



Q. What is the OEN Catalyst Fund?

A. OEN Catalyst Fund is a designated, segregated investment account, owned and controlled by OEN, into which OEN solicits donations and grants to allow OEN to make investments in its capital-based initiatives. The OEN Catalyst Fund is not a separate legal entity, nor is it an investment fund or partnership in the traditional sense. The OEN Catalyst Fund was created by OEN to expand OEN's Core Mission and reach, to promote economic development, and job creation, particularly with start-up and early-stage companies.

Q. What investment principles will guide investments by the OEN Catalyst Fund?

The OEN Catalyst Fund has been developed and structured to make investments with the following characteristics:

Strongly catalytic: *OEN Catalyst Fund investments should be strongly catalytic in one of two ways. First, the investment partnership or project should have a high multiplier effect; that is, the investment should be instrumental in attracting other sources of capital, forms of partnership or collaboration to further the OEN Core Mission. Alternatively, OEN Catalyst Fund funds may be deployed strategically to develop services and/or facilities that can be leveraged by OEN to further the advancement of the OEN Core Mission and attract additional collaborators/partners.*

Scalable with a Regional Commitment: *OEN Catalyst Fund investments should help lead to the development or expansion of scalable businesses that have a commitment to the state/region.*

Economic Return: *Investments made by the OEN Catalyst Fund should be expected to provide a reasonable and realistic economic return to the OEN Catalyst Fund. Investments will generally be longer term in nature, with the primary form of economic return expected to be capital gain, although investments that are designed to provide a current return are permissible.*

Q. How can entrepreneurs get access to the investment funds?

A. Entrepreneurs can gain access to investment capital from the OEN Catalyst Fund by applying to the professionally managed funds into which the OEN Catalyst Fund invests. The OEN Catalyst Fund will not make investments directly into third party, privately-held companies. OEN expects the first investment will go into the Portland Seed Fund. For more information about the Portland Seed Fund Application process, visit www.portlandseedfund.com.



Q. Who can contribute? How can people contribute?

A. Anyone can contribute to OEN Catalyst Fund, in any amount. Visit www.oen.org and click on the donate link at the bottom of the page. You will be directed to the page where you may complete your donation. Select OEN Catalyst Fund to contribute to this fund. In the initial phase, OEN will seek contributions, grants and commitments from our partners in the corporate, government and foundation communities. **Note that OEN is a tax-exempt 501(c)(3) organization and contributions are tax deductible as provided by law.*

Q. What types of investments will the fund make?

A. OEN Catalyst Fund is expected to make investments in three areas:

1. Professionally managed investment vehicles designed to provide seed, early stage, growth or expansion capital to scalable companies in Oregon and SW Washington. In general, the Fund will acquire a limited partner or LLC member interest in such vehicles. Such funds may provide equity financing, debt financing, hybrid financing or other forms of financing consistent with the investment objectives of OEN Catalyst Fund. Managers of these funds must have a material physical presence in Oregon or SW Washington.
2. Capital aggregation activities consistent with the investment objectives of OEN Catalyst Fund. Examples include the annual Oregon Angel Fund or the annual Angel Oregon competition. In addition, OEN may use the OEN Catalyst Fund to encourage and “seed” additional local angel groups throughout the region. These efforts would build on OEN’s successful state-wide outreach efforts of the past several years.
3. Development of services to be provided by OEN or an affiliate on a fee-for-service basis where the services are related to the OEN Core Mission. The OEN Catalyst Fund may also acquire or develop appropriate facilities related to such services.

Q. Who is overseeing the investments?

A. The OEN Investment Committee will have primary oversight responsibility of the OEN Catalyst Fund investments, as designated by the OEN Board.



Q. Who is on the Investment Committee?

A. Jim Noonan of Pivot Point Capital has been selected as chair. The OEN Treasurer is also a member of the Investment Committee. The current Treasurer is Carrie Sowders of AKT Accounting. The OEN Board is currently recruiting the remaining three members of the committee with the expectation that the committee will be complete by the end of February, 2011.

Q. Is this only for Portland companies?

A. Of course not. OEN is committed to helping entrepreneurs start and build great companies throughout Oregon and Southwest Washington. The OEN Catalyst Fund intends to make investments potentially available to all entrepreneurs and businesses with scalable businesses and a commitment to our region.

Q. Why is OEN doing this?

A. Oregon and our region are at cross-roads. Unemployment is high, per capita income is dropping, state and local budgets are a mess. We need new ways of approaching long-term, consistent job creation and economic development.

Study after study has shown that start up and early stage companies are the real engines of job creation and economic growth. According to the Kauffman foundation, startups create the most new net jobs in the United States. Using data from the US Government called Business Dynamics Statistics (BDS) confirms that “startups aren’t everything when it comes to job growth. They’re the only thing.”

OEN is the largest entrepreneur assistance organization in the state of Oregon. OEN helps foster the flow of entrepreneurial ideas, services, and capital to entrepreneurs, and helps connect emerging Northwest businesses to growth-stimulating expertise and valuable resources. In recent years, OEN has developed or help spawn a variety of capital access programs, including Portland Angel Network (PAN), Angel Oregon, and Oregon Angel Fund (OAF).

However, Oregon and our region historically have suffered from a shortage of capital available to start-up and early stage companies. OEN is uniquely positioned to be the leader in developing new, innovative structures for capital formation and capital availability to entrepreneurs in our region. Through OEN Catalyst Fund, OEN hopes to catalyze and turbo-charge capital formation and aggregation activities to stimulate economic advancement, job growth and regional vitality.



Q. What is the relationship between the OEN catalyst fund and the Portland Seed Fund?

OEN has been an important collaborator in the development of the Portland Seed Fund. For instance, OEN actively supported Bridge City Ventures in their effort to secure investment into the Seed Fund from the Portland Development Commission. With the initial grant by the City of Hillsboro to the OEN Catalyst Fund, OEN will now also be able to make a major capital commitment to the Portland Seed Fund, and will be a limited partner.