

Swiss Entrepreneurs Fund – At a glance

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The Swiss Entrepreneurs Fund: Swiss start-ups and innovative SMEs need capital to achieve growth. The fund, created jointly by Mobiliar, UBS and Credit Suisse, a Limited Partnership for Collective Investment Schemes (KMgK), provides capital to promising start-ups and growing companies. In doing so, Credit Suisse and UBS have created a bridge between the capital-seeking Swiss innovation hub and institutional and qualified private investors as well as family firms, who are looking for attractive investment solutions in times of challenging capital markets.

The two banks are working together on such an investment vehicle for the first time. The first investor, Mobiliar, has invested CHF 100 million. Over the next few months, the fund, which has a target of CHF 500 million, will undergo further expansion. The beginning of the investment phase is scheduled for April 2019.

The Swiss Entrepreneurs Fund invests predominantly in Swiss companies (50-66%), and then primarily in companies from neighbouring countries. 65-80% are invested in third-party funds. Direct investment amounts to at least 20%. Up to 15% are parallel direct investments. They are invested into selected companies, which are provided from the investment universe of the third-party funds. The funds are balanced across growth companies in different stages of development: 20-40% venture capital, 20-45% growth capital (minority stakes in fast-growing companies) and 25-40% small to mid-size buyouts. Direct investments are made in companies that already have products on the market and have a customer base. The focus is on investments in the amount of more than CHF 5 million.

Profitable interaction: The Swiss Entrepreneurs Fund is uniquely associated with the Swiss Entrepreneurs Foundation, which in turn is involved in existing initiatives and other cornerstones of the Swiss innovation and start-up ecosystem. The fund benefits from the foundation's projects, such as the SwissEF Shaper programme, which improves the framework conditions for start-ups and growth companies, and the SwissEF Upscaler programme, which directly supports companies through concrete mentoring and a broad network. To this end, the fund rewards the foundation with an annual contribution that comes from the fees of the fund. This distinguishes the Swiss Entrepreneurs Fund significantly from similar investment funds and makes it unique to Switzerland.

Role of the banks: UBS brings in its worldwide, multi-year venture capital and private equity fund expertise, investing on the one hand in established investment managers, but also by selectively encouraging the creation of private equity fund managers, particularly in the emerging markets, venture capital and growth capital.

Credit Suisse will be responsible for direct investments in companies. They will build on their many years of experience with their own venture capital vehicle in Switzerland, Credit Suisse Entrepreneur Capital AG (formerly SVC AG for Risk Capital for SMEs), which has made more than 50 investments so far.

The two banks operate the entire fundraising and acquire interested investors through their sales units.

Selection process: In the area of fund investments, which is the responsibility of UBS, the selection of companies is handled discretionally via their already established processes.

The direct investments are made by Credit Suisse, which together with its investment advisor, Helvetica Capital, evaluates opportunities and makes the investments.

Managing director of the fund: The management is carried out by a fund management company independent of the banks, Pernet Von Ballmoos (PvB). They were selected as part of a tender.

The board of directors of the fund's general partner, a Swiss stock corporation with exclusive activity for the KgmK, is composed of one representative each from Mobiliar, Credit Suisse, UBS and the Swiss Entrepreneurs Foundation.

Main facts of the Swiss Entrepreneurs Fund:

Investment managers	Direct investments: Credit Suisse Switzerland AG, advised by Helvetica Fund investments: UBS AG, asset management, multi-managers private equity
Legal form	KmGK, limited partnership for collective investment schemes
Target level	CHF 500 m (max. CHF 650 m)
Target allocation	Direct investment: 20% (through Credit Suisse Switzerland AG, advised by Helvetica) Fund investments: 65-80% (through UBS AG, Asset Management) Parallel direct investment: max. 15% (evaluated by UBS AG, asset management, due diligence by Helvetica)
First closing	1Q / 2Q 2019
Contract period	The chosen Swiss fund structure has a term of 12 years.
Amount	At least CHF 250,000 or a multiple thereof