

## **Kepha Partners Doubles First Fund To \$100M**

By Scott Denne, Dow Jones VentureWire  
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The inaugural fund from Kepha Partners, an early-stage tech investment firm, has doubled in size to \$100 million.

Kepha Partners 1 LP initially closed with \$50 million in April 2007, but after being approached by limited partners to expand the fund, the firm added \$50 million. The final close was last summer, according to Jo Tango, the firm's general partner.

Tango sees "a very significant supply and demand imbalance for early stage investing." The firm invests in companies at the earliest stage possible, often before a business plan has been written.

Although that imbalance has been exacerbated by the current economic situation, that was not the reason for raising the additional capital, Tango said.

Kepha invests in mostly software-based companies and new media, with low capital requirements, Tango said.

Kepha Partners has made four investments so far, all of which were started in the firm's office. Its investments so far include data migration company AutoVirt Inc.; Azuki Systems Inc., which is developing a platform for delivering Web content to any mobile device; and stealth-mode ByLedge Inc. The fourth investment has yet to be announced, Tango said.

The bulk of the fund's capital comes from seven institutional investors, one of which was added after the first close. It also has several individual investors as limited partners, Tango said.

The firm, based in Waltham, Mass., was founded by Tango, a former general partner with Highland Capital Partners. Ed Hamilton, chief financial officer and general partner, rounds out the team.