



## **GSV Targeting Shares In Up To 30 Private Cos. With New Publicly Traded Fund**

By Lizette Chapman

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Adding fresh gunpowder to the explosion of interest in owning shares of private companies, Global Silicon Valley Corp. says its new publicly traded mutual fund will enable the average investor to purchase shares that were previously tough to access.

Raising \$50 million in its IPO late last month under the name Next Innovations Ltd., the Woodside, Calif.-based fund is in the process now of buying shares in 14-30 private tech companies, said Chief Executive Michael Moe. Although Moe declined to name which companies he was pursuing, he said he had a list of roughly 100 he was checking into now that fulfilled three criteria: high quality, reasonable valuation of shares and quantity available for sale.

"We're essentially stepping in where the IPO market used to begin," said Moe, noting he will be targeting companies valued between \$100 million and \$1 billion. "We're democratizing access to these rapidly growing companies with high potential."

Moe also heads NeXt Asset Management, the entity that will manage the fund and which will charge a 2% management fee and a 20% carry.

Using a mutual fund to buy shares in private companies is not entirely new.

As The Wall Street Journal and Venture Capital Dispatch previously reported, funds within T. Rowe Price Group, Morgan Stanley and Fidelity all own shares of high flying (and still private) darlings, including Facebook Inc. and Groupon Inc. The difference is that GSV will be devoted exclusively to the private market, purchasing shares from founders, trading marketplaces including SecondMarket and SharesPost and other sources.

Said Moe: "We'll buy shares wherever we can of the companies we're looking for."

VentureWire previously reported on private, special-purpose funds that have also emerged in recent months to buy shares of the hottest private Internet companies like Facebook, Twitter and others. Those funds include EB Exchange Funds, Felix Investments, Greencrest Capital and J.P. Turner.

With his public fund, Moe said he intends to place the \$50 million from its IPO within the next 6-12 months. Individuals purchased \$35 million in GSV shares and institutions purchased the balance, according to Moe. He declined to provide investor names or additional details.

"They're betting that we're going to make smart decisions and access the stars of tomorrow," said Moe of his shareholders.

Access to those so-called stars is now possible through both SharesPost and SecondMarket, where employees and other shareholders in private companies can sell shares to get some liquidity. Unlike those vehicles, which are available only to accredited investors, Next Innovations is open to the general public like any other stock traded on Nasdaq.

Moe headed growth research and strategy at Montgomery Securities before leading global growth research for Merrill Lynch and then going on to co-found ThinkEquity Partners. He also helped establish

SharesPost, where he remains a board member. In February, VentureWire reported that SharesPost had raised at least three special-purpose funds to match buyers and sellers--two funds for Facebook stock and one for stock in LinkedIn Corp.

"I've never been more excited by an opportunity," Moe said of GSV. "This addresses an enormous structural problem that exists."

Since its IPO on April 28, GSV stock has slid from \$15 to close at \$13.20 May 17.

Forbes earlier reported news of the IPO.