

# MISSION-ALIGNED INVESTMENTS POOL

The San Francisco Foundation has long been committed to creating social impact and strengthening our community through grantmaking, strong partnerships with our donors, and how we invest the assets entrusted to us. Diligent stewardship along with strong performance mean that together, we can make a greater impact in the Bay Area and beyond.

## MISSION-ALIGNED INVESTMENTS OPTION FOR DONORS

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The foundation offers an option for donors interested in values-based investing—the Mission-Aligned Investments Pool. The foundation has invested \$50 million from our endowment into this pool, with an additional \$44 million contributed from donors since the Pool launched in March 2019.

The San Francisco Foundation uses institutional asset managers. The asset allocation, risk and performance of each is closely monitored by our consultant, our Investment Committee and staff.

## INVESTMENT OBJECTIVES AND STRATEGY

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The Mission-Aligned Investments Pool is suitable for donors seeking investment returns over a longer timetable (7+ year giving horizon) while the funds are invested in a values-based manner. It is comprised of a diversified portfolio of managers using a variety of impact investment and socially-responsible strategies, including social screens and Environmental, Social and Governance (ESG) considerations.

The foundation has and will continue to seek out investment firms owned by women and people of color—two groups who have historically faced barriers to accessing capital. The foundation is also investing in companies and institutions whose work directly contributes to the advancement of racial equity and economic inclusion—our foundation's north star.

The Mission-Aligned Investments Pool avoids investments in the following:

- Predatory lenders
- Private prisons
- Tobacco companies
- Retailers that sell assault weapons to the general public
- Fossil fuel companies



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For more information about our Mission-Aligned Investments Pool, or for questions about your fund, please contact: Donor Services at (415) 733-8590 | [donorservices@sff.org](mailto:donorservices@sff.org)

## ASSET ALLOCATION

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The Mission-Aligned Investments Pool is currently invested in public equities and public debt. Over time, illiquid investments, such as private equity will be added to provide targeted social impact. To deepen our impact investment program, since July 2022, a portion of the Mission-Aligned Investments Pool is also allocated to the foundation's Bay Area Community Impact Fund (BACIF). BACIF provides local nonprofits and social enterprises with low-interest loans to help advance racial equity and economic inclusion in the Bay Area.

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## PERFORMANCE

The targeted risk-adjusted return for the Mission-Aligned Investments Pool is 7-8%.

The foundation provides investment performance information and analysis to donors on a quarterly basis. Donors can access the information on the foundation's website, on Donor Center, and on fund statements that are sent by mail.

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## FEES

Donor advised funds are charged an annual support fee based on the fair market value of the fund.

The investment fees are assessed by individual managers and fluctuate over time as market values change. The investment fees of the Mission-Aligned Investments Pool are currently 0.54%- 0.65%. Fees will increase over time as private equity managers are added to the portfolio. An annual 0.07% fee is charged to cover the foundation's investment administration expenses along with the 0.04% expense of our custodian bank and investment consultant. as private equity managers are added to the portfolio.

## CASE STUDY

One of the investments in this pool is the RBC Impact Fund. The Impact Fund generates measurable positive impact on low- to moderate-income communities and the environment.

A bond held in this Fund was issued by the City and County of San Francisco. The proceeds are earmarked for:

- Affordable housing development
- Support for marginalized populations such as people with disabilities, veterans, and seniors
- Improvements to dilapidated public housing
- Down payment assistance for teachers and middle-income households
- Construction and renovation of 30,000 units of affordable housing



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