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Three's a Charm: Hat Trick for Jafco Ventures

By Deborah Gage

Valuations for many tech companies [have been strong](#) lately, whether they're going public or getting acquired, and their venture investors are doing well.



Jafco Ventures

Jafco Managing General Partner Joe Horowitz

But few have done as well in recent weeks as [Jafco Ventures](#), which achieved a venture capital hat trick, racking up three lucrative outcomes in less than 30 days.

Here's a rundown of Jafco's great month:

- On Sept. 9, Twitter Inc. [acquired](#) the mobile advertising company MoPub for about \$350 million. Jafco [had led](#) a \$12 million Series B round for MoPub in 2012, following investments by Accel Partners and Harrison Metal Capital. Three days later, Twitter tweeted that it had filed confidentially for an IPO. Jafco is now holding Twitter stock, and based on Twitter's first day of trading on Nov. 7, Jafco said, it has generated a 10x return on its investment in MoPub in less than 16 months.
- On Sept. 20, the Internet security company FireEye Inc. started trading on the Nasdaq and saw its [shares rise](#) by 80%. (FireEye's shares are still trading at nearly 70% above the IPO price). FireEye generated a 47x return for Jafco, which in 2006 had led the company's \$14.5 million Series B round at a \$30 million pre-money valuation following investments by Sequoia Capital and Norwest Venture Partners.
- On Oct. 1, Experian PLC [agreed to acquire](#) the Web fraud detection company 41st Parameter Inc. for about \$324 million. Jafco [in 2007 had led](#) 41st Parameter's \$10 million Series C round, following investments by Norwest Venture Partners and Kleiner Perkins Caufield & Byers, and saw a 5x return on the deal.

Jafco Managing General Partner Joe Horowitz said the firm so far has had 20 exits out of 60 total portfolio companies, in deals with an aggregate value of \$13 billion. The firm started in 2003 and has a single limited partner, Jafco Co. Ltd., a Tokyo-based venture capital firm that provides Jafco Ventures with \$150 million of fresh capital for a new fund about every two years.

The firm has kept both its funds and partnership small, he said, with partners methodically tracking deals, working on investments as a team and cultivating relationships with top Silicon Valley investors. Jafco generally invests in later-stage rounds, doing six or seven deals per year.

"We knew that if we kept to best practices, results would come," Mr. Horowitz said. "The venture business is a tough business. It's like lightening striking in a bottle, and you have to reproduce it time and time again."

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