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University Venture Fund Students Score With Two Successful High-Tech Venture Capital Investments

by *PR or Business News Wire*

A business plan that gives college students a significant role in raising millions of dollars in capital to invest in budding enterprises too dicey for banks and standard capital markets to finance, was a risky proposition for University Venture Fund (UVF) founders in 2001. But today, the students' solid investment successes demonstrate that the concept works.

Two of UVF's first thirteen private equity investments are winners already. In 2005, UVF students researched Omniture, an Orem, Utah web services business, and Infinera, a Sunnyvale, Calif. enterprise with a new technology to boost fiber optic network signals. After thorough student due diligence, UVF invested in the two young technology companies. Results? Omniture had 108 percent revenue growth and was ranked number two on Baseline Magazine's list of the 50 Fastest Growing Software Companies in Sept. 29, 2006. Infinera was noted as the best tech IPO start in 2007 by SeekingAlpha.com, a leading provider of stock market opinion and analysis

"It was so cool to dive into the world of venture capital and deal with entrepreneurs who are passionate about the technology they are dedicating their lives to," said Jake Tate, who enrolled in UVF as a University of Utah engineering undergrad, and helped research the Infinera investment opportunity.

In the UVF program, students raise investment capital from traditional private equity sources, and then work with professional venture capitalists to locate and research profitable investment opportunities in startup companies. "UVF was just a great educational experience," said Tate. "With Infinera and other UVF projects, we were dealing with real money. We weren't doing a case study; we were investing capital from people who expected a fair rate of return on it.

"Working with UVF opened the door into a new world of business I could not have entered otherwise," added Tate. "I had no idea how many entrepreneurial opportunities are out there." Tate has graduated and is now working for a Utah engineering firm. RWI Ventures of Menlo Park, Calif., one of UVF's private equity partners, brought the Infinera deal to UVF for consideration. Omniture was sourced by a UVF student.

UVF's educational power resides in putting students to work in the hothouse of capitalism, where millions of dollars invested in small ventures with big ideas either wither or bear fruit. Begun in 2001 as a group endeavor between students, the University of Utah's David Eccles School of Business and the professional investment community, UVF is successfully bringing a new generation of entrepreneurial talent together with experienced professionals. The program draws students from a mix of disciplines, from engineering to pre-med.



BOOK of LISTS



"It did seem like a crazy idea to many people at first," said Jared Hutchings, founding managing director of UVF and a graduate of the program. "But we didn't want just another student stock club or a student investment program that operates with alumni donations, like so many other universities have. We feel we have shown the UVF concept is a powerful way to teach business. Today, UVF is well on its way to becoming a self-sustaining student-run venture capital fund."

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