

Proposed Impact Investment Fund

Purpose: To provide financial support to enterprises focused on producing meaningful and measurable impacts on the environment and/or society, in alignment with the mission, vision, and values of the university. In addition, the fund demonstrates a commitment by the university to align the investment of resources with the intentions of the investors or donors, as well as the values of students, faculty, and staff. Funding beyond initial seed money would be in the form of donor gifts, alumni contributions, and third-party investors.

Examples of Impact Investments:

1. Venture capital investments in startup social entrepreneurship
2. Microlending to underserved entrepreneurs in the community
3. Investment in external impact investment funds, particularly those in the local region

Activities completed:

1. Initiative developed and advanced by the Sustainable Investments Committee at ASU
2. Impact Investing Mini-course – Collaboration with Wake Forest University, MS in Sustainability program: Students developed a guide for starting an Impact Investment Fund at a University (team taught by Tammy Kowalczyk and Dan Fogel at Wake Forest)
3. Development of resource and experts network needed for guidance in establishing and managing the fund
4. Discussions with Randy Edwards on potential sources of seed money
5. Discussions with Investment Fund managers on potential for investment by university

In process or planning:

1. Development of operating plan for faculty-student co-managed impact investment fund
 - a. Goals and Objectives
 - b. Potential Impact Themes, e.g., climate neutrality, economic development in community, access to education for at-risk students, natural resource conservation
 - c. Investing guidelines – emphasis on investment in community and student involvement
 - d. Identification of Potential Investees (See initial list below)
2. Development of Funding Plan
 - a. Determination of amount needed for initial funding – need to check on minimum investment amounts for selected funds.
 - b. Secure seed money – potential sources that have been discussed
 - i. Business Affairs – New River Light & Power profits (from discussion with Randy Edwards)
 - c. Investors/Donors – Alumni and Donors dedicated giving to fund through Advancement (Also discussed with Randy Edwards)
3. Development of Impact Investment Advisory Board
 - i. Suggestions: Erik Melang (alumni), Phil Oswalt, George Baldwin, etc
4. **Need to join the Intentional Endowments Network - \$500**

Potential Impact Investment Fund Investees:

Local/Regional:

High Country Impact Fund (Angel Capital Group) – venture capital

Mountain BizWorks (microlenders)

Appalachian Community Capital –

Partners: Mountain BizWorks, Appalachian Development Corp, Three Rivers Planning and Development District, Bank of America Corporation, The Progress Fund, Commonwealth of Virginia, Access to Capital for Entrepreneurs, Natural Capital Investment Fund, Mary Reynolds Babcock Foundation, Inc., Alternatives Federal Credit Union, Mountain Association for Community Economic Development, Blue Moon Fund

Appalachian Community Investment, LLC

Wine to Water

North Carolina Opportunity Zone Funds

National/International:

Calvert Funds

Bridges Venture Fund

Impact Investment Fund Proposal – Next Steps

Resources:

Intentional Endowments Network: <http://www.intentionalendowments.org/>

Responsible Endowments Coalition: <http://www.endowmentethics.org/>

Duke: CASE i3: Initiative on Impact Investing <https://sites.duke.edu/casei3/>

Examples of University Impact Investment Funds

UNC-Asheville: <https://sec.unca.edu/esg-fund-0>

Student Environmental Center

ESG Fund

At UNC Asheville one of our core values is sustainability and environmental responsibility and awareness. To this end, Chancellor Grant allocated \$10,000 for an investment fund targeting funds and companies that adhere to sustainable environmental, social, and governance (ESG) principles. Initial investments were made in early 2017, with the goal of returns equal or better than the market that do not come at the expense of the planet. Currently the fund is in its infancy, we hope to grow it and provide donors with a chance to donate specifically to this fund, allowing their money to better reflect their values.

↓ Purpose and Mission Statement

The Environment, Social, Corporate Governance (ESG) fund of the University of North Carolina at Asheville exists to further the University's mission to incorporate economic, social and environmental sustainability into its institutional practices and curriculum. The student-managed fund originated in response to students' concerns regarding the ethical management of the University's endowment. The ESG fund's success depends heavily on strong student input and ethical reinvestment to make a positive social and environmental impact. In doing so, it contributes to the education of students interested in ethical investment or seeking careers in finance by providing a unique experiential learning opportunity in security selection, portfolio and risk management, economic analysis, and investment communication within an ethical pretext.

By participating in Impact Investing as defined by the 2015 Commonfund Study of Responsible Investing UNC Asheville's student managed ESG fund will "invest in projects, companies, funds, or organizations with the express goal of generating and measuring mission-related social, environmental or economic change alongside financial return." Capturing an appropriate return is critical to do so, as this will ensure that the fund will be able to carry out the interests of the students by building stronger alliances with frontline communities most greatly impacted by the extractive economy and working towards a just transition towards regenerative finance.

→ Adherence to ESG investing principles

→ ESG Fund Quarterly Report

UNC-Chapel Hill – September 25, 2014:

"A group of UNC-Chapel Hill students focused on clean energy claimed a victory Sept. 24 when the school's board of trustees committee passed a resolution directing the university's \$2.2 billion endowment to favor clean energy investments over investments in coal and other fossil fuels."

TuftsNow

Published on *Tufts Now* (<http://now.tufts.edu>)

[Home](#) > Tufts Launches Sustainability Fund

Focused on environmental, social and governance factors, it offers a new option for endowment giving

By News Staff

April 13, 2015

Tufts University has created a sustainability investment fund, which is now available for donors making new gifts of \$25,000 or more to the university.

Donors concerned about environmental, social and governance factors can now designate that their endowment gifts be invested in the new Tufts University Sustainability Fund. They may, for example, create an endowed scholarship or professorship and have the money invested in the sustainability fund.

The Board of Trustees approved creation of the fund at its November 2014 meeting. Tufts recently launched the new fund with seed money from the university.

“Through this pilot fund, we will learn more about this kind of investment approach, with the goal that sustainable investing will expand in our endowment as we gain experience and confidence in these types of investment approaches,” says Laurie Gabriel, chair of the Trustee Investment Committee.

Exploring setting up such a fund was [one of the recommendations](#) [2] of the Divestment Working Group established by President Anthony Monaco, which also examined the feasibility of divestment from fossil fuels and other ways that Tufts could mitigate climate change, both to advance the university’s goals and to test the feasibility of this kind of investment vehicle.

Unless otherwise specified by the donor, income generated by the fund will support sustainability programming in both academics and operations.

The Tufts University Sustainability Fund is part of the university endowment, which stood at \$1.6 billion as of June 30. As part of the endowment, it is guided by the Tufts investment policy, which governs the management of endowed assets.

The university has appointed an advisory committee to help define what constitutes qualifying investments. A member of the Trustee Investment Committee chairs the advisory group, which includes representation from the administration, faculty and student body. The advisors will provide input to the Investment Committee, a sub-committee of the Board of Trustees that has final decision-making authority over all Tufts investments.

The university does not invest in individual securities. Instead, it uses commingled or pooled funds—mutual funds are one example—in which multiple investors hold a piece of an investment portfolio in proportion to the value of their individual investments. It is anticipated that the sustainability fund will also follow this model.

Other Examples:

[Sorenson Impact Center, University of Utah](#) – Primarily venture capital for startup Social Entrepreneurs

[Hoosier Social Impact Fund – Indiana University](#) – Community Investment and Micro-lending

(Several more at this link: http://www.intentionalendowments.org/sustainable_investment_funds)

Examples of Impact Investment Mutual Funds

Calvert Investments

Historical Returns (%)

as of Aug 31, 2017



MSCI 400 Social Index



- MSCI 400 Social Index
- S&P 500
- Dow Jones Index