



Waves of Progress

Shaping the Future Through Impact



2023 Impact Report
CAPSHIFT.COM



The unforeseen convergence of the COVID-19 pandemic and the imperative call for social justice through the Black Lives Matter movement created a sense of urgency that helped to grow the impact investing market by \$662 billion between 2019 and 2022.¹ Strategic philanthropy and CapShift were propelled forward by this wave with remarkable force. Just as waves eventually recede to gather strength for their next surge, this year we reached a point of reflection and recalibration.

Our clients, who reacted quickly in the face of crisis, are now interested in building for the long term. They are preparing for a future in which investments aligned with one's values are a normal part of financial and philanthropic plans. This marks a profound shift—a change from responding to emergencies to proactively crafting impactful programs that are incorporated across teams and available to a larger number of families.

The result: this year our clients have moved nearly as much money for impact as they had cumulatively over our history.²

A standout trend among our clients is a consistent and enduring interest in climate change. Investing in this area carries both financial potential and the opportunity to create lasting change for our planet. The other place we are seeing sustained support is in business and fund models that strive for more equitable distribution and creation of wealth. The growing interest in these areas does not represent fleeting trends, but rather exemplifies the tides of societal evolution.

We have long championed recoverable grants as an easy entry point for those interested in getting started with strategic philanthropy. Several years have elapsed since the first recoverable grants we worked on, and this year we've been excited to help with the renewals of some of these grants. Communities, donors, and nonprofits can all benefit, with many of the recoverable grants being recycled back to the nonprofit for another round of community impact.

In these dynamic times, our commitment to our mission and our clients remains core to our identity. We take pride in guiding you through the complexities of aligning capital with purpose. As you peruse this report, you'll find a mosaic of places where our clients are creating change. We are honored to be a part of each of these journeys and of the many more that are not highlighted here.

As always, we value your partnership and insight. Together, we'll ride the waves of change and continue to shape the future of finance toward greater impact. Thank you for entrusting us with your vision and for embarking on this journey with us.

CapShift is an impact investing platform and solutions provider that empowers philanthropic and financial institutions, advisors, and their clients to invest in their vision for a better tomorrow. In the past year we've accomplished big things:³


\$142 million moved into impact-driven funds and enterprises over the past year through CapShift's impact investing platform



60+ public, private, and nonprofit impact funds and enterprises working to tackle entrenched problems received funding through CapShift's clients

99 referral partners from leading foundations, family offices, and funds helped us to source impact opportunities

The top five impact themes supported by CapShift's clients included:⁴

38% 

Food and Agriculture

Supporting a healthy food and agriculture industry through sustainable and regenerative farming practices, reduced food waste, an efficient supply chain, and sustainably managed forests, farmland, and fisheries

12% 


Financial Services

Providing individuals and small businesses with access to affordable, fair, and useful financial services and products

6% 

Healthcare

Funding inclusive and quality health services, medicines, vaccines, technologies, nutrition, and financing with the goal of improving health and well-being for all

23% 

Climate Solutions

Creating a healthier planet through the support of clean energy production, sustainable oceans and marine ecosystems, conservation of natural resources, access to clean water, and technological solutions to combat climate change⁵

11% 

Housing

Expanding access to affordable housing and creating pathways to homeownership for underserved individuals and communities

Our clients also supported impact themes across a wide array of geographies and United Nations Sustainable Development Goals.

46% of private investment and recoverable grant allocations supported funds and organizations globally, while 54% supported communities across the United States.⁶



Organizations addressing **16 out of the 17** United Nations Sustainable Development Goals received funding from clients working with CapShift.⁷



The organizations that CapShift's clients have supported are improving people's lives and protecting the planet. In 2022, these organizations have:⁸

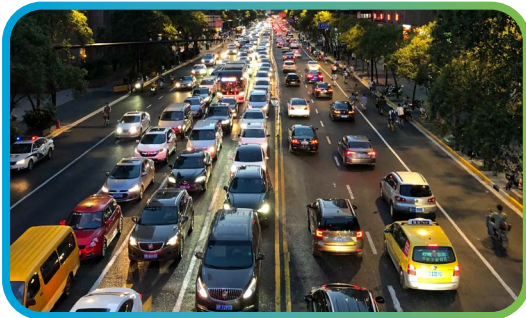


Provided more than 19 million active loans to individuals and small and medium enterprises or nonprofits across the globe

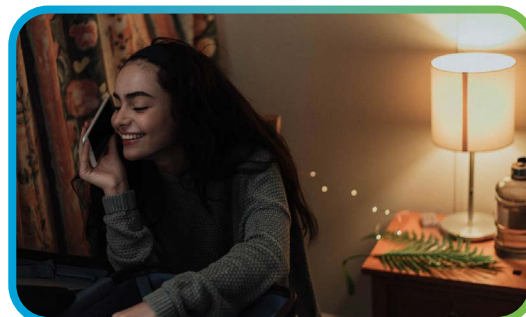
Reached more than 3.7 million people through education initiatives



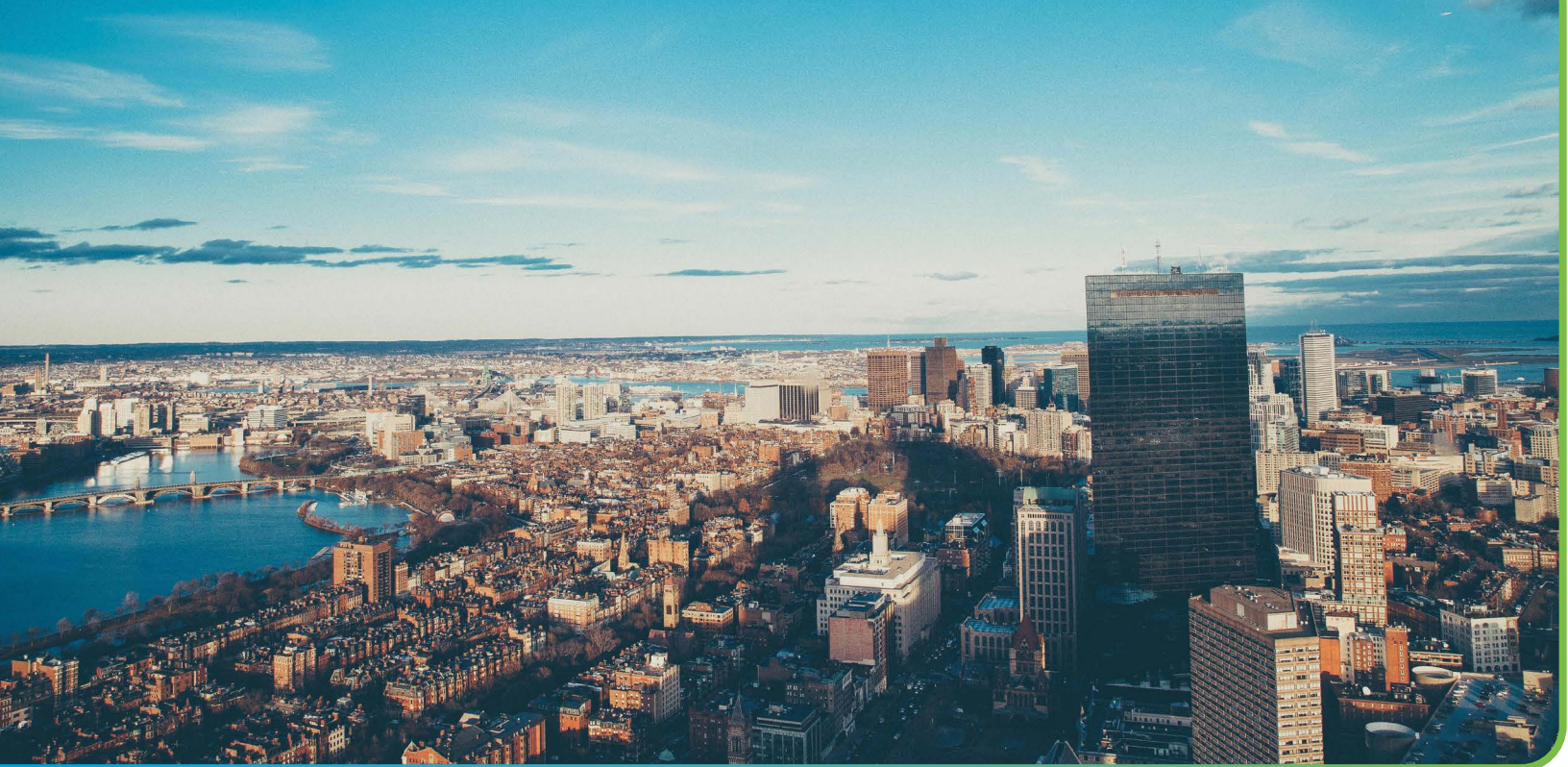
Mitigated more than 24.7 million tons of greenhouse gas emissions, equivalent to the greenhouse gas emissions from more than 4.9 million gasoline-powered passenger vehicles driven for one year



Conserved more than 563,000 megawatt hours of energy, equivalent to the energy use of more than 50,000 homes for one year



Each of these numbers contains hundreds of stories of impact with ripples that will spread. We're excited to share a few of these stories from the past year with you.



Unlocking the Power of Your Wealth Making a Difference with Confidence

Imagine a world where your wealth not only brings positive change but also provides you with the chance to multiply its impact.

Meet Susan Clare, a donor with a background in community development and healthcare finance. In 2019, she stood exactly where you are now, eager to transform her wealth into a force for good. That's when she teamed up with CapShift!



Over the past four years, Susan's philanthropy has been at the heart of supporting small businesses through the COVID-19 pandemic, catalyzing community investments, and sparking change worldwide. **For her, it's about giving and staying connected.**

Recoverable grants help Susan maintain ties to the communities and causes she knows make a difference in the places she cares about. These grants recycle capital and offer catalytic support to nonprofit business models. With the power to recover funds to your donor advised fund or foundation, you can watch the organizations you support flourish, while staying deeply connected. Through regular impact and financial updates, Susan feels like an integral part of the organizations she's supported.

Over the past year, several of the first recoverable grants Susan made with CapShift have been renewed (or recycled), growing Susan’s impact on the organization. Susan reflects on her experience:

“I appreciate that CapShift’s been proactive in bringing me opportunities I wouldn’t have otherwise known about. I feel most inspired when I know that my dollars were instrumental in standing up a new model, like **SOAR** supporting communities in the Deep South, **Fair Food Fund** empowering food businesses in communities like Flint, Michigan, and an innovative mixed-income neighborhood trust structure with **Trust Neighborhoods** in East Boston.”



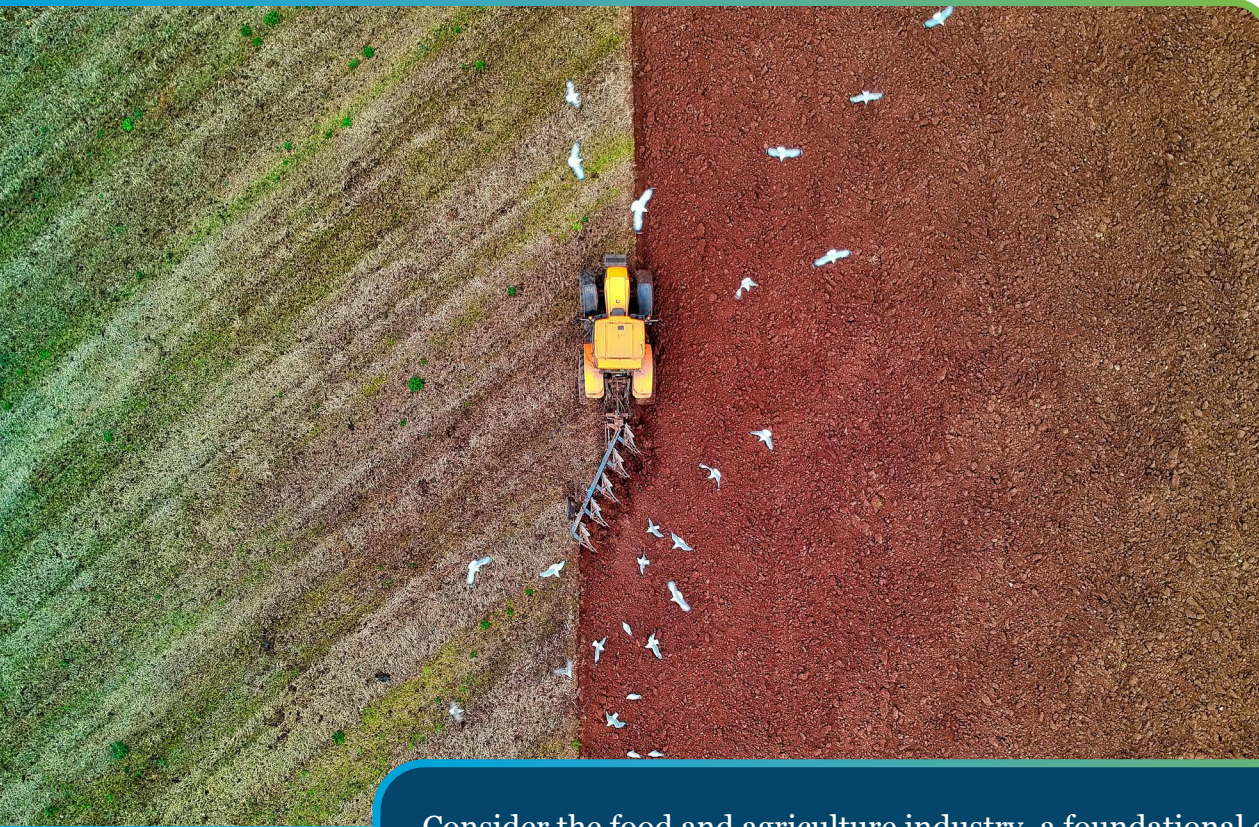
Impact investing can have transformative effects on communities. Across investment and recoverable grant opportunities in 2022, CapShift’s clients supported organizations that:⁹

- Renovated or built more than **12,900 housing units**
- Created more than **94,000 jobs**, directly and indirectly
- Treated more than **800,000 patients**

To learn more, review our [community investing resources](#).

Sowing Sustainability

Planting the Future



Consider the food and agriculture industry, a foundational element of our existence. This intricate network involves individuals, land, and animals operating in tandem. Yet this global network remains highly susceptible to both abrupt climate fluctuations and market forces. Prevailing industry practices exacerbate environmental pressures and jeopardize the livelihoods of stakeholders within the sector.

However, an alternative path is attainable. Investment capital possesses the potential to act as a transformative catalyst. By strategically allocating resources, we can propel the transition toward a robust, equitable, and sustainable future for food production. This shift entails fortifying the sector's resilience while embracing principles of justice.

With this in the forefront of our client's mind, we worked with **Natural Investments** and **National Philanthropic Trust (NPT)** to set up a donor advised fund to help catalyze this shift. NPT offers both thematic impact portfolios and private impact investing solutions to help donors achieve their philanthropic goals with their donor advised funds.



How did we do it?



Build Strategy: We collaborated with Natural Investments to formulate a recommended strategy based on the donor's objectives, which include regenerative agriculture and additional interests in gender equality and labor. Financial diversification and liquidity goals were managed by leveraging impact opportunities including quarterly liquid evergreen products, annual notes, and longer-term investments.



Identify Opportunities: We used our database of 2,500 impact investments to identify opportunities that best fit with the donor's goals, including regenerative agriculture investments across asset classes, sectors, and geographies.



Deploy: During the first year, 14 private investments and two impact cash deposits were made, supporting opportunities that provide early-stage capital to regenerative agriculture technology companies, funds that lend to Black, Indigenous, and people of color farmers in the U.S. who operate at the intersection of racial and climate justice, evergreen products that hold and sustainably manage farmland and forests, and more.

Read our [food and agriculture primer](#) to learn more.

Scaling Impact

Coming Together for Climate Solutions

The impact we can have together is far greater than what each of us can achieve alone. Climate change is a defining issue of our lifetime, and a global effort is needed to protect and heal our planet.

One example of this convergence in action is **Azolla Ventures**, an impact-first investing firm launched by Prime Coalition that invests in companies that could significantly alter the trajectory of climate change through impact and scale but are overlooked by traditional capital sources.¹⁰

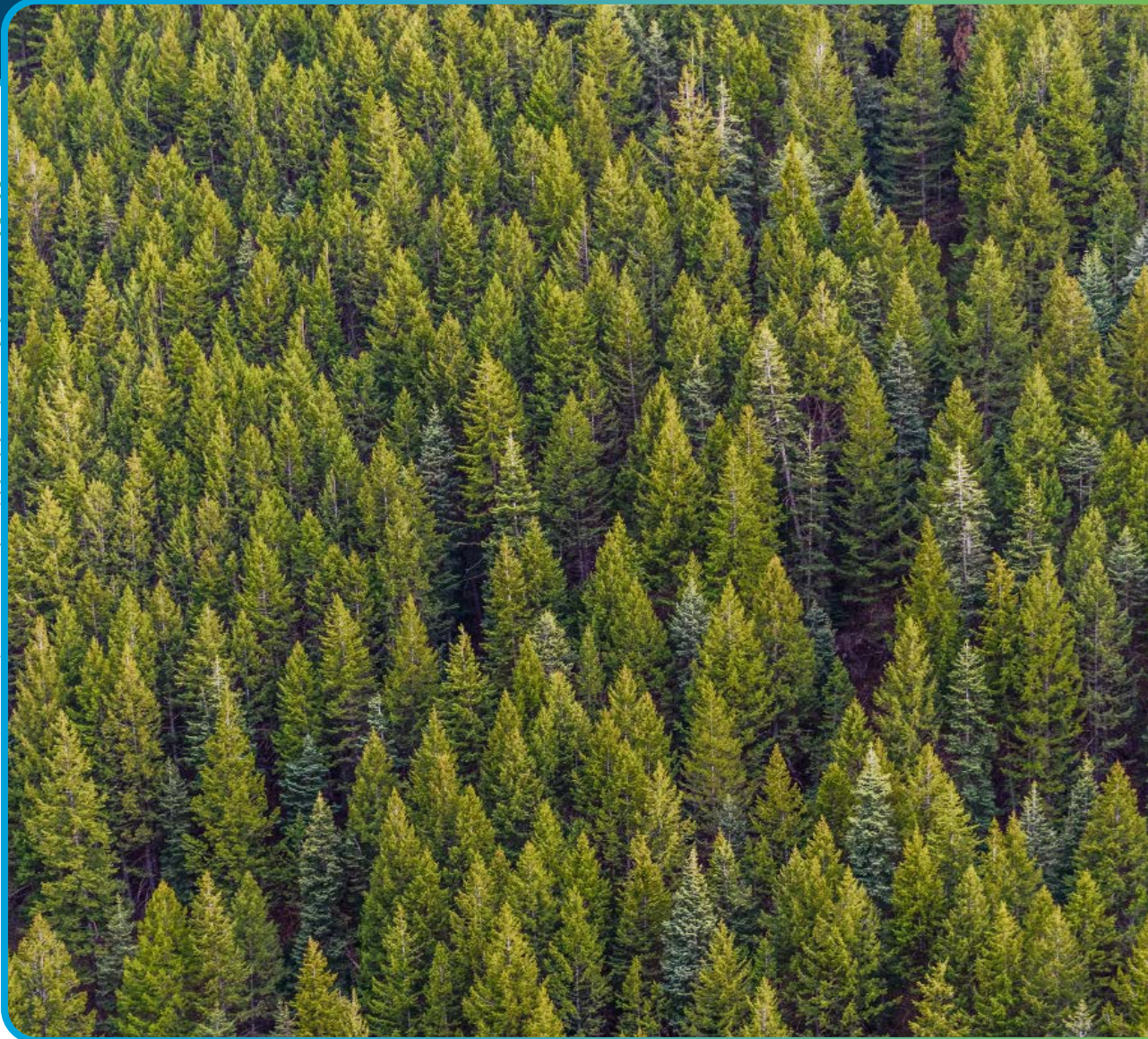
Each Azolla Ventures portfolio company must have the potential to reduce or remove, at a minimum, 0.5 gigatons of greenhouse gas emissions, the equivalent of taking 134 coal-powered powerplants offline for one year, by 2050.¹¹

Through our partnerships with donor advised funds, CapShift has supported fourteen unique donors in their support of Azolla.¹² Azolla's \$239 million blended fund includes portfolio companies working towards carbon capture, enhancing forest growth, decarbonizing shipping, and more. CapShift operates as a vital connector, bringing together clients and partners for greater impact with transformative potential.



Climate change knows no boundaries, and we're all needed to drive the transformative shifts required to safeguard our environment. The many opportunities that CapShift's clients supported in 2022 have:¹³

- Produced more than **5.4 million megawatt hours of renewable energy**, equivalent to the energy use of more than 480,000 homes for one year
- More than **900,000 hectares of land** currently under sustainable cultivation



To learn more, take a look at our [climate resources](#).



Moving Forward

Throughout this report, we've showcased just a few of the hundreds of dynamic innovators within the capital ecosystem—donors, investors, advisors, and organizations—each committed to driving intentional change. At CapShift, we are proud to serve as the bridge that connects these opportunities with capital.

In the coming year, we expect to see more participants join the expanding impact investing field. To make it simpler to navigate the landscape, we're launching a technology tool. To keep up-to-date with our work:

- **Demo our new Research Engine**
- Reach out to us at info@capshift.com to find out about how our platform can help you build an authentic, purpose-driven portfolio through our partnerships with wealth advisors, family offices, foundations, or donor advised funds
- **Sign up for our newsletter** for regular updates

We want to express our gratitude for your partnership and trust. We look forward to riding the waves of change with you, shaping a brighter and more sustainable future.

Methodology

CapShift's impact diligence, conducted on all investments and recoverable grants recommended to CapShift clients, has three core categories: 1) Impact Management 2) Impact Outcomes, and 3) Impact Risk. Our evaluation within each of these categories combines leading sector methodologies, most notably the Impact Management Project (the leading framework for considering the impact of direct enterprises) and IFC's Operating Principles for Impact Management (the leading guidance for responsible impact fund management).

Our approach first considers every opportunity's alignment to the United Nations Sustainable Development Goals (SDGs) and then impact areas that track numerous sectors where the opportunity has an impact.

Once an opportunity is funded, CapShift reaches out annually with a survey for both qualitative updates and quantitative metrics on the impact that the opportunity has had over the prior year.

CapShift requests qualitative updates that demonstrate organizational-level and/or project-level highlights from the previous year. This may include stories about a certain project, an update about an underlying holding, a key milestone, or a significant award won.

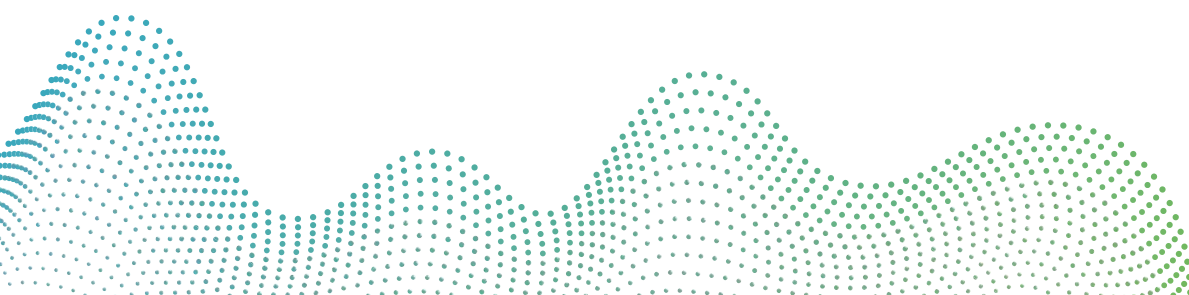
CapShift also requests a set of standardized and unique metrics from the issuer. Each standardized metric is aligned with leading industry frameworks, such as the United Nations SDGs or the IRIS+ Framework from the Global Impact Investment Network (GIIN). In addition to these total topline values, CapShift solicits metrics along equity dimensions that pertain to groups of special focus where applicable. This may include women and girls, people of color, and children. Alongside standardized metrics, CapShift also collects data unique to each opportunity. One example may be the number of fisheries preserved for a fund that is focused on aquaculture. CapShift expects its impact reporting framework to change over time as the diversity of opportunities increases. We use this approach to balance the personal components of impact and a need for rigor and accountability.

CapShift reviews each opportunity's impact data and follows up where questions or inconsistencies with prior years' data arise, or example, when metrics have significant deviations relative to the year prior (e.g., major drops in loans provided, major delays in project development), metrics reported on in prior years are no longer provided, or metrics that CapShift would expect the issuer to report on are missing.

CapShift may also proactively ask specific issuers how major external health or geopolitical events have impacted their work (e.g., loans provided throughout the COVID-19 pandemic, response to major crises such as has occurred in Afghanistan and Ukraine over the past years or women's health-oriented issuers on the overturning of *Roe v. Wade*).

Endnotes

1. Based on comparison of GIIN's Sizing the Impact Investing Market reports, [2019](#) and [2022](#) editions.
2. Source: CapShift internal data from July 1, 2022 to June 30, 2023.
3. All of this information is sourced from CapShift internal data from July 1, 2022 to June 30, 2023.
4. Information on this page is sourced from CapShift internal data. Impact sector data represents the amount of money moved directly into impact focused private and recoverable grant opportunities from July 1, 2022 to June 30, 2023. Excludes all public investments, private investments and recoverable grants supported indirectly. Excludes opportunities with multiple underlying sectors (e.g., multi-impact sector funds). Self-reported or CapShift-ascribed classification refers to primary impact sector only and opportunities may operate across multiple impact sectors.
5. Climate solutions refer to conservation, energy, and environment focused impact sectors.
6. Source: CapShift. Geography as assigned by CapShift based on information shared by issuers in public-facing material or during due diligence. Excludes all public investments, private investments and recoverable grants supported indirectly.
7. Source: CapShift. United Nations SDG data: Each opportunity corresponds to its top 3 SDGs either self-reported or CapShift-ascribed based on review and comparable opportunities. Excludes all public investments and private investments supported indirectly.
8. All of this information is self-reported by select investment and recoverable grant recipients as of the fiscal year ending either June 30, 2022 or December 31, 2022. Equivalencies from the [EPA Greenhouse Gas Equivalencies Calculator](#).
9. All of this information is self-reported by select investment and recoverable grant recipients as of the fiscal year ending on either on either June 30, 2022 or December 31, 2022.
10. [Azolla Ventures, Launched by Prime Coalition to Deploy Catalytic Capital, Debuts New \\$239 Million Blended Fund to Support Overlooked Climate Solutions.](#)
11. Equivalency from the [EPA Greenhouse Gas Equivalencies Calculator](#).
12. Source: CapShift internal data.
13. All of this information is self-reported by select investment and recoverable grant recipients as of the fiscal year ending on either June 30, 2022 or December 31, 2022. Equivalency from the [EPA Greenhouse Gas Equivalencies Calculator](#).



Disclosures

This report highlights the self-reported impact of CapShift LLC and CapShift Advisors, the two entities are referred to as CapShift throughout the report. CapShift gathered self-reported data from a select group of funds, nonprofits and social enterprises that received investment or grant capital directly or indirectly from work CapShift performed or influenced. The data CapShift is reporting has not been audited or reviewed by a third-party.

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Date of first use: September 2023