



STARFISH
VENTURES

IPRIA Venture Capital Symposium

2 February, 2006

Craig Moore, Investment Director

Introduction to Starfish Ventures



- **The Starfish Ventures was formed in June 2001 from Australian office of JAFCO Investment Asia Pacific.**
- **Manages the Starfish Technology Fund I, LP. It is a \$138.82M broadly focused technology fund established as a VCLP. Currently have 7 investees.**
- **Manages the Starfish Pre-Seed Fund. It is a \$24M fund focused on projects from federally funded research institutions and CRCs. Currently have 9 investees.**
- **Associated with Jolimont Ventures, a specialist secondary fund manager with \$50M under management. Currently have >20 investees.**

An Australian venture capital manager seeking superior returns through active investments in innovative technology companies.



Issues with VCLP

- **Benefits**
- **Restrictions are arbitrary**
- **Fund raising complexity**
- **Negatively impacts on local entrepreneurs**



Benefits

- Flow through vehicle for some off shore investors
- Allows incentive payment to managers to be capital
- Somewhat more familiar to off-shore investors
- Losses can be distributed



Restrictions are arbitrary

- Use of convertible notes set at 10%
- Definition of 'at risk' and debt vs equity
- Entity and associated entity value of \$250M
- Investment into off-shore opportunities, particularly NZ
- Appointment of auditors
- Location of assets and employees



Fund raising complexity

- **Competing for funds with regional investors**
- **Leads to complex fund structures**
- **Leads to complex investment structures**
- **Reality is that need to establish a solid relationship and this is a hurdle**



Negatively impacts on local entrepreneurs

- **Government has sought to achieve two policy objectives with one piece of legislation**
 - stimulate local VC activity
 - have VCs invest in a certain type of company
- **Current legislation will negatively impact on both policy objectives**
- **Better to stimulate local VC activity by allowing them to access capital and deal flow**
- **Better to stimulate local entrepreneurial activity by focusing on the entrepreneur**



STARFISH VENTURES

66 Jolimont Street
Jolimont VIC 3002
Australia

T: +61 3 9654 2121

F: +61 3 9654 2922

admin@starfishventures.com.au

www.starfishventures.com.au