

# CERTIFICATE IN IMPACT INVESTING

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

V.2 tested from 1 March 2025 to 28 February 2026

### 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.

**Commented [A1]:** Amended from:

An understanding of the key aims of impact investing, market context, and different asset owner impact strategies.

**Commented [A2]:** Amended from:

An understanding of the importance of impact investment philosophy and strategy, key frameworks used to establish a strategy, regulatory and fiduciary considerations and approaches to building and managing impact investments.

**Commented [A3]:** Amended from:

An understanding of impact measurement, management and reporting in practice for both enterprises and investors.

**Commented [A4]:** Amended from:

An understanding of how the key drivers of impact business models and assets determine the most appropriate type of impact investment across private and public markets and key features of impact investments.

**Commented [A5]:** Amended from:

An understanding of how to establish a selection process consistent with the intended impact strategy intent.

**Commented [A6]:** Amended from:

An understanding of investor contribution approaches, strategies and engagement and escalation.

Question allocation across the syllabus is balanced on the guidance of psychometric and industry specialists. The following question allocation for Version 2 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 2025.

Topic	Topic Name	Question Allocation
1	Introduction to impact investing	4-8
2	Impact investment strategies and the regulatory landscape	8-12
3	Core concepts of impact measurement and management	14-18
4	Asset classes and products in public and private markets	8-12
5	Impact investing implementation	16-20
6	Impact reporting	2-6

- Commented [A7]:** Amended from:  
Impact investment philosophy, strategy and implementation
- Commented [A8]:** Amended from:  
14-18
- Commented [A9]:** Was previously Topic 5 and amended from:  
Impact measurement, management and reporting
- Commented [A10]:** Amended from:  
16-20
- Commented [A11]:** Was previously Topic 3.
- Commented [A12]:** Was previously Topic 4 and amended from:  
Impact investing, sourcing and due diligence
- Commented [A13]:** Amended from:  
Investor contribution and stewardship

**OTHER INFORMATION REGARDING THIS UNIT:**

- Exam format: 65 questions  
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 2.
- 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.

**Commented [A14]:** Was previously Learning Outcome 1.1.4

## 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.

**Commented [A15]:** Amended from:

1.2.2 Explain the history, trends and market size including reasons for different estimates

**Commented [A16]:** Amended from:

Impact Investment Philosophy, Strategy & Implementation

# TOPIC 2 IMPACT INVESTMENT STRATEGIES AND THE REGULATORY LANDSCAPE

## 2.1 IMPACT INVESTMENT STRATEGIES

- 2.1.1 Assess the benefits and limitations of different asset owner and asset manager impact strategies.

**Commented [A17]:** Amended from:

Investment Philosophy and Strategy

**Commented [A18]:** Amended from:

1.3.1 Assess the benefits and limitations of different asset owner impact strategies and how investors consider the interactions between impact outcomes and financial returns, and between different impact strategies

## 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.

**Commented [A19]:** Amended from:

2.2.1 Explain the regulatory framework around impact investment products and the suitability of the investment product for different audiences:

- EU Sustainable Finance Disclosure Regulation
- UK Financial Conduct Authority Sustainability Disclosure Requirements

# TOPIC 3 CORE CONCEPTS OF IMPACT MEASUREMENT AND MANAGEMENT

**Commented [A20]:** Was previously Topic 5 and amended from:  
Impact Measurement, Management and Reporting

## 3.1 INTRODUCTION TO IMPACT MEASUREMENT AND MANAGEMENT

**Commented [A21]:** Moved from 5.1 and amended from:  
Impact Management in Practice

3.1.1 Analyse common opportunities and challenges in relation to impact measurement and management.

**Commented [A22]:** Amended from:  
5.1.1 Analyse common opportunities and challenges in relation to impact management, measurement and reporting

3.1.2 Assess the elements and application of a theory of change:

**Commented [A23]:** Amended from:  
5.1.3 Assess the elements and application of a theory of change:  
•inputs  
•outputs  
•outcomes  
•impacts

- Inputs
- Activities
- Outputs
- Outcomes
- Impacts

3.1.3 Apply the key terms and concepts in impact measurement and management

**Commented [A24]:** Amended from:  
1.1.3 Apply the main uses of key terms and concepts in impact investing

3.1.4 Assess the benefits and limitations of widely used impact management approaches and frameworks available to enterprises and investors, including:

**Commented [A25]:** Amended from:  
5.1.2 Explain the benefits and limitations of widely used impact management approaches and frameworks available to enterprises and investors

- 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

**Commented [A26]:** Was previously section 5.2 and amended from:  
Impact Management for Enterprises

3.2.1 Identify material and significant enterprise impacts.

**Commented [A27]:** Was previously Learning Outcome 5.2.1

3.2.2 Compare the benefits and limitations of different approaches to establishing KPIs to measure progress towards impact goals.

**Commented [A28]:** Amended from:  
5.2.2 Compare the benefits and limitations of different approaches to establishing KPIs to measure how the theory of change has been implemented

## 3.3 IMPACT ANALYSIS AND VALUATION APPROACHES

**Commented [A29]:** New section heading

3.3.1 Analyse an outcome taking into account context, counterfactual, and the five dimensions of impact (what, who, how much, contribution and risk).

**Commented [A30]:** Amended from:  
5.2.3 Analyse an enterprise impact with reference to 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.

**Commented [A31]:** Was previously Learning Outcome 5.2.4

## 3.4 INVESTOR CONTRIBUTION

**Commented [A32]:** Was previously section 6.1 and amended from:

3.4.1 Apply core concepts in investor contribution

Investor contribution approaches and strategies

3.4.2 Compare investors' approaches and strategies to contribute to impact in private versus public market investments

**Commented [A33]:** New Learning Outcome

**Commented [A34]:** Combines and amends previous Learning Outcomes 6.1.1 and 6.1.2.

6.1.1 Describe investors' approaches and strategies to contribute impact in private market investments

6.1.2 Describe investors' approaches and strategies to contribute impact in public market investments

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

**Commented [A35]:** Was previously Topic 3: Asset Classes and Products in Private and Public Markets

## 4.1 FEATURES OF IMPACT INVESTMENTS

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.

**Commented [A36]:** Was previously Learning Outcome 3.1.1

4.1.2 Assess key features of debt impact investments in private and public markets.

**Commented [A37]:** Was previously Learning Outcome 3.1.2

4.1.3 Assess key features of equity impact investments in private and public markets.

**Commented [A38]:** Was previously Learning Outcome 3.1.3

4.1.4 Assess key features of hybrid impact investment models, including quasi equity, revenue-based financing, variable payment obligations and recoverable grants.

**Commented [A39]:** Amended from:

3.1.4 Assess key features of hybrid impact investment models, including quasi equity, revenue share, variable payment obligations

4.1.5 Assess key features of different forms of funds and pooled vehicles for impact investment.

**Commented [A40]:** Was previously Learning Outcome 3.1.5

4.1.6 Assess key features of specialist impact investment products and strategies, including catalytic capital, blended finance and outcomes finance.

**Commented [A41]:** Amended from:

3.1.6 Assess key features of specialist impact investment products and strategies, including blended finance and outcomes contracts

# TOPIC 5 IMPACT INVESTING IMPLEMENTATION

**Commented [A42]:** Was previously Topic 4: Impact Investing, Sourcing and Due Diligence.

Content moved from previous topics 2, 4, 5 and 6.

## 5.1 INTEGRATING IMPACT INVESTMENT STRATEGIES AND PORTFOLIO CONSTRUCTION

**Commented [A43]:** Amended from:

5.1.1 Describe how and why impact strategies and approaches are integrated in the investment lifecycle and implementation process.

2.1.2 Describe how impact philosophies, 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.

**Commented [A44]:** Amended from:

2.3.1 Explain the process for constructing an impact investment portfolio, taking account of financial and impact risks and returns

## 5.2 SOURCING AND ANALYSIS IN IMPACT INVESTING

5.2.1 Identify key sourcing considerations for impact investments in public and private markets.

**Commented [A45]:** Amended from: 4.2 Establishing a Selection Process

5.2.2 Analyse the initial and ongoing suitability of an impact investment in line with an investor's impact investment strategy.

**Commented [A46]:** New Learning Outcome

**Commented [A47]:** Amended from:

4.2.2 Analyse the 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.

**Commented [A48]:** Was previously Learning Outcome 4.2.3

## 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

**Commented [A49]:** Was previously Learning Outcome 2.1.5

## 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.

**Commented [A50]:** Amended from:

5.3.4 Analyse approaches to measuring and managing impact performance at the investment and portfolio level

5.4.2 Describe types of stewardship activities and escalation approaches.

**Commented [A51]:** Amended from:

6.2.1 Describe types of engagement strategies and escalation approaches

5.4.3 Analyse key exit approaches that best support a sustained impact.

**Commented [A52]:** New Learning Outcome

# TOPIC 6 IMPACT REPORTING

**Commented [A53]:** Was previously: Investor Contribution and Stewardship

## 6.1 IMPACT REPORTING IN PRACTICE

**Commented [A54]:** New section title

6.1.1 Explain the purpose and importance of impact reporting with reference to materiality.

**Commented [A55]:** New Learning Outcome

6.1.2 Assess good practice in investment and portfolio level reporting and disclosure.

**Commented [A56]:** Was Learning Outcome 5.3.6

6.1.3 Describe approaches and limitations to impact data assurance, verification and reporting.

**Commented [A57]:** Amended from:

5.2.5 Describe approaches and limitations to impact data assurance and reporting