



# FUNDACIÓN ANTONIO ARANZÁBAL

## 🇪🇸 Investing across three generations

TYPE	Operating foundation
MISSION	The foundation has an entrepreneurial spirit and is focused on the development of best practices in its territory, with family businesses and young people as protagonists.
FOCUS AREAS	Entrepreneurship, family businesses, youth employment
BUDGET	Annual operating budget: €85,000
ENDOWMENT	Size of endowment: €1.6 M

“Our investment actions today matter in how we transmit the family values and legacy built into this family foundation to the next generation – our sons, daughters, nephews and nieces.”

Jokin Aranzábal, Trustee and Secretary of the Board of Trustees (Fundación Antonio Aranzábal)

### 1. Motivation

Following the founder’s death in 2012, this family foundation underwent a significant governance transition process that involved defining roles for the second generation of family board members and welcoming changes in external board members.

Recognising the need for a revised investment policy statement, the board focused on family values, investment objectives and return expectations, identifying values such as audacity, honesty, collaboration, discretion and long-term contribution. This statement provided a framework for board members and their trusted financial advisor.

As the foundation contemplated integrating the founder’s grandchildren, the catalyst for their climate awareness emerged. Jokin Aranzábal, a family board member overseeing strategy, financial planning and investments, raised crucial questions about the foundation’s appeal to the next generation and the alignment of its portfolio with their values. Concluding that changes were necessary, the board decided to revisit the foundation’s purpose and overall strategy, and to shift incrementally their investment strategy to be climate-aligned.



This case study is an excerpt from “[Feeling the Heat: How Foundations Can Use Their Investments to Curb Climate Change](#)”, Philea 2024.

## 2. Approach

At the prompting of certain family members and working with their financial advisor, the board decided to start reallocating some of the foundation's portfolio away from non-sustainable investments to ESG investments in 2017.

In these initial stages, they came to realise that not everything that was labelled as "green" was in line with their expectations of a sustainable investment. This set the foundation and their advisor down a path of scrutinising their ESG investments one by one.

While attending a training programme for the Fondo de Fundaciones de Impacto in February 2020, Jokin Aranzábal met an investment manager experienced in impact investing at another Spanish foundation. He advised the foundation on several more impact-oriented investments. These include actively managed funds, for example one funding women entrepreneurs in Latin America, and direct investments in a company working on sustainable mobility in cities. Impact measurements are embedded in these investments which represent 6% of the foundation's investment portfolio. The current goal is to increase such impact investments to 10% over the next year.

The overall approach takes into consideration that the portfolio needs to make returns so the foundation can sustain its programmatic work. It also focuses on

creating impact over making major profit. However, at this time, the return on investments falls somewhat short of the annual 5% needed to sustain the grants for the foundation's activities. Aware of this trend, two years ago, the family committed €200,000 more for the endowment which is €50,000 more per family member to address lower returns and ensure that grantmaking can increase in line with a projected 2.5% annual inflation rate.

Additionally, as a result of their impact investment activities, the foundation became a signatory of [Fundaciones Por El Clima](#) within the Asociación Española de Fundaciones, the Spanish #PhilanthropyForClimate commitment. As part of this, the foundation is currently putting in place a climate fund with a group of interested foundations. Fundación Aranzábal trustees have committed to putting another 2.5–3% of the endowment into this climate fund initiative. They are hoping this initiative works well and foresee creating a future stock-based climate fund based on the current learning-by-doing experience.

### Learning-by-doing: Climate Fund "Inversiones por el Clima"

Fundación Aranzábal is currently putting in place a climate fund, "Inversiones por el Clima" with a group of interested foundations that are part of "Fundaciones por el Clima".

A Spanish company of independent financial analysts will build the fund and will get the fund listed with the appropriate regulators. This group of foundations will "learn by doing" as they build this climate investment vehicle, through involvement in trainings, dissemination and monitoring relevant to the investments of the fund.

#### The fund is characterised by the following:

- Investments with fixed income, as these are considered by the fund manager to be the asset type that best aligns with the profile of the foundation sector.
- The fund is deemed "sustainable" in accordance with Article 9 of the European Sustainable Financial Disclosure Regulation (SFDR) (see page 13).
- The fund will have daily liquidity, i.e. any foundation will be able to redeem its investments on a daily basis without any additional requirements.

“ The genesis of our climate awareness comes from a reflection on the investment of our endowment because when I think about the next generation, I wonder when I show this portfolio to them, are they going to be happy? And the answer is a very loud ‘NO’.”

Jokin Aranzábal, Trustee and Secretary of the Board of Trustees (Fundación Antonio Aranzábal)

### 3. Success and limiting factors

#### Success factors

##### Founder's family commitment

The driving force behind the shift was the commitment and enthusiasm of the founder's family members.

##### Shared values

Board members converged around shared family values, contributing to the success of the transition.

##### Expert guidance

Supportive and trustworthy investment managers, along with guidance from peers in other foundations, were critical to the process.

##### Learning culture

The foundation's readiness to learn and ambition to progress further strengthened the success factors.

#### Limiting factors

##### Advisory challenges

The process faced delays due to the time-consuming search for a reliable source of advice on understanding climate investments.

##### Limited opportunities

The speed of change was hindered by a scarcity of genuinely attractive climate-aligned investment opportunities for foundations, emphasising that willingness and ready capital alone are insufficient.

##### Greenwashing risks

The risk of greenwashing created resistance within the foundation, prompting a thorough evaluation of each investment without relying solely on green labelling.



### 4. Results

Through sound advice and trial and error, the foundation successfully evolved its portfolio into a **more climate-aligned investment strategy**, with ongoing projections for further improvement.

The process resulted in a sense of rejuvenation and tighter focus of the family foundation to **better transmit the family values to the next generation** and better serve the community's needs.

Active participation led to the creation of an **ecosystem fostering informed actors**, supporting the establishment of a climate fund in Spain. This collaborative effort extends to enhanced advisor/foundation trustee relationships and the development of climate-aware investment managers working on a dedicated fund.

### 5. Resources

[Fundación Antonio Aranzábal](#)  
[Inversiones por el Clima](#)