A large, light-colored pencil is positioned vertically, pointing downwards towards a landscape painting. The pencil's tip is just above a winding river in the foreground of the painting. The landscape features rolling hills and mountains in shades of yellow, orange, and blue, under a clear blue sky. The overall style is that of a classic landscape painting.

Impact Due Diligence *and*
Management *for* Asset Allocators

— A FIELD GUIDE —

ABOUT THE AUTHORS

This report is a collaboration between **BlueMark** and **CASE at Duke University**, made possible with support from **The Tipping Point Fund on Impact Investing**. The lead authors are **Cathy Clark**, CASE Faculty Director; **Sarah Gelfand**, BlueMark Managing Director; **Anna Nikolova**, BlueMark Senior Associate; and **Carrie Gonnella**, CASE Managing Director.

We would like to extend a special thanks to the team involved in the research and production of this report, including **Matt Donovan**, BlueMark Analyst and **Esther Ranjbar**, CASE Program Coordinator. Report design by **Dustin O’Neal** of **Great Jones Studio**.

ABOUT BLUEMARK

BlueMark is the leading provider of independent impact verification and intelligence for the impact and sustainable investing market. Founded in 2020 as a spin-off from the impact investing consulting firm **Tideline**, its mission is to strengthen trust in impact investing by delivering independent, incisive verification services, thereby enabling the market to scale with integrity. BlueMark’s verification methodology is grounded in industry standards, market frameworks, and regulatory requirements. Its in-depth assessments and proprietary ratings help investors understand areas of strength and opportunities for improvement. At the time of the publication of this report, BlueMark has completed more than 145 verifications for impact investors managing a combined USD \$226 billion in impact-oriented assets. Learn more about BlueMark and impact verification at www.bluemarktideline.com.

ABOUT CASE AT DUKE

CASE is an award-winning research and education center based at **Duke University’s Fuqua School of Business** with the mission to prepare leaders and organizations with the business skills needed to achieve lasting social change. Since 2002, CASE has served as a hub for teaching, research, and practitioner engagement in social impact, and in 2011, launched the **CASE i3 Initiative on Impact Investing**, the first global program at a leading business school to blend academic rigor with practical knowledge on the growing field of impact investing. Over the past twenty years, CASE has been engaged by some of the most significant global organizations for its rigor, unbiased perspective, and ability to distill and communicate key factors for success in the impact economy. CASE has educated thousands of business students through classes and experiential learning programs, and tens of thousands of impact professionals through online tools, research, thought leadership, and executive trainings to improve their ability to define, manage, and achieve impact. <http://centers.fuqua.duke.edu/case>

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FOREWORD

Why do Asset Allocators Need a Guide for Impact Management?

A growing number of asset allocators are making meaningful commitments to impact investing. They represent a large segment of the financial services industry and include asset owners (such as pension funds, family offices, endowments, and sovereign wealth funds) and the entities that advise them (such as private wealth managers and outsourced investment managers). For many, this builds on their institution's existing environmental, social, and governance (ESG) commitments and reflects a desire to make a more positive impact on people and the planet alongside generating financial returns. Yet, **operationalizing these commitments has proven challenging for many institutions as the tools and competencies needed to invest for impact differ from those needed to manage financial and ESG risks.** Further, as many asset allocators primarily invest through intermediaries (i.e., asset managers), **they are typically operating at a significant distance from the impact being created on the ground,** making it harder to evaluate and manage for the positive outcomes they desire.

Our teams at CASE at Duke and BlueMark have worked extensively to raise the bar for investors when it comes to managing impact. In early 2023, we came together, with generous support from the **Tipping Point Fund on Impact Investing**, to help address the learning hurdles confronting asset allocators newly investing in impact funds. We recognized that the realm of expectations and practices around impact management for asset allocators has been relatively unexplored. And yet the success and growth of impact investing depends on increasing amounts of capital being invested effectively by asset allocators that use their position and influence to drive greater impact results. While there are numerous resources offering guidance to help investors learn how to apply ESG best practices (e.g. [this guide](#) from ILPA and [this one](#) from PRI), we didn't see similar resources focused on impact management, which for many is increasingly desired.

Over the past eight months, we've spoken with dozens of asset allocators (alternatively referred to in this guide as Limited Partners or LPs) **to learn about their approaches to evaluating and monitoring impact asset managers** (alternatively referred to in this guide as General Partners or GPs), including the challenges they faced in designing and implementing their current processes. Many LPs voiced that learning the language of impact, wrestling with how to measure and evaluate results, and figuring out their role in supporting asset managers has been far from straightforward.

When we began this research, we had a basic intuition about the inconsistencies between intentions and practices among LPs newer to impact investing (i.e., the disconnect between an LP's intent to invest for impact and the practices they've implemented to manage for that intended impact). However, **our research over the past year has shown us the challenges are more profound than we thought.** These inconsistencies have the potential to create several lasting negative consequences. For example, they can lead to inefficient and incomplete due diligence and reporting processes, making it harder for LPs to make investment decisions and manage results. They can also drive misaligned expectations and missed opportunities for engagement between LPs and GPs. Ultimately these practice gaps lead to less confidence among allocators that their impact goals are being met and mutual frustration between GPs and LPs when it comes to communication around impact.

In a market environment where ESG and impact investing are under increasing scrutiny, it is especially **important that impact intentions and practices are aligned and credible.** We developed this resource to help LPs acquire greater impact management know-how. But we hope both new and experienced LPs alike will be able to pick up this report, consult our “practice guides”—which draw on best practices and the wisdom of experienced impact LPs from across the globe—and find actionable ways to improve their own impact management practices.

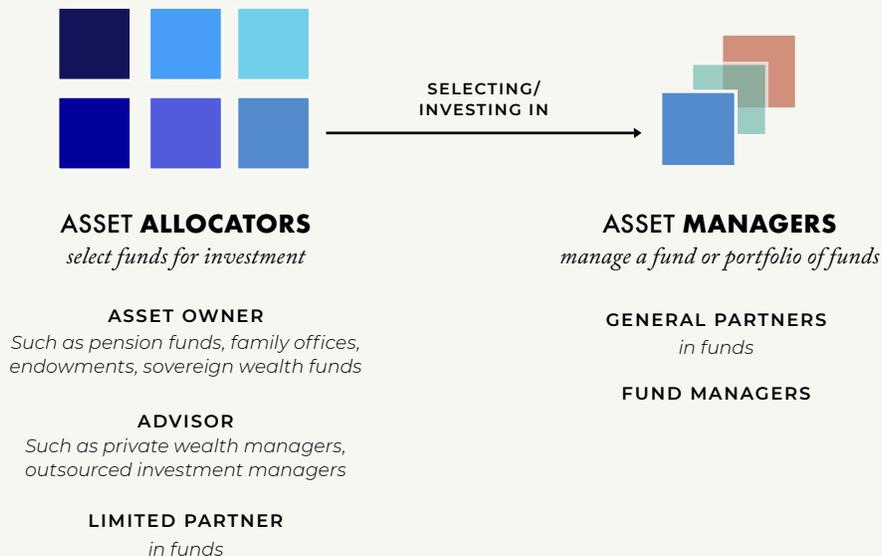
We also hope to foster greater consistency and rigor in the approaches LPs are taking to partner with GPs, ultimately raising the bar for their collective impact investing efforts.

SARAH GELFAND*Managing Director | BlueMark***CATHY CLARK***Faculty Director | CASE at Duke University*

EXECUTIVE SUMMARY

PURPOSE AND TARGET AUDIENCE

This guide is intended to help drive more rigor and consistency in how asset allocators evaluate and manage private market funds that invest for positive impacts on people and the planet. It is designed to provide actionable and practical guidance for those individuals and teams looking to enhance their approach to building and managing portfolios of impact funds.



RESEARCH METHODOLOGY

This guide is based on interviews and stakeholder consultations with over 50 LPs and GPs across the globe, in addition to desk research, all conducted in 2023. We also held two in-person working meetings with LPs and GPs to discuss these topics in March and June of 2023. Interviewees and workshop participants are listed in Appendix I. The guide draws from the experiences and practices of experienced LPs and GPs investing in diverse strategies that span various environmental and social themes and aims to provide guidance that is broadly applicable across sectors and impact themes. It also reflects the blind spots and learning hurdles of LPs and GPs newer to impact investing. Additionally, it draws on existing market standards and best practices.

HOW TO USE THIS GUIDE

The guidance and recommendations in this resource have been designed to help LPs make meaningful investments in funds that are well-positioned to deliver on their impact promises. They are

also intended to help LPs monitor their existing fund investments to gauge adherence to their plans and progress toward intended results. Finally, this guide can help LPs align impact management practices with emerging standards and in ways that may lead to increased confidence about portfolio impact performance. Recognizing that the criteria used to evaluate and enhance a GP's approach to ESG are distinct from and complementary to those needed to assess and strengthen their approach to managing for impact, this guide is intended to complement resources like the ILPA ESG Assessment Framework.

WHAT'S IN THE GUIDE

- **Practice Guides for LPs on Conducting Diligence and Monitoring GPs:** We offer guidance in the form of practice guides for LPs outlining criteria to use pre-investment when evaluating prospective managers, as well as strategies to incorporate post-investment for ongoing monitoring and management of impact results. The key practices covered within pre-investment diligence and post-investment monitoring are summarized in the figure below.



- **Words of Wisdom from the Field:** For each practice area, we've compiled lessons and insights from our interviewees.
- **Appendix of Resources:** The appendix includes the names of the stakeholders consulted for this work, a glossary of standards, resources, and key terms for impact management, and example diligence questions for integrating impact into the investment lifecycle.

DISTINGUISHING ESG & IMPACT INVESTING

ESG INVESTING AND IMPACT INVESTING are both forms of investing that involve the consideration of non-financial criteria as part of investment management processes in order to achieve certain objectives. But there are significant differences between these two approaches.

ESG INVESTING involves integrating analyses of Environmental, Social, and Governance issues into investment management processes in relation to financial risks or opportunities. A key goal of ESG investing is to identify, account for, and manage those ESG issues and risks that are financially material to the companies in which one invests.

IMPACT INVESTING, on the other hand, involves investing with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investing involves a more targeted pursuit of specific social and environmental outcomes for stakeholders inside and outside the company, which can include workers, suppliers, communities, customers, and in the case of environmental outcomes, the planet. The key attributes of impact investing include intentionality (being specific about the outcomes you are investing to achieve), measurability (having systems to track performance on those outcomes), and additionality (taking actions to contribute to the desired outcomes beyond what might have happened otherwise).

In their efforts to achieve positive, measurable outcomes for stakeholders, both asset allocators and asset managers need to take additional steps above and beyond integrating ESG factors into their investment activities, both pre-investment and post-investment. Our practice guides lay out the major steps that they can take.

KEY FINDINGS

In conducting the research to develop this guide, we surfaced several important insights and dynamics related to how LPs are currently approaching impact management.

- 1 MANY LPS ARE NEW TO IMPACT MANAGEMENT AND CAN BENEFIT FROM ALIGNING THEIR APPROACH WITH EMERGING STANDARDS OF PRACTICE.** Awareness and interest in impact investing is growing among asset allocators, with many LPs newly stepping into this investment area. At the same time, standards of practice for impact management by impact investors have been emerging—such as the Operating Principles for Impact Management (OPIM) and the Impact Management Project (IMP) Five Dimensions of Impact—clarifying norms and promoting consistency among practitioners. Despite some examples of LPs integrating these standards into their strategies, most LPs have created customized approaches to impact management that don't necessarily align with best practices in the market. LPs have the opportunity to benefit from drawing on an existing knowledge base and established tools, standards, and frameworks in building out their impact practices.
- 2 LPS HAVE DIFFERENT ORGANIZATIONAL MANDATES FOR IMPACT INVESTING, LEADING TO VARIABILITY IN HOW THEY EVALUATE AND CLASSIFY IMPACT MANAGERS.** Some asset allocators, especially those investing on behalf of mission-oriented entities, such as foundations and development finance institutions, pursue impact investing from the perspective of furthering their institution's mission. Whereas client-focused LPs, such as wealth advisors or pension funds, have mandates for client attraction and retention, reputational gains, and compliance with emerging regulations. These differing institutional objectives shape the approaches taken by LPs when working with impact managers. As a result, LPs apply distinct criteria and eligibility standards when selecting impact managers and require different data as part of routine reporting. While we saw some patterns within institution types and based on level of experience, this variability also exists among peer LPs. Greater alignment among LP requirements can lead to more consistent and efficient due diligence and reporting practices for both GPs and LPs.
- 3 MANY LPS BELIEVE THEY HAVE THE MOST LEVERAGE WHEN DECIDING TO INVEST IN A GP, AND THAT THEIR ROLE IN POST-INVESTMENT IMPACT MANAGEMENT IS LIMITED.** However, LPs that do manage impact throughout the investment lifecycle reported that discretion and oversight are key to reducing impact risk. Many of the LPs we interviewed reported that the majority of their impact management efforts take place during the pre-in-

vestment phase, while sourcing and performing due diligence on potential managers. This is in sharp contrast to practices among impact GPs, who, after identifying and performing due diligence on their own investments, are then spending significant time monitoring and engaging with portfolio companies to optimize impact. There is a general belief within the LP community that their influence on impact outcomes is most powerful when choosing whether or not to invest in a GP. While this is likely true, we also saw examples of many LPs going beyond and working to strengthen GP impact reporting, closely monitoring impact results, and engaging in other ways to influence impact performance. These LPs emphasized the importance of exercising management discretion over the lifecycle of the investment. If LPs engage in ongoing impact management, they can increase their awareness of and effectiveness in addressing activities that could compromise an asset manager's ability to deliver on impact.

4 LPS WANT MORE DETAILED AND CONTEXT-SPECIFIC REPORTING FROM GPs, BEYOND WHAT IS REQUIRED BY EMERGING REGULATORY STANDARDS. Many LPs pointed to the emerging disclosure requirements such as the Sustainable Finance Disclosure Regulations (SFDR) in Europe as a good start, yet a very low bar for the kind of reporting that is needed for LPs to monitor and evaluate a fund's impact performance. There was general agreement that more data and more context for performance is needed than what is currently required by regulation. Many LPs report spending considerable time upfront during the diligence process establishing expectations for regular reporting from GPs on impact performance. They also mentioned a desire for greater consistency in use of impact metrics, especially to facilitate appropriate comparisons of results among varied asset managers.

5 LPS ARE VERY ATTUNED TO NOT OVER-BURDENING GPs, WHICH MAY RESULT IN MISSED OPPORTUNITIES FOR DEEPER UNDERSTANDING AND ENGAGEMENT. Most of the LPs we spoke to were sensitive about placing undue reporting burdens on GPs, despite a general awareness that the due diligence processes and reporting requirements among LPs are often uncoordinated and inconsistent. At the same time, many GPs (especially those with strong impact management systems) have the ability and desire to share robust insights from their impact analysis with LPs, but report these data are rarely requested. Ongoing communication around impact management can provide opportunities for greater understanding and engagement between LPs and GPs.

PRACTICE GUIDES

PRE-INVESTMENT

Conducting Diligence of Impact Managers

PRE-INVESTMENT

Conducting Diligence of Impact Managers

1. IMPACT STRATEGY: THESIS & GOVERNANCE
2. IMPACT INTEGRATION IN OPERATIONS
3. TEAM CAPABILITIES & RESOURCES

Assessing the credibility and competencies of an impact manager and the likelihood that a particular strategy will be able to deliver on its intended impact results involves the consideration of additional information outside of what is typically assessed during financial and operational due diligence. Most LPs that invest for impact have added new steps to their diligence process to evaluate impact-focused criteria specific to the manager's strategy, investment processes, and resourcing.

KEY AREAS FOR LPS TO EVALUATE WHEN CONDUCTING GP IMPACT DUE DILIGENCE INCLUDE:

1. IMPACT STRATEGY

The manager's impact thesis, which includes their strategic objectives as well as how they have incorporated these objectives into the fund's governance.

2. IMPACT INTEGRATION IN OPERATIONS

The ways the GP has operationally integrated their impact objectives across the lifecycle of fund management.

3. TEAM CAPABILITIES & RESOURCING

The capabilities and structure of the GP's team with regard to impact.

PRACTICE GUIDES FOR CONDUCTING DILIGENCE OF IMPACT MANAGERS

The practice tables that follow provide detailed information about each of these areas, including what to look for when evaluating impact managers, and why. In addition, Appendix III includes example due diligence questions for evaluating how impact is integrated into the investment lifecycle.

*The manager's **impact thesis**, which includes their **strategic objectives** as well as how they have **incorporated these objectives** into the fund's governance.*

Basic

- Presence of an impact thesis.
The GP has a documented impact thesis or theory of change describing how they will create impact, inclusive of measurable goals.
- Impact thesis aligns with investment strategy.
The GP's impact thesis is aligned and correlated with their investment thesis.
- Impact intentions described in governing documents.
The GP's impact intentions are represented in key governing documents for the fund or portfolio (e.g., prospectus documents).
- Evidence of a problem/need.
The GP's impact thesis is built on a set of evidence and data about the problem that the strategy is trying to address.

Advanced

- Robust impact thesis.
The GP's thesis includes a problem statement, a strategy to achieve impact, and defined expected outputs and/or outcomes. Further, the impact outcomes being pursued are distinguished from the GP's goals with respect to ESG risk management.
- Evidence of efficacy.
The GP's impact thesis is built on a set of evidence about the problems being addressed and the effectiveness (or initial traction) of the solutions the fund intends to finance. The GP has analyzed the problems and the context to ensure that the solutions are additive and fulfill a real gap in the market.

- Existence of a contribution strategy.
The GP's thesis clearly articulates their role in furthering the intended impact.
- Clarity of who will experience the impact.
The GP has articulated the primary beneficiaries of the impact strategy, and can credibly link their investment activities to the targeted outcomes for those beneficiaries or stakeholders (people and/or planet).
- References to industry frameworks.
The GP has referenced industry-accepted impact frameworks in their impact thesis (e.g. Impact Management Project's Five Dimensions of Impact), reflecting an understanding of the different ways impact can be created.

Red Flags

- Weak or vague theory of change.
The GP's thesis does not include a problem statement and/or the links between the strategy and expected results are tenuous.
- Overly generalized approach.
The GP is attempting to pursue several impact goals simultaneously without creating distinct theories of change for each one; themes are too broad or lack specificity.
- Impact and ESG goals are conflated.
The GP's thesis does not distinguish between the goals associated with ESG risk management and the goals related to impact.
- Impact is an add-on.
The GP's impact intentionality is not convincing, such as when impact is considered more of a "bonus" than an intentional outcome of the investment, or is not mentioned in any governing documents for the fund or portfolio.

WORDS OF WISDOM FROM THE FIELD

The impact label isn't needed.

According to **Philipp Essl** at **Big Society Capital (BSC)**, a GP they are considering doesn't necessarily need to view itself as an "impact" fund, so long as the value alignment is there between the fund's intentions and BSC's impact thesis. **Alisa Chhoa** of **Azalea Investment Management** said they also do not limit themselves exclusively to impact-labeled funds, but also consider funds that have a thematic focus (e.g., energy transition, microfinancing, affordable drugs in developing markets) that aligns with their impact objectives and can be held accountable to their impact criteria.

But also the impact label isn't enough.

Alisa Chhoa of **Azalea Investment Management** also emphasized that using the "impact" label does not guarantee a fund will score highly in their diligence process. For them, the intentionality of the GP's strategy, their reporting, and other factors must also be present. At **BSC**, as part of their due diligence process, they break down the impact thesis provided by the GP across the IMP Five Dimensions of Impact, and then provide funds with instruction and guidance on doing this better, using customized templates and materials. BSC also looks at the fund's systems change thesis, their financial thesis, and their impact thesis simultaneously to determine where alignment can be strengthened.

Intentions and actions need to be congruent.

According to **Anna Snider** of **Bank of America**, it's critical that the GP can easily describe their sustainability or impact objectives, and further describe the actions they will take to demonstrate they are committed to meeting those objectives over time. **Kaisa Alavuotunki** of **Finnfund** expressed a similar sentiment, saying that she looks at the centrality of impact in the GP's investment strategy.

Impact is key to achieving financial returns.

"Where is the impact baked into the thesis for the GP? Is their portfolio adding impact primarily through operational attributes, like adopting better hiring practices? Or is the GP's thesis more about producing products and services that are inherently contributing to positive social and environmental change?"

Emily Schiller of **Jordan Park**

They often look for the latter to be sure mission is locked into the investment, and can't be removed as easily by future parties/investors.

continued

WORDS OF WISDOM FROM THE FIELD

Intentions matter more than maturity.

Leah Nguyen of **InBC Investment Corp.** noted that funds at all levels of impact maturity can demonstrate their intentions and commitment to impact. Even if they have not yet formalized their policies or reported on results, investors who are serious about impact should be able to hold in-depth conversations about their strategies.

Not just a thesis, but evidence behind the thesis.

Beth Bafford of **Calvert Impact Capital** said the more context the GP can give using data and evidence of both the problem and the likely investable solution set, the more confidence she has in their impact strategy.

CONSIDERATIONS FOR YOU

1. Is this GP's impact thesis aligned with our impact strategy and goals?
2. Do we believe their impact objectives are aligned and likely to result from their investment strategy?
3. Do we see enough commitment to this strategy in the fund's governance?
4. Which weaknesses or gaps in the GP's impact thesis could be addressed in diligence and improved?

How well the GP has integrated their impact strategy into operational systems for measuring and managing impact performance across the investment lifecycle.

Basic

Impact framework with KPIs.

The GP has an impact framework or impact management system in place that guides how investments are evaluated and includes key performance indicators (KPIs) for monitoring impact results.

Process to consider and mitigate ESG risks & negative impacts.

The GP has an ESG risk management system in place that considers the potential ESG risks and negative impacts of their investments at multiple stages in the investment cycle. They have processes in place to engage with investees and mitigate issues that arise.

Documented impact processes.

The GP has well-documented impact policies and processes that are readily shared with LPs (e.g., impact due diligence templates and impact data collection tools)

Aligned with required frameworks.

The GP's impact management framework is aligned with required impact and disclosure frameworks for their jurisdiction (e.g., SFDR in Europe).

Advanced

Use of impact thresholds and targets.

The GP has specific impact-related thresholds (e.g., minimum criteria related to impact) that determine an investment's eligibility. Further, the GP sets impact targets at the portfolio and/or investment level.

Consistent use of impact framework.

The GP's impact management systems and processes are applied consistently and to all investments in the portfolio, and tailored as needed to the impact thesis for each asset class or industry area where they deploy capital.

Impact analysis takes place throughout the investment cycle.

The GP can demonstrate that impact analysis occurs throughout the investment lifecycle—from screening and due diligence through to exit.

Attention to outcomes at stakeholder level.

The GP's impact framework includes KPIs that relate to the outcomes they are driving at for each major stakeholder. They also have systems in place with investees to periodically verify how key stakeholders are experiencing those outcomes.

Active monitoring of impact results.

The GP regularly reviews and makes decisions based on impact results for specific investments and/or the portfolio. Data for impact KPIs are regularly compared to targets and impact improvement plans and actions are a documented part of ongoing portfolio management. The GP has internal reporting tools/dashboards that distinguish over and under performers relative to impact targets and that are regularly updated and readily shared with LPs.

Evidence of investor engagement and contribution.

The GP can provide data and examples to substantiate the role they play in increasing their investees' impact.

Third party verification.

The GP engages with third-party consultants or verification firms on a regular basis to strengthen their impact management practices and reporting behavior. Annual reports or updates articulate what the GP will work to improve each year.

Approach to address strategic misalignment.

The GP has a process in place at the portfolio level to monitor and manage misalignments between greater impact and greater financial return.

*How well the GP has integrated their **impact strategy** into operational systems for measuring and managing **impact performance** across the investment lifecycle.*

Red Flags

- ✗ Inconsistent implementation.

The impact management system is not being consistently implemented. For example, the GP only applies it to some but not all investments.
- ✗ Impact and financial goals poorly integrated.

There is a lack of integration between impact goals and financial goals—for example, investment committee memos don't mention impact, potentially forcing a deal that's financially attractive into an impact box, and resulting in low awareness of how impact results are tied to returns and vice versa.
- ✗ Incomplete impact management frameworks.

The GP's impact frameworks do not align with or match the level of ambition of the impact thesis. For example, the measurement is focused on the GP's inputs and not the portfolio companies' outputs or outcomes.
- ✗ Lack of a structured impact management approach.

The GP struggles to explain or demonstrate how it considers impact when evaluating prospective investments and/or what impact data it routinely monitors.

WORDS OF WISDOM FROM THE FIELD

Impact KPIs should align with the impact thesis.

According to **Leah Nguyen** of **InBC Investment Corp.**, a gold star GP is one that has established very clear, measurable key performance indicators (KPIs) that align with their impact thesis.

Impact KPIs should be attributable to the impact thesis.

According to **Quyen Tran** of **BlackRock**, GPs need to be careful about which KPIs they attribute to their impact thesis and not take credit for all the results of their investee. She gave the example of impact strategies in the industry that invest based on an impact thesis linked to a company's product or service, such as financial services, but then end up counting carbon emissions reduction by that company as part of the strategy's impact outcomes. This conflates ESG and impact—progress from a company's operations related to ESG, and impact from the thesis linked to its actual products and services (health care, financial services, etc.).

The best GPs include incremental impact in their KPIs.

An impact measurement specialist at an LP stated that it's important to ask the GP what types of KPIs it uses. Are the KPIs related to the incremental effect that the GP's financing input is expected to generate (e.g., new direct jobs created) or are the KPIs related to the extent of the GP's reach by financing an investee (e.g., all jobs supported by investees). The individual noted that the former is more desirable and can be a way to distinguish between the best and better GPs.

Good impact monitoring includes data collection and healthy communication.

Mark Berryman of **Caprock** explained that, yes, they want to see published impact reports, but to a greater extent they are looking for evidence of data collection processes and healthy communication between an asset manager and its portfolio companies around impact objectives and performance, rather than a snappy report.

Good monitoring also includes a process for taking action.

Quyen Tran of **BlackRock** mentioned that monitoring also means ensuring that the GP has fundamental research and the operational management processes in place that allow them to decide whether to hold, trim, or sell assets; these steps should be baked into the product design in order to manage impact.

Use of market-accepted tools is a "green flag."

Several LPs said that seeing a GP using market-accepted resources for ESG and impact management—like EDCl or Impact Principles—as a framework for their process is a "green flag." **Tom Mitchell** of **Cambridge Associates** said seeing funds using industry best-practice tools can serve as a proxy for good management.

continued

WORDS OF WISDOM FROM THE FIELD

Willingness to learn and adapt is key.

Stefan Luegstenmann of **LGT Capital Partners** emphasized that when looking at new managers who have untested systems, it can be helpful to ask them what they think is good enough in terms of their impact integration, and how that will be measured and assessed now and over time.

Impact management systems need to be used consistently.

Quyen Tran of **BlackRock** said that impact management systems need to be deployed throughout the entire investment lifecycle and across all holdings in a given fund. If a fund is only managing impact for a few holdings, it dilutes impact investing.

CONSIDERATIONS FOR YOU

1. How robust is the GP's impact performance tracking?
2. How consistent is the approach? Is there documentation and evidence of this process and resulting actions and decisions?
3. Does the GP reference and incorporate impact industry standards in ways that make sense?
4. Can you easily determine through reports, dashboards, or meeting minutes which of the GP's investments are achieving their impact targets and which are not?
5. Is there a limited track record of impact management? If so, how can you best support the development of a track record?

*The capabilities and structure of the GP's
team with regard to impact.*

Basic

- Impact knowledge at multiple levels of seniority.
Employees at different levels of the firm demonstrate a commitment to and knowledge of the impact strategy and goals, from senior managers to analysts.
- Sector experience.
The GP team has experience in the sectors, themes, and geographies that are the focus of the impact strategy.
- Integration of impact and investment teams.
Individual(s) with experience in impact are integrated into the GP's investment processes in consistent and substantive ways.
- Adequate capacity.
There are enough dedicated resources (both in terms of people and other spending) to manage and monitor the results of the impact strategy and contributions of the GP.

Advanced

- Impact track record.
The GP team has experience with impact management and a track record of achieving results. They can describe and demonstrate how they've applied their impact management framework to monitor and drive impact results.
- Evidence of continual improvement.
The GP team has a regular practice of reflecting on and adapting their impact practices. The team engages in learning forums or collaborates with specialists and consultants to strengthen their impact strategies and management processes.

- Diverse experience.

The team members demonstrate diversity of thought, opinions, and experience across industries, policy areas, and impact areas within which the firm invests.

- Impact incentives.

The GP has established financial incentives for its own team members that are tied to impact performance, such as impact-linked carry. For portfolio companies, the GP has established incentives such as management remuneration linked to achieving objectives related to the impact strategy.

Red Flags

- Lack of senior management engagement.

GP senior management is not fully engaged in or able to speak to the details of the impact strategy.

- Inadequate capacity for impact management.

There are not enough resources dedicated to monitoring and management of the impact aspects of the strategy.

- Lack of sector experience.

The team doesn't have experience or background working in the industry, impact theme, or geographic region in which they are aiming to invest.

- Misplaced impact team.

The individuals tasked with impact management are not a part of any decision-making bodies, perhaps reporting to communications or investor relations, rather than the strategy or deal team.

WORDS OF WISDOM FROM THE FIELD

Impact experience is a differentiator.

Mark Berryman of **Caprock** said it's advisable to look for people on the GP's team with experience in impact. Another LP also asks if the GP is hiring specialists, and explores how the team has evolved over time.

Leadership needs to be involved.

Several LPs mentioned the GP should not have just a dedicated resource focused on impact, but also involvement from the top down.

**Impact is added to finance skills,
not a substitute.**

According to **Philipp Essl** of **BSC**, first and foremost, you need to be a good venture-builder to make an impact. **Anna Snider** of Bank of America agreed, stating it's important for managers to have strong investment and operational expertise that will allow them to create impact.

Incentive structures show commitment.

Azalea Investment Management expressed a strong preference for the GP to have a team and management incentive structure linked to the achievement of specific impact targets.

Emily Schiller of **Jordan Park** agreed, saying,

“Impact carry in a private equity GP is not a prerequisite for us to invest, but it’s a nice way for us to see if a GP is going to walk the talk.”

Stefan Luegstenmann of **LGT Capital Partners** encourages GPs to establish impact-linked incentives but noted that GPs must be careful in how they structure them. In his view, if an impact fund pursues both impact and financial targets, impact-linked incentives should aim to optimize both, rather than maximize one or the other. If the impact incentives are too strong, it could lead to too much risk taking on the financial side, and vice versa.

CONSIDERATIONS FOR YOU

1. Does this team have the right expertise, resources, and leadership support to carry out the strategy?
2. How central to the investment team is the impact team? Are they positioned in such a way that their inputs will be valued and factored into decision-making?
3. What are the knowledge or experience gaps on this team and how can they be addressed?

PRACTICE GUIDES

POST-INVESTMENT

Monitoring and Engaging with Impact Managers

POST-INVESTMENT

Monitoring and Engagement with Impact Managers

- 4. IMPACT REPORTING & DISCLOSURE
- 5. IMPACT MONITORING & IMPROVEMENT

Many LPs believe their primary leverage when engaging with GPs is prior to making an investment, and that their role in ongoing impact management once they have invested can be more limited. The bulk of the LPs we interviewed reported conducting most of their impact analyses during the pre-investment phase. This contrasts with the impact management efforts of GPs, which tend to be more balanced across the investment lifecycle. However, we did hear from several LPs that have identified effective approaches to engaging with GPs to strengthen their impact management practices and performance.

Post-investment, LPs can play an important role in ensuring that the GPs in their portfolio are adhering to their plans and on track to achieve their intended results. In addition, LPs can play a significant role in shaping the priorities of GPs when it comes to strengthening their internal systems, ensuring they remain aligned with evolving best practices, and taking advantage of field-level or cross-portfolio learnings. Simply put, when LPs increase their efforts to engage with the GPs in their portfolio around impact performance and practices, they can increase the likelihood that the desired impact is realized.

**KEY ACTIVITIES FOR LPS AS PART OF
THEIR ONGOING ENGAGEMENT WITH GPs:**

4. IMPACT REPORTING & DISCLOSURE

Supporting adherence to and use of impact management systems, as well as reviewing reported impact results.

5. IMPACT MONITORING & IMPROVEMENT

Providing feedback and input to help strengthen the manager's impact management approach and practice.

Our second set of practice guides focus on these post-investment practices, to inspire more LPs to adopt them. We have separated the recommended practices into lower-touch and higher-touch ways for LPs to support the GPs in their portfolio, acknowledging that investment size, size of the GP, and thematic focus may make one or the other set of approaches more practical or desirable.

*Supporting adherence to and use of impact management systems,
as well as reviewing reported impact results*

Lower-Touch Engagement

Ensure compliance with legally required disclosures and relevant voluntary standards.

LPs should support GPs by providing examples or guidance of what's expected when it comes to reporting on the impact or ESG data that is regulatorily required in their jurisdiction as well as what is required to align with voluntary standards (e.g., PRI, TCFD, OPIM). As regulations and standards are evolving, this may require ongoing education and awareness.

Ask for contextual information to interpret data.

LPs should encourage GPs to provide a mix of qualitative and quantitative impact data to present a more holistic and nuanced view of their impact results and learnings.

Include impact reporting side letters.

LPs should consider specifying reporting requirements within side letters, including:

- Annual impact reporting, at a minimum
- Reporting on basic, commonly-accepted ESG metrics, such as GHG emissions, gender diversity, and others included in the EDCI framework
- Providing data for KPIs that are specific to the impact thesis/goals of the fund

Higher-Touch Engagement

Request regular check-ins to discuss impact.

LPs can ask that impact results be shared and discussed during regular monitoring check-ins, combining their impact and financial performance discussions. They can also normalize that updates on impact data should happen in between formal reporting periods.

Pay more attention to and help support impact reporting integrity.

LPs can examine the integrity of impact reporting with the same level of scrutiny they apply to financial reporting. This might include requiring third-party verification of the scope and relevance of the information provided in the report as well as the reliability and quality of the underlying data.

Encourage more detailed and comparable reporting.

LPs can demonstrate their commitment to deepening their understanding of impact results by:

- Asking GPs to share impact results and contribution activities at the portfolio company level, not just the fund level
- Supporting GPs in collecting data for and reporting on outcomes and stakeholder perspectives (e.g., by helping to defray costs)
- Encouraging reporting of results in relation to external benchmarks or thresholds

Red Flags

Marketing over substance.

GPs that produce slick impact reports that look good, but lack rigor. Examples of this include: reporting on only round or aggregated figures without context or supporting explanations of the data, using “flashy” presentations to distract from discrepancies in the data, using only anecdotal evidence, or spending much more on communications and marketing than reporting and governance.

Cherry-picking.

GPs that cherry-pick their results and only report impact data for a selection of their holdings or only for a subset of KPIs that are most positive.

Defensive attitude or fixed mindset.

GPs displaying defensiveness around their impact data or making excuses about not being able to collect data nor make improvements in their reporting practices.

WORDS OF WISDOM FROM THE FIELD

Go beyond mandated reporting.

Drew Ritchie of **BSC** said public reporting mandates are helpful leverage in directing GP reporting behavior. That said, he added that you need to analyze contextual, qualitative data to get the full picture and can't simply rely on published numbers. Several other LPs mentioned they encourage GPs to provide reporting on results over time (i.e., longitudinal data) and at the company level (i.e., not just fund-level reporting).

Acknowledge the role for custom metrics.

Alisa Chhoa of **Azalea Investment Management** explained that while they require all GPs to report on a set of common metrics (e.g., GHG metrics), they also allow GPs to determine and report on their own metrics for other issues. **Mark Berryman** of **Caprock** said his firm uses a similar process; while they don't insist that all GPs adopt a common reporting framework, they find it works to pre-agree on a set of metrics and a cadence for reporting while remaining flexible with the forms those can take. The reporting framework needs to work for the GP and its portfolio first and foremost. Hopefully, it can then be comparable through the usage of the same or similar metrics of other GPs investing in the same industry; consolidated metrics help tell a better story when analyzing the impact of a client portfolio.

Make time to check in.

“Bringing great impact questions to phone calls, rather than sending surveys, may allow for a more productive conversation between LP and GP without overburdening GPs.”

Carli Roth of **The Rockefeller Foundation**

Phone conversations allow the LP to be more flexible and listen better to the GP's needs at that time.

Offer examples and guidance where you can.

Anna Snider of **Bank of America** said they don't prescribe the types of reports a GP must produce or the voluntary disclosure frameworks they must use (i.e., SASB, GRI, etc.), but they will advise GPs as to which metrics might be helpful complements to those they are already using, especially drawing on the reporting they've seen from other GPs.

Don't overlook the value of data that can be reported on a routine basis.

According to **Quyen Tran** of **BlackRock**, the GP doesn't need to wait until end of year reporting, as there's basic data an LP can reasonably request in the interim periods, especially to get a sense of progress and challenges, and what decisions are being made based on the impact performance data.

WORDS OF WISDOM FROM THE FIELD

Encourage reporting on progress relative to goals.

According to **Leah Nguyen** of **InBC Investment Corp.**, some of the best impact fund reports include a roadmap to help them understand where they are and navigate to where they are headed.

Collaborate with LPs to ease reporting burden.

Leslie Kapin of **Astanor Ventures** stated that it is really **important to remind LPs that collaboration is**

key instead of individually pushing for their impact reporting requirements. The same way that Astanor [as GPs] is reaching out to co-investors to align on data requests to not burden their portfolio companies, she said, it would be great to see LPs doing the same. Other LPs also said that participating in a fund's Limited Partner Advisory Committee (LPAC) is a helpful way to stay engaged with the GP and other LPs.



CONSIDERATIONS FOR YOU

1. How well is the GP performing in relation to its impact targets?
2. Are you and the GP in alignment about how to interpret their impact results? Are you clear and aligned about the sources and causes of any underperformance? Which KPIs are in the GP's control and how well are they managing them?
3. Are the data in the GP's reports compelling or are there big gaps or leaps?
4. Is the GP getting the right data from their investees, while not overburdening them?
5. Is the GP regularly sharing good AND bad news?
6. Is the GP reporting on basic ESG data as well as impact data?

Providing feedback and input to help strengthen the manager's impact management approach and practice.

Lower-Touch Engagement

Monitoring impact on a regular basis.

LPs can establish internal tools, like templates or online forms, to facilitate reporting and monitoring of GPs' results for impact KPIs compared to targets and then reviewing these KPIs alongside financial performance.

Overseeing GP–investee communications and engagement.

LPs can ensure that their GPs are engaging with portfolio companies on impact by requesting reporting on impact-oriented issues discussed, and further ensuring decisions and actions to improve impact are documented.

Higher-Touch Engagement

Leading via their own impact management practices.

LPs can develop their own impact management systems to deepen their knowledge and serve as more experienced experts/advisors for the GPs in their portfolio.

Resourcing GPs to improve impact management integration.

LPs can use their staffing resources and industry networks to help GPs strengthen their operations and their capacity to manage impact. This can take the form of connecting them to experts, third-party consultants, or multi-stakeholder groups.

Enabling cross-portfolio learning.

LPs can gather and share best impact management practices from across their portfolio to help managers understand ways to improve their practices among peers.

Supporting stakeholder engagement.

LPs can support stakeholder engagement and inclusion, such as encouraging GPs to engage with target beneficiaries to assess impact, commissioning stakeholder level studies across their portfolio, or monitoring stakeholder feedback from investees.

Red Flags

GP disengagement in impact management.

The GP is not actively engaged in impact monitoring; outsources functions such as portfolio company engagement, monitoring, and reporting to third parties.

GP not continuously improving.

The GP is simply maintaining its systems without continuously trying to improve them, or is non-responsive to LP suggestions for engagement.

WORDS OF WISDOM FROM THE FIELD

Offer proactive advice on impact management.

Stefan Luegstenmann of **LGT Capital Partners** believes it is sometimes the LP's role to coach/advise asset managers in best practices in impact management and measurement, particularly for first time managers or new teams. Notable common advice is in distinguishing between activities and outcomes, and helping the GP migrate towards evaluating outcomes.

Show your value.

Stephen DeBerry of **Bronze Venture Fund** and other GPs we interviewed said they appreciated it most

when LPs were proactive in finding ways to add value over time, showing evidence of ways others have benefitted from their support, and right-sizing it.

You can have influence regardless of your role in the fund.

Drew Ritchie of **BSC** explained that they are much more prescriptive working with a GP on impact management when they are investing early and represent a larger proportion of a fund's initial close. However, while they are less prescriptive when investing in a larger product where BSC represents a smaller proportion of the funds raised, they still look to engage on impact through reporting and regular dialogue.

CONSIDERATIONS FOR YOU

1. How well is this GP managing impact across its portfolio?
2. Are you regularly getting the data and insights you need?
3. Are you seeing evidence that impact data is used for ongoing strategic decision-making (e.g., follow-ons, exits, or refinements to due diligence scoring)?
4. Is the GP engaged in continuous improvement around impact management?
5. What parts of their internal impact management system needs work? What operational help is needed?
6. What are you seeing across your portfolio that can be leveraged and shared with your GPs?

CONCLUSION

A UNIQUE POSITION OF INFLUENCE

Asset allocators are uniquely positioned to influence the level of rigor and discipline expected of GPs when it comes to impact management in order to optimize the impact outcomes associated with their investments. However, this requires that LPs bring a commensurate level of rigor to their own due diligence and monitoring efforts. In developing this resource, we drew tremendous inspiration from LPs who have developed and refined their impact management processes—both to deliver against their organizations' impact goals and to align and evolve with industry standards and norms. This resource attempts to clarify what it means to effectively build and manage a portfolio of impact funds. The practices described in the guide reflect both current standards of practice and practitioner wisdom.

CONSISTENCY IS KEY

As more asset allocators make more impact investments, we also believe that establishing consistency in the priority areas of analysis undertaken by LPs and their associated expectations of GPs is key to the industry's success. This harmonization will help drive process efficiencies and increase alignment between LPs and GPs, ultimately creating the clarity and explicitness needed to attract more capital to the market.

FUTURE RESEARCH

Looking forward, we know that both ESG and impact investing definitions and best practices are being refined by investors, managers and regulators around the world. As disclosure requirements and practice standards continue to emerge and evolve around the globe, we hope to see more research into: 1) the practices that are most widely adopted and the extent to which their broad adoption has streamlined impact diligence and monitoring efforts and enhanced investor confidence about their impact investments, and 2) the intersection of practice and results—deepening understanding as to which practices correlate with greater performance on either financial or impact dimensions.

A MATURING MARKET

Over time, we expect the concepts in this resource to evolve as the market continues to grow and mature. In the near term, we hope this resource contributes to more harmonization among LPs and between LPs and GPs, while also shortening the learning journey for LPs who might otherwise struggle in their attempts to forge their impact paths. And we fully expect that this list of practices will be incomplete in a few years as more investors adapt and evolve. We look forward to feedback and continued learning about the practices that work best for LPs as they continue to integrate impact investing processes into their work.



APPENDIX

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STANDARDS AND RESOURCES

ESG DATA CONVERGENCE INITIATIVE (EDCI)

An industry-led initiative by LPs and GPs with the goal of establishing a standardized set of ESG metrics for the private market.

ILPA ESG ASSESSMENT FRAMEWORK

The Institutional Limited Partners Association (ILPA) released their ESG Assessment Framework as a resource for LPs looking to evaluate and understand the various stages of ESG integration among GPs in the market. It is designed to help LPs evaluate and benchmark GP responses to due diligence efforts, inform goal-setting conversations with GPs, and measure ESG integration progress over time.

IMPACT MANAGEMENT PROJECT FIVE DIMENSIONS OF IMPACT

A set of norms to provide guidance on the types of data needed to understand and assess impact performance. The IMP community of 2000+ practitioners identified five dimensions of impact—Who, What, How Much, Contribution, and Risk—that can be broken down into 15 more detailed data categories. [A quick video can be found here.](#)

IMPACT MANAGEMENT PROJECT KEY TERMS AND CONCEPTS

IMP maintains a glossary of terms that are used in impact management. One of the project's goals is to drive interoperability and consensus in the industry by providing clear definitions of these core concepts.

IRIS+ SYSTEM

Managed by the Global Impact Investing Network, IRIS+ is the commonly accepted system of metrics used by impact investors to measure, manage, and optimize impact.

OPERATING PRINCIPLES FOR IMPACT MANAGEMENT (OPIM)

A set of standards for investors to design and implement impact management systems to ensure that impact considerations are purposefully integrated throughout the investment lifecycle.

PRI GUIDE FOR LIMITED PARTNERS: RESPONSIBLE INVESTMENT IN PRIVATE EQUITY

Principles for Responsible Investment (PRI) published this guide for LPs seeking to develop approaches to ESG and responsible investment in private equity.

SDG IMPACT STANDARDS

A framework to guide implementation of the SDGs within organizations, specifically focusing on impact strategy, management, and measurement.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

A collection of 17 objectives to drive global progress on a wide range of issues concerning people and the planet. They are often used by impact investors in the creation of their impact thesis.

SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

A European Union regulation to improve transparency and combat greenwashing in the market for sustainable investment products. SFDR imposes sustainability disclosure requirements covering a range of ESG metrics at both the entity and product level.

TASK FORCE ON CLIMATE RELATED DISCLOSURES (TCFD)

The Financial Stability Board created TCFD, a set of disclosure recommendations for companies to improve and increase reporting of decision-useful climate-related financial information. These recommendations were adopted by the International Sustainability Standards Board and formed the basis of the IFRS S2 standard, issued in June 2023.

KEY TERMS

ASSET ALLOCATOR

An entity responsible for selecting funds for investment. This term encompasses both asset owners and advisers to asset owners. In this report, the term “asset allocator” is used synonymously with “Limited Partner,” or “LP.”

- Asset owners are entities that govern investments on the behalf of participants, beneficiaries, or organizations—and include pension funds, endowments, and sovereign wealth funds.
- Advisers to asset owners provide ancillary services and select funds for investment on their behalf. Examples of these entities include private wealth managers and Outsourced Chief Investment Officer (OCIO) providers.

ASSET MANAGER

A manager of a fund or portfolio of funds that executes the day-to-day operations of investing directly into enterprises through debt or equity instruments. In this report, this term is used synonymously with “General Partner,” or “GP.”

ESG INVESTING

ESG investing involves integrating analyses of environmental, social, and governance issues into investment management processes in relation to financial risks or opportunities. A key goal of ESG investing is to identify, account for, and manage those ESG issues and risks that are financially material to the companies in which one invests.

GENERAL PARTNER (GP)

In this report, this term is used synonymously with “asset manager.”

IMPACT-LINKED CARRIED INTEREST OR “CARRY”

The percentage of an asset manager’s remuneration that is tied to the performance of the fund relative to established impact KPIs.

IMPACT INTENT

Also referred to as the investor’s “intentionality”; “the strategic impact objective(s) for the fund or portfolio to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely-accepted goals.” (*OPIM*)

IMPACT INVESTING

“Investing into companies and organizations with the intent to contribute to measurable positive social or environmental impact alongside financial returns.” (*The Global Impact Investing Network (GIIN)*)

IMPACT KEY PERFORMANCE INDICATORS (KPIs)

Quantitative or qualitative metrics and thresholds that an organization uses to measure performance against their impact thesis.

IMPACT RISK

One of the IMP Five Dimensions of Impact. “The ‘Risk’ dimension of impact assesses the likelihood that impact will be different than expected, and that the difference will be material from the perspective of people or the planet who experience impact.” (*IMP*)

IMPACT THESIS OR THEORY OF CHANGE

An outcomes-based hypothesis of how an enterprise, fund, issuer, investment, or investee is expected to contribute positively to sustainable development and the SDGs. The impact thesis may be separate to, but ideally is integrated into strategy, business models or investment thesis, as applicable. Relating to funds, typically the fund will develop its overall impact thesis with respect to the fund, and then develop an impact thesis for each of its investments or investees. However, some investees may have already developed their own impact thesis (or theory of change) that the fund reviews as part of its pre-screening and due diligence process.” (*SDG Impact Standards Glossary*)

INTENTIONALITY

A term used synonymously with “impact intent.”

INVESTMENT SIDE LETTERS

Binding agreements between an LP and the GP that are included as part of the investment transaction in addition to the standard financial terms.

INVESTOR CONTRIBUTION/ADDITIONALITY

Engagement by investors and managers in changing the desired outcomes of an investment beyond what might have happened without them.

LIMITED PARTNER (LP)

Investor of capital in a fund or portfolio of funds that are managed by a GP. In this report, this term is used synonymously with “asset allocator.”

**LIMITED PARTNER ADVISORY
COMMITTEE (LPAC)**

A committee that provides oversight of the management of a fund or portfolio of funds, consisting of LPs selected by the GP.

OUTCOME

“The change in level of well-being experienced by people or condition of the natural environment that results from the actions of the organization, as well as from external factors.”
(IMP)

OUTPUT

“The direct result of organizations’ activities, including their products, services and any by-products.” *(IMP)*

DUE DILIGENCE QUESTIONS FOR IMPACT MANAGERS

Assessing the credibility and competencies of an impact manager and the likelihood that a particular strategy will deliver on its intended impact results requires understanding how the manager has integrated impact into its operations. Examples of questions to help understand a manager's impact processes include:

GP DEAL SOURCING

- Does the GP have strategies for deal sourcing that give them strong reach or even a competitive advantage in their impact areas of focus?

GP DUE DILIGENCE

- Does the GP have a standardized impact due diligence scorecard or other framework that is aligned with their impact hypothesis, expected outcomes and KPIs, and is balanced across the IMP Five Dimensions of Impact?
- Are the GP's impact due diligence questions and processes appropriately tailored by asset class?
- Do the GP's impact due diligence systems (i.e., the outputs of their impact analyses) allow different investments to be readily compared based on their degree of alignment with their impact thesis (such as via a scoring or rating tool)?
- Can the GP discuss recent deals that didn't make the "impact" cut and clearly articulate why?

GP INVESTMENT ORIGINATION/STRUCTURING

- How does the GP's impact thesis influence the selection, design, or final terms of each individual investment?
- Does the GP make legally binding commitments to one or more impact practices with its investees (i.e., reporting requirements) in a signing letter, prospectus, etc.?
- Does the GP's impact thesis influence the selection, design, or final terms of each individual investment mechanism?

GP MONITORING

- Does the GP have processes and systems in place that allow them to collect and monitor impact KPIs for their investments on a regular basis and over the life of the investment?
- Does the GP have regular and consistent mechanisms for engaging with their portfolio companies based on impact performance?
- Does the GP have processes to monitor controversies and incidents in portfolio companies, including escalation processes and/or resolution plans for those incidents?
- Does the GP analyze and review data at the portfolio level in order to optimize impact and financial performance across the portfolio, and use their actual performance data to continually learn how to do so?

GP EXITS

- Does the GP have a practice of managing mission-aligned exits?
- How well has the GP managed exits that optimize impact to date?

