

“Spotlight on the team”

Susan Ward – Partner, Chief Risk Officer, Chief Operating Officer

1. Introduction

Launching ImpactA Global with my three partners has been both a privilege and a thrilling journey. After almost thirty years working across investment banking, wealth management and impact investing, ImpactA offered an amazing opportunity to combine experience and knowledge with the pleasure of working with old colleagues, the challenge of launching a new business and, most importantly, the opportunity to make a significant impact.

2. What led you to join and found the ImpactA Global team?

The ImpactA Global strategy is highly compelling. We have identified a genuine need to unlock the significant private capital required for sustainable infrastructure projects in emerging markets. We will provide the catalytic part of the capital structure that brings other lenders to the table. Alongside this we can target key impact themes around climate change, and the need to provide for basic human rights such as health, clean water and sanitation - helping to improve social inclusion and reduce gender inequality in emerging markets. The opportunity to create an agile and catalytic firm that delivers measurable impact, with the benefit of not being slowed down by bureaucratic processes that can emerge in larger institutions, was highly compelling.

3. Why is impact investing important to you?

Making a difference has to be a priority for all of us. An estimated \$100tn in wealth is currently being transferred from the baby boomers to their heirs. This new generation has an agenda to solve the climate crisis and make the world a fairer place. They are tech savvy with strong ESG and impact principles. Whilst such significant wealth transfer is not without its challenges, there is also a significant opportunity to capitalise on this and create products, opportunities and ideas that will resonate with this new wealth owning generation and to finance the future.

There are still significant amounts of capital that are yet to be directed into assets and markets that need it. To be able to create financial solutions and models that deliver impact by mobilising private capital in emerging markets presents an opportunity to make a quantum difference to people’s lives.

4. Where do you see the most opportunities within emerging markets?

The ability to tackle the climate crisis is the overarching priority and driver for all of us. The vulnerable, especially women, are disproportionately impacted by the effects of climate change and here is the greatest opportunity - to increase social inclusion and reduce gender inequality. We assess all potential projects through a gender lens, looking at the impact of infrastructure projects to determine the effect they will have on the lives of women. For example, providing access to safe transport, supplying electricity for schools, and enhancing the healthcare system thereby benefiting maternal and infant care. Investing in sustainable infrastructure projects in emerging markets creates a measurable difference to both climate adaptation, raising living standards and driving equality.

COP 28 recently concluded with agreements that signal the “beginning of the end” of the fossil fuel era and, in particular, the mobilization of significant climate finance commitments for emerging markets being placed at the centre of COP discussions.

5. What excites you the most about partnering with Legal & General Capital?

The joint venture with Legal & General is a partnership in every sense. The extent of the investment beyond financial capital, the relationships that have been formed among the teams, the chemistry

between us all and the philosophical alignment on the importance of investing for purpose, has meant this whole process has been both rewarding and has the potential to be hugely impactful.

Whilst L&G is a large organisation, it has been remarkably agile in its decision making and support, enabling ImpactA to take advantage of the benefits of an institutional partner whilst retaining an entrepreneurial spirit.

6. How do you perceive risk within this asset class?

Project financing is one of the safest, most rigorously structured and consistent ways to invest in infrastructure projects in emerging markets. It demonstrates low default rates and high recovery rates providing an attractive way for investors to achieve portfolio diversification in EM. An important part of the financial model is the high quality, experienced partners such as DFIs, insurers, ECAs, global contractors and developers etc. These bring additional rigour and demands to the due diligence and structuring of these deals.

One area where there is always an element of risk, which can be less easy to anticipate, is the potential for reputational damage resulting from environmental, social and governance challenges in large infra deals in EM. We can mitigate this in part through in dept due diligence but also in working with high-quality partners, and adopting a highly structured and conservative approach to finding and constructing deal flow.