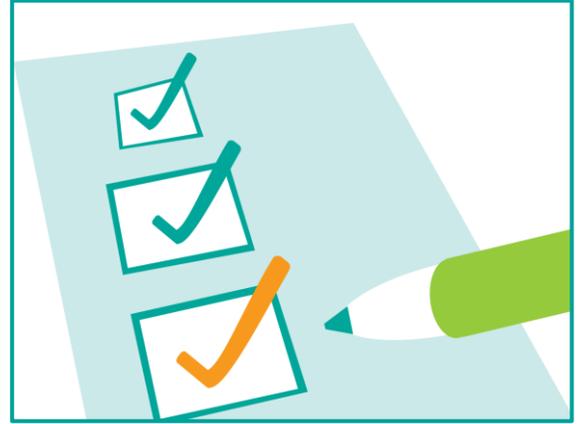


Local Impact Investing Due Diligence

What is it?

Local Impact Investing Due Diligence is a process by which a potential investor reviews the financial strength, social impact and organizational characteristics of a potential investee. LOCUS' clients are interested in more than just a basic financial due diligence analysis. To this end, we have modified traditional underwriting procedures to give our clients a due diligence report that will give board, investment committee and staff members the ability to make an informed investment decision focused **on both the financial evaluation** of the opportunity as well its **social/environmental impact**. Our due diligence process includes the following elements: organizational assessment, financial analysis, investment compliance, impact assessment, management and staff review, sustainability review and any technical assistance recommendations.



What value does it provide?

For decades, our staff has worked alongside our partners to help capital flow in their communities. Through these experiences, our staff recognizes the tension that foundations feel as they desire to make more of their resources available for community betterment while they also remain true to their fiduciary duties. To ease these tensions, a foundation may wish to engage an independent, third-party to review potential investees. Our Local Impact Investing Due Diligence can help foundations **identify and mitigate** many of the perceived risks that are associated with local impact investments.

When is Local Impact Investing Due Diligence the right solution?

Due diligence review may be necessary when your foundation **has identified an investable opportunity** that align with your impact strategy and thematic focus. Depending on the types of investable opportunities, LOCUS draws upon our bench of community development professionals (i.e. affordable housing experts, mixed use developments, clean energy, real estate construction, small business and social enterprise lending, fresh food financing, childcare centers etc.) to bring our clients **value-added expertise**.

How has it been used most effectively?

LOCUS' team of underwriters have reviewed a range of investments – including guarantee investment into a healthcare start up business, PRI investment into CDFIs and donor-advised grant investments into a regional solar provider and re-capitalization of a community loan center that serves as an alternative to payday lending.

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.