

Double Delta

Impact Investing



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Joost Bilkes

Private and Confidential



How many percent of the world's global assets are allocated to sustainable investments?

How about impact investments?

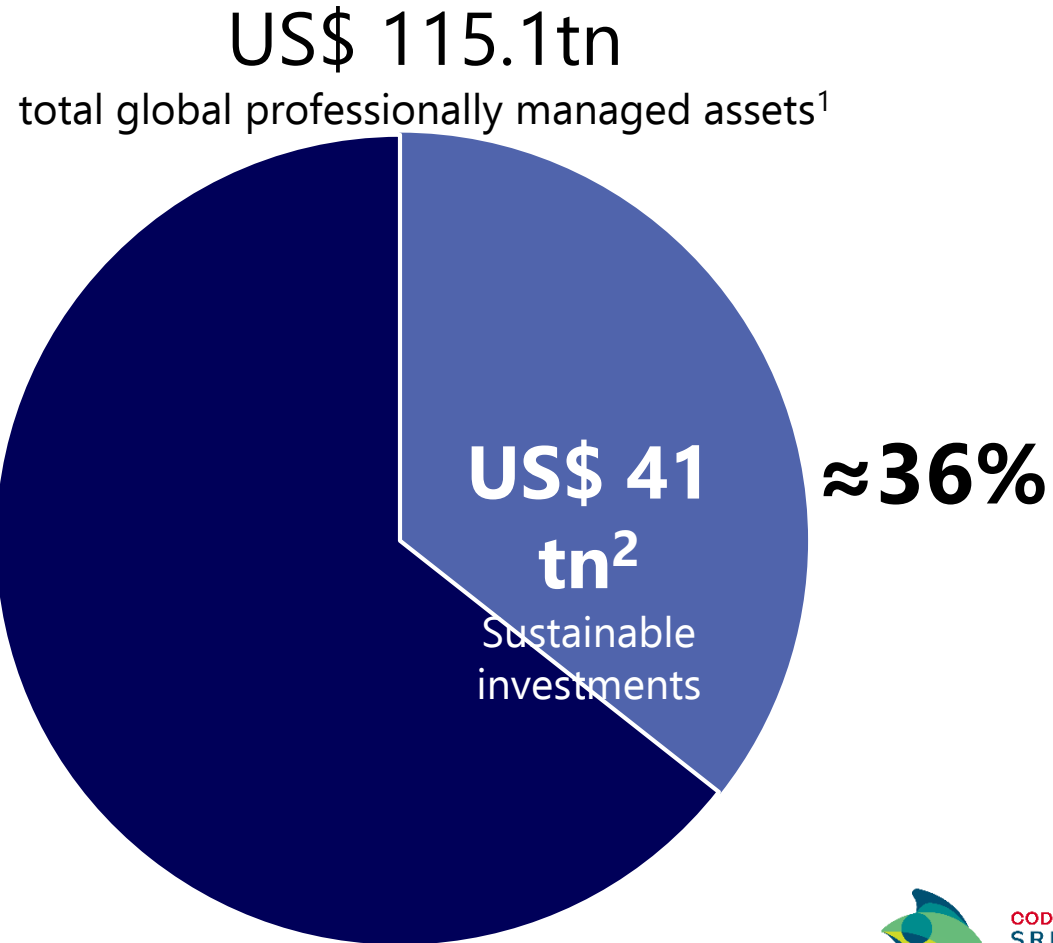


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36% of global assets allocated to sustainable investments...



¹ Data as of 2022 (PWC, 2023)

² 2022 Expected Sustainable Investment numbers are based on an expected estimate by Bloomberg



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... but only 1% went to impact investments.

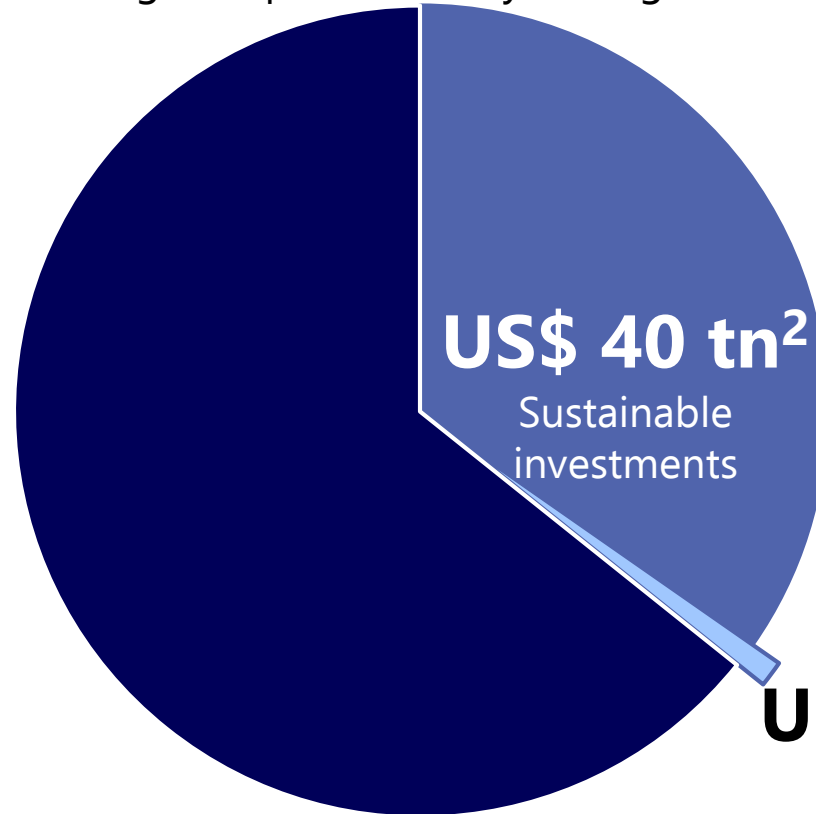


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US\$ 115.1tn
total global professionally managed assets¹



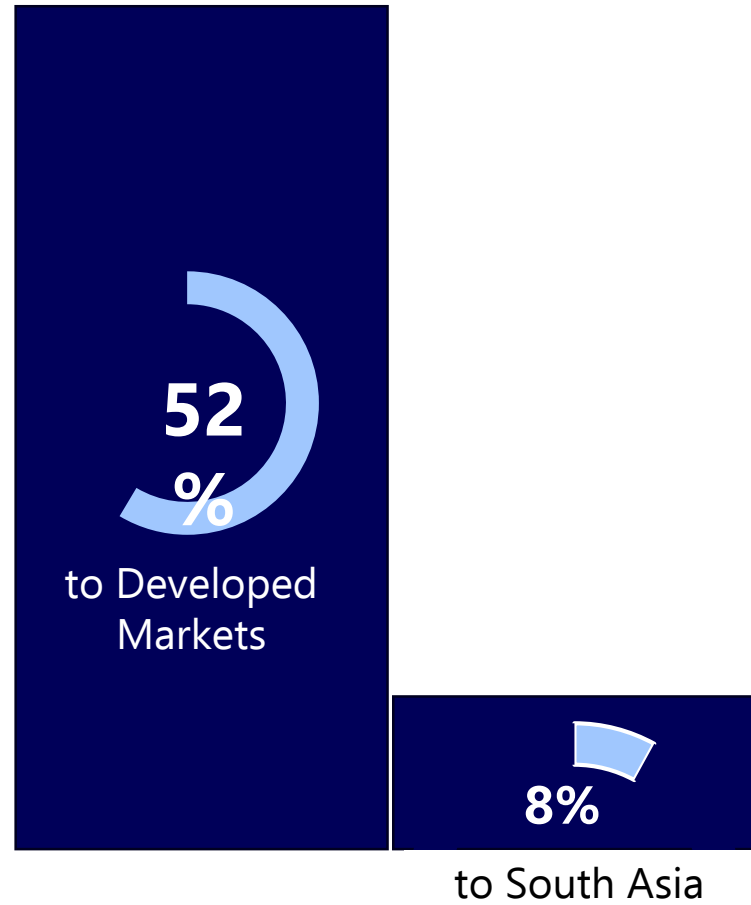
US\$ 1.2tn³ ≈ 1%
Impact investments

¹ Data as of 2022 (PWC, 2023)

² 2022 Expected Sustainable Investment numbers are based on an expected estimate by Bloomberg

³ Data as of 2022 (Global Impact Investing Network, 2023). Data is based on self-reported impact AuM figures from GIIN members

Out of that 1%, there's insignificant contribution to Asia...



Note: Developed markets refer to the sum of US, Canada, Western, Northern, Southern Europe % of AUM, Source: 2023 GIINSights
Based on impact investor survey, 303 respondents, USD 198b AUM

... where social and impact opportunities are abundant.



Over 50% of global manufacturing output comes from Asia¹



Half of the world's 600 million hungry people live in Asia²



4 out of 5 of the world's polluted most rivers are in Asia³



Only 3% of cities in Asia met the global air quality safety guidelines⁴

¹ Mckinsey, 2023

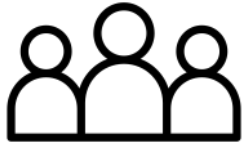
² ADB, 2022

³ Illuminem

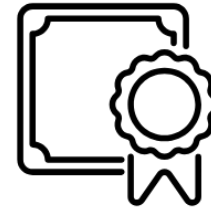
⁴ WHO PM2.5 guideline, Source: IQAir, 2022 World Air Quality Report

Double Delta

Pioneering impact investing in Asia since 2015



We **provide impact advice** and **invest in impactful companies** to enable capital to change the world for good via **Asia Impact Investment Fund**



Managed in accordance with the **Operating Principles of Impact Management (OPIM)** and has attracted investors such as the **International Finance Corporation (IFC)** and other prominent entities



Double Delta was established as a successful **spin-off from Credit Suisse** in February 2023



Asia Impact Investment Fund has also earned a place on the shortlist for the esteemed **Financial Times/IFC Transformational Business 2021 Award**

Partnerships and Member Organisations



We are a member of the Global Impact Investing Network (GIIN). Our membership signifies a commitment to deepening our engagement in the impact investing industry.



Operating Principles for Impact Management

Through AIIF where DD is an impact advisor, UOBVM became a signatory of the Operating Principles for Impact Management

Impact investing guest lectures at top business schools

INSEAD

The Business School for the World®



Wharton
UNIVERSITY OF PENNSYLVANIA



NUS
National University of Singapore

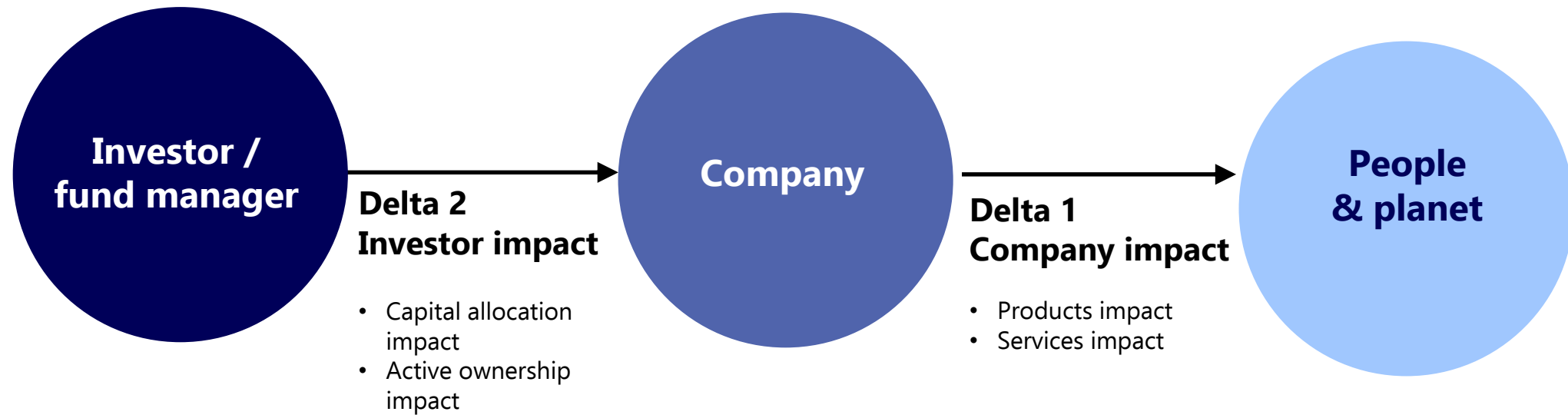


ESSEC
BUSINESS SCHOOL



University of
St. Gallen

The Double Delta of Impact Investing



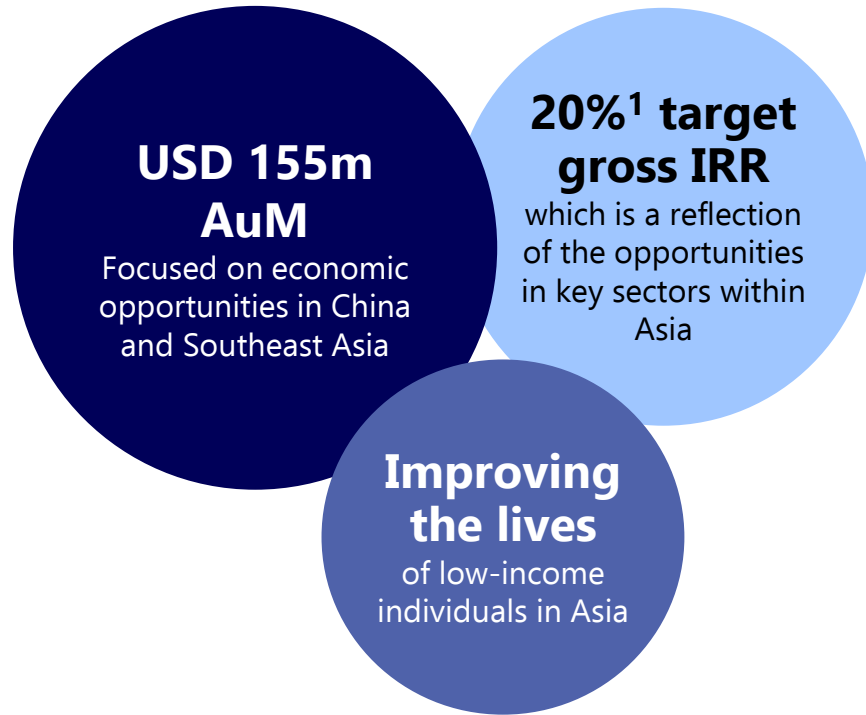
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Bridging the gap: Asia Impact Investment Fund series

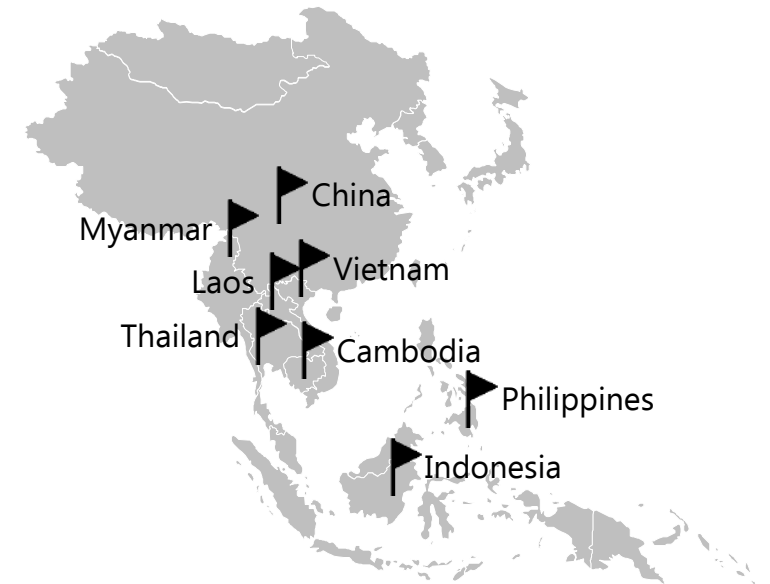
A partnership with UOB Venture Management



Target sectors

- Agriculture
- Healthcare
- Clean and renewable energy
- Education
- Finance
- Sanitation, water and waste management
- General manufacturing
- Affordable housing
- Logistics, distribution and infrastructure

Target countries



¹The target return is not a projection, prediction or guarantee of future performance, and there is no certainty that the target return will be reached.



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Further look at AIIF series



Strong performance in Fund I; AIIF now a self-sufficient business model

- Vintage 2015
- All capital has been called, the fund is focusing on exits
- AIIF I shortlisted as Top 5 impact investing company globally in 2021 FT/IFC Transformational Business Awards



Fund II successful fundraising; IFC committed USD 15m

- **Commitment from IFC:** IFC committed USD 15 million into AIIF II, after a stringent due diligence process conducted by IFC of more than 6 months
- As of 4Q2023: Invested in 8 companies, approximately 60% capital called



Client engagement through unique offering (next gen events, UHNW site visits)

- Organizing company visits and events with UHNW and next-gen
- Most of the clients are from APAC (close to 80% of Fund I investments are APAC-booked)

Zooming in on impact of AIIF I



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Over 33,200,000 low-income individuals have been reached



Agriculture

98,000

Farmers have gained access to finance, inputs and technology, and/or introduced higher-value crops, resulting in higher production yields.



Healthcare

3,261,000

Low-income individuals have gained access to better-quality, affordable healthcare goods and specialist services.



Education

26,212,000

Youths from low-income households now have access to quality educational content, improving individual and national-level learning outcomes.



Access to Finance

1,762,000

Low-income individuals have gained access to finance, enabling them to build, or invest further in, their small businesses.

Contributions to relevant Sustainable Development Goals (SDGs)



Source: Asia Impact Investment Fund I, As of September 2023 for only Fund I

Example investee company: Rynar

Agri-tech company in Vietnam

Stage	Early stage
Investment date (initial)	Apr'17
No. of farmers using Rynar's SRF (initial // Dec'23)	49 / 5,929

Challenges



Low quality of crops due to overuse of pesticides, fertilizers, and other inputs



Climate Change causes increased salinity levels in the Mekong Delta *

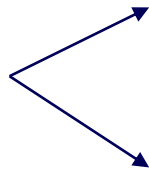
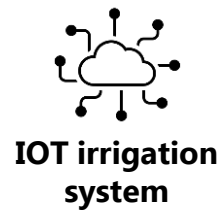


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Solutions



Reduced labour costs:

- Farmers currently spend more on labour due to the necessity of applying 'traditional' fertilizers 4x/harvest
- Furthermore, rice wastage happens during the second to fourth spraying cycles
- In contrast, the controlled-release fertilizer only needs one application during the seeding stage, reducing both labour costs and wastage.

Amount of input required:

- Less control-release fertiliser is required to achieve similar yields because nutrients are released in a controlled manner, reducing product wastage.
- Further, the negative environmental effects are reduced owing to product composition and, again, the fact that less product is required.

Resilience through technology and innovation:

- IOT buoy and gates system "alerts and activates" when salinity levels are very high or low. Depending on the required levels for irrigation. In general, when levels are high irrigation is postponed, and low levels are a positive variable to increase water irrigation intake.
- Further, these solutions can spread over large areas and work on a low-cost subscription basis.

* Source: ADB - Climate Change Impact and Adaptation Study in Mekong Delta


Example investee company: Ricul


Agri-tech company in Thailand

Stage	Early stage
Investment date (initial)	Jun'22
Low-income farmers reached to date (initial // Dec'23)	194k // 273k



Challenges

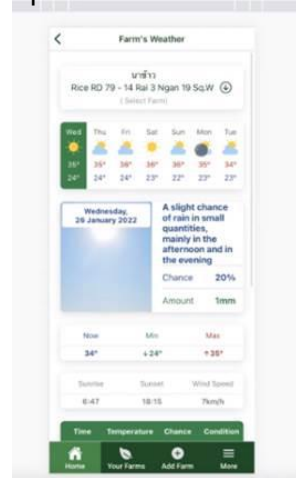
 Low crop yield per hectare due to critical data points

 Heavy reliance on middlemen

 Heavy reliance on informal lenders

Solutions

Hyper-local weather specific to farmland



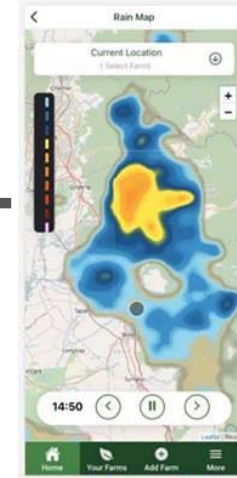
+

Rain forecast up to 9 months



+

Real-time rain map



+

Satellite imaging showing farm health



+

Daily mill prices

+

Lending to farmers

Example investee company: Evermos

Distribution company in Indonesia

Stage	Early stage
Investment date (initial)	Aug'21
Actv. resellers (initial // Dec'23)	16k // 177k
Offline comm (initial // Dec'23)	358 // 1.9k



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Challenges

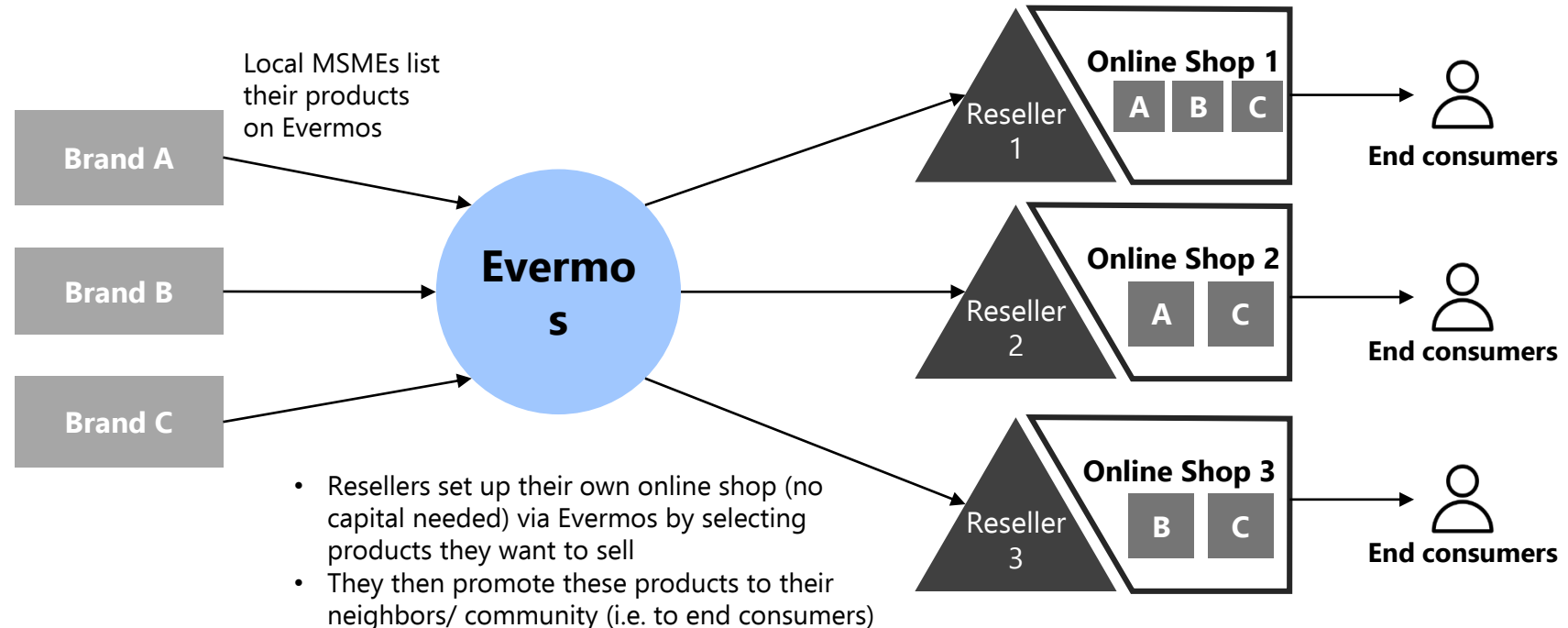


Many low income, low-educated women in rural areas who struggle to find stable permanent employment



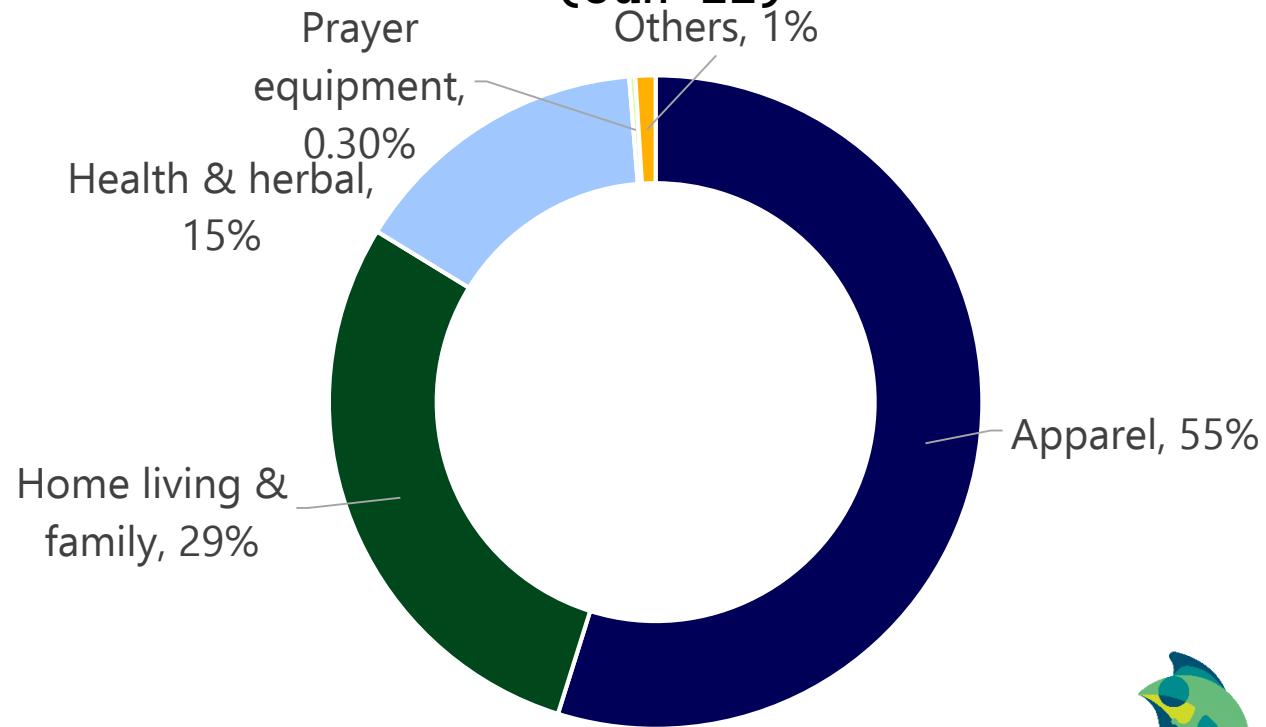
Lack of access and affordability of training to encourage Indonesians to up-skill

Solutions



A further look into Evermos platform

Categories sold in the Evermos platform
(Jun '22)



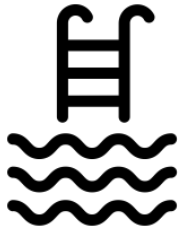
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How many tons of textile waste are disposed of every year?

A



1 million ton/ year
Enough to fill a swimming pool every day

B



12 million tons/ year
Enough to fill a shipping container every day

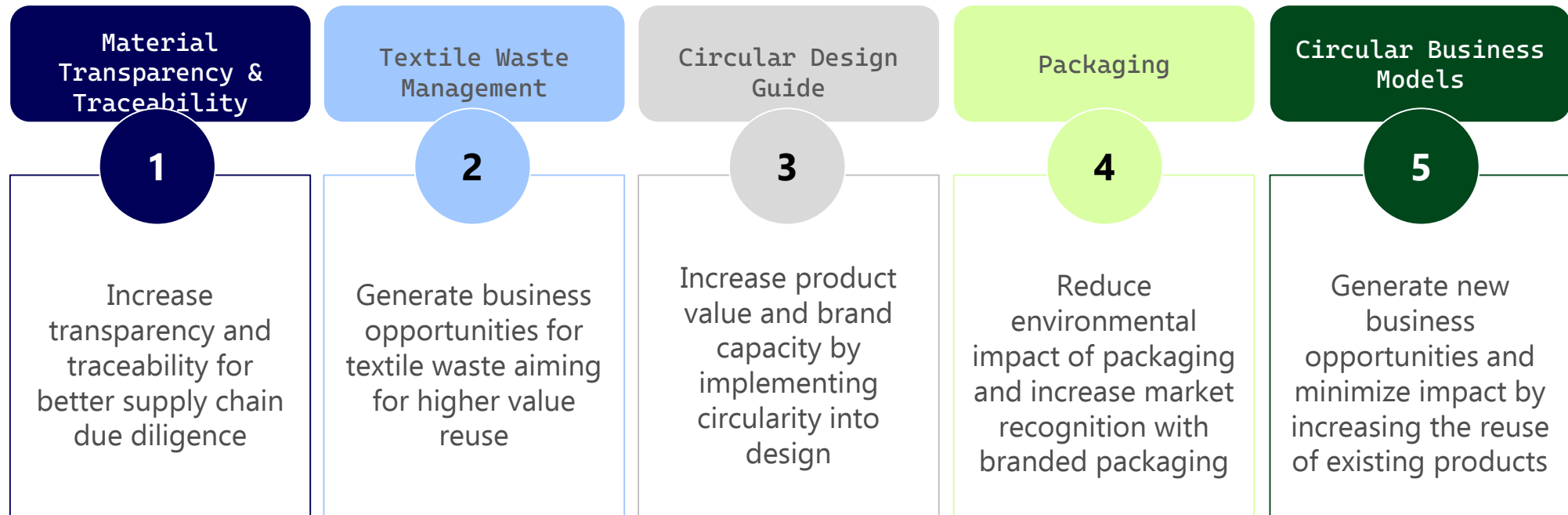
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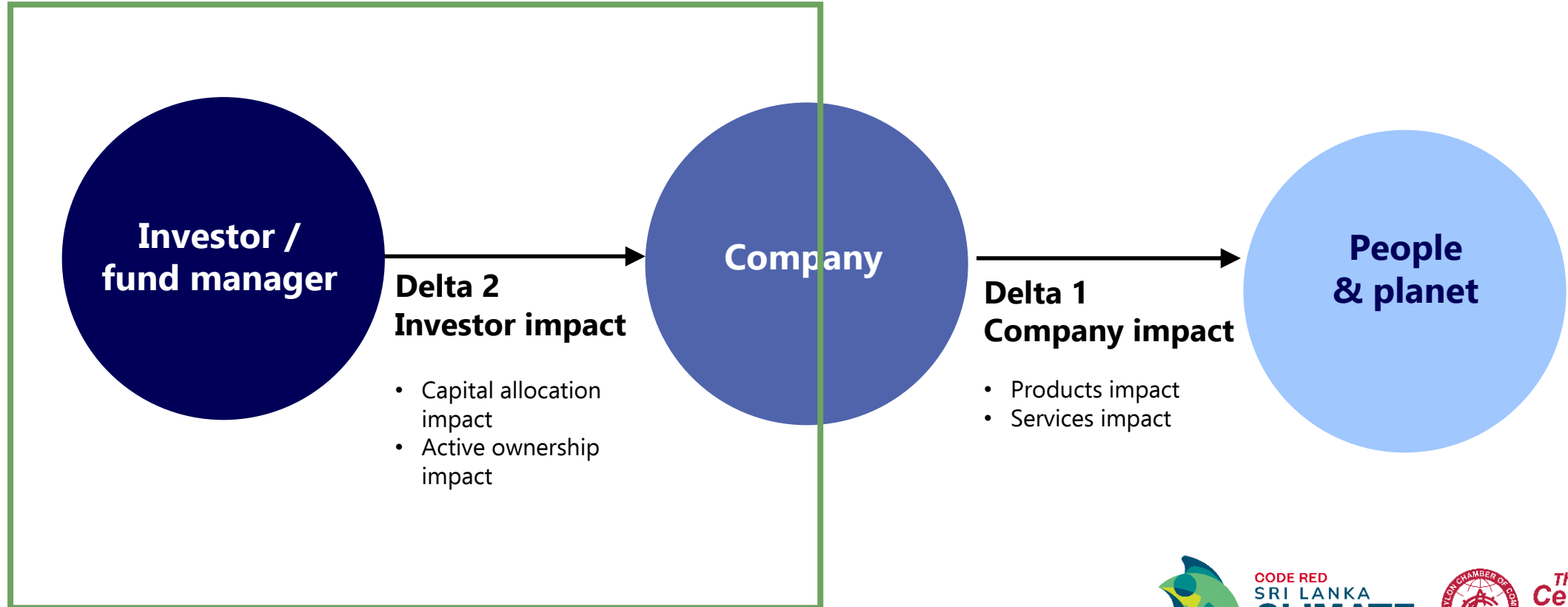
92 million tons/ year
Enough to fill the Colosseum every day

Achieving circularity in Evermos' business model

In collaboration with:



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Engagement examples



Founded in 2010, Amartha is Indonesia's pioneer and largest micro-financing lending platform, focusing on productive loans to female-microentrepreneurs. In 2022, as part of their expansion throughout the Indonesian archipelago, Amartha wanted to increase their loan book and was looking for a lender.

- Double Delta connected Amartha with IFC, who agreed to lead a debt syndication, and several lenders regionally and internationally, who have showed interest in participating in the syndication. The target loan size is USD 100-175m
- This debt will be the first social securitization compliant with ICMA guidelines in Indonesia, and most likely in Asia

Founded in 2018, Evermos is a social commerce company that operates a platform for Moslem daily needs. The company's mission is to empower local MSMEs and enable resellers in rural areas to become entrepreneurs with zero capital.

- A large part of the company's GMV is in apparel and clothing business, and Double Delta saw opportunities to incorporate circularity in the supply chain, from suppliers to manufacturers and down to resellers.
- Double Delta is running a circularity project with Evermos identify changes throughout the supply chain to achieve higher circularity and therefore sustainability level in the apparel industry.



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