

**citizen
mint**

Investment Philosophy & Process

INVEST TO IMPACT





STRENGTH IN OUR PLATFORM

At Citizen Mint (CM), we seek to have a positive change on the world one investment at a time. We enable people, families and foundations with significant and growing wealth to invest directly for impact and a financial return. Our focus: private market opportunities that target specific environmental and socioeconomic needs, from affordable housing and renewable energy to community healthcare and development.

Private market impact investments require a high level of vetting and due diligence, which the Citizen Mint team is especially well-equipped to provide. The strength of our investment platform is grounded on three key attributes:

“

ON THE CITIZEN MINT PLATFORM,

YOU WILL ONLY FIND INVESTMENTS WE ARE CONVINCED WILL MAKE A POSITIVE DIFFERENCE IN THE WORLD

WHILE TARGETING A COMPETITIVE RISK-ADJUSTED RETURN.

”

OBJECTIVITY.

We are not compensated in any way by the sponsors and managers of the private market investments we recommend. This allows us to remain independent and objective in our assessment of the merits of each opportunity. On the Citizen Mint platform, you will only find investments we are convinced will make a positive difference in the world while targeting a competitive risk-adjusted return.

EXPERTISE.

Our investment team has decades of experience managing multi billion dollar portfolios at wealth management firms and large institutional asset managers. This includes creating and evaluating impact, ESG and sustainability investment platforms in both the public and private markets.

DUE DILIGENCE.

Our intent is to forge long-term, trusted relationships between our investors and the impact investment sponsors and managers on our platform. To make that happen, we apply a consistent and rigorous process to evaluate all investment opportunities, seeking above all sponsors/managers with a high degree of organizational stability, expertise, and a genuine focus on measurable positive impact. Our process consists of multiple levels of vetting and points of failure as outlined below:



DUE DILIGENCE AT CITIZEN MINT

LEVEL

01

**Universe Creation
and Initial Screening**

We seek impact investments in the private markets in most major asset classes including real estate, infrastructure, debt, venture capital, and private equity. For each major asset class, we start by pooling all viable private market investments (“the universe”), drawing on our extensive network of financial industry contacts and resources. This allows the Citizen Mint investment team to start with the broadest opportunity set and quickly eliminate management teams that fail on two critical criteria:



OPERATIONAL:

Does the manager have the organizational capacity and capability to execute effectively?



REGULATORY:

Is the manager associated with any regulatory infractions, conflicts of interest, litigation, or other corporate governance and professional ethics issues?

LEVEL

02

**Investment Thesis
Review**

We conduct an in-depth review of the thesis or business plan for each opportunity. This includes an analysis of market trends, financial returns, and proposed impact of the opportunity. Since private fund sponsors can be overly optimistic in their projections, we do our own thorough risk and sensitivity analysis of the key investment assumptions. We seek opportunities where even if the outcome falls short of expectations, the investment can provide sufficient return to Citizen Mint investors, both from a financial and impact perspective.

We also do an extensive review of third-party and industry assessments of the manager and the opportunity offered. Examples include evaluations of financial structure, insurance coverage, project appraisals, environmental reviews, and regulatory documentation.

At Citizen Mint, we seek long-term partnerships between our investors and the ultimate sponsors. As such, we expect our sponsors to have the highest degrees of organizational stability, and talent, along with a genuine and real focus on intentional and measurable positive impact in every investment they make.



LEVEL

03

Qualitative Due Diligence

Citizen Mint evaluates each management team on key factors related to performance, including experience and reputation in the industry, operational history, investment skill, resource adequacy, personal motivation, and team structure and dynamics. Since a strong organizational structure is foundational to a successful team we thoroughly review:

OWNERSHIP STRUCTURE

Is the firm owned by the employees or another entity? We prefer firms with higher employee ownership.

TALENT MANAGEMENT

The team's ability to attract and retain talented investment and operational staff.

FINANCIAL HEALTH

Where is the firm's breakeven level? Since we are investing in long-term projects, we want firms that can weather difficult market environments.

PROSPECTIVE STABILITY

Are there any current or potential issues that could negatively impact the business? We seek stable managers and sponsors that have limited identifiable impediments to their businesses over the medium to long-term.

ALIGNMENT WITH INVESTOR INTERESTS

Does the manager have personal assets invested in the project and does the fee structure incentivize outperformance from a financial and impact perspective?

LEVEL

04

Quantitative Due Diligence

Track Record: Review the management team's track record and previous impact investments. In addition to our in-house analysis, we seek industry and marketplace validation of the performance of past deals to affirm validity and assess any irregularities.

Market Trends, Competitive Environment, Industry Analysis: We analyze what is happening within an industry and more specifically within a specific market to gauge viability. For Example: Due diligence on an affordable housing deal would include review of comparable rents in the area, location relative to transport and major points of interest, and other new housing developments in the area that may provide competition during the lease-up phase.

Investment Opportunity Modeling and Scenario Analysis: We analyze how the sponsor is modeling the investment opportunity and challenge their key assumptions. In many cases, we will use external sources for technical information and consultants to develop a well-rounded assessment of impact, risk and return.

Capital Structure of Deal: How each potential investment is structured is incredibly important, as it can inform how and when Citizen Mint investors get paid. For example:

- For a debt deal, we want to have a high "liquidation preference" (first or second in order of who is paid if a negative outcome occurs).
- For an equity stake in a real estate development opportunity, we want to understand total leverage on the property and that the fund sponsor is not taking on excessive debt.

Other Resources: The Citizen Mint investment team will regularly tap top-tier industry specialists including market research firms, consultants and competitors, on issues that could have a material effect on investment performance.



LEVEL

05

Deep-Dive Operational Checks

What this means practically is doing background checks, reference calls, assessing the team's financial and accounting capabilities and talking with key vendors (valuation, fund administration, banking, accountants, etc.) to gain conviction that this management team can perform as expected over a long period of time.

Background and Reference Checks: This allows us to ascertain credibility and identify any risk alerts related to each key member of the management team.

Financial Team and Vendor Due Diligence: We interview key financial and accounting professionals at the company to understand their cash management procedures. We want to see that the company has adequate internal controls on cash movements and that these are reviewed at multiple levels. We also talk with the team's vendors to understand how they work with the company and seek to identify any issues that have not yet surfaced.



FINAL APPROVAL

Investment Committee Review

If an investment opportunity clears all our due diligence levels, it is reviewed by the Citizen Mint Investment Committee. In this final review, we take a critical look at the strengths of the opportunity as well as the risks involved, risk mitigation and downside protection for investors.

The Investment Committee will then decide on two things:

-  1 Is there a sufficient level of impact?
-  2 Are Citizen Mint investors being appropriately compensated for the risk involved (getting an appropriate risk-adjusted return)?

If yes on both counts:

The investment is added to the Citizen Mint platform

In all cases, we negotiate with the sponsor to try and lower investment fees and pass on any savings to the Citizen Mint community.

COME JOIN US AND INVEST TO CHANGE

WHERE YOU FIT IN

We have fully vetted the investments on the Citizen Mint platform. It is up to you to determine which of these opportunities fit with your impact objectives and risk and return expectations. To help you decide, we provide detailed analysis of each investment on our platform, as well as educational materials in our resource section. Not every investment will be a good fit for the broad array of investors on our site. We encourage you, and your investment advisor if applicable, to review the offering documents and private placement agreements to understand the merits and risks of each opportunity.



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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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.