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Trish Costello, founder and CEO of Portfolia, created a more inclusive venture capital platform

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Trish Costello is a lifelong entrepreneur and educator. Her resume includes teaching entrepreneurship at the University of Kansas and Babson College and starting the first venture capital education program, the Kauffman Fellows Program. She's been immersed in venture capital since the '90s, giving her a front-row seat to the inequities steeped within it — from the companies to similar faces in their leadership all the way to the investors. Costello thought she could do better. In 2014, she founded Portfolia, a collaborative investing platform with the mission to bring in groups that have been traditionally excluded from participating in venture. Thus far, they have 10 funds in the market and invest in eight to 12 companies per fund, many of



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Trish Costello, founder and CEO of Portfolia, created a more inclusive venture capital platform that invests in women- and BIPOC-led companies and focus areas.

which focus their funding efforts on companies that not only offer great returns, but have real impact. Costello spoke to me about the male-dominated world of venture capital and how she's getting more women and BIPOC investors a seat at the table.

What was the impetus behind Portfolia? I took a break from venture to run an entrepreneur center at Babson College and came back with fresh eyes. I read that for the first time in history women in the U.S. control over half of the personal investable assets. It was shocking.

When I saw that number, I thought we could create new models to back entrepreneurial companies. So the impetus was finding ways to involve more women — to create an entirely different model.

I got a number of women in venture capital together and asked, "If we were building it ourselves today, what would it look like?"

What gaps did you find at VCs in their approach to working with women entrepreneurs? There are many gaps. There are segments and focus areas that are ripe for making great returns and can impact lives. Women were mostly ignored because there were so few in venture.

Women's health is a great example — today it's an over \$100 billion industry. When we created our FemTech Fund in 2018, there had never been a venture fund focused on that market. We invest where we can make a difference.

Portfolia's offerings include training opportunities. What do those look like? When you invest in Portfolia, you're going through a full learning program about investing. You can watch the pitch of a company we're considering putting money behind and hear the questions and evaluations we're conducting — risks and strategies the companies need to focus on to be successful, their values and how much we should invest. Being at the table is the best way to learn.

Are there markets Portfolia primarily invests in? We're the most active investor in women's health in the country. But our funds run the gamut — in enterprise, consumer companies, food and agtech and sustainability. We raised the first venture fund led by five women of color. It's our most successful, the Rising America Fund,

and sees the highest returns — it saw a 39% increase in the value of the companies in less than a year.

So you saw omissions in representation in the companies traditional VC was investing in. These companies were perfectly poised to grow, they just didn't have the money. When we invested into them with cash as well as expertise, they took off. We're investing where others have missed the opportunity.

How has the pandemic affected VC? We had about three months where profits were flat but grew by 280% in 2020. As of today, we've invested in 83 companies, over half of which in the last 18 months.

Some VCs took the approach of waiting and seeing what was going to happen, but because we were invested in health care and aging — those most impacted by the pandemic were older populations — we were called to act. Rather than step back, we doubled down. We were making two to three investments a month.

What makes Portfolia unique? We raised our second Rising America Fund in two years because there's huge opportunities to back BIPOC-led companies. We get into companies that are growing rapidly, even billion dollar private companies. When you invest in a Portfolia fund, you're in some like the Maven Clinic and Everlywell and early-stage companies. That makes it less risky for investors, but also lets them see the whole growth trajectory.

How can VC dismantle barriers for women investors and become more equitable? I've had the luxury of watching the venture industry since the mid '90s. And I am more hopeful today than I have been in a long time that we might be seeing real change.

The important thing to get more women and people of color into venture is to realize that we have to recruit outside our comfort zone as venture capitalists. Our partnerships need to reflect the opportunity in the world around us. We need to understand where value lies.

How do you stay motivated? The companies that we're backing. Every day we're able to be a part of that growth and their story as they're changing the world. There are women having successful

childbirths and people living through a cancer diagnosis because of companies we've backed.

We're shifting the way women see themselves as investors. And that makes the difference.

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