



## News Release

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### For Immediate Release

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## MINNESOTA PHILANTHROPY LEADS WITH \$17.1 MILLION INVESTMENT FOR SOCIAL GOOD AND FINANCIAL RETURNS

MINNEAPOLIS (April 18, 2017)—The Minnesota Council on Foundations (MCF) and several Minnesota foundations today announced a first-of-its-kind in the nation impact investing collaborative. Continuing a legacy of philanthropic leadership that exceeds their always-generous charitable grantmaking, Minnesota foundations are aligning even more of their assets with mission.

Already, there is more than \$17.1 million committed to the impact investing collaborative, and the commitment is expected to exceed \$20 million. It is invested in a fixed income bond fund focused on affordable housing and small business lending throughout Minnesota.

MCF members—The McKnight Foundation, Bush Foundation and the Otto Bremer Trust—are the lead anchor institutions participating in the impact investing collaborative, and there are at least eight other first-mover foundations currently bringing the opportunity through their internal review processes. These include the Initiative Foundation, PFund Foundation, The Minneapolis Foundation, Mortenson Family Foundation, Schnieders Family Foundation, Sundance Family Foundation and other community foundations, small family foundations and rural-based foundations. MCF has also invested a portion of its investment assets in the fund.

Through a competitive process, MCF chose RBC Global Asset Management's (RBC GAM) Access Capital Community Investment Fund.

"This money strengthens Minnesota's market for affordable housing and small business securities and grows the number of Minnesota-based foundations involved in impact investing, says Susan Hammel, CFA, and impact investing executive in residence at MCF. "The fund will have impact locally, but because it reaps nationally diversified returns, it will not have overly localized risk."

The Winona Arms Assisted Living Facility in Winona, Minnesota, is an example of a typical RBC Access Capital investment. Winona Arms is covered under the Section 202 Program, which helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking and transportation.

### Aligning the "other 95%" with mission

U.S. tax law requires that foundations pay out at least 5 percent of the annual value of their investment assets for charitable purposes. Traditionally, the other 95 percent of a foundation's assets are invested to grow its endowment for future grantmaking. Impact investments allow foundations to align some of that other 95 percent to generate both financial and mission-aligned social returns.

"In the not-too-distant future, I believe foundations activating 100 percent of assets for mission will become the rule rather than the exception," says Trista Harris, MCF president and philanthropic futurist.

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**Minnesota Philanthropy Leads with \$17.1 Million Investment for Social Good and Financial Returns**

The Access Capital Community Investment Fund has developed a track record of working with governments and institutional investors to invest in customized U.S. agency guaranteed mortgage-backed securities and government-backed loans and municipal securities that support affordable rental housing, small businesses, healthcare, education and job creation targeted to low- and moderate-income residents and communities. As of December 31, 2016, the Access Capital Community Investment Strategy has more than US \$1 billion in assets under management. Investment performance for Treasury's the Access Capital Community Investment Fund is measured against the Barclays Securitized Index.

"We applaud the efforts and active leadership of the Minnesota Council on Foundations to direct capital locally," says Catherine Banat, institutional portfolio manager for RBC Global Asset Management. "Minnesota is the home office of our team, and as such we are excited to have the opportunity to design a portfolio that supports impact-related investments across the state while also earning a competitive financial return for our investors."

More about the impact investing collaborative can be found here: [www.mcf.org/impact-investing](http://www.mcf.org/impact-investing)

**About the Minnesota Council on Foundations**

The Minnesota Council on Foundations (MCF) is a vibrant philanthropic community working collectively to advance prosperity and equity. MCF members represent three-quarters of all grantmaking in the state, awarding more than \$1 billion annually. For more information, visit [www.mcf.org](http://www.mcf.org).