Stanhope FFT Global Ventures, AIF A/S

Accessing Top Tier Venture Capital Funds

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Executive Summary (Global Ventures)

- **Venture Capital offers unique potential for strong investment returns over the long term – Global Ventures targets 20% net IRR and 2.5 times money back**
  - Investors in venture capital funds have historically obtained returns significantly in excess of public equity markets and other private market strategies
  - Access to the best funds is crucial in order to generate returns in excess of the median
- **Stanhope and Forbes Family Trust have set up Stanhope FFT Global Ventures, a new fund focusing on the venture capital market**
  - Stanhope FFT Global Ventures invests in top performing US venture capital funds
- **Stanhope Capital Group is one of the world's largest independent global wealth management and advisory firms**
  - Following the merger with US based FWM – owner of Forbes Family Trust, LGL and Optima – Stanhope Capital Group oversees close to USD 26 billion on behalf of significant private clients, institutions, charities and endowments
  - The Group has been investing in private markets for close to fifteen years with a dedicated team including full operational and legal due diligence resources
- **Innovative structure providing flexibility to investors which is cost-effective and easy to administer**
  - Simplified administration with a single commitment made to one fund
  - Guaranteed access to every underlying fund selected for the programme

Danish investor

- Commitment to Stanhope FFT Global Ventures, AIF A/S

↓

Stanhope FFT Global Ventures, AIF A/S

- Commitment to Portman Square Private Fund, SCSp-RAIF

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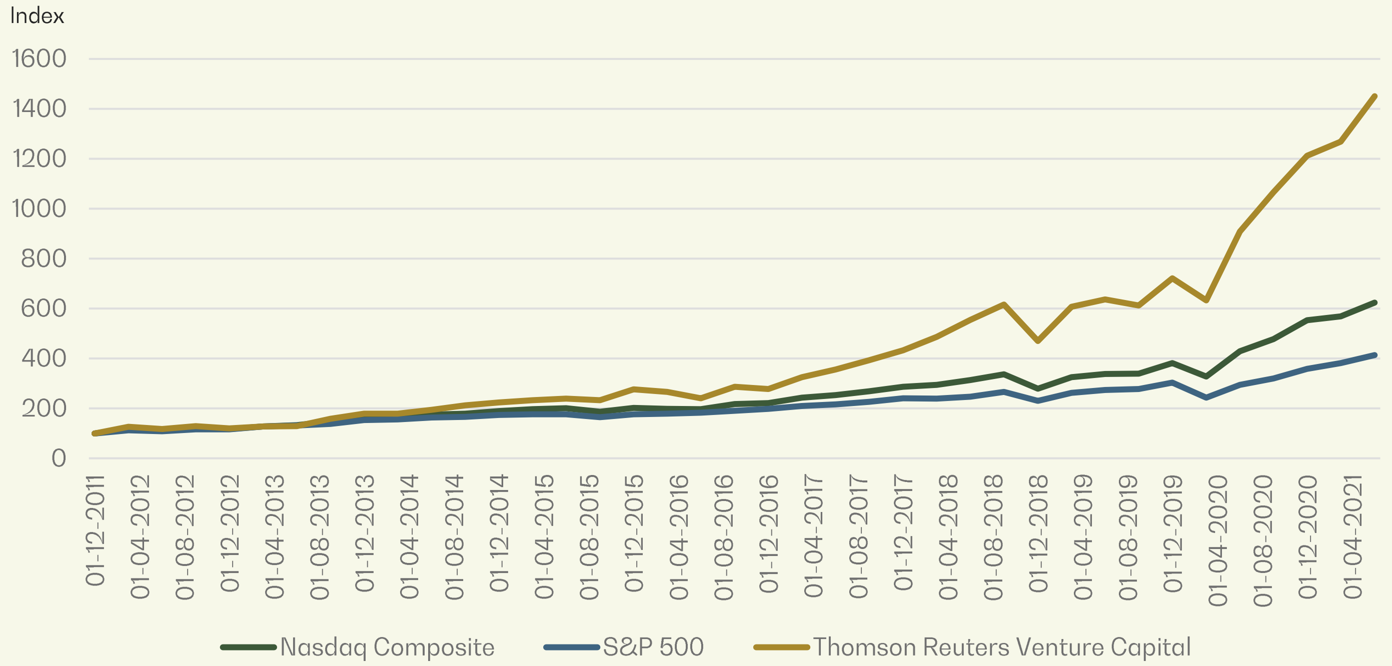
Portman Square Private Fund, SCSp-RAIF

- Commitment to a range of world leading VC funds

Strong Performance of the Venture Capital Market

- Investors in venture capital have historically been well compensated by returns significantly in excess of public equity markets
- Over the past 11 years, the venture capital index has delivered an annual return of 27.5%, compared to 18.1% and 13.8% for Nasdaq & S&P 500
- An amount invested as of 2011, and continually reinvested, would now be worth 14.5x the invested amount compared to 6.2x and 4.2x for Nasdaq & S&P 500

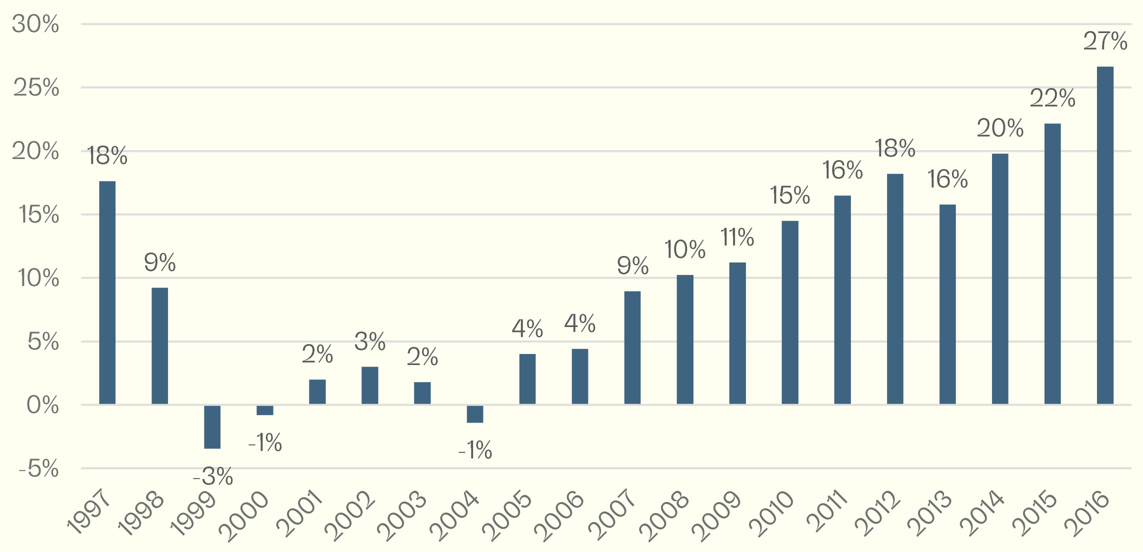


Source: Bloomberg (Data: 2011-2021 - Quarterly)

Resilience of Venture Capital Performance

- Venture Capital have historically offered resilient performance through market cycles, with only a few vintages between 1997 and 2016 generating negative median performance.
- The negative results are concentrated around the beginning of the 00s, when the venture capital market was affected by the Dot-com bubble. The venture capital market is doing significantly better through the financial crisis.

VENTURE CAPITAL FUND MEDIAN NET IRR BY VINTAGE YEAR



Source: Pitchbook (All data as of Q4 2020)

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Increasing Value Created in Private Markets

- Recent years have seen a material shift in capital flows, with an increasing amount flowing into the private markets
- Given the abundance of private capital, the best companies are now able to stay private for longer, with an increasing number of companies reaching valuations and raising capital in amounts previously all but unheard of in the private markets
- Illustratively, nearly 800 new 'unicorns' – private companies valued at over $1bn – have been recorded between 2014-2020, as compared to only 61 between 2005-2013
- The once rare concept of a unicorn is almost taken for granted today with ~600 unicorns globally at a combined valuation of ~$2tn, of which 31 are valued at $10bn+ and several are toying with or have surpassed the $100bn+ mark (ByteDance, Stripe, SpaceX, Didi Chuxing)

Age & Valuation at IPO

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Supportive Market Dynamics

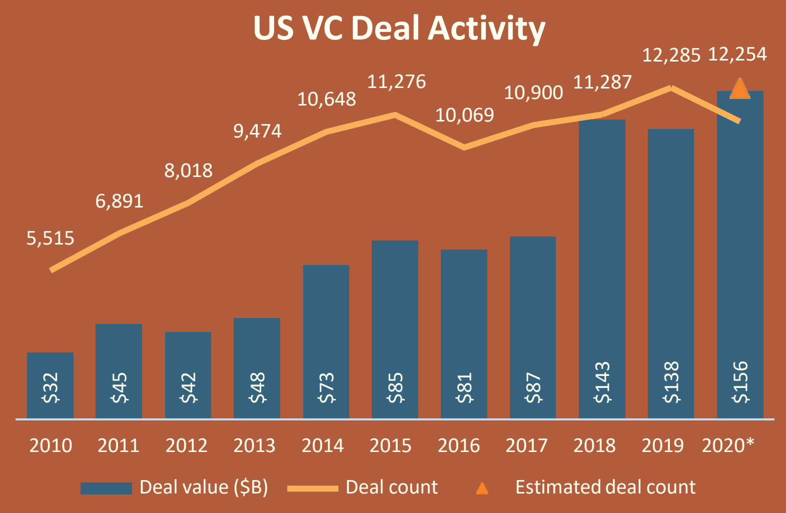
US VC Deal Activity

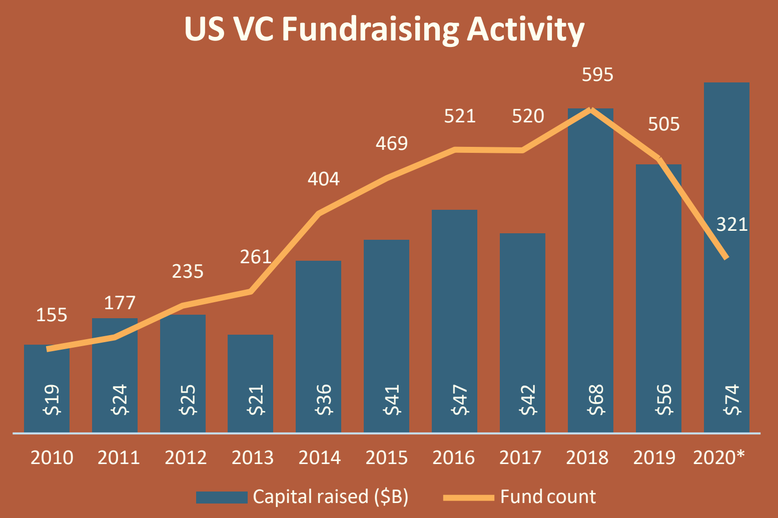
- While VC deal count in the US has grown steadily, deal value has spiked since 2018, with the average deal in 2020 (c.$13m) nearly 1.5x higher than in 2010
- Importantly, the role of the non-traditional VC[1] has been pivotal to the growth of the asset class
- Such investors have gone from participating in 22% of deals in 2010 to just under 30% in 2020
- Moreover, their share of deal value has gone from 50% to over 70%, highlighting their importance in larger and later stage rounds enabling companies to stay private for longer

US VC Fundraising Activity

- Following a similar trend to deal value, funds have got bigger as well, with the median fund size rising to $76m and the average to $236m (vs $48m and $137m, respectively, in 2010)
- Although fundraising has gradually increased, it has not grown at the same rate as deal value, further emphasizing the need for non-traditional VC investors in the asset class
- Investing with high quality managers and positioning yourself as a partner of choice will enable opportunities to co-invest directly in their best performing portfolio companies

1 – Non traditional VC being investors whose primary business is not venture capital investing (e.g. Hedge Funds, corporates, family offices)





Source: Pitchbook

The Importance of Manager Selection & IRR Dispersion

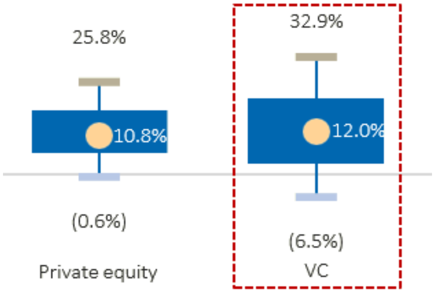
IRR dispersion

- Venture Capital has a reputation for being a risky asset class, which relative to traditional buyout funds can be seen in the wider dispersion of quartiles below
- That said, the top performing funds are delivering net returns to investors that can often be multiples higher than that of other asset classes
- As illustrated below, top decile venture funds have returned an IRR of c.33% as compared to 26% for private equity funds

Manager Selection

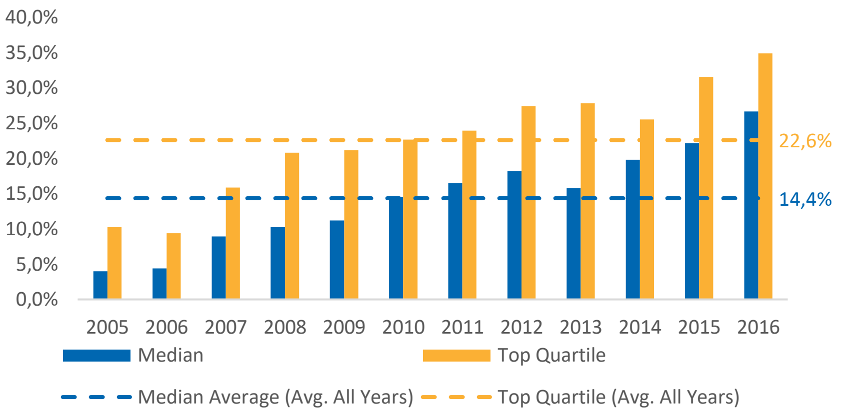
- There is a vast range in the returns delivered between the best VCs and the rest
- Leading VCs are able to bring in the most attractive deal flow and have superior networks and operating capabilities
- Top quartile funds are delivering an additional 0.6x of return and an 8% increase in IRR over the median fund
- This compares to 0.4x and 6% for buyout funds

IRR Dispersion[1]



Source: Pitchbook, as of Q2 2020
1. Includes all funds from 2004-2016

Venture Capital Fund Top Quartile vs Median Net Returns – IRR (%)



Source: Pitchbook, Q4 2020

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