

The background of the slide is a grayscale photograph showing a pair of hands holding several coins. The hands are positioned at the top and bottom of the frame, with the coins in the center. The lighting is soft, highlighting the texture of the skin and the metallic sheen of the coins. A white rectangular box with a thin black border is overlaid on the center of the image, containing the main title and subtitle. A dark gray horizontal bar is located above the white box, and a light gray horizontal bar is located below it.

# **Obstacles for Development of VC Funds**

**CEPOR Conference**

## Agenda

- *Brief intro on the Poteza Innovation and Growth Fund*
- The VC eco-system
- VC fund investors
- Stock exchange opportunity

# Investment Region

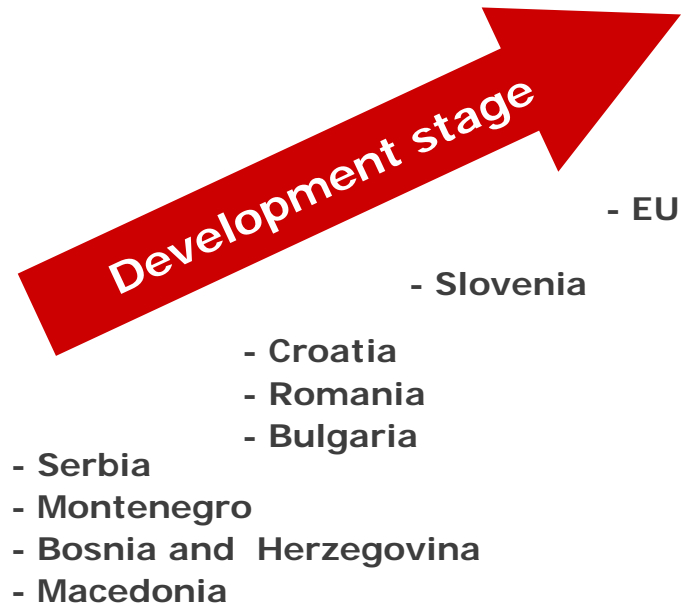
	Population	GDP p.c.	GDP Growth	Inflation
Slovenia	2,010,347	€ 15,314	4.4%	2.4%
Croatia	4,494,749	€ 6,957	4.4%	3.6%
Serbia	9,396,411	€ 3,637	5.9%	15.5%
Bosnia and Herzegovina	4,498,976	€ 2,003	5.3%	8.2%
Montenegro	630,548	€ 3,141	4.1%	3.4%
Macedonia	2,050,554	€ 1,967	3.2%	3.0%
Romania	22,303,552	€ 6,778	6.4%	6.8%
Bulgaria	7,385,367	€ 7,935	6.5%	6.5%

Source: CIA – The World Factbook, 2005 or 2006 estimate



**€40 million VC Fund - investors from Slovenia and Croatia**

**Primary investment region Slovenia, Croatia and Serbia**

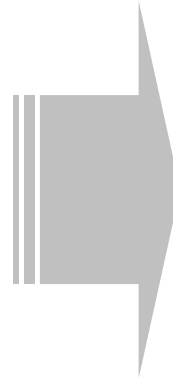


# Investment Strategy

Stage of financing?

Industry?

**Early stage  
innovative  
growth  
companies**



**Information Technology**

**Telecommunications**

**Business Services**

**Life Sciences**

**Media**

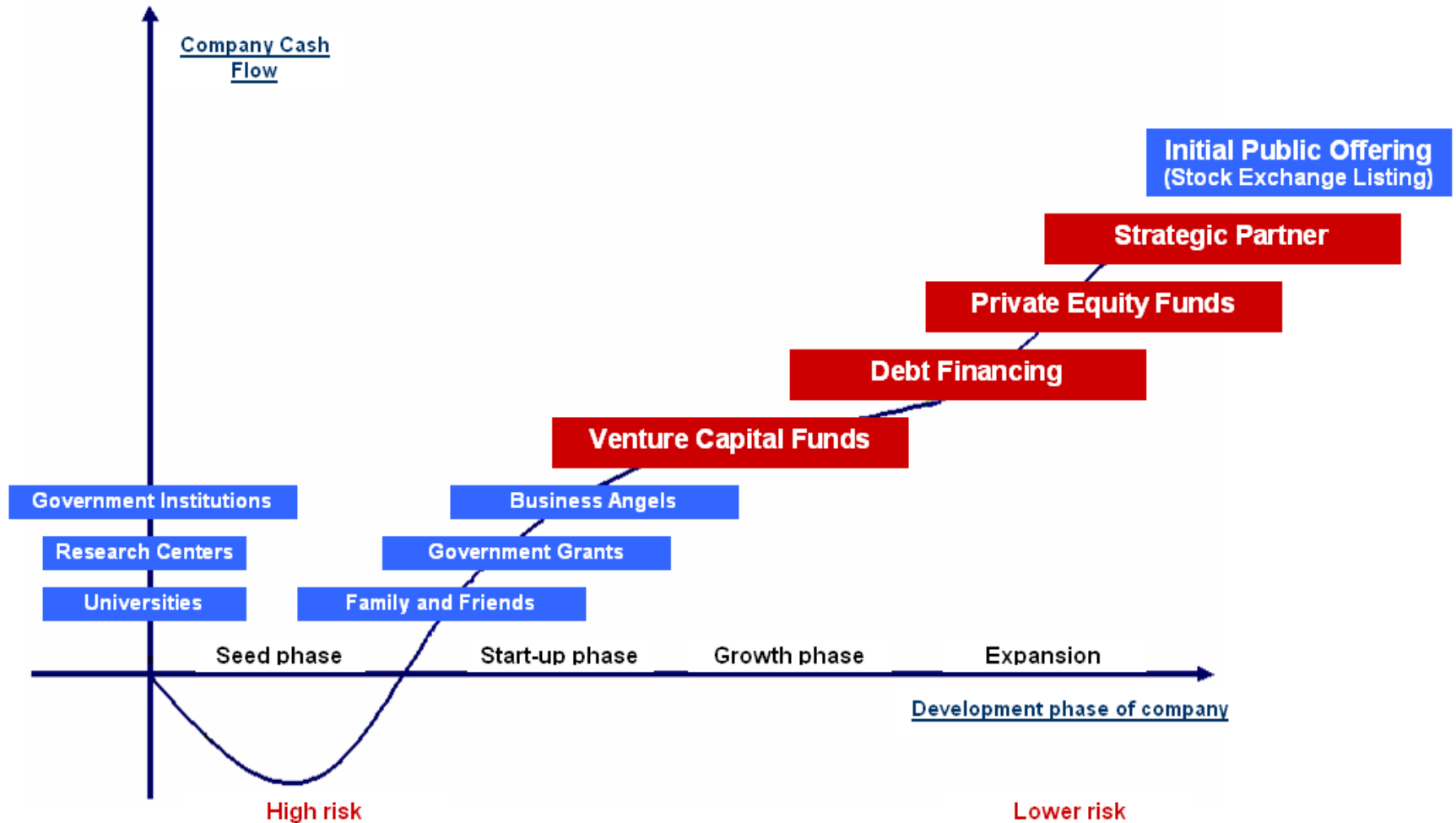
**Internet**

**Alternative Energy**

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# Start-up/Early Stage Eco-System

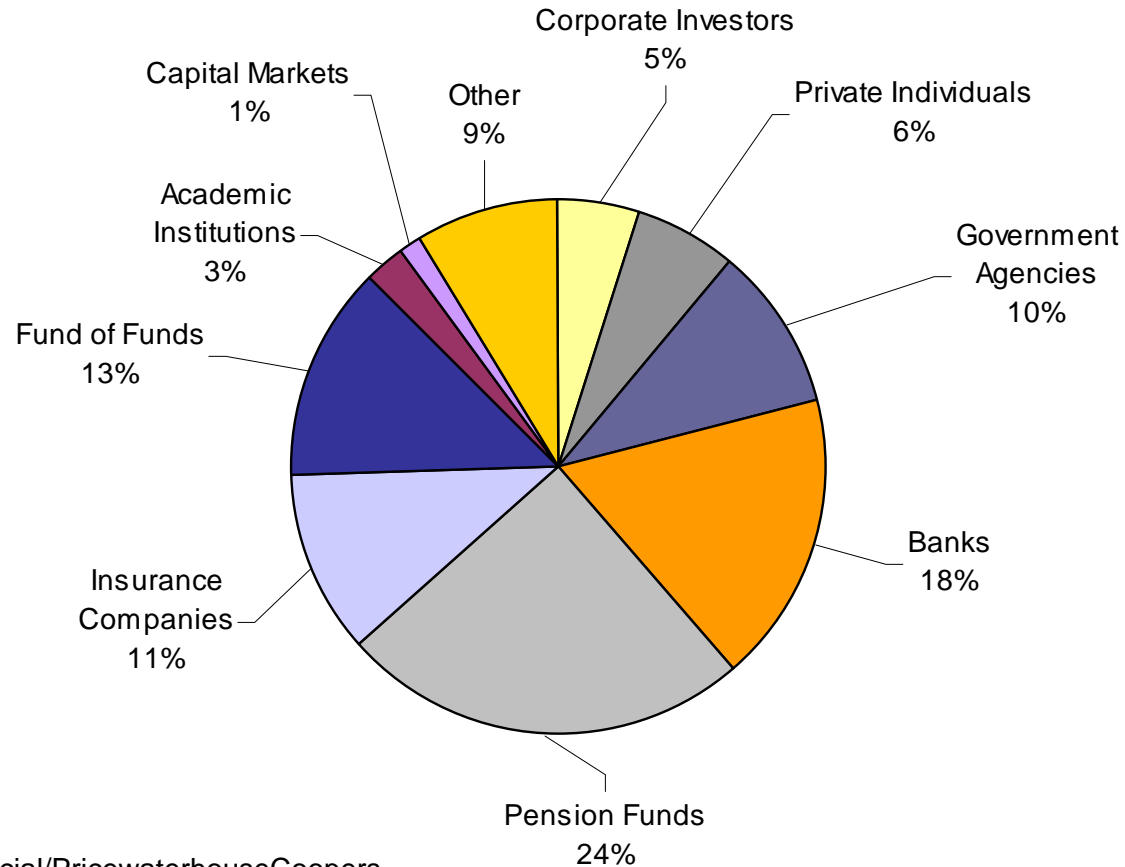


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# Who invests in European PE/VC?

## Private Equity Funds Raised by Type of Investor in 2005



Source: EVCA/Thomson Financial/PricewaterhouseCoopers

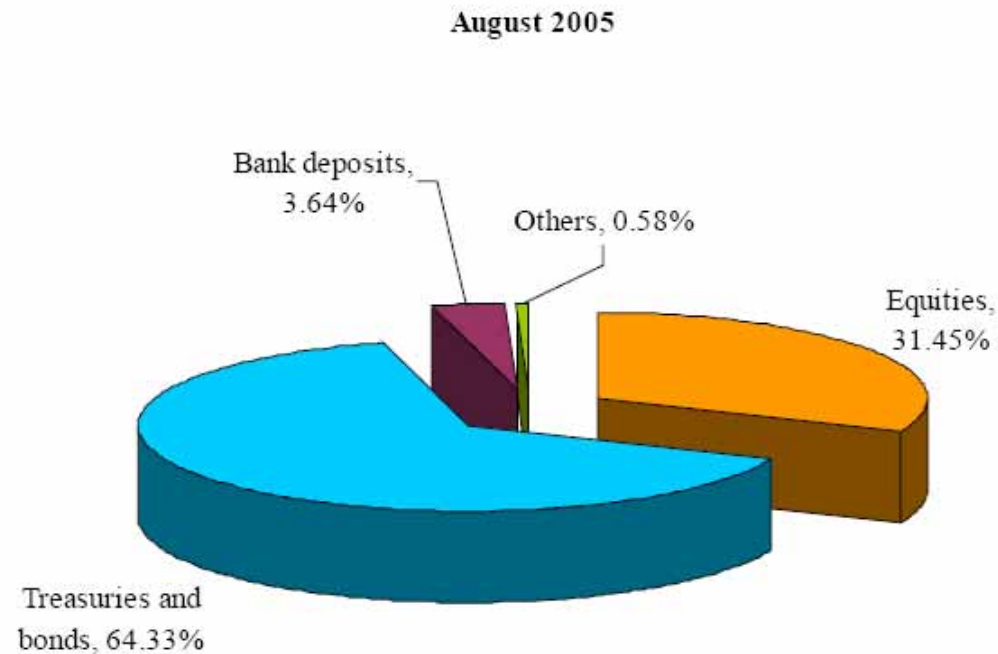
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## Case study: Poland

- With a market capitalization greater than US\$150 billion at the end of 2006, the Warsaw exchange is the largest stock exchange in the region, and attracts listings from companies throughout CEE.
- Average daily trading volume is between 3 and 4 times that of its central European rivals. According to the Bloomberg news service, this liquidity is drawing IPO business to the Warsaw exchange from firms across the region that are looking to list their shares,
- Throughout 2006, equities of 38 new companies were introduced to trading on the WSE, out of which 6 were foreign and one was privatised by the State Treasury.
- Most of these new listings came from the SME sector

# Portfolio Composition of Polish Pension Funds



Source: KNUiFE, August 2005

# Polish pension fund investment limits

Instrument	Investment limit as a % of net total assets
Banks deposits and securities	20
Equity (stock exchange)	40
- secondary and third markets jointly	10
- third market	5
Public non-listed equity	10
National Investment Funds	10
Certificates of closed and mixed mutual funds	10
Investment units of opened mutual funds	15
Municipal bonds:	
- publicly traded	10
- non-public	5
Bonds issued by other institutions:	
- publicly traded	10
- non-public	5
Public corporations bonds	5
Foreign investment	5

Source: Polish Bill on organisation and functioning of pension funds from August 28, 1997