



B E R G O S
OF BANK

**THIS IS THE MONTHLY
NEWSLETTER BY AND FOR THE
BERGOS NEXT COMMUNITY.**

NEXT

MONTH



**THIS MONTH IS
MAY**

OUR **NEXT** TOPICS FOR THIS MONTH



3RD INVESTOR WEBINAR – **INVESTING IN START-UPS**

BERGOS **NEXT** EVENTS – **SAVE THE DATE**

MAY TIPS

3RD NEXT INVESTOR WEBINAR

INVESTING IN

UPS

START



3RD NEXT INVESTOR WEBINAR **INVESTING IN STARTUPS**

WE ARE THRILLED TO HAVE **DAVID SIDLER** WITH US FOR OUR 3RD NEXT INVESTOR WEBINAR!

DAVID WILL SHARE INSIGHTS ABOUT OUR RECENT COOPERATION WITH VERVE VENTURES AND HOW TO INVEST IN START-UPS.

**THE PRESENTATION WILL BE
FOLLOWED BY A PERFORMANCE
UPDATE ON THE BERGOS START
STRATEGY BY
FREDERIK CARSTENSEN**

THE WEBINAR WILL TAKE PLACE ON **TUESDAY, 16 MAY
2023** FROM 12:00-13:00 PM CET VIA TEAMS.
INTERESTED? PLEASE **REGISTER** THROUGH YOUR
PERSONAL INVITATION RECEIVED VIA **EMAIL**

WHY INVESTING **IN**

UPS

START

WRITTEN BY **EUGEN STAMM** – VERVE VENTURES

WHY INVESTING IN STARTUPS

WHY INVEST IN STARTUPS?

Why invest in startups?

There are several reasons why people are attracted to investing in startups.

First, there is the allure of financial returns. Unlike the returns in the public markets, which are measured in percentage points, startup investors talk about multiples – which means how many times you get your investment back, which can be 10x or even more.

Then, there is the satisfaction of learning about emerging technologies and new business models way before mainstream investors hear about a “trend” packaged in thematic funds.

Furthermore, many entrepreneurial investors like to support a young generation of entrepreneurs to realize their ambitions, especially if they tackle some of society's biggest problems.

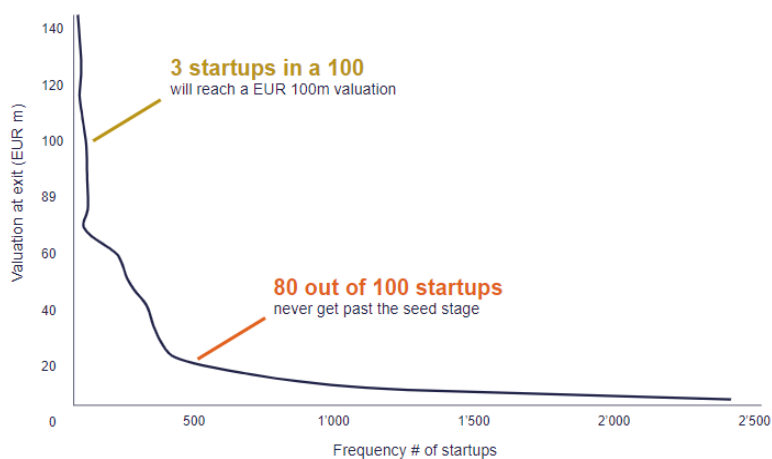
How attractive are the financial returns?

The average financial returns of start up investing are higher than those from public equity markets. Over a 20 years time span, venture capital returned 11% annually (net of fees) versus 7.5% for listed equities, according to Cambridge Associates. Now, these figures are past returns, and they're taking only the US into consideration. But a general outperformance of private markets compared to public ones intuitively makes sense since venture capital is an illiquid (you're not able to sell your investments whenever you want) and a riskier asset class than equities. For this reason, investors are expecting higher returns from venture capital. Otherwise, they wouldn't bother.

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WHY INVESTING IN STARTUPS

The average return figure of 11% annually hides a big difference between returns, though. The returns from venture capital follow a power law curve, which means that the bulk of returns is produced by just a few companies. According to VC firm Andreessen Horowitz, 6% of the investments made between 1985 and 2014 account for 60% of the returns.



Source: Alex Paterson-Pochet, j12 Ventures

What this means for investors

As the graph above shows, only 3 out of 100 startups reach a valuation of EUR 100 million or more when they “exit” (which means they get sold to another company or go public). This means that building a diversified startup portfolio is a better approach than just investing in one or two projects one finds promising. The power law also means that investors shouldn't worry about the losers of their portfolio, but rather concentrate on choosing some of those startups that will make up for the bulk of the returns.

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WHY INVESTING IN STARTUPS

But financial returns usually aren't the only motivation of startup investors. They want to learn.

This curiosity is rewarded when investing in high-tech startups since these are pushing the limits of what is technically possible. Just understanding the basics of the problem a high-tech startup is solving, and the solution it is proposing requires a mental effort. For naturally curious persons it is a reward in itself to stay on top of technical developments. The education that the process of startup investing offers isn't purely technical, however, it also pertains to the field of business and law. While following the development of their portfolio startups, investors are confronted with the challenges of building and expanding an organization, sales processes, regulatory hurdles, competition, and other aspects of business life. This is something that has its own value for entrepreneurial investors.

Compare this with, for example, passive investment products such as exchange-traded funds (ETFs) that replicate all the stocks in a stock index. It strips away the excitement and the struggle which is a great feature of a solid investment and deserves its part of a global asset allocation. Startup investing, on the other hand, offers more raw emotion and direct exposure to the ups and downs of entrepreneurship. "I prefer to attend a startup pitch to going to the cinema", one of our investors once said.

Deciding what gets built

The impact of your decision to invest in a listed company is negligible; it will not change much. Even the largest institutional investors struggle to change the direction of the companies they've invested in. With startups, the picture is very different. At an early stage, every single decision to invest or not makes a difference, it can even tip the scale between a project continuing or grinding to a halt. Your decisions as a startup investor have an impact on which technological avenues will get explored.

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WHY INVESTING IN STARTUPS

What is more, investors need a much higher conviction to back a young team of founders than to put money into a multinational with a stable and profitable business. So a startup investment is also an investment in a small group of founders and their team because one sees their potential, drive, and ambition. For some, giving other people the means to become entrepreneurs is a very valuable goal in itself. Unsurprisingly, such investors tend to be or have been entrepreneurs themselves and now want to support the next generation of entrepreneurs.

Investment Spotlight: ChargeX

Multiplug chargers for the fast-growing EV market

By 2030, we will have 350 million electric vehicles (EVs) on roads worldwide. This will lead to an immense demand for charging infrastructure, with 30 million private charging points needed in homes, offices and parking spaces in Europe alone. The EV charging market is set to exceed EUR 100 billion in revenue by 2030 with a compound annual growth rate of over 20%.

ChargeX is a German climate tech startup that brings multiplug sockets to EV charging through a patented modular microgrid that allows the charging of several EVs in one location. Typically, each charging station needs to be installed by an electrician, but ChargeX requires only a one-time installation of the main charging station. Afterward, anyone can add up to 10 additional stations without professional assistance, cutting down installation costs by 50% and doing away with electrician shortages, a major bottleneck for the energy transition. This is a major advantage in winning new customers, locking them in and upselling them.

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The upside of the business lies in ChargeX's software. This allows not only for the control of optimal charging, distribution and billing of the users but the battery capacity connected to the grid enabling bidirectional charging, virtual power plants, energy trading and more.



For more information about investing in startups in general or the startup ChargeX specifically, please contact nextdesk@bergos.ch



Eugen Stamm joined Verve Ventures in 2018 and covers startups and investment topics. He has invested in more than 30 startups and joined the board of directors of a fintech startup. Eugen has more than a decade of experience in financial journalism (including working for Neue Zürcher Zeitung) and wrote a book about family governance.

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BERGOS **NEXT** **EVENTS**

SAVE THE DATE

REFRESH

NEW ARTIST IN RESIDENCE

NICOLETA SAVVIDOU

EXCLUSIVE EVENING CONCERT

SAVE THE DATE

16TH OF JUNE 2023 IN ZURICH

A close-up, high-angle photograph of piano keys and hammers. The keys are white and black, and the hammers are dark with gold-colored hammer flippers. The lighting creates strong shadows and highlights, emphasizing the texture and form of the piano's action.

**PLEASE REGISTER THOUGH
YOUR PERSONAL INVITATION
RECEIVED VIA EMAIL**

NEXT WEEKEND

SAVE THE DATE

15TH - 16TH OF SEPTEMBER 2023



ART BASEL PARIS

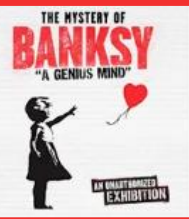
SAVE THE DATE

19TH – 22ND OF
OCTOBER
2023

WHAT'S YOUR NEXT PLAN FOR MAY?




EAT, LISTEN, BIKE...



The Mystery of Banksy – A Genius Mind - Zürich
19.04.2023 – 31.05.2023 | 39 Angebote

here


Mai



Cycle Week
11. – 14. Mai 2023

Das Festival für alle Bike-Fans begeistert mit Shows, Stunts und Testfahrten in Zürich.

here



Diana Krall
Jazz-Superstar Diana Krall live in The Hall Zürich - präsentiert von AllBlu...
04.05.2023 – 17.05.2023 | 4 Events | ★★★★★

Zürich, Fr. 05.05.2023, 20:00
Diana Krall

here



Arts and Entertainment ▾ Exhibitions and Events ▾ Things To Do ▾ What's On

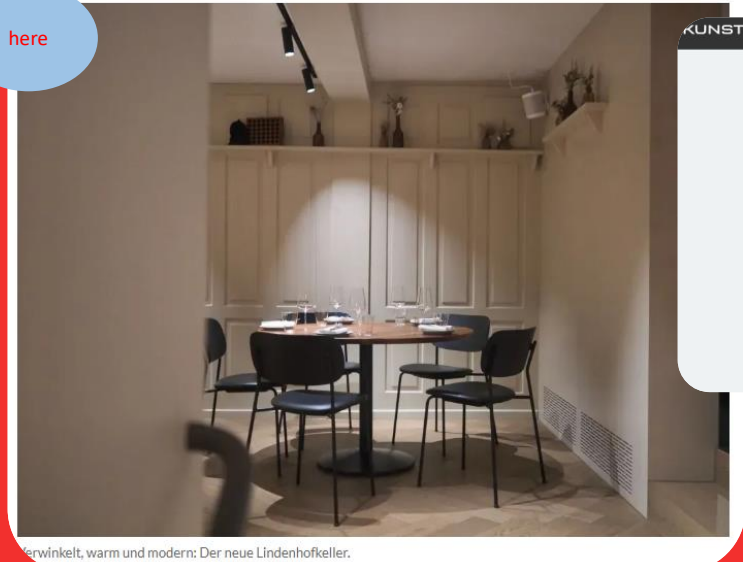
James Francis Gill at Queens Gallery in Zurich
60 YEARS OF WOMEN IN CARS - ZÜRICH APRIL 08 - MAY 21, 2022
April 26, 2022 | 0 comment

here

Lindenhofkeller Zürich

Neueröffnungen wie jene des Lindenhofkellers gibt es nicht jeden Tag. Den Machern des neuen Lokals in der Zürcher Altstadt ist es gelungen zu überraschen – und das mit Eleganz, Gemütlichkeit und einem bodenständigen, nicht alltäglichen Kulinarikkonzept.


here



Verwinkelt, warm und modern: Der neue Lindenhofkeller.

KUNSTHAUS ZÜRICH

Home > Plan your visit > Exhibitions > Yoko Ono



04.03. – 29.05.2022
YOKO ONO
THIS ROOM MOVES AT THE SAME SPEED AS THE CLOUDS

here

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W H O W E A R E

YOU PROBABLY KNOW US, BUT IF NOT, HERE ARE A FEW WORDS ABOUT US. WE'D BE HAPPY TO CHAT MORE! REACH OUT: INFO@BERGOS.CH OR NEXT@BERGOS.CH ARE GREAT WAYS TO GET IN TOUCH! SO HERE WE GO:

WE ARE BERGOS, AN INDEPENDENT, INTERNATIONALLY OPERATING SWISS PRIVATE BANK. WE HAVE A CLEAR FOCUS: PROTECTING AND GROWING PRIVATE WEALTH.

OUR NAME HONORS THE MANY GENERATIONS WHO, FOR MORE THAN FOUR CENTURIES, FOSTERED ENTREPRENEURIAL THINKING, GOOD EDUCATION, AND PERSONAL INTEGRITY. IT EXPRESSES THE IDEALS OF INDEPENDENCE, CONTINUITY, AND OPENNESS TO THE WORLD. WE UNDERSTAND, RESPECT AND VALUE THIS RESPONSIBILITY.

AND WE ARE GLAD YOU ARE HERE!

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