

# Media Coverage

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## US FUNDS BUY INTO ASX

Thursday, 09 September 2010 | Kath Walters

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An American alternative investment fund, SpringTree Global Investors, is snapping up opportunities in small companies listed on the Australian Securities Exchange. Since 2009, SpringTree has committed \$174million to eight companies, across sectors including biotechnology, energy and mining (gold). Most of the deals were done this year.

SpringTree is looking for more. Its investment managers will come to the AusBiotech Conference in Melbourne from October 19-22, scouting for opportunities and spruiking its alternatives to bank debt and venture capital equity — music to the ears of cash-strapped small listed companies.

The New Yorkers will invest as much as \$US150 million (\$165 million) but the company also does smaller investments. In January, it tipped in \$4.9million to Allied Brands, which owns Villa & Hut homeware-cafes.

SpringTree lent Allied the money with an option to convert to equity. It is the same deal for cancer therapy company, Prima Biomed, loaned \$25.5 million by SpringTree last year. This year, SpringTree bought \$2.5million worth of Prima Biomed shares. SpringTree's biggest investment – up to \$81.5 million – is in Linc Energy, an energy company researching clean coal technologies.

Other alternative funds are picking through the opportunities on the ASX.

La Jolla Cove Investors, also coming for the AusBiotech conference, has a \$300million fund.

La Jolla has made 11 investments in ASX companies, with a similar spread across biotech, energy and mining over the past 18 months. Its total commitment is US\$53.5 million, mainly in \$3 million or \$6 million convertible loan facilities.

Cowen Healthcare Royalty, an investment company which lends against future royalty streams, is showing interest in following suit. The Connecticut company has \$900 million under management. Its focus is healthcare. So far, it has not invested in any ASX companies, but Cowen will also be at the conference searching for gems.



American company SpringTree Global Investors, is snapping up small companies listed on the ASX

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