

More for Mission

Southeastern Council of Foundations

Conference on Investing for Foundation Trustees and Executives

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Terminology

- Investors: foundations, banks, insurance, pension funds, faith-based
- Language: economically targeted investing, responsible investing, double bottom line investments, impact investing, mission investing
- ***Mission investing***: seeking opportunities to align a foundation's financial investments with the mission of the organization, while maintaining long-term targeted financial returns
 - Below-market PRIs designed to create specific programmatic benefits and Market-rate Mission-related Investments (MRIs) seeking market-rate returns that broadly support mission/program

More for Mission

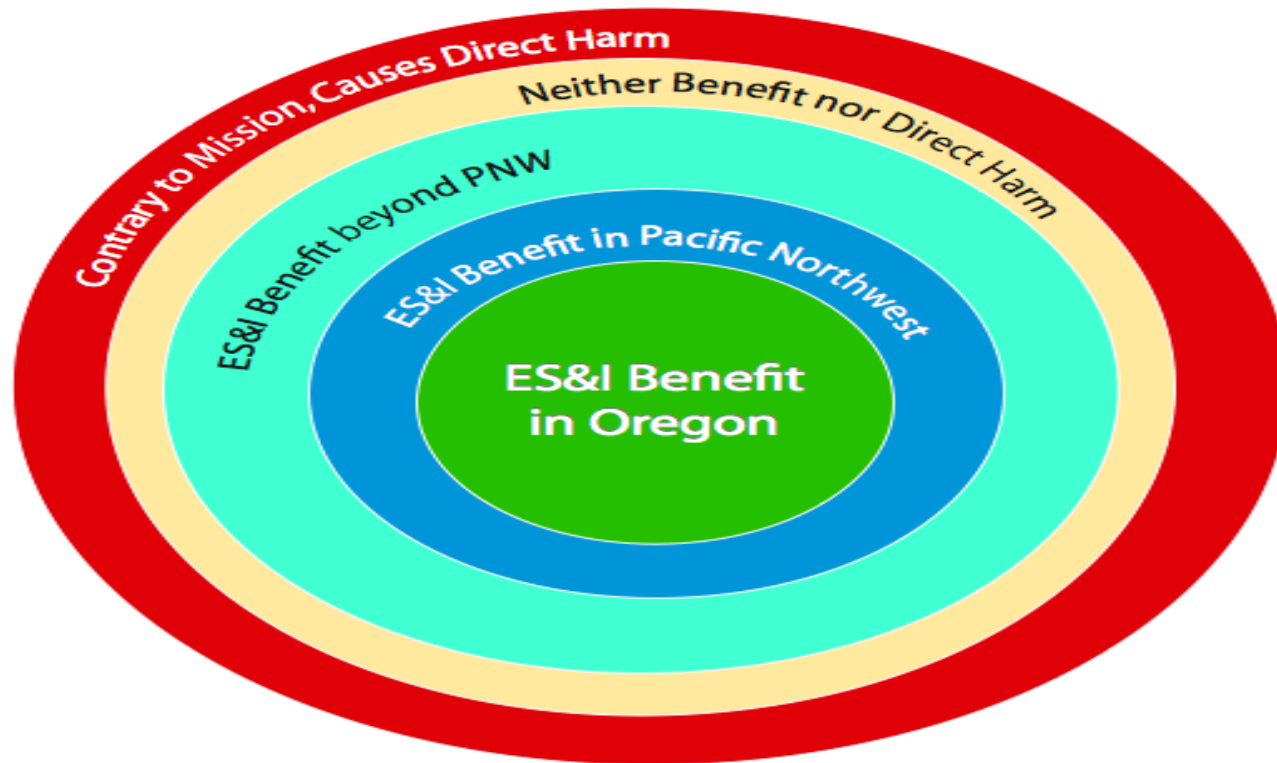
- Legitimize concept and practice of mission investing within the foundation and responsible investment communities
- Housed at the Harvard Kennedy School
- **90 foundations representing \$34 billion** (at March 2011)
 - 49 private, 21 community, 16 family, 4 corporate
 - Northeast, Southeast, Midwest, West, and UK
- Affiliates Circle—pension funds, faith-based, university endowments

Strategy and Policy Statement

- Mission investing strategy and policy statement is a first step
- Policy statement is the roadmap—lays out how the foundation integrates core strategies into their investments and commits financial officers, program officers, and consultants to implement that policy
- More for Mission website has over 30 example statements

Meyer Memorial Trust (MMT) Mission Investing Strategy

MMT's Mission-Related Market Rate Investment Strategy "Maximizing Impact"



E = Environmental S = Social I = Economic Impact

Meyer Memorial Trust

Selection from General Statement of Investment Objectives and Policies

The primary long-term investment objective of the endowment is to earn a total rate of return that exceeds the spending rate plus long-term inflation (as measured by the Consumer Price Index) plus the costs of managing the investment fund and allowable administrative expenses. Thus, if the spending rate averages 5%, the rate of inflation averages 3%, and investment management and allowable administrative costs average 1%, then total return should exceed 9% per year. Performance against this objective should be measured over rolling periods of at least ten years and monitored in the interim. The medium-term objective for the endowment is to outperform each of the capital markets benchmarks in which assets are invested, measured over rolling periods of five years or complete market cycles, with emphasis on whichever measure is longer.

Investments that further Meyer Memorial Trust's mission are a priority of the Trust. Investments in Oregon and the Pacific Northwest and managers that consider environmental, social, and governance (ESG) and economic impact factors are examples. When appropriate investment options are available, the Board of Trustees will seek out and consider mission related investment managers in manager searches.

Source: www.mmt.org

Merck Family Fund

Excerpt from Investment Policy Statement

Portfolio seeks to exclude: investing in corporations that profit (more than 10%) from

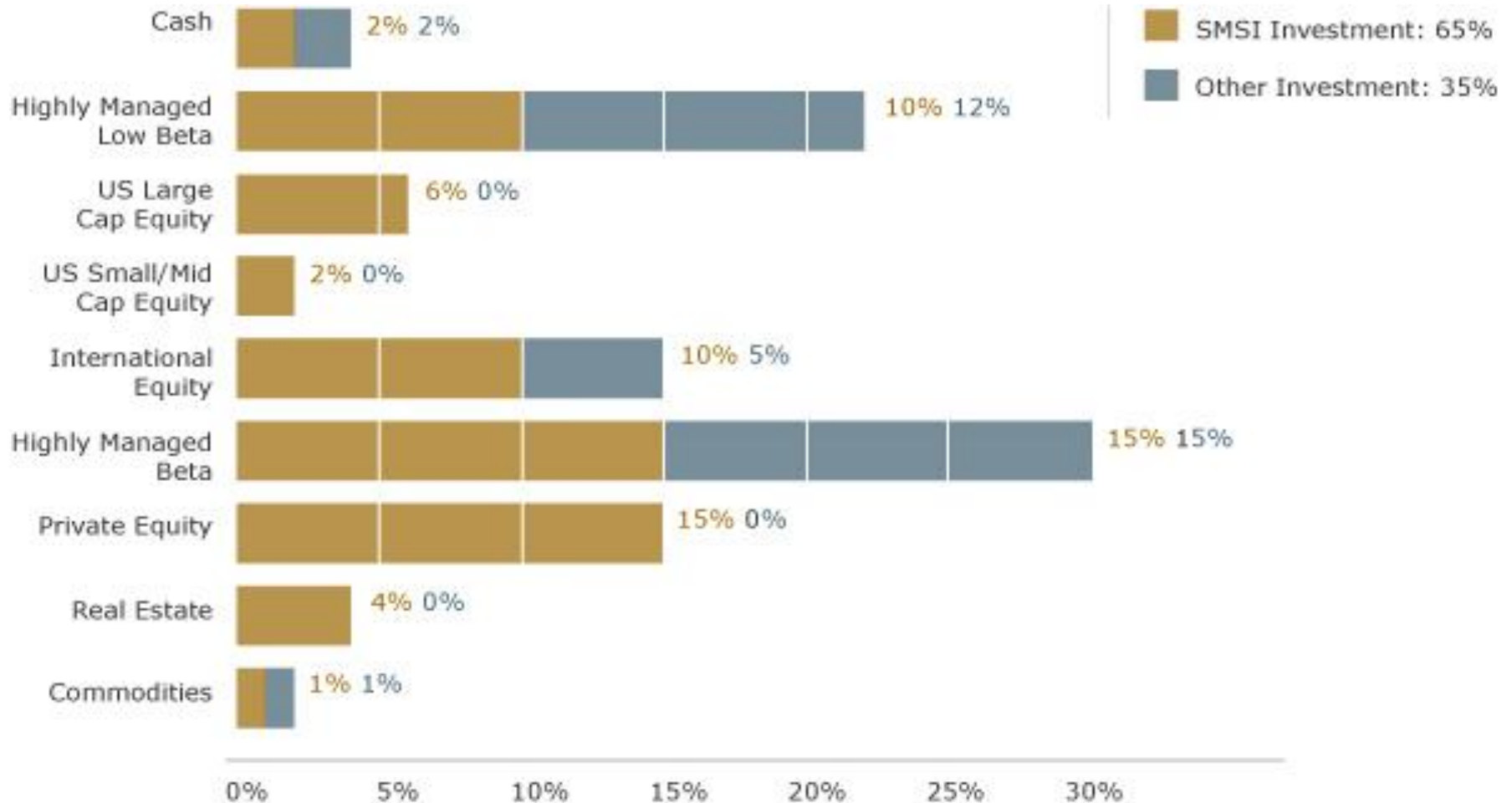
- gambling or tobacco products or services.
- producing nuclear power, or from mining, processing uranium, mine gold.
- In addition, a committee of the Family Fund may review portfolio holdings and exclude investments in companies involved in other areas not aligned with the Family Fund's objectives, such as companies that manufacture or sell weaponry.

Whenever possible, investments will be sought in corporations that favor the protection of the environment, diminish the effects of pollution and that implement environmentally appropriate practices.

In order to further align the Family Fund's investment portfolio with its vision and objectives, trustees will vote proxies of companies in the portfolio with guidance from respected investment managers, currently Boston Common, Walden, and Generation, or other organizations such as As You Sow.

Source: Executive Office, Merck Family Fund, <http://www.merckff.org/>

KL Felicitas Foundation 2010 Asset Allocation



Targets shown relative to the asset class itself, and as % of overall portfolio

SMSI Definition:

Sustainability Investments (holistic sustainability – environmental, social, spiritual)

Mission Related Investments (seek financial returns similar to conventional investments)

Social Component Investments (allocate part of profits directly or indirectly to social enterprises)

Mission Investing opportunities

- Across asset classes:
 - Banking
 - Fixed-income
 - Public equities
 - Private equity
 - Real estate
- Across issue areas:
 - Environment/Energy
 - Economic Development/Job Creation
 - Urban Regeneration/Sustainability
 - Education
 - Health
 - Land Conservation
 - Sustainable Agriculture
 - Affordable and Workforce Housing
 - Rural

Mission-related Cash

Example: Winthrop Rockefeller Foundation

- Certificate of Deposit with Hope Community Credit Union
- Fully insured by National Credit Union Share Insurance Fund (NCUSIF)
- High Impact CDs: portion of interest left with Hope to invest in technical and financial assistance programs that strengthen community infrastructure

Operating Cash – Southern Bancorp

- Excerpt from RFP:

Indicate how your bank's mission is aligned with the WRF goals

- Southern Bancorp is in 14 communities and is tightly aligned with mission of reducing poverty and strengthening communities
- Impact example: Southern helps manage a network of volunteer income tax prep sites—an important policy issue for the Winthrop Rockefeller Foundation

The CA Healthy Food Financing Initiative

The CA Healthy Food Financing Initiative is a public-private partnership loan fund intended to finance grocery stores and other forms of fresh food retail and distribution in underserved communities throughout CA. It is modeled after the PA Fresh Food Financing Initiative and it has been developed to align with the National Healthy Food Financing Initiative.

Target Fund Size: \$200 million (\$94M Committed, \$3.5M In Process of Approval)

Uses of Capital: Loans & Grants to Grocery Stores & Other Fresh Food Retailers & Distributors

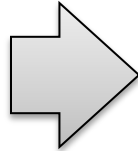
Capitalization: Debt & Grants

Program Eligibility: In process

Expected Launch: March 2011

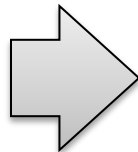
Goals

Access



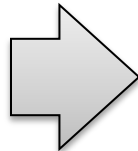
Increase access to healthy food as a means to improve health outcomes.

**Economic
Development**



Spur economic development that supports healthy communities

Innovation



Encourage innovation in healthy food retailing and distribution



Resources

www.moreformission.org

- Presentations
- Policy Statements
- Consultants
- Members-Only portal of investable opportunities and CDFIs
- More Information:
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