NEW REPORT PROVIDES INSIGHT INTO REPLICABLE PRACTICES FOR A CRITICAL PHASE OF IMPACT INVESTMENTS: EXIT

NEW YORK, JANUARY 11, 2018 – A report published today by the Global Impact Investing Network (GIIN) reveals a range of available strategies used by investors to strengthen their ability to exit in a way that meets liquidity objectives while also ensuring sustainable impact.

More than 80 percent of impact investors believe that they have a responsibility to try to ensure continuity of impact after exit, according to the 2016 Annual Impact Investor Survey. The new report, Lasting Impact: The Need for Responsible Exits, helps investors fulfill that responsibility by detailing various practical strategies for ensuring long-term impact.

Through over 30 interviews with investors and entrepreneurs, the report reveals that investors employ strategies throughout the life of their investments—pre-investment, at the time of investment, during the investment, and at the time of exit—to ensure the sustainability of the impact that they seek to create.

Practices include:

- **Prior to investing:** Impact investors seek to understand whether impact is deeply embedded in company business models or operational practices and the likely growth trajectory of the business that is consistent with maintaining these practices.

- **At the time of investment:** Impact investors seek alignment with co-investors and factor lasting impact into the structure of their deals; aspects such as time horizons and repayment conditions often influence investee strategy and growth expectations in ways that may affect sustainability.

- **During investment:** Impact investors work with investee company management to instill policies and practices that ensure positive impact continues over the long-term.

- **At the time of exit:** Many decisions affect impact, including timing of exit, retaining investee management, and selecting buyers aligned with the investee’s mission.

The report includes case studies that provide in-depth examples of responsible exits from impact investments. Case studies profile Adobe Capital’s exit from a natural gas conversion company, Lok Capital’s exit from a microfinance institution, Beartooth Capital’s sale of ranchland, and LeapFrog’s exit from an insurance provider.

“Impact investing has huge potential to generate positive long-term outcomes for society and the environment,” said GIIN Research Director Abhilash Mudaliar. “But investors need to have the confidence that they will be able to exit responsibly. There are many more exit approaches to meet financial objectives and ensure sustained impact post-exit than investors may be aware of. This report should provide impact investors with proven strategies that they can use to exit their investments in ways...
that won’t jeopardize the impact they seek to create.”

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About the GIIN

The Global Impact Investing Network (GIIN) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing around the world. Impact investments are investments made into companies, organizations, and funds with the intention to generate 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.

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