

Summary: Mission-Aligned Investments-  
year by year

# **A Summary of Our Mission-Aligned Investments- year by year**

## **2023 Mission Aligned Investment Summary**

The Valentine Foundation remains dedicated to our mission-aligned investing journey, recognizing our critical role in fostering societal change through strategic and thoughtful investments. As we look towards 2024, our growing pipeline of community investments and our innovative approach to public equity engagements position us well to achieve our ambitious goal of full mission alignment prioritizing investments that support gender and/or racial justice.

### **Advancements in Mission-Aligned Portfolio**

As we progress towards our goal of 100% mission alignment by 2025, the Valentine Foundation is pleased to report a significant advancement in our portfolio's alignment. As of this year, we've reached over 71% mission alignment, adhering to our established priorities for gender and racial justice. This achievement is a testament to our commitment to aligning our investments with our foundational values and objectives.

### **Impactful Community Investments**

Our journey towards a 20% investment in community-driven initiatives has been marked by new and impactful investments. We continue to add capital to our relationship with the Philadelphia Community Impact Fund by fulfilling another 15% of our committed capital. We've also invested in [KIN Apparel](#) through a market-rate bridge loan to bolster their holiday season sales with innovative satin-lined apparel products. Lastly, our early-stage equity investment in [Trapezium Math](#) aims to expand its educational offerings, bridging the math literacy gap for underrepresented and minority students. Trapezium represents a new investment structure for our Foundation, investing directly

into the equity of an early-stage company. This follows the Philadelphia Community Impact Fund being a new structure in 2022, in a limited partnership structure. We will continue to innovate the investment structures used to achieve our community investment goals. These investments not only align with our mission but also contribute to meaningful societal progress.

### **Strategic Public Equity Engagements**

This year we marked a significant development in our public equity investments. Collaborating with Parametric, we've established a mission-aligned large-cap equity portfolio, meticulously screening companies that don't meet our racial and gender equity criteria. Furthermore, we've diversified our public equity portfolio with notable additions such as [Fidelity's Women's Leadership Fund](#) and [Impax Ellevest Global Women's Leadership Fund – Impax Asset Management \(\[impaxam.com\]\(https://impaxam.com\)\)](#), focusing on advancing gender equity while targeting market returns.

### **Looking Ahead: Final Stretch to Full Mission Alignment**

As we approach 2024, there is palpable excitement about the future. Our portfolio currently stands at 71% mission-aligned, and we are gearing up for the final push to reach our target of 100% by 2025. This next phase involves exploring more opportunities to invest in local, community-based initiatives, reflecting our continuous evolution in refining our mission-alignment strategies. The foundation's consistent performance has also enabled us to increase our grant support, further amplifying our impact on the community we serve.

### **Valentine's Engagement with other Mission Aligned Funders**

In 2024 Valentine will join the Mission Aligned Collaborative, moderated by Philanthropy Network. It is the next step after the Mission Aligned Cohort that we participated in during Covid. Our goals are to further our knowledge about Mission Aligned Investing alongside our fellow foundations, to find local community investments that we can fund as a group and, most importantly, to be advocates for the concept of mission aligned investing to other grantmakers who are just beginning their journey. This advocacy was exemplified by our trustee, Vanessa Lowe, participating in a panel at the Impact PHL 2023 Summit in May.

# 2022 Mission Aligned Investment Summary

## Advisor Transition – Thanks Pat!, Welcome Jason!

Pat Feeney of Breton Financial, managed Valentine's assets since our inception — for 37 years. After an extensive search we engaged Jason Ray of [Zenith Wealth Partners](#) via [Cerity Partners](#) as our new financial advisor. Jason's experience and commitments to local community investing will support us in moving our full portfolio to 100% mission alignment by 2025. We thanked and presented a plaque to Pat for her years of service and the wonderful job she did of protecting and growing our portfolio at a gathering of Valentine board and Leadership committee members in May. Thank you Pat for your years of brilliance and insight. Welcome to the Valentine team, Jason!

## Mission Alignment Portfolio Changes Additions

With Jason's help we've already made portfolio changes using impact rating tools to swap low or negative impact holdings with new ones that meet our primary commitments of racial equity and gender justice.

Using the screening data, we removed American Express, Becton Dickinson and other individual equities that had boards with less than 35% female representation. For funds, we evaluated the portfolio management team. We removed holdings that had no women representation in portfolio management (PM). We then included funds developed or run by women PMs. For example, we added the [Adasina Social Justice All Cap Global ETF \(JSTC\)](#). Developed by Rachel Robasciotti, a Black queer woman, this fund was developed with guidance from social justice advocates with screens for companies that met race, gender, economic, and climate justice thresholds.

## MAI Community Investments

We also added a new community investment loan to our MAI portfolio and recommitted to another. [Weaver's Way](#) is a well-known food co-op operating out of two sites in northwest Philadelphia and another in Ambler, PA. We committed \$50,000 to support a new store planned for the Germantown neighborhood with commitments to pay living wages and to hire from the local community.

We extended our 2020 original \$25,000 loan to [First Step Staffing](#) for 3 more years at 10%. This “employment social enterprise” provides social and other wraparound services to help returning citizens and others facing employment barriers, to secure stable employment. Click here for a video about [First Step Staffing](#).

### **Mission Alignment Champions & Resources**

Since participating in [Philanthropy Network’s](#) Mission Aligned Investing cohort training in 2020, Valentine has championed 100% mission-alignment. We welcome opportunities to speak with other foundations interested in moving in this direction. Shout out to Laura Kind McKenna of the [Patricia Kind Family Foundation](#) for her leadership on this issue, and the guidance and encouragement she’s provided to the Valentine Foundation over the years. Finally, [ImpactPHL](#) has developed a critical resource, compiling, and profiling high impact Philadelphia area investment opportunities for foundations and other accredited investors. Consider attending their [Total Impact Summit 2023: Investing for People, Planet, and Place](#)

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## **2021 Mission Aligned Investment Summary**

In accordance with the new Mission Aligned Investment Policy, the trustees made the following investments in 2021:

### **Women’s Community Revitalization Project**

WCRP established a Loan Fund for the purchase and development of affordable housing in Philadelphia. Valentine invested \$50,000 for five years at 5%.

### **Interfaith Housing Alliance (now called Family Promise Montco PA)**

Having paid off the previous loan from 2018 (Valentine's first community investment) a new loan was made for the purchase of property in Lansdale, PA, to be used for transitional housing. Valentine lent \$50,000 for five years at 2%.

### **Thrive Village PHL, LLC**

As part of a collaboration with five other Philadelphia funders, Valentine loaned \$50,000 for seven years at 1%. The loan was for the purchase of property in West Philadelphia to be developed into medical offices and a healthy food market which will benefit the community. Thrive Village is a project of Dr. Leon Caldwell of Ujima Developers, LLC.

### **Greater Philadelphia Focused Impact Fund**

We recognize that Philadelphia compares poorly to other large cities in terms of BIPOC-owned and focused businesses. We have made a strategic \$50,000 investment in a fund that aims to address this issue through employment, fresh food, healthcare, etc. It is our hope that this effort will help all local neighborhoods and people thrive.

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## **2020 Mission Aligned Investing (MAI) Update**

Despite and because of its challenges, 2020 gave us opportunities to deepen our commitment to racial justice as a core goal of our investments. We have joined the year-long Mission Aligned Investing cohort training sponsored by the Philanthropy Network. This is a group of more than ten foundations with representatives from both staff and board. Each foundation has committed to a project to shift more capital into the community using a racial equity lens. In addition to the cohort, we have continued adding high-impact projects to our MAI portfolio. Here is a list of three new CDFI investments we made this year:

- In April, we were approached by the **Women's Opportunity Resource Center (WORC)** for a loan. WORC had approved more than 30 SBA Paycheck Protection Program (PPP) loans to women and minority owned micro and small businesses and needed \$1.5 million to quickly deploy the loans. WORC approached 15 foundations, including Valentine to each lend \$100,000 interest free, to be repaid on November 1st, 2020 when funds were repaid by the federal government. Valentine approved this COVID-19 response loan in less than a week.
- In June, also in response to the COVID-19 crisis, Valentine invested \$50,000 total (\$25,000 out of Leadership and \$25,000 out of the Foundation) in **The Enterprise Center (TEC)**, a 30-year-old Black led business incubator and non-extractive lender based in West Philadelphia. TEC supports 100% minority owned businesses. We matched the pandemic adjusted terms they offered to their borrowers – 0% for the first 6 months and 1% interest for the remaining 2 ½ years.
- In August we made a \$25,000 loan to the **Impact Loan Fund** for 5 years at 2% interest. **Impact Loan Fund** is the lending arm of Impact Services in Kensington, founded in 1974. **Impact Services** (a non-profit community-based organization) partners with Kensington Corridor Trust, an innovative cross-sector partnership that include Shift Capital (a social impact real estate B-Corp), IF LAB (an inclusive technical assistance provider), and PIDC (Philadelphia's public-private economic development corporation). This partnership takes a multi-stakeholder, multi-pronged approach to corridor revitalization, combining lessons from like-minded efforts that have proven effective in strengthening corridors.

The pandemic and police violence against the Black community have exposed and reminded us of the racism and inequities that exist in our community. We are excited about learning and doing more to uplift and address these issues. Be in touch if you hear of projects in which we might invest.

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## 2019 Mission Aligned Update

We continued to pursue our 10% commitment to mission aligned investing in 2019. The board approved a 5-year \$25,000 working capital investment in **First Step Staffing**, adding workforce development and returning citizens to our areas of impact. First Step Staffing connects people experiencing homelessness and those returning from prison with jobs. The Atlanta-based non-profit opened operations in Philadelphia in January 2018. In July 2019 the Inquirer reported on the job fair they hosted for people who had been arrested and were on pretrial supervision. They had 270 temporary jobs available, with pay ranging from minimum wage to \$15 an hour.

First Step provides companies with a socially responsible alternative to typical staffing agencies, while offering meaningful employment opportunities for individuals who are in transition. They provide critical supportive services including job coaching, door to door transportation, uniforms, and other supports needed to increase employees' chances for long-term success. Upon hearing our proposal Valentine Board member, Annike Sprow, gave it a resounding Yes vote. As a social worker working daily with returning citizens, she knows first-hand the challenges they face in finding employment. She says First Step is a go-to resource for her and that they are truly successful in finding quality jobs for her clients.

In addition to the First Step investment the board also approved expanding the 10% commitment to include the Leadership Fund portion of the Valentine endowment. Contact us at [info@valentinefoundation.org](mailto:info@valentinefoundation.org) if you have a high impact social investment, you'd like us to consider.