

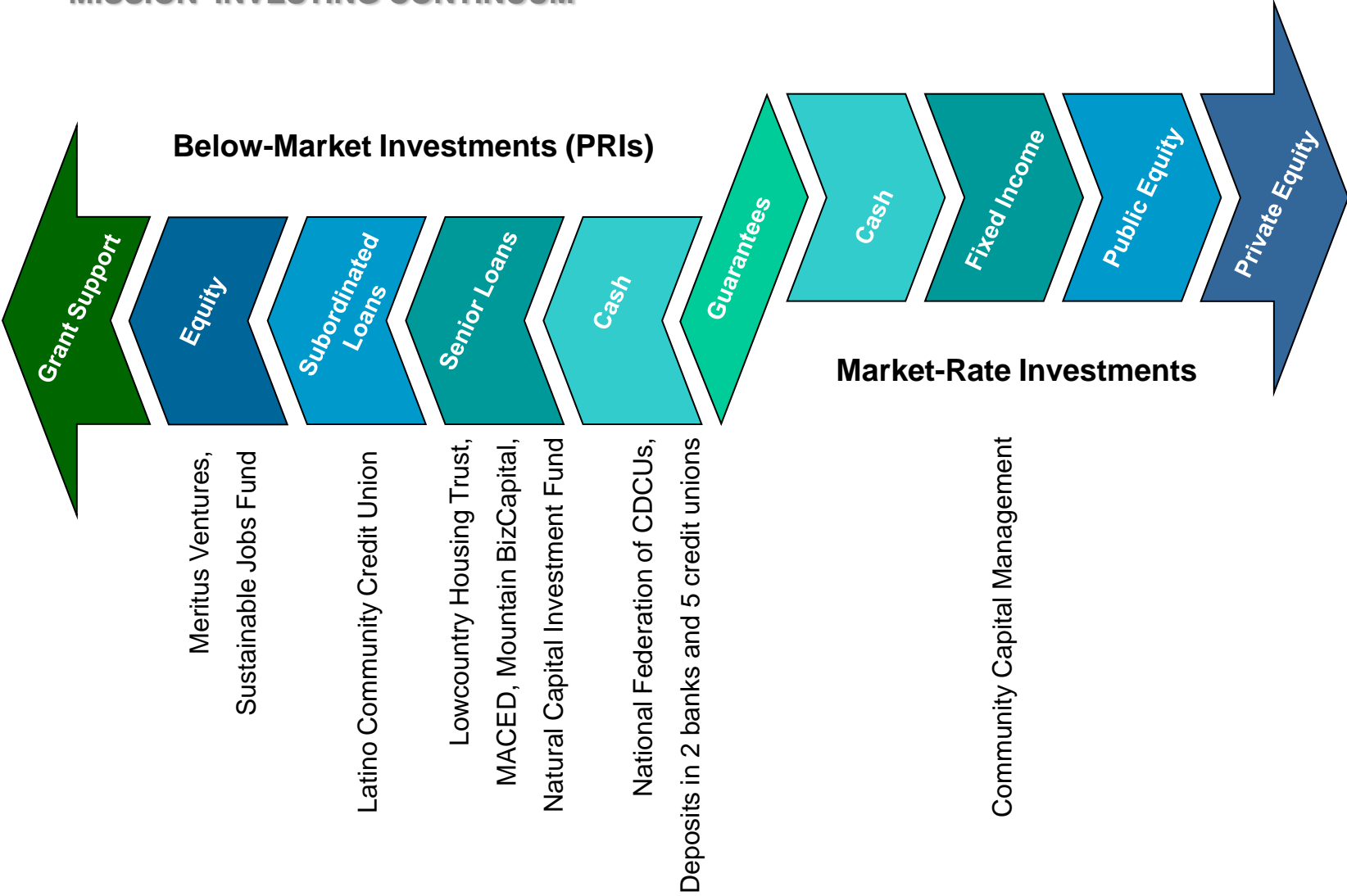
Mission Investing

Mary Reynolds Babcock Foundation

Why mission investing?

- Grants alone cannot achieve scale and impact on moving people and places out of poverty. Market-based strategies must be part of the solution.
- Program-Related Investments leverage growth and increase sustainability of high-performing “anchor” organizations.
- Market-rate mission investing allows MRBF to deploy more assets toward mission without sacrificing returns.

MARY REYNOLDS BABCOCK FOUNDATION
MISSION INVESTING CONTINUUM



From Concept to Execution

- Board commitment to mission investing (2005)
- Established roles for Board and Investment Committee; added expertise (2006)
- Below-market PRIs – integrated board training, policy development and investments (2006); built portfolio of \$4.5 million (2006-2010).
- Market-rate MRIs – first investment in 2005; board/ staff learning (2008); policy development (2009) to include social criteria, return expectations and asset allocation; manager search (2011).

Challenges

- Board/staff expertise
- Early resistance from professional consultants
- Geographic focus of foundation mission

Board/Staff Expertise

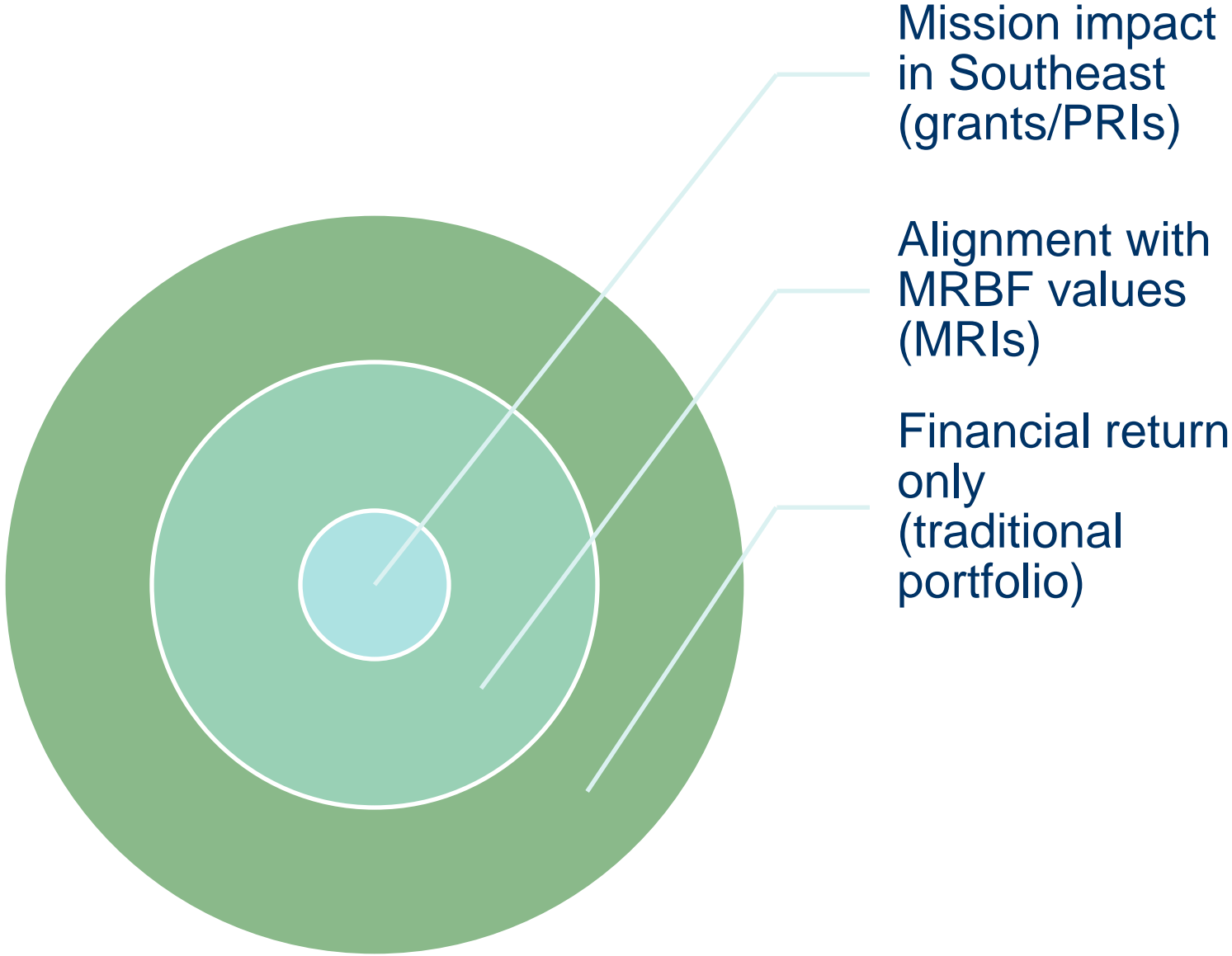
- Expanded Investment Committee
- Integrated board education into planning
- Co-invested with experienced peers
- Trustees attended professional conferences

Resistance from consultants

- Involved consultants in board learning sessions, More for Mission conference
- Shared research project
- Growth of field encouraged the firm to adopt mission investment capabilities

Geographic focus

- Took advantage of opportunity for geographic impact within asset allocation (Community Capital Management)
- Adopted mission investing policy with different strategies for PRIs and MRIs



Mary Reynolds Babcock Foundation

Sandra Mikush

www.mrbf.org

smikush@mrbf.org

