

# [***A Secretive $10 Billion Firm Backed By WhatsApp Billionaire Jan Koum Is Quietly Building A Startup Portfolio***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:69RK-7XB1-DXVP-5033-00000-00&context=1516831)

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**Highlight:** Led by former Sequoia partner Michael Abramson, two-year-old Newlands already holds billions in equities like Alphabet, Amazon and Meta. But no one wants to talk.

**Body**

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**Led by former Sequoia partner Michael Abramson, two-year-old Newlands already holds billions in equities like Alphabet, Amazon and Meta alongside a smattering of early-stage startup bets and then there s crypto flameout FTX. No one involved wants to talk.**

By, Forbes Staff

In the early months of the pandemic, Michael Abramson returned home to Texas to plot his next career move. A former partner at storied venture capital firm Sequoia Capital, he'd kept a low public profile despite investments in flashy startups like beauty retailer Glossier and delivery app Rappi. Hoping to maintain that quiet approach in his next endeavor, he pinged a friend with a similar penchant for privacy, and billions of dollars to invest: WhatsApp billionaire Jan Koum.

Today, with Koum s support, Abramson quietly leads Newlands, a firm that has rapidly grown into one of the largest new funds in tech. Abramson and Koum haven t spoken publicly about Newlands, and the firm does not appear in recent funding announcements. Its corporate website is little more than a shell. But regulatory filings reveal a firm that holds nearly $10 billion in public equities, mostly tech stocks, and is beginning to make investments in the early-stage startup ecosystem.

Some peers consider Dallas-based Newlands to be effectively Koum s family office, deploying some of a fortune that**Forbes**values at about $15 billion, and filings link Koum to Newlands. But Newlands also doesn t look like a typical family office, experts who reviewed its public filings on behalf of**Forbes**said.

The extent of Newlands size beyond its public holdings isn t easily assessed; Abramson and Koum didn t respond to requests for comment, nor did three other investors known to work at the firm. But conversations with a dozen peers and former or current collaborators all of whom asked to remain anonymous because they weren t authorized to speak or feared retaliation reveal a fund that has built an eye-popping portfolio of some of tech s buzziest public companies and is meeting and backing a number of other startups to grow it further.

They have a great network, and they re bought into a lot of stuff, said one investor familiar with the firm. They want to support people in the broader ecosystem and also preserve and grow their wealth.

When Sequoia doubled down on its early-stage investment in WhatsApp in 2013, Abramson was a key member of the team that worked closely with Koum, an immigrant from Ukraine whose messaging app had reached 200 million users. The two connected, in part over a shared aversion to the limelight. In a rare interview for a 2014**Forbes** cover story, Koum recounted not sharing his employees enthusiasm when WhatsApp reached the top 20 apps on Apple s App Store. Marketing and press kicks up dust, he told them. It gets in your eye, and then you re not focusing on the product.

Newlands is Jan and the partners money and their money is a drop in the bucket.

From his early days at Sequoia, the Texas native Abramson had also become known for a similar disdain for public attention. A Harvard and Stanford Business School graduate, he d originally joined a public/private crossover fund affiliated with Sequoia, Sequoia Capital Global Equities, then ended up on the growth team of Sequoia Capital, the venture firm. Investor peers knew him as a good guy who had the ear of Michael Moritz, the legendary Google and Stripe investor who previously led the firm s global operations, and who was named co-lead of its growth team alongside partner Pat Grady in 2017. But Abramson was also on the extreme side of introverted, several sources said. He s an investor, not a hunter who would get out in front, added one. He has a pretty tight network.

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Michael Abramson spent years working out of Sequoia's office on Sand Hill Road in Menlo Park, California.

Getty Images

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Working with Rappi, the Latin American on-demand app that Abramson backed in a Series B funding round in 2016, Abramson knew the numbers cold, a fellow Rappi investor said, but stood out as seemingly ill-suited to play the company ***politics*** beneficial at a large, hard-charging VC firm, a fellow Rappi investor said. He was more low profile, but super responsive over email, another said. Abramson gave astatementfor Glossier s press release when he backed the beauty retailer in 2019, but didn t become known for the deal like other backers. Behind the scenes, he made a strong impression as being super sharp and inquisitive or engaged, a fellow Glossier investor said. The founders of Rappi and Glossier didn t respond to requests for comment.

But Abramson was holding only one board seat for Sequoia by 2020, weight-loss unicorn Noom (lead partners at growth funds will often hold eight or more). He d given another statement for its 2019 fundingpress release, too, alongside Koum, who personally invested. His signature bets Rappi, previously valued at $5 billion, Glossier, previously valued at $1.8 billion, have yet to go public or be acquired, while Noom, once valued at $3.7 billion, hasbattled controversiesand conductedmultiple rounds of layoffs. When Abramson departed Sequoia in the fall of 2020, with the U.S. still under Covid-19 shutdowns, he did so without fanfare. The firm wrote privately to its limited partners that Abramson had left the firm in order to move closer to family.

"Michael was a great partner in the building of our U.S. growth business, Grady wrote in a statement. He remains a close friend of Sequoia and we wish him continued success."

As he tinkered with different ideas, Abramson gravitated toward a reunion with Koum. The two had developed a close friendship following WhatsApp s $22 billion sale to Facebook in 2014, even vacationing together, according to a source. Hiring two other SCGE alumni, Andy Shah and Dominik Pasalic, they launched Newlands in 2021 with the intention of running a $1 billion fund, the source added, before quickly expanding its scope. But they kept quiet. A filing from Massachusetts, where the firm hired a general counsel and chief compliance officer, is the only public document that directly connected Newlands to Koum. On LinkedIn, where Koum keeps a spartan presence under the name Jan K., he lists himself as a Newlands employee with the wry role of QA testing, or quality assurance. (Abramson s LinkedIn page is even more sparse, without a photo. He, like others at the firm, calls himself simply an investor. )

Newlands is Jan and the partners money and their money is a drop in the bucket, one investor who knows the firm said.

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Jan Koum has long-since left Meta, which acquired his startup WhatsApp in 2014, but it remains a top holding of his firm Newlands.

Photograph by Robert Gallagher/The Forbes Collection

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So far, Newlands appears to have mostly invested in public tech stocks. Firm employees have told others that they expect to deploy about half its capital to such equities, with another 30% for startups and 20% earmarked for cryptocurrencies and investments in other funds, according to one source. But the public side has accounted for more than 80% of its activity so far, another source said.

A November filing by Newlands reported its public portfolio as holding $9.4 billion in assets to close the third quarter, flat from the previous quarter. The fund s biggest positions: nearly $3 billion in shares of Meta, Koum s former employer; a nearly $1 billion stake in Elon Musk s Tesla; $800 million-plus positions in Alphabet and Amazon, and a $500 million-plus position in DoorDash. Newlands also holds $100 million-plus positions in Zoom, Shopify, Microsoft, Workday, Bill.com, JD.com, Netflix, Robinhood, Snowflake, DocuSign and Salesforce. Smaller positions include Alibaba, Datadog, Gitlab, PayPal, Coinbase, Moderna and Sprinklr.

Compared to its previous quarterly filings, Newlands holdings have grown considerably since it reported a public portfolio value of $5.6 billion to close Q1 2023, and $3.8 billion for the quarter before, the first period for which it filed. (Investment managers that exercise investment discretion over $100 million or more of securities must report such holdings quarterly to the SEC.) It typically only held or increased its positions, with some especially large purchases of Alphabet, Amazon, DoorDash, Bill.com, JD.com and Robinhood. Most recently it took positions in Chinese online retailer Pinduoduo and financial services giant Charles Schwab Corporation, sold its stake in Kraft Heinz and made modest investments in software businesses: Braze in customer engagement, and Procore in construction management.

Michael is very risk-reward focused, and the public stuff is more attractive for risk-reward right now, so that s where they spend their time, said one investor peer.

Still, Newlands has begun to make startup investments, too, even as it works to keep them quiet. Startup funding tracker PitchBook lists no entry for the firm or recent deals by Abramson or Koum, and they ve stayed out of any recent press releases. Crunchbase lists Newlands as having participated in Series A funding rounds for two data infrastructure startups this year, Kloudfuse and Lightup. Neither responded to a comment request.

**Forbes**also contacted three other startup CEOs named by sources as having taken Newland investment. One said they were familiar with Newlands but denied meeting the firm or taking its money. A second told**Forbes**that Newlands had asked it not to comment. A third didn t respond.

One investment Newlands couldn t keep quiet: a reported position in FTX, the bankrupt crypto exchange formerly led by former billionaire and convicted felon Sam Bankman-Fried. Newlands invested alongside Abramson s previous firms, Sequoia Capital and SCGE, according to areportby**The Information.**And both Abramson and Koum were named on behalf of Newlands on a listpublishedby**Newcomer**of advisors for FTX s final fundraising push before its collapse in late 2022, alongside Sequoia s Alfred Lin and former Sequoia partner Matt Huang of Paradigm, another FTX investor.

While the firm has made a number of relatively small, under $1 million early-stage bets, according to a source, Newlands hasn t formalized a startup investment strategy or hired an investor to execute it full-time. But the firm has approached other funds about co-investing in deals they led, another source said.

The overall size and scale of Newlands operations remain a mystery, as does the total percentage of Koum s $15 billion fortune now managed by the firm. The firm s multi-billion-dollar Meta position could be shares it manages on behalf of the billionaire or two family trusts, each of which has received millions of such shares from Koum in the past, per filings. If the trusts were grantor trusts, Koum could have also swapped in other assets, such as cash, to transfer shares to Newlands without tax implications, said trusts expert Beth Shapiro Kaufman, a partner at Lowenstein Sandler and chair of its national private client services group.

I think they re redefining what it means to be a family office.

Venture capital peers have referred to Newlands colloquially as Koum s family office. But experts who reviewed its filings said Newlands looked more like a hedge fund or special purpose vehicle. Newlands refers to itself as a global investment partnership on LinkedIn, where several of the 11 employees listed include finance, tax and accounting specialists with previous roles at EY and Maverick Capital, a prominent Dallas hedge fund.

Normally, a family office is grossly under-capitalized, where people play games to convert expenses into deductible ones, Kauffman said. Their employees produce financial statements, do tax returns, hire the nanny and handle buying a new car. They run these peoples lives for them in whatever respect the client wants.

Newlands, by comparison, looks more like a hedge fund manager, said Brian Buehler, a managing partner of Triton Pacific Capital Partners, a Los Angeles-based private equity firm. But ultra-high net worth individuals have been known to hire investors with venture capital or hedge fund backgrounds to manage their portfolios, sometimes taking aggressive public-equities strategies. And sometimes a fund looking like Newlands may draw its capital from a separate legal entity representing a person or family, he added. There s no normal in family offices, Buehler said. But this seems sophisticated.

More than a decade ago, Koum s former boss Mark Zuckerberg, the billionaire Facebook cofounder, parked some of his wealth with a new-look investment advisory firm, Iconiq Capital, thatquietly grew an outsized profileby taking on more funds from wealthy tech founders and pouring much of it back into the next generation of startups. Abramson and Koum could aspire for a similar evolution for Newlands someday. Or maybe it will look more like Maverick, which Tiger Cub investor Lee Ainslie launched 30 years ago with the backing of another billionaire, Sam Wyly, wholater went bankrupt. For now, such talk is just speculation. What is known: Newlands is out in the market, it s backing a new wave of tech entrepreneurs, and the buck stops with Koum.

I think they re redefining what it means to be a family office, reframing it a bit away from a pejorative, said a source with knowledge of Newlands thinking. They re happy to have the freedom to invest how they want.

**Additional reporting by Kenrick Cai, Phoebe Liu, Iain Martin and Rashi Shrivastava.**

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