

# **More for Mission: The Campaign for Mission Investing**

**C-MRI Meeting  
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# Institutional Investors and Targeted Investing

- Investors: Foundations, banks, insurance companies, public pension funds, faith-based organizations
- Language: Economically targeted investments, emerging domestic markets, double/triple bottom line investments, responsible investing, impact investing, *mission investing*



# What is Mission Investing?

*Seeking opportunities to align a foundation's financial investments with the mission of the organization, while maintaining long-term targeted financial returns.*

Comes in various labels:

- Program Related Investments (PRIs)
- Mission Related Investments (MRIs)
- Sustainable Screens on Public Equities
- Shareholder Advocacy






## Mission investing from concept to execution

**Developing a mission investing strategy is the first step. Factors to consider:**

1. Board's comfort level with the philosophy of aligning their investments with their mission, whether the endowment or the 5% payout
2. Setting asset class parameters in line with strategic portfolio asset allocations. See examples from leaders in the field.
3. Organization's capacity to execute on the strategy that includes:
  - sourcing deals and due-diligence, monitoring - quarterly financial reports

## Mission Investing Opportunities

- **Below-market PRIs:** can support activities such as affordable housing, enterprise development, child care/community facilities, and land conservation.
  - **Guarantees:** can enhance access to capital by lowering the actual or perceived risk of lending by conventional lenders.
  - **Market-rate investments:** deposits in community development financial institutions, fixed-income community development bond funds, sustainable screens on public equities, private equity investments in funds producing a financial, social, and environmental return.
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- A decorative horizontal bar at the bottom of the slide, consisting of three colored sections: dark olive green on the left, dark red in the middle, and light blue on the right, matching the top bar.



## Mission investing approach across asset classes

- Cash (community development banks, loan funds)
- Fixed income (targeted community development bond funds, environmentally targeted public and private bond offerings)
- Venture capital (mission-oriented, consumer products, clean-tech, women and minority-owned firms in or near LMI areas)
- Real estate (affordable and workforce housing, brownfields, mixed-use/mixed-income)
- Public equities (negative/positive screened portfolios)
- Proxy voting/shareholder resolutions

## Pilot Program: W.K. Kellogg Foundation \$100 million MDI Program

([www.wkkf.org](http://www.wkkf.org))

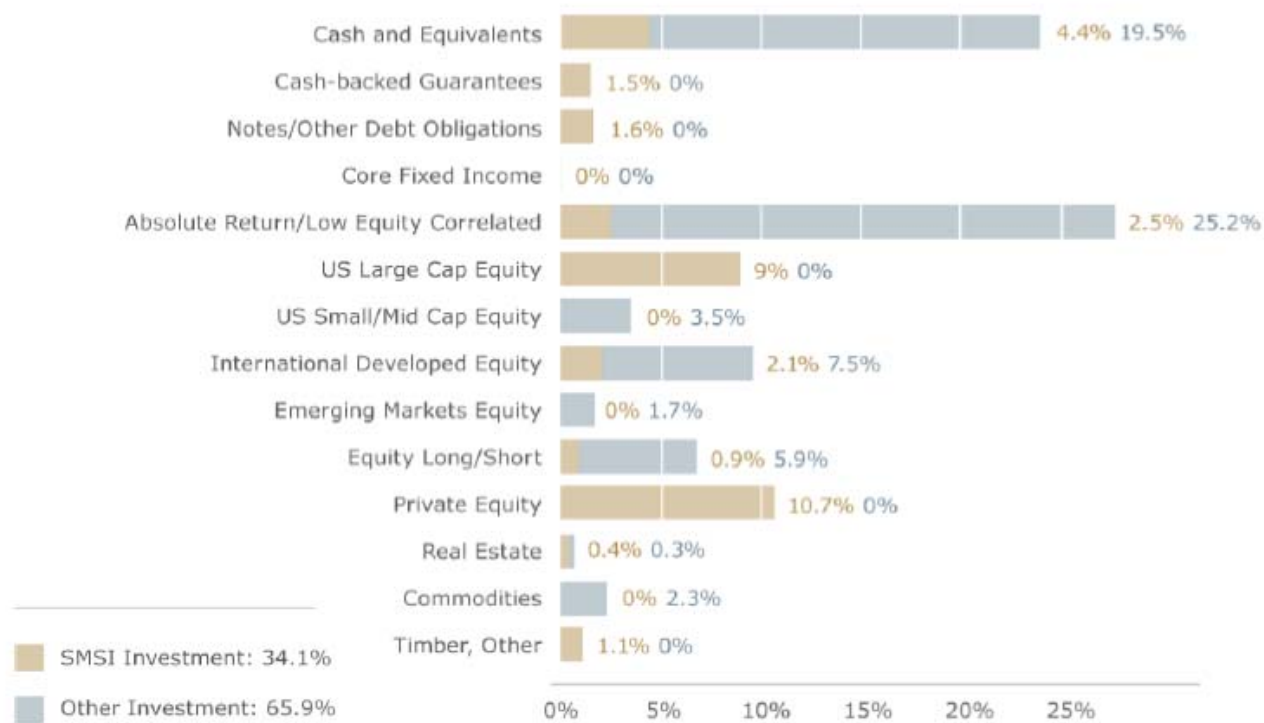
<b>Asset Classes</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
1 Cash and Cash Equivalents	10%	20%	100%
2 Fixed Income	10%	30%	80%
3 Private Equity	10%	30%	50%
4 Real Assets	5%	20%	40%

<b>Core Strategies</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
1 Education and Learning	5%	21%	60%
2 Mississippi/New Mexico/Delta Region/Gulf Coast	5%	21%	60%
3 Michigan	5%	21%	60%
4 Wealth Creation	5%	21%	60%
5 Program Staff Generated	5%	16%	25%

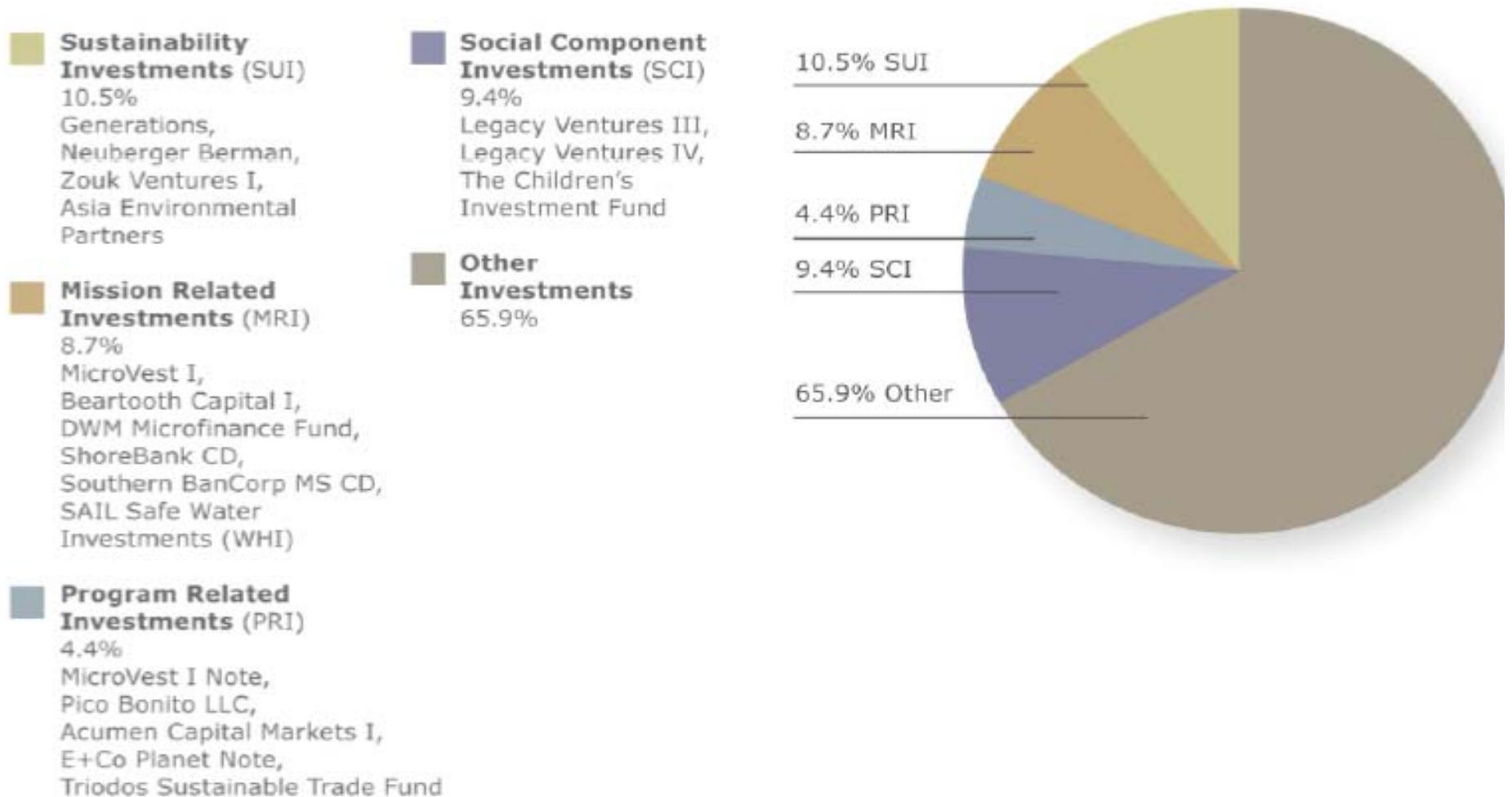
## Integrated Approach: KL Felicitas Foundation ([www.klfelicitasfoundation.org](http://www.klfelicitasfoundation.org))

### Current Asset Allocation March 2009

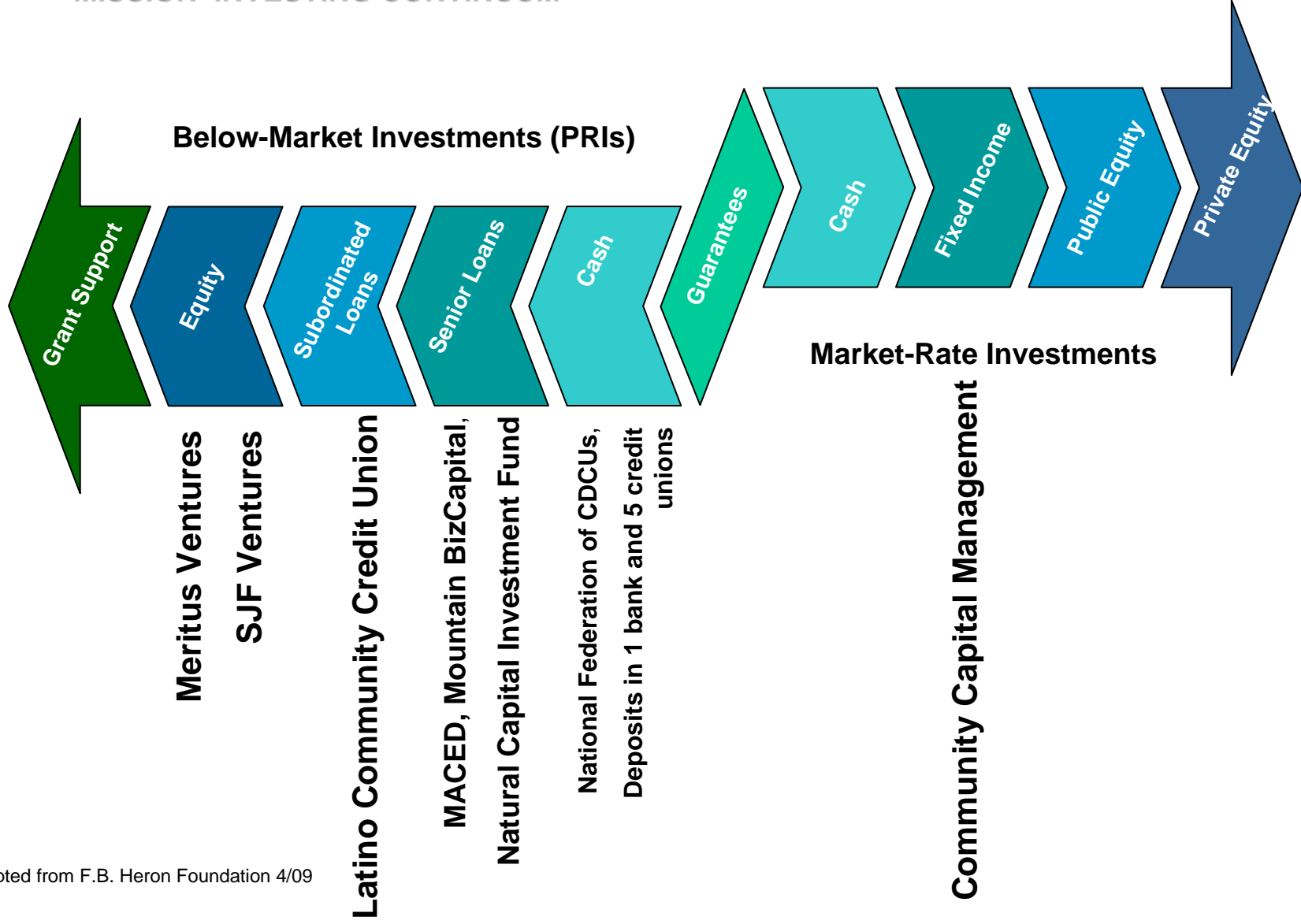


# KL Felicitas Foundation Investments

## Current Category Allocation March 2009



MARY REYNOLDS BABCOCK FOUNDATION  
MISSION INVESTING CONTINUUM





# Barriers to Mission Investing

- Newness of Concept
  - Board risk aversion, perception of fiduciary duty, no guiding mission investing policy
  - Traditional view that foundation seeks to outperform market with 95% and create high impact through grants
  - Generations may come to mission investing from different perspectives
  - Investment Officers and Program Officers working in silos
  - Gatekeepers unfamiliarity with investment intermediaries and concept of mission investing
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## Goals of the More for Mission Campaign

- The five year goal is to generate an increase in investments totaling 2% of foundation endowments—approximately \$10 billion in new commitments to mission investing.
- Create a network of foundations committed to advancing mission investing. As of April 2009, 33 foundation CEOs have signed on to the Campaign representing approximately \$25 billion in assets.
- Foster a robust mission investment environment.
- Join us for a networking reception: May 5 7:00 - 9:00 pm at Council of Foundations Marriott Marquis Atlanta, Georgia



## Campaign Resource Center

- Vehicle to implement the goals of the campaign and serve as a resource to foundations seeking tools on mission investing. Center is housed at the Boston College Institute for Responsible Investment.
- Web-based resource center covering:

Strategy: creating a mission investing strategy, policy statements.

Process tools: RFPs, due-diligence tools, measuring impact, investment opportunities, consultants.

Issues: fiduciary duty, identifying mission investing opportunities, encourage cross-fertilization in the field.

- Website: [www.moreformission.org](http://www.moreformission.org)

More information and to join the Campaign: [lisa.hagerman@bc.edu](mailto:lisa.hagerman@bc.edu)