

Avantage Ventures Asia Pacific Impact Investment Report

Impact Investing in Asia:

The Opportunities, The Challenges and Where It Is Headed

Avantage Ventures is pleased to share with Social Edge, the preliminary findings of its research report on impact investing in Asia Pacific, to be published in full at the end of April:

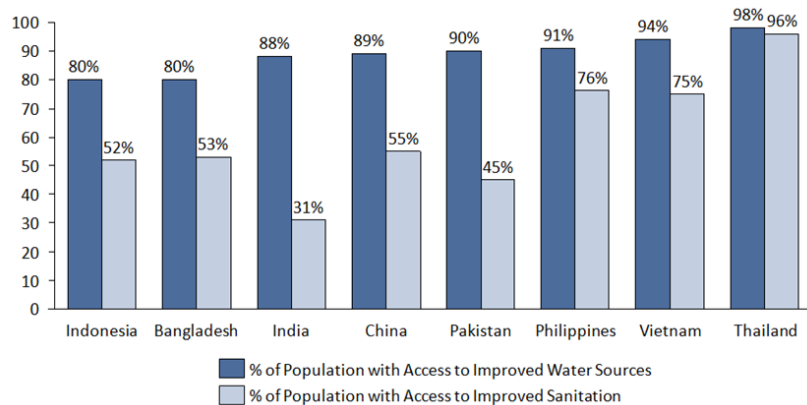
Report Highlights

- With a population of nearly 4 billion people, developing Asia represents half of the world's population, nearly 80% of whom are within the "Base of the Pyramid" (BoP).
- Developing countries in Asia will be a key market for impact investing over the next ten years due to their simultaneous status as populations in dire need of innovative business models to address issues of multidimensional poverty and as rapidly growing economies with significant opportunities to generate solid investment returns
- According to the Asia Pacific Economic Cooperation, SMEs, in general, account for 90% of the region's businesses and 60% of the region's employment. The nimbleness and entrepreneurship of these companies has been proven in numerous studies to drive local economic development
- Significant market opportunity to fill the "missing middle" financing gap - investments of between USD 0.5 million and USD 3 million in size into socially-driven small and medium enterprises (SMEs) as government policies are gradually being introduced to supporting social enterprises in Asia — e.g. rural banking in India and China's inclusion of sustainable development and innovation in their 12th Five-year plan
- Impact Investing in Asia is still in its nascent stages and is typically conducted through direct investments into social enterprises and microfinance institutions. However, plans for establishing a social stock exchange, the Impact Investment Exchange (IIX), are in works.
- The final report will cover in detail these seven sectors : Healthcare, Education, Affordable Housing, Rural Energy, Water and Waste Management, Sustainable Agriculture and Financial Inclusion

Snapshot sector focus:

Clean Water and Sanitation:

An estimated 13% of people in developing Asia lack access to clean water and 52% lack access to sanitation. Achieving universal access would create a market potential captured by social enterprises in 2020 of between USD 7 billion and USD 21 billion.



Source: Key Indicators for Asia and the Pacific 2010, Asian Development Bank, August 2010

