



Missionary Sisters
of the Sacred Heart of Jesus

FAITH INVESTOR
PROFILE

Missionary Sisters of the Sacred Heart of Jesus

Impact Investing Journey Overview

The Missionary Sisters of the Sacred Heart of Jesus (also known as “MSC”) seek to share Christ’s love in ways that touch hearts, inspire deeper relationships with God and foster the authentic human and spiritual development of themselves and others. They were founded in 1880 by Saint Frances Xavier Cabrini who is recognized as the Patroness of Immigrants in the Catholic church, and her legacy provides a motivation for their commitment to be responsible fiscal and moral stewards of temporal goods.

AT A GLANCE

Denomination: Catholic

Location: Headquarters in Rome, Italy with presence in 17 countries worldwide

Year of First Impact Investment: 2019

Impact Sector Focus: Multiple sectors; focus on most vulnerable populations, particularly people on the move

Geographic Impact Focus: Global

Impact Investing Lead: Kayoko Lyons, Director of Investments

Website: www.cabriniworld.org/social-impact-investing

The MSC began their journey just a few years ago, first inspired by a consultant and friend of the sisters who encouraged them to explore new avenues for service, beyond their sponsored ministries and philanthropy, specifically using their investment portfolios for mission. With the support of external investment consultants they integrated positive ESG (environmental, social and governance) criteria into the portfolio and hired a new CFO and Director of Impact Investments to support the work. They committed to align 100% of their funds to mission-aligned investments in both public ESG and private impact investments. Today, they manage a global portfolio of impact investments in a wide array of sectors with a focus on vulnerable populations, especially those who are forced to migrate due to poverty, climate change, lack of work or racial and religious persecution.

"Be bold and have faith"

- Sister Barbara Staley, MSC, General Superior

Key Steps Taken and Barriers Overcome Along the Impact Investing Journey

Given the urgency to respond to the tremendous needs around the world, the MSC simultaneously built their operational infrastructure while making their first impact investments. Upon joining as Director of Impact Investing, Kayoko Lyons had planned to spend time building the infrastructure—committees, policies, manuals, etc.—before making MSC’s first impact investments. However, she and the Sisters discovered they were only able to define the right risk tolerance and parameters for their portfolio once they started talking about actual impact investment opportunities. To get started quickly, they focused on investing in community development financial institutions and international development funds with strong track records. It also helps that the MSC maintains a flat decision-making structure regarding impact investments and has strong buy-in from senior leadership, who see impact investing as an imperative, that “this is God’s people’s money, not ours.”

As the investment industry is filled with technical jargon, the MSC Finance team is continually working on better communicating investment concepts to internal stakeholders. They have also taken the time to learn the language of the sisters and how they communicate their mission. Once armed with a common understanding of language and terminology, it became easier to ensure mission-alignment in the investment portfolio.

The MSC spent time building a network to learn from, collaborate, and co-invest with partners both within and outside of their faith tradition. They learned from peers including many of the first Catholic impact investors who started this journey decades ago, and have partnered closely with the [Catholic Impact Investing Collaborative](https://www.calvertimpactcapital.org/faith).

This interview is part of a series of Faith Investor Profiles highlighting how institutions across denominations are investing for impact. The Profiles are for informational purposes only, and should not be construed as any financial advice nor a recommendation of any investment strategy or product. All investing carries risk, past performance is no guarantee of future results. More at: www.calvertimpactcapital.org/faith



Successes and New Frontiers

While a few legacy illiquid traditional investments remain in the portfolio, the MSC are proud that over 90% of investments are mission-aligned, including ESG investments that have outperformed the market and a globally diversified high-impact investment portfolio. They have built solid operational processes and infrastructure while developing a strong network of trusted partners.

The MSC are now turning their attention to impact measurement and management (IMM). The diversity of their portfolio across sectors and types of investments can make IMM challenging, and they are mindful of not wanting to burden their borrowers with onerous reporting requirements. Nonetheless, they are keen to leverage IMM to drive even better outcomes for the people in whom they invest. They also want to use the principle of “additionality” to drive their investments—identifying where their funds can make the most impact.

The MSC initially set out to build a market-rate portfolio, but over time identified investments focused on immigrant and refugee populations that require a higher risk tolerance, or lower return in order to achieve impact. Thus, they bifurcated their private impact portfolio, with half focused on impact-first investments with a capital preservation strategy and half targeting a more traditional market-rate return focused on climate solutions. They are still in the early days of building the climate portfolio. Additionally, they recognized that many organizations serving vulnerable populations may also need a blend of investments and philanthropy to accomplish their missions, so the MSC are expanding and formalizing their philanthropic activities to further their mission into the future.

Suggestions for Fellow Faith Investors

For the MSC, the continuous refrain of encouragement from Sister Barbara Staley, their Superior General: “Be bold and have faith.” Although the MSC were able to progress rapidly, they also think it is okay to start small. They began investing in well-established organizations with a proven track record and often with redemption features. Eventually they also moved to being the first funder for smaller organizations. A suggestion for other faith investors: as much as possible for your organization, seek to keep impact first.

Kayoko Lyons emphasized the importance of having a plan and good processes, while cautioning against taking too much time to make sure they are 100% perfect before using them. She sees risk in “taking several years to complete a study to make one investment,” when an organization could have made a small important investment sooner and learned along the way and cautioned investors not to “let perfect be the enemy of good.” A way to move quickly is to learn from and collaborate with other investors, and the MSC are pleased to share resources to help others get started, just as others offered to help them.



MSC has invested in the [International Rescue Committee's Center for Economic Opportunity](#) alongside other faith-based investors, including Mercy Investment Services.

More Faith Investor Profiles and Resources at:

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Photo courtesy of International Rescue Committee