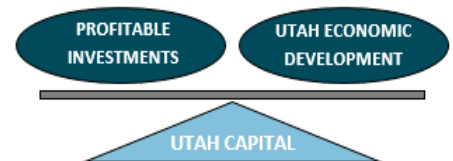




Utah Capital was created by the Utah Legislature to help attract private sector investment capital into the State’s growing entrepreneurial community. Utah Capital seeks to balance its dual mission of 1) mobilizing and enhancing venture capital investment in order to maximize direct economic impact to the State and 2) retaining a private-sector focus on rate of return and securing the best managers in the venture capital industry regardless of location.<sup>1</sup>



**INVESTMENTS**

**Goal:** Partner with investment fund managers who help fuel Utah’s economy by investing in growing Utah businesses. Utah Capital will utilize its investing relationships to introduce Utah’s small and growing businesses to investors.

**Action Plan:**

**Investments:** Create a diversified portfolio of investment funds. Of particular focus will be managers that:

- have experienced management and excellent investment track records;
- have made prior investments in Utah companies or have a history of reviewing Utah company investment opportunities;
- are focused on the Governor’s Office of Economic Development targeted “industry clusters”<sup>2</sup>;
- commit to spend time in Utah and review Utah companies for investment; and
- have portfolio companies interested in relocating to Utah.

**Relationship Building:** Build relationships with investment managers that will help Utah’s entrepreneurs and small businesses. In addition to its investing activities, Utah Capital will make a proactive effort to reach out to investment managers to develop relationships and share Utah companies. Proactive outreach can include:

- attendance at fund annual meetings;
- Utah Capital investor meetings; and
- visits by Utah Capital staff to targeted geographies.

**UTAH ENTREPRENEUR OUTREACH**

**Goal:** Educate Utah entrepreneurs about investment capital fundraising and facilitate introductions between Utah entrepreneurs and appropriate sources of investment capital.

**Action Plan:**

**Consulting:** Staff members will meet with Utah entrepreneurs and fund managers to provide insights into raising investment capital as well as key introductions from Utah Capital’s established institutional networks.

**Events:**<sup>3</sup> Utah Capital will host events each year focused on helping Utah entrepreneurs and small businesses. Utah Capital will also regularly support and sponsor events and organizations focused on Utah economic development.

**Website:** [www.utahcap.com](http://www.utahcap.com) is visited by fund managers, entrepreneurs, and legislators. In addition to basic information about the fund and its management, the site also includes resources for entrepreneurs and information about Utah’s attractive business climate for investors.

**Community Awareness Marketing:** In addition to supporting community events, hosting Utah Capital events, and maintaining an informational website, Utah Capital will place ads in select Utah business publications and issue periodic press releases to help make the public more aware of Utah Capital’s services.

**“Utah Capital is a key mechanism to help attract venture capital and private equity to our state.”**

**– Governor Gary Herbert**



## METRICS FOR TRACKING AND MEASURING IMPACT

**Community Events:** Utah-based events focused on entrepreneurship and/or improving small business access to capital.

**Consulting Sessions:** meetings between Utah Capital staff and a Utah company seeking capital.

**Investment Commitment:** commitment by Utah Capital to invest in a portfolio fund.

**Investment Distributions:** cash returns from Utah Capital portfolio funds.

**Net Asset Value:** unrealized value of Utah Capital portfolio funds.

**Net Internal Rate of Return:** the annualized rate of return calculated using dates of cash outflows (investments, operating costs), cash inflows (investment distributions), and net asset value.

**New Utah Jobs:** the number of Utah employees at a company that has received investment capital from a Utah Capital portfolio fund less number of employees at time of original investment by a Utah Capital portfolio fund. Once fund managers have sold their position in the company, Utah Capital does not track further job growth after the year of realization. With investments where fund managers continue to hold positions in the company, job growth is updated on an annual basis.

**Utah Capital Portfolio Fund:** any fund receiving an investment commitment from Utah Capital.

**Utah Company:** any company headquartered in or with substantial operations in Utah.

## TRANSPARENCY

**Goal:** Utah Capital, in full compliance with legislation<sup>1</sup>, seeks to give Utah State legislators and the public a fair and transparent accounting of fund economic development activities and results while preserving confidentiality of privately held small and early stage businesses.

**Accurately track economic development activities and measure economic impact to the State:** Utah Capital has developed a methodology and criteria for tracking its economic development activities and measuring its economic impact on the State of Utah.

**Utah Capital Annual Report:** Consistent with legislation, Utah Capital issues an annual report to the legislature and posts the report on [www.utahcap.com](http://www.utahcap.com).

<sup>1</sup> Utah Venture Capital Enhancement Act §63M-1-1201.

<sup>2</sup> Governor's Office of Economic Development: <http://business.utah.gov/industries/clusters/>

<sup>3</sup> Past events include Utah Middle Market Symposium, Medical Device Symposium, Data & Analytics Summit; Community events supported include Beehive Startups, Utah Technology Council, Utah Association for Corporate Growth, Sessions at The Leonardo, Mountain West Capital Network, BioUtah, Utah Small Business Growth Initiative, University Venture Summit, and Governors Economic Council.