

## Responses to clarification requests: AWI Deep Tech Fund with Focus Switzerland (the “Fund”) RfP

Question	Response
What is the expected size of the fund, and how much capital has already been committed?	1. The target size of the AWI Deep Tech Fund is CHF 700 million, with a hard cap of CHF 1 billion. The minimum first close is set at CHF 350 million. Currently, AWI is engaging with its stakeholders and investors in the Swiss pension fund community and has registered enough interest to warrant launching the RfP with the above mentioned target amounts.
Within deep tech, does the fund prioritize specific sectors or startup stages, or is the investment focus broad? focus primarily on Series A+ deals and the sectors listed on your website (Innovative AI, Robotics, Life Sciences, Climate Tech)?	2. The Fund follows a broad investment focus within deep tech, innovation, and technology-driven digitally enabled businesses. Investments should be broadly diversified across sectors but with a focus on early-growth and growth-stage companies. Within deep tech, the sectors should at a minimum include those listed on the <a href="#">DTN website</a> but can be broader.
Could you provide insights into the hybrid venture capital structure of the AWI Deep Tech Fund, particularly the allocation between direct startup investments and indirect investments through venture capital funds?	3. The Legal Form for of the Fund is a Swiss Investment Foundation (Anlagestiftung) governed under Swiss law and is regulated by OAK BV (Supervisory Commission for Occupational Pension Funds). The Swiss Investment Foundation will act as feeder with the Selected Candidate acting as the investment manager or investment advisor to the Fund and deploying 40-60% into venture capital funds (indirect investments in start-ups) and 40-60% into direct investments in start-ups (both co-investments and independent direct deals).
What criteria will be used to select venture capital funds for indirect investments?	4. The selected Candidate will determine the criteria used to select the venture capital funds in order to meet the objectives of the 4.1 Investment Policy and 4.5 indicative key terms contained in the RfP document.
What are the key elements the proposal should include (e.g., track record, team, etc.)?	5. Proposals should explicitly address all sections outlined in Section 6.1 Proposal Framework Outline of the RFP.
What are the primary criteria the selection committee will use to evaluate proposals from asset managers?	6. The selection committee will evaluate proposals based on a 100-point system: Applicable experience – 50 points, proposal for fund strategy execution – 40 points, value-add proposal – 10 points
Is there a weighting system for these criteria, and can you provide insights into the decision-making process?	7. The selection is weighted as follows: 50% – Applicable experience, 40% – Fund strategy execution, 10% – Value-add contributions. The Selection Committee, composed of investment professionals and subject matter experts, will review proposals and may request further clarification or meetings. A finalist candidate will be selected for exclusive negotiations by May 30, 2025, followed by due diligence and final contract negotiations
What is the governance structure of the fund, and how will investment decisions be made between AWI, the asset manager, and other stakeholders?	8. Information on the structure is provided in Response 3. AWI acts as the sponsor, responsible for structuring, promoting, and overseeing the fund. The selected Candidate acting as asset manager or investment advisor of the Fund will have full responsibility for deal sourcing, investment decision making, portfolio management, and exits. Investment decisions will be made independently by the asset manager or investment advisor. Neither AWI nor

	<p>DTN will be represented on the Investment Committee. The Fund shall benefit from the oversight of a Limited Partner Advisory Committee (LPAC). The AWI Foundation Board and its Committees play a strategic oversight and governance role in the AWI Deep Tech Fund but do not manage investments directly. The selected asset manager or investment advisor is responsible for investment decisions, while the AWI Board ensures compliance, structure, and alignment with Swiss institutional standards.</p>
<p>Are there specific regulatory requirements or compliance standards that the asset manager must fulfill to be eligible?</p>	<p>9. The minimum eligibility requirements for Candidates include: i) A substantial presence in Switzerland (or willingness to establish one), ii) Regulatory compliance in an OECD country (currently regulated or in the process of obtaining regulatory approval). iii) No sanctions or legal compliance issues. Finally, the Candidate must also demonstrate iv) Robust governance, risk management, and reporting aligned with Swiss institutional investor requirements.</p>
<p>What are the next steps following the selection of the asset manager, and what is the expected timeline for the fund's launch and initial investments?</p>	<p>10. Selection of the finalist asset manager or investment advisor for exclusivity is May 30, 2025 and thereafter completion of due diligence and contract negotiations July 31, 2025. AWI is already engaging potential seed/anchor investors. The formal launch of the fundraising period begins after the selection of the asset manager or investment advisor with a minimum first close target of CHF 350 million. The fundraising phase will be led by AWI and the selected asset manager or investment advisor, with support from DTN. Initial investments will be made once the first close is reached and the Fund has capital to deploy.</p>
<p>will AWI provide an anchor commitment to the Fund (and if yes - roughly how high shall that be?)</p>	<p>11. AWI is a foundation and will not provide the anchor commitment. Please see response 10 for more information on engagements AWI is currently undertaking with potential seed/anchor investors. We are not in a position to disclose seed/anchor amounts in discussion at this stage.</p>
<p>Do you have any set criteria for the international allocation. Do you have a preference between allocation to Europe, US and Asia and Emerging markets?</p>	<p>12. AWI has deliberately left this open for Candidates to make a proposal. That said, AWI DTF is primarily focused and targeted towards pension funds in Switzerland whom to date have very little to no exposure to venture capital in Switzerland or internationally and have a fairly conservative and low risk tolerance. The international component should primarily serve to provide an attractive risk/return balance to the Swiss exposure. US and Europe should strongly feature in the international exposure.</p>
<p>Does the international allocation need to have a link to Switzerland?</p>	<p>13. AWI has deliberately left this open for Candidates to make a proposal. That said, an element of elevating Swiss start-ups to an international context could be a welcome proposal.</p>
<p>Are there any excluded sectors or allocation restrictions e.g. Defence tech or Dual Use?</p>	<p>14. AWI is a responsible investor and the fund is expected to follow responsible investment principles and guidelines. Exclusions that are typically aligned with those that the majority of pension funds in Switzerland implement should apply to the allocation.</p>
<p>Do you have a preference or expected allocation between generalist VC funds, generalist VC funds with dedicated deep tech practice and deep tech specialists?</p>	<p>15. AWI has deliberately left this open for Candidates to make a proposal. Deep tech expertise is desirable but above all the preference is to provide an attractive risk return profile for pension funds clients.</p>

<p>The referenced Preqin document would suggest +3x net and +20% IRR. Are you able to confirm this would be an appropriate return target?</p>	<p>16. AWI has deliberately left this open for Candidates to make a proposal. The target returns should be commensurate with the upside possible through venture within the context of the Investment Policy (see section 4.1 of the RfP) while providing for an attractive risk return profile.</p>
<p>While (we) have exposure to deep tech, would AWI/Deep Tech team be able to provide their definition of the sector for the avoidance of doubt?</p>	<p>17. Please refer to response 2 above.</p>
<p>While target return will have an impact on these allocation splits, it would be helpful to understand AWI/Deep Tech preferences around early vs. growth and emerging vs. established.</p>	<p>18. AWI has deliberately left this open for Candidates to make a proposal. Attractive returns are desirable but above all the preference is to provide an attractive risk return profile for pension funds clients. Diversification is key. As mentioned in response 12 above, AWI DTF is primarily focused and targeted towards pension funds in Switzerland whom to date have very little to no exposure to venture capital in Switzerland or internationally and have a fairly conservative and low risk tolerance.</p>
<p>Beyond achieving target financial returns for direct investments, does AWI/Deep Tech have a bias towards leading deals and taking board seats to effect change and impact Swiss based companies?</p>	<p>19. As detailed under Ecosystem Activities (see section D.2 of the RfP) initiatives that contribute to a growing, thriving startup ecosystem in Switzerland are welcomed. Leading deals and taking board seats to effect change and impact Swiss based companies could be one such example of such a contribution.</p>
<p>Does the AWI/Deep Tech team have specific ESG integration guidelines? What are the ESG reporting expectations?</p>	<p>20. AWI is a responsible investor and the fund is expected to follow responsible investment principles and guidelines. There are no specific ESG integration guidelines or reporting expectations. Candidates are expected to propose guidelines that are in line with those generally expected by institutional best practises. Frameworks such as the Principles for Responsible Investment are appropriate reference points.</p>
<p>How does AWI view Additional Liquidity (Straight forward to “transfer” shares at NAV). impacting fund administration and operations?</p>	<p>21. Additional liquidity for shareholders in the “Anlagegruppe”. Units can be transferred (cession) from one pension fund to the other pension fund. There is no impact to the fund administration.</p>
<p>Does AWI anticipate the Fund will have a dedicated resource (+50% time spent on the Fund)?</p>	<p>22. Yes, the expectation is that there will be at least one or more dedicated resources for the Fund.</p>
<p>Present an investment thesis that includes an analysis of promising geographies and sectors. While target return will have an impact on these allocation splits, it would be helpful to understand AWI/Deep Tech preferences around geography and sector.</p>	<p>23. AWI has deliberately left this open for Candidates to make a proposal As mentioned under Investment Policy (see section 4.1 of the RfP) approximately half of the investment shall be in Switzerland and approximately half international. Please also refer to response 12 with regards to the international exposure. Then, Investments shall be made across sectors, with a focus on deep tech, innovation and technology-driven digitally enabled businesses. Within deep tech, the sectors should at a minimum include those listed on the <a href="#">DTN website</a> but can be broader. In short a heavy accent on Switzerland and deep tech is desirable but must be balanced with diversification necessary to provide a suitable and attractive a risk return profile suitable for Swiss pension funds.</p>
<p>Budget and management fee. Present a budget for the Fund, detailing fund and manager expenses (including team salaries and operating costs, not including the fees associated to the Administrator, Auditor and Depositary). Propose and justify a management fee using industry benchmarks.</p>	<p>24. The industry benchmarks referred to relate to typical fee structures applied in private market fund models, specifically venture capital fund-of-funds (FoF) and direct or co-investment strategies. Historically, these benchmarks are 1% management fee and 10% carry (1/10) on the FoF</p>

<p>Performance incentive. Propose a performance incentive structure, including hurdle rates and carried interest, broken down by the hybrid components of the investment strategy, with reference to industry benchmarks. What industry benchmarks?</p>	<p>component (no hurdle) and 2% management fee and 20% carry (2/20) on direct investments (8% hurdle) and co-investments. However, these traditional benchmarks are increasingly considered outdated, particularly for large hybrid FoF vehicles such as the one envisioned for the AWI DTF. Current market trends indicate that fees on the FoF component are moving lower. The proposed approach recommends a blended fee structure that accounts for the lower fee expectations on the FoF portion and more standard fee levels for the direct and co-investment components. The fee propose should acknowledge the significant role AWI and its partners play in promoting and fundraising the fund.</p>
<p>Will the fund be open to family offices or other investors who are not pension funds. If the AWI structure does not allow this are you open to a separate parallel structure?</p>	<p>25. Yes, the structure will enable family offices and other qualified investors to invest in the fund.</p>
<p>Investor base: The RFP mentions largely only CH pension funds and only refers briefly to international institutional investors. Can we assume that the investor base should include both: Swiss non pension fund investors, e.g. Swiss corporates? International investors, both pensions funds and non-pension funds?</p>	<p>26. The fund will allow qualified investors, eg. corporates, while the investment foundation group with special terms is reserved for Swiss pension funds</p>
<p>The fund term is limited to 10 years. Normally we would propose a longer fund term for a venture fund – would AWI be open to a longer term, e.g. 12 years + 3x1yr extensions?</p>	<p>27. Yes AWI would be open to explore.</p>
<p>Would AWI &amp; DTN be open to a Biotech allocation as part of the mandate?</p>	<p>28. Yes, within deep tech, the sectors should at a minimum include those listed on the <a href="#">DTN website</a> but can be broader.</p>
<p>Evaluation criteria: Is there any indication on the weight / importance of the proposed fee vs. other factors such as investing experience, sector expertise, ecosystem building?</p>	<p>29. The proposed fee will be considered alongside all other aspects of the proposal. Proposals will be evaluated based on the overall approach, with no single factor carrying disproportionate weight</p>
<p>Investment policy, sectors: Which sectors shall be covered? The RfP explains on page 9: "Investments shall be made across sectors, with a focus on deep tech, innovation and technology-driven digitally enabled businesses." We assume this includes life sciences (health tech, bio tech, med tech, pharma, fem tech)?</p>	<p>30. Within deep tech, the sectors should at a minimum include those listed on the <a href="#">DTN website</a> but can be broader.</p>
<p>Can a supplier be part of more than one proposal, e.g. as lead and partner in two different consortia?</p>	<p>31. Yes</p>
<p>Would a fund commitment in a single (Swiss based) VC fund that invests &gt;50% in Swiss companies from an investment controlling and reporting perspective related to the geographic allocation be regarded as 100% Switzerland? If not, what would be the basis of the breakdown between the geographies Switzerland/internationally?</p>	<p>32. Geographical limits are expected to be adhered to on a 'look through' basis.</p>
<p>The description of the RFP mentions Venture Capital (VC) and seems to put the emphasis on dilutive / equity financing: is it possible to use non dilutive structures as well such as venture debt and other capital efficient instruments suited to institutional investors?</p>	<p>33. The focus is on equity.</p>
<p>The RFP mentions a focus on early growth and growth stage companies : in case of companies being IPOed,</p>	<p>34. The focus is on unlisted start ups at early growth and growth stages.</p>

can the mandate include listed companies and crossover situations? should the mandate only consider non listed companies at time of investing?	
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