

North America's First Social Venture Connexion Fills a Gap

SVX opened in Toronto Sept. 19

The new Social Venture Connexion (SVX) which opened in Toronto Sept. 19 fills a significant gap in the impact investing marketplace, proponents say.

Access to capital has proven a major challenge for impact ventures, recent studies report. But investors pursuing both financial and social return are also challenged to find the investment opportunities they desire.

"The big challenge has been the high cost of capital and accessing capital for ventures," says Adam Spence, associate director of the [MaRS Centre for Impact Investing](#), who has headed up the SVX initiative. "If you were a venture with a triple bottom line it was time consuming, costly and inefficient to be able to get capital. On the investor side, it was similarly time consuming, costly and challenging to find investment opportunities.

"SVX is that single portal where ventures and funds that are looking for capital can connect with investors that are looking to both generate the potential for financial return but also ensure they have a social and environmental impact with their investments."

The first of its kind in North America, SVX will provide access to a network of more than 100 investors.

Currently, 12 issuers have passed a rigorous review of their governance and management, impact, finances and offer.

Speaking with *Axiom News* halfway through Day 1 of the SVX being open, Adam says he's keenly aware of the work yet to be done to build the issuer base on the

platform, to expand the number of investors and to continue to educate and build the profile around the opportunity that is impact investing.

“SVX is not only a first mover in the impact investing marketplace but also a supporter of a number of initiatives that are coming down the line,” Adam adds, noting this is key for ensuring the future vibrancy of the impact investing ecosystem.

“To be successful and to actually move from the current \$5.3 billion up to the \$30 billion (in projected impact investment dollars) over the next decade, we not only need to advance the SVX, but also advance activities around social impact bonds, crowd-funding, community finance, community economic development investment funds.

“There is a lot of work that needs to be done by many actors across the country in order to be able to build the investment pipeline, to be able to create mobilizing policy and to get capital moving towards impact.”

Adam adds he foresees the SVX providing supporting infrastructure for these other tools also cropping in the impact investing marketplace.

For instance, social impact bonds could use the SVX platform to identify investors and crowd-funding platforms could make use of the SVX model in terms of its review processes, compliance regime and various policies.

SVX has been a partner- and people-powered initiative with key players including MaRS chief compliance officer Carlos Pinto Lobo and project co-ordinator Tristina Sinopoli.

The initiative was co-founded with the TMX Group. Torys LLP law firm and KPMG auditors provided legal and actuarial support while Queen’s Park, KPMG, RBC, the J.W. McConnell Family Foundation, Hamilton Community Foundation and Rockefeller Foundation provided seed funding.

Preliminary discussions are underway to introduce Social Venture Connexions in provinces such as B.C., Quebec and Alberta.

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