

Impact Investment Evaluator – KL Felicitas Foundation

- Impact First Investment
- Corpus Impact First Investment
- Financial First Investment

- Program Related Investment
- Sustainability Investment
- Mission Related Investment
- Social Component Investment

Investment Name:	Investment Amount: \$
Investment Date:	
Asset Class:	Region of Impact:

Investment Due Diligence by: _____ **Signature:** _____ **Date** _____

Impact Due Diligence by: _____ **Signature:** _____ **Date:** _____

Summary Description of Investment:

Main Contacts:

Supporting Documents:

-
-

Impact Due Diligence Update:

Financial Due Diligence Update:



KL Felicitas Foundation

KL Felicitas Foundation Post Office Box 37 Los Gatos, California 95031-0037 USA www.klfelicitasfoundation.org

© 2011 Raúl Pomares; additional contributors Rockefeller Philanthropy Advisors, KL Felicitas Foundation and Will Morgan. All rights reserved. Rev. 1.7, 06/2011

* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
 -1 is a low alignment score; +1 is a high alignment score

Program/Mission/Sustainability Due Diligence (Foundation Directors and Philanthropic Advisors)		
Alignment with the Foundation		Score*
<p>1a. How does this investment align with the impact objectives of the Foundation?</p> <p>b. In what area(s) does the Foundation believe this investment will contribute the greatest degree of impact?</p>	<p>a.</p> <p>b. <input type="checkbox"/> Program Impact <input type="checkbox"/> Mission Impact <input type="checkbox"/> Sustainability Impact</p> <p>Notes:</p>	
<p>2a. Are there any elements of this investment that are contrary to any value(s) of the Foundation?</p> <p>b. If so, how is this being addressed?</p>	<p>a. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b.</p>	
<p>IRS Compliance: If this is a Program Related Investment, answer questions (3a-c) and question (4) below. If not, proceed to question 5.</p> <p style="text-align: center;">This <input type="checkbox"/> IS <input type="checkbox"/> IS NOT a Program Related Investment.</p>		Score
<p>3. Is this investment compliant with the definition of PRI in the Tax Reform Act of 1969 section 4944?</p> <p>a. Is its primary purpose to advance the Foundation's charitable objectives?</p> <p>b. Is a significant purpose of the investment to generate financial return (either income production or property appreciation)?</p> <p>c. Will funds be used either directly or indirectly to lobby or for political purposes?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>a. <input type="checkbox"/> Yes <input type="checkbox"/> No Notes: Describe connection between investment and foundation's specific charitable objectives. Provide evidence that this connection is the primary motivation for the investment.</p> <p>b. <input type="checkbox"/> Yes <input type="checkbox"/> No Describe any investment terms that differ from a commercially viable investment (e.g. providing a first-loss provision; or agreement to a lower return than commercial investors going into transaction; or that the transaction's risk profile is such that no commercial investors are available; etc.)</p> <p>c. <input type="checkbox"/> Yes <input type="checkbox"/> No Insert specific language and/or comments from PPM or other due diligence material.</p>	
<p>4. What conditions exist that suggests this PRI is a more effective or appropriate vehicle for achieving the Foundation's programmatic objectives versus a grant?</p>		
Relationship & Reputation		Score
<p>5a. How well does the Foundation know the investment and/or strategy?</p> <p>b. What is the nature and duration of this</p>	<p>a.</p> <p>b.</p>	

* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
-1 is a low alignment score; +1 is a high alignment score

relationship? c. Have members of the foundation made site visit(s)?	c. <input type="checkbox"/> Yes <input type="checkbox"/> No Notes:	
6a. Have other Foundations recognized this as an impact investment? b. Do other respected partners of the foundation have a relationship with or experience with this investment?	a. <input type="checkbox"/> Yes <input type="checkbox"/> No Notes: b. <input type="checkbox"/> Yes <input type="checkbox"/> No Notes:	
7a. How integral to the success of the investment is: <input type="checkbox"/> Program Impact <input type="checkbox"/> Mission Impact <input type="checkbox"/> Sustainability b. What is the form and level of personal commitment by the investment principals and/or founders to the impact described above? c. How much personal financial capital have the investment principals and/or founders committed to the investment?	a. b. c.	
Impact Monitoring & Reporting		Score
8a. What approach will be used to evaluate the impact of the investment? Are there specific metrics for reporting? b. What is the proposed nature and scale of the impact, e.g. in 1 year, 3 years, long-term?	a. b. Notes: Specific milestones/metrics, with timeframe, where possible	
9. Will the Investment Manager provide impact-related reporting?	<input type="checkbox"/> Yes <input type="checkbox"/> No Notes: Include specific impact indicators where possible	
10. Does the investment scale, accelerate, support or re-enforce other Impact Investments in the investment or grant portfolios?	<input type="checkbox"/> Yes <input type="checkbox"/> No Notes:	

* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
 -1 is a low alignment score; +1 is a high alignment score

Investment Due Diligence (Investment Advisor)		
Investment Structure & Portfolio Implications		Score
11. Investment due diligence process	<input type="checkbox"/> Impact First due diligence process <input type="checkbox"/> Financial First due diligence process <input type="checkbox"/> Other (describe any exceptions or modifications to the due diligence process).	
12a. What is the structure of the investment under consideration? b. Is the investment structure ideally suited to achieve both the appropriate risk adjusted rate of return while promoting the foundation's impact objectives?	a. b. <input type="checkbox"/> Yes <input type="checkbox"/> No Notes:	
13. Asset Class	<input type="checkbox"/> Cash and Equivalents <input type="checkbox"/> Fixed Income <input type="checkbox"/> Public Equity <input type="checkbox"/> Hedge Funds Notes: (Sub-Asset Class)	<input type="checkbox"/> Venture Capital <input type="checkbox"/> Private Equity <input type="checkbox"/> Real Estate <input type="checkbox"/> Real Assets
14a. Will members of the Foundation play an active role in the investment? b. If so, will questions of self-dealing arise?	a. <input type="checkbox"/> Yes <input type="checkbox"/> No b.	
Investment Monitoring & Reporting		Score
15a. What is the financial benchmark that will be used to evaluate this investment? b. Over what period(s) of time will we measure the investment performance?	15a. <input type="checkbox"/> Market indices Specify: <input type="checkbox"/> Absolute Return Specify: <input type="checkbox"/> Peer Group Comparison Specify: Notes:	15b. <input type="checkbox"/> < 1 year <input type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> 10-20 years <input type="checkbox"/> > 20 years Notes:
Additional Comments or Observations		

* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
 -1 is a low alignment score; +1 is a high alignment score

Impact Reporting and Investment Standards (IRIS) (Taxonomy codes are listed in parentheses)		
<p>This investment will track the following core IRIS impact indicators:</p> <p><input type="checkbox"/> Number of Clients (PI7094) – <i>The number of individual consumers served by the organization</i></p> <p><input type="checkbox"/> Jobs Created in Financed Enterprise (PI3687) – <i>Net number of new FTE jobs at financed enterprise(s)</i></p> <p><input type="checkbox"/> Direct Investment (FP4359) – <i>Number of Debt and Equity investments on balance sheet</i></p> <p><input type="checkbox"/> New Investment Capital (FP8293) – <i>Value of Cash flows from both loans and investments</i></p> <p><input type="checkbox"/> Contributed Revenue (FP3021) – <i>All contributed revenue, including operating grants and in-kind donations</i></p> <p><input type="checkbox"/> Earned Revenue (FP5958) – <i>Revenue resulting from all business activities</i></p> <p><input type="checkbox"/> Net Income (FP1301) – <i>Net income from all business activities, including all contributed revenue</i></p> <p>Reporting Schedule: <input type="checkbox"/> Bi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Other</p> <p>Notes:</p>	<p>Data at time of investment:</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Future Impact Data (specify date)</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
Supporting IRIS Indicators for KL Felicitas Foundation		
<p>This investment will track the following supporting IRIS impact indicators:</p> <p><input type="checkbox"/> Number of clients provided new access to energy, healthcare, or water (PI2822) – <i>The number of clients, individuals, or households who were served by the organization and provided access to products or services that they were previously unable to access.</i></p> <p style="margin-left: 20px;"> <input type="checkbox"/> New access to energy <input type="checkbox"/> New access to healthcare <input type="checkbox"/> New access to water </p> <p><input type="checkbox"/> Energy Produced (PI8706) – <i>Total amount of energy produced during the reporting period (MWh)</i></p> <p><input type="checkbox"/> Potable Water Produced (PI8043) – <i>Amount of potable water produced during the reporting period (L)</i></p> <p><input type="checkbox"/> Land Reforested (PI4907) – <i>Hectares of land reforested during the reporting period</i></p> <p><input type="checkbox"/> Land Preserved (PI2012) – <i>Hectares of land designated as nature reserve</i></p> <p><input type="checkbox"/> Sustainable Cultivated Land (OI2605) – <i>Hectares of land under sustainable cultivation</i></p> <p>Reporting Schedule: <input type="checkbox"/> Bi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Other</p> <p>Notes:</p>	<p>Data at time of investment: (date):</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Future Impact Data (date):</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>

* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
-1 is a low alignment score; +1 is a high alignment score

Foundation Qualitative Indicators

The following qualitative indicators pertain to this investment. Add detail for each where needed.

Notes: