



Suruhanjaya Sekuriti
Securities Commission
Malaysia

Malaysia Co-investment Fund (MyCIF)

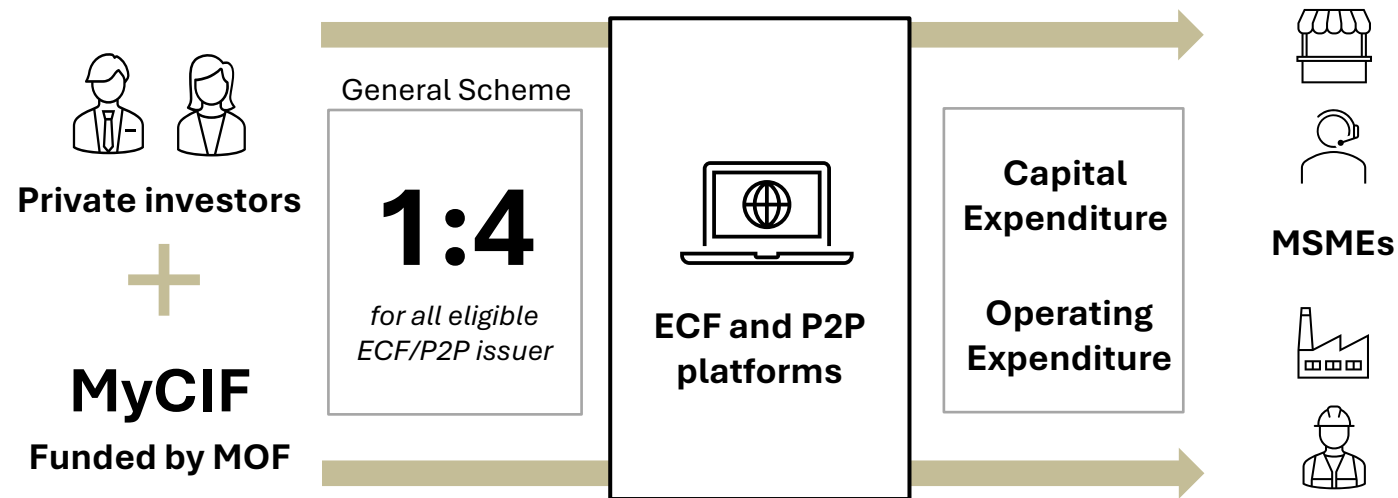
Environmental and Social Impact Scheme | **Impact Investment Toolkit**

Background of MyCIF Impact Investing Framework

Introduction of a new Environmental & Social Impact Scheme

ECF and P2P financing avenues provide wider options for MSMEs to access financing beyond traditional means.

MyCIF co-investment model further catalyses and provides **transparent** means to channel government funds to MSMEs who are fundraising on ECF and P2P platforms.



Under the general scheme, MyCIF will invest RM1 for every RM4 successfully raised from private investors.

Over the years, MyCIF has introduced schemes with **preferential co-investment ratio** in sectors **strategic to the national development agenda**.



Budget 2024



MyCIF

Allocated
RM100 million
2024-2026

As part of Budget 2024, the government has allocated RM100 million to MyCIF for a period of 3 years to complement the food security initiatives, environment, the community, and the State Islamic Religious Council to create opportunities to develop waqf assets for health, education, and agrobased enterprises.

New Environmental & Social Impact Scheme

The additional RM100 million allocation forms part of a new MyCIF scheme, called the **Environmental & Social Impact (ESI) scheme**. The scheme is an expansion of the ESG scheme to encourage more **MSMEs with solutions that can create impact** to access financing via ECF and P2P.

The ESI scheme supersedes the earlier ESG scheme launched in 2023.

Overview of MyCIF Impact Investment Framework

Why was the Environmental & Social Impact (ESI) scheme introduced? 01

To incentivize ECF and P2P businesses that can generate positive environmental and societal impact in focus areas namely **Community, Education, Environment, Healthcare, and Food Security** via MyCIF investments.

What are the key components of the Impact Framework? 03

The Impact Framework consists of 2 main components:



What is the MyCIF Impact Investing Framework (Impact Framework)? 02

The Impact Framework is introduced to facilitate MyCIF investments into ECF and P2P businesses that qualify under the ESI scheme.

The Impact Framework sets out MyCIF's impact investing parameters and criteria, designed to support ECF and P2P businesses that can create impact within MyCIF investment focus areas. It also enables MyCIF to quantify, track and monitor the impact contribution of its investee companies under the ESI scheme.

How much will MyCIF co-invest in eligible issuers under the ESI Scheme? 04

1:2

MyCIF will apply a 1:2 ratio co-investment ratio basis for eligible issuers, where MyCIF will invest RM1 for every RM2 successfully raised from private investors

How can the Impact Framework help ECF and P2P Operators and their issuers? 05

A. ECF and P2P Operators

It helps operators to:

- i. Assess whether their issuer's fundraising campaign is aligned with MyCIF impact investing requirement.
- ii. Identify potential issuers that can be channeled to this scheme, while offering investors access to impact-related investment opportunities.

B. Issuers

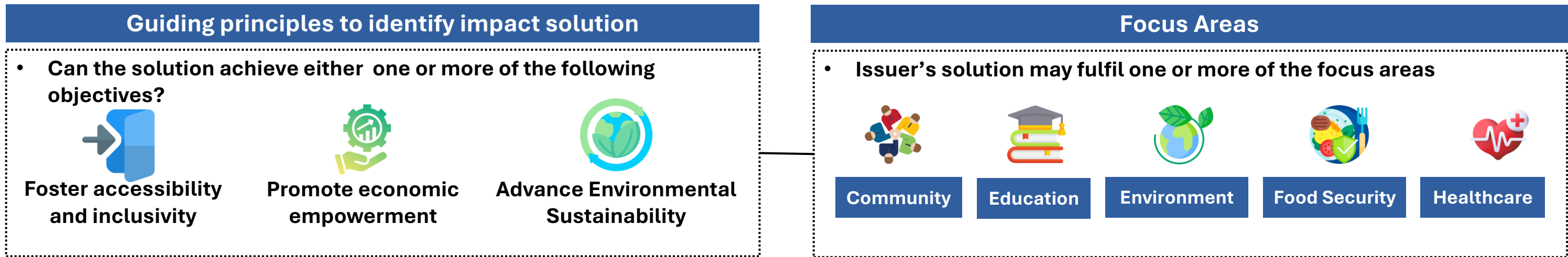
By referring to the guiding principles and populating the Impact Investment Worksheet, the issuer can :

- i. Determine its eligibility for the ESI scheme
- ii. Incorporate relevant sustainability and impact-related information in the campaign disclosure documents
- iii. Monitor and track progress of its impact contribution post-investment period.

MyCIF Impact Investment Framework - A step-by-step guide (1/2)

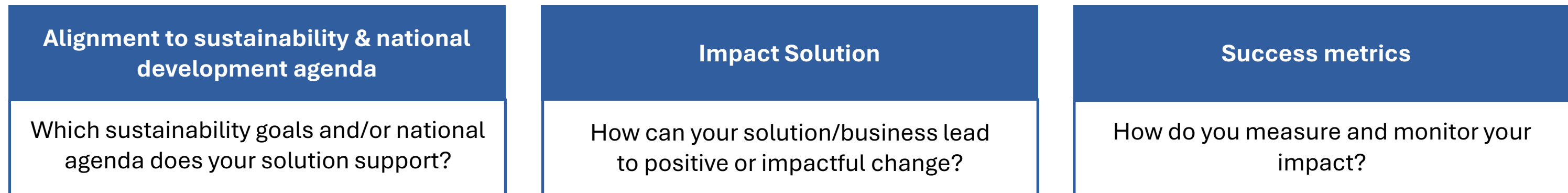
STEP 1: GUIDING PRINCIPLES

A principle-based approach for ECF or P2P issuer to scope its impact solutions within MyCIF focus areas



STEP 2: IMPACT INVESTMENT WORKSHEET (IMPACT WORKSHEET)

The Impact Worksheet is to be populated by the issuer to justify its impact solution. The worksheet is divided into 3 key sections:



! The Impact Worksheet is required to be submitted as part of the MyCIF application process.

MyCIF Impact Investment Framework - A step-by-step guide (2/2)

STEP 2: IMPACT WORKSHEET (cont.)

The issuer is required to define its impact solution and identify impact indicators to measure its impact. The success metric identified should **demonstrate a clear correlation and target** for achieving impact outcomes.

	Section	Category	Description
A) Sustainability and national agenda alignment	Which sustainability goals and/or national agenda does your solution support?	ESG	ESG Factors
		SDG	SDG Category
		National Development Agenda	To state how solution supports National Priorities
B) Impact Solution	How can your solution/business lead to positive or impactful change?	Problem Statement	Current issue or challenges to be addressed
		Solution	Product and services proposed. How does solution address the issue and challenges?
		Beneficiaries	Who would be the target group/segment that would benefit from this solution?
		Outcomes	What are the outcomes? Explain how the intended outcome will benefit the target group/segment?
		Fund Utilisation for Impact Solution	Purpose of fundraising How will the funds be utilised to deliver the impact outcomes?
C) Success Metric	How do you measure and monitor your impact?	Impact Measure	How do you measure the intended impact or outcome? (Please provide relevant impact indicator)
		Base Line	What is the current state of play before the solution is implemented? To provide a base line, which serves as a starting point against which the impact will be measured
		Impact Target	What is the impact target / KPI and when will it be achieved?

MyCIF Impact Investment Framework - A step-by-step guide (2/2)

IDENTIFYING IMPACT INDICATORS

Impact indicators need to be specific, measurable, relevant to objectives of the project and defined within a specific timeframe. MyCIF has identified examples of impact indicators for each of the guiding principles.

Foster Accessibility and Inclusivity	Promote, Economic Empowerment	Environmental Sustainability
<ul style="list-style-type: none"> • Increase in number of beneficiaries served • Reduction in cost of services delivered to drive affordability • Increase in school enrollment and retention rates. 	<ul style="list-style-type: none"> • Increase in number of industry-ready talent • Number of jobs created • Increase in income levels of household incomes 	<ul style="list-style-type: none"> • Reduction of total amount of waste landfilled • Reduction in carbon dioxide emission (tonnes) • Increase in reforested areas

Issuers are encouraged to use the above given indicators but may also provide other indicators subject to the relevant solution proposed.

Application Process for ESI Scheme - An illustration

ECF and P2P operators to submit application on behalf of issuers

PRE-INVESTMENT

POST-INVESTMENT

MyCIF application process for ECF issuers

Reporting Requirement for ECF

General Scheme

ESI Scheme

*existing reporting requirement

1
MyCIF
Application Form

2
All relevant documentations as set out in the Guidelines on Recognized Markets ("RMO Guidelines") and set forth by respective MyCIF participant's platform.



- Include the MyCIF Impact Investment Worksheet for eligible issuers.
- **To provide on deal-by-deal basis at the point of ESI scheme application.**

1. MyCIF Transaction Reporting

- RMOs to report within five (5) business days once the cooling-off period ends

2. Post-MyCIF investment report

- 1 year post-investment;
- 3 years post-investment; and
- at the point of MyCIF's exit from the ECF Issuer.



ESI Scheme

MyCIF Impact Reporting

- ECF operators to report annually as at end December of each year.

MyCIF application process for P2P issuers

Reporting Requirement for P2P

General Scheme

ESI Scheme

*existing reporting requirement

1
MyCIF Quarterly
Allocation Form

2
All relevant documentations as set out in the Guidelines on Recognized Markets ("RMO Guidelines") and set forth by respective MyCIF terms and conditions.



- Include the MyCIF Impact Investment Worksheet for eligible issuers.
- **To provide list of eligible issuer(s) on monthly basis at the point of ESI scheme application.**



MyCIF Transaction and Status Reporting

- MyCIF participating operators to report every quarter

ESI Scheme

MyCIF Impact Reporting

- P2P operators to report annually as at end December of each year.