



## INVESTMENT STRATEGY

SBV's investment strategy is reflected in its [track record](#). SBV Venture Partners believes that the current environment of very large venture funds has opened an attractive opportunity. The "mega-funds" invest in companies that require massive amounts of money, often late-stage transactions. As a result, excellent opportunities exist for experienced investors like SBV, with a demonstrated ability to originate deals and take a lead role in innovative, well-managed early-stage companies.

SBV centers its investing activity on those companies that demonstrate the ability to reach their primary market within one year and provide an exit within three to five years through an acquisition or a public offering. The principals believe that such early-stage companies offer the best opportunity to create value and leveraging the resources of our investment group.

The Fund is unusual in its emphasis on active involvement in the sourcing and seed financing of new technology companies. This involvement in startups extends to recruiting members of the management team, assisting in marketing and public relations, introducing the company to potential key customers, and helping to formulate an international strategy. The SBV team has experience over several cycles of venture capital investing. In addition, the mix of marketing, management and scientific knowledge found in their backgrounds further distinguishes the Fund.

The Fund looks for potential investments characterized by five major parameters:

- **Product Value.** The company must define products or services that provide quantifiable value to their target market in terms of price and effectiveness.
- **Market Relevance.** The company must address a large market that exists today, or will appear in the very near future.
- **Exceptional Management Standards.** The team must be balanced, mature and have an excellent track record. It must demonstrate a realistic vision of the state of the technology and an appropriate strategy to bring it to full potential.
- **Growth Prospects.** The combination of products and markets must define an opportunity such that the company can realistically aim for revenue in the range of \$100 million within five years.
- **Exit Potential.** The opportunity must be such that a successful financial exit can be anticipated within a three to five year horizon.

Past experience shows that opportunities meeting the above criteria are most likely to create enterprises capable of long-term growth.