



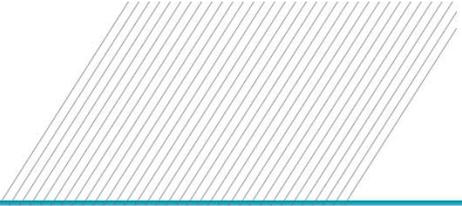
Catalyzing Early Stage Capital: Regional Fund of Funds Model

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The Challenge



Many regions in the U.S. are underserved by the national venture capital network.

This presents a challenge to the family offices, foundations, and economic developers who hope to match the technology and entrepreneurial talent in their communities with smart capital.

A means to overcome this challenge

A **regional fund of funds** can help local companies connect with the national network of venture capital funds.



Regional Fund of Funds Model

A fund of funds can negotiate for the time and attention of the fund managers in which it invests.

Fund managers commit to plans for becoming visible and accessible to local entrepreneurs, in effect to be part of the region's investor and entrepreneurial community.

Funds managers must demonstrate an appetite for deals that fits with opportunities in the target region.

Fund managers must have a history of producing solid returns.

Support local economic development efforts to:

Attract Business Builders

- By investing in venture capital and private equity funds, a region captures the time and attention of these professional business builders

Diversify Economies

- The talents, energy, and capital of fund managers can catalyze growth in emerging sectors

Promote Innovation

- Fund managers seek out and support the most innovative segments of an economy

Build entrepreneurial ecosystems

- Along with investments, activities such as trainings, forums, and angel networks help grow the local ecosystem

Benefits accrue over time:

More Visibility

The national venture capital network grows to know the region and its assets.

More Doors

Local companies have more investors to talk to about their needs.

More Partners

Local accelerators, angels, and VCs connect with a broader network of potential co-investors and specialized knowledge.

More Energy

Investors contribute to the growth of the local economy while also putting their capital to work for a profit.

Cimarron's experience

Cimarron has designed and built funds of funds for the **Oklahoma** Capital Investment Board, the **Arkansas** Development Finance Authority, and the **Iowa** Capital Investment Corporation.

We have also advised several states as well as the countries of Mexico and Colombia regarding the development of fund of funds programs.

Capital Committed and Number of Funds in each client state

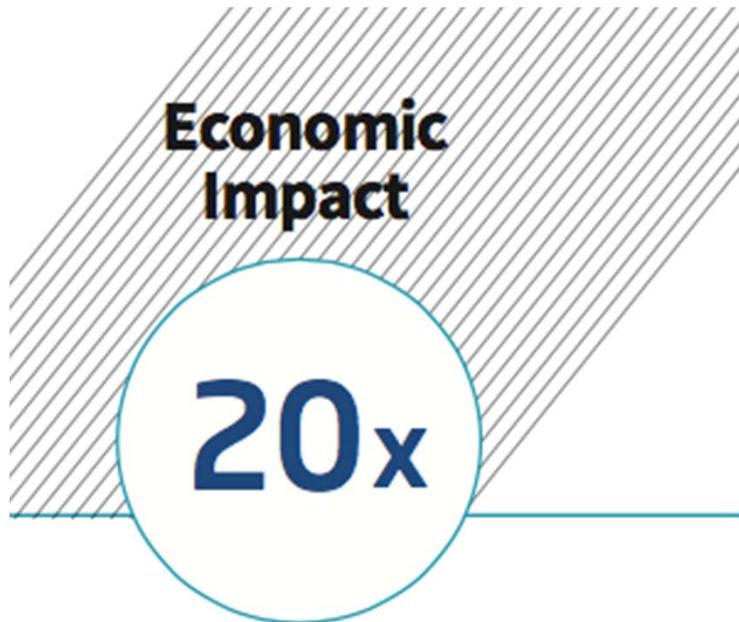
Oklahoma
70 | 19
\$MM | FUNDS

Arkansas
37 | 11
\$MM | FUNDS

Iowa
35 | 7
\$MM | FUNDS

- Capital Commitments to Portfolio Funds (\$MM)
- Number of Portfolio Funds

Strategic Impact



\$20 in local economic impact for every \$1 invested in funds

Cimarron's investments have generated over \$2.5 billion in local economic impact.

Total Economic Impact in each state in US\$ Millions

Oklahoma

\$1,370 MM

Arkansas

\$401 MM

Iowa

\$700 MM

Strategic Impact

Capital to Businesses

2.6x

\$2.60 of funding to local companies for every \$1 invested in funds

High Quality Jobs

22x

22 direct jobs created for every \$1 million invested in funds

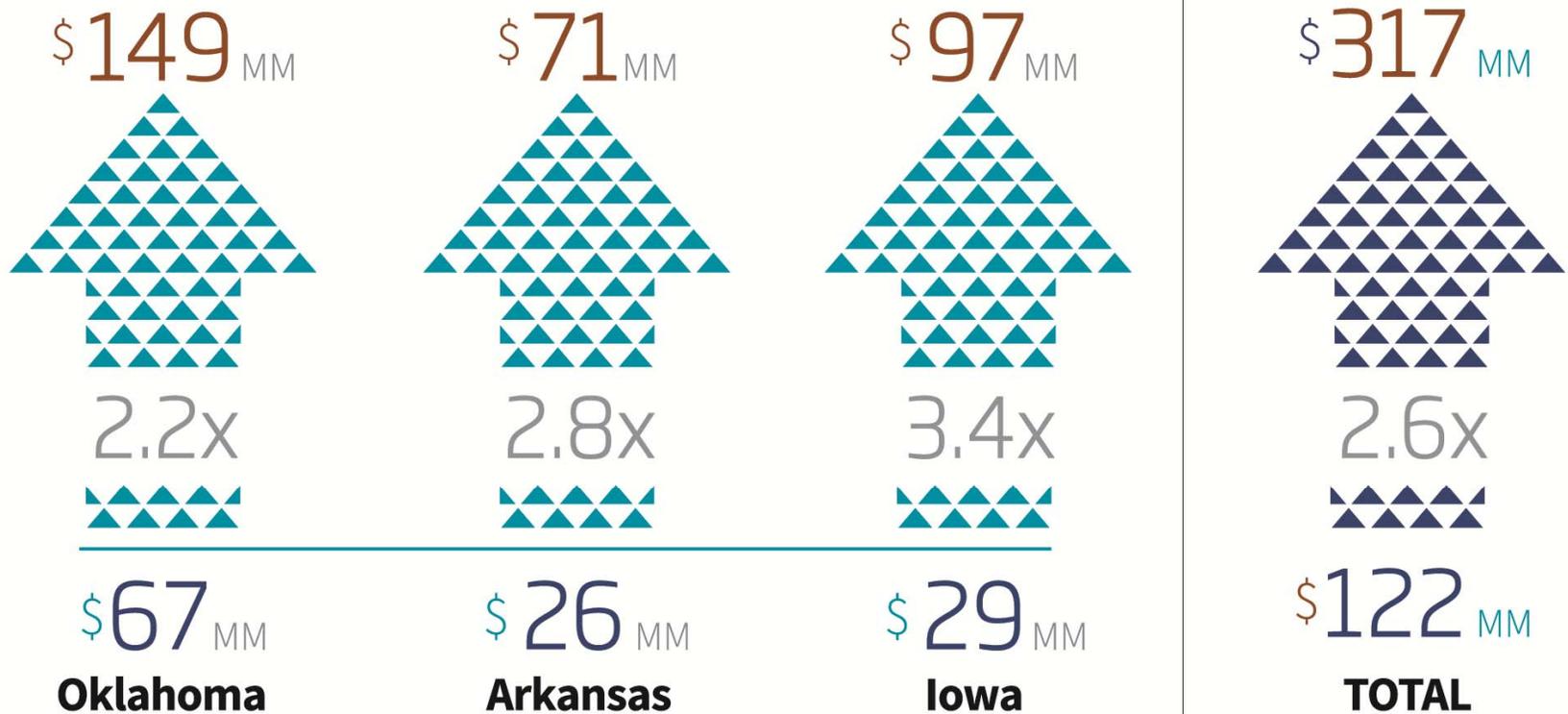
Tax Revenue

240x

\$240,000 in direct tax revenue for every \$1 million invested in funds

Capital invested in local companies

Capital Invested in Local Companies as a multiple of capital invested by clients in funds

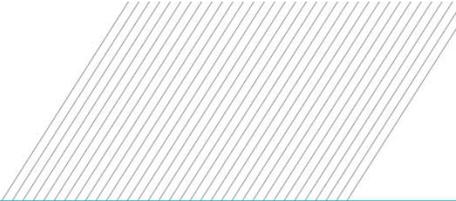


● Invested in Funds ● Invested in State companies

Financial Impact

- Along with a substantial strategic impact, Cimarron seeks a **market rate of return** for its investors.
- Toward that end, Cimarron recruits **seasoned national fund managers** to bring their talents to local economies.
- Within this strategy of supporting experienced national fund managers, we have produced **top quartile** returns in a specific portfolio and **second quartile** returns overall.

Summary



We utilize private capital to attract high-performing business builders whose time, talents, energy and capital help grow local entrepreneurial ecosystems.

Our investments are designed to produce both strategic impact and financial return.

www.cimarroncapital.com