

SG-based impact investment advisor Double Delta to double down on SE Asia, China



Double Delta managing partner Joost Bilkes. Photo courtesy of Double Delta.

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Following its spin-off from Credit Suisse in February this year, Singapore-based impact investment advisory firm Double Delta will continue to strengthen its focus on Southeast Asian emerging markets and China, with impact investments becoming increasingly popular in the region over the past few years, a top executive said.

“Double Delta will strive to grow the capital base allocated to impact investments,” Double Delta managing partner Joost Bilkes told DealStreetAsia in a recent interaction.

Double Delta started in 2014 as a Credit Suisse Impact Advisory division that had previously jointly developed the Asia Impact Investment Fund – a private equity fund – with UOB Venture Management.

During the major restructuring and reorganisation of Credit Suisse at the beginning of this year, Double Delta’s team decided to spin off in order to have a more autonomous approach to its activities.

In June, the Swiss bank was taken over by its rival UBS, the largest bank in Switzerland.

“Double Delta remains a strategic partner to Credit Suisse, which is now a group company of UBS. We’ll continue to provide services and give clients access to impact investment opportunities across SE Asia and China,” said Bilkes.

Double Delta is an impact advisor to Asia Impact Investment Fund I L.P., which raised \$54.6 million in 2015 and made 11 investments. Fund II closed at \$100 million in 2020 and has invested in eight companies to date.

Asia Impact Investment Fund II invests in ticket sizes ranging from \$2 million to \$10 million.

“We do an average of 3-5 deals a year. Over the past decade, we have been investing specifically in sectors like healthcare, education, agriculture, and financial services. But we’re looking at other sectors as well; for instance, those that provide access to affordable housing and clean energy,” Bilkes said.

Another area of interest is around logistics and distribution networks where companies draw in the poor and improve their livelihoods in the process, he added.

Among Double Delta’s notable portfolio companies are Indonesia-based healthtech firm Halodoc, fintech company Amartha, and edtech Ruangguru, as well as Vietnam-based agritech startup Rynan Technologies.

Earlier this year, the Asia Impact Investment Fund II invested in Chinese elderly care company Tianyu Healthcare and Vietnam’s Buymed.

Social investments

When it comes to selecting potential startups to invest in, Double Delta has a social inclusion thesis, which means the capital is directed to companies with innovative approaches to solving challenges encountered by less fortunate communities in emerging Asia.

“The key to success for the company is to address a social challenge and do it in a commercially viable way. In other words, the impact and financial success of the company need to be mutually reinforcing,” said Bilkes.

While still at a nascent stage, impact investing has become more popular in SE Asia over the past year. Several [new funds and initiatives have emerged](#) in this area, and many venture capital investors are also planning to close their impact-related funds this year.

Some notable new impact funds in the region are The Radical Fund, which announced the first close of its maiden Southeast Asia vehicle in July; TRIREC, which launched a [\\$100-million climate fund](#) in May in partnership with Thai energy tech company INNOPOWER; and Wavemaker Impact, the climate-tech venture-building fund of Wavemaker Partners, which [is targeting to close](#) its debut fund by mid-2023.

As an early player in this space, Bilkes said there’s still a considerable gap to close when it comes to impact investing in Asia.

“A lot of people talk about impact investing, but in fact, it is still a rather small part of the overall managed assets around the globe,” he said.

According to a 2020 report by GIIN, most impact capital goes to the US and Europe – close to half of the current AUM (45%). Meanwhile, allocations to southeast or east or south Asia are each below 6%, and for Southeast Asia, even 3%. Given the demographics and geo-political importance of Asia, this is an imbalance.

“However, on a more positive note, we’ve come very far because when we started to raise money in 2014-15; the topic was very niche and unknown in Asia then. Today, impact investments are covered at the newsstands,” said Bilkes.

Moreover, Singapore is an amazing impact investment hub as the regulator is actively aiming to promote the efforts, and there is a large constituency of wealthy families that like to make impact investments in the region, he concluded.

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