

not boring capital

Fund I Memo

First Sent Out in Early April

Annotated and Redacted

Hi friends 🙌,

I'm Packy McCormick. I write a newsletter called [Not Boring](#) about tech companies and trends that currently has over 45,000 subscribers. You can read more about my experience launching, writing, and growing Not Boring [here](#).

I'm raising \$5 million for Not Boring Capital.

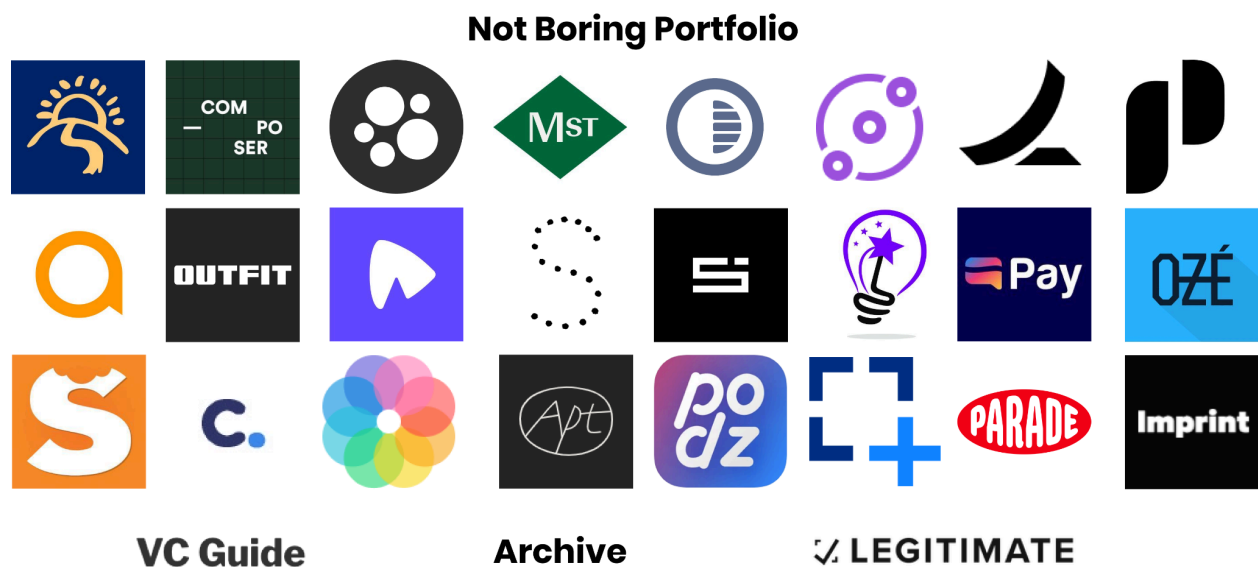
Not Boring Capital invests in companies with stories to tell, and helps tell them.

People respond to stories. A good story can attract customers, fans, employees, and investors. It can mean the difference between moderate success and unstoppable velocity.

Stories also clarify thinking. They can define strategy and connect the wedge with which a company enters the market and its enormous 100-year vision.

Writing Not Boring, I've gotten to meet great founders and help them tell their stories. Over the summer, I launched the Not Boring Syndicate, backed by Not Boring readers, to invest in some of them. In just under nine months, we've **invested over \$2 million in fifteen companies**. I've also started writing small angel checks into deals that can't fit the Syndicate in.

Over the past few months, I've invested in companies including **Ramp, Pipe, MainStreet, On Deck, Imprint, Beacons, and Stytc** alongside investors like **a16z, Thrive, Benchmark, Founders Fund, Stripe, D1 Capital, Madrona**, and more.



My portfolio is young - I made the average investment 72 days ago - but already, we've seen seven markups, including Pipe at over 10x.

Not Boring Capital's portfolio should look similar to the investments I've made thus far. We will mostly focus on Seed to Series B tech companies, broadly defined, but will occasionally go earlier or later. For example, I wrote the first pre-seed check into [Composer](#) because I know the founder well and would back him anywhere, and invested in [TrueAccord](#) past the Series B as part of a small strategic angel round.

I aim to write \$50-\$250k checks -- smaller at the earlier stages and larger later, but will flex up or down opportunistically. I expect to invest roughly $\frac{1}{3}$ of the fund into Pre-Seed and Seed, $\frac{1}{3}$ into Series A, and $\frac{1}{3}$ into Series B+. While I will make most investments with the expectation that they can return the fund, I am also happy making safer investments that I think have a high probability of 5-10x returns. I wouldn't say no to Stripe shares at \$95 billion.

Why invest in Not Boring Capital?

Not Boring is and does a few things:

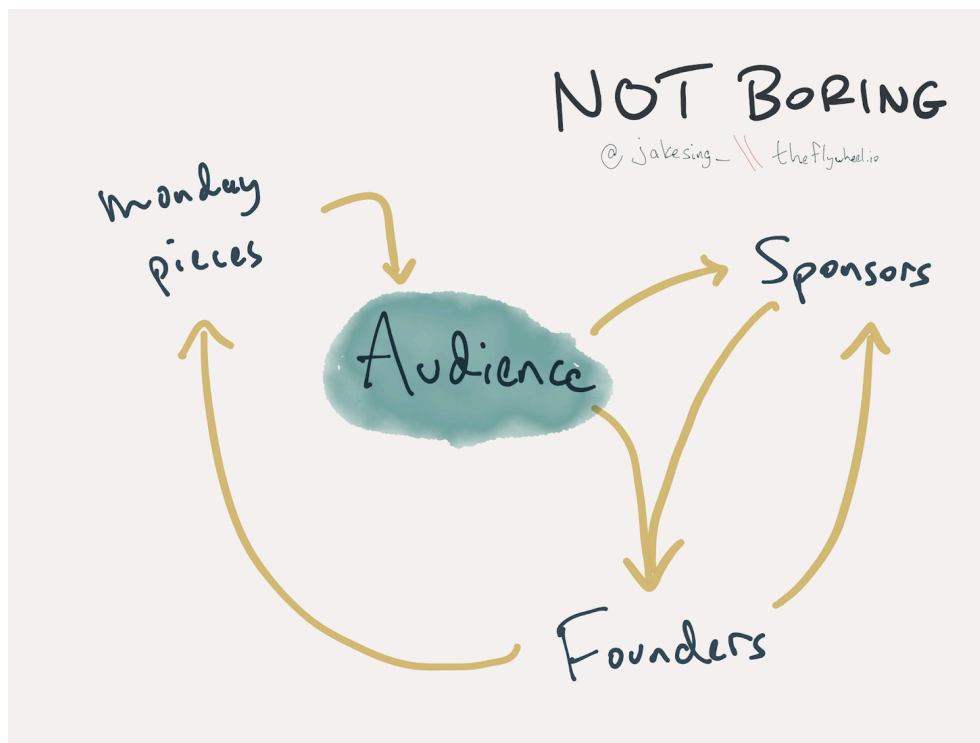
- **Newsletter:** Twice weekly, 45k subscribers

- **Not Boring Syndicate:** \$2 million invested across 15 deals, 950 backers
- **Investment Memos:** Public memos on companies we invest in
- **Sponsored Deep Dives:** Companies pay Not Boring to write about them
- **Twitter and Spaces:** 31k Twitter followers, weekly show with Austin Rief
- **Not Boring Capital.** A \$5 million venture fund.

All of it comes together in the **Not Boring Flywheel**.

In early March, [Jake Singer](#) wrote a piece on Not Boring called [Million Dollar Newsletter](#) in his newsletter, [The Flywheel](#), in which he wrote:

Packy is a better investor because of his writing, and he's a better writer because of his investing. You can't make up a better flywheel even if you tried:



To build a successful fund, I need to be able to do three things:

1. Pick the Right Investments

2. Get Allocations
3. Help Portfolio Companies Succeed

The Flywheel helps with all three.

Pick the Right Investments.

Storytelling is all that I do. Every week, twice a week, I tell the stories of companies big and small. It's a unique brand of storytelling that I think fits particularly well with investing: part narrative, part numbers. As part of that process, I've developed a few muscles that give Not Boring Capital an advantage:

- **Storytelling.** This one is obvious, but I've gotten good at telling companies' stories. That attracts companies that want help telling their story (dealflow) and gives the companies we invest in a tangible advantage. I'm also able to work with companies that have compelling stories to tell but don't quite know how to tell them -- those are where we'll find diamonds in the rough and help polish them.
- **Identifying Changing Narratives.** Over the past year, I've made public calls on [Spotify](#), [Snap](#), [Twitter](#), and [Slack](#) that have turned out to be right based on identifying when the narrative around those companies was starting to turn from negative to positive. Narrative Investing is how I approach public markets and private markets.
- **Seeing Trends Early.** Because I spend all day online + thinking + writing about what's happening, I've been able to spot trends early. Some of them have become investment theses that I'll continue to invest in through the fund: [Software is Eating the Markets](#), [Remote Work and Liquid Talent](#), [Metaverse and Web3](#), [APIs](#), and [Power to the Person](#).

If you want to know how I think about investments, you can check out the investment memos I've written publicly so far: [Apt](#), [Composer](#), [OZE](#), [Swaypay](#), [Outfit](#), [Teamflow](#), [SkillMagic](#), [Antara Health](#), [Supersapiens](#), [Beacons](#), and [On Deck](#).

Even if I haven't yet written about a company or industry yet, I've developed my research muscle. The essays I've written over the past year across a variety of complex topics are proof that I'm a quick learner (after I put in 30+ hours of research).

Writing also helps grow Not Boring's audience, which helps win allocations.

Get Allocations.

The Flywheel helps me get into competitive deals in a few ways:

- Writing the newsletter helps me think through a wide variety of industries and companies in public, which sends out a **bat signal** to companies building in those spaces.
 - APIs All the Way Down → [Stytch](#)
 - We're Never Going Back → [Teamflow](#), [Panther](#)
 - Business-as-a-Game → [Crucible](#)
 - Shopify and the Hard Thing About Easy Things → [MarketerHire](#) sponsorship → investment
- A growing, targeted audience and writing track record attracts companies that want Not Boring to help tell their story via **Sponsored Deep Dive**. Strong performance of Deep Dives can lead to investment opportunities.
 - [MainStreet](#), [Pipe](#), [Ramp](#), [Podz](#)
- **Investment Memos** -- publicly writing up and sending out the memo -- allows me to provide value upfront on large investments via the Not Boring Syndicate.
 - [Oze](#), [Apt](#), [Composer](#), [Antara Health](#), [Beacons](#), [Teamflow](#), [SkillMagic](#), [Supersapiens](#)
- Companies have even started breaking their **funding announcements in Not Boring**, which can lead to investment opportunities.
 - [Ramp](#), [MainStreet](#), [On Deck](#)
- **Founders I've invested in spread the word** to other founders that I can be helpful.
 - [Outfit](#), [Archive](#), [Plus](#)
- Other **investors who read the newsletter** see value in helping their companies tell their stories.
 - [Imprint](#), [Fractional](#), [Sharebite](#)
- The newsletter even helped with an M&A process for one company.
 - 🧐🧐🧐🧐🧐🧐

It's not as transactional as it comes across in print, though. **People connect with people.**

Writing publicly two times a week gives people a good sense for who I am, how I think, and what I'm interested in. Often, a pitch will start off with, "I think you'll understand what we're trying to do because of what you wrote about topic X," "I wanted to talk to you because I love your writing," or occasionally, "Some of this will sound familiar because we stole some ideas from that piece you wrote." That blows my mind.

Help Portfolio Companies Succeed.

There are a few ways that I can help companies succeed once we invest.

The main way is obvious: **I can help companies tell their stories and get them in front of a large, growing, and relevant audience.** From writing nearly half a million words over the past year, I've built up enough trust with Not Boring readers that they typically believe that if I'm writing about a company, there must be something compelling about it. As a result, I'm the top referrer for multiple portfolio companies, including [MainStreet](#) and [Composer](#). I've also begun to help portfolio companies announce their fundraises in a more thoughtful way.



I can support founders with more than just storytelling and audience, too. Before I wrote Not Boring, I was the first US employee at Breather, launched and scaled our biggest market as the NYC General Manager, managed a team of 150 people across real estate, operations, research, and customer care as VP, Experience, and briefly served in the Office of the CEO. I know what it's like to be an operator, and am available for strategic or operational input any time.

Audience is important, though, and sometimes in less intuitive ways. It's good to have an investor with a big audience at your back. It's hard for others to treat founders badly when the threat of being called out for bad behavior looms.

We've been able to help the founders we invest in by telling their story, spreading the word, backing them up, and introducing them to valuable stakeholders. These tweets from [Kaeya](#), [Ben](#), and [Ian](#), the founders of [Swaypay](#), [Composer](#), and [Outfit](#), are what it's all about:



The Flywheel is just starting to spin. Not Boring is adding about 1,000 subscribers per week, and as the audience grows, there will be more opportunities to help our portfolio companies in more meaningful ways.



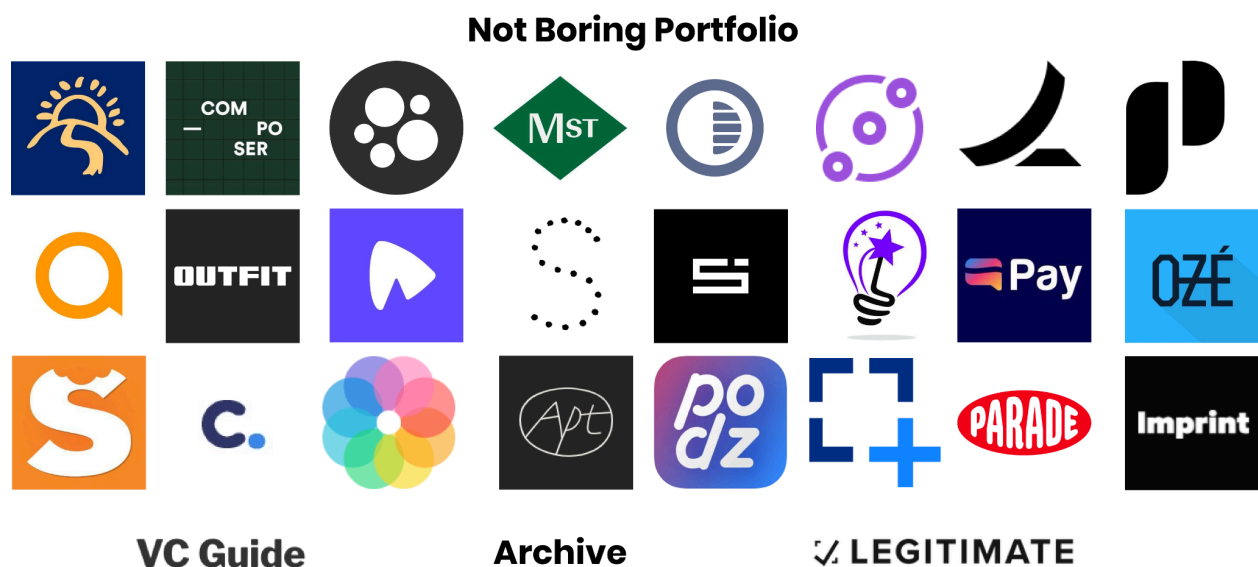
As the audience grows, it casts a wider net for potential sponsors that can turn into investments, and directly for companies to invest in. It also gives me a louder microphone with which to tell our portfolio companies' stories. That helps them find potential hires, customers, investors, and even acquirers. We're adding new things to help companies, including:

- **A weekly Twitter Spaces show** -- Spaces Cadets with Morning Brew's Austin Rief -- to the mix, which gives us another platform to tell our companies' stories.
- **Coming Soon:** a job board with Syndicate portfolio company, Pallet, on which portfolio companies will be able to post for free. [Lenny Rachitsky](#) just rolled out his own job board on Pallet, and 200 people clicked Apply in the first two hours.

Everything I do is about telling companies' stories, and I'm excited to launch Not Boring Capital to support companies more directly.

For more detail on my **existing portfolio**, **upcoming deals** that I hope to invest in through the fund if timing allows, and a **summary of terms**, see below.

Portfolio



In under a year, I've built up a small but mighty portfolio:

- **Syndicate:** \$2.2 million invested over 15 deals
- **Personal:** \$█████k invested over 15 deals

The full portfolio across both is below:

Company	Syndicate or Personal?	Month Invested	Total Investment	Packy Investment	Valuation / Cap	Discount	Valuation Post-Discount	Current Valuation	Markup	Co-Investors
Apt										
Composer										
Swaypay										
OZE										
SkillMagic										
Outfit										
Pipe										
Teamflow										
VC Guide										
Antara Health										
MainStreet										
Supersapiens										
Stytch										
Beacons										
Podz										
Parade										
Ramp										
MainStreet										
Legitimate										
Plus										
On Deck										
Ramp										
Panther										
Fractional										
Imprint										
Archive										
Athens Research										
Sharebite										
MarketerHire										
Kolena										
TrueAccord										
Total			\$2,454,888							7

Note: Current valuation not included for SAFEs that have not been priced.

We have invested in a wide range of deals out of the syndicate -- from early stage Telehealth and Fintech in Africa (**Antara** and **OZE**) to early stage deals backed by top funds (**Stytch**, **Beacons**) competitive later stage deals (**TrueAccord**, **On Deck**, **MainStreet**). In a few cases, we came in before funds -- we were the first non-angel check in **Composer**, invested in **Beacons** before a16z invested in the company, invested in **Outfit** before they got into YC, and recently committed to **Pallet's** round pre-lead commitment.

You should expect a similar range and conviction out of Not Boring Capital. One of the advantages of the Fund over the Syndicate is that we can more quickly and easily express conviction in companies that don't have the signal of an investment from a top fund. Signal is important, but I'm more comfortable relying on my own analysis.

I've learned a lot, and am happy to share my reflections on the portfolio more privately.

Upcoming Deals for Fund

We have a few deals in the pipeline which I'd like to do out of the fund if timing permits. I can't share exact details yet, but roughly:

- Follow-on for a fintech company in the portfolio
- Web3 publishing platform
- Men's telehealth company on \$[REDACTED]mm run rate at high margins after a year
- A new founder-first fundraising platform

There are a few more that are early in discussions that I think you'll be happy with.

Summary of Terms

The only boring thing about Not Boring Capital are the terms of the fund:

Fund Size: \$5 million

Reserves: 10% (most follow-ons will be done out of SPVs to which all fund LPs will have access)

Management Fee: 2% for three years, then 0%

Carried Interest: 20%

GP Commitment: \$100k

Capital Calls: 50% upfront, 50% when called

Minimum Investment: \$25,000

Fund Admin: AngelList

Communications: Quarterly investor update emails.

We plan to deploy the fund in the next 12-18 months depending on market conditions and opportunities. If the market continues at its current tempo, I'd expect it to be closer to 12 months. We will invest in 25 - 40 deals depending on final fund size.

The Syndicate will remain intact, and we will bring in the Syndicate in a few cases:

- **Bigger Allocations:** When we are able to secure allocations over \$250k, we will give the Syndicate the chance to invest in that additional allocation.
- **Follow-Ons:** While we will do certain follow-ons out of the fund, we will do SPVs for many of the larger follow-ons, often in conjunction with Not Boring Capital.
- **Special Situations:** Situations may come up that don't fit into the Fund, and we will use the Syndicate to invest in those.

Not Boring Capital LPs will have the opportunity to invest directly in all SPVs.

I appreciate your interest in Not Boring Capital. Please let me know if you have any questions.