

Utah Capital Investment Corporation

History and Purpose

- The Utah Fund of Funds (UFOF) was created as part of the Utah Venture Capital Enhancement Act, passed during the 2003 General Session
- UFOF, managed by the Utah Capital Investment Corporation (UCIC), operated from 2004 to 2022, and is currently in wind-down
- UFOF was created as an economic development program aimed at enhancing Utah's venture capital and private equity ecosystem



History and Purpose

- UFOF invested in venture capital and private equity funds with strong nexuses to Utah companies
- The goals included investing in a variety of venture capital and private equity partnerships with ties to Utah venture businesses, while focusing on rate of return
- UCIC utilized contingent tax credits from the State as collateral to obtain debt financing to make the initial investments



History and Purpose

- In 2022, the Legislature passed S.B. 218 directing UCIC to dissolve UFOF and its investments and distribute proceeds to the Utah Capital Investment Restricted Account
- In connection with this decision, UFOF may not invest money after May 4, 2022, unless UFOF committed to the investment prior to May 4, 2022



Overview

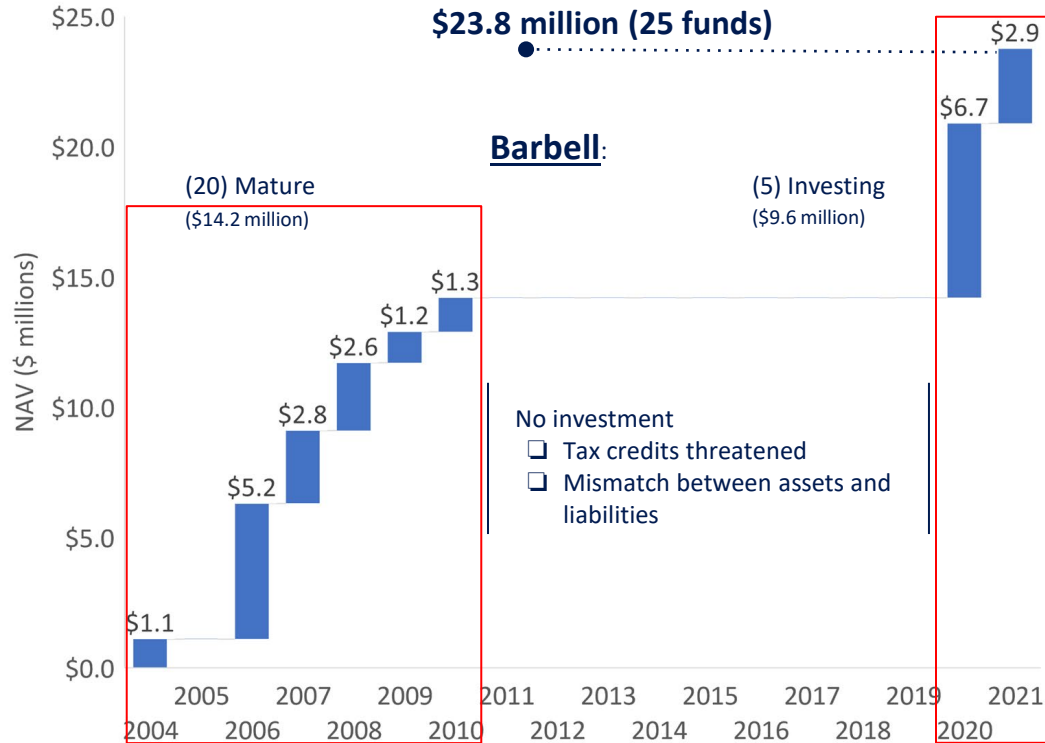
Inception of Program	2005	RVPI (Residual Value / Paid In)	0.17x
Total Commitment	US\$ 133.9m	DPI (Distributed / Paid In)	1.97x
Unfunded Commitment	US\$ 1.7m	TVPI (Total Value / Paid In)	2.14x
Total Value	US\$ 297.0m	Net IRR	12.9%

- **10.8%** annual return since inception or 2.14x capital (net of admin costs)
- Remaining net asset value of investments is **\$23.8 million**
- **25** funds remaining
- **\$1.7 million** of remaining capital to be called
- **\$12.3 million** held in cash



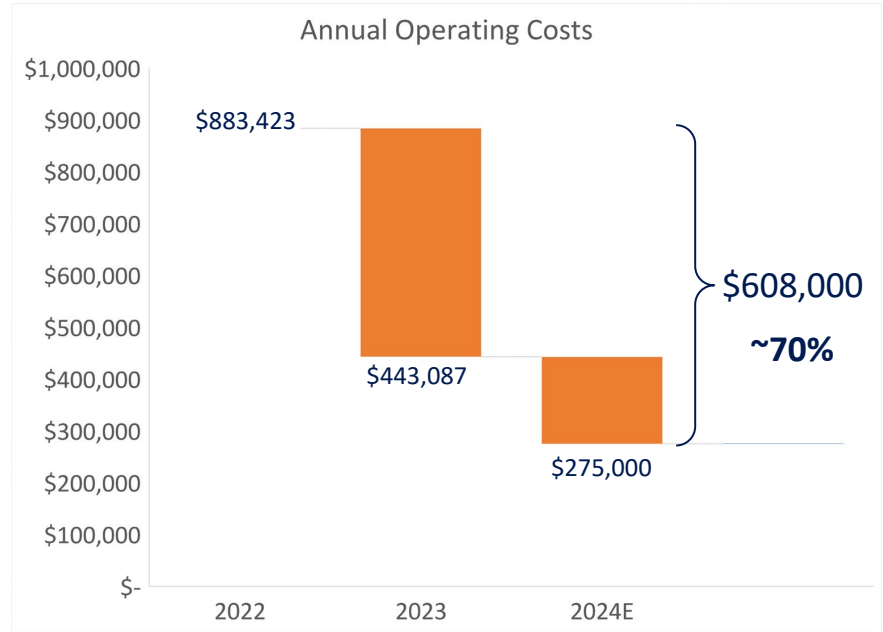
Remaining Funds NAV by Vintage Year

(June 30, 2024)



Actions Taken

1. Created oversight board (VC executive; VC investor; state treasurer)
2. Reduced administrative costs **~70%** and assumed duties in Treasurer's Office
3. Went to market to explore sale

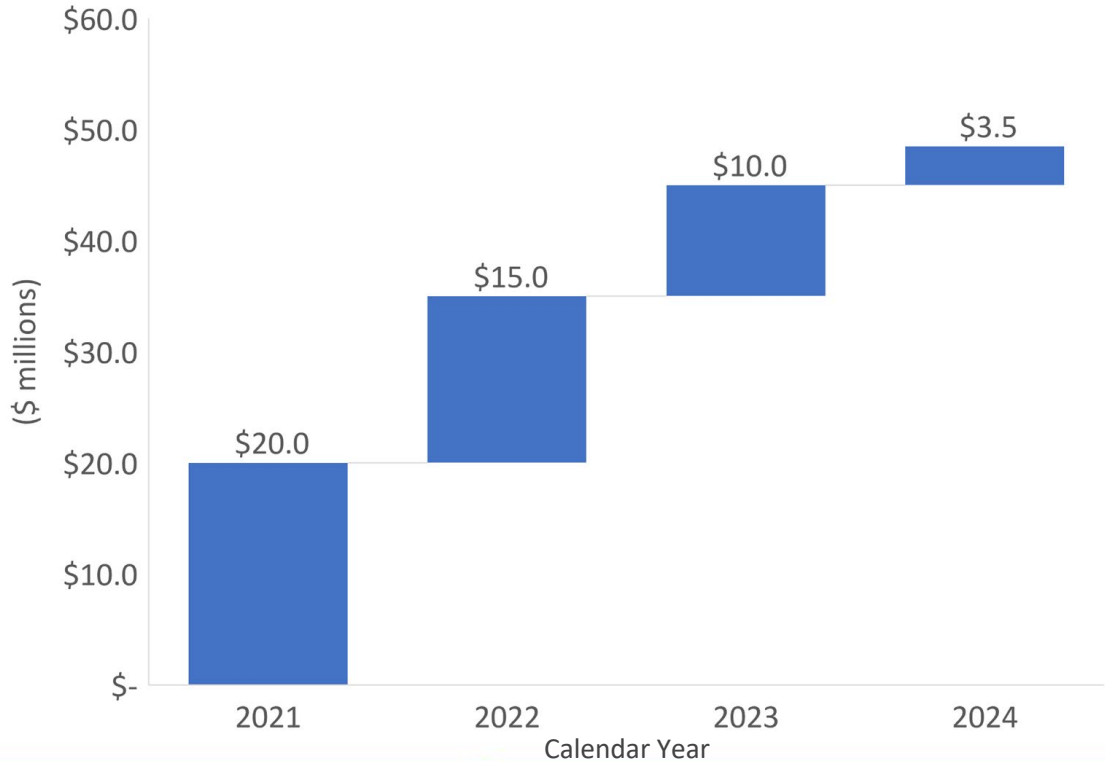


Secondary Sale or Hold to Maturity

- Benefits of sale:
 - Receive money sooner; could take 10+ years to realize value
 - Eliminate ongoing administrative costs and oversight
 - May realize higher returns, particularly given: 1) time to maturity, 2) ongoing costs, and 3) future uncertainties
- Hold to maturity: May realize higher returns; no urgency
- Secondary sale bid:
 - Initial bids revised down as assets written down during process
 - Consulted with state leaders in deciding to retain assets
 - No urgency to sell



Cash to State Restricted Account and in Bank



Liquid Assets (July 31, 2024)

Cash in Bank	\$12,258,055
Stock Held for Sale	71,532
<hr/>	
Current Assets	\$12,329,587



CONTACT US:

Phone: 801-538-1042

Email: sto@utah.gov

treasurer.utah.gov

