

COOPERATIVE “CLUSTER” EXAMPLE

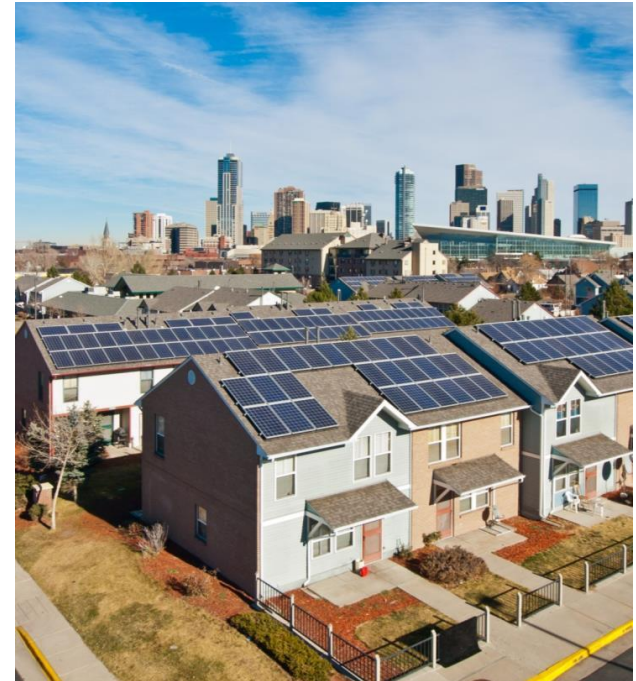
September 8, 2021

By Blake Jones, President

Kachuwa Investment Cooperative PBC
d/b/a Kachuwa Impact Fund

WORKER COOPERATIVE

- Solar electric company
- Founded in 2004
- 200+ team members
- \$50M in annual revenues
- Profitable in 13 of its 15 years
- Capital sources:
 - ~\$0.5M from employee-owners
 - ~\$5.0M in non-voting preferred stock from external, impact investors



PURCHASING COOPERATIVE

- Founded in 2011
- “Like the Ace Hardware of solar companies”
- 65 member-companies
 - 16+ year average company age
 - 23 certified B-Corps + 15 in process
 - 17 employee-owned + 13 in conversion
- \$200M+ in annual purchases via the cooperative
- Member benefits:
 - Aggregate purchasing power
 - Best practice sharing (via conferences, webinars, online platforms, peer groups)
- Capital source: ~\$750K in member equity



STRONGER TOGETHER.



RESOURCE SHARING COOPERATIVE

- Founded in 2016
- Shares resources and labor throughout the U.S.
- 34 member-companies
- Servicing over 1+ GW of solar PV systems
- Capital sources:
 - \$360K in grant funding from US Dep't of Energy
 - \$170K in member equity



FINANCIAL SERVICES COOPERATIVE

- Federally chartered in 2017
- Online-only, low-income credit union
- Focuses exclusively on clean energy lending
- \$25M+ in assets
- \$75M+ in clean energy lending in first 3 years
 - 5,000 loans without a single delinquency or default
 - Already profitable from 2020+
- Capital source: ~\$3.0M in donations



INVESTMENT COOPERATIVE

- Founded in 2005
 - Converted to a cooperative in 2019
- Assets: \$25M+
- Engaged in:
 - Owning and operating “impact real estate”
 - Investing in privately held “impact companies”
- Similar to a mutual fund + REIT
 - “on Main Street, not Wall Street”
 - Exclusively focused on impact

IMPACT THEMES

- 1) Environmental conservation and stewardship
- 2) Renewable energy and energy efficiency
- 3) B-Corp, LEED, organic, and/or fair-trade certification
- 4) Full or majority ownership by employees, BIPOC, and/or women
- 5) Cooperatives
- 6) Democratic workplaces
- 7) Sustainable agriculture, forestry, and land use
- 8) Social justice
- 9) Community wealth building

IMPACT REAL ESTATE

Help tenant-partners with:

- “Gaining control of their real estate destiny”
- Long-term rent stability
- Shared ownership opportunity
- No capital required

IMPACT COMPANIES

Provide investees with:

- Capital that is:
 - Mission-supporting
 - Non-controlling
 - Patient and long-term
 - Equity, debt, sub-debt, revenue sharing agreements, SAFEs, etc.
- No pressure to:
 - Sell
 - Provide liquidity
 - Pursue rapid growth

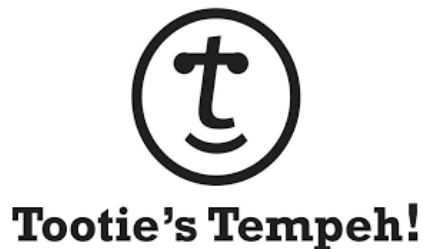
CO-OP MEMBERS

Member benefits:

- Diversified evergreen portfolio that is:
 - Strictly aligned with impact themes
 - Non-correlated with Wall Street
- Dividends calculated based on cooperative principles of “patronage”
 - Reasonable, “non-extractive” financial return
 - Target: 5.5%-8.0% average annual patronage dividends
- One vote per member-investor
- Accessible by non-accredited investors
 - Low minimum investment of \$5K
 - 1099 tax forms instead of more complicated K-1s

EXAMPLE INVESTEEES & TENANTS

A complete list can be found at kachuwaimpactfund.com



ONE EXAMPLE OF A GROWING COOPERATIVE “CLUSTER”

Worker Cooperative



Purchasing Cooperative



Investment Cooperative



Resource Sharing Cooperative



Financial Services Cooperative



“The Next Cooperative”



ONE EXAMPLE OF A GROWING COOPERATIVE “CLUSTER”

Worker Cooperative

Resource Sharing Cooperative



collaboration & best practice sharing



Purchasing Cooperative

Financial Services Cooperative



Investment Cooperative

The Next Cooperative”



overlapping memberships

new member referrals

deposits

investment

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