

Inventures II *SDG Growth* Fund

Inventures II SDG Growth is a venture capital fund of €50-100 Million, investing early stage capital in smart and innovative European SMEs that create sustainable jobs and able to demonstrate their positive impact on the UN Sustainable Development Goals (SDGs). Inventures empowers citizenship co-investments via a crowdfunding platform.

VISION

SDGs Investing is a new asset class taking into consideration the social benefit of solving a major societal and environmental challenges affecting millions of people. Governments adapt policies to foster the development of sustainable businesses all around the world. Expected investments in such asset class are counted in the trillions, the IMF says. Inventures II SDG Growth aims to select financially attractive opportunities while supporting such emerging responsible SMEs. The vision is that entrepreneurship is the innovation vector as well as the axis for a sustainable economy. They represent 85% of net job creation in Europe.

OBJECTIVES

Inventures II SDG Growth aims to invest in 35 promising start-ups and scale-ups with high growth potential. These investments will result in a measurable impact (methodology based on Input > Output > Outcome) on the SDGs, and lead to the creation of 350 jobs in Europe.

CO-FINANCING WITH THE CROWD

The innovative feature of Inventures II is that it includes the crowd in a multi-stakeholder partnership, with the crowdfunding platform MyMicroInvest. The crowd reinforces the selection of companies, and increases the chances of success by creating a large community of ambassadors sharing the same values while also following and promoting the business' progress.

TERM SHEET FOR INVESTORS

Target Size:	€50 Million, potentially up to €100 Million
Investment manager:	MyMicroInvest S.A.
Investment theme:	Enterprises addressing societal challenges (UN SDGs)
Geography:	Focused on Benelux, with the potential to invest in the European Economic Area, Switzerland and, post-Brexit UK
Commitment deadline:	31/12/2017
Investment closing:	31/12/2020
Term:	10 years
Target return:	Internal rate of return (IRR) 15%
Target impact:	75% of targets will reach their impact objective on the SDGs and create new jobs
Management fee:	2.5% per year, for a period of 5 years, on the amount of and as from any Capital Increase, and 2% per year thereafter
Performance fee:	At liquidation, subject to the achievement of (1) the Target Impact and (2) a hurdle rate of 5%, a performance fee of 20% of the capital gain is applicable
Target investors:	Institutional investors and qualified investors committing a minimum of €100,000 to the fund



The United Nations *Sustainable Development Goals* is list of 17 aspirational "Global Goals" covering a broad range of sustainable development issues.

Inventures II has a strong focus on 5 SDGs, which are relevant for Europe:

- SDG 3 Good Health & Well Being
- SDG 4 Quality Education
- SDG 7 Affordable & Clean Energy
- SDG 8 Decent Work and Economic Growth
- SDG 11 Sustainable Cities and Communities



INVESTMENT STRATEGY & RISK MITIGATION

- **Eligibility:** enterprises in Europe that address the challenges listed in the SDGs, validated by the wisdom of the crowd.
- **Selection:** a strong management team, profitable business model and growth opportunities.
- **Curated Pipeline:** select the best candidates by taking advantage of the natural sourcing flowing from the crowdfunding platform MyMicroInvest.
- **Investment mix:** invest larger amounts in confirmed scale-ups (50%), and smaller amounts in a number of start-ups (20% of the total final portfolio) with reinvestment in follow up rounds (30%).
- **Active shareholder :** Inventures II always has a seat in the enterprises' board of directors.

TRACK RECORD

The management team is seasoned and combines more than 100 years of experience in investments management, M&A, Corporate Finance and Impact Investing. Since 2011, MyMicroInvest has a unique model of combining a crowdfunding/investment platform with VC management benefiting from large synergies in the sourcing, deal processing and analysing as well as co-investment opportunities. In 2012, a first-time VC impact fund (Inventures 1) has been raised for 15 mi €. The first fund is managing a portfolio of 15 investments with on target expected return (15% IRR).

BALANCED GOVERNANCE

The Governance of Inventures II is a balanced mix of stakeholders representation. The Board of Directors is in charge of strategic topics and investment decisions. Its composition is made of 12 directors representing 3 categories of stakeholders, each for 1/3: the board of MyMicroInvest, Investors, and non-executive and independent Experts.

In addition, an independent Advisory Board will advise the Board of Directors, with a particular focus on questions related to impact measure and conflict of interest.

BENEFITS FOR INVESTORS

- Financial target: 15% annual IRR
- Impact targets are:
 - Min 75% of the impact indicators reached (innovation, climate, health, social, etc.)
 - Min 350 new jobs in Europe
 - Min 75% of the projects co-financed with citizens in participative crowdfunding
- Solid venture capital opportunity for diversification purposes
- Premium access to curated deal flow for co-investments via MyMicroInvest.com
- *Wisdom of the crowd* validation
- Decorrelation from market volatility
- Tax-shelter: possibility to reduce tax for Belgian Residents up to 45% (up to €360K per households over 4 years) through co-investment on MyMicroInvest.com

Inventures II is open for qualified investors



This document contains information for marketing purposes only. It is not meant to be advice, or support for investment, but presents only the main characteristics and terms of the Inventures II fund. The information herein may not be interpreted as binding or guaranteed with respect to the past, present or future. Any investment in the fund will be made solely on the basis of the final Private Placement Memorandum and Term Sheet.

Example Investment (in the portfolio of Inventures I)



OncoDNA provides medical innovations based on sequencing of tumour genomes, in order to assist medical doctors in their treatment choices and/or provide better monitoring of the evolution of patient tumours.
Impact: health and well being.



Zen Car, the leader in electric car sharing in Belgium, has developed a large fleet of electric vehicles and a network of terminals for the general public (B2C) and businesses (B2B).

Impact: pollution, traffic jam and parking.

Visit www.inventures.fund for more investments.

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