

## **The Béati Foundation**

Endowment size: \$ 12 million

In the words of Jacques Bordeleau, Executive Director

### **Why did the Béati Foundation begin to engage in impact investing?**

Béati is a Quebec foundation committed to reducing inequality and poverty in Quebec. Béati also supports projects that seek to link social commitment and search for meaning. There was an initial reflection on the use of our assets in the early 2000s -- how could we better put them to the service of the mission? In 2004, a first investment outside the financial markets was made out of a desire to support the development of a micro-credit fund in Montreal, not as a philanthropist, but as an investor wishing to document the impact of this investment. Enthused and inspired by this experience, we wanted to do more. In 2007, we adopted a more structured socially responsible investing policy in which we clearly stated our desire to invest up to 1% of our assets in social impact. In 2010, another small foundation (\$1 million) transferred all of its assets to us. As part of that transfer, roughly \$ 350,000 was invested in social and community housing organisations. So, suddenly, our impact investment portfolio was growing and it gave us the urge to go further!

### **How do you do it?**

As part of a periodic review of our strategic directions in 2012, we decided to make solidarity investment (impact investment) a formal field of intervention, just like the philanthropic component. We went from a target of 1% to 10% of our assets. That seemed significant to us, and merited the hiring of an in-house resource, on contract for a few hours a week, to drive the implementation of this orientation. From the moment we said yes, we were still looking to reassure ourselves as to the viability of solidarity investment. For every dollar invested in this sector, how much does it cost a small organization like the Beati Foundation? We've done a lot of work internally to try to assess the cost of our investment.

### **What is your impact?**

Being the size that we are, we are always confronted with the limits of our ability to contribute structurally to the challenges of today's society. But nearly 15 years into our impact investment adventure, with more than twenty investments under our belt, we have never lost a penny. I'm not sure that the financial markets have done as well in the last 15 years !

Through our impact investments, Beati has contributed to nurturing social movements. One example that comes to mind is in Trois-Rivières, where the micro-credit organisation used the Beati investment as a leverage to get local dollars, enabling them to reach their capitalisation goal and be in a position to finance marginalized entrepreneurs.

Another example is *Bâtiment 7* in Point St Charles. We'd supported them with grants for citizens mobilization around the purchase and re-appropriation of a building. Because of our proximity to the social milieu, we could better grasp the non-risk than a traditional financial institution could, and we took the risk of investing \$40 000 that would allow them to purchase the building (others wouldn't do because the organisation did not yet have ownership). They could have gone to anyone now, but they came back to us for two bridge loans secured by government financial commitments, because we were the first to believe in them. Needless to say, we're really happy about it.