

IMPACTFUL INSIGHTS

EXPERT:
MICHAEL WHELCHER



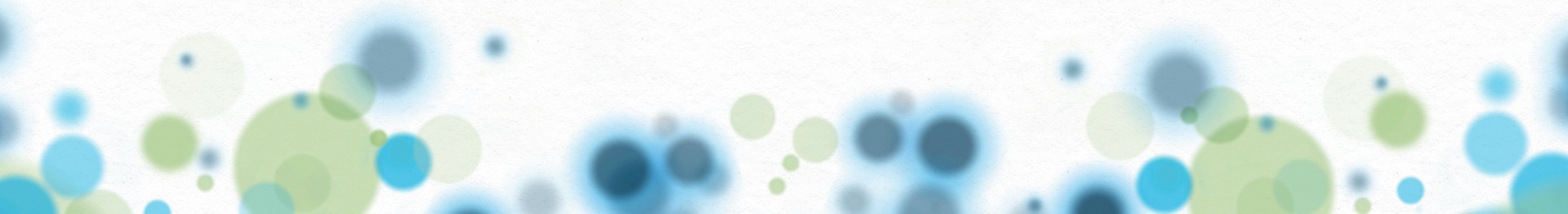
Introduction

Welcome to Impactful Insights with Michael Whelchel; in this e-booklet, you will read our interview with the Co-Founder and Managing Partner of Big Path Capital.

Big Path Capital was created in 2007 by innovative leaders who realized the economy was driven in one way only – towards maximum profit without regard for other factors. Big Path Capital set out to expand the path for businesses and investors looking to build upon natural, social, and financial capital.

They soon realized their triple bottom line model was attractive to others as well – impact enthusiasts like us! Big Path Capital is a global firm that focuses on events and collaboration to advance companies and funds in their impact journeys.

Michael's insights into the Impact space are expansive and powerful. We hope you enjoy this read and upon finishing are just as amped up as Michael is about Impact!



Introduction

About Our Experts

Michael Whelchel brings over two decades of experience financing, acquiring, selling, growing, and operating growth-oriented companies to Big Path Capital. Prior to co-founding Big Path Capital, he worked with both start-ups and later-stage companies in a range of industries, playing key roles in the early development of two private equity firms focused on growth-oriented companies. Michael managed the full investment process including sourcing, deal structure, due diligence, negotiations, financing, portfolio management, sales on exit, and fund raising.

In 2007, with the old economy at a dead end, Michael established Big Path Capital to advance an expansive economy built on natural, social, and financial capital. In partnership with Shawn Lesser, Michael has founded a number of first of their kind initiatives all of which demonstrate SmarterMoney+ - maximize return, maximize impact. Those include the Five Fund Forum, Impact Capitalism Summit, and Impact & Sustainable Trade Missions.

Michael received his BA summa cum laude, Phi Beta Kappa from the University of the South in Sewanee, TN and received a joint MBA and MEM (Master of Engineering Management) from the Kellogg School of Management, Northwestern University. Michael is an advisory board member of the Croatan Institute and the Babson Center for Global Commerce and is a member of the Social Venture Network and Net Impact.



MICHAEL WHELCHER
CEO OF BIG PATH CAPITAL

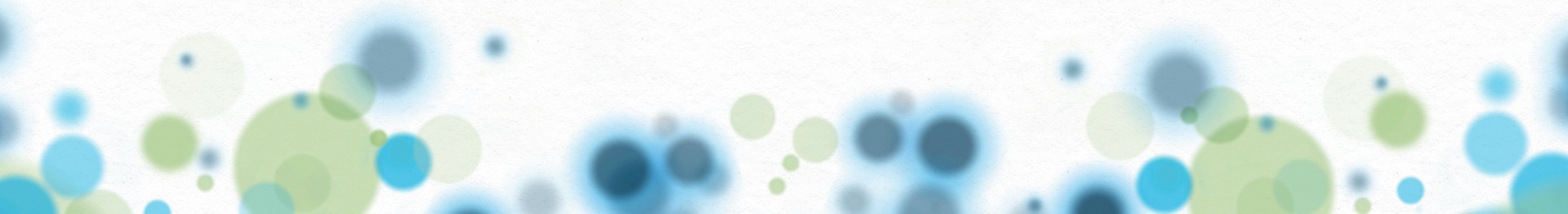
Question 1

Can You Tell Us How Your Impact Journey Began?

Like many things of significance, I trace my interest in impact back to my childhood. You see, I was raised on a farm by hippie mother who had us eating organic greens and drinking organic raw milk. It was mortifying to carry your 'home grown' milk to school in a little bottle capped with plastic wrap and a rubber band. While part of my mom's motivation was for good health, the bigger reason was that my mom had a distrust for the system.

So of course I grew up wanting the opposite of what I had. I wanted to be a normal guy that bought his milk. I went to business school, I pursued a career in finance. I worked for one private equity fund then another. There was lots of important stuff but nothing with deep heart in it, nothing organic and nothing alive.

For me, it was the financial crisis that I really asked what's wrong with the system. It seemed rigged and broken. In 2007 the old economy driven by the single gear of profit maximization reached a dead end. It was a moment of reckoning for me and many others. My partner, Shawn Lesser, and I formed Big Path Capital to advance an expansive economy built on natural, social, and financial capital.

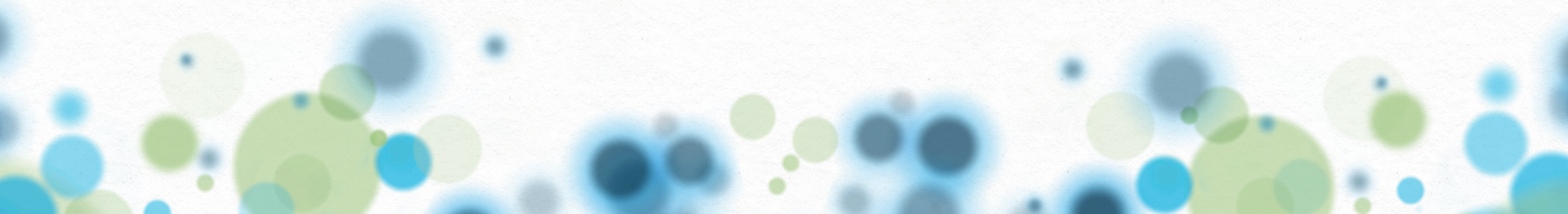


Question 2

What is Your Specific Role in Relation to Impact Investing?

We are impact capitalists. We look to harness the power of capitalism and free markets to be a force for good. Big Path does facilitate this in a few ways. First, leveraging one of the largest networks of Impact Investors globally, we assist purpose-driven companies and funds ensuring mission preservation across financial transactions, including acquisitions, mergers, and capital raises. So we are helping capital connect with good investments in companies and funds creating a circle of virtue of return and impact while building a strong foundation for the sector. Second, we've created a few marquee events for impact investors. Notably the Impact Capitalism Summits which are the largest gatherings of institutional investors focused on impact and return. These events bring together the leading investors in the sector to share best practices, co-invest, and network.

“We are impact capitalists. We look to harness the power of capitalism and free markets to be a force for good.”



Question 3

What Impact Investing Successes Have you Witnessed?

Our philosophy is summed up in the term, SmarterMoney+, maximize impact and maximize return. All our clients exemplify this principle. We have worked with over 140 impact funds and companies, more than any investment bank in the sector. Two examples...one is, a sustainable food company. It was one of the fastest growing food and beverage companies in the Inc. 5000 rankings and has had a tremendous impact offering a sustainable alternative at scale to the mostly industrial egg and dairy production market. Maximize impact, Maximize return. Another is a growth equity fund raising their 4th fund. Their 3rd fund is top quartile performance among all same vintage growth equity funds.

“We’ve been too timid; almost apologetic in our comparison to the incumbent investment strategy. We’ve been afraid to call it superior. It’s time to play some offense.”

As an industry, we’ve defended impact investing saying it is at least as good as traditional investing. We say *“there is no trade-off”*. But still too often the mainstream perception is that impact investing plays second fiddle to traditional investing, and that some inherent concession is being made.

We’ve been too timid; almost apologetic in our comparison to the incumbent investment strategy. We’ve been afraid to call it superior. It’s time to play some offense.

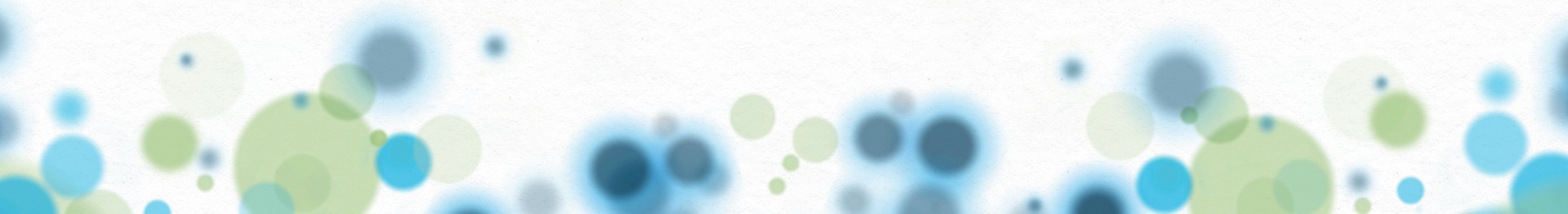
Question 4

What Changes Have You Witnessed in the Impact Investing Arena?

I've seen impact from from the margins to the mainstream. What we are doing isn't a marginal activity: but one of central importance. Unlike most transactions in the financial world, what happens through an impact investment has other multiple positive outcomes outside the transaction – potential to shift the trajectory of global warming, to lift people out of poverty, to support sustainable farming practices, etc...

This is no longer a hobby as institutional investors see they can individually and collectively harness the power of markets to create positive change. We are tapping into some of the most promising investment sectors while we address some of the most critical global needs. We recognize this as a both / and endeavor not an either/or trade off.

Increasingly we are making the case that harnessing capitalism for multiple returns is the best way to address critical global needs, to manage investment risks, and to identify sources of alpha. We call this simply, SmarterMoney.



Question 5

Big Path Capital Believes That Every Transaction Has the Opportunity to Bring Prosperity With Profit. Can You Explain That?

“Really it is waking up to the fact that we should be expecting more out of our capital.”

We vote with our asset accounts and our financial decisions everyday by what we invest in. We talk about impact investing. Really all investments are impact investments – positive and negative. When we start to ask ourselves what those impact really are we start to open up the possibility of having each investment produce return and positive impact. Really it is waking up to the fact that we should be expecting more out of our capital. We all want to be savvy investors. Savvy investors are those who get the most out of their investment. If we are investing for financial return only, we are limiting our upside, we are leaving social, environmental, possibly even financial return on the table. It is flipping from, *“why would I?”* to, *“why wouldn't I?”*

Question 6

Can You Tell Us a Bit About the Ways in Which Big Path Capital Spreads Impact?

Big Path Capital has launched and developed a number of marquee impact investor events. We've developed a mission-aligned network of investors over a 10 year period. It has been a lot of hard work and long-term relationships. We also have facilitated the connections through our various impact investor events; the Impact Capitalism Summit, the Five Fund Forum and the Impact Train Stop Tours.

The Impact Capitalism Summit is a landmark event which attracted 250 participants from family offices, foundations, global wealth investment firms, investment advisors, fund managers, government, companies and service providers representing one of the largest gatherings of investable assets focused on Impact Investing in the world. It was the first national gathering to take a portfolio approach to Impact Investing focused on institutional investors deploying capital across asset classes for return and impact. The conference program is built around five key asset classes – Public Equity, Public Debt, Private Equity, Private Debt, and Direct Investments - showing how institutional investors can make money and have impact. This Summit provides a rich environment for learning as well as business development opportunities with peers.

The Five Fund Forum showcases five funds representing diverse investment vehicles across the spectrum of sustainability. The Five Fund Forum occurs twice per year and occurs in the US and Europe. In September, we'll be doing our 19th FFF.

Question 7

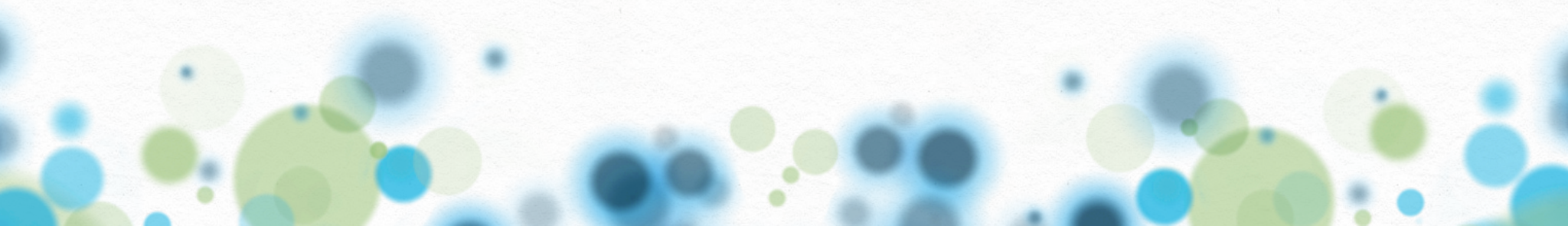
What Does Impact Mean to You?

Which investment strategy should really be called concessionary or even naïve for that matter... one that produces a 12% return and restores natural and social capital or one that produces 12% and exploits, diminishes, or at best takes no consideration of the communities and the natural systems that support us?

What strategy is really compromising - one that makes 14% return and grows delicious produce on organic land or one that returns 14% and depletes the top soil and employs a workforce with few or no rights?

It is time flip the tables. It is time for the incumbent strategy that makes a market rate through extraction and externalizing costs to move aside. No more concessions, let's engage capital in superior way.

Sorry got on my soap box!

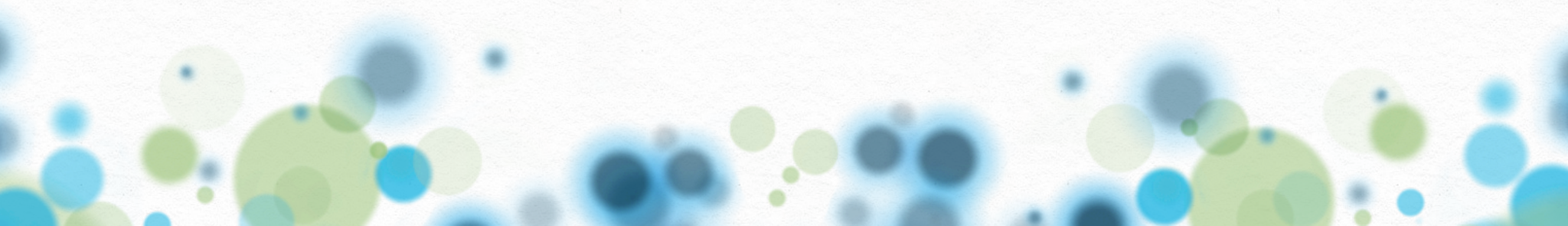


It Is Being Accomplished

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