

**HOLIDAY HELP: UNIQUE GIFTS FOR GOOD**

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TO LEAD  
WITH  
GENIUS**

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WINTER 2019



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# Impact Investing

Innovative companies that have found ways to generate a measurable, beneficial social and environmental impact alongside financial returns.

## Chew on This: Beyond The Burger

**How do you turn Beyond Meat's initial public offering — the most successful IPO in nearly two decades — into an impact investing windfall?**

For Honest Tea Founder Seth Goldman (pictured below), an early investor in Beyond Meat, it started “when our oldest son convinced my wife (Julie Farkas) and I to become vegetarian. He was 13 at the time, had been vegetarian for three years, and he kept asking questions we didn't have good answers to — questions like ‘Why do people have dogs for pets and cows for food?’”

While Goldman and Farkas were happy to become vegetarians from an ethical point of view, they were disappointed from a culinary perspective. “I joke that veggie burgers are a conspiracy by the meat industry to discourage people from becoming vegetarian,” said Goldman, because once people try one, they go back to meat.

But when Farkas read about a company seeking to replicate the taste and texture of meat using only plants, Goldman thought this veggie burger might be different. He reached out to the company founders, and in 2013, the couple made their first investment in Beyond Meat.

Goldman's investment strategy tapped into a knowledge base built from establishing Honest Tea, an organic, Fair Trade beverage company with a sustainable approach. And he sought to double his impact in these investments by



**“Consumers can enjoy all the culinary versatility of ground beef, with the added nutritional and environmental benefits of eating plant-based meat.”**

**ETHAN BROWN, CEO**



RICK BERN

Some of the biggest names in sports, from Kyrie Irving (left) to Chris Paul, are investing in Beyond Meat after discovering the power of plant-based eating. The new roster of brand champions that includes All-Star point guard, Irving, is part of the brand's new Go Beyond campaign – which spotlights the inner spirit and drive to reach the unattainable – the same spirit that created Beyond Meat and propels its mission. “I now have a Beyond Burger after every game to aid with recovery times and inflammation – it’s a game changer, literally,” he says.

investing both in a for-profit account and side-by-side through a philanthropic donor-advised fund account at ImpactAssets – a nonprofit financial services firm founded to increase flows of capital to the world’s greatest challenges.

For Mark Van Ness, a founding board member at ImpactAssets, an investment in Beyond Meat sounded like a delicious opportunity. “When I was introduced to Beyond Meat, my doctor had recently advised me to go vegan to treat a painful rheumatoid disease of the spine. Two weeks after I changed my diet, all my pain went away.” Soon, Van Ness had also made an investment in Beyond Meat through his ImpactAssets account. “I was intrigued with Beyond for the health benefits, but also because I was concerned about the negative impact a meat-based diet has on climate,” he added. By shifting from animal to plant-based meat, Beyond Meat addressed four growing issues attributed to livestock production: human health, climate crisis, constraints on natural resources, and animal welfare.

“I thought, ‘This is a good thing for the *Real Leaders* philanthropic fund to invest in,’” said Van Ness.

In just 10 years, ImpactAssets has become a “Billion Dollar Impact Investing Unicorn” and grown to more than 1,250 client donor advised funds.

The organization has also ramped up its Custom Investments program – investments like Goldman’s and *Real Leaders*’ Beyond Meat purchases. Since that program’s launch in 2011, the firm’s donor advisors have sourced and recommended \$92.47 million in close to 600 direct investments into private mission-driven businesses, impact funds, and nonprofit organizations at roughly \$150,000 average per deal.

Meanwhile, Goldman, Van Ness, and many other ImpactAssets clients are creating a “virtuous cycle” of philanthropic impact investing that has the potential to grow with each new investment that’s made to help social entrepreneurs build businesses with impact. Investing in this way “gives you the opportunity to recycle that money in a philanthropic way, and in the case of Beyond Meat, exponentially increase

the amount of philanthropic dollars you have to invest,” said Van Ness.

Beyond Meat listed its IPO in May at \$25 a share, and ever since investor appetite for the company has been insatiable, driven by a potent combination of product demand, investor buzz, and strong company performance. For Goldman, Van Ness and ImpactAssets, that has meant lofty returns. The initial investment in Beyond Meat of \$1.1 million has been trading at \$35-40 million recently. “*Real Leaders* intends to reinvest in another 50 to 100 impact companies in the next few years,” said Van Ness.

“We believe we should enable and inspire our donor investors to both grant and invest quite aggressively and with a sense of impatience,” said ImpactAssets CEO Tim Freundlich. “Donors want to deploy their philanthropic capital affirmatively to create good in the world right now.” ■

*Morrison Shafroth is the director of Momentum Communications.*