*Donor's stories*

## RS GROUP

*RS Group is a family office managing the assets of founder Annie Chen. Discover how she uses her investments to participate in social investing as well as to give philanthropically.*

"My philanthropy began at a high level right away. My first gift in 2009 was a multi-million dollar grant. This first gift ended up being a challenge and more of a learning experience. In retrospect, there was no one thing that went wrong, but there were multiple issues that I can now treat as lessons for my future giving. I should have been more thoughtful – for example, making the payments in stages over time or devising a better way to check the progress of the project.

*"I did learn that I need to balance my heart and my mind in making these decisions. Now we have a more systematic way of doing due diligence on the organisations to help provide this balance."*

Despite the experience, giving away such a large sum did liberate me to think bigger in terms of what I wanted my philanthropy to achieve. But I did learn that I need to balance my heart and my mind in making these decisions. Now we have a more systematic way of due diligence on the organisations to help provide this balance.

*"It does not make sense to leave 95% of your assets invested in a way that does not connect with your mission – assuming that you have a mission."*

I was born and raised in Hong Kong, trained in law in the US, and began my career as a tax lawyer in San Francisco. I moved back to Hong Kong in the early 1990s and continued to practice in the private sector. When my parents created a family office, I joined and managed a lot of the tax and trust-planning work before we built up the team.

I learned about philanthropy from my parents, who have had their own foundation for a long time.

When creating the family office, my parents carved out a part of their resources for my me and my four siblings to manage. We decided as a group that we would make an allocation to fund charitable giving. Once we decided the strategic focus of our foundation, my sister took overall responsibility. I am now involved in the work of the two family foundations to different degrees, in addition to managing my own foundation which is the grant-making vehicle of RS Group.

It was around 2008 when we decided to separate the trust assets into different shares. I realised that I had to take on responsibility for my share, and I started looking at how I could give most of the money away effectively. This was the origin of RS Group.

We make investment and grant decisions based on the organisation's track record, but also on their stage of development. We give both restricted and unrestricted gifts.

I have given to Landesa, an organisation headquartered in Seattle which works on land rights for poor rural farmers on a number of continents. While looking into supporting Landesa, I visited Omidyar Network (ON), which is one of their major supporters. ON had invested a lot of time and effort into learning about land rights and doing background research before they decided to fund Landesa. We respect ON, and had confidence in their research and processes, and so we leveraged what they had already done and decided to support Landesa as well.

*"I learned about philanthropy from my parents"*

RS Group also supports social innovation and social enterprises in Hong Kong. For example, Social Ventures Hong Kong (SVHK) aims to promote social innovation in Hong Kong and to encourage people to use venture philanthropy to support social innovation. We were one of the early investors into their venture philanthropy fund, before they had a track record of success.

RS Group manages my entire portfolio – both grants as well as investments that generate financial returns in order for us to stay financially sustainable. We have different types of investments: traditional investment products, higher impact investments, venture, and also grant support which comes out of the returns that we make with the rest of the portfolio.

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In my mind, we have room to do both philanthropy and social investing. They are different and we will keep doing both in different ways. But we are not looking to change from traditional philanthropy to all social investing. There is always a need for grant dollars, where you can't expect to have a financial return. But more and more, we are looking at our portfolio as a whole. For example, we are concerned about the environment, but is that coming through in terms of our investments? We are asking ourselves more questions about how we can infuse our priorities, those things that are important to us, throughout the entire portfolio.

We are looking at creating value across our entire capital base, rather than focusing on earning as much income as possible and then looking at what that can achieve. It does not make sense to leave 95% of your assets invested in a way that does not connect with your mission – assuming that you have a mission.

One piece of advice I have for donors is to not shy away from granting money for organisational development or capacity building. A lot of donors want to invest in projects, and they always look at a charity's overheads. We don't want to stop at that kind of conversation. We look at the organisational needs, the financial controls and how they plan to build up senior staff. Many donors don't support these fundamental needs. If I support an organisation, I want it to be strong, not weak. As donors, it's important to look at whether you are strengthening the organisations that you support, rather than giving only to projects and placing more burdens on the charity."

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