

WEALTH & PURPOSE: MAKING MORE IMPACT

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What purpose does your family's wealth serve? In our Q&A series, tech entrepreneur Lisa Kleissner explains how her family's desire to tackle inequality is behind their choice to invest 100% of their capital for social impact

What is the purpose of wealth?

Charly and I believe that it is to make a positive contribution to humanity and the planet. With the top 10% of the world's population controlling 86% of global wealth, the gap between the rich and the poor is widening. In 1999, when we became part of this 10%, we knew we wanted our capital to be a part of solving that gap. This meant

challenging the status quo, something our careers in Silicon Valley prepared us for.

We set out to invest 100% of our capital for positive impact, but financial advisers at that time were not equipped to build a portfolio on the basis of a triple-bottom-line return. Today, thanks to a growing impact ecosystem, we and an increasing number of investors are successfully investing our philanthropic and investment capital to solve social and environmental challenges.

What are the biggest lessons you've learned as pioneers in impact investing?

1. Impact investors can invest across asset classes, while seeking financial returns as well as social and/or environmental impact. With more quality product available today, investors no longer have to be satisfied with a carve out.
2. Impact investing is not an anomaly; it is an evolution of the investment marketplace which reflects the inevitability of moving towards a more sustainable planet.
3. Impact investing can generate competitive financial returns across all asset classes — while also delivering tremendous positive social and environmental impact. Some theories, however, need to be re-conceptualised, like modern portfolio theory — in order to reassess the relationship between risk, financial return, and impact.
4. Impact can be achieved with small and large portfolios. Small foundations and asset owners are nimbler. Our impact portfolio today demonstrates an absorptive capacity of \$38 billion — not bad for a “small” portfolio.
5. Combining grant capital with capital that seeks financial return AND impact can be a powerful cocktail for creating impact.
6. Communities of practice, like Toniic, are the key to success. Global networks of action-oriented impact investors, can de-risk the investor learning curve.

In 2000, we began our journey to 100% positive impact alone. However, today, we are part of Toniic, a global network of over 300 individuals, families, and foundations. More than a quarter of this network (85 members) have intentionally committed 100% of their approximately \$4 billion in investible assets to positive impact. And 40 of them are participating in a portfolio mapping project.

Where are you focusing your future philanthropic efforts?

In June of 2016, we are moving to Europe for one year. We see a growing desire of families and foundations in the UK and Europe wanting to realise more impact with their capital. We look forward to learning from our European impact partners, continuing our advocacy by helping others achieve their impact dreams, and working with families to document portfolios and best practices for the benefit of all impact investors.

Lisa Kleissner and her husband Charly set up the KL Felicitas Foundation in 2000 following lucrative careers in Silicon Valley working alongside Steve Jobs at NeXT Computer and Apple, and Ariba. They co-founded impact investing network Toniic in 2011

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