



**Season Two: Episode Three**  
***Fire: Net Zero Plasma Diamonds***  
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**De Beers Commercial:** What else is so rare? So naturally brilliant?

**Luke Chareet:** This is a commercial from the 1990s

**De Beers Commercial:** So exquisitely pure

**Luke:** From the iconic jewelry brand De Beers®

**De Beers Commercial:** that it can capture the light of your love. This year give her the diamond that will take her breath away.

[Theme Music]

**Luke:** For centuries, diamonds have been a symbol of love, and endurance...fitting since most natural diamonds are between 1 and 3.5 billion years old! A diamond forms under high temperatures and pressures at around 100 miles beneath the Earth's surface. They have to be mined, cleaved, cut and polished before they reveal their beauty and shine.

**But diamond extraction can have serious environmental and social consequences. Traditionally mined diamonds can produce more than 125 pounds of carbon dioxide for every carat. So, what if there's another way to produce them?**

**Diamonds grown in a lab are atomically equivalent in every way to a diamond from the earth, and just as shiny, and are becoming an alternative to natural gems.**

**You may be wondering what all this romance and diamonds have to do with this season. The answer is simple - as investors rethink the carbon footprint of their portfolios, they are hyper-focused on companies innovating around more sustainable production practices that can play a key role in tackling climate change.**

**I'm Luke Charest, and from Cambridge Associates, this is Unseen Upside. This season we're exploring investments that are protecting or enhancing life on our planet and talking to the people making it happen.**

## **ACT 1**

[Diamond Foundry - plasma reactors sound]

**Luke: These are the sounds of machines called plasma reactors. And they're growing diamonds on the West Coast of the United States.**

**James Joaquin:** Diamond Foundry is a company that has created a breakthrough technology, which is designing a plasma reactor to grow pure diamonds in a laboratory.

**Luke: James Joaquin is the co-founder and managing director of Obvious Ventures, a venture capital firm supporting entrepreneurs building disruptive solutions to humanity's biggest problems. Like Diamond Foundry.**

**James:** Diamond is a miracle material. We all know the folklore of, you know, hundreds of thousands or millions of years of tectonic plate pressure, creating diamonds and diamond as a material actually has numerous scientific uses. It has the best heat transfer of any material. It's 22 times better heat transfer than copper.

So, if we were able to grow diamond large enough it would be the miracle substrate, for example, for semiconductors. Historically, we've only known how to mine diamond. What diamond Foundry did is they created a plasma reactor that creates a ball of heat hotter than the sun. So, imagine this burning hot plasma ball in a vacuum chamber. And in that same chamber, they place these one-micron thin diamond seeds.

**Luke: Basically, an incredibly thin slice of diamond.**

**James:** And with the right setup, the right temperature, the right configuration in that vacuum chamber, that plasma ball will free up carbon atoms from gasses in the chamber. And those carbon atoms will naturally attract to that seed, and they will form a perfect carbon lattice. Thereby forming pure diamond. And so, over a period of weeks, they're left with several blocks of what are now, I think larger than 10 carat, pure diamond blocks.

**Luke: A carat doesn't refer to size. It's a measure of the physical weight of a gemstone. One metric "carat" is 200 milligrams.**

**Mona Akhavi:** Atom by atom layer by layer the diamond crystal lattice grows into a rough block of pure jewelry, grade, diamond, and that's atomically, and chemically identical to a mined diamond that was created under the earth.

**Luke: Mona Akhavi is the CEO of VRAI Jewelry, Diamond Foundry's direct-to-consumer business.**

**Mona:** they're basically one of a kind. and then we take the rough block of diamond and cut and polish it, with our craftsmen they're fourth generation diamond cutters in our own workshop and they draw and reset it, in a design jewelry. We only use recycled solid gold, and that's then the finished piece of jewelry that we deliver to our customers.

**Luke: Diamond Foundry launched in 2015 after years of R and D.**

**Mona:** Our founders are from MIT and Stanford, and they previously worked together in solar technology and realized that the technology can be used to benefit other industries. This kind of resulted in a proprietary plasma reactor technology that creates gem grade diamonds and grows these diamonds in our zero emission Foundry.

**Luke: In 2017, Diamond Foundry was certified as the World's First 100% Carbon-Neutral Diamond Producer. And that covers everything from hot-forging diamonds in the foundry to polishing them into gems to shipping the finished product.**

**Mona:** The goal and the vision was to take to an industry that's historically known for its disregard for environment and make it sustainable.

**Luke: And they take that word “sustainable” very seriously.**

**Mona:** We are basically one of the leading jewelry companies in the world with our packaging that uses. Completely recyclable, compostable and reusable materials such as sugar cane pulp. This is something that's part of our DNA. We use a hundred percent renewable energy; our Foundry in Washington utilizes hydropower from The Columbia River and this renewable energy creates the fusion reaction inside a plasma reactor. At the time of growing. the rough block looks like an orange block, as if you were looking at the outer core of the sun.

**Luke: Mona says the Foundry's diamond process is a lot more transparent compared to the mining required to unearth natural gems.**

**Mona:** Diamonds grow within the Earth with immense heat & pressure over time, and it takes years for them to form. The traditional mined and diamond supply chain, obviously starting from exploration to excavation, to cutting and polishing distribution resellers. It's completely convoluted, and mined diamonds can exchange hands up to 15 times until they reach the consumer. It's quite impossible to know with certainty about, where they came from, what kind of impact they had in the local communities and the environment they're coming from and naturally with the traditional fine jewelry supply chain, every time a middleman is involved, there is a markup involved.

Unfortunately, that final price that the consumer pays is not proportionally invested back into the communities and environment that the diamond came from. In addition to that in conflict ridden areas, poor working conditions, child labor, low compensations are just a few concerns. Within these, age old industries and even outside the conflict areas, the vigorous labor and the working conditions. for example, in order to get one carat of mined diamond, 140 pounds of carbon dioxide is admitted onto the environment. 2000 ounces of air pollution is created and. 250 tons of earth is removed and damage, and that's only for one carat.

**James:** Traditional diamond mining has a broad set of well-documented issues.

**Luke: James Joaquin again.**

**JAMES:** We all remember the film blood diamond

**Blood Diamonds movie:** In America. It's bling-bling but out here it's bling bang.

**Blood Diamonds movie:** Huh? I wouldn't want you getting in any trouble. How much trouble do you think I would get into for talking about blood diamonds?

**Luke: That's Leonardo DiCaprio and Jennifer Connelly in a scene from the 2016 film Blood Diamonds, and interesting side note: DiCaprio is an investor in Diamond Foundry.-**

**The title of the movie speaks of diamonds that are mined in war zones and sold to finance conflicts, generating profits for warlords and diamond companies at the same time.**

**James:** This is not all diamond mines, but there certainly were some that were involved in murder and child labor and child slavery, and just really horrific atrocities tied to that industry. And you might say, well, what if I bought a properly mined diamond from Canada that has fair trade labor laws, and those certainly do exist, but the physical extraction process creates massive amounts of greenhouse gasses. It digs a football field sized hole in the earth. That's destroying natural habitat.

So, there are so many issues, contributing to climate change is maybe being the greatest one of even modern diamond mine. That if we can flip those negative externalities to positive externalities, if we can take renewable energy, make a carbon neutral diamond, that's actually sequestering carbon. We're taking methane and turning it into carbon. That's a carbon sink. That is the definition of a world positive product.

**Luke: And this is precisely the kind of project a company like Obvious Ventures is looking to fund.**

**JAMES:** When we make early-stage investments, we like to build what we call time machines. So, the ingredients of the time machine are of course, amazing founders that

have some new technology, some 10 to a hundred X breakthrough technology. In this case, the diamond Foundry founders had this new plasma reactor.

Their ingredient to the time machine is to understand where the world is heading to have a point of view about some cultural or societal change that we think is going to happen, that really sets the table for the timing of when that new technology can launch. In the case of diamond foundry, our belief, our insight was that this idea of an above ground diamond of a carbon neutral diamond, we believe that this new consumer would actually pay a premium for that. And that was part of our investment thesis behind diamond Foundry.

[Theme Music]

**Mona:** We've been in an incredible exponential growth mode, and a lot of that comes from the acceptance and the consumer demand we've seen for our diamonds and jewelry.

**Luke:** How long does it take you guys to make a diamond of whatever the standard, size you're making? Timewise, how long does it take?

**Mona:** So really depends on what we start the seed with and how big of a block we're hoping to, grow out of the plasma reactor, but it takes anywhere from few weeks, to just over a month, and we were one of the first diamond companies actually to offer a larger lab grown diamond cuts such as five carats and above. And we just recently had a 10 carat Emerald cut.

**Luke:** **It wasn't too long ago that I was buying my wife's engagement ring. And I remember it was all about the 4 C's: Cut, Color, Clarity, and Carat. And these characteristics play a role in a diamond's beauty and price point. And although lab diamonds are produced differently, they're evaluated identically.**

**Mona:** the goal has been with our fifth-generation plasma reactor to grow larger and higher color diamonds, of course. And that is a goal we've achieved and we're always pushing ourselves to even achieve a higher colors and larger blocks of diamond.

**Luke:** You know, the color makes sense to me, but why is making bigger, better for you all?

**Mona:** Millennials and Gen Zs are the main purchasers of diamonds and engagement rings, and they are moving away from mined diamonds because of their increased concern over environment and also the human tools of mining.

One and a half carats and above is the average, carried weight of diamonds that our consumers are looking for. And, because the consumers don't have to feel bad about where the diamond came from. They are aware of the origin of the diamond. They're aware of the environmental impact of the diamond. They're not holding back to purchase something larger because they feel good about it.

**Luke:** **Industry numbers echo this trend.**

**Mona:** In October 2021 industry analysts Paul Ziminsky estimated that the lab grown diamond jewelry market was close to 2 billion and 3 million carats. That's a significant growth from the few hundred thousand carats a year that was being produced in 2018. And the prediction is that by 2025, this market will reach close to \$4 billion, and lab grown production will go to high single digit percentages of the overall diamond market. All of this coupled together is driven by consumer education and consumer demand

**Luke: Some people are still reticent to consider lab-grown diamonds, real diamonds.**

**Mona:** The only difference is the origin. So, the diamond, that was created in the lab just needs to be labeled and similar to pearls where natural pearls and cultured pearls are not different, they're exactly identical in terms of consumer.

**Luke: For consumers, the prices are different.**

**Mona:** With lab-grown diamonds, you usually get a value of 30%, less expensive than mined diamonds because the supply chain is, transparent and there are no middlemen involved.

**Luke: VRAI prices their diamonds per carat. Their diamond jewelry goes for a few hundred dollars all the way to tens of thousands, depending on the complexity of the piece and the number of diamonds.**

**Mona:** We were one of the first jewelry companies to be on the red carpet starting from three years ago. And it's been fantastic to receive this much, support from some of the influential activists, celebrities, influencers, who are active, aware within environmental causes.

On the red carpet. We've been worn by Reese Witherspoon, Julia Roberts, Angelina Jolie, Jennifer Lopez to name a few.

**Luke: Jennifer Lopez's stylists Rob Zangardi and Mariel Haenn had their reasons to join the support. Here they are in a video for VRAI**

**VRAI Video (Rob Zangardi):** Working with diamond sustainably created by VRAI, allowed us to include shapes in our collection. Customers rarely see.

**VRAI Video (Mariel Haenn):** It's important to us to make choices that minimize the negative impact on the earth. This is why we decided to use diamonds created by gray as they are grown in zero emission Foundry that utilizes renewable energy.

**Mona:** We don't believe in paying for placements because that takes away the authenticity of the product. These are pieces that these influencers and celebrities are picking and choosing because they hear the story of our diamonds, our innovation and our sustainability principles.

**Luke: Diamond applications go beyond jewelry. Remember James saying that diamonds are better at heat transfer than copper?**

**James:** In the case of diamond Foundry's new chip business, which they are starting to actually ramp and go to market with, they are able to create a diamond wafer sandwich that they can combine with a more traditional semiconductor substrate.

**Luke: In computing and electronics, wafer are very thin discs of semiconductor material -often silicon-, and they are used to create electronic integrated circuits. Basically, they key elements of computer chips.**

**James:** The benefit of that is that the diamond layer can pull heat from the chip and can transmit that heat far more effectively than any other material. The applications where this is critical are any semiconductor applications that suffer from very high temperature generation. All of our smartphones and our computers are relying on these vast energy consuming data centers run by Apple and Google and Facebook and others. And the biggest energy challenge for those data centers is the cooling systems. The air conditioning systems to cool those buildings are the biggest carbon footprint and Diamond Foundry's new invention could dramatically reduce the need for that energy because the chips will naturally cool in a much better fashion. Our telecommunications industry is undergoing a shift to 5G and those new 5G chips also have a heat transfer issue. And so, this same technology could be really transformative for the 5G industry as well.

## **ACT 2**

[Steel drum by James Joaquin]

**James:** Truth be told, I've been a drummer since a small child.

**Luke: This is James Joaquin again, but this time playing the steel drums!**

**James:** I used to go in the kitchen and take the pots and pans and that was my play set. Drumming for me is very meditative and if you're a good drummer, you learn how to play with others. And that directly applies for me to venture capital. Knowing how to work with others, whether it's your founders on the board that you serve, or your teammates at your firm. There are a lot of parallels to playing music in a band.

**Luke: When he's not playing drums, James pretty much lives in the future.**

**James:** A lot of the companies that we're building right now might be five years away from launching and we're in the thick of these new breakthrough technologies and forecasting how they will positively impact humanity when they show up.

I see the power of human creativity and human ingenuity applied to solving humanity's problems. You know of course we have our own challenges and we've created a lot of problems with things like, man-made greenhouse gasses causing climate change, but we also have such unbelievable talent and ingenuity to build solutions.

I see it in the younger generation of entrepreneurs that. Of course, they want to make money, but they also want meaning in their work. That gives me goosebumps because that purpose that's the engine, that's the fire that's driving these breakthrough technologies that they're going to build.

**Luke: James has an impressive resume working for places like Apple, and has been a prolific entrepreneur starting companies like Xoom -with X-, a company that helps foreign-born immigrants send money back to their families.**

**James:** I started working on the idea for obvious ventures back in 2013 in partnership with my co-founder Evan Williams, EV Williams is the co-creator of blogger, which was acquired by Google, the co-founder and CEO of Twitter, and EV is now the co-founder and CEO of Medium, the publishing platform to help democratize ideas and information. Evan and I had this idea that we could reimagine venture capital and invest in companies that were building solutions to the world's biggest problems.

And we teamed up with our third co-founder, Vishal Vasishth, who had the same idea. Vishal had a transformative experience spending 10 years with Avant Shinara, building Patagonia, the sustainable apparel company and that journey of building that company and the culture and the philosophies behind Patagonia really taught him that purpose-driven business could outperform with the right team, with the right approach. This idea of combining profit and purpose can create very large, very financially successful companies where every dollar of revenue naturally has some environmental or social benefit. That idea of profit and purpose is why the three of us came together to found Obvious Ventures.

We believe that the true definition of impact in business is to bake your impact into the core offering of the business. We saw at the time, a lot of large companies were saying, we're going to make our product and have our profits over here on the right and then we're going to have this other team on the left that's going to do corporate social responsibility and impact and philanthropy. And we felt like there was a new and better model, which is instead of trying to use philanthropy to do some good after your business has maybe had some negative externalities, why not create a new kind of business that has positive impact.

And our thesis is that world positive companies actually have an advantage. They're going to outperform against their competition. They're going to attract better employees for their team. They're going to have an authentic mission that's going to lower their customer acquisition costs and increase the lifetime value of those customers because there will be a connection between their customers and the mission.

ACT 3

[Theme Music]

**Luke: The philosophical shift in investing is not just happening at venture capital firms.**

**Caroline Mason:** The market now is clearly saying. This is the direction of travel, the investment industry cannot function anymore without considering the social, environmental, and economic consequences of where money goes and what it gets invested in.

**Luke: Dame Caroline Mason is the chief executive at the Esmée Fairbairn Foundation.**

**Caroline:** Over the last 40, 50 years, money has been deployed without any consideration for the impact that it may have good or bad. And as investors, we need to consider the implications of what our money gets used for and how it gets used.

**Luke: Founded in 1961, the Esmée Fairbairn Foundation is one of the largest foundations in the UK.**

**Caroline:** It's now worth 1.4 billion Sterling.

**Luke: About 1.8 billion US dollars.**

**Caroline:** Our three, key areas are, our natural world, which has better outcomes for the planet. Fairer futures, which is better outcomes for people. And creative, confident communities, which are better outcomes for communities and places. They seem very broad. but within that, we have very specific priorities that we're looking at.

So, for example, in our natural world, we look at fresh water, nature, friendly farming. the way we get to those priorities is to look at three things. One of them is- Where do we have expertise and knowledge? The second is how we can use the assets that we have. So- What is our purpose? Where do we fit? And where can we contribute most? And thirdly How do we think in terms of strategy going forward? So, we're not an ameliorator of issues now, we want to change the root causes and the systems that are causing those issues, we want to be proactive.

**Luke: Esmée thinks creatively about how they can use their financial resources to support their mission.**

**Caroline:** The way we think about it is that our role is to unlock the barriers to change and work with what we call unusual alliances. So, it's all hands to the pump.

**Luke:** So there are so many worthy causes in today's world that you are all making grants to and thinking about, but you also have to think of, stewarding this foundation to exist in the future. So, how do you think about that tension between impacting change in the present while being a good steward and fiduciary, if you will, of the foundation such that it can affect change in 20, 30 years?

**Caroline:** I'm not convinced there is a conflict actually and think that's old style thinking it's really important that we don't think of these things as silos. So, have a spectrum of capital and mechanisms from grant funding, all the way to public equities, and, the amount of impact, and financial return and risks that we're prepared to take changes and adapt.

We're transitioning our investments towards aligning with our ethos, so we use things like repayable grants, for example. We use guarantees. We have a product where we effectively lease out our balance sheet for NGOs to buy environmental land that can be turned back to conversation. So, we're really thinking quite creatively and flexibly about all these different tools and mechanisms that we have at our disposal, because we are an independent foundation.

**Luke:** Do you ever get, maybe frustrated that the change you're hoping to have doesn't happen fast enough? These are such big and tractable challenges. How do you think about that?

**Caroline:** Oh, don't get me started. I think many of the systems that we've had in place for the last 50, 60 years, whether they're economic or even the philanthropic system are just not fit for purpose anymore. And we can see that happening, everywhere, whether it's the educational system, whether it's the transport system and I think there are two things that have brought that to a head. Now, one is climate change and the other is this extraordinary growth of inequity that we see coming to play across the planet, that the system is creating divisions and it's creating, huge inequity. And it is absolutely destroying the world that we depend on. So, we've got to stop thinking about, oh, it's government's job to do this, it's the private sector's job to do this. Oh, it's charities job to do this. Actually, it's all of our jobs, you know, as people, as consumers, as investors, corporates so I think we're getting to a tipping point now with that is beginning to be understood, but it's really not moving fast enough. There's a lot of vested interests, but it's going to have to take some radical rethinking of things.

**Luke: Deciding what to fund is a challenge, but tracking performance is even harder, so the team at Esmée built what they call an "effectiveness framework."**

**Caroline:** So, for everything that we fund irrespective of how we fund it. We look at three things, we look at our performance. Did we get it right? Did we do enough? We look at, outcomes. So, were the outcomes met? And thirdly, we look at, what we call the extent of change. We were expecting this amount of change to happen. Did it happen or not? So, it allows us to separate out things which were never designed to have, a long-term change. We don't believe that if things don't work, that's a waste. So, our effectiveness framework, isn't just about performance. It's about becoming better. We're not a great believers of impact measurement, we like to think of evidence of progress.

**Luke:** Now shifting gears a little bit, in 2021 you all made a very public commitment to make your investment portfolio net zero by 2040 at the latest. And I also know that it looks like you're working towards decarbonizing your physical operations and the day-to-day workings of the foundation.

So, I guess let's start first with the commitment. Could you walk us through what it was like to get folks all aligned on your end from the staff to the governing and was that difficult or was this kind of a no-brainer and then, making such a public commitment to it. How did that process go for you all?

**Caroline:** [laughs] It was torturous, genuinely torturous, everybody at Esmée acts in the best interest of Esmée but, it was an old-fashioned foundation when I joined it. So, the investment committee and the charitable arm, if you like were like two separate organizations. So, from my perspective the first thing to sort out was that issue of governance, that the trustees do actually have responsibility for our endowment which they delegate to the investment committee. Secondly, we had no link with any form of ESG.

**Luke: Incorporating Environmental, Social, and Governance factors into their investment strategy was initially met with resistance, but Caroline didn't give up.**

**Caroline:** The argument that I finally made was if we're about leveraging as much impact as we can, then if we have 10 million going to climate in a year but we have a hundred million, invested in the things that are causing those problems. This is not about moral or ethics about what's good, and what's not good. Logically as a whole organization, our net impact is negative, like massively negative. So, we cannot disaggregate these two things.

**Luke: Caroline's team agreed.**

**Caroline:** And as a result, we agreed on a number of things. We agreed on creating the carve out that we've got at the most to kind of test this idea that you can invest and still make money in these, ESG aligned or more than ESG aligned, active, purposeful investments. We also said that we would start using our voice as a shareholder, we also said that we would look at deep reporting every year to understand where we had holdings that we were not happy with and then finally, we, said that as funds came out of our portfolio, the new funds coming in would be ESG aligned.

It takes time to move from a very traditional model to a different model. So, the net zero was one of those steps. And the next step is to start shifting to a hundred percent responsible investing and transitioning across.

**Luke: Now, Net-Zero can mean different things to different people. My colleague Simon Hallett is a partner at Cambridge Associates, and these days a lot of his work focuses on climate issues. He chairs the Net Zero think tank.**

**Simon Hallett:** Which is the cross-functional group that we used as a clearing house, really to solve some of the naughty problems around doing this.

If we need to hold global temperatures, that one half degrees, which is the commitment of the Paris agreement, and which is the threshold at which it's believed, most likely to avoid runaway climate change and run the way on controlled effects. If we're to do that, we have to essentially stop emissions at some point, because that cumulative growth of emissions needs to get to zero. It's what climate scientists sometimes call the carbon budget.

So, the idea of net zero is really just saying that at some point we have to get to zero emissions. And between now, and then there's only a certain amount of carbon we can actually burn. So, it's not just, we have to get to zero. We have to get to zero in a certain time and in a certain profile.

**Luke:** It's net zero enough. Like, if we waved a wand and all of us corporate actors in the world got to net zero next year by purchasing high quality carbon offsets, reducing our own emissions in, in, in manageable ways and we get to net zero. My sense is that we didn't fix, decarbonizing the electrical grid or agriculture practice, is net zero enough or is it a stop gap in this interim phase while we figure out those bigger meteor track year part?

**Simon:** Do we, as investors getting to net zero portfolio emissions, does that kind of matter? Is that enough? So, you can take an investment portfolio, reshuffle the content, so sell the bad staff, you buy some offsets, et cetera, and you go, oh gosh, net zero isn't that great.

Has that actually done anything useful? I think this is actually a really critical distinction because if, as an investor, you choose to follow something like the Paris light investment initiative, or robust well-thought-out idea of net zero. It's about real-world change across every sector of the economy, because, if we haven't decarbonized the electricity grid, if the electricity grid is still pouring carbon into the atmosphere, what I've done in my portfolio is irrelevant.

So, what you need to do is if your portfolio is invested in electric generating companies, you need to vote, lobby, engage, et cetera, whatever, with those companies to encourage them to decarbonize their generation. Then that is a real-world change. The only net zero that matters is global net zero for everybody, you can't be net zero by yourself. That concept doesn't exist because we live on one planet, and then that leads to another interesting concept, climate justice, which is the idea that if you like wealthy countries or individuals or whatever, who've historically benefited from carbon economy and say, I can get to that net zero so I can go and buy a Tesla and I can do blah, blah, blah.

But then you've got somebody in Bangladesh who is still trying to get their way out of poverty. They haven't got any easy solutions. So how do we collectively work together for an outcome where everybody gets to net zero, but the costs and benefits of that kind of spread in a manageable way. Otherwise, why would people at the bottom 50%, go along with something that's going to impose all its costs on them and all its benefits on me.

**Luke: Moving to a lower carbon economy changes a lot of paradigms around investing and requires vigilance. The team at Esmée just created a small fund called the Impact Fund, to take up opportunities that are aligned with where they're going.**

**Caroline:** The area where we're most murky I would say is in that transition piece because there's a lot of greenwash going on at the moment, huge amount of greenwash.

**Luke: Greenwashing is the process of conveying a false impression of how environmentally sound a company's products or services are.**

**Caroline:** We've been involved in, environmental support and funding and investment for almost well 20 years. So, we have people who absolutely, as the expression here goes,

they know their onions, and, in our impact investing or social investment work, the team here who are sensibly grant managers, they're also experts in their field.

**Luke:** So, no shortcuts. You've got to know your onions and you got to roll up your sleeves and do the work.

**Caroline:** You do, yeah, and I think that's part of the issue that I have with what needs to change in financial services is that the new type of investment, I call it Finance 2.0, is where you must state the outcomes and the impact that you want to have with that money before you start. And then you have to have the expertise in order to track whether that is working or not.

That's deep expertise. I mean, there's still this little bit in financial services that it's okay, we've arrived, we're here and we've got this sorted without really understanding the depths of knowledge that's required in a really, really complicated ecosystem where water and pollution and soil and farming are all inextricably linked. That is a real problem that we are going to have to adjust to.

**Luke: Simon adds that timing is crucial.**

**Simon:** It's actually pretty important, what we do for the next five years. We actually in the outline, know the strategies, the techniques, and the technologies we're going to need to use and deploy. It's really just a question of timing and scale and we can all as institutional investors be genuinely impactful over the next 10 years in something that's going to matter for decades beyond that.

**Luke: The work is just starting and might seem daunting, but Caroline is optimistic.**

**Caroline:** In any situation, there is always a slice of heaven. You've just got to find it to grab it and sometimes that is really thin and sometimes it's the whole pie, but that's the thing to grab, to hold off, and take away with you.

[Theme Music]

**Luke: If you want to learn more about sustainable and impact investing and getting to net-zero, please visit us at [cambridgeassociates.com/unseenupside](https://cambridgeassociates.com/unseenupside) or check out the show notes. Stay tuned for more upcoming episodes and if you like what you're hearing, leave us a review and tell your friends and colleagues.**

**At Cambridge Associates, our podcast team is led by me Luke Charest, Hillary Ribaldo, and Brittany Thurman.**

**From PRX Productions, Sandra Lopez-Monsalve is our producer, Ari Daniel is our editor and Courtney Fleurantin is our associate producer. This episode was mixed by Terence Bernardo. The executive producer of PRX Productions is Jocelyn Gonzales.**

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Before you go, one of my colleagues has an important message about the contents of this podcast.

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