



INDIANA NEXT LEVEL FUND

SEMI-ANNUAL REPORT
FOR THE PERIOD ENDING
JUNE 30, 2021



Prepared by:
50 South Capital Advisors, LLC
Program Administrator

50 SOUTH
CAPITAL

Report No. 7



Disclosure

The following financial report and its contents is protected by Indiana Code §5-14-3-4 in its entirety. Due to the confidential nature of this report, distribution of this quarterly report to any person other than the person to whom it was provided by Indiana Next Level Fund, L.P. or to such person's advisors with respect to an investment in Indiana Next Level Fund, L.P. is unauthorized, and any reproduction of this quarterly report, in whole or in part, or the divulgence of any of its contents, without the prior written consent of Indiana Next Level Fund, L.P. is prohibited.

*****Fund Disclosures*****

The following information relates to funds for which 50 South Capital Advisors, LLC serves as investment manager/general partner.

Investments in any of the funds discussed herein are not insured by the Federal Deposit Insurance Corporation, and are not deposits or obligations of, or guaranteed or endorsed in any way by, The Northern Trust Company, its affiliates, subsidiaries, or any other banking entity. Investments in the funds are not insured by the Federal Reserve Board, or any governmental agency and are subject to investment risks, including possible loss of principal invested.

Any losses in such covered fund will be borne solely by investors in the covered fund and not by The Northern Trust Company; its affiliates, subsidiaries or any other bank. Therefore losses in such covered fund will be limited to losses attributable to the ownership interests in the covered fund held by Northern Trust and any affiliate in its capacity as investor in the covered fund or as beneficiary of a restricted profit interest held by the business unit or any affiliate. Investors should read each Confidential Private Placement Memorandum carefully prior to investing.

Northern Trust Asset Management is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Fund Managers (Ireland) Limited, Northern Trust Global Investments Japan, K.K, NT Global Advisors Inc., 50 South Capital Advisors, LLC, Belvedere Advisors LLC and investment personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

© 2022 Northern Trust Corporation. Head Office: 50 South La Salle Street, Chicago, Illinois 60603 U.S.A.



July, 2021

Next Level Fund Investment Board
c/o Indiana Finance Authority
One North Capital, Suite 900
Indianapolis, Indiana 46204

Dear Next Level Fund Investment Board,

50 South Capital Advisors, LLC is pleased to provide its semi-annual update for the period ending June 30, 2021 to the Next Level Fund Investment Board. Since launching the program in March 2018, we have leveraged our program management expertise and deep relationships to establish the Indiana Next Level Fund, L.P. ("NLF") with Indiana venture capital fund managers. Please see below our observations for activities to date.

Background

Pursuant to Indiana Code § 8-14-15.1, as amended from time to time, the Next Level Indiana Trust Fund ("NLITF") has been established by the Indiana Finance Authority ("IFA") as a charitable trust, separate from the State of Indiana. The NLITF consist of Two Hundred Fifty Million Dollars (\$250,000,000) and, pursuant to Indiana Code § 8-14-15.1-8(a)(1), the monies may be invested in investments that include the purchase of equity or debt securities. The Indiana Next Level Fund, L.P. ("NLF") is capitalized by the NLITF. The purpose of the Next Level Fund (NLF) is to invest in venture capital firms located in Indiana or that have an Indiana 'nexus' with a goal of investing in technology businesses seeking to locate, expand or remain in Indiana. The Next Level Fund Investment Board (the "Investment Board") shall serve as trustee of the Next Level Fund. An investment board composed of State government leaders and community representatives provide governance and oversight to the NLF.

The Next Level Investment Policy is designed to ensure that the Next Level Fund Investment Board, the Program Administrator as well as any contractors the Investment Board or Program Administrator retains to provide services related to NLF, take prudent measured, effective actions while supporting the NLF. The Investment Policy is designed to allow for sufficient flexibility in the management oversight process to take advantage of investment opportunities as they arise, while setting forth reasonable parameters to ensure prudence and care in the execution of the NLF. The policy requires a fund-of-funds approach which means that investments will be spread across multiple venture capital firms based in Indiana and/or venture capital firms with a track record of investing in Indiana companies. On March 15, 2018, the Investment Board adopted an investment policy for NLF that includes the following investment parameters:

- 1) The policy provides that money in the trust may be invested in investments that:
 - a. maximize risk appropriate returns, which may include the purchase of equity or debt securities;
 - b. make significant investments in Indiana funds and companies; and



- 2) Not more than twenty-five million dollars (\$25,000,000) may be invested in any one particular investment fund.

NLF will make targeted investments in Indiana venture capital funds and Indiana businesses in order to generate competitive investment performance as well as support increased entrepreneurship and innovation in the State. The main objectives of the program are to:

- (1) Foster a strong, vibrant ecosystem for entrepreneurs and raise the national profile of Indiana's rich healthcare, technology, agricultural and business communities.
- (2) Drive economic activity in Indiana by making investments in Indiana venture capital firms in order to attract, assist and retain quality technology businesses in Indiana.
- (3) Deliver competitive investment performance for the State by building a prudently diversified portfolio.

50 South Capital Advisors, LLC was selected as NLF's Program Administrator through a public bidding process. 50 South Capital Advisors, LLC serves as the General Partner of Indiana Next Level Fund, L.P. Primary responsibilities of the Program Administrator include but are not limited to:

- Implementation of the investment strategy,
- Selection and evaluation of the recipient funds,
- Selection and evaluation of co-investments,
- Fund monitoring,
- Benchmarking,
- Reporting,
- Quarterly meetings,
- Annual report,
- Website,
- Communication and liaison duties,
- Encouraging additional investments and investor focus in Indiana technology businesses,
- Educational resource and advisor,
- Establish an Advisory council to assist with consultative and outreach matters.

For additional information, please visit the NLF website at www.nextlevelindianafund.com.

Market Update

During the first half of 2021, there was \$637.4 million invested in seventy-seven Indiana-based, venture backed companies, according to Pitchbook. This is an increase of one-hundred eighty four percent in invested capital over the same period in 2020 and a one-percent decrease in the number of venture backed companies. The first-half of the year results show consistency over the previous two quarters and a return to a healthy steady state of venture capital investment in the State. Through June 30, 2021, Indiana was the 24th most active state in the country by number of deals and 17th by dollars invested in venture-backed companies, according to Pitchbook's NVCA Venture Monitor Summary.

There were several significant Indiana-based company financings through the first half of 2021:

Company	Location	Company Description	Deal Size	Month/Year
Inari	West Lafayette	Developer of a plant breeding platform designed to build a more sustainable food system.	\$208.0M	May 2021
Greenlight Guru	Indianapolis	A SaaS platform designed to bring safer, high-quality medical devices to market faster.	\$120.0M	May 2021
Advise Insurance Agency	Bloomington	Platform enabling patient-physician relationships by simplifying the Medicare process.	\$100.0M	Mar. 2021
Ossium Health	Indianapolis	Developer of cell therapy products designed to improve human health.	\$63.0M	Mar. 2021
On Target Laboratories	West Lafayette	Developer of a fluorescent imaging technology designed to target cancer during surgery.	\$21.0M	Mar. 2021
Sharpen Technologies	Indianapolis	A cloud-based contact center platform designed to improve the customer experience.	\$13.9M	Jun. 2021
Mandolin	Indianapolis	An online platform built to help artists, venues, and fans connect through live music.	\$12.0M	Jun. 2021
AuthentiCx	Carmel	Developer of a voice analysis platform designed to analyze customer-client interactions.	\$7.5M	Jun. 2021
Casted	Indianapolis	Marketing platform intended to promote podcasts as a central marketing strategy.	\$7.0M	Mar. 2021
Assurance Health System	Indianapolis	Operator of an inpatient psychiatric hospital focusing on the health of the senior population.	\$5.6M	Feb. 2021
Malomo	Indianapolis	Shipment tracking and customer marketing platform enabling brand development.	\$4.9M	Mar. 2021

(Source: Pitchbook)

NLF Updates

Community Activities

Our team continues to be involved in community events that foster and bring together capital providers, entrepreneurs, and community supporters of the Indiana ecosystem. To engage with the Indiana community, the 50 South Capital team has made significant efforts to:

- Be a transparent, community-centric, value-added partner
- Mentor venture capitalists and entrepreneurs
- Work with universities and research parks
- Draw talent and capital into the State
- Engage with community organizations
- Have an open-door policy with all constituents

During the first half of 2021, 50 South Capital continued to be highly visible throughout the State to network, educate and explore ways to work with many of Indiana's stakeholders including: entrepreneurs, accelerators and community groups to ensure NLF's success. Several examples of the various community activities and events include:

- Moderated panel discussion on the *State of Venture Capital – In Indiana, the Midwest, and Beyond*.
- Guest speaker at IU Ventures Annual Meeting.
- Launched the NexGen group, of rising professionals interested in venture capital, in coordination with the Venture Club of Indiana.



- Guest speaker on Entry Point’s podcast discussing, “*Growing the Entrepreneurial Ecosystem in Indiana.*”
- Guest speaker for the National Venture Capital Association (NVCA) Spotlight on Indiana.
- Coordinated and led a panel discussion on venture capital at the Butler University, Lacy School of Business.

While many activities above were held virtually as a result of the pandemic, 50 South Capital continues to be highly visible in the local technology community and throughout the State to network, educate and explore ways to work with many of Indiana’s stakeholders including: entrepreneurs, accelerators, civic leaders and community groups to ensure the program’s success.

Portfolio Updates

As of June 30, 2021, NLF had made sixteen fund commitments and two co-investments totaling \$142,999,953. Four new fund commitments, Sixty8 Capital, LP, Signal Peak Ventures III, LP, 5AM Ventures VII, LP and Edison Partners X, LP were made during the first-half of the year. 50 South Capital currently serves on the limited partner advisory boards (or similarly functioning board) for ten NLF recipient funds. Additional information is provided below.

Founded in 2020 and based in Indianapolis, Indiana, Sixty8 Capital is a pre-seed stage venture capital firm focused on investing in technology-based consumer and enterprise companies with a focus on not-yet-represented founders in the Midwest. The Firm was founded by Kelli Jones, a principal at Indianapolis-based, Allos Ventures (an NLF recipient fund). Prior to joining Allos, Jones was the Program Manager for the Heritage Group’s Techstars accelerator in Indianapolis and founder and CEO of the Be Nimble Foundation, a non-profit organization, accelerating diversity and inclusion initiatives in technology for Central Indiana. Sixty8 will be launched in partnership with Allos Ventures to increase diversity in venture capital and entrepreneurship by funding under-capitalized founders who represent a wide variety of backgrounds in terms of race, gender, academic experience and life circumstances.

5AM Ventures was founded in 2002 as a spin out of Bay City Capital, a leading international life sciences investment firm, to focus exclusively on early stage life sciences venture capital investing. Today, the Firm is led by Andy Schwab and Kush Parmar with offices in San Francisco, California and Boston, Massachusetts. Since inception, the Firm has focused on building portfolios around advanced life science technologies, diversified across biopharmaceuticals, drug delivery technologies and life science instruments and reagents. Within each sector, 5AM invests across multiple therapeutic areas and evaluates opportunities based on innovative platform technologies, de novo company formation, and products with shorter development cycles. The firm predominantly invests in de novo companies it creates through its 4:59 company creation platform as well as syndicated early stage investments at the Series A and Series B stage of financing.

Edison Partners is a Princeton, New Jersey-based venture capital firm. Edison seeks to invest in growth-stage technology businesses, including enterprise software, financial technology and digital health, with significant revenue and a focus on capital efficiency. The Firm’s investment strategy seeks a premium return of venture capital with the risk profile of growth equity investing. Edison was founded in 1986 by John Martinson who managed the Firm through Funds I-VI, and during Fund VI began the transition to current Managing Partner, Chris Sugden. Today, Sugden leads the expanded management company along with senior partners, Kelly Ford Buckley, Daniel Herscovici, Lenard Marcus, Gregg Michaelson, Tom Vander Schaaff and Ryan Ziegler. The Firm leverages a deep network for scaling-up companies and provides extensive mentorship and resources for its portfolio companies.



Indiana Next Level Fund Investment Portfolio			
<i>(as of June 30, 2021)</i>			
Fund Investment	Vintage	Strategy	Location
High Alpha Capital Fund II, L.P.	2018	Early stage venture capital	Indianapolis, IN
Foundry Group Next 2018, L.P.	2018	Multi-stage venture capital	Boulder, CO
Techstars SportsTech Powered by Indy	2018	Early stage venture capital	Indianapolis, IN
Allos III-Q, L.P.	2018	Early stage venture capital	Indianapolis, IN
Signal Peak Ventures III, L.P.	2018	Early stage venture capital	Salt Lake City, UT
Hyde Park Venture Partners Fund III, L.P.	2019	Early stage venture capital	Indianapolis, IN & Chicago, IL
Acre Ventures Partners II, L.P.	2019	Early stage venture capital	Santa Monica, CA
M25 Fund III, L.P.	2019	Early stage venture capital	Indianapolis, IN & Chicago, IL
GSV Ventures Fund II, L.P.	2019	Early stage venture capital	Chicago, IL & San Francisco, CA
Frazier Life Sciences X, L.P.	2020	Multi-stage venture capital	Menlo Park, CA
Data Focus Fund, L.P.	2020	Private Equity	South Bend, IN
Avenue Venture Opportunities Fund, L.P.	2020	Venture Debt	Palo Alto, CA & New York, NY
High Alpha Capital Fund III, L.P.	2021	Early stage venture capital	Indianapolis, IN
Sixty8 Capital, L.P.	2021	Early stage venture capital	Indianapolis, IN
5AM Ventures VII, L.P.	2021	Early stage venture capital	San Francisco, CA & Boston, MA
Edison Partners X, L.P.	2021	Growth stage venture capital	Princeton, New Jersey

NLF Capital Activity	
<i>(as of June 30, 2021)</i>	
Fund Size	\$251,200,000
Committed Capital	\$142,999,953
Committed Capital (%)*	56.9%
Capital Called (\$)	\$66,406,511
Capital Called (%)*	26.4%
Capital Called to Committed (%)	46.4%
Distributed Capital (\$)	\$3,823,982
Distributed Capital (%)	1.5%
# of Fund Commitments	16
# of Co-Investments	2



# of Total Portfolio Companies	278
# of Total Investments in Indiana Companies	55
Dollars Invested in Indiana Companies	\$152,617,321
Invested in Indiana Companies to Committed	1.07x

**The percentage of committed capital and called capital is as of the entire NLF program size of \$251,200,000. Distributed capital is a percentage of called capital and includes recallable distributions.*

Featured Indiana Portfolio Companies

- **Myers Glaros Group** is a Merrillville-based insurance brokerage platform that reduces the costs of the existing back-office, data intensive functions and provides valuable insights to drive a differentiated client experience on a subscription basis.
- **Qualifi** is an Indianapolis-based software platform for recruiters and HR professionals to screen all their candidates in a frictionless, on-demand screening platform while eliminating delays from scheduling and coordination.
- **The Juice** is an Indianapolis-based software platform which offers a business-to-business discovery platform for marketing and sales professionals to access, consume and organize curated, leadership and educational content.
- **PactSafe** is an Indianapolis-based digital transaction management platform that simplifies and automates the contracting process.
- **Trava**, a High Alpha Studio company headquartered in Indianapolis, is an automated cyber risk management and insurance platform for small and midsize businesses.





Thank you for your continued partnership with 50 South Capital and we look forward to providing additional details on the development of the Indiana Next Level Fund in the quarters to come.

Kindest regards,

50 South Capital Advisors, LLC

Period Ending December 31, 2021

Market

During the second half of 2021, there was \$436.3 million invested in one-hundred and eight Indiana-based, venture backed companies, according to Pitchbook. For 2021, Indiana was the 23rd most active state in the country by number of deals and 30th by dollars invested in venture-backed companies, according to Pitchbook’s NVCA Venture Monitor Summary. Lastly, venture investment in the State of Indiana in 2021 far outpaced 2020 with \$1.073 billion versus \$438 million, respectively, representing almost 2.5x year-over-year increase. The significant increase demonstrates the strength of the State’s underlying venture economy and the ability for companies in the state to raise capital and scale-up.

There were several significant Indiana-based company financings through the second half of 2021:

Company	Location	Company Description	Deal Size	Month/Year
Onboard Meetings	Indianapolis & West Lafayette	Developer of board meeting solution that can be used on any device from anywhere.	\$100.0M	Jul. 2021
Scioto Biosciences	Indianapolis	Developer of a bacterial therapeutics platform intended to help with mucosal-permeable diseases.	\$26.5M	Nov. 2021
SIMBA Chain	Plymouth	Creator of a cloud-based, smart blockchain-as-a-service platform .	\$25.0M	Sep. 2021
IntelinAir	Indianapolis	An automated intelligence platform designed to model crop performance.	\$20.0M	Sep. 2021
High Alpha Studio	Indianapolis	A venture capital studio that invests in B2B and SaaS companies.	\$18.0M	Oct. 2021
BrightVolt	Newberry	Creator of solid-state battery technology intended to improve energy consumption.	\$16.5M	Dec. 2021
Gate Neurosciences	Carmel	A healthcare company intended to offer neuropsychiatry therapeutics.	\$15.0M	Dec. 2021
FactoryFix	Indianapolis	Developer of an online platform designed to connect companies with skilled workers.	\$10.0M	Dec. 2021
Sortera Alloys	Fort Wayne	Manufacturer of a sorting system designed to reuse metals recovered from end-of-life products.	\$10.0M	Nov. 2021
Cured	Indianapolis	Developer of a healthcare digital marking and customer relationship management platform.	\$10.0M	Sep. 2021

(Source: Pitchbook)

NLF Updates

Community Activities



Our team continues to be involved in community events that foster and bring together capital providers, entrepreneurs, and community supporters of the Indiana ecosystem. To engage with the Indiana community, the 50 South Capital team has made significant efforts to:

- Be a transparent, community-centric, value-added partner
- Mentor venture capitalists and entrepreneurs
- Work with universities and research parks
- Draw talent and capital into the State
- Engage with community organizations
- Have an open-door policy with all constituents

During the second half of 2021, 50 South Capital continued to be highly visible throughout the State to network, educate and explore ways to work with many of Indiana’s stakeholders including: entrepreneurs, accelerators and community groups to ensure NLF’s success. Several examples of the various community activities and events include:

- Hosted the third Annual Summit for the Indiana Next Level Fund.
- Sponsor and participated in the 13th Innovation Showcase presented by the Venture Club of Indiana in Indianapolis.
- Participated in townhall event with Representative Victoria Spartz and the National Venture Capital Association
- Sponsor for Elevate Ventures’ Kinetic Conference in Indianapolis.
- Sponsor and judge for the Crossroads Statewide Pitch Competition in Bloomington.
- Guest speaker on entrepreneurship and venture capital at the Butler University, Lacy School of Business.

As many events have returned to in-person, we were excited to re-engage as 50 South Capital continues to be highly visible in the local technology community and throughout the State to network, educate and explore ways to collaborate with Indiana’s stakeholders including: entrepreneurs, accelerators, civic leaders and community groups to ensure the program’s success.

Portfolio Updates

As of December 31, 2021, NLF had made seventeen fund commitments and two co-investments totaling \$153,396,663. One new fund commitment, Centerfield Capital Partners V, LP was made during the second half of the year. 50 South Capital currently serves on the limited partner advisory boards (or similarly functioning board) for eleven NLF recipient funds. Additional information is provided below.

Centerfield Capital Partners is an Indiana-based private equity firm that provides debt and equity capital to privately held, lower middle-market companies. The Firm invests throughout the U.S. with a primary focus on businesses in the Midwest. Centerfield was formed in 1998 by Tom Hiatt and Scott Lutze. The founders retired from the Firm in 2016 and 2018, after grooming Faraz Abbasi who was promoted to Partner in 2006 and later Senior Partner to manage the operations and investment strategy of the Firm. Along with Abbasi, the investment committee consists of Michael Miller, Mark Hollis and Jill Margetts. Since inception, Centerfield has raised four committed funds, investing \$605 million in 85 companies. Centerfield’s focus of investing in subordinated debt and equity in U.S. lower middle market companies has remained consistent across all prior funds.

Indiana Next Level Fund Investment Portfolio			
<i>(as of December 31, 2021)</i>			
Fund Investment	Vintage	Strategy	Location



High Alpha Capital Fund II, L.P.	2018	Early stage venture capital	Indianapolis, IN
Foundry Group Next 2018, L.P.	2018	Multi-stage venture capital	Boulder, CO
Techstars SportsTech Powered by Indy	2018	Early stage venture capital	Indianapolis, IN
Allos III-Q, L.P.	2018	Early stage venture capital	Indianapolis, IN
Signal Peak Ventures III, L.P.	2018	Early stage venture capital	Salt Lake City, UT
Hyde Park Venture Partners Fund III, L.P.	2019	Early stage venture capital	Indianapolis, IN & Chicago, IL
Acre Ventures Partners II, L.P.	2019	Early stage venture capital	Santa Monica, CA
M25 Fund III, L.P.	2019	Early stage venture capital	Indianapolis, IN & Chicago, IL
GSV Ventures Fund II, L.P.	2019	Early stage venture capital	Chicago, IL & San Francisco, CA
Frazier Life Sciences X, L.P.	2020	Multi-stage venture capital	Menlo Park, CA
Data Focus Fund, L.P.	2020	Private Equity	South Bend, IN
Avenue Venture Opportunities Fund, L.P.	2020	Venture Debt	Palo Alto, CA & New York, NY
High Alpha Capital Fund III, L.P.	2021	Early stage venture capital	Indianapolis, IN
Sixty8 Capital, L.P.	2021	Early stage venture capital	Indianapolis, IN
5AM Ventures VII, L.P.	2021	Early stage venture capital	San Francisco, CA & Boston, MA
Edison Partners X, L.P.	2021	Growth stage venture capital	Princeton, New Jersey
Centerfield Capital Partners V, L.P.	2022	Private Equity	Indianapolis, IN

NLF Capital Activity <i>(as of December 31, 2021)</i>	
Fund Size	\$251,200,000
Committed Capital	\$153,396,663
Committed Capital (%)*	61.1%
Capital Called (\$)	\$80,928,114
Capital Called (%)*	32.2%
Capital Called to Committed (%)	52.8%
Distributed Capital (\$)	\$11,782,493
Distributed Capital (%)	4.7%
# of Fund Commitments	17
# of Co-Investments	2
# of Total Portfolio Companies	344



# of Total Investments in Indiana Companies	65
Dollars Invested in Indiana Companies	\$195,510,046
Invested in Indiana Companies to Committed	1.27x

**The percentage of committed capital and called capital is as of the entire NLF program size of \$251,200,000. Distributed capital is a percentage of called capital and includes recallable distributions.*

Featured Indiana Portfolio Companies

- **Stagetime** is a Bloomington-based online network where artists, agents, and artistic administrators can grow as professionals and maintain relationships by engaging with industry connections, showcasing their media, and interacting with colleagues and collaborators.
- **Sudo Biosciences** is a new company formation focused on discovery for a novel target class in partnership with Jubilant Life Sciences
- **Demandwell** is an Indianapolis based software platform that helps B2B SaaS marketers turn organic search into a source of repeatable revenue through software and coaching.
- **Paragon Health** is a clinical healthcare platform with locations around the State of Indiana. The Company creates a monitoring and analytics platform to streamline medical operations and improve patient experience.

Thank you for your continued partnership with 50 South Capital and we look forward to providing additional details on the development of the Indiana Next Level Fund in the quarters to come.

Kindest regards,

50 South Capital Advisors, LLC