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Kim Bardakian

kim@kaporcenter.org

510-499-5723

Impact-only Venture Fund Ranks in the Top Quartile of all Similarly-Sized VCs

Kapor Capital Impact Report Challenges other VCs to Invest in “Gap Closing” companies; Points Toward Vision of “VC 2.0.”

(Oakland, CA) Investing in “impact” companies need not come at the expense of financial returns, according to a new report released by venture capital firm Kapor Capital today. Since 2011, Kapor Capital has invested exclusively in Impact companies and, eight years in, the fund ranks in the top quartile of all funds of comparable size, the report says.

[View the Full Report, including the Executive Summary here](#)

The firm, long a leader in--and critic of--Silicon Valley culture, defines impact as “companies committed to closing gaps of access, opportunity, and outcomes for low-income communities and communities of color in the United States.”

Many VCs continue to steer clear of gap-closing impact companies, incorrectly believing that investing in companies that do good might come at the expense of financial returns. Today's results strongly refute this hypothesis.

The results were based on the following two standard measurements of portfolio performance:

- Internal Rate of Return (IRR) -- **29.02**
- The Total Value to Paid In (TVPI) Multiple-- **(3.0)**

By both measures, Kapor Capital's Impact Portfolio ranks in the top quartile of venture funds of comparable size.

These figures do not include major investments, such as Uber and Twilio, where Kapor Capital investment was initiated before 2011.

“We’ve always believed that all companies have some sort of impact in the world—some positive, some negative, states **Mitch Kapor, Partner at Kapor Capital**. “As investors, it’s our responsibility to nurture only those innovations that make our world more fair, just and equitable. After eight years of impact-only investing, we’re proud to share our results and prove our hypothesis.”

In addition to the numbers released today, the Kapor Capital Impact Report lays out a vision for “VC 2.0,” one that understands that:

- financial returns cannot be the only measure of a company’s success.
- genius is evenly distributed throughout society, regardless of race, gender or zip code--but opportunity is not.
- the lived experiences of underrepresented entrepreneurs provide a competitive edge in identifying problems to be solved and markets to be accessed.

The report also details the specific impacts that their companies are making in the world by closing gaps in education inequality, helping families access healthy foods, disrupting predatory lenders and so much more.

“At Kapor Capital, we want to disrupt the very way that businesses are evaluated,” said **Dr. Freada Kapor Klein, Partner at Kapor Capital**. “‘Impact’ investing shouldn’t be the outlier; greed-first investing should be the category getting scrutinized. VC 2.0 is the vision of what VCs can be and this excites us tremendously.”

According to the report, VC 2.0 means a real values alignment between investors and entrepreneurs by inviting new and different people to join the table or sit side-by-side at a new table. Kapor Capital wants to encourage varied and diverse entrepreneurs to pitch more gap-closing businesses.

Other impact leaders across various sectors welcomed the results of the Kapor Capital Impact Report:

“The folks at Kapor Capital are helping to make the business case that there need not be a conflict between gap-closing impact and financial returns,” remarked **Al Gore and David Blood, from Generation Investment Management**. “Investors must be a force for good and solely invest in businesses which provide goods and services consistent with a no carbon, prosperous, equitable, healthy and fair society.”

“Kapor Capital shows that choosing to trade return for impact was a false choice all along,” said **Deval Patrick, Managing Director, Bain Capital Double Impact and former Governor of Massachusetts**. “This report is an important contribution to defining what it means to invest for long-term value.”

“Kapor Capital’s relentless and distinct focus on gap closing as the definition of impact has helped to identify and grow not only scalable, disruptive companies, but also to make a discernible impact on the inequities that exist in the world, “ remarked **Carla Harris, Vice**

Chairman, Senior Client Advisor, Morgan Stanley. “The report calls out the VC community in a ‘straight no chaser’ kind of way. It is a must-read, but not for the faint of heart.”

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***Download the full report & view the animated infographic at
www.KaporCapital.com/Impact***

***Kapor Capital Impact Report Hashtag is #KaporImpact
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