



COMMUNITY  
FOUNDATIONS  
OF CANADA  
*all for community.*



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*Responsible Investment  
Pilot Project*

November 2008 Update  
Montreal, Que.

## *RI Activities June - October*



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- Board education and discussion (5)
- Board strategy session (2)
- Auditing current portfolios
- Implementing 10% policy
- Two foundations have not advanced
- Two foundations had pre-existing RI programs

## *Current activity in CI*



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- Two have initiatives underway:
  - Pilot project with donor money
  - Social enterprise fund
- Presentations on opportunities to invest in CI
- Opportunistic
- Plan to evolve in this area
- Four have no activities in CI

## *Remaining Barriers - RI*



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- Fear it will hurt returns (4)
- How to implement; policy development (3)
- Current markets (2)
- Perception that making and giving out \$ are two separate activities that don't interface
- Limited resources

## *Remaining Barriers - CI*



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- Legal issues – which of our funds can we invest in community assets; is existing capital accessible? (2)

## *Learning to Date*



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- Different array of RI approaches; how broad it is and what it encompasses (6):
  - ESG is a new concept
  - There is more to CI and RI than investing \$:
    - There are other options under our influence
    - Proxy voting and shareholder engagement are new concepts
- How much global interest has increased; how it has become an acceptable form of investment (5)

# *Learning to Date*



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- It is a process (2):
  - You don't have to be 100% RI or CI; you can step through it
  - There is a logical slow progression; having a policy doesn't mean we are implementing right away; we are not jumping off a cliff – these are just steps along the path
  - The further along the curve the less scary it seems

*Learning to Date  
(2)*



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- The fit with our foundation (2)
- Learned that there are intermediary organizations that can help a foundation move into RI
- Evidence of a roadmap
- Learned that RI is inevitable
- Learned it is possible and something we can move forward with
- Learned that we are already doing some things consistent with ESG integration
- That our foundation is on the right path and we haven't missed any steps

*Which aspects of RI/CI are you pursuing?*



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- 5 screening
- 4 ESG; 2 maybe ESG
- 2 PV later; 2 maybe PV later
- 2 Sh Eng later; 2 maybe Sh Eng later
- 3 CI; 2 will be opportunistic

>> Diversity

## *Impacts of current markets*



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- Delayed/slowed (4) – slower progress due to other priorities
- Might focus on developing policy over next 6 months and delay implementation (2)
- No barrier (1)
- Might become an impetus to consider RI (3)

## *Next Steps*



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- RI
  - Policy development process
  - Investment committee session
  - More performance information
  - Research proxy voting track record
- CI
  - Survey of foundation participants to identify interests
  - CI vignettes and legal research