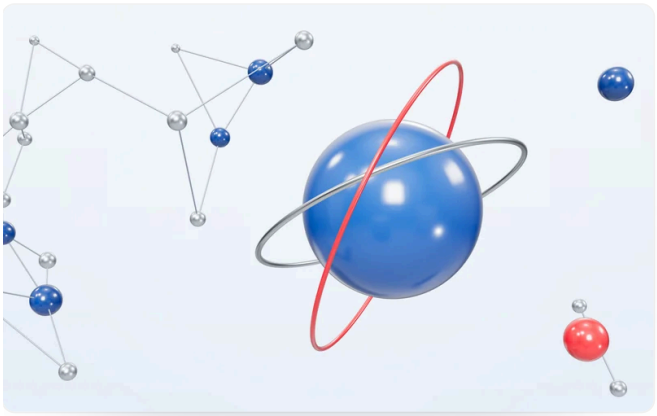
Paper 09

The words we use

GLOSSARY

Application layer	Companies that build products on models they do not train. Where the fund invests.
Band	The result of the five-pass assessment. It sits on a company's listing in the Deal Room.
Deal Room	The curated room where assessed companies are shown to Professional-Client investors.
Exempt Fund	The category of DFSA-regulated fund to which AI Frontier Fund I belongs. Its units are offered to Professional Clients only, by private placement.
Five-pass assessment	The structured assessment every company runs: market, founder, product, moat and terms.
Five tests	The tests of Thesis I that decide what qualifies for the fund.
Follow-on	Further investment by the fund in a company it already holds.
Investment Committee	The body that decides every investment the fund makes.
Professional Client	The DFSA client classification an investor must hold before the Deal Room opens. Retail clients are not onboarded.

Thesis I INVESTMENT THESIS



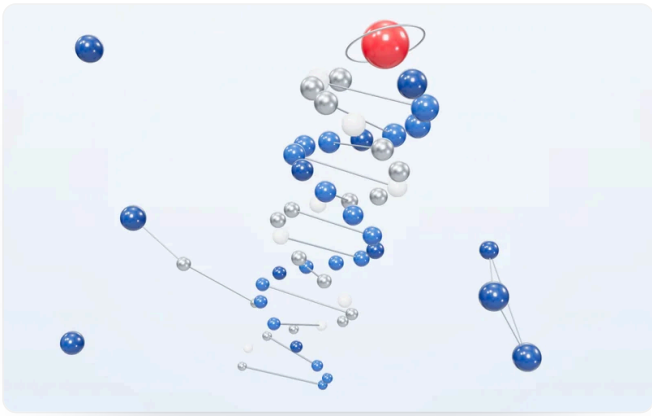
Sovereign AI for the Five Billion

Why the application layer is where the value of artificial intelligence settles, and why the fund argues from the DIFC.

TANJIR SUGAR TEN SECTIONS
FOR PROFESSIONAL CLIENTS

READ THESIS I →

Thesis II ESSAY



The Gift We Are Afraid Of

Frontier AI: a threat to humanity, or a gift to it? The case for the gift, and for what the gift asks of us.

TANJIR SUGAR EIGHT SECTIONS
A STATEMENT OF BELIEF

READ THESIS II →

The papers on this page are general guidance for founders. They are not legal, tax, regulatory or investment advice, and they are not an offer of investment. The partner programmes are run by their providers, on the providers' terms.

AI Frontier Fund I is a closed-ended DIFC venture capital fund available to Professional Clients only. Investing places your capital at risk and your capital is not guaranteed. Nothing on this site is an offer or a financial promotion to retail clients.