

**QUICK FACTS:**

**Fund focus:**

The Fund is an early stage venture fund which

- Invests only in technologies that can be commercialized across multiple market sectors ("pervasive" technologies) of at least \$250 million each.
- Focuses on the strength of the target company's Intellectual Property (IP) and opportunities to grow that portfolio.
- Commercializes the IP by licensing beyond the initial focus of the portfolio company.

**Team:**

Combined Bell Labs talent and VC expertise

**Fund target size:**

\$100 million

**Corporate Structure:**

General partnership and management company managing a Delaware limited partnership, with provisions for international investors

**Fund terms:**

Target returns: 3.0x / IRR 25% (gross)

Carry: 20%

Management fee: 2.25%

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**Background:**

Early stage funding is currently out of favor with investors. The later stage VC and buyout markets have captured a large share of alternative assets. Certain sectors receive almost no attention from today's VCs, who prefer to focus on a limited number of sectors. Many promising early stage investment opportunities are being neglected.

**Opportunity:**

There is limited competition in this target rich environment. Incumbent players overlook these opportunities because of historical sector specialization along with a later stage focus. Accordingly, the time is right to launch Pervasive Technology Ventures LP, I (the "Fund"). By focusing on companies with pervasive IP. The Fund can exploit this opportunity and build an enduring institution.

**Investment model:**

The Fund will invest in technologies that are pervasive, that have already passed the proof-of-concept stage, and that are backed by IP that can be secured and monetized. The pervasiveness of the technology is crucial as it allows the Fund to license the IP into multiple market sectors. The Fund plans to invest in approximately 10-15 companies with an average total investment of \$5-8 million per company.

**Liquidity model:**

The Fund provides two types of returns: a share of the revenues generated by licensing IP, and revenue from the exit of portfolio companies. Through the licensing approach, the Fund will "sell" the IP several times to different partners across different sectors. The portfolio company will receive predictable, high margin income, potentially increasing valuation. This revenue stream then is partially distributed back to the Fund and the LPs. An exit can include the partial sale of a company as well as the full sale or IPO. This implies additional returns to investors that start earlier in the lifecycle of the Fund, and which potentially continue past exit.

Based on our models, the Fund's approach is expected to add 10%-13% to a traditional VC return profile. Furthermore, our multi-sector approach is expected to decrease the Fund's investment risk.

**Team:**

The Fund intends to identify, secure and develop pervasive technologies. The Fund's model requires an innovative mix of scientific, business and VC expertise. The team was assembled from members who have experience working together on licensing and investment projects, to provide the skills needed to execute the model.

**T. Raj Singh (Founder, General Partner)**

- Helped raise \$530m over two funds as a Partner at Investcorp
- Achieved personal track record of a 3.6x multiple, >30% IRR
- Sourced and managed spin-outs from Fujitsu, GD, Cirrus.

**Philippe M. Content (Founder, General Partner)**

- Headed Lucent's Corporate Development department; managed 30+ transactions ranging from \$1 to \$3.5Bn
- Sourced and managed IP at Bell Labs
- Developed extensive network from investment banking career.

**James M. Kopley (Founder, CFO)**

- Headed Strategic Planning at Citibank's Money Market and Public Finance Division
- Appointed trustee of the New Jersey Police and Firemen's Retirement System
- Selected as Member of the New Jersey State Investment Council (Regulator of \$70 billion)
- Teaches MBAs entrepreneurial finance at Pace University.

**Fund terms:**

- Target Fund size: \$100 million
- Target return: 3.0x / IRR of 25% (gross)
- Investment period: 5 years (Fund term: 10 years)
- Carry: 20%
- Management fee: 2.25%
- Fund formation fee: 0.75%
- General Partners' commitment: 1%
- IP revenue streams: distributions generated via licensing activities will be made in the same way as exits, and subject to carry.