

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



May 11, 2022

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."

2022 Annual Meeting

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Kachuwa's Impact Themes

Kachuwa continues to be successful in achieving its goal of investing exclusively in "impact real estate" and "impact companies" that are aligned with one or more of its impact themes (which are not listed 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, Kachuwa uses a third-party impact assessment tool called the “[B Impact Assessment](#)” that is managed by the nonprofit, [B Lab](#), which also manages the [B-Corp certification program](#). It has been difficult to find third-party assessments tools that would be applicable to a unique investment cooperative like Kachuwa, and ultimately, 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. So, using the same impact assessment standard makes sense in this regard.

Kachuwa’s current “B-Score” is 77.4, which is lower than the minimum score of 80.0 that is required for companies to achieve B-Corp certification, for the following reasons: (1) Kachuwa does not have any employees, thereby preventing it from gaining any points under the “Workers” category of the B Impact Assessment (which is a reason why at least one full-time employee is required to obtain B-Corp certification); and (2) the B Impact Assessment doesn’t award points for the alignment of Kachuwa’s impact investments with its nine, stated impact themes (as specified above). Click [here](#) to see our 2-page B Impact Scorecard from 2019. In the future, as Kachuwa grows and after we’ve hired staff, we plan to achieve B-Corp certification via a score that well exceeds 80.0.

New Investment Activity

In 2021, Kachuwa made one new impact real estate purchase along with 16 new impact company investments that collectively totaled ~\$2.75M. Each of these 17 new assets aligns with one of more of Kachuwa’s impact themes, and in particular, 12 are majority-owned and/or led by women, and 7 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 2:00-4:00pm MT on May 16, 2022. In addition to supporting the finalists and the showcase’s objectives, Kachuwa also wants to help provide its 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.



2021 Financial Performance

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2021 Patronage Dividends

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Board of Directors Update

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Board of Directors Elections

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Honorarium for Directors and Advisors

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2022 Outlook

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Fundraising Update

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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 25, 2022 via video conference. Thank you for supporting Kachuwa Impact Fund!

Best Regards,

Kachuwa's Board of Directors:

Blake Jones

Marilyn Waite

Lizette Peña

Gwénaél Hagan

Alicia Robb

Appendix A: New Investments in 2021

Below please find a brief description of each new assets that was added to our Cooperative's portfolio in 2021. A list of all assets (not just the new ones from 2021) 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.

The Village Institute

- \$1.18M equity investment in mixed-use, commercial/residential real estate.
- Tenant is a woman-led, non-profit, social enterprise that runs a holistic live/learn/work center for refugee and immigrant families. They provide housing, language learning, job readiness workshops, mental health services, and a year-round preschool program – all under one roof.
- Shared ownership structure with tenant via a subsidiary: in exchange for zero up-front capital investment, below-market rent, shared ownership, shared financial upside, and shared control, the tenant provides property management and administrative assistance.
- Location: 1440 Elmira Street, Aurora, Colorado 80010.
- Website: <https://villageinstitute.org/>.



Apis & Heritage Legacy Fund I

- \$100,000 equity investment commitment (\$24K invested so far).
- Mezzanine debt private equity fund that helps companies with significant workforces of color to convert into 100% employee-owned businesses.
- Fund management firm is majority-owned and led by people of color.
- Location: based in Washington, D.C.
- Website: <https://www.apisheritage.com/>.

A&H
Apis & Heritage
Capital Partners

Astia Fund

- \$250,000 equity investment commitment (\$65K invested so far).
- Impact venture capital fund that invests solely in women-led companies.
- Fund management firm is a women-led, wholly owned subsidiary of a 501(c)(3) non-profit.
- Location: based in California.
- Website: <https://www.astia.org>.



Boddle

- \$50,000 equity investment (via a special purpose vehicle).
- Majority-owned and led by BIPOC.
- Adaptive learning platform that offers interactive math games designed specifically for kids.
- Location: based in Missouri.
- Website: <https://www.boddlelearning.com/>.



Barn Owl Precision Agriculture

- \$50,000 convertible debt investment.
- Majority-owned and led by a woman.
- Utilizes drones, AI-enabled software, and 3D-printed robots to provide a variety of services that improve the efficiency of agricultural operations.
- Location: based in Colorado.
- Website: <https://www.barnowlds.com/>.



Climate First Bank

- \$200,000 equity investment.
- Start-up community bank offering retail and commercial banking services from an Environmental, Social, and Governance (ESG) perspective and with a focus on climate impact.
- B-Corp certification pending.
- Location: based in Florida.
- Website: <https://climatefirstbank.com/>.



The Driver's Cooperative

- \$10,000 revenue sharing agreement investment.
- Driver-owned, ride-hailing cooperative that aims to provide gig drivers and ride-hailers a better option than Uber and Lyft
- Racial- and gender-diverse leadership team.
- Location: based in New York.
- Website: <https://drivers.coop/>.



DrugViu

- \$45,000 equity investment (via a special purpose vehicle).
- Majority-owned and led by BIPOC.
- Operates a clinical grade Real-World Evidence (RWE) technology platform for the autoimmune disease (AID) industry.
- Location: based in New York.
- Website: <https://www.drugviu.com/>.



Fabalish

- \$50,000 equity investment (via a special purpose vehicle).
- 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/>.



Friendship Bridge

- \$100,000 debt investment.
- Women-led, non-profit social enterprise that works with women in Guatemala.
- Provides micro loans, education, and health services primarily to indigenous women in rural areas where the rate of poverty in Guatemala is the highest.
- Location: based in Colorado.
- Website: <https://www.friendshipbridge.org/>.



Hometeam Ventures Fund I

- \$100,000 equity investment commitment (\$25K invested so far).
- Impact venture capital fund that invests solely in construction tech companies that aim to address the global housing gap.
- Fund management firm is majority-owned and led by women of color.
- Location: based in California.
- Website: <https://www.hometeam.vc/>.



Jade Lending

- \$50,000 debt investment.
- Majority-owned and led by women.
- A social impact lending platform whose mission is to support and fuel the growth of women- and minority-owned businesses.
- Location: based in North Carolina.
- Website: <https://www.jadelending.com/>.



Matriark Foods

- \$100,000 equity investment.
- Majority-owned and led by women.
- Rescues food waste and processes it into shelf-stable healthy vegetable stocks and concentrates.
- Location: based in New York.
- Website: <https://www.matriarkfoods.com/>.



PixelSpoke

- \$100,000 non-voting equity investment.
- Employee-owned cooperative with 13+ employees.
- Certified B-Corporation (B Impact Score = 102.4).
- Location: based in Oregon.
- Website: <https://www.pixelspoke.com/>.



MeetCaregivers

- \$150,000 convertible debt investment.
- Majority owned and managed by a woman of color.
- Technology platform that matches home healthcare providers and families seeking senior care solutions.
- Location: based in Massachusetts.
- Website: <https://meetcaregivers.com/>.



Verity Sustainable Packaging

- \$100,000 equity investment.
- Majority-owned and led by a woman.
- Manufacturer of sustainable packaging options for personal care products that are made from reusable and recyclable aluminum and stainless steel in lieu of hard-to-recycle plastic.
- Location: based in California.
- Website: <https://www.veritycase.com/>.



WOCstar Fund I

- \$100,000 equity investment commitment (\$25K invested so far).
- Impact venture capital fund that invests solely in tech companies that are founded or led by women of color (“WOC”).
- Fund management firm is majority-owned and led by women of color.
- Location: based in New York.
- Website: <https://www.wocstar.com/>.

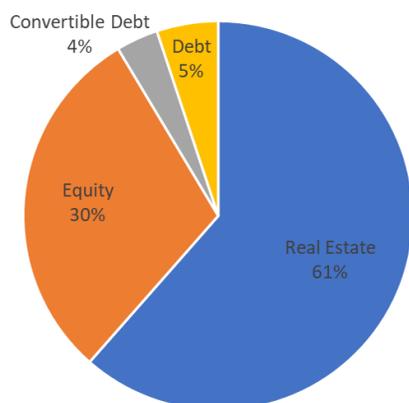


Appendix B: Entire Portfolio Overview

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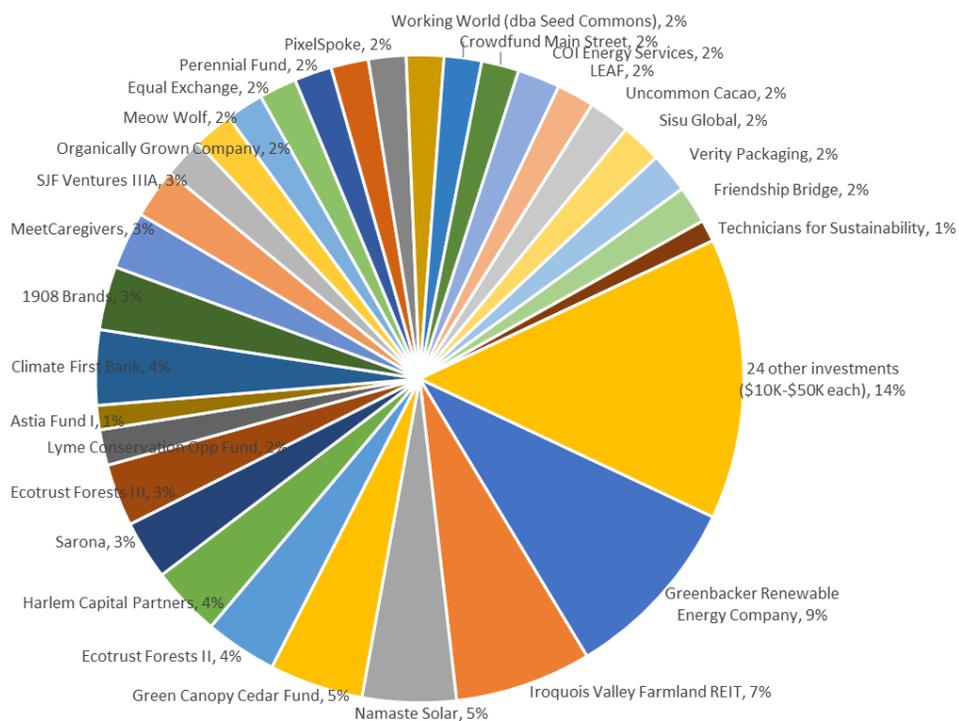
As of April 30, 2022, the asset mix of Kachuwa's portfolio was as follows:

**Portfolio Asset Mix
(Cost Basis - Unconsolidated *)**



* 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.

**Impact Company Investment Concentration (04/30/2022)
(Original Cost Basis)**



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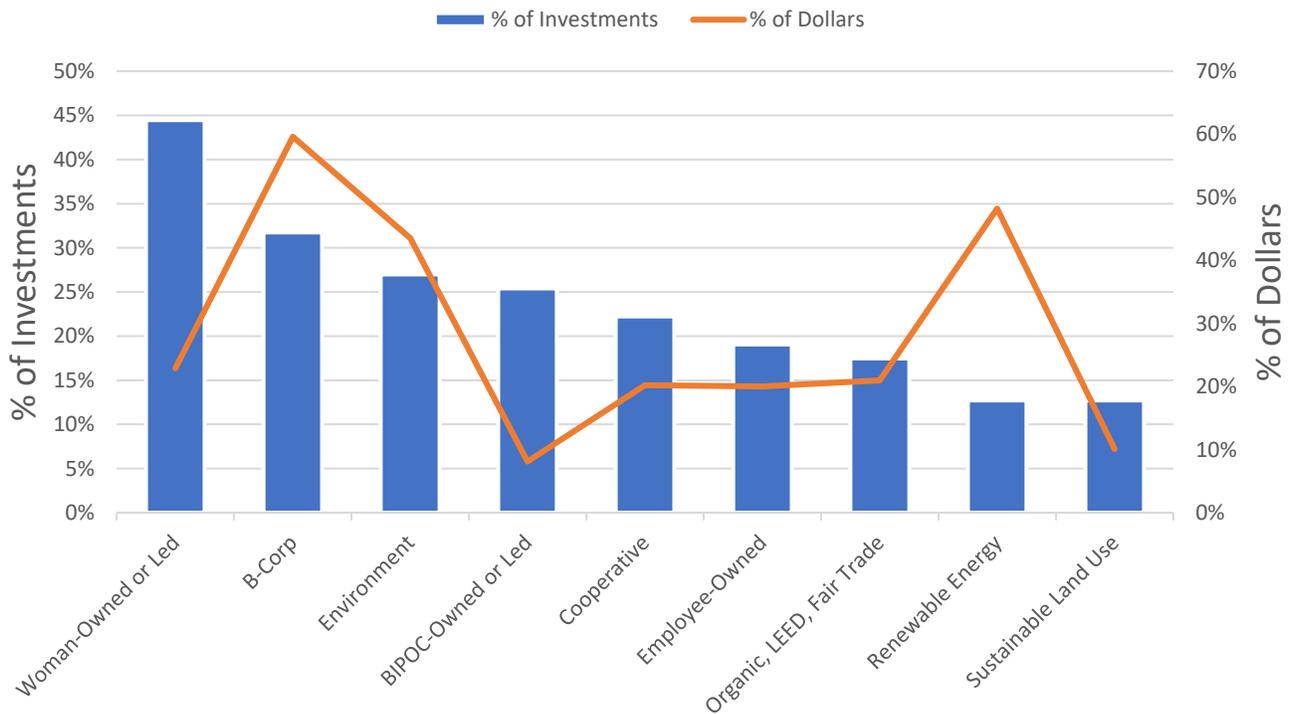
Portfolio Impact Theme Alignment

As of April 30, 2022, 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.

Entire Portfolio:

In the last three years, among the 37 new investments that Kachuwa has made, 17 were in companies that are majority-owned and/or led by women and 12 were in companies that are majority-owned and/or led by BIPOC. The Board will continue to proactively pursue more investments that are aligned with both of these particular impact themes.

Impact Theme Alignment - Entire Portfolio



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	x		z	z	x	x		x
1440 Elmira St, Aurora, CO + Village Institute							x						z	z	x	x	x	
2639 Spruce St, Boulder, CO + Resource Central	x	x															x	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

Impact Company 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 vs debt investments and are listed alphabetically.

EQUITY INVESTMENTS

Impact Company Name	Environmental Conservation and Stewardship	Renewable Energy and Energy Efficiency	B-Corp Certification	Organic, LEED, Fair Trade Certified	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
1908 Brands	x		x											
Apis & Heritage Legacy Fund I					x			x	x				z	z
Aspiration via SPV	x		x											
Astia Fund I						x	x	x	x				z	
Blocpower via SPV	x	x						x	x				z	z
Boddle via SPV						x	x	x	x					
Crown O'Maine Organic Cooperative				x		z	x			x		z		
DrugViu via SPV								x	x				z	
Ecotrust Forests II	x		x			x	x					x		
Ecotrust Forests III	x		x			x	x					x		
Equal Exchange				x	x					x	z		z	z
Fabalish via SPV	z			x		x	x							
Green Canopy Cedar Fund	x	x	x									x		
Greenbacker Renewable Energy Company		x												
Harlem Capital Partners Venture Fund I						x	x	x	x				z	
Hometeam Ventures Fund I	x					x	x	x	x			z	z	
Iroquois Valley Farmland REIT			x	x								x		
LiftEd via SPV								x	x				z	
Listenwise						x	x							
Lyme Conservation Opportunities Fund	x											x		
Maple Valley Cooperative					x					x	z	z	z	z
Matriark Foods	x					x	x							
Meow Wolf			x											
Namaste Solar		x	x		x					x	x			z
Organic Valley				x						x		z		z
Organically Grown Company				x								z		z
Perennial Fund				x								x		
PixelSpoke			x		x					x				
Sarona Global Growth Markets PE Fund 2			x											
Sisu Global						x	x							z
SJF Ventures IIIA			x											
SJF Ventures V			x											
SOCAP Global (fka Intentional Media & Conscious Company Magazine)						z	z							
Tootie's Tempeh	z			x	x	x	x			x	z		z	z
Verity Packaging	x					x	x							
Vital Farmland REIT			x	x								x		
WOCstar Fund I						x	x	x	x				z	

DEBT INVESTMENTS

Impact Company Name	Environmental Conservation and Stewardship	Renewable Energy and Energy Efficiency	B-Corp Certification	Organic, LEED, Fair Trade Certified	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
Barn Owl Precision Agriculture	x					x	x					x		
Capital Good Fund													z	z
COI Energy Services						x	x	x	x					
Community Purchasing Alliance Cooperative										x				z
Crowdfund Main Street						x	x							
De Oro Devices						x	x						z	
Democracy Brewing					x					x	z			
Driver's Cooperative														
Eastern Carolina Organics			x	x		x	x					z		
Force for Good Fund			x			x	x	x	x				z	z
Friendship Bridge							x						z	z
Jade Lending														
Kube Nice Cream						x	x	x	x					
Local Enterprise Assistance Fund (LEAF)									x	x	z		z	z
MeetCaregivers						x	x	x	x					
Technicians for Sustainability	x	x	x		x					x	z			
Uncommon Cacao			x	z			x							
Upslope Brewing			x											
Working World (dba Seed Commons)										x			z	z

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Appendix C: Financial Statements

Below please find the 2020-2021 consolidated financial statements for Kachuwa Impact Fund and its three 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 11, 2022. 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, 2021 and 2020

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Consolidated Income Statements For the Years Ended December 31, 2021 and 2020

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Consolidated Cash Flow Statements For the Years Ended December 31, 2021 and 2020

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