

# IMPACT REPORT



August  
2022



CIRCULAR ECONOMY  
FUNDS AT A GLANCE

# CONTENTS

---

**04**

ABOUT PHENIX CAPITAL

---

**05**

ABOUT IMPACT DATABASE

---

**06**

REPORT INTRODUCTION

---

**06**

KEY TAKEAWAYS

---

**07**

IMPACT THEMES MAPPED  
AGAINST THE SDGS

---

**08**

FUNDS OVERVIEW & DATA

---

**14**

INDUSTRY INTERVIEWS

---

**28**

GLOSSARY & SYMBOLS

---



## **If you are a fund investor**

and would like to have a live demo of the Phenix Capital Impact Database, please visit [www.phenixcapitalgroup.com/impact-database](http://www.phenixcapitalgroup.com/impact-database) and register your interest.

---

## **If you are an impact fund manager**

and would like to be considered for listing on the Phenix Capital Impact Database please email [sales@phenixcapitalgroup.com](mailto:sales@phenixcapitalgroup.com). Listing is free of charge.



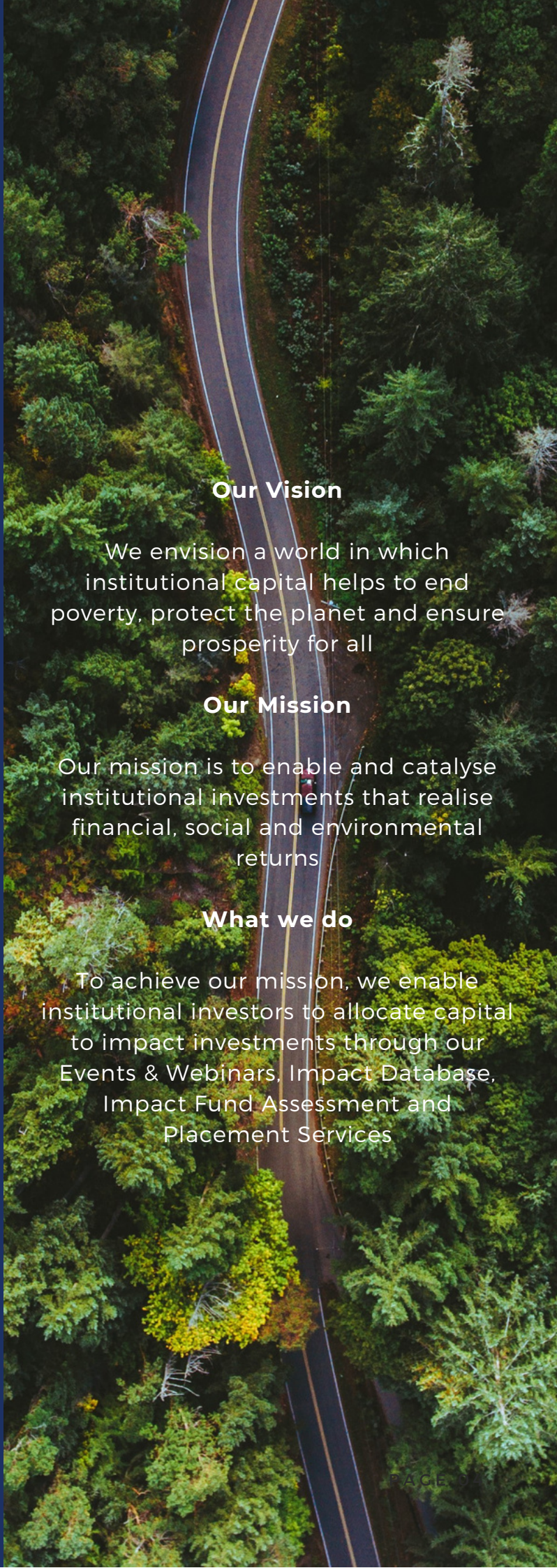
# ABOUT PHENIX CAPITAL

## CATALYSING INSTITUTIONAL CAPITAL TOWARDS THE SDGS

Phenix Capital Group is an impact investment consultant that enables institutional investors to make impact investments.

We assist asset owners and asset managers in aligning their investments with their values, financial objectives, and the Sustainable Development Goals.

[www.phenixcapitalgroup.com](http://www.phenixcapitalgroup.com)



### Our Vision

We envision a world in which institutional capital helps to end poverty, protect the planet and ensure prosperity for all

### Our Mission

Our mission is to enable and catalyse institutional investments that realise financial, social and environmental returns

### What we do

To achieve our mission, we enable institutional investors to allocate capital to impact investments through our Events & Webinars, Impact Database, Impact Fund Assessment and Placement Services

Signatory of:



# ABOUT IMPACT DATABASE

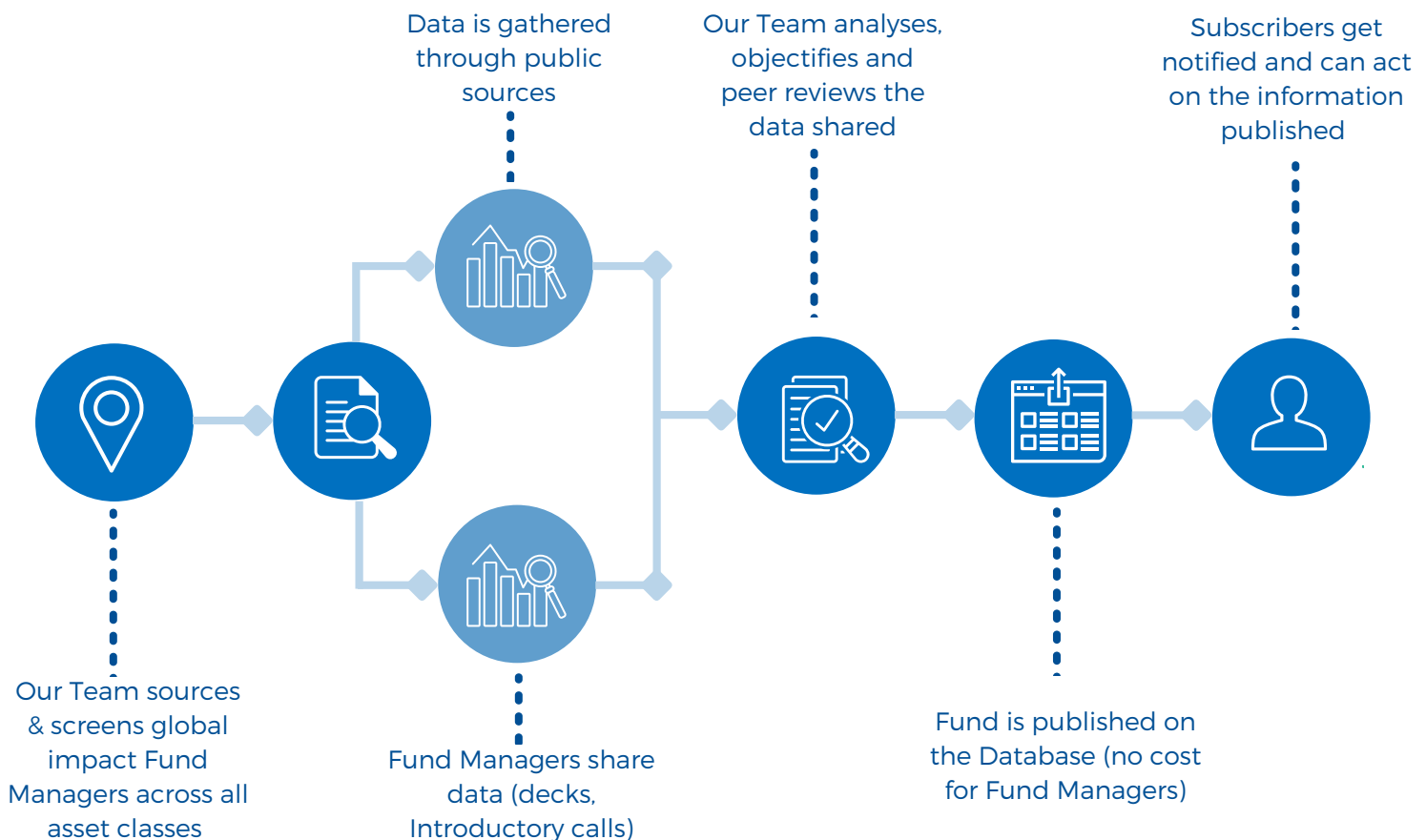
Phenix Capital's mission is to enable the allocation of capital from institutional investors towards social and environmental solutions while supporting the 2030 Sustainable Development Goals (SDGs). With the Impact Database, Phenix Capital aims to provide investors with access to and intelligence on the impact fund market opportunities available to them.

Three main variables have been central to construct, monitor and update the database: **funds considered have an impact proposition, institutional scale, and target market-rate returns.**

Impact Investing goes beyond negative screening and using Environmental, Social and Governance (ESG) integration to reduce harm or avoid risks, to generating intentional positive impact. Phenix Capital defines impact investing as **investing with the dual mandate of financial return and positive societal or environmental impacts**, with the notion of measuring the positive and negative impact of investments, ensuring both **intentionality and additionality** among these.

Phenix Capital's Impact Database features funds that align with this definition through their creation of solutions for global social and environmental issues, whilst prioritising financial returns. This category of impact investments can be referred to as **financial-first impact investments.**

## FUND SOURCING PROCESS



# INTRODUCTION

---

## CIRCULAR ECONOMY

Circular economy focuses on models and solutions that aim to be regenerative by promoting the reutilization of products, the reduction of waste to a minimum and the sustainable use of natural resources. This impact theme is part of SDG 12: Responsible Consumption and Production.

This report combines insights gathered from the Phenix Impact Database and interviews with on-the-ground industry players contributing to this theme:

- Polestar Capital talks about its mission to bridge funding gaps for climate change mitigation and circular economy solutions.
- The Ecosystem Integrity Fund (EIF) shares their early growth stage investor strategy for companies contributing to environmental sustainability.

### Key Takeaways:

- Since 2019, the number of impact funds that target the Circular Economy theme has increased exponentially. In 2018, 8 impact funds were launched with a focus on this theme, while in 2021 this number increased to 41 funds.
- Impact Funds targeting Circular Economy, only represent 9 % of the impact investing universe tracked by the Impact Database.
- The majority of capital allocated towards is targeting Developed and Global Markets. More specifically, Western Europe (EUR 9.9 bn) and North America (EUR 8.7 bn).
- Currently, Private equity is the asset class that is fundraising the most towards Circular Economy. There are open and evergreen funds available in all regions, with Western Europe and North America having the largest total fundraising targets.



# IMPACT THEMES MAPPED AGAINST THE SDGS



The Phenix Capital Group has mapped the [SDGs against Impact Themes](#), which are based on **the most globally endorsed terms used by practitioners in the financial sector** and what's used by generally accepted frameworks, to enable both fund managers and fund allocators to better **understand how the SDGs and it's sub-goals translate into outcome-based investment areas** - by the name that they are commonly known and referred to in the financial industry.

Mapped against the SDGs' sub-goals, our Impact Themes offer a comprehensive way for investors and fund managers in the financial industry to identify what social or environmental outcome is generated by an impact investment and its contribution to the Sustainable Development Goals.

**THE REVAMPED IMPACT THEMES ARE ALREADY AVAILABLE IN OUR [IMPACT DATABASE](#) FOR FUND FILTERING, VIA THE FUND SEARCH FUNCTION.**

**192**

Impact funds targeting  
**Circular Economy**

**142**

Impact fund managers  
targeting **Circular  
Economy**

**110**

Impact Fund open for  
investments

**94**

Impact Fund Managers  
with open for  
investments funds

**€39 billion**

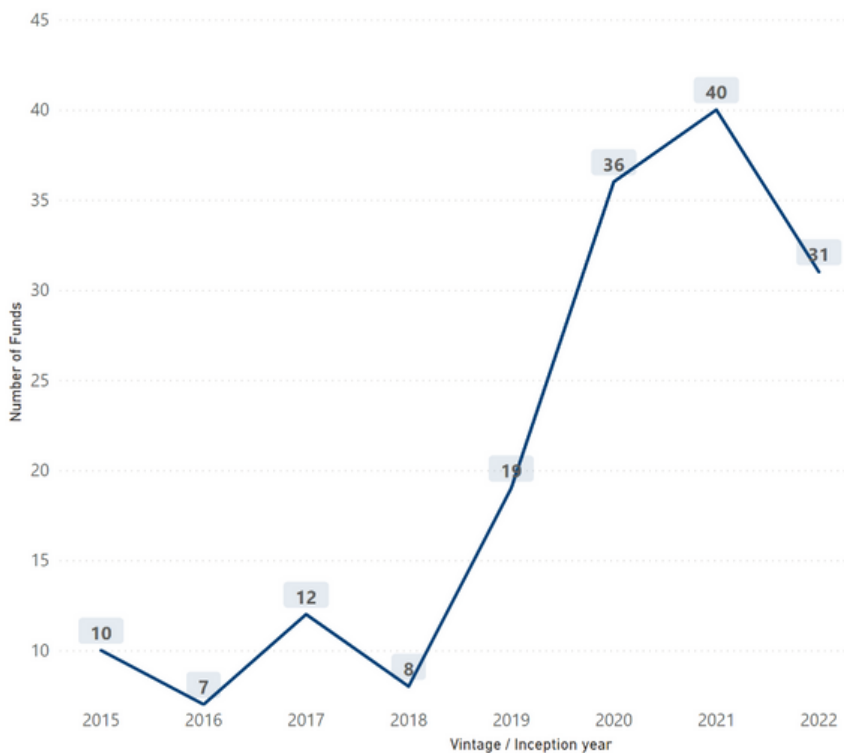
Has been committed  
towards **Circular  
Economy**

**€17 billion**

Is the total target size for  
open for investment funds



## Number of funds launched - By vintage year and asset class

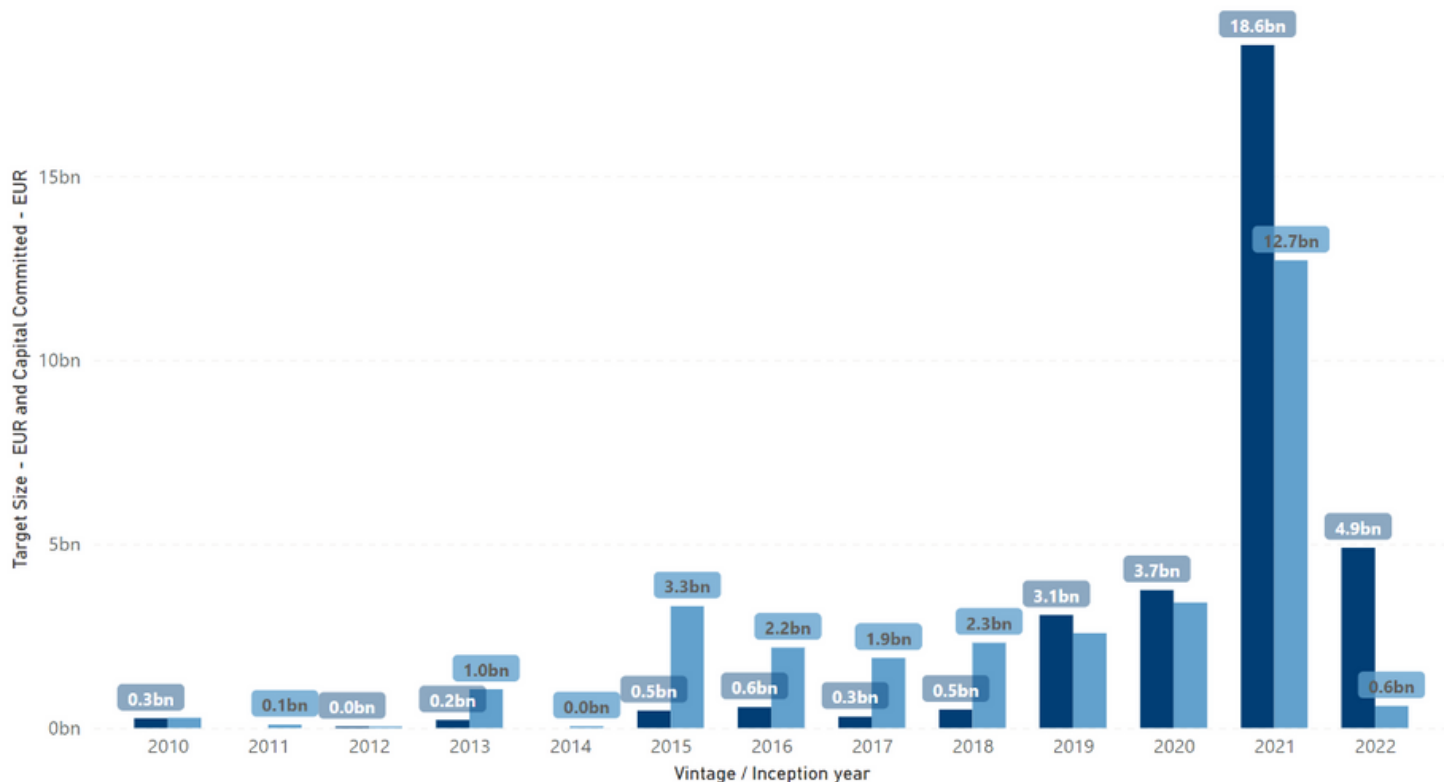


Since 2019, the number of funds targeting Circular Economy has increased exponentially. In 2021, 40 funds were launched, which represents an increase of 5x times the number of funds launched in 2018. Although **only 9 % of funds on Impact Database** target this impact theme.

Capital commitments have also increased consistently since 2018 up to 2021. It is yet to be seen if funds launched in 2022 will surpass previous total commitments. On average, **Circular economy funds have a target size of EUR 253 M.**

## Total capital commitments(EUR) and target sizes(EUR) - By vintage year

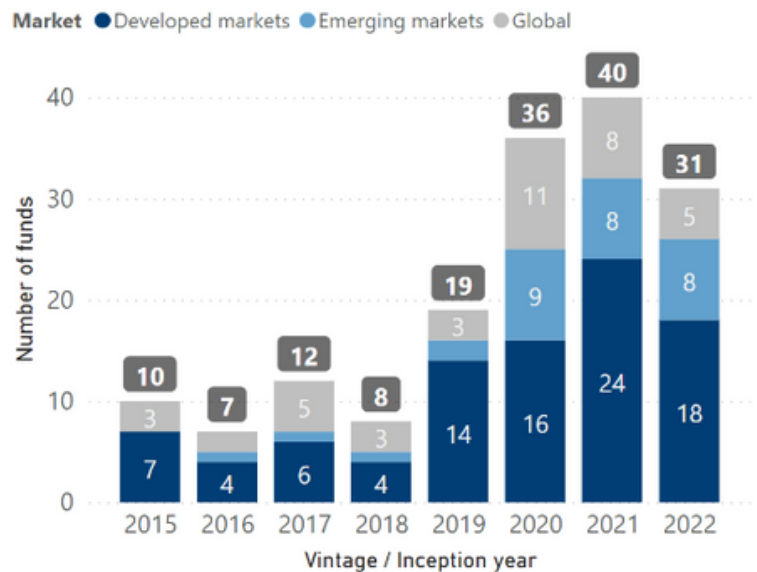
● Target Size - EUR ● Capital Committed - EUR



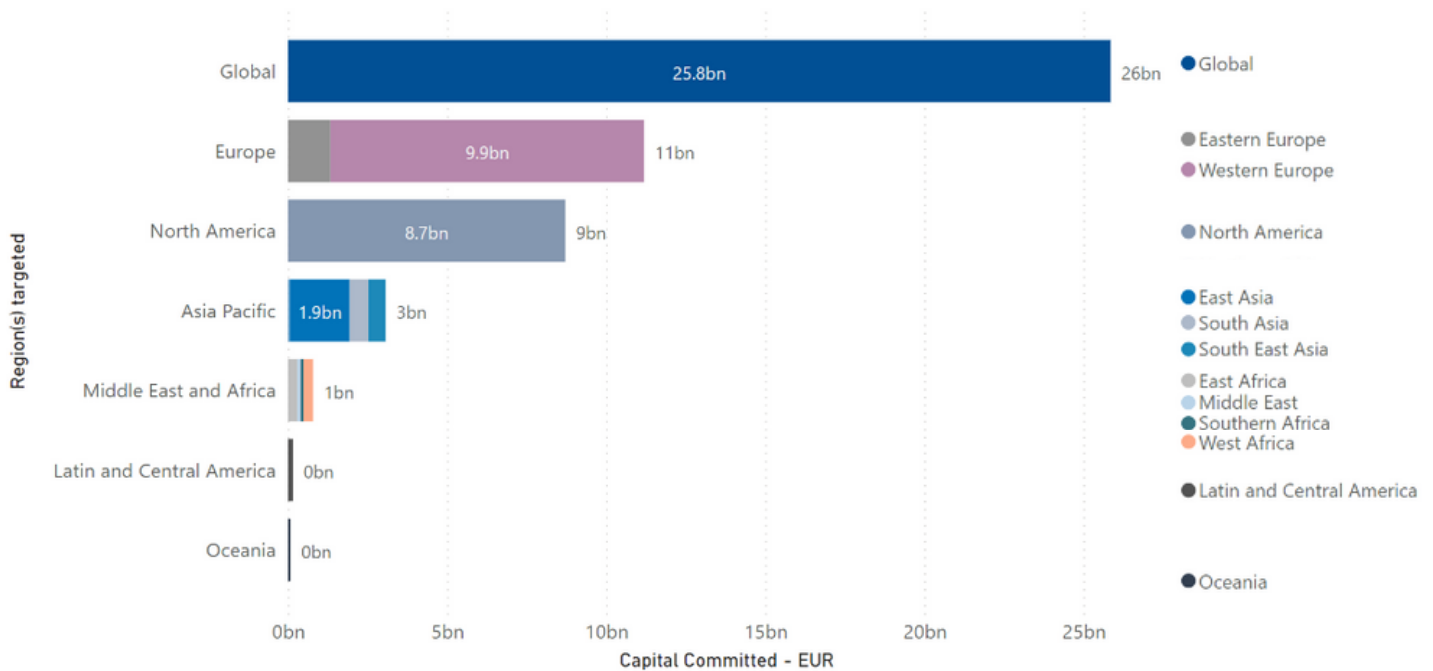
# MARKET AND REGIONAL BREAKDOWN

## Number of funds launched - By vintage year and market

Historically, Circular Economy funds launched are most targeted by **Developed and Global markets**. We see this trend continue into 2022. This may be because emerging economies are focussed on meeting the needs of their populations and, therefore, are more likely to target other impact themes such as Access to Healthcare, Sustainable Agriculture and Farming and Poverty Reduction.



## Total capital commitments - By region and status

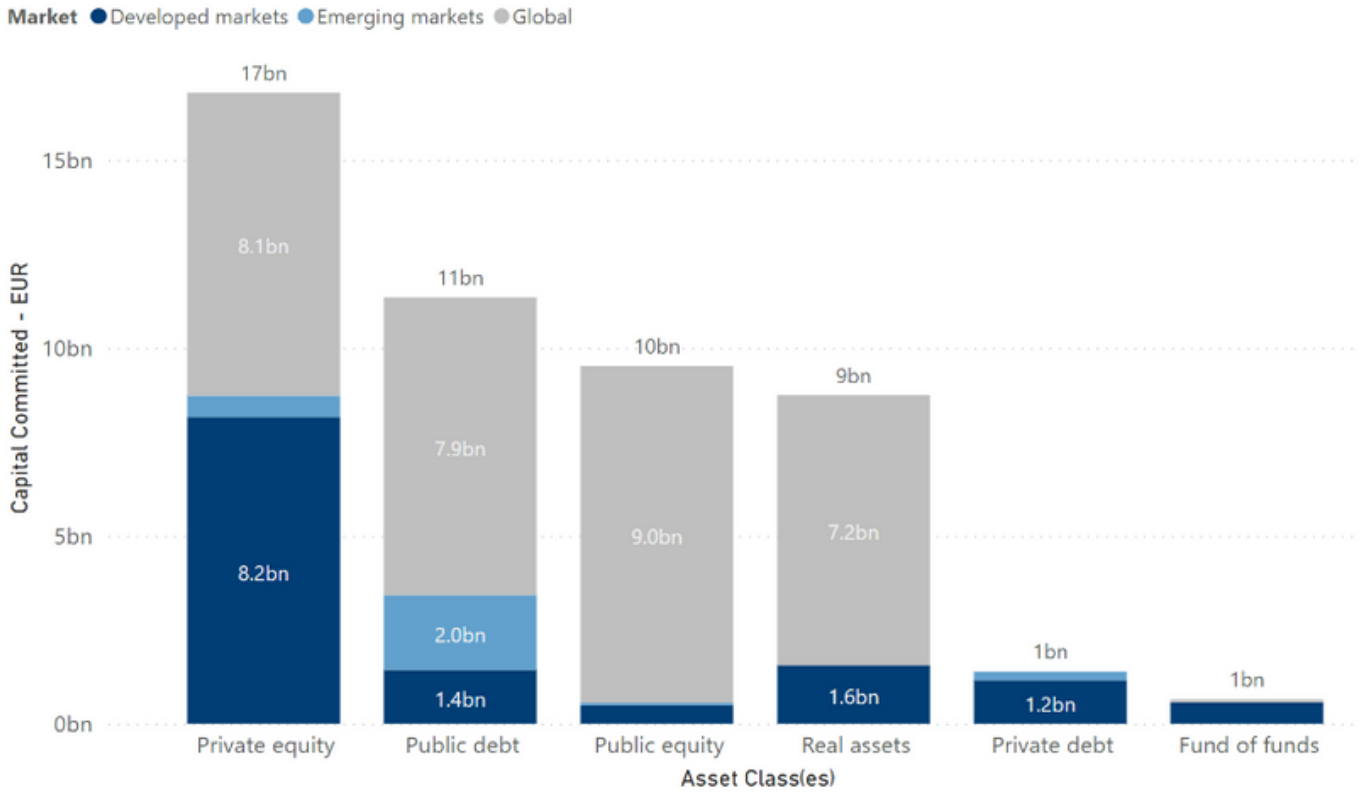


To break this down further, **Circular Economy funds mostly target Global, Europe and North America markets**. After North America there is a significant drop in capital commitments towards Asia Pacific, Middle East and Africa, Latin and Central America and Oceania markets.

This trend is also visible within Europe where **EUR 9.9bn** of Circular Economy fund commitments target Western Europe versus just **EUR 1.1bn** towards Eastern Europe.

# ASSET CLASS BREAKDOWN

## Total capital commitments - By market targeted

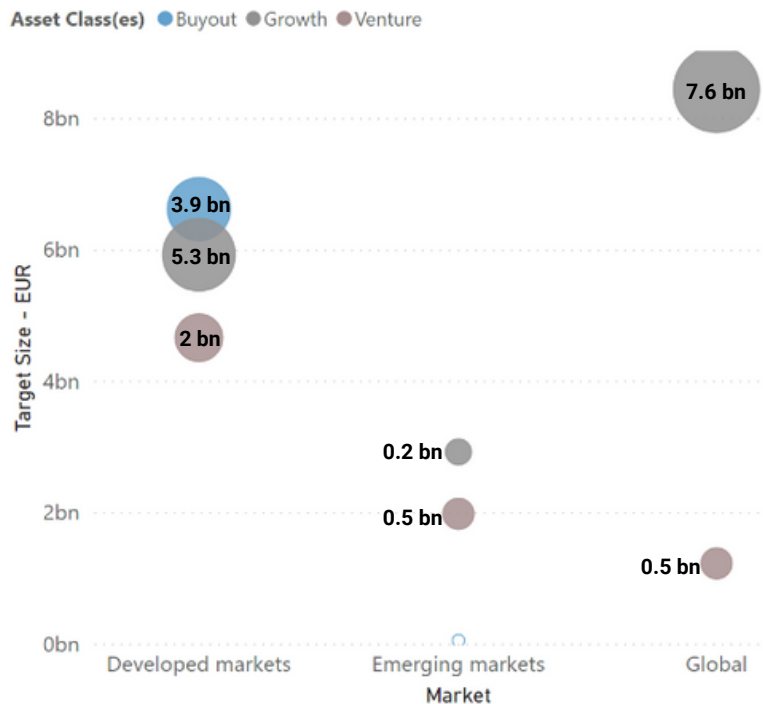


## Private Equity Breakdown - Total capital commitments

**Private Equity is the asset class most targeted by Circular Economy funds.**

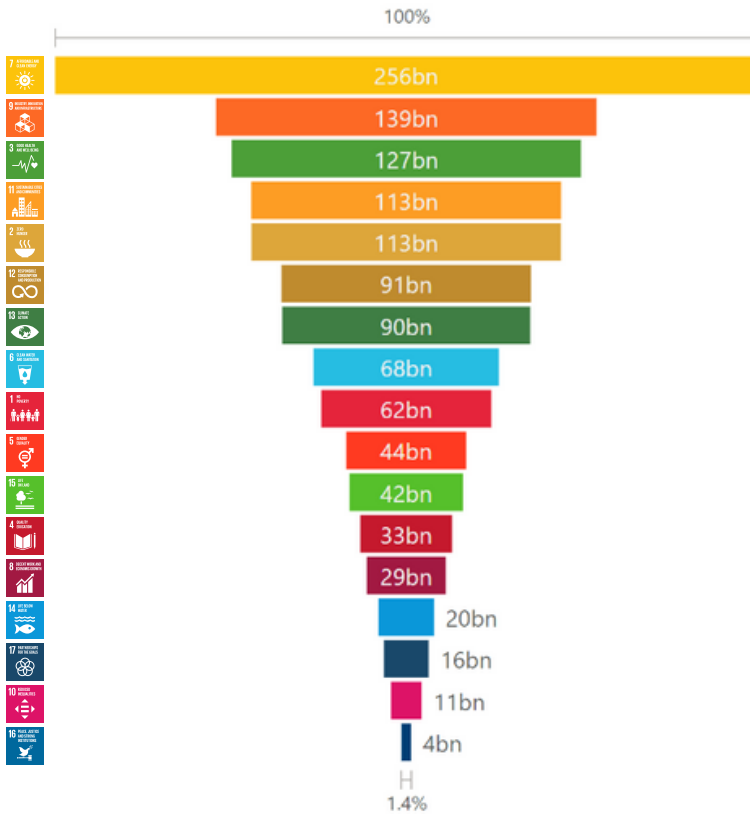
However, Public Equities and Public Debt funds also make a significant contribution to the Circular Economy impact theme; **coming to a total of EUR 22bn.**

Mirroring the market and regional breakdown, **within Private Equity** we see Global and Developed markets making a significantly larger contribution to the Circular Economy impact theme.



# SDGS AND IMPACT THEMES

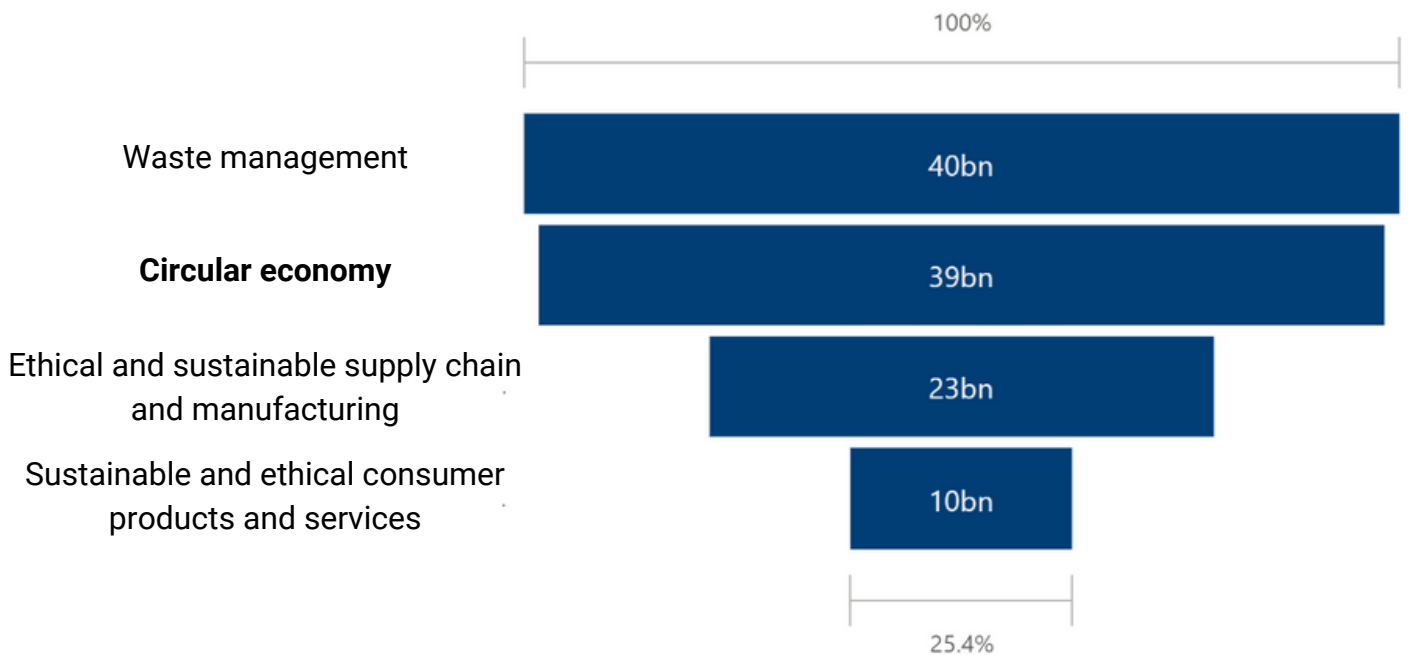
## Total capital commitments by SDGs



When looking at total capital commitments, **SDG 12 currently ranks in 6th position**, with funds allocating EUR 91 bn towards this SDG. It ranks behind, for example, Affordable and Clean Energy (SDG 7), Industry, Innovation and Infrastructure (SDG9) and Good Health and Wellbeing (SDG 3).

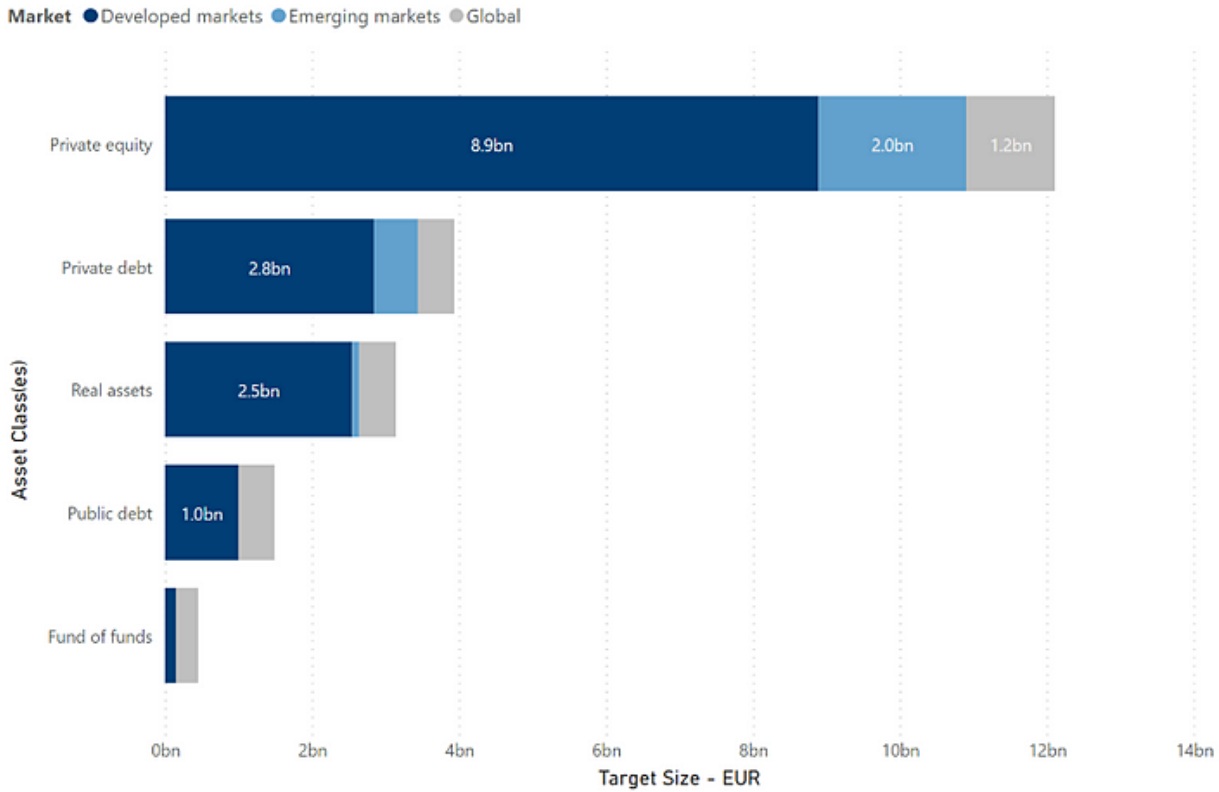
Phenix has identified 4 impact themes within SDG 12. Below we see that **Circular Economy is the second most targeted impact theme** following closely behind Waste Management, with only 1bn difference in capital allocated by funds.

## Breakdown of Capital commitments - Impact Themes of SDG 12

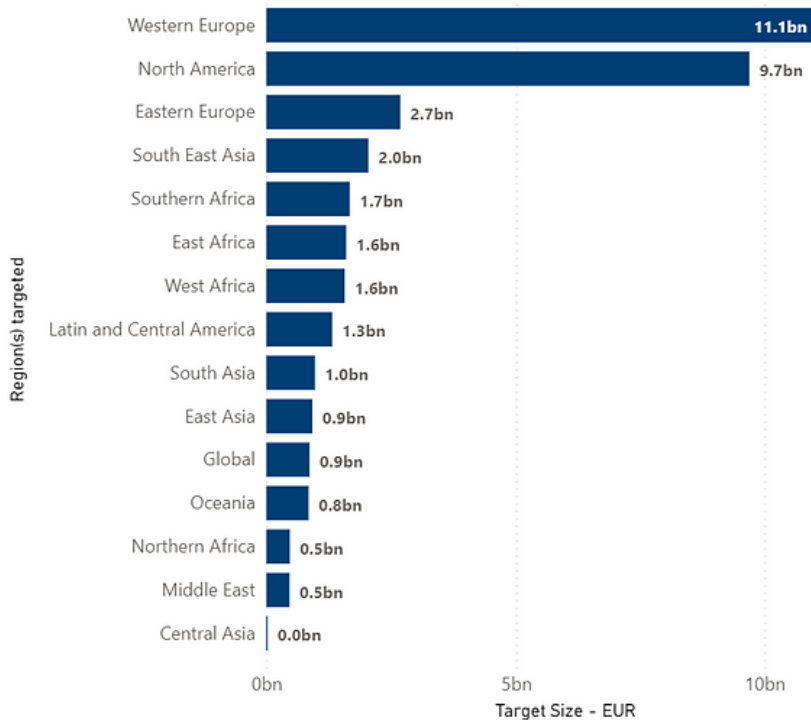


# FUNDRAISING TARGETS

## Total target sizes for open for investment funds - by Asset class and market



## Total target size for open for investment funds - by Region



Currently, **Private equity** is the asset class that is fundraising the most towards **Circular Economy**. And, there is a clear bias towards developed markets in all asset classes.

Funds are currently fundraising the most towards **Western Europe** and **North America**. After them, there is a clear drop in fundraising target for other regions.

There are 36 open for investment funds targeting Western Europe, 32 for North America and 14 for Eastern Europe. On average, for developing market regions the target size is of **EUR 304 M**, while on emerging markets it is of **EUR 144 M**. **This difference on target size and number of funds open for investments explains the contrast in total target sizes.**

# INDUSTRY INTERVIEW



An interview with **Sasha Brown**, Partner at the **Ecosystem Integrity Fund (EIF)**.

The Ecosystem Integrity Fund (“EIF”) is an early growth stage investor in companies contributing to environmental sustainability.

"The movement toward environmental sustainability is making incremental improvements to the largest industries in the world", highlights Sasha.



“

OVER THE NEXT SEVERAL DECADES, THE ECONOMY WILL BE TRANSFORMED BY THIS MOVEMENT. THE INTEGRATION OF ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY IS NOT JUST A TREND - IT IS A LONG-TERM, DURABLE SHIFT DRIVEN BY ECONOMICS. THIS WILL IMPACT EVERY INDUSTRY, RESULTING IN A MASSIVE MOBILIZATION OF CAPITAL. THIS IS THE NEXT PHASE OF THE INDUSTRIAL REVOLUTION - AND IT IS HAPPENING NOW.

”

## **On a personal level, what made you start working with impact investing?**

I am a lifelong environmentalist. As long as I can remember, I have been fascinated with the complexity, resiliency, and beauty of natural systems – and concerned about their ongoing degradation.

Impact investing excited me as a powerful lever for promoting change. As environmental stressors have grown, so too has the need for solutions. We can drive top tier financial returns investing in this progress. In doing so, we prove that it is not only possible but profitable to participate in the shift from businesses based on degradation to those moving towards a more sustainable future.

## **What does a Circular Economy mean to you and how optimistic are you that technology can improve our industries (energy, food, water, transportation, buildings) to stabilise the climate and our society? Please elaborate on what gives you hope for the future and the key areas that require attention.**

In a circular system waste productively re-enters the system as a resource. Just as natural systems are balanced, a fully realized circular economy would be self-sustaining, reliant on endlessly reused and recycled resources.

In our present-day economy, almost all products are conceived linearly – we mine fresh resources, convert them into products, and dispose them upon consumption. Large, entrenched systems have been built around this linear paradigm, making it very difficult to shift.

Yet, productive resources are finite, as is space and energy for managing waste. We are increasingly being confronted with these limits. There is less and less land available for landfills and diminishing tolerance for the pollution that accompanies waste.

Bumping up against these limits creates the opportunity for change.

In certain cases, economics have already begun to favor resource re-use or recycling over disposal and the use of virgin resources.

For example, capturing waste heat from industrial processes for electricity generation, repurposing sewage sludge for fertilizers, converting excess agricultural waste into packaging products are all ways to economically reintroduce resources back into the system.

Also, consumer advocacy is an increasingly important force in overcoming structural barriers to change, such as lack of infrastructure or misaligned incentives.

For example, products need to be designed with end-of-life treatment in mind to ensure their ultimate recycling is practical and cost effective.

However, most companies bear no responsibility for the waste created at the end of a product's useful life and therefore have had little incentive to evaluate and redesign their products in such a light.

With 80% of American consumers now demanding more sustainable options on the market, we are beginning to see the introduction of new, circular products, such as recyclable jeans, compostable packaging products, biodegradable beauty products, etc.

Ultimately, most consumers will opt for the convenient and cost competitive option, even if it is not the greener choice. Technology becomes important in being able to bring down costs, improve quality, align incentives, or enable new forms of productive use, so that there are not such tradeoffs.

**Ecosystem Integrity Fund (EIF) seeks to encourage systemic change through its investments. Please can you elaborate what it means to take a systems-based approach to seeking out niches within environmental opportunities? Do you have an example you would like to share?**

A systems-based approach requires us to evaluate a problem in the context of the numerous systems it is part of (e.g. economic, ecological, social, political, regulatory and other). By taking a holistic view of the landscape, we better understand the real bottlenecks for technology adoption and behavioral change in a given industry.



Most important, we can ultimately identify the places where the system is most ready for change. We home in on these very specific niches to find solutions to a pain point that can have an impact in the near term. Investing in these solutions moves the overall system incrementally in a more sustainable direction - and progressively opens up new opportunities for more positive changes.

For example, consumers have become increasingly aware of the staggeringly deleterious environmental impact of the fashion industry and demanded change from the companies they buy from. As a result, top brands are all experimenting with some form of sustainability, including more organic or recycled feedstocks, bio-based dyes, secondary markets for resale, or net zero production processes.

However, these same consumers continue to create an unsustainable amount of post-consumer waste. US consumers on average purchase around 70 and dispose of around 40 garments per year, leading billions of garments to be landfilled annually.

90% of clothing donations end up in landfills, and there is very limited infrastructure or information on how to responsibly handle textiles at the end of their life.

We led the Series A round in For Days, a direct-to-consumer fashion platform tackling this problem. For Days recognized that the incentives and economics of a closed loop system for fashion are most powerful when you connect the beginning and end of a garment's life.

The company creates recyclable apparel and incentivizes customers for returning used clothing by rewarding them with digital currency that can be used on new goods. By aligning virtue and value, For Days solves a real problem for its customers.

As a result, the company has been growing 50% month over month this year, while demonstrating industry leading customer loyalty metrics.

**How does EIF contribute to the success of portfolio companies, other than providing capital?**

We are active investors. We sit on company boards and act as a trusted partner to the management teams. We have decades of experience working with start-ups and can offer various forms of support to young companies as they navigate growth.

Each company will have slightly different needs, and we tailor our activities accordingly. This can look like everything from strategic decision-making, talent recruitment, financial modeling, operational advice, fundraising assistance, and negotiating transactions.

We are a sounding board to brainstorm new ideas, an advisor on operational best practices, and can also act as an extension of the team itself.

## **What facilitates systemic change and what are the key challenges that hinder it?**

Large systems that have been in place a long time are very difficult to shift. They are generally reinforced in multiple ways, for example by physical infrastructure, behavioral patterns, and regulations and policies. And institutions and individuals that benefit may actively work to create obstacles to any evolution.

Facilitating systemic change requires a deliberate process to determine what specific part of the system is most ready for change. These niches develop where there is a growing problem that requires innovation outside of the existing system to resolve.

By precisely identifying the problem, we can similarly determine which solutions are most appropriate and compatible – and ultimately successful. Investing in these solution helps drive incremental changes that in turn enables subsequent opportunities, ultimately shifting a large system over time.

In the case of sustainability, we see more and more spaces to invest in, as fundamentals shift. Scarce resources, intractable pollution problems, and the impacts of climate change are driving new economic realities and societal risks. And there is growing stakeholder recognition and education about the urgency of this environmental degradation and its negative impact on human health.

As a result, consumers are now seeking more purpose-driven brands and greener products, and governments across the world are taking steps towards a more sustainable future. These elements together are driving innovation, development, and adoption of sustainable technologies and processes, which in turn bring down the cost of these solutions.

As the cost savings are passed down to the consumer, the push for sustainability grows stronger, creating a virtuous cycle and, gradually, systemic change across the globe.

### **What percentage of institutional investor (pension funds, banks, foundations etc) portfolios do you expect to be allocated using impact measurement and management frameworks by 2030 and why?**

In 2019, institutional investors accounted for around 40% of impact-related capital in the US. Historically, impact investment funds were viewed as concessionary or otherwise too new to attract significant institutional capital.

The market is beginning to recognize that impact investments present a highly attractive opportunity with strong yields and measurable impact.

At the same time, investors are demanding more opportunities to invest in line with their values and a clearer view into the impact their investments are having.

As the impact investing industry matures, with a longer track record and more common standards and best practices, we expect to see allocations from institutional investors grow.

“

We similarly expect impact measurement and reporting to become more commonplace overall, with a majority of institutional investors incorporating some form of impact measurement by 2030.

”



Daan van Kassel is Fund Manager at Polestar Capital

Polestar Capital is an impact investor that provides solution-oriented financing to sustainable initiatives to create meaningful impact. Their mission is to bridge funding gaps for climate change mitigation and circular economy solutions. Practically speaking, this means they finance promising and financially feasible projects in the circular economy and energy transition that banks and other financiers don't finance (yet) or finance insufficiently. They are currently investing around €1 billion in capital through 3 climate focused investment funds.

## **On a personal level, what made you start working with impact investing?**

Let me answer that question with a question: If you have a vision of how the world could be a better place, why wouldn't you try to contribute to making that vision a reality? Of course, there are many ways how such contribution could take place, but if you have capital, expertise, connections, time or other tools at your disposal that enable you to be a force of positive change, why wouldn't you do what you can to make that change happen?

On a personal level, I try to use my knowledge of investment management and my entrepreneurial spirit for a contribution to a world with lower greenhouse gas emissions and a lower material footprint via the development and growth of a circular economy focused direct lending fund at Polestar Capital. I find this very fulfilling for various reasons. On an intellectual level, I like the challenge of developing and implementing a new vision of financing circular innovations and bringing that to scale.

On a more personal level, it feels good to experience that entrepreneurs realise their initial project thanks to our funding, and it gives an even better feeling if they eventually become so successful that they're able to globally disrupting value chains and establish new more sustainable ones.

On a different note, I also find it exciting to be at the forefront of impact investing. Although impact investing is gradually gaining momentum in terms of attention and capital, it's also a rapidly evolving field with various challenges and barriers that must still be overcome. Even though there's a lot of talk about sustainability, impact and ESG, there aren't that many private market impact investors around yet that are unique in what they do and are able to really act as a force for positive change. If you have the opportunity to work for such an impact investor right now, and if you are recognised for it, this opens doors for partnerships with other frontrunners for the further development of the impact investing field, and inspire and encourage non-impact investors to start making a contribution to join the revolution for a more sustainable future.

“ Although impact investing is gradually gaining momentum in terms of attention and capital, it's also a rapidly evolving field with various challenges and barriers that must still be overcome. ”

## **Polestar Capital is an asset management firm focused on the circular economy. How is this impact embedded in the company's overall investment strategy?**

Our focus is on bridging funding gaps for a sustainable economy, by which we mean an economy with a material and emission footprint that respects our planetary boundaries. This focus is part of our corporate DNA and is embedded in all our policies and actions, ranging from recruitment to investment decisions. In our vision, the transition to a circular economy – an economic system in which waste and pollution are eliminated as much as possible and in which materials circulate for as long as possible at the best application possible – is crucial to maintain (most of) our welfare and simultaneously keep our planet liveable.

The circular economy is not our only investment theme however. We are for example also the investment originator of the Dutch Thermal Fund (Nationaal WarmteFonds). This fund finances solutions to make the built environment more sustainable, with a special attention for groups that couldn't otherwise finance the reduction of the carbon footprint of their house or building. And we are also the fund manager of the Limburg Energy Fund (Limburgs Energie Fonds), a regional impact investment fund that finances sustainable projects in Limburg. These include circular economy projects, as well as renewable energy production and energy efficiency projects.

## **Are there specific SDGs, impact themes and market regions Polestar is focused on?**

Yes. Our primary focus is on environmental sustainability in the Netherlands, but we may expand to other geographies in the future. In SDG terms, our investment strategy mainly targets (6) clean water and sanitation, (7) affordable and clean energy, (9) industry, innovation and infrastructure, (12) responsible consumption and production, and (13) climate action.

As we believe that teamwork, cooperation and partnerships are key for the transition towards a fairer and environmentally sound society, we embrace SDG 17 as well, but at the moment more as part of our corporate culture than our investment strategy.

### **Is there a tool or framework that Polestar uses to measure its impact?**

Yes and no. We haven't found a single tool or framework that's able to capture all of the impact that we believe is relevant, so we combine different frameworks and tools to collect data, and assess, measure and report on our impact. These include more generic frameworks, including current regulations such as the EU Taxonomy and SFDR, and investment strategy-specific standards such as the Circular Economy Financing Guidelines and the WBCSD Circular Transition Indicators for the circular economy.

### **From a GP perspective, what do your LPs usually ask you about impact and impact reporting?**

We find that LPs take different approaches during different stages of their analysis. During the initial conversation, they usually first try to validate whether we actually have real impact or not. Questions at that stage tend to focus on our theory of change and our track record in terms of achieving impact. During subsequent conversations, LPs mostly want to know if we tick their impact boxes. They for example ask about our alignment with the EU Taxonomy or if we are an Article 9 fund under the SFDR. We normally only discuss the process of collecting, assessing, measuring and reporting on impact data in more detail at a later stage.

“

**As for our impact reporting, LPs are often concerned about whether we can report our impact specifically customised to their impact framework or impact data collection system.**

”

As for our impact reporting, LPs are often concerned about whether we can report our impact specifically customised to their impact framework or impact data collection system. This is complicated, however, because currently there's no widely recognised uniform model. As a result, in our experience, most LPs that focus on impact investing, have their own bespoke impact frameworks and reporting standards. The frameworks obviously have many similarities. For example, most investors have impact metrics linked to the SDGs, EU Taxonomy and SFDR, which they combine with some investor-specific metrics. However, the formulas that the various LPs use to calculate seemingly similar impact metrics may be completely different from one investor to another. As a result, for our circular economy fund, we sometimes use one datapoint for many different formulas through which we calculate the progress on similar though not fully identical impact targets around the same concept, as this is what our investors currently require for their own monitoring and reporting.

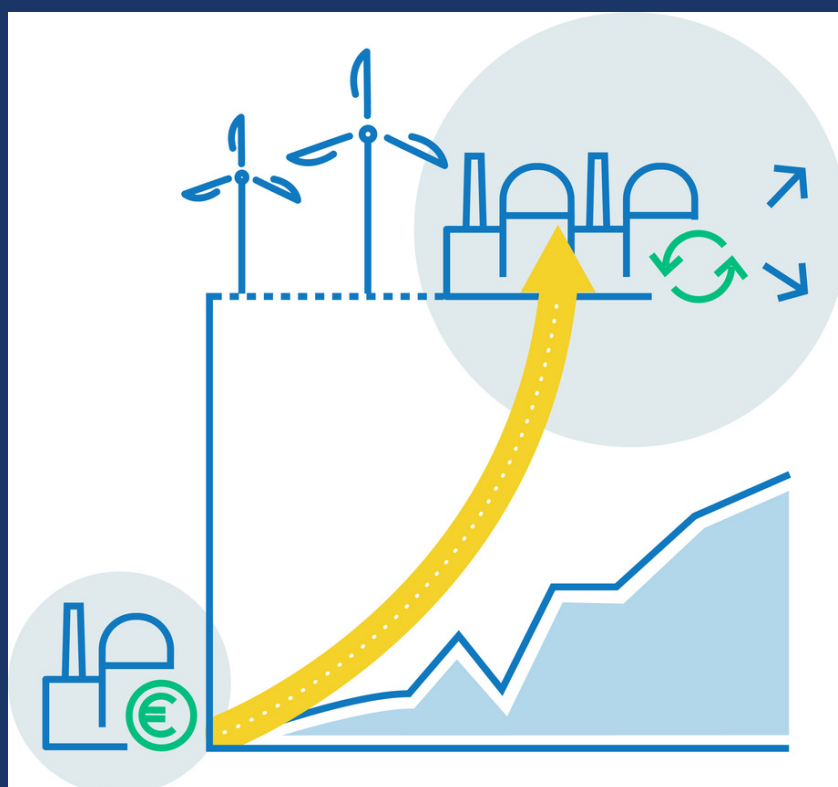
**Polestar believes in innovation through collaboration and developing new solutions. Can you give an example of these solutions?**

Indeed. Innovation and collaboration are important elements of our investment philosophy. Innovation takes place on two different levels. The key innovative strength of Polestar Capital as a company, is that we use our de-risking and structuring expertise to make yet underserved sustainable projects financeable. Once we have proven the feasibility of financing certain types of sustainable projects, this enables our funding partners (such as governments, government investors, banks and commercial investors) to allocate funds to these sustainable projects, directly or via an investment fund, and this enables the to be financed projects to get realised and reach scale in order to contribute to the transition to a more sustainable economy.

The second level at which innovation takes place is that of our borrowers or investees. For example, our circular economy fund is dedicated to specifically bridging the funding gap for circular economy production plants in which an innovative technology and business model are applied for the first or second time at commercial scale. This phase is usually too innovative for bank financing and too capital intense for venture capital alone.



As a result, many circular economy innovations are delayed or stop developing, due to a lack of funding in this phase. By bridging the funding gap, we enable circular innovators to prove the feasibility of their technology and business model. This enables them to attract other funding (e.g. bank loans / private equity) and establish partnerships with mature businesses for the further scaling up. And this is what we do it for: circular innovations that reach scale, globally disrupt value chains and create new circular chains with a lower carbon and material footprint.



Enabling innovative growth paths for circular innovators is obviously something we can only achieve in collaboration with many other stakeholders within the respective ecosystems of those innovators. These parties range from relatives and other people close to the founders to commercial service providers, from regional development agencies to venture capital investors, from incubators and matchmaking programmes to circular hubs and industrial sites, and from local to national governments. We believe that circular innovation can accelerate if the entire ecosystem supports it. This is why we maintain close contact with various stakeholders and enhance collaboration within the relevant ecosystems, as this benefits everyone involved.

## Can you give us an example of a successful investment on this front?

Thankfully, many of our early investments are now working on reaching a level where they have a significant impact in terms of reducing waste, the material footprint or the carbon footprint.

For example, our first investment in the circular economy was Quality Circular Polymers, a company with an innovative process for recycling waste plastics into virgin-quality new plastics, that is now rolling out its technology globally with multinationals Veolia and LyondellBasell. Another early investment was Fuenix Ecoy, which processes waste plastic film into paraffin, naphtha and other resources. Fuenix Ecoy has now partnered with Dow Chemical to further scale up their technology. As we have been gradually increasing our allocations to the circular economy since 2015, I am confident that our greatest circular economy impact stories are yet to come.



Enabling innovative growth paths for circular innovators is obviously something we can only achieve in collaboration with many other stakeholders within the respective ecosystems of those innovators. These parties range from relatives and other people close to the founders to commercial service providers, from regional development agencies to venture capital investors, from incubators and matchmaking programmes to circular hubs and industrial sites, and from local to national governments.



# PHENIX IMPACT FUND ASSESSMENT

Phenix Impact Fund Assessment is a proprietary framework developed in close consultation with institutional asset owners and industry leaders, for the purpose of **assessing the robustness of a fund's impact proposition**.

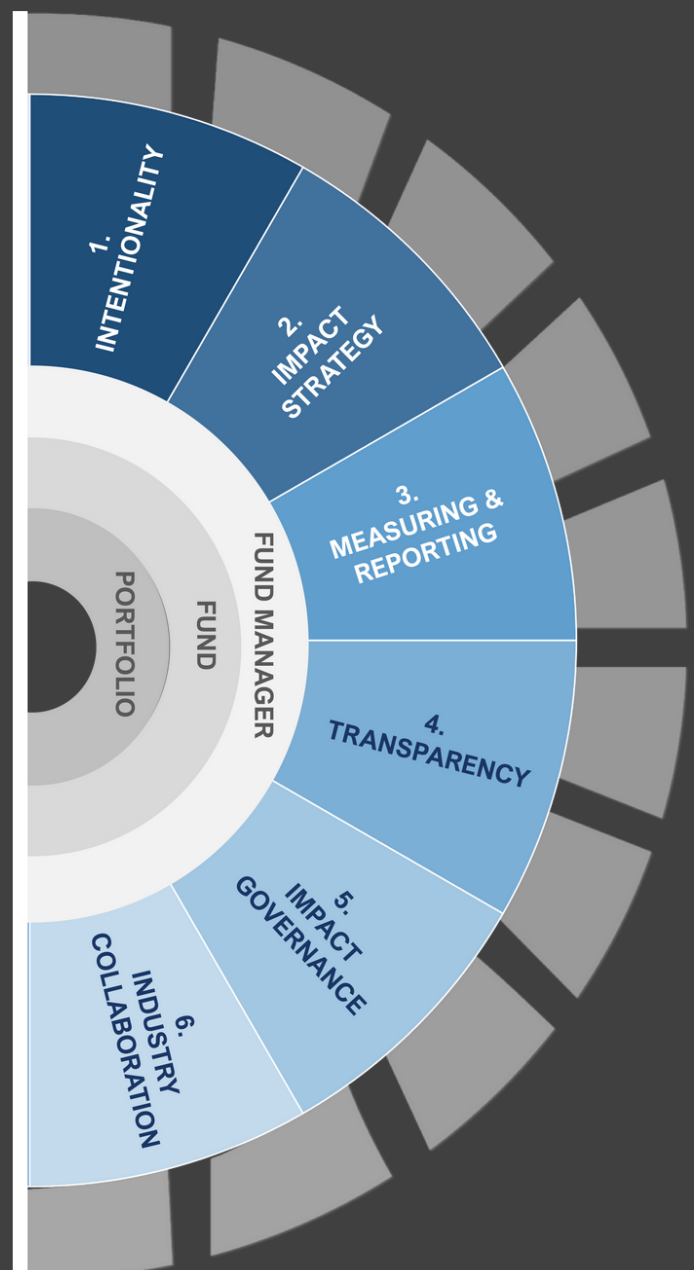
On 6 themes and 33 criteria, it examines to what extent the policies, procedures and human resources are in place to deliver the impact that a fund aims to create.

## ASSESSING THE ROBUSTNESS OF IMPACT FUND PROPOSITIONS

**Uncover strengths and weaknesses**

**Adopt industry best practices**

**Prepare for institutional impact due diligence**



[VISIT SITE >>>](#)

# GLOSSARY & SYMBOLS

---

**Committed capital:** Amount committed in a fund vehicle by its limited partners / investors.

**Developed markets:** We include Europe (excl. Eastern Europe), North America, Asia Pacific (Singapore, Japan, and South Korea only), Oceania (New Zealand, Australia) Middle East and Africa (Israel only).

**Direct lending:** A specialised form of private debt, in which loans are made to middle-market companies. It is the private debt strategy with lower risk, achieved by using collateral.

**Emerging markets:** We include Latin and Central America, Asia Pacific (excl. Singapore, Japan, South Korea), Middle East and Africa (excl. Israel) Europe (Eastern Europe only).

**Fund managers:** Organisation managing commingled, pooled and customised vehicles invested by institutional asset owners. Also called General Partner or GP.

**Global:** Funds that have an investment geographic scope encompassing both developed and emerging markets.

**Impact investing:** Investments with the dual mandate of financial return and positive societal or environmental impacts, with the notion of measuring the positive and negative impact of investments, ensuring both intentionality and additionality among these.

**Institutional asset owners:** Outsourced CIOs, pension funds, insurance companies, family offices, sovereign wealth funds, endowments, foundations, banks, fiduciary managers, discretionary investment consultants. Also called Limited Partner or LP.

**Market targeted:** Markets fund managers target for their investments: We include Global, Developed markets, Emerging markets.

**Mezzanine:** A specialised form of financing in which loans are subordinated to banks, with no collateral. It is the most equity-like form of private debt.

**Microcredit:** A common form of microfinance, characterised by small loans to individuals or small companies.

**Private debt:** Debt instruments to companies: direct lending, mezzanine, microfinance strategies.

**Public debt:** Publicly traded fixed income securities: investment grade or high yield, focused on green bonds and municipal and community infrastructure and affordable housing issuers.

**Regions targeted:** Regions fund managers target for their investments: We include Asia Pacific (East Asia, Central Asia, South Asia, South East Asia), Europe (Western Europe, Eastern Europe), Global, Latin and Central America, Middle East and Africa (East Africa, Middle East, Northern Africa, West Africa, Southern Africa), North America, Oceania.

**Target fund size:** Amount the fund manager is targeting when raising capital.

**Vintage:** Year where the fund manager first calls capital from investors.

Full glossary: [www.phenixcapitalgroup.com/impact-investing-glossary](http://www.phenixcapitalgroup.com/impact-investing-glossary)

# DISCLAIMER

---

This report has been furnished by Phenix Capital Group, solely for educational purposes. All rights in the contents of this report including intellectual property rights are owned by Phenix Capital. Any misuse, modification, selling or reselling is strictly prohibited. This report cannot be used as a basis for any claim, demand or cause of action against Phenix Capital Group. We rule out any and every liability resulting from any electronic transmission and have no responsibility for any loss incurred based upon it. The information in this report is subject to change and has been gathered based on publicly available information; internal data and other sources believed to be true and are for general guidance only, but which may have not been verified independently. We make no representations or warranties as to the accuracy or completeness of this information. This information is not an investment advice, offer, or the solicitation of an offer, to buy or sell any securities and is not a recommendation with respect to any securities in any jurisdiction. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual clients. Each and any person are solely responsible for his or her investment and other decisions.

# CONTACT US TO LEARN MORE ABOUT IMPACT INVESTING

---

E: [info@phenixcapitalgroup.com](mailto:info@phenixcapitalgroup.com)

T: +31 20 240 27 31

[www.phenixcapitalgroup.com](http://www.phenixcapitalgroup.com)

