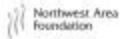


Social Investing at Northwest Area Foundation

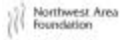
March, 2005



1

Northwest Area Foundation

- Mission: To help communities reduce poverty
- Geographically based: work in an eight state region
- Investing strategy: Providing access to capital in underserved region builds capacity to reduce poverty



2

Capital Gap

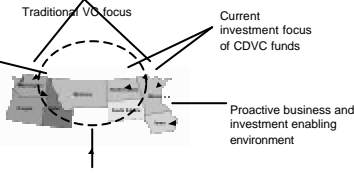
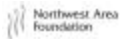
Sponsors in Eastern Washington/Idaho are eager supporters and are increasingly joining together

Traditional VC focus

Current investment focus of CDVC funds

Proactive business and investment enabling environment

Opportunities for NNAF given capital scarcity and need for seed/early stage investment, combined with investment and business development schemes

3

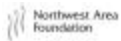
Community Development
Venture Capital Alliance

A Two-Pronged Approach

1. "Mission related" venture capital fund – Invest Northwest

Regional private equity fund seeking venture capital returns and regional development by investing in private, middle-market, growth and later-stage companies.

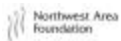
- Managed by InvestAmerica – offices in Cedar Rapids, IA; Fargo, ND; Vancouver, WA; Kansas City, MO



4

Invest Northwest Criteria:

- Manufacturing, service, distribution and technology companies
- Sales of \$5M - 100M; could be less with growth-stage companies
- Companies located in Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota and Washington
- Investments retain or create living wage jobs and benefits; build community wealth
- Post-investment involvement follows traditional VC approach



5

A Two-Pronged Approach

... continued

2. Program Related Investment Pool

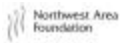
PRIs made for the creation or expansion of community development financing products with the potential for reducing poverty in communities and increasing long-term assets for individuals and families.



6

PRI Criteria

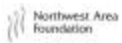
- CDFI
- Eight-state geography
- Underserved communities
- Poverty reduction focus
- New or expanding CD financing products
- Post involvement includes creation of learning network



7

Summary

- Two parallel strategies provides more opportunity to achieve greater impact
- See increasing interest from other foundations in both strategies



8
