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Published on December 15, 2022

Contents

Impact Investing Update

New Data Allows Us to Track the Flows of Capital

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

- With improved fund tagging, we have recast our analysis of the impact funds universe previously published in Q3 2021. Since that report, we have begun tracking hundreds more impact funds and added thousands of additional IRIS+ category tags to those funds, allowing us to provide a deeper analysis of the private market impact investment landscape.

- Looking at drawdown private fund structures only,[1] over 1,700 impact funds have been raised since 2007, with over $380 billion committed to these vehicles. The funds vary widely in size, geography, and the types of impact they are attempting to effect. In addition, there are types of funds that impact investors appear to prefer that are less prevalent in the general private fund landscape. For example, real assets, particularly infrastructure, represents a higher proportion of capital raised for impact funds than for private market funds overall.

- Using the GIIN's IRIS+ framework for impact investing, we have found that energy is a staple of impact investment capital, while some categories such as biodiversity & ecosystems garner much less attention. Also, due to cultural differences, some impact categories appear to be more attractive in different geographies. For example, air and pollution impact efforts are funded largely by North America-based funds, while focus on land preservation and sustainability is more often found in funds outside of North America and Europe.

1: This report draws upon the main fund strategies as covered by PitchBook: PE, VC, private debt, real estate, real assets, secondaries, and funds of funds in closed-end, drawdown structures. While we do have some knowledge of other impact funds ranging from angel funds, co-investment funds, evergreen funds, and others we have difficulty categorizing, like the €80 billion Horizon 2020 Fund out of the EU, we have chosen to keep the focus of this note on the private fund strategies that make up the foundation of our core fund reports.

Introduction

In our 2020 analyst note The Double Bottom Line, we discussed sustainable investment strategies,[2] particularly focusing on the impact investing landscape. 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.

While there is a plethora of taxonomies attempting to define and standardize the sustainable investing ecosystem, the Impact Reporting and Investing Standards (IRIS+) framework,[3] 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.[4] 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 perform some self-reflection on what they are looking for and carry out their own due diligence to determine if a strategy matches their objectives. Some LPs are okay with concessionary returns, while others are seeking market returns only, and there are products available for each perspective.[5]

A side 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. "[6] 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."[7] 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 SDGs include several that are aimed at public policy, but target 1.4 reads: "By 2030, ensure that all [people], 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."[8] IRIS+ has identified four impact categories that could aid in this target: education, health, water, and financial services. 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.

IRIS+

In our 2022 Sustainable Investment Survey, 56% of our allocator respondents said that they are allocating 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 tag funds with the categories they are seeking to impact.

2: We describe the other major area falling under the sustainable investing umbrella in our note entitled ESG and the Private Markets.
3: "IRIS+ Thematic Taxonomy," Global Impact Investing Network, July 2022
4: "The 17 Goals," the United Nations, n.d., accessed December 8, 2022.
5: For more on different philosophies of ESG and impact, please refer to ESG, Impact, and Greenwashing in PE and VC
6: "IRIS+ and the SDGs," Global Impact Investing Network, July 2022.
7: Ibid.
8: Ibid.

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.

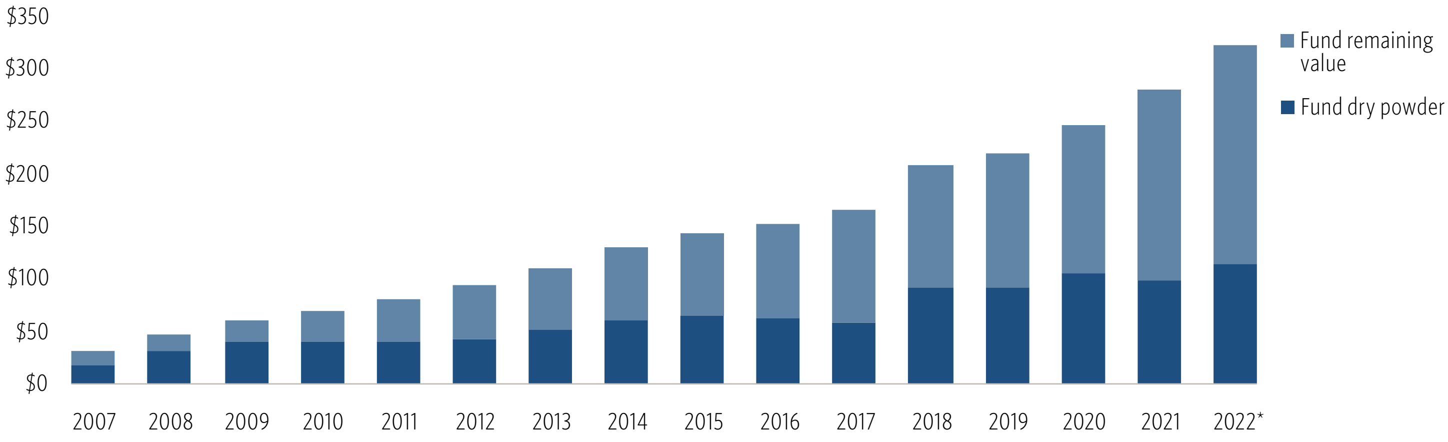
With impact fund tagging in place on the PitchBook Platform, potential LPs can not only uncover a list of over 2,500 impact funds, but also identify the funds that most closely match the investors' impact goals. If an asset owner were interested in affordable housing, for example, they would be able to search for impact funds tagged to the real estate category. From there, they would need to do some 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 338 funds, only 67 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 funds statistics

Many investors perceive the impact space as a nascent area. They may be surprised that we have identified over 2,500 funds dating back to the Alex Brown European Environmental Fund, which originally closed on $21.0 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 United Kingdom, 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? This fall, the GIIN released a study indicating that over 3,349 organizations currently manage nearly $1.2 trillion in impact investing assets worldwide.[9] That figure includes different types of investors and investment opportunities not found in private fund structures. Based on PitchBook data, we show $322.2 billion in assets under management controlled by private market impact funds. Of that total, $113.3 billion is in dry powder waiting to be allocated, while the remainder is in current investments. This capital is found across the full gamut of private market strategies, global geographies, and impact categories.

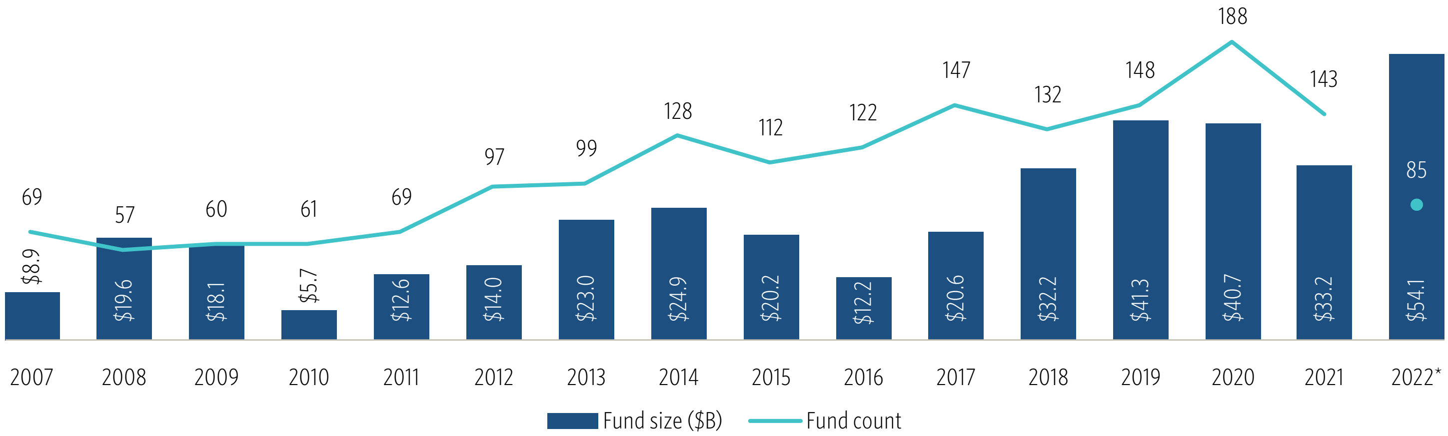
Impact fund AUM ($B)



Source: PitchBook | Geography: Global
*As of September 30, 2022

9 : "Sizing the Impact Investing Market," Global Impact Investing Network, Dean Hand, Ben Ringel, and Alexander Danel, October 2022.

Impact fundraising activity since 2007



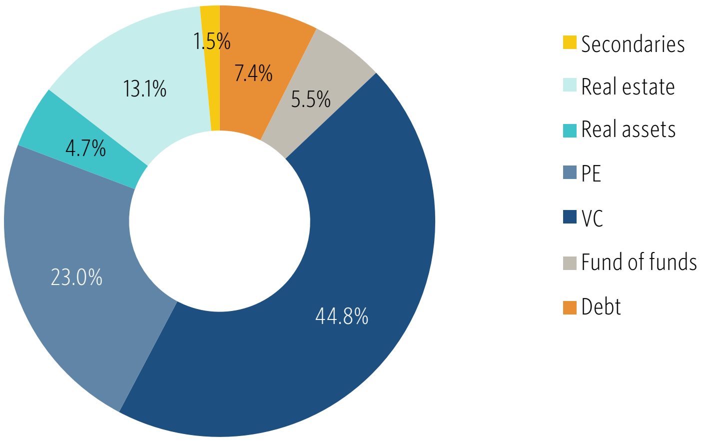
Source: PitchBook | Geography: Global
*As of September 30, 2022

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 mega-fund or two in a year can cause a spike. Conversely, their absence can result in a dip. 2022 is already looking to be a record year for private market impact fundraising, however. The number of funds is significantly down from the 2020 total, though this is for a partial year and we often register more fund closings as time passes. Three large infrastructure funds from Brookfield Asset Management, Ullico Investment Advisors, and Copenhagen Infrastructure Partners dominated, with over $22 billion being committed to those vehicles. TPG also raised a mammoth climate fund for the first time, raking in over $7 billion in this sibling to their two Rise funds. We show 28 more impact funds having closed in Q4 2022 as of this writing, with more expected before the close of the year.

While we hear from quite a number of VC funds planning to provide measurable impact alongside financial returns, we were curious as to where there might be concentrations of impact investment within particular private market strategies. PE represented 24.6% of all private market impact vehicles closed between 2007 and September 2022. However, because PE fund sizes tend to come in larger than other strategies on average, by capital raised, PE represented 30.1%. On the flipside, VC funds were 42.7% of impact funds raised, but only 14.3% of capital raised.

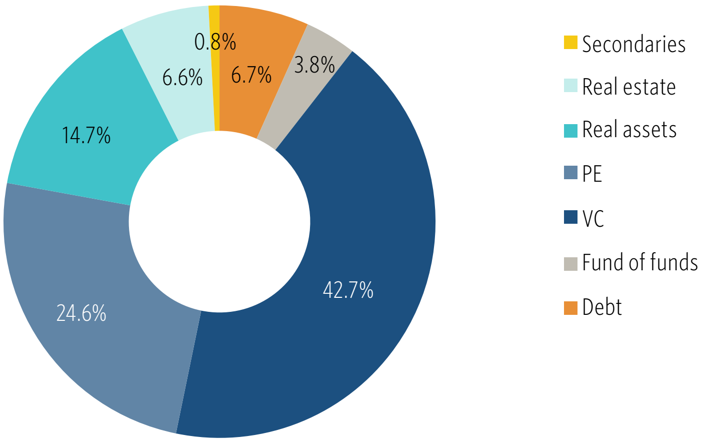
The fact that VC has represented the greatest proportion of impact funds raised since 2007 may be surprising given that some feel VC is not the place to ponder anything outside of solidifying a product, growing revenues, and eventually achieving profitability. Others, however, feel that VC is exactly the place to start companies on the path to making better products for the world, focusing companies on stakeholders rather than just shareholders, and on business activities that have a sustainable focus, rather than trying to retrofit a company after it has already embraced "bad habits."

Share of total private market fund count by strategy since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

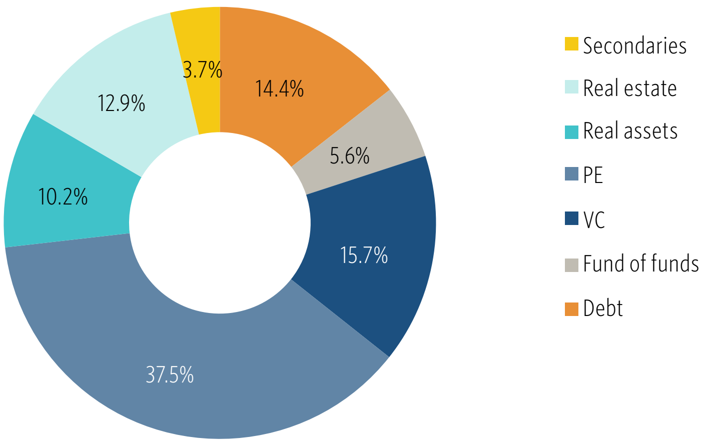
Share of impact fund count by strategy since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

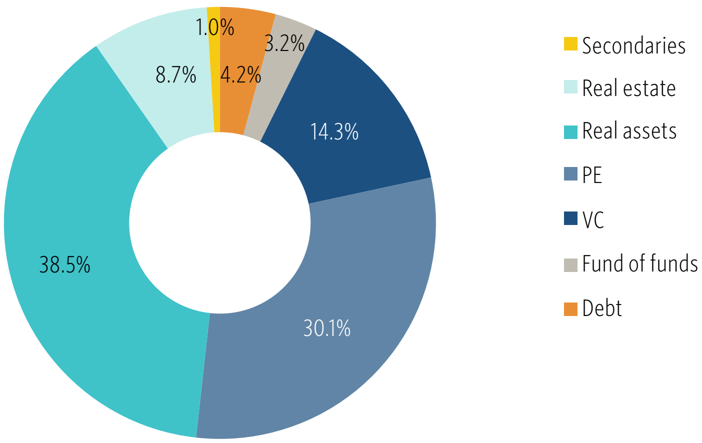
We thought it would also be interesting to see if there are private market strategies taking up much different shares of the impact universe versus the broader private capital fundraising universe. While real estate represented 12.9% of all private capital raised between 2007 and Q3 2022, it was only 8.7% of the impact universe. On the other hand, real assets were only 10.2% of the broader assets raised, but 38.5% of the impact assets raised. Real assets includes a number of extremely large infrastructure funds targeting areas such as the sustainable energy transition and improving rural and emerging market connectivity and services, investments requiring very large sums of capital.

Share of all private capital raised by strategy since 2007*



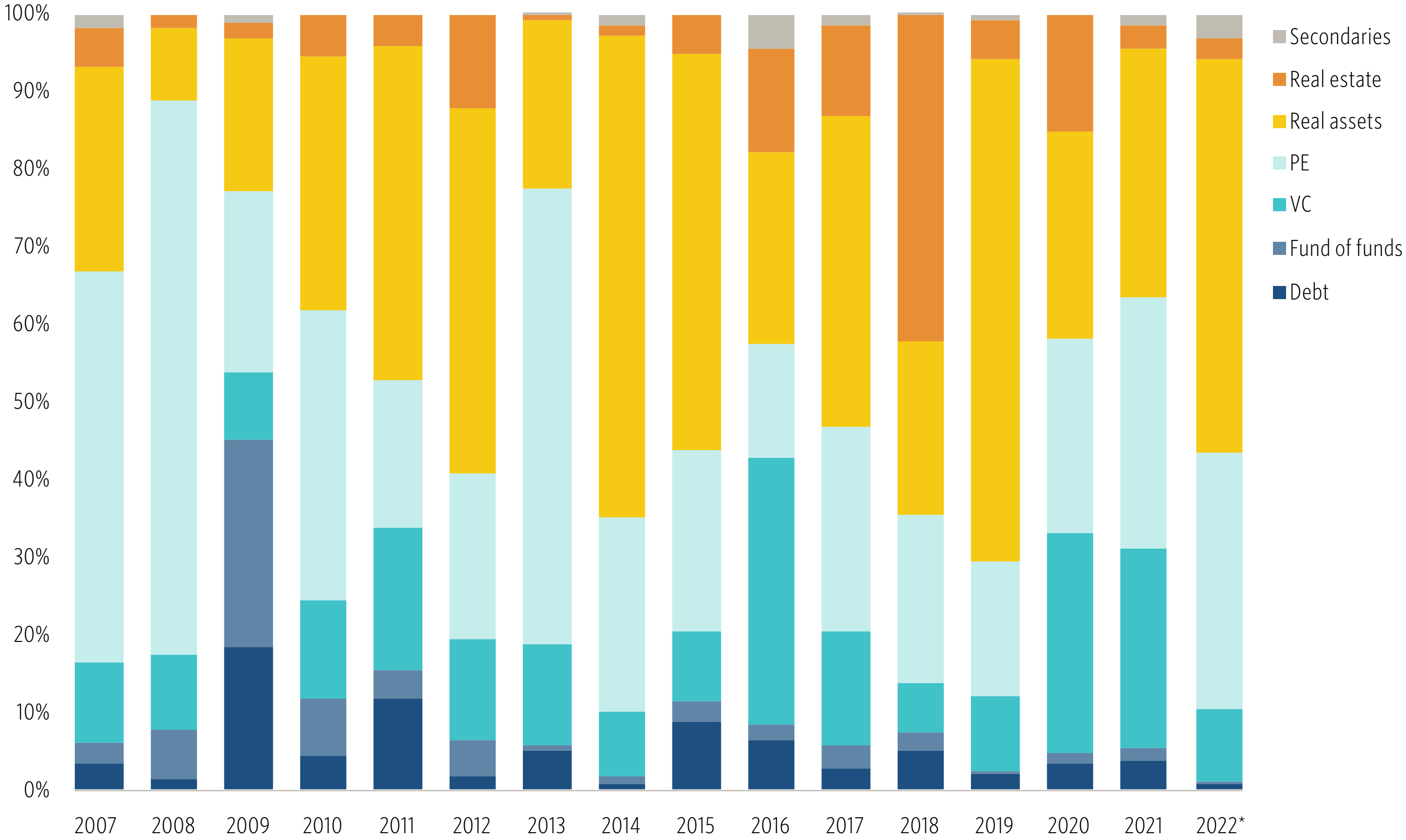
Source: PitchBook | Geography: Global
*As of September 30, 2022

Share of impact capital raised by strategy since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Share of impact capital raised by strategy

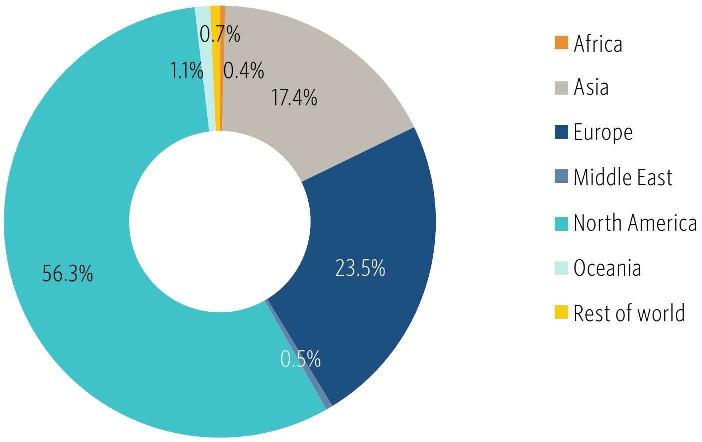


Source: PitchBook | Geography: Global
*As of September 30, 2022

Over time, real assets has generally been a large recipient of impact fund commitments, with individual large funds swinging the overall share metrics widely from year to year. Because the universe is, relatively speaking, small compared to the overall private capital universe, outlier funds can have a strong effect on a strategy's share of capital raised in any given year. In 2018, real estate took in 41.9% of impact capital due to the $13.1 billion Netherlands-based PGGM Private Real Estate Fund. Real assets dominated in 2019 with a 64.9% share, led by the $22.0 billion Global Infrastructure Partners IV. 90 VC funds combined to lead 2020 by attracting 28.2% of impact capital raised, the largest of which was The Danish Green Future Fund at nearly $4 billion.

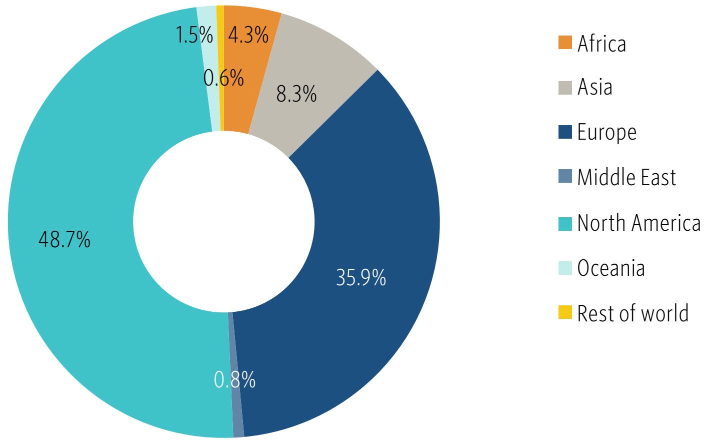
When looking at the share of all private capital raised, PE beat all other strategies every year since 2007, but it only led impact fundraising twice in the past 10 years—in 2013 and 2021. TPG has been far and away the leader in PE fundraising for impact between The Rise Fund II raising $2.2 billion in 2021 on the heels of the $2.1 billion raised for fund I in 2017. In addition, they closed on the $7.3 billion TPG Rise Climate fund in 2021.

Share of all private capital raised by region since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

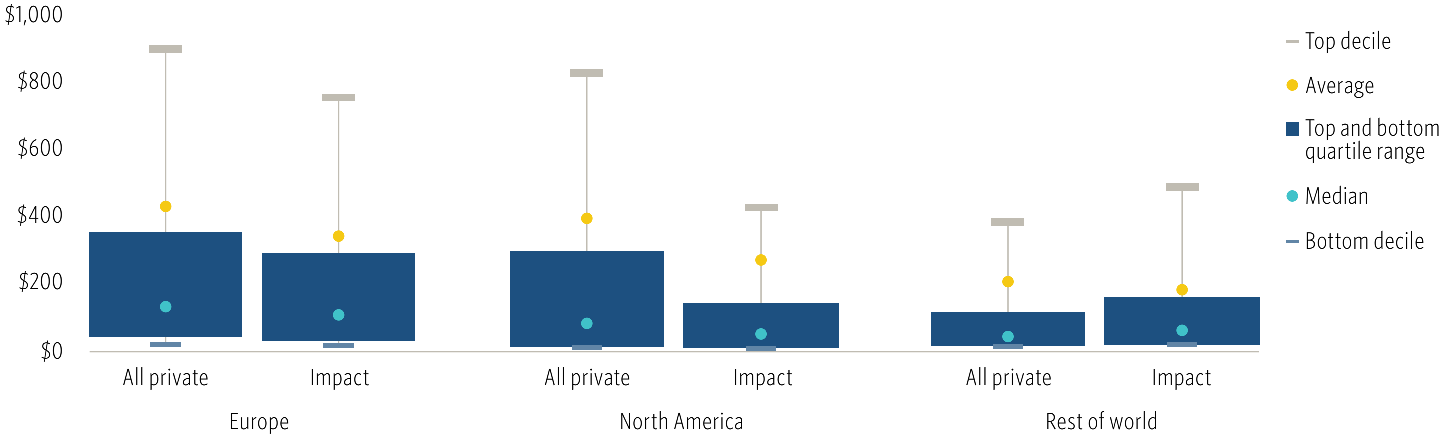
Share of impact capital raised by region since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Switching to geographical breakouts, we saw some cases in which the concentration of capital raised for impact investment differed markedly from private market investment overall. From 2007 through Q3 2022, Europe represented a larger proportion, 35.9%, of impact fundraising than of overall private market fundraising, which was 23.5%. 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 56.3% of all private capital closed since 2007, but only 48.7% of the impact assets closed during the same period. While relatively low from an absolute level, Africa's share of fundraising is much more meaningful in the impact space than in private capital overall: 4.3% versus 0.4%. Given the perceived need for impact in parts of Africa, impact funds represent 28.3% of the region's private market funds closed since 2007, whereas impact funds constitute 2.7% of all private market assets raised globally.

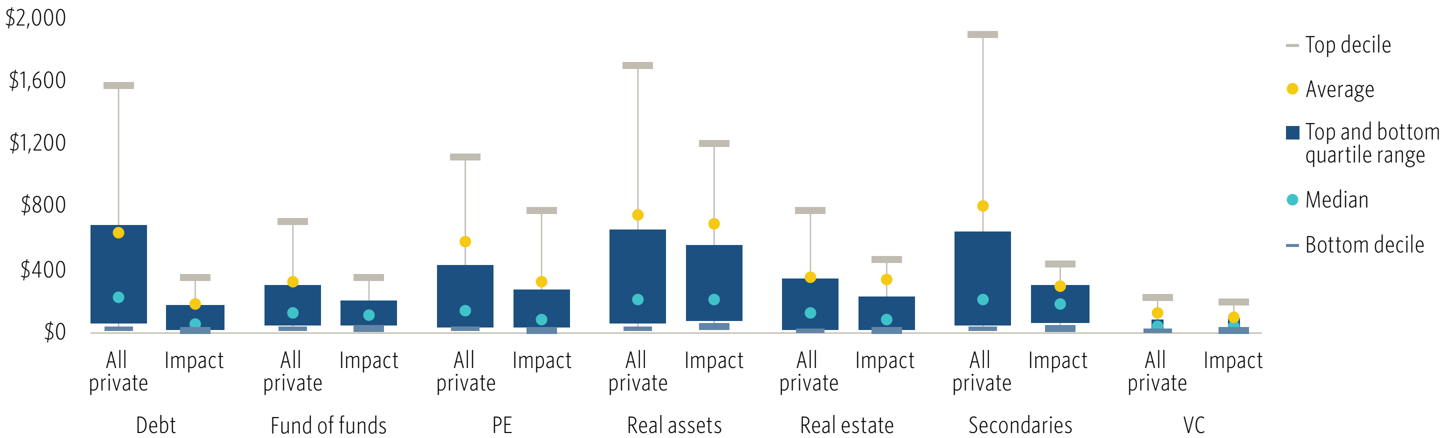
Range of fund size ($M) by region since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Median fund sizes tend to run smaller for impact funds versus the private funds universe at large. In Europe, the median fund size was $130.4 million for funds raised between 2007 and Q3 2022, but European impact funds had a median fund size of only $103.3 million. North American median fund sizes have been significantly lower than those in Europe, likely due to so many very small funds being raised in the US with hopes of eventually becoming the next mega-fund manager, an optimism that does not seem to be as prevalent in Europe. Interestingly, impact funds raised outside of Europe or North America have a median size larger than the overall rest of world universe, at $60.0 million versus $40.0 million. This may be because the opportunities that attract the most assets outside of the two largest private market geographies are ones in which there is an impactful mission.

Range of fund size ($M) by strategy since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Median fund sizes are markedly different depending on the strategy under examination. In the private capital universe overall, the median real assets fund size was $211.7 million between 2007 and Q3 2022, much higher than the PE figure of $136.8, perhaps surprising to some, given how much PE mega-funds are heralded in the industry press. On the impact side, the differences are even more stark. Real assets impact funds had a median fund size of $200.0 million, while PE came in at just $83.6 million. VC, where 75% of funds raised are smaller than $89.2 million, actually had a larger median fund size for impact funds at $33.2 million, compared to the median fund size of $30.6 million in the VC universe at large.

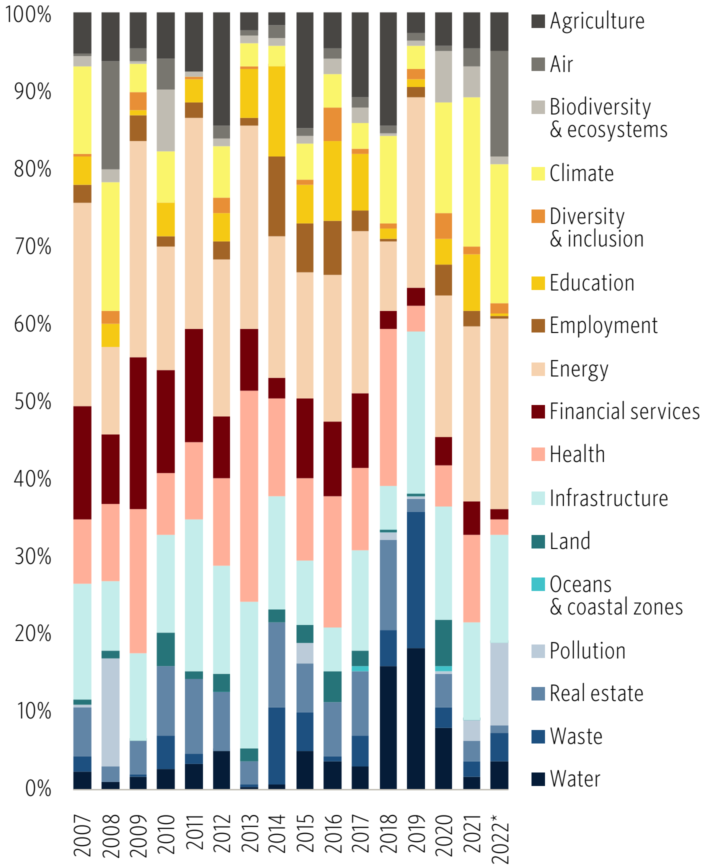
Across strategies, impact funds in the top decile are smaller than in the broader fund universe. In addition, the range is typically narrower for the 50% of funds in the middle ground of fund sizes. As an example, real assets fund sizes in the second and third quartiles varied from highest to lowest by $601.8 million in the general fund universe, but in the impact fund universe, the range was $485.5 million. The exception was VC: among all VC funds raised, the range from the top of the second quartile to the bottom of the third quartile was $77.5 million, but among impact funds, the range was $90.0 million. Looking at the top quartile dividing lines, a somewhat higher proportion of impact VC funds clear $100 million than in VC overall.

Diving deeper: What's 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. 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 of the 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.

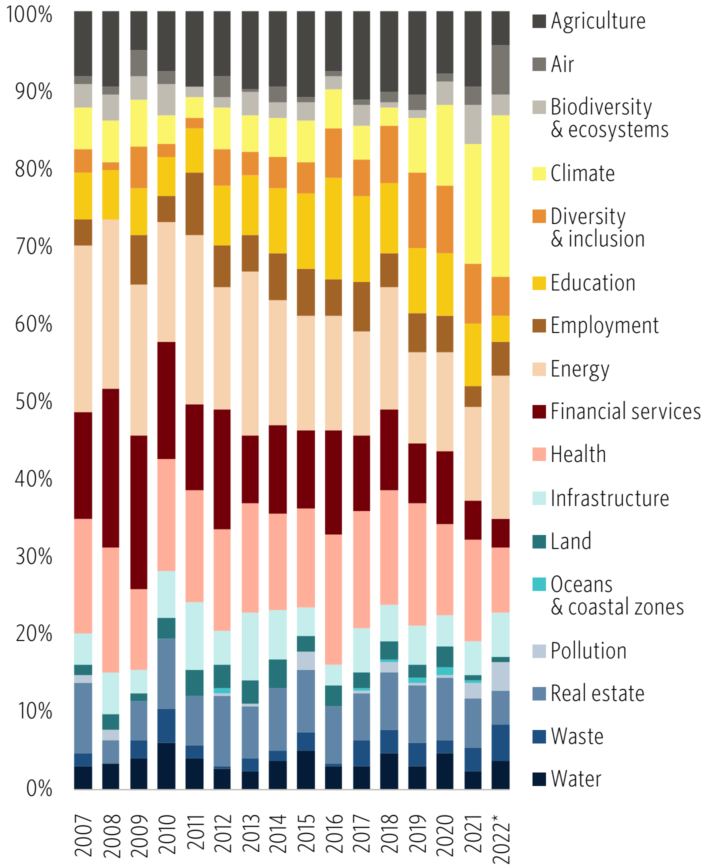
Some impact categories have received fairly constant investment share over time, while others have had big years and then fallen back. Energy, for example, is a consistent target of impact funds, while land typically draws less attention. Because this is a space with fairly small numbers of annual funds raised and single mega-funds can drastically move the data, certain areas of impact may shoot into a prominent role one year, then fade back the next. One example is waste, which typically represents a sub-5% share 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 we can search for targeted areas of impact, our clients can drill into the aggregated figures to find potential partners with funds to invest. As Brookfield's Global Transition Fund has indicated a focus on pollution, those seeking to mitigate air- or land-based pollution would know to reach out to Brookfield, as they have a $15 billion fund with some expectation of making investments in the pollution space.

Share of impact capital raised by impact category since 2007**



Source: PitchBook | Geography: Global
*As of September 30, 2022
** Note: see accompanying data summary for a more detailed look at individual impact segments.

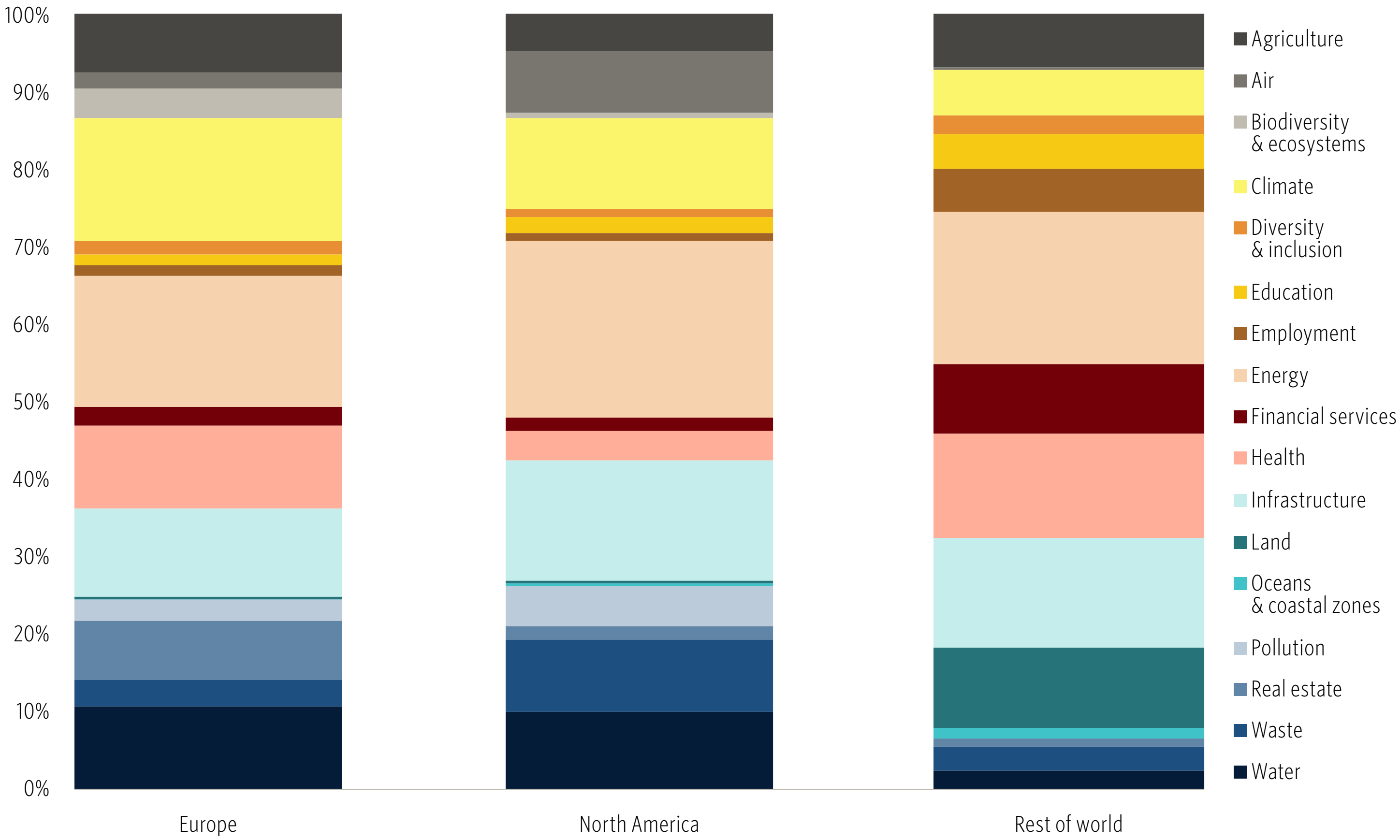
Share of impact fund count by impact category since 2007*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Looking at the number of funds targeting each of the impact categories, there are many years when no funds are focused on oceans and coastal zones or pollution, but in most years going back to 2007, over 20 funds have targeted energy, financial services, and health. 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 fairly small sizes targeting this space. In the last five years, agriculture and climate have regularly been counted in the annual double-digit number of funds raised club. Diversity and inclusion is growing—only a handful of funds were raised with this target in 2007—but events in 2020 have finally pushed some managers to focus on the lack of diversity throughout the private market landscape when it comes to founders, board members, product offerings, and the investment managers themselves. In 2020 alone, we registered 33 funds with diversity and inclusion as an objective, up from only 19 two years prior.

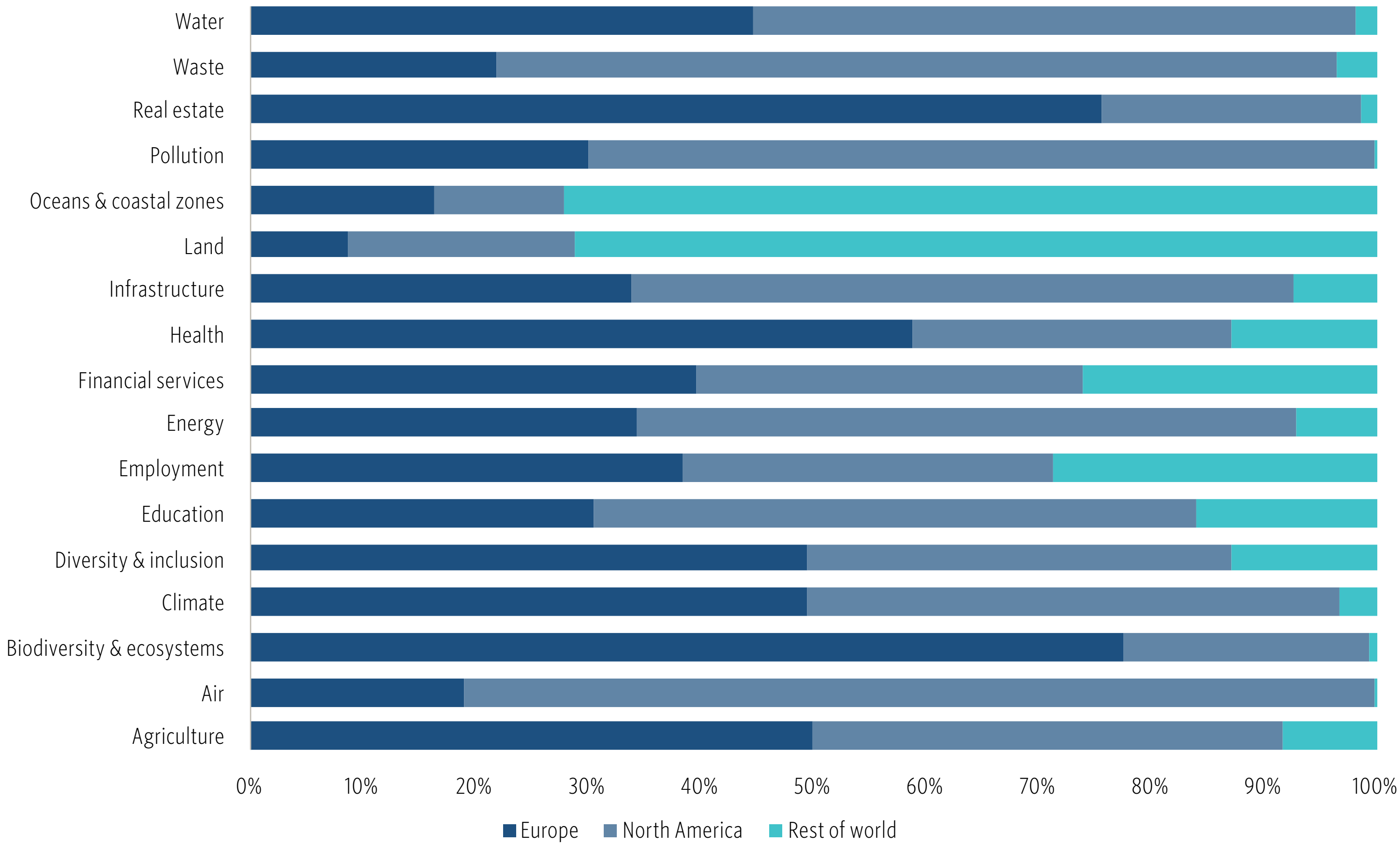
Share of impact capital raised by impact category since 2018*



Source: PitchBook | Geography: Global
*As of September 30, 2022

We also wondered if there were any variations in how different geographies were investing for impact. To get somewhat recent trends, going back to 2018, the largest category that the European impact fund universe has been targeting is energy, which is not only a popular cause, but also one able to absorb large amounts of capital. This year, the idea of an energy transition away from fossil fuels took on new urgency given the events in Ukraine. Energy is also a top priority for North America, but while climate was a close number two in Europe, North American commitment to climate was less, as more specific areas were higher than in Europe: air, pollution, and waste. Financial services fundraising is most prevalent in the "rest of world" grouping, often taking the form of microlending or businesses serving these 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 literacy rates, so private sector solutions are seeking to make inroads.

Share of impact capital raised by region since 2018*



Source: PitchBook | Geography: Global
*As of September 30, 2022

Shifting the lens to look at individual IRIS+ categories, biodiversity & ecosystems, health, and real estate, meaning affordable housing and new and retrofitted green or energy-efficient buildings, are areas largely being funded from Europe.[10] North America is leading the charge with investment into air, education, energy, pollution, and waste. Land—its conservation and sustainability—and oceans & coastal zones received the most attention from funds operating outside of Europe or North America since 2018. This was led by the $300 million 8F Aquaculture Fund out of Singapore in 2020. All regions are working on improving access to financial services, with Europe doing slightly more than the other regions. As we 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.

10: 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.

Who are the impact investors?

Some of the impact funds in our database are run by managers known primarily for their non-impact strategies. TPG, better known for its PE mega-funds, raised the $2.0 billion Rise Fund in 2017, closed on its $2.2 billion Rise Fund II in 2019, and is targeting $3 billion for the third fund in the series. In addition, this year they closed their inaugural climate fund at $7.3 billion. While smaller than the past four buyout funds the firm has raised, each of which topped $10 billion, this is an enormous amount of money targeting impact investments from this global player. KKR, Bain, and BlackRock also have impact funds among their stable of offerings.

Some large impact funds have been created independent of LPs for their funding. The largest impact fund is the €80 billion Horizon 2020 Fund, established by the European Union. The Rural Infrastructure Opportunity Fund, which was established with $10 billion from the US Department of Agriculture in 2014, is managed by Capital Peak Asset Management to target things like hospitals, schools, and broadband expansion with debt or equity investments. Other large impact investment funds come from the corporate world, including Amazon’s $2.0 billion Climate Pledge Fund and the $1.0 billion Microsoft Climate Innovation Fund.

Of the fund managers who are dedicated to impact investing, some are incredibly targeted, such as Agassi Ventures, founded by tennis great Andre Agassi, with $507.0 million under management in three funds committed to education initiatives. Encourage Capital has $250 million in AUM and targets a broader range of impactful investments: clean energy finance, financial inclusion, environmental markets, sustainable infrastructure, sustainable seafood, and water. Some fund managers have shifted their approach over time. North Sky Capital, a $1.5 billion AUM firm that spun out of a regional investment bank in 2010, began with a more general approach, but has since found focus in purchasing secondary interests in impact funds and running their own sustainable infrastructure funds.

In aggregate, the list of top impact fund managers is interesting. Some got there by raising multiple funds, while others got there by raising a single mega-fund. 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.

Top 10 investors by impact fund size*

Investor	Location	Aggregate impact fund size ($B)	Impact fund count
Actis	UK	$28.1	38
Global Infrastructure Partners	US	$22.0	1
Brookfield Asset Management	Canada	$15.0	1
PBBM	Netherlands	$13.1	1
TPG	US	$12.0	4
US Department of Agriculture	US	$10.0	1
Fondi Italiani per le Infrastrutture	Italy	$7.9	3
Climate Investment Funds	US	$5.8	2
TIAA-CREF Asset Management	US	$5.7	3

Source: PitchBook | Geography: Global
*As of September 30, 2022

In examining the ImpactAssets 50 2022 database,[11] we cross-checked the impact fund managers selected in 2022 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, strategy types are targeting multiple areas of impact, both in terms of geography and the intended impact. Most funds are fairly modest in size, and many are so under-the-radar that it is difficult to determine the intended fund size.

11: "ImpactAssets 50," ImpactAssets, n.d., accessed December 8, 2022.

Select 2022 ImpactAssets 50 funds open to LP commitments*

Fund	Strategy	IRIS+ categories	Target ($M)
AiiM Partners Fund II	VC	Climate, energy, diversity & inclusion	$250
BlueOrchard Sustainable Asset Fund	Private debt	Financial services, climate	N/A
Clean Energy Venture Fund II	VC	Energy, climate, water, waste, biodiversity & ecosystems	$250
BleuImpact Fund	VC	Water	$15-20
Deetken Impact Alternative Finance Fund IV	Private debt	Diversity & inclusion, education, real estate, financial services, waste	$100
uMunthu II	VC	Diversity & inclusion, employment, financial services	$150
Illlumen Catalyst Fund	VC	Diversity & inclusion, education	$125
Impact America Fund III	VC	Diversity & inclusion, employment, education	$100
Impact Engine Private Equity Fund II	PE	Employment, diversity & inclusion, health	$150
Incofin India Progress Fund	PE	Agriculture, financial services	N/A
Lok Capital IV	VC	Employment, agriculture, financial services, health	$150-$180
Clean Growth Fund VI	Secondaries	Climate, waste, water, agriculture, health	$350
Omnivore Agritech Fund	VC	Agriculture, climate	$130-$150
Quona Opportunity Fund	VC	Financial services	N/A
Rethink Community	Real Estate	Real estate, employment, education	$150
SLM Ag and Forestry Fund	Real Assets	Agriculture, land	N/A
Snowball Impact Investments Fund	Fund of Funds	Diversity & inclusion, energy, climate, health, real estate	N/A
Energy Access Relief Fund	Private Debt	Energy	N/A
Gigaton Empowerment Fund	Infrastructure	Climate, energy	$500

Source: PitchBook | Geography: Global
*As of September 30, 2022

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.

Conclusion

The impact investment space, which is most often facilitated through private market vehicles, is a difficult space for LPs and GPs to navigate, given only some investors on each side of the table are targeting impact and each has its own take on what should be profitably impacted. GPs are frequently frustrated by trying to identify the perfect LP, one that is looking for exactly what the GP is pitching. On the other hand, LPs often have very specific categories of impact they hope to effect, and it is incredibly difficult to find the ideal vehicle that will meet their objectives. The IRIS+ initiative at PitchBook, which is moving toward implementation of impact category tags on funds, investors, and companies, will provide a significant boost to a smoother flow of capital among private market participants with similar aims.

Investing for the double-bottom line is garnering a huge share of attention among investors, many of whom are waiting on the sidelines, watching to see if the model can be proven out. It will take more granular market-level data than has been previously reported to track the trends, something we are committed to further reporting. Looking at fund-level data, it is clear that impact is not a homogeneous market, as a wide variety of fund managers and strategies are testing out investment models to have a positive impact on the world without sacrificing investment returns.