Dual Impact Investing
Enhance Your Portfolio’s Potential While Advancing the Greater Good
Over the last decade, sustainable funds have become more and more attractive to U.S. investors.

U.S. Sustainable Funds, Annual Flows and Assets

While the popularity of sustainable investing is growing, there have been challenges. Investors are becoming more concerned about "greenwashing", where the financial industry makes false or misleading sustainability claims.

In light of this challenge, how can investors ensure their investments are having an impact?
Dual Impact Investing
With dual impact investing, the goals are two-fold:

**Make a social or environmental impact**
The investment manager donates a portion of their profits to a designated non-profit related to the fund’s ESG theme.

**Enhance your portfolio’s potential**
The fund invests in an environmental, social, or governance (ESG) theme with a growing investment opportunity.

This approach aims to increase return potential, while also contributing to a more sustainable future.

Compelling Themes for Investment
To see what this looks like in practice, let’s take a look at a few of the available investment themes.
Blue Economy

Targeting companies that are based in, and actively good for, the ocean.

What is the opportunity?
In the U.S., blue economy sales growth was more than double that of the U.S. economy overall.


Globally, ocean-based exports are valued at over $2.5T.

Tourism: $1.1T
High-technology and other manufactures: $594.9B
Ships, port equipment, and related parts: $269.1B
Sea transport: $399.0B
Marine fisheries: $74.9B
Seafood processing: $55.1B
Sea Minerals: $2.1B


What are some examples?
The blue economy includes companies focused on:

- Sustainable oceans
- Pollution reduction
- Clean energy
- Cleaner shipping
- Carbon efficiency
Green Transportation
Targeting companies that advance sustainable transportation through cleaner energy products and solutions.

What is the opportunity?
Global EV car sales are projected to increase more than 7.5x from 2020 to 2030.

More broadly, the global renewable energy market is projected to grow at a compound annual growth rate (CAGR) of 8.4% over the next decade.

What are some examples?
Green transportation includes companies focused on:

- Transportation equipment and services
- Clean energy resources
- Technology that increases transportation efficiency
- Infrastructure components
Gender Equality
Targeting companies that are leading in gender equality within the workplace.

What is the opportunity?
Of companies globally with gender diversity in management, nearly three-quarters report profit increases of 5-20%.

Not only that, improving gender equality could stimulate economic growth.
In a “best in region” scenario—where each country’s progress matches that of the country in its region showing the most progress towards gender parity—annual global GDP could rise by almost $12T by 2025.

What are some examples?
Gender equality includes companies focused on:
- Gender balance in leadership & the workforce
- Policies promoting gender equality
- Equal compensation & work-life balance
- A commitment to women’s empowerment

Share of companies reporting increased profits from initiatives on gender diversity and equality

<table>
<thead>
<tr>
<th>Increased Profit (%)</th>
<th>Share of Companies (%)</th>
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</thead>
<tbody>
<tr>
<td>&lt;5%</td>
<td>4.9%</td>
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<tr>
<td>5-10%</td>
<td>26.7%</td>
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<tr>
<td>10-15%</td>
<td>29.1%</td>
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<tr>
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<td>18.1%</td>
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<tr>
<td>&gt;20%</td>
<td>16.9%</td>
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<tr>
<td>Didn’t know</td>
<td>10.3%</td>
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Source: International Labour Organization (May 2019). Numbers may not sum to 100.

Source: McKinsey (Nov 2019)
Heart Health

Targeting companies that treat heart disease, or help people lead healthier lifestyles.

What is the opportunity?

The global cardiovascular drug market is expected to grow at a CAGR of 4% from 2020-2025.

Source: Research and Markets (Feb 2021)

In addition, health conscious consumer-packaged goods saw impressive sales growth in 2019.

- $925M Organics
- $982M Plant-based foods
- $4.6B Fresh foods

Source: Nielsen Retail Measurement Services (Oct 2019). Data from 52-week period ended Oct. 26, 2019 vs. 1 year ago.

What are some examples?

Heart health includes companies focused on:

- Diagnosing or treating cardiovascular disease
- Promoting regular exercise and tracking fitness
- Healthy food and wellness products
- Health education through IT services
A Meaningful Investment

By investing in these growing themes, investors have the potential to capitalize on shifting consumer sentiment and more stringent regulations.

The two-sided approach allows investors to:

- **Express their values** through their investments, by accessing ESG opportunities
- **Make a concrete impact** with contributions coming from investment manager profits—not investors' own pockets

Through dual impact investing, investors can improve their portfolio’s potential and the planet.

For more information

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