

# LATAM

## Impact Fund 2023 Impact Report



FONDO DE  
FONDOS

sonen capital

Social & Environmental impact investment management



This report was published in February 2023.

Sonen Capital  
456 Montgomery Street, Suite GC1  
San Francisco, CA 94104  
415-534-4444



[info@sonencapital.com](mailto:info@sonencapital.com)



[www.sonencapital.com](http://www.sonencapital.com)



[@SonenCapital](https://twitter.com/SonenCapital)

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LEAD AUTHORS  
Will Morgan & Nadia Czebiniak

EDITING & DESIGN  
Amando Balbuena

**sonen capital**  
Social & Environmental Impact Investment Management



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# A Letter From the Investment Committee



We are pleased to introduce the LATAM Impact Fund's inaugural impact report. This report summarizes the LATAM Impact Fund's impact strategy and provides a portfolio overview as of 12/31/2022. At the end of 2022, we are pleased to have made three investments in the portfolio, two of which support increasing access to financial services, with the third investment focusing on supporting small and medium enterprises across the region.

As of this writing, we are in the closing phase of three additional funds and one additional direct investment in education, healthcare, retail, and women-led businesses.

Sonen and Fondo de Fondos believe the LATAM Impact Fund (the Fund) is more important than ever. As the region rebounds from the grievous impact of

Covid-19 and the worst economic downturn in more than a century, the Fund's investment thesis remains sound, and the impact the Fund seeks to create is highly aligned with the region's most urgent needs. According to the World Bank, both poverty and inequality rose in the aftermath of the pandemic, and the region lost more than 26 million jobs.<sup>1</sup>

The World Bank recommends specific attention to job creation and business productivity across the region; reversing educational losses that result from students being out of the classroom; and encouraging more "green" elements integrated into the region's economic recovery, such as more renewable energy, low-carbon transport systems, reduced deforestation and biodiversity preservation.<sup>2</sup> In pursuit of its goal to promote five specific social and environmental outcomes, The LATAM Impact Fund targets eight specific impact themes including financial inclusion, healthcare, education, small business, clean energy,

sustainable agriculture, green real estate and environmental infrastructure.

We are encouraged to see Latin America's entrepreneurial spirit flourish as more businesses are coming to market with commercial solutions to many of the challenges for the region.

In this report, we are pleased to share the results of our ongoing effort to collect relevant impact data from the portfolio. All of the data we collect from our investees inform on the strategy's progress to achieving its five intended outcomes: Access, Affordability, Opportunity, Empowerment and Sustainability. We will be reporting all impact data on an annual basis in subsequent annual impact reports.

Thank you for your support of the LATAM Impact Fund.

*- The LATAM Fund Investment Committee*



An aerial photograph of a city, likely Mexico City, showing a dense grid of buildings and streets. In the center, there is a circular plaza with a tall, dark building (the Torre de la Ciudad de México) rising from it. The image is used as a background for the LATAM Impact Fund document.

# LATAM Impact Fund

In 2019, Sonen Capital partnered with Fondo de Fondos, a Mexico-based private equity firm, to launch the LATAM Impact Fund (the Fund). The Fund seeks to provide investors with access to high growth sectors in Latin America while driving meaningful and measurable positive social and environmental impacts. The Fund is investing in third-party funds and direct investments that are optimized for investment return and measurable impact creation. The Fund intends to be diversified by impact theme, geography and investment stage, and will consist of 12-16 direct investments and 7-10 fund investments.

The LATAM Impact Fund aims to achieve five specific impact outcomes through its activity. The Fund will achieve these outcomes by investing across eight impact themes, selected for their potential not only for the investment opportunity they each present, but because these sectors can deliver specific, positive social and environmental impacts that are needed across the region.

The LATAM Impact Fund will collect specific impact data that will inform on the strategy's success in achieving its long-term intended impacts. These data will be collected annually, and this 2022 Impact Report represents the first annual data collection cycle for the Fund.





## Financial Inclusion

**469,017** individual clients and **20,108** SMEs were provided financial services

**211,055** of these were women and **12** of the SMEs were women owned

**100** loans provided to individuals and SMEs total approximately **\$6.9M**



## Climate

**4,599** metric tons of CO<sub>2</sub> - greenhouse gas emissions - avoided or reduced

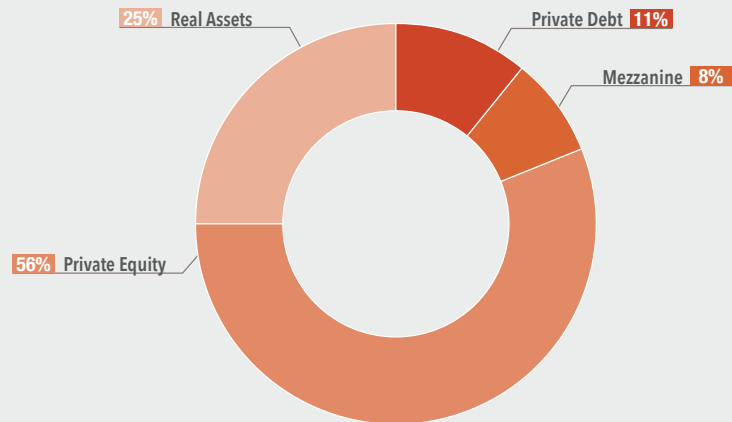


## Healthcare

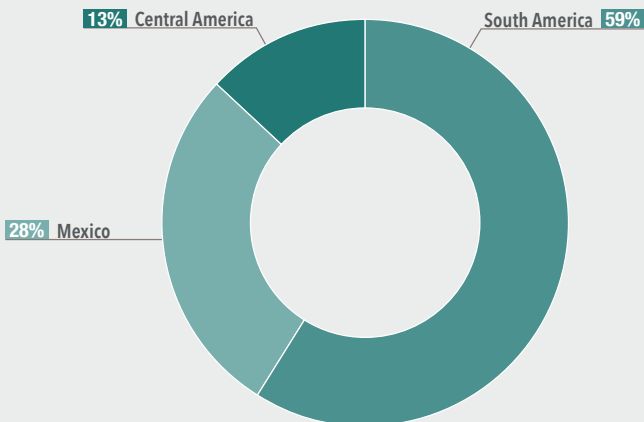
**214,036** clients served by **248** caregivers

# LATAM Impact Fund Target Fund Profile

Target Strategy Exposure

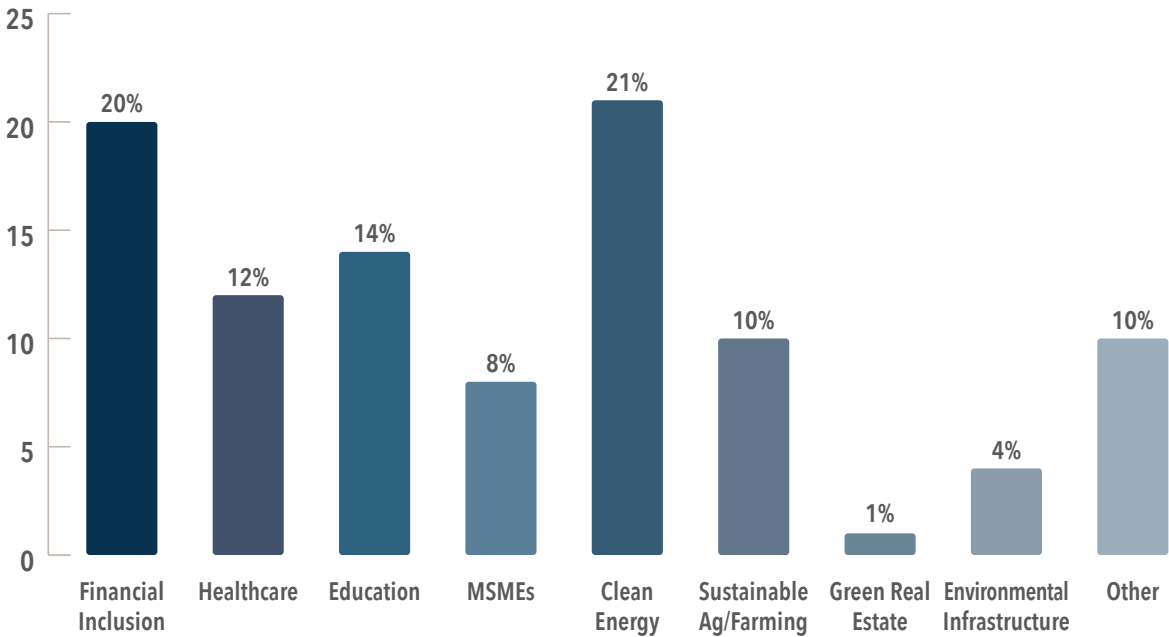


Target Geographic Exposure



Target Sector Exposure

The LATAM Impact Fund’s target profile covers a variety of countries in South and Central America in addition to varied asset classes. The Fund’s target sectors, from agriculture to health, mirror closely its eight target impact themes. These themes in conjunction with specific sectors are designed to generate targeted and measurable outputs.





# The LATAM Impact Fund's Intended Impact

## Access . Affordability . Opportunity . Empowerment . Sustainability

The LATAM Impact Fund will focus on five specific, measurable outcomes, defined below:

- › **Access:** Expanded access to basic goods and services and micro-, small- and medium-sized enterprises (MSMEs), as well as access to inputs, markets, technology, information, education and training.
- › **Affordability:** Reduced cost of basic goods and services by serving bottom of the pyramid (BoP) communities at scale.

- › **Opportunity:** Increased self-determination for the poor, marginalized and disadvantaged and providing the resources to local MSMEs so they can support local and regional needs, especially now in the face of COVID-19.
- › **Empowerment:** Redressed gender inequality and reduced individual / community vulnerability to external shocks.
- › **Sustainability:** Optimized use and greater conservation of limited natural resources, while continuing to satisfy essential human

and ecological needs for such resources, food, and energy.

These five outcomes form the foundation from which underlying investments are considered and evaluated for impact performance. Every underlying investment must be able to demonstrate how it will make measurable contributions to these outcomes in order to qualify for the LATAM Impact Fund. Investees are required to report on specific impact indicators relevant to the investment sectors in which the fund or company operates.



# LATAM Impact Fund Investment Sectors

The LATAM Impact Fund identifies eight key impact sectors that we believe embody two essential investment attributes for the LATAM Impact Fund: first, given our top-down research on the region, we believe these sectors have the greatest potential to deliver financial returns to

investors; and second, these eight sectors represent some of the richest opportunities in the region to drive positive social and environmental impact creation, and will make specific contributions to the LATAM Impact Fund's five intended impact outcomes described previously. The

following table identifies each proposed impact sector and relevant trends that explain financial and impact opportunities for each.

SECTOR   IMPACT OPPORTUNITIES and CHALLENGES		
Financial Inclusion	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>› Access to basic banking services for those at the BoP</li> <li>› Expansion of banking and financial services for rising middle classes</li> <li>› Commercial financial services for expanding EM businesses/MSMEs</li> <li>› Establishment of finance industry infrastructure, technology and 3rd party service sectors</li> </ul>	<ul style="list-style-type: none"> <li>› Financial inclusion in Latin America only reaches an average of 30% of the population, with 60% of purchases still made in cash<sup>3</sup></li> <li>› When compared to other countries with a similar degree of real income per capital, Latin American and the Caribbean countries (LAC) degree of financial inclusion is nearly 40% lower</li> <li>› Gaps in financial inclusion can be attributed to institutional deficiencies (low bank density) and income inequalities<sup>4</sup></li> <li>› Fintech solutions have been attributed as one of the most effective options in bridging the banking gap</li> </ul>
Healthcare	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>› Access to basic healthcare services for low-income rural and urban populations</li> <li>› Shifts to privately funded and managed healthcare solutions</li> <li>› Growth in healthcare delivery, technology, infrastructure, and services</li> </ul>	<ul style="list-style-type: none"> <li>› 12/33 countries in LAC fall short of attaining the minimum immunization levels recommended by the WHO</li> <li>› Physical activity and low-quality diets, as well as smoking and drinking are the largest critical health risk factors in LAC</li> <li>› Latin America has an average of 2 doctors per 1000 population and 2.1 hospital beds per 1000 population, both around half the OECD average</li> <li>› Health system fragmentation, weak health information systems, and low quality of care are all significant barriers for effective treatment for patients<sup>5</sup></li> </ul>
Education	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>› Access to primary, secondary, and higher education, particularly for low-income and rural populations</li> <li>› Development of innovative educational models for both public and private school systems</li> <li>› Gender equality in education</li> </ul>	<ul style="list-style-type: none"> <li>› According to the World Bank, Pandemic related issues have caused an education crisis in LAC, with 63% of school age children considered 'learning poor' (10-year-olds unable to read a simple text) in 2021<sup>6</sup></li> <li>› At a regional level, fewer than 43 percent of primary schools have access to internet for educational purposes</li> <li>› An estimated 12 million children in LAC do not have access to the education system</li> <li>› Children in remote communities, from indigenous populations, exposed to violence or living with a disability are most likely to be excluded from the education system<sup>7</sup></li> </ul>
Small, Medium-Sized Enterprises (SMEs)	<b>OPPORTUNITIES</b>	<b>CHALLENGES</b>
	<ul style="list-style-type: none"> <li>› SMEs are a major contributor to core economic growth in LATAM regions</li> <li>› Improving ability of MSMEs to access basic financial, banking, and business support systems</li> <li>› Sustaining poverty reduction through local BoP – often women-led – MSMEs</li> </ul>	<ul style="list-style-type: none"> <li>› Small and medium-sized enterprises (SMEs) comprise 99.5% of all firms in LAC, and generate 60% of formal employment</li> <li>› However, SMEs face a significant productivity gap in comparison to large enterprises, and only cover a quarter of the region's overall production value<sup>8</sup></li> <li>› SMEs face issues in the region including a lack of access to the financial system and available credit; these issues are exacerbated for SMEs serving rural areas<sup>9</sup></li> </ul>



# LATAM Impact Fund Investment Sectors continued

SECTOR	Impact Opportunities and Challenges	
Clean Energy	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>› Growing demand for clean, distributed power in LATAM</li> <li>› Off-grid electrification to households and rural commercial hubs</li> <li>› Establishment of financial and physical infrastructure for power delivery to end user</li> </ul>	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>› Latin American countries exhibit significant opportunity for development of renewables</li> <li>› Currently, the renewable energy capacity in the region is close to 292 gigawatts<sup>10</sup> (for reference, this is equivalent to about 10 percent of global renewable energy capacity, 2799 gigawatts, in 2020<sup>11</sup>)</li> <li>› Benefits of renewable energy adoption include lower system costs, resilience to climate and other risks, as well as better air quality and reduced local pollution<sup>12</sup></li> </ul>
Green Real Estate	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>› Regeneration of urban, inner-city infrastructure</li> <li>› Increasing demand for ‘sustainable’ attributes</li> <li>› Construction and new development serving underserved communities</li> </ul>	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>› Due to rapid urbanization at the beginning of the century, as of 2014, 30 percent of households in Latin America were living in inadequate housing.</li> <li>› Regional urban populations are expected to grow by 200 million more people by 2050<sup>13</sup></li> <li>› Investments in sustainable housing solutions are critical toward mitigating the current insecurities faced by millions in Latin America and preparing for continued population growth</li> </ul>
Sustainable Agriculture	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>› Growing long-term demand for food &amp; changing food consumption patterns</li> <li>› Need to increase crop productivity</li> <li>› Vulnerabilities to environmental stresses and competing crop end-uses</li> <li>› Underdeveloped agriculture and food systems</li> </ul>	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>› Agriculture currently uses about one-third of the land area, three-quarters of the freshwater resources, and generates almost 50 percent of all GHG emissions in Latin America</li> <li>› Agriculture also remains the primary driver of deforestation in the region, with the majority of agriculture practice, utilizing monoculture tactics, posing further threats to diversity<sup>14</sup> (important for a region that contains 50% of the worlds diversity)</li> <li>› There are over 200 million hectares of degraded land in LAC, 50 percent of agricultural soils have some degree of erosion due to poor management practices, and more than half of the region’s fisheries are currently overexploited<sup>15</sup></li> </ul>
Environmental Infrastructure, Water and Waste	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>› Chronic underinvestment in waste, water, and transportation infrastructure in developed economies</li> <li>› Need for basic environmental infrastructure in cities throughout LATAM</li> <li>› Responding to increasing needs of cities facing population growth</li> <li>› Ensuring access in underdeveloped, rural areas</li> </ul>	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>› In 2020, only 53 percent of the population had access to safely managed drinking water, and 34 percent had access to sanitation services</li> <li>› In addition, 52 percent of open water bodies and 46 percent of rivers did not meet the UN standards for good ambient water quality<sup>16</sup></li> <li>› Rapid urbanization over the past 50 years has left many inner-city systems inadequate to serve growing populations; population growth as a whole in urban and rural areas has outpaced the development of water and sanitation services<sup>17</sup></li> </ul>



# LATAM Impact Fund Impact Measurement

The LATAM Impact Fund's underlying investments across eight impact sectors are intended to generate very targeted and measurable outputs. These outputs result from specific business activities that are delivered by the enterprises in which the LATAM Impact Fund will invest. For example, outputs may include the number of patient/doctor visits, or the number of loans provided to small enterprises. Over time, these outputs can communicate the extent to which our five intended outcomes are achieved, particularly when measured and reported in a standardized, systematic manner.

Each separate impact sector in the LATAM Impact Fund is evaluated with a set of “core” IRIS impact indicators that is unique to that sector. For example, Clean Energy investments report on three relevant core indicators:

1. How many people have access to clean energy;
2. The amount of renewable energy produced in MWh; and
3. Carbon savings, measured in tons, from

avoiding conventional energy sources.

Using a standardized set of core indicators quickly enables a portfolio-wide view of the impact creation and an opportunity to evaluate progress toward the Fund's intended impact outcomes. Wherever possible, Sonen also collects supplemental impact indicators (also IRIS compliant) that help deepen the understanding of underlying impact across portfolio investments.




# Measuring Impact Across Impact Themes

The table below describes how impact will be measured across the eight impact themes in which the LATAM Impact Fund will invest. Investees operating in specific themes are required to report on “core” impact indicators and are invited to submit additional information for

the “supplemental” impact indicators. All of the impact indicators below relate specifically to the Fund’s five intended impact outcomes, described previously.

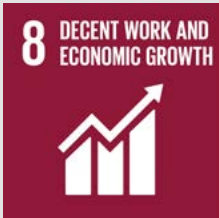


All core and most supplemental impact indicators are intended to be IRIS+ compliant. IRIS+ creates an international standard for reporting so that impact can be clearly understood and compared.



Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Financial Inclusion</b>		› Total Number of Clients: Individuals	PI4060	› Jobs Maintained in Financed Enterprises	PI5691
		› Total Number of Clients: Women	PI8330	› Effective interest rate	PI7467
		› Total Clients Organizations: SMEs	PI4940	› Use of loans (production, consumption, other)	
		› Client Organizations: Women-owned SMEs		› Beneficiary demographic/socioeconomics	
		› Number of Loans Disbursed	PI8381		
		› Value of Loans Disbursed	PI5476		
Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Healthcare</b>		› Total Number of Clients (Individuals)	PI4060	› Beneficiary demographic/socioeconomics	
		› Number of Healthcare Facilities/Units	PI1017	› Immunizations (#)	
		› Number of Patients Screened	PI6845		
		› Caregivers Employed: Total	OI5323		
Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Education</b>		› School Enrollment: Total	PI2389	› Beneficiary demographic/socioeconomics	
		› School Enrollment: Female	PI1081	› Classroom Space New/Improved	PI7268
		› Student Transition Rate	PI4924	› Teachers Employed	OI5896
		› Learning Hours	PI1836		





# Measuring Impact Across Impact Themes continued

Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Micro, Small, and Medium Sized Enterprises</b>		› Total Number of Clients (Individuals)	PI4060	› New Businesses Created	PI4583
		› Jobs Maintained in Financed Enterprises	PI5691	› Jobs Created in Financed Enterprises	PI3687
		› Client Organizations: SMEs	PI4940	› Wages paid to employees	OI677
		› Client Organizations: Women-owned SMEs			
		› Number of Loans Disbursed	PI8381		
		› Value of Loans Disbursed	PI5476		
Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Clean Energy</b>		› Total Number of Clients (Individuals)	PI4060	› Total Installed Capacity (MW)	
		› Total Renewable Energy Generated for Use	OI2496	› Geographic Location of Energy Projects	
		› GHG Emissions Avoided or Reduced	PI2764		
		› Type of Renewable Energy			
Impact Theme	Related SDG	Core Impact Indicators	IRIS+ Code	Supplemental Impact Indicators	IRIS+ Code
<b>Green Real Estate</b>		› Number of Housing Units Constructed	PI2491	› Properties with sustainability certifications	PD2756
		› Number of Housing Units Financed	PI5965	› Green Building Practices	OI5754
		› Building Area with Energy Efficiency Improvements	PI1586		
		› GHG Emissions Avoided or Reduced	PI2764		
		› Water Conserved	OI4015		



# Measuring Impact Across Impact Themes continued

Impact Theme	Related SDG	Core Impact Indicator	IRIS+ Code	Supplemental Impact Indicator	IRIS+ Code
<b>Sustainable Agriculture</b>		› Land Sustainably Managed (Ha)	PI6796	› Land area controlled by smallholders	
		› Supplier Individuals: Smallholder farmers	P9991	› Producer price premium	PI1568
		› Client Individuals: Smallholder	PI6372	› Crop type	
		› Product Certifications	PD2756	› Wages paid to employees	OI9677
		› Units/Volume Purchased from Suppliers	PI4982	› GHG Emissions Avoided or Reduced	PI2764

Impact Theme	Related SDG	Core Impact Indicator	IRIS+ Code	Supplemental Impact Indicator	IRIS+ Code
<b>Environmental Infrastructure, Water and Waste</b>		› Total Renewable Energy Generated for Use	OI2496	› Jobs Maintained in Financed Enterprises	PI5691
		› GHG Emissions Avoided or Reduced	PI2764	› Toxic emissions reductions	
		› Waste Reduced	OI7920	› Total Area of Adjacent Protected Land	PI5750
		› Wastewater treated	OI9412	› Ecological Restoration Management Area	PI9556
		› Water Savings	PD5786	› Ecosystem Services	PD8494
		› Land Sustainably Managed (Ha)	PI6796		
		› Length of Streams Restored	PI6885		
		› Protected Land Area: Total	PI4716		

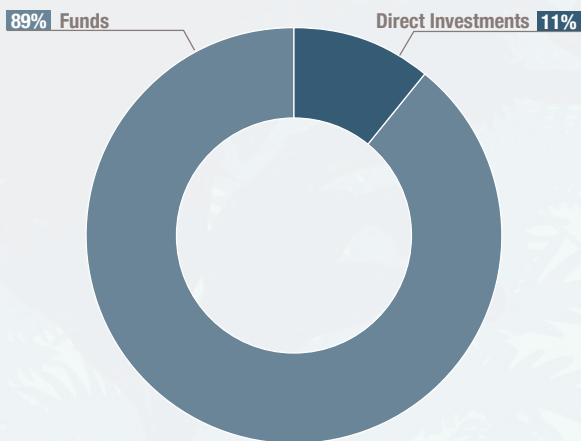


# Investment Highlights

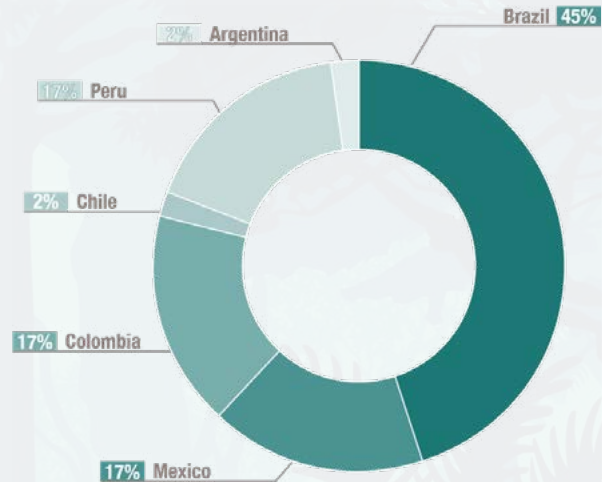
All charts as of 12/31/2022

The current portfolio for the LATAM Impact Fund is split in private debt and private equity, and primarily focuses on fund investments. Investments in the Fund span South America and Mexico with a heavy focus on Brazil. A variety of sectors are covered, with Financial Inclusion making up the largest part of the investments. These values represent the portfolio after its first three investments and are anticipated to change significantly as we continue to add investments in additional sectors, further direct investments, and investments in mezzanine and real assets strategies. For a highlight on the impact of future investments on the portfolios strategy, geography, and sector coverage, please see p. 25 of this report.

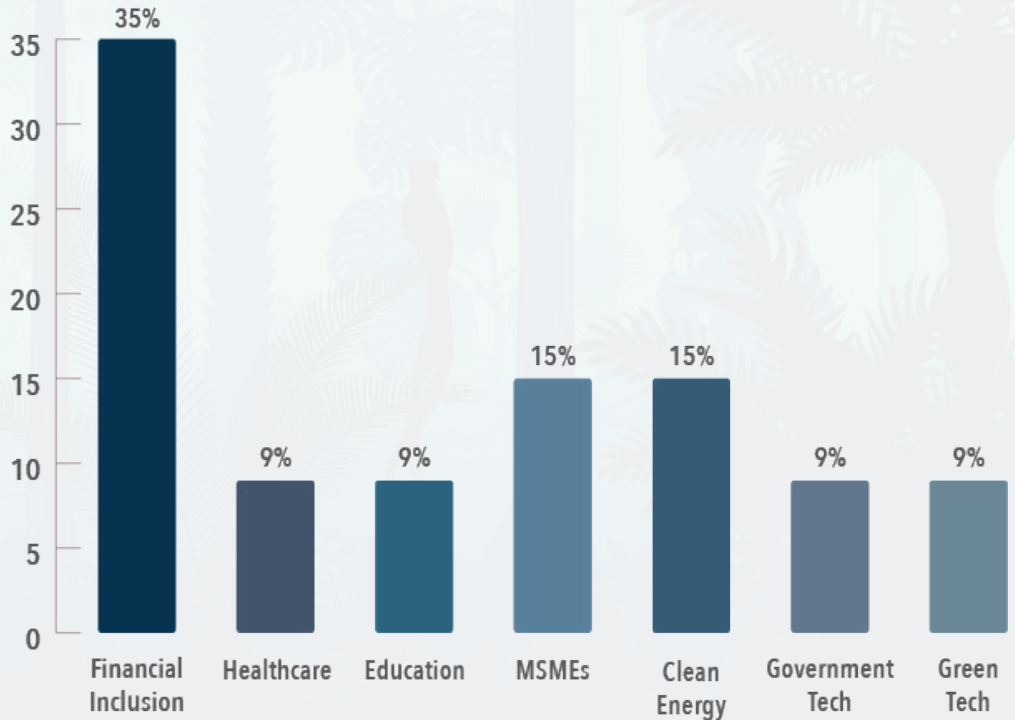
## Current Allocation of Investments



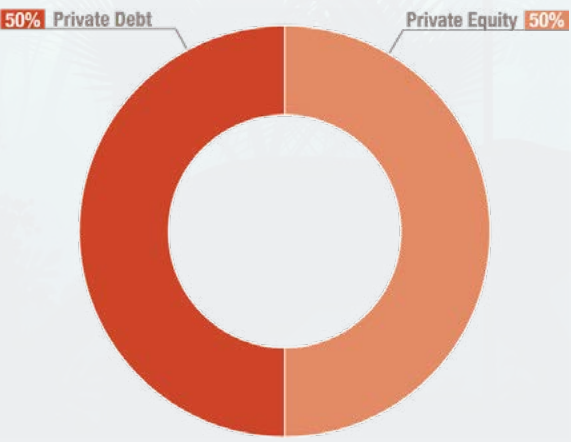
## Current Geography of Investments



## Current Sector Exposure



## Current Strategy Exposure



# Kandéo's Impact

## In 2022,

Kandéo's investees made 100 loans totaling almost \$7 million USD to 44 entities, including 29 SMEs and 7 individuals in Mexico. 20 jobs were supported directly through this program, and the average loan amounts were \$70,000 USD.



Client Individuals

7



Women Owned SMEs Supported

2



Client SMEs

29



Jobs maintained at financed enterprise

20

Number of loans disbursed:

100<sup>worth</sup> \$6.9M

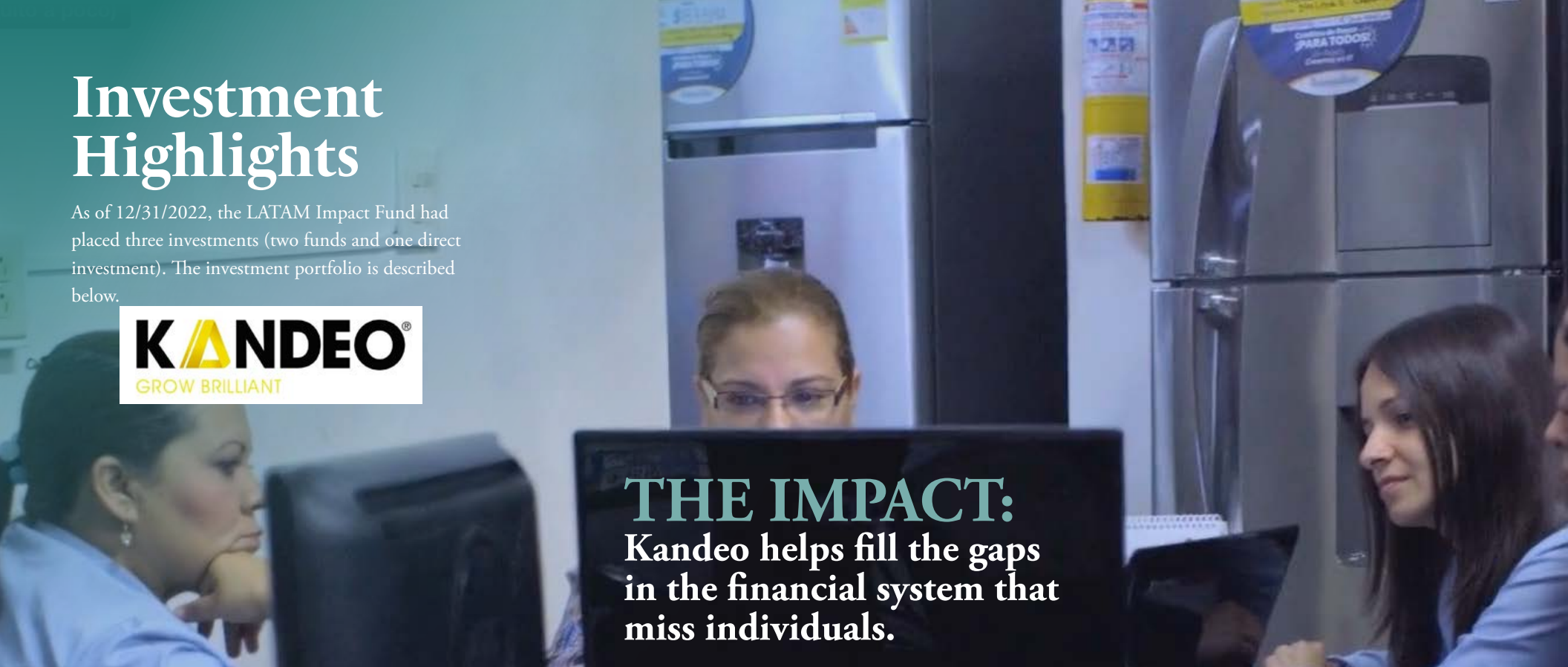
Average loan size:

\$70k



# Investment Highlights

As of 12/31/2022, the LATAM Impact Fund had placed three investments (two funds and one direct investment). The investment portfolio is described below.



**THE IMPACT:**  
Kandeo helps fill the gaps  
in the financial system that  
miss individuals.

## Kandeo

Established in 2010, Kandeo is an asset management firm that focuses on providing financial resources to individuals and SMEs that are not efficiently attended by the traditional financial system. Gaps between services offered by traditional banks in Mexico, Colombia and Peru have left at least 40,000 companies with unmet financial needs or a lack of accessible credit, stifling small business growth in the region. Kandeo's investments in small business in these countries cross a variety of sectors, including agriculture, transportation, energy, and real estate. With each investment, the firm is supporting small business growth, creating jobs, widening financial inclusion, and

driving economic resilience and diversification in these countries. Kandeo works with all investees to incorporate ESG standards and metrics.

Kandeo has a long track record with a globally defined ESG policy, which they have developed for their debt investing strategy. Kandeo creates impact in 15 of the 17 UN Sustainable Development Goals, including gender equality, decent work and economic growth, reduced inequalities, and life and land objectives.<sup>18</sup>

### Supporting Women in the Workforce

Supporting women in the workforce in both developed and developing economies is important toward achieving poverty reduction, improving economic resilience, and

increasing economic growth as a whole. However, women face a variety of constraints in business development, including but not limited to lack of capital, social constraints, limited time due to additional household duties, and lower opportunities for education and skill development.<sup>19</sup> Kandeo directly targets women's inclusion in the workforce by seeking investments with women entrepreneurs or a significant number of women employees and working with investments to increase their hiring practices for women employees and growth paths for women employees in managerial roles. In 2020, out of almost 9,000 supported employees in Kandeo's investee companies, 48% were women and 41% of all employees in managerial roles were women.<sup>20</sup>



## Lingo Leasing

Lingo is a leasing company providing financing options for a variety of technology and equipment, including transportation, medical equipment, furniture and office supplies, and machinery.<sup>21</sup> The company, based in Guadalajara, supports the growth and development of businesses in the region by providing access to products that otherwise may be unaffordable to smaller businesses. Their Green product offerings for lease include electric vehicles and solar panels.<sup>22</sup>





# Bankingly's Impact

## In 2022,

Bankingly worked with low-income clients across South America, 45% of which were women, in order to provide digital access to financial institutions. The company also worked with local partners, 18% of which were women-owned, to provide these services.

Client Individuals

469,010



Women Individual Clients

211,055



SMEs Supported

54



Women Owned SMEs Supported

10

Women Low  
Income Clients  
that Now Have  
Digital Access to  
Finances

45%

Women-Owned  
Local Partners  
Providing Access  
to Digital Finance

18%





**THE IMPACT:** Bankingly enables small and medium-sized financial institutions (SMFIs) to become more competitive and continue to better serve a client segment traditionally ignored by the banking sector.

## Bankingly

Founded in 2015, Bankingly is a SaaS solution that provides digital services for financial institutions that cater to low-income and/or under-banked populations. These solutions help the financial institutions become more competitive and user friendly, while lowering the cost of customer acquisition. Bankingly works to remove barriers faced by underbanked populations Latin America

and other emerging markets, while improving access to banking through smartphones. Their services include loan organization, credit cards, digital IDs, online payments, remittances, and fraud protection among others. The company has committed to improving 5 million lives by 2026 through their technology.

Currently, Bankingly works in over 20 countries across South America, Africa, and Asia is partnered with over 60 collaborators, and has reached over 3.5 million users.<sup>23</sup> In

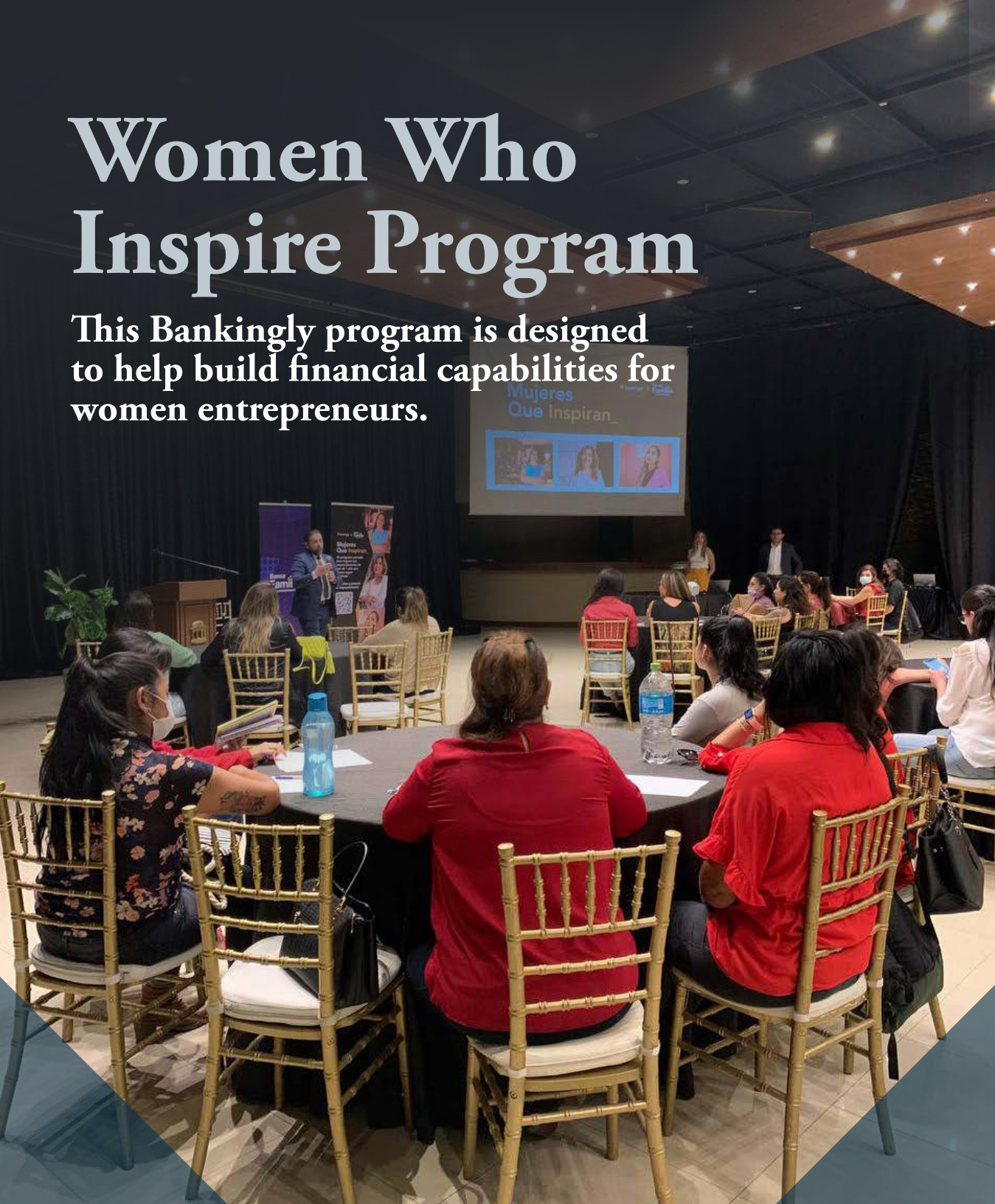
2021, the company reached over 460,000 unique users in South America, 210,000 of which were women (about 45%). Of their 54 partner organizations, 10 were owned or led by women. During the pandemic, their platform became especially crucial to customers who wanted to limit face-to-face communications with financial institutions.

Bankingly enables SMFIs to become more competitive and continue to better serve a client segment traditionally ignored by the banking sector.



# Women Who Inspire Program

**This Bankingly program is designed to help build financial capabilities for women entrepreneurs.**



Globally, 56% of the population considered underserved by traditional financial systems is made up of women. On average, women own less bank accounts and cell phones than men and are less likely to know the benefits of mobile money management.

Bankingly's Mujeres Que Inspiran (Women Who Inspire) program is designed to help build financial capabilities for a group of women entrepreneurs. Women participants received low interest loans to boost their businesses, tailored assistance in creating business plans and marketing strategies, as well as education and training in finance, digital banking, and e-commerce.

The 80 participants for the program in 2022 were able to gain valuable skill sets, grow their businesses and connect with fellow entrepreneurs. Bankingly has used the program as an opportunity to continue to highlight the need for women to be educated in financial literacy and technology as key steps toward achieving gender equality and supporting economic resilience in emerging markets.<sup>24</sup>



**Cacpe Loja  
partnered with  
Bankingly in  
order to provide  
digital banking  
services to rural  
communities.**



## Cacpe Loja

Cacpe Loja is a financial cooperative in Ecuador that provides loans and other banking services to low-income communities. Their customer base prior to the pandemic primarily used cash (in Ecuador, more than 50% of the population at the time did not have access to a traditional financial system). During the pandemic, transport, face-to-face interactions, and the use of cash passed by hand became unsafe for the majority of their customer base, whose average age was 50 years. Cacpe Loja partnered with Bankingly in order to provide digital banking services via smartphones and other channels. The cooperative has successfully moved a significant part of their customer base away from cash only finances and was able to service about 30,000 people from rural communities during this difficult time.<sup>25</sup>



# Vox's Impact

## In 2022,

Vox's investments across healthcare, education, agriculture, and other sectors created impact across LATAM's target impact themes. The Fund worked with local SMEs through financial services companies, invested in mental health programs and supported sustainable agricultural technologies. Vox also collected data across investments on GHG emissions avoided or reduced based on programs run by investees, such as carbon footprint tracking and recycling initiatives.



Number of Intermediary SMEs

20,025



Number of Healthcare Clients

214,036

Number of Caregivers

248



GHG Emissions Avoided or Reduced

4,599 metric tons of CO<sub>2</sub> equivalent emissions



Number of Children Enrolled in Educational Programs

3,555



Number of Smallholder Farmers Supported

82



Investimentos  
bons para o  
seu bolso e  
para o  
planeta.

—  
A VOX Capital é a  
gestora de  
investimentos de  
impacto que aplica o

**THE IMPACT: VOX is an industry leader in impact management, theory of change methodology, and impact reporting standards, and contributes to the UN Sustainable Development Goals.**

Fique  
sabendo dos  
novos fundos  
em primeira  
mão.

Tenho interesse →

## VOX Capital

Founded in 2009, VOX Capital is a pioneering investment management firm as it was the first impact investing firm in Brazil. VOX invests in innovative businesses developing solutions for pressing needs of the low-income population.

The Vox Capital Tech for Good Growth Fund (TFGG) will invest in 12 mission driven companies across South America, with a focus on Brazil. The fund crosses a variety of sectors, with current investments including automotives, food and beverages, health (specifically mental health and wellbeing), and financial technology. Each company contributes to the UN Sustainable

Development Goals, specifically targeting one of three key issues: improving human well-being, maximizing human potential, and protecting the planet. Vox has a proprietary impact Measurement and Management approach to evaluate and assist each company with their impact creation and reporting. Each company is assisted with developing an impact thesis and theory of change, as well as relevant indicators and reporting procedures. Vox has four current investments, one of which has already been realized with a 100% IRR.<sup>26</sup>

As one of the first impact investors in the region, VOX is an industry leader given its impact management practice, theory of change methodology, and impact reporting standards. Vox aligns with UN's 17 SDGs,

including improving human well-being, maximizing human potential, and preventing climate change.

### A Sample of VOX Current Investments:

- › **Nude:** a sustainable and carbon neutral oat beverage company
- › **Vitalk:** a virtual mental health assistance service
- › **Celcoin:** a fintech service providing solutions for unbanked populations
- › **Octa:** A recycling and repurposing company for motor vehicles (highlighted in the 2022 Q4 Investor Impact Report)



## Nude

Nude, a VOX investee, is a Brazilian, women-led oat milk company. Their products are carbon neutral, and the company is the first brand in Latin America to calculate its carbon footprint through all stages of production. Their oats and other ingredients are organic and sustainably sourced from within Brazil. Nude's oat and vegetable milk beverages provide healthy alternatives to more carbon intensive milk options. The company is B-Corp certified and was rated in 2021 as a World Changing Idea company by Fast Company.<sup>27</sup>

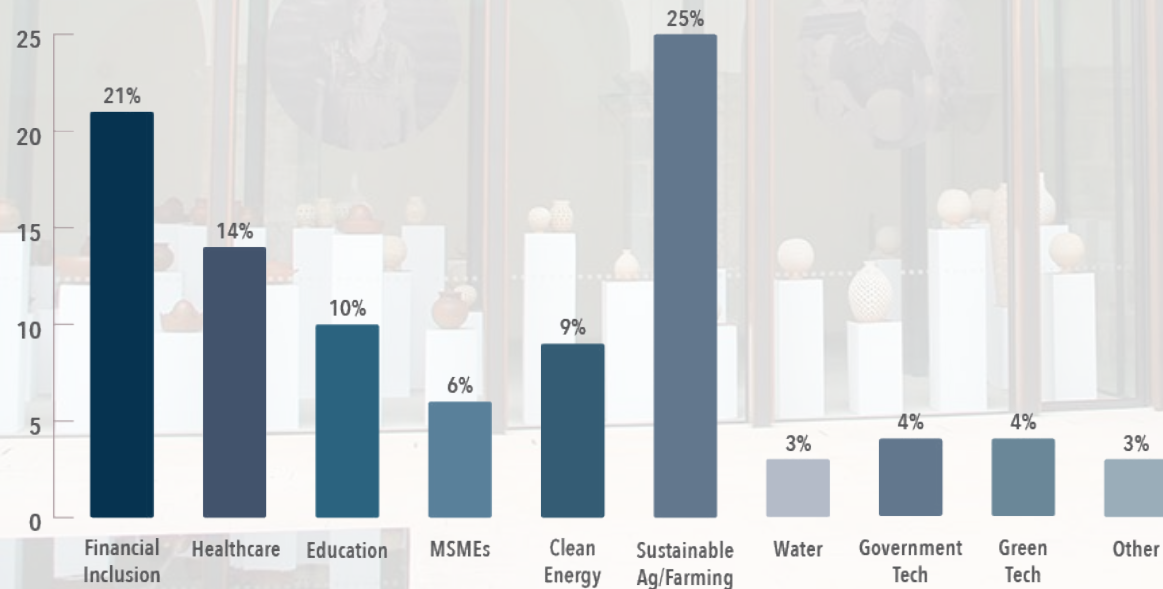


# Looking Ahead

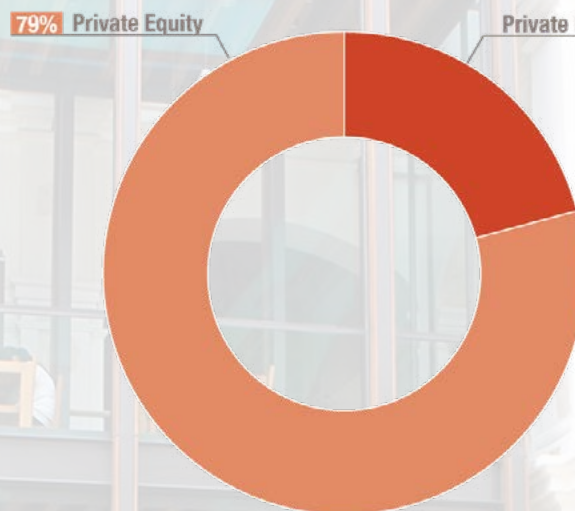
## Pending Investments

As of February 2023, the LATAM Impact Fund has several companies in the process of closing as well as in due diligence. Potential future additions to the portfolio include a women's breast cancer health-tech company, a sustainable agriculture fund, and a variety of opportunities surrounding financing for mission-driven entrepreneurs. As we continue to add investments, Sonen strives to further diversify the impact of its portfolio across the LATAM Fund's five impact outcomes and eight target impact themes.

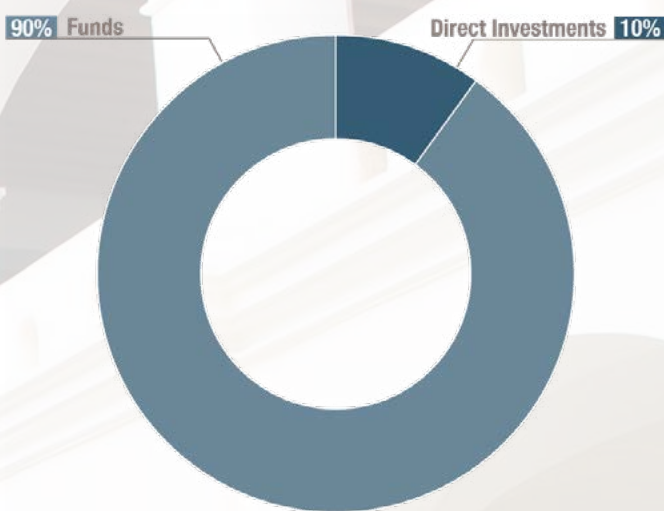
## Current and Pending Sector Exposure



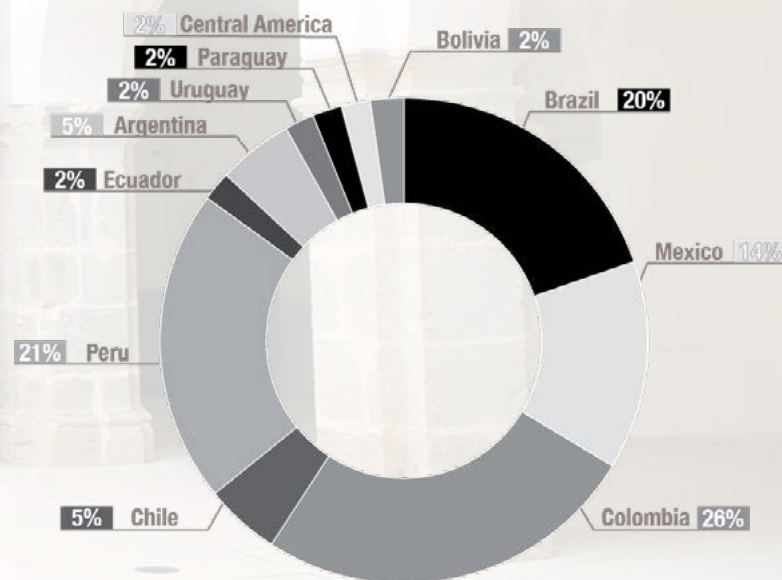
## Current and Pending Strategy Exposure



## Current and Pending Allocation of Investments



## Current and Pending Geography of Investments





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