

News for November 2009

November 2, 2009

Ballast Point Ventures Takes \$140M For Sophomore Fund

Ballast Point Ventures has raised \$140 million of a possible \$150 million second fund, according to a filing with the Securities and Exchange Commission.

The filing indicated that \$136.5 million was raised for Ballast Point Ventures II LP while the remaining \$3.5 million was raised for Ballast Point Ventures EF II.

Managing Partners Richard Brandewie and Drew Graham and Partner Paul Johan were listed on the form as managers of the fund. Eighty-eight limited partners participated in the vehicle, although none were listed by name.

Based in St. Petersburg, Fla., Ballast Point was formed in affiliation with Raymond James Financial Services Inc. as a successor to South Atlantic Venture Funds. The firm focuses on the Southeast U.S. and Texas and invests in life science, information technology, communications, financial and business services and consumer companies, according to the firm's Web site.

- [Ballast Point Ventures – St. Petersburg, FL – www.ballastpointventures.com](http://www.ballastpointventures.com)

China Sets Up 20 Investment Funds To Support Tech Companies

China set up 20 investment funds Friday to support high-technology companies in the information technology, biological medicine, new energy, energy-saving and environmental-protection industries.

The National Development and Reform Commission, the country's economic planning agency; the Ministry of Finance; and the governments of six regions including Beijing, Shanghai and Shenzhen, jointly created the funds, according to a statement posted on the NDRC's Web site.

Swedish State Fund Pulls Back From VC

The Swedish state fund AP6 is scaling back its venture capital investments following instructions from the country's government to prioritize profits over developing small Swedish companies. It is a blow to the venture capital sector, which some have predicted will flourish in the wake of the crunch.

AP6 was founded in 1997 with a mission to put taxpayer funds to work helping smaller businesses in the country grow. But since then it has struggled to balance this obligation with pressure from politicians to generate returns. The fund manages SEK16.4 billion (\$3.1 billion) in private equity and venture capital investments.

November 3, 2009

Advantage Capital Collects \$70M in Tax Credits Allocation

Advantage Capital Partners has been awarded a \$70 million allocation in the seventh round of the federal New Markets Tax Credit program.

Advantage Capital was one of 99 organizations selected this round out of a total of 249 that applied earlier this year. This latest allocation brings the firm's total awards to \$388 million.

The New Markets Tax Credit program is administered by the U.S. Department of the Treasury and is designed to stimulate economic growth and job creation in low-income neighborhoods by providing much-needed investment capital, financial counseling and other services.

Advantage Capital Partners is a venture capital and small business finance firm focused on early stage companies and other investments supporting state and local economic development efforts. With offices and partners in New Orleans, St. Louis, Austin, Texas, and other U.S. cities, Advantage Capital has raised more than \$1.1 billion in capital since 1992 and invested in companies located in geographic areas underserved by traditional venture capital.

- Advantage Capital – New Orleans, St. Louis, Austin - www.advantagecap.com
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November 4, 2009

Greylock Partners Closes USD 575 Million Greylock XIII LP

Greylock Partners, a San Mateo-based venture capital firm, closed its Greylock XIII LP on November 2, 2009 at \$575 million.

- Greylock Partners – San Mateo, CA – www.greylock.com
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GE Gets Ready To Deploy New Health Care Innovation Fund

Inspired by potential health care innovations and its existing environmental campaign, General Electric Co. aims to start deploying its new \$250 million health care-focused fund as soon as six months from now.

GE's new health fund is part of its \$6 billion Healthymagination project created earlier this year - a program which seeks to foster new health care innovations, particularly in the areas of improving access and reducing costs. By 2015, the Healthymagination program aims to bolster GE's health care business

by investing \$3 billion for 100 new innovations; \$2 billion for information technology and access for rural and underserved areas of the world; and \$1 billion for partnerships, media and services.

- [Healthymagination – New York, NY - www.healthymagination.com](#)
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November 5, 2009

With \$2.5M More, Incyte Inches Toward Closing Debut Fund

Incyte Venture Partners has added \$2.5 million more to its debut fund-raising effort, bringing the total taken in so far to \$7.5 million, according to a filing with the Securities and Exchange Commission.

Targeted Technology Fund I LP had a \$5 million first close in July to enable it to participate in a \$7.6 million Series D1 round for medical device company Vidacare Inc.

Incyte is looking to make early-stage device, diagnostics and specialty pharmaceutical investments in San Antonio, where Castella is based, and around Boulder, Colo., and Birmingham, Ala., where the other founding partners -- Christopher Banas and Alan Dean, respectively -- live.

- [Incyte Venture Partners – San Antonio, TX](#)
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November 6, 2009

Contour Venture Partners Secures \$14M Of \$50M Sophomore Fund

Early-stage venture firm Contour Venture Partners has secured \$14 million of its sophomore effort targeting \$50 million, according to a regulatory filing.

New York-based Contour invests in seed and early-stage companies developing technology for East Coast-based industry hubs including financial services, Internet, digital media, business services and software companies.

Contour typically invests between \$250,000 and \$1 million per round, preferring to act as the lead or co-lead investor as well as the first institutional capital received by the company.

- [Contour Venture Partners – New York, NY - www.contourventures.com](#)
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Mountain Cleantech Raising VC Fund Focused On German Region

Mountain Cleantech AG, a venture capital firm that specializes in investing in the German-speaking regions of Europe, plans to raise a traditionally structured private fund alongside its existing public fund, VentureWire has learned.

The St. Gallen, Switzerland-based firm hopes to raise about EUR100 million (\$148.6 million) for the new fund, with full-scale marketing beginning in January or February and a close in the second quarter of next year.

As well as targeting institutions and family offices, Mountain hopes to raise capital from corporations such as utilities and chemical companies with an interest in the development of clean technologies.

Mountain Cleantech also focuses on expansion-stage deals in companies with between EUR5 million and EUR10 million of revenue, rather than early stage.

- Mountain Cleantech – St. Gallen, Switzerland - www.mountain-cleantech.ch/
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November 9, 2009

HarbourVest Partners Hits Market With \$3B Target For Fund IX

HarbourVest Partners LLC is heading out to market with its latest U.S. fund of funds, which features a \$3 billion target.

The target on HarbourVest Partners IX LP is sharply lower than its earlier U.S. fund of funds, a \$5.5 billion pool that closed in 2008. HarbourVest has relationships with venture capital firms that include Austin Ventures, Battery Ventures, Charles River Ventures, Menlo Ventures and U.S. Venture Partners. In the buyout space, the firm has relationships with Bain Capital LLC, Berkshire Partners LLC and TA Associates Inc.

HarbourVest Partners – Boston, MA – www.harbourvest.com

November 10, 2009

Seed Investor Founder Collective Launches With \$40M

Founder Collective, a seed-stage investment firm made up of East Coast entrepreneurs, has raised \$40 million for its first fund.

The fund prefers to invest in companies with an information technology component and will likely be focused on start-ups located near New York and Cambridge, Mass., where its two offices are, though it is willing to make investments outside those areas.

It will invest between \$50,000 and \$1 million in each seed round. It has already made about half a dozen investments, in companies such as 20X200 Inc., which sells original artwork online, and AdSafe Media Inc., a brand protection company.

- Founder Collective – New York, NY/Cambridge, MA – www.foundercollective.com
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November 11, 2009

Digital Media Vets Launch Angel Group Wider Wake

With four digital media investments under its belt, new angel investment group Wider Wake Networks Inc. has announced its official launch.

The group's portfolio includes Collective Media Inc., which offers an audience-targeting advertising technology; Digital Broadcasting Group, a video production and distribution company; Appssavvy Inc., a direct sales team for social-media applications; and Good Health Advertising Inc., a provider of medical advertising services.

Wider Wake, based in New York with members residing in Europe and Asia, expects to make four to six investments each year, committing up to \$1 million per investment. Founded by veterans of the digital media industry, the group plans to focus on that sector.

- Wider Wake Networks – New York, NY – www.widerwake.net

Sanofi-Aventis Interested In Fund To Develop Partnerships

French pharmaceutical giant Sanofi-Aventis SA is interested in setting up a venture capital fund to help develop strategic partnerships with drug-developers, Chief Executive Christopher Viehbacher recently said.

This is part of the company's push to get away from the traditional boom-and-bust cycle of searching for blockbuster drugs and then watching sales erode when they lose patent protection. Speaking at a "partnering meeting" hosted at a Sanofi facility in Cambridge, Mass., a hotbed for biotechnology research, Viehbacher stressed Sanofi's interest in breaking free of that mold while developing partnerships.

He pitched the importance of linking innovative ideas from smaller companies with the discipline and capabilities of large companies, plus his company's interest in pushing outside the traditional markets of the U.S., Europe and Japan. He also talked about Sanofi's interest in developments - such as vaccines, where the company is a market leader - that are better protected from competitive pressures than traditional small-molecule drugs.

- Sanofi-Aventis SA – Paris, France - <http://en.sanofi-aventis.com>

November 12, 2009

Highland Capital Partners Finds \$400M Is Right Size For Fund VIII

Highland Capital Partners LLC announced the close of its eighth fund at \$400 million, half the size of its 2005-vintage predecessor.

Highland also expects a slightly slower investment pace, and so wanted a fund it could deploy in about three-and-a-half years. It plans to start committing the new fund in the first quarter of next year.

The Lexington, MA, firm, whose track record includes the initial public offerings of Starent Networks Corp. and VistaPrint Ltd., faced a tough market when it headed out with Highland Capital Partners VIII LP early last summer. Some limited partners in its prior fund, struggling with their venture and private equity allocations, committed lesser amounts or passed on the fund altogether. But they found surprisingly strong demand from new LPs, both in the U.S. and internationally.

- [Highland Capital Partners – Lexington, MA – www.hcp.com](http://www.hcp.com)

Kernel Capital Partners Closes EUR 26 Million Bank of Ireland Seed and Early Stage

Kernel Capital Partners, a Cork-based venture capital firm, closed its Bank of Ireland Seed and Early Stage fund at EUR 26 million. The firm has a portfolio of investee companies across, technology, life science, and general industry.

- [Kernel Capital Partners – Ireland - http://www.kernelcapital.ie/](http://www.kernelcapital.ie/)

November 13, 2009

Meidlinger Partners Kicks Off Raising \$100M Water-Focused Fund

Aiming to capitalize on the still-obscure water-related market, Meidlinger Partners LLC held an initial \$4.25 million close of its first clean technology fund, which the firm expects to reach a \$100 million target by the third quarter of 2010.

Philadelphia-based Meidlinger, which was formed a year ago to focus on water-technology investments, has secured a \$10.75 million commitment from founding investor Benchmark Asset Managers LLC. Benchmark, a Philadelphia-based investment firm focused on sustainable investing, will make the equity investments in Meidlinger in two tranches over the next six to 12 months.

- [Meidlinger Partners – Philadelphia, PA - www.meidlingerpartners.net](http://www.meidlingerpartners.net)

November 17, 2009

ZenShin Capital On The Hunt For \$100M For First Institutional Fund

ZenShin Capital, a venture firm aiming to bridge the gap between U.S. technology and Japanese businesses, is seeking up to \$100 million for its first institutional fund.

Assuming it hits its target for ZenShin Capital Partners III LP, the firm expects to invest between \$500,000 to \$3 million each in early- and expansion-stage information technology companies in the U.S.

and Japan, focusing on such sectors as mobile communications, Internet, consumer electronics, software, services and clean technology.

Menlo Park, CA-based ZenShin has raised a total of around \$15 million from wealthy individuals and strategic investors for its two previous pools, which it has invested in a combination of early to mid-stage technology deals, both in the U.S. and Japan. This time, the firm hopes to hold an initial closing with a number of Japanese institutional backers, such as pension funds and bank trust companies, and is also actively pitching to U.S. limited partners.

- ZenShin Capital – Menlo Park, CA – www.zenshincp.com

Hunt Ventures Spins Out To Become Covera Ventures

An investment team that started as the corporate venture arm for billionaire Texas oilman Ray Hunt's Hunt Consolidated Inc. is now taking the steps to become an independent firm.

The firm announced last week it had spun off from Hunt Consolidated and is now operating as Covera Ventures. The Covera principals will continue to manage Hunt Ventures Fund I LP, a \$140 million early-stage technology fund announced last year.

Hunt Ventures was founded in 1998, investing HCI's institutional capital, as well as some Hunt family capital. The Hunt Ventures Web site lists 16 active portfolio companies, including communications start-ups Airspan Networks Inc. and FastScale Technology Inc., semiconductor companies NanoNexus Inc. and Sirific Wireless Corp., and software makers MetaCarta Inc. and CoreTrace Corp.

- Hunt Ventures – Austin, TX – www.coveraventures.com

Early-Stage Firms Ventech, Ysios Head Upstream For Fresh Returns

European venture capital firms Ventech and Ysios Capital Partners, whose funds are traditionally tilted toward early-stage companies, plan to shift further into some late-stage opportunities that can bring quick returns.

The firms' strategies were evident last week with their participation in fund-raisings for Woburn, Mass.-based biologics developer BioVex Inc. and Madrid-based stem cell therapy company Cellerix SA. Biovex completed a \$70 million Series F fund-raising to finish ongoing Phase III trials while Cellerix took in EUR27 million toward an open Series C round for commercialization. The two investors became new shareholders in Biovex and re-upped their commitment to Cellerix.

The strategies come at a time when companies like BioVex, which in a different market might have already had an exit, are presenting new funding opportunities, said Ventech General Partner Mounia Chaoui. Paris-based Ventech plans to explore potential late-stage opportunities while keeping true to its early-stage focus on European companies. Like Ventech, Barcelona-based Ysios will balance late-stage investments with early-stage deals.

- Ventech – Paris - www.ventech.fr
- Ysios Capital Partners – Barcelona - www.ysioscapital.com

November 18, 2009

Arborview Capital Raising \$150M Clean Energy Growth Equity Fund

After making its first \$5 million investment in Lighting Retrofit International LLC, Arborview Capital is hoping to close its clean energy fund at \$150 million in the first half of 2010.

Chevy Chase, Md.-based Arborview, which was formed more than a year ago by private equity veterans, will focus on companies that are operating in the energy efficiency and clean energy arena but that aren't technology dependent.

The firm is targeting companies that have an established revenue base and are seeking growth equity.

- Arborview Capital – Chevy Chase, MD – www.arborviewcapital.com

Norwest Shrugs Off Downturn, Keeps Diversifying With New \$1.2B Fund

Norwest Venture Partners has closed its eleventh fund with \$1.2 billion, nearly twice the size of its predecessor, as it moves further into growth-stage investing and international markets.

Norwest's previous \$650 million Fund X began the process of adding both growth investing and markets such as China, India and Israel, while still keeping its core early stage venture focus.

The latest fund size is an extension of that expansion both into the three international markets and growth investing. Internationally the firm has invested most in India and Israel, where it has offices, and is moving further along in China.

- Norwest Venture Partners – Palo Alto, CA - www.nvp.com

November 19, 2009

Zernike Meta Ventures SpA Opens Ingenium Sardegna

Zernike Meta Ventures SpA, a Terni-based venture capital firm, opened its Ingenium Sardegna fund. The firm is a joint venture between Zernike Group and Meta Group dedicated to the creation and management of seed capital financial tools. The firm aims to invest in innovative high growth companies in Italy.

- Zernike Meta Ventures SpA – Terni, Spain

BioStar Targets \$75M, Capital Efficiency For Second Med-Tech Fund

BioStar Ventures, which aims to back medical-device start-ups and sell them before they reach advanced clinical trials, is looking to close its second fund next year at \$75 million.

The firm, which changed its name from BioStar Private Equity in 2008, has raised \$30 million so far for BioStar Ventures II LP, making it already larger than its \$28.6 million predecessor, which closed in 2003, according to a source familiar with the matter.

BioStar, whose partners and investors include several practicing physicians, strives to use the medical experience of its staff and limited partners to identify promising device companies and guide them to an exit.

- BioStar Ventures - Petoskey, MI – www.biostarventures.com
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November 20, 2009

San Francisco Ups Its Early Stage VC Target, Lowers Multi-Stage Goal

As it maps out its five-year strategic plan for its private equity portfolio, the San Francisco Employees' Retirement System (SFERS) will more evenly favor venture capital exposure across early, multi- and later-stage funds.

The retirement system is increasing its target allocation to early-stage venture capital to 10% from 5% and lowering the target allocation to multi-stage venture capital to 10% from 15%. This will result in target allocations of 10% to early-stage, 10% to multi-stage, and 10% to later-stage venture capital funds.

Additionally, SFERS has approved an increase of its target allocation to international private equity to 30% from 20%, to take advantage of the mature and proven private equity markets outside the U.S.

In addition to expanding its international exposure, the organization will continue to review opportunities focused on emerging markets - specifically within Asia - and closely monitor the developments within those private equity markets for future exposure.

- San Francisco Employees Retirement System – San Francisco, CA – www.sfers.org
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November 23, 2009

Haywood Dorland To Start Raising Renewable Energy Fund

Haywood Dorland Energy Capital, a new renewable energy private equity firm, will start marketing its first fund within a few weeks.

Haywood Dorland already made an investment using the principals' capital in concentrating solar technology developer SolFocus Inc.

The firm's venture investments will range from about \$500,000 to \$2 million. It will also supply growth equity, and project finance for wind projects of 15 megawatts to 45 MW.

- Haywood Dorland Energy Capital – New York, NY - www.hdenergycapital.com

Octopus Ventures Ltd. Opens Octopus Titan VC Trust 4

Octopus Ventures Ltd., a London-based venture capital firm, opened its Octopus Titan VC Trust 4 on November 19, 2009. The firm is an early-stage venture capital firm. The Octopus team invests solely in the technology and bioscience sectors, specifically in companies with excellent intellectual property and a global marketplace for their products.

- Octopus Ventures Ltd. – London – www.octopuspe.com
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November 25, 2009

Abraaj Capital Acquires Jordan's Riyada Ventures

Dubai-based Abraaj Capital Group said it agreed to fully acquire Jordan's Riyada Ventures as it plans investments in the region's small and medium enterprises, or SMEs.

The acquisition comes at the core of a major new push by Abraaj into the small and medium enterprise space in the Middle East and North Africa (MENA) region's economies, Abraaj said in an emailed statement.

Abraaj Capital is the largest private equity group in the Middle East, North Africa and South Asia (MENASA). Since inception in 2002, it has raised about \$7 billion and distributed almost \$3 billion to investors, according to a news release. It has made more than 35 investments in 11 countries and exited 20. The group operates offices in five countries, including Saudi Arabia, Egypt and Turkey.

- Abraaj Capital Group – Dubai - www.abraaj.com
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November 30, 2009

China To Invest In Venture Capital Funds

China's government said it will join local governments and private investors in setting up venture capital funds in a bid to boost the development of innovative high-technology companies.

A statement posted on the State Council's Web site said the government shouldn't be a controlling shareholder in the venture capital funds nor should its stake exceed 20%, though that ceiling can be raised for angel funds.

The size of the venture capital funds should be at least CNY250 million (\$36.7 million), according to the statement, which was issued jointly by the National Development and Reform Commission, and the Ministry of Finance.

Local government stakes in the funds should "in principle" be no lower than the central government's.

The government won't intervene in the funds' daily operations, the statement said.

Venture capital funds with investment from Beijing will likely compete with some active foreign funds, including Sequoia Capital and ePlanet Ventures.

The central and local governments will have to exit from their investments in venture capital funds together, the statement said, adding that Beijing can exit via negotiations and after receiving approval from the NDRC and the finance ministry. The central government won't seek any preferential treatment as a shareholder in the funds, the statement said.

UK's Drayson Has High Hopes For \$1.65 Billion Venture Fund

The U.K. government has high hopes that it will raise GBP1 billion (\$1.65 billion) for the venture capital fund it launched July with a GBP150 million cornerstone investment.

The U.K. Innovation Investment Fund is structured as a 12- to 15-year fund of funds and will back technology and science-driven companies in the cleantech, life sciences and information technology sectors.

Source: VentureWire and VentureSource