

*Hanaco*

VENTURE CAPITAL

**Hanaco Growth II**  
**2020**

# HANACO GROWTH II

Growth and Pre-IPO fund investing in category leading companies from the Israel and US technology ecosystems

## PROVEN TRACK RECORD

Hanaco Growth I: 23% Realized/Unrealized IRR

\$900m+ Exit 

3 Forthcoming IPOs



American Well®



## INVESTING IN PRE-EXIT ROUNDS

- \$100m+ revenue trajectory
- Clear path to profitability
- Most preferred shares
- 18-36 months to liquidity

**1:1 LP CO-INVESTMENTS ACROSS ALL DEALS TO DATE**



RAISED TO DATE  
\$100m



TARGET  
\$150m



OFFICES IN NYC  
AND TEL AVIV

## FOUR INVESTMENTS TO DATE



# A PROVEN STRATEGY

## CORONA ENVIRONMENT A CLEAR VINDICATION OF HANACO'S STRATEGY

While many funds scramble to adjust their investment strategies away from "growth at all costs" -- Hanaco's strategy remains the same:

**Co-invest in capital efficient and stable growing technology companies**

### OUR KEY TENENTS REMAIN



Profitable or a clear line of sight toward profitability



Most preferred shares (often convertible debt)



Top-tier and supportive investor base



Strong balance sheet (capital efficiency)

The global investor market is shifting to focus on profitability, protecting their downside and extending company runways →

**Which has been our fund strategy from day 1**



# SENIOR TEAM



**ALON LIFSHITZ**  
PARTNER

- Partner at Blumberg Capital (\$700m+ US venture capital fund)
- Currently Israel technology scout for British Telecom and IAG - previously scouted for NTT, Vodafone and Softbank
- Invested \$100m+ into leading Israeli tech companies
- \$750m+ total invested into portfolio co's alongside & followed on by funds such as Sequoia, Bessemer, Blackstone & Intel



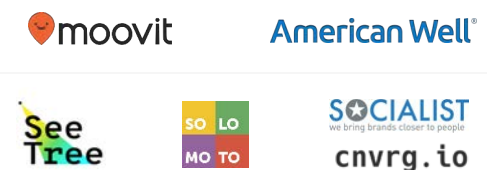
**LIOR PROSOR**  
PARTNER

- Director of Investments at AH Capital (Israel's 3rd largest family office)
- Previously investor at Pitango, IB at Rothschild & 5 years as IDF Paratrooper
- Invested \$80m+ into leading US and Israeli tech companies
- \$1b+ total invested into portfolio co's alongside & followed on by funds such as Daimler, A16Z, Lightspeed and Spark



**PASHA ROMANOVSKI**  
PARTNER

- Entrepreneur turned investor: 3x founder with 2 exits transitioned to angel investor and venture capitalist
  - Founder: Intersol Group (acq)
  - Angel portfolio includes: ZooZ (acq), Sponsor Pay (IPO)
- Strong network of fellow founders from his entrepreneurial past



# HANACO TEAM



**ALON LIFSHITZ**  
PARTNER



**LIOR PROSOR**  
PARTNER



**PASHA ROMANOVSKI**  
PARTNER



**GABI HELLER**  
PARTNER CFO

- Frmr CFO, Walden Ventures and Trendlines Group
- Frmr Board Director at public and private companies such as Ashtrom, Electra, Elco and Others



**OREN CHARNOFF**  
VP

- Frmr SR Associate at CN Family Office, on the Israel VC team (Fiverr, Credorax, Mapanything acq by Salesforce)
- Start up experience at Omega Point and Windward



**DAVID FRANKEL**  
VP

- Frmr Investor at B Capital
- Frmr Sr Associate at FFVC
- Frmr Sr Strategy Consultant at EY
- MBA - UCLA



**DANA KOCHAVI**  
OPERATIONS MANAGER

- Community Manager – Labs
- Marketing Manager – Altshuler Shaham Benefits
- Foreign Relations – Tel Aviv University



**ITAI HOFFMAN**  
ASSOCIATE

- Consultant – Accenture and Shaldor Consulting
- Data Analyst – Central Bank of Israel



**ASIA BINUS**  
OPERATIONS MANAGER

- Frmr Attorney – Ministry of Justice
- Project Manager – Meggi & Tuli
- LLB & LLM – College of Management



# HANACO GROWTH I

HANACO GROWTH I - \$76M



Pilot growth and  
pre-IPO fund  
**LAUNCHED IN 2018**



**\$76m FUND**



**REALIZED/UNREALIZED  
IRR 23%**



**\$900m+ EXIT**



**2 IPOs expected in  
<12 months**



American Well®



2x ACQUISITION



# PAST PERFORMANCE

## HANACO GROWTH I - \$76M

Raised \$400m pre-IPO Series E  
at 2.25X higher valuation



Via is transforming all forms of public mobility globally having conducted over 70m rides in 20+ countries and working with 90+ transit partners

- \$10m as part of \$260m Series D
- \$2.35m pre-IPO

**Lead Investor:**  
Mercedes-Daimler,  
**Valuation:**  
\$1B post-money  
(now \$2.25B)  
**Liquidity Profile:**  
<18 months, 3-4x

Q1 2021 IPO  
Today: 70% higher val



DigitalOcean is a cloud computing infrastructure company with that ended 2019 with over \$250m of ARR

**\$10m participation in Pre-IPO round**

**Investors:**  
Andreessen Horowitz,  
Access Industries  
**Valuation:**  
\$850m post-money  
**Liquidity Profile:**  
<12 months, 2.5-3x

Raised new round  
at 30% higher valuation



Fundbox leverages deep data analytics to accelerate cash flow and clear invoices for small businesses that ended 2019 with \$80m of ARR

**\$10m conv note → converted into D round**

**Investors:**  
Bezos FO, General Catalyst, Khosla  
**Est. Conversion Val:**  
\$600m  
**Liquidity Profile:**  
<36 months, 3-4x

Q3 2020 IPO  
Today: 2X higher val



American Well provides telemedicine services for health systems, insurers, employers, and physicians and is planning an IPO

- \$6m as part of \$200m Series C
- \$8.1m extension
- \$11m pre-IPO

**Lead Investors:** Phillips, Allianz  
**Valuation:**  
\$1.1B post-money  
(now \$2.2B)  
**Liquidity Profile:**  
<12 months, 2-3x

2x ACQUISITION



Moovit is the largest public transit data company with over 600m users across 3000+ cities

**\$10m as part of \$50m Series D**

**Lead Investor:**  
Intel Capital  
**Valuation:**  
\$510m post-money  
**Exit: 05/2020**  
**\$900m+ from Intel**



Puls is a decentralized network of IT professionals that partners with Google, Samsung, Walmart, Target and Insurers

**\$8.35m as part of \$50m Series C**

**Lead Investor:**  
Temasek  
**Valuation:**  
\$200m post-money  
**Liquidity Profile:**  
24-36 months, 3-7x



# MOOVIT ACQUIRED BY INTEL FOR \$900M+

MOOVIT'S EXIT AMIDST CORONA → GREAT COMPANIES THRIVE IN TOUGH ENVIRONMENTS

We will continue to invest in companies with great founders, differentiated models and strong exit profiles...



## STRONG FOUNDER RELATIONSHIPS

Pasha has known company founders since 2012 → Pasha personally invested in 2013

The company had:

- Finished its beta launch in Israel and official launched in Madrid and NY
- Surpassed 1M users
- Raised a \$28m Series B led by Sequoia Capital

## THEESIS INVESTING

Hanaco invested \$10m in Q2-18

The company had:

- Launched MAAS Platform (Mobility-as-a-Service)
- Surpassed 100M users

**Thesis:** Uniquely positioned to be the mobile hub for consumers multi-modal transit globally

## STRONG EXIT PROFILE

Intel acquired a unique, capital-efficient, and scalable asset in Moovit (acq. 05/2020)

- 680M+ users
- 3,000+ cities
- 7,000+ transit operators
- 5B+ daily passenger reports
- Strong Gross Margins
- \$0 spent on marketing

**\$10m**

Total Invested

**\$18.6m**

Realized  
Distribution

**34%**


Realized IRR





# FUND I PORTFOLIO PROGRESS

HOW OUR COMPANIES HAVE PERFORMED SINCE WE INVESTED

COMPANY	INITIAL INVESTMENT	PROGRESS
 <div data-bbox="563 439 945 522" style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> <p>Raised \$400m pre-IPO Series E at 2.25X higher valuation</p> </div>	Q4 2017	<p>Targeting \$180m bookings in 2020 (80% growth) Preparing for 2021 IPO</p>
 <div data-bbox="614 594 945 676" style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> <p>Raised new round at 30% higher valuation</p> </div>	Q1 2018	<p>Targeting \$180m ARR in 2020 (120% growth) Projecting 55% operating margins in 2020</p>
 <div data-bbox="614 751 945 833" style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> <p>Q1 2021 IPO Today: 70% Higher Val</p> </div>	Q2 2018	<p>Targeting \$315m ARR in 2020 (24% growth) Preparing for H1/2021 IPO</p>
 <div data-bbox="670 908 945 991" style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> <p>Q3 2020 IPO Today: 2X higher val</p> </div>	Q2 2018	<p>Targeting \$250m revenue in 2020 (67% growth) Preparing for H2/2020 IPO</p>
 <div data-bbox="670 1072 945 1133" style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> <p>2x Acquisition</p> </div>	Q1 2018	COMPANY ACQUIRED (May 2020)
	Q3 2018	<p>Operating profitably across 3 US markets Targeting \$10m ARR in 2020</p>



# HANACO GROWTH II

Growth and Pre-IPO fund investing in category leading companies from the Israel and US technology ecosystem



**LAUNCHED JAN 2019**  
Raised \$100m to date



**TARGET - \$150m**  
**\$200m Cap**



**\$36m INVESTED**



**OFFICES NY &**  
**TEL AVIV**

## FOUR INVESTMENTS TO DATE:



# CURRENT PORTFOLIO

## HANACO GROWTH II

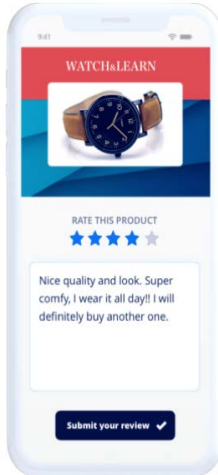
Pending \$40m Series C  
converting note at 10% discount



**YOTPO** is quickly emerging as the leading ecommerce marketing cloud enabling sites to most effectively convert traffic to transactions

**\$15m in exclusive convertible note**

**Investors:**  
Bessemer, Access  
**Valuation:**  
Better of \$550m or 10% discount to round  
(now \$500m)  
**Liquidity Profile:**  
24-36 months, 3-4x



Raised a convertible  
note at \$450m cap



**Candid** is the fastest growing oral health company selling direct to consumer teeth aligner subscriptions through its telemedicine platform

- **\$7.5m as part of \$50m Series B**
- **\$2.5m in convertible note**

**Investors:**  
Bessemer, Arcadia, Greycroft  
**Valuation:**  
\$335m  
(now \$450m)  
**Liquidity Profile:**  
36 months, 3-5x



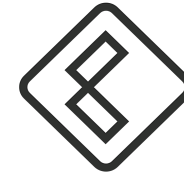
\$30m Series C converted  
note at 20% discount



**SUPERPEDESTRIAN** is developing the most economically and operationally efficient micro-mobility scooters to enable operators profitability

**\$5m as part of \$15m convertible note**

**Investors:**  
General Catalyst, Spark  
**Valuation:**  
Better of \$120m or 20% discount to round  
(now \$170m)  
**Liquidity Profile:**  
36 months, 4-5x



**COMMON** is quickly emerging as the category leading residential brand and property management company

**\$6m in exclusive convertible note**

**Investors:**  
Norwest, 8VC, Maveron  
**Valuation:**  
10% discount to round  
**Liquidity Profile:**  
36 months, 3-5x



# HANACO GROWTH II PORTFOLIO SUMMARY

<b>Committed Capital</b>	\$100,000,000
Target	\$150,000,000

HANACO GROWTH II, LP			
	DATE OF INITIAL INVESTMENT	INVESTMENT AMOUNT	CURRENT VALUE - UNAUDITED
CANDID	2.19	\$10,000	\$10,000
YOTPO	3.19	\$15,000	\$16,667
SUPERPEDESTRIAN	9.19	\$5,000	\$6,437
COMMON*	3.20	\$6,000	\$7,200
<b>Total Hanaco Fund</b>		<b>\$36,000</b>	<b>\$40,303</b>
MOIC			<b>1.12X</b>
Value Increase			<b>\$4,303</b>

*As of July, 2020*

\*Data includes TS executing 9/20



# MACRO THESES

## HIGH GROWTH MACRO TRENDS WE ARE PROACTIVELY INVESTING IN

### FUTURE OF MOBILITY

#### "More Than the Vehicle"

Modern transportation requires reinvented mobility services such as data, ride sharing, infrastructure and new cyber vulnerabilities



VIA  
moovit  
superpedestrian  
ARGUS  
CYBER SECURITY

### MILLENNIAL BUYING POWER

Generational shift of spending power to millennials with modern preferences



common  
Selina  
Lemonade  
Nextdoor

### ACCESSIBILITY OF HEALTHCARE

Democratization of healthcare services and healthcare products



American Well  
CANDID Co  
23andMe  
talkspace

### ACCESSIBILITY OF FINANCIAL SERVICES

Start ups enabling access to financial services and products



PaYoneer  
FUNDBOX  
credorax  
Lemonade

### MODERN ENTERPRISE

Enterprise budgets moving from CIO to micro-business units



YOT PO.  
Digital Ocean  
NAMOGOO  
TRIPACTIONS



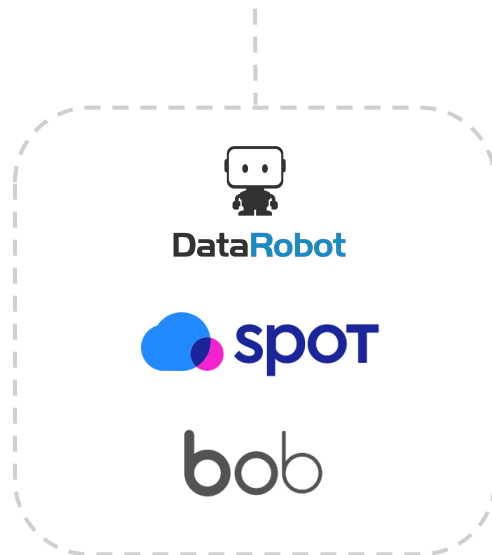
# CORONA-DRIVEN INVESTMENT THESES

## EXPANDED INVESTMENT THESES WHERE WE ARE PROACTIVELY SOURCING DEAL FLOW

We will continue to invest in companies with great founders, differentiated models and strong exit profiles...

### SCALING A DISTRIBUTED WORKFORCE

Tools enabling a further distributed workforce including democratization of AI, scaling of cloud infrastructure, and people management



### DIGITIZATION OF FINANCE

Increased demand for digital touch-points will drive consumers to digitally-native brands and traditional incumbents to adopt 3<sup>rd</sup> party digital solutions



### NEW NORMAL FOR FOOD RETAIL

Drastic changes in market demand and consumer shopping habits have paved the way for innovation & adoption



# PIPELINE HIGHLIGHTS

## COMPANIES IN OUR PIPELINE THAT WE'RE EXCITED ABOUT

DEAL EXECUTING



**AVO** is the fastest growing e-grocer. Already scaling in two tier one cities (New York, Tel Aviv), Avo offers free shipping by partnering with employers and residential properties to aggregate demand

**Traction:** Tracking towards \$30m run rate by EOY 2020



DEAL EXECUTING



**InFarm** is the fastest-growing vertical farming company developing smart, modular farms to enable retail and ecommerce grocers to offer fresh produce at a lower costs to their customers

**Traction:** \$390m of total contract value closed to date



DUE DILIGENCE



**AMOUNT** enables financial institutions to provide secure, mobile-first experiences for a variety of products -- with the initial focus on consumer loans

**Traction:** Tracking toward \$35m revenue for 2020 and \$80m in 2021



# INVESTMENT CRITERIA

## GROWTH PLATFORM SELECTION CRITERIA

Portfolio companies must meet most of our high standard investment criteria

### REVENUE

Surpassed or clear path to \$100m revenue

### GROWTH

50% YoY Growth with large market size to continue to grow into

### GROSS MARGINS

Targeting 70% gross margins

### REVENUE MODEL

Favor highly predictable revenue

### DIVERSE CUSTOMER BASE

No significant customer concentration (as point of failure)

### DOWNSIDE PROTECTION

Acquire shares high in the preference stack

### LEADERSHIP RELATIONSHIP

Strong direct relationship with founders, executives or key directors

### PATH TO PROFITABILITY

Profitable or has a clear path to profitability

### EXPECTED TIME TO EXIT

Clear path to exit in <36 months





# INVESTMENT CRITERIA IN ACTION

## WHAT HAVE WE ALREADY DONE – HANACO GROWTH

Proven ability to access hyper competitive deals -- growth investments to-date fit criteria benchmarks

COMPANY	LOCATION	SURPASSED OR CLEAR PATH TO \$100M REV	50% YOY	70% GROSS MARGIN	RECURRING REVENUE	DIVERSE CUSTOMER BASE	DOWNSIDE PROTECTION	DIRECT RELATIONSHIP	PATH TO PROFITABILITY	EXPECTED EXIT IN <36 MONTHS	# OF CRITERIA MET
Common	US	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	8
Super Pedestrian	US	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	8
Yotpo	Israel & US	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9
Candid	US	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	8
Moovit	Israel	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9
Via	US	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9
Fundbox	Israel	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	8
Digital Ocean	US	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	8
American Well	US	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	8
Puls	US	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	7



# MARKET POSITIONING & FUND STRATEGY

HOW WE INVEST IN GREAT COMPANIES ALONGSIDE TIER-ONE FUNDS

## MARKET POSITIONING

**Enlarged AUM increases mandatory investment sizes**

 **SoftBank** \$100B Fund

 **INSIGHT**  
VENTURE PARTNERS \$6.3B Fund

 **SEQUOIA** \$6B Fund

**New entrants increases competition to lead rounds**

**TEMASEK**

 **T.RowePrice**

 **Blackstone**

 **ACCESS INDUSTRIES**

## FUND STRATEGY

**1:1 LP CO-INVESTMENTS ACROSS ALL DEALS TO DATE**

### INVESTING IN PRE-EXIT ROUNDS

- \$100m+ revenue trajectory
- Clear path to profitability
- Most preferred shares
- 18-36 months to liquidity

More funds with increasing AUM, strict ownership targets and exclusively leading rounds →

**Creates unique opportunities to partner and participate as coinvestors**



# FOUNDERS & HANACO GROWTH

## Why companies choose to partner with Hanaco Growth

Founders consistently choose Hanaco Growth GP's as their preferred investors

### LIFE CYCLE RELATIONSHIPS

Hanaco Growth invests and supports companies throughout all stages

### ISRAEL

Help International companies source Israeli talent and support Israeli companies globally with our US office

### FOUNDER RELATIONSHIPS

GP's have supported founders throughout entire company lifecycles

### SECONDARIES

Ready to do carefully selected secondary deals rewarding founders

### MARKET ACCESS

Turnkey access to decision makers at the largest global companies

### FLEXIBILITY

Flexible governance contribution



# SERVICE PROVIDERS

HANACO LEVERAGES PROVEN FUND SERVICE PROVIDERS

## TAX & AUDIT



Building a better  
working world

## LEGAL



## FUND ADMIN



Work with  
**60+**  
Funds

Combined  
**\$3B+**  
AUM



# FUND TARGETS

TARGET FUND SIZE	\$150M TARGET - (\$200M CAP)
Expected Final Close	December 31, 2020
Portfolio	10-12 Investments \$8m-\$15m Per Investment
Fees	2% Committed Capital
Terms	20% Carry
Fund Life	5 Year
Min. Entry Ticket	\$5m
Raised to Date	\$100m
Investment Liquidity Profiles	18-36 Months

TARGET  
**2-5x**

IRR THRESHOLD  
**25%**

Investment Allocation  
**70% Initial - 30% Follow On**





# Hanaco

VENTURE CAPITAL

*Thank You!*

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# SOURCING

## DEAL FLOW STRATEGY

Hanaco Growth's unique access, GP relationships and proprietary technology coupled with flexible mandate are keys to success

### FOUNDER RELATIONSHIPS

GP's relationships with founders, funds and directors provides Hanaco unparalleled access



### HANACO ACTIVE DIRECTORY

100 companies Hanaco is proactively tracking and engaging with

### HANACO EARLY STAGE FUND

Follow-on top performers from early stage fund investments to lead growth rounds



### GP LEGACY INVESTMENTS

GP's investments from previous fund lives already materializing into growth deals



### PARTNERING FUNDS

Hanaco Growth co-invests alongside leading global venture funds













### OPPORTUNISTIC & FLEXIBLE

Broad mandate enables access to deals by leading and participating in rounds or transacting secondaries into highly competitive top performing companies



# ACCESS

## HOW WE ACCESSED THE DEALS

COMPANY	ACCESS	COINVESTORS
 common	Lior invested in Seed round Transaction date: March 2020	Norwest, 8VC, Maveron
 superpedestrian	Lior has longstanding relationship with founders Transaction date: September 2019	General Catalyst, Spark
 YOT PO.	Alon invested in Seed round Transaction date: March 2019	Bessemer, Access Industries
 CANDID Co.	Oren has strong relationship with the founder Transaction date: February 2019	Bessemer, Greycroft, Arcadia
 via	Lior invested in Seed round Transaction date: September 2017	Daimler, Wells Fargo, Bosch
 moovit	Pasha is early round investor Transaction date: March 2018	Intel, Sequoia, Nokia Growth
 FUNDBOX	Alon invested in Seed round Transaction date: March 2018	General Catalyst, Bezos Family Office
 Digital Ocean	Lior has long standing relationship with founders Transaction date: April 2018	Access Industries, Andreessen Horowitz
 American Well®	Pasha has strong relationship with founders Transaction date: June 2018	Philips International, Allianz, Anthem
 puls	Alon was introduced via Sequoia Transaction date: August 2018	Temasek, Sequoia, Samsung



# PASSED OPPORTUNITIES

## KNOTEL

Knotel is an Agile HQ platform that designs, builds and operates custom spaces for established companies

### Reason for passing:

No secondary demand and not a sustainable valuation as no M&A or IPO at valuation multiple KNOTEL receiving in private market



Hibob provides cloud based human resources (HR) management software

### Reason for passing:

*Actively monitoring* → HiBob has not yet reached the Hanaco growth revenue threshold



Nexar connects cars in an open vehicle-to-vehicle network and provides real-time alerts to drivers

### Reason for passing:

Raising on tech potential solely as revenue stand on single digit and business model pivoting to provide hardware as well



Cobwebs Technologies is a global intelligence market company that provides Web Intelligence (WEBINT)

### Reason for passing:

Controversial industry with heavy customer concentration from eastern European governments



Innoviz is a manufacturer of high-performance, solid-state LiDAR sensors

### Reason for passing:

Raising on a promising yet single contract from BMW – yet to achieve KPIs for revenue to be accruing



Deep Instinct is an endpoint cybersecurity company using AI to protect devices at the edge of networks

### Reason for passing:

Concerns with mngt, 95% revenue coming from a single client, strange liquidity preferences on previous rounds

## Selina

Selina provides travelers with accommodation and local food, co-working spaces, wellness prog and leisure activities.

### Reason for passing:

Not a sustainable valuation as no M&A or IPO at valuation multiple for Selina receiving in private market



theScore, sports media mobile application, hoping to capture the emerging US sports gambling market

### Reason for passing:

Slow revenue growth on historic revenue generator (ads) and unproven on new product launch (gambling)



Hubble is the first brand of contact lenses sold directly to consumers through an e-commerce, subscription-only model

### Reason for passing:

Slowing growth, inability to increase ARPU, increasing CAC and founders focused on launching new companies

## Lemonade

Lemonade is a full stack insurance company powered by AI and behavioral economics, and driven by social good

### Reason for passing:

Valuation too high



Fiverr is a freelance services platform. It is a marketplace for creative and professional services

### Reason for passing:

Valuation of private round unappealing as IPO target is <60% higher price



Ouster builds high-resolution 3D lidar sensors for use in autonomous vehicles, robotics, drones, mapping, mining, and more.

### Reason for passing:

Capital intensive, not enough traction and no clear top tier lead investor to establish proper governance

# GROWTH VC LANDSCAPE

Hanaco Growth sits across three largest growth ecosystems and often co-invests with “competing” funds

**Hanaco Growth** is flexible as few breakout companies emerge from any ecosystem every year



**Hanaco Growth** reaches across the three key ecosystems to access top deals while competing funds limit their opportunities with narrow mandates

