

MISSION
INVESTORS
EXCHANGE

Live Webinar

INNOVATIVE IMPACT INVESTING IN EDUCATION

*Thursday, September 21,
2:00 - 3:00 PM ET*



You are currently muted by default



Please use the Questions box on your control panel to ask questions throughout the webinar.



There will be a survey at the end of the webinar. Your feedback will help us to better our programming



This webinar is being recorded

We are live tweeting from @MissionInvest & #MIElive!

03

SPEAKERS



BETH BRAY
PROGRAM OFFICER
WALTON FAMILY
FOUNDATION
@WALTONFAMILYFDN



HOLLY HART MCKIERNAN
EXECUTIVE VICE
PRESIDENT, CHIEF
OPERATING OFFICER AND
GENERAL COUNSEL
LUMINA FOUNDATION
@LUMINAFOND



NEERAJ AGGARWAL
PROGRAM OFFICER,
MISSION INVESTING
THE MICHAEL & SUSAN
DELL FOUNDATION



MODERATOR:
MELANIE AUDETTE
SENIOR VICE PRESIDENT
MISSION INVESTORS
EXCHANGE

SETTING THE STAGE

Introduction and overview of impact investing in education

IMPACT JOURNEYS

Overview of impact investing programs at the Walton Family Foundation and Lumina Foundation

TODAY'S PLAN

DEEP DIVES

More information in the specific tools and approaches being used

Q & A

Answer some questions you have posed during registration and live today

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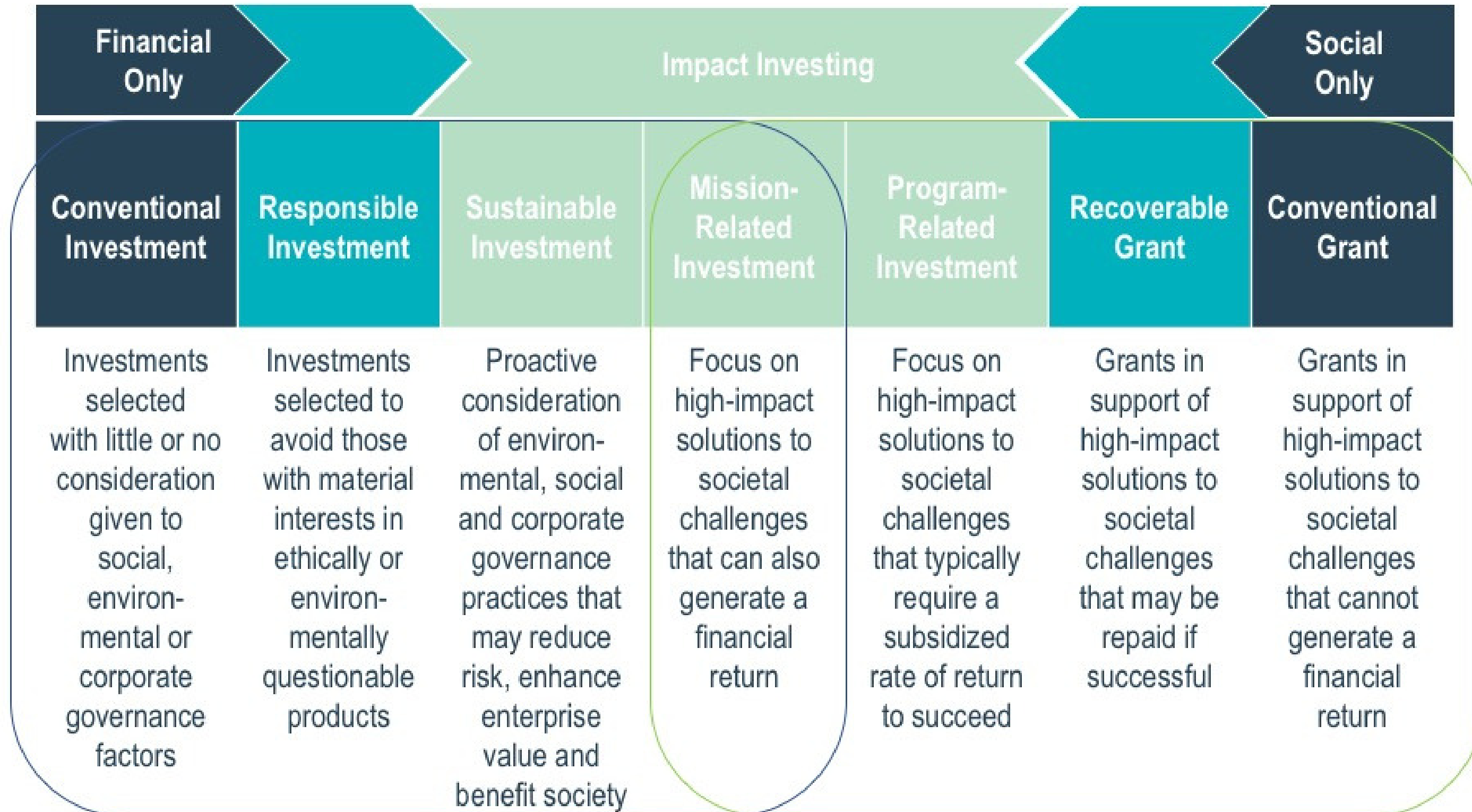
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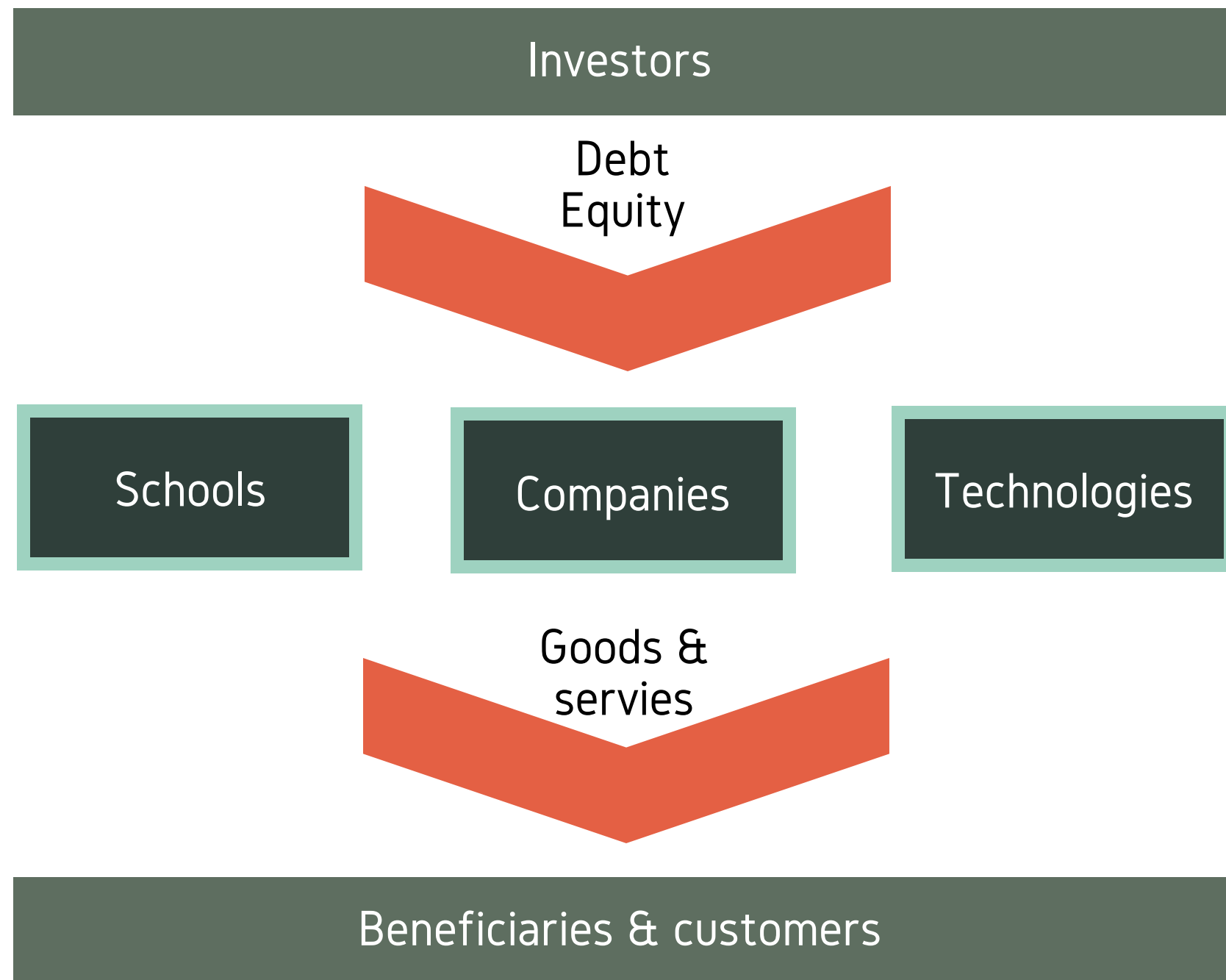
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IMPACT INVESTING SPECTRUM

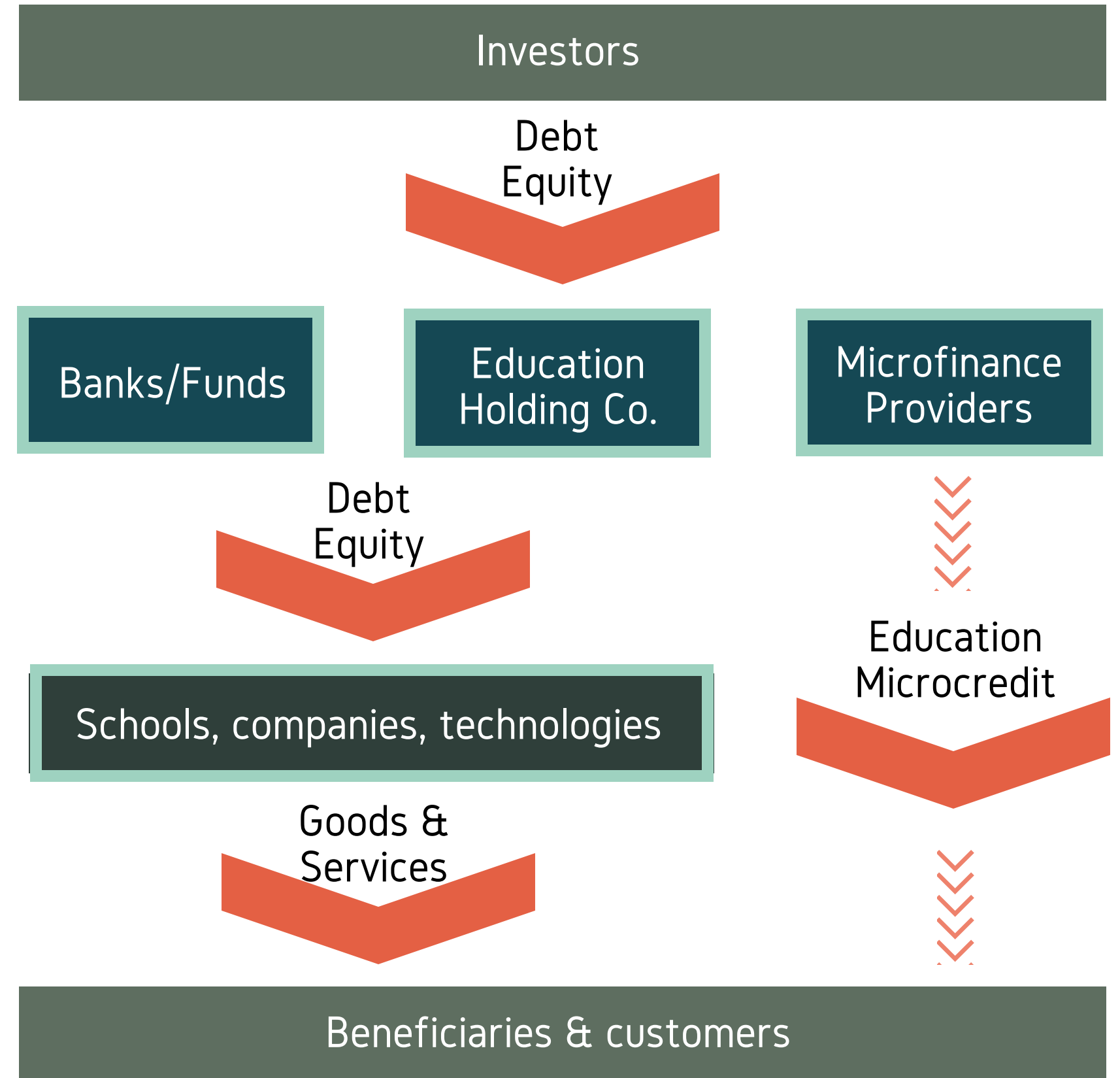


CHANNELS FOR INVESTING IN EDUCATION

Investors can invest directly in schools, companies, or technologies



OR they can invest in financial / other intermediaries that invest in education



Source: Open Society Foundation's Working Paper: "Impact Investing in Education: An Overview of the Current Landscape"

MISSION INVESTING

@MSDF



Michael & Susan Dell
FOUNDATION





Michael & Susan Dell
FOUNDATION

Our mission:

TRANSFORMING THE LIVES OF CHILDREN LIVING IN URBAN POVERTY THROUGH BETTER EDUCATION, HEALTH AND FAMILY ECONOMIC STABILITY

- **FOUNDED IN 1999 BY
DELL INC. CEO MICHAEL DELL
AND HIS WIFE SUSAN**
- **GLOBAL COMMITMENTS:**
INR 7560 crores
(USD \$1.2B) as of
December 31, 2014
- **GLOBAL ANNUAL COMMITMENTS:**
INR 640 crores (USD \$100M)
400+ active grants

FOCUSED GIVING AND FOCUSED GEOGRAPHIES

Sustainable transformation for vulnerable children living in urban poverty.



**URBAN
EDUCATION**



**FAMILY
ECONOMIC
STABILITY**



**CHILDHOOD
WELLNESS**



Michael & Susan Dell
FOUNDATION

PORTFOLIO OVERVIEW

At a Glance

Balance Sheet (Net Payments)

Payments net of 6.7M of Capital Returns

	Net Payment	% of Total
India	42.9M	78%
Ed-Fi/DDE	11.0M	20%
US (excl. Ed-Fi/DDE)	0.7M	1%
Foundation Giving	0.6M	1%
Grand Total	55.2M	100%

Adjustments not made for write downs.

Commitments

Exits reflect closed projects in G2 (full exits); Partial exits included in Active

	# of Orgs	Payment Amount USD
Active	39	70.9M
Exited	5	5.3M
Grand Total	43	76.3M



Active India investments



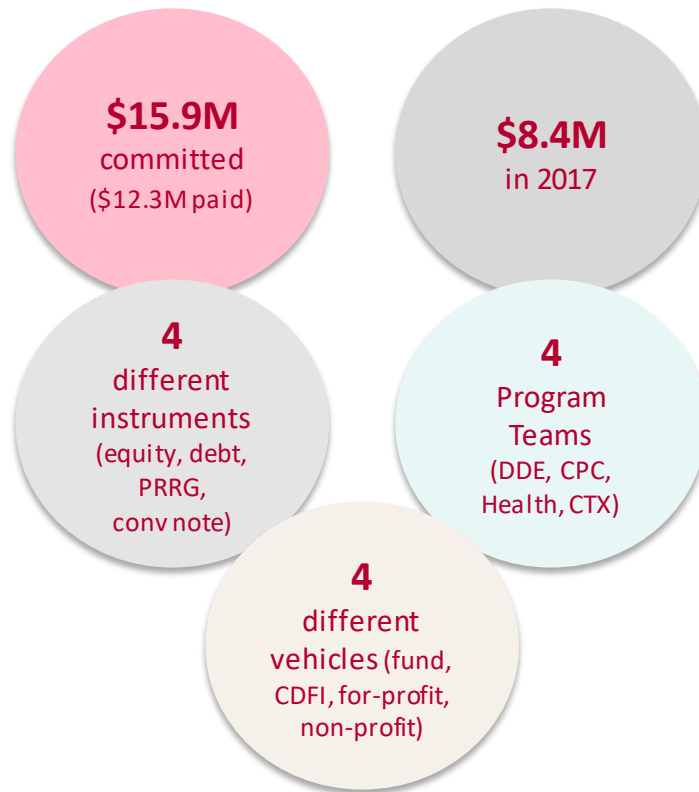
Active US investments



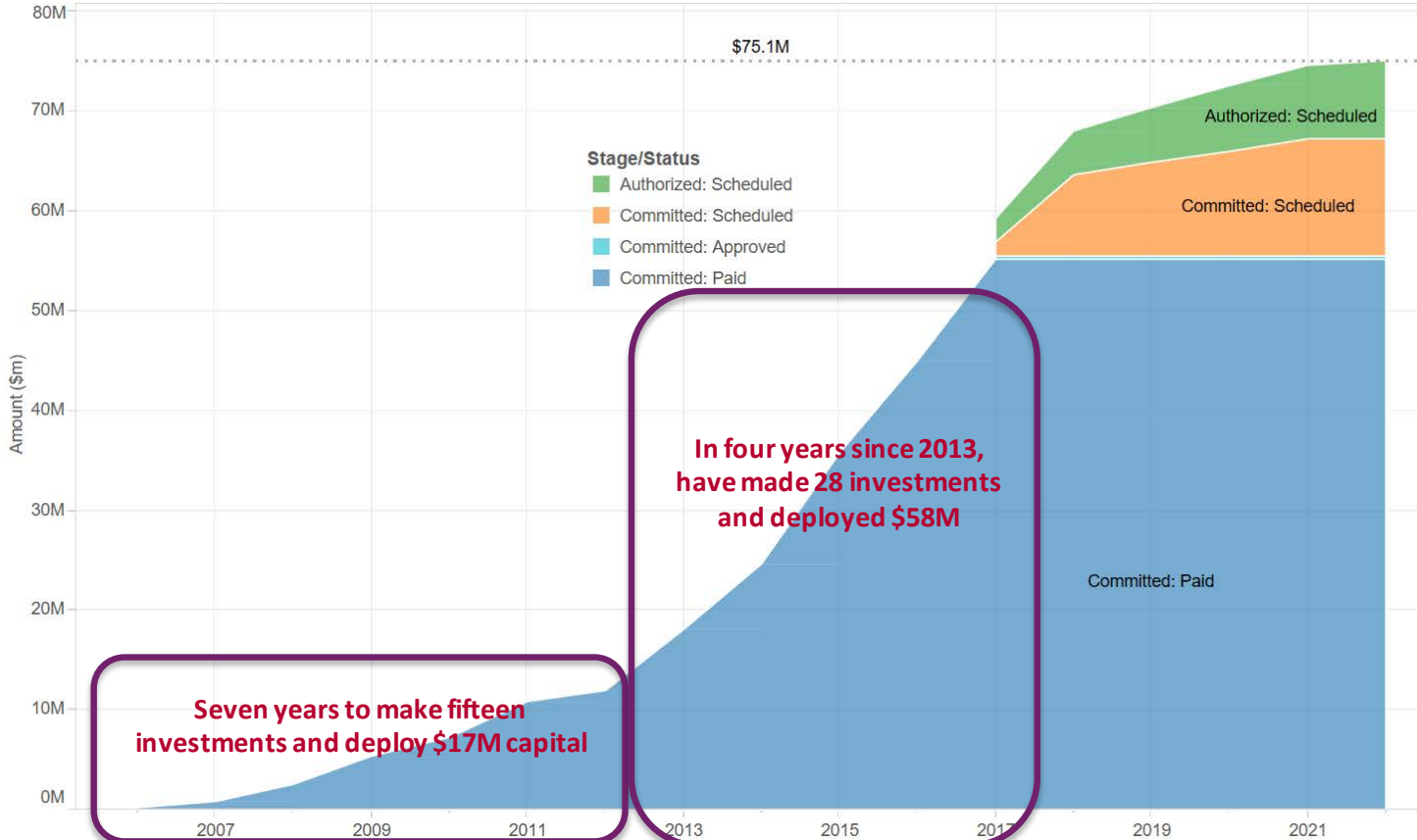
India fund investments



OVERVIEW OF US PRI PORTFOLIO



Cumulative Investment by Year



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WALTON FAMILY FOUNDATION

MISSION

The Walton Family Foundation is working to improve K-12 outcomes for all students, especially those of limited means, by ensuring access to high-quality educational choices that prepare them for a lifetime of opportunity

STAFF

112 employees

GEOGRAPHIES SERVED

All across the country. Specifically in our K-12 program, we focus efforts on 13 cities.

IMPACT INVESTING

First PRI in 1997

24 staff on the K-12 education team

WALTON FAMILY FOUNDATION

Since 2003, WFF has invested over \$120 million in facilities support, majority in PRIs to community non-profit organizations that:

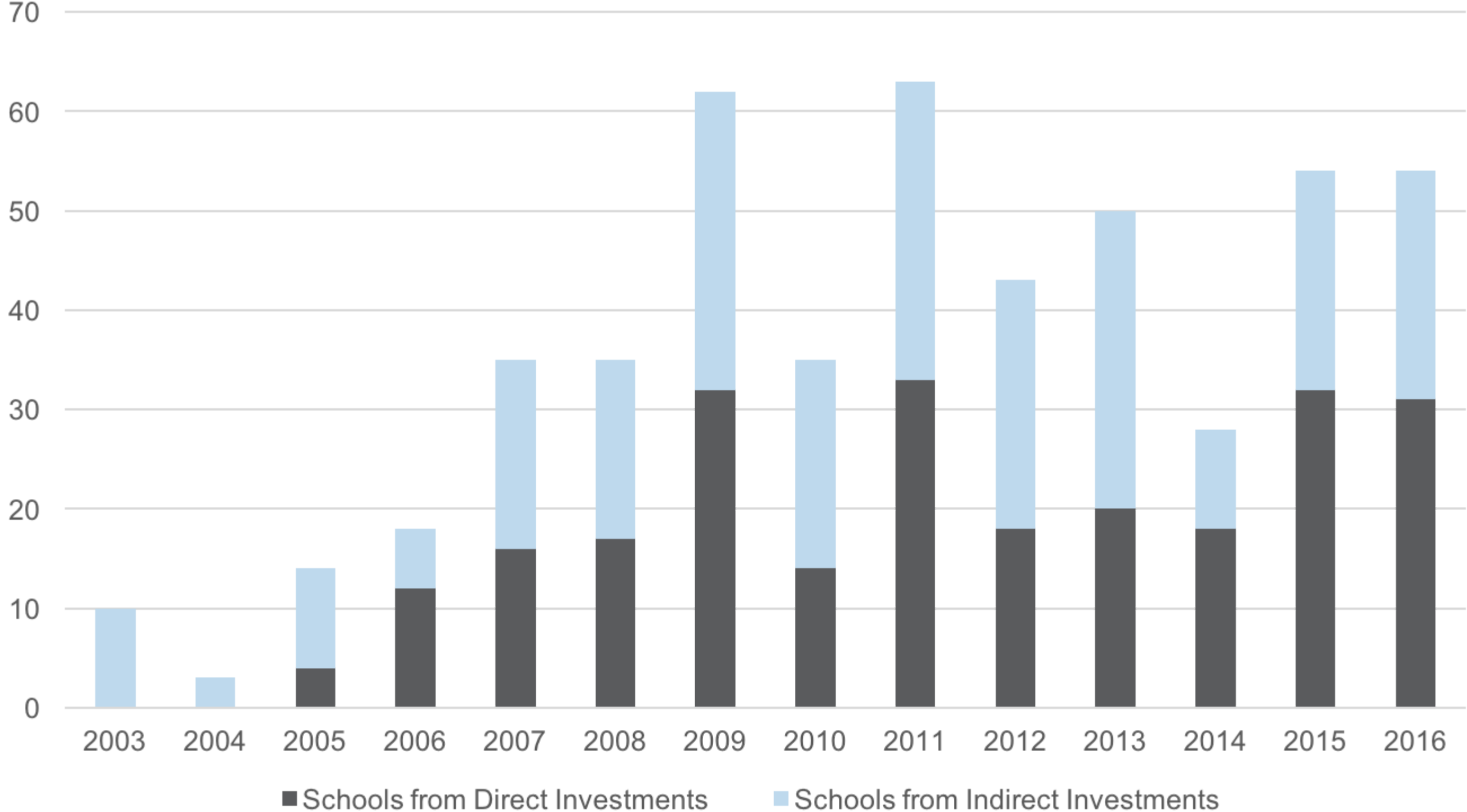
- Use our funds to leverage other dollars to construct and/or finance facilities below market rates and;
- Recycle our funds to expand the reach of initial investments.

WFF's PRIs are structured as: Interest-free or low-interest loans

- Interest-free or low-interest loans
- Repayment periods of roughly 10-13 years

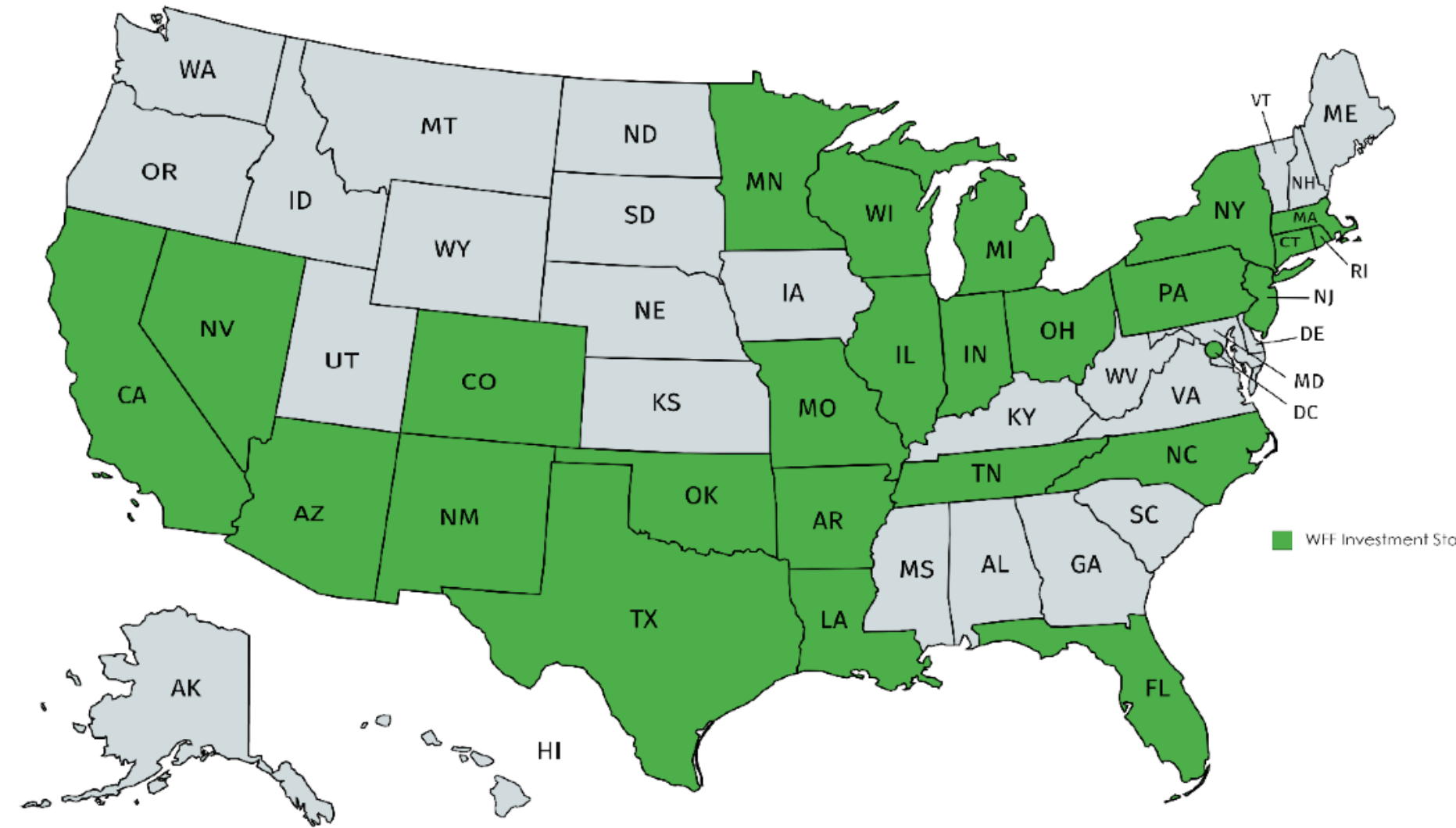
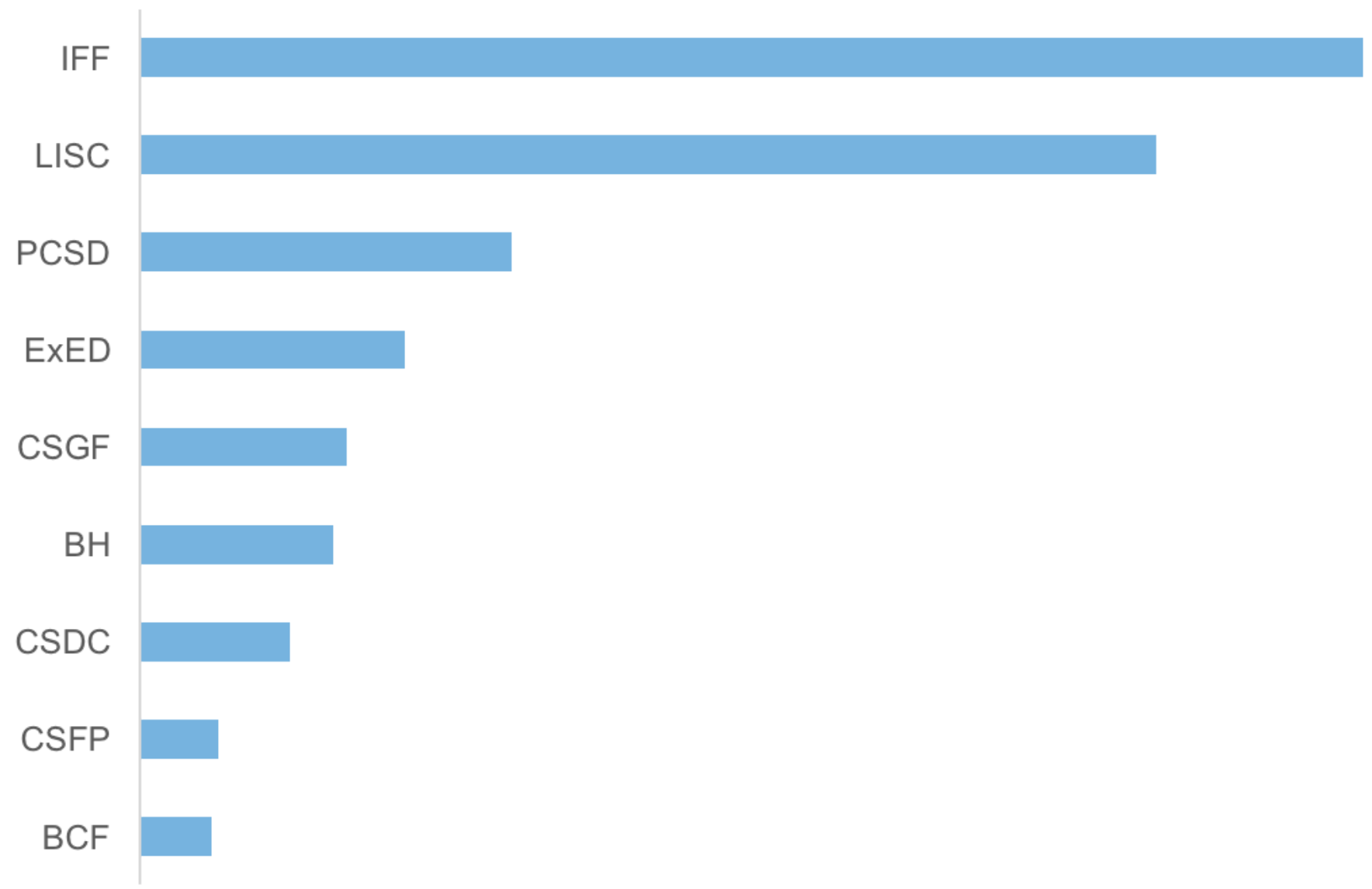
WFF HAS ACHIEVED SIGNIFICANT IMPACT FROM ITS 14 YEARS OF INVESTING IN CHARTER FACILITY FINANCING.

Since 2003, WFF has helped create over 207,000 seats in nearly 400 schools, while achieving a leverage ratio of 29:1 on investments.



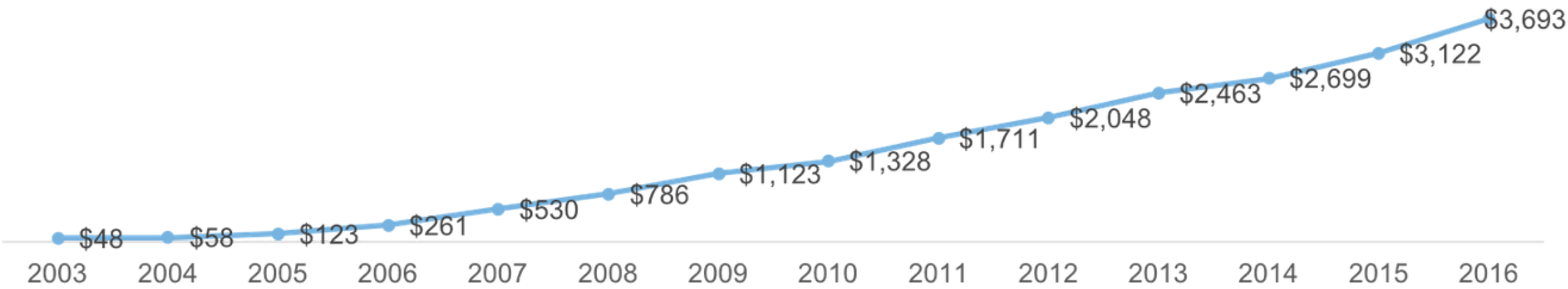
OVER 500 SEPARATE FINANCINGS HAVE BEEN COMPLETED BY WFF'S 9 PRI RECIPIENTS, SUPPORTING SCHOOLS IN 26 STATES.

Number of Financings by Grantee, 2003-2016



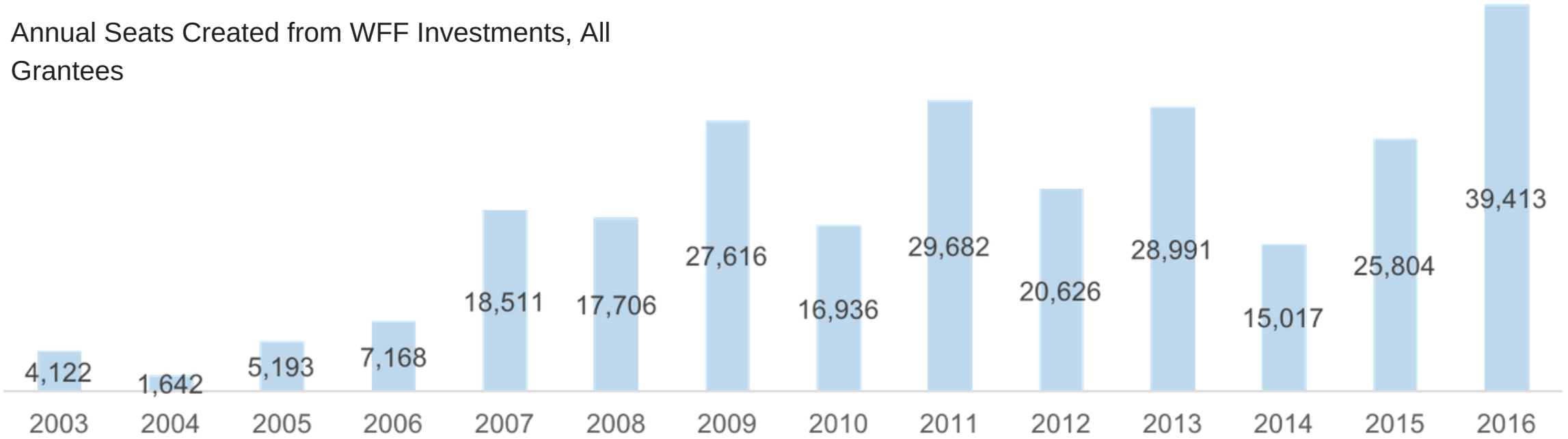
THE LINK BETWEEN FACILITY INVESTMENTS AND SEAT CREATION CONTINUES TO BE CRITICAL TO CHARTER GROWTH.

Cumulative Total Project Budgets, All Grantees
In Millions



Since 2003, WFF has achieved an overall leverage of 29:1 on a cumulative total project budget of \$3.6 billion.

Annual Seats Created from WFF Investments, All Grantees



In 2016 alone, WFF invested in projects that created over 39,400 seats, with a total combined \$471 million.

LUMINA FOUNDATION: OUR WORK

Lumina Foundation is an independent, private foundation in Indianapolis that is committed to making opportunities for learning beyond high school available to all. We envision a system that is easy to navigate, delivers fair results, and meets the nation's need for talent through a broad range of credentials. Our goal is to prepare people for informed citizenship and for success in a global economy.

LUMINA FOUNDATION: ABOUT US

LOCATION

Lumina's Headquarters are located in downtown Indianapolis, Indiana, and the Foundation also has an office in Washington, DC.

STAFF

The Foundation currently employs 57 staff members.

ENDOWMENT

Lumina is among the nation's top 100 private foundations with an endowment in excess of \$1 billion.

IMPACT INVESTING

Lumina is among the nation's top 100 private foundations with an endowment in excess of \$1 billion.

- Director of Impact Investing
- CEO
- COO/General Counsel
- VP of Strategic Impact
- Directors of Strategic Engagement and Grants Management

LUMINA FOUNDATION STRATEGIC PLAN FOR 2017-20

Priorities for Action	Opportunity Populations	Goal 2025
2017-20	By 2020	By 2025
<p>Student Success A postsecondary system in which the top priorities are completion of quality credentials, affordability, and closing of equity gaps</p>	<p>Increase attainment by 5.9 million above current rates</p> <p>Increase attainment among 25–64-year-olds from 45.3% to 51.2%</p> <p>Increase attainment among 25–34-year-olds from 47.2% to 53.3%</p>	<p>Increase attainment by 16.4 million high-quality credentials above current rates to reach 60%</p>
<p>Transparent Credentials A new, national system of transparent, high-quality postsecondary credentials</p>	<p>By 2020</p> <p>500,000 more degrees and certificates to traditional-age students</p>	<p>By 2025</p> <p>Increase attainment among traditional-age students by 4.8 million</p>
<p>Competency-Based Learning A national expansion of competency-based learning</p>	<p>By 2020</p> <p>2 million more degrees and certificates to returning adults who have some postsecondary education but no credential</p>	<p>By 2025</p> <p>Increase attainment among returning adults who have some postsecondary education but no credential by 6.1 million</p>
<p>First Credential for Adults Pathways to initial credentials—certificates and certifications—for adults who have no postsecondary education</p>	<p>By 2020</p> <p>3.4 million more certificates and certifications to adults with no recognized postsecondary education</p>	<p>By 2025</p> <p>Increase attainment among adults who have no recognized postsecondary education by 5.5 million</p>
<p>Quality Assurance An integrated quality assurance system for postsecondary learning</p>		

INVESTEES ALIGNED WITH STRATEGIC PLAN

		<i>Opportunity Population</i>		
		Traditional-Aged Students 4.8M by 2025 500,000 by 2020	Returning Adults/ Some Training No Credential 6.1M by 2025 2 million by 2020	Adults with No Recognized Postsecondary Education 5.5M by 2025 3.4 million by 2020
<i>Priority for Action</i>	A postsecondary learning system where the top priorities are completion of quality credentials, affordability, and closing equity gaps	 	 	 
	A new, national system of transparent postsecondary credentials		 	
	National expansion of competency-based learning			
	Pathways to certificates and certifications for adults without postsecondary education			 
	An integrated quality assurance system for postsecondary learning			

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CHARTER SCHOOL DEVELOPMENT CORPORATION (CSDC)

In 2014, WFF invested \$5 million in CSDC through a 10 year, 0% interest program-related investment.

Since receiving the loan, CSDC has:

- Financed 21 facility projects – 7 projects directly using WFF capital, and another 14 using capital derived from other sources (e.g. philanthropy, public funding, etc.)
- Created 11,890 new seats in charter schools
- Supported over \$70M in total project costs
- Achieved a leverage ratio of 12:1 on WFF funds



IN 2016, WFF LAUNCHED THE BUILDING EQUITY INITIATIVE IN AN EFFORT TO DEEPEN IMPACT.

The BEI Theory of Change is that for this population...	BEI will fund strategies that...
<p>Charter schools with track record of exceptional academic performance in an agreed upon set of cities, including:</p> <ul style="list-style-type: none"> • Expanding charter management organizations • Expanding or replicating independent charter schools <p>...who are limited in their ability to meet demand because of:</p> <ul style="list-style-type: none"> • Restricted access to public funding and/or public facilities • Limited access to affordable private capital • Minimal technical expertise in real estate development or finance 	<ul style="list-style-type: none"> • Expand flexible, affordable commercial capital available to charters by leveraging public and philanthropic funds • Increase the capacity of intermediary lenders and facility developers to service charter schools. • Develop affordable facilities • Incent public entities making unused district space available to charter schools • Expand the market of providers offering technical assistance and project management expertise to charters • Develop and support local organizations focused on building and supporting high quality charter growth.
<p>... resulting in the creation of 250,000 new, high quality, affordable charter school seats by 2027.</p>	

LUMINA'S INVESTMENT: CARE ACADEMY

Founded in 2016, Care Academy provides online training for home healthcare professionals and certifies competencies of these services providers to comply with various state requirements to practice. The platform allows standardized competency verification and is offered in multiple languages given the diversity of the population served.

- Experienced leadership team tackling healthcare from both the patient outcome and service provider's vantage point
- Serves opportunity population of adults with no postsecondary learning nor credentials
- Aligns and advances the Foundation's equity imperative
- Early stage but rapidly growing in high potential market
- Company seeks to provide entry and pathway to career and educational attainment in the healthcare sector
- Co-investors include ReThink Education and other angel investors



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UPCOMING EDUCATION WEBINAR

Exclusive for members of the Global Impact Investing Network and Mission Investors Exchange

INVESTMENT OPPORTUNITIES IN THE EDUCATION SECTOR

Thursday, November 30, 2017

11:00am - 12:00pm EST

UPCOMING EVENTS



MIE at SOCAP
October 10-13, 2017
San Francisco, CA



2018 National Conference
May 14-16, 2018
Chicago, IL

**THANK YOU FOR ATTENDING!
IF YOU ARE NOT ALREADY A MEMBER,
PLEASE CONSIDER JOINING THE
MISSION INVESTORS EXCHANGE
COMMUNITY TODAY.**

[HTTPS://WWW.MISSIONINVESTORS.ORG/MEMBERSHIP](https://www.missioninvestors.org/membership)

