



# VentureWire Europe

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## **Pond III To Close Over Subscribed, Over Target At EUR123M**

Pond Venture's newest early stage venture fund, which had an original target of \$125 million, was raised entirely from institutional investors, including HarbourVest, AlpInvest and the Wellcome Trust. The firm will invest between \$500K and \$6 million in silicon, software, hardware, wireless, materials and systems sectors, and their intersection with energy and medical devices. >

### **RICHMOND, U.K.**

## **Pond III To Close Over Subscribed, Over Target At EUR123M**

BY ALISON BIRREANE

Early stage venture capital firm Pond Venture Partners Ltd. will close its \$145 million (EUR123 million) third fund over subscribed and above its target within weeks, according to Pond Managing Partner Charles Irving. Irving said the fund -- which had an original target of \$125 million - has already closed \$130 million (EUR110 million), with the remaining \$15 million currently undergoing legal due process. Pond began fund raising in September 2004 and held a first closing of \$70 million in June this year, Irving said. The firm raised the new funds entirely from institutional investors, including HarbourVest Partners LLP, AlpInvest Partners NV, the Wellcome Trust and the European Investment Fund. Irving said some institutional investors from Pond II have returned to invest in Pond III, but he declined to name them. Irving said that the current fund-raising environment is a tough one -- particularly in the area of early stage technology investments -- so Pond is "delighted" with the quality of institutional investors that its third fund has attracted. "The European early stage technology venture capital area is not a fashionable one and investors, quite rightly, are being very cautious and are being very selective and only working with a handful of quality managers," he said. "There are a lot of funds out there now trying to raise new funds and a lot of them are not going to be very successful." Irving attributed the investor interest in Pond's new fund to the firm's consistent investment approach. "Pond concentrates on world beating European technologies and teams and commercializes them into the global successes," Irving said. As such, the investment approach of Pond III will be in line with the firm's previous strategy. Pond, established in 1997 with offices in Richmond, U.K., and in San Jose, Silicon Valley, invests in European technology companies with a global potential that require seed and Series A stage rounds. Pond invests in companies in sectors including silicon, software, hardware, wireless, materials and systems, and their intersection with energy and medical devices. A typical investment for Pond, Irving said, is between \$500,000 and \$6 million per company -- with allowances for further investment if required - in exchange for a minority stake and a board seat. Pond's investment period is usually between five and seven years. Pond now has over \$200 million under management and is probably the largest early stage technology investor in Europe, said Irving. The firm's first fund was its \$13 million Pond I fund, raised in 1998, which "returned more than a three times cash return to investors," Irving said. Pond's second fund, the \$78 million Pond II fund, raised in 2000, is now fully committed. Irving said the "the second fund is looking very attractive with companies like Transitive and picoChip." Transitive Technologies Ltd. is a Manchester, U.K.-based provider of software that enables the use of applications across multiple processor architectures. Based in Bath, U.K., picoChip Designs Ltd. is a developer of embedded processors for use in 3G and WiMax wireless base stations and other mobile networking equipment. Pond has already begun investing from the new fund - having made three undisclosed investments, with another three expected in the next three months -- but Irving declined to disclose details. In the U.K., Charles Irving is joined by Michael Gera and Jamie Urquhart. The U.S. team now includes Richard Irving, Kent Godfrey and Lei Fu. <http://www.pondventures.com>