

Unmet need

The good:

- Tons of DAF assets, growing every year
- Tons of DAF admins who spend the CAC to aggregate those assets

The problem: Most DAF admins only allow you to do nonprofit grants, not impact investments.

- But we know that impact investments can be 1000x the impact per dollar and can round trip big gains back to further grow folks DAFs to do even more impact investing.
- one DAF admin that manually handles impact investments, Impact Assets, is growing fast, \$2b aum with \$50-100m inflows per month. but they are 100% services, no software, so lots of friction.

our thesis:

if the \$140b in dafs are directed at impact investing in startups and the sustainability bonds they can leverage to scale, the \$140b looks more like \$140t of assets with the 1000x impact per dollar of putting \$1 to a startup vs a nonprofit to fix an unmet need. With impact investments in startups, we can actually solve the core problems that keep the family and the climate from thriving vs triaging symptoms of those problems with nonprofit granting only..

The pieces of the solution needed

OptionA: impact investment funds are available to choose when a daf holder picks the funds in which their daf is invested. They can pick an s&p500 etf, and/or right next to it an impact investment fund

For this:

- An "index"/fund that can source, screen, make, track impact startup investments. Jack McMackin has this part working. Index: Take top 25 preseed vcs with unicorns and invest in the subset of their deals that are tech-enabled social impact deals. Then execute the investments. These GPs have 10-80% of their deals now that have direct social impact, as 1. the markets are big with 80% of US families struggling, and 2. startups with the best talent win, and top talent more than ever wants to work for startups with a strong mission. So vcs make bigger returns in mission investments, while doing Good.
- This fund then needs to be made available as an interval fund so any daf admin can make it available to their users as an investment option. When they select it, the daf admin can buy it in their brokerage account just like they buy an S&P500 ETF. This fund will be available then not just for daf assets but all users of a schwab, fidelity, etc. (nobody has this)
- Need a few software developers who build the tech and apis so the daf holders who are interested that have invested in the interval fund can see a robinhood like app of the startups in which they are invested through their daf, and how to help the startups succeed. Founder/ceo post top 5 needs through the app, the network of HNW and

UHNW daf holders can see how to help when looking at that ticker. Founder might say: here is an affiliate code to share with friends/colleagues to help drive awareness/revenue. Or I need an intro to Lyft CEO, etc. (nobody has this)

OptionB: a daf admin who does impact investing is made available as an option in CharityNavigator, so any DAF holder can direct a “grant” to an impact investing fund. I can go to the charity picker on the daf admin portal at Vanguard Charitable and do a grant to the UnitedWay, or do a grant to the ImpactAssets DAF.

For this:

- Need a daf admin that handles impact investment sourcing/screening/making/tracking investments (Impact Assets, Tides, etc have this) to be the destination for daf grants.
- Need to get ImpactAssets registered on CharityNavigator and added to the database of the services that are used by daf admins to let folks invest in any of 1m+ vetted charities. This is another granting destination option in those 1M choices (easy).
- Need a few software developers just like above to help those who granted to the impact daf can see their tickers and help row. Effectively here it is like a nonprofit communicating with their donors. (nobody has these sw engineers in the daf world)
- When an impact investment gets liquid, the proceeds could be re-granted back to the original DAF admin and go back in that users account, or stay in the impact daf for reinvestment.

Nobody today has the full solution.

Jack McMackin has the index, and access to great GPs. No interval fund. Is not a DAF admin. No software developers

ImpactAssets is a daf admin who handles the services around impact investing. Has lots of AUM. No index for sourcing/screening like Jack has. No software developers. No interval fund.

Daffy has \$15m of new vc investment and the software developers. But they are going to spend most of it on cac to get aggregate aum and accounts for their daf admin, vs plugging into others who have the \$140b of aum already aggregated. And their investment options have no impact investing choices. And they only let you grant to nonprofits, not to any impact investments.

Someone like Jack could:

- OptionA: partner with a Mike Latham (father of ishares) or a Cathie Wood and launch an interval fund that is a “VC ESG/Impact” interval fund. At \$100M AUM you can get registered on the big brokerages so anyone can invest easily. Use proceeds to hire a few sw developers.
- OptionB: become a daf admin, get registered on charity navigator, and do outreach to daf admins to let them alert their clients about the new nonprofit their clients can select to grant to for impact investing.

Someone like daffy could become a saas platform for daf admins end to end vs competing for the daf aum. And pursue optionA and/or B above.

ImpactAssets could pursue OptionB. partner with Jack for his index and access. Get registered on CN. And hire some software developers.

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Platform could start a newco to build a SaaS platform for daf admin and impact investing.

Sell your software solution to daf admins who hold \$140b in assets.

- ImpactAssets. Maybe partner with them and give some equity. Bring their \$2B onto the platform first
- Any DAF admin. You help them to enable impact investments
 - 60 community foundations alone in indiana
 - A catholic community foundation in nearly every diocese
 - etc
- Any financial services tech platform. Like LPL who is the tech platform and custodian for many RIAs. they enable basic dafs today, this is way better and they can plug in and offer to all their RIAs
- Do chris@whoknows.com email marketing to RIAs. they can enable their clients to have their DAF with Newco
- Go the Schwabs, Fidelity Charitable, Vanguard Charitable, and similarly offer them the platform like LPL for all their clients.
- Go the investment advisors who advise the various DAF admins on their investment holdings. They can bring this to the table as another “manager” to consider adopting and bring it to all their clients.

Enable them to invest in:

- Any startup with impact
- An S&P500 equivalent of the best 500 impact startups. Like an ETF or mutual fund
- A single impact fund
- A group of the 50 selected impact funds via a fund of funds

Post investment, track all the deals they are in and give the end user a robinhood like app to track their startup investments. With each investment they can see 5 ways the founder could use help. Since everyone with a DAF is in the top 1%, those folks tend to be HNW folks who have great access to help the founders. They may invest via their DAF via newco, and decide to invest as well directly with their personal funds and or through their family office.

Newco makes money through fee and carry. If someone allocates \$10k to a startup, 2% off the top goes to newco for fees and 10% carry on the \$10K investment.

If we have carry on \$2b (the ImpactAssets AUM), and that \$2b turns into \$6b with a 3x multiple on the startups funded, then 10% carry on \$4b of gain is \$400M to Newco over 5 years.

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Research:

<https://amicus.io/platform/>

26 people. 5 years old. Raised \$18m, last round in 2020

Has a SaaS tech platform to handle millions of accounts. Works with RIAs. 40 people. Focused on nonprofit grants not impact investments. Works with GiveClear to do the money movement to the nonprofits.

Capshift.

40 people

Funded by omidyar and heron (brendan maher)

Focused on impact investing from DAFs.

no lead developer or VP eng listed on their leadership page on the website. So services focus or tech focus?

Tech platform has a brief mention [here](#)

ImpactAssets

DAF admin focused on impact investments.

2B of AUM, adding \$50100M a month.

Light on tech

Want to partner with deal leads to tee up opps for their group

<https://daffy.org/>

Non profit. Launched september 2021

Must be a forprofit part as they raised \$15M from Ribbit Capital

<https://www.businesswire.com/news/home/20210930005246/en/Technology-Veteran-and-Longtime-Investor-Adam-Nash-Reinvents-Charitable-Giving-With-the-Launch-of-Daffy-the-Donor-Advised-Fund-for-You%E2%84%A2>

Consumer centric daf admin with a robinhood like app

Focused on gifts to charity vs impact investing

Founded by strong tech person

<https://www.linkedin.com/in/adamnash/>

Not clear if any APIs for b2b focus. Nothing on impact investing.

Investments are publics and crypto, managed by fidelity and blackrock. [Link](#)