



**Cleveland
Avenue**

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Chicago-based Venture Capital firm Announces \$70 Million CAST US Initiative for Black, Latinx, and Women Entrepreneurs

Cleveland Avenue convenes the Illinois State Treasurer Frerichs, the Walter Family, Benefit Chicago and Impact Investors to empower underrepresented entrepreneurs.

CHICAGO, IL (March 3, 2021) - Cleveland Avenue, LLC, a privately-held venture capital firm that accelerates and strategically invests in innovative concepts and emerging brands, is leading an impact initiative to bridge the capital and resource gap for Black, Latinx, and women-owned companies in Chicago's South and West Side neighborhoods. The Cleveland Avenue State Treasurer Urban Success Initiative (CAST US) intends to leverage the investment and entrepreneurial development expertise of Cleveland Avenue to support historically underserved entrepreneurs.

Lack of representation in the industry results in Black, Latinx, and women entrepreneurs struggling to access venture capital support. In the greater Chicagoland area, Black and Latinx entrepreneurs have 80 percent of their equity capital needs going unmet compared to 46 percent of white business owners, according to a recent study by the consulting firm Next Street. Since the summer of 2019, Cleveland Avenue, State Treasurer Michael Frerichs, and State Chief Investment Officer Rodrigo Garcia have been in strategic discussions on connecting underrepresented entrepreneurs in under-invested areas in Chicago with capital and business support resources.

"We are intentionally committed to addressing the capital gap for underrepresented entrepreneurs and underserved communities in Chicago. We want to prove that investing in and supporting Black, Latinx, and women entrepreneurs seeking venture capital support is a

very solid growth strategy,” said Don Thompson, Founder of Cleveland Avenue. “By having a diverse team of business experts and like-minded financial partners, Cleveland Avenue is uniquely positioned to support talented and capable entrepreneurs who have been in the ‘waiting room’ anxiously seeking their opportunity to grow their businesses.”

Andrea Zopp has joined Cleveland Avenue as Managing Partner to lead the CAST US initiative. After having served as President of World Business Chicago, Zopp is applying her mix of corporate, civic, and social impact experiences to support these promising entrepreneurs. “After a lifetime empowering entrepreneurs and setting the stage to substantially advance more Black, Latinx, and women-owned businesses on the South and West Side of Chicago, I’m beyond excited to work alongside Don, Liz, and the entire Cleveland Avenue team to support more inclusive investments, economic development, and job creation in our community.”

Frerichs and Garcia are making the largest investment to date from the Illinois Growth and Innovation Fund (ILGIF), committing \$16 million to foster a more inclusive venture capital ecosystem and directly impact underserved low-income communities and underinvested business entrepreneurs in Chicago. ILGIF has been at the forefront of increasing equity, diversity, and inclusion within the venture capital ecosystem with 40 percent of its committed capital invested with venture capital firms led by women and people of color.

“We are proud to partner with Cleveland Avenue and tap into over 200 years of collective experience across industries to prepare more entrepreneurs in Illinois for initial and follow-on investments. Together, we are creating an ecosystem of business development that will make Illinois a hub of innovation with a diverse and talented group of entrepreneurs,” Frerichs said.

Cleveland Avenue, the Illinois Growth and Innovation Fund, the Walter Family, Benefit Chicago, private and family foundations, and prominent financial institutions have come together to support a more inclusive venture capital ecosystem and more directly impact Black, Latinx, and women entrepreneurs in Chicago through the CAST US initiative.

“Thanks to Don and Liz, we are thrilled to be able to invest in talented, promising ventures like AYO Foods, Every Body Eat®, 86 Repairs, LiftUp Enterprises, DrugViu, Inc., and Gray Matter Analytics through the CAST US fund,” said investors Mark and Kimbra Walter.

“Fueling the success of Black, Latinx, and women entrepreneurs by investing in CAST US is a powerful opportunity to fight racial injustice and build a more equitable future in Chicago,” said John Palfrey, president of the John D. and Catherine T. MacArthur Foundation, which is

supporting a \$10 million investment in CAST US through its Benefit Chicago collaboration with The Chicago Community Trust, Calvert Impact Capital, and other impact investors.

“Entrepreneurship is one of the surest ways to closing the racial wealth gap,” added Dr. Helene D. Gayle, President, and CEO of The Chicago Community Trust. “Innovative and equitable solutions like those offered by Cleveland Avenue truly address small businesses’ needs and provide critical resources for entrepreneurs of color.”

Beginning April 1, 2021 entrepreneurs interested in learning more about the CAST US initiative can visit Clevelandavenue.com/castus.

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Cleveland Avenue, LLC.

Founded by Don and Liz Thompson, Cleveland Avenue is a privately-held venture capital firm that accelerates and strategically invests in innovative food, beverage, and restaurant concepts and emerging brands. Learn more at clevelandavenue.com and follow us on [Twitter](#), [LinkedIn](#), and [Instagram](#).

Illinois State Treasurer

As Illinois State Treasurer, Frerichs is the state’s Chief Investment and Banking Officer and actively manages approximately \$37 billion. The portfolio includes \$16 billion in state funds, \$15 billion in retirement and college savings plans, and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital. Frerichs’ office protects consumers by safeguarding more than \$3.5 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial education among all ages, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. The Treasurer’s Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

Illinois Growth and Innovation Fund (ILGIF)

Established by Illinois Treasurer Frerichs, the Illinois Growth and Innovation Fund (ILGIF) is an evergreen, \$1 billion impact investment fund that will invest in ways to attract, assist and retain quality technology-enabled businesses in Illinois. We do this by making targeted investments with venture capital (VC), growth equity and private venture debt firms with a nexus to the State of Illinois. ILGIF aims to invest more than \$1 billion on a recurring basis creating an estimated 60,000 jobs per investment cycle. ILGIF has been at the forefront of increasing equity, diversity, and inclusion within the venture capital ecosystem, with 40% of its committed capital invested with venture capital firms led by women and people of color. Learn more at www.ilgif.com.

Benefit Chicago

Launched in 2016, Benefit Chicago is a collaboration between the John D. and Catherine T. MacArthur Foundation, The Chicago Community Trust, and Calvert Impact Capital. It has mobilized nearly \$100 million in catalytic capital for nonprofits and social enterprises in Chicago. The goal of this impact investment effort is to create jobs, build wealth, and tackle other social and economic challenges, with a special focus on communities of color, low-income households, and historically marginalized communities. Arc Chicago, LLC, is an investment fund created by MacArthur to further the objectives of Benefit Chicago.