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**FOR IMMEDIATE RELEASE**

**FORMATIVE VENTURES RAISES \$77.5 MILLION VENTURE CAPITAL FUND**

*Formative Ventures' Debut Institutional Fund Attracts Strong Roster of Investors with Harvard as Anchor Limited Partner*

**MENLO PARK, Calif. – September 19, 2005** – Formative Ventures, an early-stage venture capital firm launched by partners with firsthand operating experience in growing start-ups into successful companies, has closed its first institutional fund at \$77.5 million. Harvard Management Company, which manages the University's endowment, serves as the anchor limited partner for the Formative Ventures Emerging Technology Fund.

In addition to Harvard, Formative Ventures received investment commitments from groups such as the University of Virginia Investment Management Company (UVIMCO), the University of Pittsburgh, and GKM Newport Generation Funds. In all, 13 institutional investors contributed to the Formative Ventures Emerging Technology Fund, with almost 90 percent of the commitments coming from foundations and endowments. The balance came from contributions from fund-of-funds, private investment groups and individuals.

"We pride ourselves in finding new venture groups that we feel can become 'blue chip access-only' funds, and are particularly excited about working with Formative Ventures," said Erica Bushner, Managing Director of GKM Newport Generation Funds, a fund-of-funds investor in Los Angeles. "We believe that Formative Ventures has the drive, determination, and know-how to become a next-generation leader in early-stage venture capital."

"We're very pleased to have received support from such a strong group of investors," said Clint Chao, co-founder and general partner of Formative Ventures. "We believe that we bring a unique set of skills which are valuable to both entrepreneurs and other established venture investors who we co-invest with. We've seen two of our earlier investments,



InnoCOMM Wireless and Zyray Wireless, get acquired during a very difficult cycle for \$140M and \$96M respectively. This seemed to demonstrate to our new limited partner investors our ability to make the successful transition from operating executives to venture investors.”

The new fund will invest in early-stage technology companies in areas such as communications, wireless and Internet solutions. Formative will look for companies that develop category-defining technologies and can win support from bellwether customers and industry influencers to become market leaders.

Formative Ventures was started in 2000 by general partners Brian Connors and Clint Chao, both entrepreneurs experienced in growing early-revenue start-up companies into industry leaders. Each of the two, as well as the third co-founder and operating partner Don Herman, has more than 20 years of experience in the technology industry with companies such as C-Cube Microsystems, LSI Logic and Synopsys.

“Our thesis is about equipping entrepreneurs with a depth of skills in the art of market adoption, market creation and generating customer traction. This is what we believe entrepreneurs look for in their investors, and why we think we received endorsement from such an esteemed group of limited partners,” said Brian Connors, co-founder and general partner of Formative Ventures. “Now that the fund is raised, we can roll up our sleeves and get to work – using those skills to identify winning companies and then guiding those companies toward market leadership.”

Chao and Connors have worked together for nearly 11 years and have been investing as a team since 2000, when they established their first venture effort, a “friends and family” fund named the Formative Ventures Prima Fund. The predecessor fund proved out Formative’s investment thesis that applying deep sales and marketing experience to helping companies in pursuit of market leadership would result in great companies. In addition to InnoCOMM and Zyray, the team has invested in IP Infusion and Marketocracy.

“With our company in San Diego, we looked for an investment partner in Silicon Valley that was well connected with both technology companies and the venture finance industry,” said Werner Sievers, CEO of Zyray Wireless [acquired by Broadcom in July 2004]. “The Formative team was very resourceful, having introduced us to key partnership companies and other potential investors. They provided us with a broad range of operating experiences that were critically beneficial to our company.”

Formative will typically engage with a company during its first round of institutional financing, generally reserving \$5-7 million for each portfolio investment. They will make



most of their investments in California, and will also look at opportunities in the nine western states.

### **About Formative Ventures**

Formative Ventures, headquartered in Menlo Park, California, is an early-stage venture capital firm that invests in emerging-technologies start-up companies in areas such as communications, wireless, and Internet solutions. Formative was founded in 2000 by experienced entrepreneurs Brian Connors and Clint Chao, who each bring more than 20 years of start-up experience to complement his investment track record. The partners developed a passion to engage with early-stage companies during their “formative” years, when a company’s initial strategy and pursuit toward market leadership first come together. Formative is investing its second fund, the Formative Ventures Emerging Technology Fund, which together with the predecessor fund has \$83 million in capital under management. Formative is backed by some of the venture industry’s most prestigious institutional limited partner investors. For more information visit Formative Ventures at <http://www.formativeventures.com>.

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