

2018 Review

# Tripple

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## **A private investment company using capital as a force for good**

We believe in the power of capital to create a better future, and embrace opportunities to meet the greatest social and environmental challenges of our time through a combined effort of ethical investments and grant-making.



January 2019



## Our Approach

We launched Tripple in July 2018 with one simple goal: to use our capital as a force for good. **We believe every choice we make is a vote for the future we want to create** and that there is a huge opportunity for capital markets to propel us towards a thriving future.

We seek to build a 100% impact portfolio that delivers both financial returns and positive social and/or environmental impact. You could call our investments blended value, but for us there is no value in financial gain if it comes at the detriment of people, animals or planet.

Specifically, in building our portfolio we are working towards a balanced-growth portfolio aiming for long-term returns between 8-10%pa. Within this return target, we have made an allocation of up to 2%pa of our assets for grant-making where we expect zero financial return.

The world faces complex challenges and there are many global issues that commercial investments alone can't solve. We believe not-for-profits are a big part of creating a thriving future and despite lacking financial returns we view our philanthropic grants as investments in their social and/or environmental impact like any other. We are committed to a diversified approach to grant-making to tackle both existing needs and strive for systems change.

We acknowledge that capital is not the only means to create change, but as custodians of wealth we have both the ability and responsibility to use it in the most thoughtful way we can. We also know that the world needs to change fast, particularly when it comes to combating climate change and that a relatively small shift in global capital towards renewable and regenerative practices in this case could reverse some of the greatest problems we're facing.

Right now, we are taking a wide approach to portfolio impact, both geographically and in terms of intent, with a general focus on social justice and environmental sustainability and regeneration. While this may change in the future, a broad approach seems the most practical way to create a diversified portfolio with the investment opportunities available today and we're really excited about the early investments we've been able to make.

We are committed to being transparent and open about what we do and how we do it and invite others to learn from us and teach us more. If this is a space you're interested in, please get in touch. For us, this is just day one.

- Jake, Bec and Adam



## 2018 Overview

### What we've done well...

- Finding common ground on what impact means to us as a team
- Removing short-term financial targets to ensure we can focus on long-term results
- Feeling deeply connected to the projects we've chosen to invest in
- Confidently stepping away from projects that may have created good outcomes but did not seem to be driven by genuine intention

### What has challenged us...

- Lack of product that feels strong enough on impact in certain asset classes e.g. investing in certain equities despite minor holdings we don't 100% align with
- Investment amounts for some great opportunities were beyond our means
- Access to deal flow
- Steep learning curve
- Finding our people in what is still a relatively new space
- Getting access to greater global impact investment networks

### What we've done badly...

- Passed on projects that might have been in line with our goals but we were unable to evaluate to our own satisfaction and/or didn't know enough about the people behind the organisations to invest in them
- Finding an impact metric that feels right and/or overestimating our need for a comprehensive impact metric
- We intend not to "fund and run" but in reality we have not really delivered on this
- Have not delivered on our intentions for transparency i.e. missed opportunities to publish screening papers and share due diligence materials
- Overestimated rate of deployment

### Goals for 2019...

- Develop a network of Advisors, Consultants and Fund Managers we trust & believe in
- Develop our network of like-minded investors
- Increase our skills in Analysis, Due Diligence, Portfolio and Asset Management
- Invest more!

# Portfolio Snapshot (as at Dec 2018)

## Investments Made

### Public Equities

WHEB Global Impact Fund

Betashares FAIR

Betashares ETHI

### Infrastructure

IIG Solar Asset Fund

### Venture Capital

Applied

### Cash

Beyond Bank

### Fixed Interest

Sticking Together SIB

Infradebt Fund

### Property

KWS

Food Connect

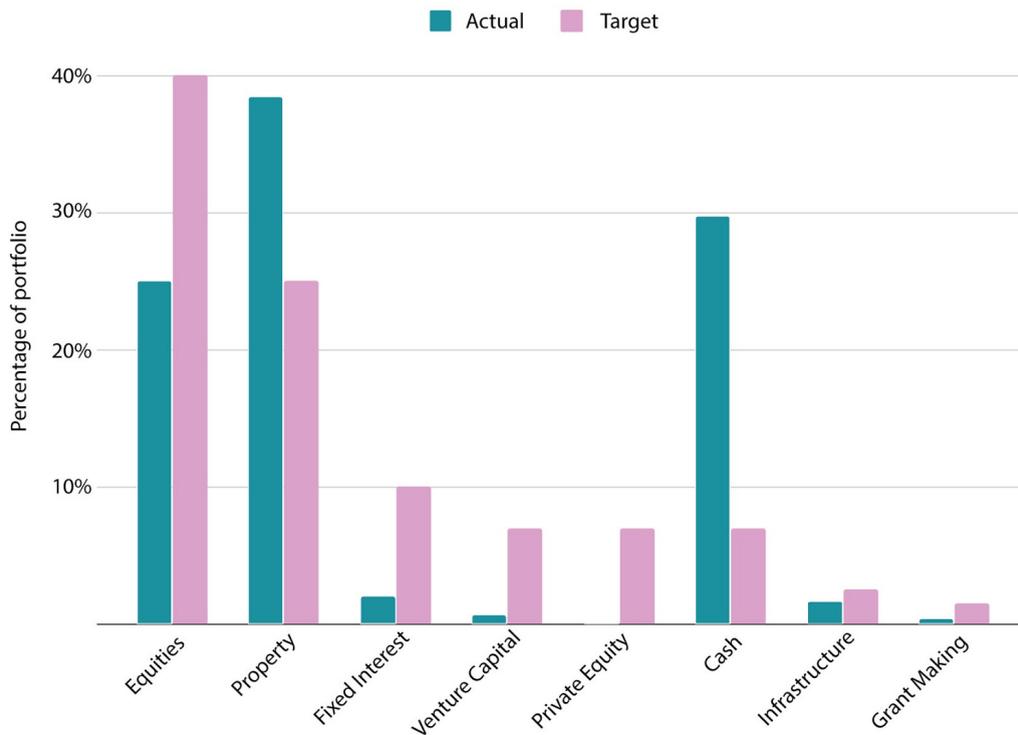
### Grants

Progress Labs

Eat Up

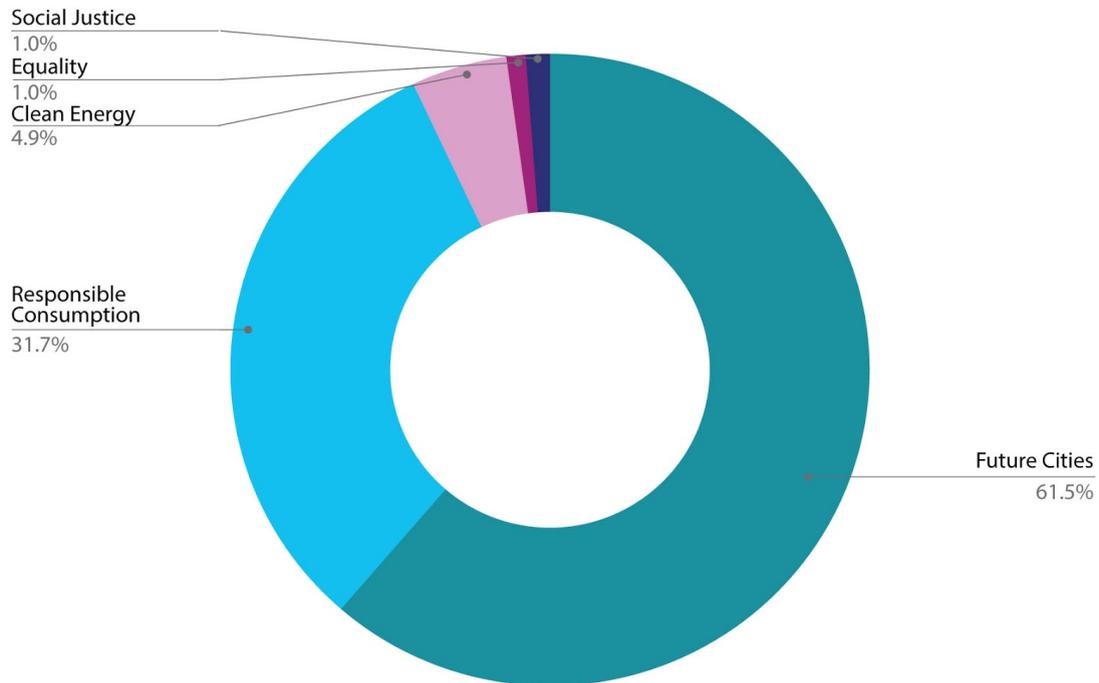
StreetSmart

## Asset Mix (Target Vs. Actual)



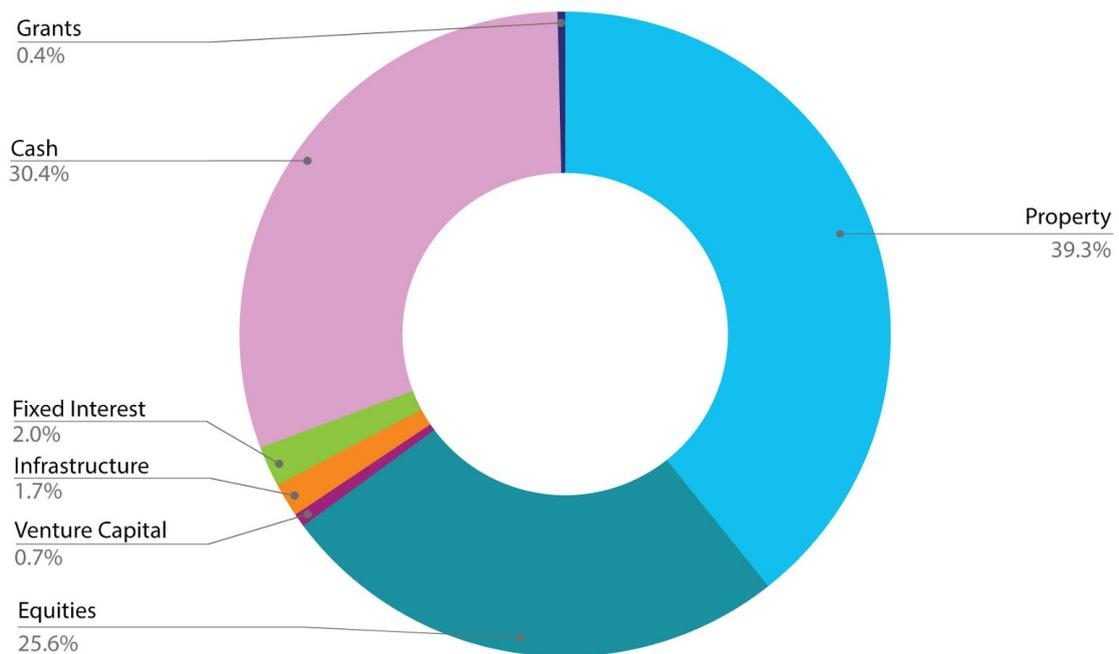
## Investment Analysis:

### By Impact Sector



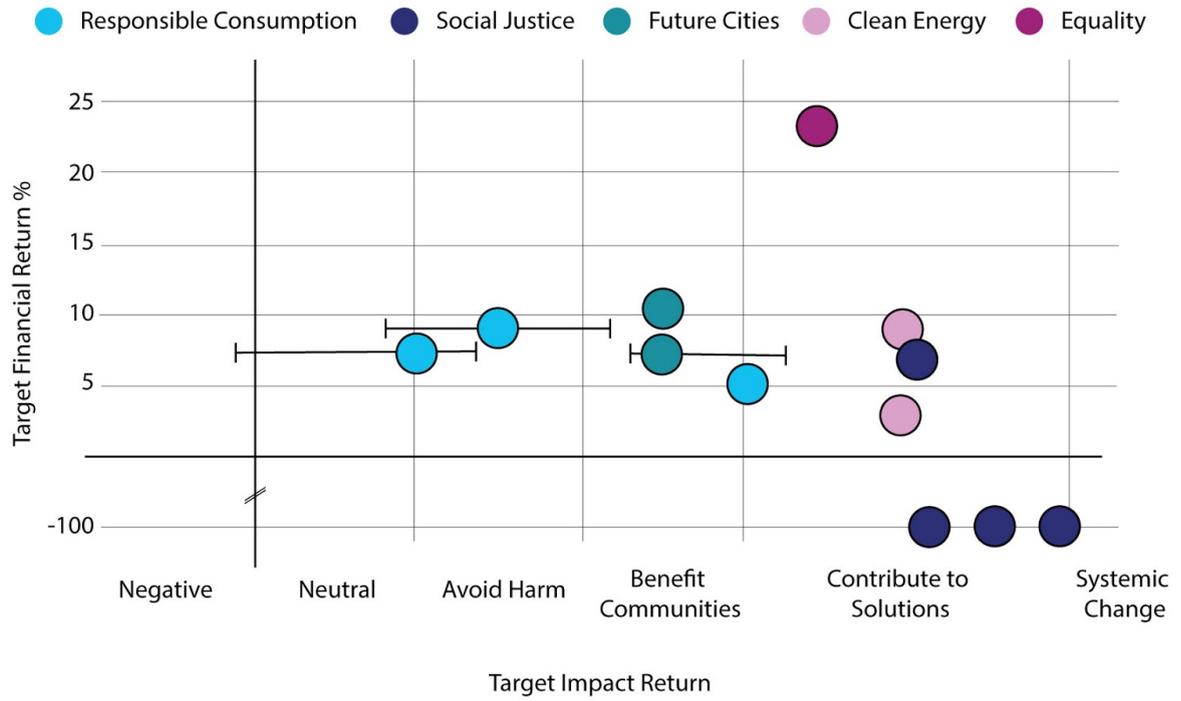
These impact categories have been created as a tool for broad classifications of Impact Sector for our portfolio. In assessing a specific investment we are guided by the UN SDG goals as well as scalability, impact depth & speed, team capacity, urgency of the problem, likelihood of success, other opportunities in a similar space and our intuition.

### By Asset Class

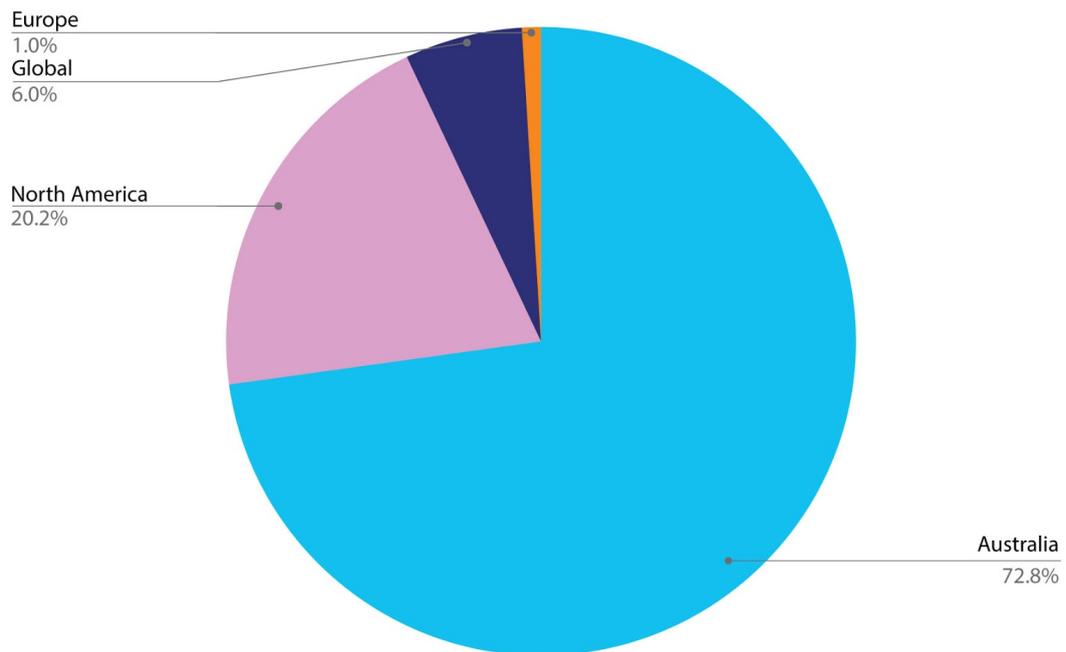


## Target Financial and Impact Returns

\*Self-assessed based on individual investment due diligence



## Geographic impact reach of grants and investments:





## 2018 Deal Highlights

2018 presented a steep learning curve in many ways, but we are really excited about some of the early investments we've already been able to make. Whilst each investment in the portfolio is thoughtfully chosen, we wanted to highlight some of those that are pushing the boundaries of thinking, technology or asset class in order to catalyse a thriving future.

### Sticking Together Social Impact Bond

[www.socialventures.com.au](http://www.socialventures.com.au)

The national youth unemployment rate in Australia has been persistently high for the past 25 years and is often double the adult rate. In July 2018 the national youth unemployment rate was 11.1% compared to the national adult rate of 5.3%. Sticking Together seeks to help alleviate this problem by working with the most vulnerable people within this group.

Sticking Together is a 60 week coaching program aimed at reducing unemployment in vulnerable young people in NSW. The program is to be initially funded by a social impact bond (SIB) in partnership with the NSW government.

We believe that any action that helps improve employment outcomes for young people will bring economic, social and wellbeing benefits to the individual, their family and the community. Results from their pilot program showed that 81% of the young people who completed the project were in work at the end of the coaching period and job placement results were 92% higher and job retention results up to 186% higher for the young people receiving coaching compared with the control group; two strong positive indications of their potential success.

Tripple invested in Sticking Together SIB as we believe:

- Sticking Together addresses an important problem of youth unemployment by working with some of those with the highest barriers to employment and the most likely to be left behind
- If successful, the program has the capacity to make lasting and impactful positive change on these individuals and the community
- A way to divert government funding into proactive use rather than reactive welfare



## Applied

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

One of the challenges of creating systemic change in the social justice realm is that so many of the issues we face are propagated by unconscious bias. Applied is a recruitment platform that seeks to remove this bias from the hiring process through the use of behavioural science to help companies hire the best candidate regardless of background or gender.

Research indicates that traditional recruitment practices are unfair due to the unconscious biases of decision-makers. For example: numerous studies demonstrate people from minority backgrounds are less likely to be interviewed or given jobs than non-minority applicants with equal qualifications [1]. Given that increasing diversity in the workplace also contributes to better profitability, the Applied solution seems like a no-brainer and the early results reflect this “win-win” situation.

Early results show that 60% of final hires would not have been hired if not for Applied (as they did not pass the CV screen) and recruiters would have needed to review 3 times as many CVs to get the same number of top candidates.

We invested in Applied as we believe:

- Applied addresses an important problem by removing unconscious bias and therefore increasing diversity in the workplace
- There is a big enough market for Applied to have good financial returns and serious global impact
- Amazing team with a track record in Behavioral Science

[1] Bertrand, M. et al 2016, 'Field Experiments on Discrimination', <http://economics.mit.edu/files/11449>



## Progress Labs

[www.progresslabs.org.au](http://www.progresslabs.org.au)

At Tripple, we believe advocacy is a vital tool in accelerating change for good. Progress Labs (a subsidiary of Australian Progress) aims to catalyse this vital work by running accelerator programs for grass-roots advocacy organisations.

Advocacy is a big part of making change happen, yet it has traditionally been under-resourced and underfunded. In fact, advocacy has been hailed as the single most effective strategy to achieve social impact [2] but still, there is a tendency for philanthropists to underfund it because of misperceptions, fear or impatience for quicker results.

In addition, most advocacy organisations are unable to qualify for DGR status making funding even more challenging and the need for effective organisational strategy more important. Progress labs attempts to increasing effectiveness of Australian advocacy organisations by helping founders hone their strategy and story, raise the funding they need to focus on their projects and achieve their vision - faster.

Tripple invested in Progress labs as we believe:

- Progress labs addresses an important problem by increasing the skills and chance of success of small advocacy organisations in Australia
- Advocacy is an underfunded yet vital part of making change happen
- This partnership gives us access to advocacy organisations we would not otherwise have known about or have been been to evaluate the effectiveness of on our own
- The team has the ability to execute

[2] <https://www.ncfp.org/blog/2016/april-advocacy-campion-foundation>

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## Drawdown Fund

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

The Drawdown Fund represents an exciting opportunity in the pipeline.

Off the back of Paul Hawken's seminal research piece into the comprehensive ways to reverse global warming, the Drawdown Fund attempts to convert this research into an investable fund that focuses on the key areas of agriculture, energy and sustainable cities.

Today, total greenhouse gases in the atmosphere have surpassed 490 parts per million and continue to rise. Compare this to the fact that greenhouse gases in the atmosphere have never been higher than 300 parts per million in the last 400,000 years and at that time, sea levels were 16ft higher than they are today and 75% of the earth that we populate was underwater.

With human population expected to grow another 50% by 2050 and GDP per capita to increase 25% by 2025, macro trends will further strain our planet's resources and are likely to accelerate the pace of human-induced climate change.

The Fund will invest in a global portfolio of growth stage businesses and technologies that aim to generate superior returns for both stakeholders and planet.

Why we're excited about it;

- Multidimensional research backed fund
- Exciting opportunities with significant potential financial returns
- Large capacity for impact
- Extremely well intentioned team



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