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EQuilibrium

Impact measurement and reporting: Insights from an insurer's experience

HIGHLIGHTS

- How can investors assess the non-financial impact of their investments? Successful impact investing that creates positive, intentional social and/or environmental outcomes needs to be able to demonstrate the difference it makes.
- This paper considers different approaches to impact investing and what this means for the ability to measure, track and report on those outcomes.
- Using case studies from Nuveen and TIAA's impact investing experience, we share insights and best practices.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Investing to make a positive social and/or environmental impact requires intentionality and transparency.

Institutional investors are looking to understand the non-financial impact of their investments. Almost three-quarters (74%) consider or plan to consider the environmental and societal impact of their investment decisions, according to Nuveen's 2023 EQuilibrium survey of institutional investors around the world. This number is even higher (82%) for insurers.

Fundamental to considering the impact of their investment decisions is the ability to measure, track and report on these additional impacts. In this paper, we explore some of the challenges this entails particularly for investment strategies that intentionally target positive impact outcomes.

Our insights are based on Nuveen's impact investment experience, which stems from its unique relationship with its parent TIAA, a leading insurance company with a long history of impact investing. Nuveen manages assets for the TIAA general account across a range of asset classes and investment themes, including TIAA's impact investments.

This paper considers measuring and reporting for impact-specific investments, which are those that place impact objectives on the same level as financial objectives. We also discuss some best practices in impact reporting for other strategies on the broader spectrum of responsible investing, such as ESG and sustainability themes. But we begin with the challenges of defining impact and the complexities of portfolio construction.

By sharing these insights, best practices and examples, we seek to help fellow investors meet their investment goals and make an enduring impact on the world.

Sarah Wilson
Managing Director,
Head of ESG Integration

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Responsible Investing

The ability to measure, track and report non-financial outcomes is fundamental to impact investing

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Defining impact

It's not just about the what, but also the why — the investor's intention and mindset.

Taking a broad view, most investments are likely to have an impact beyond their financial return. And the additional impact or impacts can be positive or negative, intentional or unintentional. Think of an equity investment in an automobile manufacturer as an example. The objective is to achieve a financial return over a particular time period given an investor's risk parameters. This investment could also result in carbon emissions from the production process that make it unsuitable for investors looking to reduce their portfolio's carbon footprint. But if the manufacturer was focused on electric vehicles, it could have a place in a portfolio that seeks solutions to reduce carbon emissions.

This admittedly very simplistic example highlights the many nuances to impact investing. Finding the balance between positive and negative impacts and intentional or unintentional impacts is just one aspect. Another is a clear understanding of the investor's desired impact, as is the ability to assess the non-financial outcomes. This is often a complex function of the specific investment, the asset class and the availability of data.

While there is no global standard today for impact definition and standards, at Nuveen, we are proud to have helped shape and implement market standards through our partnership with the Global Impact Investing Network's IRIS+ framework and the International Finance Corporation's principles on impact management. We continue to hone in on the definition of green, blue and orange bonds in the fixed income space and pride ourselves on being at the forefront of the impact investing space.

Acknowledging that there is no single agreed definition or approach, figure 1 is our attempt to describe the intentions and outcomes of a range of investment approaches that can account for different degrees of environmental and social impacts. We have also added investment examples for real estate to illustrate the diverse range of investments available — even within a single asset class — to investors seeking different impact objectives.

FIGURE 1: **Different ways to make an impact: the intentions and outcomes for a range of approaches**

		RESPONSIBLE INVESTING SPECTRUM		
Industry approach	Traditional, Non-RI	ESG Integration	Sustainable	Impact
Financial goal	Competitive financial returns			
Intentions and outcomes		Act to avoid harm and integrate ESG factors		
			Contribute to a solution	
				Direct, intentional and measurable positive results
Implementation examples using real estate strategies	**ETF tracking a REIT index**	**Portfolio investing in offices that integrates ESG factors**	**Portfolio investing in Commercial Property Assessed Clean Energy (C-PACE)**	**Portfolio investing in affordable housing**

Source: Nuveen, implantation examples are for illustration only and should not be considered investment advice.

At Nuveen we take two approaches to investing with impact

1

Intentional impact investments:
We pursue positive social and environmental impact alongside competitive financial returns.

2

Responsible investments:
Outside our intentional impact investing strategies, we seek to promote benefits and mitigate negative effects wherever possible.

In the first instance, we define an intentional impact investment as an investment that is made because it has an intentional, direct and measurable positive effect on environmental or social outcomes, in addition to generating a competitive risk-adjusted return.

This aligns with the Global Impact Investment Network's (GIIN's) definition: Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.[1]

Our intention to create the positive impact outcomes together with the ability to track and report those outcomes distinguishes impact investments from the second approach which covers sustainable and environmental, social and governance (ESG) integration strategies.

Impact investing and insurers

Mitigating risk is fundamental for insurers. So it's unsurprising that impact investing targeting some of the biggest risks and challenges for the environment and society resonates strongly with insurers.

- 82% of insurers consider or plan to consider impact investments.
- The most popular impact strategies among insurers are investing in energy innovations, infrastructure projects and affordable housing.
- The majority of insurers (62%) agree that impact investment will be an increasingly important allocation in the coming years; 38% have identified impact goals and 39% are tracking results against Sustainable Development Goals (SDGs).

Source: Nuveen EQuilibrium Survey, 2023

Increasing impact in portfolios

Most asset classes offer opportunities for making an impact, but formalizing approaches and getting started can be daunting.

While the demand to fund impact projects and investments, especially from insurers, is clear, implementation can be challenging. Institutional investors should ask the following question: When prioritizing impact objectives to the same degree as financial objectives, how does this affect my portfolio construction and asset allocation? This is difficult to answer. Many institutional investors are grappling with this. Only 41% of impact-focused investors had identified impact goals for implementing their impact strategy in our EQuilibrium survey, and less than one-third had a separate allocation sleeve for their impact investments.

Lean into experience

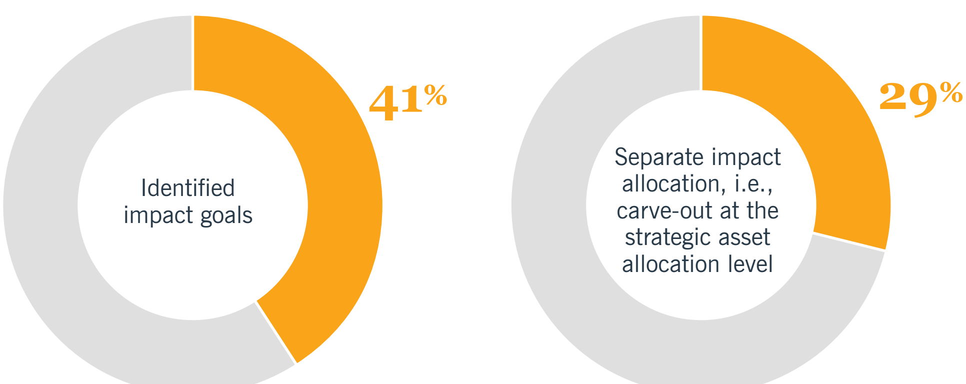
One approach to impact investing is to lean into the areas in which an investor or their asset manager already has significant exposure and expertise. TIAA formalized its impact investing program this way. It created a discrete allocation strategy dedicated to impact across three categories: affordable housing, inclusive growth and resource efficiency. These categories aligned with the organization's culture and the capabilities of its asset manager Nuveen, specifically real estate, private equity and fixed income.

There are several benefits to creating a separate impact allocation from a strategic asset allocation perspective. It can provide clarity about the outcomes of those specific investments. It can be managed by a dedicated impact team, who have the skill and experience to assess an investment's potential impact on par with its financial performance. And, it can be easier to set and track portfolio-level impact goals and progress.

That said, there is no one right way to incorporate impact into portfolio construction. Many asset owners choose instead to keep impact-oriented investments within their relevant asset class portfolios. This has the advantage of making it easier for managers to compare and track similar investments.

FIGURE 2: **Institutional investor approaches to impact investing**

Which of the following approaches do you take when implementing your impact strategy? (n respondents = 590)



Source: Nuveen EQuilibrium Survey, 2023

Asset class considerations

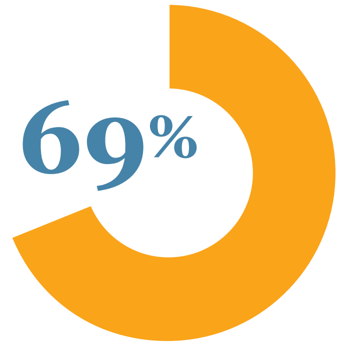
Some asset classes lend themselves more readily than others to pursuing specific impact themes. Real estate and affordable housing is one example, timberland and carbon storage another. But there are many asset classes available — private and public, equity and debt — that can be used to pursue impact objectives. And these different asset classes offer different levers.

Those levers generally cluster around transparency and access to data and information, and the degree of control and contribution an investor can make. Information is key to assessing the investment's suitability for a portfolio and its likelihood of meeting its impact objectives, as well as determining its success. Somewhat tied to this is investor contribution. How much control does an investor have over the investment — be it a listed or unlisted company — and how much influence do they have over the strategy that will deliver on the impact?

Currently, only some asset classes can offer a direct line from capital investment to impact outcome. Private assets make up the bulk of this as we see from the GIIN's 2023 impact investing allocations, activity and performance study. Private equity is the most popular, with 69% of impact investors using this asset class.[2]

Private equity investors are likely to have a high contribution to the impact outcome, given that they are providing capital that the organization may not have been able to obtain from other sources. This level of ownership could also come with a seat on the board from which the private equity investor can influence strategy to ensure the success of both the impact and financial goals.

Being able to follow the capital is also feasible in some areas of publicly traded fixed income markets, in cases where a bond's use of proceeds are funding specific impact programmes (see box below for example). Issuers of such bonds will provide the information and necessary documentation to investors to demonstrate how funds will be used to achieve the impact objectives, and how that is being measured and tracked.



of impact investors use private equity[2]

Use of proceeds in fixed income: Women's Livelihood Bond Series

Use-of-proceeds bonds fund specific projects that have intentional and measurable environmental and/or social outcomes.

The Women's Livelihood Bond, for example, provides private capital to microfinance institutions and social enterprises that, in turn, help low-income Southeast Asian women build credit histories and transition from subsistence to sustainable livelihoods. Long-term benefits, in addition to more successful women-owned businesses, include increased participation in the workforce, higher standards of living, and more education and health opportunities for women and children.

MEASURABLE IMPACT[3]

1. 21% more than the original target of 25,650 women have benefited
2. 27,500 women have taken advantage of micro loans to meet business-related needs
3. 21,690 have availed themselves of micro savings products
4. 2,700 have enhanced their knowledge and skills through training sessions
5. 1,775 women farmers are being sourced for agricultural goods

In addition to the number of women supported, the bond's impact is measured by a metric known as Social Return on Investment (SROI),[4] which assigns a dollar value to the outcomes. This series met its SROI goal of 3.21, or $3.21 of social impact for every $1 invested.

The growth and general acceptance of impact investing within public fixed income could be critical to the future success of corporate climate goals and social equity initiatives because of the sheer size of public fixed income markets and the preference of institutional investors, such as insurance companies, to allocate significant percentages of their portfolios to fixed income. The GIIN study notes that public debt was the fastest-growing asset class for impact investments, with allocations growing at a compound annualized rate of 101% between 2017 and 2022.[2]

Historically, impact investing in public equity markets has been more difficult. While public companies can provide clear and standardized information to help investors navigate selecting, validating and reporting impact investments, the challenge is establishing the investor contribution directly. This is especially true as the influence is arguably lower given the multiplicity of equity investors in a publicly listed company, making it more difficult for investors to take credit for the positive impact created by that company and tie it back to their intentional impact goals.

That said, public equity investors have some unique tools available that support intentional impact objectives: engagement and proxy voting. By directly engaging with a public company, and by using shareholder rights to vote proxies in a manner that aligns with impact objectives, public equity investors can contribute to real world outcomes. While insurers may not have significant allocations to public equity, they can still select managers with a strong track record on engagement and proxy voting. Because many companies issue both public equity and public debt, the manager's engagements are relevant for seeking impact through corporate fixed income as well.

Two other distinct differences between public and private market assets are the potential scale of impact and the ease with which investors can exit. Public markets tend to finance large, well-established companies that have relatively bigger operations compared to smaller, privately funded companies, which creates potential for larger impact as well. Compared with public markets, private investments generally have longer holding periods and exiting positions needs to be carefully managed.

IMPACT LESSONS LEARNED BY TIAA AND NUVEEN

When setting an impact strategy:

1. Be clear on what you want your impact to achieve
2. Establish specific impact goals
3. Set high standards and hold investment deals to them

Questions when selecting assets to make an impact:

1. Does your organization have access to information to understand the impact and make decisions across asset classes?
2. Does the investment offer the degree of control, and therefore contribution to making an impact, that your organization wants?
3. Can your organization leverage its experience and expertise to expand portfolio objectives to include impact?
4. Is the potential financial return competitive compared with similar non-impact options in the same asset class?

SDG alignment vs contribution

SUSTAINABLE DEVELOPMENT GOALS

Investments that align with SDGs are likely to be broader than intentional impact investing, encompassing ESG and sustainability-oriented strategies.

At Nuveen, we talk about SDG alignment for investments that are focused on sustainability and ESG risks, whereas we talk about SDG contribution for intentional impact investments.

7 AFFORDABLE AND CLEAN ENERGY

To explain, consider a utility that provides affordable, clean energy (SDG 7) and which also manages, tracks and reports on ESG risks would be aligned to SDG 7 in our view. An investment in that same company's bond, the proceeds of which are specifically funding an affordable clean energy project, we would consider as contributing to SDG 7.

This is an important distinction because while sustainable/ESG investments can have a positive impact, they do not necessarily put those goals on par with financial results like an impact investment. This difference has implications for investment selection as well as measurement and reporting.

Measuring and reporting impact

While there is a great deal of interest in impact investing, targets and measurement are still evolving.

As mentioned, less than half of impact-focused investors in our EQuilibrium survey have set impact goals. And only around a third track key performance indicators (KPIs) to the Sustainable Development Goals (SDGs). The SDGs, developed by the United Nations, are a popular framework that allow investors to anchor many different types of investment to a range of global priorities. They provide a common set of goals and common language to orient investors' efforts.

Measuring and tracking for impact can be challenging given the accessibility and standardization issues discussed in the previous section. KPIs should be a direct reflection of the desired intentional positive impact. Identifying the appropriate metrics, gathering the data over time and assessing it to understand whether the intended impact is being made without creating any unintended impacts is a resource-intensive exercise. KPIs should also be monitored over time to determine whether the intentional impact is enduring.

Consequently, a common approach is to measure and track outputs and then describe the impact qualitatively, such as with a case study, to provide the situational context.

What reporting looks like:

KPIs can be at the investment level and/or the portfolio level as the following examples show. What follows are excerpts from Nuveen's current Private Equity Impact Report and Real Estate ESG report.

Investment-level example: Private equity impact investing

Nuveen's private equity impact platform extends the capabilities we built over the last decade in partnership with TIAA, and our capacity to drive an inclusive climate transition. We track a range of impact performance metrics for portfolio companies. Each metric is a valid indicator of performance toward our intended social and environmental outcomes.

At a headline level, for each portfolio company, we tie one of these metrics to an SDG. We do so by selecting the concrete, often country-level, problem that each company is trying to solve. In this way, we can relate global goals, like the SDGs, to company-level performance within our portfolio.

Company-level KPIs at Annapurna Microfinance

Annapurna is one of the largest microfinance institutions (MFI) operating in India with a loan portfolio of over $1 billion, serving roughly 2.5 million mostly female entrepreneurs with working capital loans in rural areas. The company is focused on providing a wide range of financial services to its customer base, and driving scale through innovation and digital transformation to better meet their financial needs and help them build income.

Annapurna is directly contributing to addressing the access gap for financial services in India — roughly 100 million Indian individuals lack access to basic, responsible and affordable financial services. In turn, that problem is tied to SDG 1.4, which seeks to guarantee equal access to basic economic resources, including financial services.

Figure 3 displays a selection of KPIs that are aligned with the GIIN's IRIS+ framework. IRIS+ is the generally accepted impact accounting system that leading impact investors use to measure, manage, and optimize their impact. Individual IRIS metrics are numerical measures used in calculations or qualitative values to account for the social, environmental and financial performance of an investment.

FIGURE 3: **Annapurna Microfinance**

KPI 1: NUMBER OF CLIENTS ACTIVELY USING RESPONSIBLE CREDIT/LOAN PRODUCTS			2022 Performance
Metric 1.a	IRIS+ PI9327	Total number of clients actively using loan products	▲ 2,415,814
Metric 1.b	IRIS+ PI7098	Total number of low-income clients actively using loan products	▼ 519,400
Metric 1.c	IRIS+ PI8330	Total number of clients actively using loan products who identify as a woman	▲ 2,380,457
KPI 2: NUMBER OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) FINANCED RESPONSIBLY			
Metric 2.a	IRIS+ PI4940	Number of MSME clients served during reporting year	▲ 37,326
KPI 3: CLIENT SATISFACTION			
Metric 3.a	IRIS+ PI7163	Client satisfaction ratio	▲ 79
KPI 4: RESPONSIBLE BUSINESS GROWTH			
Metric 4.a	IRIS+ PI8381	Total loans disbursed during the reporting period	▲ 1,502,044
Metric 4.b	IRIS+ PI7467	Average interest rate charged on loans	▲ 24%
Metric 4.c	IRIS+ PI5160	Average loan size	▲ $604
Metric 4.d	—	Total loan volume	▲ $962,014,127
Metric 4.e	—	Number of branches	▲ 1,160
KPI 5: GREEN FINANCING PRODUCT GROWTH			
Metric 5.a	IRIS+ PI4940	Number of MSME clients served with rooftop solar loans during reporting year	73

Performance relative to prior reporting period ▲ Performance increase ▼ Performance decrease

Source: Nuveen 2022/3 Private Equity Impact Report. Note: A full report of Annapurna's impact performance can be found in this report.

Portfolio-level example: Affordable housing

Nuveen Real Estate is committed to investing to preserve affordability in housing across the globe, with dedicated impact investments in the U.S., including properties regulated by federal subsidy programs; e.g., Low-Income Housing Tax Credit (LIHTC) as well as unregulated naturally occurring affordable housing (NOAH). We invest across the spectrum of affordable housing, achieving risk-adjusted returns through efficient management and responsible exits.

FIGURE 4: **Key metrics for Nuveen's U.S. affordable housing portfolio**

95%	**deeply affordable**	Nuveen's housing impact strategies in the U.S. focus on preserving housing that is affordable for those earning 30% – 60% of their area's median income (AMI). We call this deep affordability. Many properties we invest in are 100% deeply affordable, while others blend deeply affordable units with other units priced for higher-income tenants earning up to 80% AMI. This dual approach enables us to preserve affordable units wherever they exist, and explains the diversification of affordable units in our portfolio over time.
93%	**properties with green improvements**	We implement green retrofits, benchmark and analyse utility performance, and identify energy and water savings opportunities across the portfolio. Through these retrofits, the team looks to capture both energy cost savings and lower our carbon footprint.
84%	**properties offering social services**	We prioritise enhancing and creating key physical design elements to improve tenants' health and well-being and work directly with third parties to deliver additional services, such as a property in the Bronx where we provide complimentary Wi-Fi capability. We are also focused on the financial well-being of our residents by engaging a firm to provide positive credit score enhancement, ultimately giving residents broader banking options and access to credit.

Source: Nuveen Real Estate ESG report, data as at 30 June 2023

Validate the process

Not all investors will have sufficient resources to scrutinize and analyze their impact investments. An alternative approach is to validate the impact investment process of an impact investment manager.

Voluntary frameworks, such as the International Finance Corporation's (IFC's) Operating Principles for Impact Management, provide a strong foundation for impact investing. The IFC's principles ensure that impact is integrated, monitored and assessed throughout the life cycle of an investment.

These operating principles were written with private market investors in mind. However, a small number of public market investors (of which Nuveen is one) have embraced the discipline and hired third parties to verify adherence to the principles.

IFC'S IMPACT PRINCIPLES

1. Define strategic impact objective(s), consistent with the investment strategy.
2. Manage strategic impact on a portfolio basis
3. Establish the manager's contribution to the achievement of impact.
4. Assess the expected impact of each investment, based on a systematic approach.
5. Assess, address, monitor and manage potential negative impacts of each investment.
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately.
7. Conduct exits considering the effect on sustained impact.
8. Review, document and improve decisions and processes based on the achievement of impact and lessons learned.
9. Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

Measuring and reporting impact for other investment strategies

Just as different asset classes and strategies create different impacts, they also produce different reports.

As mentioned, at Nuveen we take two approaches to impact investing. The first places intentional positive impact alongside competitive financial returns, and the previous section highlighted some of the issues and some of the solutions we have developed for measuring and reporting the outcomes from specific impact investments and strategies.

The second approach is about managing the impact of our broader investment portfolios. Those portfolios are not specific to impact investing, but we look to promote benefits and mitigate negative effects wherever possible.

With this different approach comes different reporting requirements for the non-financial impacts. As before, there is no single format for reporting, and often it is a function of the asset class and available data.

From a survey of the ESG and sustainability reports produced by Nuveen and its affiliates, below is a list of common elements in these reports. The subsequent examples on the following pages highlight the range of different approaches depending on the asset class or strategy objective.

Common features across ESG and sustainability reports

- Description of ESG and sustainability philosophy and approach at organization level
- Outline of previous milestones reached and future commitments and plans
- Participation in industry partnerships and adherence to recognized ESG practices or frameworks, such as SDG alignment
- ESG integration in investment process
- Stewardship and engagement processes
- Organization's ESG/sustainability credentials, which includes IDE (inclusion, diversity and equity) and community engagement
- Portfolio- or asset class-level data with case studies and/ or selected metrics, for example, to demonstrate carbon footprint reduction.

Natural capital asset register and balance sheet

Nuveen Natural Capital has set an ambitious goal of establishing land registers for each asset across our portfolio. Extending beyond basic comparisons between productive and supporting land, these registers will attempt to measure the wide variety of natural land cover types, such as forests, grasslands, shrublands and bodies of water. This will help us establish a natural capital baseline and deepen our understanding of the ecosystem services of each asset. Further information can be found in Nuveen Natural Capital's 2023 Sustainability Report.

Below are details of a pilot project to create a timberland natural capital balance sheet. The following data is from a pilot 58,698-acre timberland property in the U.S. The key natural capital accounting outputs for this pilot property are the asset register and the natural capital balance sheet.

FIGURE 6: **Natural capital asset register**

Pilot area by type of habitat 58,698-acre timberland property

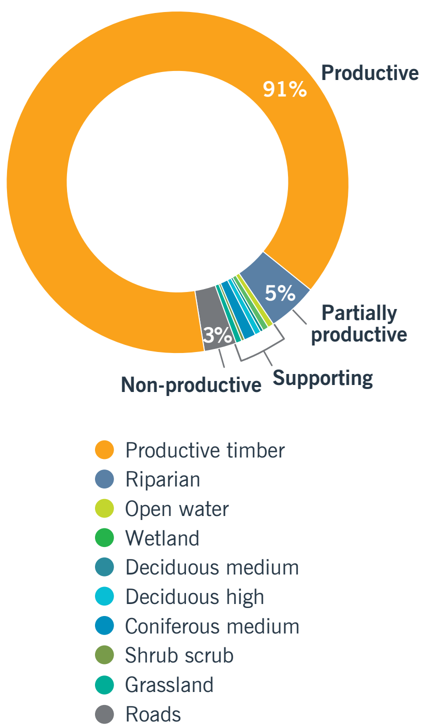


FIGURE 7: **Natural capital balance sheet**

2022 reporting year *Present value (US$ millions) calculated over 25 years for the 58,698-acre timberland property*		**Value to business**	**Value to society**	**Total value**
Asset values	Timber	82		82
	Carbon sequestration	24	584	608
	Air quality regulation		7	7
	Recreation	8	5	13
	Gross asset value	**114**	**596**	**709**
Material non-monetized asset values	Biodiversity	threatened species potentially found within 50 km of the site:		65 species count
	Water quality	forest managed as riparian buffer:		5%
	Soil quality			
	Flood risk management			
	Carbon in timber removed from property	embedded in timber product:		see explanation
Liabilities	Natural capital maintenance costs	-11		-11
	Production costs	-0.4		-0.4
	Natural capital production	-12		-12
	Total liabilities	**-24**		**-24**
Total net asset value		**90**	**596**	**686**

5.4M

tCO2e

carbon stock in the timber biomass across productive area

5

KEY BIODIVERSITY AREAS

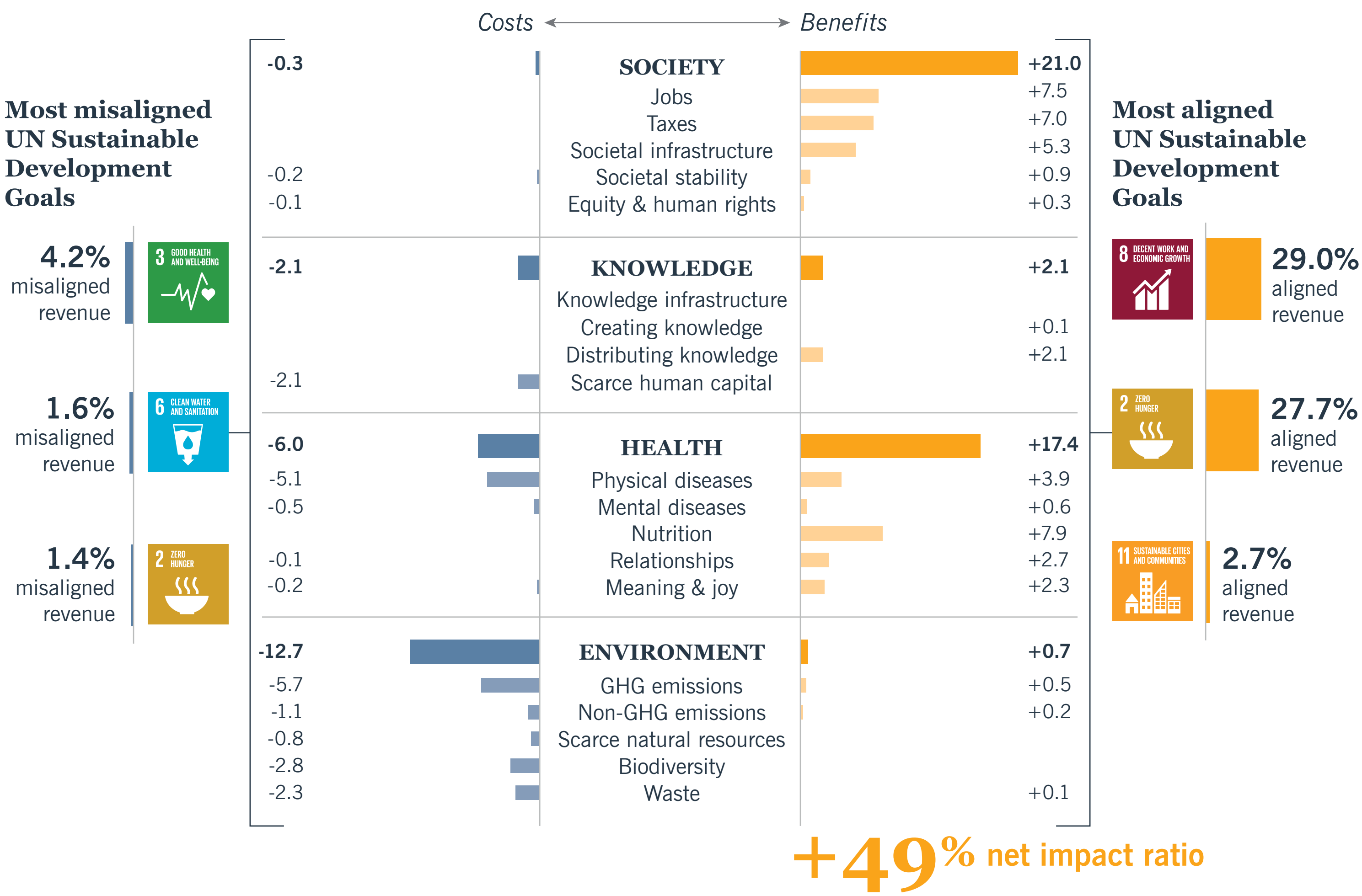
on or within 10 km of site

Source: Nuveen Natural Capital 2023 Sustainability Report

Private credit and SDG alignment

Nuveen's U.S. private capital specialist Churchill monitors ESG risks and opportunities through quarterly portfolio review as well as ongoing engagement with their sponsors and portfolio companies. Churchill can map the revenue streams of their portfolio company holdings to assess SDG alignment and misalignment, along with impact metrics across key ESG indicators.

FIGURE 8: **Monitoring and reporting SDG alignment**

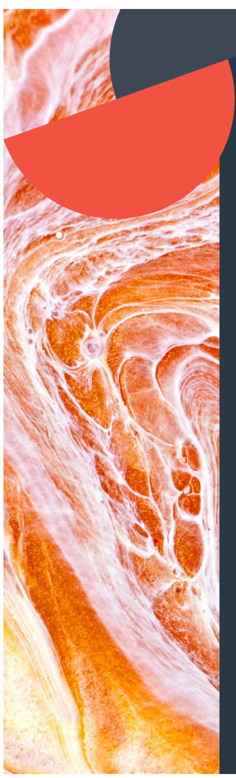


Note: Working with Upright Project, Churchill can map revenue streams of portfolio company holdings to assess SDG alignment and misalignment along with impact metrics across ESG indicators. Source: Churchill 2022 Sustainability Report

Conclusion

With more and more investors seeking to drive capital to create positive environmental and/or social impact, we expect impact reporting methodologies will continue to be refined and improved. Measuring and tracking the impact outcomes together with the financial returns will be vital to determine investment success.

The examples and best practices in this paper highlight some of the challenges and different solutions available. Nuveen and its affiliates continue to develop their impact reporting to help TIAA and other clients understand the impact of their investments. Additional examples covering a wider range of asset classes can be found in the reports listed in the resource section.



Additional resources

Nuveen EQuilibrium 2023 survey

Nuveen impact, sustainability and ESG reports

- Private equity impact report
- Global fixed income impact report
- Nuveen Real Estate ESG report
- Nuveen Natural Capital sustainability report
- Churchill sustainability report
- Glennmont Partners sustainability report
- Agribusiness sustainability report

Responsible investing organizations and publications

- Global Impact Investing Network (GIIN)
- International Finance Corporation's Operating Principles for Impact Management
- Principles for Responsible Investment (PRI)

TIAA and Nuveen: Partners in impact

Nuveen is the asset manager for TIAA, one of the world's most highly rated and financially stable insurance companies that provides retirement solutions for employees in the education, research, health care and other service industries in the U.S. Nuveen is responsible for managing investment portfolios for individual and institutional investors around the world, including the TIAA General Account and its participants.

Nuveen has been instrumental in advising on and implementing the impact program for TIAA's General Account. Nuveen offers a range of responsible investing products, which include ESG-integrated products, thematic products aligned with specific environmental and social issues and intentional impact investments — all of which are aiming to have a market-rate financial return.

Highlights of Nuveen's impact capabilities:

- 30-year+ track record of achieving competitive, risk-adjusted returns through investments that contribute to a positive impact
- $21 billion+ deployed in impact strategies[5]
- Founding participant of the International Finance Corporation's Operating Principles for Impact Management in 2020
- 2022 global fixed income report was named "Impact report of the year" by Environmental Finance
- Invested in ground-breaking impact bonds focused on water sustainability (blue bonds), gender equality (orange bonds), wildlife (rhino bonds) and COVID-19 relief bonds.
- Private markets impact portfolio invested on behalf of the TIAA General Account since 2012 and is now offered to third-party investors

For more information, please visit nuveen.com.

Endnotes

Sources

1 The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. thegiin.org

2 Hand, D., Sunderji, S., Pardo, N. (2023) 2023 Market GIINsight: Impact Investing Allocations, Activity & Performance. The Global Impact Investing Network (GIIN). New York.

3 Impact Investment Exchange, Women's Livelihood Bond 2 ("WLB 2") Summary Semi-Annual Impact Report Q1 – Q2 2020.

4 Social return on investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors.

5 As at 30 June 2023

Risks and other important considerations

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