

Fueling the Growth of an Emerging Industry

The SBIC Program allocates roughly \$200 million in annual SBA-guaranteed leverage commitments to the Impact Investment Fund, which is available to funds licensed as Impact SBICs. The Impact Investment Fund was created to support small business investment strategies designed to both maximize financial return and generate enhanced social, environmental and economic impact. With each new Impact SBIC licensed, SBA hopes to contribute to the impact industry's growth; demonstrating that investors can use their capital to affect positive change in their communities while also earning strong financial returns. (For more information visit www.sba.gov/inv/impact)

Supporting a Range of Impact Strategies

Impact SBICs, like Standard SBICs, maintain an exclusive focus on financing U.S. small businesses in need of capital. As beneficiaries of the Impact Fund, they also make a commitment to deploy at least 50% of their invested capital in "impact investments." These investments may be either pre-approved, SBA-Identified impact investments or Fund-Identified impact investments applicants define as part of their licensing application. While every Impact SBIC fund manager must meet the SBIC Program's licensing qualifications standards, the application, investment and measurement requirements of the Impact Fund vary de-

WHAT IS IMPACT INVESTING?

Impact investing is the practice of investing with the goal of generating positive social, environmental or economic impact alongside financial return. The Global Impact Investing Network (www.thegiin.org), cites several core characteristics of the approach, summarized here:

- **Intentionality:** Impact investors deploy capital with the intention of generating impact.
- **Financial Return:** Impact investors always expect a financial return, whether market rate or a simple recovery of principal.
- **Measurement:** Impact investors commit to measure the social, environmental or economic impact of their investments.

Common Requirements	Apply	Invest	Measure
	Meet SBA licensing standards and obtain expedited processing	Deploy at least 50% of invested capital in "impact investments"	Assess and report on the outcomes achieved
SBA Identified Strategy ONLY	Describe strategy and track record of making impact investments.	Impact investments are those made in: <ul style="list-style-type: none"> • Economically Distressed Areas • Low to Moderate Income Areas • Rural Areas • Qualified Low Income Communities • SBIR/STTR Recipients • Energy Savings Investments 	Report impact investments using standard SBA reporting forms
Fund-Identified Strategy ONLY	Describe strategy, track record and provide the fund's customized definition of an "impact investment"	"Impact investments" must be consistent with fund's customized definition	Obtain an independent, third-party assessment of fund's impact, such as a GIIRS rating

Impact SBICs

Michigan Growth Capital Partners

Detroit, MI & New York, NY

Licensed: 2011

Web: www.investmichigan.com

Bridges US Sustainable Growth Fund

New York, NY

Licensed: 2014

Web: www.bridgesventures.com

Renovus Capital Partners

Wynnewood, PA

Licensed: 2011

Web: www.renovuscapital.com

SJF Ventures III

Durham, NC

Licensed: 2012

Web: www.sjfventures.com

Morgan Stanley Impact Fund

New York, NY

Licensed: 2014

Web: www.morganstanley.com

Bluehenge Secured Debt SBIC

New York, NY & Baton Rouge, LA

Licensed: 2015

Web: www.bluehenge.com

SBCC II

Stamford, CT

Licensed: 2015

Web: www.sbccfund.com

GCM Grosvenor California

LA, California

Licensed: 2016

Web: www.gcmpl.com