



Financial Returns from Restoration

HOW INVESTMENTS GENERATE RETURNS

Investments deliver financial returns in two main ways: **income** and **capital gains**.

INCOME

a recurring payment to the owners of the asset



CAPITAL GAINS

profits from the increased value of the investment, realized at the time of sale



INVESTMENTS PROVIDE RETURNS ALONG A SPECTRUM OF INCOME TO CAPITAL GAINS



RESTORATION AS AN INVESTMENT

Restoration includes planting or nurturing trees on degraded or deforested land, stabilizing the soil and the ecosystem.

This improves the value of natural capital, a term used to describe **air, soil, plants** and **water**, for example. Restoration delivers **financial returns** in the same way as **traditional investments**.

INCOME

restored land delivers cash flow by providing a steady flow of goods and services



CAPITAL GAINS

restored land delivers capital gains by improving the stock of natural capital, increasing its value



As a financial investment, restoration should be evaluated based on the potential for both **income** and **capital gains**. This helps to fully realize the value of natural capital.