



## 2018 IMPACT REPORT

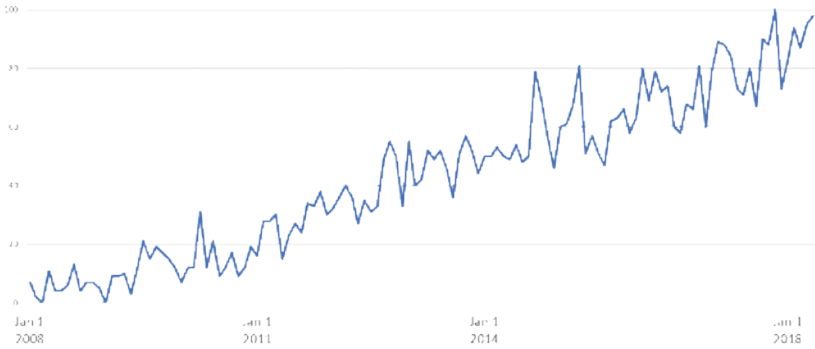




## 2018 IMPACT REPORT

### **BSW ETHOS**

*BSW aspires to be an independently owned multi-family office and wealth advisory firm that is Built to Last and that Makes Life Better for current and future clients, staff and stakeholders.*



Examine the chart above. At first glance, it looks like a classic chart of investment returns. Maybe a stock that doubled? Or perhaps even the elusive “ten-bagger,” an investment that returns \$10 for every \$1 invested.

But. Look. Closer.

The chart above measures something that hasn’t just doubled. Indeed, its return even dwarfs a mere ten-bagger. This chart illustrates something that has grown 100-fold over the past ten years. If this were an investment, every \$1 invested ten years ago is now worth \$100. Incredible. Astonishing. What is this juggernaut? It is global interest in “impact investing,” as measured by Google search traffic. From 2008 to 2018, “impact investing” as a Google search has grown 100-fold. And this interest is coming from everywhere: Austria and Australia. Britain and Bangladesh. Canada and Cameroon. Impact investing is not a first-world idea. It is a human ideal.

A colleague of mine, a successful serial-entrepreneur and B-Corp luminary, likes to pose a simple question that reveals a lot about our views of the world. The question is a fill-in-the-blank. Complete this sentence: “People are basically\_\_\_\_\_.” What words come to mind for you? Essentially, how we answer this question says a lot about how we view the world. It’s our lens on reality.



What if we repurpose that question as, “Investors are basically \_\_\_\_\_.” What words come to mind now? Looking at the aforementioned Google data, I believe the dominant narrative of investors as “greedy” and “selfish” is incorrect. Investors are people. People who have worked hard and want their assets to work for them. But they are also people who want clean air and water, great (and safe) schools, and all the elements that make the world a better place – not just for themselves, but for everyone.

One of the great debates within impact investing is, “What is impact?” How do we define it? What qualifies and what doesn’t? Unfortunately, this quandary can often stymie action or provide an excuse for folks to remain on the sidelines. BSW has been a national leader in impact investing for more than 15 years – before the term even registered a blip in Google’s search records. We don’t allow the quandary to stymie us because our clients and colleagues won’t allow it. They want the world to be better – and they want their investments to help drive that process now. It’s why we push our managers and ourselves to be better, whether that is becoming a B-Corp, achieving higher sustainability goals, or simply making impact part of the investment equation. This, our 2018 impact report, highlights these efforts. We hope you enjoy it – and thank you for reading.

A handwritten signature in blue ink that reads "Dil Wally". The signature is fluid and cursive, with a long horizontal stroke at the end.

Managing Principal and Chief Operating Officer | BSW Wealth Partners

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## BSW's Beliefs

*We believe life is more about how you live than what you have.*

*We believe that we are all INVESTORS – and how we choose to allocate our investments of time, money, energy and effort profoundly affect our world.*

*We believe the intersection of entrepreneurship, business and impact has the power to tackle our most pressing social and environmental problems.*

*We believe in using business and investing as forces for good.*

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# Impact Investing Articulated

*Impact investing is integrating social and environmental factors into investment decisions. BSW views values-based strategies as the natural intersection of philanthropic intent and investment discipline.*

*Our capabilities span all major asset classes enabling investors to grow their capital and make the world better.*

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## HOW WE EVALUATE IMPACT

*BSW's impact investing framework utilizes three impact pillars: Healthy Communities, Economic Empowerment and/or Environmental Sustainability. These pillars frame the challenges an investment will address.*

*Intentionality is the cornerstone of our impact investment evaluation criteria. All BSW portfolios link unique goals and objectives often far out into the future. Given this long time horizon, we underwrite impact investments with the same rigor, risk, and return standards as traditional investments, mindful of our clients' impact objectives.*



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# BSW's Investing Spectrum



**PHILANTHROPY:**  
zero return + impact



**IMPACT INVESTING**  
financial returns + thematic impact



**ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)**  
financial returns + targeted impact



**SOCIALLY RESPONSIBLE INVESTING (SRI)**  
financial returns + investment screening



**TRADITIONAL INVESTING:**  
financial returns + no impact mandate

# IMPACT INVESTING IN PRACTICE



rethink • responsible • returns

Certified



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## R3 RETURNS

**Asset Class:** Municipal Bonds

**Portfolio Highlight:** R3's investment in the Illinois Finance Authority (IFA) provides low-cost financing for hospitals, schools, non-profits, and museums. The IFA creates long-term economic value for communities throughout the state.



Photo Credit: R3 Returns



Private Market  
**IMPACT**  
Invest in Solutions

## PRIVATE MARKET IMPACT

**Asset Class:** Private Equity/Venture Capital

**Portfolio Highlight:** PMIF invested in Certified B Corporation Traditional Medicinals (via Certified B Corporation The Builders Fund), one of the largest medicinal tea companies in the United States. In addition to their contribution to the health and wellness of their customers, Traditional Medicinals invests in the well-being of the mostly indigenous and impoverished communities that collect and cultivate the medicinal plants. Projects range from building schools and water projects in India to housing projects in Bulgaria to dental clinics in Bosnia.



# IMPACT INVESTING IN PRACTICE



## RENEWAL FUNDS

**Asset Class:** Private Equity/Venture Capital

**Portfolio Highlight:** Renewal Funds portfolio company (and Certified B Corporation) Alter Eco is a sustainable foods company founded on the principles of forming mutually beneficial relationships between land, food, and people. Alter Eco sources products from over 200 small-scale farmer cooperatives in Bolivia, Ecuador, Peru, Thailand and the Philippines. By working with farmers to institute Fair Trade and Organic practices, Alter Eco has taken foods that are priorities for the conscious consumer and made them more environmentally responsible, socially just, and reliably delicious.



# FLOW OF IMPACT CAPITAL



# IMPACT INVESTING IN PRACTICE



RSF

Asset Class: Community Note

**Portfolio Highlight:** RSF loan recipient DC Central Kitchen is America's leader in training unemployed adults for culinary careers, reducing hunger with recycled food, serving healthy school meals, and rebuilding urban food systems through social enterprise.

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## NIA GLOBAL SOLUTIONS / GREEN ALPHA ADVISORS

**Asset Class:** All-Cap Global Growth Equity

**Portfolio Highlight:** Nia Global Solutions is a fossil fuel free, high-impact, solutions-focused strategy with an investment philosophy focused on people and planet. Portfolio constituents are required to demonstrate a minimum standard of gender and social inclusion at the board and executive levels.

**Green Alpha**  
ADVISORS



# COMMUNITY SERVICE

## ANNUAL STAFF VOLUNTEER DAY AT COMMUNITY FOOD SHARE

Make Life Better is embedded in BSW's cultural DNA. It's who we are and what matters to us, both individually and as a firm. Part of that mantra includes serving our community through annual volunteer efforts. This year we chose to support Community Food Share. Food collected by CFS is distributed through a network of more than 40 local non-profit organizations as well as onsite at their Louisville facility. During our volunteer day, we sorted and repacked 5,900 lbs. of food (one pound = one meal)!



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*"Volunteers are the backbone of Community Food Share's operation. Without generous help from groups like BSW Wealth Partners, we would not be able to open our doors and provide food assistance to our hungry neighbors. One hour of volunteering provides 80 meals. That's important to the 47,000 community members who are food insecure in Boulder and Broomfield Counties. Thank you, BSW Wealth Partners, for your continued volunteer support!"*

- Susan Finesilver, Community Food Share, Director of Strategic Partnerships



## PAID VOLUNTEER DAY FOR EMPLOYEES

*"Being an avid cyclist, I got tired of seeing trash on the side of the road. After a few calls and an interview with Boulder County, my family became proud parents of a stretch of road that I take to work every day. We enjoy giving back to the community by ensuring that our road is kept clean. I appreciate that BSW gives us a paid service day every year to give back in ways that resonate to each of us on a personal level."*

- Craig Seidler, BSW Wealth Partners, Director of Public Investments



What makes us a better company?

# B Impact Report

Certified Since: January 2017

Summary:	Company Score	Median Score
Environment	8	7
Workers	30	18
Customers	25	N/A
Community	18	17
Governance	12	6
Overall B Score	91	55

An overall B Score of 80 out of 200 is eligible for certification by third party non-profit B Lab

Certified



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# BSW'S COMMITMENT TO THE ENVIRONMENT



## ALTERNATIVE TRANSPORTATION

7/20 employees commute via bike or bus



## CIRCULAR WASTE MANAGEMENT

BSW diverts 20% of food waste from landfills.



## ENERGY EFFICIENT

Upgraded incandescent bulbs to LEDs throughout the office.

We are tracking to use 40% less energy this year.



## WATER PRESERVATION

Upgraded aerators in our handwashing sinks from 2.2 gpm to 0.5 gpm and our two kitchen sinks from 2.2 to 1.5 gpm.

This saved 7,280 gallons over the course of 2017.

# A RESPONSIBLE CULTURE

We are dedicated to ensuring prosperity for all stakeholders.



## WE PROUDLY SUPPORT GENDER PAY EQUITY

### BSW WEALTH PARTNERS

#### DIVERSITY AND INCLUSION STATEMENT:

Any race, gender, social class, and sexual orientation will always be welcome at BSW Wealth Partners. We are here build and foster a community of respect, love, and mutual support. Jump on board as we navigate toward and realize new personal, social, and organizational horizons.



#### WOMAN FOUNDED



#### WE CAP THE RATIO OF HIGHEST SALARY TO LOWEST SALARY AT 10X\*



#### BSWELLNESS: WEEKLY MEDITATION

Footnote: \*Average US CEO makes 271x the typical worker per a Economic Policy Institute report





## PARTNERSHIPS



### B LOCAL

B Local Colorado is a volunteer team of business leaders engaging Certified B Corporations in the state of Colorado. Their mission is to help organizations be Best for Colorado and Best for the World.



**Boulder  
StartupWeek**

### BOULDER STARTUP WEEK

Five days of events celebrating the tech community in Boulder, Colorado.



## PLEDGE 1% COLORADO

Network of Colorado entrepreneurs who share a common commitment to giving back to their communities. Members pledge 1% of equity, annual profits, volunteer time, or product to nonprofits of their choosing.

## 929 PRL Summer Series



## 929 PRL SUMMER SERIES

Summer event series recognizing local organizations that enrich our community. 100% of ticket sales benefit the nonprofit organization.



## RESOURCE GENERATION

Organizes young people with wealth and class privilege to become transformative leaders working towards the equitable distribution of wealth, land, and power.



## COLORADO IMPACT DAYS

CO Impact Days is an experiential user conference where focused investors and philanthropists gain the confidence, tools and connections they need to take action in new, powerful ways. CO Impact Days is where leaders of the Impact Investing movement are born



## ZONTA Foothills

Zonta supports women and girls through local and international service projects, scholarships, advocacy, and fundraising making a significant impact.



Top  
**Financial  
Advisers**  
2017

FT 300 Ranking June 2017

