

From the tip of the iceberg to the tipping point for Impact Investing

Heather Jackson

A part of the FirstRand Group



A good head and a good
heart are a formidable
combination

“In a world where government resources and charitable donations are insufficient to address the world’s social problems, Impact Investing offers a new alternative for channeling large scale private capital for social benefit.”

Impact Investments: An emerging asset class –
JP Morgan

\$2.5 Trillion Annual Investment Gap
to achieve the SDGs



**SUSTAINABLE
DEVELOPMENT
GOALS**

\$2.5
TRILLION

Source: World Investment Report 2014 – United Nations Conference on
Trade and Development (UNCTAD)

An iceberg floating in the ocean. The tip of the iceberg is above the water line, while the much larger base is submerged below the surface. The sky is blue with white clouds, and the water is a deep blue.

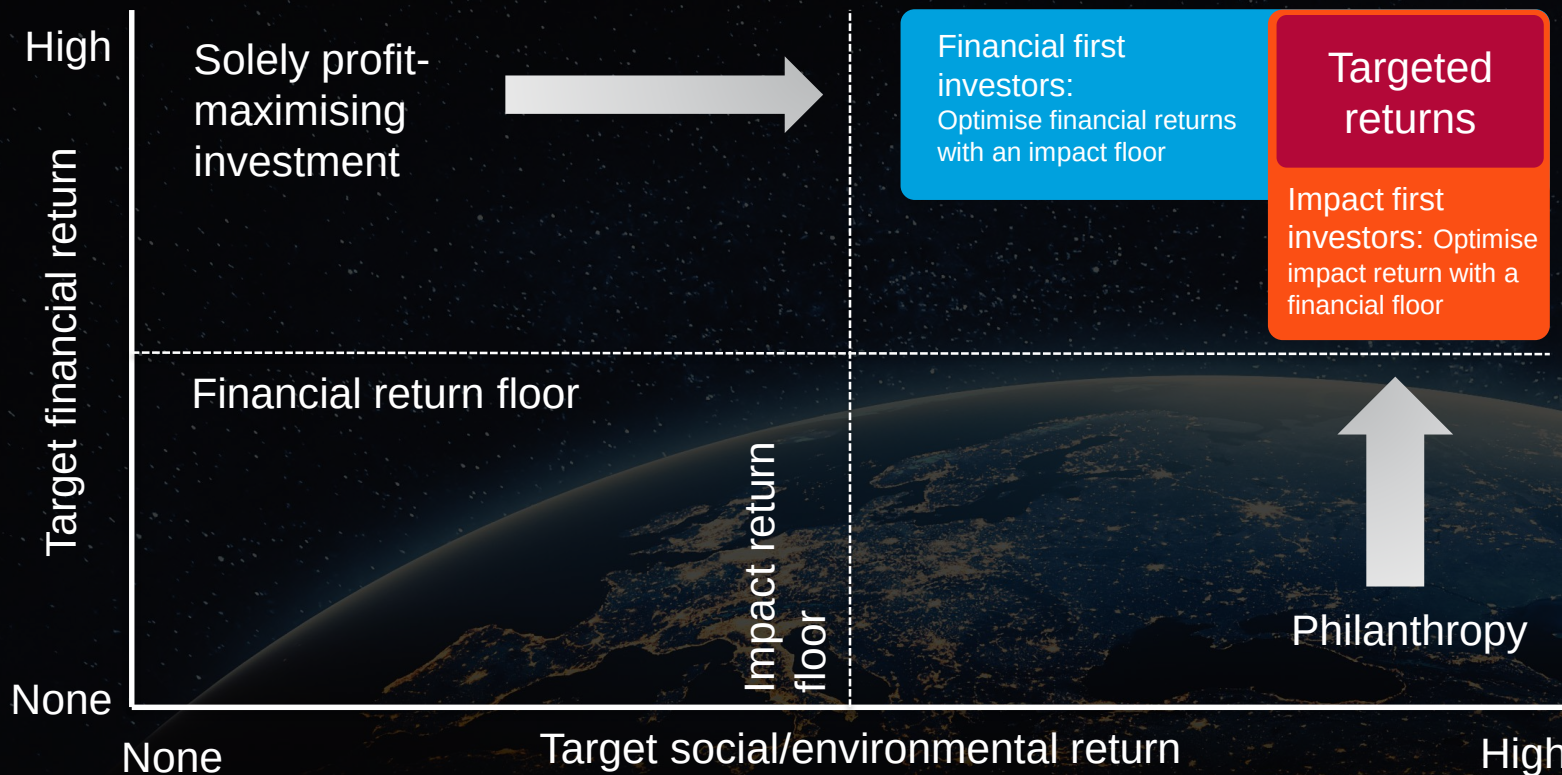
\$502tn

Impact investing goal is 10%
tipping point

\$269tn

IFC Institutional investors

Targeted returns



Alignment of National Development Plan with Social Development Goals

Equality



Economic Infrastructure



Education



Health



Environment



Peace & Justice

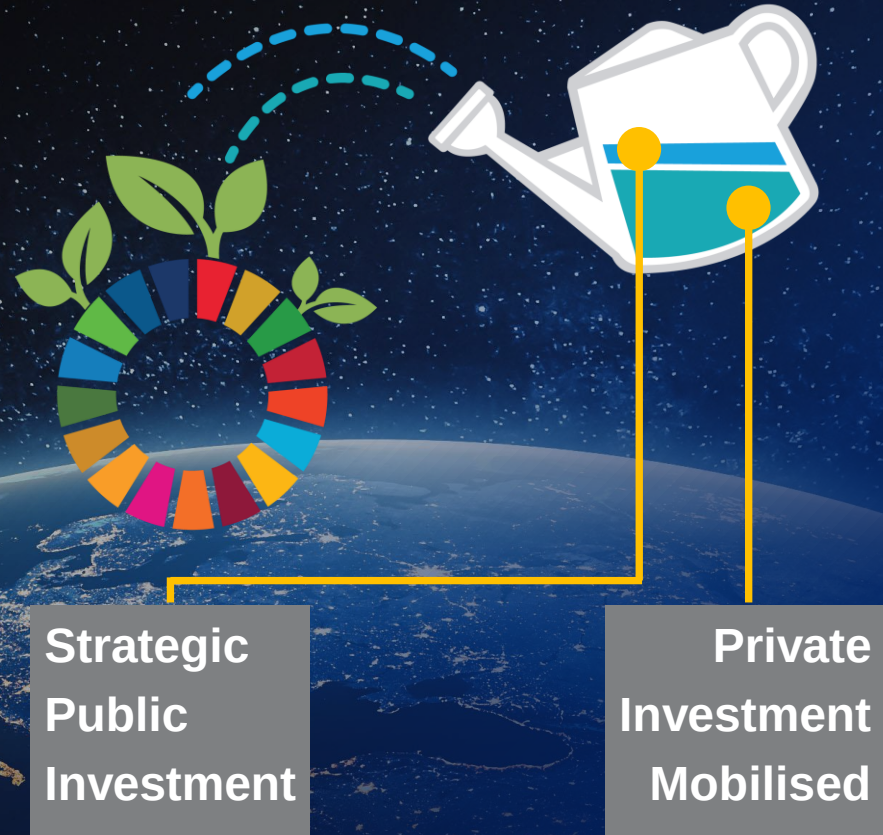


8 DECENT WORK AND ECONOMIC GROWTH

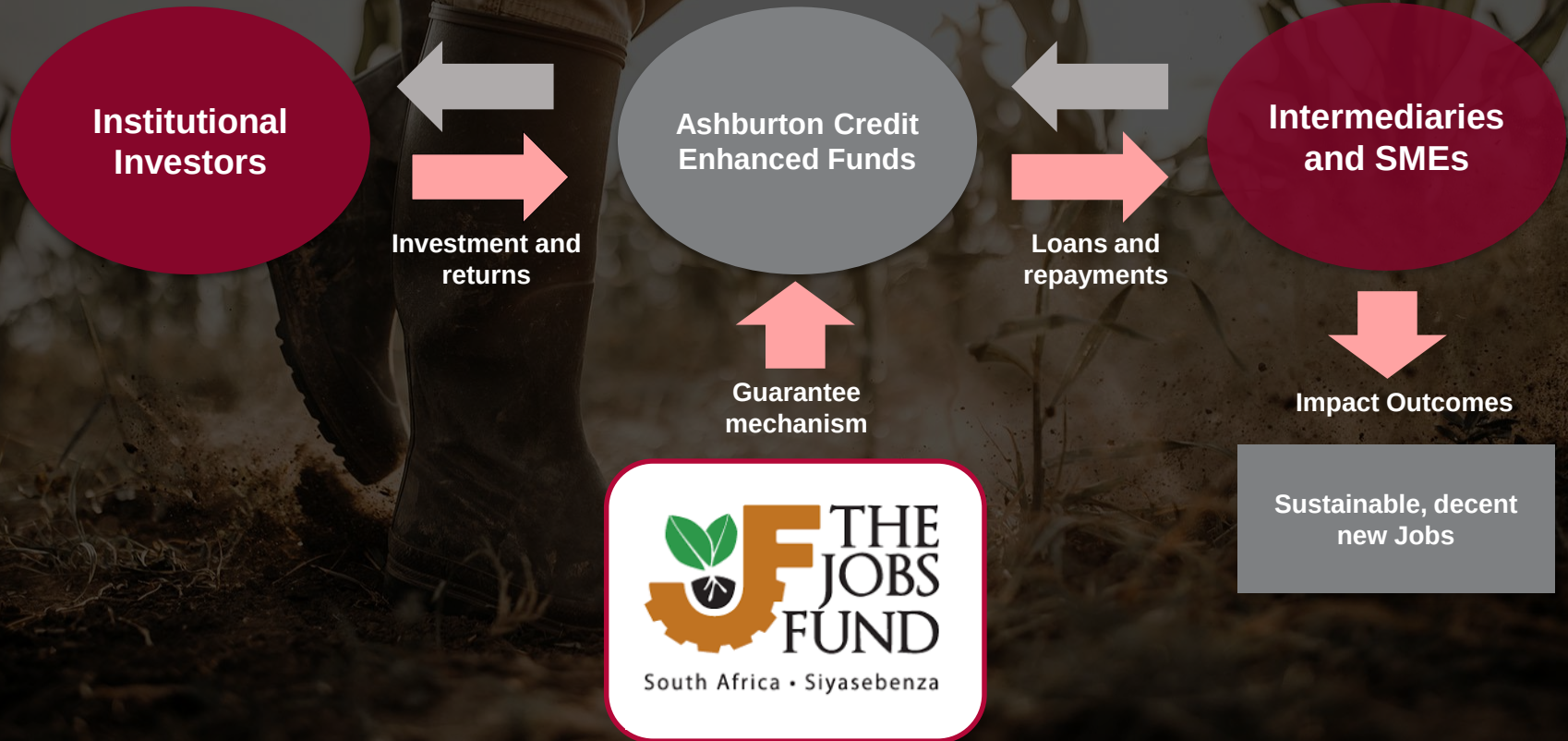


Looking forward...

Blended finance



Credit Enhanced Funds



Impact: Job creation

June 2019

ACEF I

Target job creation	9 635
Verified job creation	10 222
Target achieved	>100%



100% permanent jobs



88% female



98% previously disadvantaged



74% underserved provinces
(Eastern Cape, Limpopo and North West)



R7,500 cost per job

Job creation by province: ACEF I



Job creation verification

June 2019

ACEF I

Confidence Level	95%
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Margin of error	5%
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Population	10 222
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Recommended sample size	371
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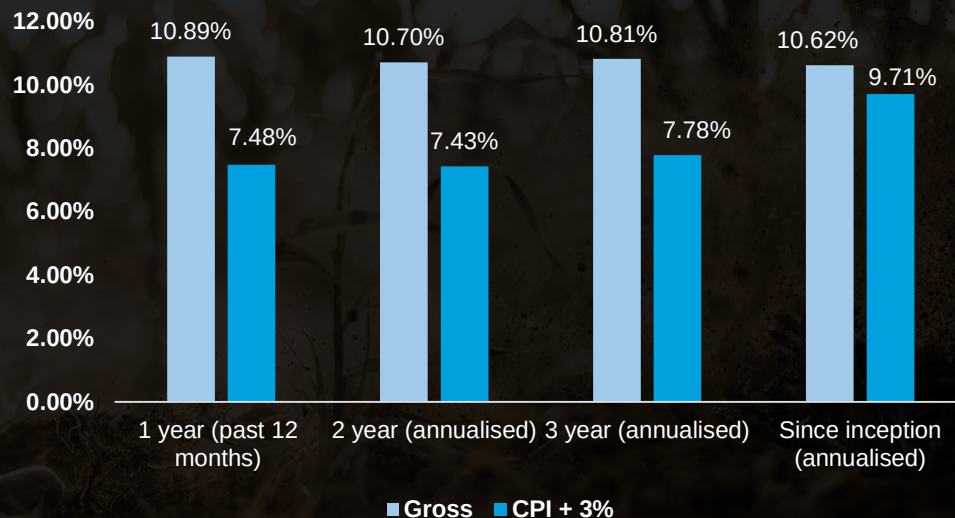
Our sample size (randomly selected)	925
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Our investors can be more than 95% confident that jobs are verified against an existing employment contract or loan agreement

Performance

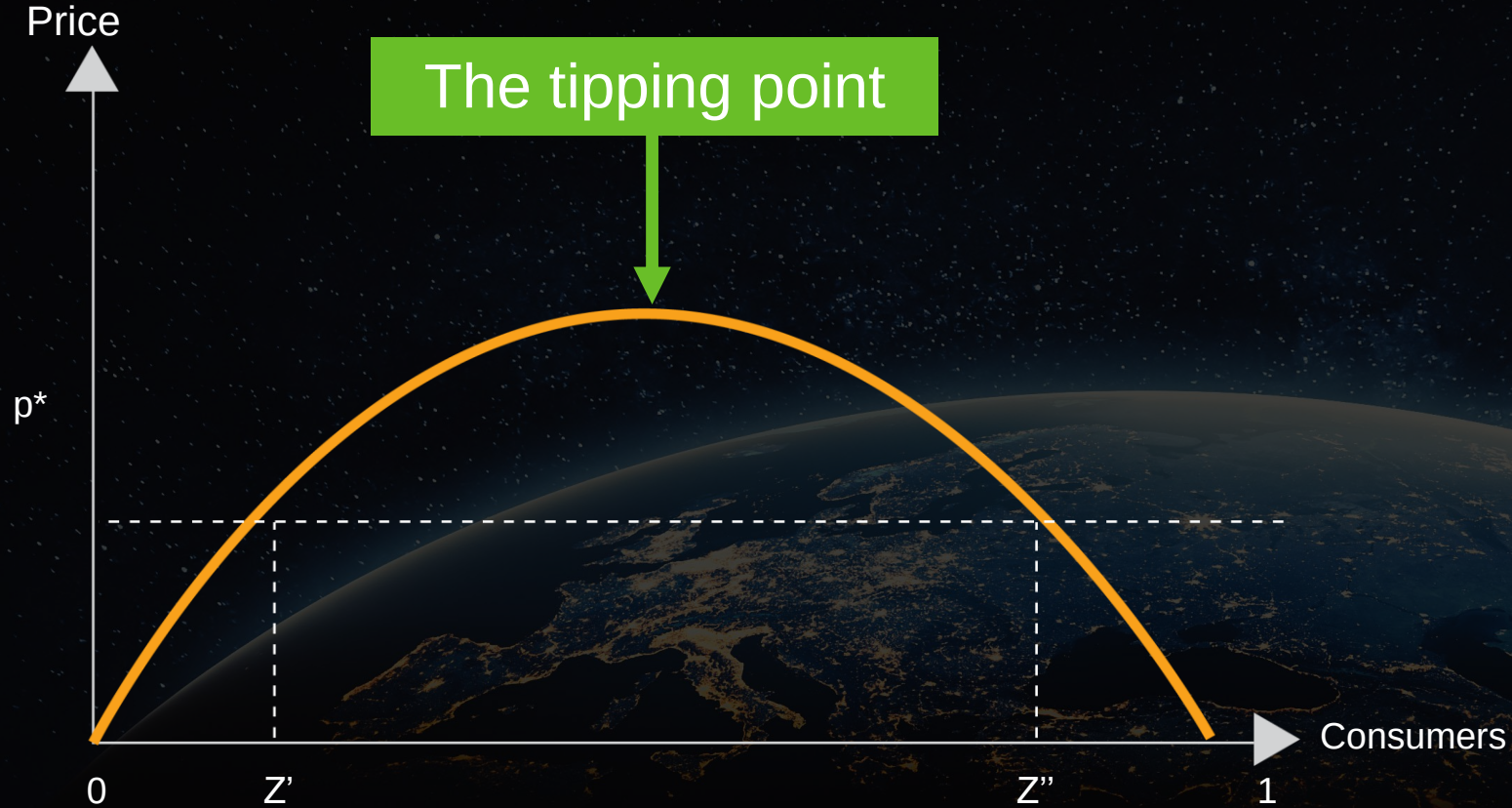
30 June 2019

Ashburton Credit Enhanced Fund ECP I Performance since inception* to 31 June 2019



* Since 31 January 2015

Ashburton Investments & Maitland Financial Services



Ashburton Jobs Fund survey

June 2019



Before investing in ACEF, I believed that social impact investments were highly risky.

Currently, I believe that social impact investments are highly risky.



Strongly agree Agree Neutral Disagree Strongly disagree

Investor Perception Changes

Investors indicated that they currently believe that Social Impact Investments are less risky than they did when they first invested in Atlantic Credit Enhanced Fund

MP3 AUDIO



IMPACT INVESTING

Transforming How We Make Money
While Making a Difference

Antony Bugg-Levine Jed Emerson



Estimated 250 000 taxi operators in SA

Underserved by traditional credit
providers

SA Taxi fills gap in the market by
providing access to credit for income
generating minibus taxis

Currently funding ~ 30 000 taxis which
represents 12% of the market

What does success look like?

- Partnership with public sector ✓
- Catalytic capital ✓
- “Multilingual” leadership ✓
- Financial + social returns ✓

17 PARTNERSHIPS
FOR THE GOALS



USAID
FROM THE AMERICAN PEOPLE

FMO

Finance for Development



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA



IFC
International
Finance
Corporation
WORLD BANK GROUP



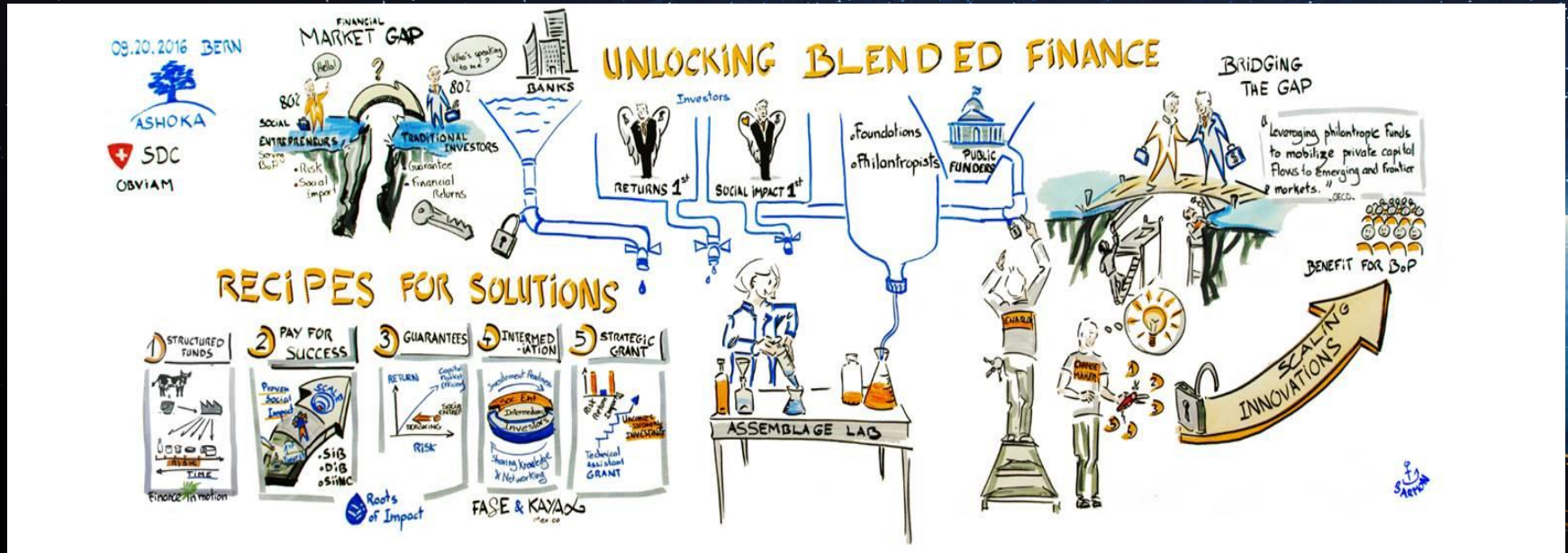
UKaid
from the British people



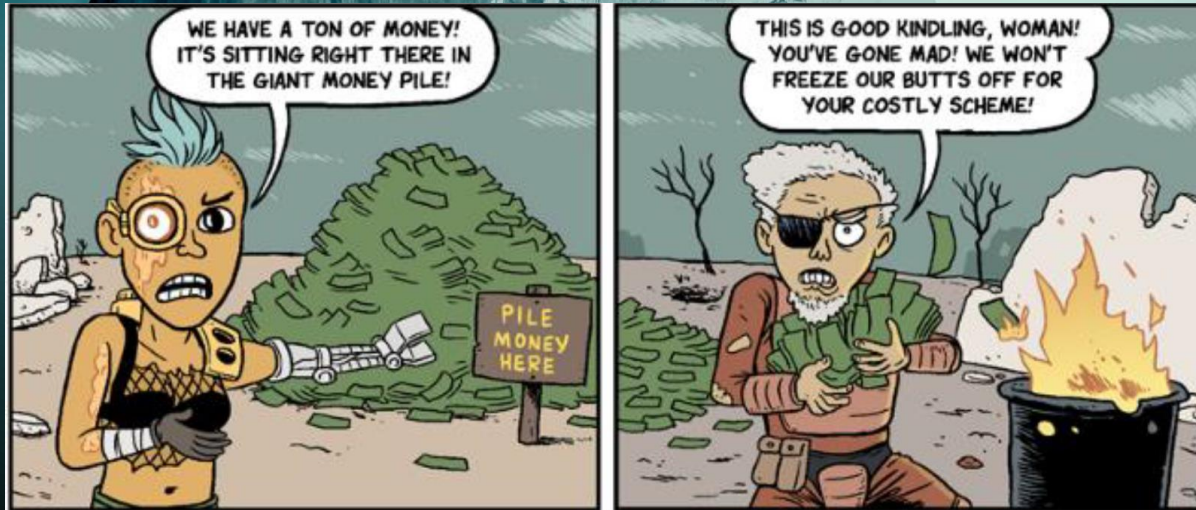
Department
for International
Development

“Guarantees are effective but underutilized in impact investing, and hence there’s great potential for scaling their use”

– GIIN 2018



A wasteland of cash



Source: Matt Bors

Thank you



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