The Opportunity for Ocean Investment: The Meloy Fund

EAS CONGRESS, NOVEMBER 2018
THE PROBLEM WITH COASTAL FISHERIES

More than a billion of the world’s most climate vulnerable people depend on coastal fisheries for their main source of animal protein. These fisheries provide:

• **Half of the world’s fish catch.**
• **80-90% of employment** to the fisheries sector.
• The majority of **ecosystem services** in the form of coral reef systems, climate resilience, or mangrove habitat.
RARE’S APPROACH:  
inspiring conservation for people and nature

Behavioral Insights  
Replicable Bright Spots  
Financing Scale
FISH FOREVER: first 41 sites

Change in Target Fish Biomass

- inside reserve
- outside reserve

390% increase
111% increase
BLENDED FINANCE: Philippines

850 coastal municipalities will require at least US$1 billion over 15 years to achieve sustainable coastal fisheries management.
This Fund/Strategy has not been launched yet. This presentation is delivered solely as reference material with respect to the Meloy Fund, an investment product that Rare may offer in the future. The material provided herein is for informational purposes only. It does not constitute an offer to sell or a solicitation of an offer to buy any securities relating to any of the products referenced herein. Any such offering will be made only in accordance with the terms and conditions set forth in the offering documents pertaining to such Fund. Prior to investing, investors are strongly urged to review carefully all of the offering documents. No person has been authorized to give any information or to make any representation, warranty, statement or assurance not contained in the offering documents.
Small-scale fisheries have both a governance and economic problem

- Fragmented, inefficient, and low-integrity supply chains.
- Lack of quality products
- High levels of spoilage and unused by-products
- Over-reliance on a few species
- Out-dated or absence of infrastructure
- Limited access to capital
MARKET & IMPACT OPPORTUNITY

The Meloy Fund is focused in **Indonesia** and the **Philippines**, which together represent:

- 4.3 million small scale fishermen
- 2.7 million tons of fish
- 21 million hectares of critical marine habitat
- $4 billion latent value in small scale fisheries

1. **NO POVERTY**
2. **ZERO HUNGER**
8. **DECENT WORK AND ECONOMIC GROWTH**
14. **LIFE BELOW WATER**
13. **CLIMATE ACTION**
OUR UNIQUE APPROACH

• Financial incentives for behavior change
• Financial resilience against future shocks
• Sustainability of impacts
• Proof of commercial viability to capital markets

• Local teams
• Technical knowledge on sustainable fisheries
• Community pride, awareness, and buy in
• Government relations and support
• Impact monitoring
INVESTMENT STRATEGY

Our two key investment themes unlock latent value in coastal fisheries

COMMUNITY MARGIN
- supply chain and production efficiencies
- waste-reduction
- Aggregation
- value-added processing

FISHING PRESSURE OFFSET:
- fishing-related activities, including ocean-based aquaculture
- tied to explicit reductions in fishing pressure
TRIPLE BOTTOM LINE IMPACT

LIVELIHOODS
100,000 Fisher household members reached

HABITAT CONSERVED
1.2 million hectares or coral reef ecosystems improved

FINANCIAL RETURN
% IRR demonstrated opportunity for commercial rate of return

The Meloy Fund Environmental & Social Guidelines: A Blueprint for Fisheries Impact Investing
February 2017
Shine a spotlight on early adopters and success stories in the sustainable seafood sector

Help SMEs transform and thrive: understand how ESG and impact drivers will improve long-term business performance

Improve the quality of aquaculture and its relationship with wild-caught fisheries

Invest in throughout the supply chain to enable value creation for local fishers

Create financial mechanisms to get investment directly to small-scale fishers
ECOSYSTEM/DEVELOPMENT NEEDS

1. Natural resource management

2. Investment readiness
   (including Technical Assistance facilities)

3. Pressures to behave (regulatory, consumer, etc)
Rare inspires change so people and nature thrive.