



## WRCF Impact Investing Overview

Waterloo Region Community Foundation (WRCF) invests in market investments to both grow our assets and ensure we will have funds to support our community in perpetuity. One of the strategies WRCF has embraced to increase our reach is Impact Investing. The Board has approved deploying up to 10% of WRCF's investment portfolio to impact investments. We are also working toward a Responsible Investing Portfolio that is 100% mission aligned.

Through successful investing, with 10% of WRCF's current investment portfolio committed to impact investments and an annual 5% grant distribution based on the total capital invested in endowment funds, WRCF is more than tripling its impact by deploying 15% of its endowment toward its philanthropic goals.

### What is an impact investment?

Impact investing occurs when investments are made into companies, organizations, or funds with the intention to generate social or environmental impact alongside a financial return. Investments can be made across asset classes, including but not limited to loans, fixed income, venture capital, and public or private equity. Organizations receiving investment must measure and report the social or environmental performance of the impact investment.

### Why impact investments?

Impact investments have the ability to complement grantmaking to drive greater impact! They can also be a tool to stimulate private-sector innovation and collaboration, encourage market-driven solutions and efficiencies, and attract external capital to charities, non-profits, and other social purpose businesses.

### Does Impact Investing affect WRCF's grantmaking?

WRCF has historically worked to make a lasting difference through our investments in the community via our granting. Funds disbursed through the grant streams have always come from positive investment returns on the endowed capital that WRCF has been entrusted to preserve.

Impact investments take a different approach whereby a portion of the endowed capital is deployed into the community in order to drive social and/or environmental good. Charitable organizations, and other qualified donees, that participate in impact investment opportunities are still able and encouraged to apply for funding from WRCF's granting streams.





**The practice of Impact Investing is defined by four characteristics:**

1. Intentionality – Investors must intend to have a positive social and/or environmental impact.
2. Return expectation – Investors understand there is a market return and a social return.
3. Range of asset classes – Investments can be made across asset classes, including but not limited to loans, fixed income, venture capital, and public or private equity.
4. Impact measurement – Organizations receiving investment must measure and report the social and/or environmental performance of its impact investments.

WRCF is always open to receiving applications that demonstrate strong positive social and/or environmental impact.

**Investment criteria for WRCF’s impact investments:**

<b>Geographic focus</b>	Investments where impact accrues directly to Waterloo Region are preferred.
<b>Term</b>	Generally no more than five years.
<b>Return</b>	Subject to discussion and would be based on each project.
<b>Organizations</b>	Open to both non-profits and social enterprises that demonstrate strong positive social and/or environmental impact.
<b>Instruments</b>	A range of asset classes, including but not limited to: loans, mortgages, promissory notes, community bonds, and social impact bonds.

**Find out more:**

If you are interested in applying for an impact investment, visit [www.wrcf.ca/impact-investing](http://www.wrcf.ca/impact-investing), and submit your request through WRCF’s Impact Investment Pre-Screen Application.

If you want to learn more about partnering with WRCF to make impact investments, contact John Bowden at [john@wrcf.ca](mailto:john@wrcf.ca) or 519-725-1806 x 202.