

FUND MILWAUKEE

VISION

A strong, sustainable and resilient Milwaukee.

MISSION

To create a culture and launch tools that inspire, educate and enable local residents to invest in local businesses.

GOAL

Milwaukee invests 10% of its annual investment dollars within greater Milwaukee, with a focus on investing in local businesses that measure their success against all three pillars of the triple bottom line – economic, ecological and social.

OBJECTIVES

Enable participation of local investors by creating or identifying an investment framework(s) that allows individuals to direct their investment dollars directly to local triple-bottom-line businesses and projects.

Foster growth of local triple-bottom-line businesses or projects through access to investors and training in developing and presenting deals for investment.

Promote the positive impact of local investing and triple-bottom-line businesses and projects by recruiting, encouraging and highlighting opportunities for a local investment.

WHY?

Currently, there are very few local investment options that are accessible to mainstream investors. Fund Milwaukee envisions a new kind of investment opportunity designed to connect small, primarily non-accredited investors with social entrepreneurs dedicated to improving the well-being of society and the environment in Milwaukee.

Fund Milwaukee will ensure that economic power resides locally—to the greatest extent possible—in order to sustain vibrant, livable communities and healthy ecosystems. Fund Milwaukee will engage average citizens in the creative process and shared risk of entrepreneurial problem solving.

Fund Milwaukee will link and enhance the social and economic fabric of Milwaukee by learning and investing in each other one idea at a time, creating a transparent partnership in which we collaborate as investors and business owners to solve our social problems.

Fund Milwaukee is an idea under development. We are actively reaching out to individuals and organizations for tools and models to move Fund Milwaukee from concept to reality. Investments are not currently being made, but we welcome you to contact us with questions, suggestions or connections.

- Fund Milwaukee Steering Committee
June 1, 2011

EXISTING INVESTMENT FRAMEWORKS

Nearly all non-publicly traded opportunities to invest fall under SEC requirements for disclosure and have limits on the number of non-accredited investors (<\$1M net-worth and <\$200k annual income) who can be involved in the deal. This limits the ability for many individuals to invest unless there is a vehicle identified that meets these requirements. The following are existing frameworks for investing locally:

Investment Clubs

These clubs have historically taken the form of a group of individuals deciding to invest together in publicly traded stocks. New local investment clubs could bring together local investors to invest in friends and family collectively. Example: lioninvesting.com

Self-directed IRA

By placing IRA funds with certain investment firms, an individual can self-direct the investment of those funds into deals of the individual's choosing, such as small business loans, equity investments or real estate investments. The firm guides the process of meeting SEC requirements. Example: mtrustcompany.com

Loan Funds

Most loan funds are either more traditional or require investors to have accredited status. A few local options are now emerging. In each case, there is a fund intermediary. This model creates several participants who need to derive income from the deal, driving the necessary return on the investment higher than the business could expect from a traditional bank loan.

Investing in Local Banks or Organizations

Organizations such as Wisconsin Women's Business Initiative Corporation (WWBIC) invest their money locally. Example: wwbic.com

Deal Flow Facilitator Platforms

These are middle-man platforms that connect borrowers directly to individual lenders, but reduce risk by providing technical assistance, legal frameworks and general financial guidance, ensuring compliance. Example: profounder.com

Impact Investor Platforms

Traditional investment opportunities screened by progressive financial services companies to create access to capital and investment options for accredited investors. Example: missionmarkets.com

Grassroots Investing

A loan fund model with a framework for broad participation by non-accredited investors at low individual investment amounts has been launched by the La Montanita Coop in New Mexico. Example: lamontanita.org (follow <http://tinyurl.com/lamontanitafund> for information about the fund.