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Contents

2023 Impact Investing Update

Positive Impact performance does not necessarily preclude positive financial performance

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

Key takeaways

- The introduction of infrastructure as an IRIS+ category has shifted the overall makeup of the Impact funds universe, as large funds seeking to support the energy transition and other global infrastructure projects have swamped the data in comparison with previous iterations of this report.
- The 2023 fundraising environment has been difficult for all investors. While Impact saw a large decline in fundraising through September, several significant Q4 closings may change the picture substantially.
- Despite perceptions of Impact investing being synonymous with lower, or concessionary, returns, there is no evidence of this being universally true.

Introduction

In our Q2 2020 Analyst Note: The Double Bottom Line, we discussed sustainable investment strategies, particularly focusing on the Impact investing landscape.[1] The title of that report refers to the dual objectives of achieving both financial returns and a positive measurable social or environmental impact. In this report, we examine the private market Impact investment space at another level of granularity, breaking fund data down by the many categories of Impact. In previous iterations of this reporting, we have focused mainly on fundraising flows, but this time we will add an investment return element as well.

While there is a plethora of taxonomies attempting to define and standardize the sustainable investing ecosystem, the Impact Reporting and Investing Standards (IRIS+) framework,[2] curated by the Global Impact Investing Network (GIIN), offers an industry-leading methodology to aid investors in sorting Impact investments into the different types of Impact they are targeting. While the UN Sustainable Development Goals (SDGs) are better known, not all of the goals are intuitively investable, as they were designed for the world as a whole to solve some of the most pressing issues facing humanity.[3] The IRIS+ categories, on the other hand, were designed by and for investors. While the GIIN does provide mapping to the SDGs in the IRIS+ taxonomy document, the relationship is one where investors deploy capital into the IRIS+ categories to both earn returns and move the world closer toward the UN goals.

One interesting attitude among GPs is that some would prefer not to be categorized as Impact investors, even though they are clearly investing with that objective, because potential LPs may misconstrue the label as an indicator that financial returns are a secondary focus. After speaking with many fund managers working in the space, we believe financial returns are clearly a primary intention of most, so we will ignore the stigma for now and call funds what they are. That said, there are a minority of Impact funds that are willing to accept concessionary returns for the opportunity to improve their impact. We always recommend every investor reflect upon what they are looking for and carry out their own due diligence to determine if a strategy matches their objectives. Some LPs may be on board with certain concessionary return strategies, while others are seeking market returns only, and there are products available for each perspective.[4]

A note about UN SDGs

Many investors have adopted the SDG framework. While adoption is crucial in aligning investors, governments, and nonprofits to solve serious global issues, goal 16, for peace, justice, and strong institutions, and goal 17, calling for partnerships to achieve the goals, are designed not for investing, but for "country-level activities, international cooperation, and/or public policy."[5] IRIS+, on the other hand, is a solution designed by and for investors, with measurement as an important component. Goals 16 and 17 thus feel superfluous to an investment framework.

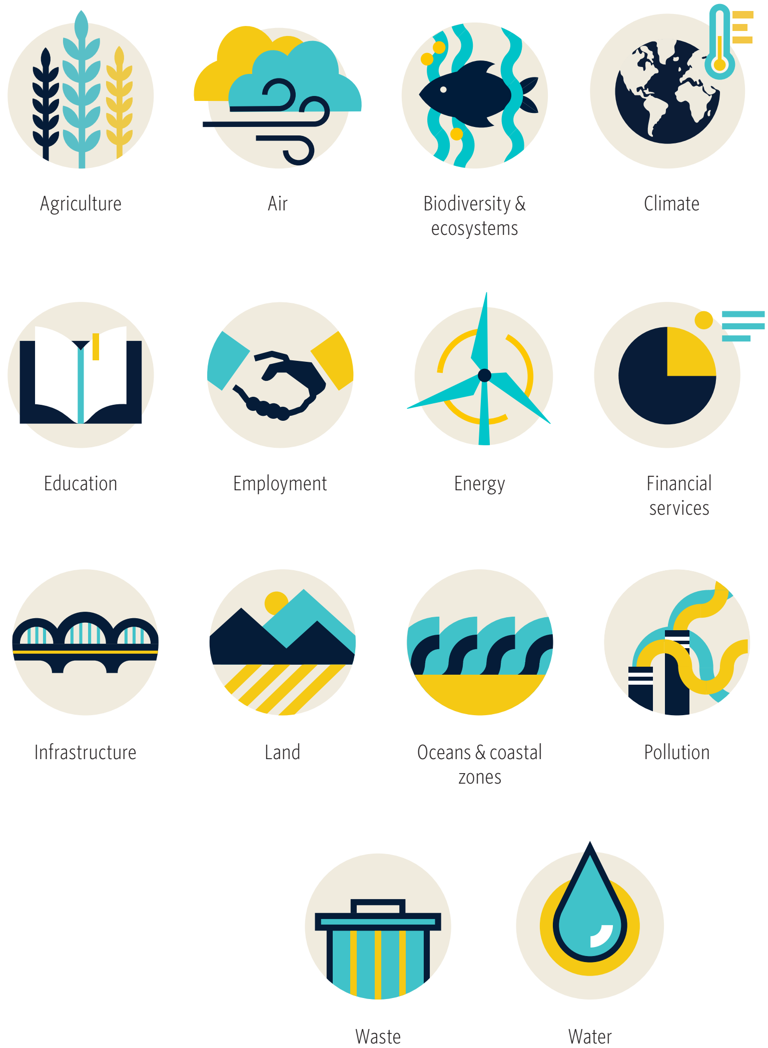
It can take some acrobatics to identify an investment that will help achieve an SDG. Borrowing from an example in the GIIN's IRIS+ and the SDGs, we can start with goal one: to "end poverty in all its forms everywhere."[6] While it is a laudable goal for the world, it will require cooperation from governments, nongovernmental organizations (NGOs), and businesses to achieve. The underlying targets for this SDG include several that are aimed at public policy, but target 1.4 reads: "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance."[7] IRIS+ has identified five Impact categories that could aid in this target: education, health, water, financial services, and diversity & inclusion. As an investor, it is more useful to focus on these categories than ponder the wide universe of investments that might potentially serve the SDGs.

1: We describe the other major area falling under the sustainable investing umbrella in our Q2 2021 Analyst Note: ESG and the Private Markets.
2: "IRIS+ Thematic Taxonomy," Global Impact Investing Network, September 2023.
3: "The 17 Goals," the United Nations, n.d., accessed November 27, 2023.
4: For more on different philosophies of ESG and Impact, please refer to our Q1 2022 Analyst Note: ESG, Impact, and Greenwashing in PE and VC.
5: "IRIS+ and the SDGs," Global Impact Investing Network, July 2022.
6: Ibid.
7: Ibid.

IRIS+

In our 2023 Sustainable Investment Survey, 56% of our allocator respondents said that they are allocating at least some of their assets to Impact investment strategies. Allocations to the space remain small as a portion of total portfolios, however, given the challenge of finding investable ideas that match investors' particular Impact interests. To help address this challenge and enable LPs to screen for their preferred investment areas, PitchBook has adopted the IRIS+ taxonomy to match funds to the categories they are seeking to impact.

IRIS+ categories



For over a decade, the GIIN worked with global stakeholders from the asset owner, asset manager, and service provider communities to develop a framework for investing in and reporting on Impact investments. One outcome of that work was IRIS+, a thematic Impact taxonomy. In the framework's current form, IRIS+ is made up of 17 Impact categories, such as agriculture, education, and water, with investable themes under each. Within agriculture, for example, the investable themes are food security, smallholder agriculture, and sustainable agriculture.

With Impact fund tagging in place on the PitchBook Platform, potential LPs can not only uncover a list of Impact funds, but also identify the funds that most closely match the investors' Impact goals. If an asset owner were interested in affordable housing, for example, they would be able to search for Impact funds tagged to the real estate category. From there, they would need to do additional diligence to determine if the fund is targeting affordable quality housing or green buildings. That task is made easier, however, by narrowing the funnel to just 340 funds, only 27 of which were welcoming investment capital at the time of this writing, making a much more manageable list than the entire Impact fund universe.

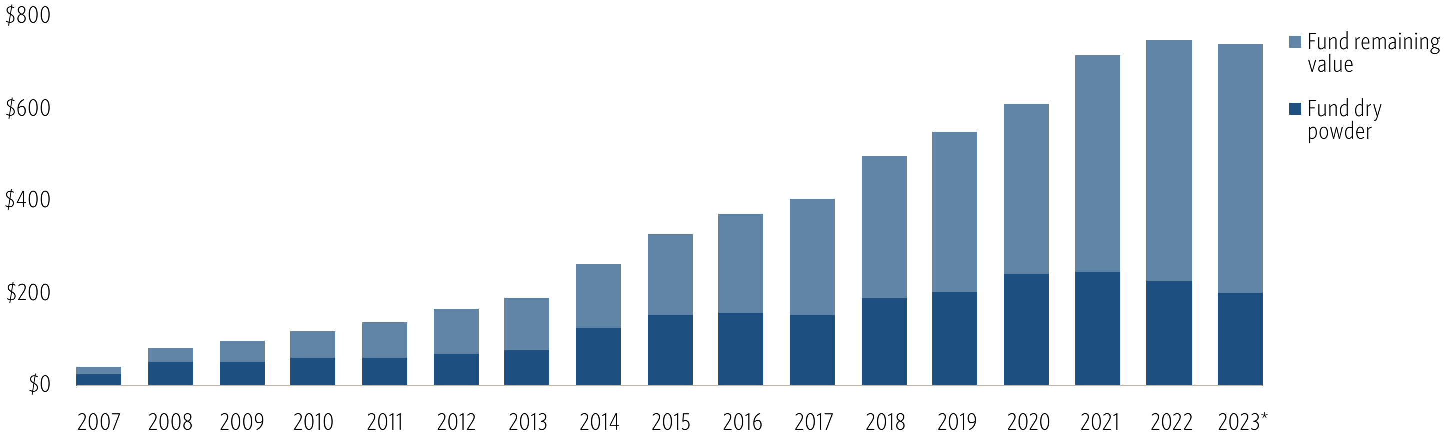
Impact fundraising statistics

Many investors perceive the Impact space as a nascent area. They may be surprised that we have identified over 3,200 funds dating back to the Alex Brown European Environmental Fund, which originally closed on $21.4 million in 1992. Starting in that year, managers began to launch Impact funds somewhat regularly in a variety of geographies. In the 1990s, Impact funds were raised from places as dispersed as Germany, Poland, Canada, the Netherlands, Bulgaria, India, Costa Rica, the UK, South Africa, China, and Croatia. Many of these early offerings were funded by governments and NGOs to foster economic development, or by corporations looking to invest in the countries in which they were operating.

So how much capital is currently targeting Impact investments? In the fall of 2022, the GIIN released a study indicating that over 3,349 organizations currently manage nearly $1.2 trillion in Impact investing assets worldwide.[8] That figure includes different types of investors and investment opportunities not found in private fund structures. Based on PitchBook data, we show $740.9 billion in assets under management controlled by private market Impact fund structures.[9] Of that total, $200.2 billion is in dry powder waiting to be allocated, while the remainder is invested in current portfolio holdings. This capital is found across the full gamut of private market strategies, global geographies, and Impact categories.

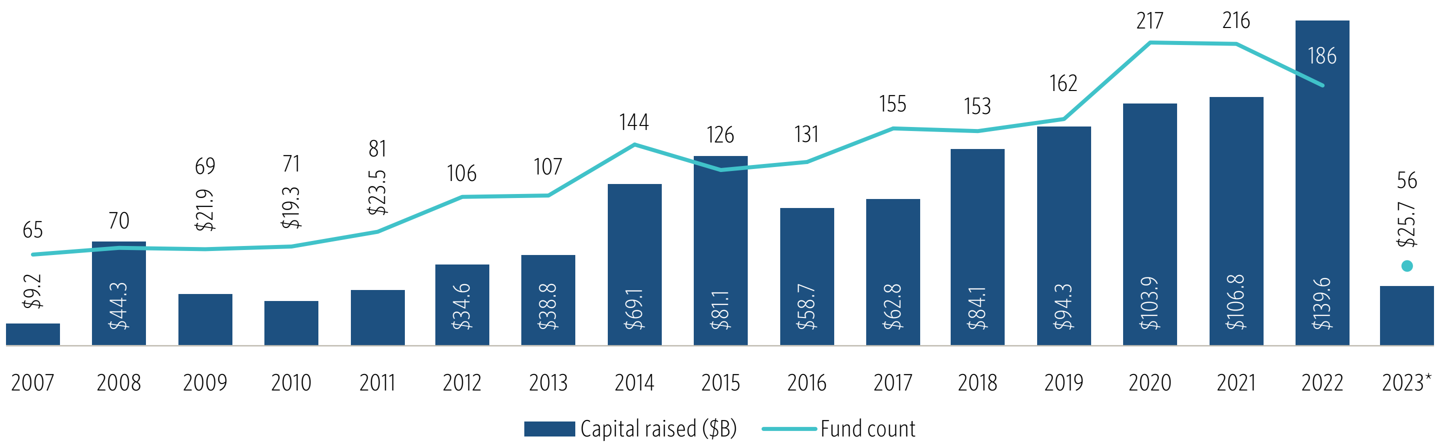
8: "Sizing The Impact Investing Market," Global Impact Investing Network, October 2022.
9: This is a significant increase over what we reported in 2022, largely because the GIIN added infrastructure as a category and we completed tagging these Impact funds after the December 2022 report was published.

Impact AUM ($B)



Source: PitchBook • Geography: Global
*As of March 31, 2023

Impact fundraising activity



Source: PitchBook • Geography: Global
*As of September 30, 2023

Looking at overall fundraising for Impact funds, the long-term trend is clearly up and to the right, with more funds and more assets being raised. That said, the data can be lumpy, as having a megafund or two in a year can cause a spike when the overall universe of Impact funds is fairly small. Conversely, the absence of a few large funds in a year can result in a dip. 2022 was a record year for private market Impact fundraising, with the 2023 pace through September falling far behind not only the record, but also any recent years. As of November 15, 2023, our platform showed 10 more Impact funds that have closed since September 2023, however, including funds over $2 billion from West Street (Goldman Sachs), KKR, and TPG, which will add over $12.5 billion to the year's total.

The inclusion of infrastructure in the IRIS+ framework has made real assets the dominant strategy in the Impact universe in terms of assets raised. The GIIN provides the following guidance for what counts as impactful infrastructure:

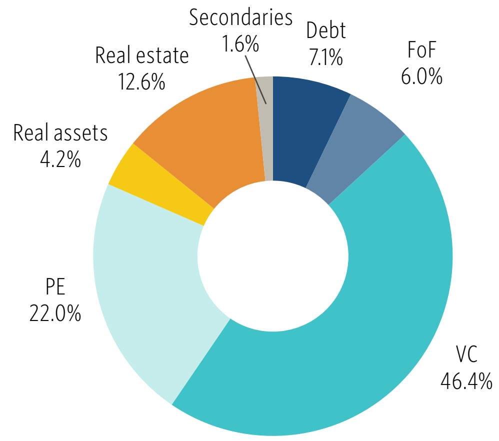
Businesses or projects for the themes in this category include the following:

- Transportation infrastructure, including roads, bridges, railroads, airports, and ports.
- Telecommunications, media, and technology projects.
- Community development construction projects in underserved communities (commercial and public infrastructure).[10]

Some infrastructure is not included in this category by the GIIN, as it is already covered elsewhere in the framework. This includes energy-related projects, waste management, green buildings, and affordable housing. Other infrastructure is excluded due to no being impactful infrastructure, such as oil & gas and mining.

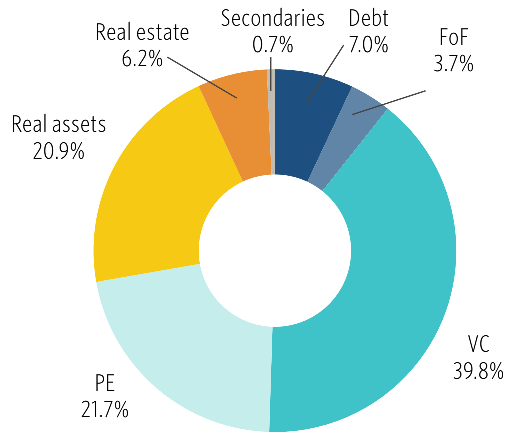
The number of funds closed in 2023 is also down significantly from the 2020 peak, though this is for a partial year, and we typically register more fund closings as time passes. Blackstone Green Private Credit Fund III was by far the largest Impact fund closed in the first nine months of the year, with offerings from Goldman Sachs and Generation Investment Management also closing on significant sums. 2022's boom in infrastructure fundraising following the passage of the Inflation Reduction Act in the US caused a spike in the Impact totals that will take some time to absorb, partially explaining the drop in fundraising this year. It has also been a tough year for fundraising overall, as covered in our Q3 2023 Global Private Market Fundraising Report, with Impact being no exception.

Share of private market fund count by strategy since 2007*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Share of Impact fund count by strategy since 2007*



Source: PitchBook • Geography: Global
*As of September 30, 2023

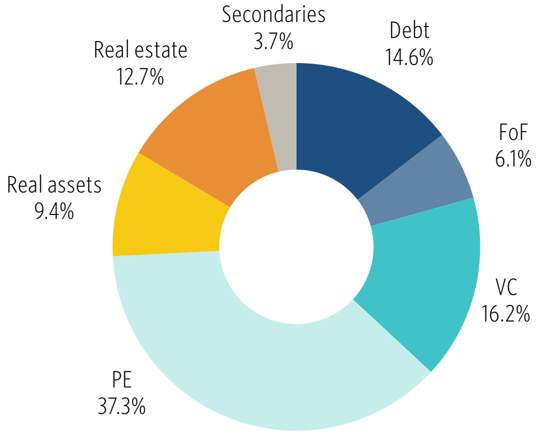
By share of the number of funds raised between 2007 and Q3 2023, VC and PE took the top two spots in both the overall private capital universe and the Impact fund universe. VC accounts for the largest share of funds raised in both universes, but while it is nearly half of the private funds grouping, it has been only 39.8% of

10: "IRIS+ Thematic Taxonomy," Global Impact Investing Network, September 2023.

the Impact funds space. Because of the prominence of infrastructure funds in the Impact dataset, real assets was a close third, at 20.9%. Private debt represented approximately 7% in both groupings by weight, ranking fourth place in each.

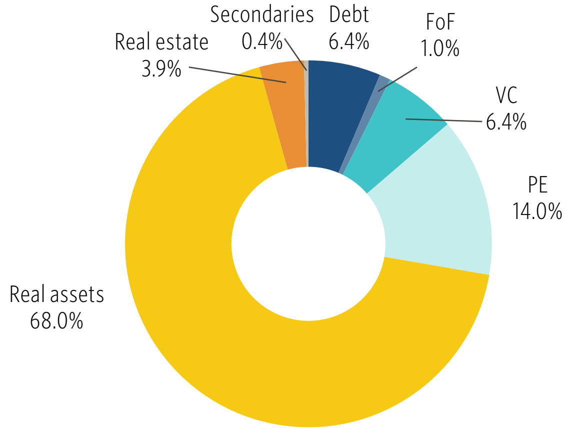
While there are significant impactful areas of real estate such as affordable housing, some of the investing may be taking place in core and core plus strategies, which are often found in evergreen structures, not the private closed-end funds captured in this dataset. At least in part for this reason, real estate has accounted for only 6.2% of the Impact funds raised. Funds of funds (FoF) and secondaries are also less common in the Impact space. While it would be advantageous for a FoF manager to bring its due diligence capabilities to this more emerging space, many allocators have specific Impact objectives that would not be well serviced by a highly diversified FoF. Impact secondaries may be rarer because there are fewer sellers of these positions, because the LPs were highly intentional in making these allocations. Additionally, few funds are in the sweet spot of fund age for a secondaries buyer.

Share of private capital raised by strategy since 2007*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Share of Impact capital raised by strategy since 2007*



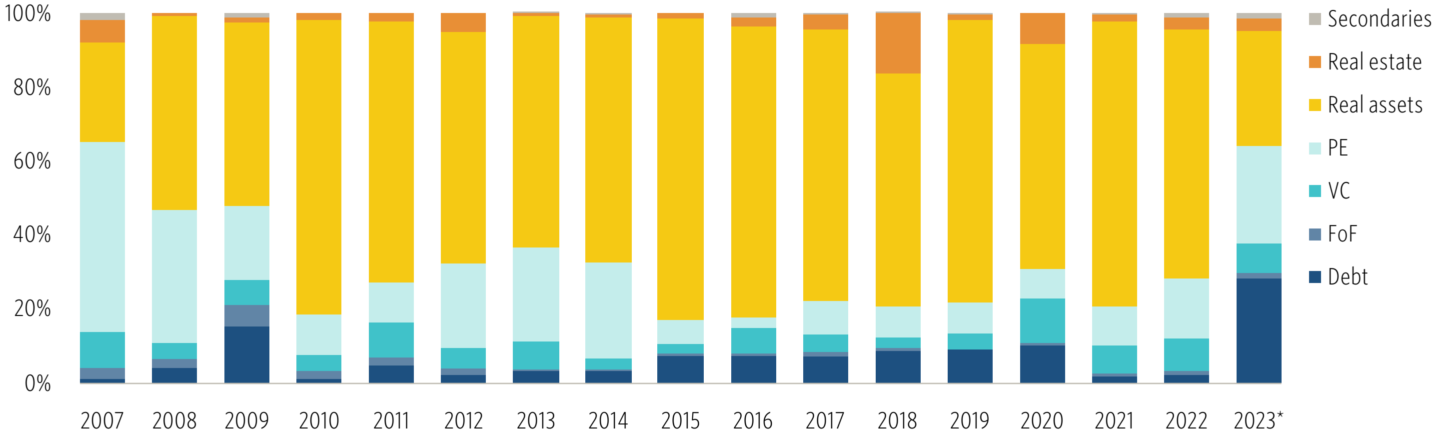
Source: PitchBook • Geography: Global
*As of September 30, 2023

By share of capital raised, real assets—in the Impact space, largely infrastructure—has dominated Impact fundraising over time, constituting 68.0% of Impact capital raised since 2007, compared with only 9.4% of all private capital raised. While 2022 was not a record year in infrastructure fundraising overall, a growing number of the funds raised in that space appear to be targeting progress toward environmental or social sustainability. These funds target renewable energy or access to essential healthcare and education, as an example.[11] Many infrastructure themes require very large investment amounts, leading to very large funds and the dominance of these funds in the Impact universe.

11: For more on impactful infrastructure, please read our Q1 2023 Analyst Note: Sustainable and Digital Infrastructure in the Private Markets.

Looking at the Impact universe without the influence of infrastructure, both PE and VC have been slightly overrepresented in the Impact universe versus the private market universe at the expense of FoF and secondaries. Private debt is itself influenced by the Impact dominance of infrastructure, as six of the 10 largest private debt funds raised in the Impact space had infrastructure in their names. Interestingly, until this year's Blackstone fund, the majority of the top 10 were raised prior to 2021.

Share of Impact capital raised by strategy



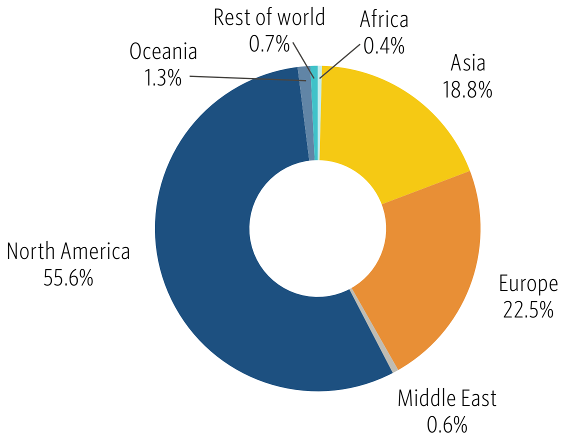
Source: PitchBook • Geography: Global
*As of September 30, 2023

Looking across vintage years at the Impact capital raised, the dominance of real assets, largely infrastructure, is again quite evident. The Impact universe is small enough, however, that a big fund or two can move the data significantly in a year. In 2018, for example, PGGM, a Netherlands-based asset manager, raised a $13.1 billion real estate fund that utilizes the Sustainable Development Investments framework it had developed in 2016 to identify areas of investment that could pair well with the UN SDGs.[12] That fund pushed real estate to a 16.3% share of all Impact capital raised that year—much higher than any other year.

2023 has seen a significant drop-off in infrastructure fundraising in private markets overall, most likely because 2022 was such a banner year for fundraising in the wake of the Inflation Reduction Act in the US. This decline has allowed other fund types to gain share in Impact fundraising, with debt and PE each nearly reaching the 30.9% share real assets gathered. Of the five largest Impact funds closed in 2023 through September, only the fifth-place fund, the $1.0 billion Rakiza Fund out of Oman, fell into the real assets strategy.

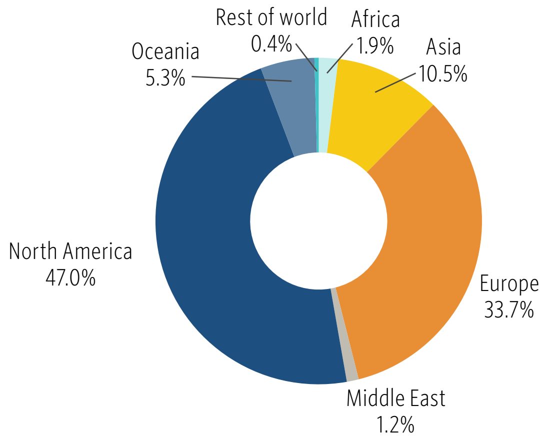
12: "Responsible Investment in Private Real Estate," PGGM, January 2021.

Share of private capital raised by region since 2007*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Share of Impact capital raised by region since 2007*

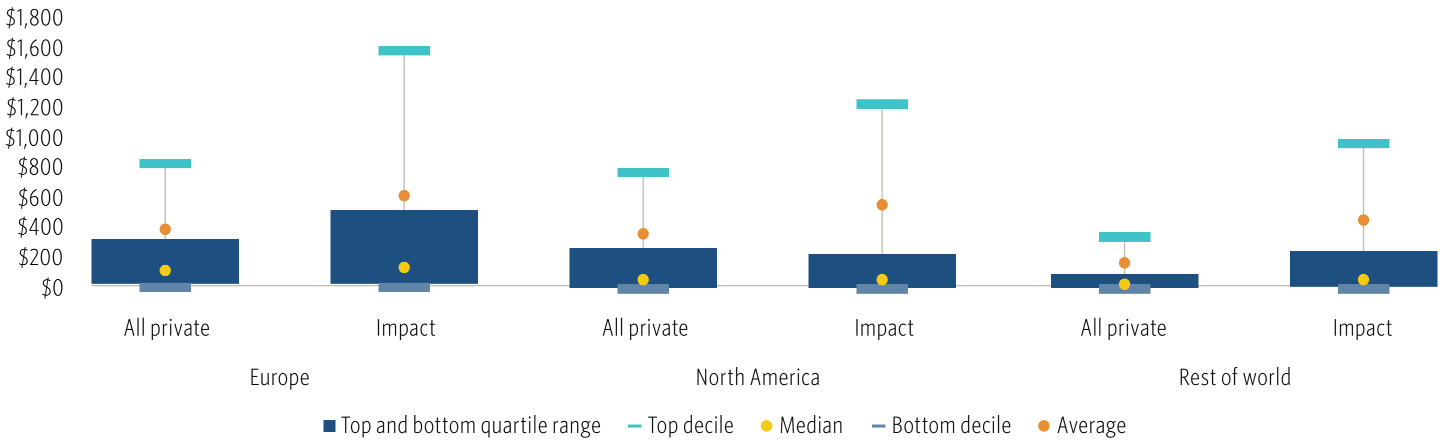


Source: PitchBook • Geography: Global
*As of September 30, 2023

Switching to geographical breakouts, we saw some cases in which the concentration of capital raised for Impact investment differed markedly from the private markets overall. From 2007 through Q3 2023, Europe represented a larger proportion of Impact fundraising at 33.7%, than of overall private market fundraising, which was 22.5%. This aligns with the perception that European investors have shifted a large portion of their investment capital to focus on sustainable investing. North America, on the other hand, raised 55.6% of all private capital closed since 2007, but only 47.0% of the Impact assets closed during the same period.

Within the Asia-Pacific region, Asia tends to be underrepresented regarding Impact, while Oceania represents a greater share of the Impact universe than the overall private funds universe. While very low from an absolute level, Africa's share of fundraising is more meaningful in the Impact space than in private capital overall: 1.9% versus 0.4%. Given the perceived need for Impact in parts of Africa, Impact funds represent 28.9% of the region's private market funds closed since 2007, whereas Impact funds constitute 6.3% of all private market assets raised globally. It should be noted that in limited instances, there are funds located, by our methodology, in non-African geographies that are targeting investment in Africa, such as the UK-based African Development Partners III Fund, which raised $900 million in 2021.

Fund size dispersion ($M) by region and fund type since 2007*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Median fund sizes have been remarkably similar for Impact funds versus the private funds universe at large, though because of the smaller number of funds and the prevalence of large infrastructure funds in the Impact dataset, the top decile of fund sizes skews much higher for Impact. This is proven out in the chart showing fund size dispersion across strategies—only in real assets does Impact skew so high versus the overall private capital universe. Looking at geographies, the difference between Impact and overall private capital is highest in Europe, where 10% of Impact funds are larger than $1.6 billion, but the top 10% of all private capital funds start at $841.6 million. North America, home to a higher proportion of VC funds than other parts of the world, has lower size statistics overall.

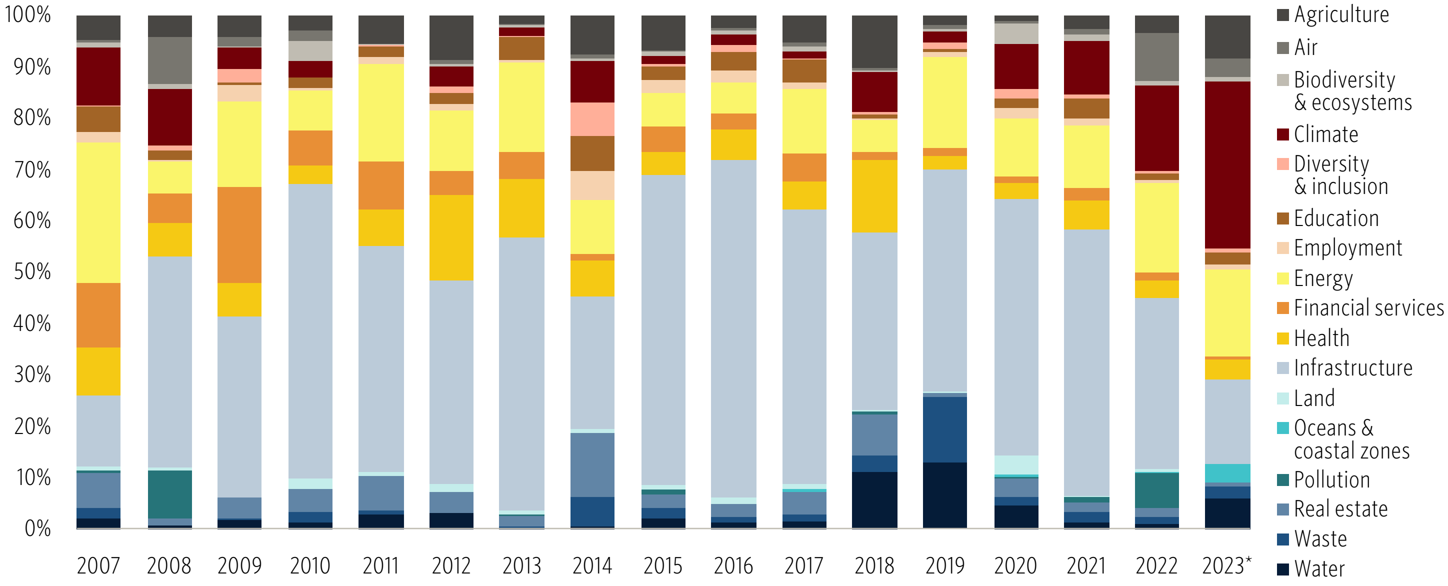
Diving deeper: What is being impacted?

Using the IRIS+ category framework, we can take a more detailed look at what specific areas of Impact are attracting the most capital. A small note on methodology: Single funds may have more than one Impact category tag and often do. As we cannot know how much of a fund will go to any of its IRIS+ categories, the entire fund size will be added to each IRIS+ category tagged. A summation of all IRIS+ category totals will thus include substantial double counting, so it would not be accurate to add these up to arrive at totals for Impact fundraising. For that reason, we showcase this data as proportions in the accompanying visuals rather than as absolutes.

Some Impact categories are more often targeted by Impact funds than others. Energy, for example, is a consistent focus of Impact funds as investors seek alternatives to fossil fuels, while the oceans & coastal zones category typically draws less attention. Because Impact is a space with fairly small numbers of annual funds raised and a single megafund can drastically move the data in a given year, certain areas of Impact may shoot into prominence one year, then fade back the next. One example is waste, which typically represents less than 3% of Impact fundraising, but its inclusion among the stated target areas of Impact for the $22 billion Global Infrastructure Partners IV fund in 2019 gave it a prominent position that year. Granted, only a portion of that fund will be invested in waste projects, but now that targeted areas of Impact are searchable, our clients can drill into the data to find potential partners with funds to invest.

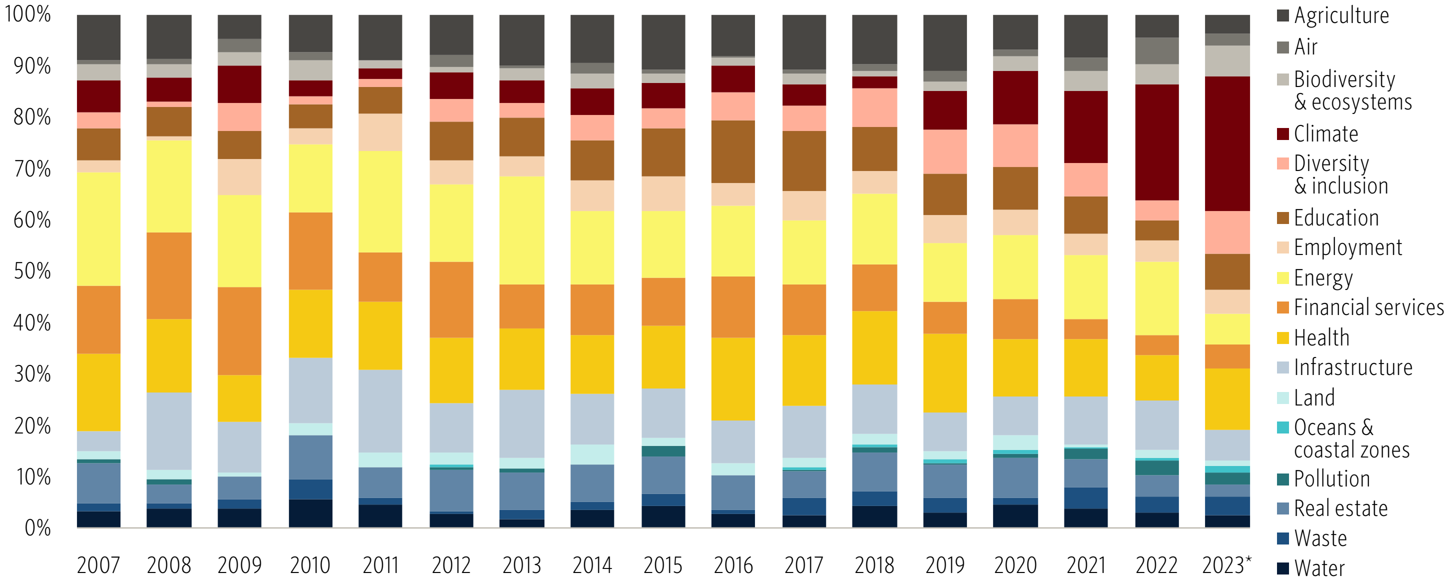
In 2023 thus far, Blackstone's Green Private Credit Fund III outraised the second-largest Impact fund by over 4x, putting climate as the most targeted Impact category. The second-largest fund, Horizon Environment & Climate Solutions I from Goldman Sachs, has given agriculture a big lift compared with prior years. Closing after the cutoff for this report, the $4 billion West Street Global Infrastructure Partners IV Fund, also from a Goldman Sachs affiliate, will give energy and infrastructure a boost in the final quarter of 2023. Despite normally representing 40% or more of overall fundraising, infrastructure is way off in 2023, coming in at only 16.3%, making room for energy to come in second.

Share of Impact capital raised by Impact category*



Source: PitchBook • Geography: Global
*As of September 30, 2023

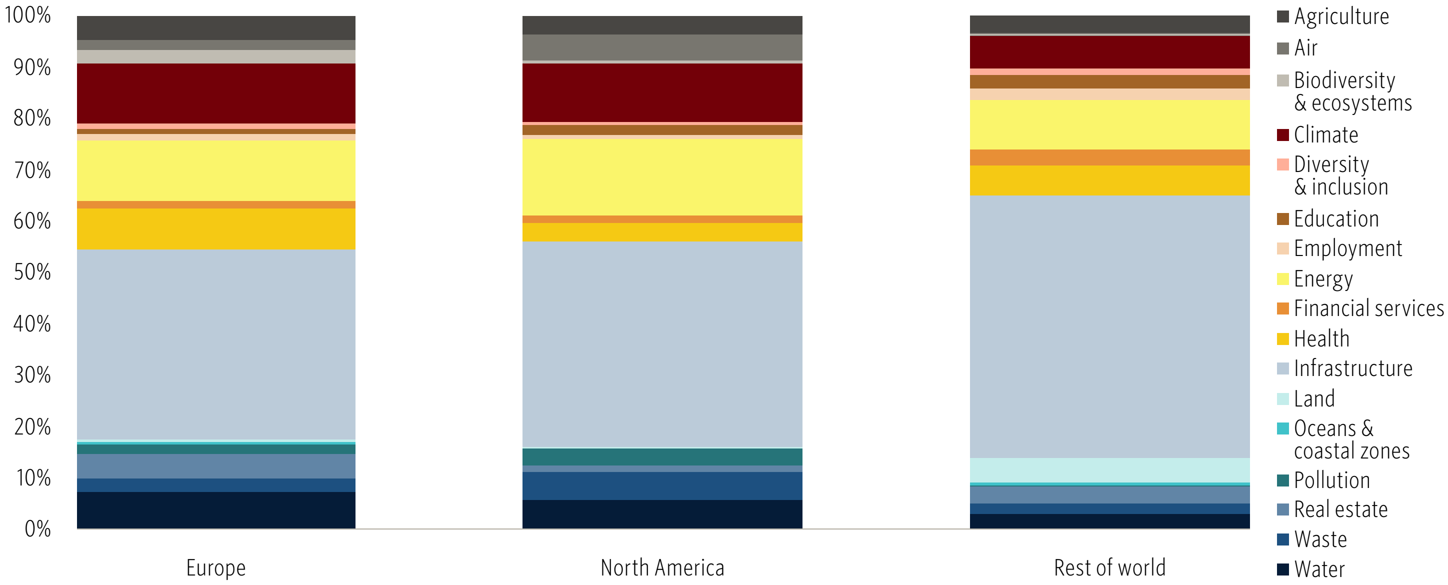
Share of Impact fund count by Impact category*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Looking at the number of funds targeting each of the Impact categories, there are years when no funds appear to be focused on oceans & coastal zones, but in most of the past 10 years, over 20 funds have targeted agriculture, education, energy, financial services, health, and infrastructure. Financial services is interesting, as it is rarely a top category in terms of assets raised, but is high in number of funds—a function of a consistently high number of microfinancing funds of relatively small sizes targeting this space. Water and employment typically have 10 or more offerings for investors to consider, if those are areas of interest to their investment programs. Diversity & inclusion was growing through 2021, but dropped off in 2022 to only 11 funds with such an emphasis.

Share of Impact capital raised by region and Impact category since 2018*

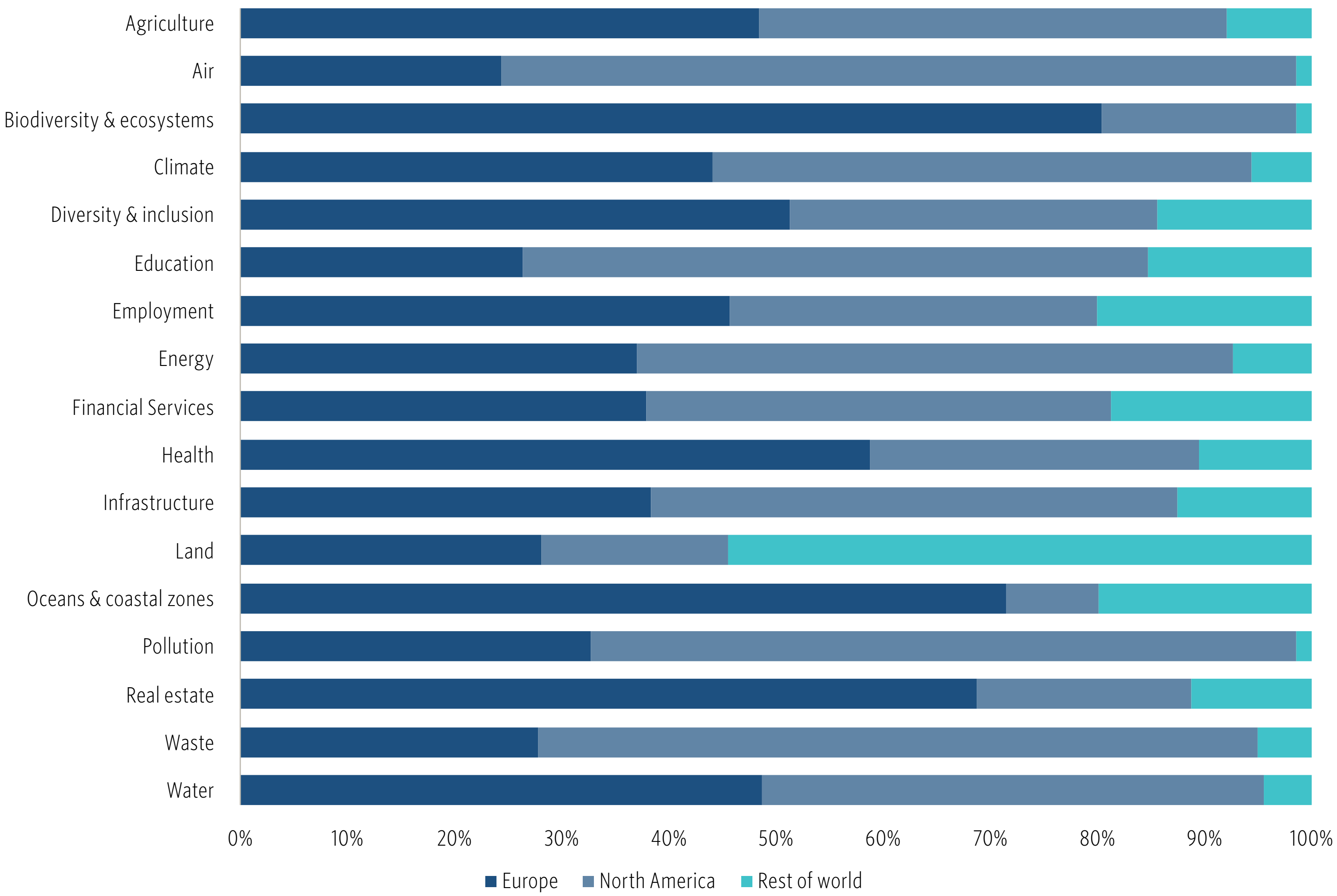


Source: PitchBook • Geography: Global
*As of September 30, 2023

We also wondered if there were any variations in how different geographies were investing for Impact. We narrowed the time focus to only look at funds raised since 2018 to examine more current trends. While infrastructure dominates each of the geographies in the chart, it is a much larger share outside of Europe and North America, despite huge government spending programs such as the Inflation Reduction Act. In the rest of the world, while it is imperfect to generalize, big projects may be required to build renewable energy projects and digital infrastructure to even the playing field for less-developed economies. North American Impact funds were the most likely to be targeting energy projects, while European funds tilt slightly more to climate and health.

Financial services fundraising is most prevalent in the “Rest of world” grouping, often taking the form of microlending or businesses serving regions that have in many cases been historically underbanked, meaning fewer residents in those areas have had access to bank accounts or loans that help facilitate business formation and economic development. Education also represents a larger proportion of capital raised for Impact funds based outside of North America and Europe; one factor could be that some emerging market governments may not be providing the infrastructure required to improve education levels, so private sector solutions are seeking to make inroads.

Share of Impact capital raised by region and Impact category since 2018*



Source: PitchBook • Geography: Global
*As of September 30, 2023

Flipping the data from the prior chart around, we can look at which regions are most active in targeting each IRIS+ category. Biodiversity & ecosystems, oceans & coastal zones, and real estate—meaning affordable housing and new and retrofitted green or energy-efficient buildings—are areas largely being funded from Europe.[13] North America is leading the charge with investment into air, pollution, and waste. Land—its conservation and sustainability—has received the most attention from funds operating outside of Europe or North America since 2018. One major fund in this space and geography was the CR Land Residential Development Fund raised out of Hong Kong in 2020 for $4.3 billion. All regions are working on improving access to financial services, with North America doing slightly more than the other regions. As noted earlier, financial services accounted for a higher percentage of Impact funds in the "Rest of world" grouping, but the fund sizes there were small.

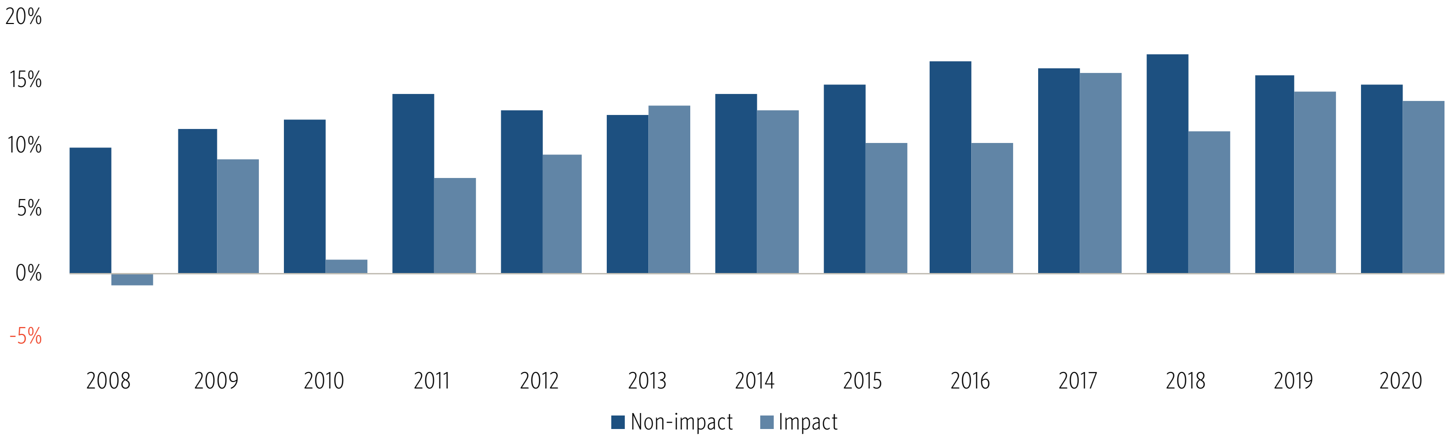
13: Note that the geographies are where the fund is based, but quite often the fund is investing in multiple geographies, making this an imprecise measure.

Perception versus reality: Impact performance[14]

Many investors believe that seeking Impact with investment assets necessarily means that financial returns will lag what the overall market has to offer—the belief being that in exchange for targeting Impact, investors will also accept concessionary returns. Due to this perception, quite a few Impact investors we have spoken with prefer not to describe themselves as Impact, as they are pursuing a strategy that does seek to maximize financial gains in addition to having positive environmental and/or social impact. Many areas of Impact have growth tailwinds that could be very beneficial to financial returns.[15]

Where does the perception originate? In my time as an allocator, I was pitched several funds that did offer concessionary returns in order to remain impactful. One was a fund intended to boost state employment with a real estate project that wanted to borrow at lower-than-market rates. Another was an affordable housing project that could not raise rents at market rates and still keep the project affordable over time. For some investors, those may be acceptable trade-offs, but it is categorically untrue that this is the objective of all Impact fund managers.

Median Impact versus non-Impact IRR by vintage year*

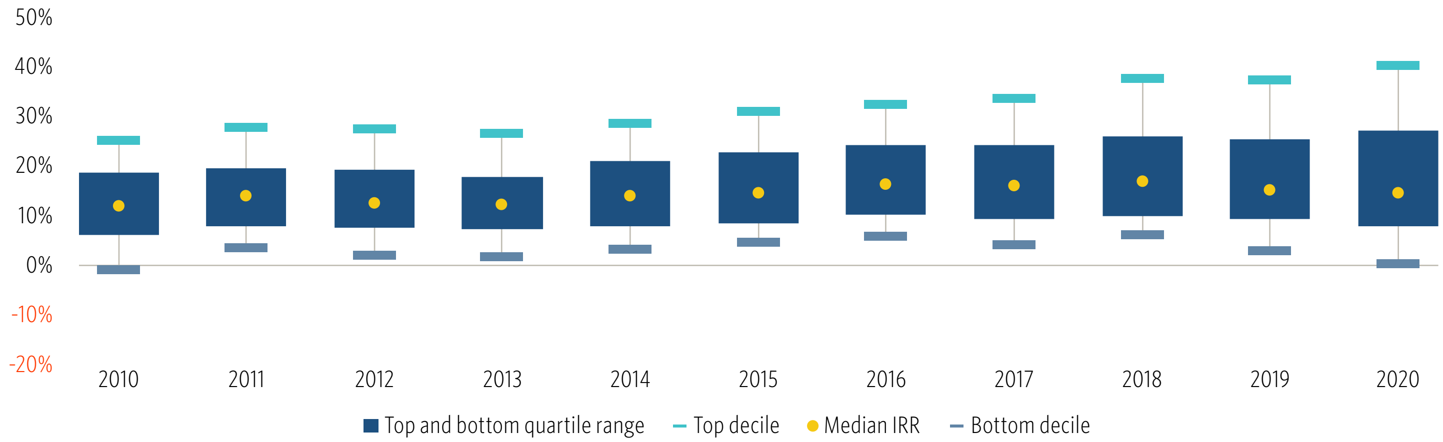


Source: PitchBook • Geography: Global
*As of March 31, 2023

We divided the funds universe into Impact and non-Impact funds to analyze how returns have fared on the funds identified as Impact. Looking at the median IRR of the two groups, Impact funds came out ahead in only three of the past 17 vintage years going back to 2006. But given the much smaller population of Impact funds and the fact that the Impact fund universe has strategy weightings that are quite different overall to the non-Impact fund universe, this result does not tell the whole story.

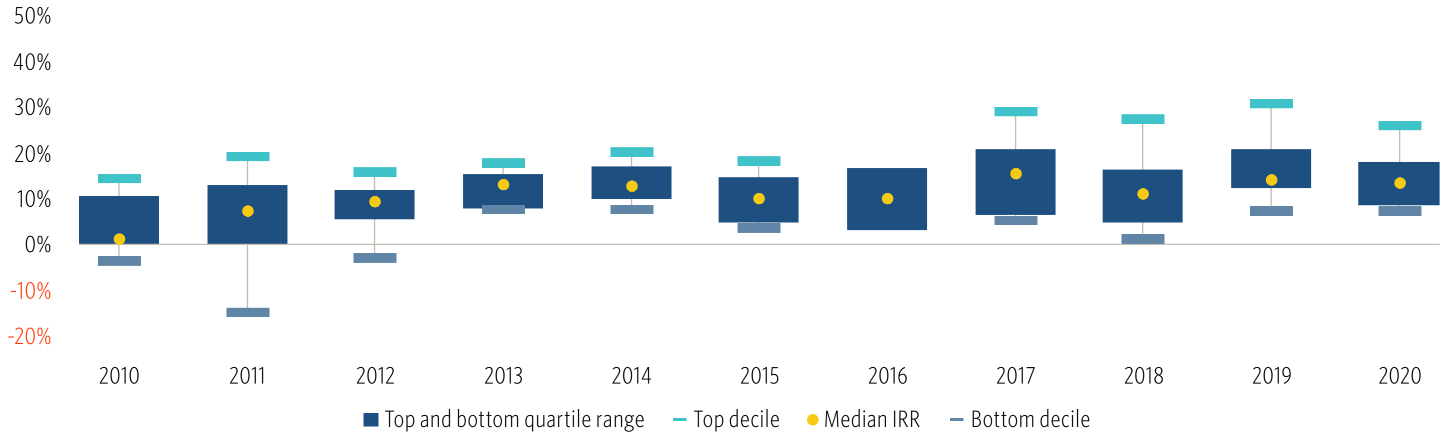
14: In 2023, PitchBook released a note studying the question of "ESG performance" that may also be of interest to our readers.
15: In 2023, PitchBook debuted the Emerging Sustainable Investing Opportunities series of analyst notes, highlighting specific impactful spaces for both financial opportunity and social or environmental impact. The first was on cultivated protein.

Non-Impact IRR dispersion by vintage year*



Source: PitchBook • Geography: Global
*As of March 31, 2023

Impact IRR dispersion by vintage year*



Source: PitchBook • Geography: Global
*As of March 31, 2023

Looking at dispersion, the top and bottom deciles of Impact and non-Impact funds show no clear pattern, except that, due to the small sample size and differing makeup of fund strategies within Impact, Impact fund returns have been more erratic over time. For quite a few vintages, the worst decile of Impact funds was better than the worst in the non-Impact group. This means that some investors seeking no Impact at all managed to select managers that were substantially worse than the worst Impact fund, so seeking financial returns only is no guarantee of better returns than selecting any Impact fund. In no case was the highest decile of Impact higher than the highest decile of non-Impact, but 90% of non-Impact funds were not able to do that well, either.

For a fairer comparison, we would prefer to look at these populations by strategy, but the numbers of Impact funds from which we have collected performance metrics are just not robust enough for most vintage year comparisons at the quartile level and certainly not at the decile level. We can, however, show that the Impact fund universe has been dominated by real assets much more than the non-Impact universe. Looking at the PitchBook Private Capital Indexes over time, real assets in the overall funds universe has quite often posted returns well below the private capital figures—over five years, real assets came in at 8.0% versus 14.0% for private capital, and over 10 years, it was 7.4% versus 13.5%. Thus, a high weight to real assets is one explanation for the Impact universe performing more poorly than the non-Impact universe.

While this is not yet a comprehensive analysis of Impact performance, it is by no means apparent that the Impact factor is detrimental to Impact fund performance. Between a lack of rich data on Impact funds and other factors that could also explain historical performance differences, the data we do have does not point to a systemic failure by Impact funds to provide market returns.

Who are the Impact investors?

Some of the largest Impact funds in our database are run by managers known primarily for their non-Impact strategies. Brookfield Corporation, better known for its opportunistic real estate funds, core infrastructure funds, and private debt funds supporting both programs, raised a $15 billion global transition fund in 2022 and held a first close for its second such fund in August 2023. BlackRock has also gotten into the private market Impact space with its Impact Opportunities Fund investing in Black, Latinx, and Native American communities across the United States. EQT's Active Core Infrastructure Fund does not automatically call to mind Impact investing, but it does invest across three sustainability themes: climate & environment, people & society, and sustainable growth & equality.[16]

Potentially trying to avoid being targeted by anti-sustainable investment advocates, Goldman Sachs Asset Management did not put its own name on its inaugural Impact PE fund, instead calling it the Horizon Environment & Climate Solutions fund. It held a $1.6 billion final closing in Q1 2023, having launched before in March 2022.

It should be noted that of the top 10 Impact funds raised thus far in 2023, seven were the first fund in a family, if not the first fund from the asset manager. Only two had a roman numeral higher than III, including offerings from Crescent Capital Partners out of Australia and Pharos Capital Group from Texas. This is not a space that houses many long track records at the fund-family level, making diligence more challenging for some.[17]

Of the fund managers dedicated to Impact investing, some are incredibly targeted, such as Astanor Ventures, a Luxembourg-based asset manager focusing on food and agriculture investments. Generation Investment Management, despite being one of the larger and longest-running Impact-dedicated managers, at $44 billion in AUM, has a laser focus on climate, though investments targeting reduced emissions can be found in many industries and provide positive outcomes in other Impact categories.

16: "EQT Active Core Infrastructure," EQT, n.d., accessed November 27, 2023.
17: Please peruse our Q3 2023 Analyst Note: An LP's Guide to Manager Selection for a qualitative framework to aid fund manager diligence, particularly in the absence of a track record.

Top 10 investors by Impact capital raised*

Investor	Investor HQ location	Aggregate Impact capital raised ($M)	Impact fund count	Investor has both Impact and non-Impact fund offerings?
Brookfield Corporation	Ontario, Canada	$58,700.0	5	Yes
Global Infrastructure Partners	New York, US	$55,616.0	7	Yes
Macquarie Asset Management	New South Wales, Australia	$41,157.7	14	Yes
EQT	Sweden	$35,613.4	4	Yes
Kohlberg Kravis Roberts	New York, US	$32,855.2	6	Yes
China Development Bank	China	$30,000.0	2	Yes
Stonepeak	New York, US	$29,715.0	5	Yes
Actis	England, UK	$28,629.7	37	Yes
Copenhagen Infrastructure Partners	Denmark	$20,922.0	7	Yes
I Squared Capital	Florida, US	$18,306.0	2	Yes

Source: PitchBook • Geography: Global
*As of September 30, 2023

In aggregate, the list of top Impact fund managers is interesting. It is a global listing of fund managers of varying levels of brand awareness. Some made the list by raising many funds, while others got there by raising a much smaller number of much larger funds. The power of a good brand in non-Impact strategies allowed some in that latter group to raise funds large enough to make them the envy of the Impact world.

Impact Funds in Market

In each of the last 12 years, ImpactAssets has published the IA 50, a list of fund managers spotlighted to showcase "a diverse set of firms with experience in the field, scale in terms of AUM and investor base, commitment to impact and representing a range of approaches, asset classes and impact areas."[18] It is not a comprehensive list of fund managers, but is curated to show the range of the Impact universe. We cross-checked the 2023 directory against the PitchBook database to create a list of funds that appear to be currently in the market seeking investor commitments. As can be seen by the accompanying short list, these funds are investing across different strategy types and categories of Impact. Most are fairly modest in size, with some so under-the-radar that it has been difficult to determine the targeted fund size through public sources.

18: For more about the IA 50, the selection process, and the categories recognized, please follow this link: https://impactassets.org/ia-50/.

Select 2023 ImpactAssets 50 funds open to LP commitments*

Fund	Strategy	IRIS+ categories	Target ($M)
Amazonian Ventures Impact	Private debt	Agriculture, biodiversity & ecosystems, diversity & inclusion, land	N/A
Astia II	VC	Diversity & inclusion, employment	$150.0
Blueprint Opportunity Zone V	Real estate	Real estate	N/A
Catalyst Fund Climate Resilience I	VC	Climate, energy, agriculture, financial services	$40.0
EIP Flagship III	PE	Infrastructure, energy, diversity & inclusion	N/A
Ember Infrastructure II	Infrastructure	Energy, water, waste, agriculture	N/A
Energy Go Getters	Infrastructure	Infrastructure, diversity & inclusion, financial services, employment	$100.0
Gaia Energy Impact II	VC	Employment, financial services	$88.5
Global Partnerships Impact – First Development 9	Private debt	Agriculture, employment, financial services, health	N/A
Kapor Capital Opportunity I	VC	Diversity & inclusion, education, financial services, health	$50.0
Mirova Energy Transition 6	Infrastructure	Climate, energy, infrastructure, diversity & inclusion	$2,200.0
NMC I	PE	Diversity & inclusion, employment	N/A
ResponsAbility Sustainable Food – Latam I	PE	Energy, agriculture, financial services	$250.0
RTH Properties VI	Real estate	Diversity & inclusion, real estate, education	N/A
Slauson & Co. II	VC	Employment, financial services, diversity & inclusion	$100.0
SLM Agri Carbon	Real assets	Agriculture, land	N/A
SteelSky Ventures Dynasty	VC	Health, diversity & inclusion	$100.0
VoLo Earth Ventures Impact II	VC	Energy, climate	N/A
Zeal Capital Partners II	VC	Health, financial services, employment, diversity & inclusion	$120.0

Source: PitchBook • Geography: Global
*As of November 15, 2023

How are you tagged? We hope our IRIS+ initiative allows LPs, GPs, and companies with particular Impact goals to find each other more easily. This note reports on fund tagging, just the first step of the work we are doing to build out this Impact network. As this is private market data that is often difficult to pin down, we invite Impact investors of all stripes to write to survey@pitchbook.com to find out how they are being reflected and update their profiles if the data can be more accurately portrayed.