#EmpoweringEquity

Empowering Equity 2025

European Investment Fund

European Commission

INVESTEU ADVISORY HUB

European Investment Bank | Advisory

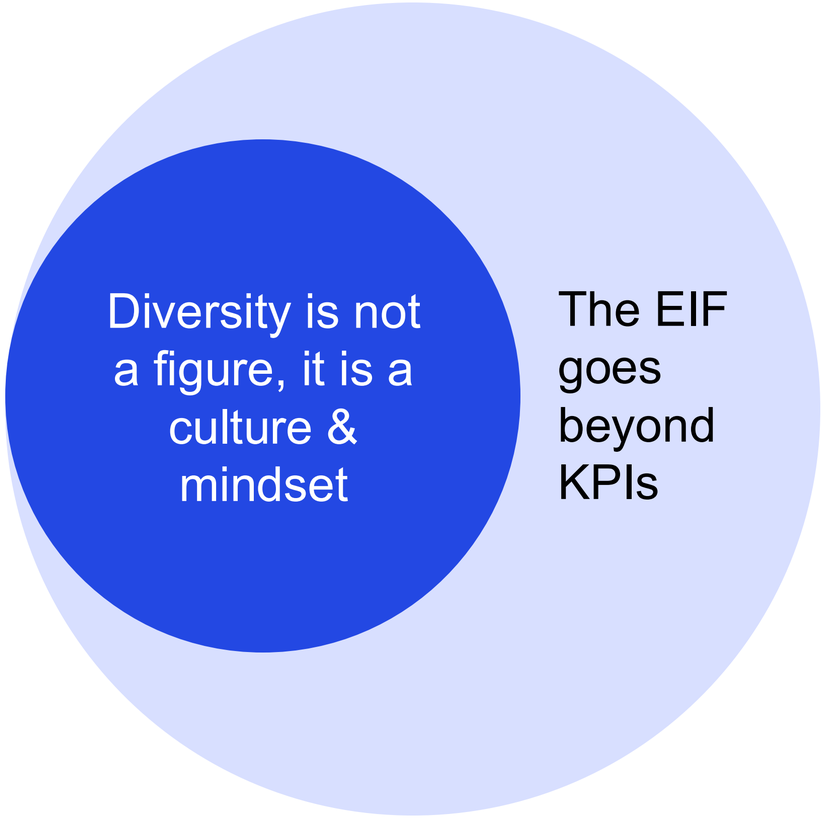
EIF's Enhanced Due Diligence: Building Inclusive Portfolios & Partnerships

Diversity – beyond KPIs

How to assess & encourage an inclusive diversity culture

>50% of EIF's GPs meet the gender criteria – is this sufficient?

Role	Female share in 2025 (YtD)
Management team	14%
Senior Investment team	32%
Investment Committee	26%



Data as of September 2025

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Shaping the ecosystem

EIF's frontrunner engagement in 2025 & beyond

In-depth diversity assessment

Qualitative | Quantitative

- Change Maker
- Creating Accountability
- Culture, Investments & Legal

Dedicated training

- EIF to become Gender Champions
- Assessment tools for scratching below the surface

Complementary tools & actions

Coming soon

- Roll-out of gender rating to all equity investments
- Increased weight in investment decision making
- Transparency & Reporting

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Masterclasses for Newcomers

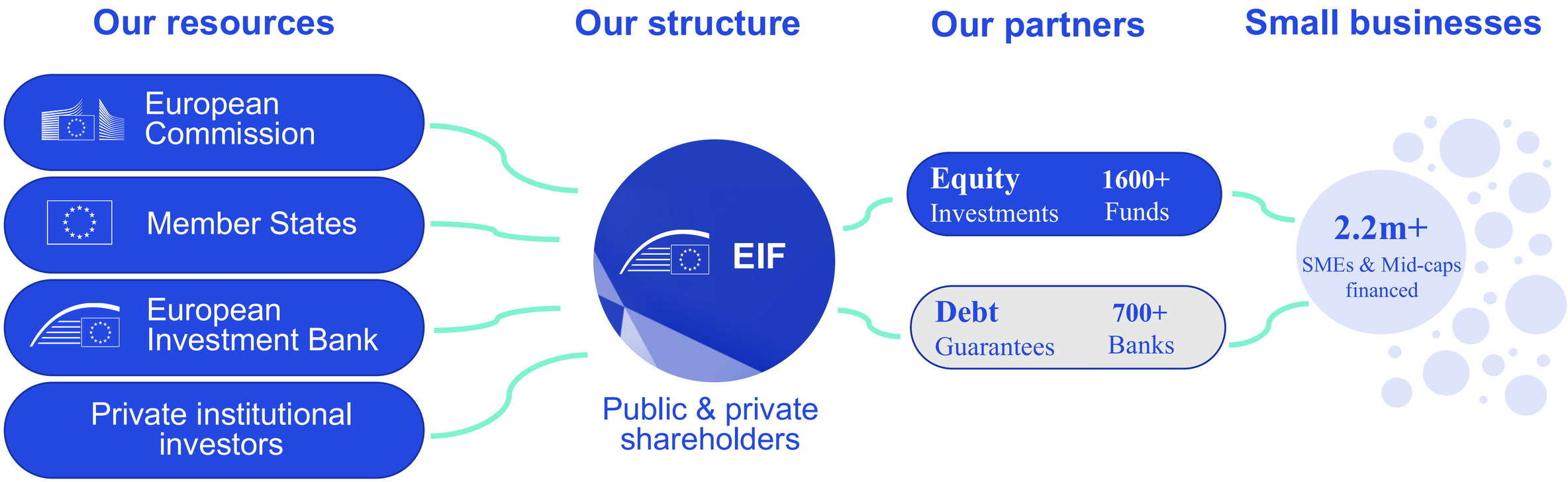
EIF Asset Classes & Due Diligence Process

Masterclass for Newcomers - Part 1

by Anna Finizio & Nadya Petrova

Who are we?

A specialist provider of risk finance to benefit small and medium-sized enterprises (SME) and infrastructure projects across Europe



Figures as at 31.12.2024

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EIF's equity activity

We are the largest fund-of-funds investor in Europe

>€48 bn

Total equity commitments

>1,600

Total number of funds committed

>700

Total number of managers

EIF-backed funds have supported many household names such as …

Revolut Doctolib EXOTEC UiPath® Spotify®

… and many more

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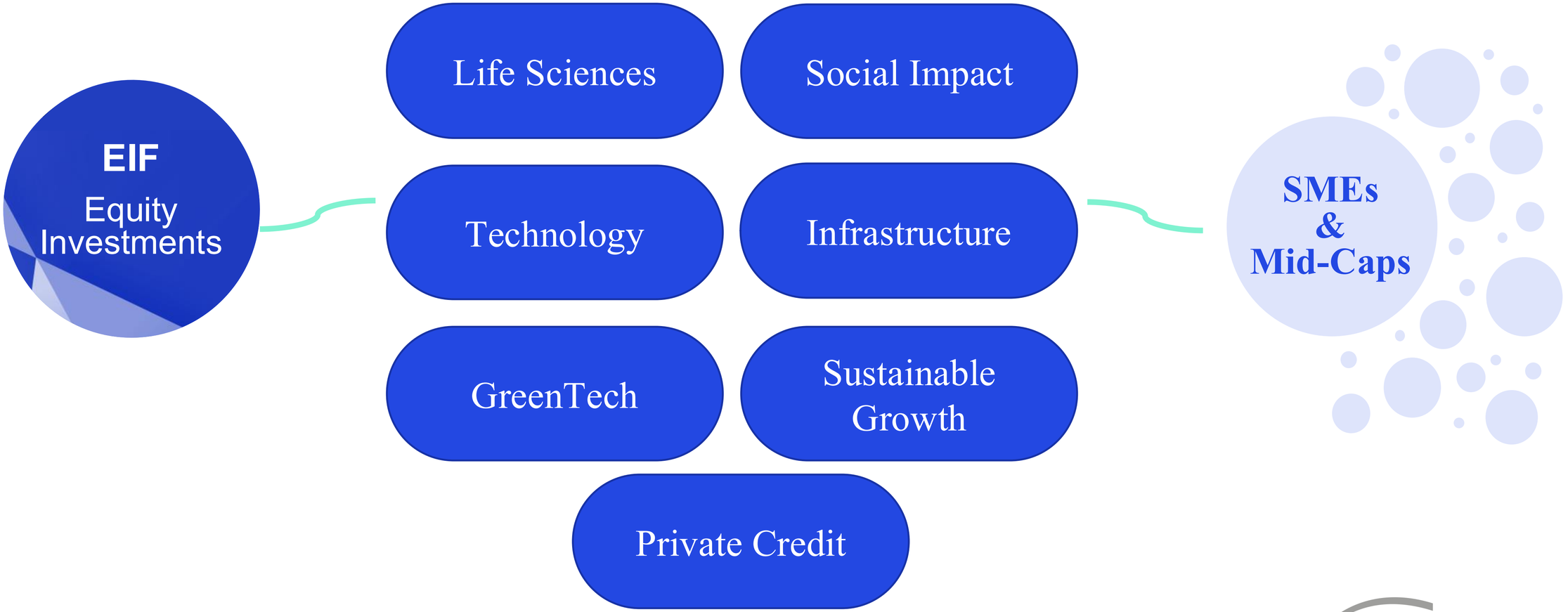
EIF’s sectorial focus

Specialised teams covering EIF’s main areas of focus



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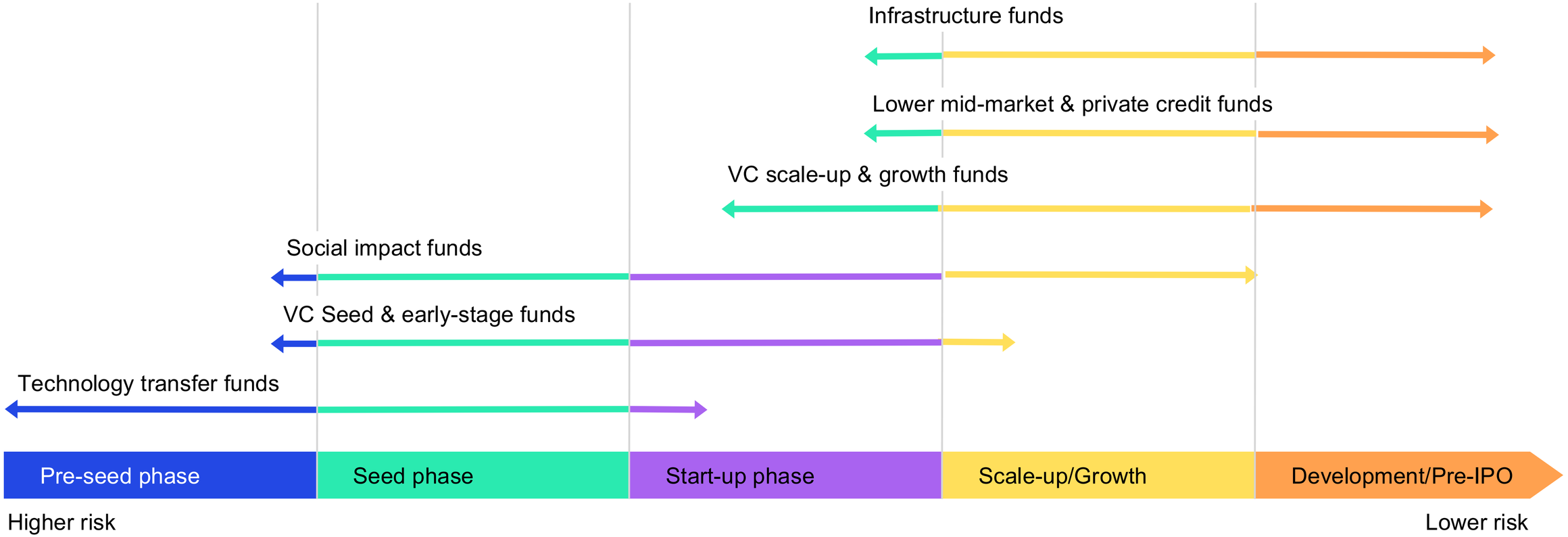
Our equity products help at every stage of development



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Our assessment process

A **selective** and **rigorous, multi-step** approach involving our front office, risk, compliance, legal departments

Sourcing

- Mainly inbound
- Pro-active sourcing via network and participation in conferences

Deal Assessment

- Assessment process including desk review as well as in-person/virtual meetings

Due Diligence

- On-site due diligence
- In-depth review of all elements of the proposal, including terms

Approval

- Formal approval of the transactions
- involving EIF investment team, Risk, Compliance, Legal departments
- CEO office / EIF Board of Directors

Signature

- Legal negotiations and signature of transactions

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We’re looking for coherent links

The elements of your proposal must support one another and align with your strategy

- Proven track record, experience & reputation
- Team complementarity
- Team cohesion & succession
- DEI Approach
- Team Commitment
- Carried interest split

- Governance
- Budget
- Terms & Conditions
- Legal structure
- Fundraising traction

- Trends
- Market needs
- Competition
- USP
- Deal flow & pipeline

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Investment strategy

1

Data

- Focus: e.g. sectors, stage, geography
- Portfolio model
- Origination and deal sourcing strategy
- Value creation & exit strategy
- ESG

Analysis

- Consistency with past team experience
- Fit with market needs & mandate requirements
- Ability to source the best investments in line with the strategy
- Ability to create & realise value during the holding period

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Market opportunity

2

Data	Overview of VC industry in the targeted market	General macro overview of the targeted country	Competition: other funds, family offices, etc	Differentiation
Analysis	Attractiveness of the market (depth, trends, gaps)		Analysis of the unique selling proposition	

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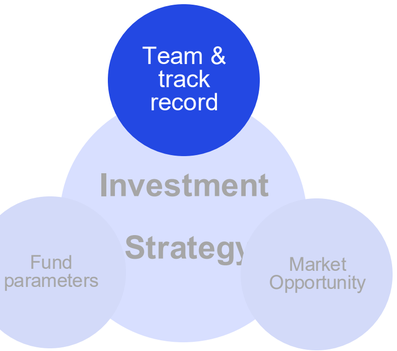
Team

3



Data	Team set-up: complementarity & dedication	Background, skills & experience, reputation	Hiring plan	Decision process Incentive scheme
Analysis	Assessment of team dynamics	Assessment of completeness, adequacy vs. strategy	Workload analysis	Alignment of interest (governance, financial incentives)

One-on-one discussions with team members and reference calls

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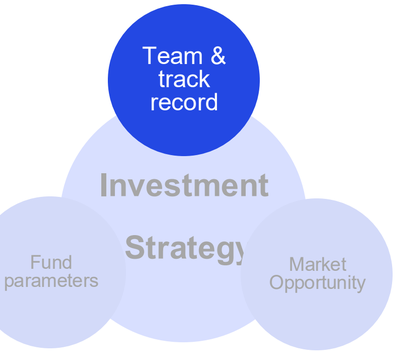
Track record

4



Data	Relevance & attribution	Case study: lessons learnt	Realised and unrealised investments	Current & expected performance
Analysis	Assessment of transferable skills & who drove the performance	Assessment of performance & benchmarking		

Reference calls

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Fund parameters

5

Data	Decision-making bodies & Shareholding	Terms & conditions	Budget Review	Legal structure
Analysis	Governance & empowerment	Alignment of interest, Viability and surplus analysis	Compliance assessment	

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Why do we decline your proposal?

Mandatory requirements

- EU27 focus
- Legal set-up
- No or limited strategic fit

But mostly

Team

- Most frequently: Lack of or limited (i) investment experience; (ii) sectoral experience; (iii) fund management experience;
- But also: Concerns on team dynamics; concerns over reputation; high turnover; no succession plan

Investment strategy

- Most frequently: Unproven deal flow access; unviable fund size; lack of USP; broad strategy
- But also: concerns over portfolio construction; unexplained/unconvincing strategy drift

Governance

- Limited alignment of interest; team's independence; high risk of conflict of interest

Terms & conditions

- GP friendly terms or non-standard terms with no will from manager to discuss

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Thank you

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EIF Insights:
Legal Terms & Conditions

Masterclass for Newcomers - Part 2
by Marta Roberti & Gizem Taser

Agenda

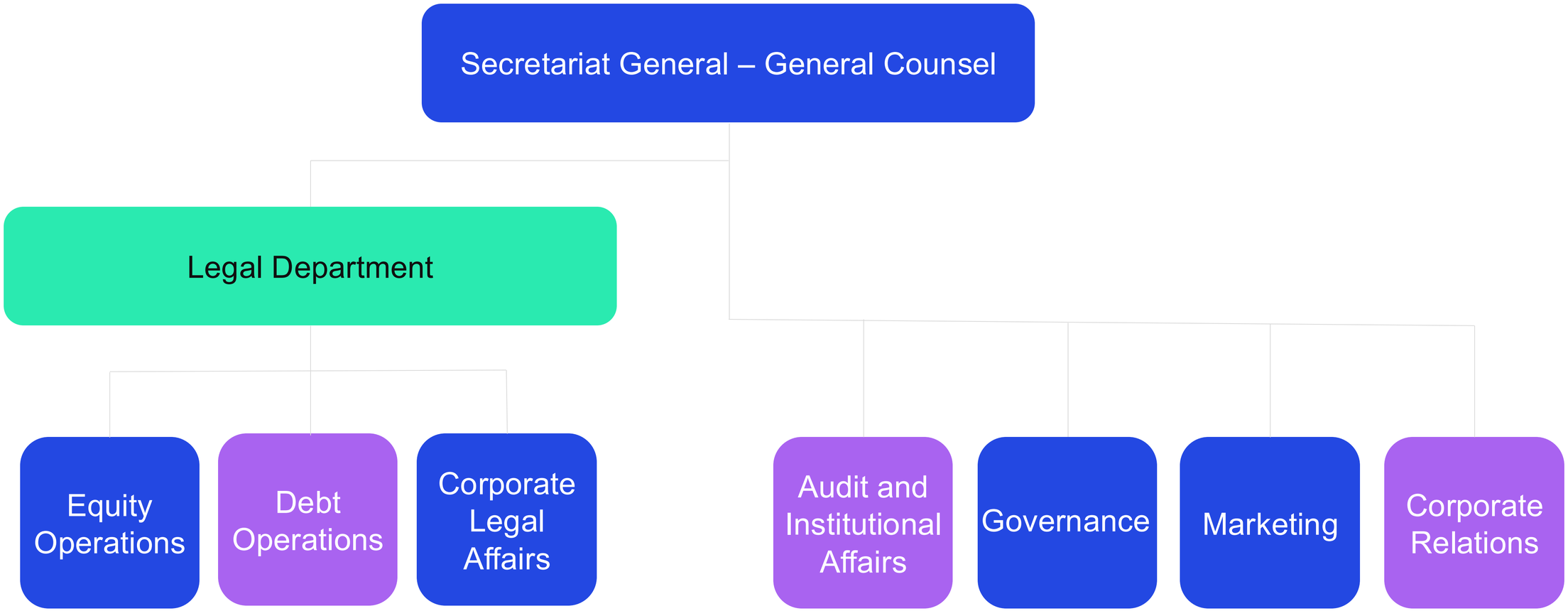
EIF Legal terms & conditions

1. EIF legal team
2. EIF legal framework
3. An overview of EIF core standard terms

01

EIF Legal Team

EIF Legal Team



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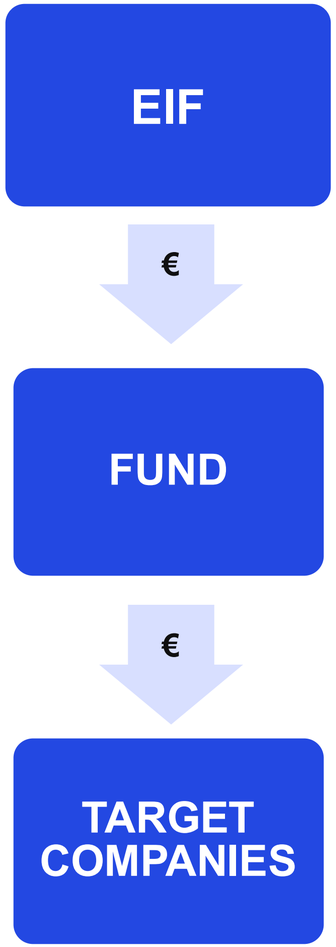
02

EIF Legal Framework

EIF as Fund of Funds



EIF's mandators (EIB, EU Commission, NPIs, pension funds, etc.) rely on EIF to manage and invest their funds mainly for policy reasons. EIF is a fund of funds so it invests in subsequent funds as institutional investor.

Funds: blind pools of monies provided by investors, managed by a manager, for investment in accordance with a defined investment policy.

Funds invest EIF's and other investors' commitments in portfolio companies. No direct link between EIF and the target companies.

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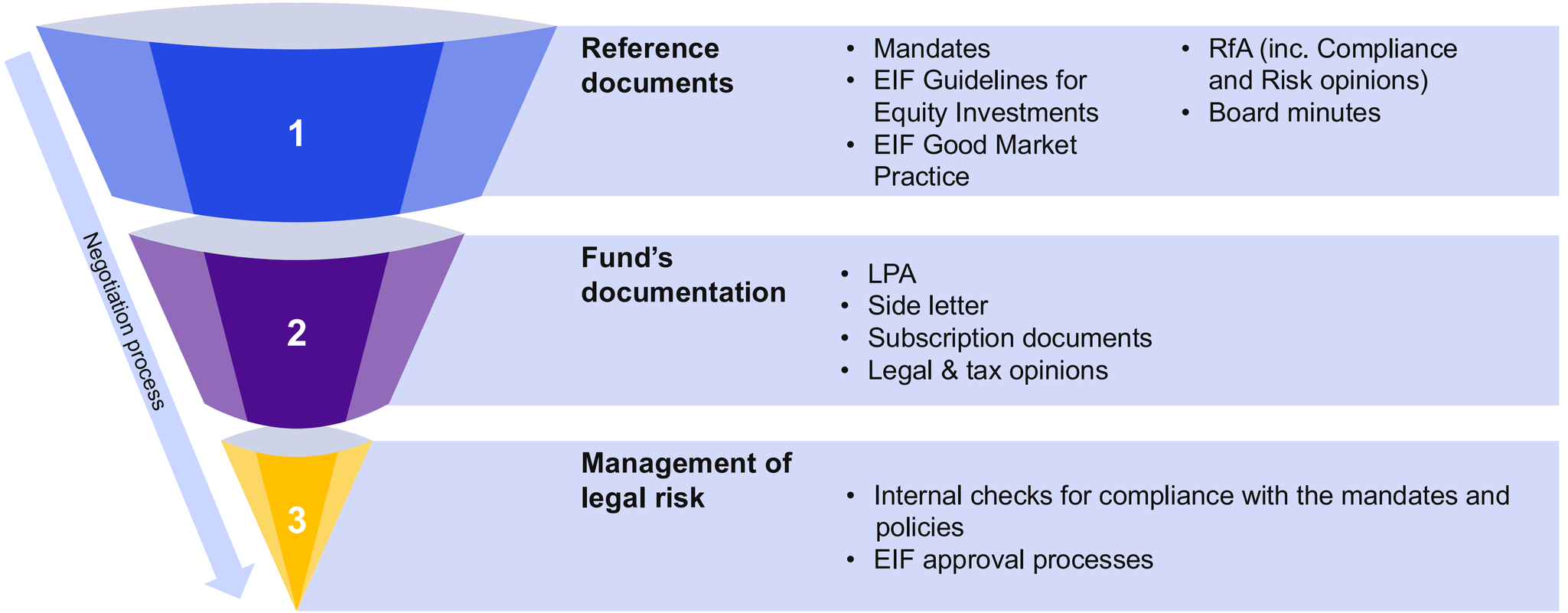
Legal Framework Interplay

How does the legal framework come into play in the EIF negotiations?



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EIF's Good Market Practices

Fund management	• Fund governance • Independence • Exclusivity
Risk mitigation and conflicts of interest	• Risk diversification • Borrowing and Lending by Funds • Cross-over investments
Investor protection	• Removal and Key-person protection • Alignment of interests and pari-passu • Reinvestments
Economic terms & others	• Management fee, carried interest, equalization fees and fee offset • Escrow and clawback • Defaulting investors • Co-investments • Reporting

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Overview of a fund's legal documentation

EIF Legal Framework

Limited Partnership Agreement (LPA)

- Name varies across jurisdictions
- Common terms of the Funds
- Importance of its binding nature

Side letter

- Bilateral terms which supplement or "modify" (to the extent permitted by applicable law") the LPA

Subscription agreement

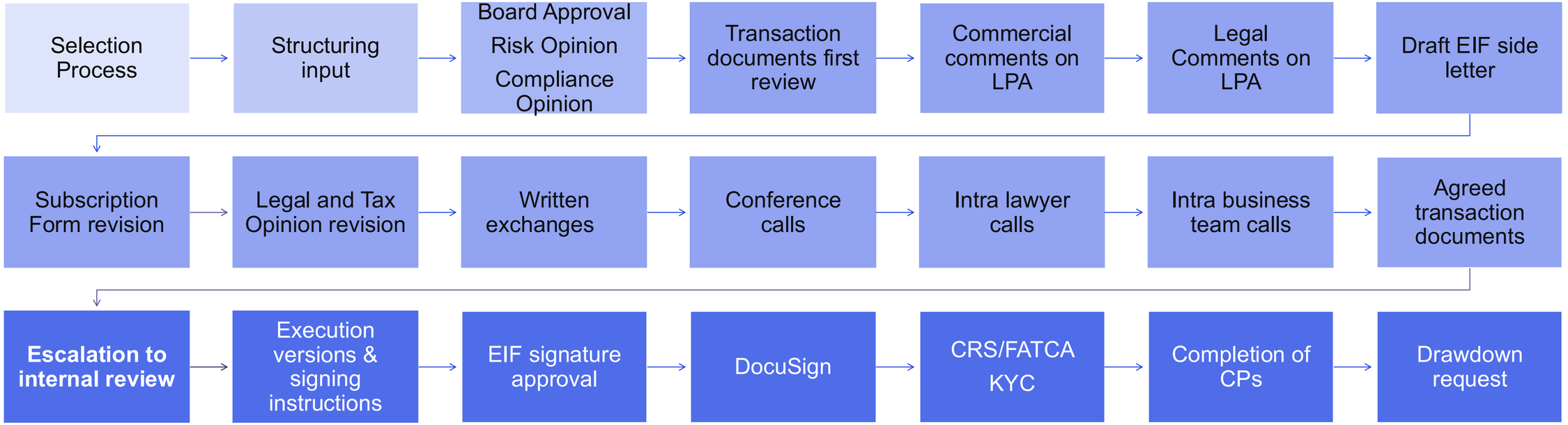
- Formal commitment to the fund
- Commitment offer or contract
- Importance of reps and warranties from the manager

L&TO

- Capacity and enforceability legal opinions
- Tax opinion

Steps of an EIF transaction

EIF Legal Framework



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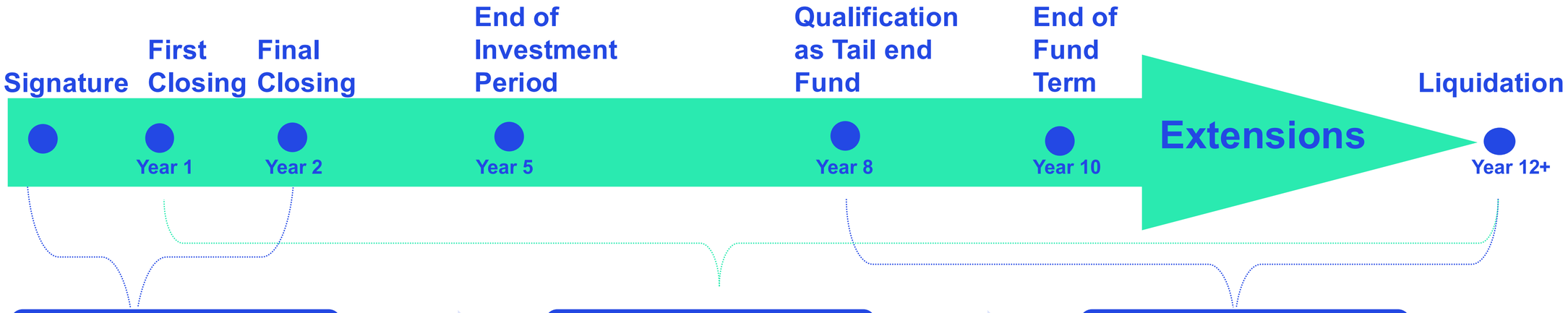
Post signature Roadmap

EIF Legal Framework



Closing

- Pre-closing amendments
- MFN process

Monitoring

- LPACs, EGMs, etc
- Ad-hoc requests

Termination

- Extensions
- Restructurings
- Secondaries

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03

EIF Contractual Highlights

EIF Side Letter

		Main Characteristics
Main Body	MFN, equalization fee, restricted sectors, focus, geography, AB, notices, reporting & valuation, confidentiality, transfer, DIK, diversification, borrowings re-investments…	• Common to all EIF Transactions • Little to no room for maneuver
Mandate Schedule	Focus, geography, confidentiality, visibility…	• Mandate specific • Little to no room for maneuver
Generic Schedules	Certificate of incumbency, Equity portfolio template, Annual update on companies, List of investors…	• No room for maneuver
Compliance Schedule	Compliance with law, AML, NCJ, sanctions, integrity obligations, material breaches, record keeping, visibility, audit rights, right for disposal…	• Little to no room for maneuver • Any amendment to the schedule requires approval from different services • Changes are time consuming and often rejected so they are truly discouraged if not essential

MFN: Most Favored Nation AB: Advisory Committee DIK: Distribution in Kind NCJ: Non-compliant Jurisdictions

Gender Criteria

Contractual Highlights

EIF Gender Criteria for fund managers

- 1/3 female partners
- 40% female in the senior investment team
- 40% female in the investment committee

General (new)

- Fund manager to organise diversity/equality trainings
- Fund manager to add diversity criteria to recruitment and reporting it to LPAC
- Fund targets to invest in portfolio companies meeting certain diversity criteria

InvestEU

- Up to 25% target to support intermediaries that follow Gender Criteria
- Larger flexibility provided to such funds i.e. EIF commitment can represent up to 50% of such funds

EIBG List of Exclusions

Please see EIF website for a copy of the new policy

EIB Group Excluded Activities

The EIB Group does not finance the following activities:

1. Activities prohibited by host country law or by international agreements ratified by the European Union or subject to international phase outs or bans.
2. Weapons and ammunition. Outside of the European Union, military or police equipment and infrastructure are also excluded.
3. Prisons and detention centres.
4. Harmful or exploitative forms of forced labour or child labour, as defined by the International Labour Organization's Fundamental Labour Conventions.
5. Conversion of natural forests into plantations and the degradation of tropical natural forests or high conservation value forests.
6. Unsustainable fishing methods such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing.
7. Extraction or mining of conflict minerals and metals.
8. Extraction of mineral deposits from the deep sea.
9. Animal and human reproductive cloning.
10. Sex industry and related activities.
11. Tobacco and related activities.
12. Gambling and casinos.
13. Projects with political or religious purposes.

For the avoidance of doubt, final beneficiaries of EIB Group operations may be involved in weapons and ammunitions, provided that EIB Group financing does not support these activities.

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Thank you

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EIF

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To find out more
please visit us at:
www.eif.org

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