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Avantage Ventures is a boutique advisory firm based in Beijing and Hong Kong, China. The firm supports a wide range of stakeholders by improving transparency, providing operational oversight, and connecting resources in the social enterprise marketplace in the Asia-Pacific region.

Social Investment Forum 2010 Hong Kong - 19 October 2010

On Tuesday 19 October 2010, Avantage Ventures hosted its **inaugural Social Investment Forum** at the Mandarin Oriental in Hong Kong. **Over 120 investors** from across **Asia, Europe and the Americas** had the opportunity to hear about multiple social investment models and the role they can play to create a social capital marketplace in the Asia-Pacific region. With **four pioneering**

social entrepreneurs showcased on the day, the event was geared towards offering real, profitable and scalable solutions to difficult development challenges.

Speakers

In a world marked by imbalances, **former Costa Rica President José María Figueres Olsen** opened the forum with the powerful and

Social Investment Forum 2010 (continued)

thought-provoking example of countries where a litre of Coca-Cola costs more than a litre of oil, arguing that forward-thinking investors need to change their investment strategies and “invest in the real economy”, i.e. projects with real social value and strong sustainable development potential. **Frederick Chavalit Tsao, Chairman of IMC Pan Asia Alliance Group**, a diversified family-owned conglomerate, made the point that “today’s social enterprises are tomorrow’s big business opportunities,” while **Theodore Margellos, Founder and Co-Managing Partner of IJ Partners**, reflected on his own success in the grains industry to advocate against speculation and in favour of investments in tangible upstart enterprises.

Highlights video

A **highlights video** of the Social Investment Forum is available on our website’s homepage www.avantageventures.com. The short film encompasses **excerpts of all speaker interventions** throughout the day as well as **interview clips with AV Chairman Chandran Nair and AV CEO Yvonne Li** reflecting on impact investing and the launch of the Impact Investor Circle.

Launch of the Impact Investor Circle

AV’s inaugural Social Investment Forum served as the **launching pad for the Impact Investor Circle (IIC)**, the first pan-Asian investor

club dedicated to impact investing. The IIC is a fee-based club for like-minded social investors to **network, share knowledge and ultimately invest in social enterprises** across Asia-Pacific. Membership grants access to a **dedicated suite of services**, core among which is access to an exclusive pipeline of investment opportunities in fully vetted Asian social enterprises. A **core group of ten individuals and family offices have already joined** the IIC, whose membership will expand to **no more than thirty members by the end of 2011**. If you are interested to find out more, please contact iic@avantageventures.com.

Mapping the Asian social enterprise sector

Avantage Ventures continues its quest of mapping the Asian social enterprise sector through its **online Social Venture Catalogue (SVC)**, available at www.avantageventures.com/avcatalogue. Recent additions include Air Kita, a socially driven business that seeks to create a shift in Indonesia’s water culture. Five Asian social enterprises profiled in our catalogue have been **featured on Social Edge**, the web’s leading portal on social entrepreneurship, since July and three more will be profiled in the upcoming weeks. We encourage you to follow the stories of the challenges that social entrepreneurs have successfully addressed by visiting the following page: www.socialedge.org/blogs/case-studies-on-asia.

Media & sector updates

Avantage Ventures and its portfolio entrepreneurs were the subject of a **five-page article in the November 2010 edition of NetWorth**, the South China Morning Post magazine dedicated to wealth and investments. The article, which featured interviews of Chairman Chandran Nair and CEO Yvonne Li, made the point that “social capital (...) [is about] bringing strategic capital to commercially run ventures that have an impact on grassroots communities.” The field of impact investments has picked up additional traction with the release of a **joint J.P. Morgan/Rockefeller Foundation/Global Impact Investment Network research note** asserting that “impact investing will reveal itself to be one of the most powerful changes within the asset management industry in the years to come.” The full report is available at www.thegiin.org/cgi-bin/iowa/resources/research/151.html

Project updates

Communal eco-bathhouse

One of Avantage Ventures' projects, the building of an **eco-friendly bathhouse in Gansu province's Shanmen village primary school**, has made great strides in recent months. External insulation on the structure has been fitted, with cement and cob now being layered. Interiors are advancing as well, with ceilings mostly completed. Exterior bamboo filters and solar panels should be installed before Chinese New Year and a ribbon cutting ceremony marking the opening of the bathhouse for the school and the village is expected sometime in spring. This project exemplifies the **success of sustainable building and construction in rural China**. aYa Architects in Beijing donated architectural concepts with the support of French NGO Les Enfants de Madifu and their sponsors, while Avantage Ventures introduced a private donor from HK.

SIF'10

In the wake of Avantage Ventures' Social Investment Forum, the four social enterprises that were introduced to investors on the day have taken leaps forward. **Beijing Lang Lang Learning Potential Development Centre**, a leading professional training and education centre for dyslexic students in China, has finalised its strategy and business plan in view of an expansion from its headquarters in Beijing to three other major Chinese cities. **Barefoot Power**, which supplies affordable solar-powered lighting systems to base-of-

SIF'10 (continued)

the-pyramid customers, is in negotiations to secure additional debt and equity funding for its expansion phase. The company's innovative business model goes beyond supplying products and focuses instead on empowering local micro-entrepreneurs with access to credit to sell the products in their communities. **Canyou Software**, a Shenzhen-based technology company founded and managed by a group of disabled entrepreneurs, is putting the final touch to its three-year development plan, which will see the company expand to Hainan, Zhuhai, Guangzhou and Shanghai. And finally, the **Shanxi Pohan Farmers Association**, the first registered farmers' association in China, is raising capital to fund expansion of its cotton production, organic certification of its products and the construction of value-added ginning and oil seed pressing factories.



Avantage Ventures updates

Website revamp

Avantage Ventures' website has been revamped and streamlined. With a focus on the company's services and its online catalogue, and before the launch of its Impact Investor Circle member-only ePortal, the new website focuses on our mission, our work to date and the fast developing field of impact investing. We welcome your feedback on making the website even more transparent and user-friendly.

AV's second anniversary – Looking ahead

On the eve of our second anniversary, Avantage Ventures looks back at the many exciting developments over the last year, among which our inaugural Social Investment Forum, the launch of our Impact Investor Circle and an increasing number of investment opportunities. We are looking forward to more exciting developments next year, so stay tuned for updates!

Team expansion

The Avantage Ventures team is set to grow significantly in the year ahead: we are currently hiring for the positions of Managing Consultant, Consultant and Secretary. Please email careers@avantageventures.com to obtain job descriptions and details on those positions.



Thank you & season's greetings

Avantage Ventures is tremendously grateful to all of those who have helped us make the second half of this year such a productive and successful one so here is a big THANK YOU to our entrepreneurs, investors, partners, friends at GIFT, advisors, staff and interns. In particular, we would like to thank Jennifer Wu, Amanda Yik, Nina Jatana, Vincent Li, Jiuli Wu, Chloe Ho, Dwight Handro Buot, Anita Yang, Nada Chan, Yuxin Hou and Megan Pillsbury for their help and support.

As the year comes to a close, the AV team wishes you a happy festive season!

Yours sincerely,
The Avantage Ventures team (info@avantageventures.com)