alphamundi

Quarterly Activity Report

AlphaNews

30 June 2023

SocialAlpha Update

Investment Updates

In Latin America, SAIF disbursed three loans:

A USD 750K loan was disbursed to Grupo R5, an online insurance retailer in Colombia. This transaction represents the third deal we successfully structured for this company.

A USD 750K loan was disbursed to Avanza Solido, a Mexican microfinance institution that specializes in microcredits for the urban and rural sectors, with a gender focus. This transaction represents the second deal we successfully structured for this company.

A USD 300K loan was disbursed to Bankamoda, a niche fintech in Colombia that provides digital credit lines and offers a portfolio of financial products to MSMEs in the fashion industry. This transaction represents the first deal we successfully structured for this company.

New loans are all structured since 2022 with frequent monthly or quarterly amortizations and significant collateral. However various restructurings in Q2 including African solar company Zola or default proceedings including Ecuadorian fintech company Bwise resulted in a negative quarterly and annual performance of the fund by 30 June.

AlphaMundi Update

Team

AMG recently bid farewell to two of its colleagues, Daniel Silva and Eliana Summer-Galai. Daniel relocated with his wife to Costa Rica and embarked on a mainstream asset management role, while Eliana will continue her professional journey in Israel, providing occasional advisory support to AMG. AMG also added an independent director to its board, Anne-Cathrine Frogg.

Events

The AMG team hosted and participated in a number of leading events and conferences around the globe, including:

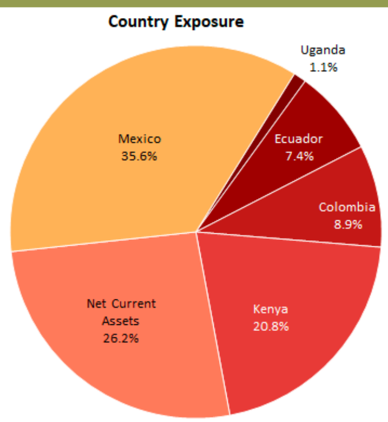
- Latimpacto Learning Journey 2023 in Geneva and Zurich
- 19th Annual AVCA Conference in Cairo
- Fi Gathering in Madrid
- B for Good Leaders Summit in Amsterdam
- Hosted the *Financiando la equidad de género* event in Bogotá
- IMD Executive MBA 1st Discovery Trip in Bogotá

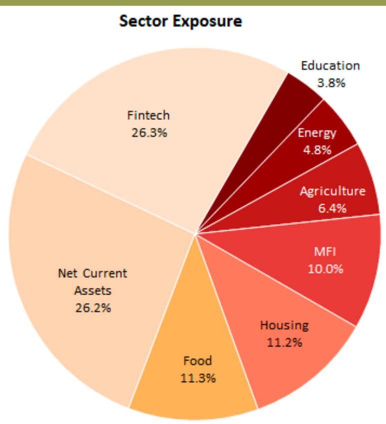
Impact Highlights

Bankamoda joined the SAIF portfolio as **the first woman-led and woman-founded business in the LATAM portfolio.** Bankamoda is the only Fintech in Colombia supporting MSMEs in the fashion industry, a sector where 90% of companies are unbanked and 82% of employees are women head of household.

Bankamoda has more than 1,600 clients (66% of which are female) and a portfolio of more than $12 billion COP, and has supported the creation of 32,700 formal jobs created by Bankamoda clients

SocialAlpha Diversification





AlphaMundi Group (AMG) was proud to be a lead sponsor of the Fi Forum convened by the Social Nest Foundation in Madrid on 10 May 2023. The conference was dedicated to impact investing and gathered more than 150 participants. 3 AMG portfolio companies – Comvive, Bankamoda and Zhana Solutions – also presented their business models at the Forum.

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Industry Updates

Impact Investing

- The GIIN published the 2023 GIINsight report. The report offers a comprehensive overview of the impact investing industry, with actionable insights on impact investing, and impact measurement and management.
- As VC funds and institutional investors limit investments due to the global economic downturn, Development finance institutions are now playing a more active and direct role in Africa's VC funding ecosystem.
- Boston Consulting Group published the Reimagining the Future of Finance Report on the global Fintech industry, which highlights eight key points of the industry.
- AVCA has published the 2023 Venture Capital in Africa Report.

Energy & Environment

Indonesia issued a first-of-its-kind Blue Bond in the Japanese debt capital market, together with UNDP, raising JPY 20.7 billion (USD 150 million). This issuance marks the world's first publicly offered sovereign Blue Bond aligned with International Capital Market Association (ICMA) principles.

Earth's health failing in seven out of eight key measures: The report by the Earth Commission group of scientists presents disturbing evidence that our planet faces a growing crisis of water availability, nutrient loading, ecosystem maintenance and aerosol pollution. These pose threats to the stability of life-support systems and worsen social equality.

Gender Inclusion

The predominance of men at the top of central banks and financial institutions is unlikely to change any time soon. OMFIF's 10th Gender Balance Index 2023 finds that, at the current rate of progress, it will take 140 years to achieve parity between men and women in leadership positions in the industry.

According to the new Social Norms Gender Index report published by UNDP, the world has made little progress in overcoming bias against women in the last decade.

Financial Inclusion

41 multinational companies on Monday publicly pledged to provide jobs, training and connections to work opportunities for more than 250,000 refugees in Europe. They include Accenture, Amazon, Cisco, Marriott International, Microsoft, Starbucks and The Body Shop.

Agriculture and Food Security

The U.S International Development Finance Corporation (DFC) has invested USD 25 million in a new fund by Pan-African venture capital firm Novastar Ventures. This is aimed at supporting startups building agriculture and climate solutions.

Economy

Emerging economies central banks pause interest rate hikes, while central banks in advanced economies continue.

Presidents from several African countries have criticized the dominance of the dollar on their economies and trade. African leaders aim to adopt new payment systems backed by pan African trade banks, the Africa Import Export Bank and the African Union.

2022 Impact Report

AMG 2022 Annual Impact Report

We are delighted to announce the release of the **AlphaMundi Group 2022 Impact Report**, which provides insights both into our direct operational impact as well as the impact generated by our investments. This is the first annual impact report to follow the new impact measurement framework that we introduced last year (Framework for Impact Measurement and Management).

We invite you to explore the report. We hope that in addition to communicating the results of our impact, the report can also provide some inspiration for the readers in their own pursuits.

AMG thanks all its investors, partners, and portfolio companies who make our work possible and who contribute to the lively and growing impact investing industry.

To further discuss the report's methodology or findings, please email geneva@alphamundi.ch

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AlphaJiri Update

AlphaJiri

The AlphaJiri Investment Fund LP (Mauritius) provided 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 in Sub-Saharan Africa.

The fund was complemented by technical assistance programs hosted by the AlphaMundi Foundation (AMF).

AJIF was registered in 2019Q4 with USD 21M in seed capital and a 3-year seed phase starting in January 2020.

- Since its launch, AJIF completed **21 transactions across 10 portfolio companies.**
- AlphaJiri's seed phase closed in December 2022 and the fund is now in its divestment phase.

Impact Highlights

Ilara Health brings accurate and affordable diagnostics to rural Africans through miniature, AI-powered diagnostic devices that are integrated via a proprietary technology platform and distributed directly to primary care doctors to improve the quality of medical care in Sub-Saharan Africa.

The company was shortlisted for the Social Entrepreneur of the Year Award in the Intellidex Africa Impact Investment Awards 2023.

Ilara Health was integrated in the AlphaJiri portfolio's satellite allocation in January 2022.

AlphaMundi Foundation Update

The Daraja Impact project was launched with funding from the Swiss Agency for Development and Cooperation (SDC). It is implemented by Small Enterprise Assistance Funds (SEAF), the Prime Contractor, in partnership with AMF, the Subcontractor. This 5-year project seeks to support enterprises in Tanzania through the provision of capital and technical assistance to advance economic inclusion and empowerment for women and youth.

AMF took part in several events to promote AMF's work with investors and funders, program implementers, and entrepreneurs across Africa and the globe, including; Skoll World Forum, Daraja launch event, Social Nest Foundation, Africa Comms Week, Super Return Emerging Markets.

The AMF team carried out field visits to GOT IT, SunCulture, Amped Innovations, and Asili Agriculture.

AMF was featured in the Deep Impact Investing podcast. Promoting AMF's work with impact investors, funders, entrepreneurs, and thought leaders.

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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	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 independently according to the IFC 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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