

Thanks to the Chairs and Members of the Committee for considering my testimony regarding HB 5023.

My name is Julie Harrelson, I am a Founder and Managing Director of Cascade Seed Fund, an early stage, Oregon first investment fund. I am an engaged citizen and advocate for a better future for Oregon through this work and other philanthropic efforts. I recently sat on the Oregon InC Futures Commission to provide strategic input to the 10-Year Innovation Plan. That plan identified risk capital as a key element in accelerating innovation. If you haven't had the chance to take a look, I encourage you to read it.

Cascade has cumulatively deployed over \$8M in risk capital since 2014 and Oregon Growth Fund is a critical part of evolving the fund from an idea, to a community asset to a durable business with over 50 investments. It's important to note the word risk in my testimony. Early stage investment is risky, illiquid and, if the company is successful, the average return comes in 5-8 years. But this type of investing is a great example of the phrase, "No Risk. No Reward."

The numbers tell the story. Oregon Growth Fund made its first investment in the Fund in 2015. This \$100K investment provided credibility when the Fund had only a year of operating history. This investment helped attract investment from individual investors to almost double the Fund size in the second year of operation. What has amazed me about these results is the value of capital, invested in the early stages as an accelerant for diversity, equity and inclusion, innovation, job growth, economic resilience through diversified companies.

Importantly, OGF made a \$300K investment in the 2017 Fund, and this Fund recently had an exit that returned \$200K to OGF within 3 years of the initial investment with more return to come we believe based on the performance of the remaining companies in that fund.

We are not only about a financial return for investors.

We are about a return for Oregon as well.

Cascade attracts 15% of its capital from outside the state and the companies have cumulatively raised an additional \$80 million as they have expanded.

In a recent review of our portfolio company expenditures we found that nearly all of the dollars invested go back into the economy as employee payroll, taxes, rent, and service provider expenditures keeping skilled lawyers and accountants in our region, contributing to the rent and mortgage payments being made and supporting retailers and main street businesses like coffee shops and restaurants through both company and employee spending.

The portfolio companies employ over 200 people and create approximately 40 jobs per year.

The current Fund portfolio is led 33% by women and 27% by people of color, the companies we support range from consumer products companies such as a Kids Book About, led by Jelani Memory, that has attracted national attention from Oprah and others as well as health tech company, EnviralTech, led by Shula Jaron, that spun out technology from University of Oregon for surface testing, a key part of infection control for such risks as COVID-19 and influenza in Long Term Care and other congregant facilities.

In closing, I urge you to support HB5023. No risk, no reward.

Sincerely,

Julie Harrelson
Managing Director
Cascade Seed Fund