**Appendix 3: Tenderer’s Investment Strategy**

**Information regarding the Investment Policy:**

1. Information provided as part of the Investment Policy may take any form and may include, inter alia, text, drawings, tables, photographs and diagrams embedded in a Word document. If the Tendered is in the possession of an additional investment presentation containing information that are, in their opinion, crucial for the operation of the fund (“pitch deck”), we kindly request that it be attached to the documentation submitted. PFR Ventures reserves that the wording of the pitch deck shall be considered solely as supplementary to the Investment Policy and - if submitted - does not have to be analyzed during the Tender selection process.
2. Editorial requirements regarding the text:
   1. paper size: A4,
   2. font: Calibri,
   3. basic font size: at least 11 points,
   4. line spacing: at least 1.15,
3. The volume of the Investment Policy must not exceed 40 pages (with the exception of Exhibit A to Appendix 3 to the Rules, and the voluntary investment presentation referred to under item 1).
4. Additional content to which the Tenderer will refer via e.g. website addresses   
   or hyperlinks will not be taken into consideration in selecting the Tenders.
5. Any terms not defined herein shall have the meaning assigned to them in the Rules.

**Required substantive scope of the Investment Policy**

In the Investment Policy, the Tenderer should include all the information specified in the sections and subsections below, which will be subject to formal and merit-based evaluation. The individual thematic areas should be *titled in accordance with the sections and subsections below and presented in the order set out below.* For Sections 1f, 5 and 6, information should be presented in the form of the tables provided below, whereas for Section 4g information should be presented

both in table form and in descriptive form.

1. **Investment profile:** 
   1. sectors in which the startups operate, preferred for Investment, according to the breakdown presented below[[1]](#footnote-2) and their share (in %, value-wise) in the value of the Financial Intermediary's total Investment),
   2. description of the potential of the preferred sectors in terms of implementation of the Financial Intermediary's strategy,
   3. preferred country of principal business of Eligible Undertakings or preferred country of residence of Eligible Undertakings,
   4. preferred level (in %) of equity interests and corporate rights to be acquired in Companies
   5. profile and type of innovation of Eligible Undertakings,
   6. assumed shareholding structure of the investment portfolio (by quantity and value). Data in the table should be consistent with the data in Appendix 1 Tender Identification Form, and Exhibit A to Appendix 3 (Financial Schedule):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Investment type** | **Number of Investments** | **Average Investment value (in PLN thousands)** | **Investment amount range (in PLN thousands)** | **Total Investment value (in PLN thousands)** |
| All investments (1 and 2) |  |  |  |  |
| 1. Initial Investments, including: |  |  |  |  |
| - Group A, |  |  |  |  |
| - Group B, |  |  |  |  |
| - Group C; |  |  |  |  |
| 2. - Follow-on Investments, including: |  |  |  |  |
| - Group A, |  |  |  |  |
| - Group B, |  |  |  |  |
| - Group C. |  |  |  |  |

* 1. investment criteria.

1. **Investment strategy:**
   1. strategy and sources of acquisition of investment projects (dealflow), including marketing strategy, as well as promotion and communication plan targeted at the start-up ecosystem (e.g. partnering with the research community, institutions dealing with the commercialisation of technologies) adequate to the investment profile of the Financial Intermediary,
   2. the investment process including a description of the process of evaluating investment projects and making investment decisions taking into account the organisational structure of the Financial Intermediary or the Managing Entity and the role of the Investment Committee (and possibly third-party experts and consultants) in the investment process,
   3. strategy for examination of investment projects (due diligence),
   4. basic terms and conditions for investment agreements entered into with Eligible Undertakings,
   5. the extent of involvement of the Team (in particular, Key Personnel) in the activities of portfolio companies, taking into account activities aimed at building their value (smart money) e.g. business consulting, support in the prospecting for customers, entering new foreign markets, external fundraising through financing rounds,
   6. rules for the monitoring, supervising and auditing portfolio companies,
   7. Follow-on Investment strategy,
   8. the character of parallel activity in the venture capital market (or related to venture capital) conducted by Team members (if any) and its complementariness with the Financial Intermediary's strategy,
   9. strategy for leveraging additional private funds where it is necessary to increase private contributions to the Financial Intermediary or at the Eligible Undertaking level, in connection with the intention to invest in the Eligible Undertaking at later stages of development, including a strategy for monitoring the portfolio for preserving the weighted average of the portfolio as referred to in Section 17 of Appendix 7 (Term Sheet) in accordance with the assumed share of Private Investors in the Declared Capitalisation of the Financial Intermediary; the capability of the Managing Entity / Financial Intermediary to leverage additional private funds, in particular on the basis of documented previous experience in this regard,
   10. investment exit scenarios.
2. **Financial Schedule[[2]](#footnote-3)**:
   1. description of the Investment Budget assumptions,
   2. description of the Operating Budget assumptions.
3. **Organisational structure:** 
   1. presentation of the organisational, ownership and legal structure of the Financial Intermediary and/or the Managing Entity,
   2. presentation of the responsibilities of partners and/or corporate bodies (e.g. Management Board, Supervisory Board, Board of Investors), including presentation of the profiles of the members of the aforementioned bodies (with the exception of persons identified in Appendix 2),
   3. for the Investment Committee - presentation of the profiles of members of the Investment Committee, indication whether members of the Investment Committee are planned to be indicated by Private Investors and the scope of authority of such members, description of the operating rules of the Investment Committee and the rules of the Committee's investment decision-making,
   4. profiles of the Financial Intermediary’s or the Managing Entity’s other Team members who have not been described in Appendix 2, including in particular experience in VC/PE investments, entrepreneurial experience, transactional experience, and other key business experience,
   5. profiles of third-party experts, consultants and partners (not mentioned in Sections b, c, d) and their impact on the investment activity of the Financial Intermediary/Managing Entity,
   6. description of the incentive scheme applicable to the Managing Entity, employees and experts/consultants, in particular the rules for distribution of extra remuneration (Carried Interest).
   7. scope and duration of previous cooperation between individual Key Personnel Members.
4. **Conflict of interest management /compliance policy**

|  |  |
| --- | --- |
| Identification and characteristics of major risk areas related to  probable conflicts of interest and compliance | Risk mitigation proposal |
|  |  |
|  |  |
|  |  |

1. **Investment risk management policy:**

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| --- | --- |
| Identification and characteristics of major risk areas | Risk mitigation proposal |
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1. AI, Big Data, BioTech, Blockchain, CleanTech, Cybersecurity, E-commerce, EdTech, FinTech, Gaming, IoT/Hardware, Marketplace, MarTech, MedTech, SaaS, VR/AR or other, depending on the fund’s profile [↑](#footnote-ref-2)
2. Drawn up in the form of Appendix 3\_Exhibit\_A\_-\_Financial Schedule. [↑](#footnote-ref-3)