

Impact Investment

Investing in your mission, delivering more than financial returns'.

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“The Future of Impact Investment”



Content

- The VBDO
- (Socially) Responsible Investment
- Impact Investment
- Size market
- Players on the market
- Bottom lines

The VBDO

- The Dutch Association of Investors for Sustainable Investment
- Multi-stakeholder: more than 60 institutional and 700 retail investors
- Mission: ‘to make the capital markets more sustainable’
- Vision: raise the awareness of and improve the level of sustainability among companies and investors
- Active on both the supply and demand side of the capital markets

(Socially) Responsible Investment



What:

- Include ‘non-financial’ indicators into the investment decision
- Non-financial → ESG-factors
 - Environmental
 - Social
 - Governance
- Long term horizon
- Invest in the real economy

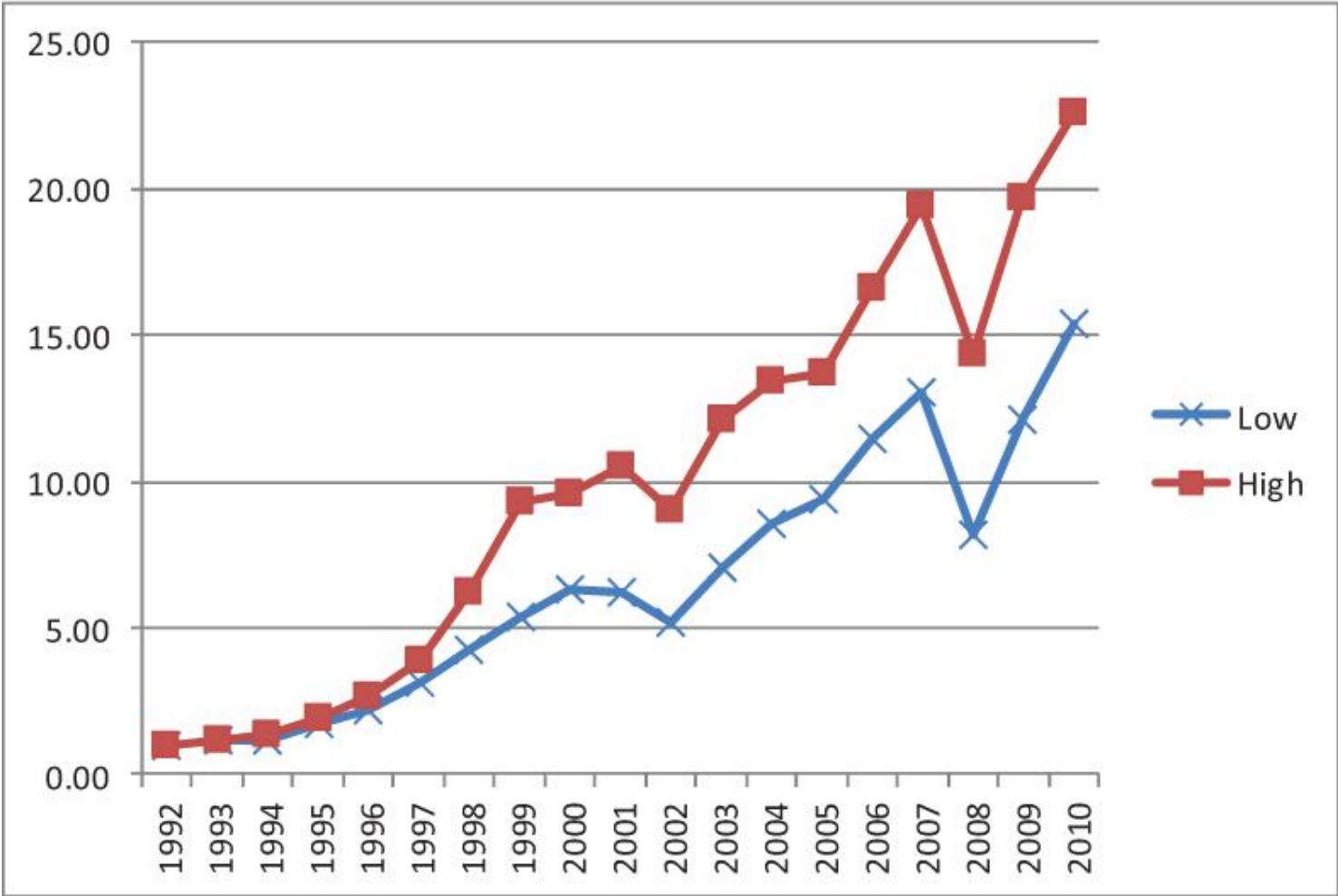
(Socially) Responsible Investment



Why:

- It cuts both ways
- Better assessment of risks and opportunities
- Financial returns proven to be equal or higher
- Contribute to a better world

Evolution of \$1 invested in the stock market in value-weighted portfolios



(Socially) Responsible Investment



How:

1. Responsible Investment *Policy*

2. *Policy Implementation*

- Exclusion
- Positive selection / best-in-class
- ESG-integration
- Engagement
- Voting
- *Impact Investment*

3. *Accountability*



Impact Investment

GIIN

- Definition: “*Investments made into companies, organizations, and funds with the intention to generate measureable social and environmental impact alongside a financial return”*”
- Market: emerging <-> developed
- Return: below market rate <-> at market rate
- Different asset classes, geographies, sectors
- Conviction: investments used to address social and environmental challenges

Impact Investment

GSIA

- Impact Investment is “*considered to be a strategy within sustainable investing, referring to targeted investments aimed at providing solutions to social and environmental problems.*”
- Various regions and markets
- Businesses <-> (enterprising) non-profits.
- Also includes community investing directed to traditionally underserved individuals or communities

Impact Investment

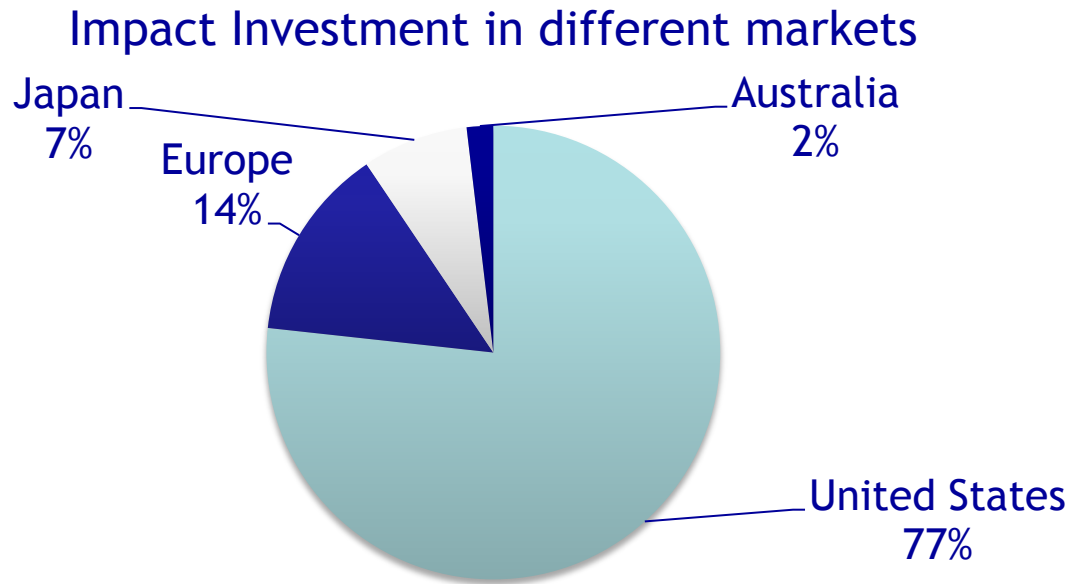
Eurosif: SRI Study 2012

- First edition with reference to impact investment
- Definition: same as GIIN
- Comment: Investments are often project-specific, and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return
- Includes: microfinance, community investing, social business/entrepreneurship funds, and French fonds solidaires

Market

Size

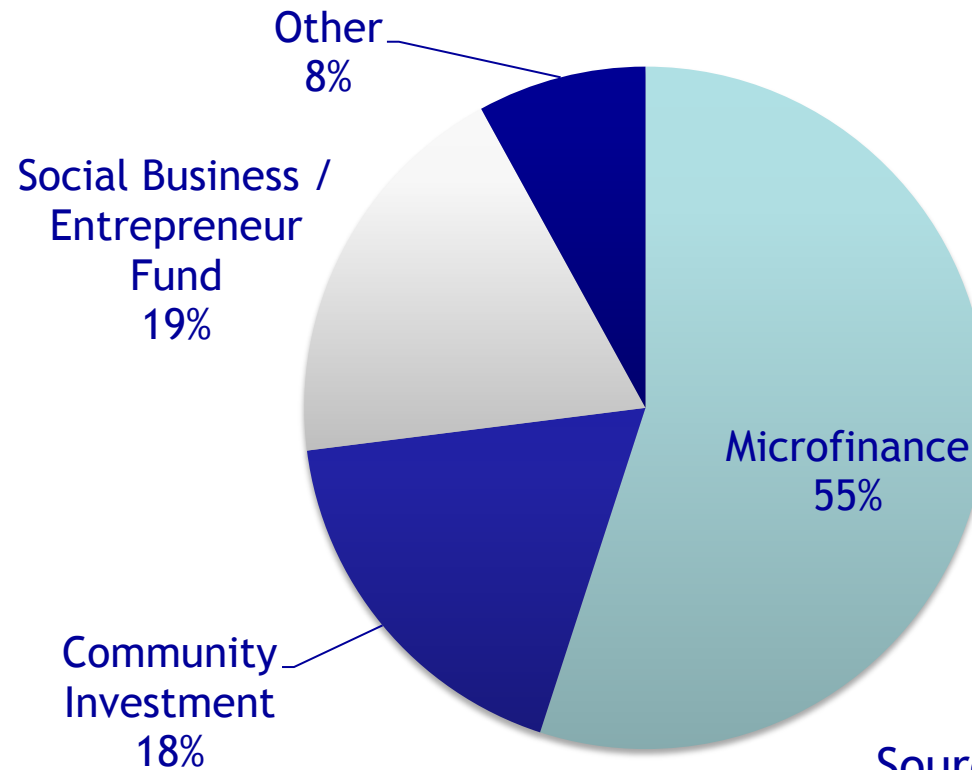
- Global market US \$ 89 billion impact/community investments



Source: 2012 Global Sustainability Review

Market

Europe



Source: Eurosif SRI Study 2012

Market



- US: banks, credit unions, loan funds and venture capital funds with an explicit mission of serving low- and moderate-income communities
- Japan: social impact bonds and community investments
- Australia: community investment assets

Dilemma's

- Different definitions
 - Below market rate or on market rate
 - Developed market or emerging market
 - Includes: Cleantech, and Microfinance?
- How to measure impact people, planet & profit?
- Are people, planet and profit equally important? Or is one dominant?

Questions & Suggestions

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