



Preqin Industry News

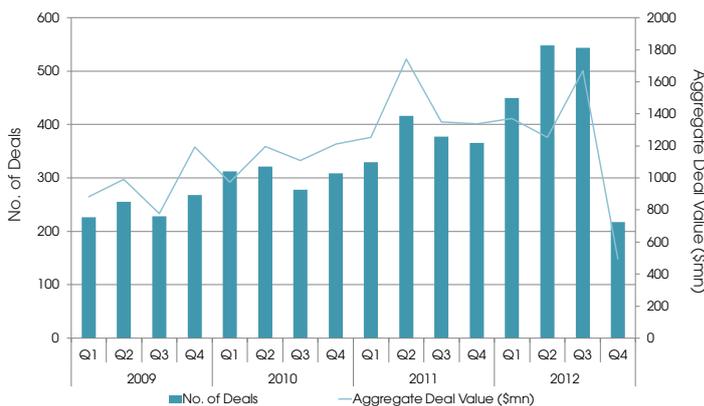
Olivia Harmsworth delivers a round-up of the latest early stage venture capital news, featuring exclusive intelligence on deals, investor activity and recently launched and closed funds, uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm names to view the full profiles.

An analysis of venture capital deals focusing on early stage financing, as shown in the Chart of the Month, shows clearly that the number and aggregate value of these deals has been steadily increasing since Q1 2009, when the number of deals taking place that quarter stood at 226 and their aggregate value was just over \$880mn; in Q3 2012 the number of deals was more than double that seen in Q1 2009 with 544 deals, and the aggregate value of these deals was just under \$1.7bn. The increase in the number of deals taking place each quarter can be seen to be fairly incremental, with particular growth occurring more recently in Q2 and Q3 2012, with 548 and 544 deals respectively. In comparison, the aggregate value of deals taking place in a quarter peaked in Q2 2011 at over \$1.7bn, largely due to two particularly large deals: [55tuan.com](#), a Chinese group deals website, and [Ascletis](#), an infectious disease research centre. They received \$200mn and \$100mn each respectively in early stage funding.

Looking at early stage deals throughout October, a number of North America-based companies have recently raised seed financing capital. Notable among these is [Monogram](#), an iPad application developer, which raised \$400k in seed financing led by [Quest Venture Partners](#), with participation from [Great Oaks Venture Capital](#), [Initialized Capital](#), [Innovation Camp](#), [500 Startups](#) and several individual investors. Advertising company AdverCar also received \$2mn in seed funding in October 2012 from a syndicate led by [Canaan Partners](#); other investors included [Branford Castle Private Equity](#), [New Orleans Startup Fund](#) and [TIE Angels](#). In August 2011, mobile advertising solutions company [ThinkNear](#) raised \$1.6mn in seed financing led by [IA Ventures](#); the company was acquired in October 2012 by [Telenav](#) for \$22.5mn.

2012 has seen a significant increase in the amount of capital early stage funds have been able to attract, with 58 funds closing on \$10.0bn so far this year compared to 73 funds closing on \$8.7bn throughout the whole of 2011. A number of funds focusing on early stage financing have recently closed above target. [Trinity Ventures XI](#) reached a final close in October 2012, having raised \$325mn, \$25mn above its original target. The fund, raised by [Trinity Ventures](#), focuses on investments in cloud and mobile infrastructure, social commerce, digital media and other technology opportunities in the US. Investors in the fund include [San Francisco City & County Employee's Retirement System](#), which committed \$20mn; the investor previously committed \$10mn to the predecessor fund, [Trinity Ventures X](#). China-focused fund [Innovation Works Development Fund II](#) also recently closed \$25mn above target, having raised an aggregate \$275mn in capital commitments.

Chart of the Month: Number and Aggregate Value of Early Stage Deals, 2009 - 2012 YTD (as of 9 November 2012)



Source: Preqin Venture Deals Analyst

Notable among the early stage funds currently in market is [Fondo Amerigo Invierte Spain Technologies](#), launched by [Kibo Ventures](#) in October 2012 targeting €45mn; the fund has already made a first close of €42mn, and concentrates on internet-based businesses and mobile platforms. Another Europe-based early stage fund on the road is [Elai Alpha Fund](#) targeting between €50mn and €60mn; the French-focused vehicle provides seed stage financing to the digital economy, and recently held a first close of €45mn.

A number of investors are also expressing an interest in early stage fund investments, including [KLP Asset Management](#), a Norway-based insurance company which is looking to make six or seven new fund commitments over the next 12 months. The firm will consider a variety of fund types, including early stage funds, and has previously committed to a number of venture funds, such as early stage fund [Northzone V](#). KLP will re-up with existing managers in its portfolio over the coming year, and will also form new relationships with GPs it has not previously worked with.

Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@peqin.com and we will endeavour to publish them in the next issue.