

2022 Impact Report

Investing for an
Inclusive Creative Economy

Upstart Co-Lab is disrupting how creativity is funded

by connecting the \$8.4 trillion¹ of sustainable investing assets in the U.S. to the \$877 billion² American creative economy. Since launching in 2016, Upstart Co-Lab has:

Directly mobilized \$23 million of impact capital for funds and companies with a focus on the creative economy, co-created the NYC Inclusive Creative Economy Fund, and designed the first national creative economy impact investing strategy in the U.S.

Garnered international attention for impact investing in the creative economy by launching *Creativity, Culture and Capital*, a platform supporting a more just and sustainable global creative economy; through hosted conversations with SOCAP, Mission Investors Exchange, the Federal Reserve Bank of New York, and at the GSG Global Impact Summit; and by grabbing headlines in *The New York Times*, *Financial Times*, *Forbes*, *Barron's*, *Fast Company*, *Monocle*, and *ImpactAlpha*.

Framed the inclusive creative economy as an impact investing priority through 16 original research reports demonstrating the role of creative places and businesses in comprehensive community development; the opportunity that the creative economy offers BIPOC and women entrepreneurs; the current state of impact investing in key creative industries: ethical fashion, sustainable food, social impact media and the creator economy; how endowed cultural institutions can invest in alignment with their values and mission; the importance of the creative economy to global sustainable development; and sharing examples of funds and companies in the creative industries delivering financial returns and deep people-focused impact.

Introduced a creativity lens to impact investing to bring into view how investing in the creative economy can deliver social and environmental impact while generating a financial return. This creativity lens reveals opportunities that up until now have not been fully recognized by impact investors, and welcomes investors from the creative sector – artists, art collectors, art patrons and cultural institutions – into the practice of impact investing.

Built a coalition of impact investors from the creative economy including 25 museums and other endowed cultural institutions with aggregate endowments of \$6 billion seeking to align investment strategy with their values of diversity, equity and inclusion (the Upstart Cultural Institution Study Group); and 10 donor-advised funds, private foundations, and endowed cultural institutions with \$1 billion of investment capacity coming together to invest with funds and businesses in the creative economy expected to have commercial success and generate environmental and social impact (the Upstart Member Community).

Defining the Creative Economy

The creative economy is defined as a set of art, culture, design and innovation industries, and the economic contribution of those industries within a geographic region. A unique set of industries comprises each local creative economy, reflecting the culture, traditions and heritage of that place.

Upstart Co-Lab identified 145 industries that states and regions across the U.S. use to define their local creative economy, and grouped these industries into five categories to describe the inclusive creative economy for the benefit of impact investors:



Ethical Fashion Companies producing clothes, shoes, jewelry and accessories that proactively address industry challenges related to labor, environmental impact, governance and/or preservation of cultural heritage.



Sustainable Food Producers and providers of food and beverage products and experiences that proactively address and raise consumer awareness of resource conservation, preservation of cultural heritage and/or access to healthy food.



Social Impact Media Companies that leverage the power of communication, storytelling and technology to drive positive social outcomes at scale, give a platform to under-represented voices and/or build a diverse workforce.



Other Creative Businesses Includes online creator platforms and creative software tools, disruptive visual art platforms, immersive experiences, inclusive toy and game designers, and other businesses in art, design, culture and heritage industries that drive social impact.



Creative Places Real estate projects that are affordable, target creatives or businesses in the creative economy, and benefit their neighbors, such as affordable workspace for artists and creative economy businesses.



An example of Upstart Co-Lab's focus on sustainable food in action:

Supply Change Capital (SCC) is a women- and Latina-led venture capital fund investing at the intersection of food, culture, and technology. As the U.S. becomes increasingly multicultural, moving towards a majority minority country by 2045, consumer tastes, flavor preferences, preferred ingredients and favorite foods are expected to shift. The “international food” aisle is becoming the entire grocery store. SCC plans to capture this consumer shift by investing in culturally appealing brands, authentic ingredients, and related enabling technologies.

Example investments include Agua Bonita, an agua fresca brand led by a Mexican American founder making culturally relevant, low-sugar drinks from fruit that would otherwise go to landfill; and Whetstone, a Black-led multi-media company focused on global foodways celebrating communities and their culinary traditions through print magazines, podcasts, and film/TV including the James Beard Award-nominated and Peabody Award-winning *High on the Hog* series on Netflix.

Supply Change Capital is focused on investing in diverse founders. At the end of 2022, 77% of the companies SCC invested in were led by under-represented founders and 54% had female CEOs. In addition, 69% of the investments reduced food system impacts on the climate and 69% promoted healthier communities.

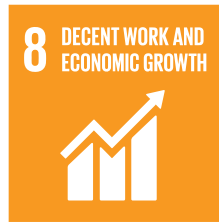
One Upstart Co-Lab Member invested in Supply Change Capital in parallel to Upstart introducing SCC to the Member Community in November 2021.

The Impact of the Creative Economy

The creative economy is among the most rapidly growing sectors in the world. Projected to soon be 10% of the global economy,³ the creative economy is the source of more than 50 million jobs in the global formal economy⁴ and 300 million jobs in the global informal economy.⁵ In the U.S., the creative economy is valued at \$877 billion or 4.2%⁶ of GDP (down from \$920 billion – nearly 5% of GDP prior to the COVID pandemic when it provided more than 10 million jobs.⁷)

By declaring 2021 to be the International Year of Creative Economy for Sustainable Development, the United Nations recognized the creative economy “as a powerful force for good, livelihoods, social cohesion and economic development” and acknowledged the role of creative industries in “supporting entrepreneurship, stimulating innovation and empowering people, including young people and women, while preserving and promoting cultural heritage and diversity.”⁸

The framers of the United Nations Sustainable Development Goals (SDGs) believe creativity and culture will help the world meet its goals in Quality



Education (Goal 4), Decent Work and Economic Growth (Goal 8), Sustainable Cities and Communities (Goal 11), and Responsible Consumption and Production (Goal 12) through appreciation of cultural diversity; decent job creation, entrepreneurship, and innovation; protection of the world's cultural

heritage; and sustainable tourism that creates jobs and promotes local culture.

In the U.S., up to 35% of all women-owned businesses¹¹ are in the creative economy and approximately 38% of BIPOC-owned businesses¹² are in the creative economy.

The creative economy is an on-ramp to wealth-building for communities who are often overlooked and under-estimated. Globally, the creative economy employs more people aged 15–29 than any other sector.⁹ 285 million creative economy workers around the world are women.¹⁰

The Creative Economy and Impact Investing

Impact investors using a creativity lens will see the potential for large-scale opportunities for deep impact and market-rate returns in the creative economy. All of the social and environmental priorities impact investors address in their portfolio can be achieved by investing in the creative economy.

When seeking to support BIPOC and women entrepreneurs, fund managers find some of their best investment opportunities in creative industries. Impact funds with >20% of their holdings in creative industries often have an explicit inclusivity strategy, above-average diversity among the investment leadership of the firm, and above-average diversity among founders in the portfolio. (Read *Hiding in Plain Sight: Impact Investing in the Creative Economy*.)

Impact funds have been investing in the creative economy without even realizing it.

Concern by consumers about how their food, clothes and entertainment are produced has grown significantly in recent years. Consumers are also demanding more engaging and authentic products and experiences that keep pace with changing demographics in the U.S. The creative economy has the capacity to intrigue, engage, educate and activate more mindful consumers so that the benefits of ethical and sustainable supply chains and the full power of media to drive positive change can be realized. (Read *Impact Investing in the Creative Economy: diving deep into Ethical Fashion, Sustainable Food and Social Impact Media*.)

Related to this consumer demand for meaningful content – and spurred by the realities of COVID lockdowns for creators and audiences alike – the “creator economy” (i.e. the ecosystem of direct-to-audience platforms and digital tools helping creatives to develop, monetize, scale, and maintain control over their work) has seen hypergrowth since 2020. Unfortunately, the creator economy has not yet lived up to its promise to enable a creative middle class – especially for BIPOC and women creators. Impact investors can play a role to ensure the values of diversity, equity, inclusion and access are prioritized as the creator economy grows. Both in terms of potential impact and financial return, the creator economy is the most significant new area of opportunity for impact investors – and artists, designers and creatives – that Upstart Co-Lab has identified since launching in 2016. (Read [*Impact Investing in the Creator Economy*](#).)

Investments in the creative economy have the potential to stabilize threatened communities and benefit regions looking to attract and develop quality jobs. Community development financial institutions (CDFIs) have been investing in creative places and creative businesses as part of comprehensive community development for decades. Over the past 30 years, Local Initiatives Support Corporation (LISC) alone has invested more than \$138 million in 98 projects across the United States.¹³ Community Reinvestment Act-motivated capital has historically been used to support creative places and businesses to drive economic opportunity, employment, and affordable housing. (Read [*Creative Places and Businesses: Catalyzing Community Growth*](#) and [*The Community Reinvestment Act and the Creative Economy: Investing in Creative Places and Businesses as Part of Comprehensive Community Development*](#).)

The creative sector is a new source of impact capital.

31% of art professionals and 28% of art collectors say socially responsible investment products in culture would be of the most interest to them among art investment products – and 86% of NextGen art collectors rank social impact and purpose-led investment as their highest motivation when buying art.¹⁴ American museums and other cultural institutions, which hold in aggregate over \$64 billion in their endowments,¹⁵ are just now beginning to align their investments with their values of diversity, equity and inclusion by committing to BIPOC and women fund managers. Upstart’s 2022 survey of U.S. independent museums of art and design revealed that only 13% of museums are engaged in impact investing, compared to 47% of colleges and universities and 51% of foundations. However, impact investing is a topic of interest for museums, with 80% of survey respondents reporting that their investment committees have discussed impact investing, and 90% citing values alignment as the most significant driver of their impact investing conversation¹⁶. (Read [*The Guide: what cultural institutions need to know about investing for values and mission*](#) and [*Cultural Capital: The state of museums and their investing*](#).)

Culture and creativity are critical to a sustainable and inclusive future. Artists and cultural entrepreneurs demonstrate the powerful and positive potential of the creative economy – from the artisan craft sector,

to the role of culture in placemaking, to digital technologies broadening and democratizing access to great art. Seasoned impact investors are already putting impact capital to work in ethical fashion, sustainable food, social impact media and other creative industries to achieve impact goals such as environmental conservation, gender and racial equity, and access to economic opportunity. There are already examples in Europe, Latin America and Africa of impact investments funds fully-dedicated to the creative economy – such as Nesta’s [Arts & Culture Finance Fund](#) in the UK, the [HEVA Fund](#) in Kenya, France’s [Mirabaud Patrimoine Vivant](#) and Brazil’s [Trê](#). (Read: [Creativity, Culture and Capital: Impact investing in the global creative economy](#).)

This Impact Report shares learnings from the Upstart Co-Lab Member Community, detailing investments closed by Members since 2020. These investments are representative of the pipeline of 300 opportunities at the intersection of impact investing and the creative economy that Upstart Co-Lab has developed over the past five years. These investments also illustrate how Upstart assesses the deep impact potential of the creative economy.

Upstart Co-Lab Member Community

From January 2020 through December 2022, Upstart Co-Lab advised the first group of impact investors dedicated to the creative economy. The Upstart Member Community included the A.L. Mailman Family Foundation, the Bonfils-Stanton Foundation, BRIC, Builders Initiative, Creative Capital, the Jessie Ball duPont Fund, Martha J. Fleischman, Neil Hamamoto, Lorrie Meyercord, the Souls Grown Deep Foundation, and an anonymous donor-advised fund; together these investors represent over \$1 billion of investment capacity. The announcement of the Upstart Member Community was highlighted in *Forbes* and *Barron's* as a significant milestone in impact investing. The successful conclusion of the Member Community was recognized by *ImpactAlpha*.

Upstart Co-Lab sourced and screened 40 investment opportunities aligned with Members' geographic, programmatic, investment and impact priorities over a 3-year period (see page 27); conducted investment due diligence on Members' behalf; and supported Members in their impact investing learning journey. Members maintained full discretion over their investment decisions.

As of December 31, 2022, the Upstart Co-Lab Member Community had closed and committed \$12 million of impact capital in 14 funds and companies expected to deliver social and environmental impact, as well as a financial return.¹⁷ In addition, Members have committed over \$3.6 million to Upstart's new Inclusive Creative Economy Strategy.

Upstart Co-Lab Investment Pipeline

Upstart Co-Lab's proprietary investment pipeline currently consists of 300 funds, direct company investment opportunities and real estate projects, raising in aggregate more than \$2 billion in impact capital in the next 24 months.

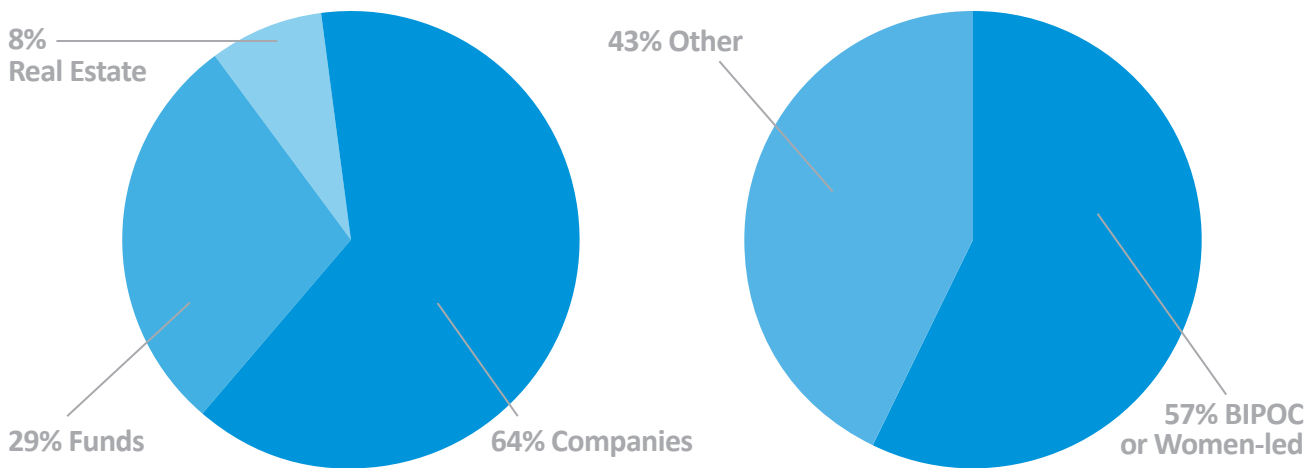
Upstart sources impact investment opportunities in the creative economy through our network of fund managers, business accelerators and incubators, and impact investing leaders including our Advisory Board; by attending industry conferences; by consulting deal-tracking sites including Crunchbase and Impact Space; through the latest impact investing news reported by *ImpactAlpha* and others; through

inbound queries that result from Upstart’s media coverage and public speaking; and through outbound research focused on diverse-led funds and companies.

In sourcing and screening opportunities, the Upstart team prioritizes diverse fund managers and entrepreneurs; aims for a robust representation of both funds and company investments; and intentionally seeks out a variety of opportunities across the United States and across the range of risk-adjusted expected returns in order to cultivate a robust understanding of the investable universe.

Funds comprise 29% of Upstart's pipeline by total number of opportunities. Funds must hold at least 20% creative economy businesses in order to be included for pipeline consideration, and are typically early stage and growth stage venture capital funds.

Upstart Co-Lab pipeline by percentage of total opportunities

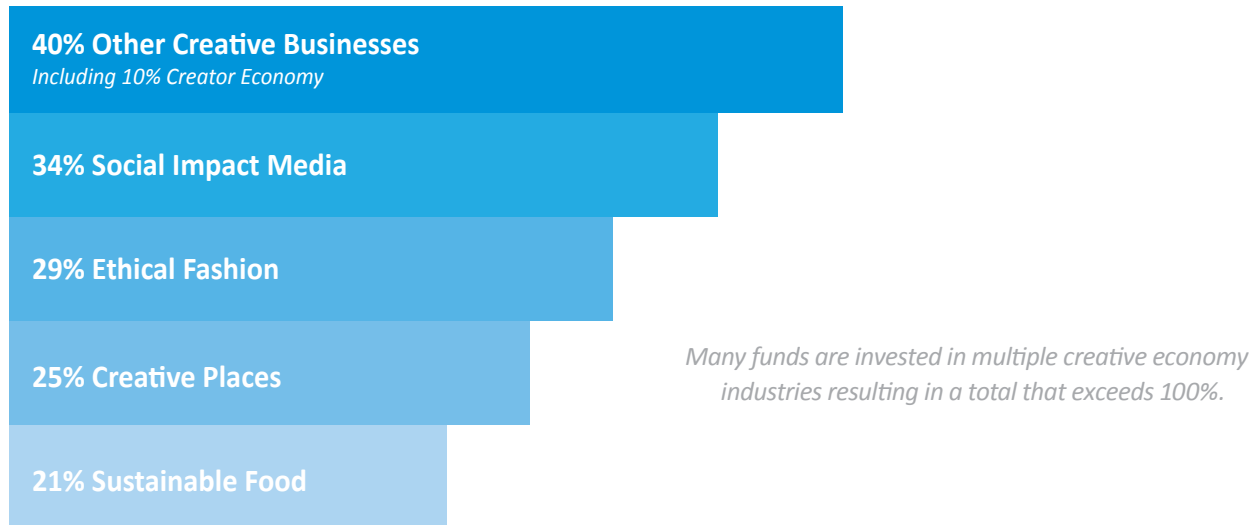


Companies comprise 64% of Upstart's pipeline by total number of opportunities. Companies may be seeking equity or debt (they are often raising convertible debt) in their pre-seed, seed, or Series A round. The remaining 8% of opportunities in the pipeline are real estate projects.

43% of all the opportunities included in Upstart’s deal pipeline are Women-led; 33% are BIPOC-led; 57% are BIPOC- and/or Women-led. Spotting emerging fund managers and entrepreneurs, tracking them as they progress, and coaching them along the way is part of Upstart Co-Lab’s field-building work.

Upstart's investment pipeline covers all five segments of the creative economy. By total number of opportunities, it consists of: 29% ethical fashion, 21% sustainable food, 34% social impact media, 25% creative places, and 40% other creative businesses, of which 10% is the creator economy.

Upstart Co-Lab pipeline by percentage of total opportunities



How Upstart Co-Lab Assesses Impact

Upstart's people-focused approach to impact assessment recognizes the role that investments in the creative economy can play in advancing social justice, financial inclusion, economic opportunity, and community development. Upstart tracks the impact of creative economy investments across five dimensions:

Access to capital for BIPOC and women entrepreneurs: Funds and companies that are led by diverse managers and founders, respectively; as well as investments in funds that are backing diverse founders.

Quality Jobs: Jobs that provide a living wage, basic benefits, career-building opportunities, wealth-building opportunities, and a fair and engaging workplace.

Vibrant communities: Activities that strengthen economic development, encourage civic engagement, build resiliency, and contribute to quality of life.

Sustainable creative lives: Ownership models, earnings opportunities, and pathways to wealth building that support a "creative middle class."

An inclusive creative economy: Economic activity anchored in Openness & Experimentation, Diversity & Inclusion, and Tradition & Innovation that benefits artists, designers and all members of the community.¹⁸

In addition, Upstart Co-Lab considers the impact goals that fund managers and entrepreneurs are seeking to achieve through their product, service, platform and overall business strategy. Specific impact goals of funds and companies currently in the pipeline include: closing the earnings gap for Black audio/video creators; revitalizing former manufacturing facilities into innovation hubs focused in solving the world's most pressing social and environmental challenges; democratizing access to digital creative tools and platforms; and supporting women-led companies serving young women across consumer tech, health & wellness, and the future of work.

In evaluating the impact goals of funds and companies considered for the investment pipeline, Upstart looks for:

- A well-articulated model addressing one or more of the 5 P's of impact: People, Product, Place, Process, Paradigm¹⁹
- Alignment between business goals and impact goals
- Scalability of intended impact alongside business scalability
- Capacity and commitment to measure, track and report on impact metrics
- A corporate form that ensures mission alignment between stakeholders, such as a public benefit corporation
- Relevant certifications for companies (e.g. B Corp and Fair Trade) and commitment to the UN Principles for Responsible Investment or membership in the Global Impact Investing Network for funds
- Strategy to achieve impact at exit, or a long-term ownership strategy such as steward ownership

Upstart is thoughtfully reconsidering conventional assumptions regarding impact and impact assessment, for example, what truly constitutes achieving impact at exit. Impact investors have typically assumed the best way to ensure impact following a financial exit is to maintain a company's product, production process, and workforce exactly as it has been.

However, Upstart believes that when financial inclusion is an impact goal, a successful financial exit for a BIPOC or woman founder is consistent with the intention to build wealth, boost representation, and shift power in favor of groups that have been historically marginalized.

Similarly, in the past impact investors have developed bespoke impact metrics for their portfolio and imposed those measures on the funds and companies in which they have invested. While this has been intended to enable consistent portfolio-level reporting, it places a heavy burden on fund managers and founders when all their investors are demanding unique data reporting.

Upstart focuses during the diligence process on impact alignment – and then requests the impact data that our fund managers and founders have determined to be most relevant and useful to achieve their goals. Upstart respects the expertise of our colleagues on the front lines of social change to know what information will help them achieve their specific goals, and help grow the sector's knowledge.

The investments facilitated by Upstart Co-Lab for the Member Community have primarily been people-focused in their impact priorities, but have also considered Environmental Sustainability. Some of the businesses in which the Member Community invested are leaders in addressing common environmental pitfalls in their industry. For example, Paskho, a fashion company using reclaimed materials, minimal packaging, and a localized distribution model; and Upriver Studios, a film and TV sound stage certified as eco-friendly for a range of green practices including use of renewable energy and reduction of plastic and food waste from craft services. Fashion, food and design businesses also educate and engage consumers to behave in a more sustainable way through organic, sustainable and ethical products and services. Upstart tracks the Environmental Sustainability of the funds and companies in its pipeline.

The impact of funds and companies invested in by Upstart Members since 2020 is summarized below.

	ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	QUALITY JOBS	VIBRANT COMMUNITIES	SUSTAINABLE CREATIVE LIVES	AN INCLUSIVE CREATIVE ECONOMY	ENVIRONMENTAL SUSTAINABILITY
	✓	✓	✓	✓	✓	—
	✓	✓	✓	✓	✓	—
	✓	✓	✓	✓	✓	—
	✓	✓	✓	✓	✓	—
Newlab	✓	✓	✓	✓	✓	✓
paskho	✓	✓	✓	✓	✓	✓
<i>preemadonna</i>	✓	—	✓	✓	✓	✓
	✓	✓	✓	✓	✓	—
RUNWAY	✓	✓	✓	✓	✓	—
	✓	✓	✓	✓	—	—
	✓	✓	✓	✓	✓	✓

 PRIMARY IMPACT
  SECONDARY IMPACT
 — NOT AN EXPLICIT IMPACT PRIORITY



INVESTOR: Bonfils-Stanton Foundation
AMOUNT: \$500,000 in 2021
INVESTMENT: General Obligation Note with a 5-year term and a 1% annual interest rate
CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Other Creative Industries
ASSET CLASS: Private Debt

The Colorado Enterprise Fund (CEF) is a 46-year-old community development financial institution (CDFI) accelerating community prosperity by financing and supporting small businesses in Colorado. They help borrowers build their capacity and prepare them to access more conventional financing in the future. Certified as a community development financial institution since 1996, CEF is A+-rated by Aeris (a ratings agency for CDFIs) and has an 100% repayment rate to its lenders. As of September 31, 2022, CEF managed \$66.8 million on behalf of financial institutions, foundations, government agencies, and individuals deployed into 992 active loans. Since inception, CEF has made loans or grants to 9,405 small businesses totalling \$246 million. Nearly a third of small business borrowers in the CEF loan portfolio are in the creative economy as defined by Upstart Co-Lab. The average interest rate charged to creative economy businesses is 7.75%.

Impact Strategy

CEF supports BIPOC, women and low-income individuals to grow successful businesses. CEF lends to small businesses with the intention of creating jobs and building wealth. By providing fair and flexible loans and technical assistance to small businesses in Colorado, CEF builds capacity in small businesses to position to traditional lenders, and enables local communities to build wealth.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	
QUALITY JOBS	
VIBRANT COMMUNITIES	
SUSTAINABLE CREATIVE LIVES	
AN INCLUSIVE CREATIVE ECONOMY	
ENVIRONMENTAL SUSTAINABILITY	

PRIMARY IMPACT SECONDARY IMPACT NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

Creative Industries

April 2021 - December 2022

Loans closed	109
Loans closed	\$4.1 million
BIPOC-owned businesses	33%
Women-owned businesses	44%
Low-income borrowers	78%
Jobs retained and created	104

All Industries

October 2021 - September 2022

Loans closed #	293
Loans closed \$	\$12.4 million
BIPOC-owned businesses	50%
Women-owned businesses	48%
Low-income borrowers	63%
Jobs retained and created	1,715
Business coaching hours	3,957

Upstart Co-Lab’s Role

In 2018, after joining Upstart Co-Lab’s founding partner Laura Callanan in a panel on the creative economy and community development at Denver Startup Week, CEF used Upstart Co-Lab’s creativity lens to analyze its small business loan portfolio and found 33% exposure to creative industries. Upstart then conceived and developed a bespoke investment opportunity, helping the Bonfils-Stanton Foundation and CEF structure a Program-Related Investment focused on Denver and on the creative economy that is also consistent with the values of diversity, equity and inclusion.



INVESTOR: Souls Grown Deep Foundation
AMOUNT: \$250,000 in 2020; \$250,000 in 2021
INVESTMENT: Community Investment Management
CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Other Creative Industries
ASSET CLASS: Private Debt

Community Investment Management (CIM) is a global institutional impact investment manager that provides strategic debt funding to scale and demonstrate responsible innovation in lending to small businesses and other underserved communities in the United States and emerging markets. CIM partners with technology-enabled, socially responsible fintech lenders to back portfolios of high-yield, short duration, fixed income assets diversified by loan, sector, and geography. The objective of the strategy is to generate risk-adjusted returns by financing small businesses, students, and individuals underserved by the banking sector. CIM has deployed over \$2.8 billion to more than 3.9 million borrowers. 20% of CIM’s reporting small business lending portfolio is in the creative economy as defined by Upstart Co-Lab.

Impact Strategy

CIM targets impact on three levels: funding borrowers in underserved communities, building the market of responsible fintech lenders, and shaping industry-wide policy and responsible practices. CIM finances the portfolios of a new generation of innovative credit providers that offer a spectrum of products including term loans, credit lines and credit cards, receivable factoring, revenue-based financing, early wage access and payroll loans, student financing and other credit arrangements. CIM’s capital seeks to advance financial inclusion, promote economic development and drive widespread adoption of such responsible innovation by the financial mainstream. CIM helps make transparent financial solutions available to small businesses, low-income households and students who otherwise may not have ready access to capital. CIM funds 2-3 times more women, minority, and veteran-owned businesses than conventional banks and financial institutions. CIM co-authored the Small Business Borrower’s Bill of Rights which protects small businesses not protected by current law; and was a founding signatory to the Operating Principles for Impact Management committing to manage and measure the impact of their investments.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	
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Impact Metrics

April 2015 - September 2022

Businesses funded	34,000
BIPOC-owned businesses	22%
Women-owned businesses	30%
Women-, BIPOC-, or Veteran-owned businesses	52%
Veteran-owned businesses	21%
Jobs created and maintained	.9,000
Total revenue of businesses funded	\$12 billion

Upstart Co-Lab’s Role

A CIM co-founder – who is an artist as well as an investor – used Upstart Co-Lab’s creativity lens to analyze the CIM small business loan portfolio in 2018 and found 24% were in creative industries. Given its focus on BIPOC and women borrowers, this finding underscores how the creative economy offers an on-ramp to economic opportunity to diverse entrepreneurs. CIM now produces a snapshot report highlighting the role the creative economy plays in the CIM strategy; this report has been shared with 150 clients and client advisors. CIM presented to the Upstart Member Community in September 2020.

All information herein in this document is for informational purposes only and is not an offer to sell or the solicitation of any offer to buy securities. The only purpose of this document is to provide information regarding CIM and its strategies. Any such offer will be made only through the offering materials for the strategies, which will be available only to qualified purchasers. The statements in this presentation are qualified in their entirety by the disclosures in the offering materials. CIM prepared this document and the portfolio metric calculations herein. None of the information in this presentation has been reviewed or audited by an independent accountant or other independent testing firm. CIM believes the data is correct but does not assume any liability if such data is incorrect.



INVESTOR: A.L. Mailman Foundation
AMOUNT: \$50,000 in 2022
INVESTMENT: Seed Extension Round
CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Other Creative Industries
ASSET CLASS: Venture Capital

Honeycomb Credit is a crowdfunding platform making loan capital available to small businesses that are deeply integrated in their community. Since 2017, Honeycomb has channeled \$16M through 200+ loan campaigns, with an average loan size of \$48,000 in 2022. Honeycomb serves businesses in 24 states and Washington, D.C. and plans to expand nationally. 80% of the businesses that have raised capital through the Honeycomb Credit platform are creative economy businesses as defined by Upstart Co-Lab.

Honeycomb raised a seed extension round to acquire a technology platform from a defunct competitor allowing them to bring all their technology in-house; launch a new website; build a mobile app; and accelerate their growth to new geographies through an expansion of its sales and marketing teams.

Impact Strategy

Honeycomb Credit provides access to capital for local businesses. From 2007 to 2018, there was a 35% reduction in commercial banks in the U.S. and a corresponding 29% decrease in the number of small business loans. Honeycomb Credit was created to fill the access to capital gap due to the loss of community banks, fill a unique role in the small business lending universe, and provide an affordable borrowing option for businesses that could otherwise fall prey to predatory online lenders. Approximately 50% of the businesses have previously been unable to access credit or have been referred to Honeycomb by other lenders who passed on lending to the company. After raising growth capital on the Honeycomb platform, businesses experienced an average 60% increase in revenue 1 year after completing a campaign, 80% increase in press mentions, and a 40% increase in Yelp and Google reviews. In addition, Honeycomb has helped over 12,000 retail investors make their first small business investments.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

January 2018 - December 2022

Businesses funded	200+
BIPOC-owned businesses	31%
Women-owned businesses	53%
Increase in women-owned businesses funded in 2022	28%
Increase in BIPOC-owned businesses funded in 2022	104%
Businesses in Low-Moderate Income communities	43%

Upstart Co-Lab’s Role

An impact investing colleague at a family office introduced Upstart Co-Lab to Honeycomb Credit in 2020 after recognizing the significant number of creative economy businesses on the platform. Upstart worked with Honeycomb to develop their Loan Participation Fund vehicle and four Upstart Member foundations – including the A.L. Mailman Foundation – made loans through an LPF in support of small creative economy businesses seeking debt financing through the Honeycomb platform. Additionally, Upstart alerted Members to the opportunity to invest in the company Honeycomb Credit itself and invited the team to present to the Member Community in February 2022. Upstart supported the A.L. Mailman Foundation to consider an equity investment in Honeycomb Credit’s 2022 seed extension round.



HONEYCOMB CREDIT

Loan Participation Fund

INVESTOR: A.L. Mailman Foundation; Builders Initiative, Jessie Ball duPont Fund; Souls Grown Deep Foundation

AMOUNT: A.L. Mailman Foundation committed \$100,000 in 2021; Builders Initiative committed \$250,000 in 2022; Jessie Ball duPont Fund committed \$250,000 in 2022; Souls Grown Deep Foundation committed \$250,000 in 2021

INVESTMENT: Loan Participation Fund

CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Other Creative Industries

ASSET CLASS: Private Debt

Honeycomb Credit is a crowdfunding platform making loan capital available to small businesses that are deeply integrated in their community. Since 2017, Honeycomb has channeled over \$16 million through 260+ loan campaigns. Honeycomb serves businesses in 24 states and Washington, D.C. and plans to expand nationally. Average loan size was \$48,000 in 2022. 80% of the businesses that have raised capital through the Honeycomb Credit platform are creative economy businesses as defined by Upstart Co-Lab.

Honeycomb's Loan Participation Fund (LPF) is a bespoke capital allocation vehicle that allows institutional investors to participate in multiple crowdfunding campaigns that meet the investor's predetermined criteria such as location, industry and entrepreneur demographics. Based on Honeycomb's modeling, a \$250,000 LPF can expect to make 25 investments at an average investment size of \$10,000. The model predicts an IRR of 9.4%, an average loan term of 48 months, a 2% default rate, and a 75% recuperation rate if default occurs.

Impact Strategy

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ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

increase in Yelp and Google reviews. In addition, Honeycomb has helped over 12,000 retail investors make their first small business investments.

Impact Metrics

January 2018 - December 2022

Businesses funded	200+
BIPOC-owned businesses	31%
Women-owned businesses	53%
Increase in women-owned businesses funded in 2022	28%
Increase in BIPOC-owned businesses funded in 2022	104%
Businesses in Low-Moderate Income communities	43%

Upstart Co-Lab's Role

An impact investing colleague at a family office introduced Upstart Co-Lab to Honeycomb Credit in 2020 after recognizing the significant number of creative economy businesses on the platform. Upstart worked with Honeycomb to develop their idea to bring foundation capital to invest alongside the crowd: developing a pro forma financial model, an investor pitch, and draft legal agreements to manage the relationship between the foundation, a financial intermediary to deploy the Loan Participation Fund, and Honeycomb. Using its strategic partner network, Upstart identified a qualified, values-aligned financial intermediary able to support the Loan Participation Fund in all 50 states. Honeycomb presented to a select group of members in April 2021. The LPFs that Upstart helped launch are focused on women- and BIPOC-owned businesses, which has led to a measurable increase in the number of women- and BIPOC-owned businesses funded through Honeycomb campaigns.

Newlab

INVESTOR: A.L. Mailman Foundation; Neil Hamamoto; Lorrie Meyercord

AMOUNT: \$1,100,000 total in 2022

INVESTMENT: Series A

CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Creative Places, Other Creative Businesses

ASSET CLASS: Venture Capital

Newlab is an innovation hub of companies, founders, engineers, scientists and investors, who together with corporate, city and government partners solve pressing global challenges. The company launched in 2016 in the Brooklyn Navy Yard, a center for urban manufacturing and innovation on a de-commissioned naval base in New York City. With the recent launch of Newlab Detroit, in partnership with the Ford Motor Company, Newlab now manages 300,000 square feet of prototyping, event and work space.

Newlab is home to more than 200 member companies focused on frontier technology. The four pillars of Newlab’s model include are membership (i.e. office and prototyping facilities; access to mentor, partner and investor networks; and other resources for more than 800 people), innovation studios (i.e. partnerships with more than fifty Fortune 500 companies piloting new technology), venture studios (i.e. building new companies in-house), and investment (i.e. a network of 400 early stage investors who have helped member companies raise more than \$1.5 billion in venture capital).

Impact Strategy

Newlab’s diverse members and partners drive solutions around six thematic areas: Cities & Equity; Health & Humanity; Sustainability & Planet; Infrastructure & Resilience; Materials & Environment; Media & Truth. While the work done at Newlab has global implications, the company is hyper-focused on community, place, and local networks. As they expand to new cities, Newlab will work with local civic leaders to revitalize advanced manufacturing and create opportunities that attract and retain diverse world-class talent. Local engagement is also reflected in programs like an artist-in-residency program in partnership with the art and design school Pratt, supporting emerging artists and creative thought leaders by providing access to equipment, materials and facilities.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	
QUALITY JOBS	
VIBRANT COMMUNITIES	
SUSTAINABLE CREATIVE LIVES	
AN INCLUSIVE CREATIVE ECONOMY	
ENVIRONMENTAL SUSTAINABILITY	

PRIMARY IMPACT SECONDARY IMPACT NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

Leadership team and advisory board

- Women 9
- Men 12
- BIPOC 4
- White 17

2023 Founder Fellows (*Urban and climate-tech founders from under-represented backgrounds*) 28

Innovation Studios

- Focused on environment 2
- Focused on equity 4
- Focused on resilience 8

Newlab is currently implementing procedures to regularly survey demographic information of members and plans to track this moving forward.

Upstart Co-Lab’s role

Upstart was introduced to Newlab co-founder David Belt by our donor Abby Pucker. Upstart recognized Newlab as a leader in design and creativity that was delivering deep social and environmental impact, but that had not previously engaged with impact investors. When allocation became available in Newlab’s Series A, Upstart jumped at the chance to introduce our Member Community. Newlab presented to a select group of Members in March 2022. Upstart also helped Newlab think about ways to formalize its commitment to impact within its ongoing operations.

paskho

INVESTOR: Builders Initiative, Souls Grown Deep Foundation
AMOUNT: Builders Initiative \$750,000 in 2021; Souls Grown Deep Foundation \$600,000 in 2021
INVESTMENT: Convertible Debt
CREATIVE ECONOMY SECTOR: Ethical Fashion
ASSET CLASS: Venture Capital

Founded by Patrick Robinson, former creative director for the Gap and Emporio Armani, Paskho is a Black-owned, sustainable, socially-driven clothing line and e-commerce platform. In 2020, the company responded to COVID and America’s reckoning with structural racism by moving all of its manufacturing from ethical and sustainable factories in Asia to low income communities in the U.S. Paskho is committed to employing and empowering makers and giving customers a genuine human interaction with every person who assembles, markets, and ships each piece of clothing. The company’s tech-enabled distributed production approach is called Community-Made™.

Impact Strategy

Paskho Community-Made™ digitally mobilizes skilled, independent workers from under-served communities throughout the U.S. This approach brings quality, middle skill jobs to residents of low-income communities. Paskho pays its makers \$16-\$28 per hour. The first Community-Made™ maker pods launched in 2020 in New York City and 2021 in Boykin, Alabama, home of the Gee’s Bend Quilters, which has a majority Black population and an average annual income per capita of \$12,000. A third pod opened in August 2022 on the Cheyenne River Indian Reservation in South Dakota. Paskho is exploring additional expansion opportunities in Hudson, NY; Vermont and Puerto Rico.

Paskho is committed to environmentally sustainable practices: using reclaimed fabrics to reduce textile waste, using Bluesign-approved eco-fabrics to ensure no harmful chemicals are used; engaging in environmentally-efficient on-demand production; and reducing packaging. Paskho allows customers to return used clothes for discounted new ones, encouraging recycling and mindful buying.

Impact Metrics:

January 2022 - December 2022

Jobs created and retained	47
People trained in new skills	31
Total wages paid	\$493,961
Community-Made workforce in Alabama	
• African American100%
• Female88%

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	✓

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Community-Made workforce on Cheyenne River Indian Reservation, SD

- Native American people, Lakota100%
- Female60%

Community-Made workforce in New York City

- African American and Latinx100%
- Female90%

January 2017 - December 2022

Reclaimed fabric utilized	186,000 yards
Number of toxic chemicals avoided/minimized.....	900
CO ₂ saved.....	21,000 kg

Upstart Co-Lab’s Role

Paskho founder Patrick Robinson and Upstart Co-Lab’s founding partner Laura Callanan met at the 2019 Gratitude Railroad Investor Retreat. After learning that Patrick had a book on the Gee’s Bend Quilters on his desk for inspiration, Upstart introduced him to the Souls Grown Deep Foundation, which works closely with the Gee’s Bend Quilters and their Boykin, Alabama community. Upstart helped Paskho and SGDF recognize the opportunity to establish a makers pod in Boykin in conjunction with an investment. Upstart has also made introductions to other investors beyond the Member Community which have resulted in additional investment in Paskho, and has introduced the company to foundations as part of an effort to raise philanthropic grants to support its training program. Paskho presented to the Member Community in August 2020.



INVESTOR: Lorrie Meyercord
AMOUNT: \$200,000 in 2021; \$100,000 in 2022
INVESTMENT: Series Seed-5 Preferred Stock in 2021; SAFE note in 2022
CREATIVE ECONOMY SECTOR: Other Creative Businesses
ASSET CLASS: Venture Capital

Led by entrepreneur Pree Walia, Preemadonna is a tech company building smart hardware products and software platforms to inspire creative expression for the next generation of girls. Its first product, the Nailbot, will disrupt the \$15 billion nail care industry through nail art; inkjet printing smartphone images onto fingernails using nontoxic water-based ink. The business model focuses on building a community of “Preemadonnas” – creative makers who are predominantly girls and young women – who care about entrepreneurship, tech, and personal creative expression. In 2022 the company manufactured 1,000 units and shipped the majority of them to crowdfunding backers, influencers, press partners and ambassadors. They also designed over 500 unique nail designs for its online marketplace, and released iOS and Android apps to the app stores. In January 2022, Preemadonna received a CES Innovation Honoree Award for Nailbot in the Home Appliance Category.

Impact Strategy

Led by an all-female team and all-female board, Preemadonna is committed to helping girls and young women turn their interests in engineering, entrepreneurship and artmaking into lifelong skills. The Preemadonna community learns the basics of hardware and electronics engineering by building, programming, and maintaining their Nailbot devices; entrepreneurship by building micro businesses selling nail decorations and collections of nail art through Preemadonna’s online platform; and creativity by designing their own collections of nail art. The company works with nonprofit partners including MakerGirl and Girl Scout troops to integrate its approach into broader leadership and learning curricula; and to engage a diverse cohort of girls.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	
QUALITY JOBS	—
VIBRANT COMMUNITIES	
SUSTAINABLE CREATIVE LIVES	
AN INCLUSIVE CREATIVE ECONOMY	
ENVIRONMENTAL SUSTAINABILITY	

PRIMARY IMPACT SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

With its first product now on the market, the company has committed to measuring:

- Women on leadership team and board
- Girls reached through nonprofit partnerships
- Participants in Artist & Coding Curriculum
- Micro-businesses launched
- Original designs created

Upstart Co-Lab’s role

As a judge at the MIT Solve business plan competition in 2017, Upstart’s founding partner Laura Callanan met Preemadonna founder Pree Walia. In 2018, Upstart recommended and closed an investment in Preemadonna for the Spanx by Sara Blakely Foundation, with a follow-on investment in 2019. In preparation for Preemadonna presenting to the Upstart Member Community in September 2021, Lorrie Meyercord was asked to test the Nailbot at home with her two daughters. It was an instant hit with the family and ultimately led to Meyercord’s investment.



INVESTOR: A.L. Mailman Foundation; Anonymous
AMOUNT: A.L. Mailman Foundation \$100,000; Anonymous \$100,000 both in 2022
INVESTMENT: Seed II Round
CREATIVE ECONOMY SECTOR: Creative Places, Creator Economy, Other Creative Businesses
ASSET CLASS: Venture Capital

REC is a creative incubator and agency that empowers independent creators to build sustainable and scalable businesses. It is a physical space and digital platform dedicated to providing creators with resources, community, and job opportunities. Founded in 2015, the company moved to a 10,000 square-foot state-of-the-art facility located in the Fashion District of Downtown Philadelphia in 2019.

REC Philly currently hosts 1,000 active members across four creator categories: audio, visual, experience, and product. Shared equipment includes podcast & music studios, visual and design labs, dance studios, editing stations, and a mainstage venue. REC’s creative agency connects members to paid engagements with corporate clients. In 2023, REC will expand to Miami, opening a 12,000 square foot facility in Little Haiti. The company envisions a REC in every city where there is a strong creative community wanting to preserve and expand its homegrown talent.

Impact Strategy

REC makes creative careers sustainable with a particular focus on closing the earnings gap for creators of color. The majority of REC members are BIPOC: 52% Black, 17% non-white Hispanic, and 11% Asian, per the most recently completed survey in December 2021. Through REC’s agency, creatives have earned \$2 million to date on engagements with corporate clients including \$524k in 2022. REC provides sponsored memberships to under-represented artists, and experiential learning opportunities for local students.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

January 2022 - December 2022

Total active members	1,001
Total studio hours	18,927
Total dollars paid to creators	\$524,201
Total paid gigs generated	701

Upstart Co-Lab’s role

Upstart was introduced to REC in 2018 by a Philadelphia-based foundation. Upstart completed diligence, added the company to its investment pipeline, and followed its progress citing the company as an example in several research publications. Based on this ongoing relationship, REC offered the Upstart Member Community the opportunity to join a small group of investors in an investment round led by Sean Combs (P. Diddy). REC was featured in the December 2021 Member newsletter.

RUNWAY

INVESTOR: Builders Initiative, Souls Grown Deep Foundation
AMOUNT: Builders Initiative \$2.7 million grant commitment in 2022; Souls Grown Deep Foundation \$100,000 grant commitment in 2022, \$500,000-\$1 million investment commitment (TBD)
INVESTMENT: Blended Capital
CREATIVE ECONOMY SECTOR: Sustainable Food, Ethical Fashion, Other Creative Businesses
ASSET CLASS: Private Debt

RUNWAY is addressing the “friends and family” funding gap for Black entrepreneurs by providing seed funding plus holistic business support. Entrepreneurs typically rely on personal networks for initial capital to launch a new business venture which on average requires \$30,000, according to Berkshire Bank. Black median household wealth is \$11,000 compared to \$141,900 for non-Hispanic White Americans, suggesting access to capital holds back Black entrepreneurs.

With Uptima Entrepreneur Cooperative, a business accelerator that provides technical assistance and mentorship, RUNWAY couples entrepreneur training with access to capital. RUNWAY has deployed \$820,000 into 36 businesses led by Black entrepreneurs in Oakland (starting in 2017) and 8 in Boston (starting in 2020). These 3-5 year loans of \$5,000-\$20,000 carry a 4% interest rate, including an 18-24 month interest-only payment period at the start of the loan.

Now RUNWAY is planning a national expansion that combines a training program for bank lenders designed to increase lending to Black entrepreneurs with its technical assistance program and patient investment for entrepreneurs. Over 80% of the businesses that RUNWAY has funded have been in the creative economy as defined by Upstart Co-Lab.

Impact Strategy

RUNWAY teaches bank lenders a relationship-based approach to underwriting eliminating the historical barriers to capital experienced by entrepreneurs due to over-reliance on credit scores, personal collateral, or tax and financial reporting as an indicator for future success. The goal is to create a banking system that will be equitable and responsive to Black entrepreneurs.

RUNWAY is deeply responsive to the needs of their entrepreneurs. During COVID, RUNWAY focused their efforts on supporting current RUNWAY entrepreneurs and paused new lending. Nationally, 40% of Black-owned businesses closed due to COVID, but all of RUNWAY’s businesses were able to survive the pandemic.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT
✓ SECONDARY IMPACT
— NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

As of December 2022

Women-owned businesses 68%
 Hours of business advising provided 542 hours

As of December 2021*

Jobs provided in the local community 186
 Growth in revenues over the past 12 months 30%
 Additional capital unlocked \$1,981,337

* These figures are scheduled to be updated in Spring 2023

Upstart Co-Lab’s Role

Upstart learned about RUNWAY through the impact investing news platform ImpactAlpha. After reviewing the strong creative economy exposure of RUNWAY’s Oakland portfolio, Upstart began a dialogue with the RUNWAY team in 2020 to understand how they determined to expand to new geographies, and if Alabama, Chicago or other priority regions where Upstart Members focused were under consideration. Upstart worked closely with RUNWAY, the Souls Grown Deep Foundation and Builders Initiative over two years resulting in commitments from these foundations to support RUNWAY’s expansion into Alabama and Chicago, respectively.



INVESTOR: Souls Grown Deep Foundation
AMOUNT: \$250,000 in 2022
INVESTMENT: Term Certificate
CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Creative Places, Other Creative Industries
ASSET CLASS: Debt

Self-Help Credit Union (SHCU), founded in 1983, is a member-owned, federally insured community development finance institution with a mission to create and protect ownership and economic opportunity for all. SHCU is active in California, Washington, Wisconsin, Illinois, North Carolina, South Carolina, Virginia and Florida, serving 182,000 members via 71 branches. As of the end of 2021, Self Help Credit Union had deployed \$10.8 billion in lending in the form of fair and affordable consumer financial services, home loans, small businesses loans, and real estate development.

Impact Strategy

SHCU is committed to strengthening community organizations, growing local businesses, providing affordable home loans, revitalizing downtowns, building neighborhoods, and advocating for fair and responsible financial practices with a focus on people of color and families with low-to-moderate incomes.

Comprehensive community development activities have emphasized co-working space for creative entrepreneurs, revitalizing abandoned mill buildings as centers for economic and cultural development, and preservation of historic buildings and the heritage of downtown areas. In 2022, SHCU lent nearly \$13 million to creative economy businesses.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	—
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

As of December 2021

Low-income borrowers	.80%
BIPOC borrowers	.84%
Women borrowers	.37%
Rural areas	.23%
Under-served areas	.52%

Upstart Co-Lab’s Role

Since 2016, Upstart has worked with community development financial institutions based on their consistent focus on creative places and businesses as part of their comprehensive community development strategies. (See *Creative Places and Businesses*.) Upstart circulated information on Self-Help to the Member Community in April 2020. When seeking cash management options for the Souls Grown Deep Foundation that aligned with the Foundation’s geographic focus on the South, commitment to equity and poverty-alleviation, and creative economy priority, Upstart identified SHCU based on its short-term investment product offerings, geographic focus, and reputation as one of the oldest and most-admired CDFIs in the U.S.



INVESTOR: Neil Hamamoto; Lorrie Meyercord
AMOUNT: \$350,000 total in 2020
INVESTMENT: Class A Units
CREATIVE ECONOMY SECTOR: Social Impact Media, Creative Places
ASSET CLASS: Venture Capital

Upriver Studios is a women-led, climate-forward film & TV production facility in New York’s Hudson Valley launched by Mary Stuart Masterson and Beth Davenport. Along with its sister nonprofit Stockade Works (a workforce training program dedicated to creating access and career pathways with growth opportunities in the film and TV industry with a focus on women, BIPOC and veterans), Upriver Studios is helping to build a robust film and TV economy in New York’s Hudson Valley. Upriver Studios has repurposed a 101,000 square-foot warehouse into Class A sound stages, with production offices and ample support spaces. Upon opening in 2021, Upriver’s first client was Warner Media/HBO Max’s *Pretty Little Liars: Original Sin*.

Impact Strategy

In its first five years, Upriver expects to create 2,000 local jobs, including crew jobs that offer a pathway to union positions paying \$75,000-\$200,000 annually with benefits. Productions filming at Upriver Studios are expected to draw 20% of their crew from graduates of Stockade Works, ensuring jobs for BIPOC, women and veterans.

Upriver’s environmental best practices (e.g. LED lighting grid, 100% solar-sourced electricity, certification for environmental production) are expected to result in 30% fewer carbon emissions as compared to conventional sound stages. Having signed the Climate Reality Pledge, Upriver is on track with its pledge to be on 100% clean renewable energy by 2030. By attracting film & TV – a clean, generative industry – to the region, Upriver offers as an alternative to prisons, fracking, casinos and cannabis – industries that have negative local environmental, health and social consequences.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	✓

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

June 2021 - December 2022 (Includes Season 1 of Pretty Little Liars)

Women on leadership team and board	6
LED light retrofit of entire studio	.40% reduction in kilowatt hours
Production jobs created	300
Local crew and labor hired	260
Local background actors hired	1,002
Stockade Works graduates referred to <i>Pretty Little Liars</i>	125
Renewable energy used	20,529 kwh
Plastic bottles avoided	30,200

Upstart Co-Lab’s Role

Upstart Co-Lab’s founding partner Laura Callanan was introduced to Upriver Studios’ co-founders Mary Stuart Masterson and Beth Davenport in 2016 by their legal counsel. Upstart has provided the team significant support on strategic planning, financial structure and the investor pitch. Upstart organized investor site visits in 2017 and 2019. Callanan joined the board of Upriver Studios in 2019; she does not hold any equity in the company. Upriver Studios presented to the Upstart Member Community in July 2020.

In 2023, Upstart Co-Lab Member Lorrie Meyercord closed a \$500,000 investment in a fund investing in early stage and growth stage companies in the creator economy (i.e. the online ecosystem of products and services for independent content creators), the future of entertainment, and Web3. At the time of publication of this report in March 2023, the fund is still open for investment. Once the fund is closed to investment, this report will be updated with a full profile page, and the fund will be added to the grid on page 12.

Inclusive Creative Economy Strategy: connecting impact capital to the creative economy at scale

The success of the Upstart Co-Lab Member Community proves that artists, art patrons, cultural institutions, and foundations are seeking investments connected to art, design, culture, heritage and creativity that align with their values. The investments profiled in this report demonstrate that the creative economy offers opportunities that meet investors' expectations across the spectrum of risk-adjusted returns and impact priorities.

Still, the learnings from the Member Community are limited – by the number of examples, by the 3-year time frame, but mostly by investment autonomy of the ten Upstart Members. Since the Upstart Co-Lab team worked in an advisory capacity only, these investments made by Upstart Members do not represent a comprehensive portfolio built around a unified investment strategy. Investment selection was determined by each Member for their individual portfolio. All of the Members had unique goals and preferences regarding arts disciplines and creative industries. Many of the Members focus within a specific geographic region. Members co-invested in seven opportunities; five opportunities received investment from one Member only.

To fully demonstrate the potential of the creative economy for impact investing, starting in 2023, Upstart is raising up to \$100 million from foundations, donor advised funds, and endowed cultural institutions for the first, national impact investment strategy for the U.S. creative economy. Using a multi-funder investment vehicle developed in partnership with [ImpactAssets](#), this Inclusive Creative Economy Strategy will target market rate returns and focus on the impact priorities most impact investors seek: financial inclusion, job creation, community development, and equity.

Upstart Co-Lab believes this Inclusive Creative Economy Strategy can yield the type of financial returns and social impact data impact investors are right to expect. This demonstration is crucial to popularizing the creative economy as a focus for all impact investors, and unlocking endowed cultural institutions, art collectors, and artists as a new source of impact capital. **To learn more about the Inclusive Creative Economy Strategy, please email info@UpstartCo-Lab.org.**

Looking Ahead

At Upstart Co-Lab, we are encouraged to see the creative economy gain traction as an impact investing priority.

Impact fund managers and investment advisors – including Baldwin Brothers, Community Capital Management, Community Investment Management, Conscious Endeavors, the Local Initiative Support Corporation, Manchester Capital Management, and Veris Wealth Partners – are employing Upstart's creativity lens, and new fund offerings like UTA.VC bring experts in content and entertainment together with proven impact investors.

Creatives are actively seeking impact capital through emerging models like the Midnight Oil Collective in New Haven, CT and Wynne Studios in Atlanta, GA. Museums including the Walters Art Museum in Baltimore, the Toledo Museum of Art, and the Contemporary Art Museum Houston are expanding their role as community anchor institutions by investing their endowments in affordable housing and local businesses in their communities.

Upstart Co-Lab will continue connecting capital with creative people who make a profit and make a difference. We believe the optimism, imagination, passion and skill of creative people is worth believing in – and investing in – and our best chance to ensure an inclusive, equitable and sustainable future.

Investment opportunities shared with the Upstart Member Community

Upstart Co-Lab sourced and screened investment opportunities aligned with our Members' geographic, programmatic, investment and impact priorities. Forty funds and companies received in-depth review and were presented to the Member Community between 2020-2022.

7th Ave	Nvak Collective
Akola	Paskho
Alante Capital	Preemadonna
Alpha'a	Purpose Evergreen Capital
Arternal	REC Philly
Arts & Rec	RSF Social Investment Fund
Collab Capital	RUNWAY
Colorado Enterprise Fund	Seed & Spark
E-Line Media	Self-Help Credit Union
EatOkra	SoGal Ventures
Eiffel Investment Group – Cultural Tourism Fund	Springdale Ventures
Greenbelt Hospitality	Supply Change Capital
Honeycomb Credit	Tandem Pictures
Honeycomb Credit Loan Participation Fund	To the Market
Idoru	Triumph Culture Capital
Industrial Sewing and Innovation Center (ISAIC)	True North Studio
Invisible Pictures	Upriver Studios
LISC Impact Note	Viewcy
MaC Venture Capital	Whetstone Media
Newlab	

Acknowledgements

This report is dedicated to the entrepreneurs and fund managers who demonstrate every day why impact investors should prioritize the creative economy, most especially:

Ceyl Prinster and Carrie Hanson, **Colorado Enterprise Fund**

Michael Hokenson, Jacob Haar, and Rachel Balmy,
Community Investment Management

George Cook and Topiltzin Gomez, **Honeycomb Credit**

David Belt and Shaun Stewart, **Newlab**

Patrick Robinson, **Paskho**

Pree Walia, **Preemadonna**

Dave Silver and Will Toms, **REC City**

Jessica Norwood, Alicia DeLia, and Nina Robinson, **RUNWAY**

Keisha Bolden, **Self-Help Credit Union**

Mary Stuart Masterson and Beth Davenport, **Upriver Studios**

Special thanks to the Upstart Co-Lab Member Community for proving the potential for impact investing in the creative economy:

A.L. Mailman Family Foundation, represented by
Richard D. Segal and Tom Segal

Bonfils-Stanton Foundation

Builders Initiative

Creative Capital

Jessie Ball duPont Fund

Martha J. Fleischman

Neil Hamamoto

Lorrie Meyercord

Souls Grown Deep Foundation

an anonymous donor-advised fund

Funding for the Member Community has been provided by the Compton Foundation, the David Rockefeller Fund and the Ford Foundation.

Additional funding for Upstart Co-Lab has been provided by:

All Good Work Foundation

Andrew W. Mellon Foundation

Andy Warhol Foundation for the Visual Arts

Anonymous

Elaine Chen-Fernandez

Colorado Creative Industries

Cornerstone Capital Group

Roberta Denning

Deutsche Bank

E-Line Media

Anders Ferguson

Lisa Claudy Fleischman

Ford Foundation

Halloran Philanthropies

Harman Family Foundation

Heron Foundation

John D. and Catherine T. MacArthur Foundation

Kenneth J. Rainin Foundation

Knight Foundation

Margaret A. Cargill Foundation

Marguerite Casey Foundation

Marian B. and Jacob K. Javits Foundation

MetLife Foundation

Tom Middleton

M.K. Reichert Sternlicht Foundation

Moye White

New York Community Trust

The Philadelphia Foundation

Pritzker Pucker Family Foundation

Abby Pucker

Red Bull

Rita Allen Foundation

Rockefeller Brothers Fund

Rockefeller Foundation

Russell Design

Skoll Foundation

Surdna Foundation

Kat Taylor

Tiedemann Advisors

Veris Wealth Partners

Richard Weininger and Gretchen Stearns

Woodcock Foundation

Upstart Co-Lab Advisory Board

Catherine H. Clark, *Director of CASE i3, Fuqua School of Business, Duke University*

Jed Emerson, *Chief Impact Officer, Tiedemann Advisors*

Jonathan Law, *Senior Partner, McKinsey & Company*

Will Rosenzweig, *Co-founder and Managing Partner, Physic Ventures*

Surita Sandosham, *President and CEO, Heifer International*

Andrew Stern, *Founder and Executive Director, Global Development Incubator*

Dennis Whittle, *Co-founder, Normal>Next*

Upstart Co-Lab Team

Laura Callanan, *Founding Partner*

Serena Desai, *Project Coordinator*

Sophie Forest, *Assistant Director - Investments*

Katherine Kelter, *Impact Investing Associate*

Sarah Lang, *Assistant Director*

Ward Wolff, *Director*

Upstart Co-Lab is a sponsored project of Rockefeller Philanthropy Advisors.
Please visit our website at UpstartCo-Lab.org and contact us at info@UpstartCo-Lab.org

Endnotes

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- 13 www.frbsf.org/community-development/wp-content/uploads/sites/3/The-Community-Reinvestment-Act-and-the-Creative-Economy.pdf
- 14 www2.deloitte.com/content/dam/Deloitte/lu/Documents/financial-services/artandfinance/lu-art-finance-report-2021.pdf
- 15 Original research by Upstart Co-Lab; includes assets for 460 U.S. cultural institutions
- 16 upstartco-lab.org/wp-content/uploads/2022/06/Cultural-Capital-Museums-and-Investing-1.pdf
- 17 Twelve creative economy funds and companies received investments and commitments of \$9.55 million. In addition, Upstart advised the Souls Grown Deep Foundation on a \$2.4 million allocation to socially-themed Exchange Traded Funds NACP and WOMN in alignment with their commitment to social justice.
- 18 medium.com/@lpcallanan/values-and-metrics-for-the-inclusive-creative-economy-9755fcbd774b
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