

Advancing Impact

A BrightEdge Roundtable

May 21, 2024
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ADVANCING IMPACT: A BRIGHTEDGE ROUNDTABLE

Executive Summary

On May 21, 2024, over 60 leaders and practitioners from across the health care impact investing landscape gathered for Advancing Impact: A BrightEdge Roundtable. *Hosted by BrightEdge, the innovation, impact investment, and venture capital arm of the American Cancer Society (ACS), and facilitated by Tideline, a consulting firm dedicated to impact investing*, the event served as a platform for knowledge sharing and collaboration around critical issues facing the health care impact industry.

From addressing unmet needs and disparities to advancing medical innovations, impact investors, who seek both financial returns and positive impacts from their capital commitments, play a vital role in driving meaningful change in the health care sector. As the global health care landscape continues to evolve, the need for innovative solutions and intentional investments has never been more pressing. The BrightEdge Roundtable provided a unique opportunity for industry leaders to come together, exchange insights, and chart a course for the future of impact investing in health.

Key Themes and Takeaways:

- Innovation and Investment in Health Care:** The rising costs and complexities of health care demand innovative solutions and strategic investments. Collaboration is crucial to developing these advancements and ensuring their accessibility.
- Enhanced Impact Measurement:** The development of specialized frameworks is needed to address the challenges of measuring impact, especially for early-stage investments in oncology life sciences and health care.
- Alignment with Company Goals:** Aligning impact metrics with companies' objectives optimizes their potential to generate significant impact.
- Capital for Health Equity:** Utilizing diverse tools, such as grants and impact investments, is essential to address unmet needs and ensure equitable access to care.
- Strategic Cross-sector Collaboration:** By adopting a more strategic approach to collaboration, stakeholders can bridge existing gaps in knowledge and resource sharing, ultimately accelerating progress toward a healthier future.

The Roundtable concluded with a call to action for stakeholders to:

- Invest in Innovative Solutions:** Back groundbreaking research, technology, and initiatives that have the potential to transform health care delivery, treatment, and access.
- Champion Impact Measurement:** Support the development, adoption, and ongoing refinement of standardized impact measurement frameworks specifically designed for early-stage health investing.
- Advocate for Health Equity:** Promote policies and investments that address unmet medical needs and bridge gaps in treatment, care delivery, and patient solutions; prioritize underserved communities; and advance equitable access to care.
- Explore Strategic Financing:** Investigate innovative financing mechanisms to unlock capital for high-impact opportunities – across asset classes and across themes that directly and indirectly affect health-related outcomes.
- Encourage Collaborative Efforts:** Foster cooperation across sectors to share knowledge and best practices, working together to pave the way for a healthier, more equitable future.

Welcome and Introductions

The devastating human and economic costs of cancer demand groundbreaking approaches. In opening remarks for the Roundtable, **BrightEdge** Managing Director **Alice Pomponio** and **American Cancer Society** Chief Finance and Strategy Officer **Kael Reicin** emphasized the critical need for solutions. With a projected \$25.2 trillion global burden expected over the next 30 years,¹ the urgency to address this societal cost is clear. The United States alone faces a \$21.09 billion annual economic burden from cancer care,² with a significant portion of that cost borne directly by patients. Staggeringly, \$16.2 billion of that burden comes from out-of-pocket costs,³ forcing many patients to deplete their savings and potentially face bankruptcy. The American Cancer Society stands at the forefront of combating this crisis.

“The question really is: why are we letting this happen? Cancer and cancer health inequity – it’s the climate change of health care. We’re all feeling symptoms of it day to day. And I would argue we’re in a mode of surviving, not yet thriving.”

– Alice Pomponio, Managing Director, BrightEdge

The American Cancer Society has proudly contributed to the 33% reduction in the overall cancer death rate in the US since 1991.⁴ In fact, **ACS is the largest nonprofit, non-governmental funder of research in the United States**, currently supporting more than 620 active grants with over \$423 million in investments.⁵ Beyond research, ACS offers a wide range of services, impacting millions of lives annually. These services span from providing information on cancer.org to offering critical support programs like Hope Lodge® communities, which provide over 500,000 free nights of lodging to patients and their caregivers each year.⁶

1 [Estimates and Projections of the Global Economic Cost of 29 Cancers in 204 Countries and Territories From 2020 to 2050 | Oncology | JAMA Oncology | JAMA Network](#)

2 [Cancer care causes financial hardship for patients - O'Rourke - 2022 - Cancer - Wiley Online Library](#)

3 Ibid.

4 [Our History | American Cancer Society](#)

5 [cancer.org/research/how-american-cancer-society-research-funding-works](#)

6 [American Cancer Society Hope Lodge | What is Hope Lodge? | American Cancer Society](#)

Hope Lodge NYC

Advancing Impact: A BrightEdge Roundtable took place at the American Cancer Society Hope Lodge community in New York City. Facing cancer treatment can be overwhelming, especially when travel is involved. This facility offers free, temporary housing for patients and their caregivers, reducing financial burden, fostering emotional connection, and making treatment more accessible. Hope Lodge NYC provides a comfortable, homelike environment where guests can focus on their health journey.

Visit: cancer.org/support-programs-and-services/patient-lodging/hope-lodge.html to learn more about the Hope Lodge program and how you can support its vital mission.

Hope Lodge NYC Impact – 2023



1,223

PEOPLE FACING CANCER AND
THEIR CAREGIVERS SERVED



29,429

NIGHTS OF
FREE LODGING



\$5.7M

SAVED IN
HOTEL COSTS



24 nights
AVERAGE LENGTH
OF STAY



Despite these efforts, the battle against cancer is far from over. ***This year alone, over 2 million people in the United States will receive a cancer diagnosis, and over 600,000 are expected to lose their lives to the disease.***⁷ Recognizing the complexity of this fight, BrightEdge addresses disparities in access, affordability, and treatment options through impact investments and innovation initiatives.

BrightEdge serves as an extension of ACS’ mission, driving innovation and progress in cancer care. By leveraging ACS’ deep knowledge base, BrightEdge identifies breakthrough solutions and provides financial and strategic support to entrepreneurs developing cutting-edge technologies and therapeutics. ***With a three-pronged strategy focused on driving science, enhancing patient impact, and ensuring sustainability, BrightEdge aligns its investments with ACS’ mission, placing patients at the center of its approach.*** Innovative business models and

“All the work, all the research, the new treatments, capabilities, platforms – there’s just an incredible amount of work left to do. That’s why we’re still here, why we’ve come together, and why we created BrightEdge – to continuously fill the gap.”

– Kael Reicin, Chief Finance and Strategy Officer, ACS

financial solutions offer a unique opportunity to bridge the gap in the health care system. By investing for both impact and financial returns, ACS and BrightEdge aim to generate meaningful change in the fight against cancer, driving progress across the entire cancer care spectrum.

⁷ [Cancer statistics, 2024 - Siegel - 2024 - CA: A Cancer Journal for Clinicians - Wiley Online Library](#)

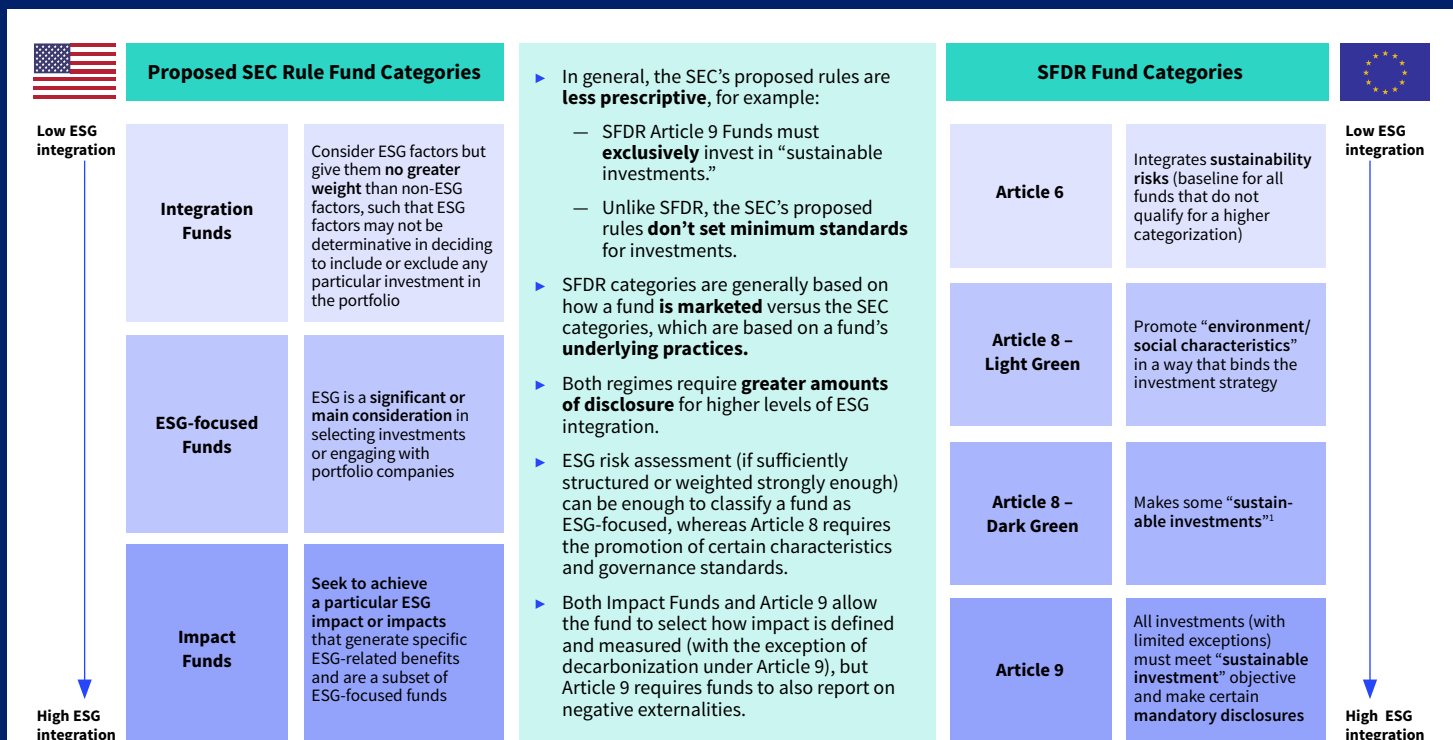
Health Impact Metrics and Measurement Workshop

Overview

Measuring the impact of early-stage health investments is an ongoing challenge. How do we truly quantify the “why” and “how much” of positive change in this critical field? A dynamic Health Impact Metrics and Measurement workshop, facilitated by **BrightEdge** Director of Impact **Eunice Chapon** and **Tideline** Managing Partner **Ben Thornley**, delved into the complexities of measuring impact in early-stage health investing, fostering insightful discussions on frameworks, advancements, and challenges faced in this area.

Over the past decade, significant progress has been made with respect to impact measurement and management (IMM), which is the process of defining goals, tracking progress, and evaluating the social and environmental impact of investments. The Sustainable Development Goals (SDGs), Impact Frontiers’ Five Dimensions of Impact, and the Operating Principles for Impact Management, for example, have provided a foundation for aligning investments with impactful outcomes. These frameworks, however, were designed for broader impact investing and often struggle to capture the nuances of early-stage health investing, particularly those involving oncology and life sciences. ***This gap highlights the need for specialized frameworks that can accommodate the long-term nature of health outcomes and the high-risk, high-reward profile of early-stage ventures.***

US And EU ESG Fund Categories Do Not Neatly Align Regulators Have Sought To Clarify ESG Product Offerings For Investors, But Have Taken Different Approaches



¹ For an investment to be a “sustainable investment” under the SFDR, it must (1) contribute to an environmental or social objective; (2) meet the EU’s “do no significant harm” test (diligence on principal adverse impacts and minimum human rights standards) and (3) investees must meet “good governance” standards.

Regulatory Landscape and Challenges

As highlighted by **Mary Beth Houlihan**, partner, ESG and Impact, at **Kirkland & Ellis**, the regulatory landscape surrounding impact investing is still evolving, providing both challenges and opportunities. While frameworks like the SEC’s proposed ESG disclosure rule and the EU’s SFDR/SFTR provide initial categories for sustainability-focused funds, they lack specific guidance on defining and measuring impact. This creates challenges for compliance and leaves room for interpretation. Despite the high-level nature of these regulations, regulators have lofty expectations for ESG and impact disclosure, as evidenced by recent enforcement actions. The need for standardized frameworks to underpin these regulatory requirements and provide clarity on impact measurement was emphasized.

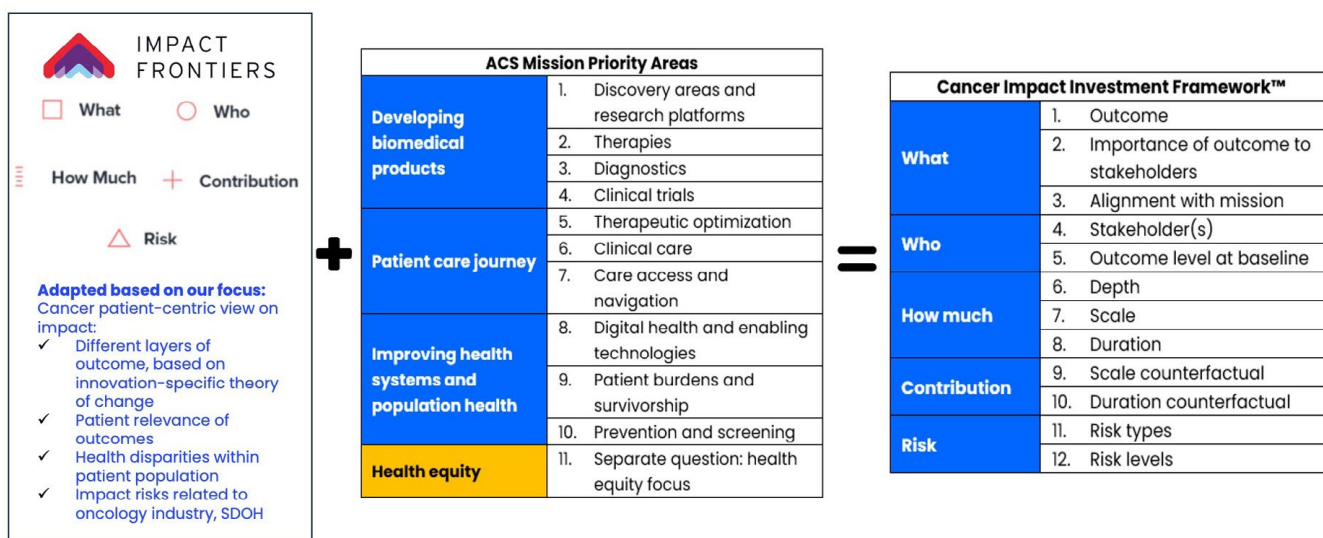
“For those in the earlier stages of developing impact frameworks, one thing you can do is think about your mission and what you’re trying to invest in, and bake that into your framework. Then come up with a scoring scale or methodology to show how things align with your mission.”

– Eunice Chapon, BrightEdge Director of Impact

Case Study: BrightEdge’s CIIF

Recognizing the limitations of existing frameworks, BrightEdge developed its innovative Cancer Impact Investment Framework™ (CIIF), which was presented as a case study during the workshop. Built upon the Impact Frontiers’ Five Dimensions of Impact, CIIF tailors these five dimensions to the American Cancer Society’s mission priority areas, ensuring patient centricity throughout the investment cycle. This robust framework, specifically designed for early-stage health investing, incorporates a theory of change that comprehensively assesses impact across the cancer care continuum.

BrightEdge’s Cancer Impact Investment Framework



“Having the specificity we can derive from routinely reported information from the American Cancer Society and its *Cancer Facts & Figures* report is a phenomenal starting point. It provides an outcome we can use as a baseline and then continue to track throughout the course of the investment.”

– Lucas de Breed, BrightEdge Director of Investments

To maximize the power of CIIF and unlock its potential for broader use, BrightEdge took a significant step forward by integrating the framework into a third-party data impact and ESG platform. This move not only streamlines information collection, but also transforms CIIF into a system that can be supported with independent and third-party analytics. The CIIF platform solution allows for:

- **Automated data collection:** Information requests are delivered efficiently, minimizing burden on portfolio companies. Standardized formats like drop-down menus and predefined questions ensure consistency and facilitate analysis.
- **Centralized data storage:** Data are housed in a single, accessible location, eliminating the need for manual spreadsheets and simplifying data retrieval.
- **Systemized data analysis:** The platform can analyze collected data to identify trends and areas for improvement within the CIIF framework itself.

Leveraging the extensive research and data available from ACS, CIIF utilizes thorough impact assessments to establish a strong baseline for measuring investment impact. This data-driven approach, informed by ACS’ deep understanding of the field, enables ongoing tracking and refinement of impact metrics, ensuring they remain aligned with the specific goals of early-stage health investments.

The workshop also highlighted CIIF’s potential beyond its initial focus on BrightEdge’s cancer-related investments. The core framework has the flexibility to be adapted for use across different asset classes within the broader health impact-investing landscape. BrightEdge is committed to exploring this potential and welcomes collaboration from stakeholders across the health impact-investing landscape. By working together, we can address the existing gaps in health metrics and refine frameworks like CIIF to ensure a more comprehensive and standardized approach to impact measurement in early-stage health investing.

Breakout Sessions: Refining the Approach

The workshop featured breakout sessions focused on two key themes: driving innovation and achieving scale in impact life sciences. Key takeaways included:

- Company-centric Focus:** Shifting from top-down, investor-centric approaches to the alignment of impact metrics with the specific needs and goals of individual companies. Discussions centered around prioritizing conversations with companies to understand their impact goals and tailoring metrics accordingly.
- Unmet Need and Health Equity Considerations:** The importance of integrating health equity considerations into impact measurement frameworks to ensure investments address health care gaps and disparities. This could involve developing metrics that track how investments are reaching underserved populations and communities and improving health outcomes for all.
- Trade-offs in Standardization:** Finding a balance between the benefits of standardization for consistency and flexibility for innovation, particularly in health equity initiatives. Some participants cautioned that overly rigid frameworks could stifle innovation in areas like health equity, where new approaches are crucial.
- IMM as a Decision-Making Tool:** Participants emphasized the importance of using impact measurement and management to provide valuable data and insights that inform investment strategy and decision-making. An effective IMM approach can help investors assess the potential impact of different investment options and make more informed choices that align with their impact goals.

“IMM should not just be a tool for outputs and fancy marketing, but for driving decisions – useful data and information that get back to the strategy level and help you iterate over time.”

– Participant

Conclusion

The workshop highlighted the need for tailored frameworks in early-stage health impact investing. Collaboration is key to creating and standardizing these frameworks, unlocking the potential of this field. BrightEdge’s CIIF presents a promising example. By working together to refine CIIF and explore broader use cases, stakeholders can significantly advance impact measurement in health investing.

Panel 1: State of the ESG and Impact Markets for Health

The State of the Market panel, moderated by **Jane Bieneman**, senior advisor at **Tideline**, featured prominent thought leaders within health care and impact. Panelists **Kabeer Aziz**, co-founder of **Adjuvant Capital**; **Matt Patsky**, CEO and lead portfolio manager of **Trilium Asset Management**; **Preeti Bhattacharji**, head of sustainable investing for **J.P. Morgan's US Private Bank**; and **Lucas de Breed**, director of investments at **BrightEdge**, engaged in an enlightening conversation on the opportunities for health impact investing and their shared goals for the future of the industry.

Opening Thoughts

The panel began with a discussion on potential opportunities and challenges within sustainable investing. Encouragingly, there has been meaningful growth in sustainable investment capital in recent years, clearly demonstrating uptake and interest from an emerging generation of investors. This trend extends to health care and life sciences investment, where there is an increased appetite even, and especially, among traditional investors looking for outsized returns.

However, there is a crucial concern among impact investors known as impact lockstep: preserving a company's positive impact even after exiting an investment (e.g., IPO or company sale). **The question becomes: How does impact, and impact per dollar of revenue generated, keep up with growth?** While many industries struggle to preserve this impact post-exit, health care is a rare space where impact lockstep is impressively preserved.

“Impact lockstep is kind of the holy grail for many people in the impact investing space, and health is one of the few spaces where you often see really phenomenal impact lockstep.”

– Panelist

Panelists discussed the potential challenge health impact investors must address regarding identity as well. Sustainable investing is still, in many circles, synonymous with climate investing. Continuing to introduce other forms of impact, such as health impact, to these conversations will be an important goal for those looking to broaden the sustainable investment universe.

The panel reiterated the deep intersectionality of impact issues, such as health equity; diversity, equity, and inclusion; and environmental justice, as well as the importance of viewing them holistically as an investor. Participants also spoke about the recent change in public perception of ESG products, particularly as firms face increased political scrutiny. While this changing sentiment has led to a meaningful drop in the number of products labeled as ESG in recent years, the products and managers most affected by changing sentiment may be those who were not fully integrating these investment approaches. It is worth noting that while impact strategies aim to produce social benefit, in contrast to ESG strategies' emphasis on environmental, social, and governance policies, sentiment in one industry inherently impacts the other.



From a market perspective, it has been a challenging period for biotech investing. Nevertheless, some on the panel believe the market is beginning to shift in favor of more IPOs and venture-backed biotech funding, even with the continued challenges. The panel noted that despite science and technology never being stronger, there is still a disconnect between these opportunities and the vehicles that exist to take advantage of these opportunities. While large, established investors with multi-decade track records can continuously raise capital, smaller impact funds in the health care space struggle to gain investor traction. As the sector continues to reorient, and these impact funds grow their track record, impact investors expect to see increased capital in the space.

The panel also highlighted the unique position of BrightEdge and its impact venture portfolio, ACS Impact Venture Fund (AIVF). Participants emphasized the benefit of having the American Cancer Society's institutional backing and expertise. This dynamic allows AIVF to prioritize investments with strong scientific viability that align with ACS' mission, while maintaining a strong focus on both financial returns and positive impact.

Impact Measurement

While impact measurement has made significant progress, there are still opportunities for improvement. Over time, the industry has seen a shift from promises and pledges to comprehensive metrics, including historical, audited, and comparable data. However, there still exists a tension, particularly within early-stage investing, to not overburden companies with onerous impact metric requests. This tension requires impact investors to be intentional, focusing on the metrics that are both feasible for their portfolio companies and highly relevant for their impact assessments. To address this challenge, there is an active desire within the industry to create standardized impact measurement frameworks.

“Do you want us to report on impact or have impact? And the answer is, we want you to have impact.”

– Panelist



In a related discussion, the panel highlighted BrightEdge's approach to impact value creation and ways to measure this critical contribution. BrightEdge emphasizes the importance of introducing a systemic view of impact early to its portfolio companies. This lens goes beyond traditional scientific progress by integrating evidentiary-based strategies and data to inform clinical trial design, regulatory strategy, patient experience, payer dossier design, and the broader health care ecosystem – factors often overlooked by early-stage companies. The success of this approach relies heavily on the significant human capital from the BrightEdge team and from the broader ACS expert network, including volunteers and prior ACS grantees with deep commitment to the ACS mission.

Health Equity, Policy, and Opportunities

In an engaging Q&A session, panel members shared their thoughts on investment criteria that support health equity, global policy, fiduciary responsibilities of investment managers, and future opportunities for the sector.

In terms of criteria, the panel emphasized the potential for global access, tiered pricing, regulatory approvals, and volume commitments when evaluating the health equity potential of an investment. Ensuring company management is aligned with impact objectives for a given intervention, including negotiating with both co-investors and boards, is a difficult but necessary part of their investment process. Panelists also opined on the growing opportunity for AI and machine learning to conduct equity due diligence, like identifying the communities exposed to additional social, environmental, and system-level risks that drive cancer disparities.

From a policy perspective, the panel discussed the need for standardization and harmonization across geographies. While US policymakers have struggled to enforce stricter regulations, many other countries in the EU and Asia are moving toward stronger enforcement standards on ESG integration. Related is the importance of fiduciary responsibility as an asset manager. In the same way that impact investors feel an obligation to uphold the values of their underlying clients, so should all institutions uphold their stated missions.

Regarding opportunities for the sector, the panel shared common opinions on priorities. They emphasized the need for collaboration and co-investment in the sector, as funds seek to solve multi-billion-dollar problems. ***Panelists and participants emphatically rejected the narrative that positive social impact comes at the expense of financial returns. They stressed the need to move past this outdated misconception, highlighting a long history***

of experience demonstrating that impactful investing can be financially rewarding. They encouraged all investors to question their investments and, in the spirit of movement building, push back on investments that do not align with their values. To close, panelists highlighted the meaningful financial toxicity around cancer care and the massive opportunity for improving affordability in the sector.

Conclusion

Our State of the Market panelists thoughtfully illuminated both the unique perspectives and shared priorities of practitioners across the impact investment industry. Following this discussion, which spanned financial markets, health care, and public policy, attendees left with a deeper appreciation for the ongoing challenges and opportunities within impact investing across those disciplines.

Fireside Chat

Overview

Capital plays a critical role in achieving health equity, and our Fireside Chat explored how to leverage it most effectively. Moderated by **Alice Pomponio**, Managing Director of **BrightEdge**, the discussion featured **Kimberlee Cornett**, senior director of impact investments at the **Robert Wood Johnson Foundation**, and **Jordanna Pleat**, managing director of impact-first investments at **CapShift**. Key themes centered on collaborative strategies, diverse investment tools, and the need to unlock underutilized capital to address health disparities.

“This isn’t just a moment; it’s a movement. We all have unique roles to play, whether it’s accessing funding sources, facilitating smoother capital flows, or leveraging operational expertise to deliver outcomes.”

– Alice Pomponio, Managing Director, BrightEdge

Social Determinants of Health and Collaborative Strategies

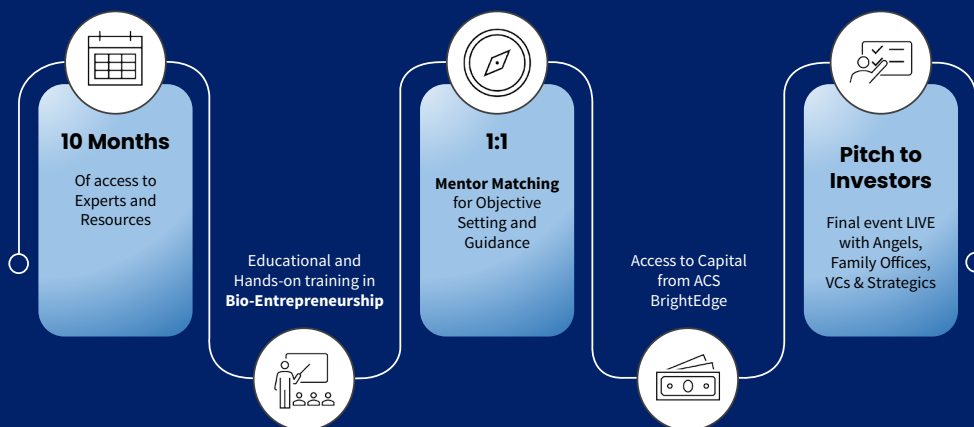
The conversation emphasized collaboration across sectors to address social determinants of health – factors beyond health care access, such as affordable housing, education, healthy food options, and a safe environment. The panelists stressed the need for aligned missions and goals to avoid duplicating efforts. They cited impact investing in areas like affordable housing as an example of this collaboration, highlighting how stable housing can significantly improve health outcomes for various populations. The concept of “proximate leadership” was also discussed, highlighting the importance of having leaders who understand the communities they serve. For impact investment to succeed, deployed capital should focus on areas of greatest impact potential, supported through strategic value-add, and measured through standardized and sector specific frameworks. From this perspective, impact-operating organizations like American Cancer Society are uniquely positioned to inform and support strategic allocation and investment for measurable impact.

BrightEdge Entrepreneurs

The path from scientific innovation to patient benefit is complex, with a “Valley of Death” phase that occurs between the end of basic research funding and investor readiness. BrightEdge Entrepreneurs (BEE) is a selective program designed to bridge this gap. It trains and equips scientific entrepreneurs to launch companies that advance research discoveries for patient benefit, focusing on those who would not otherwise have access.

Each entrepreneur in the inaugural cohort is paired with three to four expert mentors who are successful serial entrepreneurs. Additionally, they have access to ad hoc mentors – specific industry experts. The monthly BEE educational sessions are recorded and uploaded to a virtual platform, accessible to over 25,000 grantees within the ACS network.

At the conclusion of the program, entrepreneurs will present their pitches to a select group of strategic partners from the ACS BrightEdge network. The inaugural BEE pitch event is set for October 28, 2024, at The Charles Hotel in Cambridge, Massachusetts.



Strategic Capital Allocation

The Fireside Chat also explored the evolving landscape of capital allocation for achieving health equity. While grants have traditionally played a significant role in supporting innovative solutions and underserved communities, the conversation highlighted the growing importance of impact investing. Impact investments aim to generate financial returns alongside a positive social or environmental impact.

The discussion highlighted a critical challenge: Investments often prioritize areas with high profit potential, such as certain cancers, which can neglect diseases with significant unmet medical needs. This can leave entire populations without access to effective treatments and diagnostics. The discussion emphasized the importance of incorporating health equity considerations into capital allocation strategies. BrightEdge serves as an example by focusing on early-stage innovation in cancer care, addressing these unmet needs, for example, through cutting-edge therapeutics and early detection technologies.

“With the generous support of [RWJF], we launched our health outcomes and equity investing primer to really dig into [the role of impact investors and what is needed for this sector]. We found key opportunities in early-stage innovation, equitable access to care, and prevention. More capital is needed across the risk-return spectrum to address health outcomes and equity.”

– Jordana Pleat, Managing Director of Impact-First Investments, CapShift

To learn more about these topics, refer to CapShift’s recently released primer, [A Healthy Future: Putting Dollars to Work for Health Outcomes and Equity](#).

To maximize impact and address the complex challenges of health equity, panelists emphasized the importance of using different capital tools strategically.

This includes strategic grantmaking, which can pave the way for impact investing. For instance, grant funding can be used to develop and pilot promising health initiatives, which can then attract impact investments for scaling successful models. This combined approach allows organizations to maximize their impact, while ensuring financial sustainability.

“When philanthropy looks at sectors and considers all the forms of capital in play – public and private – in order to diagnose capital barriers and use the right tool, the results can be magical.”

– Kimberlee Cornett, Senior Director of Impact Investments, RWJF

Policy Advocacy and Impact Investing

The Fireside Chat also emphasized the potential for impact investors to drive systemic change through policy advocacy and engagement. Panelists discussed the importance of leveraging different forms of capital, including philanthropic, financial (through impact investing), and political (through policy advocacy), to address complex social issues like health equity. By advocating for policies that promote health equity, such as affordable housing initiatives, impact investors can create a more favorable environment in which their investments can succeed.

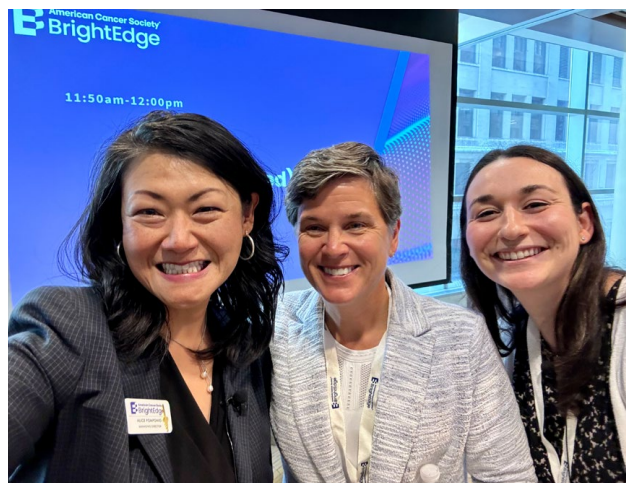
Beyond Cost Savings: The Economic Benefits of Health and Equity

Moving beyond the financial burdens of health disparities, the conversation underscored the substantial economic benefits associated with achieving health equity. **Panelists emphasized that addressing health inequities is not just a moral imperative, but also a smart economic strategy.** They pointed to research indicating that closing health gaps could potentially save the health care system billions of dollars annually. Addressing the economic impacts of cancer on patients and their families is crucial, as it includes significant medical expenses, loss of income due to treatment and caregiving responsibilities, and long-term financial effects like ongoing health issues and potential job loss. Moreover, achieving health equity can unlock significant economic growth by fostering a healthier and more productive workforce.

Investing in initiatives that promote health and equity can reduce health care costs associated with preventable diseases and chronic conditions. Furthermore, a healthier population is more engaged in the workforce, leading to increased productivity and economic prosperity. This dual benefit of cost savings and economic growth highlights the importance of prioritizing investments in health equity initiatives as a means to creating lasting social and economic value.

Participant Engagement

Roundtable participants posed insightful questions about maximizing impact. Discussions focused on the relative merits of grants versus impact investments, with



one participant highlighting the potential for long-term and scalable impact through investments. Panelists acknowledged the strengths of both approaches, emphasizing the importance of strategic grant making alongside co-investment strategies. The conversation also explored the potential for philanthropy to drive systemic change through policy advocacy, underscoring the need for a multifaceted approach to achieving health equity.

Conclusion

The Fireside Chat underscored the power of capital as a tool for achieving health equity. However, its effectiveness hinges on collaboration across sectors and through the use of complementary tools like grant making and influence. By implementing the strategies discussed and working together, stakeholders can unlock capital’s potential and create a healthier future for all.

Panel 2: Activating Capital

The Activating Capital panel, moderated by **Carl Valenstein**, partner, **Morgan, Lewis & Bockius LLP**, explored how blended finance can accelerate positive change. The panel featured **Rob Bachmann**, senior director of capital originations, **Enterprise Community Investment**; **David Erickson**, head of community development, **Federal Reserve Bank of New York**; and **Catherine Godschalk**, vice president, investments, **Calvert Impact**. The panelists discussed the fundamentals of blended finance, its diverse real-world applications, and its future growth through collaboration.

Blended Finance in Action

The session began by defining the core components of blended finance structures, which operate along a spectrum of capital sources. At one end lies grant capital, embodying pure philanthropy. Moving along the spectrum are program-related investments (PRI) and mission-related investments (MRI), prioritizing social or environmental impact alongside some financial return. Traditional forms of finance, such as equity and debt financing, occupy the other end. Blended finance strategically combines elements from across this spectrum, enabling nonprofit organizations and foundations to leverage their resources and attract private investors seeking financial returns with social or environmental impact.

“We’re looking at combining philanthropic capital with private capital in creative ways. And that’s what blended capital is all about ... These structures can help fund mission because they are all about bringing new investors in to fund mission beyond what we’re doing correctly right now.”

– Panelist

To illustrate the effectiveness of blended finance, the panelists presented several compelling, real-world examples:

- **Habitat for Humanity’s Expansion:** Habitat for Humanity’s \$100 million fund exemplifies the power of blended finance. By combining philanthropic capital with debt financing, it significantly scaled its micro-finance and housing initiatives, reaching a broader population in need.
- **ACS’ Approach with BrightEdge:** The panel highlighted the American Cancer Society’s innovative impact investment arm, BrightEdge, which leverages donor-funded venture capital for early-stage, high-risk oncology-related investments, complementing traditional grant funding. This approach accelerates cancer research progress by bridging the gap between initial research and venture capital interest.
- **Pay for Success Contracts:** The conversation explored Pay for Success contracts, another form of blended finance that incentivizes positive outcomes in social programs. Private sector investments are repaid by the government only if the program achieves predetermined social outcomes. This approach is promising for addressing social challenges like recidivism reduction.
- **The Democratization of Impact Investing:** Calvert Impact aims to democratize impact investing by offering retail investment opportunities, such as the Community Investment Note. The panelists discussed how this strategy broadens the pool of capital available for mission-driven initiatives.

“BrightEdge is showing that you can align around an impact framework, invest, and get both a financial return and an impact return. So that demonstration is really powerful. We then need to educate the markets that this is possible and create mechanisms for them to engage and activate. Ultimately, transformation requires scale, which is why we need to focus on perfecting each role and the value chain involved in moving capital from where it is today to solutions.”

– Panelist

Challenges and Opportunities

While blended finance offers immense potential, the panelists acknowledged key challenges that require attention:

- **Measuring Impact Across Asset Classes:** Gauging the impact of blended finance initiatives across diverse asset classes is a work in progress. Standardized frameworks and metrics are needed for effective measurement, ensuring transparency and attracting investors prioritizing both financial returns and social/environmental impact.
- **Standardization for Scalability:** Creating user-friendly tools and standardized frameworks is crucial to attract broader capital flows into impact investing. This will streamline the process for investors and make it easier to assess potential impact. The panel emphasized the need for collaboration among stakeholders to develop these frameworks.
- **Balancing Returns and Impact:** There is ongoing discussion about how to best integrate financial returns with social or environmental impact in investment strategies. While some investors may be comfortable with potentially lower returns for positive impact, others may prioritize market-rate returns alongside impact. The panel highlighted the growing interest from institutional investors seeking to integrate both considerations.

Practical Considerations for Nonprofits

The conversation then shifted to practical considerations for nonprofits leveraging blended finance:

- **Debt Financing for Nonprofits:** Addressing concerns about nonprofits’ discomfort with debt financing, one panelist highlighted the successful use of sustainability bonds for COVID-19 relief efforts. This example demonstrated how debt financing can be a viable tool for nonprofits when used strategically.
- **The Intersection of Housing and Health:** Another panelist emphasized the importance of considering the intersection of housing and health. Affordable housing can serve as a platform for improving health outcomes. Examples exist of health insurers partnering with nonprofits and NGOs (nongovernmental organizations) to improve resident health outcomes in affordable housing communities, showcasing the potential of blended finance to address complex social issues with multifaceted solutions.

Conclusion

The panel concluded by emphasizing the transformative potential of blended finance. ***By creatively combining capital sources, addressing existing challenges, and fostering collaboration among stakeholders, blended finance can be a powerful tool for mission-driven organizations.*** This approach holds promise for significantly increasing investment in critical social and environmental issues, paving the way for a more sustainable and equitable future.

Impact Spotlight

The Roundtable concluded with an impact spotlight from **Howard Fischer**, chief evangelist at **Gratitude Railroad**. Fischer highlighted key learnings from the day's previous panels and encouraged those in attendance to reflect on their ability to inspire change in their lives and in the investments they support.

Fischer emphasized the importance of staying true to an organization's core values to achieve lasting impact. The commentary began with a reflection on ACS' ability to effect positive change by "keeping the patient in the room" when making decisions. ACS' dedication to its mission has demonstrably contributed to advancement in cancer care and patient outcomes.

The focus then shifted to the role of community both within and outside of impact organizations, and how these communities can move capital. As earlier panels noted, climate change has triggered a movement within impact investing, and it is time for a similar health impact movement. We all need and are affected by health care. This is particularly meaningful as investors consider the positive impact lockstep seen in health care investing

and the ability to improve widespread outcomes. And this impact does not need to come at the expense of financial returns. Global issues, such as cancer care, climate change, agriculture, and others, require trillions of dollars in investment. These cannot, and should not, be addressed solely by impact investors, but rather by all investors.

“Positive impact does not require a sacrifice of return.”

With that came a final call to action. While many in attendance are likely aware of whom and what they invest in, are members of their communities aware of their investments? Attendees were encouraged to advocate for their values and reflect on how to grow their impact. Just as BrightEdge uses its unique position to grow and scale its impact, anyone with a desire to affect positive change can do the same.

Looking Ahead

In conclusion, the Advancing Impact: A BrightEdge Roundtable served as a pivotal platform for driving impactful change in health care. Through critical dialogue, collaboration, and exploration of innovative approaches in health equity and impact investing, the event fostered a collective commitment to achieving meaningful outcomes.

As we move forward, we carry the spirit of collaboration ignited by this roundtable. ***Together, by leveraging our collective expertise and resources, we can break down barriers, drive innovation, and create a healthier, more equitable future for all.***

For BrightEdge, this means actively seeking to accelerate the American Cancer Society's mission of ending cancer as we know it, for everyone. We are expanding our

investment capabilities and offerings in multiple ways to drive more funding and opportunities across the financial and investment markets. One key element of this strategy is the development of CIIF 2.0. This prospective industry-standard IMM framework, designed specifically for oncology but with the potential to expand to broader health care, will offer a powerful tool for more systematic impact measurement and management.

For those passionate about advancing impact measurement, BrightEdge invites collaboration on the development of CIIF 2.0. By joining forces, we can transform aspirations into action and make a real difference in improving health outcomes. **To learn more, contact BrightEdge at BrightEdgeImpact@cancer.org.**

Future Directions: CIIF 2.0 as an Industry Standard

BrightEdge is developing CIIF 2.0, a standardized framework to advance cancer impact investing across asset classes.

This next-generation tool aims to:

- Establish a new standard for oncology investments, aligned with current market practices.
- Enhance investment rigor through scientific expertise.
- Strengthen BrightEdge's leadership and foster collaboration in the field.

Use cases include:

Market segment	Potential use case
Private markets	Venture/growth
	Other (e.g., buyout, private credit)
Public equity markets	ETFs/mutual funds
Public debt/bonds	Social bond financing vehicles



For additional information, please contact
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