

News for August 2011

August 1, 2011

500 Startups: \$15M Towards First Fund

500 Startups has raised \$15 million toward its first fund, according to a regulatory filing, and could reach \$30 million, the filing indicates. 500 Startups is one of a growing number of funds that have come to be called "super angel" funds. These funds are raised from institutional investors but are managed by well-established private investors, usually backing seed-stage consumer Internet companies.

- [500 Startups – Mountainview, CA – www.500startups.com](#)
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August 2, 2011

Venture Investments in China Rise

Venture investment in China hit \$3.2 billion in the first half, a bit more than in the first part of last year, after a second quarter that saw investment increase by 93% over the second quarter of 2010, according to industry tracker *Dow Jones VentureSource*.

If the investment pace remains steady in the second half, this would be the strongest year for venture investing in China since *VentureSource* began tracking the country in 2005.

The number of deals has remained relatively constant since the start of 2010 with between 70 and 75 investments per quarter. More than half the deals were first rounds.

Consumer services companies have pulled in by far the most money so far this year with \$1.71 billion flowing into 69 deals. Health care saw fewer deals but a much smaller drop in capital committed, with 8 companies raising \$205.5 million versus 15 companies raising \$176.9 million in the first half of last year.

Sequoia Capital and IDG Capital Partners were the most active China investors in the second quarter, doing seven deals each. The largest deal of the quarter was \$306 million financing for Qunar.com, a Beijing based price comparison search engine for travel.

Meanwhile, in Europe, venture investors put more money into fewer companies in the first half, continuing a longstanding trend of safer bets in more well-established companies.

Total investment on the continent rose 6% to \$3.09 billion in the first half, though the number of deals completed dropped 28% to 447. Venture investment there has never quite recovered from the dot-com crash, and deal count has generally been on the decline since 2000.

The growing preference for less-risky investments is illustrated by a split in fortunes between pre-revenue companies and those that have begun making money. The amount of money put into pre-revenue businesses fell 3% to \$898.6 million, while those generating revenue or maintaining profitability raised 11% more, or \$2.19 billion, so far this year compared to a year earlier.

As in the U.S., consumer Internet deals are making their mark in Europe. The category, which includes hot social-media, entertainment and other consumer Web companies, has become the largest investment sector. Companies in this category have raised \$882.3 million so far this year, up greatly from \$333.3 million a year earlier.

Meanwhile, health care and information technology--the two largest industry categories last year--declined both in terms of deals closed and amount raised.

As is usually the case, the U.K. saw the most deals, 114, in the first half, followed closely by France with 111.

August 4, 2011

RRE Ventures: Hold a \$174M Close on Fifth Fund

RRE Ventures has closed on \$137.4 million of a targeted \$250 million for its fifth fund, according to a regulatory filing. The firm focuses on early-stage investments but remains active through the financing life of companies. The firm targets products and services enabled by information technology.

- [RRE Ventures – New York, NY - www.rre.com](http://www.rre.com)

August 9, 2011

Movida Japan: Start-Up Cash Infusion

Movida Japan Inc., a provider of support for start-ups, will launch a new type of business combining relatively small amounts of capital with technical training. Around 10 start-ups will be selected first after business plans are solicited this month, followed by screenings. The chosen firms will then undergo three months of intense training offered by start-up managers and engineers before receiving capital from Movida and other investors.

- [Movida Japan – Tokyo – www.movidainc.com](http://www.movidainc.com)
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August 11, 2011

Kaiser Permanente Ventures: Fund Reaches \$170M

Kaiser Permanente Ventures said it has added two undisclosed external health plans as limited partners to its venture fund, bringing the fund total to \$170 million. Kaiser Permanente Ventures invests in medical devices, health-care services, diagnostics, drug delivery and health care IT.

- Kaiser Permanente Ventures – Oakland, CA – www.kpventures.com
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August 19, 2011

Paradise Dakang Buyout Fund Opened

Hangzhou, China based Zhejiang Paradise Private Equity Investment Management Group, a venture capital firm investing in healthcare, energy, and information technology sectors in China, has opened the Paradise Dakang Buyout Fund on August 1, 2011.

- Zhejiang Paradise Private Equity Investment Management – Hangzhou, China
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August 23, 2011

Thrive Capital: \$40M Fund Raise

New York venture firm Thrive Capital has raised \$40 million for his New York venture firm, according to a regulatory filing. Thrive invests in consumer and social media start-ups mostly in New York.

- Thrive Capital – New York - <http://thrive.vc>

Moore Venture Partners: Opens \$10M Inaugural Fund

San Diego, CA-based Moore Venture Partners opens Moore Venture Partners Fund. The firm focuses its investments on technology and life science companies in early, growth, and expansion-stage in Southern California. Moore Venture Partners is in the process of raising a \$10 million inaugural fund.

- Moore Venture Partners – San Diego, CA – www.moorevp.com
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August 24, 2011

MentorTech Ventures: \$10.7M Third Fund

MentorTech Ventures, an incubator and early-stage fund specializing in University of Pennsylvania spinouts, has closed on \$10.7 million for its third fund. The firm is hoping MentorTech Ventures III LP will reach \$40 million. The firm provides institutional funding rounds for software, services, Internet and medical-device start-ups coming from the University of Pennsylvania.

- [MentorTech Ventures – Philadelphia, PA – www.mentortechventures.com](http://www.mentortechventures.com)
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August 26, 2011

Osage Partners: \$47M for Venture Fund

Osage Partners has raised \$47 million toward a new venture fund, Osage Venture Partners III LP. The firm's venture capital group focuses on investments in the enterprise technology and health-care industries in the Mid-Atlantic region.

- [Osage Partners – Bala Cynwyd, PA – www.osagepartners.com](http://www.osagepartners.com)

** Source – VentureSource and VentureWire for each article.*