

# Impact Investing

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## Millennials & Impact Investing

Why the next generation of investors wants money to mean more than just profits

### Speakers

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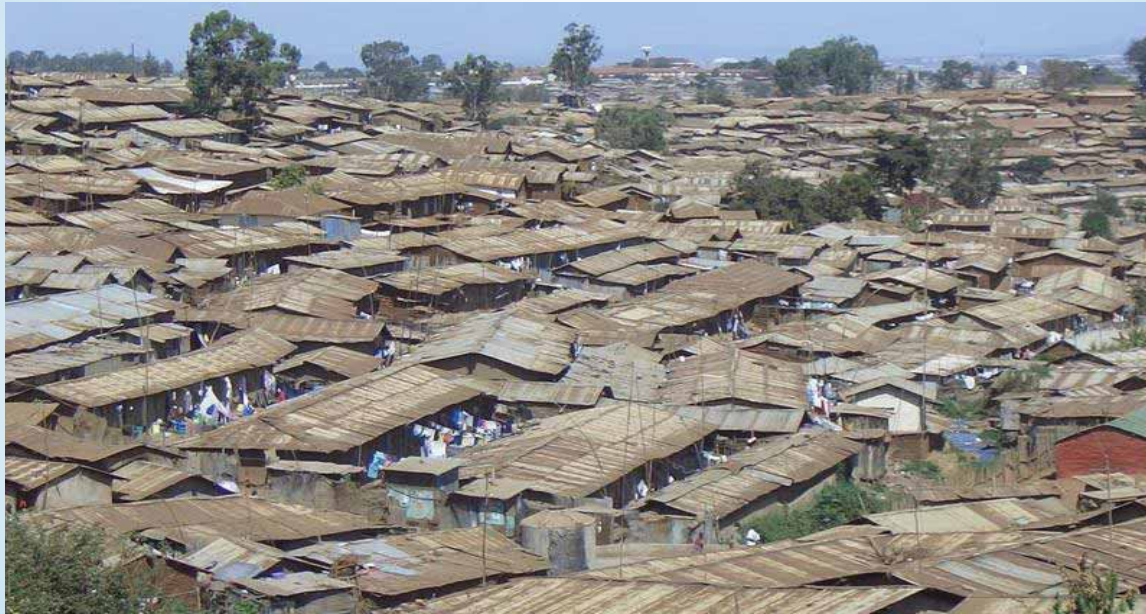


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## Did You Know?

Four billion people live on less than \$8/day; that is a \$5 trillion market



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## The Future

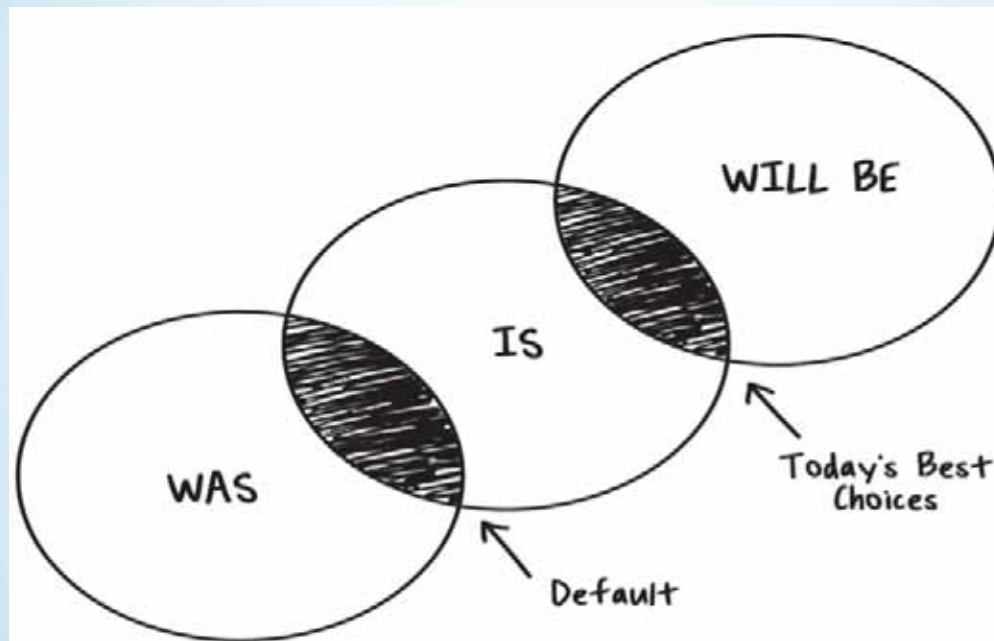
What does the world look like in  
ten years?



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## Past, Present and Future Forward-looking opportunities



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According to a J.P. Morgan impact investing survey in 2012:

- 98% of portfolios met or exceeded impact performance expectations
- 14% of portfolios exceeded impact performance expectations
- 84% of portfolios met impact performance expectations



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- 76% of social impact startups are profitable
- 91% of environmental impact startups are profitable

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- “NextGen,” “Generation Y,” or “Millennial”
- 80 million U.S. individuals born between 1980-2000
- Largest generation in American history, approximately 20 million larger than the Baby Boomer generation
- The oldest in the generation are now entering their 30s





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- Experienced their formative years around the turn of the millennium and have been surrounded by rapid globalization and technological innovation
- First generation to be truly global, sharing experiences across cultures and geography and connected by technology



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- Estimated that \$41 trillion in financial and non-financial assets will pass from Baby Boomers to their heirs in North America alone
- This transfer is expected to peak between 2031 and 2045
- 10% of total wealth in the US will be changing hands every 5 years



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Transfer of Wealth: 2017-2052

Baby Boomers \$41 Trillion\*

Gen X

Wealth of Gen X +  
Gen Y expected  
to exceed  
Boomers by 2018

Gen Y

\*90% of heirs intend to leave current firm



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- NextGen considers social responsibility to be a major factor in evaluating investments
- More socially and environmentally focused than that of the current generation
- Willingness to at least explore a values-based portfolio



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- NextGen often mistrust financial markets and question the need to pay for financial advice
- Majority identifying themselves as “self-directed” investors,
- Willing to accept a higher risk profile or receive lower returns to invest in companies that create positive social or environmental impact



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A recent study by Telephonica found that:

- 52% of U.S. Millennials believe they individually can make a difference globally
- 85% of Millennials prioritize work that is enriching to themselves but also enriching to the world



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- Seek profit with purpose
- Aligning their roles as professionals and consumers with their personal values, building unified portfolios to advance their views of how the world should be
- Doing well and doing good are not separate activities



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## unitus impact – INVESTMENT STRATEGY

### CHALLENGE: Our target markets have

- ~950 million people living in poverty
- >75% of livelihoods dependent on traditional value chains
- >90% of retail sales flowing through informal channels

### SOLUTION: Invest in companies focused on

- Increasing incomes and improving livelihoods
- Engaging the working poor as suppliers or distributors
- Building efficient supply chains and distribution platforms
- Scaling to reach large populations
- Generating strong financial returns





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## RUMA, AN INNOVATIVE DISTRIBUTION PLATFORM SERVING LOW-INCOME INDONESIANS

### THE PROBLEM

- Small shopkeepers in rural Indonesia have limited access to new income opportunities
- Rural Indonesian consumers pay a “poverty penalty” for goods and services

### THE SOLUTION

- RUMA allows rural shopkeepers to offer their customers prepaid top-up minutes, bill pay services, and other digitally distributable products via a mobile / SMS-based distribution model

### THE RESULT

- 30 - 60% income increase for the 15,000+ low-income shopkeepers
- Valuable distribution platform for reaching Indonesia’s mass market



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## MICRO BENEFITS, EMPLOYEE BENEFITS FOR CHINA'S LOW-INCOME WORKERS

### THE PROBLEM

- Over 350 million low-income workers
- Lack of meaningful employee benefits and opportunities for education / upward mobility
- High employee turnover rates and HR expenses

### THE SOLUTION

- Micro Benefits provides previously inaccessible employee benefits to low-income workers in the form of educational opportunities / skills training, merchant discounts, and customized social network

### THE RESULT

- Increased purchasing power and opportunities for career advancement,
- Reduced employee turnover costs, increased productivity, and increased quality of life
- Employers can communicate directly with employees and build a sense of community



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## Who are Aspiriant's clients?

- Corporate executives, business owners, inheritors of wealth
- More than 900 client families
- Average client relationship 15+ years
- Three broad categories of clients:
  - **Investing:** \$1.5M+ investable assets
  - **Investing & Wealth Planning:** \$3M–30M investable assets
  - **Family Office:** \$15M+ investable assets



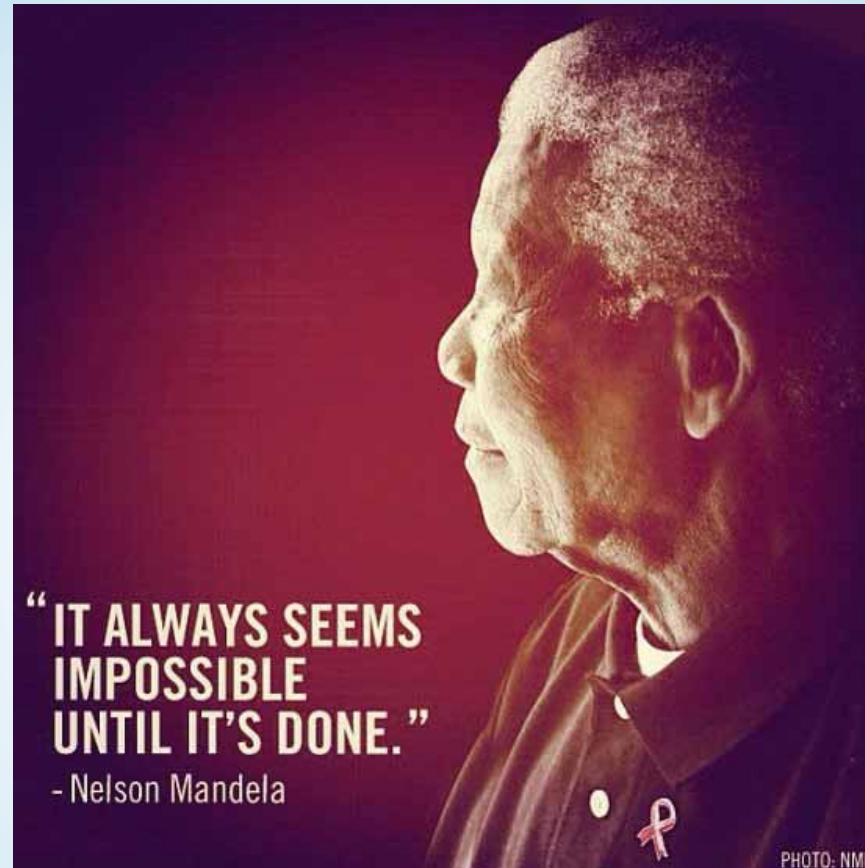
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**“IT ALWAYS SEEMS  
IMPOSSIBLE  
UNTIL IT’S DONE.”**

- Nelson Mandela

PHOTO: NMF

