

The Transformative 25

25 funds transforming finance for people and planet

by Jen Astone, [Integrated Capital Investing](#)

Philanthropy is missing a strategic opportunity for transformative finance.

Given the multiple crises of structural racism, climate change, economic inequality and the COVID pandemic, foundations and mission-aligned investors are swiftly shifting their investments into ESG screened funds and values-aligned companies and entrepreneurs. Yet, they continue to overlook visionary funds and fund managers who are forging

the future that we need. These funds are myth-busters and courageous innovations. More than rethinking our financial system, they are creating viable alternatives to investing in people and planet for generations to come.

This list of funds – **The Transformative 25** – is an invitation to push past philanthropy's comfort zone and consider the question:

What funds are transforming finance for people and planet?

I searched but could not find a list that prioritized changing not only how investment and finance is offered to strengthen the outcome, but a list that also emphasizes relationship and place-based investing alongside strong financial due diligence and business support. ^[1] This **Transformative 25** list identifies funds making finance work for people and the planet by people trained both inside and outside of finance. I offer this list as inspiration and reference, a library for learning. We need a different conversation around investment in philanthropy, one that is motivated by our unique position as values-based institutions. We need investors to ask hard questions about our financial system, and align capital in ground-breaking ways.

As someone who works with foundations to coach, educate, and catalyze their learning around integrated capital strategies, I know that foundations and investors don't know how or where to start in identifying transformative fund opportunities. Especially funds that are diversified, have quality management, and a groundbreaking thesis. These cata-

lytic opportunities can only attract institutional capital if philanthropy makes the first move.

It is high time to go beyond standard impact investing language and contribute to a just transition. It's important to understand why a fund needs a loan guarantee, a grant or an investment with a 0–2% return in order to support an enterprise or community. This non-thematic list

“These funds are myth-busters and courageous innovations.”

identifies innovative fund managers and how they create opportunities for businesses and communities with their holistic approach to finance and wrap-around services.

How does finance work for people?

How can finance address the issues of race, gender, and power? Not only does discrimination and bias plague our financial systems, but fund managers also need to address how financial power has been accumulated. And how it has created huge wealth gaps, especially for Black, Indigenous and People of Color (BIPOC). The funds respond to these issues in different ways

from commitments to diversity and democratic governance within their organizations to a deliberate focus on and measurement of who they serve. Their business models create incentives and change the way entrepreneurs and people access finance, especially those marginalized by the financial system.

Many fund managers recognize that access to financial resources, assistance and resources, is one piece of a larger response to the complex work of transformation that requires the construction of political power,

organized communities, and cultural resources. These funds take on parts of this work because they believe in organizing communities and individuals who have experienced a history of extraction and disinvestment, they help to create the future we want. In parallel, they ask investors and those with wealth to participate in creating solutions by embracing social, relational, and ecological returns over financial ones as a starting point.

Underlying the funds selection is their commitment to addressing economic inequality in their community. Many also create pathways for those who have little or no financial power to access their products and services.



Criteria for the Transformative 25



The fund must meet at least three of the following four criteria:

- ✓ Employ integrated capital to reach those unable to access finance
- ✓ Engage with creative finance structures for shared prosperity
- ✓ Focus on social, relational, and ecological returns
- ✓ Reshape ownership and governance for shared prosperity

Integrated Capital

In the words and work of RSF Social Finance, “*integrated capital is the coordinated use of different forms of financial capital and non-financial resources to support strategies and enterprises working to solve complex social and environmental problems.*”

Many of the funds listed are associated with non-profits which enable them to receive integrated capital or a combination of grants, investments and support necessary to extend finance to those who are unable to meet conventional finance requirements. Others, such as [NDN Fund](#) for Native Americans, are centered within movements. Flexible structures and human-centered business models enable them to bundle support to an investee or entrepreneur.

[NESSt Enterprise Loan Fund](#) was created in 2018 to align with and support their 20+ year-old incubation program with its goal of creating dignified jobs for people most in need with one-on-one business development support to social entrepreneurs in emerging markets. Their definition of social entrepreneurs includes: Indigenous People, people with disabilities, former inmates, women, small producers and artisans, and youth.

Creative Finance

A creative finance structure is “*when a loan or investment is put together in a different, unusual or innovative way to create a circumstance where a person with a nontraditional credit history or a lack of collateral can access those resources.*” From recoverable grants to evergreen holding companies, these funds reshape our expectations and understanding of what is possible.

[The Perennial Fund](#) offers revenue-based financing for farmers transitioning to regenerative organic agriculture that includes technical assistance such as farm planning, crop marketing, and a peer community of changemakers as part of their approach. Many funds offer patient capital with terms of up to 15 years, and others a loan loss reserve to extend debt to those without sufficient collateral or other revenue. Creative financing structures also

include revenue-based or royalty financing, alternative equity structures, subordinated debt, and recoverable grants.

Social, Relational and Ecological Returns

Social, relational and ecological returns are built into the purpose of the funds alongside targeted financial returns. These funds consider return in varied, multiple and holistic ways, including well-being as articulated by the [Buen Vivir Fund](#), that includes return objectives such as: everyday joy, thriving earth, cultural vibrancy, and balanced relationship to money. This stands in contrast to funds where the emphasis is focused on the return on investment (ROI) or the profitability measure of financial gain or loss generated on an investment relative to the amount of money invested.

A shift in thinking is underway. “*To support entrepreneurs, policy-makers, philanthropists and investors in building an economic system that self-organizes around regeneration and solidarity—a system that puts relationship, rather than competition and profit, at the center of an investing strategy*” is essential, and requires, “*re-imagining the way we deploy financial and social capital to catalyze asset-building opportunities among communities of color,*” explains Deborah Freize of [Boston Impact Initiative](#).



*Flexible Capital Fund: Eleanor Leger, Eden Specialty Ciders.
Photo Credit: Erica Houskeeper.*

For many funds addressing race and gender inequities involves deep community engagement, as Lolita Nunn of the [Fair Food Fund](#) states, “We are intentional with our investments, 50% of deployment goes to support Black, Indigenous and People of Color run and led enterprises.”

[NESsT](#) focuses on gender in their enterprises by requiring “enterprises to report gender-disaggregated data on employees and employee earnings, and to also report on their workplace practices (e.g., sexual harassment). We also survey employees and suppliers of our enterprises to understand how they perceive the DEI practices of our enterprises.”

At [Raven Indigenous Impact Fund](#), they seek a quadruple bottom line—fiscal, environmental, social and reconciliation. Paul LaCerte describes how the non-profit Fireweed Fellowship supports their fund, “We are undoing hierarchy and replacing it with reciprocity. It is a form of a return.” He centers relationship in their financial decolonization work. They argue that reparations in finance must include changing the finance system to become inclusive, that patient money with shared values will create safer, more resilient communities, ones in which everyone can be proud to be participate. Each fund has varied approaches to measuring its returns, some have adopted external quantitative metrics, others use internally qualitative data, and many use a mix of approaches.

Ownership and Governance

Many funds center their transformative work in rethinking ownership and governance, including questions around who owns the assets, who makes decisions about the assets, and how decision-making processes work. Some funds are set



East Bay Permanent Real Estate Cooperative: Coop 789 Residents, Photo Credit: Laurel Chen

up as cooperatives and many are led by people within their communities. These shifts contribute to wealth redistribution.

[The East Bay Permanent Real Estate Cooperative \(EBPREC\)](#), a people of color led land and housing investment fund, features a unique, non-extractive, multi-stakeholder, cooperative real estate model with 282 member-owners including community owners, investor owners, resident owners and staff owners. Its framework is based on restorative economics.[2] As [Seed Commons](#) Marnie Thompson clarifies, “What makes us stand out against the world of investment is our principles including those of non-extractive finance and building cooperative, democratic ownership. We are a fund of funds and a cooperative of organizations.”

At the NDN Fund, Nikki Pieratos asserts the key role of decision making in their Indigenous-led and run fund, “our mission is to create paradigm shifts that allocate resources and give decision-making back to Indigenous Peoples.” Finally, Laina Greene of [Angels of Impact](#) explains

that their focus on Black, Indigenous and people of color female entrepreneurs is a start, we “ensure that the benefits accrued to them are shared with their communities and the terms of investing are worked through to ensure they help build wealth for the entrepreneur and the communities.”

Financial Returns

All of the funds have a return profile that they articulate in their prospectus and terms. They range in structure and approach and solicit a range of types of capital from grants to recoverable grants, to investments and equity evergreen funds. Some offer dividend or royalty payments, while others offer financial returns of 0–8%. Importantly, they are diverse in their approach and tailor their funds to the communities and financial opportunities they understand. Some of the funds are open for funding now while others are currently closed with plans to open for funding in the next 3–18 months. All funds on the list expect to grow and have plans for new investments in the future.

The Transformative 25

I am delighted to share this list of 25 funds. I learned about them through my work at the Swift Foundation, through the RSF Integrated Capital Institute alumnae network, and other colleagues. To be clear, this list is not intended to be exhaustive. Instead, I see it as a starting point for investors to discover a few of the many innovative efforts going on.

These fund managers are courageous in developing their ideas and approaches. They bring deep knowledge and relationships with the communities, entrepreneurs, and institutions they serve. They work hard and challenge us to rethink our role in finance for social justice. With gratitude for their vision and ability to put money to work towards shared prosperity, I share the list here:

The following **25** funds have raised over **\$234 million \$\$\$** from **1,845** investors  and made **2,162** investments to date.  with a combined **198** years' experience   in integrated capital.



Africa EATS

<http://africaeats.com/>

Thesis: Africa Eats is tackling the top three United Nations Sustainable Development Goals: 2 Hunger, 1 Poverty, and the unnamed goal 0 Financing the solutions to these goals. We do this through our unique holding company model with 27 growing, native-run African companies focused on building the food supply chain across Africa.

Geography: Africa





Angels of Impact

<http://www.angelsimpact.com/>

Thesis: Technical assistance, and non-extractive entrepreneur friendly capital for women and Indigenous led community-based enterprises tackling United Nations Sustainable Development Goals around poverty, gender equality and responsible production and consumption. Our evergreen fund is donor funded, enabling us to focus on "missing middle" capital building wealth for marginalized entrepreneurs and communities.

Geography: South East Asia, United States and New Zealand

-  Indicates fund that is led by Black, Indigenous or People of Color
-  Indicates fund that is operating outside of the United States

Appalachian Impact Fund

<https://www.appalachianky.org/appalachian-impact-fund>

Thesis: Blends capacity-building grantmaking with investment capital for community economic development in the coalfields of Eastern Kentucky. By matching nimble early-state capital to overlooked entrepreneurs and neglected downtowns, Appalachian Impact Fund readies our communities for investment.

Geography: Eastern Kentucky coalfields



Beneficial Returns

<https://www.beneficialreturns.com/>

Thesis: By providing debt capital to small and medium social enterprises that create income and protect the environment, we create sustainable paths for a healthy people and planet.

Geography: Latin America, Asia



Boston Impact Initiative – COVID-19 Business Resilience Fund

<https://bostonimpact.org/>

Thesis: A recoverable grant pool to support the recovery efforts of entrepreneurs and communities of color facing significant business disruption due to COVID-19. We believe we can create a sustainable, inclusive and equitable economy by investing integrated capital (equity, debt and grants) in regenerative enterprises that restore the productive capacity of communities of color in Eastern Massachusetts.

Geography: Eastern Massachusetts



Buen Vivir Fund

<https://thousandcurrents.org/buen-vivir-fund/>

Thesis: Provides accessible, non-extractive grants and investment support to grassroots groups in the Global South to build thriving, resilient local economies that support community autonomy, self-determination, and well-being. Practices a participatory governance model to democratize decision making.

Geography: Mexico, Guatemala, South Africa, Nepal and India



California Farmlink

<https://www.californiafarmlink.org/investment-options/>

Thesis: California FarmLink invests in the prosperity of farmers and ranchers with its loan fund designed to meet the unique needs of farmers of color, immigrants, and other next-generation farmers.

Geography: California





East Bay Permanent Real Estate Cooperative

<https://ebprec.org/>

Thesis: Aligns the technical, financial and organizational resources necessary to support Black, Indigenous and people of color (BIPOC) and allied communities to cooperatively organize, finance, purchase and steward land & housing in Oakland and the East Bay.

Geography: East Bay, San Francisco

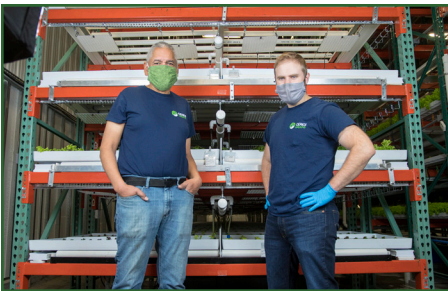


Fair Food Fund

<https://fairfoodnetwork.org/>

Thesis: The Fund seeks to integrate multiple stakeholders in a place-based ecosystem approach to creating healthy, local, sustainable food businesses. Leading with an equity lens to catalyze change, we provide catalytic capital—financial, social, and intellectual—alongside our holistic support to make investments in mission-aligned food enterprises so communities can thrive.

Geography: Michigan, New England, Camden, New Jersey



Flexible Capital Fund, L3C

<https://flexiblecapitalfund.com/>

Thesis: A Community Development Financial Institution (CDFI) and impact investment fund that provides flexible risk capital in the form of subordinated debt, revenue-based financing (also known as royalty financing) and alternative equity structures, to growth-stage companies in Vermont and the region's food systems, forest products, and clean technology sectors.

Geography: Vermont, New England



Goodworks Evergreen Fund

<https://gwevergreen.com/>

Thesis: Goodworks Evergreen buys successful Montana businesses that might otherwise fail to transition because of a lack of buyers or succession plan. Once acquired, Goodworks Evergreen invests in its employees by providing increased wages, health insurance, and retirement. Keeping small businesses and jobs intact is core to preserving in rural communities.

Geography: Montana



Homestake Venture Partners

<https://homestakeventurepartners.com/>

Thesis: Promotes distributed economic opportunity and greater community resilience through an investment model based on solid relationships with our portfolio companies and commitment to helping those businesses expand free cash flow to build equity among founders and stakeholders.

Geography: United States - Northern Rockies / Greater Northwest

Kachuwa Impact Fund

<https://www.kachuwaimpactfund.com/>

Thesis: We provide privately held impact companies with mission-aligned, long-term, and non-controlling capital; operate impact real estate that supports impact companies, non-profit organizations, and small businesses; and operate for the holistic benefit of its members and stakeholders rather than for profit maximization.

Geography: United States



Mission Driven Finance Fund

<https://www.missiondrivenfinance.com/>

Thesis: We mobilize capital that will increase equitable and inclusive access to education, health, and wealth—because we all do better when we all do better. Our platform actively develops high-quality impact investment opportunities and blended capital portfolios, making it easy to invest in the communities you care about.

Geography: United States



Native Community Capital ★

<https://nativecap.org/>

Thesis: Native Community Capital utilizes federal guarantees, credit counseling, entry level credit repair loans, and partnerships with tribal governments, Native-led business incubators as well as financing partners to support new capital formation in tribal communities across the Southwest United States.

Geography: Tribes and Native Entrepreneurs / New Mexico, Arizona, California



Mission Driven Finance



Oweesta Corporation



Shared Interest





NDN Fund

<https://ndncollective.org/impact-investing-lending/>

Thesis: Within 5 years, plans to move \$100 million in capital to large-scale development projects and social enterprises led by and serving NDN's Indigenous communities that uphold the principles of regenerative and just economies.

Geography: Native America, United States



NESsT Enterprise Loan Fund

<https://www.nesst.org/nesst/2019/2/25/nesst-launches-impact-fund>

Thesis: Invests debt capital and business assistance to high-impact enterprises supporting livelihoods in marginalized communities. We focus on enterprises creating social and environmental impact that lack access to traditional sources of financing.

Geography: Peru, Colombia, Brazil, Chile



Northern Forest Fund

<https://northernforest.org/>

Thesis: Using integrated capital, we invest in holistic community-based projects including downtown property redevelopment, broadband, recreation trails, business development and community capacity that attract and retain younger people and foster resilient rural communities. The Fund targets 10 communities in the Northern Forest region across 30 million acres.

Geography: Northeast United States, New York, Vermont, New Hampshire, Maine



Oweesta Corporation

<https://www.oweesta.org/>

Thesis: We believe that when armed with the appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable, economic, spiritual and cultural well-being of their communities.

Geography: United States



Perennial Fund

<https://www.theperennialfund.org/>

Thesis: Helps mid-sized U.S. farmers transition to regenerative organic agriculture by providing revenue-based financing that includes technical assistance, farm planning, crop marketing, and a community of changemakers.

Geography: Upper Midwest, United States

R.I.S.E. Artisan Fund

<http://realizeimpact.org/rise-artisan>

Thesis: The R.I.S.E. Artisan Fund invests in and supports early-stage artisan enterprises that create sustainable livelihoods for rural communities with few economic alternatives. Created in partnership between Sprout Enterprise and Realize Impact.

Geography: Emerging Markets



Raven Indigenous Impact Fund

<https://ravencapitalpartners.ca/index.php/what-we-do/fund1>

Thesis: Provides patient, flexible capital to Indigenous entrepreneurs in a culturally grounded way while also generating competitive returns to our investors. Our decolonized investment approach and relationships are transforming the social finance ecosystem.

Geography: Across Turtle Island with a focus in Canada and below the 60th Parallel



Seed Commons

<https://seedcommons.org/>

Thesis: Seed Commons brings the power of big finance to the grassroots, via its network of community-owned loan funds that provide investment and technical support to businesses in communities harmed by the extractive economy, deindustrialization, and discrimination. Our explicitly non-extractive approach creates jobs, builds wealth, challenges inequality, and transforms local communities.

Geography: United States, Argentina, Nicaragua



Shared Interest

<https://www.sharedinterest.org/>

Thesis: Shared Interest uses guarantees to mobilize Southern African financial institutions to extend credit to "unbankable" Black borrowers, giving them the capital and skills to invest in sustainable livelihoods and build inclusive economies.

Geography: Southern Africa



Women's Capital Collaborative, RSF Social Finance

<https://rsfsocialfinance.org/give/give-to-rsf-projects/capital-collaborative/>

Thesis: Women entrepreneurs are routinely left behind when it comes to funding. RSF's Women's Capital Collaborative (WCC) supports women-led social enterprises by providing them with integrated capital when they need it most.

Geography: United States



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[1] Koen Van Seijin developed a list: [Why these 12 Funds could transform agriculture](#). The [Impact Assets 50](#) is a frequently accessed list for impact investors with the recent and notable addition of Emerging Fund Managers.

[2] See [Nwamaka Agbo](#) accessed 12/08/2020.

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INVESTING IN SOUTHERN AFRICA'S FUTURE

