INVESTING FOR GLOBAL IMPACT

A POWER FOR GOOD

2020

INDIVIDUALS, FAMILIES, FAMILY OFFICES & FOUNDATIONS

GIST
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FOREWORD

Dear reader,

There is little doubt that 2020 has been a challenging year. In the midst of a global pandemic, social uprisings, and a climate change emergency, this study puts the role and responsibility of private wealth into focus. With impact investing being one of the most visible and dynamic sectors in the investment industry, the *Investing for Global Impact: A Power for Good* research provides valuable insights on opportunities and challenges ahead.

For those just starting off in impact investing, the study provides a broad overview of the market; showing its continued growth with attractive financial returns, and offering learnings about common impact approaches and portfolio strategies. We also explore how COVID-19 and the climate change crisis have accelerated the demand for impact investing products.

Investors who have already made their first impact investments and are considering doing more, will find useful information on industry trends. As one would expect, healthcare is a growing sector, alongside food and agriculture, and water, sanitation, and hygiene. We have also found that among the impact themes, the top three United Nations' Sustainable Development Goals respondents are targeting are education, good health/well-being, and gender equality.

Expert impact investors will find their experience reflected in industry challenges and opportunities. The research suggests that while great progress has been made in improving impact measurement, in having access to high-quality investments with proven track records, as well as in finding a common language, these issues remain a challenge for the market to progress. Investors will also find new comparisons to inform their progress, such as the percentage of investors who know, and would like to know, the carbon footprint of their portfolio and what others are doing with it.

In addition to these fascinating statistical insights, our six case studies provide a rare chance to learn from high-profile wealth holders, including leading philanthropists, multi-generational family entrepreneurs, and experienced impact investors, as they share a personal perspective on philanthropy and impact investing. As well, in our Partners' Roundtable Discussion, we reflect on the report's findings and the industry's current state and trajectory.

The Partners would like to thank all families and executives who took part in this research and have made a valuable contribution to the community.

We hope you enjoy the read.

Yours faithfully,

Dominic Samuelson
Chief Executive Officer
Campden Wealth

Gamil de Chadarevian
Founder
GIST

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EXECUTIVE SUMMARY

Investing for Global Impact: A Power for Good 2020 analyses individuals', families', family offices', and family foundations' attitudes towards and activity within impact investing, traditional investing, and philanthropy. This includes, for instance, their perceptions of impact investing and philanthropy, investment approaches, the challenges they face when investing, and how they see the sectors evolving. This year will also offer a special focus on the environment/climate change and COVID-19. A total of 302 respondents from 41 countries were surveyed and 17 were interviewed. They have an estimated accumulated net worth of US$264 billion. Some of the key findings include:

Impact investing: A rising star

Impact investing is becoming part of the solution to address pressing global issues. Nearly half of respondents (47%) say that impact investing is growing steadily and 22% say the market is about to take off. Reflecting positive experiences (p. 14-15), 87% report that their impact investments over the previous year have either satisfied or exceeded their expectations in achieving desired social/ environmental objectives (p. 46).

Debunking the myth of low financial returns

The majority of respondents debunk the myth that impact investing means compromising financial returns. Sixty-seven percent reported their impact investments met or exceeded their expectations of financial returns (p. 47). Forty-five percent of respondents say that one can choose to target lower financial returns or take on greater risk, but one does not have to give up returns in impact investing (p. 42-43).

Impact investing is a 21st century phenomenon

Reflecting the recent rise of impact investing, 80% of respondents reported that their first impact investment was made in the new millennium and more than half (52%) started impact investing in the last decade (p. 15-16).

Driven to make the world a better place

The number one ranked reason for respondents to engage in impact investing relates to their sense of responsibility to make the world a better place, which is a priority for 38%. Twenty-six percent want to show that family wealth can be invested for positive outcomes and 24% believe that incorporating sustainability considerations will lead to better investment returns (p. 20-21).

COVID-19 causing a further rethink of capitalism

The global pandemic has accelerated the urgency to change investing strategies. Seven-in-ten (69%) say COVID-19 has affected their views of investing and the economy, and two-thirds (66%) said it is likely to broaden their risk assessment to include more environmental, social, and governance (ESG) factors (p. 80). Sixty-four percent also felt that the crisis will force a deeper reconsideration of shareholder capitalism (p. 83).

Impact investing increasing in portfolio allocation; philanthropy remains constant

Despite fears of a global recession, respondents expected to increase their average portfolio allocation to impact from 20% in 2019 to 35% by 2025. Twenty-seven percent plan to allocate more than 50% of their portfolios to impact investing within the next five years (p. 22-23). While impact investing appears to be accelerating given the ongoing pandemic, philanthropy accounts for 10% of respondents' average portfolio and is likely to remain stable next year (p. 24).

Direct investments and private assets continue to dominate focus

A majority (56%) of respondents channel their impact investments directly into companies, projects, and real assets, with private equity being the most popular asset class (p. 25). In terms of sectors targeted, investments are expected to increase mainly in five: healthcare; food and agriculture; water, sanitation, and hygiene; education; and information and communication technologies (ICT) (p. 28).

Familiar challenges ahead: Measuring impact, showing track records, and establishing a common language

Although respondents report progress in various areas, improving impact measurements/management practice is still a significant challenge for 58% of respondents, followed by the lack of high-quality investments with proven track records (54%), and a common understanding of definitions and segmentation of the impact investing market (51%) (p. 48-50).

UN SDGs are most popular tool for impact management

When relying on external impact tools, the United Nations' Sustainable Development Goals (SDGs) is the most popular framework, adopted by 18% of those engaged in impact, while 15% rely on internal metrics. It appears that the SDGs tend to be used to set impact objectives, while internal metrics are more likely used to measure impact performance. The top three targeted SDGs are education, good health/well-being, and gender equality (p. 33-34).

Knowing your carbon footprint

Nearly one-in-five (19%) of respondents know the carbon footprint of their portfolios, and 39% say they would like to know their carbon footprint to help future investing. Nearly nine-in-10 respondents (87%) note that climate change is either partially (50%) or highly (37%) relevant to their impact investing portfolios. Climate change also influences two-thirds (67%) of respondents' philanthropic activities (p. 66-67).

Desire for governments to do more to combat climate change

Eighty-six percent of respondents feel that governments need to do more to meet the Paris Agreement commitment. While more than half (53%) assert that Europe is leading the world in carbon-neutral initiatives, 64% still feel that without the United States government's active involvement in addressing climate change, it will not be possible to achieve the needed results (p. 68-69).

Responsibility to collaborate

Private wealth holders believe they have a responsibility to support global social/environmental initiatives – a statement supported by 82% of respondents. With regards to resolving the ongoing crisis (p. 70), respondents deem a collaborative approach most effective; with corporations, public-private partnerships, and families/family businesses supporting the lead of government action (p. 84).

1.

Survey participants

1.1 Introduction

The world as we know it erupted in 2020. Paradoxically, as we are facing a health crisis and economic recession, the experience of COVID-19 has heightened the urgency to act. Instead of obstructing change, many now realise our potential to seize the moment. This has offset some of the division the world has faced over tackling the issues most pertinent to us, such as climate change, social inequality, health and well-being. Through this crisis have come more calls for society to take responsibility to address the problems of our global community. What has emerged from this study is how family wealth, through investing and philanthropy, can be part of the solution to achieve social and environmental change.

This year, the *Investing for Global Impact: A Power for Good* study focuses more closely on the ultra-high net worth community and includes more family offices, relative to private investors, with the aim to explore the strategies, motivations, and attitudes of this cohort. The report's unique contribution is to reflect the collective views of the private wealth community on impact investing, philanthropy, and traditional investing. Specifically, the report explores respondents' investment strategies, portfolio allocations, returns, forthcoming expectations, and investment challenges. We also take the pulse on pressing global issues and highlight the environment and climate change as a key theme for this year's report, along with an examination of the private wealth community's response to COVID-19.

We have found that, driven by the community's deep sense of responsibility to 'make the world a better place', the impact investing space is growing rapidly within it. A relatively recent phenomenon, impact investing has seen a significant surge since the beginning of the new millenium. With the COVID-19 global pandemic being a 'wake-up call', pressure on investors is building further to widen risk assessments and target social/environmental objectives when making investments.

Our findings show that this has had a positive effect. Investors increasingly realise that engaging in impact investing does not mean one has to compromise on financial returns. Significant progress has also been made on improving impact measurement as better access to reporting data reduces greenwashing.

The report sheds light on attitudes of private wealth holders, who are often deeply committed to supporting social and environmental initiatives. For example, over half (52%) believe that, long-term, climate change will be the greatest threat to the world and 83% are very concerned by the effects we are already seeing from climate change. Furthermore, the large majority of respondents (69%) agree that COVID-19 has affected their views of investing and the economy. Over two-thirds (64%) even expect that the crisis will force a deeper reconsideration of shareholder capitalism.

Such a shift in paradigms opens up unique opportunities to start or deepen engagement in impact investing. Additionally, our case studies introduce high-profile impact investors and philanthropists who share their views on past, current, and future developments in 'being a power for good'. The research provided here allows investors/philanthropists to prepare and evaluate strategies, and to learn from the experiences of their peers from around the world.

Methodology: The Investing for Global Impact report uses a mixed method, qualitative and quantitative approach. Between April and June 2020, 341 surveys were collected from organisations and individuals around the globe, of which 302 responses were included in the study. The organisations represented include family offices, family foundations, and private investors. Seventeen interviews were also conducted to provide a greater perspective on survey responses and to produce case studies.

1.2 Global overview of participants

The following outlines a profile of those who participated in the research –

The typical respondent is either from a single family office or an individual investor/family

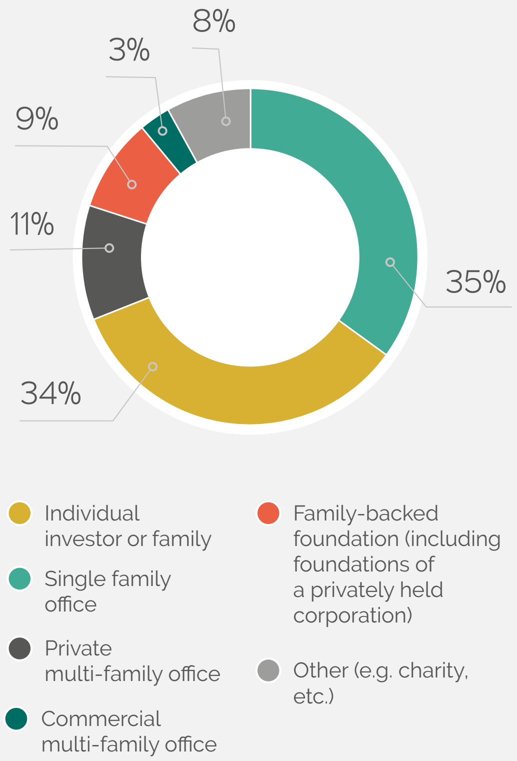
A notable 341 respondents participated in the Investing for Global Impact survey, while 302 valid responses were used to produce statistical results. Nearly half of those surveyed are from either single (35%) or multi-family offices (11% private and 3% commercial), with the average multi-family office servicing 11 families. The remaining respondents are individual investors/ families (34%), family-backed foundations (9%) or other related entities (e.g. charities) (8%) (figure 1.1).

This study represents a cumulative net worth of US$264 billion

The average net worth per participant/family stands at US$876 million, while the estimated cumulative net worth stands at US$264 billion, which is more than double that of last year's report (figure 1.2)[1]. This rise in net worth reflects the fact that more single family offices serving ultra-high net worth individuals/families participated in the study this year.

Figure 1.1

Type of organisation

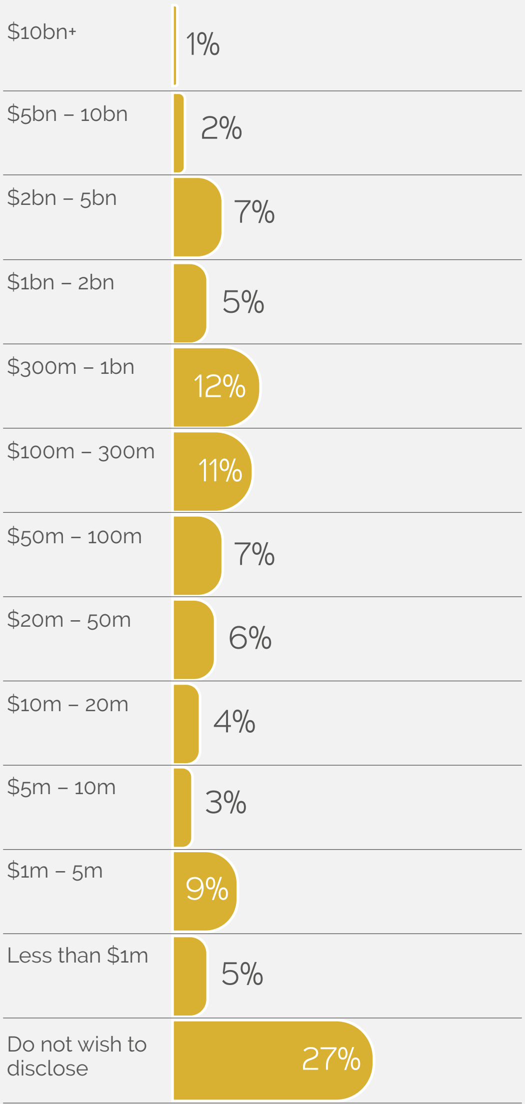


Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

[1] Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019.

Figure 1.2

Total net worth of the family



Average
$876 m

Accumulative total
$264 bn

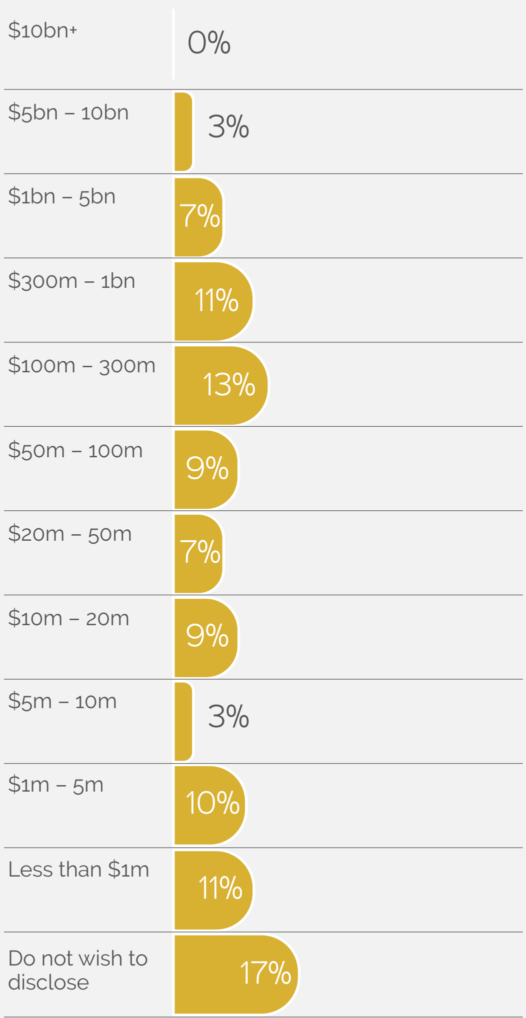
Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Average AUM stands at US$699mn with single family offices investing the largest proportion of assets

The assets under management (AUM) of those surveyed average US$699 million this year (figure 1.3). Comparing cumulative AUM by type of organisation, single family offices show their significant role in this research by bringing in a combined estimated AUM of US$94 billion, followed by private multi-family offices with US$38 billion, and individual investors with US$18 billion of investable assets (figure 1.4).

Figure 1.3

Value of your 2019 assets under management (AUM)



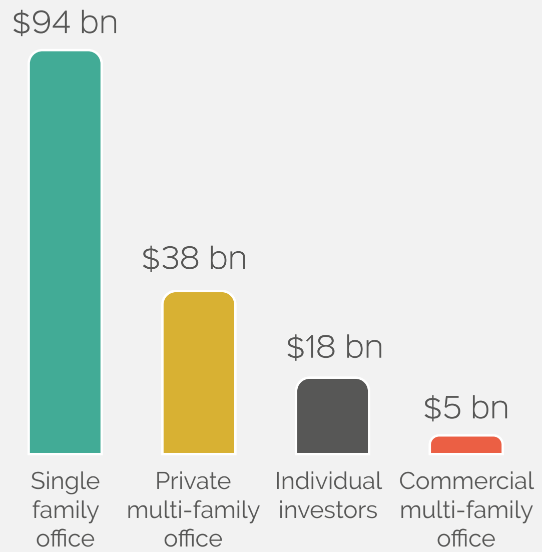
Average
$699 mn

Accumulative total
$211 bn

Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 1.4

Total estimated AUM by type of organisation



Base: All respondents, excluding foundations.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Note: small sample size for foundations, private and commercial multi-family offices.

Foundations dispersed US$19 million on average p.a.

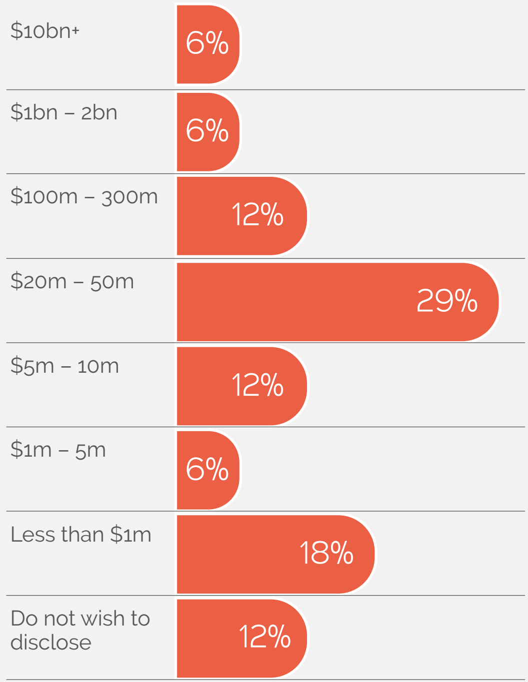
The foundations' average endowment is US$971 million, with the largest proportion, 29%, being valued at between US$20 million and US$50 million (figure 1.5). The average dispersal stands at US$19 million per annum, reaching an accumulative total of US$325 million annually (figure 1.6). It should also be noted that there were some foundations with particularly high endowment levels that have pushed up the average.

A global cohort with North America and Europe in focus

In total, the report represents respondents from 41 countries (figure 1.7). Over half (56%) of the participants are based in Europe, followed by 24% from North America, 11% from Asia-Pacific, and a combined 9% from the Emerging Markets (South America, Africa, and the Middle East). Somewhat reflecting the unevenness in respondent distribution, the average AUM broken down by region is highest in North America at US$965 million, followed by the Emerging Markets at US$749 million, Europe at US$606 million, and Asia-Pacific at US$438 million.

Figure 1.5

Value of 2020 endowment of family foundations

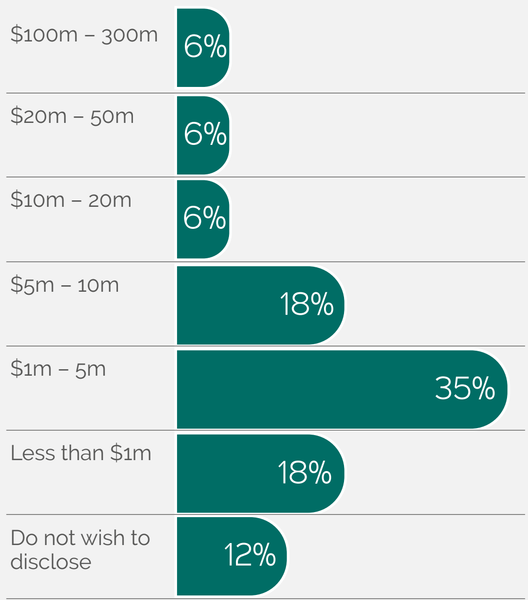


Average
$971 m

Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 1.6

Foundation dispersal per annum



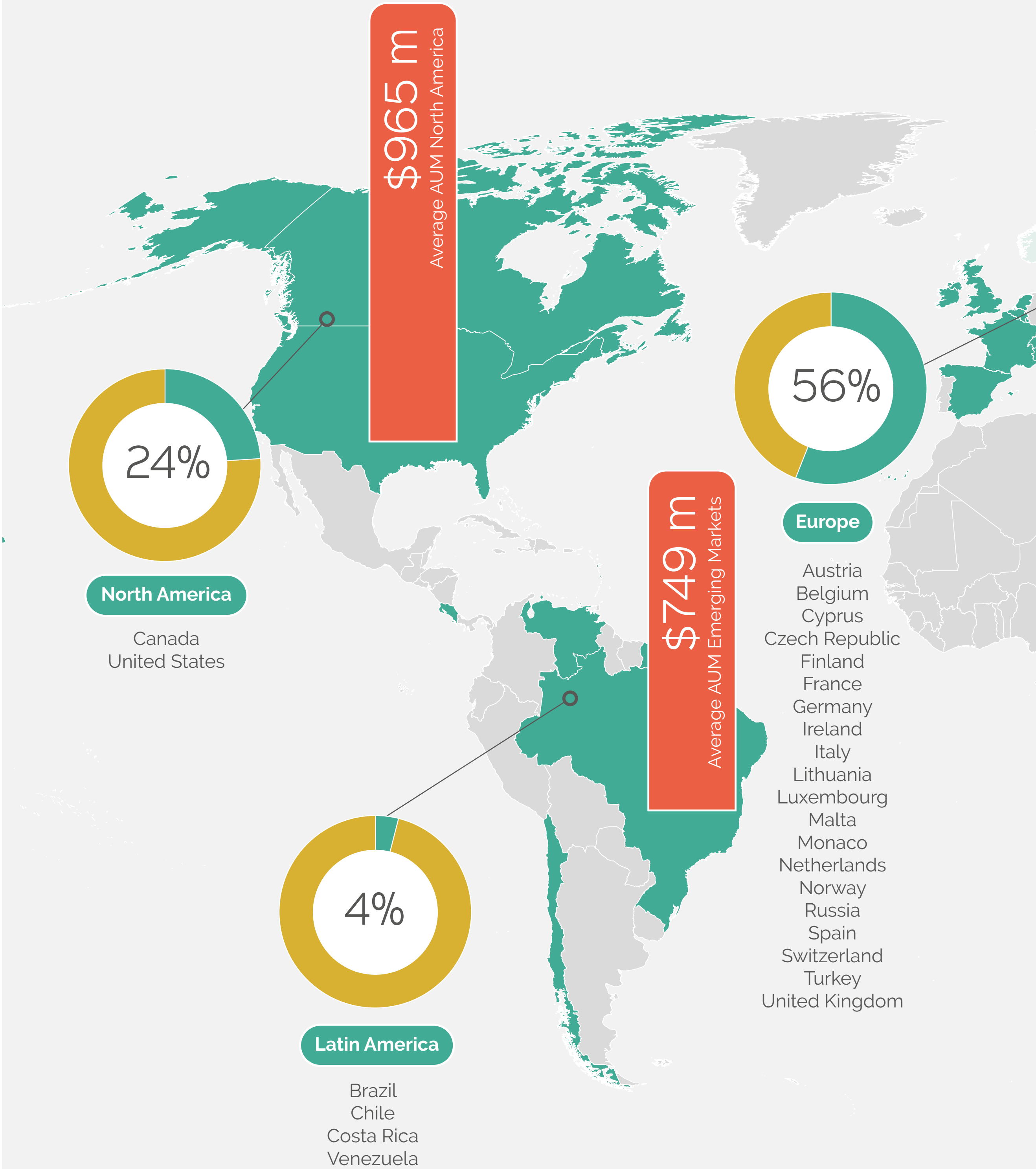
Average
$19 m

Accumulative total
$325 m

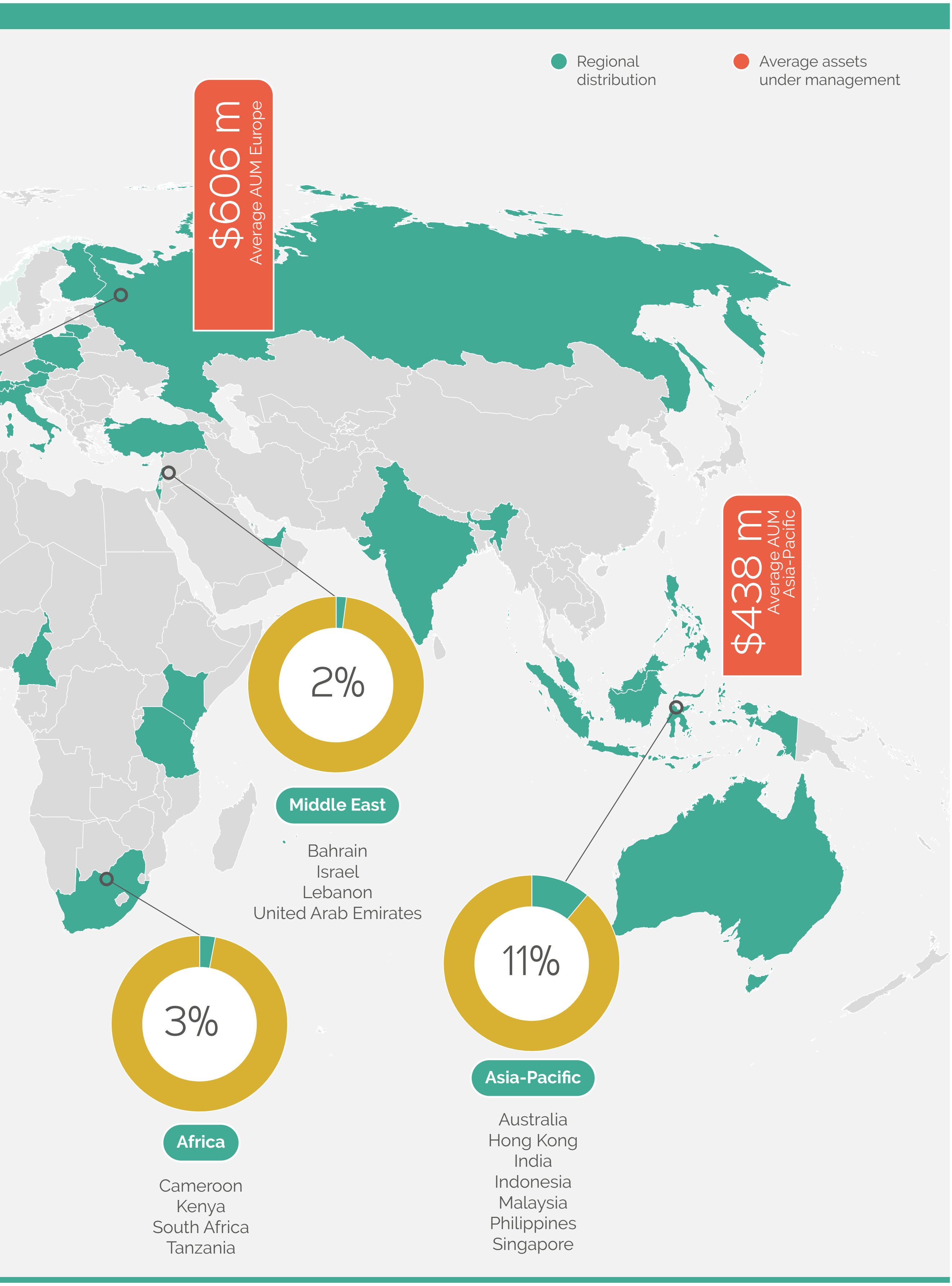
Base: All foundations.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 1.7

Respondents' regional distribution and value of their 2019 assets under management



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020
Emerging Markets include Bahrain, Israel, Lebanon, United Arab Emirates, Brazil, Chile, Costa Rica, Venezuela, Kenya, South Africa, Tanzania, Cameroon
Note: Small sample size for respondents from Emerging Markets and Asia-Pacific.


Regional distribution
Average assets under management
$606 m
Average AUM Europe
$438 m
Average AUM Asia-Pacific
2%
Middle East
Bahrain
Israel
Lebanon
United Arab Emirates
3%
Africa
Cameroon
Kenya
South Africa
Tanzania
11%
Asia-Pacific
Australia
Hong Kong
India
Indonesia
Malaysia
Philippines
Singapore

2.

Engagement, allocations, and strategy

Summary

- Nearly half (47%) of respondents believe the impact investing space is growing steadily and 22% say the market is about to take off. Reflecting the recent rise in impact investing, 80% of respondents made their first impact investment in the new millennium and more than half (52%) began impact investing in the last decade.
- The number one ranked reason to engage in impact investing is to make the world a better place. This is followed by a desire to show that family wealth can be invested for positive outcomes, and a belief that incorporating sustainability considerations will lead to better investment returns/risk projections.
- Fifty percent of respondents are active in impact investing, with multiple investments across different asset classes/causes, and 23% have made investments and are considering further opportunities. Interestingly, 16% pursue impact investing as their primary portfolio strategy.
- In 2019, among those engaged in impact, this form of investing accounted for an average of 20% of their investment portfolios. Respondents expect this to increase to 26% by 2021 and 35% by 2025. Also, 27% plan to allocate more than 50% of their portfolios to impact investing within the next five years.
- The top three actions taken to promote sustainability within a portfolio are: negatively screening companies (or industries) according to their beliefs and social values (used by 34% for all portfolio investments); integrating environmental, social, and governance considerations into investments (used by 26% across the whole portfolio); and 30% invest to address a specific social/environmental challenge in all/a majority of their investments.

2.1 Engagement

Impact investing: Investments made with the intention to generate positive and measurable social and environmental impact, alongside a financial return. Impact investments can be made with different investment approaches, across asset classes, and target a range of returns from below market to market rate, depending on investors' strategic goals.

Philanthropy: Charitable giving to human/environmental causes on a large scale. More than a charitable donation, it is an effort undertaken by an individual or organisation to improve social and environmental welfare. Wealthy individuals or families sometimes establish foundations to facilitate their philanthropic efforts.

In a pandemic era and with an economic crisis looming, one would expect gloomy predictions from investors. But impact investing poses a paradox. Despite fears of a global economic downturn, which is already taking effect in many parts of the world, the impact investing market plays a unique role. In times when paradigms are shifting, impact investing could be part of the solution to the pressing issues that we, as global citizens, face.

Impact investing is becoming more mainstream

In this context, it is no surprise that the impact investing space in 2020 is perceived to be growing steadily by 47% of the private wealth holders and family office executives who participated in this study (figure 2.1). Twenty-two percent even believe that the market is about to take off.

Taken together, these respondents far outstrip those who believe that impact investing is still in its infancy (25%) or that it is currently in decline (2%). These views reflect the surge in interest for impact investing and confirm research by GIIN, which found that the majority (69%) of institutional investors perceive the market to be growing steadily in 2020[2]. With society adding pressure, impact investing is bound to become more mainstream, according to an investment director in Europe:

> We're seeing a real uptake in the awareness of sustainability and impact. It's much more prevalent in terms of the public discourse, and certainly amongst larger investors. Also, the European legal frameworks are changing the rules of the game. Impact investing is becoming much more a part of mainstream expectation.
>
> Investment director, multi-family office, Europe

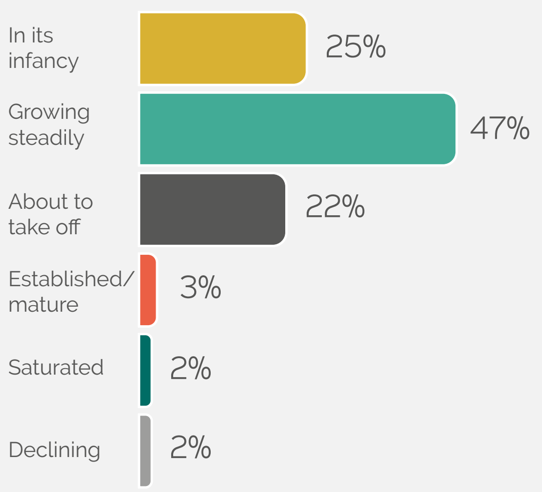
Impact investing adoption gained the greatest traction over the last decade

The surge in impact investing is notable considering that most investors (52%) began impact investing over the last decade; a factor which may be partly driven by the 2008 financial crisis triggering a rethinking of the impact arena. Twenty-eight percent began between 2000 and 2009, and a fifth (20%) made their first impact investment before the new millennium (figure 2.2). In the words of one family member from Europe:

> I first realised the potential of impact investing 10 years ago, when I started working with this topic. It was clear from the start, we should not compromise on financial returns or on investments' social or environmental impact. We need to create something where we can combine responsibility and good returns. I still believe in that.
>
> Family member, single family office, Europe

Figure 2.1

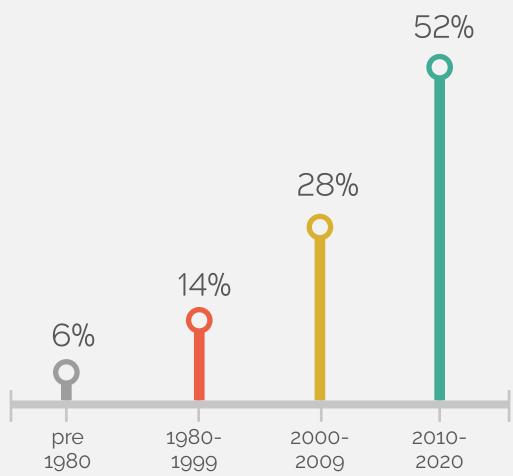
Assessment of current impact investing market



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 2.2

Year organisation made its first impact investment



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020

[2] Global Impact Investing Network (GIIN) Annual Impact Investor Survey 2020, p.23

Family offices made their first impact investments early

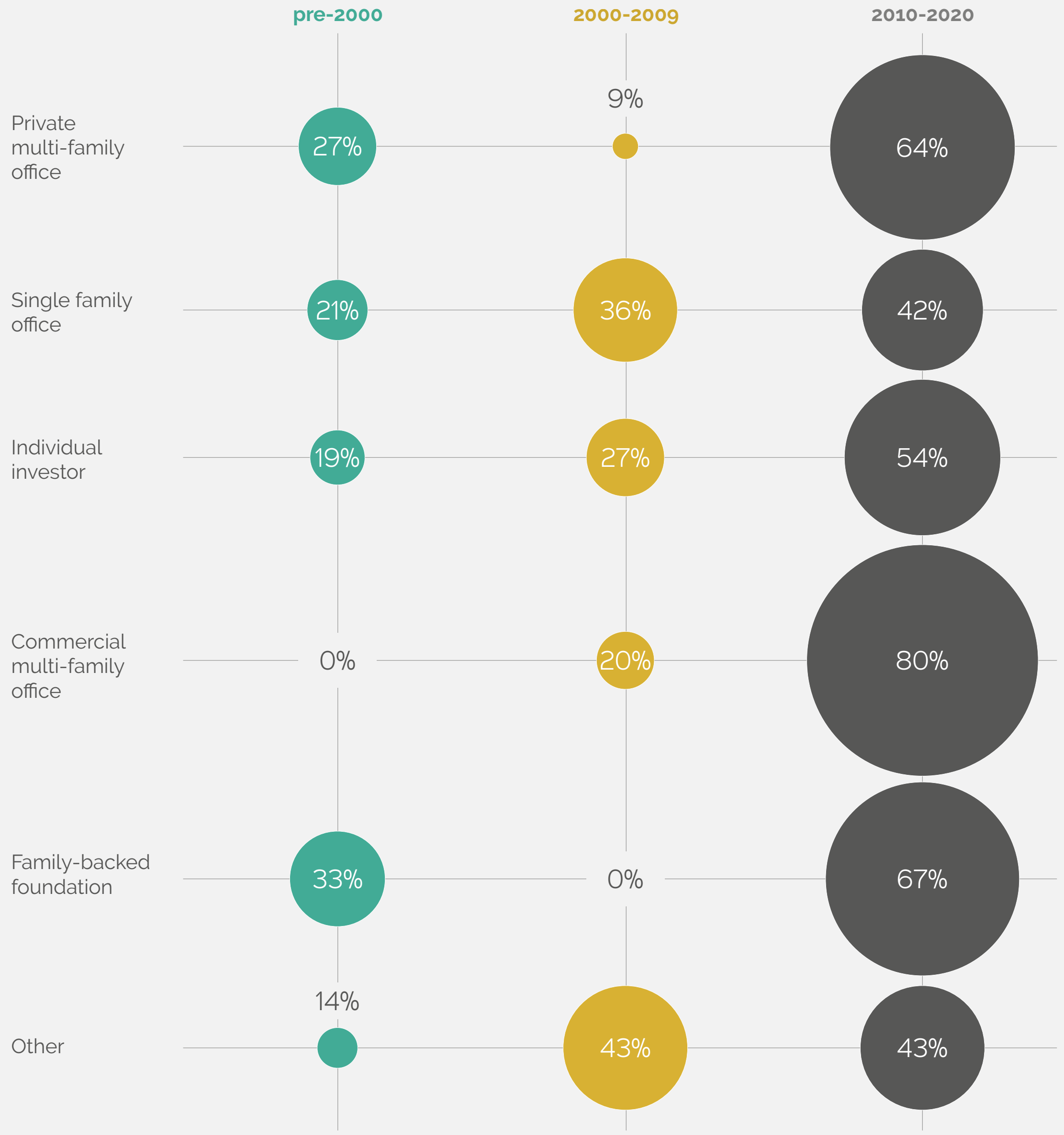
Looking more closely at the types of organisations driving impact investing, we find that family offices (private multi-family and single family offices) were first to engage in impact investing (figure 2.3), with 27% and 21% respectively, making their first investments before the new millennium. Across all types of organisations, the largest share started impact investing after 2010, confirming the relatively recent surge in the market.

Old money versus new money – there is little difference when it comes to engagement

Broken down by generation of family wealth, there is no indication that families with older generational wealth take a different approach to impact investing than those who came into wealth later on. In fact, a mixed strategy combining impact investing, philanthropy, and traditional investing is pursued across all private wealth holding families (figure 2.4).

Figure 2.3

Year of first impact investment by type of organisation



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 2.4

Investment strategy by generation of family wealth

Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

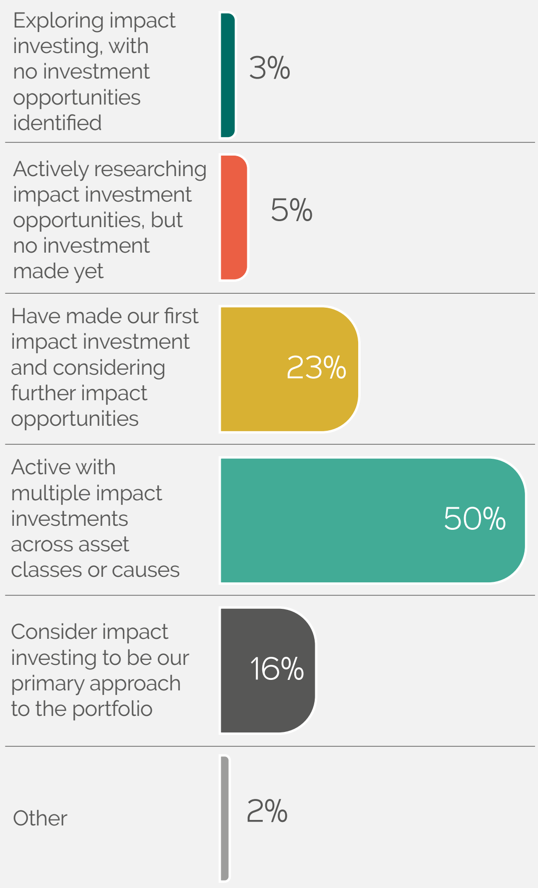
Level of engagement in impact investing has been rising

At present, roughly nine-in-10 (89%) of those who participated in this research have already made an impact investment. This includes 16% who consider impact investing to be their primary approach to their portfolio (figure 2.5). These 'pioneers' often started their impact investing early, with 27% first engaging before 2000, and another 27% between 2000 and 2009. However, data shows that their engagement has clearly intensified since the 2000s, with this figure rising to 45% (figure 2.6). A family member explains why it makes sense to make impact investing the primary portfolio approach:

> Privately held family wealth can move quicker and can be much more impactful. All of our investments are set up to deliver an intentional social and environmental good.
>
> **Family member, family trust, Europe**

Figure 2.5

Impact investing experience



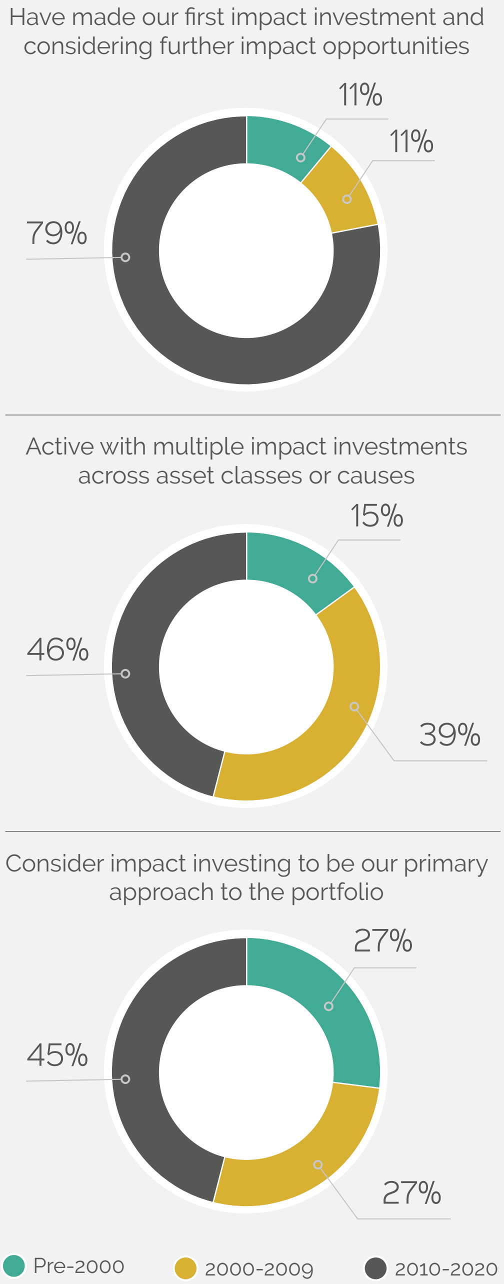
Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Another half of participants (50%) claim to be currently active in impact investing, with multiple investments across different asset classes and causes (figure 2.5). Here too, we can see a rise in engagement throughout the years from 15% pre-2000, to 39% between 2000 and 2009, and 46% over the last decade (figure 2.6).

Finally, 23% state to have made their first impact investment and are considering further opportunities, with the vast majority (79%), having done so within the last decade.

Figure 2.6

Investment approach and year of first impact investment



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Making the world a better place, a prime motivation

The motivation to engage in impact investing is driven by a deep sense of responsibility among participating private wealth holders. Thirty-eight percent say the desire to make the world a better place is a major motivation. About half of respondents (49%) indicate this as their first priority. Other top ranked drivers are the conviction that incorporating sustainability considerations will lead to better investment returns and the realisation that impact investing is simply the right thing to do (figure 2.7). In the words of a chief financial officer from a family foundation in North America:

> The family has a commitment to not make money from something that is creating harm in the world. Whether that means tearing down trees in the Amazon, adding to climate change, or taking advantage of an already marginalised group, they want to make the world a better place. And we're smart and capable enough to do that and make a competitive return.
>
> Chief financial officer, family foundation, North America

Figure 2.7

The major motivations for engaging in impact investing

	Overall	1st	2nd	3rd
Responsibility to make the world a better place	38%	49%	35%	16%
Show that family wealth can be invested for positive outcomes	26%	19%	30%	51%
Incorporating sustainability considerations will lead to better investment returns, risk, etc.	24%	48%	23%	30%
It is the right thing to do	24%	53%	28%	20%
Engaging with the next generation/leaving a legacy	20%	22%	47%	31%
From a personal experience, I feel passionately about a specific cause into which I invest	17%	25%	39%	36%
Investing is a better use of funds than philanthropy to address societal problems	16%	15%	48%	37%
Identify new sectors, industries or opportunities for investments	16%	20%	40%	40%
Concern that my investments may be contributing to issues, rather than solutions, in the world	10%	29%	24%	47%
Encouragement from younger generations	6%	0%	40%	60%
Other	2%	n/a	n/a	n/a

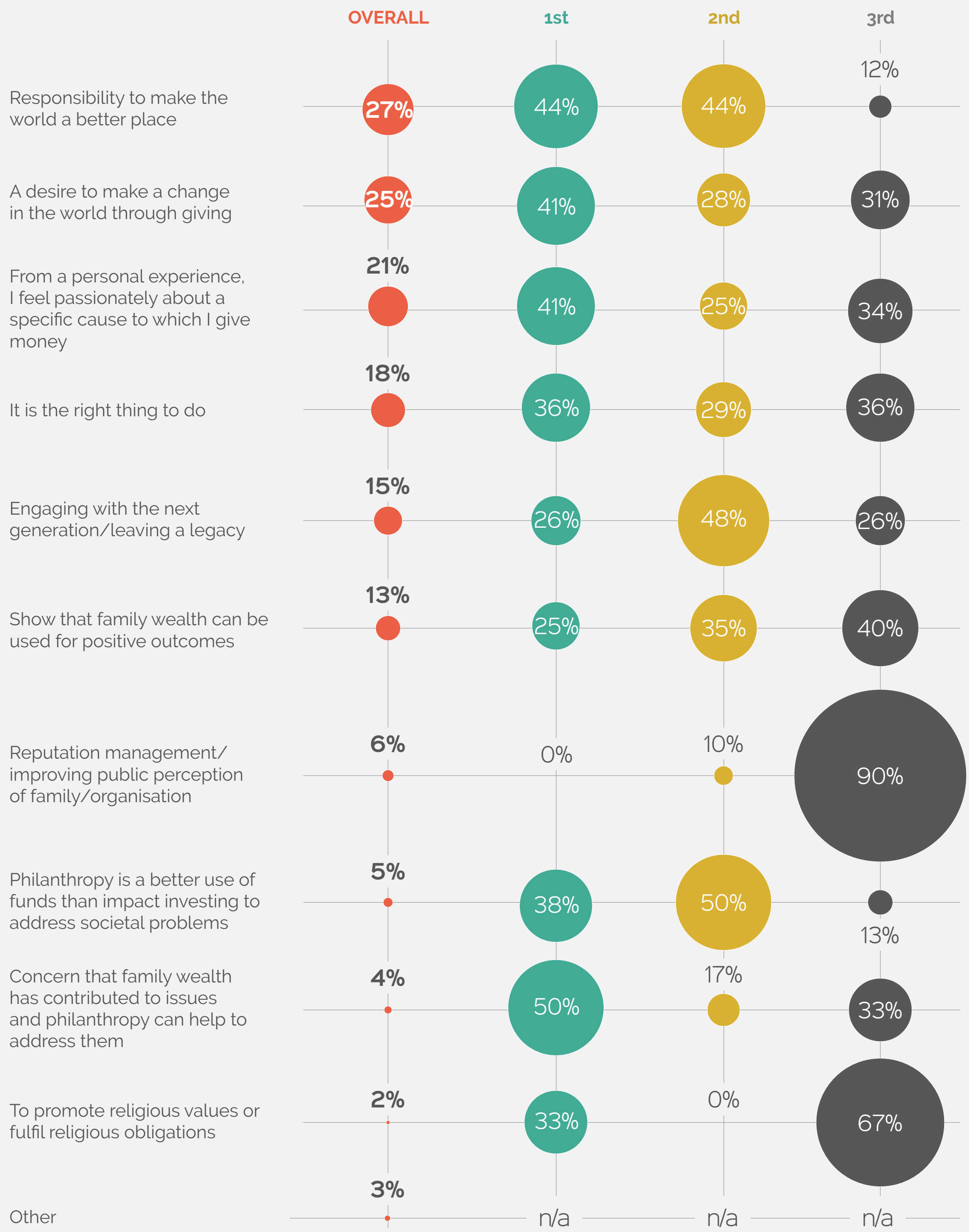
Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% as multiple answers were permitted.

Similarly, those engaged in philanthropy say that their charitable giving is driven by a sense of responsibility to make the world a better place, which is the number one priority for 44% of respondents. Ranking just below this are those motivated by a desire to make a change in the world and a personal passion to engage in a specific cause (each 41%) (figure 2.8). One family member from Asia-Pacific touched on a feeling that many wealth holders share, which is an understanding of the financial advantage they have been given in life and, in turn, a desire to give back to society:

> It starts with a personal passion. For a lot of people who have made money, they want to find a way to give back. It's an evolution that takes place personally, and you want to use your professional life to deliver your goal.
>
> **Family member, multi-family office, Asia-Pacific**

Figure 2.8

Major motivations for philanthropy



Base: Those engaged in philanthropy.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% as multiple answers were permitted.

2.2 Portfolio allocation

The Investing for Global Impact research is unique in comparing three areas of investing: impact investing, traditional investing, and philanthropy[3]. This year, the research goes even further by comparing actual and expected portfolio allocations in these three areas, while also exploring asset allocations and sector preferences.

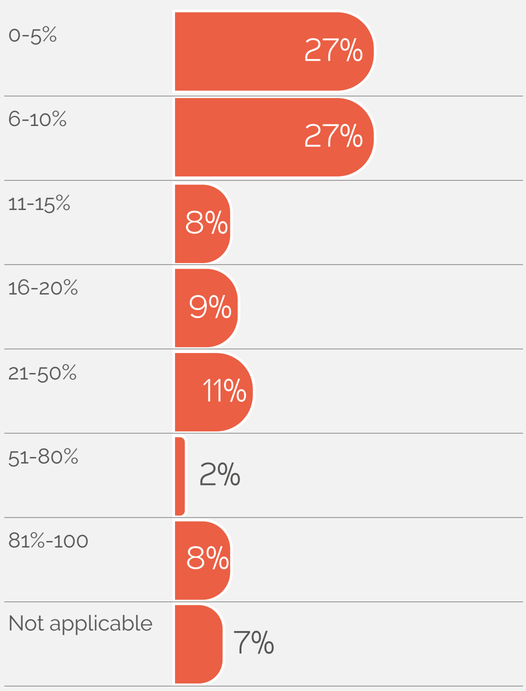
Portfolio landscape: leaders and followers

The growth in impact investing is reflected in the portfolios of private wealth holders. The average portfolio allocation to impact has increased to 20%, up by 6% from last year[4]. According to the data, impact investors are split in two groups, with one batch consisting of highly committed organisations/investors (21%) allocating more than 21% of their portfolios to impact; and another group of careful followers (27%) who allocate between 6% and 10% to impact. On average, portfolio allocation to impact reached 20% in 2019. It is also interesting to note that 8% dedicate between 81% and 100% of their portfolios to impact (figure 2.9). In the words of an impact investor in Europe:

> I always thought that giving money away isn't good enough. With every investment I ask myself, 'Do I really have an impact or the outcome that I want to achieve?
>
> Private investor, Europe

Figure 2.9

Proportion of investment portfolio/budget/AUM has been allocated to impact investing
(Actual 2019)



Average
20%

Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Impact allocations expected to increase amid COVID-19 and beyond

The rapid adoption of impact investing seems accelerated by the ongoing pandemic. Despite fears of a global economic downturn due to COVID-19, respondents still expect to increase their allocations to impact, with respondents expecting it to account for 22% of their average portfolio in 2020, 26% in 2021, and 35% in 2025 (figure 2.10). This investor behaviour in times of crisis reinforces the idea that impact investing helps to manage downside risks supporting wealth preservation, while creating positive change.

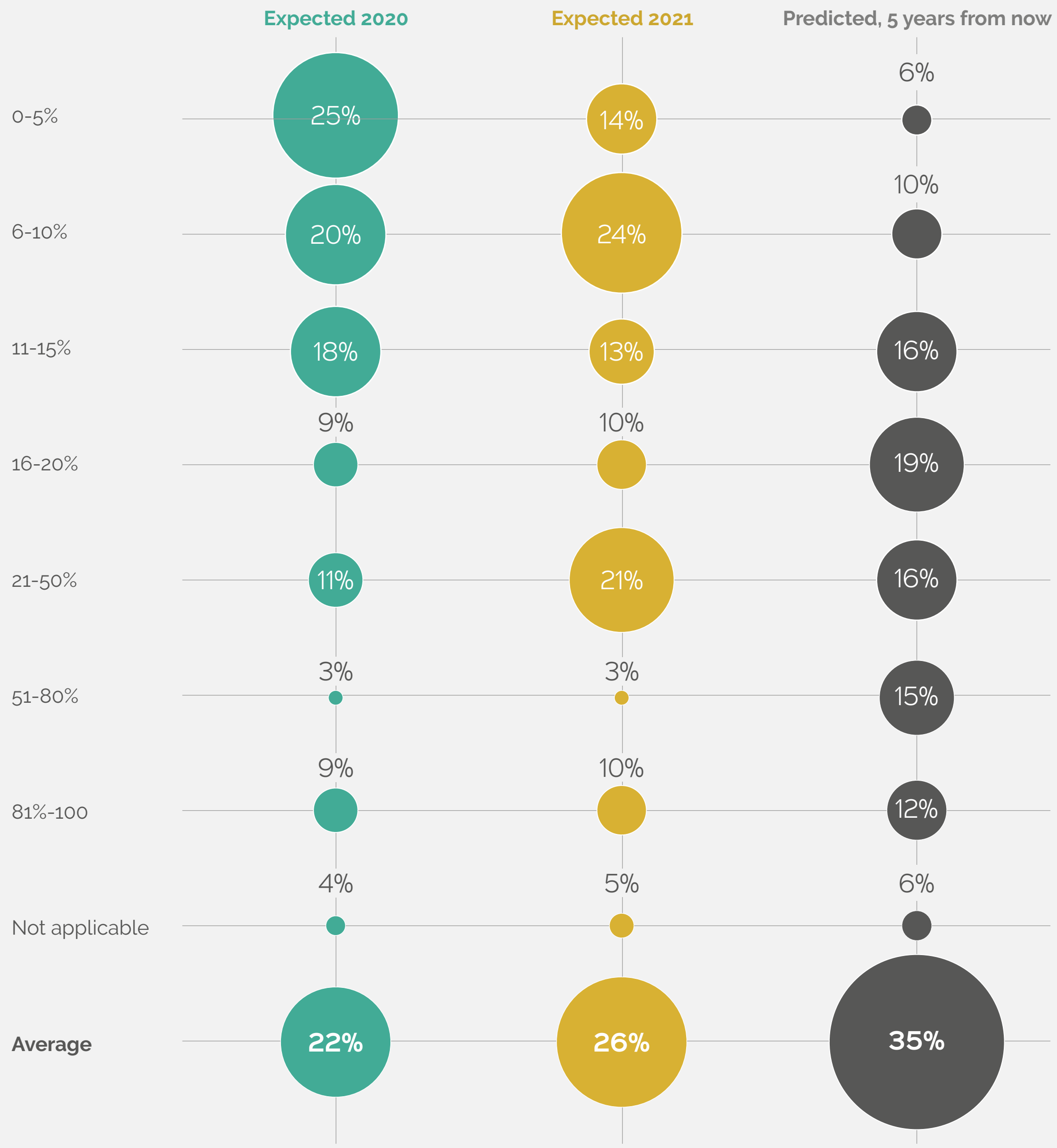
Thinking about portfolios' impact despite (or because) of the pandemic, is echoed by a family member from a single family office in North America:

[3] See for example Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019, p.21
[4] UBS / Campden Wealth, Global Family Office Report 2019, p.33

> In 2016, the goal was to invest 20% of our discretionary portfolio into sustainable investing. We found a couple of attractive funds, invested, and they did really well. So, we got to 30% by last year. We will try to opt in to 50% by 2022. Due to the pandemic, we've done a bunch of rebalancing. All of the rebalancing now goes into managers that pursue social or environmental objectives.
>
> Family member, single family office, North America

Figure 2.10

Proportion of investment portfolio/budget/AUM that will be allocated to impact investing



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020
Figures may not add up to 100% due to rounding.

Philanthropic activities and impact investing expected to remain consistent in 2020

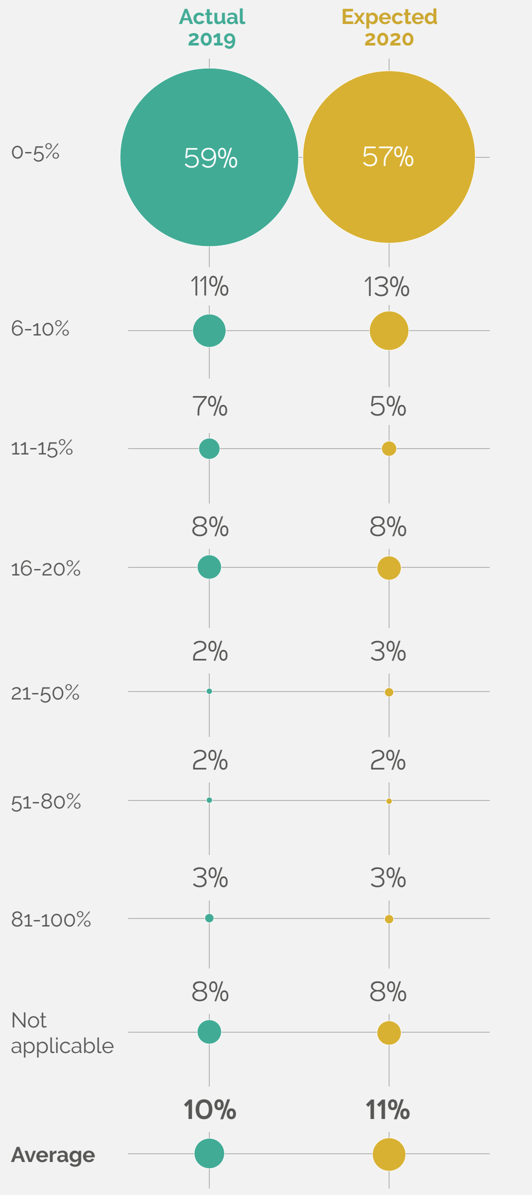
Amongst those engaged in philanthropy, this form of giving accounts for an average of 10% of their budget (figure 2.11). Anticipated increases over the coming year to impact investing and philanthropy are relatively consistent, with respondents assuming that in 2020 impact investing will account for 22% of their average portfolios and philanthropy 11% (figure 2.10 and 2.11). To explain the difference in allocations between the two, a family member from Asia-Pacific remarked:

> Philanthropy carries no financial return, it's a donation. Whereas impact carries a financial return as well, so that is a more promising asset class. I mean philanthropy is popular with the billionaire type families, but impact is popular even with people below that, the institutions and millennials, so just a wider audience.
>
> **Family member, multi-family office, Asia-Pacific**

Although possibly less attractive to some, philanthropy still has a very important role to play. This chief financial officer puts emphasis on the symbiotic relationship between impact and philanthropy:

Figure 2.11

Proportion of investment portfolio/budget/AUM allocated to philanthropy



Base: Those engaged in philanthropy.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

> I don't see impact investing taking over philanthropy. Hopefully we get to a place where they're symbiotic. A truly progressive foundation would have an integrated strategy of giving and investing. There will always be specific challenges that will require support more akin to a grant/donation. And, there will be opportunities that are better supported through an investment.
>
> **Chief financial officer, foundation, North America**

[5] Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019, p.11; Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2018, p. 16; Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2017, p.16

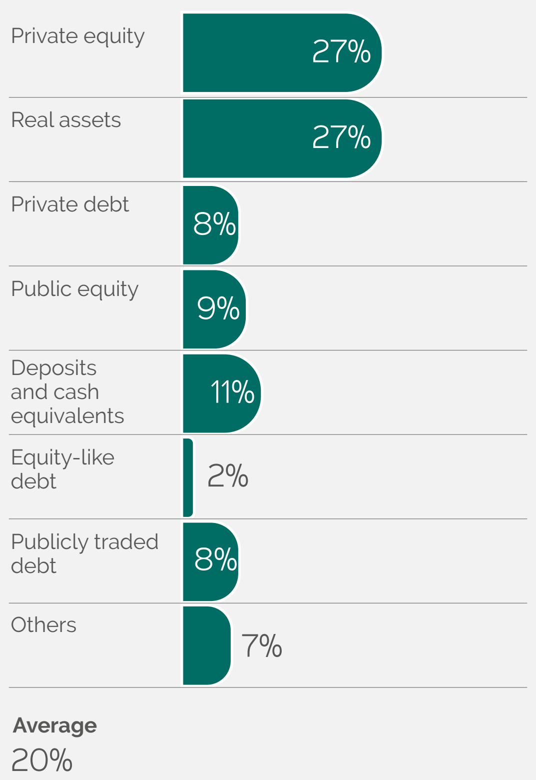
Direct impact investments preferred to fund strategies

The three top asset classes for impact investing are private equity (30%), followed by real assets (24%), and private debt (22%) (figure 2.12). This reflects a shift away from public equity (21%), which typically ranked third in previous years[5]. It needs further research to assess if this is an emergent trend or simply a deviation in the data.

Research has already shown a preference of family offices to engage in private markets as they allow greater control and influence, according to *The Global Family Office Report 2019*[6].

Figure 2.12

Current impact portfolio split across instruments by percentage



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Following the incentive of greater control over investments, the majority of capital (56%) is allocated directly to private markets (to companies, projects or real assets). Forty-four percent of those engaged in impact investing prefer engaging via an intermediary (figure 2.13).

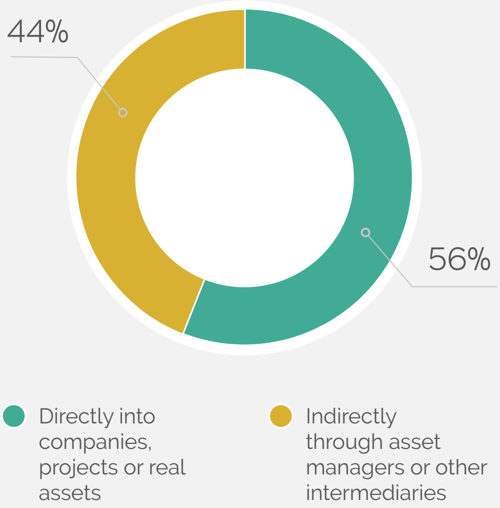
Reflecting on each investment strategy, this family member from Asia-Pacific notes the advantages for both public and private markets:

> The public market offers more sustainable companies in terms of providing annual reports, where you understand how they are making an overall impact to society. Though, as an investor you cannot drive the impact. Through private equity, if you're sitting on the board of a company, or you're sitting on the board of a fund, then you obviously have a greater role to play in terms of making that impact.
>
> **Family member, multi-family office, Asia-Pacific**

[6] Campden Wealth/UBS, Global Family Office Report 2019, p.25

Figure 2.13

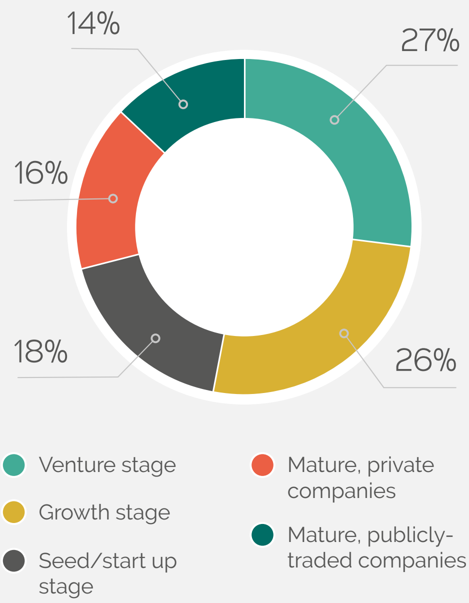
Impact investment split between direct and indirect strategies in percentage of total capital invested



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Figure 2.14

Portfolio allocation by type of investment



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Venture and growth stage deals dominant

Consistent with most research on investment stages[7], venture (27%) and growth stage companies (26%) are the most frequently invested asset classes (figure 2.14). The latest research shows that private wealth holders look for both high returns, which they can achieve from venture deals, rather than growth stage investments[8].

In recent years, seed and start-up investments were ranked third among respondents. This year is no different, however, possibly due to uncertainty in the economy, interest in seed/start-up companies is slightly reduced[9]. A family member from Asia-Pacific observes:

> Mid-scale companies and larger companies are possibly most interesting. When it's too early stage then the focus is more on the commercials, like getting the company off the ground and making sure the company survives. Once the company has raised the funding and they want to bring on board impact stakeholders or impact investors, that's when they can seriously start focusing on impact.
>
> Family member, multi-family office, Asia-Pacific

[7] Campden Wealth/UBS, Global Family Office Report 2019, p.25; Financial Times/GIST/Barclays Private Bank, Investing for Global Impact various issues.
[8] Campden Wealth/SVB, Family Offices and Venture Capital 2020, p. 42
[9] GIST/Barclays Private Bank/Campden Wealth, Investing for Global Impact 2019, p.7

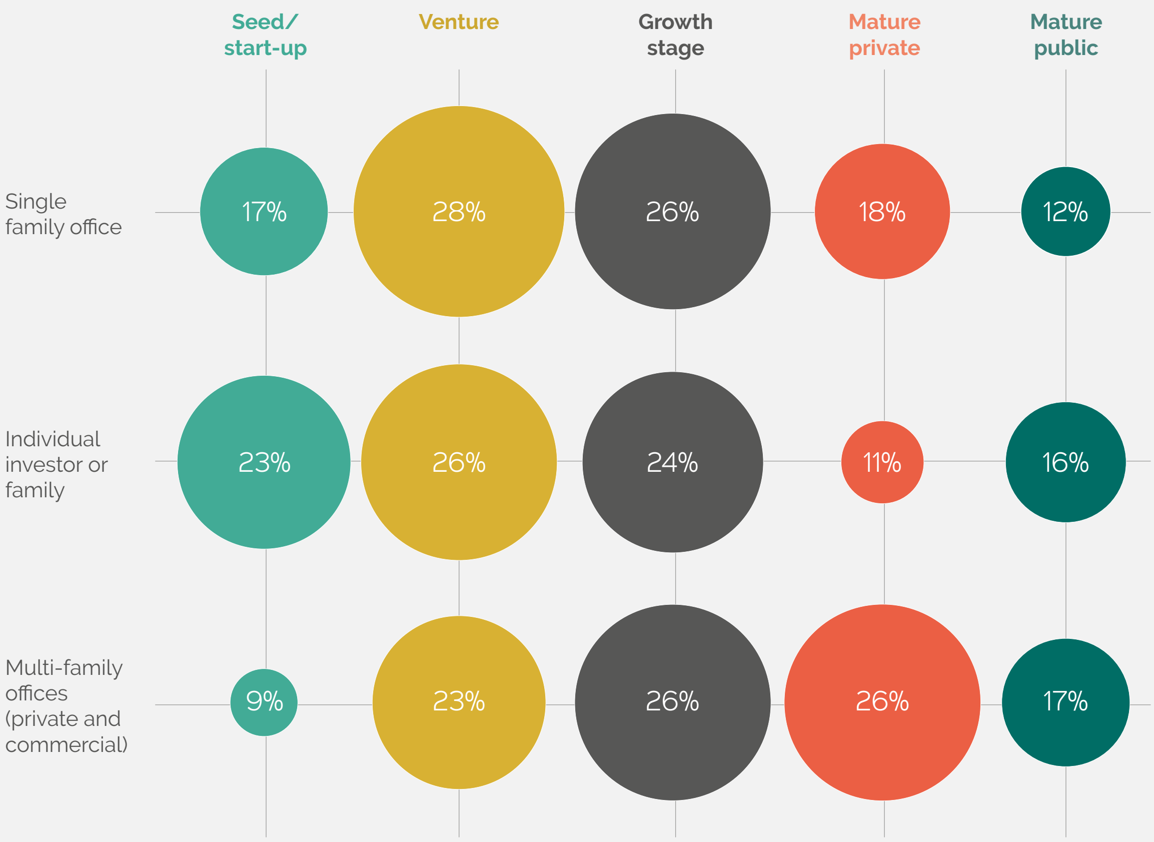
Single family offices most often opt for venture and growth

Broken down by type of organisation, the average single family office portfolio focuses most on venture, which accounts for 28%, followed by growth 26%, mature private 18%, and seed/start-up 17%. In contrast, individual investors/families lean somewhat more towards both seed/start-up and mature public companies than single family offices do (23% versus 17% and 16% versus 12%, respectively).

The multi-family offices (private and commercial) surveyed here focus less on seed/start-up investment opportunities (9%), but rather on growth stage (26%), mature private (26%), venture (23%), and mature public (17%) opportunities (figure 2.15). However, it should be noted that the sample size for this cohort is low and therefore caution should be taken when considering the figures.

Figure 2.15

Investment stage by type of organisation



Base: Those engaged in impact investing, excluding foundations.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.
Note: Small sample size for private and commercial multi-family offices.

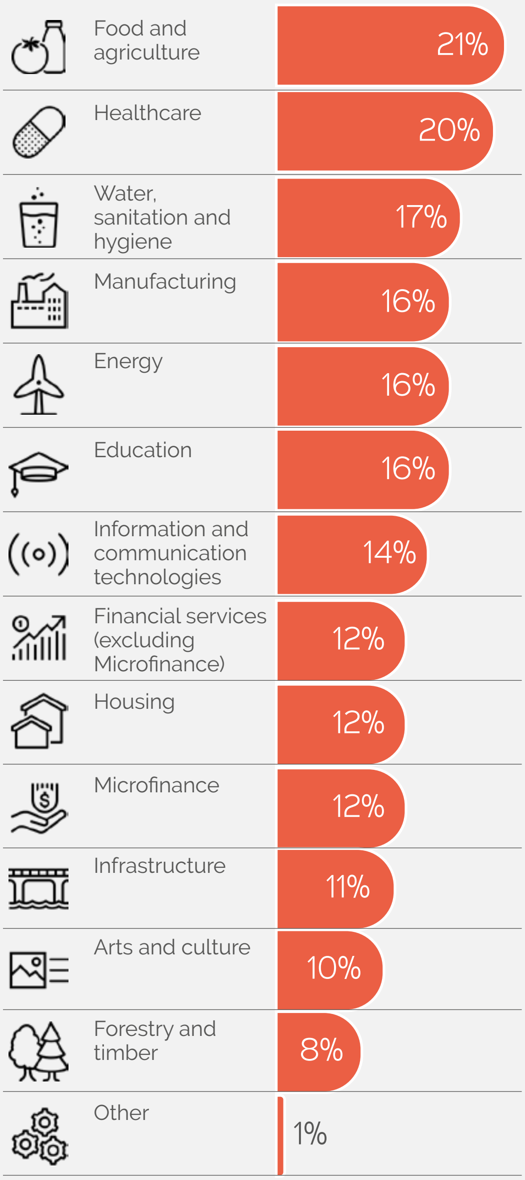
Food/agriculture and health most prevalent sectors, replacing energy

The top ranking sectors targeted this year include: food and agriculture (21%), healthcare (20%), and water, sanitation, and hygiene (17%) (figure 2.16). This reflects a shift away from the previously dominant green energy/clean tech sector. With the decline in global energy investments, it remains to be seen if the Green New Deal by the European Union and the EU's recent announcement to support clean tech innovation can reverse this trend.[10]

This year, due to the ongoing pandemic, our data shows that 84% of those engaged in healthcare plan to increase their investments in this sector over the coming year (figure 2.17). Similarly, seven-in-10 respondents invested in food and agriculture (71%) expect to increase their investments. Other sectors expected to receive more capital include education (58%), followed by water, sanitation, and hygiene (50%), and information and communication technology (48%).

Figure 2.16

Impact investments by sector

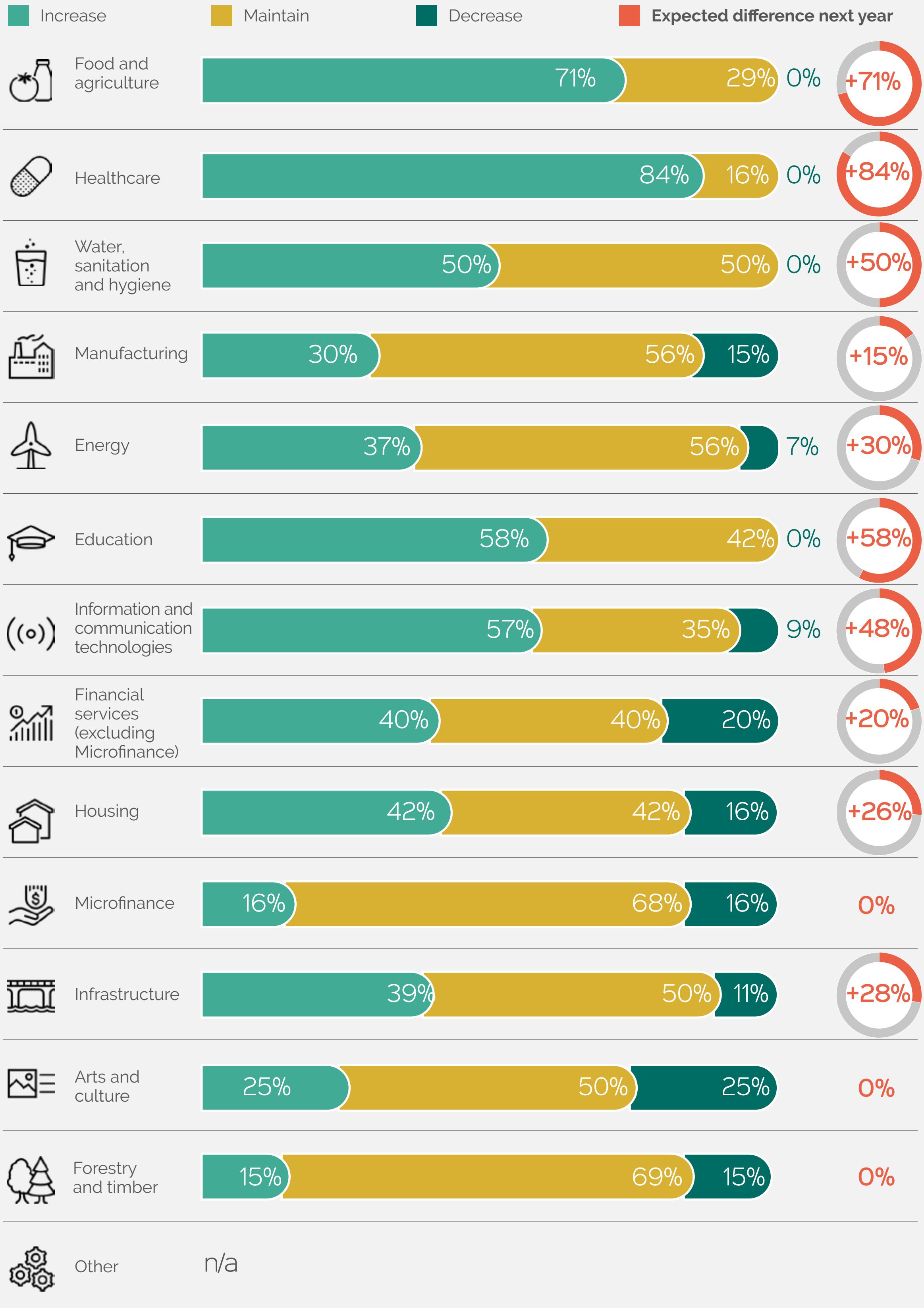


Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% as multiple answers were permitted.

[10] GIST/Barclays Private Bank/Campden Wealth, Investing for Global Impact 2019, p.13; International Energy Agency, World Energy Investment 2020[8] Campden Wealth/SVB, Family Offices and Venture Capital 2020, p. 42

Figure 2.17

Expectation to increase, maintain or decrease impact investments next year by sector



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

2.3 Investment Strategy

Sustainable investing: An umbrella term for investment strategies including:

(1) **Ethical investing:** Applies predetermined set of values or beliefs to investment selection. Driven by personal religious, moral or normative beliefs and distinct to each individual and organisation.

(2) **Responsible investing:** Incorporating non-financial ESG data into investment decision-making through screening or integration. It also involves active ownership through voting and engagement.

(3) **Impact investing:** Integrates impact considerations throughout the investment process with an intentional focus on social and environmental outcomes alongside providing a financial return.

ESG investing, an important strategy in sustainable investing

Previously, sustainable investing was held back by a lack of data and metrics to evaluate investments' social/environmental impact. In 2018, the *Investing for Global Impact* study found that investors/organisations were largely disconnected from impact screening frameworks, which help to identify, report, and assess financial and non-financial performance indicators. This year, the landscape is changing with impact measurements becoming increasingly sophisticated. Generally, these developments boost sustainable investing, an umbrella term for three strategic approaches, including ethical investing, responsible/ESG-driven investing, and impact investing.

Looking at how investment frameworks matter to portfolios, ethical investing appears to be the starting point for many families and the most important reference point to respondents. Negative screening based on ethical criteria on all or a majority of investments is pursued by half of those surveyed (52%). Nearly a third (29%) applied exclusion criteria on some of their investments. In the words of one North American foundation chief financial officer:

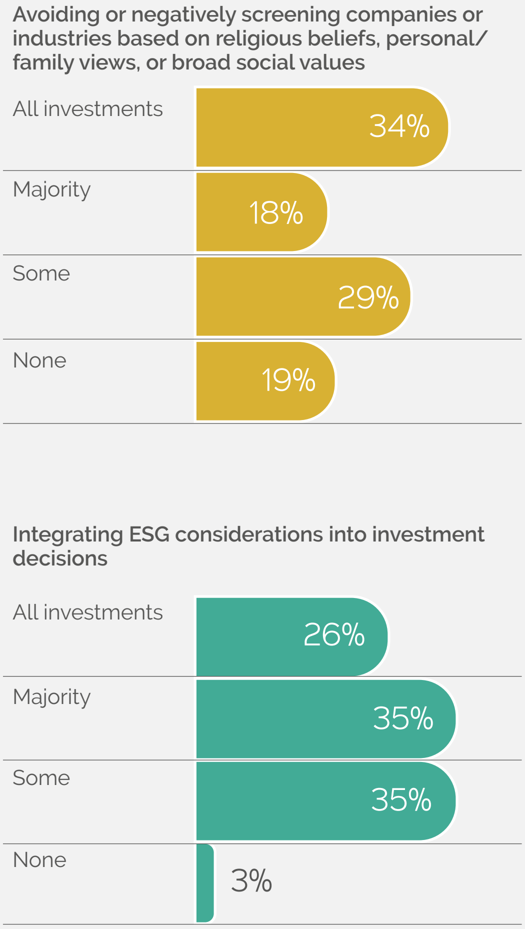
> We made the decision to align the full investment portfolio. That meant applying negative screens across the full portfolio.
>
> Chief financial officer, foundation, North America

Similarly, integration of ESG criteria in all or the majority of investment decisions was relevant to 61% of the participants surveyed. Thirty-five percent report ESG is an influence on some of their investment decisions (figure 2.18). ESG therefore provides critical guidance for private wealth holders. In accordance with this assessment, the following family member reports:

> We have an ESG policy that we follow in everything we do. But we don't have any strict exclusions. Every time we're choosing to invest in a fund, we consider the team's skills and expertise in ESG.
>
> Family member, single family office, Europe

Figure 2.18

Sustainable investing



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020
Figures may not add up to 100% due to rounding.

Seeing ESG as a tool to simply assess 'good businesses', this chief financial officer in North America reports:

> I don't tend to think of ESG as impact. To be blind or to ignore the various factors that are considered and measured within ESG, would be to not critically evaluate a business and an investment. To me ESG is just good due diligence.
>
> **Chief financial officer, foundation, North America**

Not waiting for perfection: Most portfolios already have some impact investments

Nearly all respondents (95%) engaged in impact or philanthropy intentionally address a specific social and/or environmental challenge. However, they do it to different degrees. Roughly two-thirds (65%) do so on some, 19% on a majority, and 11% on all investments (figure 2.19). A lower exposure to impact investing or philanthropy should not be deemed ineffective. This investment director says that 'getting started' is key:

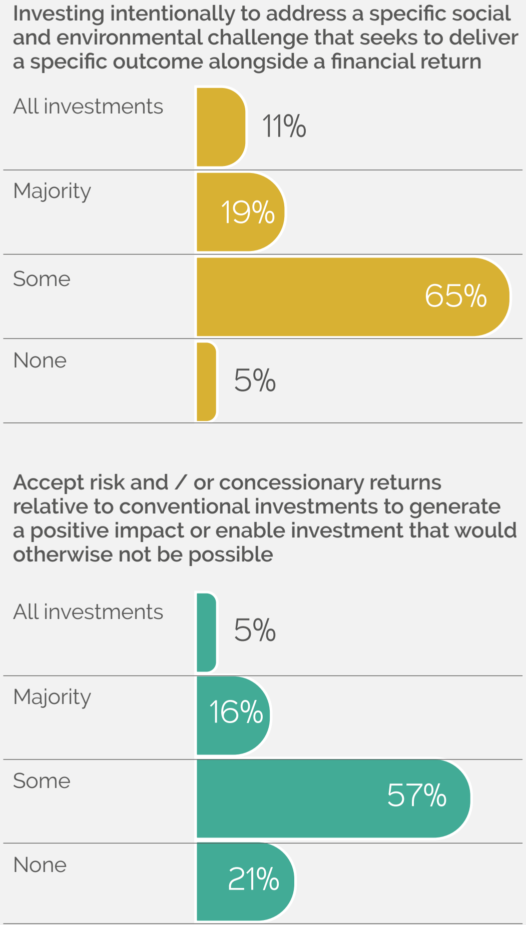
> There's no point moaning about how you want to do better. Just get on with it. Invest in people that you basically trust to be heading in the right direction. We are not all using the same metrics yet. But, that will improve. Don't hold back from supporting those companies because you're waiting for perfection. Just act.
>
> **Investment director, multi-family office, Europe**

Interestingly, nearly eight-in-10 (78%) of participants would accept higher risk or concessionary returns (relative to traditional investments) to generate a positive impact or to enable an investment that would otherwise not be possible. This applies to those engaged in impact investing and philanthropy. The majority (57%) follow this principle on some of their investments, 16% percent on a majority, and 5% on all.

> If you're just looking at impact and not focused on financial returns, that's a problem. And vice versa, if everything is bottom line driven, and your impact is really just greenwashing, that's a problem too. Integrating those two, financial return and impact, is the solution.
>
> Family member, single family office, North America

Figure 2.19

Sustainable investing: Impact targeting



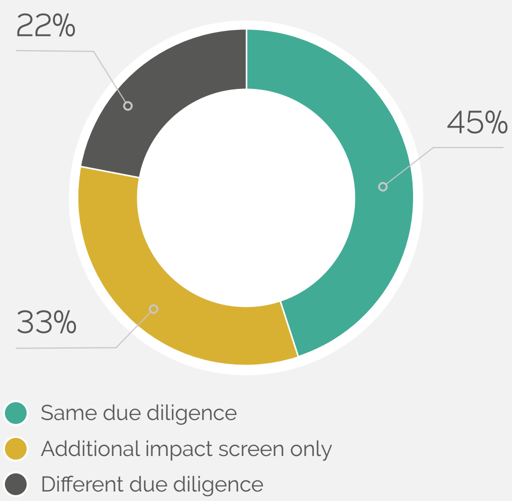
Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Additional impact screening is gaining ground

Implementing additional impact screening in due diligence is becoming more popular. The number of respondents adopting an additional impact screen has grown from a quarter to 33% over the last year (figure 2.20).[11] Forty-five percent of respondents still apply the same due diligence.

Figure 2.20

Due diligence compared between impact investments and traditional investments



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Impact investing practice: Focus on SDGs and internal metrics

The most commonly used framework to address impact-related themes is the UN Sustainable Development Goals, which address the most pressing social and environmental challenges we as a society currently face. Set in 2015 by the United Nations General Assembly, this collection of 17 goals is a blueprint for a better, more sustainable future for all by 2030. While previously few investors knew about the SDGs,[12] awareness of these goals has risen sharply this year and is already used by 18% of respondents engaged in impact investing.

> The SDGs are really good in terms of 'branding'. People recognise it. They understand it.
>
> CFO, foundation, North America

[11] Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019, p. 6
[12] Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019, p. 6

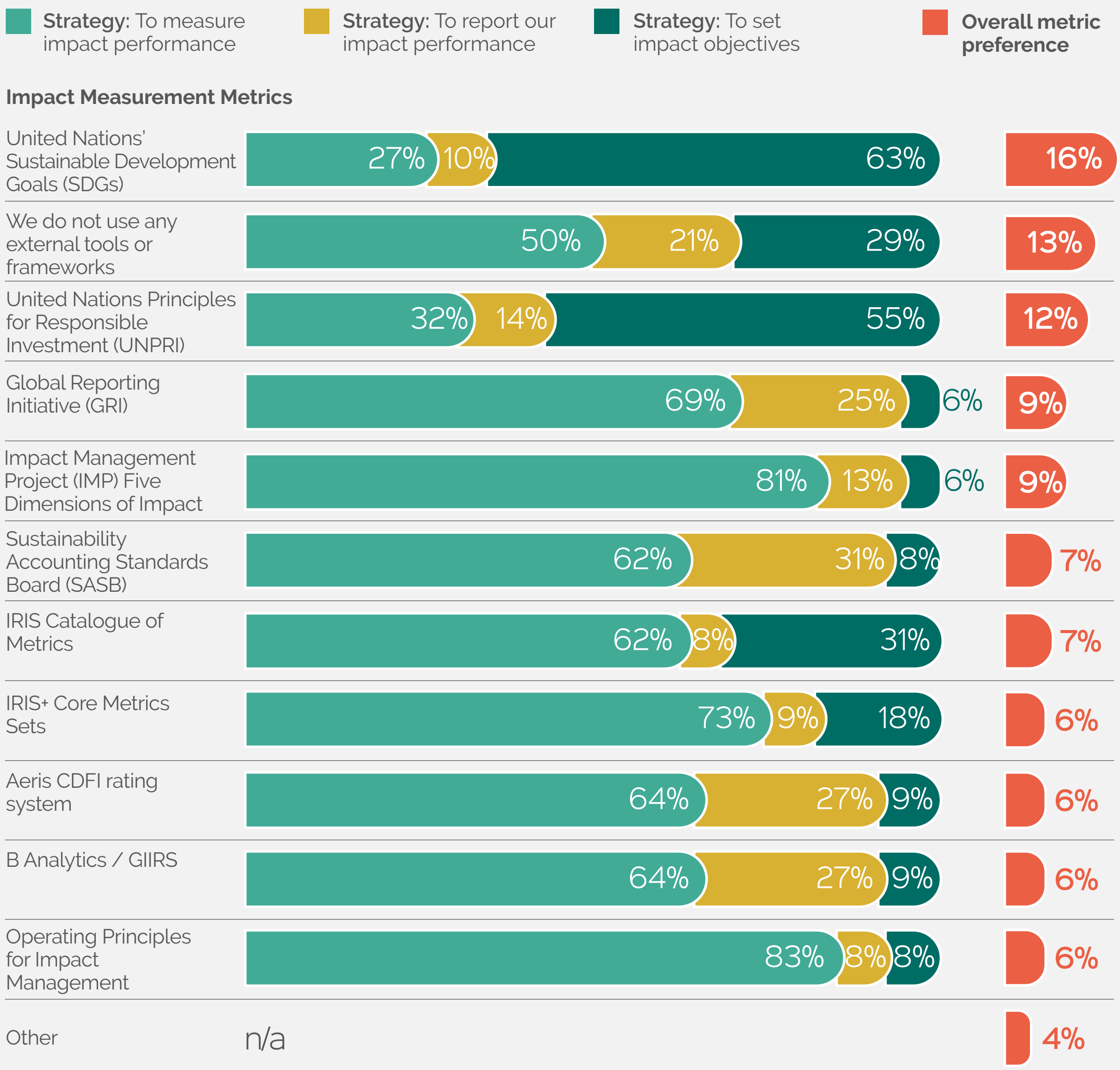
The increasing popularity of the SDGs helps to standardise the impact investing market. Figure 2.21 shows that nearly two-thirds of respondents are using the SDGs to set their impact objectives, compared to 27% who use them to measure impact performance. This family member states:

The rise of the SDGs is a crucial step towards clearer definitions and metrics in impact investing. Despite progress to establish a common language, it is also important to note that 13% of respondents rely on internally developed metrics, with half of them (50%) using these to measure impact and 29% to set impact objectives. This shows that impact frameworks provide guidance, but internal metrics remain dominant in evaluating performances.

> I think it all starts with the SDGs. You have 17 SDGs and based on your level of interest and passion, you decide which ones are important to you. And then, accordingly, the metrics are designed based on the SDGs. You have standard metrics or you can design your own metrics.
>
> **Family member, multi-family office, Asia-Pacific**

Figure 2.21

Tools and frameworks used in impact measurement practice



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures in 'Overall metric preference' may not add up to 100% as multiple answers were permitted.
Figures may not add up to 100% due to rounding.

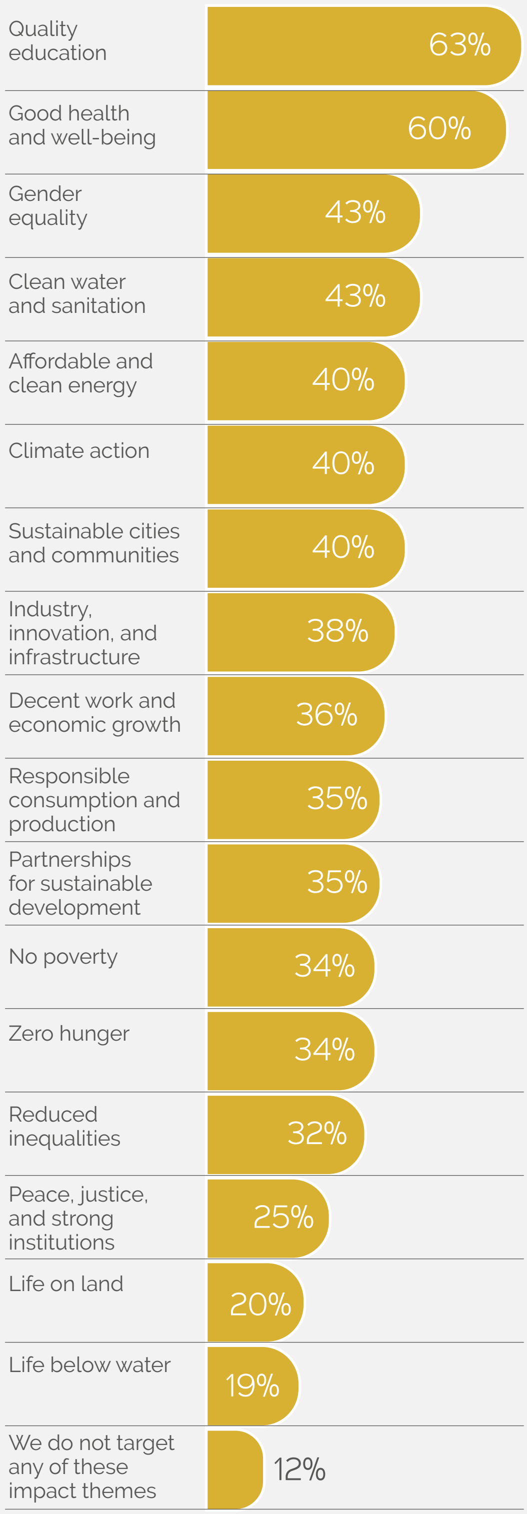
Impact themes in focus: education, health, gender, and clean water

When taking a closer look at the impact themes targeted, organisations/investors show a deep responsibility towards promoting social equality and access to infrastructure/public goods. Quality education was pursued by 63% of those engaged in impact investing, followed by 60% who support good health and well-being, 43% clean water and sanitation, and 43% gender equality (figure 2.22). In fact, gender equality seems to be a rising issue, as one chief financial officer in North America remarks:

> Some of the challenges that still exist from a gender perspective have been really amplified by the pandemic. I've spent so much time and energy looking at gender impact funds that we can partner with in the future. Funds led by women, or focused on women, have felt so much more significant.
>
> Chief financial officer, foundation, North America

Figure 2.22

Targeted impact themes aligned with the UN Sustainable Development Goals (SDGs)



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020

Case study: **Dr. Malini Saba**

Making a difference through philanthropy

> We should push our philanthropy in directions that really sustain this planet and the future of our children.
>
> **Dr. Malini Saba**

Malini Saba is a business woman and philanthropist. She was born in Malaysia, grew up in Australia and, in her late teens, left to study nursing and psychology in the United States. She made her wealth during the tech boom of the late 1990s and in 2002 she started the Anannke Foundation (previously Saba Family Foundation). While still involved in business, Malini spends most of her time with philanthropy to support the causes she cares about. She remarked, *"As long as I can remember, my sole motivation was to make a difference in the world. I did not know how to do this. I knew I would need some money because I didn't want to go begging people for money. My parents had a view of what a female child should do and I did the complete opposite."*


Dr. Malini Saba

The journey to philanthropy

While in the United States, Malini observed her work environment and felt that she was held back. *"I really wanted to make a difference. I couldn't do it on the pay cheque of a psychologist or a nurse. And I realised while working in hospitals and organisations that there was still very much of a glass ceiling."*

Malini feels fortunate she became part of the business world in Silicon Valley. Although she says, she 'didn't fit the mould' she was determined to get involved anyway. *"I worked at Cisco in the early 1990s as they were growing as a firm. This meant I had some stock which I used to start my business. I also invested in numerous tech firms and rode the tech boom. And while, at the time, many looked down upon my psychology degree, it actually helped me a lot. I understood that it was not the product that you needed to focus on, but the person that you are investing in. Because it's the person who is going to make the business successful."*

Her strength and determination led Malini to achieve her dream. *"Just as I turned 30 I had my big break, as my first investment became successful. Thereafter it was just one after the other. It was an insanely fantastic time. But every boom has a bust. I saw the tsunami coming and got out. I invested all my returns into the foundation, because that was my real passion."*

Today, Malini considers herself first and foremost a philanthropist, but she knows the importance of impact investing, which she sometimes gets involved in as well. *"Philanthropy and impact investing go hand in hand"*, she says. While in her view impact investing focuses on the creation of products for the betterment of society, philanthropy looks after those who are still being left out. *"You can't have all these great* *impactful things created while our society is still stagnant. We see too many people being uneducated, without clean water, without electricity, or even Wi-Fi. People are still going hungry. We've gone 100 miles an hour to make change, but we've forgotten about those people who are still struggling. We throw them little pennies here and there. But as a whole as a society, we haven't really lifted them out of poverty."*

Malini's motivation to promote social equality is deeply rooted in her own experiences growing up. Being a child of a middle class family, she saw how her family lost everything due to the sudden illness of her father. *"When your father gets ill, and you have no real solid income anymore, then you move from your house to an apartment, and you move from many cars to no car. I started working when I was 13 years old, ensuring that my sister got a private school education. So I understand what it means to utilise money. Because you can have it one day and lose it the next."*

> I understand what it means to utilise money. Because you can have it one day and lose it the next.
>
> Dr. Malini Saba

This experience also shapes how Malini views hardship, which is, more often than not, the result of misfortune and bad luck. *"If I see a homeless person, it breaks my heart. This poor person could have been somebody who was someone at some point. But due to hardship and no structure in society, he's gone to a point where he's losing his mind. Because when you don't have sleep at night, you will lose your mind. Sadly, if you're not rich, people don't give a damn about you and I have a problem with that. All of us are the same. I don't care how much money you have, you're still washing your face in the morning and eating breakfast like everybody else. You just drive a different car and live in a different house. But we all face the same things when we get sick."*

Strategic philanthropy: Focused on impact

Malini's foundation focuses primarily on education, health, and human rights. *"Education is paramount. You may not need to go to university, but you need to be able to read and write. So no one can take advantage of you. And healthcare is a human right. The day you are born you deserve healthcare. Generally, I support human rights because I think in a lot of places around the world there is human rights abuse. And it needs to be called out."*

As a passionate philanthropist, Malini takes impact evaluation seriously. She is keen to see real change being implemented. The first priority of her due diligence is to select small organisations. In fact, many larger organisations do not focus enough on impact, in her view. *"I have an issue with the number of large NGOs that have been around for a very long time. They get so stuck and caught up in their internal processes, they forget that the changes need to happen as you go along. A lot of money is getting lost there and change doesn't really happen. We change businesses very often. But, for some reason, we don't change the NGO structures. They need to be held more accountable."*

Similar to her tech investments in the past, for her charitable giving, Malini assesses the people at the organisation, and most commonly the CEOs. *"It usually trickles down to the kind of people you would hire. I also look at how they've distributed money in the past and what the result has been."*

Once the right organisation and programme is identified, she continues to monitor the progress herself. *"I like being really involved in their cash flow and reading their reports. We also go on the ground and take photos, videos, and talk to recipients. We want to see that these things are being done. It's very important for us."*

This type of close engagement ensures that organisations are held accountable. *"Most of us philanthropists never go down and talk to the people. We're in our homes and in our offices, right? But I want to achieve results. I don't just write a cheque and say, thank you very much."*

> COVID-19 has been a blessing and also an evil, because we've never faced anything like this before. All of us have to rethink how we want to treat the planet and treat each other as human beings.
>
> Dr. Malini Saba

This strategy might be focused on the micro-level, but Malini sees great effects from such small-scale engagements. *"In our early years we donated funds to a lady who was on a motorbike, going around villages in India and Burma to educate women on clean water. And none of these women could read or write. We used pictures and drawings to show them how to filter the water. It did not need any high tech stuff. Because in a village we can't take our modern amenities into places that people won't use, right? So we made huge improvements on the cases of diarrhoea, hygiene, and creating cleaner water – simply by using what they have and not asking them to spend any money. I think we helped well over 100 villages in a very simple way. That gave me such satisfaction."*

Helping those communities, in Malini's view, does not require the complete transformation of their lifestyle to resemble our own – which is an impossible mission. Instead, philanthropists should look to change the system from within. *"We sit in our modern homes and we think that our way is the right way. And it isn't. When you live in the rural villages or when you are a farmer or a rickshaw driver, your life is very different. So we need to go there and really understand what they're doing. They have different lives and rules. We need to respect that."*

Impact investing: The only way to invest

For the future, it is vital that impact investing is not just about helping, but about becoming the only sensible way to make investments, asserts Malini: *"Everything that we invest in should be impact investing. I think that's the only way we should invest. If the product is sustainable and can make a difference in the world in a positive way, that's when you invest in it. There are so many good things that people are trying to do."*

To find impact-oriented entrepreneurs, Malini once more relies on personal connection and the motivation behind their business idea. *"When I do impact investing I look at the founder. If the idea is good, and the founder is motivated and willing to work with you as an investor, you can guide the person. I think the biggest challenge is finding those right people who don't want to become a millionaire, but who want to build something with a real impact."*

Reflection: The joy of philanthropy

Malini is aware of her privilege as a philanthropist and enjoys the experience deeply. Her enthusiasm is infectiously shared. *"I get such joy out of seeing change happen, such as when you give scholarships to young girls who go to school and you know that they are so happy that their four years are financially covered, or when we build a new paediatric centre in Tunisia. We've also tried to get food to the Rohingya refugees, but faced difficulties. When we finally figured out a way to get our own containers to the camps, we managed to feed 10,000 people. That gives me immense joy."*

For the future, Malini is hopeful that the current pandemic will make us re-connect with our planet and our families. And, while some problems are emerging right now due to COVID-19, she remains hopeful that her work is now adopted on a larger scale. *"COVID-19 has been a blessing and also an evil, because we've never faced anything like this before. All of us have to rethink how we want to treat the planet and treat each other as human beings. We have cleaner waters because we've not been on the rivers and seas. Our air is much cleaner because we haven't been flying as much. We have more people, forcefully stuck with their families, or who have a need to go home to their families and reconnect. Surely, there have also been bad things like the increase in domestic violence towards women and children. But hopefully when we come out of it, we will be a lot smarter and really invest in our communities, in the environment, and in hospitals. I hope that this experience makes us realise that without health there's no wealth."* ■

Case study: Lord Nigel Crisp

The NHS executive turned health activist

> We need to stop focusing on health systems, on healthcare, or health services and think much more about creating health and well-being.
>
> Lord Nigel Crisp

Lord Nigel Crisp is a former chief executive of the English National Health Service (NHS), the largest health system in the world. He is also an independent crossbencher who sits in the House of Lords. His ongoing initiative, Nursing Now, has been successfully gaining recognition for nurses globally and made 2020 the *Year of the Nurse and the Midwife*. With expertise in health policy and activism, he explains how philanthropic funds can effectively impact good health, which is one of the most popular themes the wealth holders within this research have targeted.

While serving as chief executive at the NHS, Nigel was inspired by the accounts of doctors who had been working in developing countries. "*They had worked in Africa and came back refreshed and rejuvenated, remembering why they had become a doctor in the first place. And there is so much that low income and middle income countries can teach us about health."*

Once he left the health service, Nigel did not want to retire. Instead, he was pleased that the British Prime Minister asked him to look into what can be done to improve health globally, and particularly in low and middle income countries. The subsequent study, published in 2007, pushed his career towards finding answers to the big questions in health. *"One of the main conclusions I drew from that report is that the first thing we should do is stop telling people what to do. We need to start listening to them and support them in what they already know they need to do."*

Health is made at home

In his most recent book, Nigel writes about social activism and argues that we need to think about health in terms of three sets of activities – providing healthcare, preventing disease, and creating health. The idea of health

Lord Nigel Crisp

> The first thing we should do is stop telling people what to do. We need to start listening to them and support them in what they already know they need to do.
>
> Lord Nigel Crisp

> Health creation is about creating conditions for people to be healthy and helping them to be so. It's what our parents do for us, and good teachers and schools – creating healthy, resilient, and confident people. It is absolutely fundamental.
>
> Lord Nigel Crisp

creation gets very little attention, he says. *"Health creation is about creating conditions for people to be healthy and helping them to be so. It's what our parents do for us, and good teachers and schools – creating healthy, resilient, and confident people. It is absolutely fundamental. The current healthcare system is about repairs. But in reality, health is made at home and in school and in the workplace. Therefore, the book is titled with an African saying,* Health is Made at Home, Hospitals are for Repairs."

Nigel wrote the book because he wanted to give credit to people who promote health in their communities. *"I met so many people who are creating health outside the health system. I met the chair of The City Mental Health Alliance, an organisation which aims to improve mental health amongst bankers and others working in the City of London. I met people in schools and individuals working with children excluded from school. I met an extraordinary woman from Yorkshire who started growing vegetables in public places with a group of friends. She was doing that to get the community involved, to get people coming and asking questions. And now there are 150 groups and they're getting more people interested in food. They're developing their community and improving health in that way. I think there is a terrific and enormous potential for doing more. Therefore, I wrote this book. It's dedicated to all those people and what we can learn from them."*

The book argues that ultimately, health is not just about the body, but about physical, mental, and social well-being. *"We can't really have healthy individuals unless you've also got healthy communities, a healthy society, and ultimately a healthy planet. It's about the*

Greek word that was used by Aristotle and Plato 'eudaimonia (μ)', which means 'human flourishing'. It's about the causes of health rather than the causes of disease."

Heroes of health: Promoting nursing globally while utilising philanthropy and impact investing

Nigel's interest in working with health creators has also led him to become an activist for nurses. It all started with him being the chair of the *All-Party Parliamentary Group on Global Health*, where he wrote a study on nursing, which he argued was largely ignored. *"To be honest, I was annoyed by the response"*, he remembers. *"We realised three things in this report. Firstly, we need to strengthen the role of nurses in order to achieve universal health coverage. Secondly, nurses are often under-valued and under-utilised around the world, primarily because they're mostly women. Nursing is too often seen as women's work and* *not treated as the real profession that it is. Thirdly, we realised that if we did do something about improving the status of nursing, we would be able to improve health and promote gender equality. We had made a strong case but people said, 'yes we agree with you', but they decided not to do anything about it."*

He took it on himself to promote nursing by gathering supporters. *"I decided, let's do it. I brought a few people together, we found half a million pounds and started our global campaign, Nursing Now. The World Health Organization joined in and so did the International Council of Nurses. As a campaign, Nursing Now has a number of objectives. The most important being to increase funding for developing nurses in countries around the world. We also managed to persuade the World Health Organization to appoint a chief nurse, designate 2020 as The Year of the Nurse and the Midwife, and publish a major report entitled,* State of the World's Nursing. *I expect this report to give us important data helping us to persuade countries to promote nurses further."* Despite their limited resources, the campaign took off. *"It went viral. We now have 750 national and local Nursing Now groups in 126 countries. Russia will launch its campaign shortly."*

The campaign shows how impact investing and philanthropy can achieve a lot with relatively few resources. *"The Burdett Trust for Nursing gave me half a million pounds to start this off. The whole thing cost about GBP£2 million."* The increase in the budget was secured once Nigel had the first trust backing the project. *"We were able to secure additional funding from other trusts, businesses, and from the UK health services. It allowed us to appoint six staff members, run meetings around the world, and develop a good infrastructure for communications and sharing good practice. Since COVID-19, all of our activities have been 'virtual'."*

More important than the financial support, was help by the trust for setting up an infrastructure for this campaign. *"The trust allowed me to set it up under their existing structure, so that I didn't have to invent a new organisation. I was able to work within their governance structure and set up a committee with representatives from 16 countries on it. Two-thirds were women and one-third men, and among them were many nurses. We rolled this out from 2018, and it finishes next year in 2021."*

> Nurses are going to become more important because they take a bio-psycho-social view of the world. In other words, they don't just see your health as being about your biology, but also about your psychological and social position. They usually consider that your health may be affected by what's happening at home, by your relationships, by the fact that you haven't got a job, etc. So they take a holistic view of health. This is very much in tune with the times.
>
> Lord Nigel Crisp

The comparably small budget for a global campaign had great advantages, according to Nigel. *"It meant all the national and local groups had to find their own resources. They really had to own the campaign and be very determined in what they were doing. In turn, the central investment of about GBP£2 million has generated spending and voluntary effort far in excess of that amount."*

> I am proud that we've seen nurses taking more prominent roles.
>
> Lord Nigel Crisp

The GBP£2 million was spent mostly on attending meetings and conferences. *"That was the most expensive activity, but you need some face-to-face meetings."*

Nigel is proud of this work and believes that nursing is becoming ever more important for the future. *"We have more long-term conditions such as asthma, heart disease, and diabetes, many of which are associated with ageing. Nurses provide continual care for people with these long-term conditions, whereas doctors do more specific one-off interventions. Nurses are also going to become more important because they take a bio-psycho-social view of the world. In other words, they don't just see your health as being about your biology, but also about your psychological and social position. They usually consider that your health may be affected by what's happening at home, by your relationships, by the fact that you haven't got a job, etc. So they take a holistic view of health. This is very much in tune with the times."*

Ensuring a lasting impact

The Nursing Now campaign will finish in 2021, but this does not mean efforts will come to an end. A number of countries have already invested in nursing and policies are changing. *"I am proud that we've seen nurses taking more prominent roles."* In preparation for its ending, Lord Nigel installed a legacy plan, *"Different bodies will take on different roles and ensure continuous support for nurses. There are also new leaders and new networks working together. It all makes me very optimistic about future support for nurses despite many remaining challenges."* Perhaps it is no coincidence that 2020 has brought a great appreciation for nurses around the world due to the COVID-19 pandemic. The year also marks the 200th birthday of Florence Nightingale – the social reformer and statistician, who laid the foundations of professional nursing. ■

3.

Products and performance

Summary

- Almost half (45%) of respondents agree that one can choose to target lower financial returns or to take on greater risk, but they do not have to give up returns in impact investing. Nearly a third (32%) say there is no trade-off between financial returns and impact.
- A large majority of respondents (87%) say their impact investments either met or exceeded expectations on non-financial objectives, reflecting a very high level of satisfaction among investors.
- In terms of the progress made within impact investing over the last 10 years, 47% believe that strides have been made in the sophistication of impact measurement and management. Forty percent and 38%, respectively, believe the common understanding that impact-related definitions and segmentation have made significant progress, along with the availability of professionals with relevant skill-sets.
- The most significant barriers to starting/increasing impact investing is perceived to be a lack of high-quality investment opportunities (fund or direct) with proven track records, as noted by 20% of respondents, followed by concerns about the relative underperformance of financial returns (17%), and confusion about impact investing terminology and processes (13%).
- The most difficult challenges for philanthropy are noted to be measuring the impact of philanthropic activities and scaling up successful initiatives as reported by 16% and 10% of respondents, respectively.

3.1. Performance

Some investors shy away from impact investing as they expect low returns. The following section challenges this assumption and shows that returns in impact investing are similar compared to those of traditional investments.

Combining responsibility with financial returns

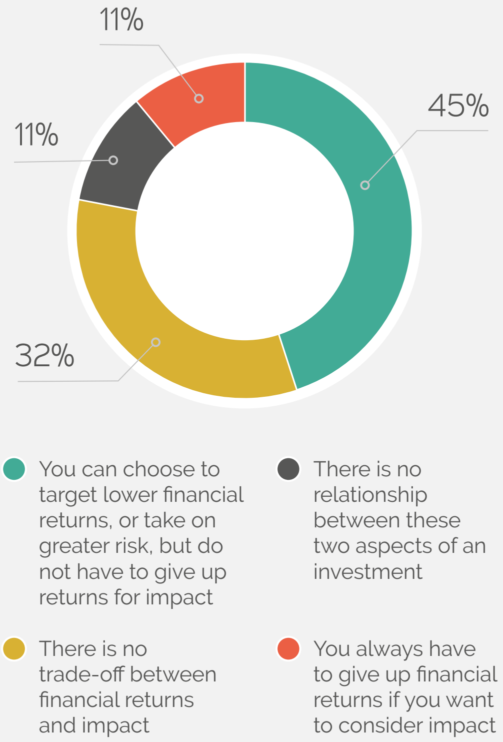
With more research on performance, the myth is debunked that impact investing is not feasible for generating a positive return.[13] In fact, 45% percent of the respondents surveyed confirm that you can choose to target lower financial returns or to take on greater risk, but you do not have to give up returns for impact. Similarly, 32% believe that there is no trade-off between financial returns and impact, suggesting that the impact investing market is increasingly delivering similar results to traditional investing (figure 3.2 and 3.3). In the words of one family member:

> We are investors. Our first criteria is financial returns. But, it doesn't mean we compromise on responsibility. And we try to find the companies and the funds that believe in the same philosophy.
>
> Family member, single family office, Europe

[13] For example, previous editions of *Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019*; GIIN *Perspectives, Evidence on the Financial Performance of Impact Investments.*

Figure 3.1

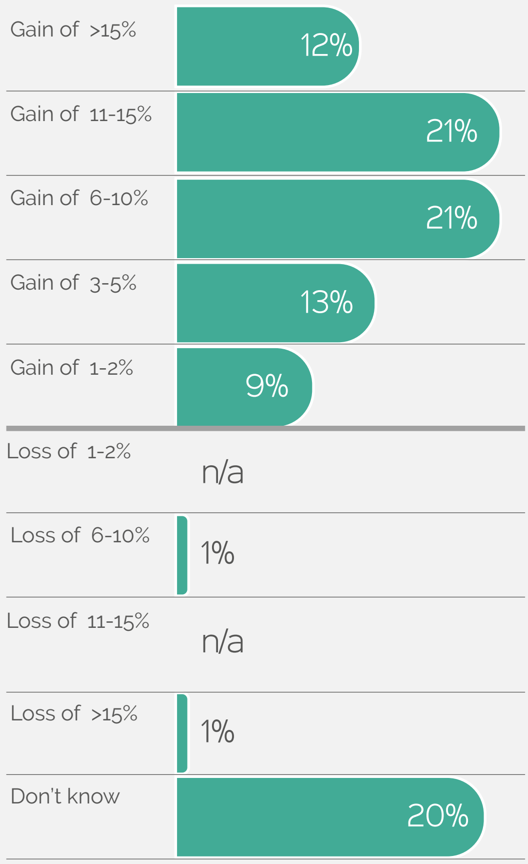
Views on the relationship between financial returns and impact investing



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

Figure 3.2

Financial return for impact investments for 2019



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

A third of impact investors report double-digit returns

A third (33%) of those engaged in impact investing say they achieved double-digit returns of 11% or more in 2019. Another 21% report financial gains of 6%-10%, compared with 22% seeing financial gains of 5% or less (figure 3.2).[14]

> My impact investments are producing very good returns. Some companies track themselves and compare their performance to stock market returns. They are doing quite well.
>
> Private investor, Europe

[14] Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019, p.21

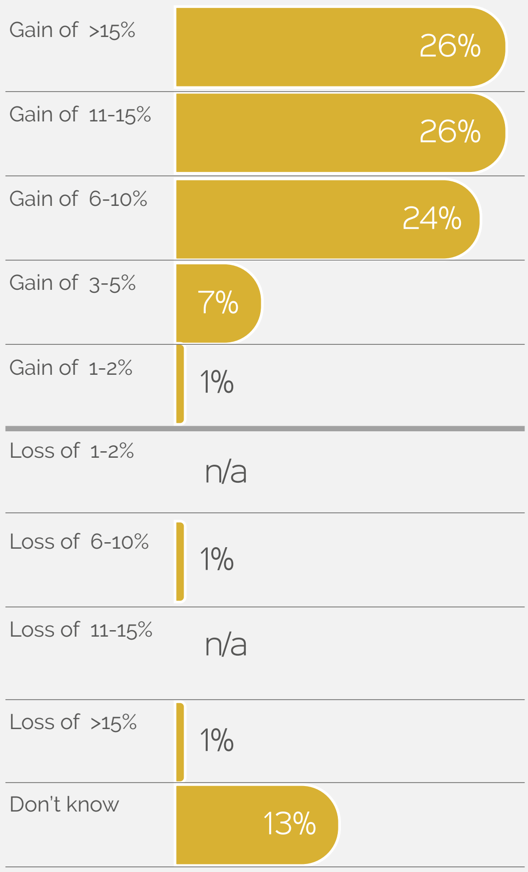
Increases in double digit returns on impact investments

Reflecting a notable increase in double-digit returns this year, 26% percent of the investors surveyed reported returns of between 11% and 15%, while last year only 17% achieved these results (figure 3.3). It's important to note that returns on investments give only a snapshot of portfolio performances. For a long-term view, several studies emphasise the positive results of incorporating non-financial considerations into investment decision-making, indicating that returns on impact investments will outperform traditional investments in the long run.[15]

> If we're serious about achieving the UN Sustainable Development Goals, and we should be serious about that, we need to mobilise mainstream capital. The only way that you can do that is by delivering an intentional social and environmental return, alongside a market rate, financial return.
>
> **Family member, family trust, Europe**

Figure 3.3

Financial return for traditional investments for 2019



Base: Those engaged in traditional investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

[15] Clark et al., From the Stockholder to the Stakeholder: How Sustainability Can Drive Financial Outperformance, 2015

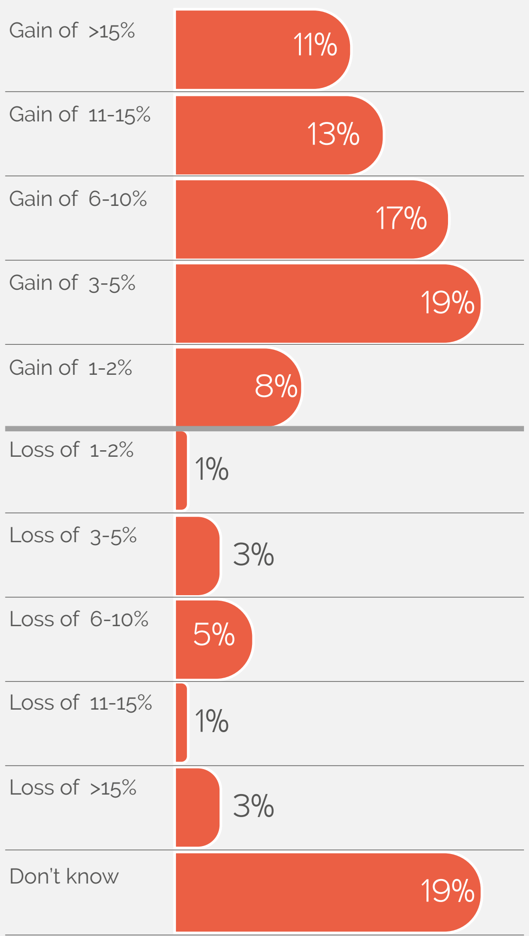
Fears of a recession hamper performance expectations

The fieldwork for this study was conducted at the height of the COVID-19 pandemic in Europe and North America, between April and June 2020. In turn, respondents' remarked about having a fear that COVID-19 would throw the global economy into a recession. As a result, only 24% percent of those engaged in impact expect their investments to deliver returns of 11% or more in 2020, compared to 33% percent in 2019. Interestingly, there seems to be no significant difference between impact and traditional investments, as only 24% of holding traditional investments expect them to deliver double-digit returns in 2020 (figure 3.4 and 3.5).

> Due to COVID-19, new investments have been extremely slow. Everybody is very cautious but I continue. At the end of the day, it's calculated risk, and we might come out of this helping even more people.
>
> **Private investor, Africa**

Figure 3.4

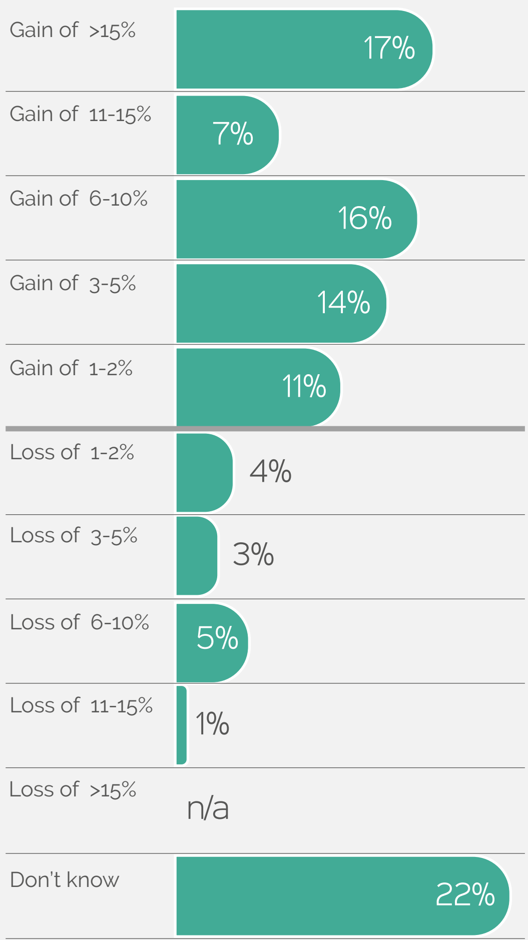
Expected financial return for impact investments for 2020



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

Figure 3.5

Expected financial return for traditional investments for 2020



Base: Those engaged in traditional investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

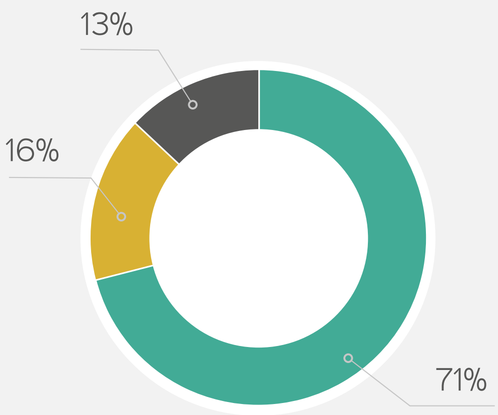
Impact investments and philanthropy meet non-financial expectations

Against the backdrop of a possible economic crisis, it is noteworthy that nearly nine-in-10 (87%) respondents say their impact investments either met or exceeded expectations on non-financial objectives (figure 3.6). This high satisfaction could reflect investors' optimism when it comes to impact investments. In the words of a family member:

> We look for an impact mindset and if companies are putting in place the systems to deliver this. You can't really micro-manage this too much, because you don't want the commercial returns to suffer. We are not philanthropists. It's investing for a return. And I think we all do not want to compromise on commercial returns. That's number one.
>
> **Family member, multi-family office, Asia-Pacific**

Figure 3.6

Impact investments meeting expectations on social/environmental objectives



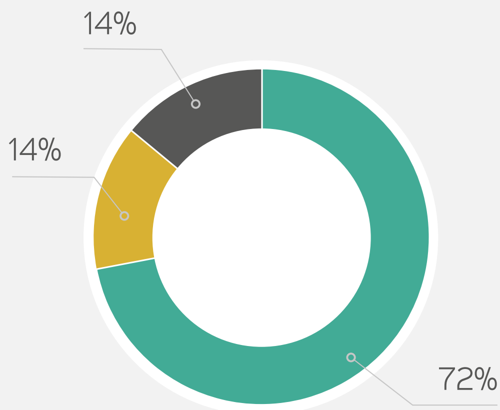
Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Interestingly, philanthropists are equally satisfied with their engagements delivering on social and environmental objectives. The majority, 86%, say their philanthropic activities either met or exceeded expectations (figure 3.7).

> I think there's a requirement for philanthropy because not everything can be wrapped up into a sustainable business solution.
>
> **Family member, family trust, Europe**

Figure 3.7

Philanthropic activities meeting expectations on social/environmental objectives

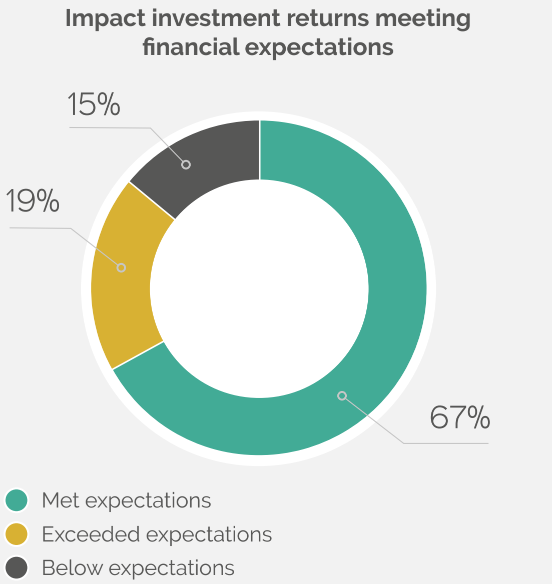


Base: Those engaged in philanthropy.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

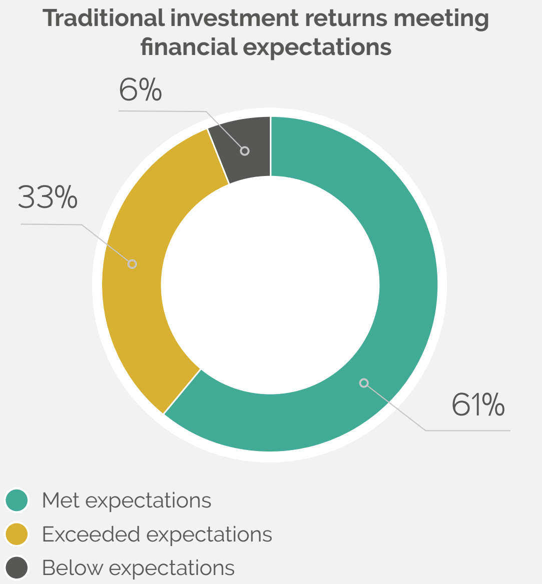
Impact and traditional investments largely met financial objectives

With regards to financial criteria, impact investments and traditional investments both delivered the anticipated results for a majority of survey participants (67% and 61%, respectively) at the end of 2019. Traditional investments even exceeded financial expectations for 33%, compared to only 19% exceeding expectations for their impact investments (figure 3.8). Just 6% of traditional investments and 15% of impact investments fell short of expectations.

Figure 3.8



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.



Base: Those engaged in traditional investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

3.2 Challenges and opportunities

Having explored the performance of impact investments compared to traditional investments, this section looks at investors' attitudes towards the most pressing challenges ahead. With the impact investing space growing rapidly, investigating those issues provides an opportunity to learn, evaluate, and progress.

Impact measurement and management practice remain a challenge

The most significant current challenge to impact investing is perceived to be a lack of sophistication surrounding investments' impact measurement and management practice, as noted by 58% of respondents (figure 3.9). Although this is a major barrier still, 47% feel that significant progress has been made over the last 10 years, giving a positive outlook for further progress. In the words of an investment director from a multi-family office in Europe:

Figure 3.9

Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

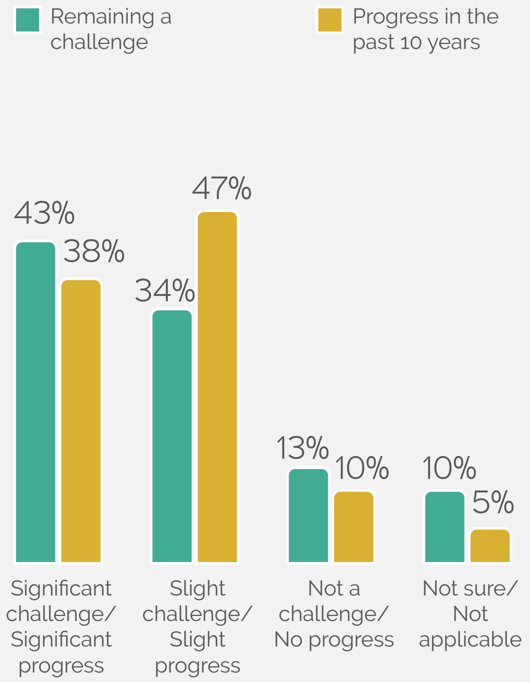
> There's a perception that there's a trade-off between 'Shall we do the right thing or shall we make money?' It's becoming more accepted that there is plenty of opportunity to make money in decent ways. But it's just not always that obvious. Even if you've got a reasonably good dataset, there can always be unintended consequences. In turn, people are trying to get better at understanding the downside risks and broadening the datasets that we have.
>
> **Investment director, multi-family office, Europe**

Interestingly, fewer are concerned about the prevalence of professionals with relevant impact investing skill-sets, as 43% view this as a significant challenge within the sector, while 34% only view it as a slight challenge (figure 3.10). As one multi-family office executive explained:

> Different fund managers have various tools for reporting on impact. The methods they're using are more sophisticated with more emphasis on how to validate and back-up the sourced data. This shows the real impact and is not just greenwashing. Obviously, there's a continuum of good and bad practice, but on the whole, the bar has improved a lot.
>
> **Investment director, multi-family office, Europe**

Figure 3.10

Professionals with relevant skill-sets



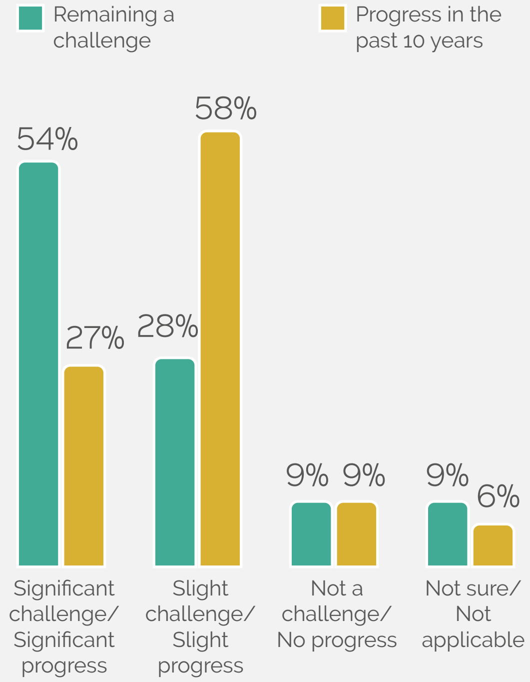
Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

Wanted: High quality investments with proven track records

Our data shows that private wealth holders are looking for high-quality investments with proven track records, both in private and public markets. The large majority of respondents (82%) see a lack of quality investments (direct or fund) with proven track records as either a significant (54%) or slight (28%) challenge. Just 27% feel that significant progress has been made on the issue over the last decade (figure 3.11).

Figure 3.11

High-quality investment opportunities (fund or direct) with track record



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

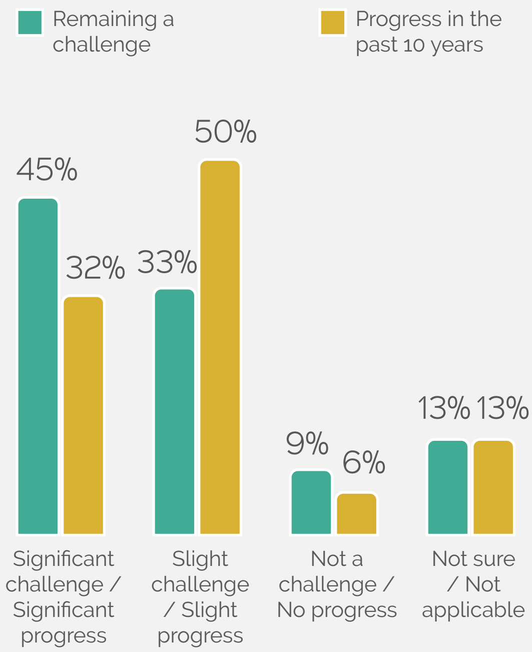
Issues with gaining access to case studies and innovative deal/fund structures

Forty-five percent of respondents reported there being a significant challenge with the availability of impact investing case studies which demonstrate high quality investment opportunities, while 82% believe that significant/slight progress has been made in this regard (figure 3.12). A family member with a particularly positive experience noted the importance of networking when searching for new opportunities:

> Finding investment opportunities in decarbonisation was no issue. You meet someone who has been involved in wind or solar for many years and you start working with them. And they introduce you to somebody who is involved in energy storage systems. And they introduce you to someone who is involved in lithium recycling. You just end up developing a network of people. They have existed in this renewable world for a long time and now it is taking off.
>
> Family member, single family office, North America

Figure 3.12

Availability of impact investing case studies demonstrating high-quality investment opportunities

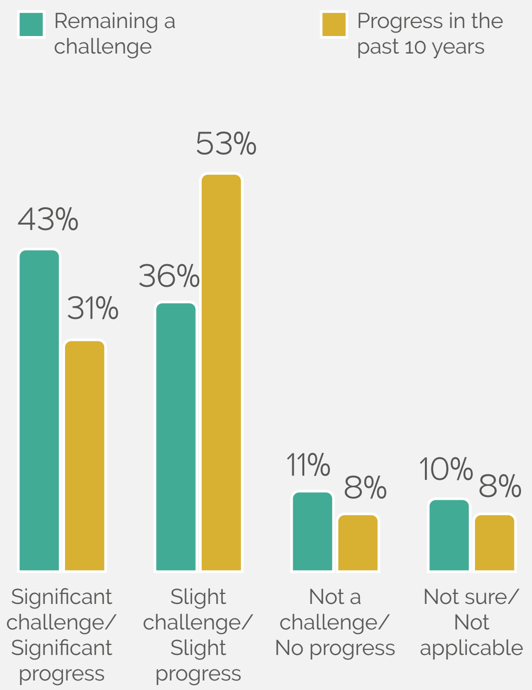


Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

In accordance with these findings, innovative deal or fund structures to accommodate the needs of investors/investees is also deemed to be a significant/slight challenge to 79% of respondents. However, 84% assert that significant/slight progress has been made in this area (figure 3.13).

Figure 3.13

Innovative deal/fund structures to accommodate investors' or investees' needs



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

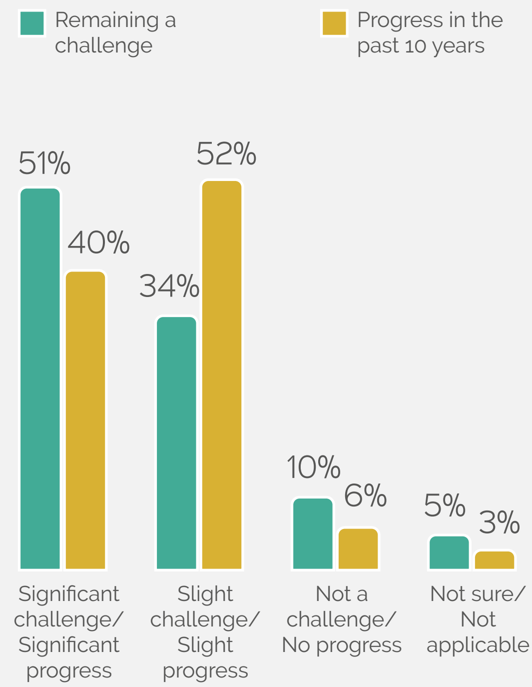
Finding a common language is a key challenge

With the impact community growing, finding a common language helps investors in two important ways: to set precise impact objectives and to measure/report on impact performance in order to avoid greenwashing. While significant progress has been made in this respect (see below), 85% believe that there is a lack of common understanding and segmentation within impact investing (figure 3.14). The confusion frustrates even high-level investors, as noted by the chief financial officer of a foundation in North America:

> I am an accountant by background and I really struggled to find one framework that we could use across the whole portfolio. On a public market fund, they provide totally different metrics compared to the private equity funds. In some cases, they provide different metrics for each company. It would be helpful to get universally accepted metrics for specific areas of impact. For example, establishing 20 key metrics for climate and another 20 key metrics for gender.
>
> Chief financial officer, foundation, North America

Figure 3.14

Common understanding of definition and segmentation of impact investing market



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

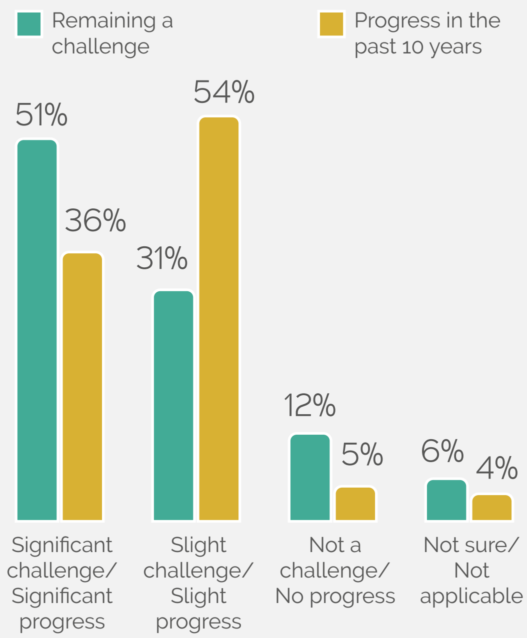
More data is needed, but some progress has been made

Access to better data on investment products and opportunities is likely to help establish better metrics. Eighty-two percent of those surveyed agree that data access is still a significant or slight challenge, compared to 90% seeing significant or slight progress in this regard, nurturing optimism that this issue can be resolved in the near future (figure 3.15). In the words of an investment director from Europe:

> There's an awful lot more data than there used to be. And not only is there more data, people are trying to use it. The requirement of companies to report, not just on the basics of how much energy they use, is becoming less and less optional. People are required to report. And reporting is becoming better.
>
> Investment director, multi-family office, Europe

Figure 3.15

Data on investment products and opportunities



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

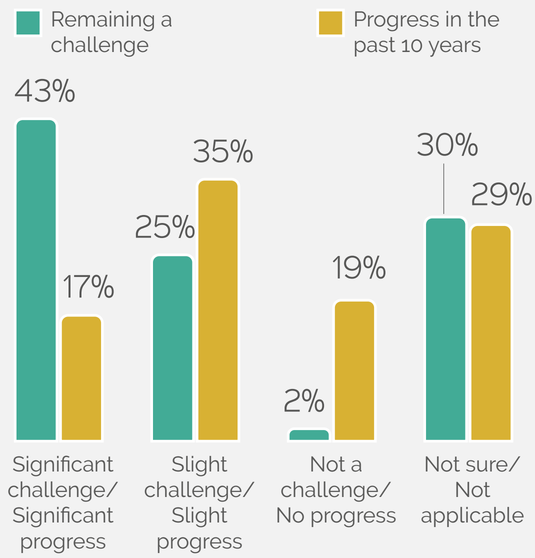
More data, less greenwashing

As progress is made on improving reporting data, greenwashing, often described as a key challenge in impact investing,[16] is viewed as a significant/slight problem by 68% of respondents. Interestingly, 52% also report significant/slight progress in the past ten years, indicating that private wealth holders see this problem dissipating (figure 3.16). This family member is convinced:

> Better returns are going to come from people doing more than greenwashing and who are making environmental challenges a core part of their business strategy. There are really big opportunities out there. I would rather invest in somebody who shows commitment towards addressing the climate emergency. That's where the returns are going to be.
>
> Family member, multi-family office, North America

Figure 3.16

Greenwashing



Base: Those engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not sum to 100% due to rounding.

[16] Global Impact Investing Network (GIIN), Annual Impact Investor Survey 2020, p. 10; Financial Times/GIST/Barclays Private Bank, Investing for Global Impact 2019

Challenges ahead: Finding a common language

When respondents were asked which is the greatest challenge facing impact investing over the next five years, 14% said the lack of a common language to describe impact performance, 13% noted an ability to demonstrate impact results, and another 13% noted a risk that the industry will not make progress against social/environmental challenges (figure 3.17). These issues are reflected in this pointed statement from a family member in North America:

> I don't think everybody is on board with respect to definitions about impact. What's impact, what's not impact. You'll see a lot of people making the claim that Uber was impact!
>
> **Family member, multi-family office, North America**

Figure 3.17

The greatest challenge facing impact investing in the next five years

Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Barriers to start impact investing: Looking for proven track records

Barriers to participate in impact investing arise largely from missing access to information on opportunities, returns, and processes. When we asked respondents what issues prevented them from starting or increasing their investments in impact, 20% deemed the lack of high-quality investment opportunities with proven track records a major barrier, followed by 17% who are concerned about the relative underperformance of financial returns, and 13% stating they are confused about the terminology and processes (figure 3.18).

> Many family offices are trying to understand impact investment because families think it's a cool idea. But then they send their representatives into meetings and find the industry not impactful enough.
>
> **Private investor, Europe**

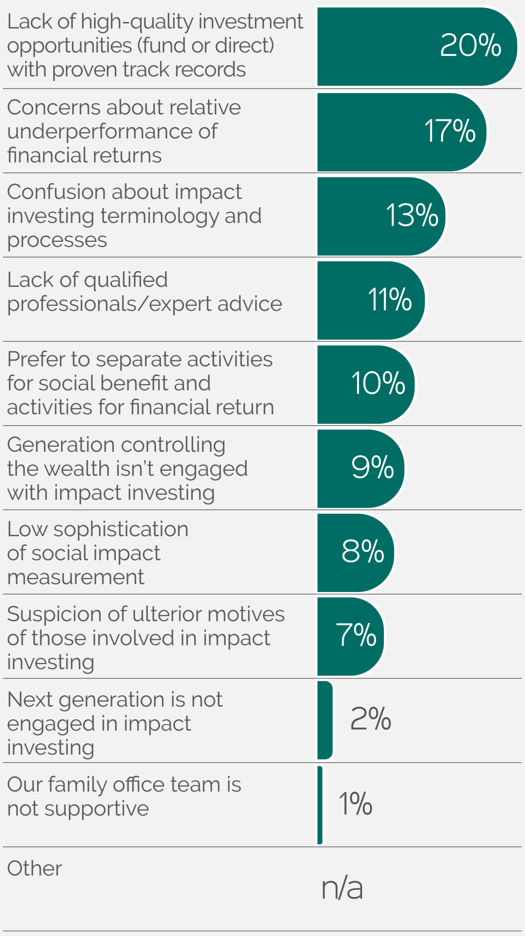
Challenges in philanthropy: Measuring impact and scaling-up initiatives

Philanthropy's main challenges are reported to be measuring the impact of initiatives, as noted by 16% of respondents, and the ability to scale-up successful initiatives, as noted by 10% (figure 3.19). This investment director explains the issue of scale in more detail:

> Philanthropy has the risk of having a short-term impact. You've got to keep feeding money in. Whereas, if you're investing in businesses that become financially sustainable in their own right, then there's the chance for much more leverage. You're really seeding something to get it going. And it will continue to have an impact because it becomes self-sustaining.
>
> **Investment director, multi-family office, Europe**

Figure 3.18

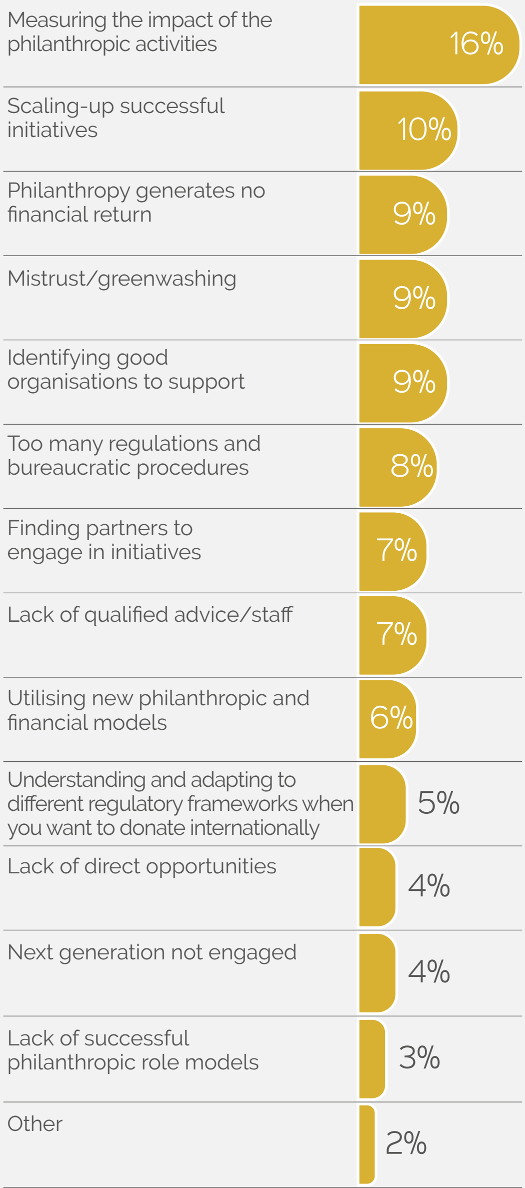
Major barriers to increasing or starting impact investing



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 3.19

Most difficult challenges for philanthropy



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Case study: Kurt and Victoria Engelhorn

Learning from the next generation

> My father used to say 'if everybody goes right, ask yourself why? Maybe they should be going left.' He inspired me to do things differently and to question where I am heading.
>
> Victoria Engelhorn

Kurt and Victoria Engelhorn are fourth and fifth generation wealth holders in an entrepreneurial family. They are direct descendants of Friedrich Engelhorn, who founded BASF in 1865, the multinational company and largest chemical producer in the world today. They are also the son and granddaughter of Curt Engelhorn, an entrepreneur who transformed a small family-owned pharmaceutical company into a global pharma and diagnostics corporation. When the company was purchased by Hoffmann-La Roche in 1997, the Engelhorn's main business moved towards wealth management and preservation. In this interview, Kurt and his daughter Victoria speak about private wealth, responsibility, and intergenerational differences.

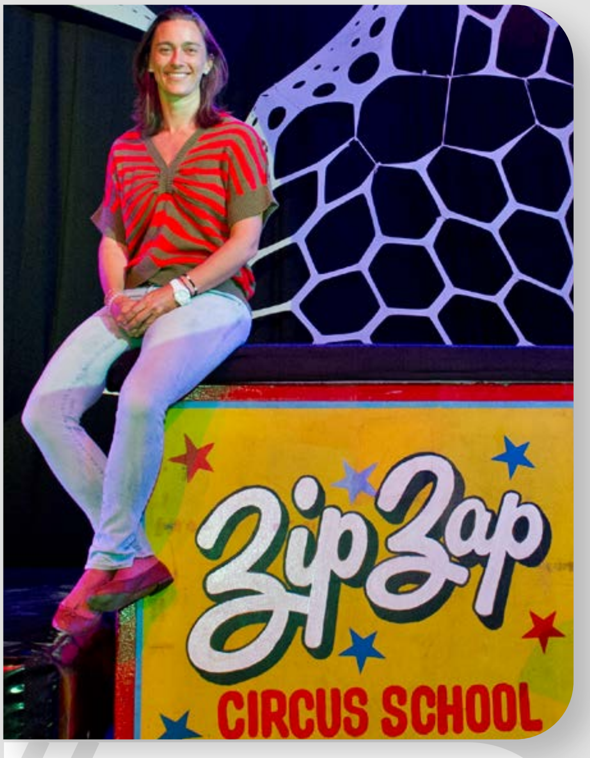
Kurt trained as a chartered accountant. Growing up he knew about the wealth that his father's family business could generate. Nonetheless, he had to be patient. He remarked, *"My father used to say to me 'Look, you are a very rich young man. But, you don't have any money. Live with it.' That was the message until my early fifties."* The financial benefit of the family's wealth was not realised until the company was sold in 1997, when the wealth became liquid.

Victoria Engelhorn

In order to make the most of the new reality, Kurt gained the needed operational experience to manage the family's wealth. He wanted to make sure that the forthcoming generations would get their fair share and have easier access to the funds than he did. He noted, *"My father put me in charge of taking care of our share of the wealth. My main job was to be in communication with the trustee who manages the funds, and to find a direction. We have four daughters and ten grandchildren, which meant that we distributed quite a substantial part of the wealth to the individual funds of those four children, so that they could start to invest the money in their own way."*

The next generation leads in social responsibility

Victoria, Kurt's daughter, is part of the millennial generation of wealth holders. Growing up in Switzerland, she moved to the United States to study biochemistry and economics, where she first started thinking about the responsibility that comes with wealth. In her early twenties, she connected with a network of young, socially responsible entrepreneurs. Among them were the founders of The Body Shop and Ben and Jerry's. Her contacts inspired her to use the family wealth in a more meaningful way and she brought her Dad along. He noted, *"I remember myself and Vicky running up and*



> We should all have the opportunities that life gives. At the Zip Zap Circus School, that's precisely what we do. We take children in and say, 'If you dedicate yourself to something, if you give it your fullest, you can be swinging on a trapeze and do amazing things.'
>
> Victoria Engelhorn

down Upstate New York 20 years ago to be involved in projects for homeless people. We also started to finance one of the very first textile labels for socially responsible production in India. We travelled across India looking for suitable textile companies."

Today, Victoria considers herself a philanthropist and socially responsible entrepreneur. She runs hospitality businesses in South Africa and Spain. She is also involved in a variety of philanthropic projects including Zip Zap, a circus school for less privileged children in Cape Town. She finds it hard to disentangle her various engagements, noting: *"Where do you draw the line between philanthropy and impact investing? With impact investing, you can expect a financial return. With philanthropy, you give a grant, but you still see a return. If I support an organisation that educates girls, there is another child in this world that actually has a decent education. That child will be able to create a new future for themselves and maybe even work in a business or create a business."*

Victoria firmly believes that non-financial objectives in investing and business are crucial to advance our economies and societies as a whole. Her passion projects typically focus on promoting equal opportunities by giving children in South Africa a chance to realise their full potential. She remarked, *"We should all have the opportunities that life gives. At the Zip Zap Circus School, that's precisely what we do. We take children in and say, 'If you dedicate yourself to something, if you give it your fullest, you can be swinging on a trapeze and do amazing things.' We have kids that come from the streets. One of our kids, who is a young adult now, said to me recently. 'I've been living on the streets for 18 years of my life. And, I've travelled to France, I've travelled to the United States, and I've shook the hand of the president of the United States. How is that even possible?' I believe we need to enable young people to do exactly that. Change their realities and facilitate opportunities wherever we can."*

Intergenerational differences on capitalism, climate change, and investing

Victoria's father, Kurt, is a big fan of her philanthropic engagement. He loves Zip Zap and admires what Victoria has achieved. Nonetheless, he takes a different approach with his own investments. Somewhat reflecting the views of his generation, he is convinced that keeping to traditional investment strategies will produce sufficient value for society. He asserted, *"I think it's very healthy to stick to the basics. If you have an investment team guided by pure and simple economic categories, they will support a successful business. They will assess the product, the management, and the market. Then you will be able to create a long-term, safe, and prosperous business. You start with a business of five employees and after 10 years it could employ 300 people. So, you will have done a lot for society and have a huge impact."*

Moreover, Kurt questions whether impact investing will generate the anticipated outcome. He remarked, *"It's a delicate issue. Some believe giving money to impact managers will do something good and that traditional*


Kurt Engelhorn

The climate will change with us or without us. In one million years there won't be an earth anymore. We will be abolished. It is a different question whether we want to prolong certain situations, i.e. whether we want to live around cleaner air or water. Of course we should try to get the plastic out of the sea and things like that.

Kurt Engelhorn

investments are less good. How is that?" He also prefers to separate his business and philanthropic activities noting, *"I think it's very difficult to combine the two. You better do some direct and pure charity, so that it's clearly focused and you know what you are doing. I believe that doing good doesn't always mean that you achieve good."*

As one would expect, Victoria respects her father's view, but disagrees firmly. Her conviction reflects the critical thinking of millennials, as she remarked, *"The other day I came across this sentence and it helps to define how I feel about business. It says, 'The goal is a synthesis of business and art. A capitalism that is compatible with the higher values of humanity.' Especially after COVID-19, there is a lot of talk about what is responsible. Do we need to have billionaires in this world? We always run after growth and want to make as much money as possible. Is that the right way? Or, can we create businesses that are compatible with this higher value of humanity?"*

Their disagreement expands on many issues that dominate our time. When Kurt was asked if he is worried about climate change, he shrugged and replied, *"Not really. The climate will change with us or without us. In one million years there won't be an earth anymore. We will be abolished. It is a different question whether we want to prolong certain situations, i.e. whether we want to live around cleaner air or water. Of course we should try to get the plastic out of the sea and things like that."* In Kurt's view, environmental challenges can be solved with technology. *"I am always very interested in technological solutions for environmental issues. We have done clean tech investments in the past as they were delivering good returns, but at the moment we don't. Our current focus is on software."*

Unlike her father, Victoria is worried about climate change. *"I am a mother of four. When you have children you are concerned about the next generation and about your grandchildren. I wonder, what kind of world will they be living in?"* Referring to her father she says, *"I had lots of thoughts while my Dad was speaking. I believe that we are in a position where we can make new choices. Sure, you can reinvest in old industries. But, is that reasonable? Aren't we realising that certain industries shouldn't exist anymore because they're not good for the environment or our society?"*

In recent years, Victoria says, she has increasingly rejected the premise that financial returns are the sole objective. "*I'm getting more and more convinced that whatever I do has to support a general cause or something that is important to me personally. I'm not going to put money into something that I don't believe in, even if it promises to create great fortunes. I won't do it."* When disagreeing, both Engelhorns are very confident, but never angry, as they engage in the same type of current affairs debates many families have while sitting around the kitchen table.

I believe that we are in a position where we can make new choices. Sure, you can reinvest in old industries. But, is that reasonable?

Victoria Engelhorn

When you are born with a golden spoon in your mouth

Yet, this family is different. Their wealth makes them one of richest families in the world. When pressed on the question about the role of private wealth holders in society, Kurt has a Marxian inspired view on the role of their family legacy. He noted, *"We have a responsibility as owners of means of production. And, it should be the number one focus to grow the next generation. When the family council meets, I tell everyone, 'Accept that you are wealthy. Everybody here is born with a golden spoon in their mouth. You have to live up to it. Your obligation is, at the end of the day, to do well with the wealth. Don't fall into the trap and try to be something else.'"*

> Yes, we are born with a golden spoon in our mouths. I agree, it's my responsibility to work with it, accept it, and respect it. But, I also don't want to forget that 99% of the people out there don't share the same reality.
>
> Victoria Engelhorn

Victoria, who has dedicated her life to growing opportunities for those less privileged, responded immediately: "*Yes, we are born with a golden spoon in our mouths. I agree, it's my responsibility to work with it, accept it, and respect it. But, I also don't want to forget that 99% of the people out there don't share the same reality. We are seeing this now with the black lives matter protests. Saying to these people 'understand your place in life' is not the correct way of doing it. So, what is our place? I believe systems have to change, and we have to learn. Sometimes you have to go to the street and move the masses to make sure people understand. This is their reality. This is what they live day in and day out."*

This year in particular has led Victoria to reassess her role in protecting the wealth for future generations, with impact investing being a concrete part of her forward-looking approach. She remarked, *"You never own wealth, you're just a guardian for the time being. And, you need to make the best of it, so that it keeps on living. We can do a lot of things. We can invest more in the environment. We can be more socially responsible. One thing that COVID-19 has shown us is that there are possibilities out there. We just have to ask ourselves, how much is sustainability worth? So I think impact investing is the future, there's no getting around it."*

Celebrating intergenerational differences

The disagreement between father and daughter leads to an active debate – which both of them seem to enjoy. Victoria believes their differences are often due to the different languages that shape each generation. She noted, *"My father sometimes says certain things and I think 'Oh my God, how can you say something like this?' But actually, it's just his way of expressing something that I also believe in, but I've grown up using a completely different language than my father. For example, when he says, he doesn't worry about climate change, I agree with him that the earth has a life span and it will be changing, and we might be part of it, or we might not be part of it. But, I would never say something the way my Dad says it, because I don't see it like that. There surely is a generational difference in the way we communicate, but it doesn't mean that it's contrarian to one another. If you scratch underneath the surface and go to the essence of what is being said, we are probably very similar."*

Kurt is visibly curious about his daughter's view. He looks proud and remarks, *"There is this famous phrase, 'Every generation has to reinvent itself to be a new first generation'. I think that's happening now. My daughters will push for a new direction. And that will happen again with the grandchildren. We all have a different approach to responsibility and wealth."* ■

Case study: **John Kamara**

Investing in African entrepreneurship

> I'm a risk-taker. I will continue and whatever is going to happen, will happen. I'm actually driven to do more investing during this time. It's just a personal conviction.
>
> John Kamara

John Kamara is a tech entrepreneur and a first generation wealth holder. Born into a middle class family, John moved to Ireland at the age of 21. He dropped out of school after two years. *"I don't really have a formal education"*, he says two minutes into our interview. Like many non-white immigrants, he faced institutional racism. *"Arriving in Europe, I was put on a type of caste system because I was African and black."* Despite having fewer opportunities available to him, John found that technology ignited his interest. *"I knew I am as intelligent and as smart as they are. So why can't I do it as well? Eventually, I started working in tech and worked for various software companies across multiple sectors. I became a self-made entrepreneur with my first start-up in 2010/11 in Ireland."*


John Kamara

Six years ago John moved back to Africa to work across the continent and promote local talents. He is the CEO of Afya Rekod, a Nairobi-based health tech start-up and a start-up investor. He is also director and co-founder of the AI Centre for Excellence, co-founder of Ada Labs Africa in Nairobi, Kenya, and director of the Machine Intelligence Institute of Africa in Cape Town, South Africa. *"One of the reasons I came back was to shape opportunities on this continent. I believed that I could add some value. Having worked in different tech industries and being lucky enough to have experience in entrepreneurship, I wanted to give back and help out."*

With an impressive career as an entrepreneur, John started reflecting on his life choices. In his late thirties, he had worked hard and earned his wealth in Europe and North America. Nonetheless, his lifestyle did not give him a deeper meaning. He wanted to create a legacy that he can be proud of and felt a sense of duty, like many of those reflected in this report, to help make the world a better place. *"These days, I ask myself some very important questions. What do I want my life to represent? My life shouldn't just be represented by how much money I can make. My life should be represented by how I helped somebody else. I am now creating value for a lot of young people. This reassures me that I can achieve good things."*

Dedicating his life to value creation in various countries, including South Africa, Kenya, Ghana, Uganda, and Nigeria does not mean John feels comfortable to be named a champion of

> I'm just somebody who wants to create change. And I will use my own resources and find other resources to do that.
>
> John Kamara

impact investing. He avoids such labels and prefers to just do the job and be part of the changes he would like to see in the world. *"I have a life here in Africa and my own start-up. And I fund a number of start-ups and help them scale their businesses. So am I an impact investor? I'm not sure. I'm just somebody who wants to create change. And, I will use my own resources and find other resources to do that."* With a strategy of openness, finding talented entrepreneurs to invest in comes easily to John, who likes travelling and exploring the places he visits. He remarked, *"I meet people because I travel a lot, and sit in the markets and streets. I don't just attend big conferences, I go and talk to people. I make myself approachable."*

AI and entrepreneurship in Africa

In his role as the director of the Machine Intelligence Institute of Africa, he relies on his experience in entrepreneurship to promote artificial intelligence (AI) and data science working with public and private sector organisations. He believes there is a big opportunity for broader socio-economic development. *"AI is a very important form of technology. Especially in emerging markets, this technology might enable us to catch up with the developed world. We could leapfrog, if you will."*

Leading by example, John's own business relies on data science and machine learning to save lives. His start-up, Afya Rekod, is a health data platform which gives patients and medical staff access to important information that could be crucial in situations of emergency. Here, he created positive impact by merging the intelligence of two sectors this report has found are popular among private investors, healthcare and information technology. Having not previously considered healthcare as an industry to get involved in, John lost a close friend that triggered an obsession with health and data science. *"When my friend died last year, it was due to a lack of healthcare data. He was given a drug that did not match with other drugs he had been taking. If the doctors had known and treated him differently, he would have survived. Instead he went into a coma. And there are so many other people like him."*

The obscurity and unavailability of data emerged as a massive issue relevant to large parts of communities. *"It became a problem that I was obsessed with. And, at this point, I wasn't really thinking about healthcare. I just wanted to find a solution. The deeper I reached for it, it became clear that with technology, I might be able to solve this."*

Nairobi, Kenya

With Afya Rekod, John built AI technology to track health data and make it accessible to medical staff. He noted that it could also help stop the spread of pandemics. *"I went to Sierra Leone where they faced Ebola and realised that static data made it very difficult to manage outbreaks. I wondered if I could create a central model and track outbreaks across rural communities. I pitched it to some doctors working in NGOs and they validated that a core problem for them was the capture and storage of accurate data across every possible level of infrastructure. Bringing real time access to data was the solution. Our tool now allows patients to create a portal with all their health data. If they go from doctor A to hospital B, they can share the data through this system, so medical staff can understand the patient before they treat them. The important part is, patients get sovereign rights of ownership of their data. The patient logs in and sees all the information from the hospital. They don't have to ask the hospital or beg for information. It's your right to have access to it. You paid for it."*

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John Kamara

John says his technology would have saved his friend, and he talks passionately about how this could help rural communities as well. *"With our tool, even a hospital in a small village which has this platform can understand if a pregnant woman suffers from some type of symptoms typical to certain situations, as it also works with machine learning to improve medical treatment."*

Rethinking the challenges ahead for impact investing and philanthropy

As a passionate entrepreneur who has worked hard for his survival and is now dedicated to improving the lives of others, John feels he can relate to the next generation of talented entrepreneurs. He talks about the tough choices young Africans face today: *"The reason Africa has a lot of entrepreneurs is due to the lack of opportunities. Few are able to get a good job in big companies. We still don't have the big industries that would employ millions of people, so entrepreneurship becomes the order of the day. They start asking, 'What can I do to earn money?' They search and find, 'Oh I can solve a problem to earn money.'"* This mindset is crucial for John, who observes how young entrepreneurs are growing their businesses: *"Entrepreneurship happens when you have to create opportunities for yourself. You start to dig deep to create opportunities yourself. It's the only way you can really survive."*

Seeing the great progress in African economies over the past decade makes one believe that this emergent wealth creation will change perceptions of Africa in the rest of the world. John asserts that this is a crucial moment in history. *"We don't have the visibility of accumulated wealth in our continent yet, which is why we are looked upon as being poor. But it is not true. It's just that we don't have the visibility. We don't understand the value of our own continent and that is the biggest problem."*

> We don't have the visibility of accumulated wealth in our continent yet, which is why we are looked upon as being poor. But it is not true. It's just that we don't have the visibility. We don't understand the value of our own continent and that is the biggest problem.
>
> John Kamara

Many African industries are growing rapidly and John confirms that education is providing huge opportunities, as does tech, health, and agriculture. *"Those are four massive sectors that are driving exponential growth within the continent. And another sector that we're seeing is actually entertainment, which has driven a lot of opportunities among younger Africans."*

Another area to look out for is the potential for increased intra-African trade and e-commerce. *"We don't really trade amongst ourselves. We trade with everyone else. And we lose all our value because all we ever sell is our raw materials. So being able to process our own goods ourselves and selling among ourselves, actually creates more value for us."* Some of these opportunities are not picked up by international investors yet. Often, John thinks African entrepreneurship is judged from a Western point of view and misunderstood: "I believe it is important for investors to rethink their strategies. There are problems unique to Africa, and how those problems have been and will be resolved here is not necessarily the same way problems will be solved in the US or Europe. So investors also need to rethink. Many international investors are judging African companies based on the criteria that they set themselves, not realising that this is a different landscape. I have seen a number of investors who look down on African start-ups, for not having X, Y or Z. Maybe if they took a different look at the real socio-economic problem and how they are reflecting that problem in their solutions, they can create a different model for how to achieve value.

John asserts, instead of looking to validate their criteria, true impact investors should focus on local problems and collaborate more with those who understand the problem on the ground: *"When you talk about impact investing the whole conversation has to change. It has to be based around the value for the place where you are invested in. I've seen a lot of things over the past five years with people claiming they are impact investors, but really they're not. We need a more collaborative approach. There is no point in hiring some African to run your operation here, who can't make any decisions. All the decisions still come from America or Europe. What is the point?"*

Work also needs to be done to show that actual change has been created through impact investments or grant giving. Success in impact-related track records is dependent on positive outcomes in local communities. However, John notes, *"There is a complete disconnect between what international investors and philanthropists want to do and what they are doing. What they do is mostly not sustainable. It's like giving you hope and taking it away with the next step. They have all these metrics and criteria so they can go back to the EU or wealthy families and get more money. They say they are impact investors and they want to change things. But, if you look at how they use the metrics, it still doesn't speak to exactly what they are trying to do."*

This situation relates to a common problem among impact investors and philanthropists surrounding the insufficient sophistication of investments' social or environmental impact measurements. To help address this, John explains what he believes international investors can do better, *"I think they need to review the metrics and base them on sustainable values. Has the investment actually changed the lives of people? It's not enough to have some excel calculations by some graduate from Harvard."*

Perhaps a re-thinking of what types of companies we want to build is another route, John explains. *"I don't agree that every company should be a unicorn and become a billion-dollar enterprise. Maybe we should create a lot more companies that can be sustainable. I call them camels. Because a camel can last in the desert without water for so many weeks. We need to build companies that can sustain themselves with little resources."* ■

4.

In focus for 2020: Climate change

Summary

- Over half (52%) of respondents believe that, long-term, climate change will be the greatest threat to the world, while over four-fifths (83%) are very concerned by the effects we are already seeing from climate change. In terms of whether respondents believe it is still possible to keep the increase in global average temperature to well below two degrees Celsius, 36% believe it is, while 21% do not.

- A clear majority feel that private wealth holders have a responsibility to support global social/environmental initiatives (82%), and that private capital will be essential to address climate change because governments 'are not doing enough' (81%).

- Eighty-six percent believe that governments need to do more to meet the Paris Agreement commitments. While the majority (53%) asserted that Europe is leading the world in carbon-neutral initiatives, 64% still feel that without the United States government's active involvement in addressing climate change, it will not be possible to achieve the needed results.

- Nearly nine-in-10 respondents (87%) assert that climate change influences their investment choices, while nearly seven-in-10 (67%) assert that it influences their philanthropic activities. To address climate change when investing, 27% report that they avoid companies they deem to be major contributors to climate change. Another near quarter assess the risks that arise from climate change within investments and/or target investments that support the transition to a low-carbon economy (each 24%).

- Nearly one-in-five (19%) respondents know the carbon footprint of their portfolios and nearly two-in-five (39%) would like to know their carbon footprint to help guide their future investment decisions.

4.1 Climate change in focus

> We are the last generation that can prevent irreparable damage to our planet.
>
> **María Fernanda Espinosa Garcés, General Assembly President, Ecuador**

Climate Change: The shift in global, regional or local climate patterns. The rise in global temperatures from the mid-20th century to the present is often referred to as the most relevant cause of climate change. For the purpose of this report, we define climate change as the result of global warming and a broader range of changes which are predominantly driven by human activity - also referred to as Anthropocene.

The United Nations has warned that we have merely 10 years left to tackle the climate change crisis before irrevocable damage is done, which will lead to, amongst other things, growing wildfires, food shortages, and loss of coral reefs.[17] Similarly, the National Centres for Environmental Information reported that 2020 is set to rank among the five warmest years on record[18] and the World Meteorological Organization found that the global average temperature increased by 1.1˚C since the pre-industrial period and by 0.2˚C just between 2011 and 2015.[19]

Given the pressing nature of this matter, this year's *Investing for Global Impact* report pays special focus on the environment, and the climate change crisis in particular.

[17] UN General Assembly, Meetings Coverage, 28 March 2019; Report of the Secretary-General on the 2019 climate action summit: the way forward in 2020, 11 December 2019
[18] National Oceanic and Atmospheric Administration/National Centers for Environmental Information, Global Climate Report 2020
[19] World Meteorological Organization, 22 September 2019

With an eye on private wealth, in 2019 the *Global Family Office Report* found that over half (53%) of family office executives believe climate change is the single greatest threat to the world. Echoing this concern, climate change was the number one area family offices targeted in their sustainable investments, with 62% of those engaged in sustainable investing focused here.[20]

Climate change influences the majority of impact investing and philanthropy portfolios

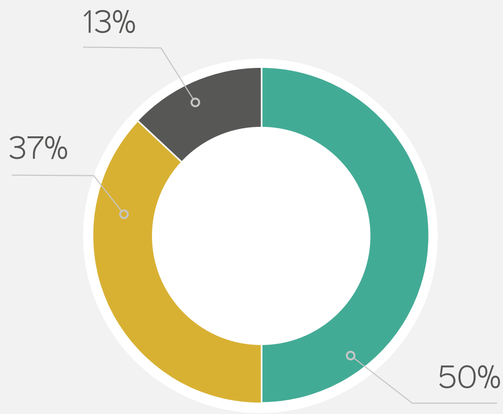
This year, support within the private wealth community for climate change is unwavering. In fact, nearly nine-in-10 respondents (87%) noted that climate change is either partially (50%) or highly (37%) relevant to their portfolios (figure 4.1). Climate change also influences 82% of respondents' philanthropic activities.

In relation to the impact investing arena, one multi-family office investment director from Europe remarked:

> In an unfortunate way, the reason the impact investing market is growing is because of climate change. We see that most of the things we invest in are a response to climate change, or more broadly to the environment and pollution, because legislation is tightening, partly in response to the climate and partly in response to public and environmental pressure.
>
> **Investment director, multi-family office, Europe**

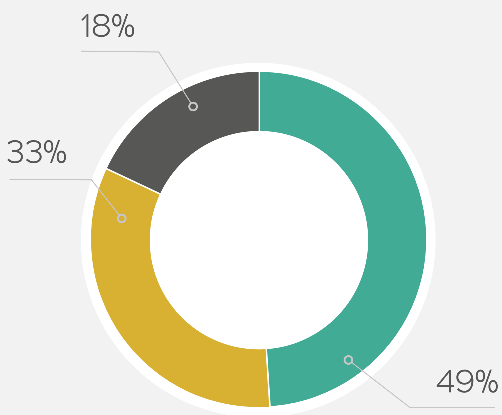
Figure 4.1

The extent to which climate change currently influences respondents' impact investments



- It is partially relevant to our investment portfolio
- It is highly relevant to our impact investment portfolio
- It is not relevant to our portfolio

The extent to which climate change influences respondents' philanthropic activities



- It is partially relevant to our philanthropy
- It is highly relevant to our philanthropy
- It is not relevant to our philanthropy

Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

[20] UBS/Campden Wealth, Global Family Office Report 2019

Both social and environmental objectives are commonly targeted

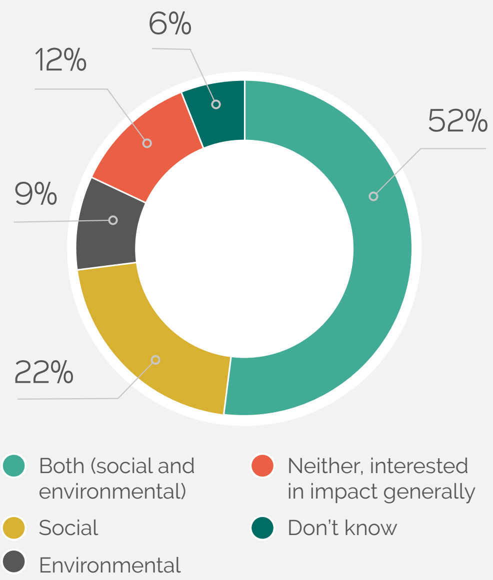
Looking at the nature of investments, private wealth holders most frequently mix their portfolios to target both social and environmental issues (52%). However, some solely target social (22%) and others, to a lesser extent, environmental (9%) initiatives (figure 4.2). Just 12% are neutral, noting that they are simply interested in impact investing more generally. This mix of results reflects the fact that impact investing is often driven by respondents' desire to make a specific positive social and/or environmental change.

These findings are also largely mirrored on the philanthropy front, as nearly half (49%) of the philanthropists surveyed note that their primary giving objective is both social and environmental, while for 38% it is solely social and for 2% solely environmental (figure 4.3).

One interesting difference to highlight, however, is that private wealth holders are more likely to target environmental issues through impact investing than through philanthropy, as reflected by a difference of 10 percentage points. There could, however, be various reasons for this, and one may be that impact investing is often linked to the next generation, and millennials in particular. And, it is this generation which will be the most affected by climate change, thus pushing the drive towards environmental impact.[21]

Figure 4.2

Primary impact investment objective

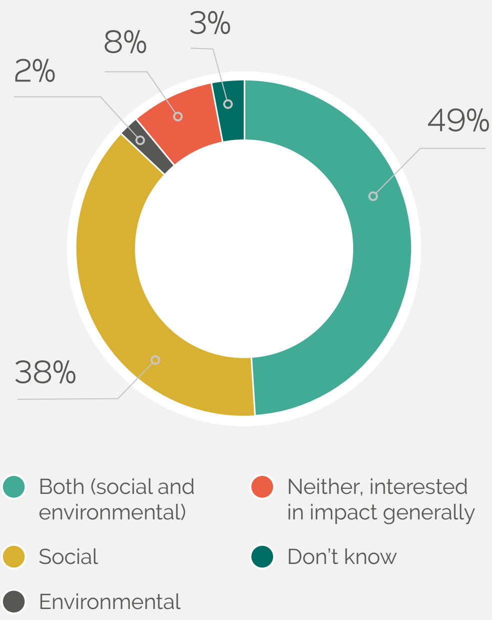


Base: Those who engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

[21] UBS/Campden Wealth, The Global Family Office Report 2018, p.37

Figure 4.3

Primary philanthropic objective



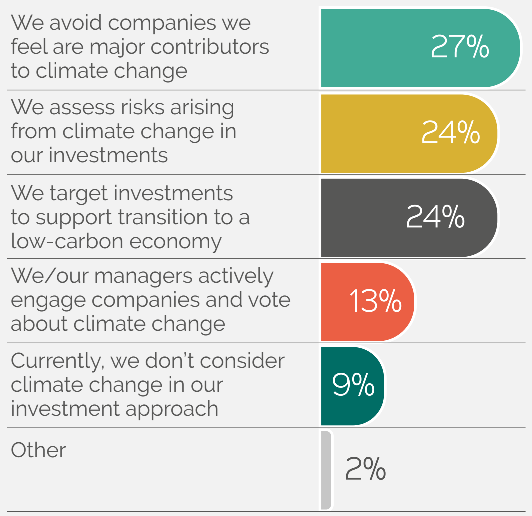
Base: Those who engaged in philanthropy.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Steps being taken to address climate change through investments – avoid, assess, target

When analysing specifically how respondents factor climate change into their investments, over a quarter (27%) note that they avoid companies they feel are major contributors to climate change (figure 4.4). Just under a quarter assess risks arising from climate change in their investments or they target investments to support the transition to a low-carbon economy (24% each) (figure 4.4).

Figure 4.4

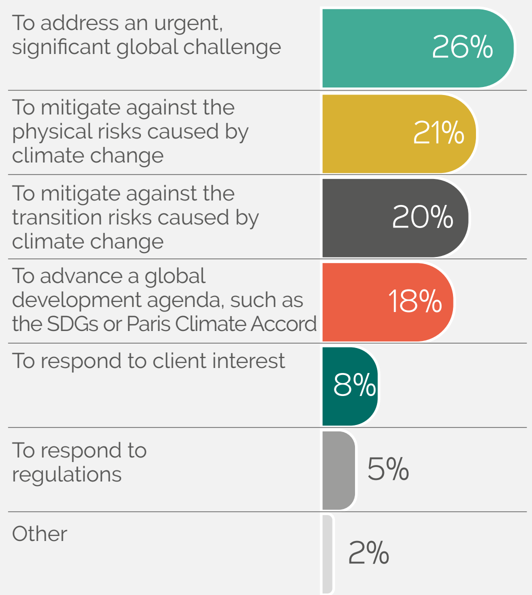
How climate change is factored into investing



Base: Those who engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 4.5

Why climate change is addressed through impact investments



Base: Those who engaged in impact investing.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Driven by a desire to address an urgent global challenge

The main drivers they have to engage in this form of investing are to address an urgent, significant global challenge (26%), and to mitigate against the physical risks (21%) and the transition risks (20%) caused by climate change (figure 4.5).

Knowing your carbon footprint

> We know the carbon footprint of 92% of our portfolio and we're below the benchmark. I feel pretty good about that.
>
> Chief financial officer, foundation, North America

Carbon footprint: The amount of carbon dioxide, or greenhouse gas emissions, released into the atmosphere as a result of the activities of a particular individual, organisation, or community.

Fossil fuels: A natural fuel such as coal, petroleum or gas, formed in the geological past from the remains of living organisms. Fossil fuels can release large quantities of carbon dioxide when they are burned and lead to the emission of toxins and global warming, thereby being hazardous to public health and the environment.

The amount of carbon dioxide in the planet's atmosphere has surpassed the highest recorded level in human history, reaching a new peak this year in spite of the COVID-19-related lockdown. As one of the most influential factors in climate change, this leads to global warming and the knock-on effect of environmental damage, wildlife extinction, dangers to human health, and economic loss. In turn, it is useful for companies and investors to know their carbon footprint, so as to better understand and combat the negative impact of climate change.

One-in-five private wealth holders know their carbon footprint

This year, we asked private wealth holders and their family offices/foundations if they know the carbon footprint of their portfolios and, interestingly, about one-in-five (19%) say they do; three-fifths (60%) say they do not (figure 4.6).

Awareness of one's carbon footprint often impacts investment decisions

When drilling down further, it became evident that those who know their carbon footprint often use this knowledge to actively manage their footprint downwards (with a target in mind) (9%) or to consider it more broadly when making investment decisions (13%) (figure 4.7).

Many others want to get on board

It is also notable to highlight that two-in-five respondents (39%) who do not currently know their carbon footprint, expressed an interest in learning it to help guide their future investment decisions (figure 4.7). Therefore, there is a sizeable appetite among private wealth holders to gain more knowledge with a view to integrating CO_2 considerations into their investment strategies. In the words of a family member from North America:

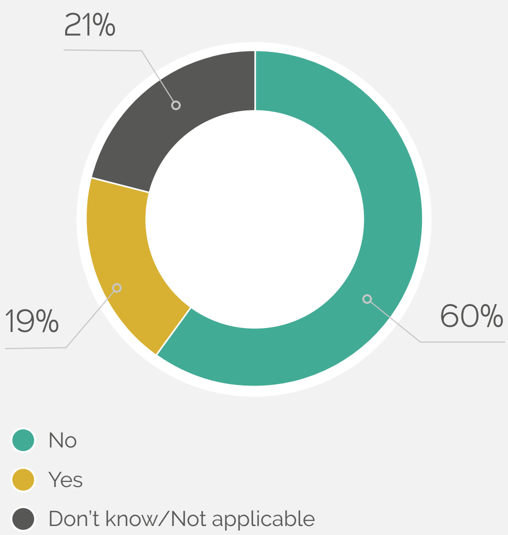
> I think almost every company should know their carbon footprint. So, if you're a bank, how are you investing in petroleum companies or oil companies? What is your balance sheet score? And, how about a consistent way for global investors to understand how carbon scores rule out, so that they can easily make decisions. From an investment perspective, it may be better to keep this stuff private. But, for the overall economy and climate situation, it would be much better if people knew what their carbon footprints were.
>
> Family member, single family office, North America

Private wealth holders are divided on fossil fuel investments

When asked how they feel about investing in companies that produce fossil fuels, respondents had a mixed reaction. Just under half (47%) feel that fossil fuels should be considered for investment either because of their potential to contribute to renewables (34%) or the strong financial returns they generate (13%). Another two-fifths (40%) said they should not be considered for investment given the damage they cause to the planet (25%) and the risk they pose concerning stranded assets and valuations (15%) (figure 4.8).

Figure 4.6

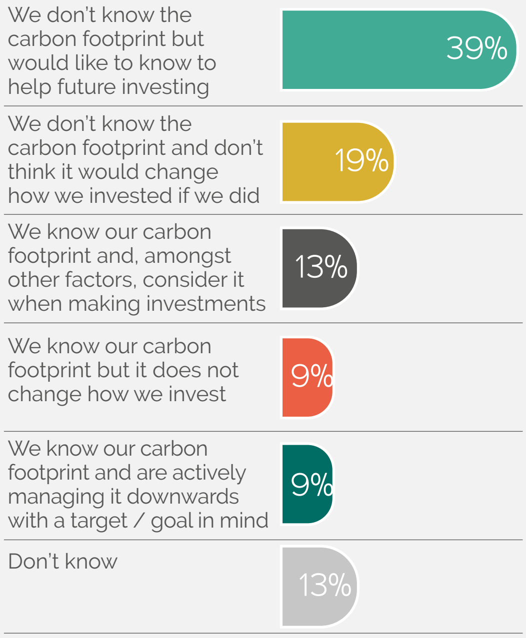
Awareness of the carbon footprint of one's portfolio



Base: All participants.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Figure 4.7

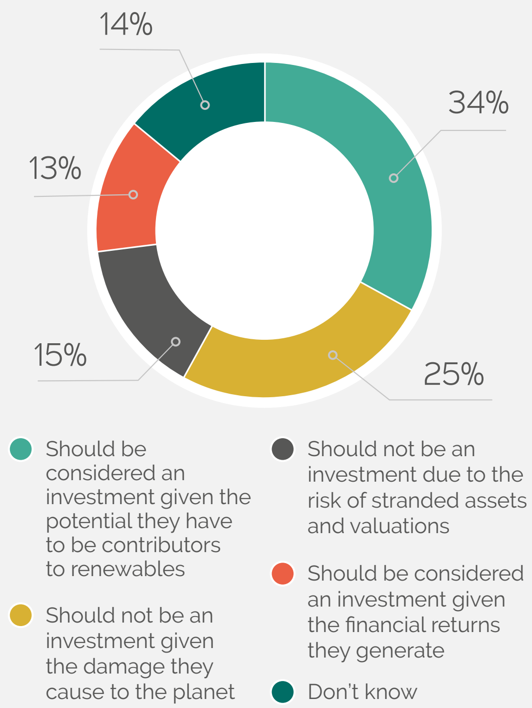
How investment approaches to the carbon footprint of portfolios can best be described



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 4.8

Investment views towards companies that produce fossil fuels



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

4.2 Taking the pulse on climate change

To gauge participants' opinions towards a variety of aspects surrounding climate change, they were asked whether they agree or disagree with a series of statements on hot button topics. The biggest headlines follow:

The majority view climate change as the greatest threat to the planet...

Even amidst a pandemic, over half (52%) of respondents agree that, long-term, climate change will be the greatest threat to the world (just 34% disagree). Another 83% are 'very concerned' about the effects we are already seeing from climate change (figure 4.10).

...however, a quarter do not believe scientists' 10 year warning on irreversible damage

But, despite such widespread concern, over a quarter (27%) of respondents do not believe scientists when they say we have only 10 years left to prevent irreversible damage to the earth from climate change.

And it is here that the private wealth community tends to fall into two camps, as 37% do believe scientists' warning. The same proportion (37%) also believe that it is still possible for us to keep the increase in global average temperature to well below two degrees Celsius, while 21% are pessimistic that this is feasible.

In terms of concerns, insufficient governmental action is touted

When looking at what governments are doing to address the climate change crisis, there was widespread criticism. Over eight-in-10 respondents assert that governments need to do more to meet the Paris Agreement commitments (to keep the global temperature rise this century to well below two degrees Celsius).

There is also concern arising from the United States' decision to withdraw from the Paris Agreement, as 64% assert that it will not be possible to meet the associated commitments without the United States on board. In comparison, the majority (53%) of respondents purport that Europe is currently leading the world in carbon-neutral initiatives. Merely 9% feel the same of Asia-Pacific. Eighty-six percent of private wealth holders agree that governments need to do more to meet the Paris Agreement. Various respondents from across these regions commented:

> The change that's being asked for, particularly in the areas of climate, gender, and racial justice, is not something that the private sector alone can achieve. And it's not something that the public sector alone can achieve. We need the government to come along with us.
>
> Chief financial officer, foundation, North America

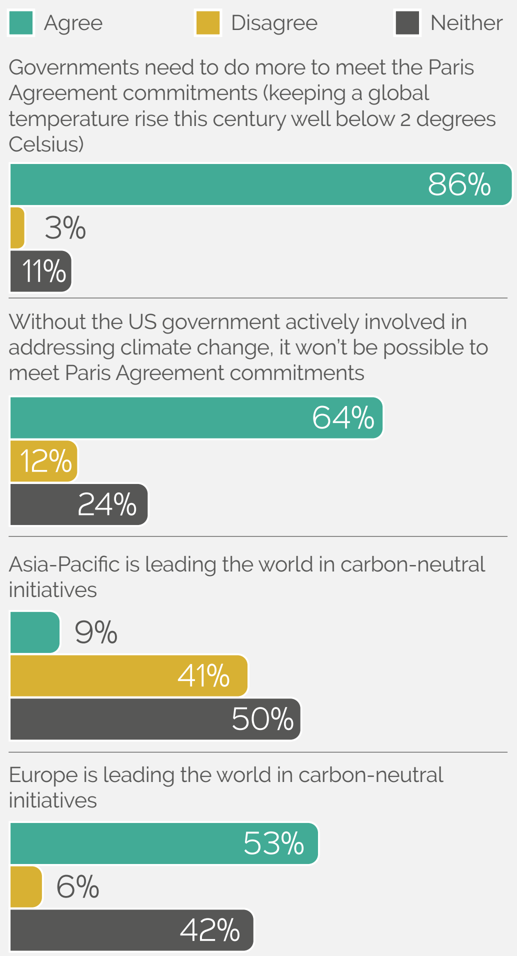
> Governments need to conform to impact commitments. They need to be an enabler, not disrupt the market, or scare people. Compared to Europe, the United States are way behind the curve.
>
> Family member, multi-family office, North America

> The European Union is great. The new taxonomy is a good start. I mean, it's far from perfect, but it's a good start.
>
> Family member, single family office, Europe

> The sovereign wealth funds are playing the impact card in Asia. They have set up large impact funds but, in my opinion, in the emerging markets, like the Indian subcontinent, Southeast Asia, or Northern Asia, governments have possibly not done enough.
>
> **Family member, multi-family office, Asia-Pacific**

Figure 4.9

Respondents views towards a variety of climate change-related topics



Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Fossil fuel companies as potential leaders in renewables? A divided response

Two-fifths (40%) believe that the largest fossil fuel producing companies will be leaders in renewable energy in the future, with one European-based private investor remarking:

> When you think about the fact that the carbon industries have got huge amounts of money and R&D capability, they are possibly the ones who are primarily best positioned to assist in that area. They've got the investment. I couldn't name one renewable energy company that is anywhere near the size of the major fossil fuel companies.
>
> **Private investor, Europe**

However, this sentiment is met with scepticism by over a quarter (26%) of the community. As one family member from Europe noted:

> I don't think fossil fuel companies will be leaders because the conflict of interest is just too big. I mean, why would you create something that ultimately destroys your other business? I don't think they will be the leaders. They will be the followers.
>
> **Family member, single family office, Europe**

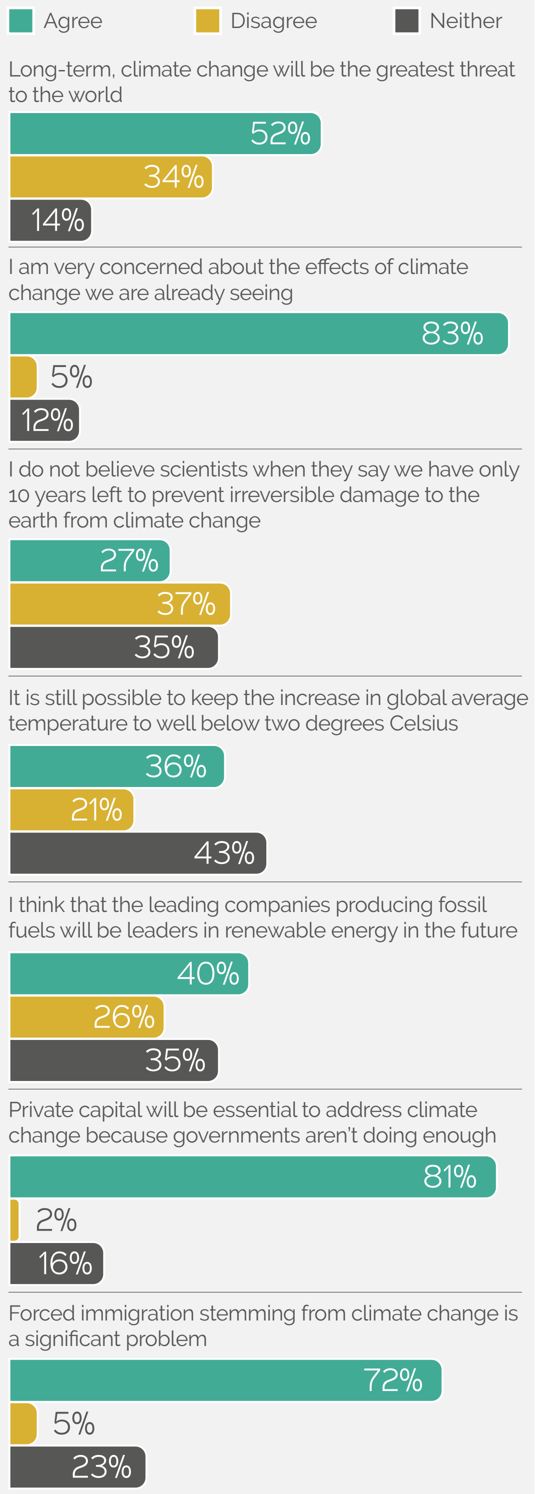
Private capital is essential to fight the good fight

Four-fifths (81%) also assert that private capital will be essential to address climate change, as government action is not enough. As one family member from North America argued:

> Every family that has been blessed by wealth needs to do something meaningful with it. That's my philosophical conviction. Even if they get lower returns than if they bought oil wells, they need to do something.
>
> Family member, multi-family office, North America

Figure 4.10

The long-term view on climate change



Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Case study: Stephen Brenninkmeijer

Impact investing towards a zero-carbon economy

> I have the feeling that in the next 10 years, 70% of all investments will be impact investments.
>
> **Stephen Brenninkmeijer**

Stephen Brenninkmeijer has been a leading impact investor since 2002. As part of the Brenninkmeijer family, who founded the global retailer C&A, Stephen's path was clear from an early age. He studied business, joined the family's corporation, and worked for 30 years directing international teams on the buy and sell side of the business. When he was in his fifties, he left and became one of the most influential impact investors today. When we first interviewed Stephen in 2014, he was already among the most experienced impact investors in the space. In this report, he emphasises the massive opportunities arising from transitioning to a zero-carbon economy.

Building a second career in impact investing

Just around the time when Stephen was due to retire from the family business, he explored venture philanthropy and decided to initiate 'ResponsAbility', a fund management company to promote what he saw as an ***"incredible drive and energy with regards to the entrepreneurial spirit in emerging markets."*** He wanted to have a positive impact while achieving returns. The firm first went into microfinance, giving out small loans to households and businesses in low-income countries. At the time, not everyone shared his enthusiasm. When Stephen started his second career, the rest of the Brenninkmeijer family viewed his new passion as an 'interesting hobby'. Fairly quickly, however, his activities turned out to deliver on both impact and financial objectives. His fund fared surprisingly well through the financial crisis in 2007/8. He remarked, ***"It actually performed very well, our funds were very strong. We invested in microfinance which was not much affected by the subprime mortgage crisis in the US."***

About a decade after Stephen made his first impact investment, the Brenninkmeijer family office realised the potential of impact investing as well. ***"It took a while, but they started an impact fund in 2014. I was very much involved in setting it up. They wanted to know how and what, with whom, and with whom not to work."***

Today, Stephen has investments in various sectors, but with ResponsAbility, microfinance is still one of his largest and most successful projects, where the fund manager has invested over US$3.5 billion. He is convinced that microfinance can help to significantly change local economies.


Stephen Brenninkmeijer

"Microfinance is something that was done in the early days of economic development in the Western World, where cooperative banks and the like gave small loans to farming communities, etc. I saw an opportunity there. By channelling philanthropic funds towards these communities, we can create an industry out of microfinance investment."

Learning from his partners at ResponsAbility, Stephen decided to set up his own impact fund, Willow Investments (formerly Andromeda fund), and used it to build another socially responsible impact portfolio. Over time, all of his investments were made through Willow Investments. Stephen attributes his successes to the experiences he made while being involved in the family business. *"It is all about people. It was always important to listen to people and to make sure you really understand what they feel. That was something that I really enjoyed within the family business. The same applies in impact investment. It's about the team."*

Investment strategy: Connecting with places and people

Reviewing some of his investments, Stephen prefers working with founders who are open to changes. *"Sometimes you need to have discussions with people and say, 'Listen, we need to mix other people in!' It's important to make sure that these social entrepreneurs are well-guided and coached. Assessing whether people don't just talk and are actually doing the work is how I figure out whether I can trust the founder."* Stephen believes that connecting with people is key for any successful investment. He uses the German word 'Menschenkenntnis' (German; loosely translated as 'the knowledge to understand a person's nature') to describe his skill to link with people.

When asked how he ensures that his investments deliver on impact, Stephen says, forming partnerships is key. *"I've learned to work with strategic partners such as grass-roots business funds. You know they've got people on the ground who understand the local markets and industries. If you just fly in from Zürich and want to do business over two days, that can be very ineffective."* Based on that experience, he likes that his main investment sets up local offices. *"With ResponsAbility we created over 10 offices around the world. With our own staff there, you get a much better view on deal flow and how to raise capital in those markets. So, that is a big advantage."*

The only downside to impact investing Stephen sees is in available exit options. *"That is very often the problem with impact businesses. You're a rock star when you give the money, but once you come to a point that you say, 'Okay, I've been with you for eight years, I would like to sell.' Then it is very complicated."* When Stephen has exited his impact investments, he made some very good returns. *"Some of my investments delivered around 20 percent plus IRR (internal rate of return)."* But Stephen is satisfied even when he sees returns in the double digits. *"Anything above 10 is wonderful. If you look at the effort that you put in, the time you spent, that is very good."*

Towards a zero-carbon economy

Stephen has recently changed his focus. In 2014, when we first interviewed him for this study, he prioritised social impact themes but recently climate change has taken up most of his attention. Chairing the European Climate Foundation for two years now means he spends 60% of his time just doing that. *"It is a quite amazing and inspirational field with very, very high impact. Working with the foundation means I get ideas to move impact investment more into the whole climate space. There are phenomenal opportunities out there and I believe that within 10 years there will be an investment upside of over US$10 trillion in that space."*

Expecting a great expansion of carbon-neutral activities, ResponAbility has already put about US$1 billion towards tackling climate change. *"When you now look at oil and gas companies alone, they are big players and yet they are suffering. The oil price has come up again lately, but the demand has totally changed. At the foundation we assume that about 50% to 60% of the current industry will not survive because it will not be able to adapt to the new normal. There are phenomenal opportunities coming our way and impact investment can play a massive role."*

> It is all about people. It was always important to listen to people and to make sure you really understand what they feel. That was something that I really enjoyed within the family business. The same applies in impact investment. It's about the team.
>
> Stephen Brenninkmeijer

It was through his involvement in the European Climate Foundation that Stephen became passionate about electric cars and carbon-neutral supply chains in the automobile industry. The researchers he is working with first found that Volkswagen cheated on emissions reporting back in 2015, also known as 'Dieselgate'. The scandal worked like a catalyst. *"The whole automobile sector has to change by 2050. Volkswagen promised to be carbon-neutral by 2050. That means their whole supply chain has to be carbon-neutral as well. At the foundation, we now work closely with steel manufacturers to help them create transition plans switching from using fossil fuels to renewable energy."*

Transforming businesses and achieving carbon-neutral production is the true driver of economic change, in Stephen's view. *"If you look at my car, I've got this Audi 55 Quattro, a fully electric SUV. While it drives carbon-neutral, the car was produced in the old-fashioned way. Same with Tesla. In that sense, all these cars still have a very high carbon footprint. That will change because the steel has to be carbon-neutral, the aluminium has to be carbon-neutral, all technology inside the car, the tyres, the glass manufacturing, all that has to be carbon-neutral. This transition will have a phenomenal impact."*

Transitioning towards a zero-carbon economy is already under way. *"We are working very hard with the financial industry, including the banks, asset managers, pension funds, and insurance companies. They will also have to assess their investment approach with regards to fossil fuels and high-carbon footprints."* The pressure to do so is increased as more people are becoming concerned about climate change. He remarked, *"Pensioners will ask the questions 'Does my pension increase global warming or decrease global warming?' Right now most pension funds can't say that. But answering these questions is going to be the new normal. People are thinking about the next generations and they want their grandchildren to say, 'Our grandparents had a pension that actually decreased global warming and helped the climate'."*

Through the foundation, Stephen also works with universities collecting ideas for clean energy strategies in other sectors. One favourite project of his is the carbon-neutral transformation of the Catholic Church. With the Pope's recent call to divest from fossil fuels to build 'safe, accessible, reliable, and efficient energy systems', Catholics and associated religious organisations around the world are openly supporting clean energy. *"We are working on plans, so the priest can eventually say, 'This week 85% of our energy comes from heaven'. A beautiful concept. Even the Vatican is interested in our work. They tell us that they want to also go carbon-neutral , but they don't know how to do it."*

Looking ahead: Climate change is real

Stephen admits that, in hindsight, he should have focused on climate change earlier. Like many in his generation, he didn't realise how serious it was. *"I was just ignorant. I thought climate change was something that happens, but now I know, we are a big part of why it happens. I went to Greenland last August for a week and it was fascinating. It opens your eyes because you see it. There were a couple of scientists with us explaining what the situation is now, what it was 10 years ago, and what it could be in the next 10 years. Then you get worried because you see for yourself that the ice in the Arctic Ocean is diminishing rapidly."*

Those experiences have triggered a deep reconsideration of his lifestyle. Stephen now likes to question his old habits and chose to do a trip from his home in Surrey, England to the Netherlands with his new electric car. *"I didn't want to do it half-way because if you had a hybrid then you would probably get sort of 40 miles on electric and the rest is then petrol or, even worse, with diesel. Many also say that hybrids have a higher carbon footprint than your normal car. So, I went 100% electric, which worked very well. I took the Eurotunnel, travelled through France and Belgium to Holland."* In France and Belgium, Stephen noticed, the infrastructure for electric cars was still quite poor. *"You have these apps and can see the charging points but in France and Belgium most of them are only serving 11 kilowatts. In Holland, they've got hundreds of these charging stations serving 350 kilowatts. When I arrived in Breda, Holland, it took me about 25 to 30 minutes to charge my car."*

The little road trip made Stephen realise that the transition to cleaner energy is easier than he thought. "*You just have to plan differently, but it works very well."* Change is best done on a personal level, he believes. *"You can talk to national governments, you can talk to the corporate sector, you can talk to your local governments but eventually, it is all our own responsibility. We have our own role to play in that space. How do we consume, what do we consume, how do we travel, how often do we travel? We need to re-think all these things."* ■

I was just ignorant. I thought climate change was something that happens, but now I know, we are a big part of why it happens.

Stephen Brenninkmeijer

Case study: Satish Kumar

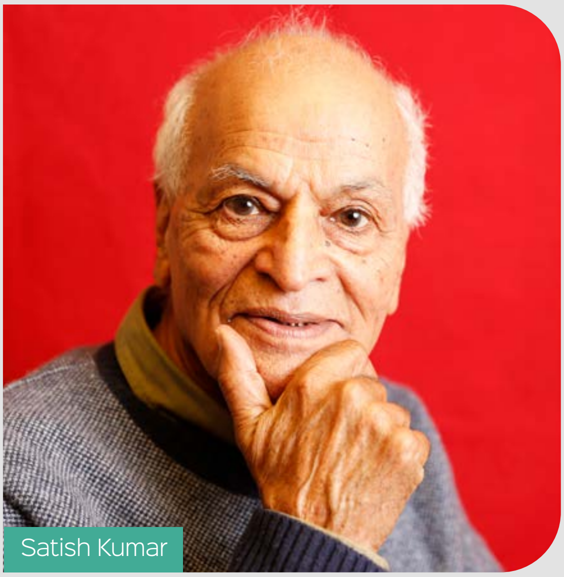
On the environment, wealth, and the journey of life

> Be the change that you want to see in the world.
>
> Satish Kumar

Satish Kumar is an activist, monk, author, and incredibly inspiring individual. It's a true privilege to hear him speak. He has walked a path in life few others have experienced. Sharing his thoughts in quick and short sentences, he inspires his audience to reflect on the most essential principles of life. He also offers unique perspectives on the relationship between society and nature, the next generation, money, and how wealth holders can use their fortunes for good through philanthropy and impact investing.

Born in India in 1936, Satish grew up in a Jain family and became a monk at a young age. When he first read Gandhi as a teenager, he was deeply inspired by his philosophy of non-violence. Concerned about the arms race during the Cold War in the early 1970s, Satish and his friend, both in their early twenties, set out on a journey that would bring them worldwide recognition. Together they walked over 8,000 miles to protest nuclear weapons, starting from Gandhi's grave in New Delhi and then trekking through Moscow, Paris, London, and Washington D.C. – the capitals of the world's earliest nuclear armed countries. *"I see life as a journey and not a destination. Whether you are in banking, business, politics, or education or whether you are a writer, a painter or a magician. Whatever you are doing, you are on a journey of life. And whatever we are doing, we are here not just for us but we are here in relationship with other people and with nature. So we are an embodiment of relationships. The titles, the name, the fame are just kind of icing on the cake."*

Satish is 84 years old and full of energy. He authored several books, edited *Resurgence & Ecologist* magazine for 43 years, is a co-founder and former programme director at Schumacher College International Centre for Ecological Studies and of The Small School in Devon, England. When he joined the interview, he had just finished his yoga practice. *"There are many things that influenced me. But most important was when my father died, when I was four years old. I saw him lying under a white cloth. I was wondering why he was not moving. What happened to him? And then I saw my mother, my brothers, and my sisters crying and crying. I was bewildered. It was a kind of shock, horror, and mystery to not know what was going on. Everything together. That led me to become a monk and give up the world. I wanted to find a way of deathless existence. And I was told that if you renounce the world and change your life and become a monk, you live a peaceful and detached life. Then you bring an end to the cycle of birth and death. Eventually the Jain faith led me to the philosophy of Mahatma Gandhi. But all this started with that experience at the age of four."*



Satish Kumar

Nature and humanity in the philosophy of non-violence, a unique approach to environmental change

Studying the Jain faith, the ancient Indian religion, Satish's philosophy is rooted in the idea that everything is connected. *"The Jain tradition is a tradition of non-violence, and Mahatma Gandhi was very influenced by the principle. Being compassionate to yourself, kind to yourself, and loving yourself is the first step of non-violence. The second step is to be non-violent to all other people. It doesn't matter who they are. Different religion, different colour, different race, different politics, different nationality, without any discrimination you are non-violent to all other people. And the third stage is that you are non-violent to nature. You are non-violent to animals, forests, and oceans. You don't waste or pollute or damage or destroy any natural part. Your work should be regenerative. So, if we treat animals, forests, oceans, and mountains with reverence, respect, and honour and receive their gifts with humility and gratitude, and give back, without creating waste and pollution that is the principle of non-violence. But that Jain principle is not Jain exclusively. It's also Buddhist principle. It's also Hindu principle. It's also Sikh principle. So I would say, I'm influenced by all four religions of India."*

Seeing the environmental challenges we as a society face today, such as with global warming, pollution, floods, and wildfires, Satish believes we need a more holistic approach to create healthy societies. *"We need a new paradigm of a more holistic, more egalitarian, more peaceful relationship between humans and nature. The well-being of the planet and well-being of people are not two separate things. If you have a sick planet, humans cannot be healthy. A sick planet will create sick societies. If our water is polluted, we have to drink it. If our air is polluted, we have to breathe it. If climate change happens, ice is melting in the Arctic, then what will happen to the sea level? Nature will impact human well-being. There is flooding and wildfires in California, and in Australia, there are hurricanes. All these things are part of climate change."*
And while older generations are reluctant to understand, young generations are leading the way forward. *"With the Greta Thunberg generation, hundreds of thousands of young boys and girls in schools and young people in universities are asking for a different kind of future. Universities brainwash the young people still, thinking that the only thing you need to focus on is your personal success. What job are you going to get and how much money you are going to make is the focus. Millennials are not happy with that kind of education. They want education which is more relevant to our time. So the sustainability and human nature relationship is becoming so powerful with the next generation."*

The connection between society and nature is becoming most apparent during the

> If we treat animals, forests, oceans, and mountains with reverence, respect, and honour and receive their gifts with humility and gratitude, and give back, without creating waste and pollution that is the principle of non-violence.
>
> Satish Kumar

COVID-19 pandemic, Satish explains. *"The old generation are holding on to the paradigm of economic growth. They say, we will find some technological solutions for climate change. They say, we will find something, don't worry. The coronavirus crisis has woken up more people. They are starting to think that business as usual is not good. If we go on encroaching on the wildlife, and encroaching on the forest, and land, and if we take away more land from animals, their illness gets into humans – into our meat, into our food – and that creates coronavirus and similar viruses. So, we have to limit our encroachment on the wildlife."*

Money as a means to an end

When asked what he thinks about money and wealth, Satish has a surprisingly positive attitude. Money is a very good invention, he says. It's the goals that matter. *"Money is a very useful tool, but it is a means to an end. Money is a measure of something. But not the thing itself. Like you have a yard, or a tape measure, and you can measure that this house is 100 feet long and 50 feet wide. In the same way, money can measure that this house is worth 5 million, 2 million, or 1 million. It's not the house itself. So if the money is a means to an end, money is a good thing. But when money becomes the goal, you see land to make money, education to make money, medicine to make money, then money becomes a curse rather than a blessing. But money should be a blessing. It should be helpful for relationships, for distribution, and all that."*

Satish himself has rejected money for many years. Jain monks are not allowed possessions. Following this tradition, during his 8,000 mile peace walk, Satish would not accept money, and would only rely on the hospitality of strangers. He also refused his inheritance. *"My father owned a small business but I did not inherit any money. I did not want any money. I live very simply. I live that idealistic life of not taking more money than I need. So I do not accumulate money. I do not hold money. I don't invest money. I eat vegetarian food and have a house. Everything is very simple."*

Satish does not expect everyone to follow his path but he thinks it's important that private wealth holders see themselves as trustees of their wealth, not the owners.

> If the money is a means to an end, money is a good thing. But when money becomes the goal, you see land to make money, education to make money, medicine to make money, then money becomes a curse rather than a blessing.
>
> Satish Kumar

"Like trustees of a foundation can be allowed to meet their expenses and live well, they cannot misuse the money just for their whim. It should not be about luxury or waste or big yachts and big houses in New York, Paris, and London or billions just stacked in stock markets. It's money, money, money and nothing is more important. Marriages break down. Families fight with each other. Then everything is sacrificed at the altar of money. That is where the problem is."

The solution, according to Satish, is to dedicate the wealth to 'doing good'. *"If you are the trustee of your wealth, you use it for the well-being of your family, your community, and the well-being of planet earth. Then money is a good invention, it's a blessing."*

The power of impact investing and philanthropy

In an ideal world, Satish explained, we have an equal society and philanthropy is not needed anymore. *"I would say there are two states. One state of society is where the situation is so equitable and everybody is looked after, so there is no need for any philanthropy or charity. And there is no need for any charity, because everybody is looked after. But that's a very utopian and idealistic view. But it can still be a goal to create a society where there is no need for the poor to be receiving charity. By the way, philanthropy is a love of humanity. Why exclude the natural world? We also need to love the whole of planet earth including humanity. That's one view."* Satish knows that this is not the world we live in at the moment. *"In the present system, we are not a perfectly*

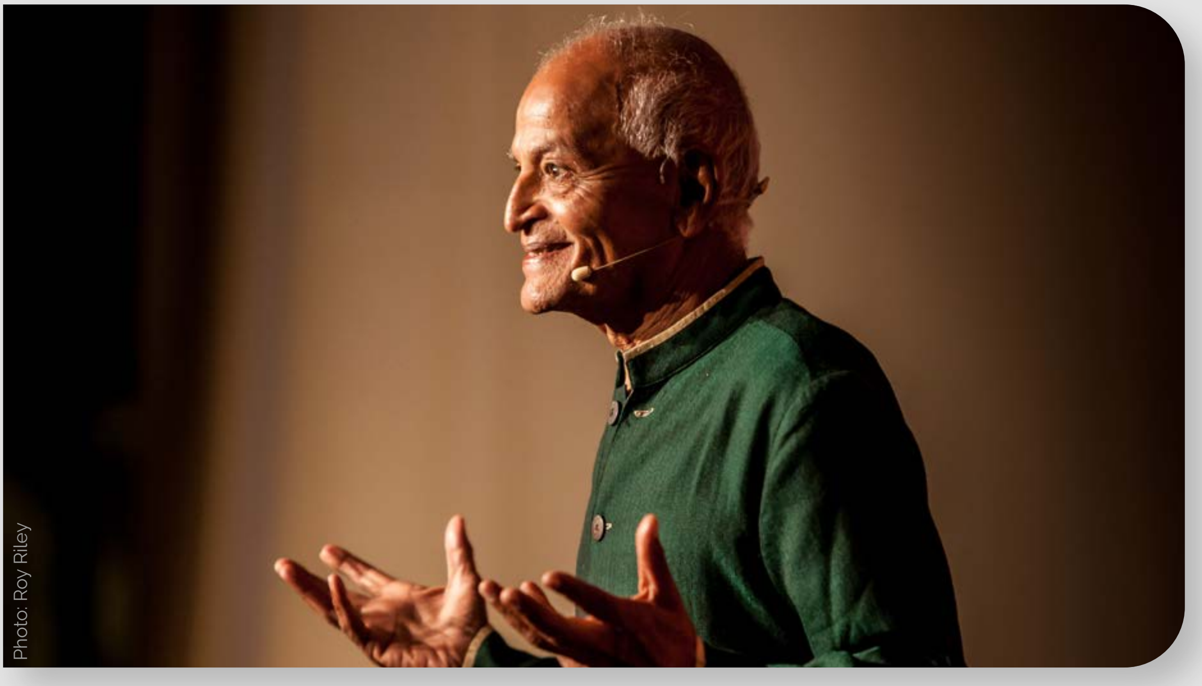


Photo: Roy Riley

equitable society. Therefore, we have people with wealth. And having philanthropy is a very good thing. Wealthy people use that money for a good purpose and that includes philanthropy and impact investment in order to make sure that money is used for the benefit of the planet earth and the environment. So that kind of philanthropy and impact investment is very good and very important in the present circumstances."

What's needed is more engagement. *"Some people use their wealth but only dedicate one or two or five percent of their income to good causes. I would say philanthropy should be even bigger. People should take for themselves and their family maybe 15% or 30%, but not 60%, 70%, or even 80%. If we are serious about impact, why only dedicate five percent into communities and the natural world?"* Satish is hopeful that we will develop a healthier relationship with the environment and that we will see nature less as a resource for the economy after COVID-19. *"Nature is the source of life itself. Without nature there is no life, no business, nothing. Nature is the boss. We are the servant of the boss. This is the change I would like to see out of this COVID crisis."*

Satish believes that life is a journey to build connections to others and the planet. *"If you are searching for your own success, benefit, profit and prestige, fame, power, wealth; then you are not properly on the journey of life. You are seeking a place of arrival. But life is a continuous journey to build relationships with nature and other people."*

> If you are searching for your own success, benefit, profit and prestige, fame, power, wealth; then you are not properly on the journey of life. You are seeking a place of arrival. But life is a continuous journey to build relationships with nature and other people.
>
> Satish Kumar

Looking back at his own journey in life, Satish is deeply content. When he became a monk at a young age, he wanted to escape the world. But things evolved differently. Instead of finding a 'deathless existence' in a Jain monastery, he found something much better. *"I did find a solution and an answer, that death is not painful. Death is not the end of life. Death is part of life. Life continues. The body comes to an end, but the spirit never dies. That makes me quite at ease with death."* ■

5.

In focus for 2020: COVID-19

Summary

- The majority (69%) of respondents agree/strongly agree that COVID-19 has affected their views of investing and the economy, with nearly half (49%) believing that investing will not resume as normal even after the crisis.
- Two-thirds (66%) report that, as a result of the health crisis, they will widen their risk assessment to include more non-financial factors. Similarly, over half (51%) note that the benefits of ESG/impact investing will be convincingly demonstrated to the investment community.
- On the issue of post-crisis capitalism, 69% of respondents agree/strongly agree that how companies behave during the crisis will determine their investment attractiveness afterwards. Another 64% think that the crisis will force a deeper reconsideration of shareholder capitalism.
- In terms of how respondents would distribute responsibility for driving the post-COVID-19 recovery and the economy, nearly half (48%) assert that governments/states should bear between 50% and 100% of the responsibility, while 74% believe that corporations should herald between 20% and 49%. Families/family businesses are also thought to have a role to play, with 42% noting they should account for between 20% and 49% of the efforts.

5.1 COVID-19 in focus

> COVID-19 will cause more sensitivity to ESG standards and SDG objectives, which means more impact investing. The challenges are still there, but COVID-19 is an accelerant. It is a wind behind the sails.
>
> Family member, multi-family office, North America

On 11 March, 2020 the World Health Organization declared the COVID-19 outbreak a global pandemic. As a consequence of the crisis, markets tumbled, healthcare systems braced for surges in demand, much of the world's population went into lockdown, and governments, families, and companies alike were forced to quickly adapt to the tumultuous landscape.

At this unique point in time, we were able to capture the wealth community's response to the crisis, and how it has impacted both their outlook on the world and their investment strategy. We posed a series of thought provoking questions to wealth holders, and followed up with interviews to help explain the statistical results which follow.

COVID-19 has stirred an awakening

One of the key sentiments expressed in interviews is that COVID-19 forced individuals to awaken to the world around them – to the fragility, risk, and struggle we as humans and companies face. However, many feel positive that seeds of change are being planted that will allow us to evolve smarter and more prepared than before, and that unique business opportunities will arise from the market disputation.

Two interviewees across different continents, North America and Europe, remarked on the public awakening they have witnessed:

> People are waking up to a changing world. COVID-19 has been shock therapy for lots of folks who just wanted to cruise through the next 10 years and do nothing. And I think it's a good thing. There's a great deal of suffering out there and it's pretty painful to watch – but some good will come out of this.
>
> Family member, multi-family office, North America

> In the middle of the last century, people were very familiar with the fact that bad things happen – people die and people grieve. In most western economies, people have lost a sense of threat. With COVID-19 they have had to start facing up to it again and deal with fundamental human issues that have faced societies for a millennium. COVID-19 has awoken a sense of fear around humanity in a much bigger proportion of the population.
>
> Investment director, multi-family office, Europe

Given the nature of the virus and the subsequent impact on markets and the economy, another respondent remarked on his fear for the coming year:

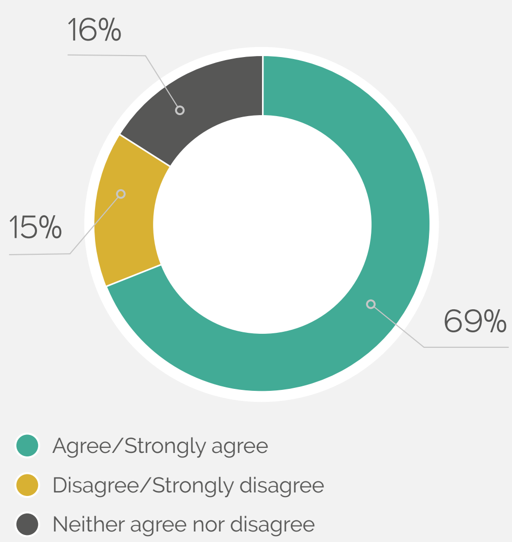
> There's a real concern that things are going to get really bad in 2021. It's a major cloud hanging over things.
>
> Chief financial officer, foundation, North America

COVID-19 has affected views on investing and the economy, creating greater consideration of ESG factors

A significant, seven-in-10 respondents (69%) claim that COVID-19 has affected their views of investing and the economy (figure 5.1). A similar proportion (66%) report they will widen their risk assessment to include more non-financial ESG factors (figure 5.2). And, roughly half (51%) believe that ESG/impact investing will be convincingly demonstrated to the investment community as a viable form of investment (figure 5.3).

Figure 5.1

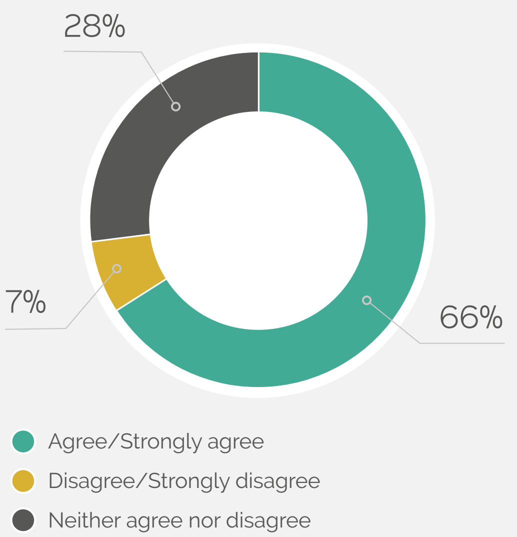
Statement: COVID-19 has affected my views of investing and the economy



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Figure 5.2

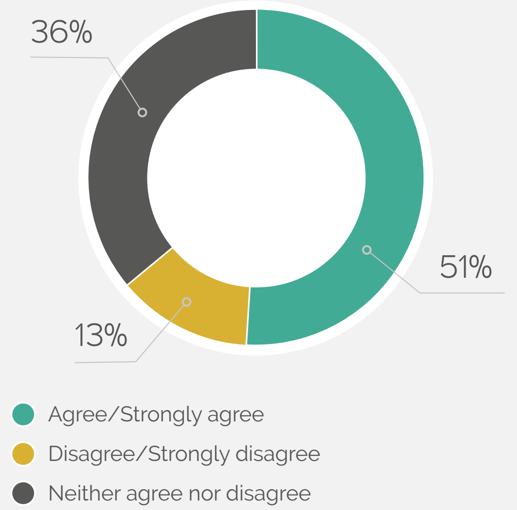
Statement: We will widen our risk assessment to include more non-financial (environmental, social, and governance) factors



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

Figure 5.3

Statement: The benefits of ESG/impact investing will be convincingly demonstrated to investment community



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

On the whole, this suggests that COVID-19 has spurred an awakening within the community to reassess where and how their capital is being deployed. From what impact their investments are having on society/the planet, to how they manage and mitigate risk, and what new opportunities the pandemic and emerging recession will give birth to, wealth holders are listening, responsive, and poised to act.

In the words of one family member from Asia-Pacific, the pandemic has brought greater attention to both impact investing and philanthropic endeavours, where potential opportunities can be found:

> Here in Asia you had a lot of families that were not really interested in doing impact investing or philanthropy. But, I think with the COVID-19 experience, a mindset shift has happened. And in terms of opportunities, Asia is throwing up a lot in the impact space.
>
> **Family member, multi-family office, Asia-Pacific**

Other family members across Europe and Asia-Pacific noted that COVID-19 is making individuals/companies more sensitive to the risks they face and understanding of the need to take precautionary measures, particularly within the ESG landscape:

> I think, after this, we are more aware that anything can happen. We have to be more aware of all sorts of risks, not just the traditional risks. In January 2020 nobody was talking about the threat of a pandemic. Now you can see that companies were not prepared. They were not prepared with distance working, not being able to go to the office. The infrastructure was not there. So, I think it's a huge, huge opportunity. It also reminds us that we are vulnerable. We have to be more holistic and think outside traditional boxes.
>
> Family member, single family office, Europe

> During COVID-19, it has been seen that looking at ESG risk really has paid off. I think ESG is a big component in the risk framework. And, if companies and funds are looking at that closely, the sustainability of their business models is stronger – especially in times of crisis. So, I think that is a sensible strategy, and one that has paid off.
>
> Family member, multi-family office, Asia-Pacific

Finally, as many of the world's most popular companies were born during a previous recession, such as Airbnb, WhatsApp, Disney, Microsoft, FedEx, General Electric, and IBM, market disruption is also seen as an opportunity for some to capitalise on:

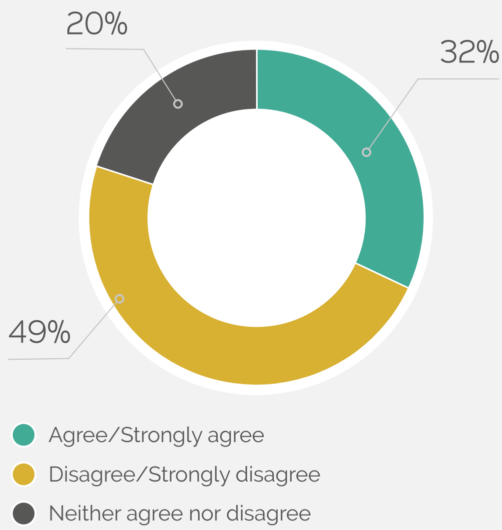
> This pandemic is going to be highly disruptive for all sorts of markets. And I think it's going to open up new industries at the same time.
>
> Family member, multi-family office, North America

Half believe investing will not return to normal post-pandemic

Once the COVID-19 crisis has abated, roughly half of respondents (49%) believe that investing will not resume as it had before, but rather that current events will reshape the face of investing for the long-term (figure 5.4). A smaller proportion, 32%, however believe that things will return to normal.

Figure 5.4

Statement: Once the crisis passes, investing will resume as it had operated before



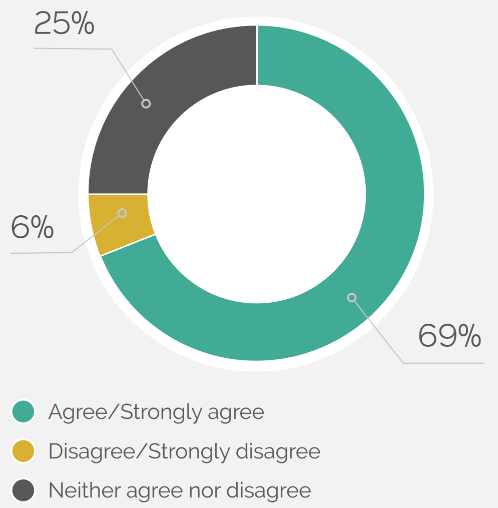
Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

The view: How companies respond to COVID-19 will decide their future investment attractiveness

A notable seven-in-10 respondents (69%) also believe that how companies respond to COVID-19 will decide their future investment attractiveness (figure 5.5), while 64% assert that the crisis will force a deeper reconsideration of shareholder capitalism (figure 5.6).

Figure 5.5

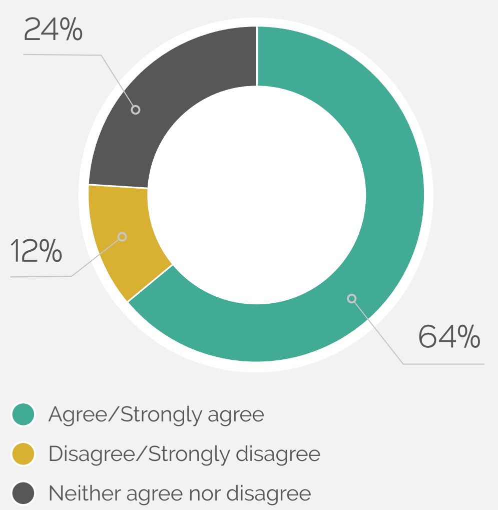
Statement: How companies behave during the crisis will determine their investment attractiveness afterwards



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Figure 5.6

Statement: The crisis will force a deeper reconsideration of shareholder capitalism



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.

Working together can drive health/ economic recovery

Finally, in relation to how the responsibility among individuals, organisations, and bodies should be divided to drive a COVID-19 and economic recovery, respondents believe all categories – government/state, corporations, families/family businesses, and new public-private partnerships – should bear some responsibility. In fact, one family member from Europe remarked on the power we as a world can amass when we pull together to fight a common cause:

> In a way, it's a wonderful time because now we see that if everybody pushes in the same direction, we can achieve tremendous results. Why can't we also achieve the same if we all put this much effort into fighting social injustice or climate change? There is so much power when countries, governments, companies, and people all have the same goal.
>
> **Family member, single family office, Europe**

With that said, there is some division over who should bear more or less responsibility, or are best positioned to drive the needed change. At the moment, respondents tend to believe that governments are best positioned to tackle the needed health and economic recovery, with 48% asserting they should bear between 50% and 100% of the responsibility (5.7).

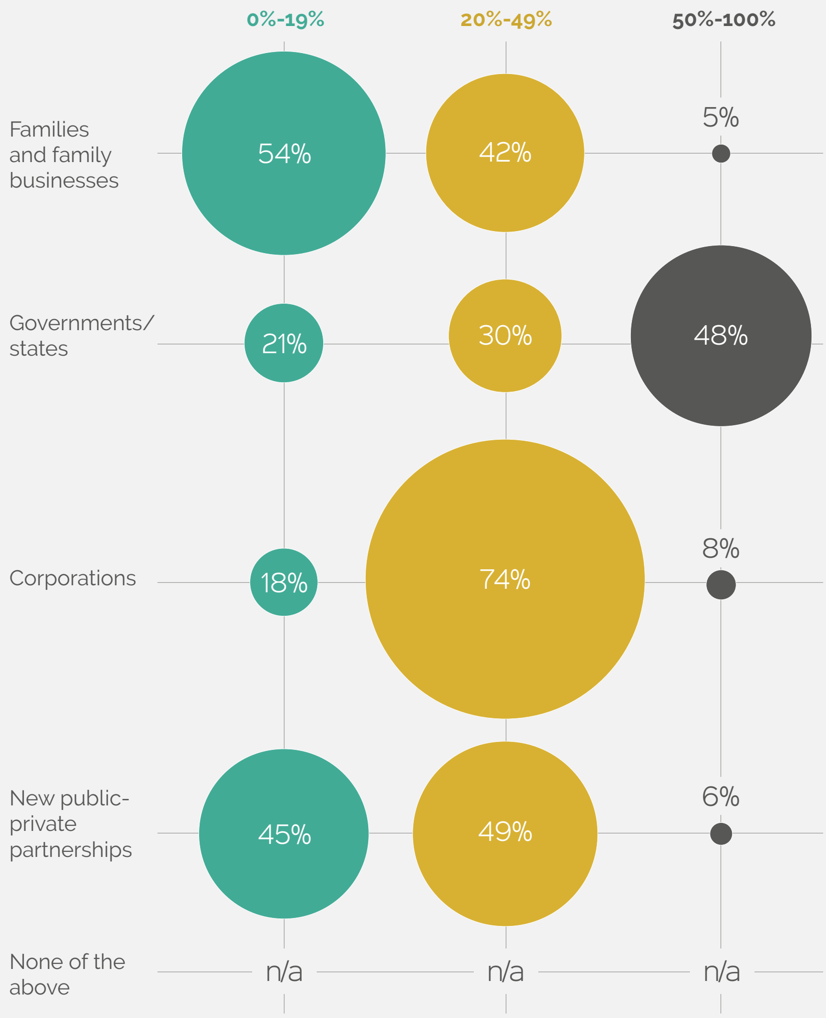
Corporations and new public-private partnerships are other entities people feel are well positioned to tackle the challenge with 74% believing they should take between 20% and 49% of the responsibility. In the words of one family member from Asia-Pacific, corporations are "the engines of the economy":

> Corporations are really the engines of the economy, right? They are the ones which are transforming economies. Therefore, they have the most pivotal role to play. They will lead the charge, and then the others will follow suit. But, obviously, the lion's share of responsibility has to be with them, as they are basically the wealth creators.
>
> **Family member, multi-family office, Asia-Pacific**

Finally, over half (54%) of respondents believe that families and family businesses should drive between 0% and 19% of the change, while 42% believe it should be between 20% and 49%.

Figure 5.7

Responsibility towards the post-COVID-19 recovery



Base: All respondents.
Source: Campden Wealth/GIST/Barclays Private Bank, Investing for Global Impact 2020.
Figures may not add up to 100% due to rounding.

6.

Roundtable discussion: The partners' view

At what stage do you see the impact investing market in 2020?

Campden Wealth:
Impact investing is becoming increasingly popular within the private wealth community, with a notable proportion of investors now engaged. While there is still significant room to grow within the market, we are seeing impact transition into an investment approach that is no longer being adopted by just a few, such as millennial or Next Gen family members, but is capturing the attention of families and their family offices more broadly.

Barclays Private Bank:
Whilst the market is growing rapidly, against an innovation lifecycle, the market is still only within the "early adopter" stage. The topic does have widespread visibility and increased interest. However, actual deployment of capital is still gaining traction, as families need support to understand their options and find the right opportunities.

GIST:
Today, the market is still in its infancy. We need sharper definitions of terms and approaches with comprehensive explanations, deeper content, and the ability to operate with project specific matrices. This is no longer a "feel good" factor, but an essential strategy and approach.

Why does impact investing matter to the world today?

GIST:
The challenges the world faces have revealed many weaknesses and flaws in our global systems, and we must change and get better. They must prompt us into action, with new urgency, energy, and awareness. Investing must be more smart, holistic, and sustainable to generate positive outcomes for people and the planet.

Barclays Private Bank:
Impact investing recognises the simple fact that every investment makes an impact on the world. This recognition may help one to avoid investment risks, invest more responsibly or invest proactively to address the substantial social and environmental problems we face. In all these cases, impact investing is fundamentally changing how the investment industry operates.

Gamil de Chadarevian,
Founder, GIST

Damian Payiatakis,
Head of Impact Investing,
Barclays Private Bank

Dr. Rebecca Gooch,
Director of Research,
Campden Wealth

Campden Wealth:

For a growing number, impact investing represents the way of the future. Society today is faced with a myriad of challenges, such as climate change, COVID-19, and a widening economic divide, and philanthropy and governmental action alone cannot sufficiently tackle them. Impact investing bridges the gap between giving and profiting, to bring sustainability to the forefront of our investment decisions. Given the magnitude of wealth the top one percent hold, if orchestrated collectively, this can be a powerful tool for change.

How do you think COVID-19 will affect activity within impact investing and philanthropy?

Barclays Private Bank:

Events of 2020 have triggered many to be more conscious of our personal relationships, connectivity, and fragility. This re-evaluation of life and priorities may serve as a catalyst for families to reflect also on their wealth, investments, and giving. These are generally starting points for our client conversations about getting more active in impact investing and philanthropy.

GIST:

COVID-19 related challenges will likely accelerate impact strategies and investments. Already, COVID-19 has altered perceptions of which companies and business models are sustainable and sound. We need this increased focus and renewed vigour for sustainability to be matched with transformational, profound, and impactful change.

Campden Wealth:

COVID-19 is causing many wealth holders to re-evaluate both their portfolios and their priorities. Many have been awakened to just how fragile we as individuals, businesses, and societies are when confronted with a crisis like this. In turn, some are upping their game on risk management and looking more closely at the ESG factors in their investments, seeing this as just 'good business practice'. Others are looking more intently to impact investing and philanthropy for solutions. Taken together, COVID-19 is likely to drive these areas forward.

How do you envision impact investing will evolve over the next five years?

Campden Wealth:

We are seeing three trends coalesce at the moment. The first is the ongoing and rapid growth in wealth holders' engaging in impact. The second is a major generational transition, which is leading to a wave of Next Gens – who are often the drivers of impact – taking over their families' wealth management. The third is families' increased appetite for sustainable investing due to COVID-19. These factors, taken together, will likely lead to a significant bolstering of the market over the coming years.

> Events of 2020 have triggered many to be more conscious of our personal relationships, connectivity, and fragility. This re-evaluation of life and priorities may serve as a catalyst for families to reflect also on their wealth, investments, and giving.
>
> Damian Payiatakis, Head of Impact Investing, Barclays Private Bank

Barclays Private Bank:

I expect more widespread adoption across the investing landscape. There will be successes and failures. We will see the crescendo of the current, rising hype cycle. Greenwashing is likely to be called out, leading to disillusionment from some. Sceptics will probably attack rather than simply deny or ignore the benefits. Overall, the field will mature and move forward so that it is stronger and more systemic than it is today.

> We believe there has never been a better time to accelerate progress and smart innovation to generate profound impact around the world. We need to move the needle!
>
> Gamil de Chadarevian, Founder, GIST

GIST:
We expect the inflows into impact investment products to continue growing as greater awareness and understanding will follow on from the increasing coverage of the sector. We believe there has never been a better time to accelerate progress and smart innovation to generate profound impact around the world. We need to move the needle!

What major barriers to impact investing remain and how can we address them?

Barclays Private Bank:
Well-known issues about terminology, measurement, and greenwashing will be with the industry for some time, though positive efforts are underway to address them. One of the biggest barriers lies with individuals but can be overcome with a simple question: "Do I care about the impact my portfolio makes today, or could make, on the world?" If yes, then like many of our clients or respondents and interviewees to this report, you can accept these issues and start investing in line with your values and beliefs.

Campden Wealth:
Beyond barriers such as terminology and measurement, one issue is the division between investors and investees. Appetite for impact investing is growing within the wealth community. However, some families don't know where to start or how to scale-up. Yet, investees with promising opportunities often cannot penetrate the notoriously private wall many wealth holders/family offices sit behind. Here is where building trust is key, and this often takes time and personal introductions/referrals.

GIST:
Investors are becoming more comfortable with impact investing as an approach. However, what is still missing is a widespread and comprehensive understanding of the range of opportunities currently available to them, and the many different ways that investments can be used for the benefit of people and the planet.

> Society today is faced with a myriad of challenges, such as climate change, COVID-19, and a widening economic divide, and philanthropy and governmental action alone cannot sufficiently tackle them. Impact investing bridges the gap between giving and profiting, to bring sustainability to the forefront of our investment decisions.
>
> Dr. Rebecca Gooch, Director of Research, Campden Wealth

GIST INITIATIVES Ltd. – Global Impact Solutions Today

GIST is a thought-leader; we bridge the gap between social & business, ideas & practice, and donors & grantees. We work with organisations to adapt business models and philanthropic approaches, to introduce and integrate new perspectives of social impact and to deliver advisory services. We define sustainability and impact as a transformational, innovative, and holistic business model that provides a competitive edge, delivers healthy financial returns and mitigates future risks.

Philanthropy and impact investing suggest and imply different things to different people. As a think tank on this subject, we explore how family offices, foundations and organisations approach impact investing and philanthropy trends. GIST is the Founding Partner & Lead Sponsor of the annual Report "Investing for Global Impact – A Power for Good", a leading knowledge platform to broaden understanding, identify trends, and provide a unique peer-to-peer benchmark for individuals, families, family offices, and foundations.

GIST and its network support endeavours and charitable initiatives that have potential for long-term, holistic, sustainable impact.

At GIST we strictly follow ethical principles. We do not compromise our values, strong purpose, integrity, and credibility.

Discover more at: gistltd.com

Barclays Private Bank

Barclays Private Bank is part of a British bank with an international footprint that's been supporting clients and driving innovation since 1690.

As the Private Bank we bring the breadth and scale of what we do as a banking group to our clients, channelling this know-how and reaching out across our network to unlock broader capabilities. Our track record includes leading access to market opportunities and financing from the Investment and Corporate Bank, long-term discretionary investments, and unrivalled access to philanthropy advice to highlight just a few.

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Campden Wealth

Campden Wealth is a family-owned, global membership organisation providing education, research, and networking opportunities to families of significant wealth, supporting their critical decisions, helping to achieve enduring success for their enterprises, family offices and preserving their family legacy.

The Campden Club is a private, qualified, invitation-only Members Club representing 1,400 multi-generational business owning families and family offices across 37 countries. The Club provides peer networking on a global scale, bespoke connectivity around aligned objectives, shared knowledge & best practices, co-investment opportunities with qualified liquid investors and support for the next generation. Campden Club Members also enjoy privileged access to generational education programs held in collaboration with leading global universities.

Campden Research supplies market insight on key sector issues for its client community and their advisors and suppliers. Through in-depth studies and comprehensive methodologies, Campden Research provides unique proprietary data and analysis based on primary sources.

Campden Wealth owns the Institute for Private Investors (IPI), the pre-eminent membership network for private investors in the United States founded in 1991. In 2015 Campden further enhanced its international reach with the establishment of Campden Family Connect PVT. Ltd., a joint venture with the Patni family in Mumbai.

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7.

Conclusion

The experience of a global pandemic has shown that human collaboration will be essential to address the challenges we face as global citizens. Health, climate change, and social inequality are among the pressing issues before us, and none of them is likely to be resolved by individual action alone.

This echoes the views of our case study participants who argue that investing for global impact is not only the right thing to do, but that it also provides opportunities to support sustainable businesses and to build better communities. John Kamara, an entrepreneur and investor who specialises in African tech start-ups, proudly says that he is a risk-taker and wants young businesses to thrive, not despite, but because of the global economic downturn. This also reflects the view of Lord Nigel Crisp, who turned from an NHS executive to a healthcare activist to promote nurses worldwide, because he felt policy-makers weren't doing enough. Similarly, Dr. Malini Saba, a business woman and passionate philanthropist, helps to create a better future for children and their communities, and proves that giving can bring personal fulfilment.

In this report, we also learn that the next generation inspires much of the conversation towards social and environmental change today. The case study with Kurt Engelhorn and his daughter Victoria shows intergenerational perspectives on questions of wealth and responsibility. Views change with time, and so Stephen Brenninkmeijer, a leading impact investor, admits that he was initially ignorant about climate change before embarking on a journey to combat it. Today, he uses his expertise and resources to invest in achieving a zero-carbon economy. Efforts such as this are a vital contribution to peoples' reconnection to the planet and overall well-being, Satish Kumar argues.

The study suggests that impact investing offers an opportunity to collaborate for a more sustainable and equitable future. With the impact investing market growing steadily, opportunities are allowing private wealth holders to help make communities stronger and the environment healthier. While this study also suggests that impact investing faces an assortment of challenges, such as with impact measurements, access to high-quality investment opportunities, and division over terminology and metrics, there is evidence that the market is rapidly improving in each of these areas.

With a large majority of respondents believing that investing will not resume as it was before the COVID-19 crisis, and with the conviction of many that this crisis will force a deeper re-consideration of shareholder capitalism, private wealth holders realise we are at a turning point in history. As a result, there is a deeper commitment to impact investing than before and this collaborative thinking may prove to be an advantage as society combats the COVID-19 pandemic, and eventually adapts to a post-coronavirus reality.

Definitions

Assets under management: Assets under management (AUM) is the total market value of the investments that a person or entity manages on behalf of clients.

Carbon footprint: The amount of carbon dioxide, or greenhouse gas emissions, released into the atmosphere as a result of the activities of a particular individual, organisation, or community.

Climate change: The shift in global, regional or local climate patterns. The rise in global temperatures from the mid-20th century to the present is often referred to as the most relevant cause of climate change. For the purpose of this report we define climate change as the result of global warming and a broader range of changes which are predominantly driven by human activity - also referred to as Anthropocene.

COVID-19 pandemic: Ongoing pandemic of an infectious disease caused by a newly discovered coronavirus. The World Health Organization declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and a pandemic on 11 March 2020.

Fossil fuels: A natural fuel such as coal, petroleum or gas, formed in the geological past from the remains of living organisms. Fossil fuels can release large quantities of carbon dioxide when they are burned and lead to the emission of toxins and global warming, thereby being hazardous to public health and the environment.

Growth: Company has positive EBITDA and is growing.

Impact investing: Investments made with the intention to generate positive, measurable, social, and environmental impact alongside a financial return. Impact investments can be made with different investment approaches, across asset classes, and target a range of returns from below market to market rate, depending on investors' strategic goals.

Investable assets: Investable assets include cash, funds in your bank accounts, money held in retirement accounts, mutual funds, stocks, bonds, certificates of deposit, and insurance contracts with cash value. Excluded from investable assets are those not easily converted to cash, also known as physical or tangible assets.

Mature: Company has stabilised at scale and is operating profitably.

Net worth: Net worth is the value the assets a person or corporation owns, minus the liabilities they owe.

Philanthropy: Charitable giving to human/environmental causes on a large scale. More than a charitable donation, it is an effort undertaken by an individual or organisation to improve social and environmental welfare. Wealthy individuals or families sometimes establish foundations to facilitate their philanthropic efforts.

Physical risk: Risks from increasing temperatures, rising sea levels, and changing weather patterns (e.g., drought, flood, storms).

Seed/start-up: A business idea exists, but little has been established operationally; pre-revenues.

Traditional investment: Investing focused mainly on maximising financial returns with no/minimal consideration of the environmental, social, governance factors or the impact of the investments.

Transition risk: Post-transaction risks from unplanned or abrupt changes to businesses or assets, such as changes in policies, shifts to low-carbon technologies, or other liabilities.

UN SDGs: The Sustainable Development Goals are a collection of 17 interconnected goals and the blueprint to achieve a better and more sustainable future for all by 2030. They address global challenges, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

Venture: Operations are established, and a company may or may not be generating revenues, but does not yet have positive EBITDA.

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Previous Editions

To view previous editions of *Investing for Global Impact*, or to find out more, please visit www.gistltd.com or contact samir@gistltd.com.

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SEREIN empowers families to protect all that is important to them by focusing on well-being and clarity. Based on the first-hand experience of myriad challenges inherent in the responsibility of custodianship and legacy, SEREIN was initially established to support NextGens with competence and a framework for inevitable accomplishment. With a philosophy to illuminate rather than advise, SEREIN helps others unlock their own insights and wisdom. Our social impact investment with an exponential and sustained ROI is anchored on empowering individuals to positively impact well-being and support leaders in manifesting their vision. The greatest impact on our planet is determined by the habitual choices we make every day. How we treat our bodies affects our planet. How we treat our planet affects our bodies. What legacies we leave behind are determined by our thoughts and actions today. SEREIN and GIST are jointly exploring opportunities that support our delicate eco-system by setting up individuals for inevitable accomplishment for their missions and sustained wellness. Discover more at www.sereinprivate.com

Danilo Santoboni is an international corporate lawyer with valuable experience in the European and American impact investing markets, where he provides legal and business strategic advice. He is also a partner of GIST. As such, he supports the projects that GIST promotes, including the report, "Investing for Global Impact: A Power for Good". He can be contacted at dsantoboni@gmail.com

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Kurt Alexander & Victoria Engelhorn,
KUSANA, A FAMILY EQUITY FIRM

Myself and my immediate family are a small part of a wider, diverse family, whose activities started in 1865 with the foundation of BASF through Friedrich August Engelhorn. Friedrich Engelhorn also acquired Boehringer Mannheim (BM), which later become Corange Ltd (BM) and was bought by Hoffmann La Roche in 1997.

We are a 'financial family', a state of mind which must be abandoned as soon as possible, for becoming again an entrepreneurial family. Today our focus is on investing into businesses which concentrate on growth companies with software applications. Frog Capital, 'The operational expert in European software growth equity', is our partner in this. It invests in high-growth software companies across Europe using their unique 'scale-up methodology', which is a framework for appraising and carefully selecting investments. It uses a selective 'growth equity' strategy that invests in scaling companies with profitable business models and product market fit, and enhances value through its in-house operating partners.

We also invest in automobile heritage conservation and the renovation/conservation of historical and natural heritage sites in Switzerland, Spain, the United Kingdom, and South Africa. Here, we are involved in land management, agriculture, winemaking, and hospitality.

Our philanthropic efforts are guided by the belief that giving opportunities is key for creating better communities. In South Africa, where my daughter Victoria resides, we are an integral part of the Zip Zap Social Circus School, which gives kids from less privileged backgrounds the opportunity to explore their skills and realise their full potential. Victoria was also an early adopter of impact investing, and has been smartly allocating her resources here for a number of years to generate opportunities and positive futures for others.

Dr. Malini Saba,
Saba Group

The Saba Group has been in business for over 30 years, privately held with its focus on gold mining and rice distribution. Their mines are located in parts of Africa, Asia, and Australia.

With over 25 years of experience in the commodities industry, their focus on environmental sound mining helps provide clean air and water by using new technologies to enable better output for a sustainable environment.

Their agricultural operations are in Southeast Asia and South Asia where they own and operate mills and farms. The Group specializes in jasmine, white, and basmati rice. They invest in technologies and work with small and rural farmers enabling them to increase yield and produce overall better products.

Saba Group is very aggressive with impact investments around the world and leads the way in philanthropy by making sure that fifty percent of their profits go to charity, donating through their foundations: Saba Charitable Foundation and Anannke Foundation, formerly known as the Saba Family Foundation.

WITH OUR SUPPORTERS:

SABA
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