

---

# Impact Investing in Context

**Brian Walsh**

**Head of Corporate Impact**

liquidnet 

**2013 Social Economy Global Forum**

**Seoul, November 2013**



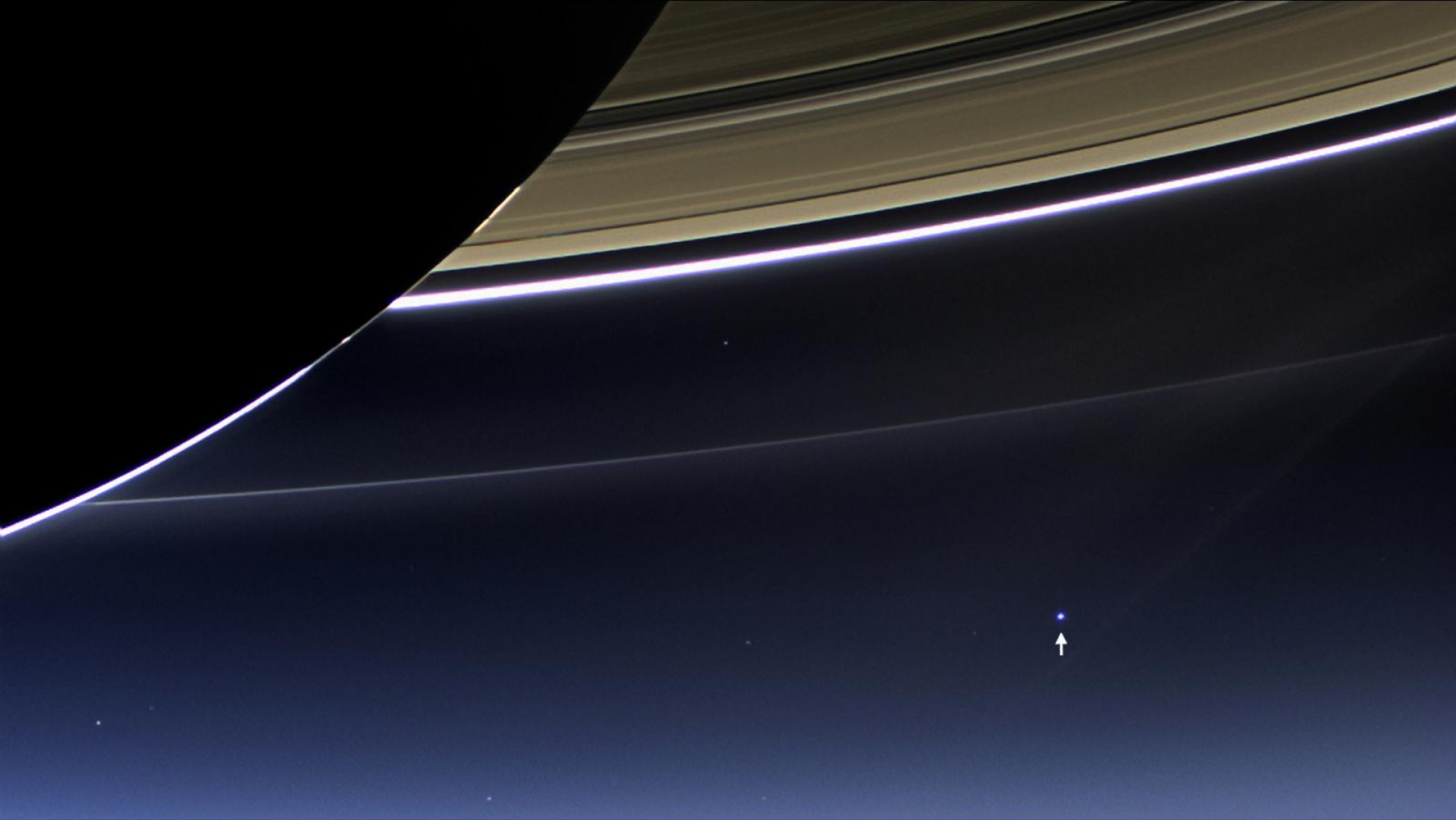
**impact<sup>2</sup>**

# About Liquidnet

---



- **Global Institutional Trading Network**
  - Financial services company that uses technology to help asset managers around the world trade safely & efficiently
  - Membership includes 700+ of the largest asset managers, with over \$12 Trillion in AUM
  - Facilitating trading in 42 markets globally; 7 global offices: NYC (HQ), Hong Kong, London, Singapore, Sydney, Tokyo, Toronto
  - Founded in 2001; 350 employees worldwide
- **Liquidnet For Good: Corporate Impact on a different scale**
  - Mission is to harnesses the company's full spectrum of resources in order to generate positive social impact
    - **Local Impact:** engaging employees to strengthen our local communities
    - **Global Impact:** unique partnership with youth village for orphans in Rwanda
    - **Systemic Impact:** applying core competency of using technology to make marketplaces more efficient to help make philanthropy more effective and accelerate the practice of impact investing globally



**We believe a  
better world is  
possible.**

# A Thriving Society

## Private Sector

Financial Value  
Creation

Innovative &  
Sustainable  
Products &  
Services

Secure &  
Fulfilling Jobs



## Social Sector

Social Value Creation

Innovative &  
Sustainable  
Solutions to  
Market Failures

Civil Society,  
Culture, &  
Human Capital  
Development



Rule of Law &  
Protection of  
Rights

Infrastructure &  
Security

Responsive &  
Open, Democratic  
Government

Social Safety  
Net

Effective  
Regulatory  
Framework

## Public Sector

Enabling Environment

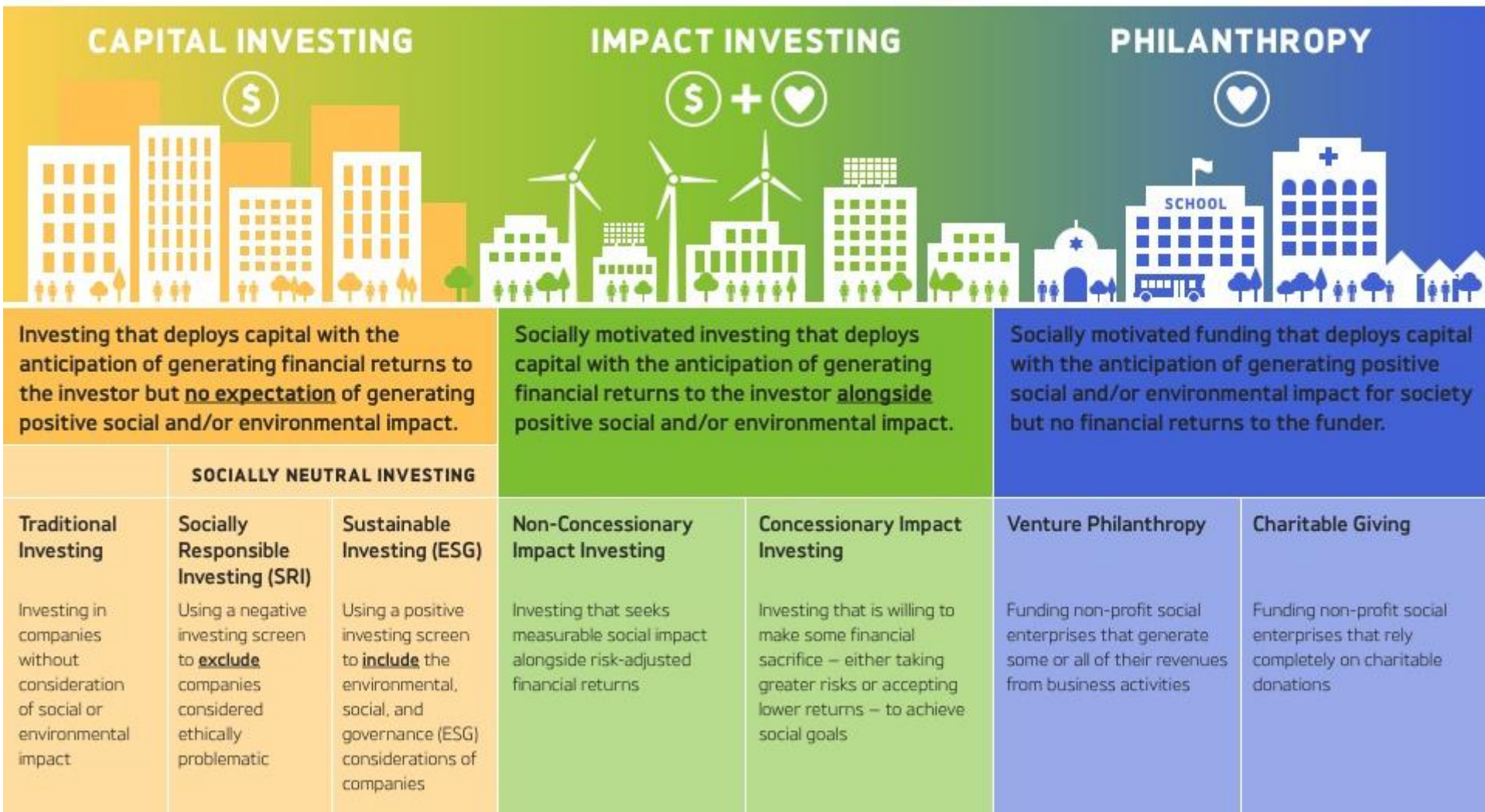




# Impact Investing:

investments in private companies  
with the intention to generate  
measurable social and/or  
environmental impact alongside a  
financial return.

# There is a spectrum of investing

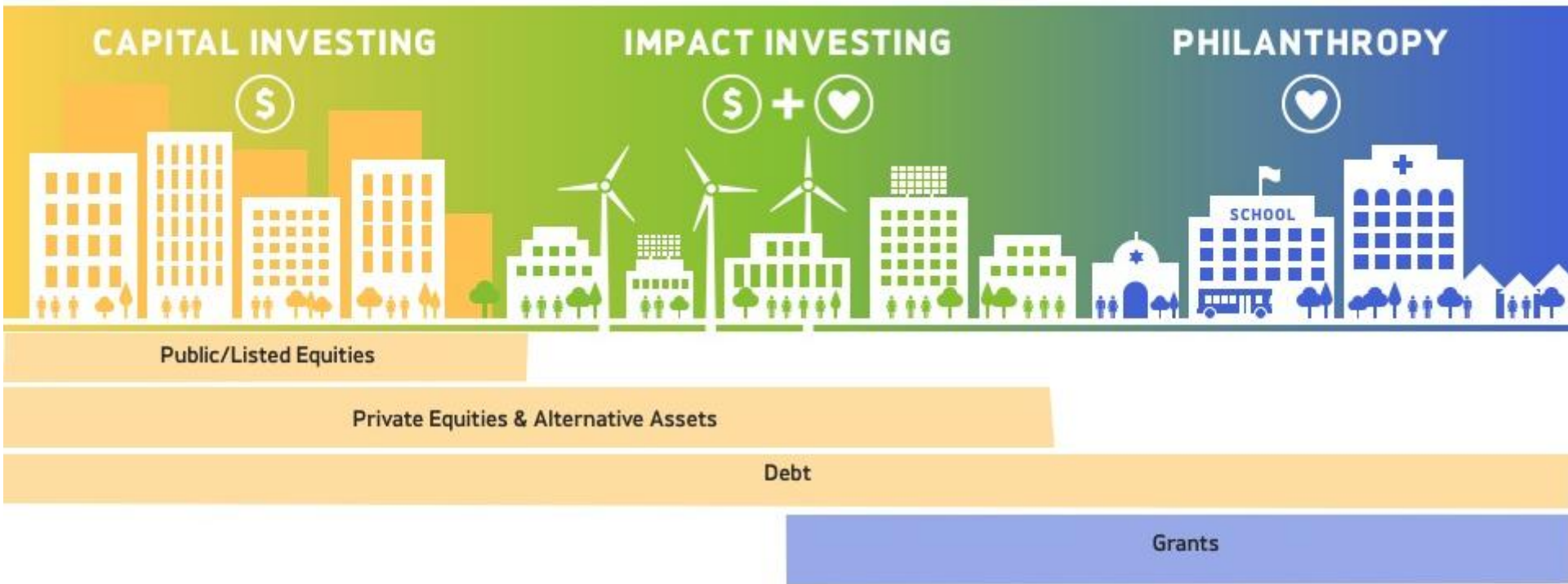




# There is a spectrum of enterprises



# There is a spectrum of capital



# There is a range of impact theses

---

## Place

Any investment that supports economic development in an underserved geography

e.g.: emerging market/BoP; community development

## People

Investments in enterprises with cap tables and management teams from disadvantaged populations.

e.g. women or minority owned businesses

## Process

Investments in enterprises that operate in accordance with social and/or environmental considerations

e.g. B Corps, Fair Trade, etc.

## Product

Investments in enterprises that provide goods or services that inherently have impact

no need for separate social measurement; aligned & embedded with economic performance

## Paradigm

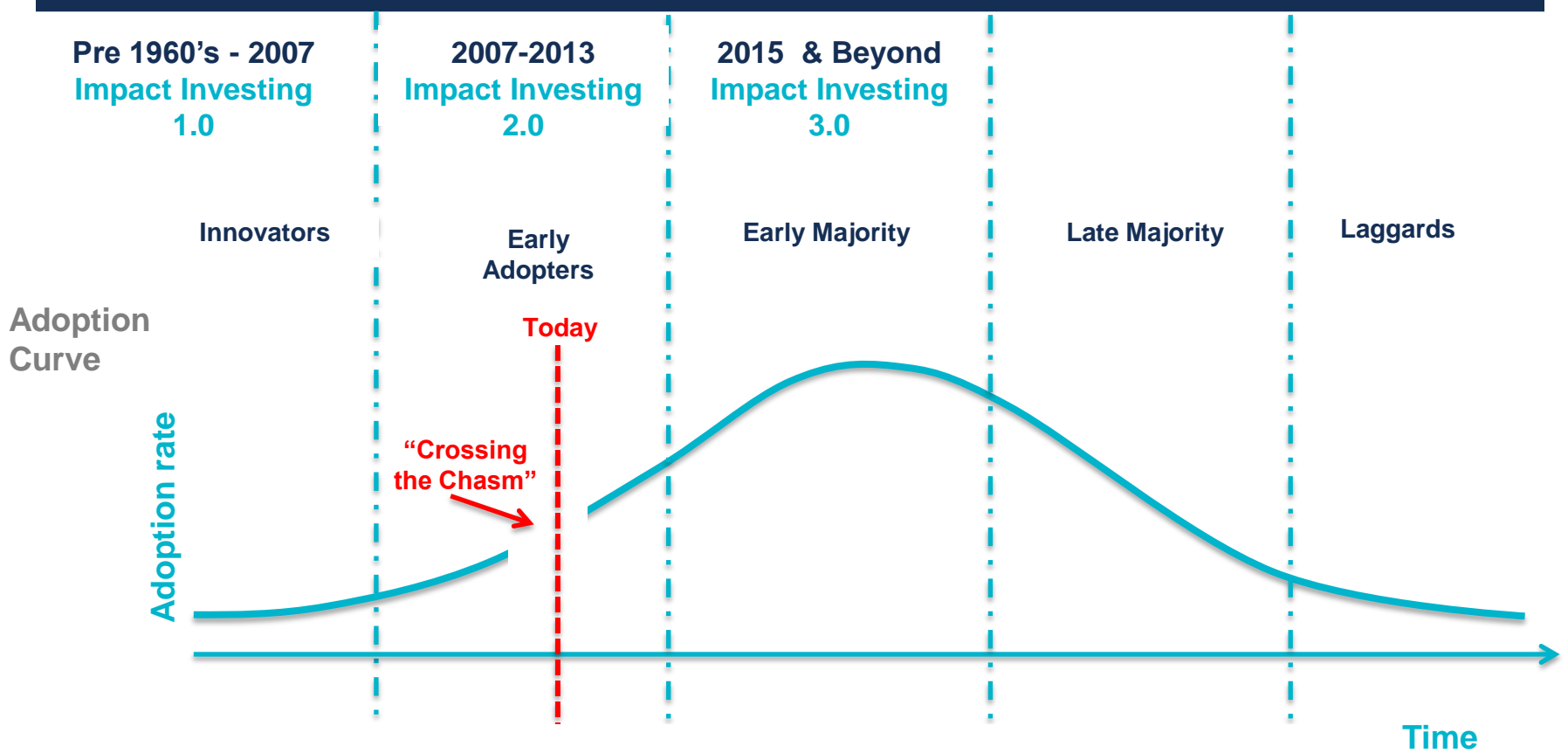
Investments in enterprise that disrupt an industry, creating a sustainable new way of doing business

systems level change vs. product level change; defies easily quantifiable metrics

# There has been an explosion of players in the last decade



# Impact Investing is at a tipping point





# There are challenges in the Impact Investing market

---

- Challenge: measuring and reporting impact in a way that is credible, timely, cost-effective, comparable, and transparent
- Challenge: aligning incentives across an entire ecosystem, so that investors, fund managers, and company managers are all aligned to maximize social and environmental impact alongside financial returns
- Challenge: providing transparency and liquidity of investment options at broad scale
- Challenge: create the right policy enabling environment to allow impact investing to flourish

# What's Needed to Accelerate Impact Investing

## SUPPLY

Impact Investing Products, Capable of Absorbing Capital, Ready to Scale & Report Impact

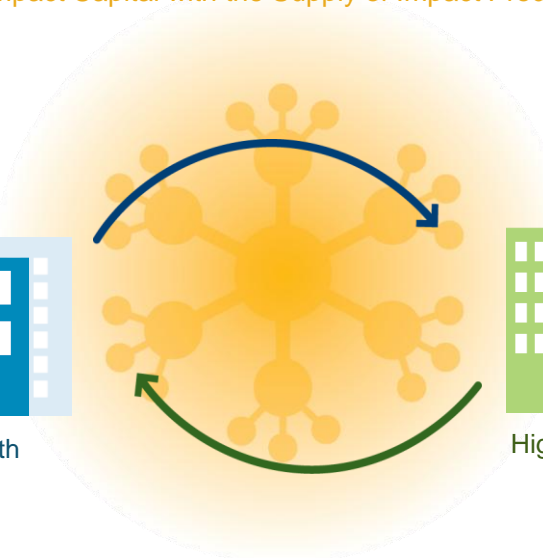


Impact Companies with Growth Potential

Impact Funds with Capable Management

## MARKET INFRASTRUCTURE

Tools & Platforms to Connect the Demand of Impact Capital with the Supply of Impact Product



## DEMAND

Impact-Intentioned Capital Seeking Financial Returns & Measurable Social/Environmental Impact



High Net Worth Investors

Institutional Investors

Retail Investors



Supportive Policies & Effective Regulatory Framework



Commonly Agreed Upon Metrics & Reporting Systems



Education & Training for Developing Impact-Focused Talent



Networks & Associations to Develop Communities of Practice



Research & Knowledge Dissemination

## ENABLING ENVIRONMENT

# Announcing ImpactSpace

---



open database tracking the impact companies,  
impact investors, deals and people creating the  
global impact investing marketplace

[www.ImpactSpace.org](http://www.ImpactSpace.org)

EXPLORE IMPACT DATA **2,277** IMPACT COMPANIES **264** IMPACT INVESTORS **1,501** IMPACT DEALS **1,109** PEOPLE

EQUIPPING ENTREPRENEURS & INVESTORS WITH DATA AND TOOLS TO MAXIMIZE **SOCIAL, ENVIRONMENTAL, AND FINANCIAL IMPACT**

Sign up for updates and to learn more

Learn more about impact investing with **IMPACT U**

Your resource for learning about the enormous potential of impact investing.

FEATURED RESOURCE

Up For Debate: Impact Investing

In the Stanford Social Innovation Review, Paul Brest and Kelly Born dissect enterprise, investment and nonmonetary impact and propose a framework for impact investors to measure how much of each they are creating.

LATEST NEWS & EVENTS

Impact Investors Fish for Deals to Save the Oceans

FEATURED RESOURCE

IMPACT ACCELERATOR NETWORK

Impact Accelerator Network

Apply to top impact accelerators from a single site! Impact Accelerator Network members provide mentorship and/or financial support for early-stage enterprises that deliver social, environmental and financial returns.

- “TechCrunch & CrunchBase” for Impact
- Tool to help track the global impact investing market to help practitioners
- News resource for the growing impact market

EXPLORE IMPACT DATA **2,277** IMPACT COMPANIES **264** IMPACT INVESTORS **1,501** IMPACT DEALS **1,109** PEOPLE

Search... Go Advanced Search

Impact Companies (2277)

Impact companies are creating innovative and financially sustainable solutions to social and environmental challenges.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z Other All

Filtering

Sector Activities

Choose one

Legal Structure

Choose one

Certifications

Choose one

Impact Geography

Choose one

Social Impact Objective

Choose one

Environmental Impact Objective

Choose one

Reset

Filter

Impact Companies

100km Foods Inc.  
17 Triggers  
IPIE Technologies  
1st Playable Productions  
2 Point Perspective  
2tor  
3Degrees Group Inc.  
4 Good  
4+1  
4th Bin Inc.  
5 Stone Green Capital  
A Banca  
A&R Solar  
A. F. Daniel Technology Group, Inc.  
Aakar Innovations  
Aakar Innovations Pvt. Ltd  
Aangan Trust  
Aarusha Homes  
Aavishkaar  
Aavishkaar Goodwell  
abcdexperts  
Abjad  
Abramar  
Academies for Social Entrepreneurship  
Access-Afya

Development Center  
Larimer County Workforce Center  
Larry's Beans  
Late  
Lateral Line, Inc.  
LATITUD 90  
LavaAmp  
League of Women Voters of California  
LEAP Maths and Science Schools  
LEAP Organics  
LEAP, Inc. dba Brooklyn Workforce Innovations  
Leasalytics  
Left Coast Naturals  
LegalJump  
Lenddo  
Lending Club  
LGT Venture Philanthropy  
Liberian Women's Sewing Project  
Liberty & Justice  
Liberty Hydro  
Liberty Tonerserv  
LicenseStream  
Life City  
Life lab  
Lil'Life Foods

ADD COMPANY

Recently Added

RAL Consumer Products Limited  
OpenGov  
Waste Ventures  
Resonance Limited

Recently Edited

GAWA Capital 2tor  
RAL Consumer Products Limited  
OpenGov  
Breckinridge Capital Advisors

- **For Funds:** pipeline development; explore related deals; discover potential co-investors
- **For Companies:** identify potential investors, explore related deals; landscape analysis
- **For Institutions:** granular look at funds' portfolio
- **For the Field (policy makers, media, funders, researchers, etc.):** track the development of the global impact marketplace; scope and size the market with real data instead of anecdotes

# Thank you.

More info:

[www.liquidnet.com](http://www.liquidnet.com)

@brianwalsh

[bwalsh@liquidnet.com](mailto:bwalsh@liquidnet.com)

[www.MarketsforGood.org](http://www.MarketsforGood.org)

[www.impactspace.org](http://www.impactspace.org)