

ADVANTAGE
CAPITAL
PARTNERS

February 19, 2015

Commerce Committee
State Capitol Building, Room 110
Hartford, CT 06106

Advantage Capital Partners writes in support of SB 540, the expansion of the Insurance Reinvestment Fund Program.

Advantage Capital is a participant in the current IRF program and believes that it plays an important role in the economic development strategy of Connecticut and further, it plays a crucial function in the access to capital spectrum in the state. Small businesses and startups face a myriad of challenges, one of the frequent of which is "where do I get the funding to start or grow my business?" DECD and the state of Connecticut have been thoughtful and strategic in building an ecosystem to finance promising young companies and IRF is part of that plan.

Since joining the IRF program in 2010 we have raised \$93mn that must be invested in Connecticut companies, 60% of that invested in four years. Our funds are ahead of schedule and are 75% invested in 33 companies spread across the state. These businesses are diverse in industry, stage of growth and location and represent the best of opportunities we have seen since our launch. In picking these 33 companies, we have reviewed more than 200 businesses and selected these initial investments because of both their financial upside but also their ability to grow and add jobs. In just the first three years after initial investment, we have seen significant job growth and companies making progress on their plans. This will continue.

As of February 1st, our funds are considered to be fully invested after reserving capital to support our current portfolio. That said, the demand for additional investment is as strong as the day we launched. We believe that additional resources for IRF funds could be immediately raised and deployed with the impact to the budget delayed until 2020. We look forward to the discussion of the current IRF fund performance and the opportunity for more impact with an additional round of funding.

As always, please do not hesitate to contact me with any questions or ideas about maximizing this programs impact for Connecticut and its most promising companies.

Sincerely,

Ryan Brennan
Managing Director
Advantage Capital Partners