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New Jersey Life Sciences Venture Fund to Invest in Innovation

BY MATT RIEKE, M.D.

In 2004, the Milken Institute's State Technology and Science Index named New Jersey, Delaware and Pennsylvania as 7th, 13th and 16th, respectively, among all states in technology and science assets that can be used to promote economic development. New Jersey also scored in the top five states nationwide for its number of computer and information science experts, and life and physical scientists. The Milken Institute reported in October that New Jersey has the largest concentration of biopharmaceutical industry in the local economy, the most wage earnings generated by the industry at \$17.6 billion, and the most real output generated with \$22.2 billion in income.

For venture capital investors, it is important to have a ready supply of senior managers and employees. New Jersey has more than just a quantity of people who are working in the life sciences industry. More importantly, the state is home to very high quality human capital, including experienced, entrepreneurial senior managers and employees. These human capital assets are vital to the successful evolution of sustainable biotech companies.

With all of these assets available in New Jersey, the time was right to create a state-sponsored venture fund to provide the critical financial support needed to cultivate emerging life sciences companies. The confluence of forces in the state led the New Jersey Economic Development Authority (EDA) and Quaker BioVentures to collaborate and create the \$10 million Garden State Life Sciences Venture Fund. The Garden State Fund will aim to identify, finance and help grow the most promising companies while driving economic growth. This new fund is managed by the investment professionals at Quaker, and seeks investments in emerging companies in New Jersey

capital commitments will total from \$2.5 million to \$10 million, with up to \$15 million provided over the life of an investment.

The Garden State Fund complements the EDA's existing technology investment programs, including the Springboard Fund II recoverable grant program, the New Jersey Seed Capital and New Jersey Technology Funding loan programs, real estate development efforts associated with the EDA's Technology Centre of New Jersey and the projects at the Waterfront Technology Center in Camden, and the Authority's investments in the New Jersey Technology Council Venture Fund.

The Garden State is poised to capitalize on terrific assets: cutting-edge research, the strong presence of the pharmaceutical industry, a growing pool of experienced entrepreneurs, and an ever-expanding pool of financial capital to support early stage life science companies. The Garden State Life Sciences Venture Fund will utilize these resources to help push the state's life sciences industry toward national prominence and drive economic growth within the state.

Matt Rieke, M.D., is a principal with Quaker BioVentures. Visit www.quakerbio.com for more information.



Matt Rieke, M.D.