

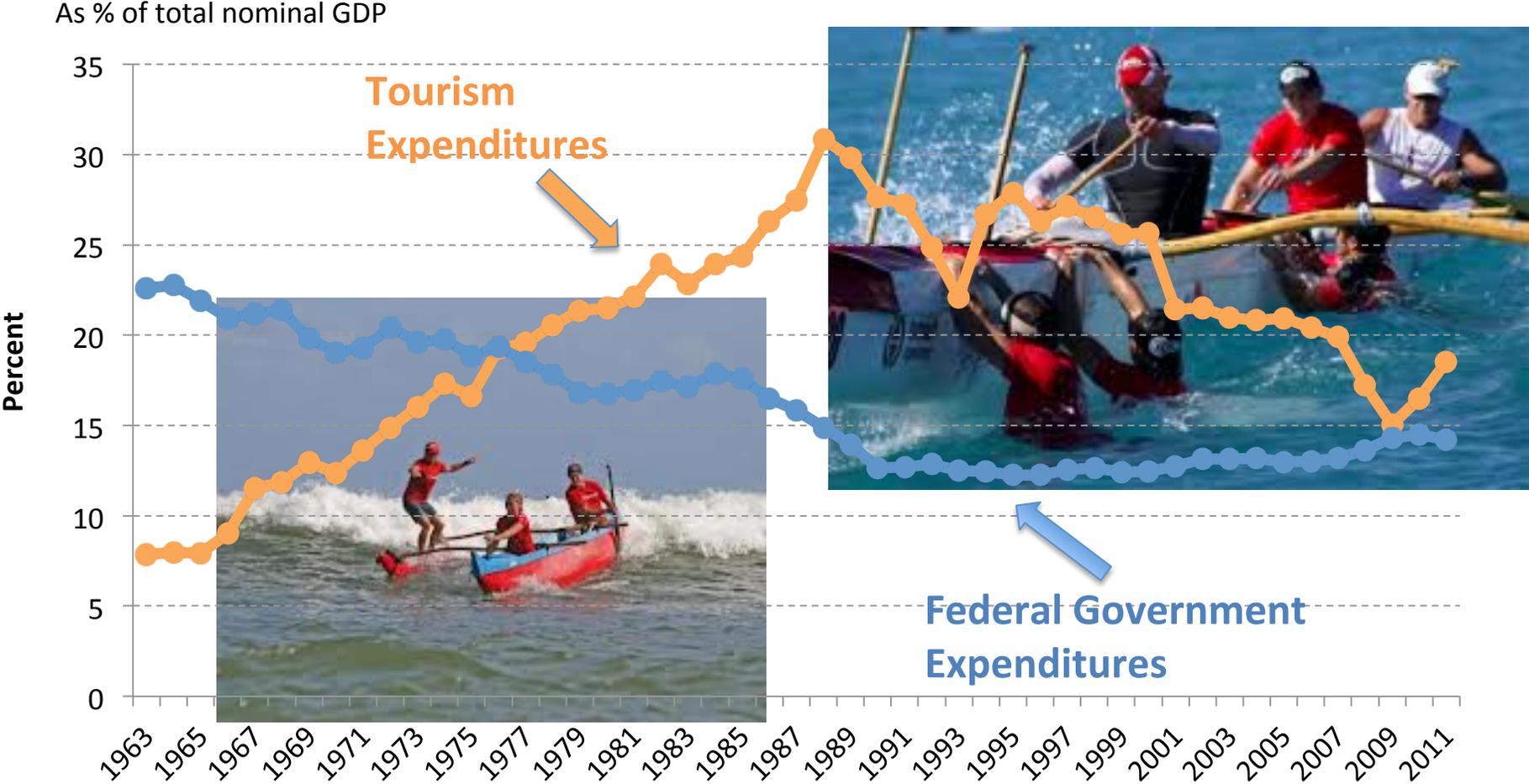
HI Growth Fund

Empowering Entrepreneurs/Partnering
Locally/Networking Globally

HI Growth Fund Fulfills a New Day Commitment to Innovation Sector Job Creation

- Catalyze entrepreneur-led high growth business formation in key industry sectors
- Public-Private partnership with performance metrics
- Create scale and momentum to engage private sector

Tourism and Federal Government Expenditures No Longer Able to Power the Economy



Contribution of Tourism and Federal Government to Hawaii Economy

New Engines of Growth Need to be Globally Competitive and Bring Dollars Into Hawaii



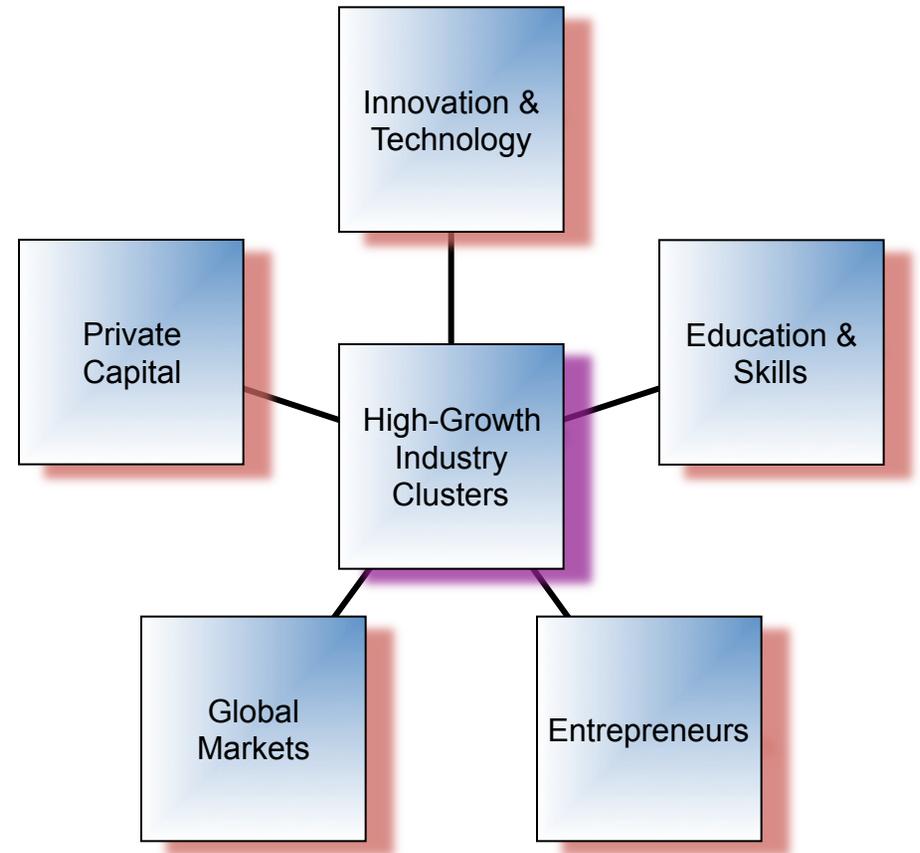
Supporting Entrepreneurial High Growth Businesses is the New Economic Development Model

Area	Traditional Model	New Model
Economic Development Priorities	<ul style="list-style-type: none"> ▪ Attract established businesses ▪ Support all small businesses ▪ Monitor business costs and regulations 	<ul style="list-style-type: none"> ▪ Retain existing businesses ▪ Support high growth businesses ▪ Foster an entrepreneurial environment
Geographic Focus	<ul style="list-style-type: none"> ▪ Locally focused clusters and regional competition 	<ul style="list-style-type: none"> ▪ Global competition and globally focused clusters

Source: National Governors Association

HI Growth Fund Is the Initiative to Invest in Entrepreneurial Ecosystems

- High growth startups are the key job creators
- Startups require efficient access to talent, ideas, mentors, business services and capital
- Firms in industry clusters have higher survival rates and have higher rates of job creation



High Growth Industry Ecosystem

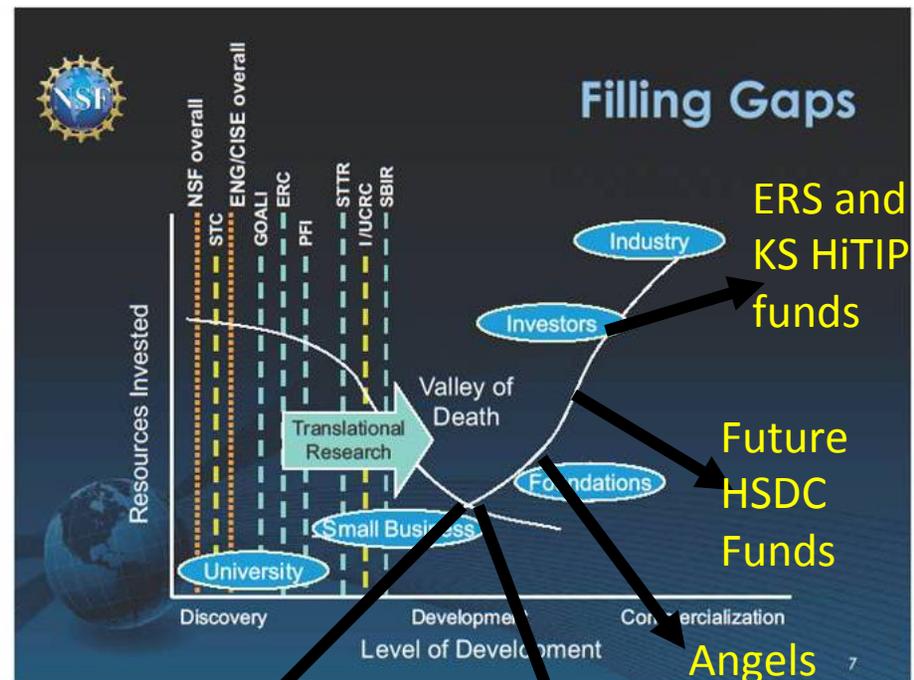
Source: National Governors Association

HI Growth Fund will Empower Hawaii Entrepreneurs and Investors



HI Growth Fund Will Build on Initial Success of the State's Investment Programs

- Attacking gaps
 - Less expensive
 - High impact
 - Engage private sector
- Seed Capital Funds
 - University \$6 million
 - Healthcare \$8 million
 - Web/Mobile \$8 million
- LAVA Program
 - Empowering entrepreneurs
 - Establishing accelerators in Tech and Creative Sectors



Launch Akamai Venture Accelerator (LAVA) Program

HSDC Seed Capital Funds

HI Growth Fund Is a Best Practices Model of Supporting New Business and Job Creation

- Catalyze entrepreneur-led high growth business formation in key industry sectors
 - IT/Creative/Digital/Clean Tech/Med Tech
 - Food/fashion/light manufacturing
- Public-Private partnership with performance metrics
 - Focus on entrepreneur-led high growth businesses
 - Support entire ecosystem
 - Provides performance metrics
- Create scale and momentum to engage private sector
 - Provides forum for key stakeholders to provide input and direction
 - Provides resources to coordinate private sector initiatives
 - Ability to leverage private capital and grants

HI Growth Fund Provides Targeted Resources to Invest in Hawaii's Entrepreneurial Ecosystem

- Ecosystems that support high growth businesses drive job creation – **high wage jobs**
- Ecosystems are built organically by private sector – **government as catalyst**
- Collaborative partnerships drive innovation and competitiveness – **network density**

Investment Initiative	Annual Budget (\$MM)
Research Commercialization	\$2.5
Targeted Industry Cluster Incubators	\$2.0
Investment Fund	\$5.0
Program Management	\$0.5
Total	\$10.0