



ILLINOIS GROWTH AND INNOVATION FUND

Fact Sheet

- **Purpose** – The underlying goal of the Illinois Growth and Innovation Fund (IGIF) is to leverage state dollars to help attract, assist, and retain quality technology businesses in Illinois, which is expected to spur economic growth and job creation while earning investment returns for Illinois residents.
- **Financial Commitment** – \$222 million will be committed over the course of the program, which represents 2% of the State Investment Portfolio at its current balance of approximately \$12.0 billion.
- **Commitment Period** – The \$222 million will be committed over the course of six years, thereby increasing diversification and helping maintain liquidity in the State Portfolio. The target is commit \$74 million each of the first three years, with remaining uncommitted capital and earning distributions committed in the fourth, fifth and sixth years of the program.
- **Private Capital** – The \$222 million is expected to attract an additional \$400 million in private sector investments for participating technology funds.
- **Number of Funds and Average Maturity** – Investments will be spread across 15 to 20 funds based in Illinois or with a track record of investing in Illinois companies. No more than 15% of the \$222 million shall be invested in any single fund (i.e. \$33.3 million). The target average maturity for each fund will be 5 to 10 years.
- **Fund Selection Process** – The Program Administrator, 50 South Capital, a Northern Trust subsidiary, will be required to recommend individual funds. Marquette Associates will advise the Treasurer’s Office, providing analysis and guidance pertinent to each recommended fund.
- **Types of Investment Funds** – To achieve diversification, 85-90% of the commitment will be allotted to multi-stage funds (i.e. venture, growth, buyout, and mezzanine) and 10-15% to co-investments.
- **Earnings Estimate** – Based on current projections, expected investment returns are 5% or greater annually. This equates to \$11 million annually after year two – or based on a 10-year horizon, \$90 million.
- **Transparency and Accountability** – The Treasurer’s Office, with the assistance of the Program Administrator and Investment Consultant, oversees all pertinent reporting and recordkeeping duties to ensure transparency, accountability, and compliance with the law. This includes, but is not limited to: (1) the constant monitoring of all recipient funds and technology businesses; (2) the publication of quarterly and annual reports; and (3) the creation of an IGIF website with current data on performance and information on program participation.
 - **Treasurer’s Website** – www.illinoistreasurer.gov/Businesses/Technology_Development_Accounts
- **Risk Management** – Risk will be managed via numerous policies, procedures, and oversight systems, including, but not limited to: (1) the diversification of investments by strategy, vintage year, industry sector, investment stage, investment size, and geographic location; (2) the continual execution of investment monitoring, reporting, and due diligence protocol; (3) the retainer of a Program Administrator and Investment Consultant to provide additional layers of scrutiny; and (4) the enforcement of the IGIF Investment Policy, which details investment objectives, parameters, and responsibilities.
- **Supporting Diversity** – IGIF policies give clear direction to ensure that qualified fund managers and technology businesses owned by minorities, women, veterans, or disabled persons are recommended for receipt of IGIF assets.