



NORTH CAROLINA

OFFICE OF THE TREASURER

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Update for members of the Appropriations Committee for General Government.

Implementation Status of "Venture Capital Multiplier Fund"

During its 2015 session the General Assembly authorized the Department of State Treasurer to create the "Venture Capital Multiplier Fund." The purpose of the fund is to create a pool of capital to be used to promote early stage investing in our State. House Bill 97. Session Law 2015-241 section 6.3.(a)

Pursuant to the legislation a "Selection Group" was formed consisting of the following members:

1. Brad Briner - Director, Real Assets for Willett Advisors
2. Neal Hunter – Serial entrepreneur, including as co-founder of Cree Inc. and Novan Inc.
3. Lee Roberts - Managing Director for SharpVue Capital
4. Kevin SigRist - Chief Investment Officer for Department of State Treasurer

The Treasurer and Governor jointly approved an Investment Policy Statement that included investment objectives, benchmarks, guidelines, and a search process. Thus far, the Selection Group, supported by Department Staff, have completed the following steps:

1. Retained a consultant (Verus) to assist in developing an Invitation to Bid (ITB). The ITB was issued in late 2015.
2. The proposals that were received were characterized by a number of creative approaches on how to best position the \$40-\$50MM deployment to generate competitive returns for the Escheat Fund and stimulate NC venture capital flows, including through commercializing university tech transfer.
3. Department Staff and the consultant completed on-site visits with three entities that responded to the RFP.

Going forward, Department Staff and the consultant will provide an update to the Selection Group after a round or two of business discussions with the Respondents: We expect this update to take place during the last half of April. We expect the Selection Group to meet in May for a final decision on the third party investment management firm, as specified in the legislation.

Assuming a unanimous decision by the Selection Group, actual investments could occur in the second half of calendar year 2016.