

10 YEARS LATER:

FROM 100% FULLY COMMITTED TO
100% FULLY ALLOCATED

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About the Author	04
Executive Summary	06
Timeline At-a-Glance	07
SECTION 1: Origins of the Asset Base	08
SECTION 2: Commitment to a 100% Impact Portfolio	10
SECTION 3: Impact Investing Framework	14
SECTION 4: Transition to a 100% Impact Portfolio	18
SECTION 5: 10 Year Performance	24
SECTION 6: Lessons from a Decade-Long Track Record	30
Acknowledgements	35



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- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

ABOUT THE AUTHOR



Jory Cohen is the Director of Finance and Impact Investment at Inspirit Foundation, where he has managed the first institutional portfolio in Canada dedicated to impact investments across public and private markets. For the past decade, he architected Inspirit's transition from a traditional portfolio to one entirely composed of impact investments across asset classes, overseeing the entire process from commitment to full implementation.

Since graduating from the Richard Ivey School of Business at Western University as class valedictorian, Jory quickly garnered a reputation as a leader in the impact investing field.

He has shared his expertise at venues such as the United Nations Forum in Geneva, as well as writing for The Globe and Mail and Toronto Star, among other publications.

Before joining Inspirit, Jory was the managing director of Youth Social Innovation Capital Fund, an impact investing fund supporting young entrepreneurs. He also co-founded a business in East Africa based on the fair-market value sales of honey.

**2016-2026:
IN THIS REPORT SERIES**

ROADMAP



**Fully Committed:
Our Roadmap Towards a
100% Impact Portfolio**

What if you woke up one morning to learn that your financial investments had inadvertently caused harm?

Published
January 2016
*In partership with
Purpose Capital*

English
(16 pages)

STATEMENT



**Investment Policy
Statement**

Inspirit Foundation's Investment Policy Statement governs the allocation of our assets.

Published
June 2017

Updated
March 2026

English
(12 pages)

REPORT



**10 Years Later:
From 100% Fully Committed
to 100% Fully Allocated**

The past 10 years have been extremely rewarding; we have overcome some challenges and learned many lessons along the way.

Published
May 2026

English/French
(36 pages)

EXECUTIVE SUMMARY

In 2016, Inspirit Foundation made a bold commitment: to align the entirety of our assets with our organizational vision through impact investments across public and private markets.

At the time, this decision was guided by the Foundation's values of a more inclusive and pluralist society. We also had a hypothesis—that it is possible to generate strong financial returns while advancing positive social and environmental outcomes.

Ten years later, that journey is captured in this report through the results of a full market-cycle track record. The findings challenge one of the most persistent assumptions in investing: that pursuing impact requires sacrificing financial performance. As Inspirit transitioned from a traditional portfolio to one fully composed of impact investments, we redefined our approach to fiduciary duty, developed a framework to align capital with our vision, and helped catalyze new investment strategies across asset classes.

Today, the portfolio stands as one of the few across the world to be fully impact-aligned across public and private markets. We believe it is the only one with a ten-year track record of financial outperformance relative to the most common benchmarks.

The results are clear:

- The portfolio **outperformed its traditional benchmark over the 10-year period**, delivering modest but meaningful cumulative excess returns
- It achieved a **significant reduction in carbon intensity**, cutting emissions by approximately 80% from its peak
- It reached **full alignment with Inspirit's vision**, with 100% of assets contributing to defined social and environmental benefits

These outcomes suggest that the commonly assumed “returns trade-off” may not be an inherent feature of impact investing, but rather a function of how portfolios are constructed and managed.

The experience also highlights that achieving these results requires a different approach. Impact investing at the portfolio level involves rethinking traditional asset allocation, embracing a longer-term perspective, and maintaining discipline through periods of volatility relative to benchmarks. It also demands greater effort in sourcing, diligence, and active management.

Over the past decade, Inspirit has demonstrated that capital can be deployed to reinforce both financial performance and organizational vision. The portfolio's evolution reflects a broader shift from viewing investments and grants as separate tools, to recognizing the full balance sheet as a driver of impact.

While this is only one case study, it does offer practical guidance of how a more holistic approach to investing can generate competitive financial

returns, reduce environmental footprint, and contribute meaningfully to society. It provides evidence that helps debunk misconceptions about impact investing, especially relevant in this climate of politicalization and polarization.

As Inspirit looks ahead, the focus extends beyond our own portfolio. The next chapter will build on these learnings to help shape broader market practices and encourage more investors to consider how their capital can be aligned with both purpose and performance.

TIMELINE AT-A-GLANCE

2010

Sold **VisionTV licence**

2012

Created Inspirit Foundation; Board of Directors allocated **assets from the sale** to three investment managers to earn financial returns

2015

Conducted portfolio **audit** and made first private impact investments

2016

Committed to a **100% impact portfolio**

2017

Published **Investment Policy Statement**

2018

Invested in a **public fixed income** strategy targeting themes such as climate change, education and health, becoming first investor

2019

Invested in a **global equities mandate** aligned with the United Nations' Sustainable Development Goals (SDGs), becoming first investor

2020

Invested in a **Canadian equities fund** with impactful companies of varying market capitalization: small, medium and large, becoming first investor

2021

Invested in **Raven Indigenous Impact Fund**, the country's first Indigenous venture capital fund investing in Indigenous ventures, becoming first investor

2022

Moved bank account to a **credit union** to leverage deposits for affordable housing, clean energy projects and social enterprises, and officially reached a **100% impact portfolio**

2023

Invested in a **global equities fund** focused on companies with small market capitalization driving social and environmental solutions, becoming first investor

2024

Transitioned from public fixed income to **private fixed income** investments, while also carving out a sub-asset class for loans offered at no interest

2025

Demonstrated a **10-year track record** since the commitment to a 100% impact portfolio



- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

SECTION 1

ORIGINS OF THE ASSET BASE

Inspirit Foundation was born out of VisionTV — a pioneering and courageous broadcaster that embodied the hopes and values that guide us today. Founded in 1988, VisionTV was Canada's first multifaith and multicultural broadcaster. After 22 years of successful operations, the licence for VisionTV was sold in 2010.

Two years later, the proceeds of the sale became the asset base of Inspirit Foundation, a public foundation working toward a more inclusive and pluralist Canada — where differences are valued and engaged and where everyone has an equal opportunity to thrive both socially and economically.

Inspirit defines a pluralist society as one in which people of different beliefs and backgrounds can participate equally, coexist peacefully and thrive together. Pluralism ensures that we all feel like we belong. It requires equitable access to funding so that people and systems can seek understanding across lines of difference, and challenge and change existing power structures.

Pluralism is advanced when we see ourselves reflected in all our diversity and multiplicity. It suffers when the narratives and values that underpin our dominant social, cultural and economic structures — which dictate whose stories are funded and told — leave out or cause harm to those who belong to racialized, ethnic and religious minority communities.

In 2012, Inspirit hired investment firms to manage more than \$20 million in capital that came out of the sale of the VisionTV licence. With the vision of the Foundation set by the inaugural Board of Directors, Inspirit set out to develop granting streams to support communities and organizations to challenge the systemic barriers. Inspirit's early granting programs focused on fostering the leadership of young Canadians in building a diverse, inclusive and multi-faith society.

A few years later in 2015, we began to see early evidence that the projects supported through our granting streams were part of a unique mission. We started to think about how our investments could affect our organizational vision. Our Board ordered an audit of our investments to learn how the underlying companies in our portfolio contributed to our vision.

The results were disappointing. While our granting dollars were actively advancing our vision, almost none of our investments were doing so in a meaningful way. In fact, most of our portfolio was contributing minimally to our vision, either positively or negatively. Some investments were even actively working against the purpose of the Foundation, countering the project outcomes funded by our granting streams.

In 2016, a strategic plan named advancing reconciliation with Indigenous peoples and challenging Islamophobia as priorities. Granting programs were refined to focus on the power of media and arts to foster narrative change that supports pluralism.

In naming advancing reconciliation with Indigenous peoples as one of Inspirit's strategic priorities, investing in companies with a history of illegal appropriation and exploitation of the land and resources of Indigenous communities was completely unsatisfactory to us.

Unacceptable, actually.

- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

SECTION 2

COMMITMENT TO A 100% IMPACT PORTFOLIO

Fueled by the tarnished results from the portfolio audit, the Board became curious about a nascent term that recently emerged within the wider philanthropic conversation: impact investing. The Board had heard this approach to allocating assets could earn financial returns while generating positive outcomes for society — but did not have the tangible experience necessary to confidently incorporate it into the work of the Foundation just yet.

Determined to explore the concept, the Board set out on a learning journey, even crossing the border to learn from some of the early impact investing adopters to the south.

Armed with a motivation to make some structural shifts to our portfolio, we started to wonder how we could activate our investment capital to further our vision. Despite the commonly held belief that investments that generate positive social and environmental outcomes inevitably earn below-market returns, with the Board's encouragement and approval, we started to dabble in making impact investments. The Board wanted to test the return trade-off assumption. Beginning with private equity funds focused on clean energy, sustainable food supplies and loan pools for charities and not-for-profits, these allocations demonstrated how our investment capital could be engaged to support our organizational vision, in collaboration with our granting.

Already seeing the early financial and impactful returns of a more holistic investment approach, the Board was ready to consider something that had not yet been done in Canada. After thorough discussions grounded in available data, values-alignment, predictive modelling and risk assessments — both financial and reputational — the Board approved a commitment to a 100% impact portfolio in 2016. The Board believed in the power of impact investing, not just from a social and environmental lens but also in its potential to generate strong financial performance. The Board did not accept the predestined return trade-off myth.



In 2016, the Board was wrestling with how to respond to the opportunity to use our endowment for deeper impact. How could every dollar advance our mission? We reflected on research about how productive, sustainable, and inclusive economies enable more pluralist societies. We then committed to a thoughtful, methodical, and intentional process of shifting capital over time in service of climate and communities.

— Mitchell Anderson, *Former Board Chair and Finance and Investment Committee Chair, Inspirit Foundation*

This was a total activation of our asset base grounded in our values of an inclusive and pluralist vision. We wanted to transition from a relatively traditional portfolio to one entirely composed of impact investments across public and private asset classes. This commitment was a first-of-its-kind for institutional investors in Canada — and one of the first in the world. We mapped out our new investing approach in **Fully Committed: Our Roadmap Towards a 100% Impact Portfolio**. We were inspired by early leaders like Heron Foundation and KL Felicitas, and the solid work already being done in Canada by McConnell Foundation, Edmonton Community Foundation, Hamilton Community Foundation and others.

- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

We committed to transition our portfolio from a small allocation to impact investments to one exclusively focused on this approach. This was a bold yet calculated strategic decision, grounded in values alignment and a hypothesis that investing with an impact lens could increase the probabilities of greater financial performance. Our dedication to advancing our organizational vision helped us better understand the impact of our investments through an audit process. The risk of negating the work funded by our grants with how we allocated our asset base led us to impact investing. However, our hypothesis around potential higher levels of profitability inspired us to commit our entire portfolio to it. Based on available research and anecdotal evidence, we formed a belief that investing with an impact lens could lead to increased probabilities of financial outperformance.

After committing to a 100% impact portfolio, we spent the next year writing our **Investment Policy Statement**, a formal guide to our investment decision-making. This document was crafted with care and intention, incorporating the feedback of every member of the Board. It looked different than any other we had seen before. We decided to make it publicly available for others to read and to borrow best practices. It became the most downloaded document on our website.

FORMALIZING OUR INVESTMENT POLICY STATEMENT

A crucial component of our Investment Policy Statement is the explicit definition of our fiduciary duty. The Board believed that the interpretation of fiduciary duty as maximizing profits at all costs was short-sighted, out of touch and unproductive. Investing recklessly for financial gain rarely leads to profit maximization. We took a different approach based on our values and the belief that a more holistic approach to investing could result in higher returns.

Our Investment Policy Statement explains our approach:

It is the intent of the Board of Directors to optimize our investments for both risk-adjusted financial returns and risk-adjusted positive impact. Investing for positive impact has been consistently linked to stronger long-term financial results compared to investing without regard for the socio-economic or environmental impact performance of investments. The corollary is that considering this impact within our investment decision process is a standard of responsible fiduciary duty for our Board of Directors.

In other words, our Board supports an investing strategy that focuses on both financial returns and generating societal benefit, believing that the latter positively influences the former.

The explanation continues:

If done prudently, impact investing can mitigate performance volatility by excluding investments with poor environmental, social, and governance records and by allocating capital to the top performers along those metrics...

Our expectation, based on historical and simulated data, is that companies focused on industries that provide solutions to our world's most pressing problems will be better positioned for long-term financial success than companies that have neutral or negative effects.

The Investment Policy Statement makes it clear that investments that produce positive outcomes for people and the planet are more likely to financially outperform over the long-term, relative to a traditional investment strategy.



We are investing for the long-term. Sometimes short-term fluctuations are in our favour, sometimes they are against, but always our investments enable our mission and advance our goals.

— Mitchell Anderson, *Former Board Chair and Finance and Investment Committee Chair, Inspirit Foundation*

It took us a long time to publish this Investment Policy Statement. We wrote it over a year with deliberate thoroughness, inspired by leading organizations but also by creating new paths through our early adoption of impact investing and a 100% impact portfolio.

Three investment principles:

one of the most significant inclusions was defining our three investment principles.

They guided the decisions behind every investment:

- **risk-adjusted financial performance:** investments assessed on a risk/return spectrum
- **movement toward a low carbon portfolio:** investments contributing to a low carbon footprint for the overall portfolio
- **alignment with Inspirit's organizational vision:** investments in companies that are top performers along environmental, social and governance (ESG) metrics based on our organizational vision, and those that earn a majority of their revenue through products and services that contribute to a more inclusive and pluralist society

10 YEARS LATER:
From 100% Fully Committed to 100% Fully Allocated

SECTION 3

IMPACT INVESTING FRAMEWORK

While financial performance and carbon footprint were relatively straightforward concepts to understand and measure, aligning investments with our organizational vision was much more nuanced.

IN THIS SECTION:

Figure 1 » Organizational Vision and Investment Themes

ESG can indicate how companies operate in terms of supply chain, employee management, etc. However, ESG does not really explain what a company actually does. For that, we needed to follow the money. We tried to understand the revenue breakdown of each company by focusing on how they earn their sales. Then, we linked the outcomes of these products and services to our vision.

Four societal conditions and investment themes: In particular, aligning revenue earned by our portfolio companies with our organizational vision required some deeper thinking. Based on data and research from the

Global Center for Pluralism, we identified four societal conditions that raised the probability of a society becoming more inclusive and pluralist:

- increasing livelihoods
- supporting climate change solutions
- building community infrastructure
- increasing access to arts, culture and services

These conditions became our investment themes, all defined by specific outcomes. The intent was for every investment in our portfolio to contribute to our vision by earning most of its revenue through products and services that generate outcomes that defined our investment themes.

10 YEARS LATER:
From 100% Fully Committed to 100% Fully Allocated

FIGURE 1 » ORGANIZATIONAL VISION AND INVESTMENT THEMES



A UNIQUE APPROACH WITH TRADITIONAL BENCHMARKS

While our investment approach is unique, we decided to use traditional benchmarks to measure performance: financial, carbon and impact. That way, we could easily distinguish the results of our investment strategy versus the most common traditional approach.

For instance, we compared our portfolio's performance relative to a standard benchmark, a combination of industry indexes: FTSE Canada Universe Bond for the fixed income allocation of our portfolio, S&P/TSX Composite for Canadian equities and MSCI World for global equities. Stacking our unique portfolio against a traditional one may seem as if we were comparing apples to oranges, but it painted a clear performance picture. The Board was comfortable with the contrast.



We had similar financial goals to other investors, but our investment strategy varied from every other one out there. Instead of shying away from the different approach, we wanted to highlight it, making it easily distinguishable from the rest. If our investment strategy differed from the norm while also aiming for healthy returns, we wanted to communicate the uniqueness.

—Shama Ahmed, *Finance and Investment Committee Chair, Inspirit Foundation*

- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

SECTION 4

TRANSITION TO A 100% IMPACT PORTFOLIO

SHIFTING ASSETS IN THE PUBLIC MARKETS

With our Investment Policy Statement in hand, we set out to transition our portfolio. At the time, we had about 5% of our portfolio in private impact investments. The other 95% was in the public markets.

We knew from our initial portfolio audit that the public assets were not advancing our vision in a meaningful way and sometimes working against it. We understood that we had to make changes to the structure of our portfolio.

Back then, we had three investment managers with balanced mandates invested across three main public asset classes: fixed income, Canadian equities and global equities. Not only were we dissatisfied with the impact of the underlying companies, but there was significant holding overlap between the three managers. This needed to change.

With approval from the Board, we transitioned the structure of our public assets from balanced mandates to a specialized asset class approach: one manager per asset class. While this worked in theory, when we did some market research, it was clear that the current investment products available in Canada would not likely satisfy our blend of financial, carbon and impact goals.



Fixed income: Nevertheless, we searched for a public fixed income mandate that met our holistic performance goals. While none existed on the market at the time, we eventually entered into advanced conversations with an investment manager about a fixed income strategy targeting themes like climate change, community development, education, health and water. They just needed a lead investor. Inspirit became the first external client in their new product. Since its inception in 2018,

the fixed income mandate has delivered competitive returns and has grown to more than \$750 million (CAD) in assets under management.



Global equities: Next, our attention turned to global equities. In 2019, we once again became the first investor in a new fund, a global equities mandate. In this fund, underlying companies generated the majority of their revenue through products or services aligned with the United Nations' Sustainable Development Goals (SDGs) and earned particularly strong financial results during the pandemic. An Exchange-Traded Fund (ETF) based on the fund has since been launched and is now accessible to the retail market so any investor can access it.



Canadian equities: In 2020, we transitioned our Canadian equities, which was challenging given the makeup of the economy. The three biggest sectors listed on the Toronto Stock Exchange (TSX) are financials, mining and energy. With such a concentrated focus on fossil fuels, extractive industries and the financial institutions that help fund these companies, we knew our Canadian equities mandate would need to differ significantly from the traditional benchmark.

Since no alternatives on the market met our requirements, we became the first investor in another new mandate, this time in a Canadian equities fund that allocated capital

- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

to public companies of varying sizes: small, medium and large. Most investments in public Canadian companies are made in large or mega caps (market capitalization) companies valued at least \$10 billion as a minimum and more than \$200 billion on the upper end. Among the top 10 biggest holdings on the TSX — approximately half of the S&P/TSX Composite Index, the most common Canadian equities benchmark — five are banks, two are energy companies and one is in mining. From an impact perspective, we did not want to support those sectors, so we needed to invest less in the biggest companies in the country and find more opportunities in the smaller ones.



Cash and equivalents: After becoming the first investor in three new public market mandates, one aspect of our portfolio remained untouched: our cash. Up until this point, we banked with a traditional financial institution, one of the big five in Canada. We looked into how this financial institution managed their deposits and discovered that this bank leveraged a significant portion of their deposits to provide financing to carbon-intensive projects and companies. This did not align with our vision, so we decided to find a banking partner that practiced our values. In 2022, we shifted our bank account to a credit union that leveraged deposits to finance clean energy projects, affordable housing and social enterprises.

100% IMPACT PORTFOLIO REACHED

After all these changes, it was time to take a step back and assess our portfolio. In 2016, we committed to shift our once traditional portfolio to a full suite of impact investments across asset classes. During the transitory period, we continued making private impact investments, in the forms of debt, equity and other instruments (like social impact bonds). By 2022, approximately 20% of our portfolio was allocated to private investments and cash, with the 80% balance in the public markets.

While we were generally pleased with the holistic performance of our private investments to date, we were less thrilled with our allocations to the public markets, particularly our global equities. The Board was looking for continued improvement, so we borrowed a page from our strategy with Canadian equities. Specifically, we believed positive impact and financial returns could benefit from a boost by investing in smaller sized companies. We liquidated half of our global equities position, which were all in large and mega cap companies. This allowed us to become the first investor in a new global equity mandate that invested in small cap companies valued at under \$2 billion, companies finding solutions to some of the world's most pressing social and environmental challenges.

We reached our goal of a 100% impact portfolio in 2022. However, we were not fully satisfied with all our investments. There is always room for improvement when it comes to optimizing for financial returns and positive impact.



Capital at Inspirit has become a catalytic driver, paving a path and inspiring other foundations and organizations to leverage their assets in a similar manner. Ten years ago, moving to a 100% impact portfolio was a bold move that not many were willing to make. Looking back, not only have we outperformed traditional benchmarks, but this commitment reflects how we live our values, advancing equity, justice and pluralism in Canada. This serves as a model for others.

—Alexandra McCann, *Former Finance and Investment Committee Chair, Inspirit Foundation*

CONTINUOUS PORTFOLIO IMPROVEMENT

Our Board also cared about who we tasked to manage our portfolio. In every conversation we had with managers, we pushed them on their commitments to diversity and inclusion within their own organizations. Amazingly, we saw some meaningful changes to the compositions of boards, senior leadership and the employee base. We believe our discussions with managers and their ensuing commitments regarding diversity and inclusion led to improved decision-making processes at their firms, the positive effects ultimately trickling down into the positions in our portfolio.



In one meeting, our Muslim woman CEO, our First Nations Board Chair, and our Black woman Investment Committee Chair sat across from another organization's mostly white team and had a frank conversation about diversity. We lived our values every step of the way...and made great returns as well.

—Mitchell Anderson, *Former Board Chair and Finance and Investment Committee Chair, Inspirit Foundation*

10 YEARS LATER:

From 100% Fully Committed to 100% Fully Allocated

Over the next couple of years, we continued to tweak our portfolio to optimize performance. We saw an opportunity to increase the probabilities of higher financial returns and deeper positive impact within our fixed income asset class. We exited positions in the public markets in favour of making more private fixed income investments, like in community bonds and loan pools.

Then, with the intent of deepening the positive impact of our portfolio, we did something rather unconventional, even by our standards. With the blessing of the Board, we created a new sub-asset class, private fixed income investments with a 0% interest rate. These interest-free loans intentionally earn less than market-rate returns to support projects closely aligned with our organizational vision.

We formalized this commitment by updating our Investment Policy Statement and supporting various projects:

- a fund for early-stage Black-owned businesses facing barriers accessing financing to grow their companies
- a loan pool for newcomers and refugees guided by the principles of Islamic Finance, such as offering interest-free financing to further the careers of new Canadians
- a land trust ensuring the use of commercial real estate for art and cultural purposes
- a fund for Indigenous ventures in the three Northern territories (Northwest Territories, Nunavut and Yukon)



The Afro Caribbean Business Network has become a leader in the social finance space due to skills learned and connections made thanks to Inspirit. Our Theory of Change has amplified tenfold to support entrepreneurs of African and Caribbean heritage to not only get them access to microloans but connect them to additional funding opportunities and improved business operations.

—Ryan Knight and Nicola Harris,
Co-Executive Directors,
Afro Caribbean Business Network



People told us that no one would invest in a community bond – Jory Cohen and Inspirit took the opposite approach. Inspirit was Windmill Microlending's first investor, shared their due diligence, and advocated to other new impact investors. Since then, Windmill has raised \$60 million in community bonds, which has allowed us to grow the number of clients served tenfold.

—Claudia Hepburn,
CEO, Windmill Microlending



Through Inspirit’s investment, Community & Cultural Spaces Trust is able to expand our mandate to preserve arts and culture real estate beyond our original vision. We acquired property in a neighbourhood outside our original scope and expanded our ownership model to multiple properties earlier than we ever imagined possible.

—Hannah Fleisher, *Board Chair,*
Community and Cultural Spaces Trust



Being a good investor means moving beyond transaction toward a belief in the transformative power of Indigenous entrepreneurship. Investors show up for us when they align their capital with relational care and trust our ability to drive systemic impact. By walking alongside EntrepreNorth, Inspirit is setting a new standard for how the investment community can meaningfully support Indigenous-led funds.

—Xina Cowan,
Co-Director, EntrepreNorth

Unlike the rest of our portfolio, this sub-asset class was benchmarked at 0%, while all other investments were compared to traditional indexes.

Ten years after our initial commitment to a 100% impact portfolio, we made about 30 private impact investments to date, accounting for approximately 30% of our asset base. We have had no losses, impairments or write-offs to date. However, we recognize it is only a matter of time until that eventually happens. That is the nature of private investing, especially at such a frequent pace. It is worth noting that our private investments have performed exceptionally well, with a much higher success rate than traditional ones. The remaining 70% of our assets are in the public markets, generating strong financial returns, a low carbon footprint and positive social and environmental impact.

We now have a 10-year track record since our commitment to a 100% impact portfolio. Contrary to common misconceptions about the need to sacrifice financial returns to generate positive outcomes for society and the planet, our approach to investing generated higher returns relative to the benchmark. Investing with an impact lens earned us more money, not less. Over the past decade, we outperformed our benchmark by a cumulative 0.7%. If it wasn’t for recent geopolitical factors, it’s likely our positive performance delta would have been much higher, as it was from 2016–2023, the first eight years of our impact investing track record.

- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

SECTION 5

10 YEAR PERFORMANCE

The performance of our portfolio is compared to the benchmark, a combination of industry-standard indexes, like FTSE Canada Universe Bond for the fixed income allocation of our portfolio, S&P/TSX Composite for Canadian equities, MSCI World for global equities and MSCI World Small Cap for small cap equities. The overall benchmark is a composite of the above, weighted by portfolio allocation.

IN THIS SECTION:

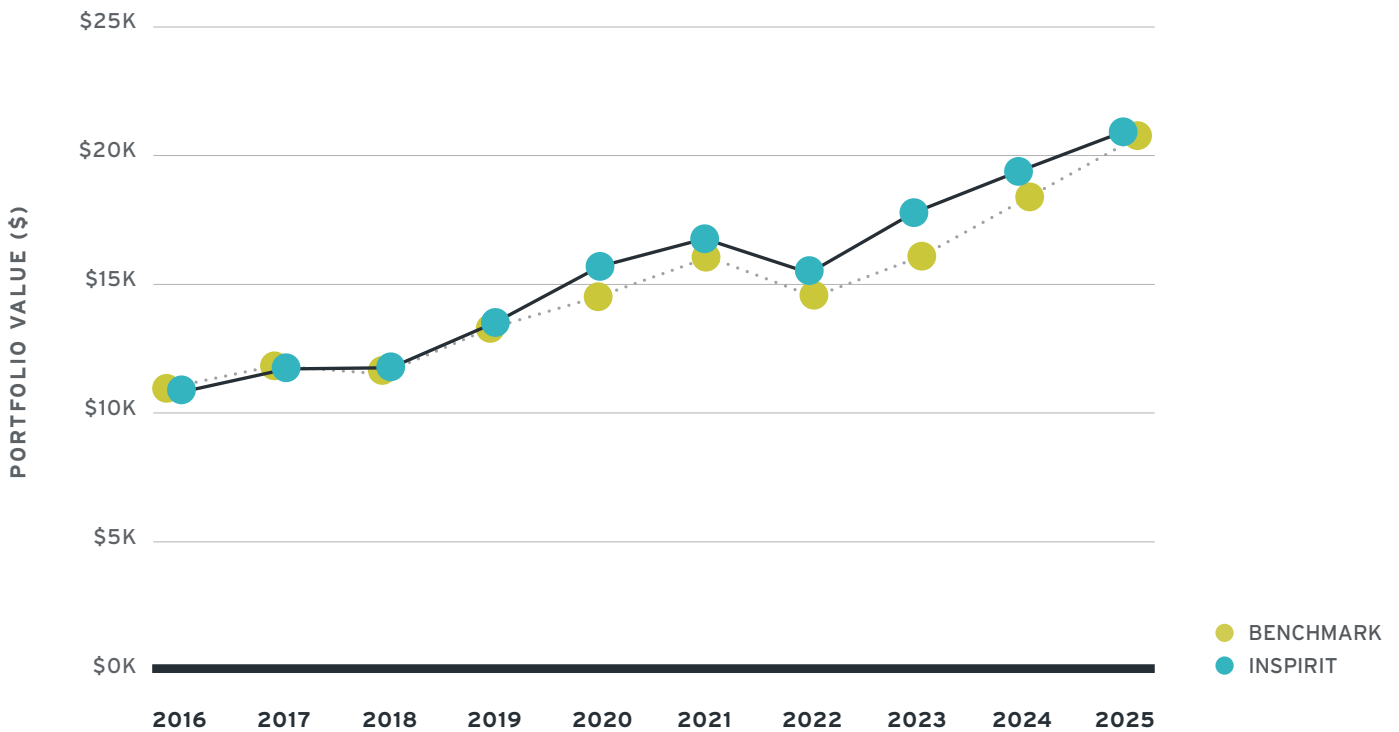
- Figure 2 » Hypothetical \$10,000 Investment
- Figure 3 » Carbon Footprint Performance
- Figure 4 » Environmental, Social and Governance
- Figure 5 » Sustainable Development Goals Performance

Risk-adjusted financial performance:

Relative to the benchmark, below is a hypothetical \$10,000 (CAD) investment in the Inspirit portfolio over a period of a decade. It starts in 2016, when we first made the commitment to a 100% impact portfolio and ends 10 years later at the end of 2025.

A decade later, an investor who allocated \$10,000 to the Inspirit portfolio would now have \$20,876 versus a balance of \$20,731 from the investing in the benchmark. This is 0.7% of financial outperformance from the Inspirit portfolio compared to a traditional benchmark.

FIGURE 2 » HYPOTHETICAL \$10,000 INVESTMENT



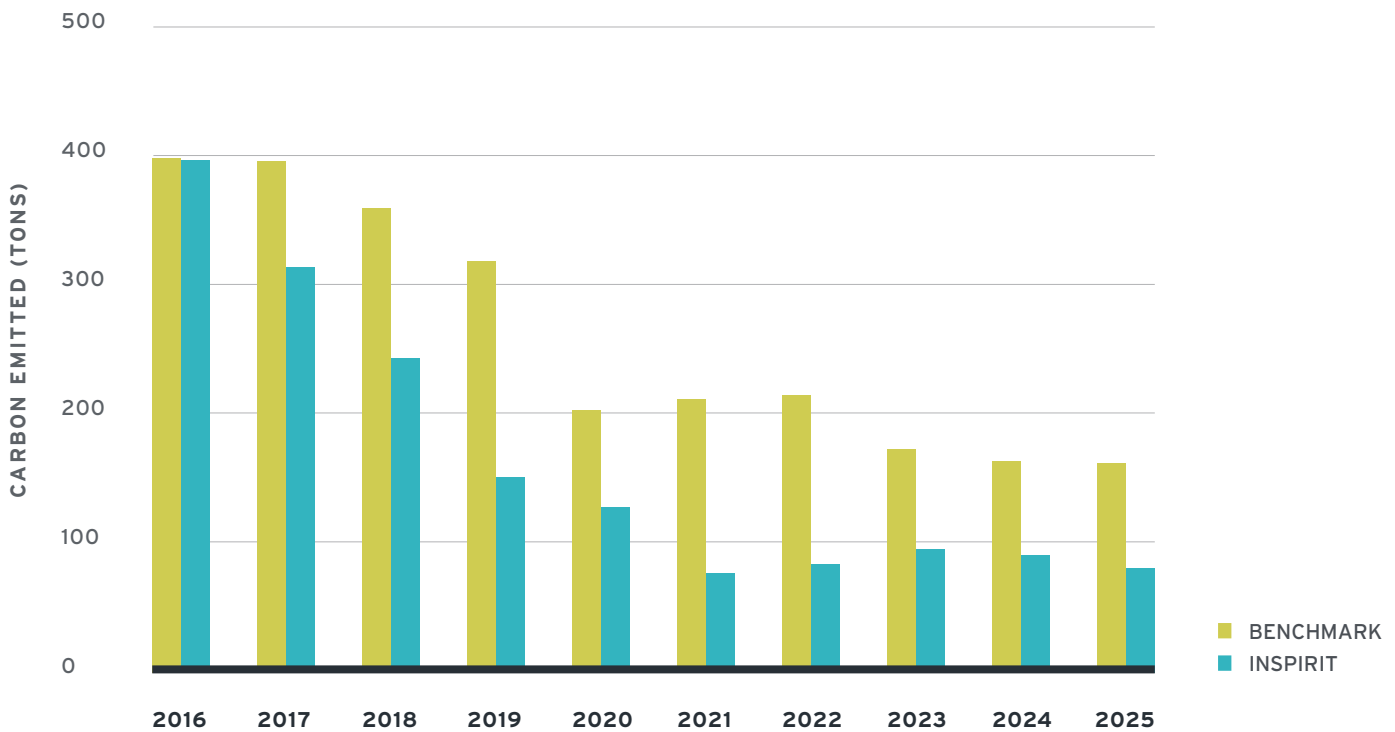
10 YEARS LATER:
From 100% Fully Committed to 100% Fully Allocated

Movement toward a low carbon portfolio:

The carbon footprint of our portfolio is measured by the weighted average carbon intensity of our investments compared to our benchmark. Weighted average carbon intensity measures the tons of carbon emitted by our portfolio companies relative to their revenue.

The lower, the better. Our portfolio has cut its emissions by approximately 80% from its peak, a significant reduction in pollution. It is worth noting that the benchmark has also reduced emissions considerably, which is an encouraging trend.

FIGURE 3 » CARBON FOOTPRINT PERFORMANCE



Alignment with Inspirit’s organizational vision:

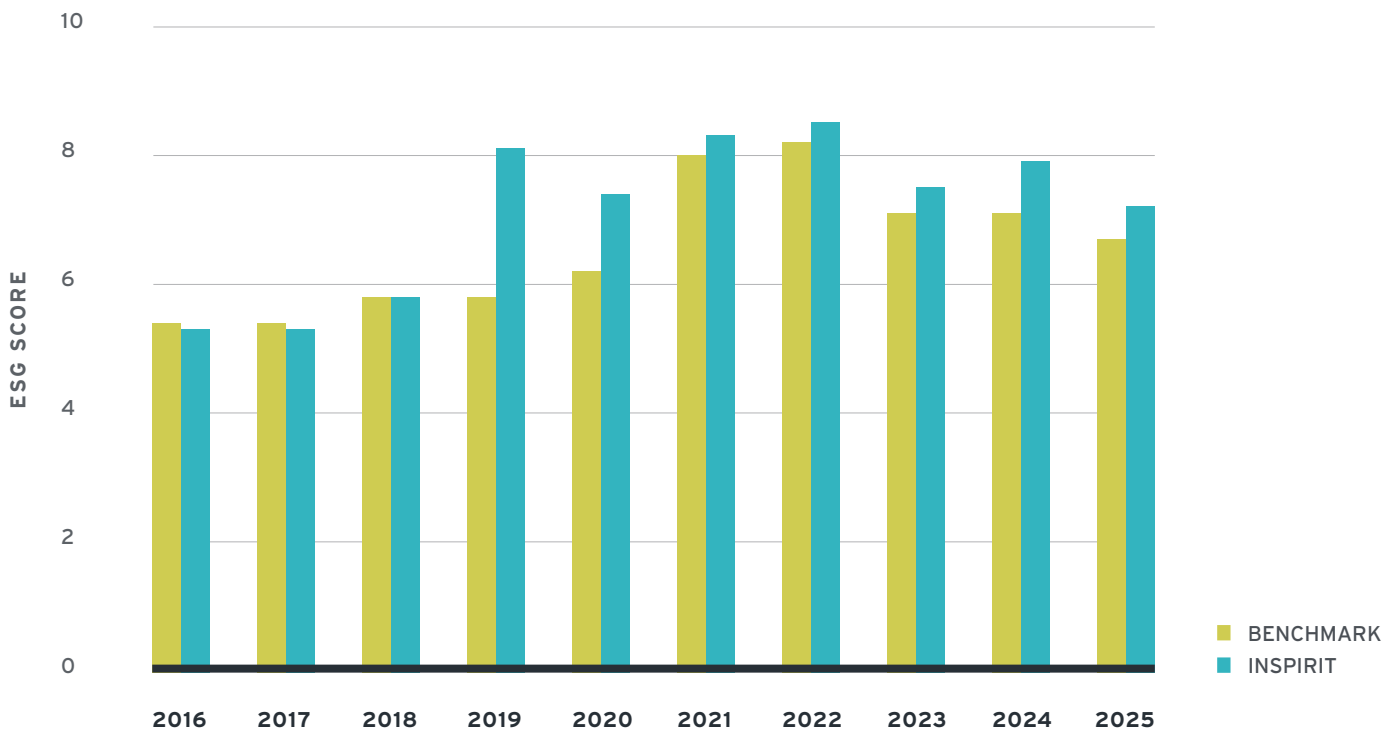
We measure the impact of our portfolio based on two metrics related to our vision:

- environmental, social and governance (ESG) scores of the companies in our portfolio
- how our investments contribute to the outcomes of the United Nations Sustainable Development Goals (SDGs)

Then, we compare both these metrics against our benchmark.

We consider ESG scores to be a decent assessment of the operations of a company. These scores help us understand the internal makeup of our portfolio companies and whether their values align with ours. ESG performance is calculated on a 10-point scale. While our portfolio has outperformed the benchmark, it is a marginal delta given the ESG improvement of the benchmark. This is also an encouraging trend, as companies seem to be reporting on these factors more regularly and with more transparency.

FIGURE 4 » ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE



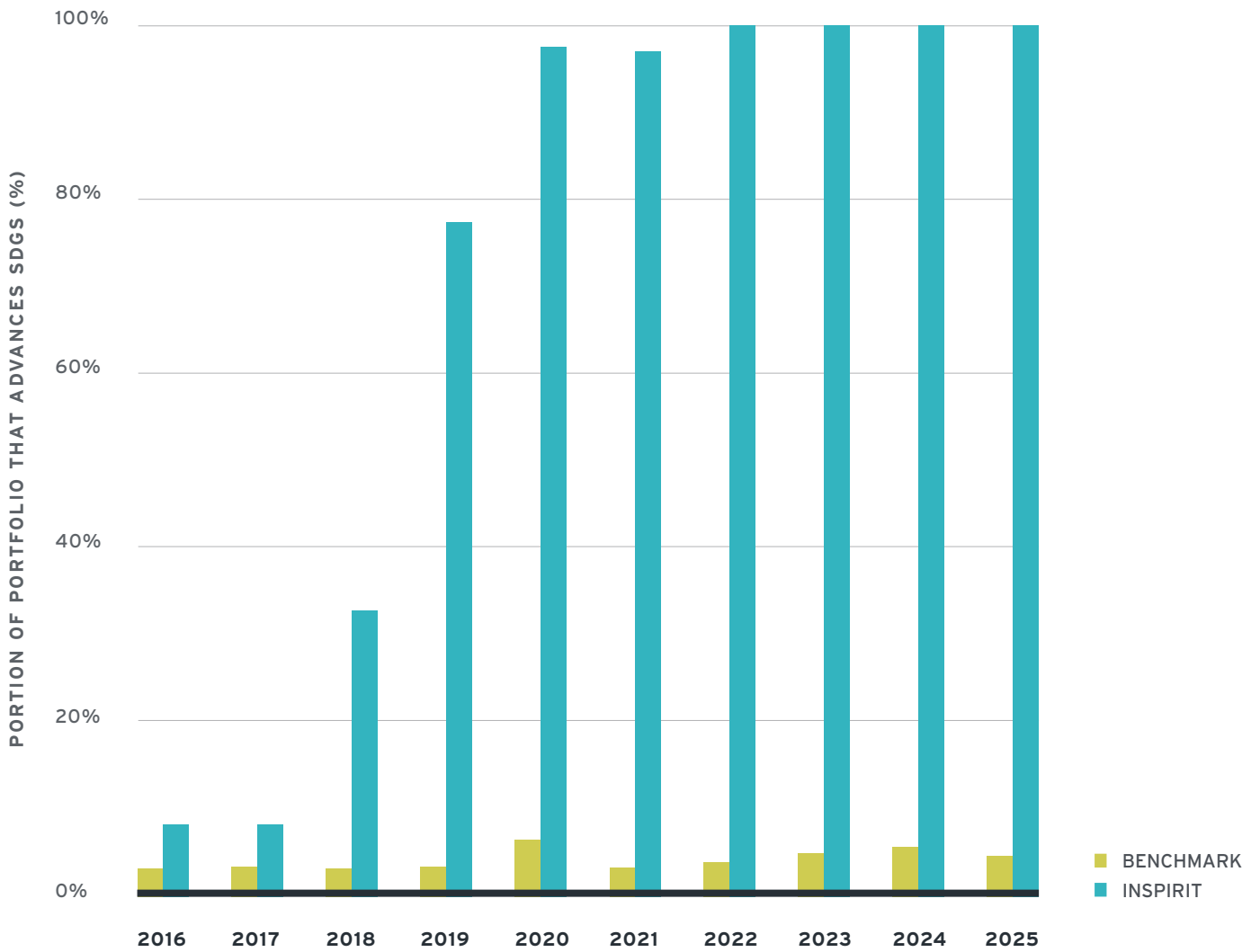
== **10 YEARS LATER:**

== From 100% Fully Committed to 100% Fully Allocated

More importantly, we also measure alignment with our vision through the percentage of our investments that earn most of their revenue from products and services that contribute to the outcomes of our investment themes. These themes are the conditions we identified that increase the probability of a society becoming more inclusive and pluralist: increasing livelihoods, supporting climate change solutions, building community infrastructure and increasing access to arts, culture and services.

We defined our investment themes with some of the outcomes from the United Nations' Sustainable Development Goals (SDGs), so we analyze how our investments earn revenue in relation to the outcomes of the SDGs. This helps us understand what a company does and whether it aligns with our organizational vision. This graph shows the percentage of our investments that earn most of their revenue through advancing the SDGs, compared to the benchmark. Unlike with our portfolio's ESG score, the delta relative to benchmark is massive.

FIGURE 5 » SUSTAINABLE DEVELOPMENT GOALS PERFORMANCE



10 YEARS LATER:
From 100% Fully Committed to 100% Fully Allocated

SECTION 6

LESSONS FROM A DECADE-LONG TRACK RECORD

While this is only one portfolio, it is anecdotal evidence that a more holistic investing approach can outperform financially while producing a low carbon footprint and generating positive social and environmental impact. The past 10 years have been extremely rewarding. We have overcome some challenges and learned many lessons along the way.

IN THIS SECTION:

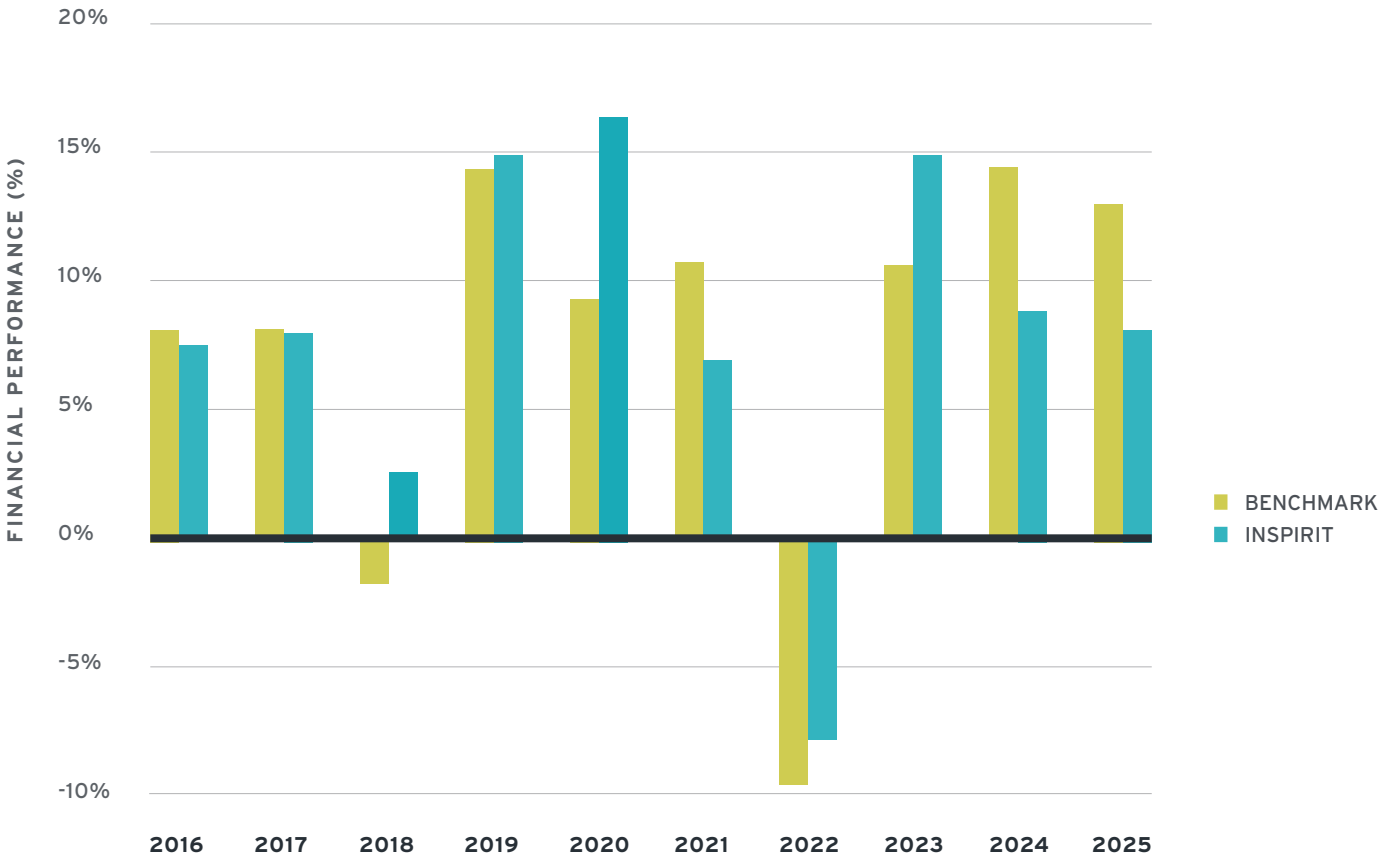
Figure 6 » Financial Performance

Figure 7 » Traditional vs. Impact Investments

First, financial outperformance is attainable but rarely linear. Our portfolio delivered strong cumulative returns while enduring periods of significant relative volatility — at times roughly 7% more and 5% less than conventional benchmarks in a given year. Success depended on the Board maintaining discipline amid

short-term extremes, rather than chasing traditional benchmark stability. Learning to be comfortable with volatility can be difficult, but the Board never wavered. It took some practice and even tested our nerves but sticking to the plan without deviation despite year-to-year volatility has literally paid off.

FIGURE 6 » FINANCIAL PERFORMANCE



- 10 YEARS LATER:
- From 100% Fully Committed to 100% Fully Allocated

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If we have a tough year relative to benchmark, we do not panic; we reaffirm our mission and stay the course. We have very different goals than the wider financial markets. We use industry benchmarks as a comparison tool to demonstrate how our impact strategy plays out in the real world. Some years this strategy outperforms benchmark; other years it doesn't—but because our goal doesn't change, our strategy remains consistent.

—James Chan,
Board Chair, Inspirit Foundation

Second, while the deepest positive impact can be traced back to our private investments, there are ways to drive social and environmental outcomes in the public markets in a financially responsible manner. Moving away from strictly investing in the world's largest companies and allocating capital to companies of various sizes can lead to higher levels of potential financial returns and more societal benefit too. Also, it could be a useful exercise for boards to rethink whether investing in public fixed income may be at all necessary. If liquidity is not a determining factor, reallocating these assets to private fixed income investments could increase returns and impact.

Third, impact investing requires more effort, intention and more holistic diligence. However, it can be a more rewarding way to allocate capital. Execution complexity drives opportunity. In all our public market strategies, we were the very first investor, seeding new mandates. The same story for our private investments, often being the first money in. What others saw as too much risk as a reason to pass on, we saw as too much opportunity to pass up. The financial returns and positive social and environmental outcomes from the past decade are the proof.

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Inspirit was the first to believe in the broader system we set out to build with the BKR Catalyst Institute. They backed the vision with conviction, brought others along, and recognized early on that long-term systemic impact can go hand in hand with financial performance.

—Lise Birikundavyi,
Managing Partner, BKR Capital

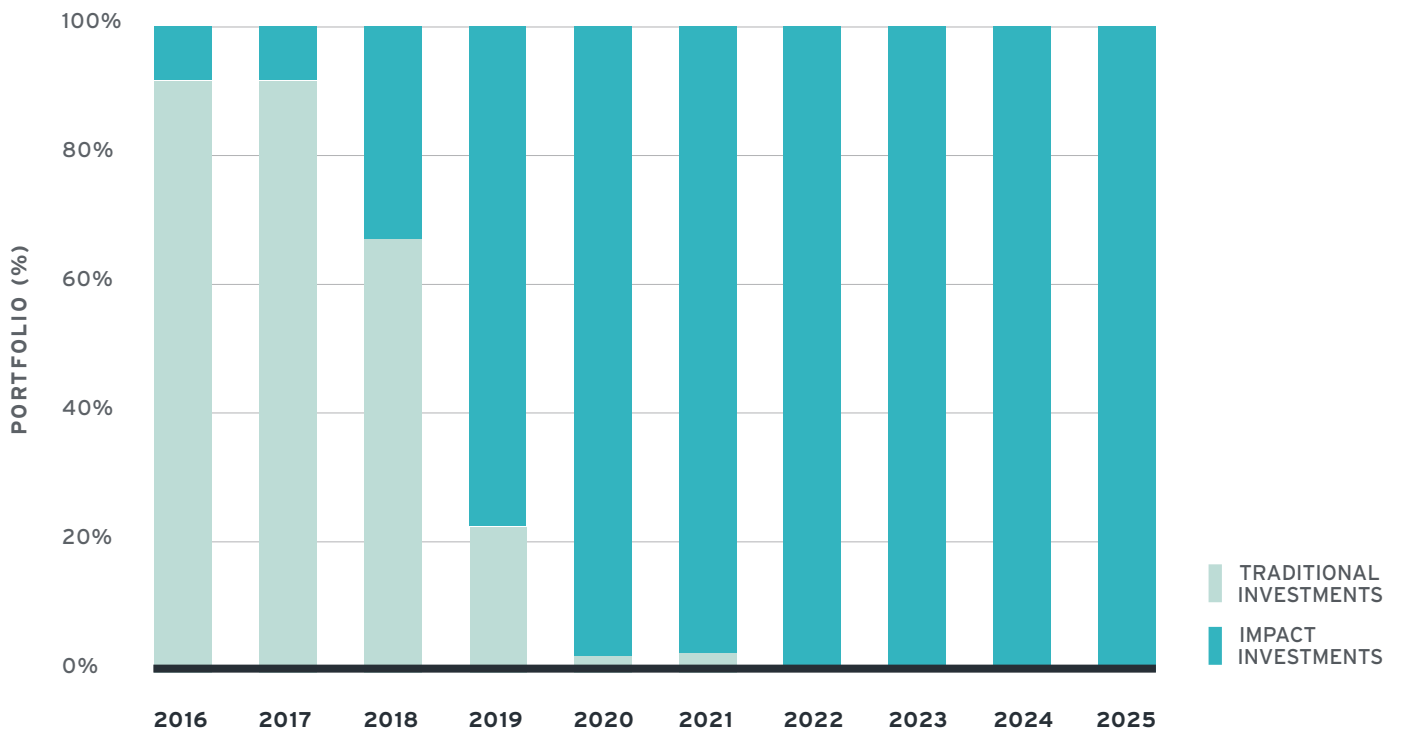
CONCLUSIONS AND NEXT STEPS



I am proud of how we shifted capital in service of climate and community, and how we shifted narratives in both the financial and philanthropic sectors about how investing could better serve our missions. We often ended up pushing traditional financial sector actors to be bolder. We challenged leaders on their commitments to equity. We influenced other foundations.

— Mitchell Anderson, *Former Board Chair and Finance and Investment Committee Chair, Inspirit Foundation*

FIGURE 7 » TRADITIONAL VS. IMPACT INVESTMENTS



- == **10 YEARS LATER:**
- == From 100% Fully Committed to 100% Fully Allocated

To our knowledge, Inspirit Foundation's portfolio is still one of the few institutional 100% impact portfolios allocated across public and private asset classes that exists globally. It is one of the rare portfolios of its kind to have a decade-long track record and from what we know, the only one in the world to have outperformed financially during a 10-year period.

We are still pushing ourselves and with the Board's guidance and support, we will continue to test boundaries with our approach to investing, and we will continue to centre our values as a competitive advantage for increased probabilities of success. We drew inspiration from those doing good work before us, and we hope our learnings and best practices will guide those interested in leveraging all their capital to further their missions and visions in a strategic, structured and responsible manner.



As Inspirit marks this milestone, we share our congratulations and our gratitude. They have always worked with a great amount of transparency in sharing with the sector their impact journey and performance, and were a reference for McConnell when we presented our own 100% impact investing strategy to our governing bodies. We appreciate their leadership, and wish them continued success.

—Jane Rabinowicz,
President and CEO, McConnell Foundation

Looking back on the past decade fills us with excitement for the next one, as we intend to shift the focus beyond our own 100% impact portfolio to influencing the financial system as a whole. For that we will need partners, friends and allies. We hope you'll join us.

ACKNOWLEDGEMENTS

Inspirit Foundation is pleased to acknowledge the essential contributions of staff, Board members, partners and the impact investing community since our inception. Their collective wisdom and support led to this moment.

INSPIRIT FOUNDATION

CEOs

Sadia Zaman (2018-present)

Andrea Nemtin (2012-2018)

Board chairs

James Chan (2023-present)

Deborah Irvine (2023-2025)

Mitchell Anderson (2021-2023)

Barbara Hall (2019-2021)

Peter Lyman (2016-2019)

Susan Millican (2014-2016)

Dale Godsoe (2012-2014)

Investment committee chairs

Shama Ahmed (2024-present)

Alexandra McCann (2021-2024)

Mitchell Anderson (2016-2021)

Laurence Ginsberg (2012-2019)

Peter Lyman (2012-2015)

Current staff

Sadia Zaman

Jory Cohen

Chris Lee

Hannah Nguyen

Jozef Agtarap

Ana Sofía Hibon

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Consultants

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Private investments

Afro Caribbean Business Network, Artscape, Canadian Journalism Collective, Centre for Social Innovation, Community and Cultural Spaces Trust, Community Forward Fund, Community Power Capital, CoPower, EntrepreNorth, Innovation Works, InvestEco, Kaleidoscope Social Impact, New Commons Development, Oikocredit, Raven Capital, Raven Outcomes, RE Royalties, Renewal Funds, Restoring the Sacred Bond, SKETCH Working Arts, SolarShare, VERGE Capital, Windmill Microlending, YMCA Alternative Suspension, Youngplace

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