Impact Foundation exists to bring Kingdom impact investing to givers desiring to change the world through business while also earning a return on their charitable capital. We offer donor advised funds, which we call Impact Accounts. Like other donor advised funds, an Impact Account allows a donor/investor to set money aside as a tax deductible gift. Over time, they can recommend grants to charity.

An Impact Account even goes beyond those basics. Purpose built for impact investing, we provide a streamlined way to fund transformational businesses, make loans to charity, and grow the amount available for granting.

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2018 HIGHLIGHTS

**185**
DONOR/INVESTORS SERVED
up from 98 in 2017

**$55M**
TOTAL INVESTED
up from $33M through 2017

**118**
ENTERPRISES FUNDED
up from 62 through 2017

WHERE ARE WE INVESTED?

CAUSES SUPPORTED BY $M

<table>
<thead>
<tr>
<th>Cause</th>
<th>$3M</th>
<th>$5M</th>
<th>$7M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Alleviation</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Evangelism / Discipleship</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare / Aid</td>
<td>8</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Redemptive Methodology</td>
<td></td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Education</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Freedom</td>
<td>4</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Clean Energy</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generosity</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INVESTMENTS PER INDUSTRY

- Private Equity Funds: 29%
- Real Estate/Housing: 14%
- Technology: 14%
- Others: 9%
- Retail: 8%
- Film: 8%
- Agriculture: 7%
KINGDOM IMPACT INVESTING

A generation ago, the nonprofit community was the main place to find people focused on transforming the world for the better. Traditionally, someone who wanted to scale a market solution and earn money would start a business; those who wanted to make a dent in global poverty, transform a local community, or care for widows and orphans needed a charity. Business makes money and charity does good, right? It’s not that simple anymore.

Today, those two traditional classifications constitute the ends of an increasingly-crowded continuum.

On the left, the focus of the enterprise is mainly (or solely) financial profit without intentional positive influence on employees, vendors, the community, the environment, or other stakeholders. Similarly, on the right, the focus is mainly (or solely) on the mission or the cause that the organization seeks to address, e.g., providing clean water or ending sex trafficking, without thought to returning capital.

Somewhere in the middle is the sweet spot for impact investing, found at the intersection of risk-adjusted financial return and measurable social/spiritual impact. Accordingly, impact can be found through investments in early-stage technology companies, agriculture-focused economic development venture funds, US-based private equity firms, social impact bonds, international loan funds, or even loans directly to charities.

Intentionally placing capital means that impact investing goes beyond the negative screens of biblically or socially responsible investing, where one avoids placing money in “sin stocks” like gambling or companies that are known environmental polluters.

Measurement needs to play a key role in assessing impact so that we understand whether individual investments, as well as the Kingdom Impact Investing marketplace overall, lives up to expectations.

Impact from these investments covers all the areas traditionally thought of as charity from poverty alleviation to education; we discuss this further below.

Financial return must be present in an investment portfolio, although individual performance may appropriately vary between a portion of capital returned to risk-adjusted market rate returns as the section “Up & To the Right” on page 18 explains.
MAXIMIZING YOUR PORTFOLIO
Adding Impact Investing to Charitable Giving

Not only can grants to charities make a difference, but many forward-looking givers find that adding impact investing to their toolbox helps maximize impact for the causes they care about most.

A look at the stats on charity reveal both the need and the opportunity we have with impact investing. Philanthropists have set aside $890B in donor advised funds and private foundations, yet only 7-10% of this is given away each year. This means roughly $800B is invested in the stock market, mutual funds, bonds, and other traditional investments. That capital is, at best, neutral to the purposes of the foundation, and in some cases invested in companies that pursue social or environmental aims at odds with the donors’ desires. Aligning a foundation’s investment assets with its charitable goals is one of the early drivers of impact investing.

God designed His economy to run on the fuel of generosity. We never desire to replace charitable giving, but adding impact investments can be a perfect complement to a philanthropy portfolio. Imagine the good that can be accomplished to end sex trafficking, create jobs, provide clean water, and share the Good News when we unleash even more assets for Kingdom work.

All capital has an agenda. All investments have impact. Every enterprise, regardless of tax status, produce both social and financial results, on a spectrum from positive to negative. If that’s true, it seems to create a moral imperative to seek investments that align with and further our charitable aims.

Business can scale to tackle the world’s most difficult problems. Between 1970 and 2009, 144 charities crossed the $50m in annual revenue mark while 46,136 businesses did. Charities do not grow as fast or as large as businesses. Part of this issue stems from the amount of charitable giving; as a percentage of GDP, giving has remained static for 40 years. There’s simply not enough fuel in the charitable realm.

Business has potential. The chief advances in communication, technology, sanitation, agriculture, and even healthcare have been developed and/or brought to market through business. Plus, an entrepreneur creating jobs can go places where missionaries are not welcome. Business has a unique opportunity that charity cannot match.

Jobs, not just aid, are essential to alleviating poverty. As the chart above shows, there is an inverse relationship between the volume of aid dollars and economic growth in sub-Saharan Africa. In other words, the more aid we send, the worse economies fare. We cannot sustainably overcome poverty with aid.

We invest for compounding impact - lives & communities benefitted through the companies we invest in, plus financial returns that fuel additional grants and impact investments.”

Greg Lernihan // MIGMIR FOUNDATION
“Jobs, not aid, are the most urgent need of these starving people,” I thought. We crouched on the dirt floor of a twelve-foot diameter grass hut in the Omo River Valley of Southern Ethiopia. Twenty-one hours away from the capital city live the Kara, Hammar, and Benna tribes—people who use cell phones to communicate but whose ways are otherwise unchanged from those of their ancestors who settled the region thousands of years ago. Picture the most remote tribal images you have seen in a National Geographic magazine, and you are likely thinking of these people groups.

We sat in that hut listening to Ari, a member of the Kara tribe, describe the effects of a government program to dam the Omo River for flood control and to provide hydroelectric power to parts of the region. Ari explained that since the changes, people have been starving and entirely dependent upon bags of sorghum that an aid group intermittently delivers.

We later learned that Ari and his friends turn some of the grain into alcohol and spend most days drunk. Without fishing, farming, or a job to fill their days, there is little reason to do anything else. Little ones with distended, undernourished bellies, clamored for attention but many adults were too affected by alcohol to give it. Instead of learning farming, fishing, and household management practices that have been passed through generations, the kids are learning from these elders how to survive on handouts.

We will never “charity” our way back to sustainability for the Kara, Hammar, and Benna people. Worse, as people become dependent on the charity’s aid it threatens their way of life as they lose ancient skills in a single generation.

Our time in the hut demonstrates in miniature what is happening all over Africa due to war, genocide, AIDS, drought, corrupt governments, and too much aid. Charity or government aid is a critically important component of emergency response to crises like famine and mass displacement. However, we need to be asking the question: At what point should the focus appropriately shift from aid and emergency relief to investment and economic development?
Since 2016, Impact Foundation donor/investors have recommended investments totaling $55M in 118 enterprises. That capital is making a tangible difference in a variety of causes.

### IMPACT ACROSS MANY CAUSES
A Few of the Metrics Reported by Individual Companies

<table>
<thead>
<tr>
<th>Investment Types</th>
<th>200</th>
<th>25 M</th>
<th>15,000</th>
<th>3,694</th>
</tr>
</thead>
<tbody>
<tr>
<td>churches planted // Anonymous</td>
<td>gallons of clean water produced // Anonymous in the Philippines</td>
<td>orphans and vulnerable children served // Lifesong</td>
<td>families supported through cattle purchases // Verde Beef</td>
<td></td>
</tr>
</tbody>
</table>

| 3,500 | 250M | $14,000 | 15.2M | 92% |
| Mangrove trees planted // Anonymous in Indonesia | minutes spent meditating on Scripture // Carpenter’s Code | avg. increase in household income // Sunshine Gospel | jobs created // Creation Investments | children regularly attending school // Supply Hope |

**Reflection Questions**

1. What percentage of your charitable capital (in a private foundation or donor advised fund) is at work for the causes you care most about?

2. What business solution could you imagine to address the issues you are passionate about?
HOW IT WORKS
Impact Investing with Charitable Capital

Impact Foundation exists to bring Kingdom impact investing to donors desiring to change the world through business while also earning a return on their charitable capital.

Entrepreneurial donor-investors can grow the impact of their charitable giving through an Impact Account - a special kind of donor advised fund - at Impact Foundation. Purpose built for impact investing, we provide a streamlined way to fund transformational businesses, make loans to charity, and grow the amount you have to give away.

TYPICAL CLIENT PROFILE

Found success in business & have an eye for wealth creation opportunities
Believes combining the best of business with the best of charity produces better results
Has charitable assets in a private foundation or donor advised fund
Possesses time horizon and risk tolerance typical of private investors
Next generation are givers twice as likely to seek impact investment opportunities

CONNECT WITH US

Find out more about kingdom impact investing or inquire about putting charitable capital toward these or another project.

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REDEMPTIVE METHODOLOGY
What might it have been like to work in Jesus’ carpentry business?

Every business we invest in is part of God’s redemptive work in the world - bringing the reality of the Kingdom into closer focus. Some businesses provide goods and services that obviously make people’s lives better: a longer-lasting mosquito repellant or educational software for inmates. Their primary impact happens through the products and services they provide.

What about the Believer making great tables who intentionally lives out a plan for using the very business itself as a force for God’s redeeming work? This type of business makes the world a better place by the way it conducts itself even if its product or service isn’t specifically addressing quality education, poverty alleviation, clean energy, or freedom. While there may not be anything inherently transformational about the widgets a company sells, it nonetheless can have a positive impact on employees, vendors, and its community.

We created a category called “Redemptive Methodology” to describe these unique organizations. These are enterprises whose primary positive impact on the world happens through the way business is conducted. Leadership is committed to sound, ethical business practices as well as proclaiming the Gospel in word and deed.

Businesses built by these kinds of entrepreneurs live out the Gospel through great business practices: paying vendors on time or early, paying fair compensation, providing quality service/goods at fair prices, standing against corruption, and practicing good environmental stewardship. They have satisfied, repeat customers and high employee loyalty.

Christian leadership, on its own, is not enough. Scripture is clear that personal faith will result in changed behavior, which Paul calls “the fruit of the Spirit.” A CEO or group of senior leaders shaping a company with their personal faith can expect to see evidence indicative of spiritual health within their organization. As a corollary to the idea that “faith without works is dead,” the fruit of the company will provide the data points for measuring its impact.

Consider Seat King, a company founded by Pete Ochs that manufactures bus seats inside a maximum security prison in central Kansas. As the company does not produce a product with obvious spiritual significance, we must look deeper to understand how Seat King operates as a kingdom company.

First, Pete pays more than minimum wage, whereas inmates would make only 45 cents per day in a traditional prison job. The state takes a percentage of their wages to help fund the prison—a social good. The men gain dignity as their work takes on meaning and their higher wages allow them to support their families and save for life after prison. More significantly, Pete and his management team spend time teaching the men leadership skills, lessons on how to be a better husband and father, and even start bible studies and discipleship groups in the prison. The life change in these men is profound and inspiring as seen in their own personal testimonies as well as reduced violence inside the prison and lower recidivism upon release.

While a business like Seat King does not offer specifically religious or spiritual products or services, it engages in evangelism and discipleship as a way of life.

We see a thrilling opportunity for entrepreneurs to be winsome witnesses, creatively demonstrating their faith by being part of the solution. This is the body of Christ at its best, loving our neighbors through the works of our hands.”

Dave Blanchard,
CEO, Praxis Labs
UP & TO THE RIGHT
How Much Financial Return & Impact is Really Possible?

A cursory read of impact investing news might leave you confused. On one hand, studies have shown that impact can be had alongside market-rate financial return. Conversely, it seems intuitive that systemic poverty would be difficult to address without sacrificing financial return at some level. Without clarity, we can’t know what to expect when entering into impact investments; lack of clear expectations will almost always lead to disappointment.

Impact investing may be easiest to see in the context of poverty reduction and clean energy, but we have seen hundreds of companies tackling a wide range of issues through business models as diverse as bus seat manufacturing, hydroelectric power, software development, and a cattle feed lot. Likewise, the potential return for investors is equally varied. It may be helpful to illustrate the interaction between profit and positive social outcomes on a simple X-Y axis.

Experientive. Where profit is high and the company is harmful to the environment, employees and/or the community, we call it experientive. Organized crime syndicates, drug deals, and blood diamonds provide examples in the far upper left.

Wasteful. Operations with no profit and negative impact fall in the bottom left corner as wasteful. At the risk of provoking an argument, there may be a failed government program or two that fall into this quadrant.

Charity. Organizations that provide great social/spiritual/environmental impact without profit are considered charity. Without donations, they would not be sustainable. Certainly these programs are worth supporting with our grant funding, but they would not be considered impact investing.

Sustainable impact. This happens when financial operations are profitable and the social/spiritual/environmental impact is positive. All enterprises, regardless of tax status, produce both social and financial results, on a spectrum from positive to negative. Their financial and social performance is measureable and varies over time. Every organization from the simplest nonprofit to the largest multi-national conglomerate can be assigned a place on the chart.

Kingdom impact investing involves placing capital in enterprises to achieve positive social/environmental/spiritual outcomes alongside financial profit. At the top of the oval, companies with strong financial return sometimes do not provide social/spiritual benefit as strong as a charity, but are worthy of impact investing capital. Their profits can fuel further giving for investors.

On the other end of the financial return spectrum, donor/investors may choose to take a lower financial return if the expected impact is high. For example, a friend of ours provided a zero-interest loan to charity so it could acquire new land in Uganda to expand its Christian school. When asked why he would make such a risky investment with no
interest, our friend replied: “the last time I did this there was no financial return. It was called a grant. If I could get even a portion of the capital back to give away again, that would be a win.” Both types of investments, finance-first and impact-first, have an appropriate place in an impact investing portfolio and it is imperative that expectations are clear at the outset.

**Market rate financial return is possible with impact investing.** The first Impact Investing Benchmark Study performed by Cambridge Associates and the Global Impact Investing Network shows that over time impact investing funds perform at or above their benchmarks. A few highlights from the recent survey:

- “Fund-level IRR can vary substantially, with the top 5% of funds achieving annual rates of return of 22.1% or higher and the bottom 5% achieving -15.4% or lower. This range is similar to what is seen in conventional investing and illustrates that fund manager selection is key to strong performance.
- Funds with total AUM of USD 100 million or less generated a pooled annual return of 8.9%, whereas funds with total AUM exceeding USD 100 million achieved a pooled annual return of 5.0%.
- Funds allocating primarily to emerging markets generated a pooled return of 6.7%, whereas funds with a developed market focus achieved a pooled return of 4.8.”

**Super Impact.** In the top right quadrant, sustainable impact happens where the core economic activities also advance the mission and provide sufficient operating funding. But the real hope of Kingdom Impact Investing lies even beyond sustainable impact. We are beginning to see businesses that tackle the toughest, most entrenched social issues of our time—issues that charities aren’t sufficient on their own to handle—and produce strong profits too. These businesses have super impact because they are in a position to scale significantly due to their profitability. Their impact is multiplied through franchising and replication across geographies or industries. Their innovations trigger breakthroughs that are solving the world’s most difficult problems.

**A Few Examples**

**Elevation Financial Group** was born with a desire to confront the increasing demand across the United States for safe, clean and affordable senior and multifamily housing. Founded by brothers Chris and Michael King, the Central Florida company was launched as a multiple bottom-line business, committed to delivering superior financial returns to its shareholders while making a positive and measurable impact in the communities that it serves.

**Sovereign’s Capital** spotlighted on the next page.

**Blue Energy** creates strong financial returns while enabling community development in rural Honduras. With a portfolio of 100 MW hydro electric energy projects that create economic, social, and spiritual value, Blue Energy provides financial return for investors commensurate with the best private equity. The power it delivers to rural Honduras also allows much needed growth and development.

**OWP Pharmaceuticals** delivers quality branded generic epilepsy medications that are replicable and fairly priced. Their strategic focus is to support neurologists and patients in the U.S. with beneficial products and to use the majority of the profits to provide resources for those living with epilepsy in under-resourced areas of the world by donating to the ROW Foundation.

**QUESTIONS FOR REFLECTION**

1. Where would the grants and investments you’re planning to make this year fit on the profit/impact spectrum?
2. Are there types of investments or grants that would complement your portfolio and the impact you feel called to make?
PERSPECTIVES

Faith-Driven Venture Capital

They invest in faith-driven business leaders stewarding companies for visions that go beyond outsized financial returns. Target companies include profitable, lower middle-market businesses with $1 million to $5 million in EBITDA. They also include early stage, fast-growth technology companies with at least $500,000 in annual recurring revenue. Aligning with like-minded entrepreneurs makes sense because it provides arbitrage in three major ways:

- **Market Influence**: Entrepreneurs are the new cultural change agents, and have always influenced their local communities. Supporting faith-motivated entrepreneurs in business excellence and faithfulness equips them to shape our cultural ethos and their local contexts.

- **Marketplace Need**: Few institutional investors understand how to identify with and encourage faith-motivated entrepreneurs. This disconnect limits the potential for both financial returns and impact.

- **Entrepreneur Support**: Partnering with founders in their busiest and most difficult years helps them to live impactful lives that rebuff the traditional sacred-secular division between faith and work.

And it’s working. Fund 1 finished its investment period and is performing at a 24.8% gross IRR. Fund 2, though early in its lifecycle, has already seen several markups and one exit at 2.93x.
Why do families choose Kingdom impact investments?

Impact Foundation performed a study of 115 accredited investors and their decisions to place capital in impact investments. The findings revealed the motivations behind those decisions.

**Portfolio Strategy** - seeking impact investment opportunities according to a defined strategy for financial return & measurable change in specified causes

**Personal Relationship** - investing in an individual company because of a personal relationship with the CEO or other investors

**Support a Ministry** - making a loan to a ministry to help it establish a revenue stream

**Build this Company** - investing to advance a specific business whose leadership is committed to sharing the Gospel in word and deed

**Advance a Cause** - investing to end sex trafficking, end poverty, create content that influences culture or addresses another specific cause

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**PERSPECTIVES**

**Craig & April Chapman’s Portfolio Strategy**

Over the last few years, our paradigm about how best to provide financial support for Christ-centered missions and causes has been shaken up by the notion of “impact investing.”

Historically, we have set aside a certain amount of our personal financial resources to go to non-profits (i.e. organizations that improve the lives of others) with the goal of impacting not only their physical, emotional, or educational needs, but also pointing them to God. Frankly, we love being generous with our financial resources, mostly because it’s a tangible way of loving our neighbor, but also because it’s really all God’s money anyway.

The problem is, as we give money away, we find more things we want to support. Clearly, that is not a sustainable strategy unless we have an unlimited capacity to make money. That’s where impact investing comes in. As Christians, we’d really like to see a triple bottom line: not only financial and social return, but also a spiritual return. These are companies that serve the world for Christ, meeting physical, financial, emotional, social, and spiritual needs while making money for investors.

Read more of their story at impactfoundation.org/blog/chapmans
WHAT IS IMPACT FOUNDATION?

We are a Georgia nonprofit corporation and we are recognized as tax exempt under 501(c)(3) - that means donors are eligible for a tax deduction when they contribute money to us. While complying with all the state and federal rules for charities, we view ourselves as a business. That means we have a revenue model and employ business disciplines customary of our for-profit peers.

Impact Foundation exists to bring Kingdom Impact Investing to givers desiring to change the world through business while also earning a return on their charitable capital. We offer donor advised funds, which we call Impact Accounts. Like all donor advised funds, an Impact Accounts allows a donor/investor to set money aside as a tax deductible gift. Over time, the advisor can recommend grants to charity.

An Impact Account goes beyond those basics. Purpose built for impact investing, we provide a streamlined way to fund transformational businesses, make loans to charity, and grow the amount you have to grant to your favorite charities.

WHY COMBINE CHARITY AND INVESTMENT?

Charity needs the discipline, revenue production, and job creation of business. Fundraising is getting tougher and charities need new ways to fund their missions. A profitable business can do that. Furthermore, certain missions can be accelerated by pairing charity with business. If you want access to the power brokers of a society, you earn that right by creating jobs and building the economy. If you want to lift a society out of poverty, help them build successful businesses.

But by making the increase of shareholder value the only measure of a successful business, we’ve lost the true soul of business. Certainly profit is central; without it, there can be no flourishing. It’s simple: not the only thing that matters. By pairing the others-focused, missional aspects of charity with wealth creation, we can reclaim the best of business.

WHAT ALLOWS YOU TO DO THIS WHEN OTHERS CAN’T OR WON’T?

The IRS has granted us tax exempt status specifically to focus on investing for impact. Plus, we have adopted an Investment Policy Statement custom-tailored to support impact investing. Finally, our small staff size and focused investment process allows us to move as fast as the companies we fund. This speed is key when making venture capital and private equity investments.

HOW DO YOU DECIDE WHERE TO INVEST?

Before approving an investment, we review each company against our investment mandate and charitable purpose.

Our process does not involve full “due diligence”, a term that implies deep investigation. Instead we “vet” opportunities by looking through the business plan, PPM, subscription agreement, etc. We examine each potential investment in three broad areas: impact/mission, financial return, and structure/governance. We examine every aspect of the investment structure, fees charged by fund managers, resume and experience of company leadership. We are also looking to see if anything about this investment would create issues for us unique to our status as a tax-exempt entity - such as unrelated business income tax, excess business holdings, etc.

Read more at https://impactfoundation.org/blog/investment-criteria-overview.
PORTFOLIO
Company Profiles
Godspeed is a documentary chronicling two men competing in the world’s most grueling bicycle race – The Race Across America. This inspiration to overcome breathes life into Godspeed. The faith of not only the two racers, but their families and racing crew is woven gently, but clearly throughout the film, and audiences from a variety of faiths (or no faith) walk out of the theater inspired.

Cause: evangelism/discipleship  Industry: film

The Lovelady Center is a non-profit organization that works to keep women out of prison, and keeps women from re-entering prison. It as a 9 to 12-month, faith based program for women and their children focused on rehabilitation. LC provides tools for women to enter society as productive and esteemed individuals, the center provides access to continued education.

Cause: evangelism/discipleship  Industry: retail

EverSource Wealth Advisors, LLC is an independent Registered Investment Advisory (RIA) platform that has designed a Total Support System to enable independent Wealth Advisors to Smile at the Future as they create positive and lasting impact on the clients they serve.

Cause: redemptive methodology  Industry: financial services

Aventón is a tech company based in Nicaragua focused on delivering customers high quality mobility solutions through an easy and convenient mobile platform. Aventon’s vision is to empower people with safe mobility where infrastructure, transportation and technology work together to move society towards better connectivity and more opportunities.

Cause: poverty alleviation  Industry: technology

Based in Silicon Valley, Carpenters Code’s mission is to disciple the nations through Christ-centered technologies. They’ve started with Abide, a mobile app for praying together. Abide has already hosted over 2 million people globally in prayer since last year. With phenomenal testimonies of deep personal transformation, Abide is having impact.

Cause: evangelism/discipleship  Industry: technology

Creation Investments makes equity and equity-like investments in institutions that provide financial services to the unbanked and underbanked populations, including institutions that serve micro, small and medium-size enterprises (“MSMEs”), recognizing the financial opportunity and social importance of serving underserved financial services markets in developing economies.

Cause: poverty alleviation  Industry: private equity fund

Cascade Wellness Technologies designs, markets, and sells Vorteq, a new therapeutic rehabilitation device that applies Rapid Thermal Contrast Therapy to healing in a revolutionary way. By offering a better therapy approach for circulation to improve arterial inflow, venous return, and reduce inflammation, Cascade’s team is bringing to market, a clinically proven solution that can address this gap in rehabilitative care.

Cause: healthcare  Industry: technology
As the name implies, Dignity Coconuts processes and sells high-quality raw coconut oil harvested from trees in the Philippines. Dignity’s mission, to restore dignity to the poor and enslaved, is baked into the operation of all aspects of the Dignity Coconuts business.

Cause: poverty alleviation  Industry: agriculture

Based in Ethiopia, Highland Harvesters exists to establish a highly profitable agricultural business using modern horticulture methodologies and technologies to create highly productive agri-businesses while being deeply invested in the spiritual, economic, and social growth of the communities in which the farms are located.

Cause: poverty alleviation  Industry: agriculture

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Cause: poverty alleviation  Industry: agriculture

Kammok is an Austin, TX, based outdoor adventure products company. It’s been successful in designing and selling award winning, technical outdoor gear that elevates the camping experience. Kammok is focused on building the next great outdoors adventure brand with premium, high performance, adventure grade products.

Cause: redemptive methodology  Industry: retail

Kingdom Scene creates Christian faith and values-based products for kids and their parents in the US and throughout the world. Its initial product is the Lightgliders game, which provides kids opportunities to play games, watch videos, interact, and learn in a fun, safe, and collaborative environment.

Cause: evangelism/discipleship  Industry: technology

The Global Food Exchange fleet of products and services provides the necessary critical resources needed for basic survival following natural disasters and other forms of crises, working to ensure food is from sustainable sources and that the farmers, preparers, and packagers are operating under a fair trade standard.

Cause: humanitarian aid  Industry: agriculture

The Global Food Exchange fleet of products and services provides the necessary critical resources needed for basic survival following natural disasters and other forms of crises, working to ensure food is from sustainable sources and that the farmers, preparers, and packagers are operating under a fair trade standard.

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For Beth Meadows and her team at Supply Hope in Nicaragua, 2018 began as a normal year. Their Mercado Fresco franchises were operating efficiently and generating healthy cashflow, plus a new business model, Fresco Express, had been successfully piloted and was preparing to scale. However, a political crisis erupted in April throwing the entire country into chaos and threatening to unravel virtually every aspect of Supply Hope’s operations.

An employee was abducted and others fled Nicaragua for safety. They were unable to resupply their stores due to paramilitary roadblocks. Sales declined by 64% over a sustained 4 months.

Yet, they persisted in their work through all the darkness. In Beth’s words, “We prayed ourselves through this crisis, and God was faithful”. Despite the tremendous difficulties, the Lord provided abundantly and unexpectedly.

Their abducted employee safely returned. No employees were laid off. The missing son of an employee safely returned the very next day following an all-night prayer meeting.

Employees received additional training and Supply Hope’s operational efficiencies actually improved over the course of the political crisis. Donor gifts, received...
Laos Agriventures, an investment vehicle, works with operational agribusinesses on the ground in Laos. By bringing modern and value-added ag projects and processes to Laos, the company seeks to impact the overall GDP of Laos by 2-3%. They have already demonstrated an ability to increase overall farmer income in one community by 30%.

**Cause:** poverty alleviation  
**Industry:** agriculture

Blue Wings is a start-up air charter company that will be used to transform the lives of the most isolated and vulnerable people within the East African region, by providing air travel to destinations that are not accessible by road. Blue Wings also seeks to supply the growing unmet demand for missionary transportation.

**Cause:** evangelism/discipleship  
**Industry:** transportation

Launch International is a business as mission venture that provides hospitable housing to the hundreds of refugees who come into Louisville, Kentucky, each year. Launch International also creates a context for transformative relationships between international refugees and local Christians. Their mission is “Catalyzing Community by Providing Hospitable Housing”.

**Cause:** humanitarian aid  
**Industry:** real estate

The purpose of Lifesong Impact is to invest in small to medium-sized enterprises which have the potential to significantly transform their communities through new social, capital, spiritual and educational asset infusion. Lifesong enters into these investments through joint ventures or other collaborative business arrangements.

**Cause:** evangelism & discipleship  
**Industry:** private equity fund

Omega Communities builds senior living centers and partners with qualifying, impactful churches to create an environment that benefits the entire community and promotes inter-generational relationships. Omega partners with local churches in each of its communities to meet many of the softer, relational needs of residents.

**Cause:** healthcare  
**Industry:** real estate

OWP delivers quality branded generic epilepsy medications that are replicable and fairly priced. Their strategic focus is to support neurologists and patients in the U.S. with beneficial products and to use the majority of the profits to provide resources for those living with epilepsy in under-resourced areas of the world by donating to the ROW Foundation.

**Cause:** healthcare  
**Industry:** technology

Based in Cebu, Philippines PhotoUp is the market leader in real estate photo editing, creating technology to help photographers grow their businesses. PhotoUp focuses on leadership, education, and long-term community development. In addition, for many employees, working at PhotoUp is their first job and provides skills that will be very marketable in the long run.

**Cause:** redemptive methodology  
**Industry:** software

Renew Pavement offers maintenance services for pervious concrete and pervious paver block systems. This concrete has voids that allow water to flow through pavement into the ground. Because of its permeability, the pavement has many applications. It is used as a storm-water management system. It can also act as a filter for water supply.

**Cause:** redemptive methodology  
**Industry:** manufacturing
Formerly Moody Mission, Sunshine Gospel Ministries has a long history of serving well in the city of Chicago. Today Sunshine Gospel exists to seek renewal in the city through ministries of discipleship, mercy, and justice. They pursue this mission through four strategic initiatives: youth outreach, community digital resources center and business incubation, an urban immersion/service learning experience, and Woodlawn Community Church.

**Cause:** poverty alleviation  
**Industry:** charity

Revelant sells an oil well tool that stabilizes production, reduces operating expenses, and protects the environment. It helps create a more efficient well, allowing wells to come online that were previously inoperable. In addition to Revelant’s goal of making oil production cleaner environmentally friendly, it also seeks to revitalize communities hampered by oils’ boom and bust cycles.

**Cause:** clean energy  
**Industry:** energy

Saturn Five is a ‘startup studio’ that supports entrepreneurs at the idea stage to launch and scale startups to world-class companies. Saturn has developed a repeatable method of recruiting quality entrepreneurs, identifying high-potential business opportunities, providing seed capital and strategic investors, and rapidly testing ideas and taking them to market.

**Cause:** redemptive methodology  
**Industry:** technology

Socii is a coffee company built around the idea that through long-term, trade relationships, coffee communities can be helped to get what they deserve for their amazing product. Socii believes in working with farmers in training and development programs. Bringing these trade relationship and training programs together with the world's best coffees allows farming families to obtain the market access needed to leave poverty behind.

**Cause:** poverty alleviation  
**Industry:** agriculture

Taking to heart Jesus’ mandate to love one’s neighbor as oneself, Urban Impact KC works to be a great neighbor throughout Kansas City. The team buys distressed homes, rehabs them and rents to families in need of safe, affordable housing. Furthermore, profits are distributed to local ministries that serve the neighborhoods in which Urban Impact works.

**Cause:** redemptive methodology  
**Industry:** real estate

The latest film from Erwin Brothers Entertainment, I Can Only Imagine, tells a compelling story with a strong Gospel narrative. Millions of people worldwide know and love the song, but few know the extraordinary story of how the song came to be. At its heart, Imagine is a story of hope and reconciliation between a father and son.

**Cause:** evangelism & discipleship  
**Industry:** film

Utopix Medical seeks to develop, produce and distribute products serving limited mobility healthcare patients. Currently, its sole product is the Active Care System™, a proprietary device specifically designed to address a range of problems including pressure ulcers, patient and caregiver injuries and infection control.

**Cause:** healthcare  
**Industry:** technology

The Potter’s Wheel offers retreats and leadership training in partnership with local churches. Our loan enabled the ministry to expand its offerings with a new retreat center in a pastoral setting near Louisville, Kentucky. Its mission is to focus the heart of the believer, assisting them to experience God’s love for them and His desire to have a deeper personal relationship with them.

**Cause:** evangelism/discipleship  
**Industry:** ministry
Verdant Frontiers exists to fight poverty through the creation of large scale, for-profit businesses in developing markets. With a vision to create one billion dollars of total value across their portfolio of companies by 2025, Verdant is a for-profit venture conglomerate - group of companies that they have founded, funded and grown.

*Cause: poverty alleviation  Industry: fund*

Sunshine Nuts aims to transform the lives of the poor and orphaned in Africa through the development of a profitable cashew processing and distribution business that delivers exploited local growers a fair market for their product. Beyond fair sourcing and manufacturing in-county, Sunshine contributes to projects that care for orphaned and infirm members of the communities in which it operates.

*Cause: poverty alleviation  Industry: agriculture*

The Great African Food Company ("GAFCO") is a for-profit, social impact business whose purpose is to lift children out of poverty by improving the capacity of productive poor farmers to grow high value crops for global markets. Profits are reinvested to create a self-funding, self-replicating model that impacts an ever-greater number of farming families.

*Cause: poverty alleviation  Industry: retail*

Supply Hope focuses on creating opportunities for families living in poverty to earn a reliable income through micro-franchises. Mercado Fresco, the first micro-franchise developed by Supply Hope, makes quality, affordable food accessible to low-income communities since our stores are located in the homes of our micro-franchise operators.

*Cause: poverty alleviation  Industry: retail*
GLOSSARY

(BRI) Biblically Responsible investing: A method of investing that screens certain assets and companies out of an investment portfolio based on biblical principles. For example, one might divest holdings in a hotel chain that profits from pornography.

Business As Missions: The Lausanne Movement defines Business As Missions as “a movement of business professionals using the gifts of entrepreneurship and good management to bring creative and long-term, sustainable solutions to challenges such as the evils of human trafficking, the task of reaching the remaining unreached peoples with the gospel, and the problems of social injustice, environmental degradation, and dire poverty, to name a few.” Typically, BAM involves companies or investment funds outside the U.S. operated by someone with missions/evangelism training.

(ESG) Environment/Social/Governance: An investment strategy that screens out companies based on Environmental, Social and Governance (ESG) risk-factors. Environmental criteria look at how a company performs as a steward of nature. Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance deals with a company’s leadership, executive pay, audits, internal controls and shareholder rights.

Kingdom Impact Investing: Placing capital in enterprises to achieve positive social/environmental/spiritual outcomes alongside financial profit.

Microfinance: financial services, such as loans, savings, insurance and fund transfers to entrepreneurs and individuals who lack access to traditional banking services in the developing world. Microfinance began in the 1980’s as a tool of charities, or non-governemental organizations, to fight extreme poverty around the world.

(MFI) Microfinance Institution: An organization that offers microfinance tools. See “microfinance”.

(MRI) Mission-Related Investment: MRIs are market-rate investments that support the mission of a foundation by generating a positive social or environmental impact, while generating reasonably competitive rates of financial return. MRI’s are investments of a private foundation’s corpus or endowment, as opposed to from its grant pool.

(PRI) Program Related investment: A term of art from Internal Revenue Code Section 4944 that refers to foundation investments (i) the primary purpose of which is to accomplish one or more of the foundation’s exempt purposes, (ii) in which production of income or appreciation of property is not a significant purpose, and (iii) influencing legislation or taking part in political campaigns on behalf of candidates is not a purpose.

Redemptive Methodology: An enterprise whose primary positive impact on the world happens through the way business is conducted. Leadership is committed to sound, ethical business practices as well as proclaiming the Gospel in word and deed.

Social Impact Bond: Not really a bond in the traditional sense, but a pay-for-success contract in which a governmental entity promises to pay for certain social outcomes acheived by a charity or other service provider. Investors provide the initial capital to launch a program and receive repayment commensurate with the level of achievement.

(SRI) Socially Responsible Investing: An investment strategy that pursues social and/or environmental gains, most frequently through screening out companies or assets that do not conform to certain environmental or social considerations. The classic example of SRI involves eliminating from a portfolio companies that manufacture guns.
FURTHER READING

• Impact Foundation Blog - stories of enterprises and investors, discussion of impact investing basics: https://impactfoundation.org/blog
• Faith-driven Entrepreneur - podcasts, daily blog: www.faithdrivenentrepreneur.org
• Praxis Labs - accelerator, courses, journal: www.praxislabs.org
• Visions of Vocation, Steve Garber, InterVarsity Press, 2014.

Endnotes

5 Dan Pallotta, “The way we think about charity is dead wrong”, TED Talks, available at https://www.ted.com/talks/dan_pallotta_the_way_we_think_about_charity_is_dead_wrong?language=en.
6 Charitable giving is not increasing. Total giving as a percentage of Gross Domestic Product was 2.20% in 2005 and 2.10% in 2015. The 40-year average is 1.9%.
8 Diane Isenberg, “Fighting Poverty & Remaining Rich: Ceniarth shifts portfolio to impact-first capital preservation”, ImpactAlpha, August 20, 2018

Disclosures

Information in this publication is not intended to be and should not be considered investment, tax, or legal advice. Under no circumstances should any part of this publication be considered as an offer to sell or a solicitation of an offer to buy any security, or as a recommendation that you or your clients purchase, sell, or hold any security or other investment or pursue any investment style or strategy.

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