



ULU VENTURES: FIRST LATINA-LED FIRM IN SILICON VALLEY FUELS DIVERSE INNOVATION

While Silicon Valley has risen to prominence as a major innovation hub and the birthplace of many of today's tech giants, it is also infamous for being notoriously non-diverse. However, the Valley is also home to Ulu Ventures, a seed stage venture fund focused mainly on diverse tech enterprises and the first Latina-led firm in the Valley.

At the helm of the 14-year-old firm is Miriam Rivera. A daughter of Puerto Rican migrant farmers, Rivera earned bachelor's and master's degrees before embarking on a career in higher education, later earning a Juris Doctor and MBA from Stanford University. She later became vice president/deputy general counsel at Google. As Ulu's CEO and Managing Director, she's aiming to grow the firm's AUM to more than \$1 billion.

Ulu Ventures is a seed stage investment firm focused on applying data and analytics to make better decisions at the early stages and to reduce bias to invest in what they believe will be the future businesses of this country. "Venture has typically been investing in the 30% of the U.S. population who are white males. There hasn't been much attention spent on really large markets that are emerging, such as Latinos, African Americans and women who have entered tech and the entrepreneurial ecosystem," says Rivera. "We think that's a big opportunity – you're talking about 70% of the population largely being ignored by our asset class."

Diversity is at the core of Ulu's investment thesis – and this strategy has resulted in superior returns for the firm's stakeholders. Fifty-Nine percent of Ulu's Fund I investments are in companies with diverse founding teams, which grew to 78% of Fund II and 92% of Fund III (as of June 30, 2022). The first two funds have returned 7x and 2.8x, respectively, on a Net Total Value to Paid In (TVPI) basis. Nearly 40% of Ulu's companies have a woman founder, more than half of whom are women of color. Collectively valued at more than \$23 billion, these female-led companies have raised more than \$6 billion. Ulu Fund I & II women-founded companies represent an 8.8x Multiple on Invested Capital (MOIC) as of June 30, 2022.

The firm also leverages its deep connection with the prestigious Stanford University to source deals. Nearly 70% of Ulu's investments are sourced from the university community, seven of which are unicorns and two of which are now public companies (SoFi and Palantir). "We look at the founders' backgrounds and their relevant domain expertise with the problem they're looking to solve," explains Nancy Torres, Partner at Ulu. "We also look at their ability to build a diverse team that can create a solution to that problem leveraging different skill sets." Ulu also looks for huge market opportunities where a potential portfolio company could grow into a platform and become a category leader.

DEEP TECH ROOTS

Among the businesses in the Ulu portfolio is Parfait, the first venture-backed technology company to use A.I., robotics and facial recognition technology to provide consumers with custom hair and wig products. Founded by four Black women, two with strong marketing and operations experience and two with doctorates in automation robotics, Parfait is building a platform that leverages technology with the potential to seamlessly and inexpensively customize, design and manufacture numerous product categories for consumers. "Parfait has strong founders with domain expertise, a huge market opportunity, the ability to become a platform and team diversity that reflects the communities that they're building for," explains Torres, who worked in Technology Investment Banking at Goldman Sachs before joining Ulu.

In 2010, the firm completed a seed-stage investment in a then-little-known personal finance company and online bank, SoFi Technologies. At the time, the company was a five-person team and saw that many college students were paying way more interest on their student loans than was necessary. As a result, many students were subsidizing the non-paying population of student borrowers. The founders created a loan program – initially only for Stanford students – to provide more affordable options and reduce the debt load students were forced to carry.

Rivera learned about SoFi – whose first chief technology officer was a Stanford alumna of Asian descent – through her affiliation with Stanford Angels and Entrepreneurs, an angel investing network she co-founded with Ulu co-founder and her husband, Clint Korver. SoFi's value steadily increased as the company grew, and by 2020, a Sovereign Wealth Fund issued a tender offer for SoFi's shares. This offer prompted the Ulu team to cash in a portion of that initial investment. "That also helped us to seed our first institutional fund, which was Fund II," Rivera recalls.

FIRST GENERATION COLLEGIATE

Rivera's parents relocated to the U.S. mainland from Puerto Rico, traveling between Florida and New York State to earn a wage as migrant farmers. In the meantime, the young Miriam, a Chicago Public Schools student, studied hard and was accepted into a private school. "I went to private high school and saw that I could compete at the highest level," she recalls. "Then I went to Stanford on a full scholarship and ended up staying at Stanford for ten years, getting degrees." She would later help raise \$250 million for need-based undergraduate scholarships and endow a scholarship fund for low-income or undocumented students at Stanford.

During her first few years at Stanford, Rivera became exposed to the power of technology and its significant impact on business. In the summer of 1984, Rivera interned with the Office of the Mayor - City of Chicago in a program designed to provide underprivileged kids with access to technology education. "That summer, we did things like taking apart a computer. We also visited many technology companies and other firms looking at how they would apply technology to their businesses and why it would be important for them."

After earning her J.D. and MBA, Rivera entered the tech sector. "I know that tech gets a lot of criticism, in terms of not enough women and not enough people of color. But at the same time, it's a field that gives people equity in the companies they're helping to build." After a stint in a tech law firm and a tech startup she co-founded with Ulu colleagues Clint Korver and Katherine (Trina) Weller, Rivera continued to put her law degree to work at what is now a multinational technology company and the largest internet search engine in the world – Google.

A BOLD DECISION

Rivera was a key player at Google, having legal oversight on all revenue-generating transactions during a period of hypergrowth. She was promoted four times, becoming the tech company's vice president/deputy general counsel. Rivera developed a concept called "revenue velocity," re-engineering the company's processes and agreements to decrease the time to close deals. This procedure enabled Google to scale quickly from \$85 million when she was first hired to \$10 billion in five years. She also grew the legal team from a handful of employees to a group of nearly 150. Despite that success, Rivera decided to seek the next endeavor. "I felt like my opportunities there were somewhat limited," she recalls. "I had a boss who was only a year older than I was, so I would have had a long wait to be the chief legal officer for the company."

After considering and rejecting the idea of joining another tech company, Rivera decided to go into business with her husband Korver and found Ulu Ventures. "This way, I could apply all the experience that I'd had working as a securities lawyer, as a startup founder, and as an executive scaling a pre-IPO company," she says. "I could use all my experience in one place." Rivera and Korver met in a Stanford Graduate School of Business class on negotiation when Rivera was in the JD/MBA program and Korver was in the Ph.D. program at Stanford's School of Engineering. The duo also had experience working together at an angel and then VC-backed software startup they (and three Stanford decision analysts) co-founded as a young married couple.

But Rivera's leap of faith did not come without its share of doubts. After all, she walked away from a position where she could expect seven figures in compensation – factoring in stock options and the meteoric rise in Google's share price at the time. "Leaving Google without the next thing was one of those times when people thought, 'Are you crazy? You're walking away?'" she recalls. "I wanted to do something I would be proud of." Those concerns were no doubt assuaged after raising institutional capital. After a self-seeded Fund I, Ulu would go on to raise \$66 million for Fund II and an oversubscribed \$138 million for Fund III.

Ulu Ventures now has a diverse set of investment partners that are majority female, majority-minority and majority Latinx. The team has made well over 200 investments – mainly funding companies with female and diverse founders. Perhaps as importantly, the firm is helping foster the next generation of entrepreneurship. "Miriam speaks at many conferences to encourage entrepreneurship and risk-taking and to let them know Ulu is a source of capital," says Steve Reale, Ulu's CFO and Venture Partner. "An important value-add to the market is maintaining that drive and dedication to start the next great business. Without people willing to make that leap, we wouldn't get big challenges solved."

Up next for the firm's leadership is growing AUM to increase access to capital and wealth building for diverse teams while generating consistent top-tier fund-over-fund returns (with an emphasis on consistency). "My next goal is \$250+ million in assets under management, double plus. Then I'd like to double plus again," Rivera attests. "And ultimately, at least hopefully before I retire, I'd like to have Ulu at \$1 billion in assets under management."