

Investing in Women Southeast Asia

Case Study Series: Root Capital

October 2019

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Introduction

Since 2016, Investing in Women (“IW”), an Australian Government initiative has played a crucial role in expanding access and mobilizing capital to women owned and/or led small and medium enterprises (“women’s SMEs”) in Southeast Asia, through the implementation of Outcome Pathway 2 (“P2”), a program which aims to increase impact investments in women’s SMEs. A key objective of P2 is women’s economic empowerment and addressing the significant funding gap faced by women’s SMEs in the region.

IW defines women’s SMEs as businesses which i) employ 10 – 300 full-time staff, ii) have total assets of USD100k – USD15m; and iii) generate total annual sales of USD100k – USD1.5m with the following characteristics:

- a. At least 51% of the entity is owned by one or more women (prior to any investment and excluding any institutional stakeholders) or
- b. All of the following:
 - i. At least 20% of the entity is owned by one or more women (prior to any investment and excluding any institutional stakeholders)
 - ii. The entity has at least 1 woman as CEO/COO (President/Vice President) or equivalent level (within 100 days of the investment) and
 - iii. At least 30% of the Board of Directors (or similar governance group) being women (within 100 days of the investment) where a formal board exists.

To mobilise capital towards women’s SMEs and build a case for gender lens investing (i.e. the incorporation of gender as a category of analysis in investment decisions), IW is incentivising investment managers to adopt a gender lens mandate via its blended finance approach. To date, IW’s blended finance approach has incentivised and promoted the establishment and / or broadening of four new women’s SME focussed fund partnerships within the region. This approach has to date achieved approximately 2.8x leverage of IW’s capital that is now being invested, totalling investment of approximately AUD18.8m.

This case study is part of a series of case studies detailing IW’s blended finance structures, achievements and key learnings of IW and the four investment vehicles established with reputable global impact investors (Capital 4 Development Partners, Patamar Capital, Root Capital and Small Enterprise Assistance Fund (“SEAF”))

This document provides an overview, progress to date and key learnings of IW’s partnership with Root Capital. Root Capital is a US based non-profit global impact investment manager and accelerator of small and growing agricultural enterprises in Africa, Latin America and Southeast Asia, which provides loans and advisory services to investee companies. As a pioneering agricultural gender-lens investor, Root Capital prioritises opportunities to target SMEs that engage women as enterprise leaders, employees, and farmers. Root Capital has worked with more than 680 clients, representing ~1.3m farmers and their families and supported USD4.5b in economic activity. For more information on Root Capital please refer to <https://rootcapital.org>.

Root Capital as part of its partnership with IW will:

1. Conduct a market discovery research in the relevant IW “Target Countries” (Indonesia, Philippines and Vietnam) prior to investing activities, which includes a) high level scoping to determine the potential for women’s SME investment and demand for Root Capital’s lending services, b) lending feasibility assessment to determine the legal processes for entry and identify any lending barriers to entry; and c) research on other commodities in Target Countries that Root Capital could support beyond its existing investment focus in coffee in Indonesia
2. Further integrate gender lens into its internal activities and investment process through the implementation of a Gender Lens Investing Action Plan (“GLAP”) and
3. Provide lending capital to women’s SMEs.

Once it commences investing via trade finance products, Root Capital will also seek to leverage additional capital commitment with plans to leverage IW’s investment by 2 – 5x.

To assist with understanding the types of financial services that may benefit women’s SMEs, IW through its impact investing partners seeks to utilise a diverse range of flexible financing options with a range of risk profiles and return expectations (e.g., debt, equity, and mezzanine).

Root Capital’s debt financing structures complement the capital instruments deployed by IW’s other impact investment partners who focus primarily on equity and mezzanine financing.

By partnering with gender lens pioneers such as Root Capital, IW seeks to not only provide catalytic capital towards women’s SMEs but also develop and share gender lens knowledge with the broader impact investment community.

IW - innovative blended finance structure with Root Capital

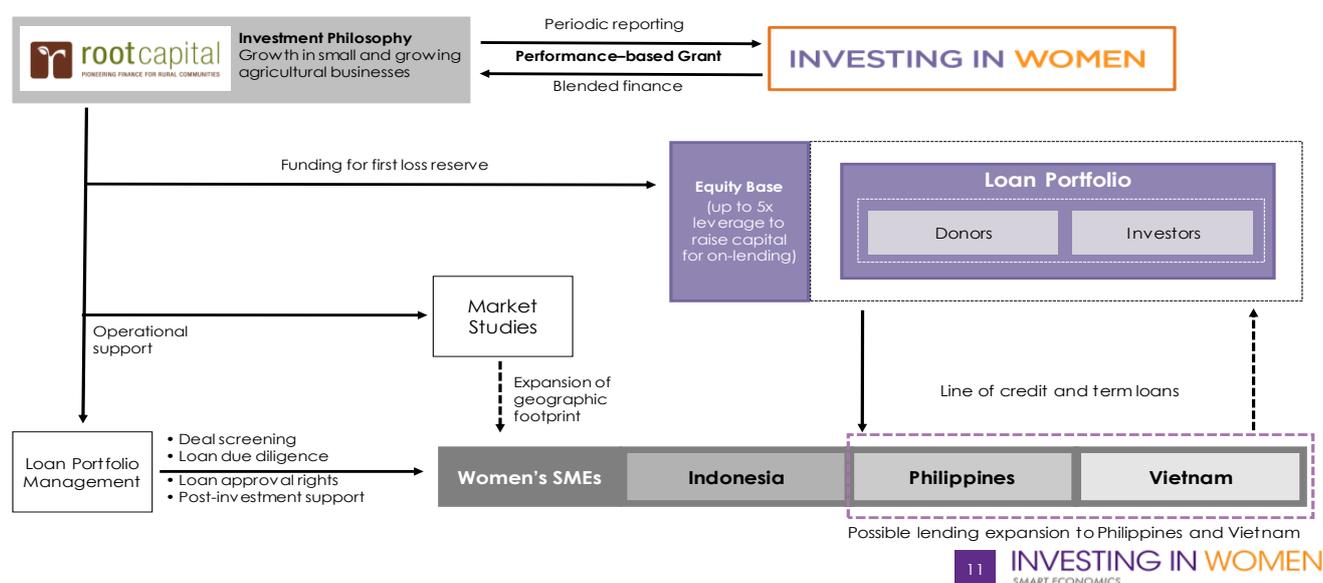
Blended finance is defined by OECD as “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries”¹.

To reduce the funding gap and mobilise capital flow to women’s SMEs, IW has established four different innovative blended finance structures with each of its impact investing partners via the provision of a performance-based grant.

This unique blended finance approach is the first of its kind in Southeast Asia which mobilises as well as accelerates capital flow to women’s SMEs (by providing both direct investment as well as operational support to its impact investment partners).

IW’s finance structure aims to incentivise, through financial and operational support, impact investors such as Root Capital to focus their services on women’s SMEs, thereby having a positive impact on women’s economic empowerment.

Presented below is schematic overview of IW’s blended finance structure with Root Capital followed by a summary description of the key structural components²:



IW grant funding: IW has provided Root Capital with a AUD2.0m performance-based grant to be invested as follows³:

Use of Funds	AUD
a. Investment Financing (including loan loss reserve)	1,200,000
b. Operational Support	800,000
c. Market exploration and expansion	485,000
d. Lending operational support	315,000
Total IW Funding	2,000,000

Blended finance investment structure and governance: Root Capital’s women’s SME investment structure has two layers. The “first layer” comprises of IW’s AUD1.2m of loan loss grant, the purpose of which is to de-risk the “second layer” of leveraged/additional capital from other investors. This first loss structure attracts external investors and supports Root Capital’s ability to leverage the AUD1.2m IW grant by 2 - 5x or to AUD2.4m to AUD6.0m of capital, respectively⁴.

¹ OECD, “OCED DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals, January 2018

² IW, “Request for DFAT approval for IW to enter into grant agreement with Root Capital”, April 2018

³ IW, “Request for DFAT approval for IW to enter into grant agreement with Root Capital”, April 2018

⁴ IW, “Request for DFAT approval for IW to enter into grant agreement with Root Capital”, April 2018

Root Capital operates a dedicated Women's SME Investment Portfolio. Root Capital reports to IW and the portfolio is managed in accordance with Root Capital's existing governance structure and lending processes (as outlined in detail below).

Leveraged capital: In line with IW's objective of mobilising private capital towards women's SMEs, Root Capital plans to seek additional co-investments and leverage IW's investment capital by 2 - 5x.

Learnings: Given Root Capital's credentials in gender lens investing, IW's partnership with Root Capital provides a gender lens knowledge building platform that will be shared with IW's Impact Investing Partners and the broader impact investment market.

IW's key terms and conditions

Presented below are key terms and conditions Root Capital must comply with as part of its partnership with IW⁵:

IW Grant	AUD2.0m
IW Grant Investment Purpose	<p>AUD1.2m (investment financing)</p> <ul style="list-style-type: none"> ▶ Permanent lending capital to investment in women's SMEs. ▶ Loan loss reserve ("LLR") for loans made using third party capital from co-investors (leveraged capital) up to 40% per loan. <p>AUD485k (market exploration and expansion)</p> <ul style="list-style-type: none"> ▶ Market establishment studies for each country and priority value chain. ▶ Initial review of legal and logistical implications of being an off-shore lender in each country. ▶ Early stage business development workshops to educate potential borrowers on the Root Capital business and assess such potential borrowers' baseline capacity. ▶ Gender analysis of qualifying businesses to understand their commitment to gender inclusion and women's economic empowerment. <p>AUD315k (lending operational support)</p>
Leverage of IW Grant	≥ 2.0x the IW women's SME investment capital (AUD2.4m) from the private sector
Geographic Focus	Indonesia in Phase 1 with potential to extend lending focus to Philippines and Vietnam in Phase 2.
Investment Target	Invest in at least 2 women's SMEs in the initial market exploration phase, 10 during the IW grant tenor (10 years)
Investment Instrument	Debt instrument including lines of credit and term loans, with tenor of up to 7 years Short/long-term loan to finance inventory build-up, general working capital, fixed asset purchases and improvements to infrastructure. Borrowers may also access credit to capitalise loan funds (to enable them to then on-lend the funds to producers within their networks).
Investment ticket	≤ AUD400k (may be higher inclusive of co-investments/private sector leverage)
Return	Capital preservation
Responsible Investments	Compliance with Principles of Responsible Investments, UN Global Compact and Environmental, Health, and Safety Guidelines of the International Finance Corporations.
Investment restrictions	Restrict investments into IFC's Environmental and Social Exclusion List.
Periodic reporting	On a) the depth and reach of impact and financial performance of the portfolio companies), b) status of implementation of the GLAP and progress towards gender lens investing, c) status on the market exploration and expansion studies, d) private sector leverage; and e) grant expenditure
Exit/Incentive	Root Capital and IW to agree to Root Capital's implementation plan for the use of the Reflows (principal, interest and any other income) which promotes the goal of catalysing investment in women's SMEs. If an agreement is not reached, Root Capital is not required to return the interest portion of Reflows. This is an incentive for Root Capital as the fund manager and is permitted given Root Capital acts as a non-bank financial institution, does not profit from its agricultural lending and intends to continue to reinvest any interest earned back into its lending portfolio.

IW is providing incentive grant funding which not only supports and de-risks direct investment in women's SMEs but also assists with funding operating expenses required for successfully investing in women's SME in the Target Countries. This operational cost funding will be used to source deals, conduct due diligence, and support the general operating expenditures (Lending Operations) of Root Capital thereby supporting and accelerating the establishment and scale of Root Capital's operations in IW's Target Countries.

⁵ IW, "Request for DFAT approval for IW to enter into grant agreement with Root Capital", April 2018

Investment activity to date

In line with its IW partnership funded activities, Root Capital has successfully completed a high-level, cross-regional scoping and lending feasibility study and specific market exploration and expansion studies to assess the general demand for, and relevance of, Root Capital's lending services in Indonesia, Vietnam, and the Philippines. Some of the key findings include⁶:

There is a strong global market demand for coconut⁷ and palm oil⁸ in Indonesia, and coffee in Vietnam and Philippines, indicating a significant potential for agricultural lending and go to market services in these sectors. However, most SMEs researched by Root Capital either fail to fulfil IW's women-led criteria and/or meet the minimum enterprise revenue level of AUD250k p.a.

1. **Coconut in Indonesia:** Out of 29 potential SMEs, Root Capital has identified 12 SMEs that qualify for a further review by the lending team, and seven SMEs with future lending potential to be reviewed at a later stage. Root Capital has also extended a study into the coconut crystal sugar market as it presents itself as the most promising investment opportunity due to a significant amount of certified sales. Most sales are based on international offtake agreements with payment terms ranging from one to two months, which creates a need for working capital financing. The certification of sales also results in more supply chain traceability and creates opportunity to impact the farmers with technical assistance and advisory services.
2. **Palm oil in Indonesia:** The research team has identified seven SMEs as potential lending clients, however most companies within the sector operate as a patriarch-led family business. As such, they do not meet IW's women led/owned criteria.
3. **Coffee in Vietnam:** Similar to palm oil in Indonesia, women do not hold leadership roles in this sector. Furthermore, most businesses with lending potential do not generate the minimum annual revenue requirement. It is noted that companies in Vietnam lack transparency with their financial reporting, often by overstating their financial position or concealing material financial problems. As such, the study has been extended as Root Capital has yet to identify any potential lending clients.⁹
4. **Coffee in Philippines:** While there is a significant presence of women in both leadership and production roles, only eight SMEs have been identified with lending potential. Despite so, majority do not have the required enterprise revenue level.

However, whilst no significant legal barriers to working in Indonesia and Vietnam have been identified, legal research has indicated that Philippines represents barriers to Root Capital's entry. Foreign entities are not allowed to operate as offshore lenders within Philippines. As such, Root Capital would have to either i) obtain a license to transact business from the SEC or ii) incorporate a local subsidiary. Both options entail several regulatory requirements and costs, including a) the requirement to set up a branch office, subsidiary or regional headquarters, b) the need to meet minimum capital requirements; and c) taxes and fees for establishment and ongoing operations. In addition to obtaining a primary license, Root Capital may also be subjected to the additional cost of obtaining a secondary license to carry out lending operations in Philippines.

Further findings from the market research studies of the Target Countries conducted by Root Capital are as follows:

Indonesia

- ▶ Indonesia has significant participation of women throughout the agricultural sector but with relatively low female representation in management.
- ▶ Civil code in Indonesia may create barriers for women's SMEs and limit Root Capital's ability to identify a network of women's SMEs in the country.

Vietnam

- ▶ Vietnam has a strong level of female participation in the agricultural sector with ~50% of coffee farm workers estimated to be women.

⁶ Root Capital, "Investing in Women-Led SMEs in Southeast Asia", June 2019

⁷ Wise Guy Research Consultants, "Virgin Coconut Oil Market - Global Industry Analysis, Size, Share, Trends, Growth and Forecast 2019 - 2024",

⁸ The International Council of Clean Transportation (ICCT), "International Policy and Market Drivers of Indonesian Palm Oil Demand", January 2019

Philippines

In contrast, Philippines is dominated by male operators (89% of total operators) in the agriculture sector.

Investment activity to date shows that Root Capital has approved its first two loans under the IW grant with a number of additional potential financing opportunities being identified.

An overview of the two credit approved women's SME investment opportunities is as follows:

Company A: Indonesian women owned and led cooperative with 100% women farmer members engaged in connecting coffee farmers to the export market.

- ▶ **Financing:** USD350k unsecured line of credit to finance working capital for the processing and export of coffee.

Impact: Root Capital is the first lender to Company A, thereby creating a high level of additionality. This women's SME will be exporting directly for the first time and represents a level of risk that a financier would not typically take in the absence of de-risking, such as via the first loss support provided by IW. Root Capital's financing will enable the women farmer members to receive faster payment and higher prices for their coffee.

Company B: Indonesian women owned and led coffee cooperative with 80% women farmer members.

- ▶ **Financing:** USD350k unsecured line of credit to finance the purchasing, processing and export of coffee.

Impact: Company B is in the first year of operation, which makes it a candidate for lending that would likely be too risky for Root Capital or other financiers to take on without the support from IW funding.

Private Sector Co-investments

To date, Root has been successful in utilising its large network, for example:

- ▶ Desk research feasibility study for the high-level scoping was overseen by Root Capital and conducted with pro bono support from Bain Consulting. In addition, Root Capital was able to secure pro bono legal counsel to assist with country-specific feasibility studies.
- ▶ Root Capital's GLAP was also supported by additional donors which supplemented staff trainings, expansion of Root Capital's Gender Equity Grants, and ensured greater inclusion of women in financial management trainings.
- ▶ Root Capital also received Investment capital from investors to lend to gender inclusive businesses via its Women in Agriculture Initiative Note ("WAI"), a loan with low interest rate) which has enabled 46% of Root Capital's current loan portfolio to comprise of gender-inclusive businesses.

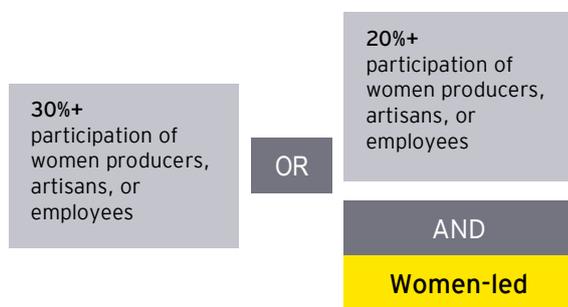


Gender Lens Action Plan

Informed by its data and research, Root Capital commenced taking a more deliberate approach towards investing in women in 2012 when it launched its WAI. Today, Root Capital's WAI gender lens investing strategy also reflects its partnership with IW and includes the following four components:

1. Gender Scorecard & "Gender Inclusive Definition"
2. WAI Note
3. Advisory Services Gender Inclusion Checklist
4. GLAP.

Root Capital's gender lens investing strategy focuses on gender-inclusive businesses, rather than exclusively on women's SMEs, based on Root Capital's view that gender inclusion is a broader metric of the diverse ways in which women participate in businesses. Presented below is Root Capital's schematic definition of a "Gender Inclusive" business.



Root Capital has devised several ways by which it is actively building a pipeline of women's SMEs and gender-inclusive enterprises for investment. The following are practices that will be, or are currently being instituted as a result of Root Capital's partnership with IW:

Pipeline development

1. Root Capital loan officers will explicitly request their current clients to refer them to women's SMEs.
2. The Business Development team will conduct a mapping of organizations that serve or link women coffee entrepreneurs.
3. The Financial Analysis team will assess which type of women's SMEs or gender-inclusive enterprises are high performing and why.
4. Business Development and Advisory staff will identify women's SMEs that have strong business growth potential with weak financials and explicitly channel these businesses to its Advisory Services area, thereby supporting

those businesses to improve their financials and become eligible for Root Capital's loan(s) in the near future.

5. Business Development/Communications staff will revamp Root Capital's client-facing marketing material and promote the Root Capital service offering through diverse media sources.

Fundraising process

Prior to approaching potential investors, Root Capital will conduct gender analysis of its donors and investors to determine:

- a. Gender composition of both groups
- b. Which donors/investors are specifically interested in giving and investing with a gender lens.

Root Capital intends to work with Criterion Institute to determine next steps, identify other potential networks to increase capital raising and identify the appropriate level of (time/staffing) required to engage with the gender lens and attract additional philanthropic capital.

Technical assistance (Business Advisory Services)

Root Capital has developed an in-house, Gender Inclusive Checklist, for supporting investees through capacity building trainings. Guidelines on this checklist includes a) explicitly inviting women to attend training; b) providing childcare for workshop attendees; and c) scheduling trainings at appropriate times and locations to support the female professionals.

Structuring

Root Capital offers line of credit and term loans to finance short-term and long-term credit needs. Predominantly, it seeks to provide self-liquidating trade finance lines.

Financial and activity reporting

As per IW Grant requirements, Root Capital will provide on a quarterly basis a) report on the progress and impact of its lending; b) status of implementation of GLAP and progress towards gender lens investing; c) updates on its market studies; d) private sector leverage; and e) grant expenditure.

Root Capital Gender Lens Investing - Key learnings to date

Presented below are key learnings shared by Root Capital based on their gender lens investing journey to date:

1. Women hold diverse and important roles across agricultural value chains, that should be celebrated and strengthened

2. The focus of a gender lens investment strategy needs to incorporate all ways in which Root Capital's client businesses impact women's economic empowerment

3. Women and men must be engaged to economically empower women

4. Successfully investing in more gender inclusive and women-led businesses requires an explicit lending approach—from pipeline development through loan monitoring

5. A strong gender lens approach requires the commitment of the entire organisation in both external-facing efforts and internal policies and practices



IW's key insights on gender lens investing



IW's Monitoring, Evaluation and Learning ("MEL") unit has identified a number of key learnings from IW's Phase 1 of gender lens investing work to date^{10 11}. Consistent with IW's knowledge sharing agenda, to assist with enhancing gender equality and women's economic empowerment work undertaken by other market participants, presented below is a summary of four key learnings identified by IW as follows:

Deliberate approach to Gender Lens Investing

IW's research has found that since 2007, private impact investors have invested USD43.3m in the Target Countries, of which ~90% of capital invested using gender lens targeted microfinance institutions, and less than 5% was intentionally directed to women's SMEs. The minimal portion of capital being intentionally directed with a gender lens highlights the need for a deliberate approach to gender lens investing including the measurement of such investments in order to a) build a case for gender lens investing and b) counter adverse misconceptions in the market which are limiting the flow of capital to women and women's SMEs.

One deliberate approach undertaken by IW and IW's Impact Investment Partners is the implementation, execution and monitoring of a GLAP (as outlined previously herein) which entails varying degrees of organizational change.

Technical support for investee companies

In addition to making direct capital investment in women's SME's, one of the key value adds of IW's Impact Investing Partners is their ability to provide specialised needs based technical support to investee companies, as well as potential investees which may require this support to meet the impact investors' lending/investing guidelines. IW recognises that post-investment support and strategic partnerships with portfolio companies are crucial to value creation for investor/investee with many entrepreneurs requiring support with building business/professional capabilities.

Local investment networks

IW considers local presence to be a key success factor in helping investors develop networks, business relationships, and transaction pipelines. In recognition of this fact and to increase IW's focus

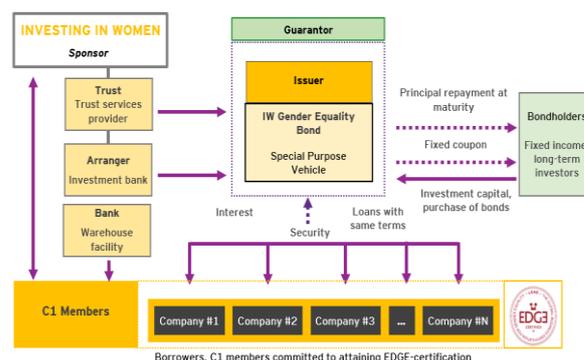
on localised investment support (in this case mobilise Asian capital towards women's SMEs), IW intends to partner with local investor networks in Phase 2 of the program (2019-2023).

Tailoring blended finance models at scale

IW's Impact Investing Partners collectively invest across the capital spectrum (from debt to equity) and offer a variety of debt, equity, and mezzanine instruments. To expand the types of financial instruments available to women's SMEs, IW also intends to partner with organizations offering more financing options (such as receivables and trade financing, non-collateralized lending, perpetual investment funds, crowd source funding etc.). By partnering with Impact Investment Partners which provide a variety of funding solutions to women's SME's, IW contributes to the expansion of volume and types of capital available to women's SMEs thereby also providing learnings on which types of financial instruments may potentially better suit women's SMEs in IW's Target Countries.

In addition to IW's work on P2, IW also worked with EY to explore the establishment of Gender Bond to improve workplace gender equality practices by providing value to IW's corporate partner members in the form of lower funding costs (or other funding advantages), a benefit which is subject to the corporate partners achieving independent gender equality accreditation (EDGE) to be eligible.

Given the diverse set of IW's corporate members with disparate credit profiles and sector focus, to reduce the complexity of the structure, EY recommended the establishment of an aggregated gender bond structure. The proposed structure involves the establishment of a special purpose vehicle which aggregates the borrowing requirements of IW's EDGE Certified corporate partners and acts as the conduit which accesses the debt capital markets to obtain optimal pricing and tenor on behalf of the corporate members. Below is a schematic overview of the proposed aggregated gender bond structure.



¹⁰ IW, "Overview and Lessons Learned - Outcome Pathway 2: Impact Investment for Women's SMEs", June 2018
¹¹ IW, "Impact Investing: Component 2 Mid Phase 1 | Monitoring, Evaluation and Learning Report", June 2018

EY insights on gender lens investing

EY commitment to Gender Equality

At EY, we are committed to empowering and advancing women throughout our ranks into leadership positions and have also successfully retained the accolade of Workplace Gender Equality Agency (“WGEA”) Employer of Choice for Gender Equality for the past 15 years.

Given our commitment to gender equality, we are proud of our role and continued work with IW and are pleased to share some of our institutional learnings around four core principles which highlight the significance of gender lens investing, in the context of the wealth / asset management industry¹² (please see below) and workplace gender equality more broadly.

Understanding the power of women as an investor class

The CFA Institute has projected women’s global income to increase to USD18 trillion by 2021, exceeding the combined GDP growth of China and India during the same period¹³. To accommodate this growth, it makes business sense for wealth and asset managers to adapt their approaches accordingly with unique goals, strategies and needs through tailored products and services.

Increasing women’s leadership and representation

Finance focussed on gender can facilitate positive change and generate strong returns. For example, The Women’s Equity Fund was launched in 1993 as one of the first public market mutual funds focused on pairing gender lens investing strategies with strong financial returns¹⁴. The fund’s main positive screens for investment have paved the foundation for gender equality criteria such as i) active advancement of women to top executive positions; and ii) female representation on the board of directors and in senior management to increase women’s representation in leadership roles.

Improving the quality of employment opportunities for women

Beyond senior leadership, a complete picture of the growing female workforce is important for building gender-conscious investment strategies. As of 2017, women accounted for 45.4% of the global workforce¹⁵. As the operational impact of gender lens investing grows, so does the need for better-defined due-diligence questions from gender lens investors – e.g. how many women are in the pipeline to take up leadership roles?

Diversifying products to positively impact gender equality

There are a vast range of products and industries that investors can use to positively impact gender balance. Gender lens investing can begin to distinguish itself across an extensive range of investment criteria and industry sectors through public and private market products. Current gender lens investing products include debt funds, mutual funds, exchange-traded funds, separately managed accounts, proprietary strategies and private equity funds. The range of product options is constantly expanding in response to investor needs and demands.

Gender lens investing products are most prevalent in the following industries: technology, health care, clean tech, and environmental. These diversified products and industries are supported by considerations for women’s leadership, services and capital for women, and enhanced gender equity criteria, such as health care policies, educational services, and pay gaps – thus forming the foundation of gender lens investing.

In addition to the above GLI principles, EY and UN Women’s Global Innovation Coalition for Change (GICC) also co-created innovation principles to help companies foster greater innovation by identifying specific improvements to accelerate gender equality.

The principles are designed to help companies deliver the UN Sustainable Development Goals to reduce inequality and foster innovation, and improve female representation across the management level, as well as build a more inclusive society. For details of the innovation principles, please refer to www.ey.com.



¹² McCarthy, Seelan and Smith, “Gender lens investing: More than women on the board”, March 2019

¹³ EY, “Harnessing the power of women investors in wealth management”, 2016

¹⁴ Business Wire, “Pax World Acquires Women’s Equity Fund”, October 2007

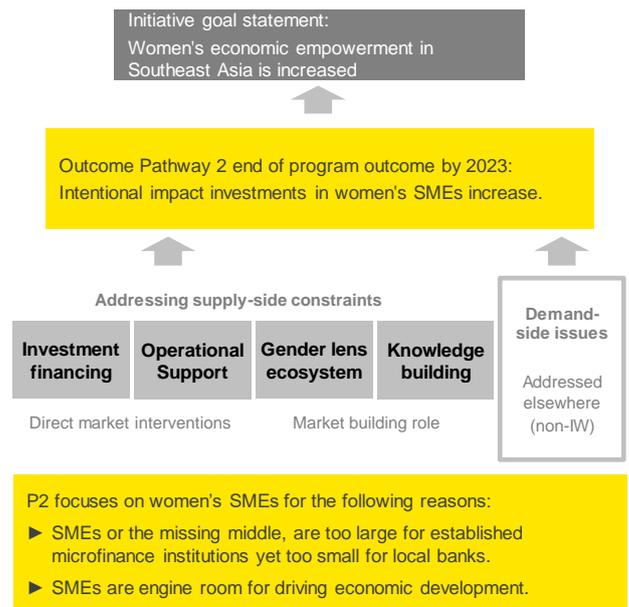
¹⁵ Pew Research Center, “In many countries, at least four-in-ten in the labor force are women”, 2017

Investing in Women's achievements to date

IW plays a crucial role in expanding access and mobilizing capital to women's SMEs in Southeast Asia by promoting women and gender lens investing in the impact investing space.

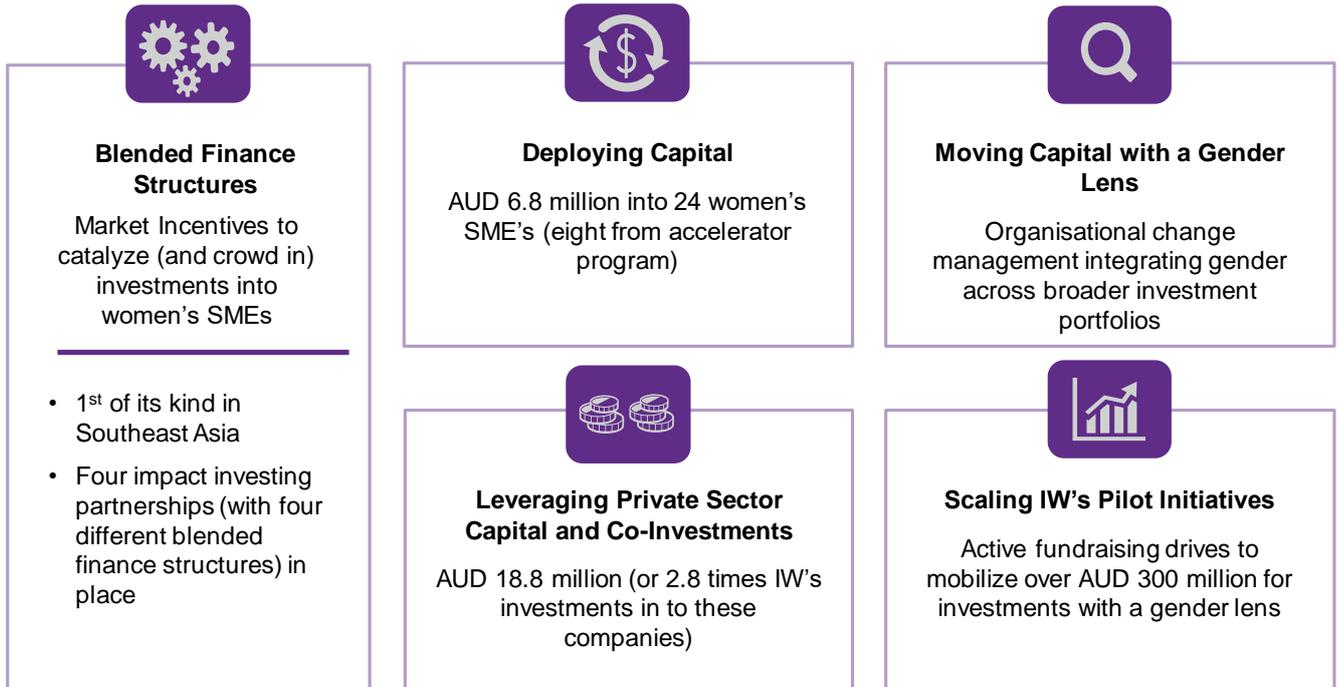
In order to incentivise and catalyse investments into women's SMEs, IW's P2 focuses on the supply-side constraints of capital by either (i) intervening directly in the market to support impact investors with blended finance instruments or (ii) performing a market building role and advocating with the broader impact investing industry to deploy capital with a gender lens.

As part of P2, IW has formed strategic collaborations with four reputable global impact investors who have deep and growing roots in the region: C4D Partners, Patamar Capital, Root Capital, and SEAF (please refer to the "IW - innovative blended finance structure with Root Capital" section herein).



Achievements to date:

As a result of these partnerships, IW has accomplished a number of important achievements in the areas of i) developing the Southeast Asia blended finance market; ii) deploying capital to women's SMEs; iii) moving capital with a gender lens; iv) leveraging private sector capital towards women's SME investments; and v) scaling IW's initiatives. A summary of IW's key Phase 1 achievements to date are presented in the diagram below:



Mobilising further capital to women's SMEs: In the coming years, IW will continue to expand its support to new partners, including angel investors and localised funds in order to strengthen the financial ecosystem, help bridge the funding gap and build the overall case for investing in women's SMEs.

EY as Advisor to IW

EY plays a critical role as the advisor for IW by undertaking market studies, advising on tender processes, evaluating and recommending impact investing partners, and providing general, strategic and legal advice. EY is also assisting IW in its role as a regional market builder for gender lens investing in Southeast Asia.

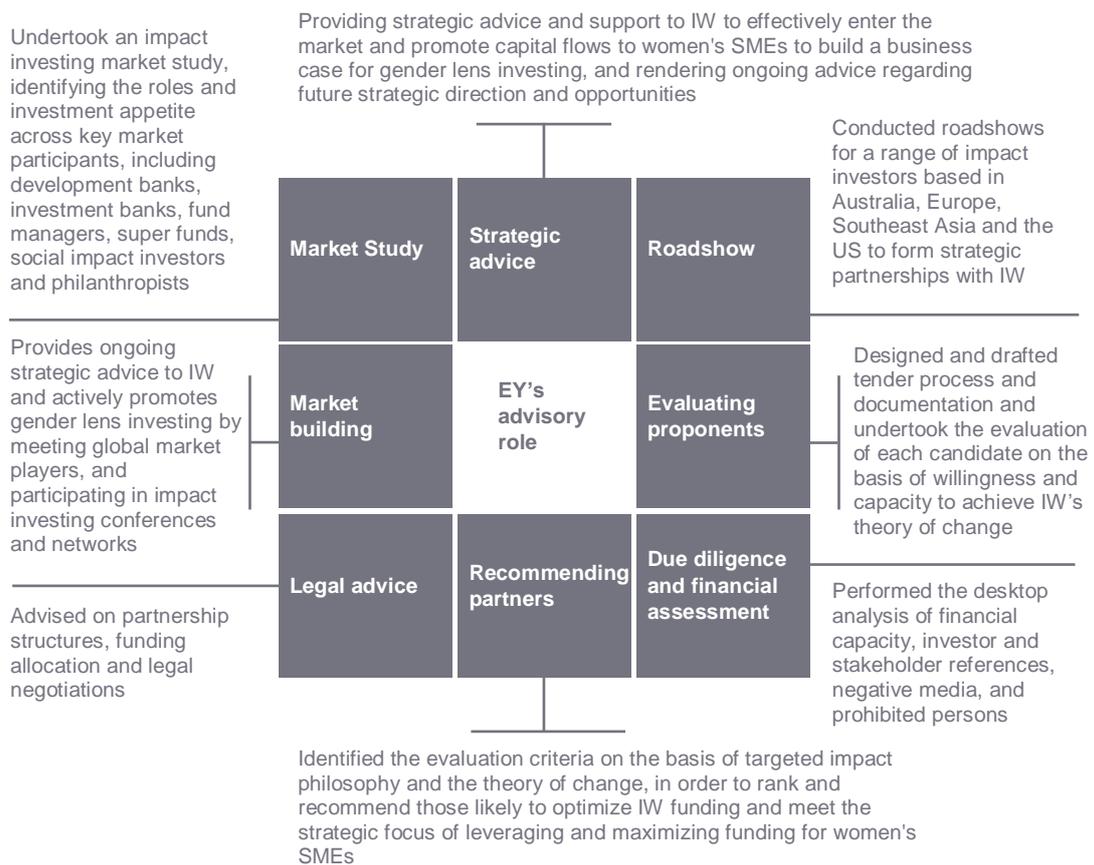
As an organization, EY places gender parity as a key imperative and we are determined to do our part to accelerate women’s progress in the workplace. Our commitment to advancing women throughout our ranks and into leadership positions has contributed to our reputation as one of Fortune magazine’s 100 Best Companies to Work For in the US.

In addition, we are ranked among the top 10 on the 2018 Working Mother 100 Best Companies list in the US, making it the 12th year in a row and our 21st appearance on the list.

We have also successfully retained the accolade of Workplace Gender Equality Agency (“WGEA”) Employer of Choice for Gender Equality for the past 15 years.

Given our commitment to gender, we are proud of our role and continued work with IW.

Presented below is an overview of EY’s relationship with IW to date:



EY looks forward to continuing its work with IW and supporting IW as it continues to expand its partnerships with impact investors, directs blended finance towards women's SMEs and builds the overall case for gender lens investing.

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