AN INTRODUCTION TO IMPACT: IMPACT INVESTING FOR FAMILY OFFICES

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About the Lee-Chin Institute

Founded in 2005 with a transformational gift from Michael Lee-Chin, the Lee-Chin Institute helps current and future business leaders integrate sustainability into business strategy and practices



Thematic focus areas:

Corporate sustainability strategy, social enterprise and impact investing

Programs:

- Research and thought leadership on sustainability theories, models, strategies and practices
- Dissemination of research and leading thinking through events and the media
- Student engagement through curriculum development and support of student initiatives



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https://twitter.com/lee_chin_inst



https://www.linkedin.com/company/ the-lee-chin-institute

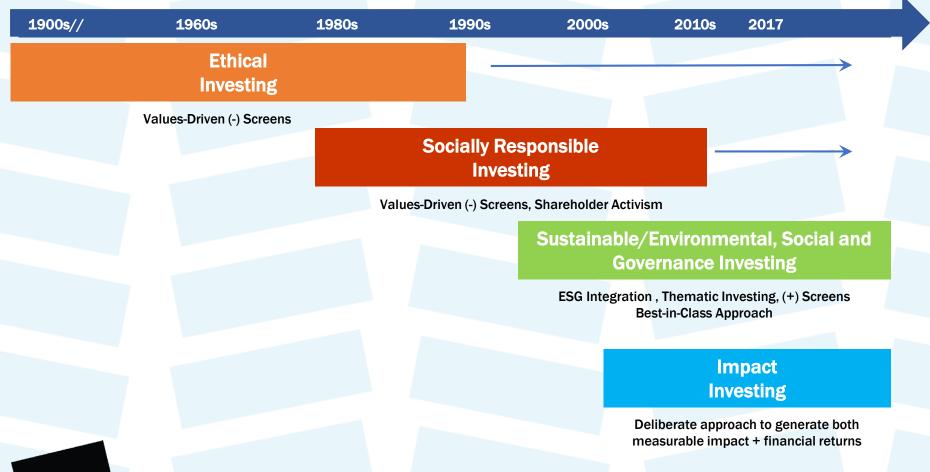
What is impact investing?

"Investments that are made into companies, organizations, and funds with the intention to generate measureable social and environmental impact alongside a financial return."

Global Impact
Investment Network



How does impact investing relate to other responsible investments?



Examples

Faith or values-based investing (e.g., divestment from South Africa, tobacco)

Screened pension funds, mutual funds products (e.g., Ethical Funds)

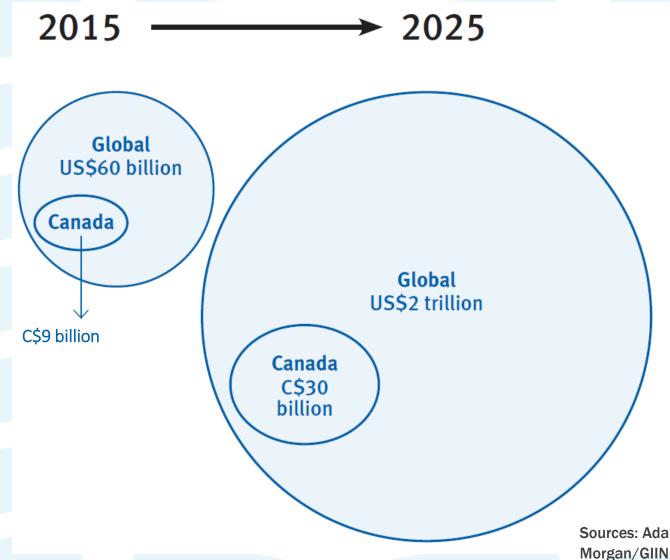
Specialty investment firms, advisors and products (e.g., Mercer, KLD/MSCI, Generation, Sustainalytics)

Advocates, advisors and new entrants, products (UK Social Impact Investment Taskforce, Bridges, Blackrock, green bonds and other new products across asset classes)



Source: Adapted from Deutsch Bank, Sustainable Investing, Establishing Long-Term Value and Performance, 2012

How big is the market for impact investing?

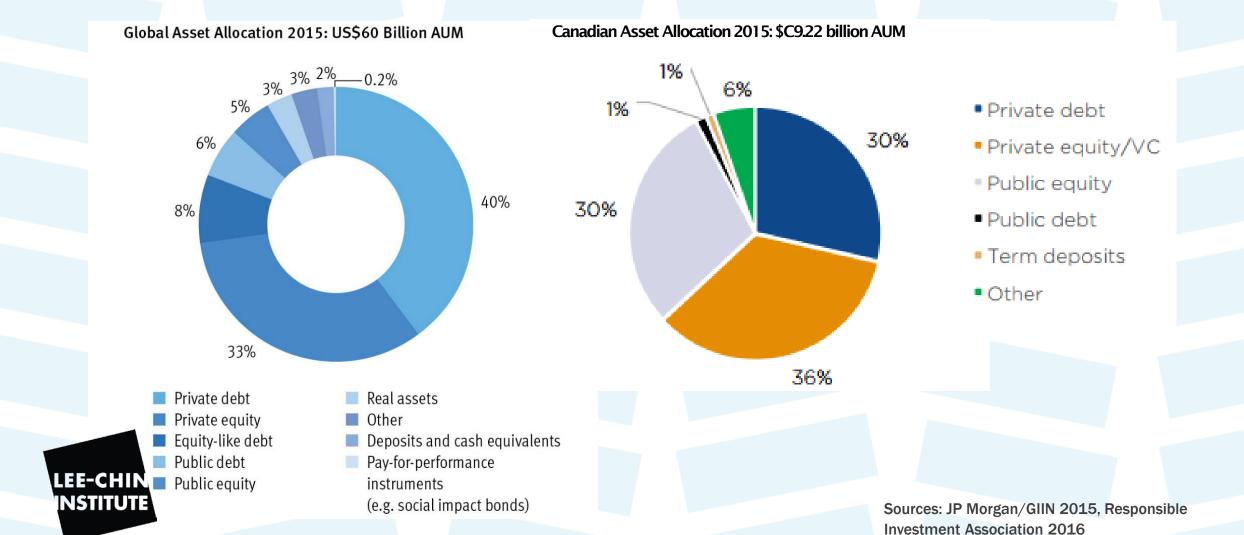




Sources: Adapted from RBC Social Finance 2016, JP Morgan/GIIN 2015, Responsible Investment Association 2016, MaRS/Purpose Capital 2014

How are impact investing assets allocated?

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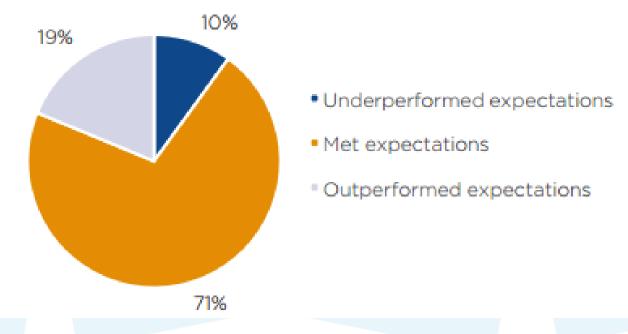


How are investments performing?

Return Expectations (Canada 2016)

2015 Below market rate: closer to capital preservation Below market rate: closer to market rate Competitive, market rate returns Competitive, above market rate returns

Performance Relative to Expectations (Canada 2016)

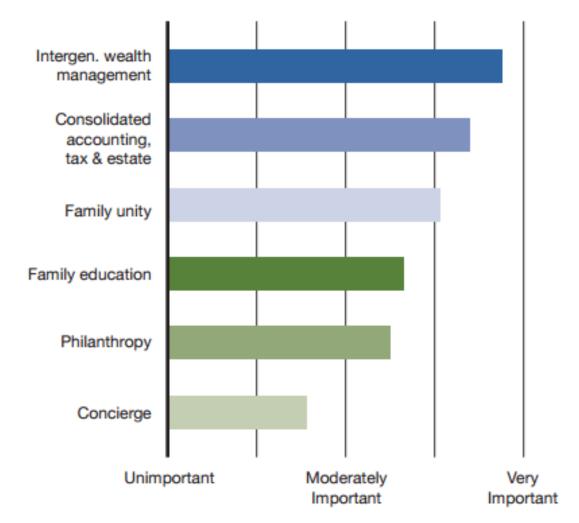




Source: Responsible Investment Association 2016

Why family offices? Integrating wealth and legacy

Figure 2: Objectives of the Family Office, by Importance



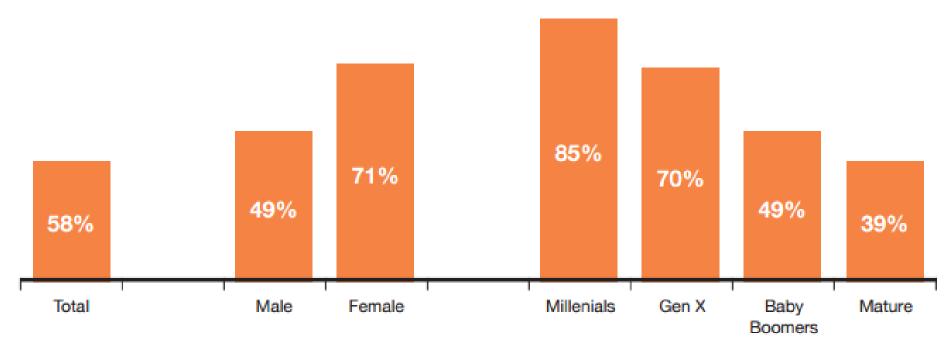
 Particular opportunity for integration with family charitable foundation



Source: UBS and Campden Research, The Global Family Office Report 2015

Who cares? Increasing interest among HNWIs

Figure 3: Percent of HNW and UHNW Adults Who Agree Social or Environmental Impact is Important to Investment Decisions⁸





Source: US Trust Bank of America Private Wealth Management, Insights on Wealth and Worth Survey 2015

Where to start: Learn



2016 CANADIAN IMPACT INVESTMENT TRENDS REPORT

OCTOBER 2016





Impact Investing: A Primer for Family Offices

A report by the World Economic Forum





Family Offices and Investing for Impact:

How to Manage Wealth, Expand Legacies and Make a Difference in the World





Where to start: Align

Reach Internal Alignment Evaluate Portfolio and **Adjust Strategy Execute** Monitor financial Strategy and impact Develop Source results Investment investments Guidelines Evaluate **Determine** • Perform due outcomes and Engagement Review existing diligence adjust your Strategy **Define Vision** or develop new investment investment Evaluate fit Clarify strategy quidelines. motivation and within existing integrating context portfolio impact goals • Decide on Define impact impact portfolio goals and Implement and Evaluate construction evaluation approach criteria



Deepen Knowledge, Update and Evolve Impact Investment Vision

Source: World Economic Forum, Impact Investing: A Primer for Family Offices 2014

Where to start: Explore products (in Canada)



HOM

PRODUCT INVENTOR

OUT IMPACT INVESTING

ACTION

FIND YOUR IMPACT

BROWSE OPPORTUNITIES

a partnership between







Source: www.openimpact.ca