

Investing in Women Southeast Asia

Case Study Series: SEAF Women's
Opportunity Fund

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 mobilising 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”), which is a program aiming 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 promoting women and gender lens investing in the impact investing space and 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 focused fund partnerships within the region. This approach has to date achieved an average of 2.8x times 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 (“C4D Partners”), Patamar Capital, Root Capital and Small Enterprise Assistance Fund (“SEAF”).

In particular, this document provides an overview, progress to date and key learnings of IW’s partnership with SEAF.

SEAF is an investment management group that provides growth capital and business assistance to small and medium enterprises (“SMEs”) in emerging and transition markets underserved by traditional sources of capital. Through its network of offices around the world, SEAF invests in entrepreneurs to seek to build successful businesses, aiming to realise both attractive returns investors and a measurable development impact in local communities.

The organisation has an extensive track record of establishing local fund management capacity, and in investing in SMEs in emerging markets in Eastern Europe, Latin America, Asia and Africa. SEAF has managed or is managing 38 Funds and 13 Centers for Entrepreneurship and Executive Development (“CEED”) centres across 33 countries. SEAF has made more than 400 risk capital investments in entrepreneurs whose products and services improve the lives of people in a financially, socially and environmentally sustainable manner. SEAF requires that such investments generate returns for our investors, as that forces efficiency, accountability and sustainability of the process. For more information on SEAF please refer to <https://www.seaf.com/overview/>.

In May 2017, IW partnered with SEAF to bring its impact investing expertise and passion for women entrepreneurs to Southeast Asia. IW is providing catalytic capital to establish the SEAF Women’s Opportunity Fund (“SWOF”), which applies gender lens investing.

The SWOF utilises a range of investment structures including equity, mezzanine financing and quasi-equity, which provides an alternative to traditional capital providers operating currently in the market. Providing a range of options for targets allows SEAF to provide a range of financing options depending on the business requirements and preference of the owner. The fund’s investments target early growth-stage women’s SMEs in Indonesia, Philippines and Vietnam, aiming to generate strong financial returns, as well as measurable social and environmental impact.

IW’s performance-based grant acts as catalytic capital to mobilise and accelerate capital investment towards women owned and led businesses.

In partnership with IW, to direct investment towards women’s SMEs, SEAF has established the SEAF Women’s Opportunity Fund and developed a proprietary Gender Equality Scorecard to assess women’s economic empowerment and gender equality within an individual investment.

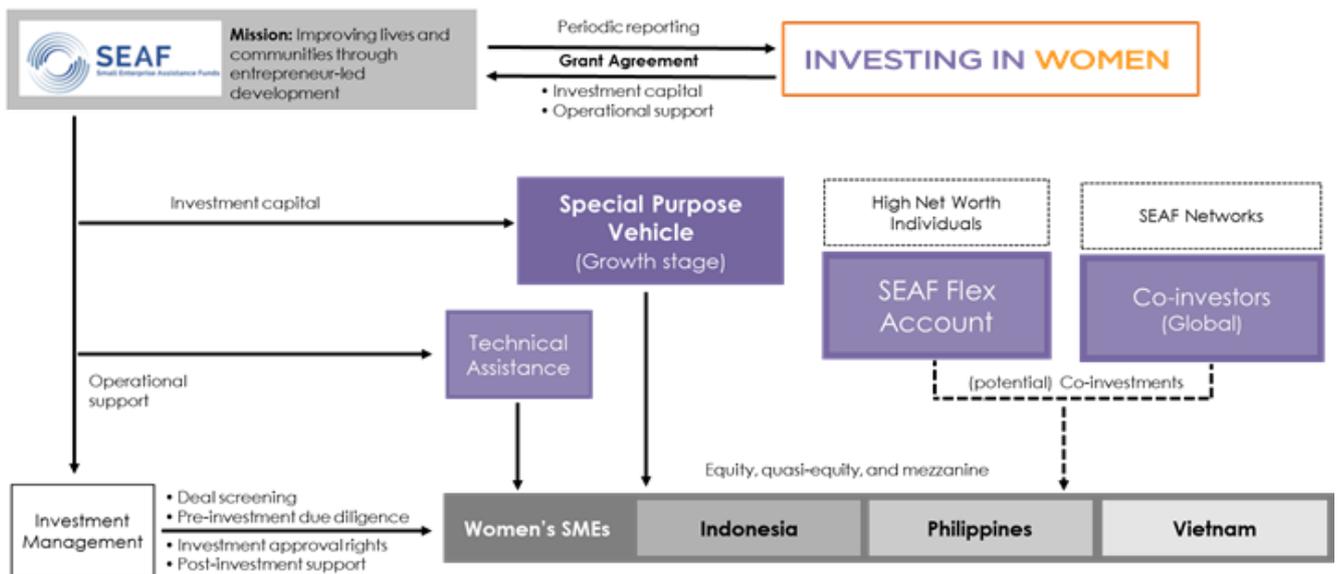
IW - innovative blended finance structure with SEAF

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).

Presented below is a schematic overview of IW’s innovative blended finance structure with SEAF:



Objective: SWOF has been seed-funded by IW through a performance-based grant structured to incentivise SEAF to develop a scalable investment model that can successfully grow women’s SMEs. This not only builds a stronger business case for IW as an influential investment opportunity, but also creates the potential to have a transformative effect on women's economic empowerment. The program funding focusses on supporting SEAF in the following activities:

- ▶ Initial “proof of concept” investments into women’s SMEs to be co-financed by other private capital sources
- ▶ Direct management support to source and close deals
- ▶ Post-investment technical assistance for the business expansion of investees.

The grant is structured to enable initial investments to become the cornerstone of the envisaged women’s SME fund. Through the pilot fund SEAF will also target AUD2.0m in additional

funds from co-investments into women’s SMEs as per the overview above.

The initial investments are to be made in the first two years of the grant agreement being signed. SEAF is on track to meet this requirement with four investments made to date and another potential investment reaching final stages of negotiation.

IW Learnings: To ensure that IW partners did not focus on activity in one particular country, the initial grant stipulated that no more than two investments could be in the same target country before another could be made in that country. This restriction has worked against the program as generating deal flow is reliant upon developing relationships and a presence within a local area which takes time to establish. This restriction was later relaxed to three investments to accommodate the short investment timeframe (two years).

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

SEAF Women’s Opportunity Fund

As part of its submission to IW, SEAF proposed the development of the SWOF, a fund designed to deliver a range of finance options to support the growth of women’s SMEs in Indonesia, Philippines, and Vietnam.

The SWOF was developed using a pilot and scale approach. The initial pilot activity, seed funded through IW, targets investments in five women’s SMEs via a “proof of concept” fund. Through this phase, gender lens investing activities will be developed, trialled and evaluated to understand their ability to increase capital to women’s SMEs and to prove that the investment thesis can be implemented in a manner that results in attractive financial results and positive social impact.

The ambition of SEAF is to use this pilot fund, along with the proven a gender lens investing approach integrated across the SEAF platform, to raise a follow-on fund called the SEAF Women’s Economic Empowerment Fund (“SWEEF”) of up to AUD100m.

Presented below is an overview of some of the key features of the SWOF:

Terms	SEAF Women’s Opportunity Fund (“SWOF”)
Size	AUD9.0m
Grant	AUD6.4m
Leverage target	Seeks to arrange co-financing at a minimum ratio of 1:1 where possible
Instrument	Equity and quasi-equity
Investee companies	Early growth-stage, women’s SMEs in Indonesia, Philippines and Vietnam
Fund term	Ten years, including two-year investment period
Ticket size	AUD650k- AUD1.4m
Target return (p.a.)	Equity or Quasi-equity: greater than 20% (targeting ownership of 25%-49%) Mezzanine: 11%-14% (6%-7% (fixed) plus percentage of revenues)
Social impact focus	Gender equality, quality job creation, health care, education, and environmental and agricultural sustainability
Post-investment services	Various, including financial and cash flow management, strategic planning, leadership development, gender equality improvements

Investment financing

SWOF is designed to offer and trial a range of financing options for women’s SMEs. These include a mix of equity and debt (sometimes described as quasi-equity or mezzanine debt, such as convertible notes) to accommodate potential differing requirements of the business and any preferences of women entrepreneurs.

The experience of SEAF to date is that in general, women’s SMEs prefer equity structures over debt-oriented structures. This is mainly due to a lack of available debt investors that share women’s SME goals and aspirations, a factor which is important to women SME’s when choosing an investor.

SEAF has also found that, more than capital, women entrepreneurs seek a partner that can provide the business support necessary to build their businesses. As such, the women entrepreneurs seek a partner who will be an owner alongside them and thereby be aligned in building the company for the long-term.

Fundraising and co-investment

Using SWOF funds to attract additional private capital through co-financing is a design element of SWOF. The initial investment from SWOF serves to de-risk or share risk of the additional parties. SEAF can facilitate this through the SEAF Flex Fund, a fund that enables investors to co-finance with SWOF. Other forms of co-investment considered are finance lease providers who can provide women’s SMEs capital assets upon the women’s SME securing investment through SWOF. Interested co-investors to date have primarily been private investors based in Singapore or within the target countries.

Early investor market reaction to the follow-on fund indicates significant interest and appetite to invest following the SWOF. This is a favourable result for the follow-on AUD100m fund, now planned to be significantly larger than initial expectations.

Internal governance procedures

SEAF has adapted its process for normal policies and procedures for investment identification, negotiation and investment decision making through its Gender Lens Action Plan (“GLAP”). All investments undergo typical due diligence and governance procedures, including being reviewed by the SEAF Global Investment Committee prior to an investment being finalised. Review of these steps for inherent gender bias has been undertaken through initiatives recommended through the GLAP. Key changes include recommendation of improving recruitment practices to remove gender bias, the development of the SEAF Gender Equality Scorecard® (“GES®”) now being implemented across the firm’s investment processes and building gender diversity on the Global Investment Committee through talent development.

Oversight by IW

To ensure partners are delivering on their commitments, IW must approve proposed investments by SEAF. This can be based on the application of the criteria (for example ensuring that the investment is women-owned) or social and ethical impact.

Exit

At the end of the life of the investment (ten years), proceeds from investments are to be re-disbursed in-line with IW objectives, such as a follow on fund. An implementation plan of how this will work will be developed towards the end of the program.

Developing the Gender Lens approach

Though the initial focus for the pilot fund has been women’s SMEs, there has been on-going discussion within SEAF about broadening the definition of gender lens investing beyond women’s SMEs to enhance impact on women’s economic empowerment. SEAF has explored broadening its Gender Lens approach for SWEFF to include the following:

- ▶ Women’s SMEs, given that women entrepreneurs are undervalued in general and hence do not have equal access to capital.
- ▶ Sectors where women are more prevalent, especially in the labour force where there is significant opportunity to raise women’s value within the company for the benefit of both the women and the company.
- ▶ Providing products or services that meet the unmet needs and wants of women and girls and are committed to maximising women-powered expertise in designing, producing and delivering such products and services, creating significant value for female consumers and the company.
- ▶ Companies already demonstrating a commitment to gender equality, through policies and actions, in terms of compensation, benefits, leadership and governance and business processes.

Gender Lens Action Plan

SEAF has been deliberate in its approach to developing a pipeline of women's SMEs to invest in through the development of its GLAP. As a partner of IW, SEAF is required to develop a GLAP under its grant arrangement and report upon progress regularly during the program.

For the SWOF, the GLAP has considered the following areas, including pipeline development, screening, pre-investment due diligence, structuring, investment committee decision making, portfolio value creation, and fundraising and investor relations. In addition, SEAF has adopted an extended range of gender initiatives, such as:

- ▶ Increasing diversity of board membership by adding appropriately qualified women to the board of the directors and to the Global Investment Review Committee
- ▶ Exploring the ability to adopt Gender Lens initiatives to other funds
- ▶ Increasing the focus on recruitment and development of female staff across the organisation, and
- ▶ Research and review past investments with a Gender Lens.

Pipeline development

In collaboration with the Criterion Institute, SEAF has developed actions that will enhance its prospect of originating deals for investments, such as:

- ▶ Establishing relationship with PHILWEN (apex group of 6 women's biz groups) and Cebu Chamber of Commerce to present to an event for women members (Philippines)
- ▶ Establishing relationship with key women's groups in Vietnam and Indonesia
- ▶ Continuing to ask each women-entrepreneur upon meeting to refer the SWOF team to other female entrepreneurs (across all countries), and
- ▶ Building relationships with individuals actively mentoring women entrepreneurs across the region.

A breakdown of the pipeline metrics for SEAF is provided below.

Pipeline Metric	Metric Number
Companies Engaged	167
Companies Screened Out	88
Companies in Current Pipeline	79
Companies Approved by IW	21
Companies with Term Sheet Presented	9
Companies with Term Sheets Signed	6
Companies Approved for Investment	4
Investments Closed	4

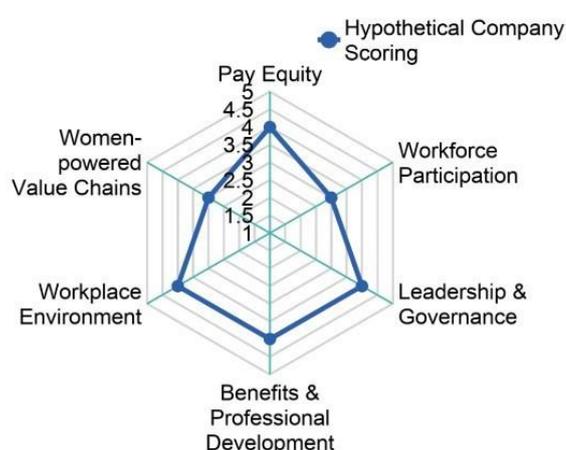
Investment review

The SEAF team holds quarterly reviews - "circle ups" - providing touchpoints for the team to identify and analyse gender patterns in their work and, at certain points, create opportunities to check assumptions about gender patterns and potentially unseen biases in the firm's processes.

Gender Equality Scorecard

SEAF has developed the proprietary GES[®], which assesses women's economic empowerment and gender equality within individual investment opportunities and portfolio companies. An example of the GES[®] is provided below.

SEAF Gender Equality Rating: 3.5



SEAF is using the GES[®] to (1) identify potential investees already committed to women's economic empowerment and gender equality, and (2) guide SEAF's value creation work in pay equity, leadership and other empowerment and equality metrics, and (3) leverage the data set derived from the tool to validate and refine SEAF's investment thesis. GES' policy and procedures are being finalised to ensure that SEAF's gender lens investment funds' commitment to women's economic empowerment and gender equality is fully reflected in its investments and in the post-investment value creation and gender equality scoring activity.

Investing activity across geographies

SEAF is implementing its investment strategy through a mix of locally based teams and local partnerships. This is important not only for pipeline development but also supports SEAF to attract additional co-investment into opportunities (which is a key requirement under the performance-based grant).

Investment activity to date

SEAF has been activity pursuing its pilot investments since signing the grant agreement in May 2017. This has resulted in investments in four women's SMEs in this time. A profile of each of the investments is provided below.

<p>Phuong Chau International Hospital (PCIH)</p>	<p>Phuong Chau International Hospital (PCIH) specialises in Obstetrics/Gynaecology (OB-GYN), serving women and newborns. Today, PCIH employs 443 full-time staff (of which 69% are female) and serves 135,000 clients (70% of which are female). In Can Tho, PCIH is the only private hospital with specialisation in OB-GYN.</p> <p>Transaction overview</p> <p>Along with co-investments, SEAF provided a capital infusion into PCIH to finance the establishment of a satellite hospital in Sa Dec (a city in Dong Thap province), growing its geographical presence to better reach the Mekong Delta's large underserved population (total 17.5 million, 20% of Vietnam's total population).</p>	<p>Deal Structure:</p> <p>SEAF invested through a mezzanine loan with co-investment through a medical leasing company (provided through lease financing). Value withheld at the request of the Entrepreneur.</p> <p>Impact</p> <p>Provision of critical health and maternity services to the community.</p>
<p>Dream Viet Education (Kyna and Kyna for Kids)</p>	<p>Kyna is an online education platform in Vietnam that brings high-quality educational content from experts & training institutions to end-users at reasonable prices. Its mission is to improve a million lives through giving equality in knowledge access. Kyna currently has 534 courses in professional training (marketing, finance, IT, etc.), personal development, parenting skills, and skills for kids.</p> <p>Transaction overview</p> <p>Kyna is a leading e-learning company in Vietnam, based in Ho Chi Minh City. The use of proceeds was to implement its growth strategy of developing and marketing its own course content rather than that of others.</p>	<p>Deal Structure:</p> <p>SEAF invested through a convertible note. The investment was made in 2018, with 56% of its funds disbursed in 2019. Value withheld at the request of the Entrepreneur.</p> <p>Impact</p> <p>Provision of education services across a range of educational courses to children, parents and professionals.</p>
<p>Organica</p>	<p>This company is a producer and retailer of certified organic food products with its retail outlets primarily being in Ho Chi Minh City, Hanoi and Danang in Vietnam.</p> <p>Transaction overview</p> <p>SEAF financed AUD880k for retail outlet expansion and online expansion. The expected impact includes increasing organic products sold and the volume of organic products purchased from local suppliers.</p>	<p>Deal Structure:</p> <p>SEAF investment for 30% equity (common shares) and variable interest loan over 5 years at 7% with variable linked to revenue. Value withheld at the request of the Entrepreneur.</p> <p>Impact</p> <p>Supporting rural supply chains and employment, sustainable land preservation activity, biodiversity, smallholders farmer income.</p>
<p>Beau</p>	<p>Beau by Talita Setyadi is a leading speciality bakery café brand focused on producing artisanal high quality bread and pastries. The company currently has one open-kitchen retail location but is looking to expand into mass-market production and other ventures. Talita Setyadi is a world-recognised chef and entrepreneur, including being in the Forbes Asia 30 under 30 and as EY Entrepreneurial Winning Women 2018.</p> <p>Transaction overview</p> <p>The use of proceeds was to expand BEAU's retail outlet as well as central kitchen capacity.</p>	<p>Deal Structure:</p> <p>SEAF investment through a convertible note with 40% of funds provided by an angel investor (on same terms as SEAF). Value withheld at the request of the Entrepreneur.</p> <p>Impact</p> <p>Job creation, improved nutrition for Indonesian consumers and business promotion for local suppliers, both through increased volumes of high-quality products manufactured and sold.</p>

SEAF Gender Lens Investing - Key learnings to date

Pipeline

Early engagement with market participants in the region during the initial submission round, saw many voice concerns around identifying investable opportunities / building a women SME pipeline, citing this as a barrier to investing in fund programmes targeted at women entrepreneurs. However, such a notion has been disproved as SEAF has deployed capital to four women's SMEs to date and is on track to achieve its target of five investments within two years of commencement. This represents a significant achievement for any fund working in an emerging market.

Leverage

The approaches used and early success achieved has supported initial discussions with investors interested in supporting gender lens investing activity in the future. For SEAF, this serves as an important step toward realising the goal of delivering a large SWEFF.

Gender Lens Action Plan

The development of a GLAP and subsequent activity has yielded a range of results across the organisation for SEAF. These include:

- ▶ Increasing diversity of board membership by adding appropriately qualified women to the board of the directors and to the Global Investment Committee, and
- ▶ Developing the Gender Equality Scorecard[®], a tool to assess the maturity of gender equality within a business. This has guided SEAF in terms of understanding their own maturity as well as serving as a useful screening tool for potential investors and a guide as to how businesses could be improved in terms of gender equality.

Social Impact

South East Asia is a region with a strong case for achieving development impact through entrepreneurial activity. SEAF investments to date have supported businesses improving the lives of people in poor and impoverished regions by providing critical services to underserved populations and employment and livelihood opportunities through the business value chains.

Technical assistance

Women entrepreneurs in growth stage businesses have found the access to technical assistance a key differentiating factor from other sources of capital. This assistance has included advice on developing strategic and operational plans based upon future capital inflows, leadership development, capital structure and financing improving gender equality within the business and general operational advice.

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 date²³. 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 organisational 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

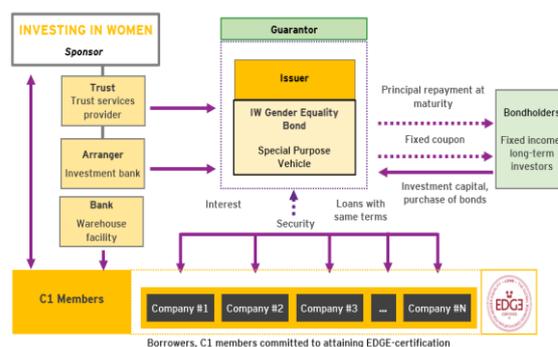
mobilise Asian capital towards women's SMEs), IW intends to partner with local investor networks in Phase 2 of the program (2019-2023).

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 organisations offering more financing options (such as receivables and trade financing, non-collateralised 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.



² IW, "Overview and Lessons Learned - Outcome Pathway 2: Impact Investment for Women's SMEs", June 2018

³ 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 and asset management industry⁴ (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 period⁵. 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 returns⁶. 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 workforce⁹. 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.



⁴ McCarthy, Seelan and Smith, “Gender lens investing: More than women on the board”, March 2019

⁵ EY, “Harnessing the power of women investors in wealth management”, 2016

⁶ Business Wire, “Pax World Acquires Women’s Equity Fund”, October 2007

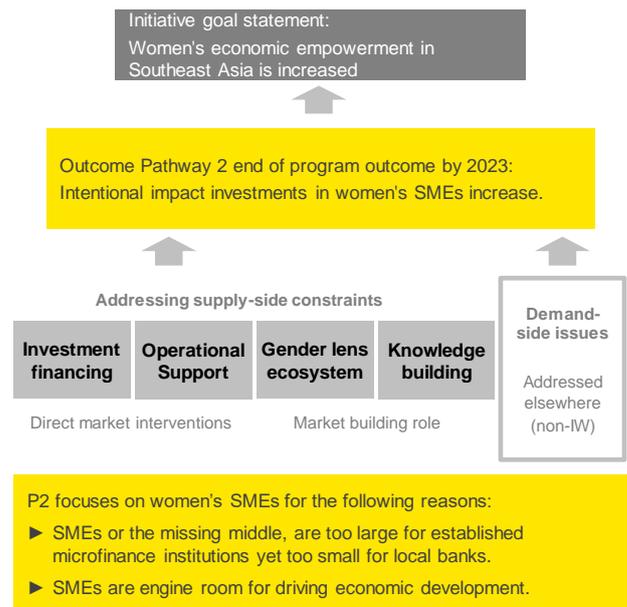
⁹ Pew Research Center, “In many countries, at least four-in-ten in the labor force are women”, 2017

Investing in Women's achievements to date

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

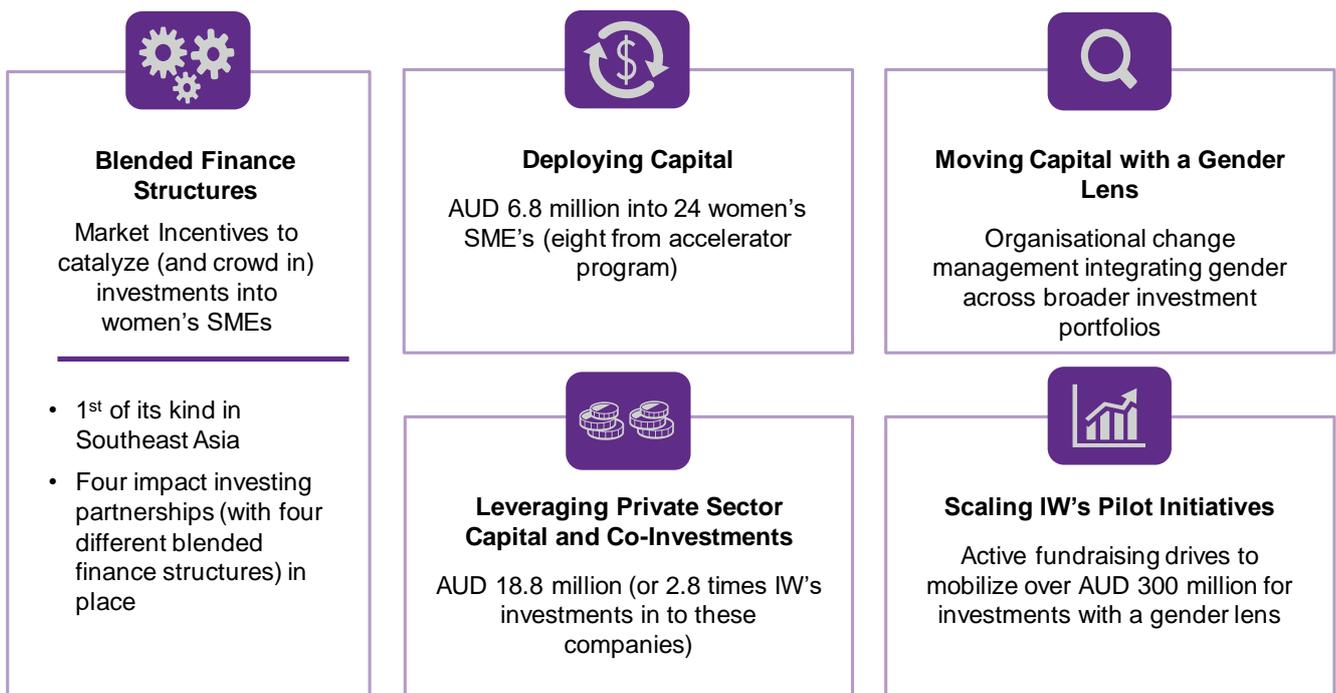
To incentivise and catalyse investments into women's SMEs, IW's P2 focuses on the supply-side constraints of capital by either (i) intervening directly in the market to support impact investors with blended finance instruments or (ii) performing a market building role and advocating with the broader 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 - via the provision of performance-based grants (please refer to the "IW - innovative blended finance structure with SEAF" 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

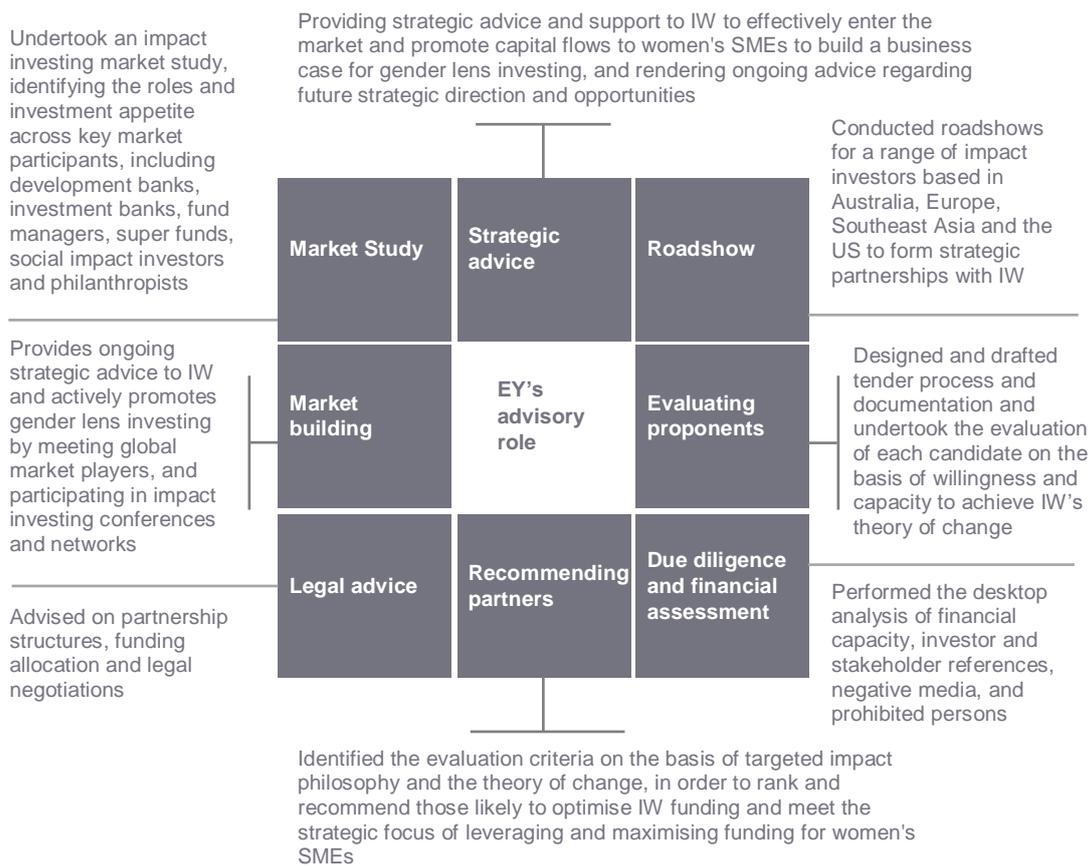
EY plays a critical role as the advisor for IW by undertaking market studies, advising on tender processes, evaluating and recommending impact investing partners, and providing general, strategic and legal advice. EY is also assisting IW in its role as a regional market builder for gender lens investing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

As an organisation, 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 business relationship with IW to date:



EY looks forward to continuing its work with IW and supporting IW as it expands 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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