

FINANCIAL PERFORMANCE OF IMPACT INVESTMENTS

Presenters:

Piotr Zembrowski, CFA, Manager, Advocacy Research and Content, Asia-Pacific, CFA Institute

Sophia Sunderji, Manager, Research, The Global Impact Investing Network

Maud Savary-Mornet, Senior Advisor, South East Asia, The Global Impact Investing Network

Dimple Sahni, Managing Director, Impact Fund Portfolios, Anthos Fund and Asset Management. B.V.

Antonia Sariyska, Impact Investing Strategist, UBS Global Wealth Management

Ramkumar Narayanan, Head of Research and Investments, Tameo Impact Fund Solutions SA.

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Previous webinar on Impact Investing:

CFA Institute Asia-Pacific Research Exchange

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Advocacy Talking Points | 22 February 2021

The Future Trends of Impact Investing in Asia Webinar

Piotr Zembrowski, CFA, Maud Savary-Mornet, Dina Pons, Ronie Mak, Pierrick Balmain, CFA, CAIA

Can investors do well while doing good? Learn how to balance financial returns with social or environmental impact.

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Overview

The goal of impact investing is to generate financial returns alongside measurable and positive social and environmental impact. Such investments provide capital funding to address the world's most pressing challenges in sectors such as sustainable agriculture, renewable energy, and affordable and accessible basic services, including housing, healthcare, and education.

Although global investments are expected to decline significantly with COVID-19 pandemic, a survey of 294 impact investors conducted by Global Impact Investing Network (GIIN) earlier this year indicated that a majority (57%) of respondents would maintain their 2020 investment plans, and 16% even said they expected to increase their investments.

In this webinar, we are inviting impact investing experts to discuss the following topics:

- What are the different approaches to impact investing and what intentions underlie them?
- How do impact investors balance financial return and social or environmental impact?
- How can impact be measured?
- What are the risks of impact investing and how does the risk-return profile of impact investments differ from that of conventional ones?
- How does impact investing fit within the ESG/SRI/sustainable investment landscape?

Speakers:

- Maud Savary-Mornet, Senior Advisor for South East Asia, Global Impact Investing Network
- Ronie Mak, Managing Director, RS Group
- Dina Pons, Partner, Incofin Investment Management
- Pierrick Balmain, CFA, Head, APAC Business Development, BlueOrchard Investments (Singapore) Pte. Ltd.


Watch the Webinar

The Future Trends of Impact Investing in Asia
Can investors do well while doing good? Join our webinar from 2/22/21 on i...

Asia-Pacific Research Exchange

PANEL DISCUSSION

THE FUTURE TRENDS OF IMPACT INVESTING IN ASIA



Piotr Zembrowski, CFA
Manager, Advocacy Research & Content, APAC, CFA Institute

Maud Savary-Mornet
Senior Advisor, South East Asia, Global Impact Investing Network

Ronie Mak
Managing Director, RS Group

Pierrick Balmain, CFA
Head, APAC Business Development, BlueOrchard Investments (Singapore) Pte. Ltd.

Dina Pons
Partner, Incofin Investment Management

Duration: 1 hr 17 min.

Recorded: 22 February 2021.

Watch Now



<https://cfainst.is/3fo1kuF>

LET'S GET STARTED!

What type of financial organization are you from?

	Polling Results
A. Family office	4%
B. Insurance company	1%
C. Pension fund	2%
D. Other asset owner	4%
E. Asset manager	18%
F. Other financial organization	20%
G. Non-financial organization	15%
H. Government or regulatory agency	1%
I. School or university	19%
J. Other	17%

POLLING 2

What are you looking for from this session:

- A. I want to learn about impact investing, its risks and opportunities in general
- B. I want to learn how to go about impact investing in practice, how my own money can make an impact
- C. I want to find out what financial returns I can expect when engaged in impact investing
- D. I want to learn how to measure the impact my investments generate
- E. I want to see examples of projects that make impact and deliver financial returns
- F. I want to learn about career opportunities in impact investing

Polling Results	
A. I want to learn about impact investing, its risks and opportunities in general	38%
B. I want to learn how to go about impact investing in practice, how my own money can make an impact	9%
C. I want to find out what financial returns I can expect when engaged in impact investing	11%
D. I want to learn how to measure the impact my investments generate	15%
E. I want to see examples of projects that make impact and deliver financial returns	14%
F. I want to learn about career opportunities in impact investing	13%

PRESENTATION

Sophia Sunderji

Manager, Research,
The Global Impact Investing Network



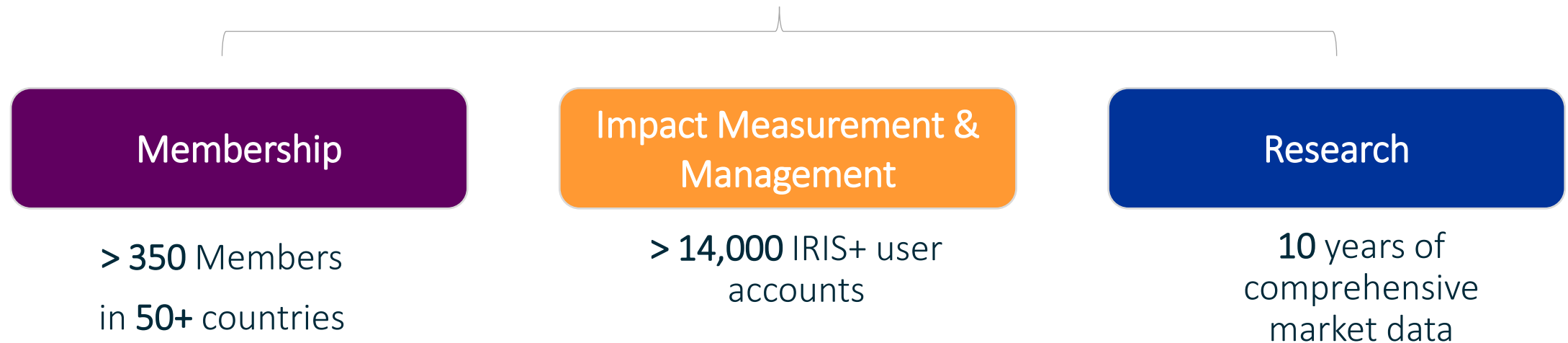
Impact Investing Decision-making: *Insights on Financial Performance*

May 27, 2021

About the GIIN

To increase the scale and effectiveness of impact investing

- Mobilizing more capital for impact investing globally
- Safeguarding the integrity of impact investing
- Fueling the global impact investing movement to change mindsets about the role of capital in society

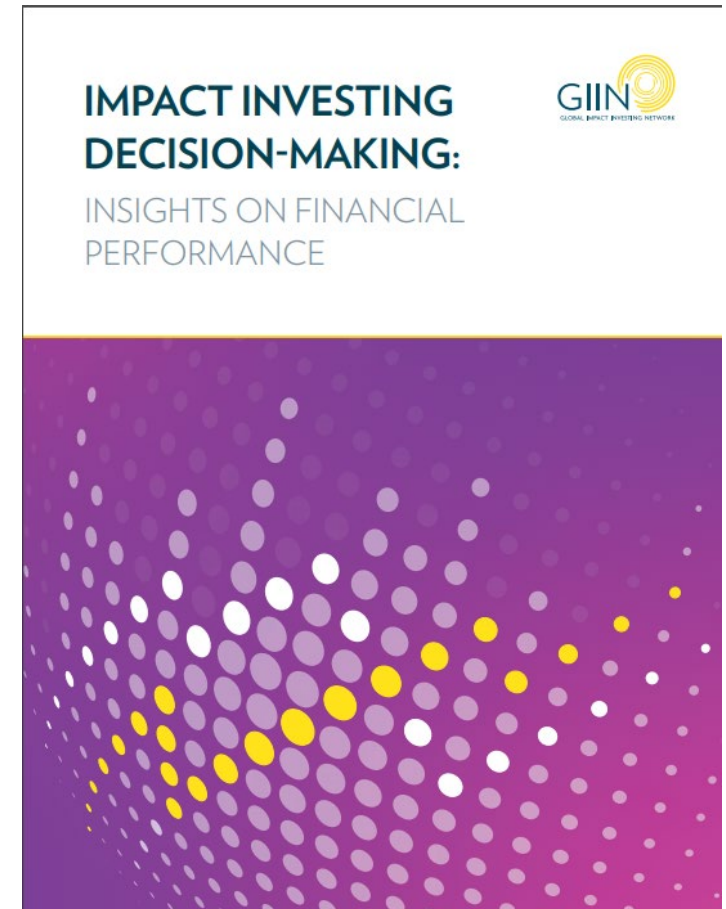



“We aspire to create a world in which social and environmental factors are routinely integrated into investment decisions, as the ‘normal’ way of doing things.”



Key findings

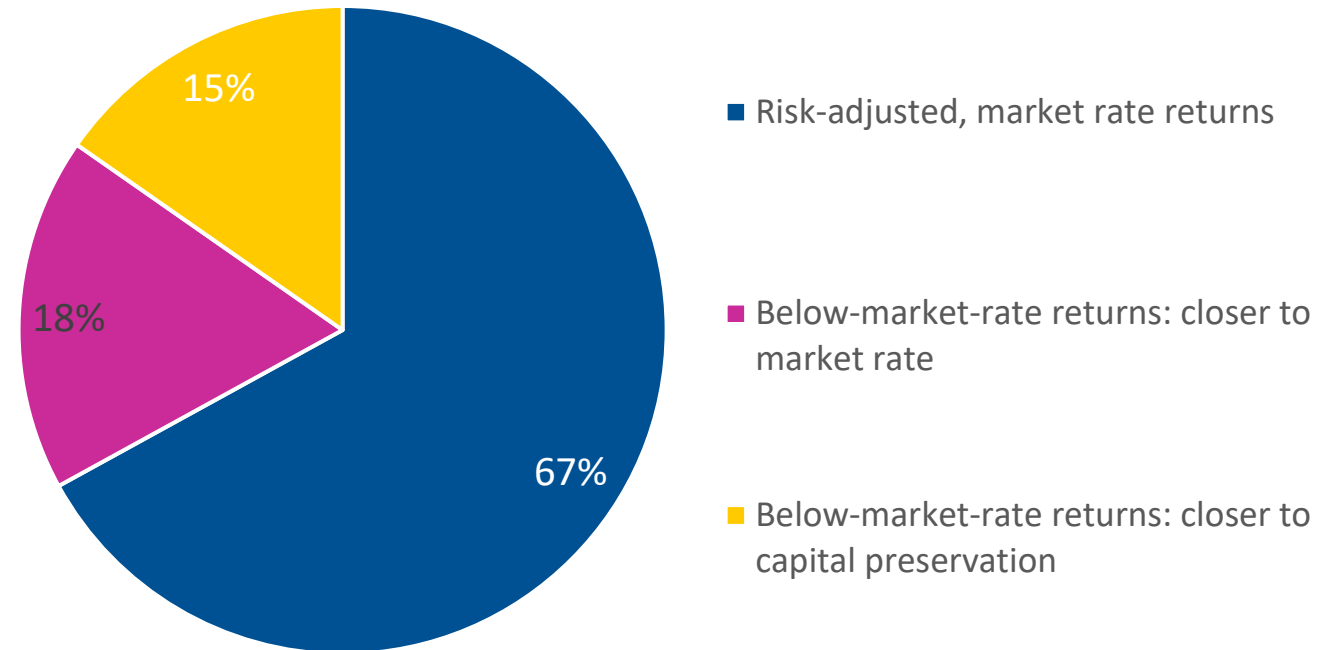
1. Risk-adjusted, market-rate returns can be **achieved**, contingent on asset manager selection and investment strategy.
2. Financial performance **varies significantly** based on asset class and the diverse set of objectives that impact investors pursue.
3. Impact investors are approaching performance and capital allocation with **increasing sophistication**.



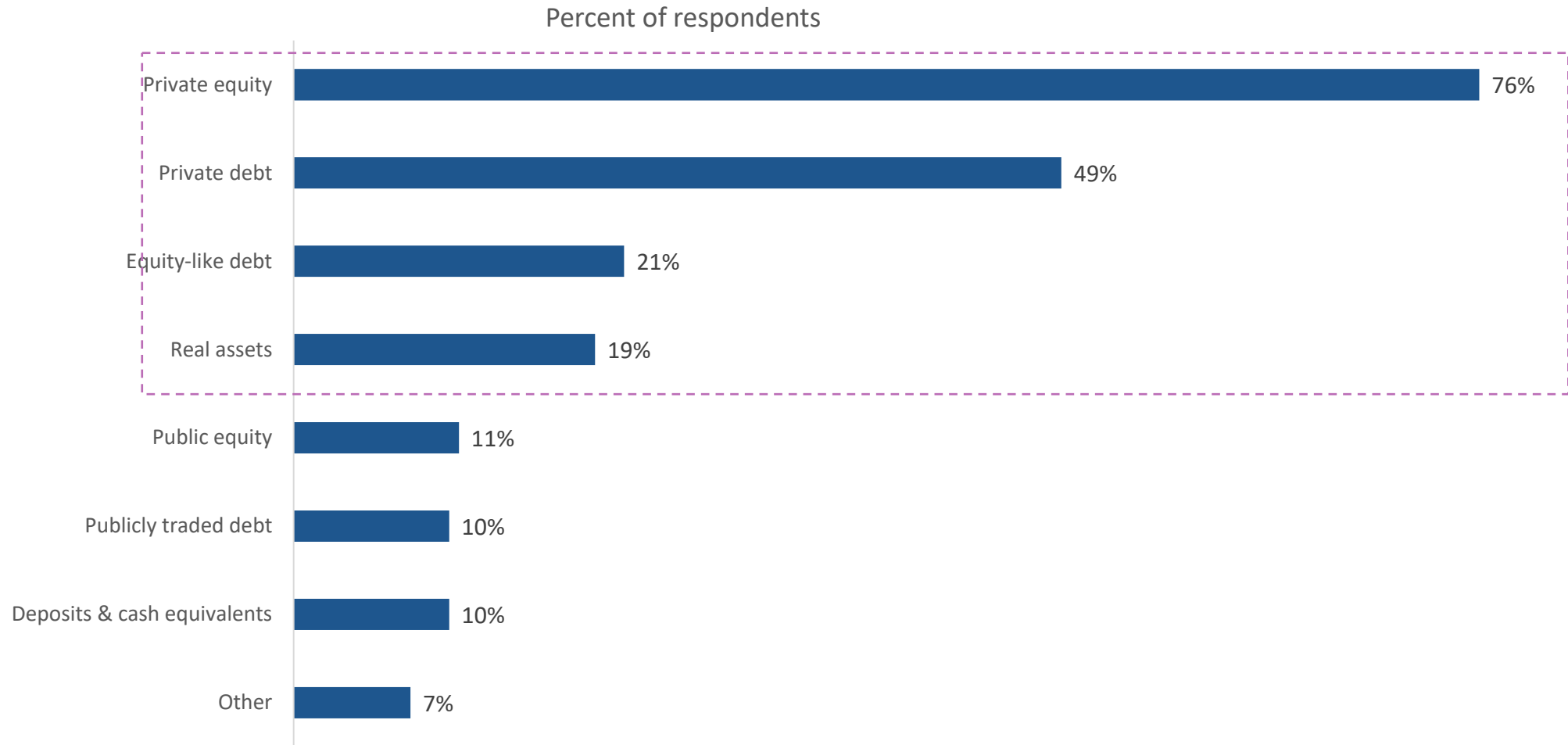
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Risk-adjusted, market rate returns can be achieved through impact investments, contingent on asset manager selection and investment strategy.

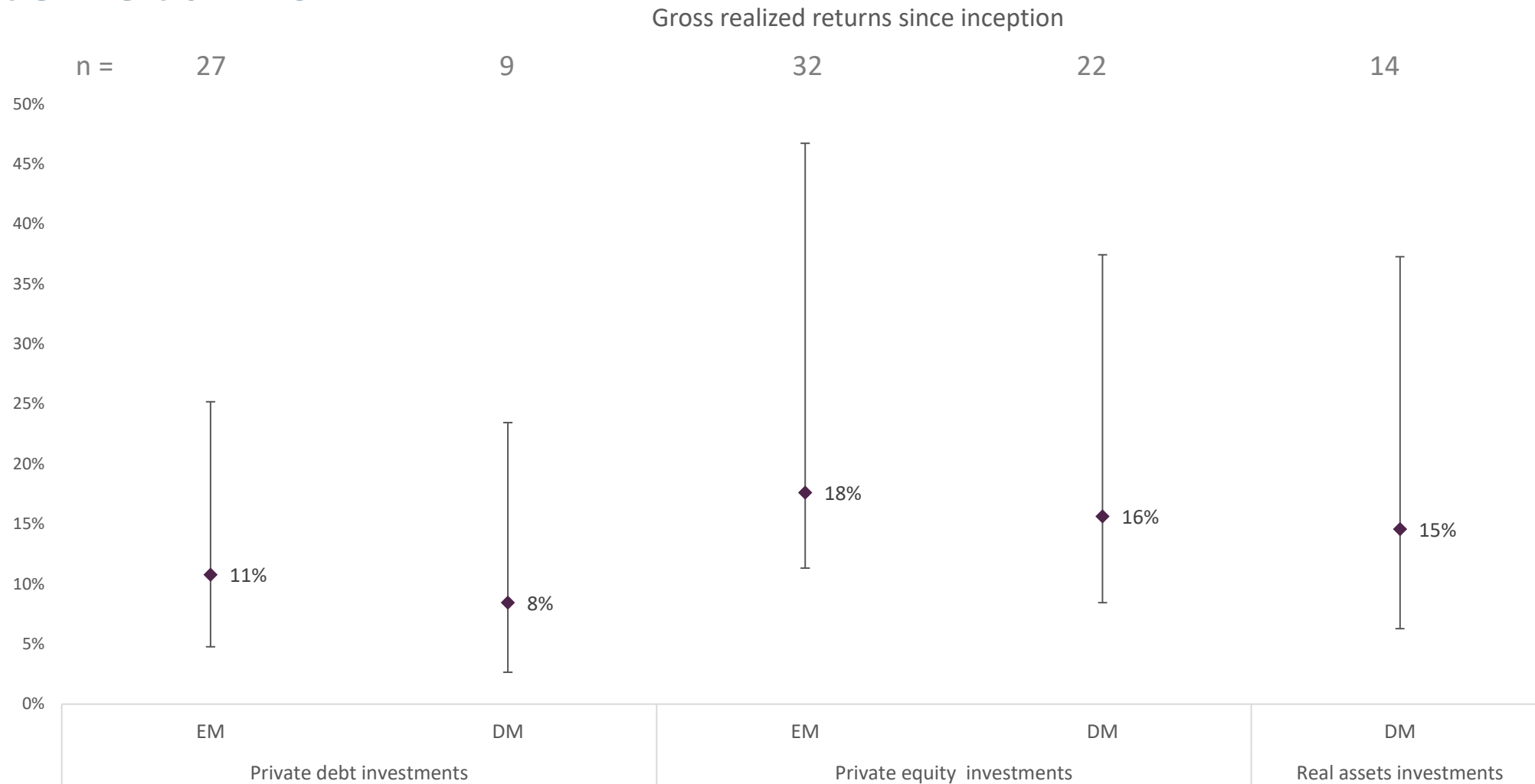
A majority of impact investors target risk-adjusted market rate returns



Most common asset classes in impact investing across market-rate-seeking investors



Impact investments can achieve risk-adjusted market-rate returns




Financial performance **varies** significantly
based on **asset class** and the **diverse set of**
objectives that impact investors pursue

Private debt: Gross realized financial returns

Peer group		n	Emerging markets	Developed markets
Investor type	Impact-only	33	9%	7%
	Both impact and impact-agnostic	13	15%	10%
Sector	Energy	24	10%	9%
	Food & agriculture	22	6%	6%
Investor size	Small	18	10%	9%
	Medium	12	12%	10%
	Large	14	9%	6%

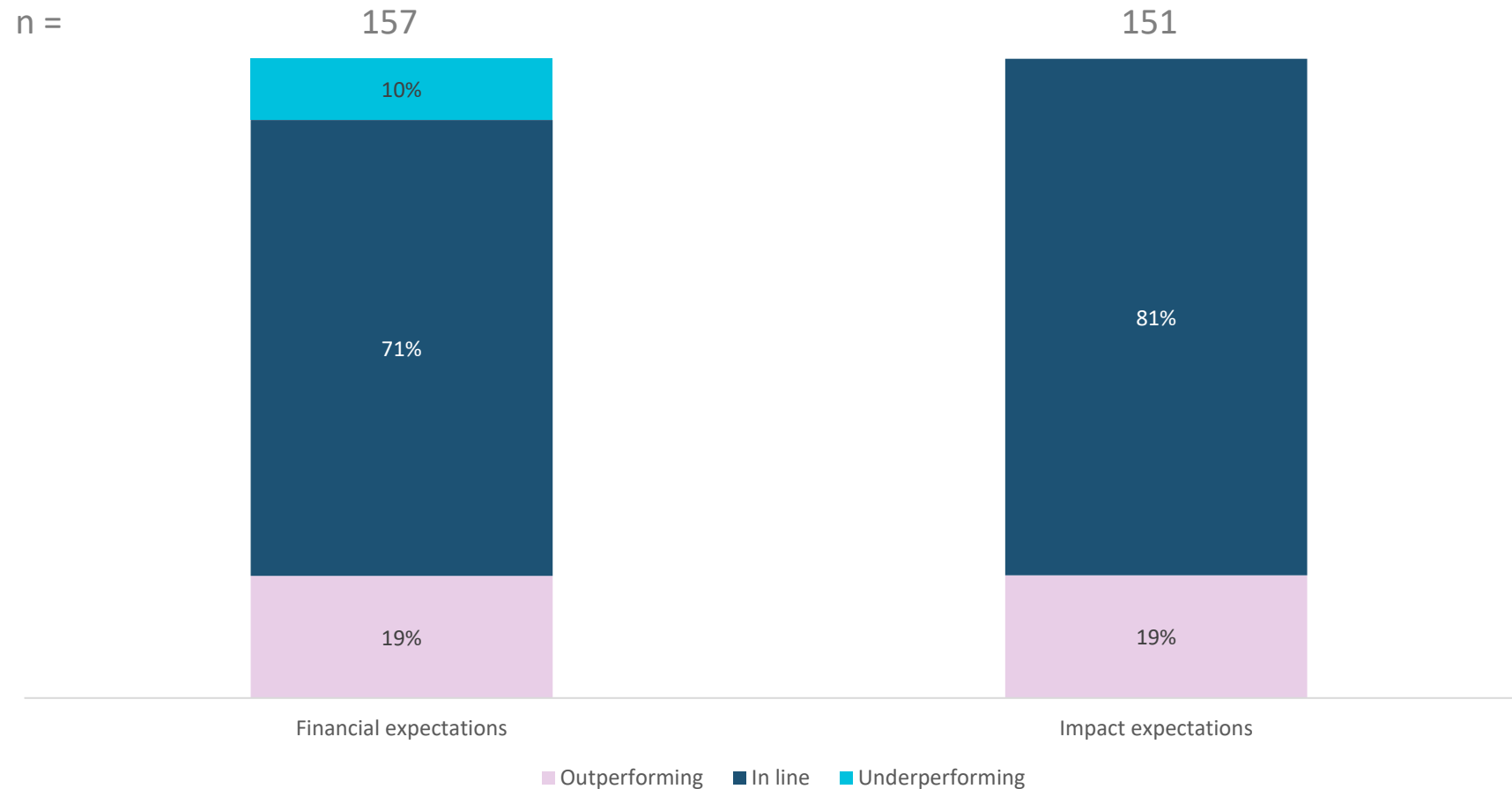
Private equity: Gross realized financial returns

Peer group		n	Emerging markets	Developed markets
Investor type	Impact-only	50	16%	17%
	Both impact and impact-agnostic	17	23%	16%
Sector	Energy	36	17%	18%
	Food & agriculture	39	27%	16%
Investor size	Small	39	20%	17%
	Medium	9	16%	13%
	Large	17	16%	17%

A solid blue triangular graphic pointing towards the bottom right corner of the slide, with a thin yellow border.

Impact investors are approaching performance
and capital allocation with **increasing
sophistication**

Most market-rate-seeking investors are performing in-line with or exceeding expectations

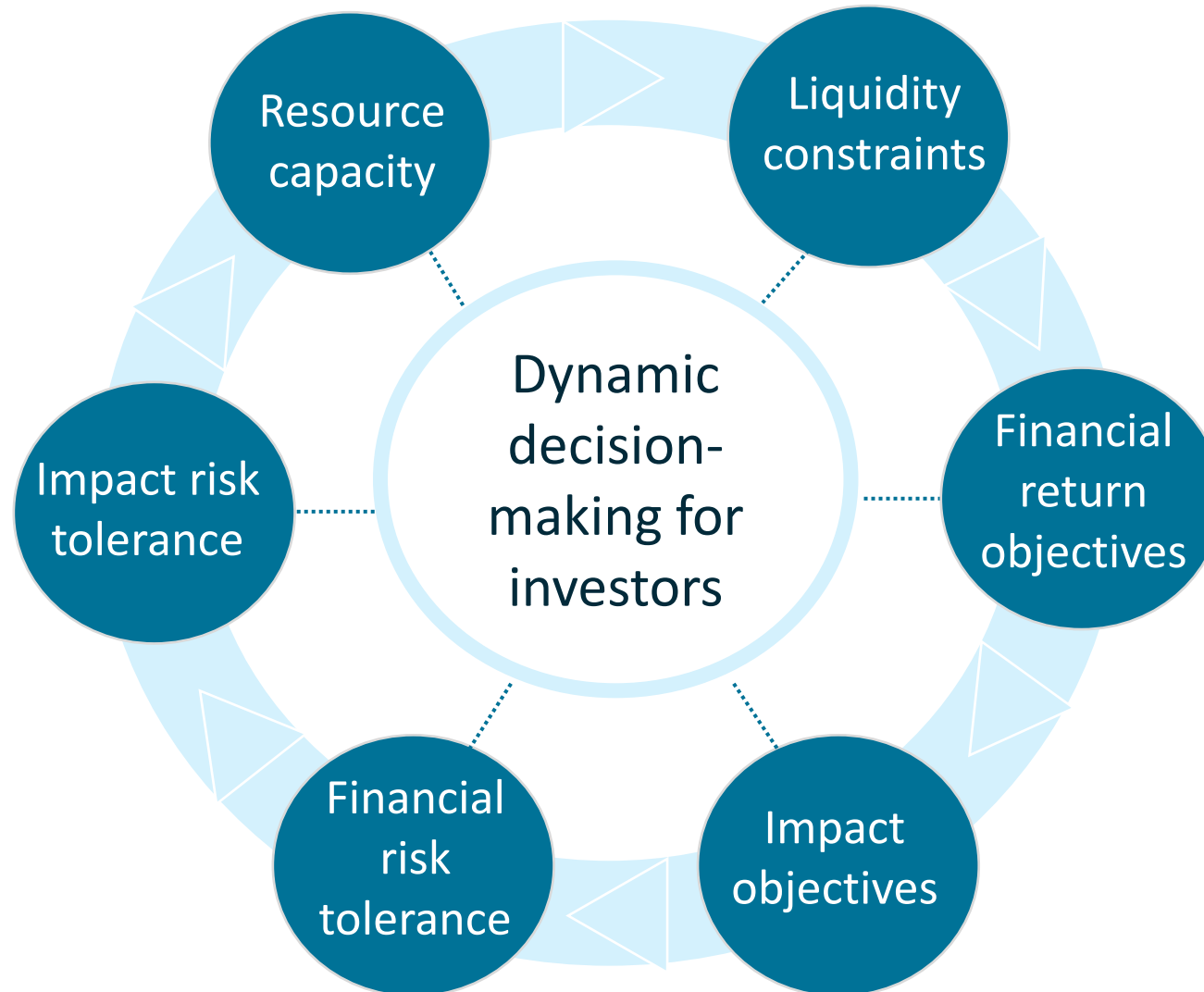


Choices made to achieve impact investment outcome efficiency vary across investors

- Impact investors are always exercising a variety of choices to optimize portfolio performance
- **Outcomes-efficiency:** Investments that deploy the minimum amount of capital to realize a combination of financial and impact return outcomes

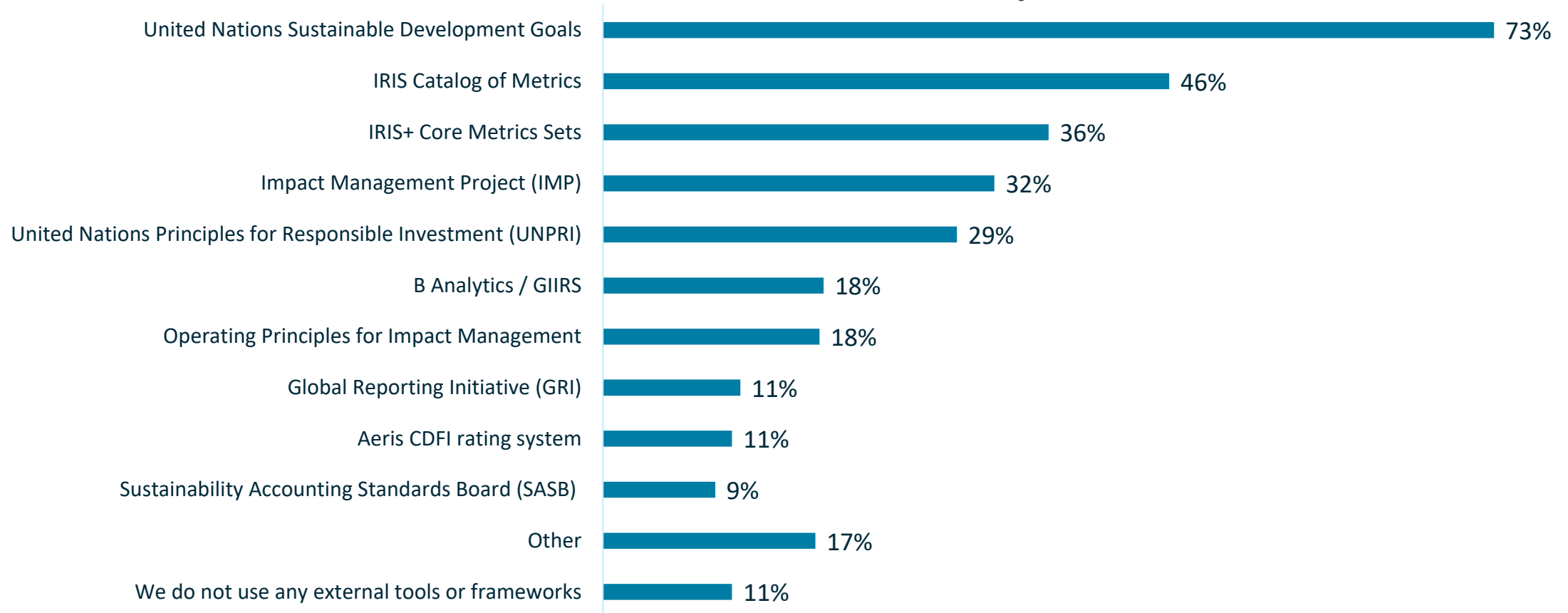
Experienced impact investors exercise a **dynamic approach** to assess how they can efficiently achieve their **optimal impact and financial performance**

Adding 'impact' to decision-making



Impact investors most commonly use the SDGs, followed by IRIS+ to measure and manage impact

Use of tools, frameworks, and systems

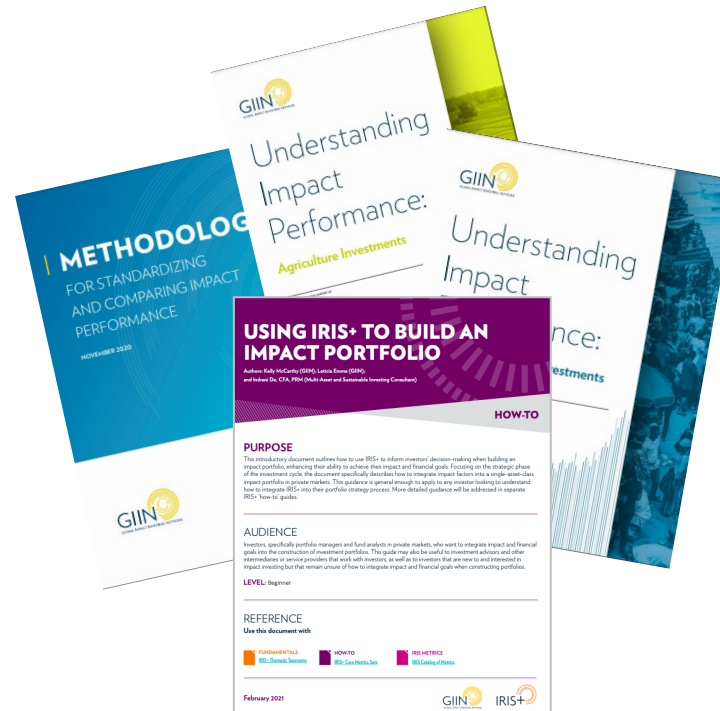


IRIS+

Generally accepted **system** to measure, manage, and optimize impact. Helping investors to **translate impact goals into real results**.



Learn more about the GIIN's resources!



Visit us at: www.thegiin.org/research and
www.iris.thegiin.org





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PANEL DISCUSSION



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Managing Director,
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Anthos Fund and Asset
Management. B.V.



Ramkumar Narayanan
Head of Research and
Investments,
Tameo Impact Fund
Solutions SA.



Sophia Sunderji
Manager,
Research,
The Global Impact
Investing Network



POLLING 3

Do you agree that this webinar has been useful in improving your understanding of impact investment practices and strategies?

- A. Strongly agree (I've learned a lot!) _____
- B. Agree (There were many interesting points I didn't know about) _____
- C. Neither agree or disagree (I've learned a little) _____
- D. Disagree (There was very little that I didn't already know) _____
- E. Strongly disagree (I didn't learn anything new) _____

Polling Results	
A. Strongly agree (I've learned a lot!)	16%
B. Agree (There were many interesting points I didn't know about)	61%
C. Neither agree or disagree (I've learned a little)	21%
D. Disagree (There was very little that I didn't already know)	2%
E. Strongly disagree (I didn't learn anything new)	0%

POLLING 4

After participating in this webinar, will you continue to explore impact investing?

	Polling Results
A. Definitely! _____	52%
B. Very likely _____	32%
C. Maybe _____	16%
D. Probably not _____	0%
E. No _____	0%

THANK YOU

