

# TRENDS

happening in the Impact Investing sector

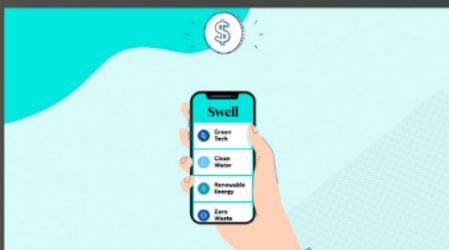
## Introduction -

Impact investing is a private market investment strategy targeting investments in enterprises and funds that have a measurable environmental and/or social impact. Despite its early label of being "simply a trend", impact investing has steadily been gaining traction among a wide variety of investors coming from the largest financial institutions, pension funds, banks, foundations, and more.

Since its creation in 2007, the impact investing industry has been marked by

incredible shifts, contributing to the ever-changing definition of the word "impact investing". One of the biggest trends that can be seen today is an evolution from the "socially responsible investing" mindset to one that actually emphasizes the "Impact" portion of impact investing. This means that investors are no longer okay with making passive investments that "doesn't do any bad"; now, investors are focusing on being more proactive with their investments in order to be a key driver for positive change.

## Case Study - Swell Green Tech



Swell is an investment advisor firm that demonstrates this shift from making passive, socially responsible investments to investments that are deliberate in making impact.

Swell creates tech-focused portfolios that proactively focuses on Green Tech. Green Tech addresses our growing global demand for energy while minimizing environmental impact.

# 60%

of global energy use comes from energy consumption of buildings.

# 30%

of companies are shifting to use cleaner energy sources.

# \$1.3 TRILLION

is the world market value of the Clean Energy market.

## EXISTING CHALLENGES



Difficulty of assigning dollar amounts to existing environmental problems means difficulty of quantifying the non-financial impact of their investment.



Belief that there is a balanced tradeoff between financial returns and environmental impact means less willingness to invest in issues that do not guarantee monetary gains.

## Incentives to tackle environmental issues-

1. Although investors realize existing challenges, there has been a past record of successful cases. For example, clean technology investments have validated that impact investments can generate financial returns while creating impact.

2. At the basis, many wealthy investors have the desire to explore new money management strategies. Similarly, millennials, including young professionals are particularly interested in creating businesses that have social and/or environmental impact.

## UN's SDGs -

Adopted in 2015, the Sustainable Development Goals (SDGs) & the 2030 Agenda marks a historic global achievement for impact investing.

Targeting 17 areas, the SDGs emphasize a holistic way of approaching sustainable development for everyone by 2030. For many impact investors, the SDGs have become an important guideline for key performance indicators.



# SUSTAINABLE DEVELOPMENT GOALS