



Family Offices and Investing for Impact:

How to Manage Wealth, Expand Legacies and Make a Difference in the World



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Executive Summary

A bundant anecdotal evidence suggests that a growing number of family offices in the United States are exploring ways to invest for impact. This brief guide therefore serves as a resource for family offices interested in learning about sustainable, responsible and impact investing (SRI) and reviews their unique position within this growing field. To prepare this guide, the US SIF Foundation conducted 16 interviews with family offices and other industry professionals and drew on publicly available resources for data, background information and insights.

After a short **Introduction** that reviews SRI strategies and broad characteristics of family offices, **Section 2** discusses why family offices choose to practice sustainable, responsible and impact investing. Motivations include the families' values; financial motivations, including performance return and risk mitigation; and the positive influence of peers. In addition, the growing availability and variety of SRI investment options are encouraging families to explore investing for impact.

Section 3 summarizes the available data on the number of family offices in the United States and their collective assets under management, which are estimated at \$1.7 trillion. Based on US SIF Foundation's interviews, however, there is no definitive data on how many of these family offices practice SRI. In 2014, family offices representing \$22 billion in assets under management, a relatively small sample, provided information for the US SIF Foundation's biennial survey of SRI trends in the United States; they indicated that \$1.5 billion of their assets under management took into account environmental, social and corporate governance factors. This section concludes with brief profiles of nine single family offices and multi-family offices, highlighting investment strategies, sectors of interest as well as their motivations for investing for impact.

Section 4 offers recommendations and resources on how to get started in sustainable, responsible and impact investing across different asset classes. It addresses some of the challenges and perceived barriers mentioned by interviewees. The section provides an overview of various options and common approaches in the SRI product and engagement space, including alternative investments; banks, credit unions and loan funds; mutual funds and exchange-traded funds; stocks or holdings in public equities (directly owned); and fixed income (direct holdings).

Family offices can take a number of steps that will help them move forward with sustainable investment strategies:

- Identify or appoint a “champion” within the family who is interested in exploring investing for impact and can encourage family members to discuss their goals, values and specific social, environmental or corporate governance concerns;
- Review studies on the financial performance of sustainable investments to compare conventional investments with responsible investments;
- Engage financial professionals with expertise in sustainable, responsible and impact investing; and
- Take advantage of educational resources on sustainable and impact investing, such as online and live courses, reports, conferences and networks.

A summary **Conclusion** of the report is followed by two appendices. **Appendix 1** is a compilation of resources for family offices, including helpful webpages, courses, publications, networks and conferences. It also provides information on community investing, shareholder engagement and impact measurement.

Appendix 2 presents a chart of the largest family offices (multi-family offices and family offices within private banks) in the United States.

1. Introduction

Family offices in the United States have quietly begun to explore and practice investing for impact.

Although publicly available data on family offices is limited, anecdotal evidence suggests that family offices are making more frequent inquiries to family office membership associations, financial advisors and consultants about adopting sustainable investment strategies. In addition, a few family offices have publicly announced sustainable and impact investments with details such as target sector and investment level. Another indicator of interest in the past year has been the flurry of network events and conference sessions organized on this issue for high net worth individuals and family offices.

This brief guide serves as a resource for family offices interested in exploring sustainable, responsible and impact investing (SRI). Practitioners in the industry who serve family offices, including consultants, research providers, financial advisors and investment managers, can also benefit from the information and resources in this paper.

Included is background on sustainable, responsible and impact investing in the United States, examples of current family office involvement and detailed recommendations for family offices on getting started in investing for impact.

This is a qualitative rather than quantitative study primarily based on 16 interviews conducted by the US SIF Foundation. Interviewees included representatives of single family offices, multi-family offices and family office associations, as well as advisors.

WHAT IS SUSTAINABLE, RESPONSIBLE AND IMPACT INVESTING?

Throughout the report, “SRI,” “sustainable,” “responsible” and “impact” investing are used interchangeably.

Sustainable, responsible and impact investing is an investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact. SRI can be applied across all asset classes. A number of other terms are also used for SRI, such as ESG investing, impact investing, values-based investing, mission-aligned investing, socially responsible investing, responsible investing or sustainable investing. Different types of investors prefer different terms—for example, family offices prefer the terms impact investing or ESG investing and philanthropic foundations often use the term mission-aligned investing. The term “impact investing” has been associated more with investment in private markets where social and environmental performance is actively measured. However, the US SIF Foundation utilizes the term “impact investing” as a strategy that can be applied across all asset classes. While investing for ESG impact can target concessionary returns or market returns, this report will focus on the latter.

The practice of sustainable, responsible and impact investing is growing in the United States. From 2012 to 2014, professionally managed assets engaged in SRI strategies grew from \$3.74 trillion to \$6.57 trillion to account for one out of every six dollars under professional management in the United States. To learn more, visit: <http://www.ussif.org/trends>. Two broad SRI approaches are ESG incorporation and shareholder engagement.

ESG incorporation is the consideration of environmental, social and corporate governance criteria in investment analysis and portfolio construction across a range of asset classes. An important segment of

ESG incorporation is community investing, which seeks explicitly to finance projects or institutions that will serve poor and underserved communities in the United States and overseas.

ESG incorporation can be accomplished in numerous ways:

- **Positive/best-in-class:** Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers.
- **Negative/exclusionary screening:** The exclusion from a fund or plan of certain sectors or companies based on specific ESG criteria.
- **ESG integration:** The systematic and explicit inclusion by investment managers of ESG factors into traditional financial analysis.
- **Impact investing:** Targeted investments, typically made in private markets, aimed at solving social or environmental problems.
- **Sustainability themed investing:** The selection of assets specifically related to sustainability in single- or multi-themed funds.

Shareholder engagement is the other principal approach for SRI investors. It involves the actions sustainable investors take as asset owners to communicate their concerns to the management of portfolio companies about the companies' ESG policies and to ask management to study these issues, disclose more information about them and make improvements. Investors can communicate directly with corporate management or through investor networks. For owners of shares in publicly traded companies, shareholder engagement can take the form of filing or co-filing shareholder resolutions on ESG issues and conscientiously voting their shares on ESG issues that are raised at the companies' annual meetings.

To learn more about SRI approaches, see <http://www.ussif.org/sribasics>.

Figure 1: Common ESG Issues

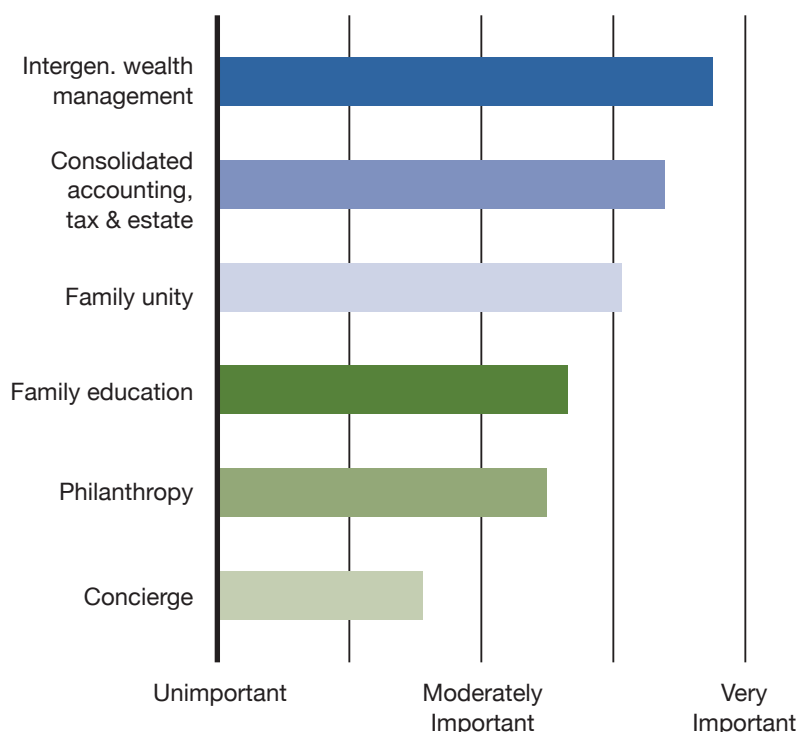


WHAT IS A FAMILY OFFICE?

Family offices are private wealth management advisory firms that serve ultra-high net worth families. In contrast to traditional wealth management firms, family offices provide a complete suite of financial and investment services for the family. These can include tax planning, budgeting, insurance, charitable giving and philanthropy, property management, estate planning, and family-owned business advisory and wealth transfer services. Moreover, family offices may handle non-financial issues including travel, private schooling and other household arrangements. Family offices are each structured differently from one another due to the particular needs of the families they serve. As an industry saying puts it: "If you've seen one family office, you've seen one family office."

Nonetheless, family offices share a common focus on intergenerational wealth management, investment and familial risk, and the long-term investment horizon.¹ According to a survey of family offices by Campden Research and UBS, the primary objective is intergenerational wealth management.²

Figure 2: Objectives of the Family Office, by Importance



Source: UBS and Campden Research, *The Global Family Office Report 2015*

There are two general types of family offices—single family offices (SFOs) and multi-family offices (MFOs). A single family office serves just one family, whereas a multi-family office is more similar to traditional private wealth management practices in that it may build its business through serving a number of clients. Some multi-family offices also identify themselves as investment management firms. According to Family Office Exchange, MFOs are best suited for individuals and families with more than \$20 million in assets,³ while SFOs should have at least \$100 million in assets.⁴

A family office can also house separate entities to enable the sharing of resources. For example, it can house the family foundation as well as the investment management and support services for the businesses the family owns.

1. UBS and Campden Research, *The Global Family Office Report 2015*, (2015), 5. Available at <http://www.globalfamilyofficereport.com/find-out-more>.

2. Ibid., 54. Note: This is a global survey and not exclusively focused on the United States.

3. Family Office Exchange, Multi-Family Offices, accessed November 9, 2015, <https://www.familyoffice.com/understanding-family-office/alternatives-family-office>.

4. Family Office Exchange, Reasons to Start a Family Office, accessed November 9, 2015, <https://www.familyoffice.com/understanding-family-office/do-i-need-family-office>.

2. The Case for Sustainable, Responsible and Impact Investing in Family Offices

There are multiple reasons family offices and other investors choose to practice sustainable, responsible and impact investing. These include the families' values; financial motivations, including performance return and risk mitigation; and the positive influence of peers. In addition, the growing availability and variety of SRI investment options across asset classes is encouraging families to explore investing for impact.

VALUES AND MISSION

Ultra-high net worth (UHNW) individuals and families are often active members in civil society, public service and the business world. Many seek to have a positive impact on society through various platforms and are also involved in philanthropy. They may champion certain causes, such as increasing opportunities for women or advancing opportunities for low-income communities or families. Responsible investing is another venue for family offices to extend their mission-oriented work. This can be done using a variety of approaches, from targeting certain thematic sectors like clean technology and avoiding specific sectors or companies such as weapons manufacturers, to ensuring that companies are accurately valued by integrating ESG factors in financial analysis. See pages 4–5 for more information on SRI strategies.

Millennials

Millennials, those individuals born between 1980 and 2000, have shown particular interest in producing a positive impact on society through their investments. Through travel and 24/7 news and social media, millennials have a “heightened awareness” of the social and environmental problems taking place in far corners of the world.⁵ Millennials have also been influenced by their college or university campus experience, with a wide range of courses available on sustainability, climate change and social issues, and with students questioning whether college and university endowments are invested in sectors and companies that are harmful to society.

According to a 2015 study of UHNW millennials by Campden Research and Oppenheimer Funds, “Millennials want to do good. Philanthropy and impact investing are conduits UHNW millennials utilize to achieve this.”⁶ Top impact investment issues of interest, according to the study, are education, water, the environment and gender equality. The study found that 96 percent of the UHNW millennials surveyed were interested or very interested in philanthropy, 69 percent in socially responsible investing and 64 percent in impact investing.⁷ The report does not define or explain the difference between “socially responsible investing” and “impact investing.”

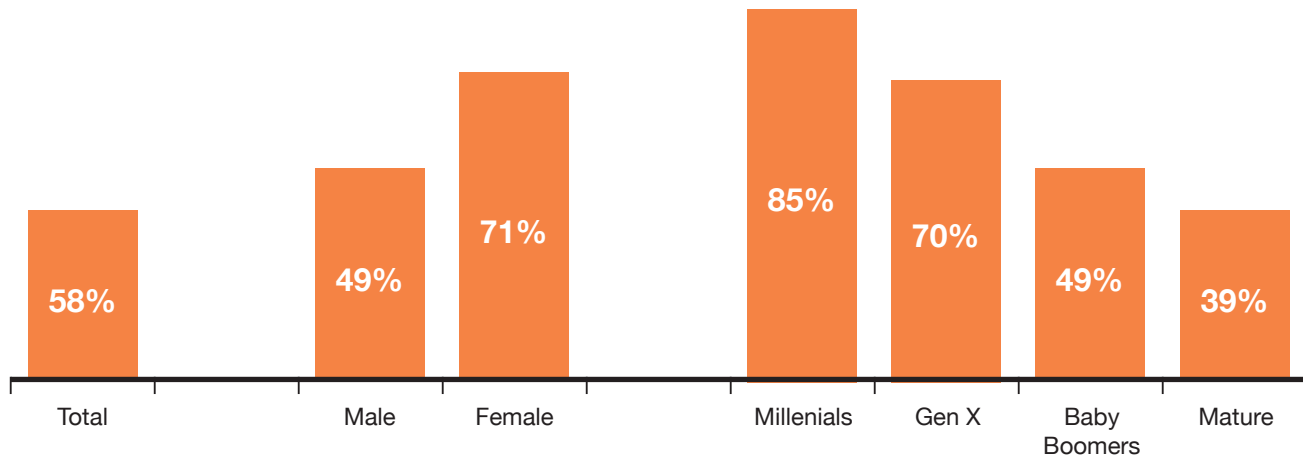
A recent survey by US Trust Bank of America Private Wealth Management of high net worth (HNW) and UHNW adults showed that 85 percent of millennial respondents agree that social or environmental impact is important to investment decisions, compared with 70 percent of Generation X and 49 percent of baby boomers. See Figure 3 on page 8.

5. ImpactAssets, *The Millennial Perspective: Understanding Preferences of the New Asset Owners* (2014), 4.

6. Campden Research and Oppenheimer Funds, *Proving Worth: The Values of Affluent Millennials in North America* (2015), 4. Available at https://www.oppenheimerfunds.com/private-banks/doc/Proving_Worth_The_Values_of_Affluent_Millennials_in_North_America.pdf?dig_asset_metrics=done.

7. Ibid., 9.

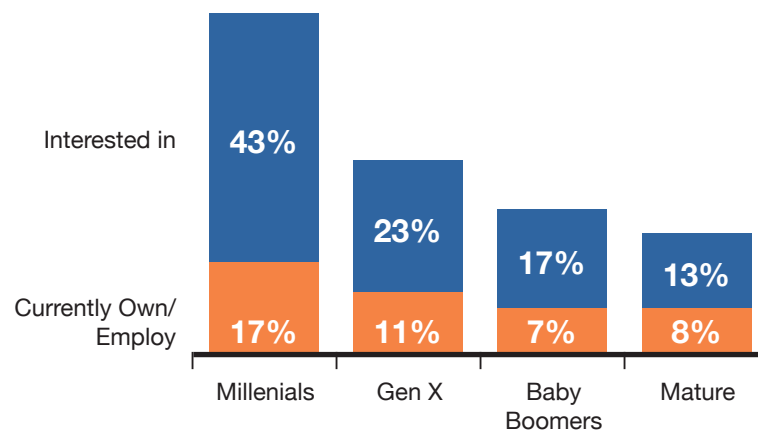
Figure 3: Percent of HNW and UHNW Adults Who Agree Social or Environmental Impact is Important to Investment Decisions⁸



Source: US Trust Bank of America Private Wealth Management, *Insights on Wealth and Worth Survey 2015*

The US Trust study found that 10 percent of all HNW and UHNW adults surveyed currently own or employ social impact investments while 22 percent are interested in them.⁹ Yet among wealthy millennials, 17 percent currently own such investments and 43 percent are interested.¹⁰ See Figure 4 for a breakdown by generation.

Figure 4: Percent of HNW and UNHW Individuals Who Own or Are Interested in Social Impact Investments



Source: US Trust Bank of America Private Wealth Management, *Insights on Wealth and Worth Survey 2015*

Amy Hart Clyne, the Executive Director at Family Office Exchange (FOX), studied over 50 ultra-wealthy millennials and over 75 advisors to ultra-wealthy millennials in 2014 and also found high levels of interest in impact investing. She says the interest is due to millennials wanting to apply their socially and environmentally conscious values to all aspects of their lives, including investments.

8. In this study by US Trust Bank of America Private Wealth Management, millennials are ages 18-34, Generation X (35-50), baby boomers (51-69) and mature (70+).

9. US Trust Bank of America Private Wealth Management, *US Trust Insights on Wealth and Worth Survey* (2015), 31. Available at http://www.ustrust.com/publish/content/application/pdf/GWMOL/USTp_ARTNTGDB_2016-05.pdf.

10. Ibid.

James Gifford, the founding Executive Director of the Principles for Responsible Investment and current senior fellow at the Initiative for Responsible Investment at the Harvard Kennedy School, recently co-created a new program on impact investing for UHNW millennials, many of whom are involved in their family offices. Called Impact Investing for the Next Generation, the program trains 25-40 year old “next gens” on how to make the case for impact investing within their families and on how to be effective impact investors. In Gifford’s view, many wealthy millennials are interested in impact investing because they have a strong social commitment and conscience. While they are often involved with philanthropy and tend to be concerned about social justice, poverty alleviation and the environment, they also see business and investment as having a core role in addressing societal problems, in a way that previous generations did not. Gifford says that the availability of impact investment products allows millennials to apply their values to both concessionary and market-rate investments.

Other Generations

While everyone interviewed for this report noted the important influence of millennials in family office interest in investing for impact, some also emphasized the role of other generations. Tom Livergood, CEO of the Family Wealth Alliance, says millennials have become the tipping point, because: “They don’t just ask why, they ask why not?” He added, though, that “In general, for the family as a whole, the interest in SRI is that it transcends generations. It’s a way for cross-generation communication.” Abigail Noble, CEO of The ImPact, a nonprofit organization of investors who commit to make impact investments and share data, noted that millennials are interested in how social and environmental impact can be integrated into their business and investment decisions, but that the older generations in family offices also want their family legacy to be one of positive impact and are looking at the role their investments play. Eric Stephenson, Portfolio Director at both the Cordes Foundation and Cordes Family Office, agrees that some members of the older generations are trying to use SRI as a tool to engage the interest of younger family members.

FINANCIAL PERFORMANCE AND RISK REDUCTION

Family offices are exploring SRI not only to implement their values of sense of mission, but also because a growing body of evidence indicates that ESG investments achieve comparable or even better financial returns than conventional investments. In 2015 Deutsche Asset & Wealth Management and Hamburg University conducted a meta-analysis of over 2,000 empirical studies, making it the most comprehensive review of academic research on this topic. They found that the majority of studies show a positive correlation between ESG standards and corporate financial performance (CFP).¹¹ The authors noted:

The results show that the business case for ESG investing is empirically very well founded. Roughly 90 percent of studies find a nonnegative ESG–CFP relation. More importantly, the large majority of studies reports positive findings. We highlight that the positive ESG impact on CFP appears stable over time.¹²

In addition, a working paper published by the Harvard Business School found evidence that highly sustainable companies have significantly outperformed their counterparts over the long term both in terms of stock market and accounting performance.¹³ Oxford University and Arabesque Partners conducted a meta-study in 2015 that analyzed more than 200 sources, and found that “88 percent of reviewed sources find that companies with robust sustainability practices demonstrate better operational performance, which ultimately translates into cash flows.”¹⁴ Furthermore, “80 percent of the reviewed studies demonstrate that prudent sustainability practices have a positive influence on investment performance.”¹⁵

11. Gunnar Friede, Timo Busch & Alexander Bassen, ESG and financial performance: aggregated evidence from more than 2000 empirical studies, *Journal of Sustainable Finance & Investment* (2015), 5:4, 210, DOI: <http://www.tandfonline.com/doi/pdf/10.1080/20430795.2015.1118917>.

12. Ibid.

13. Robert Eccles, Ioannis Ioannou, & George Serafeim, *The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance*, Harvard Business School, July 2013.

14. Arabesque Partners and Oxford University, *From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance* (2015), 6. Available at http://www.smithschool.ox.ac.uk/library/reports/SSEE_Arabesque_Paper_16Sept14.pdf.

15. Ibid.

A 2015 report by the Morgan Stanley Institute for Sustainable Investing, found that “investing in sustainability has usually met, and often exceeded, the performance of comparable traditional investments.”¹⁶ This is on both an absolute and a risk-adjusted basis, based on its review of US-based mutual funds and separately managed accounts. “Sustainable equity mutual funds had equal or higher median returns and equal or lower volatility than traditional funds for 64 percent of the periods examined.”¹⁷

The Impact Investing Benchmark, created jointly by Cambridge Associates and the Global Impact Investing Network (GIIN), includes over 50 private investment funds of vintage years¹⁸ 1998 to 2010 that have the specific objective to create positive, measurable social impact and to produce risk-adjusted, market-rate financial returns. Cambridge Associates measured the Impact Investing Benchmark against a comparative universe of 705 funds with no social impact objective in the same industries, geographies and asset classes and of the same vintage years. According to its analysis, “private impact funds—specifically private equity and venture capital funds—that pursue social impact objectives have recorded financial returns in line with a comparative universe of funds that only pursue financial returns.”¹⁹ The “funds in the Impact Investing Benchmark posted an IRR [internal rate of return] of 6.9 percent as of June 30, 2014, while a comparative universe of private investment funds with no social impact objectives and with the same vintage years returned 8.1 percent.”²⁰ Additionally, “US-focused impact investing funds under \$100 million returned a 13.1 percent pooled net IRR versus a 3.6 percent IRR for comparative US funds under \$100 million.”²¹

A list of additional studies on performance from financial institutions and global organizations can be found on the US SIF website: <http://www.ussif.org/performance>.

INCREASED OPTIONS TO INVEST FOR IMPACT

Interviews with family offices and advisors indicate that another reason family offices have become more interested in SRI is because of the expanded investment options available. While their initial interest primarily focused on private equity, family offices are increasingly aware of opportunities in other asset classes and investment products, such as climate-focused bonds, community investing loan funds, and ESG mutual funds and separate account strategies. Family offices have “greater flexibility in their mandates than other investors (i.e., pension funds), allowing them to utilize a variety of strategies within their capital structure and to invest across asset classes.”²²

The growth in the numbers and types of ESG investment vehicles is documented by the US SIF Foundation’s biennial surveys of US sustainable, responsible and impact investing trends. In 2014, the US SIF Foundation identified 925 investment funds and 214 separate accounts that incorporated ESG criteria into their investment analysis or portfolio selection, compared with 720 and 178, respectively, just two years prior.²³ The US SIF Foundation also identified 880 US-domiciled community investing institutions in 2014. The ESG investment vehicles are from both private and public markets. See Figure 5 for more information.

16. Morgan Stanley Institute for Sustainable Investing, *Sustainable Reality: Understanding the Performance of Sustainable Investment Strategies* (2015), 1. Available at <http://www.morganstanley.com/sustainableinvesting/pdf/sustainable-reality.pdf>.

17. Ibid.

18. “Vintage year” refers to the first year that a private equity firm began making investments.

19. “Private Impact Investing Funds Yielded Financial Performance In Line With Similar Private Investment Funds With No Social Objective,” Cambridge Associates and Global Impact Investing Network press release, June 25, 2015, <http://www.cambridgeassociates.com/news/articles/private-impact-investing-funds-yielded-financial-performance-in-line-with-similar-private-investment-funds-with-no-social-objective/>.

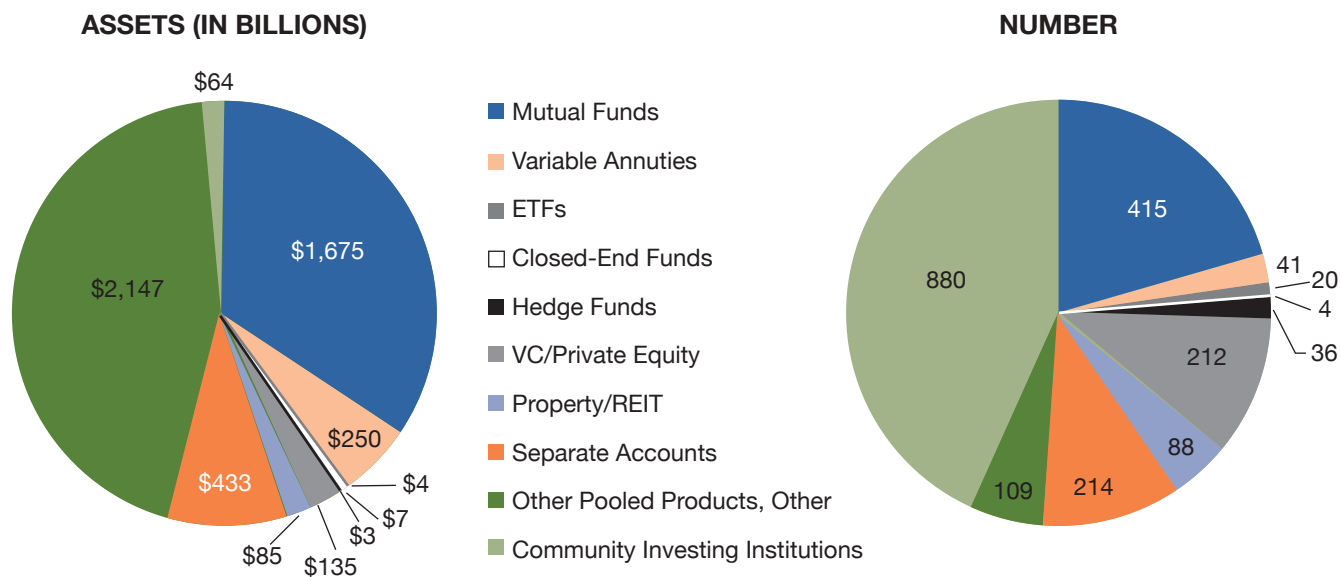
20. Ibid.

21. Ibid.

22. World Economic Forum, *Impact Investing: A Primer for Family Offices* (2014), 16. Available at http://www3.weforum.org/docs/WEFUSA_FamilyOfficePrimer_Report.pdf.

23. The US SIF Foundation, *Report on US Sustainable, Responsible and Impact Investing Trends 2014* (2014), 28.

Figure 5: Types and Assets of Investment Vehicles and Financial Institutions Incorporating ESG Criteria 2014



Source: The US SIF Foundation, Report on US Sustainable, Responsible and Impact Investing Trends 2014.
 Note: For the purpose of this figure, community development venture capital funds are grouped with community investing institutions.

POSITIVE INFLUENCE OF PEERS

A few interviewees noted the positive influence of family offices advocating for impact investing (see Highlighted Examples on page 13), new networks established to serve this specific investor segment (such as The ImPact, Toniic and Transform Finance Investor Network), and conferences for family offices focused on this topic. These resources and examples have enabled family offices to explore impact investing and learn firsthand from those already practicing it.

The mainstreaming of sustainable and impact investing among investment institutions more broadly has also influenced the perceptions of family offices. Jane Swan, a Senior Wealth Manager at Veris Wealth Partners, noted that a “sliver” of mainstream media, such as the positive impact investing coverage in the *New York Times*, has started to change the dialogue. Additionally, the climate debate has stimulated significant action by global investors adding credibility to the importance and financial wisdom of merging mission and investments. As a result, families have more awareness of and comfort with SRI.

3. Family Offices and Current Trends in Investing for Impact

Family offices in the United States are estimated to represent \$1.7 trillion in assets under management (AUM). They include approximately 3,000 single family offices and 150 multi-family offices. SFOs represent about \$1.2 trillion in AUM and MFOs represent about \$500 billion.²⁴ Globally, of the top 50 family offices by assets under advisement, 39 are in the United States (see Appendix 2 on page 25).²⁵ This list includes only MFOs and family offices within private banks. There is no publicly available list of the largest single family offices in the United States, and SFOs generally shy away from having an online presence to maintain privacy. Additionally, they are not required to disclose financial information publicly.

The US SIF Foundation first tracked family offices, including trusts, in its 2012 biennial survey of SRI trends in the United States. As in 2012, the 2014 *Trends* survey did not receive a large enough response from family offices to measure definitive trends for them as a distinct category. Respondents to the survey managed just over \$22 billion in total AUM and \$1.5 billion in ESG AUM. US SIF Foundation interviews found that there is no clear consensus or current data on how many family offices in the United States practice ESG investing.

Most of those interviewed for this report believe that the number of family offices practicing any strategy of SRI is small, but that *interest* in SRI is high even if family offices are not yet implementing it. Angelo J. Robles, the Founder and CEO of Family Office Association, surmised that as many as 50 percent of his 300 members have an interest in SRI. Amy Hart Clyne of Family Office Exchange conducted a member survey on impact investing (in both private and public markets) in early 2015 and found that only a small number of its family offices had an allocation to impact investing as an active investment strategy. However, she noted that the survey response rate was low. Based on her interactions with members and their participation in the trainings, webinars and other educational sessions she has organized on SRI, she believes a greater number are interested. Tom Livergood of the Family Wealth Alliance believes that more family offices will be doing SRI in the next several years, as do Clyne and Robles.

The handful of family offices that responded to the US SIF Foundation's 2014 *Trends* survey identified a wide range of ESG criteria incorporated in their investment funds. They identified pollution and toxics as the most important ESG issue in asset-weighted terms followed by climate change and carbon emissions. Other environmental issues were also among the top overall criteria—green building and smart growth, clean technology, and sustainable natural resources and agriculture.

Most practitioners interviewed also noted environmental issues as a primary investment impact interest of family offices. Jane Swan of Veris Wealth Partners said that the reason may be that there have been more investment products in the last several years focusing on environmental issues than on other impact areas, and thus the environmental investment vehicles have a longer track record. Other sectors mentioned by interviewees include human rights, supply chain issues, local and community investing, sustainably grown food, and technology innovators that advance social and environmental progress.

24. Bloomberg LP, *Bloomberg Brief: Family Office* (2014), 17. Available at http://www.bloombergbriefs.com/content/uploads/sites/2/2014/12/Family-Office_December.pdf.

25. Ibid, 5-6.

HIGHLIGHTED EXAMPLES

What follows is a short list of family offices that are exploring sustainable, responsible and impact investing.

Single Family Offices

Armonia LLC focuses 100 percent on triple bottom line investments with a balanced emphasis on people, planet and profit. Emphasizing a holistic approach to long-term investments, Armonia seeks to catalyze regenerative practices in agriculture, finance and business. A representative told US SIF Foundation, “With a core steeped in the values of collaboration, Armonia operates through a constellation of like-minded partners, linked by trust and common values.” The family office is a Certified B Corporation, which is a for-profit company certified by the nonprofit B Lab to meet high standards of environmental and social performance, accountability and transparency.

Blue Haven Initiative “makes investments in profitable companies, nonprofit organizations and new ventures creating positive social or environmental impact.”²⁶ Liesel Pritzker Simmons, a co-founder and principal, has been a voice for the millennial generation in impact investing. She is a frequent speaker in “next gen” events, where she advocates the merits of sustainable finance.

The family office had existed previously under a different name and had used some negative and positive screens, but reorganized in 2012 and sharpened its focus on sustainable, responsible and impact investing. Blue Haven Initiative currently uses a total portfolio approach, which it explains as “a strategy of wealth management that optimizes financial return for any given asset class while simultaneously generating social and/or environmental impacts, with the goal of maximizing the total performance of an investment portfolio.”²⁷

For Pritzker Simmons, who had long been involved with philanthropy, the impetus to invest for impact was the recognition that philanthropic assets are limited, and that more money is available to be put to work for social impact if the full investment portfolio is considered. She says that when investments are structured properly, “they can be life-changing,” but they have to be done right. She emphasizes that Blue Haven Initiative is a market-rate investor seeking to maximize financial returns.

Investing globally, the family office is “sector agnostic,” but areas of interest include affordable and green real estate, education, energy and environment, financial inclusion and health. For direct investments, the family office seeks opportunities in renewable energy and financial inclusion in East Africa.

Ceniarth provides “capital to accelerate the deployment of products and services that directly impact underserved communities.”²⁸ It organizes its work around program areas—energy access, agriculture, as well as cross sectoral financial institutions and intermediaries. In addition to its program areas, Ceniarth aims to align its more conventional investment portfolio with managers that incorporate the evaluation of environmental, social, corporate governance and business sustainability factors as part of the investment process. The investment managers and vehicles to which Ceniarth has directed capital include Generation Investment Management, TIAA-CREF, Goldman Sachs’s Social Impact Fund, Generate Capital, Helios Investment Partners, Bridges Property Fund & Bridges Ventures US, Root Capital, Lendable, and Women’s World Banking.

The **Cordes family** is an advocate for sustainable, responsible and impact investing. The family began its SRI activities with the Cordes Foundation, which it established in 2006 following the sale of Ron Cordes’s investment management business. By 2015, the foundation had invested 100 percent of its assets for impact. Much of the other family assets are in long-term real estate investments, held for as long as 20 years or more. Going forward, the family office will apply an impact lens to all future investments. Sectors of interest are similar to those of the foundation—economic empowerment, advancing women and girls, and sustainable and ethical fashion—but broader impact issues are also considered.

26. Blue Haven Initiative, Strategy, accessed October 21, 2015, <http://bluehaveninitiative.com/bh-strategy/>.

27. Blue Haven Initiative, Portfolio, accessed October 21, 2015, <http://bluehaveninitiative.com/bhi-portfolio/>.

28. Ceniarth, About Us, accessed November 25, 2015, <http://ceniarthllc.com/about-us/>.

The Cordes family created a family limited liability company (LLC) as a venture vehicle for impact investing. The LLC currently holds two private equity investments with a “double bottom line”: the Opportunity Collaboration, a for-profit entity that convenes a global network of leaders building sustainable solutions to poverty, and Impact Republic, a digital technology company that builds businesses, brands and organizations that produce social and environmental benefits. The Cordes family believes that all investments have environmental and social impact, so it intentionally seeks to deploy resources in a way that creates a positive impact aligned with the family’s values while generating financial returns commensurate with the associated investment risks.

Pi Investments invests on behalf of a single family office committed to investing 100 percent of its portfolio in support of a more just and sustainable economy. It is currently transitioning all family assets towards values-aligned investments and “is working to develop new approaches and investment structures to better align with values-driven businesses and support long-term sustainable outcomes.”²⁹ Given the family’s commitment to making environmentally and socially responsible decisions in other aspects of their lives, they decided it made no sense not to extend their values into their wealth and investment portfolio.

Pi Investments is sector agnostic, focusing broadly on systemic issues. By looking at a wider set of themes, across social justice and environmental issues, Managing Director Aner Ben-Ami says it has a broad enough mandate to deploy its full portfolio of assets. The firm is a signatory of Divest-Invest Philanthropy, a platform for institutional investors to commit to fossil fuel divestment. Pi Investments is also a founding member of Transform Finance Investor Network, a practitioner network working to develop and implement a community-centered approach to impact investing.

In some cases, family offices prefer not to publicize their SRI activities and investments. For example, in May 2015 investment management firm Aperio Group announced in a press release that it had partnered with an unnamed family office to launch the Women’s Inclusion Strategy. Aperio Group says that the goal of the family office is to apply a gender-lens investment strategy, favoring companies that offer equal opportunity to women and observe their human rights. Companies with more women on their boards and senior management are also sought. Companies without at least one woman on the board and at least one female executive are excluded from the strategy.

Multi-Family Offices

The CAPROCK Group, established in 2005 and with several locations throughout the United States, is a multi-family office offering impact investing services. It uses a proprietary impact process that leverages “conventional” financial analysis tools and portfolio construction in its impact investing. CAPROCK says that this enables it to achieve impact across asset classes, competitive rates of return and the goals of its impact investor clients.³⁰ It notes on its website: “For a variety of reasons—uncertain capital needs, unfamiliar terminology, the absence of clear metrics, etc.—investments that seek to generate both financial return as well as create environmental or social value, are perceived as more risky than conventional investments....We reject the assumption that impact investments inherently yield lower rates of return to the investor.”³¹

Federal Street Advisors, created in 1991, was one of the early multi-family office pioneers offering sustainable investment services. Like most early SRI investors, the firm started with negative screens but evolved to offer a wider range of strategies over the past decade. Many clients who approached the firm were already interested in SRI, while others became interested after learning about it from Federal Street Advisors, according to president Jennifer Murtie. In early 2016, Federal Street Advisors and Pathstone Family Office merged into a \$7 billion multi-family office, **Pathstone Federal Street**. The new firm will expand upon Federal Street Advisors’ expertise with multi-generational families and sustainable investment services.

Rockefeller & Co. is a global investment advisory and asset management firm that provides a wide array of services to foundations, endowments and other nonprofit institutions, as well as to individuals, families and trusts. Its history dates back to 1882 when John D. Rockefeller, Sr. established a New York office to manage

29. Investors Circle, Selection Committee, accessed October 21, 2015, <http://www.investorscircle.net/selection-committee>.

30. Integrated Impact Investing, About i3, accessed November 19, 2015, <http://www.i3impact.com/about.php>.

31. Ibid.

the Rockefeller family's personal and philanthropic interests. Rockefeller & Co. was incorporated in 1979 as part of its evolution from a single family office to an integrated firm, and registered with the US Securities and Exchange Commission in 1980 as an investment adviser, thus making available to external clients similar resources that serve Rockefeller family members today.

The Rockefeller heritage of sustainability and impact investing dates back to the 1970s, when the family office began public and private investment programs that incorporated ESG criteria into the investment process. Based on decades of experience managing ESG strategies, Rockefeller & Co. recognizes that investment opportunities can be enhanced through responsible corporate citizenship and governance practices.

Threshold Group is a multi-family office with approximately \$1 billion in assets invested in impact investments or seeking such investments. The firm uses a proprietary Impact Investment Scoring System to identify and evaluate a broad range of environmental, social and regional impact opportunities. Threshold Group also offers a place-based platform called Invest NW, which focuses on investing for the environmental, social and regional development of the Northwest. Additionally, its Divest/Invest solution provides clients with carbon audits of their investment portfolios, including the carbon risk exposure of underlying assets in derivative instruments.³²

32. Threshold Group, Impact Investing, accessed December 1, 2015, <https://www.thresholdgroup.com/our-services/impact-investing>.

4. Recommendations for Moving Forward

This section offers recommendations and resources on how to get started in sustainable, responsible and impact investing across asset classes. It addresses some of the challenges and perceived barriers mentioned during the 16 interviews conducted by the US SIF Foundation. The section provides an overview of various options and common approaches in the SRI product and shareowner engagement space, including alternative investments; banks, credit unions and loan funds; mutual funds and exchange-traded funds; stocks or holdings in public equities (directly owned); and fixed income (direct holdings).

FAMILY VALUES AND CONSENSUS

Family members need to make unified decisions about their mission and values as they relate to the family office. When values are not aligned, the status quo often persists. One person may be interested in sustainable and impact investing, but unable to pursue it because his or her money is tied up with other family investments and assets.

In these cases, a family can benefit from a “champion” within the family who is interested in exploring SRI and can encourage family members to discuss their goals, values and specific social, environmental or corporate governance issues of concern. Advice from staff members or advisors working on the philanthropy side or with the family foundation can be sought. Even though such individuals may not be specialists in SRI themselves, they can be helpful for guidance on initial resources to review.

Specialist consultants can also be engaged to assist families with articulating their impact goals and achieving consensus when there are disagreements or discord within families about how to move forward.

Additional outside experts also can be invited to a family office meeting to stimulate debate. While not all family offices have a values and vision statement, they can consider developing one or updating it to include ESG and impact investing goals. Working together on a shared and meaningful vision can help family unity and intergenerational involvement with the family office.

WEALTH PRESERVATION

The primary focus of a family office is generally wealth preservation with families and their investment professionals concerned about financial performance, costs and risks. Meeting cash flow needs for future generations and not causing too much financial strain is important.

Family offices can acquaint themselves with studies on the financial performance of sustainable investments to compare traditional investment funds with SRI funds. Numerous studies by well-respected academic institutions and investment firms demonstrate that SRI achieves competitive financial returns and is a solid long-term investment strategy. Thus, SRI can play a role in wealth preservation. For a list of studies, see <http://www.ussif.org/performance>.

EDUCATION

To educate families, investment staff and advisors on sustainable investment, online and live courses are available, as well as resources such as formal networks and conferences. The family offices interviewed for this report highlighted networks and conferences as one of the best ways to explore SRI. A vast range of reports are also available on topics such as investment opportunities in particular social or environmental

issues, the evolution of ESG integration and other investment strategies, how to measure social impact, and SRI financial performance. A list of resources is included in Appendix 1 on page 23.

The US SIF Foundation's Center for Sustainable Investment Education was founded in 2013 to serve the growing need of investment professionals in the United States to gain expertise in the field of sustainable, responsible, and impact investment. The Center provides education, research and thought leadership on sustainable investment to investors, investment advisors, consultants and analysts. To learn more, visit <http://www.ussif.org/education>.

FINDING A SRI FINANCIAL PROFESSIONAL

To find a SRI investment professional, families may wish to enlist the assistance of a financial advisor or consultant with expertise in sustainable and responsible investing options and strategies. A good place to start is the [directory of financial services](#) offered by US SIF members. Under "Directory Categories," select "Investment Consulting Firms" or "Financial Planners, Advisors and Brokers."

Families may also want to employ the services of an investment management firm that specializes in sustainable and impact investment approaches. A helpful resource is US SIF's online chart of [Separate Account Managers in Sustainable and Responsible Investing](#). Many of these firms assist clients in filing shareholder resolutions on ESG issues, including labor and human rights, climate change and sustainable development, and board issues.

IMPACT INVESTMENT STRATEGIES

What are some broad impact investing strategy approaches that can be applied to an investment portfolio? Many SRI financial advisors have approaches across asset classes. The World Economic Forum's primer on impact investing for family offices suggests the following strategies to consider:³³

- Create a balanced impact portfolio by gradually overlaying impact across every asset class, thus creating integrated impact across the portfolio.
- Test the waters with a smaller portion of the portfolio—through a one-off investment, piloting an impact investment through the family foundation or a donor-advised fund, or creating a carve-out (for example 1-10 percent of the portfolio).
- Commit a part of the portfolio to high-impact investments in impact-focused companies or into funds.
- Seed an investment vehicle either through backing an existing manager/management team with an established track record and specialization or through establishing a new investment team.

To learn about the World Economic Forum's detailed framework and approaches, see the [full report](#).

In addition, the following chart from Veris Wealth Partners summarizes some investment product options available in SRI across risk level and rate of return.³⁴

33. World Economic Forum, *Impact Investing: A Primer for Family Offices* (2014), available at http://www3.weforum.org/docs/WEFUSA_FamilyOfficePrimer_Report.pdf. Veris Wealth Partners, *Impact Across All Asset Classes*, <http://www.veriswp.com/investing/impact-across-all-asset-classes/>, accessed January 7, 2016.

34. Veris Wealth Partners, *Impact Across All Asset Classes*, <http://www.veriswp.com/investing/impact-across-all-asset-classes/>, accessed January 7, 2016.

Figure 6: Summary Chart of Impact across Various Asset Classes

	CASH	FIXED INCOME	PUBLIC EQUITIES	PRIVATE EQUITIES
Above ↑	<ul style="list-style-type: none"> • FDIC Insured CDs • Community Bank CDs and Money Market 	<ul style="list-style-type: none"> • SRI Corporate Bonds • Gov't Credit • CRA Qualified Bonds • Small Business Loans • Micro-Finance • International Bonds • Municipal Bonds 	<ul style="list-style-type: none"> • Global Sustainable • Passive Sustainable • Socially Screened • Domestic • International • Small Cap Specialty • Alternative Energy • Healthy Living/Wellness 	<ul style="list-style-type: none"> • Private Equity Funds • Sustainable Funds • Alternative Funds • Clean Tech • Green Real Estate • Direct Private Equity • Sustainable Forestry and Agriculture Funds
Market Rate				
↓ Below	<ul style="list-style-type: none"> • Community Bank CDs and Money Markets 	<ul style="list-style-type: none"> • Community Loan Funds • Loan Guarantees • Micro-Finance • CDFI linked deposits • PRIs 		<ul style="list-style-type: none"> • Direct Private Equity

Source: Veris Wealth Partners

SRI PRODUCT AND SHAREHOLDER ENGAGEMENT OPTIONS

The number of SRI investment options has been increasing in recent years. The US SIF Foundation identified 925 investment funds, 214 separate accounts and 880 community investing institutions in 2014 that were domiciled in the United States. These ESG investment vehicles are from both private and public markets. The list below represents some options and resources for family offices in identifying SRI products and learning about common approaches to shareholder engagement.

Alternative Investments

Alternative investments—specifically private equity, venture capital, property, real estate and hedge funds—have become one of the most dynamic segments within the sustainable and impact investing space. Numerous resources and networks exist for family offices interested in alternative investments geared towards advancing sustainability. A short list includes:

- [ImpactAssets 50](#): An annually updated list of experienced impact investment firms that are selected to demonstrate a wide range of impact investing activities across sectors, geographies and asset classes. Most of the 50 are private debt and equity fund managers. The project is managed by ImpactAssets.
- [ImpactBase](#): A searchable, online database of impact investment funds and products designed for accredited investors. The majority of funds are alternative investments, but the database includes other funds as well. ImpactBase is a project of the Global Impact Investing Network.
- [Investors' Circle](#): Together with hundreds of angel investors, venture capitalists, foundations and family offices, this network has propelled \$200 million into 300 enterprises dedicated to improving the environment, education, health and community.

Banks, Credit Unions and Loan Funds

An important segment of ESG incorporation is community investing, which seeks explicitly to finance projects or institutions that will serve poor and underserved communities in the United States and overseas. Both return of capital and return on capital are expected, although some investments have concessionary rates of return. Community investing is historically known to investors through community development banks, credit unions, and loan and venture capital funds, often registered with the US Treasury as community development finance institutions (CDFIs).

Family offices may open accounts in, or purchase certificates of deposits and other cash instruments from banks and credit unions that have a commitment to affordable housing, local employment, healthy food providers and other opportunities that advance low and middle-income communities. To find a credit union or bank committed to supporting such communities, please visit:

- [Community Development Bankers Association](#)
- [National Community Investment Fund](#)
- [National Federation of Community Development Credit Unions](#)

Two sources of information on community development loan funds active in the United States are [Opportunity Finance Network](#) (OFN) and [Aeris](#). OFN provides a “[CDFI Locator](#),” an online directory of loan funds (and other financial institutions) that are certified by the US Treasury as Community Development Financial Institutions, searchable by the states served and the type of lending provided (e.g. microenterprise, affordable housing, etc.). Aeris offers an online search guide to CDFI loan funds that have undergone its extensive due diligence evaluation. Its [CDFI Selector](#) enables investors to search for investment opportunities by impact area, including women, food access, healthcare and education. More background on community development banks, credit unions and loan funds can be found in [Options and Innovations in Community Investing](#), available on US SIF’s website.

Mutual Funds and Exchange-Traded Funds

In addition to owning stocks or corporate bonds directly, family offices may also own shares in mutual funds and exchange-traded funds that invest in stocks and bonds.

Learn about the ESG policies of the funds: The fund prospectus will note if the fund takes social responsibility or corporate governance and business ethics concerns into account in selecting its portfolio. Funds that invest in stocks also have a responsibility to vote their shares in portfolio companies, and are required to provide a record of how they voted, called an “N-PX” report, under rules issued by the US Securities and Exchange Commission (SEC). The report will list each resolution and whether it was proposed by the company management or by shareholders, how the fund voted and whether that vote was “for” or “against” the company’s recommendation. To check if a mutual fund has fossil fuel investments, see <http://fossilfreefunds.org/>.

Express views to fund management: Family offices can also contact the fund company to express their concerns if they do not see evidence that the funds they are invested in have thoughtful voting on ESG issues. A general, toll-free telephone number can usually be found on the website of the mutual fund company. Mutual fund companies are likely to develop or modify their products if they believe there is sufficient customer demand.

Switch funds: Family offices may also wish to switch funds. A good place to start is the [list of mutual funds](#) offered by members of US SIF. Click on the screening and advocacy tab to see the ESG issues the funds consider, such as pollution/toxics, community development, executive pay and screened products including tobacco, weapons and animal welfare. The chart also shows which equity funds file shareholder resolutions or communicate with portfolio company management on ESG issues. The proxy voting tab provides quick links to the funds’ proxy voting guidelines and records.

Stocks or Holdings in Public Equities (Direct Ownership)

When family offices directly own shares in companies, they can use their rights as shareholders to comment on company actions and policies and to raise issues of concern.

Review the company to learn about its ESG practices: To learn about portfolio companies' policies on environmental, social and governance issues that are of concern, family offices should look on the corporate website, under the "Investor Relations," "Governance," "Code of Conduct" or "Sustainability" sections. Check whether the company publishes a corporate responsibility or sustainability report and if so, whether it has policies and disclosure on specific ESG issues. Family offices may also consider purchasing research conducted by firms that specialize in assessing companies on various ESG issues. To find a list of these firms, visit the [directory of financial services](#) offered by US SIF members: under "Directory categories," select "Research & Index Providers."

Proxy voting: With shares owned directly in a company, family offices can pay close attention to the management proposals and shareholder resolutions that are coming to votes at their annual meetings and vote their shares. Proxy voting is a fundamental way that investors can exercise fiduciary responsibility and weigh in on issues that are of importance to them. In addition to the proposals from management recommending directors for election or re-election, some portfolio companies may have resolutions proposed by shareholders.

Helpful information on upcoming shareholder resolutions is offered by the [Interfaith Center on Corporate Responsibility](#) (ICCR). If a family office relies on investment managers to vote its shares, it should make sure the managers are voting in accordance with its views. Proxy advisory firms are available to assist with drafting proxy voting guidelines for family offices; they can also vote the family office's shares in accordance with these guidelines. Additionally, for background on issues being raised through shareholder resolutions, as well as lists of shareholder resolutions that have been filed for votes at US companies' upcoming annual meetings, please see [As You Sow Foundation](#) and the [Sustainable Investments Institute](#) (Si2).

Because proxy voting is time and resource intensive, family offices can ask their investment managers to flag whenever there is a shareholder resolution on a specific issue of interest to the family for review. Note also that investment managers are required to disclose their proxy voting guidelines, including on ESG issues. If family offices engage SRI investment managers, they may find that the managers' standard voting policies are already in accordance with the family's ESG concerns.

Filing a resolution: Family offices may wish to file a shareholder resolution. Like all investors, a family office is eligible to file a resolution if it can document that it has owned \$2,000 worth of the company's stock for a year as of the date it files the resolution.

To find the deadline by which the resolution must be submitted to be considered for inclusion in a company's proxy statement for next year's annual meeting, find its most recent proxy statement on the "[Edgar](#)" site of the SEC. Enter the company's name where indicated. After selecting the correct company from the list, type "DEF 14A" under "Filing Type" to access the company's definitive proxy statement. The deadline for filing shareholder resolutions is usually given under "Other" or "Additional" information in the proxy statement, and will typically be about five and a half months before the next annual meeting.

A shareholder resolution must also meet certain other requirements established under rules administered by the SEC. Proposals are limited to 500 words and cannot contain false or misleading information or be motivated by a personal grievance. In addition, the filer's designated representative must attend the annual meeting in person to present the proposal formally.

To find models to follow in drafting a resolution, family offices can consult the [list of shareholder resolutions](#) filed by investors affiliated with the Interfaith Center on Corporate Responsibility. Family offices just starting to explore this arena may prefer to collaborate with other shareholder proponents as co-filers. As a co-filer, the family office will simply add its name to the shareholder resolution that the family would like to support. No other action needs to be taken, and the name itself carries significant weight in adding credibility to the

resolution. SRI investment managers can often help family offices become co-filers on shareholder resolutions that they or their clients are proposing.

Family offices can also join or work with groups such as [As You Sow](#), [Ceres](#) and [ICCR](#) to collaborate in filing or co-filing shareholder resolutions. Family offices can also tap As You Sow to outsource their filing and co-filing activities and to engage with portfolio companies on their behalf.

Fixed Income (Direct Holdings)

Family offices can screen corporate bonds in the same way they screen public equities, for instance by giving preference to issuers that consider greenhouse gas emissions, labor rights and board diversity. Some of the research firms listed in US SIF's member [directory of financial services](#) provide research on corporate bond issuers.

Green bonds have been a rapidly growing SRI fixed income option for family offices and other investors seeking sustainable investment options. From 2013 to 2014, green bond issuance more than tripled from \$11 billion to \$36.6 billion.³⁵ Development banks have been the primary green bond issuers (44 percent of the total in 2014), but corporate and municipal issuers entered the fold in 2014 and made significant contributions.³⁶ Corporate issuers accounted for 33 percent and municipal issuers 13 percent.³⁷ The Climate Bonds Initiative tracks self-labelled green bonds; see <http://www.climatebonds.net/cbi/pub/data/bonds>.

For a list of [separate account strategies](#) with SRI fixed income options, see the list of separate account strategies offered by members of US SIF. In the "View strategies by type" dropdown menu, select "Bond (Fixed Income)."

IMPACT MEASUREMENT

The broad steps for measuring the environmental, social and/or corporate governance impact of an investment include determining the relevant metrics to use, collecting data, and assessing the data to measure impact. The challenge is that there is no general consensus on what constitutes "impact"; each investor will have different values and goals, and impacts also change over the timeframe of an investment. Nonetheless, once a family office has agreed upon its mission, values and sectors of interest, it can narrow down its approach to impact measurement.

Instead of developing in-house capability, family offices can ask their investment managers if they have the ability to evaluate the impact of their investments. Similarly, they can work with specialized advisory firms that offer impact measurement services for SRI investors. To get started, see the list of resources in Appendix 1 under "Impact Measurement."

35. "New 'Bonds and Climate Change: the state of the market in 2015' report sizes the climate-aligned bonds universe at \$597.7 billion," Climate Bonds Initiative press release, July 8, 2015, available at <http://www.climatebonds.net/files/files/CBI%20media%20release%20HSC%202015.pdf>

36. Tess Olsen-Rong, "Final 2014 green bond total is \$36.6 bn- that's more than x3 last year's total! Biggest year ever for green bonds; growth driven by corporate and municipal bonds," Climate Bonds Initiative, January 14, 2015, <http://www.climatebonds.net/2015/01/final-2014-green-bond-total-366bn-%E2%80%93-that%E2%80%99s-more-x3-last-year%E2%80%99s-total-biggest-year-ever-green>.

37. Ibid.

5. Conclusion

A number of family offices in the United States have demonstrated an interest in sustainable, responsible and impact investing. Some have joined new networks and/or attended one or more of the growing number of conference sessions on this topic. A few have already made impact investments and have become advocates, eager to share their experiences with others. Peers have positively influenced the willingness of some families to consider one or more strategies of sustainable, responsible and impact investing. Association leaders representing family offices similarly speak of the “buzz” about sustainable and impact investing among their members.

What these families are realizing is that they can manage their wealth, expand their legacies and make a difference in the world by utilizing sustainable investment strategies.

Investing for impact is a way to unite a family around a common cause and encourage intergenerational involvement in the family office. Impact investing also allows family offices to extend their mission-oriented work alongside philanthropy or family foundation activities. If a family champions certain issues, such as the environment, gender equality or human rights, then it can opt for investments that advance these issues, or at minimum prevent harm. Impact investing is also a particularly effective tool to engage millennials.

In addition to the mission-based motivation, there is a growing body of evidence that ESG investments achieve comparable or even better financial returns than traditional investments. Such findings can be found in studies by Harvard Business School, Oxford University, Deutsche Asset & Wealth Management and Morgan Stanley, among others.

Once families achieve consensus on their investment policies, they typically can move more nimbly and flexibly than pension funds and other, more regulated investors in making impact investments. Hundreds of ESG investment vehicles across asset classes are available for family offices to choose from, such as climate-focused bonds, community investing loan funds, ESG mutual funds and separate account strategies and private equity funds.

Every family office is different, and there is no “one size fits all” approach to sustainable, responsible and impact investing. Nonetheless, the strategies and insights shared by single family offices and multi-family offices in this report demonstrate that investing for impact is possible and rewarding.

Appendix 1: Resources for Family Offices

HELPFUL WEBPAGES

- SRI Basics: <http://www.ussif.org/sribasics>
- SRI Financial Performance: <http://www.ussif.org/performance>
- Common Misperceptions: <http://www.ussif.org/misperceptions>
- Research by the US SIF Foundation: <http://www.ussif.org/pubs>
- Research by US SIF Members: <http://www.ussif.org/content.asp?contentid=71>

ONLINE COURSE

- The US SIF Foundation's *[Fundamentals of Sustainable and Responsible Investment](#)* is a three hour introductory course.

LIVE COURSE

- The US SIF Foundation typically hosts two live courses annually on the *[Fundamentals of Sustainable and Responsible Investment](#)*.

NETWORKS

- [US SIF: The Forum for Sustainable and Responsible Investment](#)
- [Confluence Philanthropy](#)
- [Global Impact Investing Network](#)
- [The ImPact](#)
- [Investors' Circle](#)
- [Nexus](#)
- [Toniic](#)
- [Transform Finance Investor Network](#)

CONFERENCES

Many of the above organizations host annual conferences on impact investing, with some targeted specifically to family offices. For investors including family offices, US SIF hosts an annual [conference](#) during the spring. For a list of other events, visit Green Money Journal's [calendar](#).

COMMUNITY INVESTING

- [Aeris](#)
- [Community Development Bankers Association](#)
- [National Community Investment Fund](#)
- [National Federation of Community Development Credit Unions](#)
- [Opportunity Finance Network](#)

SHAREHOLDER ENGAGEMENT

- [As You Sow Foundation](#)
- [The Interfaith Center on Corporate Responsibility](#)
- [Sustainable Investments Institute](#)

IMPACT MEASUREMENT

- [Global Impact Investing Rating System \(GIIRS\)](#)
- [Impact Reporting and Investment Standards \(IRIS\)](#)
- [Getting Started with IRIS](#), Global Impact Investing Network
- [Guidebook for Impact Investors: Impact Measurement](#), Purpose Capital
- [Measuring Impact: Subject Paper of the Impact Measurement Working Group](#), Social Impact Investment Taskforce

FAMILY OFFICE ASSOCIATIONS

- [Family Wealth Alliance](#)
- [Family Office Association](#)
- [Family Office Exchange](#)

OVERVIEW REPORTS

- [Guide to Impact Investing for Family Offices and High Net Worth Individuals](#), Julia Balandina-Jaquier
- [Impact Investing: A Primer for Family Offices](#), World Economic Forum
- [Impact Investing: Frameworks for Families](#), The ImPact
- [Proving Worth: The Values of Affluent Millennials in North America](#), Campden Research and Oppenheimer Funds
- [Working Together for Common Purpose: The First National Study of Family Philanthropy Through the Family Office](#), National Center for Family Philanthropy

Appendix 2: Largest Family Offices in the United States

The following chart is adapted from the 2014 Bloomberg Brief on Family Offices to include only US-based family offices. Single family offices were not included in the original chart. Of the top 50 family offices globally by assets under advisement, 39 are in the United States.³⁸

2014 RANK	FIRM NAME	LOCATION	2013 ASSETS UNDER ADVISEMENT* (\$B)	MFO OR FAMILY OFFICE WITHIN PRIVATE BANK	INCLUDES SFO AS CLIENTS (Y/N)
2	Northern Trust	Chicago, IL	116.4	PB	Y
3	Citi Private Bank	New York, NY	100.5	PB	Y
4	Bessemer Trust	New York, NY	96.6	MFO	Y
5	BNY Mellon Wealth Management	New York, NY	81.2	PB	Y
8	CTC I myCFO (BMO Financial Group)	Chicago, IL	40.4	PB	Y
9	Abbot Downing (Wells Fargo)	Minneapolis, MN	37.4	PB	Y
10	US Trust Family Office (Bank of America)	New York, NY	36.2	PB	Y
11	Hawthorn (PNC Financial)	Philadelphia, PA	28.2	PB	Y
12	Wilmington Trust (M&T Bank)	Wilmington, DE	26	PB	Y
13	Glenmede	Philadelphia, PA	24.4	MFO	Y
14	Atlantic Trust (CIBC)	Atlanta, GA	23.6	PB	Y
15	Rockefeller & Co.	New York, NY	18.5	MFO	Y
16	Fiduciary Trust (Franklin Templeton)	New York, NY	16.5	MFO	Y
17	GenSpring Family Offices (affiliate of SunTrust Banks)	Jupiter, FL	13.7	MFO	Y
18	Veritable	Newtown Square, PA	13.1	MFO	Y
19	Oxford Financial Group	Indianapolis, IN	13	MFO	Y
19	Silvercrest Asset Management Group	New York, NY	13	MFO	Y
21	Commerce Family Office (Commerce Trust Company)	St. Louis, MO	11.2	PB	Y
22	Whittier Trust	South Pasadena, CA	10	MFO	Y

38. Bloomberg LP, *Bloomberg Brief: Family Office* (2014), 5-6. Available at http://www.bloombergbriefs.com/content/uploads/sites/2/2014/12/Family-Office_December.pdf.

2014 RANK	FIRM NAME	LOCATION	2013 ASSETS UNDER ADVISEMENT* (\$B)	MFO OR FAMILY OFFICE WITHIN PRIVATE BANK	INCLUDES SFO AS CLIENTS (Y/N)
23	TAG Associates	New York, NY	8.4	MFO	Y
25	Tiedemann Wealth Management	New York, NY	8.3	MFO	Y
29	Ascent Private Capital Management (US Bancorp)	San Francisco, CA	6.4	PB	Y
30	Baker Street Advisors	San Francisco, CA	6.2	MFO	Y
33	Bollard Group	Boston, MA	5	MFO	Y
33	Constellation Wealth Advisors	New York, NY	5	MFO	Y
33	Laird Norton Wealth Management	Seattle, WA	5	MFO	Y
36	Gresham Partners	Chicago, IL	4.6	MFO	Y
37	Synovus Family Asset Management	Columbus, GA	4.5	MFO	Y
38	Clarfled Financial Advisors	Tarrytown, NY	4.4	MFO	N
38	Presidio Group	San Francisco, CA	4.4	MFO	Y
40	Athena Capital Advisors	Lincoln, MA	4.3	MFO	N
40	Federal Street Advisors	Boston, MA	4.3	MFO	Y
42	Aspirant	Los Angeles, CA	4.2	MFO	N
42	Tolleson Wealth Management	Dallas, TX	4.2	MFO	Y
44	St. Louis Trust	St. Louis, MO	4.1	MFO	N
46	Seven Post Investment Office	San Francisco, CA	3.8	MFO	N
47	Ballentine Partners	Waltham, MA	3.7	MFO	Y
48	CV Advisors	Miami, FL	3.5	MFO	Y
49	Signature	Norfolk, VA	3.3	MFO	N

*Note: Figures for assets under advisement include only assets managed by the family-office unit of the bank.



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