

# ALQUITY: TRANSFORMING LIVES



**LIFE  
CHANGING  
INVESTMENTS**

*Alquity*

The background features a repeating pattern of concentric circles in a light gray color. The bottom-left corner is divided into two overlapping geometric shapes: a pink triangle and an orange triangle. A vertical dashed line runs down the center of the page.

life  
changing

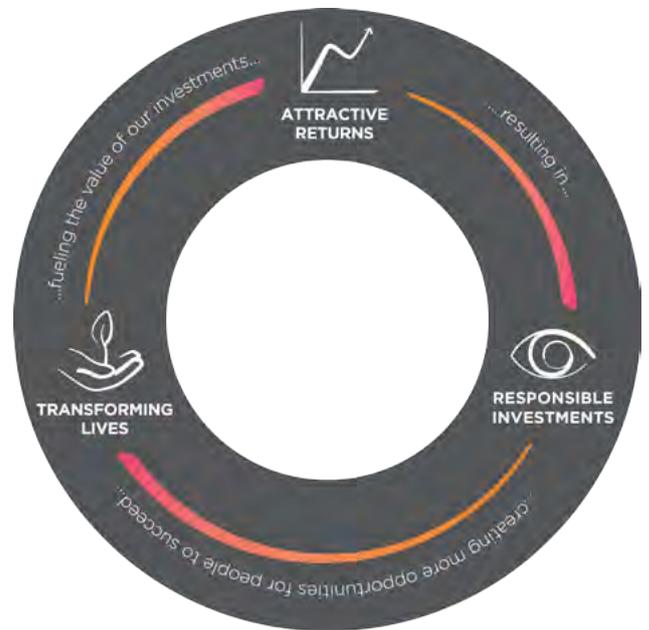
# TRANSFORMING LIVES: OVERVIEW

Alquity is an asset management business that connects investors to their investments and social progress in order to deliver better outcomes for all.

At the heart of Alquity lies a fundamental belief that by aligning the values of investors, employees, holdings and communities we can deliver enduring success.

Transforming Lives is how Alquity actively participates in the economic development of the communities within the regions in which we invest. We do this from the ground up, creating opportunities for individuals and communities to pursue and realize their ambitions. In this way we help build fairer more sustainable economies that respect all their constituents.

By harnessing this energy and talent, economies create wealth and provide more opportunities for businesses, including our fund holdings, to grow over the long term. This helps our funds deliver attractive returns for our investors and completes the Alquity Virtuous Circle.



*Alquity's Virtuous Circle*

**In the developing world, a significant number of people have been unable to access the kinds of economic opportunities that lead to a sustainable livelihood. Lack of opportunity limits people's ability to achieve their full potential and in its most extreme form, it can mean lack of access to the fundamental rights of adequate healthcare and education. Financial exclusion and a lack of skills training can be major hurdles that are difficult to overcome. This hampers economic growth and burdens societies for generations to come.**

**At Alquity we channel our donations into credible organisations delivering sustainable and transformational projects - to lift those living in extreme or relative poverty on the bottom rungs of the ladder and stimulate economic growth from the grass- roots up.**

*Paul Robinson, Executive Chairman and Founder, Alquity*



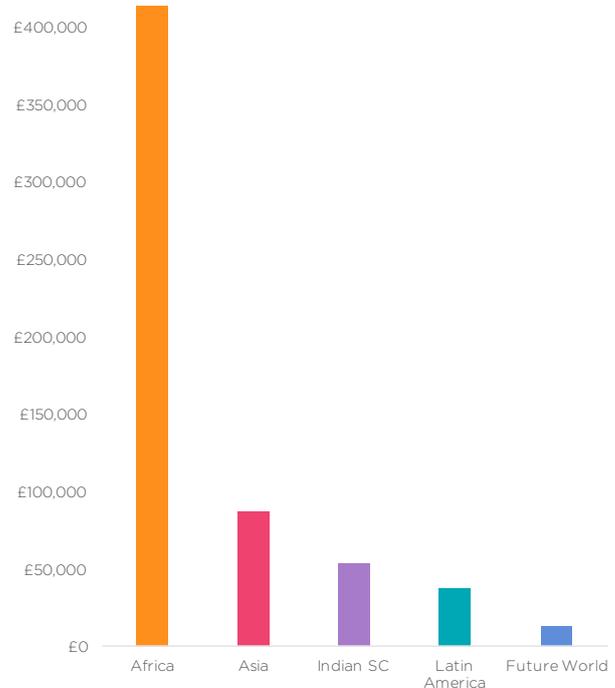
# SOURCE OF DONATIONS

Incorporated into the fundamental tenets of the business is a commitment to donate a proportion of revenues towards charitable projects in regions that our funds invest in. This is set at a minimum of 10% of revenue. Alquity has the option to increase this share based upon the funds available after the financial commitments of the firm have been met.

A proportion of revenues rather than profits was chosen so that from the outset we were able to deliver and develop the “proof of concept” for the full Alquity business model. It also ensures clear transparency of the amounts donated as revenue, unlike profit, is not easily manipulated. Alquity is securely funded and designed to enable the donation to be generated whilst delivering an attractive fund proposition and the high quality customer service expected from a leading asset management business.

Initially, the donations were managed and allocated to charities by the firm directly, but in 2015 we launched the independent Alquity Transforming Lives Foundation (the “Foundation”), which is now fully responsible for the governance and allocation of the monies to approved charity partners. This structure maximises the impact of our donations while ensuring the Alquity team focuses on growing the business and hence donations by delivering an exceptional investment management offering.

## TOTAL AMOUNT OF DONATION GENERATED TO DATE PER FUND:



*NB: The Alquity Africa Fund was established in 2010, whereas all other funds started in 2014.*

## DONATION GENERATED TO DATE (FINANCIAL YEAR, JUNE TO JUNE):



*\*2013-2014 included an exceptional performance fee donation of £75k*

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# ALQUITY TRANSFORMING LIVES FOUNDATION

The Alquity Transforming Lives Foundation is a UK registered charity (Charity Number: 1162494) that distributes the donation generated by the Alquity business to charities in the regions in which the Alquity funds invest.

The Foundation is governed separately from the Alquity business and the Board of Trustees consists of independent charity impact experts and Paul Robinson, Executive Chairman and Founder of Alquity.

Eve Black (Head of Transforming Lives) runs the day-to-day operations of the Foundation and acts as the key liaison between the business, Foundation Trustees and charity partners.

The Foundation was established with a remit to achieve the following charitable objective:

- To contribute to sustainably improving the economic situation of the poorest communities in the countries where Alquity invests by:
  - Supporting local entrepreneurs and small to medium enterprises to develop or grow their businesses
  - Providing loans for community microfinance groups to increase their household income and better care for their families
  - Investing in formal education for young adults
  - Investing in vocational and business training for young adults
  - Increasing the relevant skills available in underdeveloped communities to make them an attractive place for businesses to start and develop

The Foundation makes an important contribution to the Alquity business by motivating and inspiring employees to deliver strong performance and drive further donations.

The Foundation also provides valuable communication to our customers ensuring there is transparency on how the donations are being allocated and clear measurement of the impact being delivered.

The Foundation is governed by the Charity Commission for England and Wales and submits an annual report on its activities. These can be viewed on the Charity Commission website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk). The Foundation started making grants on behalf of Alquity in January 2017.

The Foundation is also able to accept and direct donations from fundraising activities undertaken by Alquity employees, our partners and customers.



# MEET ABEL STAR STUDENT

Since 2008, Amantani has provided boarding houses to bridge the gap between home and school for children living in Ccorca, an indigenous Quechua district nestled high in the Andes of Southern Peru. With Alquity's donation they have been able to launch an IT Academy within their houses- making sure the children are readily equipped with computer skills for work opportunities in their hometown and beyond...

17-year-old Abel suffers from severe learning difficulties, seriously affecting his self-confidence and his performance at school. Despite this, Abel is very practical and dreams of becoming an engineer.

Following the launch of the Alquity-supported ICT Academy, Abel has shown an innate understanding of computers and an enthusiasm to learn which simply hasn't been seen in other areas of his education. Together with Amantani, we're really excited to have uncovered his talent in an area that can help him realise his ambition.

# PARTNER SELECTION AND MONITORING

## CHARITY PARTNER SELECTION PROCESS

The Foundation has a clear selection process for identifying best in class charitable organisations and projects to support. Through the selection process the Foundation aims to ensure that the grants provide sustainable support for local communities as opposed to a one-off symptom relief.

The process commences with the Foundation sending a request for proposal to potential organisations, which it has identified as working in areas it wishes to target in line with the charitable objectives.

Proposals received must include:

- Background and structure of the charity organisation and individuals
- Breakdown of historical income sources and costs incurred in delivery of services (i.e. what proportion of donation is committed directly to impact delivery)
- Previous partnerships experience and two testimonials from significant independent donors
- How the delivery and impact of services is monitored and evaluated.
- How the charity can work with the Foundation to support communication of its impact to Alquity employees, partners and customers.

The proposals will be reviewed and shortlisted by Alquity's Head of Transforming Lives before referral to the Foundation Board of Trustees for final assessment and sign off.

The Foundation seeks to work with organisations with demonstrable excellence in delivery of projects and this is determined through references, reputation and the receipt of credible awards. The Foundation values accountability and transparency and will only work with organisations that are able to provide full financial audits, together with monitoring and evaluation processes evidenced through risk management policies, for example, bribery, child



protection and anti-corruption policies.

Successful organisations are selected upon the quality of their submissions, external validation and alignment with the Foundation's objectives. The Foundation will only engage in a partnership once the appropriate due diligence of the proposal has been undertaken. The timing of the donation will also be selected to ensure it will generate the maximum impact.

The Foundation uses a single measure described as "lives transformed" to determine the impact of projects. This is fully described in the "reporting impact" section below.

Customers and partners are encouraged to nominate projects and charities for the Foundation to consider, but they must be based in a region the funds invest, meet the Foundation objectives and pass the selection criteria detailed above.

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## MONITORING CHARITY PARTNERS

It is the policy of the Foundation to monitor all grants made. Before a grant is confirmed, conditions are stipulated appropriate to the work to be carried out and progress will be assessed against agreed targets and milestones. If the grant is payable in instalments, then payment of subsequent grant instalments will be dependent on demonstration of satisfactory progress. The Foundation Trustees reserve the right to withdraw any uncommitted funds or future grants if these conditions are not met or the Foundation becomes aware of any other relevant information.

Failure to submit reports at the time specified by the Trustees may also jeopardise the continuation of the Charity's support. In addition to reports detailing progress, grant recipients will be expected to provide:

- Monthly updates that can be shared through social media and other channels
- Quarterly short updates or case studies from direct beneficiaries of the charity projects
- Bi-annual impact reporting
- Copies of any published articles, papers or other outputs which may result from the project.

Monitoring visits by the Alquity's Head of Transforming Lives or charity trustees are also targeted during the period of a grant.

Following the conclusion of the project, the grant recipient will be expected to submit a final report, normally within three months of the end of the grant, detailing fully the use of funds and the impact from the project. The grant recipient should inform the Charity of any extenuating circumstances whereby the submission of the final report is delayed, to allow a mutually acceptable date for submission to be agreed.

## MEASURING IMPACT

The Foundation has defined a single measure termed "lives transformed" to enable it to consolidate and report to all stakeholders the combined impact of the donations. As the Foundation supports a range of projects in different regions, it is impossible to use a single definition to quantify the overall impact. The Foundation takes a pragmatic approach leveraging the expertise of its charity partners alongside its own monitoring and evaluation process to amalgamate the numbers into a meaningful "lives transformed" measure.

The "lives transformed" number encompasses the direct beneficiaries from the charity projects (i.e. loan recipients, individuals trained) as well as the indirect beneficiaries (i.e. the direct dependents of loan recipients). Each charity partner is expected to provide evidence (through sample beneficiary questionnaires and independent assessments) of the lives their projects transform and report this to the Foundation.

Most projects are delivered over a specified period of time and often involve a start up phase. In these situations, the Foundation estimates the total lives transformed by the project and allocates this pro-rata across the lifetime of the project. So if a grant lasts for 12 months and will impact 1,200 lives, the number of lives added to the total each month will be 100.

A woman, Najma, is shown from the waist up, wearing a teal sari with a large floral pattern in purple and gold. She is looking slightly to her right with a gentle smile. In the foreground, the large front wheel of a bicycle is visible on the left, and a man's hands are seen on the right, working on the bicycle's gears. The background is a bright yellow wall.

# MEET NAJMA RESPECTED ENTREPRENEUR

**Through our partnership with Hand in Hand who are providing access to small loans, micro-entrepreneurs like Najma can expand their businesses and grow their income.**

## **From unpaid housework to respected entrepreneur...**

Najma joined a self-help group run by Hand in Hand in her village, where she found that she was part of a community of women who shared problems and encouraged each other. She learnt about saving, basic accounting and the power of loans. She was also given business development and vocational skills.

This gave her the confidence to ask for an INR 12,000 (US \$200) loan, which she used to set up a cycle repair shop. She used the loan to purchase spare parts and basic tools to help her serve the local villagers.

## **A brighter future...**

Her earnings have helped her family raise its standard of living. It has also made a big difference to her status in the family and in society. Najma feels proud that she can sign papers and manage the finances of the business so well.

She plans to take another loan to upgrade the business. Najma has successfully made the transition from unpaid housework to respected entrepreneur.

# CURRENT PARTNERS AND PROJECTS

The following table details the current charity partners for each of our funds and the range of projects the Foundation supports through donations:

CHARITY PARTNER	 AfriKids Bringing Big Smiles to Little Faces	 amantani	 HAND IN HAND INTERNATIONAL	 SHIVIA ESTABLISHED 2008
PROJECT TYPE	Microfinance, Employability & Education	Employability	Microfinance	Microfinance
FUND	Africa	Latin America & Future World	Asia	Indian Subcontinent
COUNTRY OF OPERATION	Ghana	Peru	India	India
DIRECT BENEFICIARIES	2,906	216	374	733
INDIRECT BENEFICIARIES	16,913	0*	1,870	4,400
TOTAL LIVES TRANSFORMED	19,819	216	2,244	5,133

Previously supported organisations include:

- Akilah (Rwanda)
- Concern Universal (Ghana)
- Good Food Project (Malawi)
- MicroLoan (Zambia)
- Nairobites (Kenya)
- Opportunity International (Malawi & Ghana)

*\* There are no indirect beneficiaries as the ICT suite is only for children attending the school. However, over time we expect the support to help them develop into productive individuals who will be able to contribute back to the wider society.*

*This list is correct at time of production of this brochure. As new projects are being initiated regularly, please contact us for an up to date project summary.*



# MEET JULIANA BUDDING HAIRDRESSER

**In partnership with AfriKids, the Transforming Futures programme helps provide long term support for young people to build secure futures and lift themselves and their families out of poverty.**

**Transforming Futures takes a 3-tier approach that focuses on access to secondary and university level education, vocational training and professional training for teachers and nurses.**

Juliana, 22, is the eldest of four children. Her family often struggled due to the unpredictable rains and seasonal climate which meant that they often found it difficult to grow enough crops to feed the whole family.

Juliana's father sadly passed away whilst she was at junior high school. She had to drop out of school, as her mother could not afford to pay for books or her uniform.

Juliana had a real passion for hairdressing, which she chose to pursue in order to support her mother and younger siblings. She searched for a trainer who would agree to begin teaching her before she was able to cover the cost of the fees. Since then the Transforming Futures programme has provided her with financial support to help pay her training fees and purchase tools to setup her own small business.

She's currently on the lookout for her own shop space in Tongo, the capital of the Talensi Nabdam district in northern Ghana. The AfriKids staff are very confident she'll do well, especially considering her excellent English which should help her to communicate with customers and make them feel at ease.

# CONNECTING INVESTORS AND PROJECTS

As with our investments, we provide our customers with complete transparency about the destination and impact of the donations generated through their investments in Alquity funds. We do this in two ways:

1. Frequent reporting and communication of case studies through all our communication channels.
2. Insight Trips during which our customers are able to visit the projects for themselves, question the operational staff from the charity and meet the beneficiaries directly. Customers also visit the holdings in our funds and witness how the projects contribute to economic development in the regions in which these companies operate.



*Meeting Companies and Partners of  
Alquity Insight Trips  
Kenya (2014) & India (2016)*



# BENEFITS TO THE ALQUITY BUSINESS

Alquity's transforming lives principle also provides the business with indirect benefits including:

1. The ability to access new sales channels (such as fund platforms) at an earlier stage in our business lifecycle as the Alquity model is recognised as being unique and provides a differentiated product proposition to traditional fund providers.
2. Strengthened customer and partner relationships as we are able to engage their employees through jointly delivered legacy CSR programmes, such as the Ubuntu Challenge programme with Generali International
3. Ability to negotiate favourable supplier contracts who are aligned with our goal of sharing values across all our stakeholders
4. Unique perspective, which appeals to both industry and general media helping to generate awareness and lower cost promotion.





**For more information on Transforming Lives please contact:**

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