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Tests, Vaccines, Labs: Investors Put Money Toward Coronavirus Relief

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The coronavirus outbreak has wreaked havoc on portfolios. But as investors scramble to keep up with daily market volatility, some have put money into initiatives aimed at easing the health crisis and facilitating economic recovery.

The **Gates Foundation** is using parts of its $2.5 billion strategic investment fund to put money toward, for instance, vaccine manufacturing labs. The **Sorenson Impact Foundation** has helped prop up a digital platform through which investors can find entrepreneurs addressing the pandemic and its economic fallout. And the **Global Impact Investing Network** (GIIN) has launched and investment coalition with some of its heavyweight members, including the **Rockefeller Foundation** and the **MacArthur Foundation**, which aims to increase collaboration among institutions using their investment dollars to tackle the crisis.

“The crisis has just amplified the need for us to… not return to the normal as it was before, but instead shape a much better system going forward," **Rajiv Shah**, president of the Rockefeller Foundation, said during a session of the virtual **Mission Investors Exchange** (MIE) conference last week. "A big part of that will be how we think about … the impact of investment capital in driving better outcomes not just for shareholders but for the planet, for employees, for communities and customers."

Some mainstream allocators that don't typically make investment decisions intentionally through an impact lens have also put money toward that cause. **Angeles Investment Advisors**, an outsourced CIO (OCIO) and investment consultant, for instance, co-invested in **LetsGetChecked**, a company producing at-home test kits. The company is adding a test for COVID-19 to its slate of products.

The surge in impact-focused investments aimed at easing the ongoing crisis comes as sustainable investing across the board has persisted, despite fears that such concerns would fold in the next economic downturn. Interest from mainstream investors in environmental, social and governance (EGS) funds, for instance, has kept up, if not picked up, some industry professionals say, and fossil fuel divestment efforts are **ongoing** as well.

Many of the intentional investments to specifically help solve the coronavirus crisis have come from the philanthropic sector.

"Foundations have really stepped up amid the COVID-19 crisis and are looking at all the tools in their toolkit to address the crisis both in terms of immediate response and longer-term recovery and resilience," says **Matt Onek**, CEO of MIE.

Those institutions are targeting various aspects of the crisis with their investments, from food security to small business support to help with the actual health problems at the core of it all. The latter has been the main target of the Gates Foundation, a long-term investor in the health care field.

"There's a lot of talk about flattening the infection curve, but we also need to accelerate the technology adoption curve and try to get things to massive distribution at low cost as fast as possible," said **David Rossow**, a founding partner of the foundation's strategic investment program, during a MIE session last week. To help with that, the fund is investing in vaccine manufacturing facilities and preparing for the production levels needed when a vaccine is finally developed.

Some investors are also looking to directly invest in startups that provide solutions for the crisis.

Village Capital, which offers the **Abaca** platform that matches entrepreneurs with investors through an algorithm, has set aside a separate platform strictly for firms devising tools to address the coronavirus pandemic. The exchange, since it was announced about a month ago, has attracted roughly 100 startups and 40 investors, most of which are foundations and impact-focused funds, says **Andrew Hobbs**, the product manager for Abaca.

Not all investments on the platform must have market-level return expectations, and opportunities span the asset class spectrum. Investors must do the due diligence themselves should they become interested in a company, a task that could be difficult given global travel restrictions. One option would be to share due diligence on impact investments, says Hobbs.

Angeles Investments tackled the issue for its investment in LetsGetChecked, which has laboratories in Dublin, by relying on a team from one of the other funds in the investor group. The team had an office in Dublin and was able to tour the facilities.

“That was a way for us to still check that diligence box,” says **Derrick Cruz**, director of private markets at the firm.

Sharing due diligence is one of the ideas on the table for the GIIN’s new group, called **Response, Recovery, and Resilience Investment Coalition**, or, in short, R3 Coalition.

“We as impact investors, we’re always happy to share our due diligence, anything we can do to help move the ball faster,” says **Meredith Shields**, managing director of impact investing at the Sorenson Impact Foundation, one of the R3 Coalition founding partners and a grantor to Village Capital.

The impact investing industry, which historically has been a niche part of the investment market and is sometimes slower to act given its rather nascent infrastructure, needs to move faster this time around, industry leaders say.

“Timing has an incredible impact, that’s visible all around us,” says **Amit Bouri**, CEO of the GIIN. That’s why “it’s critical for impact investors to work together and work faster than we have in the past,” adds Shields.

Some are optimistic that impact investing is rising to the challenge.

“You’re seeing people mobilizing quickly,” says MIE’s Onek. He adds that some more patient efforts, however, will be needed, given that “this [is going] to be a long recovery, and impact investing will be a critical tool to address that.”