**Section 545.230 Portfolio Investment Strategy**

As authorized by Section 3001 of the Act, the Department may indirectly provide investments, loans, or qualified security investments through financial intermediaries to young or growing businesses for a business project, or as they commercialize advanced technology projects.

a) Eligible Applicants – The Department may provide investments in revolving fund portfolios with intermediary organizations or participating lenders or investors. The financial assistance may be made available to qualified intermediaries that assume a responsibility for the administration of the projects funded through the investment. Qualified intermediaries, at a minimum, shall:

1) have a successful seed/early stage investment track record; and

2) be capable of effectively evaluating the commercialization feasibility of advanced technology or business projects.

b) Selection of Portfolio Funds – In making a determination to participate in an investment or loan portfolio, the Department shall find that the applicant will, at a minimum:

1) commit to a three to one, private (or federal) dollar, leverage for each dollar invested in the portfolio by the Department;

2) commit to making best efforts to invest the monies from the fund in Illinois companies, or companies willing to relocate to Illinois, at a disproportionate rate; and

3) the business or industry sector targeted by the fund is likely to expand as a result of investment and increase job creation within Illinois.

c) Allowable Activities – Intermediary organizations may use the Department's funds to provide investments, loans, or qualified security investments to young or growing businesses for business projects, or for commercialization of advanced technology.

d) Limitations – The amount of money that shall be invested in an intermediary shall be determined, in part, based on the Department's current investment strategy. The Department may decline to invest in any intermediary or portfolio that does not meet the Department's current investment strategy. In determining the amount to invest, the Department may also consider the total amount of State funds available for investment, the amount of private or federal funds available to leverage the State's investment, the proposed types of investments, the geographic locations that will benefit from the proposed investments, and market factors relevant to the appropriateness of the proposed investment activities, as determined by the Department. The Department may invest up to, but shall not exceed, $2,000,000 in an authorized intermediary's investment portfolio.