

## Social Performance of Cadiz Impact Fund

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Impact Investing | April 2016

# Outline

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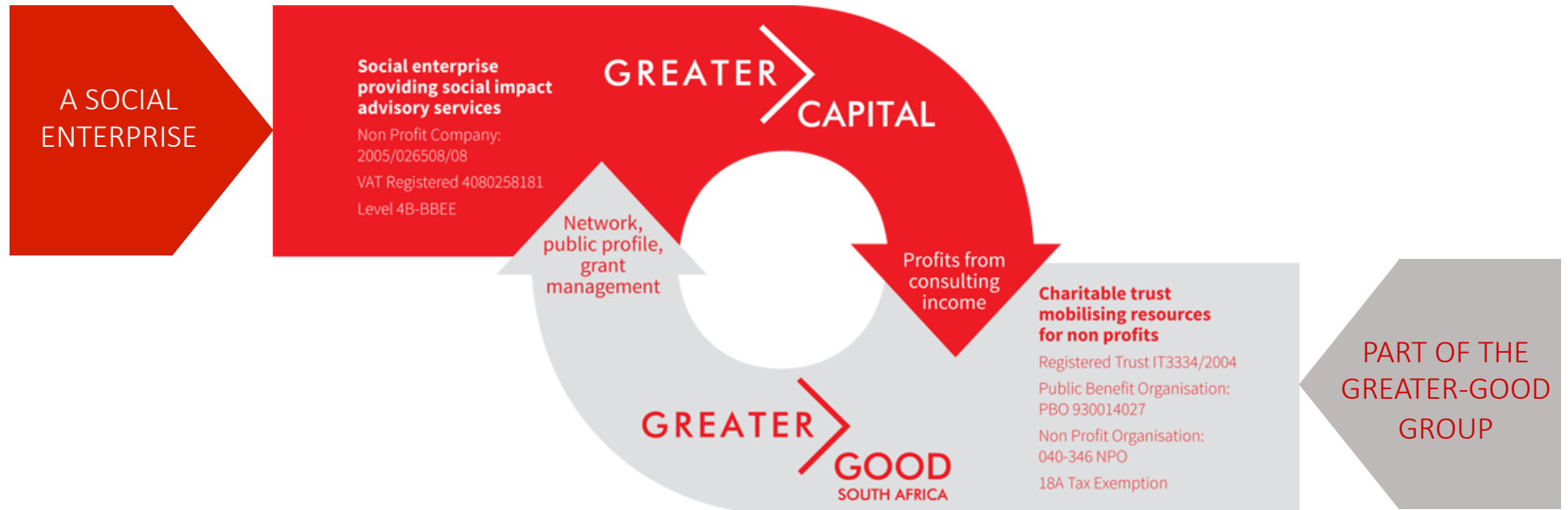
Performance of impact funds

04

Lessons



# Who we are

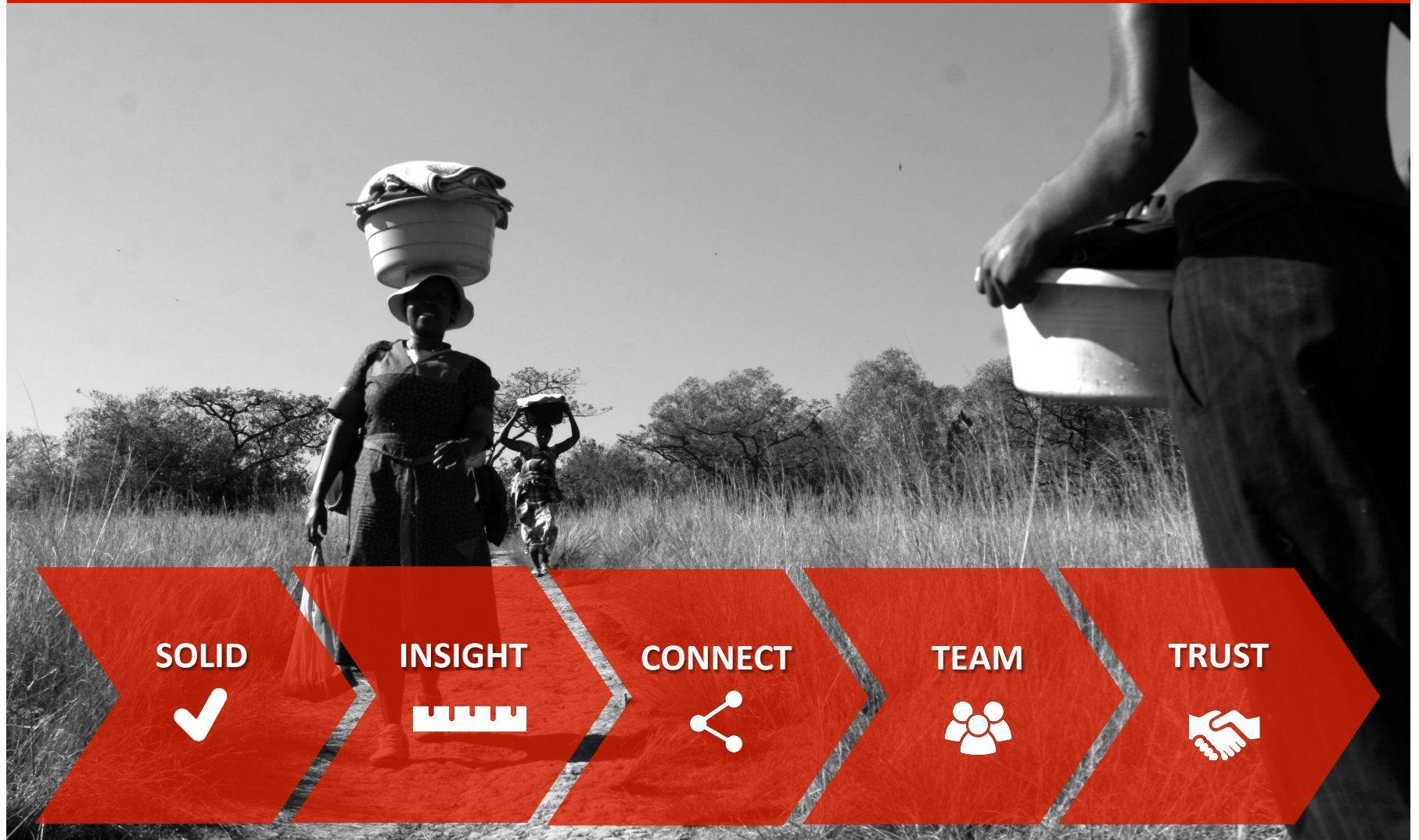


Helping clients to integrate social impact practices into their work so that, together, we are growing an inclusive African economy

- Greater Capital



# What we Offer



**SOLID**



**INSIGHT**



**CONNECT**



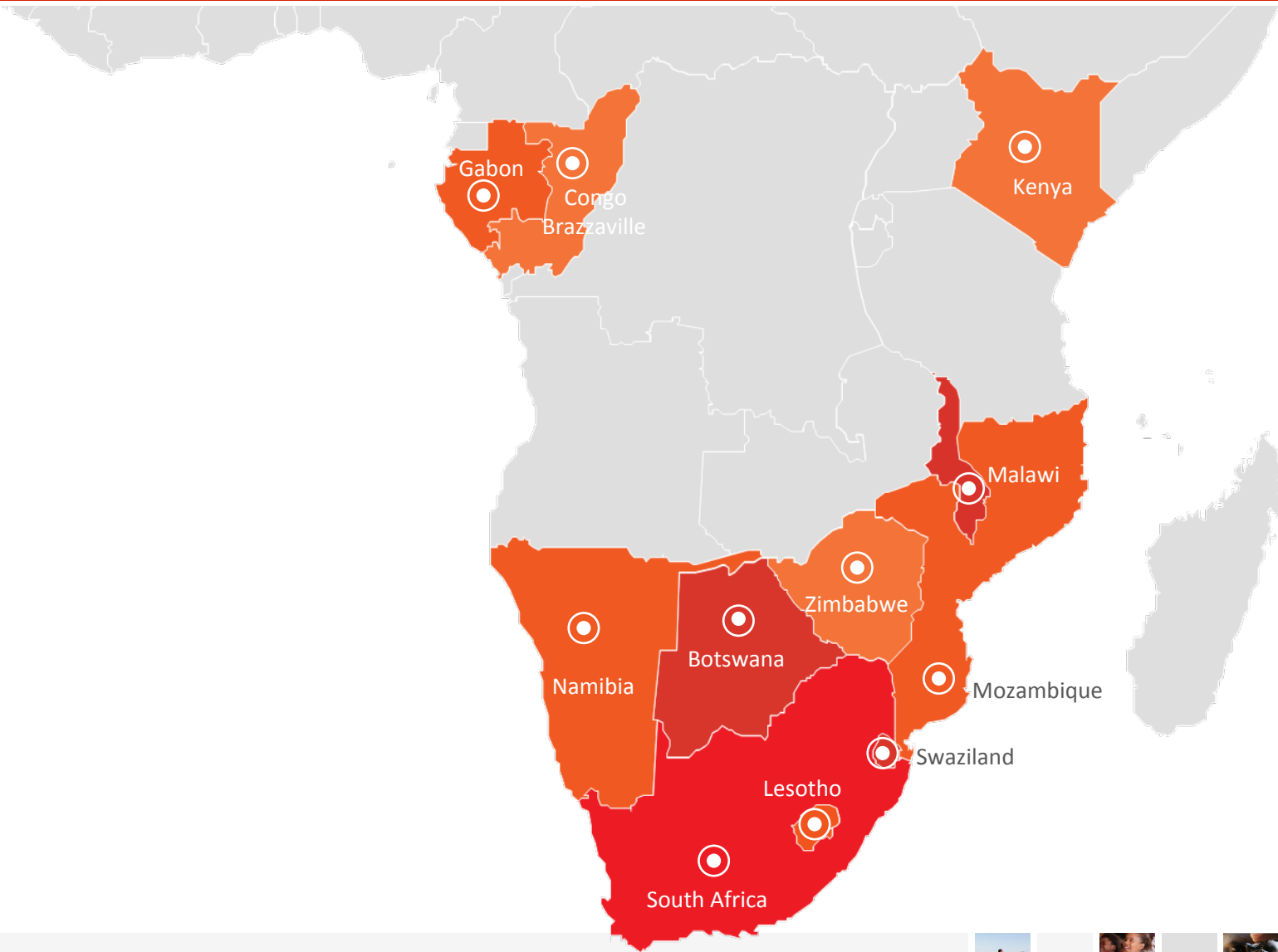
**TEAM**



**TRUST**



# Where we've worked





# Who we've worked with



# Relationship with Cadiz Asset Management

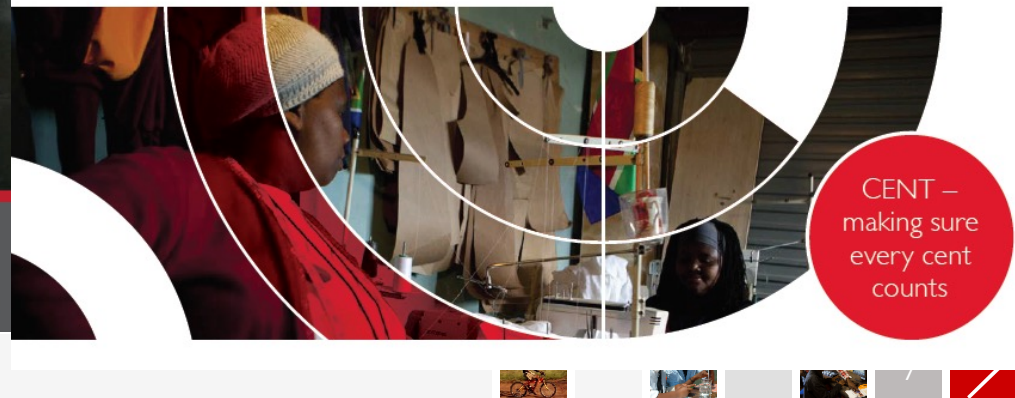


**CADIZ ENTERPRISE  
DEVELOPMENT INVESTMENT**  
A FIRST OF ITS KIND IN SOUTH AFRICA



## Cadiz Enterprise Development Investment

Impact Report to June 2015



# Recommended impact investment process





# Fund Social Performance Objectives

- High Impact Fund

From inception to June 2015, Fund had structured over **R 1.2 billion** in impact investments

## Fund goals:

- Target enterprises delivering measurable social impact
- Promote SME/SMME development & entrepreneurship
- Support job creation
- Link previously disadvantaged groups to formal economy

- Enterprise Development Fund

From inception to June 2015, Fund had structured over **R 130 million** in investments

## Fund goals:

- Target black-owned enterprises
- Promote entrepreneurship
- Support job creation
- Link previously disadvantaged groups to formal economy



# Fund Social Performance Objectives

Millennium Development Goals	SA Nat'l Development Plan	CADIZ HIGH IMPACT FUND
<b>1. Eradicate poverty</b>	Job creation, promote SMME growth	Pro-poor microfinance investment
<b>2. Promote gender equality and empower women</b>	Reduce violence against women	Pro-poor microfinance. 99% of clients are women
<b>3. Improve maternal health</b>	Improved health for all	HIV life insurance investment improved client CD4 count
<b>4. Achieve universal primary education</b>	Universal quality education	-
<b>5. Reduce child mortality</b>	Strengthen community-level pediatric care	-
<b>6. Combat HIV/AIDS, malaria and other diseases</b>	Reduce HIV infection	HIV life insurance business strong ARV adherence
<b>7. Ensure environmental sustainability and create a global partnership for development</b>	Improve natural resource management; reduce cost of electricity & basic energy services	Waste management investment. Affordable housing companies using "green" features



# Fund Social Performance Objectives – Sectoral Focus

- Both funds target sectors likely to promote SME/SMME growth, and include previously disadvantaged and low income groups as owners, customers, employees etc.

Sector	High Impact Fund	Enterprise Development Fund
Affordable Housing	40%	29%
Chemical import & distribution	-	2%
HIV Health Insurance	7%	-
ICT	3%	14%
Microfinance	1%	24%
Retail	-	6%
SME Finance	16%	13%
Transport	23%	11%
Waste Management	-	1%



# Enterprise Development Fund – Social Performance at a Glance

Focus on support and growth of black-owned enterprises



R9 248

Average cost per job supported



Our initiatives currently support

11 360\* jobs

& supported the development of

10 182 enterprises

\* Of these, 10 378 are a direct result of CENTS lending, while another 982 jobs have been created indirectly



32 056

Households receiving waste collection services for the first time



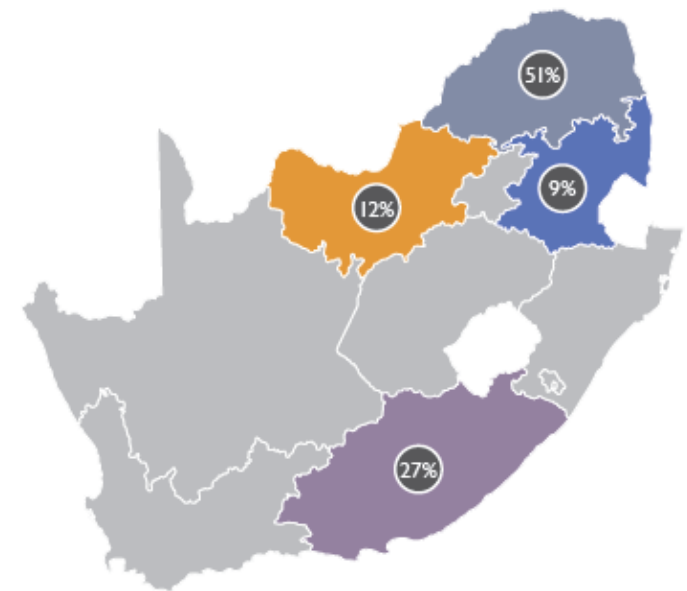
## Measuring the “impact” in impact investment: Microfinance

- Founded in 1994, this MFI uses Grameen Bank model to empower women living in South Africa’s rural areas with microfinance and HIV/AIDS prevention training

### Core indicators

	Current CAM	Current CENT
Number of jobs supported*	22,492	10,091
Number of SMMEs supported:*	22,394	10,047
• of whom black*	22,394	10,047
• of whom women*	22,356	10,030
Individuals employed by SMMEs	24,663	11,052
Dependants of loan recipients	120,928	54,254

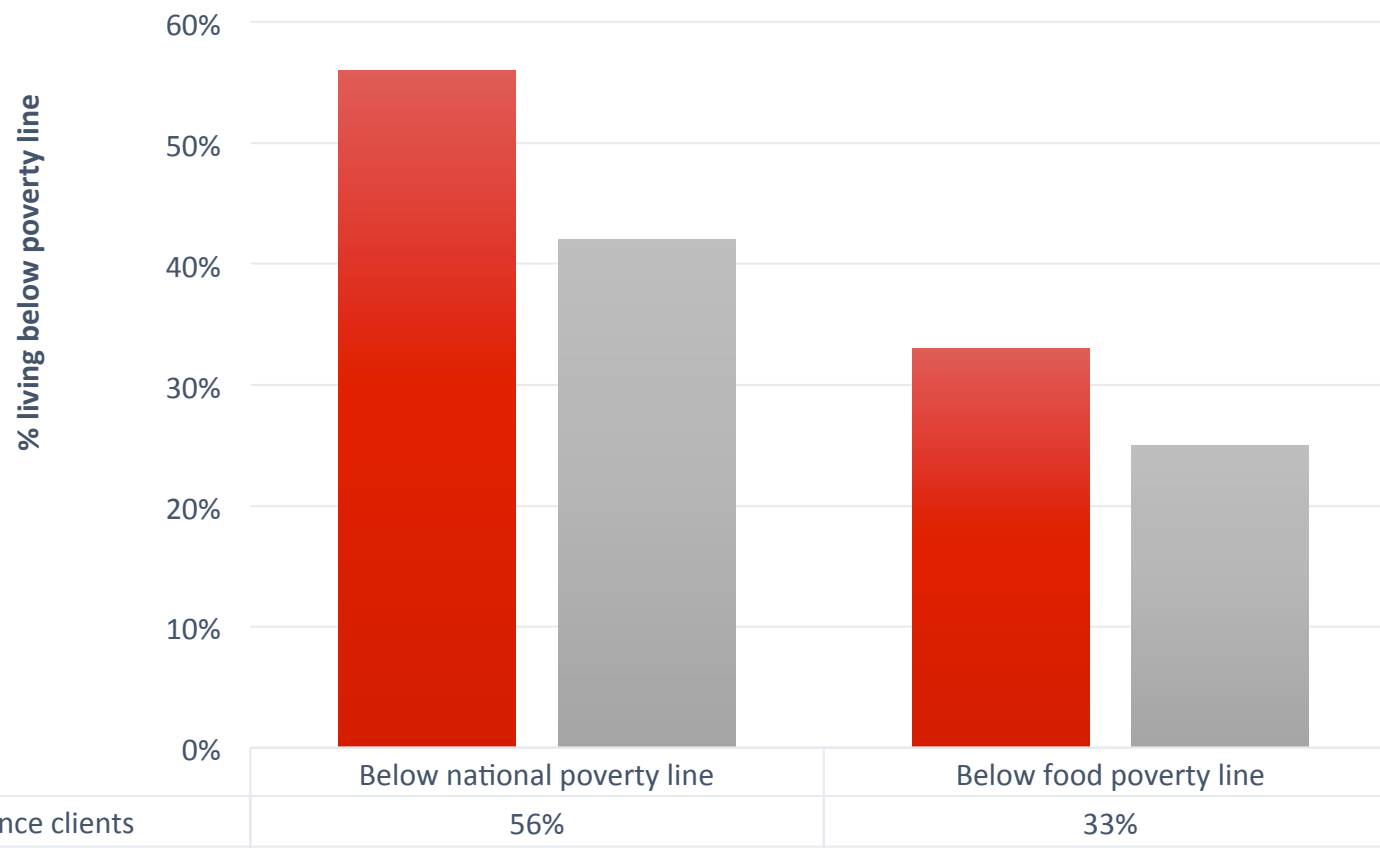
### Geographic spread of clients





# Measuring the “impact” in impact investment: Microfinance

## Percent of microfinance clients vs. African/Black population living in poverty

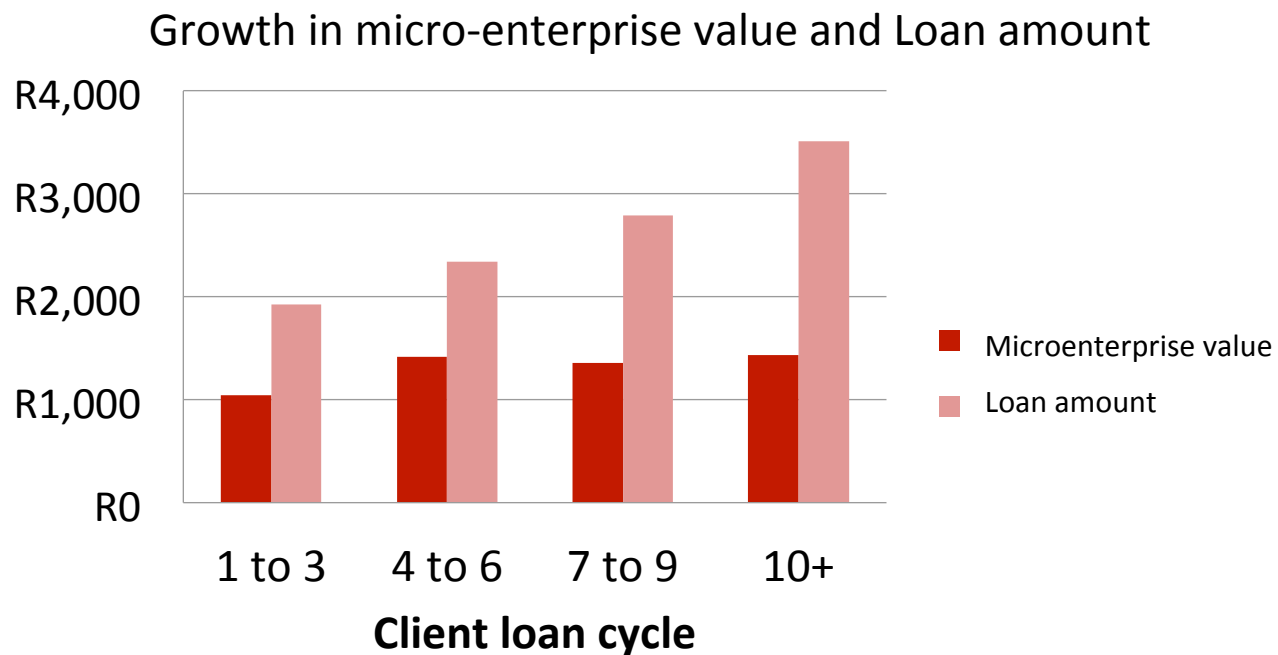


■ 1st loan microfinance clients  
■ African/Black & Coloured population



# Measuring the “impact” in impact investment: Microfinance

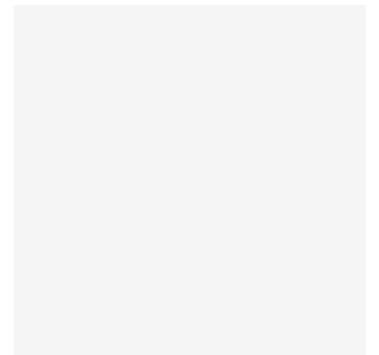
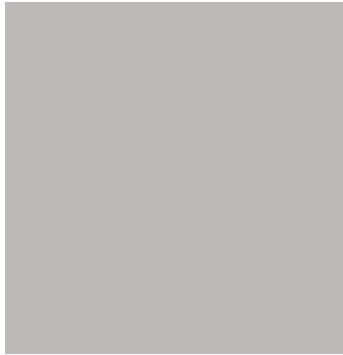
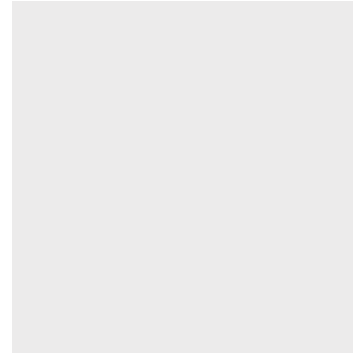
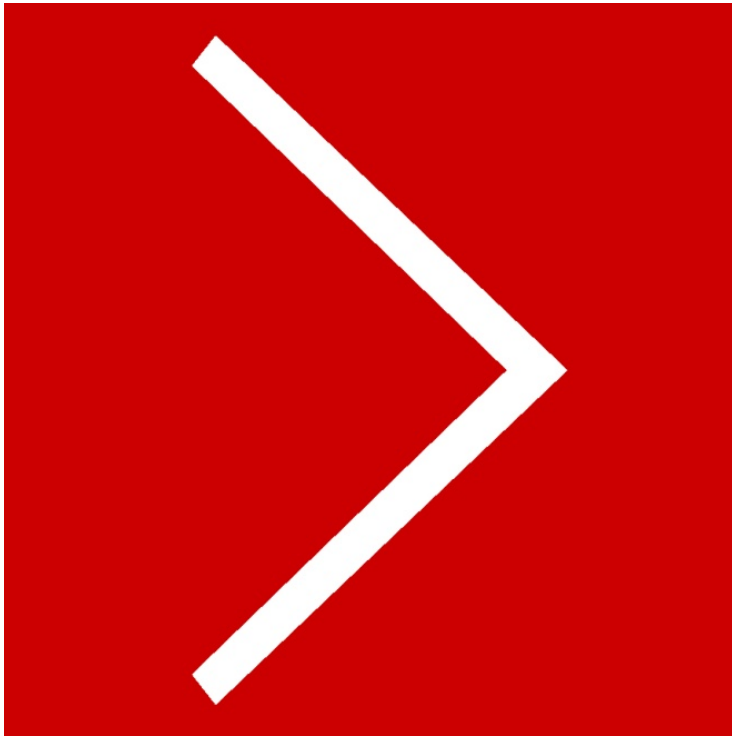
*R 50.9 million in client savings at June 2015*



## Lessons & Areas for Future Work

- Clear intention that captures the fund's mission & investee intention to inform indicators
- Social performance is as important as financial performance and should be reflected in agreements
- Means of verification should be agreed on as well
- Standardise as far as appropriate
- Outputs vs. outcomes vs. impact
- Cost and who should pay
- Feedback loops & improvement to outcomes & operations





Thank you

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GREATER  CAPITAL