

SocialAlpha Update

Investment Updates

In Latin America, SAIF-Bastion disbursed USD 750K to Avanza Sólido, a Mexican MFI that provides microcredits to the urban and rural sectors, with a gender focus. Its social mission is to strengthen the economic independence of women and their families through financial services and products that provide well-being for the community.

Investment Highlights

In Latin America,

Our portfolio company, BWISE is one of 20 companies worldwide to receive the Contactless Payments (CpoC) on Commercial Off-The-Shelf (COTS) certification, granted by the Payment Card Industry (PCI).

In Africa,

Our portfolio company Mr. Green announced a partnership with Dow Chemicals to recycle 30,000 tons of plastic waste in Nairobi.

Impact Highlights

	<p>566,000 individuals (39% rural) in emerging economies benefitting from portfolio companies' products and services.</p>
	<p>84,000 smallholder farmers benefitting from portfolio companies' products and services to improve their livelihoods.</p>
	<p>Women represent 47% of the portfolio companies' client base, and 71% of portfolio companies fulfil the 2X Challenge criteria.</p>

AlphaMundi Update

Team

The AlphaMundi Foundation ("AMF") welcomed Linda Lubanga as Program Manager and Leah Ng'ang'a as Finance and Operations Manager to support AMF's growth and expansion. In Geneva, we welcomed Fellow Cristian Arcidiacono to support AMG's impact measurement and management.

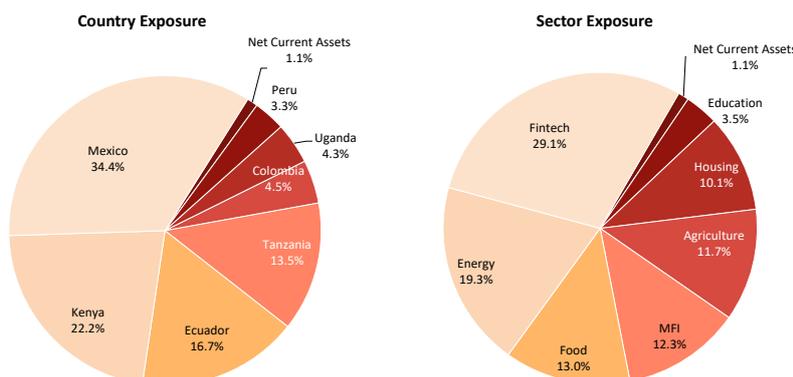
Events

Part of the team gathered in Geneva to plan the implementation of the Lisbon offsite decisions. In Latin America, the team attended CLIIC in Ecuador and the II Impact Investment Summit - Real Impact MX in México. José Lozano, Director for AMLA, spoke at the 12th Business Call to Action Annual Forum on Innovative Public-Private Collaborations for Sustainable Development. Ladé Araba, the Executive Director of AMF, spoke at the Future of Impact Summit on the power of blended finance.

	<p>10,000 renewable energy products sold by portfolio companies, helping to avoid 11,000 tons of CO2 emissions</p>
	<p>Over 3,000 staff employed by portfolio companies, including on average 42% women. 87,000 individuals and 500 SMEs received income-enhancing loans from portfolio companies.</p>
	<p>USD 20M of outstanding investments supporting the growth of impact ventures in emerging economies.</p>

The impact numbers given on this slide reflect data from 30 June 2022. AlphaMundi Group Ltd is a First Adopter of the Operating Principles for Impact Management. AMG discloses annually its impact measurement methods in its Framework for Impact Measurement and Management report. AMG publishes an annual report assessing the impact achieved by SAIF during the fund's fiscal year ending on 30 June. Quarterly impact insights are also shared by AMG in its AlphaNews publication.

SocialAlpha Diversification



AMF, as part of The Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH) has released the findings and insights of two years of research conducted by G-SEARCH exploring the positive business and social outcomes of gender-smart technical assistance across business operations.

Industry Updates

Spotlight: Avanza Sólido

Impact Investing

- The International Finance Corporation released its [Global SME Finance Facility Progress Report](#) in September. The publication found that blended finance played a key role in incentivizing financial intermediaries to increase their lending to SMEs.
- The [Global Impact Investing Network \(GIIN\)](#) launched its [Corporate Impact Investing Initiative](#) in September 2022 in collaboration with PayPal, Tellus Pollinator Fund and the Visa Foundation. The initiative is a multi-year effort of collaborative research and capacity building that engages interested companies and executive leaders. It aims to help corporations adopt impact investing practices to meet environmental and social needs and support the UN Sustainable Development Goals.
- The [African Development Bank introduced toolkits](#) to aid small and medium enterprises in accessing green investments.
- Analysis from [Broadridge data](#) shows that many European thematic funds struggle to attract funding, with only 25% passing EUR 300M Broadridge’s benchmark for a commercially successful launch.

Energy & Environment

In a watershed resolution, the United Nations General Assembly recognized that [a clean and sustainable environment is a universal human right](#).

British International Investment and FMO [committed USD 116M to African Infrastructure Investment Fund 4](#) to advance renewable energy and climate finance.

[Yvon Chouinard, founder of Patagonia, forfeited his company ownership and billionaire status](#), transferring the assets to an environmental NGO.

Gender Inclusion

Backed by a USD 60M commitment, the [African Women Impact Fund was launched](#) with the goal of shaping a more inclusive investment environment by supporting and facilitating women-owned and women-led funds.

The World Economic Forum published the [Global Gender Gap Report 2022](#) stating that it will take 132 years to close the global gender gap.

Financial Inclusion

Banco Santander was lauded as the [world’s best bank for financial inclusion](#) by EuroMoney. A decree in Colombia [allows open banking](#), promoting access to consumer data.

Agriculture and Food Security

The joint [OECD-FAO Agricultural Outlook 2022-2031](#) was published, providing market projections for major agricultural commodities, biofuels and fish. The report finds that meeting SDG 2 (Zero Hunger) would require a 28% increase in ag productivity over the next decade.

Economy

The International Monetary Fund’s [World Economic Outlook](#) flags the risk of rampant inflation, debt distress in developing economies, and trade fragmentation. The risks arise from the consequences of the war in Ukraine, geopolitical tensions and the possible resurgence of COVID-19 outbreaks and lockdowns. [Columbia’s new government proposes to tax](#) commodities exports and a tax increase for the wealthy to fund social policies.



Founded in 2011 by former Mexican commercial bank executives, Avanza Sólido is a Mexican microfinance institution specialized in microcredits for both urban and rural sectors, with a gender focus. Their social mission is to strengthen the economic independence of women and their families, through financial services and products that provide well-being for the community. The company has operations in southern Mexico, with 16 offices in the states of Chiapas, Hidalgo, Queretaro, Veracruz, Yucatan and Tabasco.

Avanza Sólido promotes responsible and inclusive finance within its teams and clients, earning the first place in the 2020 ranking as the best SOFOM1 nationwide. In April 2021, the firm also received the Client Protection Certificate by the Smart Campaign2, which advocates safe financial services for low-income clients.

Avanza Sólido has disbursed more than 34,200 loans. Among the total clients, 99% live in areas with a higher poverty index than the national average, 88% live in rural areas and 62% are female microentrepreneurs.

Avanza Sólido has been part of AlphaMundi’s SAIF-Bastion Fund portfolio since 2022.

AlphaJiri Update



The 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 in Sub-Saharan Africa, using a value chain approach, with a climate-smart and gender-lens orientation.

AJIF's 3-year seed investment phase will end on 3 December 2022, followed by a 5-year divestment period.

- Since its launch in January 2020, AJIF has completed 12 transactions across 7 portfolio companies, with nearly half its seed capital invested.
- The fund provided a USD 160K loan to an agriculture service firm in 2022Q3.

<p>1 NO POVERTY</p>	<p>152,000 individuals (72% rural) in emerging economies benefitting from portfolio companies' products and services.</p>
<p>2 ZERO HUNGER</p>	<p>84,000 smallholder farmers benefitting from portfolio companies' products and services to improve their livelihoods.</p>
<p>5 GENDER EQUALITY</p>	<p>Women represent 51% of the portfolio companies' client base, and 71% of portfolio companies fulfil the 2X Challenge criteria.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>27,000 renewable energy products sold by portfolio companies, helping to avoid 35,000 tons of CO2 emissions.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Over 1,700 staff employed by portfolio companies, including on average 33% women. A further 700 circular economy jobs supported..</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>USD 10 M of outstanding investments supporting the growth of impact ventures in emerging economies.</p>

The impact numbers given on this slide reflect data from H1/2022.

AlphaMundi Foundation 2.0

Under new leadership since 2022Q1, The AlphaMundi Foundation (AMF) is undergoing a directional shift in mission from incremental poverty reduction to transformational prosperity creation.

AMF's founding mission was to catalyze and scale investment in SMEs that seek to improve the lives of the poor.

Key Activities:

- Pre and post investment technical assistance
- Impact measurement & monitoring
- Gender smart support to SMEs
- Field building

AMF 2.0's mission is to strengthen the long-term commercial viability of SMEs

in Africa and Latin America to drive economic transformation:

inclusive economic growth that creates prosperity for all through job creation, income generation, stimulating grassroots level economic activity.

Key activities:

- Structured Blended Finance* Products
- Gender-Lens Investing for Climate (GLIC) Field Building



*Blended finance is the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development

SocialAlpha Investment Terms

	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	Ernst & Young	Berkower LLC
Legal Counsel	Arendt & Medernach SA	Nelson Mullins
Fund Currency	USD	USD
Target net return	2%-4%	2%-4%
Management Fee / Carry / Hurdle / High Water Mark	2% / 20% / 3% / 3 years	2% / 20% / 3% / 3 years
NAV Calculation	Quarterly	Quarterly
Subscription of units	Quarterly	Quarterly
Redemption of units	Quarterly	Quarterly
Minimum initial subscription	USD 150,000 (Target USD 1M)	USD 150,000 (Target USD 1M)

Our investment strategy focuses on Latin America and Sub-Saharan 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.

Our impact strategy is framed by the Sustainable Development Goals and the 2030 agenda, measured along IRIS+ indicators and 2X criteria, verified by a third party according to the Operating Principles for Impact Management, and subject to Article 9 of the European Sustainable Finance Disclosure Regulations (SFDR) and the European Taxonomy.

SocialAlpha Fund Impact Solutions For Emerging Markets



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