

TRILINC GLOBAL
INVEST WITH IMPACT

Introduction to Impact Investing

Getting to know you

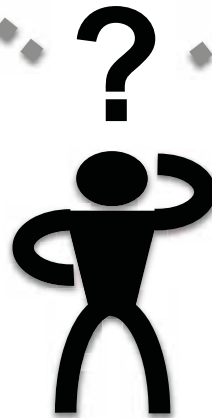
Goals

- Demystify impact investing
- Provide a framework for thinking about impact investing
- Hopefully, provide some useful information about products and ideas

So, What Is It?

Philanthropy?

Investment?



By Definition

phi-lan-thro-py

/fe'lanTHrepe/

Noun

The desire to promote the welfare of others, expressed esp. by the generous **donation of money** to good causes.

in-vest-ment

/in'ves(t)ment/

Noun

The action or process of investing money **for profit** or material result.

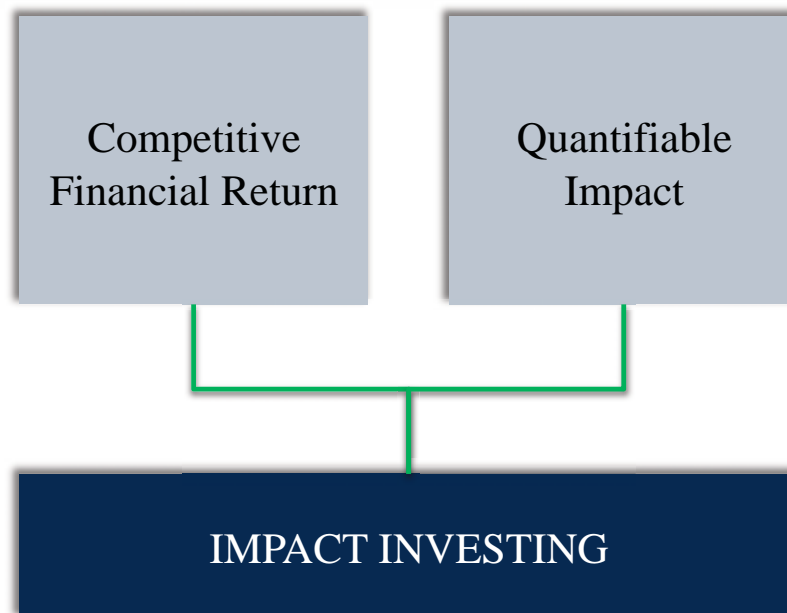
So, By Definition.....



Investment

Simply Put, Impact Investing Is.....

.....investing with the objective of achieving **both** a competitive financial return and positive, measurable economic, social and/or environmental impact





History & Context

The Evolution of an Industry

Development Focus

World Bank
 Inter-American Development Bank
 IFC
 African Development Bank
 FMO

Institutional & UHNW

Mission Related Investments
 Socially Responsible Investing
 Green Investments
 Social Impact Funds
 Principle Related Investments
 Environmental Funds
 Philanthro-capitalism
 Microfinance

Marketplace Building

Rockefeller Foundation Impact Initiatives
 Aspen Network of Development Entrepreneurs (ANDE)
 UN Principles of Responsible Investing (UNPRI)
 Impact Reporting & Investment Standards (IRIS)
 International Assoc of Microfinance Institutions (IAMFI)
 Global Impact Investing Network (GIIN)
 CGAP
 Monitor Group
 Global Impact Investing Standards (IRIS)
 Impact Reporting & Investment Standards (IRIS)
 UN Principles of Responsible Investing (UNPRI)
 Global Impact Investing Rating System (GIIRS)
 Correlation's Take Action
 Social Venture Network (SVN)

An Industry Emerges

IMPACT INVESTING

1940s – 1970s

1980s & 1990s

2005 - 2010

2010 - 2012

Acceleration of the Industry



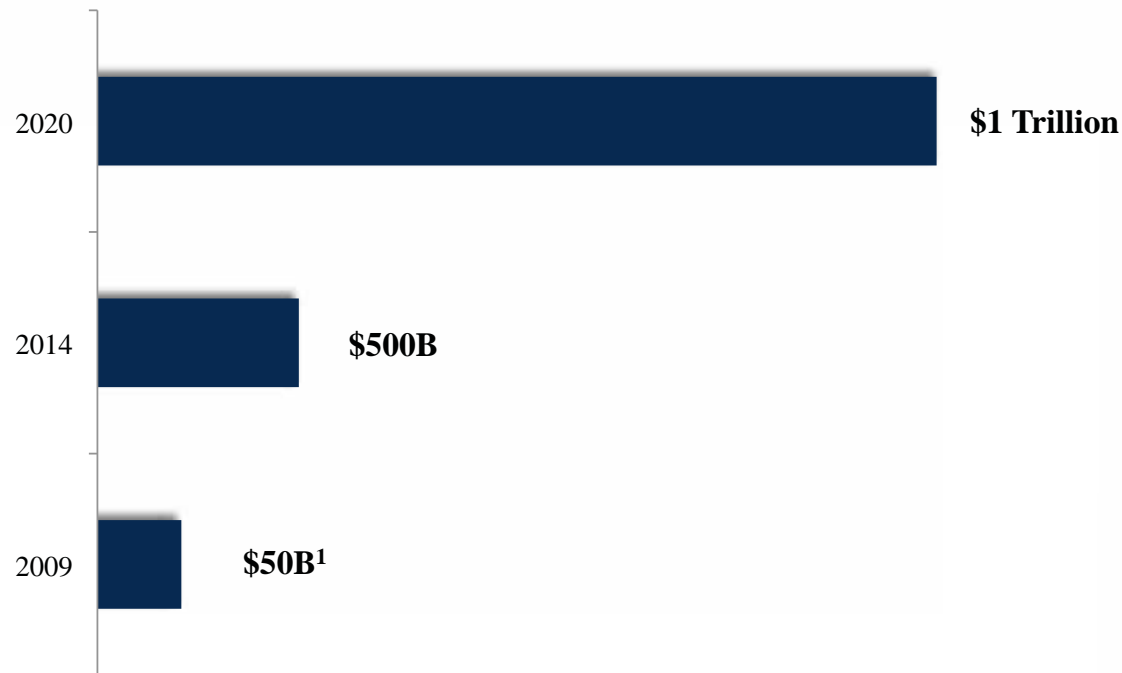
Deutsche Bank launches Impact Investment Fund I

November 2011 | London
Deutsche Bank is proud to announce the launch of its 'Impact Investment Fund I'. It will seek to provide finance to social enterprises via intermediaries with the aim of generating both positive social impact and a financial return, as well as seeking to play a role in encouraging and developing the social finance market. Deutsche Bank is the first investment bank to create a discrete, ring-fenced fund to invest in this nascent asset class, which complements our Corporate Social Responsibility (CSR) activities in the UK.



A Large & Growing Asset Class

Projected Growth of Impact Investments¹



¹Latin America Private Equity & Venture Capital Association, Global Impact Investing Network and J.P. Morgan, May 2012



Why?

Why Is It Fastest Growing Segment?

- Millennials are driving demand:
 - As investors
 - As B School graduate job seekers
 - As consumers
- Basic needs:
 - Population growth
 - Scarcity of natural resources

Millennials – As Investors

Over the next several decades,

\$41 trillion

Is expected to transfer to Millennials

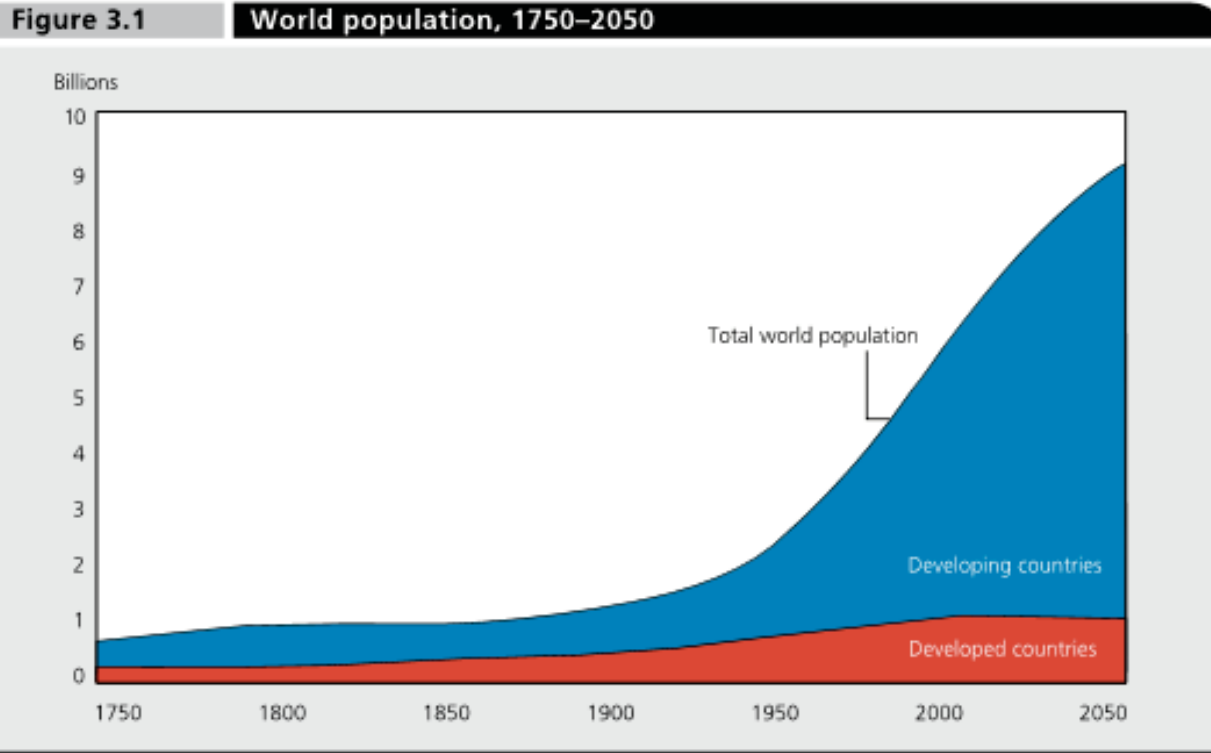
Millennials – As Job Seekers

- 22 of the top 25 business schools in the U.S. have “impact investing” programs
- 86% of MBAs believe business has the most potential to meet society’s biggest challenges
- 90% of MBAs are willing to exchange financial benefits for a strong commitment to social good

Millennials – As Consumers

- They buy in line with their values
- Interaction and experience is critical
- They need to feel valued
- Facts drive their actions – information is at their fingertips

Basic Needs – Population Growth



Basic Needs – Scarcity of Resources

- Growing populations demand more:
 - Land
 - Energy
 - Food
 - Water
 - Housing
 - Goods & Services

So What Is It?

Impact Investing Is.....

- In Ecuador, a local seafood exporter doubling the number of jobs, increasing wages and providing benefits for their employees.....
- In Indonesia, a middle class family of 5 buying a refrigerator through previously unavailable affordable consumer financing.....

Impact Investing Is.....

- In India, a local entrepreneur developing a global waste to energy technology that keeps animal farmers in business.....
- In Portland, Oregon, a low income housing project transforming into an attractive, lower cost facility with significantly reduced carbon emissions.....



A Framework for Investing

Common Current View

“Impact First”

“Financial First”

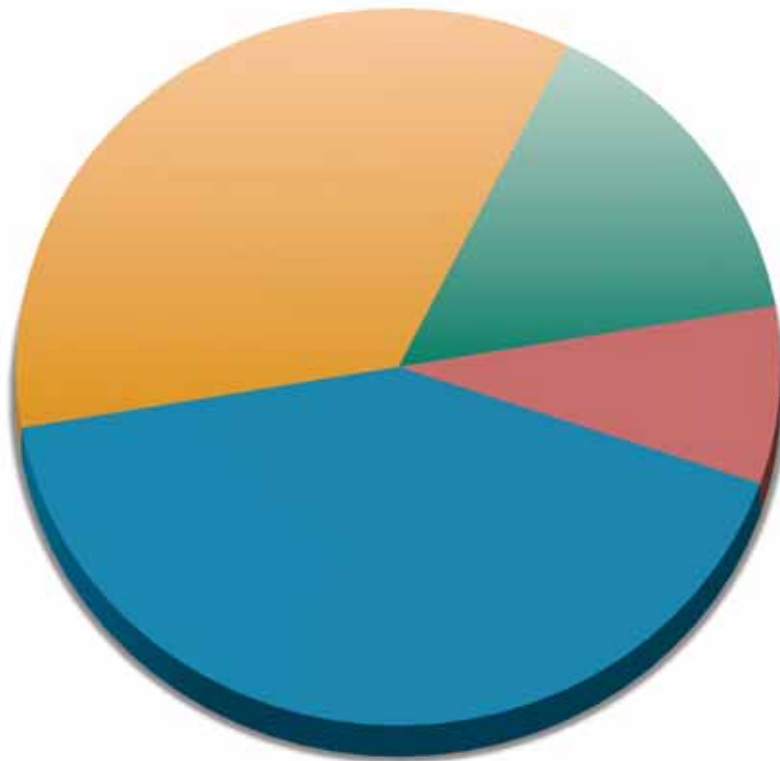
<i>Expected Impact</i>	<i>High</i>	<p><i>Triodos Products</i> (3 – 6% Returns)</p> <p><i>SEAF Funds</i> (23% Gross IRR)</p> <p><i>Procredit</i> (15% Target IRR)</p>	<p><i>Generation Investment Management</i> (25 – 30% Target IRR)</p> <p><i>Lyme Northern Forest Fund</i> (22% IRR)</p> <p><i>Sarona Funds</i> (12 - 15% Target IRR)</p>
	<i>Low</i>	<p><i>Root Capital</i> (2.5% Returns)</p> <p><i>Calvert Social Finance Notes</i> (1 – 2.5% Returns)</p> <p><i>RSF Social Finance Notes</i> (1% Returns)</p> <p><i>Acumen Funds</i> <i>Charity Bank</i> (0% Returns) (0.5 - 3% Returns)</p>	<p><i>Green Real Estate Funds</i> <i>SRI Mutual Funds</i></p> <p><i>Traditional Mutual Funds</i></p>
		<i>Low</i>	<i>High</i>

Expected Return on Investment

Context for Framework

An Alternative View

Traditional Asset Allocation



- Stocks (Equity)
- Bonds (Debt)
- Cash
- Alternatives

Finance-only

Impact Investing?

Impact Investing

Impact-only

Traditional

Responsible

Sustainable

Thematic

Impact-first

Philanthropy

Competitive Returns

Negative Screening

Using ESG as a Beta Finder

Quantifiable Positive Impact

Alternatives
Equity
Debt
Cash

Public
Private
Public
Private
Public
Private
Public
Private

		<i>Finance-only</i>	Impact Investing?	Impact Investing		<i>Impact-only</i>	
		Traditional	Responsible	Sustainable	Thematic	Impact-first	Philanthropy
		Competitive Returns					
		Negative Screening					
			Using ESG as a Beta Finder				
				Quantifiable Positive Impact			
Alternatives			Jonathan Rose Smart Growth Fund	Gerding Edlen	Green Space Development		Public
				Lyme Timber Company			Private
Equity		Domini Social Equity Fund	Generation Investment Funds	Energy Innovation			Public
		Conscious Capital Fund		Pacific Community Ventures	Social Enterprise Investment		Private
Debt				ResponsAbility Funds		KIVA	Public
			World Bank Green Bonds	Mezz Lending to SMEs	CEI Investment Notes		Private
Cash		PAX Money Fund			High Impact CD		Public
				Cash Deposit in Triodos Bank			Private

Key Takeaways

Real Investor Demand


The *Money for Good* study demonstrated that nearly 50% of individual investors are looking to make Impact Investments

Market Demand

Amount to Invest	% of People	Market Opportunity
\$0	13%	\$0B
Less than \$1k	36%	\$2B
\$1k - \$10k	37%	\$29B
\$10k - \$25k	9%	\$27B
\$25k - \$100k	3%	\$35B
Greater than \$100k	<1%	\$26B
TOTAL	100%	\$120B

\$56 Billion Retail Opportunity ←

Estimated US Investor Unmet Demand ←

- 
- Continue to develop your expertise
 - Begin to discuss it with your clients - understand their causes
 - Engage with the next generation
 - Demand a professional investment approach – impact investing does not mean less accountability