

# FierceBiotech

## UPDATED: VC OrbiMed hauls in \$735M fund in 'vibrant' time for biotech

By Damian Garde

**A**s biotech venture funding plods along, A-list investor **OrbiMed** has bagged \$735 million for its 5th fund, cash earmarked for life sciences companies across all stages of development.

OrbiMed figures its latest haul can support about 30 portfolio companies across biopharma and med tech, fueling individual bets between \$10 million and \$50 million. And, unlike the many VCs debuting downsized new funds in the shadow of the downturn, OrbiMed's new purse far outweighs the \$550 million it trotted out in 2010. That's an affirmation of OrbiMed's ability to keep returns flowing despite market conditions, General Partner Jonathan Silverstein said, and, in a sluggish fundraising environment, that makes all the difference to limited partners.

"What's important to note is that we've made money in all stages of development," Silverstein told *FierceBiotech*. "One of the things that attracted investors to the fund was that ability, no matter where the market goes."

OrbiMed is the world's largest life sciences-dedicated investor, and, with \$5 billion under management, the New York firm has bankrolled some of the biggest names in biotech. Its portfolio includes in-demand developer **Adimab** and promising upstart **Cleave Biosciences**, and OrbiMed has pulled off some high-dollar exits, with **Aragon Pharmaceuticals** going to Johnson & Johnson (**JNJ**) for up to \$1 billion and **Puma Biotech** (**SPBY**) going public in a \$138 million IPO, to name just two. On the med tech side, OrbiMed is a backer of devicemaker **Glaukos** and prenatal diagnostics outfit **Natera**, two members of the [2013 FierceMedicalDevices Fierce 15](#).

With its new fund, OrbiMed is staying fairly agnostic

as it hunts for new portfolio companies, Partner Carl Gordon said, looking for innovation in every life sciences sector from outfits of all sizes.

"We're willing to invest broadly, from startups all the way through revenue-based companies," Gordon said. "On the whole, we're looking for companies that are going to make a difference to the healthcare system."

Meanwhile, despite a bright second quarter, the world of biotech venture funding remains tepid at best, especially for early-stage companies. Last quarter, total venture dollars dropped 39% from the previous period with first-time financings plummeting by 56%, according to the latest *MoneyTree Report*.

But that swoon won't last much longer, Silverstein said.

"What will happen is that starting next year, there'll be a lot more VC funds raised as these IPOs of 2013 filter into everybody's returns," he said. "I think we're about to see a big rebound."

And he's not alone. OrbiMed's latest fund puts it among a growing list of venture stalwarts building up their war chests this year with faith in future innovation. **NovaQuest** just closed a \$459 million fund for its patented late-stage financings, joining big-namers **Third Rock**, **Atlas** and **Frazier Healthcare**, which have debuted new life science-directed funds totaling more than \$1 billion. Meanwhile, **Versant Ventures** is putting together another \$200 million fund and the startup-focused **5AM Ventures** is raising \$240 million.

"This is an exciting time to launch our next fund, given the combination of the high rate of new FDA drug approvals, a vibrant IPO window and the accelerating level of innovation from companies across the life sciences investment universe," Gordon said

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