



Annual Benefits Report, CY 2020
Cogent Consulting SBC
Submitted 2/02/2021

After 20 years in business, Cogent Consulting converted to a Specific Benefit Corporation on December 18th, 2018. We are an independent, strategic, financial, and impact investing firm empowering purpose-driven organizations. Impact investing is "Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. (Global Impact Investing Network)"

We work with a diverse set of mission-driven investors and entrepreneurs through evidence-based and actionable advice. Our work serves foundations, corporations, social entrepreneurs, and impact investing place-based ecosystems. Our clients include the Bush Foundation, Ashoka: Innovators for the Public, the Local Initiative Support Corporation Twin Cities and Duluth offices, the Minnesota Council of Foundations, the New Mexico Association of Grantmakers and several others. Please see our new website for more information, www.cogentconsulting.net.

Pursuant to Section 304A.101 of the Minnesota Statutes, Cogent Consulting SBC pursues the following specific benefit purpose as listed in its articles:

To empower purpose-driven organizations that drive positive social impact in their communities.

Cogent Consulting, SBC accomplishes its specific benefit purpose with all of its clients and pro bono work. This work included the following projects:

1. Add knowledge to the field:
 - o Opportunity Zone Tax benefits are a source for new investments directed to neighborhoods in need. In 2020 Cogent developed tools and then advised and trained staff and community development organizations in the Twin Cities and Duluth through working with the nonprofit Local Initiative Support Corporation (LISC). Cogent's work supported these clients and their partners to be able to take advantage of the Opportunity Zone legislation. The tools included an Opportunity Zone impact investing Blueprint to be used to frame specific projects, Opportunity Zone Social Impact Assessment Framework used to review the actual and promised impact on the community by specific projects, and an Opportunity Zone project Social Impact Scorecard used to assess the impact and potential impact of specific projects. The paper Cogent prepared in 2019, "Opportunity Zones: An Impact Investing Perspective", is available upon request.

2. Grow the field:

- o Engaged the field in learning dialogues: In 2020 Cogent strengthened the Twin Cities Impact Investing Ecosystem, provided pro bono support to Impact Hub MSP, convened an active community of practice for professional impact investment advisors and individual investors and another group dedicated to measuring and reporting impact.
- o Facilitated discussions that expand the diversity of those engaged in the field. Cogent Consulting facilitated events that convene a wide audience discussing strategies to expand women and people of color in Impact Investing. Convened 75 people at the March event (last one in person) and a virtual event mid-January 2021.
- o Shared knowledge through website blogs (available on our website).
- o Expanded opportunities for people of color through internships and service contracts resulting in four people of color actively engaging in Cogent's work.

Cogent expanded its national footprint, growing place-based impact investing in New Mexico and Philadelphia.

- o Cogent's work in New Mexico is with the New Mexico Association of Grantmakers to explore a fixed income fund for the state modeled on the fund Cogent created for Minnesota.
- o In Philadelphia, Cogent is working with the Barra Foundation to help them develop their impact investing policies, strategy, and due diligence.

3. Educate About Impact Investing: Cogent increased impact investing awareness and practice within the philanthropic communities and their leadership and the general public through presentations, roundtables attended by entrepreneurs, non-profits, career changers, and students and an active social media campaign.

- o Cogent works with foundations to explore and implement impact investing for their own investment portfolios. Cogent founder and CEO, Susan Hammel, CFA, continues to educate Minnesota's philanthropic community by serving as Executive in Residence for the Minnesota Council of Foundations. In this capacity she is leading the charge to raise \$76 million for recovery and rebuilding due to the economic downturn due to the pandemic as well as rebuild damaged communities in the aftermath of the murder of George Floyd.
- o Cogent hosts monthly Social Entrepreneur Roundtables that educate about Impact Investing and build new connections. These sessions are open to all and hosted at various locations across the Twin Cities, including Impact Hub MSP. These sessions moved to online in March 2020 and continue to engage between 7-12 new people each session

4. Strengthen Social Entrepreneurs and the Non-Profit Sector: Cogent Consulting serves social impact-oriented clients seeking consultation on financial growth strategies and the best investor relations strategy practices for their organizations.

- o Cogent Consulting worked with Washington DC area based Ashoka LLC to expand their Changemaker Company initiative in the United States.

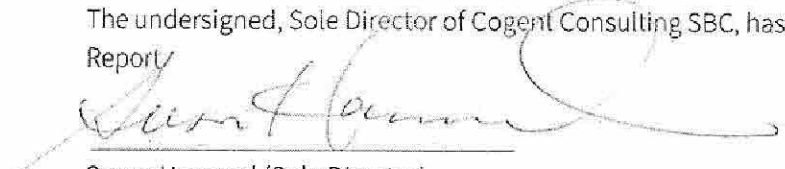


- Cogent developed an investor relations strategy for the public benefit companies, iPondr and MoneyVerbs.
- 5. Provide Pro Bono services: Cogent Consulting worked with social businesses and nonprofits are dedicated to making an impact.
 - Cogent Consulting provided pro bono facilitation to lead the Impact Investing and Impact Reporting Communities of Practice for Impact Hub MSP. The value of this service is \$12,000 on an annual basis.
 - The CEO and Founder of Cogent Consulting serves on the Fresh Energy Board of Directors as well as the Carleton Careers Advisory Board. Other team members also serve on nonprofit boards.
 - Cogent team members informally advise and mentor a diverse group of entrepreneurs as a service to the Twin Cities ecosystem.

Cogent Consulting encountered the following hindrances to pursuing its specific benefit purpose:

1. The Covid-19 pandemic and the resulting work-from-home change hindered the education and diversity expansion work of Cogent. In person events are effective ways of engaging those curious about the field during facilitated networking, small break out sessions and more. Online events are more challenging at recruiting the curious.
2. Impact reporting by companies is inconsistent and often includes false claims which make investors wary. Similar to the phenomenon of "greenwashing" this false or misleading reporting is detrimental to the movement.
3. Federal regulations around how to complete an Opportunity Zone investment are complicated and difficult to implement. Local early attempts to create ways to address these with a shared fund approach were not successful.
4. The lack of diversity, equity, and inclusion in the investment field is an ongoing issue. The percentage of venture capital funding going to women and people of color-led startups continues to be less than 3%. Women in the investment industry as a whole hover around 20%.

The undersigned, Sole Director of Cogent Consulting SBC, has reviewed and approved this 2020 Annual Report


Susan Hammel (Sole Director)

2/2/2021
Date



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