

ILLINOIS

Growth and Innovation Fund

2022
ANNUAL REPORT



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MESSAGE FROM *The Treasurer*

Every year I have the pleasure of writing a message to all constituents and stakeholders on our investment activities from the past year— and this year is no different. Over the last 8 years, my office has been able to use this report not only as a valuable tool for transparency but also as an opportunity to champion the bustling entrepreneur ecosystem in our great State and present an update on all the work my office has accomplished for the Illinois startup and technology ecosystem.

I launched the Illinois Growth and Innovation Fund (“ILGIF”) in 2016 because we looked around and saw all the components needed to build a preeminent start up ecosystem – top universities, a burgeoning talent pool, and innovative ideas and opportunities throughout the state. It is so important to keep Illinois entrepreneurs here and help them grow and create jobs within our state instead of watching them move to the coasts. Keeping our founders is done through ensuring there is access to capital, access to customers, and a strong entrepreneurial support system to support founders at their earliest stages and ensuring our startup community is rowing the boat in the same direction.

We know that to encourage quality talent to stay, we need to offer compelling employment opportunities by supporting and growing local startups. To support, grow, and retain quality businesses, we need a bustling investment ecosystem eager to provide capital and strategic support to local companies. We launched ILGIF to address all of these problems head on.

ILGIF is a \$1.5 billion impact investment vehicle with a focus on supporting private investment firms and technology-enabled companies based in Illinois. That is why we aim to be at the forefront of growth and innovation, targeting favorable returns and fostering diversity across the investment landscape. Our investment objectives are profit-focused, economic development-driven, and anchored by our promotion of diversity and inclusion within Illinois.

Since our initial investment in 2016, our great State has seen numerous unicorns minted, multiple emerging firms set up shop, and thousands of jobs created. ILGIF continues to buttress the flourishing startup ecosystem that exists across Illinois, while thriving startups, new entrepreneurs, strong educational institutions, and a robust incubator and accelerator network encourage innovation here in our great State.

One area I am thrilled to highlight is the true economic impact ILGIF is having on the state of Illinois. So far, ILGIF investments have been a catalyst in creating roughly 19,000 jobs. For every direct job created, another 2.2 jobs are indirectly created through a multiplier effect, according to a study conducted by the National Venture Capital Association. By that metric, our investments have resulted in 36,000 indirect jobs through suppliers and service providers.

Job creation is one impactful metric that we track closely but in addition, I am pleased to highlight the following accomplishments for 2022.

- **\$103 million in new investments** – As of the end of 2022, ILGIF committed a total of \$632.4 million across 51 fund manager relationships. Throughout 2022, ILGIF invested in a total of 17 new investments totaling \$103 million in total commitments with \$40.5 million invested across 9 funds owned and managed by MWVD persons.
- **Investments in MWVD-Managed Funds Increased from \$233.5 million to \$274 million** – Total assets managed by minority, women, veteran, and disabled-owned (MWVD) funds increased 17.3% year over year from \$233.5 million to \$274 million. At the end of 2022 approximately 43% of the total invested capital was allocated to MWVD-managed funds.
- **Attracting Businesses and Private Capital** – Our ILGIF managers have made a total of 58 investments in Illinois companies, attracting \$57.6 billion in private capital invested.
- **Investments in MWVD-Owned Portfolio Companies** – Our ILGIF managers have made more than 356 investments in companies with MWVD ownership.

Technology is not static, and government should not be either.

For more information on our Illinois Growth and Innovation Fund, please visit www.ILGIF.com.

Sincerely,



Illinois State Treasurer



FUND *Overview*

OVERVIEW

Established by Illinois Treasurer Michael W. Frerichs, the Illinois Growth and Innovation Fund (“ILGIF”), an evergreen impact investment fund, will invest in ways that attract, assist and retain quality technology-enabled businesses in Illinois. We do this by making targeted investments with venture capital, growth equity and private venture debt firms with a nexus to the state of Illinois.

Legally named the Technology Development Account I (“TDA I”), lawmakers in 2002 authorized the initial round of \$74 million in investments to Illinois venture capital firms. TDA I created approximately 6,300 jobs and generated more than \$150 million in private investment.

Lawmakers in 2011 authorized a second round of TDA funding, called TDA II. However, the treasury did not act on the authorization for several years.

In 2015, Treasurer Frerichs used the TDA II legislative authority to establish and launch the \$222 million Illinois Growth and Innovation Fund and began making investments in mid-2016. In 2018, Treasurer Frerichs announced an increase to the amount of investment capital available in ILGIF, increasing the total to approximately \$1.5 billion in available investment capital over 10 years from the State’s existing investment portfolio. Furthermore, ILGIF was structured as an evergreen fund designed to allocate capital on a recurring basis, in perpetuity, to be invested with Illinois venture capital, growth equity and private venture debt investment firms.

ILGIF GOALS

The goals of ILGIF are simple:

1. Deliver strong investment performance for Illinois;
2. Drive economic development for Illinois;
3. Foster a more connected, inclusive and engaged entrepreneurial and venture IL community;
4. Support equity, diversity and inclusion to enable worthy fund managers and to grow promising technology-enabled companies; and
5. Integrate sustainability/ESG factors to increase expected financial returns and minimize projected risk.

MISSION

Through ILGIF, the Illinois Treasurer makes targeted investments with venture capital, growth equity, and private venture debt funds that invest in technology-enabled businesses and are either based in Illinois or possess a significant workforce in Illinois. Tech-enabled businesses can be situated in industries such as, but not limited to: agricultural, biology, consumer, financial services, green, healthcare, logistics, manufacturing, and services technology.

Moreover, ILGIF seeks to foster a more connected, inclusive and engaged entrepreneurial and venture community in Illinois by leveraging and supporting the growing venture ecosystem in Illinois. ILGIF encourages and supports broad inclusion to enable worthy fund managers and promising technology companies owned by minorities, women, military veterans, or persons with disabilities and/or businesses geographically located in diverse communities or low-to-moderate income communities be recommended for investment.



ILLINOIS Venture Capital Landscape

In 2022, the Illinois venture capital ecosystem closed 841 venture deals for a total of \$4.0 billion invested. This illustrates not only the strength of the Illinois venture capital ecosystem but also its resilience considering the challenges faced by many companies during a time of high inflation, global conflicts, and remaining effects of the COVID-19 pandemic. In many ways, the pandemic acted as an accelerant to a shift that was already underway in the U.S. venture capital industry.

As the traditional venture capital model has historically been concentrated in coastal geographies, there has been a concerted effort to look beyond traditional hubs when building technology companies. Its proportion of total venture capital deal count activity has softened, falling nearly each year since 2006.

Venture deal activity in the Midwest increased by thirteen percent since 2020. Specifically, the first quarter of 2022 had a forty-four percent increase from the first quarter of 2020 and all other quarters surpassed their respective 2021 benchmark according to the 2022 NVCA Monitor Report.

Finally, the venture ecosystem continues to make strides in becoming inclusive and diverse. According to Pitchbook, the percentage of female founded companies more than doubled since 2008. Female-founded and co-founded startups represented \$536 million of total invested in US venture capital deals across 174 deals. In terms of the total invested capital in venture backed US startups, female founders make up two percent. This upward trend is due to an increase in several women-led funds, female founder incubators, and new female-founded companies.

According to data collected by Forbes, females account for thirty percent of the general population and eleven percent of all US venture partners. A study conducted by the West River Group concluded that venture firms with at least one female founder generate ten percent more profitable exits. Teams with gender and ethnicity diversity generate thirty percent higher multiples on invested capital compared to non-diverse teams. Furthermore, companies with either one female or ethnically diverse founders create more than sixty percent of business value. In terms of Illinois, the increasing diverse representation within the venture industry over the last several years helps shape and develop the broader ecosystem. While incremental progress has been made, there is still a significant amount of work to do to ensure inclusivity within the venture capital space.

VC Statistics: [The US VC Female Founders Dashboard | PitchBook](#)
Forbes: Diversity: [The Holy Grail Of Venture Capital \(forbes.com\)](#)

INVESTMENT Performance

ILGIF INVESTMENT PERFORMANCE

- **16.2%** Net IRR
- **1.39x** Net TVPI
- **\$435** million Invested Capital
- **\$606.4** million Total Value

**As of December 31, 2022*

THE INVESTMENT HIGHLIGHTS AS OF YEAR-END 2022 ARE AS FOLLOWS:

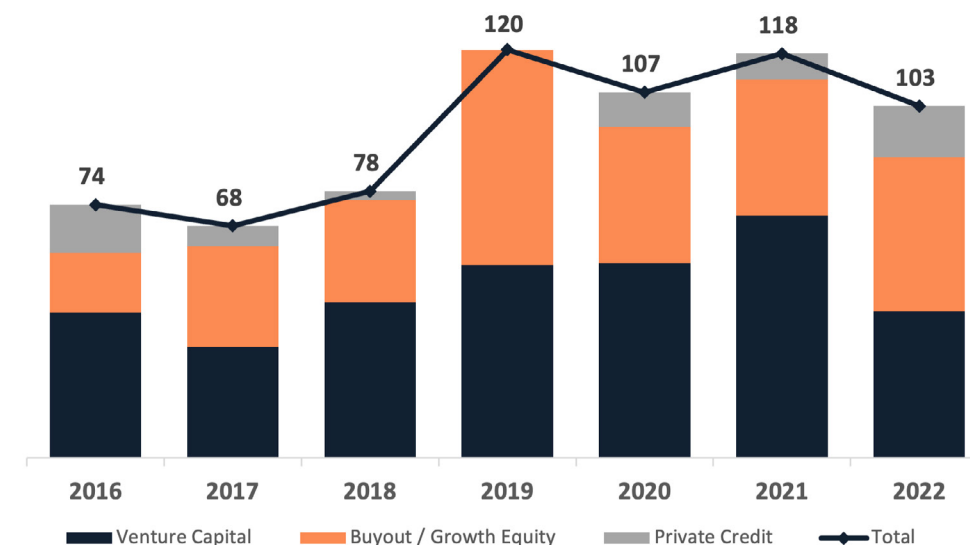
2022 ILGIF INVESTMENT HIGHLIGHTS



INVESTMENT ACTIVITY IN 2022

As of the end of 2022, ILGIF committed a total of \$632.4 million across 83 funds targeting investments in tech-enabled businesses across the state of Illinois. This includes 17 new fund commitments in 2022, 9 of which are MWVD-owned funds.

ILGIF COMMITMENTS (\$M)



** Amounts from 2016-2018 based on previous TDA requirements. New changes effective 08/2018.*

KEY INVESTMENT *Updates*

ECONOMIC *Impact*

CONTINUED INVESTMENT IN FIRST TIME FUNDS:



The ILGIF continues to support underrepresented groups in the Illinois private equity ecosystem through investments in first-time funds such as Red Arts Capital, Buoyant Ventures, Supply Change Capital, The 81 Collection, Exposition Ventures, and Long Arc Capital. Buoyant Ventures is a Women-led early-stage venture firm investing in digital solutions to climate change. Supply Change Capital is a Women-led early-stage venture firm investing at the intersection of food, culture, and technology. The 81 Collection is a collection of entrepreneurs who brought offline industries online. The firm invests in pre-seed and seed-stage companies in hard industries. Exposition Ventures is a Women-led venture firm investing in entrepreneurs in the early stages of building and scaling hardware and software companies. Long Arc Capital is an Asian-led private equity firm with a philosophy of “active ownership” and who partners with entrepreneurs and management teams to build successful businesses.

CONTINUED INVESTMENT IN DIVERSE-OWNED FUNDS:



ILGIF continues to support underrepresented groups in the Illinois private equity ecosystem through investments in diverse-led funds such as The 81 Collection, Red Arts Capital, Buoyant Ventures, Supply Change Capital, Exposition Ventures, and Long Arc Capital. Other investments in diverse funds included, but were not limited to, Valor Siren Ventures and M25. Valor Siren Ventures is a Hispanic-led joint venture created by Starbucks and Valor Equity Partners that invests in early-stage entrepreneurs with a focus on technology and sustainability. M25 has African American and women leadership targeting Midwest-based companies spanning several industries across the region.

One of the ILGIF goals is to drive economic development for Illinois by investing in ways to attract, assist, and retain quality tech-enabled businesses in the State. We execute our goal by making targeted investments with fund managers that have a nexus to Illinois and invest in technology-enabled businesses that are either based in Illinois or possess a significant workforce in Illinois. We strive to promote the growth of jobs and entrepreneurial environments in Illinois. ILGIF invests capital to support the expansion and development of Illinois technology businesses, which in turn bolsters job creation, attracts private investment capital and expands the state’s economy.

STATISTICS

During the year 2022, ILGIF managers invested across 1,840 companies, including over 585 IL-based companies. Since the initial investment in 2016, there has been over 18,000 new full-time jobs created in Illinois.

Across all portfolio companies, the total aggregate GAAP revenue totaled \$102.3 billion. Over \$57.6 billion, in private capital has been invested across 585 Illinois companies, over 91.0x the total invested by ILGIF, well exceeding our initial projections for attracting private capital to Illinois. Moreover, ILGIF portfolio companies held 2,097 patents across all portfolio companies as of year-end 2022.

Year	Capital Invested	GAAP Revenue	Jobs Created	IL Companies
2016 - Inception	\$432.6 million	\$1.97 billion	N/A	37
2017	\$825.5 million	\$8.9 billion	N/A	79
2018	\$2.58 billion	\$22.3 billion	1,300	125
2019	\$3.2 billion	\$16.5 billion	2,700	157
2020	\$9.2 billion	\$31.2 billion	4,300	213
2021	\$25.4 billion	\$38.2 billion	5,000	401
2022	\$57.6 billion	\$102.3 billion	18,998	585

Annual performance is cumulative since inception

INVESTMENT ACTIVITY

Provision

As part of our commitment to investing in Illinois, fund managers agree to invest a minimum of twice the aggregate amount of ILGIF committed capital in Illinois companies during the life of the partnership. This commitment ensures our program goals align with the fund managers we partner with to help grow the Illinois ecosystem.

SELECT FUND MANAGER

The logo for Moderne Ventures, featuring the word "MODERNE" in a large, white, serif font above the word "VENTURES" in a smaller, white, sans-serif font, all contained within a dark blue rectangular box.

Moderne Ventures is a strategic venture capital firm with more than \$450 assets under management. Moderne takes a generalist approach to vertical tech investing across the multi trillion-dollar sectors of real estate, finance, insurance, and sustainability.

For 15 years, Moderne principals have invested in technology companies through Moderne's funds and have helped accelerate company growth through the Moderne Passport program. Moderne Passport is designed to foster innovation, partnership and growth between industry partners and emerging technology companies. Moderne's unique platform brings customers to portfolio companies in a powerful network that produces outsized returns for the fund.

Moderne has built an extraordinary network of over 700 executives and corporations within its core industries and evaluates more than 4,500 emerging technology companies each year. Moderne most often looks outside its industries to find technologies that can be applicable within them, and it has invested in nearly 150 companies across its funds.

Moderne's portfolio companies operate in Illinois, employ Illinois residents, and count large Illinois companies as customers. Illinois residents also benefit directly from many of the technology companies and solutions in Moderne Ventures' portfolio. While the ILGIF target for Moderne was to invest twice the aggregate amount of ILGIF committed capital in Illinois companies, Moderne's belief in the Illinois ecosystem has led it to invest in the community well beyond that target, at over 8x the ILGIF investment.

Moderne's Illinois Impact and The Moderne Network Effect

Moderne has invested more than \$82M in Illinois companies. Some of the world's largest corporates globally are Moderne's investors and network partners, 28 of which are headquartered right here in Illinois. Together, these companies own and manage a combined total of 4.5 billion square feet of property – and have ~\$1.9 trillion assets under management.

These industry titans are modernizing their businesses through technology. They partner with Moderne's portfolio companies to pilot new technologies and deploy new solutions that help them reduce operating expenses, improve net operating income, gain competitive advantage, and create positive experiences for their customers and end users.

A few examples of this Moderne Network Effect and its impact on Illinois include:

- **Acorn Finance:** A home renovation finance marketplace serving the \$500 billion home improvement market, has helped 17,000 Illinois residents with \$208 million in improvements.
- **Measurabl:** The world's largest sustainability reporting platform tracking ESG data for 16 billion square feet of commercial, residential, and corporate real estate globally – is tracking 4,200 buildings in Illinois alone as part of the global industry's efforts to become more sustainable. These buildings represent a combined total of 732 million square feet of property in Illinois – the equivalent of 12,708 football fields.
- **Xeal:** Is helping electrify the nation with EV chargers that have 100% guaranteed uptime – and has deployed or contracted more than 10,000 chargers across the country. In helping Illinois transition to electric vehicles, Xeal has deployed and contracted over 660 chargers across 51 Illinois properties to-date, facilitating a cumulative total of 7,600 hours of EV charging.

- **EasyKnock:** Helps to provide liquidity to homeowners nationwide. EasyKnock has unlocked well over \$5 million in equity value for Illinois homeowners in the past 24 months.
- **LiftUp Enterprises:** Is bridging the wealth gap and expanding employment horizons for more than 120 Illinois workers through job training and upskilling.
- **Urban Bound:** A nationwide employee relocation management software, has helped more 5,000 households relocate to Illinois. Urban Bound continues to help bring companies into the great state of Illinois to create more jobs and more growth.
- Moderne Passport itself has shown to be the catalyst for both new companies starting up in the state and proven companies moving their businesses to it.

ILGIF Portfolio



PORTFOLIO CONSTRUCTION

ILGIF's investment portfolio aims for optimal diversification across vintage, stage, sector, and strategy to maximize investment returns for the State while simultaneously generating economic development and fostering a more diverse and inclusive manager and entrepreneurial ecosystem within Illinois.

ILGIF seeks to maintain a portfolio construction that is meaningfully allocated to Venture Capital strategies with a target of between 55-60% of the overall portfolio allocated to strategies investing across various stages including, but not limited to Pre-Seed, Seed, Series-A, and Series B financing rounds, 30-35% of the capital is targeted towards growth equity/buyout funds, 5% private credit funds, while the remaining 5% is targeted to be invested in a co-investment vehicle aiming to invest in high quality Illinois companies.

STRATEGY DIVERSIFICATION

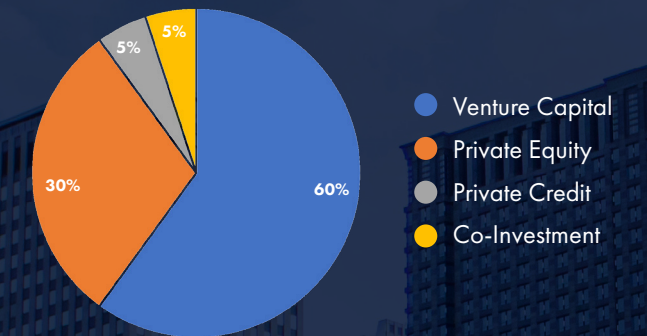
As of year-end 2022, ILGIF had strategy diversification with forty-six percent of invested capital within venture capital, thirty-seven percent in growth equity/buyout, ten percent in credit, and six percent co-investment focused.

VINTAGE YEAR DIVERSIFICATION

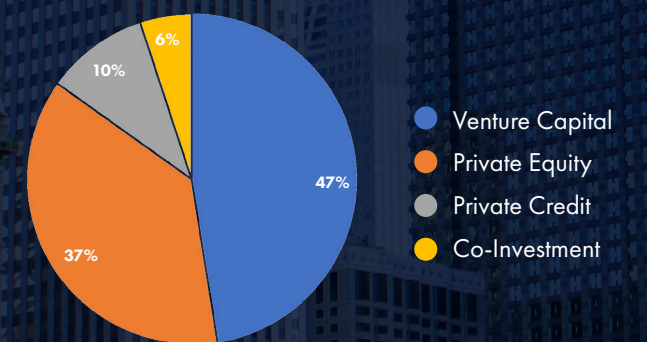
The constituent of timing certainly has an impact on venture capital and private equity outcomes. As it is difficult for any private equity investor to time the market it is important to ensure proper vintage diversification is implemented when allocating capital. ILGIF focuses on vintage diversification, limiting the impact of market cycle risk within the portfolio. As of year-end 2022, ILGIF has invested the following percentages across eight vintage years beginning in 2015.

As an evergreen fund structure, ILGIF will continue to invest across different vintages years with a focus on continuing to increase diversification by investing capital in future years.

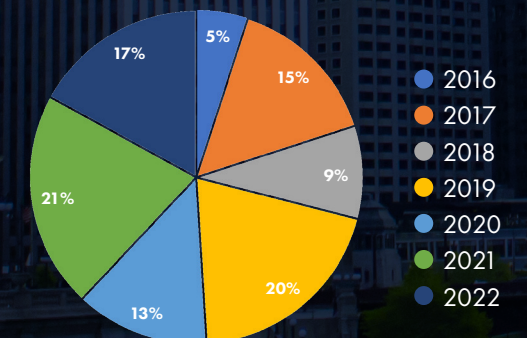
TARGETED PORTFOLIO ALLOCATION



CURRENT PORTFOLIO ALLOCATION



VINTAGE DIVERSIFICATION



SELECT *Portfolio Companies*

Since the initial deployment of capital in 2016, 1,840 companies have received an investment from an ILGIF recipient fund including 585 investments in Illinois Companies. Notable Illinois Companies are diversified across sectors including financial services, logistics, life sciences, health care, consumer and manufacturing technologies.

GREEN *Preference*

ILGIF strives to invest with fund managers that have demonstrated experience and/or an express ability to invest in “green technology” businesses located in Illinois. “Green technology” means technology that a company (a) promotes clean energy, renewable energy, or energy efficiency; (b) reduces greenhouse gases or carbon emissions; or (c) involves the invention, design, and application of chemical products and processes to eliminate the use and generation of hazardous substances.

CASHDROP

Developer of a contactless commerce platform designed to help merchants set up online storefronts in less than a few minutes. The company’s platform offers contactless ordering, automatic text updates, and sales analytics as well as a fast and easy checkout experience for consumers who can order through the platform, enabling merchants to facilitate contactless payment without handling cash or swiping credit cards and helps consumers to order with no application download or login required.



PhotoniCare is a developer of ear diagnosis devices designed to change the way physicians manage middle ear infections. The company’s devices use advanced light-based technology to see through the eardrum to visualize the middle ear, determine quickly and easily the contents of the middle ear, and decide which antibiotics or surgical interventions might be needed, enabling pediatricians, family practitioners, and other front-line clinicians to determine quickly and easily whether a patient needs antibiotics or surgical intervention directly and harmlessly.



Operator of a maintenance management platform designed to provide equipment repair services. The company manages the end-to-end equipment repairs and maintenance process for ice machines, dishwashers, and ovens, enabling restaurant owners to relieve themselves from the pain of repairing and focus on serving their guests.



APFusion operates a B2B automotive marketplace intended to help salvage yards increase sales. The company’s marketplace offers a proprietary connector into the automotive recycler network that provides immediate inventory upload, hotkey enabled, buy straight, and automated purchase order process, enabling salvage yards across the United States to be more efficient and closer to more sales.

SUSTAINABILITY

The Illinois Treasurer prudently integrates sustainability factors into its investment decision-making, investment analysis, portfolio construction, risk management, due diligence and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its duties. ILGIF has a responsibility to recognize, evaluate, and integrate sustainability risk factors that may have a material and relevant financial impact on the safety and/or performance of ILGIF investments.

ILGIF strives for fund managers to assess portfolio companies’ management of sustainability factors to better understand the potential impact to long-term value. Desired portfolio company sustainability practices include compliance with business guidelines, active monitoring processes, procedures to identify and implement factors, a commitment of resources to manage factors, board interaction to ensure oversight, and sustainability considerations applied during the exit strategy preparation.

In 2022, the Treasurer’s Office committed capital to 17 funds across Venture, Growth Equity, Buyout, and Private Credit strategies all with a nexus to the state of Illinois. As part of the due diligence efforts each investments recommendation included an impact analysis to assess the manager’s integration of material sustainability factors into their investment process, due diligence processes, along with human capital considerations around Diversity, Equity, and Inclusion metrics at the management company but also portfolio company level. The approach included components related to the investment strategy, firm commitment to promoting DEI initiatives, diversity within portfolio companies and supply chains, and the reporting of sustainability metrics.

GREEN COMPANIES



Natural Fiber Welding develops technology using plants and natural fibers to make textiles and other durable items. By working with plant-based fibrous materials, the company’s scientists and engineers are creating new opportunities to improve and leverage plentiful and renewable resources on the planet for applications associated with synthetic products. The company’s goal is to develop solutions that can be implemented by communities across the economic spectrum using abundant local resources to develop sustainable, scalable products that minimize processing and cost while improving quality and usability.



Developer of global soil cloud designed for sustainable agricultural management. Earth Optics’ patented technology provides insights into soil health and management, near real-time actionable data layers encompassing the physical, chemical, and biological attributes of the soil, enabling farmers to obtain accurate soil information and providing carbon creditors with low-cost, hyper-accurate verification.



Audette is an analytics platform and marketplace designed to accelerate carbon reduction investment in commercial buildings. The company’s platform collects utility and equipment data, analyzes a building’s operation, and produces recommendations to improve performance, enabling commercial property owners to accelerate energy management, access capital, and help reduce waste.



Developer of an operating platform powering the EV ecosystem serving drivers, companies, cities, and the electricity grid with one integrated software solution. Monta’s platform combines state-of-the-art technology with sustainable mobility solutions using automated and based on modern open-source technologies to provide location and services for charging and provide access, innovation, and reliability to the mobility transformation, enabling EV drivers to charge seamlessly at home and on the go, and supporting companies with easy charge point management.



Sinai is a developer of an enterprise decarbonization platform intended to measure, monitor, price, and analyze risk and trade carbon emissions. The company’s platform tracks different departments and processes within a company and then gives recommendations on where to reduce carbon emissions to meet internal and external goals, enabling companies and the government to increase capital growth with climate risk mitigation, carbon emissions disclosure, and operations efficiency.



Circuit is an electric micro-transit services intended to offer quick and convenient mobility for pooled short distance trips under three miles. The company provides fleets of nimble electric shuttles that fulfill the first-mile last-mile gap by offering free or low-cost transportation around cities and private developments, enabling users to have an easily accessible shuttle service at convenience.

ILGIF *Equity, Diversity, and Inclusion*

It is no secret that underrepresented founders and diverse managers are the one of the most undervalued investment opportunities in the United States today. As institutional investors, we are the lifeblood for venture capital and private equity firms. Throughout 2022, we continued to leverage our resources and position as an institutional investor to hold firms accountable for making the space a more representative and equitable community seeking to bring a diverse set of perspectives venture capital and private equity firms.

ILGIF continued to make progress by continuing to evolve around the integration of equity, diversity, and inclusion assessments into the due diligence process. The initiative allows the Office to better evaluate whether fund managers are implementing and aligning with the achievable and highly desired goals our Office has established. This evaluation process applies to both non-MWVD and to MWVD venture managers as well.

STATISTICS

There are 37 MWVD-owned funds, totaling \$274 million in commitments, or forty-three percentage of committed capital as of year-end 2022. ILGIF has continued to operate outside of the institutional mainstream sourcing qualified diverse fund managers with the goals of bringing long-term capital to ensure growth amongst emerging managers who have an appeal of deploying capital in Illinois.

DIVERSITY COMMITMENT PROVISIONS

As part of our steadfast commitment to increasing diversity among the entities in which the Illinois Treasurer invests, side letter provisions are requested and negotiated with all venture capital/ growth equity managers through ILGIF. These provisions prioritize consideration for diverse-owned portfolio companies as a significant factor when identifying and conducting diligence on prospective investments. ILGIF also requests provisions in which venture capital/growth equity managers seek to identify, recruit, promote and retain diverse persons within the junior and senior investment teams of the Management Company as well as the consideration of diverse persons for board seats for internal committees and portfolio companies.

SELECT FUND MANAGER



Through ILGIF, the Illinois Treasurer has committed \$10 million to 5th Century Partners (“5CP”). 5CP is a diverse private investment firm based in Chicago that focuses on growing lower middle market companies within the healthcare, consumer, and business services industries. 5CP believes that a purpose-driven investment approach can lead to better business outcomes. 5CP leverages best-in-class Environmental Social Governance (ESG) risk assessment frameworks and proprietary ESG Development strategies to both enhance value creation and promote social impact.

5CP has embedded ESG across the investment lifecycle to conduct risk assessments, develop reporting frameworks and identify opportunities for ESG-driven value creation. Across investment stages, 5CP incorporates a blend of globally recognized standards and frameworks inclusive of the Principles for Responsible Investment (PRI), IRIS+, and the Impact Management Project (IMP). 5CP accomplishes this at the portfolio company level by leveraging a unique impact framework focused on standard ESG performance indicators and metrics specific to the industry, sub-sector, and the community in which the company operates.

Throughout the investment period, 5CP works with its portfolio companies to implement ESG development initiatives that drive outsized value. The ESG development initiatives are a combination of initiatives that are customized to the company and initiatives that are a focus across the 5CP portfolio.

Across its portfolio, the firm is focused on key levers of ESG development post-investment inclusive of:

- **Leadership & Governance** – 5CP seeks to recruit diverse management leaders and build diverse boards of directors with the goal of having at least one diverse leadership team member and one diverse board member.
- **Employee Compensation** – 5CP works with its portfolio companies to ensure compensation and benefits are competitive and looks to implement long-term incentive plans to ensure broader employee participation in company performance.
- **Hiring & Retention** – 5CP works with its portfolio companies on initiatives to improve recruitment practices and reduce unconscious bias in hiring and retention thereby increasing the diversity of the candidate pool.

In addition to implementing and measuring ESG across the portfolio, 5CP is intentional about ESG and DEI at the fund and firm level. At the fund level, the firm develops and monitors metrics inclusive of diverse sources of deal flow, management team and board diversity, and wealth creation for diverse operators and advisors. At the firm level, 5CP focuses on metrics inclusive of team and advisor diversity, volunteer hours, and benefits that promote workplace wellness.

2022 *ILGIF Events*

2022 ILGIF SUMMIT

Since 2015, the Illinois State Treasurer has held an annual event to provide an update on all relevant activities throughout the year. The Treasurer's Office and 50 South Capital hosted the sixth annual ILGIF Annual Summit on Thursday August 4, 2022. The well-attended event consisted of an update on the ILGIF program and initiatives as well as spotlight sessions with leading venture capitalists that invest in innovative companies across the state of Illinois.

The Summit continues to be known as an important industry event, and a time-effective forum for meeting with investors, organizations, and entrepreneurs to develop, build and maintain long-term relationships.

2022 ILGIF SUMMIT HIGHLIGHTS

- Nearly 200 attendees from across the country.
- Representation across venture capital, private equity, limited partners, local accelerators and incubators, angel investors, universities, and entrepreneurs.
- Panels & Keynote Speakers
 - Keynote Speaker: Kathryn Finney
 - Fintech Panel: Rumi Morales, Samara Hernandez, Ezra Galston
 - Manager/Company Spotlights: David Rabie, Jared Golden, Dennis Beard, Tim Hoerr
 - Fireside Chat with M25 and APFusion Community Spotlights: AllRaise, Chicago: Blend, BLCK VC, Illinois Science & Technology Coalition

ILGIF LUNCH & LEARN

Collaborated with our strategic partner Illinois Science & Technology Coalition to educate our managers on the venture engine platform. The platform registers startups in Illinois to help corporations find investment opportunities. Additionally, Venture Engine can serve as a sourcing pipeline to managers looking for Illinois exposure.



FUTURE SELECT INITIATIVES

As the Illinois Treasurer continues to expand the program, ILGIF will continue to commit capital towards our 3 primary investment objectives, to promote further venture capital and technological innovation in Illinois, and to explore new avenues to drive further innovation and growth within Illinois. Our initiatives are driven by our initiatives set below.

ECONOMIC EQUITY

Continue our effort to advance economic equity across the state of Illinois. We must provide much needed attention and capital to underrepresented and undercapitalized communities. Access to capital is a tool in closing the wealth gap and bring economic equity throughout every community within the state.

CATALYST CAPITAL

ILGIF has established a target allocation of 10% per annum to invest in first time funds and fund managers. This will provide individuals the opportunity to build a track record and support the next generations of fund managers here in Illinois.

TARGET INVESTMENTS ACROSS THE STATE

Since 2016 ILGIF has established strong roots in the Chicagoland area. The successful investment track record we've built gives us the confidence to target an expansion across every Illinois region. We recognize the importance of providing access to capital to our communities in the state and we will carry that momentum forward to our communities across the State.

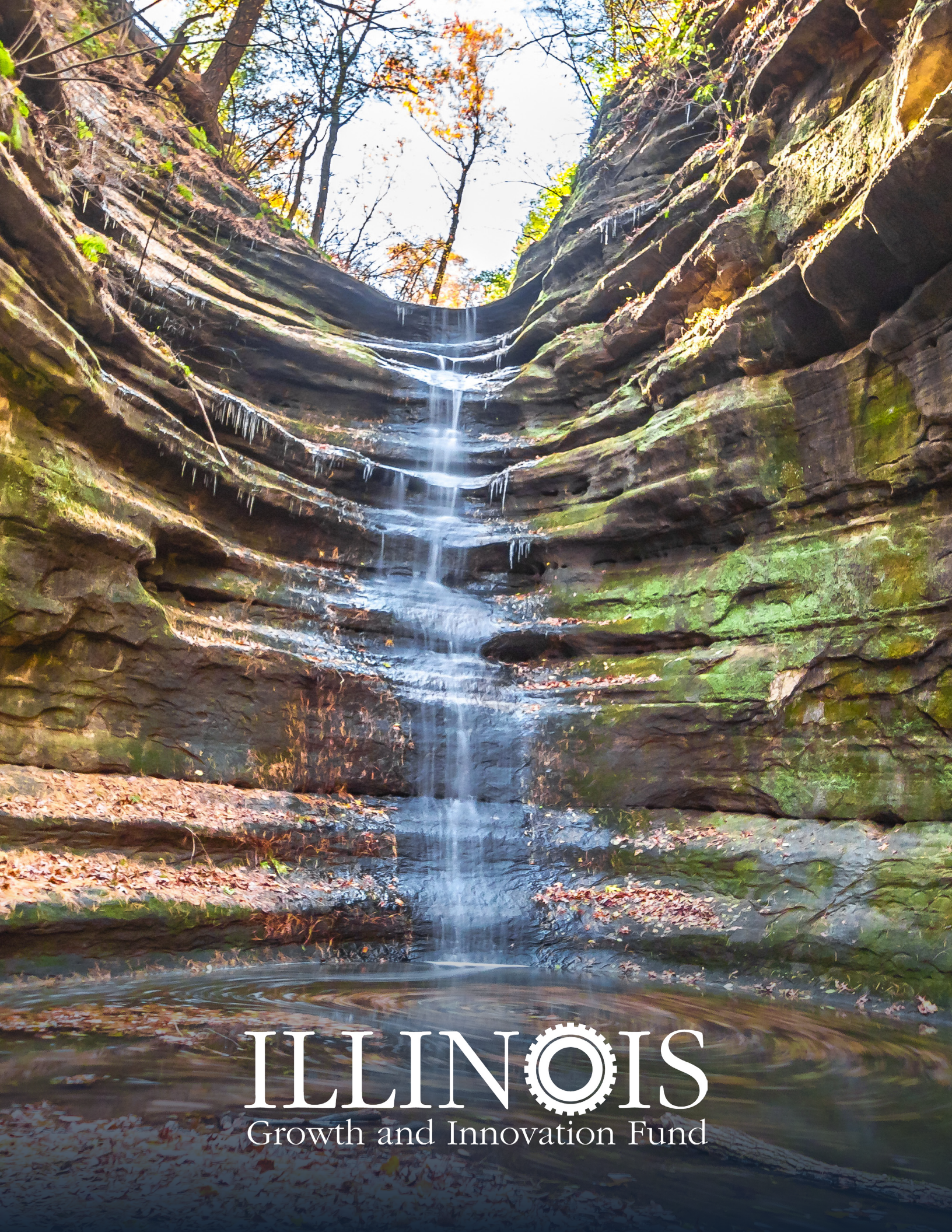
FUTURE *Select Initiatives*

PARTNERSHIPS

Our partners are an important value add to the venture capital ecosystem in Illinois and we continue to foster our complementary relationships. Additionally, we seek to cultivate new relationships with prospective partners to further the goals of ILGIF. We will proactively source new partners that may add value through their programming, support systems, and aspiring founders. During 2022 we leveraged our partners to attend events and promote the impact of ILGIF across the State.

ILGIF ANNUAL SUMMIT

Continue holding our annual summits to showcase the work our State is doing through the ILGIF. The summit brings together venture capitalists, entrepreneurs, and other industry stakeholders seeking to meet and develop long term relationships. In the summer of 2023, we will hold our 8th annual summit.



ILLINOIS
Growth and Innovation Fund