

Community foundations investing to increase impact



RESPONSIBLE INVESTING

Canada's community foundations are exploring *how we can align the investment of our assets – not just the allocation of our grants – with our mission.*

Interest in responsible investing (also known as mission-based investing or socially responsible investing) is growing as community foundations consider ways to leverage their assets to have an even greater impact on the issues that matter most to their communities.

Market instability has underscored the urgency of finding the most effective ways to use foundation assets.

Many long-term investors – including foundations – are re-examining their investment beliefs and philosophies to take into account environmental, social and governance factors.

Responsible Investing Pilot Project

Community Foundations of Canada participated in the development of a manual on Socially Responsible Investment almost a decade ago, but our work in this area really took off in 2007 when The Co-operators and The Ford Foundation funded our Responsible Investing Pilot Project.

Since then CFC has worked with community foundations of all sizes from across the country to:

- Start, or advance, their journey along the path of mission-based investing,
- Adopt appropriate investment policies and programs,
- Increase the percentage of their assets that are aligned with their mission.

Now CFC is launching the first phase of www.responsible-investment.ca, a public resource for organizations interested in exploring ways to deepen their impact through responsible investment.

(continued on reverse)

www.responsible-investment.ca

As Canada's community foundations explore the realm of responsible investment (RI), we will share the resources, contacts and lessons learned along the way via www.responsible-investment.ca.

The site, which is in its first phase of development, currently offers visitors an overview of RI approaches and a comprehensive list of RI resources including:

- Primers on responsible investment
- Reports on research and trends
- A directory of consultants and asset managers
- Information on financial performance and fiduciary issues
- Lists of organizations and websites to follow



COMMUNITY
FOUNDATIONS
OF CANADA
all for community.

To learn more about community foundations, or to find the foundation near you, visit cfc-fcc.ca.



Responsible Investing

Social Enterprise in Edmonton

Founded in 1989, The Edmonton Community Foundation is one of the ten largest community foundations in Canada more than \$240 million in assets.

In 2005, the foundation began working with the City of Edmonton to establish the Edmonton Social Enterprise Loan Fund.

The fund's goal? To support the long-term sustainability of non-profits in the city by helping them develop social enterprises – such as affordable housing projects – through a combination of loans and business development services.

The Edmonton Community Foundation championed the fund as a way for it to use its assets to benefit the community outside of its traditional grantmaking role.

After securing interest from a handful of donors it took two more years of research and awareness-raising to successfully launch the Fund in 2008.

To date, five loans have been approved. One loan, given to purchase real estate for the charity's social enterprise has already been repaid. The other loans are either for real estate purchase or the development of affordable housing.

There have been no losses on the portfolio to date. The foundation predicts about a 5 – 6% blended rate of return.

Financially, the non-traditional part of the portfolio outperformed the foundation's traditional portfolio in 2008.

“The Social Enterprise Fund gives us another way – beyond granting – to use our endowment to assist innovative charities to do more for our community.”

-Martin Garber-Conrad
President and CEO
Edmonton Community Foundation

Community Foundations & Responsible Investing

Osprey Community Foundation

Serving the community of Nelson, British Columbia, the Osprey Community Foundation currently has 15% of its capital placed in a Socially Responsible Investment Fund, held by Vancouver Foundation.

In addition, all of the foundation's new donations will be invested in this fund. The foundation says on its home page that they plan to “gradually move all of the foundation's endowment capital into socially responsible investments.”

Community Foundation of Ottawa

The foundation has established a task force to review their investment policy and incorporate responsible investing. The foundation is interested in adding environmental, social and governance factors as well as the potential for community investments. This process will include web-based policy development with a wider group including other community foundations and Canadian RI experts.

Vancouver Foundation

The largest community foundation in Canada, and one of the oldest, currently has a \$12-million Socially Responsible Investment Fund in which donors can opt to place their donation. The foundation is also exploring potential options around community investment funds with economic and social returns.

Community Foundation of Whistler

The foundation currently holds a separate responsible investing account where approximately 5% of assets are invested. The Board is considering increasing this allocation and exploring additional responsible investment options as part of an overall investment review.

Community means so many things to so many people and the world to us. In all we do, and all we say, we are all for community.

We are part of Canada's community foundation movement, represented by more than 160 community foundations from coast to coast.

Community vitality has been our purpose, promise and passion since 1921, when we began connecting donors to community needs and opportunities.

Together, we help Canadians invest in building strong and resilient places to live, work and play.