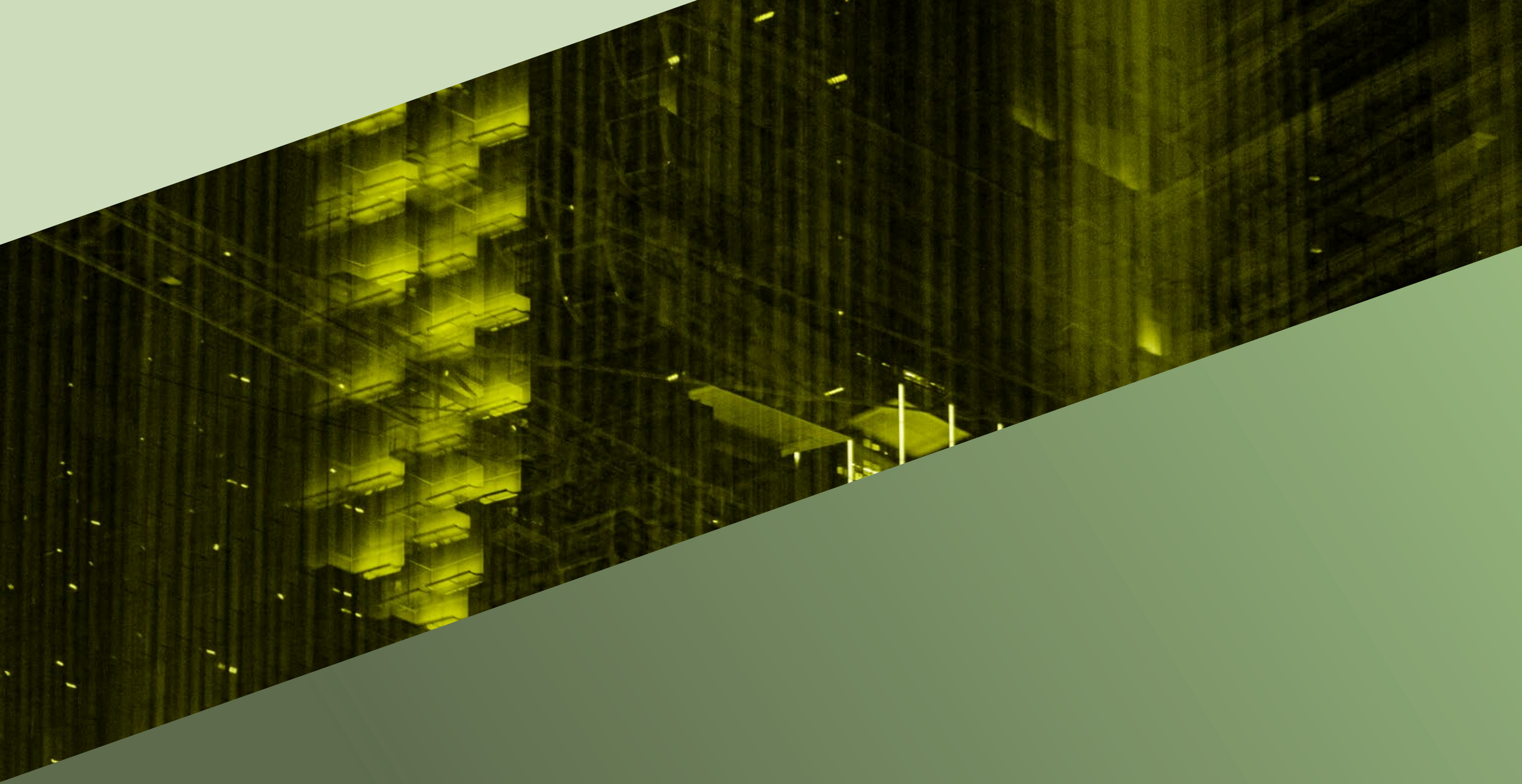

BENCHMARKING IMPACT

Impact Investor Insights Activity and Performance Report 2025

IIA Impact Investing Australia

CENTRE for SOCIAL IMPACT

UNSW SYDNEY

ACKNOWLEDGEMENTS

This report was authored by (alphabetical order): Bruce Campbell, Michelle Cripps, Associate Professor Mel Edwards, David Hetherington, Professor Danielle Logue, Shayal Raj, and Dr Yi Zhao.

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Impact Investing Australia and the Centre for Social Impact UNSW acknowledge Aboriginal and Torres Strait Islander peoples as the first inhabitants and Traditional Custodians of the lands on which we live, learn and work.

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BENCHMARKING IMPACT

84%
of impact investors who report that their impact investments meet or exceed social and environmental outcomes

80%
of impact investors who report that their impact investments meet or exceed financial expectations

$157 billion
value of impact investment products as at June 2025

197
impact investment products widely promoted to and invested in by investors as at June 2025

60%
of both active and prospective impact investors believe that impact investments are likely to deliver at or above market-rate financial returns into the future

x8
increase in the value of impact investment products over the last 5 years

x8.5
increase in the value of impact investment bonds over the last 5 years

60%
of active investors respondents who have participated in some form of blended finance structure

x4.3
increase in the value of impact investment funds over the last 5 years

Active impact investors reported engagement across areas including environment and conservation (56%) and housing and homelessness (52%), followed by clean energy (41%), health (30%), and Indigenous peoples (30%)

The Australian impact investment funds screen included 64 products totalling $12.3 billion

Environmental impact products 48.4%, Social impact products 43.9%, Products targeting both social and environmental outcomes 7.7%

The Australian dollar GSS bond market in 2025 (comprising green, social and sustainability bonds) at least 133 issuances with a total value of $144.97 billion

By value 46% Green Bonds, 45% Sustainability Bonds and 9% Social Bonds

110,460#
Thousand tCO_2e abated /avoided

363,377#
Megalitres of water cleaned/recycled or returned to environmental outcomes

4,410,975#
Underprivileged students educated or supported in school

217,263#
Teachers trained in developing countries

1,307,765#
Landfill avoided (tonnes)

3,000,000#
Trees planted

Outcomes planned or delivered as publicly reported by Impact Investment Fund Managers

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ACKNOWLEDGEMENTS

Supporting Partners

MACQUARIE

The Macquarie Group Foundation drives social impact work for Macquarie Group. The Foundation supports its people, businesses, and communities to build a better future, and engagement with Macquarie's people is at the heart of everything it does.

Recognising that many people around the world face systemic barriers to employment, the majority of the Foundation's funding focuses on breaking down these barriers and building effective pathways to employment. Since its inception in 1985, the Foundation, together with Macquarie employees, has contributed A$698 million to community organisations around the world.

MINDEROO FOUNDATION

The Minderoo Foundation is a proudly philanthropy, working to forge a fair future by challenging inequalities and campaigning for meaningful change. Determined to remove barriers that prevent the creation of a fair future, it focuses its efforts on three key areas – communities, gender equality and natural ecosystems.

PRF

As a large philanthropic foundation, the Paul Ramsay Foundation (PRF) works for a future where people and places have what they need to thrive. With organisations and communities, it invests in, builds, and influences the conditions needed to stop disadvantage in Australia.

UBS Optimus Foundation

UBS

The UBS Optimus Foundation is a global network of social impact and philanthropic foundations that connects clients with philanthropy programs that are making a measurable, long-term difference to the most serious and enduring social and environmental problems. The Foundation combines deep philanthropic expertise with innovative funding models to help capital go further. It focuses on programs and global impact ventures that have the potential to be transformative, sustainable, and scalable.

About Impact Investing Australia (IIA)

Impact Investing Australia is an independent, non-profit organisation dedicated to accelerating the growth of impact investing in Australia and participating in efforts to grow the market globally. Our purpose is to mobilise capital for positive social and environmental change, in and from Australia.

Since our establishment in 2014, IIA has developed market infrastructure, grown market participation and influenced government policy – critical to accelerating the growth of impact investing.

We represent Australia as the national partner on GSG Impact and work closely with its member countries to grow opportunities for investments that deliver measurable social, environmental and cultural benefits alongside financial returns.

About UNSW Centre for Social Impact

The UNSW Centre for Social Impact develops people and partnerships that accelerate social innovations for a more sustainable and inclusive economy. Through engaged scholarship, we integrate education and research with practice, working alongside enterprises, investors, governments, and communities. Based in UNSW Business School for more than 17 years, we have collaborated with organisations to embed purpose in governance, strengthen social impact strategies, and measure outcomes to unlock investment for social and environmental value. Our vision is a thriving economy where business drives prosperity within planetary boundaries, and where inclusion removes structural barriers to opportunity, wellbeing, and progress for all.

FOREWORD

In an era where the boundaries between financial returns and societal impacts are increasingly blurred, impact investing has emerged as a powerful force for aligning capital with purpose.

The *2025 Benchmarking Impact Report,* a collaborative effort between Impact Investing Australia and the UNSW Centre for Social Impact, offers a timely and comprehensive exploration of Australia's impact investing landscape. This report not only updates our understanding of a rapidly evolving market but also provides a critical lens through which to view the opportunities and challenges shaping its future.

Five years have passed since the last comprehensive analysis of Australia's impact investing market, a period marked by significant growth and transformation. The findings presented here reveal a market that has surpassed expectations, with $157 billion invested across 197 publicly available impact products – an eightfold increase in value since 2020. This remarkable expansion, driven largely by green, social, and sustainability (GSS) bonds, alongside a fourfold growth in impact funds, underscores the growing appetite among investors to address pressing social and environmental challenges while pursuing financial returns.

Yet, this growth is not without complexity. The report highlights competing forces: a surge in capital deployment toward clean energy, affordable housing, and other impact areas, juxtaposed against concerns about greenwashing, inconsistent impact measurement, and limited engagement in emerging markets. The survey of investors managing over $345 billion in assets reveals a market brimming with confidence – 80% report that their impact investments meet or exceed financial expectations, and 84% say the same for social and environmental outcomes. However, the fragmentation in impact measurement and management practices signals a need for greater standardisation to sustain this momentum.

As we navigate a global landscape increasingly defined by climate imperatives and social inequities, this report serves as both a milestone and a call to action. It celebrates the achievements of a maturing market while urging stakeholders – investors, policymakers, and practitioners – to address barriers such as inconsistent frameworks and limited capital flows to emerging markets. The case studies, from the Snow Foundation's catalytic investments to Conscious Investment Management's community-driven model, illustrate the transformative potential of impact investing when executed with intention and rigor.

We hope this report inspires continued innovation and collaboration, fostering a market where every dollar invested not only yields returns but also builds a more equitable and sustainable Australia. By providing a system-level view of investor attitudes and market dynamics, the *2025 Benchmarking Impact Report* equips stakeholders with the insights needed to drive meaningful change in the years ahead.

RJBrandweiner.

Richard Brandweiner
Chair, Impact Investing Australia

EXECUTIVE SUMMARY

The development of impact investing is subject to competing forces.

The backlash against climate action and diversity in the United States has added to a wariness amongst investors around the 'impact' label. Many of these investors are already managing concerns around greenwashing and concessional returns. On the other hand, every week brings announcements of new deals in clean energy, affordable housing or some other impact area.

Understanding the net effect of these competing forces is difficult. Much of the available information is piecemeal or anecdotal. What is missing is a system view of the development of impact investing. In Australia, the last detailed analysis of the impact investing market was published in 2020; since then, only periodic snapshots have been available.

The goal of the *2025 Benchmarking Impact Report* is to provide this system view, offering market participants a thorough exploration of Australian investor attitudes and product development in the impact investing market. This report, produced by Impact Investing Australia in partnership with the UNSW Centre for Social Impact, comprises two parts:

1. a survey of investor attitudes drawing on responses from current and prospective impact investors in Australia, including asset managers, superannuation funds, trusts and foundations, family offices and investment advisers, representing over $345 billion in funds under management; and
2. an analysis of 197 publicly available impact investment products in the market, including impact funds and green, social and sustainable (GSS) bonds, representing $157 billion invested in impact products.

The results offer a range of interesting findings. The first is the considerable growth in funds invested in impact products since the most recent comparable study in 2020. Five years later, the number of products in the publicly available sample has grown by 77% while the value of those products has grown almost eightfold. The value of funds has increased by a multiple of 4.3x to $12.5 billion while the value of bonds has seen a multiple of 8.5x growth to $145 billion. This demonstrates a strong flow of capital into impact investment over the five-year period.

It is a striking outcome. The *2020 Benchmarking Impact Report* stated there was, "$100 billion [in] potential demand from investors over the next five years for impact investment products".[1] The 2025 study indicates that the impact investment market has not only reached this level, but exceeded it by almost 60%. This result should be treated with a degree of caution, as it is driven strongly by GSS bond issuance which some impact investors view as less impact-intensive than private market investment into for-purpose businesses. Nonetheless, it shows that investors are willing to deploy capital at scale into the growing GSS asset class. Alongside this, it is important to note that impact funds have also grown more than fourfold over the period in question.

A second key finding concerns investors' assessments of the performance of their impact investments. 80% of survey respondents stated that the financial performance of their impact investments reached or exceeded expectations, while 84% said that the impact generated by these investments also met or surpassed expectations. Looking forward, 60% of both active and prospective impact investors believe that impact investments are likely to deliver at or above market-rate financial returns into the future.

A third set of findings centres on the role of impact measurement and management (IMM) practices amongst impact investors. While around three-quarters of investors use IMM to report to stakeholders, the standards and practice used for IMM vary considerably. No single IMM framework is used by a majority of respondents: the UN Sustainable Development Goals (SDGs) and the Impact Management Project are used by 41% and 37% respectively, while 30% use in-house proprietary measures. A large majority of active investors (85%) track impact measures during an investment, but far fewer capture these measures at- or post-exit. Impact verification relies largely on self-reported or manager-supplied data, with most investors sourcing their impact data directly from investees (78%) or fund managers (41%).

Finally, the survey asked a number of specific questions about current topical themes in impact investing, including participation in blended finance and investing in emerging markets. Over 60% of active investors who responded have participated in some form of blended finance structure, with 30% participating at concessional finance providers and 22% as market-rate investors.

> **"The findings presented here reveal a market that has surpassed expectations, with $157 billion invested across 197 publicly available impact products – an eightfold increase in value since 2020."**

While much of the financing need to meet the SDGs exists in emerging markets, the appetite of investors in the survey to invest there is limited. Only one-third of investors expressed a clear interest in investing in emerging markets. Investors cited lack of market demand and internal organisational constraints as the primary barriers to investment in these markets.

Taken together, the results of the research suggest an impact investing market that is growing strongly and delivering on returns expectations, but still faces a number of challenges – from consistency in IMM frameworks to the deployment of capital into emerging markets. Survey respondents express confidence about future financial returns although almost 90% believe that government could do more to stimulate market growth, including tax incentives, wholesale funds and capacity-building programs.

1 Michaux, F, Lee, A, and Jain, A, 2020, Benchmarking Impact: *Impact Investor Insights, Activity and Performance Report 2020*, Responsible Investment Association Australasia, Sydney, p.1.

INTRODUCTION

Five years have passed since the last full *Benchmarking Impact Report* was published. Much has happened in the impact investment market in that time.

A number of specialist impact funds have been established, and several of these are now managing hundreds of millions of dollars each. Superannuation funds have made dedicated impact allocations and senior executive appointments to lead impact teams. A new Federal Government has commissioned an updated report from the Social Impact Investment Taskforce.

Yet there has been no detailed market sizing to supplement these anecdotal observations with hard evidence of what investors are thinking, and what activity is happening on the ground.

The 2025 *Benchmarking Impact Report* changes this. By combining an investor survey with a screen of publicly available impact investment products, the report provides an empirical snapshot of the impact investment market.

In 2016, Impact Investing Australia (IIA) undertook the first *Benchmarking Impact Report*, a collation of data on the impact investment (II) market offering a detailed analysis of the size, growth and performance of the II market by asset class, investment type, and impact area.

In 2018 and 2020, successive editions of Benchmarking Impact, undertaken by the Responsible Investment Association of Australasia (RIAA) via a licence agreement, built on this research and included additional data on the preferences, practices and intentions of investors, both active and not yet active in impact investing.

Feedback from investors and enterprises suggests that the lack of timely data on existing market activity and sentiment has been a key impediment to growing a more sophisticated impact investing market. Given this, IIA has partnered with UNSW Centre for Social Impact (CSI) to deliver the 2025 edition of Benchmarking Impact. IIA and CSI have jointly designed the research survey to ensure consistency with prior editions of the report, and to enable comparison with global datasets such as that produced by the Global Impact Investor Network (GIIN).

The survey sought investors' views on a wide range of topics, from preferences on asset class and impact area, to the current performance and future expectations of financial returns. The product screen collected data on funds under management, asset class, impact intention, and financial returns. Both the survey sample and product analysis provide valuable insights into impact investment activity, offering strong indicators of market sentiment and size. While they notably represent a subset rather than the entirety of the market, these findings contribute meaningfully to understanding broader trends, without claiming to capture all opinions or volumes.

To complement the survey and product screen, the report also includes several case studies and insight pieces, providing profiles of individual investors and snapshots across different impact investment themes.

The report begins with the survey results in Part I and moves to the product analysis in Part II, followed by a discussion of findings in Part III. Case studies and insight pieces are placed throughout, and a glossary of key terms is available at the conclusion of the main report.

PART I.
IMPACT INVESTOR INSIGHTS

1.1
About the 2025 Impact Investor Insights Activity and Performance Survey

This report presents findings from the 2025 Impact Investor Insights Activity and Performance Survey (the 'survey'), conducted by the UNSW Centre for Social Impact on behalf of Impact Investing Australia. The survey was developed to improve understanding of Australia's impact investing landscape by capturing perspectives from three key groups: active impact investors, prospective investors, and investment advisers.

The survey defines 'impact investments' as investments made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return. To capture the market's range, the survey asks about impact investments made across different asset classes. Three core characteristics of impact investing are provided to survey participants for self-identification as an impact investor, including:

- Impact intentionality: An intentional desire to have a positive social and/or environmental impact through investments.
- Return expectation: Impact investments are expected to generate a financial return on capital, ranging from below market to market rate, or a return of capital at minimum, depending on investors' strategic goals.
- Impact measurement: Impact investors measure and report the social and/or environmental performance of underlying investments and use evidence and data where available to drive investment design for achieving social and environmental goals.

In this survey, an 'active impact investor' refers to individuals or entities who self-identify as impact investors and have made at least one investment that aligns with the provided definition of impact investing. A 'prospective impact investor' refers to those who also identify as impact investors but have not yet made any impact investments at the time of the survey, though they have interest in doing so in the future. An 'impact investment adviser' is an asset consultant, financial adviser or research house that does not invest directly, but advises clients on impact investment opportunities.

The survey was administered through Qualtrics and initially generated 164 lines of record, which included duplicate entries and trial responses. For data cleaning, the research team conducted extensive manual checks and verification. In calculating the completion rate, we applied a minimum threshold of 20% for inclusion, as responses below this threshold contained little usable data. Respondents meeting this threshold typically went on to answer most questions, with an average completion rate of 84%. In the final sample, a total of 44 completed responses were collected and validated from a diverse mix of organisations, including foundations, not-for-profits, family offices, superannuation funds, asset and wealth managers, and financial advisers. Respondents reported on their investment or advisory activities as at 30 June 2024. The survey was distributed through Impact Investing Australia's network between December 2024 and April 2025 and promoted widely, including at the 2025 Impact Investment Summit in Sydney.

This research aims to inform policymakers, funders, practitioners, and advocates by offering evidence-based insights into the current state of the impact investing market in Australia. It explores a wide range of topics such as investor motivations, portfolio allocations, areas of impact focus, and how organisations measure and manage the impact of their investments.

Overall, the findings provide valuable insights into how different types of market participants currently understand and approach impact investing.[2] Responses suggest that impact investing is regarded by many as an integral part of their investment approach, while more than 90 per cent of investors agreeing that it will become a more significant part of the broader investment landscape in Australia over the next five years.

2 From a methodological perspective, we also advise prudence in interpreting the results, considering the sample size in light of total population, and hence the representativeness of responses.

1.2
The Respondents

The 2025 survey received valid responses from 44 organisations across the impact investing ecosystem. This included 27 active impact investors, along with 5 prospective investors who are not yet actively investing, and 12 impact investment advisers. Most respondents (91%) reported that their organisation manages or advises the majority of its impact assets from Australia. Only a small number (4 respondents) indicated that their impact assets are primarily managed from outside the country.

This distribution suggests that Australia's impact investing activity is largely driven by domestically anchored participants, which aligns with the findings from the product analysis that also highlight strong domestic focus in the impact market. While the market is predominantly anchored in local expertise and infrastructure, the presence of internationally managed assets indicates some level of global engagement, particularly among advisers who operate across borders or manage international fund flows.

Organisational Types

Respondents represent a broad cross-section of organisational types, reflecting the diversity of institutions engaged in or supporting impact investment. Trusts and foundations were the most represented group (18%), followed by asset or wealth managers and fund-of-funds (16% each). Other types included family offices and intermediaries (9% each), not-for-profits, ancillary funds, and superannuation funds (7% each). Smaller shares came from asset consultants (5%), financial advisers (5%), and others (2%).

This composition illustrates that impact investing in Australia is not confined to one segment of the financial sector. Instead, a wide range of organisations, from philanthropic funders to commercial investment entities, are participating in or advising on impact-focused capital allocation.

Which of the following best describes your affiliation as an investor or adviser?

	Freq.	Per cent
Trust or foundation	8	18%
Asset/wealth manager	7	16%
Fund/fund of funds	7	16%
Family office	4	9%
Impact investment intermediary	4	9%
Not-for-profit	3	7%
Public/Private Ancillary Fund	3	7%
Superannuation fund	3	7%
Asset consultant	2	5%
Financial adviser	2	5%
Other (please specify)	1	2%
Total	**44**	**101%**

Note: Results are based on the responses to the primary question on organisational type (QA). Total may not add to 100% due to rounding.

Case Study **Snow Foundation**

CATALYSING CHANGE

Snow Foundation's Impact Investment Strategy

Founded in 1991 by brothers Terry and George Snow, the Snow Foundation is a leading family philanthropic organisation committed to achieving meaningful social change in Australia. With a corpus of $185.3 million as of June 2024, the Foundation supports transformative initiatives with a focus on women and girls, First Nations communities, LGBTIQ+ people, youth, the community where they live and work, and the broader for-purpose sector ecosystem.

A cornerstone of the Foundation's approach is impact investing – using capital to drive significant social outcomes. As of FY24, 10.4% ($19.2 million) of the Foundation's overall investment portfolio was allocated to 36 active social impact investments, with a view to increase this allocation to 20%. These investments span diverse sectors including disability accommodation, social and affordable housing, social change start-ups, and initiatives that support Indigenous economic participation.

The Foundation's Social Impact Investment Committee applies a dual lens of impact and financial performance when assessing opportunities. Key criteria include thematic alignment and risk-adjusted returns. Due diligence is rigorous, and investments are monitored through structured reporting. In some cases, the Foundation takes on board representation or advisory roles to support governance and strategic direction.

The Foundation backs emerging funds such as the Conscious Investment Management Social Housing Fund, helping unlock institutional capital for social housing. Its commitment to the First Australians Capital Catalytic Impact Fund supports Indigenous-led businesses through culturally informed, flexible loans – addressing systemic barriers and fostering self-determination.

Direct investments reflect the Foundation's commitment to scalable, community-led innovation.

Some examples include:

- **Clean Slate Clinic**, a telehealth detox service, has supported over 1,500 clients. Nearly half of its clients are women, one-third are from rural areas, and over 7% identify as First Nations.
- **Ngutu College,** where 47% of students identify as Indigenous, continues to expand its inclusive education model.
- Start-ups like **Covidence** (enhancing healthcare evidence synthesis) and **Kindship** (providing peer support for families navigating the NDIS) exemplify the Foundation's support for high-impact, early-stage ventures.

A key enabler of this strategy is Impact Investments (Aii), a trusted advisory partner. Aii supports due diligence, portfolio construction, and impact reporting, helping shape key commitments and ensuring alignment with the Foundation's values and goals.

Looking ahead, the Foundation is deepening its focus on gender equity and Indigenous self-determination. By combining strategic capital with deep engagement and a commitment to systemic reform, the Foundation illustrates how philanthropy can catalyse enduring impact.

Geographic Distribution Of Respondents

Of the 43 organisations that provided a valid location,[3] more than half (53%) are based in Sydney, followed by Melbourne (26%), Perth (7%), among other locations (14%). When aggregated at the state level, we see that the majority of organisations involved in impact investing are headquartered in New South Wales (56%), followed by Victoria (26%) and Western Australia (9%).

This pattern points to the geographic concentration of impact investing activity in Australia's major cities, particularly Sydney and Melbourne. However, responses from regional centres and smaller cities show that interest in impact investing is not limited to metropolitan areas, even if market activity in these areas may still be nascent or remain localised due to limited access to established investment infrastructure and networks.

Geographic Distribution of Respondents

By City

	Freq.	Per cent
Sydney	23	53%
Melbourne	11	26%
Perth	3	7%
Others	6	14%
Total	**43**	**100%**

By State

	Freq.	Per cent
NSW	24	56%
VIC	11	26%
WA	4	9%
Others	4	9%
Total	**43**	**100%**

Investment assets and activity

Among the 24 active investors who reported their total assets under management (AUM), the average organisation oversaw $14.4 billion in assets, though the median was substantially lower at $91 million. For the 23 investors who provided figures on their impact-specific AUM, the average was $288 million, with a median of $50 million. These figures point to a highly uneven distribution of capital in the market, where a small number of large players account for the bulk of assets under management.

Active Investor	Number of Responses	Mean	Median
AUM for Impact Investment (in millions)	23	288	50
Total AUM (in millions)	**24**	**14,352**	**91**

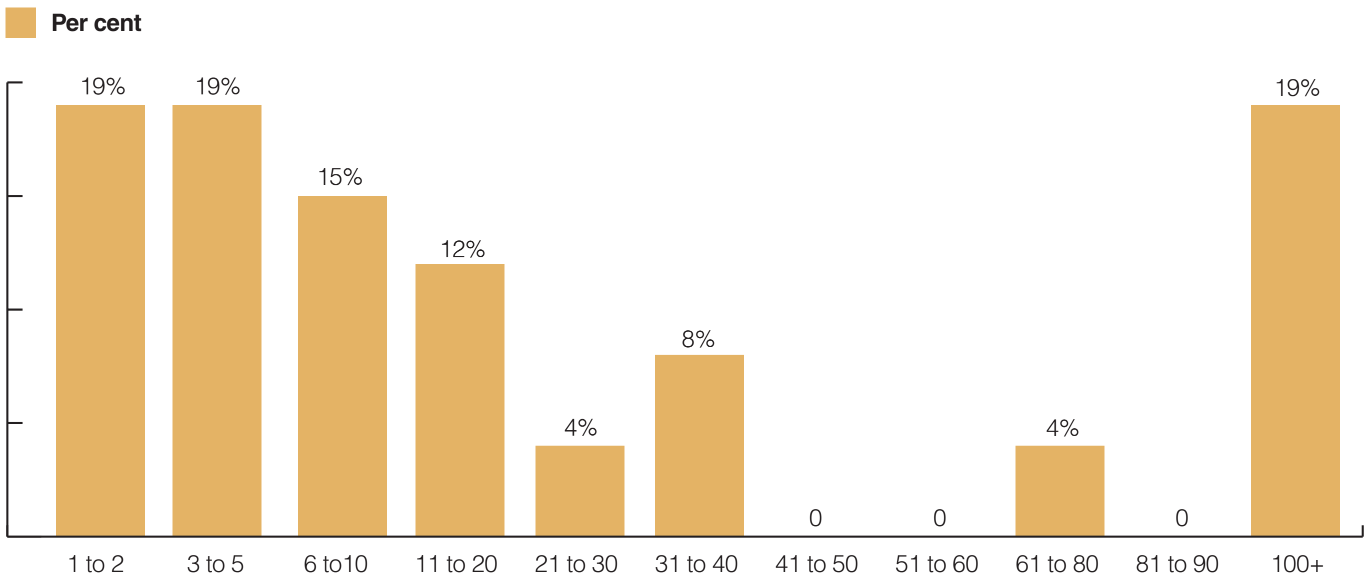
3 In the results presented throughout this report, the number of responses reported may be smaller than the total number of respondents in each respondent category due to missing or incomplete data. As such, only validated responses were included in the analysis to ensure accuracy and reliability of the findings.

The proportion of assets allocated to impact investments varied among active investors. On average, respondents reported allocating 53% of their portfolios to impact investing.

Active Investor	Number of Responses	Mean	Median
Per cent (%) of current portfolio allocated to impact investments	26	53%	58%

With respect to the experience with making direct impact investment, some active investors had made only 1 to 2 direct impact investments, while others reported more than 100. This suggests a spectrum of engagement - from investors just beginning to build their impact portfolios to those with deep and extensive experience in direct investing.

Number of direct impact investments made (N=26)



Among advisers, the degree of focus on impact investments also varied. Of the 10 active advisers who provided information, 30% said that between 85% and 100% of their investment advice relates to impact, while another 30% said impact advice accounted for just 0% to 15% of their work. The remainder fell between these two ends of the spectrum.

Adviser	Per cent (%) of your advice related to impact investments	Number of Responses	Per cent
	0 to 15%	3	30%
	15 to 50%	2	20%
	50 to 85%	2	20%
	85 to 100%	3	30%
	Total	**10**	**100%**

In terms of scale, the total value of asset under advisement ranged from $1.3 million to $60 billion. The average value of asset under advisement was $7.7 billion, with a much lower median of $41 million. These numbers suggest a market in which both boutique advisory firms and large institutional players are active.

Adviser	Number of Responses	Mean	Median
Total value of advised investments as of 30 June 2024 (in millions)	12	7,726	41

1.3
Awareness and Interest in Impact Investing

Approaching impact by active market participants

Among active investors, the majority (52%) reported applying impact as a general lens across their entire portfolio, indicating an integrated approach to aligning investments with social or environmental goals. Another 30% treat impact investing as a distinct allocation within their broader portfolio.

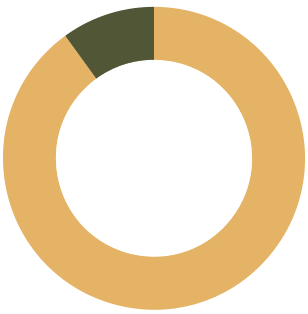
Active Investor	Do you apply impact investing as a specific allocation in your portfolio, or as a lens across your entire portfolio of investments?	Number of Responses	Per cent
	Specific allocation	8	30%
	Lens across portfolio	14	52%
	Neither or not applicable	5	19%
	I don't know	0	0%
	Total	**27**	**100%**

Note: Total may not add to 100% due to rounding.

For active advisers, the survey asked about future intent: 90% reported they are highly likely to consider social, environmental, or cultural impact as a key factor in their investment advice over the next five years. This high level of alignment suggests that, for these advisers, impact considerations are increasingly being treated as core, rather than supplementary, components of investment advice among professionals.

What is the likelihood of your organisation including social, environmental and/or cultural impact as an important consideration in your investment advice over the next 5 years?

Social/ environmental/ cultural impact



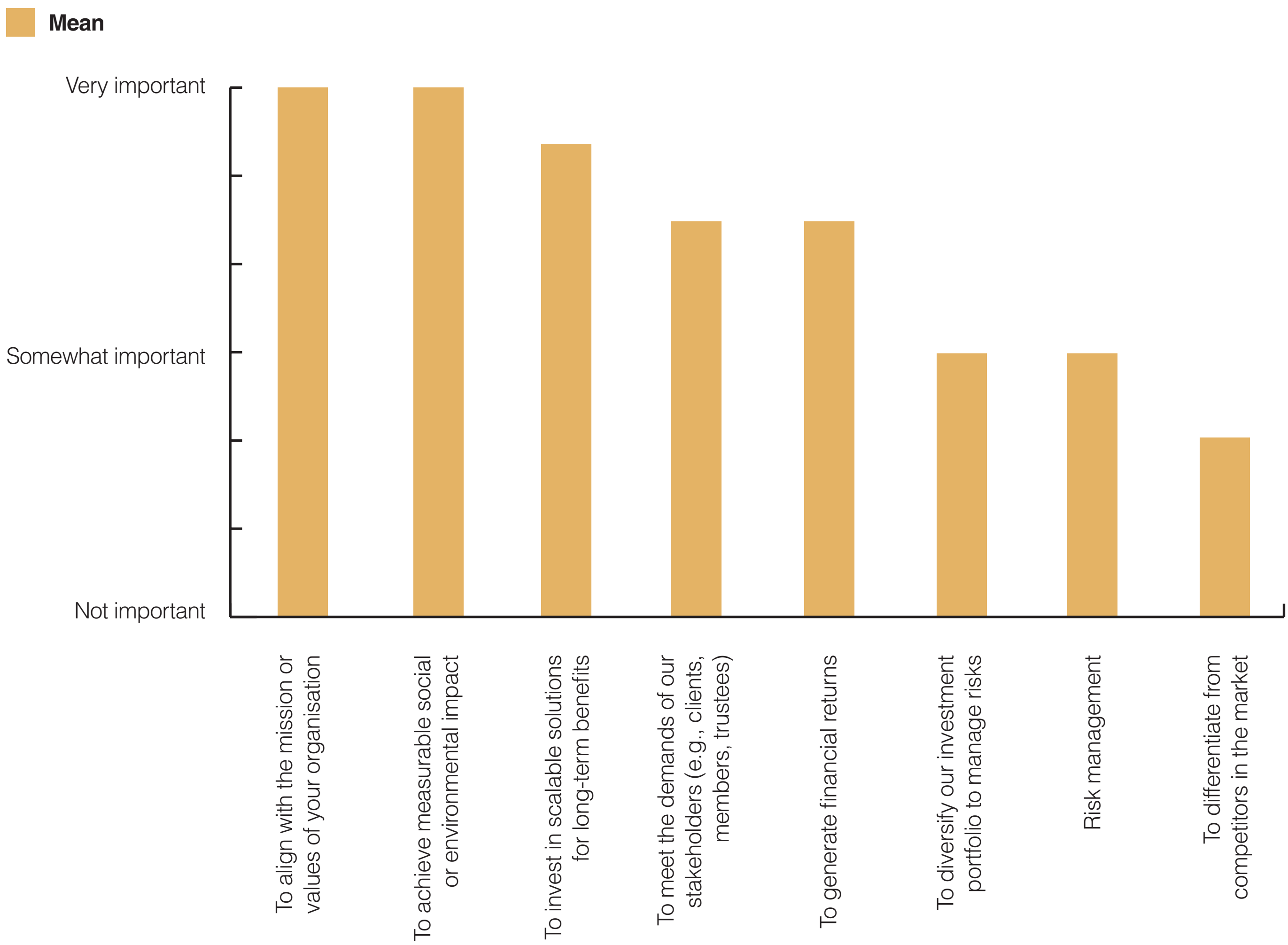
Adviser		Number of Responses	Per cent
	Unlikely	1	10%
	Likely	0	0%
	Highly likely	9	90%
	Total	**10**	**100%**

Note: Total may not add to 100% due to rounding.

Motivations for investment and advice

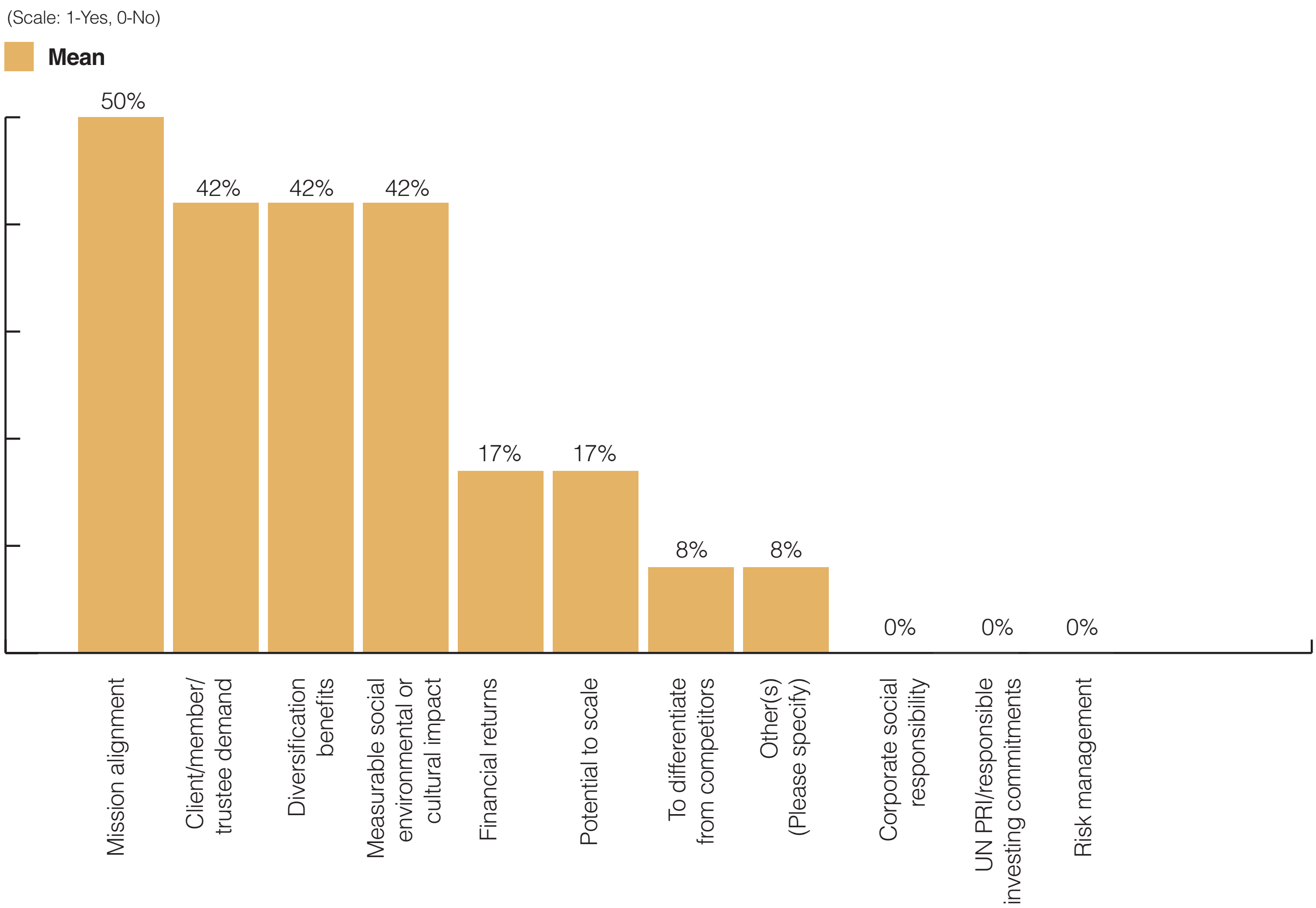
When asked to rate their key motivations for allocating funds to impact investing, active investors most frequently cited alignment with organisational mission and the intent to achieve measurable impact. Other notable drivers included investing in scalable solutions, responding to stakeholder demand, and generating financial returns. In contrast, motivations such as market differentiation and risk management were considered less important. Overall, while impact investors do seek financial returns, they are a relatively less important driver than organisational mission and impact goals.

What are your organisation's key motivations for allocating funds/assets to impact investments? (N=26)



Among advisers, mission alignment was also the most common motivation (50%), alongside stakeholder demand, portfolio diversification, and measurable impact (each cited by 42%). Fewer advisers identified financial return (17%) or scalability (17%) as key drivers, and none selected motivations such as corporate social responsibility, UN PRI commitments, or risk management.

What are your organisation's clients' key motivations for allocating funds/assets to impact investments? (N=12)



Overall, both groups emphasised values-driven and stakeholder-sensitive motivations. Active investors were somewhat more likely to combine these with financial and strategic considerations, while advisers tended to prioritise alignment and accountability.[4]

4 As with the earlier caveat, these results on active impact advisers should be viewed in light of the small number of advisers included in the sample.

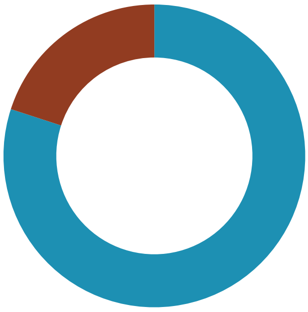
Interest from prospective investors

While not yet active in the market, prospective investors showed strong level of interest around impact investing. Four out of five described themselves as aware or highly aware of impact investing, and all expressed interest in becoming involved. None reported being unaware or sceptical. Moreover, 80% of prospective investors also said their organisations are highly likely to include social, environmental, or cultural impact as a factor in investment decisions over the next five years. These responses indicate that new entrants are not only informed but also motivated to integrate impact into future investment strategies.

What is your current level of awareness around impact investing?

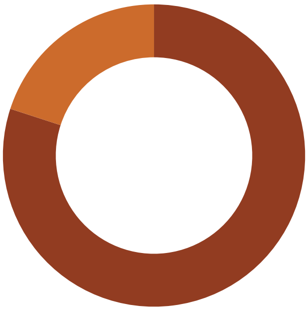
Prospective Investor		Freq.	Per cent
	Limited to no awareness	0	0%
	Somewhat aware	1	20%
	Aware	2	40%
	Highly aware	2	40%
	Total	**5**	**100%**

What is your current level of interest around impact investing?



Prospective Investor		Freq.	Per cent
	Sceptical	0	0%
	Curious	0	0%
	Interested	1	20%
	Very interested	4	80%
	Total	**5**	**100%**

What is the likelihood of your organisation including social, environmental and/or cultural impact as an important consideration in your investment decisions over the next 5 years?



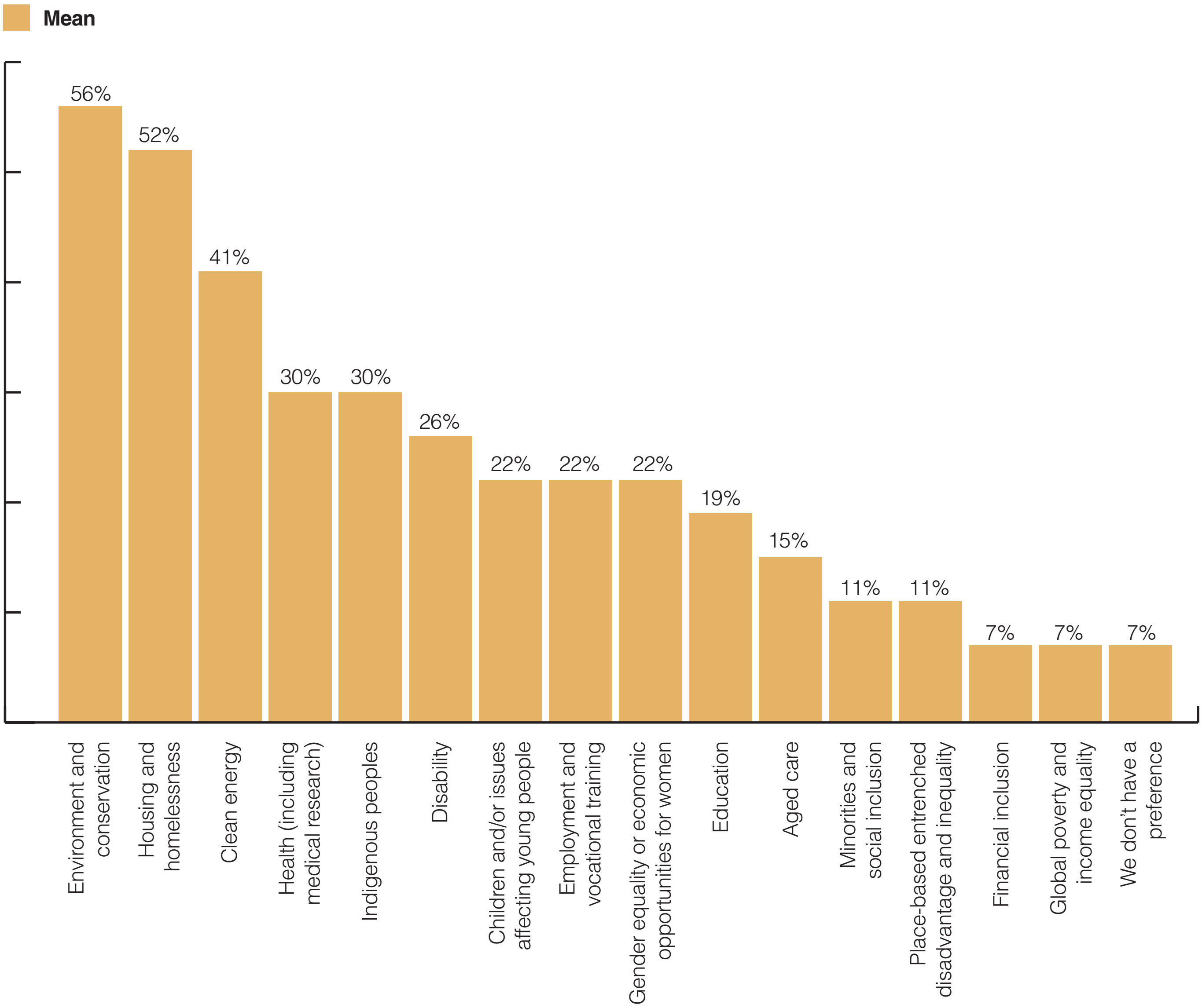
Prospective Investor		Freq.	Per cent
	Unlikely	0	0%
	Likely	1	20%
	Highly likely	4	80%
	I don't know	0	0%
	Total	**5**	**100%**

1.4
Impact Investment Activity

Focus areas of investment and advice

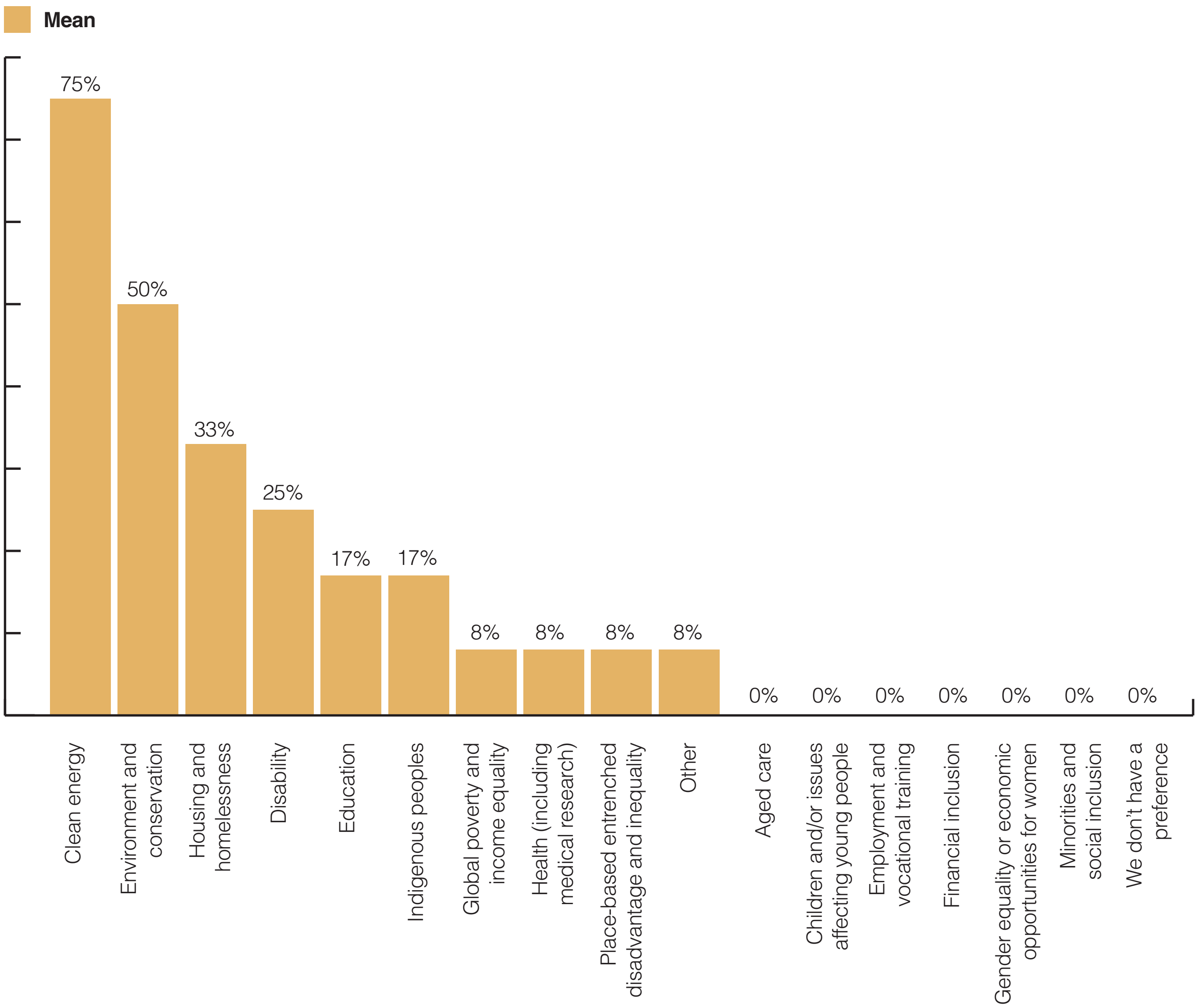
Active impact investors reported engagement across a wide range of social and environmental themes. The most commonly cited areas were environment and conservation (56%) and housing and homelessness (52%), followed by clean energy (41%), health (30%), and Indigenous peoples (30%). Other focus areas included disability (26%), children and youth issues (22%), employment and training (22%), and gender equality (22%). In contrast, areas such as financial inclusion, global poverty, and place-based entrenched disadvantage were selected by only a small share of respondents (7%), indicating limited activity in these domains at present.

What areas of impact are you currently investing in? (N=27)



Advisers most frequently recommended clean energy investments (75%), followed by environment and conservation (50%), and housing and homelessness (33%). Other areas, including aged care, youth, employment, and gender equality, were rarely or not at all selected by advisers. There is a relative prioritisation of climate-related over social investments. This narrower sectoral scope may reflect current deal availability, client preferences, or the structure of advisory mandates.

What areas of impact have you recommended to clients? (N=12)

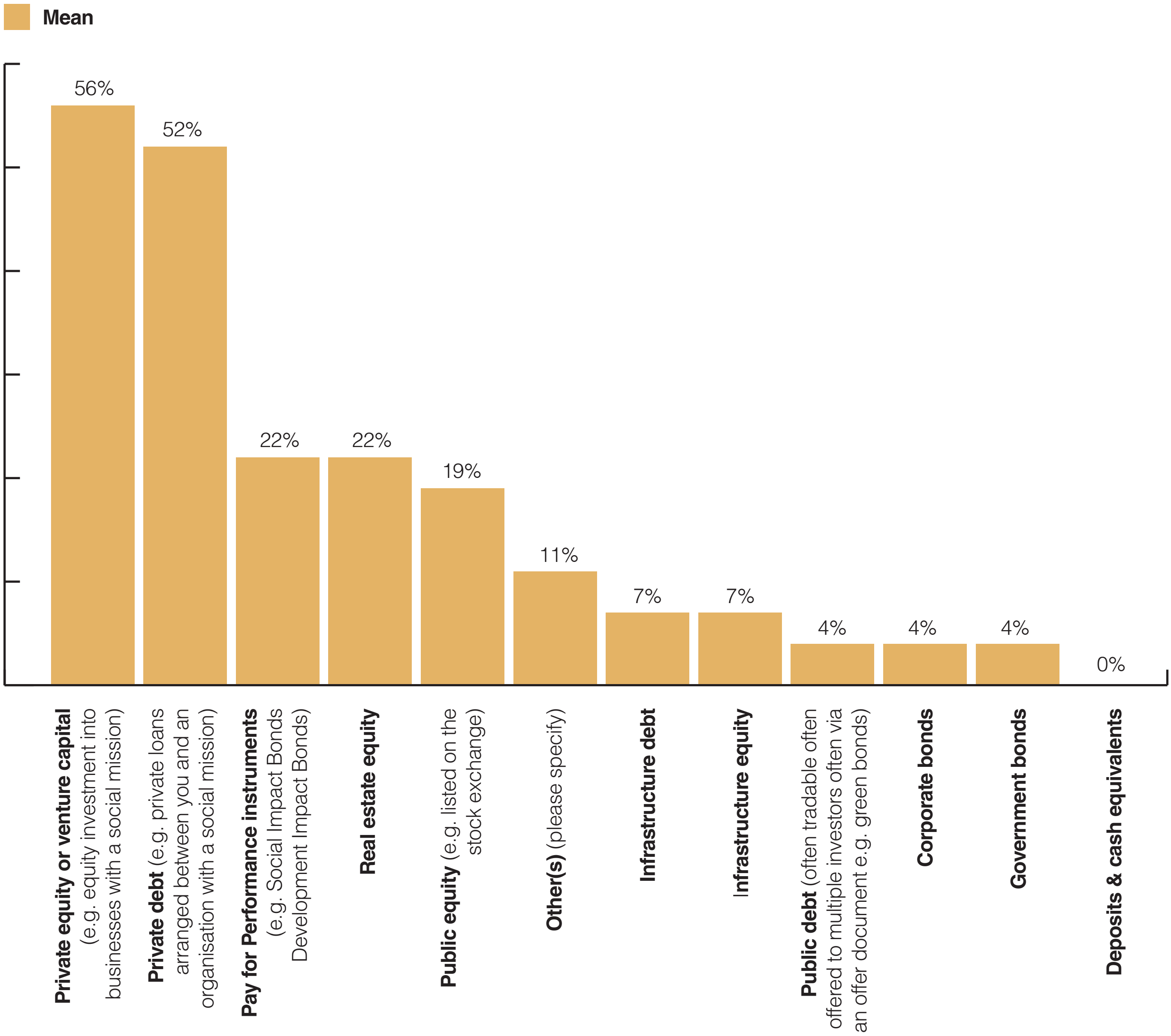


Preferred asset classes

Among active investors, private equity[5] (56%) and private debt (52%) were the most commonly selected asset classes. Fewer investors reported exposure to pay-for-performance instruments such as social impact bonds (22%) or real estate equity (22%). Public market instruments, including public equity (19%), public debt including corporate and government bonds (8%), were selected less frequently by survey participants, as were infrastructure assets and cash holdings. These results indicate that among active impact investors, private market instruments, particularly private equity and private debt, make up a sizable portion of their current asset allocation. These private instruments are often used for direct investments into mission-driven enterprises.

These results also suggest that the impact investors in this survey tend to favour investment opportunities in the private market more than those in the public market. Yet Part II of this report provides comprehensive insights of the fund and bond products currently available in the public market. As this product analysis shows, the public market has expanded significantly in both product volume and value since 2020, reflecting increasing investor interest and continued market development.

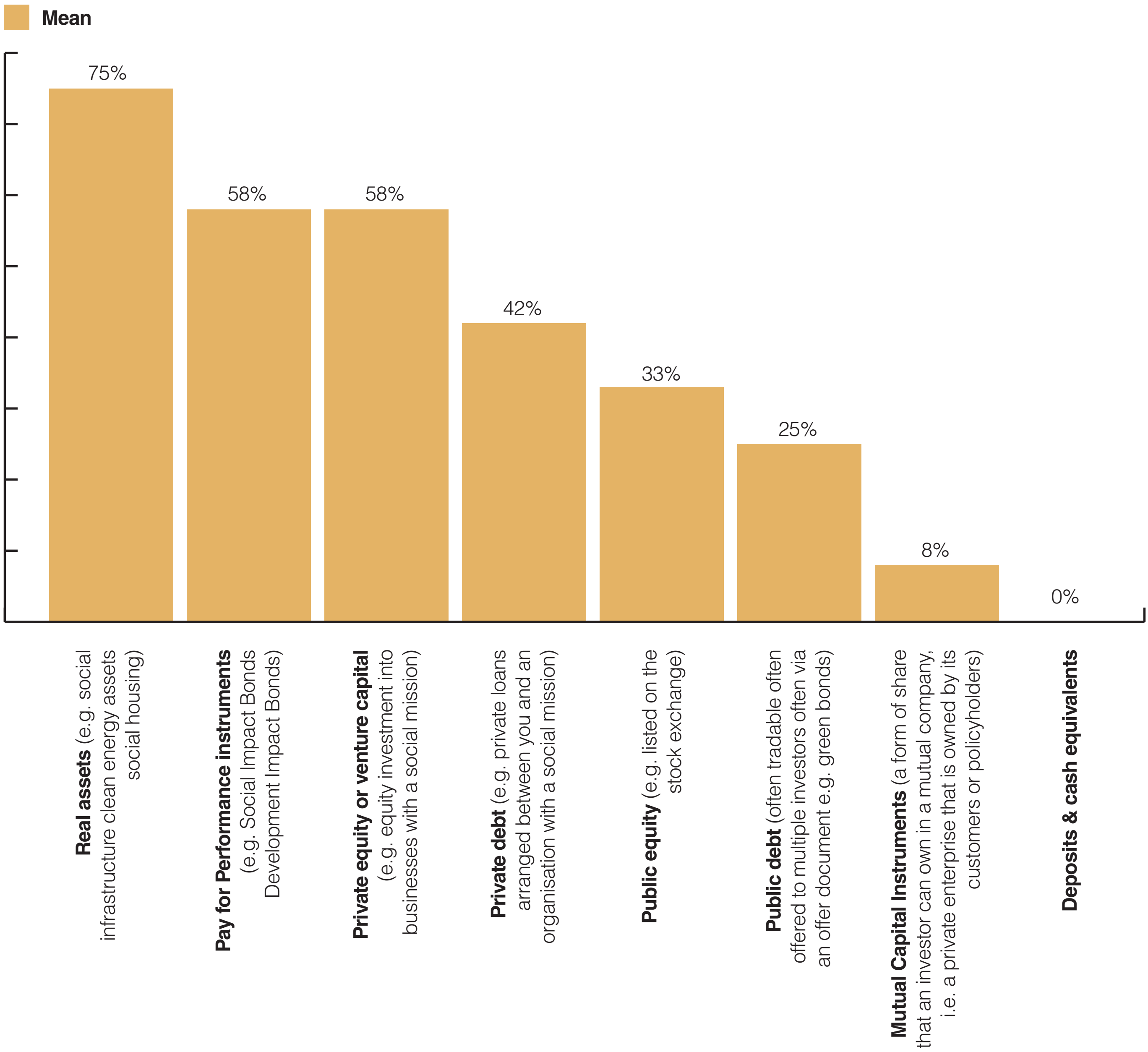
In regard to your current investments, what asset class of impact investments is your organisation currently invested in? (N=27)



5 Throughout this study, 'private equity' refers to all unlisted equity funds, including venture capital funds and traditional private equity funds.

Advisers showed somewhat different patterns in terms of the type of investments in which they recommended clients to invest. Real assets such as social infrastructure, clean energy, and social housing were most commonly recommended (75%), followed by pay-for-performance instruments and private equity (58% each). Private debt was also common (42%), while public equity and debt were included by 33% and 25% respectively. Mutual capital instruments were rarely recommended, and no adviser reported suggesting deposits or cash equivalents.

In regard to your current impact investment advice, what type of impact investments has your organisation recommended investing in? (N=12)



Together, these findings point to a market largely focused on private mission-oriented investments. While investors favour direct equity and debt arrangements, advisers appear more likely to steer clients toward real assets and outcome-based structures.

Also shown here is that on average active impact investors reported allocations across two asset classes, most commonly private equity and private debt. This pattern of diversification is echoed in the product landscape outlined in Part II, where many fund products combine equity and debt in real assets to meet investor demand for flexible, diversified exposure to investment opportunities.

Alignment among investors with the Sustainable Development Goals (SDGs)

Active investors reported aligning their investments most commonly with SDG 10 (Reduced Inequalities), selected by 44%, followed by SDG 8 (Decent Work and Economic Growth) and SDG 11 (Sustainable Cities and Communities) at 41% each. Other frequently selected goals included SDG 3 (Good Health and Well-being) and SDG 7 (Affordable and Clean Energy), both at 37%, SDG 13 (Climate Action) at 33%, and SDG 4 (Quality Education) and SDG5 (Gender Equality), both at 30%.

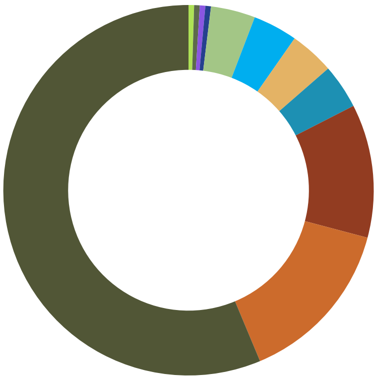
Active Investor (N = 27)	What areas of SDG impact are you currently investing in?	Mean
	SDG 10 Reduced inequalities	44%
	SDG 8 Decent work and economic growth	41%
	SDG 11 Sustainable cities and communities	41%
	SDG 3 Good health and well-being	37%
	SDG 7 Affordable and clean energy	37%
	SDG 13 Climate action	33%
	SDG 4 Quality education	30%
	SDG 5 Gender equality	30%
	All SDGs	19%
	SDG 9 Industry innovation and infrastructure	19%
	SDG 12 Responsible consumption and production	19%
	SDG 16 Peace justice and strong institutions	15%
	SDG 17 Partnerships for sustainable development	15%
	SDG 1 No poverty	11%
	SDG 15 Life on land	11%
	SDG 2 Zero hunger	7%
	SDG 6 Clean water and sanitation	7%
	SDG 14 Life below water	7%

A different emphasis emerges from the product analysis in Part II of this report. Among the currently available investment products, the most frequently observed SDG themes with which market products align include SDG 13 (Climate Action), followed by SDG 11 (Sustainable Cities and Communities), SDG 3 (Good Health and Wellbeing), SDG 7 (Affordable and Clean Energy), and SDG 4 (Quality Education). These variations in ranking of specific SDG are likely due to two reasons. First, they may reflect differences between investor-reported priorities and how SDGs are currently embedded in the structure and category of investment products available in the market. Second, the survey focuses on the SDG alignment of self-identified impact investors, whereas the product analysis includes a broader set of impact investment products that also attract market participants who do not explicitly identify as impact investors. While the relative rankings differ, there is clearly an overlap in the SDGs reported by investors and those integrated into product offerings, particularly around sustainable cities, health, clean energy, and education.

Investors' geographic preferences within Australia

Most respondents indicated that geographic location is not a major factor in their investment decisions. A majority of active investors (58%) reported no state or territory preference, though some expressed interest in Western Australia (15%) and Victoria (12%). Other states received only isolated mentions (4% each).

If the investment's impact is state/territory-specific, which state/territory are you most interested in investing in?



Active Investor		Number of Responses	Mean
	We don't have a preference	15	58%
	Western Australia	4	15%
	Victoria	3	12%
	New South Wales	1	4%
	Queensland	1	4%
	South Australia	1	4%
	Other(s) (please specify)	1	4%
	Australian Capital Territory	0	0%
	Northern Territory	0	0%
	Tasmania	0	0%
	I don't know	0	0%
	Total	**26**	**100%**

Business stage preferences

When asked about the typical stage of business they invest in, active investors most commonly selected growth-stage companies (56%) and venture-stage companies (52%), followed by seed/start-up phase (41%). Fewer reported targeting mature private companies (19%) or publicly traded firms (11%).

Advisers, by contrast, advised across a broader range of business stages. Mature private companies and venture-stage companies were each selected by 58%, followed by seed/start-up (50%) and growth-stage (42%). Publicly listed companies were also advised on by 42% of advisers, indicating a more flexible stance across the business development lifecycle.

Active Investor	If your organisation is making direct impact investments in companies or businesses, what stage of business does your organisation typically invest in?	Number of Responses	Mean
	Growth stage companies	27	56%
	Mature private companies	27	19%
	Mature publicly traded companies	27	11%
	Seed/start-up phase companies	27	41%
	Venture stage companies	27	52%

Adviser	When providing advice to clients on impact investments, what stage of business development do you provide impact investment advice on?	Number of Responses	Mean
	Growth stage companies	12	42%
	Mature private companies	12	58%
	Mature publicly traded companies	12	42%
	Seed/start-up phase companies	12	50%
	Venture stage companies	12	58%

Participation in blended finance

Blended finance participation among active investors varied. Over one-third (37%) reported no involvement. Others participated as concessional finance providers (30%), market-rate participants (22%), or philanthropic grant providers (19%). Just 7% reported acting as development finance providers.

Advisers reported broader involvement. Only 17% said they had not participated in blended finance. The most common areas of advice included concessional finance provision and development finance (25% each), highlighting a greater degree of exposure and willingness to engage in structuring blended finance transactions.

Active Investor	Are you participating in blended finance impact investments?	Number of Responses	Mean
	No we have not participated in any blended finance impact investments	27	37%
	Yes as a concessional rate and/or concessional terms finance provider	27	30%
	Yes as a non concessional market rate finance provider	27	22%
	Yes as a philanthropic grant provider	27	19%
	Yes as development finance provider	27	7%
	Other(s) (please specify)	27	11%
Adviser	No we have not participated in any blended finance impact investments	12	17%
	Yes as a concessional rate and/or concessional terms finance provider	12	25%
	Yes as a non concessional market rate finance provider	12	17%
	Yes as a philanthropic grant provider	12	17%
	Yes as development finance provider	12	25%
	Other(s) (please specify)	12	17%

Spotlight

ACCELERATING BLENDED FINANCE[6]

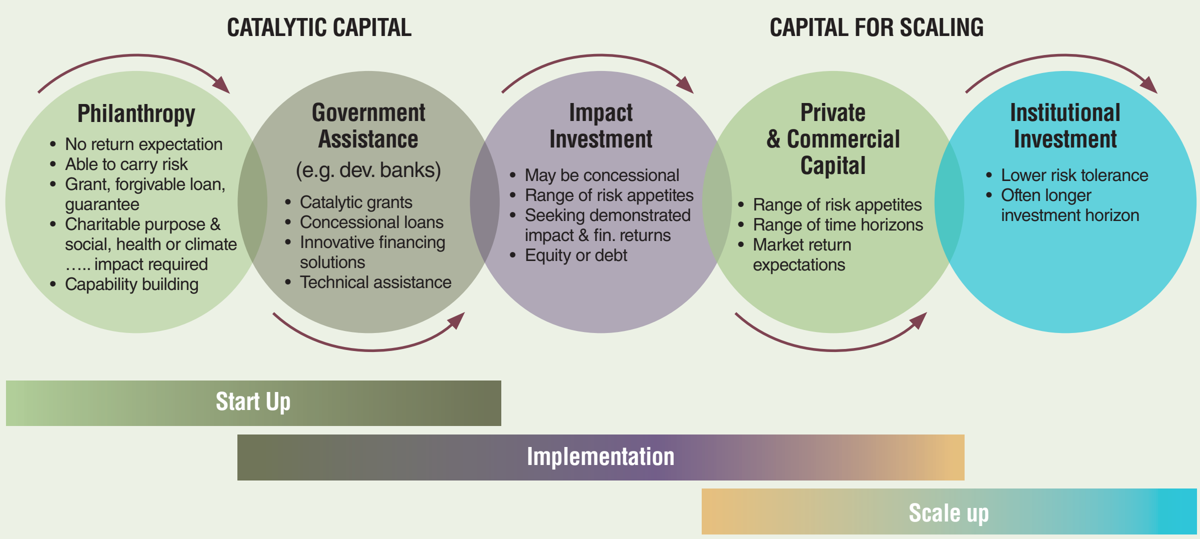
By Dr Catherine Brown OAM, Enterprise Professor at Melbourne Business School and Melbourne Law School, Director of Impact Investing Australia and Chair of the Environmental Grantmakers Network

Blended finance is an approach that uses more than one source of finance and funding to enable a transaction that achieves a positive social or environmental outcome. It is often applied in development projects but it can be extended into developed countries, such as Australia. Blended finance brings five different finance 'buckets' together and seeks to meet the various risk, return and impact objectives and legal and investment horizon requirements of each form of investor through a layered or collaborative approach to financing. For example, they may require exit opportunities at particular times, or alternatively, they may have longer-term time horizons. Each source of finance is used to play to its strengths. Impact investing can sometimes be the glue in these transactions.

First, let's look at the five sources of finance. The diagram below helps explain blended finance as a concept. Some of these sources are impact focused, some are concessionary and some are not. Blended finance usually includes a catalytic source or sources of finance that kick start the capital stack or the project development. Scaling up finance comes into play as the transaction or project becomes attractive to long-term, more risk-averse private or institutional investors. Investors use many tools, including debt, market returns and concessional debt, grants (recoverable and philanthropic), guarantees, equity, and other innovative financing structures. The catalytic investors, often concessional lenders or grantmakers, are essential to getting the transaction started.

The Continuum of Finance

Sources of Finance



6 This Spotlight is an edited version of an article that first appeared in *OnImpact* on 6 March 2025.

Each of the sources of finance has different drivers. ***Philanthropic grants*** do not require a financial return but the funder usually wants the grant to make a positive social or environmental impact (and be for a charitable purpose at law). Philanthropy can be a first mover and an important piece in the capital stack or provide support for important early research and model testing. **Specialist government vehicles**, such as the Clean Energy Finance Corporation, use a range of grants and investment approaches to support our transition to renewable energy. They can be first movers.

Private capital requires financial returns and can have a greater risk appetite or be able to reduce risk due to investment expertise in a particular industry (e.g. long experience in clean technology). **Institutional investors** often require lower risk and a proven track record but can have a long investment time horizon. **Impact investment** is an important player in this mix. Some impact investors provide concessional finance, some require market returns and some take different approaches depending on the transaction. Their risk appetite also varies. Most importantly, impact investment is driven by impact alongside achieving a financial return.

A set of case studies assembled by the Blended Finance for Climate Initiative illustrates the range of blended finance transactions, such as one led by the Asian Development Bank to build an enormous windfarm on Laos, Macquarie Asset Management's involvement in financing the transition to electric buses in India, and the Clean Energy Finance Corporation's leadership on a major wind farm in Victoria. They also include initiatives in climate technology by Grok Ventures, smaller scale investments in regenerative agriculture by Good Business Foundation and the creation of a Transition Accelerator by Trawalla Foundation, and more. This demonstrates that leadership can come from any source of finance: philanthropy, specialist government vehicles, impact investment, private capital and institutional investment.

Blended finance has a very important role to play in our climate transition. This was highlighted in the last Intergovernmental Panel on Climate Change report:

"There is sufficient global capital and liquidity to close global investment gaps, given the size of the global financial system, but there are barriers to redirect capital to climate action... For shifts in private finance, options include better assessment of climate-related risks and investment opportunities within the financial system, reducing sectoral and regional mismatches between available capital and investment needs, improving the risk-return profiles of climate investments, and developing institutional capacities and local capital markets..."

Near Term Responses in a Changing Climate. Intergovernmental Panel on Climate Change (2023), AR6 Synthesis Report, p.111

My first direct experience of blended finance began in relation to environmentally sustainable affordable housing, delivered through a community housing model that supports residents and builds links with community. An initial grant of $1 million from the Lord Mayor's Charitable Foundation (where I was CEO), leveraged well located land in the Melbourne suburb of Preston (owned by the City of Darebin and valued at over $3 million), and enabled Housing Choices Australia (after a tender process) to build the project through Big Housing Build government funding from Homes Victoria and private debt through its own commercial bank. This housing is now complete and home to 39 residents.

It is energy efficient, climate safe and located close to public transport, shops, services and green space. To select the best site partner, we used a tool developed by our partners at the School of Design, University of Melbourne, known as the Housing Access Rating Tool (HART). This project took five years to complete.

Sharing case studies such as those profiled by the Blended Finance for Climate Initiative helps reduce the time it takes to shepherd projects from start up through to scaling up. By sharing successful projects, I hope to accelerate confidence and expertise in blended finance approaches across the sources of finance.

As a former Social Impact Investing Taskforce member and as a Board member of IIA, I encourage impact investors to accelerate the use of blended finance approaches and to think outside the box about how to finance alongside philanthropy, specialist government investment vehicles, private capital (not impact first) and institutional investors. There are exciting developments taking place, and by sharing knowledge, we can help accelerate this progress. The leverage power of impact investing can be immense.

Investing directly or indirectly

Respondents were asked to indicate their preferred approach to making impact investments – either directly or indirectly through a fund manager. Among active investors, preferences were varied. A mixed approach combining direct and fund-based investments was most common (42%), followed by a preference for direct-only (38%). A smaller share leaned toward one mode while remaining open to the other. Notably, none of the investors reported a preference for fund-only investments.

Among impact investors who are not yet active, no respondents selected exclusive approaches. Instead, preferences reflected flexibility: 40% preferred direct but were open to funds, 40% preferred funds but were open to direct, and 20% expressed a preference for a mixed approach. This flexibility may be an indicator of an exploratory phase where newer entrants are considering which investment channels best suit their goals and capacity.

Active Investor	In regard to investing in impact directly or through a fund manager, please indicate your organisation's preference.	Freq.	Per cent
	Direct only	10	38%
	Mixed	11	42%
	Prefer direct but would consider fund	2	8%
	Prefer fund but would consider direct	3	12%
	Fund only	0	0%
	Total	**26**	**100%**

Prospective Investor	Direct only	0	0%
	Mixed	1	20%
	Prefer direct but would consider fund	2	40%
	Prefer fund but would consider direct	2	40%
	Fund only	0	0%
	Total	**5**	**100%**

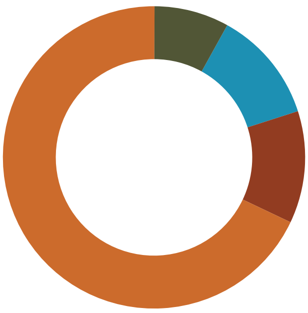
1.5
Financial and Impact Performance

How investments are performing

Active investors reported generally positive experiences with the financial performance of their impact investments. Sixty-eight per cent said their investments met their expectations, while 12% reported outperformance. Only a small percentage (8%) reported underperformance, and another 12% were unsure.

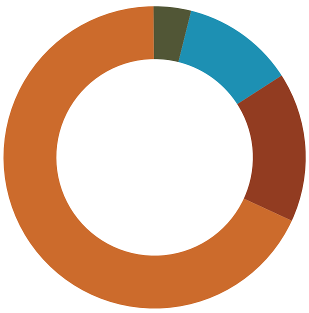
Responses on impact performance followed a similar pattern. Sixty-eight per cent said the impact generated met their expectations, and 16% said it exceeded them. Only one respondent reported that impact performance fell short.

How have your organisation's impact investments performed relative to initial expectations in terms of *financial performance?*



Active Investor		Freq.	Per cent
	Underperforming expectations	2	8%
	Meeting expectations	17	68%
	Outperforming expectations	3	12%
	I don't know	3	12%
	Total	**25**	**100%**

How have your organisation's impact investments performed relative to initial expectations in terms of *impact performance?*

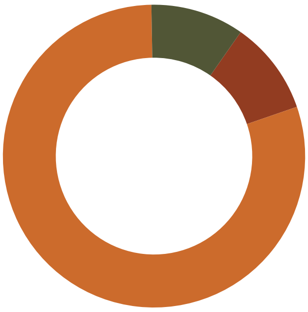


Active Investor		Freq.	Per cent
	Underperforming expectations	1	4%
	Meeting expectations	17	68%
	Outperforming expectations	4	16%
	I don't know	3	12%
	Total	**25**	**100%**

Active advisers also provided favourable assessments of the investments they advise on. In terms of financial performance, 80% said investments met expectations, 10% noted outperformance, and only 10% reported underperformance. In terms of impact performance, 90% said results met expectations, while 10% said they were exceeded. No advisers reported underperformance on impact.

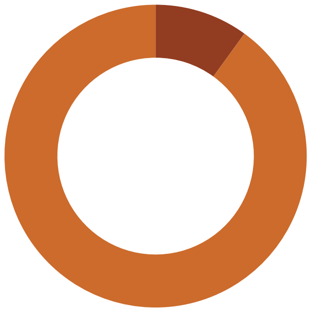
These results show that impact investors are not only achieving their intended social and environmental objectives but are also meeting and capable of exceeding their financial goals. Generating impact, in other words, is not necessarily at the expense of financial performance.

On balance how have the impact investments your organisation's advised on performed relative to initial expectations in terms of *financial performance?*



Active Investor		Freq.	Per cent
	Underperforming expectations	1	10%
	Meeting expectations	8	80%
	Outperforming expectations	1	10%
	I don't know	0	0%
	Total	**10**	**100%**

On balance how have the impact investments your organisation's advised on performed relative to initial expectations in terms of *impact performance?*



Active Investor		Freq.	Per cent
	Underperforming expectations	0	0%
	Meeting expectations	9	90%
	Outperforming expectations	1	10%
	I don't know	0	0%
	Total	**10**	**100%**

Case Study

TRIPPLE

Tripple is a Melbourne-based private investment company founded in 2018 by siblings Bec, Adam and Jake Milgrom. Born from the sale of a family asset, Tripple was established to harness capital as a force for good, aiming to create a 100% impact-focused investment portfolio that aligns with its values and contributes to a just and regenerative future.

Investment Strategy

Tripple employs a total portfolio approach, integrating impact considerations across all asset classes, including public and private equity, venture capital, real assets and fixed income. Its investment focus encompasses climate and decarbonisation, regenerative food systems, socially just housing and education. Notable investments include:

- Ngutu College: An Indigenous-led independent school in South Australia
- Amber Electric: An energy provider facilitating Australia's transition to 100% renewable energy
- Wilam Ngarrang: A Melbourne apartment building that produces more energy than it consumes

Tripple also engages in grant-making, focusing on systems change and advocacy to complement its investment activities.

Impact Measurement

Alongside financial analysis, Tripple assesses all potential investments for social and environmental impact. It has developed a framework that assigns an impact score to each investment opportunity, evaluating factors such as the scale, depth and speed of impact, the potential to be transformative and the risk of negative consequences.

Financial Returns

While specific financial return figures are not publicly disclosed, Tripple aims for long-term sustainable returns that are enhanced by its purpose-first approach. Tripple believes that through its investment activities, it can generate positive impacts on people and the planet while achieving financial benefits comparable to traditional investment portfolios.

Conclusion

Tripple exemplifies how a family office can align its entire investment portfolio with impact objectives, demonstrating that financial returns and positive social and environmental outcomes are not mutually exclusive. Its approach serves as a model for other investors seeking to use capital to create meaningful change.

Future return expectations

Looking ahead, just over half (52%) of active investors expected future impact investments to deliver competitive market-rate financial returns. A smaller proportion anticipated returns below market (16%) or above market (8%), while nearly a quarter (24%) said performance would depend on specific conditions or deal characteristics.

Active Investor	What financial returns would you expect from future impact investments?	Freq.	Per cent
	Above market rates of return	2	8%
	Below market rates of return	4	16%
	Competitive market rate returns	13	52%
	Capital preservation only	0	0%
	It depends (please specify)	6	24%
	Total	**25**	**100%**

Among prospective investors, expectations were somewhat split: 60% expected competitive returns, while 40% were prepared to accept below-market returns. This suggests that while most new entrants aim for financial sustainability, some are open to concessional returns in pursuit of impact goals.

Prospective Investor	What financial returns would you expect from future impact investments?	Freq.	Per cent
	Above market rates of return	0	0%
	Below market rates of return	2	40%
	Competitive market rates of return	3	60%
	It depends (please specify)	0	0%
	Total	**5**	**100%**

Advisers, meanwhile, demonstrated a more contingent view. Forty per cent expected competitive returns, while half selected the option ‘it depends’, indicating a nuanced understanding of how financial performance may vary across different impact opportunities.

Adviser	What financial returns do you expect from impact investments that you advise on?	Freq.	Per cent
	Capital preservation only	1	10%
	Below market rates of return	0	0%
	Competitive market rates of return	4	40%
	Above market rates of return	0	0%
	It depends (please specify)	5	50%
	Total	**10**	**100%**

Together, these findings project a pragmatic view of financial goals: participants recognise the potential for strong returns, but also acknowledge that financial performance in impact investing may often be conditional on the specific context and characteristics of each deal.

1.6
Government as Enabler

Across all respondents, there was strong consensus that government has an important role to play in supporting and enabling the growth of impact investing in Australia. Among active investors, 88% said that the government should take additional action to help accelerate the market. All prospective investors shared this view.

Advisers were asked, in more detail, to identify the types of government action they believe would be most helpful. The most widely mentioned measures included providing tax incentives for impact investors (50%), creating a wholesale 'fund of funds' to capitalise impact-driven investment vehicles (42%), and creating education programs to build the capacity of both current and future market participants (33%).

These results point to a clear desire for stronger public sector leadership in fostering a more enabling impact investing environment in Australia. Respondents highlighted the importance of targeted fiscal incentives, government-backed capital structures, and investments in market education and infrastructure to help unlock further growth. The product analysis in Part II of this report also highlights the ongoing role of government in advancing the impact investing market through the issuance of green, social and sustainable bonds.

1.7
Impact Measurement and Management (IMM) Practices

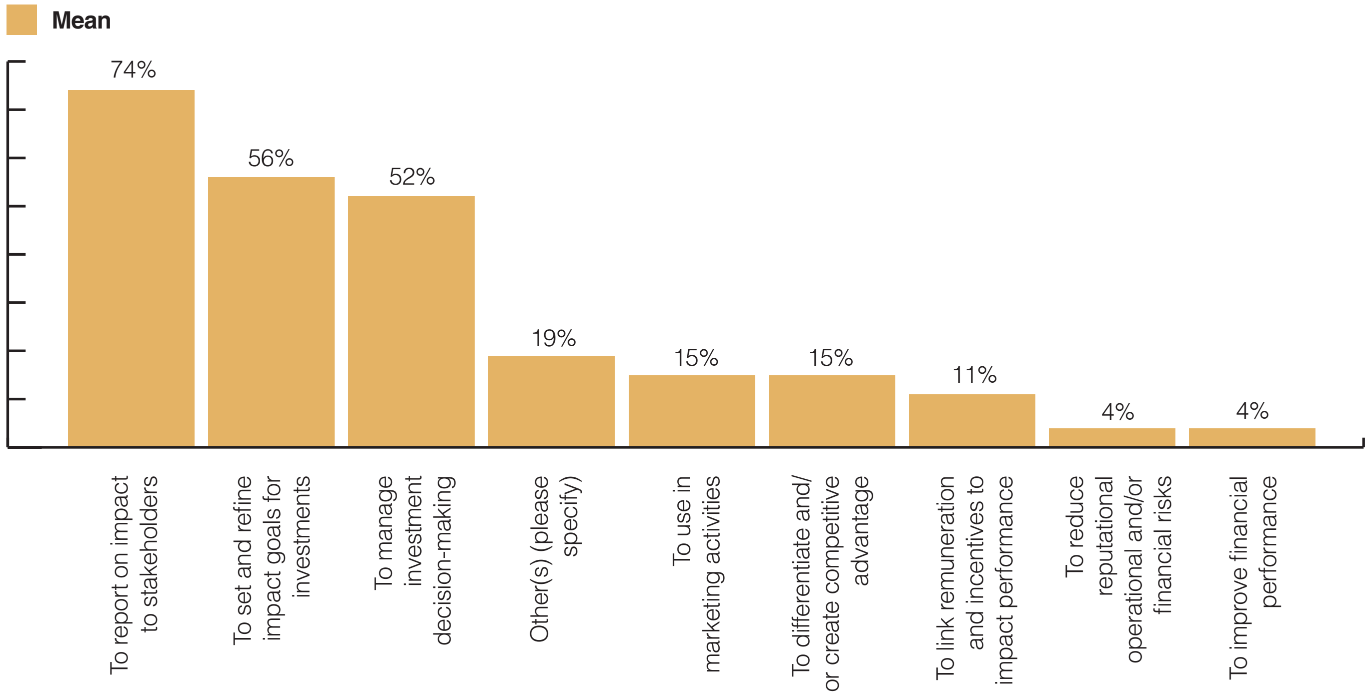
Rationales for IMM

The primary motivations for both investors and advisers to engage in IMM tend to be relational and strategic rather than regulatory or reputational. The most common reason cited by both groups was the need to report to stakeholders – selected by 74% of active investors and 75% of advisers. Many also highlighted using IMM to support investment decision-making and to set or refine impact goals.

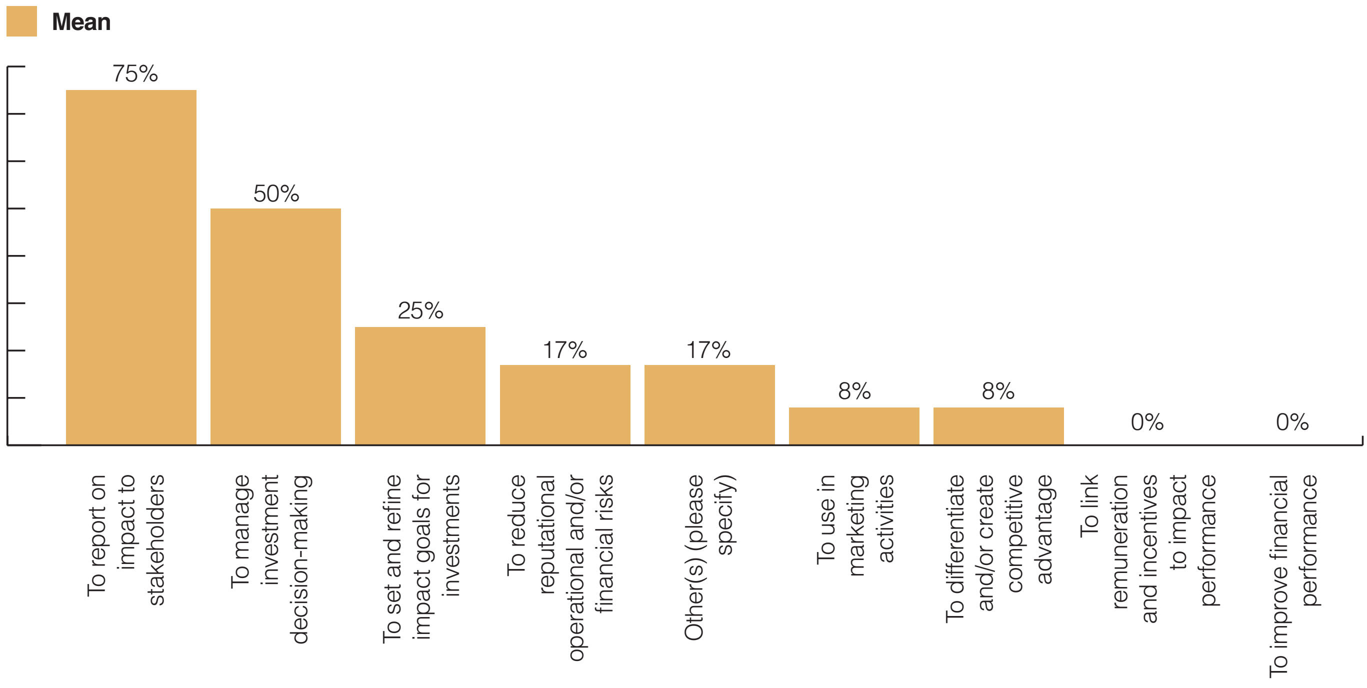
In contrast, relatively few respondents saw IMM as a tool for marketing, competitive positioning, or linking performance to remuneration. Only 15% of investors and 17% of advisers cited marketing or competitive advantage as a motivation, and even fewer mentioned linking impact to financial performance or risk mitigation.

These responses suggest that IMM is primarily seen as a means of ensuring accountability and improving internal strategy – rather than as a branding exercise or external compliance requirement.

What are your organisation's key motivations for measuring and managing the impact performance of the investments? (N=27)



What are your organisation's key motivations for measuring and managing the impact performance of its investments you have advised on? (N=12)



Setting impact goals

Among active investors, goal setting takes multiple forms. Just over a quarter (28%) reported setting impact goals at both the portfolio and individual investment levels. Others reported doing so only at the investment level (24%) or only at the portfolio level (20%). Another 20% said they do not set formal impact goals, while a smaller share (8%) reported using other alternative or informal approaches.

Advisers set goals more commonly at the individual investment level (50%), with fewer setting them at both levels (20%). Overall, individual-level goal setting is a common practice across both groups, particularly for advisers who may be tailoring recommendations to client-specific mandates that can vary from one transaction to another.

Active Investor	Does your organisation set impact goals for its impact investment portfolio and or investments?	Freq.	Per cent
	No we don't set impact goals	5	20%
	Yes we set impact goals at both the portfolio and individual investment level	7	28%
	Yes we set impact goals at the individual investment level	6	24%
	Yes we set impact goals at the at the portfolio level	5	20%
	Other(s) (please specify)	2	8%
	Total	**25**	**100%**

Adviser	Does your organisation set impact goals for its impact investment recommendations?	Freq.	Per cent
	No we don't set impact goals	1	10%
	Yes we set impact goals at both the portfolio and individual investment level	2	20%
	Yes we set impact goals at the individual investment level	5	50%
	Yes we set impact goals at the at the portfolio level	0	0%
	Other(s) (please specify)	2	20%
	Total	**10**	**100%**

Collection of impact data

Collecting impact data is a widespread practice among both impact investors and advisers, with only a very small percentage of respondents reporting no collection. More specifically, active investors typically rely on data provided by investees or fund managers. The most common method was direct collection from investees (78%), followed by data supplied by fund managers (41%). Other methods such as interviews (30%), publicly available impact or sustainability reports (26%), and surveys (26%) were used less frequently. More resource-intensive methods, such as observational studies (7%) or experimental approaches such as randomised-controlled trials, were rare.

The pattern reported by advisers is similar, with most relying on fund manager reports (67%) and direct engagement with investees (50%). Half also used interviews. Public reports were cited by 33%, while very few used surveys or observational methods.

Therefore, the field remains largely reliant on self-reported and manager-supplied data, with limited use of independent verification methods such as observational or experimental designs.

Active Investor (N=27)	How is your organisation collecting impact data?	Mean
	Directly from investees/issuers	78%
	Experimental methods	7%
	From fund and/or investment managers	41%
	From investees/issuers publicly available impact/sustainability reports	26%
	Interviews	30%
	Modelling based on a pre-existing evidence base	0%
	No we don't collect impact data	4%
	Observational studies	7%
	Surveys	26%
	Other(s) please specify	0%
Adviser (N=12)	Directly from investees/issuers	50%
	Experimental methods	8%
	From fund and/or investment managers	67%
	From investees/issuers publicly available impact/sustainability reports	33%
	Interviews	50%
	Modelling based on a pre-existing evidence base	0%
	No we don't collect impact data	0%
	Observational studies	8%
	Surveys	8%
	Other(s) please specify	17%

IMM integration

Investors and advisers reported different levels of organisational integration of IMM into operation and governance. Among active investors, the most common forms of embedding IMM were board or investment committee oversight (78%) and integrating impact into business strategy (63%). Nearly half also reported building internal capacity for IMM, while fewer linked IMM to granting strategies (30%) or tied performance to impact KPIs (19%).

Advisers reported lower levels of integration overall. While integrating IMM into business strategy (58%) and internal capacity building (50%) were relatively common, practices such as linking performance to impact KPIs or tracking performance against social indicators were rare.

These findings suggest that while IMM is present in both governance and operations, it is often unevenly embedded. Integrating IMM into strategic and oversight structures is more common than formal incentives or measurement systems tied to performance.

Active Investor (N=27)	How is your organisation embedding impact measurement and management into its operations and governance?	Mean
	Board and/or investment committee oversight of impact strategy and progress	78%
	Impact integrated in business strategy policies and processes	63%
	Internal capacity building	48%
	Linking of granting and impact investment strategies	30%
	Performance and remuneration tied in part to achievement of impact KPIs	19%
	Senior person assigned responsibility and accountability for overseeing impact	33%
	Tracking organisational performance against social performance indicators (e.g. employee engagement philanthropic contributions)	11%
	None of the above	4%
	Other(s) (please specify)	4%
Adviser (N=12)	Board and/or investment committee oversight of impact strategy and progress	33%
	Impact integrated in business strategy policies and processes	58%
	Internal capacity building	50%
	Linking of granting and impact investment strategies	0%
	Performance and remuneration tied in part to achievement of impact KPIs	8%
	Senior person assigned responsibility and accountability for overseeing impact	50%
	Tracking organisational performance against social performance indicators (e.g. employee engagement philanthropic contributions)	0%
	None of the above	0%
	Other(s) (please specify)	0%

Measurement frameworks and tools in use

Survey respondents were asked to identify which frameworks or tools they currently use or recommend. Among investors, the most commonly used were the United Nations Sustainable Development Goals (41%) and the Impact Management Project (37%). In-house proprietary tools were also popular (30%). Use of other frameworks such as IRIS (22%), TCFD (15%), and UN PRI (15%) was more limited, and some respondents (7%) reported using none of the listed options.

Advisers showed a similar pattern, with SDGs (58%) and the IMP (33%) being the most widely used. Other tools such as the GIIN Core Characteristics, GRI and TCFD were used by 25 to 33% of respondents. Proprietary tools were moderately used, while uptake of more specialised or technical standards – such as GRESB or LEED – was minimal.

Overall, the landscape of impact measurement remains fragmented. While a few global standards are widely recognised, many organisations are still relying on customised or hybrid approaches.

Active Investor (N=27)	Which tools, metrics, frameworks and/or standards is your organisation currently using to measure and or manage impact?	Mean
	United Nations Sustainable Development Goals (SDGs)	41%
	Impact Management Project (IMP)	37%
	Proprietary in-house rating and assessment tool	30%
	Impact Reporting and Investment Standards (IRIS) metrics	22%
	Other(s) please specify	19%
	Global Impact Investing Network (the GIIN) Core Characteristics for Impact Investing	15%
	United Nations Principles for Responsible Investment (UN PRI)	15%
	Task Force on Climate-Related Financial Disclosure (TCFD)	15%
	B Analytics/Global Impact Investing Rating System (GIIRS)	11%
	Global Reporting Initiative (GRI)	11%
	International Finance Corporation (IFC) Operating Principles for Impact Management	11%
	Sustainability Accounting Standards Board (SASB)	11%
	GRESB	7%
	National Australian Built Environment Rating System (NABERS) ratings	7%
	None	7%
	Total Impact Measurement and Management (TIMM)	4%
	Big Society Capital Outcomes Matrix	0%
	Global Alliance for Banking on Values (GABV)	0%
	Leadership in Energy and Environmental Design (LEED) ratings system	0%
	Social Return on Investment (SROI)	0%
	United Nations Environment Finance Initiative (UNEP FI) Principles for Positive Impact Finance	0%
	United Nations Environment Finance Initiative (UNEP FI) Principles for Responsible Banking	0%

Adviser (N=12)	Which tools, metrics, frameworks and/or standards is your organisation currently recommending or using to measure and or manage impact?	Mean
	United Nations Sustainable Development Goals (SDGs)	58%
	Impact Management Project (IMP)	33%
	Task Force on Climate-Related Financial Disclosure (TCFD)	33%
	Global Impact Investing Network (the GIIN) Core Characteristics for Impact Investing	25%
	Global Reporting Initiative (GRI)	25%
	United Nations Principles for Responsible Investment (UN PRI)	25%
	Other(s) please specify	25%
	Impact Reporting and Investment Standards (IRIS) metrics	17%
	Proprietary in-house rating and assessment tool	17%
	Sustainability Accounting Standards Board (SASB)	17%
	B Analytics/Global Impact Investing Rating System (GIIRS)	8%
	Big Society Capital Outcomes Matrix	8%
	International Finance Corporation (IFC) Operating Principles for Impact Management	8%
	Social Return on Investment (SROI)	8%
	United Nations Environment Finance Initiative (UNEP FI) Principles for Positive Impact Finance	8%
	United Nations Environment Finance Initiative (UNEP FI) Principles for Responsible Banking	8%
	GRESB	0%
	Global Alliance for Banking on Values (GABV)	0%
	Leadership in Energy and Environmental Design (LEED) ratings system	0%
	National Australian Built Environment Rating System (NABERS) ratings	0%
	Total Impact Measurement and Management (TIMM)	0%
	None	0%

Timing of impact measurement

The timing of impact measurement matters because it affects what can be learned and when. Measuring before or during investment informs decisions and strategy, while post-exist assessments offer insights into investment outcomes. Most active investors (85%) reported measuring impact periodically during the life of the investment. Fewer conducted assessments before making an investment decision (41%), after investment (22%), at exit (19%), or post-exit (11%). A small number (11%) selected other investment phases when they measure impact, indicating the presence of diverse or non-standard practices.

Active Investor (N=27)	When does your organisation measure impact?	Mean
	After exit to assess sustained impact post investment exit	11%
	After we've made an investment decision	22%
	At exit	19%
	Before we make an investment decision	41%
	Periodically (i.e. at least annually) during the life of the investment	85%
	Other (please specify)	11%

Among advisers, impact was most commonly measured during the investment period (58%) and before decisions were made (50%). One-third also conducted assessments after the investment decision is made. Exit and post-exit measurement were rare.

Adviser (N=12)	When does your organisation recommend measuring impact?	Mean
	After exit to assess sustained impact post investment exit	0%
	After we've made an investment decision	33%
	At exit	8%
	Before we make an investment decision	50%
	Periodically (i.e. at least annually) during the life of the investment	58%
	Other (please specify)	8%

These patterns show that impact is most commonly monitored before and during the investment period, with fewer organisations assessing outcomes at or after the exit. As a result, the long-term impacts of investments may go untracked, limiting the evidence for assessing sustained change over time.

Impact reporting

Among active investors, the most common reporting practices included public disclosure of impact goals (48%), internal impact performance reports (41%), and publication of dedicated impact reports (37%). 15% said they do not report on impact performance at all.

Active Investor (N=27)	How is your organisation reporting its impact intentions/results/performance?	Mean
	We disclose the organisation's impact strategy and/or goals publicly (e.g. on our website)	48%
	We disclose the organisation's impact strategy and/or goals to stakeholders (e.g. in information memoranda public disclosure statements or equivalent)	30%
	We include impact performance information in our standard annual reports	30%
	We provide impact performance reports for our internal management teams investment committee and/or board	41%
	We publish dedicated impact performance reports	37%
	We don't report on our impact performance	15%
	Other(s) (please specify)	4%

Advisers reported generally lower levels of formal reporting. About one-third said they do not report on impact outcomes, and only 25% publicly disclosed their goals or strategies. Just 17% published dedicated impact reports, and 25% cited use of other or informal reporting practices.

Adviser (N=12)	How is your organisation reporting its impact intentions/results/performance?	Mean
	We disclose the organisation's impact strategy and/or goals publicly (e.g. on our website)	25%
	We disclose the organisation's impact strategy and/or goals to stakeholders (e.g. in information memoranda public disclosure statements or equivalent)	8%
	We include impact performance information in our standard annual reports	17%
	We provide impact performance reports for our internal management teams investment committee and/or board	25%
	We publish dedicated impact performance reports	17%
	We don't report on our impact performance	33%
	Other(s) (please specify)	25%

Overall, the current state of impact reporting shows a mix of internal- and external-facing practices. While a number of respondents produce dedicated impact performance reports or disclose their impact goals publicly, a notable share of the survey respondents do not report on impact performance at all. Consistent and transparent reporting remains an area for improvement in the current impact investing field.

Stakeholder involvement in IMM

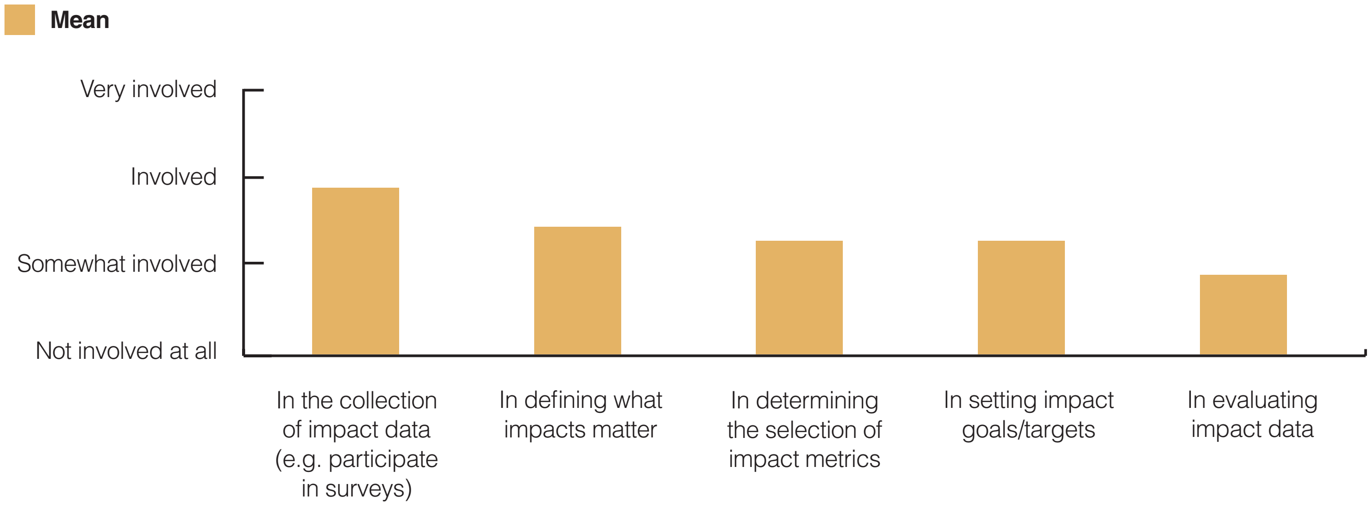
Involving the stakeholders in the IMM process is an important practice that cannot be fully substituted by formal reporting or technical metrics. Engaging those stakeholders (who experience the impact firsthand) helps ensure the alignment of measurement design and investment outcomes.

The survey findings show, however, that stakeholder involvement in IMM remains modest overall. Among active investors, the most common form of involvement was acting as sources of data collection, such as participating in surveys. On average, respondents rated stakeholder involvement between 'not involved at all' and 'somewhat involved' in defining what impacts matter, selecting metrics, setting impact goals, and evaluating impact data.

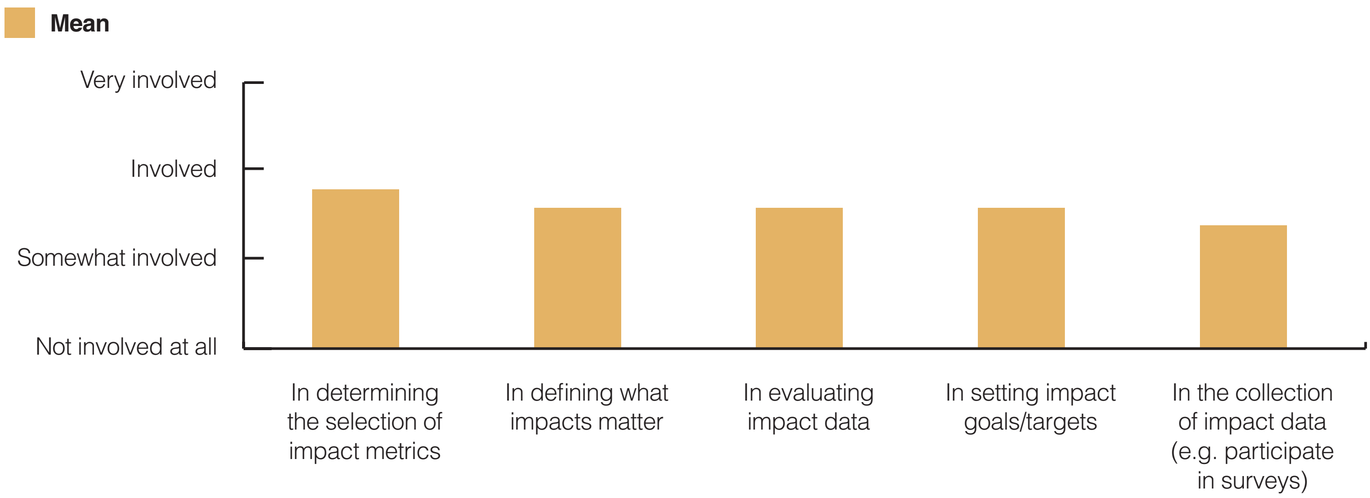
Advisers reported slightly higher levels of involvement than investors, typically in the range of 'somewhat involved' to 'engaged'. Stakeholders were most engaged in metric selection, followed by defining impact areas, evaluating data, and goal setting.

These results suggest that while some engagement is already taking place – particularly at the stage of information gathering – stakeholders remain infrequently involved in higher-stake aspects of impact design or decision-making.

How involved are stakeholders (those who experience the impact) in your organisation's (or your investees' or fund investment managers') impact measurement and management practices? (N=22)



How involved are stakeholders (those who experience the impact) in your organisation's (or your investees' or fund investment managers') impact measurement and management practices? (N=8)



Challenges to IMM implementation facing impact advisers

Advisers currently active in the impact investing market were asked to identify the most pressing challenges in implementing IMM. The most frequently cited barriers were limited resources (e.g. budget capacities) and the lack of reliable or comparable impact data, each selected by 58% of respondents. One-third also highlighted the difficulty of aligning expectations with external stakeholders and integrating impact into standard processes of business and financial decision-making.

Other challenges included the development of standardised reporting frameworks (25%) and access to suitable benchmarks against which impact performance can be measured (25%). Only 8% flagged the availability of measurement tools as a major issue.

Taken together, these results suggest that the main barriers to IMM implementation are less in the availability of conceptual frameworks but more about resourcing and execution: applying frameworks in practice, securing industry-wide consensus, and embedding IMM across operational and decision-making processes in a meaningful way.

Case Study

CONSCIOUS INVESTMENT MANAGEMENT

Conscious Investment Management (CIM) is a dedicated impact investment fund manager, founded in 2019 with a vision for a fairer, more sustainable world where people and the planet thrive.

CIM's specific model for bringing market-return capital to impact involves investing in social and sustainability-focused assets, which are sourced, managed and normally owned directly by groups with lived experience. CIM calls these groups their 'Impact Partners' (the majority of which are not-for-profits). By working collaboratively with not-for-profits in the sectors it invests, CIM can have additionality and make financial investments, while ensuring assets are operated for tangible, positive impact.

CIM funds have invested capital in a range of sectors – including social and affordable housing, Specialist Disability Accommodation, renewables, carbon farming and social impact bonds.

CIM has over $450 million of capital dedicated to impact with the backing of over 850 investors and 12 Impact Partners who have aligned missions and expertise. To date, CIM funds have created over 600 social and affordable housing outcomes, three new perpetual natural parks, and funded numerous solar installations and outcomes via social impact bonds. For more detailed information on CIM's impact and investment activities, refer to the latest Impact Report at consciousinvest.com.au.

CIM's commitment to transparency is evident in its annual Impact Reports, which detail investment activities and portfolio impact performance. These reports provide insights into the measurable social and environmental outcomes achieved through its investments.

CIM's approach demonstrates how finance and investment can be powerful tools for positive change, addressing significant global challenges related to the environment, climate, health, education and social infrastructure.

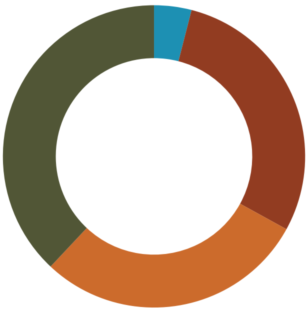
1.8
Impact Investment in Emerging Markets

Levels of interest

Interest in emerging markets varies significantly across different respondent groups. Among active investors, 38% reported no interest in allocating capital to emerging markets, while 29% expressed some interest and another 29% indicated clear interest. Only one respondent (4%) said they were very interested.

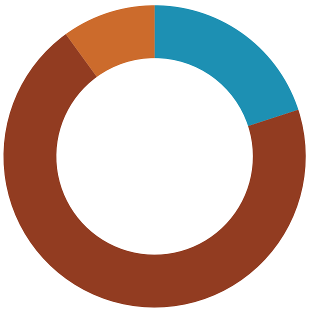
In contrast, active advisers showed notably stronger enthusiasm. A majority (70%) reported being interested, and an additional 20% were very interested in opportunities to generate impact in emerging market contexts. This suggests a potential advisory push toward cross-border opportunities for impact investment.

With respect to investments that support the generation of impact outside Australia, how interested is your organisation in investments that support the generation of impact in emerging markets?



Active Investor		Freq.	Per cent
	Uninterested	9	38%
	Somewhat interested	7	29%
	Interested	7	29%
	Very interested	1	4%
	Total	**24**	**100%**

With respect to investments that support the generation of impact outside Australia, how interested is your organisation in investments that support the generation of impact in emerging markets?



Adviser		Freq.	Per cent
	Uninterested	0	0%
	Somewhat interested	1	10%
	Interested	7	70%
	Very interested	2	20%
	Total	**10**	**100%**

Regional preferences

Asia emerged as the most frequently selected across all groups when they were asked to identify preferred regions outside Australia for impact investment. It was chosen by 41% of active investors and 50% of advisers. Outside emerging markets, other popular regions among investors included North America (37%) and Europe (33%). Advisers expressed strong interest in the Pacific (42%), which was selected by only 15% of active investors. Africa, South America, and the Middle East were less frequently nominated, indicating relatively lower current or future engagement in those areas.

Active Investor (N=27)	**Outside of Australia, what regions would you be most interested in investing in?** *Select top three.*	**Mean**
	Africa	15%
	Asia	41%
	Europe	33%
	Middle East	0%
	North America	37%
	Pacific	15%
	South America	4%
	We are not interested in investing outside of Australia	37%
	Other(s) (please specify)	7%

Perceived barriers

Respondents were also asked to identify the key barriers to allocating capital to or advising on impact investments in emerging markets. Among active investors, the most frequently cited barrier was a lack of market demand (30%), followed by internal constraints, such as investments in emerging markets being outside their organisational mandate (22%) or lacking internal expertise (19%). Fewer investors raised concerns about currency risk, political or regulatory risk, or insufficient returns.

Advisers, by contrast, were far more concerned with external risks. The most frequently reported barrier was political and regulatory risk (58%), followed by currency risk (33%), and a range of other constraints, such as limited liquidity, insufficient deal size, lack of diversification, and client mandate limitations.

These findings suggest that while interest in emerging markets – particularly in Asia and the Pacific – exists across the sector, actual engagement may be limited. A range of barriers, spanning organisational mandates, perceived risks, and market demands and readiness, continue to constrain broader participation in emerging markets. Translating interest into actions may require stronger enabling conditions, such as clear investment mandates, de-risking regulatory tools or policies, and improved access to information tailored to emerging market contexts.

PART II.

OVERVIEW OF THE PRODUCT DATA SET FOR THE 2025 BENCHMARKING IMPACT REPORT

2.1

Context and Background

The product data analysis of the *2025 Benchmarking Impact Report* captures data on 197 retail and wholesale impact investment products across 115 organisations, totalling $157.46 billion. These products were active during part or all of the study period, 1 July 2024 to 30 June 2025.

This reflects a significant expansion in both product volume and value since the 2020 study, which analysed 111 products, valued at $19.9 billion. This difference is primarily driven by the issuance of green, social and sustainability (GSS) bonds.

Of the total $157.46 billion captured in the 2025 study:

- $101.83 billion is Australian-domiciled
- $55.63 billion is issued by offshore organisations but offered to investors through kangaroo bonds (i.e. a bond that non-Australian issuers issue in Australian dollars in Australia in compliance with the local laws and regulations).

The 2025 study captures data on two major product types, and the number of organisations covered by this study has grown significantly:

- 50 fund managers are responsible for the 64 fund products, with a combined value of $12.49 billion
- 65 bond issuers are responsible for the 133 bond products, valued at $144.97 billion, including 75 kangaroo bonds issued by offshore organisations, totalling $55.63 billion

There is no overlap between bond issuers and fund managers.

This brings the total product universe to 197 products, representing a sevenfold increase in total value since 2020. All 197 products in the dataset are available to wholesale investors, with a smaller subset of fund products also accessible via retail channels.

Summary of changes from 2020

Metric	2020 Study	2025 Study
Total products	111	197
Total organisations	66	115
Total market value	$19.9 billion	$157.46 billion
Number of fund products (value)	62 ($2.9 billion)	64 ($12.49 billion)
Number of bond products (value)	49 ($17.0 billion)	133 ($144.97 billion)
Offshore issuance	$8 billion	$55.63 billion

2.2

Criteria for Inclusion

To be included in the 2025 study, investment products needed to demonstrate that, by 30 June 2025, they had committed capital, were actively investing, and aligned with the key characteristics of impact:

- Intentionality: a clear aim to generate positive social and/or environmental outcomes
- Measurement: the ability to track both impact and financial performance
- Financial return: a deliberate focus on generating returns (i.e. investment, not grant-making).

Eligible products were also required to be:

- issued in Australian dollars by an Australian domiciled issuer or
- issued in Australian dollars and into Australian territories by a non-Australian domiciled issuer (e.g. kangaroo bonds) or
- offered to Australian investors via an Australian domiciled fund manager.

As in past studies, private market investments – including direct equity, angel investments, and balance-sheet investments – remain outside the main dataset due to limited availability to general investors and availability of data. Further insights into how impact investors allocate capital across private and public asset classes are provided in Part I of this report.

Data considerations

As in previous studies, the analysis draws from both self-reported submissions and publicly available data. Not all products provide complete data across all dimensions.

Insights from active impact investors into both their financial and impact performance relative to initial expectations are reported in the survey results in Part I of this report, offering a complementary perspective on performance.

2.3
Overview of Impact Fund Products

Our study data comprises a comprehensive dataset of 64 publicly disclosed impact investment products, with a total reported value of $12.49 billion. It is important to note that this dataset includes only publicly available information, as private market data – which represents a significant portion of the sector – is not uniformly accessible. Therefore, our findings reflect the publicly visible segment of the impact investment market, providing a valuable but partial view of the overall landscape. The data reflects strong momentum in capital allocation toward intentional social and environmental outcomes. This market encompasses a diverse set of asset classes and impact themes, continuing the trend observed in previous years of steady growth and innovation among impact-oriented investors.

The data reflects a market that has broadened in both depth and complexity, with a noticeable increase in multi-asset and mixed-impact strategies, particularly within listed equities and diversified private market funds. These trends are also reflected in the survey findings in Part I of this report, where more than 60% of the active impact investors and 80% of active impact advisers reported participation in various forms of multi-asset finance structures.

Impact Fund Market Size and Investment Activity at a Glance

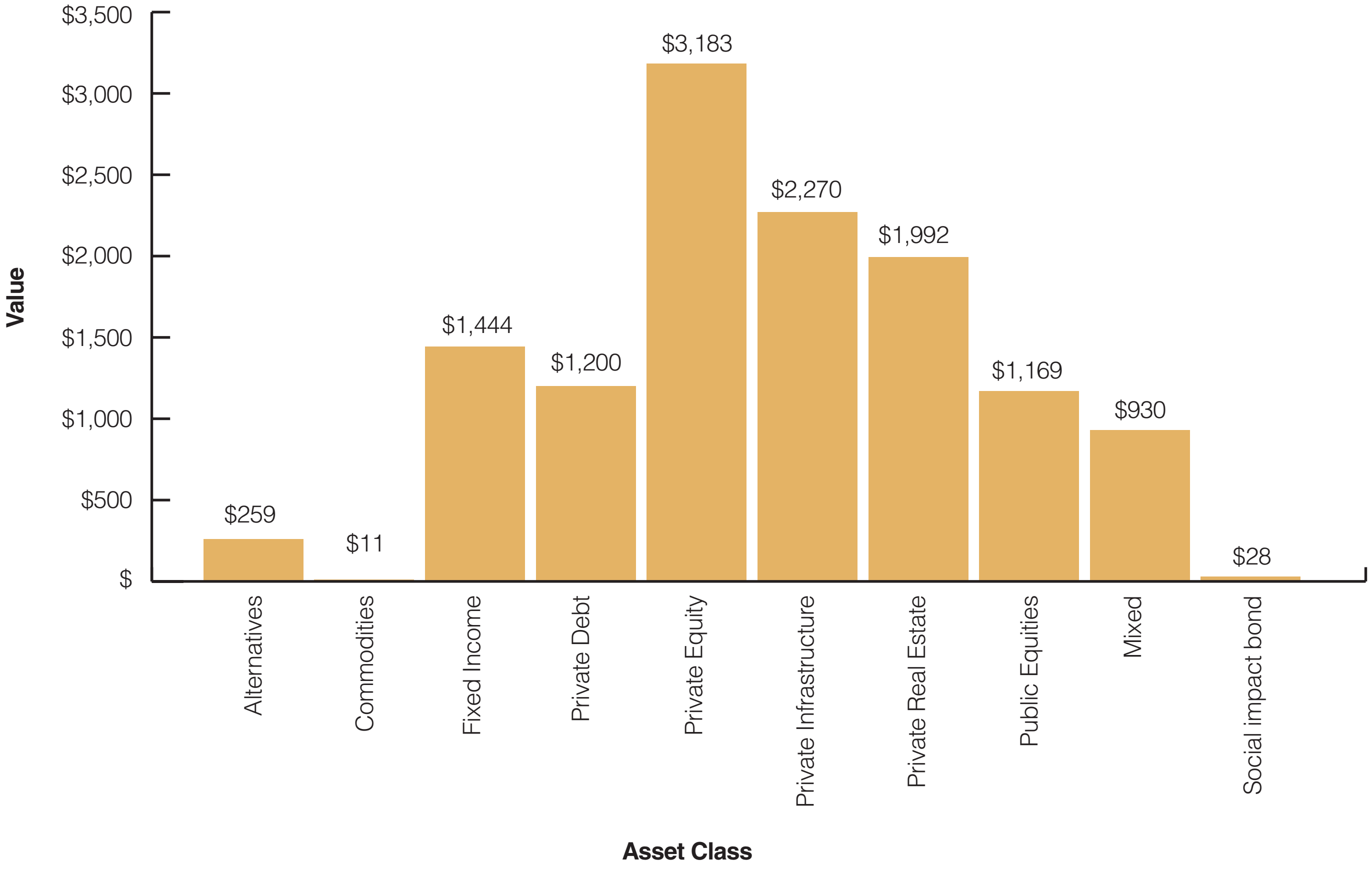
Unlisted market investments have continued to anchor the impact investment fund landscape. Private equity remains the largest asset class with $3.18 billion invested across 13 offerings, followed by private infrastructure ($2.27 billion) and private real estate ($1.99 billion). Private debt has reached $1.20 billion driven by both social/affordable housing, infrastructure debt and enterprise lending strategies. This finding aligns with the survey results in Part I of this report, which show that private equity and private debt were the most commonly preferred asset classes among active impact investors.

Fixed income products account for $1.44 billion, with allocations from institutional investors and foundations seeking stable, income-generating impact. Public equities have also carved out a significant presence, totalling $1.17 billion, predominantly in sustainability-themed listed equity funds.

Smaller but notable segments include multi-asset strategies ($930m) that span multiple asset classes, alternatives ($259m), focused on targeted social outcomes, and niche allocations to social impact bonds ($28m) and commodities ($11m).

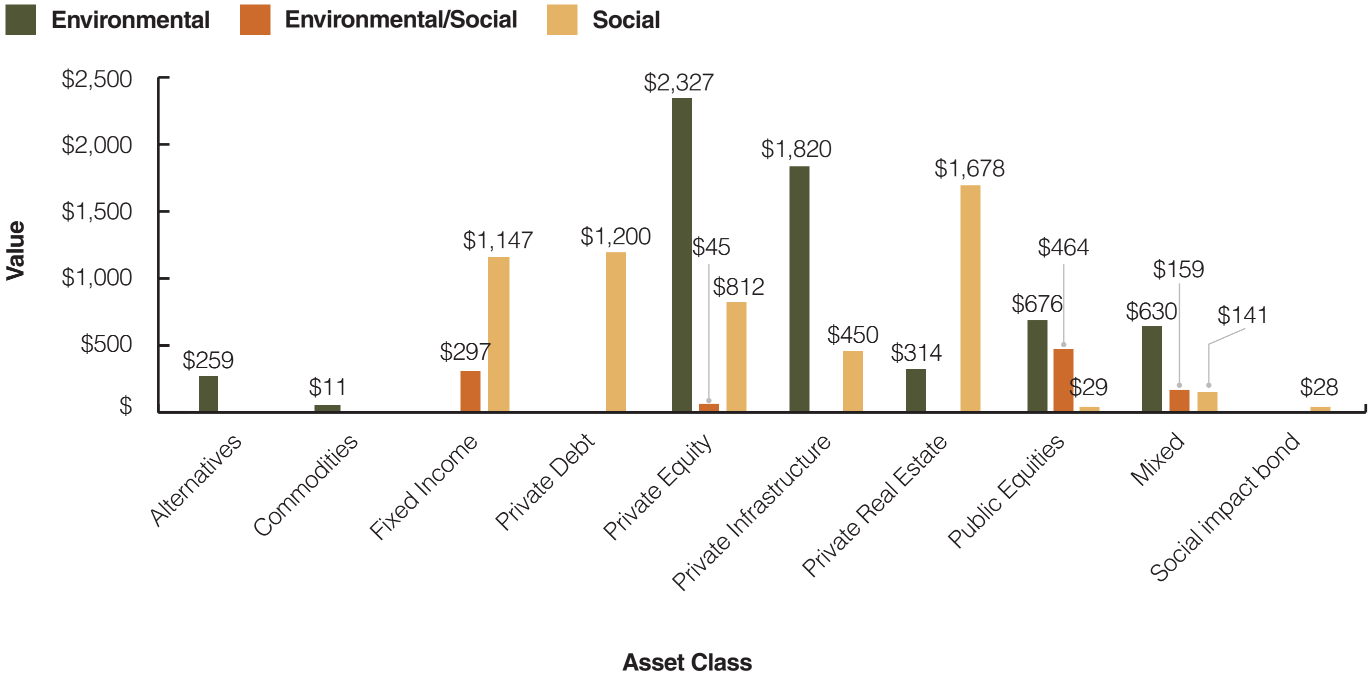
This evolving asset mix highlights a maturing impact investment market. Recent years have seen a marked shift toward multi-asset strategies which have grown rapidly since 2020. These products typically integrate diverse impact themes and combine equity and debt in real assets, reflecting investors' desire for flexible, diversified exposure to both social and environmental outcomes. This emphasis on multi-asset strategies aligns with the survey findings in Part I, where active impact investors commonly reported allocations across more than one asset class, indicating a clear preference for diversified strategies.

Asset Class Distribution in Millions



Environmental impact capital is heavily concentrated in private equity ($2.33b), private infrastructure ($1.82b), and public equities ($676m). Social impact investments are most prominent in private real estate ($1.68b), private debt ($1.20b), and fixed income ($1.15b). Dual-focus ('Environmental/Social') investments are largely found in public equities ($464m), multi-asset products ($159m), and private equity ($45m). This distribution suggests a tendency for environmental investments to dominate equity and infrastructure allocations, with social outcomes more often pursued via debt-based and real estate strategies.

Impact Product Asset Classes by Impact Orientation in Millions

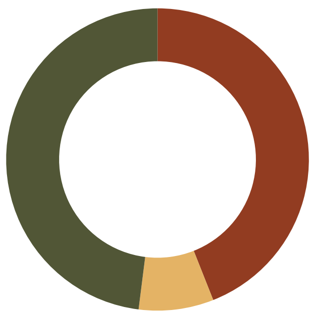


Impact Focus

The impact orientation of investment products continues to be distributed across environmental and social objectives, with some products addressing both.

- Environmental impact products accounted for $6.04 billion (48.35%)
- Social impact products totalled $5.48 billion (43.92%)
- Products targeting both social and environmental outcomes comprised $965 million

Impact Focus Distribution (percentage)



		Per cent
	Environmental	48%
	Both	8%
	Social	44%

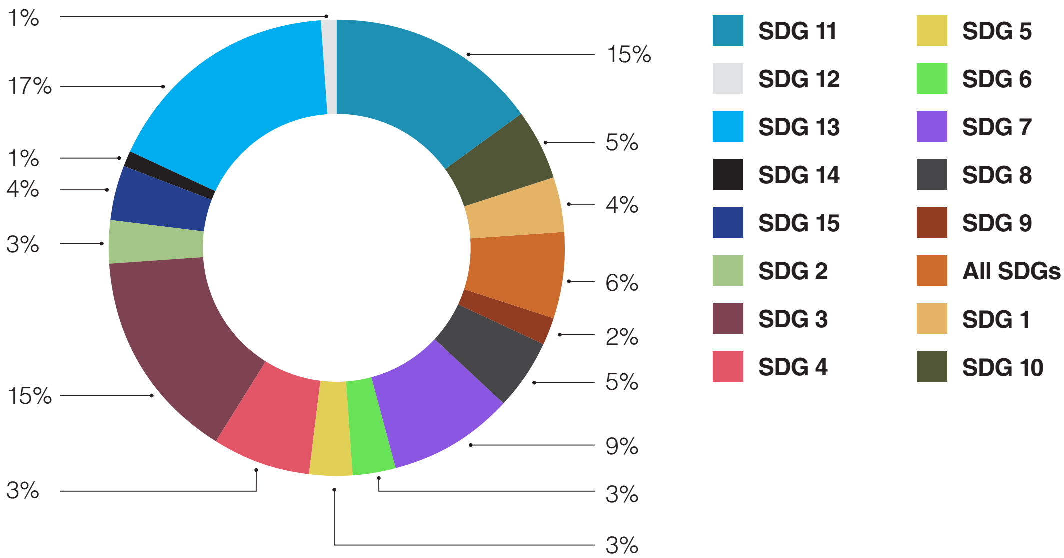
Sustainable Development Goals Alignment

Impact products in the market can be mapped against the UN Sustainable Development Goals (SDGs) to better understand impact focus areas.[7]

A total of 201 SDG objectives were identified across the market, with many products targeting multiple goals simultaneously. The most frequently observed SDGs include:

- SDG 13: Climate Action – 23 products (11.4%)
- SDG 11: Sustainable Cities and Communities – 21 products (10.45%)
- SDG 3: Good Health and Well-being – 20 products (9.95%)
- SDG 7: Affordable and Clean Energy – 13 products (6.47%)
- SDG 4: Quality Education – 9 products (4.48%)

SDG Spread (percentage)



These alignment patterns indicate the underlying sector focus of impact investments, particularly in clean energy, healthcare infrastructure and inclusive housing. Notably, SDG 13 (Climate Action) maintains its position as the top-aligned goal, reaffirming the sector's continued prioritisation of climate-related solutions.

A similar pattern of SDG alignment is also shown in the survey results based on the question asking respondents to report the SDGs in which they are currently investing. Among the most selected are SDG 10 (Reduced Inequalities), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), SDG 3 (Good Health and Well-being), SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), and SDG 4 (Quality Education).

The difference in the relative rankings of frequently observed SDGs between the two results is likely due to the distinction between the intent self-reported by investors and the market availability of SDG-aligned products. It could also be that the product analysis includes a broader set of impact investment products attractive to investors who do not self-identify as impact investors, whereas the survey focuses on self-identified impact investors. Nevertheless, both results highlight sustainable cities, health, clean energy, and education as important SDG themes.

7. This mapping is the authors' assessment of which SDG(s) a product is targeting based on a review of its publicly available product documentation.

Spotlight

WHAT'S HAPPENING WITH GREEN, SOCIAL AND SUSTAINABLE BONDS

By Murray Ackman, Senior ESG and Impact Analyst, Regnan

Fixed income is an asset class where investors allocate capital that provide fixed periodic payments. i.e. a fixed return in the form of a coupon payment and the return of principal at maturity.

Bonds are issued by governments or corporates. Investors lend money to the issuer of the bond and are paid back after maturity. Income is paid once or twice a year in the form of a coupon. This is often the interest rate at the time of issuance plus something additional to reflect the credit risk.

A government or company may issue a security/bond to get access to money that it will pay back later.

The capital raised can be used by the issuer of the security in the same way cash is. It is classed as general proceeds and can be spent on whatever activity the issuer deems appropriate.

In 2008, the World Bank launched the first use of proceeds bond, a green bond. This developed a new category of sustainable fixed income where the capital raised is earmarked for specific environmental and social projects.

There are three main categories of use of proceeds bonds:

- Green bonds, which are focused on environmental projects such as renewable energy and energy efficiency programs.
- Social Bonds, which are focused on social projects including access to essential services and social housing.
- Sustainability Bonds, which are a mix between green and social.

Globally, we see more green bonds than the other categories. This is in part because more entities are able to undertake projects related to the environment: every entity has their own carbon footprint that they can mitigate. Many companies are able to install, generate or access renewable energy and reduce their own emissions through energy efficiency projects. However, not all entities are able to have capital intensive projects that might benefit the underserved in society. This is largely governments providing social and affordable housing, and supranational organisations like the World Bank undertaking development projects in developing countries.

This category of bonds has grown steadily. Last year had the highest ever issuance globally. The global story might not be as strong this year because of a reduction in issuance from United States entities for well-documented reasons.

However, in Australia we are on track to continue the third consecutive year of highest amount of issuance. We have seen a continual increase in the amount of increase, as well as the number of issuers and number of sectors.

In 2020, there were around $8.7 billion AUD in these use of proceeds bonds launched in Australia. By 2023, there were $21.5 billion AUD new use of proceeds bonds launched. There were $50 billion AUD in use of proceeds bonds outstanding (bonds continue until the maturity date), which made up 3.5% of the relevant index with 40 issuers.

By mid-2025, there has been nearly $25 billion AUD issued which is on track for the most ever (2024 had $39.5 billion AUD in issuance in total over the year). Now, around 9% of the relevant index are use of proceeds bonds with 56 issuers covering 14 sectors.

This demonstrates the market is maturing with increased diversification of issuers and sectors.

2.4

Market Overview of GSS Bonds

The dollar GSS bond market in 2025 (comprising green, social and sustainability bonds) spans 133 issuances with a total value of $144.97 billion, of which 62% ($89.34 billion) are issued in Australia and 38% ($55.63 billion) are ‘kangaroo bonds’ issued offshore, reflecting a strong domestic base alongside growing international exposure.

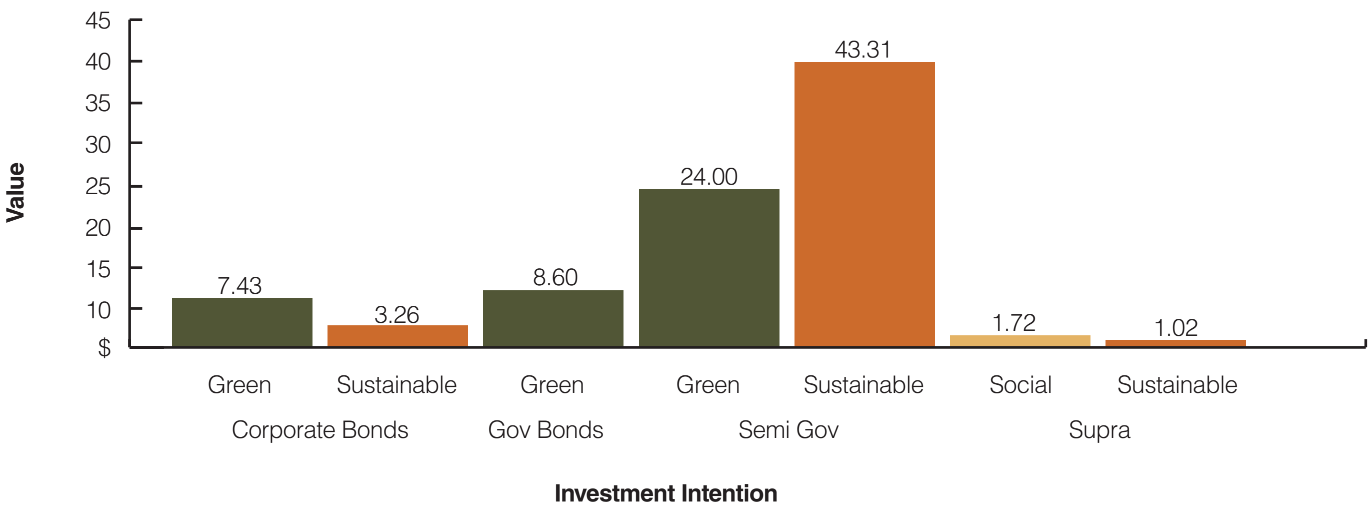
GSS Bonds by Issuer: AU vs Offshore

		Per cent
	AU	56%
	Offshore	44%

When compared to the combined and offshore market total of $144.97 billion, the onshore market ($89.34 billion) accounts for roughly 62% of total holdings. Offshore holdings make up the remaining 38%, with a relatively larger proportion of supranational bonds ($44.19 billion offshore vs. $2.74 billion onshore) and a somewhat more diversified investment intention mix.

The majority of bonds issued by state and territory governments are sustainability-focused (64%), with the balance comprised of green bonds. These proportions are reversed for corporate issuers where 69% is made of green bonds, and the residual are sustainability bonds. To date, the Australian Government has only issued green bonds.

Investment Intention by Issuers in Billions



Key differences in investment intention between onshore and offshore portfolios include:

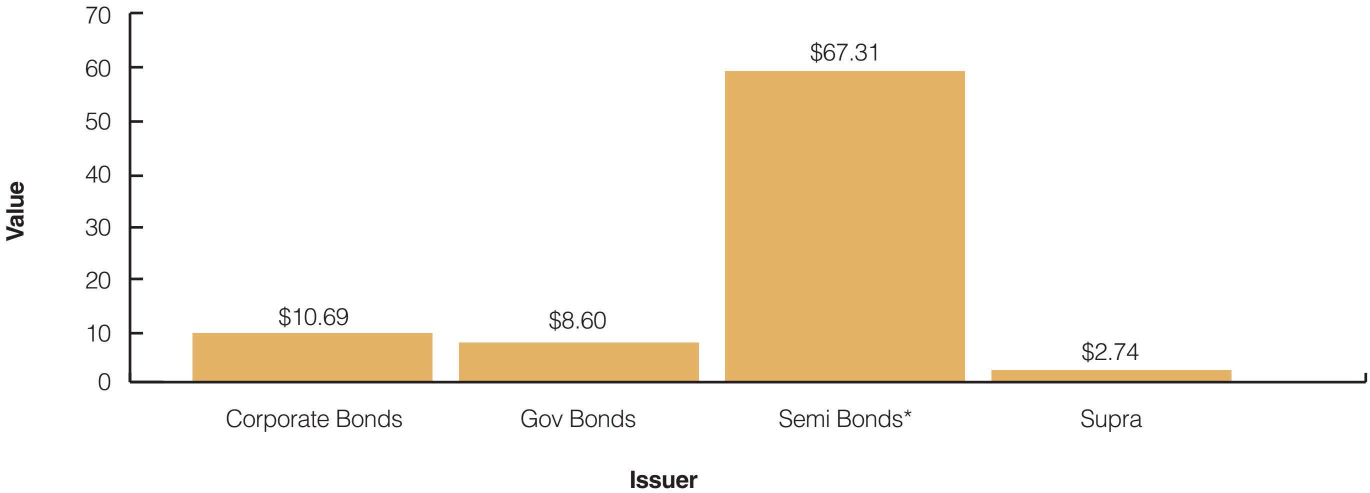
- **Green Bonds:** Onshore green bonds represent around 45% of both onshore and offshore issuance.
- **Social Bonds:** Social bonds form a smaller share of the onshore market (2.2%) relative to the offshore market, where social bonds are more prominent, particularly within supranational issuers.
- **Sustainability Bonds:** The onshore sustainability bond share is substantial at 53.7%, underscoring a growing investor preference for bonds with integrated social and environmental objectives.

Domestic Market Size and Issuer Composition

The locally-issued impact bond market continues to demonstrate robust growth and diversification, with a total onshore portfolio value of $89.34 billion across 58 bonds. The market remains dominated by semi-government issuers, which comprise $67.31 billion or approximately 75% of the total* value. Corporate bonds and sovereign government bonds also make substantial contributions, valued at $10.69 billion and $8.60 billion respectively. Supranational issuers hold a smaller share of $2.74 billion within the onshore market.

This concentration in semi-government bonds highlights the ongoing role of state and territory government agencies in impact finance in Australia, particularly in infrastructure and sustainability projects. The same emphasis on the role of government as enabler is also evident from the survey, where nearly 90% of respondents recognised the need for further governmental actions to accelerate the growth of the impact investing market.

Domestic Bond Issuer by Type in Billions



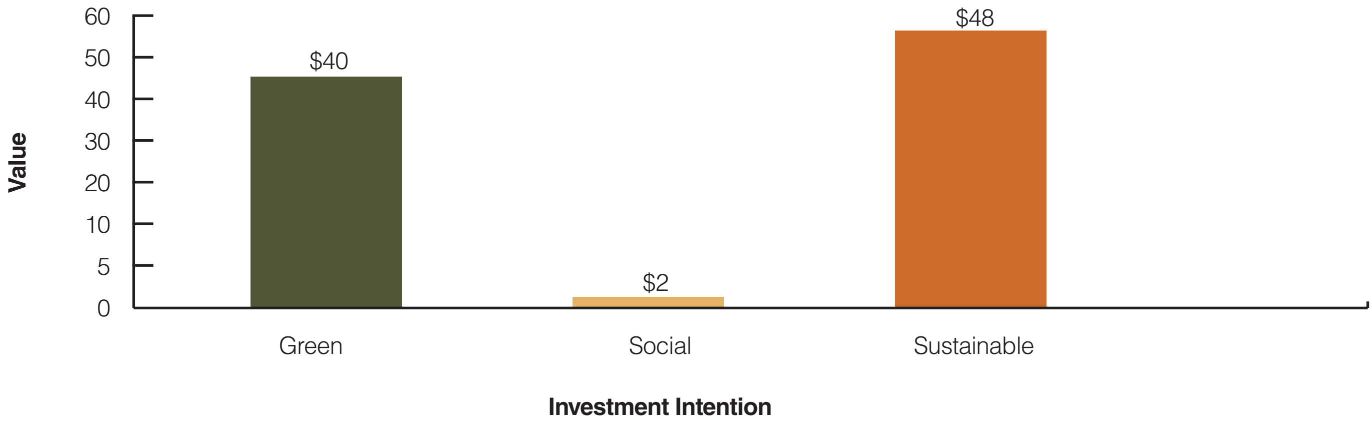
*Semi-government issuers in Australia are state and territory governments.

Investment Intention and Impact Focus

Impact intentions of impact bonds demonstrate a strong alignment with environmental and sustainable outcomes. Notably, this focus also appears among the small group (N=7) of survey respondents currently investing in bond instruments such as social bonds, green bonds, corporate and government bonds. Among these investors, the most commonly focused areas of impact were housing and homelessness (86%), environment and conservation (57%),[8] and clean energy (57%). While the sample is limited, the thematic overlap suggests a convergence between investor-reported activity and the structure of bonds offering in the market, particularly in advancing environmental and climate-related objectives.

Sustainability bonds represent the largest segment, accounting for $48 billion (53.7%) of the portfolio, reflecting growing investor appetite for climate and environmental impact projects. Green bonds closely follow, with $40 billion (44.7%) of the portfolio. Social bonds represent a smaller portion of $2 billion (2.2%). These proportions likely reflect the areas issuers are willing to focus on, particularly noting the need for suitably scaled use of proceeds, rather than the demands of bond investors.

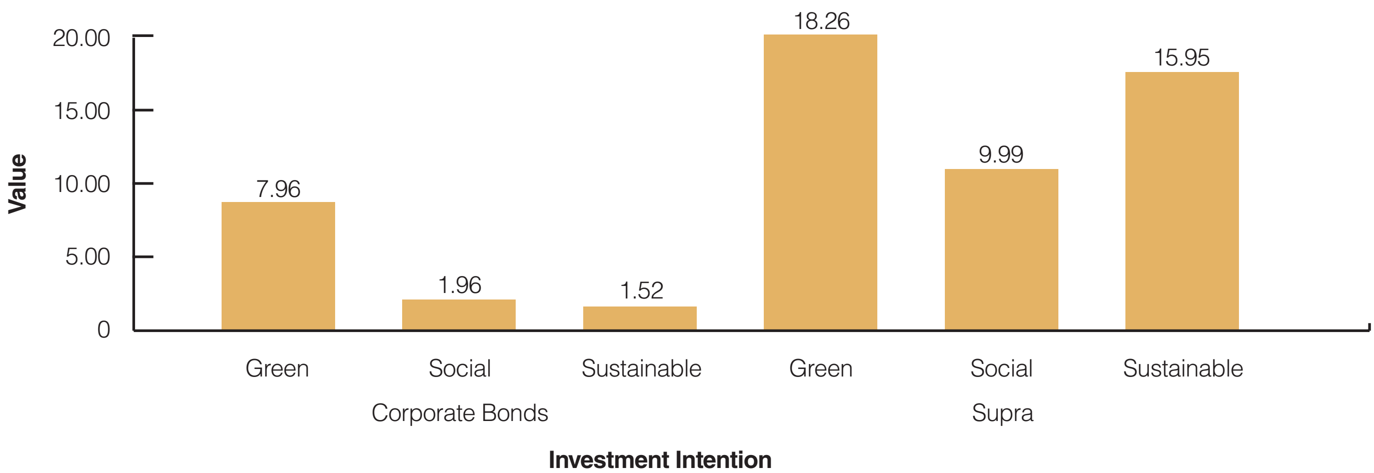
Domestic Bond Issuer by Type in Billions



The dominance of sustainable and green bonds aligns with the broader global trend toward climate-related finance and sustainable development, as well as Australia's policy and market evolution toward net zero emissions.

Offshore issuers, both corporate and supranational, have offered green bonds as the largest share of their borrowings in Australia, comprising 70% and 41% respectively.

Investment Intention by Offshore Issuers in Billions



8 Housing bonds can be sustainability-linked, in which case they may carry both social and sustainability classifications.

These different investment intentions of offshore issuers highlight the complementary roles played by domestic and international issuers in meeting diverse impact investment objectives and broadening the market's overall reach.

Together, these figures demonstrate a growing domestic impact bond market complemented by strong offshore demand for impact capital, positioning Australia as both a source and destination for sustainable fixed income investment.

Financial returns

There are 156 products in the sample set for which there are publicly available annual returns data for the most recent year (in most cases FY24), including 23 funds and 133 bonds. The value-weighted annual return (net of fees) for funds varies considerably by asset class. Private infrastructure delivered the highest at 11.9% and commodities the lowest at -9.4%. Private equity returned 11.1% and multi-asset class products 9.4%. Fixed income funds delivered returns 6.6% and private real estate funds delivered 0.6%.

In the sample set of funds, those with a focus on environmental investments returned 10.8% while those focusing on social investments generated 6.8%. Funds focusing on both social and environmental outcomes returned less than sole-focus funds, at 5.7%. In making these observations however, it is important to note the limitations of comparing returns across asset classes, irrespective of impact focus.

The sample set of bonds were all classed as investment grade (BBB- or higher). For these bonds, the relevant returns metric is 'yield to maturity' (YTM) according to both tenure and credit rating. AAA impact bonds ranged from 3.97% for those maturing in 2025 through to 5.07% for those maturing in 2038. By contrast, BBB- bonds ranged from 5.03% for a 2027 maturity through to 6.39% for a 2031 maturity date. The return of AAA bonds over the Australian Government bond rate with equivalent maturity was 28 basis points for two year bonds and 39 basis points for five year bonds, indicating a small but meaningful premium for GSS bond investors.

The cross-section of YTM by credit rating and tenure is shown in the Table below.

For AAA bonds maturing in 2025 and 2026, there is a premium of 20 basis points for social bonds over green bonds, however beyond this date there is no consistent spread between the two.

Average Yield to Maturity

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
AAA	3.97	3.76	3.60	3.68	3.84	4.02	4.30	4.52	4.51	4.57	4.83	4.80		5.07		
AA+		4.01	4.09	3.56	3.98	3.94	4.15	4.41	4.55	4.79	4.90	5.11		5.28		5.43
AA		3.92	3.98	4.23		4.43	4.85	4.88			5.12					
AA-			3.90	4.10			4.59				5.12					
A+	4.30				4.42	4.50										
A				4.36												
A-	4.34		4.23	4.28	4.45	5.17	5.12	4.95		5.54	5.36					
BBB+		4.22		4.32		4.80	5.39			5.34						
BBB			4.06	4.97		4.90	5.02									
BBB-			5.03				6.39									

PART III.

DISCUSSION OF FINDINGS

Discussion

What insights and conclusions can be drawn from these results? Both the survey and the product screen offer telling findings in their own right, and the contrast between the two data sets suggests further areas of interest. In this discussion section, we begin with the quantitative results on capital allocation before moving to the qualitative outcomes on investment praxis and sentiment.

Product market growth

Perhaps the most important finding in the research is the rapid growth in impact investment products in the market since 2020. During a period when debate over the merits of impact investment has been intense, the number of publicly available impact investment products has grown 12.2% p.a., and the value of products in the market has grown significantly at 51.2% annually.

The product screen uncovered a publicly available impact product set almost twice as large by volume and eight times as large by value compared with five years ago. While the debates around impact investment (and its ultimate impact) are ongoing, it's clear that market participants have been structuring new product and investors have been allocating capital to it.

It is worth unpacking the sources of this growth. Overwhelmingly, it has been driven by the market for green, social and sustainability (GSS) bonds which has grown from $17 billion to $145 billion. This has been led by the issuance of semi-sovereign bonds by Australian states and territories, totalling $67 billion. In 2024, the Commonwealth Government issued its first Green Treasury Bond and at the time of writing has $9 billion on issue. Australian corporations, including Lendlease, Vicinity, Wesfarmers and Woolworths, have issued more than $10 billion in GSS bonds. In addition, offshore supranational issuers, such as the International Finance Corporation and the International Bank for Reconstruction and Development, have placed over $55 billion of A$-denominated 'kangaroo bonds' into the GSS market.

The result is that there is now a dynamic market for investment-grade GSS bond product in Australia, stretching across all rating bands and with long tenure. The 'yield to maturity' figures indicate a healthy yield 'pick up' over Australian government debt. As the market deepens, we may see greater issuance in lower ratings, currently more thinly represented. It would also be desirable to see more social bond issuance, as green and sustainable bonds currently predominate.

The funds identified here constituted the smaller share of the product screen, with $12.5 billion in assets under management. Yet these too have demonstrated considerable growth, sitting at 4.3x the size of the comparable funds identified in 2020. The range of funds also illustrates the increasing depth of the impact fund market, with areas of focus ranging from affordable housing and disability accommodation, to renewables infrastructure and regenerative agriculture, to healthtech and cleantech venture capital. The range of asset managers is equally diverse, from global investment managers like AXA IM, through to mainstream managers with impact arms (Perpetual/Regnan) and specialist impact fund managers such as Palisade Impact and Conscious Investment Management. This diversity again indicates growing levels of engagement in the impact market from investors of all types.

Asset class distribution

The distribution of asset classes varies considerably across the product screen and the investor survey. The product screen is strongly affected by the preponderance of GSS bonds (92% of the sample by value), which skews the overall distribution heavily towards fixed interest. Given this, it is more revealing to concentrate on the asset allocation amongst the impact funds. Just over one quarter of the funds identified are allocated to private equity, reflecting direct investments in impact businesses, while 18% of funds are allocated to infrastructure, most commonly via clean energy investments. There is 16% committed to private real estate, spread across affordable housing, disability accommodation, and land regeneration.

Taken together, these three asset classes represent around 60% of impact funds under management; overwhelmingly they are comprised of unlisted assets, the majority of which are real assets in clean energy and property. This weighting towards unlisted, real assets is characteristic of impact funds around the world, however the representation of private equity in the sample demonstrates a growing allocation towards operating impact businesses.

It is important to note here that the allocation preferences of our survey respondents do not reflect the asset allocations of our product screen as a whole. Specifically, there is an extremely low allocation (4%) amongst respondents to bonds which, as noted, represent 92% of our product sample. This mismatch is likely explained by the fact that respondents opt in to the survey as self-identified impact investors with a preference for direct investment. In our experience, such investors typically seek deeper impact with unlisted investments and often perceive that capital deployed in private markets can achieve additional impact outcomes beyond what public, listed investments like GSS bonds would be able to deliver on their own, despite the latter being made across much larger organisations.

Investment performance

Both the quantitative and qualitative data suggest positive return outcomes for impact investors, both against benchmark and relative to expectations. The 'yield to market' on AAA-rated GSS bonds outperformed the equivalent Australian Government rates by 28 basis points for two-year bonds and 39 points for five-year bonds. With regards to impact funds, it is difficult to be unequivocal about returns given the limited comparative data available.

In the context of investor survey responses, however, it is possible to state how financial returns have performed relative to expectation. Over two-thirds of active impact investors stated that financial returns had met expectations, while 12% stated they had outperformed. Only 8% reported underperformance against expectations. The picture is slightly different when it comes to future expectations. Slightly more than half of the investor respondents believe future impact investments will meet commercial, risk-adjusted returns, compared with 68% who have experienced such returns to date. By contrast, 16% expect impact investments to underperform in future, up from 8% who have experienced underperformance in the past. What drives these subtle shifts in outlook and what influences impact investors when setting their return expectations remain fertile question for further study.

Distribution of impact areas

Both the investor survey and the product screen indicate similar areas of impact focus. The survey highlighted environment and conservation (cited by 56% of investors), housing and homelessness (52%), and clean energy (41%) as the top impact priorities for active investors. The survey showed a broader distribution of impact focus when seen through the prism of the SDGs. A wide range of SDG objectives were targeted by between 37% and 44% of respondents, including SDG10 (Reduced Inequalities), SDG8 (Decent Work and Economic Growth), SDG11 (Sustainable Cities and Communities), SDG3 (Good Health and Well-being), and SDG7 (Affordable and Clean Energy).

This pattern broadly mirrors the product screen results, although the bonds do skew more towards environmental outcomes. For example, of the $90 billion of domestic GSS bonds on issue, 45% are green bonds while 53% are sustainable (combining both green and social objectives); only 2% are exclusively social bonds.

Impact funds showed a more balanced distribution, with 48% of funds under management targeting environmental outcomes, 44% targeting social ones and 8% targeting both. The SDG areas of focus within impact products are similar, with SDG13 (Climate Action) the most targeted, followed by SDG11 (Sustainable Cities & Communities) which encompasses housing investment.

Perhaps what is most striking here across these results is the relatively low focus on social outcomes, particularly in the product screen. Disability (26%), children and youth issues (22%), employment and training (22%), and gender equality (22%) were all towards the bottom of the list of focus areas targeted by impact funds. As mentioned above, only 2% of GSS domestic bonds have an exclusive social focus. Future editions of this study will closely follow the extent to which social impact areas grow relative to environmental ones.

Impact measurement and management (IMM)

While the impact investment market has grown significantly, the standardisation of IMM has not evolved as quickly. This research reveals no single IMM approach was used by at least half the respondents in the survey. Forty per cent used the UN SDG framework, and almost as many (30%) used in-house proprietary platforms. This is consistent with broader global discussions which suggests investors are open to developing their own measurement approaches, often based on commonly used indicators, such as tonnes of greenhouse gas abated or number of affordable dwellings delivered.

Fragmentation exists when it comes to impact reporting practices. There is no dominant method for how investors report their impact. Almost half (48%) publicly disclosed their impact goals. Another 41% develop internal impact performance reports, and just over one-third (37%) publish dedicated impact reports. 15% do not report on impact performance. Both these areas – IMM frameworks and reporting practices – are opportunities for investors to refine approaches and bring more standardised measurement and reporting to the impact investment market.

Topical themes: Emerging markets, blended finance, and role of government

Briefly, we will examine here other topic themes covered by the research, including emerging markets investment, blended finance and the role of government in developing impact investment.

There are frequent calls for impact investors to deploy capital into emerging markets (EM), both because many of the solutions to SDG targets are to be found there and because those markets see Australia's large capital pool as a potential source of investment. Investors surveyed were mixed in responses, with one-third indicating clear or strong interest, and in contrast 38% expressing no interest at all. The remaining 29% of investors expressed some interest in the idea. Overcoming barriers identified by respondents, such as lack of market opportunities and internal expertise, may assist in converting those interested in EM investment.

Blended finance has increasingly become a focal point of the impact investing discussion. This is borne out in the survey results with over 60% of investor respondents having participated in some type of blended finance deal, indicating both increased awareness and growing experience amongst investors.

In regards to the role of government in impact investing and market development, almost 90% of investor respondents stated that government has an important role to play in supporting the growth of impact investment. Yet it is noteworthy that there is not a dominant course of action that investors want government to follow. Approximately half of respondents sought tax incentives to bolster impact investment, 42% supported a wholesale government fund to capitalise impact-driven investment vehicles, and one-third sought capability-building education programs for current and future market participants. This is consistent with broader discussions amongst the impact investing community which focus on concessional capital and education capability-building as two of the most valuable contributions government can support.

Future considerations

One interesting idea to consider is what the research didn't reveal. It is noteworthy that place-based investment has been a focal point of discussion around impact investing opportunities and 'just transitions' of specific geographical areas. Yet only 11% of investor respondents were focused on place-based entrenched disadvantage. Future editions of the *Benchmarking Impact* research will explore this gap between potential interest and practice on the ground.

Other considerations include emerging anecdotal evidence regarding the proposition that impact investment need not be concessional, as well as concerns around proposed sustainability labelling regimes. Both questions will be explored in the next iteration of *Benchmarking Impact*.

Glossary

Additionality: the criterion that an impact investment must increase the quantity or quality of the social or environmental outcome beyond what would otherwise have occurred in absence of the investment. Ascertaining additionality needs to measure outcomes against a control group or counterfactual.

Asset class: A category of investment, defined by its main characteristics of risk, liquidity and return. Major asset classes are cash, fixed income, public equity, private equity and real assets.

Blended finance: Blended finance is a structuring approach to impact investing that makes use of catalytic capital from public or philanthropic sources. Deals are structured so that the involvement of public and/or philanthropic parties improves the risk/return profile of the transaction for private participants in order to attract more capital and increase overall investment in the Sustainable Development Goals. (See Catalytic Capital, Concessional capital and Layered capital)

Bond: A formal contract to repay borrowed money with interest at fixed intervals. Like a loan, the holder of the bond is the lender, the issuer or seller of the bond is the borrower, and the coupon is the interest. The seller of the bond agrees to repay the principal amount of the loan at a specified time (maturity). (See Social Impact Bond, or GSS Bond)

Catalytic capital: Capital that accepts disproportionate risk and/or concessionary return to generate positive impact and enable third-party investments that otherwise would not be possible.

Concessional capital: Concessional capital refers to investments that sacrifice some financial return in order to make a high-impact project viable. (See Blended finance)

Fixed income: An asset class, where returns are received at regular intervals and at predictable levels. The most common type of fixed income security is the bond.

Green, social and sustainability (GSS) bond: A GSS bond is any type of bond where the proceeds are applied to environmental and/or social initiatives or projects. Also known as a 'use of proceeds' bond.

Exit/Exit strategy: A moment when investors realise a return (profit or loss) on their investment by divesting their stake in a company. It can happen by them selling their share to another investor, another firm, or by the company becomes listed on the public stock exchange.

Fund: A collective investment scheme that provides a way of investing money alongside other investors with similar objectives. Individual investors are allowed access to a wider range of investments than they would be able to access alone and also reduces the costs of investing through economies of scale.

Fund manager: The individual(s) or institutions responsible for overall fund strategy, as well as the buying and selling decisions relating to securities in a fund's portfolio.

Global Real Estate Sustainability Benchmark (GRESB): An organisation that provides a framework and assessment for evaluating the Environmental, Social, and Governance (ESG) performance of real estate and infrastructure assets.

Green bond: A bond issued to raise finance for climate-change solutions, such as renewable energy, energy efficiency or climate-change adaptation.

GRI Standards: A modular framework developed by the Global Reporting Initiative to help organisations report on their economic, environmental, and social impacts.

Guarantee: An agreement to perform the obligations of a third party if that party defaults. When a third party guarantees a loan, it promises to pay in the event of default by the borrower.

Impact investments: Impact investments are investments made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return.

Impact Management Platform (IMP): The Impact Management Platform is a collaboration between the leading providers of sustainability standards and guidance that are coordinating efforts to mainstream the practice of impact management.

Impact measurement and management (IMM): Impact measurement and management is integral to making effective impact investments. It includes identifying and considering the positive and negative effects that an investor's investment approaches have on people and the planet, and then figuring out ways to mitigate the negative and maximise the positive in alignment with the investor's goals.

Impact Reporting and Investment Standards (IRIS): A catalogue of generally-accepted metrics developed by the Global Impact Investing Network (GIIN) used by impact investors and social enterprises.

Intermediary: An individual or organisation that raises funds from investors, including individuals and organisations, and re-lends these funds to other individuals and organisations or offers intermediation services between other parties. Services that can be provided by intermediaries include: introducing parties to the deal; gathering evidence and producing feasible options; facilitating negotiations between parties; raising investor capital; establishing a special purpose vehicle; and managing performance.

Issuer: An issuer is a legal entity that develops, registers and securities – such as bonds – for the purpose of financing its operations. Issuers may be governments, corporations or investment trusts.

Kangaroo bond: A bond that non-Australian issuers issue in Australian dollars in Australia in compliance with the local laws and regulations.

Layered capital/structure: Investment structures that blend different types of capital with different risk-return requirements and motivations. (See Blended finance)

Leadership in Energy and Environmental Design (LEED): A green building certification system that provides a framework for healthy, efficient, and cost-saving buildings, developed by the U.S. Green Building Council.

Multi-asset strategy: A multi-asset investment strategy involves investing in a variety of asset classes to create a more broadly diversified portfolio.

Outcome: A change, or effect, on individuals or the environment that follow from the delivery of products and services. Example: changes among clients (e.g. doubling of household income among microfinance clients).

Outputs: Tangible, immediate practices, products and services that result from the activities that are undertaken. Outputs lead to Outcomes. Example: number of clients served by an impact organisation (e.g. microfinance loans extended).

Patient capital: Loans or equity investments offered on a long-term basis (typically five years or longer) and on soft terms (e.g. capital/interest repayment holidays and at zero or sub-market interest rates).

Private debt: Private debt is debt from a loan from a private entity such as a bank. Generally, debt is secured by a note, bond, mortgage or other instrument that states the repayment and interest provisions.

Public equity: An asset class where individuals and/or organisations can invest in a publicly listed company by buying ownership in shares or stock of that company.

Private equity: An asset class where money is invested into a private company, or the privatisation of a company. Many investors aim to invest into a company, take a majority stake, improve the company and then exit their investment at a large profit.

Real assets: Investments into identifiable and tangible assets whose value is derived from physical properties. Includes investments in real estate, forestry, land and agriculture.

Responsible investment: Responsible investment is a holistic approach to investing, where social, environmental, corporate governance and ethical issues are considered alongside financial performance when making an investment.

Retail investor: Investors that do not meet the threshold test as a wholesale investor. (see Wholesale investor).

Seed capital/investment: Financing/capital provided to research, assess and develop an initial concept before a business has reached the start-up phase.

Social impact bond (SIB): Social impact bonds are a financing mechanism that enable service providers to enter outcome-based contracts with government. SIBs raise investor capital to fund service delivery costs and share in the financial risk of service providers achieving the agreed outcomes. Also known as a Social Benefit Bond.

Start-up: A company that is in the first stage of its operations. These companies are often seeded with capital in their early stages as they attempt to capitalise on developing a product or service for which they believe there is a demand, or a problem that needs solving.

Sustainability-themed investing: Sustainability-themed investing relates to investment in themes or assets that specifically relate to sustainability themes. This commonly involves funds that invest in clean energy, green technology, sustainable agriculture and forestry, green property or water technology where the fund has the explicit objective of driving better sustainability outcomes alongside financial returns.

Sustainable Development Goals (SDGs): The Sustainable Development Goals are 17 targets covering a range of economic, social and environmental indicators, agreed under the United Nations 2030 Agenda for Sustainable Development.

Task Force on Climate-Related Financial Disclosures (TCFD): A framework to help public companies and other organisations more effectively disclose climate-related risks and opportunities through their existing reporting processes. Disbanded in 2023 after remit completed.

Venture capital (VC): Capital invested by investors into start-up companies with a potential to grow.

Wholesaler investor: Classification type of investor who falls into either professional or sophisticated investor categories. To be classified as a sophisticated investor the investor must either (a) have net assets of at least $2.5 million or gross income for each of the last two financial years of at least $250,000 (as appears on a certificate given by a qualified accountant which is no more than six months old); or (b) must pay a minimum subscription amount of $500,000 for the securities being offered. To be classified as a professional investor, the investor must either be a financial services licensee or have or control gross assets of at least $10 million.
(see Retail investor)

This glossary is collated from recent academic research on impact investing and numerous sources including Convergence, Responsible Investment Association of Australasia, Impact Investing Australia, Australian Taxation Office, the Global Impact Investor Network (GIIN), the Impact Management Platform, the NSW Office of Social Impact Investment, and the United Nations.

Disclaimer

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