

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



May 3, 2024

Dear Kachuwa Members, Tenants, Investees, and Stakeholders,

We're excited to share this 2024 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."

2024 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 that’s used for B-Corp certification.



Kachuwa’s current “B-Score” is 104.9, 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 full-time staff, we intend to certify. [Click here](#) if you’d like to see our 1-page B Impact Scorecard.

2023 Investment Activity

In 2023, Kachuwa made ten new impact investments that collectively total \$2.15M. Each of these ten new assets aligns with one of more of Kachuwa’s impact themes, and in particular, five 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.

2023 Financial Performance

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2023 Patronage Dividends

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Impact Real Estate Update

We’re excited to announce that two of our commercial buildings recently received [LEED certification](#) from the U.S. Green Building Council in the “Building Operations and Maintenance” category for documented outperformance in regard to energy, water, waste, transportation, indoor air quality, toxin free environment, and occupant satisfaction:

- 1) LEED Certification was awarded to our office/warehouse/brewery building in Boulder, Colorado, which is occupied and co-owned by [Upslope Brewing Company](#), a certified B-Corp craft brewery.
- 2) LEED Silver Certification was awarded to our office/warehouse building in Raleigh, North Carolina, which is occupied and co-owned by [Southern Energy Management](#), a certified B-Corp solar installer and energy efficiency consultancy.



In 2022, our Cooperative committed \$3.0M to invest in two new affordable housing projects in Portland, Oregon, which are being developed by Shortstack, a women-owned and -led firm. We were happy to welcome Shortstack's two co-founders as our special guests at last year's annual meeting. Construction is well underway for the first project, and the second project has completed its architectural design, has obtained a permit, and is aiming to commence construction in the second half of 2024. Both projects are expected to be completed in 2025.



Architect's rendering of Shortstack's first of two affordable housing projects in Portland



Concrete foundation ready to be poured for the first project.

Board of Directors Update

Kachuwa's team of four Board Directors and three Advisors meets once per month, and team members often work together on projects in between monthly meetings. For example, new investment opportunities are typically vetted in between meetings by one or more team members and then brought to our monthly Board meeting for discussion and a final decision (because our Board currently also serves as our Investment Committee). The Board is also engaged in other activities such as monitoring the health of our asset portfolio, reviewing asset concentration, discussing how best to measure and pursue impact, when to hire our Cooperative's first employee(s), and updating our policies such as our Investment Policy and our Asset Management Policy. You can find a list of our current Board Directors and Advisors on our website [here](#), along with each of their bios.

In 2023, our Board appointed Yichen Feng as an Advisor. Here's Yichen's bio:



Yichen is an investor/operator with extensive global experience in corporate finance, education, solidarity economy advocacy, growth technology and software, fintech, and just transition models. Most recently she was an investor and first employee at Lumos Capital Group, a global growth equity firm focused on the learning and work sector. She also led capital strategies for the Center for Economic Democracy, investigating new models for investment that move toward a just economy that serves people and planet. She now serves on the advisory board for both organizations.

Prior to Lumos, she led Asia Partnerships for Nova Credit, a series C-funded global credit union and started her finance career as a technology, media, and telecommunications investment banker with Goldman Sachs, covering M&A and initial public offerings for industry leading internet and software companies such as Yahoo!, Snap, Pivotal, and many others.

She serves on the board for the National HeadStarter Network, serves on the Investment Committee for the SK2 Fund, is on faculty at the Just Economy Institute, and runs a solidarity giving circle for Asian Americans called LUNAR.

We're happy to have Yichen both as an Advisor on our team and as a Member in the Cooperative!

Board of Directors Election

In conjunction with the upcoming Annual Meeting on May 22, our Cooperative will be conducting a Board election in which two incumbent Board Directors, Alicia Robb and Blake Jones, are seeking to be re-elected for another three-year term.

Bios of our Board Directors can be found on our website [here](#). Since Kachuwa is still early in its history as a Cooperative, and since it has grown and evolved so much over the past three years (and will continue to do so for the foreseeable future), we believe that the Cooperative will continue to be best served by electing the two incumbent Board Directors who are seeking re-election.



The 2024 Board Election will be conducted by electronic vote. We wanted to allow for Q&A at our upcoming annual meeting, so Members can choose to vote any time between now and June 5, 2024, which is two weeks after the annual meeting. As a Cooperative, each of our Members is entitled to one vote, regardless of the number of shares owned or amount invested.

PLEASE CLICK HERE TO VOTE NOW!!

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Fundraising Update

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Group Membership in The Angel Capital Association

Our Cooperative has recently signed up for a group membership in the [Angel Capital Association](#) (“ACA”) which is the largest professional development organization for angel investors in the world. Due to our Cooperative’s group membership, all Members of Kachuwa are therefore also members of ACA.



For those who are interested in ACA’s membership benefits, here are some ways to get involved:

Activate and Stay Connected

Sign-up to automatically receive exclusive member-only insights:

- **Member eNews:** A weekly digest that keeps you up to speed on angel investing, member and ACA news, public policy, free webinars, events and much more. NOTE: you’ll need to enter “Kachuwa Impact Fund” as your ACA Angel Group.

- [Members Only Access](#): To ACA membership directory, event content archives, toolkits and documents, exclusive member services. NOTE: you'll need to click on "Create Your ACA Members Only Account" and enter "Kachuwa Impact Fund" as your ACA Angel Group.
- [Angel Insights Blog](#): Get notified of new ACA blog posts.

Engage and Learn

- [Education for New Angels](#): see this library of videos, articles, and podcasts specifically for new angel investors.
- [Knowledge Center](#): find resources to learn about angel investing.
- [Interest groups](#): join an Interest / Peer Group such as Impact, Cleantech, Growing Women's Capital, Life Sciences, Regional Syndication, and International.
- [Ask ACA](#): ask your current investor questions and get feedback and resources from experienced ACA angels.
- [Attend a webinar or browse the archive](#): Open access and always free for ACA members.
- [ACA Summit and Special Events](#): Use member rates to meet colleagues in person and learn even more.

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2024 Outlook

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Thank you!!

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 22, 2024 via video conference. Thank you for joining and supporting Kachuwa Impact Fund!

Best Regards,

Kachuwa's Board of Directors



Blake Jones
President



Alicia Robb
Vice-President



Lizette Peña
Treasurer



Gwénaél Hagan
Secretary

See the following pages for:

- *Appendix A: New Investments in 2023*
- *Appendix B: Entire Portfolio Overview*
- *Appendix C: Audited Financials*

Appendix A: New Investments in 2023

Below please find a brief description of each new asset that was added to our Cooperative's portfolio in 2023. A list of all assets (not just the new ones from 2023) 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.

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

- \$900,000 “loan participation” investment in a diversified portfolio of consumer loans that helped homeowners throughout the U.S. to finance their clean energy projects such as residential solar electric systems and geothermal heat pump systems. This is a “follow-on” investment to Kachuwa’s two previous loan participations in 2022 which have since been fully repaid.
- Clean Energy Credit Union is a not-for-profit cooperative and [low-income designated credit union](https://www.cleanenergycu.org/) (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/>.



Perennial Fund II (managed by Mad Capital)

- \$250,000 equity investment commitment (\$167K invested so far). This is a “follow-on” to Kachuwa’s previous investment in Fund I in 2021.
- Provides loans to farmers and ranchers in the U.S. to transition acreage to organic and regenerative production (which will in turn provide them with increased income relative to conventional production).
- Location: based in Colorado
- Website: <https://madcapital.com/>.



Cut Carbon Notes (issued by Calvert Impact)

- \$250,000 debt investment commitment (\$0 invested so far).
- Fund managed by a non-profit, Calvert Impact.
- Finances sustainability upgrades for commercial buildings (e.g. renewable energy and energy efficiency upgrades) via commercial property-assessed clean energy (“C-PACE”) bonds.
- Location: based in Maryland.
- Website: <https://calvertimpact.org/investing/cut-carbon-note>.



Dearfield Fund for Black Wealth

- \$150,000 equity investment commitment (\$105K invested so far).
- Fund that’s led by a Black woman.
- Provides up to \$40,000 in down-payment assistance to first-time Black homebuyers in Colorado to help build generational wealth.
- Location: based in Colorado.
- Website: <https://www.dearfieldfund.com/>.



De-Carceration Fund

- \$100,000 equity investment commitment (\$37K invested so far).
- Fund that invests in innovative enterprises working to alleviate the suffering caused by the U.S. criminal justice system.
- Location: based in Oregon.
- Website: <https://www.decarcerationfund.com/>.

De-Carceration Fund

Relavo

- \$100,000 investment via a Simple Agreement for Future Equity (“SAFE”).
- Majority owned and led by a woman of color.
- Manufactures medical devices to improve the lives of people with kidney failure by making home dialysis safer and more accessible.
- Location: based in New York.
- Website: <https://relavomedical.com/>.

RELAVO

Denkyem, SPC

- \$100,000 debt investment.
- Majority owned and led by a Black man.
- Community Development Financial Institution (“CDFI”) that provides loans and revenue sharing agreements to Black-owned and -led businesses in Washington state.
- Location: based in Washington.
- Website: <https://denkyemcoop.com/>.



Cooperative Fund of the Northeast

- \$100,000 debt investment.
- 48-year-old Community Development Financial Institution (“CDFI”) that provides loans to cooperatives, employee-owned businesses, and nonprofits in the Northeastern U.S.
- Location: based in Massachusetts.
- Website: <https://cooperativefund.org/>.



Shared Capital Cooperative

- \$100,000 preferred equity investment.
- 45-year-old cooperative that’s led by a woman.
- Community Development Financial Institution (“CDFI”) that provides loans to cooperatives throughout the U.S. with a focus on those with low-income and BIPOC members.
- Location: based in Minnesota.
- Website: <https://sharedcapital.coop/>.



Capshift

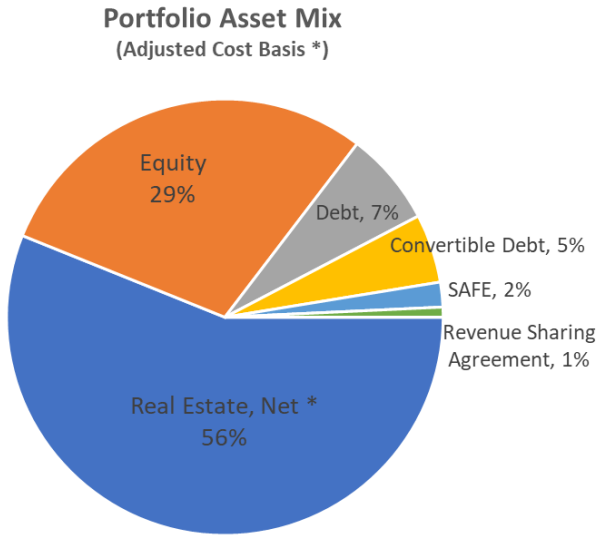
- \$100,000 investment via a Simple Agreement for Future Equity (“SAFE”).
- Provides an impact investing platform that facilitates financial and philanthropic institutions, along with their clients, to make more custodian-held investments in private impact companies.
- Location: based in Massachusetts.
- Website: <https://capshift.com/>.



Appendix B: Entire Portfolio Overview

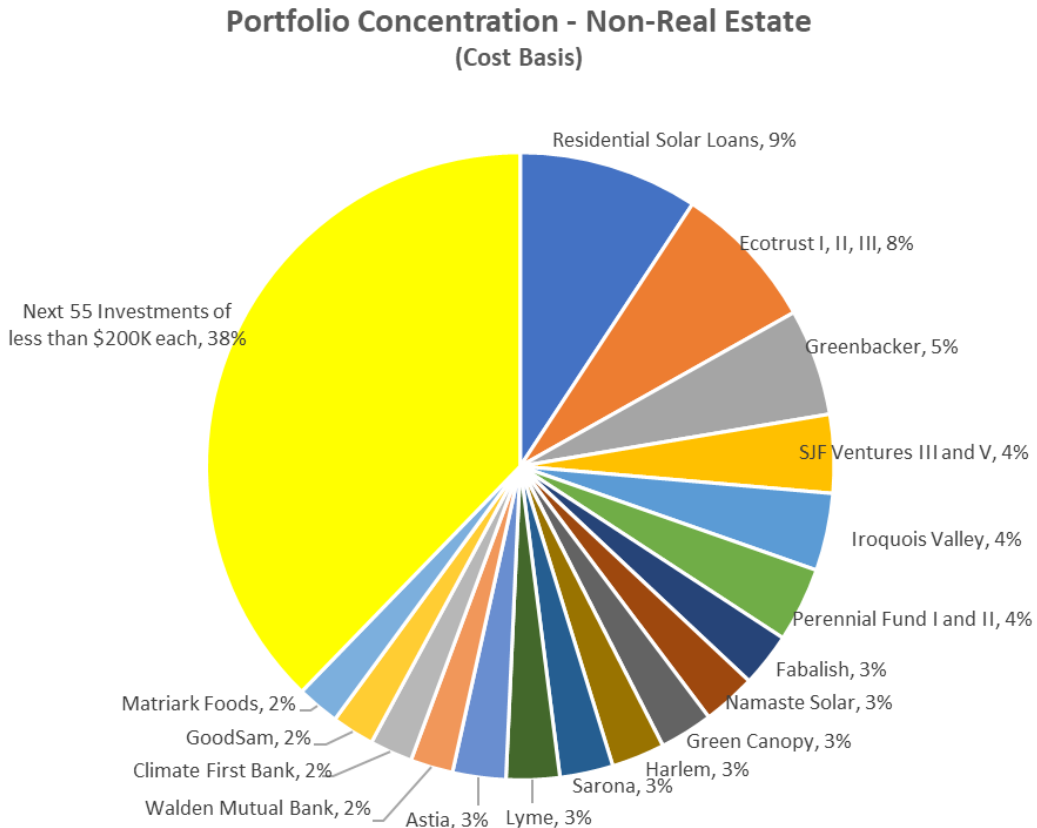
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As of April 30, 2024, the asset mix of Kachuwa’s portfolio was as follows:



* NOTE: the cost basis of real estate is reduced by any tenant co-ownership interest and mortgage balance, 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.



Cash and Treasury Management

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As of April 30, 2024, 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 financial institutions, 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.
- Grasshopper Bank: a woman-founded and -led bank.
- StoneCastle “FICA Impact:” utilizes a network of low-income designated credit unions (LICUs), minority deposit institutions (MDIs), and community development financial institutions (CDFIs) to offer federal deposit insurance to its clients for deposit balances well above \$250K.

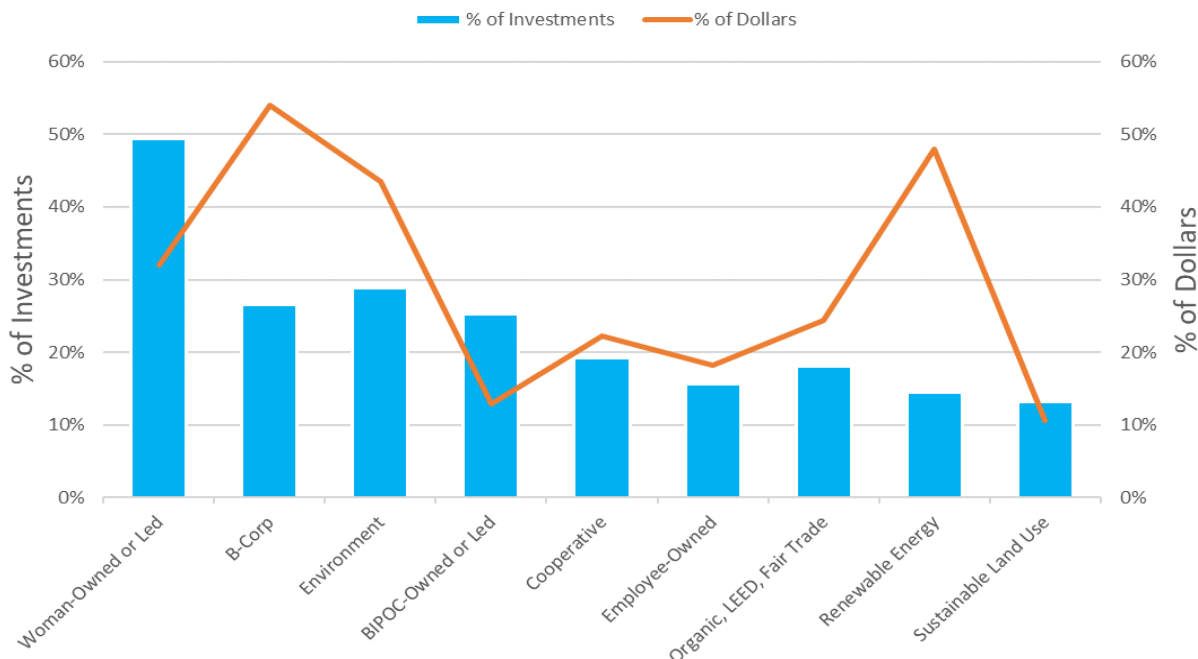
Portfolio Impact Theme Alignment

As of April 30, 2024, 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:

Among the 83 assets in Kachuwa’s portfolio, 41 of them support organizations that are majority-owned and/or led by women and 21 of them support organizations 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 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.

ID	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
A	1898 S Flatiron Ct, Boulder, CO - Upslope Brewing	x	x	x												x	x		x
B	888 Federal Blvd, Denver, CO - Namaste Solar	x	x	x	x	x					x	x			z	x	x		x
C	1440 Elmira St, Aurora, CO - Village Institute							x						z	z	x	x	x	
D	2639 Spruce St, Boulder, CO - MadeLife													z					x
E	5900 Triangle Dr, Raleigh, NC - Southern Energy Management	x	x	x	x											x	x		x
F	3325 N Michigan Avenue, Portland, OR - under construction						x	x						x			x		
G	1501 Lee Hill #15, Boulder, CO - Bookcliff Vineyards																x		x

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Non-Real Estate, Equity 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.

Equity Investment 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											
Lyme Conservation Opportunities Fund	x				x							x		
Perennial Fund II	z			x								x		
Astia Fund I						x	x	x	x					z
SJF Ventures V			x											
Walden Mutual Bank			x							z		x		z
Climate First Bank	x	x	x											
MeetCaregivers						x	x	x	x					
Dearfield Fund for Black Wealth							x	x	x				x	x
SJF Ventures IIIA			x											
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 I	z			x								x		
Organic Valley				x						x		z		z
Vital Farmland REIT			x	x								x		
Matriark Foods (1 of 2 - equity)	x					x	x							
De Oro Devices						x	x							
Shared Capital Cooperative					x	z	x	z	z	x	z		z	z
Hometeam Ventures Fund I	x					x	x	x	x			z		
WOCstar Fund I						x	x	x	x					z
De-Carceration Fund								z	z				x	
Apis & Heritage Legacy Fund I					x			x	x				z	z
Barn Owl Precision Agriculture	x					x	x					x		
PixelSpoke			x		x					x				
Catona Climate (fka Aspiration) via SPV	x		x											
Fabalish via SPV (1 of 3)	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 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					

Non-Real Estate, Non-Equity 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.

Non-Equity Investment 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	x	x					x		x	x			z	z
GoodSam PBC			x	x			x							
Joylux						x	x							
COI Energy Services		z				x	x	x	x					
Uncommon Cacao			x	z			x							
Fabalish via direct investment (2 of 3)	z			x		x	x							
Fabalish via direct investment (3 of 3)	z			x		x	x							
Denkyem, SPC								x	x				z	
Matriark Foods (2 of 2 - convertible debt)	x					x	x							
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	z
Relavo						x	x	x	x					
Cooperative Fund of the Northeast (CFNE)					x					x	z		z	z
Eastern Carolina Organics (dba Happy Dirt)			x	x		x	x					z		
Jade Lending														
Barr Necessities Inc (dba Empowered Cookie)						x	x						z	
Upslope Brewing			x											
Force for Good Fund			x			x	x	x	x				z	z
Capital Good Fund	x	x											x	x
Democracy Brewing					x					x	z			
Community Purchasing Alliance Cooperative (aka CPA Cooperative)										x				x
Kube Nice Cream						x	x	x	x					
Driver's Cooperative					z					x			x	x

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Appendix C: Financial Statements

Below please find the 2022-2023 consolidated financial statements for Kachuwa Impact Fund and its six 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 2, 2024. 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 Income Statements For the Years Ended December 31, 2023 and 2022

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Consolidated Balance Sheets December 31, 2023 and 2022

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Consolidated Cash Flow Statements For the Years Ended December 31, 2023 and 2022

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