

ABOUT PRIME IMPACT FUND

Prime Impact Fund (PIF) is a \$50 million equity fund that invests in early-stage innovative technology companies with the potential to significantly reduce greenhouse gas emissions.

The John D. and Catherine T. MacArthur Foundation's \$5 million investment will allow PIF to address a critical capital gap for climate-relevant innovation by financing promising technology-based solutions. The MacArthur Foundation is joined by an extraordinary collaboration of more than 70 foundations and family offices, including the David and Lucile Packard Foundation and the Jeremy and Hannelore Grantham Environmental Trust, among many others.

WHY IT MATTERS

The effects of global climate change will have enormous implications on where we live, how we grow food and life as we know it. While entrepreneurs are making great strides to develop technologies that could mitigate these effects, the use of venture capital and angel investment to scale these early-stage innovations is substantially lacking. Many of the most promising solutions require longer development timelines, considerable research and development, and outsized capital investment. Consequently, many conventional investors are reluctant to invest in climate-relevant, "hard technology" ventures at the earliest stages, leaving many promising ventures stagnant and unable to achieve their full potential.



HOW IT WORKS

PIF addresses this acute financing gap by utilizing catalytic capital—investment capital that is patient, risk-tolerant and flexible—to invest in climate-relevant, technology-based solutions. PIF will advance several Sustainable Development Goals by investing in ventures that meet the following criteria:

- **Potential for gigaton-scale carbon emission reduction.** PIF invests in companies that demonstrate the ability to drive sizable progress in reducing global greenhouse gas emissions.
- **Not a fit for market-rate investors today.** The fund targets early-stage investments that bear too much risk for typical venture capital investors. As such, PIF only invests in ventures that demonstrate a need for de-risking catalytic capital to bridge the innovation gap and attract future market-rate investors.
- **Attractive to traditional finance tomorrow.** Finally, PIF seeks ventures that demonstrate a path to commercialization, so traditional investors can provide financing in the future.

This investment approach will help PIF achieve its goals to mobilize more than \$300 million of follow-on capital and reduce at least two gigatons of CO₂ emissions by 2050. PIF demonstrates the power of catalytic capital by seeding early-stage ventures with long-term investments that mitigate risk for future commercial investors. With climate change persisting as one of the most pressing and defining issues of our time, catalytic capital is an essential tool to mobilize investment that is commensurate with the scope of this enormous challenge.

Prime Impact Fund is a field partnership of the Catalytic Capital Consortium, which is an investment, learning, and market development initiative launched by the John D. and Catherine T. MacArthur Foundation, in partnership with The Rockefeller Foundation and Omidyar Network. The Consortium informs and inspires the use of catalytic capital globally to help enterprises and funds access the financing they need to innovate, scale, and sustain high-impact strategies that further the UN Sustainable Development Goals.

To advance the Catalytic Capital Consortium, MacArthur is investing in a series of funds or intermediaries that demonstrate a powerful use of catalytic capital across sectors and geographies.