



## **NMSIC Co-Investment Fund LP**

Fund Update as of June 24, 2008

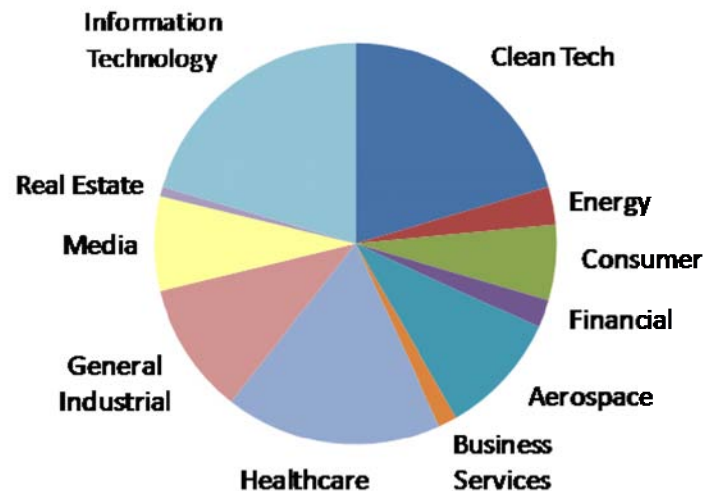


# NMSIC Co-Investment Fund Update

- NMSIC Co-Investment Fund was established on January 12, 2007 and initially funded with \$60 million
  - ◆ Focused Fund was subsequently increased by \$30 million in January 2008
- The Fund has 2 different components
  - ◆ Classic Fund: targeted to “traditional” venture investments of \$1 to \$5 million per company
  - ◆ Focused Fund: targeted to larger investments of \$5 to \$20 million per company
- Program goal is to make direct investments in promising New Mexico-based companies while working as partners with other funds to enhance deal flow and to increase the vibrancy of New Mexico’s venture community

# NMSIC Classic Fund Pipeline

- Deal flow is robust and activity levels are high
  - ♦ As of March 31, 2008, Sun Mountain has reviewed 131 companies for possible investment since inception
    - ♦ 6 investments made
    - ♦ 22 companies in various stages of review
    - ♦ 103 opportunities we declined to participate
- Clean Tech, Healthcare, and Information Technology industries represent the majority of companies reviewed for the Classic Fund since inception



# NMSIC Classic Fund Status

- As of March 31, 2008, the Classic Fund is 36.5% drawn and 60.1% committed, taking into consideration dedicated reserves set aside for follow-on investments in portfolio companies
- As of March 31, 2008, there are 6 companies in the Classic portfolio



Puente Partners



# Classic Fund Portfolio Company Update

## Aspen Avionics

- Aspen has developed a line of low-cost Electronic Flight Information Systems (EFIS) aimed at the general aviation retrofit market.
  - First company from NM aviation cluster; Eclipse spin-out
- Recent activity
  - In March 2008, the Evolution Flight Display received FAA approval and the Company began shipping product
  - Product was launched to significant press coverage and fanfare
  - Aspen continues to ramp production to meet the significant demand for its product
- Board Observer

## Sundrop Fuels

- Sundrop Fuels has developed a patented technology which produces syn-fuels from CO<sub>2</sub> emissions while simultaneously producing electricity utilizing thermal energy from the sun.
- Recent activity
  - Sundrop Fuels recently closed a Series A investment round with top-tier venture firms with significant clean tech experience
  - Finalizing development work on solar reformation technology
  - Pilot plant likely to be located in Four Corners area
- Board Observer

# Classic Fund Portfolio Company Update

## Puente Partners

- Puente Partners was formed to incubate NM-based life sciences start-ups.
- Recent activity
  - Puente has identified financing partners for its initial 2 spin-outs (and is in final steps of securing funding for 1 of these opportunities)
  - nanoMR provides ultra sensitive detection of cells in the blood stream (sepsis) and has accepted a \$5 million term sheet from vSpring Capital
  - Azano is developing a CRP-based product to treat people with Lupus and has had numerous detailed discussions with potential partners
- Board Director

## Exagen Diagnostics

- Exagen is developing a series of diagnostic tests based on its proprietary bio-molecular search engine, Coperna.
- Recent activity
  - Exagen had a \$30 million term sheet from prominent investors contingent upon FDA approval
  - Exagen did not received FDA approval for its breast cancer diagnostic kit, Exagen BC, and its initial appeal was denied in April 2008
  - Management changes have been made at Exagen and a new financing is being raised to pursue commercializing the company's technology
- Board Observer

# Classic Fund Portfolio Company Update

## Growstone

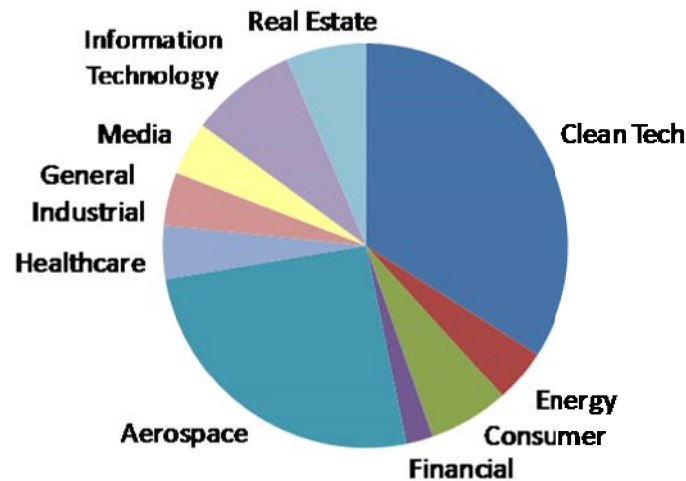
- Growstone manufactures substrates and aggregates engineered for horticultural markets by reconditioning glass destined for landfills through a patented foaming technology.
- Recent activity
  - Growstone recently closed a Series A investment round led by Triton Pacific Ventures
  - The University of Arizona is conducting head to head trials with the company's product on tomato plants to validate yield enhancement and growth rate characteristics
  - Growstone continues to further its development work on its horticulture product
- Board Advisor

## Lumidigm

- Lumidigm develops and manufactures products based on novel biometric fingerprint technology which measures the physical and chemical properties of skin tissue.
- Recent activity
  - Lumidigm recently closed a Series C investment round
  - The Company continues to gain market traction with its existing product line
  - Lumidigm has generated significant interest from potential strategic investors
- Board Director

# NMSIC Focused Fund Pipeline

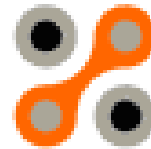
- Deal flow has been strong with a solid pipeline of potential investments
  - ♦ As of March 31, 2008, Sun Mountain has reviewed 47 companies for possible investment since inception
    - ♦ 2 investments made
    - ♦ 14 companies in various stages of review
    - ♦ 31 opportunities we declined to participate
- The Clean Tech and Aerospace industries represent the majority of companies reviewed for the Focused Fund since inception



# NMSIC Focused Fund Status

- As of March 31, 2008, the Focused Fund is 26.4% drawn and 48.0% committed, taking into consideration dedicated reserves set aside for follow-on investments in portfolio companies
- As of March 31, 2008, there are 2 companies in the Focused portfolio

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# Focused Fund Portfolio Company Update

## Advent Solar

- Advent Solar has developed a line of photovoltaic cells that lowers production costs by up to 50% vs. conventional technology.
- Recent activity
  - New CEO successfully recruited
  - Engineering challenges being addressed, but taking longer than anticipated
  - Workforce rationalized in preparation for new cell production scheduled to begin in Q4 2008
- Board Observer

## Eclipse Aviation

- Eclipse Aviation manufactures the Eclipse 500, a very light jet which offers a price point of half to a third of other business jets.
- Recent activity
  - Over \$100 million financing round closed in February 2008
  - ETIRC partnership announced
  - The Company is making progress in ramping production to meet order backlog
- Board Observer

# Top Tier Co-Investors



Granite Ventures

