

ILLINOIS

Growth and Innovation Fund

2023
ANNUAL REPORT



Michael W. Frerichs
ILLINOIS STATE TREASURER

TECHNOLOGY IS NOT STATIC
*Government should
not be either.*

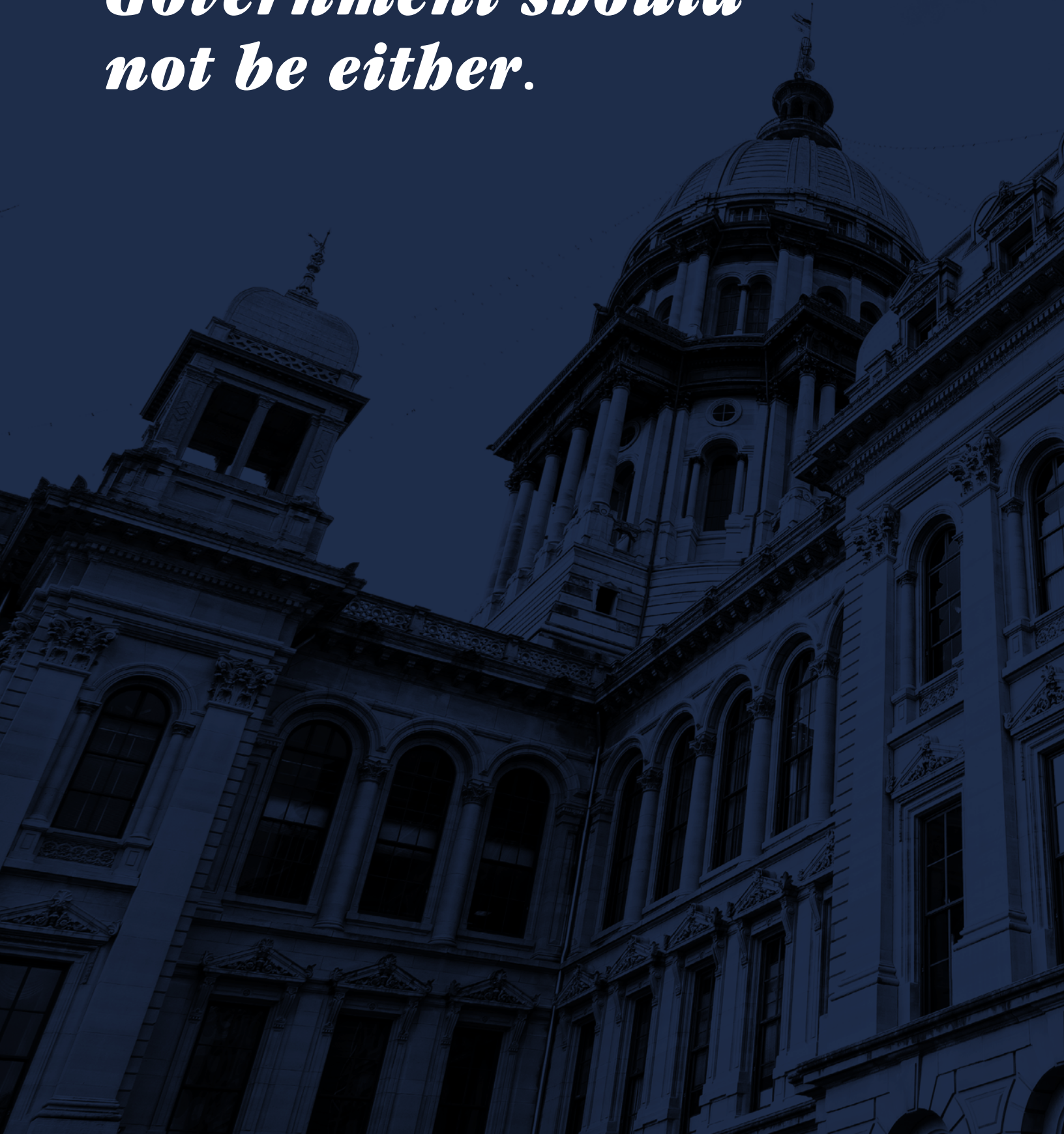
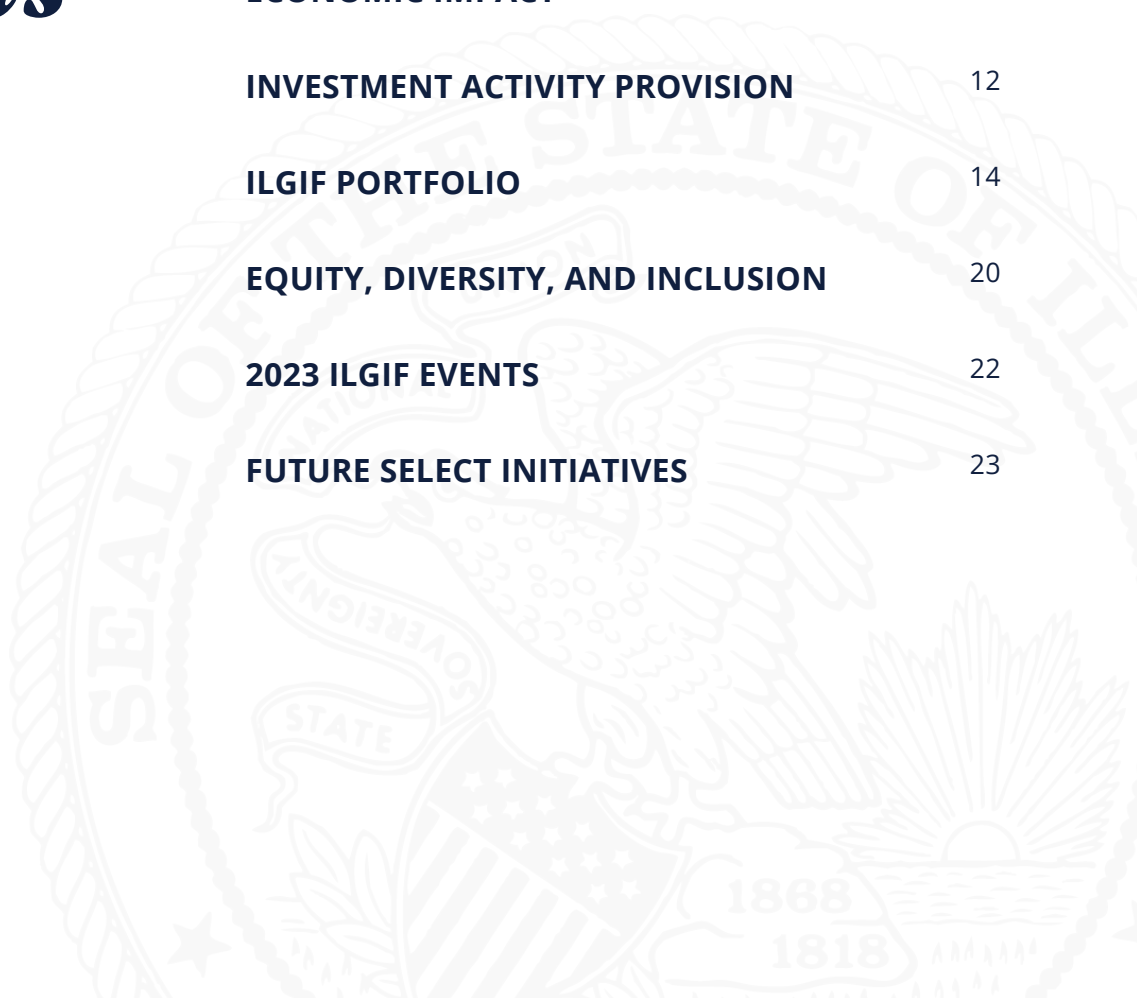


TABLE OF *Contents*

A MESSAGE FROM THE TREASURER	4
FUND OVERVIEW	6
ILGIF GOALS	7
ILLINOIS VENTURE CAPITAL LANDSCAPE	8
INVESTMENT PERFORMANCE	9
KEY INVESTMENT UPDATES	10
ECONOMIC IMPACT	11
INVESTMENT ACTIVITY PROVISION	12
ILGIF PORTFOLIO	14
EQUITY, DIVERSITY, AND INCLUSION	20
2023 ILGIF EVENTS	22
FUTURE SELECT INITIATIVES	23



A MESSAGE FROM *The Treasurer*

Each year, I have the pleasure of updating all constituents and stakeholders about our annual investment activities. Over the years, my Office has used this report not only as a transparency tool but also to champion the vibrant entrepreneurial ecosystem in our great State and to provide an update on our accomplishments for the Illinois startup and technology ecosystem.

We started ILGIF in 2016 because we had all the components needed to host a top startup ecosystem – top universities, a burgeoning talent pool, and innovative ideas and opportunities throughout the State. And yet, businesses continued to relocate, and talent from local universities fled to the coasts. What was missing was a robust network of venture investment firms to support Illinois-based entrepreneurs at their earliest stages and encourage them to stay and hire locally. We know that to encourage quality founders to stay, we need to offer compelling employment opportunities by supporting and growing local startups. To retain quality businesses, we need a bustling investment ecosystem eager to provide capital and strategic support to local companies. So, we launched ILGIF. ILGIF is a \$1.5 billion impact investment vehicle focused on supporting private investment firms and technology-enabled companies based in Illinois.

Our goal is 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 promoting

diversity and inclusion within Illinois.

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

I am thrilled to highlight the true economic impact ILGIF is having on Illinois. So far, ILGIF investments have catalyzed the creation of roughly 19,100 jobs. Job creation is one metric we track, but in addition, I am pleased to highlight the following for 2023.

- **\$30 million in new investments** — As of the end of 2023, ILGIF committed a total of \$662.4 million across 51 fund manager relationships. Throughout 2023, ILGIF invested in a total of three new investments totaling \$30 million in total commitments with all the funds going back to existing manager relationships, some of which we have invested since their first fund.
- **Investments in MWVD-Managed Funds Increased from \$274 million to \$294 million** — Total assets managed by minority, women, veteran, and disabled-owned (MWVD) funds increased 6.8% year over year from \$274 million to \$294 million. At the end of 2023, approximately 44% of the total invested capital was allocated to MWVD-managed funds.

A MESSAGE FROM *The Treasurer*

- **Attracting Businesses and Private Capital** — Our ILGIF managers have made a total of 598 investments in Illinois companies, attracting \$44.8 billion in private capital invested.
- **Investments in MWVD-Owned Portfolio Companies** — Our ILGIF managers have made more than 419 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 [ILGIF.com](https://www.ilgif.com).

Sincerely,



Michael Frerichs
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 debt investment firms.

MISSION

Through ILGIF, the Illinois Treasurer makes targeted investments with venture capital, growth equity, and private 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: agriculture, biology, consumer, financial services, climate, 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.



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 Illinois community.*
4. *Support equity, diversity and inclusion to enable worthy fund managers and to grow promising technology-enabled companies.*
5. *Integrate sustainability/ESG factors to increase expected financial returns and minimize projected risk.*

ILLINOIS VENTURE CAPITAL *Landscape*



In 2023, the Illinois venture capital ecosystem closed 1,028 venture deals for a total of \$5.2 billion invested. This illustrates the strength of the Illinois venture capital ecosystem as companies continue to experience geopolitical risks, especially on the international level, lingering supply chain challenges, bank failures, and narrowed exit paths. VC activity proved to be resilient over the COVID-19 pandemic; however, investors have now been pressured to reassess investing strategies as Ukraine remains occupied by Russia, Middle East conflicts are increasingly escalating, and challenges within China's market proceed to heighten. In many ways, the international challenges identified expedited investor confidence towards local startup ecosystems and shifted investment focus to the U.S. venture capital industry.

Traditionally, venture capital has historically been concentrated in U.S. geographies with global VC activity growing over the last decade. However, global VC activity in 2023 seemed to fall across all countries, and total venture capital deal counts dropped below the last two years' totals, but remain higher than the 10-year average. Despite U.S. dominance in the venture capital industry, its proportion of total venture capital deal count activity has softened, falling nearly each year since 2006.

The economic impacts of geopolitical conflicts include halting globalization efforts and shifting the mindset towards domestic opportunities. Global tensions will only deepen this trend.

Venture deal activity in the Midwest decreased by 3% since 2020. Specifically, the fourth quarter of 2023 had a 19% decrease from the first quarter of 2020. All other quarters slightly fell under their respective 2022 benchmark, with the exception of the third quarter, which surpassed its benchmark by 16%, according to Pitchbook.

Although the venture ecosystem surged over the last several years, diverse founder metrics are not increasing at the same pace as the overall ecosystem growth. According to Pitchbook¹, female founders make up 2% of the total invested capital in venture-backed U.S. startups. When compared to 2022, the percentage stayed consistent. However, in recent years, the market underwent an increase in U.S. VC funding for female-founded or co-founded companies. In 2023, several women-led funds, incubators for female founders, and female-founded companies were created which support diverse and inclusive initiatives.

¹ [The US VC Female Founders Dashboard | PitchBook](#)

INVESTMENT *Performance*

- **12.3%** Net IRR
- **1.36x** Net TVPI
- **\$662.4 MILLION** Invested Capital
- **\$687.5 Million** Total Value

**As of December 31, 2023*

THE INVESTMENT HIGHLIGHTS AS OF YEAR-END 2023 ARE AS FOLLOWS:

2023 ILGIF INVESTMENT HIGHLIGHTS



New Approved Commitments



Fund Commitments



Fund Commitments to MWVD-Owned Funds

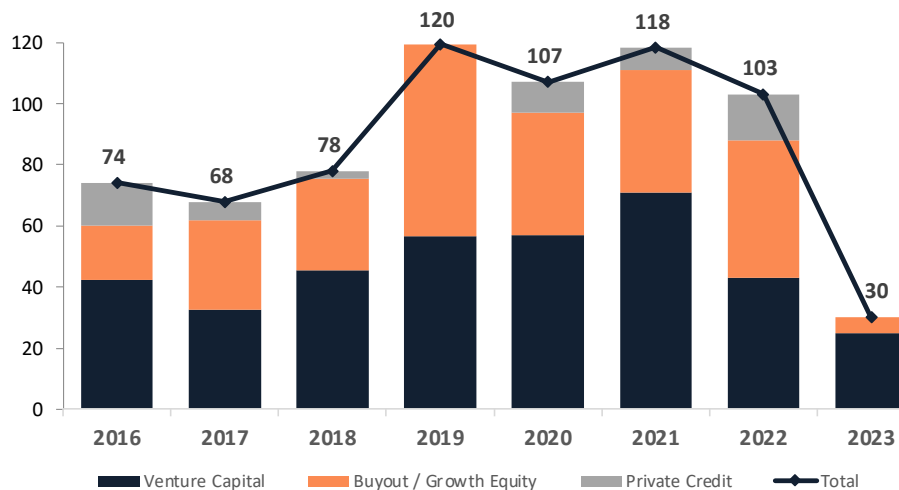


MWVD-Owned Fund Commitments

2023 INVESTMENT ACTIVITY

Since inception ILGIF has committed \$662.4 million across 86 funds targeting investments in tech-enabled businesses across Illinois. This includes 3 new fund commitments in 2023, two of which are MWVD-owned.

ILGIF COMMITMENTS (\$M)



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

KEY INVESTMENT *Updates*



We have been busy at work deploying capital and capturing financial performance and economic data since 2016. That is why in the last quarter of 2022 we decided to take a step back and measure our progress. Annual data we capture helps measure our investment performance, economic developments, and diversity targets, which should align with our goals. We felt it was a good time to reflect on our objectives and reassess our strategy entering 2023.

Our team started a detailed assessment to zoom in on the economic impact created by our dollars in the ILGIF ecosystem. Our findings are not surprising. We know our dollars help catalyze an industry filled with innovation and opportunity. Besides a strong financial performance, we confirmed that ILGIF is making an economic impact: Managers are deploying capital back into Illinois; founders are

growing and hiring locally; private capital is flowing into the ecosystem. Additionally, we found that the venture capital community is driving a significant portion of this growth, and that is why we increased our allocation to the venture capital strategy.

The work was scheduled to take a few months as we analyzed years of data to help us structure our investment strategy before reentering the market. However, the work was delayed by unexpected market events in the first half of 2023. Our low investment activity in 2023 is attributable to the time spent on the economic impact analysis and the market forces that had the ecosystem at a pause. We want Illinois front and center as not just the tech hub of the Midwest, but the premier hub for all tech innovation in the country. To get there, we ensured to be thoughtful and purposeful to truly meet our goals in the best way possible.

ECONOMIC *Impact*

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 2023, ILGIF managers invested across 1,772 companies, including over 598 Illinois-based companies. Since the initial investment in 2016, over 19,100 new full-time jobs have been created in Illinois.

Across all portfolio companies, the total aggregate GAAP revenue totaled \$105.5 billion. Over \$44.8 billion in private capital has been invested across 598 Illinois companies, over 68.0x the total invested by ILGIF, well exceeding our initial projections for attracting private capital to Illinois. Moreover, ILGIF portfolio companies held 1,278 patents across all portfolio companies as of year-end 2023.

Year	Private Capital Invested	GAAP Revenue	Total Jobs Created Since Inception	IL Companies
2016-Inception	\$432.6 million	\$1.9 billion	N/A	37
2017	\$825.5 million	\$8.9 billion	N/A	79
2018	\$2.5 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
2023	\$44.8 billion	\$105.5 billion	19,100	598

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

STARTING LINE

Starting Line, based in Chicago, Illinois, is a venture capital firm which seeks to invest in early-stage consumer startups building products and services with a focus on the technology sector. Founded in 2018, the firm is led by Ezra Galson, who brings over 10 years of venture capital investing experience to the firm.

Starting Line is proud to partner the Office of the Illinois State Treasurer on their efforts to stimulate, cultivate and grow the innovation ecosystem in our State.

Over the past decade, our firm's principals have led investments into great Illinois companies at the earliest stages – often at the point of inception – seeding companies that have gone on to create many thousands of local jobs, including M1, Provi, SpotHero, Cameo, Attain, Mavelly and more. We did not invest in these companies because they were Illinois companies; we invested in them because they were led by extraordinary entrepreneurs, ambitiously focused on making their visions of the future inevitable.

In the process of partnering with these talented founders, we learned a valuable lesson: that as we associated with winning Illinois companies, the best investors in the world took notice and started calling to partner with us as well. In a venture capital market that for many years has been defined by an overabundance of capital and ruthless competitiveness, Starting Line became a signal of alpha in a sea of noise – offering localized knowledge and differentiated deal-flow to the world's best growth capital investors.

The best investors in the world – and their large pools of capital – want to deploy capital in Illinois, but they struggle with the same challenges every investor does:

How do we quickly build confidence around the integrity of management teams, how can we trust and underwrite that Illinois companies will be able to attract world-class talent, who will be our partners on the ground maintaining day-to-day contact?

We are proud to be at this early-stage conduit to many of the world's best-known investment firms.

INVESTMENT ACTIVITY

Provision

STARTING LINE

vc for the 99%.
home = chicago, illinois.



Beyond connecting our portfolio companies with external sources of capital, we are working aggressively to change the destiny of the Illinois ecosystem and accelerate its inflection.

This takes two principal forms: (a) brainstorming with, encouraging, and ultimately financing talented local executives to spin out of their current roles to found new projects and (b) cultivating new classes of angel investors who bring novel networks and relationships, keeping the capital environment maximally relevant.

TWO EXAMPLES:

1. Seven executives have spun out of Cameo over the past three years, collectively raising over \$150 million in the process from investors such as Sequoia, A16Z, Lightspeed, Kleiner Perkins, Craft Ventures, 776 and more. Starting Line has seeded three of these spinouts. Many have maintained their headquarters in Illinois, while nearly all have hired Illinois employees. This organic evolution of talent concentration in a single firm to talent being distributed across a myriad of high-potential, Illinois-adjacent companies, increases the canvas of opportunities and accelerates the ecosystem flywheel.

2. Starting Line routinely encourages early-stage startup CEOs and executives we work with to make small angel investments in relevant opportunities we are financing. A startup ecosystem is a function of its participants, and we believe these efforts accelerate a new generation of angel investors, incentivize additional hands-on assistance and aid in forming intimate relationships between more senior executives and more nascent, early-stage startups.

ILGIF *Portfolio*

MANAGER LINEUP



BRIGHTWOOD

BUILDERS



SUPPLY
CHANGE
CAPITAL



CHICAGO
VENTURES



MADISON DEARBORN PARTNERS, LLC



LIGHTSPRING
CAPITAL PARTNERS



MODERNE
VENTURES



RED-ARTS
CAPITAL

The 81 Collection

LISTEN



OCA VENTURES

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 55% 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. Also, 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

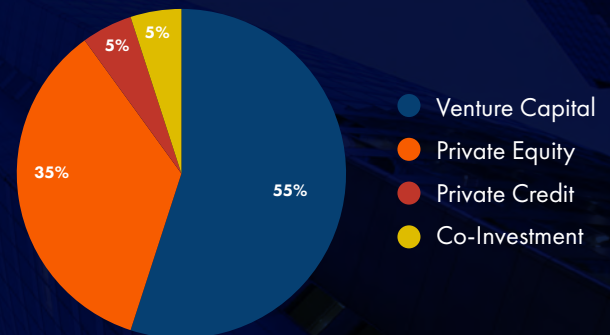
As of year-end 2023, ILGIF had strategy diversification with 47% of invested capital within venture capital, 40% in growth equity/buyout, 7% in credit, and 6% co-investment focused.

VINTAGE YEAR DIVERSIFICATION

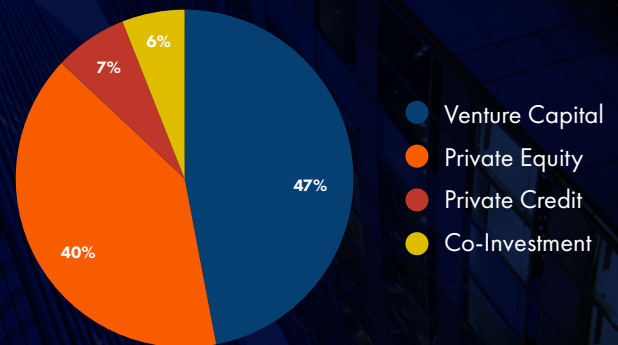
The constituent of timing certainly has an impact on venture capital and private equity outcomes. As it is difficult for any private equity investor to time the market, it is important to ensure proper vintage diversification is implemented when allocating capital. ILGIF focuses on vintage diversification, limiting the impact of market cycle risk within the portfolio. As of year-end 2023, ILGIF has invested the following percentages across nine vintage years beginning in 2015.

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

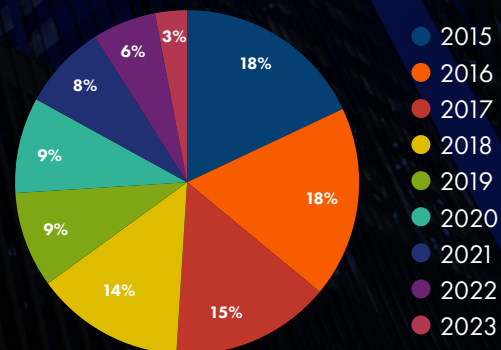
TARGETED PORTFOLIO ALLOCATION



CURRENT PORTFOLIO ALLOCATION



VINTAGE DIVERSIFICATION



SELECT PORTFOLIO COMPANIES

Since the initial deployment of capital in 2016, 1,772 companies have received an investment from an ILGIF recipient fund, including 598 investments in Illinois companies. Notable Illinois companies are diversified across sectors including financial services, logistics, life sciences, healthcare, consumer and manufacturing technologies.



Farmer's Fridge, based in Chicago, Illinois, operates meal vending machines intended to offer nutritious snacks made from scratch. The company's machines leverage curated food technology to communicate and provide real-time demand visibility based on data collected daily.



Vivante Health, based in Chicago, Illinois, is a category-defining digital healthcare platform designed to offer personalized, comprehensive care for people with digestive conditions. The company's digestive health program combines clinically-backed interactive tech, targeted nutrition, and personal support to improve digestive disease outcomes and reduce the cost of care. Virtual gastrointestinal care delivers the right care at the right time by pairing data-driven technology, registered dietitians and health coaches.



MemQ, spun out of the University of Chicago and based in Chicago, Illinois, is a developer of quantum repeaters designed to distribute photonic qubits across the existing C-band telecom infrastructure. The company's hardware enables the distribution of quantum information across the network facilitating the connection of quantum computers and sensors, thereby enabling companies with scalable on-chip devices for quantum information storage, distribution, and processing.



LSL Healthcare, based in Niles, Illinois, is a manufacturer of medical devices and disposable kits intended for acute care, long-term care, and surgery centers, as well as alternate site care. The company's range of products includes disposable medical devices, hospital supplies, IV start, central line, wound dressing and surgical procedure kits and other consumables and instrument trays, thereby meeting the specific requirements of the clients.

SELECT PORTFOLIO COMPANIES



Helios is an AI supply chain analysis platform intended to focus on predicting supply chain disruptions and real-time catastrophe tracking. The company's platform features include predicting supply availability and finding additional suppliers, identifying climate or economic risks to yield actionable input into the negotiation process, enabling clients to navigate the landscape of global supply chains and maintain operational excellence

SUSTAINABILITY

The Office of the Illinois State 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 2023, the Treasurer's Office committed capital to three funds across venture, growth equity, and buyout strategies all with a nexus to the State of Illinois. As part of the due diligence efforts, each investment's recommendation included an impact analysis to assess the manager's integration of material sustainability factors into their investment process and 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 PREFERENCE

Green Companies

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) 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. As of December 31, 2023, ILGIF has invested in approximately 122 green companies.



Aqua Cultured Foods, based in Chicago, Illinois, is a producer of fungi-based food products intended to offer fermentation-enabled alternative seafood space and nearly identical to their traditional counterparts in terms of taste, texture, appearance, and nutritional value. The company offers protein, fiber, and probiotics-infused seafood created through the use of microbial fermentation which naturally grows in fibrous threads that replicate the taste and texture of meat, enabling customers to have energy-efficient and great-tasting food items.



Traxen is a cloud-connected intelligent cruise control system that assists drivers to reduce fuel consumption while improving safety and drivability. Traxen’s platform provides optimum driving under all weather, traffic, and road conditions while taking into account hours of service and time of arrival requirements. Additionally, the company is equipped to reduce driver insurance and training costs by assisting the companies with advanced safety features.



ElectroTempo is a developer of an e-mobility ecosystem designed to deliver scalable software technology. ElectroTempo's software provides subscriptions to dashboards, algorithms, and data bundles to assess the costs, benefits, and risks associated with electric vehicle adoption and infrastructure needs, enabling customers to de-risk their major electric vehicle investments.



FloVision Solutions food analytics platform is intended to empower cafeterias and quick-service restaurants to reduce food waste. The company's platform increases food yield and reduces waste for food processors by integrating compact sensors that automatically measure food performance, defects, process errors and lost yield while providing feedback, enabling cafeteria distributors and protein processors to optimize their food procurement, increase food yield and quality and provide accountability automatically.

GREEN PREFERENCE

Green Companies



Amperon is an AI-powered electricity forecasting platform built for the nuances of the energy transition. Amperon's data analytics help customers navigate and reduce the risks of today's volatile energy markets by giving them more visibility for anticipating market shifts and optimizing their energy use. Through Amperon's platform, customers can access grid-level, portfolio-level and meter-level forecasts which lends the precision and sophistication needed to bring energy forecasting into the digital age.



EQUITY, DIVERSITY, *and Inclusion*

It is no secret that underrepresented founders and diverse managers are 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 2023, 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 to 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 39 MWVD-owned funds, totaling \$304 million in commitments, or 44% of committed capital as of year-end 2023. 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 among 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



Supply Change Capital (“SCC”), based in Chicago, Illinois, is an early-stage venture capital firm founded in 2020 with offices in Chicago, Illinois, and Los Angeles, California. The woman-owned firm invests at the intersection of agriculture, food, culture, and technology to catalyze early-stage sustainable businesses that can modernize the food system. The founding partners are Shayna Harris and Noramay Cadena. Through ILGIF, the Illinois

EQUITY, DIVERSITY, *and Inclusion*

Treasurer committed \$2.5 million to the firm. SCC invests in technology to transform the food system across the following pillars:

- **Environment:** Solutions for environmental adaptation and mitigation (waste, water, soil).
- **Health:** Technologies and products enabling modern conveniences in service of healthy habits.
- **Novel ingredients:** Materials with competitively advantaged IP and price parity at scale.
- **Value chain:** Data and platforms for a more efficient supply chain.

The global population is projected to reach nearly 10 billion by 2050. Investing in the food and agriculture sector offers an enormous opportunity for returns and impact in this \$10 trillion global industry. The increased pressure and demand for food result in a need to develop more efficient and sustainable production, supply chain, and manufacturing solutions. SCC believes that innovation across food and agriculture technology is critical to building a healthier and more regenerative food system for people and the planet. Their focus is on supporting innovative entrepreneurs to accelerate the transition.

SCC follows a five-step process to invest, monitor, and partner with entrepreneurs to reach their business goals and impact outcomes:

1. Theory of Change: A proprietary theory of change and impact framework is utilized to ensure that the portfolio aligns with critical impact outcomes. This framework guides SCC's investment thesis and illustrates how short-term activities lead to long-term impact.

2. Impact Pre-Screener: As part of SCC's diligence process, they screen a company's current or projected impacts across three key dimensions—environment, health, and diversity—using a standard rubric.

3. Post-Investment Tools: SCC's impact expectations are formalized in an investment side letter. An annual questionnaire allows companies to track their impacts across 30 IRIS+ aligned indicator metrics.

4. Impact KPIs: SCC teams with founders to identify three to five impacts on key stakeholders. These metrics align with externally defined impact frameworks such as IRIS+.

5. Reporting: Portfolio companies report their impacts annually. Recognizing their early stages, SCC works with portfolio companies to adjust and refresh metrics as their businesses evolve.

2023 ILGIF *Events*

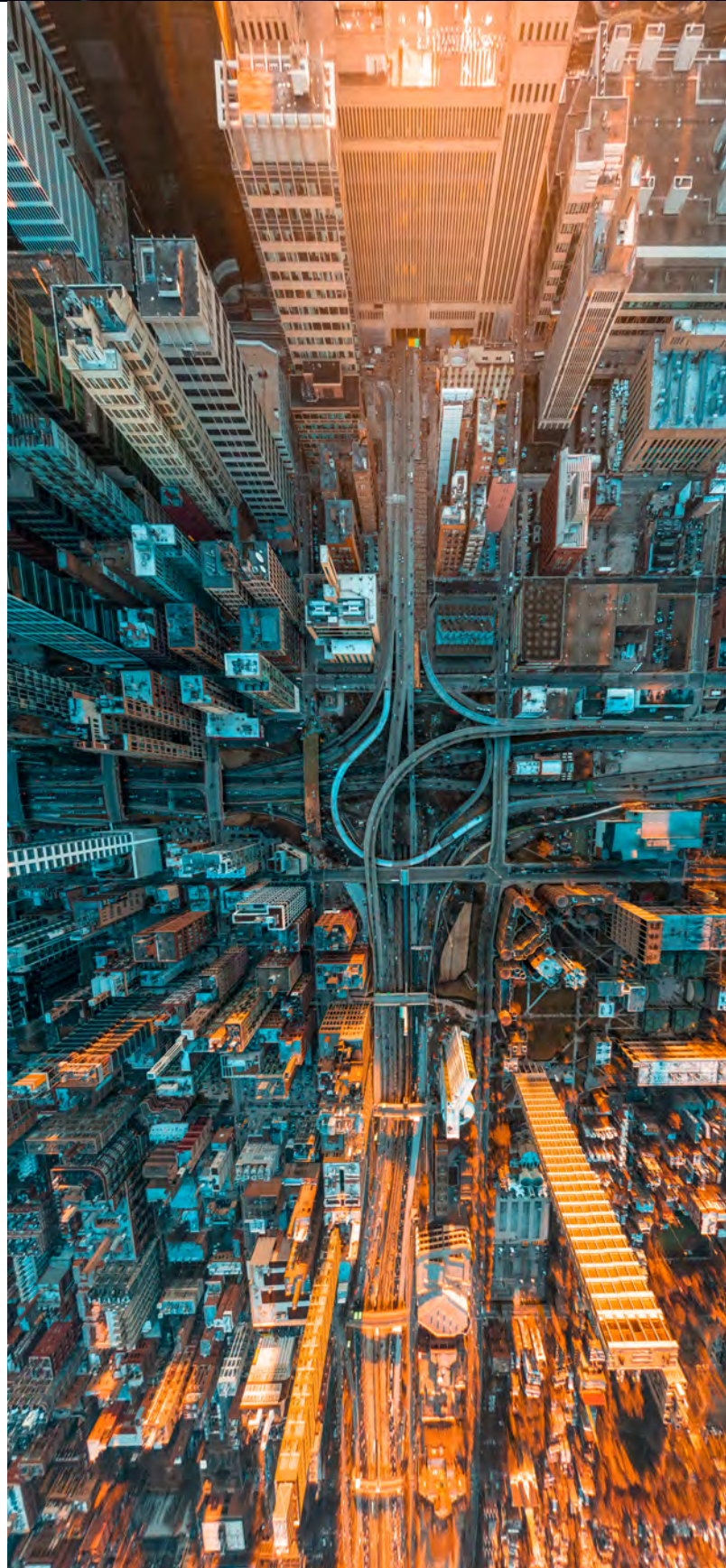
ILGIF SUMMIT

Since 2015, the Illinois Treasurer has held an annual event to provide an update on all relevant activities throughout the year. The Office of the Illinois State Treasurer and 50 South Capital hosted the seventh annual ILGIF Annual Summit on Thursday July 27th, 2023. 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.

2023 ILGIF SUMMIT HIGHLIGHTS

- Over 250 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
 - o **Keynote Speaker:** Eric Lefkofsky
 - o **Angel Investing Panel:** David Olivencia, Sonia Nagar, Jackson Jhin, Vigen Patel
 - o **Manager/Company Spotlights:** Exposition Ventures, 81 Collection, Supply Change Capital, Buoyant Ventures



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.

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.

ILLINOIS

Growth and Innovation Fund



Michael W. Frerichs
ILLINOIS STATE TREASURER