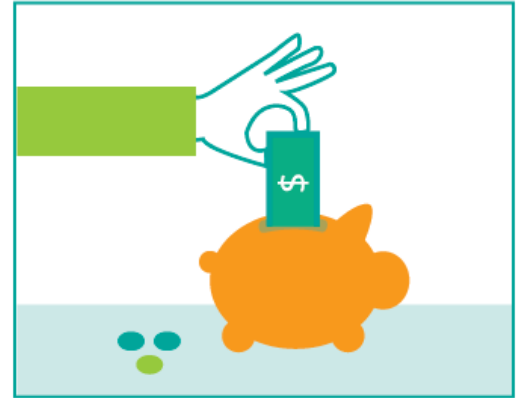


Local Impact Fund Aggregation

What is it?

A growing trend in place-based impact investing, is **multi-stakeholder collaborative funds** that can accommodate and aggregate various types of capital – philanthropic, high net worth individuals, government, community banks etc. Local Impact Funds are gaining traction within the impact investing field because they allow like-minded investors to commit more modest investment dollars, **mitigate exposure and risk**, provide low-cost capital for community partners, generate collective community impact, bring leveraged, diverse funds to the table and learn alongside their investment partners.



What value does it provide?

Acting alone, neither public subsidy nor private investment are enough to address unmet social and community needs. Local Impact Funds allow foundations (and other place-focused institutions) to address increasingly complex social and community issues by investing a portion of their assets (grant or corpus) into a private, local vehicle - earning both a financial return on their capital and providing a community benefit that **extends beyond the reach of traditional grantmaking**. The fund's direct mission-aligned investments can help to capitalize local businesses that create jobs, build affordable housing, community healthcare and daycare centers, finance alternatives to payday lending, and bring needed capital to healthy food or solar energy initiatives.

When is a Local Impact Fund the *right* solution?

An impact fund may be the solution for community capital gaps where there are multi-stakeholders sharing a common desire to address a financing barrier. However, it takes time, resources and dedicated staff to move a local impact fund from concept to reality. LOCUS is a trusted partner for foundations who are interested in creating a local impact fund but lack the internal capacity to launch such a fund. **Working alongside** of our local partners, LOCUS can convene potential co-investors, vision the fund's impact, identify shared goals, assess demand side landscape, **reconcile investor goals with market reality**, prepare the fund's governance structure, create offering documents, negotiate terms, perform fund management and accounting, including investor reports and annual tax filings.

How has it been used most effectively?

Currently, LOCUS is working with 3 groups on collaborative fund projects, **all at different stages and sizes**. We are engaged with a community foundation to help create a small \$1m fund with local banks that will serve as an alternative to payday lending; we are working with a consortium of private foundations helping them develop a large, \$50m regional impact fund for community and economic development projects; and we are exploring a multi-stakeholder \$10m local affordable housing fund.

How can I learn more about LOCUS?

To learn more about LOCUS' solutions and tools, please contact **Sydney England** at sydney@locusimpactinvesting.org or at 804.793.0985. These services are offered through LOCUS Capital, a benefit corporation and registered impact investment advisor.