

How Connecticut Green Bank Drives Retail Investor Demand

As the first sole-purpose “Green Bond” bank in the nation, Connecticut Green Bank knows what it means to be a leader.

Since its inception in 2011, the Green Bank and its private investment partners have deployed nearly \$2.0 billion in capital to finance clean energy projects across the State of Connecticut. That’s its mission: to make green energy more accessible and affordable to citizens and businesses.

Its innovative approaches to addressing today’s climate challenges extend into how it accesses capital in the municipal bond market: for its inaugural bond financing in July 2020, the Green Bank focused on attracting in-state individual investors instead of the typical path of only relying on institutional investors. This creative approach - leveraging a strong marketing campaign to raise investor demand for a bond that was structured in a retail-friendly way - was a striking success.

An Innovative Bond Structure: Green Liberty Bonds

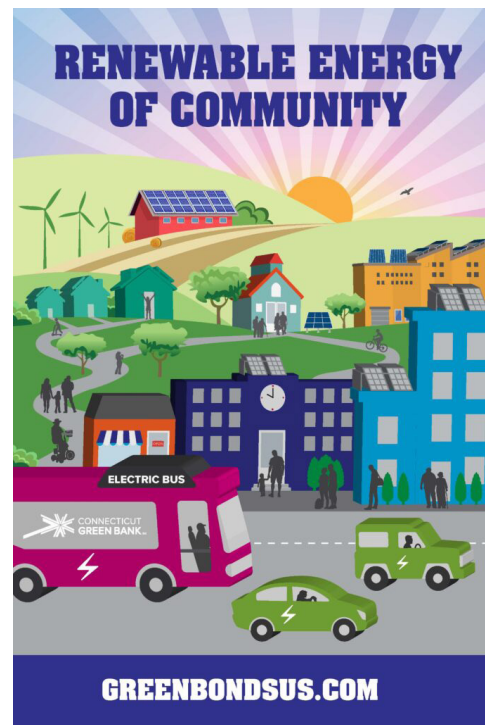
The first step in the Green Bank’s strategy to tap environmentally-conscious investors was to work with its financing team - Lamont Financial Services, its municipal advisor, and Ramirez & Co. and Stifel, Nicolaus & Company, Inc., its underwriting banks - to develop a security that would appeal to small investors, including new buyers. This meant offering bonds in shorter maturities and in smaller denominations, two elements of a bond structure that can open up demand to a wider array of investors. For example, instead of selling bonds in \$5,000 denominations, the market standard that institutional investors prefer, the Green Bank offered bonds in smaller lots - \$1,000 denominations - making it easier for more investors to participate.

These tweaks to increase investor demand are consistent with the Green Bank’s vision to expand green investing opportunities. In a nutshell, the smaller investment amount created the opportunity for local citizens to save, build wealth, and benefit the planet all at once. To distinguish these bonds, the Green Bank branded them as “Green Liberty Bonds,” mirroring the success of the war bonds campaigns used by the federal government in the 1940’s.

Pre-Sale Marketing Campaign: A “War Bonds” Approach

To finance the country’s military needs during World War II, the U.S. Treasury sold “War Bonds” to more than 85 million Americans, a number equal to over half of the country’s population. From 1941 to 1945, approximately \$185 billion was raised through the sale of these securities – the equivalent of \$2.7 trillion today. To the Green Bank, this strategy of tying a strong public purpose to the bonds and pitching them to a deeper market was one it sought to replicate.

Ahead of a roughly \$16 million 2020 bond sale, the Green Bank partnered with BondLink to launch a dedicated investor relations (IR) website (www.CTGreenBankBonds.com) that was linked from its existing taxpayer-facing website. To raise awareness for the sale with Connecticut retail buyers, it ran a targeted, multi-channel advertising campaign driving interested investors to its new IR website. The comprehensive marketing effort spanned across media sources, including digital display ads, pre-roll video placements, print, radio, and even local media that all directed traffic to their new IR website.



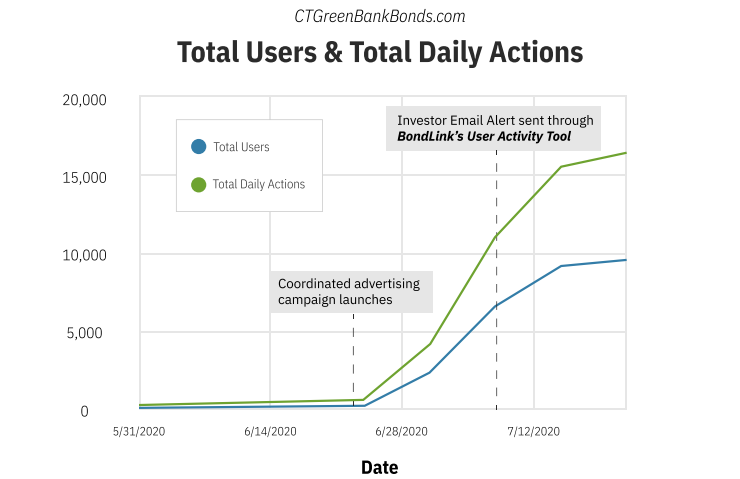
One example of CT Green Bank’s Green Liberty Bond posters used as part of its marketing campaign to increase awareness for the sale.

“Our goal was to get both retail and new investors to buy our notes. We actually had a woman, who had never purchased a bond, call us to learn how to buy one of these for her grandkids. I can say without a doubt that we did reach some people who had never bought green bonds before.”

- Michael Yu, Connecticut Green Bank

Leveraging BondLink

With the bond sale approaching, the Green Bank knew releasing a traditional offering wire - which only goes to institutional investors - wasn't going to sufficiently attract the retail investors it was targeting. To reach smaller investors, it worked with BondLink's Issuer Success team to share details on the Green Liberty Bonds with the public. The Green Bank posted all of its financial information, disclosures, and even an interactive investor roadshow that summarized the Bank and its Bonds. This was timed to go live as soon as the marketing campaign began, approximately two weeks before the actual sale.



Traffic to CTGreenBankBonds.com was strong. Nearly 9,000 new users visited the IR website, and more than 350 investors registered for future bond sale alerts from the Green Bank. These additions to the Green Bank's investor database will be valuable to jump start subsequent bond financings.

The Green Bank also collaborated with BondLink to target institutional investors who held Green Bonds issued by other governments in the municipal market. Using BondLink, the Green Bank sent an investor alert for the Green Liberty Bonds sale to 73 different firms, and approximately 25% subsequently visited its 'Bond Offering' page.

The Green Bank's marketing campaign was highly effective. Traffic to its IR website spiked as it alerted potential investors to the upcoming bond sale and its Preliminary Official Statement. The roughly two-week lead time, rather than the typical one week notice of a bond sale, was also beneficial in giving more time to non-traditional investors.

Results Green Liberty Bonds

Par Amount	Total Retail Orders	Retails Orders from CT Residents
\$16,795,000	\$9,900,000	\$5,000,000

The Green Bank's marketing efforts were a strong success, driving thousands of new visitors to learn more about the bank and its mission. Using BondLink's tools, the Green Bank can attribute exactly which advertisements directed specific investors to its IR website, as well as what actions those investors then took, like downloading a POS or viewing an investor roadshow. It also revealed which investors appeared in the bond sale order book, letting it precisely calculate what it took to generate a verified buyer from any media source.

Key Takeaways: How You Can Get Started

Here are some things to keep in mind before launching a Green Bond marketing effort:

- Solidify Your Mission Statement**
Mission matters to ESG investors, regardless of their size. As you raise awareness for an upcoming financing, make the environmental or social benefits clear to the market.
- Consider The Value Of Non-Traditional Investors, Like Local and Retail Investors**
Your best investor may be right next door, literally. Don't scrimp on public announcements of your upcoming sale. Let your constituents and Chamber of Commerce know. It's good public policy, and there's only upside.
- Start Early**
Smaller, non-traditional investors will need more time to be made aware of the sale, and they need more time to evaluate the investment. Start the process of announcing the sale earlier than you might normally do, and ensure the order period is as accommodating for non-traditional investors as possible.
- Provide Open Access To The Bond Sale Details**
Since you're now reaching non-traditional investors, you also need to make sure they have access to the same information as institutional investors. This includes the sale date, the Preliminary Official Statement, a virtual roadshow (if done for the financing), bond ratings, historical data, and more in one central location that's easy for users to navigate. It's also helpful to let non-traditional investors know who to contact if they want to place an order for the bonds.
- Tie The Bonds To The Projects**
For the bond sale itself, make it simple for investors to better understand how the proceeds are being invested. For example, if bonds are being used to finance a windmill turbine, outline the project and its expected benefits in the prospectus. Investors are increasingly interested in where their investments are going, and project details - as well as project updates in the future after the bond sale has ended - can make a big difference in generating more demand.
- A Repeatable IR Effort**
If you are making a big push with investors ahead of a Green Bond sale, leverage technology so that the effort and value of your time can be used for future financings. An investor that buys one bond can be a good lead for the next sale. Having the ability to register investors who visit your IR website to download data or reports is really valuable, since you then have the ability to alert them ahead of future financings.

This strategy sets the Green Bank up for future success. At the conclusion of this bond sale, the Green Bank had hundreds of investors registered for information about future sales, and analytics it can use to invest in the marketing channels that have exhibited the strongest ROI in the form of investor acquisition and investor orders. This opens an immense opportunity for high-impact, low-cost, personalized outreach to generate demand for future bond sales that's now possible with BondLink.

To explore how the Green Bank was able to effectively engage with the buy-side and further advance their organization's mission, visit CTGreenBankBonds.com.