Custom Investment Case Study
Entrepreneurial Couple “Pay it Forward” with Philanthropic Impact Investments into Early-Stage Social Entrepreneurs

About the Investors
Jessica and Decker Rolph are impact-driven entrepreneurs and investors who actively seek out opportunities to invest in their hometown, Boise, ID. They are passionate about creating impact and “stimulating the local innovation ecosystem” by investing in early-stage businesses that support financial inclusion and economic development.

About the Investee
American Ostrich Farms is a vertically integrated producer of Ostrich, with a mission of producing the healthiest, most environmentally sustainable red meat available. American Ostrich Farms works towards offering consumers an enlightened, healthy choice for themselves and the planet. Compared to beef, ostrich uses 1/3 the fresh water, 1/50 the land, and emits less than 1/10 the greenhouse gases per pound of meat produced.

IMPACT STATEMENT
To give Americans a more sustainable, healthier red meat option by making ostrich a mainstream animal protein.

UN SUSTAINABLE DEVELOPMENT GOALS

Custom Investment Breakdown

Asset Class
PRIVATE DEBT & PRIVATE EQUITY

Investment Stage
SERIES SEED

Investment Type
PREFERRED STOCK & CONVERTIBLE PROMISSORY NOTE

Business Impact
Capital to help expand 120-acre flagship farm to full capacity and allow business to reach profitable scale

“This fundraiser we’re just completing now — the round that the Rolphs invested in — is going to get us to that positive cash flow situation, that inflection point when the cost of capital falls through the floor and the equity valuation increases dramatically.”

— Alexander McCoy
CEO, American Ostrich Farms
The Challenge
After having a liquidity event, the Rolphs wanted to “pay it forward” by investing philanthropic dollars into mission driven start-ups, in addition to charitable grant-making. Yet it didn’t make financial sense for the Rolphs to set up their own foundation to do so. What they needed was a high value, nimble solution that facilitated early-stage direct investments with philanthropic dollars.

The Opportunity
The Rolphs seek out local investment opportunities that have the potential to create deep impact, and American Ostrich Farms (AOF) fit the bill. AOF’s most recent round of fundraising is intended to help the company bridge the path to profitability and their first big institutional round of funding. The Rolphs were excited to be a part of this latest round, after already investing in an earlier seed round.

The Solution
Through The ImpactAssets Donor Advised Fund, the Rolphs are able to recommend direct philanthropic investments into early-stage businesses like AOF. In partnership with the ImpactAssets Custom Investments (CI) team, the Rolphs have now recommended several direct investments, including the two in AOF.

Because the CI team is experienced with a wide range of investment structures, including promissory notes, the deal was executed in a timely fashion. ImpactAssets will continue to manage the investment for the entirety of its lifecycle. This frees up the Rolphs to focus on what they enjoy doing most: finding new mission-driven entrepreneurs to invest in.

CUSTOM INVESTMENT TIMELINE
Donor sources and recommends investment
ImpactAssets Executes Investment
ImpactAssets Continues Ongoing Investment Managing & Servicing

“<br><br>It’s intellectually fascinating, we have this broad spectrum of different ways to think about capital flowing into opportunity. The ability to deploy bespoke private investments like this one is a real differentiator for ImpactAssets, because it’s these types of investments where a lot of impact happens.”
— Decker Rolph  
Impact Investor, WOULG Holdings

ABOUT CUSTOM INVESTMENTS
Custom Investments offer a personalized impact investing experience. ImpactAssets donors source, conduct due diligence, structure and recommend direct investments into mission-driven businesses, funds and nonprofit organizations that align with their philanthropic goals, and leave the complexities to ImpactAssets.

ABOUT IMPACTASSES
ImpactAssets is the leading impact investing partner for philanthropic individuals, families and advisors. ImpactAssets empowers donors to maximize the reach of their philanthropic capital by providing access to a full range of asset classes including early stage private debt and equity investment opportunities, in addition to supporting customized investing and grantmaking. Through an innovative impact investing platform and field-building initiatives, ImpactAssets increases the flow of capital into investments delivering social, environmental and financial returns. ImpactAssets is an independent 501(c)(3) nonprofit and The ImpactAssets Donor Advised Fund has more than $1 billion in assets.