

# BESPOKE IMPACT STRATEGY



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## Summary

- Impact is personal. There's no one-size-fits-all solution. Every client's values, goals, and definitions of impact are unique, and so are their portfolios.
- We lead with values. Our investment strategies begin with deep conversations to understand what truly matters to each client; whether it's social equity, climate solutions, privacy, or faith-aligned giving.
- Both private and public markets matter.
  - Private markets often allow for more direct, hands-on impact through focused investments in mission-driven startups, funds, or community-based initiatives.
  - Public markets offer liquidity, transparency, and the long-term stability needed to preserve wealth, so clients can continue to support the causes they care about, sustainably.
- Innovation is a force for progress. We invest in companies leveraging General Purpose Technologies (GPTs) - like AI and biotech - that create widespread, structural improvements in society, especially for the historically disadvantaged.
- Trade-offs are real. We don't chase perfection - we weigh impact, acknowledge complexity, and remain committed to transparency and continuous learning.

## **BESPOKE IMPACT: EMPOWERING STEWARDS OF CAPITAL TO BE THE CHANGE THEY WANT TO SEE IN THE WORLD...**

Everything we do has an impact. Every decision we make sets off a chain of effects, some immediate, some long-term, some positive, and some with unintended consequences. The same is true for investing. Every dollar put to work in the market contributes to shaping the world in some way, for better or worse...or, more realistically, a mix of both.

The goal of impact investing isn't to chase perfection. It's to make decisions with as much clarity, integrity, and information as possible. It's about acknowledging trade-offs, understanding complexities, and striving to support companies that create meaningful improvements in communities, the environment, and human rights, while being honest about the challenges that come with it.

Many investment managers take a passive approach to sustainability, allocating capital to companies that meet broad ESG criteria or carry an "impact" label without deeper scrutiny.

At Bespoke, we made an intentional decision to go beyond that.

We start by understanding what impact truly means to our clients, what values matter most to them, before aligning our research, strategy, and investment decisions accordingly. Our approach is not just about checking boxes; it's about ensuring that every investment we make reflects a thoughtful, well-researched commitment to the positive change the client seeks to make.

Take, for example, the rise of renewable energy. Solar power is widely recognized as a critical tool in combating climate change. Yet the production of batteries for solar relies on materials like cobalt, the mining of which has led to severe human rights violations, including child labor in parts of Africa. This reality doesn't negate the importance of solar energy, but it does highlight the importance of thoughtful engagement, whether it's through advocating for better supply chain practices, investing in alternative technologies, or pressing for stricter regulatory oversight.

At Bespoke, we believe that impact investing is a dynamic process, one that requires continuous learning, critical thinking, and the courage to acknowledge and navigate complexity. This paper outlines our approach to investing in companies that aim to make the world better, while keeping a clear-eyed view of the challenges and responsibilities that come with it.

## ALIGNING INVESTMENTS WITH VALUES: CASE STUDIES

Impact investing should be personal. It's not just about selecting an ESG-labeled fund, it's about understanding each client's unique values, priorities, and financial needs, then crafting an investment strategy that reflects them.

The following case study illustrates how we take a customized approach to impact investing, ensuring that our clients' portfolios are as intentional as the rest of their lives.

### CLIENT X: INVESTING IN SOCIAL EQUITY

Client X came to us with a deep commitment to uplifting underprivileged communities, particularly women and girls, and wanted her investment portfolio to align with that mission. She was looking for a direct and meaningful approach to building her investment portfolio so that she can continue to do the meaningful work she does in her life while feeling good about the things she's investing in.

We started by understanding her goals: how much liquidity she needed, how deeply she wanted to engage in impact investing, and what level of risk she was comfortable with. From there, we built a strategy that truly reflected her values:

- **Venture Capital:** Direct allocations to funds, owned and managed by women and minority founders that are focused on investing in minority and female-led companies that in turn tend to focus on solving problems they see in their communities and day-to-day life, including investments in women's health solutions.
- **Municipal Bonds:** Targeted investments in community development projects aligned with her mission such as healthcare and educational facilities in disadvantaged communities.
- **Private Credit:** A fund providing capital to female-led startups at the grassroots level.
- **Donor-Advised Fund (DAF):** A flexible philanthropic vehicle allowing strategic giving with tax benefits, ensuring her philanthropic efforts and investment portfolio worked together. Within this vehicle we designed, implemented and manage a tailored strategy in public market securities that meets both her impact and return requirements.

## PRIVACY AS A CORE VALUE

For many of our clients, privacy is just as important as impact. As their investment advisors, we act as gatekeepers, ensuring that their financial activities, whether investments, bank accounts, or donations, are structured in a way that maintains discretion. Whether through donor-advised funds, private investment vehicles, or carefully managed financial structures, we help clients make meaningful contributions to the world without compromising their privacy.

## MEETING CLIENTS WHERE THEY ARE

Impact investing is not one-size-fits-all. It's about asking the right questions:

- What season of life are you in?
- Do you need liquidity or income?
- How hands-on do you want to be with your impact investing journey?
- How important is privacy in your financial decisions?

By integrating these considerations into our investment process, we help our clients create portfolios that don't just generate returns, they tell a story, align with their purpose, and make a real-world impact.

## EXTENDING VALUES INTO PUBLIC MARKETS

While many of the most direct and tangible impact opportunities live in the private markets, where clients can back founders, funds, farms, innovations, and projects aligned with their mission, the public markets also play an important role. Public investments offer scale, liquidity, and global reach, and when approached thoughtfully, they can reflect a client's values and support broader, systems-level change.

Our work in public equities is about more than avoiding harm, it's about identifying companies driving real progress in ecological balance, human empowerment, and ethical innovation. The following section outlines how we bring the same level of intention and depth to public market investing, helping clients ensure that every part of their portfolio contributes to the impact they care about.

The 'E' and 'S' involve what our innovation companies do.

The 'G' is about how they do it, and the values they promote in the process.

## IMPACT THEMES:

**Ecological balance ('E')** - doing more with less; reducing the negative impacts of human activity; moving toward a healthy balance between humans and nature.

**Empowerment ('S')** - providing greater opportunity and freedom to excluded people (women, minorities, the poor); increasing human agency. Applies both to emerging (where entire populations can be disadvantaged and un-free) and developed societies (where specific groups can be disadvantaged).

Innovation Theme	Key Technology	Vector	Impact
Energy storage	Batteries	Energy	<p>E - Increases energy efficiency and reduces the amount of total energy generation required, by enabling electricity generation and consumption to be balanced across time.</p> <p>S - By enabling distributed (rather than centralized) electricity systems, it empowers billions of people in the developing world without access to the grid.</p>
Solar	Solar PV cells	Energy	<p>E - Low carbon and low cost energy that can be generated in a decentralized manner.</p> <p>S - Rooftop and community solar is a democratizing and (literally) empowering force. Enables power generation by individuals and communities without access to centralized grids (or whose grids are unreliable, often due to corruption and poor institutions).</p>

Diagnostics	Genetic sequencing	Living systems	<p>S - Earlier/easier detection of diseases will benefit those (usually poor &amp; minorities) who cannot afford regular screenings or the expense of treatment when a condition has been identified too late.</p> <p>S - Personalized treatment plans will benefit minority populations currently disadvantaged by one-size-fits-all treatment regimes that are based on clinical trials conducted in majority-white populations in EU and US.</p>
Multinomics	Genetic sequencing	Living systems	<p>E - By improving our basic understanding of biological mechanisms and disease, we can progress beyond the blunt and non-holistic “just write a script” treatment plans that result in over-medication, poor human health, and <u>environmental degradation</u>.</p> <p>S - Cheaper and more effective treatments will disproportionately benefit those poor and minorities who don't enjoy the same access to health care due to cost barriers.</p>
Pharmacotherapy	Genetic sequencing	Living systems	<p>S - The development of new and better pharmacotherapies will improve the lives of poor and minorities (especially in less developed countries) who suffer from the worst diseases because they cannot afford to live in healthier climates or otherwise protect themselves. E.g. malaria, dengue, COVID-19, etc.</p>

Robotics	Compute	Matter & Materials	<p>S - Robots are perhaps the greatest boon to humankind, ever. They will liberate humans – the poor and disadvantaged above all – from having to do repetitive, degrading, physically exhausting, and in many cases dangerous, manual labor.</p> <p>S, E - The replacement of low-skilled human labor by robots will shift manufacturing away from “sweatshop” countries that typically maintain a competitive cost advantage by operating with laissez-faire environmental and labor policies that degrade and destroy land and waterways while contributing to human suffering.</p>
E-commerce	Compute	Matter & Materials	<p>E - E-commerce drastically reduces the total footprint of (usually ugly, poorly-constructed, and environmentally degrading) retail space by enabling disintermediation of physical stores. The amount of retail square feet per capita in the US peaked in 2008 as e-com took off. The dystopian vision of American society as one giant mall is being quickly rejected in favor of a more balanced and healthy use of physical space.</p> <p>S - Consumer choice and brand competition has increased exponentially as e-commerce opens the door to a wave a new entrants. The increase in convenience and choice, and the decline in price, overwhelmingly benefits the poor and time-and- attention-pressed.</p>

AI / Semis	Compute	Matter & Materials	<p>E - While most attention is paid to the carbon and energy footprint of data centers, this is vastly outweighed by the efficiency gains enjoyed by the broad use of AI and computing. Think smart cities, smart electric grids, smart homes – ‘smart’ means energy and environmentally more efficient.</p> <p>S - Along with robotics, AI has the potential to be the most revolutionary technology on this list from a social impact standpoint. AI literally creates human-like intelligence and makes it easily available to people at low cost. The poor and minorities who live disadvantaged lives because they cannot afford access to human specialists or personalized services – in everything from health care, to education, to finance and credit – will see their lives revolutionized by AI, and the gap with more advantaged groups in society will narrow dramatically.</p> <p>More broadly, AI is set to rejuvenate the notion of human companionship and bring it to new heights. The disabled, the diseased, the lonely, the elderly – everyone who is shut out from mainstream social engagement – will soon have human-like intelligences to interact with for the first time.</p>
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## INNOVATION + SOCIAL IMPACT

Bespoke focuses a lot on “general purpose technologies” (GPTs) and the companies that harness them. GPTs are a very specific type of technology, in which, as production of the technology grows exponentially, the cost declines exponentially.

Historical examples of GPTs include steel, electricity, and computing. As each of these GPTs scaled up and became much cheaper, the technology became increasingly ubiquitous – and was used as an input across a wider and wider array of economic activities. This is what theorist Carlota Perez would call a “technology revolution,” and it ushers in a new era of growth and material well-being.

**Because of their very nature – making things *cheaper* and more *accessible* – general purpose technologies are the vehicles of social progress** as well as material improvement, and indeed, those two forces are inter-connected.

Consider one of the earliest general purpose technologies: steam power. The steam engine – and the textile mills that it powered from approximately 1830-1930 – provided more freedom, to more women, than any social movement in history.

No matter your culture or society, everybody needs clothes to wear (even Adam and Eve had a fig leaf). Since ancient times, almost every woman in society had been bound to her home, where she had to engage in the laborious and time-consuming task of hand-spinning textiles. Thus the mythic imagery around women, in various cultures all over the world, always centered on two ideas: 1) fertility and childbirth, and 2) weaving (in Norse mythology, Frigg, the “all Mother,” weaves all events in being; in Chinese myth, Zhi Nü weaves clothing out of the clouds; in the Odyssey, Penelope weaves and unweaves her shroud as she waits for Odysseus; etc.).

These mythic weaving images recur over and over, because they were embedded so deeply into everyone’s understanding of “the way things are.” Before the steam-powered mechanical loom, women took care of children and spun textiles. Period.

And the productivity of hand-weaving was so low, that even simple articles of clothing were treasured, because something like a shirt represented hundreds of female labor hours.

The steam-powered mill changed everything. The productivity of machine-powered textile manufacture was orders of magnitude higher than spinning by hand. This created enormous wealth for society, but it also created enormous freedom. All of a sudden, it was

cheaper for a family to procure the clothing they needed from a factory than to manufacture it at home. Women were no longer bound to their looms. It was a revolution.

By the mid-19th century, even the poorest woman, for the first time in history, could now choose where to allocate her time and labor. Many married women stayed home, but instead of weaving, they shifted their labor to the farm, which could now produce foodstuffs for external markets rather than for household consumption. This accelerated the family's disposable income growth (real household incomes in England roughly doubled between 1800 and 1860), freeing up resources and time for education. The results were extraordinary: in England, 60% of women were illiterate in 1800; by 1900, only 3% were.

Many young women, however, choose to leave the family farm, migrating from the countryside to rapidly-growing cities, where they worked in the new textile mills. This was grueling labor, but it was also highly remunerative compared to the alternatives. More important, it meant that young women were, for the first time, physically out of the home, away from the (often stifling) supervision of parents or husbands. No longer shackled to their rural looms, they were literally and physically free. They lived side-by-side with other young women and established close friendships with groups of non-family members in a way that was previously impossible in a rural setting. This contributed significantly to women's social well-being, their intellectual development, and their economic agency.

Most young female mill employees worked for 3-4 years, aiming to build enough savings to ultimately return to their hometowns, marry, and establish households of their own. Of course, this economic independence meant that these women enjoyed vastly improved leverage over husbands and parents upon their return. Never before had women enjoyed such an increase in personal freedom, and it led within a generation to women winning the right to vote.

This is how innovation – and specifically the technology revolutions engendered by GPTs – works to drive social progress. By reducing the cost of a key input, and increasing the accessibility and availability of that input, they drive new, more efficient ways of doing things across the entire economy, freeing up resources to be used in more positive and productive ways. Because it is typically the disadvantaged who are excluded by the (previously) high cost of the input, their labor and resources are always the most constrained under the old regime – they enjoy the least amount of freedom and agency in life – and thus they enjoy the greatest benefit from increased accessibility to resources. In this way, technology revolutions improve the prospects of the disadvantaged the most, by freeing them to pursue higher and better things. Innovation is the great leveler.

A current-day example of a GPT with massive social impact is generative AI. “AI” represents the apotheosis of computing, one of the key GPTs that the CI Innovation strategy aims to harness. But what is “AI”? It is, quite simply, an intelligent agent that is now available at a tiny fraction of the cost of a live human.

The growth and deployment of AI is set to level the playing field, and as with all GPTs, the disadvantaged will benefit the most.

Consider education. The disparity in school quality and educational resources available to Black and Latino students remains one of the greatest stumbling blocks to achieving equality of opportunity in the U.S. The scarce asset is attention and guidance. Disadvantaged kids can’t afford tutors. With genAI, however, every single student, regardless of their income or geographic location, will be able to afford access to a personalized AI tutor. This agent will not only provide information and guidance, but will also give “nudges” to encourage good study habits and positive behaviors.

Consider financial services. The poor and disadvantaged frequently don’t have the mental bandwidth or the expertise to make good financial decisions (witness the continued existence of payday loans and scratch lottery tickets). Previously, these groups didn’t enjoy access to basic financial advice – a human advisor would be far too expensive – and suffered the consequences. Now, however, a genAI agent will be available to provide “best practices” financial advice at a fraction of the cost of a human. What’s more, the AI agent can accompany the user all the time, giving appropriate “nudges” and advice 24/7. It is always “on.”

Broadly speaking, genAI will drastically change the cost and accessibility of “good advice,” and the historically disadvantaged are set to benefit the most.

This is the process by which technology revolutions and GPTs drive social progress. Investors can align their capital behind the businesses that are driving the development and roll-out of these GPTs in order to accelerate the process and, ultimately, contribute to positive social change in a manner that scales exponentially.



## A HIGHER STANDARD FOR CAPITAL

Impact investing isn't just a product or a category, it's a mindset. It's a commitment to using capital not only to grow wealth, but to shape the world in intentional, values-aligned ways. At Bespoke, we don't believe in off-the-shelf solutions or vague ESG labels. We believe in doing the hard work, of asking deeper questions, wrestling with trade-offs, and crafting tailored strategies that reflect the full complexity of our clients' values and aspirations.

This is especially critical in a world where wealth alone is no longer the endgame. Our clients, are increasingly asking not just what they own, but why they own it. They want portfolios that reflect their identity, their mission, and the legacy they want to leave behind. That requires more than screens and scoring models. It requires judgment, curiosity, discretion, and a deep understanding of both markets and human values.

In this paper, we've outlined how we approach impact investing, not as a marketing exercise, but as a rigorous and evolving practice. From personalized portfolio construction and innovative vehicles like donor-advised funds, to frameworks that measure both positive outcomes and unintended consequences, our goal is to partner with clients who are ready to think differently. Who are ready to use their capital not just to participate in markets, but to shape them.

Ultimately, we believe the most powerful investments are those that align financial performance with purpose. That's how capital creates legacy, not just for future generations of wealth, but for the future of the world itself.

***If you're interested in learning more about Bespoke's approach to private wealth management and how we can help you build a secure financial future, we invite you to reach out to us directly. We'd be happy to set up a confidential consultation at your convenience.***

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## **IMPORTANT INFORMATION**

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