

2021

Guide to Jewish Impact Investing

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for giving.™



A special thank you to Jewish Funders Network, who published the original version of this guide in June 2021, and generously enabled JCF to customize this guide for our Fundholders.

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ETHICS

Abstract

For years, philanthropy and investing have been thought of in separate silos—one championing social good, and the other generating financial rewards. The notion that the two could meld and deliver a financial return while “doing good” seemed contradictory and improbable. Today, it is widely accepted that impact investing can in fact provide a financial return while creating a social and environmental benefits.

At Jewish Communal Fund, after decades of facilitating philanthropy and helping donors respond to so many pressing needs and crises, we have come to realize that philanthropy alone cannot solve these problems. We have added investments to our platform to help maximize the impact of the assets in a person’s fund, so that dollars that are not yet deployed for grant-making can be allocated to investments that create social or environmental change while earning income. As the largest Jewishly-affiliated donor advised fund, adding investments that address social, environmental and governance issues was not enough. In addition, JCF has added several impact investments that align with our mission and are informed by Jewish values. These offerings provide a distinct value-add for our fundholders, giving them the opportunity to magnify their impact in a holistic fashion.

This guide to the Jewish impact investing field, written by Jewish Communal Fund trustee emeritus Michael Lustig and originally published by the Jewish Funders Network, fills an important void in the Jewish impact investing space. We are grateful to Jewish Funders Network for allowing us to tailor this helpful resource to our JCF community. The guide is a primer on the impact investing space, as well as an overview of what makes Jewish impact investing unique, the taxonomy around it, and a list of related resources including information on JCF’s impact investment offerings.

We hope this resource increases your understanding of impact investing and helps you bring your philanthropy and investments to the next level.



Jewish Values and 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.

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.



A solar power station in Israel's Negev desert.

VADIM PETRAKOV/SHUTTERSTOCK

- 1 “Rambam” is the Hebrew form of Maimonides, essentially an acronym of his name, Rabbi Moses [Moshe] ben Maimon (רמבם); 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

Introduction to Impact Investing

Impact investing can be viewed either as a new investment approach or as a modification of existing approaches⁵. 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.

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



In 2017, the UN created targets for these goals⁷, 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”:

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 nonprofit⁸ 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 capital¹⁰.”

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.

⁷ <https://undocs.org/A/RES/71/313>

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/>



COURTESY OF GIGAWATT GLOBAL

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.

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 standards¹¹ in 77 industries across 11 sectors¹² 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 Sustainalytics¹⁴, ISS-ESG, Vigeo-EIRIS, and ISS-Governance.

IRIS+, a system created by GIIN to “measure, manage, and optimize impact,” is used by many market participants¹⁵. 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.

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/>

—
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.

“Benefit Corporations” are companies that balance purpose and profit, and US companies may self-report this status¹⁶. If they choose independent certification, B-Lab may certify a company as a “B-Corp,” applying a score calculated in a number of impact areas¹⁷.

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.

B-Corp certification of companies is analogous to FairTrade¹⁸ (coffee) and USDA Organic¹⁹ (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 infusions²¹. 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.

16 <https://benefitcorp.net/>

17 <https://bcorporation.net/>

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/>



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 government grants (i.e., from a development agency [like USAID²⁴] or a scientific development fund [like the Israel Innovation Fund²⁵]), 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.

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 activities²⁶. 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.

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 portfolio²⁷. 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.

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

24 www.usaid.gov/

25 <https://innovationisrael.org.il/en/>

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.

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 false, and academic research is mixed on the return rates of this investment space²⁸. 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 sense²⁹.

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 guarantor³⁰, 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 million³¹. Social Finance Israel³² (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 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.

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

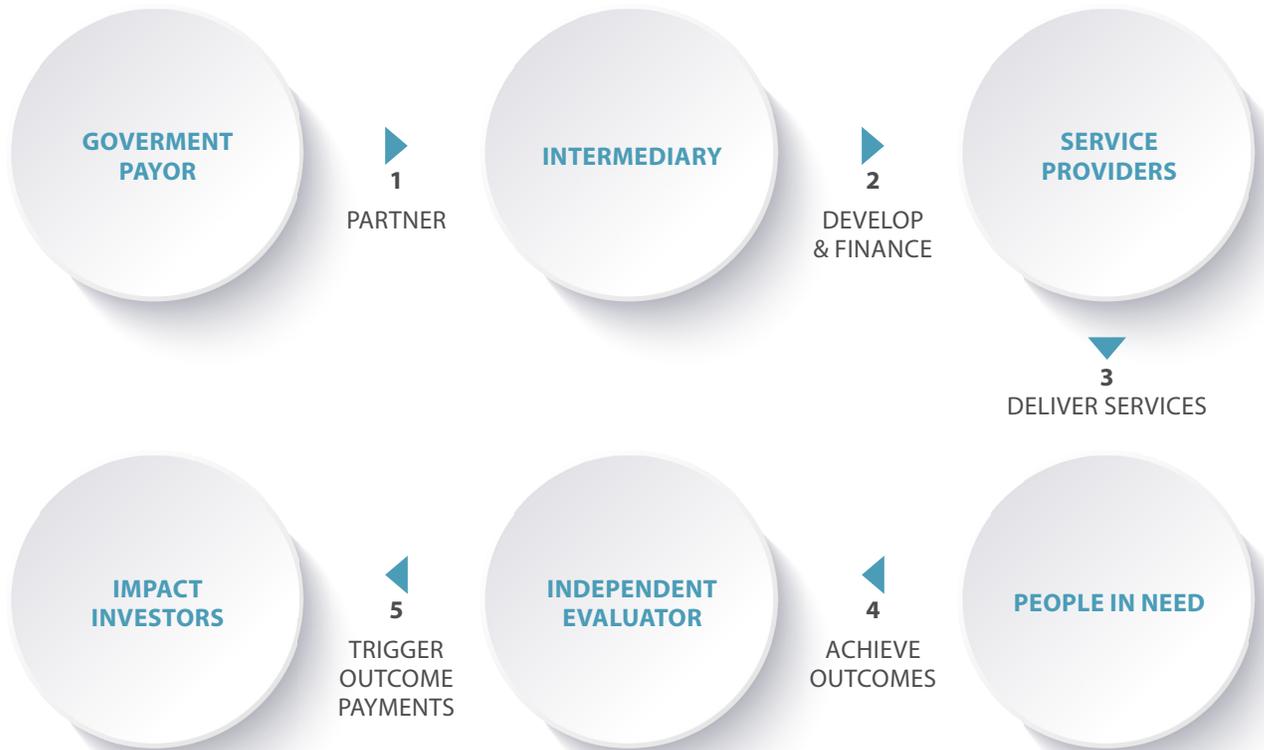
30 In this sense, a SIB is essentially a Public-Private Partnership (PPP), a structure often seen elsewhere in the philanthropic world.

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

32 www.social-finance.org.il/



SOCIAL IMPACT BOND STRUCTURE



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 Bonds”³³ and “Blue Bonds”³⁴), debt issued by foundations (often called “Social Bonds” [cf., the Ford Foundation³⁵]), 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.

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-slb/

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.

—
*Wind generators in
 the Golan Heights.*





Jewish Impact Investing

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 groups³⁷. 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 content³⁸, 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 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. An example of an organization taking just such an approach is the Hebrew Free Loan Society⁴⁰

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

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

39 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'ney 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.

40 <https://hfls.org/>

(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.

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 Jewish population⁴¹. 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.

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



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 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 Index⁴², or TA-Cleantech⁴³). 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-related 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” funds⁴⁴) 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 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.

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

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.

Defining The Taxonomy

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)

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.



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



Case Studies

of Jewish Communal Fund's Jewish Values Investments

Jewish Communal Fund offers several impact investments that align with our mission as the largest Jewishly-affiliated donor advised fund in the country. These offerings provide a distinct value-add for our fundholders, giving them the opportunity to maximize their impact with their investments, in addition to their active grant-making. They enhance the ESG and socially responsible investment options already on our platform.

Ogen Social Bank and JCF-Ogen Impact Loan Program

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 percent⁴⁵. 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.

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 license⁴⁶ 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]

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 financing⁴⁷ that is fully shekel-denominated. Until now, there have been

⁴⁵ <https://ogen.org/en/about-ogen/>

⁴⁶ The last banking license in Israel was awarded in back in 1972!!

⁴⁷ <https://en.wikipedia.org/wiki/Tranche>

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 tranching (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)⁴⁸, 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]

THE JCF-OGEN ISRAEL IMPACT LOAN PROGRAM

The JCF-Ogen Israel Impact Loan Program offers JCF Fundholders the opportunity to maximize their social impact in Israel today in a way that returns money to their fund for future grant-making and impact investing. Ogen provides affordable, life-changing loans and financial mentoring to low and middle-income Israelis, small businesses and not-for-profit organizations in Israel. Formerly the Israel Free Loan Association, Ogen has made more than 65,000 loans and lent more than \$360 million since 1990.

Minimum JCF fund balance: \$500,000

Minimum impact loan: \$250,000

Lock-up period: 5 years

For more information, download the JCF-Ogen Israel Impact Loan [PROGRAM BROCHURE](#)

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48 www.globes.co.il/news/article.aspx?did=1001337938 [Translated: www.linkedin.com/pulse/securitization-incentive-might-backfire-norman-menachem-feder]



JCF-HFLS Social Impact Loan Program

*Polina and Aaron Elbaz,
Microenterprise loan
recipients*

The JCF-HFLS Social Impact Loan Program is an innovative collaboration spearheaded by Jewish Communal Fund (JCF) and Hebrew Free Loan Society (HFLS), a nonprofit discussed in more detail on page 13 of this guide. This program allows JCF Fundholders with accounts of \$100,000 or more to recommend that a portion of the charitable assets be lent out in the form of interest-free loans to lower-income New Yorkers through the HFLS. HFLS's interest-free loans make it possible for thousands of lower-income borrowers to invest in their family's future or successfully manage the ups and downs of their financial lives without having to rely on risky and expensive loans or credit cards.

The JCF Social Impact Loan Program applies 21st-century strategies for impact investing to this proven philanthropic model. JCF Fundholders have the opportunity to facilitate loans that help borrowers get back on their feet financially or achieve a brighter future by going to college, enrolling in vocational training, or starting a small business.

JCF Fundholders who choose to participate in the JCF-HFLS Social Impact Loan Program recommend that assets from their fund support HFLS's interest-free loans for two years. While there is no financial return on this investment, the social impact of these loans is considerable. When the two-year term is up, 100 percent of the loan amount will be returned to the Fundholder's account to be granted out to charity or reinvested. Fundholders will not be charged administrative fees on funds lent to HFLS during the two years these funds are being used for interest-free loans.

Since the program's launch in November 2018, JCF Fundholders have provided nearly \$3 million in interest-free loans to HFLS borrowers. To date, this capital made possible nearly 400 loans ranging in size from \$2,000 to \$50,745. The average loan size was approximately \$8,000. To give you a more personal sense of the impact HFLS is having, you can visit the JCF website to read profiles of **borrowers whose lives have been changed by a loan from HFLS**. [ESG/SDG]

Lockup period: 2 years from date of release to HFLS

Fee: None Minimum JCF Fund Balance to Participate: \$100,000

Minimum loan size: \$5,000 (with \$5,000 increments)

[DOWNLOAD INFO & APPLICATION](#)

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:



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 bias⁴⁹. Investors include Jewish community foundations, Federations, donor-advised Funds, and private individuals. This is a Jewish impact investment. [FUNDj]

Minimum Investment: \$5,000
Annual fee: 0.23% per IMA

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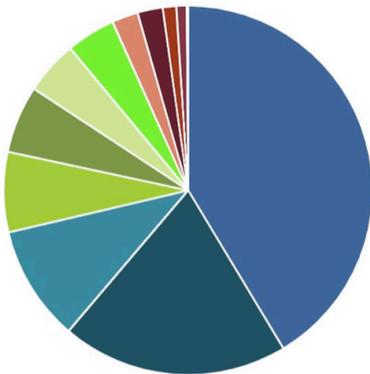
49 As noted previously: www.jlensnetwork.org/single-post/morningstar-added-to-jlens-do-not-invest-list-due-to-bds-support



Van Eck Vectors Israel ETF (ISRA)

ISRA is an Exchange Traded Fund (ETF⁵⁰) that focuses on Israeli companies, and aims to do so in a manner which is more holistic than other Israel-focused funds. ISRA tracks the BlueStar Israel Global Index (BLSNTR⁵¹) which distinguishes itself by acknowledging that many companies which are domiciled in Israel have chosen to be listed on other stock exchanges, so the index is not limited to companies which only list their shares in Tel Aviv. This means that the fund will have performance which diverges from those that track the TA-125, but it will more accurately 'cover' the corporate landscape in Israel. Approximately 70% of the fund is comprised of shares on the Tel Aviv exchange, about 27% are shares listed in the US, 1% in the UK, with the rest scattered around a variety of other countries⁵², and this is the only fund that allows investors to capture this broad exposure to Israeli companies.

Sector Weightings (%) as of 08/31/21



Sector	% of Net Assets
Information Technology	41.3
Financials	19.8
Health Care	10.1
Real Estate	7.0
Industrials	5.9
Consumer Discretionary	4.7
Communication Services	4.3
Utilities	2.3
Materials	2.2
Consumer Staples	1.2
Energy	0.9
Other/Cash	0.1

As noted in the taxonomic description of Jewish impact investments, ISRA will not fit the strict definition for most investors unless they view an Israel-focus as a specific point of impact. That said, many investors do view the market this way, and ISRA is the most efficient means of getting the broadest exposure to public market Israeli companies. [FUNDi]

Minimum investment: \$5,000 (\$25 transaction fee)

Annual fee: 0.62%

⁵⁰ ETFs are essentially mutual funds that trade on a stock exchange. They allow investors to get broad/diversified exposure to a sector of the market (in the case of ISRA, Israeli companies) with the convenience/liquidity of trading a stock.

⁵¹ <https://www.vaneck.com/us/en/investments/israel-etf-isra/index/>

⁵² <https://www.vaneck.com/us/en/investments/israel-etf-isra-fact-sheet.pdf>

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-⁵³), and Israel Bonds has never defaulted on a bond payment.

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.⁵⁴

The State of Israel’s relative prosperity⁵⁵ 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]

JCF offers two types of Israel Bonds:

MACCABEE ISRAEL BOND

Minimum Investment: \$5,000 and increments of \$500.

Lock-up: 2 years

JUBILEE ISRAEL BOND

Minimum Investment: \$25,000 and increments of \$5,000.

Lock-up: 2 years

Minimum fund balance may vary depending on the value a donor intends to invest in the JCF Israel Bonds and the general policy of JCF regarding liquid and illiquid prudent diversification investment percentages.

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53 www.worldgovernmentbonds.com/credit-rating/israel/

54 www.israelbonds.com/News-Events/News/Warren-Buffett-Welcomes-Israel-Bonds-Back-to-Omaha.aspx

55 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



Additional Illustrative Case Studies

Greyston Bakery

Greyston Bakery is a certified B-Corp⁵⁶ in Yonkers, NY, that produces delicious brownies while using an Open Hiring[®] model with “No background checks, no resumes, no interviews,” essentially providing an impactful second chance for people who might otherwise find it difficult to gain employment (i.e., ex-convicts, etc)⁵⁷. 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 supplies 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”) funds⁵⁸, at Israel Venture Networks (IVN)⁵⁹ and Dualis⁶⁰, with the intent of creating social businesses. Financing of the funds came from an innovative mix of philanthropy (40 percent), 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.

⁵⁶ <https://bcorporation.net/directory/greyston-bakery-inc>

⁵⁷ <https://greystonbakery.com/pages/about-greyston>

⁵⁸ 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.

⁵⁹ <https://ivn.org.il/>

⁶⁰ <https://dualis.org.il/en/>

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 Fund⁶¹. These loans *did* indeed satisfy the requirements of a Jewish impact investment. [FUNDi]

A Jewish Impact Venture

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 world⁶². 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)⁶³, 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]

A Jewish Impact Venture

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 criteria⁶⁴, and therefore, is not an impact investment.

Not a Jewish Impact Venture

61 <https://mmfisher.org/grant-partner/dualis-social-investment-fund/>

62 www.tevapharm.com/our-company/who-we-are/

63 www.tevapharm.com/news-and-media/feature-stories/giancarlo-francese/

64 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.



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 consultancy⁶⁵. 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 society⁶⁶. 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 

Value Squared (Value²) Family of Funds

Value² is an Israel-based group of managed funds that invests in global equities using an impact-focused approach⁶⁷. Its portfolio methodology applies comprehensive/deep research (based on data from Vigeo-Eiris, a Moody's Company⁶⁸) 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 

65 www.weaveimpact.com/

66 <https://si3.ujia.org/portfolio/>

67 <https://value2.co.il/en/about-us/>

68 <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.

iIMPACT CONSULTING NETWORK

www.iimpactconsulting.com

Advisory services centered around the integration of impact investing practices into asset management through investing with Jewish values.

MORR STRATEGY

www.morrstrategy.com

Cross-disciplinary advisory and consultancy, providing bespoke financial advice and hands-on solutions; co-founder of Jewish Women INVEST.

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



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FUND We have a gift
for giving.™

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