

## Impact Investing Collaborative 2017 – Talking Points

### Philanthropic Leadership:

- The Minnesota Council on Foundations (MCF) and Minnesota philanthropy are continuing their legacy of leadership with a first-of-its-kind in the country, impact investing collaborative.
- Through the impact investing collaborative, Minnesota philanthropy is aligning more assets with mission—on top of its always-generous charitable grantmaking.

### Involvement:

- The lead anchor institutions in the collaborative are The McKnight Foundation, Bush Foundation and Otto Bremer Trust. There are at least eight other first-mover foundations that are currently bringing the opportunity through their internal review processes. These include community foundations, small family foundations and rural-based foundations.
- MCF is investing a portion of its investment capital in the fund.
- Through a competitive process, MCF chose RBC Global Asset Management's (RBC GAM) Access Capital Community Investment Fund.

### Investment:

- There is already more than \$17.1 million committed, and the commitment is expected to exceed \$20 million.
- The money is invested in a fixed income bond fund focused on affordable housing and small business lending throughout Minnesota. It brings additional financial resources to our state, strengthens the market for affordable housing and small business securities, and grows the number of Minnesota-based foundations involved in impact investing.

### Impact Investment:

- 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 assets are invested. Impact investments allow foundations to align some of that 95 percent to generate both financial and mission-aligned social returns.
- Some foundations have been involved in impact investing for years, but there was uncertainty in the field about whether the investments met strict standards set by government for how foundations can invest their endowments. In 2016 the U.S. Treasury clarified the legality of impact investments as part of a larger effort to encourage them.
- Trista Harris, MCF president and philanthropic futurist, predicts that foundations activating 100 percent of assets for mission will become the rule rather than the exception.

### Executive in Residence:

- MCF initiated, designed and launched the initiative through its new executive in residence on impact investing, created with support from the Bush Foundation and Otto Bremer Trust.

### More Information:

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