

# CERTIFICATE IN IMPACT INVESTING

## (CFA UK Level 4 Certificate in Impact Investing)

V.3 tested from 1 March 2026 to 28 February 2027

### UNIT AIMS

By the end of this unit, learners should be able to demonstrate:

- An understanding of the key aims of impact investing, key participants and market context.
- An understanding of key impact investment strategies and approaches used by asset owners and asset managers, and regulatory and fiduciary considerations.
- An understanding of impact measurement and management for both enterprises and investors.
- An understanding of the key drivers of impact business models and assets, and the key features of different types of impact investments across private and public markets.
- An understanding of impact investing implementation, including portfolio construction, sourcing, analysis, decision making and ownership, engagement and exit.
- An understanding of impact reporting and good practice in investment and portfolio level reporting and disclosure.

Question allocation across the syllabus is balanced on the guidance of psychometric and industry specialists. The following question allocation for Version 3 of the Certificate in Impact Investing is provided as a broad indication of the relative 'weighting' of different parts of the syllabus in examinations from 1 March 2026.

| Topic | Topic Name                                                | Question Allocation |
|-------|-----------------------------------------------------------|---------------------|
| 1     | Introduction to impact investing                          | 4-8                 |
| 2     | Impact investment strategies and the regulatory landscape | 6-10                |
| 3     | Core concepts of impact measurement and management        | 14-18               |
| 4     | Asset classes and products in public and private markets  | 10-14               |
| 5     | Impact investing implementation                           | 16-20               |
| 6     | Impact reporting                                          | 2-6                 |

## OTHER INFORMATION REGARDING THIS UNIT:

|                          |                                                                          |
|--------------------------|--------------------------------------------------------------------------|
| Exam format:             | 65 questions<br>Online testing using standard multiple choice questions. |
| Time allowed for exam:   | 1 hour and 30 minutes.                                                   |
| Grades:                  | Pass or Fail.                                                            |
| Study Materials:         | Official Training Manual Edition 3.                                      |
| Recommended study hours: | 130 hours.                                                               |

# TOPIC 1 INTRODUCTION TO IMPACT INVESTING

## 1.1 DEFINING IMPACT INVESTING

- 1.1.1 Explain the key aims of impact investing to achieve positive social and environmental outcomes alongside financial returns.
- 1.1.2 Explain how impact investment channels capital to help address key social and environmental challenges.
- 1.1.3 Identify how impact investment is distinguishable from traditional investment, other sustainable investment strategies and philanthropy.

## 1.2 MARKET CONTEXT

- 1.2.1 Identify key participants and major users of impact capital and drivers of investment.
- 1.2.2 Explain the market size and key trends in impact investing.

# TOPIC 2 IMPACT INVESTMENT STRATEGIES AND THE REGULATORY LANDSCAPE

## 2.1 IMPACT INVESTMENT STRATEGIES

- 2.1.1 Assess the key impact investing strategies and approaches used by asset owners.
- 2.1.2 Assess the key impact investing strategies and approaches used by asset managers and other intermediaries.

## 2.2 REGULATORY AND FIDUCIARY CONSIDERATIONS

- 2.2.1 Explain the regulatory framework around impact investment products and the suitability of the investment product for different audiences, including EU, UK, US, and other jurisdictions.
- 2.2.2 Explain the requirements of fiduciary duty in the context of impact investment.

# TOPIC 3 CORE CONCEPTS OF IMPACT MEASUREMENT AND MANAGEMENT

## 3.1 INTRODUCTION TO IMPACT MEASUREMENT AND MANAGEMENT

- 3.1.1 Analyse common opportunities and challenges in relation to impact measurement and management.
- 3.1.2 Assess the elements and application of a theory of change:
  - Inputs
  - Activities
  - Outputs
  - Outcomes
  - Impacts
- 3.1.3 Apply the key terms and concepts in impact measurement and management.
- 3.1.4 Assess the benefits and limitations of widely used impact management approaches and frameworks available to enterprises and investors, including:
  - Theories of change
  - Sustainable Development Goals
  - Norms of Impact Management
  - Operating Principles for Impact Management
  - IRIS+ thematic taxonomy and standardised metrics

## 3.2 IMPACT MEASUREMENT AND MANAGEMENT

- 3.2.1 Identify material and significant enterprise impacts.
- 3.2.2 Compare the benefits and limitations of different approaches to establishing KPIs to measure progress towards impact goals.

## 3.3 IMPACT ANALYSIS AND VALUATION APPROACHES

- 3.3.1 Analyse an outcome taking into account context, counterfactual, and the five dimensions of impact

(what, who, how much, contribution and risk).

- 3.3.2 Assess and interpret enterprise impact data, including identifying the limitations of different assessment and valuation approaches.

## 3.4 INVESTOR CONTRIBUTION

- 3.4.1 Apply core concepts in investor contribution.
- 3.4.2 Compare investors' approaches and strategies to contribute to impact in private versus public market investments.

# TOPIC 4 ASSET CLASSES AND PRODUCTS IN PUBLIC AND PRIVATE MARKETS

## 4.1 LINKING ENTERPRISE AND ASSET CLASS CHARACTERISTICS

- 4.1.1 Explain how the key drivers of impact business models and assets determine the most appropriate type of impact investment across private and public markets.

## 4.2 ASSET CLASS DEEP DIVES

- 4.2.1 Assess key features of debt impact investments in private and public markets.
- 4.2.2 Assess key features of equity impact investments in private and public markets.
- 4.2.3 Assess key features of real assets impact investments in private and public markets, including social property and natural capital.

## 4.3 POOLED AND FLEXIBLE CAPITAL STRUCTURES

- 4.3.1 Assess key features of different forms of funds and pooled vehicles for impact investment.
- 4.3.2 Assess key features of hybrid impact investment models, including quasi equity, revenue-based financing, variable payment obligations and recoverable grants.

## 4.4 SPECIALIST INVESTMENT APPROACHES, STRATEGIES AND STRUCTURES

- 4.4.1 Assess key features of specialist impact investment products and strategies, including:

- Catalytic capital
- Blended finance
- Outcomes finance

## TOPIC 5 IMPACT INVESTING IMPLEMENTATION

### 5.1 INTEGRATING IMPACT INVESTMENT STRATEGIES AND PORTFOLIO CONSTRUCTION

- 5.1.1 Describe how and why impact strategies and approaches are integrated in the investment lifecycle and implementation process.
- 5.1.2 Explain the process for constructing an impact investment portfolio, taking into account financial and impact risk and return.

### 5.2 SOURCING AND ANALYSIS IN IMPACT INVESTING

- 5.2.1 Identify key sourcing considerations for impact investments in public and private markets.
- 5.2.2 Analyse the initial and ongoing suitability of an impact investment in line with an investor's impact investment strategy.
- 5.2.3 Analyse the key risks of an impact investment with reference to achieving financial return and positive impact outcomes.

### 5.3 DECISION MAKING IN IMPACT INVESTMENT

- 5.3.1 Analyse key features of investment decision making processes to ground them in impact analysis of assets, products and portfolio.

### 5.4 OWNERSHIP, ENGAGEMENT AND EXIT

- 5.4.1 Analyse key features of portfolio management and ownership processes to monitor and respond to the progress of each impact investment.
- 5.4.2 Describe types of stewardship activities and escalation approaches.
- 5.4.3 Analyse key exit approaches that best support a sustained impact.

# TOPIC 6 IMPACT REPORTING

## 6.1 IMPACT REPORTING IN PRACTICE

- 6.1.1 Explain the purpose and importance of impact reporting with reference to materiality.
- 6.1.2 Assess good practice in investment and portfolio level reporting and disclosure.
- 6.1.3 Describe approaches and limitations to verification, impact data assurance, and impact reporting.