



IMPACT REPORT 2023



BEACON
FUND



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Disclaimer: *The material contained in this document is for informational purposes only and should not be construed as or relied upon as financial or investment advice.*



Message FROM OUR CEO

I'm an optimistic person, but amidst the turbulence of 2023, I'll admit that it was sometimes hard to find reasons to be hopeful. Then I sat down with an entrepreneur who achieved extraordinary results in the face of a challenging business environment and another who – despite being at the helm of a young business – took steps to support their employees that went far above and beyond the norm. Looking back on the year as a whole, I am reminded that it's so important to celebrate the wins that we had this year – big and small – as we see different pieces of the puzzle come together bit by bit towards our goal. I am also reminded that building new models of investing beyond the norm of venture capital and private equity takes time.

In 2023, we approved investments into 3 new companies – Hoa Sen Viet Group, Lotus Group, and Bo Cau – and made a follow-on investment into MindX, our first portfolio company. While they are from different industries – retail, F&B and telecommunications – these new investees have a common theme of exceptional female leaders at the forefront of diverse teams and a deep concern for their team members.



Beacon hosts the U.S. International Development Finance Corporation and Lotus Group at our office in November 2023



We also focused on adding more rigour and structure to our impact measurement and management in 2023. We developed our own codification for impact metrics aligned with IRIS+, expanding the set of IRIS+ metrics to track gender-disaggregated data in areas such as promotions and retention, as well as gender patterns in our clients' customer bases. We also streamlined our data collection process and are in the process of building a dashboard to review impact data on a more frequent basis. Beyond this, we made a commitment to have more regular conversations about impact with our portfolio companies, driving stronger alignment on their impact goals and how to measure progress towards these.

We continue to be actively engaged with the 2X community, having been selected for the first Asia-Pacific cohort of the 2X GP Sprint. The Sprint is an acceleration programme for female-led or gender-balanced fund managers with gender-smart investing strategies across the Asia Pacific region. Our firm and portfolio outperform on the 2X Criteria, with 100% of our portfolio qualifying on at least three criteria. This affirms our commitment to go beyond the baseline, backing companies at the forefront of gender equality in our region.

Our sincere thanks must go to our investors, partners and, of course, our portfolio companies for their continued trust and support. We hope that you find this report insightful. For those who are not yet part of the Beacon community, if this report sparks your interest, we encourage you to reach out to our team.



Sincerely,



Shuyin Tang

CEO & Co-Founder of Beacon Fund

丸亀製麺 MARUKAME UDON
UDON & TEMPURA

IMPACT AT A GLANCE

8 PORTFOLIO COMPANIES



MindX Technology School

Technology school bringing coding education to grade 5-12 students and young adults across Vietnam.



Hoa Nang Organic*

USDA & EU-organic certified, vertically integrated rice company.



Vua Cua

Chain of seafood restaurants in Ho Chi Minh City.



HAPAS

Women's bags and accessories retailer in Hanoi.



Komarc

Manufacturer of educational games and toys for global brands.



Hoa Sen Viet Group**

Multi-brand skincare and beauty retailer.



Bo Cau Services**

Market-leading telecommunications infrastructure company in Vietnam.



Lotus Group**

Food and beverage company operating a range of Japanese restaurant concepts in Vietnam.

* Investment successfully exited in June 2022; impact data is not included in this report's aggregate figures.

** Investments closed in December 2023 (Hoa Sen Viet Group), January 2024 (Bo Cau Services) and March 2024 (Lotus Group); impact data is not included in this report's aggregate figures.

■ LIVES IMPACTED THROUGH OUR INVESTMENTS

13,170

students, of whom
24% are women.

mindX
Technology School

1,283

jobs supported and sustained through
our portfolio companies, of which
69% are held by women.

142

employee training sessions*

550

employees participated
in training sessions*

HA
PAS

komarc

HSIG

■ BUSINESS PERFORMANCE AFTER RECEIVING OUR INVESTMENT

50%

revenue growth in 2023 (at the aggregate portfolio level)

USD 15,000,000+

in follow-on funding raised by
our portfolio companies in 2023

*Training sessions conducted on various topics such as business planning skills, leadership transformation, digitalisation, behavioural psychology and building organisational culture.

CUSTOMER ADVOCACY

Net Promoter Score (NPS)

50% across both pipeline companies (who did not receive an investment) and portfolio companies

100% from portfolio companies only

REASON TO RECOMMEND BEACON TO OTHER COMPANIES

"The Beacon team embodies **respect** and **enthusiasm** in their approach to our partnership. Their **dedicated commitment** makes collaboration a **seamless** and **rewarding experience**."

"Beacon's commitment to **sustainability** and **gender equality** is commendable"

"During challenging times, Beacon remains **dedicated to supporting** businesses."

"Beacon **understands** the unique financial needs of SMEs who are not qualified for bank loans. They offer a valuable solution by providing **flexible collateral** debt investment."

"Beacon actively contributes **value-add** to our business' success, whether it's operational strategies or growth opportunities."

Net Promoter Score (NPS)

Developed by consulting firm Bain & Company, the Net Promoter Score is a single, easy-to-understand metric that is used to measure and manage customer loyalty. To calculate NPS, we asked, "How likely are you to recommend Beacon Fund to a friend or fellow entrepreneur?" and scored the answers on a zero-to-ten scale. Customers can be classified as promoters (those who scored 9 or 10), passives (7 or 8) and detractors (0 to 6). The NPS is the percentage of customers who are promoters minus the percentage who are detractors.¹ A company's score ranges from -100 to +100. While NPS differs across industries, general benchmarks suggest a score above 0 is good, above 20 is favourable, above 50 is excellent and above 80 is world class.²

¹ *Net Promoter System*, Bain & Company

² *What is a good Net Promoter Score?*, Qualtrics

OUR THEORY OF CHANGE

With every investment, Beacon works towards advancing women's economic empowerment in Southeast Asia and supporting the sustainable growth and resilience of SMEs.

In turn, our portfolio companies contribute to improved livelihoods for their employees, customers, and other stakeholders – and in many instances, enhanced environmental health. We are proud to be a catalyst for these businesses' growth, which in turn empowers thousands of women in Southeast Asia.

This theory of change guides the type of data and information we collect and analyse at the fund level and for each individual company.



PROBLEM STATEMENT

Only 10-20% of women-owned, women-led SMEs in Southeast Asia are able to access formal financing that meets their needs.³ While an increasing amount of venture capital and private equity is being raised and deployed in Southeast Asia, such funding is only suitable for a narrow set of high-growth companies with exit ambitions. Other companies – even if they are profitable, cash-flow positive businesses growing at healthy rates – are often overlooked. While

debt can often be a better fit for such companies, banks in the region typically have a conservative lending approach highly focused on collateral. As for private debt, there are only a handful of active private debt funds in Southeast Asia targeting SMEs. Furthermore, very few of these actors have an explicit focus on gender. These factors have led to an estimated USD 32+ billion financing gap for women-owned, women-led businesses in Vietnam, Indonesia and the Philippines.⁴

ACTIVITIES	OUTPUTS	OUTCOMES	IMPACT
- Provide appropriate capital (predominantly debt) to women-owned / women-led SMEs in SEA - Provide capability building and value-addition support (including technical assistance) to our investees - Consistently apply a gender lens in all aspects of our work	Beacon's investees: - Access needed capital, allowing them invest in the sustainable growth of their businesses - Can build their credit history as well as capabilities to work with other investors and lenders - Are supported in pursuing their social, gender and environmental goals	- An improved experience for women-owned / women-led SMEs seeking and receiving investment - Strengthened investment case for GLI, particularly investment strategies focused on women-owned / women-led SMEs in emerging markets - Increased recognition of an alternative model of entrepreneurial success focused on sustainable and profitable growth	- Advanced women's economic empowerment in SEA - Improved strength and resilience of SMEs - Improved livelihoods and environmental health
Indicators			
# of women-owned / women-led businesses invested in by Beacon # of women-owned / women-led business accessing institutional capital for first time	Amount of capital deployed in women-owned / women-led businesses – by Beacon as well as co-investors and follow-on investors	# of jobs sustained / created, split by gender - Customer satisfaction and advocacy (NPS) of entrepreneurs	Database on gender, impact and financial performance of Beacon's portfolio

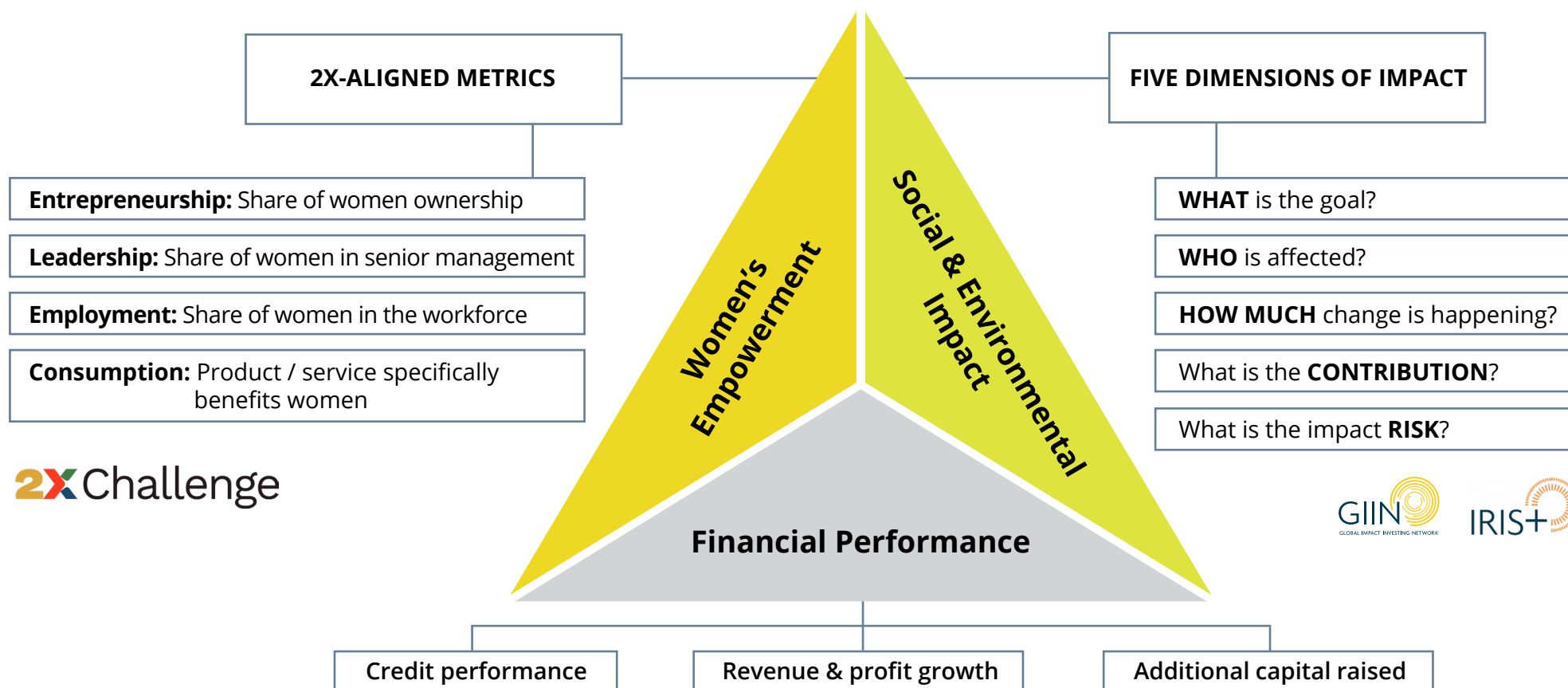
³MSME Finance Gap. IFC SME Finance Forum.

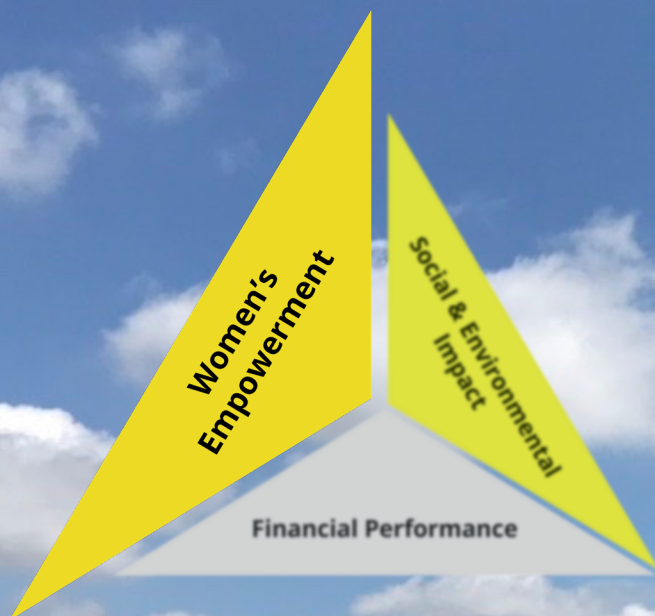
⁴MSME Finance Gap. IFC SME Finance Forum.

ZOOMING IN

Individual portfolio company metrics

For each portfolio company, we collect gender, impact, and financial metrics using the IRIS+ system as well as the 2X criteria. As shown in the figure below, we seek to understand the relationship between women's empowerment, social and environmental impact, and financial performance. As we invest in diverse sectors, the specific metrics that we track may vary, particularly for the social and environmental impact dimension. However, every metric that we use is aligned with IRIS+ and the 2X Criteria. While Beacon's portfolio is still young, by applying a clear and consistent approach to metric collection from the beginning, we believe that we will be able to better measure, manage, and communicate our impact.





WOMEN'S EMPOWERMENT

We draw on the 2X Criteria, the global baseline standard for gender finance. These criteria are commonly applied as a baseline for investing with a gender lens across asset classes, markets, and regions.

Recognising that the 2X Criteria is a baseline - a beginning and not the final destination - we have adopted our own additional measurement practices around gender equality. For example, we track our customers' satisfaction and advocacy (e.g., Net Promoter Score) during their engagement with the Beacon Fund. This helps Beacon understand whether it is serving its target customers - women-owned and women-led businesses - by improving their experience of seeking and obtaining investment.

Our mixed quantitative & qualitative methodology is in line with the latest thinking in the gender lens investing field, which encourages us to go beyond counting women and towards valuing their experiences. After all, "social equity stems not only from improved access to resources and decision making but control over these aspects."⁵

Key IRIS+ Metrics

- **Reducing Gender Inequities in Governance, Leadership, & Ownership:** % female ownership (OI2840), % female founders (OI8197), % female Board members (OI8118/OI1075), % female management (OI1571/OI8251), % women in the workforce (OI6213/OI3160)
- **Customer Satisfaction Ratio:** Net Promoter Score (P17163)

⁵Process Metrics that Analyze Power Dynamics in Investing, Criterion Institute

BEACON IS A 2X FUND ■

Beacon is one of the few funds globally that fulfills all 2X criteria as a female-led and -focused fund

The 2X Challenge is part of a global movement to mobilise more **funding towards women's empowerment**.

100% of Beacon's portfolio companies are women-led and owned, meeting the direct criteria set by the 2X Challenge.

Beacon itself is also a women-owned and women-led enterprise. We are also committed to diversity and gender balance in our own internal hiring processes.

In 2023, Beacon was accepted into the **prestigious 2X Ignite accelerator program** for the Asia-Pacific region, working with other 2X-aligned funds across the region to further hone our fund strategy and impact potential

Our fund meets all 2X criteria

- ✓ Entrepreneurship
- ✓ Leadership
- ✓ Consumption
- ✓ Employment
- ✓ Investments through FIs

Meeting all 5 criteria is **extraordinarily rare**; 55% of 2X investees qualify under just 1 criterion⁶

⁶ *Shared Insights Report 2022, 2X Challenge*





Our portfolio companies from this past year consistently met 3 of the more of the 2X Criteria

SELECTED PORTFOLIO	mindX Technology School	HÒA NANG THE ORGANIC FAMILY	komarc	HA PAS	HSIG	ĐỒ CẦU SERVICES	LOTUS GROUP Make your life blossom
ENTREPRENEURSHIP	✓	✓	✓	✓	✓	✓	✓
LEADERSHIP	✓	✓	✓	✓	✓	✓	✓
EMPLOYMENT	✓	✓	✓	✓	✓	✓	✓
CONSUMPTION	✓	✗	✗	✓	✓	✗	✓

SOCIAL & ENVIRONMENTAL IMPACT

Beacon uses the 'Five Dimensions of Impact' framework as recommended by the Impact Management Project and the GIIN.⁷ Our deal team completes an impact assessment at the time of each due diligence and recommends a set of IRIS+ metrics for ongoing tracking.

These metrics vary by company but focus on monitoring the 'What?', 'Who?' and 'How much?' dimensions (at the time of writing, IRIS+ metrics for Contribution and Risk are still in development). We actively try to collect gender-disaggregated data where possible.



What?

What outcomes is the enterprise contributing to and how important are the outcomes to stakeholders?

Who?

Who experiences the effect and how underserved were they prior to the enterprise's effect?

How much?

What is the significance of outcome in terms of scale, depth and duration?

Contribution

Have an enterprise's and/or investors' efforts resulted in outcomes that were likely better than what would have occurred otherwise?

Risk

What is the risk that the impact will be different than expected?

⁷ IRIS+ and the Five Dimensions of Impact, Impact Management Project & the GIIN

FINANCIAL PERFORMANCE ■

To contribute to our goal of building the business case for investing in women-owned and women-led businesses, we also look at key financial metrics collected as part of our broader portfolio management activities. Such metrics include credit performance indicators, revenue and profit growth, and additional capital raised.



OUR PORTFOLIO



MindX Technology School was founded by Ha Nguyen and Tung Nguyen in 2015 with the mission of putting Vietnamese tech talent on the world map. It is an online/offline education platform that offers technology courses for both children and adults, as well as job matching programs to support them before, during, and after their tech education journey. MindX has grown to become the largest technology school in Vietnam, with 41 centres as of the end of 2023.

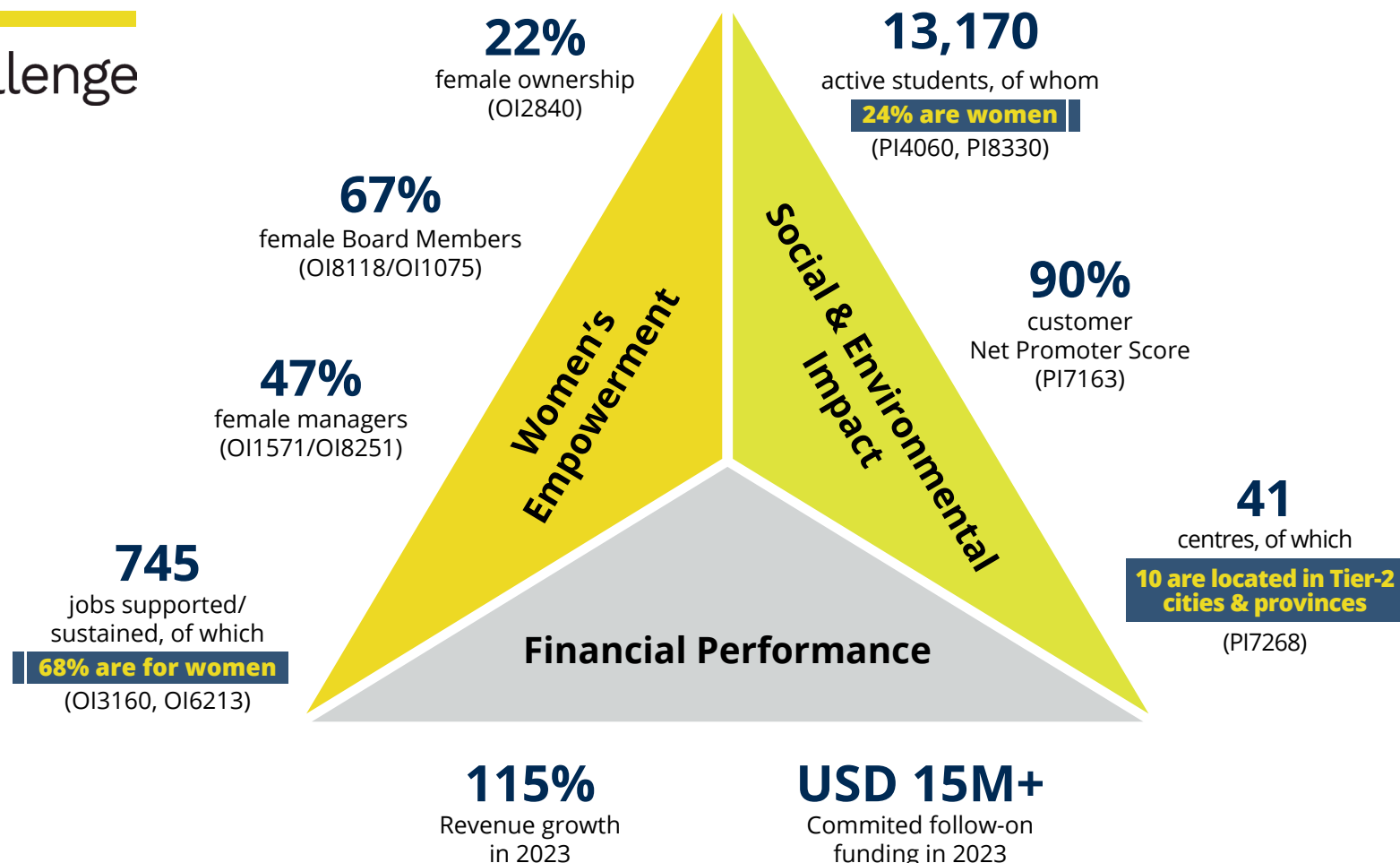
MindX Technology School became Beacon Fund's first portfolio company in 2021. Beacon was impressed by the company's strong financial fundamentals, proven product-market fit, and gender-diverse team with a strong commitment to improving gender equality in the STEAM field.

🌐 mindx.edu.vn/

2X Challenge

IRIS+

GIIN
GLOBAL IMPACT INVESTING NETWORK



“

Beacon Fund's professional team has supported MindX tremendously in our fundraising rounds and helped us gain deeper experience in business operations. The second investment from Beacon in 2023 played an important role in our strategic Series B funding round, where we raised a total investment of USD15m. Thanks to Beacon's support, we have witnessed strong growth in our business operations with a total of 41 centres in 11 different cities and provinces across Vietnam, with revenue growth doubling compared to the previous year. Beacon not only brings financial values but also positive social values to help us enhance our reputation in the market and work towards our goal of building a sustainable business.”

- Tung & Ha Nguyen, Co-Founders of MindX Technology School

DEEPENING OUR THREE-YEAR PARTNERSHIP

MindX's 2023 business journey can be summed up in one phrase: sustainable, impact-driven growth. We are honoured to have supported MindX from the very beginning of their growth story, witnessing first-hand their development from a small startup to one of the largest technology schools in Vietnam. Since investing in their Series A round, Beacon has walked side-by-side with MindX as they continuously innovate and lead the future of STEAM education across Vietnam.

Determined to close not only the gender but also the geographic and socioeconomic gaps in STEAM education, MindX spent 2023 specifically targeting Tier 2 areas – where access to technology education is limited – in order to bring coding opportunities closer to underserved communities. Besides continuing to expand in Tier 1 cities, the company launched 10 new centres across 9 Tier 2 cities and provinces, reaching a total of 41 active centres with a remarkable revenue

growth of 115% within a year. In line with this expansion, active students grew to more than 13,000, which is almost double compared to the end of 2022. MindX's strategy of maintaining affordable pricing for its course products has also ensured that a broader audience, especially those from lower-income populations, can benefit from its educational offerings.

In a male-dominated industry like technology, bridging the gender gap is challenging. Yet, MindX stands as a beacon of possibility – a testament to what determination and inclusivity can achieve. Throughout 2023, the company has consistently applied what they have learned in the year before to widen the door to tech for Vietnamese women and girls. They continued to run their alternative curriculum of classes that were less heavily focused on pure coding skills and included women in their product development team as well as marketing collateral. These initiatives

have helped MindX to raise the total number of active female students from 20% in H2 2022 to 25% in H2 2023 (1,584 female students to 3,354 female students in absolute numbers). This achievement might seem small at first by numbers, but it is indeed meaningful and deserves to be celebrated – especially for us as a gender lens investor – as it demonstrates a clear success case of how applying a gender lens can tangibly benefit a business.

In 2023, MindX continues to deeply trust its working relationship with our team. We recently participated in the company's highly successful USD 15 million Series B fundraising round by providing them with a follow-on debt investment and supporting them as they closed a funding deal with Kaizenvest, a major education-focused private equity firm. As an evergreen fund, we are perfectly situated to continue building our long-term partnership with MindX as they progress through different stages of growth.

MindX and their Series B investors celebrate their new centre opening in Dong Nai province



Hotline: 0247 777 777
Địa chỉ: Tầng 3,
253 Phạm Văn
Biến Hoà, Đồng

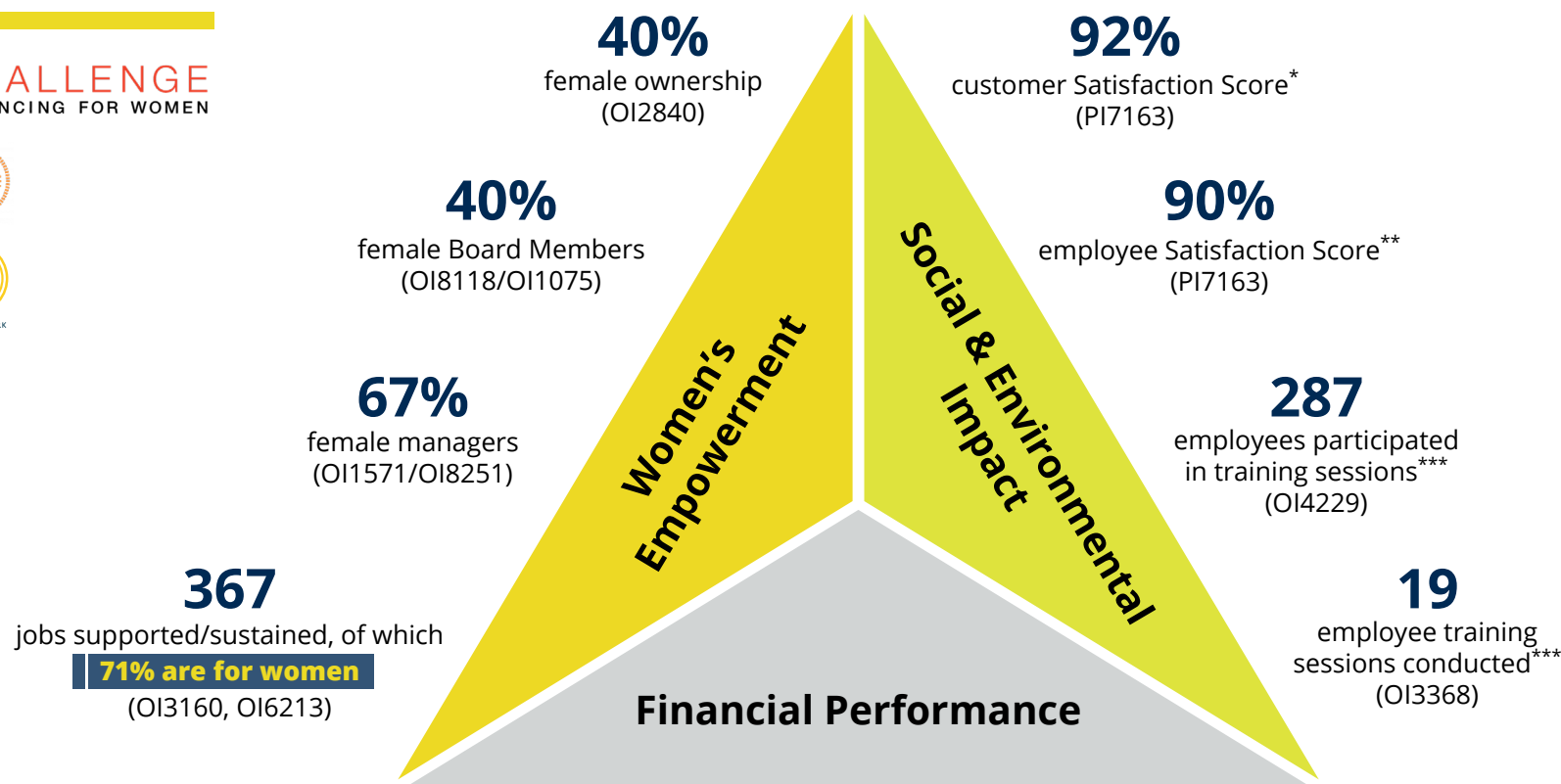




Founded in 2004 by friends Phuong Le and Binh Nguyen, **Hoa Sen Viet Group (HSVG)** was one of the first companies to bring high-quality foreign skincare products to Vietnam. The company owns The Face Shop, a major skincare destination in Vietnam. Aspiring to develop more comprehensive beauty solutions for Vietnamese women, HSVG also became the exclusive in-country distributor of the sportswear brand Reebok and the non-exclusive distributor of Adidas. In 2018, they launched the multi-brand concept Beauty Box, the Sephora or Ulta (the top two beauty retailers in the U.S.) of Vietnam. Since then, HSVG has continued to grow, building a network of 63 stores as of December 2023.

In November 2023, HSVG became our second investment in the retail industry. We were excited to support this women-led company, valuing their unwavering commitment to building up their team as well as fostering inclusion across different functions of the business.

🌐 <https://hsvggroup.talentnetwork.vn>



(N/A: Investment was closed in December 2023, hence it will be more relevant to show financial performance post our investment in our next report)



Beacon Fund impressed me with their enthusiasm, adaptability, commitment, and transparency throughout the investment process – these qualities are also what they look for from prospective investees. This investment from Beacon will contribute to our expansion plan this year to achieve new milestones. Our goal is to increase access to high-quality skincare & beauty products for more Vietnamese women, helping them to feel more confident and beautiful from the inside out.”

- Phuong Le, Co-Founder & CEO of Hoa Sen Viet Group

* Hoa Sen Viet Group's customer satisfaction score (CSAT) = numbers of promoters (ratings from 4-5 on a scale of 1-5) / numbers of total customers that participated in the survey

** Hoa Sen Viet Group's employee satisfaction score (Shining Index) = numbers of promoters (ratings from 7-10 on a scale of 0-10) / numbers of total employees that participated in the survey

*** Training sessions conducted on various topics such as supply chain management, business planning skills, leadership transformation, growth mindset, and building organisational culture



Phuong Le, Co-Founder & CEO of Hoa Sen Viet Group

BEAUTY FROM THE INSIDE OUT

Phuong Le is the Co-Founder and CEO of Hoa Sen Viet Group (HSVG), the largest women-led multi-brand beauty retailer in Vietnam, with almost 400 employees. Before co-founding HSVG with her friend Binh Nguyen in 2004, she was the Deputy CEO of Hoang Lam Group, a private enterprise that operates in multiple sectors including motorbike manufacturing, healthcare, and banking.

While already a successful business leader, Phuong had the ambition to take on another venture to develop “beauty from the inside out”. During an early 2000s trip to South Korea, one of the top beauty markets in the world, she was inspired by the abundant variety of local cosmetics and skincare products available. In contrast, the Vietnamese market at the time only included a handful of high-quality skincare

brands; customers were unable to access many of these Korean products. Phuong immediately recognised that many women in Vietnam did not have the luxury of travelling abroad to enjoy this shopping experience, due to their limited resources and other responsibilities at home.

Phuong realised that there was a major untapped beauty market in Vietnam, and she decided to seize the opportunity. She began to invest in bringing high-quality international skincare products to Vietnam, and HSVG was born. Fast forward several years and HSVG now aspires to develop comprehensive beauty solutions for Vietnamese women, becoming the exclusive distributor of well-known sportswear brand Reebok and the non-exclusive distributor of Adidas. The company also recently launched the multi-brand concept Beauty Box, the Sephora or Ulta of Vietnam.



Of course, to succeed in the competitive retail industry, passion alone is not enough – strong players must also be committed to building, growing, and sustaining their businesses. Phuong has done precisely that. As the CEO of a large company with hundreds of employees, she strives to be an empowering figure who understands the importance of leadership and positively impacts her team members and the wider community. Together with Binh Nguyen, Phuong has completed numerous leadership trainings on unlocking professional success through personal growth.

Phuong is passionate about leadership development, not only for herself but also for the next generation of female business leaders. After working in the Vietnamese business world for multiple decades, she understands that women in the workforce here face deeply rooted struggles, including a lack of equal opportunities for career

advancement and an inability to maintain a healthy work-life balance. This is especially true for working mothers, as Phuong knows well as a mother of two herself. Phuong is determined to support other women in navigating these obstacles and reaching their full potential.

Phuong invests in uplifting and empowering her team, in which the majority (70%) is women. She seeks to bring the best out in every employee through trainings that provide upskilling, boost their confidence, and elevate their voices. Under her leadership, HSVG's corporate culture also promotes beauty from the inside out by promoting a sustainable work-life balance.

As a result of Phuong's strong investment in her staff, our due diligence team was immensely impressed by how well-equipped her employees are to tackle any business

challenge. Employees also demonstrate exceptional levels of job satisfaction and company loyalty; the average employee tenure is more than 7 years. This is even more impressive given that the majority of HSVG's workforce is front-line sales staff, who are essential to the success of the business but often neglected in the retail industry.

Phuong Le is an inspiring female entrepreneur – she is empathetic, talented, and dares to step out of her comfort zone to realise her own definition of success. She has achieved positive measurable impacts by applying a gender lens into every aspect of her business. As a gender lens investor, we are excited to accompany Phuong on her journey to empower women in the Vietnamese workforce. With her leadership, we believe that she will inspire more female entrepreneurs to be courageous, reach their ambitions, and unlock their potential.



Established in 2005 by An Le and co-led by him and his wife Van Anh Pham, **Bo Cau** provides in-building communications infrastructure that enables end-customers to access the Internet and mobile services within their homes and offices. By the end of 2023, Bo Cau had provided services to approximately 460 real-estate projects, including residential & commercial buildings and industrial parks in Vietnam.

In January 2024, Bo Cau officially became our seventh portfolio company. We were impressed by their i) outstanding founding team's core values & leadership, ii) skill at winning projects & project delivery, iii) proven business model & stable cashflow of existing projects, and iv) their rare and strong social & gender impact in a male-dominated industry.

<https://bocau.com.vn/>



"The Beacon team are dynamic, straightforward, and extremely enthusiastic – these characteristics have contributed to a faster and more effective investment process, enabling a harmonious partnership between the investor and the company."

- An Le, Founder & CEO of Bo Cau Services

IMPACT STARTS FROM DAY 1

In a world where connectivity is essential, Bo Cau's efforts have significantly impacted communities across Vietnam. By providing multiple Internet vendor options to hundreds of residential, commercial, and industrial buildings, they empower people to connect and access a wealth of opportunities tailored to their preferences. But that is not their only purpose – there is more.

Having the privilege to work with An Le, Bo Cau's Founder & CEO for several months, we have witnessed his unwavering commitment to his vision for the company. An does not view Bo Cau as just another ordinary commercial enterprise. Instead, he sees the business as an opportunity to foster cooperation, harmony, and mutual upward mobility within society. Extending beyond short-term goals, Bo Cau emphasises the well-being and sustainable development of their team.

The calligraphy in Vietnamese:

*"Cảm ơn tổ chức
Beacon tuyệt vời
Góp công giúp sức cho đời
Giúp cho doanh nghiệp rạng ngời đi lên"*

Translated as:

*"We're grateful
For the wonderful Beacon
Whose efforts contribute to better lives
And empower businesses to rise and shine"*

(believe us, this sounds much better in Vietnamese!)

In the telecom industry, which is often dominated by male voices, Bo Cau realises the importance of diversity and chooses to give women and other underserved individuals a seat at the table. Meeting with the larger management team, including their middle management, we were excited to see that the women in the room contributed actively and confidently to every discussion.

Furthermore, senior management demonstrates a commitment to improving their employees' quality of life through intentional, well-structured policies. Among those, Bo Cau provides in-house training and programs for their team members to build necessary skills (e.g., winning projects, sustaining partnerships, and delivering on their commitments), hence enabling them to access higher professional opportunities with higher levels of income.

To motivate and encourage loyal employees with more than 10 years of tenure, Bo Cau has developed a thoughtful policy – support in buying a home. The company recognises that a stable living environment is crucial for an individual's overall well-being and professional growth. When employees feel secure in their housing, they can focus more effectively on their work, contribute to the organisation, and thrive both personally and professionally.

Bo Cau's policy of granting employees one paid leave day on special religious occasions, such as Christmas for Christians or Buddha's birthday for Buddhists, is a thoughtful and inclusive approach. Additionally, allowing employees to choose a day for non-religious reasons demonstrates respect for individual preferences. The company also promotes a healthy and balanced lifestyle by encouraging its team members to exercise, meditate, read books, and practice gratitude daily.

Bo Cau's very low turnover rate, very high employee satisfaction, and average tenure of 7 years for the middle-management team prove the trust that employees place in the company's leadership.

PIPELINE-BUILDING & PARTNERSHIPS

The majority of the businesses we have encountered during the past year have not had any experience working with private debt investors. Many did not have a clear understanding of how debt investing worked, and some had never heard of it as an option. Especially in a market where other capital sources like private equity, venture capital, and banks have been more established for decades, debt investing is still relatively new to many businesses in Vietnam.

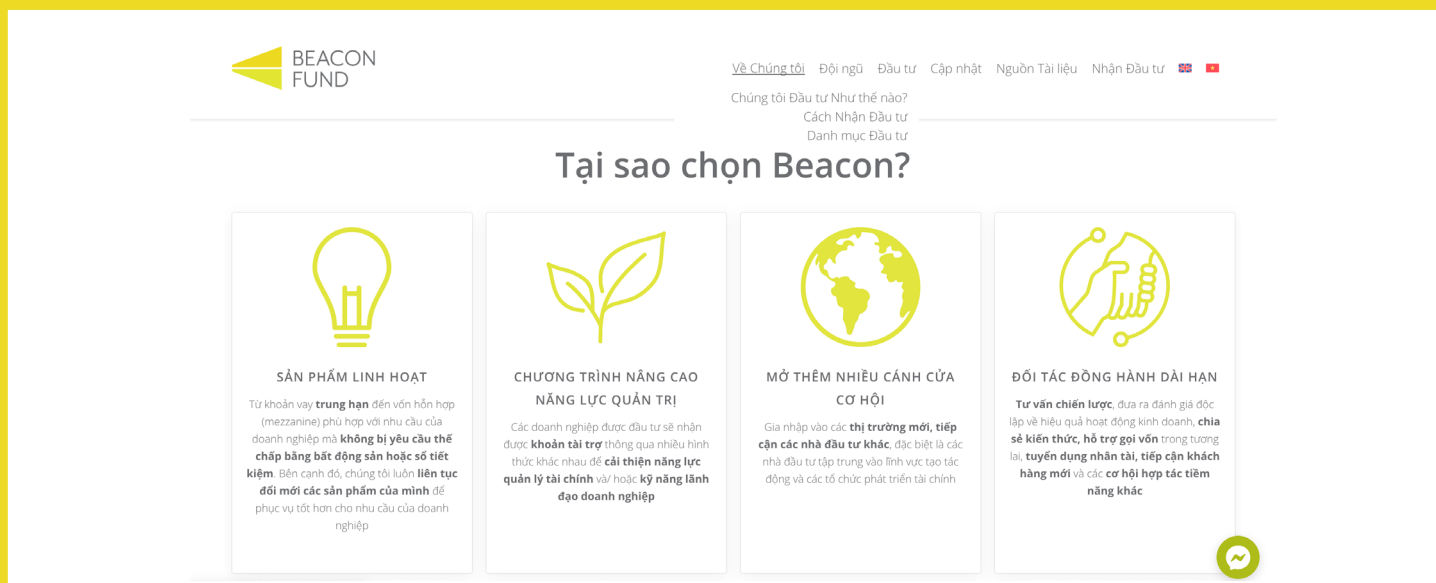
As a pioneering impact debt investor in the region, our role is essential in bridging the funding gap. However, awareness is the first step toward positive change. We focused on raising awareness proactively – not only for SMEs, but also for the other players in the entrepreneurial ecosystem in Vietnam. This includes helping them understand how debt financing can address SMEs' specific needs, hence empowering SMEs to make well-informed decisions for their business development.

In 2023, we launched a Vietnamese website to localise the concept of debt investing and effectively communicate our value proposition to SMEs and the broader community in Vietnam. Many SME owners and their teams we have worked with are not fluent in English, and some do not even speak English. This fact led to a language gap in accessing our information, which is critical to inform their decisions. Through this new tool, we built deeper trust and connection with the Vietnamese audience by expressing who we are, telling them what we can distinctively bring to the table as a debt investor, and sharing our learnings along the journey in their language.



Beacon Fund participated as Speaker at Social Impact Business (SIB) Connect 2023

Realising the importance of raising awareness, we also had the privilege to collaborate with VNExpress and CafeF – two of Vietnam's most credible media news channels. By sharing our portfolio success stories, we were able to showcase tangible outcomes of how debt investing positively impacts businesses through actual case studies. After publishing the two articles in Q4 2023, we received 3 times the amount of inquiries about our fund, compared to Q1, Q2, and Q3 of the same year. This result has once again proven the great financing needs and curiosity about alternative financing options of SMEs in the country.



Beacon Fund's Vietnamese website: "Why Beacon?"

As part of our commitment to supporting women-led and women-owned businesses, we try to support our pipeline wherever we can and aim to provide value-add to each one of them, including those who cannot access our funding at the time. We always try to provide honest and constructive feedback, together with thoughtful recommendations (e.g., where they can improve or roadmaps for them to unlock our funding in the future), to provide a transparent perspective of our fund as an investor for their further development. As a new initiative, we have started to measure our pipeline NPS (besides our portfolio NPS, which we had already implemented) to gain valuable insights into our customers' experience with us. It is truly heartening to receive honest feedback that guides our improvements and reinforces our faith in our impact work and mission.

As mentioned previously, one of our key goals was to increase the awareness of our work to not only the SMEs, but also the other key players in the entrepreneurial ecosystem. Throughout the year, we have been actively involved in several impact-driven global, regional and local initiatives, participating as a co-organiser, guest speaker and/ or knowledge partner.

In 2023, we established partnerships with 35 new partners playing different roles in the ecosystem, including business associations, peer funds, investment banks and service providers.

Some of our partners:



OUR TEAM

Our team reflects on
our impact in **2023**



BEACON
FUND



Hanh Dang

Over the past fifteen years during my professional working experience and personal involvement with various charities, Beacon Fund strikes me as an extremely interesting firm that can help me integrate my daily work with contributing value to society. Firstly, the distinction of Beacon Fund is via our focus and commitment to a gender lens investment approach. Secondly, another difference that makes me truly proud when working with the team is the whole team's dedication and patience in cooperating and supporting Vietnamese SME entrepreneurs in improving their businesses, whether we decide to invest or not. I believe that these efforts will bring us closer to the mission and values we would like to achieve.

Yen Do

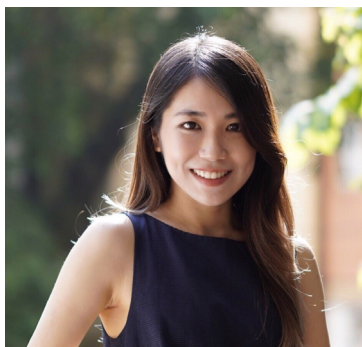
2023 continued to be a great journey for me to meet and work with amazing entrepreneurs. I have many memorable experiences but the one that stood out as the most beautiful due diligence experience with one of our new portfolio companies, Bo Cau Services. Their very humble office was the home to some of the most driven people, the kindest of hearts, and the well of wisdom that can only accumulate from pondering, reflection and self-improvement. From accumulating small profits in order to carry out their long-term vision, learning on every occasion, saying no to hot growth, always going back to build 'inner strength' to lift up their employees' livelihood, to contributing to the growth of Vietnamese SMEs (through mentorship and collaboration). These are just some of the few examples of their exemplarily admirable character. The character and value systems they have built over 15+ years have brought them a formidable company in their respective sector. Being able to back and support entrepreneurs like this makes my heart elated and gives me the energy and hope to conquer challenges on the journey of lifting up the next generation of Vietnamese SMEs. This makes my heart elated and gives me the energy and hope to conquer challenges on the journey of lifting up the next generation of Vietnamese SMEs.





Lan Hong ■

The 2023 impact report provides valuable insight into the company's efforts and allows me to gain a deeper understanding of its organisational and operational procedures. It also showcases the customers we have worked with and are currently working with. Moreover, the impact report shows me the preparation and dedication of the writers and the contribution of the whole team through each article. From there, I have more confidence and motivation to work with my teammates to achieve our goals, propelling the company towards even greater success in the future.



Trang Ngo ■

Impact is the source of inspiration for me when it comes to living. Throughout my whole life, I had been searching for the answer to what my dream life would be. Can I define my success or do others define it for me? Does it mean having a six-figure job at some fancy office, living in a large penthouse in the most expensive neighbourhood, driving some luxurious car, or spending a fortune on some trendy designer handbags? Surely, they could bring fulfilment and are worth striving for at some point. But little did I know, life could be deeply satisfying without those temporary material pursuits. Looking back, I realise I already have a lot to myself: a healthy spirit, mind and body to enjoy the beauty of the surroundings, a loving family and small circle of good friends to share life with, an exciting journey to tell, and a meaningful job where our values are aligned to make greater things happen together. Simple things can be overlooked sometimes, and our job at Beacon as an impact fund is to take impacts seriously – even if that requires an extra mile – to make positive transformation happen and perceivable for our portfolio companies, partners, colleagues, and everyone else that we have an opportunity to relate to along the way.



Ha Nguyen ■

At first, I always believed that “impact” should be something “huge” that affects and changes a large part of society. However, after a year of working and pondering on “impact”, I have realised that impact is not about big things, it sometimes can be the little things like when we were listening to stories about how our female entrepreneurs overcome barriers and obstacles to build a business and showing empathy and understanding to make our female entrepreneurs feel recognised and appreciated. Or the times we patiently listened and found ways to support businesses when they encountered difficulties in a downtrend macro environment, showing our trust in their resilience, and giving them more strength and confidence to continue fighting for the survival of their businesses.



Hoang Nguyen ■

In 2023, I learned a lot about the meaning and value of impact. I realised that impact is not just about numbers or metrics but about the stories and experiences of the people we met. Having chances to work with Beacon’s stakeholders, I saw how our work empowered them to overcome challenges and achieve their goals. I continued feeling inspired by their resilience, creativity and passion, especially in a 2023 tough business environment. I also understood that impact is not a one-way street, but a mutual exchange of learning and growth where I can gain new insights, skills and perspectives from working with our diverse and dynamic partners and companies. I became more aware of the interconnectedness of our world and the importance of collaboration and solidarity. Impact, for me, is not just an outcome, but a process and a journey that enriches us all.



Tuan La ■

At Beacon, we are very focused on playing a crucial role in improving gender equality in the community and country. There are very few funds in Vietnam that have such a deep commitment to this specific initiative. We are proud to say that we are one of the few!



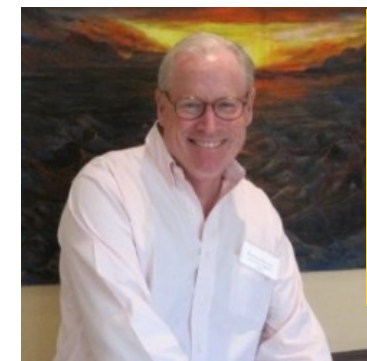
Hoang An Nguyen ■

Impact holds immense significance for me. Although I was born and raised in Vietnam, I've had the opportunity to gain valuable experience in other developed nations. It was during this period that I came to recognize Vietnam's vast potential for growth and improvement. This realisation fuels my commitment to collaborating with Beacon, where I contribute my efforts toward fostering impactful change in the country.



■ Richard Marney

This year, I am arriving at my 50th anniversary of working in the finance and economics fields of the emerging and frontier markets. The many lessons learned as a banker, investor, and economist over this time assist me in my roles as senior advisor to the Fund and a member of the Investment Committee. The hope and expectation is that these many experiences serve our talented leadership and investment team by supporting their adherence to the vision and successful execution of the mission of the Beacon Fund.



Shuyin Tang

One memorable moment from the past year was when I had the opportunity to meet Truong Thi Van, a student of our portfolio company MindX. I'd heard her story before from the MindX team - indeed, we featured her story in last year's impact report - but having the chance to hear first-hand about her experience at MindX and her aspirations was very powerful. When I met her, she was just about to embark on a new journey, starting her computer science studies (on a full scholarship no less!) at Eastern International University in Binh Duong. It's moments like these that remind me of why we do what we do.

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