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millennials & impact investment

A Toniic Institute report
with support from Bank of the West, Family Wealth Advisors

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Toniic

Founded in 2010, Toniic is the global action community for impact investors, with members in 26 countries. Toniic provides family offices, high net worth individuals, institutions and corporations with access to tools and thought leadership as they grow their impact investing practices. Toniic leverages its global member expertise in impact investing to produce open access e-guides on topics such as crowd investing, early-stage investing, and impact measurement. Toniic ImpactU provides transformational learning opportunities for impact investing around the globe for both members and non-members. For more information, visit www.toniic.com.

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Contents

I	Report Summary	1
II	Background and Objectives	3
III	Methodology and Acknowledgements	4
IV	Key Findings	6
	1 Impact Investing is Growing Amongst Millennials	6
	2 Millennials Investing for Impact with Rigor and Ambition	9
	3 Impact Investing Aligns with the Values of Millennials	13
	4 Impact Influencers on Millennials: Family, Education, Advisors	18
	4.1 Family Dynamics	18
	4.2 Education and Support Networks	20
	4.3 Millennials and Advisors	21
V	Impact Investing Journeys	24
	1 Sisters Leading the Way	24
	2 Putting the Planet First	28
	3 Politics, Philanthropy and Portfolios	32
	4 Bridging Passions Across Family	36
	5 From an IPO Windfall to Impact Investing	42
	6 Empowered to Act	46
	7 Bridging Philanthropy and Impact Investing	50
	8 Connecting Money with Meaning	54
VI	Conclusions and Next Steps	58
VII	Demystifying Impact Investing: Toniic Impact Investing Glossary.....	60
VIII	Resources	65
IX	Education and Events	69

I. REPORT SUMMARY

While most surveys confirm millennial interest in impact investing, some suggest there is more talk than action. What are millennials actually doing about impact? Are they really taking action? What is needed to empower interested millennials to move from talk to action? This report goes straight to the source offering answers from millennials engaged in impact investing – from exploration through to execution.

Millennial respondents on 6 continents have generously provided us insight into the following questions:

- Are they interested in impact investing?
- What drives that interest?
- What impact investments are they making?
- Why? Which sectors? Which asset classes?
- What challenges are they facing?
- How does their impact investing align with other aspects of their lives – specifically careers and philanthropy?
- How are millennials collaborating with their families and advisors on their impact investments?
- How are they educating themselves in the field of impact investing?

Key findings show that the millennials we surveyed and interviewed are indeed interested in impact investing, with some taking a portfolio approach, and others considering how to align their careers and their philanthropic activities with their values and impact investments.

Challenges shared by millennials surveyed include:

- Not enough investment knowledge resulting in lowered confidence to act;
- Lack of investor education tailored for the needs of millennials;
- Resistance from family members; and
- Lack of support from financial advisors.

Interviews with 10 millennials provide fresh insight into their lives as active impact investors at different stages in their journey. We believe these stories will provide millennial readers with evidence, inspiration, support and confidence to help chart their own impact investing journey. We also believe that these stories shed light on possible ways families and advisors can collaborate with millennials to achieve their impact investing objectives.

In conclusion, millennials need more support to realize their impact objectives. The millennials we spoke with are demonstrating a thoughtful, rigorous approach to impact investing. However, they need more access to tailored capacity building in impact investing as well as robust deal flow across asset classes. While they currently leverage their friends and investor networks to access deal flow, they also want to collaborate more with their family members and advisors.

Investor networks, advisors, educators, and family members can all be of service by providing more access to impact thought leadership, tools and community for millennials. Impact investing offers an opportunity for meaningful collaboration across generations and across the financial eco-system. It is our hope that this report will be the catalyst to spur more millennials, their families, and their advisors to action.

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Let the exploration begin! Photograph from a 2015 Toniic Gathering.

II. BACKGROUND AND OBJECTIVES

At [SOCAP, \(Social Capital Markets\)](#)¹ 2014, Toniic had its first 'ad-hoc' gathering of millennial members. Millennial membership had been steadily growing across continents and SOCAP provided the first opportunity to bring some of them together to share their stories. In 2015, Toniic launched a formal working group for millennial members to engage in peer-to-peer learning, and sharing of investment opportunities and due diligence. Today, this working group is 50 members and growing.

Much has been written about millennials and the anticipated \$30 trillion² of wealth transfer this generation will receive in the next few decades. In the recently published [Narrative Analytics on Impact Investing](#), "Millennials Demand it!" was found to be one of the key phrases dominating discussion across social media channels, especially in North America.³ However, while most surveys about investing confirm millennial interest in impact investing, others suggest there is more talk than action.

Toniic's mission is to empower impact investors and its vision is of a global financial ecosystem that creates positive social and environmental impact.

The Toniic community values an open and collaborative approach whereby impact investors learn from and support one another in their impact investing practice.

With this in mind, this report examines what we have learned from our work with millennial impact investors.

What are they interested in? What are they investing in? How are they working with their families and advisors? How are they educating themselves about impact investing and what are some of the challenges?

We hope these data and stories will empower and inspire more millennials to consider investing for impact. In addition, we hope these stories will encourage family members and advisors to be more willing to collaborate with millennials to together foster a greater movement of financial capital into investments that deliver positive social and environmental impact.

We are very grateful to The Bank of the West for supporting us in this research and for funding the publication of this report. •

¹ SOCAP (Social Capital Markets) has created a platform where social impact leaders can connect and present their ideas to a global audience. The annual flagship event in San Francisco is the largest conference for impact investors and social entrepreneurs and has drawn more than 10,000 people. <http://socialcapitalmarkets.net/>

² <https://www.accenture.com/gb-en/insight-capitalizing-intergenerational-shift-wealth-capital-markets-summary.aspx>

³ *Narrative Analytics on Impact Investing*, Global Impact Investing Network, Monitor 360, Omydiar Network, 2016, February.

III. METHODOLOGY AND ACKNOWLEDGEMENTS

METHODOLOGY

This report is based on interviews and research conducted by Tonic with its members and key partners over a five-month period. Interviewees were identified from over seven global organizations. 58 millennials completed an online survey developed by Tonic and ten were interviewed over the telephone or in person. Data has been aggregated and anonymized. Interviewees are referred to by their first name.

PRIMARY RESEARCH

THE TONIIC SURVEY

A survey was distributed to millennials by Tonic and Bank of the West between December 2015 and April 2016. Other groups that supported the distribution include [Investors' Circle](#),⁴ [The ImPact](#),⁵ [Resource Generation](#),⁶ and [Nexus](#).⁷

The survey focused on the following areas:

1. Getting to know the millennials
 - Age, Domicile, Memberships of Impact Investing
 - Networks/Groups, Assets under management, structure of these assets
2. Millennials interest in impact investing
 - How they define themselves as impact investors
 - How much of their portfolio is invested for impact and how will this change over time
3. Impact investing activities
 - Level of engagement, sectors of interest, allocation across asset classes, and sourcing of impact investments

4. Millennials, wealth transfer & families
 - Anticipated transfer of wealth: timing, size of assets, structure of family assets, engagement with family assets, interest of families in impact investing
5. Challenges in moving assets into impact
6. Degree of difficulty sourcing impact investments across asset classes

From the data set received we have identified and analysed responses from a group of 58 millennials (ages 20 to 40). These millennials represent 32 cities on 6 continents – Africa, Asia, Australia, Europe, South America and North America. Two-thirds of these respondents are millennials who are either investors with personal assets under management ranging from USD \$500,000 to USD \$99 million, or wealth holders who anticipate future access to larger pools of capital with family assets ranging from USD \$1 million to over USD \$1 billion (“Affluent Millennial Respondents”). The other third of respondents are millennials who either chose not to offer the amounts of assets under their management or are millennials who do not anticipate access to a larger pool of assets and are currently owners of assets below USD \$500,000.

PERSONAL INTERVIEWS

Personal interviews were conducted with 10 millennial impact investors in North America and Europe to provide voice to the themes and issues uncovered in the survey and allow individuals to share their personal journeys for the benefit of other millennials, families and advisors.

⁴ Investors' Circle is an early-stage impact investing network that promotes the transition to a sustainable economy by increasing the flow of capital to enterprises that are addressing social and environmental challenges. (www.investorscircle.net)

⁵ The ImPact provides families with knowledge and networks to make more impact investments more effectively. (<http://theimpact.org/>)

⁶ Resource Generation organizes young people with wealth and class privilege in the U.S. to become transformative leaders working towards the equitable distribution of wealth, land and power. (<http://resourcegeneration.org/>)

⁷ Nexus is a global movement to bridge communities of wealth and social entrepreneurship. They work to unite young investors, social entrepreneurs and allies to catalyze new leadership and accelerate global solutions. (www.nexusyouthsummit.org)

SECONDARY RESEARCH

As a complement to the primary research, this report includes research and analysis of news, scholarly articles, reports and resources that address the trends, interests, values and activities of millennial investors.

STRUCTURE OF THE SECTIONS IN THIS REPORT

In Section IV “Key Findings”, the following sources of research are used:

IV. KEY FINDINGS	RESEARCH SOURCE
1. Impact Investing is Growing Amongst Millennials	Toniic survey (all respondents), secondary research
2. Millennials Investing for Impact with Rigor and Ambition	Toniic survey (Affluent Millennial Respondents)
3. Impact Investing Aligns with the Values of Millennials	Personal interviews, secondary research
4. Impact Influencer: Family Dynamics	Personal interviews, secondary research, Toniic survey (Affluent Millennial Respondents)
5. Impact Influencer: Education and Support Networks	Personal interviews, secondary research
6. Impact Influencer: Millennials and Advisors	Personal interviews, secondary research

In Section V, ten personal millennial journey interviews provide an opportunity to better understand the role of family and education in enabling impact investing. They also provide insights into the expectations and demands millennials are placing on the financial services industry.

Sections VII and VIII contain a resource guide and an impact investing glossary to support the reader in navigating the references and terminology contained in this research.

ACKNOWLEDGEMENTS

The authors of this report are Alison Fort, Managing Director of EMEA and Jessica Loman, Director of Operations & Impact from Toniic Institute.

We are very grateful to all of the millennials interviewed for this report, and those that completed the survey. We value the willingness of our interviewees to share their journeys in order to support other millennials, families and advisors in a quest for impact.

We are also grateful to Richard Muller, Lisa Kleissner, Danielle Lacasse and Jenna Nicholas for their input on the final document, Stephanie Cohn Rupp for drafting the initial survey and to our researchers Teresa Seabra Pereira and Camilo Bonilla Garcia for supporting Toniic in this work. •

IV. KEY FINDINGS

1. IMPACT INVESTING IS GROWING AMONGST MILLENNIALS

"Be bold. This is what it's all about. We know we have the means, now it's about having the guts to actually do it."
– Antonis, millennial interviewee

i. Impact Investing is in Demand

[Omidyar Network](#),⁸ [Ford Foundation](#),⁹ the [MacArthur Foundation](#)¹⁰ and the [Global Social Impact Investment Steering Group](#)¹¹ commissioned [Monitor 360](#)¹² to conduct an [Analysis of Narratives on Impact Investing](#) in the US and UK. This report¹³ measured the percentage of articles within a specific narrative that mention a particular audience, person, or issue-area during the period of October 2014 – October 2015 and found that a key issue area in the narrative about impact investing was "Millennials Demand it!"

A recent [Proving Worth study](#)¹⁴ by [Campden Wealth Management](#)¹⁵ and [OppenheimerFunds](#)¹⁶ also showed that a majority of UHNW millennials (64%) are interested or very interested in impact investing, and 70% expressed interest in social and responsible investing.

As impact investing makes its way towards mainstream knowledge, millennials show signs that they are the most willing generation to invest in impact and take on the risks that may accompany these investments. According to [U.S. Trust Insights on Wealth and Worth](#)¹⁷, it is millennials more than any other generation who believe investment decisions are a way to express social, political and environmental values. Most millennials would rather not invest in a company that is negatively impacting the world even if high financial returns are expected.

ii. Tonic's Global Survey Respondents Investment Interests

79% describe themselves as impact investors

Of the 58 millennials around the world who participated in Tonic's survey, 79% describe themselves as impact investors. This group defines "impact investor" in a variety of ways:

- 74% say that they seek both financial and social impact returns
- 13% say they seek opportunities that align with their values, regardless of financial return
- 9% say they seek financial returns first with some social benefit

⁸ Omidyar Network is a philanthropic investment firm. We create opportunity for people to improve their lives by investing in market-based efforts that catalyze economic and social change. (www.omidyar.com)

⁹ Ford Foundation is a globally oriented private foundation with the mission to reduce poverty and injustice, strengthen democratic values, promote international cooperation, and advance human achievement. (www.fordfoundation.org)

¹⁰ The John D. and Catherine T. MacArthur Foundation supports creative people, effective institutions, and influential networks building a more just, verdant, and peaceful world. (www.macfound.org)

¹¹ The Global Social Impact Investment Steering Group is the successor to the Social Impact Investment Taskforce, established by G8. The GSG is continuing the work of the Taskforce in catalyzing a global social impact investment market across a wider membership. (www.socialimpactinvestment.org)

¹² Monitor 360 is the Narrative Analytics+Strategy Company that brings clarity to complex, cross disciplinary strategic challenges through Narrative Analytics - a systematic approach to understand, quantify, shape, and monitor narratives. (www.monitor-360.com)

¹³ *Narrative Analytics on Impact Investing*, Global Impact Investing Network, Monitor 360, Omidyar Network, 2016, February.

¹⁴ *Proving Worth The Values of Affluent Millennials in North America*, Campden Wealth Research, OppenheimerFunds, 2015. (<https://www.oppenheimerfunds.com/private-banks/article/what-ultra-high-net-worth-millennials-value-most>)

¹⁵ Campden Wealth is an independent family owned business providing unrivalled knowledge, intelligence and connectivity for family businesses, family offices and significant private investors worldwide. (www.campdenwealth.com)

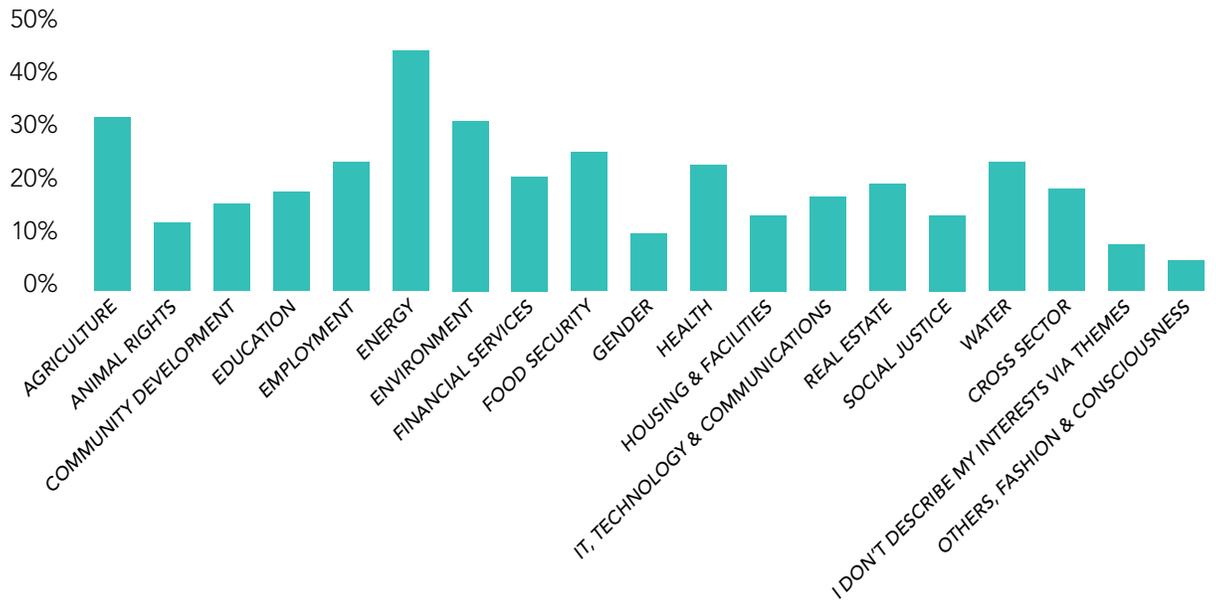
¹⁶ OppenheimerFunds is a global investment management firm dedicated to serving the needs of their clients, who range from financial advisors and individual investors to corporations and endowments. (www.oppenheimerfunds.com)

¹⁷ Trust, Ian, *U.S. Trust Insights on Wealth and Worth*, U.S. Trust, 2014, Web. (<http://www.ustrust.com/publish/ust/capitalacumen/summer2014/features/wealth-worth-2014.html>)

The 21%, who do not describe themselves as impact investors explained that they lack knowledge about the field, have not yet invested in impact or simply do not have the interest at this time. Half of this group aspire to be impact investors.

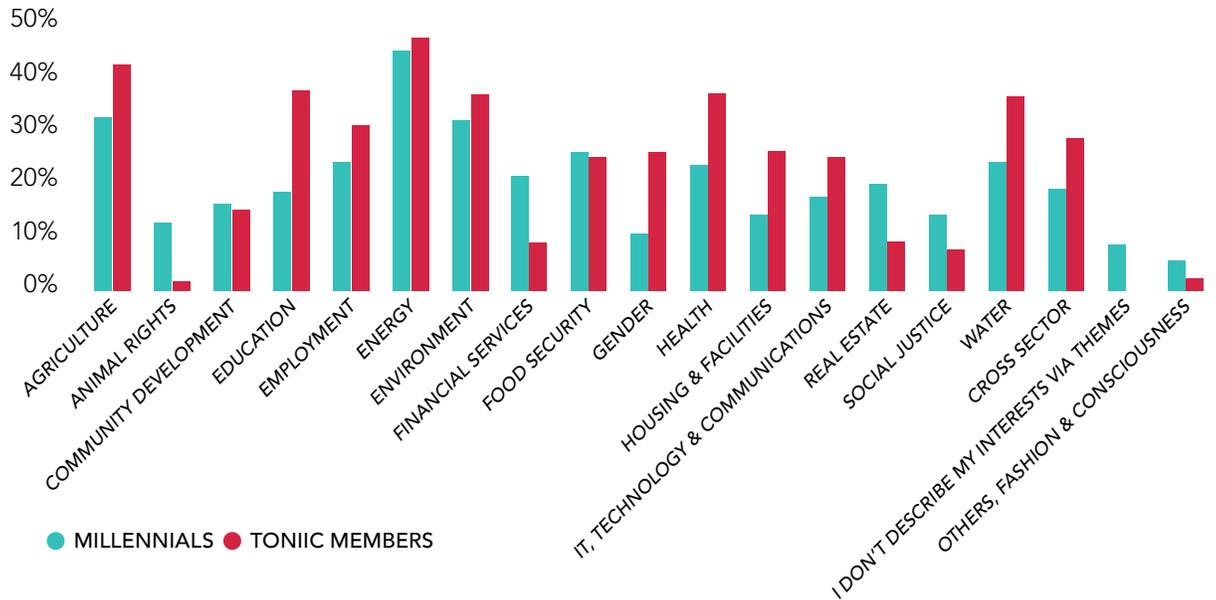
“Invest in what changes the world and changes you at the same time. After all, wealth is just another tool, if used properly, to live a life of impact and meaning.”
 – Jenna, millennial interviewee

What are the impact investing themes or sectors that are of greatest interest to millennials?



Agriculture, Energy, and Environment are clear top interests for millennials, with Employment, Food Security, and Water not far behind.

A similar set of interests emerged in a 2015 survey of Tonic members. A key difference is that Tonic Members’ top interests include Education and Health, two sectors that are not high priority for the millennials surveyed.



iii. Likelihood That Millennials Have or Will Have Assets To Deploy

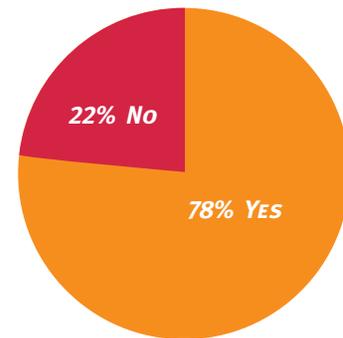
67% of the millennials surveyed are either current investors with personal assets under management ranging from USD \$500,000 to USD \$99 million, or future wealth holders who anticipate access to larger pools of capital with family assets ranging from USD \$1 million to over USD \$1 billion.

78% of millennials surveyed believe they will receive access to a larger pool of assets in the future. 27% of these millennials anticipate access to these assets within the next 5 years, while 24% estimate access to a larger pool of assets in 20+ years.

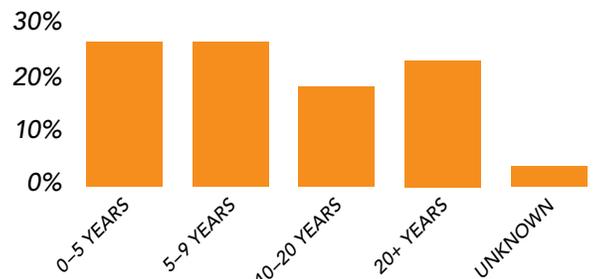
While the transfer of wealth is anticipated, it is important to note that there may be some unforeseen challenges for millennials.

Eric, one of the millennials whose journey we profile in Section V, speaks to his experience in inheriting wealth from his father:

Do you believe you will gain access access to a larger pool of assets in the future?



When do you anticipate access to these assets?



“He put together a list of three [wealth] management companies that he was comfortable with managing the total inheritance. His value systems were baked into those advisors and the Trust. So when you get this money, whose money really is it?”

This topic is also explored further in the Family Dynamics and Advisor sections of this report.

Observations

Millennials surveyed and interviewed in this report demonstrate a strong desire to align their assets with impact. They also recognize that there are timing, know-how and legacy constraints. Given the gap in knowledge and work needed on values alignment to engage families and advisors, there is an opportunity to address these hurdles in the next 5-10 years while millennials begin to assume more responsibility in managing their assets.

2. MILLENNIALS INVESTING FOR IMPACT WITH RIGOR AND AMBITION

For the past five years, the [Nexus Global Summit](#)¹⁸ has hosted hundreds of millennials and focused, in part, on the topic of impact investing. In 2014, more than 600 largely millennial participants representing nearly \$750 billion in assets spent three days “exploring and sharing case studies of social investments.”¹⁹ The [Harvard Business Review](#) write up on the Summit shared the following observation.

“Some of the investments had the sophisticated deal structures of large corporate transactions, some showed private sector engagement driving infrastructure development and quality-of-life improvement, and all demonstrated growing connections between policy and profit at national and international levels.”²⁰

While conferences on impact that cater to millennials are seeing an uptick in participation, so are innovative online brokerage solutions. The do-it-yourself ethos of some millennials combined with their preference for online services have resulted in more millennials signing up for web-based wealth management solutions.

While it is clear that conferences and online advisories are a part of the millennial impact journey, our survey looked a little deeper at how our respondents are moving into impact.

Our survey focused on the following questions:

- What is the structure of assets you manage?
- How much of your portfolio have you allocated to impact? How much of your portfolio do you intend to allocate to impact in the next 5 years?
- In which impact categories do you invest?

- In which asset classes have you made impact or values-based investments?
- How do you describe your level of access to various asset classes?
- How have you accessed impact investments?
- What challenges do you face in moving your assets into impact?

Following is what we learned.

i. Structure of Personal Assets

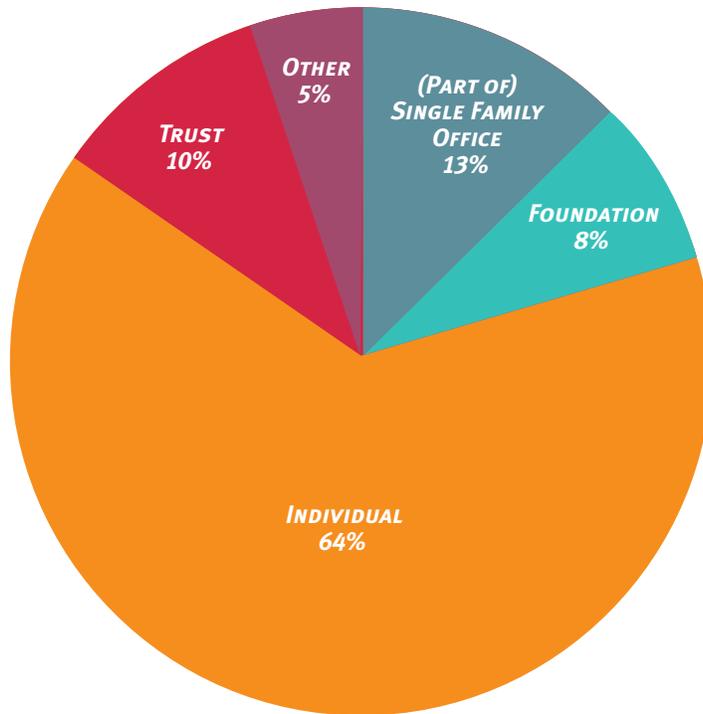
What is the Structure of Assets You Manage?

Two-thirds of millennials hold their assets as Individuals. Various other structured accounts are used for the remaining one-third of respondents. The majority of these millennials are active in managing their assets monthly if not weekly, and in the Family Dynamics portion of this report we share more about the connection to and engagement with family held assets.

¹⁸ Nexus has hosted over 20 summits across five continents in the past five years to build bridges between millennial wealth holders, social entrepreneurs, and impact investors. (www.nexusyouthsummit.org)

¹⁹ *Nexus Global Youth Summit – Millennials Transform Philanthropy*, Reuters, 2014, August, Web. (<http://www.reuters.com/article/ny-nexus-idUSnBw125653a+100+BSW20140812>)

²⁰ Dhar, Vilas; Fetherston, Julia. *Impact Investing Needs Millennials*, Harvard Business Review, 2014, October, Web. (<https://hbr.org/2014/10/impact-investing-needs-millennials/>)

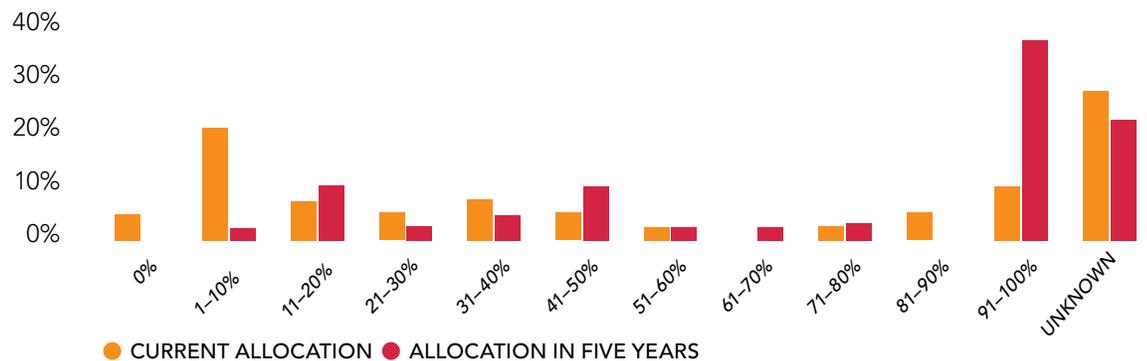


Definitions of each of these structures of management can be found in the glossary, section VII

ii. Allocation of Assets to Impact

How much of your portfolio have you allocated to impact? How much of your portfolio do you intend to allocate to impact in the next 5 years?

While the current allocation to impact in most millennial portfolios is less than 50%, 72% intend to move more assets into impact within the next 5 years. 10% of the millennials surveyed have already moved 90-100% of their personal assets and/or their family's assets to impact.



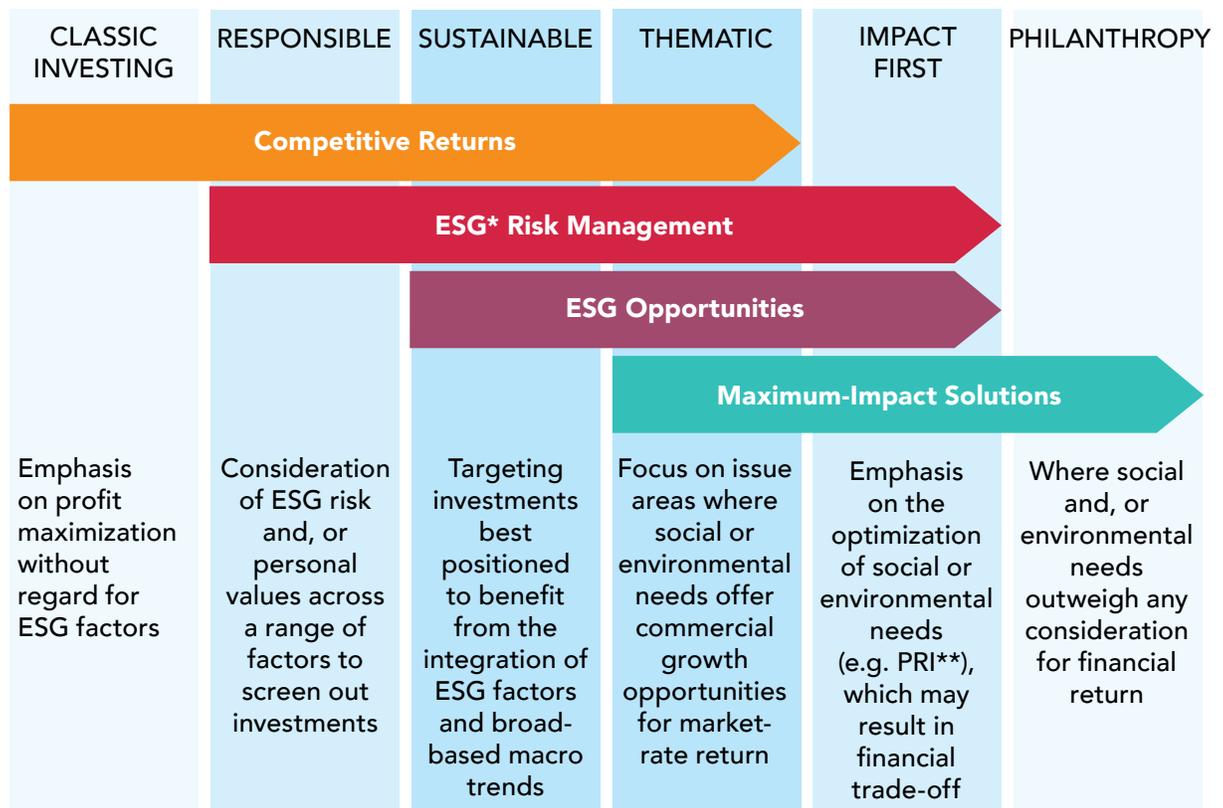
iii. Millennials Are Investing Across the Impact Investing Spectrum

In which impact categories do you invest?

Various organizations have created impact categories to help investors define and in many cases allocate their impact

investments. Within each category, levels of risk and financial return expectations can be considered. Impact categories have been published by various groups including the [G8 Social Impact Investment Task Force](#),²¹ [World Economic Forum](#),²² [GIIN](#),²³ [Bridges Ventures](#)²⁴ and [Sonen Capital](#).²⁵ Following is an example from Sonen Capital.²⁶

Sonen Capital's Impact Investing Spectrum



Adapted from Bridges Ventures and Clara Barby, June 2012

* ESG-Environmental, Social and Governance factors

** PRI - Program Related Investments available to US Foundations as defined by the Tax Reform Act of 1996

²¹ *G8 Social Impact Investment Task Force*, Web. (<http://www.socialimpactinvestment.org/>)

²² *From the Margins to the Mainstream*, World Economic Forum Investors Industries, 2013, September, Web. (http://www3.weforum.org/docs/WEF_II_FromMarginsMainstream_Report_2013.pdf)

²³ *What You Need to Know About Impact Investing*, Global Impact Investing Network, Web. (<https://thegiin.org/impact-investing/need-to-know/#s1>)

²⁴ *Bridges IMPACT Report*, Bridges Ventures, 2013, Web. (http://bridgesventures.com/wp-content/uploads/2015/03/IMPACT_REPORT_2013-spreads1.pdf)

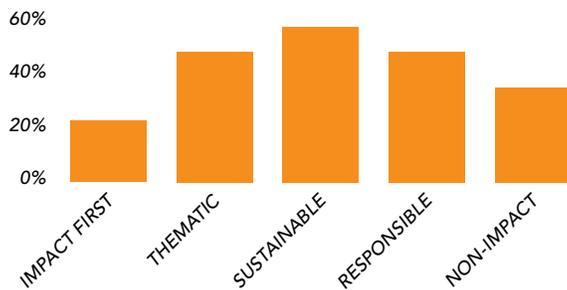
²⁵ Sonen Capital is a dedicated impact investment management firm. (www.sonencapital.com)

²⁶ *Sonen Capital's Impact Investing Spectrum*, Sonen Capital, 2013.

These impact categories can be further described as follows:

- **Impact First:** Emphasis on the optimization of social or environmental needs (e.g., Program-Related Investment), which may result in financial trade off
- **Thematic:** Focus on issue areas where social or environmental needs offer commercial growth opportunities for market rate return
- **Sustainable:** Targeting investments best positioned to benefit from the integration of ESG factors and broad-based macro trends
- **Responsible:** Also known as Socially Responsible Investing (“SRI”) or negative screening
- **Non-Impact:** Emphasis on profit maximization without explicit and intentional regard for social and/or environmental factors

Using these categories as a guide in the survey, more than half of the respondents indicated they are investing in “Sustainable”, with fewer investing in “Impact First” or “Non-Impact.”

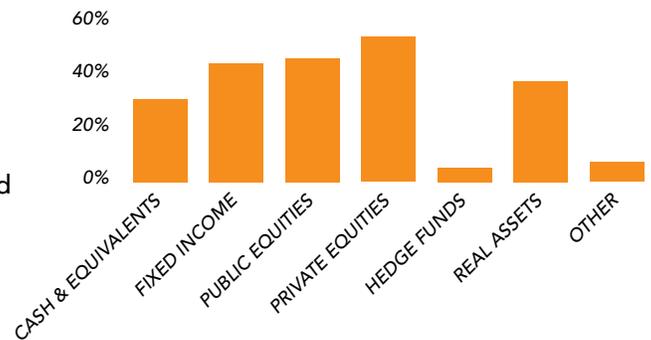


iv. Millennial Impact Investments by Asset Class

In which asset classes have you made impact or values-based investments?

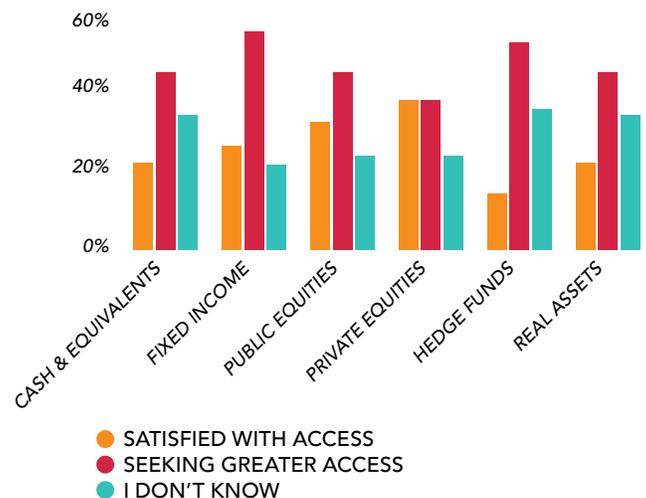
The millennials surveyed have invested in impact and/or value-based investments across asset classes. More than half (54%) of respondents have invested in private

equities, the most cited asset class. Many interviewees report that their first move into impact has been through direct investments in private equities. 46% of respondents have impact investments in public equities, while 44% have investments in Fixed Income.



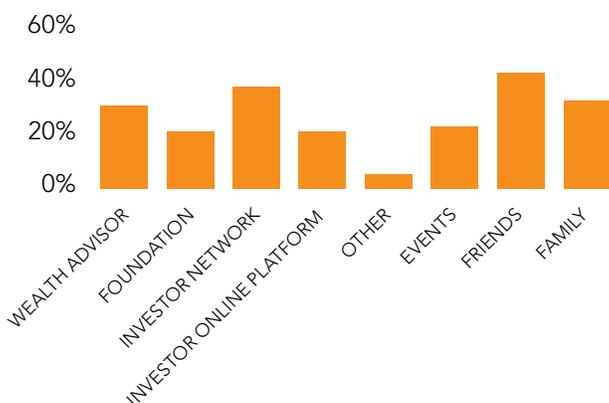
The relatively high percentage of respondents who cite public equities as part of their impact investment mix is notable in that it contrasts with remarks from both survey respondents and interviewees on the lack of interest or product in this asset class.

Less than 40% of respondents are satisfied with their level of access to any single asset class. Millennials overwhelmingly want more access to impact investments in all asset classes. Along with this need for access is a need for education and awareness, as evidenced by the fact that 20-35% of investor respondents selected “I don’t know” in regards to their level of access to various asset classes.



v. Support Methods Used to Gain Access to Impact Investments

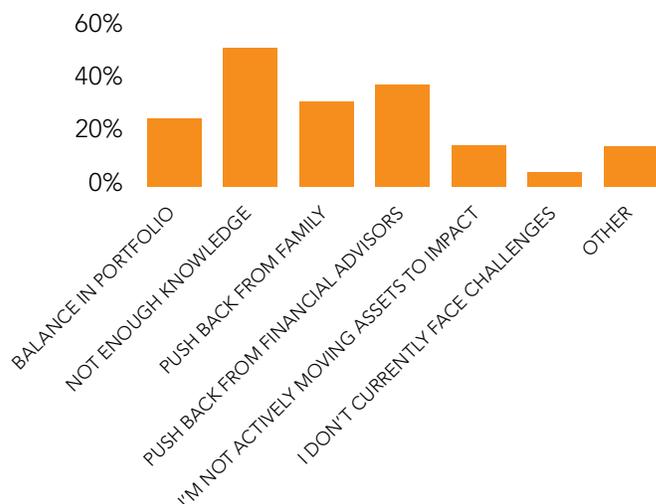
How have you accessed impact investments?



The importance of the role of friends and investor networks in helping millennials to find impact investments is shown clearly in the results of the survey and the in-depth interviews. Groups like [Pymwymic](#)²⁷, [Tonic](#) and [Ashoka](#)²⁸ are named as important support networks for sourcing investments. Family and advisors rank third and fourth, respectively.

vi. Challenges That Remain

What challenges do you face in moving your assets into impact?



“Not enough knowledge,” “push back from financial advisors,” and “push back from family” are the three top challenges cited – a finding supported by other research with millennials.

Other challenges mentioned by survey respondents include:

- Analysis paralysis
- International regulations
- Lack of availability of retail products meeting appropriate return benchmarks

Observations

Of the millennials surveyed and interviewed, some have 5+ years of experience in some form of values-based investing. Some are moving into impact with rigor across asset classes. However, the majority are very early in their journey to impact with great ambitions for their personal and families’ portfolios. We believe there is a role for impact intermediaries to help define an impact strategy as a pathway for millennials. There is also an opportunity for experienced millennials to be the “influencers” providing the needed case studies that will instill confidence in this new generation of investors. While there are still many challenges ahead, they are by no means insurmountable and in fact shine light on the growth opportunities available globally in impact finance, education and innovation.

“The key is just starting somewhere. It does not have to be big, but you learn so much along the way - and remember that no question is too dumb.”
– Jenna, millennial interviewee

²⁷ Pymwymic is the ‘Put Your Money Where Your Meaning Is Community’ of European families, philanthropists, and individual investors who believe in capital for good. www.pymwymic.com
²⁸ <https://www.ashoka.org>

3. IMPACT INVESTING ALIGNS WITH THE VALUES OF MILLENNIALS

Geopolitical and environmental challenges have played a part in the desire of millennials to reflect their values in all areas of their lives. [The Millennial Perspective](#) report²⁹ by [ImpactAssets](#)³⁰ uncovers the economic, political and environmental factors that have influenced the values of millennials. Economic uncertainties, democratic uprisings, terrorist attacks, global warming and the impact of technology are informing a new worldview for the millennial generation.

As a result, most millennials who entered the labor market during the last two decades have views on society that differ significantly from previous generations. Millennials value democratic leadership, relationships, transparency, empowerment, disruptive innovation, and business for good. And they question the status quo – from how they earn a living, to how to give back, to what food they want to put on the table.

“As the millennial generation reach their prime working and spending years, their impact on philanthropy is enormous. Their approach and perspective is, mostly, unique to their experience of coming of age in a time of technological innovation, globalization and economic disruption.”
– Julie Shafer, Head of Strategic Philanthropy & Purpose Investing, Bank of the West

²⁹ Norcott, Lindsay, Emerson, Jed, *The Millennial Perspective: Understanding Preferences of the New Assets Owners*, Impact Assets, 2013. (http://www.impactassets.org/files/ImpactAssets_Issue_Brief_13_Millennial_Perspective.pdf).

³⁰ ImpactAssets enables philanthropist and individual investors to engage in impact investing by providing: impact investment products, including a donor advised fund and impact investing notes and educational resources to support individuals and advisors looking to engage in impact investing and to help build the field of impact investing. www.impactassets.org

³¹ 15 ECONOMIC FACTS ABOUT MILLENNIALS, The Council of Economic Advisors, October 2014.

³² Cole, Lauren Lyons, *Millennials And The Wealth Gap: What To Do When Your Friends Are Richer Than You*, International Business Times, 2015, October, Web. (<http://www.ibtimes.com/Millennials-wealth-gap-what-do-when-your-friends-are-richer-you-2152434>)

³³ (<http://www.ibtimes.com/Millennials-wealth-gap-what-do-when-your-friends-are-richer-you-2152434>)

³⁴ *Sustainable Signals: The Individual Investor Perspective*, Morgan Stanley Institute for Sustainable Investing, 2015, February. (https://www.morganstanley.com/sustainableinvesting/pdf/Sustainable_Signals.pdf)

³⁵ Finance Matters is a London-based social enterprise working to put sustainability at the heart of finance. (<http://financematters.co/>)

³⁶ Escape the City offers young unfulfilled professionals an unconventional and meaningful career path. (www.escapethecity.org)

i. Careers

Millennials are very concerned about an eroding quality of life. As a result, their priorities include “staying close to family and friends, having free time for recreation, and working in creative jobs.”³¹ This quest for balance and alignment is commented on broadly in research on millennials. “If the financial markets are going to be volatile, the most secure thing you can do is find a life and work that you love,” says Megan Hellerer, 31, a personal and executive coach in New York City and a former Google executive.³²

These priorities influence what millennials perceive as the primary roles of business: to improve society, to make profit, and to drive innovation.³³

According to a Morgan Stanley study,³⁴ millennials are three times more likely to seek employment with a company based on its stance on social and/or environmental issues (14% of millennial investors, compared to 5% of the total individual investor population).

Organizations in the UK, like [Finance Matters](#),³⁵ working to put sustainability at the heart of finance, and [Escape the City](#),³⁶ a platform to connect job seekers with purposeful career opportunities, are responding to the growing demand from millennials to find value alignment in their financial careers.

So how are the millennials engaged in impact investing connecting their career choices with their investments?

Millennial impact investors in this study are pursuing careers in the following areas:

- Social Entrepreneurship
- Working with the family foundation
- Investment management in a social investment fund
- Managing their own social investments
- Sustainability consulting
- Social Finance advisory and structuring

The responses above demonstrate a connection between the work of millennials and their impact investing, either directly as managers of their own assets or indirectly through knowledge and insight gained working in the sector.

In recounting their journeys many reference starting in careers that were neither linked to their values nor their impact investments and how they have made a shift into something more aligned. Jenna, who is President of the Social Innovation Club at Stanford Business School, observes, "More and more students who are graduating from top business schools are not looking to merely make money in their careers but are also looking at the social and environmental impact they can have."

As millennials put their human and intellectual capital to work in impact investing, it will have implications on the growth and development of the sector. Although not a conclusive finding, we believe that this is an interesting trend to observe and one we feel deserves further research.

ii. Philanthropy & Impact Investment

"I find millennials driven by a different set of values. They recognize that doing well and doing good are not exclusive endeavors and although the word

"strategic" is overused, millennials are searching for the best combinations of traditional philanthropy and new ways to achieve impact."

– Julie Shafer, Head of Strategic Philanthropy & Purpose Investing, Bank of the West

The "[Proving Worth](#)" study³⁷ found that 96% of millennials surveyed report they are involved in philanthropy, in part, the study suggested, because of their families' existing charitable activities.

Traditionally philanthropy has drawn a distinction between making money and using capital for philanthropy. Research shows that millennials are revisiting this practice.

"Think back to the great philanthropists of years past who thought of making money in the first half of their lives and giving it away in the second half," says Justin Rockefeller, a trustee and member of the investment committee at the \$739 million Rockefeller Brothers Fund, great-great grandson of John Rockefeller, and, at 33, himself a millennial. "Today, that view is still pretty pervasive, that there's capitalism and making money on one side, and philanthropy on the other. I think the younger generation is seeing that as a false dichotomy, or at least something that will increasingly become a false dichotomy."³⁸

iii. What Does This Mean for Philanthropy? What Are We Seeing From Our Research?

The "[Proving Worth](#)" study concludes that millennials want to do good and that they use both philanthropy and impact investing as conduits to achieve their impact goals.

³⁷ *Proving Worth The Values of Affluent Millennials in North America*, Campden Wealth Research, OppenheimerFunds, 2015. (<https://www.oppenheimerfunds.com/private-banks/article/what-ultra-high-net-worth-millennials-value-most>)

³⁸ Katie Gilbert, *Millennials Keen on Impact Investing*, Institutional Investor, 2012, September, Web. (<http://www.institutionalinvestor.com/Article/3084842/Millennials-Keen-on-Impact-Investing.html#/VtDUlpMrJuU>)

³⁹ *Proving Worth The Values of Affluent Millennials in North America*, page 4, Campden Wealth Research, OppenheimerFunds, 2015. (<https://www.oppenheimerfunds.com/private-banks/article/what-ultra-high-net-worth-millennials-value-most>)

“When it comes to evaluating their philanthropy and impact investing, they have an acute focus on measurement, accountability, sustainability and long-term returns. They are less concerned about feel-good factors. They are focused on basic human rights and conditions: education, water, the environment, gender equality and financial matters.”³⁹

We found that philanthropy remains an important activity for millennials. Impact investing, rather than replacing philanthropy, supplements their approach to living an impactful life. The millennials we interviewed are engaged both in the practice of impact investing and philanthropy and in some cases have put structures in place to connect the two to maximize both positive social and environmental impact.

In addition, we have also found that philanthropy is often the first step to a future engagement in impact investment. Connecting family members through the exploration of collective values provides an easy segue into the impact investing conversation.

“I first learned of the impact investing space as a way to complement our grant making work and tackle a different space on the spectrum of what’s possible in terms of impact in the social sector.”
– Sapphira, millennial interviewee

Observations

The millennials surveyed are integrating impact considerations into their education, career choices, investments and philanthropy. This is spurring a rethink that is challenging the status-quo belief systems of previous generations and putting into question quality-of-life-choices. Although the path to impact is uncertain, these millennials seem to be finding ways to close their alignment gaps.

4. IMPACT INFLUENCERS ON MILLENNIALS: FAMILY, EDUCATION, ADVISORS

4.1 FAMILY DYNAMICS

"If I just complain, they'll only defend themselves by saying "this is what we do, this is how to look after the money."

– Seth, millennial interviewee

"Impact investing has brought us closer as a family because we have more honest conversations about our values."

– Steph, millennial interviewee

In the interviews conducted for this report, the connections within a family have been the top influencer driving the success, frustrations, learnings and development of millennials in their impact journeys. Whether it be negotiations around investment decisions, learning from a father, working closely with a sister or considering the next generation in decision making, it is clear that the topic of family dynamics is one that deserves to be highlighted in this report.

The team leading the Harvard Kennedy School program for millennials making impact investments concurred with this view:

"We knew that the dynamics of family decision making needed to be a core part of the course but we were surprised that developing skills to support family buy-in was, for many of our participants, even more important than we anticipated."

– James Gifford, Senior Fellow,
Initiative for Responsible Investment
at the Center for Public Leadership,
Harvard Kennedy School

i. How are Millennials engaging their families?

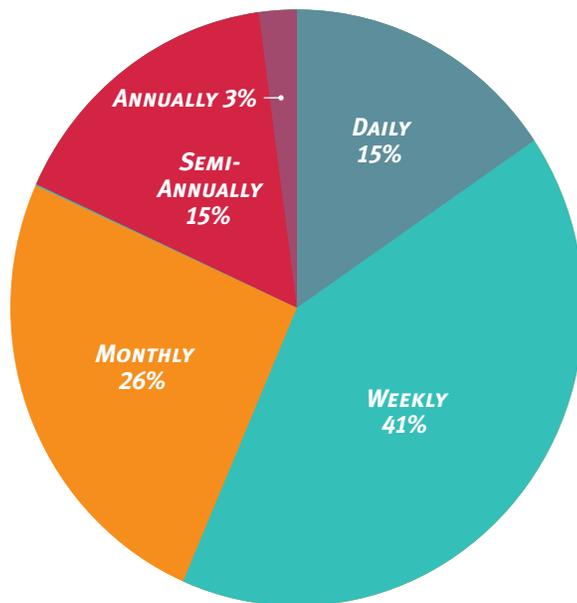
A [study](#)⁴⁰ conducted by OppenheimerFunds and Campden Wealth reports that 59% of the 32 millennials surveyed sit on a committee or board that manages their family's wealth, but only 18 percent make strategic wealth management decisions. Among those involved in their family decision-making, most of their strategic decisions are related to impact investing (31%) or philanthropy (29%).

In the Tonic survey, 65% of respondents indicate that their families have an interest in impact investing. However, while respondents are busy managing their own assets and moving them into impact, their engagement with family assets is less frequent.

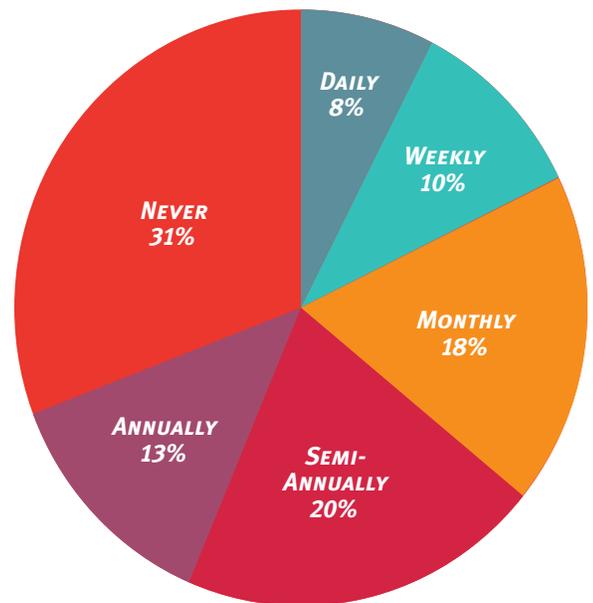
⁴⁰ Proving Worth The Values of Affluent Millennials in North America, Campden Wealth Research, OppenheimerFunds, 2015. (<https://www.oppenheimerfunds.com/private-banks/article/what-ultra-high-net-worth-millennials-value-most>)

Several of the millennial impact investors in our interviews feel strongly that it is part of their mission to educate, inspire and influence other members of their family to consider making impact investments.

Management Frequency of Personal Assets



Management Frequency of Family Assets



Observations

We provide the following observations regarding working with families on impact investing.

1. Action & Ownership

Finding specific, thematically aligned impact investments to consider together as a family can make the process more real and collaborative. Leading by example shows others that it can be done. Reporting back over the life cycle of the investment is a way to connect others to the impact journey.

"The way to do it is just to bring deals, don't let them say we haven't seen anything...bring them deals that tell the story of what's happening in the world."
– Seth, age 29

2. Family Values Statement

Working together on a family Statement of Values can connect families across generations and inform all investment decisions, whether they are impact or non-impact.

3. Advisors and Supporters

External voices may give credibility and additional evidence to support millennials in discussions with family.

4. Patience, Persistence and Evidence

Change has been slow in coming to the financial industry. Many families, by necessity, rely on outside advisors to help them steward their wealth. Influencing change in an entrenched multi-stakeholder structure requires patience, persistence and evidence. Given the dynamic nature of the impact industry, sharing updates and links to key research papers with family members and advisors is one way to keep them informed and hopefully, eventually interest them in impact. Another way is to become more active in the family investment activities, whether they align with impact or not. Sharing impact options with the family and advisors can spark conversations that may lead to a shift in perspective and valuable lessons about investing.

4.2 EDUCATION AND SUPPORT NETWORKS

"Since I never had a grounding in business education and finance, I'm going back to school for a part-time two-year MBA program. It's part-time because I don't want to drop everything I'm doing, I love what I'm doing."
– Seth, millennial interviewee

i. Overcoming challenges – the role of education in impact investing

The importance of education is evident in our survey. Lack of knowledge is the number one hurdle holding millennials back from making impact investments. 51% of those surveyed ranked this as their top challenge.

Ironically, more millennials today have a college degree than any other generation.⁴¹ Millennials began entering the job market around the financial crisis of 2008, leaving less room for them as younger workers. As has been the case during other periods of recession, these millennials decided to pursue a second degree or stay in school longer. However, the additional education did not typically give them the tools they need to manage their wealth.

It is then no surprise that both formal education and informal or vocational education feature in many of the journeys profiled in Section V. Interviewees shared how their use of internships, careers, philanthropic activities and on-the-job education enabled them to learn more about the field of investing and management of assets.

"I wish we had had something like this in high school," says interviewee Sapphira, in reference to a recent impact investing course, "just basic financial literacy."

Academic institutions are beginning to respond to this need. In 2015, the first impact investing course focused on high net worth millennials was launched at Harvard. Developed by the Initiative for Responsible Investment at the Harvard Kennedy School, the course developers have seen significant demand from millennials, their families and their advisors for future programs. A second course will be rolled out in 2016.

A number of other impact investment courses have been developed – from MBAs with an impact investment focus, to short courses (weeks), executive education, and 1 to 3-day

courses, plus any number of online courses. Toniic is also working with partners to deliver courses on impact investing, under its [ImpactU](#)⁴² umbrella. More information about impact investing courses can be found in Section IX Education and Events.

ii. Overcoming Challenges: Peers and Support Networks

The millennial generation is more connected than any other generation. Their use of technology enables quick access to and transfer of information and a high degree of transparency. Not surprisingly, friends and investor networks rank first and second respectively as the primary sources for millennial investors to source impact investment opportunities.

Survey respondents are also members of a variety of networks in addition to Toniic, including Nexus,⁴³ Clearly Social Angels,⁴⁴ Investors' Circle⁴⁵ and Pymwymic.⁴⁶ We provide a table with more details on these networks in Section VIII Resources.

Millennial interviews also underscored the importance of community of practice networks:

*"Toniic has played a huge role in creating a support network, inspiring me, and connecting me with people who are on the same journey. The support, relationships, and mentorship has been extremely helpful."
– Talia, millennial interviewee*

Observations

A key finding coming from our research is the need for impact investor education. We also heard a desire from millennials to engage with their peers and to look to friends to help them source impact investments. We believe that a combination of peer-to-peer learning, hands-on experience, informal and formal education courses tailored to the needs of millennials could add significant value to millennials on their impact investing journey.

4.3 MILLENNIALS AND ADVISORS

"We've found that while advisors have done a solid job in serving the present wealth holders, they're largely unprepared for the day when millennials or widows begin calling the shots for the family investment portfolio."⁴⁷

i. Gaining Trust

Industry research has shown that millennials have a collective distrust of the financial sector⁴⁸ and are less inclined to use a financial advisor than any other generation; only 47% of multimillionaire millennials in the US use a financial advisor⁴⁹ according to a survey by U.S. Trust.

Coupled with evidence⁵⁰ that a majority of millennials will fire their parent's advisors after receiving their inheritance, the challenge facing the financial industry is how to reinvent itself to

⁴² ImpactU is a local and global impact investor-led educational program incubated at Santa Clara University. Designed as a dynamic framework, course material is delivered in a tiered learning format: A 3-day The Essential Impact Investor Practicum and a 1 to 3-day Impact Professional Essential Series. (<http://www.toniic.com/about/impactu-impact-investor-education/>)

⁴³ Ibid., 4

⁴⁴ Ibid., 4

⁴⁵ Ibid., 4

⁴⁶ Ibid., 13

⁴⁷ Dane, Ned, *Advisors – How to Not Get Fired by Next Gen Clients*, OppenheimerFunds, 2016, February, Web. (<https://www.oppenheimerfunds.com/private-banks/article/advisors-how-to-not-get-fired-by-next-gen-clients>)

⁴⁸ Cutler, Neal E., *Millennials and Finance: The Amazon Generation*, 2015, October.

⁴⁹ Hunnicutt, Trevor, *Wealthy Millennials Decline Financial Advisors' Services: Survey*, 2015, Investment News, May, Web. (<http://www.investmentnews.com/article/20150528/FREE/150529935/wealthy-Millennials-decline-financial-advisors-services-survey>)

⁵⁰ Skinner, Liz, *The Great Wealth Transfer is Coming, Putting Advisors At Risk*, 2015, July, Web. (<http://www.investmentnews.com/article/20150713/FEATURE/150719999/the-great-wealth-transfer-is-coming-putting-advisors-at-risk>)

earn the trust of the next generation of wealth holders. And how can millennials build trust in a system that they believe does not represent their interests?

Ned Dane, in an OppenheimerFunds blog, recommends that financial advisors working with the next generation of wealth holders need to shift from the “what”, i.e. wills, trusts, estate planning etc. to the “why”, i.e. the purpose of a family’s wealth, their values and vision for the next generation.⁵¹ But, this may not be enough.

ii. Collaboration between advisors and millennial impact investors: millennials expect and demand it

Millennials feel that advisors do not provide solutions specific to their needs. In the “[Proving Worth](#)” report the authors conclude that “there are considerable disconnects between the services that millennials want from their advisor and what their advisor currently provides.”⁵²

Technology plays a big role in finance and with millennials.

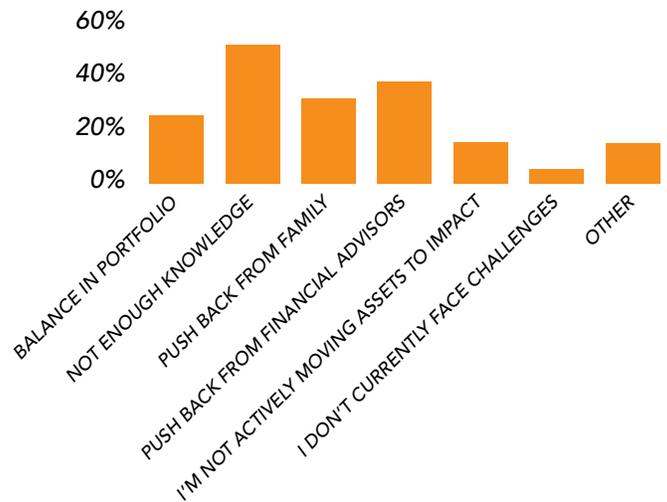
*“With my older clients I send a letter or telephone with information, with those of my generation I send an email, and with the next gens I am using WhatsApp”⁵³
– A financial advisor*

Social media, online software and even robo-advisors are being increasingly used by advisors and millennials as a means to disseminate and access information about finance and investing.⁵⁴ However, for impact investment deal sourcing, online platforms play a marginal role based on survey responses.

Relationships appear to trump technology.

Consistent with the report referenced above, the Tonic survey shows that 38% of respondents have found “push back from financial advisors” to be a challenge in making a move to more impact investments, higher than the push back from family members.

And yet, survey respondents indicated that



they want their advisors to have knowledge of impact investing and would turn to their advisors to access impact investments. Clearly, advisors need to do a better job of developing meaningful relationships with millennials. Jed Emerson and Lindsay Norcott capture the opportunity succinctly in an Impact Assets Brief.

⁵¹ Dane, Ned, *Advisors – How to Not Get Fired by Next Gen Clients*, OppenheimerFunds, 2016, February, Web. (<https://www.oppenheimerfunds.com/private-banks/article/advisors-how-to-not-get-fired-by-next-gen-clients>)

⁵² *Proving Worth The Values of Affluent Millennials in North America*, Campden Wealth Research, OppenheimerFunds, 2015. (<https://www.oppenheimerfunds.com/private-banks/article/what-ultra-high-net-worth-millennials-value-most>)

⁵³ Tonic discussion with a financial advisor

⁵⁴ Cutler, Neal E., *Millennials and Finance: The Amazon Generation*, 2015, October.

"... this new generation as a whole has a much more integrated worldview that seeks value beyond pure financial return. This is a logical response to the events that colored the social and economic picture over the past thirty years, and will be a lasting difference between millennials and previous generations. Adapting to this millennial perspective requires an on-going, two-way conversation between advisor and client that is rooted in understanding a client's intentions as an asset owner—and as an intelligent person seeking their way in the world."

– Impact Assets Issue Brief 13⁵⁵

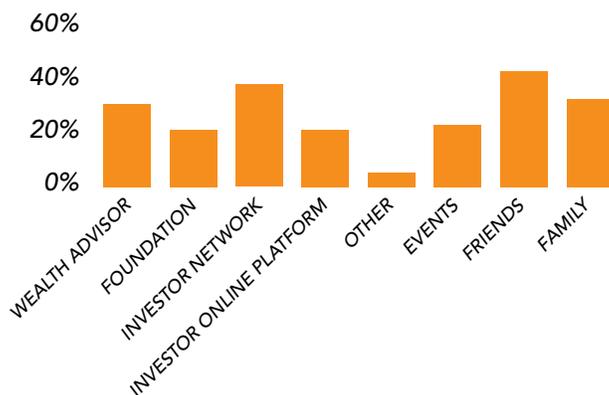
Observations

There is an opportunity for millennials and their advisors to connect and build a mutually beneficial relationship through 'shared learning'. As highlighted earlier in this report, millennials are keen to develop their own knowledge of impact investing, and also to influence their larger families. Financial advisors, in adapting their practices and developing collaborative impact investing solutions, can bring significant value to millennial clients.

"The way that millennials seek to invest - investing in a way that aligns with their values to achieve social and environmental impact - might just become the new normal of investing for years to come. Wealth advisors and asset managers would get smart to get out in front of this trend."

– Jenna, millennial interviewee

Ways Impact Investments Are Accessed



In Section V Impact Investing Journeys, millennials provide specific examples of what kind of collaboration they would value. •

V. IMPACT INVESTING JOURNEYS

This section contains authentic profiles of 10 impact investors from Europe and North America. All information contained herein is for educational purposes only. The choice to use and manner of utilization of information and knowledge gained through Toniic is each investor's individual choice. Toniic does not recommend or otherwise suggest that any investor invest in any financial product or that any fund manager offer products to a particular investor. Investors should consult an investment, tax and legal professional before deciding to invest in any financial product.

1. Sisters Leading the Way

Introducing Alexandra and Josephine



Age: 28 and 25 respectively
Domicile: UK
First impact investment: Fenix (www.fenixintl.com), a 2014 Series B investment in an emerging markets renewable energy company.

JOY, FAMILY, TENACITY, AND LEADERSHIP— GETTING TO KNOW ALEXANDRA & JOSEPHINE

The stories of both women, though powerful alone, are even stronger and more engaging when told together. Josephine and Alexandra are sisters born to Dutch and American parents. They were raised in the Netherlands...

and educated in the Netherlands and the USA. Both are developing their careers in the impact investment ecosystem and have been instrumental in inspiring members of their family to consider investing for impact.

Alexandra is the eldest sister, who since a young age has been strongly engaged with the family through various roles in the family business' governance. Alexandra studied first in the Netherlands and then attended Cornell University in the US. It was at Cornell where she first became aware of social entrepreneurship as part of an extra-curricular Social Business Consulting Group. At the same time she explored a career on Wall Street through an internship. However, she immediately felt the disconnect between her role in her Wall Street job, and her values and her interest in supporting social enterprises.

Her next internship allowed her interest in social enterprises and finance to come together; she spent time at Goodwell Investments, a fund manager based in the Netherlands investing in Sub-Saharan Africa and India - regions that her family had participated in already. There she gained first-hand experience of impact investing and knew that this was the right place for her to be investing her human capital. Post-graduation, she moved to India where she worked for the strategic venture-philanthropy organization Dasra as part of the research and portfolio team.

Josephine, the younger of the two sisters, had at times been seen as the "rebel" in the family, asking the difficult questions at the family shareholder meetings. She was frustrated with the passivity of her generation and kept pushing boundaries.

"I was never comfortable with accepting the status quo when it came to the family's business activities."

Similar to Alexandra, Josephine first studied in The Hague and then went to Brown University to study International Development. Initially, Josephine felt that her path was best suited for development finance, but an internship at a small rural NGO in India brought to light how the efficiency of market forces was not being applied to help solve social issues in a systematic way. Josephine also spent time exploring the traditional financial sector through an internship at an asset management firm,

"There were some very talented people but the only motivation was purely financial."

Attending the Pymwycic⁵⁶ Family Day and SOCAP⁵⁷ in Amsterdam in 2011 were defining moments that brought the two sisters together with an aligned excitement for impact investment. Being on their home-turf, it was the first time that the sisters started realizing the power of bringing the learnings of impact investing to their family wealth. They returned to their family with more data and a thirst to educate themselves and their family on impact investment.

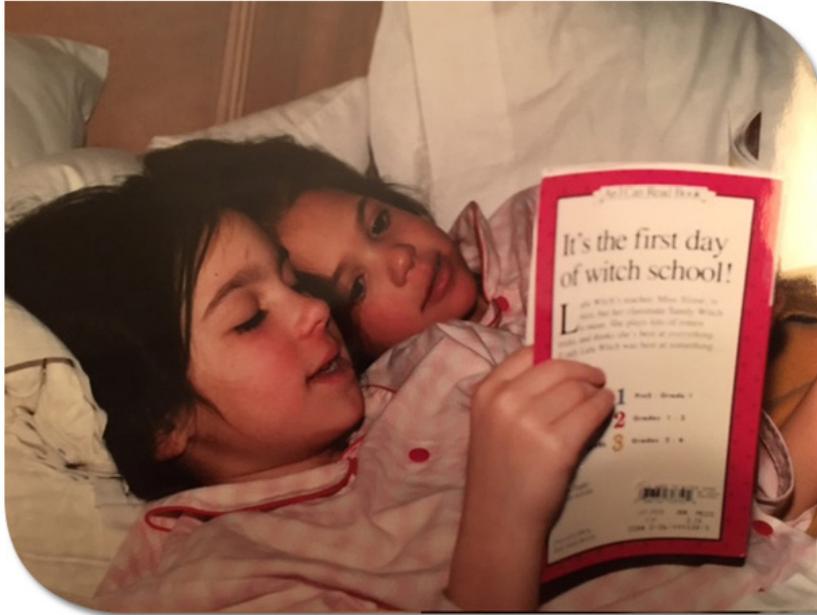
Family and Peer Dynamics

***What role has your family had in shaping you as an impact investor?
How have your peers influenced you? How have you influenced them?***

Throughout their childhood, the family had given Alexandra and Josephine exposure to both the family business and the idea of collective decision-making. Their parents had always challenged the girls to be independent thinkers and entrepreneurial in spirit; dinner-table conversations were educational and diverse. The family also travelled extensively, giving the girls exposure to developing countries and the harsh realities of inequality. At the tender ages of 12 and 9 the parents gave the girls, along with their younger

⁵⁶ Ibid., 13

⁵⁷ Ibid., 3



The young, studious sisters.

brother, ownership of a small foundation – both sisters and parents talk warmly of the complete ‘failure’ of this exercise.

“We spent most of the time deciding who would take minutes and what the foundation would be called...followed by much guilt about our lack of action.”

Nothing much was achieved but the initiative nevertheless helped ground the girls in the process of aligning their decision making for impact.

Josephine and Alexandra are part of a family group of 13 shareholders, which includes their father, his two brothers and the next generation of 10 cousins. For more than five years Josephine and Alexandra brought the topic of impact investing to the shareholders meeting. At first, there was little traction;

“We would present the theory of impact investing and some examples of what we were seeing but there was no engagement.”

Their tenacity and unwavering commitment to the practice, however, served to build their credibility within the larger family. Also, while different in personalities and position in the family unit, having the two sisters connected with the same voice around impact investing increased the volume of their message.

Starting with the initial Pymwyc Family Day, both women became active members of the Netherlands-based impact investing network that works closely with families. Through Margaret McGovern, co-founder of Pymwyc, they found a supporter that both understood impact investment and could help them navigate the family, while simultaneously empowering them to have an active voice in the impact community.

Josephine and Alexandra were also keen to join Toniic to access its deal flow database, but weren’t sure if they were ready to commit to making multiple impact investments a year. Their mother made the plunge and joined as a family to get

them started. They quickly became active members of the network, working with the deal flow analysts to source impact investment opportunities and connecting with the community for their own growth.

The First Impact Investment – A Turning Point

Tell us about your first investment and describe the decision-making process. Who was involved in the decision?

After three years of speaking with the family about impact investing, the real turning point, in the mind of the ladies, came when they were given permission to influence a portion of their assets and make their own investments.

“This provided us with the capital and also the freedom to invest – finally able to take the leap to ‘put our money where our mouth is.’”

They worked together on an investment strategy that considered their respective and collective investment priorities and impact values. They researched many deals and worked together with the family CIO and their father, CEO of the family office, to assess the different opportunities. They’ve never worked with external advisors, instead drawing upon the existing family resources to pursue impact investments.

Towards the end of 2014 they were ready to make their first investment. They had sourced the deal, completed their due diligence, negotiated terms and were confident that they wanted to move ahead. The family had heard of the social enterprise at previous shareholder meetings, so when the decision came for

the sisters to invest, they presented the opportunity also to their cousins and uncles. The CIO and their father, the key investment decision makers in their family office, had given it their ‘stamp of approval’ and to the surprise and joy of Josephine and Alexandra the family members shared their excitement and co-invested.

The conversations with their family had turned from being theoretical to actionable and inclusive, with positive results.

Continuing the Impact Investing Journey and Getting to 100%

***What’s next for you?
What excites you about the journey ahead?***

Josephine and Alexandra have continued to build their impact investment portfolio and have been investigating further potential direct deals and funds. They have made some investments together and some separately. They continue to present to the family, who have joined them on some deals.

Their latest success was a co-investment opportunity by the family office in a sustainable aquaculture enterprise, following an investment into an aquaculture fund.

In 2015, they took the decision to join the 100% IMPACT Network of Tonic and commit to taking a portfolio approach to impact by moving 100% of their assets into impact.

“We have a long way to go, but are excited about the journey together.” •

2. Putting the Planet First

Introducing Seth



Age: 29

Domicile: UK

First impact investment: Berti Investments – an impact investment vehicle focused on sustainable investments in the UK designed and seed funded by Seth in 2011.

PERSONAL DEVELOPMENT, ACTIVE ENGAGEMENT, PEOPLE AND PLANET — GETTING TO KNOW SETH

Seth's story is one of active learning and a hands-on approach to investment. Once he recognized the disconnect between his wealth and his values, there was no going back and making the change has become his way of life.

Seth was born and raised in London, but has been influenced by socially minded parents throughout his upbringing. Dad grew up in South Africa, mom in the US South. His parents were familiar with apartheid systems from their upbringing and that had an effect on them, something they shared with their children...

At University Seth worked on a sustainable farm and engaged in a 15-week permaculture course. This connection between people and planet was to become the focus of his investing and his life – initially explored through the medium of film.

Buying a van, powering a projector with solar and screening short films around the south of England, Seth financed his own mobile cinema. The concept was to bring creative, inspiring short films or documentaries to a diverse audience.

“Homeless people, families, young people on bikes, all came together for screening, some nights there were 300 people there.”

Seth’s family had invested in independent cinema and impact-focused storytelling and documentaries. This provided Seth with a connection to their investment activities. From there the family’s financial advisor engaged Seth in investment through his

passion for the environment and social change. Seth had no understanding of finance and investments and he was intrigued to learn more and to understand how the family trusts were operating.

Initial Steps Along the Road

How did you start your impact investing journey?

Who else was involved?

How did your involvement change over time?

In 2011, Seth went to his first Family Trust investment meeting.

“I was horrified at what we had shares in; I knew that films were fighting against some of the companies we had shares in. Before that, I’d never gone to meetings on the investment side of things. I’d always only thought of making change through film.”



Seth’s farm.

Up to that point, Seth's father had gently tried to engage his son in the investment process and decision-making but had decided to wait until he was ready. He felt strongly that the desire to participate had to come 100% from Seth himself.

With the Family Trust meeting as the catalyst, and with the support of the family advisor, Seth set off down the road of active learning. He asked the family foundation for an initial investment of £5m and set up Berti Investments (Berti) as a social investment company focused on environmental sustainability in the UK. He researched the marketplace, went to many conferences, spoke to active investment funds and built a support network of like-minded people around him.

"Be open about what you're doing to surround yourself by others operating in the same space that you can learn from."

The investments made through Berti served as a vocational investing education for Seth. Initially the family advisor was the one doing all of the talking but eventually Seth got more involved and spent 3 days a week working on the investment business. Seth believes that hands-on experience is the best teacher. He sat in on company meetings for all the underlying assets that Berti invested in. He looked through business plans, learned how to read a balance sheet and determine a valuation. Berti ran an accelerator program and business plan competition giving him a great overview of the emerging market opportunities in the UK at the time as well as the technologies and market opportunities arising in the space.

Family and Dynamics

**How has your role within the family trust evolved with regard to managing investments?
What advice would you give other families?**

While pleased with the developments at Berti

and his own personal development, Seth continued to have the ambition to influence the trustees to adjust their investment practices. Once he recognized that he was the beneficiary of investments he didn't agree with, he knew changes needed to be made. His plan was to come up with concrete examples and operational plans for how to create change. It was a few years before he brought anything to the trustees.

"If I just complain, they'll only defend themselves by saying 'this is what we do, this is how to look after the money.'"

When he took the first deal to the trustees, Seth admits that he didn't know much, but wanted to start the process. It was an investment into a sustainable asset management company (Wheb). The Board was supportive and viewed it as a strategic investment for Seth's continued education in environmental markets – in effect "paying school fees in the investment space".

Seth continues to take investment opportunities to the trust and together they have made a number of investments creating positive environmental impact. One investment that Seth is very engaged in is Beltown Power, a renewable energy investment manager in the UK. Over a number of years, Seth developed a relationship with the founder Michael Kaplan, and together, with the family trust, has supported Michael in building this business.

Seth is optimistic that more families will align their capital with their values to create positive social and environmental change in the future. Key to achieve this alignment is education and proactive engagement.

"It's a matter of time. The old generation is fairly dominant, but becoming less so. It's a generational thing: young people get it but parents and trustees are still in power. It's hard to influence people who are stuck in their ways. The older you get the less"

likely you are to change. It's a matter of time before the new generation comes in who totally gets this.

The way to do it is just to bring deals, don't let them say we haven't seen anything... bring them deals that tell the story of what's happening in the world. It's an educational thing but it's hard to educate people who are stuck in their ways. Nothing happens overnight."

People and Planet

How are you connected with others as part of your journey – your family, your community?

In 2013, Seth moved to Somerset to be closer to nature and put into practice some of the techniques and technologies he was involved in as an investor. He built a solar farm at his house. And runs retreats in a space near his home that he and his sister have developed to support others on their personal journeys.

He believes that it is important to surround yourself with people that will hold you accountable. This acts as an important motivator to keep going.

"The more people who care about what you're doing, the more help you can find around you"

Seth has spent time on his own personal development and connects, not just on the financial side but also with the people he is investing in:

"If you find a great business but don't like the guy running it, it's not fun. You should look forward to board meetings, etc. Find people who fit your culture."

Continuing the education

What are you working on now? What areas of impact investing are you currently exploring?

Seth is now complementing his on-the-job education by going back to school in a part-time two-year MBA program that will give him a better grounding in finance and business. He is also continuing to explore a range of investment opportunities in a variety of asset classes and believes that there are many good impactful investment opportunities available if you are open to considering new structures and managers. He questions if public equities can provide the direct impact he is looking for and is now considering some options with his existing real estate assets, like improving energy efficiency or adding solar panels on roofs. •

3. Politics, Philanthropy and Portfolio

Introducing Antonis



Age: 27

Domicile: Greece/Germany

First impact investment: Goodwell Microfinance Development Company III, 2015; Goodwell Investments aims to enhance access to basic goods and services for underserved populations in India and Sub-Saharan Africa; Invested via an investors' pool facilitated by Pymwymic⁵⁸ group of investors

Democracy, Shareholder Activism, Family Alignment — Getting to Know Antonis

For Antonis impact investment is an important piece of his journey but one that needs to be recognized alongside his wider activities of philanthropy and political activism.

Antonis inherited money when he was 18, giving early ownership of his assets. At the time however he did not feel equipped, or indeed interested, in taking a proactive...

⁵⁸ Ibid.,20

approach and was therefore not involved in the management of his assets.

After he had completed his undergraduate training in European Studies in London, he had his first experience of trying to invest on the stock market

"I'll take 15k EUR and try it on the Stock Exchange. Since I was a rookie I failed, lost approx. 30% of the stock value, freaked out, and decided to leave wealth management again to the family office."

His first experience with impact investing and social entrepreneurship came through an internship at BonVenture, the first social investment fund in Germany. Since that time, becoming directly involved in impact investing has been a gradual process. He has connected with networks such as Pymwymic, the Ashoka Support Network⁵⁹ and Toniic, and decided to take the step of finding an advisor to work with on his investment decisions.

Working with an Advisor

***Describe your initial search for an advisor. What was important to you as part of that search?
What do you think is the key to a good relationship with an advisor?***

Wanting to be more proactive than he had been about his wealth, Antonis started the process of looking for an advisor that understood impact investment. Through the Ashoka Support Network he was introduced to Bjoern Struwer who is the Founder and CEO of Roots of Impact, a specialized advisory firm for Impact Investing and Development Finance. With the help of Roots of Impact, Antonis created an Impact Investing Policy to help him guide the next steps of his impact journey. After the Investment Policy was completed, potential investments were analyzed and discussed in monthly calls with the head of the family office.

Although this was not an easy process, Antonis believes that the industry is changing:

"You feel it. Lots of advisors and banks are engaging because customers want it and they know that next gen investors will change advisors if they can't find the sustainable or impact investment opportunities they are looking for, so they better start catching that train."

Family dynamics

***How would you describe your relationship with other family member with regard to managing investments?
What are the keys to working together as a family to make investment decisions?***

While Antonis has control of some of his assets, he is also keen to work with the rest of his family to integrate impact into their investment decision-making process. He has the support of his family and is finding that other members of his generation are starting to show interest. They are currently looking to make their first investment as a family office.

"I was asked by the family office if I had any ideas for deals and I said yes – impact. And the office said ok, let's look at it."

This open-minded attitude has provided a great opportunity but the path is still not easy, requiring the coordination and alignment of values between all of the family members. Getting to a consensus can be difficult amongst any syndicate of investors but Antonis explains when you are negotiating with people that you care deeply about, it brings an added complexity.

"I had to reevaluate after I chose funds that the others didn't choose. The challenging thing is that on top of business you have the whole family aspect, which requires an extra amount of diplomacy."

⁵⁹ <https://www.ashoka.org>

Refining negotiation skills is something Antonis is actively learning through working with his family on impact deals. He is pleased with the developments and level of engagement thus far, believing that there is more to come.

Investment Approach & Education

What areas of impact investing interest you?
What kinds of investments have you made?
What are you interested in learning more about?

Now that Antonis has found an advisor he is comfortable with, the two of them are working closely on examining impact deals - a gradual process.

For his personal portfolio, he has to date made investments in the Unitus Right Livelihood Fund, BonVenture III, Goodwell III, Sun Funder, an ESG public equity index (GLS Aktienfonds). Antonis is planning to invest in the Media Development Investment Fund and he is a MCE Social Capital guarantor.

His deal flow has thus far come from Roots of Impact, as well as from actively talking to people in the sector and networking; talking to foundations in Germany such as the BMW Foundation and using the Ashoka support network (Germany), Pymwymic, and Toniic as platforms.

Although Antonis currently has not done any direct investments, he is pursuing a traineeship to learn more about direct investing and looking selectively at deal-flow opportunities.

“The thing with direct investments is that it feels like a full-time job, it’s investing on a whole different level.”

In his impact portfolio, only a small part of his assets are in public equities. He feels that public equities have very little impact and is more interested in fixed income and private equity.

To better his education in impact investing and to learn how to become an impact champion within his family, Antonis has completed the “Impact Investing for the next generation” course at the Harvard Kennedy School. The program provided him with the practical tools necessary to make investment decisions while learning from experienced professionals and seasoned impact investors.

He also had an idea for a new fund that would enable next gens to learn about impact investing. The idea, which he would be interested in pursuing further, is:

- *Next gens would invest between 50-100k EUR collectively across different asset classes and themes.*
- *Next gen participants would participate in governance to maximize the learning experience. There would be a dual benefit of having a return and learning something by being on the investment committees, selecting the deals, etc.*

Politics and Philanthropy

How is your interest in impact investing interface with other areas of your life?
What causes are you passionate about?

While Antonis is pleased that he is aligning his portfolio with his values, what gets him most excited is discussing his work to promote transparency, accountability and citizen engagement in politics.

He has always been politically conscious and in the last three or four years has put more thought and action into it. He started an NGO called Vouliwatch.gr that empowers Greek citizens to communicate with, evaluate, and hold accountable elected representatives in the Greek and the European Parliament (MPs & MEPs). The idea is based on the ParliamentWatch concept that was originally conceived by Ashoka fellow Gregor Hackmack in Hamburg, Germany. This social business has

been replicated in seven other countries and is a good fit for Antonis as it links his political science background with his passion for disrupting the political status quo.

He is very committed to supporting an active civil society in Greece:

"There is a huge funding gap in Greece, as well as humanitarian issues with refugees. The social state is collapsing. My ultimate aim is to inspire next gens in Europe to do more. I believe that the current amount of inequality is not healthy for society. In the end, it all comes down to social and political empowerment."

His work does not stop there; in the last years he has given donations and grants to many initiatives in the areas of political activism, social entrepreneurship and vulnerable populations. To professionalize his philanthropy and to maximize his impact, he is in the process of creating a foundation focused on the aforementioned areas.

Some of the NGOs he has supported work in the area of shareholder activism, such as

Shareaction (UK) and As You Sow (US). He is particularly passionate about the work of these NGOs:

"I love these examples because for a lot of people impact investing is not only about using your assets, it's about achieving impact in general. Catalytic philanthropy can have a much greater impact than your impact investments but they are also riskier. I am engaged as a progressive funder, because I believe the major challenges facing humanity require policy changes and these changes come about by bottom-up pressure on our political elites."

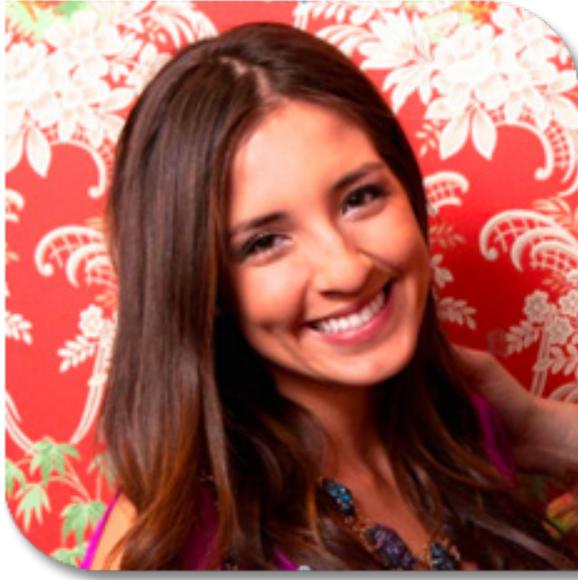
Lessons Learned

What recommendations do you have for millennials getting started?

My one message: "Be bold. This is what it's all about. We know we have the means, now it's about having the guts to actually do it." •

4. Bridging Passions Across Family

Introducing Stephanie



Age: 26
Domicile: New York, US
First impact investment: An ethical fashion company, Soko (shopsoko.com)

MILLENNIAL AMBASSADOR, FASHION AND SOCIAL ENTREPRENEURSHIP — GETTING TO KNOW STEPHANIE

For Stephanie (Steph) her impact journey began with social entrepreneurs and peers she met at the Opportunity Collaboration, an annual convening that brings together 400 global leaders building sustainable solutions to poverty. The inspiring stories of fellow millennials caused her to shift perspectives about her career and much more.

Originally from the San Francisco Bay Area, Steph received her undergraduate degree in Communications from University of California, Santa Barbara. Within a month after graduation she landed what she had considered her “dream job” working at a leading fashion...

magazine in New York City. Less than a year later she participated in an annual convening in Mexico that changed her life.

It was at [Opportunity Collaboration](#) (OC)⁶⁰ where a new spark ignited,

"I met people my age who were starting social businesses, allowing them to integrate their personal passions and skill sets into full-time careers. Those conversations were what inspired me to look for ways to incorporate that synergy in my own life."

While working at the magazine, her goal was to sell \$200,000 one-page advertisements to large luxury brands that would run in a single issue. After hearing about an organization at the OC that was looking to raise this same amount to build 8 schools in Africa, she started to feel somewhat of a disconnect. That contrast really put things in perspective for Stephanie.

"Did I want to be selling people one extremely high-priced piece of paper, or did I want to be providing an abundance of paper and education for children in the developing world?"

Within just the first few hours of the OC's 5-day convening, Steph had these "light-bulb moments" that inspired her to look at the world differently. She became particularly curious about who made her clothes, how the workers were treated and if supply chains were truly ethical. The week in Mexico was the first pivotal experience she had through work with her family foundation.

"I certainly knew about the family foundation my parents started in 2006 when my dad sold his investment services company, however it wasn't until that monumental week that I felt inspired to become more involved."

Early Days at the Family Foundation ***How were your initial days in the family foundation?*** ***How has your role changed?***

When Steph officially joined the [Cordes Foundation](#) (<http://cordesfoundation.org>) in 2014, she faced a steep learning curve to fully understand how foundations and their investment process worked. She was anointed as the "Vice Chair", which was a title left intentionally open-ended in an effort to enable her to find her best fit. She appreciated her parents' flexibility as it really allowed her to grow into a role where she could truly thrive.

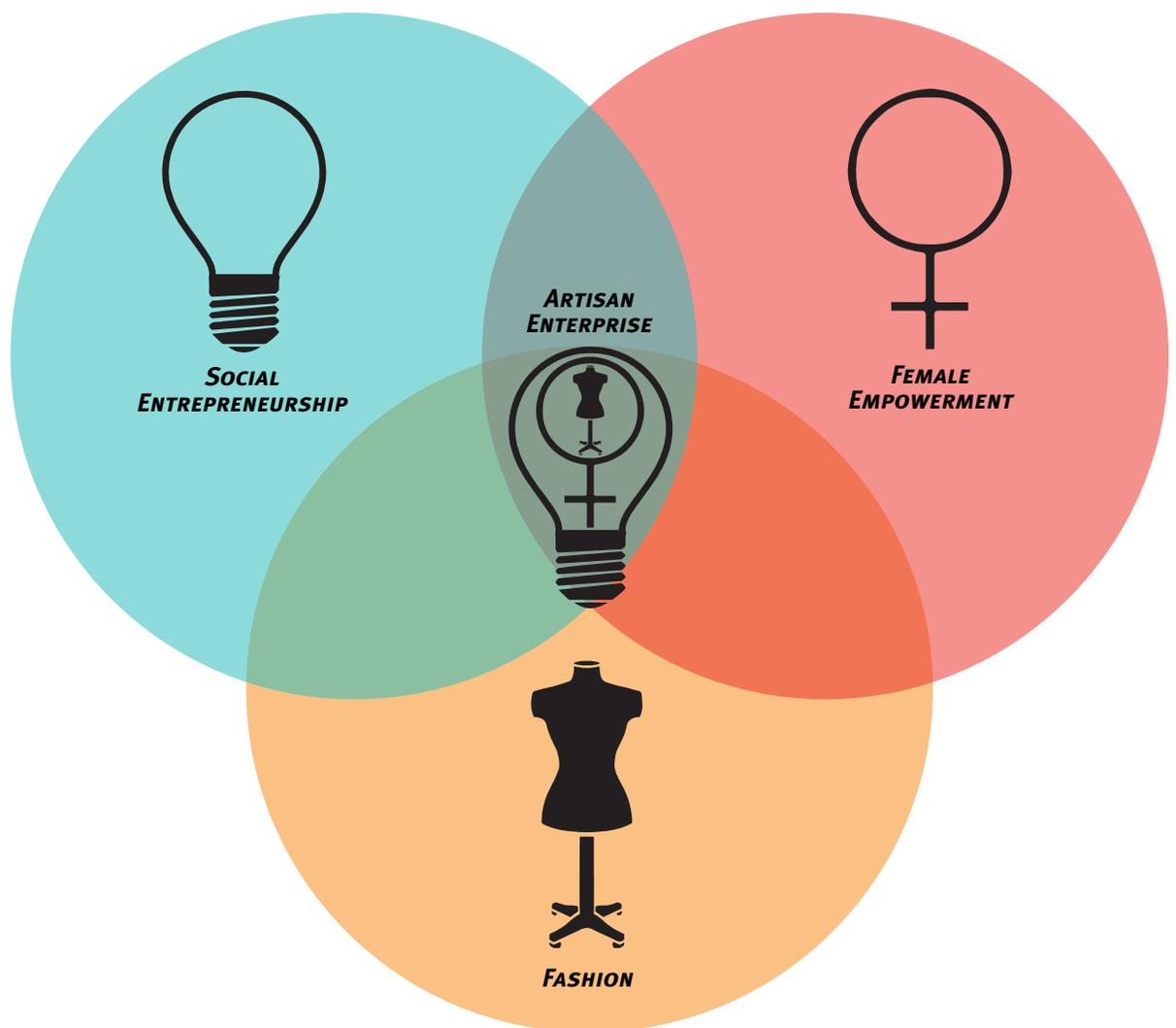
"I think my parents implemented a great strategy for next generation engagement. Instead of simply assigning a role of their choosing, they let 'experience be the guide'"

In 2015, she expanded her role, looking for ways to incorporate her previous love of fashion into the current work she was doing at the foundation. This new area of interest drove her to leading new initiatives in ethical fashion and anti-human trafficking. After introducing the concept of ethical fashion to the foundation, it has become seamlessly embedded into the family's foundation's core strategy.

⁶⁰ Opportunity Collaboration (OC) annually convenes 400 global leaders building sustainable solutions to poverty. We engage social entrepreneurs, innovative nonprofit executives, grant-makers, impact investors, corporate & academic field-leaders, and aligned media working around the world to solve common challenges and spark new opportunities. (<http://opportunitycollaboration.net>)

Historically there have been two themes driving the Cordes Foundation: Social Entrepreneurship; and Women and Girls' Empowerment. Her father went from "spending the first half of his life building businesses designed to be the best in the world, to spending the second half supporting businesses that are the best for the world."

Steph's mom has a background in psychology and has always been very involved in women and girls' empowerment initiatives, such as working at battered women's shelters and homes for runaways. These themes, combined with Steph's passion for fashion, have completed the family foundation mission triangle:





Steph and her mother at Shwedagon Pagoda, Myanmar

Areas of Interest

How are you involved in supporting ethical fashion? What direct investments have you taken on this segment of the fashion industry?

The family's passions have led them to create partnerships with grantees and investees that Steph takes pride in fostering. She often visits these partners to learn how the Cordes Foundation team can help beyond the dollars invested or granted. She is constantly networking, traveling, reading and organizing events in alignment with their 3 C Strategy: "Connect, Convene and Catalyze." The latest initiative she has been working on is "Impact Garden" - a convergence of fashion, wellness and technology brought to life by event-driven experiences that provide awareness around global fashion brands that are helping solve today's challenges. The inaugural Impact Garden premiered on March 2016 at Madison Square Garden. Hundreds of yogis, fashionistas and models participated in an evening of

wellness and socially conscious shopping. In looking forward, Steph is excited to continue these efforts while also building out the foundation's ethical fashion investment portfolio. Thus far, she has led one deal in an ethical fashion company, Soko.

Steph first learned about the investment opportunity in [Soko](#) at The [Unreasonable](#)⁶¹ "Girl Effect Accelerator" Investor Day, which was held at Tom Chi's [Factory X](#)⁶² in San Francisco. Steph met with the two female founders and fell in love with their unique product, business model and scalable social impact. She shared her enthusiasm with her parents and Cordes Foundation's Portfolio Director, Eric Stephenson,

"I believe we have a really interesting opportunity to invest in a company that sells beautiful fashion-forward jewelry while economically empowering over 1,000 female artisans in Africa! It is exciting to learn that we are able to

⁶¹ Unreasonable Institute helps social entrepreneurs achieve scale in impact through acceleration programs. (<http://unreasonableinstitute.org/>)

⁶² Factory X has a ten week new company creation program to help jump-start new businesses. (www.factory0ryx.com)

support companies at the intersection of my passion for fashion and positive social impact, through impact investing.”

She participated with other investors in the Series A round, analyzing the financials and completing the Foundation’s due diligence template. With the help of her parents and Eric, the deal was closed in March 2015. Since then, Steph has been a close investment partner to Soko, serving as an Advisory Board member.

Overcoming Challenges

What challenges do you face as an impact investor?

Who and what is helping your overcome those challenges?

What gaps do you see in educating others about impact investing

Like many people starting out in impact investing, Steph felt challenged by her lack of experience and knowledge of the sector. However, these initial challenges only propelled her to want to understand as much as she could about the field. With her increased knowledge and experience, she is now encountering some of the challenges of measuring impact.

For support, she turns to her dad, Ron, and Eric Stephenson (Foundation’s Portfolio Director), and peers she has met in networks such as Toniic and Nexus. She particularly enjoys learning from conferences such as SOCAP where she has exchanged her business cards with speakers and kept in touch with generous experts. Beyond these forms of support, she is not ashamed to admit that there has also been a fair amount of “Googling.”

“Understanding investment is fundamental to economics and how companies are built and how they grow [...] it should be part of standard college curriculum. It shouldn’t only be business majors who are required to take these introductory finance courses.”

She has spoken in various classrooms and found that students were excited to learn, but they did not have a background or experience in investing. “Thinking back, neither did I, and I think that needs to change.”

For investors no matter where they are on their journey, she feels that more formalized mentorship is lacking.

“A shadowing program would be fun! If there was a program where someone could shadow a mentor step-by-step, from sourcing a deal to the close, I think it would be tremendously beneficial.”

Working with Financial Intermediaries

The Cordes Foundation has engaged First Affirmative to advise on the deployment of its public equity impact strategies and US Trust to deploy assets to public debt investments aligned with its mission. Additionally, it works with financial financial intermediaries such as funds and funds of funds that have proven to be quite helpful.

“We don’t have the bandwidth to do all the due diligence ourselves, so it is nice to have outside experts to rely on in order to help vet companies and give investees local support.”

She explains that intermediaries allow them to have a more diversified portfolio and access to social enterprises that they would not have otherwise.

The unfulfilled opportunities she has uncovered relate to her work with artisans and their need for working capital facilities. She notes that there is a need for services that “provide loans that are larger than microfinance loans, but smaller than ones available through the big banks.”

Broadening Her Scope

*How are you engaged with others in the impact investing community?
How do you see your role evolving in the larger community?*

It was the inspiring experiences of Steph's peers that kick-started her own impact investing journey. Since then, Steph has helped a number of millennials around the world start their impact journeys and provides leadership in the Tonic millennials Working Group and the Nexus Impact Investing Steering Committee.

"We are at such an exciting time in history that I look forward to continuing to meet, support and share experiences with others who are already on this impact investing journey (or just looking for somewhere to start)!"

Lessons Learned

What recommendations do you have for millennials getting started?

- [Frontier Market Scouts \(FMS\)](#)⁶³: two-week course about impact investing.
- Look at mutual funds like ETFs screened for ESG.
- Look into impact funds that may be less risky with a fund manager to learn from
- Read books, articles and "Google Alerts" to stay up to date with the sector
- Attend conferences and networking events
- As they say in the Harvard Program,
 - "Know what you own." Whether it is your personal or family assets, ask questions about what you own
 - "Competence to feel confidence" meaning there is a need to build "competence" and knowledge around impact investing to then increase "confidence" to speak with family and others about the industry
- Invest like it means something and realize that decisions have consequences and you have the power to shape something •

⁶³ The Frontier Market Scouts training and fellowship program has trained more than 300 professionals and served more than 100 different social enterprises in 20 different countries around the world since its inception. FMS received a 2013 Cordes Innovation Award from AshokaU and has now become the flagship program of the newly launched Center for Social Impact Learning at the Middlebury Institute of International Studies at Monterey (MIIS). (<http://www.miis.edu/academics/short/frontier-market-scouts>)

5. From an IPO Windfall to Impact Investing

Introducing Adam & Chloe



Ages: 36 & 38
Domicile: Canada
First impact investment: Ello Distributors

CONNECTING NEW WEALTH WITH VALUES, INVESTING AS A COUPLE, ACTIVE OWNERSHIP — GETTING TO KNOW ADAM AND CHLOE

Both Adam and Chloe were raised in traditional middle-class families where any money saved was to be invested safely and sensibly, avoiding any risk. Money wasn't something either of them showed much interest in as they initially pursued their careers. Adam's acting career led him to Vancouver where he reunited with Chloe, his former teenage crush, who had just moved from Toronto where she had first worked with a then virtually unknown Canadian start-up called lululemon athletica.

Throughout lululemon's meteoric rise to its iconic status as a retail brand, first in Canada...

and then globally, neither Adam nor Chloe gave much thought to what the success of the company could potentially mean for them personally. Chloe remembers Chip (Wilson, lululemon's iconic and often controversial founder) calling her one day to talk about his decision to award her shares in the company.

"I really had no idea what it meant at the time," recalled Chloe, as she shared some of her memories. "Later that day, I was on a streetcar in Toronto, when a call came in from Chip's lawyer. He told me that I would immediately receive a modest cheque and quoted the number of shares that I was also getting. Before ending the call, he jokingly advised me to beware of arrows that might show up, lodged in my office door, since some of my colleagues were not happy about the number of shares I was getting. I got off the call thinking, 'Great, I still don't totally get what's happening and now people are upset at me.' These were still early days – and still pre-Adam for me!"

Chloe and Adam shared a grin as they reminisced about what Adam called, "a whirlwind of serendipity." Chloe continued: "When I received the cheque, I broke up with my boyfriend at the time – he hadn't really been very supportive about my decision to work in retail – and bought my first condo. Over the course of about a year, I moved in, reconnected with Adam, got swept off my feet, relocated to the West Coast to be part of the core team to ramp up for the IPO, became a landlord to the tenants in my Toronto condo and welcomed Adam, who had been living in London, into a rental in a modest Vancouver low-rise. At that point we were less than three months away from the IPO and still had no idea what that would mean." As the company's plans to go public began to take shape, it became clear that those shares could dramatically change their financial fortunes and their lives.

Coming to Grips with Their Wealth

What was your reaction when you realized how much your shares in lululemon were worth?

Who did you consult with and what advice were you given?

Adam and Chloe's initial reaction was to fall back on the conservative values about money that they were both raised on: be safe, preserve your capital and plan responsibly for your future. It's the same story often told about big lottery winners who, when asked what they plan to do with their money, reply that they plan to trade in their old car for a new one. In fact, that's exactly what Chloe and Adam did, which represented pretty much the extent to which they indulged in their newfound wealth.

"We bought a 1989 VW Westfalia because we wanted to start exploring the West coast. When we called our advisor to give him the news that we'd bought a new vehicle, he was ecstatic. When we told him what it was (an investment that represented \$15,000), his reply was, 'get two'."

That same advisor had been the go-to person for a large proportion of the lululemon founding cohort and became the person they relied on the most for financial advice and, predictably, the investment recommendations steered towards safer and relatively risk-free holdings. Their advisor assured them that they both now had enough money to take care of themselves and any plans they might have for a family, for the rest of their lives and likely future generations as well. They referred to their advisor as "Uncle Bob," a term that the advisor himself felt comfortable using to describe his role. Between them, there was a realization that they were financially set as long as they followed Uncle Bob's advice and didn't steer off course.

Moving Towards Impact Investing

What caused you to reconsider how your money was being invested?

When did you decide that there was more that you wanted to do with your money?

For Adam and Chloe, the major turning point in their approach to managing their wealth was the birth of their first child.

“When Beckett was born, I think he caused us to ask ourselves what kind of world we wanted to raise him in, and what kind of a world we wanted him to live in after we were gone.”

For the first time, they began wondering if they should start thinking differently about their money and how it was invested. But the old paradigms proved hard to break initially: Uncle Bob was willing to listen to new, emerging thoughts and concerns about their investments, but ultimately advised them to stick with the plan.

Feeling somewhat frustrated with the status-quo advice they were being given, Adam and Chloe, with young child in tow, decided that they needed to see and experience more of the world and use that time to consider what they wanted to do with their lives and their money.

What did you learn about yourselves on the trip?

How did that change your approach to managing your wealth?

Over the course of a soul-searching trip, they realized that many of their conversations would come back to discussions about food: in particular, their preference for fresh, local food.

“We were inspired by businesses that were trying to address the real issues of food security and sustainable agriculture.”

They came back to Vancouver excited to pursue some ideas of their own in this sector and, after several iterations of their initial concept, they launched ello, their own food distribution company, focused on high quality local growers, providing fresh, daily produce to many of Vancouver’s leading progressive restaurants.

With Vancouver’s growing world-class dining reputation and a clientele of chefs with a passion for local ingredients, the business found a successful niche. In retrospect, Adam and Chloe can now consider ello their first impact investment, although, at the time, that term wasn’t yet in their vocabulary.”

Working with Support Networks

What has been the benefit of joining Toniic?

How has it changed how you think about your investments?

Shortly after they became Toniic members in the summer of 2015, Adam attended Toniic’s Annual Global Gathering where he was inspired to find so many like-minded investors and immediately connected with a number of members who are part of an active sub-group focused specifically on issues and challenges facing millennial impact investors. Adam was also attracted to the vision of the 100% IMPACT Network within Toniic, a group of members who have committed to allocate 100% of their portfolio over time to impact investing.

By adopting a portfolio approach, Adam and Chloe now have a 360-degree view of their complete financial picture and can finally begin to identify and articulate their own investment strategies.

“With the support of the 100% IMPACT Network and the Toniic team, it feels like we now have the setup to be able to start developing our own voice as investors,”

says Adam, "and we are building confidence in how and where we want to invest our money through exposure to other members. It feels pretty liberating. For the first time in our lives, we feel true excitement about the potential we have to – yes – make a financial return for ourselves and our family, and generate a social return for things that are important to us."

Moving Forward

**How is your approach to managing your investments evolving?
What's next for you on your impact investing journey?**

Armed with their analysis and emboldened to make changes to their portfolio, Adam and Chloe have activated the process of looking for a new financial advisory solution. Their goal is to make the transition amicable, even though it is in fact inevitable. They have simply outgrown the "advisor-knows-best" mindset that is still prevalent in many client-advisor relationships. They recognize the leadership opportunity that now lies before them - to use the transition as an opportunity to educate a small corner of the financial services establishment on the range of products and instruments that they have been introduced to. They are ready and eager to become more active participants in deciding how and where their money is invested, and ensuring that their investments align with their values.

"We positively expect that the actions we take with one advisor at one big Canadian bank will contribute to the necessary evolution of the global financial services industry."

That evolution is still very much in the beginning stages and will involve serious and concrete thinking about strategies that better respond and adapt to the increasing number of millennial investors.

Lessons Learned

What recommendations do you have for millennials getting started?

- "Ask all the questions, over and over again, until you get clarity. Even if you feel like you're belabouring the point."
- "Trust yourself: don't outsource your own best decision making."
- "Take time to reflect on your relationship to money: past, present, and future."

"Take It From Us"

Some thoughts on how financial advisors and millennial impact investors can collaborate

Adam & Chloe outline some simple steps:

- "Listen, listen, listen"
- "Understand that every client is a unique individual that is on their own journey with money and investing."
- "Find ways to step outside your comfort zone with your client." •

6. Empowered to Act

Introducing Talia



Age: 25

Domicile: USA

First impact investment: Invest Eco;
InvestEco's main focus is investing in expansion-stage companies in North America that promote health and sustainability in the food and agricultural sector.

RESPONSIBILITY, ENVIRONMENTAL STEWARDSHIP, REGIONAL IMPACT — GETTING TO KNOW TALIA

Talia's impact investing journey has its roots in her connection to nature, which was an important part of her childhood.

"I was really privileged to have a relationship with the natural environment through our family's farm in upstate New York... I really feel a responsibility to be the best environmental steward that I can be."

Growing up travelling with her family to wealthy and developing nations, Talia feels that social justice, inclusion and access, and health and wellbeing are inextricably linked to environmental stewardship. The values she's grown up with have been responsible for the way she looks at the world and can best be understood by sharing a Buckminster Fuller's...

quote: "Make the world work, for 100% of humanity, in the shortest possible time, through spontaneous cooperation, without ecological offense or the disadvantage of anyone."⁶⁴

Talia applies her values and worldview not only to her investing, but also to her daily life. She currently works for a sustainability consulting firm, supporting higher education institutions and K-12 schools – a job that is very mission-based and aligned with her values. Her commitment to aligning her habits with her values can be seen in a variety of ways.

"I try to purchase foods through farmers' markets. I support the activities and principles of slow money, slow food, I bike everywhere and try to use public transport as much as possible."

Aligning Values with Investments

***Describe some of your early experiences discussing investment decisions with your family?
What were some of your early challenges in forging your own path?***

When Talia was in college studying ecology, evolution, and dance, she remembers not having the capacity to engage with managing her own portfolio. Once she graduated, she knew there were more family meetings and conversations happening, and although she didn't know how to exactly plug in, she recalls thinking,

"I knew I had a responsibility to roll up my sleeves and engage with what I had been given and the opportunities that presented themselves."

As she started her journey of exploring and asking questions in 2103, she felt inspired, but also daunted by the road ahead and worried that she didn't have the right skill set

"I remember my first meeting with the family office manager and my Dad. I was going through line item by line item, saying 'What is this? That doesn't align with my values, how can I get out of this, what are my options?' I was empowered to question, so that was helpful, but I knew I didn't have the knowledge to make informed decisions and make the changes I wanted. I was on a path to align money with values and contribute to world."

It was her first experience at SOCAP that set it all into deep motion. Inspired by the connections she made with other millennials at the Tonic gathering at SOCAP and with other experienced and seasoned investors, she started to think about the opportunity to create a portfolio that contributed to building a healthier world. This also prompted her to question how her family could have a more positive impact.

Family and Peer Dynamics

***How has your family helped you find your own voice in impact investing?
What role do you play within the family with regard to investment management?***

Talia's father has been a role model and resource for her and has been instrumental in helping Talia find her voice and path in impact investing. They are now team players in identifying opportunities, reflecting on the type of impact they want to have, and holding each other accountable. In addition, Talia's experience with her family foundation has been empowering. "I'm lucky to participate in an inclusive, inter-generational family," Talia explains.

Experience with the family's foundation and philanthropic activities came early. When she went to her first foundation meeting, she helped identify and provide a grant to an organization that focused on environmental

literacy. In addition to that starting point, Talia explains that at 18 years of age each family member gets a yearly allocation to give away for grants. Knowing that she was entrusted with this “was scary and an amazing opportunity to learn about grant making.” Through this allocation she has made her own yearly contributions to organizations and projects that interest her, from gender lens investing and growing that field, to a sustainable development enterprise in Israel.

These experiences have empowered and enabled Talia to also work collaboratively with the family on their impact investing strategy. Within the last year, Talia has worked with her family members to transform a conventional investing policy statement into a reflection of their family values. Because of this shift, her family advisors are now looking at their new investment policy statement and bringing forward recommendations based on her family’s values.

“We want impact metrics, not just financial metrics.”

Regional economy the focus of personal investments

What passions and interests drive your personal investment decisions?

Along with helping her family transform their impact aim, Talia is focusing on her own portfolio. CDFIs⁶⁵ are her first start in exploring financial products independently from the recommendations she receives from her family. “One of my big values is building a regional economy. I’m very interested in re-creating regional supply chains that build regional self-sufficiency.” She found two CDFIs on the Opportunity Finance Network website that serve her home area of Massachusetts. Her next step has been to interview them with her family advisor. The advisor asked all the hard financial questions, “which was a nice

complement to my social and environmental impact questions,” says Talia. She just invested in two CDFIs and is looking for others. “

“I got to move my portfolio a couple percentage points more to 100% impact.”

Talia explains that she was drawn to Invest Eco, her first impact investment, because they were investing in a dairy near her family’s farm. “Having a connection with and understanding of what I was investing in was one of the major wins in finding InvestEco.” While her current portfolio is very diversified, in the longer term, Talia says she would like to have a regionally based portfolio where she can understand and have a connection with her investments. Supporting mission based, regional enterprises is important to her.

Relying on Support Networks

Who do you rely on for support? How have they helped you grow as an impact investor?

While she hasn’t felt a desire to enroll in a formal investment training course (she prefers “learning by doing” and is making her own syllabus of reading material), Talia gets support and education through her relationships. “Toniic has played a huge role in creating a support network, inspiring me, and connecting me with people who are on the same journey. The support, relationships, and mentorship have been extremely helpful.”

Within her own family, she points out that her Dad, brother, and their family advisor have been supportive of her journey.

Talia and her father attended SOCAP together and joined Toniic together. One senses that Talia’s enthusiasm and commitment to making changes is inspiring to her father and to others in her family.

⁶⁵ Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

Eager to pay it forward, Talia says, "My sister will be graduating soon and I'm excited to bring her into this field and partner with her to critically think about our family's collective impact."

Talia characterizes her current journey as one of reflection. Over the last two years she's gained a better understanding of impact investing and now she's developing a personal vision by asking, "what am I passionate/curious about, what are my interests and what do I want to explore? How do I want to build and create value?" She describes her desire to develop her financial portfolio as a part of a more holistic portfolio of her life. She is very self-aware about the journey she is on. Talia recognizes that getting to a portfolio that she is happy with will take time, but she has the patience and tenacity to get there.

Lessons Learned

What recommendations do you have for millennials getting started?

For other millennial investors who might be feeling the weight of their huge responsibility, Talia says, "have an open mind to the opportunity you have to create change in the world. Grab it by the reins, ask hard questions and link up with the people who are asking hard questions."

"Take It From Us"

Some thoughts on how financial advisors and millennial Impact Investors can collaborate

Talia implores advisors to take more of an active role in bringing impact investment options to the table as real options. Rather than being reactive, she asks that they be proactive in their work with clients, sourcing and presenting impact investment opportunities. She recommends that they use their expertise and resources to help develop tools to help families measure impact. "I would encourage them to be ahead of the times instead of behind." •

7. Bridging Philanthropy and Impact Investing

Introducing Sapphira



Age: 31
Domicile: USA
First impact investment: not made yet

COLLABORATION, LEARNING — GETTING TO KNOW SAPPHIRA

Sapphira says she is just in the beginning stages of learning about the impact investing space. Yet the steps she has already taken to expand her knowledge of investing, engage with others in the ecosystem, and foster a collaborative relationship with her financial advisor as she leads her family's foundation all demonstrate that her journey is off to an inspiring start.

As Sapphira was growing up, her parents modeled a life of giving back. She explains that her parents grew up in less fortunate circumstances, and that they attribute their success both to their own hard work and to being fortunate to take advantage of the...

opportunities they were given. This led them to have a passion for giving back by creating opportunities for others, especially by focusing on access to healthcare and education. Speaking about her family's approach to philanthropy, she says, "it's less about giving and more about creating opportunity."

Early Days at the Family Foundation

***How did you get started in your family foundation?
How did that experience help cultivate your interest in impact investing.***

After she earned her master's degree in Public Health and worked for international nonprofits, Sapphira began to run her family's foundation - The Goradia Foundation. "In the beginning," explains Sapphira, "the foundation's role was more passive than it is now, without a clear strategic focus." To bring another level of intentionality to the foundation's efforts, Sapphira asked to do a strategic analysis of their family values, what they were interested in as a family, and where they thought they could be impactful.

Her family was completely on board with this approach. "We're lucky in that we're a small immediate family and more than that, we're lucky that our passions, interests, and values overlap," says Sapphira, which made it possible for them to complete their values analysis for the foundation independently from an advisor. As a family, they decided to focus the first five years of their philanthropic efforts broadly on health and education initiatives, and support models with the potential to scale across India (where her parents are from). Sapphira's experiences running the foundation, attending conferences, and expanding her network led her eventually to impact investing.

"I first learned of the impact investing space as a way to complement our grant making work and tackle a different space on the spectrum of what's possible in terms of

impact in the social sector."

Family Dynamics

***How would you describe your family's initial reaction to the concept of impact investing?
How have you helped influence their perceptions?***

"Being receptive to impact investments has been a process for me and my family," says Sapphira, "As they learn more they gain a better understanding of what impact investing is, and what it can mean for our foundation."

She describes how when she first broached the topic of impact investing with her father, he readily agreed that it was something they could do with the foundation. There was an instance where they had slight differences in perceptions of the value of impact investing for their foundation. In her father's eyes, if the investment failed, then they could have just thought of it as a grant. However, Sapphira has since helped to alter this perception so that impact investments are taken as seriously as other investment opportunities.

In order to present impact investing as a legitimate financial option, Sapphira committed to take the time to learn as much about impact investing on her own as she could, and to finding data and examples of other impact investments to present to her family. Her father was convinced by her presentation and supports Sapphira's efforts, though he is not involved in the impact investments himself. "His mindset is let me explore it on my own; he knows that if I own it then I'll be more involved with it."

Areas of Interest

What investment areas / themes are you most excited about?

Sapphira is excited for the increased impact

opportunities in India that impact investing creates for her family's foundation. She explains that in the health sector, for example, there is a lot of innovation in low-cost interventions through mobile health technology.

"We haven't invested in those concepts before because a lot of them are for profit. So [impact investing] has really opened up the world of what we can participate in now."

"Yes, definitely impact investing will complement the traditional grant making that we're doing," says Sapphira. "I'm looking at impact investing as a spectrum in terms of financial return. Ideally I'd like to make some investments that have a higher likelihood of market-rate return and others investments where you may sacrifice some return, but they'll be more impactful."

Education And Working With Advisors

Have you felt that anything is lacking in your education about finance? Describe the process of bringing your family advisor on board

Part of Sapphira's impact investing education has come through participation in a Harvard course for millennial impact investors. In this course, she says, "I felt like I was at a disadvantage because I didn't speak the same financial language as others." While she has learned more and since discovered that the financial jargon is not as complicated as it sounds, it does present a barrier to entry and limits her confidence in making investment decisions.

"I wish we had had something like this in high school," says Sapphira, "just basic financial literacy."

Another learning experience has come through collaboration with her family office's advisor, who Sapphira says is "coming around" to impact investing. Forming an alliance with

her financial advisor is important to Sapphira because he can provide the financial expertise and support she needs right now on her journey as an impact investor. "I've spent two days with him here in New York, meeting with different funds and things that are very outside my sphere of knowledge." Growing her knowledge of investment practices is valuable to her because, as she says, "You want to understand your investments." Her eagerness to learn from him is part of what has made him receptive to the impact investing ideas she proposes.

Reflections, Recommendations, and The Road Ahead

What challenges do you see ahead of you? What are your impressions of the impact investing ecosystem?

As she considers the challenges she could face in her impact investing journey going forward, Sapphira says that her immediate goal is improving her financial literacy because "it's the first step toward everything else." She's also focused on deal flow. Since the foundation's mission is focused in India, she'd like her impact investments to be in India, which has her wondering how to cultivate a network for finding deal flow and accessing due diligence assistance on the ground. Another potential barrier is having buy-in from advisors and her family, but she admits that is less of a barrier than she previously thought, due to her commitment to learning as much as she can and putting it into action. "I've been given an opportunity to experiment [with impact investing]," she explains, "and if it goes well and if I do it in a meaningful way, I will have buy-in."

Reflecting on the impact investing ecosystem at large, Sapphira notes that a potential problem for the space is that there can be significant difference in how impact investing is perceived among different communities. At the

Harvard impact investing course, she describes how they were looking at impact investing as a financial mechanism, but that is rarely talked about at the foundation philanthropy conferences. Sapphira says if she was exclusively going to foundation conferences, she would not think of impact investing as a way to make financially viable investments. At such conferences, she says, "I've heard 'impact investing is a way of working some social impact into your investments but it's never going to achieve financial returns that are comparable to traditional investments.'" She feels that most people do not understand the spectrum of financial returns possible from impact investments, and this poses a challenge to impact investing becoming mainstream.

Lessons Learned

What recommendations do you have for millennials getting started?

We need a more well-rounded education.

- *"To feel comfortable assessing impact and social metrics and to understand the financial language."*
- *"To be bold and share so that you can learn from others"*



Children served by the Goradia Foundation grantee, Pratham.

"The most valuable thing has been learning from people who have an expertise that I don't."

"Feel comfortable asking questions. Everyone I've spoken to in this space has been happy to answer my questions, and I have been open about sharing my successes as well as challenges."

"Take It From Us"

Some thoughts on how financial advisors and millennial impact investors can collaborate

Clients and advisors can collaborate and learn from each other. By increasing her own knowledge about impact investing, Sapphira found that asking her advisor for input resulted in a two-way education that was mutually beneficial – the advisor provided guidance on the financial terms and Sapphira was able to make the case for impact investing. •

8. Connecting Money with Meaning

Introducing Eric



Age: 37

Domicile: US, New York

First impact investment: negative screened funds and green bonds. First loan was to Impact HUB LA (<http://impacthubla.com>).

First large scale "investment" was Leap Forward.

PERSONAL TRANSFORMATION, TRANSCENDING FEAR, UNLEARNING HIS UNDERSTANDING OF MONEY — GETTING TO KNOW ERIC

In order to model the change he wants to see in the world, Eric has had to confront his attitudes, beliefs, and fears attached to the meaning of money. He had to stop trying to "fix" the problems out in the world and see instead how he was contributing to the survival and scarcity stories of money endemic in our economy.

Like most people, Eric inherited his money stories from his community and family. Eric's grandparents lived through the Great Depression, an era of economic deprivation and uncertainty. This experience influenced his family's perception of money for generations, as it has impacted many other American families. Money meant security and safety, not just for him but also his family...

"I grew up thinking that money was scarce and was the true safety net and that earning money and being safe was the top priority. I never really learned about using money as a tool for empowerment. The current financial system doesn't model that for us. It doesn't model how to use money to really benefit all, to invest selflessly."

Eric's journey has been one of challenging these stories and consciously creating his own identity. Despite having \$4M in the bank, he lived with deep fears of not having enough. Eric believes that this fear lives inside each one of us. Through learning to feel and understand himself, he is discovering his human nature and what drives us to create the financial systems rooted in that fear.

First Steps

"How did your early experiences as a social entrepreneur shape your beliefs?"

After working with medical and biotech companies between the ages of 21 and 26, Eric volunteered in Nepal at an orphanage. This experience was the first step in aligning his investments with his values. He came back thinking, "there has to be a way to mix business skills with social good," which led him to work for Ikatu International from 2008 to 2012, investing in small businesses and human development in Ghana.

Even with four years of exhausting effort and the best of intentions, his efforts did not yield much. Looking back, Eric recognizes that he was trying to solve the wrong problems. He recalls with awe his experiences seeing organizations with the same humanitarian goals fighting over money, resources, and policies; a divisiveness that ultimately weakens their collective efforts. "We had a shared vision, yet we couldn't come together." He began investigating why.

His search led him to study human nature,

starting with his own, and he experienced how his and other's unconscious emotions and associations with money can divide us from each other. He found the root problem.

He feels that a collective effort at a massive scale is needed: "We need to invest the same kind of energy, political will, finances, and manpower that we put towards exploring space and curing crippling diseases like HIV/AIDS towards understanding the neurological, psychological, and cultural reasons why we create and maintain economies that don't work for all." Otherwise, he feels we will "only be moving chairs around the Titanic deck as it is sinking."

Journey Inward

"What was your approach to overcoming your own personal blocks about money?"

"I didn't understand why I was running away from money. I didn't understand why I felt money was a wedge between people. I didn't understand why I had shame and guilt for having money, or why I felt separate from others. I was always looking for an understanding of money and values but didn't know how." To begin to use his money as a tool of empowerment, he had to look at his life experiences that shaped his perceptions of money.

His entry point was taking a close look into his own portfolio. After inheriting money from his father, Eric invested traditionally. Over time, he began shifting money towards impact. Yet years later, he looked closely at his portfolio and was "horrified" – despite his belief that he was investing with his values, he was shocked to see how stuck he was in the old system. Even with an enormous sum of money, he was terrified of losing any of it. "To boil it down, it was a fear of dying. The idea was that if I don't have enough money, I won't have food, shelter, I'd die." He feels this fear is ubiquitous, regardless of wealth.

A breakthrough to overcoming this paralysis came when he met someone who, with unconditional acceptance and support, helped him look at himself honestly in ways he would not have done on his own. The more he worked with her, the more motivated Eric became to look at the mirror unflinchingly and the more he wanted to work with others on a similar journey. Over time, a small group came together to create a non-profit, Leap Forward, with a mission to transform the economic systems (as well as other broken systems) by transforming themselves.

He describes Leap Forward as the “living and breathing embodiment of my values.” He was so inspired by the results of the work, that he offered to donate \$1M. However, the money sat in Eric’s personal bank account for the first year not really available to serve the organization. His founding community that he likens to family was investing their time, talent, and energy towards the organization while earning a living in other ways. A collective decision was made to pay them a fraction on their salary from the Leap Forward fund for one day a week so that they could contribute even more to the organization. This is where the conceptual donation suddenly became a reality and Eric became quite uneasy and his powerful unconscious fears emerged.

“I was so passionate about this project and yet I still had the fear that was ingrained in me since I was a kid,” of losing money, losing safety, losing security. To overcome this, he talked to his community openly and honestly. Even with the support of his team, it took Eric many months to actually transfer the money. This experience was the beginning of a much deeper, and still ongoing exploration about the hidden stories he holds about money.

He believes that this type of honest and painful investigation of the disconnect between who we believe ourselves to be and how we show up in the world is essential for each of us to participate in transforming our economy.

Family Dynamics

What are some of the challenges you face interacting with your family around money matters?

How have you moved past some of those challenges?

Eric’s path forward has been to be clear on his values, pursue authentic conversations with his family and openly share his fears of the conflict that these conversations are going to bring up. While the conversations are terrifying, facing them provides clarity of purpose, self-definition, greater intimacy, and freedom to move forward.

It was clear for Eric that his parent’s traditional investment model did not work for him. In their model, “Money is for creating wealth and philanthropy is philanthropy. Solving deep social issues is not part of the investment equation.” Instead, he had to stand up for his own model, one where “money is only a tool to create both financial and eco-system sustainability for all.”

The beliefs that worked for his parents do not work for Eric, yet the stipulations of his inheritance require him to consult the family on big moves. He battles with questions in this process such as “How can you stand up for your beliefs when they are different than from those who are advising you? How can you love people so deeply and still feel empowered to disagree with them?”

Eric began a series of conversations with his family where he took his stand and conveyed his values. The conversations were challenging, yet in the end, anchored him in his own self-definition and facilitated an even closer and more loving bond between his family members.

Lessons Learned

What recommendations do you have for millennials getting started?

Eric says he feels that the most valuable contribution he can make in the impact investing community is promoting a fearless unpacking of the emotional and psychological hang-ups people experience about money:

"I want to help get the emotional content and the deep-seated fears around money out of the closet, to get these stories and family histories out of the closet so we can have a truly honest conversation about who we are and what we're here to do as an impact investing community." •

VI. CONCLUSIONS AND NEXT STEPS

With an estimated USD \$30 trillion plus transitioning to millennials over the next couple of decades, their values, shaped by their families and informed by a turbulent world, will most certainly drive change in the financial industry. Impact investing appears to offer a meaningful way for millennials to engage their capital and address social and environmental challenges.

In this report we have examined what millennials are investing in, how their values are aligned with their investments, how they are working with their families and advisors, what mechanisms they use to educate themselves about impact investing and what are some of the challenges they face.

The millennials we spoke to are demonstrating a thoughtful, rigorous approach to impact investing. They are investing across asset classes and in a variety of impact themes. Many are early on their journey and anticipate a greater move to impact investing in the next 5 -10 years. Activism, philanthropy, career choices, continuing education, entrepreneurship and impact investing are all parts of a holistic life strategy for the millennials we interviewed.

We find that millennials are seeking more access to tailored capacity building in impact investing; they want education, peer networks and communities of practice to support their impact journeys. This provides opportunities for communities of practice (GIIN, Toniic, MIE, etc.), educators, advisors and others to create unique learning opportunities targeted for millennials. Helping to bridge millennials' desire for impact with impact skills and thought leadership could launch the next wave of innovation in impact.

Millennials have the appetite to influence their families and are feeling push back from their families in moving their assets into impact. They want to collaborate with family members

and we are starting to see millennials and families co-developing effective processes for better communication; finding ways to bridge the generations in impact learning and investment decision making.

All of the interviewees were honest and authentic in recounting their impact journeys. Millennials want advisors and the industry they represent to not only earn their trust, but be willing to be transparent and authentic in their relationships. There is an opportunity for millennials and their advisors to connect and build a relationship through 'shared learning' as well as collaborate around impact investments. Financial advisors, in adapting their practices, and developing collaborative impact investing solutions, can bring significant value to millennial clients.

While the challenges are many, these millennials are demonstrating patience and resilience in moving their impact agenda forward with their families and advisors. As part of the pioneering cohort of millennial investors, their stories will have the opportunity to influence the significant movement of more capital to impact.

Limitations and scope for further research

The Toniic survey, the basis for this report, covers only a small number of millennials (58 respondents). Hence the conclusions drawn, although interesting, are by no means conclusive. The findings within should be seen as qualitative rather than quantitative research. A larger survey would provide greater evidence and lend itself to quantitative analysis.

A future survey of millennials could be supplemented with insights from a broader, more diverse group of millennial investors. For example interviews with:

- Millennials outside of North America and Europe;

- Millennials whose source of wealth is from business, commerce, sport or entertainment; and
- Millennials that are retail investors

Areas for further research that we believe would be of interest include:

1. What is the purpose of the funds that millennials are stewarding and how does this affect their impact investment decisions? *Are they discretionary? Do they depend on this capital for their livelihood? What risk, returns and liquidity timing are they targeting?*
2. Impact investor education for millennials; What exists? What is working well? Where are the shortcomings?
3. Millennials working in impact investing; What are the trends? What implications does this have for the growth and development of the sector?

Next Steps

Business as usual is no longer an option for a significant number of millennials. They are willing to stress test all aspects of their lives

in order to redefine what it means to be a better global citizen. Impact investing offers a powerful way to transform finance and ultimately transform markets for the benefit of people and planet. More and more millennials cannot imagine investing without impact considerations.

Millennials are asking for help. They want to invest in impact along side their families. They value the perspective of investment professionals. And they have heavily invested in educating themselves as best they can, given the lack of concrete impact investing capacity building options.

Family offices, advisors, communities of practice, academia, foundations and employers have the opportunity to step up and provide meaningful support across the nascent eco-system of impact services and thought leadership. If we build it, millennials will come. In fact, they are already here – waiting for us. •

VII. DEMYSTIFYING IMPACT INVESTING: THE TONIIC IMPACT INVESTING GLOSSARY

Term	Definition
Asset Classes	Group of securities that behave in a similar way in the marketplace, have similar characteristics (risk, return, liquidity), and are regulated by the same laws. The three main asset classes are equities, fixed-income and cash and equivalents.
Benefit Corporations (B-Corp)	A benefit corporation is a legal form used by long-term mission and value creating organizations. This form provides flexibility when evaluating potential sale and liquidity options, while offering a solid way of protecting mission through capital raises and leadership changes.
Cash and Equivalents	Being one of the three main asset classes along with stocks and bonds, cash and equivalents are investment securities that have high credit, are short term and are highly liquid. These investment securities have low risk and low return profile.
Community Development Financial Institutions (CDFI)	Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.
Charitable Remainder Trust (CRT)	A Charitable Remainder Trust is a tax-exempt trust designed to reduce the taxable income of individuals, dispersing income to the beneficiaries for certain period and then donating the trust's remainder to a charity. (A term predominantly used in the U.S.)
Convertible Debt	Debt investment that after a specific period may be exchanged for the common stock in a certain portion.
Debt Investment	Debt investments are loans given to finance property or projects. The borrower is expected to pay back the loan, typically with interest.
Demand Dividend	Flexible investment vehicle, where the terms of the investment are adjusted to meet both the need of the enterprise business model along with investor's investment objectives.

Divest / Invest	<p>Divest: Process of selling an asset for either financial or social goals.</p> <p>Invest: Process of purchasing an asset with the hope of generating income or appreciate in the future.</p> <p>The “Divest / Invest” Movement refers to the divestment from fossil fuels and the investment in to clean energy.</p>
Dividend	A dividend is a distribution of a portion of a company’s earnings, issued as cash payments, shares of stock, or other property.
Donor Advised Fund (DAF)	A Donor Advised Fund is a separately account that is maintained and operated by a section 501(c)(3) organization. The account is composed of contributions made by individual donors. The donors retain advisory privileges regarding to where are the funds and investment distributed. (A term predominantly used in the U.S.)
Double-Bottom-Line (DBL)	Double-Bottom-Line refers to a framework that measures entrepreneurial ventures with traditional financial accounting metrics concurrently with social return ones.
Environmental, Social, Governance (ESG)	Set of standards used by impact investors to screen investments with consideration of Environmental, Social and Governance criteria.
Equity Investment	Money invested in the ordinary shares of a company.
Exchange Traded Fund (ETF)	An Exchange Traded Fund is a marketable security that keeps track of an index or a basket of assets like an index fund.
Family Office (Asset Management Structure)	Family offices are private wealth management advisory firms that serve high net worth investors. Family offices are different from traditional wealth management firms in that they offer a total outsourced solution to managing the financial and investment side of an affluent individual or family.
Fixed Income	A type of investing in which real return rates or periodic income is received at predictable intervals and levels, i.e. a ‘fixed’ amount of ‘income’ is received.

Foundation (Asset Management Structure)	There are various kinds of foundations. The "foundation" referred to in this report is a private operating foundation that manages philanthropic and investing activities.
Hedge Funds	Alternative investments using pooled funding that may use a number of different strategies to earn active returns for each of their investors. They are usually aggressively managed or make use of derivatives and leverage in both domestic and international markets intended to generate high returns.
Impact First (Impact Category)	Emphasis on the optimization of social or environmental needs (e.g., Program-Related Investment), which may result in financial trade off.
Impact Investing	Impact investing is the act of investing capital with the deliberate intention of achieving both financial value (return on capital) and social value (positive impact on social and environmental problems).
Individual (Asset Management Structure)	The "Individual" asset management structure referred to in this report is personal assets managed by the asset owner.
Investment Policy	Document drafted between an investment manager and a client outlining general rules for the manager. This rules provide the general investment goals of a client and states the strategies that the manager should implement to reach these objectives.
Investment Strategy	Action plan to guide the decisions of an investment, considering its objectives, risks and future needs for capital.
Microfinance	A type of banking service that is provided to unemployed or individuals who would otherwise not have means to access financial services. Microfinance institutions are often referred to as MFIs.
Millennials	For the purposes of this report, "millennials" is the generation of individuals born between 1975-2005.

Mutual Fund	A mutual fund is an investment vehicle that is made up of a pool of funds contributed by different investors for the purpose of investing in securities such as stocks, bonds and similar assets.
Negative Screening	An approach to determine a potential investment universe by certain negative characteristics – e.g. no tobacco/no defense
Non-Impact (Impact Category)	Emphasis on profit maximization without explicit and intentional regard for social and/or environmental factors.
Portfolio Approach	Investment approach to invest in a variety of asset classes using risk and return characteristics to achieve desired outcomes.
Private Equity	Equity capital that is the one invested directly into private companies or conduct buyouts of public companies that result in a delisting of public equity.
Program-Related Investment (PRI)	Program-Related Investments are made by foundations to further their exempt activities, and involve a potential financial return within a certain time frame. PRIs include financing methods commonly associated with banks or other private investors. (A term predominantly used in the U.S.)
Public Equity	Equity traded on a public stock market.
Responsible (Impact Category)	Also known as Socially Responsible Investing ("SRI") or negative screening.
Shares	Shares are the units of ownership interest in a company or financial asset.
Social Entrepreneurs	Social entrepreneurs are business leaders who provide business solutions to society's most pressing needs.
Social Responsible Investment (SRI)	The process of investing in companies considered as socially conscious. These types of companies are often engaged in social, environmental sustainability and clean energy/technology implementation. SRI can be made in individual companies or through socially responsible mutual funds or exchange-traded fund.

Stock	A stock is a type of financial instrument that indicates ownership in a company and represents a claim on part of the company's assets and earnings.
Sustainable (Impact Category)	Targeting investments best positioned to benefit from the integration of ESG factors and broad-based macro trends.
Term Sheet	Non-binding agreement that sets the basic terms and conditions for an investment.
Thematic (Impact Category)	Focus on issue areas where social or environmental needs offer commercial growth opportunities for market rate return.
Theory of Change	Statement that describes why and how you plan to achieve a desired change using an "if (what should happen), then (outcomes)" logic.
Triple-Bottom-Line (TBL)	Triple-Bottom-Line refers to a framework that evaluates the social, environmental and financial performance of an organization or activity. These three dimensions are commonly called the "three Ps": People, Planet and Profits.
Trust (Asset Management Structure)	An asset structure where a wealth holder gives a trustee the right to hold title to property or assets for the benefit of a third party.
Ultra High Net Worth Individual (UHNW or UNHI)	Ultra High Net Worth Individual (UHNW). A person with investable assets of at least US\$50 million, excluding property such as one's primary residence, collectibles and consumer durables.
High Net Worth Individual (HNW or HNI)	High Net Worth Individual (HNI). Individual with investable assets in excess of US\$1 million, excluding property such as one's primary residence, collectibles and consumer durables.
Venture	Start-up entity created with the intention of having financial profits.

VIII. RESOURCES

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Investor Groups / Clubs (Part 1)

	Clearly Social Angels (CSA)	Go Beyond (GB)	Impact Invest Scandinavia (IIS)	Intelcap Impact Investment Network (I3N)	Investors' Circle (IC)	PYMWYMIC Investor Club	TONIIC
							
Website	www.clearlysocialangels.com	www.go-beyond.biz	www.impactinvest.se	www.intelcap.com	www.investorscircle.net	www.pymwymic.com	www.toniic.com
Location of members	UK	Europe, US	Scandinavia	India	US	Benelux	Global
Location of investments	UK	Europe, US	Scandinavia and global	India, East Africa	Global	Global	Global
Description	UK-based network of angel investors supporting impact-generating enterprises.	Angel investment platform/network with virtual impact investor groups. Provides access to tools, training, and experienced angels.	Network of private and institutional investors located in Sweden and Norway. A partner network of TONIIC.	Angel investor network of 30+ HNWLs and institutional investors (both local and global).	Network of 190+ US angel investors, professional venture capitalists, foundations and FOs. Consists of regional networks across US.	Community of 130+ Benelux families, philanthropists, and individual impact investors.	Community of 360+ private and institutional impact investors. Also home to the 100% Impact Network, a group of 80+ asset owners who have committed 100% of their assets to impact.
Investment types	Direct investments in early-stage businesses (equity/debt).	Direct investments in early-stage businesses/start-ups (equity).	Direct and fund investments.	Direct investments (equity) in early-stage enterprises.	Direct investments in early-stage companies (equity/debt), select impact funds.	Direct early-stage/growth investments (equity) and select impact funds.	Broad range with focus on direct and fund PE investments.
Investment size	Syndicate: £250,000–£1.5m; individually: £20,000+.	Syndicate: 50,000– 2m; individually: 4,000+.	Syndicate: 15,000– 10m; individually: no minimum.	Syndicate: up to US\$1m; individually: 25,000+.	Syndicate: US\$50,000–US\$3m; individually: US\$5,000–US\$100,000.	Syndicate: 50,000– 2.5m; individually: 10,000+.	For PE investments: syndicate: up to US\$10m individually: US\$25,000+.

Jaquier, Julia Balandina, *Catalyzing Wealth for Change: Guide to Impact Investing for High Net Worth Individuals, Family Offices, Foundations, and Businesses*. 2016. (www.guidetoimpactinvesting.net)

Investor Groups / Clubs (Part 2)

Investment process	Deals sourced via members and ClearlySo, which performs the preliminary screening. Approved investment opportunities are presented at the CSA monthly meetings. If interested, members take the lead in due diligence and term-sheet negotiations.	Deals sourced via members, referrals, and funding requests. Preliminary reviews performed by screening committee (members + GB staff). Final due diligence undertaken by members. GB supports due diligence, and preparation and execution of exit.	Deals sourced via members and Tonic. Members meet 6 times per year, collaborate on/share due diligence and co-invest. IIS supports members in due diligence, links to service providers and tracks the impact of members' investments.	I3N leverages the Intellect ecosystem to generate/vet investments. Five pre-selected deals presented at quarterly calls with members in India and, bi-annually, in East Africa. I3N facilitates due diligence and negotiation of terms.	Deals sourced via members and 50+ partners (500 per year). IC provides GIIIRs impact rating for all deals presented at Venture Fairs and facilitates group due diligence through its online platform. IC members invest in 15+ deals per year.	Members offered 10 deals annually, selected from a pipeline of 300+ international applicants based on seven Pymwyc criteria. Final due diligence undertaken by members.	Deals sourced via members, partners, and online applications. Vetted deals added to the platform. Tonic hosts 10+ pitch events and 30+ other member events/webinars annually. Collective portfolio reporting/impact measurement conducted by TONIC Institute.
Member criteria	Accredited/qualified individual investors. Members are expected to commit to one deal per year, and to share due diligence.	Accredited/qualified individual and family offices.	Accredited/qualified investors.	Accredited/qualified individual and institutional investors.	Accredited/qualified investors (as defined by Regulation D of the SEC). Members are strongly encouraged to make investments.	Accredited/qualified investors. Three types of membership: families and foundations, individual investors, select institutions (2%). All members are interviewed before joining.	Accredited/qualified individual and institutional investors. Commitment to contribute to 2 deals per year after first year of membership; willingness to share expertise, due diligence, and terms of investment.
Membership fees	£1,000 (+VAT) annually.	Annual fee of 2,500 plus 20% profit sharing at exit (with 8% hurdle) or Pay per Use option for training, access to investments, and other investment services.	1,250 + VAT annually for individuals/small organizations (<20 employees); 2,500 for larger organizations (20+ employees).	No fees	Individual membership: US\$1,000 one-time fee + US\$2,000 annual fee. Institutional membership: US\$5,000 annually (covers 5 people).	Annual membership fees: 3,000 (families and foundations); 1,500 (individual investors); 10,000 (institutions).	Individuals: US\$5,000 annually; institutions: US\$10,000 annually. Discounts for members that host events/bring new members/originate deal flow.

Jaquier, Julia Balandina, *Catalyzing Wealth for Change: Guide to Impact Investing for High Net Worth Individuals, Family Offices, Foundations, and Businesses*. 2016. (www.guidetoimpactinvesting.net)

IX. EDUCATION AND EVENTS

Category	Name	Location	Website	Description
Education	Case i3	Durham, NC, US	http://sites.duke.edu/casei3	CASE i3's mission is to establish a rich set of resources and activities for MBA students, entrepreneurs, investors, funders, academics and policymakers to explore and support the field of Impact Investing over its critical period of development over the next 5-10 years. This is the first comprehensive global program at a top 10 business school in the US to blend academic rigor with practical knowledge on the emerging field of Impact Investing across three main audiences: MBA students, academics, and professional investors and practitioners.
Education	Chicago Booth Impact Investing Seminar	Chicago, IL, US	https://chicagoboothsei.sched.org/event/993d2dbffc58ff0e9df-897e1247cdb1	This unique seminar will provide students with a framework to understand impact investing and the skills to source, evaluate, and measure opportunities in the space.
Education	Columbia Business School	New York, NY, US	http://www.columbiaimpactinvesting.org/	CI3's mission is to inspire and prepare Columbia University's graduate students for leadership and professional roles in impact investing and social entrepreneurship. CI3 organizes semester long consulting projects with impact investors and social entrepreneurs in which selected students acquire experience in working with and consulting for real-life actors in the social impact arena. CI3 additionally hosts a variety of career panels and speakers throughout the year to engage the student body with professionals in the field for an integral learning experience and professional development.
Education	Coursera	Online	https://www.coursera.org/learn/philanthropist/lecture/W8T81/social-impact-investing	A free Stanford sponsored lecture about social impact investing as part of a larger Philanthropy online course

Education	Duke Fuqua MBA	Durham, NC, US	http://sites.duke.edu/casei3/about-case-i3/case-i3-by-the-numbers/	The Duke MBA Program course catalog includes impact investing studies. Impact investing is introduced to all MBA candidates.
Education	Emory Goizueta Business School	Atlanta, GA, US	http://goizueta.emory.edu/faculty/socialenterprise/courses/index.html	Emory Goizueta Business School course catalog includes impact investing studies.
Education	Frontier Market Scouts	US	http://www.miis.edu/academics/short/frontier-market-scouts	The Frontier Market Scouts training and fellowship program has trained more than 300 professionals and served more than 100 different social enterprises in 20 different countries around the world since its inception. FMS received a 2013 Cordes Innovation Award from AshokaU and has now become the flagship program of the newly launched Center for Social Impact Learning at the Middlebury Institute of International Studies at Monterey (MIIS).
Education	GRM International - Introduction to Impact Investing	Bangkok, Thailand	http://www.grminternational.com/detail/an_introduction_to_impact_investing#sthash.Dpr3Vm9i.dpuf	GRM International hosts a 2-day training workshop in Bangkok, Thailand exploring the subject of impact investing at an introductory level for both development and private sector professionals.
Education	Harvard Business School	Cambridge, MA, US	http://www.hbs.edu/	The Harvard MBA Program course catalog includes impact investing studies.
Education	Impact Investing Latin America	São Paulo, Brazil	http://www.impactinvesting.com.br	The IILA Platform provides a neutral, non-profit oriented platform of research that goes beyond academic circles and that intends to act as catalyst in order to drive Impact Investing from margin to mainstream.

Education	Impact Investing Strategy for the Next Generation Program	Cambridge, MA, US	More information provided later in this section on p. 76-77.	An annual program organized by the Initiative for Responsible Investment at the Center for Public Leadership, Harvard Kennedy School. The program theme is to engage Next Gen members of high net worth families on impact investing through research and capacity building.
Education	Master of Social Investment and Philanthropy - Swinburne University	Melbourne, Australia & Malaysia	http://www.swinburne.edu.au/study/course/Master-of-Social-Investment-and-Philanthropy-MA-SIP/local	The Master in Social Investment & Philanthropy program provides a sound theoretical and practical foundation for the successful practice of social investment within social enterprise.
Education	My Impact Academy	Online	http://myimpact-academy.com/	Online courses about philanthropy and impact investing.
Education	Northwestern Kellogg School of Management - Social Impact	Evanston, IL, US	http://www.kellogg.northwestern.edu/departments/seek.aspx	Kellogg created the Social Enterprise program in 2005 to provide a rigorous, relevant experience for students interested in the intersection between management and society across all organizations and industries. Today, Social Impact is focused on building leadership skills and awareness to help Kellogg graduates be socially responsible global leaders. Impact Investing is offered as one of the courses in this curriculum.
Education	Oxford Impact Investing Program - Said Business School	Oxford, England, UK	http://www.sbs.ox.ac.uk/programmes/execed/iip	The Oxford Impact Investing Programme provides a unique opportunity to develop a deep and broad understanding of the sector. We debate workable solutions to complex endemic problems, discuss innovative impact investments from around the world, and develop impact measurement tools. Our focus is on developing the practical skills essential to yield maximum social, environmental, and financial results.

Education	Presidio Graduate School	San Francisco, CA, US	http://presidio.edu/academics/mba-sustainable-management/curriculum	Presidio Graduate School educates and inspires a new generation of skilled, visionary and enterprising leaders to transform business and public policy and create a more just, prosperous and sustainable world. Through innovative MBA and MPA and research programs, PGS activates students and professionals across a range of disciplines, industries and sectors to bridge the gap between commerce and the common good.
Education	Stanford University	Stanford, CA, US	http://explore-courses.stanford.edu/	The Stanford MBA Program course catalog includes impact investing studies.
Education	The Haas Impact Investing Network	Berkeley, CA, US	http://socialsector.haas.berkeley.edu/programs/haas-impact-investing-network.html	The Haas Impact Investing Network (HIIN) provides MBA students with first-hand experience in impact investing. HIIN is part of an international network bringing together socially minded MBA students from top business engaged in the process of impact investing. This program is run by MBA Impact Investment Network and Training (MIINT) in partnership with Bridges Ventures, an impact investing firm led by Brian Trelstad, former Chief Investment Officer of the Acumen Fund.
Education	The Social Enterprise Institute - Northeastern University	Boston, MA, US	http://www.northeastern.edu/sei/impact-investing/	The Social Enterprise Institute challenges its students to not only study impact investing, an emergent field within social entrepreneurship, but to apply the strategy to global poverty in: Social Impact Investing – Connecting Compassion and Capital, Impact Investing and Social Finance, and Advanced Topics in Social Entrepreneurship in Developing Countries.

Education	Toniic ImpactU	Santa Clara, CA, US & Global	http://www.toniic.com/about/impactu-impact-investor-education/	ImpactU is a local and global impact investor-led educational program incubated at Santa Clara University. Designed as a dynamic framework, course material is delivered in a tiered learning format: A 3-day The Essential Impact Investor Practicum and a 1 to 3-day Impact Professional Essential Series.
Education	University of Cape-town Graduate School of Business	Capetown, South Africa	http://www.gsb.uct.ac.za/e.asp?c=864	Impact Investing in Africa is a brand new short course at UCT's GSB. In this course, wealth managers, consultants, funders, lawyers and other financial intermediaries will gain an understanding of the rapidly emerging field of impact investing and its ecosystem globally, with a specific focus on Africa.
Education	University of Pennsylvania - Wharton MBA	Philadelphia, PA, US	https://socialimpact.wharton.upenn.edu/programs/impact-investing/	Wharton's strong history with financial research and the financial services industry provides a unique opportunity to examine impact investing. This multifaceted program advances the science of impact investing by training students—the next generation of investors—to combine financial expertise with an understanding of social problems, change strategies, and impact evaluation.
Education	University of Utah - Eccles School of Business - University Impact Fund	Salt Lake City, UT, US	http://www.uventurefund.com/uif	University Impact Fund (UIF), a University Venture Fund affiliate, was launched in May 2010 in order to establish the benchmark educational program for impact investing and social entrepreneurship. Leveraging UVF's proven student training and investment model, UIF includes social enterprise training and expertise to provide value-added due diligence to its clients and will raise a fund to co-invest alongside leading social venture capital and impact investing firms.

Education	University of Utah - Sorenson Center	Salt Lake City, UT, US	http://sgii.center.com/	The mission and purposes of the James Lee Sorenson Global Impact Investing Center (SGII Center) are to accelerate and advance the understanding and application of principles of free enterprise to create scalable and sustainable, global societal change. SGII's Student Associates collaborate with leading social venture funds, banks, foundations, consulting firms and social entrepreneurs to identify, fund, and grow businesses that have a social impact.
Education	Unreasonable Funder Boot Camp	Global	http://stealth.unreasonableinstitute.org/funder-boot-camp/	Funder Boot Camps are single-day events designed to give those with little or experience in investing in international social or environmental companies (i.e. the type of companies Unreasonable Institute supports) a chance to learn what it takes and what goes into making direct investment into such businesses. We bring in seasoned funders (angels, foundation leaders, fund managers) to teach you what it takes and give you tools to make it easier.
Education	Yale Management School	New Haven, CT, US	http://som.yale.edu/faculty-research/our-centers-initiatives/program-entrepreneurship/curriculum	The Yale Management Programs course catalog includes impact investing studies such as a course that explores the current role of impact investing in developed economies, with particular focus on the United States. The course will cover impact investing across multiple asset classes with a focus on venture capital impact investing. The creation and measurement of social impact, as well as the limited partner perspective are also explored. Assignments are created to mimic the real-world tasks and challenges in impact investing across multiple roles, debate the issues those in the field grapple with today and encourage students to explore how the industry can be expanded.

Event	Opportunity Collaboration	Cancún, Quintana Roo, Mexico	http://opportunitycollaboration.net/	Opportunity Collaboration annually convenes 400 global leaders building sustainable solutions to poverty. They engage social entrepreneurs, innovative nonprofit executives, grant-makers, impact investors, corporate & academic field-leaders, and aligned media working around the world to solve common challenges and spark new opportunities.
Event	Pymwymic Impact Days	Amsterdam, Netherlands	http://impactdays.org/	pymwymic Impact Days is Europe's most creative and focused gathering for impact investors. It is an annual gathering in April to learn, share deals, and welcome new investors to impact.
Event	Social Capital Markets (SOCAP)	San Francisco, CA, US	http://socialcapitalmarkets.net/	Since 2008, SOCAP has created a platform where social impact leaders can connect and present their ideas to a global audience. The annual flagship event in San Francisco is the largest conference for impact investors and social entrepreneurs and has drawn more than 10,000 people.
Event	Sustainable Investing Competition	Kowloon, Hong Kong	http://sustainableinvestingchallenge.org/	The Morgan Stanley Sustainable Investing Challenge harnesses the power of capital markets and student creativity to create positive impact in a world of perpetual resource scarcity and continued population growth. A pitch competition for graduate students, the Morgan Stanley Sustainable Investing Challenge focuses on developing institutional-quality investment vehicles that seek positive environmental or social impact and competitive financial returns.

Event	Unreasonable Investor Days	Boulder, CO, US & Global	http://stealth.unreasonableinstitute.org/investor-days/	At Unreasonable Investor Days we unite Unreasonable Ventures that are tackling major social and environmental problems around the world with investors, angels, foundations. The goal? To mobilize capital to create massive global impact. It's not about pitches. It's about action.
Event	MBA Impact Investing Network & Training (MIINT)	Philadelphia, PA, US	http://www.themiint.org/	The MBA Impact Investing Network & Training (MIINT) is an experiential lab designed to give students at business and graduate schools a hands-on education in impact investing. MIINT culminates in a competition where teams present early stage investment recommendations to the judging committee composed of industry leaders for a potential investment of up to \$50,000.

The Harvard Kennedy School Program: Impact Investing Strategy for the Next Generation

Impact Investing Strategy for the Next Generation program, organized by the Initiative for Responsible Investment at the Center for Public Leadership, Harvard Kennedy School

Program Theme: Through research and capacity building, engage Next Gen members of high net worth families on impact investing.

Participants: Annual cohort of 20 – 30 participants who have the potential – even if as yet unrealized – to mobilize significant capital to impact investing.

Program Structure: Three day retreat at the Harvard Kennedy School followed by a guided six month due diligence exercise, concluding with a three day retreat to workshop the experiences from the intervening efforts and explore concrete personal strategies for mobilizing family capital into impact investing.

Areas covered in the initial 3-day education module:

1. Landscape, values, developing an investment strategy and investment policy statement
2. Hiring and working with advisors
3. Execution: sourcing and filtering, concept approval, undertaking due diligence. Demystifying the process.
4. Family dynamics. Leadership and framing in families. Addressing family dynamics and organizational barriers.
5. Financial analysis in impact investing. Understanding risk/return profiles. Detailed assessment of impact investing across all asset classes.

The 6-month guided due diligence program involves:

1. Small groups of participants working together with an industry mentor to assess an Impact Fund. Review data rooms, optional site visits and complete an investment memo to be presented to a mock Family Office Investment Committee.
2. Develop a dream investment policy and go on a listening tour within the family. What could the assets look like in the future and what needs to be done to get there?

Participants then present back to the group during the final 3-day retreat for peer testing and further development.

For other impact investing resources, refer to directories such as ImpactSpace (<http://impactspace.com>), ImpactBase (www.impactbase.org), or Invest With Values (<http://investwithvalues.com>).