



THE BUILDERS FUND

2018 Impact Report

Private Equity with Purpose

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01 | Executive Summary

When Builders Fund launched, our vision was to make meaningful investments of capital into responsibly-run businesses which improved the world; and via our success, help to shift the landscape of the financial services sector toward one which is more sustainable, systems-aware, and responsible to the full spectrum of related stakeholders, not just shareholder profit. Four years into our journey, that vision continues to guide us. We are grateful for this opportunity to reflect back on the work we have supported thus far, and excited to share these highlights from our portfolio companies and their social and environmental impact.

We also remain as convinced as ever by our original theses – that purpose driven brands are winning in the marketplace due to shifting demographics and increased transparency; that the alignment of values, culture and an activist brand can be harnessed to create competitive advantages in the marketplace; that operationally-oriented private equity funds outperform their peers; and that “systems responsibility” will increasingly be a source of competitive advantage for companies in the context of rising awareness of climate change and finite global resources. We see evidence of that in the data, the market, the deal pipeline and in our portfolio.

The Numbers

Impact Area: Workers

Jobs Created

2018 | 216

Since Investment | 994



LMI Jobs Created

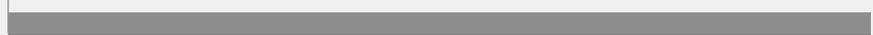
2018 | 17

Since Investment | 258



% Worker Living Wage

2018 | 100%



Impact Area: Sustainable & Regenerative Sourcing

Lbs of Organic, Fair Trade, and Ethical Herbs & Produce Purchased

2018 | 10,302,014

Since Investment | 18,293,457



Purchases from Improved Trade Practices

2018 | \$9,129,605

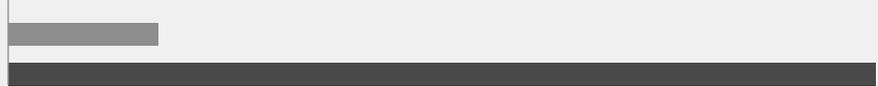
Since Investment | \$16,972,885



Tons CO² Inset or Averted

2018 | 24,078

Since Investment | 140,007



Impact Area: Sustainable Operations

Kwh Renewable Energy

2018 | 1,037,554

Since Investment | 3,203,373



Tons of Material Diversion from Landfill

2018 | 1,968

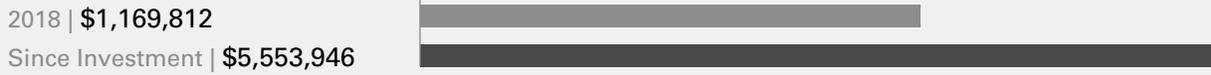
Since Investment | 3,447



The Numbers

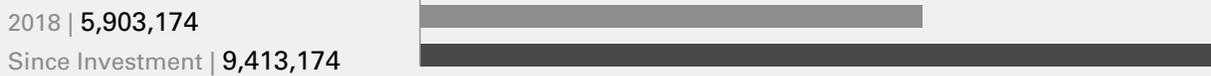
Impact Area: Social Investment

Social Impact Dollars Invested & Charitable Donations



Impact Area: Health Impact

Organic & Healthy Meals Served

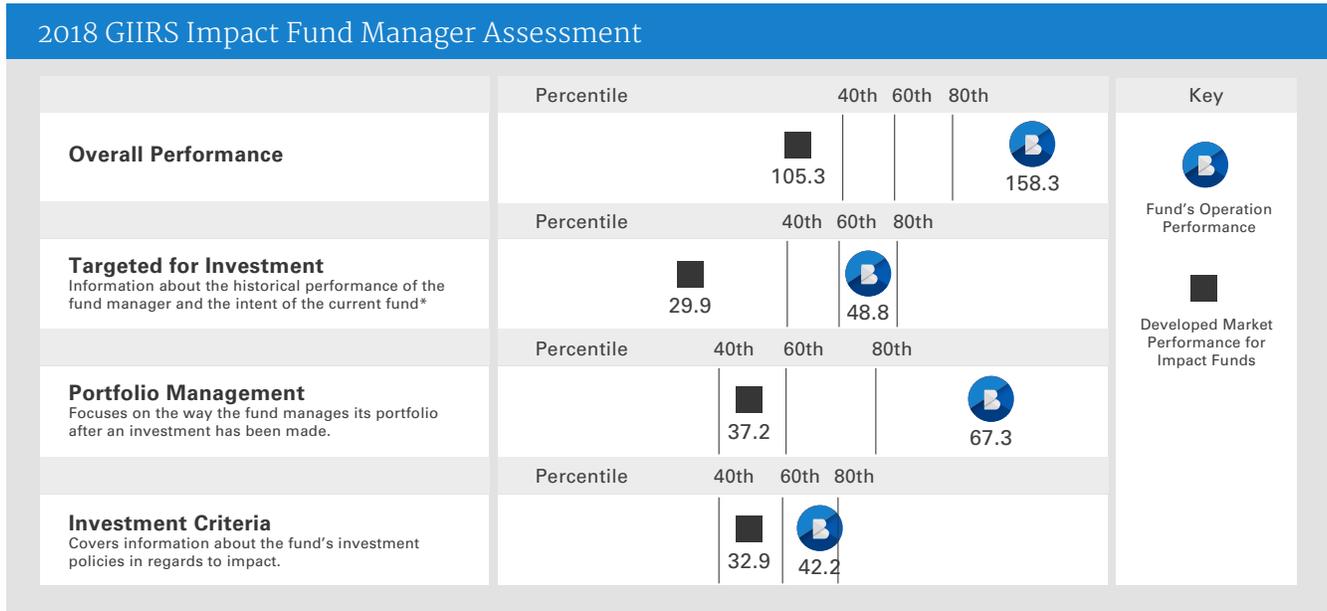


Impact Area: Human Elevation

Lives Impacted in Underserved Communities



In 2018, Builders Fund scored near the top of all assessed impact fund managers of the GIIRS Impact Fund Manager Assessment.



Our fund is deeply engaged with B Corp certification and tracking processes as a means to amplify ESG-related impact.

2018 Portfolio Companies Overall Fund Rating

Portfolio Company	IBM Rating	Overall B Score	B Corp Status	Year of Certification
Traditional Medicinals	PLATINUM	127	Certified	2010
MPOWERD Inc.	GOLD	104	Certified	2014
Urban Remedy	GOLD	84	Certified	2018
MIXT Greens	SILVER	88	Certified	2018
The Bar Method	BRONZE	62	In Process	Pending

2018 Builders Fund Overall Fund Rating

B Impact Report			IBM Rating	Operations Rating
Certified Since: March 2015				
Summary:	Company Score	Median Score*	Overall B Score	GOLD
Environment	16.1	7	Governance	PLATINUM
Customers	68.3	18	Workers	★ ★ ★ ★ ★
Community	27.1	17	Community	PLATINUM
Governance	17.3	6	Environment	PLATINUM
Overall B Score	128.8	50.9	Customers	BRONZE

80 out of 200 eligible for certification
 *Of all businesses that have completed the B Impact Assessment
 *Median scores will not add up to overall

*The Overall Impact Business Model and Overall Operations Ratings are derived from a weighted average of each portfolio companies' scores on the B Impact Assessment (BIA), based on the amount invested.



Stories from the Field

Beyond the numbers, we saw meaningful positive impact on people's lives across each of our portfolio companies in 2018.



Traditional Medicinals and its foundation staff worked with 600 individuals in farming communities in Paraguay to develop a project where participants sustainably source and harvest honey. After just one harvest, these households experienced a 3% increase in their annual household incomes.



Urban Remedy helped launch a pilot program with Peres Elementary School in Richmond, CA and Conscious Kitchen, a nonprofit dedicated to addressing food equity and access in schools through the provision of local, organic, seasonal, and non-GMO lunches. The program is exploring the feasibility of providing healthy lunches to students on a regular basis at scale and serving healthy meals to the 550 students at the school.



MPOWERD partnered with the Papua New Guinea Tribal Foundation on Light Up PNG, a project that works with women entrepreneurs who have experienced marginalization, ostracization, or physical harm in their communities. In addition to providing safe housing and basic needs to women in acute need, the program provides entrepreneurial training and support for women to start their own microenterprise selling Luci in their community. To date, the program has benefited hundreds of women and their families.



All 120 of the **Bar Method** franchised studios are women-owned. The model for women-owned businesses and what they can accomplish is exemplified by two individuals. Kat and Alysia are both based in Los Angeles and decided to become franchisees early on in Bar Method's development, opening the 3rd and 4th studios, respectively. Kat has since opened three Bar Method studios and is has mentored other entrepreneurs, such as Alysia, to do the same. She describes how her motivation comes from her personal experience, saying, "the impact we have on people's lives starts with the impact Bar Method had on my life." In 2018, the Bar Method supported 13 other entrepreneurs like Kat and Alysia to open their own franchises and the company has supported this process for 43 entrepreneurs since the initial Builders Fund investment.



Mixt works to foster a strong connection between community, employees, and healthy eating in each of its stores. Through holistic practices that focus on the whole person, Mixt is supporting customers and employees alike in achieving a healthy lifestyle. In 2018, Mixt served more than 1.8 million healthy meals to customers nationwide in addition to providing over 100,000 free shift meals to every employee each time they worked. In Mixt's Oakland, CA location, customers connected through a shared experience of nourishing themselves and caring about what they put into their bodies. The Mixt model encourages customers and staff to be themselves and provides an opportunity for them to get to know their bodies through healthy eating. One Oakland customer said, "Fresh, healthy, minimize plastic, and yet you get a wide range of choices. Uptown's restaurant scene needs a place for people to meet where they don't have to regret what they ate the next day in order to see their friends."



02 | Conclusion

Consciousness, in the sense of awareness of and access to information, is emerging on a global scale, and with it, for the first time in history, the ability to harness global human resources and capital of all kinds: to create some semblance of shared purpose. As this report outlines, there is a complex value chain comprised of many individuals, organizations,

and systems that work together to support this shared purpose and the impact that Builders Fund and its portfolio companies have on people and the planet. Through our work, we hope to be a positive influence toward the emergence of a systems-responsible form of capitalism on a global scale.

Comprehensive impact assessment remains an evolving field and we will continue to refine our methodologies and share lessons learned with our partners, peers, and the public. This is the first impact report produced by Builders Fund and will be followed by subsequent reports that will reflect an iterative learning process. We are not perfect and neither are our companies. We are learning, evolving our thinking, and are not letting perfection be the enemy of good.

We are unwavering in our commitment to creating both economic, social, and environmental value through our work, and to supporting outcomes that incorporate more than just short-term wealth creation. We will continue to pursue our vision to improve the world through the profitable deployment of capital into conscious businesses and we will continue to share our progress, challenges, and learnings along the way.

We are proud to be a part of this emergent sector working to bring more capital to purpose-driven businesses. We hope our work, and the work of our colleagues in the impact community, will help us all to better comprehend the world around us as a complex, regenerative, and dynamically interdependent system with finite resources. If we can collectively shift the dominant social paradigm to that worldview, the prospect of flourishing on this planet in its truest sense can become a real possibility.

