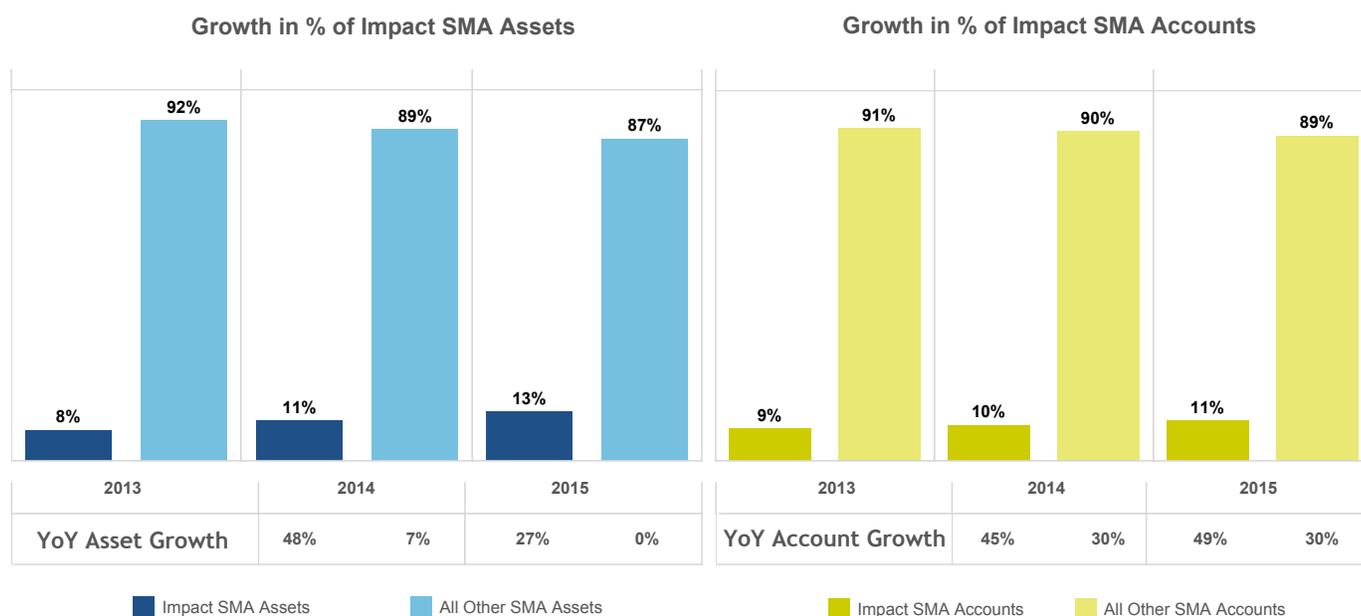


Impact Investing: Poised for Growth



Demand for impact investments has grown dramatically in recent years, but advisors may be behind the curve in meeting that emerging interest. Impact investing aims to deliver a measurable social and environmental impact, alongside a financial return. It has received growing attention from a broad swath of investors, particularly with women and Millennials who say values-based investing is especially important to them.

Our Envestnet data shows that SMA portfolios are the preferred impacting investing vehicle on our platform. While client demand for impact investing is skyrocketing, this week's Envestat shows it remains just a small percentage of Envestnet's overall SMA accounts. This suggests supply, and advisor interest, may not be keeping up with demand. During 2013, the proportion of impact SMA accounts was only 9%, compared to all other SMA accounts. By 2015, it reached 11%, reflecting to some degree growing demand. Additionally, the average account size of impact SMAs is 25% larger than that of other SMAs, again suggesting a ripe opportunity for advisors.

Investors increasingly want to achieve both social good and good returns at the same time. We believe impact investing is an efficient, but underutilized, way of attracting and retaining clients, particularly for advisors wanting to serve the next generation of clients.

ENVESTAT

About Envestat

Envestat, Envestnet's industry analytics engine, delivers regular digests of business intelligence designed to provide context to the decisions that financial advisors and enterprise business owners face every day.

While the regular digests provide insights that revolve around a quarterly theme, our quarter-end *INTERSECTION* connects these insights to highlight the significance of the quarterly theme and its impact on advisory practices.

Quarterly Theme

An ongoing topic of discussion among investment advisors centers on how they can create value for clients, given the rise of robo-advisors.

Envestat this quarter will explore how successful advisors on Envestnet's platform add value and attempt to quantify these pillars of advisor created value.

Published Envestats :

Issue No:	Date	Topic
1	January 26, 2016	Market Highs and Lows: An Opportune Time to Rebalance Accounts that were rebalanced at least once during the bear market (2007-2009) outperformed those that were not across different product types.
2	February 9, 2016	Rep-as-PM Advisors Have More Control and Flexibility, But Are They Using It to Their Clients' Advantage? Only one in five financial advisors managing portfolio models on their own are actively engaged in making changes to those models.
3	February 23, 2016	Opportunity Lost? The Cost of Not Being Actively Engaged Advisors who made at least one model adjustment during the 2007-2015 time period outperformed those advisors who made no changes – to the tune of 46 bps.

Register on www.envestnetinstitute.com or visit www.envestnet.com/envestat to view published Envestats.

About Envestnet

Envestnet, Inc. (NYSE: ENV) is a leading provider of unified wealth management technology and services to investment advisors. Our open architecture platforms unify and fortify the wealth management process, delivering unparalleled flexibility, accuracy, performance, and value. Envestnet solutions enable the transformation of wealth management into a transparent, independent, objective, and fully aligned standard of care, and empower advisors to deliver better outcomes.

For more information on Envestnet, please visit www.envestnet.com and follow [@ENVintel](https://twitter.com/ENVintel).

Envestnet Institute is your portal to timely and thought provoking content in partnership with finance's top thought leaders. Register to learn more about markets, discover new investment tools and assess new ways to serve your clients' needs. If you are a registered investment professional, you can take courses for continuing education credit as well as read documents and watch videos on the Envestnet Institute platform.



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