



SUNDANCE
FAMILY FOUNDATION

Sundance Family Foundation

Five Tier Impact Investment Plan

Nancy Jacobs, Cofounder and CEO

Achieving Full Corpus Impact Investing

Sundance adheres to a Strategic Impact Investment Plan that includes broad diversification and competitive market rate returns. This endowment strategy was developed with the assistance of an independent fee only investment advisory firm over a period of five years:

THE SUNDANCE FIVE TIER PLAN

Tier One: Sundance started with a small number of Equity Investments using Mutual Funds and Exchange Traded Funds

Benefit: Broad diversification with a focus on one or all of the ESG criteria.

Tier Two: Sundance added Fixed Income using Mutual Funds and ETF's.*

Benefit: Broad diversification with a focus on one or all of the ESG criteria and special emphasis on the areas of Microfinance, Community Development and Affordable Housing (determined by the interests of the Sundance Family Foundation Investment Committee and BOD). Sundance Family Foundation continues to use the competitive S&P 500 and Russell 2000 indices as benchmarks, often surpassing their annual ROI performances.

Tier Three: Sundance added professionally managed portfolios of individual Stocks and Bonds.

Benefit: Individual securities customized to the values of Sundance, and the ability to engage in Shareholder Advocacy* to effect impactful ESG changes within publicly traded corporations was/continues to be achieved.

Tier Four: Sundance added High Impact/Semi-Liquid Investments

Benefit: New frontiers of small and medium (global) enterprises (SME)s served to further diversify the Sundance portfolio. Illiquid Impact Investments are often placed into emerging market funds that supply growing small and midcap businesses run by experienced management teams with expansion capital. These entrepreneurial businesses are positioned for growth, evidence stable positive cash flows and positively impact their global communities.

Tier Five: Impact Investing Diversification Beyond Market Fund and Index Investments

Sundance Family Foundation's Impact Investment Strategy Portfolio includes numerous other forms of community investment and growth. Sundance continues to learn about and aggressively seeks new progressive products and partnerships to creatively share resources in an effort to benefit and improve all lives. Examples include investments in PRI's and as first in investors in the MN. Impact Investment Initiative (MI3).

Benefit: Increases local, community and targeted impact investing outside of market driven products. This allows us to actively advance capital to BIPOC communities, regional geographic areas or other targets. In partnerships these efforts both leverage dollars and create sustainable initiatives to create equity.

Impact Investment Vehicles and Partnerships

Below are some of the Impact Investment Vehicles and Partnerships in which we have used or participated:

Minnesota MI3

In 2017, Sundance became one of the original 20 Minnesota Impact Investor subscribers in a collaborative process with foundations-large and small-to become the "Minnesota MI3," the first of its kind place-based Impact Investment Fund in the U.S. This \$23.5 million Royal Bank of Canada (RBC) financially run local Impact Investment Fund, has targeted thematic initiatives in Minnesota and North Dakota targeting the sectors of Neighborhood Rentals, Affordable Housing, Healthcare/Nursing, Small Business Loans and Clean Energy. The coordinated investment is focused on building capacity and scale. The investments are highly securitized loans and have become an excellent option for short to medium term fixed income investing.

A current financial and social impact roll-up report of MCF's Minnesota MI3 Fund is available by contacting Sundance Family Foundation info@sundancefamilyfoundation.org or Susan Hammel, CEO Cogent Consulting cogentconsulting.net

CDFI Accounts

Sundance, since its inception, has banked with and supported a Twin Cities' CDFI institution. Sundance has requested that their CDFI bank directs all account funds to be used in the CDFI's Impact Deposit Fund (IDF.) This Fund loans capital exclusively to Twin Cities small businesses and nonprofits in need.

Minnesota Council on Foundations (MCF) Impact Investment and Integrated Capital Projects

Integrated Capital Recovery Project

In a robust effort to support TC's BIPOC businesses including those adversely affected during the 2020 economic downturn of COVID, Sundance Family Foundation has teamed up with TC foundations, large and small, to investigate, with intention to provide, patient capital in the form of PRI's and grants to a newly formed BIPOC led CDFI group called the **Catalyst Consortium**. This organization comprises six uniquely focused, well established BIPOC-led and BIPOC-centric Twin Cities institutions. This creative model of pooling talent, resources and support to one another, as well as from the local foundation community, is being studied by other cities as well, across the U.S.

<https://mcf.org/integrated-capital-recovery-program>

Royal Bank of Canada (RBC), a Sundance affiliate, is leading and informing efforts to address nationwide wealth gaps and the need for focused philanthropic support of BIPOC Communities.

RBC's: ["Supporting BIPOC Communities through Impact Investing"](#)

PRI Investing

Calvert Foundation

www.calvertimpactcapital.org

KIVA Microloans

Since 2007, Sundance Family Foundation has provided start up grants to Kiva.org, and maintained a corpus that has achieved a 426% impact through lending and repayment of microloans to 716 individuals and communities in over 71 countries. Lending has been achieved through Field Partners who oversee individual loans in 15 different categories. Sundance has invested in 14 of the areas and 163 of the targeted areas which range from animal purchase, to adult care, aquaculture, community entrepreneurship, weaving, water distribution and skills development.

<https://kiva.org>

SDGs

Sundance is endorsing the use of the United Nations 17 Sustainable Development Goals (SDG's) as guidelines to measure SROI and ESG for its Impact Investing, Grantmaking and Programs.

<https://www.un.org/sustainabledevelopment/>

View a Zoom presentation about SDGs and SROI Impact Mapping by Sundance Executive Director Peg Thomas and Ecotone Founder Tim Roman:

<https://www.youtube.com/watch?v=Q0oxXuajbmA>

<https://www.globalminnesota.org/>

Shareholder Advocacy Engagement Sponsorship

Advocacy at the intersection of impact and investment management operates like private equity advancing catalytic ideas to create positive concrete improvements in ESG performance on behalf of all stakeholders. Issues such as Diversity, Equity and Inclusion (DEI), Human Rights, Climate Change and Chemical Reductions are targeted by national conglomerates of shareholder advocate leaders.

<https://www.sundancefamilyfoundation.org/engaging-in-shareholder-advocacy/>

Sundance & the Minnesota Council on Foundations: Peer Network, Panel & Articles

Member Minnesota Council on Foundations Impact Investing Peer Network

<https://mcf.org/>

MCF Annual Conference Panel featuring Sundance Family Foundation

February 13, 2020

"4 Stages of Becoming an Impact Investing Foundation"

<https://www.youtube.com/watch?v=rhPYjwOZ9xM&t=998s>

SRI Investing: A View from an Investment Manager

https://www.mcf.org/system/asset_manager_pdfs/0000/4034/sri_extra.pdf

Glossary of Terms

BIPOC is an acronym for Black, Indigenous and People of Color. This is a trending area of Impact Investing that is gaining national attention.

CDFI Community Development Financial Institution is a financial institution that provides credit and financial services to underserved communities. There are 35-40 emerging in MN that finance housing, business, consumer and community facilities.

ESG - Using Environment, Social and Governance factors as fund determinants (inclusive and exclusive screening) as well as adhering to analytical measurements for SROI*.

ETF - A type of security that involves a collection of funds that track an index, commodity, bonds or basket of securities, used to hedge risks associated with owning individual companies.

PRI Program Related Investment is a loan, equity investment, or guarantee made by a foundation in pursuit of its charitable mission rather than to generate income. The recipient can be a nonprofit organization or a for-profit business. Because a PRI is an impact investment vehicle, the ROI is very low and determined by the terms of the loan. A PRI loan can be forgiven and serve as a grant, as well. The IRS treats PRIs similarly to grants.

Shareholder Advocacy - Advocacy at the intersection of impact and investment management operates like private equity advancing catalytic ideas to create positive concrete improvements in ESG performance on behalf of all stakeholders. Issues such as Diversity, Equity and Inclusion (DEI), Human Rights, Climate Change and chemical reductions are targeted by shareholder advocate leaders.

Social Return on Investments (SROI) - Accountable factors that determine an SROI are social, economic and environmental factors. SROI identifies how a corporation uses its capital and other resources to create value for a community. SROI analytic tools evaluate specific development progress (such as clean air and water) showing both a financial and social impact. SROI calculates social impact in financial terms, for a corporation, for investors and for the community at large.

Sustainable Development Goals (SDGs) - The United Nations Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the 17 global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.