



INVESTABLE SOLUTIONS WORKING SESSION NOTES

August 30, 2017

The Good Capital Project (GCP) Design Lab hosted the working group of the “Investable Solutions” Grand Challenge on August 30th at our offices in New York City. We were pleased to welcome such a diverse range of constituents, coming from across academia, impact investment funds, investment and intelligence platforms, development organizations, banks, and asset management.

Objectives

- Landscape existing initiatives, determine how GCP can add value.
- Create matrices of investment themes by asset class, size, geography, and investment vehicle. Discuss scalable platforms that have been developed to accommodate these investments. **Attached a table of platforms, we would appreciate any additional input.**
- Identify key priorities for the “Investable Solutions” Grand Challenge, to be announced at SOCAP17.

DISCUSSION NOTES

John Morris of **SOCAP Group** moderated the discussion and started the session by providing context for the Investable Solutions Grand Challenge. He outlined different stages for impact investors: **Introduction** through purpose and mission. **Strategy**, influenced by financial advisory and research. And lastly, **execution**.

The purpose of “Investable Solutions” is to aid and ease execution of investors’ choices and the working group session was intended to curate priorities to this end.

Brian Walsh of **Liquidnet** observed the existence of perception bias around the “impact” label - too often impact lies in the eye of the beholder. Since there is no “high counsel on impact” and the impact tent is expanding, there is rising concern around the term. Concessionary vs. non-concessionary is a long, frequently recurring debate. He suggested the GCP should strive to bring clarity to the debate.

Satyajit Bose of **Columbia University** noted that often it is the stories of impact - and not so much the risk-return paradigm - that drives investors towards impact investments.

Participants

Armeni, Andrea
Transform Finance

Bailey, Richard
UNDOCO

Bayat-Renoux, Fiona
UN Women

Bonnell, Alexis
USAID

Bose, Satyajit
Columbia University

Boyer-Olson, Dash
Merrill Lynch

Evans, Sarah
Well Aware

Demers, Michelle
Boundless Impact
Investing

Gupta, Bulbul
Social Impact Advisor

Hogan, Will
Amalgamated Bank

Kesselman, Tami
UN Social Impact Fund

Meyers, David
UNDP

Reed, Lindsey
Well Aware

Sridharan, Ranjani
Distributed Sun LLC

St. Onge, Katherine
Calvert Foundation



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He suggested the community should develop broad themes of impact investment – like labor, clean water, girls’ education – and offer one metric for each of the themes. This will offer a sufficiently diverse range of options to investors who are driven primarily by specific issues. Continuing the thread on the role of narrative in impact investing, **Tami Kesselman** of **UN Social Impact Fund** suggested we should connect the SDGs to better storytelling. There should, she said, also be more focus on short-term vs. long-term, alpha, and beta of returns in the evaluation matrix of impact investments. **Richard Bailey** of **UNDOCO** noted the broader UN’s interest in engaging with the private sector, specifically the impact investing community, in order to drive solutions for the UN SDGs. **Reggie Stanley** of **ImpactUs** said although it is important to focus on language and uniform syntax, we should not get too caught up in that pursuit. He would rather move the conversation ahead by concentrating on solutions and actual tangibles to support a broad base of impact.

Fiona Bayat-Renoux of **UN Women** stressed the importance of an international focus and promoting women’s empowerment through investable products and solutions. **Bulbul Gupta** stressed the importance of greater diversity in the impact investing space. She noted the opportunity for Investable Solutions to democratize the effort to increase diversity in our community. **Pamela Jacobs** of **Investnet** strongly urged the “Investable Solutions” working group to curate a MVP list of impact terms. She also stated the urgent need of a roadmap for advisers and investors.

The discussion shifted to focus on product origination. **Caroline Vance** of **Deutsche Bank** shared two primary challenges she encounters – getting critical mass of internal traction for impact investment products, and sourcing scalable impact deals. To address the problem of lukewarm reception towards impact investment in big banks and asset managers, Caroline would like to see more training programs geared towards institutional sales personnel along the lines of training programs for RIAs (Registered Investment Advisers). She hoped the GCP effort will produce more investable solutions for their funds. The need for educating investors and financial advisers was echoed by **Katherine St. Onge** of **Calvert Foundation**. The importance of product design to achieve scale was emphasized by **Dash Boyer-Olson** of **Merrill Lynch**. He lauded the product design model of Calvert highlighting the need to design deals that incorporate institutional ratification.

Alexis Bonnell of **USAID** submitted The Global Innovation Exchange, which has 6,000 ideas and tracks, as an example of where to find “business intelligence” on de-risked scenarios where first loss, and contingent based financing may be optimal. The platform also showcases the availability of non-diluted capital for innovators and social entrepreneurs.

Participants

Shin, Julia
Enterprise Community
Partners

Stanley, Reginald
ImpactUs Marketplace

Vance, Caroline
Deutsche Bank

Walsh, Brian
Liquidnet

GCP Design Lab

Danner, Chris

Dasgupta, Sharadiya

Haynie, Robert

Morris, John

Schade, Holly

Julia Shin of **Enterprise Community Partners** emphasized the importance of a platform to better showcase impact products like the affordable housing PE fund that Enterprise Community has developed. In the same vein, **David Meyers** of **UNDP** recommended that the impact community should focus on taxonomy and on cataloging potential investments and deals in categories that are searchable.

Will Hogan of **Amalgamated Bank** stressed the importance of partnering with membership associations like the **CFA** (Chartered Financial Analyst), and **CAIA** (Chartered Alternative Investment Analyst). He also highlighted the need for “better intermediation on current intermediaries” through common data and common standards initiatives.

The last hour of the conversation focused on how Good Capital Project can advance the cause of better designed and more accessible impact products. Participants wanted GCP to use its convening and networking to shed light on some of the most pressing need gaps of the ecosystem. In some cases, team members had a wish list of initiatives that they want GCP to support through building partnerships and driving collaboration.

5 KEY RECOMMENDATIONS

1. Establish an initiative to drive training of financial advisors and investors expand awareness, education, and demand for impact products. A catalogue of blended value success stories should be included in these training modules.
2. Bring broker-dealers – who often act as gatekeepers – into the impact tent.
3. Incorporate SDGs with impact products for more powerful communication and perspective.
4. Facilitate and drive collaboration throughout the impact supply chain to develop smarter and more efficient distribution of impact products.
5. Develop due-diligence expertise for greater platform functionality.

NEXT STEPS

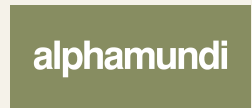
Many interesting ideas and likely solutions emerged from the working session’s robust conversation. The GCP Design Lab is thrilled to take these ideas forward to SOCAP in October and continue gathering input from the community. At SOCAP, the working group will reconvene to further discuss these proposed ideas and narrow down priorities that the GCP Design Lab will then, in partnership with other stakeholders, advance to the prototype and testing stages. We will be hosting working sessions of the other Grand Challenges soon. Once we identify key outcomes of each Grand Challenge, we will explore the shared synergies and whenever needed, we will leverage cross-functional expertise to develop, and promote initiatives.



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THANK YOU

Thank you to our attendees and project participants for your knowledge, insight, and time. These meetings are a testament to this community's shared goals and ideals. Thank you to **Ranjani Sridharan** for her creative input to the platform mapping exercise. Thank you also, as always, to our sponsors who enable us to continue this work. **If your organization is interested in discussing sponsorship or partnership opportunities**, please contact Sharadiya Dasgupta at sdasgupta@socap.group.



PLATFORM MAP

The GCP Design Lab, in collaboration with project participants, has been mapping current platform in order to understand capabilities, gaps, and opportunities. Please feel free to contribute, this is always a work in progress.

PLATFORM	Accredited Investor	Non accredited investor	Debt	Private Equity	Public Equity	Funds	MFI	DAF	Due Diligence	Market Intelligence	Research	Regional Focus
Brokers or Authorized Custodians												
ImpactUs	Yes	yes	Yes	Yes			No	No		Yes	Yes [1]	WW
OpenInvest	Yes	Yes	Yes		Yes		No	No		Yes	Yes	WW
Enable Impact orth Capital Private Securities Corporation CPS	Yes	No	Yes	No				No	Yes	Yes	No	WW
MOTIF		Yes										
Swell	Yes	Yes	No	Yes	Yes		No	No	Yes	Yes	Yes	WW
Impact Assets	Yes	No	No	No			No	Yes		Yes	Yes	WW
Envestnet	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	WW
SVX	Yes	Yes	Yes	Yes			No	No	Yes	Yes	No	Canada
Social Stock Exchange	Yes	Yes	No	No			No	No	No	Yes	Yes	UK
Impact Exchange IX	Yes	Yes	Yes	Yes			No	No	Yes	Yes	Yes	East Asia
Kuntur	Yes	Yes	Yes	Yes	No	No		No				LAR
Resource and non Regulated Exchanges											No	
Global Innovation Exchange SAID			Yes	Yes	No	No	Yes	No		No	No	
Market Intelligence Due Diligence Platforms P												
Boundless Impact Investing									Yes	Yes	Yes	WW
Investor Flow										Yes	Yes	WW
Artha Platform	Yes	No	Yes	Yes			No	No	Yes	Yes	Yes	India
iPAR Impact												
Impact Investment Databases P	Yes	Yes							Yes	Yes	Yes	WW
US SIF									No	Yes	Yes	WW
GIIN s ImpactBase									No	Yes	Yes	WW
Impact Measurement P												
B Analytics										Yes		
Charitable Intermediaries P												
Vanguard Charitable Organization		Yes	No	No		Yes	No	Yes				
Fidelity Charitable		Yes	No	No		Yes	No	Yes				WW
TIAA Charitable		Yes	No	No		Yes	No	Yes				WW
Schwab Chartitable		Yes	No	No		Yes	No	Yes				WW
KIVA			Yes									WW
Charity Navigator									Yes	Yes	Yes	WW
Impact Assets	Yes	No	No	No			No	Yes		Yes	Yes	WW