

K V A Z A R

MIPT ALUMNI VENTURE FUND



# > \$20 bn value creation by MIPT alumni since the 90s

## Tech / IT



## Traditional



# MIPT is #1 in Russia by number of successful graduates

- 5% of people on Forbes Russia list (2018) are MIPT graduates.
- MIPT alumni are over 6 times more successful than the alumni of its closest competitor MSU.\*
- \$1.8B is the average net worth of the top-10 MIPT alumni.



Aleksandr Abramov	\$5200 M	Mikhail Shelkov	\$1200 M
Valentin Gaponcev	\$3000 M	Vadim Yakunin	\$1200 M
Aleksandr Frolov	\$1200 M	Andrey Baronov	\$950 M
Sergey Kolesnikov	\$1200 M	Ratmir Timashev	\$950 M
Igor Rybakov	\$1200 M	David Yan	\$500 M

\*A list “200 richest businessmen of Russia” contains 16 MSU alumni per 9000 graduates per year and 10 MIPT alumni per 1000 graduates per year

# MIPT alumni are integrated into the world economy

## Selected MIPT-related multinational companies



Optical fiber lasers manufacturer, based in US and Germany, \$6bn capitalization, S&P 500 component



Leading backup software provider, 18 offices worldwide, US and Singapore, \$200M revenue (2017)



Leading backup software provider based in Switzerland, \$827M revenue (2017)



Digital banking alternative, based in UK, \$1.5bn capitalization



The global leader in real-time ads, tech AI, Data, based in UK and US



Venture fund based in US and Russia, \$335M+ AUM

## MIPT alumni constitute an emerging class of founders operating on a global scale

**USA & Canada:**  
Alumni: 2,500  
Founders: 150

**EUROPE:**  
Alumni: 1,500  
Founders: 100

**CIS:**  
Alumni: 10,000  
Founders: 500



**Other (ASIA):**  
Alumni: 300  
Founders: 30

*Based on LinkedIn Data*

# Effective strategy: higher returns with lower costs

To invest in companies founded by MIPT alumni and funded by reputable VC/PE

## Strategy

- Significant number of companies founded by MIPT alumni are unicorns,
- Higher success rate as a result of investment in MIPT-related companies with stable revenue and ability to sell on a global scale,
- Effective deal sourcing through MIPT network,
- Low operational costs due to co-investment strategy:
  - Due diligence focused on team and product,
  - Less paperwork

## Value added

- Market strategy validation,
- Recruiting of senior hires and R&D staff,
- reaching relevant contacts in the target market via Phystech Union and Kvazar's network,
- Enhanced prestige for MIPT alumni through a charity aspect: part of the carried interest will be donated to the Endowment.



# Team with relevant experience

GPs are committed to contribute up to 20% of profit over the hurdle to the MIPT endowment

## Investment team



**Maxim Sterlyagov, FAKI graduate  
GP, Managing Partner**

Founder and CEO of AMG Capital and Chairman of Aviapark JSC. Maxim was the head of Morgan Stanley REAM and served as CEO of Aviapark JSC.

Education: MIPT, Case Western Reserve University

**Maxim Sterlyagov has a personal commitment to the fund in the amount of \$500k-\$1MM.**



**Kseniya Solovyeva, FOPF graduate  
Analyst**

MIPT PhD student with 12 peer reviewed papers in Computational Neuroscience, Kseniya was an R&D director and co-founder of "Virtual Reality Systems", a researcher at MIPT Neural Systems and Deep Learning lab and a researcher at System Analysis Scientific Research Institute.

## Partners / Advisors



**Sergey Dashkov, FMHF graduate  
LP and Advisor**

Sergey is a founder of SDC-Ahmad Tea in Russia, Executive leader of MIPT acceleration program. Sergey is ranked among the three best Russian business angels in 2017 (Firma&RVC research).



**Dmitry Chikhachev, FMHF graduate  
Advisor, member of investment committee**

Dmitry is a co-founder and Managing Partner at Runa and is also the head of the board at IT-cluster Phystech. Dmitry has 18 years executive experience, which includes growing a business from zero to \$75M.



**Sergei Belousov, FOPF graduate  
LP and Advisor, member of investment committee**

Founder of Acronis, Parallels and several other global companies. Sergey also founded an IT-oriented VC firm, Runa Capital, with a 20-year track record in technology and investments.

# Strategy

	Seed-A	B
Company requirement	MIPT-related, with focus on AI, software and internet	MIPT-related
Stake	2-20%	Secondary deals from 1-2%
Annual growth	>100%	>30%
Founders and partners	-experienced founders -successful and experienced Angels <b>-co-investment with reputable funds</b>	<b>Co-investment with reputable funds</b>
Entry deal size	\$US 500k - 1MM	\$US 500k – 2MM
Number of deals	6	6
Product	MVP, early revenue ~\$ 500k/year	Revenue growth, expansion to global markets
Allocation of funds	50%	50%
Corporate governance	Board seat / observer/ active participation	Information rights / passive

*Target IRR 25%*

# Fund terms

<b>Structure</b>	Caymans/Russia, commitment based
<b>Target Fund size</b>	US\$35m (2-3 closings), minimum \$US10m
<b>Term</b>	10 years from 2Q/2018
<b>Investment period</b>	4 years
<b>Management fee</b>	2% pa. on commitments during commitment period; 2% pa. on invested capital, payable semi-annually in advance 0.1% (external costs only) admin fee, -10% after investment period
<b>Carried interest</b>	25% of capital gains (8% hurdle)
<b>Preferred return</b>	8% (100% catch-up)
<b>Founders commitment</b>	US\$[1.6m]
<b>Investment ticket</b>	LP minimum \$100,000
<b>MIPT Endowment</b>	20% of GP's profit (over minimal hurdle)