



New investment fund Shavit founded

The \$30 million fund will invest in mature and small companies.

Batya Feldman 02/08/2007 18:40:00

Sources inform "Globes" that three leading investment firms have joined forces to set up a new \$30 million investment fund, called Shavit ("comet"), which will invest in mature start-up companies and make PIPE (private investment public equity) investments in small public companies.

Shavit's investors are Leibler Investments Ltd., owned by Israel's Leibler family; [GlenRock Israel](#), controlled by Leon Recanati, which invests in high-tech and life sciences start-ups; and Paul Packer, the founder and manager of Globis Capital Management LLC, a \$100 million fund, which focuses on investments in small and mid-sized companies.

Shavit's founders spotted a hole in the Israeli market: financing for mature private companies before they go public. Venture capital funds have already saturated the market for investing in earlier stage companies. Shavit will make short-term investments of 18-24 months, which means that the money raised can be reused for several investments.

GlenRock Israel director of investments Ziv Kop says, "Israelis' knowledge of the US capital market is one-dimensional. We want to bring added value to companies by helping them vis-a-vis the banks. Remember, too, than an IPO isn't an exit; investors still have to sell their shares afterwards."

"Globes": What companies will you invest in?

Gary Leibler: "There are good companies seeking solutions; companies that have \$30 million in sales, and whose investors are pressing for an exit. I recently attended a conference of small and mid-sized companies, and I believe that 30% of the companies present were Israeli companies seeking to meet banks."

Paul Packer: "The choices will be opportunistic. We'll invest in good companies. I think that we can reach a good coverage of all high-tech sectors, investing in companies that have both existing products and markets. We can help them grow and reach markets."

What will be the size of your investments?

Leibler: "Between \$2 and \$5 million. We could have raised a larger fund, but after thinking hard, we realized that this was the right size to make a profit."

Who invested in Shavit?

Kop: "US and Israeli institutional investors as well as the companies of founders. It was obvious to everyone that a small fund would have better returns on the

money.”

Packer: “In this way, we can make investments without a gun held to the head. We can pick the best. I believe that we’ll invest in ten companies during the fund’s lifespan.”

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