Custom Investment Case Study
How Philanthropic Capital Uniquely Bridged Funding Gap for Early-Stage Bioscience Company

At-A-Glance
Cavendish Impact Foundation (CIF) uses philanthropic capital to help address the funding gap for transformative and impactful early-stage health and life science companies. With The ImpactAssets Donor Advised Fund, CIF had the opportunity to further their mission of addressing high unmet medical needs through an investment in Terran Biosciences. If this investment generates positive returns, they will be recycled back into the donor advised fund to increase the philanthropic capital available for future investments. It is a model that has the potential be sustainable and regenerative.

About the Investee
There have been very few breakthroughs for patients with psychiatric and neurological disorders like schizophrenia and Parkinson’s disease during the last decade. Terran Biosciences is trying to change this by taking a portfolio approach towards developing technologies and therapeutics designed to improve the lives of patients with these diseases.

IMPACT GOALS
Changing the diagnostic and treatment paradigm for multiple neuropsychiatric diseases.

UN SUSTAINABLE DEVELOPMENT GOAL

Custom Investment Breakdown
- **Asset Class**: EQUITY
- **Investment Stage**: PRE-SERIES A
- **Investment Amount**: $100,000

Business Impact
Investment intended by CIF to be catalytic & serve as ‘stamp of approval’ — thus attracting additional investors

“Cavendish Impact Foundation’s philanthropic investment means a lot to us at Terran. We believe that what we are building could truly revolutionize the space and will be potentially transformative for our patients. CIF’s endorsement helps us get closer to these goals, and will help attract other patient-focused investors to this cause.”

— Sam Clark, MD, PhD
CEO, Terran Biosciences
The Challenge
Many early-stage bioscience companies today are facing the innovation “valley of death”. Traditional venture capital has moved towards backing companies at less risky, later stages of commercialization, and this among other factors has left many early-stage bioscience companies without the critically needed access to capital. As a result, potential treatments for devastating conditions struggle to progress along the path to commercialization where they can eventually benefit patients in need.

The Opportunity
Cavendish Impact Foundation (CIF) is a nonprofit that aggregates donors’ charitable dollars to invest in innovative life science companies, specifically those focusing on high unmet medical needs — such as rare pediatric genetic diseases and brain health — two areas that are particularly underfunded. CIF saw Terran Biosciences as a potential game changer in brain health, and seized the opportunity to provide catalytic capital that would help propel Terran forward.

The Solution
CIF recommended a $100K equity investment into Terran from their ImpactAssets Donor Advised Fund account, The CIF Catalytic Impact Solutions Fund. This, in turn, helped attract more investors. Terran’s current funding round will allow them to move their diagnostic imaging technology through the FDA approval process, and help advance their drug candidate for schizophrenia.

Given that this investment used philanthropic dollars, it is inherently more patient and risk tolerant. Additionally, since returns go back into The CIF Catalytic Impact Solutions Fund to be used for future impact investments, it has the potential to be a truly sustainable form of philanthropy.

“ImpactAssets has been terrific at facilitating our ability to do these catalytic investments in private companies, where we can use charitable funds to help accelerate impactful innovation. We believe that, along with our donors, we are helping to change the world in some small way, by helping patients who are suffering from conditions and diseases where treatment options are limited to non-existent.”

— Rachel Butler
President, Cavendish Impact Foundation

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ABOUT CUSTOM INVESTMENTS
Custom Investments offer a personalized impact investing experience. Donors can 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 IMPACTASSETS
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.