



Inclusive Growth through Social Capital Markets

September 2012



The World Today



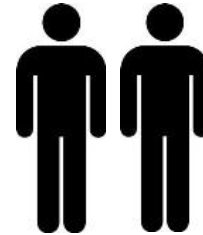
*People are more informed, connected
and richer than ever before*

Asia is a Big Beneficiary

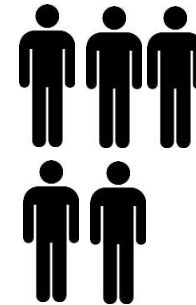
The region has been a major benefactor of economic growth

- ◆ Vibrant economies
 - ◆ China, India, Southeast Asia
- ◆ People are getting richer across the region
 - ◆ Greater middle class participation
 - ◆ The number of wealthy increasing, in size and wealth
 - ◆ However, the number of poor is ever increasing

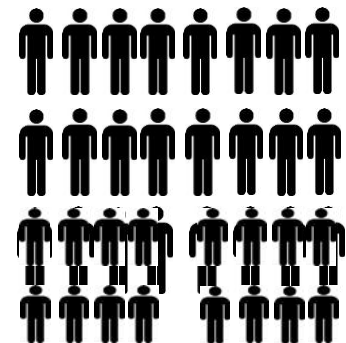
The Rich



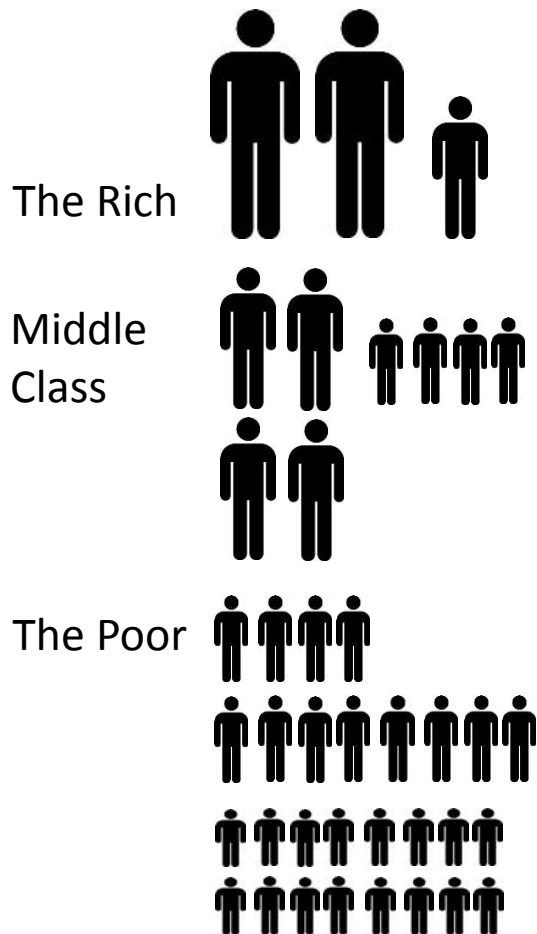
Middle Class



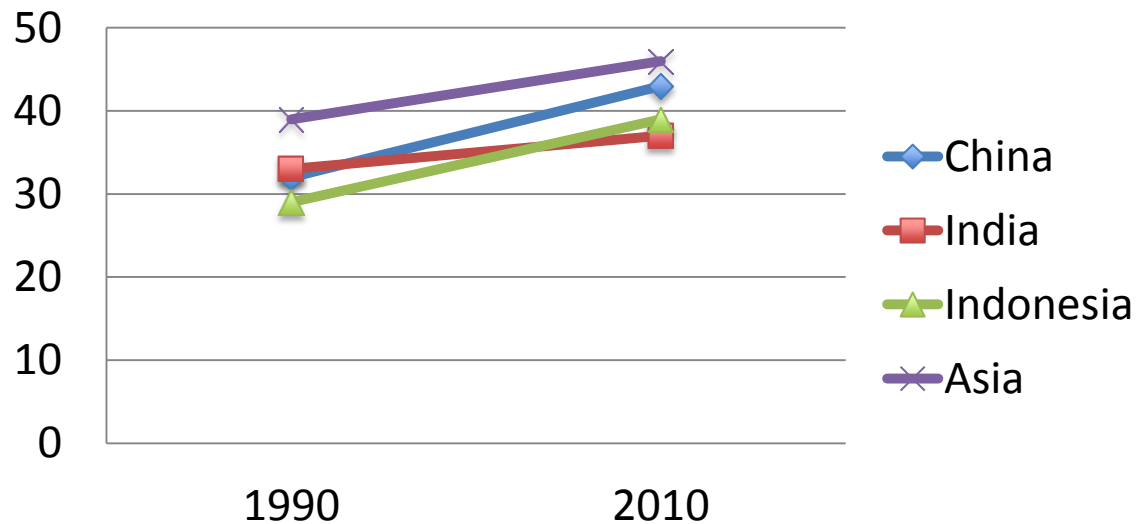
The Poor



Inequality Gap in Asia



Gini Coefficient in Key Developing Asian Countries



Source: Asian Development Bank Outlook 2012.



Key Factors of Inequitable Growth in Asia

- ◆ Access to **basic services** remain dismal
- ◆ Distribution of **technology, infrastructure, and investment** is highly unequal
- ◆ Intense lack of **opportunity**

Mission-oriented for-profit or Business-oriented non-profit



Face of the SE Sector Today

Potential

Numerous opportunities in
different industries

Huge market



Challenges

Access to funds is uncertain

Minimal philanthropic
capital



Impact

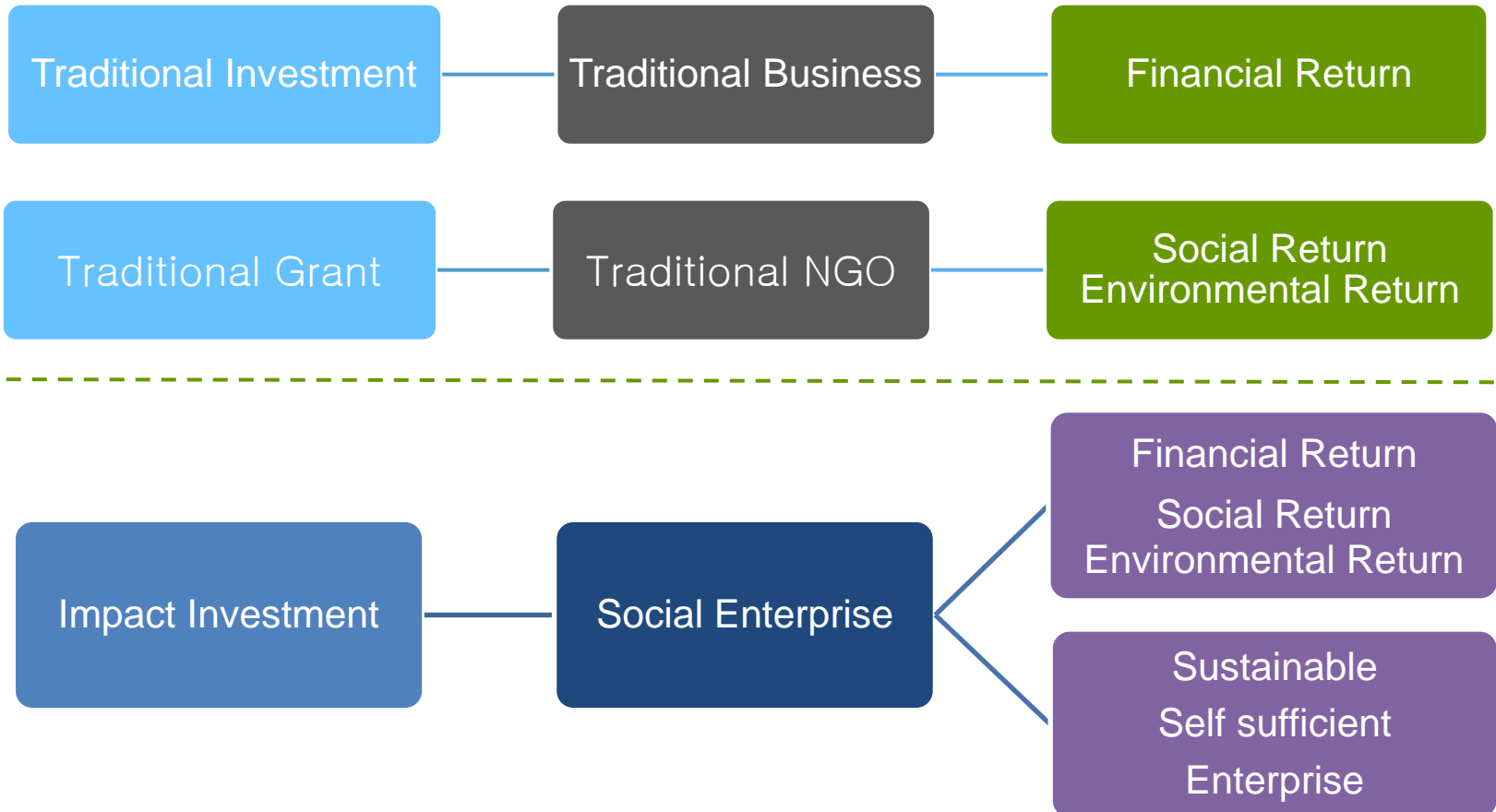
Social and environmental
change is limited

Self-sufficiency is low

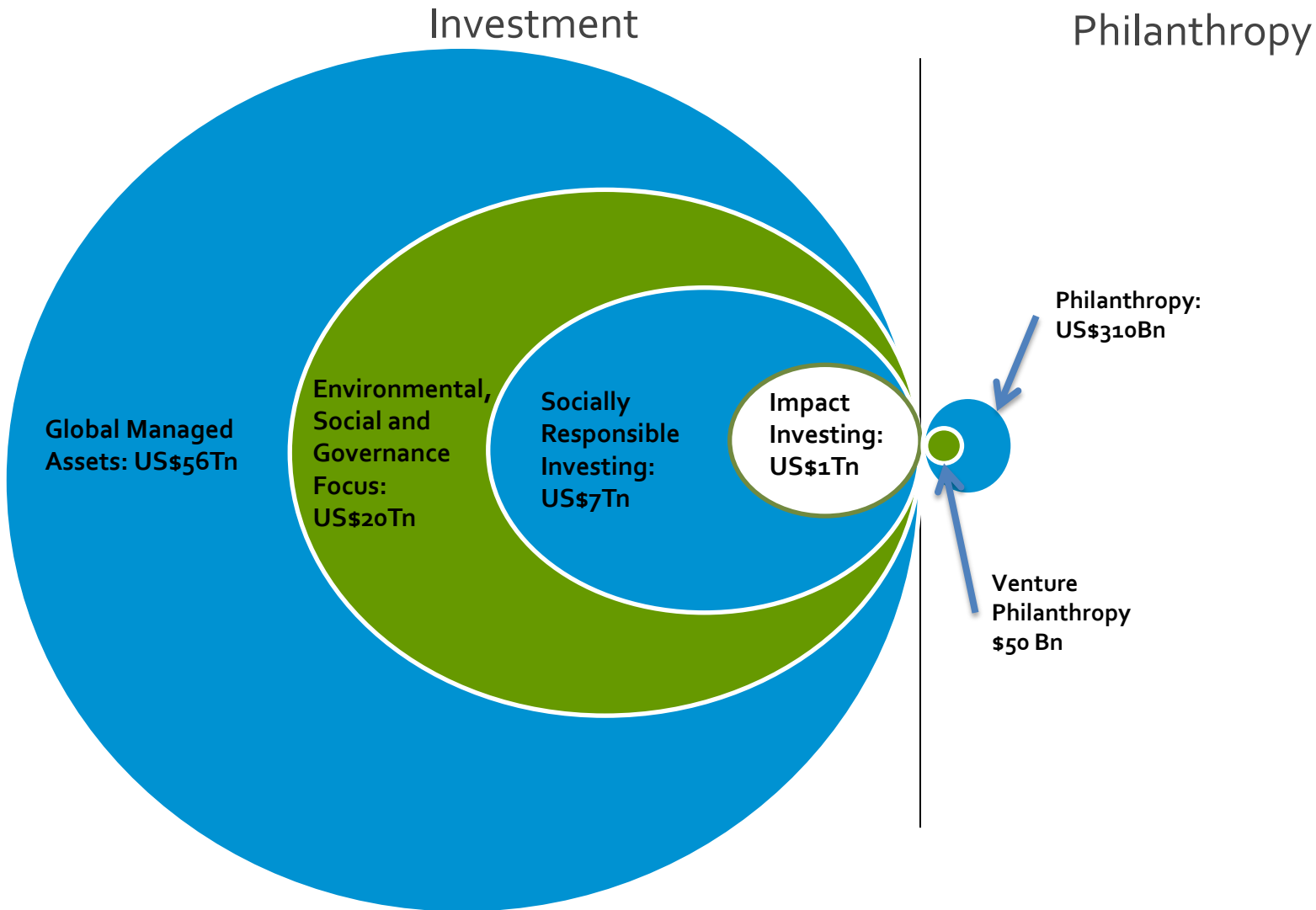
*SEs need greater access to
capital investments*

Impact Investing

Investments intended to create positive social impact beyond financial return



Global Impact Investing Market



Opportunity for Social Capital Markets



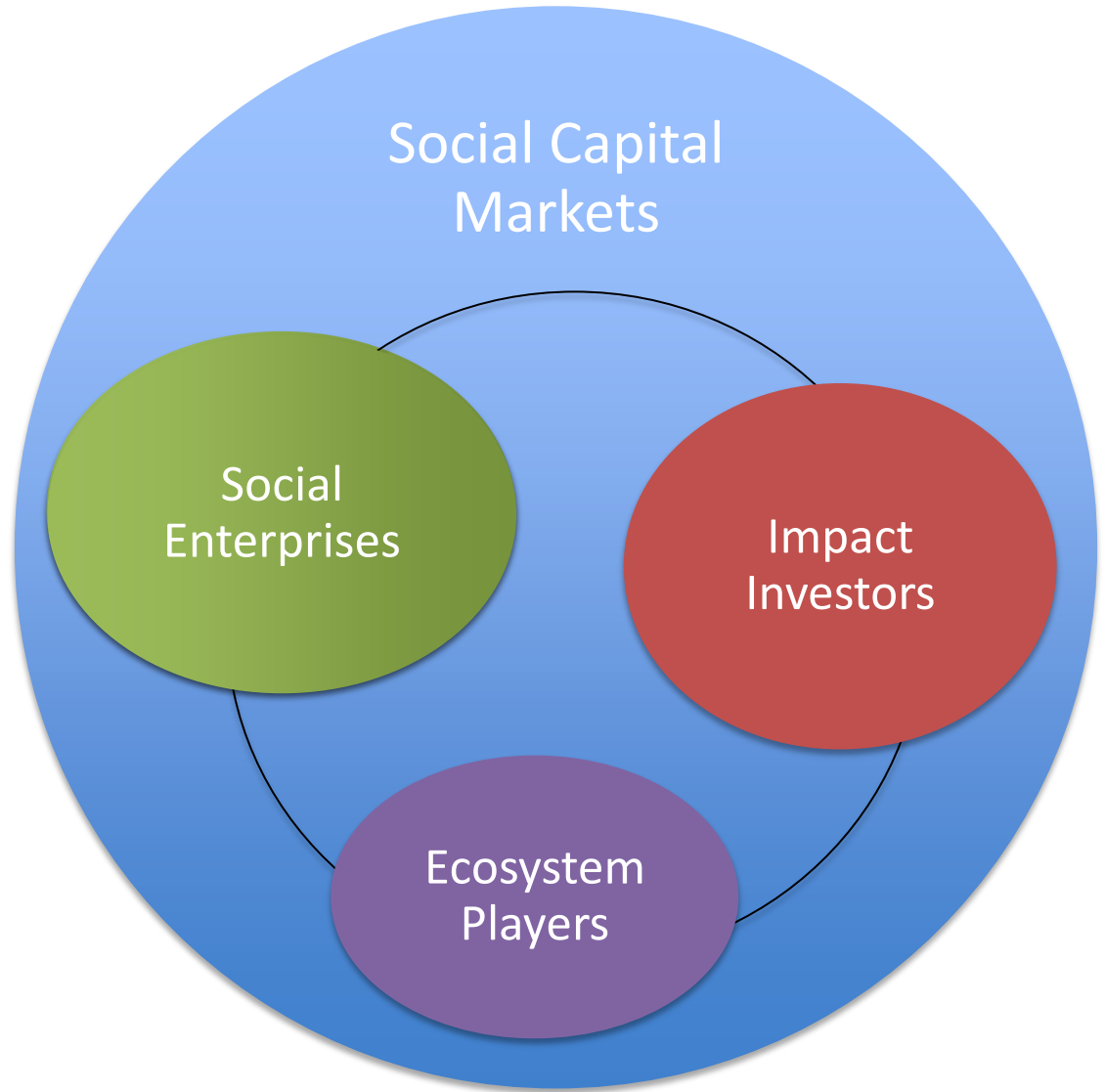
SOCIAL CAPITAL MARKETS



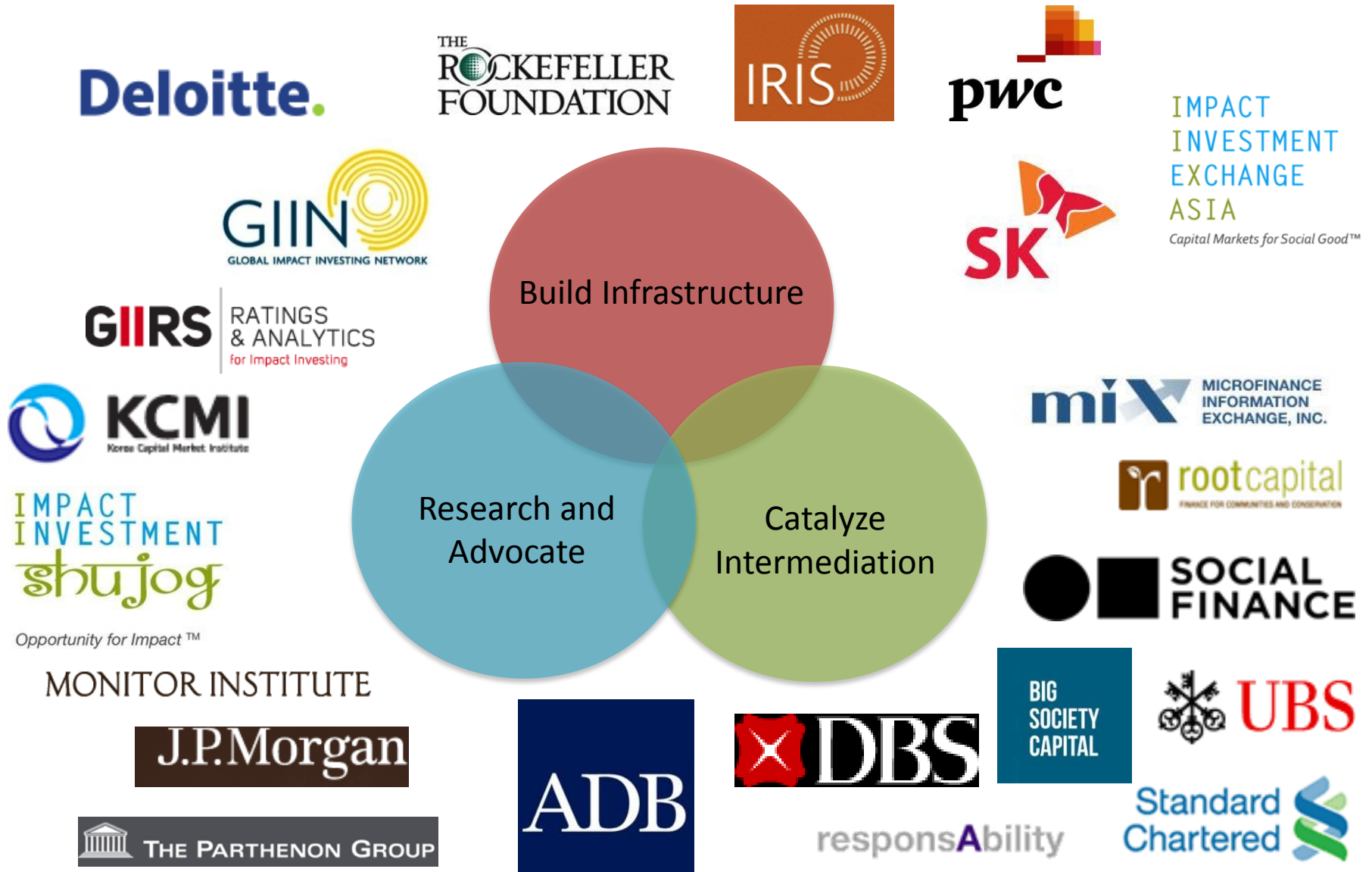
SOCIAL ENTERPRISES

What is a Social Capital Market?

A vibrant marketplace of actors who value social, environmental AND financial returns



Key Steps in Social Capital Market



IIX and Shujog's Role

IMPACT
INVESTMENT
EXCHANGE
ASIA

- ▶ IIX provides the platforms, products and ecosystem development to connect investors, investees and ecosystems partners, and create sustainable change.

IMPACT
INVESTMENT
shujog

- ▶ Shujog builds knowledge and awareness of the space to support and develop the infrastructure needed around this new type of financial market.



IMPACT
INCUBATOR



IMPACT
PARTNERS



IMPACT
CAPITAL

IMPACT
INVESTMENT
EXCHANGE
ASIA

Connecting Social Enterprises and Impact Investors and facilitating the investing process with eco-system partners

Other Financial
Services:

Technical Assistance

Financial Advisory

Financial Product Structuring



Action

Impact
Assessments

Impact Academy

shujog

Foster growth, innovation, and market readiness in the social enterprise and impact investment sectors in Asia



Advocacy

IMPACT
FORUM

IMPACT
chat



Research

Ecosystem Mapping:

Impact Investors in Asia

Market Intermediaries in the Asia Pacific

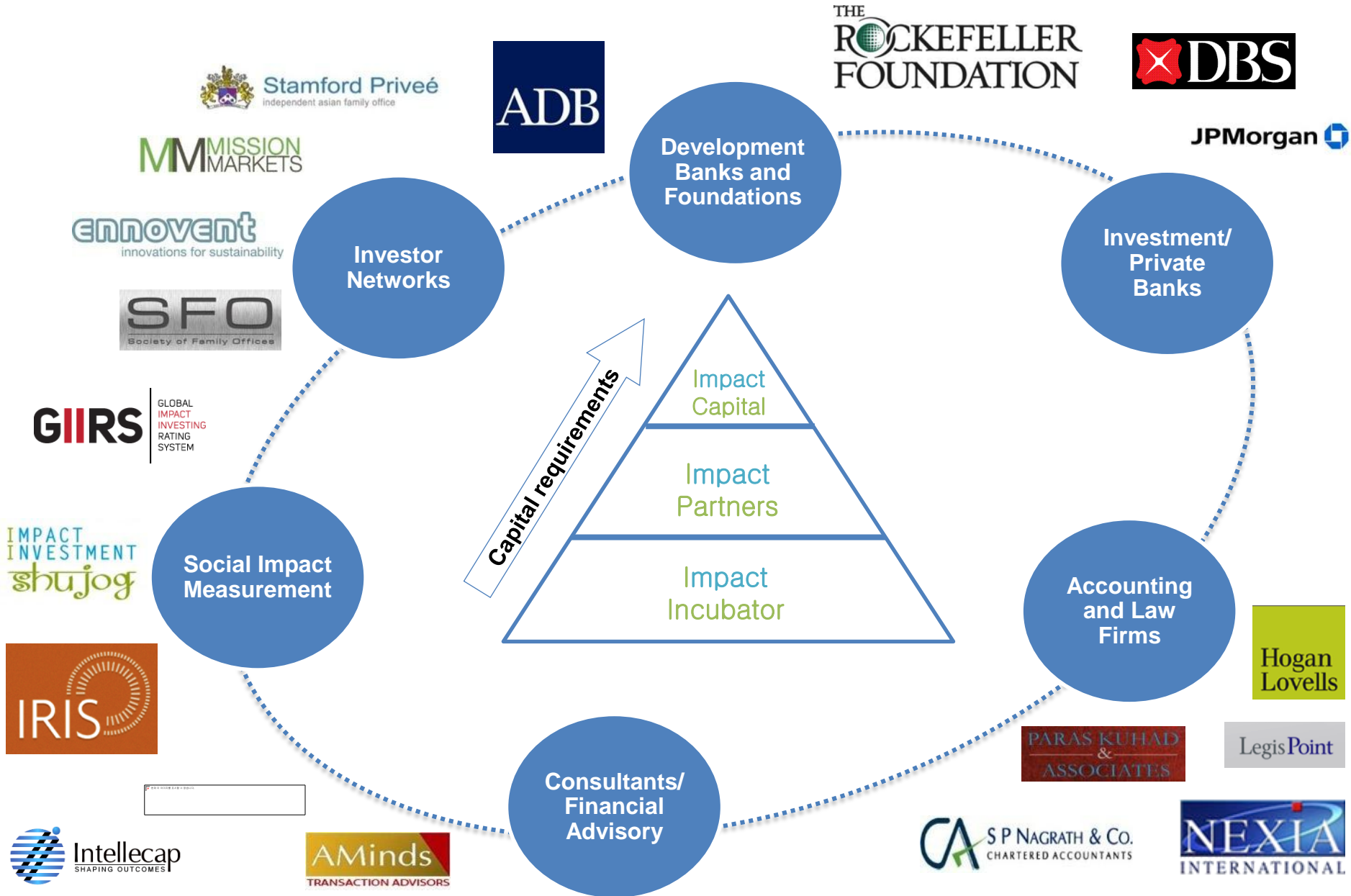
Social Enterprise Mapping:

India Social Enterprise Landscape Report

Thailand Social Enterprise Landscape Report

Sector Mapping in Indonesia, Cambodia, & Philippines

IIX and Shujog's Role



IIX – End to End Capital Raising

Capital Markets for Social Good

Impact Incubator

Seed Stage Funding

Impact Partners

Private Placement
Platform

Impact Capital

Trading Platform

**Financial
Products/
Advisory
Service**

Catalyzing Capital

Matching Investments
Guarantee Fund
Venture Fund

Retail Product

Mass Appeal

Effective PPP

Social Impact Bond

Sector Specific Products

Huge Untapped Potential

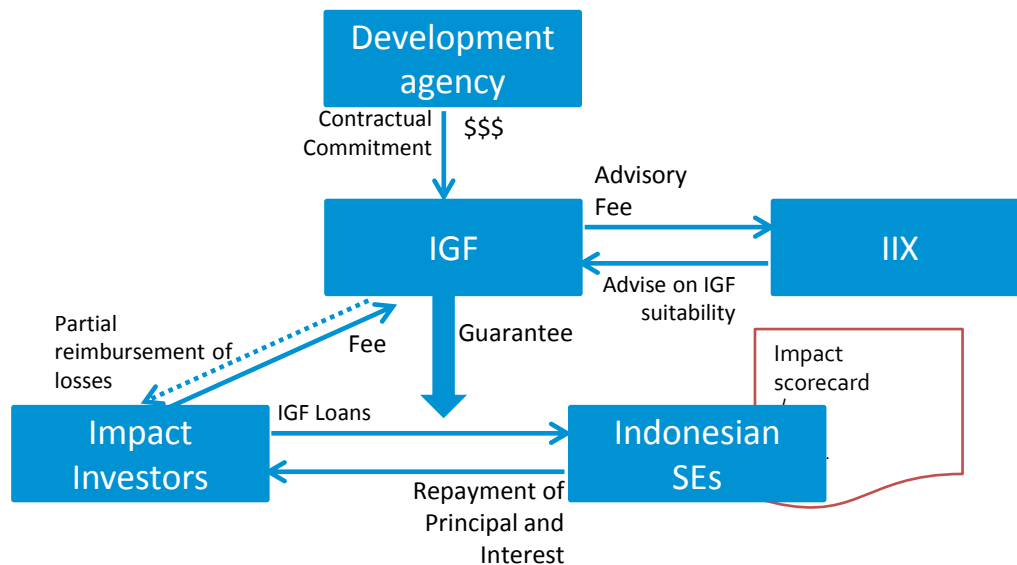
Matching Investment Platforms

	SOURCING	INVESTMENT READINESS	PLATFORM	DEAL TYPE
	Philippine SE Mapping SE Competition SE Association and	Financial Status Social Impact	Impact Incubator Impact Partners Impact Capital	Debt Equity Convertible
Example	Bagosphere	Four Weeks of Assessment	Impact Incubator & Impact Partners	Convertible Debt

Getting SE investment ready – Pitching to Impact Investors – Closing the deal – Directing Capital to SE



Guarantee Fund

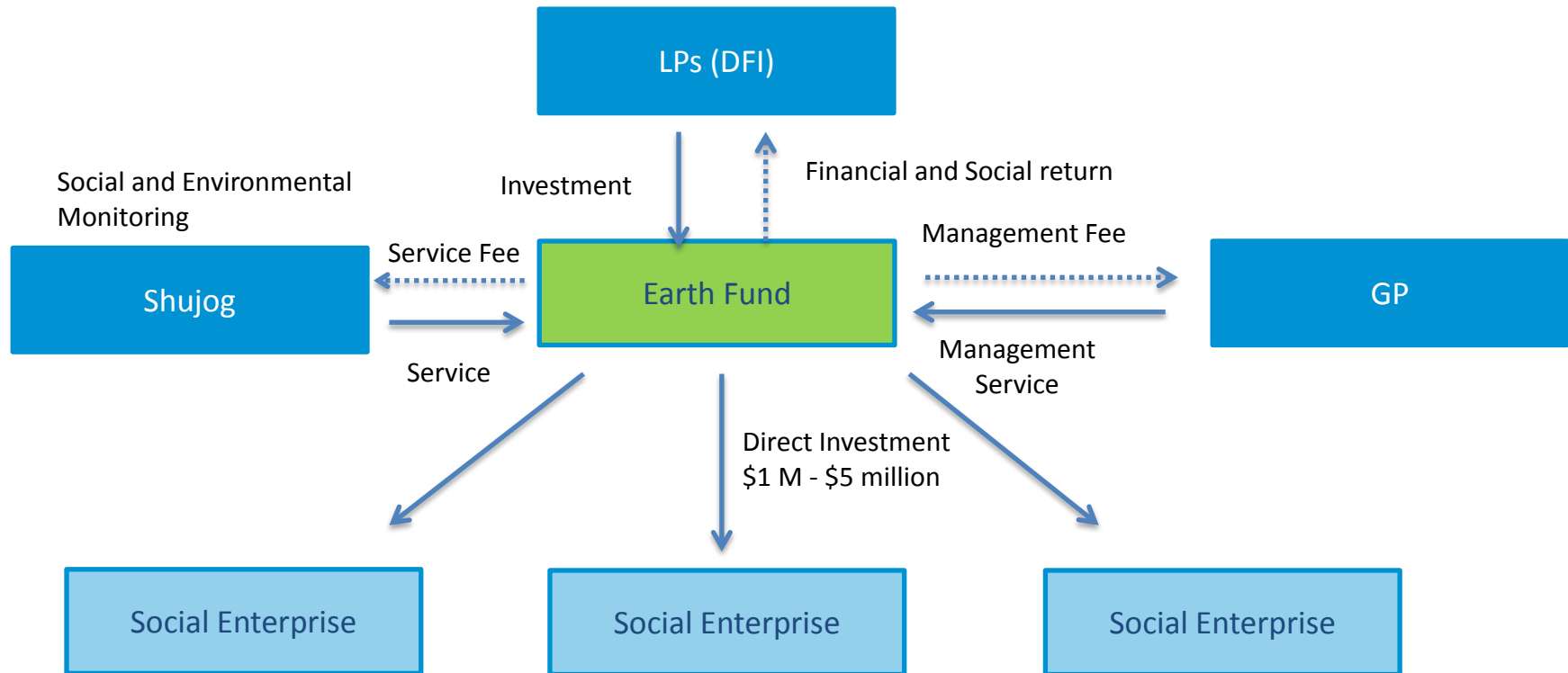


- ◆ Contributors will provide a Deed of Indemnity to IGF
- ◆ IGF will provide a guarantee to the Investors if SE satisfies specified socio-environmental impact criteria (assessment by IIX)
- ◆ Investor pays a fee to IGF to cover its costs
- ◆ In case of SE default, IGF indemnifies the investor for a portion of its losses

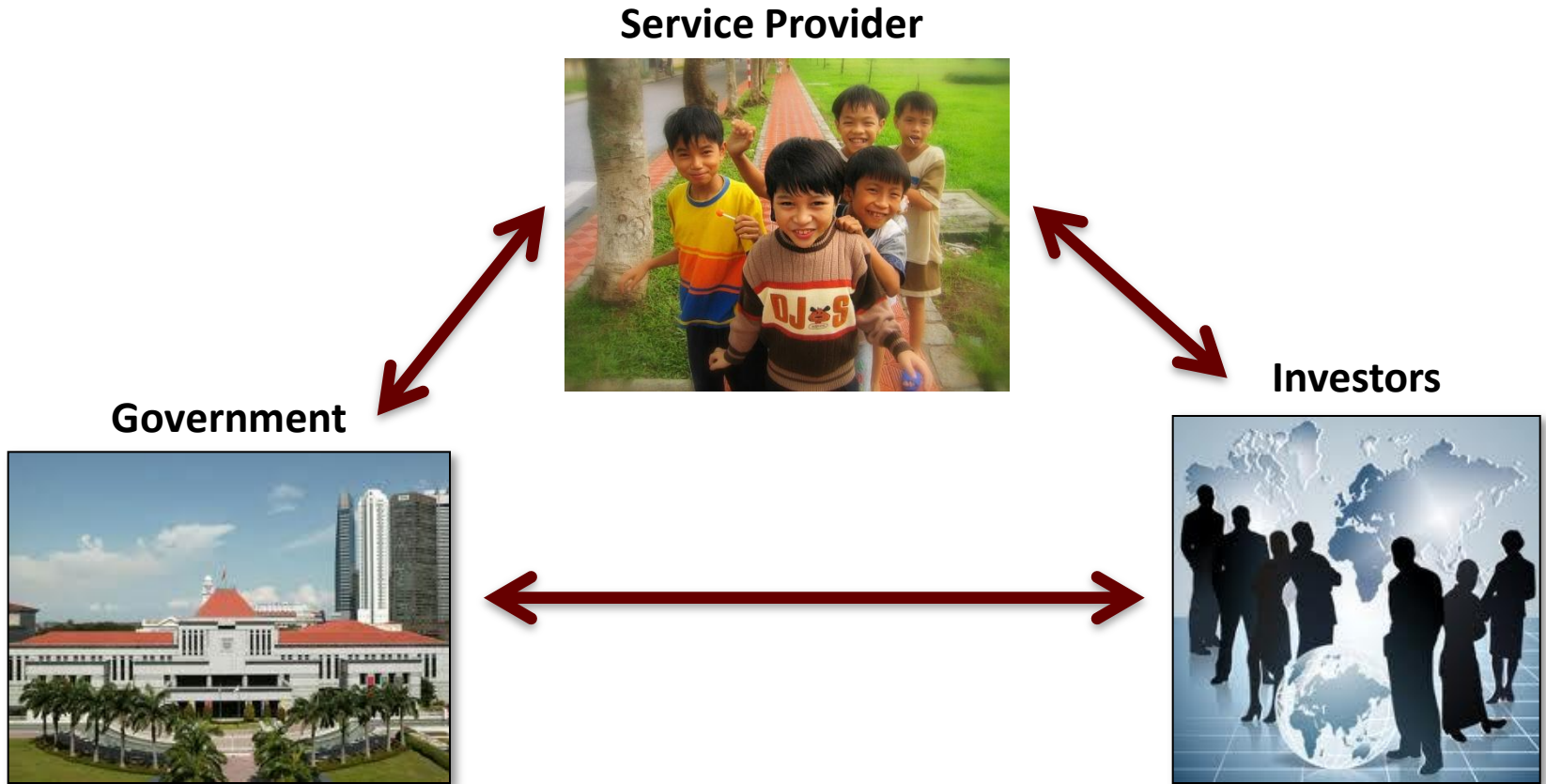


IIX Earth Fund

\$ 50 million Social Investment Fund to stimulate investment into Social Enterprises activities focused on Mitigation and Adaptation of Climate Change

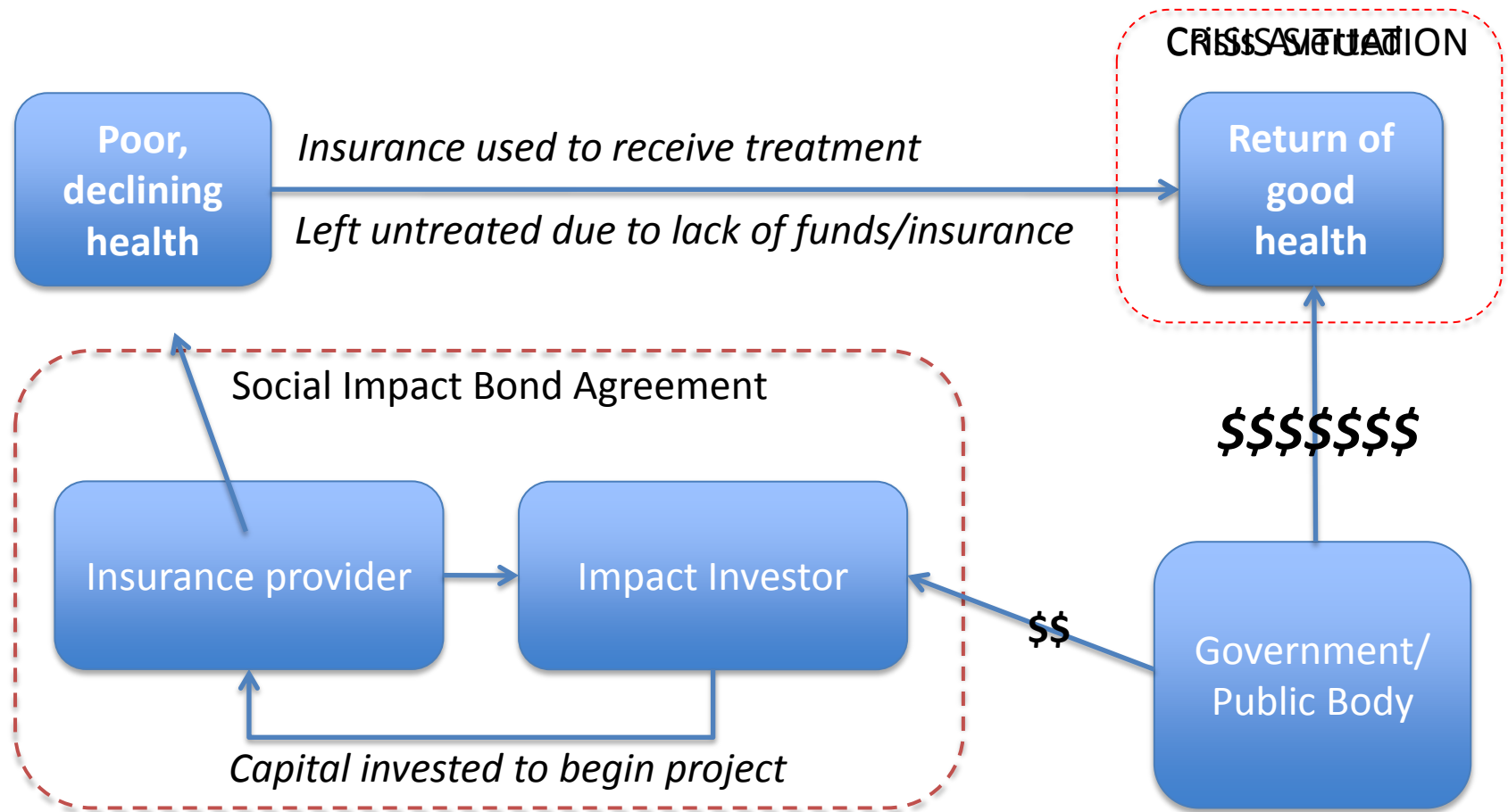


Social Impact Bond

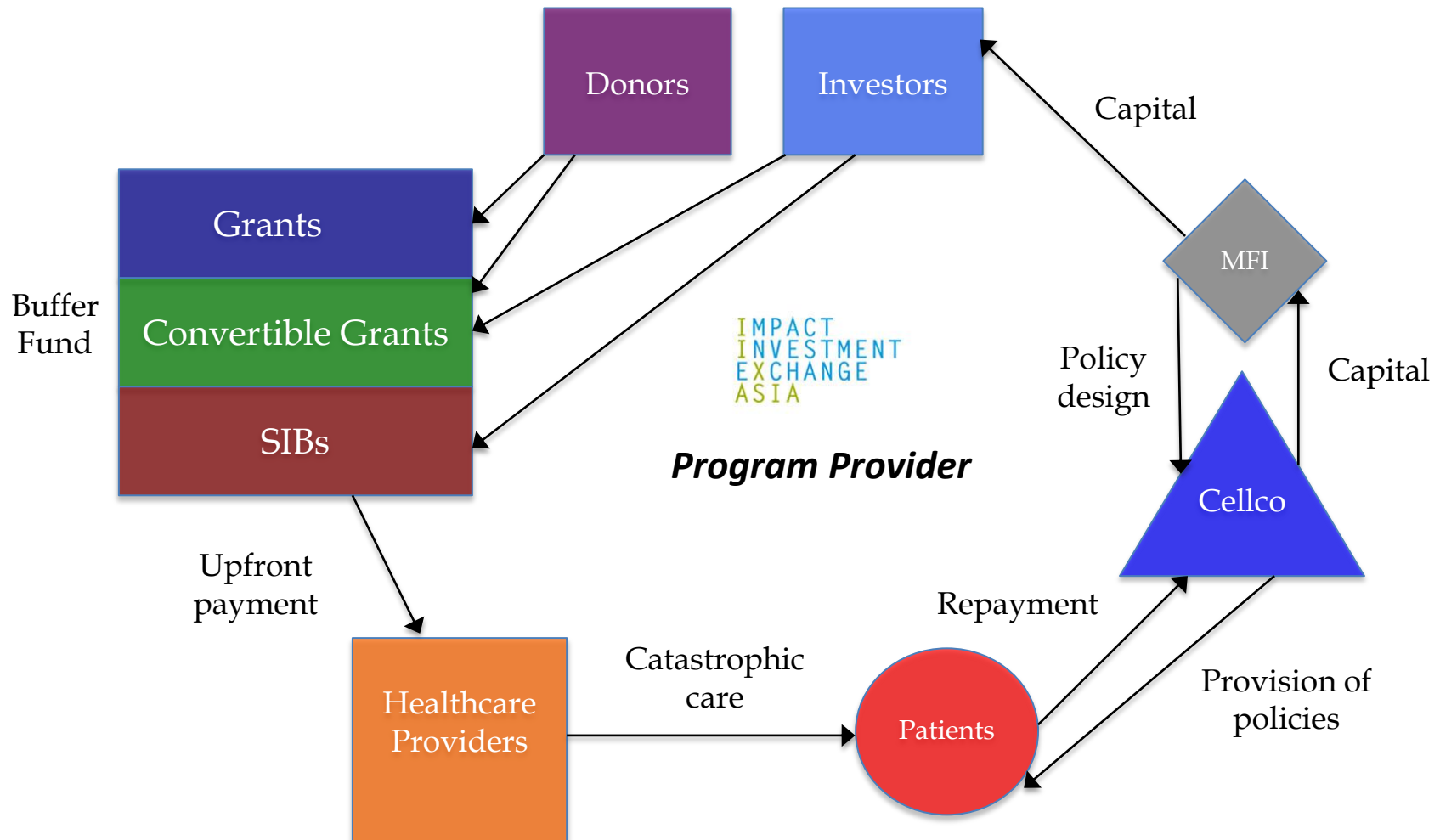


Creates public-private partnerships that produce more efficient and more cost-effective social impact

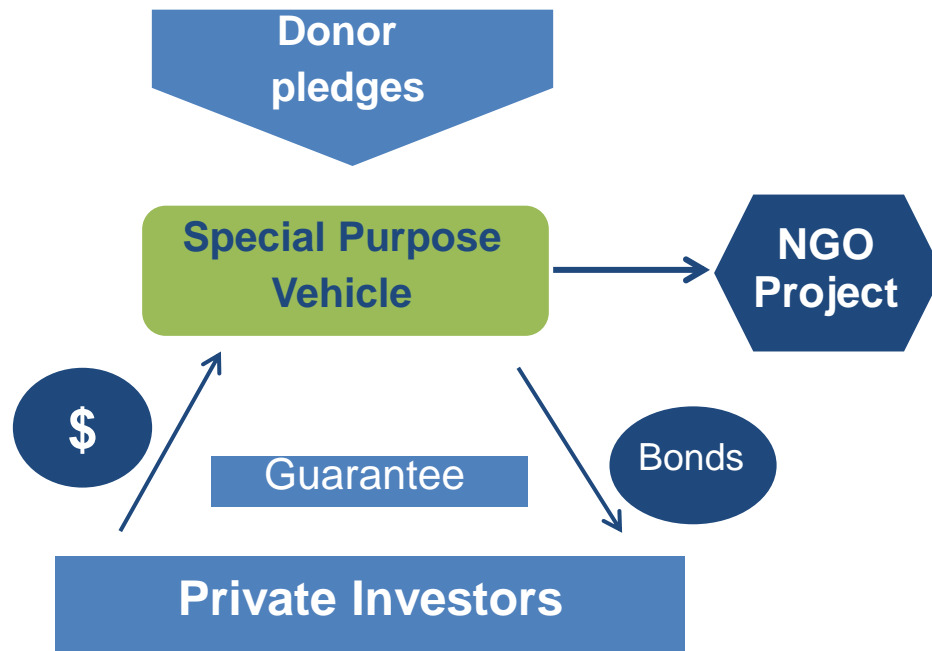
SIB for Health Insurance



Buffer Fund for Health Insurance



Bond Issuance for NGOs



- ◆ Scalability used to attract donor pledges
- ◆ Donor pledges used to sell bonds to private investors
- ◆ Guarantee increases attractiveness for investors
- ◆ Private investment used to scale up
- ◆ Private investors bonds will be repaid/guaranteed by donor pledges
- ◆ Further repayment from repayment of microfinance loans



Arctic Ocean

Arctic Ocean

Our Reach



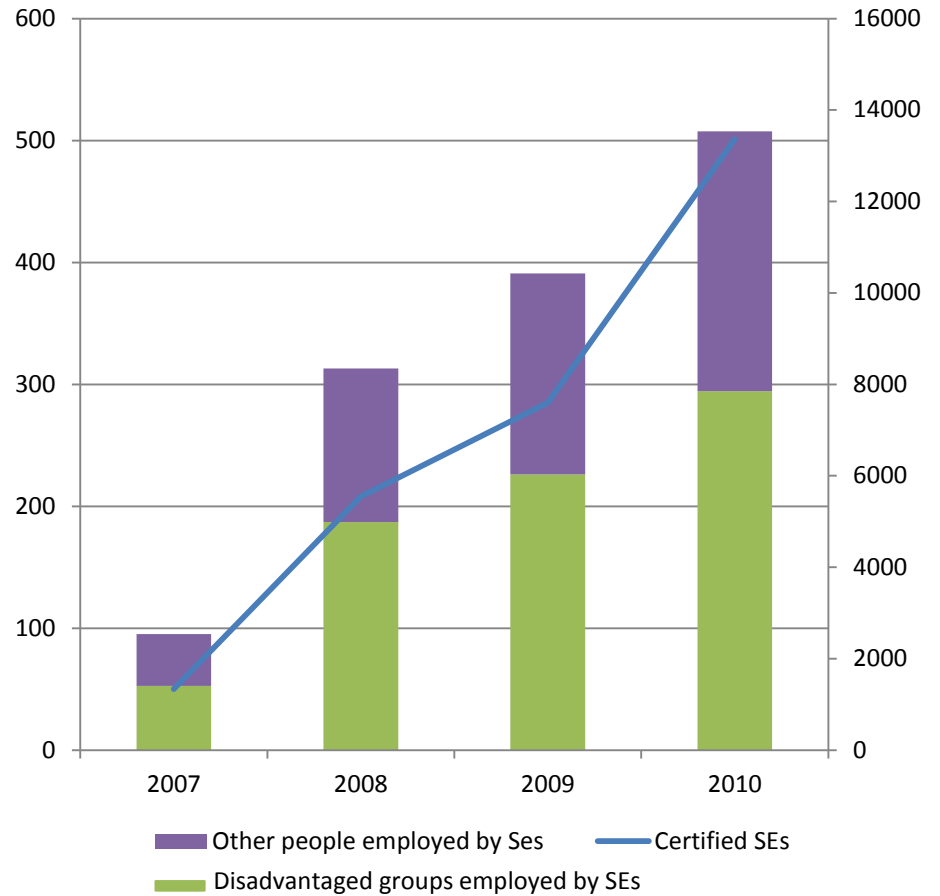
Over \$100 million in investment opportunity

State of Social Enterprises in Korea

	Korea	Singapore	Europe	Rest of the World
Definition	Organization engaged in commercial activity and pursuing a social mission by “providing social services and creating jobs for the disadvantaged”	Any business with a social and/or environmental objective.	An organization that combines social and societal purpose with an “entrepreneurial spirit” and reinvests surplus to members or the community	For-profit business with a social mission or an “entrepreneurial non-profit”.
Common Legal Structure	Public Sector Corporations, Cooperatives, Non-profits, and Social Welfare Foundation	Sole Proprietor, Limited and Private Limited companies	Association, Cooperative	Non-profit, Foundation, Sole Proprietor

State of Social Enterprises in Korea (cont).

- ◆ Viable solution to unemployment
- ◆ Great expansion of the SE sector, mostly in service industries
- ◆ Strong support systems and awareness



Opportunities in Korean SE Sector

- ◆ Include private sector as SEs
- ◆ Encourage PPP
- ◆ Review of certified SEs and ensure effective use of subsidies
- ◆ Implement impact measurement
- ◆ Pursue financial sustainability
- ◆ Emphasize importance of innovation



Social Capital Markets in Korea

- ◆ Private sector involvement in Impact Investing
 - ◆ Rechanneling wealth from philanthropy to impact investing
- ◆ Engaging the social sector in financial markets to promote inclusive growth
 - ◆ Give social sector opportunity for self-reliance
- ◆ Harness Korea's development success into regional leadership for impact investing



Contact us:

IIX & Shujog
38 Carpenter St.
Hui Seng Building, #02-01
Singapore 059917

Tel: +65 6221 7051

E-mail: info@asiaiix.com
info@shujog.org

Web: www.asiaiix.com
<http://shujog.org>

twitter.com/asiaiix
twitter.com/shujog

facebook.com/asiaiix
facebook.com/shujog

IMPACT
INVESTMENT
EXCHANGE
ASIA

IMPACT
INVESTMENT
shujog