



Case Study:

Triskeles Foundation, Doubling Donor Advised Fund Impact with CNote's Cash Solutions



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Introduction

The Triskeles Foundation prides itself on its “DNA-level commitment to impact investing.” As an organization, they employ a “double impact” approach, where all donor funds are filtered through a values-aligned investment approach prior to any charitable gifting. While Triskeles has been aligning investment and charitable giving since 2002, they regularly seek opportunities to drive deeper impact for their donors through this two-pronged approach.

This case study highlights how Triskeles Foundation was able to increase the impact of its cash and short-term positions with the help of impact investment firm CNote.

Over nearly two decades, Triskeles has distributed millions of dollars to hundreds of nonprofits around the country and around the world. With the foundation’s leadership team always looking for new ways to innovate, Triskeles has become an established industry leader in offering donors impact aligned investment solutions.

One of Triskeles’ goals was to broaden geographically targeted impact in the cash (short-duration) allocation of its portfolios without having to deal with excessive administrative hurdles and low liquidity.



About Triskeles Foundation

Since inception, Triskeles has always been interested in individualized solutions to address the intersection of a donor’s values, their giving priorities and aligned investment approaches. Triskeles, along with a very small handful of other Donor Advised Fund (DAF) providers, was an early adopter and advocate of sustainable and impact investing. Triskeles believes that aligning practice with purpose – at the individual level, in the community, and on a global scale – can achieve a positive future.



About CNote

CNote is an award-winning, first-of-its-kind financial platform that allows anyone to generate competitive returns by investing in causes and communities they care about. With the mission of closing the wealth gap, CNote directs every dollar invested toward funding female- and minority-led small businesses, affordable housing and economic development through its nationwide network of CDFI community lenders.

Searching for Impact with Cash Allocations

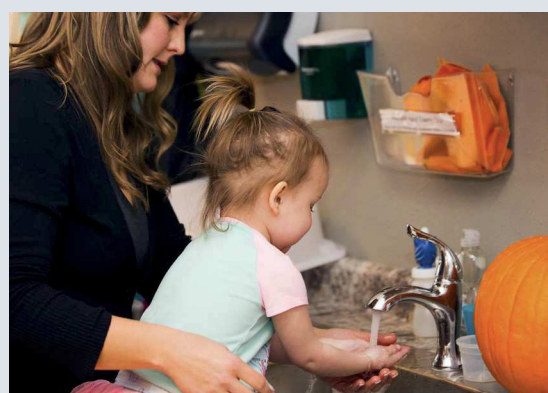
People have various reasons for choosing to donate to a DAF rather than making charitable gifts directly from their checkbooks. Regardless, once someone establishes a DAF with Triskeles Foundation, the next thing that happens is a conversation about values and giving interests.

Triskeles “engages vigorously with donors if they want that,” says Clemens Pietzner, the foundation’s president. That’s because he and his team strive for alignment: alignment between donors’ philanthropic interests, values, and investment goals. “In practical terms,” Pietzner says, “that means every single one of our DAF accounts is separately managed, which allows us a high level of flexibility and a high level of customization. This makes for a challenging business model.”

As Triskeles works to achieve that “high level of customization” for its clients, it also strives for what it calls “double impact solutions.” By combining donors’ charitable interests with a values-aligned investment approach, Triskeles can create impact before any proceeds are gifted to philanthropies while resources are waiting for planned disbursement. Not only does that take a strong client-foundation relationship, it also requires smart investment solutions that can be deployed at the short end of the portfolio.



Triskeles investments fund small businesses and local economic development



Given that donors sometimes change their minds regarding their gifts, the foundation was particularly interested to find near-term investments that could provide respectable returns, reasonable liquidity, and meaningful impact, all while maintaining the flexibility to meet clients’ needs. Lastly, Triskeles wanted a solution that would both broaden the impact in the short end of the portfolio in an administratively seamless manner and be compatible with the foundation’s boutique approach to DAF management.

Despite Triskeles’ ahead-of-the-curve commitment to impact investing, the foundation’s team sought out new opportunities to embed its double impact solutions across the portfolios, especially as it related to cash and short-duration investments.

The Solution: An Impact Investing Platform Created for Community Giving

Through a fortuitous internet search, a Triskeles staff person discovered CNote, a women-founded and led financial technology company that had built an unparalleled platform centered on community impact investing.

Since 2016, CNote has helped mission-driven institutions like Triskeles Foundation invest tens of millions of dollars in a national network of proven Community Development Financial Institutions (CDFIs), providing female- and minority-led small businesses and economic development projects access to capital that enhances communities across the country.

CNote’s network of CDFIs grabbed Pietzner’s attention. “At the highest level, investing in CDFIs was meaningful to us, because we were already familiar with them,” said Pietzner. “Given that they work in local communities, oftentimes with minority-owned businesses, or are focused on other socially positive activity, was equally exciting for us.”

CNote’s network of CDFIs differentiated it from other impact investment vehicles that often had longer duration commitments at concessionary rates of return. With the existing alternatives, Triskeles would have been committing DAF funds for longer periods of time at lower rates of return. Additionally, investing in individual community

banks was, at times, too localized of a solution for Triskeles. In order to achieve the level of impact it wanted, Triskeles would have needed to open individual community bank accounts in localities all across the U.S., which presented a significant administrative burden when multiplied across every DAF account.

Pietzner liked that CNote already had established relationships with a broad network of CDFIs across the country. “We were excited about the fact that CNote was offering these impact investments in an aggregated way that made CDFIs more accessible to organizations like us,” he said.

CNote leveraged that CDFI network to create a place-targeted variation of its Flagship Fund. This provided Triskeles the benefits of flexible liquidity with competitive returns, and, as appropriate, location-focused impact for its DAF accounts. This targeting allowed Triskeles to seek impactful local investments into communities that DAF account holders prioritized without the administrative hurdle of individual sourcing those investment or depository opportunities.



By choosing to invest a portion of its DAFs in CNote, Triskeles got three things.

1. A mission-driven partner with similar values

Triskeles wanted to work with a technology company that aligned with its mission, core values, and commitment to impact investing. CNote fit the bill. Because Triskeles has historically been supportive of women-run businesses and initiatives, Pietzner says the foundation was “excited” about the notion that CNote was founded and is led by two women.

“That was another net positive for us,” he said. “Not only did CNote want to create a different offering in the field of impact investing, but they’re committed to moving the needle on some of the same social issues we care about.”

The mission-driven similarities between Triskeles and CNote resulted in what Pietzner calls a “shared moment of enthusiasm” for both parties.

“We’re both on this shared journey to help build and grow this field in a very positive way,” Pietzner explained. “Together, we have a louder trumpet than we would have by ourselves. We obviously care about the investment returns in our accounts, but it’s the alignment to mission and the consistent commitment to impact investing that’s really made this a positive relationship for both Triskeles and CNote.”

2. Donor acquisition (and enthusiasm)

Pietzner says that many of Triskeles’ values-oriented donors are grateful to have CNote as an investment option. “Many of our donors were delighted to not only hear that CNote exists,” he said, “but to know that a piece of their DAF could be invested in CNote.”

Similarly, Triskeles has benefited from being able to talk with prospective clients about the foundation’s relationship with CNote. Pietzner says that having CNote as an investment option “adds value” to the foundation’s efforts around attracting and acquiring new donors, especially for those with place-based interests in impact investing. “We’ve benefited from being able to tell our story in relation to CNote’s story,” Pietzner said.

“It’s very much an opportunity for us, and it’s a persuasive offering that we can talk about when new clients come our way. It’s a helpful and meaningful selling point that we can make geographically specific, targeted investment choices with CNote’s network of CDFIs.”

3. Short-term flexibility, strong returns over time

Lastly, by partnering with CNote, Triskeles fulfilled its initial need: to embed impact into its short-term portfolio allocation, thus filling impact gaps on the near-term cash side of its DAFs. More so, CNote was able to meet this need without creating challenging administrative headaches.

“Finding CNote was a positive discovery that gives us a relatively short holding period of time, which is very useful to us in terms of liquidity,” Pietzner said. “That’s exciting because it met our need for reasonable liquidity and minimums, and it still provided a strong impact in that short time frame.”

Despite its initial desire to address its short-term portfolio allocations, Triskeles has kept some of its investments with CNote longer than it initially planned. Pietzner says that’s because his team found CNote’s network of CDFIs to provide strong, competitive, longer-term returns that come with the added benefit of meaningful impact.

“Yes, CNote is a near-term cash option for us,” Pietzner said, “but we also see it as an investment opportunity that we can hold for the longer term if the circumstance of a particular DAF allows us to do so.”

Growing Impact Investing, Together

Pietzner looks forward to partnering further with CNote. Not only is CNote’s network of trusted CDFIs a worthwhile investment tool in the foundation’s toolbox, but the FinTech company has helped Triskeles to expand its impact in the short end of its portfolios.

To date, CNote as a firm has helped to create over 3,000 jobs across America by deploying funds from investors like Triskeles DAF holders into financially underserved communities. In the aggregate, more than half of all CNote funds support minority-led businesses and funds are deployed with female-owned firms at rate 8x greater than national lending rates.

“Collectively, Triskeles and CNote are both interested in further building the movement of conscious, impact investing. Together, we can move the needle forward, with others, more effectively” Pietzner said.

Learn More



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