



1/17/2024

In re: the Geshem Impact Fund

I am writing this letter in regards to the Geshem Impact Fund to assure prospective investors that our Office supports the Fund's mission to assist Israeli startups.

The Economic and Trade Mission at the Israeli Embassy have a long relationship with one of the key Fund founders Steve Shapiro, and know Mr. Shapiro to be a respected and established business executive with longtime experience in the Israeli startup ecosystem. The commitment of Mr. Shapiro and his team to the Geshem Fund's success is demonstrated by the fact that they have waived any compensation for their efforts in managing the Fund.

As further background, the purpose behind the Geshem Fund is to ameliorate the effects of the October 7<sup>th</sup>, 2023 terrorist attack and the war that has followed. The conflict has cast a challenging shadow over the startup landscape, particularly impacting promising Israeli seed-stage enterprises.

In some cases, the challenge is due to key staff being drafted into the Reserves, which has affected startups ability to develop new products and solutions. In other cases, startups' ability to raise funds has been affected, with investors pulling out of potential deals due to concerns about instability. The result is that many high-quality early stage startups – the very firms that represent the future of the Israeli tech sector – will not succeed.

The legitimacy of the Geshem Fund is further demonstrated by its partnership with the Israel Innovation Authority (IIA). The IIA works with a network of incubators whose role is to invest in companies in their early stages and to provide a framework that supports the establishment of the company and the development of the idea into a commercial product. Ten of these incubators are actually providing both capital and expertise to the Geshem Fund.

The Geshem Fund is important for the future of Israel's promising start-ups and we thank you for reviewing this opportunity.

Natalie Gutman Chen

Minister of Trade & Economic Affairs  
Embassy of Israel to the U.S