



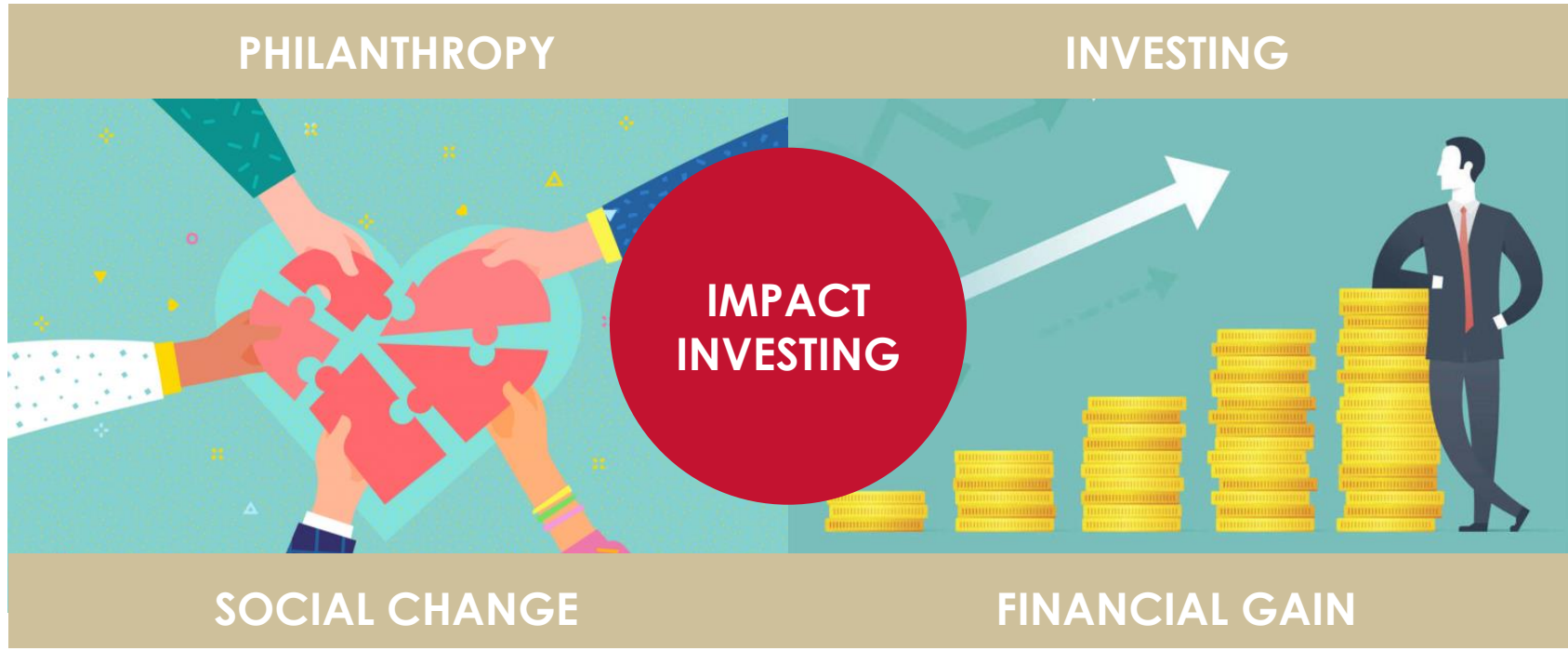
Quantifying Risk, Enabling Opportunity.

Impact Investing

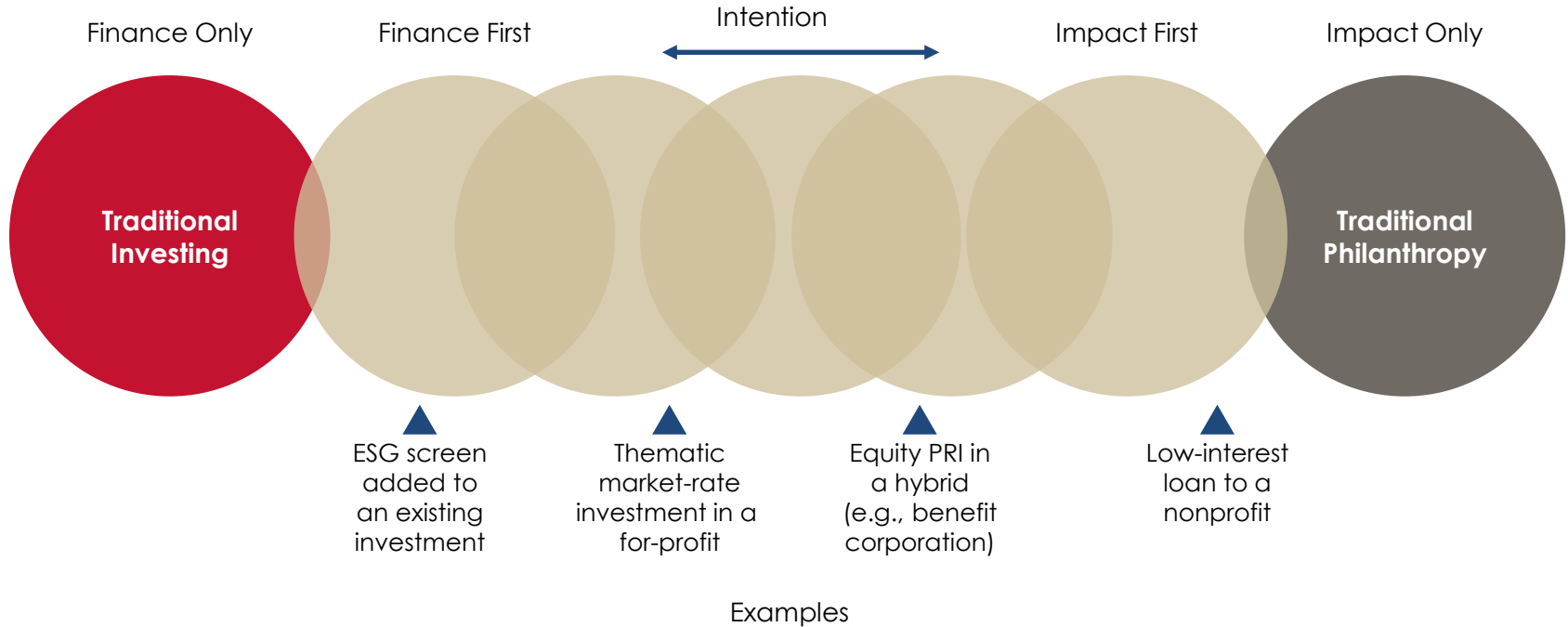
Author: Nersan Naidoo

Date: May 2021

What is Impact Investing



Continuum of impact investing



Why is this happening?

“Government policies, demographic change and shifting businesses priorities are raising the profile of ESG issues and driving demand for investment. Furthermore, a growing number of empirical studies are finding that investing with impact does not compromise returns”

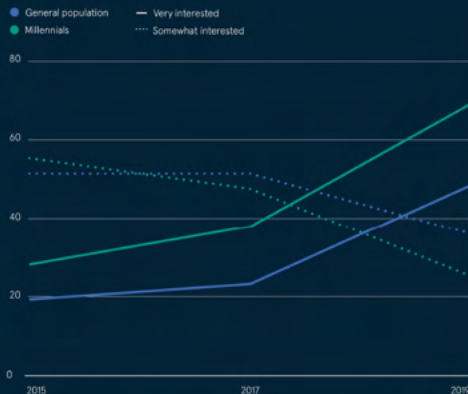
Oxford Analytica (2021)

SUSTAINABLE DRIVERS

Investors' interest, enthusiasm and passion for sustainable investing have been growing steadily over recent years, but what are the key drivers of more conscious investments?

INTEREST JUMPS, ESPECIALLY AMONG MILLENNIALS

How interested the general population and millennials are in sustainability investing



Morgan Stanley 2019

INVESTING WITH CONSCIENCE

Choice to invest against personal beliefs, by level of investment knowledge

● No, I would not invest against my personal beliefs ● Yes, if the returns were higher



Schroders 2020

TOP THEMES FOR SUSTAINABLE INVESTING

How interested investors would be in including the following in their investment portfolio, assuming that each investment would achieve similar market-rate financial returns

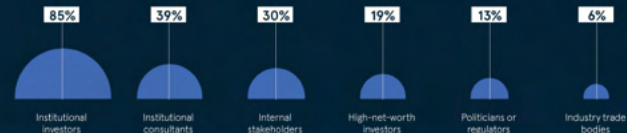
● Very interested ● Somewhat interested



Morgan Stanley 2019

DRIVING ESG INTEREST

Institutional investors, hedge fund managers, long-only managers and pension consultants were asked which groups were driving interest in ESG investing



KPMG/INRA/CAIA 2020

STAYING UP TO DATE

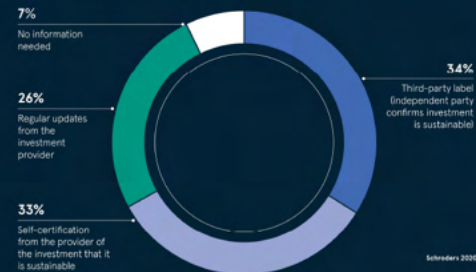
How institutional investors stay abreast of ESG and sustainable investment developments



Pfizerbank 2020

MAKING INFORMED DECISIONS

Global investors were asked which types of information are required for them to be confident in the sustainability of an investment



Schroders 2020

INDUSTRY SUSTAINABLE STRATEGIES

Institutional investors, hedge fund managers, long-only managers and pension consultants were asked what describes their strategies when it comes to ESG



KPMG/INRA/CAIA 2020



Why it's needed – bridging the funding gap



SHIFTING FINANCE TOWARDS THE GOALS

Mobilise additional
financial resources for
sustainable development

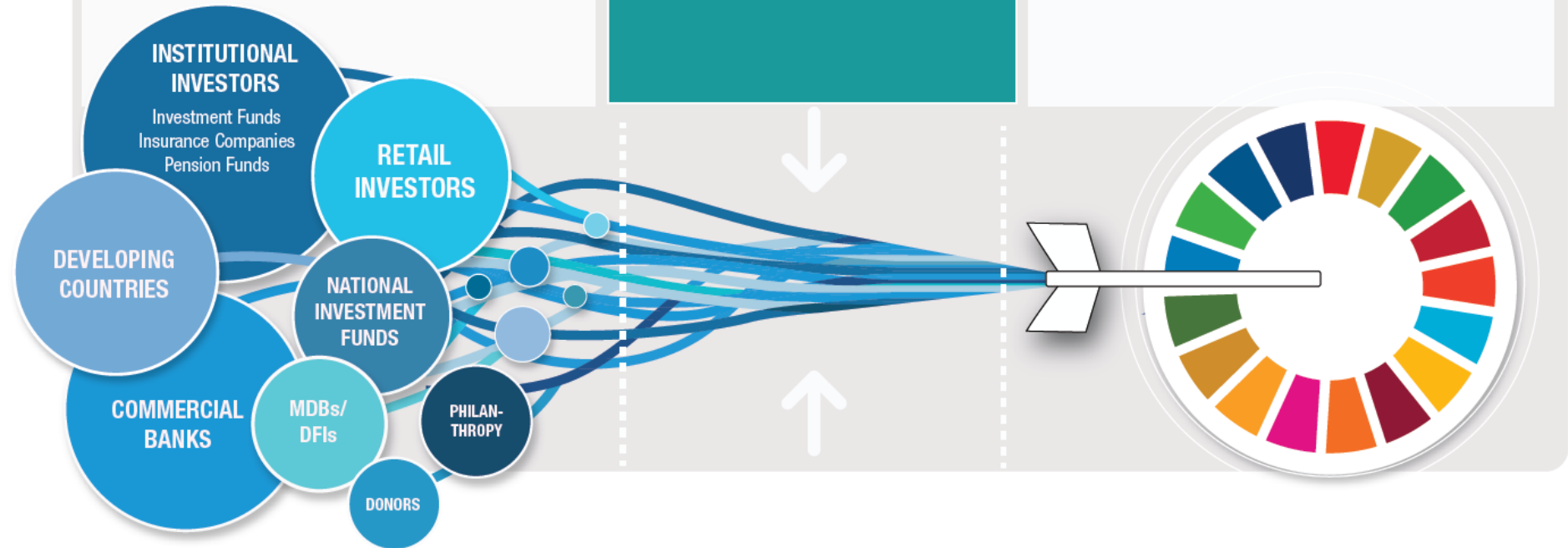
MOBILISATION

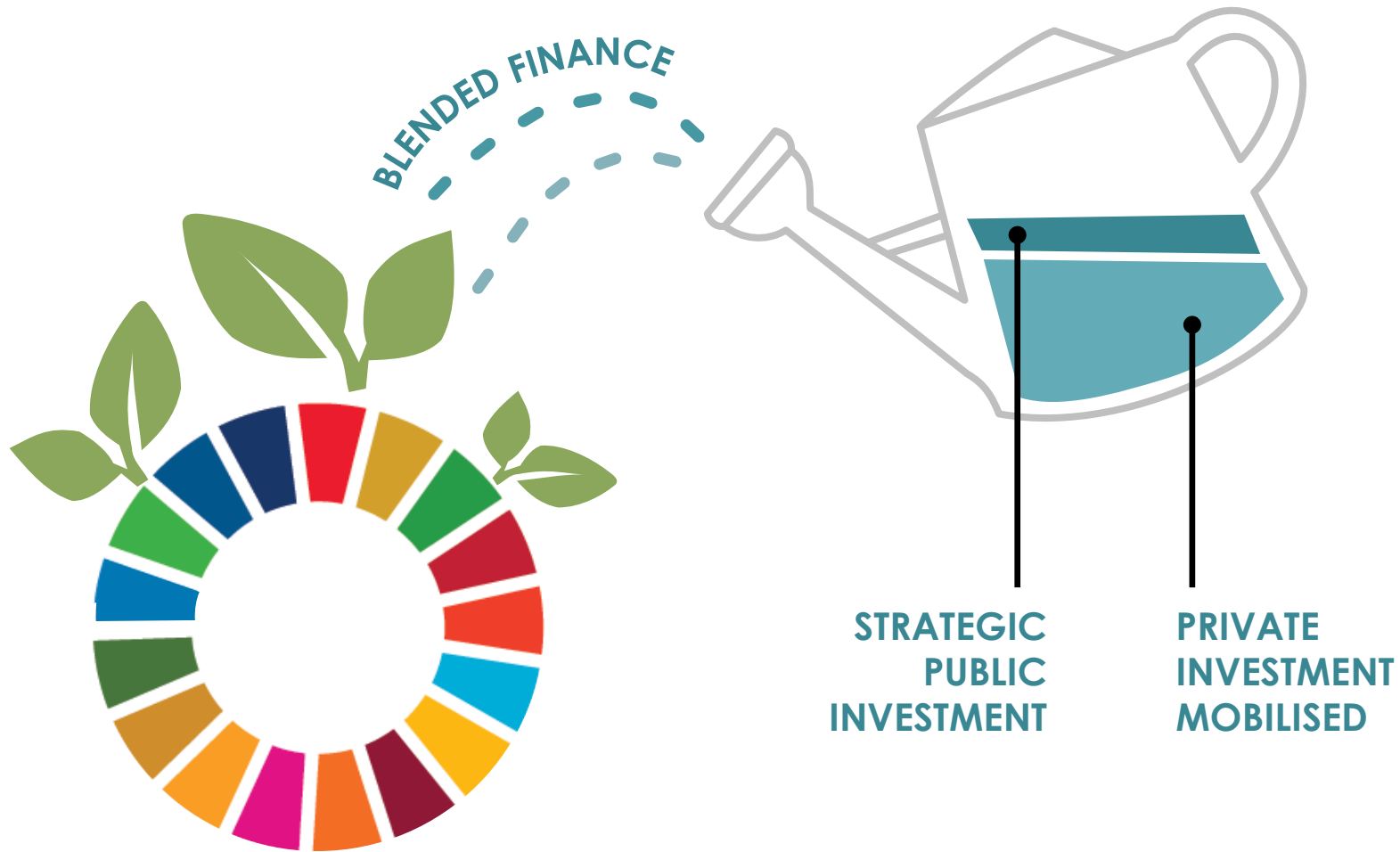
Direct all finance
and investment to
support sustainable development

ALIGNMENT

Increase the economic, social and
environmental impact of investments
in people's lives

IMPACT





FALSE
LABELS

VAGUENESS

HIDDEN
TRADE-OFFS

SEVEN SINS OF GREENWASHING

NO
PROOF

FIBBING

IRRELEVANCE

LESSER
OF TWO
EVILS

Measurement Frameworks



FinDev Canada and Climate Fund Managers



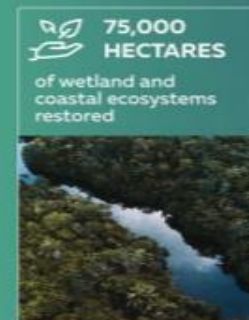
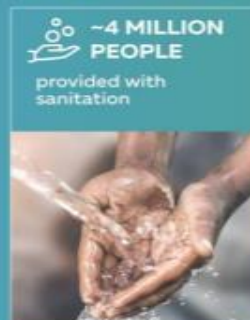
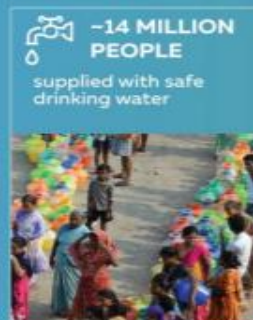
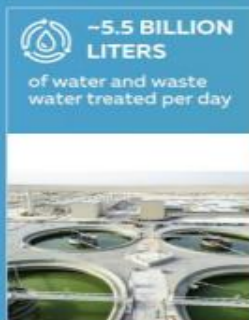
WATER, SANITATION & OCEANS: US\$ 1bn IMPACT

CI2's primary objective is the adaptation to climate change through provision of climate resilient water and sanitation infrastructure in developing countries.

Impact



Outputs



Investments



Bulk water supply



Water treatment plants



Desalination



Water and sewerage utilities



Watershed management and protection



Wastewater treatment and water re-use



Waste and wastewater to energy



Waste to value



Coastal and marine ecosystems management and protection



Green ports



Green shipping

Themes

WATER

SANITATION

OCEANS

Summary

- Convergence of social change and financial gain
- Significant momentum around the world
- Significant need particularly in emerging markets
- Opportunities for innovative financing models
- Opportunities to make a real difference

THANK YOU

