

RETHINK IMPACT III L.P.

A Venture Capital Fund Investment Option Available on the ImpactAssets Investment Platform



Image courtesy of Rethink Impact

INVESTING IN WOMEN LEADERS ADVANCING HEALTH, EDUCATION, ECONOMIC EMPOWERMENT AND ENVIRONMENTAL SUSTAINABILITY THROUGH TECHNOLOGY

Women entrepreneurs, business owners and founders face a significant funding gap – receiving only 2% of venture capital (VC) funding dollars¹. Yet research shows that women CEOs build strong businesses that are often more capital efficient, exit faster, have more diverse teams and are better positioned for long term success.

This alarming statistic is indicative of deep and systemic gender bias that exists in VC funding, and it is also exacerbated by a relative scarcity of women VC investors. Estimates show that only roughly 15% of VC checkwriters are women, and 70% of VC investors prefer pitches delivered by men entrepreneurs rather than women entrepreneurs despite identical content.^{2,3}

While several VCs address this gender bias and funding gap by intentionally investing in women CEOs and founders, Rethink Impact differentiates itself by closing capital gaps at a larger scale (\$5M - \$25M+ rounds) and by focusing on business-to-business (B2B) investment opportunities. Rethink Impact is a women-led early to growth stage VC firm with an investment thesis that women-led businesses represent an underinvested opportunity. Rethink Impact III uses a unique dual-impact approach, investing in companies led by women and serving women and/or other underrepresented populations through their products and services. To date, the Rethink Impact portfolio has reached more than 30 million women.

Building on the experience and success to date of two previous funds – with Fund I tracking at a net IRR of greater than 20% and Fund II, still in its investment period, having invested in 15 companies to date – Rethink Impact III L.P. (the “Fund”) will employ a similar strategy. The Fund is targeting a larger size of \$225M, which will enable a higher level of ownership and 1-2 additional investments compared to the two previous funds. The Fund will invest in companies operating within the following four sectors: health, education, economic empowerment and environmental sustainability. The Fund’s target sectors were selected for their impact potential, track record for exits, and alignment with the firm’s team members’ expertise.

Rethink Impact III is a fit for investors looking for high impact investments with a gender lens focus and who are interested in longer-term, more patient private equity investment with the potential for higher returns. Given the firm’s venture capital strategy, the investment requires a higher risk and lock up tolerance than other asset classes.

ABOUT RETHINK IMPACT

Rethink Impact is an early- to growth-stage venture capital firm focused on investing in women-led companies that use technology to achieve sustainable impact at scale. Since the firm’s inception in 2015, Rethink Impact has established itself as a leading, institutional-scale, women-led firm that supports and invests in women entrepreneurs (and diverse management teams), resulting in robust deal flow and a portfolio of ~40 companies across its first two funds. The firm’s differentiated strategy, innovative investment focus, and preminent brand drive a robust pipeline of investment opportunities.

¹ Cambridge Associates

² All Raise

³ Harvard Kennedy School’s Women and Public Policy Program

PORTFOLIO LEADERSHIP

(FUND I & II, comprising 33 active companies)

100% Companies have women or non-binary CEOs

39% Non-white CEOs

32% First generation or immigrant CEOs

75% companies with one or more nonwhite, C-level execs

53% Gender diverse C-level execs

INVESTMENT SPOTLIGHT: INCREDIBLE HEALTH

There is a shortage of care providers in the U.S., and according to the U.S. Department of Labor, an additional 275,000 new nurses are needed by 2030. Founded in 2017 by Iman Abuzeid, Incredible Health seeks to improve hiring and increase retention for nurses by offering a talent marketplace, continuing education and mental health tools for full-time nurses. When nurses find the right role at the right employer, nurses are happier, hospitals have fewer staff shortages and patients get higher quality care.



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



RISK RETURN MATRIX

| | | | | |
|-----------------|---------------|-----------------|------------------|-------------|
| RISK LEVEL | HIGH RISK | | | X |
| | MODERATE RISK | | | |
| | LOW RISK | | | |
| | | NON-MARKET RATE | NEAR-MARKET RATE | MARKET RATE |
| RELATIVE RETURN | | | | |



OFFERING SUMMARY*

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|-------------------|---|
| ASSET CLASS | Venture Capital |
| CURRENT FUND SIZE | \$225M |
| TERM | 10-year lock up with two one-year extensions at the discretion of the fund manager |
| TARGET RETURN | 20%+ Net IRR |
| LIQUIDITY | None |
| GEOGRAPHY | U.S. & Canada |
| IMPACT AREAS | Gender Equality (primary); Health, Education, Economic Empowerment, Environmental Sustainability (secondary) |
| INVESTMENT FEES | This investment recommendation will incur an additional fee of 0.40%. |
| INVESTMENT THESIS | Achieve risk adjusted, long-term capital appreciation through the active management of a portfolio of equity investments in early- to growth-stage, women-led, social impact companies. |
| IMPACT THESIS | Provide venture funding to 18-20 women or non-binary founded, impact-oriented technology companies across health, economic empowerment, sustainability and education sectors |
| STRENGTHS | <ul style="list-style-type: none"> The firm has a differentiated impact strategy, as one of the few funds focused on women-led tech-driven impact businesses, and is fulfilling unmet funding needs, as women receive only 2% of venture funding dollars. Funds I & II deployed \$95MM across 24 companies and \$86MM across 15 companies, respectively. The performance of Funds I & II demonstrate the strength of the team's capabilities and investment strategy. The firm is led by two women with a combined 50 years of experience in impacting investing, venture capital, tech and consulting. The two principals, Jenny Abramson and Heidi Patel, have built a strong brand in the impact investing space, which has lent itself to a robust pipeline and ecosystem. |
| RISKS | <ul style="list-style-type: none"> The Funds are highly dependent on two principals, Jenny and Heidi, who lead the day-to-day management of the firm, including pipeline development, the investment process (including diligence, and portfolio management). Venture capital is inherently high risk, with 67% of startups stalling or failing. In addition, the firm has a limited track record of exits with varied success. The strength of the management team and the portfolio diversification strategy mitigate the venture risk. A growing backlash against corporate diversity and affirmative action programs has led to legal battles against grant programs that exclusively fund Black founders. There is a risk that this battle could expand 1) to for-profit funds and 2) beyond race to gender, but there is no legal precedent for that at this time. It is important to note that Rethink Impact does not provide grants and while it works with a diverse pool of founders, it does not have an explicit racial mandate, and continues to monitor the broader legal conversation closely. |

There is no guarantee that any projection, forecast or opinion around any given investment will be realized with respect to impact, performance or liquidity. Past performance does not guarantee future results.

IMPACTASSETS LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use in its donor advised fund asset base. It is only for use by its donors. Any allocation to private debt and equity investment options may result in losses and illiquidity that will be borne solely by each donor advised fund account with investment in these options, as well as associated program fees. Investment minimums apply. Grant making from the principal value will not be possible until distributions are returned to The ImpactAssets Donor Advised Fund. There is no guarantee of any recovery of capital. The Fund Manager has not approved the information contained in this Fund profile, including the assignment of risk ratings contained herein. The Units may be offered solely to, and subscriptions will be accepted only from "Accredited Investors," as defined in Rule 501(a) of Regulation D promulgated under the authority of the Act, who are also "Qualified Clients," as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets — a market leader in impact investing — VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact.

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