



8 Denver-area environmentally focused investment firms to meet on Earth Day

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On Earth Day 2019, many people who are concerned about the environment will donate to nonprofits in order to help the planet. But increasingly in Colorado, financial institutions are finding ways to both improve the environment and make money through sustainable investing, also known as investing that meets environmental, social and governance (ESG) criteria.

Garvin Jabush, the chief investment officer for Boulder-based RIA Green Alpha Advisors, would know. He previously served as a vice president of strategic services at multinational investment giant Morgan Stanley.

“The days when you had to compromise returns to invest green are long gone. In decades past, the idea was launched by well-meaning environmentalists who did not necessarily have a background in professional asset management,” Jabush said in an email to Denver Business Journal. “Now the approach has become mainstream and portfolio managers around the industry are practicing sustainability at an institutional level of quality.”

And ESG-based investing is growing in popularity. In the beginning of 2018, one \$1 of every \$4 invested in the United States were invested under ESG investment strategies, according to a report cited by the Harvard Business Review.

The Denver Business Journal interviewed leaders from eight Denver-area for-profit entities that invest with environmental impact in mind. These entities include registered investment advisor (RIA) firms, venture capital firms and public benefit corporations, which are businesses that allow public benefit to be part of the organization’s purpose in addition to maximizing profit for shareholders. Information on these entities is below:

Northstar Investment Advisors

Northstar Investment Advisors is a Denver-based RIA wealth-management firm founded in 1995 by Taylor, Bob Van Wetter, Moses Taylor and Dick Kopp. The firm currently has \$677 under management. While the firm does not exclusively invest in environment-friendly companies, stocks and mutual funds, the firm picks individual stocks and bonds for investors, rather than outsourcing money management.

Taylor, who is also the firm’s president, said the firm has worked with several clients that to remove stocks and bonds that are not friendly toward the environment from their portfolios. This is important, he noted, as opinions of green investments can differ between clients.

“There are no finite rules as to what qualifies as a ‘green’ company to invest in,” Taylor said in an email. “For example, Facebook was a ‘green’ company until the Cambridge Analytic scandal broke last year.”

Green Alpha Advisors

Boulder-based RIA firm Green Alpha Advisors was founded in 2007 by Jabush and Jeremy Deems. Former Colorado Gov.

Bill Ritter is a strategic consultant for the firm, which currently has \$150 million in assets under management.

The firm researches every stock in which it invests in and selects stocks based on how it contributes to lowering risk exposure from climate disruption and resource degradation.

"The sustainable economy is where the growth is," Jabush said in an email. "One need look no further than the headlines to see it: renewable energy displacing coal plants around the world; every major car company committing to multiple electric vehicles; AI, machine learning and autonomy growing in most industries."

Rockies Venture Club

Denver-based Rockies Venture Club is a 215-person Angel investor group, which is raising money for the upcoming venture capital fund known as the Rockies Impact Fund and intends to make its first investments for the fund in the first quarter of 2020. The target for the Rockies Impact Fund is between \$40 million and \$50 million.

"Our Rockies Impact Fund won't designate a specific amount towards environmental-centric investments, but we expect roughly [one-third to two-thirds] of the fund will center on renewable and clean energy, eliminating food waste, water accessibility and conservation and other environmental impact," Dave Harris, managing partner for the Rockies Impact Fund, said.

Next Wave Impact

Denver-based Next Wave Impact is a venture capital firm that invests in early-stage companies that promise to positively impact the environment. It was founded by Alicia Robb in 2015.

"We are killing our planet," Robb said. "We need real solutions now. Investing in a sustainable future is both smart and required."

The most recent fund raised \$5 million and the firm is aiming to raise \$20 million for its next fund. The firm prides itself in its 99 female investors, 25 of whom identify as women of color, from throughout the world.

"We are building a diverse and inclusive entrepreneurial ecosystem that is committed to positive social impact," Robb said.

IMPACTfolio

Denver-based IMPACTfolio is a Denver-based RIA wealth management firm founded in 2018 by Scott Arnold. The firm was restructured this year as an equal ownership firm between Rebecca Kennedy, Julie Fletcher McDaniel and Arnold.

IMPACTfolio has \$13 million under management and specializes in sustainable investing through its "triple bottom line" investing approach, in which employees ensure that clients receive an environmental, social and financial return on their investments. The firm charges a flat annual retainer of \$5,000 per year instead of charging a fee of 1% per assets under management.

Kachuwa Impact Fund

Boulder-based investment cooperative and public benefit corporation Kachuwa Impact Fund was founded by Blake Jones in 2005. The firm currently has \$20 million under management. Jones said the fund is similar to a real estate investment trust (REIT) combined with a mutual funds whose holdings have a positive impact on society and the environment. For example, the fund invests in solar-powered real estate that meets energy-efficient, LEED-certified standards.

"Kachuwa's investors tend to be people who are seeking long-term, private impact-investment opportunities that are better aligned with their progressive, broad-based values rather than the short-sighted, bottom-line focus for which Wall Street is known," Jones said.

Change Finance

Longmont-based Change Finance is a public benefit corporation and registered investment advisor (RIA) that runs a 100% fossil-free, exchange-traded fund. The firm was founded in 2016 by Andrew Rodriguez, Donna Morton and Hunter Lovins. The firm currently has \$6.3 million in assets under management.

"It's as much about avoiding risk as investing with your values," Rodriguez said in an email. "Many clients pick our ETF because they are worried about climate change, but many are using it because it has lower volatility and avoids 21st century risks like stranded assets, litigation and loss of social license."

Companies of Peace

Highlands Ranch-based Companies of Peace, also known as CoPeace, is a public benefit corporation founded in January 2018 by Craig Jonas. The corporation seeks to invest in businesses that solve a societal or environmental problem, or take part in a responsible business model.

The corporation was raising \$2 million in equity, according to a Form D filed in December.

Monica Vendituoli

Reporter

Denver Business Journal

