



SLINGSHOT MEMPHIS
INVESTOR LETTER
Q1 - 2017

We are pleased to report that the first quarter of 2017, our inaugural quarter, has exceeded expectations. Though we have been fully operational since January 1, we have been building the foundation of this 'venture philanthropy platform' since early 2016. Leading up to our launch date, we focused on raising seed money, organizing board directors and consultants, recruiting staff, aligning with our first non-profit partners, identifying software solutions, and developing a communications strategy. Having a running start into our first year of operations has been a key driver for our early success.

Utilizing investment principles to disrupt poverty in Memphis is unique to the area; therefore, it is very challenging to identify a meaningful benchmark to compare our progress. As a response, we have established a series of lofty internal goals. These goals are informed by the work of like-minded organizations across the country, like the Robin Hood Foundation in New York City. Based on where these organizations were following their first ninety days of operation, we are years ahead of schedule. Though we are pleased with such progress, we must maintain momentum, and are not taking our foot off the gas. There is much work to be done.

As we anticipated, building a platform to effectively measure and monetize poverty alleviating interventions comes with many challenges. The newness of what Slingshot Memphis is undertaking is difficult to overstate. We are reminded daily why this approach has never before been implemented in our city. While we are the first organization to do this sort of work in Memphis, there is no reason for us to wholly reinvent the wheel. Therefore, we are maintaining open and frequent communication with our colleagues at Robin Hood.

We have pages of ideas for new solutions, and the patience to recognize that we must focus on our core mission: utilizing investment principles to identify, fund, and accelerate (or slingshot) a portfolio of organizations that improve the quality of life for Memphians living in poverty. In doing so, we must avoid creating yet another silo and thus missing out on opportunities to leverage other community assets. Working with community leaders and neighbors to identify where there are gaps in coverage, and thus avoiding redundancies, is paramount to maximizing our return on investment.

Our primary challenge has been developing a deep understanding of how our partners exact change in the community. To understand the impact our partners are having on the people and communities they serve, we have developed an Impact Measurement System. Among other benefits, this tool allows us to better isolate the value added by each of our non-profit partners. From there, we can estimate the benefit of these interventions per dollar of costs.

Because of these challenges and how we've responded to them, we are more bullish today than when we first began dreaming about the potential impact this model would have in Memphis.

Looking ahead, we will continue developing our data collection processes and analytical tools to monetize our partners' outcomes, and ours as well. In a practical sense, this means many hours spent poring over equations, sifting through tables of data, and exchanging numerous emails seeking clarification on important questions. We will also begin focusing more energy on boosting community awareness about Slingshot Memphis and the work we do here, as well as raising dollars for our Impact Fund. On a broader level, this means that we are well on the way toward fulfilling our promise to our stakeholders – investors and non-profit partners. Put simply, it is working!

To say that we are genuinely thrilled to be doing this work is a great understatement. But we are also humbled - by the amazing work our partners do every single day in our community - and grateful - to have the opportunity to work with and support those who add so much value to our community. Memphis can only be better for this.

Onward,

Justin W. Miller
Chief Executive Officer

MEASURE, INVEST, IMPROVE, REPEAT