STATE OF THE MARKET 2024

Trends, Performance and Allocations

GIIN

ACKNOWLEDGMENTS

Authors

Dean Hand, Chief Research Officer

Sophia Sunderji, Research Director

Maddie Ulanow, Associate Research Director

Renée Remsberg, Research Associate

Kelly Xiao, Research Associate

Reviewers

The following members of the Global Impact Investing Network (GIIN) team and dissemination partners played an important role in beta-testing the survey instrument and reviewing sections of the report: Kellen Dorio, Alonso Ortiz Galan, Golshan Helfman, Marin Herold, Nik Jain, Amanda Joseph, Emily Lamica, Ina Lee, Emily Litt, Tatum McConnell, Hannah Munger, Lynda Radosevich, Hongyu Pan, David Richmond, Christian Rosenholm, Jacob Tate and Kate Walsh.

We are grateful to the following individuals who provided valuable input throughout the scoping and report review process: Camila Alva Estabridis at AXA Investment Managers, Kaylyn Fraser at the European Bank for Reconstruction and Development, Karim Harji at Said Business School, David Krivanek at the Impact Investing Institute, Estelle Lahaye at the World Bank's Consultative Group to Assist the Poor, Mark Moser at Lightrock, David Pritchard at New Philanthropy Capital, Caitlin Rosser at Calvert Capital, Urmi Sengupta at the MacArthur Foundation and Daniel Stacey at LeapFrog Investments.

Data collection consortium

Collecting investor data poses significant challenges, particularly as target respondents are increasingly inundated with various surveys and data collection requests. To streamline this process and reduce the burden on both investors and field builders, in 2023 the GIIN initiated a multi-year effort to centralize data collection using advanced tools and intelligence mechanisms.

This year, we extend our gratitude to several key partners for their invaluable support in reviewing our survey instrument and mobilizing their networks for participation. These partners include the African Venture Philanthropy Association, the Asian Venture Philanthropy Network, a Canadian consortium of impact investors, the Impact Investing Institute of the United Kingdom, Investing in Women and Latimpacto. In certain instances we were also able to assist these partners with their own research initiatives. We deeply appreciate every response we receive, as each one contributes significantly to our collective understanding and progress.

Sponsors

This publication has been funded by the Australian government through the Investing in Women initiative. The views expressed in this publication are the authors' alone and are not necessarily the views of the Australian government. The research process and outcomes reflected in this report are the sole responsibility of the GIIN. This research work neither reflects the views of its sponsors nor have they played any role in the research process.

About the GIIN

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

How to cite

Hand, D., Sunderji, S., Ulanow, M., Remsberg, R., & Xiao, K. (2024). *State of the market 2024: Trends, performance and allocations.* Global Impact Investing Network (GIIN). New York.

TABLE OF CONTENTS

Executive summary and introduction by the chief research officer

Recent years have been marked by turbulence, promise and challenges. Worldwide, people emerged from the pandemic feeling the effects of climate change more acutely than ever before. Financial markets experienced fluctuations in interest rates and inflation, while protracted conflicts continued to exert pressure. Investors stepped into 2024 with nearly every major economy around the world facing the prospect of momentous political shifts. Given that climate and social issues are central to most election manifestos, each result will have significant ripple effects on the planet and people.

In this context, understanding where impact investors allocate capital, the volumes involved, performance dynamics and changes over time provides vital market signals. For both seasoned investors and those new to impact strategies, these market insights offer valuable tools to shape investment approaches.

For both seasoned investors and those new to impact strategies, these market insights offer valuable tools to shape investment approaches.

This year, our analysis reveals subtle yet significant shifts that have implications for investors' strategies. These insights help explain the challenges investors face and highlight where opportunities lie:

- **Steady growth in impact investing assets:** At 14% CAGR over the past five years, there is continuous growth in the assets allocated to impact investing strategies. The dynamics between large and small investors are particularly intriguing, suggesting that investors are increasingly playing to their strengths — a sign of a maturing market.
- **The rise of equity-like debt and public asset classes:** Investors are leveraging the unique features of these asset classes to derive value, indicating a strategic shift in how capital is deployed.
- **Satisfaction with financial performance despite unmet targets:** Investors report high satisfaction with financial performance, even when targets are not met. This underscores the need to enhance data-sharing practices to better understand actual impact performance results. The GIIN's impact performance benchmarks represent an important step in this direction, but there is much more work to be done.[1]
- **Key shifts in measurement and management of impact results:** Investors are experiencing fragmentation in the choice of frameworks and metrics for measuring impact, a trend that is in keeping with past observations and, this year, is likely influenced by evolving regulatory environments. Despite this, over two-thirds of investors are incorporating impact criteria into their investment governance documents, signaling a significant shift towards formalizing impact considerations in decision-making processes. Additionally, there is a growing trend among investors to subject their impact management processes to third-party verification. These developments are crucial for enhancing investor accountability and indicate a move towards more sophisticated measurement and management practices in impact investing.

Impact investors have demonstrated resilience and innovation during 2024. They have increased their focus on climate adaptation and resilience, developed new and innovative investment vehicles, and fostered vibrant discussions around equity in the industry. **As the impact investing sector grows, so does its capacity to tackle global challenges head-on.**

These shifts and trends reflect a market in transition, offering both challenges and opportunities. Investors are adapting to a complex environment, using insights and data to navigate uncertainty and drive positive change.

Yours in research,

Dean Hand

Dean Hand, chief research officer for the GIIN

1 To learn more about the GIIN's impact performance benchmarks, see: https://thegiin.org/benchmarks/.

Insights on the survey sample

Key take-aways

- **This year's sample included 305 impact investing organizations, each of which manages more than $10 million USD in impact AUM or has made five impact investments since inception.**
- **Nearly three-quarters (73%) of investors in the sample were investment managers.**
- **A vast majority (87%) of organizations in the sample were headquartered in developed markets.**

The GIIN's 2024 Impact Investor Survey captured data from 305 impact investing organizations, each of which manages more than $10 million USD in impact assets under management (AUM) or has made more than five impact investments since inception. This report provides insight on who these impact investors are, how they allocate their impact assets, their investment activity, impact measurement and management (IMM) practice, areas of market development, and, crucially, impact investors' performance.

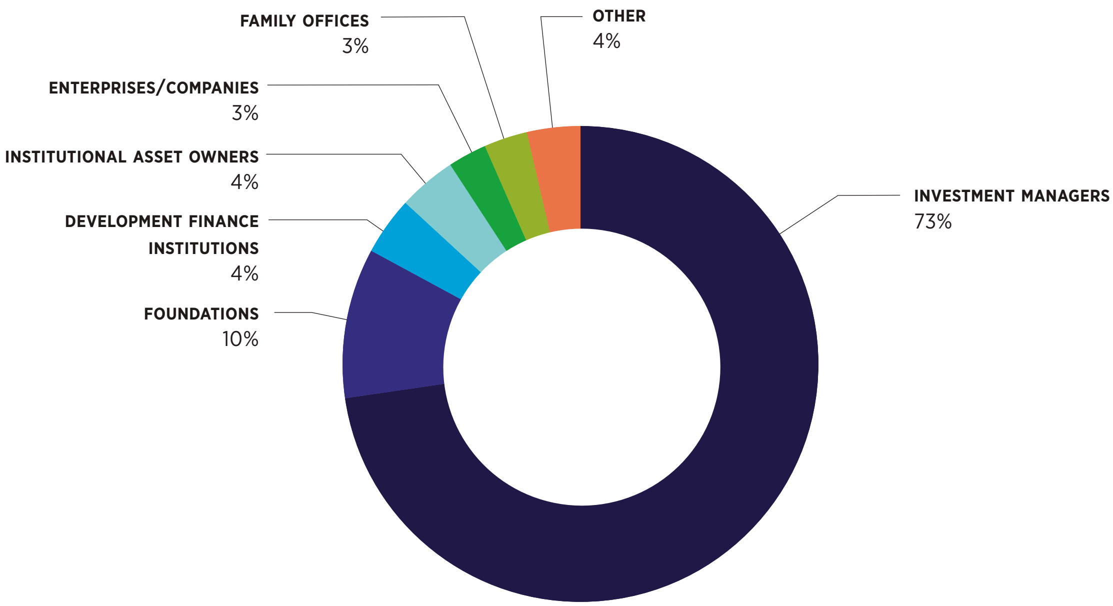
To provide context on the findings of the report, this section describes the sample of impact investors and their characteristics.

Investment managers and investors headquartered in developed markets comprise the majority of the sample

The impact investing industry is diverse and growing, spanning multiple geographies, sectors and investor types. As in previous years, a majority of the organizations represented in this sample are investment management organizations (73%), followed by foundations (10%) and development finance institutions, known as DFIs (4%; Figure 1). The remaining organizations represented include institutional asset owners (4%), or IAOs, enterprises/companies (3%), family offices (3%) and others (4%).

FIGURE 1: **Organization type**

n = 304

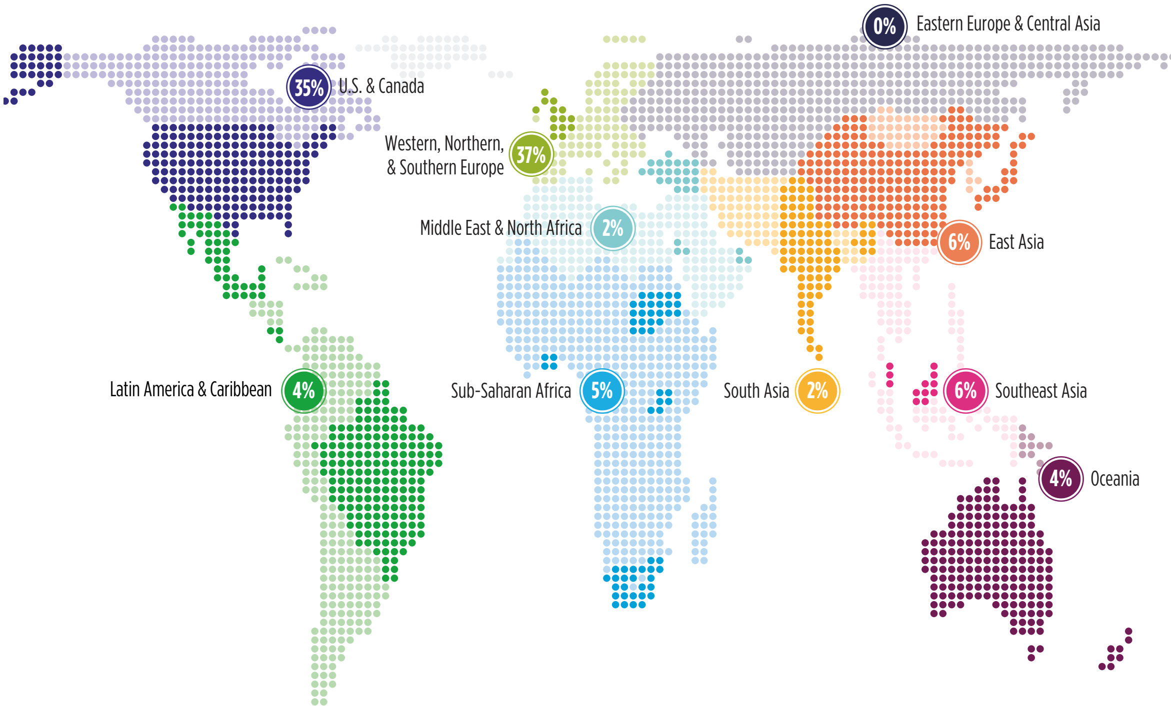


Note: Institutional asset owners include insurance companies, pension funds and sovereign wealth funds. "Other" organization types include banks, endowments, multilateral development organizations and other bespoke organization types.

Source: Global Impact Investing Network (GIIN), 2024

Investors in the sample span 39 countries across 10 geographic regions (Figure 2). A vast majority (87%) are headquartered in developed markets, with the remaining (13%) headquartered in emerging markets. Nearly three-quarters (72%) of investors are headquartered in the U.S. and Canada and Western, Northern and Southern Europe (at 35% and 37%, respectively). Investors headquartered in East Asia and Southeast Asia each comprised 6% of the sample, followed by sub-Saharan Africa (5%), Latin America and the Caribbean (4%), Oceania (4%), South Asia (2%) and the Middle East and North Africa (2%).

FIGURE 2: **Organization headquarters**
n = 305



Source: Global Impact Investing Network (GIIN), 2024

This report also includes analysis on trends over time to offer insight into longitudinal analysis from past years' surveys, as well as this year's survey. Longitudinal analysis explored changes over a six-year period using a subset of 52 repeat respondents from the 2018 Impact Investor Survey, and a five-year period using a subset of 71 repeat respondents from the 2019 Impact Investor Survey. In certain instances, where useful, a one-year comparison has been made using a subset of 147 repeat respondents from the 2023 Impact Investor Survey.

The investor characteristics in these subsets are largely similar across organization type and geographic headquarters.

Impact investing activity and performance vary by investor type

Most findings included in the 2024 Market Intelligence Series are presented in aggregate to provide a comprehensive overview of overall trends and patterns among a diverse set of investors. However, some insights are also presented across investor sub-groups to reflect the nuance across different contexts. Sub-group definitions and representation in the sample are included in Table 1 below.

TABLE 1: **Investor groups represented in the sample**

n = 305

Investor group	Description	Number of investors	Proportion of investors
Developed market-focused investors	Respondents that allocate ≥ 75% of their impact AUM to developed markets	116	51%
Emerging market-focused investors	Respondents that allocate ≥ 75% of their impact AUM to emerging markets	137	49%
Private equity-focused investors	Respondents that allocate ≥ 75% of their impact AUM to private equity	98	51%
Private debt-focused investors	Respondents that allocate ≥ 75% of their impact AUM to private debt	49	25%
Private market-focused investors	Respondents that allocate ≥ 75% of their impact AUM to private equity and/or private debt	184	78%
Public market-focused investors	Respondents that allocate ≥ 75% of their impact AUM to public equity and/or public debt	28	12%
Market-rate investors	Respondents that principally target risk-adjusted, market-rate returns	226	74%
Below market-rate investors	Respondents that principally target below market-rate returns, some closer to market rate and some closer to capital preservation	81	26%
Small investors	Respondents with total impact investment AUM < 100 million USD	148	49%
Medium investors	Respondents with total impact investment AUM ≥ 100 million USD and ≤ 500 million USD	76	25%
Large investors	Respondents with total impact investment AUM > 500 million USD	81	27%
Impact-only investors	Respondents that allocate 100% of their AUM to impact investing	191	63%
Impact-agnostic investors	Respondents that allocate at least some of their AUM to conventional investments	113	37%

Note: Breakdowns by focus may not sum to 100% as not all investors allocate enough (threshold of ≥ 75%) to a certain group for it to be considered a focus.
Source: Global Impact Investing Network (GIIN), 2024

.

Market developments and challenges in impact investing

Key take-aways

- Nineteen percent of impact investors saw significant progress in integrating impact management and financial management decisions.
- Twenty-eight percent of impact investors reported significant challenges in their ability to compare impact results to peers, while only 8% saw significant progress on this issue.
- Rising interest rates, inflation pressures and implications of climate change are the issues investors say are most significantly affecting their impact investing strategies.

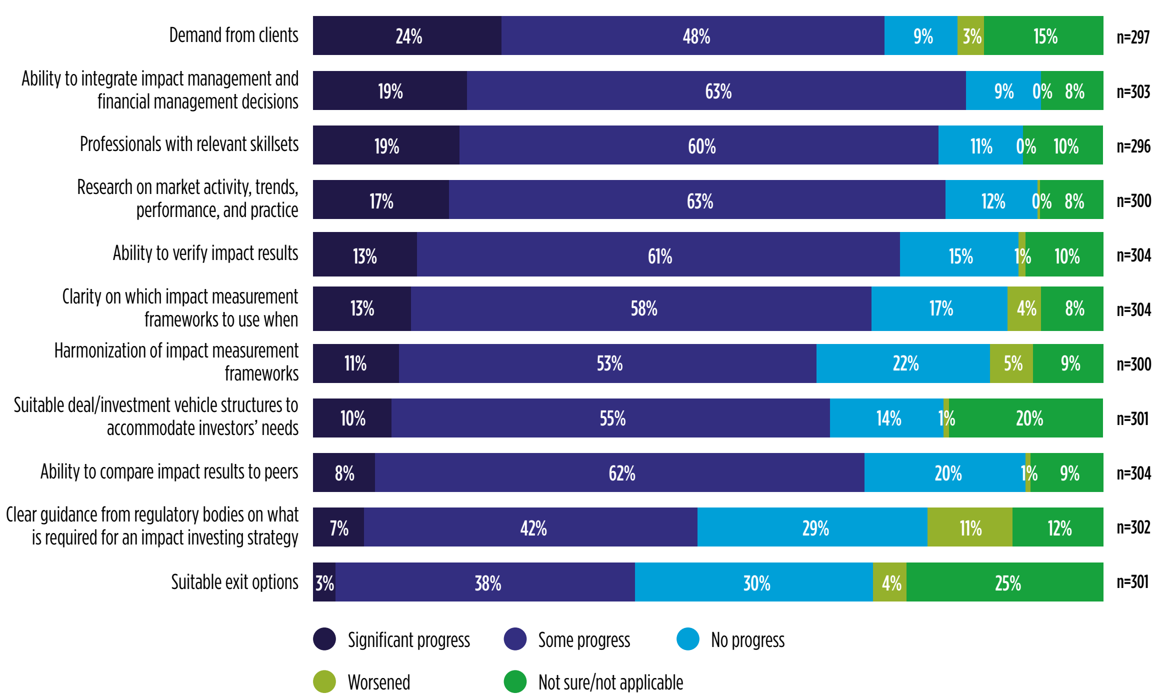
The impact investing industry has evolved significantly since the term "impact investing" was first coined in 2009. Respondents to this year's survey shared areas of perceived progress over the past five years, their perceptions of ongoing challenges in the industry and their views on macro-level issues affecting impact investing.

Perceived areas of progress since 2019

The three main areas of progress were identified as the ability to integrate impact management and financial management decisions (82% reported at least some progress), research on market activity and trends (80%) and finding professionals with relevant skillsets (79%; Figure 3).

These views largely held true across investor sub-groups, including investor size, location and market-focus, indicating high-level progress in the market with regard to research sophistication, professional training and tools for integrating financial and impact decision-making.

FIGURE 3: **Perceived areas of progress in industry development over the past five years**



Note: Excludes one organization that did not provide answers to this question.
Source: Global Impact Investing Network (GIIN), 2024

Perceived challenges since 2019

The three main challenges highlighted by this year's respondents were fragmentation among impact frameworks (92% citing significant, moderate or slight challenge), difficulties in comparing impact results to peers (87%) and verifying impact data received from investees (84%; Figure 4).

FIGURE 4: **Perceived challenges in industry development over the past five years**

Note: Excludes one organization that did not provide answers to this question.
Source: Global Impact Investing Network (GIIN), 2024

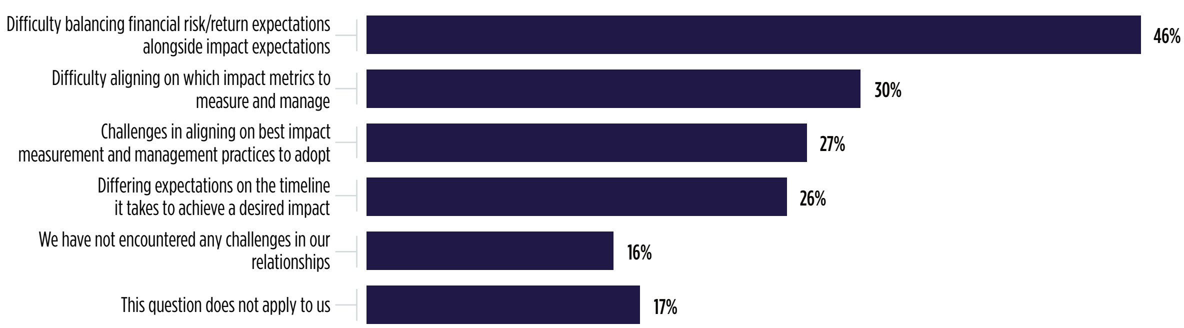
As with perceived progress, the perceived challenges facing impact investors were largely consistent across investor groups. An interesting point of divergence, however, was between public and private market-focused investors in their assessment of regulatory guidance as an area of progress. Nearly six in ten public market-focused investors (58%) indicated that there had been at least some progress towards clear guidance from regulatory bodies on what is required for an impact investing strategy (e.g., reporting standards and disclosure requirements), of whom 17% believed there had been significant progress on this issue. In contrast, fewer than half of private market-focused investors perceived such regulatory progress, and only 6% perceived significant progress on clear regulatory guidance. This may indicate that regulatory guidance has progressed further with regard to public markets than private ones.

Interestingly, assessing survey respondents' overall perceptions of progress or continuing challenges on the issue of guidance from regulatory bodies, 11% of investors reported that guidance from regulatory bodies on what is required for an impact investing strategy has worsened over the past five years, and 29% indicated no progress. This perhaps reflects the context of increasing regulation in many regions of the world where both impact investing frameworks and expectations from governments are evolving. As one example, in Europe the regulatory environment is evolving in terms of the Sustainable Finance Disclosure Regulation (SFDR) and the European Green Deal.

Public and private market-focused investors also diverged on the perceived challenge of alignment between asset owners and asset managers on impact goals. All public market-focused investors who responded reported that a lack of alignment between asset owners and managers on impact objectives was a challenge, compared to 76% of private market-focused investors. While this alignment between stakeholders on impact goals is a challenge across the industry, the difficulties appear to be especially acute for those investors that are primarily public market-focused, perhaps pointing to the challenges of shareholder engagement in listed equities.

Naturally, the relationship between asset owners and investment managers can be difficult to navigate, particularly given that each organization may be executing on discrete impact and investment theses. When asked what challenges investors encounter in their relationships with relevant asset owners (for investment managers) and investment managers (for asset owners), 46% of investors in the sample cited difficulty in balancing financial risk/return expectations alongside impact expectations, followed by difficulty aligning on which impact metrics to measure and manage (30%; Figure 5). Only 16% of investors indicated that they had not encountered any challenges at all.

FIGURE 5. **Challenges encountered in relationships between asset owners and investment managers**
n = 277



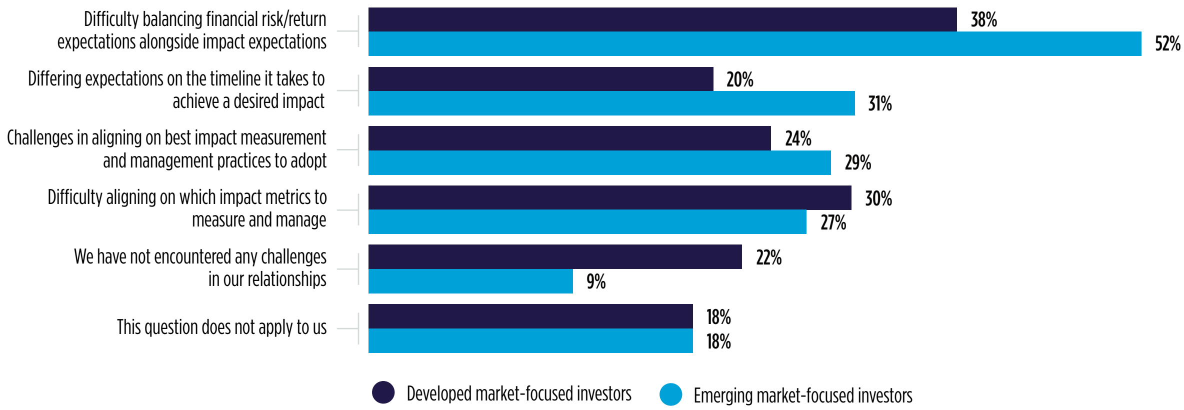
Note: Excludes respondents who did not provide answers to the question. Respondents could select multiple answer options.
Source: Global Impact Investing Network (GIIN), 2024

Investor sub-groups perceived different relationship challenges. For example, 31% of emerging market-focused investors reported differing expectations between themselves and their asset managers or owners regarding the timeline to achieve a desired impact, while only 20% of developed market-focused investors felt the same (Figure 6). Similarly, 22% of developed market-focused investors said they hadn't encountered any relationship challenges at all, compared to only 9% of emerging market-focused investors, and 52% of emerging market-focused investors reported challenges balancing financial risk/return expectations alongside impact expectations whereas just 38% of developed market-focused investors perceived this as a challenge.

Six in ten of public market-focused investors (57%) reported that they experienced differing risk/return expectations. In contrast, less than half of private market-focused investors (49%) reported experiencing differing risk/return expectations than their respective asset managers or owners.

FIGURE 6. **Challenges encountered in relationships between asset owners and investment managers, by emerging versus developed market-focused investors**

n = 250



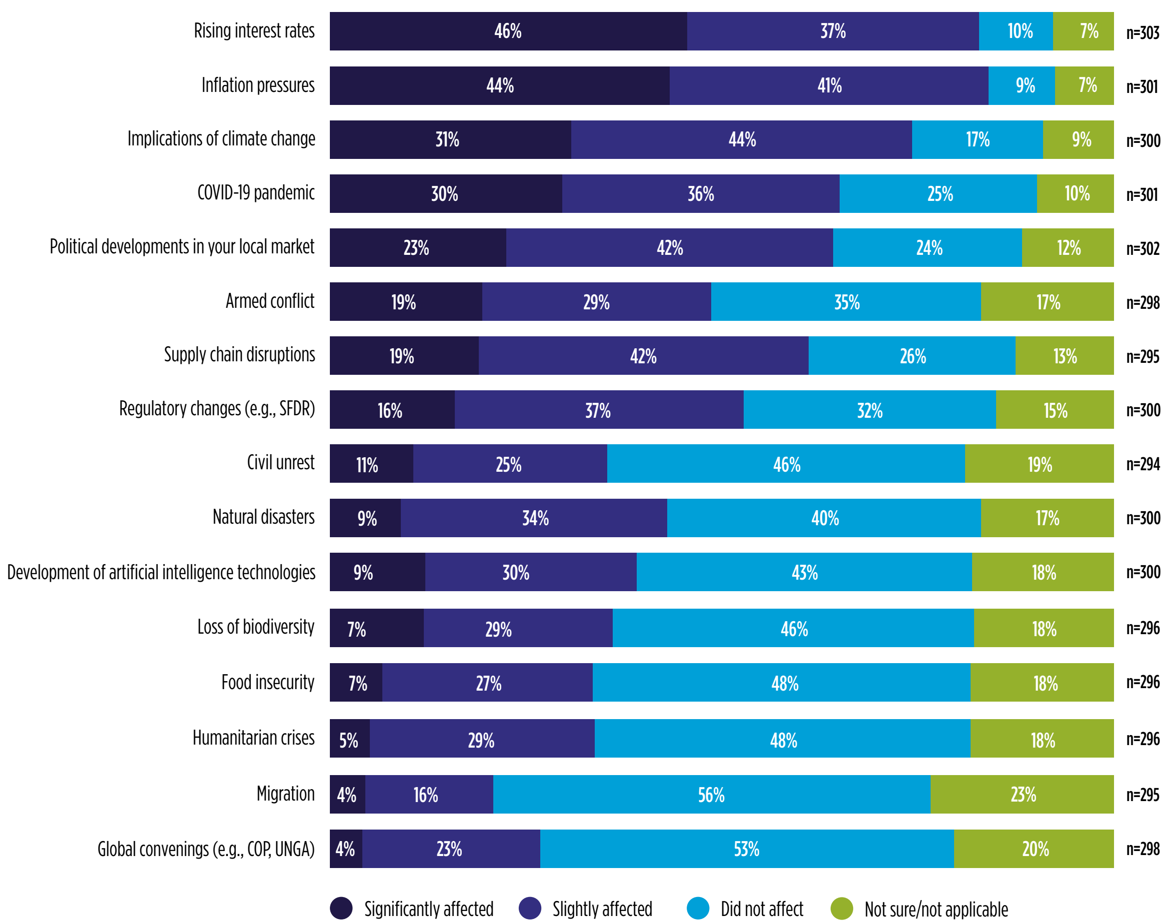
Note: Excludes investors who did not provide answers to this question. Respondents could select multiple answer options.

Source: Global Impact Investing Network (GIIN), 2024

Macro-level issues affecting impact investing

The impact investing industry does not exist in a vacuum and investors naturally grappled with a variety of macro, global events throughout 2023 that affected their impact investing strategies. In particular, they cited inflation (85% reported being "significantly" or "slightly affected"), rising interest rates (83%) and the implications of climate change (75%; Figure 7).

FIGURE 7. **Macro, global events affecting investors' impact investing strategies**

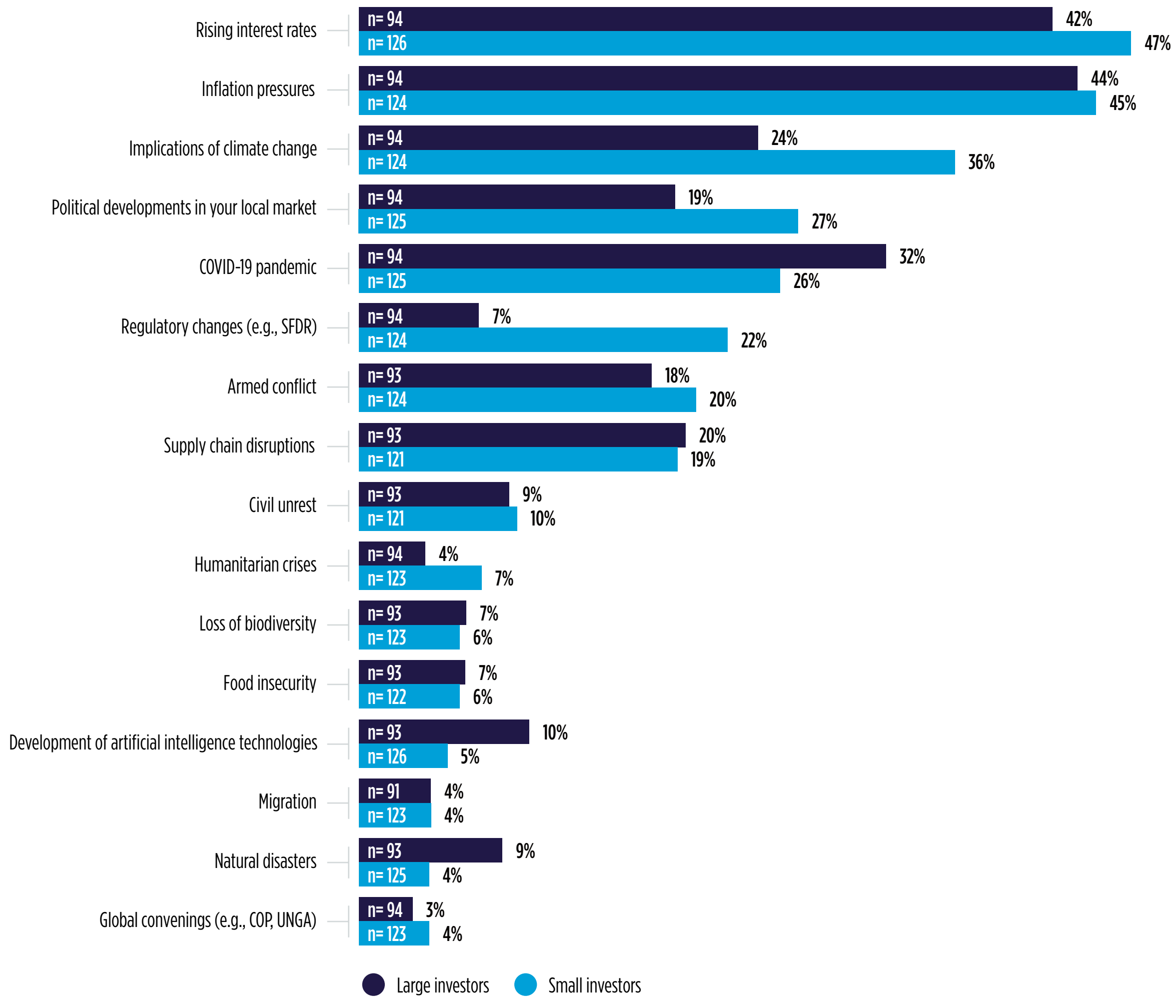


Note: Excludes investors who did not provide answers to this question.

Source: Global Impact Investing Network (GIIN), 2024

A greater proportion of small investors than large investors (22% compared to 7%) cited regulatory challenges as significantly affecting their impact investing strategies (Figure 8). Interestingly, a slightly greater proportion of large investors also perceived the development of artificial intelligence as affecting their impact as compared to small investors (10% versus 5%). Conversely, a greater proportion of small investors cited local political developments as a macro event affecting their strategies (27% compared to 19% of large investors).

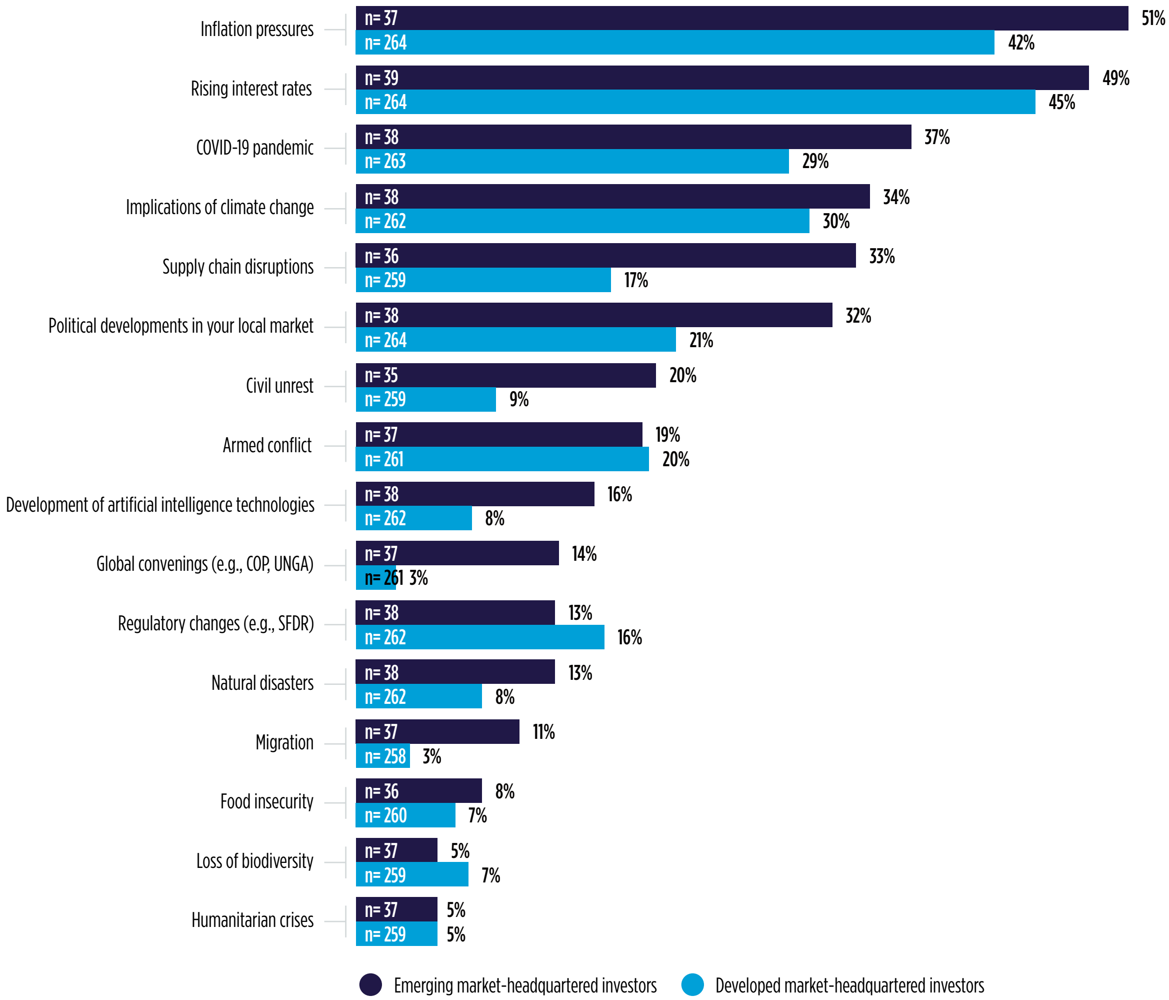
FIGURE 8. **Macro events significantly affecting impact investing strategies, by large versus small-sized investors**



Note: Excludes investors who did not provide answers to this question.
Source: Global Impact Investing Network (GIIN), 2024

Similarly, interesting divergences were noted between emerging market and developed market-headquartered (HQ) investors. Although both cited inflation pressures as the macro global event most affecting their strategies, this was more pronounced for emerging market-HQ investors, at 51% compared to 42% for developed market-HQ investors (Figure 9). For emerging market-focused investors, albeit at lesser overall significance, other events such as supply chain disruptions (33%), civil unrest (20%) and global convenings (14%) affected their impact investing strategies to a greater degree than developed market-focused investors.

FIGURE 9: **Macro, global events significantly affecting impact investing by emerging and developed market headquartered investors**



Note: Excludes investors who did not provide answers to this question.
Source: Global Impact Investing Network (GIIN), 2024

Even across geographic contexts where investors of different sizes, types and focus areas noted similar macro challenges, they often tackled these macro events through different strategies and approaches. The next section of this report explores impact investors' allocation strategies and investing activity.

Asset allocations to impact

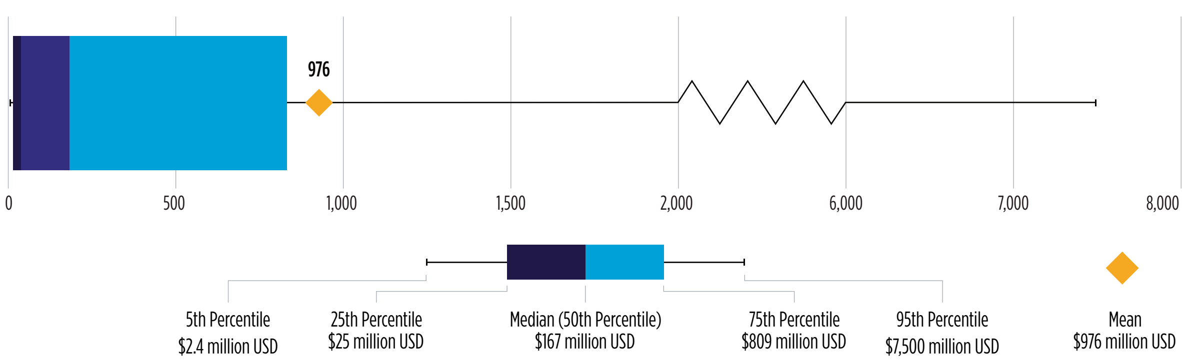
Key take-aways:

- **Investors in the sample collectively managed $490 billion USD in impact AUM, with an average of $1.6 billion USD and a median of $167 million USD.**
- **Total impact AUM has grown at a compound annual growth rate (CAGR) of 14% over the past five years.**
- **Impact investors are finding ways to achieve impact objectives across geographies, sectors, asset classes and investee stages of business.**

Distribution of impact assets under management

Investors in the sample collectively managed nearly $490 billion USD in total impact investing assets at the end of the 2023 reporting period, according to data collected in 2024 (Figure 10). On average, investors in the sample managed $1.6 billion USD compared to a median of $167 million USD. This reflects the outsized impact, within the sample, of several investors managing large capital amounts: the top five investors in the sample managed $197 billion USD, accounting for 40% of the total sample's impact AUM. Without outliers, the average impact AUM allocated was $293 billion USD. Further analysis in this section excludes outliers and organizations that did not submit percentage breakdowns of geographic, sector and asset class allocations. All impact AUM figures included in the subsequent sections refer to impact assets, unless otherwise specified.

FIGURE 10: **Distribution of impact AUM (USD)**
n = 304; Total AUM = $490 billion USD
AUM represented in USD millions



Note: Figure shows from the 5th to the 95th percentile and excludes one organization that did not provide data on impact AUM.
Source: Global Impact Investing Network (GIIN), 2024

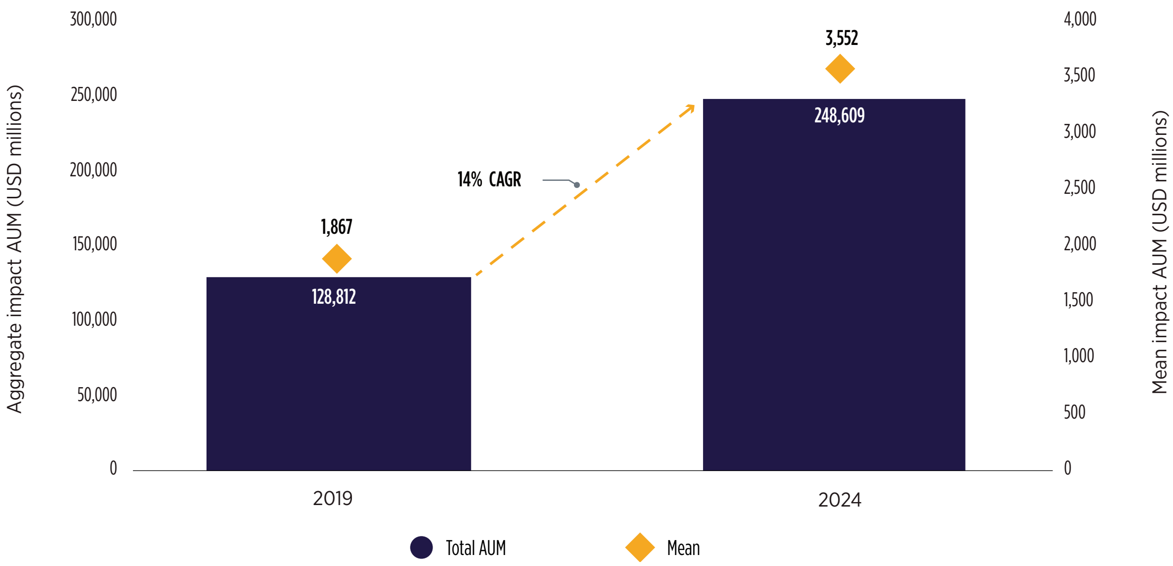
Impact investors allocate capital across a variety of geographies, instruments, sectors and markets. The majority of impact AUM (85%) in the sample was allocated through direct investments into companies, with the remaining 15% representing indirect investments through intermediaries. Large investors comprised 30% of the sample but accounted for 92% of AUM, while small investors made up 43% of investors, but only managed 1% of impact AUM. Meanwhile, medium sized investors made up 28% of the sample and managed 7% of AUM.

While 87% of investors in the sample were headquartered in developed markets, only 53% focused their investments in developed markets. Developed market-headquartered investors account for nearly all (98%) of the impact AUM allocated; developed market-focused investors, however, only allocated 75% of impact AUM compared to 18% by emerging market-focused investors. This reflects the impact investing industry's continued emphasis toward developed market-headquartered and developed market-focused investors.

Five-year trends: Impact AUM grew at a CAGR of 14%

Data from a subset of this year's repeat respondents, who also provided data for the GIIN's 2019 Impact Investor Survey, shows that the total impact AUM increased by a CAGR of 14%, growing from $129 billion USD in 2019 to $249 billion USD in 2024 (Figure 11).

FIGURE 11: **Impact AUM growth over the five-year period 2019 to 2024 (million USD)**
n = 71



Note: This figure represents a subset of 71 respondents from the 2019 and 2024 Impact Investor Surveys. Between 2019 and 2024, impact AUM grew by a CAGR of 14%.

Source: Global Impact Investing Network (GIIN), 2024

CAGR at the median was 16% per year, from $200 million USD in 2019 to $419 billion USD in 2024. Interestingly, the compound annual growth rate (CAGR) of impact AUM held by small investors decreased by 14% per year from 2019 to 2024, while medium and large investors saw respective increases of 11% and 14% per year (Table 2).

TABLE 2: **Growth rate by sub-groups**

n = 71

	2019 survey respondents	2024 survey respondents	2019 survey AUM (million USD)	2024 survey AUM (million USD)	CAGR
Developed market-focused	24	30	13,637	11,771	52%
Emerging market-focused	34	35	97,038	132,391	6%
Small investors	33	18	908	434	-14%
Medium investors	12	22	3,611	6,093	11%
Large investors	26	31	124,292	242,080	14%
Impact-only	48	46	109,805	166,553	9%
Impact-agnostic	23	25	19,008	82,056	34%

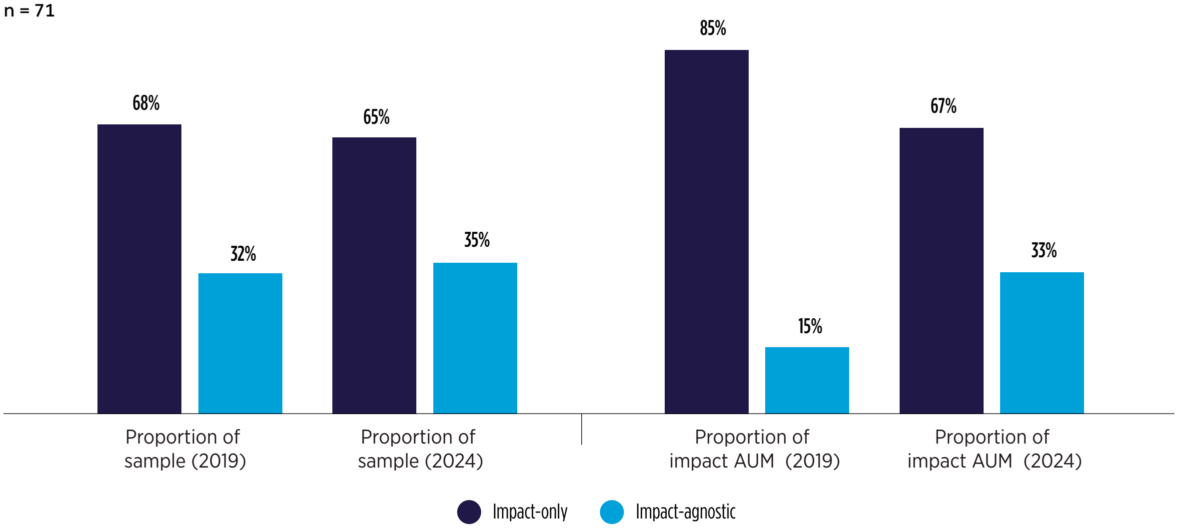
Note: This figure represents a subset of 71 respondents from both the 2019 and 2024 Impact Investor Surveys.

Source: Global Impact Investing Network (GIIN), 2024

While nearly two-thirds (61%) of investors in the sample were impact-only, allocating 100% of their total AUM to impact investments, these investors accounted for only 52% of impact AUM allocated. Interestingly, among repeat respondents, the proportion of impact-only investors remained almost the same (68% in 2019 and 65% in 2024; Figure 12). Concurrently, however, the proportion of AUM allocated by impact-only investors only increased by a CAGR of 9%, while the percentage allocated by investors who invest in impact alongside impact-agnostic investments increased by a CAGR of 34%, perhaps reflecting that impact investing is becoming an increasingly recognized strategy across investors.

FIGURE 12: **Proportion of AUM allocated by investor type**

n = 71



Note: This figure represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys.

Source: Global Impact Investing Network (GIIN), 2024

Geographic allocations

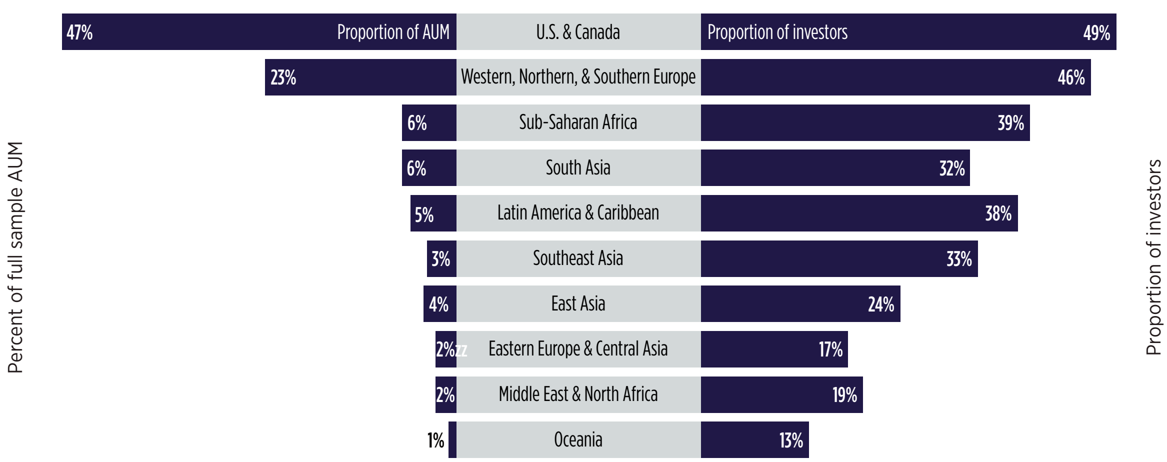
While impact investors in this sample invest their capital across the world, nearly half (47%) of the sample's impact AUM was allocated to the U.S. and Canada (Figure 13). Western, Northern and Southern Europe followed as the second most popular region, accounting for almost a quarter (23%) of impact AUM; taken together, investors allocated nearly three-quarters (70%) of their impact AUM in these two regions.

Unsurprisingly, both the U.S. and Canada and Western, Northern and Southern Europe were also the most common geographies to receive any impact asset allocation from investors, with 49% and 46% of investors allocating at least some AUM to each region, respectively. The next largest allocations were to sub-Saharan Africa and South Asia, which each received 6% of impact AUM from, respectively, 39% and 32% of investors.

Although 38% of impact investors made at least one investment in Latin America and the Caribbean, it received a far lower share (5%) of impact AUM allocated than the top four regions, which all had similar proportions of investors allocating anything at all.

While a nearly equal number of investors in the sample made at least some domestic and international investments (75% and 73%, respectively), international investments, or those outside an investor's primary headquarter country, made up only 46% of impact AUM allocated. This may indicate that impact investors, while understanding the need to, and opportunity in, investing in a spread of markets, remain more comfortable in their respective domestic markets as a foundation for their strategies.

FIGURE 13: **Asset allocations by geography of investment**
n = 293; AUM = $290 billion USD



Note: The proportion of respondents allocating at least some impact AUM to each region is shown, compared with the proportion of impact AUM allocated to the region. Respondents may allocate to multiple geographies. This figure excludes five outlier organizations and six organizations that did not provide allocations data.
Source: Global Impact Investing Network (GIIN), 2024

Geographic allocations differ by investor type. While both private market-focused and public market-focused investors allocate the largest proportion of their impact AUM to the U.S. and Canada — 38% and 47%, respectively — private market-focused investors diversified more in other geographic allocations (Table 3). Public market-focused investors allocated only 8% across emerging market regions, compared to 44% among private market-focused investors.

As such, it is unsurprising that 95% of public market-focused investors allocated at least some impact capital towards the U.S. and Canada, and 91% allocated at least some towards Western, Northern and Southern Europe. Similarly, real asset-focused investors allocate 73% of their impact AUM towards Western, Northern and Southern Europe, and 21% towards the U.S. and Canada.

TABLE 3: **Geographic allocations as a percent of total AUM by investor sub-groups**

n = 293

Investor group	East Asia	Eastern Europe and Central Asia	Latin America & the Caribbean	Middle East & North Africa	Oceania	South Asia	Southeast Asia	Sub-Saharan Africa	US & Canada	Northern, Western & Southern Europe	Total (million USD)
Developed market-focused investors	4%	1%	2%	0%	22%	2%	2%	2%	60%	28%	217,474
Emerging market-focused investors	1%	9%	16%	10%	0%	22%	10%	29%	1%	1%	52,895
Private market-focused investors	3%	4%	8%	4%	1%	11%	5%	12%	38%	14%	146,606
Public market-focused investors	4%	1%	2%	0%	1%	1%	4%	0%	47%	39%	32,238
Market-rate investors	4%	3%	5%	2%	1%	5%	3%	4%	46%	26%	244,638
Below market-rate investors	1%	1%	5%	6%	0%	10%	4%	19%	49%	6%	45,238
Small investors	3%	1%	15%	1%	6%	9%	8%	15%	26%	15%	3,477
Medium investors	5%	2%	11%	2%	2%	11%	7%	13%	22%	26%	442,221
Large investors	4%	2%	5%	3%	1%	6%	3%	6%	49%	23%	266,003
Sample overall	4%	2%	5%	2%	1%	6%	3%	6%	47%	23%	289,876

Note: This figure excludes five outlier organizations, and six organizations that did not provide allocations data.

Source: Global Impact Investing Network (GIIN), 2024

Differences were also noticeable between market-rate and below market-rate investors. Half of market-rate investors allocated at least some impact capital towards either the U.S. and Canada (51%) or Western, Northern and Southern Europe (52%), and, overall, market-rate investors allocated 46% and 26% of their impact AUM to the U.S. and Canada and to Western, Northern and Southern Europe, respectively. In contrast, below market-rate investors were not as concentrated in developed markets. While nearly half (49%) of their impact AUM was allocated to the U.S. and Canada, the second highest proportion was allocated to sub-Saharan Africa (19%). Concomitantly, below market-rate investors also had a larger percentage of investors allocating at least some AUM to sub-Saharan Africa (46%).

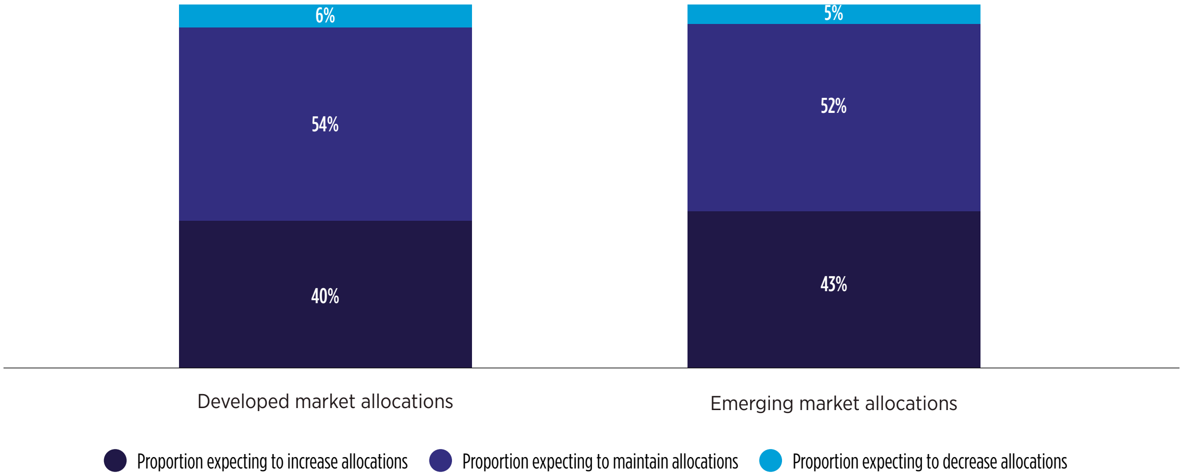
Variation in geographic allocations are especially noticeable when comparing emerging market-focused and developed market-focused investors. Among the former, sub-Saharan Africa received the highest proportion (29%) of impact AUM allocated, and the highest percentage of investors allocating anything to any region (62%). Latin America and the Caribbean saw the second highest proportion of emerging market-focused investors allocating any impact AUM (53%), and South Asia had the second highest share of impact AUM allocated, at 22%. Among developed market-focused investors, the majority allocated at least something to the U.S. and Canada (68%) and Western, Northern, and South Europe (67%), though the former region received an overwhelming proportion of impact AUM allocated (60% to U.S. and Canada versus 28% to Western, Northern and Southern Europe).

Allocations by organization type also varied. DFIs allocated a much higher proportion (97%) of their AUM to emerging market countries than did investment managers (22%). Sub-Saharan Africa received the highest proportion of DFIs' impact AUM (44%), followed by South Asia (21%) and the Middle East and North Africa (13%). IAOs stood out from the overall sample, allocating 15% of their impact AUM to East Asia compared to the total sample of investors that allocated just 6%.

Nonetheless, the expected future allocation plans for emerging and developed markets is similar. In the overall sample, 43% of investors plan to increase their allocations to emerging markets by in 2024, compared to 40% who plan to increase their developed market allocations (Figure 14).

FIGURE 14: **Future geographic allocation plans, developed versus emerging markets**

n = 305



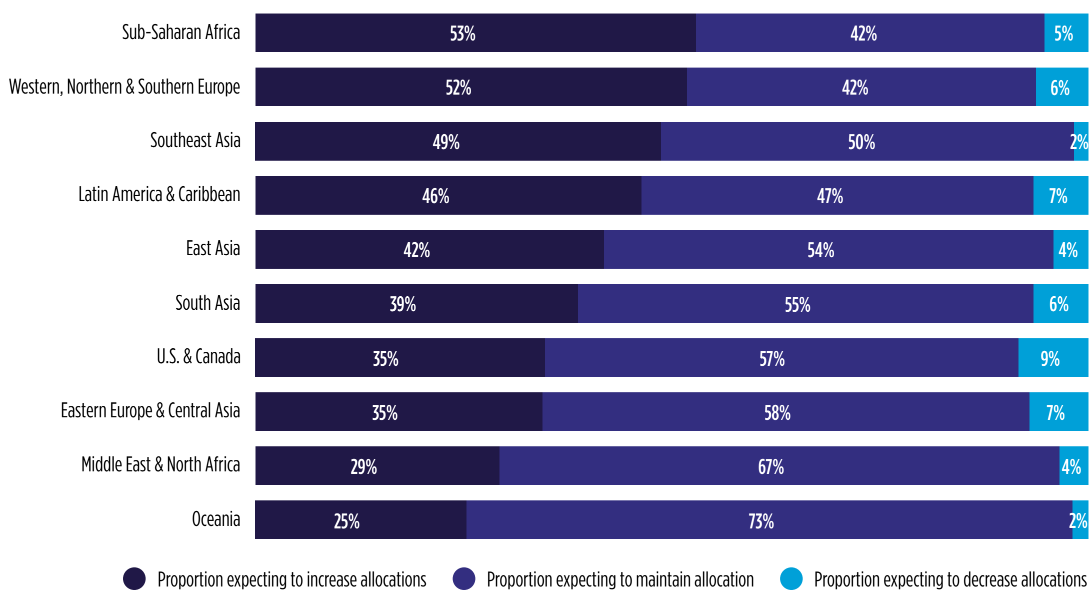
Note: This figure excludes five outlier organizations and six organizations that did not provide allocations data.
Source: Global Impact Investing Network (GIIN), 2024

Among developed market regions, 52% of investors indicated that they would increase allocations to Western, Northern and Southern Europe, followed by East Asia (42%; Figure 15). Assessing emerging market regions, 53% of investors plan to increase their allocations to sub-Saharan Africa, followed by Southeast Asia (49%) and Latin America and the Caribbean (46%).

Some investors plan to reduce allocations towards certain regions. Perhaps surprisingly, the highest proportion of investors (9%) plan to decrease their allocations towards the U.S. and Canada.

FIGURE 15: **Planned future geographic allocations over the next five years**

n = 305



Note: This figure excludes five outlier organizations and six organizations that did not provide allocations data.
Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Oceania saw the largest increase of impact AUM allocated

Oceania — the region comprising Australia, New Zealand and 12 neighboring South Pacific island nations — saw the highest CAGR of AUM allocated between 2019 to 2024 (62%), followed by the U.S. and Canada (38%), Western, Northern and Southern Europe (37%) and Southeast Asia (17%; Table 4).

The increases by region reflect the broader trend towards developed market allocations. Overall, these increased by a CAGR of 29% over five years compared to a CAGR of 8% for emerging markets, reflecting, perhaps, perceptions of economic volatility.

With a negative CAGR of 7%, the Middle East and North Africa was the only region to see a decrease in impact AUM allocations over the five-year period. The Middle East and North Africa also saw the largest decrease (-11%) in investors allocating any anything at all to the region.

TABLE 4: **Impact AUM allocation growth by geographic region**
n = 71

Region	2019 AUM (million USD)	2024 AUM (million USD)	CAGR
Oceania	24	270	62%
US & Canada	15,935	80,133	38%
Western, Northern & Southern Europe	4,789	23,253	37%
Southeast Asia	2,766	6,170	17%
Latin America & Caribbean	29,312	48,853	11%
Sub-Saharan Africa	14,009	23,920	11%
East Asia	13,338	20,304	9%
South Asia	16,490	20,581	5%
Eastern Europe & Central Asia	16,345	20,081	4%
Middle East & North Africa	7,369	5,043	-7%

Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys
Source: Global Impact Investing Network (GIIN), 2024

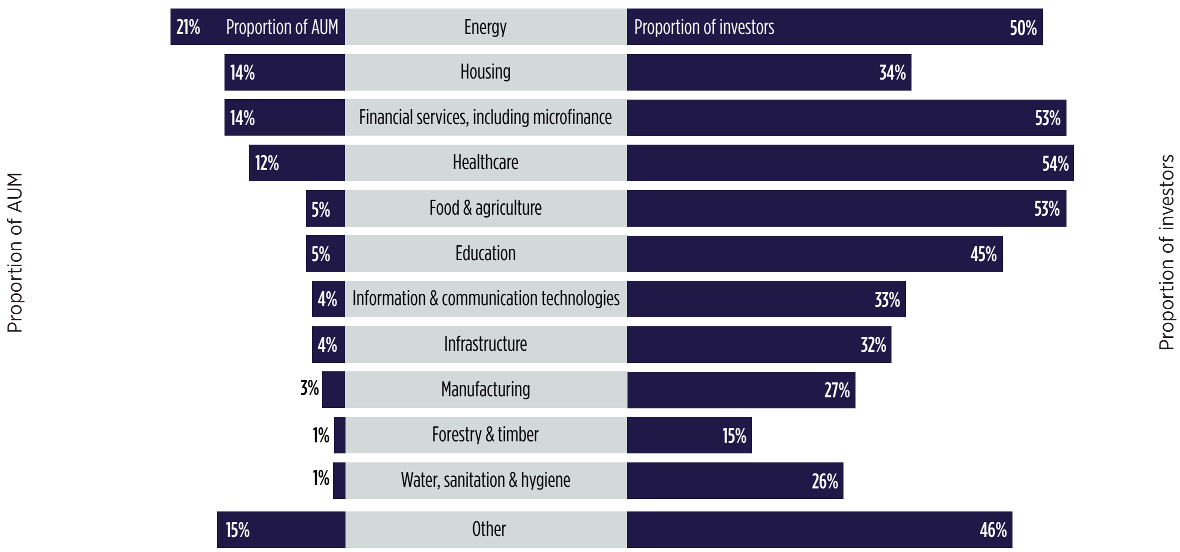
Sector and impact theme allocations

Impact investors allocate capital across a variety of different sectors and themes. The greatest proportion of impact AUM is allocated to energy (21%), followed by housing (14%) and financial services including microfinance (14%; Figure 16). While 26% of investors allocated at least some AUM to water, sanitation and hygiene (WASH), the sector represents just 1% of total impact AUM.

The highest proportion of impact investors allocated at least some of their impact AUM to healthcare (54%), followed by financial services and food and agriculture (both at 53%).

FIGURE 16: **Asset allocations by sector**

n = 293; AUM = $289 billion USD



Note: The percentage of respondents allocating at least some impact AUM to each sector is shown, compared with the proportion of impact AUM allocated to the sector. Respondents may allocate to multiple sectors. This figure excludes five outlier organizations and six organizations that did not provide allocations data. "Other" sectors include investments relating to climate change, the circular economy and real estate.

Source: Global Impact Investing Network (GIIN), 2024

The United Nations Sustainable Development Goals (SDGs) provide a different lens to further understand how investors allocated their impact capital. SDG 8 (decent work and economic growth) received allocations from the highest proportion of impact investors (67%), followed by SDG 3 (good health and wellbeing) at 62%, SDG 13 (climate action) at 59% and SDG 7 (affordable and clean energy) at 56% (Table 5).

TABLE 5: Proportion of investors allocating any impact AUM to each SDG
n = 248

	Proportion of investors allocating anything at all	Number of investors
Goal 8: Decent work and economic growth	67%	166
Goal 3: Good health and well-being	62%	154
Goal 13: Climate action	59%	146
Goal 7: Affordable and clean energy	56%	138
Goal 5: Gender equality	52%	128
Goal 9: Industry, innovation and infrastructure	50%	124
Goal 11: Sustainable cities and communities	50%	124
Goal 4: Quality education	50%	123
Goal 10: Reduced inequality	49%	121
Goal 1: No poverty	48%	119
Goal 12: Responsible consumption and production	48%	119
Goal 2: Zero hunger	41%	102
Goal 6: Clean water and sanitation	40%	98
Goal 15: Life on land	32%	80
Goal 17: Partnerships to achieve the goal	28%	70
Goal 14: Life below water	28%	69
Goal 16: Peace, justice and strong institutions	24%	60

Note: This table includes those who responded to the SDG allocation question in the 2024 Impact Investor Survey and excludes outliers.
Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Decrease in proportion of investors allocating to SDGs 3, 7, 8 and 13

Among repeat respondents across both the 2019 and 2024 surveys, there was a decline in the proportion of investors allocating impact AUM respectively to SDGs 3, 7, 8 and 13. On the other hand, SDG 14 (life below water) and SDG 15 (life on land) saw particularly large increases in the share of investors making any allocations towards those goals, at 82% and 64%, respectively (Table 6). These trends over time reflect the industry's growing interest in the blue economy and biodiversity, perhaps unsurprising given the consequences of the climate crisis and impact investors' resolve to meet the challenge.

TABLE 6: **Change in proportion of investors allocating any AUM to each SDG, 2019 to 2024**

n = 71

	2019 suvey (Proportion of investors making at least one investment)	2024 survey (Proportion of investors making at least one investment)	Percent change
Life below water (SDG 14)	15%	28%	82%
Life on land (SDG 15)	20%	32%	64%
Peace, justice, and strong institutions (SDG 16)	15%	24%	55%
Zero hunger (SDG 2)	35%	49%	40%
Industry, innovation, and infrastructure (SDG 9)	42%	46%	10%
Responsible consumption and production (SDG 12)	38%	38%	0%
Climate action (SDG 13)	52%	49%	-5%
Gender equality (SDG 5)	63%	58%	-9%
Sustainable cities and communities (SDG 11)	49%	44%	-11%
Decent work and economic growth (SDG 8)	80%	69%	-14%
Clean water and sanitation (SDG 6)	41%	35%	-14%
Quality education (SDG 4)	56%	48%	-15%
No poverty (SDG 1)	70%	58%	-18%
Affordable and clean energy (SDG 7)	56%	45%	-20%
Good health and well-being (SDG 3)	62%	48%	-23%
Partnerships for sustainable development (SDG 17)	41%	31%	-24%
Reduced inequalities (SDG 10)	75%	55%	-26%

Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys.

Source: Global Impact Investing Network (GIIN), 2024

Sector allocations also differed by investor type. IAOs allocated a particularly high proportion of their impact AUM to the energy sector at 44% — more than double the sample average of 21%. Foundations differed greatly in this regard too, as their proportion allocated to energy (6%) was much lower than the sample average. Unsurprisingly, DFIs allocated the highest proportion of their AUM (36%) to financial services. Key differences in allocations emerged between investor sub-groups, in particular private versus public-market investors (Table 7). Interestingly, public-market investors had more diversified investments. Two-thirds of public-market investors allocated at least some AUM to a given sector, whereas only 36% of private-market investors reflected this diversification. And while 86% of public-market investors made allocations towards the energy sector, just 47% of private-market investors did the same. Despite this, private-market investors allocated a higher percentage of impact AUM to energy than did public-market investors (24% versus 19%).

At 43%, below market-rate investors allocated a much higher percentage of impact AUM to housing compared to the sample average of 14%. Relative to market-rate investors, below market-rate investors invested less in energy (12% vs 23%) and healthcare (6% vs 13%).

TABLE 7: **Sector asset allocations by investor sub-group, as a percentage of AUM**

n = 293

	n	Education	Energy	Financial services	Food & agriculture	Forestry & timber	Healthcare	Housing	Information & communication	Infrastructure	Manufacturing	Water, sanitation and hygiene	Total (million USD)
Developed market-focused	155	6%	23%	5%	3%	1%	12%	19%	4%	4%	3%	1%	217,474
Emerging market-focused	111	2%	13%	44%	11%	1%	9%	1%	7%	3%	4%	2%	52,895
Private-market	187	6%	24%	24%	8%	1%	15%	2%	6%	2%	3%	1%	146,605
Public-market	22	3%	19%	8%	2%	1%	6%	16%	5%	8%	6%	2%	32,238
Market-rate	217	5%	23%	13%	5%	2%	13%	9%	5%	4%	3%	1%	244,638
Below market-rate	76	2%	12%	19%	5%	0%	6%	43%	3%	3%	3%	1%	45,238
Small sized	125	7%	12%	14%	14%	2%	15%	10%	4%	2%	2%	3%	3,477
Medium sized	82	4%	12%	21%	9%	2%	11%	10%	5%	6%	5%	3%	20,395
Large sized	87	5%	22%	14%	4%	1%	12%	15%	4%	4%	3%	1%	266,003
Sample overall	293	5%	21%	14%	5%	1%	12%	14%	4%	4%	3%	1%	289,876

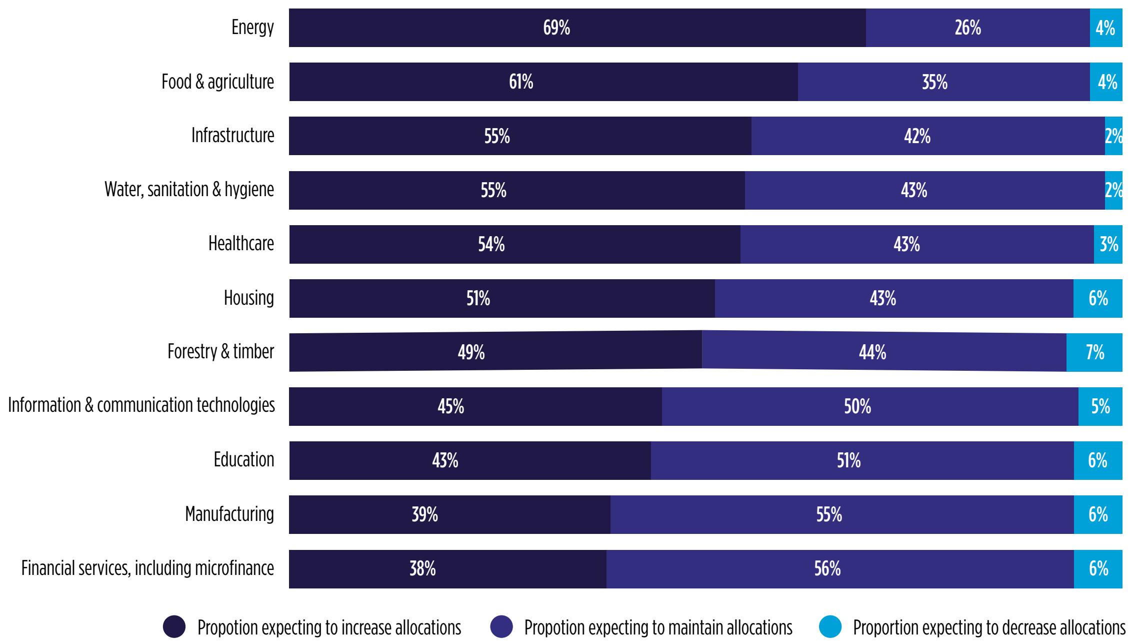
Note: This figure excludes five outlier organizations and six organizations that did not provide allocations data.

Source: Global Impact Investing Network (GIIN), 2024

Developed market-focused and emerging market-focused investors also reflected varied allocation strategies by sector. Most strikingly, while 48% of developed market-focused investors allocated at least some AUM to housing, only 14% of emerging market-focused investors did. A greater proportion of emerging market-focused investors, on the other hand, allocated at least some AUM to financial services (64% versus 39% for developed market-focused investors), perhaps speaking to the need for financial inclusion in emerging markets. Moreover, while 44% of impact AUM allocated by emerging market-focused investors went to financial services, among developed market-focused investors the proportion of allocations to this sector was just 5%.

The WASH and forestry and timber sectors received the lowest AUM allocations across the sample average, at just 1% each. Forestry and timber had the smallest proportion of investors allocating any AUM, and also saw the highest proportion of investors planning to decrease allocations over the coming years (7%; Figure 17). The energy and food and agriculture sectors are slated to see the largest increases in allocations, with 69% and 61% of investors respectively, indicating that they plan to increase allocations to these sectors.

FIGURE 17: Planned future sector allocations over the next five years
n = 293



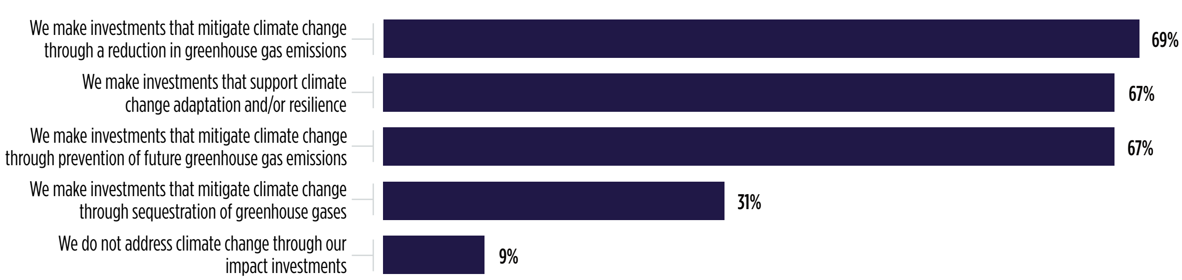
Note: Excludes investors who did not provide answers to this question. Respondents could select multiple answer options." change to "Note: excludes two organizations that did not provide an answer to this question. Respondents could select multiple options.

Source: Global Impact Investing Network (GIIN), 2024

A high proportion of investors plan to increase allocations to the energy sector, which tracks with the heightened focus on climate change mitigation and adaptation among impact investors. It is encouraging to note that 69% of investors in the sample plan to make investments that mitigate climate change by reducing greenhouse gas (GHG) emissions, preventing future greenhouse gas emissions (67%) or supporting climate change adaptation and resilience (67%; Figure 18). Only 9% reported that they do not address climate change through their impact investments at all.

These sector plans focused on science-based goals are especially encouraging in light of recent research by the GIIN which has found that, despite increased interest in sustainable agriculture practices[i] and other climate adaptation and mitigation strategies, impact investors in many parts of the world are not yet meeting goals in line with science-based targets.[ii]

FIGURE 18: Strategies to address climate change through impact investments
n = 303



Note: This figure excludes two organizations that did not provide an answer to this question. Respondents could select multiple options.

Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Housing and information technology saw the largest increase in impact AUM

Information and communication technology saw the largest CAGR in impact AUM allocations (39%) between 2019 and 2024, followed by housing (35%), education (28%) and infrastructure (28%; Table 8). At a 64% increase over the period, the infrastructure sector saw the largest increase in the proportion of investors allocating any impact investment to it. WASH was the only sector to experience a decrease (33%) in investors allocating anything at all.

Interestingly, there was a significant increase in the category encompassing "other" sector allocations, perhaps reflecting the increased specificity of impact investors' sector targeting. "Other" grew at a CAGR of 16% over the period, and the proportion of investors allocating any impact AUM to the various sectors included in the category expanded by 21%.

TABLE 8: **Growth rates by sectors, 2019 to 2024**

n = 71

	2019 AUM (million USD)	2024 AUM (million USD)	CAGR
Information and communication technology	2,052	10,641	39%
Housing	6,374	28,711	35%
Education	2,853	9,694	28%
Infrastructure	5,623	16,410	28%
Food & agriculture	3,538	8,823	20%
Energy	15,338	31,200	15%
Manufacturing	5,537	8,515	9%
Financial services	57,482	65,980	3%
Healthcare	6,086	6,656	2%
Forestry	3,906	4,100	1%
Water, sanitation & hygiene	2,400	1,820	-5%
Other	17,625	36,962	16%

Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys. "Other" sectors include investments related to climate change, circular economy and real estate.

Source: Global Impact Investing Network (GIIN), 2024

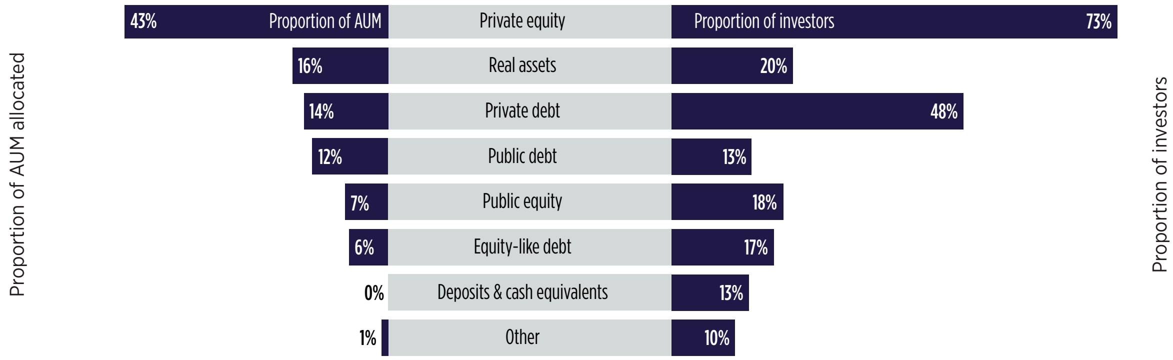
Between 2023 and 2024, investors increased their allocations toward forestry (53% increase in impact AUM), infrastructure (40%) and information and communication technology (32%). The education sector grew by 70%, despite a much smaller 4% increase in the proportion of investors allocating anything to education. Healthcare saw the greatest decrease in impact AUM between 2023 and 2024, at 40%, with a corresponding decrease of 18% among investors allocating anything at all.

Asset class allocations

Overwhelmingly, in terms of both the proportion of investors and the share of their AUM, investors allocated impact capital through private equity (73% and 43%, respectively; Figure 19). Nonetheless, the difference between these two figures reflects the range in asset allocation classes investors use for impact investing. Private debt was the second most commonly used instrument, with nearly half (48%) of investors allocating capital via private debt. However, private debt represented only 14% of impact AUM allocated in the sample. One in five investors allocated at least some impact capital through real assets, with this instrument comprising the second highest proportion of AUM allocated, at 16%.

FIGURE 19: Allocations by asset class

n = 293; AUM = $290 billion USD



Note: Respondents may allocate to multiple asset classes. This figure excludes five outlier organizations and six organizations that did not provide allocations data. "Other" asset classes include social outcomes contracts, guarantees and grants.

Source: Global Impact Investing Network (GIIN), 2024

There were notable differences in asset class allocations between different sub-groups of investors (Table 9). Although both developed market-focused and emerging market-focused investors allocated the greatest proportion of their impact AUM through private equity (42% and 48%, respectively), private debt represented 43% of impact AUM allocated by emerging market-focused investors compared to only 4% by developed market-focused investors. The latter allocated a much higher proportion of their AUM to real assets than did emerging market-focused investors, at 20% compared to just 4%.

TABLE 9: Investor sub-group allocations by asset class

n = 293

	n	Deposits & cash	Private debt	Public debt	Equity-like debt	Private equity	Public equity	Real assets	Total (million USD)
Developed market-focused	156	0%	4%	16%	8%	42%	9%	20%	217,474
Emerging market-focused	111	0%	43%	2%	1%	48%	2%	4%	52,895
Private-market	187	0%	23%	1%	1%	71%	2%	2%	146,606
Public-market	22	0%	5%	55%	0%	2%	37%	0%	32,238
Market-rate	217	0%	11%	14%	1%	48%	7%	18%	244,638
Below market-rate	76	1%	26%	3%	36%	20%	6%	6%	45,238
Small sized	125	2%	30%	1%	8%	41%	8%	7%	3,477
Medium sized	82	2%	25%	3%	2%	49%	5%	12%	20,395
Large sized	87	0%	13%	13%	7%	43%	7%	16%	266,003
Impact only	173	1%	26%	6%	15%	33%	5%	13%	114,619
Impact-agnostic	121	0%	6%	17%	0%	50%	8%	17%	175,256
Total AUM	293	0%	14%	12%	6%	43%	7%	16%	289,876

Note: This figure excludes five outlier organizations and six organizations that did not provide allocations data. This figure excludes organizations who selected "other."

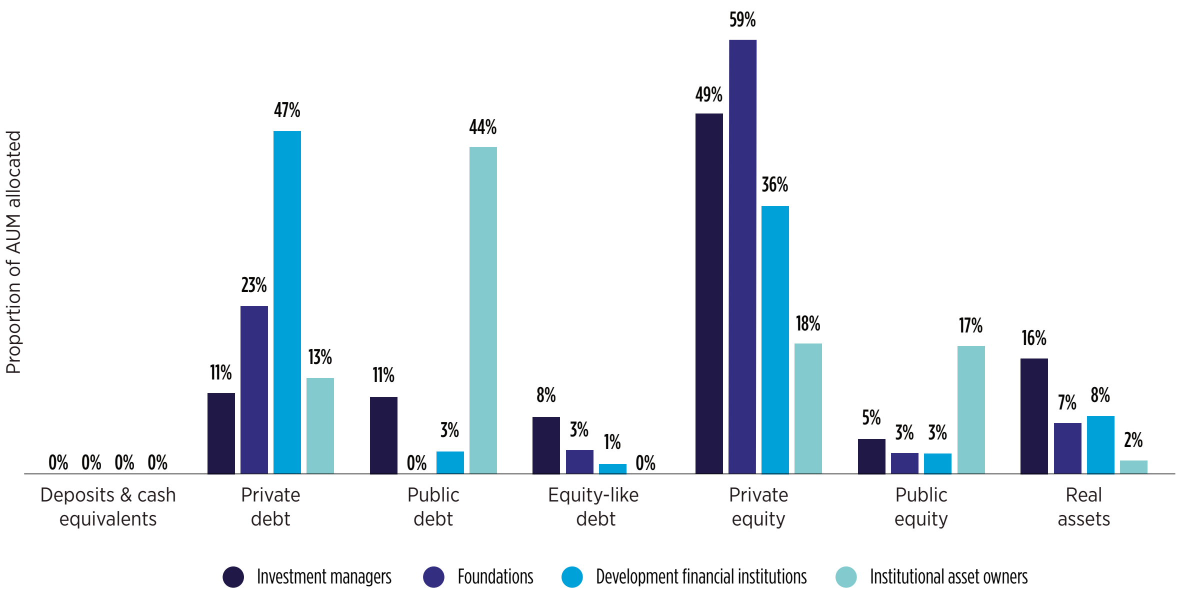
Source: Global Impact Investing Network (GIIN), 2024

Impact-only investors and impact-agnostic investors also differed in their asset class allocations. While nearly three-quarters (73%) of each respective sub-group allocated at least some capital through private-equity, this instrument represented a much higher proportion of total impact AUM allocated for impact-agnostic investors (50% versus 33%, respectively). The reverse was true for private debt: impact-only investors allocated a higher proportion to this asset class than did impact and impact-agnostic investors (26% versus 6%, respectively).

Asset class use also differed by organization type. IAOs used a diverse set of asset classes: 91% allocated at least some AUM via private equity, 64% through private debt and 55% used public debt. Interestingly, however, compared to the rest of the sample, IAOs allocated a much greater proportion of their AUM through public debt, at 44%, and the most commonly used instruments made up a smaller proportion of their AUM allocations (18% for private equity and 13% for private debt, respectively; Figure 20). In contrast, DFIs allocated nearly half of their AUM through private debt (47%), while foundations and investment managers used mainly private equity (59% and 49% of their AUM, respectively).

FIGURE 20: Allocations across asset classes by investor type

n = 293; AUM = $273 billion USD



Note: This figure excludes five outlier organizations and six organizations that did not provide allocations data. Breakdowns may not sum to 100%, as "other" is not included in the figure. Breakdowns may not sum to 100%, as "other" is not included in the figure.

Source: Global Impact Investing Network (GIIN) 2024

Five-year trends: Use of equity-like debt grew by a CAGR of 104%

Given the low proportion of investors allocating to equity-like debt, it is perhaps surprising that allocations via this instrument increased the most from 2019 to 2024, at a CAGR of 104% (Table 10). Concurrently, however, the number of investors allocating anything at all to equity-like debt decreased by 20% over the five-year period, indicating that the increase in AUM allocations is primarily driven by a relatively small number of large-ticket investors. Private debt saw the second largest CAGR in AUM allocated (32%), followed by real assets (27%) and public equity (19%).

TABLE 10: Growth in allocations per asset class
n = 71

	2019 AUM (million USD)	2024 AUM (million USD)	CAGR
Equity-like debt	457	16,146	104%
Public debt	7,118	29,026	32%
Real assets	3,600	11,735	27%
Public equity	7,250	17,065	19%
Private equity	28,793	63,791	17%
Private debt	72,755	102,267	7%
Deposits & cash-equivalents	552	632	3%
Other	8,288	7,948	-1%

Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys. "Other" includes grants, guarantees and social outcome contracts.

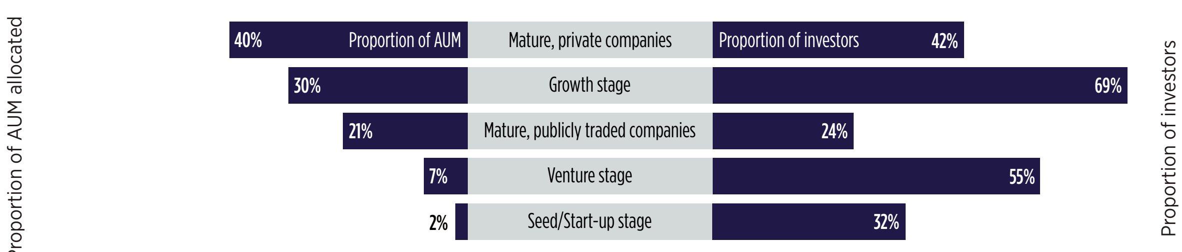
Source: Global Impact Investing Network (GIIN), 2024

Although equity-like debt saw the largest increase of any asset class over a five-year period, this trend did not hold on a one-year comparative basis from 2023 to 2024. Allocations to equity-like debt decreased by 66% over the last 12 months, and the proportion of investors allocating any AUM through equity-like debt decreased by 9%. In line with the five-year trend, public debt (40%) and real assets (33%) both saw large increases in AUM, and public equity a modest increase of 3%, over the past year.

Stage of business allocations

While not all investors allocate into companies or projects directly, this section explores the breakdown of AUM by stage of business. For investors allocating indirectly via funds or intermediaries, these represent estimates based on where their funds were directed. While the majority of investors in the sample made allocations to growth stage (69%) and venture stage companies (55%), mature, private companies received the highest proportion of impact AUM allocated by investors (40%; Figure 21). Growth stage companies received the second highest proportion of allocations (30%), followed by mature, publicly traded companies (21%).

FIGURE 21: Asset allocations by stage of business
n = 288; AUM = $277 billion USD



Note: Respondents may allocate to multiple stages of business. This figure excludes five outlier organizations and 11 organizations that did not provide allocations data.

Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Allocations to seed-stage businesses grew by 136%

Despite receiving only 2% of impact AUM allocations, seed/start-up companies experienced the highest five-year CAGR over the period 2019 to 2024, at 136% (Table 11). The number of investors allocating at least some of their capital to seed/start-up companies increased by 29%; the larger growth rate in AUM suggests that a relatively small number of investors allocated disproportionately higher AUM amounts to seed/start-up companies over the five-year period. Mature, publicly traded companies saw the second largest increase in AUM allocated, at a CAGR of 47%. Surprisingly, although the proportion of investors allocating any AUM to growth stage companies increased by 4%, allocations to growth stage companies decreased at a negative CAGR of 12%. Interestingly, while allocations to mature, private companies increased only by a CAGR of 14%, the proportion of investors investing in them increased by 127%.

TABLE 11: **Growth rates across stage of business**

n = 71

	2019 (million USD)	2024 (million USD)	CAGR
Seed/Start-up stage	1,290	94,602	136%
Mature, publicly traded companies	9,271	63,769	47%
Venture stage	4,939	9,537	14%
Mature, private companies	20,267	38,908	14%
Growth stage	65,503	35,493	-12%

Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys.

Source: Global Impact Investing Network (GIIN), 2024

Investment activity

Key take-aways

- **In 2023, investors in the sample invested $62 billion USD in impact capital, with a mean of $211 million USD and a median of $40 million USD.**
- **Over the past five years the volume of capital[2] grew at a CAGR of 6% while transactions decreased by a CAGR of 1%, indicating larger deals on fewer transactions.**
- **Blended finance saw mixed participation, with some investor groups returning to the field in the post-pandemic marketplace. Private debt-focused investors and Institutional Asset Owners participated in higher numbers than pre-COVID.**

Volume of capital and deal sizes

In reporting year 2023, investors across the sample collectively invested over $62 billion USD in capital, with $211 million USD at the mean, excluding three outliers, and $40 million USD at the median (Table 12). Altogether, investors undertook 9,923 deals, with an average of 34 and median of eight. Investors reported that by the end of 2024 they planned to allocate $95 billion USD in volume of capital and complete 17,583 in transactions, indicating an optimistic outlook for the year. At the median, investors planned to allocated $34 million USD and eight transactions each.

TABLE 12: **Volume of capital, 2023 (reported) and 2024 (expected)**
n = 296

	Reported in 2023	Expected in 2024
Total impact investments (USD)	$62 billion	$95 billion
Median capital allocations	$40 million	$34 million
Total deals	9,923	17,583
Median deals	8	8

Note: This excludes organizations that did not submit responses for both their 2023 volume of capital and 2024 expected volume of capital, and three outliers.
Source: Global Impact Investing Network (GIIN), 2024

Among repeat respondents to the 2023 and 2024 surveys, actual reported 2023 allocations exceeded what respondents had indicated they expected to invest in the prior year (2022), by 41% overall.

Concurrently, investors overestimated the number of transactions that they would complete in 2023. Overall, investors had expected 7,903 transactions to be completed in 2023, but reported 18% fewer transactions, at 6,480. At the mean, investors overestimated the number of transactions by 22% (61 expected and 48 completed). At the median, however, investors were more accurate, having expected to make 10 transactions, 10 were reported in the 2024 Impact Investor Survey.

There was a notable difference in expected versus reported deals executed based on size of investor. Among small sized investors there was a large increase in actual capital allocated compared to expected (118% overall and 26% at the median). Although among medium and

2 Volume of capital: the amount of securities or assets that are transacted over a period or point in time as an indicator of market activity and liquidity.

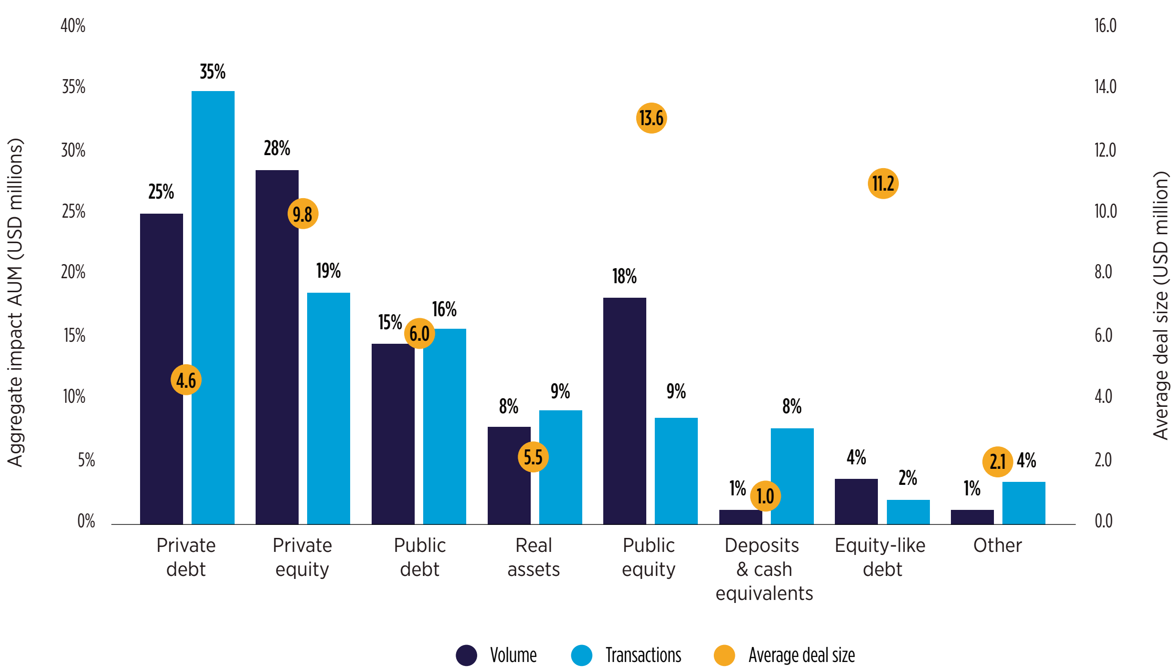
large sized investors there was also an overall increase, at the median this was not the case, actual allocations being respectively 19% and 24% less than expected.

Similar discrepancies occurred between the number of planned and actual transactions. While small sized investors completed 31% fewer overall transactions than expected, and 15% fewer at the mean, at the median this sub-group actually completed 17% more transactions than expected. Comparing actual to expected transactions, large investors completed 33% fewer transactions overall, 44% fewer at the mean and 13% fewer at the median.

The volume of capital invested and the number of transactions reported in the Impact Investor Survey also varied by asset class. While nearly two-thirds (62%) of investors allocated some capital through private equity, this represented only 28% of all impact AUM invested in 2023. Private debt received the second highest proportion of impact capital invested in 2023, at 26%, although significantly fewer investors were using the instrument (42%) compared to private equity. Comparatively, 42% of investors reported at least one private debt transaction, investments which comprised 35% of all impact transactions in 2023.

Average deal size — the volume of capital divided by all transactions — also differed significantly by asset class (Figure 22). Largely in line with prior research by the GIIN[iii], public equity had the largest average deal size at $13.6 million USD, followed by equity-like debt at $11.2 million USD per transaction and private equity at $9.8 million USD per transaction. Despite having a smaller deal size at $4.6 million USD, private debt still accounted for 35% of total transactions among the sample (compared to 9% for public equity and 2% for equity-like debt). Unsurprisingly, investor size also played a role in average deal size. Among small and medium investors the average deal size was $2.3 million USD and $2.2 million USD respectively, while large investors allocated an average of $12 million USD per deal.

FIGURE 22: **Capital invested, number of transactions, and average deal size, by asset class**
n = 278; Volume of capital = $61 billion USD



Note: This graph excludes volume of capital and transaction outliers; sample mean is $6.4 million USD per transaction.
Source: Global Impact Investing Network (GIIN), 2024

As may be expected, among those who reported investment activity in reporting year 2023, investment managers accounted for 78% of the volume of capital invested, significantly above the second largest investor, DFIs, at 9% (Table 13). Interestingly, investment managers and DFIs also reported planning the largest 2024 increase in volume of capital deployed, at 29% and 32% respectively.

TABLE 13: **Average deal size by organization type**

	2023 activity			Planned 2024 activity			
Overall	Volume of capital (million USD)	Number of deals	Median volume invested (million USD)	Planned volume of capital (million USD)	Planned number of deals	Median volume invested (million USD)	N
Development financial institution	4,162	878	46	5,505	685	140	11
Enterprises/companies	1,136	252	5	1,132	167	9	7
Family offices	485	118	18	512	83	18	9
Foundations	720	703	5	630	754	5	31
Investment managers	42,898	7,126	41	55,506	15,375	40	200
Total	49,401	9,077	---	63,285	17,064	---	258

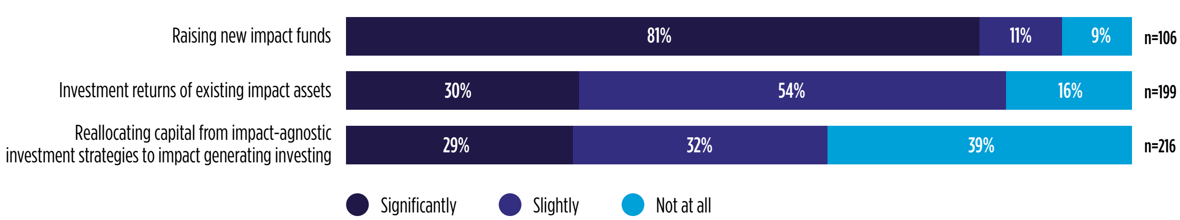
Note: Data reflects a subset of the sample who reported on volume of capital and number of deals for 2023 along with planned volume of capital and planned number of deals for 2024. As a result, figures vary slightly from the full sample. To preserve anonymity, "other" organization types have not been included.

Source: Global Impact Investing Network (GIIN), 2024

Sources of capital

Among organizations intending to allocate additional capital towards impact investing in the next year, 81% indicated that raising new impact funds would significantly contribute to these allocations, 30% reported that investment returns on existing assets would contribute significantly and 29% mentioned the reallocation of capital from impact-agnostic to impact-generating strategies as being a significant factor (Figure 23).

FIGURE 23: **Sources of new impact investment capital**

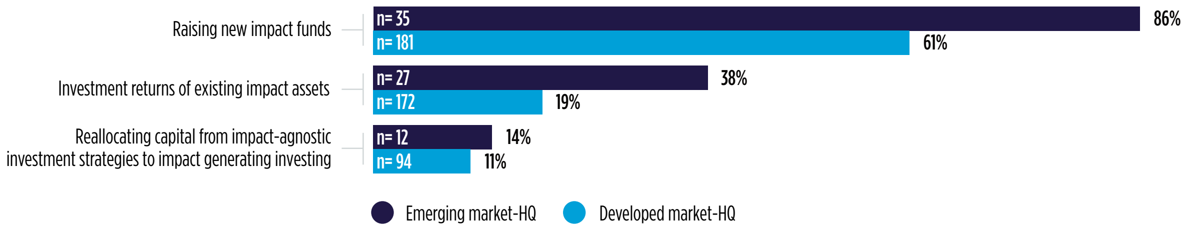


Note: Excludes investors who did not provide answers to this question.

Source: Global Impact Investing Network (GIIN), 2024

Potential sources of capital varied for investors based in emerging markets as compared to those based in developed ones. Among emerging market-headquartered investors, 86% reported that new impact funds will significantly contribute to their growth, 38% cited investment returns on investing assets and 14% the reallocation of capital from impact-agnostic to impact generating funds (Figure 24). These figures were noticeably lower among developed market-headquartered investors, at 61%, 19% and 11% respectively. This suggests that new impact funds are crucial to the growth of emerging market-headquartered investors, and that, generally and across geographies, raising new impact funds is seen as affecting allocations more than the reallocation of existing impact assets or reallocating across investment strategies.

FIGURE 24: Significant sources of new impact investment capital, by headquarter region

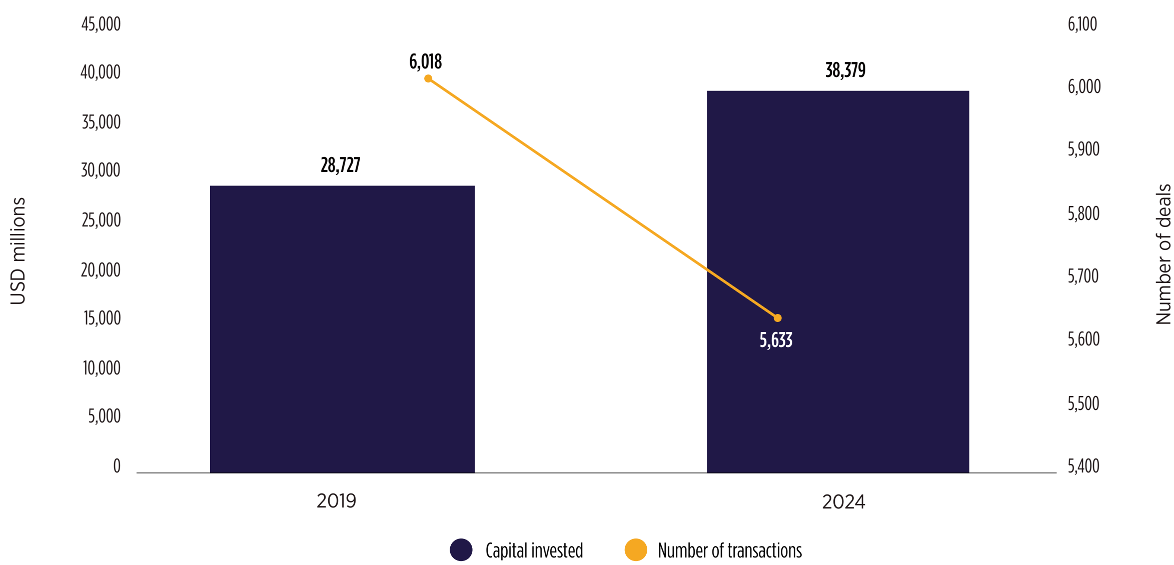


Note: Excludes investors who did not provide answers to this question. Respondents could select multiple answer options.
Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Increased volume of capital and decreased number of transactions

Among 2019 to 2024 repeat respondents the volume of capital invested increased from 29 billion USD to 38 billion USD, reflecting a CAGR of 6% in activity, while the total number of transactions decreased by 1% (Figure 25). Simultaneously, the average deal size increased by 7%, from $4.7 million USD per deal in 2019 to $6.8 million USD in 2024. At the median, however, these numbers are different: capital volumes increased by 8% and the number of transactions also increased, by 6%. The deal size at the median increased just slightly, by 2%, from $5.3 million USD to $5.8 million USD. These signs point to investors making fewer but bigger deals; perhaps, also, to smaller investors continuing to increase their transaction volumes.

FIGURE 25: Investment activity between 2019 and 2024
n = 71; capital invested in million USD

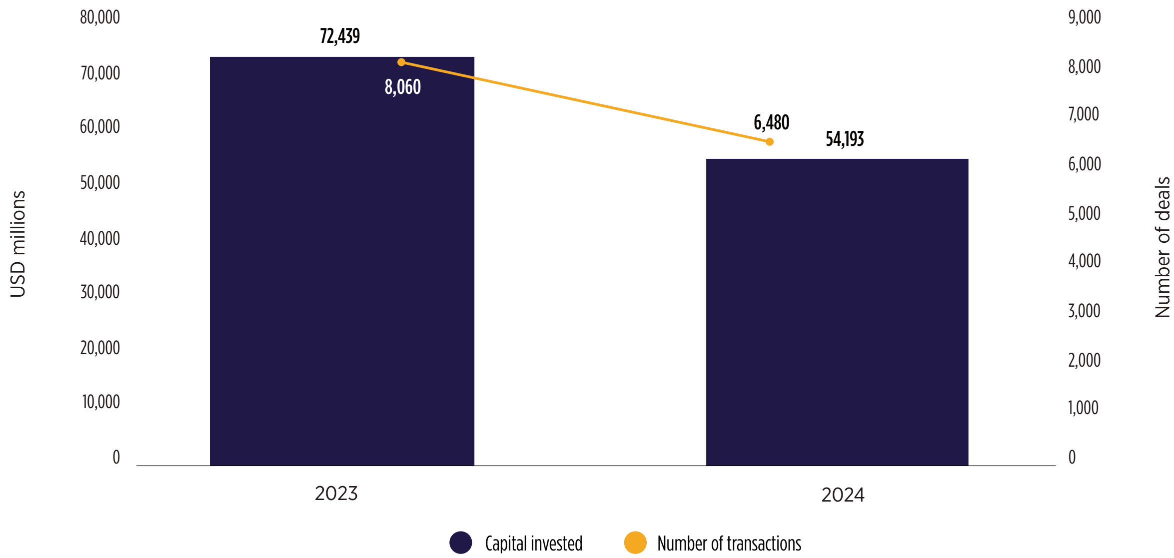


Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys.
Source: Global Impact Investing Network (GIIN), 2024

Among repeat respondents, from 2023 to 2024, volume of capital invested decreased by 25% from $72 billion USD to $54 billion USD, with a 27% decrease at the mean and a 6% decrease at the median (Figure 26). The number of transactions also decreased; Overall, investors completed 20% fewer transactions, a decrease from 8060 to 6480. Transactions at the mean also dropped by 20%, while at the median, the decrease was only 11%. Taken together, there was a decrease of 9% in average deal size from $8.9 million USD per transaction in 2023 to $8.1 million USD per transaction in 2024. At the median, however, median deal size actually increased by 4% from $4.8 million USD in 2023 to $5 million USD in 2024.

FIGURE 26: Investment activity between 2023 and 2024

n = 149; capital invested in million USD



Note: This table represents a subset of respondents who provided data to both the 2023 and 2024 Impact Investor Surveys.

Source: Global Impact Investing Network (GIIN), 2024

Blended finance

Blended finance is a strategy that combines capital with different levels of risk to draw risk-adjusted, market-rate-seeking financing into impact investments. The providers of the risk-tolerant, "catalytic" capital in blended finance structures aim to increase their social and/or environmental impact by accessing larger, more diverse pools of capital from commercial investors. The use of blended finance structures and catalytic capital is increasingly relevant within the impact investment ecosystem, particularly in how they can help address some of the world's critical challenges.

Sources: GIIN (2019),[iv] Convergence (2024),[v] Catalytic Capital Consortium (2024)[vi]

Blended finance can play a critical role in combatting the greatest social and environmental challenges of our time. This year's survey probed respondents as to their participation in blended financing and their views on its role and value in impact investing.

Less than half of impact investors have participated in a blended finance deal

Forty-two percent of impact investors indicated that they have participated in a blended finance deal in the three years prior to 2024 (Table 14). About a quarter (24%) reported that they had not, but plan to in the future. Just over a third (34%) indicated that they had neither done so nor plan to in the future. Participation in blended finance, and intent to participate in blended finance, vary by investor type, location, return expectations and investor size (Table 14).

TABLE 14: **Participation in blended finance deals by investor sub-group**

		Yes	No, but we plan to in the future	No, and we do not plan to in the future	n
Overall		**42%**	**24%**	**34%**	**304**
Headquarters	Developed market-HQ investors	43%	21%	36%	265
	Emerging market-HQ investors	33%	44%	23%	39
Asset class focus	Private equity-focused investors	39%	26%	35%	147
	Private debt-focused investors	63%	21%	16%	38
Target returns	Market-rate investors	35%	26%	38%	226
	Below market-rate investors	62%	17%	22%	78
Investor size	Large investors	39%	16%	45%	94
	Small investors	42%	29%	29%	127
Organization type	Investment managers	36%	24%	40%	221
	Institutional asset owners	55%	27%	18%	11

Source: Global Impact Investing Network (GIIN), 2024

The biggest divergence in blended finance participation in the previous three years was between below market-rate investors and market-rate investors. Nearly two-thirds (62%) of below market-rate investors participated in a blended finance deal compared to just over a third (35%) of market-rate investors. There was also a noticeable difference between private debt-focused investors and private equity-focused investors. In the previous three years nearly two-thirds (63%) of private debt-focused investors engaged in blended finance compared to 39% of private equity-focused investors. Looking ahead, the largest difference in participation plans is between developed market-headquartered investors and those headquartered in emerging markets, with 44% of the latter intending to use blended finance in the future compared to 21% of developed market-headquartered investors. Conversely, 40% of investment managers indicated no plans to participate in blended finance in the future compared to 18% of institutional asset owners, and 45% of large investors indicated no plans to participate compared to 29% of small investors.

Of the investors who have participated in a blended finance deal in the past three years, 70% highlighted that they do so to fill gaps in the market where commercial capital is not available, 61% reported that they pursue blended finance for funding for nascent business models and 55% indicated that they believe it is a tool to scale commercial capital. Overall, only 35% reported seeing blended finance as a facility to enhance the quality of risk associated with a given investment, including 31% of market-rate investors and 39% of below market-rate investors. Among respondents who do not participate in blended finance, 58% indicated that it does not fit their investment model.

Overall, 39% of blended finance capital was invested in market-rate impact investments, amounting to $2.2 billion USD, 18% in debt with flexible terms ($1 billion USD), 13% in subordinated debt ($730 million USD) and 5% in guarantees to be used for first loss capital ($276 million USD; Table 15). In other words, investors allocated more to market-rate strategies than the next three biggest blended finance strategies combined, perhaps reflecting that the promise of blended finance mechanisms (flexible terms, subordination and guarantees) to leverage increasing volumes of market-rate capital is at play.

TABLE 15: **Allocation of blended finance capital by instrument**

n = 67

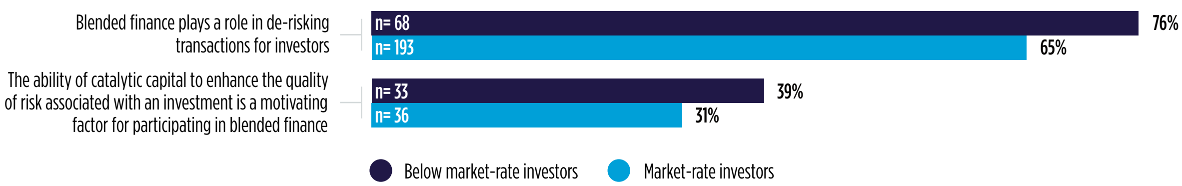
	Market-rate impact investments	Debt with flexible terms	Subordinated debt	Guarantees to be used for first-loss capital	Grants to be used for first-loss capital	Junior equity	Seed investment in a capital stack	Pay-for-performance instruments	Non-returnable/ non convertible grants
Total (million USD)	$2,169	$1,013	$730	$276	$226	$175	$153	$78	$41
Proportion of investors allocating anything at all	34%	39%	16%	15%	13%	16%	12%	7%	16%
Proportion all blended finance allocated	39%	18%	13%	5%	4%	3%	3%	1%	1%
Number allocating anything at all	23	26	11	10	9	11	8	5	11

Note: Respondents could select multiple options. This chart excludes responses which indicated "other" blended finance instruments.

Source: Global Impact Investing Network (GIIN), 2024

Impact investors recognize the critical role that blended finance plays in the impact investing industry. Perhaps as expected, nearly seven in ten respondents (68%) highlighted that blended finance plays a role in de-risking transactions for investors, including 65% of market-rate investors and 76% of below market-rate investors (Figure 27).

FIGURE 27. **Investors agreeing with the following statements on risk in blended finance investments**



Source: Global Impact Investing Network (GIIN), 2024

Fifty-eight percent of investors reported that blended finance helps to attract funding for large-scale, high-impact investments, and just over half (53%) indicated that it plays a role in directing the flow of capital to new sectors and geographies.

Interestingly, the 2024 survey indicated that the most common strategy for participating in blended finance was through making market-rate investments. While investors overwhelmingly recognize blended finance as providing de-risking potential, many did not report using it for that purpose. However, given that there are always at least two parties to a blended finance transaction, in any particular collaboration one participant may be de-risking and another taking on more risk.

These findings suggest that there may be additional demand for de-risking capital as this area of the industry grows, and that there is perhaps a disconnect between advocates of these structures and what value blended structures actually provide — plugging capital gaps, funding nascent business models and crowding in commercial capital.

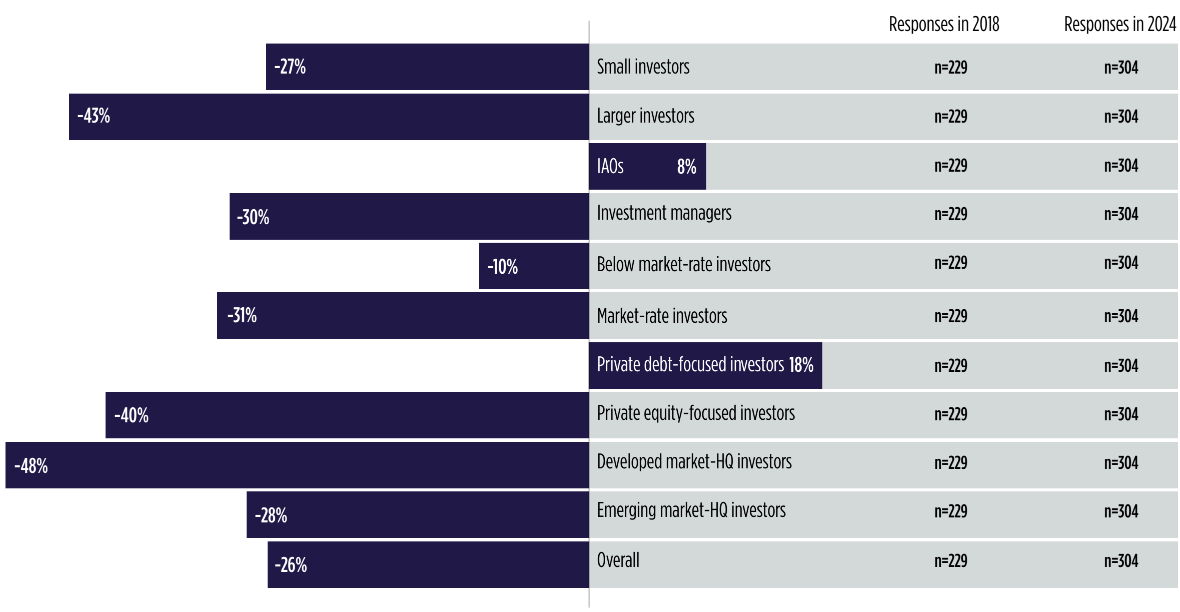
Six-year trends: Participation in blended finance returning after COVID-19 pandemic challenges

Among repeat respondents, the number of investors who reported that they participated in blended finance deals increased slightly, from 62% in the 2018 survey to 65% of the sample in the 2024 survey.

This marginal shift over the past six years belies the full story. When looking at trends from 2018 to 2020, the data showed an increase in participation in blended finance across nearly every investor sub-group and type, indicating a rise in interest in blended finance just prior to the COVID-19 pandemic (Figure 28). Interest in blended finance then plummeted during the pandemic years, but it is important to note that many innovative strategies took a beating during the pandemic's turbulent economic environment.

The 2024 data indicated that blended finance may be in the process of recovering: overall participation in 2024 reached 74% of pre-pandemic levels. Investors leading the blended finance recovery were primarily private debt-focused investors and IAOs. The 2024 survey showed that 63% of the former participated in blended finance, up from 53% in 2018; IAOs were at 55% participation, four percentage points up from their 2018 level. The slowest recoveries were among developed market-headquartered investors, who currently participated at just over half (51%) of pre-COVID levels, and private equity investors (at 59% of pre-COVID levels).

FIGURE 28: **Participation in blended finance by investor sub-groups over time, 2018-2024**



Note: Analysis of the six-year period includes the entire survey samples for 2018, 2020 and 2024.
Source: Global Impact Investing Network (GIIN), 2024

It remains to be seen whether investors will continue to pursue blended finance in the coming years. Based on this year's findings, perhaps private debt-focused investors and IAOs will be leading the charge.

Financial and impact performance

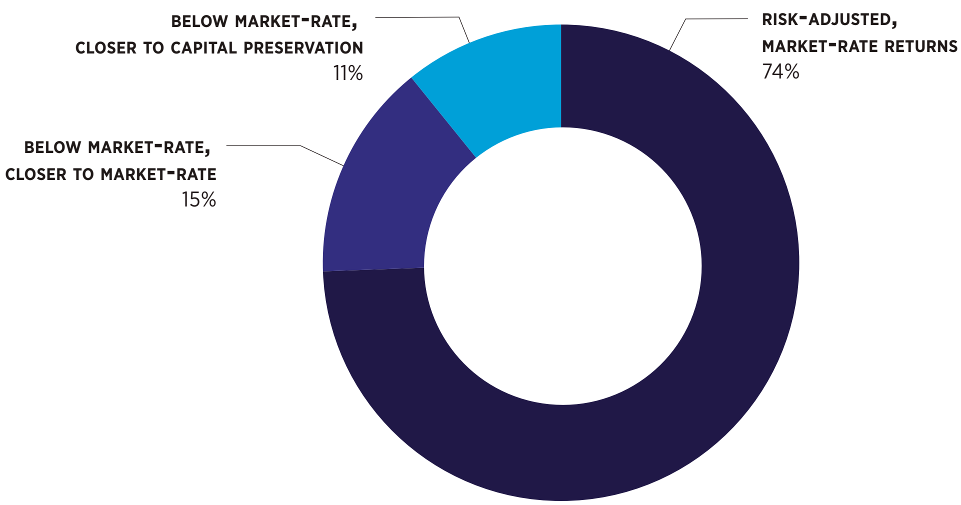
Key take-aways

- Nearly three-quarters (74%) of investors targeted risk-adjusted, market-rate returns.
- Sixty-eight percent of foundations sought below market-rate returns, compared to 50% of DFIs, 16% of investment managers and 13% of IAOs.
- Eighty-six percent of investors said their financial investments were outperforming or in line with expectations, and 90% responded similarly regarding their impact investments.

Target financial returns

Nearly three-quarters (74%) of surveyed investors targeted risk-adjusted, market-rate returns (Figure 29). The remaining investors targeted below market-rate returns; 15% targeted returns closer to market-rate and 11% targeted returns closer to capital preservation.

FIGURE 29: **Target financial returns**
n = 305



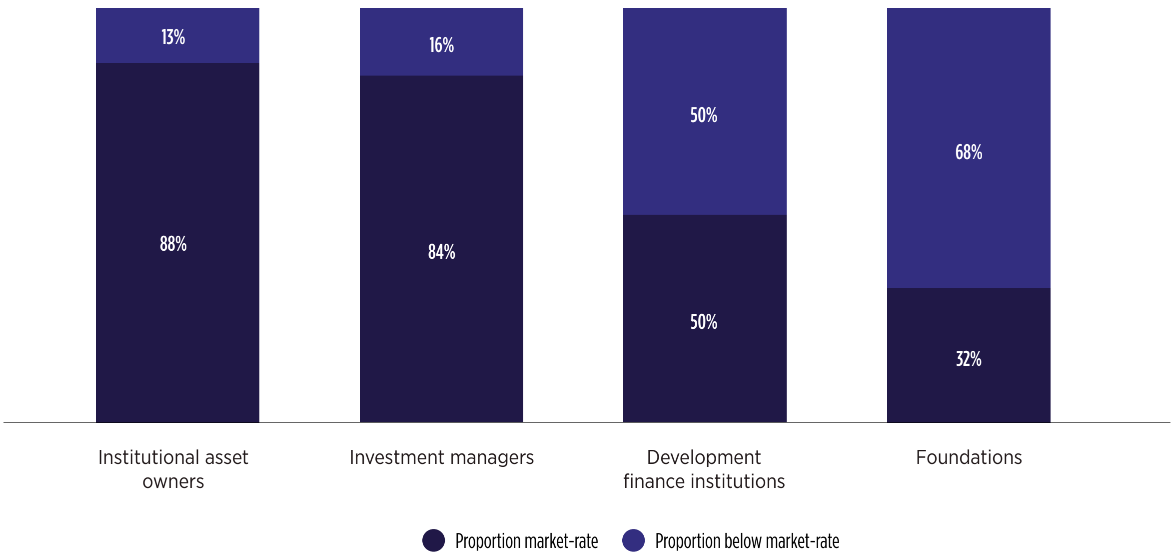
Source: Global Impact Investing Network (GIIN), 2024

Notably, the amount of impact AUM being allocated by below market-rate investors increased by a CAGR of 51% among repeat respondents, from $2.8 billion USD in 2019 to $21.7 billion USD in 2024. In the same five-year period the proportion of below market-rate investors increased by only 13%, indicating that the amount of impact AUM allocated by below market-rate investors grew faster than the number of below market-rate investors. At the same time, the number of market-rate investors decreased by 4%, while impact AUM allocated by market-rate investors increased by 12%.

Target financial returns varied by investor group and organization type. For example, just over half (56%) of small investors targeted market-rate returns, whereas 83% of medium sized investors and 91% of large investors did so. Similarly, as expected, only 4% of public market-focused investors targeted below-market returns compared to 26% of private market-focused investors. Interestingly, while a lower proportion of emerging market-focused investors targeted market-rate returns compared to developed market-focused investors (69% versus 78%), a higher share of emerging market-headquartered investors targeted market-rate returns than did their developed market-headquartered counterparts (77% versus 74%). Target returns also differed by organization type (Figure 30).

FIGURE 30: **Target financial returns by organization type**

n = 272



Note: Excludes organizations whose type did not fit into these four categories.

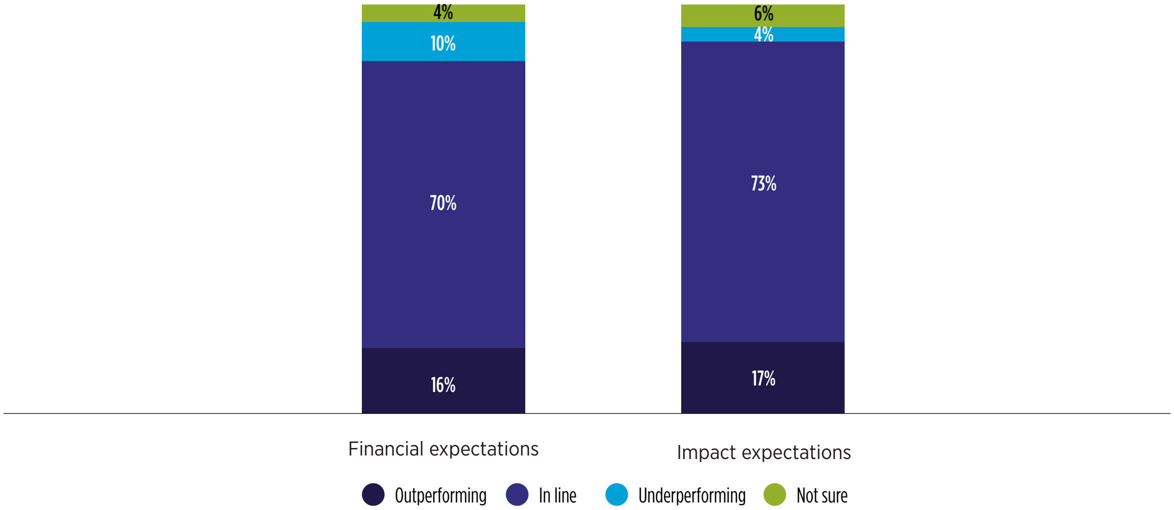
Source: Global Impact Investing Network (GIIN), 2024

Performance relative to expectations

Investors also shared information about the performance of their investments relative to expectations (Figure 31). Eighty-six percent of investors reported that their financial returns were outperforming or performing in line with expectations, and 90% reported the same for their impact returns. Notably, fewer investors reported impact performance (4%) underperforming relative to expectations compared to financial performance (10%).

FIGURE 31: **Financial and impact performance relative to expectations**

n = 304



Note: Excludes one organization that did not share financial or impact performance relative to expectations.

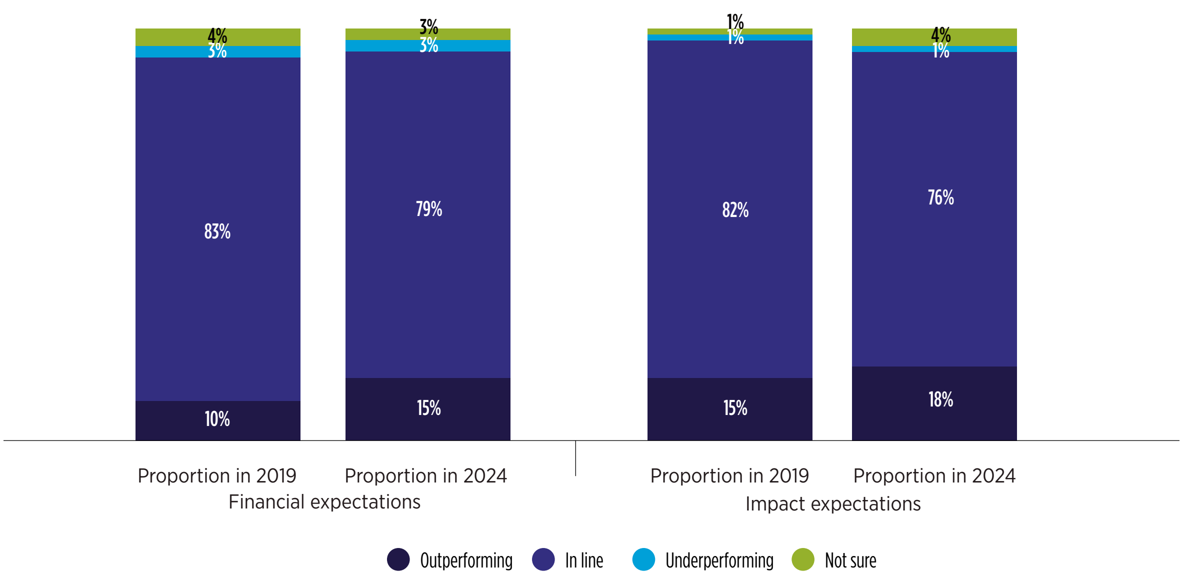
Source: Global Impact Investing Network (GIIN), 2024

Five-year trends: Financial and impact performance relative to expectations

Measured over the five years from 2019 to 2024 there were modest but notable upticks in both the proportion of investors reporting that the financial performance of their investments exceeded expectations (15% in 2024, 10% in 2019; Figure 32) and the proportion reporting outperformance regarding impact relative to expectations (18% in 2024 compared to 15% in 2019). This may reflect more realistic expectations with regards to both the financial and impact performance of investors' allocations, as well as a signal of market maturity.

FIGURE 32: **Performance relative to expectations over time**

n = 71



Note: This table represents a subset of respondents who provided data to both the 2019 and 2024 Impact Investor Surveys.

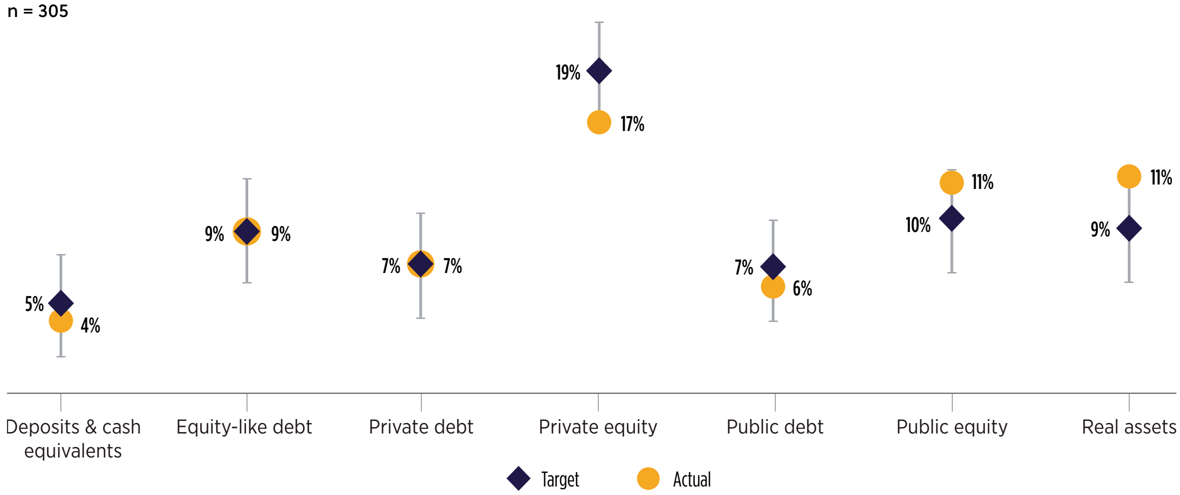
Source: Global Impact Investing Network (GIIN), 2024

Realized gross financial returns

In addition to expectations, investors also reported their target and realized gross financial returns (Figure 33). Overall, private equity generated the highest gross realized returns at 17% on average and 12% at the median. These numbers were largely driven by market-rate investors, whose private equity returns were, on average, 19% compared to 8% among below market-rate investors. Both returns fell short of the target rate set for private equity: 21% for market-rate investors and 10% for below market-rate investors. Deposits and public debt also saw lower actual returns than initially targeted, while equity-like debt and private debt investments reported the same target and actual returns. The only two asset classes that saw actual returns outperforming target returns were real assets by two percentage points and public equity by one percentage point.

FIGURE 33: **Target and realized gross financial returns among all investors**

n = 305



Note: Error bars show the 10th to 90th percentile. Returns show actual realized returns for each asset class over a three-year-period.

Source: Global Impact Investing Network (GIIN), 2024

Measuring and managing impact

Key take-aways:

- **Seventy percent of investors used some form of generally accepted impact metric, such as IRIS+, to inform their approach to measuring and managing impact.**
- **Over six in ten investors (62%) integrated impact performance into investment terms by means of codification in legal documents.**
- **Most investors consulted a variety of stakeholders when considering a responsible exit, and 57% undertook such consultations pre-investment.**
- **Forty-seven percent of investors said they have no plans to integrate artificial intelligence into their investment processes in the year ahead.**

There are many ways impact investors can influence impact results and manage towards greater impact performance, including use of capital, the terms and timing of that capital and stakeholder engagement mechanisms.

It is useful to explore how impact investors' approaches have evolved, becoming increasingly sophisticated in meeting challenges in the effective measurement and management of impact. In particular, a wider and improved selection of impact metrics, accountability mechanisms and consideration of impact beyond exits are all critical to influence results. In addition, artificial intelligence (AI) is increasingly playing a role in decision-making in many ambits of impact investing.

Selection of impact metrics

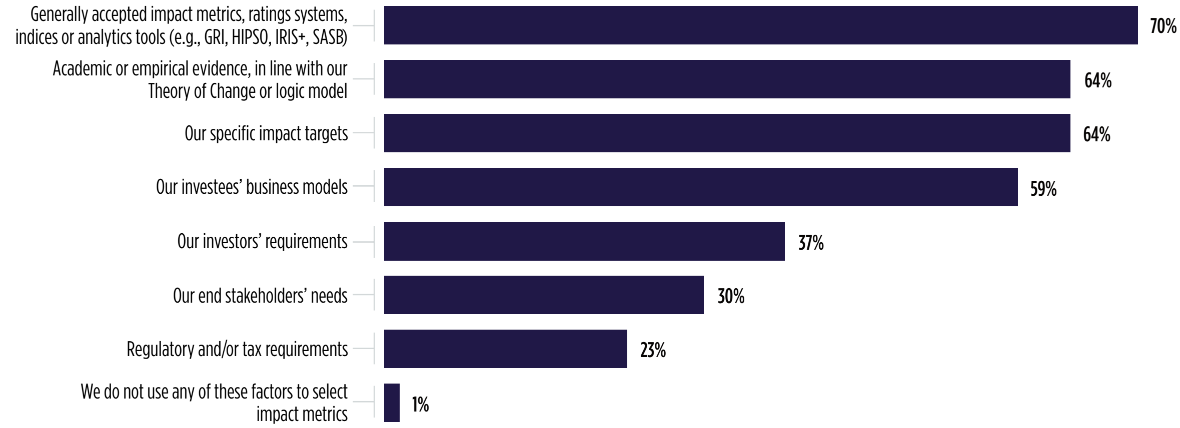
Impact investors used a variety of approaches to select impact metrics. Most commonly, at 70% of respondents, generally accepted impact metrics, systems and tools such as GRI, HIPSO and IRIS+ were used, followed closely by academic or empirical evidence in line with a Theory of Change (64%), or the investor's own impact targets (64%; Figure 34).

Interestingly, despite considerable and worldwide discussion of evolving regulatory environments, less than a quarter of respondents (23%) rely on regulatory and/or tax requirements to select their impact metrics. Perhaps unsurprisingly, use of this approach is skewed towards large investors, 40% of whom use regulatory and/or tax requirements to select metrics, compared to just 12% of small investors, highlighting the discrepancy in how regulations may affects organizations of different sizes.

Asset allocators sometimes require specific impact metrics for reporting; 37% of respondents indicated that they select metrics based on investors' requirements. Interestingly, this was higher among emerging market-focused investors than developed market-focused investors (47% versus 30%).

FIGURE 34: **Selection of impact metrics**

n=305



Note: Respondents could select multiple answer options.

Source: Global Impact Investing Network (GIIN), 2024

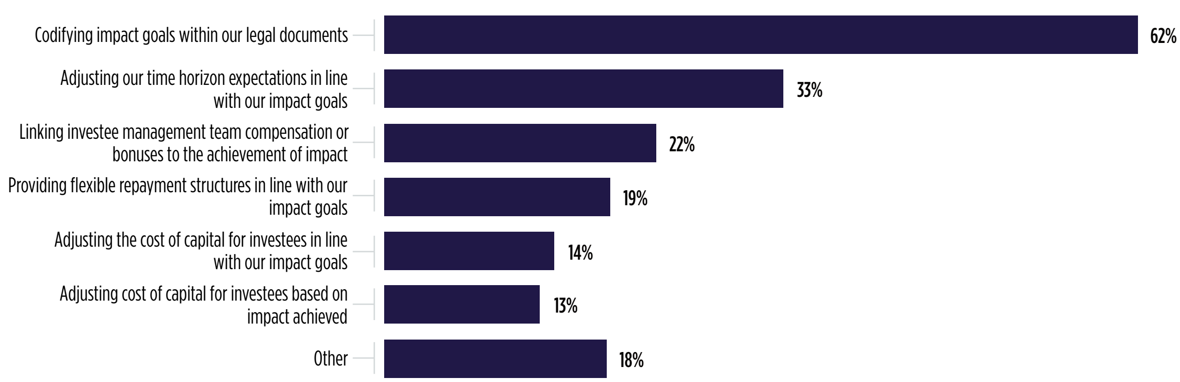
Accountability for impact

Once investors have selected impact metrics, holding themselves and other stakeholders accountable is critical. Investors can do this through the integration of impact metrics into investment terms, incentive structures, and audits of both IMM practice and performance.

Impact investors integrate impact into their investment terms in a variety of ways. Most commonly, 62% elect to codify specific impact goals in legal documents such as investor or shareholder agreements, loan covenants or term sheets (Figure 35). Thirty-three percent adjust time horizon expectations in line with impact goals (33%), and 22% link investee management team compensation or bonuses to the achievement of impact.

FIGURE 35: **Integration of impact into investment terms**

n=305



Note: "Other" included donating carry to non-profits, customized targets, engaging with intermediaries or third parties, compensation mechanisms and linking carried interest to impact targets. Respondents could select multiple answer options. Some investors also indicated that they do not integrate impact into investment terms.

Source: Global Impact Investing Network (GIIN), 2024

As expected, approaches to integrating impact into investment terms vary by investor size. A greater proportion of small investors than large ones adjust the cost of capital for investees based on impact achieved (22% versus 6%; Table 16). Similarly, a higher proportion of small investors adjust the cost of capital for investees in line with impact goals compared to large investors (22% versus 6%). These indicators point to the role that investor size may play in its ability to offer capital flexibility. Interestingly, too, across the board, private market-focused investors engage in these mechanisms more so than public market-focused investors.

TABLE 16: **Integration of impact into investment terms**

	Small investors	Medium investors	Large investors	Emerging market-focused investors	Developed market-focused investors
Number of investors	129	81	93	116	158
Codifying impact goals within our legal documents (e.g., investor or shareholder agreements, loan covenants, term sheets)	57%	72%	61%	74%	50%
Adjusting our time horizon expectations in line with our impact goals	41%	31%	24%	35%	32%
Providing flexible repayment structures in line with our impact goals	25%	17%	12%	21%	17%
Adjusting the cost of capital for investees in line with our impact goals	22%	11%	6%	16%	13%
Linking investee management team compensation or bonuses to the achievement of impact	19%	21%	28%	21%	25%
Adjusting cost of capital for investees based on impact achieved	18%	12%	6%	15%	13%
Other	16%	16%	24%	9%	20%

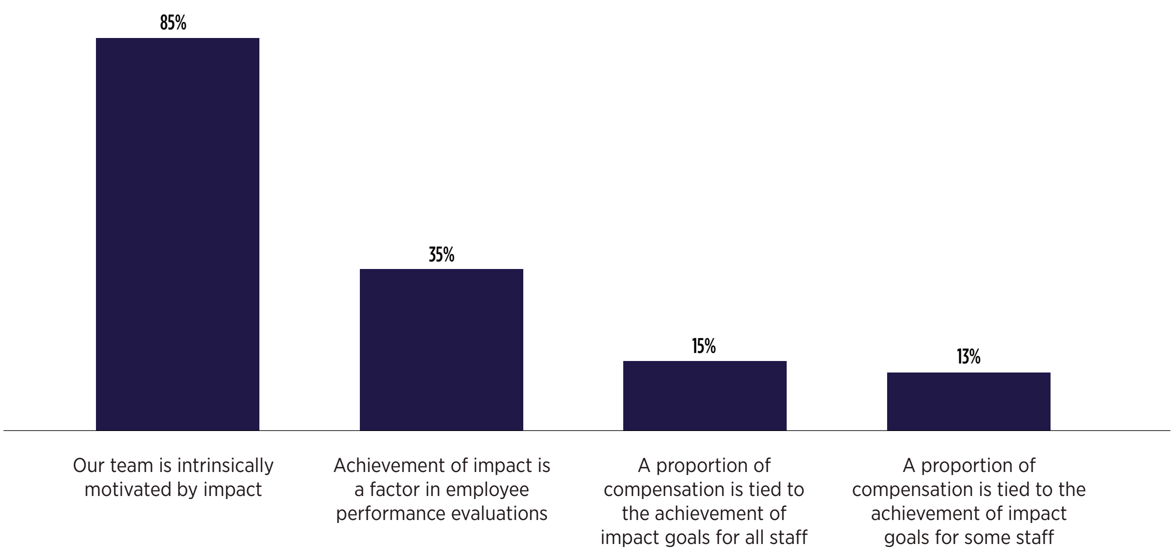
Note: "Other" included donating carry to non-profits, customized targets, engaging with intermediaries or third parties, compensation mechanisms and linking carried interest to impact targets. Some investors also indicated that they do not integrate impact into investment terms. Respondents could select multiple answer options.

Source: Global Impact Investing Network (GIIN), 2024

Although intrinsic motivation is mentioned by the vast majority (85%) of respondents across stakeholder groups as driving the achievement of impact goals, investors increasingly incentivize staff to achieve impact goals (Figure 36). For example, 35% reported using employee performance evaluations to incentivize impact achievement. This proportion was higher among large investors (49%) than small investors (33%), which may reflect the resource capacity available among larger investor organizations. Interestingly, incentivization approaches may also vary by geographic regions; for example, developed market-headquartered investors more commonly reported tying a proportion of compensation to the achievement of impact goals for some staff than did emerging market-headquartered investors (13% versus just 8%).

FIGURE 36: **Incentivization of staff to achieve impact**

n = 279



Note: Respondents could select multiple answer options.

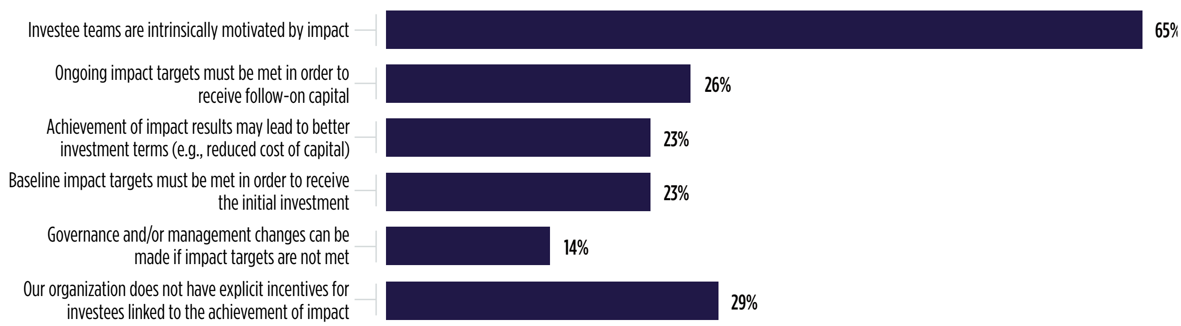
Source: Global Impact Investing Network (GIIN), 2024

The significant majority (65%) of investors also reported that their investee teams are intrinsically motivated by impact. Interestingly, and perhaps correlated to this, 29% indicated that their organization does not have explicit incentives for investees linked to the achievement of impact. Indeed, fewer than a third of impact investors engage in any form of incentive mechanisms (Figure 37).

As with staff, investee incentives vary by geographic headquarters. While a quarter of developed market-headquartered investors reported that baseline impact targets must be met in order to receive the initial investment, only 11% of emerging market-headquartered investors indicated the same. Differences in investee incentivization approach are also apparent between investor sub-groups. For example, nearly four in ten (38%) below market-rate investors reported that ongoing impact targets must be met in order to receive follow-on capital compared to 22% of market-rate investors.

FIGURE 37: **Incentivization of investees to achieve impact**

n = 263



Note: Respondents could select multiple answer options.

Source: Global Impact Investing Network (GIIN), 2024

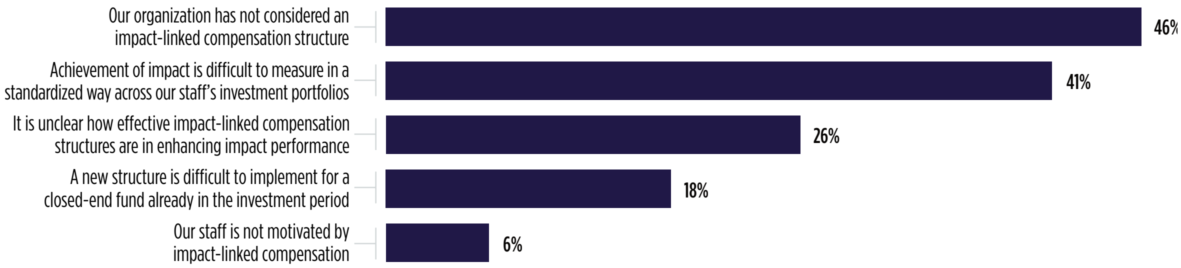
Impact-linked compensation can be a powerful opportunity to drive toward impact accountability and tackle impact washing. Nonetheless, it can also represent a challenge, and investors shared insights on the issues that they have encountered. Forty-one percent of respondents reported that achievement of impact is difficult to measure in a standardized way across their staff's investment portfolios, and 26% highlighted uncertainty as to how effective impact-linked compensation structures may be in enhancing impact performance (Figure 38).

These issues may be reasons behind why nearly half (46%) of investor respondents have not, as yet, considered an impact-linked compensation structure. The corollary is that significant opportunity exists for the impact investing industry to continue to evolve its approach to impact-linked compensation. Driving towards rigorous practice in this regard will require deep stakeholder engagement and collaboration at each stage of the process.[3]

3 For insight into how impact investors are approaching impact-linked compensation, see the report "Impact Linked Compensation", here.

FIGURE 38: **Challenges in impact-linked compensation**

n = 239



Note: Excludes a small number of respondents who indicated that impact-linked compensation has been costly to implement or has negatively affected financial performance. Respondents could select multiple answer options.

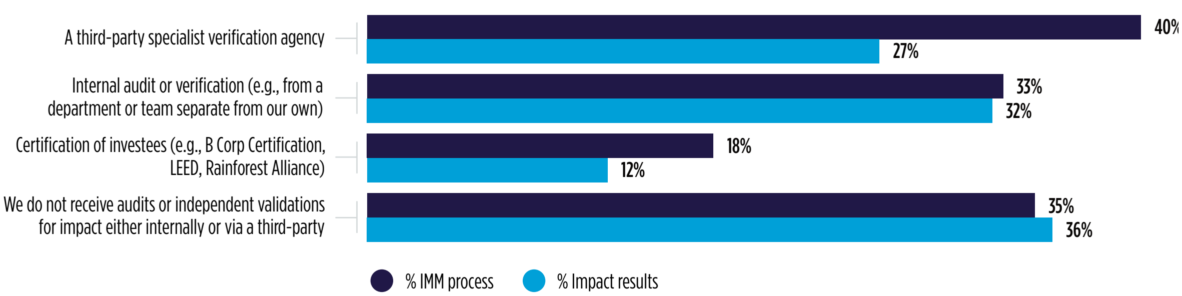
Source: Global Impact Investing Network (GIIN), 2024

As rigor across IMM practice has increased, so, too, has the demand for validation and verification. While the industry has seen more offerings on the IMM practice side, verification of impact results is critical too. Several audit services, certifications and other impact assessment methods have emerged in recent years to hold impact investors accountable. These are crucial to help combat impact washing.

Regarding IMM process, 40% of impact investors use a third-party specialist verification agency, followed by a third that use internal audits or validation (Figure 39). Over a third (36%) do not receive audits or independent validations for impact results, either internally or via a third party. Just under a third (32%) receive internal audits or verification, followed by 27% that use a third-party specialist verification agency. As the need for robust impact infrastructure and intelligence in the industry continues to grow, and with the demand for impact comparisons rising, verification will become increasingly important.

FIGURE 39: **Impact audit and verification on IMM process and impact results**

n = 305



Note: Respondents could select multiple answer options.

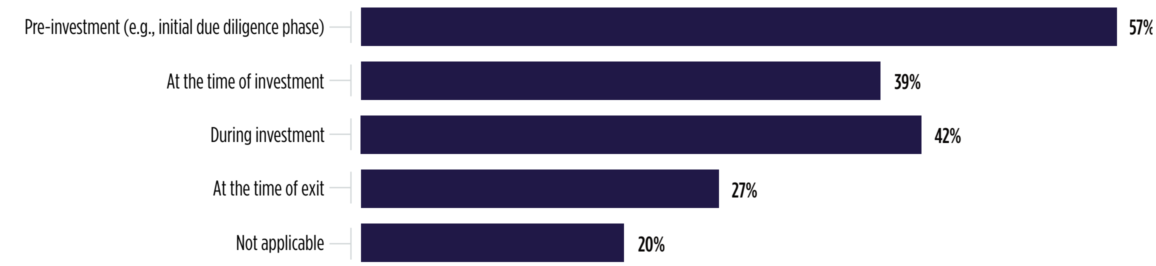
Source: Global Impact Investing Network (GIIN), 2024

Responsible exits

Apart from groups such as public-market investors who do not consider exit as a part of their model, impact investors consider impact at various stages of the investment life cycle, with a key impact component relating to exit strategies. Investors may reflect on their impact priorities, assess performance relative to targets, peers or thresholds, or consider exiting in a way that helps ensure the impact is long-lasting.

Impact investment exits can take a variety of shapes, and investors may consider exits at various stages of the investment process. Over half (57%) begin to consider potential exit strategies during the pre-investment (i.e., initial due diligence) phase, and 39% do so at the time of investment (Figure 40). A fifth of investors indicated that exit strategy consideration is not applicable to their portfolios.

FIGURE 40: Stages at which investors consider potential exit strategies
n = 277

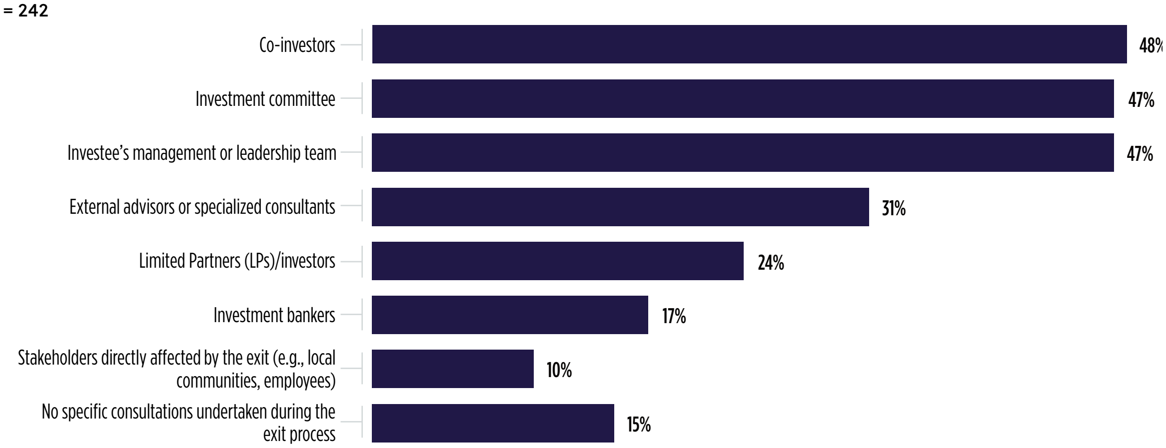


Source: Global Impact Investing Network (GIIN), 2024

Investors employ a variety of strategies to exit responsibly and ensure impact continues. Most commonly this is done by investing into companies, projects or funds where a social and/or environmental mission is naturally embedded in their work (66%). Other exit options include selecting acquirers that have an explicit impact intent (25%), and continuing to monitor impact performance after exit (13%).

Further, in order to help ensure responsible exits, and highlighting the critical role of internal and external input, impact investors consult stakeholders, including co-investors (48%), the Investment Committee (47%) and the investee's management or leadership team (47%; Figure 41). Interestingly, however, 15% of impact investors do not undertake any specific consultations during the exit process.

FIGURE 41: Stakeholders consulted to help ensure a successful exit
n = 242



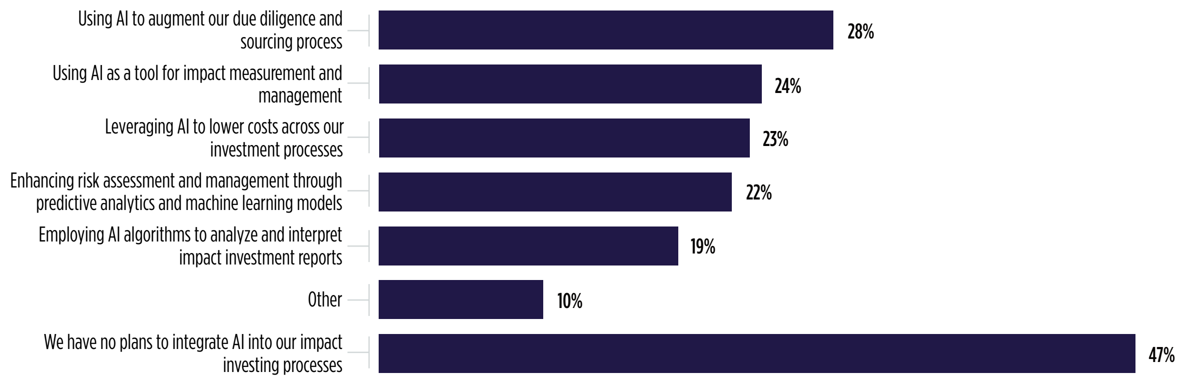
Note: Respondents could select multiple answer options.
Source: Global Impact Investing Network (GIIN), 2024

Role of artificial intelligence

Unsurprisingly, as artificial intelligence (AI) technologies continue to develop, a majority of investors (53%) report plans to incorporate AI in their impact investing processes in the coming year (Figure 42). Over a quarter (28%) indicated that they will use AI to help conduct due diligence and sourcing, and just under a quarter (24%) mentioned the deployment of AI as a tool for measurement and management, or to lower costs (23%).

FIGURE 42: **Expected uses of AI over the next year**

n = 291



Note: "Other" captures respondents as yet uncertain about how they would move forward with AI technologies; responses included "still to be explored," "we have not developed a clear strategy" and "we are really just starting out in our data analytics journey."

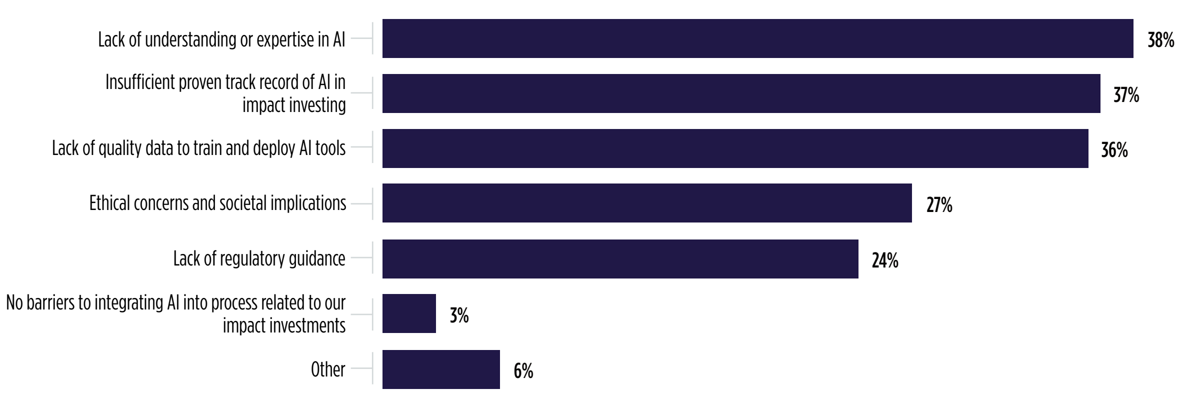
Source: Global Impact Investing Network (GIIN), 2024

The interest in AI notwithstanding, nearly half of investors (47%) reported that they have no plans to integrate AI into their impact investing processes. Interestingly, 68% of foundations and 67% of DFIs indicated that they have no plans to integrate AI.

Investors cited a variety of challenges in terms of incorporating AI into their investment processes. Commonly cited issues included their own lack of expertise in understanding AI (38%), insufficient track record for AI in the field of impact investing (37%) and a lack of quality data on which to train AI (36%; Figure 43). Just over a quarter (27%) noted ethical concerns and societal implications surrounding the use of AI, and just under a quarter (24%) mentioned a lack of regulatory guidance.

FIGURE 43: **Challenges in integrating AI into impact investment processes**

n = 300



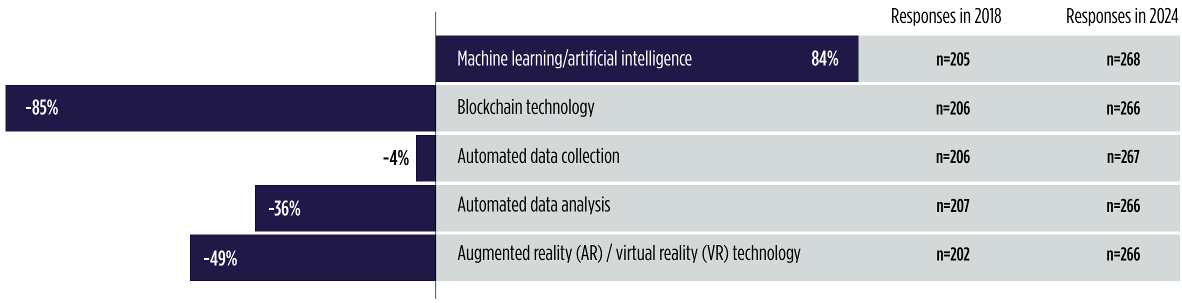
Note: "Other" includes respondents citing privacy concerns and difficulties in collecting data in emerging markets. This figure excludes respondents who indicated they do not plan to incorporate AI into their impact investment processes.

Source: Global Impact Investing Network (GIIN), 2024

Six-year trends: Anticipation for — and apprehension about — new technologies

Perceptions of the next frontier for technology in impact investing have shifted significantly over the past six years. For example, in the 2018 survey, just over half (51%) believed that automated data analysis would be very important in the next three years, followed by automated data collection (40%), blockchain technology (22%) and machine learning/AI (17%). In 2024 these perceptions have largely been superseded by the importance increasingly attributed to machine learning/AI, which is now at 31%, with views regarding the importance of other technologies having dropped, most notably so for blockchain technology. Only 3% now regard blockchain as a very important impact investing technology.

FIGURE 44: **Change in importance of different technologies among survey respondents, 2018-2024**



Note: Respondents could select multiple answer options in both 2018 and 2024. In 2018, 207 respondents answered this question. In 2024, 268 respondents answered this question.

Source: Global Impact Investing Network (GIIN), 2024

The decreased enthusiasm for new AI technologies is notable, but perhaps also reflects implementation challenges and other uncertainties. Future research and conversations on this topic will be important in the coming year to clarify the direction this new technology will take in the industry.

Key observations and thinking ahead

Steady growth in impact investing assets

The impact investing market continued to evolve throughout 2024, with impact AUM growing at a CAGR of 14%. Assessing this further, the growth reveals both opportunities and challenges for investors.

Respondents to the 2024 Impact Investor Survey expressed intentions to return to emerging markets post-pandemic. While asset allocations in emerging markets did grow per reports in the 2024 survey, allocations to developed market regions expanded much faster (see Table 4, page 17). This is particularly significant given that emerging markets are most vulnerable to the social and environmental impacts of climate change and inequity.[vii] Investors in developed markets play a crucial role in addressing funding gaps in these regions. Small investors, especially those targeting below market-rate returns, can lead the way through the use of specific asset classes and innovative approaches such as blended finance. Indeed, the 2024 survey indicated that 70% of investors participating in blended finance transactions aim to fill capital gaps, 61% to fund nascent business models, and 55% to crowd in commercial capital. Such practices bode well for directing capital to new opportunities in emerging markets. However, although small investors dominate the sample in terms of numbers, they manage only 1% of reported AUM. Large investors hold 92% of AUM, with medium investors handling the remainder. Small investors contributed significantly to the growth in below market-rate strategies (44%), while large investors primarily pursued market-rate returns. The high growth rate of investments in both seed/start-up and mature/growth stage businesses reflects a polarization between the riskiest and most stable investments, highlighting different investor strategies depending on their size.

The rise of equity-like debt and emerging asset classes

Equity-like debt stood out as the fastest-growing asset class over the past five years. Though not a pure asset class, it is popular among impact investors for structuring hybrid, mezzanine, subordinated or bridging positions, and features prominently in blended finance transactions.

Our analysis shows that small and medium investors are driving the growth of equity-like debt. These players often act as catalysts, establishing track records in new regions, products, services and returns that pave the way for larger institutional investors who are typically more risk-averse and less inclined towards blended deals.[viii] This trend suggests that the increased use of equity-like debt, and demonstrating what is possible, could lead to further investment rounds among larger investors.

After equity-like debt, the next fastest-growing asset classes were public assets and real assets, areas traditionally dominated by institutional and larger investors. This is consistent with trends noted in the 2023 Impact Investor Survey: growth in the use of public asset classes exceeded other classes, and pension funds and insurance company assets were the top sources of capital for managers. Conversely, private asset classes like private debt and private equity, while still attracting reasonable allocations, show the least growth, reflecting sluggishness in private markets.[ix]

If these patterns continue to hold over the next few years, they will represent a significant opportunity to grow the impact investing field by mobilizing institutional capital at scale from larger investors. While the volume of capital has increased over time, the number of transactions has decreased slightly. This indicates both larger deal sizes — evidenced by the 7% growth in deal sizes among larger investors — and a concomitant increase in investor confidence in concluding impact transactions.

Investor satisfaction with performance

A notable feature of this year's survey was the high degree of satisfaction investors reported in terms of their financial and impact performance. Ninety percent of investors indicated that their impact returns either met or exceeded expectations, and 86% reported the same for their financial returns. However, when comparing actual performance against targets, it is noticeable that — apart from public equity and real assets, which are among the fastest growing asset classes over a five-year period — actual performance often falls short.

These seemingly contradictory findings are not incongruent. Investors can be satisfied with financial performance even if it does not meet targets. The performance context is crucial. Expectations are often adjusted in response to global events such as rising interest rates and inflation pressures; the 2024 survey reflects that these affected investors more than any other global or local factors, including social or environmental events. The ongoing fallout from the COVID-19 pandemic and climate change pressures also affect performance. Given that public equity and real assets are the fastest growing asset classes over a five-year period for an impact investing strategy, investors are chasing stronger returns where they can.

Similarly, while satisfaction with impact performance is high, it remains unclear if actual impact performance meets targets. Given the pattern in financial performance, it is reasonable to hypothesize that impact performance may also be falling short. In the 2023 GIINSight: Impact Measurement & Management Practice,[x] 18% of investors indicated that they do not set quantitative targets for impact performance. Investors are also often reluctant to share their impact performance data, which hinders both the setting of relevant quantitative impact performance targets and the tracking of actual performance. The lack of verified and audited performance data is a significant infrastructure gap in the impact investing ecosystem.

Key shifts in measurement and management of impact results

The measurement and management of impact results are defining characteristics of impact investing. It is essential to understand what drives investor behavior in this context.

The main challenges noted by impact investors all relate to impact measurement and management. In previous surveys, increasing harmonization and greater coalescence around standardized tools and frameworks was an emerging trend. Yet this year, nine in ten investors (92%) reported it as a challenge. Considering the evolving regulatory regimen — which includes definitional compliance — compared to five years ago, it may be that there is increasing uncertainty around which standardized frameworks may be the issue. However, as regulations necessitating disclosure and compliance evolve, investors grow to better understand them and adapt and integrate these requirements into their processes. For instance, 62% of impact investors are now codifying impact goals into legal documents, suggesting a greater integration into investment processes and accountability for their impact intentions. This is an area of progress, as is the increasing demand from investors to compare impact performance to peers; 87% of investors now note this as a market need. Investors are increasingly expressing an appetite for improved ways to assess their performance so as to make more informed decisions on what actions to take next across their portfolios.

Recently, significant policy and regulatory developments have emerged in various regions, notably Europe and the United Kingdom. Our analysis indicates that evolving regulations influence investors' target setting, albeit differently based on their size. Twelve percent of smaller investors rely on regulations to set metrics, compared to 40% of larger investors, indicating that large investors are more driven by regulatory requirements when establishing targets.

The European Union's Sustainable Finance Disclosure Regulation (SFDR), in particular, poses challenges, with investors expressing frustration over the resources needed to comply.[xi] Here, the adoption of AI tools presents an opportunity to enhance efficiency.

Impact investors recognize that managing impact performance towards declared intentions is as crucial as setting those intentions. Historically rooted in private markets, tools for measurement and management have largely assumed direct visibility into end-results. Our analysis from the past two surveys shows steady growth in allocations to public asset classes and real assets. Private market-focused investors are more engaged in integrating impact into investment processes than their public market counterparts. This disparity suggests a need for improved processes and infrastructure to support institutional and larger investors, particularly in portfolio construction and balancing financial and impact expectations with investment managers.

Finally, independent verification of IMM processes and results are vital for accountability and combating impact washing. Our analysis revealed that while 40% of investors verify their measurement and management processes through a third party, fewer than a third do the same for their impact results.

To maintain credibility, the impact investing industry must ensure accountability through robust impact measurement and management practices. This includes subjecting both processes and achieved targets to independent verification. Additionally, it is crucial to codify impact targets into investment documentation to formalize impact considerations in decision-making processes. These steps are essential for demonstrating a commitment to accountability in achieving impact results.

Methodology

The GIIN's 2024 Impact Investor Survey represents analyzed data from 305 organizations that use an impact investing strategy. Data was collected directly through a questionnaire administered from January to March 2024, designed to capture reliable data on impact investing activity, impact measurement and management practices, and industry perceptions. Note that in some of the figures in this report, values may not sum to exactly 100% due to rounding.

Sampling

The GIIN used two strategies in aiming for a diverse sample that accurately reflects the experience of impact investors. Firstly, the GIIN used sampling method that was not haphazard or accidental. Secondly, organizations were included in the survey if they (1) manage and/or have committed at least $10 million USD in impact assets or (2) have made at least five impact investing transactions since inception.

For purposes of sampling, all known impact investors were identified and invited to participate in the survey. As such, 48,283 individuals at 18,491 identified impact investor organizations, including subsidiaries and regional divisions, received the online survey. The survey was also publicized via social media and data consortium partners. Out of the 1,200 potential respondents who clicked the survey link, 640 passed the eligibility screening. Of these, 102 completed the asset allocations sections, but did not complete the survey, while 313 completed it in full.

After data cleaning, 305 responses were usable for this research. Some organizations opted for anonymity, but Appendix 1 includes a full list of participants who agreed to share their names. All data is valid as of December 2023 and is reported in USD.

Data cleaning

All data was self-reported by investors. After survey completion the GIIN conducted a systemic data cleaning process to identify errors, inconsistencies and test the veracity of the data. This included comparing data with prior submissions and analyzing anomalies within each submission. The process aimed to isolate the net asset value of assets allocated to impact investing strategies excluding capital raised but not yet drawn down, and assets being used for impact investing strategies. The team followed up with respondents to clarify any ambiguities or anomalies. Data was excluded from analysis where it was outside the impact investing definition or found to be inaccurate or incomplete.

Data analysis

Analysis focused on aggregating the data and observing the frequency distribution across variables in the current year, and over time, to understand activity patterns and trends. The GIIN also analyzed data across investor sub-groups to highlight variations by investor characteristics and to derive meaningful implications across market segments.

Allocations analysis is broken down by percent of any impact AUM allocated and the total amount of impact AUM allocated. Highlighting both the number of investors who have any allocation and the volume of AUM allocated provides an overview of the relative size of each investment. In isolated cases, allocations did not sum to 100. In these instances, estimations were made, based on patterns in the full sample.

Where relevant, outliers were removed using the interquartile range method to prevent skewed findings. In cases where the analysis excludes outliers these are indicated throughout.

Longitudinal analysis explored changes over five- or six-year periods in cases where trends may offer more nuanced insights. In certain instances the analysis considered a one-year comparison if this provided additional immediate insights, especially where it may be helpful to understand market fluctuations, and whether temporary events are having short-term effects.

Typically, the GIIN conducts longitudinal analysis using a multi-year period, as this generally indicates a trend and smooths out extraneous variables such as short-term fluctuations, economic cycles, or temporary events that may affect activity. Longer time periods reflect the underlying stability of the trend, whereas short-term analysis will likely reflect the fact that an extraneous variable is at play.

Specifically, this report offers time trend analysis as follows:

- A six-year longitudinal analysis on a subset of 52 investors that provided data to both the 2018 Impact Investor Survey (reflecting data as of December 2017) and this year's 2024 survey (reflecting data as of December 2023).
- A five-year longitudinal analysis on a subset of 71 investors that provided data to both the 2019 Impact Investor Survey (reflecting data as of December 2018) and this year's 2024 survey.
- A one-year comparison on a subset of 147 investors that provided data to both the 2023 Impact Investor Survey (reflecting data as of December 2022) and this year's 2024 survey.

Caveats and limitations

The sample AUM includes assets invested both directly and indirectly, leading to potential double counting. The sample method — a convenience non-probability sample, not haphazard or accidental — means respondents may not represent the entire impact investing industry. Despite rigorous data cleaning and veracity testing, the analysis is based on self-reported data which each representative warrants as correct under the GIIN's terms of contribution. Additionally, the survey was conducted in English, which may limit participation and skew the sample.

Appendix 1: Participants

Survey Participants

We would like to express our gratitude to the following organizations for their invaluable contributions, which have made this research possible. Some organizations who shared data opted to remain anonymous; as such, their names have been omitted from this list.

A to Z Impact

ABC Impact

Acceso Impact Fund

Accion

Accion International

Active Impact Investments

Acumen

Adjuvant Capital

Advance Global Capital

AEGON AM

AF

Africa Eats

African Alliance

AfricInvest

Aligned Climate Capital

Allianz Global Investors

Alphamundi Group

AlpInvest Partners

Alquity Investment Management

Altitude Ventures

Altitude Ventures

Altura Capital

Amam Ventures

American Cancer Society - BrightEdge

Amethis

Amplifica Capital

Ankur Capital

Anthos Fund & Asset Management

Apis Partners LLP

Apollo Global Management

Aqua Capital

Arisaig Partners

Artha Impact (Rianta Capital Zurich)

Ashburton Investments

Astanor

Astarte Capital Partners

AXA Investment Managers

Baillie Gifford & Co

Bain Capital Double Impact

Bamboo Capital Partners - ABC Fund

Barrow Cadbury Trust

Bay of Plenty Community Trust Inc

Beacon Fund

BELLE Michigan Impact Fund, L.P.

Big Issue Invest

Big Society Capital

Bintang Capital Partners Berhad

BlackRock

Blue Haven Initiative

BlueOrchard Finance Ltd

BonVenture Management GmbH

Boston Impact Initiative

Bridges Fund Management

British International Investments

Business Oxygen

Calvert Impact

Cambridge Associates

Camco

Capricorn Investment Group

Catalyst Investment Management

Ceetrus

Cheyne Capital / Cheyne Impact Real Estate

Church Pension Fund

Circularity Capital LLP

Circulate Capital

Civitas Investment Management Limited

Clear Skies Investment Management

CNote

Community Capital Management LLC

Community Finance

Community Investment Management LLC

Conscious Investment Management

Convergence Partners

CoPeace PBC

Cordiant Capital

Creation Investments Capital Management, LLC

daphni

Deetken Impact

Destone Capital

Developing World Markets

Development Investment Bank of Türkiye

Développement International Desjardins

DIa Vikas Capital Pvt Ltd.

Doris Duke Foundation

Double Delta (previously Credit Suisse)

DPI LLP

DreiInden gGmbH

Dunhill Medical Trust

Earth Capital

Ecofin

EDFI Management Company

Energy Impact Partners

Enterprise Community Loan Fund

Envisioning Partners

Essex Investment Management, LLC

Fair4All Finance

Ferd

Fiduciary Trust International

Finance in Motion

Finnfund

Flat World Partners

Fondaction

Fondation Lucie et André Chagnon

Fonds de finance sociale Cap Finance

For Purpose Investment Partners

Ford Foundation

FORE Partnership

Franklin Real Asset Advisors Europe

FS Impact Finance

Future Planet Capital

Gatsby Africa

Gawa Capital Partners SGEIC, S.A.

GCM Grosvenor

GENUI GmbH

Global Social Impact Investments SGIIC

Goodwell Investments

Gray Ghost Ventures

Hamilton Lane Advisors

Heroad Investments

HIP Investor

HSBC Asset Management

ICA Fund

IDB Invest

IDH Investment Management

ILX Management B.V.

Impact Bridge

Impact Earth

Impact Expansion

Impact Finance

Incofin Investment Management

INOKS Capital

Insitor Partners

Inspired Evolution Investment Management

Inspirit Foundation

Instituto Maranhense do Abacaxi

International Finance Corporation (IFC)

Invest in Visions

iungo capital

J&J Impact Ventures

Japan Post Insurance Co., Ltd.

Japan Social Innovation and Investment Foundation

JFFVentures

Jonathan Rose Companies

Keio Innovation Initiative

Key Fund Investments Limited

KIBOW Foundation

Kilara Capital

Kiva Capital Management, LLC

KKR

KOIS

Kumwe Hub

La Financière de l'Echiquier

LeapFrog Investments

Legal & General Capital

LGT Capital Partners

Lightrock

Living Standards Organization

LMDF

Lok Capital

MacArthur Foundation

Maycomb Capital

MedAccess

Mediterrania Capital Partners

Mennonite Economic Development Associates

Merck

Mesoamerica

MicroVest Capital Management

Missio Invest

Mitsubishi UFJ Trust and Banking Corporation

MN

MPM BioImpact

National Community Investment Fund

NESsT

New Market Funds

NEXT Generation Invest AG

Nippon Life Insurance Company

Nissay Asset Management Corporation

Noaber

Nordis Capital

Norselab

Northern Arc Investment Managers Private Limited

NorthStar Impact

Nuveen

NZ Super Fund

Ocean Born Foundation

OeEB - Austrian Development Bank

Open Road

Open Value Foundation

Patamar Capital

Patron Capital Partners LLP.

Paul Ramsay Foundation

Phatisa

Portocolom

Power Sustainable

Proparco

Purpose Capital

Q-Impact

Quadria Capital Investment Management Pte. Ltd.

Quona Capital

Renew Capital

Resonance

responsAbility Investments AG

Rethink Capital Partners

Ring Capital

Rise Ventures

Robeco Asset Management

Rockefeller Brothers Fund

Root Capital

RS Group

Saison International Pte. Ltd.

Sany Foundation

Sarona Asset Management

Save the Children Impact Fund

Schroders plc.

SeaChange Capital Partners

Security Trading

Shell Foundation

SHIFT Invest

Shinsei Corporate Investment Limited

Shinsei Impact Investment Limited

Ship2B Ventures

SIFEM AG

SJF Ventures

Snowball

Social Investment Managers & Advisors LLC

Soros Economic Development Fund

Southern Pastures

SP Ventures

St Patricks Missionary Society

sumitomo life insurance company

Sumitomo Mitsui Trust (Hong Kong) Limited

Sunwealth

Sweef Capital

Terra Global Investment Management

The Annie E. Casey Foundation

The Genesis Fund

The Lemelson Foundation

The Lyme Timber Company LLC

The Vistria Group

ThirdWay Partners

Total Impact Capital

TowerBrook Capital Partners

TPG, The Rise Funds

Treehouse Investments, LLC

TriLinc Global, LLC

Trill Impact GmbH

Triodos Investment Management

Triple Jump

Triple P Capital

TUHF LTD

Turner Impact Capital

TVM Capital Healthcare

U.S. International Development Finance Corporation (DFC)

UB Forest Industry Green Growth Fund

UBS AG

UBS Optimus Foundation

Unovis Asset Management

UOB Venture Management Pte Ltd

Urban Impact Ventures

Van Lanschot Kempen

Van Leer Group Foundation

VentureTECH Sdn Bhd

Verge Healthtech Fund

Vidia Equity

Vital Capital

Vivriti Capital Limited

Vontobel AM

Vox Capital

VOX Capital

VP Capital

Wangara Green Ventures

Wellington Management

Wespath Benefits and Investments

Westfuller Advisors

WHEB

Women's World Banking Asset Management

World Education Services

WYNG 43 Social Investment

Zongo Development Fund

Zurich Insurance Company Ltd

Appendix 2: Definitions

List of definitions of impact investing terms:

General

Impact investments: Investments with the intention to generate positive, measurable social and environmental impact alongside a financial return, and specifically use that investment capital along with engagement or investment terms to positively influence targeted impact results.

Asset classes

Deposits & cash equivalents: Cash management strategies that incorporate intent towards positive impact.

Private debt: Bonds or loans placed with a select group of investors rather than being syndicated broadly.

Publicly traded debt: Publicly traded bonds or loans.

Equity-like debt: An instrument between debt and equity, such as mezzanine capital or deeply subordinated debt. Often a debt instrument with potential profit participation, such as convertible debt, warrant, royalty or debt with equity kicker.

Private equity: A private investment into a company or fund in the form of an equity stake (not publicly traded stock).

Public equity: Publicly traded stocks or shares, also described as listed equities.

Real assets: An investment of physical or tangible assets, as opposed to financial capital such as real estate or commodities.

Stages of business

Seed/Start-up: Business idea exists, but little has been established operationally; pre-revenues.

Venture: Operations are established and company may or may not be generating revenues, but does not yet have positive EBITDA.

Growth: Company has positive EBITDA and is growing.

Mature: Company has stabilized at scale and is operating profitably.

Investor sub-groups

Developed market-focused investors: Respondents that allocate ≥ 75% of their impact AUM to developed markets.

Emerging market-focused investors: Respondents that allocate ≥ 75% of their impact AUM to emerging markets.

Private equity-focused investors: Respondents that allocate ≥ 75% of their impact AUM to private equity.

Private debt-focused investors: Respondents that allocate ≥ 75% of their impact AUM to private debt.

Private market-focused investors: Respondents that allocate ≥ 75% of their impact AUM to private equity and/or private debt.

Public market-focused investors: Respondents that allocate ≥ 75% of their impact AUM to public equity and/or public debt.

Market-rate investors: Respondents that principally target risk-adjusted, market-rate returns.

Below market-rate investors: Respondents that principally target below market-rate returns, some closer to market rate and some closer to capital preservation.

Domestic-focused investors: Respondents that allocate ≥ 75% of their impact AUM within the country in which they are primarily headquartered.

International-focused investors: Respondents that allocate ≥ 75% of their impact AUM outside the country in which they are primarily headquartered.

Small investors: Respondents with total impact investment AUM < $100 million USD.

Medium investors: Respondents with total impact investment AUM ≥ $100 million USD and ≤ $500 million USD.

Large investors: Respondents with total impact investment AUM > $500 million USD.

Impact-only investors: Respondents that allocate 100% of their AUM to impact investing.

Impact-agnostic investors: Respondents that allocate at least some of their AUM to conventional investments as well as impact investments.

Impact AUM: As close as possible to net asset value of capital under management allocated to impact investing strategies, rounded in USD and as of December 2023. Typically this would exclude committed capital not yet drawn down.

Appendix 3: References

i Xiao, K. (2023). Enhancing impact performance in agriculture through non-financial support and sustainable practices. The Global Impact Investing Network (GIIN). New York. Available at: https://thegiin.org/publication/research/giinsight-enhancing-impact-performance-in-agriculture-through-non-financial-support-and-sustainable-practices/

ii Remsberg, R. (2024). Energy Impact Investors Not on Track to Limit Emissions to Meet Climate Goals. The Global Impact Investing Network (GIIN). New York. Available at: https://thegiin.org/publication/research/energy-impact-investors-not-on-track-to-limit-emissions-to-meet-climate-goals/

iii (2023). Guidance for Pursuing Impact in Listed Equities. The Global Impact Investing Network (GIIN). New York. Available at: https://thegiin.org/publication/research/listed-equities-working-group/

iv (2019). The State of Blended Finance 2019. Convergence. Washington, DC. Available at: https://www.convergence.finance/resource/state-of-blended-finance-2024/view

v (2024). The State of Blended Finance 2024. Convergence. Washington, DC. Available at: https://www.convergence.finance/resource/state-of-blended-finance-2024/view

vi (2024). Catalytic Capital Consortium. MacArthur Foundation. Available at: https://www.macfound.org/programs/field-support/impact-investments/catalytic-capital-consortium/#:~:text=Catalytic%20capital%E2%80%94debt%2C%20equity%2C,access%20to%20capital%20on%20suitable

vii Amiot, M., Panday, S. (2023). Is Climate Change Another Obstacle To Economic Development? S&P Global. Available at: https://www.spglobal.com/ratings/en/research/articles/230116-is-climate-change-another-obstacle-to-economic-development-12603487#:~:text=Emerging%20markets%20and%20developing%20economies%20(-EMDEs)%20contribute,a%20reminder%20that%20climate%20change%20is%

viii (2024). The State of Blended Finance 2024. Convergence. Washington, DC. Available at: https://www.convergence.finance/resource/state-of-blended-finance-2024/view

ix Dahlqvist, F., Green, A., Maia, P., Mangan, C., Nee, A., Quigley, D., Sanghvi, A., Schneider, R., Spivey, J., Vickery, B. (2024). McKinsey Global Private Markets Review 2024: Private markets in a slower era. McKinsey & Company. Available at: https://www.mckinsey.com/industries/private-capital/our-insights/mckinseys-private-markets-annual-review#/

x Hand, D., Sunderji, S., Pardo, N. (2023). GIINsight 2023: Impact Measurement & Management Practice. The Global Impact Investing Network (GIIN). New York. Available at: https://thegiin.org/publication/research/imm-survey-second-edition/

xi Ritchie, G., Arons, S., White, N. (2022). Fund Managers Frustrated Over Confusing ESG Regulations. Insurance Journal. Available at: https://www.insurancejournal.com/news/international/2022/12/20/700106.htm

About The GIIN

The Global Impact Investing Network ("GIIN") is a nonprofit 501c(3) organization dedicated to increasing the scale and effectiveness of impact investing through research, education and other activities. Readers should be aware that the GIIN has and will continue to have relationships with many organizations identified in this report, through some of which the GIIN has received and will continue to receive financial and other support.

info@thegiin.org | www.thegiin.org