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**PRIVATE IMPACT INVESTING FUNDS YIELDED FINANCIAL PERFORMANCE IN LINE WITH SIMILAR PRIVATE INVESTMENT FUNDS WITH NO SOCIAL OBJECTIVE, ACCORDING TO NEW IMPACT INVESTING BENCHMARK**

***Cambridge Associates and the Global Impact Investing Network (GIIN) Introduce First Benchmark to Provide Financial Performance Data on Private Investment Funds in Growing Impact Investing Industry***

**BOSTON and NEW YORK (June 25, 2015)** – Private impact investment funds – specifically private equity and venture capital funds – that pursue social impact objectives have recorded financial returns in line with a comparative universe of funds that only pursue financial returns.

That’s according to the first comprehensive analysis of the financial performance of private investment funds that have both social impact and financial objectives. The Cambridge Associates Impact Investing Benchmark is developed and compiled by global investment advisor Cambridge Associates in a partnership with the Global Impact Investing Network (GIIN), an organization that seeks to increase the scale and effectiveness of impact investing. The Impact Investing Benchmark will provide performance data on a quarterly basis.

“There’s a view among some investors that impact investing necessarily entails a sacrifice in financial return. However, this data helps to show that is more perception than reality. This Impact Investing Benchmark has exhibited market rate returns – and stronger performance in a number of vintage years, sizes and geographies of focus,” says Cambridge Associates Managing Director Jessica Matthews, who heads the firm’s Mission-Related Investing Group.

“This benchmark lays the groundwork to generate critical financial performance data for the impact investment industry,” said Amit Bouri, CEO of the GIIN. “This demonstrates that market rates of return are achievable through impact investing. We hope this will strengthen the credibility of impact investing for a broader set of investors.”

Key takeaways include:

- Impact investing funds launched from 1998 through 2004 performed in line with or better than the comparative universe of non-impact investing funds. Funds launched in more recent periods are trailing the comparative universe but their returns remain largely unrealized.
- Emerging market impact investing funds launched from 1998 through 2010 performed in line with emerging market funds in the comparative universe of non-impact investing funds.
- Emerging market impact investing funds raised between 1998 and 2004 generated a pooled net internal rate of return (IRR) of 15.5%, versus returns of only 7.6% for emerging market funds with those vintage years in the comparative universe.
- In addition, smaller impact investing funds often outperformed smaller funds in the comparative universe of non-impact investing funds. For instance, for all vintage years, impact investing funds that raised under \$100 million returned a pooled 9.5% net IRR – outperforming similar-sized funds in the comparative universe of non-impact investing funds in each vintage year grouping except 2008 to 2010.
- US-focused impact investing funds returned a 13.1% pooled net IRR versus a 3.6% IRR for comparative US funds under \$100 million.

Together the diverse array of funds in the Impact Investing Benchmark posted an IRR of 6.9% as of June 30, 2014. A comparative universe of private investment funds with no social impact objectives and with the same vintage years returned 8.1%, according to Cambridge Associates data.

The Cambridge Associates Impact Investing Benchmark includes 51 private investment funds of vintage years 1998 to 2010 that have the specific objective to create positive, measurable social impact and to produce risk-adjusted, market-rate financial returns. The funds included focus on social impact objectives such as financial inclusion, economic development, and education. For perspective, Cambridge Associates measured the Impact Investing Benchmark against a comparative universe of 705 funds with no social impact objective in the same industries, geographies and asset classes and of the same vintage years.

“We are encouraged that impact investing funds have performed so closely with peer funds in the comparative universe. It’s also important to note that, beyond the financial performance the Benchmark accounts for, these funds are also generating a positive social impact,” says Amit Bouri of the GIIN. “We hope that additional funds will submit their data so that the benchmark will become more robust with time.”

Says Ms. Matthews of Cambridge Associates, “An important thing to note is that the keys to success in social impact private investing are the same as in private investing in general – smart manager selection and due diligence are critical. There are funds within the Impact Investing Benchmark that have performed in line with

the top quartile funds in the comparative universe; this underscores the notion that market-rate returns are possible, but that it really depends on manager skill.”

*For a copy of the report, “Introducing the Impact Investing Benchmark,” please visit <http://www.thegiin.org/cgi-bin/iowa/resources/research/674.html>.*

### **About Cambridge Associates**

Founded in 1973, Cambridge Associates is a provider of independent investment advice and research to institutional investors and private clients worldwide. Today the firm serves over 1,000 global investors and delivers a range of services, including investment advisory, outsourced investment solutions, research and tools (Research Navigator and Benchmark Calculator), and performance monitoring, across asset classes. Cambridge Associates has more than 1,100 employees serving its client base globally and maintains offices in Arlington, VA; Boston; Dallas; Menlo Park, CA; London; Singapore; Sydney; and Beijing. Cambridge Associates consists of five global investment consulting affiliates that are all under common ownership and control. For more information about Cambridge Associates, please visit [www.cambridgeassociates.com](http://www.cambridgeassociates.com).

### **About the GIIN**

The Global Impact Investing Network (GIIN) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, please visit [www.thegiin.org](http://www.thegiin.org).

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