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News & Analysis

Kline Hill and Cendana raise \$400m for second VC secondaries fund

*The vehicle, raised in partnership by the two firms, exceeded its \$300m target to close on its hard-cap, *Secondaries Investor* has learned.*

Madeleine Farman - 7 hours ago

[Kline Hill Partners](#) has partnered with very early-stage venture capital investor Cendana Capital to raise a \$400 million venture capital secondaries vehicle.

[Kline Hill Cendana Partners Fund II](#) exceeded its \$300 million target to close on its hard-cap, according to a statement seen by *Secondaries Investor*.

The fund launched in December 2024 and is more than triple the size of its [predecessor](#), which closed on \$105 million in April that year, *Secondaries Investor* data shows. Investors in the fund include state and corporate pension funds, endowments, foundations and family offices, according to the statement.

“Venture capital has produced limited liquidity in recent years, and venture-backed companies are staying private for longer. These long-term trends create a clear need for liquidity through secondary transactions,” Chris Bull, managing director at Kline Hill, told *Secondaries Investor*.

The vehicle will acquire LP interests in mature early-stage venture capital funds, typically seed and pre-seed. It will also buy secondaries interests in mature, high-growth venture-backed companies, the statement said.

Specifically, KHCP II will focus on acquiring mature businesses with proven product-market fit, strong unit economics, material revenue and strong backers, with its typical investment being in series B or later-stage investments. The vehicle can back companies through a range of transaction types, including direct company transfers, GP-leds and structured solutions.

It has already made a number of investments, according to Cendana founder Michael Kim, including leading a tender opportunity on VC firm Dynamo Ventures' 2016-vintage early-stage first fund. "Dynamo is an existing Cendana partner, and we were able to work with the GP to create an attractive win-win-win opportunity for all its existing LPs: Dynamo was able to offer its LPs the opportunity to generate an attractive realised return on what has been a strong-performing fund, and we were able to gain exposure to a number of promising companies with, we think, additional upside potential," Kim told *Secondaries Investor*.

Bull and Kim noted the vehicle is already about half deployed. While it has a global mandate, KHCP II has been most actively investing in North American funds and companies.

The fund will benefit from Kline Hill's origination capabilities, with the firm sourcing more than 2,500 opportunities annually, Bull said in the statement. Cendana has made more than 200 fund commitments with its portfolio comprising of over 6,000 underlying companies and more than 180 unicorns, he added.

San Francisco-headquartered fund of funds manager Cendana's latest vehicle, Cendana Capital VI, closed on its \$400 million target in March last year, surpassing its \$340.53 million predecessor, according to data from affiliate title *Private Equity International*. The firm also makes direct investments through its co-investment fund Cendana Fulcrum, according to the statement. That fund launched this month, *PEI* data shows. Cendana has over \$2 billion of assets under management, according to the statement.

According to Bull, Kline Hill decided to partner with Cendana as opposed to building a VC strategy of its own because the two firms have a shared history going back nearly 15 years. "The decision for our firms to partner on this strategy more closely reflects a shared vision on investment philosophy and the opportunity ahead. Further, leveraging the specialised capabilities each firm has built over a decade... has allowed us to move quickly to take advantage of a compelling market opportunity," he said.

They expect VC secondaries activity to continue its rapid growth in the coming years. “We believe the long-term trends driving the need to explore liquidity through secondaries are largely structural and will persist. Though some companies with higher activity level and interest today may become public, we expect overall the market will continue to grow and expand in scope,” according to Bull.

Kline Hill and Cendana join a number of firms that are raising, launching or building VC secondaries strategies.

In a similar partnership, [General Atlantic](#) and [Clipway](#) launched Wavebreak Secondaries Fund I, targeting \$1 billion, *Secondaries Investor* [reported](#) in March. The fund will focus on growth equity and late-stage venture capital investments, *Secondaries Investor* understands.

VC secondaries firm [NewView Capital](#), led by former [New Enterprise Associates](#) general partner Ravi Viswanathan, is seeking \$400 million for [NewView Capital Fund IV](#), affiliate title *Buyouts* reported in December. In its prior capital-raising cycle, NewView sought \$400 million for [NewView Capital Fund III](#). The fund closed on \$191 million in January 2024, *Secondaries Investor* data shows.

As of December, growth-stage secondaries specialist [Labyrinth Capital Partners](#) had begun pre-marketing for its third fund, [Labyrinth Capital Asset Solutions III](#), with the firm setting the vehicle’s hard-cap at \$300 million, founder and managing partner Chris Lawrence told affiliate title *Venture Capital Journal* at the time. The fund launched this year, *Secondaries Investor* data shows. [Labyrinth Capital Asset Solutions II](#) raised over \$100 million, Lawrence told *VCJ*.

Secondaries buyers deployed \$8 billion into venture opportunities last year, \$5.1 billion of which went to LP-led stakes, according to [Evercore](#)’s year-end report. At the close of 2025, there was \$10 billion of capital available to deploy into venture secondaries. Late-stage comprised 48 percent of that total, growth comprised 37 percent, early-stage made up 14 percent, and seed represented the final 1 percent.

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