

# \_Impact investing



*To recap*

✓ Funding



*\_funding*

ASSETS

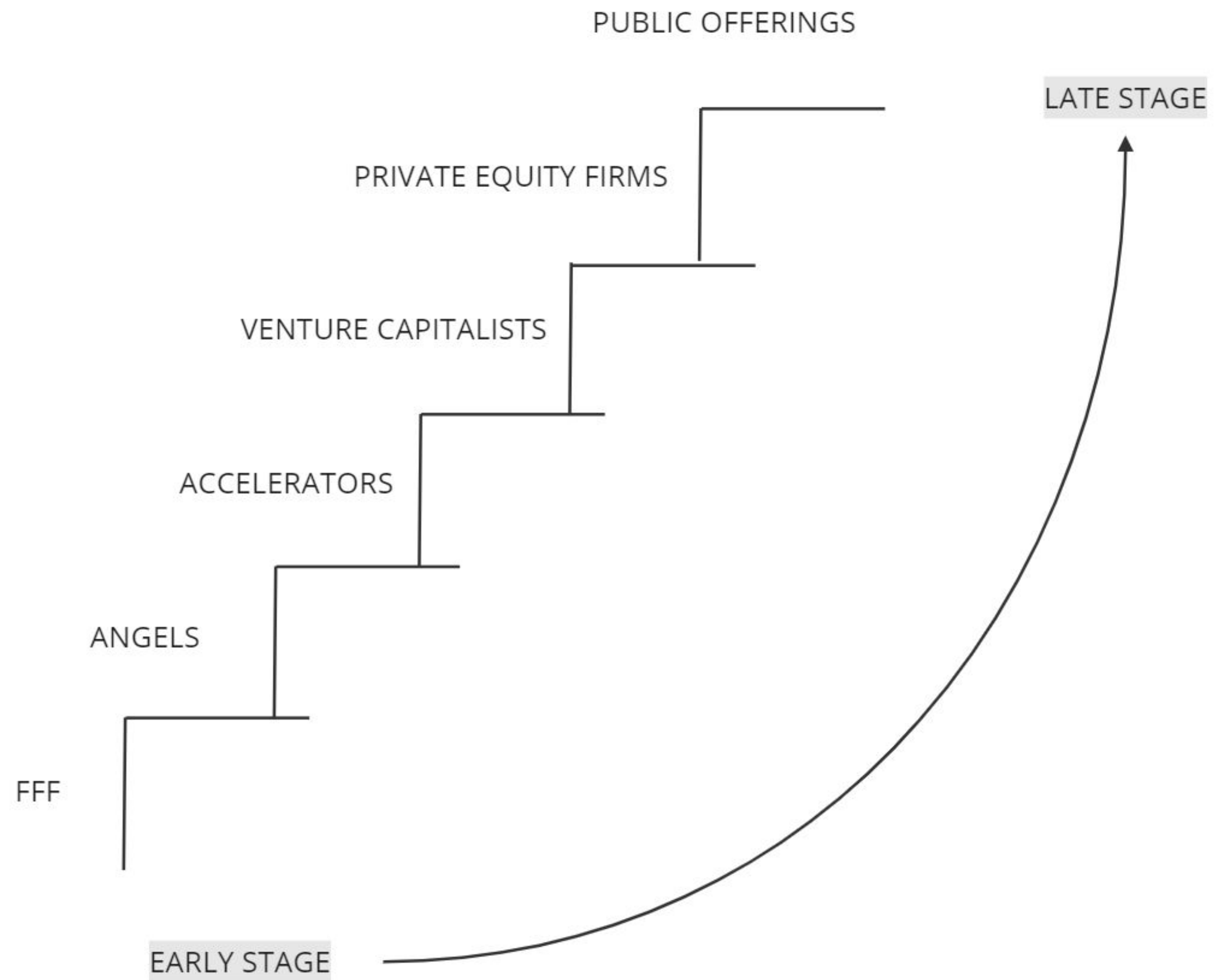
DEBT

EQUITY

The entrepreneurial venture  
needs capital

Would you rather receive  
debt or equity? Why?







*\_impact investing*

Short illustration video [here]

<https://www.youtube.com/watch?v=jv3oKGUbCPo>

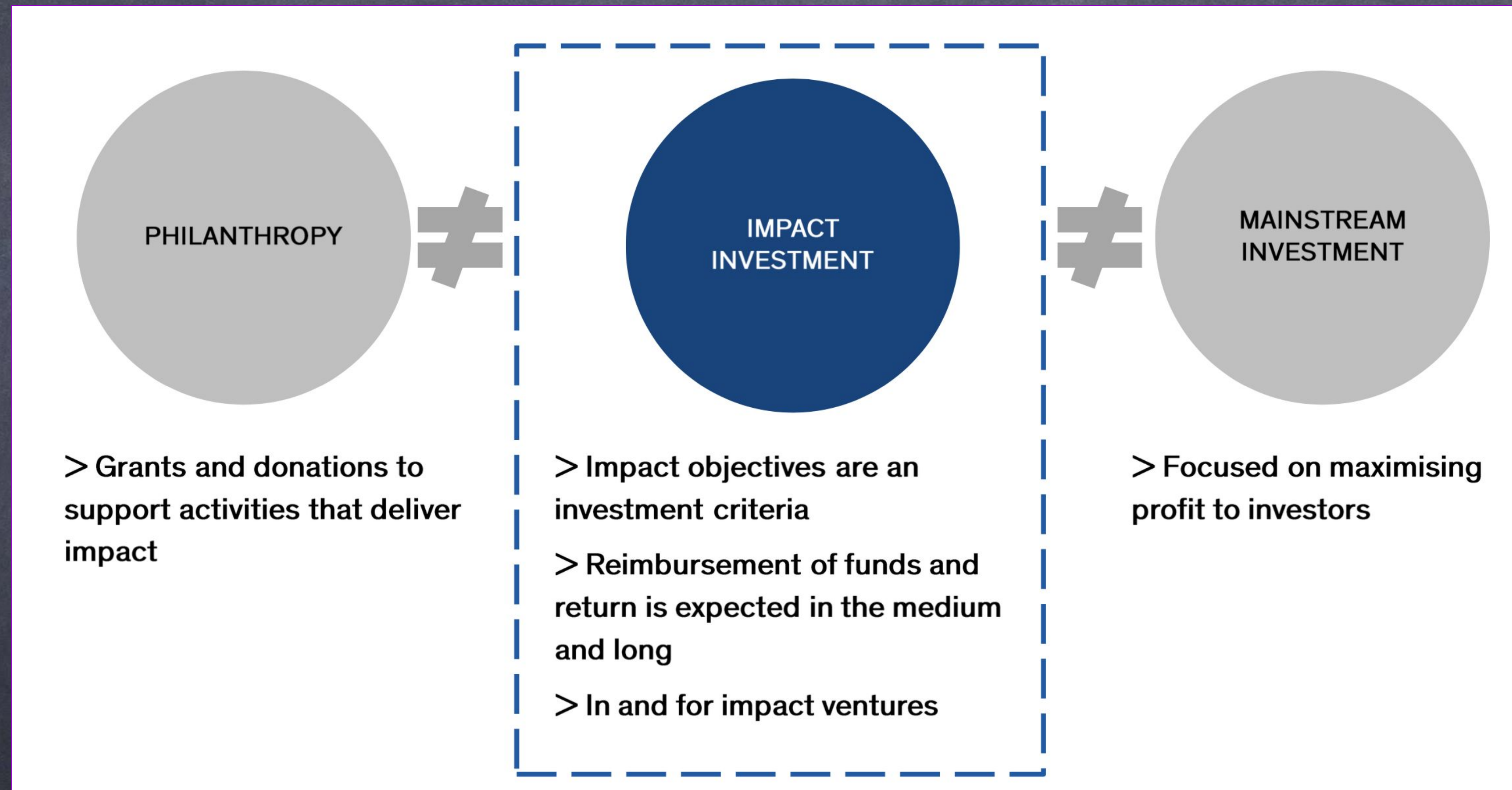


# *\_impact investing*

- Capital allocation with the explicit intention of creating social value in addition to private financial return
- Switching from “DO NO HARM” -> “INTENTIONALLY DO GOOD”
- It’s NOT an asset class! It’s an investment approach across all asset classes
- Does not replace donations or traditional investment, it closes the gap between them.

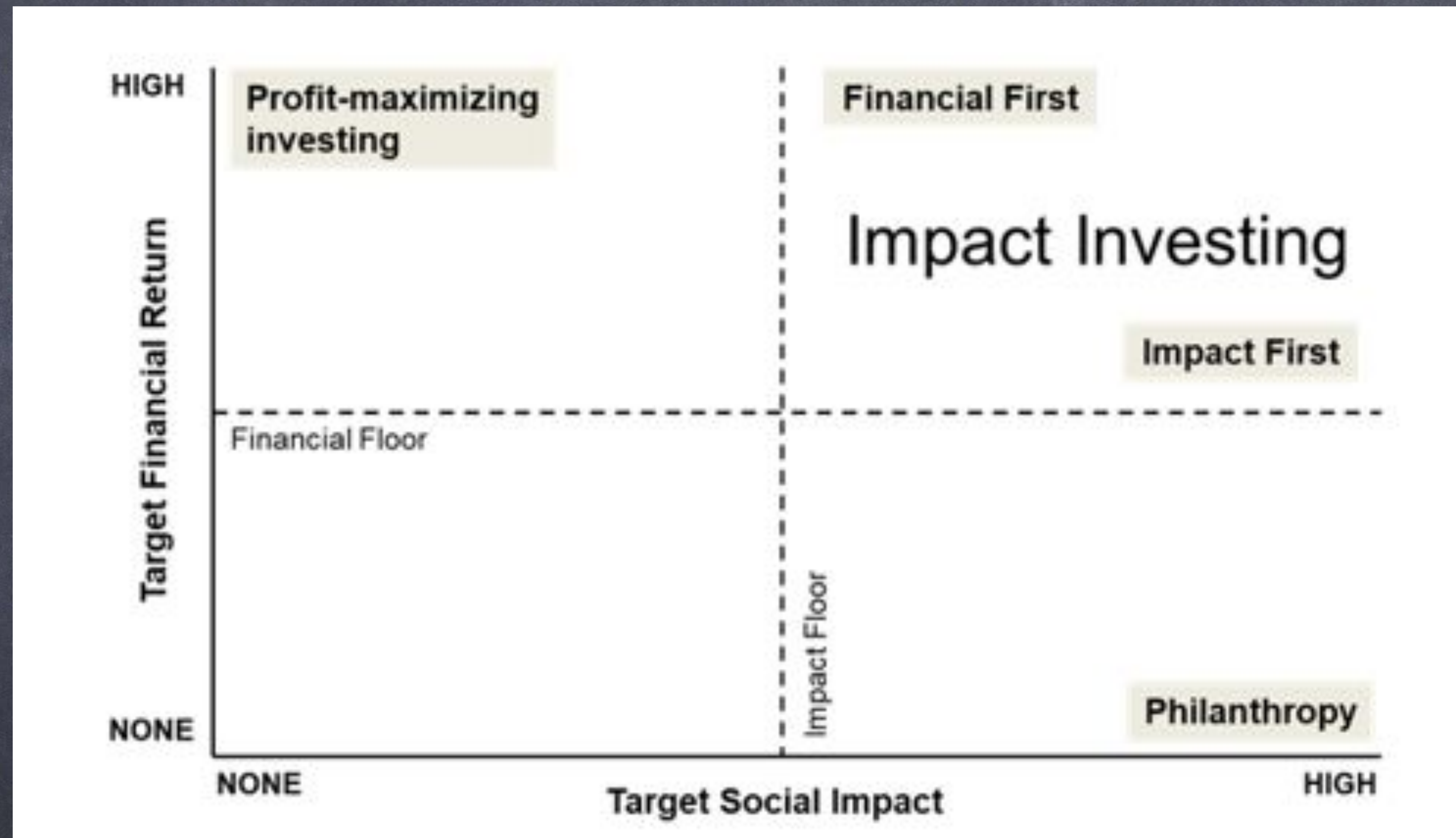


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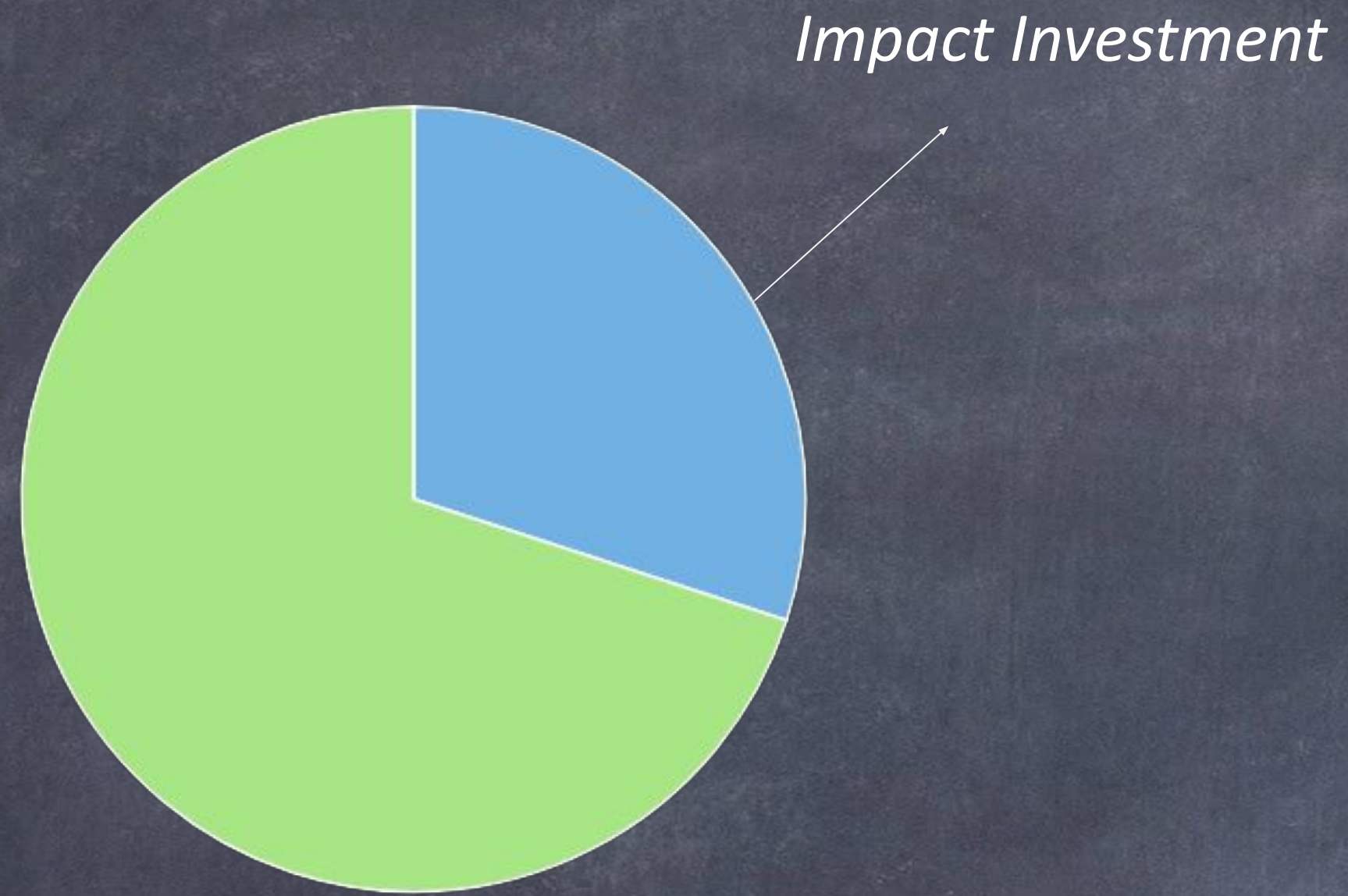


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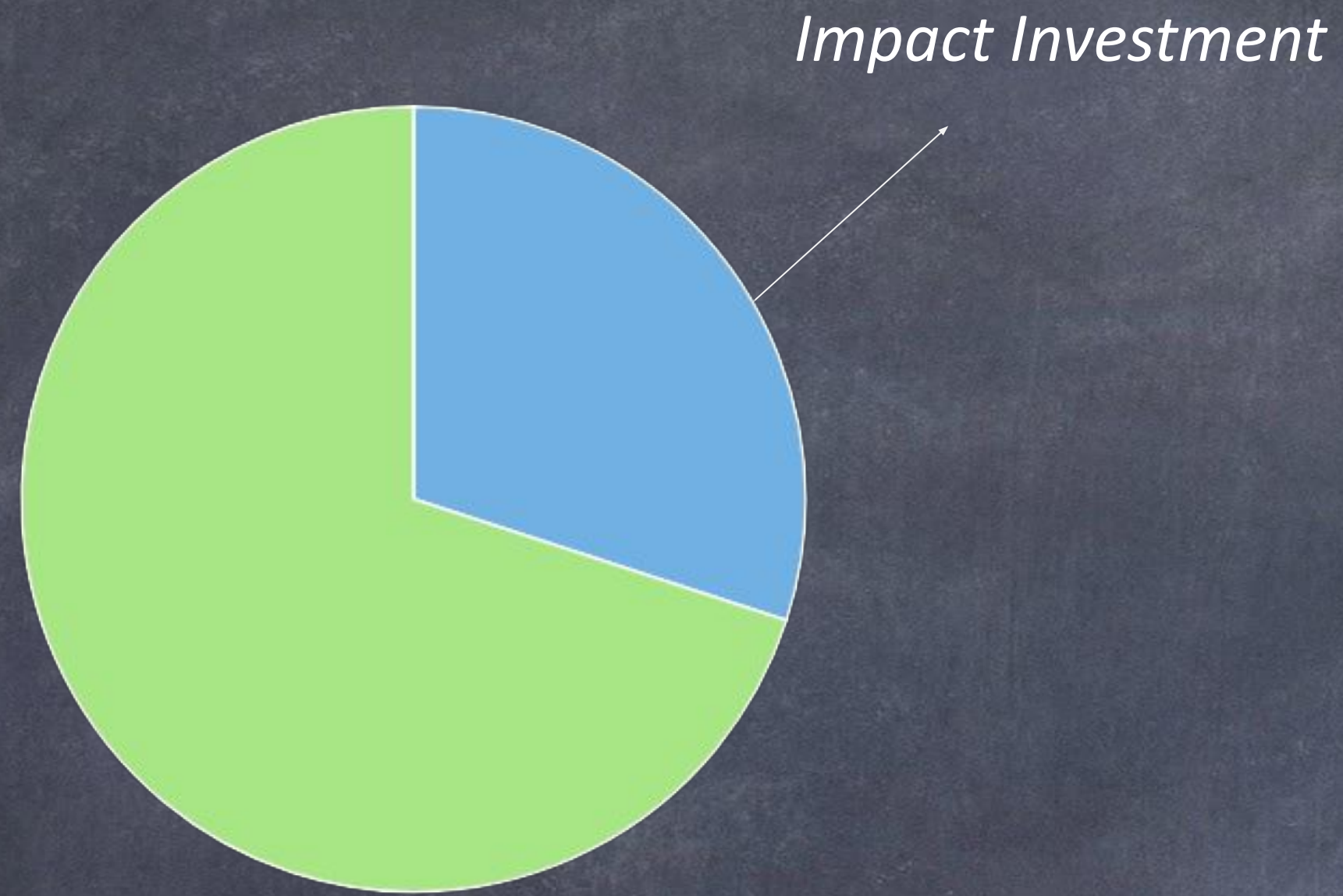


*\_the trend*





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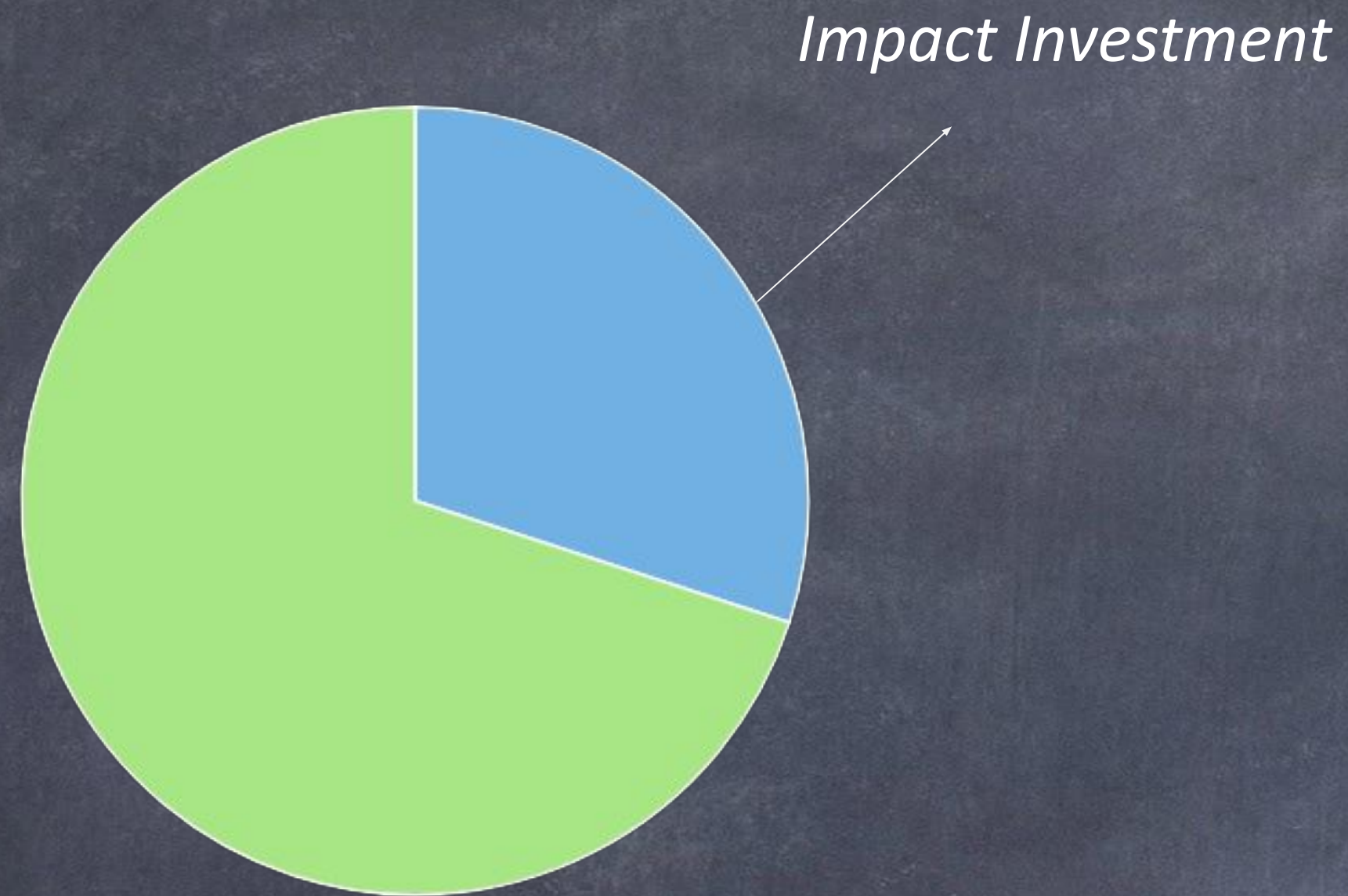


*Impact Investment being a "type" of  
investment within an asset manager portfolio*

*= accepting lower returns*

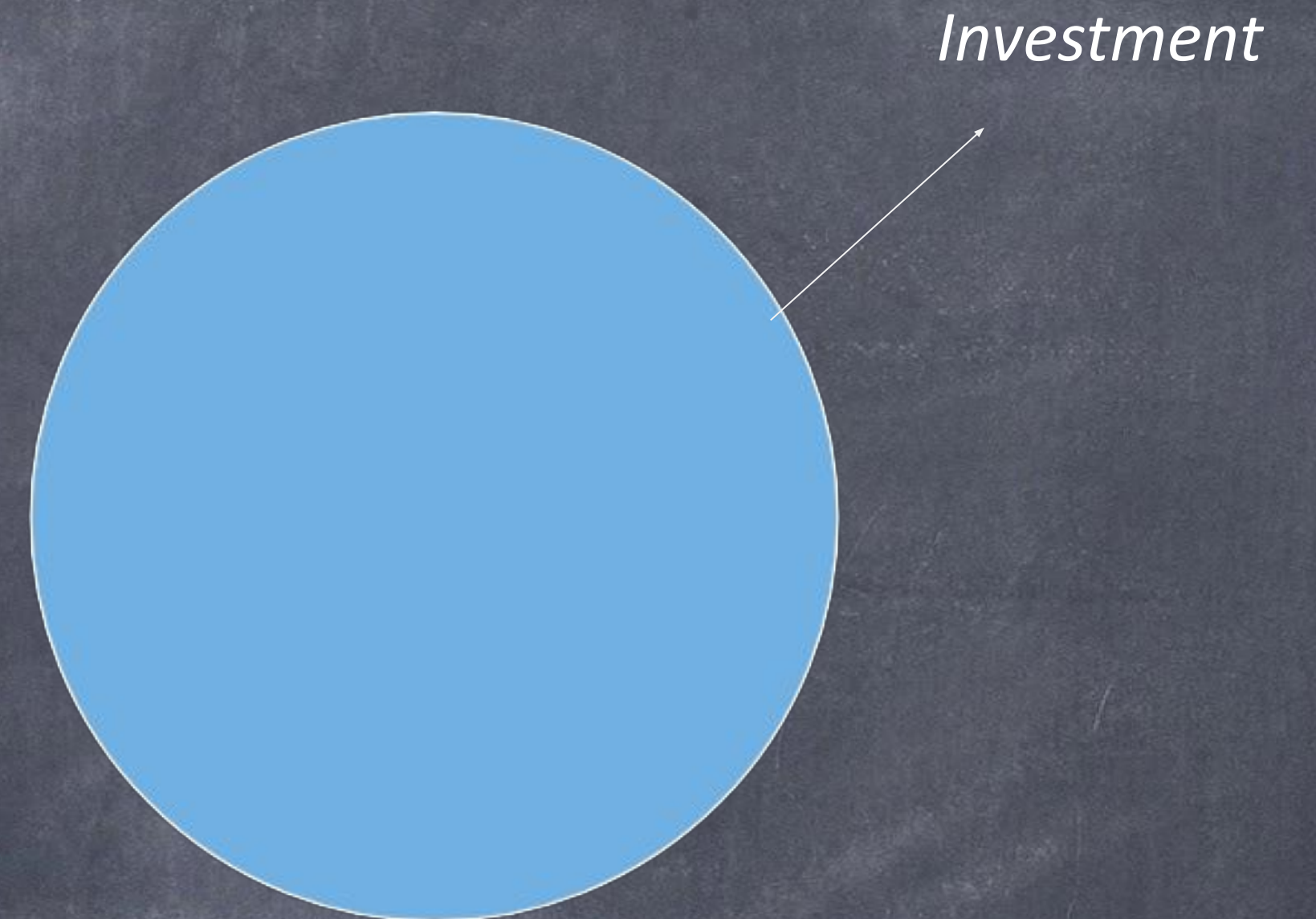


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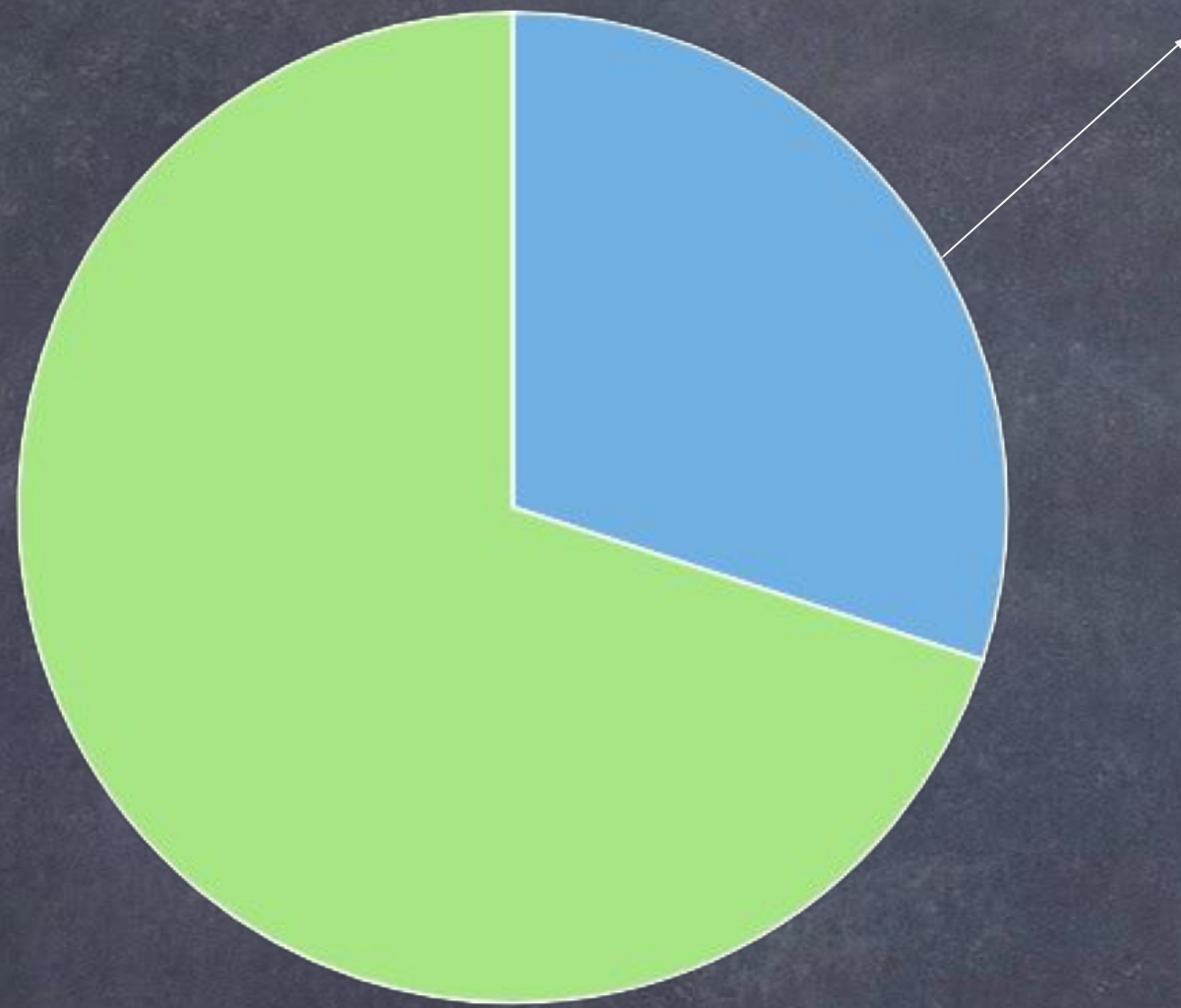
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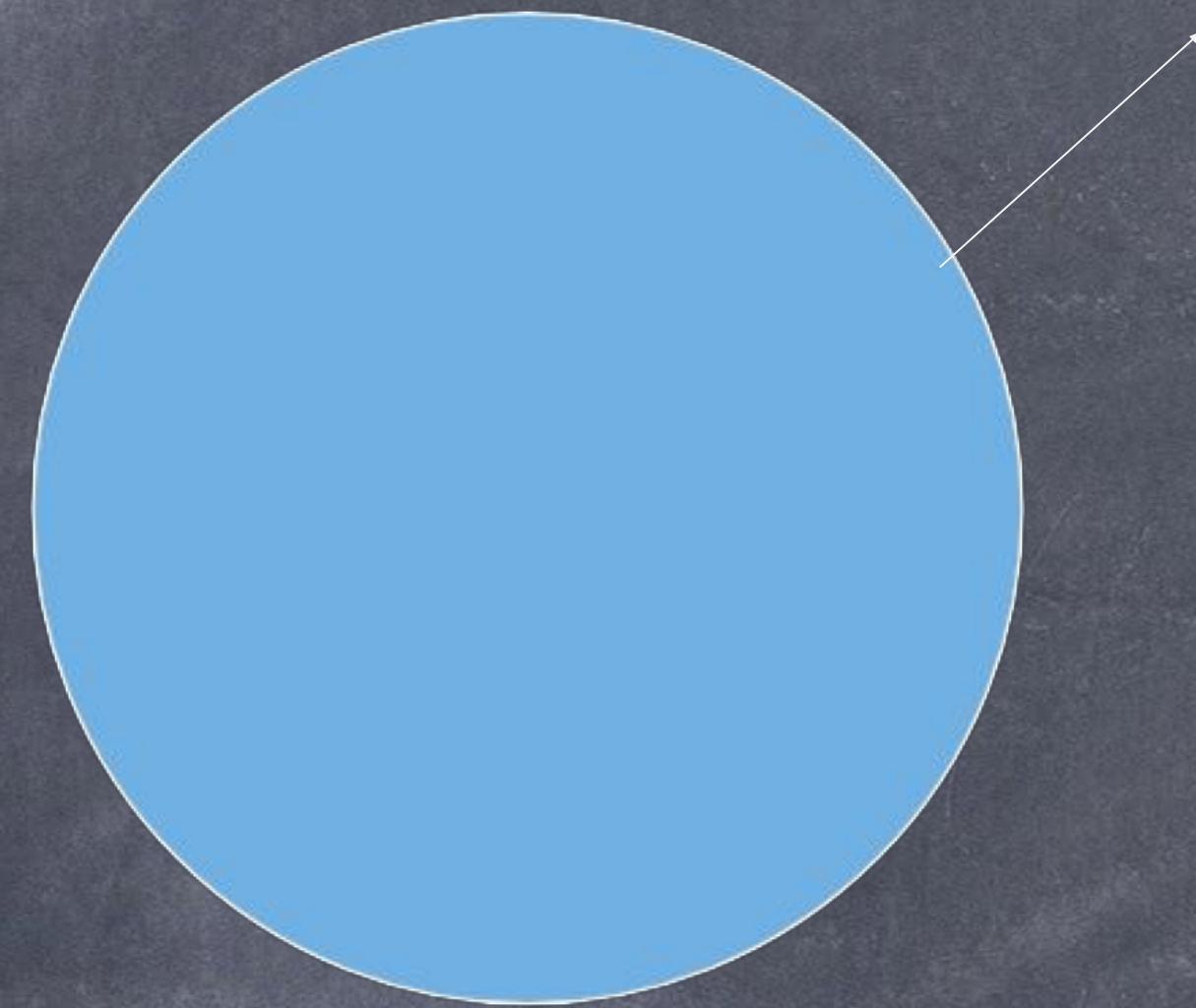
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*Investment*

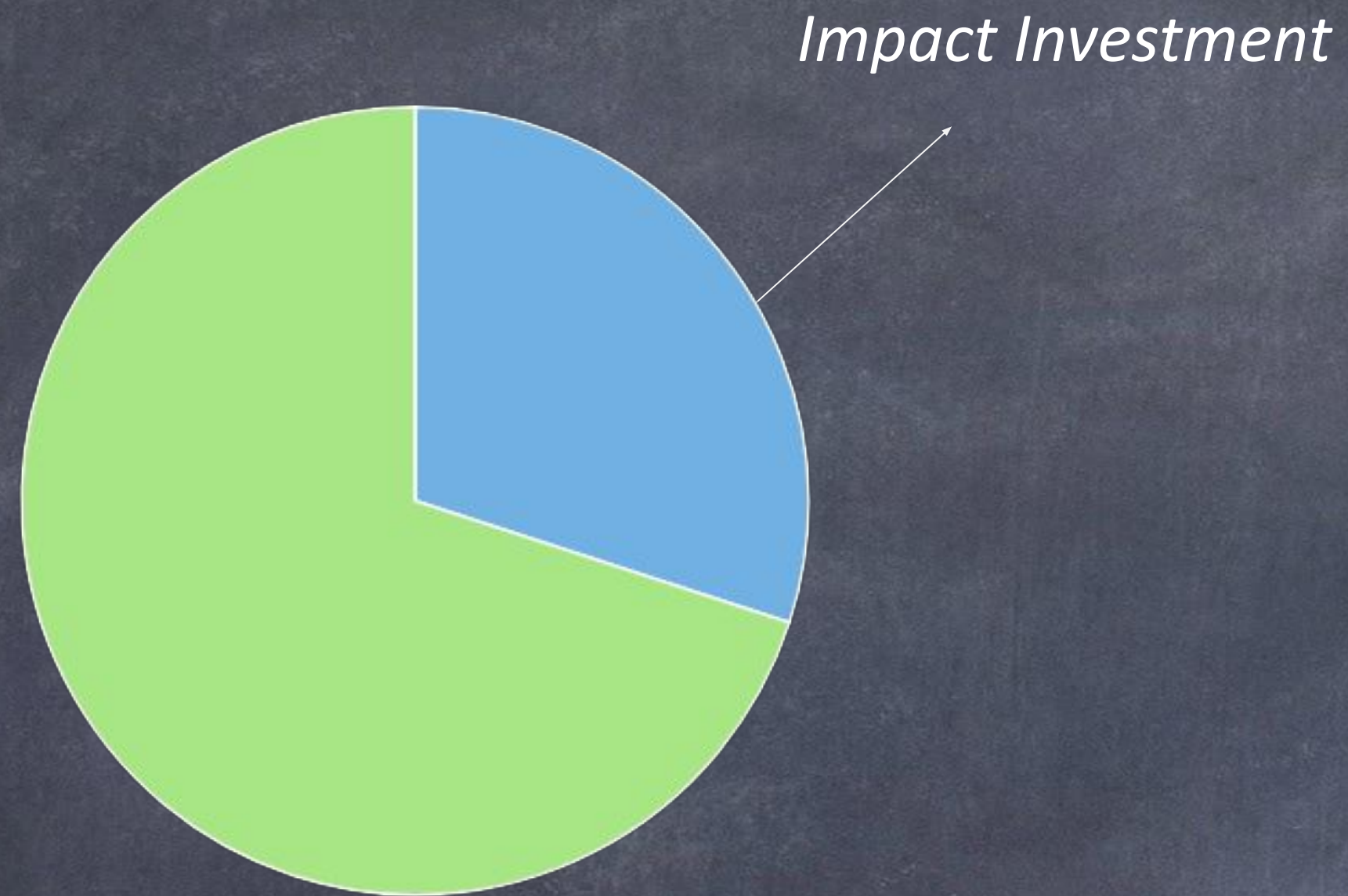


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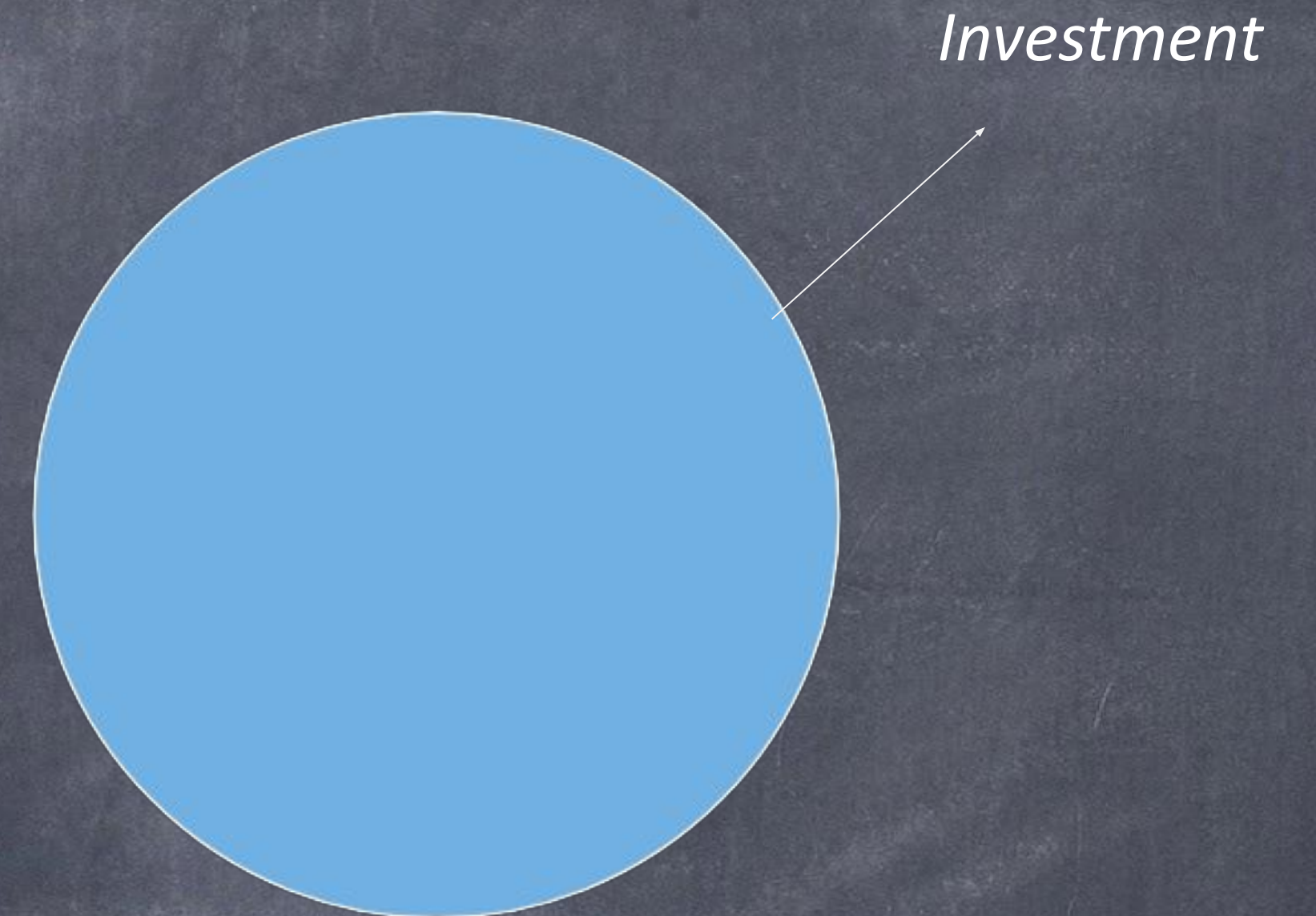


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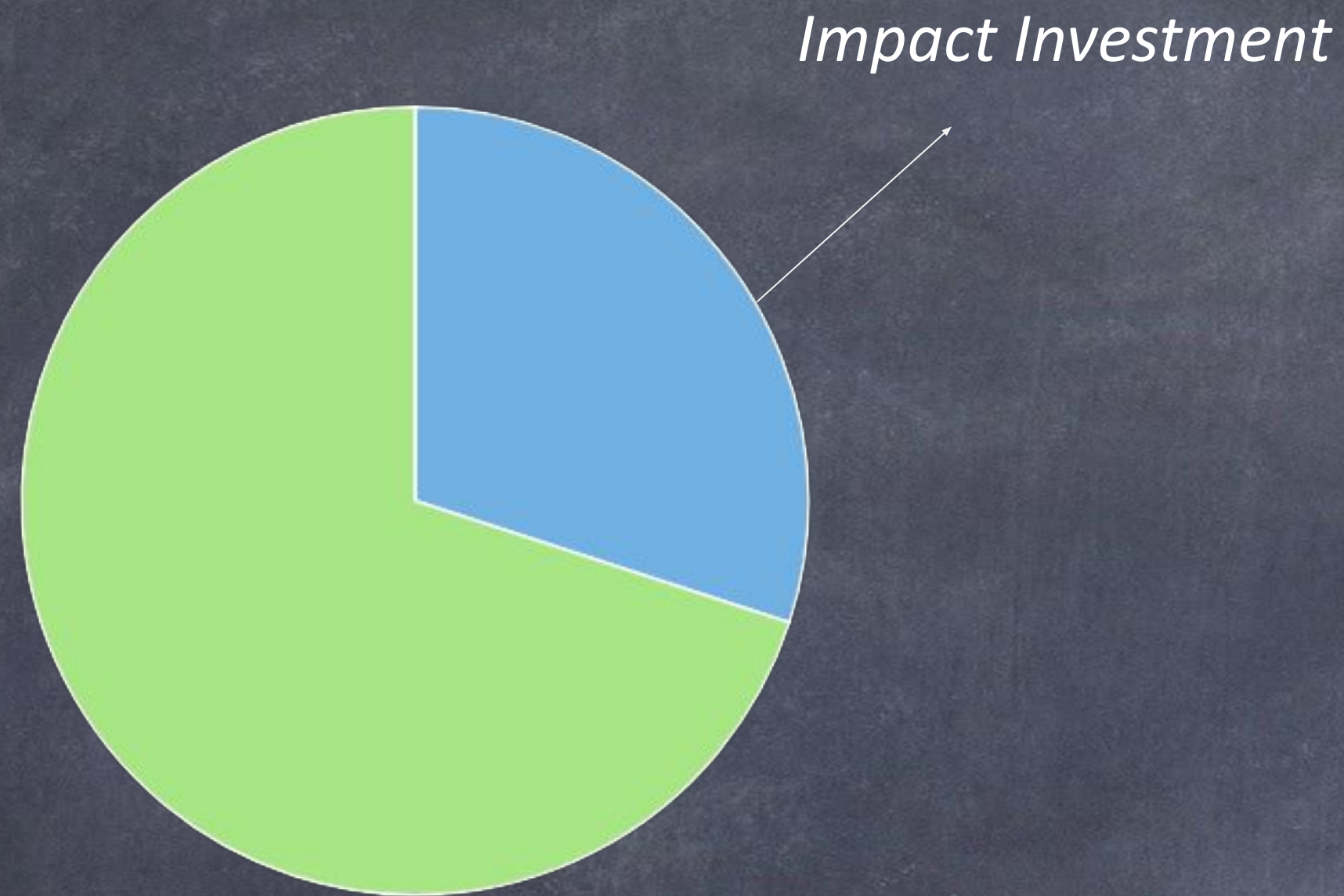
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***The hint:***

*90% of Millennials would switch brands to one associated with a cause*

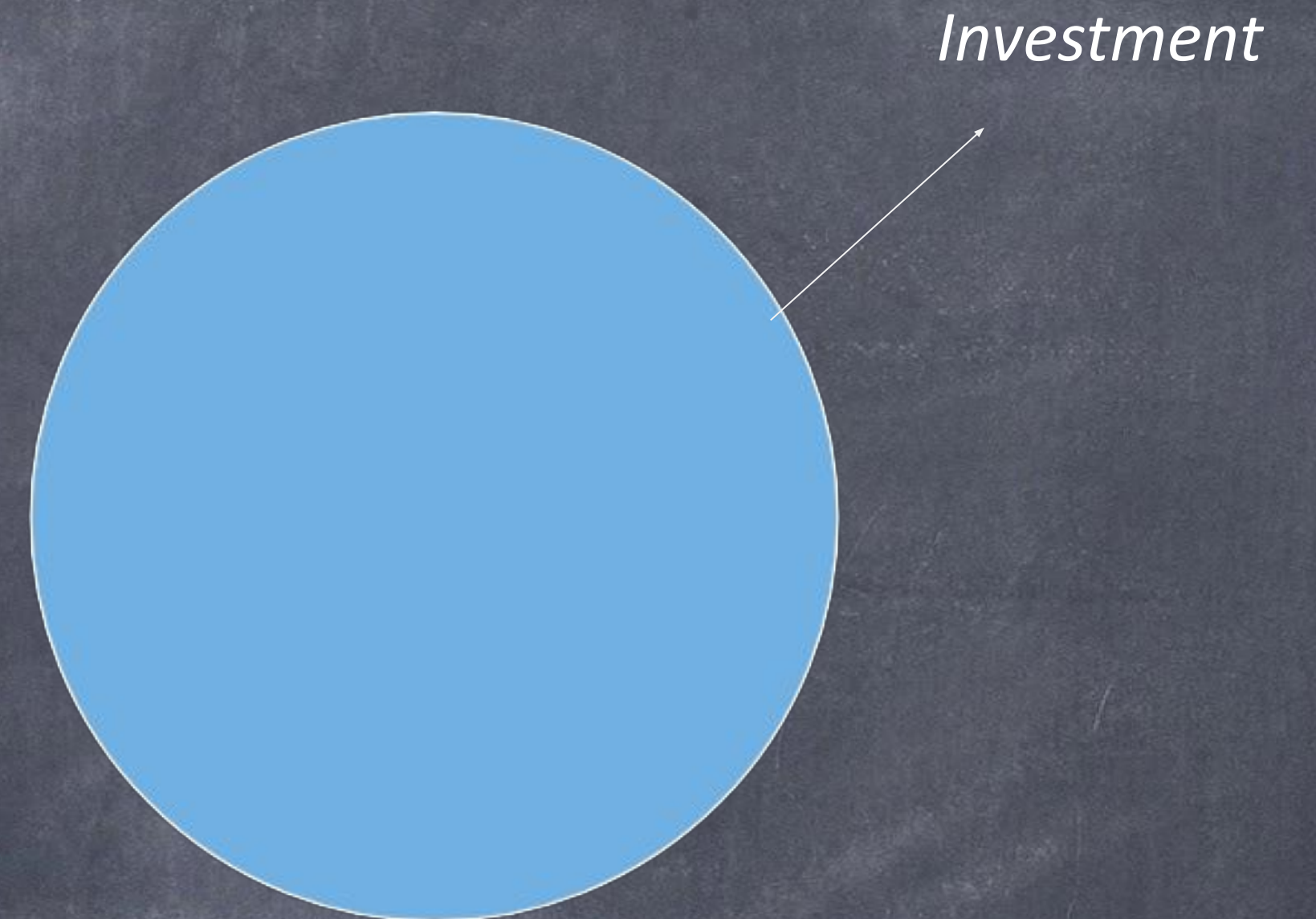


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- ✓ 7 sectors targeted (~ 65%):
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- ✓ GIIN estimates that 34% of impact investors target below-market returns



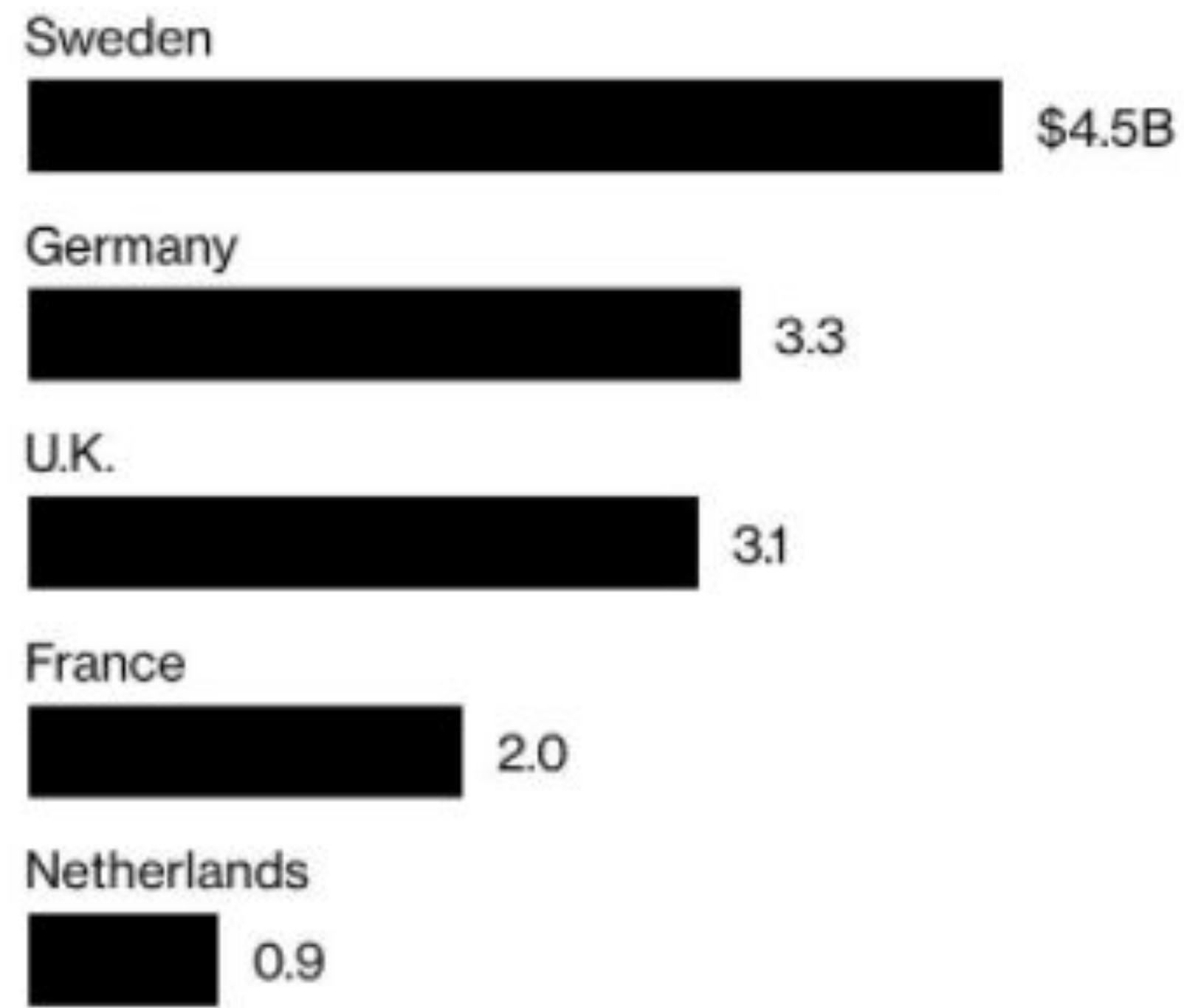
A guess:  
what are the top European countries, by ticket, of  
investments with impact?



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## **Europe's Impact Capital**

Biggest VC locations in Europe for SDG investment in 2021

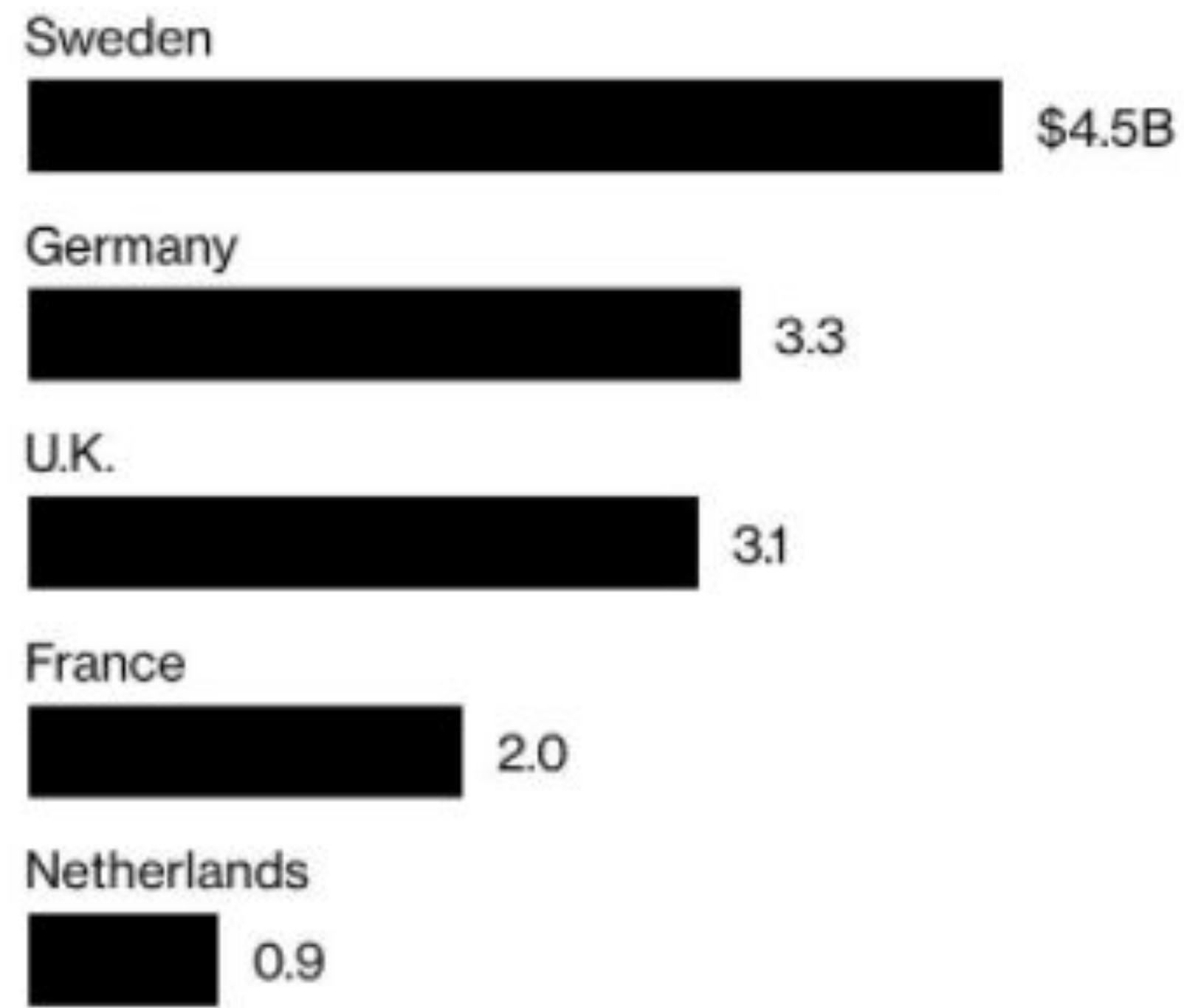




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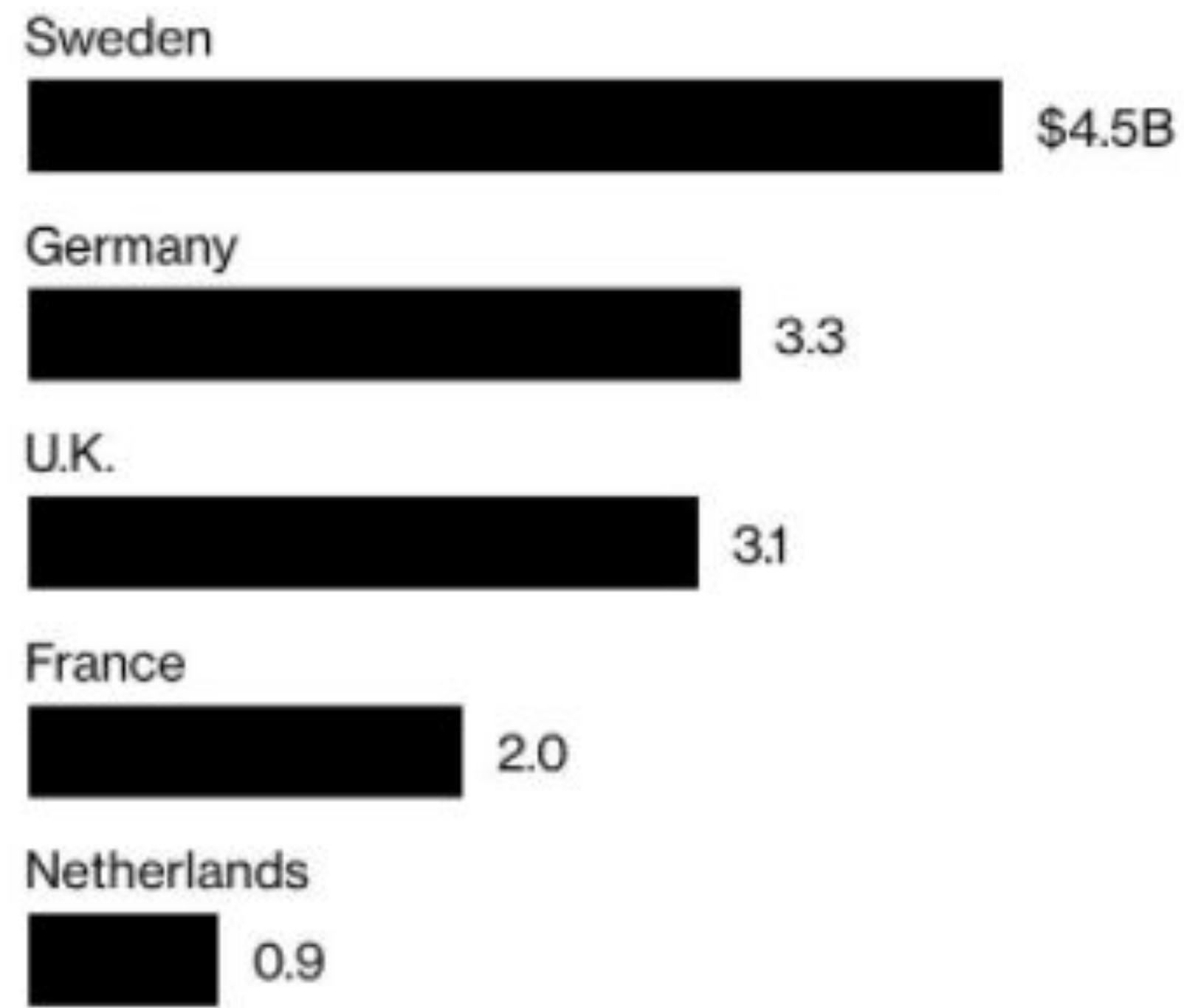
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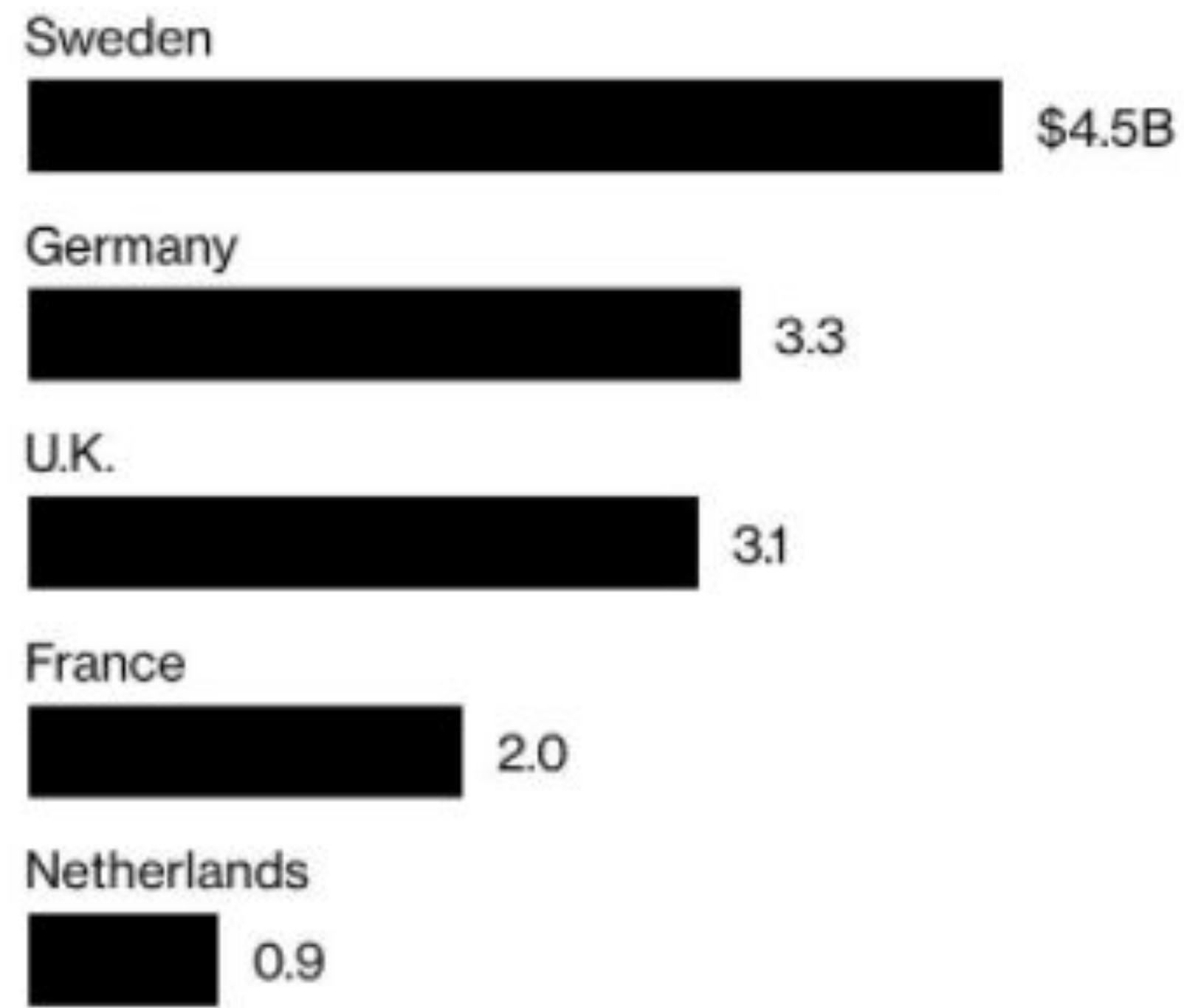
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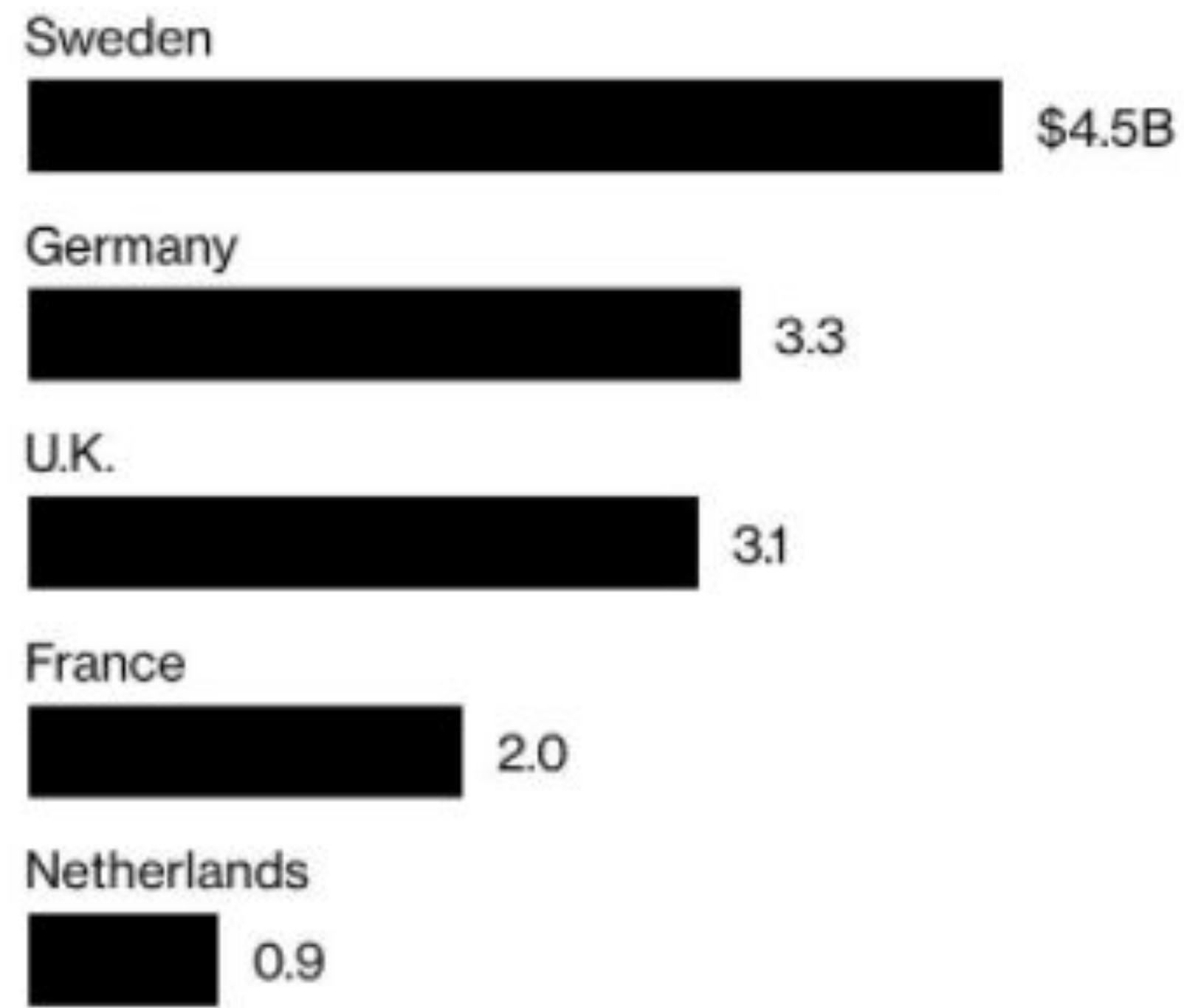
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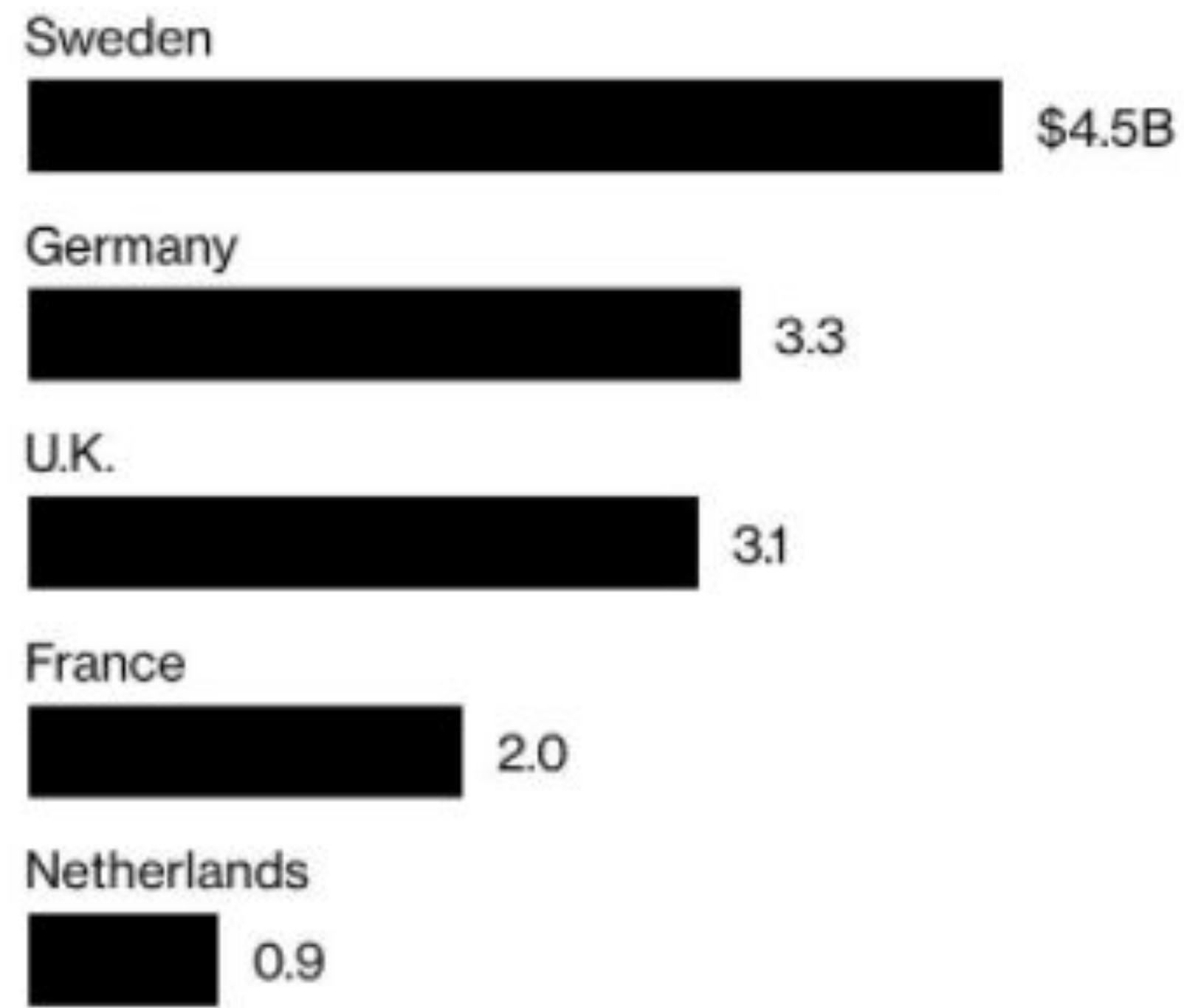
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- “has evolved from niche strategy into something closer to mainstream” (Tove Larsson, GP at Norrsken VC)



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- “has evolved from niche strategy into something closer to mainstream” (Tove Larsson, GP at Norrsken VC)
- goal is to “provide institutional investors with evidence that impact can create great financial returns.”



*\_use cases – SE's*

**Winnow**

(<https://www.winnowsolutions.com/>)

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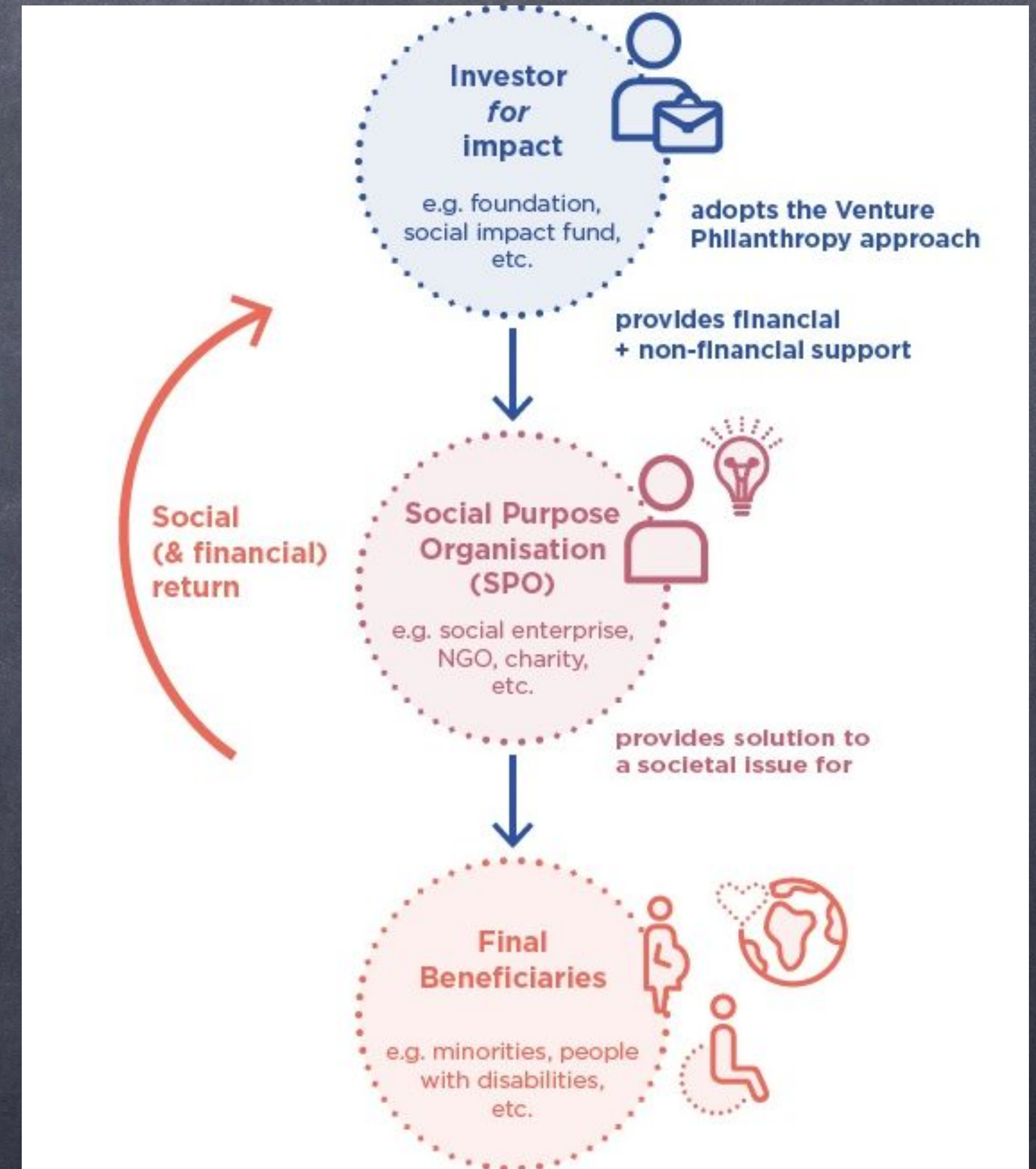
*€36M fund to invest in 100k to 5M tickets for*

*startups out of Portugal*



kinds of impact investing

venture philanthropy



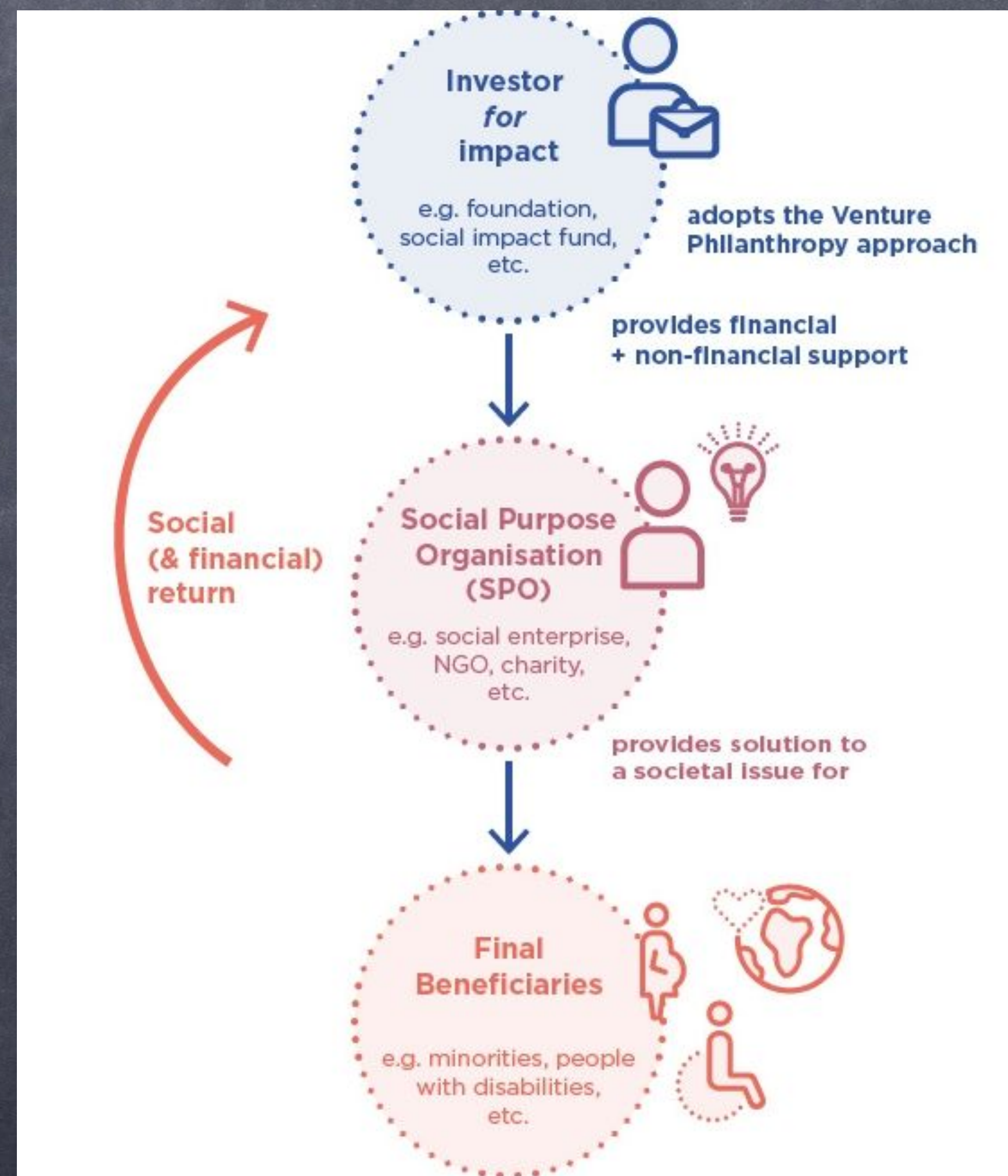


## kinds of impact investing

- ✓ Venture Philanthropy (VP) is a high-engagement and long-term approach whereby an investor for impact supports a social purpose organisation (SPO) to help it maximise its social impact.
- ✓ Tailored financing (grant, debt, equity, hybrid...)
- ✓ Non-financial support
- ✓ Driven by a philanthropic mission
- ✓ Impact Measurement & Management

Source: European Venture Philanthropy Association (EVPA)

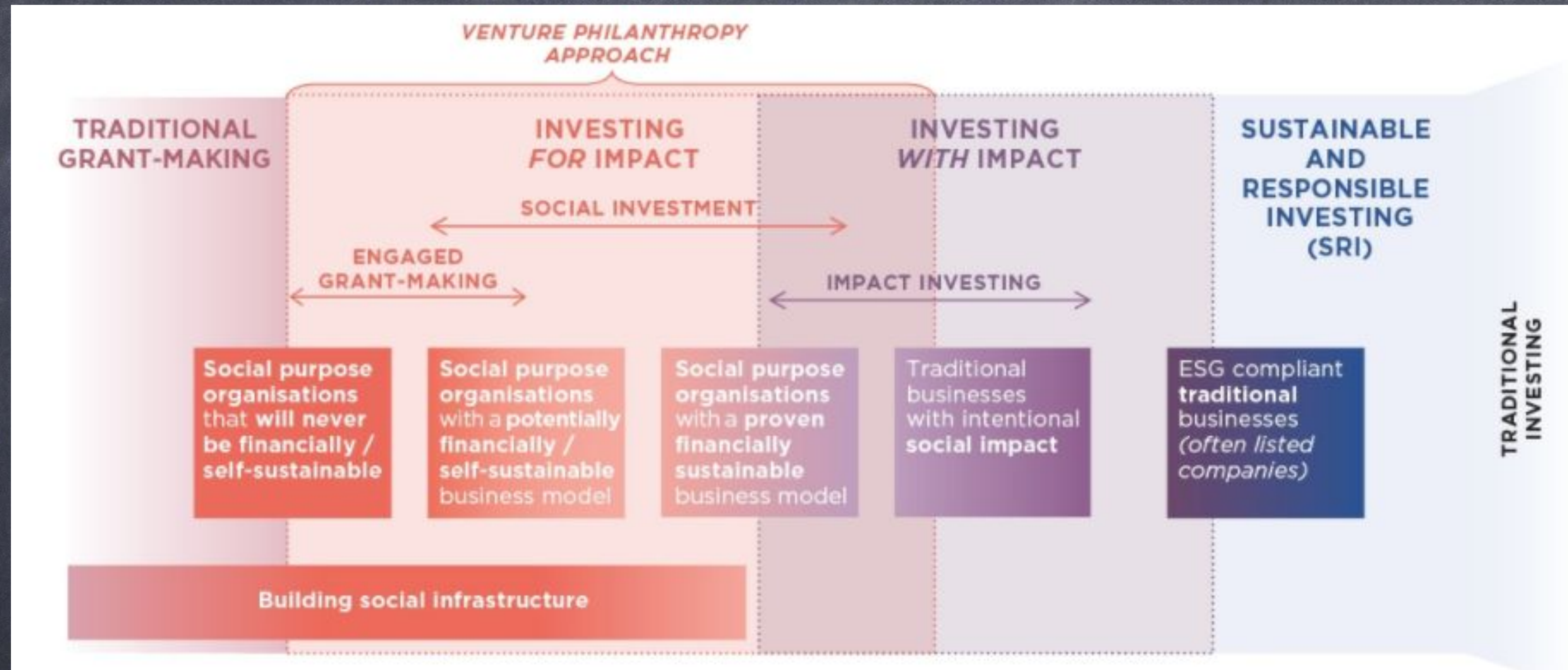
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kinds of impact investing

\_venture philanthropy II

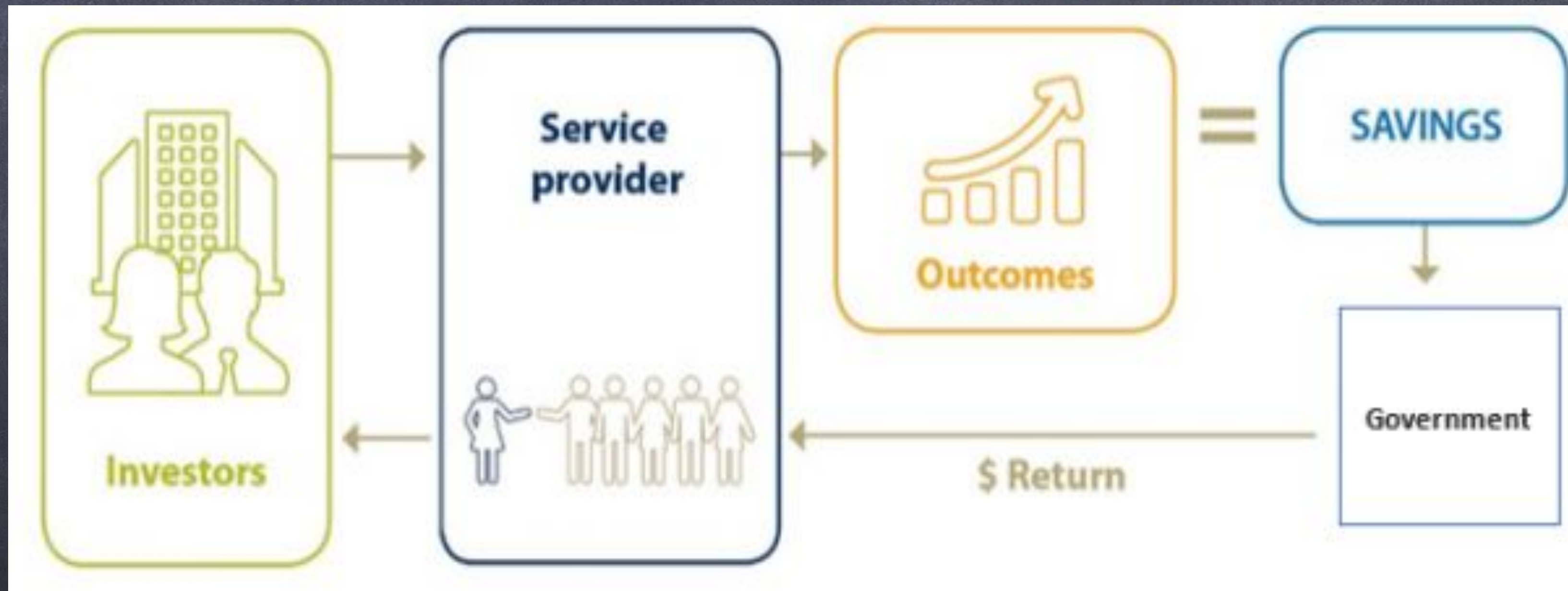




*kinds of impact investing*

*\_social impact bond (SIB)*

- ✓ SE: get funded based on own KPI's + tax incentives
- ✓ SI: regular debt (principal + interest rate)
- ✓ Government: outcome basis contract + “outsourcing”





To come:

- ✓ Midterm exam @ March 8th 2025 at 12:00



See you on next session :)