GREENBOOK

A Guide to Jewish Impact Investing

JEWISH FUNDERS NETWORK

JUNE 2021

Michael P. Lustig

A GigaWatt Global solar field in Burundi. (Courtesy of GigaWatt Global)

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ABSTRACT

Impact investing is a burgeoning field, and an area of increasing interest among Jewish investors and philanthropists, who are investing across a very wide spectrum, with varying degrees of accompanying impact and/or connection to Jewish-specific content. The Jewish impact investing field has heretofore been lacking a resource to aggregate its disparate elements, and this report is designed to fill this need.

This document is divided into two sections. The first is a relatively brief overview of impact investing concepts for those unfamiliar with the space (with accompanying footnotes directing those seeking deeper understanding towards other/related sources). This first section is meant to set the context for what follows: an attempt to define and characterize what makes Jewish impact investing unique, the taxonomy around it, and a dynamic list of related resources.

JFN'S VALUES INTERSECT SQUARELY WITH IMPACT INVESTING

The 12th-century Jewish philosopher Maimonides ("Rambam"[1]) delineated his "Eight Levels of Giving"[2] to codify how we think about "Tzedakah"[3], essentially presenting (in descending order) the range from the "best" to the "least-best" forms of philanthropy. His goal was to highlight the religious obligation to give and to (presumably) incentivize what he viewed as the higher forms of giving. His list prioritizes anonymity, proactivity, and self-reliance; it resonates well with what a well-meaning person would likely view as a "common sense" approach.

Not surprisingly, Jewish Funders Network (and the rest of the Jewish philanthropic world) have taken their cues from Maimonides' list, and it helps drive our thinking as we consider how to maximize our impact as philanthropists.

Maimonides ascribes the highest form of philanthropy as "gift or loan or create a partnership with him or make up some work for him, so as [to] strengthen his hand until he does not need to ask others."

Maimonides ascribes the highest form of philanthropy as "gift or loan or create a partnership with him or make up some work for him, so as [to] strengthen his hand until he does not [any longer] need to ask others [for help]."[4] As we will see, loans/partnerships in this vein fall within the realm of impact investing, particularly when a "Jewish flavor" is involved.

1 "Rambam" is the Hebrew form of Maimonides, essentially an acronym of his name, Rabbi Moses [Moshe] ben Maimon (רמב"ם); in Israel, the "Rambam" name is used to the almost complete exclusion of "Maimonides".

2 Maimonides, *Mishneh Torah, Hilkhot Matanot Aniyim* (Laws about Giving to Poor People), Chapter 10:7–14 www.sefaria.org/sheets/53040?lang=en

3 Tzedakah (צדקה) is often used interchangeably with "charity," though it has a deeper meaning with broader implications. The root of word is shared with "righteous," making it more of an ethical obligation, rather than something that may be spontaneously or generously done

4 Ibid.

An Overview of Impact Investing

A solar power station in Israel's Negev desert

VADIM PETRAKOV/SHUTTERSTOCK

INTRODUCTION TO IMPACT INVESTING

Impact investing can be viewed either as a new investment approach or as a modification of existing approaches[5]. On a basic level, it encompasses businesses that aim for profitability while simultaneously and intentionally incorporating social or environmental goals as part of their core mission. In this way, impact companies are pursuing a "double bottom line," aiming for both profit and a defined non-financial impact. Impact investing covers a wide spectrum, as there may be differing prioritizations of profitability vs. mission among businesses that are considered to be "impactful," and many use a "know it when I see it" approach to make distinctions when the line isn't fully clear.

Impact investing is frequently categorized as the "fourth sector," since it tends to incorporate elements of the other three sectors (Government, Corporate, Philanthropic) into a new/synthesized whole

Given that the impact-related aspects of these companies often resemble the goals of NGOs, impact investing is frequently categorized as the "fourth sector," since it tends to incorporate elements of the other three sectors (Government, Corporate, Philanthropic) into a new/synthesized whole. A key component of the impact approach is "sustainability"; if a business has an impactful mission and is self-sustaining, it inherently continues to achieve that mission as long as the business remains in operation. This is the main difference between impact businesses and philanthropy, as the latter requires constant infusions of donations (as opposed to business revenue) to achieve its mission.

5 https://thegiin.org/impact-investing/

DEFINING "IMPACT"

The term "impact" requires its own definition/clarification. While it's often described as "social or environmental,"that tends to be too vague to properly classify a business, particularly if the ultimate goal of that classification is a useful taxonomy. The impact field has settled on a broad use of the term "ESG", standing for Environmental, Social, and Governance issues when looking at (mostly public) companies, with a variety of metrics applied in trying to gauge levels of ESG.

In 2015, the United Nations established "Sustainable Development Goals" (SDGs), a list of 17 global goals that are designed to be a "blueprint to achieve a better and more sustainable future for all,"[6] with the intention of achieving these goals by the year 2030. The establishment of these goals helped create some structure/definition around broad terms like "ESG" and have increasingly been used by those who are serious about linking their business mission to impact.

THE UN SDGs

SOURCE: UN

In 2017, the UN created targets for these goals[7], which has helped quantify how the SDGs are addressed. In total, there are 169 sub-targets with 232 indicators, so this has developed into a very detailed approach. To simplify the classifications, the SDGs have been grouped into "pillars" that approximate "ESG":

6 www.un.org/sustainabledevelopment/sustainable-development-goals/
7 https://undocs.org/A/RES/71/313

THE UN SDG PILLARS

ECONOMIC PILLAR	ENVIRONMENTAL PILLAR	SOCIAL PILLAR
1. No Poverty	6. Clean Water and Sanitation	4. Quality Education
2. Zero Hunger	7. Affordable and Clean Energy	5. Gender Equality
3. Good Health and Well-being	12. Responsible Consumption and Production	10. Reducing Inequality
8. Decent Work and Economic Growth	13. Climate Action	11. Sustainable Cities and Communities
9. Industry, Innovation and Infrastructure	14. Life Below Water	16. Peace, Justice, and Strong Institutions
	15. Life on Land	17. Partnerships for the Goals

As a general rule, impact investments will fit into the environmental or social pillars, though the distinctions are often not clear (for example, one may note how many of the "Economic Pillar" SDGs easily relate to social issues). For broad purposes, "ESG" is generally used as a designation, with some form of sub-identifying tag to indicate specificity, if relevant. Others may use a list of the applicable SDGs to indicate the impact areas that they are targeting.

The Global Impact Investing Network (GIIN) is the primary nonprofit[8] advocacy group promoting impact investing.[9] The GIIN facilitates an exchange of knowledge through frequent convenings, sharing of resources and best practices, and production of tools for reporting and measurement. GIIN is joined by TONIIC (naturally!), which describes itself as "a global community of asset owners seeking deeper positive net impact across the spectrum of capital[10]."

The impact space is diverse and constantly evolving; the number of impact-focused investment products are proliferating, and asset managers are increasingly focusing on various approaches to sustainability. This primer is meant to be a *very* brief introduction, and there are many resources (easily found online) for learning more about this dynamic sector.

8 A strong case may be made against using the term "nonprofit" to describe organizations that are supported by philanthropy, as the use of that term essentially defines the sector by what it's *not*, and not by what it *is*. A proper alternative would be to call these enterprises as being "for-impact,", both as a better description of their goals/activities, and as a foil for companies that are designed to be "for-profit". This idea was advanced by Doug Bitonti Stewart in the Fall 2017 issue of Advancing Philanthropy:
https://afpglobal.org/news/impact-investing-and-development-professional-learning-ride-wave
That all said, given the ubiquitous use of the "nonprofit", this document will (unfortunately) perpetuate the (mis) use of the term!
9 https://thegiin.org/
10 https://toniic.com/

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IMPACT TECH

A new aspect of impact has emerged, that of "Impact Tech," where technological solutions are used in achieving impactful results. This is mostly seen on the environmental side, with biotech, medtech, agritech, ecotech, cleantech, watertech, edutech (and other "tech") companies impacting the world in different ways. Impact Tech also sometimes addresses social goals, with some companies seeking to lift disadvantaged populations up the socioeconomic curve. [Note that some biotech/agritech/watertech firms may straddle both the environmental and social "sides" with respect to their impact; the distinctions may blur — the world is messy!] While not all tech ventures are designed to have positive social or environmental impacts, these firms are increasingly and proactively placing their impact front-and-center as part of their business approaches and their value proposition. The most recent academic research in the impact space tends to focus on impact tech.

Dr. Hanna Klein, VP Research & Project Management at Gigawatt Global, with the women's cooperative in Mubuga, Burundi, site of one of the company's solar fields. A portion of this field's revenue will support the water/health needs of the surrounding communities.

MEASURING "IMPACT"

There are many methods that may be used to measure impact. The generally accepted classifications have been put into place by the Sustainable Accounting Standards Board (SASB), which was established in 2011 as an analogue to FASB (the Financial Accounting Standards Board). SASB established materiality standards[11] in 77 industries across 11 sectors[12] using what it refers to as a Sustainable Industry Classification System (SICS)[13]. The SASB approach is used as an industry standard, and it serves as the basic framework for a variety of impact measurements, including S&P Portfolio ESG and State Street Global Advisors' Responsibility Factor (R-Factor), among others. Data sources include Sustainalytics[14], ISS-ESG, Vigeo-EIRIS, and ISS-Governance.

B-Corp certification of companies is analogous to FairTrade and USDA Organic certification, or in the Jewish realm, kashrut certification. In the absence of any singular measurement standard, B-Corp certification has distinguished itself as a recognized label for both the retail consumer and the casual impact investor.

IRIS+, a system created by GIIN to "measure, manage, and optimize impact," is used by many market participants[15]. Although it is promoted by GIIN (as a somewhat centralized authority), it doesn't quite rise to the level of being a universal "standard," but aims to illustrate how a target goal may be achieved through a specific investment.

"Benefit Corporations" are companies that balance purpose and profit, and US companies may self-report this status[16]. If they choose independent certification, B-Lab may certify a company as a "B-Corp," applying a score calculated in a number of impact areas[17].

The majority of companies that have chosen to be certified by B-Corp tend to be on the smaller side, where the scope of their business is limited and therefore better suited to the type of measurement used. Subsidiaries of larger corporations (often small companies that were then purchased by conglomerates) may also choose to be evaluated as though they were a stand-alone venture.

11 www.sasb.org/standards-overview/download-current-standards/
12 The sectors are: consumer goods, food & beverage, health care, services, resource transformation, infrastructure, transportation, technology & communications, renewable resources & alternative energy, extractives & mineral processing, financials
13 www.sasb.org/wp-content/uploads/2018/11/SICS-Industry-List.pdf
14 Even within the world of data providers, there are problematic issues. Sustainalytics incorporates a degree of anti-Israel language and BDS-bias into its ratings, which in turn has negative implications for global ESG portfolios: www.jlensnetwork.org/single-post/morningstar-added-to-jlens-do-not-invest-list-due-to-bds-support
15 https://iris.thegiin.org/
16 https://benefitcorp.net/
17 https://bcorporation.net/

The generally accepted classifications have been put into place by the Sustainable Accounting Standards Board (SASB), which was established in 2011 as an analogue to FASB (the Financial Accounting Standards Board)

B-Corp certification of companies is analogous to FairTrade[18] (coffee) and USDA Organic[19] (milk, etc.) certification, or in the Jewish realm, *kashrut* certification. In the absence of any singular measurement standard, B-Corp certification has distinguished itself as a recognized label for both the retail consumer and the casual impact investor.

DIFFERENTIATING IMPACT INVESTING FROM PHILANTHROPY

The goals of many social impact-focused businesses often intersect squarely with those of philanthropy. As noted, Maimonides ascribed the highest form of philanthropy as "gift or loan or create a partnership with him or make up some work for him, so as strengthen his hand until he does not [any longer] need to ask others [for help],"[20] and loans/partnerships in this realm fall within the domain of impact investing.

The question then, is where is the line drawn between philanthropy and impact investing? This issue is further complicated by the subjectivity that often enters into determining levels of impact. Measurement schemes, like those of SASB, IRIS+, and others, do a good job of measuring impact, but don't necessarily help when drawing that "line." Fortunately, the world of "regular" accounting provides a very simple and effective metric: operational profitability.

As funders are acutely aware, most nonprofits live up to their label, and even in cases where a portion of revenue is generated, this revenue never comes close to covering the organization's expenses, thus requiring philanthropic infusions[21]. Some nonprofits have come to the realization that their core competency has value that can be monetized without jeopardizing their mission. The Tel Aviv-based Mahalach Foundation program,[22] founded in 2015, works to increase the sustainability of philanthropies by encouraging revenue-generation strategies. JFN is in the process of developing a consultancy along these lines, as well. Even with extreme effort and attention, the goal of covering 100 percent of expenses is rarely achievable, and that's why philanthropy exists.

18 www.fairtradeamerica.org/shop-fairtrade/fairtrade-products/coffee/
19 www.usda.gov/topics/organic
20 Ibid.
21 There are exceptions, but they are extremely rare.
22 https://en.mahalach.com/

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A building with plants in Tel Aviv.

If an investment is highly skewed towards the "impact" side, it will be considered a legitimate impact investment only if there's a strong expectation of it returning 100 percent of invested capital.

In the effort to explicitly draw the line between business and philanthropy, the need for philanthropic infusions essentially creates that line: If a venture consistently nets a profit, it's a business, not a philanthropy. If a venture is losing money (as many startups do in the early stages of their lifecycle), then its funding sources may be used as a gauge: If it is using financial instruments to fund itself (convertible notes, debt, equity, etc.), then it's a business, not a philanthropy. It should be noted that philanthropic capital in the form of grants has played an important role, and continues to do so, in being a catalyst for the development of impact investment models,[23] without it being impact investing, per se. In some cases, new ventures may receive

23 Notably, The Rothschild Caesarea Foundation, which operates a $1 million matching grant for impact entrepreneurship: www.edrf.org.il/en/impact-2/#b2

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government grants (i.e., from a development agency [like USAID[24]] or a scientific development fund [like the Israel Innovation Fund[25]]), in which case the cue should be taken from the venture's other sources of funding: philanthropic or financial. Based on these criteria, operational profitability and/or funding sources will definitively classify a business as an "impact investment."

In the case of debt/equity, the differentiation between business and philanthropy will again focus on returns. If an investment generates positive returns, it's viewed in the same light as a profitable business, and therefore defined as a business. If an investment is highly skewed towards the "impact" side, it will be considered a legitimate impact investment only if there's a strong expectation of it returning 100 percent of invested capital.

A social impact bond program reducing Israeli college dropout rates, jointly developed by the Edmond de Rothschild Foundation (Israel) and SFI-Social Finance Israel.

24 www.usaid.gov/
25 https://innovationisrael.org.il/en/

MISSION- AND PROGRAM-RELATED INVESTMENTS

Private foundations are subject to guidelines governing their activities and investments; distributions must be mission-aligned, and portfolio investments require a fiduciary approach. Additionally, there are Internal Revenue Service (IRS)-approved mechanisms for making impact-related investments on both the investment and grantmaking sides of a foundation's activities[26]. Mission-Related Investments (MRIs) may be made on the investment portfolio side of a foundation, where the target investment's activities align with the foundation's mission. Even with that mission alignment, an MRI must still pass the "prudence test" that any other portfolio investment would require: aiming for a market-level return while simultaneously furthering the mission of the foundation.

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Program-Related Investments (PRIs) occupy a different place on the distribution side of a foundation. The IRS requires foundations to make charitable qualifying distributions of five percent (or more) each year; if its investment portfolio generates a return greater than its distribution the foundation will grow, and if it's lower, the foundation will shrink. A PRI is an impact investment usually, though not exclusively, a loan or debt instrument, that aligns with the foundation mission while generating a below-market rate of return (i.e., impact-first), *but* the amount invested may be applied against the foundation's required minimum distribution. This means that the returns generated by that investment will be additive to the foundation's investment portfolio, allowing its mission to be addressed while simultaneously reducing the shrinkage of its overall portfolio[27]. In essence, a PRI is a have-your-cake-and-eat-it-too approach, and it has been increasingly utilized by foundations seeking creative ways to be effective.

The case may be made that a foundation's endowment should *only* be invested in MRIs & PRIs. While that might be an extreme approach, it would be a means of maximizing impact. Many foundations eschew impact investments on the premise that such investments implicitly yield lower returns, but that blanket assumption is

26 https://missioninvestors.org/sites/default/files/resources/MRIs%20and%20PRIs%20for%20Private%20Foundations.PDF
27 Assuming, of course, that the investment in question has a positive financial return.

false, and academic research is mixed on the return rates of this investment space[28]. Investment vehicles that span markets and have broad index targets inherently include wide swaths of companies and other underlying investments, some which may have goals that are inherently *contradictory* to a foundation's mission (such as a health-related foundation owning shares in alcohol or tobacco companies). Needless to say, investing (in any way) contra-mission makes little sense[29].

SOCIAL IMPACT BONDS

Another new tool that straddles the line between investing and philanthropy is the Social Impact Bond (SIB), essentially a pay-for-performance contract that uses a unique model to achieve desired impacts. SIBs are designed to address social issues by identifying a particular need, the interventions that may be used to address that need, and metrics that may be used to effectively measure the extent to which those approaches have succeeded. The structure identifies a program seeking to resolve the identified problem, then raises funding for that program through the sale/issuance of the SIB; assuming that the success thresholds are reached/exceeded over a specified timeframe, payments (including a pre-specified/formulaic "return" on the initial SIB investment) are made back to the purchasers of the SIB by an outcome guarantor. Given that the issues being addressed are typically those where there is strong public interest, a governmental agency is usually that outcome guarantor[30], though it may just as easily be a philanthropy with a strong focus in that issue area.

The first SIB was issued in the UK in 2010 with the goal of reducing prisoner recidivism, and to date (June 2021) 138 SIBs have been issued worldwide, raising over $440 million[31]. Social Finance Israel[32] (part of a global network of similar organizations) has issued five SIBs since 2015, addressing a variety of challenges, including Type-2 Diabetes, loneliness among the elderly, educational achievement gaps, and attrition in higher education. Contrary to their name, Social Impact Bonds are not actually "bonds" (they aren't debt/borrowings, but rather a structured contract) and shouldn't

28 There is obvious linkage between good-governance practices (the "G" in "ESG") and the implementation of solid management at a company, which will likely have positive long-term implications for that company's performance, and a lower probability of negative-impact "bad headline" news. Research on the returns of companies that emphasize environmental or social endeavors relative to companies that don't follow those practices demonstrates inconsistent periods of under/over-performance. For a brief (but a bit wonky) understanding as to why "screens" on an index won't consistently outperform, see this: www.aqr.com/Insights/Perspectives/Virtue-is-its-Own-Reward-Or-One-Mans-Ceiling-is-Another-Mans-Floor

29 www.wsj.com/articles/on-good-investing-vs-investing-for-the-good-11544976573

30 In this sense, a SIB is essentially a Public-Private Partnership (PPP), a structure often seen elsewhere in the philanthropic world.

31 https://sibdatabase.socialfinance.org.uk/

32 www.social-finance.org.il/

SOCIAL IMPACT BOND STRUCTURE

be compared to other investments in the bond sector, but they are viewed as impact investments, because they contain both strong mission alignment, and [possible] financial returns (though with quite a bit of risk on that front, as they have the potential to lose all of the invested capital if the measured performance threshold isn't met). SIBs represent an innovative method for addressing social issues.

THE "WHAT" AND THE "WHY": ASSET CLASSES & IMPACT ISSUES

Impact investments may be made through a variety of investing vehicles, utilizing different asset classes. Although a Social Impact Bond (SIB) may not be properly classified as a "fixed income" investment (the use of the term "bond" notwithstanding), there are indeed bond/fixed income investments that are firmly in the impact investing space, including bonds funding environmental projects ("Green

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Wind generators in the Golan Heights.

Bonds"[33] and "Blue Bonds"[34]), debt issued by foundations (often called "Social Bonds" [cf., the Ford Foundation[35]]), corporate bonds with interest-based ESG incentives ("Sustainability Bonds"[36]), and direct lending to impact companies. In some cases, the debt may have a risk cushion (usually backed by philanthropic dollars or a degree of government first-loss absorption) to make it more creditworthy. Impact investments also encompass public equities, private equities (startup and venture capital), and real assets; essentially any sector of the "regular" investing world where there is an "impact" aspect to the entity being funded.

Impact investments may be made through a variety of investing vehicles, utilizing different asset classes. Although a Social Impact Bond (SIB) may not be properly classified as a "fixed income"

The impact aspects that are covered in the investing sector include the SDGs (or more broadly, ESG), and when looking at specific social and environmental issues they tend to address the following: education, health & wellness, community development, small business finance, microfinance/financial inclusion, renewable energy & climate change, natural resources & conservation, sustainable agriculture & development, sustainable consumer products, and fair trade. While this list is by no means comprehensive, it tends to cover much of what's investable. The exceptions tend to be in the impact tech space, which (as noted) directly focuses on applying technological solutions to address a plethora of issues; the impact investing sphere is a constantly evolving space.

33 www.climatebonds.net/market/explaining-green-bonds
34 www.weforum.org/agenda/2019/06/world-oceans-day-blue-bonds-can-help-guarantee-the-oceans-wealth/
35 www.fordfoundation.org/the-latest/news/ford-foundation-announces-sale-and-pricing-of-landmark-1-billion-social-bonds/
36 www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/

Jewish Impact Investing

Bike share station in Tel Aviv.

LEONARD ZHUKOVSKY/SHUTTERSTOCK

DIFFERENTIATING JEWISH IMPACT FROM GENERIC IMPACT

The impact investing space is replete with Jewish people who are deeply engaged in all aspects: conceptualizing, creating, funding, operating, etc. As is often seen in the philanthropic world, Jews seem to be overrepresented as compared to other religious/ethnic groups[37]. This is great! Of course, the fact that an impact venture has been created by a Jew doesn't mean that it's a *Jewish* impact investment. Just as a movie shouldn't be included in a Jewish Film Festival if it was merely helmed by a Jewish director but was otherwise devoid of Jewish content[38], so too an impact business shouldn't be considered Jewish if the only connection to Judaism is through its CEO.

The concept of "Jewish values" is sometimes invoked when looking at impact investments. The most obvious/basic invoked Jewish values in the impact space are "Tikkun Olam"[39] (repairing the world), "Tzedek" (justice/righteousness), and "Chesed" (mercy/kindness), and many impact ventures do indeed fit the bill on these fronts, be they environmental or socially oriented businesses. While a "Jewish label" may be placed on a business, it may be argued that this doesn't inherently make it something that merits being categorized as "Jewish." In order for a venture to be validly considered a "Jewish impact investment," it needs to both conform to the normal

37 https://nonprofitquarterly.org/americas-jewish-community-leads-per-capita-giving/

38 https://jewishweek.timesofisrael.com/film-festival-not-jewish-enough-2/

39 תיקון עולם (*Tikkun Olam* – repairing the world). There are traditional Jewish sources for Tikkun Olam, first appearing in the Mishneh *Gittin* (4:2) as מפני תיקון העולם (*Mip'nay Tikkun HaOlam* – for the sake of repairing the world), in the context of maintaining a well-functioning society through the enactment of legal measures. Separately, in the second paragraph of the daily prayer, עלינו (*Alaynu*), we find:
להעביר גלולים מן הארץ והאלילים כרות יכרתוון לתקן עולם במלכות שדי (to cause detestable [idolatry] to be removed from the land, and false gods to be cut off – to repair [establish] a world under G-d's kingdom), meaning that "perfection of the world" is achieved by having all of the world recognize the G-d of Israel as being the one. Note that the term itself is now often taken out of those contexts, and given a universalist spin, closer to the way in which the Middle Ages scholar Maimonides used it: As an aspiration to act beneficially & constructively.

impact classifications, as well as have a strong degree of Jewish association in terms of its mission (beyond just having consonant [universalist] values). Thus, an organization that has the amelioration of poverty as its goal may indeed have (significant) impact, but it's only a *Jewish* impact organization if it directly addresses Jewish poverty as (at least part of) its mission. This distinction *isn't* meant to diminish the importance of ventures that focus on helping people or doing other things aligned with Jewish values, but rather to highlight those that *are* specifically doing so with a particularistic/Jewish approach.

In order for a venture to be validly considered a "Jewish impact investment," it needs to both conform to the normal impact classifications, as well as have a strong degree of Jewish association

An example of an organization taking just such an approach is the Hebrew Free Loan Society[40] (HFLS), a nonprofit dating back to 1892. HFLS provides necessary funds through interest-free loans to New Yorkers in need in a variety of areas, including: training, housing, health care, and education. Over its history, HFLS has made over $350 million in loans, and experienced miniscule default rates. Although it serves a general population, HFLS roots its lending in Jewish values and bases its activity in geographic locations with a high concentration of Jews; as a result, its clientele is disproportionately Jewish, particularly for loans with extremely important implications for Jewish continuity, such as special education bridge loans, adoption/fertility treatment loans, and security infrastructure loans. HFLS is a nonprofit, but it has entered the impact investment space through a loan program where a foundation or donor-advised fund (DAF) may make a two-year zero percent interest loan to HFLS that the organization will then use as capital to make loans as part of its overall operations. Given the extremely low default history and the credit cushion provided by the assets of HFLS, these loans may be considered extremely safe/creditworthy.

JEWISH SUSTAINABLE DEVELOPMENT GOALS?

On the whole, the SDGs on their own fall short when looking at "impact" through the particularistic lens of Judaism. In essence, what may be required for the field is a new set of Jewish Sustainable Development Goals (JSDGs), that would include important elements such as Jewish literacy, pluralism, peoplehood, etc., which could then be used as targets/metrics for both Jewish philanthropy and impact investing. Such a set of goals is beyond the current scope of this report but should be considered an important project for the near future.

40 https://hfls.org/

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The team at Eye Control, an Israeli medical technology company in ZORA Ventures' portfolio.

GENERIC/POOLED IMPACT INVESTMENTS WITHIN A JEWISH CONTEXT

A growing number of funds and other pooled investment vehicles that focus on impact (ESG, SDGs, or subsets thereof), are doing so with a stated "Jewish" intent. These tend to define their Jewish impact through the lens of Tikkun Olam, without any other (specific) Jewish content, and therefore wouldn't necessarily meet this guide's definition of Jewish impact investing. However, in some cases, these funds have a degree of Jewish or pro-Israel advocacy as part of their model, qualifying them as Jewish impact investments.

ISRAEL AS DISTINCTLY JEWISH: THE *TRIPLE* BOTTOM LINE

Israel, as the nation-state of the Jewish people, occupies a special status, and allows for broader inclusion in the target Jewish impact taxonomy. A social impact business in Israel inherently becomes a Jewish impact company by virtue of serving a largely

Participants in a program promoting diversity in Israel's high-tech entrepreneurial sector.

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Jewish population[41]. The case could also be made that a social impact venture that is based in Israel and focuses specifically on the Arab population of the country is indeed a Jewish impact business, as well, given that the benefit to one segment of society will be felt by all, and the broader society is largely Jewish.

Needless to say, this treatment of Israel-based impact ventures greatly increases the number and scope of businesses in question within the taxonomy. Impact businesses are often said to have a double bottom line, and in the case of *any* business in Israel, that second aspect of return arises merely by being located in Israel. In essence, merely being part of the fabric of the country is (in and of itself) a dimension of impact for investors with a particularistic Jewish approach. To the extent that a "traditional" impact business is operating in Israel, the Jewish impact investor can view it as offering a *triple* bottom line, where Israel is considered a dimension of

41 The current population breakdown of Israel is: 74.2 percent Jewish, 20.9percent Arab, 4.8 percent Other. www.cbs.gov.il/he/mediarelease/DocLib/2019/134/11_19_134b.pdf

The Rothschild Cube, an experiential training, guidance, and instruction center for effective social involvement in Israel.

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impact. With respect to this taxonomy, individual companies in Israel will need to demonstrate a double bottom line in *addition* to simply being in Israel.

INVESTMENT FUNDS IN ISRAEL

Funds that pool investments in the Israeli market occupy a middle ground. If an Israeli fund is attempting to achieve a specific impact, then it clearly fits the taxonomy (an example would be a fund that tracks the TA-125 Fossil Fuel Free Climate Index[42], or TA-Cleantech[43]). If a fund is designed to broadly track the Israeli market and doesn't have a focused impact, it doesn't fit the criteria being described throughout this taxonomy, but it will be included in a differentiated category. This is mostly because many investors currently place these generic Israeli funds in their impact-re-

42 https://info.tase.co.il/Eng/about_tase/news/2020/Pages/PR_20201109.aspx
43 https://info.tase.co.il/Eng/about_tase/news/2020/Pages/PR_20200915.aspx

SHUTTERSTOCK

Israeli farmers planting vines in a desert farm in Israel's Negev.

lated portfolio allocations. Funds with a global focus that eliminate exposure to businesses or states that actively seek to hurt or delegitimize Israel (so-called "no bad actor" funds[44]) will not enter into this taxonomy, since there's no distinct Jewish/ Israel exposure, even though they are designed to be positively aligned with impact-type values.

OTHER DISTINCTIONS

Investments traditionally lend themselves to categorization, often with binary distinctions: Passive/Active, Public/Private, Value/Growth, etc. Investors tend to allocate their portfolios in multiple dimensions along these lines, so it's important to distinguish impact investments in this manner, as well. For instance, public market securities (i.e., stock, bonds, ETFs) are usually much more liquid than private investments, so most portfolios have guidelines delineating minimum allocations to the

44 A number of these types of funds are being proposed, with countries such as Pakistan, Qatar, and others falling into the "bad actor" category.

public markets, thereby maintaining a level of liquidity for the entire portfolio [Public/ Private]. Indexed funds/ETFs tend to be passive in their approach as their target indices have rules guiding their composition; this means that they tend to be relatively static in their holdings, and as such tend to charge fees that are lower than funds that actively trade their holdings [Passive/Active]. These are the most basic of these types of distinctions, so they will be indicated within the taxonomy, as well. As noted, there are a multitude of other investment categorizations that will not be segregated, as the differentiations become more subtle.

DEFINING THE TAXONOMY [THIS IS A WORK IN PROGRESS]

Given all of the various stipulations laid out, the following categories emerge:

1 ESG/SDG, with a Jewish impact (ESG/SDGj)

2 ESG/SDG, in Israel (ESG/SDGi)

3 Funds, with a Jewish intent (FUNDj)

4 Funds, or pooled exposure, with an Israel focus (FUNDi)

What may be required for the field is a new set of Jewish Sustainable Development Goals (JSDGs), that would include important elements such as Jewish literacy, pluralism, peoplehood, etc.,

Individual investments will be categorized based on their dominant characteristic. Where relevant, indications will be made with respect to the underlying asset class(es), and other distinctions.

To learn more, JFN hosts monthly impact investment roundtable sessions where JFN members can ask questions and meet like-minded people who are on their impact investing journey.

Illustrative Case Studies

Wasteless, which uses dynamic pricing to reduce food waste, is one of the Israeli impact ventures in ZORA Ventures' portfolio.

COURTESY OF ZORA VENTURES

GREYSTON BAKERY

Greyston Bakery is a certified B-Corp[45] in Yonkers, NY, that produces delicious brownies while using an Open Hiring® model with "No background checks, no re-sumes, no interviews," essentially providing an impactful second chance for people who might otherwise find it difficult to gain employment (i.e., ex-convicts, etc)[46]. The profits from the bakery support an associated 501(c)(3) foundation that focuses on workforce development and community wellness programs in its local community, expanding to other localities.

Greyston's products are kosher, its founder (Bernie Glassman) was Jewish, and it sup-plies the brownies that go in Ben & Jerry's ice cream. Nonetheless, while Greyston is the paradigm of an impact business (and indeed, its program has received financial support from the local Jewish Federation), it is not a Jewish impact business.

NOT A JEWISH IMPACT VENTURE ☒

YOZMA FUNDS

In 2015, the Israeli government help create two *Yozma* ("initiative") funds[47], at Israel Venture Networks (IVN)[48] and Dualis[49], with the intent of creating social businesses. Financing of the funds came from an innovative mix of philanthropy (40 percent),

45 https://bcorporation.net/directory/greyston-bakery-inc
46 https://greystonbakery.com/pages/about-greyston
47 These are differentiated from the original Israeli government *Yozma* program which started in 1993, investing approximately $80 million for 40 percent stakes in 10 new Venture Capital funds (with government guarantees providing a large degree of downside protection for foreign investors making parallel investments); this is largely seen as the main catalyst for the VC industry in Israel.
48 https://ivn.org.il/
49 https://dualis.org.il/en/

impact loans (20 percent) and the Israeli government (40 percent). Both the IVN & Dualis funds have created a variety of social businesses, with the mandated target populations (at-risk youth, special needs, recovering addicts, released convicts, chronically unemployed, elderly, single parents) being positively impacted.

The hybrid nature of these funds allowed for both philanthropic and investor participation. The loans were structured with a three-year funding period, two-year deferral on payments (subject to profitability), and five-year maturities, paying a coupon rate of Israeli Prime + 1.5 percent, all denominated in Israeli shekels. While the *Yozma* Funds (broadly viewed) are more in the realm of philanthropy, the funding loans were indeed impact investments, aiming for very modest financial return while helping to facilitate significant social returns. They best resemble something suitable as a Program-Related Investment (PRI), and it happens that the first cross-border US/Israel PRI was done with a related loan investment from the Max & Marjorie Fisher Foundation to the Dualis Social Innovation Fund[50]. These loans *did* indeed satisfy the requirements of a Jewish impact investment. [FUNDi]

A Jewish Impact Venture ☑

JLENS

JLens offers a Jewish advocacy strategy that combines investment with advocacy. JLens has built a framework to guide its work, essentially "scoring" companies to build its investment approach, which is designed to result in a portfolio that is aligned with Jewish values:

SIX PILLARS OF JUDAISM'S FRAMEWORK OF MITZVOT (OBLIGATIONS) GUIDE JLENS' EVALUATION OF COMPANIES AND INVESTOR ADVOCACY PRIORITIES

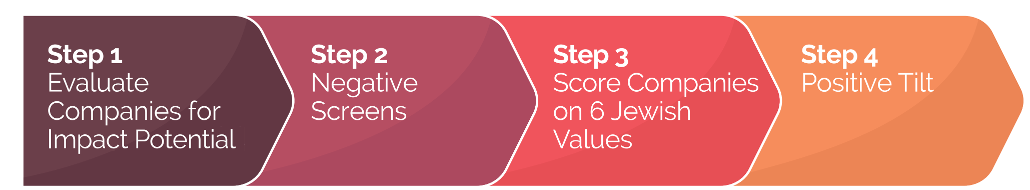
- **OBLIGATION TO INVESTORS.** NOSEI VE'NOTEIN BE'EMUNAH (CONDUCT BUSINESS IN GOOD FAITH)
- **OBLIGATION TO SOCIETY.** DEI MACHSORO (HELP THOSE IN NEED WITH WHAREVER THEY LACK)
- **OBLIGATION TO THE WORKER.** LO TA'ASHOK
- **OBLIGATION TO THE ENVIROMENT.** BAL TASHCHIT (DO NOT DESTROY)
- **OBLIGATION TO COEXISTENCE.** RODEF SHALOM (PURSUING PEACE)
- **SUPPORT FOR ISRAEL.** YISHUV ERETZ YISRAEL

50 https://mmfisher.org/grant-partner/dualis-social-investment-fund/

JLens Executive Director and Founder Julie Hammerman at the organization's Jewish Impact Investing Summit in 2017.

COURTESY OF JLENS

The JLens strategy has over five years of performance history. Its methodology selects approximately 300 companies (of the ~500 in the S&P 500) using the following approach:



The results have been excellent, with JLens delivering similar performance and minimal tracking error to the S&P 500 Index. A portion of its fees support advocacy that includes opposing the BDS movement, promoting companies that are values-aligned ("most kosher"!), and taking the broader ESG industry to task for anti-Israel bias[51]. Investors include Jewish community foundations, Federations, donor-advised Funds, and private individuals. This *is* a Jewish impact investment. [FUNDj]

A Jewish Impact Venture ☑

51 As noted previously: www.jlensnetwork.org/single-post/morningstar-added-to-jlens-do-not-invest-list-due-to-bds-support

RALF LIEBHOLD/SHUTTERSTOCK

TEVA PHARMACEUTICAL INDUSTRIES LTD. (TEVA)

Teva is a global pharmaceutical company headquartered in Petach Tikva, Israel. It is the largest manufacturer of generic drugs in the world and one of the largest-overall biopharmaceutical companies in the world[52]. Teva easily fits into the biotech & healthtech sectors, and may also be seen as making an impact by helping to reduce drug prices worldwide (generics are invariably cheaper than their "named" equivalents)[53], thereby addressing SDGs 3 & 10. Teva shares trade on the Tel Aviv Stock Exchange (TASE), and it has American Depositary Shares (ADS) on the NYSE & NASDAQ. This *is* an Israeli impact investment and thus a Jewish impact investment. [ESG/SDGi]

Based in Israel, Teva Pharmaceuticals is in the biotech and healthtech sectors and also makes an impact by helping to reduce drug prices worldwide.

A Jewish Impact Venture

52 www.tevapharm.com/our-company/who-we-are/
53 www.tevapharm.com/news-and-media/feature-stories/giancarlo-francese/

ELBIT SYSTEMS (ESLT)

Elbit is a leading defense contractor headquartered in Haifa, providing advanced electronic systems for defense and commercial aviation applications. It produces systems for drones, communications systems, and defense/intelligence, and is the largest non-governmental defense electronics company in Israel. Elbit shares trade on the TASE & NASDAQ, and they are a part of the TA-25 Index. While the company undoubtedly contributes positively to the defense of Israel, it doesn't address ESG or SDG criteria[54], and therefore, is not an impact investment.

Not a Jewish Impact Venture

OGEN SOCIAL BANK

Ogen ("Anchor" in Hebrew) is the successor to the Israel Free Loan Association (IFLA), a 30+-year-old organization that focused on lifting Israelis up the socioeconomic curve through free and affordable lending. Over its history, Ogen has lent over $350 million to 65,000 disadvantaged individuals and businesses, with a default-rate below one percent[55]. Ogen is a nonprofit and therefore wouldn't fit into this taxonomy but for the new social bank it has created: the Ogen Social Loan Fund.

The Israeli Securities Authority recently published a policy paper on how to help develop the securitized financing market in Israel, and Ogen's structure is proactively jump-starting that market.

A public benefit company (PBC) that received its credit services provider license from the Israel Capital Markets Authority in 2019, the fund commenced operations at the start of 2020. Ogen Social Loan Fund provides affordable credit to small businesses and nonprofits, and it has been able to garner government risk-sharing for loans made during the Covid-19 crisis. It is in the process of obtaining a banking license[56] to create the first nonprofit bank in Israel, and until that occurs it is extremely limited in the number of depositors. As a result of this limitation, Ogen has solicited (dollar-denominated) impact loans from investors (primarily in North America) with five-year maturities at a one percent interest rate. Even though the borrower is a PBC owned by a nonprofit, the loans would indeed be Israeli impact investments. [ESG/SDGi]

54 In 1996, Elbit spun-out and sold their medical imaging business to General Electric; had they retained this business and if it was a significant part of the company, they would indeed be situated in the Medtech space.
55 https://ogen.org/en/about-ogen/
56 The last banking license in Israel was awarded in back in 1972!!

The Ogen Social Bank is actually a double case study, as it is issuing a financial product that isn't simply an innovation to the impact space, but to Israeli finance writ-large: a structured/tranched (prioritized levels of loss absorption) securitized financing[57] that is fully shekel-denominated. Until now, there have been sporadic examples of securitized products in Israel, but they have always involved some sort of cross-border assets or financing, necessitating currency transactions as an overlay. Ogen is financing its lending operation through the issuance of tranched (layered levels of risk) bonds:

MULTI-TRANCHE STRUCTURE

Source Type	Amount (ILS)	Weight	Annual Interest Rate	Default Coverage	Payment Frequency	Payment Principal	Average Life	Modified Duration
Senior Debt	25,000,000	50%	1.15%	50-100%	Quarterly	Quarterly-Within 2.75 Years	1.5	1.4
Regular Debt-A	12,500,000	25%	1.8%	25-50%	Quarterly	Quarterly-From 2.75 for 1.5Years	3.6	3.4
Regular Debt-B	5,000,000	10%	2.8%	25-50%	Quarterly	Quarterly-From 4 Years for 1 Year	4.6	4.2
Philanthropy	7,500,000	15%	0.0%	0-15%				
Total	**50,000,000**	**100%**	**1.31%**					

The Israeli Securities Authority recently published a policy paper on how to help develop the securitized financing market in Israel, and Ogen's structure is proactively jump-starting that market. The Securities Authority has signaled that it would prefer to see a "risk retention" level of 10 percent (over the current global market standard of approximately five percent)[58], and Ogen's structure far exceeds that level with a 15 percent first-loss (philanthropic) risk cushion. Again, even though the "parent" of this financing structure is a nonprofit, the securitized bonds would indeed be Israeli impact investments. [ESG/SDGi]

A Jewish Impact Venture

57 https://en.wikipedia.org/wiki/Tranche
58 www.globes.co.il/news/article.aspx?did=1001337938 [Translated: www.linkedin.com/pulse/securitization-incentive-might-backfire-norman-menachem-feder]

PAOLO BONA/SHUTTERSTOCK

Vertical green plantations on the Israel pavilion at EXPO 2015, in Milan.

SI3

Si3 (Social Impact Investment in Israel) is an initiative by the United Kingdom's United Jewish Israel Appeal (UJIA) with the objective of creating social change in Israel through focused investment. Approximately two million pounds of donor capital has been pooled into a designated fund with advice/oversight of portfolio construction by Weave Impact, an Israeli impact consultancy[59]. The fund targets direct debt or equity investments into Israeli-based businesses driving social change for marginalized and disadvantaged communities in the field of employment, equal opportunities, and education, as well as a broader portfolio focus on shared society[60]. Since inception, Si3 has selectively made investments in 12 social impact projects from among 250 applicants. The investments in Si3 are effectively a modified version of a PRI for UJIA insofar as the portfolio's investment returns come back to the organization, though they will be recycled into other impact investments as opposed to simply supporting UJIA's endowment. The portfolio essentially provides a triple bottom line for UJIA, and Si3 remains a model for other Jewish Federations, foundations, and endowments; this *is* an Israeli impact investment PRI. [ESG/FUNDi]

A Jewish Impact Venture

59 www.weaveimpact.com/
60 https://si3.ujia.org/portfolio/

COURTESY OF ZORA VENTURES

ISRAEL BONDS

The Israel Bonds program, is a mechanism for the State of Israel to borrow funds on a dollar-denominated basis across a number of maturities (underwritten through the Development Corp for Israel). This program facilitates approximately $1 billion per year of funding for Israel and has been crucial in helping to build the infrastructure of the country, including the National Water Carrier and the Dead Sea Works. The debt carries the same credit risk as the Israeli government (A1/AA-[61]), and Israel Bonds has never defaulted on a bond payment.

The team at Amai Proteins, one of the Israeli companies in ZORA Ventures' portfolio. Amai Proteins creates sugar substitutes using environmentally friendly and sustainable production.

The State of Israel has quite obviously changed considerably over its 70+ year history, including its economic footing. The country is objectively a "success story," and the Israel Bonds program has been an integral part of the nation's achievements. When the Israel Bonds program started in 1950, the country was suffering food shortages, rationing, and a lack of decent housing. For much of the next 50+ years, the funding provided through the Israel Bonds program was critical to the country's growth and success. The program has also been a successful engagement tool for Israel, as bond investors solidify their ties to the country and become more deeply emotionally invested alongside their financial investment.[62]

The State of Israel's relative prosperity[63] and financial stability has reduced its reliance on the Bonds program as a means of funding, but it remains an effective engagement tool for the State of Israel, particularly among those who are less affiliated in various ways. Israel Bonds are a means for many Jews in North America to express their Jewish identity through a tangible connection to Israel. The Bonds program also represents a financial lifeline for the country that may be drawn upon in times of extreme crisis, and keeping that pipeline in place during calmer periods undoubtedly makes sense. Many Federations have mandated allocations to Israel Bonds within their endowments as a proxy for "investing in Israel," thereby providing a strong investor base. This situation is starting to change, with a number of Federations exploring avenues of more active investment in the country, but the Israel Bonds program remains solid, enjoying a large core of investor support. Given that Israel Bonds are very-direct debt investments in the country, they are therefore Israel impact investments. [FUNDi]

A JEWISH IMPACT VENTURE ☑

61 www.worldgovernmentbonds.com/credit-rating/israel/
62 www.israelbonds.com/News-Events/News/Warren-Buffett-Welcomes-Israel-Bonds-Back-to-Omaha.aspx
63 Israel is easily in the top segment of countries in the world when ranked by GDP-per-capita (nominally [top 10%] or by PPP [top 20%]): www.imf.org/-/media/Files/Publications/WEO/WEO-Database/2021/WEOApr2021all.ashx

VALUE SQUARED (VALUE²) FAMILY OF FUNDS

Value² is an Israel-based group of managed funds that invests in global equities using an impact-focused approach[64]. Its portfolio methodology applies comprehensive/deep research (based on data from Vigeo-Eiris, a Moody's Company[65]) focusing on ESG impact, along with an assessment of impact based on revenue arising from Sustainable Goods and Services (SGS). Financial performance is appraised after the impact assessments, allowing for a broader range of companies to be considered for investment without the compositional limitations of a "parent" index. The result are funds with exposures that often differ from "typical" ESG funds, which tend to have similar top-holdings despite being based on different indices. The Value² approach would ordinarily just fit the "generic impact" label but for its target clientele: Israeli institutions and Jewish investors. The company's stated mission is to encourage responsible investing among Israelis and to get regulators to require that all Israeli institutional investors include impact investments in their portfolios. Value² portfolio holdings have generally displayed about twice the ESG-specific impact of typical ESG-oriented funds and are excellent gateways for Israeli investors into the impact investing ecosystem. Although the Jewish impact of Value² funds is tangential/indirect, because of its advocacy among Israeli investors and the Israeli government, investments in these funds may still be considered Jewish impact investments [ESG/SDGj].

A JEWISH IMPACT VENTURE ☑

64 https://value2.co.il/en/about-us/
65 https://vigeo-eiris.com/

APPENDIX:
JEWISH IMPACT INVESTMENT OPTIONS

ESG/SDGj

HEBREW FREE LOAN SOCIETY [Debt]
www.hfls.org | www.jcfny.org/app/uploads/2019/01/HFLS-Flyer-and-Form.pdf
Funding HFLS's lending activities through a collateralized loan.
$5K minimum, zero percent interest rate, 2Y term

VALUE² FAMILY OF FUNDS
https://value2.co.il/en/
ESG-oriented funds, geared primarily toward Israeli/Jewish investors, particularly targeting Israeli institutional investors.
$200K minimum, Monthly liquidity, 1/10 to 2/20 fees (above 4% net hurdle)

ESG/SDGi

OGEN SOCIAL LOAN FUND DEPOSITS [Debt]
https://ogen.org/en
Funding a bank structure that makes loans to micro/small businesses and nonprofit organizations.
$1 million minimum, 1 percent interest rate, 5Y term

ZORA ISRAEL IMPACT FUND, LP [Equity / Active]
www.zora.vc
Technology investment fund with a focus on addressing the SDGs.
$250K minimum, 2/20 fees (5 percent preferred), 10Y term

BRIDGES ISRAEL [Equity / Active]
https://bridgesisrael.com/
Investing in lower middle-market impact/thematic businesses. Unique 10 percent first-loss guarantee on fund.
$1 million minimum, 2/1.75/20 fees (1.2x hurdle), 10Y term

ELAH FUND I, L.P. [Equity / Active]
www.elahfund.com
Investing in Israeli SMEs located in the geographic periphery, with an impact focus. Rated "Gold" by GIIRS.

NEWERA CAPITAL PARTNERS [Equity / Active]
www.neweracp.com/
Focusing on disruptive impact tech.

GOOD COMPANY [Equity / Active]
https://goodcompanyhq.com/
Innovative/scalable "businesses with a purpose"

TERRA VENTURE PARTNERS [Equity / Active]
www.terravp.com
Impact tech incubator & venture funds.
$500K minimum, 2/20 fees, 10Y term

SOCIAL FINANCE ISRAEL [Pay-for-Performance Contracts]
www.social-finance.org.il
Issue Social Impact Bonds (SIBs) addressing a variety of issues, including Type-2 Diabetes, loneliness among the elderly, educational disparities, and attrition in higher education.

TAKWIN [Equity / Active]
www.takwinlabs.com
Start-up venture fund focusing on Arab-Israeli entrepreneur graduates of the Technion.

IMPACT FIRST INVESTMENTS [Equity / Active]
www.impact1st.com
Investment platform aiming for social impact through hi-tech.

FUNDj

JLENS JEWISH ADVOCACY STRATEGY [Equity / Passive]
www.jlensnetwork.org/jewishadvocacystrategy
Separately managed account utilizing JLens portfolio selection methodology.
Choice of two subadvisors, both overseen by JLens.
43bp expense ratio, with tiered reductions

FUNDi

VAN ECK VECTORS ISRAEL ETF (ISRA) [Equity / Passive]
www.vaneck.com/etf/equity/isra/overview/
Passive fund investing in Israeli companies, tracking the BlueStar Israel Global Index™ (BLSNTR).
88bp expense ratio

BLUESTAR ISRAEL TECHNOLOGY ETF (ITEQ) [Equity / Passive]
https://etfmg.com/funds/iteq/
Passive fund investing in Israeli technology companies,
tracking the BlueStar Israel Global Technology Index™ ("BIGITech®").
75bp expense ratio

ISHARES MSCI ISRAEL ETF (EIS) [Equity / Passive]
www.ishares.com/us/products/239663/ishares-msci-israel-capped-etf
Passive fund investing in Israeli equities, tracking the MSCI Israel index.
59bp expense ratio

ARK ISRAEL INNOVATIVE TECHNOLOGY ETF (IZRL) [Equity / Passive]
https://ark-funds.com/israel-etf
Passive fund investing in Israeli companies, tracking the ARK Israeli Innovation Index.
49bp expense ratio

ISRAEL INVESTMENT FUND, L.P. [Equity / Active]
https://israelinvestmentadvisors.com/
Actively-managed fund, investing in the Israeli markets.
1/10 fee structure

ION ISRAEL FUND [Equity / Active]
www.ion-am.com/ionisraelfund
Long/short (net-long) hedge fund focused on Israel-related companies

ION TECH FUND [Equity / Active]
www.ion-am.com/iontechfund
Long/short global tech equity fund; 50 percent of fund profits go to Israeli nonprofits

ION CROSSOVER PARTNERS [Equity / Active]
www.ion-am.com/ioncrossoverpartners
Late-stage venture capital; primarily Israeli startups

SPHERA STRATEGY FUND [Equity / Active]
https://spherafund.com/
Long/short hedge fund focused on large/mid-cap Israeli companies.

SPHERA SMALL CAP FUND [Equity / Active]
https://spherafund.com/
Long/short hedge fund focused on lower-tier Israeli companies.

DEVELOPMENT CORPORATION FOR ISRAEL (ISRAEL BONDS) [DEBT]
https://israelbonds.com/Home.aspx
Debt investments in the Government of Israel, with competitive interest rates and terms of one, two, three, five, 10, and 15 years in different series with varying minimum denominations.

JEWISH IMPACT INVESTING CONSULTANCIES

WEAVE IMPACT
www.weaveimpact.com
An advisory firm guiding investors towards social impact investment strategies in Israel

BEYOND
www.beyondfamilyoffice.com
An Israel-based family office firm directing value-aligned investing and promoting impact investing.

JLENS INVESTOR NETWORK
www.jlensnetwork.org
An investor network focused on advocacy, education, and investment strategy incorporating Jewish values, particularly in socially responsible investing and corporate social responsibility.

MICHAEL LUSTIG retired after a 25-year career on Wall Street, and now devotes the majority of his time and energies toward nonprofit and impact-related enterprises. Prior to retiring, Michael spent most of his career at the asset management firm BlackRock, where he was Managing Director overseeing Structured Mortgage and Derivative Products trading and acted as advisor/ portfolio manager for the Federal Reserve's Global Financial Crisis-related managed assets. He is President of the Baron de Hirsch Fund and is a Board Member/Trustee of: UJA- Federation of New York, Jewish Community Relations Council of New York, Columbia/Barnard Hillel, Hillel at Binghamton, the Hillel International Office of Innovation, AJC-NY, American Friends of OGEN, Taub Center for Social Policy Studies in Israel, and Congregation Shearith Israel.

Michael is a graduate of Columbia College, Columbia University, and is Adjunct Professor of Finance at New York University's Stern School of Business and a Lecturer at the College for Management Academic Studies in Rishon LeZion.

Michael serves on the board of GigaWatt Global, the Israel-based solar energy company that built the first large-scale grid-connected fields in East Africa as well as maintaining several other corporate advisory and board positions.

Michael lives in Manhattan with his wife Rachel and their three children.

Jewish Funders Network is an international community of private foundations and philanthropists with over 2,500 members from 15 countries around the world. Its mission is to promote meaningful giving and take an active part in the processes that change the thinking and action patterns of philanthropy in the Jewish world. Fully a quarter of JFN's members are Israeli, and JFN Israel is a leader in developing the country's philanthropic field by advocating for giving-friendly government policies, introducing donor-advised funds, and offering a variety of services.

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JEWISH FUNDERS NETWORK