

Welcome! We will begin at 12:00 p.m. CT.

CHICAGO IMPACT INVESTING SHOWCASE 2022

Session #3: Foundations as Impact Investors

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COMMUNITY TRUST
EQUITY • OPPORTUNITY • PROSPERITY

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Moderator:

Jessica Droste Yagan



Partner + CEO, Impact Engine

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WE ARE A PUBLIC BENEFIT CORPORATION with the mission “to engage more investors, entrepreneurs, and advisors in a market where financial returns are linked to positive social impacts.”

10TH YEAR

hosting a public event to highlight impact investing in Chicago

8,505

individuals reached about impact investing through our events and others in the past 2 years

8,175

subscribers receiving our monthly newsletter about impact investing

Venture Capital and Private Equity

strategies at work for our investors and to build the field, with \$124M AUM

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SESSION #1 - April 5th, 12:00 p.m. – 1:00 p.m. CT
Governments as Impact Investors

SESSION #2 - April 12th, 12:00 p.m. – 1:00 p.m. CT
Individuals as Impact Investors

SESSION #3 - April 19th, 12:00 p.m. – 1:00 p.m. CT
Foundations as Impact Investors

SESSION #4 - April 26th, 12:00 p.m. – 1:00 p.m. CT
Private Funds as Impact Investors

Registration is still open for the April 26th session.

SESSION #3:

FOUNDATIONS AS IMPACT INVESTORS

Tue, April 19, 2022, 12 - 1PM CDT

Exploring the role of foundations as impact investors, through both endowment and grant or donor advised fund pools of capital.



JESSICA DROSTE YAGAN
Moderator



LAURA KERNAGHAN
Senior Director of Investments
The Chicago Community Trust



LEAH MISSBACH DAY
CoFounder
World Bicycle Relief



DEBRA SCHWARTZ
Managing Dir. of Impact Investments
MacArthur Foundation



ROBERT TUCKER
Chief Operating Officer
Chicago Community Loan Fund



LEON WALKER
Managing Principal
DL3 Realty Advisors

Scope & Terminology

Socially Responsible Investing (SRI)

Screening investments in or out based on whether they align with your values or mission

Examples Zero carbon portfolio

Environmental-Social-Governance Investing (ESG)

Making investments based on their ESG performance (typically to reduce risk) or managing investments to promote better ESG performance

Example: Managing risk by reducing investments in companies not managing ESG proactively

Impact Investing

Making investments to create specific positive impacts on society or the environment

Example: Impact Engine's approach to investing in products that directly improve economic opportunity, environmental sustainability, or health equity

IMPACT INVESTING: THE 5P FRAMEWORK

PRODUCT

Impact through **products** and services that directly create positive impact while driving revenue

PLACE

Impact through businesses that base their operations where jobs are scarce or offer little upward mobility can drive positive impact in that **place**

PEOPLE

Impact through businesses or funds that are founded by and/or create opportunity for **people** historically underserved by existing markets

PROCESS

Impact through businesses that actively manage and improve environmental, social, and governance (ESG) impacts through business **process**

PARADIGM

Impact through the disruption of existing **paradigms** can create change at the systems level

Welcome!

Debra Schwartz

*Managing Dir. of Impact Investments
MacArthur Foundation*



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Impact Investments

*Samir Goel and Abbey Wemimo
Co-founders of Esusu
an Impact America portfolio company*

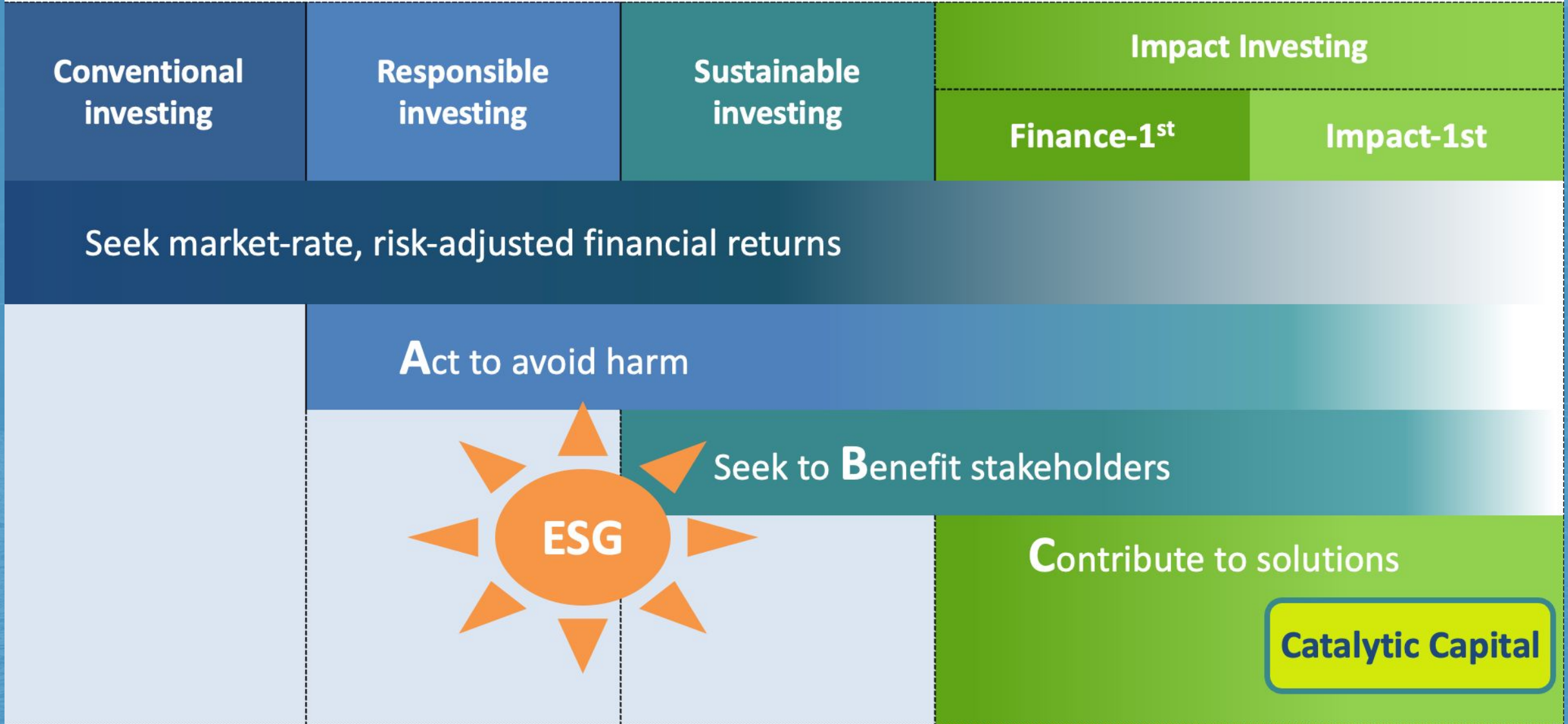
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Outline

- Capital spectrum
- MacArthur overview
- Recent examples
- Spotlight: DL3 Realty



A Spectrum of Returns, Risk and Impact

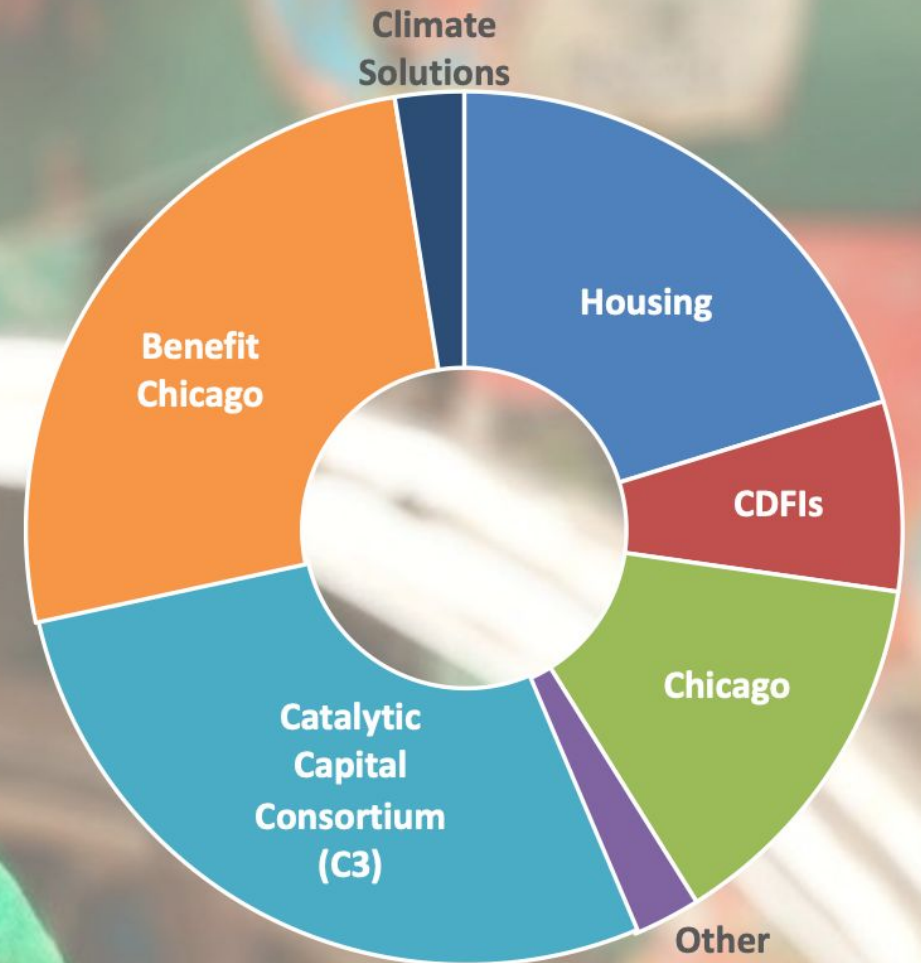




Since 1983...

- **200+** impact investments
- **\$700+** million total
- Chicago, US & global
- Pillars:
 - Mission-driven innovation
 - Equity & inclusion
 - Sustainability

\$393 million at 12/31/20
42% BIPOC-led | 34% women-led



Fortified lentil butter by Frontier Nutrition - An Adjuvant Capital portfolio company



MISSION

AutonomyWorks employs a team of people with autism to deliver exceptional business services, while building independent lives for employees.



Transaction Processing



Quality Assurance



Data Management



GREEN ERA

GROW



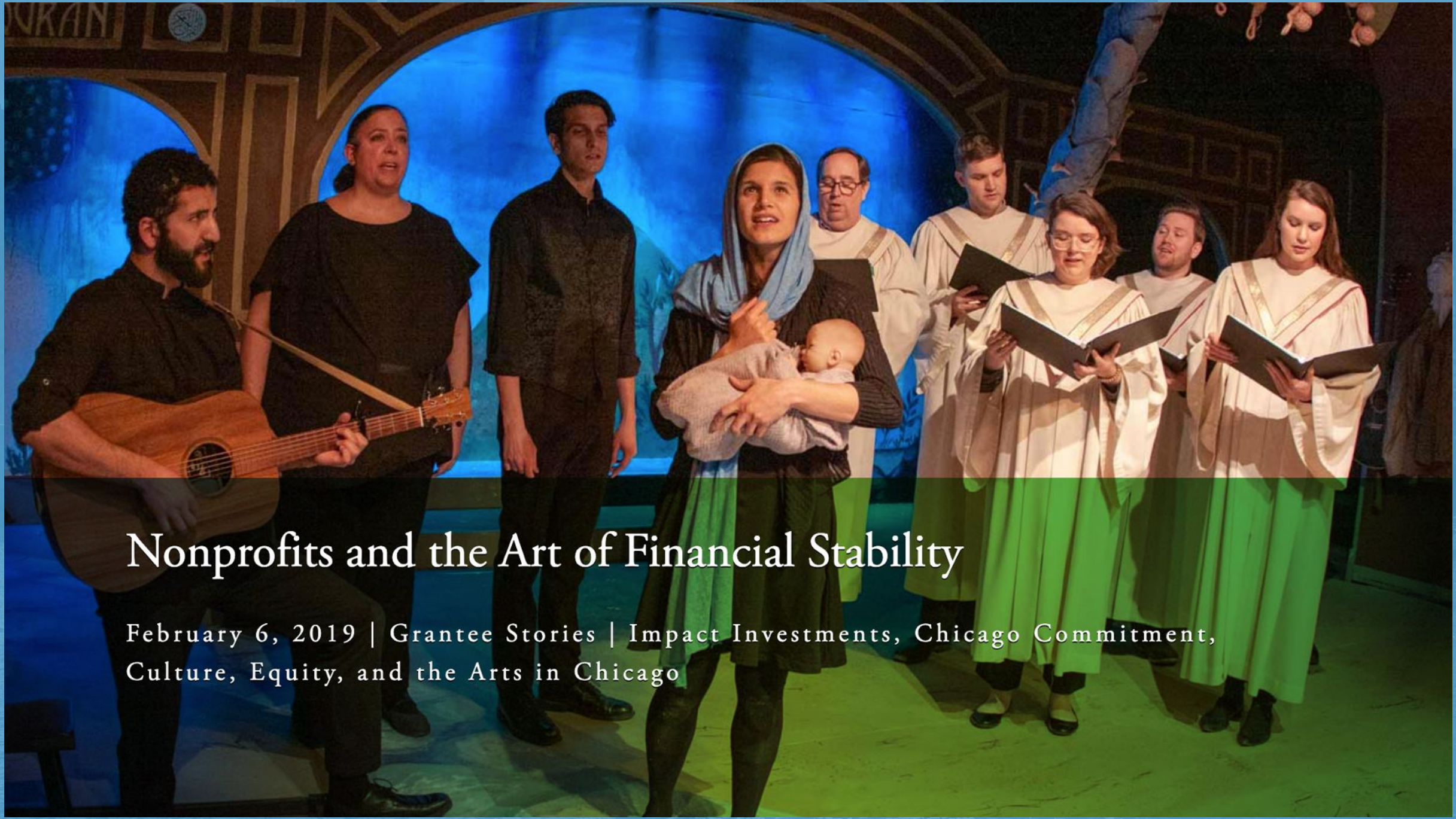
FINALIST
\$1 Billion
Build Back Better
Regional Challenge

**CLEAN TECH
ECONOMY
COALITION**



FH FriendHealth





Nonprofits and the Art of Financial Stability

February 6, 2019 | Grantee Stories | Impact Investments, Chicago Commitment, Culture, Equity, and the Arts in Chicago



Blue Door
Neighborhood Center

Heart Cross Healthcare
of Illinois



Before



DL3 REALTY, L.P.

Welcome!

Leon Walker

*Managing Principal
DL3 Realty Advisors*



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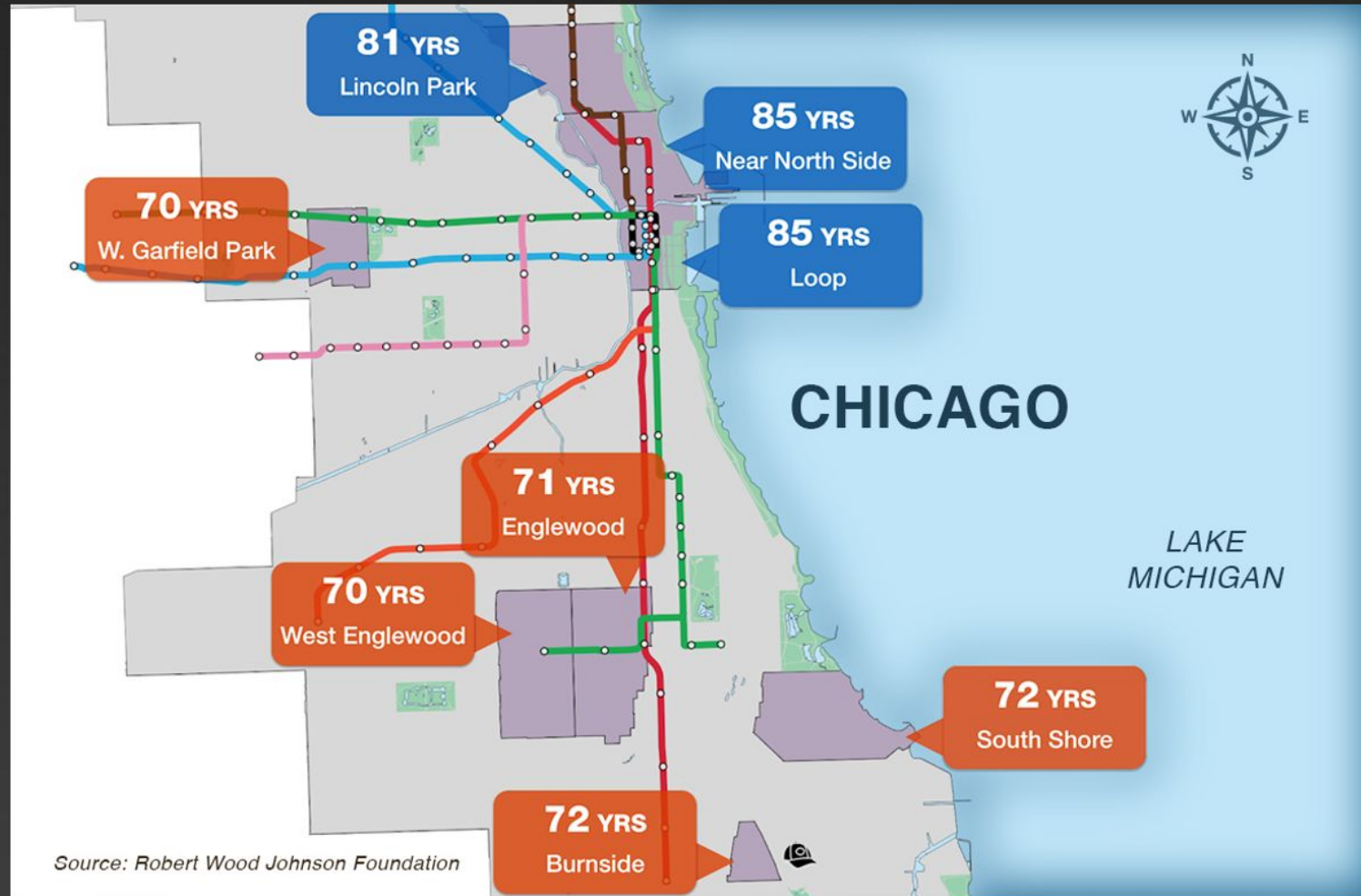


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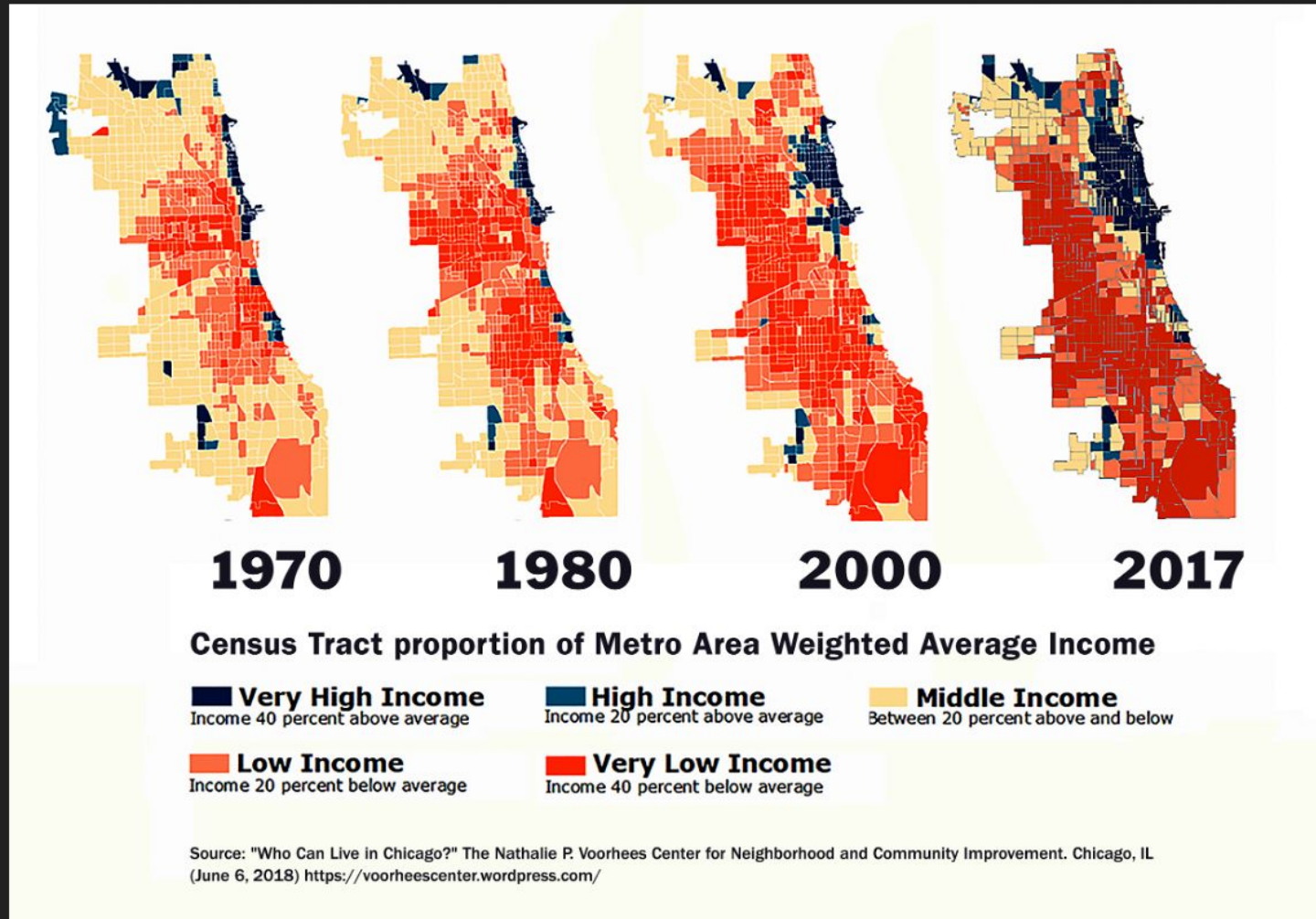
**Why This Developer
Built a Whole Foods in
Chicago's Englewood
Community**

Chicago's Life Expectancy Gap



Zip Code > Genetic Code

Growing Red Zone Engulfing Chicago



Poverty Trap

=

**Racial Segregation +
Economic Disparity**

The New York Times

Black Families Came to Chicago by the Thousands. Why Are They Leaving?

There is an exodus of African-Americans from Chicago. Hardis White, 78, is one of those who left, and three generations of his family wrestled with staying or going.



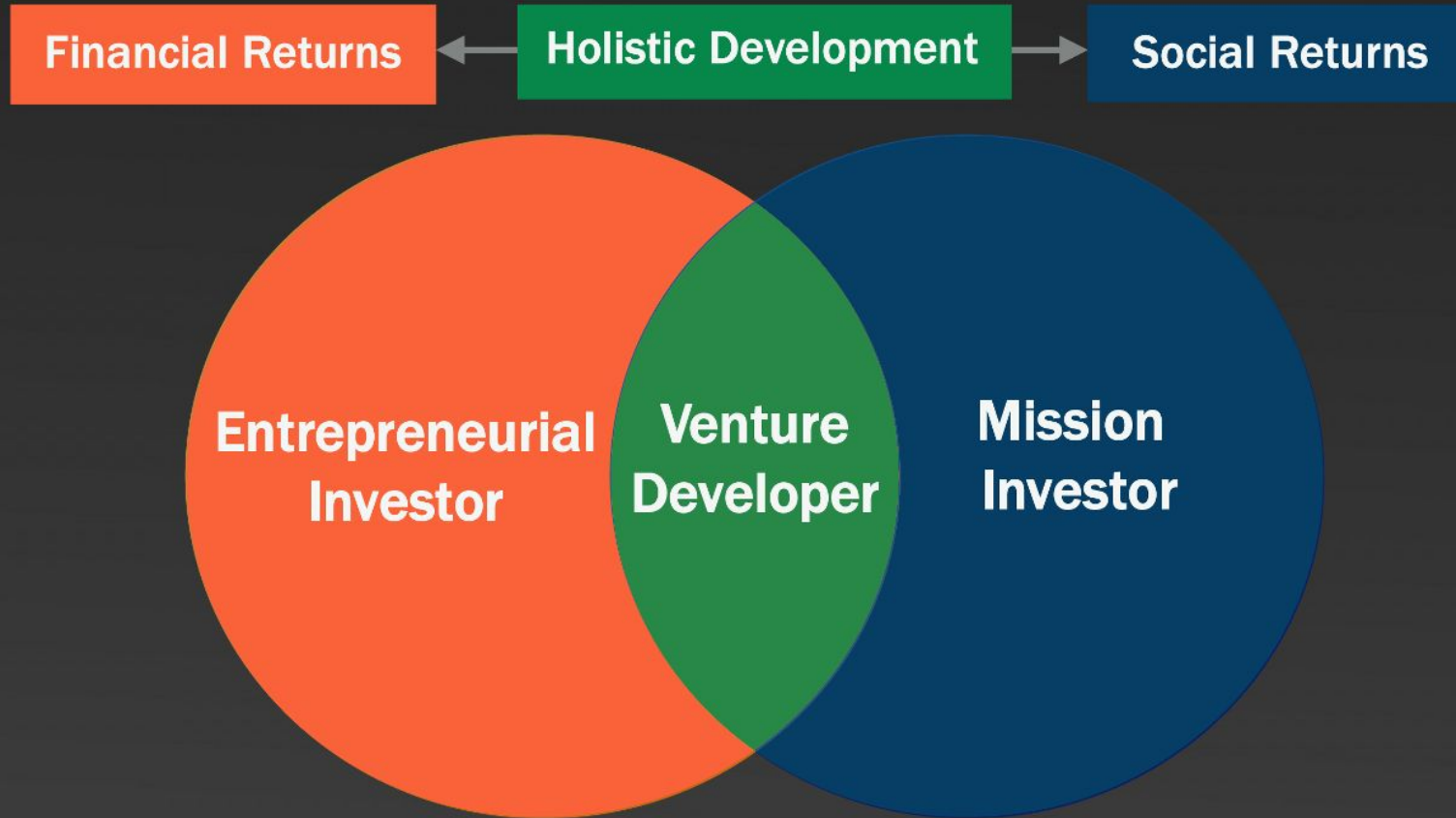
So what do we do now?

Revitalization

≠

Gentrification

DL3 Practices Venture Development



Planting SEEDs Across Chicago

- S** Shape needs into actionable project
- E** Empower local developers/contractors
- E** Expand with non-profit partners
- D** Direct contracts and opportunities



Englewood Whole Foods, Starbucks, Chipotle



Photo, *Chicago Tribune*, 2016

- +250 new jobs
- 40 local vendors on Whole Foods' shelves
- +50% drop in local crime
- Long-time residents see house appreciation
- Local businesses continue to provide services

**Q: How do we scale Venture
Development?**

**A: Grit + Team + Strategy
+Capital**

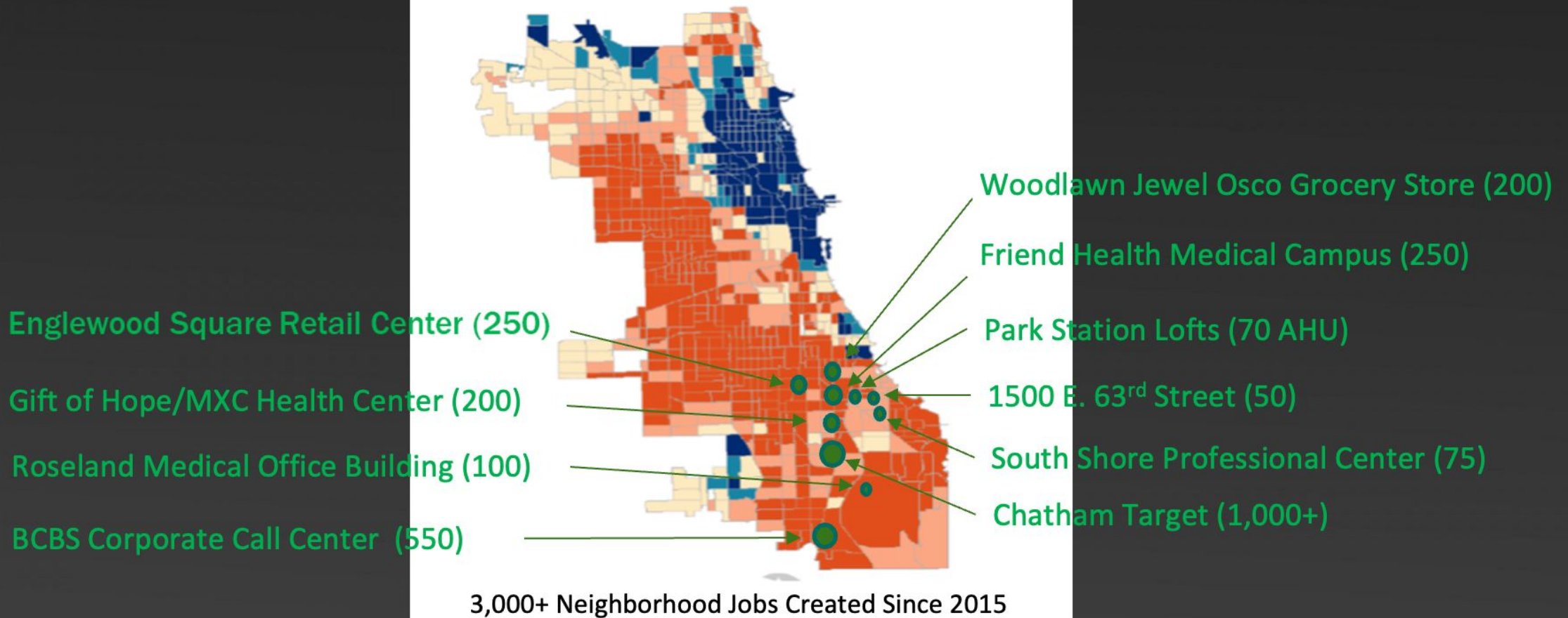
ARC/Benefit Chicago Investment

- Impact investment initiative that aims to strengthen and revitalize communities in the Chicago region in need of economic investment or otherwise disadvantaged, underbanked, or low-income
- Initial \$5 Million Co-Investment in DL3 Realty Advisors, LLC to support over \$50 million in new investments, increased to \$10 Million in Q2 2022 to support active pipeline of over \$100 million.
- Acquired two vacant Target Big Boxes and partnering with corporate stakeholders (BCBS & Discover Financial) to create over 1,500 new jobs on the far south side
- Executing three new developments in Woodlawn, creating healthcare campus, affordable housing, and new commercial businesses

Model Foundation/Family Office Strategic Partnership with For-profit Mission-Driven Developers

DL3's Green Zone Investments

Goal 10,000 New Jobs



Next Step

Pursuing large scale placemaking strategies in Jackson Park, Englewood, South Shore and Grand Boulevard

Gensler Concept Rendering: Grand Boulevard Residences



- ✓ Raise \$50MM in impact equity to continue Venture Development investments
- ✓ Expand corporate tenant relationships to reach goal of 10,000 new jobs within 10 years

Learn more about Venture Development!



www.dl3realty.com/venturedevelopment

Welcome!

Laura Kernaghan

*Senior Director of Investments,
The Chicago Community Trust*



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Takeaways

- Impact investing allows donors to align **their charitable assets with their personal values to generate social good.**
- By pursuing impact investments while the funds are invested, **the Trust can amplify the power of our charitable assets and philanthropy.**
- The Trust's impact investment menu allows donors to invest in organizations that **generate local impact in Chicago**, as well as in funds that create broad impact.
- Several of our options help to **disrupt structural issues with the allocation of capital to individuals and communities.**

Welcome!

Leah Missbach Day

*CoFounder,
World Bicycle Relief*



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Welcome!

Robert Tucker

*Chief Operating Officer
Chicago Community Loan Fund*



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Roots in the Community

**South Austin
Economic
Development
Corporation**

COMMUNITY RENEWAL SOCIETY

**Greater North
Pulaski
Development
Corporation**

CROSSROADS FUND

**Chicago
Workshop
in Economic
Development**



Wieboldt Foundation

**Peoples
Housing**

**Woodstock
Institute**

- Mission: Chicagoland community economic development
- Established in 1991: Original investment - \$200,000; now - \$138 million
- Multiple investors: individuals, foundations, corporate/financial institutions, religious organizations and agencies
- AERIS Rated: AA-*** & Policy Plus
- Community Development Financial Institution (CDFI) since 1996

Housing



Chicago Neighborhood ReBuild Program

 CHICAGO
COMMUNITY
LOAN FUND
Helping create communities where people thrive

Community Facilities



XS Tennis

 **CHICAGO
COMMUNITY
LOAN FUND**
Helping create communities where people thrive

Social Enterprise



Ignite Technology

 **CHICAGO
COMMUNITY
LOAN FUND**
Helping create communities where people thrive

Commercial Real Estate



Englewood Square

A Smaller, Family Foundation

- Endowment (Mission-Related Investments): no financial returns sacrifice to-date (over 3-4 years)
 - ESG-screened public equities funds with positive ESG performance and low-carbon tilt
 - Real estate fund to be used for solar and wind energy projects
 - Fixed income fund to fund banks and others providing microfinance loans, especially to women, in emerging markets
 - Private equity fund with a clear environmental sustainability thesis and measurement
- Impact first Investments to complement grants (Program-Related Investments):
 - Bridge loan to buy disaster supplies (very low interest rate)
 - First “Missing friends and family” fund for early stage under-funded entrepreneurs

***Question
your DAF
fiduciary or
foundation
advisors!***

SESSION #4 - April 26th, 12:00 p.m. – 1:00 p.m. CT
Private Funds as Impact Investors

Registration is still open for our last session.

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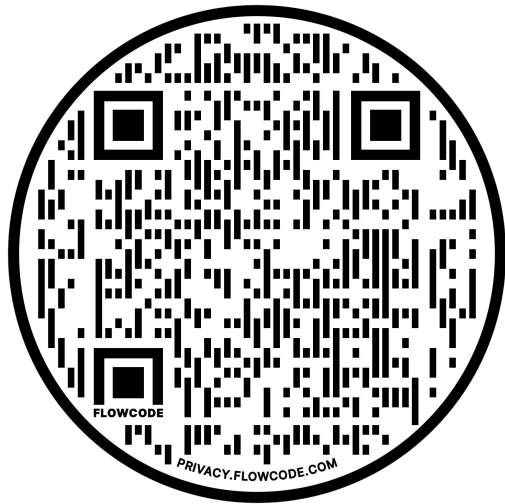


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Thank you for joining! Please complete our survey. Scan the QR code below or follow the link in the chat:



<https://forms.gle/7at2zq6DdRn1uETC7>

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