

Supporting Customers in Sustainable Development

Asia Impact Investment Fund (AIIF)

In 2015, UOBVM launched the first series of the AIIF to invest in growth companies in Southeast Asia and China that improve lives of lower income communities at the base of the economic pyramid. Through AIIF, UOBVM offers institutional and high-net-worth investors a strong value proposition to support sustainable growth businesses with impact-driven business models. AIIF has a double bottom line focus, valuing both financial return and social impact. Healthcare, financial inclusion and education are among the sectors that we focus on. As at December 2019, more than 16 million low-income individuals have benefitted from the efforts of AIIF's portfolio companies.

Being a responsible fund manager and responsible investor is an ongoing commitment for UOBVM. Our team of experienced investment professionals in Singapore, China, Vietnam and Indonesia are focused on responding to progressive investment opportunities, exercising discipline in their selection process, and creating long-term value for our investors.

As a fiduciary, UOBVM is committed to responsible investing and is a signatory to the PRI. It was Singapore's first signatory to the International Finance Corporation's Operating Principles for Impact Management in 2019.

Investing in healthcare

In 2019, UOBVM deployed capital into several healthcare technology companies in Southeast Asia and China, including Halodoc in Indonesia.

While demand for healthcare in Southeast Asia continues to grow at a rapid pace, the healthcare systems in a number of emerging countries are straining to meet the evolving needs of their growing populations.

Healthcare resources and infrastructure in countries such as Indonesia and the Philippines are unevenly distributed. Hence, affordable access to healthcare services is often lacking, particularly in lower income communities and rural households.

Through the introduction of new business models and effective use of technology, a number of UOBVM's investee companies have enabled the delivery of quality healthcare to their local communities that is both cost effective and convenient.



CONTRIBUTION TO THE UN SDGs



The impact of AIIF



Agriculture

36,000+

farmers reached through introduction of higher-value crops, inputs and technology.



Access to Finance

700,000+

micro-entrepreneurs in Indonesia and Myanmar have gained access to finance, helping them to build or invest further in their business or agriculture endeavours.



Healthcare

3,000,000+

individuals including 2.1 million infants in poverty-stricken countries have gained access to nutritional supplements, reducing anaemia, and malnutrition. More than 1 million patients in less developed parts in Indonesia and the Philippines gained healthcare access.



Education

10,000,000+

youths from low-income households have gained access to quality educational content, improving individual learning outcomes and national education outcomes.



Case Study: Halodoc

Indonesia has a population of 267 million and similar to many fast-growing developing countries, providing affordable and quality healthcare at scale remains a significant challenge. Based on World Bank data, in Indonesia, there are only four doctors per 10,000 individuals in the population, compared with the OECD average of 34 doctors per 10,000 individuals.

Owing to the skewed distribution of medical personnel, gaining access to a doctor is not always easy especially for communities located outside of major cities. A visit to a doctor in Indonesia often involves long waiting time culminating in a brief consultation.

Halodoc aims to simplify access to healthcare services through its platform, by integrating online and offline components of the healthcare ecosystem. Leveraging technology, Halodoc's app and website now enable patients in Indonesia to gain access to doctors, including specialists, within a minute through online consultations, and to have their medication delivered to them within 45 minutes. This significantly improves the patient experience.



"We are delighted to have UOBVM onboard, their sustainable and impact investing DNA is something we appreciate and resonate with. Halodoc is committed to simplifying and improving healthcare access in Indonesia, and values the support of like-minded partners and investors."

Jonathan Sudharta,
Founder & CEO of Halodoc

Financial Inclusion

Investing in microfinance

UOBVM's Asia Impact Investment Fund (AIIF) invests in growth companies in Southeast Asia and China that help people at the bottom of the economic pyramid. Inclusive finance is one of the key sector focuses for AIIF, as it seeks investees that can help to improve the livelihoods and income resiliency of low-income individuals. AIIF's investments in micro-loan providers help to facilitate better access to finance for underserved micro-entrepreneurs who usually lack adequate credit history, business documentation or collaterals that are required for traditional bank loans.

In 2019, AIIF invested into PT Amarnya Mikro Fintek (Amarnya), a peer-to-peer (P2P) financial technology lending platform in Indonesia that connects retail and institutional lenders to women micro-entrepreneurs online under a group lending model. Amarnya has extended loans to more than 350,000 women across Java, Sumatra and Sulawesi through its network of more than 300 branches.

In Myanmar, AIIF supported the growth of Alliance for Microfinance in Myanmar Limited (Alliance), an existing investee, through additional equity financing in 2019. Alliance is a leading microfinance institution in Myanmar that is headquartered in Mandalay.

In selecting potential investee companies, client protection and responsible lending practices are key areas of focus for AIIF. For example, in addition to granting productive loans to borrowers for their micro-businesses or agriculture activities, both Alliance and Amarnya provide financial education to improve borrowers' financial literacy as part of the lending process. Given the low levels of financial literacy, borrowers are taught in a practical and illustrative manner about topics such as cash flow management, basic budgeting and how to avoid over-indebtedness.



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Case Study: Pt Amarnya Mikro Fintek

Founded in 2010, Amarnya is one of the earliest financial technology lenders in Indonesia to receive a lending licence from the Indonesian Financial Services Authority (OJK) in 2019. The investment by UOBVM's AIIF, as part of Amarnya's Series B financing round, has helped strengthen Amarnya's capital base, enabling it to expand its area of operations and branch network rapidly to other rural regions of Indonesia.

As part of its business model, Amarnya measures the direct and indirect impact it creates. In particular, it focuses on the relationship between the provision of access to working capital for women micro-entrepreneurs in rural villages and the effectiveness of their mentoring, supervision and intervention programmes to improving income and living conditions.

Amarnya aims to promote inclusiveness among the poor and the uneducated and to help them to have the opportunity to prosper. Responses to a joint survey conducted in 2019 by Amarnya and the University of Gadjah Mada's Centre for Digital Society showed that:

- 96.6 per cent of borrowers saw improvements in their income since receiving a loan from Amarnya;
- 94.3 per cent of borrowers felt that since joining Amarnya, their living conditions and/or well-being had improved, including gaining better access to market, higher incomes or greater optimism towards the future; and
- 86.6 per cent of borrowers reported feeling more empowered to play a decision-making role within their families since they started earning their own incomes with assistance from loans through Amarnya.



"I used to walk three kilometres to get clean water. After I received a loan from Amarnya, I started earning more money from farming. I used the extra income to build a toilet and a well at home."

Ibu Junengsih,
Bogor, Indonesia