



For Immediate Release

IMPACT INVESTORS APPROACHING PERFORMANCE AND CAPITAL ALLOCATION WITH INCREASING SOPHISTICATION TO MAXIMIZE FINANCIAL AND IMPACT OBJECTIVES

GIIN'S NEW REPORT UNCOVERS INSIGHTS INTO THE DECISION-MAKING APPROACHES OF IMPACT INVESTORS TARGETING RISK-ADJUSTED, MARKET-RATE RETURNS

NEW YORK, January 14, 2021 – Impact investors are approaching performance and capital allocation with increasing sophistication and efficiency, marking signs of a maturing industry, according to the [Global Impact Investing Network \(GIIN\)](#). In a new report, [Impact Investing Decision-Making: Insights on Financial Performance](#), the GIIN notes that impact investors are exercising a multi-dimensional approach to their decision-making to achieve satisfactory financial and impact performance in line with their goals. Case studies on five leading investors—Anthos Fund & Asset Management, IDP Foundation, Inc., Incofin Investment Management, UBS Global Wealth Management, UBS Optimus Foundation, and Vox Capital—provide an inside look at how these investors are influencing decisions on capital allocation and performance to achieve risk-adjusted, market-rate returns.

“To understand what success looks like, impact investors are looking at how they can most efficiently achieve the best impact and financial performance—the most optimal performance point—for the least amount of capital deployed,” noted **Dean Hand, Director of Research (GIIN)**. “Experienced impact investors exercise a multi-dimensional approach to decision-making, considering impact objectives and impact risk alongside traditional factors such as financial returns, financial risk, liquidity constraints, and resource capacity, to drive impact and financial performance.”

The report also confirms [earlier findings](#) from the GIIN’s research around financial performance of private debt, private equity, and real assets, which represent the most common asset classes for impact investments. Among the latest findings:

- Private debt impact funds generate stable financial returns on a risk-adjusted basis, and financial returns across private debt investments tend to align with investor expectations; and impact debt funds can play an important role in risk reduction and diversification.
- Private equity impact investors can generate market-rate returns on a risk-adjusted basis, yet financial returns vary significantly, reflecting how different strategies and investors’ objectives can shape financial performance; and smaller funds tend to outperform market and investor expectations.

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About the Global Impact Investing Network

The Global Impact Investing Network (GIIN) is the global champion of impact investing, 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 positive, 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 investors' objectives. 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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