

SocialAlpha Update

Investment Updates

2 companies have been added to the portfolio in May. More pipeline efforts are on the way. 3 restructurings are still ongoing.

In Latin America, the team issued a new loan of USD 300K to a FinTech company in Mexico. We issued an additional USD 500K senior loan to our Ecuadorian FinTech company.

In Africa, the team disbursed a USD 1M loan to a recycling company producing furniture in Kenya.

Investment Highlights

In Africa, our Kenyan company SunCulture was recognized by the Morgan Stanley Institute for Sustainable Investing with the Sustainable Solutions Award and will participate in a collaborative to focus on systemic solutions to complex sustainability challenges.

In May, our portfolio company Twiga Foods announced the appointment of Yebeltal Getachew to the position of Chief Executive Officer.

Impact Highlights

In 2021Q2, SocialAlpha portfolio companies served approximately 273,000 direct clients, half of whom are women and 65% living in rural areas. They employed 3,879 full time staff, 45% of whom are women.



39,934 smallholder farmer suppliers



81,306 MFI clients served



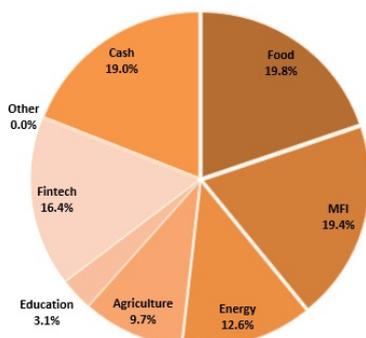
19,947 new renewable energy systems installed



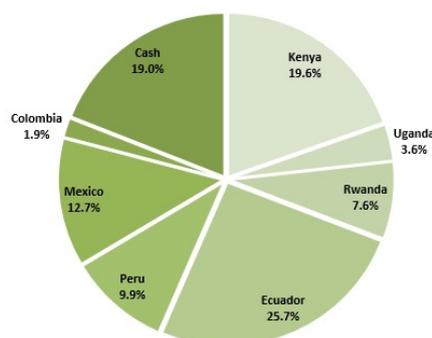
1,745 women received full time employment

SocialAlpha Diversification

SECTOR ALLOCATION



COUNTRY ALLOCATION



CAPEM has financed and advised QVIC, a company that imports and commercializes indoor and outdoor children's playgrounds, recreational equipment, and street furniture.

AlphaMundi Update

Team

In Q2, The AlphaMundi Foundation welcomed [Sarah Schwimmer](#) to its Board of Directors, bringing over a decade of fundraising and partnership development experience. We also welcomed [Ann Johnson](#) in her role as Executive Assistant to the AlphaMundi Foundation. She brings more than a decade of experience in administrative assistance, operations support, project management, and business analysis for technology deployments.

[Valeria Medinaceli Molina](#) from Bolivia and [Angelica Giraldo](#) from Colombia started their Fellowships with AMG. We said farewell to our Bogota staff members Lina Moya and Jimena Quiroz, and to our Fellows Loic Voisot and Alexis Piérard, with best wishes.

Events

In April and May, AlphaMundi in collaboration with Sustainable Finance Geneva hosted the first 2 Gender Lens Initiative (GLIS) webinars.

AMG launched with Phenix Capital the [Invest2030 webinar series](#) to showcase SDG investment solutions for institutional investors.

AMG participated in the ColCapital annual conference, the GSG Leadership Meeting, and contributed to a 2X funding facility Design Sprint.

In June, Lisa Willems of the AlphaMundi Foundation spoke on a panel on [Gender-Smart Technical Assistance](#) with Value for Women's Rebecca Fries and Virginia Schippers from CARE. She was also a keynote speaker on the [Kayapo Sprint](#) on blended finance.

Industry Updates

Impact Investing

- The German government is planning to introduce a new [Sustainable Finance Strategy](#) plan to help steer capital towards environmental projects and transform Germany into a leading hub for sustainable finance. A 30-year green bond is planned for May 2021, with a 10-year issue to follow later during the year.
- 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 May 2021, the International Energy Agency released the report [Net Zero by 2050 A Roadmap for the Global Energy](#), setting out a cost-effective and economically productive pathway, resulting in a clean, dynamic and resilient energy economy dominated by renewables like solar and wind instead of fossil fuels. The report also examines key uncertainties, such as the roles of bioenergy, carbon capture and behavioural changes in reaching net zero.

Gender Inclusion

The German Parliament backs [legislation](#) requiring public companies with 4 or more board members in Germany to have at least 1 woman on the supervisory board. Companies will face financial penalties for failing to meet the new law.

Shortlist recently released [a report](#) examining gender representation in the East African energy sector and uncovering how SMEs can attract, retain and advance female talent in digital roles.

France [unanimously voted for gender quotas](#) for executive leadership.

Financial Inclusion

Disrupt Africa has released the [Finnovating for Africa](#), tracking the extraordinary development of the fintech ecosystem across Africa over the last few years.

The European Microfinance Network published a [Policy Note](#), arguing that microfinance institutions are in a key position to help mitigate the effects of human capital flight that manifests between East and West Europe and propose public-private partnerships to combine the social mission of microfinance with the solidarity mechanisms within Europe.

Agriculture

AfricArena has released [a new report](#) forecasting that capital funding for African startups will amount to between USD 2.25B and USD 2.8B this year, a record high for the continent. Currently, Nigeria and Kenya are the hotspots for African VC investments with USD 307M and USD 305M raised in 2020, respectively, whereas Rwanda attracted USD 126M in 2019.

EMIS Insights' [Latin America Agriculture Report 2021/2022](#) provides a comprehensive sector overview.

Spotlight: CAPEM



Founded in 2014, Grupo Capital Empresarial (CAPEM) is a financial non-bank lender (SOFOM) that provides online financial products to small and medium businesses (SMEs) that lack access to formal and/or affordable financing in Mexico. One of CAPEM's competitive advantages is that it provides advisory in a wide variety of business areas (legal, human resources, financial intelligence, among others) through a proprietary program called Smart Money. The company has over 50 employees and has presence in 14 states in Mexico.

With the help of the Smart Money area, CAPEM has financed and advised QVIC Corporation (picture above), a company that imports and commercializes indoor and outdoor children's playgrounds, recreational equipment, street furniture and professional gym equipment. Since working with CAPEM, QVIC has been able to structure 9 area managers and has improved its corporate governance with the creation of administrative and financial committees. Furthermore, QVIC has been able to overcome the COVID-19 contingency, through the help of the Smart Money program, with CAPEM helping the company forecast its cash flows and advised on how to manage its accounts receivable.

AlphaJiri Update



AlphaJiri Investment Fund LP (Mauritius) provides debt, mezzanine and equity finance to fuel the resilience and growth of impact ventures in the Sustainable Food and Renewable Energy sectors, using a value chain approach, with a climate-smart and gender-lens orientation. The fund harbors a pan-African ambition with an initial emphasis on East Africa.

- Since its launch in 2020Q1, the fund has completed 8 transactions.
- The fund allocated USD 5.5M to 4 SMEs by 30jun2021.
- Co-investments by fund investors amounted to an additional USD 3.8M to 3 companies.



**85,241 clients served and
289,517 beneficiaries**



**46% of direct clients were female
36% of employees were female**



**2,350,936 kWh of renewable energy
produced for use
9,148 metric tons of CO2 reduced
due to Products Sold**



1,092 permanent employees

NB: Impact Data for 2021Q1

AlphaMundi Foundation Update



Lisa Willems, Managing Director of the Foundation, was spotlighted on the [Line of Sight podcast](#) to discuss gender lens investing. Topics covered were the ethicality and profitability of gender lens investing (GLI), AlphaMundi's mission to address the need for female founders and comparable funding for their ventures, business first gender-smart interventions, the biggest challenges of GLI, key success factors, identifying the signs of growth in companies for investments, Silicon Valley's influence on international venture capital markets, and advice for other investors who are looking to get started with GLI.

The Foundation's support to Sistema.bio was highlighted in a [recent Convergence case study](#). Founded in 2010, the company is a social enterprise that sells small-scale biogas digesters and appliances. Over its 10-year history, the company has grown from a small, regional enterprise to a global company with subsidiaries in Latin America, East Africa and India. The company has used various types of blended capital, including grants, concessional financing, and commercial debt and equity to support its expansion, including technical assistance and USD 500,000 in working capital by AlphaMundi. Funding was used to assess the company's sales and loan collection / repayment processes in Kenya. Findings from the report have contributed to the company doubling the number of women on its sales team and improving its collection of gender-disaggregated data.



More information on the case study is available here:

<https://www.convergence.finance/resource/0abd8a0f-0ead-408d-8521-b33f300d078a/view>



The Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH) was featured in an [article](#) by the International Institute for Sustainable Development (IISD). G-SEARCH comprises a group of 6 like-minded impact investors committed to investing with a gender lens and supporting their respective portfolio companies and priority pipeline companies with grant capital to integrate gender considerations across their business models.

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 Sub-Saharan Africa. We identify emerging and established market leaders with annual sales ranging from 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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