



Invest Illinois Venture Fund

Invest Illinois Venture Fund Program (IIVF) is a new venture capital program to support young, innovative companies in our state that show high growth potential. The IIVF is part of a suite of capital access and credit investment programs available through **Advantage Illinois**. The IIVF supports early stage companies which hold job creation, capacity for entrepreneurial talent and are supported by one or more qualified lead investor. The fund encourages the growth of private venture capital investment to increase the number of institutional investment-grade companies in Illinois.

GOALS OF THE IIVF

- Accelerate the commercialization of research discoveries and growth of start-up companies in Illinois.
- Increase the number of successful investment-grade companies with a significant presence in Illinois.
- Catalyze private capital investment and position more companies to attract additional venture investment.
- Create sustainable high-paying jobs.
- Generate return within the portfolio to ensure sustainability.

ELIGIBLE APPLICANTS

- Illinois-based companies (or companies relocating their headquarters or principal business operations to Illinois)
- Already has an actual or conditional market-based third-party lead investment commitment.

FUNDING AVAILABLE

- Request should be specifically and narrowly tailored to the plan outlined in the application.
- Typical awards are under \$1M and/or 25% equity. It is not expected that each applicant will request the maximum amount of funds available.
- Awards will be in the form of equity or convertible debt.

APPLICATION

In its application to DCEO submitted electronically, the company should demonstrate that it:

- Pursues a rapidly expanding market with demonstrated potential for large market share.
- Has a dedicated management team with significant experience to execute.
- Features a new idea/leverages technology with a clear path to commercialization and monetization.
- Has a strategy demonstrating a strong sustainable competitive advantage.
- Has an investment plan for (a) securing follow-on venture capital or financing to successfully sustain the company; or (b) to successfully sustain the company upon completion of the venture capital financing.
- Has successful collaborations and experience (preferably with Illinois-based incubators, labs and universities) needed to commercialize technology and accelerate the growth of a high-tech start-up company.
- Establishes reasonable price per share or terms.
- Conforms to all DCEO and US Treasury SSBCI guidelines.



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INVESTMENT STRATEGY

- The IIVF seeks market returns comparable to similar funds with a diverse early stage high-growth portfolio. The IIVF shall attempt to diversify in companies aligned with high-tech and high-growth sectors in Illinois including:
 - Agro / Food Services
 - Advanced Materials
 - Clean Energy / Energy Efficient
 - Information Technology
 - Life sciences / Biotechnology
 - Manufacturing
 - Medical Devices
 - Nanotechnology
 - Telecommunications
 - Transportation and Logistics
- The goal of DCEO's IIVF is to assist companies to attain enough financial infrastructure and strength so that they are able to thrive without IIVF investment.
- Once a supported company is seen as “self-sustaining,” evidenced by (a) attaining two consecutive years of profitability, (b) gaining the ability to routinely qualify for new third party equity investment and/or senior debt from financial institutions, (c) initiating a realistic plan to issue an IPO and/or (d) negotiating a sale to another company, DCEO will, in consultation with other investors, consider an exit from this investment.

- Upon exiting, the total proceeds from the investment will be “recycled” back into the IIVF to assist other early stage companies.
- The targeted exit time is approximately five (5) years from the date of initial investment. The program administrator will be guided by a careful review of all microeconomic/macroeconomic conditions, which will determine exact withdrawal timing.

ABOUT ADVANTAGE ILLINOIS

The Illinois Department of Commerce and Economic Opportunity is administering **Advantage Illinois**, made possible by the federally-funded State Small Business Credit Initiative (SSBCI). **Advantage Illinois** consists of multiple programs to spur institutional lending and one program to leverage venture capital in start-ups and high-growth businesses. Together, the \$78 million allotment from the federal government and the leveraged private investment is expected to generate more than \$800 million in private investment in Illinois' small businesses.



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