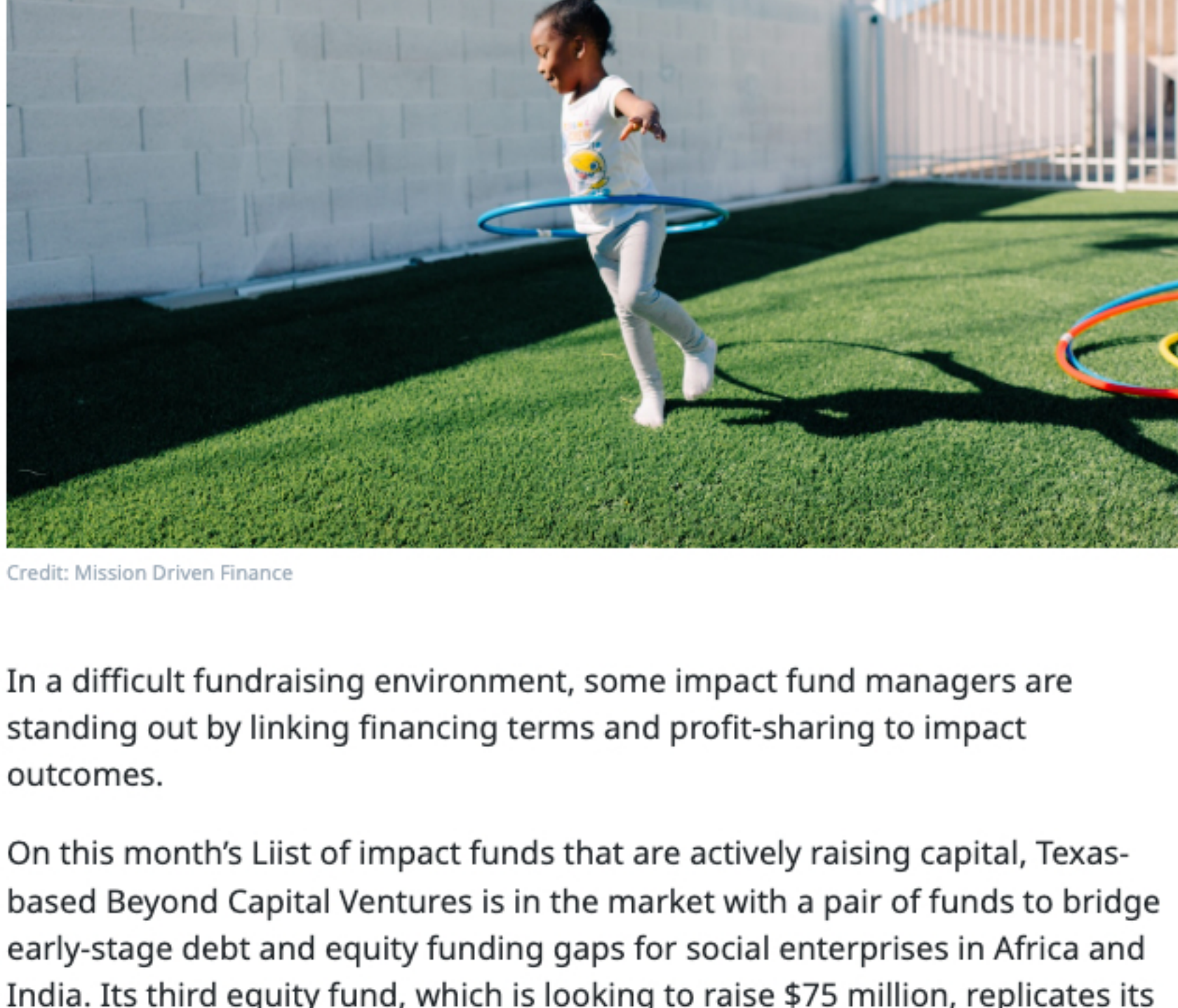


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The List, August 2024: These fund managers incentivize impact and share profits with communities and founders

Jessica Pothering and Lucy Ngige



Credit: Mission Driven Finance

In a difficult fundraising environment, some impact fund managers are standing out by linking financing terms and profit-sharing to impact outcomes.

On this month's List of impact funds that are actively raising capital, Texas-based Beyond Capital Ventures is in the market with a pair of funds to bridge early-stage debt and equity funding gaps for social enterprises in Africa and India. Its third equity fund, which is looking to raise \$75 million, replicates its profit-sharing model with portfolio companies by giving a cut of its carried interest to founders that meet specified gender and climate targets.

"We want a partnership with our investees where we're bonded in the success of our fund," Beyond Capital's Eva Yazhari told *ImpactAlpha* earlier this year (see, "[From funds to managers to enterprises, some investors are aligning incentives for impact](#)").

In Canada, Indigenous-led Raven Group is raising an outcomes-based finance fund to test community-driven climate and health interventions on tribal lands. Raven lines up public off-takers for Raven Indigenous Outcomes Fund's successful projects, like residential green energy retrofits and holistic diabetes care. Half of the fund's carried interest will go to Raven Group's philanthropic arm, Raven Indigenous Impact Foundation.

Like Beyond Capital Ventures, two other fund managers on this month's List are directing capital to emerging markets businesses' equity and debt needs at a time when investors are still shying away from emerging markets. Washington, DC and Addis Ababa-based Africa Renaissance Partners is looking to raise \$10 million for its first fund to boost financial inclusion, climate resilience, and skills and employment for the future in East Africa.

Switzerland-based Symbiotics, the \$3 billion emerging markets asset manager, is in the market with a \$25 million debt fund to invest in financial inclusion, climate resilience and impact tech companies. The fund has Article 9 designation under the EU's Sustainable Finance Disclosure Regulation for its impact mandate.

Last but not least, San Diego-based Mission Driven Finance is directing capital to America's "severely undercapitalized and undersized" child care sector with its Care Access Real Estate. The fund, which has a target of \$50 million, will acquire childcare facilities and help childcare entrepreneurs – most of whom are women of color – purchase the properties they operate from and build wealth through the properties' value appreciation.

On this month's List:

- African Renaissance Ventures Horn of Africa fund
- Beyond Capital Ventures Fund III and BCV Debt Opportunities Fund
- Mission Driven Investors CARE fund
- Raven Indigenous Outcomes Fund
- Symbiotics Emerging Credit Strategies Fund

Disclaimer: The List and this post are based on available information, sourced by ImpactAlpha. Information has not been further reviewed by the managers nor verified by third parties, is not guaranteed for accuracy or completeness, and should not be relied upon as investment advice or recommendations. Nothing in The List, this post or on ImpactAlpha.com shall constitute an offer to sell or the solicitation of an offer to buy securities.

African Renaissance Ventures Horn of Africa Fund

Magdi Amin's takeaway from a decade working at the International Finance Corp. was that the "best investments happen when we're looking at or focusing on countries that are in the process of emerging, not already emerged." Amin founded Washington, DC, and Addis Ababa-based [African Renaissance Ventures](#), a venture capital fund focused on East Africa's lesser-invested markets. The firm is in the market with a target of \$10 million for its first Horn of Africa Fund fund.

African Renaissance Ventures makes early-stage equity investments in companies committed to strengthening financial inclusion, climate resilience, and skills and employment for the future. It has made four investments. Uganda's **Emata** is helping digitalize agri-cooperatives and offer affordable credit to African farmers. **Kubik** in Ethiopia is recycling plastic into low-carbon building materials.

"A lot of the funding from the private sector goes to the biggest institutions, but the biggest institutions aren't necessarily delivering the best opportunities for change," said Amin. African Renaissance Ventures is looking to make more than 20 investments with the fund and is

The firm is currently raising \$10 million for its fund that will be deployed to up to 23 startups in the region and has already identified two from Tanzania.

- **Type of investments:** Seed-stage equity
- **Fund structure:** Traditional LP/GP
- **Where fund is domiciled:** Delaware, US
- **Geographic focus:** Tanzania, Uganda, Rwanda and Ethiopia
- **Commitments/investors:** \$4 million from King Philanthropies, 20 high net-worth individuals, and two family officers
- **Who is eligible to invest:** accredited investors
- **Sample investments:** Kubik (Ethiopia), Emata (Uganda), health analytics venture Kapsule (Rwanda), drone forest and infectious-disease monitoring startup Charis (Rwanda)
- **Sample impact metrics:** greenhouse gas emissions, number of students or patients affected, number of agri-producers reached
- **Fund leadership:** Diverse-led
- **Contact information:** [Magdi Amin](#); [Henok Assefa](#)

Beyond Capital Ventures Fund III and BCV Debt Opportunities Fund

[Beyond Capital Ventures](#) invests in early-stage businesses in Africa and India that drive access to quality healthcare and financial and climate resilience for the rising middle class. The Texas-based fund manager is known for its profit-sharing mechanism, which allocates a share of its carried interest to portfolio companies that meet certain gender and climate targets.

"We want a partnership with our investees where we're bonded in the success of our fund," Beyond Capital's Eva Yazhari told *ImpactAlpha* (see, "[From funds to managers to enterprises, some investors are aligning incentives for impact](#)").

Beyond Capital is in the market with its third equity fund to make investments of up to \$2.5 million in early and early-growth-stage ventures. It notched its first investment for the fund, reupping its commitment to Rwanda-based e-motorbike maker Ampersand.

Beyond Capital Ventures Fund III is looking to raise \$75 million.

Beyond Capital is also in the market with its Debt Opportunities Fund to provide working capital and bridge loans to portfolio companies in its second and third equity funds. The fund is looking to raise \$8 million. It has made three investments.

BCV Fund III:

- **Type of investments:** Seed to Series A equity, ranging from \$500,000 to \$2.5 million
- **Fund structure:** 10-year LP/GP; the fund's carried interest is shared with portfolio founders that meet specified climate and gender targets
- **Where fund is domiciled:** Delaware, US
- **Leadership:** Woman-led
- **Commitments/investors:** 17 commitments, nine new investors; BCV Fund III is targeting \$7 million first close in August
- **Sample investments:** Ampersand, a Rwanda-based manufacturer of electric motorbikes; examples of past investments include eyecare company [Lapaire](#) and Kasha, a last-mile distributor of female health and hygiene products.
- **Contact information:** [Beyond Capital Ventures investor relations](#) (for information about both funds)

Mission Driven Finance Care Access Real Estate fund

San Diego-based [Mission Driven Finance](#) started in 2016 to get affordable capital into impactful community businesses. The B Corp investment firm is in the market with a real estate fund that targets the "severely undercapitalized and undersized" child care sector.

The Care Access Real Estate, or CARE fund, is looking to raise \$50 million to acquire, renovate, and lease residential real estate space for licensed child care businesses. Child care business owners will benefit from renting the property in the short term; after two years, they will have the option of acquiring the property they operate from.

Mission Driven Finance is looking to make child care "an investable asset class to grow the footprint of the child care US" while addressing "systemic real estate barriers that have stymied growth in the sector." It expects CARE to primarily benefit businesses owned by women of color.

CARE has so far acquired 16 homes for child care businesses in Nevada and California. Nine businesses have already moved into the properties. Four are expanding their licenses and growing their businesses.

- **Type of investments:** Residential real estate properties for child care facilities
- **Fund structure:** Private tax-advantaged real estate investment trust structure with option to convert to a public REIT by 2034
- **Where fund is domiciled:** US
- **Leadership:** Female and Indigenous co-founder
- **Commitments/investors:** \$10.4 million from the Annie E. Casey Foundation, family office Ceniath, Prebys Foundation, and the W.K. Kellogg Foundation
- **Who is eligible to invest:** Accredited investors, institutional investors, donor-advised funds, grant funders. All investors must be accredited or investing through charitable vehicles if non-accredited.
- **Sample impact metrics:** number of licensed child care spaces in CARE properties; providers' sense of stability via surveys and longevity in CARE properties; income growth of providers and number of providers who exercise their buy-out option
- **Contact information:** [Heather Marie Burke](#)

Raven Indigenous Outcomes Fund

Vancouver-based Raven Group launched in 2018 to channel capital to Indigenous businesses and communities in North America. The group runs a philanthropic entity and a venture capital fund, which last year raised C\$100 million to provide patient growth capital to Indigenous entrepreneurs. Its latest endeavor is a performance-based finance fund to help finance and test climate adaptation and healthcare interventions in Indigenous communities in North America (see, "[Raven Group lands backing for its outcomes-based finance fund](#)").

[Raven Indigenous Outcomes Fund](#) is seeking to raise \$50 million to work with tribal groups to design community projects for green energy access, modern housing, diabetes management and other issues. The approach is to test the models using Raven's capital and eventually hand the projects over to a public off-taker (see, "[How fund managers are rebooting outcomes-based finance](#)").

- **Type of investments:** Equity
- **Fund structure:** Five-year GP/ LP fund structure with a target IRR of 4% to 7%.
- **Where fund is domiciled:** Canada
- **Unique fund features:** One of only two outcomes-based finance funds in North America. Half of the fund's share of carried interest will go to Raven Indigenous Impact Foundation to fund its programs
- **Commitments/investors:** reached a first close of \$20.4 million from Boann Social Impact, Sorenson Impact Foundation, Christensen Fund, and other investors
- **Fund leadership:** Woman and Indigenous led
- **Who is eligible to invest:** Accredited investors with a minimum investment of \$250,000
- **Contact information:** [contact online](#)

Symbiotics Emerging Credit Strategies Fund

[Symbiotics](#) is a \$3 billion Swiss impact investment manager that focuses on emerging markets. The firm offers senior and subordinated debt and issues impact bonds to support financial inclusion, climate resilience and tech innovations benefitting emerging market consumers.

Symbiotics is in the market to raise \$25 million for its new Symbiotics Emerging Credit Strategies Fund. The fund will provide debt to companies "poised for growth and innovation, driving impactful solutions across emerging markets" in the areas of small business financing, food and agriculture, and clean energy and other climate interventions.

Symbiotics' Emerging Credit Strategies Fund is a designated Article 9 fund under the EU's Sustainable Finance Disclosure Regulation.

- **Type of investments:** Debt
- **Fund structure:** open-ended SICAV
- **Where fund is domiciled:** Luxembourg
- **Unique fund features:** Designated SFDR Article 9 fund; minimum 75% investments with sustainable objectives
- **Contact information:** [Cyril Bouchu](#)