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Quarterly Activity Report

AlphaNews

31 December 2023

SocialAlpha Update

Investment Updates

A USD 250K loan was disbursed to Advance Your Pay, a Colombian fintech that provides monthly salary prepayments to employees that have a cash mismatch between their monthly expenses and their salary payment date, ensuring financial inclusion for low-income populations. This transaction represents the first deal we successfully structured for this company.

A USD 750K loan was disbursed to Zhana Solutions, a Columbian clean-tech company that offers grease waste management technology (G-trap) to remove fat from the water disposed of by restaurants, hotels, supermarkets and factories. The company has already saved +500M liters of water and recovered +50,000 liters of waste. This transaction represents the first deal we successfully structured for this company.

In Africa, portfolio company Twiga Foods completed an extensive restructuring and refinancing round with its existing financial stakeholders, enhancing its governance and leadership team for its 2024-2026 business plan.

AlphaMundi Update

Team

AMG welcomed Clare Sewell and Selipha Waigwa to its team in Kenya, and Jose Rosales in Colombia.

The team bid farewell to Brad Vanderford in Kenya, while in Geneva, fellow Trisha Mani completed her extended fellowship supporting Gender Lens and impact initiatives.

AMG also bid farewell to SAIF Investment Committee member Donald Peck after 13 years of outstanding collaboration and welcomed Gabriel Espana to the IC.

Events

The AMG team participated in several leading industry events around the globe:

- The GIIN Impact Forum, Copenhagen, Denmark
- Building Bridges, Geneva, Switzerland
- Africa Fintech Summit, Zambia
- Moral Money Summit , Johannesburg, South Africa
- GLI Forum, Medellin, Colombia
- SOCAP, San Francisco, USA
- Peru Venture Capital Conference, Lima, Peru

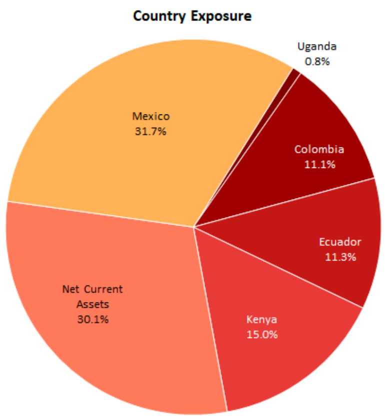
Impact Highlights

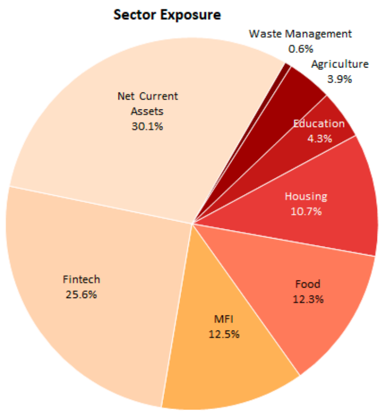
Certified B Corporation

AlphaMundi Group Ltd been certified as a B Corporation™, testifying to its commitment toward operating its business as a force for good.

B Corp Certification, overseen by the nonprofit organization B Lab, acknowledges businesses that meet exacting criteria in social and environmental responsibility, transparency, and accountability. The certification process involves a comprehensive assessment, evaluating aspects such as employee welfare, community impact, and ecological practices. Companies with B Corp Certification commit to a balanced approach, prioritizing positive contributions to both societal and environmental well-being alongside financial considerations.

SocialAlpha Diversification





AMPERSAND

Ampersand E-mobility was awarded the USA Secretary of State's Award for Corporate Excellence from Secretary Blinken at the State Department.

The award, for elevating global standards of business while tackling the world's greatest challenges, recognizes the hard work and ingenuity of a 300+ strong team over the years.

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Industry Updates

Impact Investing

- Fitch Ratings published the African Banks Outlook 2024 report. Operating conditions for African banks will be challenging during the year but most countries are showing a good degree of resilience.
- The LatAm Tech Report 2023 from Latitude was published. The 2023 report covers the general startup market in LatAm, and deep dives into seven segments including Fintech, E-commerce, Logistics, Edtech, and Healthtech.
- BCG's report Banks Can Deliver Both Social Impact and Profits. Here's How, features insights from the Social Impact in Financial Institutions Survey.
- Multilateral Development Banks confirm support for work of the ISSB global reporting standards as world leaders gather at COP28

Energy & Environment

World Resources Institute published the State of Climate Action 2023, providing the world's most comprehensive roadmap of how to close the gap in climate action across sectors to limit global warming to 1.5° C. The report finds that recent progress toward 1.5° C-aligned targets isn't happening at the pace and scale necessary and highlights where action must urgently accelerate this decade to reduce greenhouse gas emissions, scale up carbon removal and increase climate finance.

Gender Inclusion

Impact Investment Exchange (IIX) has successfully priced the Women's Livelihood Bond™ 6 (WLB6) at an unprecedented size for gender-based investment bonds of US$100 million, with a 7.25% coupon rate. This achievement is expected to uplift over 880,000 women and girls in the Global South, making it the largest issuance in the acclaimed WLB Series.

2X Global published two reports, Gender-smart climate finance: the policy angle, and Addressing gender-based violence and harassment (GBVH) at the intersection of climate and gender finance.

Financial Inclusion

The 2023 Microfinance Index Report from 60 Decibels, with inputs from over 50,000 MFI clients, and 141 service providers in 32 countries. The report highlights key insights: Long-term clients see deeper life improvements. Accessing additional FSP services boosts outcomes. Women benefit from enhanced confidence and decision-making. Group loans foster satisfaction and resilience.

Agriculture and Food Security

At COP28, The African Development Bank Group presented a USD 1 billion new insurance facility to provide insurance to more than 40 million farmers across the continent against severe impacts of climate change. Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) aims to mobilise $1 billion of concessionary financing, high-risk capital and grants to support the African insurance industry

GIINsight, report on Enhancing impact performance in agriculture through non-financial support and sustainable practices

Market Building Initiatives

In Switzerland, AMG collaborated with the industry association Swiss Sustainable Finance (SSF) at its first workshop on a National Advisory Board for Impact Investing in Switzerland (NABIIS) in Bern in November, to join the international NAB network coordinated by the Global Steering Group for Impact Investing (GSG) in 2025. AMG also collaborated with Impact for Breakfast and iGravity to continue its series of Mission Multiplier webinars showcasing foundation and NGO engagement models to leverage impact investing.

On Gender Lens, the leadership transfer for the Gender Lens Initiative for Switzerland (GLIS) from AMG to the Sustainable Finance Geneva (SFG) association was completed in spring. AMG organized a first Gender Lens Investing breakfast in Bogota in June with 20 institutions and facilitated sessions at the GLI Forum in Medellin in October, the most important GLI event in Latin America, organized by the nonprofit Pro Mujer.

AMG further advocated impact investing in Latin America by facilitating a discovery trip to Bogota for IMD e-MBA students in June and co-sponsoring the Fi Forum in Madrid in May and the Latimpacto conference in Rio in August, followed by a field trip to the Amazon to discover the region's bioeconomy.

In Africa, AMG attended the Africa Impact Summit in Cape Town in July and the FT Moral Money Summit in Johannesburg in November, followed by a field trip to Nairobi for a research group of IMD e-MBA students.

AlphaJiri Update

AlphaJiri

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, using a value chain approach, with a climate-smart and gender-lens orientation in Sub-Saharan Africa. AJIF was designed for and seeded by Triodos Investment Management.

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

- Since its launch in January 2020, AJIF completed **21 transactions across 10 portfolio companies.**
- The fund's seed phase ended in January 2023, with a divestment phase running until 2027.
- On an exceptional basis, AJIF participated in the Twiga Foods refinancing of 2023Q4.

AlphaMundi Foundation Update

alphamundi FOUNDATION

The Foundation successfully carried out field visits for its 8 portfolio companies under the Water and Energy for Food (WE4F) Organic Fertilizer project. The project seeks to support African SMEs to manufacture, use, and promote organic fertilizers and regenerative farming practices to benefit smallholder farmers while building smallholder farmer productivity, profitability, land fertility, and soil sustainability. AMF's James Karanja, Nora von Wintersdorff and Claire Njoki visited AgriCentric Ventures (Ghana), Agrisol Africa Limited (Uganda), BioProtect (Burkina Faso), Chanzi (Tanzania), InsectiPro (Kenya), LONO (Côte d'Ivoire), Sabon Sake (Ghana), and Safi Organics Limited (Kenya).

Pictured: AMF team with InsectiPro in Kenya

AMF showcased one of our portfolio company's remarkable journey on 2X Global, highlighting how with AMF's support under the DEG-funded DeveloPPP, they're helping women farmers access loans, and female employees to grow within the company Asili Agriculture: Building Resilience and Competitive Advantage in Agriculture Through an Inclusive Gender Approach. You can also read more about the impactful work with two other portfolio companies, Moko and Mr. Green Africa, on AlphaMundi Foundation's Medium profile. Follow us for more updates on the Foundation's work.

AMF will also be hosting a session at Sankalp: **Redefining Status Quo: Business-As-Usual with a Gender Lens** on 28 February 2024 at 11:30-13:00 EAT. We look forward to seeing you there.

The Foundation added a new board member, Carolina Suarez who is based in Bogota and leads the Latimpacto association, while successfully registering a local entity in Kenya, AMF-Africa, to host its local team.

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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 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. It is further enhanced for some of our portfolio companies by technical assistance from the AlphaMundi Foundation.

SocialAlpha Fund Impact Solutions For Emerging Markets

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