



INVEST *for* BETTER

Women Lead the Way

Create Your Impact Investment Statement^[1]

The purpose of this exercise is for you to create an Impact Investment Statement that will help you to define your goals for how impact investing fits into your financial planning. An Impact Investment Statement will help you keep your impact goals top of mind when reviewing investment opportunities.

REFLECTION QUESTIONS

I. Impact Goals

- A. Why are you interested in impact investing?
- B. Are there specific themes that you are interested in focusing on for some or all of your investing; e.g. gender lens, environment, human rights, etc.? Issue areas that you want to avoid?
- C. Are there specific geographies that you are interested in focusing on for some or all of your investing? Areas to avoid?
- D. What would be success in terms of impact?

II. Assets

- A. What capital do you have to deploy and do you have requirements for or boundaries around your investments? (e.g. authority over investments, income needs, etc.)
- B. What money (capital sources) will you use (e.g. personal wealth, retirement account, family business, etc.)?
- C. Will you use money already dedicated to philanthropy (e.g. Foundation, Donor Advised Fund, personal)?

II. Deployment of Assets

- A. What asset classes do you want to invest in?
 - a. Public equity
Public debt
 - b. Private equity
 - c. Private debt
 - d. Venture capital
 - e. Angel investing
 - f. Guarantees
 - g. Other
- B. Are you interested in shareholder activism; e.g. proxy voting?
- C. How engaged do you want to be with your investments? What does that engagement look like?
- D. What percentage of your assets will you dedicate to impact investing?
- E. Do you have a lump sum to invest now or will you invest over a given time period? Will you allocate a specific amount of money to invest each year?

III. Liquidity

- A. What are your liquidity requirements?
- B. How long are you willing to wait for the return of your capital?

IV. Financial Risk, Return and Impact

- A. What financial returns do you want to target? Would you take lower returns if there was the possibility of a substantial social/environmental upside?
- B. How much money could you comfortably lose? Would you assume more risk if the return of the investment could have a substantial social/environmental upside?
- C. Would you be willing to trade potential liquidity for increased impact?
- D. Do your goals vary by capital source (e.g. personal wealth vs. foundation)

YOUR IMPACT INVESTMENT STATEMENT:

Impact Investment Statement Examples

1. I will allocate 10% of my personal assets to early and mid-stage market-rate impact investing, primarily in the areas of equity and diversity. The remaining 90% will be invested in a diversified socially responsible portfolio across all asset classes and I will actively vote my shares, especially on equity and diversity issues
2. I want to have the greatest impact possible with my assets and am comfortable with allocating as much as 30% of my assets to high social/environmental impact investments that may not achieve a market rate of return. I want to help build new markets that will unleash more capital towards the issues I care about.
3. I wish to be actively involved and, therefore, will make a few larger investments in early stage ventures with 20% of my capital where I can serve on the board of directors and provide follow-on capital. The rest will be invested in socially responsible public market strategies.

[i] Many resources exist to help you develop a traditional Investment Policy Statement (e.g. www.investopedia.com; www.cfainstitute.org etc). An Impact Investment Statement can be either added on to your IPS or integrated throughout.

Invest for Better is a project of The Philanthropic Initiative. For more information, visit us at investforbetter.org.

