



# Community/Impact Investing Overview

SRI in the Rockies 2011

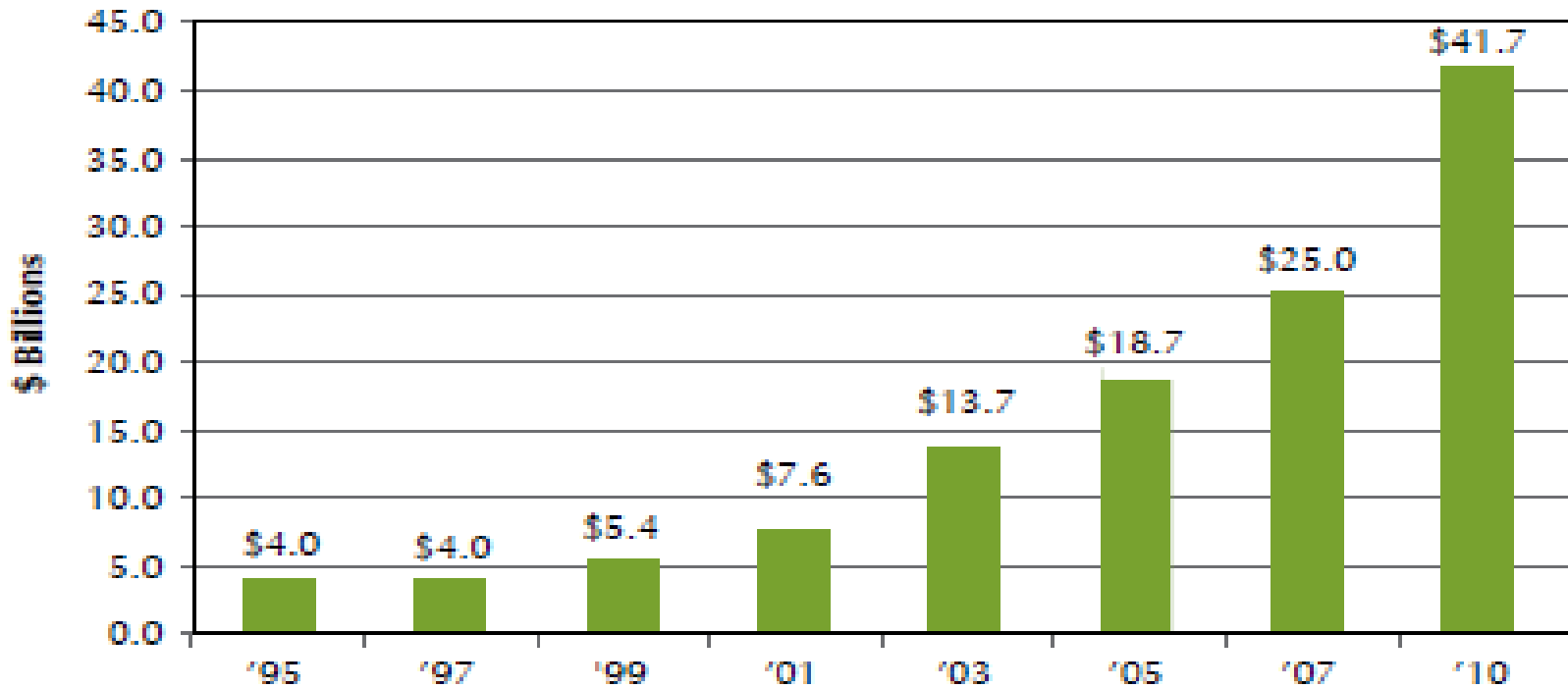
Justin Conway

# What is Community and/or Impact Investing?



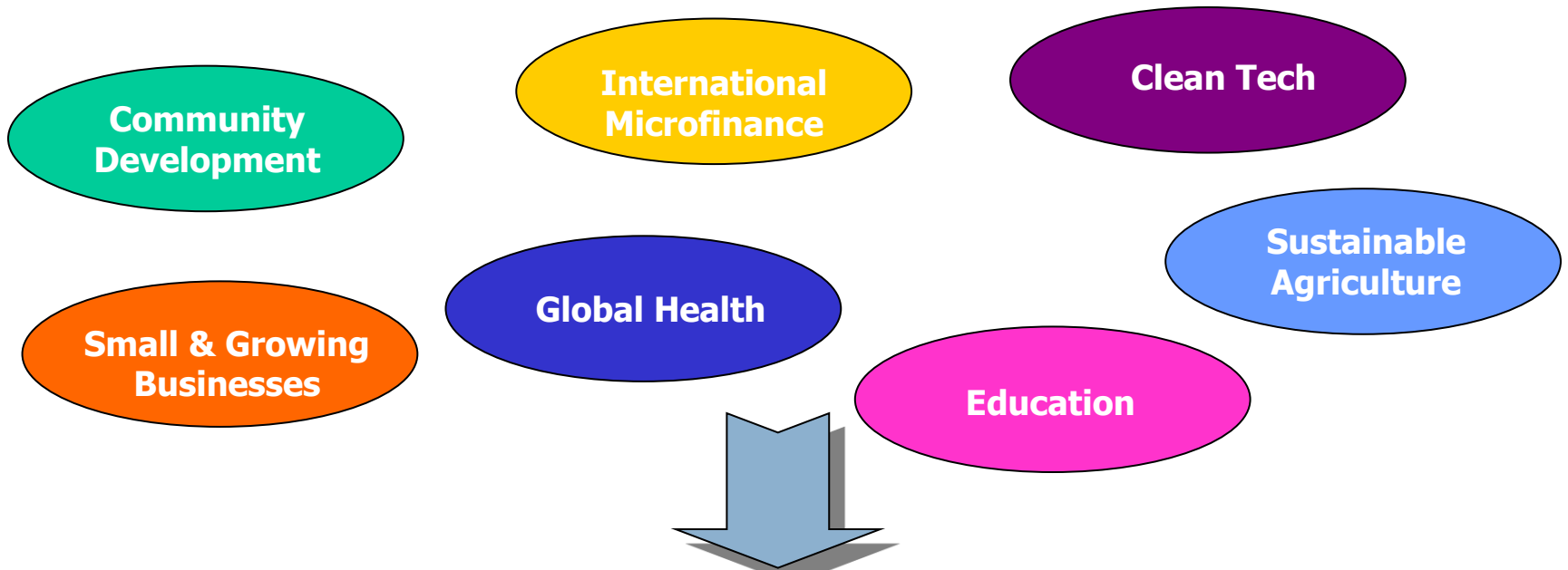
- Investment that delivers a social and financial return:
  - Provides a hand-up to people and enterprises left out of financial mainstream
  - Provides a range of financial returns across traditional asset classes
  - Mostly private debt and equity deals, increasingly accessible
- Burgeoning industry of innovative business models to address pressing social and environmental challenges
- Always has been and always will be part of sustainable investing

# Industry Growth



Source: Social Investment Forum Foundation's *2010 Report on Socially Responsible Investing Trends in the United States*

# Impact Investing Sectors



Impact Investing:  
Over \$100 Billion Now, \$100s Billions of Market Opportunity

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	Liquidity	Income & Wealth Preservation			Capital Appreciation & Wealth Growth			Inflation Protection	
	Cash/Cash Alternatives	Notes / Other Debt Obligations	Bonds	Absolute Return / Low Equity Correlated	Public Equity	Equity Long / Short	Private Equity	Real Estate	Commodities Timber & other Real Assets
Climate Change	Green Bank Deposit		Tax-exempt Green Bonds	CO <sup>2</sup> Trading	Pos. & Neg. Screening		Clean Tech Venture Cap.	Green REITs	
Energy			Screened Corporate Bonds	Alternative Energy Project Fin.	Exchange Traded Funds (ETF)	Renewable Energy	Energy Efficiency Venture Cap.		Sustainable Feedstocks
Water			Corporate Infrastructure Bonds	Water Treatment Project Fin.	Unit Invest. Trust, Closed-End Funds	Water Funds	Water Technology Venture Cap.		Water Rights
Community Development	Community Bank CDs	Foreclosure Repair		Microfinance Institutions Debt	Shareholder Proxy Voting		Community Development Venture Cap.	Transportation – Smart Dev. Funds	
Social Enterprises		Social Enterprise Credit			Micro-Cap Listed Social Companies		Small & Medium Enterprise	Conservation/ Ecotourism	
Health & Wellness				Structured Public Note			Consumer Product Venture Cap.	Organic Farming	
Sustainable Development	Trade Fin. Guarantee / Deposit		Smart Growth Muni Bonds	Blended Debt Equity Hybrid Structures	Thematic Screening			Ranch Land, Agriculture	Sustainable Timber
Education	Linked Deposit / Guarantee		Charter School Bonds				Education Private Equity	University Green Bldg.	

Social, Environmental or Blended Impact Themes

# Opportunities



- Growing interest: \$120+ billion investor demand\*
- Growth of products across various asset classes
- Growing support from:
  - Mainstream financial firms
  - Government: CDFI Fund, SBA, White House
  - Individual and institutional investors
- Opportunities for advisors:
  - Differentiator
  - Client relationship-builder
  - Investors want to transact through advisors\*

\* Source: Hope Consulting's *Money for Good Report*

# Challenges



- Awareness: new language + new players/products = confusing
- Infrastructure: creating products and standards
- Intermediation: making it convenient

“There’s plenty of quality product on one end of the hourglass and lots of prospective clients on the other end. In the middle, there’s a bottleneck and that bottleneck is the investment professionals in this country.”

– Steve Schueth, President, First Affirmative Financial Network,  
Monitor Institute’s *Investing for Social & Environmental Impact*

# Resources



- Global Impact Investing Network [www.thegiin.org](http://www.thegiin.org)
  - Research and standards for industry, [www.impactbase.org](http://www.impactbase.org)
- Calvert Foundation [www.calvertfoundation.org](http://www.calvertfoundation.org)
- Impact Assets 50 [www.impactassets.org](http://www.impactassets.org)
- SRI in the Rockies:



# About Calvert Foundation



- For 16 years, Calvert Foundation and its subsidiaries have been pioneers in offering investment that delivers a financial and social return.
  - Over \$400 million under management
  - More than 8,000 investors, specialize in working with advisors
  - Investment in more than 200 organizations around the world
  - No investor has ever lost money
  - Portfolio losses of less than 1%

**19,910 homes built/rehabilitated**

**7,300 small businesses funded**

**34,100 JOBS CREATED IN THE U.S.**

**304,000 microenterprises launched**