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HEC VENTURES FUND





WHY THE FUND WAS CREATED

Beyond financial performance, this fund's objective is to encourage venture creation by HEC graduates* and to support their growth step by step, with the help of an experienced financial partner.

The fund aims to:

Contribute to finance start-ups founded or managed by HEC graduates from an early stage and accompany their growth by leveraging the networks of Idinvest, the European leader in early-stage venture capital, and the HEC Alumni community.

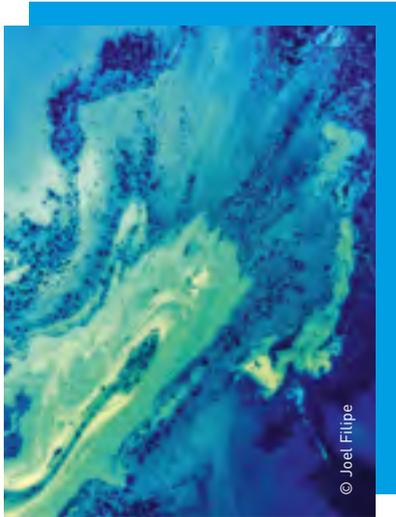
Participate in the growth of the selected companies, the champions of tomorrow.

Increase the influence of HEC Paris in the European tech ecosystem.

Take part in the financing of the French economy and France's growing reputation in the buzzing world of entrepreneurship

*Degreed or certificate holders





INVESTMENT STRATEGY

HEC Ventures will support start-ups that are predominantly at seed stage, in their first years of existence.

The experienced investment team, together with the HEC network, will provide entrepreneurs with the financial support and the expert advice they need to carry out their business' expansion. Part of the investments can be made in companies that are already a few years old, having already proven their concept and that can benefit from a strong boost from the HEC Ventures fund, its network of experts and its funding capacity.

HEC Ventures will endeavour to ensure that start-up founders and management teams endorse and implement the values promoted by HEC Alumni:

- acute awareness of the impact of business
- shared belief that diversity in the team is a factor of success, especially gender diversity
- strong ambition to be a champion

PROFILE OF COMPANIES SUPPORTED

For several years, we have been witnessing a paradigm shift: surfing the wave of new technologies, instant communication and social networks, the new generations are exhibiting new purchasing behaviors that are breaking with their predecessors. These behaviors create new market opportunities, often accessible to start-ups rather than the big traditional players because they are more agile, flexible and adapt quickly to changes in their environment.

High-growth start-ups are often characterized by a significant "tech" dimension and, operating a digital transformation of their sector, very quickly reach the status of champion.

The HEC Ventures fund will not favor any business sector. However, it will aim to target companies evolving in the digital world (without companies not evolving in this sector being excluded) whether they are market places, SaaS companies, e-health, artificial intelligence, fintechs or insurtechs, for example. The HEC Ventures fund will also avoid except in the event of opportunistic situations, highly technical sectors (e.g. medtech/biotech).

The start-ups will be mainly located in the European Union, the United Kingdom and Switzerland, it being specified that the companies established in the US, Israel and Asia will not be able to represent more than 20% of the assets of the fund.

80% of the companies financed by the fund must be start-ups, in which at least one HEC Paris graduate or certificate holder, or currently enrolled in a degree or certificate, is part of their active managerial members (or those of their parent company or subsidiary).

The remaining 20% can be invested in start-ups with active management members who are not HEC Paris graduates or certificate holders or, failing this to facilitate management, in diversified investments (money market UCITS, bonds and equities (and similar products) or even financial futures (for hedging purposes) depending on market opportunities).

AN ECOSYSTEM TO SUPPORT THE FUND'S START-UPS THROUGHOUT THE ENTIRE INVESTMENT PERIOD

Because it is important to establish a strong link between the entrepreneurs and the alumni investors who finance them, Idivest sets up the following system:

Dedicated digital platform to access all types of information on the fund:

- Semi-annually during the investment period newsletter reviewing the highlights of the companies over the last 6 months.
- Dedicated reporting on a half-yearly basis.

Annual Investor Conference, bringing together subscribers, managers of start-ups in the portfolio, experts and partners of the HEC network.

MANAGEMENT TEAM



Idivest Partners is a leading management company in the Venture Capital market. By supporting and financing the growth and internationalization of the companies it sees as the most promising, it gives entrepreneurs the means to achieve their goals.

Idivest has an experienced management team, active since 1997 and which has alumni among the twenty or so people making up The VC Team. It is at the heart of the process of investing in start-ups.

It finances companies from their creation until their IPO or their sale to a large group, in Europe and around the world: US, Israel, Asia.

A SUCCESS BENEFITTING ALL HEC NETWORKS

Entrepreneurs at the head of start-ups having been supported by the HEC Ventures fund and therefore by the Alumni community, will be able to choose, within the framework of a liberal intention, to give a portion of the gains made during the resale of their company back to the HEC Foundation.



#1 European Series-A VC investor

Idivest Partners

2018



Investor of the year

Benoist Grossmann

2017



VC fund of the year

Idivest Partners

2017



VENTURE

Best Venture Fund

Idivest Partners

2017



Best European VC / Growth Private Fund

Idivest Partners

2016

TAXATION

Distributions will be blocked until June 30, 2026, assuming that the subscription period of the fund will be extended until June 30, 2021. Investors must opt for automatic and immediate redemption of the sums or securities corresponding to the proceeds of sale and income of the fund and will not be able to request to have the funds reinvested before June 30, 2026.

As of July 1, 2026, and upon the decision of the management team, the fund may distribute independently of the 10-year lock up period.

Investors in the fund, individuals residing in France for tax purposes, may, subject to compliance with certain conditions, benefit from an income tax exemption on capital gains from the sale of units as well as income and gains (excluding social security contributions*) received from the fund, subject in particular to holding their units for at least 5 years (and not redeeming or receiving distributions for at least 5 years).

A tax note, not covered by the *Autorité des marchés financiers*, describing the conditions that must be met by the fund and the unit holders in order to benefit from these specific tax conditions, is given on the occasion of any subscription of units.

Except in exceptional cases provided for in the fund rules, investors in the fund may not request the redemption of their units during the life of the fund (without an extension being decided on by the management company), i.e. no later than December 31, 2029.

* Since January 1, 2018, social security contributions rate is 17.20%.



MAIN FEATURES OF THE HEC VENTURES FUND

SUBSCRIPTION PERIOD:

- A Units: for a period of 6 months from January 1, 2020 (can be extended for two successive periods of 6 months each by decision of Idinvest Partners).
- B Units: for a period of 6 months from January 1, 2020 (can be extended for two successive periods of 6 months each by decision of Idinvest Partners).

MINIMUM SUBSCRIPTION:

- A Units: 10,000 Euros.
- B Units: 100,000 Euros.

SUBSCRIPTION VALUE: subscription at nominal value (i.e. €100) then from the publication of the first net asset value, subscription at the highest value among the following:

- Nominal value.
- Last known net asset value of the units of the relevant class on the subscription date.

LIFE OF THE FUND: 10 years, until December 31, 2029 (except in the event of early dissolution) - period can be extended two times one year, by decision of Idinvest Partners, i.e. until December 31, 2031.

ADVANCE REDEMPTION OF UNITS: Impossible during the life of the fund (excluding extensions decided by Idinvest Partners), except in exceptional cases provided for by the rules (invalidity, death, dismissal, departure upon retirement of the subscriber, his or her spouse or partner bound by a civil union subject to joint taxation).

ASSIGNMENT OF UNITS: free under the conditions provided for by the rules (in particular approval of Idinvest Partners).

MAIN FEES: The rates mentioned below are retained inclusive of tax.

MAXIMUM AVERAGE ANNUAL AVERAGE COST RATE (TFAM)		
Aggregate fee category	Maximum distributor and TFAM manager	of which maximum TFAM distributor
Entry and exit fees	0.00%	0%
Recurring management and operating costs	2.34%	0%
Fund establishment cost	0.03%	0%
Non-recurring operating costs related to the acquisition, the monitoring and the transfer of the stakes	0.25%	0%
Indirect management fees	0.04%	0%
Total	2.66%	0%

NET ASSET VALUE: calculated every six months on June 30 and December 31. The first financial year will be closed on December 31, 2020.

INFORMATION: Several documents will be available during the life of the fund, including semi-annual and annual management reports, the asset mix and a semi-annual newsletter describing the activities of the team and the companies in the portfolio. Information available on a dedicated website.

MANAGEMENT COMPANY: Idinvest Partners.

CUSTODIAN: RBC INVESTOR SERVICES BANK FRANCE S.A.

AMF APPROVAL: December 20, 2019, under FCI number FCR20190010.

The attention of subscribers is drawn to the fact that money is blocked for a period of ten (10) years following the date of constitution of the fund, except in case of early release provided for in the rules.

The fund is primarily invested in unlisted companies that pose particular risks. You should read the fund's risk factors as described in the "Risk Profile" section of the fund rules.

AMF approval does not mean that you will automatically benefit from the different tax schemes presented by the management company. It will depend, in particular, on the compliance of this product with certain investment rules, the length of time you will hold it and your individual situation.



If you have any questions regarding Subscription to the fund HEC Ventures,
feel free to contact Antoine Loiseau at: aloiseau@idinvest.com

For any further questions, please contact Idinvest Partners Customer Service :
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