

SocialAlpha Update

Investment Updates

Pipeline development efforts in 2020H2 will come to fruition in 2021H1 with 4 new companies likely being added to the portfolio, the 1st added in March 2021.

In Latin America, the Fund committed USD 1M and invested a 1st tranche into a Fintech company in Mexico and committed an additional USD 200K to another successful Fintech in Ecuador.

In Africa, the Fund increased its exposure to an ag-tech company based in Kenya by USD 750K. The Fund also shifted its USD 1M exposure to a solar irrigation company to a new funding facility, partially de-risked by a COVID-loss guarantee from the AlphaMundi Foundation.

Investment Highlights

In Latin America, our Ecuadorian MFI, Fundación Espoir, was recognized by the national government's Human Rights Secretariat with the [Violet Award for Good Business Practices to Support Women's Employment](#). They credited AlphaMundi's GenderSmart technical assistance as helping them win this prestigious award.

In Africa, our solar irrigation company raised a USD 11M debt facility to expand solar irrigation in Africa.

Impact Highlights

In 2021Q1, SocialAlpha portfolio companies served approximately 290,401 direct clients, including 45% women and 65% living in rural areas. They employed 4,000 full time staff, 30% of whom are women.



41,734 smallholder farmer suppliers



81,396 MFI clients served



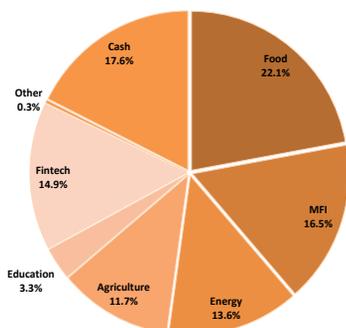
24,520 new renewable energy systems installed



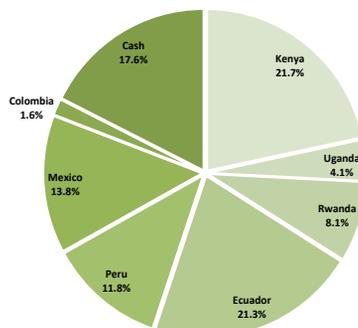
4,226 small businesses served with loans

SocialAlpha Diversification

SECTOR ALLOCATION



COUNTRY ALLOCATION



AlphaMundi portfolio company and grant beneficiary in Nairobi, Kenya. With participation from AMG, the company raised a USD 11M debt facility.

AlphaMundi Update

Team

In January, we welcomed [Cecilia Serin](#) in a Public Relations role as a Fellow with the Geneva office. She headed membership relations for the Financial Centers for Sustainability, a Geneva-based association. [Nora von Wintersdorff](#) also started her Fellowship with the Geneva office, having recently graduated from Copenhagen Business School. [Miriam Atuya](#) joined our Nairobi office as a new Investment Associate, having previously worked at Open Capital Advisors as a Senior Analyst. The AlphaMundi Foundation welcomed [Jessica Espinoza](#) to its Board of Directors. She brings 10+ years of global development finance and currently manages investments and heads gender lens practices at the German development agency.

Events

In February, AlphaMundi sponsored and participated in the [GenderSmart Summit](#), and attended Swiss Sustainable Finance's first convening of Swiss academic researchers for impact investing. In March, AlphaMundi spoke at the Blended finance Knowledge Hub Convening Concept and at the events "[Gender-lens investing with the Operating Principles for Impact Management](#)" and "[The Future of Finance: Gender Lens Investing](#)". AlphaMundi and GenderSmart helped the Sustainable Finance Geneva association launch the [Gender Lens Initiative for Switzerland \(GLIS\)](#), with the aim to enhance Switzerland's contribution to SDG5. The [1st GLIS webinar](#) was held on 21 April.

In Q2, AMG will facilitate GLIS webinars, participate in ColCapital and the GSG's annual events, contribute to a 2X funding facility Design Sprint, and launch with Phenix Capital the [Invest2030 webinar series](#) to showcase SDG investment solutions for institutional investors.

Industry Updates

Impact Investing

- In February, the CDC launched [Impact Gamechangers '21](#), a campaign showcasing the difference their investments in the private sector in Africa and South Asia are making. CDC Gamechangers range from new technologies and products to businesses and projects removing barriers to create new markets. The examples highlighted demonstrate their impact on a large scale with the possibility to be replicated.
- Impact Assets shared "[Understanding Impact: The Current and Future State of Impact Investing Research](#)". The brief offers an assessment of the current state of research on impact investing and proposes a future agenda for research in both academic and professional practices. Furthermore, it looks at how research plays a critical role in both the adoption and structuring of impact investments and how research must be balanced with actionable information for practitioners.

Energy & Environment

In February 2021, the Alliance for Financial Inclusion (AFI) released the report "[Disaster Resilience through Financial Inclusion: The Role of Financial Regulators in Disaster Risk Reduction](#)", examining how climate change and social economic conditions have exacerbated disasters and climate-related events that leave low-income communities increasingly vulnerable to financial shocks and economic distress. The report emphasizes that financial regulation is critical to post-disaster economic recovery and can help the private sector "build back better."

Gender Inclusion

AlphaMundi's Lisa Willems and Value for Women's Rebecca Fries were interviewed by NextBillion on their joint efforts to embed gender equity into the DNA of social enterprises. [The article](#) discussed their approach to GenderSmart Technical Assistance as well as the ongoing research project, G-SEARCH, that is aggregating data from AlphaMundi and 5 other like-minded investors to build an evidence base for investing in small and medium sized enterprises (SMEs) with a gender lens.

Financial Inclusion

FinDev [interviewed](#) Maxime Borgogno from Grameen Crédit Agricole Foundation, on surveys they conducted with 175 MFIs in partnership with ADA and Inpulse. Results are available on the [Covid-19 Observatory](#), a space created by the Grameen Crédit Agricole Foundation at the beginning of the pandemic. The latest data shows that nearly 75% of MFIs are facing a higher risk portfolio than before the crisis; MFIs have innovated and strengthened their services to protect their clients; and lenders and other stakeholders have coordinated to adopt suitable measures to support them.

Agriculture

ISF Advisors released "[Agriculture Platforms in a Digital Era: Defining the landscape](#)", a report looking at the use of digital platforms in agriculture. The report looks at 75 agriculture-specific product and service marketplaces that span 8 distinct models which facilitate direct interactions between multiple users. As the demand for digital services grows in the wake of COVID-19, these Platforms have the potential to transform smallholder agriculture into a more inclusive, sustainable, and commercially viable endeavor.

Spotlight: Villa Andina



Founded in 2007, **Villa Andina** is a Peruvian agro-industrial company dedicated to the production, export, and commercialization of healthy, high quality, organic food products.

Villa Andina implements sustainable techniques and purchases raw materials directly from smallholder farmers, supports them with free technical assistance programs to increase their productivity, and helps them obtain organic production certifications, integrating them into international markets.

The smallholder farmers working with Villa Andina benefit not only from a guaranteed sale of their produce at fair market prices, but also from logistical support handling, collection of raw materials, and transportation services.

Gabriela Ramirez (pictured above) has been a client of Villa Andina since 2013. Before she started with the company, Gabriela cultivated crops including corn, bananas, and cacao. Since working with Villa Andina, Gabriela has been able to focus her crop production on mangos, with the company's support and programs helping her to better control her mango plants and in turn, improve their production quality. Furthermore, Gabriela has been able to improve her overall economic situation through the competitive market prices she receives for her mangos.

AlphaMundi Foundation Update

Key results to date by the Foundation include USD 17.37M of investment catalyzed; USD 883K leveraged; 37 projects launched or completed; 27 SMEs participating in 12 countries. The Foundation secured approval for the final cohort of technical assistance projects through the Powering Agriculture Investment Alliance and kicked off the following projects in the first quarter:

Spotlight on 2 Recent Technical Assistance Projects



SunCulture designs and sells solar irrigation systems that help smallholder African farmers to improve crop yields and quality. SunCulture had received both a previous grant and support for their work with a blended financing facility from the Foundation. This 3rd engagement with the company will provide SunCulture funding for the creation and institutionalization of a learning and development (L&D) framework. This framework will support the professional growth of the company's middle management by overcoming skills gaps and developing new competencies to attend future business needs. This project will ensure that existing key talent, specifically women middle managers, are equipped to grow as professionals and become senior or strategic leaders.



Apollo Agriculture is an agricultural technology company founded to provide smallholder farmers access to the tools and support that they need to increase yields and move out of poverty. By increasing productivity and incomes, smoothing cash flows, and improving food security, Apollo aims to enable their customers to invest in increasingly productive on-farm investments and move from subsistence to more commercial forms of agriculture. With support from the AlphaMundi Foundation, Apollo will further build their agronomy team's capacity to design, implement, and scale non-input finance products, starting with a solar pump project. Apollo will hire an external consultant to provide technical assistance to their agronomy team after the product launch, with the goal of deepening their understanding and potential plans for scaling.

For more information on our projects to date please see: <https://www.alphamundifoundation.org/powering-ag>

Scaling our Gender Efforts



The Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH) comprises a group of 6 like-minded impact investors committed to investing with a gender lens. Consortium members include Acumen, AlphaMundi, SEAF, Root Capital, AHL Venture Partners and the Shell Foundation.



Consortium members are supporting their respective portfolio companies and priority pipeline companies with grant capital to integrate gender considerations across their business models. G-SEARCH, with support from Canada's International Development Research Coalition (IDRC) and USAID's Powering Agriculture Investment Alliance, is partnering with the William Davidson Institute (WDI) to build the evidence base and business case for this approach.



G-SEARCH released its [first learning product](#) in February 2021, a helpful 'how to' guide for impact investors that want to move from the 'why' to the 'how' on gender-smart investing. This investor approach brief captures the approaches and tools used by the consortium's 6 investors to design and implement gender-smart technical assistance activities with their portfolio companies.



More information on this program is available here: <https://www.alphamundifoundation.org/g-search>

SocialAlpha Investment Fund (SAIF)

	European Investors	US Investors
Fund Name	SocialAlpha Investment Fund (SAIF)	SocialAlpha Investment Fund US - LP
Fund domicile and type	Luxembourg, SICAV – SIF, AIF	Delaware Limited Partnership
Fund Custodian	Société Générale	Banked by Tristate Capital Bank
Fund Administrator	Société Générale	Essential Fund Services International
Auditors	Price Waterhouse Cooper	Berkower LLC
Legal Counsel	Arendt & Medernach SA	Nelson Mullins
Fund Currency	USD	USD
Target net return	2%-4%	2%-4%
Management Fee / Performance Fee / Hurdle	2% / 20% / 3%	2% / 20% / 3%
NAV Calculation	Quarterly	Quarterly
Subscription of units	Quarterly	Quarterly
Redemption of units	Quarterly	Quarterly
Minimum initial subscription	USD equivalent to EUR 125,000	USD 150,000

Our investment strategy focuses on Latin America and East Africa. We identify emerging and established market leaders with annual sales of USD 1M to USD 30M, and build up fund exposure progressively as they achieve financial and impact milestones, with investments ranging from USD 200K to USD 2M per company. Portfolio companies are typically at an inflection point where AlphaMundi's support on governance and incentives alignment, operational and financial risk management, impact measurement and value chain consistency can deliver substantial added value to them and the fund.

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