

Valley investor 500 Startups to set up \$25m S Asia fund

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Bengaluru: Silicon Valley-based investment firm 500 Startups is establishing a \$25-million fund for South Asia.

The firm, which has invested in over 50 startups in India, will invest in another 30-50 startups over the next year. 500 Startups has a \$200-million corpus and has investments in more than 1,500 companies across 50 countries. It invested in 20 Indian startups last year.

While the fund will be sector-agnostic, the firm will take a closer look at startups in the financial, education and health sectors, apart from data analytics and software-as-a-service firms, the company said in a blog post on its website. In another blog post, 500 Startups announced another \$25 million global corpus to invest in financial technology startups.

"While the industry has been talking about doom and gloom hitting unicorns and startups alike, we believe the long-term opportunity remains as solid as ever. We see market changes as part of a natural cycle," said Pankaj Jain, a partner with 500 Startups who looks at the fund's India portfolio. "While some good companies may have a harder time raising money this year, others will find it easier to get great talent. Some consolidation and stepping back from irrational exuberance is a good thing. We hope to continue to find value in many verticals across India," he said in the blog post.

500 Startups was founded by Dave McClure, who worked with Facebook as its fund manager, was marketing head of PayPal and is a visiting lecturer at Stanford University. It has invested in Indian companies like ZipDial, SourceEasy, Instamojo, CultureAlley, SilverPush, KartRocket, and Headout.