AEVION QVenture — Investment Memo

Generated 2026-11-26 · AEVION AI Investment Analyst · not investment advice

FICTIONAL EXAMPLE: the company in this example is made up; any resemblance of names is coincidental. All figures are model output on invented inputs.

CargoFlow

Marketplaces / Platforms · seed · US · raising $5,000,000

Score 60.4/100 — WATCH (conviction: low)

Signal coverage: 0% company-specific (0 metrics parsed from the plan); remainder from sector priors.

Investment memo

Verdict: watch, with a small conditional bite rather than a lead check. CargoFlow's early traction is genuinely encouraging — $1.1M monthly GMV at a 14% take rate with 40% zero-touch booking shows the product works and automation is real — and that is the single strongest reason to lean in. But the decisive counterweight is disintermediation: a marketplace selling transparency has no disclosed payment, factoring, or TMS lock-in, so once shipper-carrier pairs match twice they transact off-platform, and Convoy's ~$1.1B flameout on exactly this cold-start-plus-leakage dynamic makes a $5M seed look thin. With zero quantified unit economics, no LTV/CAC, and unverified FMCSA broker licensing, we do not lead. Plan: offer a $1.25M ticket for ~6% at the ~$15.9M pre-money anchor, hard cap at $2.0M, and reserve ~$1.88M for pro-rata. Release funds in two tranches gated on lane-level margin data, cohort retention proving sticky repeat lanes, and confirmed broker authority plus surety bonds. No proof, no second tranche.

Narrative engine: model anthropic (per-part source not recorded)

Entry strategy

Ticket: $1,256,160 target (range $628,080–$2,009,856)
Target ownership: 6%
Valuation band (pre-money): $8,249,600 / $15,936,000 / $31,872,000
Modelled return (not a forecast): 6.47x multiple (15.9x base) · horizon 7yr · loss prob 60%

Deployment schedule:

- 40% — Entry: On close, after founder + IP + cap-table diligence.
- 35% — Milestone: Product-market fit signal (retention cohort / first repeatable revenue).
- 25% — Pro-rata: Reserve for next priced round to defend ownership.

Portfolio: Size at ~1.1% of a diversified venture portfolio (fractional-Kelly, conviction-scaled). Reserve 1,884,240 USD for pro-rata follow-on.

Score breakdown

Market size & growth — 78/100 (weight 14%)
~$3500B TAM, 16% CAGR (Marketplaces / Platforms).

Timing / tailwinds — 60/100 (weight 5%)
Sector growth 16% vs. 12% neutral baseline.

Moat / defensibility — 65/100 (weight 16%)
network effects is the category's mature moat (ceiling 90), but ~55% realized at seed given disclosed traction — an unproven moat is discounted toward the 35 "no demonstrated defensibility" floor.

Unit economics potential — 61/100 (weight 15%)
~65% mature gross margin, capital intensity 50% (sector reference).

Team / execution signal — 50/100 (weight 28%)
qualitative traction only

Scientific / tech feasibility — 59/100 (weight 7%)
matching/ranking ML, trust-and-safety graphs, dynamic pricing

Regulatory / legal headroom — 71/100 (weight 7%)
Regulatory intensity 45% (higher = more legal drag).

Competitive headroom — 48/100 (weight 8%)
Competitive intensity 75%. cold-start liquidity and take-rate ceiling from disintermediation.

Analyst council

Research Scientist — Freight-matching tech is table-stakes engineering, not a research frontier — 59/100 is fair-to-generous; disintermediation is the real risk

+ The 59/100 feasibility score is defensible but the label 'scientific feasibility' overstates the science: instant quoting, ranking ML, and OCR-based document handling are solved, off-the-shelf capabilities (transformer OCR at >95% field extraction, gradient-boosted pricing models). No breakthrough is required, so there is little technical alpha or defensibility here — I'd push the score's *interpr

+ Dynamic pricing is the only genuinely hard sub-problem: freight spot rates swing 20-40% seasonally and lane-level data is sparse for mid-market regional carriers. At $1.1M GMV/mo across 320 carriers, CargoFlow has thin training data — its quoting model is likely a thin wrapper over DAT/Truckstop benchmark rates, which competitors also buy, eroding any 'instant quote' edge.

+ 40% zero-touch booking is the most credible technical signal — it validates the automation stack works at current volume. But zero-touch rate typically stalls at 60-70% because exceptions (detention, damage, reweighs) are long-tail and human-mediated; the marginal automation gets exponentially harder, so don't underwrite a linear path to full autonomy.

+ Trust-and-safety carrier vetting (FMCSA authority, insurance, fraud/double-brokering graphs) is the one area where a data moat could compound — double-brokering fraud cost the industry ~$800M in 2023. A carrier-behavior graph that catches fraud faster than incumbents would be a real, research-adjacent differentiator, but nothing in the brief shows they're building it.

! Take-rate ceiling from disintermediation (flagged as structural risk): 14% take rate is high for a marketplace whose core value is transparency — once a shipper and carrier match twice, they have every incentive to transact off-platform. No technical lock-in (no embedded payments/factoring/TMS integration is disclosed) means the ML matching is a customer-acquisition tool, not a retention moat.

! Cold-start liquidity + sparse data compound each other: the pricing and matching models only get good with density, but density requires the models to already be good. Uber/Convoy-style regional launch capital burn is severe — Convoy raised ~$1.1B and still folded in 2023 on exactly this dynamic. $5M seed is thin against that precedent.

! Zero quantified plan metrics and no disclosed LTV/CAC or model-performance KPIs (quote accuracy, match fill rate, fraud catch rate) means the 40% zero-touch figure is unverifiable; diligence must demand lane-level margin data and quoting-model backtest accuracy before crediting any tech differentiation.

Data Analyst — 14% take rate on $1.1M GMV looks strong on paper, but disintermediation risk and zero disclosed CAC/LTV keep unit economics unproven

+ The 61/100 unit-economics score is generous given zero disclosed data. What we know is favorable: $154K monthly net revenue (14% of $1.1M GMV) and 40% zero-touch booking implies real automation leverage on the ~65% sector gross margin. But no CAC, LTV, payback, or carrier/shipper retention was supplied — the score leans entirely on sector priors, so I'd treat it as a hypothesis, not a finding.

+ The 14% take rate is the central tension: it's above typical mature freight-tech (Uber Freight/Convoy operated ~10-15% gross but bled cash; traditional brokers ~12-18%). The structural risk flagged — take-rate ceiling from disintermediation — is real: once a shipper and carrier match repeatedly, both are incented to go direct, compressing the 14% over time. Sustained take rate requires document/pa

+ TAM of $3.5T is the total US freight spend — not a serviceable number. SAM is mid-market shipper spend routed through digital brokers (realistically low-single-digit % of TAM), and at $13.2M annualized GMV, SOM is negligible. The bottom-up TAM was never triangulated; the market-size score (78) flatters a company whose real constraint is regional liquidity, not addressable spend.

+ Convoy's 2023 collapse and Flexport's freight losses are the essential comp/counter-argument: this exact model has consumed >$1B in venture capital with poor unit economics. CargoFlow's regional/mid-market focus and automation-first stack could be genuinely cheaper to operate — but that must be proven with a contribution-margin-positive cohort, which is absent.

! Disintermediation compresses the 14% take rate as repeat shipper-carrier pairs bypass the platform; no evidence of payment/insurance/document lock-in that would defend it.

! Cold-start liquidity: 320 carriers across US regions is thin — freight liquidity is hyper-local (lane-by-lane), so national carrier count overstates real network density and match rates.

! Zero quantified unit economics (CAC, LTV, payback, retention) — the entire investability case rests on undisclosed data, and the closest comps (Convoy, Flexport) burned enormous capital at similar scale.

Economist — $3.5T freight TAM is real but misleading; the addressable slice is the ~$800B trucking brokerage pool, and take rate compresses as liquidity grows.

+ The 78/100 market score overstates the opportunity's relevance. The $3.5T figure is gross freight spend; CargoFlow monetizes broker margin, so the true SAM is the ~$85-100B brokerage revenue pool (13-16% of ~$800B truckload/LTL). At 14% take rate on served GMV, even 1% share of that pool is ~$100M revenue — a real business, but the composite is anchoring on a number 40x too large. I'd mark this fa

+ Freight demand is highly macro-cyclical and elastic — a poor entry timing signal. We are in a prolonged freight recession (spot rates down ~30-40% off 2022 peaks); GMV growth here reflects share capture, not tailwind. This masks true unit economics and inflates the 40% zero-touch metric, which is easy when volumes are soft and shippers are price-shopping.

+ The core economic tension is the disclosed disintermediation risk: 14% take rate is defensible only while the

platform adds matching + document value. Convoy died at scale precisely because carriers/shippers transact around the platform once introduced (the 'take-rate ceiling'). Expect steady-state take to compress toward 8-12%, and net revenue after carrier incentives to be thinner still.
+ Network effects are regional and shallow, not global — 320 carriers and $1.1M/mo GMV (~$13M annualized) is sub-scale. Liquidity moats in freight are lane-by-lane; a competitor can win a metro without contesting the whole map, which caps the winner-take-most dynamic the 65 moat score implicitly assumes.
! Well-capitalized incumbents (Uber Freight, C.H. Robinson's Navisphere, DAT, plus Convoy's post-mortem lessons) already offer instant quoting and automated docs to mid-market shippers — the differentiation is execution, not structural, and competitive intensity is 75%. No LTV/CAC disclosed means carrier acquisition cost and shipper churn are entirely unmodeled.
! Macro/cyclicality: a freight-market recovery raises carrier bargaining power and shrinks broker margin; a deeper recession shrinks GMV. The business is squeezed in both directions, and zero quantified projections were supplied to test resilience.
! Disintermediation and take-rate erosion are the model's flagged structural risk and are unaddressed by the plan — 0% signal coverage. Without cohort retention showing repeat, sticky lanes, the $5M funds growth into a leaky bucket.

Corporate & Regulatory Lawyer — 71/100 legal headroom is fair-to-generous: freight brokerage licensing is the overlooked drag, not securities

+ The 71 rightly reflects no sector platform licence, but it understates a specific regime: freight intermediaries must hold an FMCSA broker authority (MC number) plus a $75,000 BMC-84 surety bond and BOC-3 process agent (49 USC 13906). If CargoFlow contracts loads it is a broker; if it takes custody it edges toward freight-forwarder liability. This is undisclosed — I'd shave the score to ~65 pendin
+ Carrier-vetting is the core liability node: negligent-selection claims (Miller v. C.H. Robinson, 9th Cir. 2020) let injured parties sue brokers who failed to verify carrier safety ratings/insurance. '40% zero human touch' automated booking amplifies this — the trust-and-safety graph must gate on active MC authority and $1M+ auto liability / $100k cargo coverage or the platform inherits tort exposu
+ Securities path is clean and low-cost: $5M seed via Reg D 506(b) (no general solicitation) with Form D in 15 days; use post-money SAFE or priced round with 1x non-participating pref, pro-rata, information rights, and a board observer seat. Insist on broad-based weighted-average anti-dilution given the 60.4 'watch' composite argues for downside protection.
+ Data/IP exposure is modest at seed: no HIPAA/GLBA data, CCPA/CPRA applies once CA revenue thresholds hit (>$25M or 50k consumers), and B2B carrier/shipper contact data is lower-risk than consumer PII. FTO diligence on 'instant quoting' and 'automated document handling' patents should be run but no auto-flagged IP lapse exists — the model correctly did not penalise IP here.
! Unlicensed brokerage / bond gap: operating without confirmed FMCSA broker authority or the $75k surety bond in every state of operation exposes CargoFlow to cease-operation orders and voids the marketplace model — zero plan metrics disclosed, so this is unverified.
! Negligent-carrier-selection tort liability channelled through automated (40% no-touch) booking, where a single fatal accident with an under-insured carrier produces uninsured judgment risk that dwarfs the $5M raise.
! Take-rate/disintermediation is also a legal-enforceability problem: 14% take rate depends on anti-circumvention clauses that are weakly enforceable against sophisticated shippers/carriers who re-contract directly off-platform.

Market data sources

- Grand View Research (2025) — Proxy — B2C e-commerce to $17.77T by 2030 at 19.1% CAGR (platform GMV)
  https://www.grandviewresearch.com/press-release/global-b2c-e-commerce-market

Assumptions & limitations

- Market size / growth for Marketplaces / Platforms is anchored to Grand View Research (2025): Proxy — B2C e-commerce to $17.77T by 2030 at 19.1% CAGR (platform GMV). Full citations are listed under "Market data sources".
- Signal coverage: ~0% of the score is backed by the plan's own disclosed metrics (0 quantified fields); the remainder uses Marketplaces / Platforms sector priors — add financials to raise it.
- Stage norms reflect US-market seed deals; adjust for geography "US".
- Score is a screening signal, not a substitute for legal, financial, and technical due diligence.

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