



# State of Wisconsin Investment Board

**Press Release**

**Contact: Vicki Hearing 608-261-2415**

## **SWIB Approves Additional \$50 Million for Venture Capital**

**Madison, WI** (December 14, 2005) – The Wisconsin venture capital market may get a \$50 million boost as a result of a new investment initiative by the State of Wisconsin Investment Board (SWIB).

SWIB Trustees today gave the preliminary go ahead to allocate additional money for two new venture capital funds proposed by Mason Wells and Venture Investors. SWIB will allocate up to \$50 million total to be invested between Mason Wells Biomedical Fund II and Venture Investors Early Stage Fund IV, funds that are now being established by the two Wisconsin-based venture capital firms. Several additional steps in SWIB's investment review process must be satisfactorily completed before the investment decision receives final approval. If approved the investments will be part of the Wisconsin private equity portfolio.

The strategy for the proposed funds will focus on opportunities in Wisconsin and the Midwest. SWIB currently has investments in existing funds of each firm.

The investment strategy for both funds is focused on seed and early stage financing and is expected to capitalize on the life science opportunities coming out of Wisconsin universities and medical research facilities, said Monica Jaehnig, Wisconsin private equity portfolio manager. "Mason Wells and Venture Investors are players who know this market well and have the depth of experience to do well with their investments."

SWIB has targeted venture capital opportunities in Wisconsin and the Midwest since 2000 when it made commitments totaling \$45 million to Mason Wells Biomedical Fund I and Venture Investors Early Stage Fund III. A second Board initiative, in 2002, allocated \$90 million to Baird Venture Partners of Milwaukee and Frazier Technology Ventures, a Seattle-based firm which operates an office in Madison as a result of the commitment by SWIB. The new initiative will bring SWIB's total commitment to \$185 million.

"This commitment reflects a specific set of opportunities that are not found in many other parts of the country," said David Mills, SWIB executive director. "We believe there is a great opportunity for SWIB to be a successful early investor in regional venture opportunities because of the excellent technologies coming out of academic research here."

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“SWIB always wants to be in a position to take advantage of great investment opportunities. We recognize there is a lot of interest in what SWIB can do to invest in the Wisconsin economy. Our investments must first serve the beneficiaries of the Wisconsin Retirement System funds. We have reviewed these potential investments to be sure they meet our needs,” he said.

“In fact, the efforts of the Governor and legislature with the Grow Wisconsin plan, tax incentives and many other recent actions to stimulate startup companies and promote economic development actually work to SWIB’s advantage by improving our investment opportunities right here in Wisconsin. We expect these opportunities to meet our investment standards and, with the help from Mason Wells and Venture Investors, we expect to benefit from them.”

“I commend the Governor and legislature for their efforts. We are optimistic that the future will bring even more opportunity for the Investment Board.”

SWIB manages nearly \$78 billion in assets which includes the \$73 billion WRS for more than 520,000 public employees. The WRS is the 10<sup>th</sup> largest US public pension fund and the 25<sup>th</sup> largest public or private pension fund in the world.

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