



**RESOURCE**

# Impact Investing Decision-making: Insights on Financial Performance

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**Description / Abstract**

Impact Investing Decision-making: Insights on Financial Performance uncovers insights into financial performance and explores the increasing sophistication with which impact investors are approaching decision-making. Specifically, it finds that impact investors are applying a multi-dimensional approach to decision-making, considering impact objectives and impact risks alongside traditional factors such as financial return, financial risk, resource capacity, and liquidity constraints. Experienced impact investors exercise this dynamic approach to assess how they can most efficiently achieve their optimal impact and financial performance. This dynamic decision-making highlights growing maturation within the industry as impact investors are becoming more sophisticated in their approaches to performance management and capital allocation.

Drawing on data from six of the industry's existing financial performance studies, this report also offers a synthesis of impact investment financial performance and additionally analyzes the GIIN's 2020 Annual Impact Investor Survey responses of 161 impact investors seeking risk-adjusted, market-rate returns. This report also highlights practical examples of leading impact investors, including: Anthos Fund & Asset Management, IDP Foundation, Inc., Incofin Investment Management, UBS Global Wealth Management & UBS Optimus Foundation, and Vox Capital, offering an inside look at how various facets influence their decisions on capital allocation and performance management.

The report confirms earlier findings from the GIIN's research around financial performance of private debt, private equity, and real assets and expands on this research to focus on various facets of impact investment performance, including risk, financial return, and impact.

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