

## Request for Proposal: Foreign VC Investment Fund

### Overview

This Request for Proposal (the “RFP”) is to find those who are interested in seeking investment from Foreign VC Investment Fund (the “FVCIF”).

FVCIF is an investment vehicle Korea Venture Investment Corporation (the “KVIC”) manages to invest in offshore VC funds with a strategic goal to help Korean Companies to grow and expand their businesses internationally.

KVIC seeks long-term partnership with experienced venture capital managers around the globe that have great understanding of Korean venture ecosystem and substantial connections or would like to start building its presence and investment opportunities in Korea.

If interested, please submit your proposal at [fvcif@kvic.or.kr](mailto:fvcif@kvic.or.kr) with all materials attached to this RFP by 14:00 April 12th 2021 KST.

Find below the information of FVCIF’s investment scheme

#### **Applying funds must meet the following criteria:**

- Invest an amount of capital equal to at least one times (1.0x) the FVCIF’s commitment in Korean Companies
  - \* This mandate must be explicitly stipulated in any applicable legally-binding documents (e.g. side letter)
- Commitment of Non-Korean limited partners must be at least half of the FVCIF’s commitment in the fund at the time of FVCIF’s admission
- At least two fund managers equipped with at least two years of investment experience at venture capital firms, accelerators or private equity firms must be on the investment team for the fund, and deemed to be able to effectively contribute to the growth of Korean companies
- Reporting obligation
  - \* Quarterly (LP capital account, portfolio information, etc.), Monthly (Korean company investment)

#### **FVCIF will:**

- Not make a commitment representing greater than 40% interest of the applying fund
  - Be able to have GPs’ applying commitments adjusted or reduced at its own discretion by the decision of the investment committee
  - Only invest in venture capital funds that are established under relevant foreign laws
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## **Assessment & Decision Making Process**

Investment decision process of FVCIF normally takes about 2 months.

### **Submission and Acceptance of Application**

In order for your proposal to be processed, we kindly request that you submit application forms uploaded on [https://www.kvic.or.kr/en/business/business2\\_4](https://www.kvic.or.kr/en/business/business2_4)

The application forms shall be submitted in digital files and delivered via e-mail.

### **Due Diligence**

Once the application is submitted, KVIC will conduct on-site due diligence in order to review and verify the information contained in the proposal. Due diligence may be carried out online in case of difficult circumstances.

### **Investment Committee and Final Approval**

Your team will be invited to the investment committee of FVCIF to present the investment proposal at KVIC's headquarters in Korea. The presentation may be carried out online in case of difficult circumstances. The GP will be notified of our decision within 1 week after the date on which the Investment Committee is held.

## **FVCIF's Budget and Detailed Information for Applicants**

FVCIF's Budget for this RFP	KRW 75Bil. (Approximately USD 68Mil.)
Category	Applying funds shall fit into Korean government policies promoting international expansion of Korean Companies and creating global venture ecosystem in Korea
GP Entity	GP of the applying fund should be either a Foreign VC firm or a Foreign VC firm partnering with a Korean VC firm <sup>1</sup> as a Co-GP * Korean VC firm alone is not eligible * Co-GP means both parties must (i) commit certain portion in to the GP Company and the applying fund and (ii) have Co-GP structure in decision making of the applying fund(e.g. Investment Committee shall consist of fund managers from both parties)
Expiration Date of FVCIF's Commitment	6 months from the date of capital commitment approval by the investment committee of FVCIF * In case of unavoidable circumstances, the initial expiry can be extended up to 3 months with a written consent by KVIC

<sup>1</sup> Korean VC firm refers to the entity established under relevant Korean laws, such as 'Small and Medium Business Start-up Investment Company', 'LLC' under Commercial Act, and 'New Technology Venture Capital Business', that can manage a partnership or company in accordance with Act on Special Measures for the Promotion of Venture Business

**Terms and Conditions for FVCIF's commitment**

Contribution Method	Capital call
Duration of Applying Fund	About ten(10) years (Investment period: About five(5) years from either initial closing date or final closing date) * If the duration of the applying fund or the investment period is different from the above, GP needs to confer with KVIC
Management Fee / Hurdle Rate (IRR) / Carried Interest	Subject to negotiation with KVIC. Certain Venture Capital Market Standards for each Applicant(s)' region can be factored in. Same fund terms are to be applied to FVCIF as those of the other Limited Partners.
MISC.	Any application that has terms that conflicts any of the terms or conditions mentioned in this RFP needs to be consulted with KVIC in advance. Further detailed terms and conditions are to be discussed after the approval of commitment. All proposals must suggest estimates of minimum target fund size and final closing size including the commitment from FVCIF

**Suspension, Revocation, and Restrictions on Fund Selection of FVCIF****1. Special Benefits**

- Funds with a plan to invest an amount of capital greater than one times (1.0x) the commitment of FVCIF will be given certain additional points (e.g. Korean company investment amount equal to at least 2.0x FVCIF's commitment in the fund)

**2. Suspension**

- KVIC has the right to determine to hold the investment decision process for re-evaluation at its sole discretion, if any significant changes to the applying fund emerge or are expected to emerge.

**3. Revocation**

- KVIC may revoke the investment decision under any of the following circumstances:
  - ✓ If the fund fails to raise capital to meet the minimum fund size set by the Investment Committee.
  - ✓ If the GP fails to comply with any conditions accompanied by the commitment of FVCIF that are set within this RFP or by the Investment Committee.
  - ✓ If there is any significant false statement or concealment in the PPM (including related materials) or in the presentation at KVIC's Investment Committee
  - ✓ When conditions and surrounding of the applying fund is deemed to be changed substantially from those at the time of assessment because any of the following

circumstances break out between the time of approval and the admittance of FVCIF into the applying fund;

- More than half of key investment members are changed
- Any events or changes that would significantly affect the management of the Fund

#### **4. Restrictions**

- If the GP fails to complete the closing of the fund even after an extension of valid time of window for FVCIF's commitment, the GP may be restricted from receiving commitments from FVCIF at least once within a year from either the date of deferred closing due date or the date of cancelation of approval of commitment from FVCIF. For Co-GP applicants, different restrictions may be imposed to each party depending on their responsibilities for the cause.
- If the GP fails to satisfy any of the conditions and mandates mentioned on this RFP along with the Korean company investment mandate, the GP may be restricted from receiving commitments from FVCIF at least once within a year from the end of initial duration of the fund.

#### **Contacts for Inquiries**

- **Point of Contact**

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