



EUROPEAN UNION



**FUND OF
FUNDS**

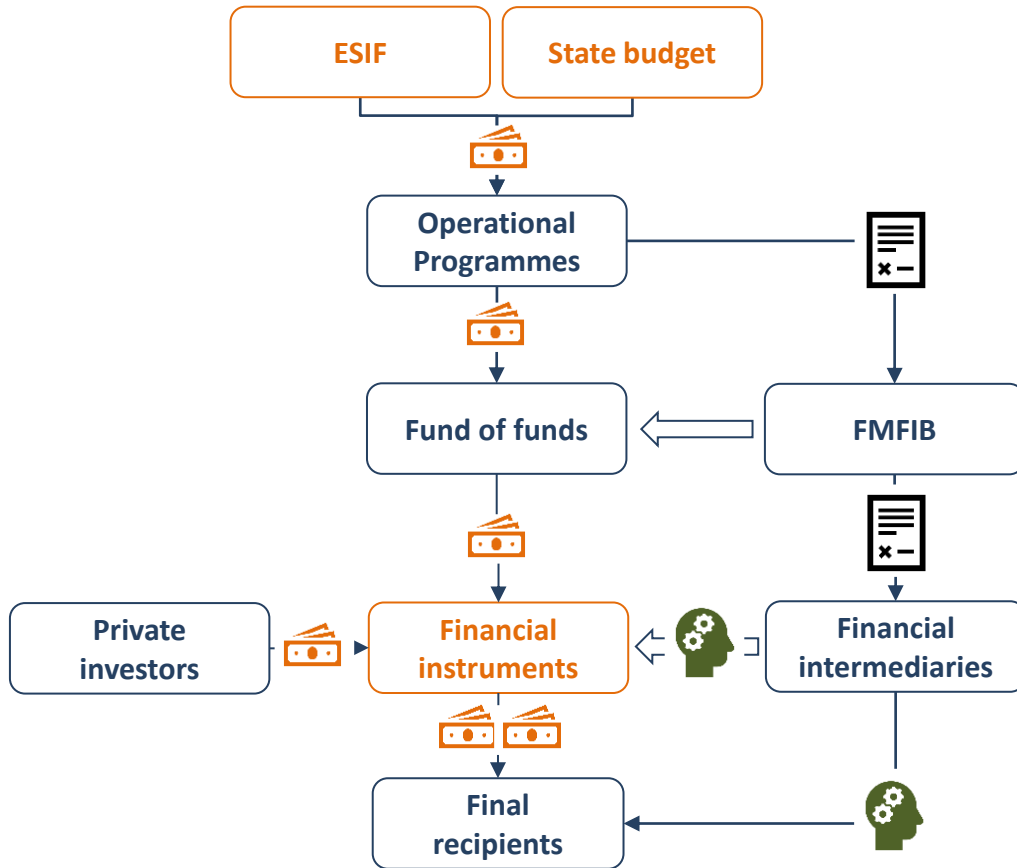
FUND MANAGER OF
FINANCIAL INSTRUMENTS
IN BULGARIA



Technology Transfer Fund: Key Aspects

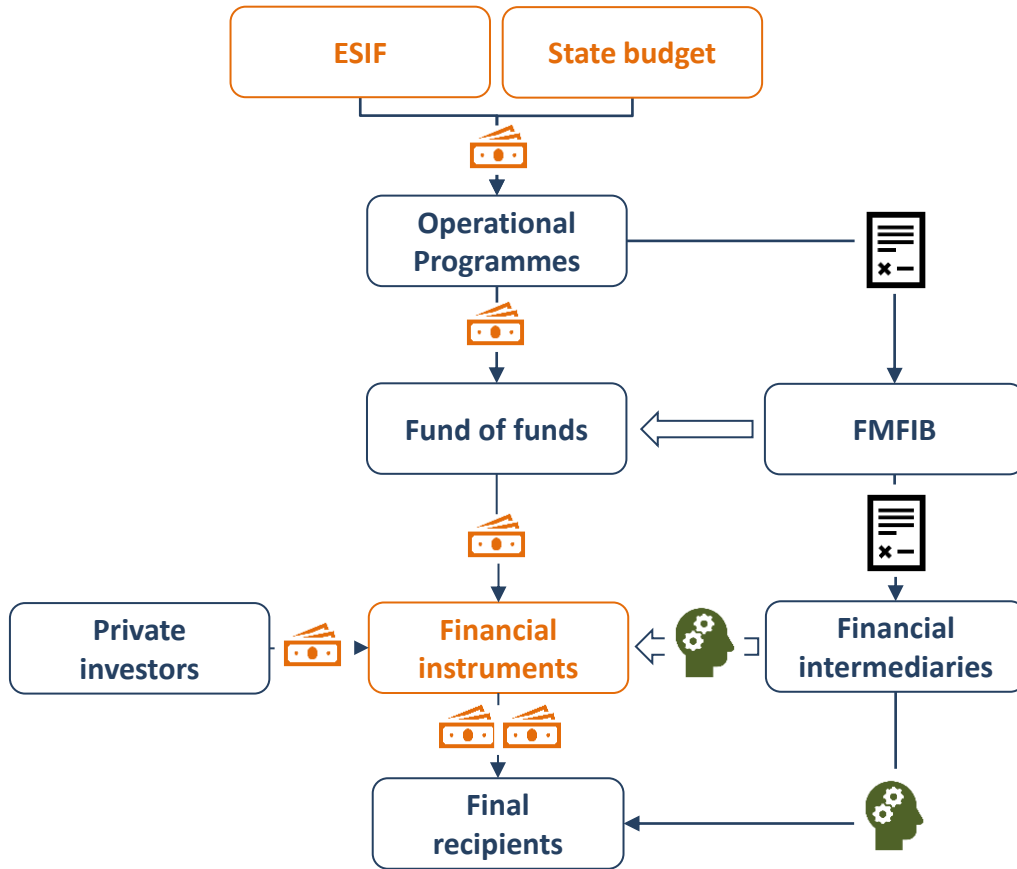
OPIC 2014 - 2020

Science meets Regions, Nov 16th, 2017, Gabrovo, Bulgaria



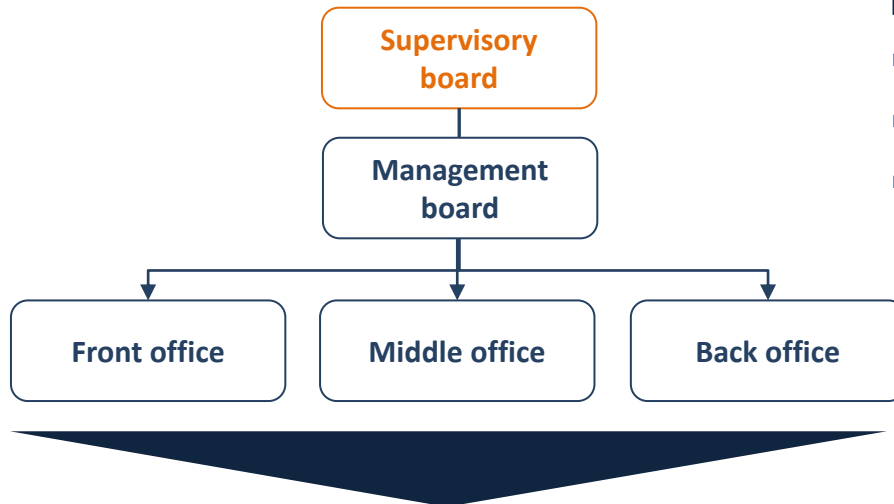
Financial instruments

- FIs are important tool towards achieving EU policy objectives
 - Combine public with private resources & expertise
 - Recipients supported via market mechanisms
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- Revolving funds, i.e. public funds are reused for same goals
 - Clear advantages over grants...
 - ...hence an increasing portion of EU budget would be channelled to FI



- A strategic decision to implement nation’s FIs via investment vehicle, i.e. the FoF
- Currently, envisaged FoF balance sheet totals EUR 606+ million
- Expected leverage would boost the cumulative investments

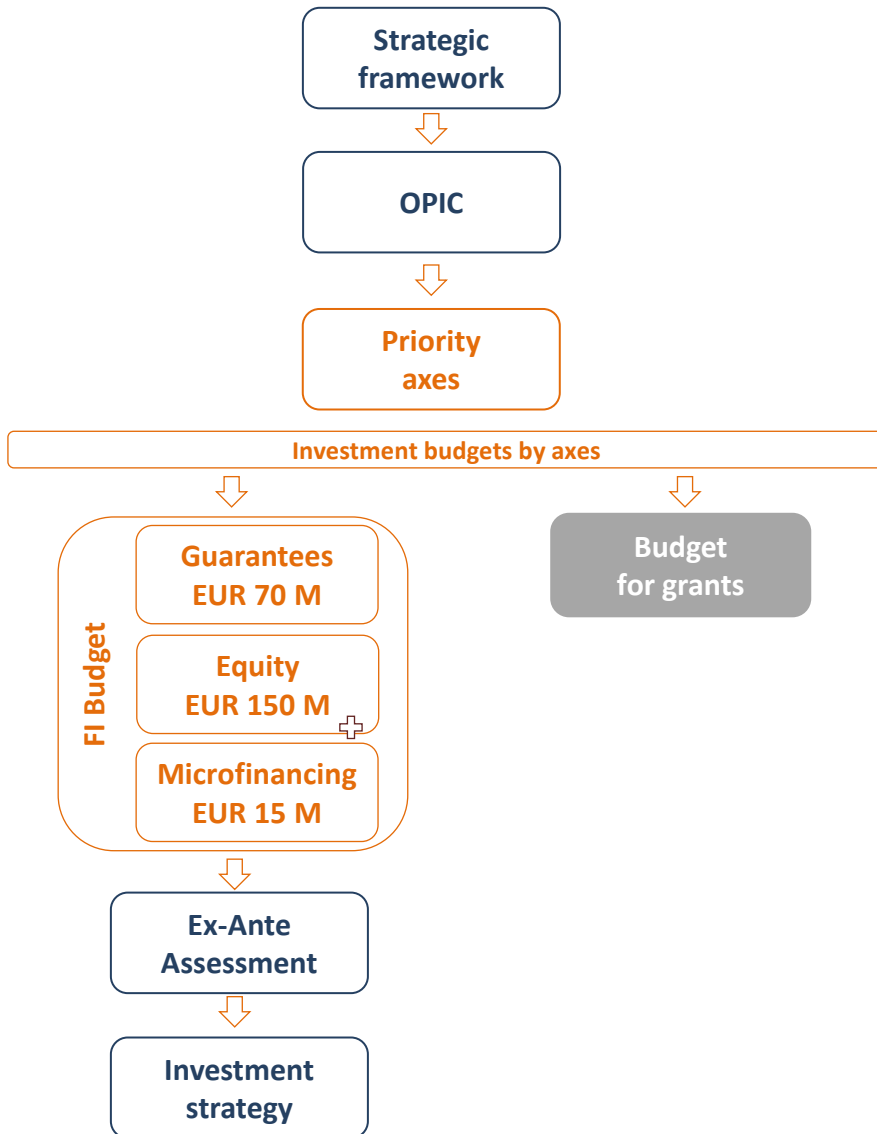
- FMFIB is the FoF manager...
- ... and our corporate mission is the effective implementation of FI in BG
- We would entrust individual FI management to intermediaries



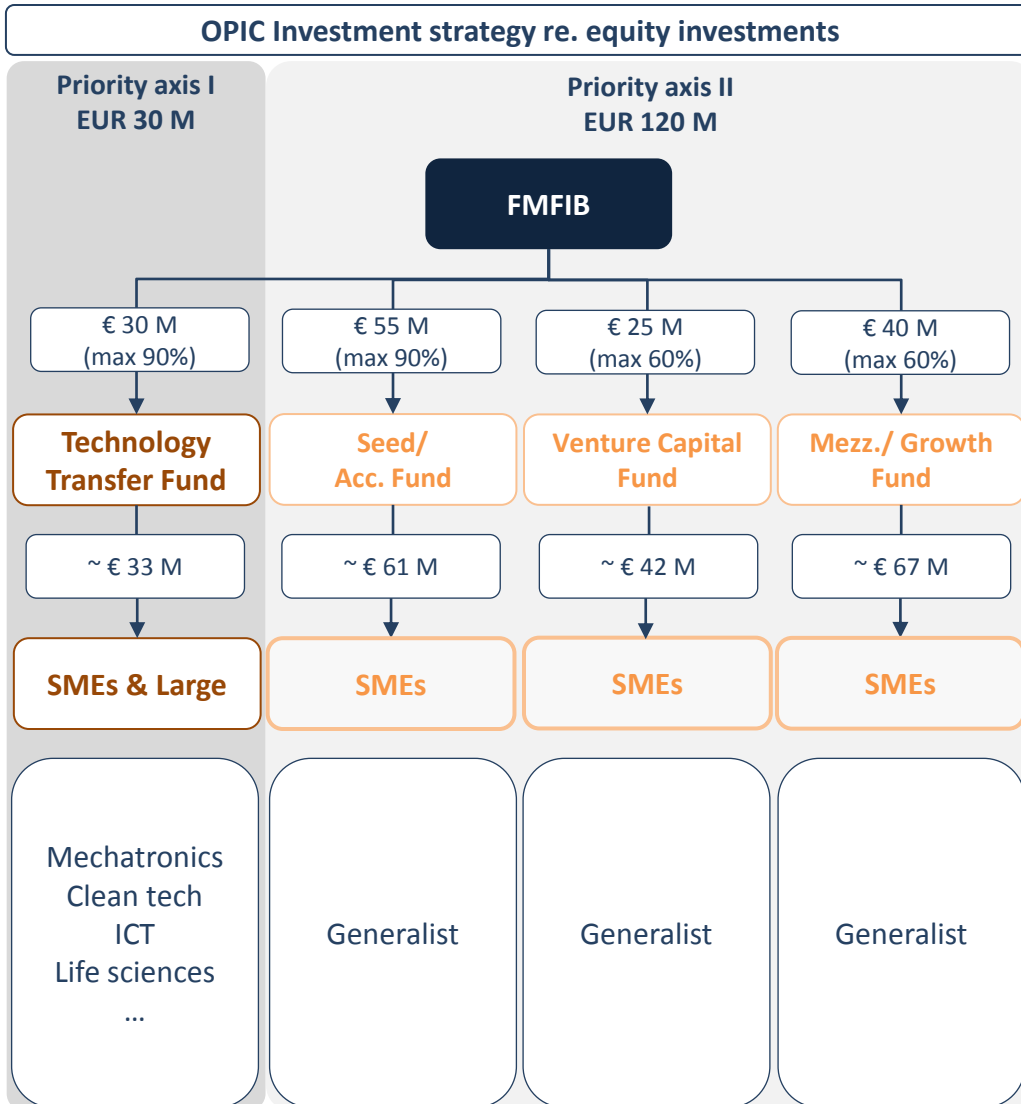
- 85+ years in PE, CF, IB, development & commercial banking
- 30+ years in economic, social and regional development
- Previous employers EC, Citi, KPMG, S&P, Credit Agricole, BNP Paribas, HSBC, SocGen, MA of OPs...
- Degrees from INSEAD, Harvard, LSE, Cass, Pantheon Assas, Paris Dauphine, Salford, Osnabrück...

FMFIB as FoF manager

- Established in October 2015
 - Operational since the beginning of 2016;
 - Accredited to manage EU funds in May 2016
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- Governance & *modus operandi* designed in liaison with EIB, EBRD & WB
 - SB from the OPs funding FoF; chaired by MF
 - MB of four seasoned professionals to bring experience in banking, PE & public sector
-
- Compliant with both EU...
 - ...and national regulations
 - *E.g.* CPR (EC) 1303/ 2013, ESIF Management Act, the Public Procurement Act...



- Programme budget ~ EUR 1.3 billion in five PAs
 - OP is aligned with the strategic framework re. national development roadmap re. various sectors
 - OP’s objectives aim to foster economic growth that is: (1) knowledge-driven, (2) environmentally sustainable, & (3) socially inclusive
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- Hence, the FIs objectives are:
 - enhance R&D, tech advancement & innovation
 - increase SME’s competitiveness and growth capacity
 - transition to resource/ energy efficient economy
 - The programme would support recipients via grants, equity, & debt instruments
 - The implementation of the FIs is outlined in an investment strategy, drafted by the EIB Group



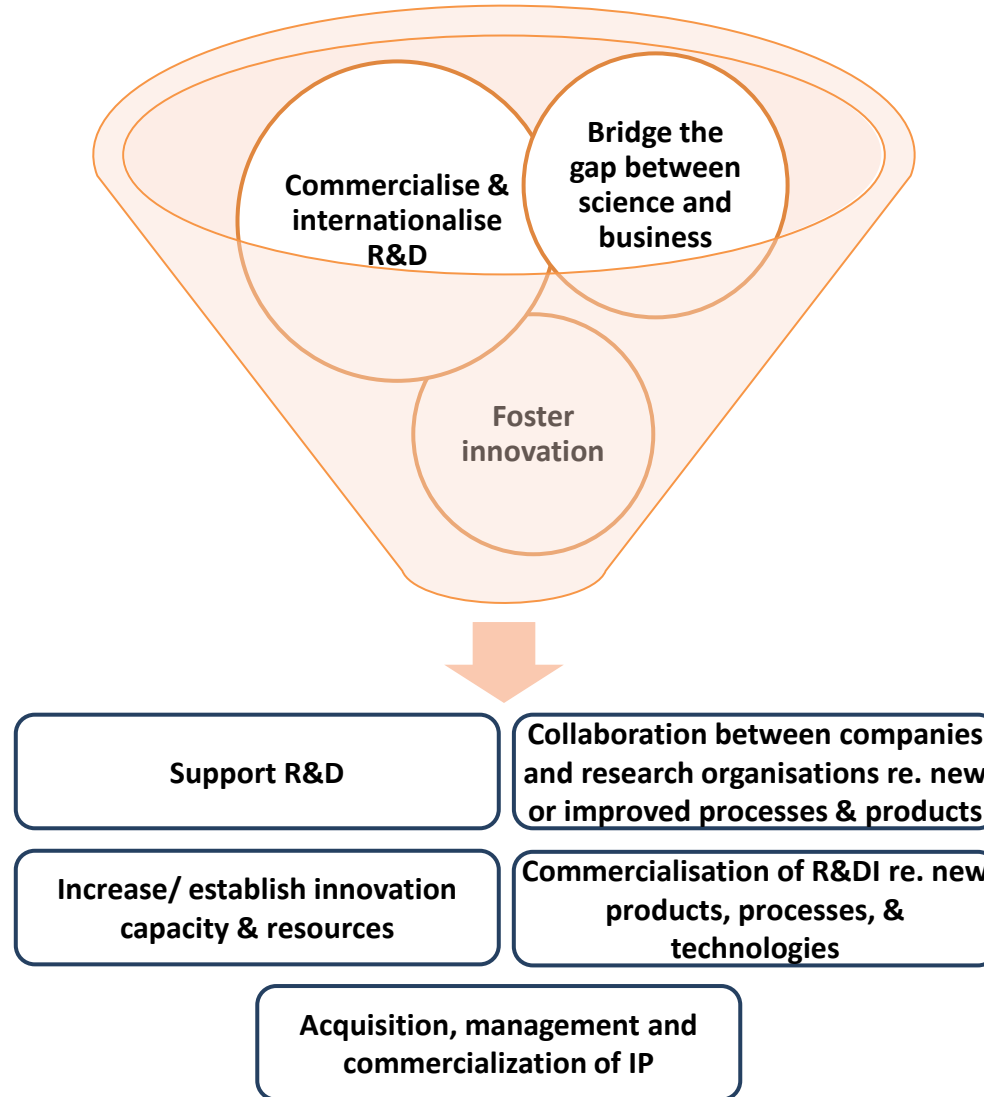
Note: The funding amounts provided are gross amounts including management fees.

OPIC (quasi) equity investments

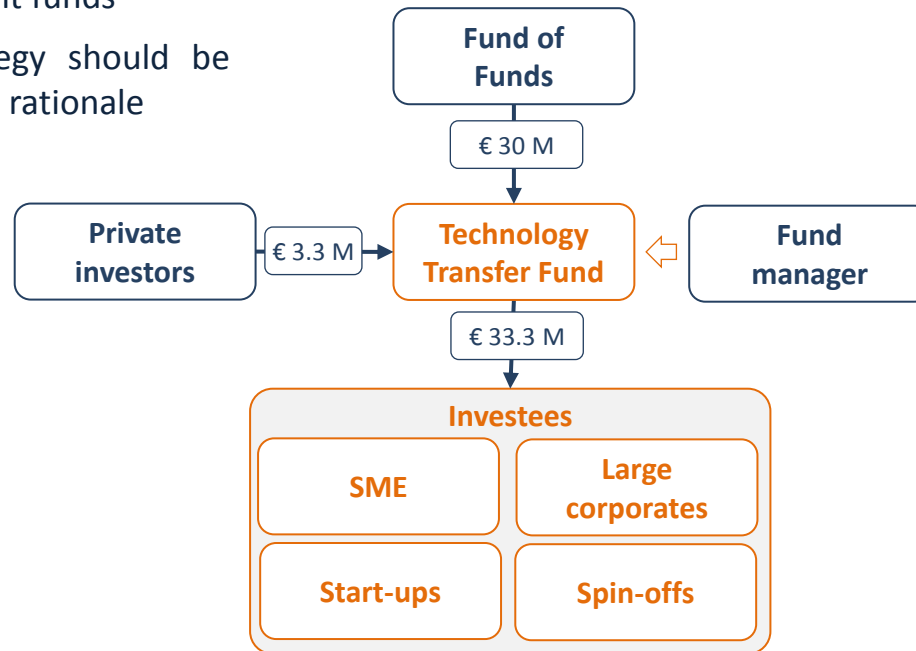
- FI scope based on lessons learned & identified market inefficiencies
- Budget amounts to EUR 150 million
- IS envisages four types of investment funds across the PE/ VC spectrum

Our role

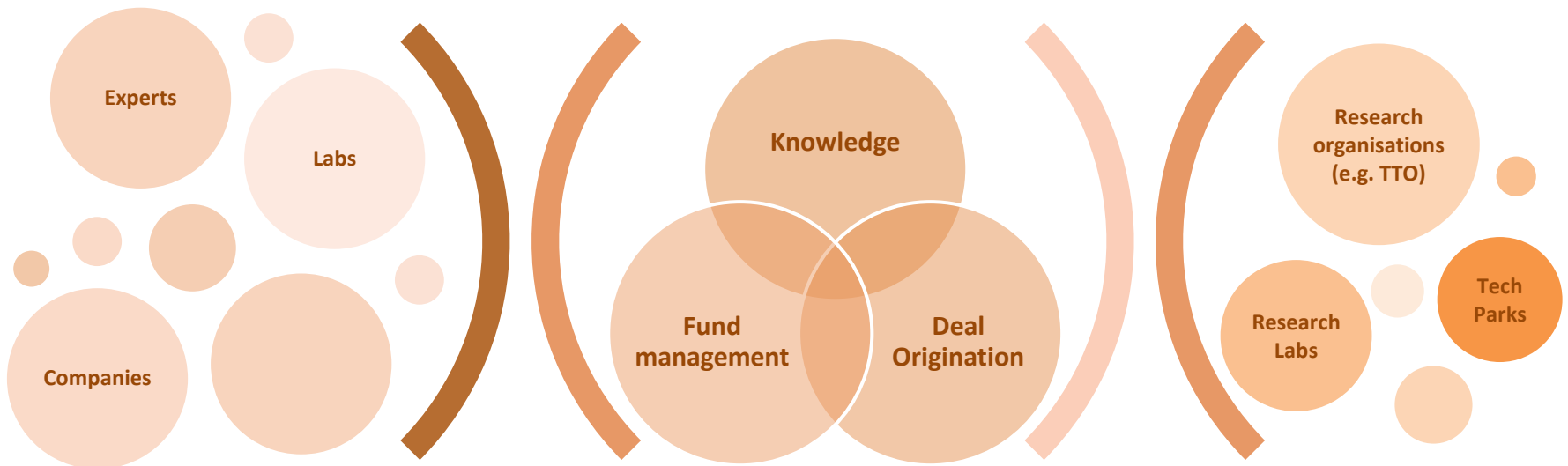
- FMFIB structures the products and selects fund managers in an open & transparent procedure
- FoF would be a limited partner
- The vehicles would attract private capital at fund level and/ or via co-investments

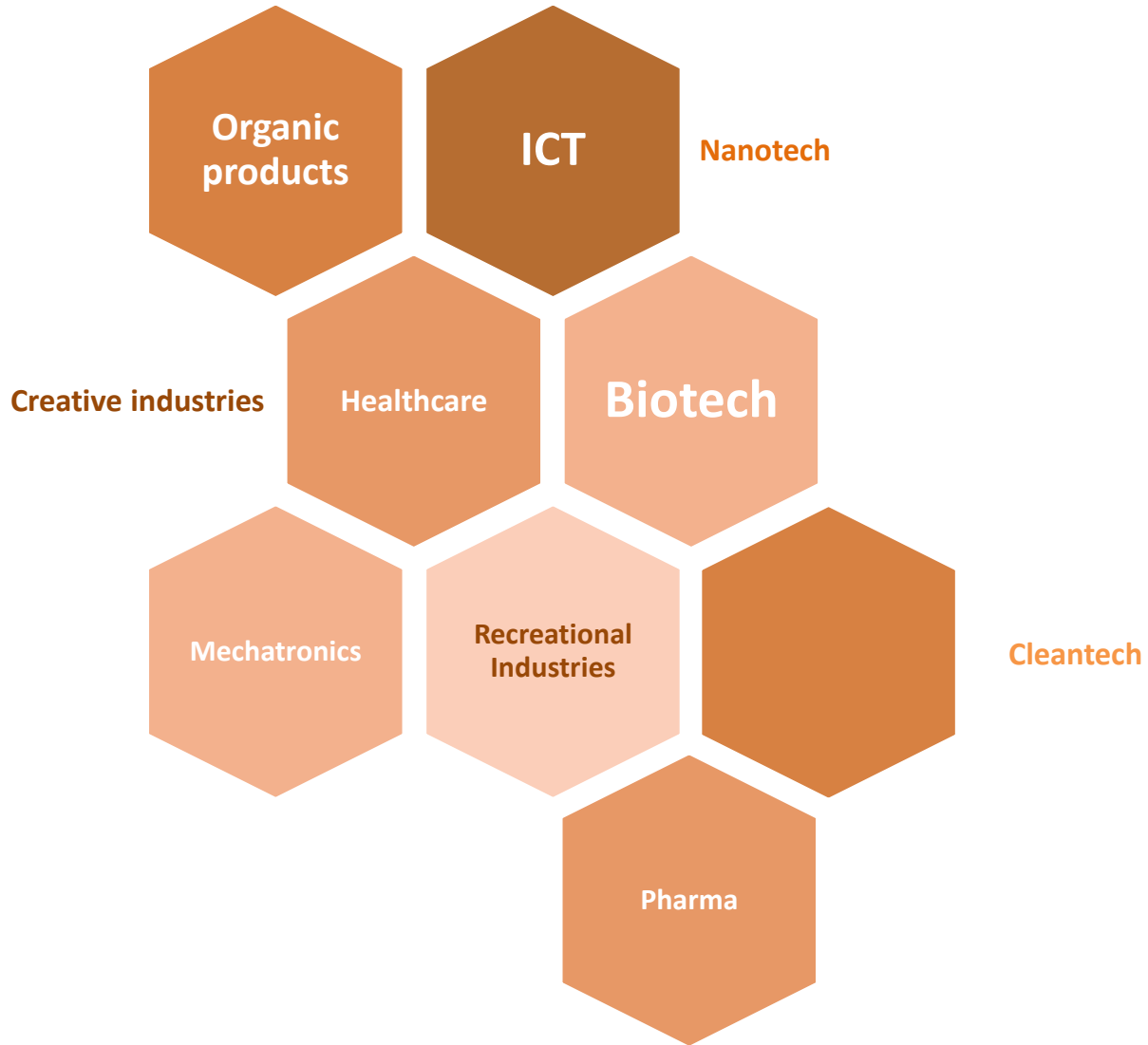


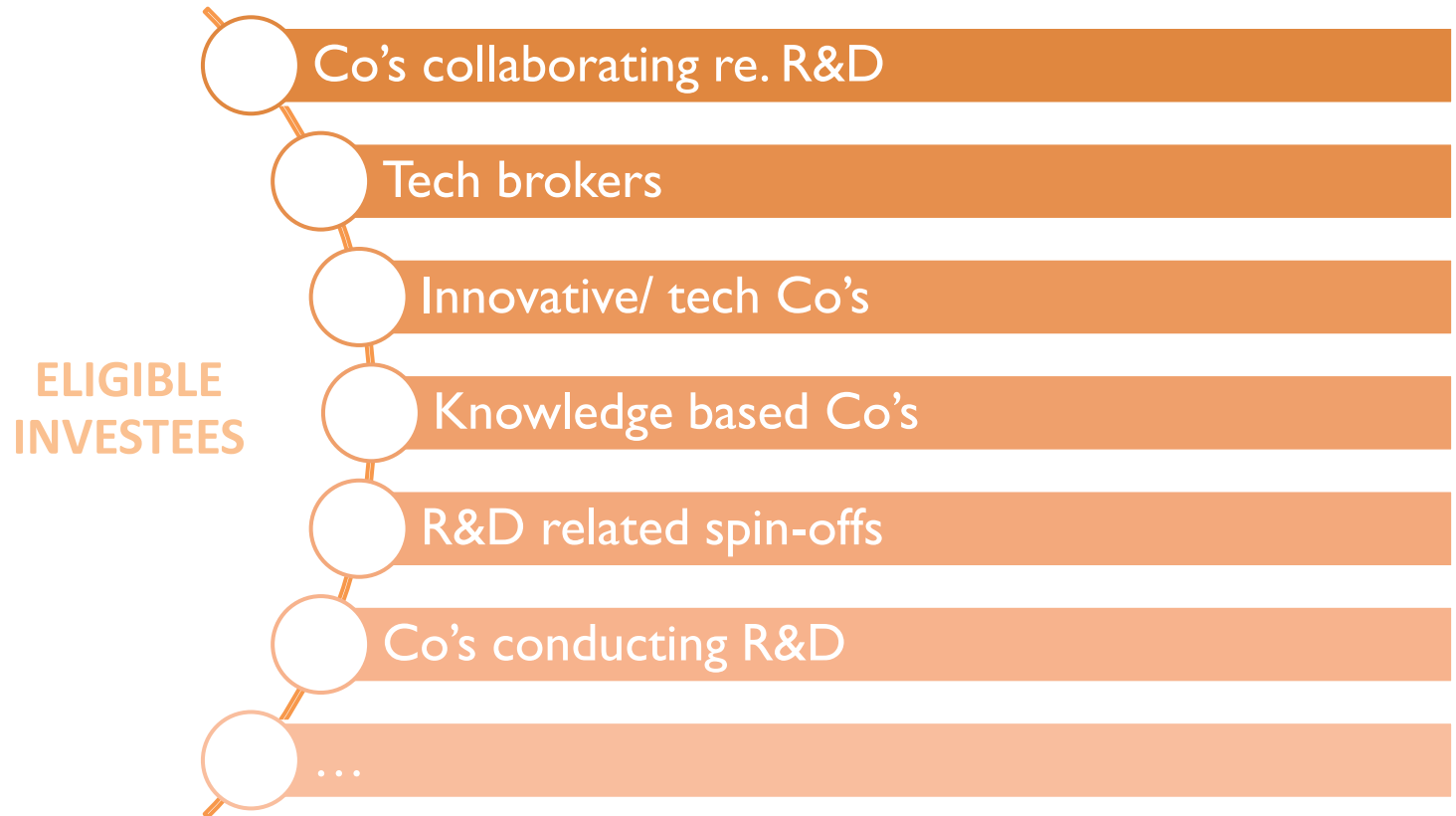
- TTF would provide equity and quasi-equity financing
- FoF commitment may be provided to one or more investment funds
- TTF investment strategy should be aligned with the policy rationale

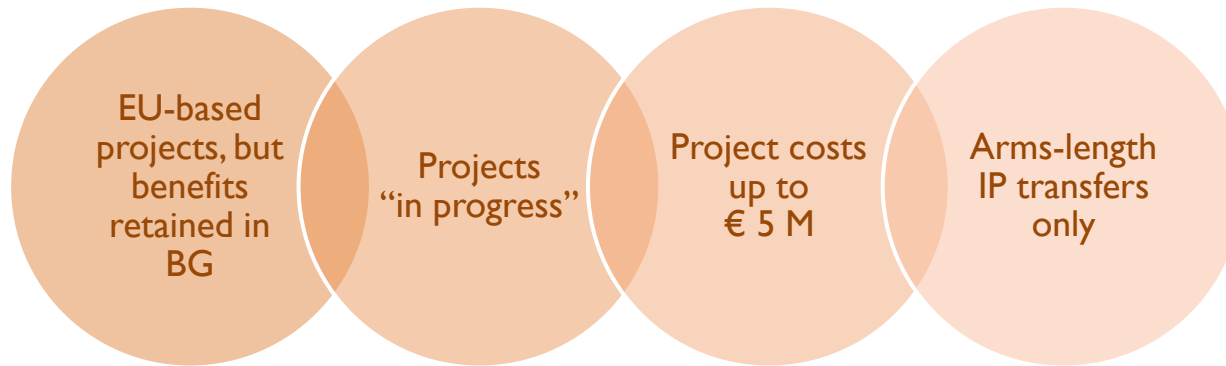


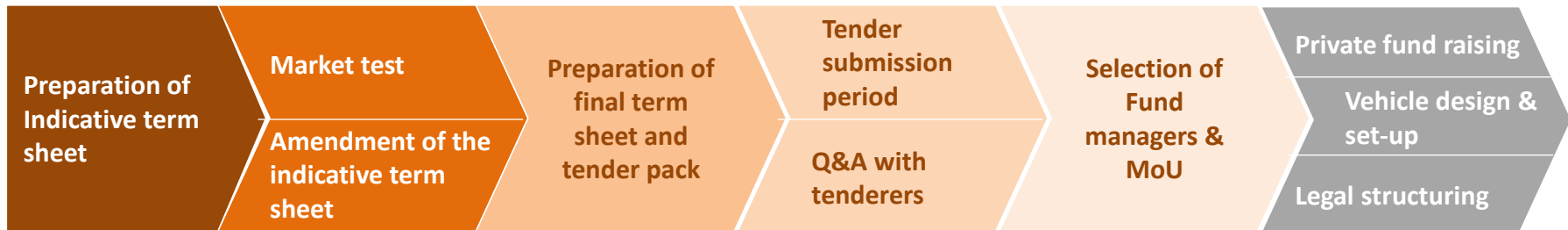
- FoF max participation: 90% of fund size
- Fund life: 10+1+1 years, incl. investment period of ~5 years
- Risk sharing/ distr. cascade: TBD (pari-passu / asymmetric return)













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