

A summary of the forthcoming book:

An introduction to

Integral Impact Investments (I³)

Building a full spectrum and systems approach to investing

About the Author:

Robert comes from a multi-cultural background blending German and Swedish decent and being raised with strong French influence. Growing up in Sweden during the 70's and 80's he was deeply influenced by the "Scandinavian model" of government, culture, ethic and society which continues to drive much of his thinking today. He went on to study Economics in Stockholm and Finance & Business administration, followed more recently by Psychology in London. He has dedicated much of his life to integrating such disciplines to find new and more integral solutions to both organisational and human problems. He has worked within large firms such as Citigroup as their European Head of Fixed Income Sales and BNPParibasFortis as European Sales& Research Head of their High Yield Credit business before becoming Global Head of the Client Solutions group and member of the Corporate & Public bank EXCO working on both the banks technical development and also its culture. He also worked as a Psychotherapist within the NHS specialising in addictions and relationships. Always looking to further integrate knowledge, over the past years he has been working on his PhD in Integral Development with Da Vinci and Trans4M where I³ took root and was developed as part of his thesis. Over the past few years he has been the Chief Credit Officer of Investments and involved in the setting up of a family office where also I³ was instigated and implemented in parallel. Fusing Finance, Economics and Psychology, I³ is also a journey of discovery, self-reflection, examination of values (conscience) and ultimate resulting in greater consciousness (or awareness) of the multi-dimensions of impact for investments. To embody what he teaches he practices Martial arts at mastery level and in among many interests an avid beekeeper and gardener.

Introduction:

The purpose of this book is threefold.

- Provide a contrasting Impact framework from which you can grow your own or help develop and further an existing organisational approach.
- Help to understand the key imperatives of the personal Impact journey and highlight areas for further investigation.
- How we can co-create a vision for the self and your organisation to have real Impact.

The aim of the full book is to introduce the reader to the personal journey of impact investments across three main areas. The three main territories we will travel through in detail are:

Part 1. : Changing yourself

Part 2. : Changing the Investment Organisation

Part 3. : Changing the firms in which we invest

See the appendix where you will find the more detailed content in each area. The book seeks to provide pragmatic solutions to developing a full spectrum approach and for its practical implementation. I also aim to frame Impact within several key future state claims and possible predictions that help create our roadmap and Impact challenges to be solved going forward:

- Whilst narrow and thematic approaches to Impact e.g. renewables and agribusinesses provide valuable focus, we need to move beyond these to see that all investments are in effect “Impact Investments” and have been since time immemorial..., most have not just been able to see or cared about the actual full spectrum effects.
- If so, Impact investments is actually nothing new but what needs to be created is a full spectrum approach to investments including new more inclusive standards, protocols and operational frameworks.
- If we are to do Impact with integrity, we cannot leave anything out, including ourselves.
- We need to develop the need to ongoing organisational development, integrating new forms of knowledge creation and culture change aligned with Impact.
- Nothing can happen without growth in awareness and development in systems thinking and feeling, working toward integral wholeness by developing the scope and depth of our moral core.

In addition, our changing world is demanding action across all our activities to address the imbalances we have created. This global backdrop, key imperatives and the development of the UN’s sustainability development goals (SDG’s) sets the tone for the task ahead for most.

“The financial system is operating unsustainably, perpetuating or ignoring environmental and social problems. The continued financing of excessive greenhouse gas emissions and worsening economic inequality, for example, threaten to further divide the financial system from the interests of the users and beneficiaries it is designed to serve.”

Nathan Fabian.

Director of policy and research at the Principles for Responsible Investment (PRI).

Whilst Impact investing is gaining significant global momentum for reasons which are well documented, the heralding of a “new era” in finance is still at its early stages of development in terms actual and overall funds under management and technical standards. One of the core drivers behind this change is the state of the current financial system and the general realisation that it has reached some of its limits and capacity to deliver genuine growth and wellbeing across the world and its population at large. Impact therefore by definition ask us much bigger questions which will require us all to attend our capacities not only in new dimensions but in my opinion, also question our attitude, relationship and attachment to conventional dogmas and paradigms.

We look at providing a new lens and prism for those working with and in Impact. Of particular importance is for those who manage or own family offices which face particular issues and problems to be solved where the blend between finance and relationship in combination of core values, succession and legacy needs to be fully addressed and managed to ensure a healthy future for all. Here working within a full spectrum Impact approach will actually provide many of the solutions such families face in their capital and asset portfolios.

For Institutional investors we also look at the deeper questions around how impact is framed and delivered by providing a clear and concise framework how their methods, methodologies and models can be developed to incorporate all dimensions of investment, now including the oft missing aspect of working strategically with culture and dynamically with our moral core.

What is Integral Impact Investments: I³ is not the answer to Impact Investments, you and your firms are. As such, I³ is a map-making journey through the integral lens where each one of us will need to find answers that work and fit within our own context. I³ is not a thing or product, it's more of a roadmap and lens through what you see and discover whilst travelling on your I³ journey is your own doing. Like any puzzle, all the pieces eventually will fit together to make a whole but unlike a ready bought puzzle, the final picture has to be self-made and its outer edges created by you. Only by rooting yourself in your own being and what is to be your own becoming can we develop our knowing that leads us to our doing. We need to make our impact approach our own through a structured approach for its development. As you will discover, a whole picture / puzzle and map is made up of both metaphor and philosophy grounded in the way we see the world. This informs and guides our now emerging methodology which in turns create and navigate our method. Only then do we have the foundational building blocks that can make up our final model. In this way the integral approach is different from conventional Impact is that we fully take into account the developmental requirements that actually drives any sustainable impact outcomes. I³ also look to integrate impact outcome objectives as part of an investee firm's strategy and culture which is a development from where we are today as culture is the most absent absentee in most Impact approaches. Current and conventional Impact approaches are heavily biased towards internal methods and models of the investor which not only ignores many of the fundamental drivers but also often excludes any possible dynamic with the investee which I would argue is one of the most important aspect of impact investments.

I³ is a Cybernetic systems 4-worlds approach to investments that aims to allow an investor to see the full spectrum of imperatives and dimensions of an investment whilst allowing each investor to take a view on what is truly important in terms of impact outcomes. Essentially it's a canvas on which you can paint your own impact picture as you see it as centred on your purpose. We will look at many of these aspects throughout the book in much more depth. In the below depiction, you will start to see the 4-foldness and its circular dynamic as we travel inexorably through its dimensions, consciously or not. To do this structurally and with integrity we need to use and work towards a well-researched and empirically tested model such as the well-established 4-world approach by Dr Lessem & Dr Schieffer who founded Trans4M for Integral development. In my own PHD on Integral development with Da Vinci and Trans4M I needed to dig deeply into this approach and realised that this model is perfect to apply for Impact.

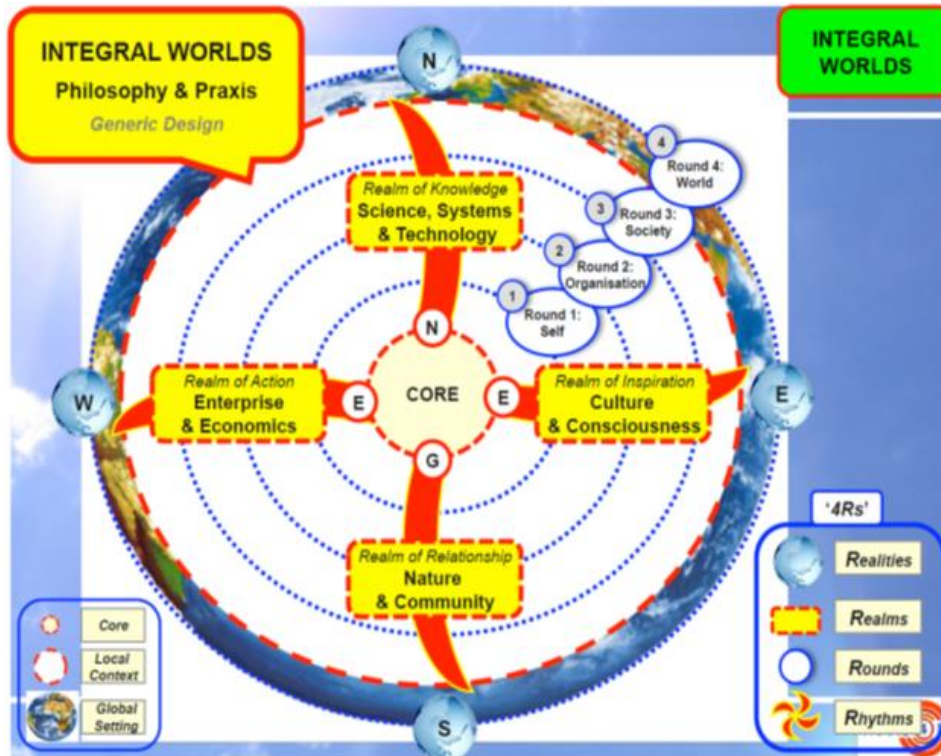
Many now also predict the next age as an "Integral" age of awareness, and as such I found it compelling to adopt the Integral Model towards Impact Investments and how each one of us can use it for this purpose.

"Investors need a map if they are going to navigate in the world of impact investing. But even before this, investors need to believe investments matter, to relate to their money in a new way; to see it as a tool for change."

Benjamin Bingham, FamilyWealthReport 2017.

Integral itself of course an evolution from our own past. Traditions across the globe who have access to its historical wisdom all have ways of integrating the dislocated part in the search for wholeness. A good example is in the area of Medicine in that we understand in great detail the 4 component parts, Mind/Psychology, Body/Physical, Heart/Emotions and Soul/Consciousness, modern medicine often see these as separate and dealt with as distinct and often distanced areas of expertise. This relationship is changing fast with new and deeper understanding of the mind-body connection, moving from a mechanistic and digital approach into the worlds of quantum physics which reinforce many of the wisdom traditions ways of healing the whole person. Human beings are made up of highly complex systems and now it's the turn of finance and economics through the advent of Impact investments to go through a similar process. The use of capital and money follows an epistemological, psychological, cultural and political path through the human mind which output objectives gets formed into one singular decision and outcome expectation i.e. utility/wealth.

Any integral framework itself needs to be designed to be totally agnostic as it's up to each one of us to "dial up or down" the component parts and elements within the framework to suit our own preferences and ways of thinking. If so, another of the key roles for Impact investments is to understand how closely aligned this decision was with its actual outcomes and variations thereof. Essentially, a form of ongoing regression analysis with the added element of looking at the actual effect and impact outside and in addition to the original intentionality of the thinker. However, and this is the crucial point, like with any map making, whilst we all know that "*the map is not the territory*" but this does not mean that it requires or the goal is more detail and contrast regardless.....an equal choice by measure is therefore that which we filter out and exclude to shape our cognitive impact map. In effect, if and as such, what we need is full awareness i.e. full cognition to consider all dimensions and then re-draw the territorial map along some commonly accepted way of interpreting for we at the same time walk along and experience the landscape as it really and truly is. Welcome to the wonderful world and down the rabbit holes of Integral Impact Investments. In Impact we need therefore to combine many disciplines and sciences which for many can create an overwhelming sense of complexity and confusion. The aim of I³ is to provide 4 main portals through which you can travel and explore each impact dimension and world. Each world is made up of sub-sets or Impact spheres of key areas which are important.



Source: Trans4M

“The whole is a necessary to the understanding of its parts, as the parts are necessary to the understanding of the whole”

The Mach principle

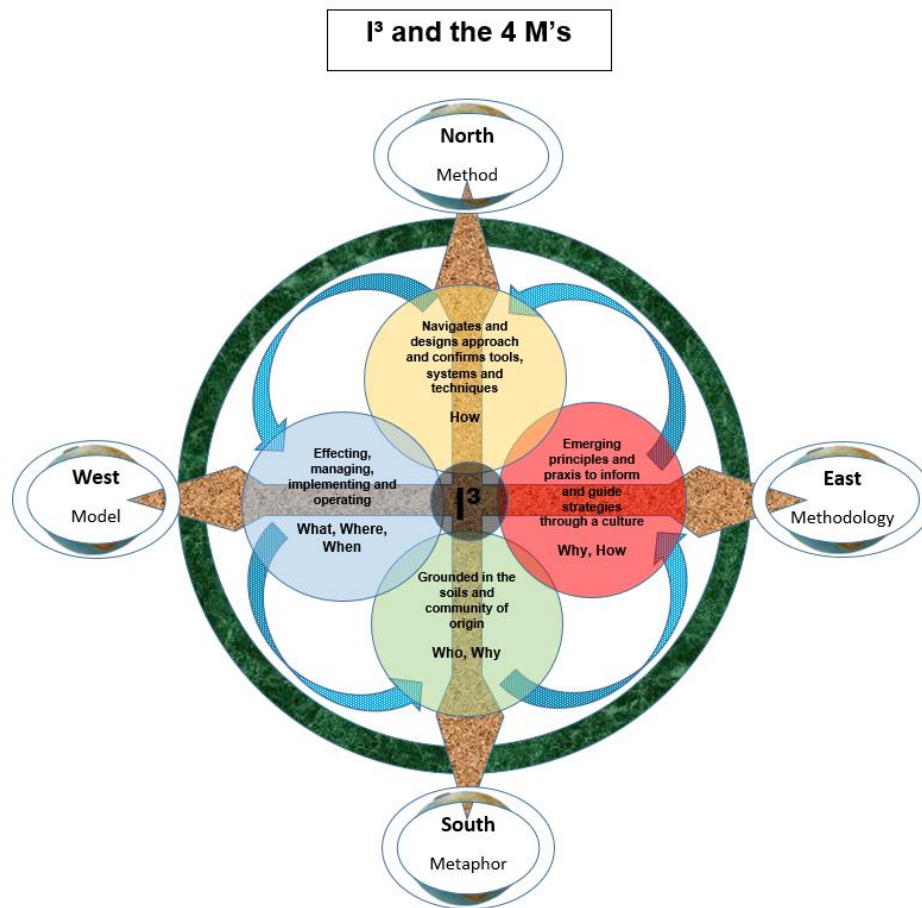
Each sphere in turn is then distilled further down into component parts on which qualitative and quantitative data and inputs can be allocated using objective and subjective sources of information. In any system with immense complexity such as economics, finance and investments, a balance has to be struck between the detail of the map and the territory i.e. there is little point in making a map so complex to resemble the territory as you will then just get lost in the same type of forest and terrain...As with any cognitive map however, it's up to the "mapmaker" when you cross the territory to broaden and deepen their experience and understanding of the map over time for its development and in our context for the investment audience.

“One man cannot do right in one department of life whilst he is occupied in doing wrong in any other department. Life is one indivisible whole”

Mahatma Gandhi

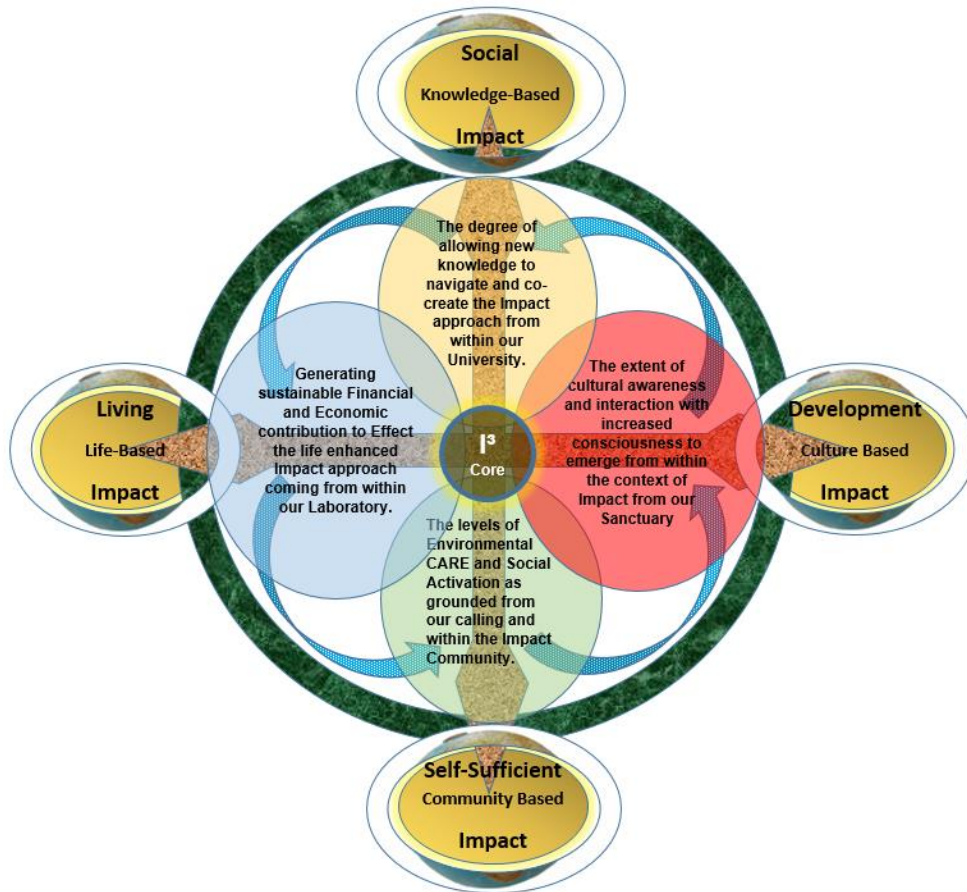
In addition, for an Impact map to be useful, it's not just for the mapmaker to decide what he or she wants to include or not depending on personal preferences. Mapping for Impact and its results needs therefore to include the perspectives and outcomes for the actual people who lives within the context of the impact. The Western orientated impact industry in general needs to be careful as it has done on countless occasions in the past, to superimpose in "Western" paradigms of development and progress etc. onto and into areas whose roots are grounded in different soils.

The conventional “Western” approach includes using a highly systematic, “Model” approach and whilst this is a critical component of the diagnostic process, assessment and analysis, it also often happens to be a detached form of observation which lacks the experimental and emotional content that drive deeper understanding in a particular context. A key difference with I³ is that these 4 worlds are not viewed or managed separately or in isolation. Starting in the integral “south” we ask “core” questions inside each realm to fully develop, engage and activate each of our realities which informs and navigates our eventual model at which point we have created our Integral evaluation process and Index to value the investment itself.



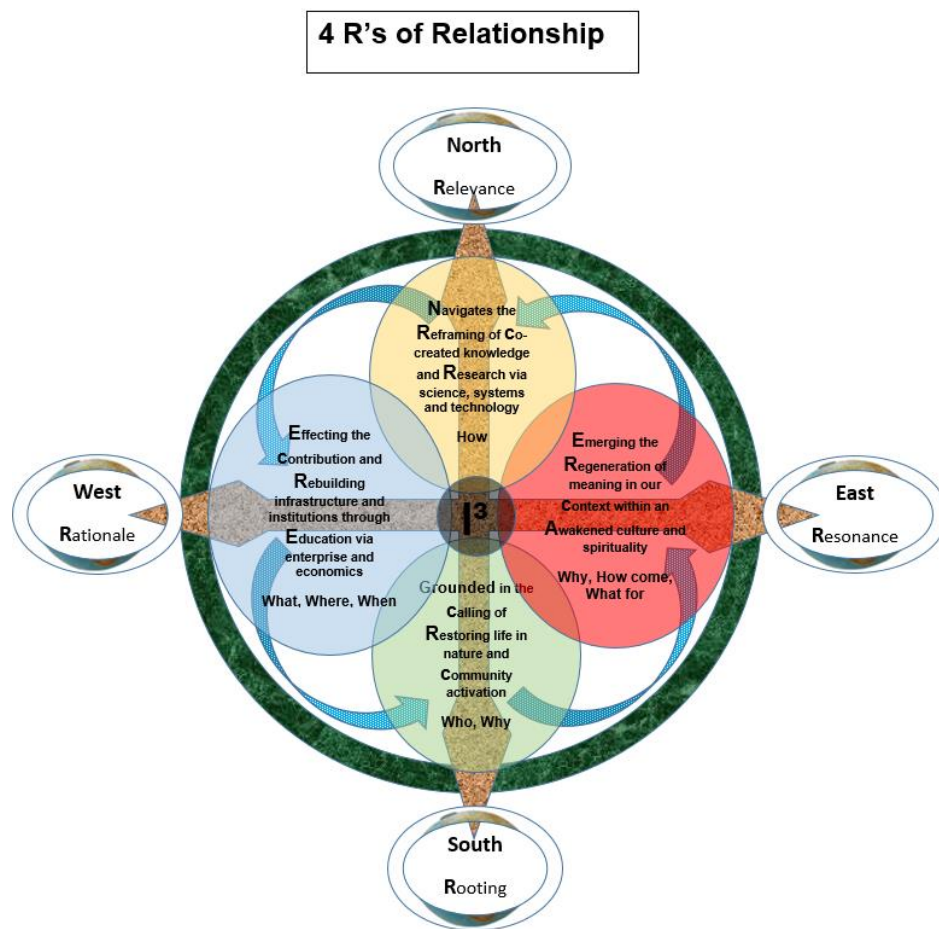
This some of you will have noticed is contrary to the way we usually develop a model but we forget that we take most paradigms for granted and none more so that the current one for Finance & Economics which form part of both the problem and our solution. In the book we expand and explore in depth the reasons for taking this deeper and broader approach. We take a deep dive into the clear and concise dynamic between each of the 4-worlds which helps to inform and navigate the development and balance between them as they grow and evolve eventually into our 4 dimensional impact and investment thesis. A core aspect of integral impact is that we seek to alleviate imbalances within the 4 worlds in accordance with our moral core. This implies that at its essence sits an individuation process which provides meaning and purpose for its users and which needs to become activated for our Impact to have integrity. As you may discover, a whole picture / puzzle and map is made up of both metaphor and philosophy grounded in the way we see the world.

This informs and guides our now emerging methodology which in turns create and navigate our method. Only then do we have the foundational building blocks that can make up our final model. In this way the integral approach is different from conventional Impact is that we fully take into account specific dynamic personal developmental requirements that drive any impact objective outcomes. A model needs to include the following dimensions to the depth and ability of its users:



In the book we see that Impact is and I³ is designed as a Cybernetic systems 4-worlds approach to investments that aims to allow an investor to see the full spectrum of imperatives and dimensions of an investment whilst allowing each investor to take a view on what is truly important in terms of actual impact outcomes. I³ itself essentially it's a canvas on which you can draw your own impact map as you see it as centred on your purpose and created and weighted through your values and belief system. Each element is drawn out of both objective and subjective data by using both quantitative and qualitative analysis. The blend of which is defined and designed by each investor. Building a static model that just draws out statistical data is easy and would not considered integral which contain dynamic processes as well as additional ways of creating knowledge and information to inform and navigate the Impact framework. I³ also look to integrate impact outcome objectives as part of an investee firm's strategy and culture which is a development from where we are today as culture is the most absent absentee in most Impact approaches. Current and conventional Impact approaches are heavily biased towards internal methods and models of the investor which not only ignores many of the fundamental drivers but also often excludes any possible dynamic with the investee which I would argue is one of the most important aspect of impact investments.

Fundamental to integrality is also the way we can dynamically expand our awareness which can only truly happen inside a contrasting relationship.



Even if we were one of the best meditators and thinkers on the planet, a circular and recursive pattern would soon emerge which would limit the expansion and create a boundary level over which we could not pass on our own. Working with Impact therefore gives you a unique opportunity, and responsibility, to develop your own mind and soul capacities to include the relational “other” in a way that benefits all, way beyond just the financial capital which in effect now acts as the portal towards full spectrum impact. The Psychologist, C.G Jung puts very succinctly the notion and need for us all to make this connection.

He said:

“The Unrelated human being lacks wholeness, for he can achieve wholeness only through the soul and the soul cannot exist without its other side, which is always found in a ‘You’.”

The “you” in this case points both in the lateral directions towards yourself and the “other”.

“Wholeness is a combination of I and You, and these show themselves to be parts of a transcendent unity whose nature can only be grasped symbolically”

C.G. Jung, Word and Image, 1983, p. 125

What we seek to understand in the book is that I³ is a complete 4-worlds approach which aims to map and be the carrying vehicle of the wholeness we see and where we can weave together. Its parts in turn create the unity that form the nature of our symbolic re-representation by working through the integral framework. For us to find meaning and purpose in life, our work has to be grounded and rooted in our inner most calling followed by an expression into a community to which we feel connected. Otherwise to our cost, we are always subject to our cultures definition of success and our marching orders. When working on impact, we have an opportunity to purposefully catalyse our rich creative, spiritual and cultural diverse heritage and understanding as inherent in our individual selves and when expressed in our collective organisations, communities and societies, we can fully release our human potential. Inner growth and its grounding, on a highly personal level, is a fundamental prerequisite for sustainable impact and its development. Without the development of this inner ability, trust, strength and commitment to actively face the evolutionary, conflicting and competing pressures of our time, it's unlikely that we in a meaningful way, can engage in the conscious renewal of societies and restoration of nature.

So here we have the core challenge and task ahead, to move from CIO (Chief Investment Officer) to CIO (Chief Impact Officer) and carrying our organisations with us. This also includes moving from conventional forms of measurements such as IRR (Internal Rate of Return) or ROCE (Return on Capital Employed) towards IIR (Integral Impact Return) and ROI (Return on Impact Investment). In this book we explore how this is achievable by capitalising each realm and creating a multidimensional balance sheet that can drive such return measures. In a way this possibly the most important full outcome objective for Impact as we then can supplement and eventually possibly replace conventional measurements with Impact as the key driver.

The book is not for the fainthearted as it's designed to challenge, explore and expand the very territories we often feel we master so therefore diminish or ignore. It raises in particular the challenge for family offices who have most to gain but also most to lose unless Impact can be fully activated with the family to create real and conscious identity, purpose, legacy and mission.

I wish you all the very best for your own individual Impact journey. May it be grounded in your true self, calling and as a result become a glorious one with real legacy and impact.

Robert Dellner

Main I³ book contents:

1. Introduction to Impact Investments: Backdrop and current state of play
2. A short reminder of our global imperatives
3. Short overview of Global Trends / Macro Drivers
4. Post-modern economics
5. What is Integral Impact Investments?

Part 1. : Changing yourself

1. Impact as a transformational journey into our calling
2. Organic Growth and Development
3. How We Grow: Renewing self and society through working with Impact
4. The paradox and philosophy of Money
5. We are all Idiots
6. The digitalisation of minds, hearts and worlds
7. Re-defining success
8. The basis and dynamic of relationship
9. The 5 A's of relationship
10. The value of Questions
11. Ways of knowing
12. Areas of knowledge
13. Ontology Is Everything

Part 2. : Changing the Investment Organisation

1. The family office as a custodian and steward of capital
2. Ownership and governance as the keystone to culture
3. An introduction to the Integral 4 worlds
4. Integral Enterprise Theory
5. Integral Design
6. From CIO to CIO, the new role and meaning of the Chief Impact Officer

Part 3. : Changing the firms in which we invest

1. Impact 1.0
2. Impact 2.0
3. Digging deeper into the Integral worlds
4. Introduction to working with Spiral Dynamics
5. Integral ownership and governance
6. Background to Impact 3.0
7. Impact 3.0
8. From IRR to IIR (Internal rate of return to integral impact return)
9. SEKEM, a case study

Part 4. : The way forward

1. Through the lens of an envisaged 2'nd tier Impact 4.0
2. Epilogue