

Kachuwa Investment Cooperative PBC
d/b/a Kachuwa Impact Fund
6707 Winchester Circle Ste 700
Boulder, CO 80301

May 11, 2023

Dear Kachuwa Members,

We're excited to share with you this 2022 benefit report which is a modified version of our annual investor report (with certain financial information, sensitive information, and other information removed).

Kachuwa's Public Benefit Purposes

From article III of Kachuwa Impact Fund's Articles of Incorporation:

"The public benefit purposes of the Cooperative are to cause a positive impact on society, the environment, its members, employees, tenants, investees, vendors, creditors, and other partners (collectively, its "Stakeholders"), taken as a whole, from the business and operations of the Cooperative, by engaging, on a cooperative basis, in activities including but not limited to the following:

- 3.1 Operating the Cooperative for the benefit of all of its Stakeholders rather than for profit maximization;
- 3.2 Acquiring, owning, and managing impact-oriented real estate that supports impact-oriented companies, non-profit organizations, and small businesses;
- 3.3 Providing privately-held impact-oriented companies with mission-aligned, long-term, and non-controlling capital;
- 3.4 Providing members with opportunities to deploy capital outside of Wall Street."

2023 Annual Meeting

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Kachuwa's Impact Themes

Kachuwa continues to invest exclusively in "impact real estate" and "impact companies" that are aligned with one or more of our impact themes which are listed here (but not in order of priority):

- 1) Environmental conservation and stewardship
- 2) Renewable energy and energy efficiency
- 3) B-Corp, LEED, organic, and/or fair trade certification
- 4) Majority ownership and/or leadership by women or [BIPOC](#)
- 5) Employee ownership
- 6) Cooperatives
- 7) Democratic workplaces
- 8) Sustainable agriculture, forestry, and land use
- 9) Social justice
- 10) Community wealth building

Third-Party Impact Assessment

In addition to self-assessing the impact of our Cooperative’s activities, we use a third-party impact assessment tool called the “[B Impact Assessment](#).” It is managed by the nonprofit, [B Lab](#), which also manages the [B-Corp certification program](#). We choose to use the B Impact Assessment because: (1) we believe it to be the best impact assessment tool that’s available; and (2) one of Kachuwa’s impact themes is to invest in and support impact companies that are certified B-Corps, and we like the idea of using the same impact assessment standard.

Kachuwa’s current “B-Score” is 101.6, which is well above the minimum score of 80.0 that is required for companies to achieve B-Corp certification. Unfortunately, however, our Cooperative does not yet meet the prerequisite for B-Corp certification of having at least one full-time employee. As soon as we hire staff, we intend to certify. [Click here](#) to see our 1-page B Impact Scorecard.

2022 Investment Activity

In 2022, Kachuwa made one new impact real estate investment commitment (with the actual investment being scheduled to occur in mid-to-late 2023) and nine new non-real estate impact investments that collectively total \$4.4M. Each of these ten new assets aligns with one of more of Kachuwa’s impact themes, and in particular, nine are majority-owned and/or led by women, and four are majority-owned and/or led by BIPOC. Brief descriptions of Kachuwa’s new investments are shown further below in Appendix A, and a list of all assets in our Cooperative’s portfolio is shown in Appendix B.

Founders of Color Showcase

Kachuwa is again proud to be a co-host of the third annual [Founders of Color Showcase](#) from 5:30-6:45 pm Mountain Time on May 15, 2023. In addition to supporting the finalists and the showcase’s objectives, Kachuwa also wants to help provide our Members with an opportunity to further engage with our Cooperative and its mission. Everyone is invited to attend the showcase, which will be live streamed, regardless of your investment experience or designation as an accredited or non-accredited investor. If you’re interested in attending the showcase, please [click here to register](#). You are also invited to participate in the due diligence committees for each finalist which are also designed to be “learn by doing” opportunities for those interested in learning about investment due diligence and private company investing.



2022 Financial Performance

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2022 Patronage Dividends

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Board of Directors Update

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2023 Outlook

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Fundraising Update

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New “Resources” Webpage

As discussed at last year’s annual meeting, we’ve launched a [new “resources” webpage](#) on our Cooperative’s website where we can provide a running list of educational resources and learning opportunities that are being offered (or recommended) by fellow Kachuwa Members. The list is currently short, but we expect it to grow over time.

Please don’t hesitate to reach out to us via email if you have any questions, and we hope to see you for our annual meeting on May 24, 2023 via video conference. Thank you for supporting Kachuwa Impact Fund!

Best Regards,

Kachuwa’s Board of Directors:

Alicia Robb

Blake Jones

Gwénaél Hagan

Lizette Peña

See the following pages for:

Appendix A: New Investments in 2022

Appendix B: Entire Portfolio Overview

Appendix C: Audited Financials

Appendix A: New Investments in 2022

Below please find a brief description of each new asset that was added to our Cooperative's portfolio in 2022. A list of all assets (not just the new ones from 2022) can be found further below in Appendix B, and a brief description of each asset can be found on our website at www.kachuwaimpactfund.com.

Shortstack

- \$3.0M equity investment commitment for two new, replicable, mass timber, affordable housing developments with approximately 70 total apartment units.
- Affordable housing real estate development firm is majority-owned and led by women.
- Deed-restricted projects will help ensure long-term affordability for renters with incomes less than or equal to 60% and 80% of Median Family Income ("MFI").
- Construction is expected to start in Q3 of 2023, and the projects are expected to be completed and occupied by the end of 2024.
- Location: Portland, OR.
- Website: <https://www.shortstackhousing.com/>.

SHORTSTACK

Clean Energy Loan Portfolio (originated and managed by Clean Energy Credit Union)

- \$650,000 "loan participation" investments in two, diversified portfolios of consumer loans that helped homeowners throughout the USA to finance their clean energy projects such as residential solar electric systems and geothermal heat pump systems.
- Clean Energy Credit Union is a not-for-profit cooperative and [low-income designated credit union](#) (i.e. more than half of its members are low-income).
- Led by a woman of color, with a 12-person governance team that is 50% BIPOC and 50% female, and with a staff team that's 41% BIPOC and 66% female.
- Location: based in Colorado.
- Website: <https://www.cleanenergycu.org/>.



Ecotrust Forests I (managed by Ecotrust Forest Management)

- \$250,000 equity "follow-on" investment to Kachuwa's previous investments in funds II and III in 2013 and 2018, respectively.
- Sustainable forestry investment fund that purchases and manages forestlands in the Northwestern US for financial, ecological, and social returns.
- Fund management firm is majority women-owned and led.
- Certified B-Corp (B-score = 152).
- Location: based in Oregon.
- Website: <https://efmi.com/>.



Walden Mutual Bank

- \$200,000 equity investment.
- Start-up mutual bank that focuses its lending on the local food ecosystem in New England.
- B-Corp certification pending.
- Location: based in New Hampshire.
- Website: <https://www.waldenmutual.com/>.



**WALDEN
MUTUAL
BANK.**

Fabalish

- \$100,000 equity “follow-on” investment to Kachuwa’s initial investment in 2021.
- Majority-owned and led by women.
- Produces plant-based and allergen-friendly falafel and dips from chickpeas and aquafaba.
- Location: based in New Jersey.
- Website: <https://www.fabalish.com/>.



De Oro Devices

- \$100,000 investment via a Simple Agreement for Future Equity (“SAFE”).
- Majority-owned and led by a woman.
- Manufactures medical devices to improve the lives of people with Parkinson's.
- Location: based in California.
- Website: <https://www.getnexstride.com/>.



Down to Cook

- \$100,000 investment via a Simple Agreement for Future Equity (“SAFE”).
- Majority-owned and led by a woman of color.
- Makes vegan, organic, plant-based, "Adda Veggie" meal starters.
- Location: based in California.
- Website: <https://www.addaveggie.com/>.



Barr Necessities (d/b/a Empowered Cookie)

- \$50,000 investment via a Simple Agreement for Future Equity (“SAFE”).
- Majority-owned and led by a woman.
- Makes organic and vegan cookies.
- Location: based in California.
- Website: <https://www.empoweredcookie.com/>.



YouMe Health Care

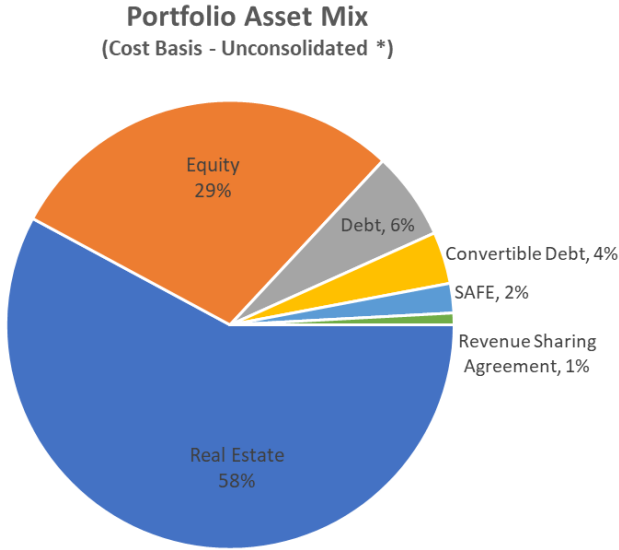
- \$10,000 equity investment (via a special purpose vehicle).
- Majority-owned and led by a woman of color.
- Provides mental healthcare to children and families on Medicaid by utilizing a subscription-based, online platform to connect clients with licensed healthcare professionals.
- Location: based in Maryland.
- Website: <https://www.youmehealthcare.com/>.



Appendix B: Entire Portfolio Overview

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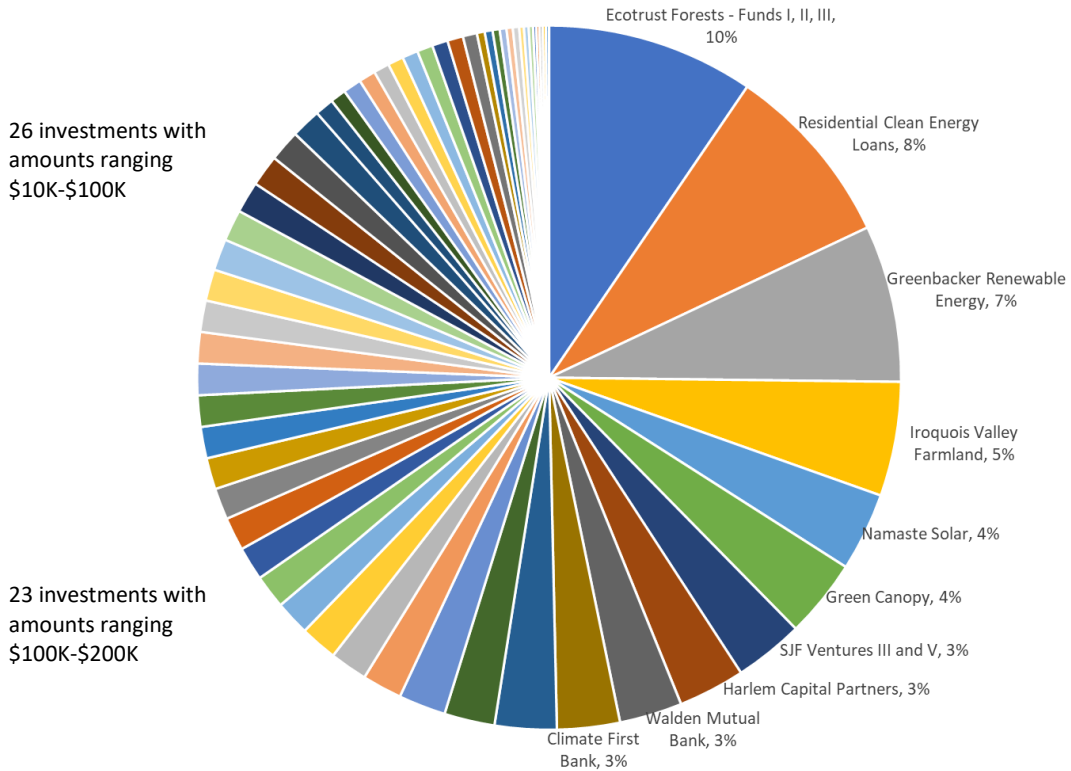
As of April 30, 2023, the asset mix of Kachuwa’s portfolio was as follows:



* NOTE: the cost basis of real estate is calculated on an *unconsolidated* basis whereby each asset’s value is reduced by its total liabilities (e.g. commercial mortgage balance) at the subsidiary level, if applicable.

The pie chart below is intended to provide a graphic illustration of the concentration (and diversification) of Kachuwa’s non-real estate impact investment portfolio.

Portfolio Concentration - Non-Real Estate (Cost Basis)



Cash and Treasury Management

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As of April 30, 2023, our Cooperative’s cash was divided among multiple deposit accounts at different financial institutions in order to minimize the volume of our cash holdings that exceed the \$250K federal deposit insurance limit. Our Cooperative holds its cash at the following federally insured banks and credit unions, each of which is aligned with at least one of our impact themes:

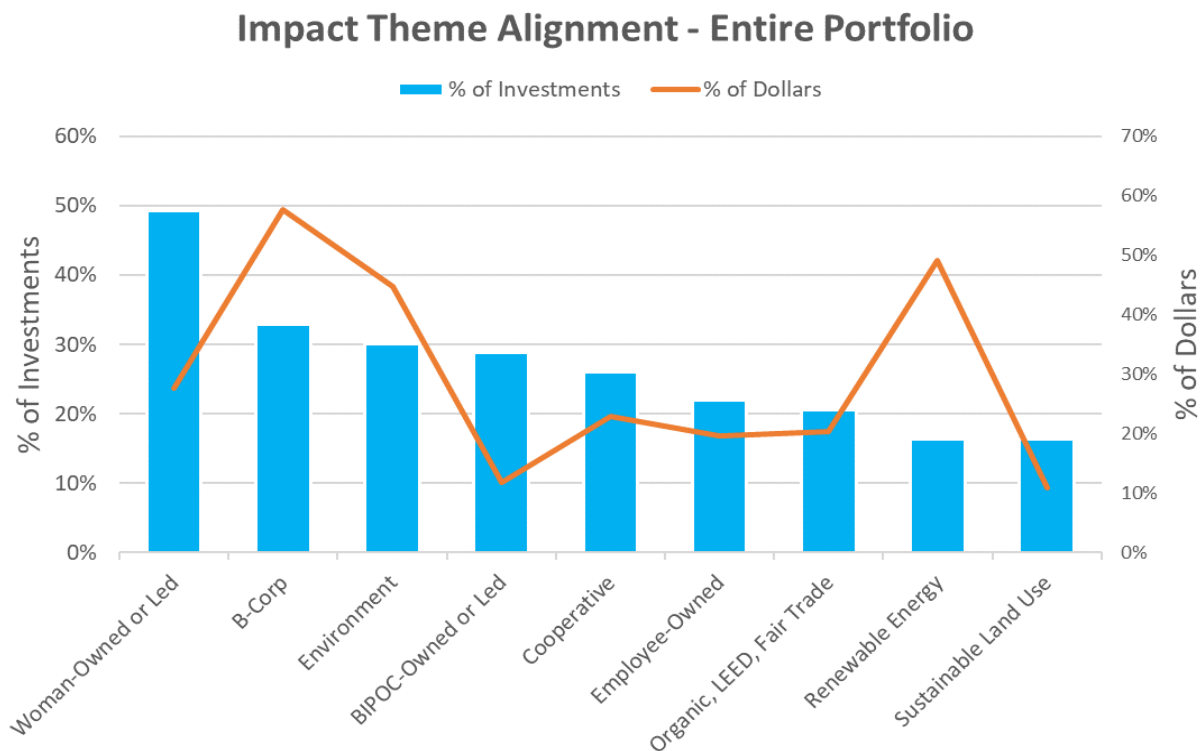
- Amalgamated Bank (a certified B-Corp)
- National Cooperative Bank (a cooperatively owned bank)
- Self-Help Credit Union (a financial services cooperative that focuses on underserved demographics)
- Clean Energy Credit Union (a women-led, financial services cooperative that focuses on clean energy loans)
- Digital Federal Credit Union (a financial services cooperative)
- Grasshopper Bank (a woman-founded and -led bank)

Portfolio Impact Theme Alignment

As of April 30, 2023, each asset in Kachuwa’s portfolio aligned with one or more of Kachuwa’s impact themes as shown in the chart and two tables below. The chart and tables do not include Kachuwa’s 2022 capital commitment (and pending investment in 2023) in the two affordable housing projects via Shortstack, which is a women-owned and -led firm.

Entire Portfolio:

Among the 46 new investments that Kachuwa has made in the last four years, 25 were in organizations that are majority-owned and/or led by women and 14 were in companies that are majority-owned and/or led by BIPOC. The Board will continue to focus on pursuing more investments that are aligned with both of these impact themes, in particular.



Impact Real Estate:

In the table below, an “x” indicates a relatively objective measurement of impact theme alignment whereas a “z” indicates a relatively subjective impact theme alignment.

Impact Real Estate + Impact Tenant Name	Environmental Conservation and Stewardship	Renewable Energy and Energy Efficiency	B-Corp Certification	Organic, LEED, Fair Trade Cert	Owned by Employees	Owned by Women	Managed by Women	Owned by BIPOC	Managed by BIPOC	Cooperative	Democratic Workplace	Sustainable Agriculture, Forestry, and Land Use	Social Justice	Community Wealth Building	Shared Ownership With Tenant	Below-Market Rent	Non-profit	Locally Owned
1898 S Flatiron Ct, Boulder, CO - Upslope Brewing	x	x	x												x	x		x
888 Federal Blvd, Denver, CO - Namaste Solar	x	x	x	x	x					x	z			z	x	x		x
1440 Elmira St, Aurora, CO - Village Institute							x						z	z	x	x	x	
2639 Spruce St, Boulder, CO - madelife														z				x
5900 Triangle Dr, Raleigh, NC - Southern Energy Management	x	x	x		x					x					x	x		x
1501 Lee Hill #15, Boulder, CO - Bookcliff Vineyards																x		x

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Non-Real Estate Impact Investments:

In the tables below, an “x” indicates a relatively objective measurement of impact theme alignment whereas a “z” indicates a relatively subjective impact theme alignment. They are categorized as equity versus non-equity investments and are listed alphabetically.

NON-EQUITY INVESTMENTS

Company Name	Environmental Conservation and Stewardship	Renewable Energy and Energy Efficiency	B-Corp Certification	Organic, LEED, Fair Trade Cert	Owned by Employees	Owned by Women	Managed by Women	Owned by BIPOC	Managed by BIPOC	Cooperative	Democratic Workplace	Sustainable Agriculture, Forestry, and Land Use	Social Justice	Community Wealth Building
Residential clean energy loan pool #1	x	x					x		x	x			z	z
Residential clean energy loan pool #2	x	x					x		x	x			z	z
MeetCaregivers						x	x	x	x					
COI Energy Services		z				x	x	x	x					
Uncommon Cacao			x	z			x							
Fabalish via direct investment (2 of 2)	z			x		x	x							
Working World (dba Seed Commons)					x					x			z	z
Crowdfund Main Street						x	x							
Local Enterprise Assistance Fund (LEAF)					x				x	x	z		z	z
Friendship Bridge							x						z	z
Down to Cook						x	x	x	x					
Capshift														z
Relavo						x	x	x	x					
Technicians for Sustainability	x	x	x		x					x	z			z
Eastern Carolina Organics			x	x		x	x					z		
Barn Owl Precision Agriculture	x					x	x					x		
Jade Lending														
Empowered Cookie						x	x							
Upslope Brewing			x											
Force for Good Fund			x			x	x	x	x				z	z
Community Purchasing Alliance Cooperative										x				x
Democracy Brewing					x					x	z			
Capital Good Fund													x	x
Kube Nice Cream						x	x	x	x					
Driver's Cooperative					z					x			x	x

EQUITY INVESTMENTS

Company Name	Environmental Conservation and Stewardship	Renewable Energy and Energy Efficiency	B-Corp Certification	Organic, LEED, Fair Trade Cert	Owned by Employees	Owned by Women	Managed by Women	Owned by BIPOC	Managed by BIPOC	Cooperative	Democratic Workplace	Sustainable Agriculture, Forestry, and Land Use	Social Justice	Community Wealth Building
Greenbacker Renewable Energy Company		x												
Iroquois Valley Farmland REIT			x	x								x		
Namaste Solar		x	x		x					x	z			z
Green Canopy Cedar Fund	x	x	x									x		
Ecotrust Forests I	x		x			x	x					x		
Ecotrust Forests II	x		x			x	x					x		
Ecotrust Forests III	x		x			x	x					x		
Harlem Capital Partners Venture Fund I						x	x	x	x				z	
Sarona Global Growth Markets PE Fund 2			x											
Astia Fund I						x	x	x	x				z	
Lyme Conservation Opportunities Fund	x				x							x		
SJF Ventures V			x											
SJF Ventures IIIA			x											
Walden Mutual Bank			z							z		x		z
Climate First Bank	x		z											
Sisu Global						x	x						z	
Organically Grown Company				x								z		z
Verity Packaging	x					x	x							
Meow Wolf			x											
Equal Exchange				x	x					x	z		z	z
Perennial Fund				x								x		
Organic Valley				x						x		z		z
Vital Farmland REIT			x	x								x		
Matriark Foods	x					x	x							
De Oro Devices						x	x							
Hometeam Ventures Fund I	x					x	x	x	x			z		
WOCstar Fund I						x	x	x	x				z	
Apis & Heritage Legacy Fund I					x			x	x				z	z
PixelSpoke			x		x					x				
Aspiration via SPV	x		x											
Fabalish via SPV (1 of 2)	z			x		x	x							
Boddle via SPV						x	x	x	x					
DrugViu via SPV (dba ViuHealth)								x	x				z	
Blocpower via SPV	x	x						x	x					z
SOCAP Global (fka Intentional Media & Conscious Company Mag)						z	z							z
Crown O'Maine Organic Cooperative				x		z	x			z		z		z
Maple Valley Cooperative					x					x	z	z		z
Tootie's Tempeh	z			x	x	x	x			x	z			
YouMe Healthcare via SPV						x	x	x	x					

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Appendix C: Financial Statements

Below please find the 2021-2022 consolidated financial statements for Kachuwa Impact Fund and its four subsidiaries. The numbers in the tables below were audited by [Atchley & Associates](#), a certified B-Corp CPA firm, who issued their audit report on May 4, 2023. Please let us know if you'd like to see a copy of the audit report which contains footnotes which are an integral part of the audited and consolidated financial statements.

Consolidated Balance Sheets December 31, 2022 and 2021

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Consolidated Income Statements For the Years Ended December 31, 2022 and 2021

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Consolidated Cash Flow Statements For the Years Ended December 31, 2022 and 2021

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