

Backgrounder

Why a Socially Responsible Investment Fund?

Renewal2 Investment Fund, one of only a handful of leading socially responsible investment funds in North America, is the next initiative of the Renewal vision and strategy, a result of the partnership between BC-based social entrepreneurs and philanthropists Carol Newell and Joel Solomon (www.renewalpartners.com). In 1994, Joel and Carol assembled a high-calibre team of like-minded individuals to establish a three-pronged approach of Investments, Grants and Collaborations. With a 50-year strategy and a 500-year intent, they have been supporting the creating of a sustainable economy with focus on British Columbia.

The 21st century will see dramatic retooling of the ways we live together on the planet and the creation of a new social norm within the next ten years is inevitable. It's time to shift capital to the solutions economy, and as such, we believe that there must be a philosophical reinvention of where and how capital is deployed. To foster a shift to the solutions economy, ongoing innovation and the capital to support such innovation is essential.

In light of the current recession, governments are looking for stimulus to avoid deeper slides and to build a strong economic foundation in preparation for a recovery. Governments are looking at green recovery solutions as cost effective ways to tackle job creation, energy security and climate change mitigation. While there is a lot of emphasis on cleaner and more efficient energy use and transportation – which is good news for energy and renewable resources companies - we are left with a significant gap of underfunded sectors such as Environmental Innovation, Green Building, Organic & Natural Food, Green Consumer Products, Social Media, and Social Finance. Herein lies the focus of Renewal2 and a significant investment opportunity. These sectors are a) critical to a sustainable future, b) underserved by the traditional venture community, and c) expected to grow much faster than the rest of the economy.

Investing successfully in private equity requires patience, careful selection at onset and access to the best managers in the field. The great news is that private equity allows a much broader access to the economy, and in particular, specialized opportunities such as new assets classes in social venture investing. Socially Responsible Investing (SRI) by nature has an opportunity to positively influence our economy since the triple bottom line approach of economic, societal and environmental concern brings with it increased accountability and transparency. With a focus on underfunded sectors critical to a sustainable economy, as well as early stage and scalable businesses that can generate meaningful shifts in consumer behaviour, we have positioned the Renewal2 Investment Fund to support the leading entrepreneurs who are creating new solutions for a sustainable future.

Renewal2 Investment Fund builds on Renewal's 15-year track record of successful high-impact investing. Using the tools of business and philanthropy, Renewal has made over \$7m of equity investments in the critical sectors that are now funded through Renewal2. Renewal Partners have also placed \$20m in conservation financing, social purpose non-profit real estate, social enterprise business lending, education, convening, capacity enhancing shared services for charities, and the building of financial services for philanthropists. From its strong base in BC, Renewal is expanding its scope to join the exceptional innovators across North America who are reimagining the economy, culture and public policy to meet the demands of the future. Renewal2 Investment Fund is a critical initiative to capitalize on this opportunity and lead the way. We welcome partners to join us in supporting emerging entrepreneurs who will build the solutions economy.

Website

www.renewal2.ca