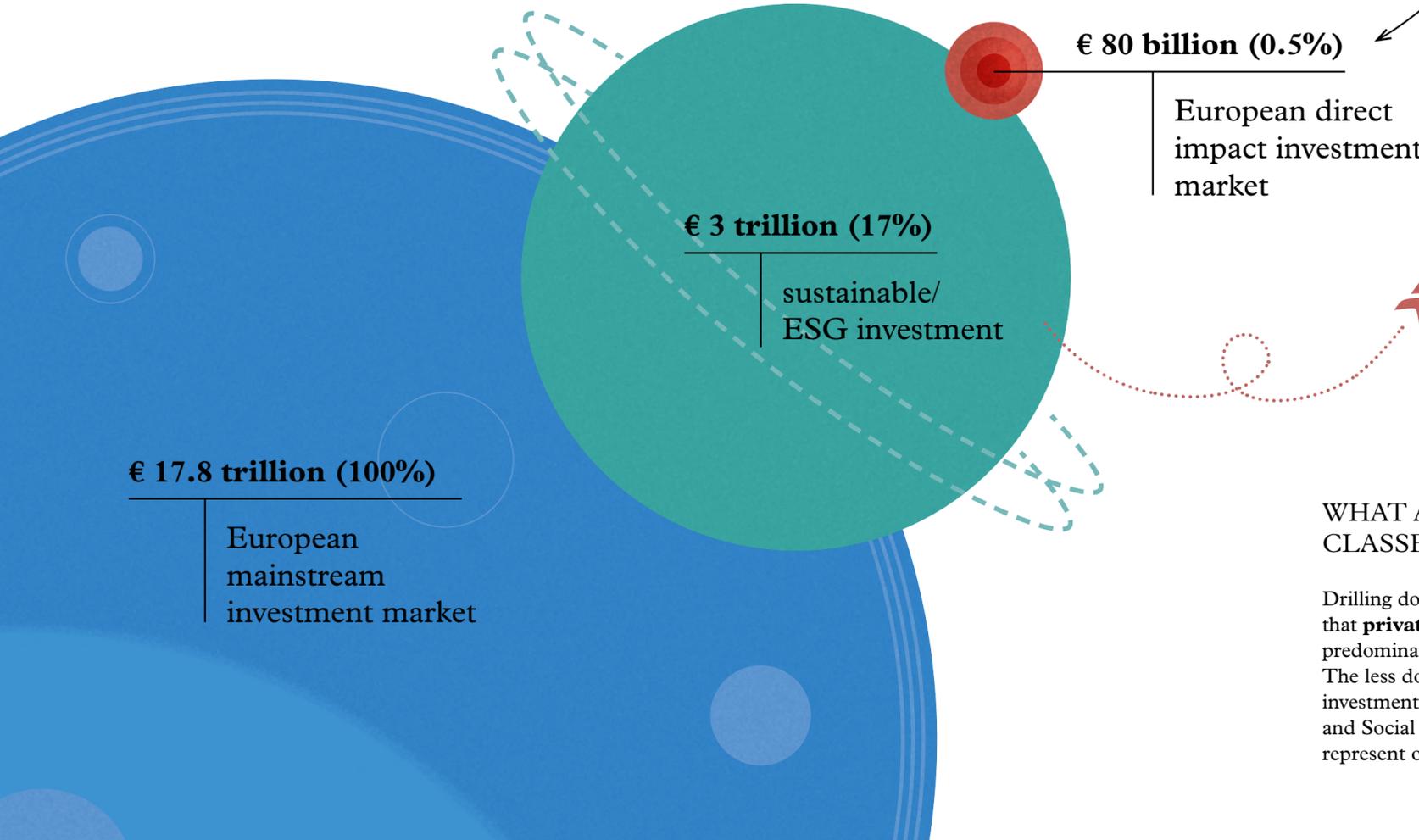


Size of the European direct impact investment market



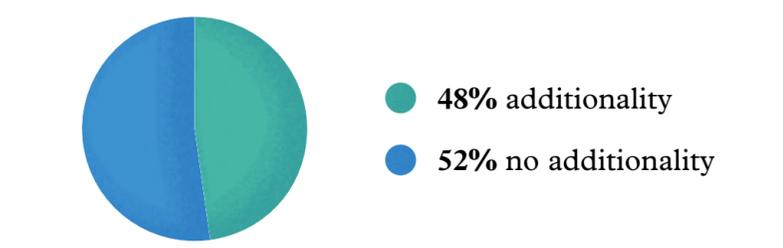
SAME MARKET, DIFFERENT NUMBERS?
The market size presented in this study (€ 61bn)⁶ is just 11% of the recent figure shown by the GIIN in their latest study⁷. Why?

- Different measurements:** Whereas GIIN included listed assets, our study primarily targets investments into unlisted assets. Considering the focus of the consortium on impact investors that actively contribute to solutions, we believe this category of assets, the unlisted ones, is the group that better fits the purpose of our market sizing.
- Missing standards:** The current lack of widely accepted criteria to define how listed assets address social and environmental challenges motivated the decision to separate listed from unlisted assets in this study.
- A starting analysis:** Despite these constraints, the study captured a **portion of impact investment** **deployed into listed assets.** For example, we examined public debt (e.g., green bonds) and public equity (listed companies), which account for **an extra € 15 billion of AUM.** These investments were mainly from France and the Netherlands, where impact investment in listed markets is more widely acknowledged.
- Future opportunity:** Since the extension of the impact investment approach to listed assets represents a tremendous opportunity to deliver additional impact, the consortium is committed to assess whether, and under which conditions, listed investments contribute to solutions and is keen to include those that qualify in future analyses.

Total Asset Under Management at 31/12
(n 2020 = 479, n 2021 = 496)



Impact investment with additionality out of total Asset Under Management at 31/12/2021 (n = 496, total AUM = € 61bn)



WHAT ARE THE MOST COMMON PRIVATE ASSET CLASSES FOR EUROPEAN IMPACT INVESTORS?

Drilling down on the asset classes managed, we find that **private debt** and **private equity**¹⁴ are the predominant assets adopted by impact investors. The less dominant asset classes in direct impact investment –real assets (e.g., social housing) at 11% and Social Outcomes Contracting at 0.5% – represent opportunities for closer consideration for their potential value. For example, Social Outcomes Contracting has proven effective to accelerate the adoption of outcomes-based solutions, which lead to more impact (as opposed to short-term outputs). Policymakers have the potential to further incentivise outcomes-based mechanisms and help scale their adoption.

Total AUM split by asset classes
(n = 437, total AUM = € 45M)

