



# **The Opportunity for Ocean Investment: The Meloy Fund**

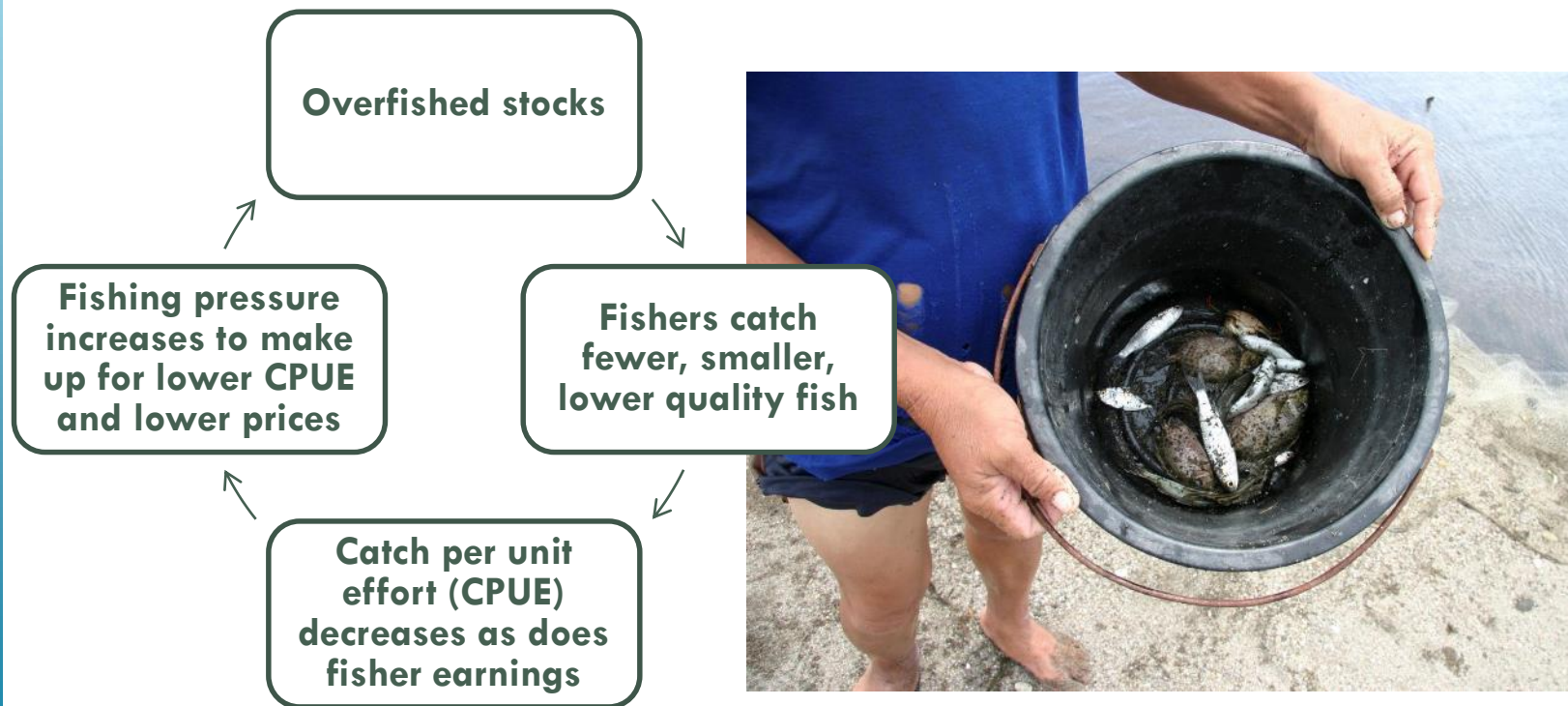
EAS CONGRESS, NOVEMBER 2018

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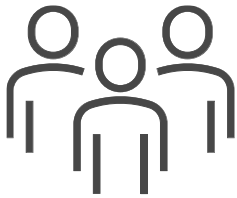
# THE PROBLEM WITH COASTAL FISHERIES

**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:

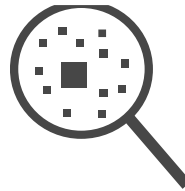
- **Half of the world's fish catch.**
- **80-90% of employment** to the fisheries sector.
- The majority of **ecosystem services** in the form of coral reef systems, climate resilience, or mangrove habitat.



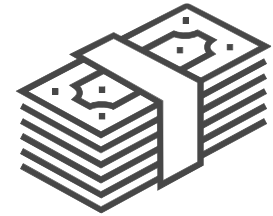
# RARE'S APPROACH: inspiring conservation for people and nature



**Behavioral  
Insights**



**Replicable  
Bright Spots**

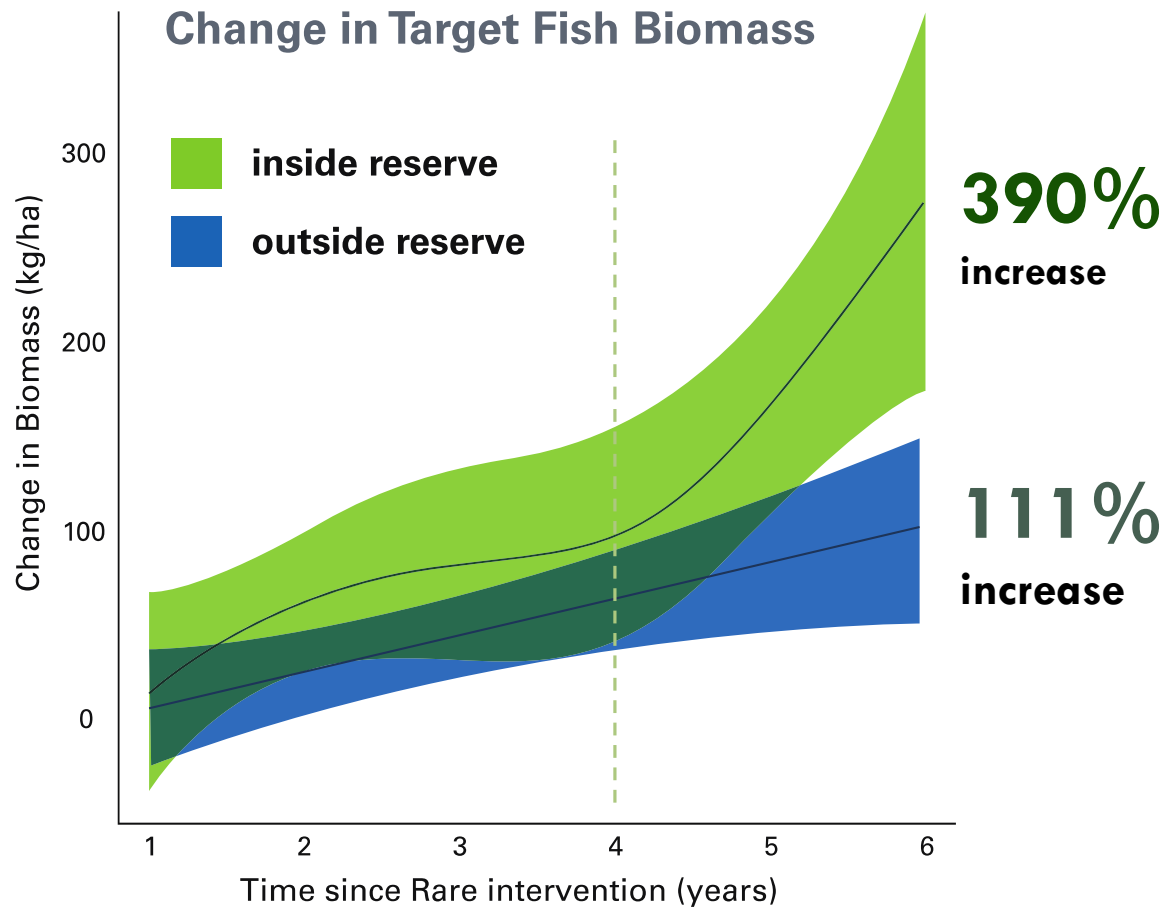


**Financing  
Scale**

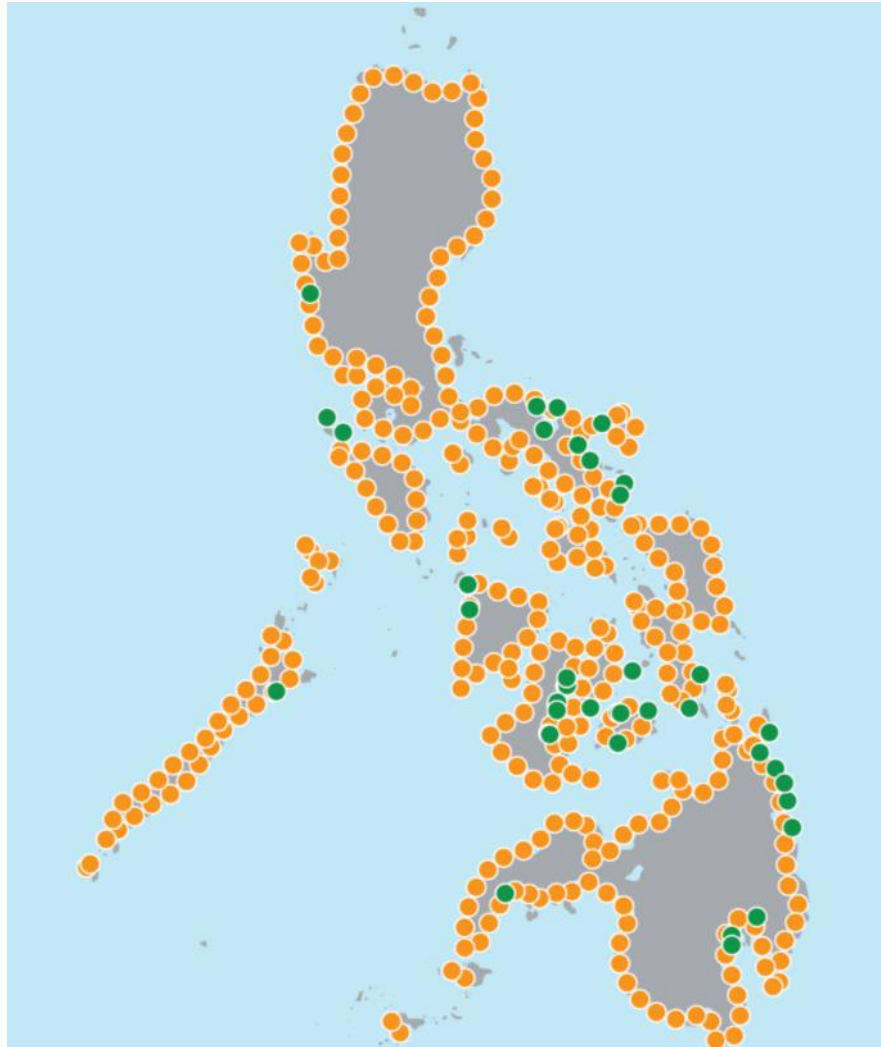




# FISH FOREVER: first 41 sites



# BLENDED FINANCE: Philippines



**850** coastal municipalities

will require at least **US\$1**

**billion** over 15 years to

achieve sustainable coastal

fisheries management.



# THE MELOY FUND

FOR SUSTAINABLE COMMUNITY FISHERIES

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.

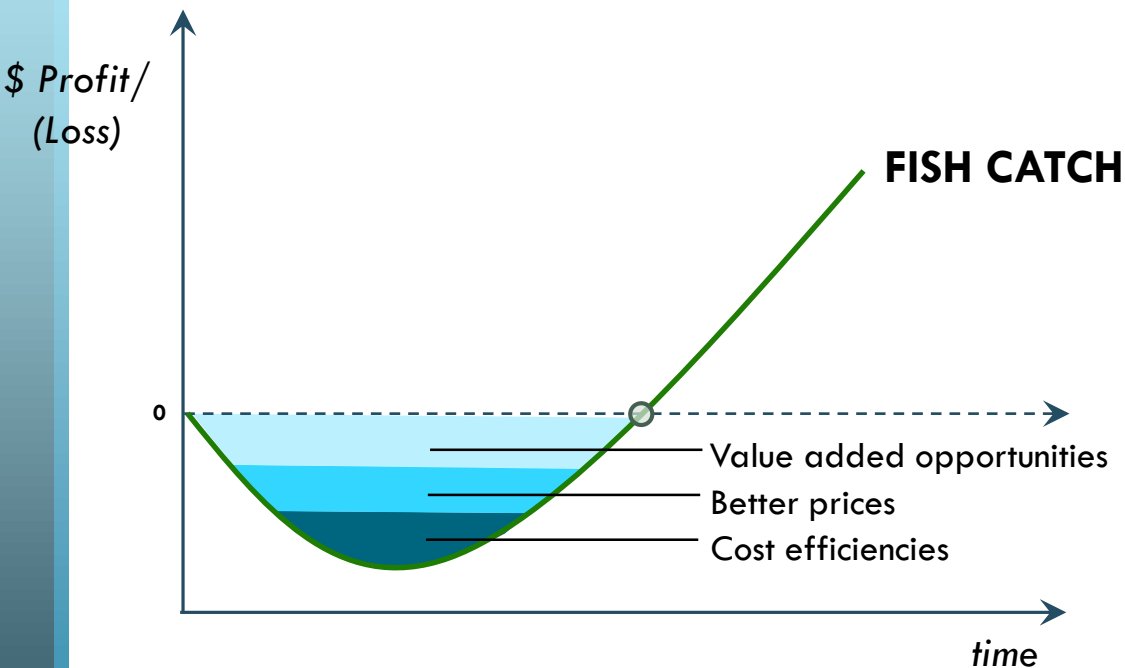


The Meloy Fund is an initiative of Rare.



# SOLVING THE J-CURVE

*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:

PHILIPPINES

INDONESIA



**4.3 million**  
small scale  
fishermen



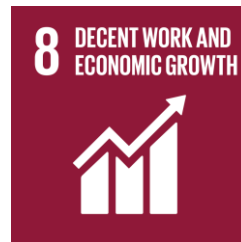
**2.7 million**  
tons of fish



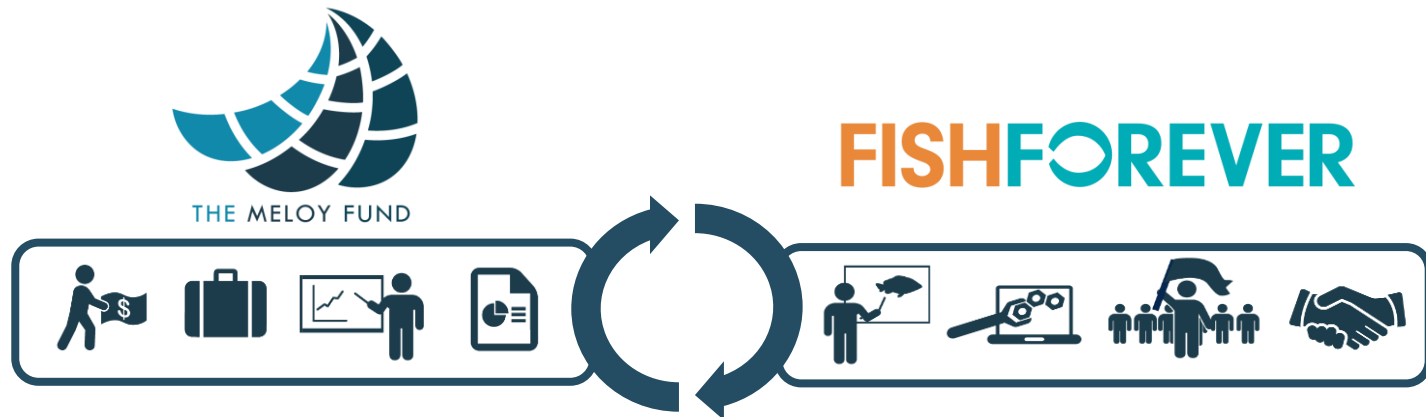
**21 million**  
hectares of  
critical marine  
habitat



**\$4 billion**  
latent value in  
small scale  
fisheries



# 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

# DEAL SEARCH IMAGES

- ✓ 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.**