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Published on December 24, 2025


## Contents



# 2025 Impact Investing Update

Further smoothing the flow of capital between investors trying to do well and do good

PitchBook is a Morningstar company providing the most comprehensive, most accurate, and hard-to-find data for professionals doing business in the private markets.

## Key takeaways

- Recent fundraising trends have shown precipitous declines, but Impact AUM reached a record in 2025 even still. Remaining committed to their mission, Impact investors funneled billions of assets into funds that seek both positive environmental and/or social impact outcomes and financial gains.
- A closer examination of Impact fundraising versus the broader private funds universe shows that Europe represents a larger share of Impact fund closings since 2008, as does Africa. Even more striking is the share that real assets represents in both number of funds raised and capital raised—the figures are much higher in the Impact universe.
- Our first look at the over 36,000 companies we have tagged to the IRIS+ categories of impact and the deals that involve them show a concentration of companies and deals in the energy category, followed by health and infrastructure. The universe of IRIS+ tagged companies is largely based in North America and Europe, but the split can vary dramatically across the various categories of Impact investing.
- Performance data on Impact funds could be read multiple ways to support different narratives, but a trade-off of impact versus financial gains is not universal: Many Impact funds outperform many non-impact funds. As always, manager selection and matching investments to objectives must guide allocation decisions.

**A note on methodology:** Our total Impact fund count includes roughly 330 funds that are not drawdown funds, though most of the data in this report will exclusively look at the drawdown universe. The largest Impact fund in our dataset is not found in this report, as it was the EU's Horizon 2020 fund, which was established with €80 billion by several members of the European Union. We have excluded funds like this one from our fundraising data, as these funds were not offered to external investors but appear to be pools of capital for regional economic development.

## Introduction

The first iteration of this report, released in 2021, was created to highlight a unique dataset PitchBook had created by tagging, at the time, approximately 1,800 funds that appeared to be making Impact investments. Four years later, the dataset has grown to over 5,000 such funds investing globally across private market strategies. Recognizing that most Impact investors care not about impact generally, but have specific focus areas they hope to impact with their investment allocations, we identified the Global Impact Investing Network's (GIIN) IRIS+ taxonomy as one designed by and for investors that we could use to sort our Impact fund universe by the categories of impact they target.[1] Utilizing that framework, we have tagged thousands of our Impact funds with one or more categories of Impact. This combined dataset has been useful both to understanding the broad trends in Impact investing as well as in aiding our LP and GP clients in identifying firms with which to partner that share their Impact goals.

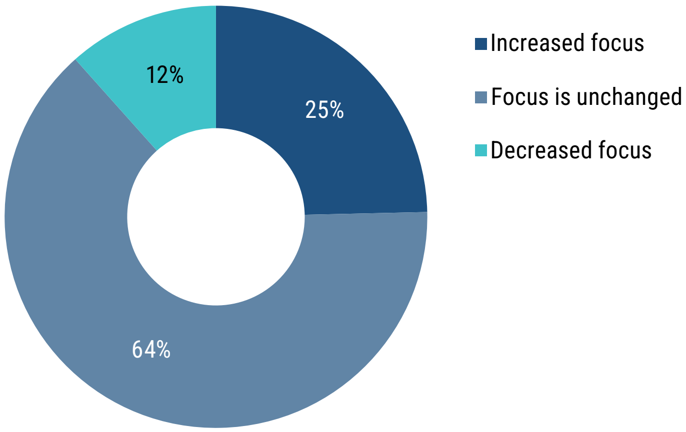
In 2024, we also completed a project to identify private companies within our database that fit into one or more of the IRIS+ Impact categories, adding to our capabilities to assist in smoothing the flow of capital between investors and companies seeking both financial returns as well as social and/or environmental returns. We report on this dataset for the first time in this piece.

Since the first Impact investing report, we have also added infrastructure funds to our dataset, as it was a late addition to the list of IRIS+ categories. Because many infrastructure funds have some social or environmental impact as part of their design and because these funds must often be extremely large to be able to build out major projects, the infrastructure data has come to dominate the Impact fund world. One major theme within Infrastructure was explored in Infrastructure Funds Fuel the Energy Transition in 2024, with the data updated in the Q3 2025 Global Real Assets report.

Since the last Impact Update in late 2023, we have published quite a lot of research that hit on themes within the Impact investing space. Climate funds have made up a large portion of Impact assets, with funds of all types seeking solutions to the climate crisis. This theme was explored this year in Climate PE Funds: Heating Up or Cooling Down? We also have dedicated analysts focused on verticals such as agtech, climate tech, and healthcare, publishing granular analyses and market maps for areas that fit fairly neatly into the Impact investment sphere. Also in 2025, we published the sixth edition of our Sustainable Investment Survey, which reported on trends beyond the headlines in ESG and impact, concluding that despite a major ramp-up in negativity since 2021, practitioners are overwhelmingly continuing to seek impact, incorporate ESG, and consider diversity, equity & inclusion in their investment practices. This year we also published the second edition of The State of Sustainable Investing in the Private Markets, briefly outlining a baker's dozen of themes we are seeing or hearing about.

1: "IRIS+ Thematic Taxonomy," The Global Impact Investing Network, December 2025.

### How have current economic and geopolitical events impacted your organization's focus on Impact investing in the past year?




Source: PitchBook • Geography: Global • Sustainable Investment Survey, Question 25.5

Based on our survey data this year, we can say that sustainable investment topics are not going away, despite a significant decline in popular reporting on the subject. People are changing their messaging around the topics, however—there is less emphasis on the highly politicized ESG and more on sustainable or thematic topics. That said, those who have committed to integrating a sustainable lens into their process are largely continuing to do so. Among Impact investors, only 12% have decreased their focus on Impact investing, while 21% have leaned further in. In this report, we discuss how the impact subsegment of sustainable investing is faring.

### PitchBook Impact universe – all vintage years

| Strategy | Number of funds |
|---|---|
| Co-investment | 22 |
| Debt | 477 |
| Fund of funds | 66 |
| Other | 130 |
| PE | 920 |
| Real assets | 1,190 |
| Real estate | 311 |
| Secondaries | 4 |
| VC | 1,889 |
| **Total** | **5,009** |

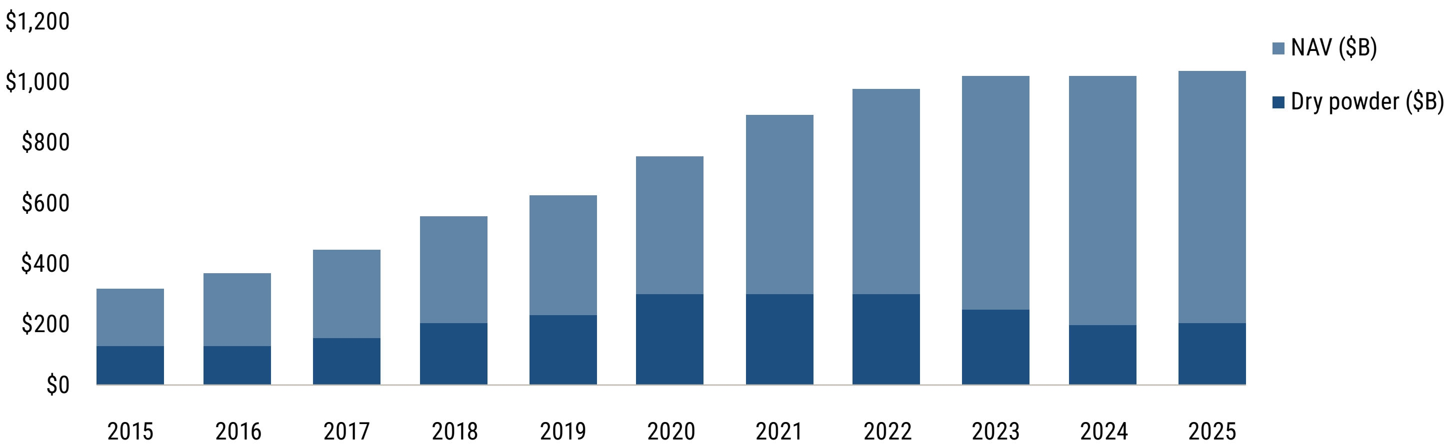
Source: PitchBook • Geography: Global • As of December 11, 2025
*Note: Figures taken from PitchBook platform on December 11, 2025.*
*"Other" includes hedge funds and impact funds raised with captive capital rather than LP commitments.*
*Other funds have been excluded from the analysis in this report.*

## Impact fundraising statistics

In comparison with the broader private markets, the Impact space is in an earlier stage of development, so many may be surprised that we have identified over 5,000 funds dating back to the likes of the Alex Brown European Environmental Fund, which closed on $21.4 million in 1992. Starting that year, managers began to launch Impact funds somewhat regularly from places as dispersed as the US, Germany, Poland, Canada, the Netherlands, Bulgaria, India, Costa Rica, the UK, South Africa, China, and Croatia. Many of these early offerings were funded by governments and nongovernmental organizations to foster economic development, or by corporations looking to invest in the countries in which they were operating.

So how much capital is currently targeting Impact investments? In the fall of 2024, the GIIN released a study indicating that over 3,907 organizations managed nearly $1.6 trillion in Impact investing assets worldwide.[2] That figure includes different types of investors and investment opportunities not found in private fund structures, so it is capturing a broader set of the Impact universe than the drawdown structures discussed in this report. Based on PitchBook data, we show $1,047.9 billion in assets under management controlled by private market Impact funds. Of that total, $213.2 billion is in dry powder waiting to be allocated, while the remainder represents the valuation of current portfolio holdings in the funds. This capital is found across the full gamut of private market strategies, global geographies, and Impact categories.

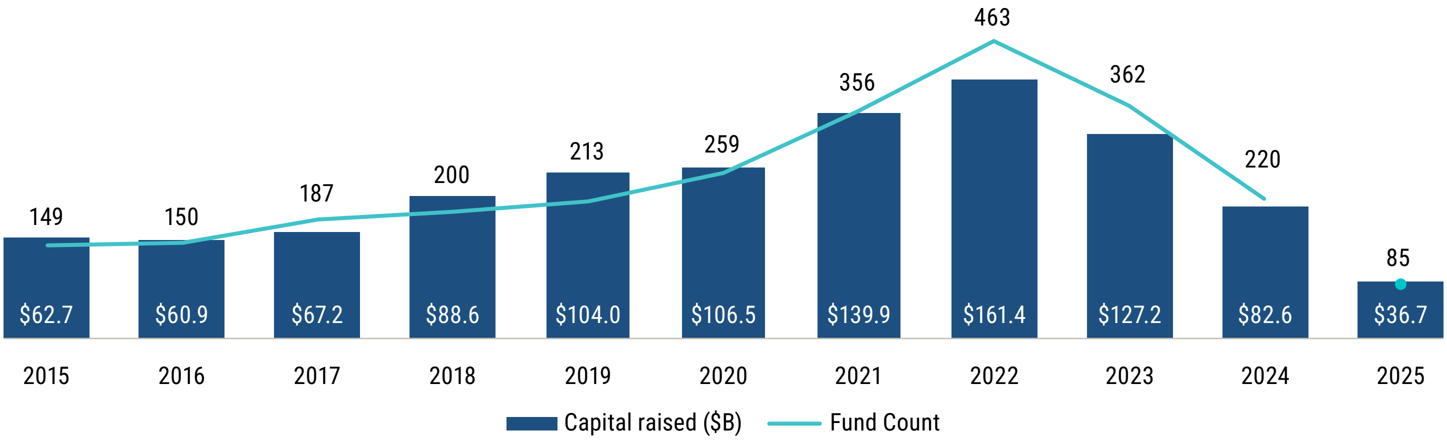
**Impact AUM ($B)**




Source: PitchBook • Geography: Global • As of March 31, 2025

2: "Sizing the Impact Investing Market 2024," The Global Impact Investing Network, Dean Hand, et al., October 23, 2024.

## Impact fundraising activity




Source: PitchBook • Geography: Global • As of September 30, 2025

While the fundraising chart makes it look as if Impact fundraising has fallen off a cliff since 2022, it is important to note our fundraising data can take time to fully form. In the last Impact Update report published in December 2023, we showed that 2022 had seen 186 funds raise $139.6 billion. Pulling 2022 data two years later, we show 463 funds closed on $161.4 billion. This is a normal phenomenon in private market data collection, as smaller funds are less likely to be reported to us by institutional investors and they are also less likely to put out a press release when they close on a fund. As fund count went up by a much larger percentage than the capital raised amount, this confirms the supposition that it is the smaller funds that take more time to identify. If 2024 Impact figures were to rise in similar amounts as the 2022 figures, the full year would actually sit at $95.5 billion raised by 548 funds. These figures would still be well behind the record capital raised for Impact funds in a year, but the number of funds raised would have reached an all-time high.

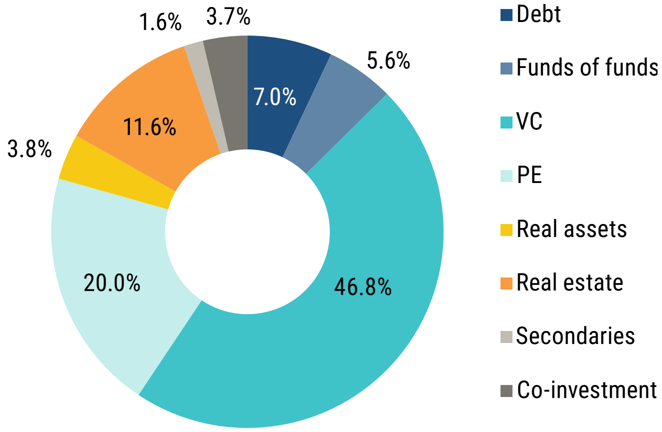
It is important to note that the decline in Impact fundraising bears some directional relation to declines in the broader private markets, though the magnitude for Impact has been more extreme.[3] Impact fundraising peaked in 2022, while private markets as a whole saw a fundraising high in 2021. Based on data collected through September 2025, private capital fundraising dropped 18.7% from 2022 to 2024, while Impact was down 48.8%. Even given the anticipated growth in assets estimated above, it is safe to say that Impact has seen a sharper pullback.

This is not to say that there have not been any significant success stories in Impact fundraising in 2025. Through December 1, 28 Impact funds had closed on $1 billion or more YTD, with the largest being the $25.2 billion Global Infrastructure Partners V fund, which is categorized as a real assets fund focusing on core plus infrastructure. In fact, the top 10 largest Impact funds raised thus far in 2025 are all targeting infrastructure, and 20 of the top 25 were infrastructure funds. The largest private debt Impact fund of the year was the Denmark-based Capital Four Private Debt V – Senior, which closed on $3.2 billion to make sustainability-linked loans.

3: "Q3 2025 Global Private Market Fundraising Report," PitchBook, Hilary Wiek, et al., November 26, 2025.

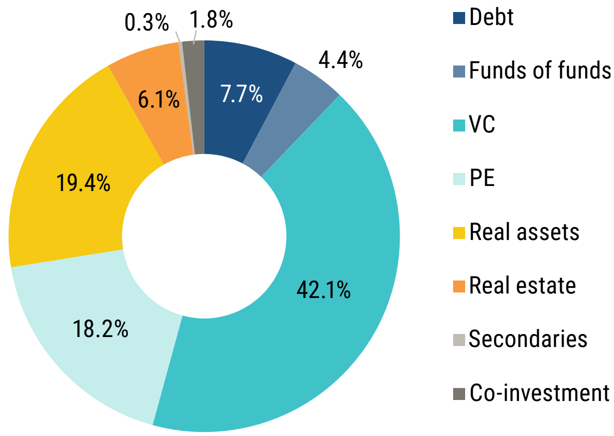
The largest PE Impact fund in 2025 was Vistria Fund V, which has Impact priorities around education, employment, financial services, and health. At $3 billion, this fund was nearly 12% larger than its predecessor.

**Share of private market fund count by strategy since 2008**




Source: PitchBook • Geography: Global • As of September 30, 2025

**Share of Impact fund count by strategy since 2008**

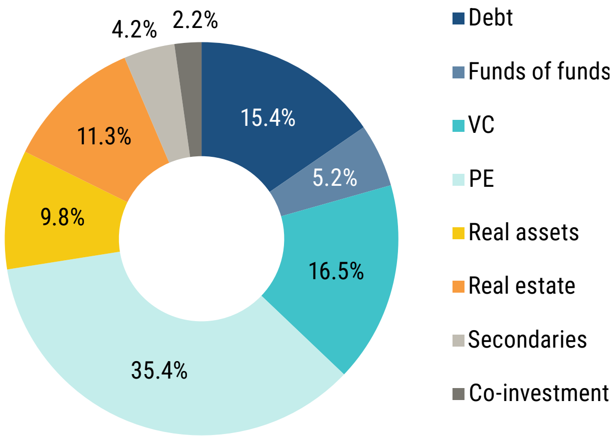



Source: PitchBook • Geography: Global • As of September 30, 2025

Looking at the number of funds raised between 2008 and Q3 2025, VC took the top spot in both the overall private capital universe and the Impact fund universe. The proportions are quite similar, in fact, with VC making up 46.8% of private market funds at 42.1% of Impact funds. While PE makes up the second-largest grouping for private capital at 20%, in Impact, real assets edged out PE with a 19.4% share versus 18.2% for Impact PE. Real assets makes up only 3.8% of the count of funds raised in private markets going back to 2008, but infrastructure is enjoying a surge in popularity, and so many of these funds qualify as Impact that the funds make up a larger share of the Impact universe.

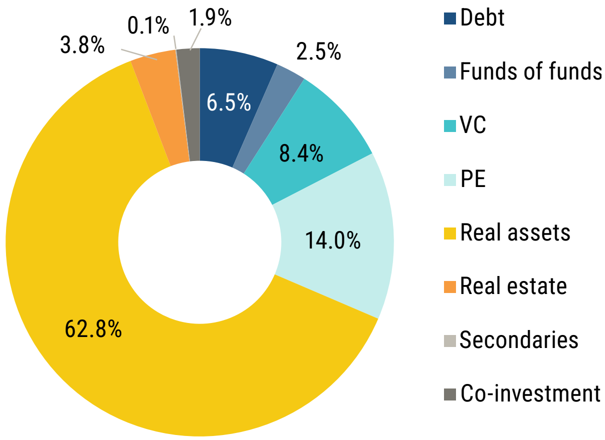
While there are significant impactful areas of real estate such as affordable housing, some of this work may be happening in core and core plus strategies, which are often found in evergreen structures, not the private drawdown funds captured in this dataset. At least in part for this reason, real estate has accounted for only 6.1% of the Impact funds raised compared with 11.6% of the whole private funds universe. Funds of funds (FoFs) are also less common in the Impact space, though their share has risen in the past two years as Impact investing has become less nascent. While it would be advantageous for a FoF manager to bring its due diligence capabilities to this more emerging space, many allocators have specific Impact objectives that would not be well served by a highly diversified FoF. Impact secondaries, which only make up 0.3% of all Impact funds raised since 2008, are still rare because there are fewer sellers of these positions. LPs making Impact commitments are intentional in seeking to achieve the dual objectives of financial and Impact returns and are less likely to abandon a position when there may be few alternatives to the selection already made. Impact has not been immune to the rise of GP-led secondaries, as we have captured 11 continuation funds within the Impact space—the largest of which came from Stonepeak and Energy Capital Partners, both of which closed in 2022.

## Share of private capital raised by strategy since 2008




Source: PitchBook • Geography: Global • As of September 30, 2025

## Share of Impact capital raised by strategy since 2008



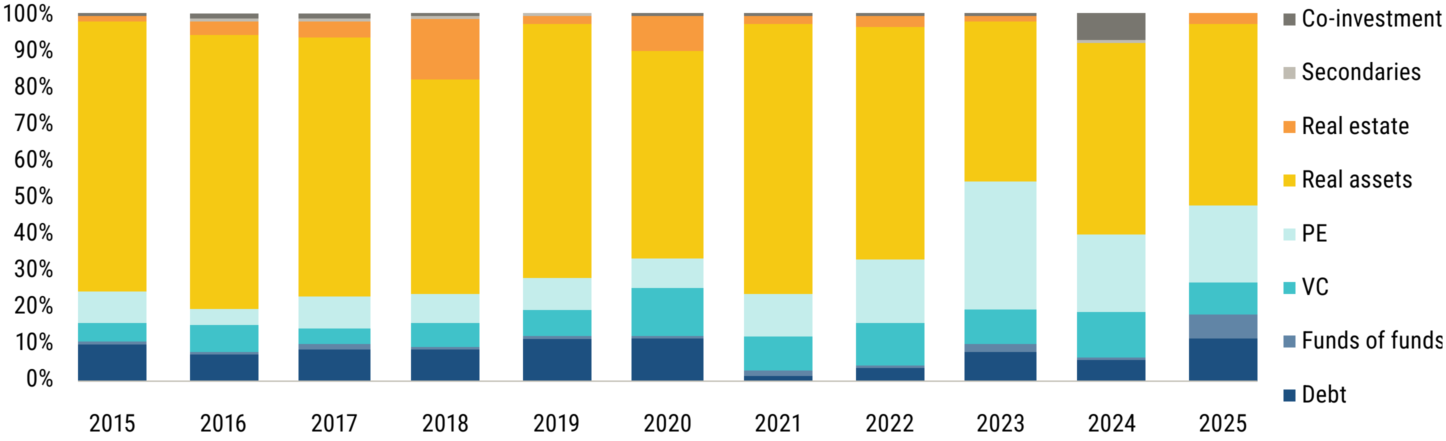

Source: PitchBook • Geography: Global • As of September 30, 2025

By share of capital raised, real assets—in the Impact space, largely infrastructure—has dominated Impact fundraising over time, constituting 62.8% of Impact capital raised since 2008 compared with only 9.8% of all private capital raised. With widespread global government support for energy transition infrastructure projects prior to 2025, significant new capital has been raised from private funds to support those initiatives. Impact infrastructure funds target renewable energy or access to essential healthcare and education, as an example.[4] Many infrastructure themes require very large investment amounts, leading to very large funds and the dominance of these funds in the Impact universe.

Looking at the Impact universe without the influence of infrastructure, VC has been slightly overrepresented in the Impact universe versus the private market universe at the expense of real estate and secondaries. Private debt is itself heavily influenced by the dominance of infrastructure in Impact investing, as the seven largest private debt funds raised in the Impact space are classified as infrastructure debt—and 14 of the largest 25. That said, with real assets funds taken out of the picture, private debt funds in Impact made up a similar portion of the Impact universe as the general private market funds universe.

4: For more on Impact infrastructure, please see the following analyst notes: Infrastructure Funds Fuel the Energy Transition and Sustainable and Digital Infrastructure in the Private Markets.

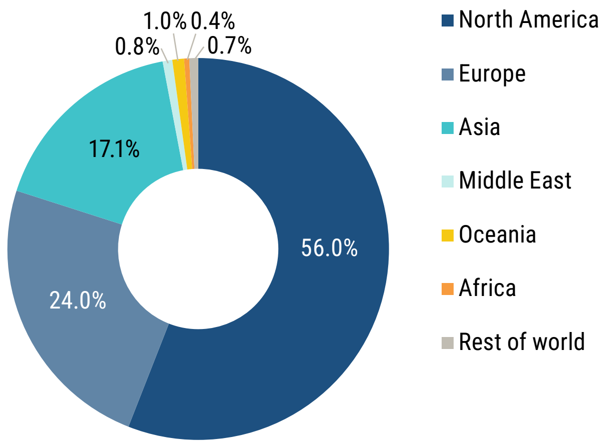
### Share of Impact capital raised by strategy




Source: PitchBook • Geography: Global • As of September 30, 2025

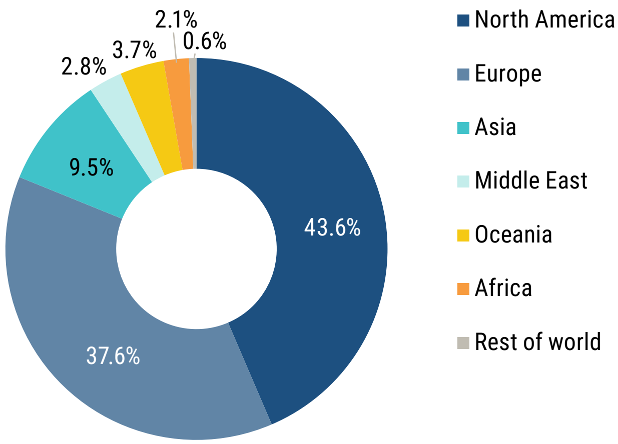
Looking across vintage years at overall Impact capital raised, the dominance of real assets, again, largely infrastructure, is evident. The Impact universe is small enough, however, that a big fund or two can move the data significantly in a year. In 2024, for example, the Spanish FOCO fund closed on $2.2 billion, giving a large boost to Impact co-investments that year. In 2025, the $1.1 billion Vistria Housing Fund was enough to grow real estate Impact to its largest share since 2020.

### Share of private capital raised by region since 2008




Source: PitchBook • Geography: Global • As of September 30, 2025

### Share of Impact capital raised by region since 2008

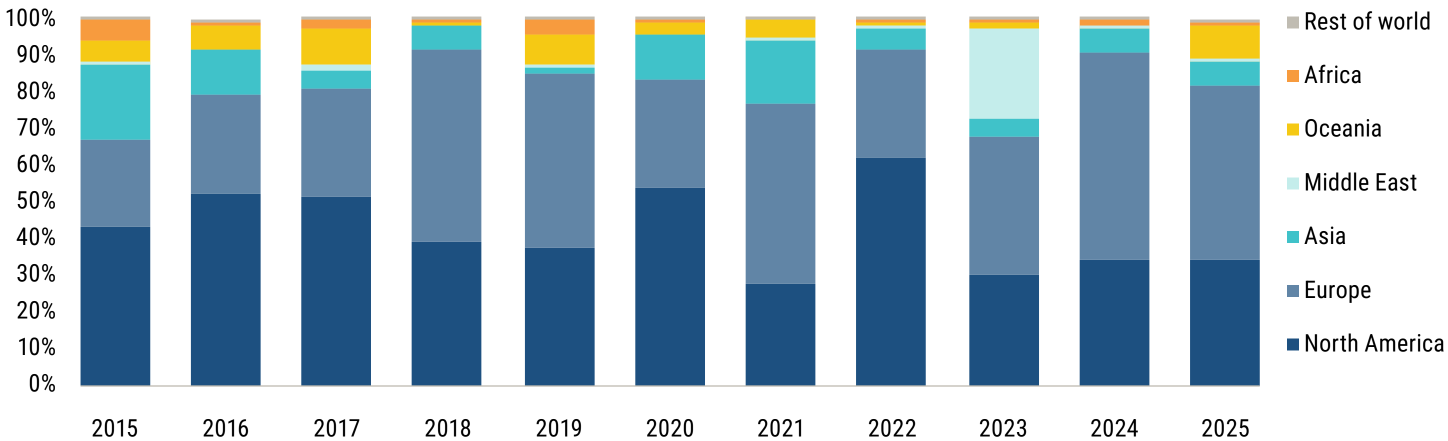



Source: PitchBook • Geography: Global • As of September 30, 2025

Switching to geographical breakouts, we saw some cases in which the concentration of capital raised for Impact investment differed markedly from the private markets overall. From 2008 through Q3 2025, Europe represented a larger proportion of Impact fundraising, at 37.6%, than of overall private market fundraising, which was 24%. This aligns with the perception that European investors have shifted a large portion of their investment capital to focus on sustainable investing. North America, on the other hand, raised 56% of all private capital closed since 2007 but only 43.6% of the Impact assets closed during the same period.

Within the Asia-Pacific region, Asia tends to be underrepresented regarding Impact, while Oceania represents a greater share of the Impact universe than the overall private funds universe. While very low from an absolute level, Africa's share of fundraising is more meaningful in the Impact space than in private capital overall: 2.1% versus 0.4%. Given the perceived need for Impact in parts of Africa, Impact funds represent 33.6% of the region's private market funds closed since 2008, whereas Impact funds constitute 6.8% of all private market assets raised globally. It should be noted that in some instances, there are funds located, by our methodology, in geographies other than those they are targeting, such as the UK-based LeapFrog Emerging Consumer Fund IV, which raised $1 billion in 2024 and targets investments in Asia and Africa.

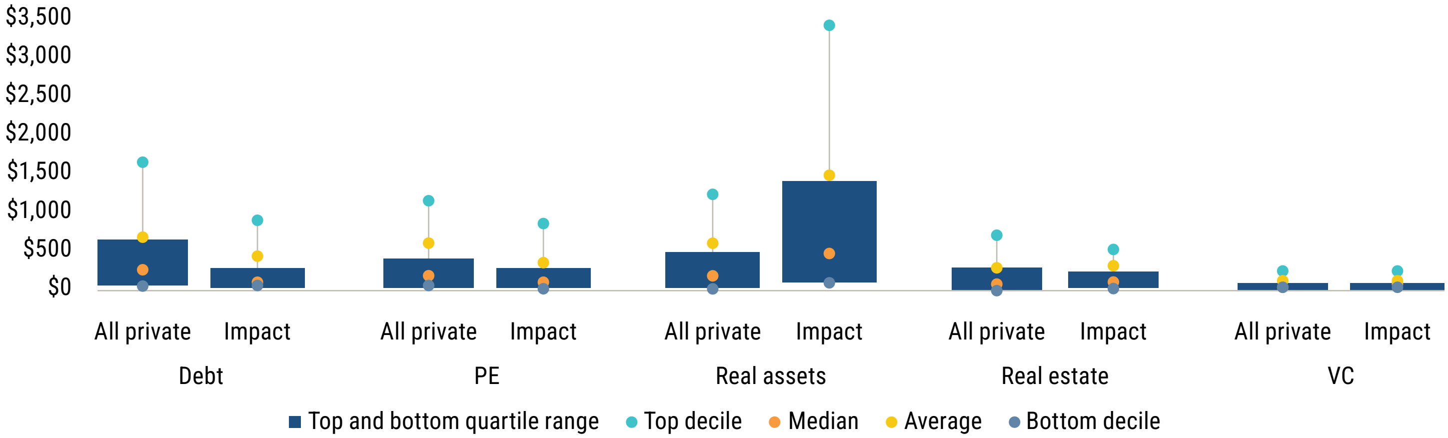
**Share of Impact capital raised by geography**




Source: PitchBook • Geography: Global • As of September 30, 2025

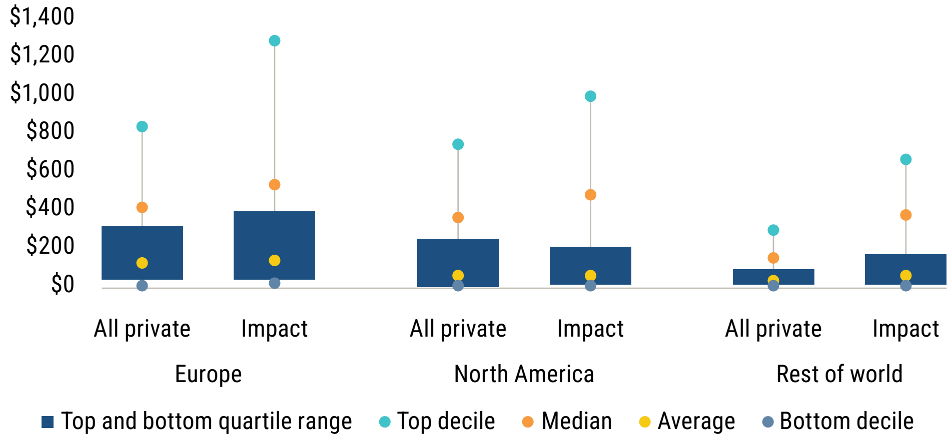
Looking year by year, North America has shrunk in the share of capital raised in Impact funds for the past three years, dropping from an all-time high of 62.4% in 2022 down to under 35% in 2023, 2024, and 2025 thus far. Europe has seen its share growing, though in certain periods, other geographies have been boosted by a big fund or two. In 2023, the $30 billion Lunate Capital Climate Fund, managed out of the United Arab Emirates, towered over all other Impact funds, giving a boost to the Middle East share that year. In 2025 through September, Oceania reached its largest share of Impact capital raised with the closing of the $6.8 billion Macquarie Infrastructure Partners VI.

### Fund size dispersion ($M) by fund type since 2008




Source: PitchBook • Geography: Global • As of September 30, 2025

### Fund size dispersion ($M) by region since 2008



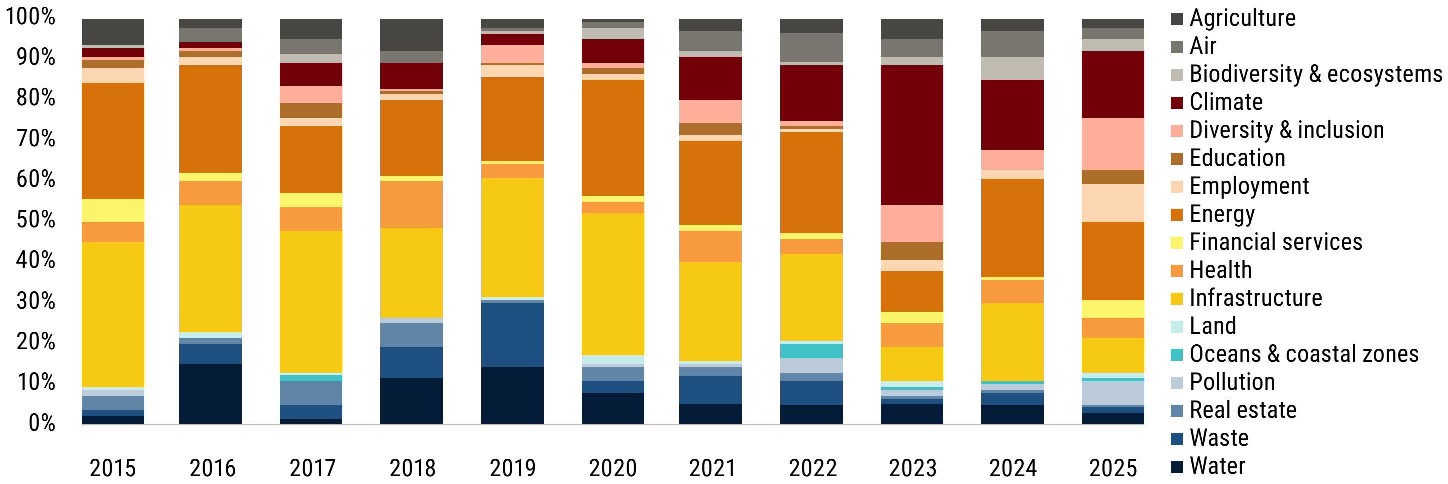

Source: PitchBook • Geography: Global • As of September 30, 2025

Median fund sizes have been remarkably similar for Impact funds versus the private funds universe at large, though because of the smaller number of funds and the prevalence of large infrastructure funds in the Impact dataset, the top decile of fund sizes skews much higher for Impact. This is proven out in the chart showing fund size dispersion across strategies—only in real assets does Impact skew so high versus the overall private capital universe. Looking at geographies, the difference between Impact and overall private capital is highest in Europe, where 10% of Impact funds are larger than $1.3 billion, but the top decile of the largest private capital funds starts at $839.6 million. North America, home to a higher proportion of VC funds than other parts of the world, has lower size statistics versus Europe, though outside of those two regions, all fund size statistics skew lower.

## What is being impacted?

Using the IRIS+ category framework, we can provide a more detailed view of what specific areas of Impact are attracting the most capital. A small note on methodology: Single funds may have more than one Impact category tag and often do. As we cannot know how much of a fund will go to any of its IRIS+ categories until it is fully invested, the entire fund size will be added to each IRIS+ category tagged. A summation of all IRIS+ category totals will thus include substantial double counting, so it would not be accurate to add these up to arrive at totals for Impact fundraising. For that reason, we showcase this data as proportions in the accompanying visuals rather than as absolutes.

### Share of Impact capital raised by Impact category




Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Funds can be tagged to multiple IRIS+ categories, with deal value counted for each tag the fund has.*

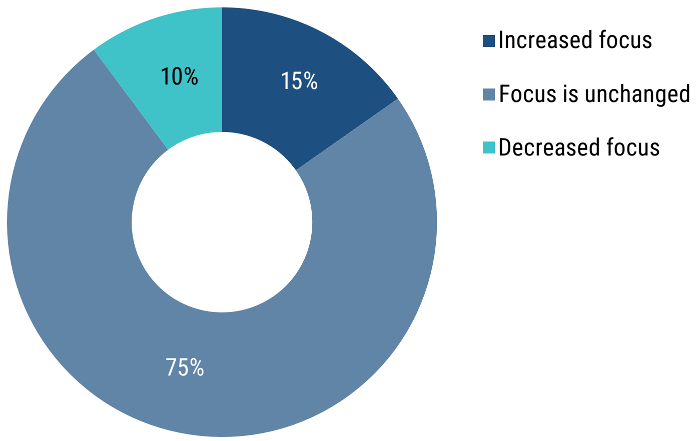
Some Impact categories are targeted by Impact funds more often than others. Energy, for example, is a significant focus of many Impact funds as investors seek alternatives to fossil fuels, while the oceans & coastal zones category typically draws less attention. Because Impact is a space with fairly small numbers of annual funds raised and a single megafund can drastically move the data in a given year, certain areas of Impact may shoot into prominence one year, then fade back the next. One example is biodiversity & ecosystems, an area of Impact investing that seeks to "minimize threats to biodiversity by safeguarding, conserving, maintaining, restoring, or improving the diversity of plants, animals, and ecosystems and their natural habitats, as well as equitably sharing the benefits arising from these activities."[5] This category of Impact typically represents less, often much less, than 2% of Impact fundraising, but its inclusion among the stated target areas of Impact for the $3.9 billion EQT Future Fund in 2024 gave it a more prominent position that year. Ecosystem protection was one of the major themes of The 2025 United Nations Climate Change Conference, also known as COP30, which could spur investment in that area.[6] Granted, only a portion of the EQT fund will be invested in biodiversity & ecosystems, but our clients can search by Impact category to find the funds with at least some exposure to this space as well as the investors who supported those funds as either a GP or LP.

5: "IRIS+ Thematic Taxonomy," Global Impact Investing Network, July 2025.

6: "Outcomes Report: Global Climate Action Agenda at COP 30," United Nations Framework Convention on Climate Change, November 21, 2025.

One interesting note from the chart showing the share of capital raised by Impact category is that diversity & inclusion jumped to its highest share of total Impact fundraising in 2025. This has been a highly political year for this area, including the attempt to make diversity & inclusion in some spaces illegal in the US. Our survey presaged this outcome, however, as our respondents who had diversity as part of their investment programs largely said they would continue to do so and some were even leaning in to DEI—more than the number of respondents who said they were decreasing their DEI focus.[7] 16 Impact funds closed in the first nine months of 2025 with either a sole or partial focus on diversity. This represented the category with the third-most capital raised in 2025, coming in after energy and climate.

### How have current economic and geopolitical events impacted your organization's focus on diversity, equity & inclusion in the past year?



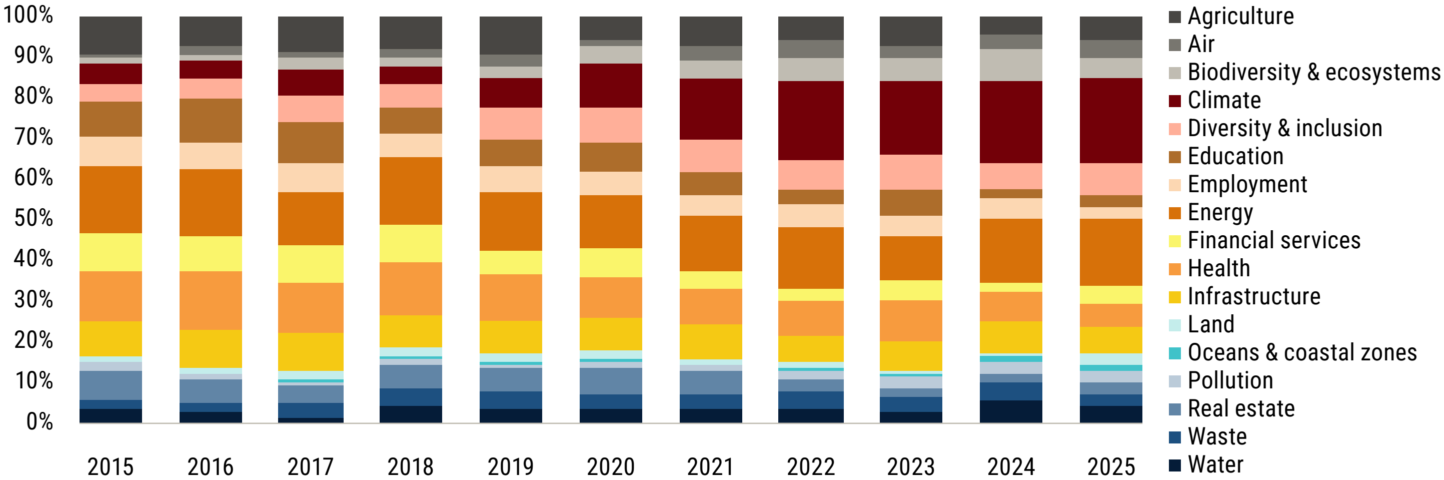

Source: PitchBook • Geography: Global • Sustainable Investment Survey, Question 24.5

Through September 2025, Global Infrastructure Partners V outraised the second-largest Impact fund by nearly 2x, giving lift to the four Impact categories targeted by the fund: energy, infrastructure, waste, and water. The second-largest fund, at $12.7 billion, Copenhagen Infrastructure V, contributed additional heft to the energy and infrastructure categories. Closing after the cutoff for this report, the $20 billion Brookfield Global Transition Fund III, will give air, climate, and energy a boost in the final quarter of 2025.

Looking at the number of funds targeting each of the Impact categories, there are years when very few funds appear to be focused on oceans & coastal zones or land, but there are some categories that show up year in and year out. In each of the past five calendar years, over 30 funds have targeted the likes of climate, energy, and infrastructure—often from the very same funds. The biodiversity & ecosystems category is interesting, as it is rarely a top category in terms of assets raised, but is fairly high in number of funds—a function of this being an area of focus for funds of relatively small size. Only 10 of the Impact funds targeting this category have topped $1 billion going back to 2017, while the vast majority of these funds are smaller than $100 million. Water and employment typically have 20 or more offerings each year for interested investors to consider.

7: "Sustainable Investment Survey," PitchBook, Hilary Wiek and Anikka Villegas, September 24, 2025.

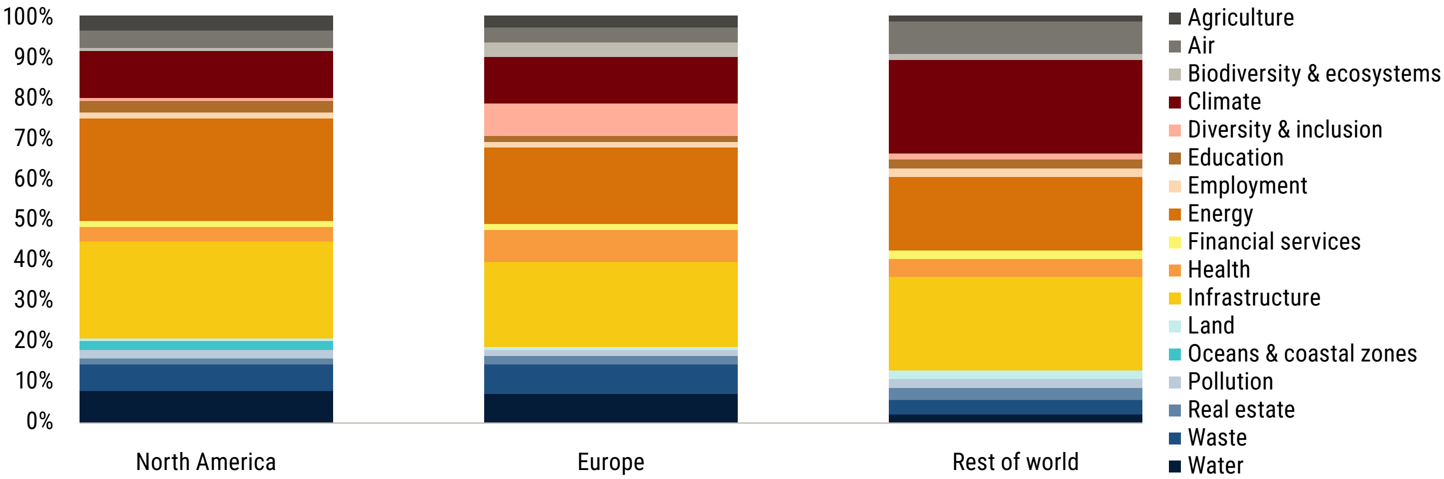
## Share of Impact fund count by Impact category




Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Funds can be tagged to multiple IRIS+ categories, with deal value counted for each tag the fund has.*

## Share of Impact capital raised by region and Impact category since 2018

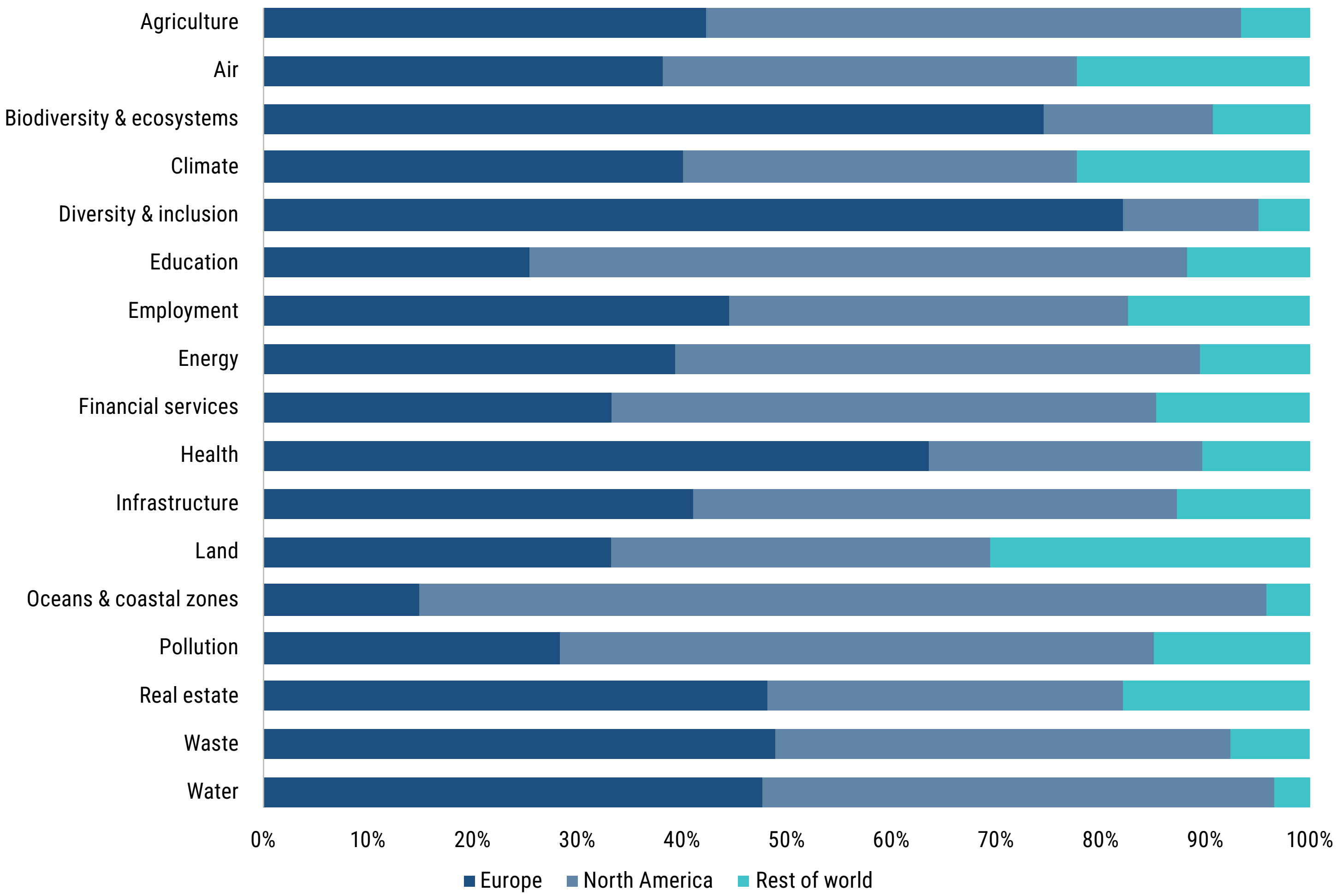



Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Funds can be tagged to multiple IRIS+ categories, with deal value counted for each tag the fund has.*

We also wondered if there were any variations in how different geographies were investing for impact. We narrowed the time focus to only look at funds raised since 2018 to examine funds that are likely to be currently active. While infrastructure, energy, and climate were the top three categories of each geography in the chart, the ranks did vary. In North America, energy has garnered the most attention from Impact funds, while in Europe, infrastructure has had a slight edge. Outside of those regions, climate funds have had a slight edge over infrastructure. In the rest of the world, while it is imperfect to generalize, big projects may be required to build renewable energy projects and digital infrastructure to even the playing field for less-developed economies.

## Share of Impact capital raised by region and Impact category since 2018




Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Funds can be tagged to multiple IRIS+ categories, with deal value counted for each tag the fund has.*

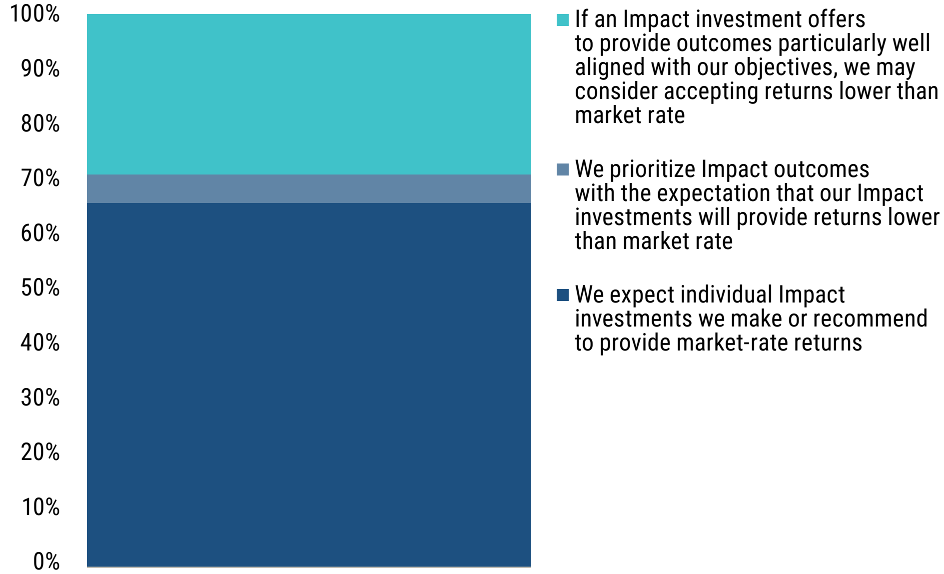
Flipping the view, looking at IRIS+ categories broken down by regional share, nearly 82% of the funds seeking impact through diversity & inclusion have come out of Europe since 2018. The topic there has been less political, particularly when viewed as a gender issue rather than a racial one. Europe has also raised more capital targeting health outcomes than the other regions by a large share, which is interesting given that so many European countries have nationalized health offerings, which might indicate that healthcare for profit and impact would be a less necessary goal. Land has been a target of funds with nearly equal incidence across the three geographies, as investors across the globe are finding benefit in conserving natural resources both for reasons of impact and profit. Education represents a larger proportion of capital raised for Impact funds based in North America; given the intention of the current US administration to close the Department of Education and the willingness to pursue for-profit solutions,[8] this could be a fruitful area of Impact and financial gains.

8: "Improving Education Outcomes by Empowering Parents, States, and Communities," The White House, March 20, 2025.

## Impact fund performance

In our 2025 Sustainable Investment Survey, we reported that despite one of the top challenges for Impact investors being the widespread perception that Impact investing is synonymous with below-market returns, this is not in step with how most Impact investors approach the space. Among our Impact investor respondents, very few prioritize Impact over returns, though a significant minority are willing to accept potentially lower returns if Impact outcomes are particularly well aligned with the investor's Impact objectives.

### Please indicate how you prioritize Impact outcomes versus market-rate performance as you assess a potential investment opportunity.

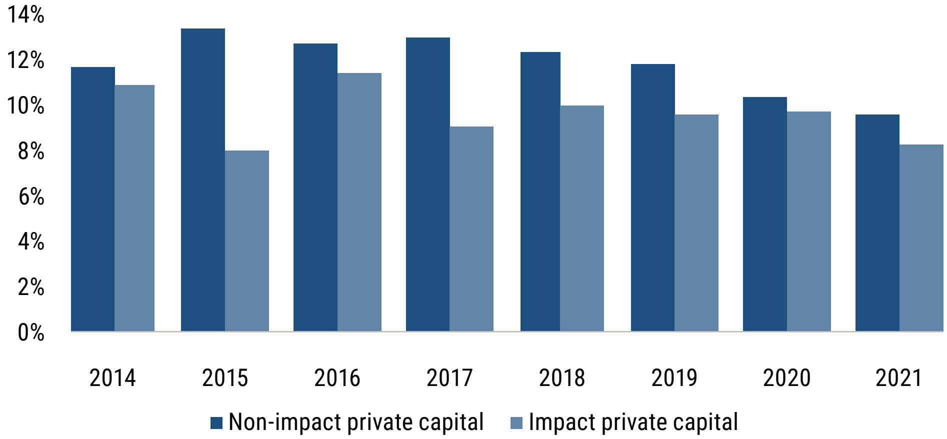



Source: PitchBook • Geography: Global • Sustainable Investment Survey, Question 21

Through performance data we have on funds in our Impact fund universe, we are able to provide some insights into whether Impact funds tend to do as well or worse than the general private fund population—and the potential reasons for any disparities. Due to the perceptions or expectations of some for subpar performance, quite a few Impact investors prefer not to describe themselves as seeking Impact, as they are pursuing a strategy that does seek to maximize financial gains in addition to having positive environmental and/or social impact. In fact, many thematic areas of Impact have growth tailwinds that could be very beneficial to financial returns, as outlined in a quite a few of our pieces of research in the past few years, including The State of Sustainable Investing in the Private Markets this year.

Where does the perception originate? There are certainly some funds that are managed in such a way that both Impact and profit are considerations in deciding to make an investment. For some examples, we have experience with funds that offered concessionary returns in order to remain impactful. One was a fund intended to boost state employment with a project that wanted to borrow at lower-than-market rates. Another was an affordable housing project that could not raise rents at market rates and still keep the property units affordable over time. For some investors, those may be acceptable trade-offs, but it is categorically untrue that this is the objective of all Impact fund managers.

### Median Impact versus non-Impact IRR by vintage year

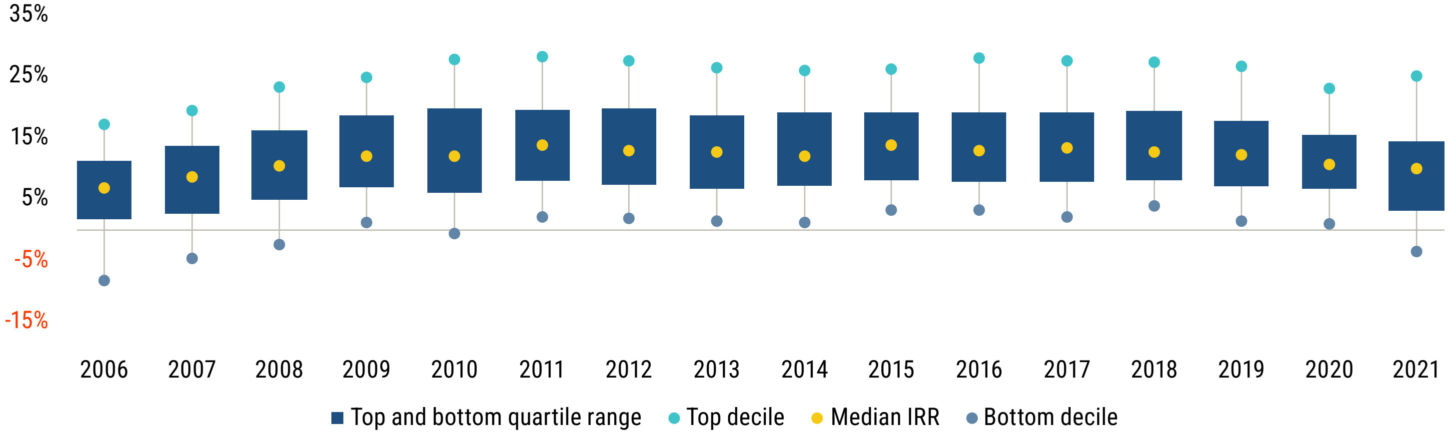



Source: PitchBook • Geography: Global • As of March 31, 2025

We divided the funds universe into Impact and non-Impact funds to analyze how returns have fared for the funds identified as Impact. Looking at the median IRR of the two groups, Impact funds came out ahead in only two of the past 19 vintage years going back to 2006. But given the much smaller population of Impact funds and the fact that the Impact fund universe has strategy mix that is quite different overall to the non-Impact fund universe, this result does not tell the whole story.

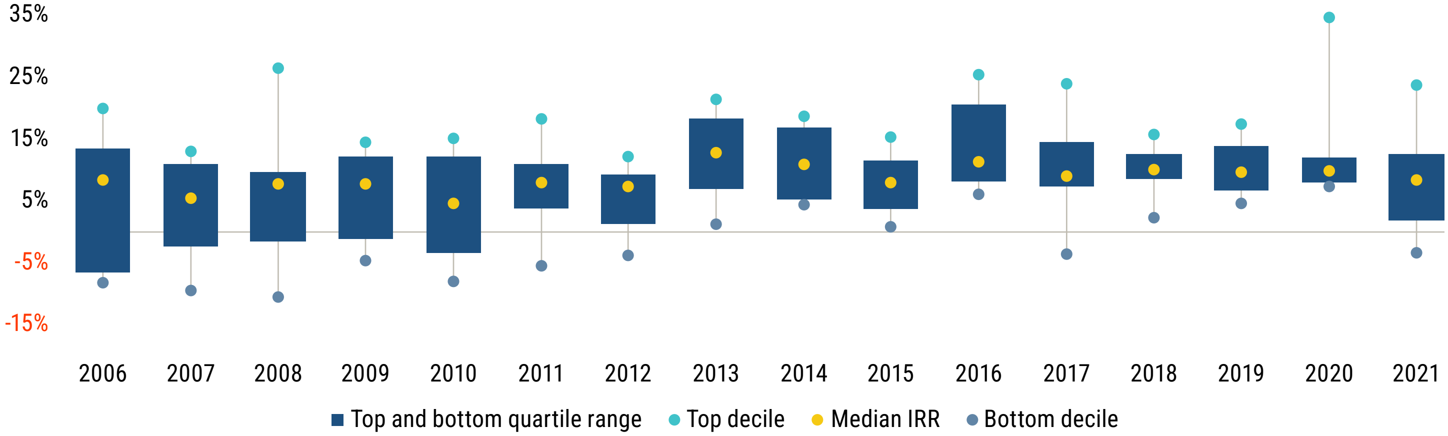
Looking at dispersion, the top and bottom deciles of Impact and non-Impact funds show no clear pattern, except that, due to the small sample size and differing makeup of fund strategies within Impact, Impact fund returns have been more erratic over time. For quite a few vintages, the worst decile of Impact funds was better than the worst in the non-Impact group. This means that some investors seeking no Impact at all selected funds that were substantially worse than the worst Impact fund, so pursuing financial returns only is not a guarantee of better returns than selecting any Impact fund. In most instances, the highest decile of Impact was lower than the highest decile of non-Impact, but 90% of non-Impact funds were not able to do that well, either.

## Non-Impact IRR dispersion by vintage year




Source: PitchBook • Geography: Global • As of March 31, 2025

## Impact IRR dispersion by vintage year

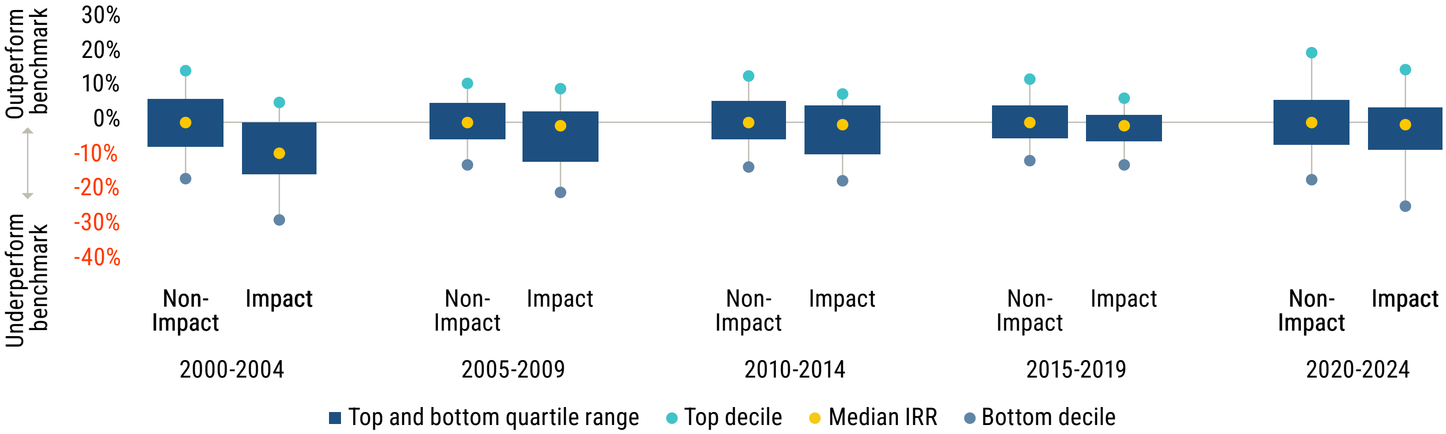



Source: PitchBook • Geography: Global • As of March 31, 2025

As shown earlier in this paper, the weightings of the different strategies within Impact vary widely from the overall private funds universe, so direct comparisons are inexact to say the least. We know, for example, that Impact has a higher percentage of funds in real assets than the broader universe, and real assets have been the lowest-performing private markets strategy over the past 10 years,[9] so the underperformance shown in our overall charts may not be a sign that Impact always does worse, but a sign that the mix of assets is very different. For a fairer comparison, we performed an analysis on excess returns of funds, with the excess being determined by subtracting the appropriate benchmark from each fund's return. Benchmarks were chosen based on the fund's strategy (PE, VC, real estate, and others), global region, and vintage year. Because some vintage years are sparse when it comes to Impact fund performance data, we have grouped the performance into five-year vintage year groups.

The results show that at the median level, Impact and non-Impact funds have had very similar results, excepting the first period of 2000 to 2004, when non-Impact funds did substantially better. Impact funds were low in number at that time compared with

### Excess return dispersion relative to benchmark by vintage year buckets




Source: PitchBook • Geography: Global • As of March 31, 2025

private market funds overall, so the results may be more fund specific rather than indicative of Impact as an approach. We only show 89 Impact funds from that vintage cohort, and only 36 of those funds have reported returns to our database. We are hesitant to draw conclusions from this aged cohort as we doubt their relevance to expectations for Impact funds today.

Despite the very similar median returns, the dispersion of outcomes has been less attractive for Impact funds under this fresh analysis. They have recorded smaller top decile and top quartile excess returns—and worse bottom quartile and bottom decile excess returns than the non-Impact universe of funds. There is room here for multiple interpretations, however. Some may be tempted to say that Impact universally does worse than non-Impact, confirming the suspicions of many that focusing on things other than financial returns will harm outcomes. But our survey data indicates that some minority of investors are open to concessionary returns in the pursuit of Impact outcomes. We do not, unfortunately, have a way to identify which funds are serving this camp and thus cannot strip them out of the data. As in all fund selection decisions, it is incumbent on allocators to evaluate every new opportunity against their objectives. There are many Impact funds that have done substantially better than bottom decile and bottom quartile non-impact funds, so it is demonstrably possible to select funds that incorporate Impact goals while also having a shot at outperforming.

9: Determined using data from the PitchBook Private Capital Indexes.

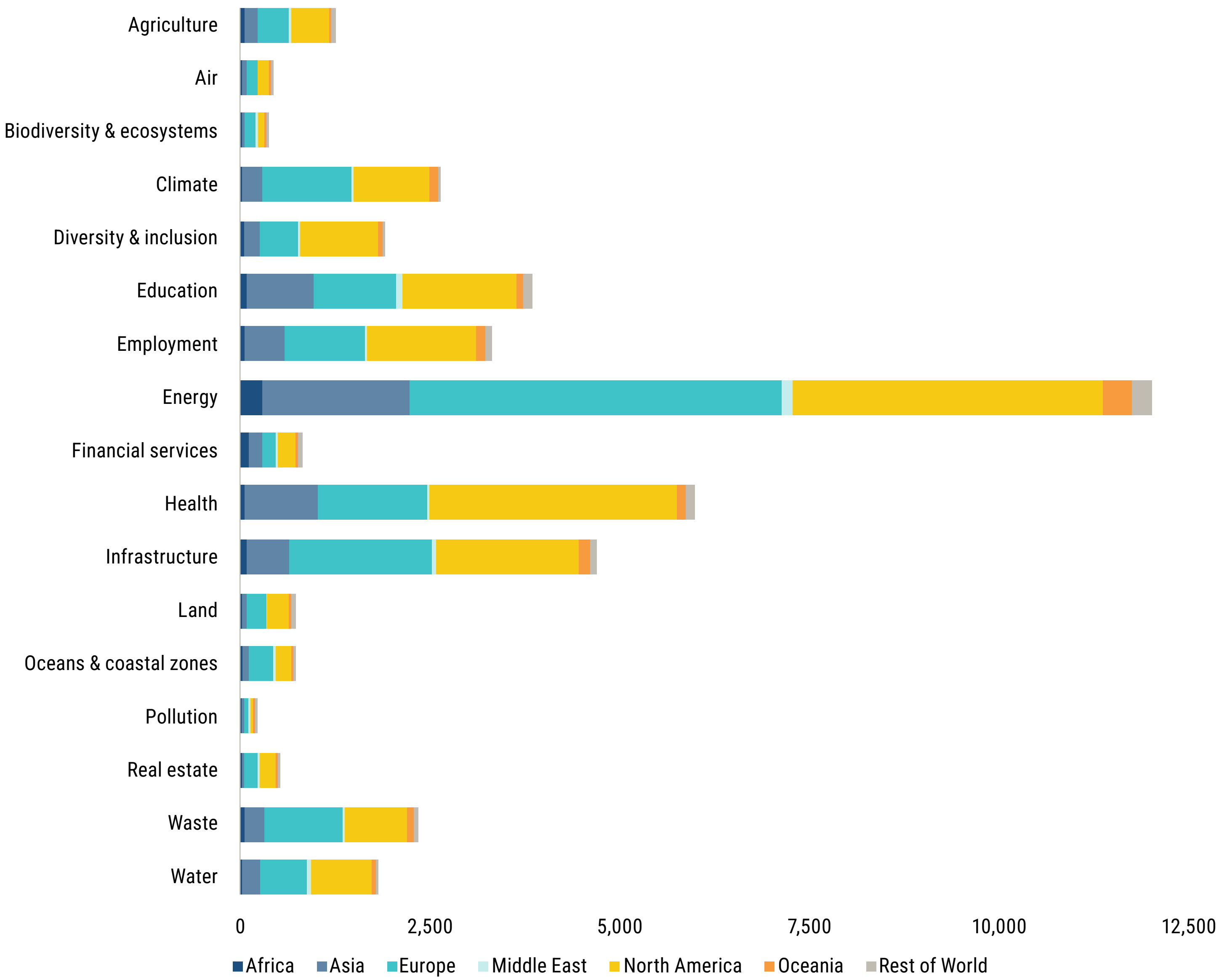
## Trends in impactful companies and dealmakers

Since our last Impact investing update, we have created a new dataset linked to the IRIS+ methodology, tagging companies to the framework's 17 categories of Impact in order to help further smooth the flow of capital, this time from GPs looking to make positively impactful investments in the companies that generate the types of impact they are most interested in. Companies, like funds, can be tagged with multiple IRIS+ tags, and we currently have over 36,000 companies with a cumulative 43,000 tags on our platform. While the companies exist in all ownership structures, the vast majority—99.5%—are privately owned rather than publicly traded. This project was completed in 2024, so analysis of companies founded since that time and the deals associated with those companies show an artificially steep decline, given no additional companies have been tagged since the project's completion. As such, our focus will be on multiyear trends and major changes within the past decade.

The universe of companies tagged with IRIS+ categories is largely based in North America and Europe, with companies located in the two regions comprising 40.6% and 34.8% of all tagged companies, respectively. Those located in Asia make up 15.4% of the total, while those located elsewhere in the world make up a combined 9.2%. Across the various categories of Impact, however, the split can be very different. In financial services, for instance, 15.9% of companies are based in Africa, and 27.3% of companies are located in Asia. Given the popularity of microfinance as well as financing for small and medium-size businesses to promote financial inclusion and economic development in the regions, this makeup is not entirely surprising. Similarly, there is a stronger representation of Asian companies in the education category than the overall universe, making up 22.9% of the total, due in part to Asian companies being well-represented in the edtech space as a whole.

Globally, energy is by far the most-represented segment, with over 12,000 companies in that category, more than twice the size of the next-largest category, which is health, with nearly 6,000 tagged companies. Infrastructure and education follow, with approximately 4,700 and 3,900 companies each, respectively. One commonality between the most-tagged spaces is that each of them corresponds directly to familiar, well-established, viable business models with massive total addressable markets (TAMs) that should in theory create more substantial positive Impact outcomes as they scale. In energy, renewable power generation is one example, with each additional gigawatt of clean energy produced helping to further the transition to net-zero. In health, there are examples in the provision of healthcare services and improvement upon healthcare technology, with incrementally better access to care or better patient outcomes theoretically a natural result of those activities. The same goes for infrastructure and education. Conversely, for some of the least-tagged areas such as biodiversity & ecosystems or air, the opposite can be said to be true of the degree of familiarity, track record, and viability of business models and the size of their TAMs.

### Number of IRIS+ tags on companies by region




Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Companies can be tagged to multiple IRIS+ categories. As such, total number of tags exceeds the number of tagged companies.*

Our dealmaking data for IRIS+ tagged companies falls into one of three categories: private equity, venture capital, or M&A deals. The top five most active PE dealmakers in the Impact space since 2014 have been, in order, KKR, Ardian, Foresight Group, TPG, and Carlyle. All are likely well-known names to those both inside and outside the Impact space, as each is highly regarded within the broader private equity and real assets asset classes, independent of their Impact-related work. Three of the five are located in the US, with the other two being France-headquartered Ardian and UK-headquartered Foresight Group. Some of these fund managers are more explicit around their Impact programs than others. For instance, TPG and KKR more directly refer to their programs using the term "Impact," while the others center their language more around sustainability and decarbonization goals or "responsible investment."

### Most active Impact PE dealmakers since 2014

| Investor | Deal count | HQ country |
|---|---|---|
| Kohlberg Kravis Roberts | 61 | US |
| Ardian | 49 | France |
| Foresight Group | 43 | UK |
| TPG | 41 | US |
| The Carlyle Group | 37 | US |

Source: PitchBook • Geography: Global • As of September 30, 2025

In the venture space, there is also a mixed bag of focus areas and messaging around impact. The most active Impact VC dealmaker, Gaingels, is a DEI-oriented VC firm and investment syndicate whose tagline is "influencing social change through venture investing."[10] To date, Gaingels has placed more than 65 diverse candidates on the boards of their portfolio companies and highlights their commitment to LGBTQIA+/allies venture investors in their core messaging. The second most active VC dealmaker, SOSV, indicates that their investment focus is "deep tech for human and planetary health,"[11] and the third most active dealmaker, Climate Capital, is intuitively focused on climate investing and decarbonization.[12] The other two of the top five, Alumni Ventures and Antler, do not have significant public messaging around their investment in positively impactful spaces, although this does not mean that they are not intentional about their impact internally. Antler is the only non-US-based firm of the top five, located in Singapore.

10: "Gaingels," Gaingels, n.d., accessed December 16, 2025.
11: "Deep Tech for Human and Planetary Health," SOSV, n.d., accessed December 16, 2025.
12: "Invest in Climate's Next Breakouts Before They're Obvious," Climate Capital, n.d., accessed December 16, 2025.

### Most active Impact VC dealmakers since 2014

| Investor | Deal count | HQ country |
|---|---|---|
| Gaingels | 217 | US |
| SOSV | 217 | US |
| Climate Capital | 175 | US |
| Alumni Ventures | 163 | US |
| Antler | 113 | Singapore |

Source: PitchBook • Geography: Global • As of September 30, 2025

The top five most active Impact M&A dealmakers have been far less prolific than those in both PE and VC, which have completed a total of 231 and 885 deals, respectively. With a cumulative 52 deals among the top five M&A investors, it is much less common to see this type of deal in the Impact space than in the overall universe. When these transactions do occur, they often involve large, multinational companies. Additionally, because more than half our companies tagged with IRIS+ categories have an association with energy, top investors in Impact companies are often energy investors. As such, some of the names on this list may be more surprising than others. Shell, for example, being the second most active investor on this list may seem counterintuitive, given they are a major player in the oil & gas industry. However, over the past decade, Shell has made a handful of acquisitions in the electric vehicle charging, renewable and low-carbon energy, and battery storage spaces as part of an effort to appease climate-conscious consumers and investors. Notably, though, starting in 2023, Shell began to sell stakes in these decarbonization-oriented businesses as part of a reorientation toward its core business amid the anti-sustainable-investing movement.[13] The other companies on the list—ENGIE, Waste Connections, TotalEnergies, and Sdiptech—are likely more directly associated with areas in which acquisitions of positively impactful companies may occur, such as renewable energy generation, waste management, and infrastructure technology.

### Most active Impact M&A dealmakers since 2014

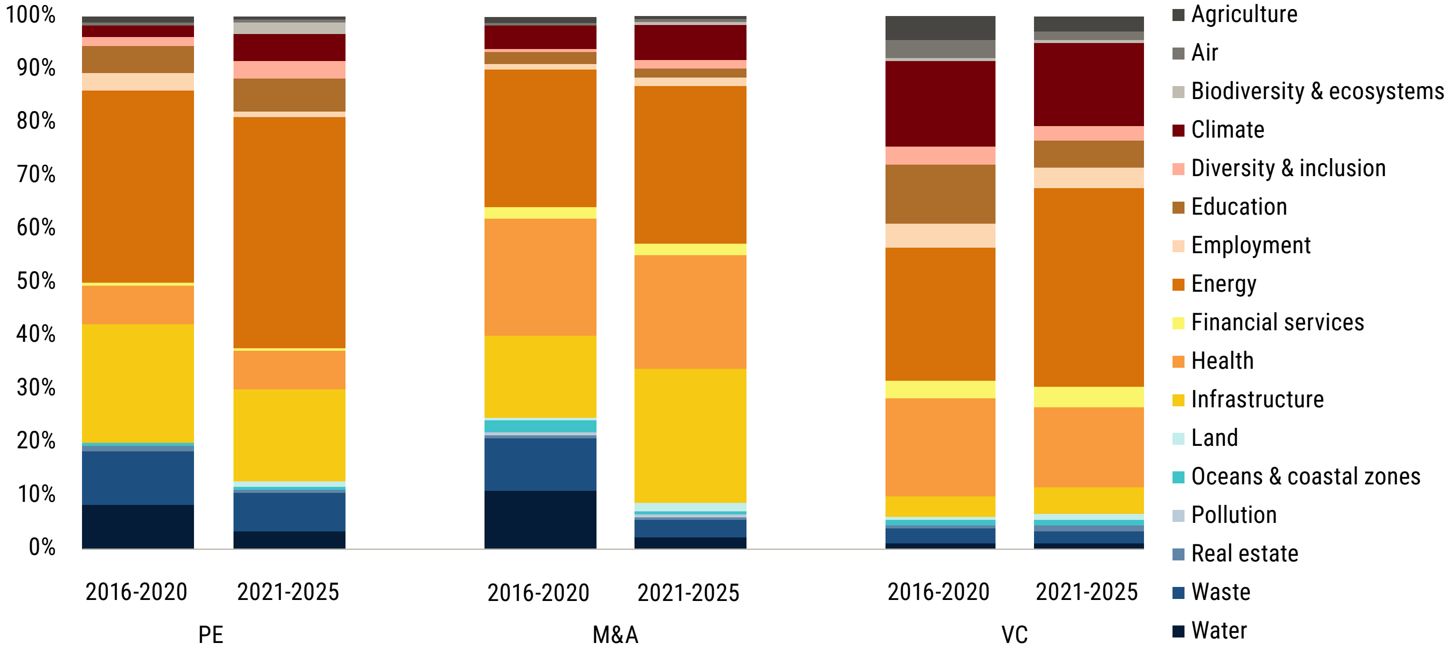
| Investor | Deal count | Investor type | HQ country |
|---|---|---|---|
| Engie | 14 | Corporation | France |
| Shell | 11 | Corporation | UK |
| Waste Connections | 9 | Corporation | Canada |
| TotalEnergies | 9 | Corporation | France |
| Sdiptech | 9 | Corporation | Sweden |

Source: PitchBook • Geography: Global • As of September 30, 2025

13: "Shell to Sell 25% of Its U.S. Solar Assets, Said Reuters," pv magazine USA, Ryan Kennedy February 29, 2024.

As might be anticipated, given the very different profiles of the most active investors across Impact PE, VC, and M&A, there are differences in the types of Impact that the greatest shares of deal value correspond to in each and how they have changed over the past decade. Yet, there are also interesting similarities. Slicing the 10 years from 2016 to 2025 into two periods, we can see that deal value associated with energy Impact-linked investments has comprised a significantly larger share of the total in both VC and PE from 2021 to 2025. While the difference is less substantial in M&A, the same does hold true there. These dynamics reflect the extent to which surging energy demand and energy security needs have created attractive opportunities for investors making deals across the maturity spectrum, from venture all the way to infrastructure. Reinforcing this is the fact that energy has grown moderately as a share of deal count, but considerably as a share of deal value. Health has maintained a strong share of deal value in both VC and M&A over the two periods as well, with opportunities for investors on the cutting edge of healthtech and pharmaceutical development as well as in portfolios of clinics or in mature drug manufacturing businesses.

### Share of Impact PE, M&A, and VC deal value by IRIS+ category



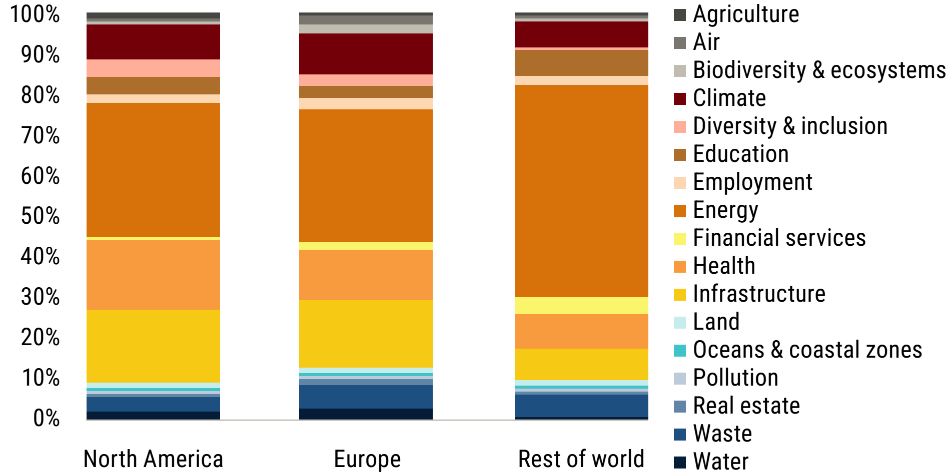

Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Companies can be tagged to multiple IRIS+ categories, with deal value counted for each tag the company has.*

To those that believe emerging markets investing is disproportionately an Impact-related activity, it may come as a surprise that the share of Impact deal count as a proportion of overall deal activity from 2021 to 2025—combining PE, VC, and M&A—is nearly exactly the same for the North America, Europe, and the rest of world (RoW) buckets. Impact deal count makes up 4.8%, 5.1%, and 4.8% of total deal count in each region, respectively. When accounting for deal value, variance is slightly larger but minimal regardless, with Impact deal value making up 4%, 6.1%, and 6.5% of the regions' totals, respectively. Still, the types of Impact typically generated by these companies vary depending on the region. Looking at Impact deal activity as a whole from 2021 to 2025, energy-related deal activity makes up over half of all tagged deal value for the RoW bucket, a much larger share than in Europe or North America. Due to the fact that China is the industry leader in renewable energy capacity development, it is likely that deal activity in this category at least partially reflects the effects of the country's ongoing efforts to incentivize technological innovation and infrastructure deployment.[14] Additionally, because energy deal sizes can be significantly larger than deals in other Impact categories, particularly in the RoW bucket, energy often makes up a larger proportion of deals by value than by count. For instance, infrastructure Impact is a much smaller share of deal value in the RoW bucket compared with North America and Europe but makes up a similar share of deal count. If overall deal sizes in the infrastructure Impact category are smaller in the RoW bucket, energy will be proportionally larger.

While still a small share of overall deal count and value, a greater share of both are tagged to diversity & inclusion for North America than for Europe, which has a greater share of deal value tagged to the category than the RoW bucket. Discourse around diversity & inclusion surged in the US in 2020, following the murder of George Floyd and subsequent Black Lives Matter protests. A tsunami of DEI commitments from companies followed, which created opportunities that stirred up deal activity in this space. However, in 2023, the US Supreme Court ended affirmative action in college admissions, the first of a series of indicators of shifting social tides, followed by other significant events such as the issuance of President Donald Trump's anti-DEI executive orders.[15] Still, there are many companies still committed to DEI, and as a result, there remain investment opportunities tied to this space, even if less substantial than they once were. In contrast, Europe has seen less dramatic fluctuations in support for DEI, catalyzing less deal activity in the 2021 to 2025 window of time versus North America but making it more probable that current patterns of dealmaking will continue into the future.

**Share of Impact deal value by IRIS+ category (2021-2025)**

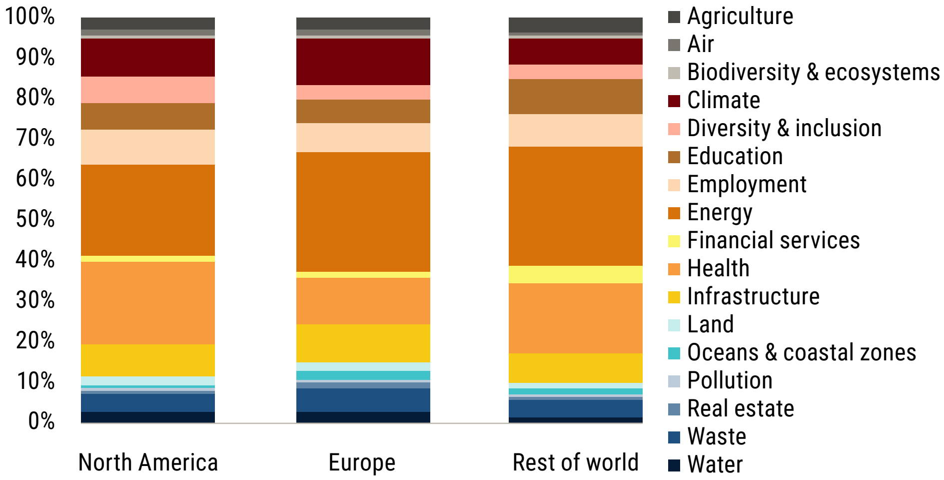



Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Companies can be tagged to multiple IRIS+ categories, with deal value counted for each tag the company has.*

14: "China's Renewable Energy Boom Has Its Own Challenges. Here's What We Can Learn," World Economic Forum, Ma Li and Charles Bourgault, December 3, 2025.
15: "Ending Radical and Wasteful Government DEI Programs and Preferencing," The White House, January 20, 2025.

## Share of Impact deal count by IRIS+ category (2021-2025)




Source: PitchBook • Geography: Global • As of September 30, 2025

*Note: Companies can be tagged to multiple IRIS+ categories, with the deal counted for each tag it has.*

There have been many noteworthy deals involving positively impactful companies in 2025, one of which was Stonepeak's approximately $2.3 billion acquisition of a co-control stake in IFCO, a Germany-headquartered reusable packaging solutions company focused on circular economy principles and reducing food waste. IFCO's "SmartCycle" circular economy system involves recollecting, inspecting, repairing, and sanitizing or reclaiming unrepairable packaging—and using it to remake new packaging—ultimately redistributing the company's products to and from customers after each use.[16] Additionally, IFCO's packaging solutions offer better ventilation and more sturdy construction, which help to prolong produce freshness and protect easily-bruised goods compared with single-use packaging, according to comparative studies conducted by the company.[17]

In the education Impact category, another interesting deal involved Lingokids, a US-based developer of a language learning platform designed to break down language barriers and ultimately provide greater equality of opportunity to children with varying first languages. The platform uses a "Playlearning" methodology to help kids build academic knowledge and master modern life skills, with classes spanning the range from the ABCs to science, yoga, and social and emotional topics.[18] The platform is KidSAFE under the Children's Online Privacy Protection Act, which is an FTC-approved program ensuring child-facing apps, websites, and physical toys meet privacy and safety requirements.[19] The company raised $120 million in venture funding in a deal led by General Catalyst and GP Bullhound in September 2025.

In the clean energy space, TerraPower's $650 million funding round from HD Hyundai, NV Ventures, and others, was huge news in June 2025. The US-headquartered company works in the nuclear energy space, developing small modular reactors (SMRs), which have been a technology of interest for VC investors amid an otherwise tepid clean energy dealmaking environment. As discussed in PitchBook's private

16: "IFCO SmartCycle," IFCO, n.d., accessed December 16, 2025.
17: "Food quality With RPCs," IFCO, n.d., accessed December 16, 2025.
18: "Lingokids," Lingokids, n.d., accessed December 16, 2025.
19: "kidSAFE Seal Program by Samet Privacy," kidSAFE, n.d., accessed December 16, 2025.

markets section of Morningstar and Systainalytics' Sustainable Investing Trends to Watch in 2026 report, low-carbon stable energy sources such as nuclear have been a bright spot in this space and are poised for continued success in 2026 given they can be less disruptive to power grids and are coming to be seen as viable solutions for datacenter expansion and industrial electrification. TerraPower is building its first SMR near a coal plant in Wyoming that is in the process of being phased out and appears to be ahead of schedule on permitting.[20]

Lastly, Evac, a Finnish company operating in the water and waste management, corrosion protection, and marine growth prevention spaces, entered into a definitive agreement to be acquired by Altor Equity Partners in a $695.3 million deal in December 2025. Evac offers a variety of services linked to various positive environmental impact outcomes, including the conversion of seawater into potable freshwater; the conversion of wet waste into biochar, which can be used to improve soil quality; wastewater treatment; and water-efficient waste collection solutions.[21] The company helps protect marine life through nutrient pollution prevention and marine growth prevention systems, which can help avoid the spread of invasive species, and is working to decarbonize the maritime industry's operations by providing energy-efficient products.[22]

## Who are the impact investors?

Some of the largest Impact funds raised in 2025 have come from managers known primarily for their non-Impact strategies. Brookfield, better known for its real estate, infrastructure, and real estate and infrastructure debt funds, raised a dedicated $20 billion global transition fund in 2025 after more than two years of fundraising. Macquarie Asset Management also got into the dedicated energy transition space with its $3 billion Green Energy Transition Solutions fund, which also had a lengthy fundraising period from its initial launch in 2022. Impact specialists, those who only raise Impact funds, have seen success on a much smaller scale—we have not recorded any 2025 fund closings from the roster of the top 10 Impact-only fund managers.

The inclusion of infrastructure in the Impact space paired with the capital required for large-scale infrastructure products has meant that a large portion of the largest funds raised in a year will fall in the real assets category, mostly infrastructure. The 12th and 16th largest funds raised in 2025 thus far were timber funds, seeking to positively impact climate and land through sustainable forestry and carbon credits. These funds are being managed by Campbell Global and Stafford Capital Partners.

In contrast with our reporting two years ago, the top 10 funds raised in 2025 saw fewer new entrants. In 2023, we noted that seven of the top 10 were the first fund in their fund family. Only one in 2025 has been the first of its kind, and it came from a very established infrastructure manager, Macquarie Asset Management. Four of the top 10 were the third in a series, and three were funds IV or V. Impact has historically not been a space that houses many long track records at the fund-family level, which has made diligence challenging for some.

20: "TerraPower Lands $650M From NVIDIA's Investment Fund, Bill Gates and Others," GeekWire, Lisa Stiffler, June 18, 2025.
21: "Evac," Evac, n.d., accessed December 16, 2025.
22: "Evac Sustainability Report 2024," Evac, April 2025.

### Top 10 investors by Impact capital raised

| Investor | Aggregate impact fund size ($B) | Count of impact funds | Investor has both impact and non-impact fund offerings | HQ country |
|---|---|---|---|---|
| Brookfield Corporation | $61.4 | 6 | Yes | Canada |
| Global Infrastructure Partners | $56.4 | 8 | Yes | US |
| EQT | $42.0 | 7 | Yes | Sweden |
| Macquarie Asset Management | $41.2 | 16 | Yes | Australia |
| Kohlberg Kravis Roberts | $36.0 | 6 | Yes | US |
| Lunate | $30.0 | 1 | No | United Arab Emirates |
| Actis | $30.0 | 41 | Yes | UK |
| Stonepeak Partners | $30.0 | 5 | Yes | US |
| Antin Infrastructure Partners | $26.0 | 5 | Yes | France |
| BlackRock | $25.0 | 10 | Yes | US |

Source: PitchBook • Geography: Global • As of September 30, 2025

## Impact funds in the market

In each of the past 14 years, ImpactAssets has published the ImpactAssets 50, a list of fund managers "intended to illustrate the breadth of impact fund managers operating today."[23] It is not a comprehensive list of Impact fund managers but is curated to highlight "impact investing activities across geographies, sectors and asset classes." We cross-checked the 2025 directory against the PitchBook database to create a list of funds that appeared to be in the market seeking investor commitments as of December 2025. As can be seen by the accompanying short list, these funds are investing across many different strategy types and categories of Impact. Most are fairly modest in size, with some so under the radar that it has been difficult to determine the targeted fund size through public sources.

23: "Leading the Field: The ImpactAssets 50," ImpactAssets, n.d., accessed December 16, 2025.

### Select 2025 ImpactAssets 50 funds open to LP commitments

| Fund | Fund category | IRIS+ categories | Target ($M) |
|---|---|---|---|
| Achieve Partners Workforce Fund II | PE | Health, education, employment | $30.0 |
| Adenia Entrepreneurial Fund I | PE | Employment, diversity & inclusion | $150.0-$180.0 |
| Alder Point Real Assets Fund | Real assets & natural resources | Agriculture, land, climate, biodiversity & ecosystems, water | $200.0 |
| Amplify Capital III | VC | Climate, education, health | N/A |
| Apis & Heritage Legacy Fund II | Debt | Diversity & inclusion, employment | $250.0 |
| Beyond Capital Ventures Debt Opportunities Fund | Debt | Healthcare, financial services, agriculture | N/A |
| Cleveland Housing Investment Fund | Real estate | Real estate | $100.0 |
| Co Capital From Nature to Nurture Fund | PE | Biodiversity & ecosystems, agriculture, health | $45.0 |
| Conservation Resources Forest Fund VII | Real assets & natural resources | Land | $250.0 |
| Core Innovation Capital IV | VC | Real estate, financial services, employment, health | $100.0 |
| EcoEnterprises Partners IV | Debt | Agriculture, biodiversity & ecosystems, climate, land | $150.0 |
| EIP Frontier Fund II | PE | Energy | N/A |
| Equitable Housing Solutions Fund II | Real estate | Real estate, diversity & inclusion | $250.0 |
| Foreground Capital Fund III | VC | Diversity & inclusion, health | N/A |
| Hudson Valley Preservation Fund III | Real estate | Real estate | N/A |
| Illumen Capital III | Fund of funds | Diversity & inclusion, education, financial services, climate, health | $250.0 |
| Quona Co-Invest | Co-investment | Financial services | N/A |
| Rethink Education IV | VC | Education | $150.0 |

Source: PitchBook • Geography: Global • As of September 30, 2025

*How are you tagged? We hope our IRIS+ initiative allows LPs, GPs, and companies with particular Impact goals to find each other more easily. As this is private market data that is often difficult to pin down, we invite Impact investors of all stripes to write to survey@pitchbook.com to find out how they are being reflected and update their profiles if the data can be more accurately portrayed.*

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