

# Verifying Impact Reporting Best Practices in Wealth Management

CAZENOVE CAPITAL

Cazenove Capital, a provider of wealth management services and part of the Schroders Group, engaged BlueMark to undertake an independent verification of its 2021 Charity Responsible Multi Asset Fund Impact Report and Sustainable Growth Fund Impact Report ahead of its 2022 publications.

BlueMark has conducted 14 impact reporting verifications to date, representing more than \$11 billion USD in assets under management (AUM). This underscores the importance of quality impact reporting, allowing investors to engage with stakeholders, articulate the impacts they seek to make, and highlight the results achieved. The impact reporting framework used by BlueMark is applicable across private and public market strategies, and is aligned with impact investing and ESG reporting best practices, [BlueMark's proprietary intelligence](#), and Impact Frontiers' proposed [Impact Performance Reporting Norms](#).

BlueMark assessed the completeness of information related to Cazenove Capital's impact strategy and the reported results, as well as the reliability of the impact data within the reports. During the verification process, BlueMark engaged with Cazenove Capital team members responsible for developing the impact reports and overseeing the impact management strategy. Through a series of interviews, Cazenove Capital provided additional context, enhancing BlueMark's analysis of the impact reports and related documentation.

BlueMark's review found that Cazenove Capital's disclosure of its impact approach ("*Impact Strategy*") and transparency around its data sources and calculations ("*Data Clarity*") were aligned to reporting best practices. Cazenove Capital has the challenge of reporting impact on a portfolio which includes over 20 managers and across all asset classes: bonds, equities and alternatives. To do this they developed a bespoke methodology to classify underlying holdings according to the Impact Management Project's (IMP) "ABC" impact classification system, which is complimented with structured impact theories of change across various themes. This unique approach offered a holistic view of impact allocation across a diverse asset-base and enhanced clarity regarding diverse impact outcomes sought—which, can serve as a helpful precedent for other wealth managers reporting on impact across a diverse portfolio. Additionally, the firm provided clear descriptions of the tools and processes used to support its impact data, further enhancing transparency of the data provided to key report stakeholders.

**“Expert, useful, pragmatic—I found the impact management and measurement assessment process insightful and additive to our work. The team were great to work with too.”**

BlueMark also identified opportunities for Cazenove Capital to improve the coherence of its reported Impact Results. As a multi-asset investor, the firm faces the challenge of variable impact data availability and quality across a diverse portfolio. Recognizing this, BlueMark recommended that Cazenove Capital incorporate year-over-year performance monitoring for key portfolio-level impact KPIs relative to baseline performance to further contextualize its impact results. Cazenove Capital implemented the recommendation in its [2022 impact reports](#), reporting portfolio impact trends and highlighting where improvements or decreased performance occurred. Additionally, BlueMark recommended areas where Cazenove Capital could enhance its underlying data reliability by increasing the consistency and codification of its protocols for impact data quality control, maintenance, and aggregation.

The findings from the reporting verification were delivered through a thorough report, containing areas of strength and recommendations for improvement alongside examples of best practice and benchmarking data. BlueMark's verifier statement and key findings were included in Cazenove Capital's [2022 Sustainable Growth Fund Annual Report](#)—adding additional transparency and credibility for the reports stakeholders.