Impact Investing Opportunity – Closed
Queen City Angels First Fund V

Queen City Angels Overview
Queen City Angels (QCA) is a Cincinnati-based group of investors focused on investments in high growth potential companies. It formed in 2000 with 5 investors and now has over 50 members, 71 portfolio companies, 190 rounds of investments, and a total leveraged investment capital of more than $385 million. QCA First Funds I, II, III and IV portfolio companies have created approximately 325 Ohio jobs with an average annual salary of $79,700. Annual total salary for all Ohio jobs created is in excess of $26 million.

The Opportunity
QCA is raising a $10 million, for-profit seed-capital fund (Fund IV) from two sources: the Ohio Third Frontier ($5 million), and private investors, institutions, and foundations ($5 million). QCA is requesting a $250,000 impact investment from The Greater Cincinnati Foundation for Fund V and will make investments in validation and early stage companies with exceptional growth opportunities.

Social Return - Job Creation
As noted above, QCA First Funds I, II, III and IV portfolio companies employ 325 people at an average wage of $79,700 as of July 1, 2015. These existing and new portfolio companies are expected to create an additional 50 to 100 jobs by 2020. QCA First Fund V expects its portfolio companies to create 100 jobs by 2020. Young firms (0-5 years old) have been the only net job creators over the past 20 years in both the U.S. overall and in Ohio. Between 2003 and 2011, Ohio ranked 48th among the states, ahead of only West Virginia and Vermont, for share of businesses 0-5 years of age. The lack of seed stage capital and technical assistance was an impediment to the growth of early-stage technology companies in Southwest Ohio. QCA’s First Fund V helps to address this lack of investment capital in the region.

Fund Size and Investor Commitments
QCA First Fund V is seeking aggregate capital commitments of approximately $10 million as follows: $5 million from Ohio Third Frontier Project and $5 million from regional investors in Southwest Ohio. The minimum investment for individuals is $100,000 and for institutions $250,000.

Financial Return
QCA First Fund V has a target return of two times invested capital. It carries a 10-year term plus up to two one-year extensions. It is a long-term illiquid equity investment with no guarantee of a return of principal to investors.

Investment Opportunity
The Greater Cincinnati Foundation is considering investing $125,000 in QCA First Fund V. Donor advised funds are invited to participate in $25,000 increments.