

# CALDY GROUP

## Sophistication & Impact

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*“Time is the friend of the wonderful business, the enemy of the mediocre.”*

- Warren Buffett

As we transition through the current inflection point in the impact investing discipline, it has become imperative for investors to pay close attention to the quality of impact investment solutions under consideration. In particular, we are increasingly presented with questions of impact viability, execution capability, and mission authenticity. Not only is there emerging variance in these central metrics across more classic, private equity and debt impact investments, but we are also starting to see a proliferation of impact investing products that until recently wouldn't have even been categorized as such.

In the midst of all this noise, a handful of players stand out for their ability to successfully navigate the rapidly growing and evolving impact ecosystem, and in so doing to bridge financial sophistication and authentic impact. The CAPROCK Group is one of them.

If you live in a financial center such as New York or Boston, have some experience in financial services, and learn about the role that The CAPROCK Group has played in shaping much of how we think about investing for impact, you would be forgiven for wondering: “How have I not heard of these guys?” This is partly by design, partly by ethos, and partly

due to the accident of geography. The firm had long maintained a low profile, preferring execution to marketing, while nevertheless ensuring that the *right* clients know about it.

Targeting family offices and high-net-worth individuals, The CAPROCK Group has offices conveniently located in destinations where charm masks signs of luxury and privilege – places like Boise, Idaho; Park City, Utah; and Newport Beach, California – as well as San Francisco and Seattle.

But brilliant geographic placement is just a small part of The CAPROCK Group's winning strategy. Though the firm has an enviable reputation as a leading multi-family office regardless of investment approach, it emerged almost a decade ago as the only multi-family office in the country to commit material resources to developing an expertise in, and a solution platform for, impact investing. Managing assets for some of the most discerning and most actively engaged impact investors, The CAPROCK Group has distinguished itself as a player that understands the importance of sophistication in managing impact investments.

Perhaps more important, however, is their central role in helping to incubate, structure, and provide critical launch capital for several of impact investing's more intriguing and effective strategies. Similarly, their transparency regarding thought-leadership, as well as their instinct towards collaboration, has

been a driving, if quiet, force in the professionalization of the discipline. The firm's clear commitment to field-building remains an anomaly, particularly given the increasingly competitive atmosphere in impact investing.

As the impact investing ecosystem grows, players will come and go. While many of us are currently focusing on the most talked-about funds, when the dust settles, the strategies with greatest chance for success will be those with the highest-quality offering. We think there are three key elements that make The CAPROCK Group well-positioned for continuing success.

First, the firm's impact investing strategy has been developed carefully over time, led by Matthew Weatherley-White. Launching the firm after a successful career at Smith Barney, Weatherley-White brings financial rigor and sharp insight about the needs of high-net-worth individuals and family offices, coupled with an authentic passion for impact. But while commitment to impact is often perceived as 'soft,' Weatherley-White views impact as an exciting challenge – an added layer of complexity that makes smart investment decisions even more critical – and a possible source of mispriced-risk-oriented alpha.

Second, as an organization, The CAPROCK Group is infused with a commitment to transparency and complete alignment with its clients' objectives. This may sound familiar in the wealth management space, but not all players are equally able to deliver on this promise. The CAPROCK Group enjoys its unique reputation in part because of its ability to 'walk the talk.' The firm's proprietary analytical tools and its unique reporting framework enable it to make intelligent decisions on behalf of its clients. In particular, by providing accurate time-weighted rates of return on their client's entire balance sheet (rather than just on the public exposure), The

CAPROCK Group is able to take both portfolio risk control and transparency to the next level.

Third, in keeping with its commitment to social and environmental impact, The CAPROCK Group is part of a very small group of Founding B Corporations. By aligning its own strategy with the values that it espouses to its clients, the firm is able to attract talented professionals who inherently reflect these values. It is a culture of excellence and financial sophistication, but also of deep and genuine commitment to impact. In speaking with professionals from The CAPROCK Group, you often hear statements like "It wasn't until I came to The CAPROCK Group that I was able to align my work in finance with my commitment to impact and be surrounded by others who share my values and aspirations in serving clients."

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There is something simultaneously timeless and of-the-moment about The CAPROCK Group. While the firm is at the cutting edge of the impact investing field, its commitment to client service, excellence in portfolio construction and management, and a demonstrated ability to consistently make smart investment decisions, transcend trends and investment strategies *du jour*. They represent, in many ways, the best of what has gone before as well as the promise of what may be our future.

We think it is players like this that will ultimately emerge as *true leaders* in impact investing, and we are excited to see the growing profile and reputation that The CAPROCK Group is earning, as they continue to deliver sophistication and impact, while making it all seem easy and effortless on the slopes of Park City, Utah.

*Note: This article was originally published on the Caldly Group Blog, available at [www.caldlygroup.com](http://www.caldlygroup.com).*