

# Endowments for Impact Challenge

The Reichstein Foundation, Dusseldorf Forum, Besen Family Foundation, and Oranges & Sardines Foundation are proud to be partnering on the Endowments for Impact Challenge, and we're inviting other trusts and foundations seeking mission-driven investment advice to join us.

## The shift towards mission-driven investment

Historically, Australian trusts and foundations have pursued a dualistic approach to granting and investing, with granting driven by vision, mission and values and investing confined to generating income.

In recent years, trusts and foundations have increasingly begun to deploy their investments in pursuit of their missions. With Australian grant-makers holding over \$50 billion in investable assets, the impact of this burgeoning shift is significant.

However, many trusts and foundations making this shift rely on external advisors to develop and implement their investment policies and have met challenges in identifying appropriate support, including:

- the dominance of advisory business models that favour efficiencies of scale over the flexibility required to accommodate clients' specific missions and objectives
- differentiating greenwashing from credible responsible investment advice and products
- the tendency for some investment committees to defer to their advisors, stymying the potential for a robust exchange that draws on trusts and foundations' unique mandates, relationships and expertise

To date, trusts and foundations have not tended to work collectively to address these issues and their experience selecting and working with advisors is shared on a limited and informal basis.

Drawing on similar models from the UK and Canada, the Endowments for Impact Challenge offers a different approach.

## Endowments for Impact Challenge

The Endowments for Impact Challenge is a collective, public tendering competition designed to identify, challenge and promote investment practitioners who are most suited and values-aligned to the requirements of investing charitable endowments. The Challenge will:

- showcase the demand from Australian trusts and foundations for credible mission-driven investment advice
- assist participating trusts and foundations to engage, instruct and evaluate the financial sector professionals that help design and implement their investment mandates
- inspire and challenge trusts and foundations and the investment advice industry to adopt ambitious, innovative, and effective approaches to mission-driven investment
- contribute to better collaboration and transparency in the investment practices of trusts and foundations

## Proposed format: how will it work?

The Endowments for Impact Challenge will draw on the models developed in the UK ([the ESG Olympics](#)) and Canada ([the Great Canadian ESG Championship](#)).

Participating trusts and foundations will issue a public tender, seeking proposals from investment advisors against a set of agreed criteria. An expert panel will assist participants to develop a shortlist of advisors who will be invited to present at a public event.

Participating trusts and foundations, the expert panel and attendees at the event – including non-government organisations and a range of asset holders interested in responsible investment - will have the opportunity to ask questions and identify one or more winners. The event will be promoted and covered in general and specialist media. The selection criteria, submissions and due diligence will also be shared publicly to support capacity-building, knowledge sharing and drive momentum in the philanthropic and responsible investment communities.

Following the event, participating trusts and foundations will draw on the outcomes to engage their investment advisors. A report will also be published outlining the shortlisting process, profiling the winners, and identifying areas for improvement.

## Get involved

**Participating trusts and foundations:** will commit to considering the outcomes of the Endowments for Impact Challenge in the selection of their investment advisors within 18 months of the conclusion of the Challenge. Participating trusts and foundations may provide in-kind support and will be expected to make a contribution towards project management and delivery costs.

**Project supporters:** support the Challenge in a range of ways, including through financial and in-kind assistance and promotional activities.

If you're interested in getting involved, please contact Rachel Ball, Reichstein Foundation CEO: [rachel@reichstein.org.au](mailto:rachel@reichstein.org.au)

### Participating Trusts and Foundations:



### Sponsors:

