

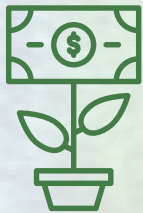
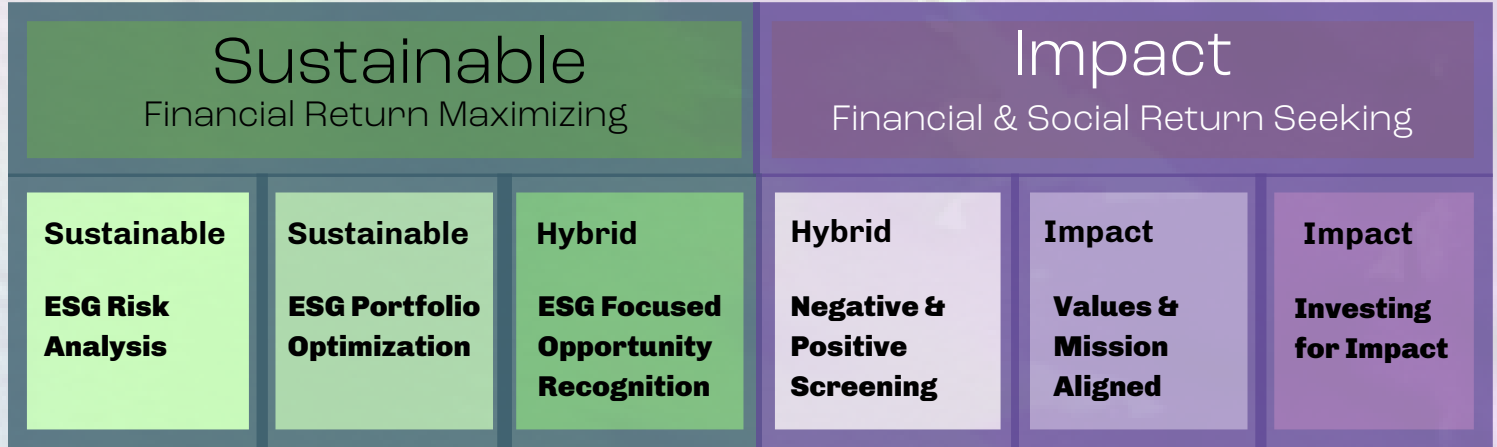
Sustainable and Impact Investing



View the Fire Capital [Sustainable and Impact Glossary](#) on our [website](#) to learn more about some of the common terms used in the sustainable and impact investing space.



Sustainability & Impact Investment Spectrum

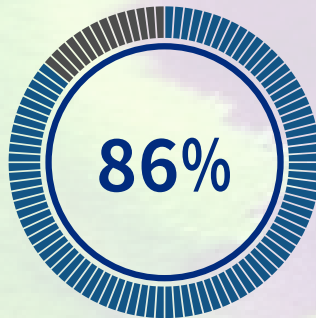


Traditional investing seeks to place investor capital into investment opportunities where the expected returns compensate for the risk(s). Sustainable investing balances this along with environmental, social, and governance-related (ESG) insights to improve long-term financial return and/or reduce financial risk (i.e., maximize investor outcomes).

[Click the image on the left to learn more about commitment to sustainable investing](#)

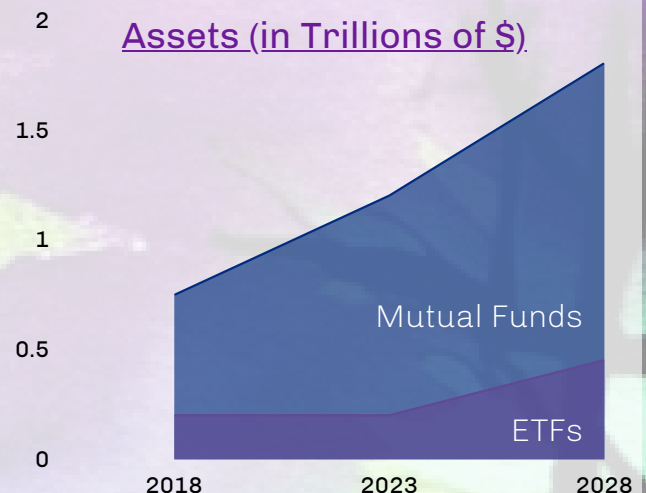
Younger generations are shaping the movement...

Percent of Millennials interested in sustainable investing, or investing in entities that aim to generate market-rate financial returns, while pursuing positive social and/or environmental impact



Millennials are twice as likely as the overall investor population to invest in companies targeting social or environmental goals

Anticipated Growth of Sustainable Mutual Funds and ETFs Assets (in Trillions of \$)



Sources: BlackRock, with data from Broadridge/Simfund, June 2018. Notes: The chart shows the total assets under management in ESG mutual funds (MFs) and ETFs globally.

View Morgan Stanley's "[How Younger Investors Could Shape the World](#)" and their [Institute for Sustainable Investing](#) for more information on these trends.

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Environmental, Social, and Governance (ESG)

In analyzing investment opportunities, investors are increasingly applying ESG factors as part of a broader process to identify material financial risks and growth opportunities



Environmental
Conservation of the
natural world



Social
Consideration of people
& relationships



Governance
Standards for
running a company

Click on each icon above to view short videos on ESG and sustainable investing and view the [CFA Institute's ESG Investing and Analysis Hub](#) for a more detailed overview of these pillars.

Top three specific issues for money managers and institutional investors:

- 1 climate change / carbon emissions**
- 2 sustainable natural resources / agriculture**
- 3 board issues**

Source: US SIF

Sustainable Investing Styles

Avoid



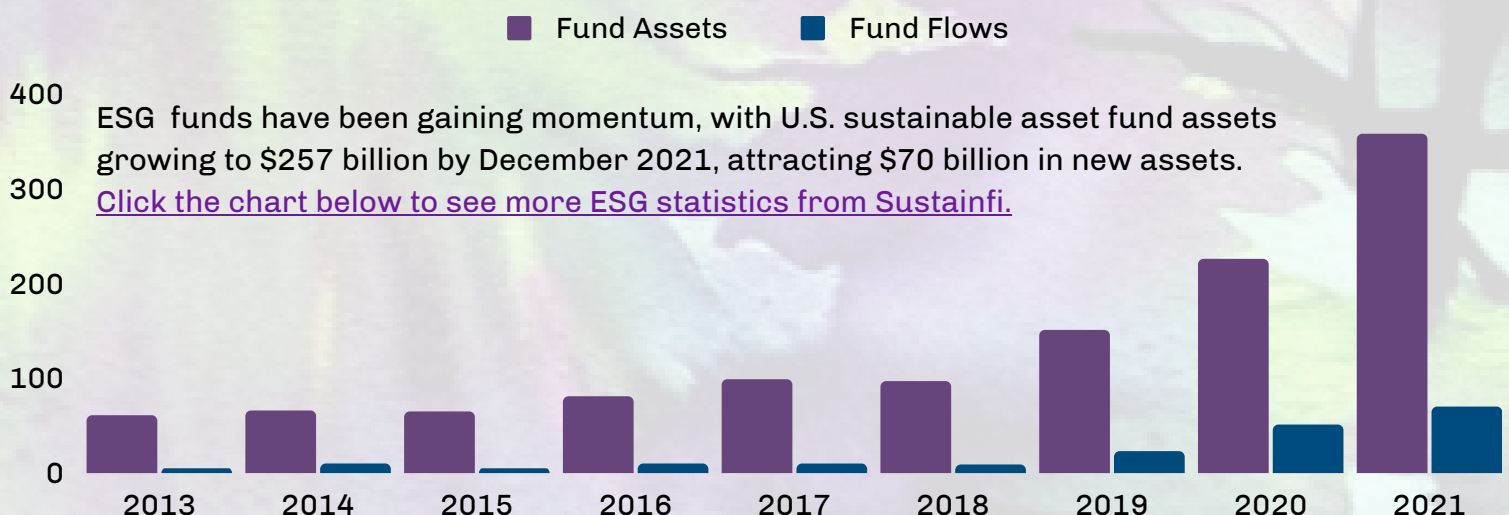
Minimize or eliminate exposure to companies or sectors associated with negative ESG characteristics or those violate the investors values

Advance

Increase or target exposure to positive ESG characteristics (e.g., focusing on a specific social or environmental theme)



U.S. Sustainable Funds (in billions \$)



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Impact Investing

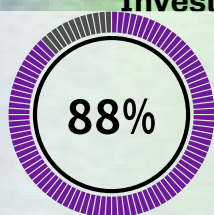
Impact investing seeks to place investor capital in opportunities that consider not only expected financial returns, but also social and/or environmental factors. It is sometimes considered an extension of philanthropy. View the Global Impact Investing Network's "[What is Impact Investing](#)"

Impact Investing Asset Class vs Return Rate Spectrum

Market-Rate Investments



Source: GIIN

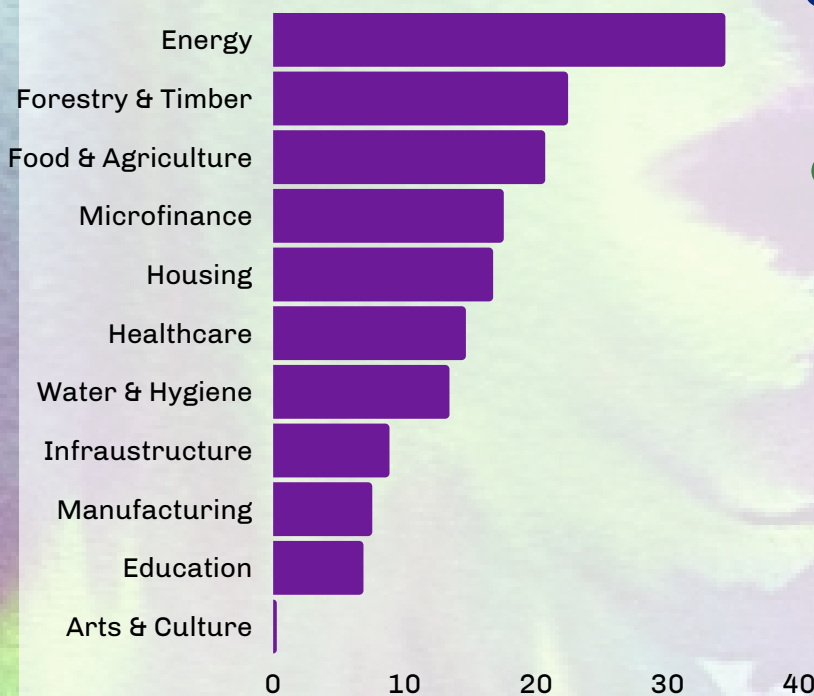


Financial returns don't have to suffer

According to the [GIIN's 2020 Annual Impact Investor Survey](#) 67% of impact investors pursue risk-adjusted market-rate returns, with 88% reporting that actual performance is in-line or above expectations

The Impact Market is Diverse

Impact Assets for Select Industries
in Billions of USD



Source: [GIIN 2020 survey](#)

Top Four Expected Challenges for Impact Investing for Next Five Years



Source: [GIIN 2020 survey](#)

Impact Case Studies



There isn't one single way to be an impact investor.

[Click on each icon to view and read examples of various impact investments.](#)



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