2016 ANNUAL REPORT
We believe that boldly moving capital can boldly change the world.

In 2016, we:

- Raised over $450K in donor contributions for impact-invested Donor Advised Funds.
- Launched our fiscal sponsorship program to support social enterprise projects.
- Hosted our first Spectrum Series educational event exploring solutions from grants to investments.

OUR TEAM

Emily Allred Co-Director
Ed Briscoe Co-Director, President
Kate Reinemund Executive Director 2015-17
Annie Roethel Field Director of Engagement 2015-17
Hello!

We are excited to provide our first ever annual report on our work in 2016. We have taken the "lean startup" approach to building our organization since launching our work in 2015 and built a strong foundation for our work and future in our first full year.

2016 was a year of continuing to build a strong base, expanding our network of partners, and honing in on what our organization can uniquely bring to Colorado, other communities, and to the impact investing world. We have found that much of the philanthropic world continues to struggle with the intersection of investing and charitable purposes. Philanthropy needs innovative and nimble groups to drive progress.

We have often said that we are navigating the "grey zone" between grant making and profit maximizing investing. We believe that the need for philanthropy is not decreasing. So, impact investing shouldn't be an alternative to grant making, but an alternative to traditional investment strategies. As a smaller and younger philanthropic organization, we are able to focus on innovative models, emerging opportunities, supporting scrappy entrepreneurs, and building a portfolio to maximize impact.

Most importantly, we want to thank our board, friends, and family who have been our operational supporters, donor advised fund holders, and cheerleaders as we continue to build a base for deeper and wider impact.

Ed Briscoe, President

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OUR BOARD

Helen Gemmill
Philanthropist and Investor

Rich Hoops
Investor
Impact Hub, Boulder

Ryan Howell
Attorney, Rubicon Law

Will Morgan
Head of Impact, Sonen Capital

Heather Potters
CBDO, Pharmajet

Praful Shah, Credit Committee
Investor
In 2016, Kate Reinemund, Impact Charitable executive director, helped to develop and execute an innovative Pay For Success investment supporting full-day preschool for 112 4-year-olds at seven elementary schools in Westminster, Colorado. Investments in early childhood education can save school districts significant costs in special education or remediation services throughout a child’s school career while also improving a child’s opportunities later in life.

Pay For Success financing raises risk capital from private investors or philanthropists to support impactful projects or programs. If the targeted impacts are successfully achieved, investors may be paid back their investment plus potential returns based on the savings created for the governmental entity. If the targeted impacts are not achieved, the investors may lose some or all of their investment.

Alongside Gary Community Investments and the Ben and Lucy Ana Walton Fund of the Walton Family Foundation, Impact Charitable allowed an existing donor advised fund holder and a new donor to participate in this innovative investment opportunity. The first annual review of the program was released in August of 2017, and the results look promising so far.

Our Donor Advised Fund holders granted out over $280K to nonprofits in 2016. One of our favorite grant recipients was Yellowstone Forever. Yellowstone Forever—formerly the Yellowstone Association and the Yellowstone Park Foundation—is the official nonprofit partner of Yellowstone National Park.

Yellowstone Forever connects people to Yellowstone National Park through outstanding visitor experiences and educational programs, and translates those experiences into lifelong support and philanthropic investment to conserve and enhance the park for the future.
Impact Charitable was proud to sponsor an important research report and advocacy effort by KP Advisors in 2016. *In Pursuit of Deeper Impact* boldly asked if the impact investing field is reaching the root causes of inequality. Impact investing typically targets environmental and social benefit; however, social equality has not been an issue often integrated into investment decisions.

The report suggests new ways for understanding risk, return and time horizon that allow investors to realize deeper social impact through investing. It provides a challenge to look beyond social and environmental benefit to how impact investments can support social equity through how investment decisions are made and how they are managed.

Funds set aside for charity in foundations or donor advised funds can be the best source of capital to take on the challenges presented in this report.
Impact Charitable 2016 Statement of Financial Position

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Assets</td>
<td>$1,046,352</td>
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<tr>
<td>Liabilities</td>
<td>$104,404</td>
</tr>
<tr>
<td>Net assets</td>
<td>$941,948</td>
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</tbody>
</table>

Our investment advisor partners in deploying 100% of our funds towards impact:

**Principium**

**Veris**


$619,959

**Public Support**

The generous support of 30 donors during 2016 was activated toward impact investing and charitable giving. These individuals, foundations, and corporate giving funds for putting their charitable dollars to work in alignment with their values.

$9,365

**Earned Income**

Impact Charitable earns income from managing donor-advised funds and sponsoring charitable projects

$350,043

**Grants**

Donor advised funds distributed over $280,000 to charities, and $70,000 in grants were made to fiscally sponsored charitable projects during 2016.
OUR PATH FORWARD

The Frontier of Impact-Focused Portfolios

75% ESG-focused investing in stocks & bonds

Our investment portfolio will allocate 75% or more of the assets (“core portfolio”) to publicly traded securities in ESG (environmental, social, and governance) focused mutual funds and ETFs. We will also target funds that commit to shareholder advocacy around environmental and social issues.

25% Targeted impact investing in our communities

The remaining 25% of our assets will be a curated pool of targeted investments addressing needs in our donors’ communities (“impact portfolio”). We will invest in both well established and first-time funds to help catalyze the innovation needed to address pressing needs. When needed, we will help create new innovative investment vehicles for issues not being sufficiently addressed by existing options.

This portfolio will balance liquidity, efficiency, diversification, risk, rate of return, impact focus, support for grants, and flexibility in terms.

JOIN US

- open an Impact DAF
- partner with us
- attend an event
Donor advised funds (DAFs) are disrupting the world of traditional philanthropy. Impact Charitable steers this disruption towards greater impact by dissolving the division between grant making and investment decisions for dollars set aside for charity.

We are building a community of philanthropists and investors to pursue deeper impact. At a larger scale, we can be a self-sustaining organization. Until then, we rely on the financial support of our board and community.