

From the Founder and Stewards of New Island Capital Management:

We began with a mission: to invest in the capacity of people to create thriving, equitable businesses that support their communities while also reversing adverse environmental impacts and regenerating the natural systems upon which we all depend. Over nearly two decades, we have not wavered in our commitment to that mission.

The motivation for us was always the impact: not the building of a firm. But the impact investing sector, and the practice itself, were in their infancy when we began our work. There was no outsourced solution that we believed would pursue our impact goals with the depth of commitment and rigor we sought. At that time, establishing New Island was the best possible approach to achieving our impact mission. Last year we conducted a study of the field of impact investing. We were encouraged to find a field that was still young, but far more robust, varied, and populated than when we founded NICM. At the same time, we wanted to deepen our own commitment.

We launched a search for new leadership one year ago, as we approached our second decade of working together, endeavoring to live into that deepened commitment. And we reaffirmed our understanding of a landscape that has changed radically. As we pursued our search, we met, and interviewed with, remarkable investors and leaders. To our surprise, however, we learned that there is a better way to achieve our mission than simply hiring a new leadership team.

We hired Stephen Hohenrieder to serve as Interim CEO /CIO in January 2022. In working daily with Stephen over the past eight months, we have learned together that there is a more direct, effective, efficient way to achieve our impact goals. In Stephen's own firm, Grounded Capital, we found a firm that was built to invest in precisely the way we strive to invest; a firm that inhabits the values we hold. We found an alignment we were unaware was possible. Building individual empires is not the point of our work: investing to create positive impact is. Two firms working in precisely the same way does not advance our mission; working together will.

We are therefore announcing today that the assets under management at New Island Capital Management will be invested with Grounded Capital as of November 1st, 2022. We will be winding down all operations of New Island.

We are grateful beyond words to every person who contributed to New Island's mission. Thank you to our two long-serving CEOs, Charles Ewald and Chris Larson. Our gratitude extends to every employee past and present. Your dedication and hard work helped to make the world a better place. We are grateful to our investment partners, to the contractors and consultants who helped to build this movement. Nearly the entirety of New Island's talented staff have received offers to join Grounded Capital, and the team will continue to work from our San Francisco headquarters.

Our mission continues, and will be amplified through the work of Stephen and his talented team at Grounded. We approach our future work together with humble determination and immense joy.



From the Founder of Grounded Capital:

Grounded Capital began with a mission: to invest long-term, financially focused capital through a holistic, systems-based approach to build more regenerative social, ecological and financial systems. We manage a diversified portfolio of holdings to achieve Impact across our five *Areas of Focus*: the Built Environment, a Shift to a Lower Carbon Economy, Regenerative Food and Agriculture, Social Empowerment, and Natural Ecosystems. Embracing the interdependence of people, planet, and financial capital, Grounded Capital is committed to investing in the health of systems rather than monetizing the symptoms of unhealthy systems.

Today we are pleased to announce a new partnership with the Founder and Stewards of New Island Capital Management. Effective November 1st 2022, Grounded Capital will be advising and managing the investment portfolios formerly under advisement at New Island.

Grounded Capital's Founder, Stephen Hohenrieder has, in addition to managing Grounded, been serving as New Island's Interim Chief Executive Officer since January 2022. During that eight month period, we have all come to know one another as colleagues and investors. Confidence among us has grown, and we have discovered a remarkable resonance across vision, mission, and investment philosophies.

It came as a surprise when the founder of New Island proposed that Grounded manage the existing investment portfolio. After reflection on all sides, Grounded Capital looks forward to serving its new client as their primary investment advisor. We approach this work with an abiding sense of responsibility as well as determination to deepen our relationships and increase the return on investment to both impact and capital.

We are expanding our team of mission-driven, values-aligned, systems-based thinkers to join us in shaping the way capital can transform the social, ecological and financial systems of which we are a part of and connected through.

