



FundWatch – Milestone Venture Partners

April 5, 2006

Fund Description

Milestone is a traditional early stage, venture capital partnership started in 1999, with a focus on technology enhanced services. Milestone actively invests in the Greater New York area (NY, NJ, CT, PA). Companies that fit the Milestone criteria are capital efficient businesses that require less than \$10 million dollars of paid-in-capital in order to generate 5-10x returns.

Fund History and Assets Under Management

Milestone Venture Partners I was started as a personal investing vehicle for Mr. Goodman. Mr. Goodman and Mr. Pietri launched Milestone Venture Partners II in 2001 with \$13 million dollars under management and has since fully invested the capital in 13 portfolio companies. Currently, MVP is capital raising for Milestone Venture Partners III with an expected fund size of \$75 million. The first close of \$30 million is expected April 14th. The limited partners of Milestone Venture Partners II and III include high net worth individuals and family offices, although they expect to add institutional investors in subsequent closes of MVP III.

Sector Focus

MVP is focused on technology-enhanced services. The fund prefers applied technology investing as opposed to investing in core technology (semiconductor chips, networking equipment etc). Some of the specific areas of interest include software-as-a-service, content with web services, and business process outsourcing. More specifically, the fund typically evaluates opportunities in three verticals: the financial services IT, healthcare IT, and media and marketing services sectors.

Stage Focus

Milestone is an early stage investor in revenue generating companies with modest burn rates. MVP is the lead investor in about 75% of their investments.

Investment Size

Milestone invests between \$250K and \$2mm over the life of an investment.

MVP II and MVP III Portfolio Companies

Skillsurvey (www.skillsurvey.com), Gene IT (www.gene-it.com), Decidia Decision Systems (www.decidia.com), RichFX (www.richfx.com), Ecosystems Design (www.eco-online.com), CareGain (www.caregain.com), Navtrak (www.navtrak.net), Derivatives Portfolio Management (www.dpmlc.com), ExpertPlan (www.expertplan.com), Knovel (www.knovel.com), Medidata Solutions (www.medidasolutions.com), Octagon Research Solutions (www.octagonresearch.com)

Management

Ed Goodman , Co-Founder and GP,

- Patricof & Co.
- Hambros Bank
- Yale and Columbia

Todd Pietri, Co-Founder and GP

- CompuSystems
- Callier Interests
- Legacy Securities Corp
- Duke and Georgia State University

Richard Dumler, GP

- Allstate
- Bessemer Venture Partners
- Lambda Funds
- Georgetown and U. Michigan

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