

Quick Case Guide

Public Foundation	Publicly Fundraising	Mostly Direct	Finance First
Private Foundation	Non-Fundraising	Mostly In-Direct	Blended
			Impact First

Catalyzing community impact through partnerships

In conversation with the C.P. Loewen Family Foundation, February 2017

The C.P. Loewen Family Foundation is a grant-making private family foundation founded in 1973 with a mission to nurture the strength and vibrancy of people, communities and the earth. The foundation, which currently has assets of approximately \$6 million, has focused in the areas of faith, education and the environment. It also sponsors the Winnipeg Social Finance Forum. Purpose Capital spoke with John Loewen, one of the foundation's board members, about how his family foundation made its first impact investment into Saron Asset Management.

How did the Loewen Foundation come about?

Our community are the Steinbeck Mennonites, who are strong communitarians. There's a recognition that we live and die together as a community. So we grew up always feeling a strong responsibility for others as part of our spiritual and social culture. At that time there was also very little social distinction, because we all went to church together. Those who were successful in business and their employees, all were there together. In the 1970's the business that enabled the foundation, Loewen Windows, was starting to do well. We had a great opportunity to start a foundation and do more than make ourselves secure.

Initially, there was a strong emphasis on faith initiatives: Christian evangelical organizations and education. This has evolved in the 33 years since our father passed away. We now have a broader participation with four brothers as board members. Four of the next generation are also now involved. In the late 1990's Loewen Windows had fantastic profitability. It allowed us to hire a part-time ED, which brought a focus we didn't have. This made our grant-making more strategic and thoughtful. We grew from faith and education, which is our 'deep keel', and expanded to areas such as the environment, respect and tolerance, and alleviating poverty. The family sold Loewen Windows in 2009. While this means we're able to grant much less than we once did, we've maintained a broader focus as more generations start to engage.



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KEY STEPS

- *Build on your networks to identify opportunities that fit with your goals*
- *Look for areas where your investment can enable some change that wouldn't happen otherwise*
- *Look for investments that fit with your needs for more passive management and governance*

How did you engage with Sarona Asset Management?

Our entry into impact investing was actually quite passive and reactive. MEDA (Mennonite Economic Development Associates) is an organization we've supported in the past, and with whom we've had a strong affinity. We really do believe that you can give a man a fish, teach him to fish, and maybe even engage in micro-credit and support a fish processing plant! We're from a business family, so it's no coincidence that we have an understanding that many of the benefits we seek will come from economic development.

The support of MEDA allowed for Sarona Asset Management to approach us. I can't say that we were very proactive. At that point Sarona was looking for initial seed funders, and we participated in that first initial capitalization. We ended up investing a few hundred thousand dollars. We expect that the investment will be financially profitable, with both a return of capital and a return on capital. If it was clearly a money-losing proposition, we wouldn't have been as interested in contributing. But in this case, it's a real investment.

Our history with Sarona is consistent with how we as a foundation feel comfortable. Our dad said, "We want to be an example of philanthropy. We want to be effective enough so others are inspired by our example, not just be seen to do good." For example, we chose not to support the Canadian Museum for Human Rights because we felt it would already have a lot of support. But **there are projects and organizations that won't be successful without our support. So we ask: what are the opportunities where we can make a difference?**

Were there any particular barriers?

It was certainly very different from what we had done before. It was important to really tease out and sell that it made financial sense. We had to educate ourselves and become more aware of the poor being bankable. With Sarona it became a clear opportunity to align our investments with the social dividends we wanted to see. It turned out there was some latent interest in the whole concept on our part. We'd given MEDA probably \$1 million or more for similar goals. Ultimately if things go completely south with this investment, it's effectively a grant.

In the end, it was pretty tightly managed. We didn't consult a lot with our existing investment advisors. We knew that this was what we wanted to do. There would have been a greater challenge and a greater distance if we hadn't known and trusted MEDA and had a personal relationship with Gerhard Pries, the principal of the fund. We were lucky in that we had that existing relationship. In terms of managing that investment, it hasn't been onerous at all because they've been able to provide good reporting, and kept us up to speed.

What led you to support the Social Finance Forum and where might this go next?

My brother Charles was the head of Loewen Windows. Although he has retired he's still involved in the business and the Winnipeg Community. He has a strong interest in social initiatives, and brought the Forum to the foundation. We said yes because it's leadership that's needed in the community, and it allows us to keep a toe in the water. Simply educating ourselves was a part of the Forum's goals, by initiating the sector locally and facilitating a dialogue around impact investing.

Moving forward, we've added next-gen board members. More ethical investing is a strong discussion point as they begin to become more engaged. From my perspective, I quote St. Francis of Assisi, "I will preach at all times, and if necessary, use words". While not all Board members identify as Christian, it all boils down to

ethics and being humanitarians. Trusting your intentions are good, but let's be dispassionate about this, and let our ethics guide us.