

# 575-million-dollar fund targets technology startups

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Silicon Valley venture capital firm Greylock Partners said Monday it has 575 million dollars in a new fund to back promising technology startups.

Greylock also announced that LinkedIn co-founder Reid Hoffman is a new investing partner in the firm.

The news bodes well for Internet technology entrepreneurs facing an [economic climate](#) in which funding sources were evaporating.

Greylock XIII funds will be invested in young firms behind software, services, or infrastructure for business or consumer markets.

"We look forward to partnering with the next generation of entrepreneurs to help them create strong, significant businesses," said Greylock partner Aneel Bhusri.

"Over the past forty-four years we have partnered with entrepreneurs to build hundreds of successful businesses."

Founded in 1965, Greylock has built a track record in technology with investments in firms including Digg, Facebook, LinkedIn, Pandora, and DoubleClick.

The number of US venture capital firms that raised new investment money sank to a 15-year low in the last fiscal quarter as a drought of funding threatened innovation around the world.

Approximately 1.56 billion dollars (US) was raised by a total of 17 venture capital firms in the third quarter of 2009, the smallest such showing since 1994, according to figures released in October by Thomson Reuters and the National Venture Capital Association (NVCA).

The amount of money pumped into venture capital funds' coffers last quarter was the lowest since the first quarter of 2003 when 938 million dollars was raised, according to Reuters and the NVCA.

"In this difficult environment, all investors need to be particularly selective about the funds in which they invest," said Andrew Golden, president of Princeton University Investment.

"Our investment in Greylock XIII represents the lion's share of the commitments we plan to make to venture capital funds this year."

Hoffman is joining Greylock as a partner, but will continue in his job as

executive chairman at LinkedIn, an online social networking service geared for professionals interested in advancing their careers.

Hoffman, 42, is a former executive of PayPal online financial transactions service and a well-known "angel" investor that has backed the start of Internet firms including Facebook, Digg, Flickr, and Kongregate.

Hoffman's role at Greylock will be to invest in young consumer Internet and software firms and tutor entrepreneurs in Greylock's stable, according to the [venture capital firm](#).

"I am deeply passionate about partnering with entrepreneurs to build companies that make a lasting impact," Reid said.

Since Hoffman co-founded LinkedIn in 2003, it has grown to boast 50 million members in 200 countries.

Hoffman's resume includes being a co-founder of Socialnet.com and holding positions at Fujitsu Software Corp. and Apple.

"At Greylock we place a high value on hiring partners with deep operating experience at companies with explosive growth," said venture firm partner David Sze.

"Reid also possesses a unique understanding of consumer behavior and the dynamics of viral businesses, and that has made him one of the most sought after advisors to start-ups."

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