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PA Treasury Announces \$100 Million Impact Investing Initiative *Program provides "double-bottom line" benefit of competitive returns while supporting investments in state's communities and businesses*

Harrisburg – Pennsylvania Treasurer Timothy A. Reese today announced the launch of a \$100 million impact investment initiative that will provide the “double-bottom line” benefit of providing a competitive rate of return while supporting state investments in affordable housing, small business, health and educational facilities, and infrastructure projects. Treasury will invest the funds through RBC Global Asset Management’s (RBC GAM) Access Capital Community Investment Strategy which will design a portfolio of high-quality, securitized, fixed-income investments in Pennsylvania projects.

“I have two priorities as treasurer. The first is to safeguard and safely grow our state’s financial assets. The second is to find ways to use those assets to help drive Pennsylvania’s economy,” said Treasurer Reese. “Our impact investment initiative accomplishes both by earning a competitive rate of return while investing state funds in projects that positively affect Pennsylvania’s communities, businesses, schools and infrastructure.”

Since 1998, the RBC Access Capital Investment Strategy has developed a track record of working with governments and institutional investors to invest in customized U.S. agency guaranteed mortgage-backed securities and government-backed loans and municipal securities that support affordable rental housing, small businesses, healthcare, education and job creation targeted to low- and moderate-income residents and communities. As of September 30, 2016, the Access Capital Community Investment Strategy had more than US \$910 million in assets under management. Investment performance for Treasury’s funds will be measured against the Barclays Capital Aggregate Index.

“Partnerships like this are rewarding for both communities and investors,” said Ron Homer, co-founder of the Access Capital Community Investment Strategy and managing director of RBC Global Asset Management. “We are excited to have the opportunity to work with the Pennsylvania Treasury Department to design a portfolio that positively impacts the local community while also earning a competitive financial return. This type of approach continues to gain popularity among investors across America who are looking for high-quality investment solutions with a well-defined positive impact in the communities they seek to serve.”

The funds could be used to invest in affordable housing by purchasing multi-family rental and mortgage loans originated by the Pennsylvania Housing Finance Agency (PHFA). Such an investment would provide a sustainable low-cost source of financing to support the development of affordable multi-family properties.

“We welcome this new investment strategy, and not just because PHFA could benefit from the sales of our securities,” said Brian A. Hudson Sr., PHFA executive director and CEO. “As long as the commonwealth can get a competitive rate of return, it simply makes good business sense

to invest these dollars in Pennsylvania programs and projects that directly affect our state's economic climate. This is a smart investment approach.”

The impact investment initiative is the latest in Treasurer Reese's efforts to leverage Treasury's financial assets and expertise to promote economic growth. Last month, Treasury held its fourth Small Business Initiative event at York College that brought together experts to provide impactful information to help nearly 100 successful, small businesses grow jobs and revenue. Earlier this year, Treasury re-launched HELP, a low-cost loan program to help state homeowners work with local contractors to install energy-efficient equipment and created a \$500 million emerging managers program to bring innovative and diverse investment strategies to grow Treasury's assets.

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