



NPX is transforming the way the nonprofit sector finances impact.

NEW FINANCIAL PRODUCT

NPX has developed a powerful new financial product that brings together private donors, impact investors and nonprofit organizations to finance impact.

NONPROFIT ORGANIZATIONS

raise the capital necessary to fund long-term, high-impact initiatives.



PRIVATE DONORS

make impact-based donations to nonprofit organizations.

IMPACT INVESTORS

invest upfront risk capital and realize returns based on impact.

HOW IT WORKS

The Impact Security is a nonprofit-issued, debt security exempt from SEC registration that triggers donations and investor returns based on impact generated by a nonprofit organization.

01

PRIVATE DONORS MAKE A PLEDGE

Private donors pledge to donate to a nonprofit organization if specific impact metrics are achieved.

02

IMPACT INVESTORS BUY NONPROFIT ISSUED IMPACT SECURITY

Impact investors commit upfront capital by purchasing the Impact Security.

03

NONPROFIT LEVERAGES CAPITAL FOR IMPACT

The nonprofit organization uses the capital obtained from the sale of the Impact Security to achieve impact.

04

INDEPENDENT EVALUATOR VERIFIES IMPACT

Impact is verified by an independent third-party.

05

🏆 IMPACT METRICS ARE ACHIEVED ✓

PRIVATE DONORS FULFILL DONATION PLEDGE + IMPACT INVESTORS ARE PAID

Private donors fulfill their pledge to donate. Impact investors are repaid principal and interest at variable rates based on impact.

⊗ IMPACT METRICS ARE NOT ACHIEVED ✓

PRIVATE DONORS DO NOT DONATE + IMPACT INVESTORS WRITE OFF LOSS

Private donors do not fulfill their pledge. Impact investors are not repaid and write off their capital loss.

WHY IT MATTERS TO YOU

NONPROFIT ORGANIZATIONS

New Sources of Capital

Catalyze access to new, different sources of capital.

Focus on Impact

Flexible, long-term financing aligned with impact goals.

IMPACT INVESTORS

Invest in Nonprofits

Invest in a nonprofit organization using a standardized financial instrument to earn potential financial returns tied to impact.

PRI Eligible

Participation is open to Program Related Investments.

PRIVATE DONORS

Maximize Impact

Donations are success-based and deferred with maximum impact over time.

Incentivized Impact

Apply economic incentives to outcomes.

ALL PARTICIPANTS

Accountability

Kickstart the creation of a performance-focused sector by explicitly linking funding with impact.

Impact Data Transparency

Streamlined, transparent reporting with independent validation.

Survival of the Fittest

Apply free-market principles to drive unprecedented efficiency in the multibillion dollar nonprofit industry.

CAPITAL IN ACTION

PRIVATE DONORS

pledge to donate \$10 million to a nonprofit organization if specific impact metrics are achieved.

IMPACT INVESTORS

commit \$8 million in upfront risk capital using the Impact Security.

NONPROFIT ORGANIZATION

uses the \$8 million to achieve the impact goals as verified by an independent third-party auditor.

PRIVATE DONORS

fulfill their donation pledge of \$10 million to the nonprofit organization as impact is achieved.

IMPACT INVESTORS

are paid \$10 million, principal plus interest, as impact is achieved.

IMPACT BOND vs. IMPACT SECURITY

	CURRENT IMPACT BONDS*	vs.	IMPACT SECURITY	IMPACT SECURITY BENEFITS
NOMENCLATURE	<i>Impact Bonds</i> are not bonds and do not perform like traditional fixed income products with guaranteed returns.		<i>Impact Securities</i> are standard debt securities with variable returns tied to performance.	Accurate nomenclature avoids market confusion.
FINANCING STRUCTURE	Pay for Success		Pay for Success	Both are performance driven structures that link funding with impact
FINANCIAL INSTRUMENT	Bespoke Contracts: <ul style="list-style-type: none"> ● LLC or LP Interests ● Ordinary or common shares or preferred shares ● Bilateral or Multi-Party Contract or Arrangement 		Standardized Deal Structure: <ul style="list-style-type: none"> ● Debt security exempt from SEC registration 	Standardized, familiar documentation Easy replication Transaction speed Reduced reporting
MARKETING and INVESTOR ACCESS	Private placement limited to accredited investors.		Public offering open to all investors.	Increased access by broader group of investors.
TRANSFERABILITY and LIQUIDITY	Not easily transferable.		Easily held in brokerage account and transferable.	Broader investor market Increased potential for liquidity
REPORTING	No public reporting required.		Enables public disclosures and reporting.	Increased transparency Efficient pricing
TAX REPORTING	Form K9		Form 1099	Investor preferred

*For more information about Impact Bonds, visit payforsuccess.org

EXPANDING ACCESS

	MARKET FOCUS	NPX FOCUS
DONORS	Public Sector: <ul style="list-style-type: none">Limited to primarily government outcome donors	Private Sector: <ul style="list-style-type: none">Expanding to private donors, foundations and aid organizations
INVESTORS	Limited to accredited investors	Open to all investors
NONPROFITS	Government funding limits eligible impact areas and nonprofit organizations	Private funding expands eligible impact areas and nonprofit organizations

JOIN US

NPX works with innovative private donors, foundations and nonprofit organizations to structure and execute the financing of high-impact projects using Impact Securities.

[NPXAdvisors.com](https://www.npxadvisors.com)

The New York Times

“ [NPX] has the potential to upend an entire part of the global economy if it succeeds. By some estimates, if just 1% of the money in the portfolios of wealthy individuals in the United States was directed to nonprofits through new financial instruments like social impact bonds or [Impact Securities], the nonprofit world would be sitting on \$1 trillion. ”

The New York Times [↗](#)