

## OurCrowd, Israel's most active investor, blends VC and crowdfunding model

May 13, 2019 By [Marina Temkin](#)

Venture capital could be an elite asset class, which is typically available only to very large institutions and high-net worth individuals.

**OurCrowd**, the [most active venture investor in Israel](#), according to **PitchBook**, is trying to change this by doing something Founder and CEO **Jon Medved** is calling “democratic venture capital.”



Jon Medved, Founder and CEO, OurCrowd. Photo courtesy of the firm.

Medved, a veteran venture capitalist and entrepreneur, founded OurCrowd in 2013, shortly after Rule 506 of Regulation D was split in two under the JOBS Act in 2012. The new Rule 506(c) allowed for general solicitation of private securities as long as all investors into the fund are accredited.

Equity crowdfunding becoming a more popular idea at that time, but Medved did not want OurCrowd to just raise funds, and then take a backseat, he told *VCJ*. He set up his firm to be an active venture capital investor, with partners doing due diligence and investment picking, taking board seats and leading select deals.

OurCrowd's operating model is a blend of traditional venture capital and crowdfunding. The firm allows accredited investors to put \$50,000 or more into one of 18 traditional theme-based venture funds or at least \$10,000 into single company funds, structured as SPVs.

Since the platform's inception, OurCrowd has raised \$1 billion and invested in 170 individual companies.

Currently, OurCrowd has investments in four unicorns including **Casper**, **Uber**, **Lemonade** and **Klook**. The firm also scored a significant exit with **Beyond Meat**, the year's most well-received IPO as of this writing.

"A dentist could have bought Beyond Meat in a private market at the same price as **Bill Gates**, or Lemonade with the same terms and quality of stock as **SoftBank**," Medved said. "Is not that exciting?"

Although Medved did not reveal OurCrowd's funding details in BeyondMeat, he told *VCJ* that it was about half of the \$11.8 million listed on the firm's April 30 investor presentation. OurCrowd took a position in the plant-based meat alternative's Series H round in October 2018.

BeyondMeat is OurCrowd's 32nd exit. Other recent exits include **Magisto's** sale to **Vimeo** and **BriefCam's** acquisition by **Canon**.

Another notable exit for the platform is the sale of its position in **JUMP Bikes** to Uber in April 2018. The ride hailing giant reportedly [paid about \\$200 million](#) for the dockless e-bike startup. Although the stock portion of this consideration was not disclosed, OurCrowd's position in Uber was received via this deal.

Unlike a traditional VC fund, [OurCrowd](#) does not need to hold reserves towards investments. "We can always go back to the crowd and raise more funds," Medved said.

As an example, OurCrowd initially invested \$50,000 in **Zebra**, an AI-powered medical diagnostics startup, and over time increased its funding to \$15 million, Medved said.

Out of 30,000 accredited investors who invested on OurCrowd's platform, about 1,000 are corporations, family offices and institutional investors.

Medved credits the platform's investors with helping OurCrowd secure some of the more high-profile deals. "The crowd actually wants to be active with their investments," he said. "We have many investors who are influential in tech. Their connections add value."

One high profile investor Medved mentioned is **Marc Benioff**, founder and co-CEO of **Salesforce**.

Just like a traditional VC, the platform charges a 2-and-20 fee structure.

Although accredited investors are essentially LPs and OurCrowd is the GP, OurCrowd is also an LP in every investment on the platform, Medved said. The firm makes sure to have skin in the game by putting up 5 percent of its own capital into each of its funds and SPVs, he explained.

The firm has 11 offices globally and 170 employees.

"Our check sizes and quality of deal flow is increasing and we are getting access to bigger deals." Medved said. "I think what we are doing is revolutionary and a lot of fun."

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