



Social Finance Impact First Fund

# Impact Report 2024

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*This report chronicles Impact First Fund activities from June 2023 through December 2024.*



# A Letter From the CEO & the President

We are pleased to share the inaugural annual report for the Social Finance Impact First Fund. Launched in 2023, the Fund makes it easy for investors to put money to work to support solutions to tough and pervasive social and environmental challenges.

The Impact First Fund is an essential part of Social Finance's broader efforts to mobilize the over \$1.7 trillion in charitable capital held by foundations and donor advised funds for impact-first investments. These are investments that prioritize impact—and are held accountable for delivering that impact—as well as returns. The Fund offers investors and philanthropists a simple, cost-effective way to build a diversified portfolio with impact at its core.

The Impact First Fund invests in funds and fund managers pioneering market-based solutions to social and environmental challenges. These are solutions that have the potential to be self-sustaining: generating returns and positive change, and compounding impact over time.

For the individuals, private foundations, and family offices interested in impact-first investing, the Impact First Fund removes barriers and functions as an on-ramp. We source and vet impact-first opportunities; lower the financial and legal barriers to entry; and prioritize measurable, meaningful impact in our approach to manager selection, portfolio construction, and impact measurement and reporting.

Ultimately, we believe the Impact First Fund will demonstrate the power and potential of impact-first investments. The Impact First Fund also will catalyze greater uptake of impact-first approaches, and provide a new generation of innovative, mission-driven entrepreneurs with the capital they need to seed and scale effective, market-based solutions to our world's most pressing challenges.

The need is urgent, the time is now, and Social Finance is uniquely positioned to drive this work. Achieving these ambitious goals requires innovation, partnership, candor, and all hands on deck. We encourage you to join us.

Tracy Palandjian  
CEO & Co-Founder

Kirstin Hill  
President & COO

## WHY IMPACT-FIRST INVESTING

- Addresses persistent capital gaps not served by philanthropy and traditional investing.
- Funds enterprises that do not have access to traditional capital markets.
- Allocates more financial resources towards impact.
- Enables philanthropic donors to scale their impact with market-based solutions.
- Builds a diversified portfolio of investments to ensure breadth of exposure and management of risk.



# Who We Are & What We Aim to Do

## OUR INVESTMENT PHILOSOPHY

**Focus on the root causes of systemic challenges**

**Invest in funds developing innovative market-based solutions that can generate positive outcomes at scale**

**Ensure investments have an appropriate financial risk/return profile for financial sustainability**

**Provide early support to funds and enterprises that will build enduring platforms and business models**

**Build a diversified portfolio of investments to ensure breadth of exposure and management of risk**





# Who We Are & What We Aim to Do

## WHY SOCIAL FINANCE

Social Finance is a national nonprofit organization and registered investment advisor with a track record of building partnerships and funding models that measurably improve lives. Since our founding in 2011, we have designed or managed over 20 impact funds and portfolios, ranging from \$3 million to \$100 million, and we have mobilized \$400+ million for impact.



The Impact First Fund builds on that experience to unlock new capital for impact-first investments. The Fund makes it easy for philanthropic individuals and organizations to put money to work in a diversified portfolio of investments tackling problems that cannot be addressed by philanthropy, government, or traditional investing alone.

The Impact First Fund team includes experts in traditional and impact investing, community development, social services, clean energy, and research and evaluation. Together, we have decades of experience building portfolios that yield both financial returns and positive impact, implementing practical, rigorous systems for impact measurement and management (IMM), and using what we learn to evolve our practice and to grow the impact-first investing field.



We have an extensive network of public, philanthropic, private and social sector partners that uniquely positions us to source compelling investment opportunities, as well as longstanding partnerships with philanthropists, foundations, wealth advisors, and private investors who are committed to moving capital to create positive change.

Finally, we are committed to strengthening and growing the broader impact investing ecosystem through the [Social Finance Institute](#), a field-building initiative that leverages insights from practitioners and experts to develop networks, tools, and actionable resources to advance outcomes-focused, impact-first funding models.

# How We're Doing It

## OUR GUIDING PRINCIPLES FOR IMPACT

**Imbue integrity in everything we do.** Be transparent and candid about what is known and knowable, as well as the successes and challenges the Impact First Fund encounters.

**Support impact throughout the investment process, from diligence through realization.** Engage in impact assessment to inform investment decisions and, after investing in funds, support funds and their investees in achieving impact.

**View funds, investees, and the communities they serve as partners in this work.** Consider the time and effort it takes for funds and investees to provide information, and employ right-sized rigor.

**Ask answerable questions.** Solicit only as much data as we need to inform decisions, and share data and learnings with funds and investees.

**Explore the impact that funds have, themselves, as businesses, as well as their systems** to assess and support the impact of their investments.

**Recognize that impact is multifaceted and nuanced.** Consider impact using the [Impact Management Project's](#) Five Dimensions of Impact.<sup>1</sup>



1. Our approach to this work reflects guidance surfaced in [the Operating Principles for Impact Management](#), publications from [Impact Frontiers](#), [BlueMark](#), [Transform Finance](#), the [Equitable Evaluation Initiative](#), [We All Count](#), the [Racial Equity Asset Lab \(REAL\)](#), the [Movement Strategy Center](#), and consultations with luminaries in the field, including Jane Reisman, Karim Harji, Cathy Clark, Mike McCreless, John Sherman, Belissa Rojas, Andrea Armeni, Caitlin Rosser, and others.

### THE FIVE DIMENSIONS OF IMPACT

From 2016 to 2018, the Impact Management Project, with input from 3,000 enterprises and investors, created an [impact management framework](#). Now stewarded by Impact Frontiers, this framework helps organizations understand their effects on people and the planet by collecting five dimensions of data:

**WHAT:** What are the outcomes of the investment, and how important are those outcomes to stakeholders?

**WHO:** Who is being impacted by an investment, and how underserved were they previously?

**HOW MUCH:** How many stakeholders are impacted by the investment, to what extent, and for how long?

**CONTRIBUTION:** Did the investment result in better outcomes than would have occurred otherwise?

**RISK:** What is the likelihood that the impact will be different (or worse) than expected?



# How We're Doing It

## IMPACT ROADMAP

The Impact First Fund seeks to: (1) unlock capital for impact-first investments, (2) support measurable positive impact for people and planet, (3) address persistent gaps in financing for early-stage funds and investees that have high impact potential, (4) create opportunity and wealth for people from under-resourced and underestimated communities, and (5) evolve and grow the impact-first investing field.

We employ a set of systems and processes to assess and quantify our progress against these goals. These systems and processes are integral to our overall investment and fund management process and help ensure the impact integrity of the Fund's investment portfolio.

### Step 1: Source and Screen

Target funds with unmet need for capital and demonstrated potential to deliver positive social and/or environmental impact. Prioritize funds and managers developing innovative financial solutions to pervasive social and environmental issues. Screen out funds that are not mission-aligned, do not require impact-first investment, or are unlikely to return capital.

### Step 2: Diligence

Conduct impact diligence. For funds well-positioned for Impact First Fund investment, conduct a full impact rating to understand the type and depth of impact, the populations impacted, the systems funds have to track and incentivize impact, and the Impact First Fund's contribution to targeted impact, as well as the business practices at the Fund.

### Step 3: Invest and Support

Partner with funds to negotiate terms that best align the interests of all constituents, while satisfying the Impact First Fund's need for liquidity and financial return. The Impact First Fund seeks to be a value-add investor to its partners, providing non-monetary support, and catalyzing additional investment.

### Step 4: Measure and Manage Impact

Collect quantitative and qualitative data about funds' impact and partnership with their investees. Assess how funds ensure positive impact continues after they exit their investments. Provide regular reporting to our investors and supporters.<sup>2</sup>

### Step 5: Learn and Evolve Practice

Surface lessons learned to inform future Impact First Fund investments and to encourage the adoption of promising practices. Share findings and learning with funds, investees, other investors, and the field.



2. After the Impact First Fund has scaled and made a substantial number of investments, consider inviting an external verifier to assess the Fund's IMM processes and reporting.

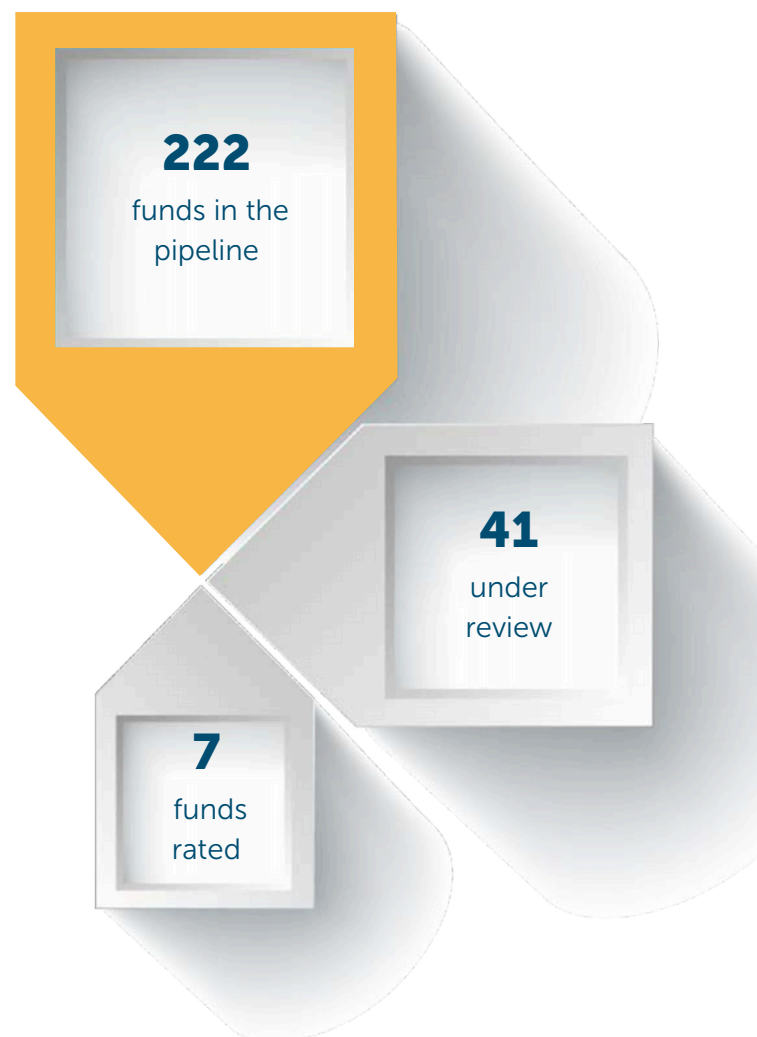
# How We're Doing It

## SOURCING & DILIGENCE: A CLOSER LOOK

There are an estimated [3,000 impact investing funds](#) worldwide, per the Global Impact Investing Network. To be in the Impact First Fund pipeline, a fund must be impact first, meaning it prioritizes measurable, positive social and/or environmental outcomes in addition to delivering financial return.

Funds under review offer innovative solutions to pressing social and/or environmental issues and are likely to:

- Have leaders with experience both making successful investments and leading work related to the fund's impact issue areas
- Have experience achieving targeted impact or an evidence-based impact strategy
- Serve communities that face difficulties in accessing affordable capital, including communities of color and rural communities
- Have robust systems for tracking and improving the impact of their investments
- Have viable environmental and social organizational policies



We also prioritize funds that require patient capital to get established, attract additional funders, and grow; have leaders and owners from marginalized communities; and contribute to a portfolio of "best ideas."

We pursue investments that provide diversification across impact issue area, geography, asset class, term, and return profile, seeking to avoid imbalances in risk or sector concentration.

As a final step in our decision-making process, we quantify the potential impact of an investment using our impact rating. Funds must score favorably for investment.



# Progress & Impact

## ENSURING MEANINGFUL IMPACT

The Impact First Fund ensures that the funds we invest in support meaningful, positive outcomes. We do this by examining the types of impact targeted, the evidence supporting funds' claims that they will generate targeted outcomes, and the systems funds have for holding themselves and investees accountable for achieving impact.

In our first full year of operation, we invested in a portfolio of funds that address a range of social and environmental challenges and create opportunity and economic mobility in a variety of under resourced communities. Those funds are: Blackstar Stability Distressed Debt Fund (Blackstar), Afterglow Climate Justice Fund (Afterglow), and RuralWorks Partners (RuralWorks).

All three funds the Impact First Fund has invested in:

- Target impacts that are [significant to stakeholders](#), i.e., impacts that relate to stakeholders' health, wealth, and/or wellbeing.
- Target [multiple](#) impacts lasting [20 years](#) or more.
- Have [experience](#) generating targeted impacts.
- Have [rigorous processes](#) for collecting, storing, and utilizing impact data—i.e., funds have [staff](#) responsible for impact data collection, as well as [systems](#) to ensure impact data integrity.
- Treat targeted beneficiaries as clients and [engage stakeholders](#), community representatives, and those with lived experience as consultants or advisors.
- Identify and mitigate the [risks of negative](#) impact on the stakeholders they intend to benefit.



## ADDRESSING CAPITAL GAPS

The Impact First Fund seeks to address persistent capital gaps that exist for impact-first funds and enterprises with high impact potential. In our first year of operation, the Fund was among the largest investors in two of three funds in our portfolio, providing capital equal to or greater than at least 50% of all the other investments in the fund. The Impact First Fund helped “crowd-in” or unlock capital from other investors, including capital from new investors and increased commitments from existing investors.

# Progress & Impact

## SUPPORTING IMPACT-FIRST ENTREPRENEURS

The Impact First Fund prioritizes investments in fund managers and funds with bold, market-based strategies to address social and environmental problems. Many of these funds are unable to access capital from traditional private or commercial funders at the scale they need.



Pictured: The Aftlerglow Climate Justice Fund team.



# 100%

of Impact First Fund investments supported **first-time funds and/or first-time managers.**



**All 3 investments support leaders with decades of personal or professional experience** related to the issues their funds aim to address.



# Progress & Impact

## SUPPORTING A DIVERSIFIED PORTFOLIO

# \$10M

As of December 2024, the Fund allocated a total of \$10M to three funds

Blackstar Stability Distressed Debt Fund (Blackstar), Afterglow Climate Justice Fund (Afterglow), and RuralWorks Partners (RuralWorks) address a variety of social and environmental issues and promote prosperity and economic mobility in low- and moderate- income communities, rural communities and/or communities of color.

### ADVANCING HOMEOWNERSHIP

Blackstar helps low- and moderate-income families own their homes and evade predatory lending practices.

### CREATING QUALITY JOBS

Afterglow and RuralWorks create jobs that offer living wages and benefits.

### ADDRESSING CLIMATE CHANGE

Afterglow and RuralWorks address or mitigate the impacts of climate change.

### DOING GOOD BUSINESS

All three funds offer employee protections and fair treatment, and have rigorous systems for assessing/ensuring impact.

BUILDING PROSPERITY IN UNDER-RESOURCED COMMUNITIES



# Investee Spotlight: Blackstar Stability Distressed Debt Fund



## Overview

Founded in 2018, Blackstar Stability Distressed Debt Fund (Blackstar) is a real estate investment management firm focused on supporting and preserving homeownership, housing stability, and wealth building for low- and moderate-income homeowners.

## HOW IT WORKS

Blackstar helps borrowers convert “contracts for deeds,” which are predatory home loans that charge high interest rates and preclude borrowers from owning their homes until the last payment is made, into traditional mortgages that enable borrowers to build equity as homeowners.

## OUR INVESTMENT

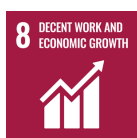
The Impact First Fund made its inaugural investment in Blackstar in the fall of 2023. Our \$5 million investment was among Blackstar’s largest and secured us a seat on their limited partner advisory committee. Our investment helped Blackstar unlock new commitments from their existing investors and raise \$100 million in total for their first fund.



“The Social Finance team was thoughtful and committed in their due diligence in a way that was atypical in the world of fund investing. Their investment and support led us to secure commitments from other investors, helping us to reach our target fund size and maximize our impact. The Social Finance team has been a thought partner and has contributed to the advancement of our work beyond their allocation of capital.”

**George Scott**  
Co-founder and Principal,  
Blackstar Stability  
Distressed Debt Fund

## TARGETED SDG<sub>s</sub>





# Investee Spotlight: Blackstar Stability Distressed Debt Fund (continued)

## IMPACT

As of December 2024, Blackstar has helped 90 families own their homes. Their clients are low and moderate income, with an average household income of approximately \$45,000.

Blackstar is particularly effective at supporting borrowers who identify as people of color. One third of Blackstar borrowers identify as people of color and one quarter are Black. In contrast, only 1 in 4 U.S. homeowners is a person of color and fewer than 1 in 10 homeowners are Black.<sup>3</sup>

**\$42,000**

Average **home equity transfer** to families

**\$11,000**

Average **reduction in principal** owed

**24%**

Average **decrease in monthly principal and interest** payments

**22.1x**

Average **growth in family net assets**



<sup>3</sup> U.S. Census Bureau.

# Investee Spotlight: Afterglow Climate Justice Fund



## Overview

The Afterglow Climate Justice Fund (Afterglow) provides catalytic capital to entrepreneurs developing strategies to address and mitigate the impacts of global warming.

## HOW IT WORKS

Afterglow finances organizations located in and serving the communities most impacted by climate change—including low-income, indigenous and immigrant communities, and other communities of color.

Afterglow lends to organizations that create quality jobs and deliver products that reduce energy costs, combat pollution, and help residents withstand extreme weather. Their financing is catalytic and priced to align with investees' capacity to absorb capital. The Fund also engages deeply with targeted communities, including through their Community Advisory Board (discussed in detail on page 13). As of December 2024, Afterglow has invested in five entities:

### CAPITAL GOOD FUND

Through the [Georgia BRIGHT](#) program, Capital Good Fund owns, operates, and maintains solar and battery systems for Georgia-based nonprofits. The program aims to reduce customer energy costs by an average of 18% and produce ~2M kWh of clean energy.

### GREEN ENERGY JUSTICE COOPERATIVE

Run by Chicago-based nonprofit [Blacks in Green](#), this consumer-owned collaborative develops solar projects serving low-income, largely BIPOC communities in Illinois. The projects aim to generate ~11M kWh of clean energy per year and build wealth for residents.

### RE-VOLV

RE-volv is a nonprofit helping other nonprofits "go solar." As of Q3 2024, RE-volv has financed 73 projects in 18 states, saved nonprofits over \$24M in energy costs, and helped avoid over 105 tons of CO2 emissions.

### SUNWEALTH

Sunwealth is a clean energy investment firm that finances and manages clean energy projects that benefit diverse communities. As of Q3 2024, Sunwealth has financed 716 projects that will reduce carbon emissions by over 1.3 million metrics tons and save their customers over \$128M in energy costs.

### SOLAR HOLLER

Solar Holler is a solar development, design, and installation firm committed to making solar energy the most affordable choice for organizations and households across Appalachia. As of Q3 2024, the company has facilitated over 1,800 solar installations for Appalachian families, businesses, and nonprofits across four states.

# Investee Spotlight: Afterglow Climate Justice Fund (continued)

## OUR INVESTMENT

The Impact First Fund invested \$2.5 million in Afterglow in November 2023.

## TARGETED SDGs



## TARGETED IMPACT

Together, organizations supported by Afterglow will:



Generate over **14M kWh** of clean energy annually, reducing CO2 emissions by 5,700 metric tons per year, and install more than **75kW** of solar power



Reduce energy bills for **nonprofits and low-income families** by ~21% on average



Create **132 jobs** in impacted communities during project construction and early operation, and generate over **1,800 lifetime job-years** for local solar developers and installers

"The Social Finance Impact First Fund represents an exciting, new pool of catalytic capital, and we are excited to welcome the Social Finance Impact First Fund as a senior lender into our first close."



**Aner Ben-Ami**  
Founding Partner and  
Managing Director,  
Afterglow Climate  
Justice Fund

## ENGAGING STAKEHOLDERS

Afterglow's Community Advisory Board (CAB) is a governing body made up of individuals with lived experience in the low-income and immigrant communities and communities of color that the organization seeks to benefit. The CAB ensures Afterglow's investments align with community priorities. It also assesses Afterglow's investment opportunities, strategy, pipeline, and impact. CAB members are compensated for their work.



A solar system at the Georgia nonprofit Lifeline Animal Project, financed by Afterglow investee REvolv.



# Investee Spotlight: RuralWorks Partners



## Overview

Created by a national Community Development Finance Institution (CDFI) and an impact investment manager, RuralWorks Partners (RuralWorks) is a growth stage fund addressing the wealth and opportunity gap in rural communities by investing in companies that create good jobs and benefit the environment.

Pictured: RuralWorks Investee Sara Rademaker, CEO and Owner of American Unagi, holding a fresh eel.

## HOW IT WORKS

RuralWorks provides small and mid-sized rural businesses with capital to scale their enterprises. As of December 2024, RuralWorks had invested in TimberHP, American Unagi, Glavel, and EarthOptics. Although these businesses are still in their early growth days, all are well-positioned to create quality jobs and to reduce emissions.



**TimberHP** produces wood fiber insulation, an eco-friendly alternative to environmentally toxic materials like fiberglass. Operating in a repurposed paper mill in Madison, Maine, the company aims to bring over 140 quality jobs to a rural community where more than 25% of people live in poverty.



**American Unagi** provides a U.S.-based and more sustainable alternative to imported eel. The company disrupts the traditional eel supply chain that runs from Maine to China and reduces emissions associated with shipping eels. American Unagi aims to create quality jobs in a rural community where close to 20% of the population lives in poverty.



**Glavel** is a rural VT business that uses recycled glass to produce sustainable construction materials that are an effective alternative to petroleum-based insulation and fill. Glavel capitalizes on technology that has not, heretofore, been adopted widely in the USA. Glavel strives to employ a diverse workforce and offer living wages and an array of benefits.



**EarthOptics** offers an innovative soil-testing technology that enables farmers to transition to regenerative practices that improve soil health and restore ecosystems. EarthOptics offers quality, living wage jobs in an array of rural communities.

# Investee Spotlight: RuralWorks Partners (continued)

## OUR INVESTMENT

The Impact First Fund invested \$2.5 million in RuralWorks in August 2024.

## TARGETED SDGs



## TARGETED IMPACT

Together, businesses supported by RuralWorks will create quality local jobs, reduce emissions, conserve water, improve soil and ecosystem health, and reduce waste. Although it is premature to have precise outcome targets, RuralWorks and its portfolio companies have credible strategies for generating these impacts and robust systems for tracking and supporting impact.



“We’re excited to partner with Social Finance to advance our shared mission of driving positive impact in rural communities. Their investment empowers us to scale sustainable businesses that generate economic resilience and environmental benefits. Together, we’re turning capital into measurable outcomes, transforming lives, and building a more sustainable future for rural America.”



**Louisa Schibli**  
Director of Impact & Engagement,  
RuralWorks Partners

# Appendix



# Theory of Change

## CHALLENGES

### Investors

- 1 Allocate funds that do not consider impact—DAFs hold approximately \$235 billion, while private foundations and family offices hold approximately \$1.5 trillion.
- 2 Do not have the necessary time or expertise to pursue credible impact-first investments with positive impact and financial returns.
- 3 Skeptical of the ability of impact-first funds and investees to generate viable impact and financial returns.

### Funds & Investees

- 4 Lack access to capital or capital with viable rates and terms because they are early-stage or perceived as risky due to the communities they serve or the products they provide.

### People & Planet

- 5 Underinvestment in products, services, and interventions that address social problems.
- 6 Underinvestment in products, services, and interventions that address environmental problems, particularly in low-income communities and communities of color.
- 7 Vast and growing income and wealth gaps, especially between under-resourced and marginalized groups and other populations

The numbers under strategies and outcomes indicate the specific challenges addressed.

## FUND GOALS

Unlock capital for impact-first investments. (1,2)

Support measurable, positive impact for people and planet. (5,6,7)

Address persistent gaps in financing for funds and investees that have high impact potential. (4)

Create opportunity and wealth for people from under-resourced and underestimated communities. (7)

Evolve and grow the impact-first investing field. (1,3,5,6,7)

## FUND STRATEGIES

Develop and launch the Impact First Fund as an easy, cost-effective one-stop shop for investors to access a diversified pool of impact-first investment funds. (1,2)

Invest in impact-first funds, that will support impact-first investees. (4)

Catalyze investment in funds from outside investors. (4,5,6,7)

Prioritize financing funds that have a primary goal of achieving positive social and/or environmental impact and that have viable processes for conducting impact diligence and IMM. (5,6,7)

Prioritize financing funds that are owned or led by members of marginalized communities, that invest in funds owned or led by people from similar groups, and/or that support positive impact in low-income communities and/or other under-resourced communities. (5,7)

Assess outputs and outcomes associated with fund financing. (3)

Prioritize financing for funds with the primary goal of achieving positive impact, and viable processes for impact diligence and IMM. (3,5,6,7)

Document the launch of the Impact First Fund and share lessons with the field. (1,3,5,6,7)

## OUTCOMES

### Investors

Formerly passive capital is invested in the Impact First Fund.

Continued and increased investment in the Impact First Fund and other impact-first investments.

Increased confidence in funds' and investees' ability to generate impact and financial returns.

(1,2,3)

### Funds & Investees

Increased financing with terms and conditions that support operations.

Financial viability, as indicated by returns.

Increased ability to attract outside capital, including commercial investors.

(4)

### People & Planet

Increased financing for funds and investees led or owned by people from marginalized groups.

Increased financing for products and services that address social challenges.

Outputs and outcomes associated with positive social impacts.

Increased financing for products and services that address environmental challenges.

Outputs and outcomes associated with positive environmental impacts.

(5,6,7)

# Impact First Fund Impact Rating

As part of impact diligence, the Impact First Fund team assesses the potential impact of investments in funds using a framework based on the [Five Dimensions of Impact](#). The rating also considers the social and environmental impacts that funds and investees have, in and of themselves. We also consider the systems and processes that funds and investees use to assess, track, and incentivize impact.

Our impact rating includes 45 questions and, for each question, specific guidelines for scoring answers. These guidelines ensure that we 'count' various answers the same way and thus mitigate against bias, increase transparency, and ensure inter-rater reliability. We also have a data dictionary that defines what we mean by words that could be interpreted subjectively—i.e., descriptors such as "catalytic," "active engagement," "strong," "flexible," etc. Again, this increases transparency and mitigates against bias. It also safeguards against impact washing.

The graphic on the next page highlights the kinds of questions we consider to assess the direct impact that we have, as a fund, as well as the indirect impacts we support through funds and their investments. Our full rating, scoring criteria, and data dictionary are proprietary.

# Impact First Fund Impact Rating

Impact First Fund	Contribution	Funds	Investees
<ul style="list-style-type: none"> <li>• Has our investment led to other investments?</li> <li>• Is the fund early stage, led by first-time managers, targeting a novel investment strategy, or otherwise unlikely to get market-rate capital?</li> <li>• Is our investment more flexible than investments provided by market-rate investors?</li> <li>• Is our investment lower-cost than others provided by market rate investors?</li> <li>• Is Social Finance providing other, non-monetary supports to the fund?</li> </ul>	<b>What</b>	<ul style="list-style-type: none"> <li>• What is the fund's primary targeted impact?</li> <li>• How robust is the evidence base or track record substantiating the fund's impact goals and strategies?</li> <li>• What staff, systems, and incentives does the fund have to assess and support impact?</li> </ul>	<ul style="list-style-type: none"> <li>• How do investees contribute to their communities?</li> <li>• Do they engage in advocacy, policy work, and/or field building?</li> </ul>
	<b>Who</b>	<ul style="list-style-type: none"> <li>• Who leads or owns the fund?</li> <li>• Who does the fund employ and how does it support its workers?</li> </ul>	<ul style="list-style-type: none"> <li>• What impact will investees have?</li> <li>• What staff, systems, and incentives will investees have to assess and support impact?</li> </ul>
	<b>Amount</b>	<ul style="list-style-type: none"> <li>• Who will lead or own the investees?</li> <li>• Who will the investees employ and how will the investee support its workers?</li> <li>• To what extent will the investees work support people of color, women, and other marginalized populations?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the scale of the investees' targeted impact?</li> <li>• How long will the impact last?</li> <li>• How many stakeholders will be impacted?</li> <li>• How significant is the impact to stakeholders?</li> </ul>
	<b>Impact Risk</b>	<ul style="list-style-type: none"> <li>• What is the scale of the fund's targeted impact?</li> <li>• How long will the impact last?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the risk of negative or no impact?</li> <li>• How does the fund identify and mitigate impact risk?</li> <li>• Does the fund seek input from the stakeholders it seeks to serve? How are stakeholders engaged?</li> </ul>
		<ul style="list-style-type: none"> <li>• How will investees identify and mitigate impact risk?</li> <li>• Will the investees seek input from the stakeholders it seeks to serve? How will stakeholders be engaged?</li> </ul>	



# Governance and Team Demographics

## GOVERNANCE

Having an independent, objective decision-making investment committee is paramount to the Impact First Fund's credibility. Accordingly, the Impact First Fund is governed by an internal Investment Committee staffed by a team of experts in finance, evaluation and impact measurement and monitoring, and law, as well as Social Finance's CEO and its President and Chief Operating Officer.

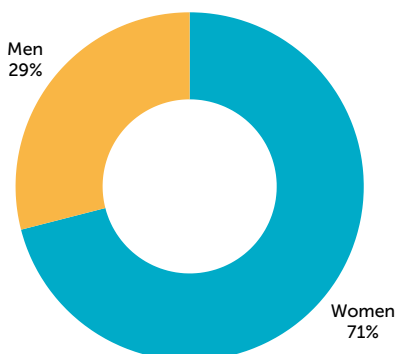
The Investment Committee brings a critical eye to the risks and merits of each investment the team wishes to consider for the Impact First Fund. It has authority to make final decisions regarding whether to invest, investment terms, and amount. Intentionally, members of the Committee do not get involved in establishing or developing relationships with the managers the Impact First Fund seeks to finance and are not actively engaged in seeking investment opportunities for the Fund.

The Impact First Fund also is accountable to an external Advisory Council, currently comprised of the President of the U.S. Impact Investment Alliance, the Managing Director of Ceniarth's impact investment portfolio, and a member of Social Finance's Board of Directors. The Advisory Council ensures that the Impact First Fund's work capitalizes on lessons learned in impact investing community outside of Social Finance, and adds value to the field writ large.

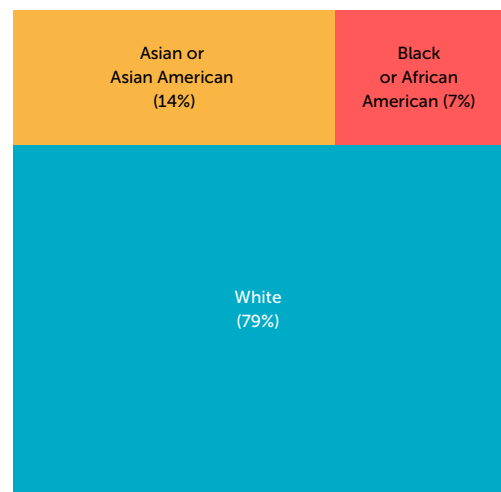
## TEAM DEMOGRAPHICS

71% of Social Finance Impact First Fund team members identify as women and 21% identify as people of color.

### Gender



### Race

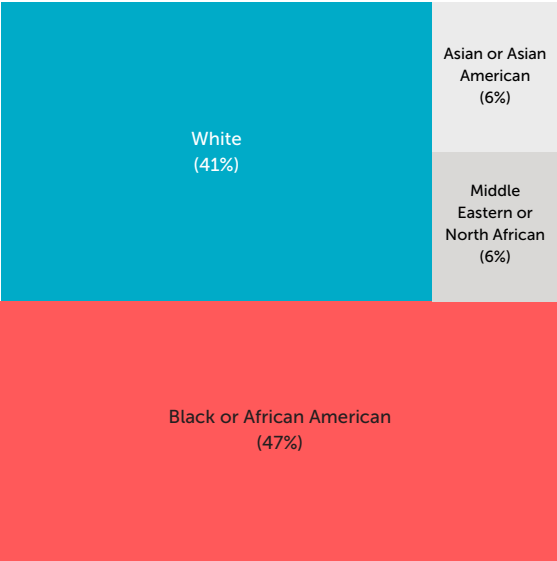


# Investee Demographics

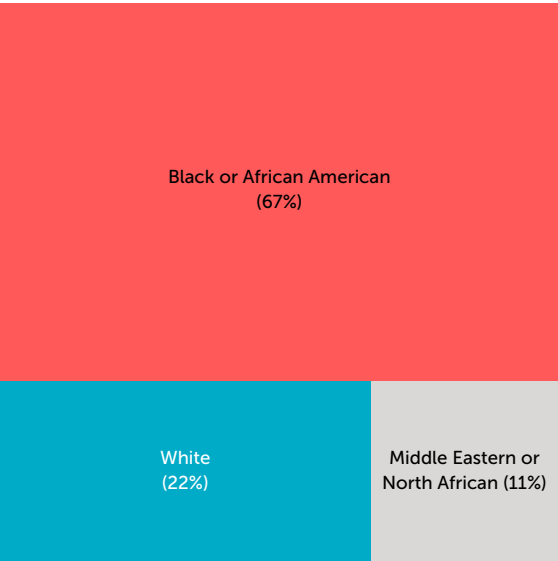
The Impact First Fund intentionally supports funds led and owned by people from underrepresented backgrounds. We also work to support more women-owned and led funds. The statistics below represent the percentage of all fund leaders who identify in selected groups.

## Race and Ethnicity

### Fund Leadership

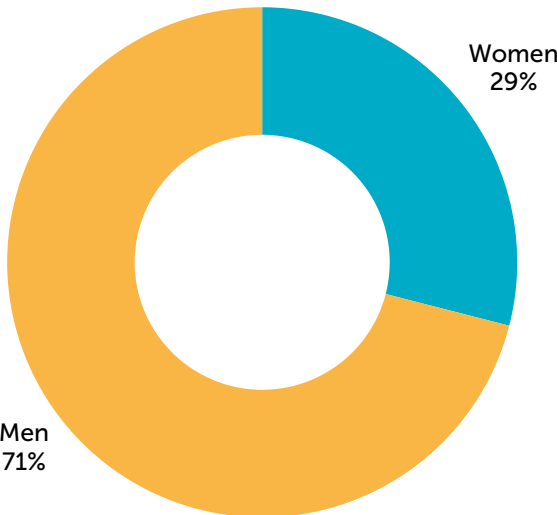


### Fund Ownership

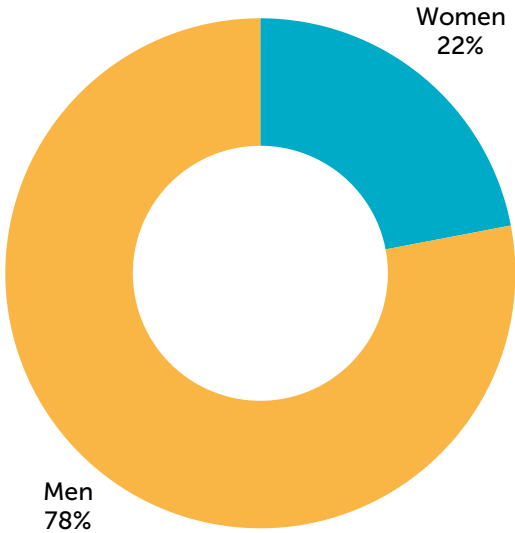


## Gender

### Fund Leadership



### Fund Ownership



# Cumulative Impact Goals, Metrics, and Statistics

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND TARGETS

The following are the United Nations Sustainable Development Goals (SDGs) and targets that the Impact First Fund will support directly.

 <p><b>1 NO POVERTY</b></p>	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>
<p>1.4 Equal rights to economic resources</p> <p>1.5 Reduce the exposure and vulnerability of the poor to climate-related extreme events and shocks</p>	<p>7.1 Ensure universal access to affordable, reliable, and modern energy services</p>	<p>8.3 Encourage formalization and growth of small-to-medium sized enterprises</p> <p>8.5 Achieve full and productive employment decent work for all</p> <p>8.10 Expand access to banking, insurance, and financial services for all</p>	<p>9.3 Increase access of small-scale industrial and other enterprises to financial services and affordable credit</p>
 <p><b>10 REDUCED INEQUALITIES</b></p>	 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p>	 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	 <p><b>13 CLIMATE ACTION</b></p>
<p>10.1 Progressively achieve and sustain income growth of the bottom 40% of the population</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome</p>	<p>11.1 Ensure access to adequate, safe, and affordable housing for all</p> <p>11.5 Reduce the number of people affected and direct economic losses caused by disasters</p>	<p>12.6 Encourage companies to adopt sustainable practices</p>	<p>13.1 Strengthen resilience to climate-related hazards and natural disasters</p>
 <p><b>15 LIFE ON LAND</b></p>	<p>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</p> <p>15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands</p> <p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity</p>		



# Cumulative Impact Goals, Metrics, and Statistics

## IRIS+ METRICS

Following are the IRIS+ Metrics that the Impact First Fund will support directly.

IRIS+ Metric	IRIS+ ID	Description	2024 Data
Fund Managers: Total	II5889	Number of unique individuals affiliated with the organization who were managing client assets via funds and/or separate accounts as of the end of the reporting period.	17
Percent Fund Ownership by Historically Marginalized Groups	OI7194	Percentage of the funds that are owned, as of the end of the reporting period, by individuals who belong to groups historically marginalized due to race and/or ethnicity.	78%
Percent Female/Gender Non-Binary Fund Ownership	OI2840	Percentage of the funds that are owned by female or non-binary individuals as of the end of the reporting period.	22%
Client Organizations: Total	PI9652	Number of enterprises that were clients of the organization during the reporting period.	12
Client Organizations Led: Total	PI5576	Number of client organizations as of the end of the reporting period in which the leader (or half or more of the leaders, if there are multiple) represents a historically marginalized group.	9
Number of Loans Outstanding	PI1478	Number of disbursed loans remaining on the organization's balance sheet as of the end of the reporting period.	1
Number of Equity Investments Closed	PI5066	Number of equity investments closed by the organization during the reporting period.	2
Assets Under Management: Managed by Fund Managers from Historically Marginalized Groups	II4910	Value of the investing organization's assets under management (AUM) invested with fund managers from groups historically marginalized due to race and/or ethnicity as of the end of the reporting period.	\$7.5M
Assets Under Management: Total	ID9608	Value of the investing organization's total assets under management as of the end of the reporting period.	\$11.9M

## FUND-LEVEL IRIS+ METRICS

Following are the IRIS+ Metrics that the Impact First Fund will support through individual investments. Note that, due to the fact that the funds are still in the process of getting established and making investments, we do not yet have data for all of the metrics cited here.

# Cumulative Impact Goals, Metrics, and Statistics

## Blackstar Distressed Debt Fund

IRIS+ Metric	IRIS+ ID	Description	2024 Data
Client Individuals: Total	PI4060	Number of unique individuals who were clients of the organization during the reporting period.	270
Individuals Housed	PI2640	Number of individuals projected to be housed in single- or multi-family dwellings as a result of new construction, loans, repairs, or remodeling resulting from investments made by the organization during the reporting period.	270
Client Households: Historically Marginalized	PI3268	Number of unique households with at least one household member who belongs to a group historically marginalized on the basis of race and/or ethnicity and that were clients of the organization during the reporting period.	29
Number of Housing Units Financed	PI5965	Number of housing units projected to be constructed or preserved as a result of investments made by the organization during the reporting period.	90
Value of Investments in Communities Historically Marginalized Due to Race and/or Ethnicity	II6610	Value of the investing organization's assets under management deployed to communities that are predominantly populated by groups historically marginalized due to race and/or ethnicity as of the end of the reporting period.	\$10M
Value of Housing Units Financed	PI7233	Value of housing projected to be constructed or preserved as a result of investments made by the organization during the reporting period.	\$3.8M
Client Savings Premium	PI1748	Percentage price savings the client obtains by purchasing a product or service from the organization and the average price that they would otherwise pay for a similar product or service in the local market.	\$1.1M
Client Individuals: Female	PI8330	Number of unique women who were clients of the organization during the reporting period.	To be collected
Client Individuals: Historically Marginalized	PI4237	Number of unique individuals who belong to groups historically marginalized on the basis of race and/or ethnicity who were clients of the organization during the reporting period.	To be collected
Client Individuals: Low Income	PI7098	Number of unique low-income individuals who were clients of the organization during the reporting period.	To be collected

# Cumulative Impact Goals, Metrics, and Statistics

## Afterglow Climate Justice Fund

IRIS+ Metric	IRIS+ ID	Description	2024 Data
Energy Capacity Added	PI9448	Amount of new energy capacity connected to the grid during the reporting period	To be collected
Energy Savings from Services Sold	PD4927	Amount of energy savings due to the organization's services that were sold during the reporting period.	To be collected
Renewable Energy Expenditures	OI9206	Amount of money spent by the organization for renewable energy infrastructure and technology to produce energy intended for consumption at the organization's operating facilities during the reporting period.	\$17.8M
Client Individuals: Total	PI4060	Number of unique individuals who were clients of the organization during the reporting period.	To be collected
Client Individuals: Female	PI8330	Number of unique women who were clients of the organization during the reporting period.	To be collected
Client Individuals: Historically Marginalized	PI4237	Number of unique individuals who belong to groups historically marginalized on the basis of race and/or ethnicity who were clients of the organization during the reporting period.	To be collected
Client Individuals: Low Income	PI7098	Number of unique low-income individuals who were clients of the organization during the reporting period.	To be collected
Permanent Employees: Low-Income Areas	OI8266	Number of people in paid employment with the organization who reside in low-income areas as of the end of the reporting period, whether they are full-time or part-time.	To be collected
Employees Earning a Living Wage or Higher	OI4724	Number of full-time, part-time, and temporary employees of the organization who are earning a local living wage or higher as of the end of the reporting period.	To be collected
Jobs Created at Directly Supported/Financed Enterprises: Total	PI3687	Net number of new, full-time equivalent employees working for enterprises financed or supported by the organization during the reporting period.	To be collected
Jobs Created at Directly Supported/Financed Enterprises: Low-Income Areas	PI2251	Net number of new, full-time equivalent employees living in low-income areas and working for enterprises directly financed or supported by the organization during the reporting period.	To be collected

# Cumulative Impact Goals, Metrics, and Statistics

Jobs in Directly Supported/Financed Enterprises	PI4874	Number of full-time equivalent employees working for enterprises financed or supported by the organization as of the end of the reporting period.	To be collected
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## RuralWorks Partners

IRIS+ Metric	IRIS+ ID	Description	2024 Data
Payments to Supplier Individuals: Rural	PI4096	Value of payments made by the organization to individuals residing in rural areas who sold goods or services to the organization during the reporting period.	\$9M
Client Individuals: Total	PI4060	Number of unique individuals who were clients of the organization during the reporting period.	To be collected
Client Individuals: Female	PI8330	Number of unique women who were clients of the organization during the reporting period.	To be collected
Client Individuals: Historically Marginalized	PI4237	Number of unique individuals who belong to groups historically marginalized on the basis of race and/or ethnicity who were clients of the organization during the reporting period.	To be collected
Client Individuals: Low Income	PI7098	Number of unique low-income individuals who were clients of the organization during the reporting period.	To be collected
Jobs Created at Directly Supported/Financed Enterprises: Total	PI3687	Net number of new, full-time equivalent employees working for enterprises financed or supported by the organization during the reporting period.	To be collected
Jobs Created at Directly Supported/Financed Enterprises: Low-Income Areas	PI2251	Net number of new, full-time equivalent employees living in low-income areas and working for enterprises directly financed or supported by the organization during the reporting period.	To be collected
Jobs in Directly Supported/Financed Enterprises	PI4874	Number of full-time equivalent employees working for enterprises financed or supported by the organization as of the end of the reporting period.	To be collected
Permanent Employees: Low-Income Areas	OI8266	Number of people in paid employment with the organization who reside in low-income areas as of the end of the reporting period, whether they are full-time or part-time.	To be collected
Employees Earning a Living Wage or Higher	OI4724	Number of full-time, part-time, and temporary employees of the organization who are earning a local living wage or higher as of the end of the reporting period.	To be collected



# Cumulative Impact Goals, Metrics, and Statistics

Employment Benefits Uptake	OI8865	Percentage of all employees using employee benefits provided by the organization as of the end of the reporting period.	To be collected
Healthcare Benefits Premium Covered	OI1503	Percentage of a full-time employee's healthcare premium that is covered by the organization or third parties, based on benefits available to full-time employees as of the end of the reporting period Reporting Period.	To be collected
Percent Employee Ownership	OI5660	Percentage of the organization that is owned by individuals who are employed by the organization (full- or part-time) as of the end of the reporting period.	To be collected
Climate Resilience Strategy	OI2092	Indicates whether the organization implements a strategy to address the effects of climate change on the organization's operations.	To be collected
Greenhouse Gas Emissions Mitigated	OI5951	Amount of greenhouse gas (GHG) emissions mitigated by the organization during the reporting period, including GHG emissions reductions.	To be collected
Greenhouse Gas Reductions due to Products Sold	PI5376	Amount of reductions in greenhouse gas (GHG) emissions over the lifetimes of products sold during the reporting period.	To be collected
Waste Reduced	OI7920	Amount of waste reduced by the organization during the reporting period through programs for substitution, recycling, or recovery.	To be collected
Energy Conserved	OI6697	Amount of reduction in energy consumption achieved as a direct result of energy conservation and efficiency initiatives undertaken by the organization during the reporting period.	To be collected
Soil Conservation Practices	OI6381	Indicates which soil conservation practices the organization implemented during the reporting period.	To be collected
Soil Health Practices	OI1047	Indicates which sustainable agriculture best practices the organization implemented to maintain and enhance soil health of agricultural lands during the reporting period.	To be collected
Biodiversity Assessment	OI5929	Indicates whether the organization has undertaken biodiversity-related assessments to evaluate the biological diversity and ecosystem condition present on the land that is directly or indirectly controlled by the organization.	To be collected

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