

Public Information Summary

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| Host Countries | Cambodia, Indonesia, Laos, Malaysia, Philippines, Sri Lanka, and Vietnam |
| Name of Borrower | Abound Capital Master Fund I Pte. Ltd. |
| Project Description | Provides funding to early stage, high growth companies in the region to increase employment in high-impact sectors. |
| Proposed DFC Loan | Total amount to be financed by DFC is \$10,000,000 with a ten-year tenor. |
| All-Source Funding Total | \$50,000,000 |
| Policy Review | |
| U.S. Economic Impact | The U.S. Economic Impact review will be conducted for each portfolio company investment. The main thrust of this review is listed in conditions to be incorporated in the loan agreement, whereby the Fund Manager will provide information to conduct a calculation of potential U.S. job impacts to enable the DFC to fulfill Congressional reporting requirements. However, none of the currently identified pipeline portfolio assets would represent a U.S. effects risk, so there is no need to conduct an analysis of potential U.S. job losses at this time. |
| Developmental Objectives | The Fund is expected to have a highly developmental impact through its deployment of up to \$100 million (including recycled loans) in investments in tech-companies located in Southeast Asia. The Fund will provide relatively scarce venture debt to “missing middle” small and medium-sized enterprises (“SMEs”), firms too large for burgeoning microfinance and peer-to-peer lending platforms, but too small for the region’s traditional banks. The Fund Manager has an active hands-on approach for its investment strategy, bringing a wealth of experience and providing technical assistance to its portfolio companies. While COVID-19 has ended a decade-long economic expansion in Southeast Asia, the pandemic has also fueled the expansion of the region’s digital economy. In 2020, the Southeast Asian digital economy expanded by 5%, and is expected to reach \$209 billion by 2025. Yet, the region’s digital economy still lags behind the rest of East Asia. |
| Environment and Social Assessment | The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct investments into financial intermediaries to support investments in a portfolio of SMEs are screened as a Category D for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments. |

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| | <p>Under the DFC's ESPP, the Project is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standards ("PS") 1 and 2. A desk-review-based due diligence assessment indicates that because the Project will use DFC support for on-lending to SMEs in Southeast and South Asia (Cambodia, Laos, Philippines, Sri Lanka, Vietnam, Indonesia, and Malaysia), significant adverse impacts concerning resource efficiency and pollution, community health, safety, and security, land acquisition and resettlement, biodiversity, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>To ensure that the Project's investments are consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for a strong environmental and social policy, environmental and social management system, and human resources policy that meet the 2012 International Finance Corporation Performance Standards to ensure that downstream investments are developed in accordance with DFC's ESPP.</p> |
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