What is impact investing?

- Investments are motivated by the motivation to create social good
- Financial and societal returns are measured
Impact investing

Source: Acumen Fund
Why impact investing?

- Private investment to tackle social challenges can create tremendous social change
- Competitive advantage
- Huge generational wealth transfer Gen X and Millennials will inherit $41 trillion

Millenials: Primary Purpose of Business
Where are impact investors putting money?

- 2012 survey by JP Morgan
  - $46 BN
  - 50% fund managers; 22% foundations
    - 50% want competitive market rate
    - 23% close to market rate
    - 23% capital preservation

- Where the money goes
  - 21% to Microfinance
  - 21% Financial Services
  - 11% Energy
  - 8% Housing
  - Food & Agriculture; Health; IT; Sanitation; Education etc
Social Venture Partners Seattle

- Connect and engage philanthropists
- Fund and strengthen nonprofits
- Invest in collaborative solutions

AMPLIFY IMPACT

- Kids ready for Kindergarten
- Students college or career ready
- Sustainable communities
Thank you

Questions?

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Spectrum of Social Investing

- **Pure Social**
  - Philanthropic Donations: Pure charitable giving with no expectation of financial return.
  - Venture Philanthropy: Donations are given as seed capital with the expectation of operational sustainability through mentoring by investors.
  - Program-Related Investing: Return of at least the principal is expected; possibility of market return, as well as social performance.

- **Impact Investing**
  - Investments in companies whose primary goal is delivering social and environmental good, whilst also delivering competitive market returns.

- **ESG Investments**
  - Limiting investments to companies who track and evaluate their performance against key environmental, social and governance metrics.
  - “Do no harm” investing in listed stocks that avoid ethically and environmentally questionable companies (e.g., tobacco, coal, casinos).

- **Pure Profit**
  - Socially Responsible Investments.
  - Traditional Investments.

Source: Avantage Ventures Analysis 2011
What are impact investors looking for?

• Financial returns
• Impact intentionality
• Direct impact