

# INVESTING



# FOR IMPACT

**2018  
Annual  
Report**

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## Letter from the Trustees

**IF THERE IS A COMMON DENOMINATOR TO THE INVESTMENTS WE MAKE EACH YEAR, IT IS PEOPLE. IT IS ABOUT THE POSITIVE IMPACT ON THE LIVES OF PEOPLE AT THE CORE OF EVERY GRANT, PROGRAM-RELATED INVESTMENT, AND MISSION-DRIVEN INITIATIVE. IN 2018, WE SAW TANGIBLE RESULTS THAT OUR WORK AS A CHARITABLE TRUST AND BANK HOLDING COMPANY HAD SIGNIFICANT IMPACT ON THE PEOPLE AND COMMUNITIES WE SERVE IN THE UPPER MIDWEST.**

Through careful stewardship of our financial portfolio and our majority ownership of Bremer Bank, we made investments in the form of grants and program-related investments totaling more than \$50 million, the highest amount in our history. We continued to seek unique opportunities in which we made investments that helped provide fresh and innovative solutions to challenges and opportunities in communities across the region.

Several factors inform our approach to finance and philanthropy. As we make investments, we look for a variety of returns—social, financial, and hybrid. A social return is measured by a clear, positive difference in people's lives. A financial return helps sustain and grow the assets that will support future investments. A hybrid return provides a combination of both. In all of these, real people are the ultimate beneficiaries.

We support organizations and programs that empower individuals to succeed for the betterment of their communities and greater society. We have learned over many decades of investing in people and places across the region, that many issues are interrelated; progress in one arena can have a positive, cascading effect on others.

We've seen countless examples of innovative programming this past year, but several stand out: the Minneapolis Public Housing Authority, which focuses on sustainable, low- to very-low-income housing; Wallin Education Partners and its highly effective model for providing essential support to low-income college students; and Meda, which is expanding its low-interest loan pool to support minority entrepreneurs in St. Paul and greater Minnesota. These, and more than 550 other investments OBT made across the region in 2018, exemplify

OBT's commitment to supporting organizations that are rural and urban, large and small.

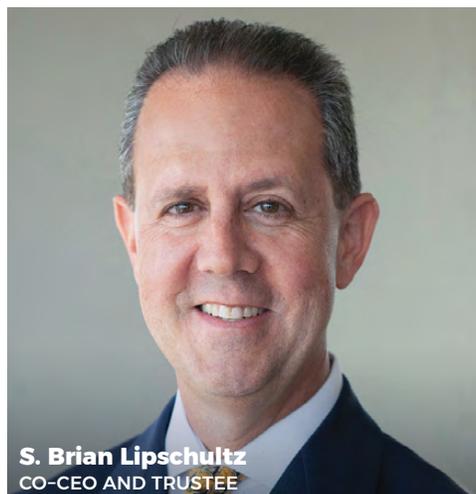
We also made internal investments in 2018, adding program staff and strengthening our infrastructure to meet the demands of increased involvement in the region. We recognize the challenges organizations face, and the changing dynamics of both philanthropy and finance, and OBT will continue to meet the challenges of this evolving environment.

We are energized by the impact OBT's investments are having in Minnesota, North Dakota and western Wisconsin. In our 75th year, we are proud of the foresight and oversight that has grown an initial endowment of \$2 million in 1944 to an organization with assets now greater than \$1 billion.

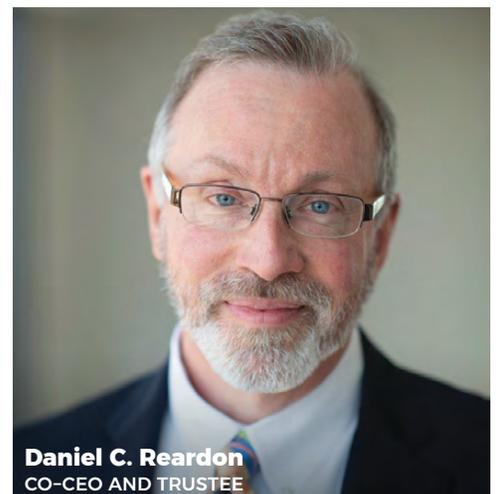
We are humbled to be part of the work of the Otto Bremer Trust and believe our founder, Otto Bremer, would be gratified that his vision for a better community continues to pay dividends today and will do so well into the future.



**Charlotte S. Johnson**  
CO-CEO AND TRUSTEE



**S. Brian Lipschultz**  
CO-CEO AND TRUSTEE



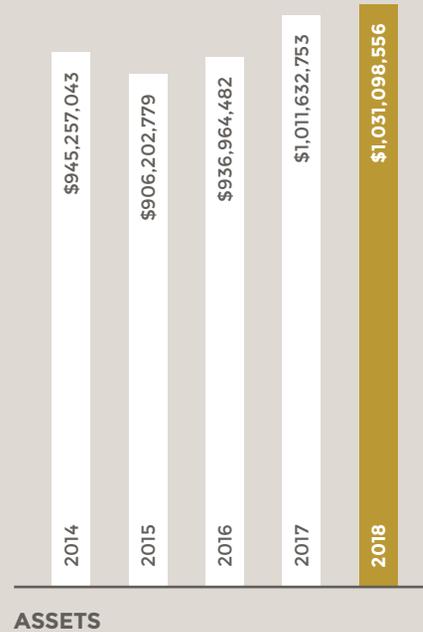
**Daniel C. Reardon**  
CO-CEO AND TRUSTEE

# 2018 Financial Overview

YEAR ENDING 12/31/18

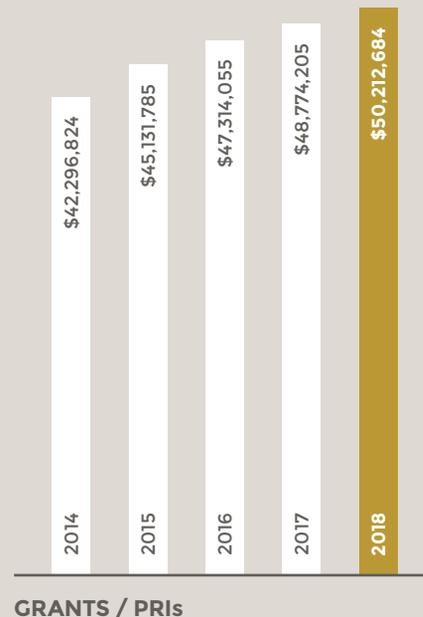
## End of Year Market Value of Assets

<b>CASH</b>	<b>\$529,845</b>
<b>INVESTMENTS</b>	
Fixed Income	\$48,449,938
Corporate Stock	\$976,374,789
Other	\$2,984,559
<b>OTHER ASSETS</b>	
Fixed Assets	\$2,398,833
Accrued Receivables	\$360,592
<b>TOTAL ASSETS</b>	<b>\$1,031,098,556</b>



## Revenue & Expenses

<b>REVENUE</b>	
Interest from investments	\$4,323
Dividends from investments	\$72,850,067
Net gain on sale of investments	\$2,344,793
Other income	\$2,373,747
<b>TOTAL REVENUE</b>	<b>\$77,572,930</b>
<b>EXPENSES &amp; DISBURSEMENTS</b>	
Operations and administration	\$5,868,655
Taxes	\$753,000
Grants and program-related investments	\$50,212,684
<b>TOTAL EXPENSES &amp; DISBURSEMENTS</b>	<b>\$56,834,339</b>
<b>EXCESS REVENUE OVER EXPENSES</b>	<b>\$20,738,591</b>



## *2018 Investment Overview*

INVESTING IN PEOPLE, PLACES, AND OPPORTUNITIES IS THE CORNERSTONE OF THE OTTO BREMER TRUST'S PHILOSOPHY. IN 2018, MORE THAN 590 ORGANIZATIONS ACROSS THE UPPER MIDWEST BENEFITTED FROM JUST OVER \$50 MILLION IN INVESTMENTS OBTAINED THROUGH GRANTS, PROGRAM-RELATED INVESTMENTS, AND SPECIAL INITIATIVES. THE FOLLOWING PROVIDES A REGIONAL BREAKOUT OF WHERE WE MADE AN IMPACT.

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## Grants & PRIs by Region

<i>Central &amp; Northern Minnesota</i> <b>\$1,924,335</b> 38 GRANTS	<i>Red River Region</i> <b>\$3,473,247</b> 49 GRANTS	<i>Western North Dakota</i> <b>\$3,620,528</b> 45 GRANTS
<i>Minnesota Statewide</i> <b>\$6,813,719</b> 74 GRANTS	<i>Southeastern Minnesota</i> <b>\$3,366,675</b> 48 GRANTS	<i>Western Wisconsin</i> <b>\$3,305,007</b> 68 GRANTS
<i>North Dakota Statewide</i> <b>\$560,000</b> 8 GRANTS	<i>Twin Cities Metropolitan Area</i> <b>\$24,468,172</b> 244 GRANTS + PRIs	<i>Western &amp; South-Central Minnesota</i> <b>\$2,963,357</b> 53 GRANTS

### INVESTING IN PEOPLE

For nearly 75 years, the Otto Bremer Trust has existed to make investments in Minnesota, North Dakota, and western Wisconsin with the express intent of helping improve the lives of the people in the region. People are the common denominator in our effort to help individuals reach full economic, civic, and social participation for the improvement of their communities. This was the intent of our founder, Otto Bremer, and it is as clear today as it was upon OBT's founding.

We focus our investments on initiatives and organizations that help people move forward in meaningful and powerful ways. That includes supporting educational opportunities and training programs that help individuals receive the support they need while pursuing their quest to find meaningful employment. It is also helping organizations that provide lending and grants to people who might not typically have access to capital to start a business and thrive as part of their community.

We also understand that for some, meeting basic needs—food, stable housing, transportation, and access to healthcare and mental health services—comes first, and we focus a portion of our investing in organizations and programs that are making a difference in assisting those in need in their communities.

Additionally, we believe people who are informed and engaged in the issues that impact their community can effectively work together in building a shared vision that helps address community problems and create opportunities that benefit all its citizens.

These values reflect Otto Bremer's commitment to helping people find opportunities to thrive and participate in their communities. We are honored to be entrusted to continue this legacy and inspired by the people whose lives have been shaped by it.

### A FORCE FOR GOOD

Established in 1944, the Otto Bremer Trust has grown to become one of the nation's largest charitable trusts. It was established by banker and community leader Otto Bremer to perpetuate his vision of serving as a financial resource for communities in the Upper Midwest. Our unique approach combining banking, finance, and philanthropic activities allows us to generate resources that are reinvested throughout the region. OBT has made more than \$700 million in grants, program-related investments, and mission-driven initiatives to organizations in Minnesota, North Dakota, and western Wisconsin.



***Investing for impact  
across the Upper Midwest.***

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