

## Vintage beats target for tech secondaries fund

**The Israeli fund of funds manager's successful \$161m fundraising highlights the increasing interest from overseas in Israeli technology companies.**

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James Taylor

Vintage Investment Partners has raised \$161 million for a new technology secondaries fund, beating its \$150 million target following strong investor demand.

The vehicle, Vintage Investments VI, will buy LP positions in Israeli venture capital and private equity funds, and also look for direct secondaries deals, i.e. portfolios of private equity-backed Israeli technology companies. It also has the capacity – as with previous Vintage secondaries funds – to buy out individual shareholders in private companies.

Vintage spent about six months on the fundraising trail, according to managing partner Alan Feld. The "vast majority" of the firm's LPs from its previous \$125 million secondaries vehicle returned and increased their stake, he said, while a number of investors also committed capital to the firm's informal co-investment pool, which provides Vintage with an extra \$100 million or so of firepower.

Feld suggested that investors were attracted by Vintage's in-depth knowledge of the local market. The firm has been operating in the Israeli technology space for ten years, and has developed a proprietary database that tracks the performance of 230 Israeli funds and nearly 4,000 private equity backed technology companies. "People are looking to invest in managers with a competitive advantage in their particular market ... Not only do we meet fund managers regularly, but we also try to meet on average about 10 companies per week. That means we can value companies much more effectively and accurately, and we can make offers to sellers relatively quickly."

Israeli companies are also seeing plenty of interest from big US technology companies looking to boost top-line growth and invest some of the cash that for tax reasons it's difficult for them to repatriate, Feld adds. Over 70 big tech companies have already made acquisitions in Israel, Feld says, while the likes of Google, Oracle, Facebook, Microsoft and Apple all have R&D centres in the country.

One notable strategic change with the new fund will be a greater focus on European opportunities, Feld said. "We believe there's an opportunity in Europe. We've started to commit to Europe on a primary basis over the last year, and we're now starting to significantly [boost] our efforts in European technology- and venture-related opportunities. That's an important addition to the strategy." Vintage already knows many of these European groups because of their portfolio interests in Israel, he added.

This is the sixth institutional fund for Vintage, which is based in Herzliyah Pituach near Tel Aviv in Israel. It had previously raised two secondaries funds, two funds of funds and a co-investment vehicle. It now has \$700 million of assets under management.

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