



Guide to Impact Investing

What is Impact Investing?

Every investment has an impact on society. The vast majority of dollars invested daily maintain the status quo – think an S&P 500 index fund. But there's another way. Instead of going with the flow, your money can fund positive change and still earn a return. That is impact investing.

Impact investing is not a fad. It has been done for decades, especially by global nonprofits. However, it wasn't until 2007 that the Rockefeller Foundation coined the term "impact investing" to describe how funding can drive enormous positive change by leveraging technology and economic incentives.

Impact investing can happen in the public and private markets. At Citizen Mint, we invest through the private markets for two reasons:

- 1 you can invest in specific projects with known targets
- 2 your interests as an investor and those of the project or fund managers can be closely aligned

Impact investing in the public markets is also a force for good. But it often is not specifically targeted. The focus is on publicly traded stocks and bonds of companies that meet guidelines on environmental, social and governance (ESG) criteria.

Impact investing at Citizen Mint is targeted. You choose specific projects to invest in, and this gives you more control on your ultimate impact.

Why Now?

We believe that there has never been a better time to be an impact investor. The number of investable opportunities targeting one or more social or environmental positive outcomes has increased dramatically due to technology, innovation and increased awareness. Projects could include more efficient renewable power technologies, affordable micro-finance solutions, and ways to mitigate the significant water shortages expected in the coming decades.

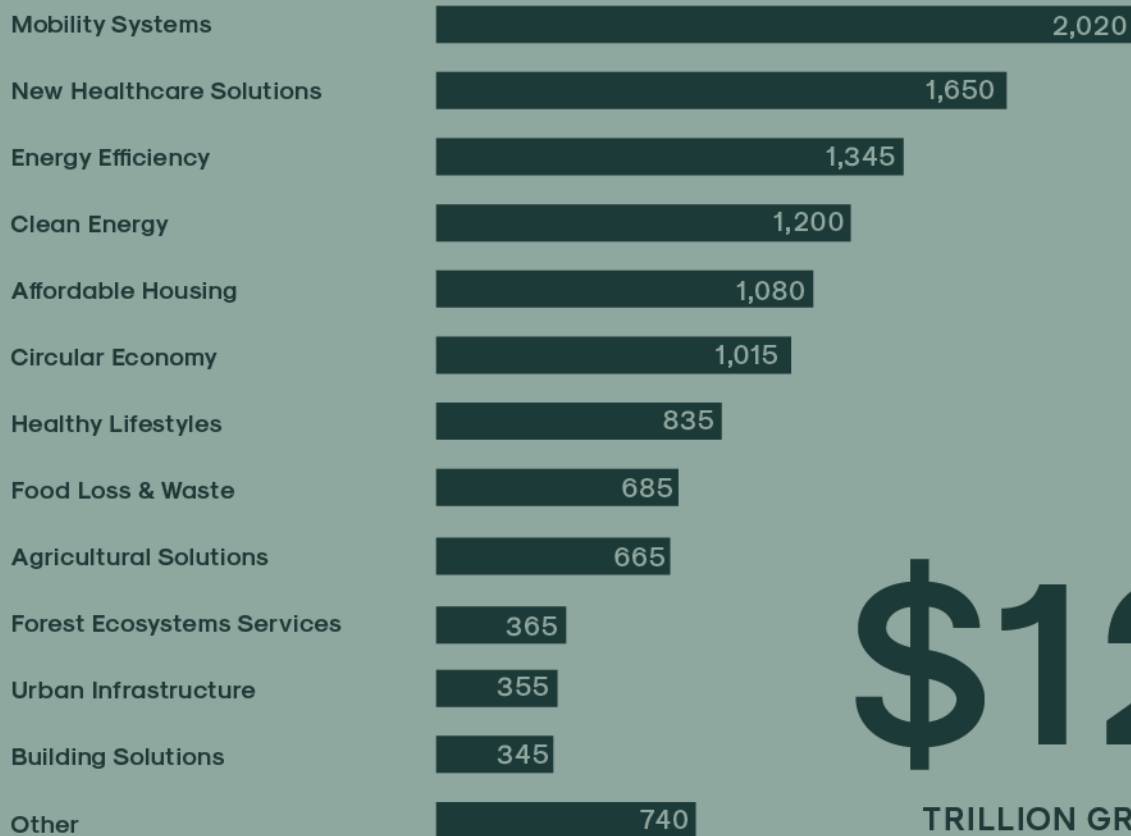
The value of opportunities that align with the UN Sustainable Development Goals (SDGs)¹ was estimated as a \$12 trillion dollar opportunity from 2017 to 2030. We believe this opportunity has only become larger over the last few years as needs have grown in every asset class. See the projected breakdown of the opportunity on the next page.



¹ Read more about the UN SDGs on page 10

How Big Is the Opportunity?

Value of Incremental SDG Opportunities to 2030



US \$Billions: 2015 values

\$12

TRILLION GROWTH
OPPORTUNITY

Source: Better Business World; The Report of the Business and Sustainable Development Commission; 2017

Resource Pressure & Opportunities



40%

Global Water
Demand
supply gap by 2030¹



50%

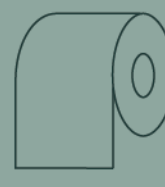
Projected Energy
Demand
growth by 2050²

Social Pressures & Opportunities



100m

People at Risk of Falling
Back into Poverty
by 2030 if climate change
not halted³



2bn

People Without
Access to
Basic Sanitation⁴

Source: Mercer Investments

1. World Bank Group, 2030 Water World Resources Group (WRG)
2. US Energy Information Administration (EIA) 2010
3. Business and Sustainable Development Commission (BSCD) 2017
4. World Health Organization (WHO)

How Can Your Investment Make An Impact?

Citizen Mint is a bridge between investors (You) and qualified sponsors or managers who need capital to fund products and services that address some of the world's most challenging problems. We focus on investment opportunities in three impact areas:

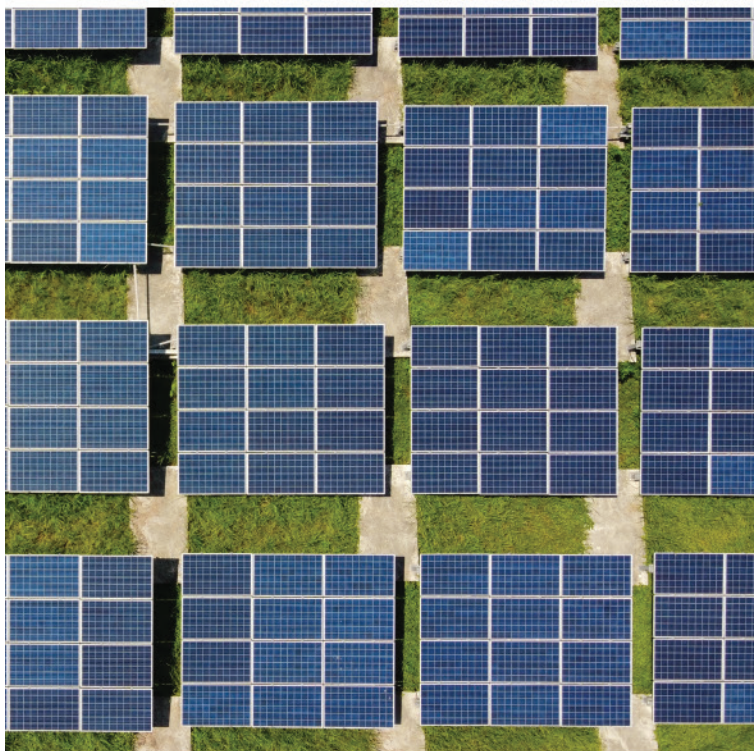
-  **01** / **Environment**
Alternative energy sources, resource sustainability, and resource efficiency.
-  **02** / **Empowerment**
Products or services that support the creation of diverse, equitable and inclusive workforces through things like education, training, transit availability, employment services, corporate training and awareness.
-  **03** / **Community Health & Wellness**
Products or services that improve local communities through affordable housing, healthcare & nutrition, and access to basic services (i.e. internet, utilities, transport, etc.).

Citizen Mint investment opportunities will encompass several parts of the investment cycle from pre-entitlement development to operating businesses that need investment to increase capital expenditures on a proven operating technology. In each opportunity, we will lay out the inherent risk of the investment and what we see could mitigate that risk either based on the sponsor or manager capabilities and/or the characteristics of the opportunity.

What Change is Possible with Citizen Mint's Impact Investments?

01

ENVIRONMENT



Alternative Energy:

Renewable energy projects. Examples: solar, wind, thermal, biomass, hydroelectricity and development of batteries for long-term electricity storage.

SNAPSHOT:

Greenbacker Capital built its largest solar project to date to provide 104 MWs of renewable energy to a nearby data center. The location was Carbon County, Utah, previously the home of the state's oldest coal-powered plant. Returns on this project were consistent with other wind and solar development opportunities and provides a strong cash flow distribution to investors on a consistent basis.

Resource Sustainability:

Projects that help reduce the strains caused by population growth, urbanization and industrialization. Examples: water treatment, waste-to-energy, carbon filtering, reforestation, environmental remediation

Resource Efficiency:

Ventures that conserve precious resources and decrease costs. Examples: conservation of water, gas, electricity or better yields from precision agriculture to reduce the cost of food.

What Change is Possible with Citizen Mint's Impact Investments?

02

EMPOWERMENT



Diversity, Equity & Inclusion:

Diverse and inclusive workforce programs that enable more people to get jobs and promotions. Additionally, community development loans to support the start of new businesses, jobs that pay living wages, home purchases, schools, grocery stores and healthcare centers.

Financial Inclusion:

New banking and finance tools made available to millions of underserved families worldwide can reduce the cost of loans and enable new business creation. Examples: Micro-finance; Fintech

Education & Job Training:

Increasing access to quality education and job training, including through the use of technology, could open more opportunities for traditionally underserved demographics and communities. Examples: remote learning; education financing; childcare solutions.

What Change is Possible with Citizen Mint's Impact Investments?

03

COMMUNITY HEALTH & WELLNESS



Affordable Housing:

Millions of families in the US and abroad struggle to find affordable housing. Higher levels of homelessness tend to worsen crime, create unstable family lives and inhibit employment. We believe the building of affordable housing provides investors a monumental opportunity to help create a healthier society as well as obtain a financial return.

SNAPSHOT:

In the Seattle area, a real estate investment provided new Class-A multi-family housing for 80 families that would have otherwise been homeless. Investors received market rate returns similar to other development opportunities.

Healthcare & Nutrition:

Access to good and affordable healthcare is a global challenge. Through the use of new healthcare delivery systems, including telemedicine, mobile clinics and labs, we believe there is potential to provide both preventative and curative healthcare to more people consistently.

Basic Services:

Even in the U.S., a large segment of the population struggles with affordable access to clean drinking water, sanitation, energy, waste collection and broadband internet. At Citizen Mint, we look for innovative opportunities that provide these services while also getting financial returns.

Risk, Return, Impact

Simply put: Impact investing is not philanthropy. You do not have to give up significant returns to have positive impact. At Citizen Mint, we apply in-depth, institutional quality due diligence to review opportunities based on a three metrics:

- 1 Return**
What is the expected return on the project or opportunity?
- 2 Risk**
Are you likely to be compensated for the risk involved, both in terms of absolute return and relative to similar traditional investment opportunities in the asset class?
- 3 Impact**
Does the investment provide material, measurable, and additive impact that could not have been accomplished by other means?

Ultimately, our analysis of financial return and risk is consistent with traditional investing, but to that we add an analysis of impact.

Challenges of Impact Investing

In traditional investing there is just one measure – return. But how do you gauge impact?

There are no consistent set standards for measuring impact. At Citizen Mint, we incorporate multiples lenses to review and report on the impact of each individual investment. This includes widely used quantifiable metrics as well as relatable examples of how the project impacts society and/or the environment.

Innovative impact investments may carry higher risk.

A whole new infrastructure might be required to serve a particular market need, increasing project-specific risk and necessitating that local and federal government and/or large multinational non-profits be co-investors. When these projects involve both private investors and governments, it is called blended finance. An example is:

EXAMPLE:

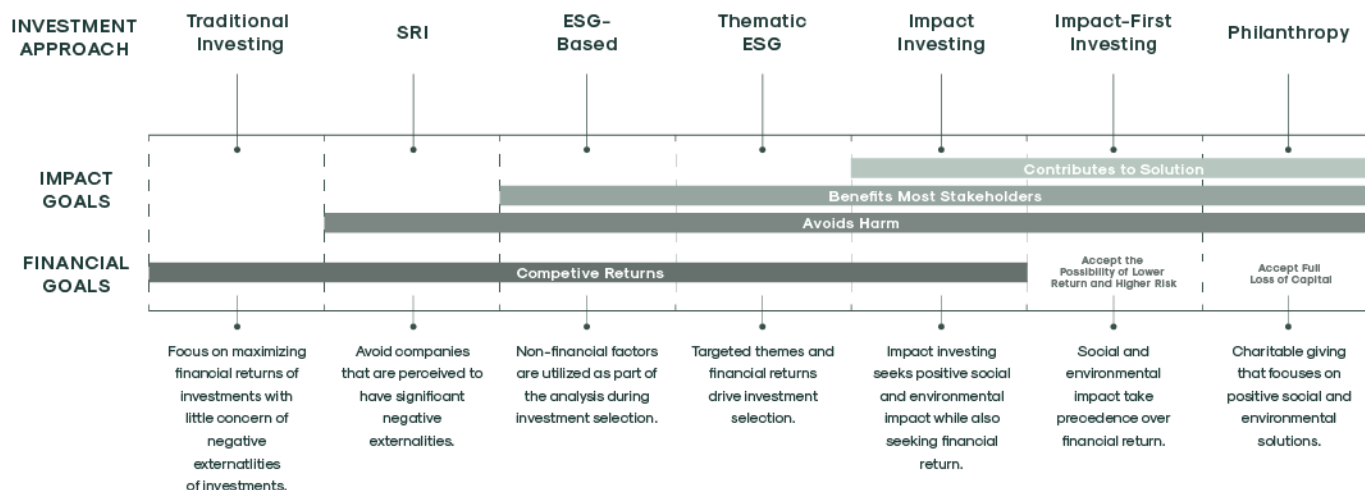
Allianz Investments co-investment with the International Finance Corporation (IFC) – the World Bank’s private sector arm – in emerging market infrastructure projects that wouldn’t have been funded otherwise. Further, these projects had a higher level of risk and as such, required that IFC would be willing to take first losses if the investment didn’t perform up to expectations.

At Citizen Mint, we perform rigorous due diligence on the risk entailed by each impact investment. We only include an investment on our platform if we determine that the return is likely to outweigh the risk.

[Click to learn more about our Investment Process & Philosophy](#)

Where Impact Investing Fits In

The Sustainable Investing Universe



SRI

This is the oldest and perhaps the easiest of approaches: You simply do not put any money into things you find harmful. Historically, SRI applied to “sin” stocks -- alcohol, cigarettes, casinos, guns – but today includes avoidance of fossil-fuel producers – from big oil to coal-dependent utilities.

ESG

Here, investors apply an analytical framework to invest in publicly traded companies that meet specific environmental, social and corporate governance benchmarks. ESG investing is most often done in the public markets and adds a layer of scrutiny, which can reduce risk and enhance long-term returns, as well as countering business as usual. Generally, ESG investing is broadly focused but thematic ESG allows investors to target specific themes, such as companies working on clean energy.

Impact Investing

Here, you are intentionally investing in an opportunity whose goods or services you think will be good for society and/or the environment while also providing you with financial return. This could be an affordable housing development for low and middle-income workers or a wind or solar project to reduce reliance on fossil fuels. Impact-first investing puts the focus on impact and less so on financial return.

Our Goal at Citizen Mint:

To provide access to investment opportunities that seek measurable and intentional positive impact as well as financial return.

Come join us and let's change the world together.

Contact us to
learn more

Amplifying Impact: Foundations & Other NonProfits

Private foundations in the U.S. have enormous opportunity to engage in impact investing. They are required to pay out at least 5% of their endowment annually in grants to fund work that supports their mission. But some of the other 95% of endowments (recently estimated to total some \$865 billion)¹ can also be invested in societal good.

We believe nonprofits can play a major role in impact investing because of their long-term investment horizon:

- **Early Capital:** Able to be the first, proof-of-concept investor to validate an opportunity and attract for-profit participants.
- **Patient Capital:** Able to commit capital for the long term; not focused on short-term results.

Let's Talk

Citizen Mint seeks to work with foundations and other philanthropies to further their goals.

If you are affiliated with one of these organizations, please reach out to us here to have a conversation about how we work together to create positive change.

Get in touch to
learn more

United Nations Sustainable Development Goals

The United Nation created 17 core sustainable development goals (SDGs) to create a visible roadmap of issues that need to be addressed for the long-term prosperity of people and planet. While originally government focused, the SDGs have been adopted by companies, investment managers and investors as a map for allocating to impact investments.

Private philanthropy and government fund some of the 17 Sustainable Development Goals (SDGs) that 193 countries agreed to work toward by 2030 (see box). But there are an estimated \$2.5 trillion annual funding shortfall. Mobilizing private capital is the missing link to making that happen.

17 GOALS TO TRANSFORM OUR WORLD



citizen mint

Democratizing Private Impact Investing

Schedule A Call

contact@citizenmint.com



DISCLOSURE

All investments involve a level of risk, and past performance is not a guarantee of future investment results. The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur. All investment performance can be affected by general economic conditions and the extent and timing of investor participation in markets. Fees charged by Citizen Mint Advisors LLC will reduce the net performance of the investment portfolio.

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holdback provisions that may delay a full redemption for several months or longer. There is no guarantee that the amount of the initial investment can be received upon redemption. Due to the nature of the tax reporting that may be available from these types of investments, clients should expect to extend the filing of their tax returns.

A benchmark is an unmanaged index, and its performance does not include any advisory fees, transaction costs or other charges that may be incurred in connection with your investments. Indices are statistical composites and are shown for informational purposes only. It is not possible to invest directly in an index. Indices are unmanaged and are not subject to management fees. Any benchmark whose return is shown for comparison purposes may include different holdings, a different number of holdings, and a different degree of investment in individual securities, industries or economic sectors than the investments and/or investment accounts to which it is compared. Comparisons of individual account or portfolio performance to an index or benchmark composed of indices are unreliable as indicators of future performance of an actual account or portfolio. Actual performance presented represents past performance net of investment management fees unless otherwise noted. Other fees, such as custodial fees or transaction related fees may not be reflected in the actual performance results shown.