



ASIA VALUE ADVISORS  
*Delivering social value to inspire and mobilize philanthropic capital*

# Impact Investing in Asia: From Definition to Pathways to Scale via Impact Giving

Research Brief No. 1

Philo Alto  
Asia Value Advisors  
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Author: Philo Alto  
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Asia Value Advisors Limited (“AVA”) is a Hong Kong-based philanthropic and social capital advisory firm founded in 2011. It provides bespoke strategic advice and intermediation services to high net worth individuals, foundations, venture philanthropy organizations and intermediaries, banks, corporations, and across the range of social purpose organizations in Asia.

1/F Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong SAR  
Email: [info@value.asia](mailto:info@value.asia)  
[www.value.asia](http://www.value.asia)

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## Preface

Whether or not it proves to be a US\$1 trillion asset class by 2020, as J.P. Morgan stated last year, *impact investing* is for real and is here to stay. The generative principle behind impact investing – capital can generate a financial return and positive social/environmental impact - is too momentous and timely to be ignored. Some in the space are seeking a financial return first. Others are focused on creating impact first. All are converging on the main matter of making a difference by creating real and lasting value.

Impact investing faces unique challenges and opportunities in Asia and requires indigenous thought leadership. We have much to learn from other regions but our situation is unique as will be our solutions. We are pleased to partner with Asia Value Advisors and to support this research brief. We hope it will be the first of many such reports to enable others to make informed decisions about their involvement in the Asia impact space.

One of the greatest challenges in Asia will be growing the number of enterprising organizations suitable for impact investment. This is the mission of SOW Asia, a donor-supported organization dedicated to growing hi-potential social businesses and their leaders. SOW Asia is committed to working with organizations like AVA because the space is too big and the issue too complex for any of us to toil in silos. We do hope this brief will serve as a bridge to bring together those who care about these issues for conversation, debate *and* action.

Darius Yuen  
Founder and President, SOW Asia Foundation  
September 2011

## Who Needs to Read this Research Brief and Why

1. Mid- to large-scale social businesses – to understand the various philanthropic funding available to them as they scale and begin to seek impact investment funding as well as commercial funding
2. Traditional investors – to get better clarity regarding the “actionable” market opportunity in impact investing
3. Philanthropic funders, i.e. high net worth individuals and family offices – to clarify the market size and scope of impact investing as a tool to address the funding needs of social businesses as they scale
4. Venture philanthropy intermediaries, advisors and other key stakeholders – to get a better understanding of the mindsets of social businesses and traditional investors at the intersection of “money and meaning”

## Executive Summary

Amidst the general fragility in the global economy in recent years, there has been a boom in the number of terms coined to describe various approaches and tools in philanthropy such as “social investing”, “impact investing”, “venture philanthropy”, “blended value approach”, and “socially-responsible investing”.

While these have mirrored the increased awareness of doing good while doing well, it has also resulted in confusion as to what people really mean when using these terms, and what can be expected from such approaches and tools.

Among these terms, *impact investing* has established itself in mainstream social sector conversations with widely contrasting references made regarding its market size or opportunity, depending on whom one speaks with.

This research brief seeks to sharpen the dialog and enable informed action by philanthropic funders, venture intermediaries, and social businesses. The approach taken is not to simplistically find a common ground of discourse. Rather, it is to highlight the perspective of the “other side” with the goal of having a constructive debate on the topic when stakeholders are on the “same page” of the issues or definitions being discussed.

It achieves this in three steps:

1. Tools - Going back to the definitional basics of impact investing;
2. Investees/Social businesses- Mapping the various funding pathways to scale for social businesses;
3. Philanthropic funders and intermediaries – Suggesting an expanded toolkit for philanthropic funders via “impact giving” to help scale social businesses and access impact investments

The research brief concludes with a call to action for:

1. Philanthropic funders to expand their toolkits in addressing the funding needs of social businesses as they scale;
2. Social businesses to understand the “hard-nosed” mindset of traditional investors if they want to be taken seriously; and
3. Intermediaries, regulators, and other stakeholders in the intersection of “money and meaning” to seek collaborative approaches to social impact as no single organization or individual can do it alone.

## Impact Investing – What’s in a Name?

*“Seek first to understand, then to be understood”*

- *St. Francis of Assisi*

In their new book, *Impact Investing: Transforming How We Make Money While Making a Difference*, co-authors Jed Emerson and Antony Bugg-Levine noted that even though the term was coined in 2007, impact investing itself had already existed.

J.P. Morgan in its 2010 research, *Impact Investments: An Emerging Asset Class*, defined impact investments as “investments intended to create positive impact beyond financial return.” Expected returns to the investor range from principal (i.e., zero gain) to above market while investments that unintentionally result in social impact are not regarded as impact investments.

For investors to add impact investments into their portfolio, it will need to be targeted on social businesses that have a demonstrated ability to provide an expected financial return (flat to positive).

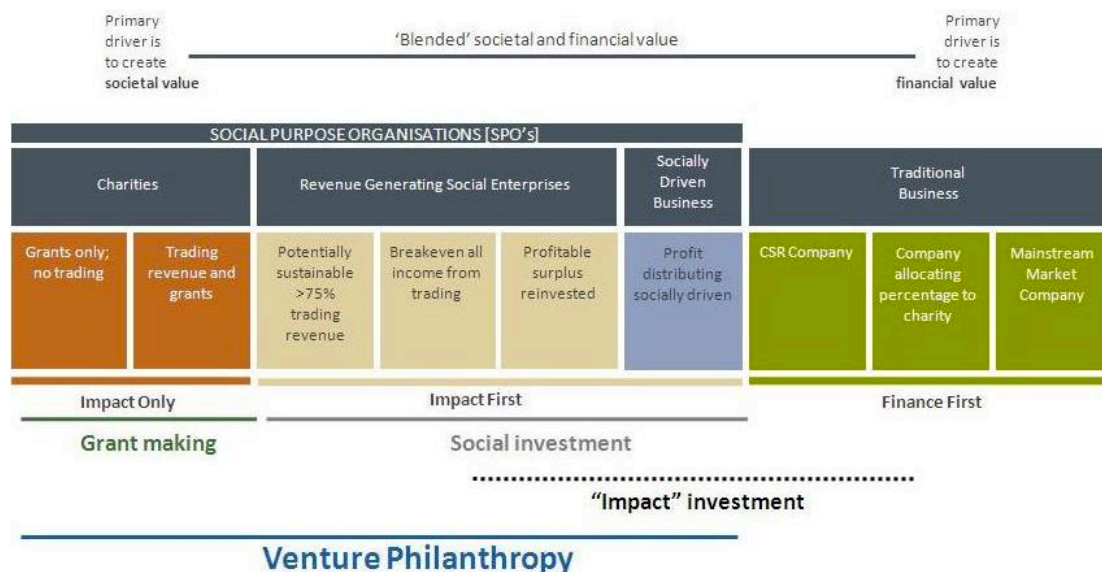
This is particularly true for institutional investors that have strict investing restrictions due to their fiduciary duties to their own investors such as pension or endowment funds.

### ***Impact Investing – Within the Context of Venture Philanthropy***

There are a number of definitions used to define venture philanthropy.

In a broad sense, it is an active approach to social business support modeled after venture capital practices where financial, time and knowledge resources are provided to build capacity, produce deliverables, and deliver social in addition to financial returns.

## Exhibit 1: Traditional chart of venture philanthropy



Source: European Venture Philanthropy Association

As illustrated in exhibit 1, venture philanthropy organizations<sup>1</sup> (“VPOs”) support a range of social purpose organizations<sup>2</sup> (“SPOs”) via various philanthropic tools such as grants, crowd-sourced microcredit via social media, impact investments and microfinance.

At the far left of the spectrum consisting of pure operational charities, philanthropic donations are main sources of funding (in addition to government subvention).

From donors’ perspective, there is a 100% financial capital “loss” which they are willing to give anyway for social value delivery. The Giving Pledge<sup>3</sup> initiative is one example to encourage wealthy individuals and families to part with a majority of their wealth to philanthropic causes.

<sup>1</sup> Venture Philanthropy Organizations (“VPOs”) include organizations that provide grants, technology-driven microcredit, microfinance, impact investing, networking organizations such as Asia Venture Philanthropy Network, venture intermediaries and exchanges, and pure advisory firms such as Asia Value Advisors.

<sup>2</sup> Social Purpose Organizations (“SPOs”) broadly include charities, non-profits, and revenue generating social businesses.

<sup>3</sup> Giving Pledge – An initiative by Warren Buffett and Bill Gates to encourage the wealthiest individuals and families in the United States to give a majority of their wealth to philanthropy ([www.givingpledge.org](http://www.givingpledge.org)). Earlier in 2011 they also visited China and India to encourage the same.

In the middle part of the spectrum shows a wide overlapping range between “social investing” from the left, to “impact investing” to the right.

Social investing starts from:

1. Revenue generating social businesses<sup>4</sup> that is potentially sustainable (i.e. >75% earned revenue, as opposed to donations), to
2. Profitable social businesses with surplus reinvested, to
3. Socially-driven businesses (that are treated as for-profit legal entities from a tax standpoint).

Impact investing begins with social businesses somewhere between (2) and (3) that are already breaking even, or financially sustainable, via earned revenue. Funding can therefore be structured where a financial return can at least be expected.

*Broadly speaking, social investments are not investments in the traditional investment sense, but impact investments are.*

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<sup>4</sup> For brevity sake, this paper will use social businesses instead of social enterprises

## Impact Giving – Leveraged Form of Giving

As distinct from impact investments, traditional investors will not view social investments as an investment, but can view it as a leveraged form of giving, i.e. “impact giving”, on three fronts:

1. Combination of funding, time, and knowledge/skills support with *mutually aligned intent*<sup>5</sup> to help social businesses scale and expand their earned revenues to gain access to impact investment funding;
2. Expected partial capital loss (i.e., slight negative return) for scale-up funding rather than the full 100% capital loss in charitable grants for social impact;
3. Power of leverage compared to charity – by helping social businesses scale while striving to increase earned revenues and reduce dependence on subsidies and/or sponsorships, the social impact gets multiplied

While both *charitable giving* and *impact giving* create social impact, the former funds services with social impact while the latter catalyzes self-sufficiency in scaling social impact.

AVA does not intend to create yet another buzzword. Rather, the purpose is to help bridge the definitional and mindset gap between “giving” and “investing”.

### ***Behavioral Differences of Impact Giving and Social Investing***

There is another benefit to the use of impact giving as opposed to social investing.

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<sup>5</sup> Helping social businesses that are able and willing to scale to access impact investment funding and eventually commercial funding. This therefore excludes “business as usual” funding, such as for working capital or administration costs

Behavioral economic studies suggest that losses are psychologically twice as powerful as gains<sup>6</sup>. In other words, the amount of pain one feels from losing US\$100 is twice the amount of satisfaction derived from a US\$100 windfall.

This leads to tendency towards risk aversion when evaluating a possible gain, or in this case, an investment opportunity.

This has an interesting implication in social investing especially for social businesses that have yet to attain financial sustainability and the expected return to the investor is negative (i.e. some capital loss):

1. If the investor is an institutional type, such an “investment” is a non-starter as the capital preservation requirement will not be met. It also violates its fiduciary duty to its own investors that may include endowment and pension funds.
2. If the investor is a family foundation or a high net worth individual, she<sup>7</sup> would not have any duties other than to her own investing or giving inclinations.

For the latter, framing it as an extension of giving, i.e. impact giving, would provide more “satisfaction” compared with a certain 100% capital loss in an outright grant.

This “impact giving” will also stand a high chance of a return of some capital, which in certain cases can be recycled for further giving – “a gift that keeps on giving”.

In contrast, the same type of opportunity framed as a “social investment” with expected partial loss of capital will not be as psychologically satisfying especially if in a few years’ time the “social investment” turns in a slight negative return.

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<sup>6</sup> As demonstrated by behavioral psychologist Daniel Kahneman

<sup>7</sup> This is a gender-neutral report, with “him” or “her” used interchangeably unless stated otherwise

It is not hard to see that framing it as impact giving has a better psychological appeal than as a social investment.

That said, whether it is called a social investment or impact giving is a function of the philanthropist's giving versus investing (or some blended value) mindset.

### ***A Reality Check for Social Businesses – Pathways to Scale and the Funding Chasm***

The traditional chart of venture philanthropy (in exhibit 1) gives a false sense of comfort that social businesses have a smooth pathway to scale with funding options from grants, to social investments, to impact investments, and if all continues to go smoothly, to commercial sources of funding.

In practice, however, only a small handful of social businesses are able and willing to access impact investment funding, which targets mainly mid- to late-stage social businesses with demonstrated financially sustainable and scalable business models. It is this segment of social businesses that would benefit most from impact giving as described earlier.

In contrast, the vast majority of social businesses are either in their early stages needing incubator-like business support or are mid-stage businesses lacking financial sustainability and the intention or ability to scale.

This latter segment faces what AVA calls a **funding chasm** – their access to impact investors is out of reach either by design (i.e. serving a niche social need in a local community) or an inability or unwillingness to scale.

As a result, they would still need the funding support of their grantors, or sponsors for their business-as-usual needs. Moreover, this type of funding will not be targeted by impact givers (nor impact investors) as the intention to scale is not there.

## ***A Note on Leveraging Philanthropy Intermediaries and Advisors***

Just as a family relocating to a new country as an expatriate would require the services of real estate brokers to quickly find a suitable rental home in the new country, a philanthropist who wants to begin tapping into this relatively new territory of impact giving would be better off working with venture philanthropy intermediaries/advisory firms for three reasons:

1. Lowers their search costs (i.e., their “home country” is traditional investing, and the “new country” is impact giving/impact investing which requires a hybrid set of skills, experiences and processes<sup>8</sup>)
2. Benefits from scale effects – the social sector is too vast, fragmented, and costly, for any single philanthropist to cover on his own
3. Benefits from scope effects via networking across the social ecosystem– to find tipping points for maximum impact within the social sector, intermediaries and advisors alike are forming strategic partnerships with collaborators locally and regionally as well as across sectors such as academia, corporates, and government agencies

At the risk of sounding self-serving, AVA believes that collaborating with or working through venture philanthropy intermediaries, social exchanges, and advisors<sup>9</sup> can provide significant leverage to philanthropic funders to overcome resource, time, and cost challenges in deal sourcing and structuring, due diligence, execution, post-deal management and exits.

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<sup>8</sup> The book “Impact Investing” by Emerson and Bugg-Levine calls them “mutant managers... creatures of the impact investing forest that are often best seen on the fringe, coming out at either the beginning or end of the capital market day... leading innovative new investment funds and social enterprises.”

<sup>9</sup> Sometimes also called social venture intermediaries (“SVIs”)

## Impact Investing in Asia – the Big Picture

Interest in impact investing in Asia has grown significantly in recent years with new regional and country-focused VPOs being founded in the last five years<sup>10</sup>.

Family offices have begun to actively look into impact investments as an addition to their overall portfolio management strategy while private banking divisions of firms such as UBS have created dedicated units to provide philanthropic advice and values-based investing (VBI)<sup>11</sup> to its ultra-high net worth clients.

### *The Philanthropic Capital Map*

To illustrate the funding chasm cited earlier, AVA created a **philanthropic capital map** (“PCM”). This map expands on the traditional venture philanthropy chart (exhibit 1) and maps the financial return (x-axis) with the types of funding as a function of organizational size and life-stage (y-axis).

Portraying it this way clearly shows the practical realities of a funding chasm (in the upper half, second column of the chart) experienced by most early- to mid-stage social businesses.

Philanthropic capital (i.e. capital with social intent), falls within the lower left half of the map, while the traditional capital sources fall on the upper right half of the map.

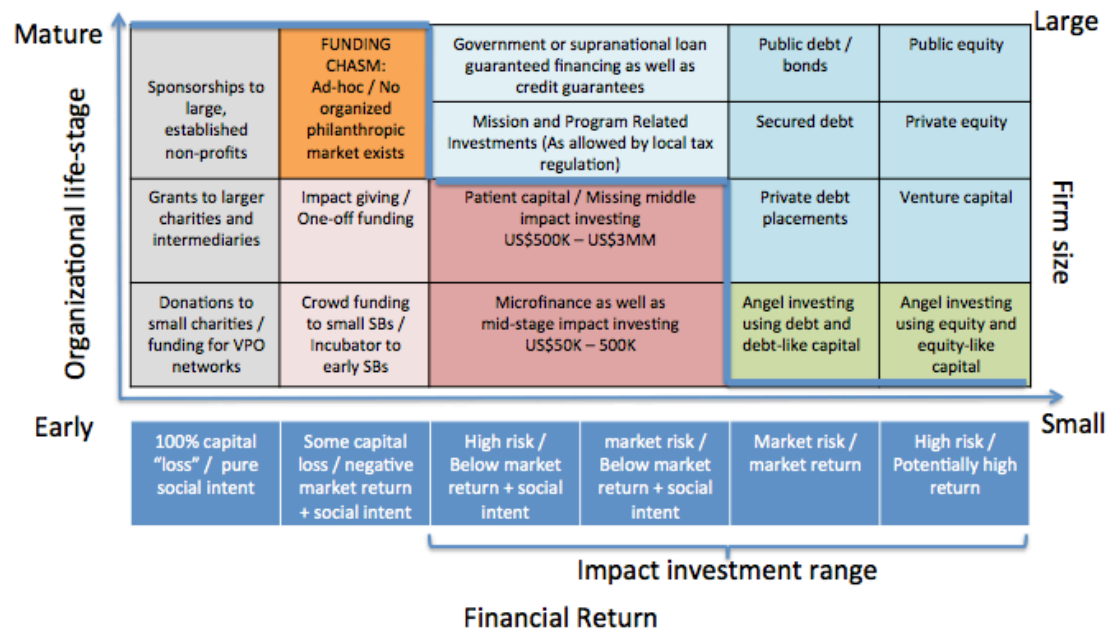
Impact investments fall within the lower middle range of the philanthropic capital map (under the blue line).

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<sup>10</sup> VPOs such as SV-HK, Sow Asia Foundation, Avantage Ventures, Social Investors Club, as well as SVIs which provide intermediary, consultancy, networking, and social exchange platforms such as Asia Value Advisors, Impact Investment Exchange Asia, and Asia Venture Philanthropy Network, to name a few. There are also an increasing number of family offices actively looking into the impact investment space in a systematic manner.

<sup>11</sup> UBS Philanthropy Services and Values-Based Investing website  
[http://www.ubs.com/1/e/wealthmanagement/philanthropy\\_valuesbased\\_investments.html](http://www.ubs.com/1/e/wealthmanagement/philanthropy_valuesbased_investments.html)

## Exhibit 2: The philanthropic capital map

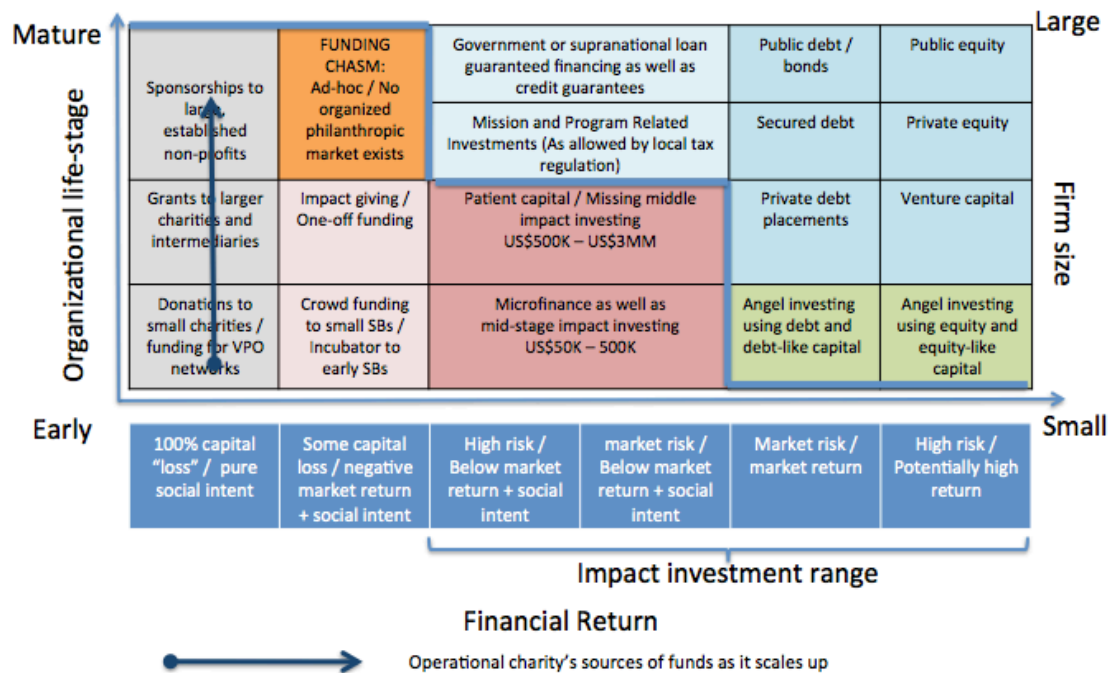


Source: Asia Value Advisors analysis

### Case 1: Pathways to Funding – An operational charity’s funding sources

Using the PCM, an operational charity’s funding sources is illustrated in exhibit 3 across its organizational life-stage and firm size:

### Exhibit 3: Funding options for an operational charity



Source: Asia Value Advisors analysis

For some operational charities that decide to start generating earned revenues beyond grants, they may need to begin tapping into “impact giving” capital as well as enlist support of incubator funds as they gradually scale up.

## **Case 2: Funding pathways for a social business as it scales up**

Let us look first at how a typical for-profit start-up business scales:

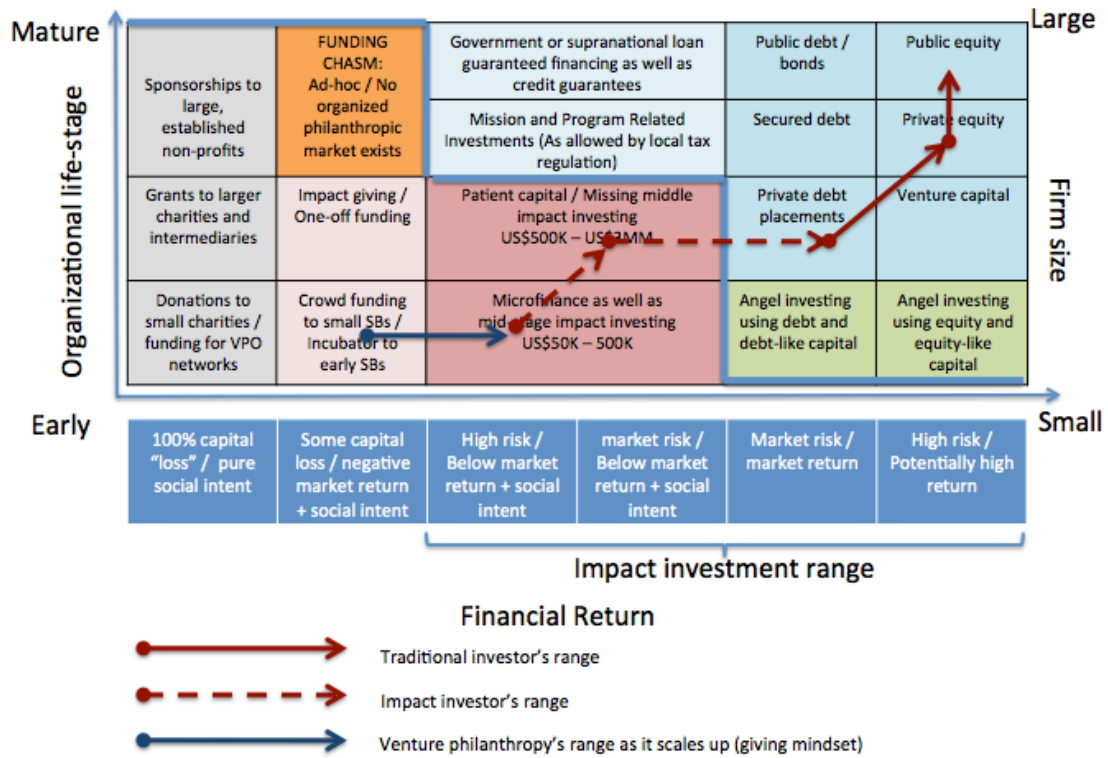
It faces numerous but predictable funding challenges. It first seeks funding from family and friends (angel investors). Once it “crosses the chasm” and has a proven and sustainable business model, it begins to attract venture capital funding, followed by private equity as well as other commercial funding. One day, its founders exit via a strategic sale or IPO (and maybe become philanthropists themselves!).

A social business, in contrast, may have previously started as a non-profit that changed into a social business. It also faces similar funding challenges as a for-profit start-up but with three additional constraints:

1. Social mission – It must keep its mission, but find new ways to earn revenues;
2. Local tax and regulation if incorporated as a charity – It needs to ensure compliance to its “home regulator”, i.e. charity regulatory umbrella, until it converts to a for-profit entity
3. Cultural gene – Its socially-oriented staff will need to adapt to the demands of impact investors, including governance, impact and metrics reporting

Like its for-profit start-up counterpart, social businesses will need to seek angel investors, in this case, social venture incubators. As the business scales, its funding needs increases and its funding mix begins to tilt towards the investment-driven philanthropic funders. This is shown in exhibit 4:

**Exhibit 4: Funding options of a social business (ideal pathway)**

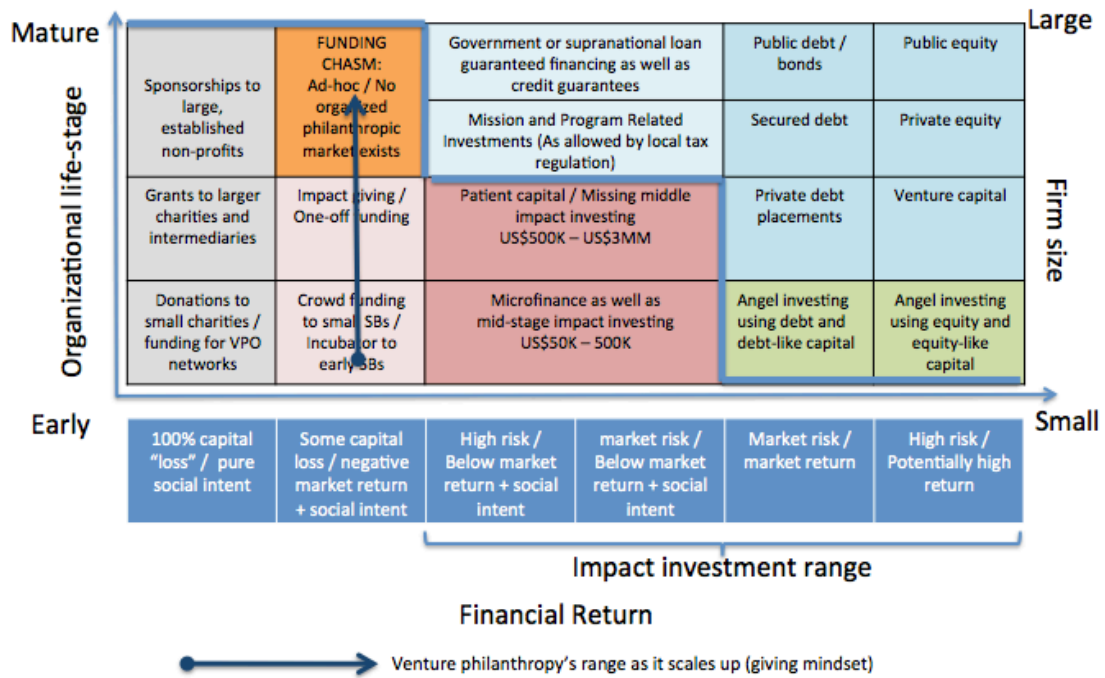


Source: Asia Value Advisors analysis

In reality, only a small number of social businesses in Asia are impact investment-ready.

For the vast majority of social businesses, impact investing remains inaccessible. They will continue to rely on a funding mix of grants, sponsorships, subsidies and some earned revenue streams, as shown in exhibit 5.

## Exhibit 5: Funding options for most early- to mid-stage social businesses



Source: Asia Value Advisors analysis

## How Big Really is Impact Investing in Asia?

Time and again, conversation starters in social conferences have made catchy references to the multi-billion, up to a trillion dollar impact investment opportunities. In contrast, skeptical observers have wondered if the opportunity was anywhere near a trillion dollars.

To refresh our memory, the ballpark ranges have been cited in J.P. Morgan's 2010 [report](#) as between US\$400 billion to US\$1 trillion of potential impact investment capital globally over the next ten years.

More recently, a [report](#) by Avantage Ventures pointed to a potential demand ranging from US\$44 billion to US\$74 billion in Asia through year 2020.

While both reports stated these are estimates of funding needs, one may also get the impression that these represent market sizes of impact investing opportunities.

To put this in Asian context, according to a 2011 Merrill Lynch/Cap Gemini [report](#), the Asian high net worth individuals have US\$10.8 trillion of assets. If 1% (or US\$108 billion) of the total amount is redirected to social businesses, this will be more than enough to fill the potential funding demand in Asia through 2020.

### ***Distinguishing Funding Needs from Impact Investments as an Asset Class***

AVA believes the perceived market size gap is a result of comparing the much larger amount of funding needs of businesses with social intent *versus* the size when viewed as an asset class in its own right by investors.

Currently, data for the number of actual impact investment deals completed at least in Asia is difficult to come by. However, AVA estimates this number to be at most a hundred, with deal sizes ranging from US\$50,000 to US\$3 million.

If we assume that the average size of completed deals is US\$1 million (which is on the high side), then the current market size in Asia is US\$100 million – way below the funding needs of social businesses in Asia.

To grow impact investing from US\$100 million to US\$100 billion in ten years would require a compounded annual growth rate of 100%. With regional GDP growth rate in Asia at 7.5% per Asian Development Bank estimates for 2011 and 2012, this growth rate is unrealistic and clearly illustrates the gap between funding needs versus actionable impact investing opportunities.

In contrast, getting from US\$100 million to US\$1 billion over ten years, would require a more achievable compounded annual growth rate of 26%. There are currently a number of impact funds as well as a social exchange in the making – positive developments that will spur this segment's growth.

Notwithstanding its narrow range of usefulness relative to total funding needs in the region, impact investments are crucial to the development of the sector in three ways:

1. It serves as a vital link to traditional investors as a precursor to commercial funding that would otherwise be inaccessible;
2. It buys social businesses time to adjust culturally and operationally to the more stringent operational demands and reporting standards of commercial funders; and,
3. It provides a learning platform for philanthropic funders to develop the necessary skills and tools in deal sourcing and execution in partnership with intermediaries and collaborators within the social ecosystem.

## ***The Multi-Billion Dollar Funding Chasm – An Emerging Opportunity for Impact Giving***

Clearly, there is a multi-billion dollar opportunity in Asia to fund social businesses that have the intention and ability to scale but are not yet impact investment-ready<sup>12</sup>.

AVA posits that **impact giving** can provide an alternative approach for philanthropic funders to support social businesses under the following general conditions:

For social businesses:

1. Demonstrated ability and *intention* to scale business and/or social impact rather than business-as-usual (staying local or small serving a niche social issue);
2. Presence of a catalyst (i.e. regulatory change in their favor) or a game changing edge that can enable the business to scale up on its own accord;
3. Funding needs are for expansion or growth rather than business as usual working capital or administration support;
4. Funding needs and repayment schedules are substantially and increasingly covered by earned revenues (as opposed to grants);
5. Introduction of impact giving capital will help these social businesses to gradually adapt to the reporting and performance metrics demands of impact investment funders.

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<sup>12</sup> AVA acknowledges there are local social issues in Asia that may be beset by market failure issues that require a different type of intervention and tool(s) – this is beyond the scope of this research brief

For impact givers:

1. Recognizes the opportunity to fund a select set of high-potential social businesses to enable them to scale and have a shot at receive impact investments and eventually, commercial funding;
2. Appreciates the power of leverage in impact giving as opposed to traditional charity;
3. Understands that these deals may be even smaller than a traditional impact investment (US\$500,000 to US\$3 million);
4. Recognizes the search cost and due diligence required may be just as intensive, hence;
5. Needs to collaborate with venture intermediaries and advisors to outsource this part of the value chain of the funding process with clearly articulated social and financial performance indicators.

### ***Impact Giving as a New Philanthropic Funding Segment***

As previously mentioned, AVA does not intend to re-invent the wheel by creating another buzzword.

Rather, by instilling rigor to the definition of impact investments especially among social sector practitioners, *it sharpens the alignment of expectations and incentives of the various players enabling them to choose which funding tools would best suit their philanthropic values, mindset comfort zones, as well as their risk and reward appetites.*

To be clear, impact giving is simply a mirror image of social investments where the expected returns are negative (i.e., some capital loss).

As such, it cannot be considered an “asset class” and should not be “sold” to traditional investors as one. Doing so may gain more funds into the sector today,

but risk losing the reputation of the impact investing space tomorrow, if these traditional investors lose their shirts.

### ***Expanding Corporate Philanthropy's Giving Checkbook***

Currently, most banks and multinationals support operational charities under their corporate engagement or philanthropy pockets. AVA sees an opportunity to extend this logic by framing impact giving to social businesses as a leveraged form of giving.

Admittedly, more work and thought needs to be put into this idea as to how it might actually work but the current corporate engagement model supporting charities do not have the impact or leverage to move the social sector forward beyond service delivery to address niche social needs such as children or education.

## Where to next?

*"Which road do I take?" (Alice)*

*"Where do you want to go?" (Cat)*

*"I don't know," (Alice)*

*"Then, it doesn't matter...If you don't know where you are going, any road will get you there." (Cat)*

*- Excerpt from Alice in Wonderland*

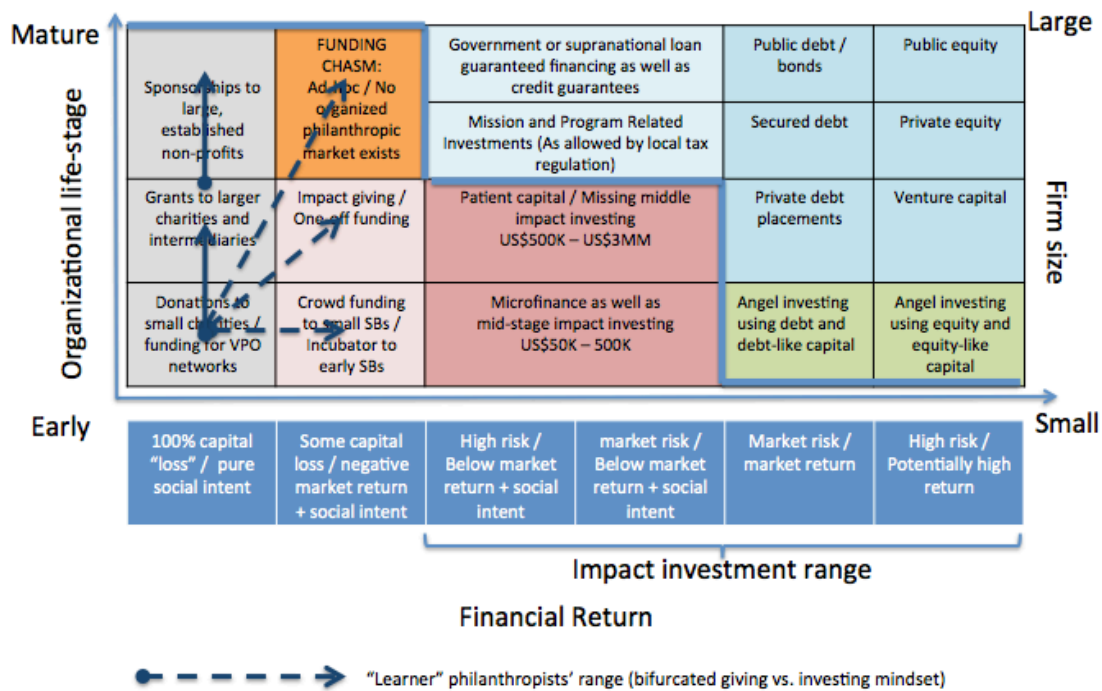
Deciding where to go from here is a personal/organizational choice, but it also depends on where your "here" is – i.e. your starting point.

For institutional investors with fiduciary responsibilities, it make sense to partner with venture intermediaries, a social exchange (such as AsiaIIX) or venture philanthropy network (such as AVPN) to access the ecosystem of both impact investment-ready social businesses and its players;

For private investors and family foundations, it depends on your current organizational, personal values and comfort zones for philanthropic involvement.

**Learner stage.** If you have historically been donating or providing sponsorships and are still uncomfortable with including impact investment within your overall asset portfolio, you may want to start with impact giving as an extension to your traditional giving, as in exhibit 6, to learn more about this space in a low-risk context.

## Exhibit 6: From traditional giving to impact giving

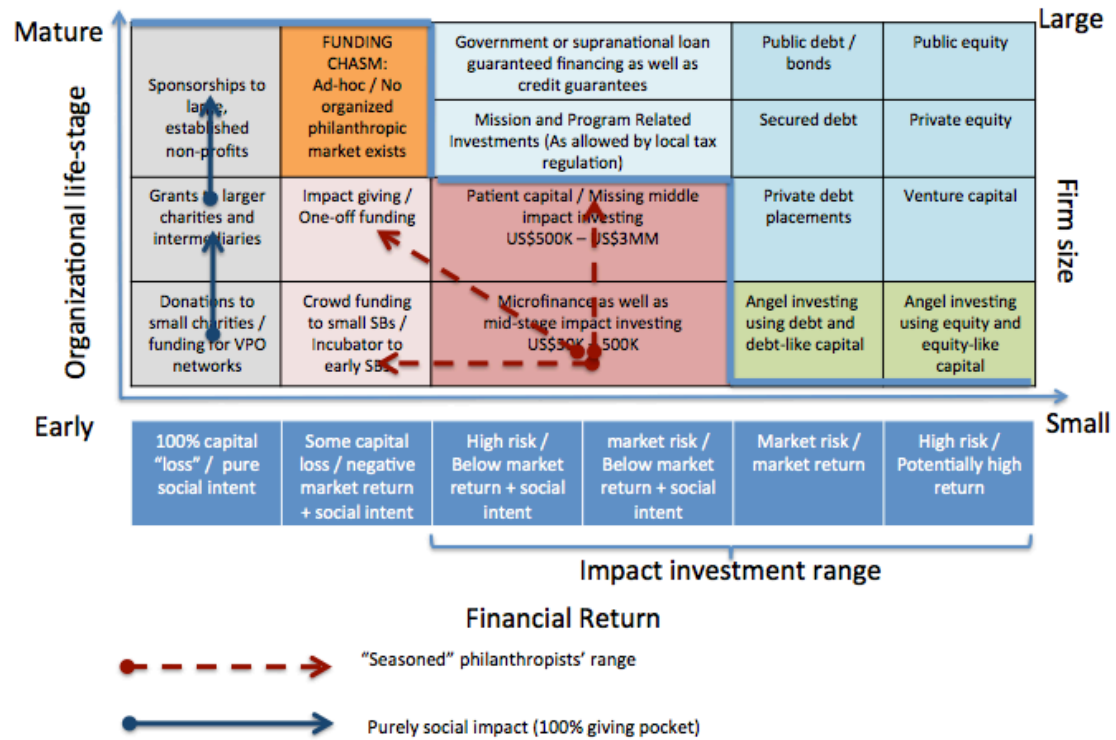


Source: Asia Value Advisors analysis

**Seasoned stage.** Typically for private investors and family foundations that are already adept with impact investments. You may want to participate in impact giving as illustrated in exhibit 7 via through venture intermediaries.

They can provide the financial, time, and knowledge resources needed to catalyze the scaling up of social businesses that will eventually be ready for impact investments.

**Exhibit 7: Comfortable with impact investing, and supporting impact giving as an extension activity**

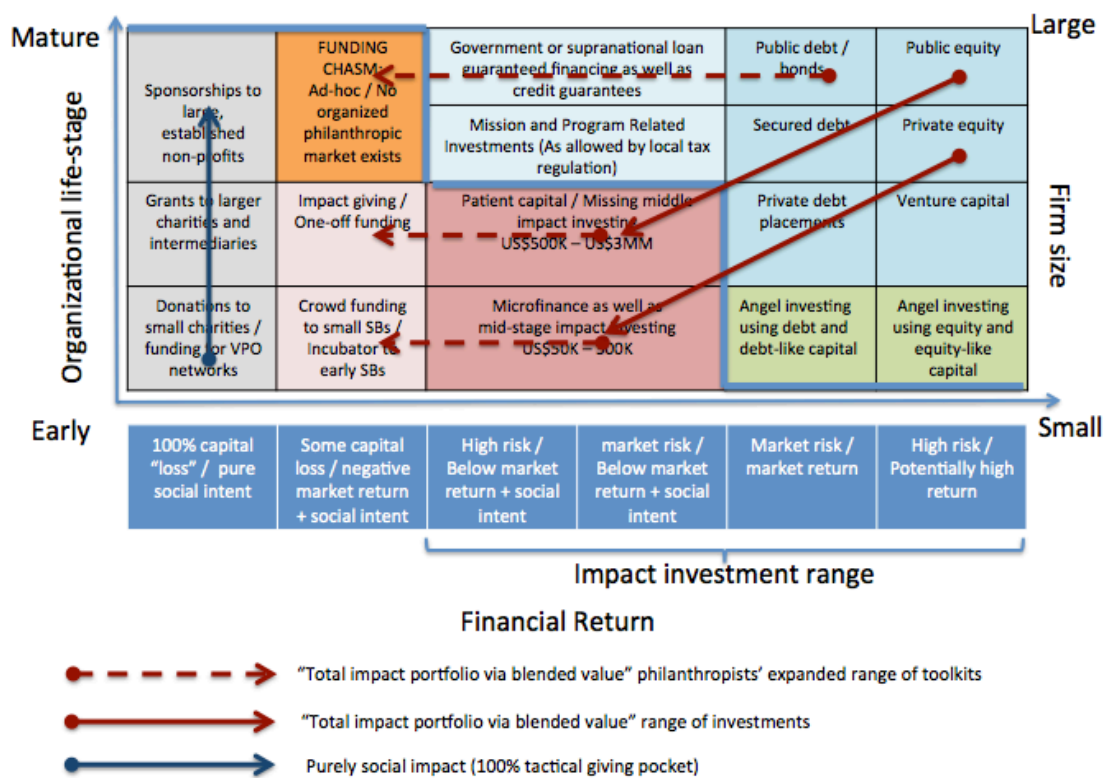


Source: Asia Value Advisors analysis

**Total impact portfolio via blended value stage.** Eventually, as depicted in exhibit 8 below, once private investors and family foundations have gained enough confidence in impact investing as part of their over-all asset management portfolio, it will no longer matter whether the starting point is framed as an extension of giving or impact investing.

This type of investor recognizes the need to provide scale-up funding for earlier-stage but high potential social. Over time, as a result of funding this “chasm”, many more of these social businesses will be in a better position to access impact investments as a precursor to commercial funding.

## Exhibit 8: Total impact portfolio via blended value approach



Source: Asia Value Advisors analysis

## Call to Action – Going Beyond Semantics to Unleash Social Value

*“If all you have is a hammer, the world is full of nails”*

*- Original source unknown*

Philanthropic funders whether investors or givers typically measure impact in the following order:

1. Doer/actor – who we are and what we can do (our mission, values etc.)
2. Our tools and approaches – based on our prior backgrounds or expertise (i.e. if coming from a PE or VC background, we tend to use the same approach towards impact investing)
3. Our impact goals – social-first or financial-first, symptoms of social issues (more measurable) or root causes (more qualitative, harder to measure)

As a result of this doer/actor-focus, it is sometimes easy to lose sight of the evolving needs of these social businesses requiring scale-up funding but may not currently have access to impact investments.

We have also seen from this research brief that there is a huge, and possibly multi-billion dollar market to provide impact giving funding to these pre-impact investing-ready stage social businesses.

This can be done either directly or through venture intermediaries or social exchanges that can provide them with the financial, knowledge and network resources as well as the platform to scale.

Conversely with further collaborative efforts by VPOs, venture intermediaries and philanthropic funders, there will surely be a significant number of impact investment-ready social businesses that can be found.

In this regard, the collective social impact will be much greater than if philanthropic funders were to get caught up with just the impact investing tool and how big they can grow this pie.

To this end, AVA would like to encourage philanthropic funders to be agnostic about the philanthropic tools to be deployed, in line with their personal or organizational visions.

## About the Author

### **Philo Alto**

Philo is the founder of Asia Value Advisors Limited, a Hong Kong-based philanthropic and social capital advisory firm. An investment banker turned philanthropy/social capital advisor with over 17 years of experience, Philo has worked at firms such as Goldman Sachs (Hong Kong/New York), A.T. Kearney and Citigroup across roles ranging from investment banking, leveraged finance, debt capital markets, macroeconomic research, and firm-wide strategy. While at Goldman, he served on the firm's Asia Environmental Policy committee. He received dual degrees at Harvard Business School (MBA) and Harvard Kennedy School (Master in Public Administration), a masters degree in Industrial Economics at the University of Asia and the Pacific (Philippines), and bachelor degrees in physics and computer engineering at the Ateneo de Manila University (Philippines).

Over the past years, he has advised and volunteered with numerous social purpose organizations, social venture intermediaries as well as philanthropic organizations, and he has also given talks on the social sector to students and social entrepreneurs.

He is concurrently a Senior Advisor to Sow Asia Foundation ([www.sowasia.org](http://www.sowasia.org)), a venture philanthropy firm. He also sits on the Harvard Business School Association of Hong Kong committee providing scholarship support to leaders of Hong Kong non-profits to attend the Strategic Perspectives of Non-profit Management program at Harvard Business School.

Previously, he was an energy and environment consultant to the Philippine government and was also a National Science Quiz champion and recipient of the Ten Outstanding Young Scientists Award by the late Philippine President Corazon C. Aquino.

Philo currently lives in Hong Kong and is a citizen of both the Philippines and HKSAR. He speaks fluent Mandarin, native English and Filipino.