

# Generating Returns, Proving Impact:

How Sonen Capital is Leading the Way for a Data-Fueled Future for Impact Investing



sonen  
capital



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As the leader of the firm's effort to define, evaluate, and report on impact, **Will Morgan** thrives in the exciting yet challenging space that straddles traditional investment metrics and social-environmental impact measurement.

"We have a very large amount of data that shows the impact we're creating and how that impact aligns to our impact intentions and the outcomes that we're seeking," Will explained. **"Impact measurement is a skill set you see in philanthropy and the nonprofit sector, but it's much less common in the investment world today."**



But according to Will (and backed up by increases in funds being directed toward impact-focused investments), this is a skill that managers will need to cultivate. Driven by investor demand, managers will need to ensure they are equipped to not only sell impact-focused, sustainable, or virtuous investments, but to be able to report on the non-financial results of those investments within a given portfolio or fund.

Of course, getting to that "why" answer requires culling through lots of data points and sources, often over long periods of time. And with years of impact-focused data accumulating around Sonen's strategic investments, Will wanted to explore ways to uplevel the firm's ability to gather and utilize impact information.

"Things had been getting more and more difficult as far as just the sheer amount of information, so I began to search for a provider that could help us collect data, visualize it, and present it in a way that's not just being manipulated spreadsheets," Will shared.

**Enter: UpMetrics.** Since 2021, Will has led Sonen's engagement with UpMetrics to get the firm's arms around impact data collection and how to best illustrate that information to stakeholders. With the help of data frameworks and intuitive dashboards, Will can easily highlight proof points around Sonen's strategic focus areas and investments, and has the ability to communicate impact insights with ease.

Naturally, each of Sonen's clients has very specific impact intentions, and Will's goal is to get every Sonen client set up with their own impact dashboard that measures in real time exactly what kind of lasting change their investments are having.

"Some people think proving investment impact must be simple, but it's not. If you're going to make an intentional effort to create a specific change, it takes a thoughtful strategy coupled with robust impact reporting capabilities," said Will.

"UpMetrics has been a true partner in helping us simplify our impact data collection practices, and visualize our growing body of impact data - and thus measure the extent to which we're achieving our intentions."

With a drive to keep trailblazing in the impact investing space, Will and the Sonen Capital team are working closely with UpMetrics to set up the firm and its clients for success today and into the future.

"There are reports that \$25 trillion is going to be transferred in wealth in the next 20 years," Will says, underlining the magnitude of the opportunity for investment firms to get impact right. "We're already seeing billions of dollars move toward solving problems around sustainability, climate emissions, and equality, but without some accountability in the form of impact measurement, how do investors know what's really worth investing in, and what just looks good on paper?"



“ Before long, we’ll think of all investing as impact investing. Firms will need a way to integrate and visualize the way a portfolio is performing and not just in terms of financial returns.

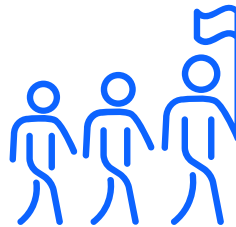


**Will Morgan**  
Head of Impact,  
Managing Director,  
Sonen Capital



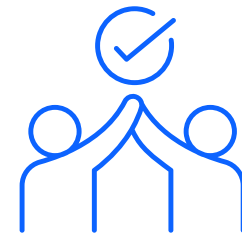
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key investment areas:  
energy, water, green real  
estate, sustainable  
agriculture



12+

years as a trailblazer in  
the impact investing  
space



2021

year Sonen Capital  
partnered with  
UpMetrics



What can other impact investors learn from Sonen’s robust impact data management, and how can they begin to apply these lessons to their own work?

**1 Work backwards to identify impact goals.**

First look at the outcomes you’re looking to achieve over time, and then begin identifying key themes or categories of activity that support your desired outcomes. For Sonen’s global sustainable real assets strategy, the impact themes include things like clean power, sustainable timber, and environmental infrastructure.

**2 Consider the flow.**

So much information can be overwhelming, but if you think of it as a cascade of information you can consider how each data point informs the next. Once you’ve identified your themes, you can begin to locate the real, specific data you can collect to serve as metrics. For Sonen’s sustainable real assets strategy, they track things like – how much energy has been produced, how much greenhouse gas emissions have been removed as a consequence, how many people have access to energy, etc.

**3 Keep it simple.**

Particularly when starting out, stick to a few key indicators to demonstrate impact. “Don’t go for 22 indicators,” Will advised. “Go for a few that are understandable, simple, and digestible for all your audiences.” You may start with hundreds of data points, but it makes a difference when you can boil it down to a handful of proof points that answer investor and stakeholder questions.

#### 4 Take heart.

Even the trailblazers like Sonen are still learning and figuring things out when it comes to optimizing impact investment data and reporting. Getting to the elegant, easily understood reporting points almost always requires a lot of complex and thoughtful work in the background, but it is certainly achievable. As Will says, “It’s never as simple as it seems.”

#### 5 Prepare for the future.

If investors have anything to say about it, there's a potential future where all investment managers will need to prove their impact. It's worth investing in the infrastructure to collect, analyze and report on impact – because investors will inevitably ask for the proof. As Will says, “Before long, we’ll think of all investing as impact investing. Firms will need a way to integrate and visualize the way a portfolio is performing and not just in terms of financial returns.”

**Interested to learn how UpMetrics can empower next-level  
impact reporting for your organization?**

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