

MEDIA RELEASE

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Gateway Capital Fund Reaches Initial Fundraising Milestone of \$6 Million

MILWAUKEE (March 22, 2021) – The Badger Fund of Funds announces its Milwaukee-based venture fund – the Gateway Capital Fund – has held a first close after reaching its initial fundraising goal of \$6 million in capital. The Gateway Capital Fund, which was launched in Oct. 2020, has now met its minimum capital raise to begin investing. However, the fund has chosen to continue to raise funds with the intention of meeting the ultimate goal of \$10 million in capital. The Badger Fund will continue to provide a \$40,000 match for every \$60,000 raised by the Gateway Capital Fund.

The Gateway Capital Fund is one of five Wisconsin-based venture capital funds with the Badger Fund of Funds as its lead investor. Unlike the other venture capital funds supported by the Badger Fund of Funds, the Gateway Capital Fund is uniquely focused on investing in Milwaukee-area startup companies that are not yet generating revenue.

“For too long, venture capital has underinvested in Milwaukee County,” said Ken Johnson, the managing director of Kegonsa Capital Partners, LLC and a Badger Fund of Funds partner. “Of the close to \$300 million of venture capital that was invested in Wisconsin in 2018, less than 10 percent of that was invested in Milwaukee County, the state’s most populous county. The Gateway Capital Fund is aiming to reverse this trend by identifying and investing in the vast untapped entrepreneurial community of Milwaukee.”

Managed by Dana Guthrie, the Gateway Capital Fund was expected to need at least one year to raise its goal of \$10 million of capital. Incredibly, Guthrie has raised the first \$6 million of capital in just four months. The Gateway Capital Fund will not begin investing until the fund has reached its goal of \$10 million in capital and has a final close.

The Greater Milwaukee Foundation (the Foundation) and West Bend Mutual Insurance Company (West Bend) are the fund’s lead investors in Milwaukee.

“One of the Foundation’s approaches to closing wealth equity gaps is to help Milwaukee-based entrepreneurs and businesses develop and thrive,” said Ellen Gilligan, Foundation president and CEO. “By investing in Gateway Capital Fund, we anticipate supporting 10-12 startups in the Milwaukee area. Milwaukee has missed out on far too many opportunities to invest in entrepreneurship, particularly in Black- and Brown-owned businesses. It is clear the Gateway Capital Fund can play a role in reversing these patterns in our community.”

The Badger Fund of Funds is committed to investing in underserved geographies and in funds that focus on being the first investor in a new startup. Guthrie’s prior experience with Alchemy Angels, an angel investment company she founded in June 2018, will be an asset as the Gateway Capital Fund focuses on being the first investor for Milwaukee entrepreneurs.

“Community support is a foundational aspect of our culture at West Bend,” said Derek Tyus, vice president & chief investment officer at West Bend. “The Gateway Capital Fund provides us with a unique opportunity to help overlooked small businesses and entrepreneurs. We like the focus of the fund, and recognize the many challenges faced by startups in Milwaukee.”

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About Badger Fund of Funds

The Badger Fund of Funds I, L.P. was formed in 2015 and includes \$25 million from the State of Wisconsin pursuant to 2013 Wisconsin Act 41 to invest in Wisconsin-based venture capital funds. The Badger Fund is managed by a partnership of Sun Mountain Capital and Kegonsa Capital Partners. The State of Wisconsin, individuals and the fund manager have invested more than \$30 million in the Badger Fund. The Badger Fund of Funds will invest as much as \$5 million into the Gateway Capital Fund as its lead investor. It understands that for entrepreneurial startups, the first investment dollar is the toughest. The Badger Fund of Fund’s *Money for Minnows* investment strategy focuses on this. This strategy is currently being used effectively by two existing Badger Fund portfolio funds – the Winnebago Fund in Neenah, and the Idea Fund in La Crosse. Collectively, these two funds have made more than 15 investments in Wisconsin pre-revenue startups since 2017, with nine of those startups receiving a second or follow-on investments to fund continued company growth.

About Gateway Capital Fund

The Gateway Capital Fund seeks to be the first venture capital fund committed to investing in startup companies that are not yet generating revenue. The Gateway Capital Fund is based in Milwaukee and its geographic focus will remain on startups in Milwaukee County. Dana Guthrie serves as Gateway Capital Fund’s managing partner. Guthrie has worked at a local Fortune 500 company for more than a decade and is the founder and manager of the Milwaukee-based Alchemy Angel Investors. Guthrie holds a bachelor’s degree in Computer Engineering from the Milwaukee School of Engineering (MSOE) and a master’s degree in Energy Engineering from the University of Illinois at Chicago. While a student at MSOE, she was captain of the women’s basketball team and president of the National Society of Black Engineers. Guthrie was recently named one of the Milwaukee Business Journal’s 40 Under 40 recipients. Learn more about the Gateway Capital Fund at <https://gwaycapital.com>.