

Wellington Access Ventures Raises \$150 Million To Back Underrepresented Founders

Led by four Black investors, WAV looks to help early-stage startups with \$1 million to \$6 million checks and access to Wellington's wider network.

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When Meroxa founder De-Varis Brown was looking to raise more venture capital funding for his data infrastructure startup for developers, he quickly focused on one newer, under-the-radar fund: Wellington Access Ventures.

Meroxa had already raised \$19 million from established firms, but for Brown, who has known Wellington Access Ventures' partners from overlap at SalesforceCRM 0.0%, industry non-profit BLCK VC and through his previous lead investor, it was an easy choice. "It was a foregone conclusion that I was going to talk to them," said Brown. "We're both at a stage that we can rise together."

Known as WAV (pronounced "wave"), Wellington Access Ventures is looking to establish itself as such a go-to investor for early-stage founders from underrepresented backgrounds. A new dedicated fund and brand within \$1.1 trillion-in-assets Wellington's \$8 billion private investing platform, WAV has raised \$150 million for its debut, with the backing of limited partners including state pension plans and banks.

"We feel really strongly that talent is universal, but opportunities and capital have not been equally accessible across



WELLINGTON ACCESS VENTURES

WAV deal leads Frederik Groce and Sasha McKenzie, head Jackson Cummings, and deal lead Van Jones.

the VC ecosystem," said the fund's leader, Jackson Cummings. "So, what we're looking to do here is invest in who we think will be the next industry-defining companies and leaders."

A Forbes Under 30 list alum, Cummings is joined by three deal leads: Frederik

Groce, Van Jones and Sasha McKenzie. The four partners, who are based across the country (Cummings in New York, Groce in Seattle, Jones in Los Angeles and McKenzie in Cincinnati), will invest in early-stage rounds from the seed to Series A stages, focusing on startups led

by founders whose race, gender, ethnicity or other background don't fit the typical tech ecosystem tropes. While WAV doesn't have specific requirements to that effect, "we tend to look to back those founders who have been overlooked and have that chip on their shoulder," Cummings added.

"We need more culturally applicable capital."

Meroxa CEO DeVaris Brown

While the number of Black-led VC firms has increased in recent years – including Base10 Partners, Harlem Capital and Kapor Capital, among others – many of the bigger such funds don't invest with a mandate to back underrepresented founders specifically. Among those that do, emerging managers have reckoned with a pullback among corporate backers that has disproportionately affected Black and underrepresented VCs, including when Elon Musk's Twitter stopped wiring committed capital to a number of such funds earlier this year. The numbers aren't better for startups: Black founders raised just 0.13% of U.S. funding in the third quarter of 2023, and women-founded startups raised only 1.9% of venture dollars last year.

At \$150 million for its first fund, WAV's partners believe it can help bridge the gap by leading or co-leading funding rounds immediately following such specialist funds, which often invest a smaller, initial check. Then, they hope, the fund's affiliation with Wellington's other, later-stage private investing funds and public market analysts can help guide such

companies through their journey to IPO.

WAV isn't explicitly an impact investor: the fund is expected to deliver top quartile returns, its partners said. But with its resources and approach, they also think it's the first fund of its kind. "We are really excited to take advantage of a huge white space in the market," said McKenzie. "Any time an investor sees white space, they see opportunity."

WAV got started in 2021, when Wellington's co-head of private investments, Michael Carmen, convinced Cummings to give up a promising spot at Salesforce Ventures to spearhead a new fund enabling Wellington's clients to back diverse founders earlier in their company journeys. Jones, a former entrepreneur, joined from Ohio-based Drive Capital, where he'd reached a partner role (and helped lead the Series A for Meroxa). McKenzie, a former investment banker and principal at H Venture Partners, joined as a principal and was promoted last year. Groce joined from a partner role at Storm Ventures.

All four investors were involved in some capacity in BLCK VC, the non-profit for Black startup investors cofounded by Groce and Sydney Sykes in 2018, efforts that Forbes profiled for their appearance on the 30 Under 30 list for 2021. Cummings, who made the list the same year, serves on BLCK VC's board, where Groce remains a co-chair; Jones and McKenzie were key members in the group's expansion into the Midwest. (McKenzie's on a committee for the Black Women in Venture Capital community, too.)

And all four were Wellington's top choices for each role, claimed Carmen; partners from across Wellington committed \$50 million of their own capital to back WAV, alongside insurance and health care companies and foundations. (Wellington declined to comment on which,

specifically, citing a lack of permission.) "I always tell them that their roster of institutional LPs is stronger than the original roster of institutions in my fund when I started a decade ago," Carmen said.

As part of Wellington, WAV, and by extension its portfolio, have access to the organization's other investors and equity analysts, its partners said. But the fund operates with a fair degree of autonomy, and must prove its financial performance on its own. "We're big believers that the business case is there, full stop," said Groce. "Underrepresented does not mean that we're providing charity," Jones agreed.

WAV already started investing while it was fundraising. Among the dozen investments in WAV's portfolio are Movn Health, a virtual cardiac intervention program in which WAV led a \$20 million Series A last year, and Clerkie, a debt repayment business in whose \$33 million Series it participated in April. The firm plans to invest broadly in business software, fintech and consumer, with two partners teaming up on each deal.

At Meroxa, CEO Brown said he's in touch with his WAV contacts about twice a week. Ultimately, he's judging the firm's helpfulness on how many customer introductions the Wellington network can make. But as a personal investor already in several of the same startups as WAV, Brown is optimistic that more founders – and not just Black entrepreneurs, but other types of underrepresented leaders – will line up to work with the fund.

"We need more culturally applicable capital," Brown said. "Once the message gets out there, you're going to see a lot of founders say, 'look, this is a time for me to chart my own destiny.' Having people that can understand you across the diaspora, that's super helpful."