

We channel funding from Europe and the UK, through appointed fund managers to sustainable and ambitious London businesses. Returns generated from the funds go straight back into the London ecosystem, making investment available to the next generation.

We recognise the significant role SMEs play in London's economy, not least being the creation of jobs and prosperity. But we also recognise the hurdles that business founders and management teams have to clear before securing growth capital. With many SMEs still struggling to access finance, we bridge the London funding gap and enable real opportunities for sustainable growth.

May 18, 2015

The London Co-investment Fund launches competitive process to expand the number of co-investment partners



The London Co-investment Fund ("LCIF") is pleased to announce that it has launched the process to select up to three additional co-investment partners to the fund.

The LCIF co-invests alongside competitively selected investors in early stage Digital, Science and Technology businesses based in London that are ready to accelerate growth and create jobs in London.

Typically the businesses we seek to support will be emerging from accelerators, incubators and support programmes and seeking to raise between £250,000 and £1.5m. According to the latest evidence, this is the largest present gap in the market for investment.

Since its launch in early December the LCIF has invested £1.5m in 11 London-based, high-growth, early stage technology companies. LCIF investment has helped raise an aggregate of over £8m in total investment commitments. We are now seeking to broaden the reach of the LCIF across the target sectors through additional co-investment partners.

The LCIF aims to incentivise and enable:

- Venture capital funds to invest in smaller funding rounds at an earlier stage of the business growth path than their business models presently allow; and
- Business angels and other early stage investors to invest together in larger funding rounds in businesses with demonstrable growth potential

The co-investment partners will be selected on the basis of their knowledge of, focus on, and track record of investing in the three sectors.

The London Co-investment Fund operates as a “side-car” fund. Each co-investment partner is allocated a “pool” of between £1–5m of LCIF’s money that can be drawn upon to co-invest alongside their own money in a number of eligible London-based businesses selected by them. The decision on whom to invest in and on what terms is the sole responsibility of the selected co-investment partners. LCIF pays a small fee to cover the partners’ cost of carrying out due diligence, and subject to eligibility checks and legal due diligence, LCIF then directly invests the agreed amount in the selected business’ seed round.

LCIF will be looking for co-investment partners who can demonstrate the resources and commitment to invest **significantly** more than LCIF in both total, and on a per deal basis.

The London Co-Investment Fund is led and managed by Funding London (formerly known as SME Wholesale Finance (London) Limited).

This initiative is a partnership with Capital Enterprise (the membership body for universities, accelerators and incubators that support entrepreneurs in London) whose role is to lead on the promotion of LCIF and to develop and then run a pipeline of investment-ready tech businesses that are referred to the LCIF’s co-investment partners.

Those interested in submitting a proposal to become a co-investment partner should download the Contract Notice and

Prequalification Questionnaire from the mytenders portal:
http://www.mytenders.org/search/show/search_view.aspx?ID=MAY109052. The deadline for submission of the Prequalification Questionnaire is 19 June at noon. There will be an information session hosted by Funding London and Capital Enterprise at IdeaLondon, EC2A 2BB, on Thursday 4th June at 10am. Please contact john@capitalenterprise.org to register your interest.

In addition, those investors interested in seeing the businesses being attracted to the LCIF are invited to attend the next Green Light Demo day on the 28th May:
<https://www.eventbrite.co.uk/e/green-light-demo-day-tickets-16334851982>
(password: greendemoday).

Maggie Rodriguez-Piza, Chief Executive of Funding London said, “The London Co-Investment Fund has had an excellent start attracting over 450 applications since launch less than six months ago.

“We are very encouraged by the quality of investment propositions that we are seeing from our co-investment partners in terms of, both, innovation and excellent management teams. We look forward to expanding the circle of co-investment partners thereby enabling our fund to reach an even wider range of businesses.”



John Spindler, CEO of Capital Enterprise said, “The London Co-Investment Fund is aiming to have a good balance of experienced seed co investors able to invest

in the wide range of great early stage tech companies being produced by London. It would be great to see applications from investors that specialise in early stage science and hardware businesses and in hot sectors in London such as Fin Tech and Mad Tech.”

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NOTES:

- The London Enterprise Panel is the local enterprise partnership for London. Chaired by Mayor of London Boris Johnson, the LEP is the body through which the Mayor works with London's boroughs, business and Transport for London to take a strategic view of the regeneration, employment and skills agenda for London. Over £110m of funding from the Growing Places Fund has been allocated by the LEP for projects that support delivery of its Jobs & Growth Plan for London. It was agreed after a competitive tendering process and extensive due diligence to award £25 m to Funding London to set-up the London Co-Investment Fund. <http://www.london.gov.uk/mayor-assembly/mayor/mayoral-decisions/MD1345>
- Funding London is the trading name of SME Wholesale Finance. More information on its activities is available at www.fundinglondon.co.uk
- Funding London's long term mission is to support London-based small businesses that experience difficulties raising finance either due to the small amounts of investment being sought or the early stage nature of the business. Funding London delivers its mission through the design, establishment and operation of funds that are aligned with the Mayor's strategy for London. Since its establishment in 2004 by the then Mayor of London, Funding London has invested directly over £32m into 410 businesses and generated more than £94m of co-investment into London's SME's via its loan and equity funds.
- Capital Enterprise is a not-for-profit association for providers of enterprise support in London. Capital Enterprise's 70+ membership includes London's leading universities, incubators and accelerators. Capital Enterprise is presently leading on the delivery of a £3.8m part EU funded programme that is enabling members including UCL, Imperial, Seedcamp, Tech Stars and Startup Bootcamp to help create over 150 potentially high-growth investable start-ups each year. – www.capitalenterprise.org
- Capital Enterprise also founded and runs Capital List a service that sources, vets and then introduces start-ups (predominately sourced from its members) to 20+ seed VC's and Angel syndicates. www.capitalist.co

