

The Promise of Impact Investing
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THE ROAD MAP
The road map is a guide to help you understand the impact investing process. It is a step-by-step guide that will help you to identify the right opportunities, conduct due diligence, and make a decision on whether to invest. The road map is a valuable tool for anyone who is interested in impact investing.

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The Promise of Impact Investing

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Questions & Discussion

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Micro Quiz

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Introductions

Who are you? Who are we? Why are we here?

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THE ROAD MAP

- (5m) Introductions to NUJII's Mission and Vision
- (15m) Overview of Impact Investing
 - Take the Impact Alpha Quiz No. 9
 - A brief history of social finance
 - Social capital markets and the impact measurement imperative
- (10m) Building an impact investing portfolio for a direct investment
- (10m) Understanding measurement and alignment
 - Design your Impact Profile
- (20m) Questions and Discussion

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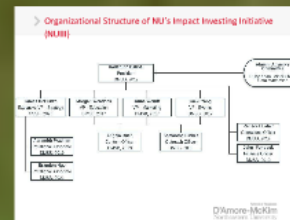
NUIII

mission and vision

> Student Leadership & Alumni Advisory Board

Aravindhharan - Incoming President 2019-2020 President - Finance 2019-2020 President - Infrastructure	Aditya Khan - Founder 2019-2020 CEO Finance/Marketing - Finance/Revenue
Aravindhharan - Incoming Board 2019-2020 President - Finance 2019-2020 President - Infrastructure	Aravindhharan - Board 2019-2020 CEO Finance/Marketing - Finance/Revenue
Aravindhharan - Board 2019-2020 CEO Finance/Marketing - Finance/Revenue	Aravindhharan - Board 2019-2020 CEO Finance/Marketing - Finance/Revenue

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Take a Quiz!

Test your knowledge of what is happening in the world of innovative finance.

Go to: <http://impactalpha.com/the-brief-quiz-no-9-test-your-impact-iq/>

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*If these assumptions are true, then like social enterprise, impact investing is an approach that must be defined by its commitment to changing the status quo and promoting forms of **equity and justice**.*

*If there is no **intentionality**, such that investors **intend** to manage their activities to create positive social impact at the very outset, then there is really no rationale for the creation of a new approach to investing.*

But they don't.

A brief history on one slide

- Ethical values in finance (social finance) is **not a new phenomenon**, but it is **formalizing**.
- Usury (charging fees for money lending) was forbidden in Catholicism back in the Middle Ages. Islamic Banking is similar. West African sharing economies. South Asia...
- Early Quakers believed in "the spirit of capitalism" (Weber) and social investment to correct structural poverty (the first ever sociological studies). Religious groups staunchly against investing in alcohol, tobacco and firearms, the "sin stocks" have birth to SRI.
- **The SRI movement** gained legitimacy in the Anti-Apartheid Movement. The community finance movement in the 1970s created local institutions like CDCs and CDFIs to reallocate **community capital** back into local business.
- **Sustainable Investing**: Long-term investment perspectives (sustainable, responsible) emerged in the 1970s, with MSCI, KLD, and are now known as "responsible investing" through the application of "environment, social and governance" factors (ESG), also called **ESG integration**.
- **Blended value**, emerged as a way for Foundations to invest the other 95% of their endowments, not just give grants with the 5% required by law.
- **Impact investing** (Rockefeller Foundation, 2007) explains the paradigmatic shift (Grameen) that finance can be used for public benefit...but focuses on investors (all investors, all asset classes) being more explicit about values, about expanding finance (equity and justice), to intentionally seek out opportunities to **create social impact that is measurable and providing public benefit**.

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Different Approaches to Impact Investing

- **Direct Investments** (Merchandising team invests to own 35% of Organic B Corp)
- **Self-Managed Funds** (Corporate Venture Capital fund invests US\$15 million in STEM education technology company)
- **Third-Party Managed Funds** (CSR team, in partnership with Finance Dept., invests US\$8 million in XYZ Capital Corp that funds network of health clinics in remote locations)
- **Strategic Alliances** (Company partners with ABC Job Placement (social enterprise which addresses chronic unemployment) to solve their hiring pipeline issues)
- **Incubators and Accelerators** (Company Incubator allocated US\$100,000 each to arts-cooperatives selling rotating art to senior centers, laundromats, and doctors' offices)
- **Corporate Foundations** (MRIs and PRIs, where PRIs as an investment class may include low-interest loans (often in the form of bridge loans), loan guarantees, real estate or equity investments)
- **Digital Microfinance Platforms** (Kiva Zip, MPesa, MPaisa, Microvest)

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