



## OFFICE OF ILLINOIS STATE TREASURER

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FOR IMMEDIATE RELEASE:

January 26, 2016

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### **Treasurer Frerichs to Invest More Than \$220 Million in Illinois Tech Start-Ups Over Next Three Years**

*Estimated 3,600 New Jobs Expected to Spur Economic Growth*

#### **Who is the Next SpotHero, Trunk Club, Sittercity or Diagnostic Photonics?**

**CHICAGO** –Illinois will invest more than \$220 million in emerging tech companies which will create an estimated 3,600 jobs during the next three years, state Treasurer Michael Frerichs announced today.

Flanked by business leaders at 1871, Frerichs said the investments will be made in technology funds with an emphasis on emerging Illinois companies. The goal is two-fold: support technology and related jobs here in Illinois and earn investment returns for state residents. Frerichs made the announcement in his role as the state's chief investment officer.

“This investment recognizes Illinois’ emergence as a tech leader,” Frerichs said. “These dollars will fund promising entrepreneurs who will use the money to hire others in the furtherance of their dream and the betterment of our tech community and overall economy.”

**The Illinois Growth and Innovation Fund** investments will occur during the next three years. The investments will be spread across 15-20 funds and no more than 15 percent of the money will be placed within the same fund. An advisory board will provide guidance and transparency.

The more than \$220 million will come from existing investments and is not entangled in the state budget impasse that involves the General Revenue Fund. The investment is expected to attract more than \$400 million in private-sector money, which will further spur interest in the Midwest tech scene that Illinois anchors.

“TDA I has been a valuable resource for retaining successful businesses and expanding the Illinois technology ecosystem,” said 1871 CEO Howard A. Tullman. “TDA II builds on the success of TDA I and helps ensure that Illinois remains an attractive place for tech entrepreneurs to grow their businesses and create new jobs.”

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Legally called **Technology Development Accounts (TDA)**, lawmakers in 2002 authorized the initial investment. The funding led to successful Illinois companies including **SpotHero, Trunk Club, Sittercity and Diagnostic Photonics**. Lawmakers in 2011 authorized a second round of TDA funding, which will begin later this quarter.

TDA I created an estimated 3,900 jobs (1,200 direct and 2,700 indirect), according to results compiled by previous administrations. Based on that performance, TDA II should create 3,600 direct jobs and thousands of indirect positions.

50 South Capital, a subsidiary of the Northern Trust Corp., was selected to administer the program following a public bidding process.

#### **About the Illinois Treasurer**

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

#### **About 50 South Capital Advisors, LLC**

50 South Capital Advisors, LLC is an alternatives asset management firm designed to meet the core strategic needs of investors seeking access to private equity and hedge funds. Its highly experienced team works closely with a wide range of investors to fulfill specific investment objectives and create lasting relationships. 50 South Capital's investment philosophy focuses on providing access primarily to small-to mid-sized managers that offer unique and differentiated sources of return. 50 South Capital is a wholly-owned subsidiary of Northern Trust Corporation. Founded in Chicago in 1889, Northern Trust Corporation (Nasdaq: NTRS) is a leading provider of wealth management, asset servicing, asset management and banking to corporations, institutions, affluent families and individuals.

#### **About 1871**

1871 is the home of more than 350 early-stage, high-growth digital startups. Located in The Merchandise Mart, this 120,000 square foot facility is also the headquarters of nationally recognized accelerators Techstars Chicago and the Good Food Business Accelerator; impact investing fund Impact Engine; half a dozen industry-specific incubators in key areas such as real estate, education technology, food and financial technology; several emerging tech talent schools (Flatiron, The Fullbridge Program, Designation and the Startup Institute), and the state's leading technology advocate, the Illinois Science and Technology Coalition. It is the second home to Chicago-based VCs, Pritzker Group Venture Capital, MATH Venture Partners, Hyde Park Angels, OCA Ventures, OurCrowd and Chicago Ventures, as well as satellite offices for Northwestern University, University of Illinois, University of Chicago, Loyola University Chicago, Illinois Institute of Technology, and DeVry. 1871 has fast become recognized as the hub for the city's entrepreneurial/technology ecosystem and has been featured in Inc. Magazine, TechCrunch, The Wall Street Journal, The New York Times, Chicago Tribune and Crain's Chicago Business among other top media. 1871 is the flagship project of the Chicagoland Entrepreneurial Center.

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