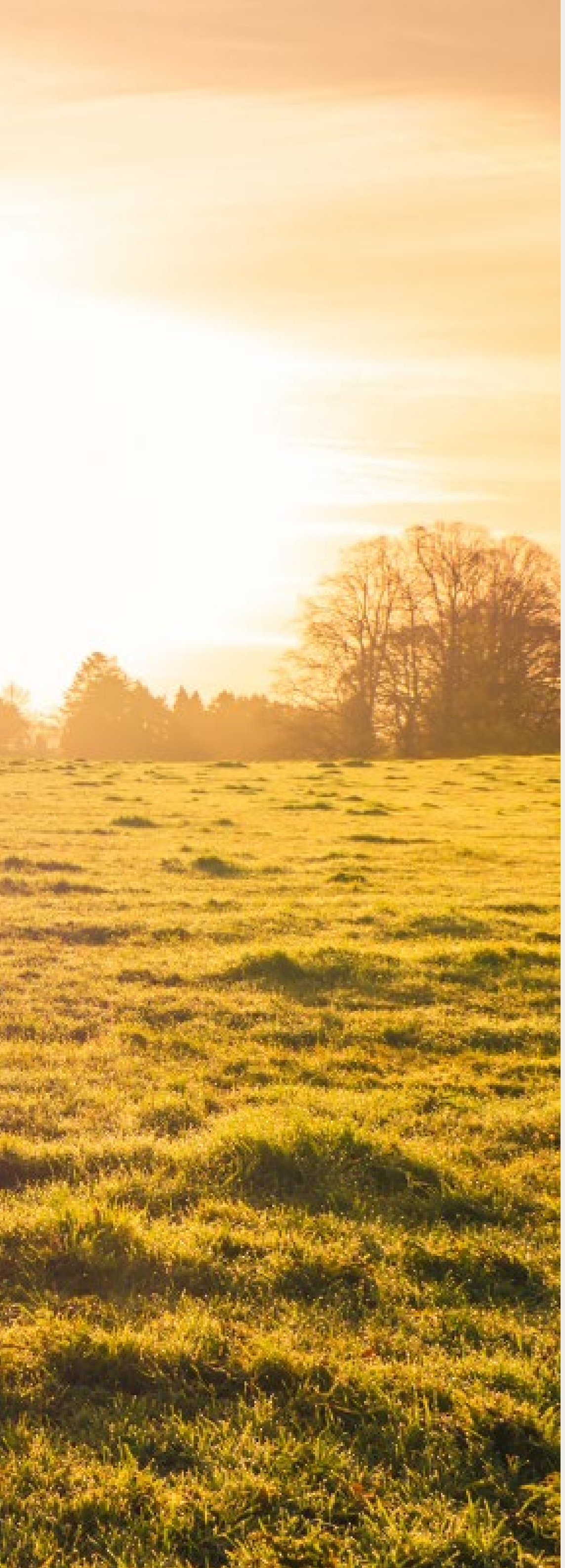
impact investing institute

Mapping the UK Values-Driven Investment Landscape

An analysis of support infrastructure for trusts and foundations

With the support of

Access The Foundation for Social Investment



1. Paper overview

This paper is part of a wider effort to answer the question: 'How to best catalyse the UK trust and foundation sector to consider the impact of every pound of their assets?'

1.1 Background

In September 2023 and March 2024, Access - The Foundation for Social Investment convened a series of roundtables to bring together bodies playing a leading role in the values-driven investing space, informally called the 'Network of Networks'. This built on research done by Lucent exploring the landscape of responsible, impact and social investment by endowed trusts and foundations, what activities, networks, and support existed, where further support might be helpful and what role Access could play in facilitating that.

Participants at the roundtable shared current practices and perspectives with the aim of building a shared understanding of how networks and leading organisations are supporting the move to values-driven investing.

However, there was also an appetite for considering how the group might collaborate to achieve more than the sum of its parts, highlighting where initiatives could be complementary, where collaboration could happen, and where gaps in infrastructure and support remain.

1.2 Project aims

The Impact Investing Institute, in collaboration with Access - The Foundation for Social Investment, conducted research to:

- **Map organisations providing support across the spectrum of capital** (responsible investment, finance-first impact investment, and social investment)
- **Catalogue tools, resources, and solutions at each stage of the investment journey** - discovery (initial awareness-building), strategy development (policy and approach formulation), and strategy execution (implementation and ongoing management)
- **Identify gaps in infrastructure and support provision**
- **Uncover opportunities for enhanced collaboration between interested stakeholders,** particularly those convened as part of the 'Network of Networks', to ultimately better support the UK foundation sector to consider the impact of every £ of their assets.

1.3 Methodology & frameworks

Using a combination of structured interviews, a survey, desk research and a roundtable discussion in July 2025, the Impact Investing Institute has created a map of the tools, resources and services available to the UK foundation sector and broader private wealth market to support their journey towards allocating capital to values-driven investment approaches.

1.4 Overview of mapping

As part of this work, a database map of resources, tools and frameworks available to the sector has been created and can be found here. The database is organised along the following and can be sorted and filtered as such:

Resource / Service type

- Data
- Network
- Tool
- Advisory
- Case Study
- Resource
- Guidance

Journey Stage

- Discovery Stage
- Strategy Development
- Strategy Execution

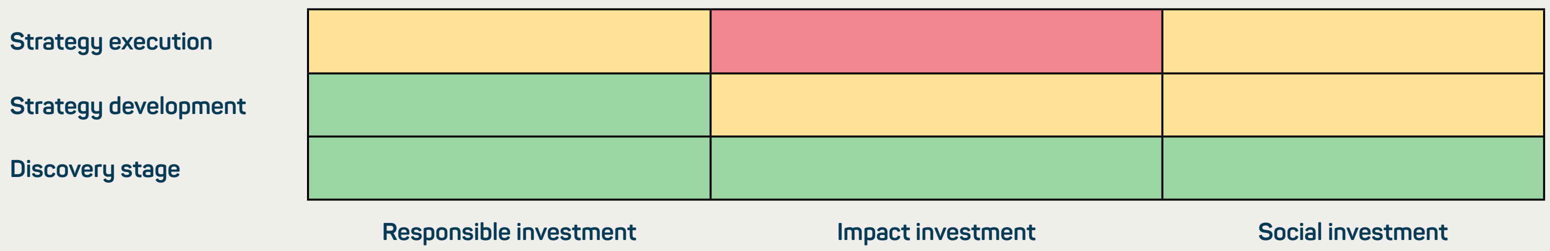
Investment approach

- Responsible Investment
- Impact Investment
- Social Investment
- Cross-cutting

Target audience

- Staff
- Trustees
- Staff & Trustees
- Influencing financial services

A summary of the findings from the mapping with a RAG rating can be found below. For the definitions across journey stage approach used in this research, please see Annexe 1.



Key:

Red = gap

Amber = partial provision

Green = well-served

2. Key findings

In recent years, we have seen the mainstreaming of responsible investment practices, the deepening establishment of the social investment market and the growing maturity of the finance-first impact investing market.

However, considering the impact of all invested capital, and at depth, is not yet standard practice across the sector. The research reveals a foundation sector at varying stages of values-driven investment adoption, segmented into four distinct cohorts:

- **advanced first movers** actively deploying capital across the spectrum
- **fast followers** expanding their recent commitments
- foundations with **emerging interest** stuck in early strategy development
- **untapped potential group** operating outside existing networks.

This segmentation reflects both the sector's progress and its limitations, with sophisticated practitioners coexisting alongside organisations completely disengaged from values-driven approaches.

Structural and cultural barriers emerge as the primary constraints on sector-wide adoption. The predominant cultural norm in foundation practice maintains a disconnect between investment function and mission delivery, with investment committees that interpret their role in delivering on charitable objectives as optimising for financial performance. Managers or investment consultants then serve this mandate. Trustee conservatism represents the most frequently cited barrier, compounded by governance structures, risk aversion, and educational gaps around impact and social investment.

The support infrastructure demonstrates significant unevenness across the investment journey. While discovery stage resources across the spectrum of capital are reasonably comprehensive, support and resources become less well catered for along the values-driven investment journey. Strategy execution represents the most substantial gap, particularly regarding regulated advisory services that can bridge mainstream financial expertise with impact investing and social investment knowledge. Responsible investment is much better catered for by mainstream financial services, whereas impact investment is poorly served by the market, though expertise does exist. Social investment normally requires building out internal capacity of some description, but the sector is much smaller and more easily navigated once organisations have capability in place.

This uneven capacity across the spectrum of capital can create a bottleneck, preventing foundations from progressing beyond initial interest to actual capital deployment.

Additionally, foundations consistently underutilise their collective £87 billion in assets to influence financial services providers, missing opportunities for systemic market change through coordinated client power.

The remainder of this section explores the findings in more detail. Section 2.1.1 examines market segmentation across four foundation cohorts. Section 2.1.2 analyses cultural norms and default practices that create barriers. Section 2.1.3 investigates gaps in the financial services ecosystem. Section 2.2 maps support provision across the investment journey stages. Finally, Section 2.3 examines infrastructure across the spectrum of capital (responsible investment, impact investment, and social investment).

2.1 Where are we, and what dynamics are at play?

2.1.1 Market segmentation

The UK foundation sector can be broadly divided into four cohorts; however precise quantification of each segment remains challenging due to the absence of systematic data collection on foundations' values-driven investment practices. The following segmentation is therefore qualitative, based on interview insights and sector observations and represent approximate estimates rather than definitive counts:

First movers *(circa 10)*

- A core group of advanced practitioners actively engaged in values-driven investment across the spectrum of capital.
- Often these organisations have social investments, impact investments and take a responsible lens across the entire portfolio. Typically, these organisations have at least one staff member who maintains responsibility for this work and has been working in this field for several years.
- Many of these foundations see part of their role as helping to expand the sector and share details and learnings from their work publicly.

Fast followers *(circa 15)*

- A further cohort of organisations committed to social and impact investment approaches. They have typically made allocations in the last few years. They may have started with a robust responsible investment practice or a social investment practice and expanded their activities across the spectrum of capital. Typically, these foundations are happy to make public their activities.

Emerging interest *(circa 30-50)*

- A further cohort has demonstrated emerging interest in values-driven investment approaches, looking more deeply at the impacts of their investments; however, their practice has not yet moved beyond initial interest from key individuals across the organisation.
- While many foundations will have a light touch responsible investment approach or an exclusions policy, they are not yet deeply engaged in values-driven investment across their assets. They often have a lighter touch responsible investment approach but typically will not have either an impact or social investment practice.
- These foundations are exploring options but remain in early stages of strategy development, often grappling with governance structures, risk perceptions, and implementation pathways. This cohort represents significant potential and requires targeted support to navigate the transition effectively and often find themselves getting stuck.

Untapped potential *(the remainder of the UK foundation sector)*

- A cohort of foundations with limited awareness or engagement with the values-driven investment world.
- This cohort often operates outside existing networks and conferences where values-driven investment approaches are discussed, creating an echo chamber effect where engaged foundations receive multiple messages while unengaged foundations receive none.
- These organisations require fundamentally different outreach approaches that meet them in their existing forums rather than expecting them to seek out specialist networks.

Market segmentation across the UK foundation sector

≈10

First movers
A core group of advanced practitioners actively engaged in values-driven investment across the spectrum of capital

≈15

Fast followers
A further cohort of organisations committed to social and impact investment approaches. They have typically made allocations in the last few years.

≈30-50

Emerging interest
Organisations with emerging interest in values-driven investment approaches, looking more deeply at the impacts of their investments. Their practice has not yet moved beyond initial interest from key individuals.

Untapped potential (remainder of the UK foundation sector)
A cohort of foundations with limited awareness or engagement with the values-driven investment world. This cohort often operates outside existing networks and conferences where values-driven investment approaches are discussed, creating an echo chamber effect.

2.1.2 Cultural norms and default practices

There are a number of cultural norms across the foundation sector that influence the way that they engage with values-driven investment practices.

The predominant cultural norm across the sector exhibits a disconnect between investment function and mission delivery. This reflects a tension between organisations that see themselves primarily as stewards focused on capital preservation or growth to support philanthropic activity versus those that view their investments as tools to support charitable mission achievement.

As one research participant articulated, *"most foundations by default don't really examine their investment practices. It's outsourced to a manager or the investment committee. There's not huge integration between the impact side of the organisation and the investment side of the organisation."* This default outsourcing model persists across foundation sizes and represents a significant barrier to wider values-driven investment adoption.

Ultimately, investment strategies and approaches are a board-level decision. Foundation boards are populated by individuals who bring their own mental models and preconceptions to conversations. Conservative trustees remain the most frequently cited barrier, with limited support resources specifically targeting trustees or chairs.

The challenges in trustee engagement operate at multiple levels. Trustees' legal responsibilities create additional risk aversion across all foundation activities, not just values-driven investment, with trustees tending to be *"more risk averse given their responsibilities than the staff who are operational."* Financial pressures compound these governance challenges, especially where foundations are seeing increased need from grantees[1].

The source and quality of trustee education present additional complications. As one research participant observed, *"for the most part, their education will come from investment firms who put on events and hold webinars, yet these firms' motives and goals might be slightly different to ours."*

Investment committees tend to be dominated by investment professionals who have had limited exposure to impact investing developments. Organisations successfully implementing impact investing strategies typically require updating their investment committees to include individuals with impact investing expertise or broader impact experience who can bring this perspective into investment discussions.

Trustees are ultimately operating as volunteers, and the cycles between trustee meetings mean that this topic can often get lost between meetings and other competing priorities. Shifting these deeply embedded cultural norms requires sustained effort across multiple touchpoints rather than isolated educational interventions. A useful parallel might be found in the professionalisation of grant giving over recent decades.

Because values-driven investment is not yet seen as the norm across the sector but rather an exception, the perception of risk centres on doing something new rather than more traditional approaches being outdated. This cultural positioning can make adoption appear as risky innovation rather than keeping pace with evolving best practice.

Foundation self-conception also plays a crucial role in determining investment approaches. The sector exhibits a fundamental divide between organisations that see themselves primarily as grant-makers focused on capital preservation versus those that see their investments as a tool to support the achievement of their charitable aims. This difference in identity influences willingness to consider alternative investment approaches and risk tolerance for innovation.

For those in the **emerging interest cohort,** one of the cultural factors that can lead to them getting stuck is an unrealistic expectation of what values-driven investment approaches can deliver at the beginning of this journey. Many arrive with expectations misaligned to market realities, seeking perfect mission alignment rather than viable impact opportunities. This 'perfect as enemy of the good' mentality leads new entrants to reject solutions that could deliver meaningful outcomes, instead maintaining the status quo of investment approaches.

There is a tension observed by practitioners between market reality and desired impact, but too often this acts as a barrier to action rather than a problem to be addressed as part of the strategy development process.

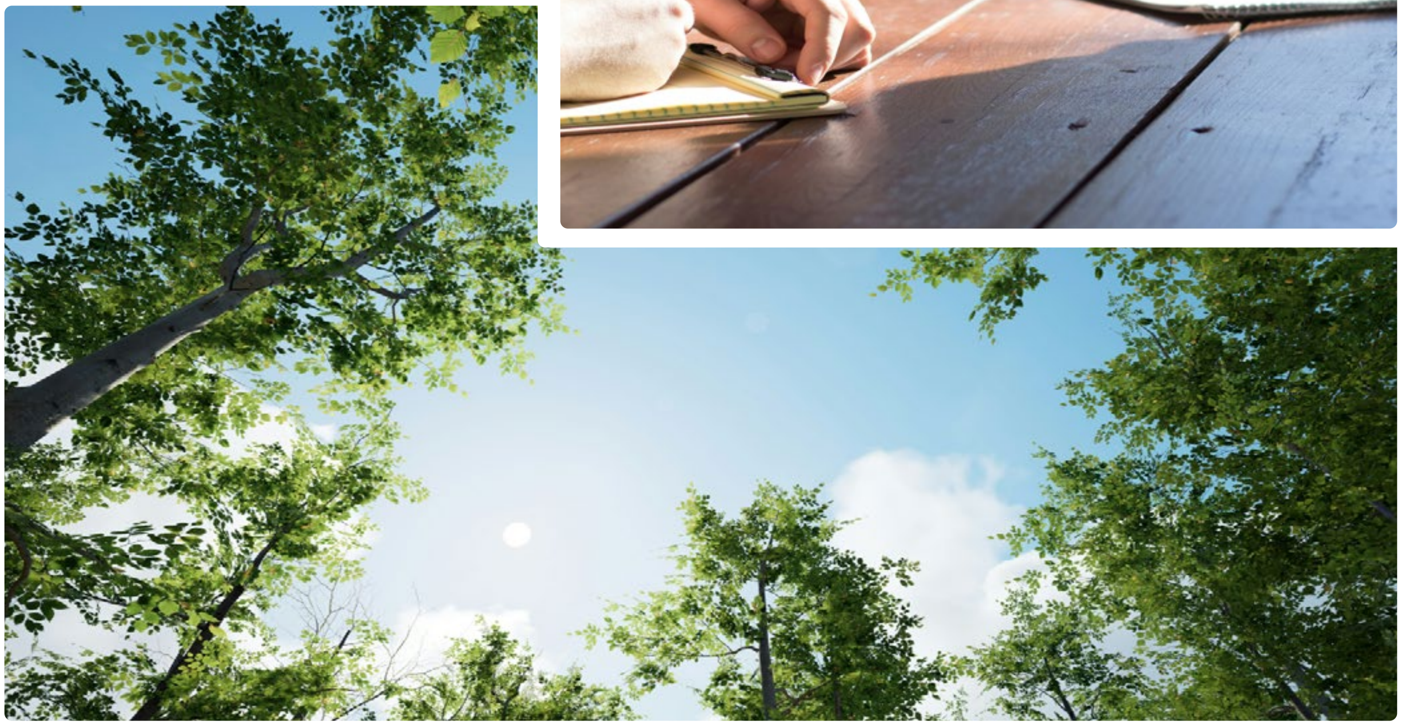
2.1.2 Financial services ecosystem

The research reveals a significant lack of capacity and capability from mainstream financial services provision for values-driven asset owners. Investment consultants claim capability in impact investment when their capabilities are more focused on responsible investment. This conflation of values-driven approaches can create quality concerns for foundations seeking implementation support. As one participant noted, *"you do have your investment consultants currently out there saying, 'oh yeah, we can do this as part of the whole thing,' but they don't... have the expertise or experience or resources available to be doing the due diligence into the kinds of funds we're talking about."*

This creates a critical gap between foundation aspirations and available implementation pathways, with foundations increasingly asking, "who do we work with?" as the primary follow-up question after initial education programmes.

The difficulty of navigating to qualified advisory services, alongside variable impact and responsible expertise across the wealth and asset management industry, represents a bottleneck in sector development, particularly for organisations seeking to move from strategy development to execution phases.

Despite inadequacies across the financial services ecosystem as relates to values-driven investment approaches and in particular, finance-first impact investment, which is more likely to be managed by outsourced managers, examples of good practice do exist.



First movers and fast followers across the sector have managed to navigate this challenge. But it has not always been a simple or smooth process.

First movers have often had to resource this process in-house and worked extremely closely with financial services professionals to source deals, create frameworks and manage investments, something that may not be available to others in the sector. Interviewees cited how useful peer learning had been during this process, helping newer organisations set expectations around what is possible and where trade-offs exist.

However, this generally takes place on a bilateral level, meaning that the sector as a whole does not necessarily benefit from seeing the "messiness".

Very few case studies are explicit about the imperfect solutions and compromises that foundations have had to make in pursuit of their long-term aims and demonstrate how they have actively worked through challenges with financial services providers at a granular level.

2.2 Journey stage analysis

2.2.1 Discovery stage

Building Awareness Across the Investment Spectrum

The discovery stage demonstrates reasonable provision for building initial awareness about responsible investment, impact investment, and social investment approaches, though accessibility varies significantly by network membership and geographic location. Existing support includes awareness-building programmes, introductory courses such as the *'Impact Investing in the Main Endowment Course',* case studies and peer learning networks, and profile-raising events and conferences.

Resources such as the **EIRIS Foundation's CharitySRI website and the Impact Investing Institute's Learning Hub** provide databases of responsible investment and impact investment guidance but suffer from the need for continuous upkeep to ensure the latest resource is made available through them.

Current provision quality in this stage is reasonable, with a few key pathways for organisations to develop an initial understanding of values-driven investment approaches across the spectrum of capital. However, events and resources often fail to reach new audiences, creating an echo chamber effect where engaged foundations receive multiple messages while unengaged foundations receive none.

There is limited connectivity across these pathways, despite efforts by market builders. The referrals between organisations such as the CRIN, SIIG and the Impact Investing Institute remain on a case-by-case basis rather than formalised.

Accessibility remains constrained by network membership requirements, and geographic concentration of events, as well as pre-existing knowledge of the organisations delivering these resources. Some networks, event organisers, and guidance maintain relatively high barriers to entry in terms of language and assumed knowledge, despite their valuable contributions to the field.

Geographic concentration of events and resources, particularly in London, further limits accessibility for foundations operating throughout the UK.

The result is that while the **untapped potential** cohort could be well provisioned for at the discovery stage, the available resources are not reaching them, suggesting a fundamental communications challenge and the need for more coordinated awareness raising across a broader set of forums and platforms beyond existing specialist networks. This could include wealth manager client events, investment consultant seminars, and mainstream trustee training programmes. foundation sizes and represents a significant barrier to wider values-driven investment adoption.

2.2.2 Strategy development

The strategy development stage reveals mixed provision quality with substantial resources concentrated among engaged networks but significant gaps in mainstream accessibility. Membership-based networks such as the Charities Responsible Investment Network (CRIN) and the Social Impact Investing Group (SIIG) provide substantial resources and peer learning opportunities for those in the responsible investment and social investment part of the market.

However, these networks operate as "members only" environments that, while extremely valuable for participants, require organisations to be sufficiently engaged with these topics to join in the first place. While both networks occasionally cover impact investing, it is not their primary purpose. No formalised peer learning support group equivalent to CRIN or SIIG exists specifically for finance-first impact investment, despite both networks citing increased interest from their members on the topic.

There is direct support available for organisations at this stage in their journey. Organisations such as New Philanthropy Capital and Better Society Capital provide consultancy support including due diligence services, framework development, and investment policy creation to develop detailed frameworks and policies.

The Impact Investing Institute's 'advice before the advice' service provides tailored guidance sessions, helping organisations understand what impact investing means for them and providing a roadmap on how to start executing.

First mover and fast follower foundations effectively share impact reports and learnings. However, their detailed and bespoke approaches often require substantial internal capacity to implement effectively and remain inaccessible to organisations outside established networks. – particularly in impact investing and social investment would have value.

2.2.3 Strategy execution

Strategy execution represents the most significant gap in current provision for impact investment and social investment. While responsible investment can typically be implemented through mainstream wealth managers with established ESG capabilities, both impact investment and social investment face substantial execution barriers, particularly regarding regulated advisory services that bridge mainstream financial expertise with impact and social investment knowledge.

The shortage of qualified advisors capable of providing "full-service offerings" that integrate traditional investment management with impact considerations creates a critical constraint on market growth. The scale challenge is particularly acute: foundations seeking to experiment with £1-5 million allocations to impact or social investment cannot access value-for-money advice on bespoke options yet resist 'off-the-shelf' general positive impact products. Interviewees expressed the need for advisors who can *"do the whole lot"* rather than requiring multiple specialist consultants across different aspects of their investment strategy.

Where organisations are dependent on outsourced wealth or asset managers, there are minimal resources available to assess the competency and capability of these providers as relates to impact investing, specifically with organisations either relying on word of mouth or developing their own assessments on an ad hoc basis.

The spottiness of provision within wealth and asset managers compounds this challenge—foundations are often served by client advisors who haven't engaged the firm's sustainability and impact specialists. Foundations are often not aware of the need to explicitly demand access to these expertise areas rather than accepting generic relationship management.

While every organisation is ultimately unique, establishing expected standards and best practices in how to serve values-based asset owners – particularly in impact investing and social investment would have value.

2.3 Spectrum of capital analysis

The following examines support infrastructure across the three main approaches to values-driven investment. We review responsible investment (2.3.1), which represents the most mature segment with established networks; impact investment (2.3.2), which remains relatively nascent despite growing interest; and social investment (2.3.3), which benefits from established intermediaries but often remains siloed from broader investment strategy.

2.3.1. Responsible investment

Responsible investment represents the most mature segment of the values-driven investment landscape, with well-established networks and comprehensive support infrastructure. The Charities Responsible Investment Network (CRIN) serves as the central coordination point, providing policy templates, peer learning opportunities, and collective engagement frameworks to its 26 members.

Despite this institutional maturity, there is an opportunity for enhanced coordination on engagement and responsible investment.

Individual foundations often pursue separate engagement priorities, potentially diluting collective influence on key environmental, social, and governance issues. Additionally, many foundations implement responsible investment approaches through external mandates to asset managers or wealth managers, limiting their direct control over investment decisions and reducing transparency around actual impact achievement.

Work such as the EIRIS Foundation's research on Responsible Investment in Charity Pooled Funds could be the basis for coordination on specific issues and around specific products in places where trusts and foundations are in connection.

While most mission-driven organisations in the UK will have some reference to responsible investment in their investment policies, this is often limited to exclusions and can represent the bare minimum of what can be achieved with responsible investment.

2.3.2. Impact investment

Impact investment approaches remain relatively nascent within the foundation sector, despite growing interest and the availability of training programmes.

The Impact Investing Institute has been the main provider of resources for those in the discovery and strategy development phase for this work, providing introductory resources[2], tailored support, case studies and regular convenings for those exploring impact investment approaches, though this stops short of a formal membership-based peer learning community.

Unlike responsible investment and social investment, no formalised peer learning community equivalent to CRIN or SIIG exists specifically for finance-first impact investment, creating isolation amongst practitioners and limiting knowledge sharing.

The absence of a dedicated community means foundations exploring impact investment often rely on individual advisory relationships or informal networks, leading to inconsistent approaches and missed opportunities for collaboration in the strategy execution phase on due diligence, impact measurement, and exit strategies.

2.3.3 Social investment

Social investment is an established investment approach within the foundation sector, and relatively well catered for across the three journey stages. The sector benefits from established intermediaries and a track record of successful implementations. Given the relatively smaller size of the social investment sector and the culture of openness and sharing that dominates, once organisations are established in the sector, it is generally easier to navigate than the impact or responsible investment market.

However, social investment often remains siloed as a separate allocation rather than integrated into a broader investment strategy, limiting its potential influence on mainstream portfolio management.

3. Key challenges & gaps in provisions identified

The research and analysis reveal three critical systemic gaps that, if addressed, would catalyse significant progress across the UK foundation sector. These gaps represent the highest-leverage intervention points for the 'Network of Networks' and aligned stakeholders: intermediaries but often remains siloed from broader investment strategy.

3.1 Sign-posting and coordination challenges

While there are many resources available, it can be difficult to keep abreast of the work and key developments. As one research participant put it, *"I can't tell our members about it if I don't know it exists."*

Resources exist but are invisible to those who need them. There is no regular update mechanism between providers, and database solutions become outdated immediately. Foundations seeking support at this stage encounter multiple entry points but no clear pathway for determining which resources best match their needs and development stage. This is often a language challenge as organisations newer to this space do not know what to ask for – encountering the challenge of "unknown unknowns."

3.2. Resource constraints

Resource constraints represent a systemic barrier fundamentally shaped by trustee-level decisions about organisational priorities and structure. Many foundations maintain substantial investable capital, but minimal staffing dedicated to investment strategy and oversight, with *"very few foundations [having] somebody who's employed to be thinking continuously about how their decisions relate to overall purpose and mission."*

However, foundation size in terms of staff can represent *"an active decision from trustees"* rather than an external constraint. Boards with "£10 million and half a member of staff" could choose to invest more heavily in internal capacity. These resource allocation decisions create cascading effects throughout the values-driven investment journey. Foundations may engage with discovery-phase resources but lack internal capacity to progress to strategy development and implementation.

3.3. Influencing better practices across financial services

Financial services providers represent a critical leverage point for scaling values-driven investment approaches, yet foundations consistently underutilise their collective client power to drive meaningful sector change.

Financial services providers demonstrate uneven capabilities across the values-driven investment spectrum. Most mainstream managers possess relatively strong responsible investment capabilities—including ESG integration, stewardship, and engagement strategies across traditional asset classes. However, This capability gap becomes problematic when providers claim comprehensive impact investing expertise based solely on their responsible investment track record. Mainstream service providers have almost no capacity to serve interest in social investment.

Simultaneously, some asset managers who previously championed sustainable approaches are now *"rowing back in big and small ways"* on commitments due to challenging macro-political environments. This retreat occurs precisely when foundation demand for more sophisticated values-driven approaches is increasing.

Foundations can sometimes also face a fundamental disconnect when they seek products that don't exist in the market but don't recognise their collective capacity to influence that market. Rather than thinking strategically about influencing their managers to develop required capabilities, foundations typically approach this as an individual procurement challenge, asking themselves whether they should be "ditching all the big names and going for small niche ones" or "going with the worst of the worst and trying to influence them to change." This individual approach misses opportunities for collective market influence.

As research participants noted, the *"87 billion split between 300 [foundations is] not that useful. But the 87 billion all moving in the same direction really has the opportunity to catalyse change in the giant [beast] that is capital markets and financial services3."*

Several emerging initiatives demonstrate the potential for coordinated foundation influence on financial services.

Research participants cited examples where foundations are exploring collective approaches, including the the Environmental Finance and Learning Fund[4]. These included shared due diligence for investment decisions around common themes and collaborative requests for proposals that aggregate demand across multiple foundations. However, these remain isolated experiments rather than systematic approaches.

References

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impact investing institute

www.impactinvest.org.uk