Colorado Impact Report

A web of place-based impact investing and community wealth-building opportunities

Cornerstone Capital Group
INVESTMENT ADVISORY
The Cornerstone Capital Group is privileged to have worked with the exceptional individuals who have made this "Colorado Impact Report" possible. At this moment in time, it is particularly important to leverage the wisdom and pragmatism demonstrated by leaders in every part of the investment ecosystem so that we can face the economic imperatives and opportunities at hand.

From philanthropy, to impact investing, to the vast mainstream of the capital markets, there need be no distinction when it comes to the powerful deployment of capital on the right side of history. Right now, as we view a stunning abdication of American leadership in the transition to a low carbon economy, it is all the more important to come together for social impact at scale. The prism through which we see the world can either clarify or distort our view. We choose the former. And, in doing so we take wisdom from the world-renowned scientist Stephen Hawking, who said, "The past, like the future, is indefinite and exists only as a spectrum of possibilities."

And with these possibilities, and as our colleague Katherine Pease states in this report, we recognize that a new and powerful social and economic paradigm is upon us. This paradigm will allow us to capture the economic future with solutions for energy, education, healthcare, nutrition, water, infrastructure, communications and so many more sectors. This paradigm is one driven by common sense, economics and science. It is based upon the solidarity of the coalition of the willing and the brave.

It is the brave who have contributed to this report. It is those leaders from philanthropy, entrepreneurship and business, from finance, academia and the public sector, who are offering the solutions for a better world. We are pleased to support this effort to present Colorado’s impact investors to new audiences, in Colorado and beyond.

Our sincere thanks and appreciation,

Erika

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Weaving A Web of Opportunity and Impact in Colorado

Katherine Pease, Cornerstone Capital Group

Approximately 10,000 people move to Colorado every month. They move here for myriad reasons, such as our 300 days of sunshine a year, our commitment to the outdoors and healthy lifestyles, and a magnificent geography that is second to none. And, of course, they come because of our robust economy.¹ But this level of growth has also brought some serious issues to the state. Among the greatest challenges are the displacement of low-income residents and communities of color, especially in historic neighborhoods in Denver’s core; urban sprawl that has run amok; the demise of rural economies; and environmental issues that threaten the very foundation of our resplendent state. Addressing these issues while making the

¹ Colorado had an unemployment rate of 2.3% in April 2017, as compared to a national unemployment rate of 4.4%. (Source: Colorado Department of Labor and Employment.) Colorado’s gross domestic product (GDP) grew by 2% in 2016 as compared to 1.5% nationally. (Source: US Bureau of Labor Statistics 2016).
most of the abundance of riches that we experience in Colorado is a complex task. It is up to the whole community — including private industry, nonprofits and philanthropy, and government — to ensure that the opportunities we face are not squandered and that the positive benefits are felt by all of Colorado's communities, not only its more affluent residents.

Establishing a New Paradigm
In the prevailing social and economic paradigm, companies and individuals often behave as though there is an impenetrable divide between profit generation and community change. Companies make profits for shareholders, while government and nonprofits go about the business of improving communities. Even within philanthropic institutions, programs and grant-making are most often treated separately from the way the endowment is invested. This way of thinking has led to some of the most significant environmental and social challenges we face, including climate change on an international scale and deep inequality of income and opportunity on a national and local scale.

In a new paradigm, we can begin to see a whole new ecosystem of opportunities and actors. In this emerging model, there is an identifiable set of overlapping needs: Investors need new investable opportunities; social enterprises that operate with stakeholder interests in mind need investors who share their values; nonprofits that want to create new systems and structures need new leadership and sources of funding; governments that create policies to help support new systems need constituents who support these new systems; and communities who stand to benefit the most from a new way of thinking need to be engaged in determining how change can and should happen. In short, we need a new web of actors across the spectrum who are committed to fundamentally changing and improving how things are done.

Here in Colorado, we think we have this set of actors and we believe we are uniquely positioned to establish a new paradigm for investing and community wealth building that is inclusive, equitable and replicable.

About the Colorado Impact Report
KP Advisors and Cornerstone Capital Group developed this report to highlight companies and organizations that are attempting to recalibrate the opportunity scale to protect our natural environment and ensure that the benefits of our growth are experienced throughout the state. We also know that there are many others in the state who are doing incredible work, many of which are listed in the Appendix on page 47.

Throughout this report you will hear from people who are actively working to deploy place-based impact capital that will provide more opportunities for low-income communities, small businesses, women-owned businesses, and more. You will also hear from groups that are developing instruments for investments at or below market-rate, for example, by uncovering investment opportunities that are helping re-create the local food economy, provide more affordable housing stock, and pilot new solutions to homelessness in the state. And, finally, you will hear from amazing visionaries who are helping to fundamentally influence how we understand the relationship between place-based investing,

### Impact Investing

Investing with the intent to create positive social and/or environmental impacts while generating a positive financial return.
social enterprises, nonprofits, government, foundations, and others.

Together, these visionary actors are creating something that is deeply inspiring: a web of investors, foundations, nonprofits, for-profits, and field building leaders who understand the interplay between financial capital and social change. They not only understand it; they also are working to do something about it. We hope you are inspired by their stories and participate in the movement to create a more inclusive and equitable Colorado in whatever ways you are able. There is an abundance of need for more human capital, financial capital, and great ideas, all focused on helping Colorado realize its limitless potential.

Katherine Pease is Director of Impact Investing for Cornerstone Capital Investment Advisory. Katherine has worked with foundations, investors and nonprofit organizations for more than 20 years, most recently as principal of KP Advisors. She previously served as the executive director of the Gill Foundation and as Senior Vice President for Philanthropic Investments and Policy at Gary Community Investments/Piton Foundation.
Will Denver Become America’s First ‘Community Wealth’ City?

Ted Howard, The Democracy Collaborative

In cities across America, a new form of local economy is emerging. Many call this growing movement “Community Wealth Building,” a framework for economic development built on principles of democratizing wealth, broadening ownership over capital, leveraging existing institutional assets to benefit place, and preventing money from leaking out of our communities. The goal is to reinforce core values such as equity, inclusion, local stability, and sustainability. A range of corporate and institutional forms, involving millions of Americans as owners and consumers, are part of this movement, including cooperatives, employee-owned companies, community financial institutions, land trusts, municipal and state ownership, impact investing, and social enterprise.

This movement to build resilient place-based economies can be seen in Cleveland’s Evergreen Cooperatives; Richmond, Virginia’s Office of Community Wealth Building; Chicago Anchors

The Democracy Collaborative works to carry out a vision of a new economic system where shared ownership and control creates more equitable and inclusive outcomes, fosters ecological sustainability, and promotes flourishing democratic and community life.
for a Strong Economy; Rochester, New York’s Market-Driven Cooperative Corporation; and New Mexico’s Healthy Neighborhoods Albuquerque.

But no city is better poised to become a national model of community wealth building than Denver. What sets Denver apart (and indeed other communities in Colorado, such as Boulder) is not just the number of wealth building efforts now underway, but the strategic intent among key local leaders to create a robust new economy ecosystem that can ultimately lead to a “new normal” for how business is conducted in the city.

One of the key catalysts in Denver’s wealth building strategy is The Denver Foundation, the largest and oldest of a handful of community foundations in the Denver region. The Denver Foundation got the community wealth ball rolling when it led a delegation of local practitioners on a site visit to Cleveland, Ohio, in January 2013. There they met with their counterpart, the Cleveland Foundation, as well as city officials, nonprofit leaders, and representatives of two of the best-known community wealth building models in the country, the Evergreen Cooperatives and the Greater University Circle Initiative.

Inspired by what they learned on that study visit, members of the delegation began to design their own unique vision of a full-fledged community wealth strategy for Denver. Soon they had organized the nation’s first city-based “Community Wealth Building Network”; by September 2013 one of the members of the Network, the Rocky Mountain Employee Ownership Center, had organized a first public conference: “Community-Wealth Building: Creating the New Economy.” A second large public event was held a year later, engaging hundreds of participants in discussions on a wide array of new economy issues: building worker coops, linking local food strategies to a wealth building approach, public policy, and organizing large anchor institutions such as hospitals and universities to embrace a community wealth framework.

Today, thanks to the efforts of numerous local nonprofit organizations — including the Rocky Mountain Farmers Union, Mile High Connects, Re:Vision, the Colorado Enterprise Fund, the Urban Land Conservancy, the Rocky Mountain Employee Ownership Center, and the Denver Foundation — the spirit of community wealth building is growing in Denver and beyond. Their work is augmented by many other institutional actors.

Denver’s city government has begun to adopt community wealth strategies by investing loan funds into a neighborhood cooperative that integrates low-income urban food producers with value-added processing and a retail food outlet; the city is also an investor in the Denver Transit-Oriented Development Fund. Add to that the growing public commitment of Denver’s anchor institutions (including the Anschutz Medical Center and a new collaborative of the city’s universities) to reorienting their purchasing, hiring and investment to produce greater local benefit. Add as well inspiring socially responsible business models represented by a range of Colorado employee-owned companies, including New Belgium Beer, Namaste Solar, and the Green City Taxi cooperative. Meanwhile, in nearby Boulder, residents have led an effort to municipalize the local power utility in order to confront climate change by moving to 100% renewable energy; if they succeed, the people of Boulder will own their own power company.

What sets Denver apart is the strategic intent among key local leaders to create a robust new economy ecosystem that can ultimately lead to a “new normal” for how business is conducted.
These many developments are facets of the community wealth building paradigm. The challenge ahead for Denver's Community Wealth Building Network and its many allies in the public and private sectors will be to build out the ecosystem that will be necessary to make sustained systemic changes to Denver's political economy. As one observer told me not long ago, Denver's community wealth activity “is like a lot of electrons flying around. How does it cohere? Will it come together to create a truly new system?” Having worked to develop the community wealth movement across the country over the past two decades, I believe Denver can become the first city in America where this new local system is created. But it will take ever greater intention, increased professionalism, strategies to knit together existing efforts and fill in gaps not yet addressed, and a willingness to broaden the network to appeal to new, powerful institutional players. That said, it is an extraordinary reflection of Denver’s values and leadership to date that such a rich community wealth building community has so quickly emerged.

During the Progressive Era of the early 20th century, leaders of the University of Wisconsin created what became known as “the Wisconsin Idea” — the then-radical notion that the research and other resources of the university should be applied to solve social problems and improve the health, quality of life, and environment of the state. This simple but powerful idea served as a model for other states and the federal government for the role public higher education should play in the life of communities and states.

Perhaps, one day, we will speak of “the Denver Idea” — a new and compelling approach to economic development that builds wealth in our communities and creates local new economy systems that produce the kinds of outcomes all of us desire: more inclusion of all our residents in the benefits of the economy, greater equity, more resilient and stable places, and enhanced environmental stability.

Ted Howard is the co-founder and President of The Democracy Collaborative. Previously, he served as the Executive Director of the National Center for Economic Alternatives. Ted lectures frequently about community wealth building at various organizations, regional Federal Reserve Banks and universities.
Blending Business & Philanthropy for Colorado’s Children

Dave Younggren, Gary Community Investments

Since making one of the largest onshore oil discoveries in 1967, oil entrepreneur Sam Gary has been pioneering the idea that business and philanthropy can — and should — work together for those who need it most. Sam founded The Piton Foundation in 1976, yet he was equally committed to supporting the community through his energy business, which worked in tandem with the foundation to make investments that improved the lives of Colorado’s children. Today, Sam’s long-held belief in using the power of business to tackle social issues is widely recognized as social impact investing, a practice that is quickly evolving from a trend to a movement that is on the verge of becoming mainstream.

Two Vehicles: One Mission

Through his experience with The Piton Foundation, Sam realized that philanthropy alone is not enough to overcome persistent issues of inequality and lack of opportunity. After the sale of his energy business in 2011, Gary Community Investments, which includes the Gary Community Investment Company and The Piton Foundation, invests in for-profit and philanthropic solutions for Colorado’s low-income children and their families.
Sam and Piton’s board of directors began looking for creative ways to solve the problems facing Colorado’s low-income families that couldn’t be accomplished exclusively through a philanthropic organization. This led to the creation of Gary Community Investment Company (GCIC), a for-profit certified B Corporation that uses a range of investment tools across asset classes to balance risk and return while creating lasting social impact.

Soon after creating GCIC, Sam’s longtime desire to combine private sector and philanthropic resources was realized when GCIC and The Piton Foundation were brought together under a shared vision. This umbrella organization, known as Gary Community Investments (GCI), invests in for-profit and philanthropic solutions for Colorado’s low-income children and their families.

Unlike most foundations, GCI does not seek to exist in perpetuity. By approximately 2035, we intend to fully invest all our financial assets into community and business vehicles that are focused on solving the challenges facing Colorado’s low-income families. To achieve this goal, GCI is taking a total portfolio approach to investing, aligning all our assets with our mission, regardless of whether an investment is made using philanthropic, market-rate or near-market-rate capital.

**How We Invest**

Because GCI believes that investing in early childhood yields the greatest social return, we focus most of our resources on improving outcomes for young children ages prenatal through five years old. Through our supporting strategies, we take a two-generation approach, investing in the families, communities and systems that foster young children’s development.

As GCI works to invest all our assets into the community, we are focused on transferring our corpus into high-performing organizations that have the power to create and sustain meaningful change. To ensure we are making the most transformative investments possible, we’ve developed the Transformative Impact Grid, a visual tool to help us evaluate new opportunities, clarify expectations for investment results and report on outcomes. This grid is reshaping GCI’s long-term investment strategy, serving as an internal guide to help ensure that the grants, program-related investments and for-profit investments we make have the power to achieve — and sustain — our mission.

**GCI’s Commitment to Impact Investing**

Because making significant change in the lives of low-income children and families will take far more resources than philanthropy and government can provide, GCI believes impact investing can support the public and philanthropic sectors in addressing social challenges by unlocking significant sums of private capital.

Through our total portfolio approach, GCI leverages the appropriate capital — from philanthropic to market-rate — to drive the social outcomes we are seeking. For our market-rate investments, we hope to demonstrate that it is possible to create social impact without sacrificing profits. This market-oriented approach to delivering social value allows us to use business as a force for good and a driver of social change.

In addition to making direct investments in Colorado, GCI is working with an investment
advisor with deep experience in impact investing, to transition our traditional investment portfolio to 100% impact, helping us to further align all our capital with our mission.

Through our inside and outside Colorado investment strategies, we hope to advance the field of impact investing by encouraging other funders to think creatively about investing. There are many local partners, such as The Denver Foundation and The Colorado Health Foundation, who are investing for impact, and we feel fortunate to pursue this work alongside them.

**Successes: More Resources & Increased Accountability**

Through impact investing, foundations can bring more financial resources to the table — and nonprofits are becoming increasingly savvy about the types of capital available beyond traditional grants. Although Piton’s portfolio has always included recoverable grants and program-related investments, we are seeing more opportunities to leverage these near market-rate tools than ever before.

In addition, there has been growing interest in innovative funding models like Pay for Success (PFS). In 2016, GCI invested in the City of Denver’s first Social Impact Bond program, a PFS model that will provide housing and services to homeless individuals. And, we supported Westminster Public Schools in piloting a quasi-PFS approach to providing a high-quality, full-day pre-K program. Through these investments, GCI seeks to pave the way for future PFS efforts.

Impact investing has allowed GCI to engage nonprofits on a deeper level about sustainability and remaining relevant beyond the grant-making cycle. We are more focused on working with investees on achieving shared outcomes, including emphasizing the importance of evaluation and using data to assess progress toward our goals.

**Challenges: Sourcing & Measurement**

Through our experience, GCI has found it challenging to source market-rate, mission-aligned investments in Colorado, making us realize the importance of building this deal flow through innovation strategies that inspire social entrepreneurs to think about issues related to early childhood.

And, unlike financial performance, it’s more complicated to measure social return on our investments. Although impact measurement is complicated, it’s essential to our strategy and something we will continue to refine so we can improve our practice, better understand investment- and portfolio-level performance, and continue to contribute to broader field-building.

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**David J. Younggren** is the President and CEO of Gary Community Investment Company and The Piton Foundation, where he has served as a board member for more than 17 years. He also serves on the boards of Urban Land Conservancy (past chairman), Colorado Children’s Healthcare Access Program (chairman), Belle Creek Metropolitan District (President) and Colorado Forum Fund (chairman).
Advancing Access to Opportunity in Metro Denver

Patrick Horvath, The Denver Foundation

As a community foundation, we listen regularly and deeply to the residents of our region, and base our goals and strategies on their input. Our core values of leadership, equity, inclusiveness, and accountability have guided our work for the past two decades.

Our most recent comprehensive community listening process resulted in our current focus on broadening access to opportunity for the region’s most vulnerable residents, and on increasing donors of all types who give more strategically to their own and to The Denver Foundation’s objectives.

Moving Beyond Grants
Place-based impact investing describes a range of key strategies we use to advance TDF’s work.

In 2013, TDF began investing non-grant resources to achieve both social and financial returns. Our goals were to deploy additional resources in service of our mission, and to engage our donor-advised fundholders in strengthening access to opportunity throughout

The mission of The Denver Foundation, the oldest and largest community foundation in the Rocky Mountain region, is to inspire people and mobilize resources to strengthen our community.
the region. The Foundation initially created a $1 million impact investing pool from its operating reserve, and empaneled a committee of trustees and experienced community investment volunteers to oversee a three-year pilot project.

The impact investing pilot project, which was made permanent in 2016, has deployed almost $1.2 million in a variety of impact investments, including a low-interest working capital loan to a startup coffee house that trains and employs 18- to 24-year-olds facing barriers to employment, and a six-figure investment in a fund that provides gap financing for affordable housing development close to transit stations. All of these investments projects are performing financially, although most are at too early a stage to offer any conclusions about financial risk and return. All are generating important social returns, such as the youth training and transit housing development outcomes noted above, as well as:

- creating and expanding new businesses owned by low-income entrepreneurs and newly arrived immigrants and refugees;
- preserving and renovating nonprofit shared spaces that meet critical community needs and employ hundreds of staff; and
- providing safe and supportive housing to individuals who had been living on the streets for years.

Donor-advised fundholders have co-invested with the Foundation on several of these projects, and all signs point to a growing appetite for impact investments among fundholders, especially as the pipeline of opportunities continues to grow.

This early success has led TDF to consider how we might expand the investment resources devoted to this work. Discussions are underway to create a multilayered PRI/MRI/SRI strategy — i.e., program-related investments, mission-related investments, and socially responsible investments — that would further engage donor-advised fundholders and expand the range of the Foundation’s investment assets that are deployed through an impact strategy. A centerpiece of that strategy is to explore development and/or participation in impact investment platforms.

One of the most promising of these is the Community Investment Platform (CIP), which is being developed by Mile High Connects (MHC), a close partner and fiscally sponsored project of TDF, and a variety of other public and private sector partners. The CIP focuses on unlocking private sector impact investment into real estate opportunities that will, for example, preserve and develop affordable housing, and support community land trusts to stem displacement of low-income families from their neighborhoods. The platform will enable impact investors to aggregate their investments in a range of mission-driven place-based projects, and will allow these investors to select specific areas of interest and impact. TDF is developing this platform with MHC, and also researching other platforms through which it could deploy both its own and donor-advised philanthropic capital.

**Community Wealth Building**

Community wealth building (CWB), a term popularized by the Democracy Collaborative, describes another key set of place-based investment strategies that The Denver Foundation is using to advance its access to opportunity goals. CWB focuses on helping communities develop collaborative, inclusive, and locally-controlled economies that provide good jobs and healthy environments for their residents.

TDF has helped to launch and staff a local Community Wealth Building Network, a growing association of community-based organizations and residents in Metro Denver. Participants are mapping and connecting the many local projects throughout the Denver region that are putting community members at
the center of local economic development. One of these projects is creating worker-owned businesses in the region, through which employees can earn both a salary and an ownership stake in businesses that they control.

Another ongoing project is developing a network of “anchor institutions,” which are large organizations — think health, higher education, and municipal government — that are anchored in communities and thus can have a significant influence on local employment, economic impact, and use of land and resources. The Denver Foundation and Mile High Connects have linked 16 local anchors in a “learning and doing” network to explore ways they can better engage with and support the economic development of their surrounding communities. Strategies include hiring and purchasing locally, and making direct impact investments in and using their land and real estate assets to create affordable housing or commercial space that addresses needs in surrounding neighborhoods.

**Successes, Challenges, and Gaps**
The Metro Denver region is experiencing a surge of interest in place-based impact investing, with both philanthropic and for-profit investors seeking to deploy investment capital in ways that strengthen local communities while earning a financial return. It’s important to keep in mind, however, that local philanthropy is catching up with a movement that has been underway in other parts of the country for more than a decade.

In this early stage, Colorado’s philanthropic community seems to be typified by an abundance of caution on the part of foundation leadership. With notable exceptions, foundation investors have been reluctant to devote significant capital, especially from endowments, to socially focused investments that may (but may not) earn lower rates of return than more traditional asset classes. This reluctance is slowly being overcome by growing awareness of how peers in other regions have used impact investing to advance their social and financial missions, as well as by the imperatives to find new ways of investing in community to solve increasingly severe problems.

As the interest in place-based impact investing grows, the Denver region must develop more points of entry, investment platforms and investable opportunities, so that newly activated capital can be deployed for community benefit. And while interest and enthusiasm for this approach are mounting, impact investing is not the answer to every need in our region. Many high-capacity nonprofits that provide critical services to our area’s most vulnerable residents still need traditional grant dollars to do their work effectively. As investors look to bring socially minded capital into newly developing markets, place-based impact investors should consider how best to combine grants and investments to grow the resources available to address the Denver region’s most challenging problems.

**Patrick Horvath** is Deputy Vice President of Programs and Director of Economic Opportunity at The Denver Foundation. He also represents the foundation on the steering committee of Mile High Connects. Previously, Patrick was Associate Director of the Urban Justice Center in New York City, where he provided civil legal services to homeless adults.
I often refer to Slow Money as “the CSA of investing.” As with community supported agriculture, our efforts revolve around informal, direct relationships and shared risk. Slow Money funding is flowing in a variety of ways in dozens of communities across the United States (and a few in Canada and France) — peer-to-peer lending, investment clubs, angel networks and pitch fests at public events large and small.

This year, we’re launching Slow Opportunities for Investing Locally — SOIL, a nonprofit investment club, in the Boulder area. This isn’t investing in the traditional sense. We’re using charitable donations and 0% loans to fund the next generation of diversified, organic farms and the small food enterprises that bring their produce to the local market. We’re building a permanent, member-controlled funding resource. This is investing that leaves the returns in, for the benefit of future generations.

There are many social and environmental reasons why we are doing this. Climate Change. Nutrition. Community. There are also financial reasons. If we are going to do what needs to be done in the soil, then we are going to need to put

Slow Money Institute’s mission is to catalyze the flow of capital to local food systems, connecting investors to the places where they live and promoting new principles of fiduciary responsibility that “bring money back down to earth.”
money to work in new ways along the boundaries of investing and philanthropy.

This is what has been driving Slow Money activities around the country. Since 2010, more than $57 million has flowed through our networks to 632 small food enterprises: Cheese makers, artisan bakers, heirloom seed companies, compost purveyors, small diversified organic farms (F.A.R.M.s\(^1\), too), grass-fed-beef producers, goat dairies, yogurt companies, farm-to-table restaurants, probiotic pickleteers, community kitchens, regional grain mills, local distributors, inner city cooperatives and more.

Here in Colorado, hundreds of individuals have attended regional events or committed capital to Slow Money projects, including four investment clubs, resulting in the flow of $3.3 million to 36 local food deals. In 2015, we started our first nonprofit investment club, 2Forks Club in Carbondale, Colorado, and based on its success, we are now starting SOIL on Colorado’s Front Range.

Here’s how it works.

You become a member of SOIL with a tax-deductible donation of $100 or more. Then, members make 0% loans to local farmers and food entrepreneurs, by majority vote — one member, one vote, no matter what the size of your donation. When loans are repaid, funds are recycled into new loans.

We’ve been utilizing this model for the past two years in the Roaring Fork Valley in the western part of Colorado, where 33 individuals have contributed a total of $206,000, in amounts ranging from $100 to $80,000, to the 2Forks Club (named for the Roaring Fork River and the north fork of the Gunnison River). Seven loans have been made to date, with more in the pipeline.

“I’ve been farming for 20 years,” says 2Forks member Brook Le Van, “And I’ve never seen anything this heartening in the way it connects people and supports the local food system. Especially in the current climate, with so much divisiveness and uncertainty, this is just what we all need.”

Here in In Boulder, SOIL is starting off with $75,000 from a dozen founding members. I am joined on our launch committee by Brian Coppom (Executive Director, Boulder County Farmers’ Market) and Amy Divine (Member, Women Donors Network). Helping us is a “kitchen cabinet” that includes a healthy handful of local folks with experience in food and finance. We’d like to think that given population and geographical factors on the Front Range, we’ll be able to achieve more scale than our sister group in the mountains, and that, over time, if enough of us keep at it, we can grow SOIL into a significant, community resource for funding local food systems, in Boulder and beyond.

The spirit behind SOIL is reflected in the Slow Money Principles, which start with “We must bring our money back down to earth” and end with this reference:

Paul Newman said, “In life, we need to be more like the farmer who puts back into the soil what he takes out.” Recognizing the wisdom of these words, let us ask:

What would the world be like if we invested 50% of our assets within 50 miles of where we live?

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\(^1\) F.A.R.M., in Boone, NC, is a café that allows customers to pay whatever they can afford: Food for All Regardless of Means. There is a network of such “one world cafes” around the country, some 70 or so strong. Denver’s SAME Café (So All May Eat) is one. We haven’t yet funded one of these cafés, but I hope we will soon.
What if there were a new generation of companies that gave away 50% of their profits?

What if there were 50% more organic matter in our soil 50 years from now?

Such questions point in a fundamentally new direction, although the actions we are taking — making small loans to farmers — are in many ways quite simple. This balance between big questions and small actions is central to the change we are seeking and the community we are building.

Here’s another question, along with the partial answer that arises from slow money conversations:

Q. We’re giving our money to people we don’t know very well, to invest in things they don’t understand very well, halfway around the world in places that most of us will never visit: Does this sound like the recipe for a healthy future?

A. Put our money to work in things that we understand, near where we live, starting with food.

It just may be that, led by farmers’ markets and community supported agriculture and crowd funding and a few pioneering funds around the country, small food enterprises and local investing will mature over time as an asset class that produces predictable, risk-adjusted financial returns.

Or, it just may be that if we really want to nurture the slow, the small and the local, we’ll just have to find the gumption to go slow, small and local with our money — using not only our consumer dollars, but our investment and philanthropy dollars, as well. We may just need to splice into our 20th century investment notions the principles of carrying capacity, care of the commons, sense of place, soil fertility, diversity and nonviolence.

Or . . . if that all sounds a bit much . . . we can just roll our sleeves up, do what we can locally, enjoy getting together once in awhile, celebrate a little conviviality with our neighbors, break bread and make 0% loans to local farmers and food entrepreneurs, for the good of all.

In this time of fake news and fake food, it’s nice to have something real to do with our money.

Woody Tasch is the Founder and Chairman of the Slow Money Institute. Woody is widely renowned as a thought leader in patient capital, mission-related investing and community development venture capital. He is former Chairman and CEO of Investor’s Circle (IC); was the founding chairman of the Community Development Venture Capital Alliance; and served as Treasurer of the Jessie Smith Noyes Foundation.
Impact Investing for Community Real Estate

Aaron Miripol, Urban Land Conservancy

Nonprofit real estate company Urban Land Conservancy (ULC) was established in 2003 with $10 million in cash and $7.5 million in real estate as an impact investment by the Gary Williams Energy Company (now Gary Community Investments, GCI). With a long-standing commitment to Colorado’s underserved communities, GCI seeded ULC to “conserve” strategic urban properties for community benefit ahead of market rate development.

ULC’s focus is community place-based real estate geared to improve the lives of low-income residents. Its emphasis is on making strategic impact real estate investments that will improve the health of struggling communities, as opposed to maximizing profit. ULC’s real estate strategy is a comprehensive approach for how to turn around neighborhoods with the issues endemic to urban poverty. Gentrification does not solve the problem of poverty, but simply moves it to a new location. The built environment in a

Urban Land Conservancy acquires, preserves and develops real estate to under-served areas for long term community benefit. By making sound real estate investments that include land banking and land trusts, we provide low-income communities with affordable housing, schools and nonprofit office space to strengthen neighborhoods for current residents and future generations.
neighborhood is a determining factor in how its residents experience their lives. The presence of relevant and positive services provided by nonprofits, businesses, and public entities, along with reliable public transportation, affordable housing, access to jobs, and quality schools, create the milieu for positive outcomes for residents, and has the power to transform high-need communities into healthy and high-functioning ones.

Over the last decade, ULC has been creative in quadrupling GCI’s initial investment, purchasing 24 additional properties in metro Denver including affordable housing, schools, nonprofit facilities and land banking. ULC has preserved and developed over 550,000 square feet of nonprofit facilities that are home to more than 50 organizations. These nonprofits serve over 10,000 people and employ hundreds of people annually in metro Denver. Five of these nonprofits are schools serving over 1,000 students, from preschool to high school. In 2015, in partnership with New Legacy Charter School, ULC constructed Aurora’s first high school for pregnant and parenting teens (both mothers and fathers) as well as a preschool for their children, all in one building. In many instances like this school, ULC’s impact investments in real estate are supporting nonprofit capacity-building by providing commercial space well below market rate and freeing up operating dollars for other organizational priorities.

In addition to affordable commercial space, ULC has preserved and partnered on the development of over 1,000 affordable rental apartments. Nine of ULC’s 15 affordable housing investments came out of the country’s first Transit Oriented Development (TOD) Fund. This unique partnership with Enterprise Communities, the main investor and manager of the Fund, included financing from program related investments provided by foundations; bank equity equivalent (EQ2) investments; and top loss loan capital provided by the City of Denver. This creative blend of capital allowed ULC to acquire properties along transit lines for affordable housing development and preservation. Three years after purchasing its largest parcel, the first phase of development was completed with the opening of Park Hill Station, 156 permanently affordable apartments on two acres. The remaining 7 acre site will be developed over multiple phases to include more than 350 mixed-income apartments as well as 80,000 square feet of community serving space. ULC’s investments of $6 million will leverage an additional $200

The Holly Area Redevelopment Project (HARP)
ULC acquired the 2.6-acre Holly Square in Northeast Park Hill in 2009 after it was destroyed by arson connected to gang activity. ULC oversaw demolition of the burned structures and launched a community engagement process to reimagine the entire six block area, which included the former shopping center site and adjacent properties that are home to other community assets.

To ensure that the redevelopment of the property would build on the neighborhood’s strengths and help advance residents’ dreams for a safer, healthier community, ULC and a Steering Committee comprising local residents and stakeholders created a Vision Plan to guide the site’s redevelopment. Today, Holly Square is home to a new Boys and Girls Club, a new elementary school, as well as an outdoor space for community to gather. ULC retains ownership of the entire site, with 99-year land leases in place with both the Boys and Girls Club and school organization. The land lease was critical to both nonprofits building facilities in NE Park Hill.

Fundamentally, ULC’s impact investing is about improving the neighborhood conditions for long term residents that have struggled with the lack of services and are now seeing their community change with the influx of gentrification.
million in development that will provide direct benefit to northeast Denver. ULC’s $1.5 million of impact investments made through the $15 million TOD Fund will leverage over $400 million in development of community real estate, which includes more than 700 affordable apartments, a new public library, and 150,000 square feet of commercial space.

With Denver’s TOD Fund proven out as a successful impact investment, ULC worked with the Calvert Foundation to create a new source of capital to deploy into community real estate. As part of the Ours to Own Initiative, where individuals can make an impact investment through the purchase of a secured community note for as little as $20, ULC and Calvert created a $10 million Facility Fund to be used toward the acquisition of real estate that benefits metro Denver. This new partnership attracted $3.5 million of PRI from GCI and four local foundations (including Colorado Health, Denver Foundation, Colorado Trust, and Piton) as top loss to the fund. These investments will conservatively leverage $250 million in development that will include over 500 mixed income homes as well as 80,000 square feet of commercial space in North Denver. The Facility Fund also provided needed capital for ULC to preserve an existing warehouse in Sun Valley and a seven-story building in Capital Hill; both buildings provide affordable space for nonprofits who serve thousands of people each month.

**Strategy for Lasting Impact: Community Land Trust (CLT)**

In many of ULC’s impact investments, a CLT was used to steward the long-term benefits of the real estate. The use of a land trust is common practice in the West to protect pristine open lands from development; ULC’s use of the land trust and its 99-year ground lease ensures the urban built space remains a benefit for nonprofits and neighborhood residents. CLTs offer considerable benefits: they reduce the financial strain and risk for nonprofits; they protect philanthropic investments in the capital campaigns of nonprofits; and they ensure the property will not be sold for purposes incompatible with the original philanthropic and community focus.

The use of CLTs allows investing in community benefits to be impactful for the long term. From schools to affordable housing and nonprofit offices, ULC’s $70 million of real estate investments ensures these community assets are not lost over time and changes in the market.

**Aaron Miropol** is President and CEO of Urban Land Conservancy. He has 20 years of experience running community development and affordable housing companies. He has over seen more than $400 million in direct economic development, including over 2,000 permanently affordable homes.
Supporting Communities with Patient and Flexible Capital

Melissa Cheong, Zoma Capital, LLC

Zoma Capital was created in 2016 by Ben and Lucy Ana Walton to execute and manage the family’s investment activities. While we seek to generate best-in-class rates of financial return, we also strive to incorporate the family’s unyielding commitment to addressing some of society’s most pressing social and environmental challenges. Based in Denver, Zoma Capital manages a global investment portfolio, spanning across multiple asset classes and sectors. Our team’s primary investment focus is on opportunities in five core verticals — Community Development, Energy, Education, Healthcare and Water.

While our investment universe is global, as a member of the Denver community, we are motivated by our commitment to addressing local market challenges and believe that our capital can play a role in addressing Colorado-based issues in each of our target verticals. A distinctive feature of Zoma Capital is that our own organizational understanding of social and environmental impact is explored and

Zoma Capital is the private family office of Ben and Lucy Ana Walton. Zoma seeks to invest in a broad range of market-based sustainable solutions towards addressing environmental and social problems.
discerned through a locally defined frame of reference in each of our verticals.

Our team is particularly interested in exploring ways to place capital into both enterprises and funds that address local social and environmental challenges, while in parallel supporting the preservation and development of sustainable and resilient local communities. We have recently made several notable community development-focused investment commitments that demonstrate direct impact on our local Denver and Colorado communities.

One of these opportunities is into a fund called Community Investment Management (CIM). CIM provides small business loans of around $100,000, helping entrepreneurs to grow and expand their businesses. Our commitment to CIM is focused on funding Colorado-based borrowers, of which 53% are female, minority, or veteran owned businesses. Through this investment, Zoma can support our organizational belief that small businesses are an engine for local economic growth, and that through the provision of capital to an underbanked segment of the market, we can serve as a catalyst for local job creation and economic activity.

Another example of a place-based community development focused investment is the Colorado Impact Fund (CIF). CIF provides growth capital to local entrepreneurs who have developed compelling business models that drive meaningful community impact. Through CIF, we are indirectly invested in Galvanize, a Colorado-based coding and data science educational provider. Galvanize courses result in high job placement rates into positions with significant increased earnings potential for students. We are also indirectly invested in SecureSet Academy, the first cybersecurity focused boot-camp, which was launched in response to the shortfall of cybersecurity professionals who are needed to meet the rise in cyber threats worldwide. SecureSet plays an important role in workforce development for the cybersecurity industry, and creates pathways for students in a field with substantial opportunity for upward mobility. Both are examples of top-tier companies that are the product of a vibrant and innovative local venture capital investing market.

A third and very different example of a community development focused investment opportunity can be seen in the Colorado Classic, an exciting new format of professional bike racing we are helping to launch in partnership with several other Denver community members. Biking is an emblematic part of outdoor activity and lifestyle here in Colorado and serves to bring together the community on a city and statewide level. Predecessor races have had over 1,000,000 attendees in the past and it is anticipated that the Colorado Classic will bring meaningful tourist and hospitality dollars to the greater Denver area during the month of August.

Our investment pipeline represents new and exciting opportunities to support a broad set of community development focused issues in the Denver and broader Colorado markets. We seek to support the development of a vibrant and dynamic social investment ecosystem and are encouraged by the variety of opportunities that continue to emerge locally. Our hope is that we can continue to find creative ways to support local initiatives in this ecosystem by using patient and flexible capital, and employing whatever the right tool might be relative to the investment opportunity under consideration.

Melissa Cheong is the Chief Investment Officer at Zoma Capital, overseeing the management of Ben and Lucy Ana Walton’s family investments, employing a values-aligned investment strategy. Previously, she held various positions working with family offices and at organizations such as Treehouse Investments, Imprint Capital, Plainfield Asset Management, Metzler Bank and Deutsche Bank.
Laying the Groundwork for a National Impact Investing Marketplace

Dr. Stephanie Gripne, Doug Johnson, and Nicole Bagley, Impact Finance Center

Impact Finance Center (IFC), a nonprofit impact investing academic center founded in 2013 and based in Denver, believes that philanthropy is an investment and that every investment has an impact. IFC works with philanthropists and investors to understand those impacts on a broader scale and maximize the benefits of every deployment of capital.

IFC uses research, education, and special initiatives led by a powerful team of leaders in the fields of academia, social entrepreneurship, philanthropy, investing, fundraising, and financial services to achieve the vision of catalyzing $1 trillion of investment by 2035.

National Impact Investing Marketplace

A vision of such magnitude requires an equally compelling blueprint: The National Impact Investing Marketplace. CO Impact Days and Initiative, a proof of concept statewide marketplace, provides this blueprint to scale and replicate. How do we create billion-dollar
institutional investments across every stage, asset class, and impact focus? We invest in infrastructure and capacity building to inventory and grow impact investors and social ventures.

In 2016, IFC and CO Impact Days and Initiative identified 350 social ventures (e.g., projects, nonprofits, for-profits, and funds) that represented over $500 million in investment opportunities (IFC estimates this sum represents only 1-10% of the Colorado pipeline). More than 200 philanthropists and investors participated in CO Impact Days and Initiative, representing over $4 billion in assets. Just imagine what could happen if we could inventory and scale the $50 billion of investment opportunity by state into regional marketplaces and create the corresponding institutional products the marketplace needs! This logic can go even further. Imagine if there were a $500 million angel fund of funds focused on a certain area of interest where an impact investor such as an individual, donor-advised fundholder, foundation, family office, corporation, or pension fund could invest $25 million of their endowment capital and ultimately invest in Colorado-based startup companies? The possibilities for growth are endless.

But first, supply of capital must meet demand. IFC is leading the charge to bridge the gap with top-down (investor training and engagement) and bottom-up (social venture priming) approaches. IFC’s vision for a national marketplace has already begun to be realized, with a successful and growing Phase 1 in Colorado and early planning in place to expand to two or three more geographies. In addition to catalyzing direct investments into social ventures, IFC has worked with several asset owners to upgrade their governance (e.g., investment beliefs, ESG screening, philanthropic evaluation, and evidenced-based attribution) with their existing investment advisor, or to assist in selecting a new investment advisor or outsourced chief investment office through a Request for Proposal process.

**Phase 1: Statewide Marketplace: CO Impact Days**

The vision for a National Marketplace begins with the CO Impact Days and Initiative. The initiative was started as a multi-year strategy designed to elevate and accelerate impact investing in Colorado, to eventually be replicable regionally and nationally. The flagship event, CO Impact Days (March 2016), was the first multi-track, multi-stage, and multi-asset-class marketplace devoted entirely to assessing and expanding the impact investment opportunities in in Colorado. CO Impact Days 2017 (November 15-17, 2017) is poised to expand on the inaugural event’s success and catalyze even more impact investments in valuable Colorado social ventures.

**Phase 1 Continued: Inventory and Capacity Building: CO Impact Initiative**

The statewide marketplace is only as strong as the place-based capacity building that occurs through the preceding year. CO Impact Initiative features a series of workshops aimed at impact investing competency: “investor readiness” workshops for philanthropists and investors; nonprofit and impact investing workshops; for-profit and impact investing workshops; “deal doctor” workshops; and corporate innovation and impact investing workshops. Leading up to CO Impact Days 2016, IFC gave more than 50 outreach and educational presentations and workshops, with a similarly robust lead-up planned for CO Impact Days 2017. These workshops are backed by robust research and
curriculums, and are poised to be replicated and presented around the country as part of the launch of the National Impact Investing Marketplace.\(^1\)

In addition to more conventional capacity building, IFC has also launched two experiential education concepts to engage investors:

- **Impact Investing Giving Circles:** How many individuals and institutions want to support social ventures in Northwest Colorado, led by women, or in the sector of behavioral health? IFC believes that one of the key strategies for increasing the flow of capital into impact investing opportunities is to create opportunities for philanthropists and investors to find one another and then move forward with first steps that enable them to experience impact investing in a low-cost, low-risk way. IFC has developed the framework for “Impact Investing Giving Circles,” where philanthropists, investors, and organizations donate to a charitable fund for impact investing at a community foundation. These “IIGCs” are executed in tandem with an Impact Scan.

- **Impact Scans:** Impact Scans is a term IFC uses to describe a way for impact investors to identify the number and quality of social ventures (e.g., projects, nonprofits, for-profits, and funds) available and/or the number and type of impact investors available for a given community. Assessments of debt, assets, and social enterprise opportunities are important for identifying nonprofit social venture investment opportunities (e.g., lines of credit, scholarships, and mortgages), opportunities for asset efficiency improvements (e.g., building renovations), and social enterprise or nonprofit earned revenue projects within a certain geography or sector.

IFC believes that impact investing is the powerful tool that will empower philanthropists and investors to use their existing resources to leverage larger impact in their communities and the world. With the vision and strategy in place, IFC is ready to engage with early adopters to make the vision of a National Impact Investing Marketplace a reality, starting with building a robust model in Colorado.

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Activating Investment through Donor-Advised Funds

Ed Briscoe, Impact Charitable

Roughly $80 billion is currently held in donor-advised funds in the US. We believe those funds should be aligned with the donor’s values and targeted impacts until they are ultimately given to their favorite charities. Unlocking the donor-advised funds held by families in Colorado for impact investing will create a pool of capital that can address the most pressing needs in our communities while generating a reasonable rate of return.

At Impact Charitable, we operate according to a strongly held belief that the investment strategy for foundations and donor-advised funds should not solely target a rate of return or future value, but should be aligned with the philanthropic goals of the donors. Dollars set aside for charity today should not wait until they are granted away before they create the impact donors want to have. For that reason, our donor-advised funds are 100% invested in impact.

Impact Charitable takes a broad portfolio view in how we invest our funds. Within a diverse

Impact Charitable’s mission is to activate charitable dollars for impact through investment, education and strategic philanthropy.
portfolio, we can accept lower rates of return, take risks to create greater impact, and make longer-term investments that the market might not typically accept. Alongside impact-oriented investments in the public markets and cash accounts, up to 25% of Impact Charitable’s funds are committed to funding highly impactful projects and organizations in Colorado. While maintaining the liquidity needed to fund our donors’ grant-making, investment dollars will create impacts aligned with the values and goals of our donors.

Local Investment Solutions
Donor-advised fund or foundation assets are not needed to cover expected future retirement, educational or other expenses. They do not have a cost of capital or required rate of return limiting how they can be invested. Impact Charitable uses this flexibility to develop investment approaches focused on the needs of Colorado communities.

We cannot rely solely on the traditional investment market to make the kinds of investments that our communities need. The affordable housing crisis facing our state is a prime example of this. The Denver metro area is facing a shortage of tens of thousands of affordable housing units. Nevertheless, the market is not investing in the development or preservation of such housing. Investor money continues to fuel construction of luxury apartments while often displacing families from existing affordable homes.

Outside of heavy government subsidies, investor returns are unfortunately inherently tied to the rental rates of housing, which makes targeting market rates of return in affordable housing exceptionally difficult. Impact Charitable is supporting several efforts to create vehicles for investing in affordable housing with reasonable (though perhaps not “market”) rates of return.

What is a Donor-Advised Fund (DAF)?
A donor-advised fund, or DAF, is a philanthropic vehicle established at a public charity. It allows donors to make a charitable contribution, receive an immediate tax benefit and then recommend grants from the fund over time. An easy way to think about a donor-advised fund is like a charitable savings account: a donor contributes to the fund as frequently as they like and then recommends grants to their favorite charity when they are ready.

How a Donor-Advised Fund Works

1. You make an irrevocable contribution of personal assets.
2. You immediately receive the maximum tax deduction that the IRS allows.
3. You name your donor-advised fund account, advisors, and any successors or charitable beneficiaries.
4. Your contribution is placed into a donor-advised fund account where it can be invested and grow tax free.
5. At any time afterward, you can recommend grants from your account to qualified charities.

— Definition courtesy of National Philanthropic Trust
For-profit early stage social enterprises often struggle to raise capital. They may have business models that hinder future exit opportunities or have expected profit margins and scalability that are not as attractive as other investment opportunities. A social enterprise may put the impact they create at risk if they accept an exit opportunity based solely on shareholder value. Social enterprises are often entering a market or working with technology that is less proven than other companies. Impact Charitable is pursuing two ways to address these hurdles that social enterprises may face.

For early stage companies that are not seen as investable yet, we can provide fiscal sponsorships to fund portions of the business that align with our charitable purposes. For example, Future Pointe is utilizing emerging anaerobic digester and biomass energy technologies to address food waste in Colorado. They have reached several milestones since their launch, but have struggled to attract angel investors thus far. This non-dilutive capital can help carry companies through the riskiest stages of their growth, not consume cash flow, and help prepare them for funding from impact investors.

For companies where a large exit is either not desired by the management team or questionable to investors, Impact Charitable plans to utilize structured exit investments. Structured exit investments provide payment holidays until a company begins to scale up, and ties investor payouts to revenues. Investors receive payments from the company until they recoup their investment plus a negotiated return. Companies such as Knotty Tie Co., which employs resettled refugees with above-average wages and benefits, may thus be able to ensure their mission remains intact as the company grows.

Impact Charitable also supports new and innovative investment tools. We recently provided a recoverable grant to support a prototype social impact bond with a local municipality. Our funds are supporting early childhood education programs for children who would otherwise not have access to early childhood educational opportunities. The municipality will monitor the educational expenses that are saved in later years attributable to the children’s participation in these programs. Based on these savings, Impact Charitable’s funds may be returned.

Impact Charitable structures our local investments to best meet the financial needs of a business or project, give them their best opportunity to succeed, and create the impact needed in our communities. We believe that donor-advised funds provide a unique opportunity to activate capital that can make investments focused on maximizing impact rather than maximizing financial returns.

Ed Briscoe is the President of Impact Charitable. He is also the Founder and Managing Partner of Weave Social Finance, a provider of consulting and investment banking services to social enterprises and businesses based in low-income communities.
THE B CORP COMMUNITY IS CURRENTLY MADE UP OF OVER 2,100 COMPANIES IN 50 COUNTRIES. WHILE EACH COMPANY IS UNIQUE, THEY SHARE ONE UNIFYING GOAL: “USING BUSINESS AS A FORCE FOR GOOD.” IN COLORADO, THE B CORP COMMUNITY HAS GROWN FROM AROUND 30 IN 2014 TO CLOSE TO 100 TODAY. HAVING SUCH A STRONG CONCENTRATION OF B CORPS HAS ALLOWED THE COLORADO B CORP COMMUNITY TO CREATE A SOMEWHAT CIRCULAR, AND INCREASINGLY SUCCESSFUL, MARKETPLACE.

Once known primarily as an oil- and gas-based economy, Colorado has become a magnet for companies focused on new technologies, alternative energy, LOHAS (lifestyles of health and sustainability) products and services, social enterprise, regenerative agriculture, brewing & distilling, creative services, and healthcare, among others. Through the Colorado B Corp Champions Committee and other event-specific committees, B Lab engages these growing companies through community outreach events; educational seminars and leadership training; days of service for nonprofits; purely social events; and university partnerships.

In essence, B Corps in Colorado are working not only toward their own success, but to both...
directly and indirectly contribute to the success of other B Corps. Our law firm, for example, has been engaged by B Corps that are also hired by other B Corps to provide services and/or products. Thus not only money, but also mentorship, products and services flow both ways in the B Corp supply chain.

A primary reason for this dynamic is that these companies all know, because of the high threshold for ESG metrics measured by B Lab to "certify," that these partners hold, at a minimum, very similar business values. In addition, many B Corps offer other B Corps (and their employees) special discounts on products or services. Especially with larger B Corps, such as Ben and Jerry's (which sources their brownies from fellow B Corp Greyston Bakery), ensuring continuity of mission in the supply chain has been important. Therefore, these B Corps and others actively encourage other companies in their supply chain to certify.

The ripple effect isn’t only seen at a company level. As one of a handful of B Corp law firms, and the largest in Colorado, we consistently get resumes from candidates who cite our being a B Corp as one of the reasons they want to work for us. It is an outward-reaching symbol of values alignment. Studies have shown that candidates are increasingly choosing a workplace that takes people and planet into account (in addition to profit) over a potentially higher starting salary. Many B Corps in Colorado are ESOPs or Co-ops, as well, which give employees both ownership and a governance voice in the company. These employees are also consumers, choosing B Corp products over others when given a choice. Many B Corps (ours included) offer discounts to other B Corps and their employees, which also encourages B Corp-centric consumerism. For example, I buy King Arthur flour, primarily because they are a B Corp, even though there are plenty of cheaper, similar products on the grocer's shelf.

The B Corp movement in Colorado has also extended to government initiatives. B Lab, together with B Corp attorneys and others in Colorado, successfully lobbied to get benefit corporation legislation passed in the state, allowing corporations in Colorado to elect to take all stakeholders’ interests (not just shareholders’) into account when making business decisions. B Lab is also currently engaged with the City of Denver to launch a “Best for Colorado” campaign, to encourage more Colorado businesses to take the B Impact Assessment and work to improve their business as a “force for good” (regardless if they actually certify as a B Corp). By making these small, but collective, ripples, Colorado B Corps are making waves of change to how business is done in Colorado.

**Patricia Rogers** is Co-Chair of Moyes White’s Business Section, Co-Chair of the firm’s Financial Institutions Group and a leader in the firm’s Impact Investment and Social Entrepreneurship practice. Trish also works with a number of national and regional nonprofits with regard to program related investments, capital raising and governance matters.
Boosting Entrepreneurship

Rob Smith, Rocky Mountain Microfinance Institute

For more than eight years, the Rocky Mountain MicroFinance Institute has filled a gap in services to low-income and disadvantaged entrepreneurs in Denver. Under-resourced individuals with an entrepreneurial spirit and a strong work ethic can build a business while creating jobs and prosperity for the community. RMMFI is the only Community Development Financial Institution (CDFI) in Denver serving low-income entrepreneurs with business development, capital access, and personal support services. RMMFI’s focus is to first ensure a foundation of personal strength exists, from which any subsequent investment in the wealth generation opportunity of the business can succeed.

Working in Colorado

Colorado is not short on ideas on how to give residents access to tools that can help them build a strong foundation, identify opportunities for growth, and build a pathway to a stronger social identity and economic freedom. With Colorado and its metro areas regularly being named among the top five entrepreneurial hubs, and given the progressive

The Rocky Mountain Microfinance Institute (RMMFI) is a community creating economic and social mobility through entrepreneurship. RMMFI helps curious people transform into serious entrepreneurs through skill-building, mentorship, and micro-lending.
landscape and the number of nonprofit organizations, our state has the perfect mix to connect social/economic outcomes to more self-sustaining social business models.

Colorado also struggles, however, to address the institutional and societal barriers faced by low-income and disadvantaged individuals and communities. Challenges include a lack of quality education, instability in the affordable housing environment, poor access to transportation, unreliable healthcare support, antiquated workforce development systems, and limited institutional focus on the personal strength and well-being of all residents. These barriers make it incredibly difficult to create the necessary stability from which someone can grow in mindset, skills, and economic status.

Colorado’s recent economic “success” is a perfect example of the tension created by these economic and social forces. Investments made to improve infrastructure and bolster economic activity put limited focus on the impact of development on low-income and disadvantaged residents. Transportation, public works infrastructure, and economic development activities have accelerated gentrification and displacement. These and other forces create an environment in which some of our most vulnerable residents have limited to no control over their social and economic trajectories.

**The Whole Entrepreneur**

This reality is the reasoning behind RMMFI’s development of our “Whole Entrepreneur” concept, which focuses on an individual’s personal stability and growth pathway in addition to the business concept. RMMFI provides a simple, effective approach to business development built around the philosophy that poor planning equals poor results. We help people transform into serious entrepreneurs through skill-building, mentorship, and micro-lending. Our process takes budding entrepreneurs through three phases of planning and execution:

- **Idea Phase.** Arguably, the most critical phase of an RMMFI Entrepreneur’s journey is the initial determination of feasibility of both the business idea and the person as an entrepreneur/business owner.

- **Launch Phase.** Offered three times each year, the Business Launch Boot Camp is a 12-week intensive program aimed at bringing 10-12 qualifying, committed entrepreneurs from idea to launch through a coordinated mix of education, accountability, mentorship, community engagement, and start-up capital.

- **Thrive Phase.** Thrive’s goal is to help our entrepreneurs activate opportunities and respond to challenges presented to their businesses and in life. Thrive provides structured peer-to-peer support, one-on-one mentorship, access to experts to address specific issues related to personal and business growth, referrals to trusted service partners, accountability support, and access to higher dollar capital needs.

In our eight years of operation, RMMFI is proud of our achievements:

- Allowed more than 2,250 individuals to explore business ownership

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**CDFIs: Helping People Succeed**

Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream. By financing community businesses — including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing — CDFIs spark job growth and retention in hard-to-serve markets. CDFIs are profitable but not profit-maximizing. They put community first, not the shareholder.
- Distributed over $373,000 (161 loans) to low-income entrepreneurs, with a 95% repayment rate
- Graduated 18 classes of the Business Launch Boot Camp, with an 88% graduation rate, resulting in the launch or expansion of 154 businesses in Denver
- RMMFI entrepreneurs are winning Westword’s “Best of Denver” and the “Denver A-List” awards
- Certified by the US Treasury as a CDFI
- Won the 2016 Small Nonprofit of the Year award from the Metro Chamber of Commerce
- Received the 2011 Colorado Innovation in Philanthropy Award from Bank of the West
- Received 2011, 2012, 2014, 2015, & 2016 Right on the Money Award from Consumers United Association

**Ecosystem Gaps**

Given the relative newness of the mainstream impact investing industry, Colorado has some incredible efforts underway to become a leader in social enterprise and impact investing. That said, there is always room for improvement. Nonprofits often struggle to raise the funds required to effectively deliver the full range of support necessary to achieve their missions. They do what they can with the resources at their disposal, but the solution often falls short of the intended impact.

More intentional “conversion” programs are needed to help nonprofits explore business models that drive consistent and supportive outcomes while also generating sustainable revenue. Conversions can help nonprofits disrupt/innovate in place, creating enduring solutions that lead with empathy. They can also serve as a buffer against commercial solutions that don’t always have the best interests of clients in mind.

A great case in point is the recent online activity within the microfinance/small business lending industry. For years, the CDFI community has provided small to mid-sized loans to “unbankable” businesses and business owners. CDFIs can offer loans ranging in size from $500 to $1,000,000 and generally have annual interest rates ranging from 5% to 16%. Many CDFIs also offer business technical assistance programs to ensure capital investments have a solid foundation from which to create a return for the business and business owner. In recent years, however, a new online presence has emerged through small business lenders that offer solutions to the “unbankable” and have fast turnaround times — but at effective interest rates north of 60% p.a.

With its existing infrastructure, community reach, and experience with the target constituent, the CDFI community would benefit from impact investment solutions to grow their lending capacity and to help convert the industry into a relevant and competitive solution in the marketplace. CDFIs understand the needs, desires, and challenges of those they serve and will often work more directly and intentionally with the business owner to find solutions that marry capital and capacity.

In sum, impact investors should look first to the assets already in place in a community and seek opportunities to sustain and grow impact through investments in sustainable business models.

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**Rob Smith** has been the Executive Director of RMMFI since 2008. He also sits on the Advisory Board of Denver’s Office for Human Rights and Community Partnerships, the Board of the Northeast Park Hill Collective Impact Initiative, the Advisory Board of Mile High Connects, and the Board of Community Shares of Colorado.
“Pay for Success”: A Promising Path to Impact

Ken Weil and Mary Wickersham, Social Impact Solutions

In 2013, Social Impact Solutions (SIS) formed with a mission of building out Colorado’s emerging Pay-for-Success (PFS), also known as Social Impact Bonds, field. Leveraging the growing interest in impact investing, SIS began working with governmental entities, investors, foundations and social programs to take promising programs to scale with new social finance strategies. In the ensuing years, much progress has been achieved.

In 2016, Colorado’s first PFS deal was closed, providing $8.6 million of new capital to provide permanent supportive housing for 250 chronically homeless adults in Denver. SIS joined two national housing organizations and a Harvard Performance Lab Fellow assigned to the city to design the deal, which includes two service providers, eight investors, and a nationally recognized evaluation firm.

Also in 2016, SIS worked with foundations and the Westminster School District to structure a PFS pilot initiative. This effort will allow 300 children to access full-day preschool and will fund a rigorous study of the outcomes of the intervention. If the study shows positive
results, the initiative is designed to scale so that it is available to all eligible four-year-olds in the school district, using private capital to fund a full PFS financing.

**Involving the Government**

In 2015, SIS was instrumental in an effort with other partners to develop bipartisan legislation to allow the state to participate in PFS transactions, as the outcomes-payer — i.e., buying outcomes for Coloradans. This authorizing legislation, which Governor Hickenlooper signed into law, set up a process for the Governor’s Office of State Planning on Budgeting (OSPB) to solicit and evaluate PFS ideas and a mechanism to allow the state to use realized savings for outcomes payments to investors. This has broadened the range and scale of PFS potential in the state. OSPB has begun to solicit PFS projects.

The federal government has provided technical assistance grants to help build the PFS field in the US. Both the Denver and Westminster deals referenced above were supported with these grants. In fact, efforts in Colorado have won a disproportionate number of these grants, with nine of the approximately 55 national technical assistance grants, as of 2016, coming to PFS projects within the state.

A dedicated group of foundations and other funders has met quarterly for three years to prepare themselves for the evidence-based, outcomes-funding world of the future. Several of these funders became investors in the Denver and Westminster deals. They actively seek other investments and additional ways to advance the PFS field.

**Obstacles Remain...**

While this is impressive progress, much work lies ahead before PFS and other impact investment strategies become widespread financing strategies that materially help grow the most effective social programs. Some of the remaining barriers include:

- Most social programs either have not been structured to track outcomes or have not had the resources to study rigorously the outcomes generated by their efforts. The shortage of evidence-based programs with strong studies to back efficacy has significantly slowed progress in the field.

- There is a shortage of government entities with the knowledge, staff bandwidth and appetite to shift from activity-based funding to outcomes-based funding.

- The development phase for PFS deals remains a costly multi-year process which significantly limits its ability to become a viable financing tool. This is both unsurprising, as only 15 PFS deals have been done thus far in the US, and an obstacle that must be overcome if PFS is to become a meaningful funding source to take social programs to scale.

...**But Momentum Is Building**

While these obstacles are real and must be addressed, they do not detract from the remarkable progress to date. Moreover, as we look to the future, there are many positive signs of building momentum. The first PFS deal in Colorado has passed its first anniversary, and while it is too soon to report results, over 100 people have been housed and 160 new housing units are scheduled to come online at the end of the summer. The Early Childhood Council of Boulder County has completed a PFS feasibility study of a program focused on parent and child (0-3 years) mental health. Invest in Kids is in the midst of a PFS study concerning growing its successful early childhood program called the
Incredible Years. The state has made progress implementing the 2015 PFS legislation, receiving more than 60 responses to a call for proposals concerning at-risk youth who are involved in the child welfare or juvenile justice systems.

In the service provider community, interest continues to grow in how to better design programs with a focus on outcomes and how to rigorously evaluate these efforts to see if the desired outcomes are achieved. Illustrating this increased interest in outcomes-based funding was a gathering of over 100 providers for a workshop led by Social Impact Solutions and the evaluation and outcomes research consulting firm, the Results Lab. Also looking to add support in this field is the relatively new Barton Institute for Philanthropy and Social Enterprise at the University of Denver.

The very best social programs with strong outcomes have long struggled to reach their potential due to a lack of a revenue engine that is both scalable and sustainable. Impact investing in general, and pay for success specifically, holds a great deal of potential to address this limitation, and in turn, accelerate the pace of social progress. While PFS is still in its infancy, much progress has been achieved and momentum is building. Colorado is well positioned to build upon its status as a national leader in the field.

Ken Weil is co-founder and Principal of Social Impact Solutions (SIS). Previously Ken served as the regional Executive Director of College Summit. He also chaired the Ritter gubernatorial campaign before serving as the governor’s Deputy Chief of Staff for Policy and Initiatives, developing and implementing the Colorado Promise agenda.

Prior to co-founding SIS, Mary Wickersham served as Senior Director of Policy and Innovation at the Piton Foundation. As Director of Initiatives for the Colorado State Treasurer, Mary developed and implemented the Building Excellent Schools Today (BEST) Act. As Governor Ritter’s Senior Education Policy Advisor, Mary helped develop and implement a range of education programs.
Welcome to the Impact Frontier

Melanie Pease Davidson, PeakChange

While impact investing has been around for decades, the concept of combining purpose and profit is still fairly new. Many investors seek market rate returns, so transitioning to an investment strategy with a triple bottom line has been a challenge.

We think about this a lot at PeakChange, our impact advisory firm based in Denver. In our work, we help both experienced and new impact investors grow and manage their impact portfolios. PeakChange supports innovative, business-driven solutions for future sustainability. We focus on Colorado as a model to champion initiatives that encourage entrepreneurship as a powerful change agent. Not only do we invest in social entrepreneurs, we collaborate with service providers and membership organizations to promote and scale impact investing field-building efforts.

The Colorado impact investing landscape is booming. For example, in May 2016, through the Impact Finance Center, local thought leaders gathered to create CO Impact Days — the nation’s first statewide marketplace to convene investors, philanthropists, thought leaders and

PeakChange uses Colorado as a model to support initiatives that encourage entrepreneurship as a powerful change agent, while engaging millennials in the process. PeakChange provides the necessary scaffolding to improve the overall early-stage investor experience.
entrepreneurs. Investors’ Circle, the largest and most active early-stage impact investing network, emphasizes that Colorado is one of their fastest growing and motivated local chapters. Boulder hosted the First Regenerative Future Summit in 2017 and Fort Collins has pledged to reach zero carbon free emissions by 2050, which are positive signs that we are in the place to be for innovation in models and execution. Another outstanding example of a Colorado-based success story with global impact is the Unreasonable Institute, a global network of entrepreneurs, investors, mentors and funders focused on impact located in Denver.

**Not Just Silicon Mountain**

We have a unique opportunity in Colorado to define and grow impact investing as a means to achieving positive change. Coloradans have a big appetite for innovative solutions to complex problems and a deep sense of loyalty to Colorado — this isn’t just among Colorado natives. Those of us who got here as fast as we could also want to see Colorado businesses succeed and thrive. This ethos and effort will help scale impact investing as we enter into a new economy that will be more sustainable, resilient, regenerative and inclusive.

We’ve seen many impact successes in Colorado, as evident from the increasing number of impact funds, accelerators, university initiatives, public private partnerships and even successful exits. However, the state of impact in Colorado still faces many challenges including branding, impact measurement, and access to affordable capital.

Colorado is a community that embraces diversity and cooperation. The Denver Office of Sustainability and Denver Sustainability Council have set ambitious and audacious sustainability goals for 2020. In 2016, The Rise of the Rest Tour came to Denver to celebrate and shine the spotlight on entrepreneurial cities outside of San Francisco, Boston, and New York City, where nearly 80% of venture capital funding is concentrated. Business leaders and local officials have referred to Colorado as Silicon Mountain, in reference to our holistic startup community. While this is meant to be an illustrative point, we believe it does Colorado a disservice. This language continues the stereotype and visualization that Colorado needs to be saved and taught by Silicon Valley. The reality is that Colorado has some of the brightest and most experienced pioneers in the impact space and a vibrant and inclusive community of investors, philanthropists and entrepreneurs who collaborate, work together and want Colorado ventures to succeed; we should brand ourselves the Impact Frontier and not Silicon Mountain.

Measurement of impact remains another challenge. It’s difficult and expensive for early stage social entrepreneurs to measure their impact. As a result, key performance indicators are deeply financial. This challenge confuses the overall marketplace and perpetuates the myth that social impact doesn’t provide market rate returns. The ROI on impact is complicated. Ultimately, this is a values question for investors who have to ask themselves, does the world really need another ad platform? (as an example) or do we need thought and innovation
to solve some of our deepest environmental, poverty and social problems.

Access to affordable capital remains a major gap in the overall ecosystem. For example, women-led ventures receive a very small percentage of total investment capital, reflecting the small percentage of women making investment decisions in the venture capital arena. As an investor who focuses on supporting female-led social ventures, I have found that not only are these founders often more authentic in their numbers and projections, but they also have a passion behind what they are doing that is reflected in their business models and organizational mission. These entrepreneurs are more purposeful in building relationships and teams. I know we will see better outcomes if we deploy capital more purposefully to female led ventures and significantly shift capital to impact ventures.

To build this inclusive ecosystem, it will require us, the investment and philanthropic communities, to collaborate in assessing new pools of capital and creating new funding models. Colorado has the opportunity to build the field and scale a high-performing model that the rest of the country can follow. We are all in at PeakChange and invite anyone building the field to join us.

Melanie Pease Davidson is a social advocate and investor who supports organizations dedicated to poverty alleviation, food stability and economic security through empowerment of women. She belongs to Women Donors Network, is an advisory board member for Excelsior Youth Foundation, and recently produced Madame Presidente, a film highlighting conditions in countries able to elect a female president.
Can We Engage Impact Investors at the Community Level?

Michelle Sturm, Community Wealth Building Network of Metro Denver

The Community Wealth Building Network of Metro Denver (CWB) is a burgeoning network comprising individuals and organizations with a shared vision to change the economic paradigm in Metro Denver by focusing on building wealth in economically marginalized communities.

The CWB Network got its start following a community wealth building conference held at the Anschutz Medical Campus in fall 2014. That convening successfully engaged residents from low-income communities as well as thought leaders and pioneers in the impact investment space. The Network received funding in January 2017 from The Denver Foundation and the Piton Foundation at Gary Community Investments to hire its first paid staff person. With Re:Vision as fiscal sponsor, in the coming year the Network will be building relationships and gaining a deeper understanding of the landscape related to community wealth building efforts, leading to the development of a comprehensive plan to support accelerating success for community wealth building efforts. We anticipate that a supported Network could
play a role in building bridges between investors and individuals and communities needing investment capital.

**Community Wealth-Building Strategies**

A variety of strategies are employed to achieve community wealth building goals. Some local examples include:

- Launching worker co-operatives where businesses are owned by the workers who democratically run the business, share in the profits, and have an ownership stake in the business (e.g., Green Taxi, the Community Language Cooperative, and Namaste Solar);

- Running consumer co-ops (e.g., the Westwood Food Co-operative) where members receive dividends based on patronage of the co-op;

- Converting locally owned single proprietor businesses into worker-owned businesses when the owner decides to sell their business (e.g., Rocky Mountain Employee Ownership Center);

- Supporting social enterprises committed to hiring people with barriers to employment (e.g., Prodigy Coffeehouse and Mile High Workshop);

- Partnering with anchor institutions that commit to active engagement with surrounding neighborhoods to create stronger local economies through their hiring and procurement strategies (e.g., Community Campus Partnership at Anschutz Medical Campus);

- Providing loans and technical assistance to help low-income entrepreneurs start businesses (e.g., Community Enterprise Development Services, Rocky Mountain Microfinance Institute, Colorado Enterprise Fund).

There is a clear link between impact investing and this work — affordable capital being a linchpin for launching new co-ops, starting small businesses, and supporting conversions of sole-proprietor businesses to employee-owned. While the connection seems obvious, early indications are that the capital needed (typically in the $10,000-$200,000 realm) at a feasible price point (a 2-5% interest rate) isn’t a sweet spot for many in the impact investment world. That said, there are some exceptions and we are hopeful to keep learning and figuring out how to best engage with investors who are excited by the personal and societal benefits of democratizing business ownership opportunities.

Two fresh examples of community wealth building projects that need capital:

- The Community Language Cooperative in Westwood is a worker cooperative that just celebrated its three-year anniversary. CLC provides translation and simultaneous interpretation services in any language. Founded by a small group of Latinas who used to volunteer their translation services, they are now a professional company that is expanding to include training interpreters in rural parts of the state, as well as designing and implementing community engagement strategies for nonprofit and government clients. CLC needs a $10,000 cushion to manage cash flow but they are not able to get a line-of-credit from a bank. A $10,000 loan with a 3% interest rate would make a considerable difference, as would technical assistance and coaching.
that would help CLC bill and collect on-time payments from customers.

- Rocky Mountain Farmers Union Urban Cooperative Development Center is creating a home care worker cooperative, with an anticipated launch in the first quarter of 2018. Preliminary estimates indicate that the business will require $200,000 in start-up capital. Modeling itself on the Cooperative Home Care Associates in the Bronx, which started with 12 home care aides in 1985 and now has a staff of 2,000, this local effort will improve wages and working conditions for its home care providers, as well as meet a growing demand for high-quality home care services. The intention is to secure grants and low-interest loans to launch this worker co-op.

With Rocky Mountain Employee Ownership Center’s success in introducing more business owners to the idea of selling their business to their employees, more nonprofits launching social enterprises, and Rocky Mountain Farmers Union Urban Cooperative Development Center’s organizing efforts in the home care and child care industries, we anticipate a growing need for low-cost capital over the next two to five years.

These are up-close and personal engagement opportunities that are not typically found in a social impact investment fund. In addition to low-cost capital, deeper engagement would also be invaluable. For example, some of these social enterprises need assistance figuring out how to structure a capital stack. They also need help tapping into professional networks to help find industry-specific expertise (e.g., home health executives) as well as introductions to potential customers and quality vendors.

The Denver Foundation’s Impact Investment Committee and The Beanstalk Foundation are examples of two impact investors that are wading into the deep end, figuring out ways to creatively engage at this level. Are there other impact investors with an appetite for this kind of close-to-home and close-to-the-ground work? We need a better understanding of the barriers for investors to engage at this level. We see an opportunity to work together to figure out ways to make capital more accessible and affordable to communities that are building their economic muscle.

Michelle Sturm has over 25 years of experience working in the nonprofit and foundation arena. She launched her consulting practice after 10 years as a program officer with the Anschutz Family Foundation, which in turn followed a variety of positions in nonprofit organizations. Since 2014, Michelle has felt very lucky to work with organizations and individuals in Denver to manifest a community wealth building movement.
The Colorado Impact Report was conceived to shine a light on some of the field-leading work being done, and innovation on display, in the great state of Colorado. We have a thriving impact investing ecosystem in Colorado, which we expect to continue to grow and develop. We hope that our experience can provide lessons and encouragement to investors and entrepreneur in other geographies.

Part of what makes impact investing successful in Colorado is an active and thoughtful base of families, foundations, nonprofits, asset managers, and advisors who are committed to the health and well-being of the broader community. Place-based impact investing can play a critical role in addressing issues overlooked (or underfunded) by governments and in providing capital for ventures that strictly for-profit investors would find unappealing.

Effective Planning Is Key
Investors are well served by making thoughtful decisions at the outset of their investment planning process about what they hope to accomplish with their impact strategies. They should have clear expectations about the

The Cornerstone Capital Investment Advisory (CCIA) division of Cornerstone Capital Group provides investment advisory services to families, family offices, endowments and foundations that wish to align their investment activities with sustainable principles.
financial and social impacts their investments are intended to deliver. The expected financial return and impact metrics by which the success of the investment will be judged should be agreed upon by all concerned prior to any investment being made.

Additionally, investors should determine the role of their impact investments in a portfolio context. Are these investments a part of their core investment portfolio, a bridge between other investments and philanthropy, or a means to leverage their philanthropy? These are often difficult questions to answer, but identifying preferences on these issues will lead to certain other key decisions, such as whether direct placements are appropriate as opposed to engaging a fund manager or some other kind of intermediary, and which dollar or portfolio-percentage amounts are appropriate for various projects or themes. Investment mistakes and bad experiences can often be avoided by simply aligning the expectations of all participants early in a project or engagement.

As the Colorado Impact Report illustrates, Colorado’s impact investors are taking steps to create an investment landscape that connects for-profit investments with intended social and environmental impacts. They have been testing pilot programs, providing seed capital to various investment ideas and concepts, and supporting creative initiatives that blend social entrepreneurship with venture capital style equity and microfinance resources.

Another key to Colorado’s impact investing success is our strong spirit of innovation and entrepreneurship, combined with our deep commitment to environmental and social sustainability. There are numerous initiatives under way, and a wide variety of new projects breaking ground, only a handful of which are we able to highlight in this report. Investors now have numerous impact investment options. These days, when people say they can’t find good impact investments, we say they may not be looking carefully enough or have not yet clearly defined what they’re after.

**Bridge Builders**

For relative newcomers to the space, and even for established players, it’s often beneficial to enlist active intermediaries who can build bridges between thoughtful investors and enterprising social business opportunities. Colorado’s network of intermediaries includes impact asset management firms that can help to diversify and manage portfolios of holdings, platform builders that can source and promote individual businesses to angel investors, and organized groups of investors who can leverage one another’s assets and expertise to achieve economies of scale in the areas of due diligence, deal structuring and management.

In addition, Colorado’s impact community receives support from government agencies, academic institutions, experienced media professionals, an openminded and engaged philanthropic community, and several community development finance institutions (CDFIs). These participants are effective and critical elements of our overall environment of success for social entrepreneurship.

There are numerous connections among the players in Colorado’s impact investing community. That’s clear just from reading this report, which provides examples of how some asset owners are approaching constructing and implementing their impact strategies, how the platform builders and other intermediaries are delivering pathways for asset owners to place
their capital, and how others are creating investable solutions. The ongoing cooperation between these players is another important piece of what works well in Colorado.

While this report is by no means exhaustive, we hope that these examples of work being done by the various players in our ecosystem will serve as inspiration to others who have not yet found their entry point to the space, in Colorado and beyond.

We hope that we've been able to show aspiring participants in the field of impact investing some ways to get involved, or deepen their involvement, by sharing the examples of the modern-day pioneers in Colorado that we've had the privilege to highlight in this report. Communities, entrepreneurs, and the financial players who serve them can all benefit from greater cooperation, greater mutual understanding, and a greater willingness to use all the tools available to them to solve our greatest societal challenges.

**Phil Kirshman, CFA, CFP**, is Chief Investment Officer of Cornerstone Capital Investment Advisory. Phil directs Cornerstone's investment policy planning, strategic asset allocation, investment implementation and portfolio reporting processes. He also serves on the board of the Calvert Foundation; has served on the Advisory Council to the City of Denver Office of Sustainability; and served as a board member of US SIF: The Forum for Sustainable and Responsible Investment.
Appendix: The Colorado Impact Landscape

This list represents a much larger group of firms and organizations in Colorado that work in place-based impact investing and community wealth building. Criteria that were used for identifying groups included:

- Headquartered in or actively operating programs or making investments in Colorado
  — and —
- Offer opportunity for engagement through investment, philanthropy, volunteerism, etc.

Categories:

- Capital aggregators and asset managers
- Social enterprises and other investable opportunities
- Impact investing field builders
- Community wealth building field builders

These categories are inherently overlapping and many organizations fit more than one category. Note that public and private foundations are not included. For more information on Colorado-based foundations, please see: http://crcamerica.org/colorado-grants-guide/log-in/. Please also note that private, for-profit advisory and consulting firms were not included.

The list does not include every organization that could be included and will continue to be developed and maintained by the Community Wealth Building Network. If you would like to suggest an organization for inclusion in future versions of this list, please contact Yessica Holguín at the Community Wealth Building Network, yessica@communitywealthbuilding.org.
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<thead>
<tr>
<th>Name</th>
<th>Website</th>
<th>Purpose of Organization</th>
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<tbody>
<tr>
<td>10.10.10</td>
<td><a href="http://101010.net/">http://101010.net/</a></td>
<td>10.10.10 brings together 10 prospective CEOs for 10 days to tackle large problems with the goal of persuading investors to fund their vision and to deliver products and services which generate return on investment in conjunction with community, and societal benefits.</td>
</tr>
<tr>
<td>ACCION</td>
<td><a href="https://www.accion.org/">https://www.accion.org/</a></td>
<td>Accion is a nationwide nonprofit micro- and small business lending network, Accion connects small business owners with the financing and support it takes to create or grow healthy businesses. We stand behind every small business owner as they achieve success, so that businesses — and entire communities — see real and lasting impact.</td>
</tr>
<tr>
<td>Alliance for Sustainable Colorado</td>
<td><a href="http://www.sustainablecolorado.org/">http://www.sustainablecolorado.org/</a></td>
<td>The Alliance for Sustainable Colorado is an alliance where connected, empowered, and sustainable communities fulfill their potential economically, environmentally, and socially.</td>
</tr>
<tr>
<td>Aravaipa Ventures</td>
<td><a href="http://www.aravaipaventures.com/">http://www.aravaipaventures.com/</a></td>
<td>Aravaipa Ventures invests in Colorado-based companies with early stage, capital-efficient, impact technologies. Key areas of focus include: transportation efficiency, building efficiency, water technologies, and smart agriculture.</td>
</tr>
<tr>
<td>At the Epicenter</td>
<td><a href="http://www.attheepicenter.com/">http://www.attheepicenter.com/</a></td>
<td>At the Epicenter is on a mission to educate, inspire and mobilize business leaders, entrepreneurs, consumers and eco-advocates to take action, make a difference, and influence others to make positive change through the power of business by offering informative, entertaining live events, video interviews, blog posts and partnering with other impact-oriented organizations.</td>
</tr>
<tr>
<td>B Impact Assessment - Best for Colorado</td>
<td><a href="http://bimpactassessment.net/bestforco">http://bimpactassessment.net/bestforco</a></td>
<td>B Impact Assessment focuses on measuring what matters most: the ability of a business to not only generate returns, but also create value for its customers, employees, community, and the environment.</td>
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| Beanstalk Foundation                      | https://beanstalkfoundation.org/         | The Beanstalk Foundation identifies, vets and uplifts remarkable neighborhood leaders:  
- Work with social enterprises to maximize their success.  
- Provide leaders with a crowd-funding platform.  
- Deliver personal mentoring, care and attention.  
- Offer personal support, organizational guidance and financial services to help nonprofits move toward sustainability. |
<p>| Boulder Food Group                         | <a href="http://bfgrpartners.com/">http://bfgrpartners.com/</a>                 | BFG is a venture capital firm that seeks partnerships with early stage food and beverage consumer product companies. They work alongside exceptional entrepreneurs to ensure the business can deliver sustainable growth and outperform its competitors. |
| Colorado Association of Funders           | <a href="http://coloradofunders.org/">http://coloradofunders.org/</a>              | Colorado Association of Funders is a statewide network of private foundations, community foundations, family foundations, corporate funders, federated funds, workplace giving programs, government agencies, and others that are focused on impact investing. CAF hosts regular gatherings of foundations interested in impact investing. |
| Colorado Community Capital PBC            | <a href="http://coloradocapitalcongress.com/">http://coloradocapitalcongress.com/</a>      | Colorado Community Capital has become a leading source of information on investment crowdfunding in Colorado.                                                                                                             |
| Colorado Impact Fund                      | <a href="https://coloradoimpactfund.com">https://coloradoimpactfund.com</a>           | The Colorado Impact Fund is a venture capital fund dedicated to supporting local companies that generate consistent investment returns in addition to positive community outcomes.                                                                                     |
| Colorado Enterprise Fund                  | <a href="http://www.coloradoenterprisefund.org/">http://www.coloradoenterprisefund.org/</a>   | We help Colorado’s small business owners get access to affordable loans and lines of credit with flexible rates and terms. Our lending practices are responsible, transparent, and patient – we take time to get to know our applicants during the loan process. We also offer our borrowers free business advising for the life of their loans so they can achieve their dreams of small business ownership. |</p>
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<tr>
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<tr>
<td>Community Enterprise Development Services</td>
<td><a href="http://cedsfinance.org/">http://cedsfinance.org/</a></td>
<td>Community Enterprise Development Services supports the American dream of financial self-sufficiency by assisting refugees, immigrants, and low to moderate income people in metro Denver who desire to own or strengthen businesses, develop assets, and empower themselves financially.</td>
</tr>
<tr>
<td>Community Wealth Building Network</td>
<td><a href="http://www.communitywealthbuilding.org/">http://www.communitywealthbuilding.org/</a></td>
<td>A partnership of individuals, groups, and organizations from public, private and nonprofit sectors dedicated to elevating awareness and capacity for community wealth building (CW8) efforts in the Denver metro region.</td>
</tr>
<tr>
<td>Enterprise Community Partners</td>
<td><a href="http://www.enterprisecommunity.org/where-we-work/denver">http://www.enterprisecommunity.org/where-we-work/denver</a></td>
<td>We work closely with local nonprofits and affordable housing organizations to promote equitable community development in the seven-county metro Denver region. Metro Denver’s rapid transit expansion provides ample opportunity for Enterprise to advocate for inclusive station areas and greater mobility for all riders. We fund intensive workshops and financing strategies designed to build partners’ capacity to address homelessness in metro Denver through the development of permanent, supportive housing.</td>
</tr>
<tr>
<td>Galvanize</td>
<td><a href="https://www.galvanize.com/about">https://www.galvanize.com/about</a></td>
<td>We believe in making education and growth accessible to anyone — especially underrepresented groups in the tech industry. Whether you’re a founder, student, or just someone who wants to level up their career, we want Galvanize to be a welcoming, inclusive place where you can take the next step in your journey.</td>
</tr>
<tr>
<td>Habitat for Humanity (Denver)</td>
<td><a href="https://www.habitatmetrodenver.org/">https://www.habitatmetrodenver.org/</a></td>
<td>Habitat for Humanity of Metro Denver is part of a global, nonprofit housing organization that seeks to put God’s love into action by building homes, communities and hope by building and selling homes to hard-working people in need of decent and affordable housing. Habitat was founded on the conviction that everyone deserves a simple, durable place to live in dignity and safety, and that decent shelter in decent communities should be a matter of conscience and action for all.</td>
</tr>
<tr>
<td>ICAST</td>
<td><a href="http://www.icastusa.org/">http://www.icastusa.org/</a></td>
<td>From its inception, ICAST has worked to provide triple bottom line impacts via sustainable solutions for underserved communities. Initially ICAST used a service learning model as the keystone for all projects, where students and others entering the workforce were responsible for executing projects that were conceptualized, monitored, and evaluated by engineers, professors, and executive leaders.</td>
</tr>
<tr>
<td>Impact Finance Center</td>
<td><a href="http://www.impactfinancecenter.org/">http://www.impactfinancecenter.org/</a></td>
<td>The Impact Finance Center is dedicated to catalyzing investments that produce enduring value for the investor, society, and the environment. They hold that capital deployment — whether through grants, direct investments, or public and private securities — should be evaluated as an investment. Because every investment has impact, investors can integrate these transactions across their portfolios.</td>
</tr>
<tr>
<td>Impact Hub</td>
<td><a href="https://impacthuboulder.com">https://impacthuboulder.com</a></td>
<td>Impact Hub is a value-driven co-working space that allows members to come together to foster positive global impact.</td>
</tr>
<tr>
<td>Name</td>
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<tr>
<td>Innosphere</td>
<td><a href="http://innosphere.org/">http://innosphere.org/</a></td>
<td>Innosphere is a high-tech incubator supporting entrepreneurs building high-growth companies in health, life science, software and hardware and energy and advanced materials.</td>
</tr>
<tr>
<td>Investors Circle</td>
<td><a href="http://investorscircle.net/about-co">http://investorscircle.net/about-co</a></td>
<td>Investors’ Circle Colorado launched in 2017 to further develop the impact investing marketplace in the Boulder/Denver region. Through these meetings, the local network allows for more in-person investor engagement and attractive local investment opportunities.</td>
</tr>
<tr>
<td>Local Matters</td>
<td><a href="http://localmattersinvestments.weebly.com">http://localmattersinvestments.weebly.com</a></td>
<td>The mission of Local Matters Investments LLC (“LMI”) is to invest in local, sustainable enterprises with an emphasis on food production, connecting us with the people and businesses rebuilding our local economy and food system.</td>
</tr>
<tr>
<td>MergeLane</td>
<td><a href="http://mergelane.com/">http://mergelane.com/</a></td>
<td>MergeLane is broadening the onramp for women at key stages of the startup and innovation ecosystem. MergeLane accelerates high-potential female leaders and startups with at least one female in leadership.</td>
</tr>
<tr>
<td>Mile High Connects</td>
<td><a href="http://milehighconnects.org">http://milehighconnects.org</a></td>
<td>Mile High Connects is a broad partnership of organizations from the private, public and nonprofit sectors that are committed to increasing access to housing choices, good jobs, quality schools and essential services via public transit. MHC hosts the Capital Absorption Project, which is dedicated to aligning public, private and philanthropic capital for community investment.</td>
</tr>
<tr>
<td>Natural Capitalism Solutions</td>
<td><a href="https://natcapsolutions.org/">https://natcapsolutions.org/</a></td>
<td>Natural Capitalism Solutions’ mission is to educate senior decision-makers in business, government and civil society about how to implement more regenerative practices profitably.</td>
</tr>
<tr>
<td>Ours to Own Denver/Calvert Foundation</td>
<td><a href="http://www.ourstoown.org/denver/">http://www.ourstoown.org/denver/</a></td>
<td>Ours to Own is a place-based fixed income investment initiative supported by the Calvert Foundation, helping people and organizations in Denver to make large and small investments that directly benefit their community while earning financial returns</td>
</tr>
<tr>
<td>Patient Capital Collaborative</td>
<td><a href="http://www.pccfunds.com/">http://www.pccfunds.com/</a></td>
<td>The Patient Capital Collaborative (PCC) funds invest in high-growth companies that are improving quality of life, alleviating poverty and transitioning us to a more sustainable economy.</td>
</tr>
<tr>
<td>PeakChange</td>
<td><a href="http://www.peakchange.co/">http://www.peakchange.co/</a></td>
<td>PeakChange supports entrepreneurs, conducts research, and maintains a portfolio of impact investments.</td>
</tr>
<tr>
<td>Pledge 1% Colorado</td>
<td><a href="http://pledge1colorado.org/">http://pledge1colorado.org/</a></td>
<td>Entrepreneurs Foundation of Colorado is a network of entrepreneurs whose companies pledged to commit a portion of their early equity or annual profits to the community.</td>
</tr>
<tr>
<td>Posner Center</td>
<td><a href="http://posnercenter.org/">http://posnercenter.org/</a></td>
<td>The Posner Center’s mission is to build a community of innovators who grow lasting solutions to global poverty and their vision is to be the leader of collaborative international development.</td>
</tr>
<tr>
<td>Rocky Mountain Farmers Union</td>
<td><a href="https://www.rmfu.org/">https://www.rmfu.org/</a></td>
<td>Rocky Mountain Farmers Union is an advocate for family farmers and ranchers, local communities, and consumers. RMFU is a progressive grassroots organization whose members determine our priorities.</td>
</tr>
<tr>
<td>Rocky Mountain MicroFinance Institute</td>
<td><a href="http://www.rmmfi.org/">http://www.rmmfi.org/</a></td>
<td>The Rocky Mountain MicroFinance Institute (RMMFI) creates economic and social mobility through entrepreneurship. RMMFI helps curious people transform into serious entrepreneurs through skill building, mentorship, and micro-lending.</td>
</tr>
<tr>
<td>Rocky Mountain Public Banking Institute</td>
<td><a href="http://bankingoncolorado.org/">http://bankingoncolorado.org/</a></td>
<td>The Rocky Mountain Public Banking Institute is focused on the development of a public bank in Colorado to provide local relief for the Colorado economy and address a gap which is not addressed by national and global financial institutions.</td>
</tr>
<tr>
<td>Name</td>
<td>Website</td>
<td>Purpose of Organization</td>
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<tr>
<td>Slow Money</td>
<td><a href="https://slowmoney.org/">https://slowmoney.org/</a></td>
<td>Slow Money's goal is to catalyze the flow of capital to local food systems, connecting investors to the places they live and promoting new principles of fiduciary responsibility that &quot;bring money back down to earth.&quot;</td>
</tr>
<tr>
<td>Social Enterprise Exchange</td>
<td><a href="http://sustainablenonprofits.org/">http://sustainablenonprofits.org/</a></td>
<td>The Social Enterprise Exchange supports nonprofits in building more sustainable, unrestricted sources of funding allowing for more flexibility in meeting their missions and supporting economic opportunity in low-income communities through the creation of businesses that train and employ clients.</td>
</tr>
<tr>
<td>Social Venture Partners - Denver</td>
<td><a href="http://www.socialventurepartners.org/denver/">http://www.socialventurepartners.org/denver/</a></td>
<td>Social Venture Partners provides the opportunity to work hands-on with nonprofits to provide high-level, strategic consultation in areas such as board governance, marketing, fund development, and business strategy, working shoulder to shoulder with nonprofits to achieve the change they want to see in the community.</td>
</tr>
<tr>
<td>Telluride Venture Fund</td>
<td><a href="http://tellurideventurefund.com/">http://tellurideventurefund.com/</a></td>
<td>Telluride Venture Fund views itself as a &quot;management development company&quot; rather than a traditional &quot;Venture Fund.&quot; When investing in seed and early stage companies, TVF encourages and supports rigorous management skills, superior market analysis and product development, while maintaining a focus on leadership and execution. TVF also helps create the necessary connections and collaboration between potential strategic partners and/or investors.</td>
</tr>
<tr>
<td>The International Center for Appropriate and Sustainable Technology</td>
<td><a href="http://www.icastusa.org/">http://www.icastusa.org/</a></td>
<td>The International Center for Appropriate and Sustainable Technology is a nonprofit social enterprise that focuses on creating socially meaningful programs for communities.</td>
</tr>
<tr>
<td>TONIIC</td>
<td><a href="http://www.toniic.com/">http://www.toniic.com/</a></td>
<td>TONIIC's mission is to empower impact investors in order to achieve a global financial ecosystem which operates to create positive social and environmental impact.</td>
</tr>
<tr>
<td>University of Denver - Barton Institute for Philanthropy and Social Enterprise</td>
<td><a href="http://www.du.edu/bartoninstitute/">http://www.du.edu/bartoninstitute/</a></td>
<td>The Barton Institute addresses major social issues and improves society by promoting and enhancing traditional and new forms of philanthropy, social enterprise, and partnerships among the private, public, nonprofit, and academic sectors.</td>
</tr>
<tr>
<td>Unreasonable Institute</td>
<td><a href="http://unreasonableinstitute.org/">http://unreasonableinstitute.org/</a></td>
<td>Unreasonable Institute provides support, mentoring, accelerators and funding to entrepreneurs that are addressing major world problems to allow them to reach more people and have a greater impact.</td>
</tr>
<tr>
<td>Urban Land Conservancy</td>
<td><a href="https://www.urbanlandc.org/">https://www.urbanlandc.org/</a></td>
<td>Urban Land Conservancy acquires, preserves and develops real estate to underserved areas for long-term community benefit. By making sound real estate investments that include land banking and land trusts, we provide low-income communities with affordable housing, schools and nonprofit office space to strengthen neighborhoods for current residents and future generations.</td>
</tr>
<tr>
<td>Wunder Capital</td>
<td><a href="https://www.wundercapital.com/">https://www.wundercapital.com/</a></td>
<td>Wunder Capital is a financial technology company that actively manages solar investment funds and supports the development and implementation of solar projects.</td>
</tr>
</tbody>
</table>
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