About Meloy Fund

Coastal fisheries are in crisis:

- 34% of coastal fish stocks are considered overfished or in collapse.
- In the developing tropics, near-shore fish catch represents half of the yield but over 90% of fishing sector jobs, supplying a key source of food and sustaining livelihoods for impoverished coastal communities.

The Meloy Fund for Sustainable Community Fisheries is a debt and equity impact investment fund created to invest in and provide technical assistance to small-and-medium enterprises (SMEs) that operate in coastal environments in Indonesia and the Philippines to:

- Become responsible businesses that comply with ESG best practices
- Generate triple bottom line results
- Serve as catalyst for increasing sustainable fisheries management

The Meloy Fund is managed by Deliberate Capital, LLC in partnership with Rare.
A Blended Structure

**Commercial Capital**
- **Investment type:** Debt/mezzanine, trade finance, equity
- **Investment size:** $1M-$5M
- **Investment term:** 5-7 years
- **Market rate return**

**Technical Assistance Facility**
- **50% Guarantee on Debt**
- Non-dilutive funding to support:
  - **Business Development**
    - Improving investees’ financial management, corporate governance, meeting international food quality standards
  - **Fisheries Technical Assistance**
    - Improving fishers’ livelihoods and sustainable fisheries management
Investment Strategy

Focus on Three Main Segments

1. Wild caught
2. Mariculture
3. Aquaculture

Enabling Technologies

- Traceability
- Fintech
- Yield enhancers
- Value added products

Improve community outcomes
Accelerate the transition towards sustainable fisheries management
Ecosystem Approach

Small-scale Shrimp Farmers → Traders → Processors → Off-Takers

Large-scale Shrimp Farmers

Portfolio & Pipeline Companies

Aqua → JALA → Tempura

• Smallholder farmer financing
• Farmer support

• Water quality
• Digital platform
• Marketplace

• Intensive sustainable farming
• Best practice management

Enabling Technologies

• Equity/Debt
• PO Finance
• JVs

• Secure & shorter supply chain
• Higher quality products
• Sustainability standards
• Traceability
IMPACT IN NUMBERS

1 NO POVERTY
$17.2Mn aggregate annual purchase from fishers

61,153 household members positively impacted

5 GENDER EQUALITY
44% of the investments are women-owned/led

8 DECENT WORK AND ECONOMIC GROWTH
853 Jobs Permanent & Temporary

14 LIFE BELOW WATER
593,244 hectares of seascape under improved management
ESG and Impact: From Minimizing Risks to Maximizing Impact

ESG Due Diligence
All Meloy Fund’s investees are assessed against the IFC Performance Standards.

Technical Assistance Facility
Based on investees’ Corrective Action Plans, TA projects are co-developed with investees in:

1. Business Development
   • International market access
   • Improving financial and HR management, corporate governance

2. Fisheries Technical Assistance
   • Vessel pre-financing
   • Fisher trainings
   • Sustainability certification
   • Traceability
Investment & TA Highlight: Agrita

**Meloy Fund Investment**
- Build a processing plant
- Increase working capital

**Agrita Best Seafood**
One of the few processors in Indonesia focusing only on octopus with strong technical knowledge and sourcing policy that benefits fishers.

**TA Focus:**
- HACCP certification
- Financial management
- Data collection
- Octopus traps

**TA Focus:**
- Distribution of fisher aid relief kits to 300 fishers
- Health & Safety training to minimize COVID-19 infections

**Demand for Sustainably Sourced Seafoods**
Investment & TA Highlight: Agrita

First multi-stakeholder gathering for the octopus value chain in East Nusa Tenggara (ENT)

Attendees:
- Government
  - Head of Capture Fisheries, DKP ENT Prov
  - Head of DKP, Sikka Regency
  - Head of DKP, Ende Regency
- Industry (PT Agrita Best, PT Laut Biru)
- Fishers and buyers from Ende and Sikka
- Academic (University Nusa Cendana)
- NGOs (Yayasan Tananua, Blue Ventures, Yayasan Lini)

“The potential for octopus fisheries is very large in the ENT province. The octopus fishery commodity turned out to be superior but received less attention. For this reason, it is important now to pay attention to responsible management.”

- Head of Capture Fisheries, DKP ENT Province
**Investment & TA Highlight: Meliomar**

**Tuna Quality Improvement Project (TUQIP)**

**Objective:** Support seven vessels owned by Meliomar’s long-term suppliers to increase the proportion of high-quality handline tuna catch as a percentage of total catch.

**Meloy Fund Investment**
- Build traceability system
- Upgrade processing plant
- Increase working capital

**Key Results**
- **Output**
  - 10 Jobs Created
  - Trained 600 Fisherfolks
- **Economic Data**
  - Handline Tuna Economic Data
  - Increased AB grade tuna from 18% to 46%
  - Increased vessel revenue by 12-130%
  - Fish Catch Data

**TUQIP** provided Meliomar better access to traceable, sustainably sourced, and better-quality raw materials at a lower price than they would normally be able to purchase, even with the incentive model.
Feedback on Meliomar’s Tuna Quality Improvement Project (TUQIP)

Jul ‘20

Oscar Almaden
Chief Procurement Officer, Meliomar

“The objective of this project is to change the mindset of fishers and traders from ‘Quantity is Money’ to ‘Quality is Money’. …this project instilled improvements in the way fish catch is handled by all fishers that we had conducted meaningful workshops with.”

Jun ‘21

Ricky Ramintas
Captain, Fishing Vessel

“My fellow captains, fishers and I are happy with the TUQIP project as it has big advantage compared to other captains - from the allowance, ice, high price and incentive. As a result, the grade of the fish is good.”
Follow On Fund

More than 2/3 of Meloy Fund I committed to date

Seeking additional investors
- Follow-on investments in existing portfolio
- Co-investments in pipeline companies

Raising the next fund
- Larger ticket size
- More global footprint

Contact:
Veronica Yow
Manager, ESG & Impact
vyow@deliberatecapital.com

Dale Galvin
Founder & CEO
dgalvin@deliberatecapital.com