10 Impacts in 10 Years.

A Celebration Of Our Clients And Our 10th Anniversary.
Ten Years Later, The Movement Builds
What a difference a decade can make.

In the past 10 years, capital allocated to impact, sustainable and mission-related investing has almost quadrupled to $8.72 trillion in the U.S. About one in every five dollars of assets under professional management is now invested in these three categories.1

In the process, impact investing has gone from outlier to mainstream. We now know that wealth can be aligned with your values to achieve financial performance and social gain. We are no longer constrained by the old paradigm – that investing and social/environmental benefit are separate realms. At the same time, impact investing has emerged as a strategy whose performance is every bit as good as traditional approaches to investment management.

In the following pages, we’ll highlight some of the industry’s success stories, along with some of our contributions. These accomplishments are the result of our work with you and many other committed individuals and organizations. They are also the product of our client-centered approach and disciplined investment philosophy that directs your capital to sustainable companies and organizations.

These stories are also part of a much bigger narrative. Around the world, impact investing has given us new hope in addressing the planet’s most pressing issues – inequality, climate change, the opportunities for women and girls, environmental degradation, access to health care, clean drinking water, to name just a few.

This movement is remarkable because it was built from the bottom up – with all of you and millions more across the globe. Individuals and families are the impact investing trailblazers. You are the pioneers and early adopters. Wall Street wanted nothing to do with impact investing 10 years ago. Today, they can’t talk about it enough.
A Brighter Future
As we mark our 10th anniversary, we are optimistic. We’re emboldened by the fact that Veris launched in the worst global financial crisis since the Great Depression, and we succeeded because our clients’ demand for impact investing solutions is so strong and our team so committed.

We’re also optimistic because we see that impact investing and Veris are part of a transformational ecosystem steadily gaining momentum. That ecosystem is advancing sustainability in business, investing and society as a whole. It is pragmatically hopeful and touches most everything large and small. It is self-organizing, ever expanding. It is guided by science, economics and spirit. Each helps and adds positive energy to this new ecosystem at work and home.

As we celebrate together, we acknowledge we must keep pushing and learning together. We’ve moved the world in the right direction, but this is only the start.
Sustainable Investing Delivers Investment Performance

A Smarter Way To Invest

Is impact and sustainable investing really a better way to invest? Generation Investment Management of London sought to answer that question when it was formed in 2004 by Vice President Al Gore and David Blood, formerly CEO of Goldman Sachs Asset Management. During the past decade, Generation discovered three insights that have impacted the world of investing. First, Generation created a new investment research model that fully integrated sustainability criteria with financial analysis. Second, Generation learned that Sustainability = Innovation – that companies committed to advancing sustainability are often drivers of continuous innovation. Third, companies integrating sustainability as a management strategy can deliver superior performance. For all these reasons and more, Generation has become one of the world’s most successful investment management firms.

The Veris Impact

The founding partners of Veris built on Generation’s pioneering work and launched a new kind of wealth management firm that married sustainability and traditional financial analysis. Veris applied this approach by identifying a wide range of impact investments across all asset classes in their portfolios. One of our most noteworthy successes was creating a successful investment collaboration with Generation. By demonstrating that companies with a sustainable focus could perform as well or better than companies that did not, Veris and Generation redefined what’s possible.
Transforming An Inner City Neighborhood

How do communities deal with extreme poverty when nothing seems to work? In Cleveland, Ohio, community leaders and neighborhood residents took an innovative approach to co-developing worker-owned green businesses. Coming together in 2007 through the Evergreen Initiative, the Cleveland Foundation, University Hospitals, Cleveland Clinic, Case Western Reserve University, local government and 40 pioneering worker-owners successfully incubated and launched three cooperatives, creating 120 jobs. Evergreen’s blueprint for neighborhood renewal in Cleveland was so effective that it became a national model of community wealth building.

The Veris Impact

Veris was brought into the initiative by Ted Howard, CEO of The Democracy Collaborative and a pioneer in community wealth building. Working together, Veris explored a capital-raising framework and significantly refined the ownership, management and governance structure of these fledging companies operated by owner-entrepreneurs. The effort created three Evergreen Cooperatives: Laundry, Energy Solutions and Green City Growers. In a time when our nation is seeking to address inequality and job creation for the poorest among us, Evergreen is a beacon of light.
Impact Investing Mitigates Climate Change

Arresting Climate Change

Just a decade ago, climate change was a largely unchecked global threat, with few affordable solutions to reverse it. Today, large pools of capital are being invested in innovative climate solutions. The results are impressive. For example, the majority of newly installed electrical generation worldwide is now solar or wind. In California recently, nearly half of the state’s electricity demand was met with solar power. Meanwhile, the market for electric vehicles is growing exponentially. By the end of 2019, Tesla estimates it will sell 500,000 vehicles at competitive prices. In this virtuous cycle of climate change innovation, new technology is often cheaper than the high carbon energy infrastructure of the past 100 years. Technology and innovation, combined with the demand from consumers and businesses for climate change solutions, are transforming our world.  

The Veris Impact

Veris recognized early on the power of investing in climate solutions and the risks of fossil fuel investments. We’ve helped our clients invest in solar and wind projects, green buildings, sustainable food and agriculture, and food waste reduction. We have helped many clients divest from fossil fuels. We identified these opportunities by factoring climate change risks and opportunities into investment decisions across our portfolios. Based on that analysis, we invested your capital in leading sustainable companies that are aggressively reducing their carbon footprint. Our approach to investing is complemented by mindfulness and an understanding that the planet and its inhabitants are intricately interconnected.
Stabilizing Low-Income Urban Neighborhoods

Preserving Our Communities
The financial crisis hollowed out many low-income communities. Houses in urban centers were abandoned as struggling homeowners were unable to make their mortgage payments. Vacant homes destabilized neighborhoods, bringing urban decay and a host of other issues. To combat the problem, Boston Community Capital created the Stabilizing Urban Neighborhoods (SUN) Initiative in 2009. SUN keeps people in their homes by acquiring foreclosed property at a discount before a homeowner is evicted. SUN then resells the home to the occupant with an affordable mortgage. The net effect is that the vitality of neighborhoods is preserved and potential problems are avoided.

The Veris Impact
Veris clients were among the first in the nation to invest in the SUN Initiative. Since 2009, the initiative has kept nearly 800 families in their homes after they were threatened with eviction. Supported by other organizations, including nonprofits, SUN has made more than $125 million in mortgages in Massachusetts, Maryland, Rhode Island, New Jersey and Illinois. SUN has reduced borrowers’ outstanding mortgage principal by more than $60 million. On average, SUN reduces mortgage payments by 35%, saving homeowners nearly $10,000 each year. Rebuilding community wealth revitalizes neighborhoods one house and family at a time.
Investing For Gender Balance

Bending The Arc Of Finance For Women & Girls

In the world of impact investing, few ideas have captured the imagination as much as Gender Lens Investing (GLI). Investing with a “gender lens” is a strategy in which investors focus intentionally on mobilizing capital to improve the condition of women and girls worldwide. Whether it’s advancing diversity on corporate boards and executive suites, or channeling capital to underserved entrepreneurs, the underlying premise is that when women are fully engaged and empowered, social change and economic performance accelerate. All of society – both women and men – benefit.

The Veris Impact

Veris is a pioneer of Gender Lens Investing. We have helped clients invest with a gender lens by championing and defining the investable universe of GLI investment funds. Since 2010, Veris has held client-driven ‘Women, Wealth & Impact’ workshops to learn from our clients and nurture our leadership position in this field. Our thought leadership included writing two of the first white papers on GLI, countless conference appearances and extensive media coverage about GLI. At the same time, Veris has directed approximately $100 million into client portfolios invested with a gender lens intention.
Changing The Industry From The Inside Out

Helping Financial Advisors Create Impact

When impact investing was just beginning, very few of the nation’s 300,000 financial advisors had ever heard of it. To jumpstart it, three major hurdles needed to be overcome. First, an efficient platform was needed to help wealth management professionals invest potentially billions of dollars of client assets in impact solutions. Second, due diligence and thorough investment research needed to be widely available to identify and approve the top impact investment managers and funds. Third, wealth advisors needed to be educated about the benefits of the then-revolutionary idea of investing with impact. In 2008, the founders of Envestnet, Inc. made the bold commitment to make this happen. They asked Veris to help.

The Veris Impact

Envestnet (NYSE:ENV), in collaboration with Veris, helps change the way wealth management professionals invest for clients. This 10-year initiative produced the first, institutional-quality Impact Investing Solutions platform for thousands of advisors. Based on that success, Envestnet saw another opportunity two years ago to significantly expand its impact investing capabilities for advisors. Veris worked with Sustainalytics of Amsterdam, a pioneering research firm focused on sustainable investing, to help Envestnet launch new impact investing services. The new solutions include a robust research capability for advisors, innovative investment products, advisor education and customized impact portfolios for their clients. Today, Envestnet serves 15 of the 20 largest U.S. banks, 38 of the 50 largest wealth management and brokerage firms and over 500 of the largest Registered Investment Advisers.
Sustainable Food And Agriculture Reshapes Food Production

Farm-To-Table Flourishes

The movement to grow foods locally has flourished over the past decade. Today, the momentum for local production has reshaped how we think about and source our food. That’s why one of the world’s largest agricultural lenders recently said, “The Local Foods Movement is a permanent and mainstream trend.” It’s evident everywhere from New York City and its tremendous Union Square Farmers Market, now nearly 10,000 nationwide, to thousands of Community Supported Agriculture co-ops. It’s also manifest in the rapidly expanding network of “Go Local” producers of grass-fed beef, organic eggs, baked goods, farm-cheeses, among many other products, and get them delivered in major cities.

The Veris Impact

Veris clients have helped fund a handful of innovative sustainable food and ag investment funds. These funds provide loans and investments to small farmers, to food hubs in major cities, to food stores in inner-city neighborhoods, and to protect farmland for new farmers. We also have advanced regenerative farming and food by sharing the insights of our clients who are actively involved in local food production. One of our foundation clients plays a key role by developing investment strategies for the local food movement. As this movement advances, each day we are learning from many clients who are transitioning thousands of acres to regenerative farming and food production. Veris is proudly nurturing a movement that is having a very positive impact on our clients, stakeholders and the environment.
B Corps Set New Standard For Companies

B Corps Accelerate Change

Veris has always believed it must lead by example. That’s why the firm was an early adopter in the U.S. to become a B Corp, a unique form of corporate governance that fundamentally improves the way business operates. B Corps commit themselves to having a positive material impact on society, the environment and community. B Corps must report on and disclose a very detailed level of corporate information. That transparency allows impact investors to make smarter decisions. In just 10 years, the number of B Corps has grown from zero to more than 2,000 in 50 countries. Thirty-one states now have legislation authorizing Benefit Corporations. Every two years, a B Corp-certified firm must undergo a rigorous sustainability evaluation. The longer a firm is a B Corp, the tougher the recertification.

The Veris Impact

From a strategic perspective, Veris supports the B Corp movement to promote a new sustainable business model and global criteria by which employees, entrepreneurs and investors can evaluate companies. Veris has been B Corp-certified since 2011 and ranks among the top 10% of all B Corps globally. For Veris, B Corp status has helped the firm be more competitive in the marketplace. As a guiding business strategy, it has significantly deepened and improved Veris’ sustainability and innovation practices. And it motivates all of us at Veris to reach higher and have even greater positive impact. The B Corp movement is a key part of the global ecosystem of hope.
Community Banks Are Stimulating Economic Growth Across The Country

A Driver Of Change

In the past decade, Community Development Financial Institutions (CDFIs) have emerged as a key driver of economic growth in communities of need. In 2016 alone, CDFIs invested $121 billion – double the amount in 2015. CDFIs, which include community banks, co-ops and other community-based financial institutions, create economic opportunity to address the growing inequality gap in the U.S. With more than 45 million Americans living below the poverty line, it’s an enormous challenge. But CDFIs are making a real difference by creating high-quality jobs, affordable housing, and financing other initiatives critical to the health of local communities.4

The Veris Impact

Community Wealth Building is a strategic focus for Veris. Over the past 10 years, our clients have invested in many community investment companies, including Boston Community Loan Fund, New Hampshire Community Loan Fund, Enterprise Community Loan Fund, Northern California Community Loan Fund, The Reinvestment Fund, Coastal Enterprises, Inc. (CEI), RSF Social Finance and Calvert Foundation. Over the past ten years, Veris clients have invested in funds that have helped create or preserve more than 200,000 affordable housing units and helped create more than 35,500 new jobs. CDFIs are one of the most effective strategies for community wealth building.4
Unleashing The Power Of Endowments

Foundations Invest For Impact
During the past decade, private foundations have played an increasingly vital role in Mission-Related Investing (MRI). With goals very similar to that of impact investors, foundations manage large and growing endowments of capital that invest in climate change solutions, community wealth building, economic development, gender and racial equity, education, sustainable food system, among many other areas. Foundations have a multiplier effect because they not only deploy their own capital, but can also influence wealthy individuals, other foundations, endowments and private and public organizations to deploy MRI and impact investing strategies.

The Veris Impact
Veris has been partnering with private foundations and endowments since the firm was established. We have worked with family foundations and some of the nation’s largest foundations. We have helped educate trustees and management teams, while assisting them in developing Mission-Related Investing policies and strategies. These organizations include the Ford, Surdna and The California Wellness foundations. So imagine how pleased we were to learn in April 2017 that the Ford Foundation, one of the largest and most influential foundations, announced it is going to direct $1 billion to Mission-Related investments over the next decade. Veris is proud to have been an early catalyst in helping foundations see the possibilities of aligning their endowments with their values.

Community Wealth Building And Social Justice
To our clients, partners, employees and friends, thank you for your support over the years. The entire Veris team appreciates your continued guidance and wisdom. We look forward to being inspired by your thoughts and deeds for years to come.

We are optimistic as we head into the next decade, despite the all too obvious challenges. We’re hopeful because a new generation of investors and business leaders actively believe in sustainability and impact investing.

With trillions of dollars to be transferred over the next 30 years, an unprecedented amount of capital will be placed in the hands of Millennials, many of whom want to have a positive impact with their wealth.

At the same time, a new generation of business leaders are embracing sustainability as their management strategy of choice. They increasingly understand that Sustainability = Innovation.

What's more, successful companies now know that following Environmental, Social and Governance (ESG) strategies can be better for shareholders and the economic vitality of their communities.

We’re also hopeful because of the unstoppable tide of impact, business-driven innovation. This focus ultimately leads to greater efficiency, resource conservation and investment performance. In the future, impact investing will be powered by businesses investing in creative people and technologies that produce more with less. These companies also realize they thrive when all of their stakeholders do, too.

We know some don’t share our optimism. We know the enormous challenges in front of us could thwart progress. However, the wind is now at our back. Just 10 years ago, it was blowing against us.

Thank you, again. Together, we will continue to change the world for the better.

Source Reference
2. California ISO, Page 10
4. Veris, 10 year (2007-2017) estimate based on information provided by investment managers, or reported by Alex Insight, Page 23

Credits

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