

# CDFIs INVEST

## Connecting the Dots and the Dollars to Create Thriving Communities

Tideline / 09.28.17

# Spectrum of capital

	Traditional Investment	Responsible Investment	Sustainable Investment	Impact Investment	Traditional Philanthropy	
	Delivering competitive financial returns					
	Mitigating Environmental, Social, and Governance (ESG) risks					
		Pursuing Environmental, Social and Governance (ESG) opportunities				
			Focusing on measurable high-impact solutions			
<b>Description</b>	Limited or no regard for environmental, social or governance (ESG) practices	Mitigate risky ESG practices in order to protect value	Adopt progressive ESG practices that may enhance value	Address societal challenges that generate competitive financial returns for investors	Address societal challenges where financial returns are either as yet unproven or below-market	Address societal challenges that cannot generate a financial return for investor
<b>Mainstream Product Example</b>		<ul style="list-style-type: none"> <li>Public equity fund employing exclusionary screens on pre-identified 'sin' stocks</li> </ul>	<ul style="list-style-type: none"> <li>Long-only public equity fund using deep integration of ESG to create additional value</li> </ul>	<ul style="list-style-type: none"> <li>Microfinance structured debt fund (e.g. loans to microfinance bank)</li> </ul>	<ul style="list-style-type: none"> <li>Fund providing quasi equity or unsecured debt to social enterprises or charities</li> <li>Social impact bonds</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> </ul>
<b>CDFI Example</b>				<ul style="list-style-type: none"> <li>Rating agency rated general obligation bond</li> <li>Class A equity</li> </ul>	<ul style="list-style-type: none"> <li>Transit-oriented affordable housing fund</li> <li>Place-based venture capital fund</li> <li>Low-interest rate loan PRI to a Federally Qualified Health Care Facility (FQHC)</li> </ul>	

Source: Adapted by Tideline from Bridges Fund Management

# Before You Go

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