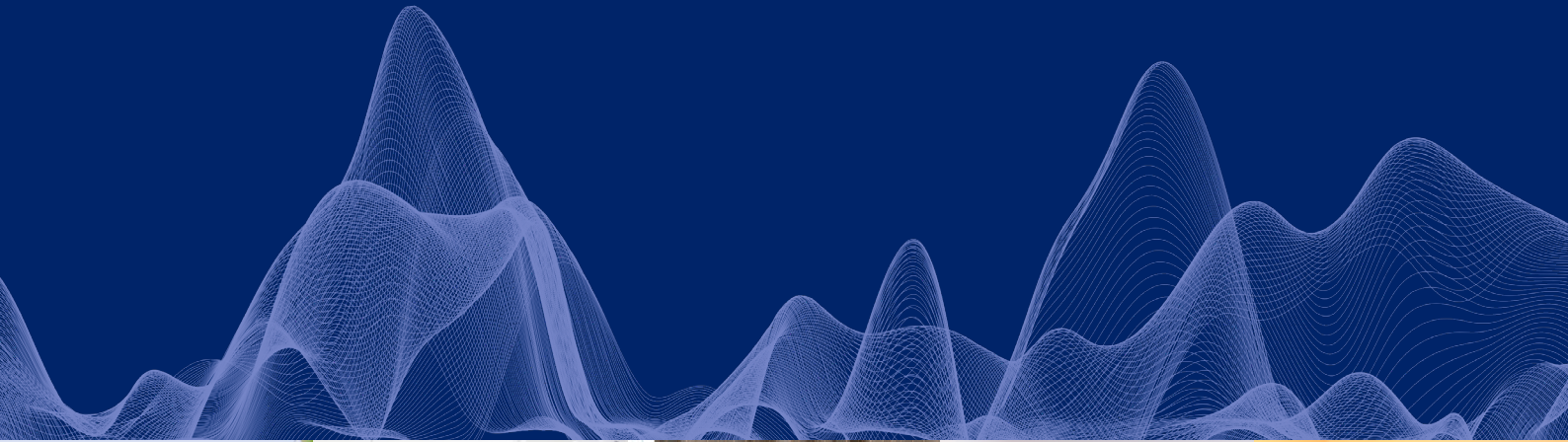


abc IMPACT

Dalberg

VOICES FROM THE PORTFOLIO:

AN IMPACT STUDY OF USER PERSPECTIVES



Foreword

ABC Impact was founded in 2019 to address the gap in impact funding in Asia. Our objective is to champion impact investing in the region by demonstrating that directing capital to businesses that yield social and environmental benefits can also produce sustainable returns.

Our inaugural growth equity fund focuses on fostering and scaling solutions that can address Asia's most impending challenges. Conceived with a multi-sectoral focus to address a unique problem set, we established four principal themes that are most critical to sustainable development in the region—better health and education, financial and digital inclusion, sustainable food and agriculture, and climate and water solutions. We utilised our early years to comprehensively research, formulate, and underwrite particular notions of impact that key sectors and business models could drive for people, communities, and the planet. As a result, we have curated a diverse and resilient portfolio of mission-aligned companies towards achieving our objective of driving meaningful change in the region. Through our investments and engagement with investees, we have generated outcomes that range from providing Asian communities with essential services to transforming sectors and systems through environmental innovations.

As a continuation of this strategy, we launched Fund II in August 2023, bringing our total assets under management (AUM) to USD 850 million upon first closing. This underscores our investors' continued confidence in our approach and practices, enabling us to further our commitment to our mission.

We believe that achieving successful, lasting impact requires intentionality and discipline. This commitment has been instrumental in shaping and guiding the development of our impact measurement strategy. From the outset, rigour has been the cornerstone of our impact measurement and management (IMM) framework, underpinned by the belief that systemic incorporation of evidence-based methods will ensure impact for our target populations is driven and will endure. Tangible, meaningful outcomes are pivotal to our thesis for impact investing—they are best assured with an in-depth understanding of the beneficiaries we are reaching and nuanced evaluations of how impact is being experienced.

This study has been a commitment to achieving just that—we intended to develop a ground-truthed picture of the outcomes being driven through our social portfolio. Recognising that output requires time to translate into perceptible impact, we chose this juncture to conduct the assessment. Our investments have matured enough to accrue a sufficient track record on their impact, and end-users are sufficiently primed to voice their unique experiences of the solutions. Through this journey, we unearthed deeper, qualitative perspectives on what 'underserved' means for different subsets of populations along with real-life stories, names, and faces behind the performance metrics reported each quarter. Hearing stakeholder voices and testimonials reaffirms the purpose behind our capital, energises and reinvigorates our team's efforts, and synthesises valuable insights into opportunities for improvement within and across the portfolio.

At the firm level, our decision to undertake this retrospective evaluation was also driven by an inextricably forward-looking institutional purpose. It was aimed at helping us understand where we

have aligned with the realities and experiences of the stakeholders and where we have deviated, strengthening our view and understanding of each sector—essentially, building a repository of ‘what works, what doesn’t, and how’ to orient ourselves towards the future. By applying a wide-angle, intersectional assessment methodology spanning themes and business models, we aimed to close the feedback loop, refine our investment strategies, and enhance our measurement systems as we scale our practice. The quality and granularity of data collected through the exercise are key to strengthening and streamlining our decision-making, optimising resource allocation, and forging partnerships with maximum impact. The learnings and lessons developed through this initiative hold immense value, reinforcing that we are heading in the right direction.

As impact capital transitions from niche to mainstream, the ultimate goal is to mobilise stakeholders—investors and entrepreneurs alike—to acknowledge, address, and actively contribute to the creation of inclusive markets and rectification of inequitable ones. We hope that this report resonates as meaningfully with the wider investing community as it does with us. Many industry peers operate with a similar purpose while facing a scarcity of contextualised, relevant, and verifiable data sets for Asia. We invite you to use the data sets and takeaways as stepping stones in your own impact investing pursuits and mission-driven endeavours.

Sugandhi Matta

Chief Impact Officer
ABC Impact

“

Through this journey, we unearthed deeper, qualitative perspectives on what ‘underserved’ means for different subsets of populations along with real-life stories, names, and faces behind the performance metrics.

Acknowledgments

We extend our deepest gratitude to our investors for their unwavering support and belief in our mission. Our partnership with Dalberg has been instrumental in driving this study, and we are immensely thankful for their expertise and collaboration. We also acknowledge the steadfast support from our portfolio companies, whose commitment to creating social and environmental impact has been inspiring. Lastly, we express our heartfelt appreciation to the communities and respondents who participated in this study. Your cooperation and willingness to share your experiences have provided invaluable insights that reinforce the purpose behind our efforts.

Editorial note

This year marks the 15th anniversary of Dalberg in Asia. As we have supported over 700 diverse organisations to create impact across the continent, one of our biggest lessons has been just how important it is to bring the voices of the end users to the rooms where decisions are made. Making assumptions about their needs and wants is often misleading at best and can even be harmful. What drew us to this study—our first collaboration with ABC Impact—has been their strong focus on understanding the impact of their investees through the lens of their customers, their families, and their communities, and the ask to go beyond their initial investment theses, to look out for not only the intended but also the unintended impacts.

Over the past few months, as we embarked on an in-depth analysis of ABC Impact's social investments from the user perspective, some of the most interesting and useful insights came from unexpected places. For example, while we were focused on assessing the oral health outcomes of one of the portfolio companies' dental services, many customers told us about how much this improved their socio-emotional well-being, as they were able to smile more confidently. While we focused on the health and education impacts on patients and children with special needs, we found that the impact on the lives of their caregivers is sometimes just as significant.

We have also learned that serving the underserved profitably and at scale is as much about having clarity on the bar for impact as it is about being creative in looking for opportunities to serve. One of them is to expand the notion of 'underserved' beyond 'low income', especially to better serve traditionally overlooked groups—whether women, persons with disabilities, ethnic minorities, or those living in remote areas.

This collaboration has reinforced how the journey to impact is as diverse as the communities it intends to serve. Combing through varied business models, we have learned how tailored approaches can meet the needs of underserved populations, driving meaningful social and economic change. ABC Impact's commitment to embracing a broad spectrum of impact types across a range of markets and sectors, as well as company sizes and stages, highlights a sophisticated understanding of how varied contributions can collectively foster sustainable development.

While we acknowledge that user focus is only one among many approaches to measuring impact, it is a useful start. We hope that the lessons captured in the following pages are useful for the wider impact investing ecosystem and businesses looking to grow their triple bottom line across people, planet, and profit. These include the role of secondary and intermediate outcomes, the often gendered impacts on both primary users and their families, the diverse pathways that businesses can take to fill underserved gaps, and the importance of influencing the broader ecosystem in which these enterprises operate.

None of this would have been possible without the authentic commitment and engagement of the ABC Impact team, their portfolio companies, the experts, and the many customers and their families who shared their experiences with us. We are grateful for their time and perspectives. We thank you for reading this study and look forward to your reflections.

Warm regards,

Dalberg Advisors

Dayoung Lee

Partner

Chris Malone

Partner

Anne Johnson

Associate Partner

Contents

Executive summary	6
Introduction	10
About ABC Impact.....	13
Goals of this assessment	14
Investee overview	15
Methodology	17
Company-level findings	20
Dami & Xiaomi.....	21
Kim Dental	36
HCAH	48
Chongho Bridge	60
Vedantu	72
Cross-cutting insights	83
End outcomes.....	84
Intermediate outcomes	91
Reflections	97
Looking forward	103
Annexures	105

Executive summary

Asia's rapid economic growth presents significant opportunities for impactful investment, particularly in addressing gaps in basic essential services. Despite this potential, the region receives only 14% of global impact investment capital.

Established in 2019, ABC Impact is a Singapore-based private equity firm focused on addressing social and environmental challenges in Asia. Reflecting its commitment to impact and learning, ABC Impact sought to gain deeper user insights on the impact of its investees.

The firm commissioned Dalberg Advisors to conduct a mixed-methods assessment of the five social investments in its Fund I portfolio. Through surveys, in-depth interviews, and consultations with industry experts, the assessment gathered evidence, stories, trends, and insights from over 1,800 people. It focused on the extent to which users experienced the outcomes ABC Impact had outlined in its original investment theses as well as any unexpected positive or negative externalities.

Each company assessed in this report demonstrates promising impacts for both core and secondary beneficiaries



▶ **Dami & Xiaomi (DMXM)**, an autism care provider in China, has established a market with its science-based curriculum delivered by certified therapists. The approach drives perceived improvements in children's skills and behaviours, raises awareness about autism, and enhances family well-being.



▶ **Kim Dental (KD)**, an early-mover dental chain in Vietnam, has raised the bar for care in an unpenetrated market.



▶ **HCAH**, a healthcare company in India, reduces the burden on the country's healthcare system and caregivers (who are primarily women) while delivering strong patient satisfaction on health outcomes.



▶ **Chongho Bridge (CHB)**, a microfinance provider in China, offers accessible and supportive services through a vast network of local agents, improving customers' financial literacy and reaching rural, low-income, and minority populations.



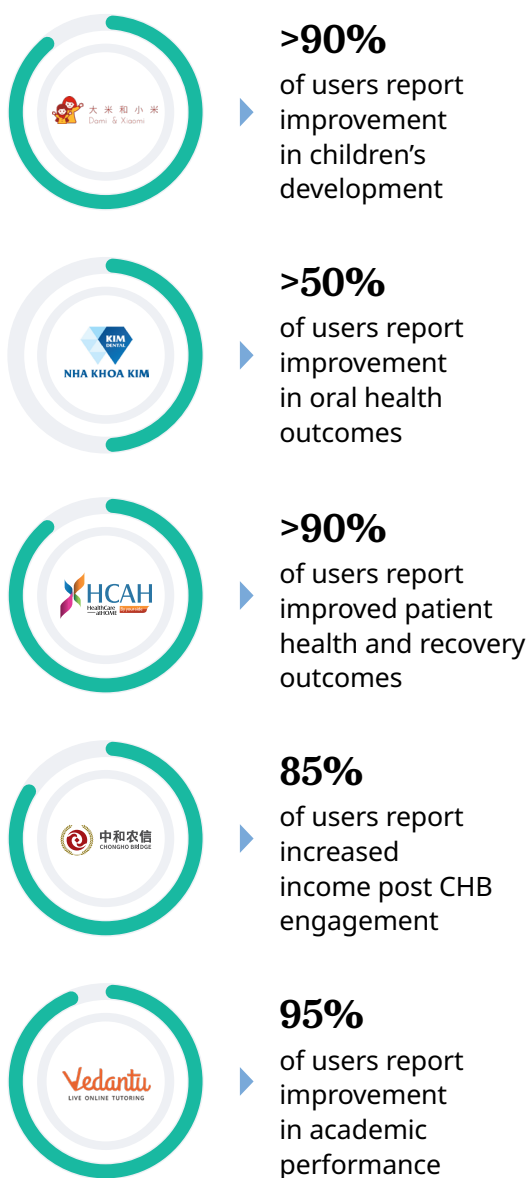
▶ **Vedantu**, an edtech company in India, extends high-quality, personalised tutoring particularly benefitting students from smaller cities and girls facing access barriers.

This assessment prioritises learning and growth for three key audiences: ABC Impact, to inform its own investment practices; portfolio companies, to offer actionable insights to enhance their impact; and the Asian impact ecosystem, to contribute to local insights and learnings.

Across the investees assessed in this study, users felt the companies were able to meet their core intended impact goals, including learning and health outcomes, as well as financial inclusion, as outlined in each company’s theory of change.

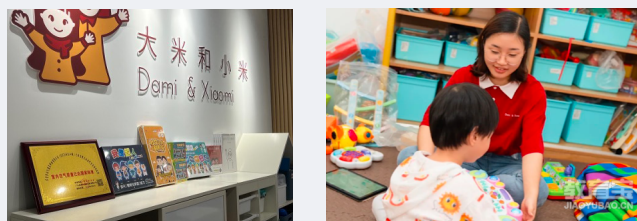
FIGURE 1

Key impact delivered across investees



In addition to these core impacts, the assessment also surfaced a pattern of ripple effects to ‘secondary’ impacts on customers and their families. While these were not part of the impact underwritten in ABC Impact’s original investment thesis, they emerge as crucial in some cases to the value propositions investees provide to their users, such as:

- **Holistic socio-emotional well-being** through improved family relationships, mental health, and confidence, bolstered by the guidance and outcomes delivered by professional and approachable service providers
- **Enabling more agency for caregivers**—who are disproportionately women—by reducing their unpaid care work, freeing their time for other activities, enabling workforce participation, and supporting their own well-being
- **Progress on gender inclusion** by supporting girls and women as aspiring students, caregivers, and borrowers. Several investees’ models highlight the importance of tailoring products and services to women’s and girls’ needs and also suggest opportunities to attract capital that prioritises promising gender outcomes.



Left: DMXM centre in Shenzhen that provides group classes for ASD children
Right: DMXM therapist providing care to a child

To achieve these outcomes, companies also showed progress on levers for change, represented in the Awareness, Availability, Affordability, Quality, and Ecosystem (AAAQE) framework which guided this assessment. In particular, **quality** emerged as a core tenet. Both users and investees placed a premium on quality, and each company demonstrated the ability to establish and maintain high standards within its respective markets. Additionally, as pioneers in their regions, some investees have dedicated resources to improve customer **awareness** about the importance of specific services and behaviours that drive impact, such as preventative dental care or financial literacy. This strategy is likely to also yield benefits to the companies themselves in terms of brand recognition and demand generation.



HCAH team in the Gurgaon transition care centre

Availability and **affordability** remain long-term, complex goals, especially for early-stage businesses. They depend on a range of factors such as business maturity, market innovation, and distribution channels. Despite this, investees in ABC Impact's portfolio showed evidence of expanding access in previously underserved markets and providing value for money to users. Several companies are innovating on strategies to deepen reach and cost-effectiveness, such as focusing on key segments, deploying technology, or leveraging alternative delivery models like freemiums, group-based services, and bundling.

While not the primary focus of assessment, this study also found that some investees are beginning to contribute to broader **ecosystem** development, which is vital for long-term and broad-based impact. Examples include collaborating with universities to improve curricula and practical training, contributing to accreditation standards development, and raising awareness of impact-oriented behaviours in the broader market beyond their customer base; for instance, via social media.

These findings reveal clear opportunities for impact investors to deepen their practices and support investees in driving further impact. Three opportunities emerge as priority for impact investment in Asia:



Expand the aperture on the ‘underserved’

Impact investors can select and guide investees towards opportunities that fill gaps in essential services for populations on the ‘side of the pyramid’ who may be underserved for reasons beyond income. Given the rapid expansion of the middle class across Asia, these populations represent a sizeable business opportunity, and democratising access to quality services serves as a key pathway to enabling better outcomes for these segments as well as overall development.



Maintain sight on intermediate outcomes

Impact investors can help investees maintain focus on intermediate outcomes crystallised in the AAAQE framework. These levers for change serve as critical indicators of whether or not a solution is working for the broader market. Priorities for supporting investees’ growth journeys include helping them maintain—and set the bar for—high-quality standards as the competitive landscape matures, as well as continuous innovation on availability and affordability to expand the market of serviceable customers.



Build ecosystems

Impact investors can provide the mandate, financial ‘breathing room’, and longer time horizons to enable investees to dedicate resources to building the ecosystems in which they operate. Investors can also seek partnerships with other stakeholders and capital providers to address challenges beyond the scope of the market, such as affordability and availability barriers, social norms, advocacy for fair regulations and market incentives, or upstream infrastructure and human capacity investments.

These lessons have informed ABC Impact’s own evolving investment practice. By sharing these insights with the broader impact ecosystem, we hope to enable other investors engaging in similar contexts to amplify impact within their own portfolios.



1

Introduction

Introduction

Asia's ascent as a global economic powerhouse continues, ripe with opportunities for impactful investment. A young and growing population, an expanding middle class, reorganised global supply chains, rapidly digitising economies, and an increased focus on governance fuel the region's growth and sophistication. Home to more than 4.7 billion people,¹ Asia boasts the world's fastest-growing consumer market, encompassing 55% of the global consumer class.²

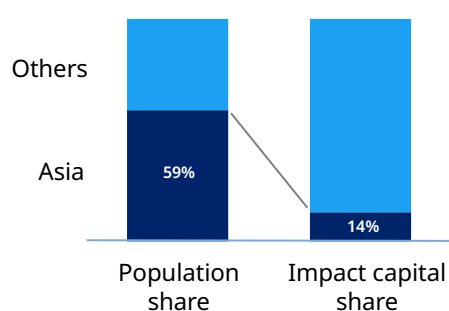
However, Asia remains a region of contrasts. Its growth outpaces the ability of foundational infrastructure and quality service delivery to keep up with and cater to the population's evolving needs. Rapid economic expansion is also accompanied by evolving climate and biodiversity challenges as well as rising inequality and continued multidimensional poverty.

The drive to address these contrasts presents a compelling opportunity for entrepreneurs, fuelling innovation in the region. As of July 2024, startups in Asia-Pacific (APAC) have raised USD 24 billion across 2,540 equity funding rounds, with a total 720 acquisitions and 314 initial public offerings (IPOs).³ This burgeoning entrepreneurial activity has not gone unnoticed by investors, who increasingly recognise the wealth of opportunities in Asian economies.

Despite this potential, the flow of capital to address the region's social development needs and opportunities remains insufficient. Globally, developing countries face an annual financing gap between USD 2.5 trillion and USD 4 trillion⁴ to achieve the UN Sustainable Development Goals; as many have discussed, meeting these goals by 2030 demands urgent and substantial investment beyond what the government and philanthropies can provide.⁵ The private sector is well-placed to bridge this gap, and over the past decade, many traditional investors have begun to explore the opportunities impact investing provides. An asset management study in 2022 found that more than 70% of Asian institutional investors, such as central banks and sovereign wealth funds, had increased their impact investing activities.⁶ Significant scope for expansion remains—despite being home to nearly 60% of the global population, Asia receives only 14% of global impact investment capital.⁷

FIGURE 2

Distribution of global population versus allocation of global impact investment capital



Beyond the need for more capital, the impact investing space in Asia—and globally—can also continue to evolve its approach to better incorporate the end-users' perspective in assessing outcomes, in service of more effective investment decision-making.

1. [Worldometer](#), 2024
2. The global consumer class is defined as populations who are middle class or upper income, earning \$12 per day in 2017 purchasing power parities (PPPs), per the Brookings Institution. [World Data Lab, published by Brookings Institution](#), 2021
3. Tracxn, [Overviews of startups in APAC](#), 2024
4. DESA FSDO, [Financing for sustainable development report](#), 2024
5. Ibid.
6. Invesco, [ESG & Impact: Impact investing in Asia](#), 2023
7. Jayaram, [The rise of impact investing in Asia](#), 2024

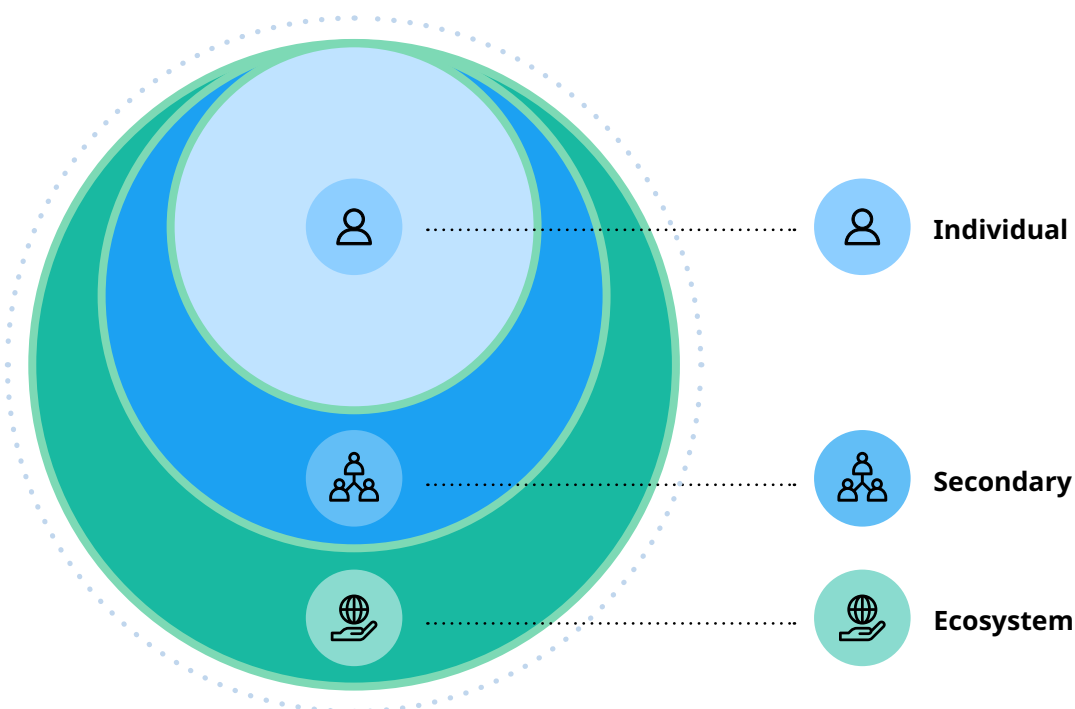
For example, a 2023 Global Impact Investing Network (GIIN) study illustrates that only 41% of direct impact investors look to understand impact outcomes from end users' perspectives and collect impact data directly from them.⁸ This limits investors' ability to learn from each other and highlights the need for more transparent sharing of data and outcomes.

Many investors also continue to measure outcomes primarily in terms of the number of people reached. This approach risks overlooking the relative depth of impact a solution provides and customers' own perspectives on what is and is not working in a given product or service. These nuances can help investors recognise bright spots for additional investment as well as areas where they need to help entrepreneurs pivot to better serve their target population. Investors can also explore more holistic impacts beyond their core target audiences and consider any secondary and tertiary effects an investment may have (Figure 3). This may include, for example, impacts on other individuals affected by changes in customers' lives as well as shifts an investee creates in the broader ecosystem. While often unassessed, these wider impacts are crucial to understanding the scope of change driven by impact capital.⁹

Understanding these ground truths requires investment of time and resources in speaking to users directly. The GIIN survey indicates nearly half of impact investors today (45%) only engage end users through their investees.¹⁰ This suggests opportunities for impact investors to take a more active stance in querying their investments' impact and prioritising the voices and lived experiences of the populations who use investees' solutions in their day-to-day lives.

FIGURE 3

Multiple layers of impact from an investment



8. GIIN, [GIINsight: Impact measurement and management practice](#), 2023

9. Bhagat, Sahana. [How impact investors in Asia compare to the broader impact investing market](#), 2023

10. GIIN, [GIINsight: Impact measurement and management practice](#), 2023

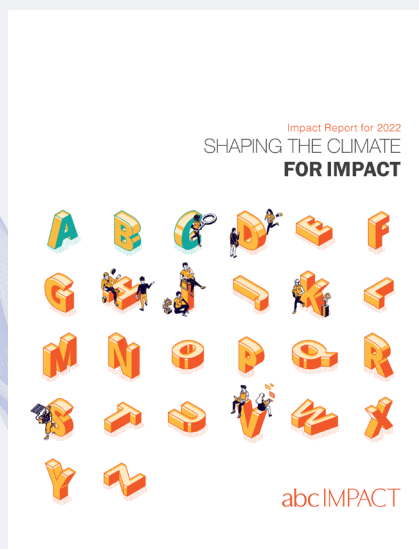
About ABC Impact

Established in 2019, ABC Impact is a Singapore-based private equity firm focused on impact investing in Asia. The firm targets investments that address Asia's key social and environmental challenges, transforming them into growth and development opportunities. Recognising the interconnectedness of environmental and social issues in emerging Asia, ABC Impact focuses on four themes: Better Health and Education, Financial and Digital Inclusion, Sustainable Food and Agriculture, and Climate and Water Solutions. The firm primarily provides growth equity, investing in businesses with market offerings that require capital to scale and achieve both financial and impact goals. It manages over USD 850 million in assets in its inaugural fund, raised in 2019, and its second fund, which has achieved its first close. From its inaugural fund, ABC Impact has made 13 investments in its target sectors and has achieved one exit.

“

The firm actively engages with portfolio companies after investment to ensure alignment with impact goals and delivery of meaningful outcomes for stakeholders, including developing a theory of change for all investments.

As an impact investor committed to rigour in assessing impact, ABC Impact developed a proprietary Impact Measurement and Management (IMM) framework that integrates impact considerations into decision-making. The framework assesses the potential of prospective investments against the firm's mandate to address social and environmental challenges. ABC Impact's commitment also extends beyond investment: the firm actively engages with portfolio companies after investment to ensure alignment with impact goals and delivery of meaningful outcomes for stakeholders, including developing a theory of change for all investments. Through systematic performance analysis, ABC Impact monitors both financial and impact performance, identifying and addressing risks to inform timely investment decisions. Additionally, the fund embraces evidence-based impact measurement, assisting portfolio companies in validating their impact through data collection and reporting. ABC Impact also engages in post-investment assessment—such as in this study—to generate meaningful insights that can inform ongoing company decision-making as well as future investment priorities. Portfolio impact performance and initiatives are published in annual impact reports. ABC Impact's most recent edition can be accessed [here](#), and past publications are downloadable [here](#).



ABC Impact's Impact Reports



Goals of this assessment

This report profiles high-level findings from an impact assessment of five social investments in ABC Impact's Fund I portfolio. Currently, ABC Impact collaborates with investee companies on a quarterly basis to monitor their impact against key metrics, using relevant measurable, operational metrics to track the scale of their reach and proxy the depth of their impact. These include indicators such as the number of customers reached, their geographic distributions, improvements in learning outcomes for students or rates of infection for patients. However, to date, it has not had the opportunity to gather end users' views on the companies' impact.

Now, at the midpoint of Fund I's fund life cycle, ABC Impact sought a deeper, user-centric understanding of impact from the customer perspective—the ultimate population intended to benefit from the companies' impact.

To elevate these user voices, ABC Impact commissioned Dalberg Advisors to conduct this assessment in early 2024. Through a detailed examination of each company's model, along with qualitative and quantitative research with users and ecosystem experts, this study assessed on-the-ground perceptions of impact by ABC Impact's investees. Specifically, ABC Impact sought to understand consumers' perspectives on whether investees are delivering on the goals laid out in their theory of change. ABC Impact also aimed to identify broader lessons on the multiple pathways through which impact investments can facilitate change, contributing to the growing knowledge base for impact investment strategies across Asia.

This assessment and public report prioritised the following objectives:



Enhance ABC Impact's internal investment practices

By identifying impact successes and areas for improvement within each investee's journey, this assessment will help ABC Impact refine its strategies for supporting portfolio companies in their pursuit of social impact, while also managing potential risks and negative externalities.



Offer actionable insights for portfolio companies to enhance their impact

By analysing direct feedback from end users, this assessment aims to provide practical recommendations that portfolio companies can use to refine their services and products, thereby deepening their impact. This could include expanding into underserved markets or improving customer service. Ultimately, the goal is to empower these companies to better meet customer needs, thereby strengthening the levers of change and desired outcomes.



Contribute local insights and learnings to the Asian impact ecosystem

Emphasising the importance of robust analysis for effective investment practices and the gaps in data availability, quality, reliability, and benchmarks in Asia's impact investing space, this report strengthens the foundation of impact data on Asian investments. By sharing these local insights, it aims to support peers and stakeholders navigating similar markets across the region.

Investee overview

This assessment focuses on the five social investments in ABC Impact's Fund I portfolio operating in Vietnam, India, and China that provide essential services across the health, education, and microfinance sectors:

FIGURE 4

Investees within assessment scope



A leading autism care provider in China, DMXM operates over 40 professional children's rehabilitation centres across more than 20 cities nationwide. The company employs over 1,400 therapists and has helped over 10,000 children transition into mainstream schools through its intervention and rehabilitation programmes. DMXM delivers a science-based curriculum to children with autism spectrum disorders (ASD) at its centres, with certified therapists leading the programmes. The company also provides an online training programme for parents nationwide.



A leading chain operating 30 clinics, KD delivers affordable, high-quality oral healthcare in an underserved market. With a team of more than 280 dental professionals, the company served approximately 120,000 patients in 2023. The majority of its clinics are located in Ho Chi Minh City, with additional facilities in nearby provinces and Hanoi.



A healthcare company in India, HCAH provides comprehensive out-of-hospital care services. These include chronic disease management, post-operative care, elder care, physiotherapy, and intensive care unit (ICU) setups at home. HCAH primarily operates in metro and Tier 1 cities but extends services to more than 70 cities across India. The company has treated more than 400,000 patients in 2023 and employs more than 280 specialists. By providing high-quality medical care at home, HCAH alleviates the burden on hospitals and improves patient convenience and recovery.



A leading integrated financial services provider in China, CHB specialises in serving small-scale farmers and rural business owners. Over nearly three decades, CHB has built a vast local service network spanning more than 100,000 villages across 21 provincial-level regions, reaching a rural population of nearly 200 million. The company offers rural inclusive credit services, agricultural production services, insurance services, and clean energy solutions. With more than 500 branches, 7,700 employees, and 118,000 village-level partners, CHB is the largest non-traditional financial institution targeting China's rural market by total loan balance in 2022. Additionally, CHB's e-commerce platform was the leader in agricultural inputs and equipment by gross merchandise value (GMV) the same year.



An edtech company in India, Vedantu offers live online tutoring for students from primary school to competitive exams. Extending its reach beyond big cities, Vedantu provides real-time, personalised instruction to a broad and diverse student population, including in smaller towns and rural areas. Each month, more than 2.7 million users access Vedantu's app and website for free. Recently, the company introduced more than 20 hybrid learning centres, combining online and offline learning for an in-person educational experience.



KD clinic in Ho Chi Minh City

Methodology

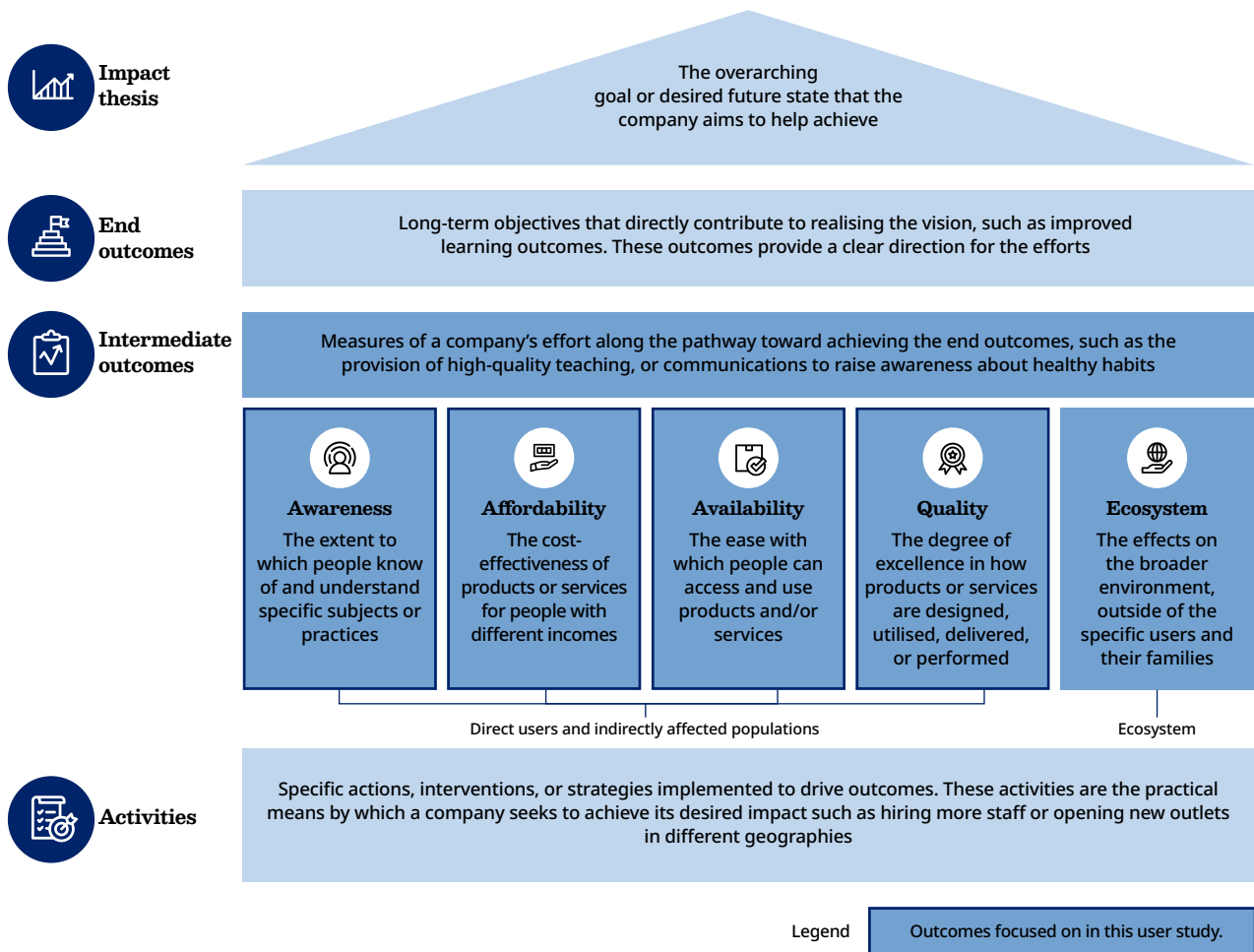
To assess the impact of each investee from a user-centric perspective, we employed a mixed-methods primary research approach. The findings rely on a series of in-depth qualitative interviews with 44 users, online surveys completed by over 1,800 users, and select interviews with industry experts. We used the qualitative interviews to gather key themes for further testing in the quantitative survey as well as personal stories.

In the survey, rigorous quality control, weighting, analysis, calibration, and incorporating extensive stakeholder feedback supported the integrity and representativeness of our survey data. Further details on the methodology are available in the [Annexures](#).

In addition to the primary focus on end outcomes experienced by the investees' target populations, this assessment also utilised the 'Awareness, Availability, Affordability, Quality, and Ecosystem' (AAAQE) framework to guide our understanding of intermediate outcomes.¹¹ Dalberg and ABC Impact adapted the AAAQE framework to provide a systematic, structured, and consistent approach to assess the intermediate outcomes each company seeks to achieve—clarifying the pathway between company-level activities and ultimate end outcomes.

FIGURE 5

Theory of change with AAAQE framework



11. This framework builds upon [UNICEF's Availability, Accessibility, Acceptability, and Quality \(AAAQ\)](#) framework.

This AAAQE approach provides a rubric to standardise evaluation of how populations experience essential social sector services, offering insights into companies' effectiveness in outcome delivery. It outlines similarities and differences in the approach across different investees, even as they operate in different industries with different target end outcomes. This aids in comparing and assessing the effectiveness of the portfolio. We applied the AAAQE framework to ABC Impact's original theories of change for each company to develop and refine the ongoing hypotheses for this study.



CHB microfinance customer

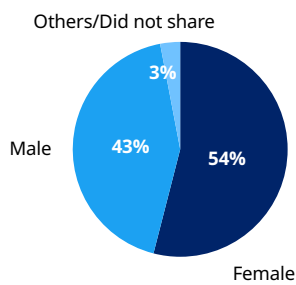
It is also important to note the limitations of our methodology in this assessment. This study focuses specifically on validating impact from the perspective of end users, examining the nature, extent, and unintended consequences of investees' services on customers as well as unanticipated areas of impact. Simply put, it places the customer's experience at the centre. This methodology elevates the voices of those intended to benefit from the investees' services and is therefore inherently subjective. As such, the limitations of this study are as follows:

- **Objective measures of outcomes**, such as measurable changes in health or learning, were out of scope for this user perceptions study. Where possible, we have referred to additional data sources such as the companies' own outcomes-tracking data to help triangulate what we heard from users themselves.
- **Perspectives from former users/dropouts** to understand any negative experiences that may have driven them to stop engaging or switch providers was not possible within the scope of this study. Similarly, we were not able to consult alumni on long-term impacts such as earnings, university acceptance, ongoing health, etc.
- **This study did not comprehensively assess ecosystem or industry impact** of the investees. Recognising the importance of ecosystem engagement, we have included anecdotal findings on the investees' ecosystem engagement based on discussions with investee management teams and industry experts. However, more conclusive ecosystem evaluation would require consultation with a wider range of partner organisations, competitors, and other industry players, which was out of scope for this study.
- **Finally, this study did not aim to provide insights on the additionality** of ABC Impact's capital vis-à-vis that of other investors.

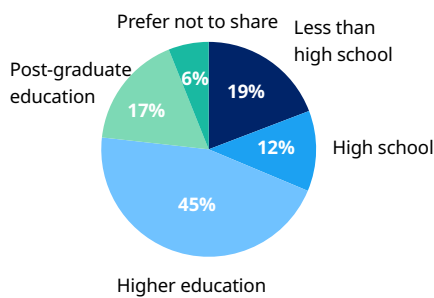
We employed mixed-methods primary research to assess investees' impact on users speaking to five industry experts, conducting in-depth interviews with 44 users, and surveying 1,800+ users



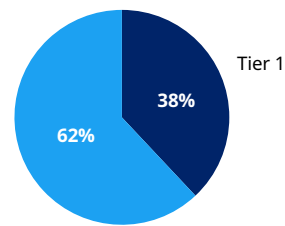
Survey respondent demographics



Gender



Education



Geographical Breakdown



2

Company-level findings



Dami & Xiaomi

About the company

Mission

Enable children to communicate freely with the world



Founding year

2014



Sector

Education and Healthcare



Geography

China



Number of therapists employed

1,400+ (2023)



Number of children that received intervention at offline centres

6,300 (2023)



Number of parents that received training online

2,300 (2023)

Autism Spectrum Disorder (ASD) affects 1% of school-age children in China.¹² ASD is an early-onset neurodevelopmental condition characterised by impairments in social communication and behavioural interaction. Early intervention is crucial, but limited access to therapy, particularly in less developed regions, hinders optimal development and social inclusion for children with ASD and impacts future opportunities. Furthermore, parents and caregivers often face social stigma and experience heightened levels of stress.

Recognising these challenges, former journalist Jiang Ying Shuang founded DMXM after her daughter's misdiagnosis. Driven by a lack of adequate and affordable treatment options, DMXM was incepted to increase awareness, quality, and accessibility of ASD therapy across China. DMXM has grown from a WeChat support group to an established provider of evidence-based interventions across 40 teaching centres in China.

FIGURE 6

Prevalence of ASD in China



1 in 100

children in China are affected by autism spectrum disorder



Therapist with children in a DMXM centre

“

“We founded Dami & Xiaomi to bring much needed improvement to the ASD therapy and rehabilitation services sector in China. Instead of relying solely on imported therapy systems and techniques, we have adopted a research-backed and localised approach to develop proprietary intervention techniques that are well-suited to the children we serve.”

Jiang Ying Shuang, Founder and CEO of Dami & Xiaomi

They offer in-person therapy for children and intensive training for parents and caregivers. Their structured programmes for children encompass behavioural, speech, and occupational therapies, with the wider objective to enhance social skill development and reintegration into mainstream schools. For parents, their training programmes focus on developing the necessary skills and knowledge to better manage their child's development.

ABC Impact's investment in DMXM focuses on the company's goal of improving access to autism care and supports the firm's expansion to improve outcomes for more families and children with ASD. During its assessment, ABC Impact recognised DMXM's dedication towards enhancing parents' management capabilities and delivering high-quality ASD interventions, which align well with the critical needs of the autism community.

12. Sun, Xiang et al. [Autism prevalence in China is comparable to Western prevalence](#). Mol Autism, 2019

FIGURE 7

Users' top priorities when choosing an ASD service provider

Benefits that were most commonly ranked among top three priorities
 % of respondents, n = 321



92%

Improve my knowledge of my child's needs, strengths and abilities



85%

Improve my skills and ability to manage my child's condition and nurture my child



50%

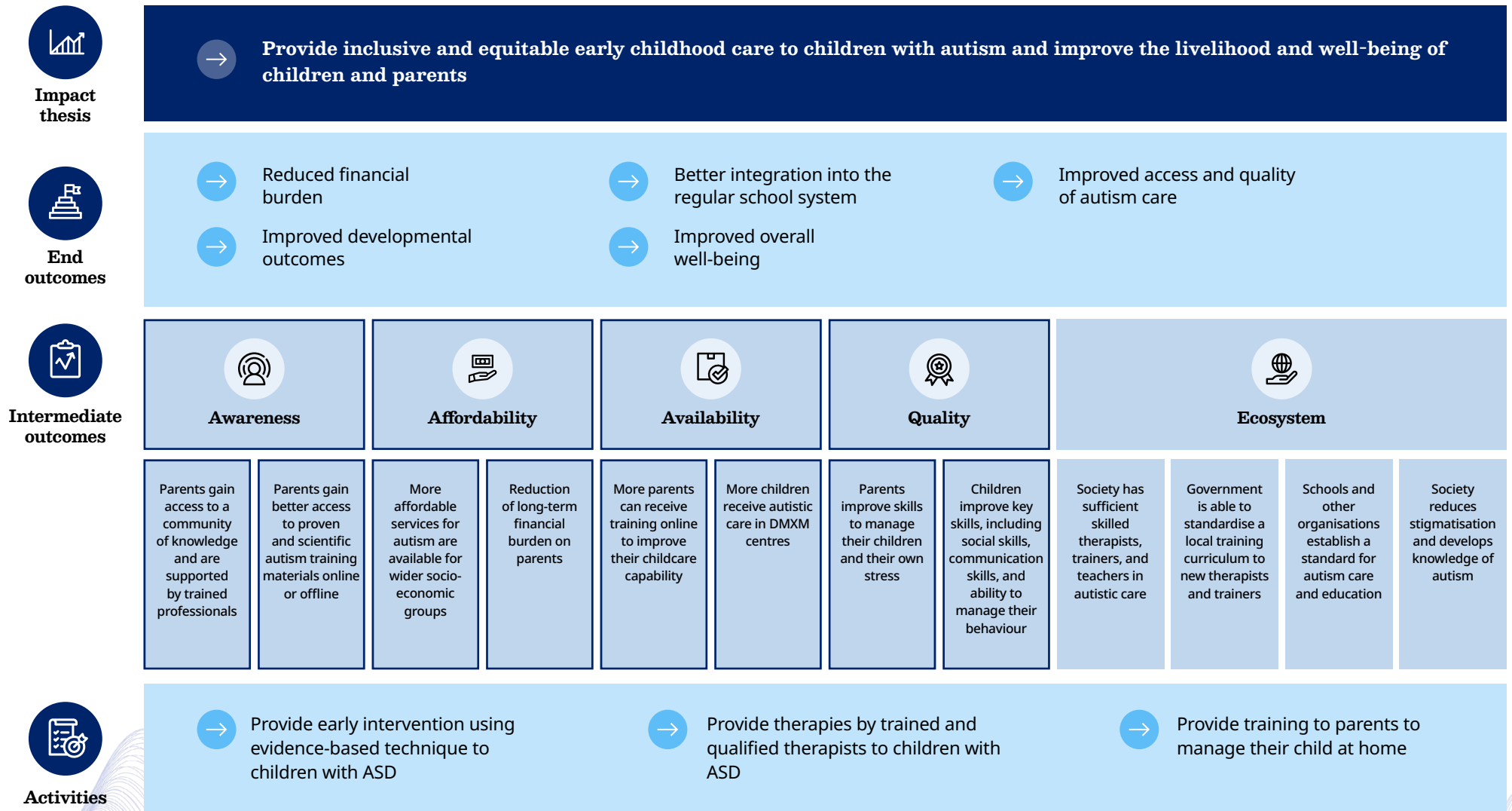
Receive high-quality service (incl. curriculum, staff, facilities)



A DMXM centre

FIGURE 8

Theory of change for DMXM



Adaptation of DMXM theory of change applying the AAAQE framework

Legend

Intermediate outcomes prioritised in the study

Improves developmental outcomes and well-being for children with ASD

Customers reported significant improvements in fundamental skills and mental well-being among children using DMXM services (Figure 9). Over 90% of parents reported progress in children’s communication skills, social interaction, and behavioural self-regulation. Additionally, 91% of parents reported increased happiness in their children. This has led to improved integration of children in mainstream schools.



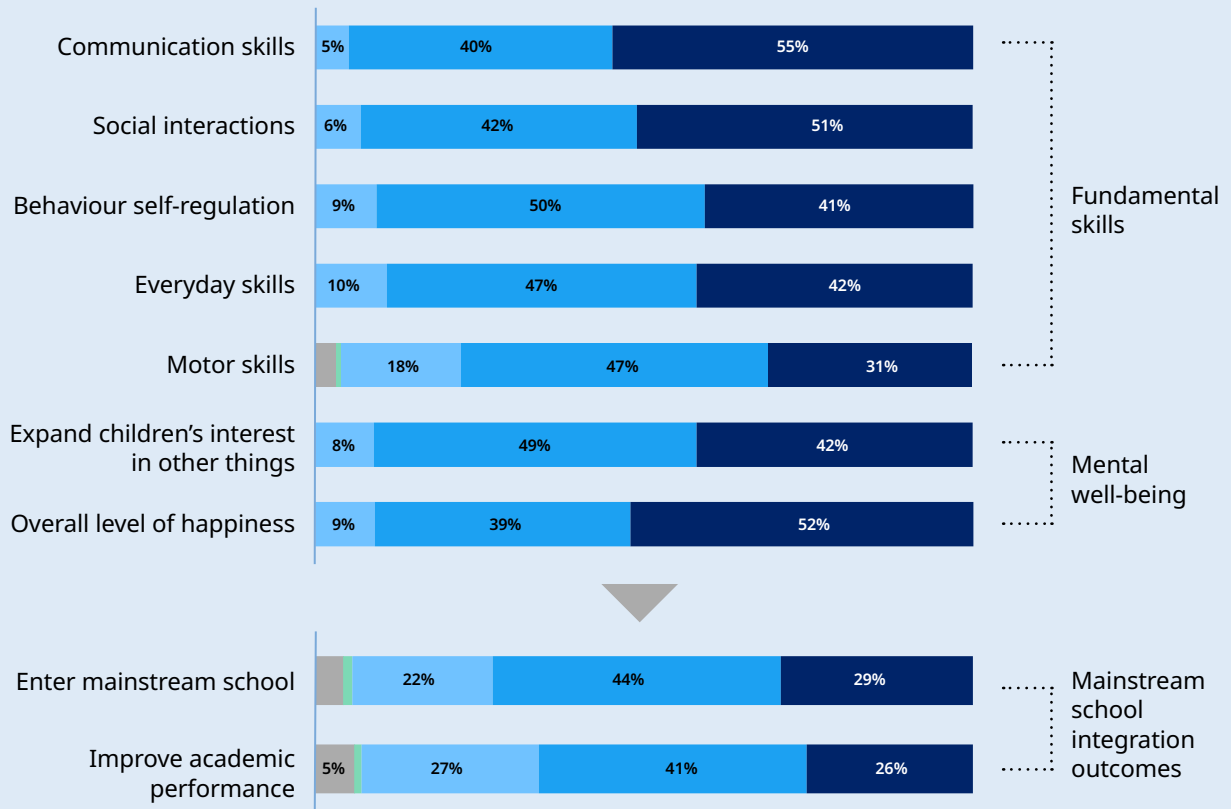
DMXM therapists conducting lessons with a child

FIGURE 9

Developmental outcomes following enrolment with DMXM


Have the following specific aspects of your child’s development changed since enrolling at DMXM?¹
 % of respondents, n = 321

● Not applicable ● Got a lot worse ● Got a little worse ● No change ● Improved a little ● Improved a lot



Improves well-being for caregivers and families

Caregivers and families report reduced parental stress and strengthened family relationships. Both DMXM and ABC Impact recognise the importance of understanding and quantifying the impact on caregivers and families. This study amplifies the voices of caregivers and families, providing valuable insights into their experiences and needs. Families note that DMXM's services play a role in helping caregivers—largely mothers—to return to the workforce, contributing to restoring personal and career satisfaction.



>90% of the parents report alleviation in anxiety caused by the child's condition, which has enabled them to focus more on their own physical and mental health

“

My family was at one point anxious about my child's behaviour [...]. Our anxiety was alleviated as we managed to tackle the issues with the support from DMXM supervisors.”

Offline user, female, working in finance industry

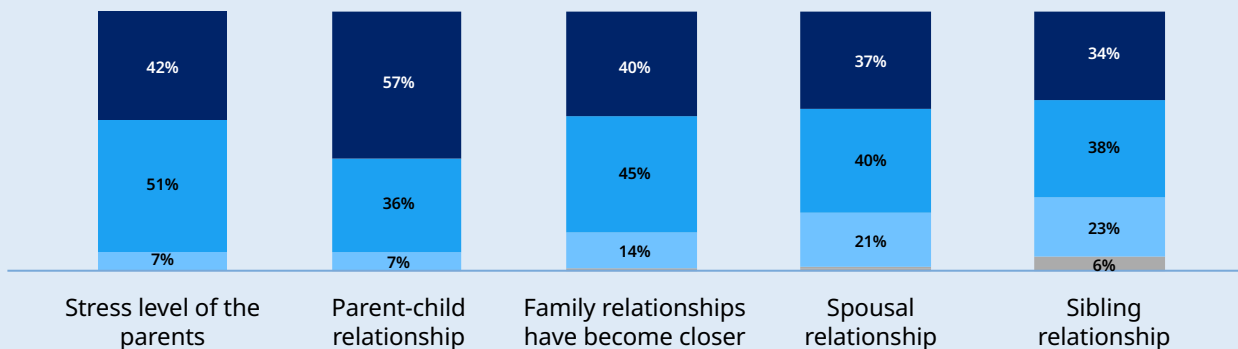
FIGURE 10

Reported impact on family and caregivers

How have the following aspects of your family and social relationships changed since receiving services at DMXM?

% of respondents, n = 321

● Not applicable
 ● Got a lot worse
 ● Got a little worse
 ● No change
 ● Improved a little
 ● Improved a lot



Availability

Provides autism care in an underpenetrated market

DMXM is an early mover in China's underpenetrated autism care market



52% of users were unaware of any alternative service providers in China



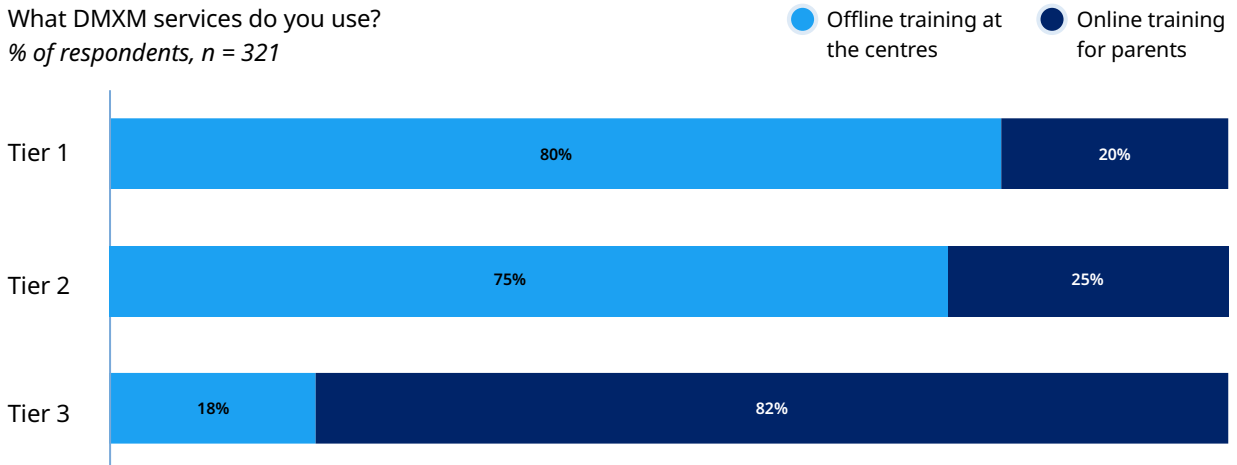
DMXM therapy centre

“

“My city is close to Beijing, but it’s not accessible for me to travel there. The online training gives me professional [advice] to teach me how to guide my children’s growth.”

Online user, male, Hebei province

What DMXM services do you use?
% of respondents, n = 321



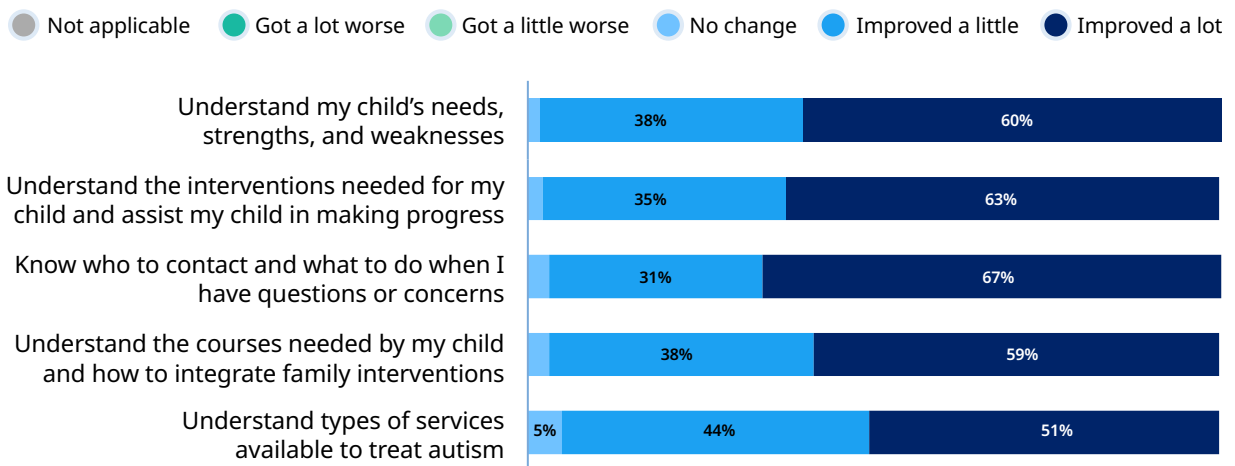
DMXM's physical presence in Tier 3 cities is limited. Some parents in Tier 2/3 cities rent rooms near Tier 1 cities. DMXM is addressing this gap by significantly expanding online training options and has plans to strategically open centres in these regions over the next few years.

Awareness

Improves caregivers’ knowledge of their child’s needs and how to support them

Parents report improvements in their skills to support their children and nurture their growth

Which aspects of your awareness of your children’s condition have changed since receiving services at DMXM?
% of respondents, n = 321



Through DMXM services, **90%+** of the parents reported improvement in their ability to help their children learn new skills and get along with others

“

“I didn’t know that the speed of speech can impact my emotions and those of my child. Now I know I need to slow down to calm my child down if he’s throwing a tantrum.”

Online user,
female, Guangdong
province

“

“DMXM is one of the most influential social media platforms for autism information in China, contributing to public awareness and reducing stigma.”

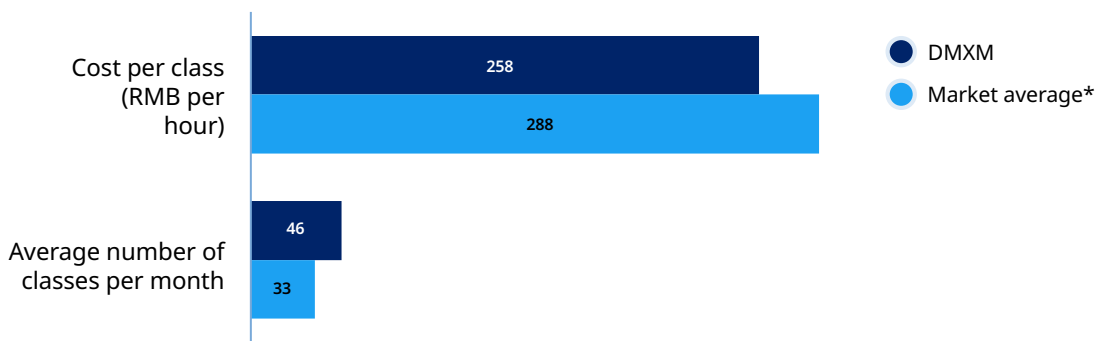
Professor Yang Yi,
Vice Dean of Special
Education Department,
Lingnan University

Affordability

High costs but positive influences on workforce participation

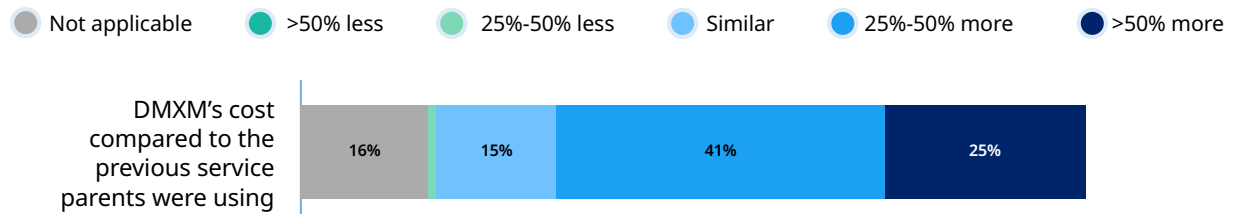
DMXM’s per-class costs are lower than the market average; however, its more intensive model, with longer interventions and more frequent classes, may result in higher overall costs to families

Comparison of DMXM's services with other players in the China market



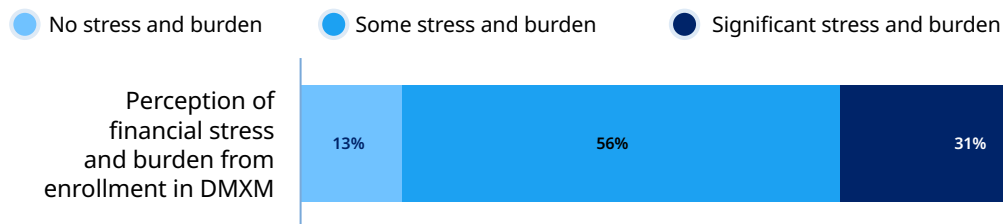
*market average includes data from DMXM, OST Therapy, ING Care, ALSO LIFE, Yehehealth

How does DMXM's cost compare to the previous service you were using?¹³
 % of respondents, n = 321



67% of users find DMXM's programmes overall more expensive than competitors

Please choose the statement that best describes your situation
 % of respondents, n = 321

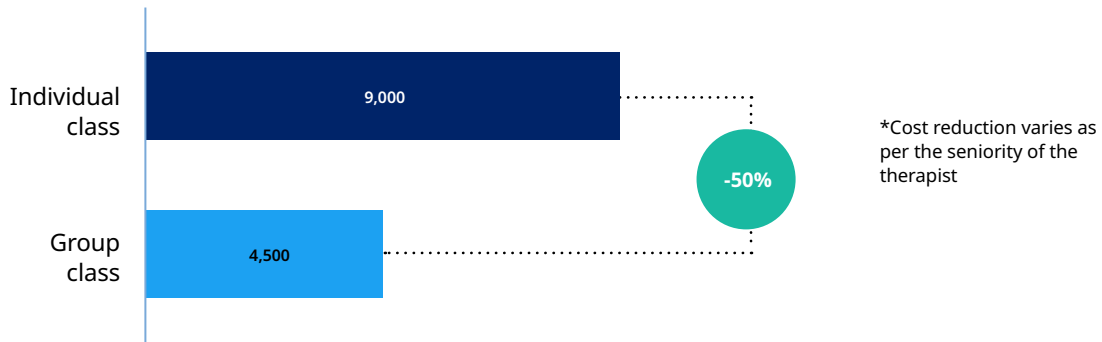


13. Data from ABC Impact's due diligence on DMXM

Acknowledging the affordability challenge this poses to families, DMXM is innovating to include group class delivery models, which could reduce costs to families by 20-50%

Cost of DMXM's various delivery models*

Cost in RMB per month, for 15 hours of classes a week, Tier 2+ cities



As per an internal survey DMXM conducted in Oct 2023, parents perceived similar levels of developmental improvements among children enrolled in individual and group classes

“

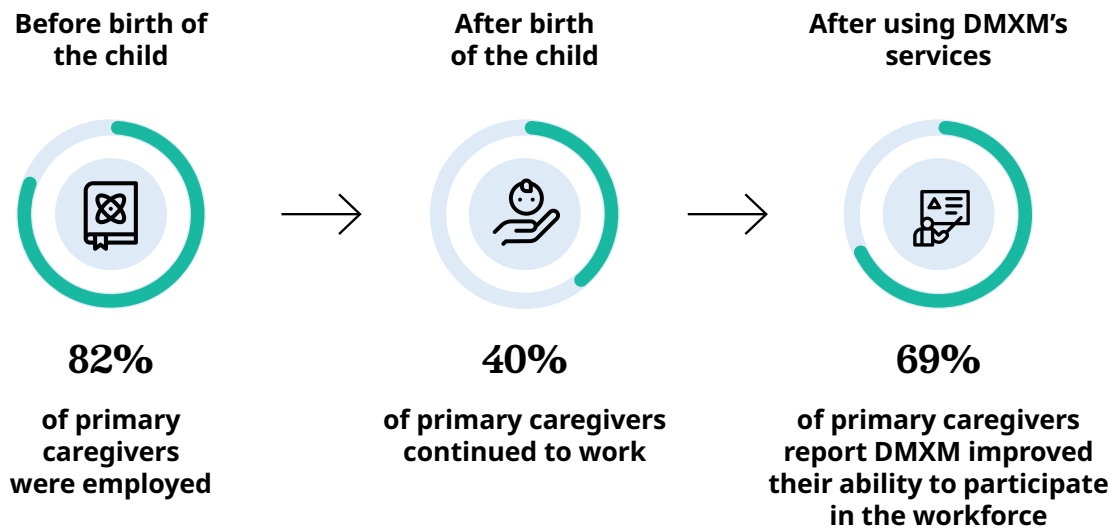
“DMXM is expensive. I know quite a few families are doing this for the short term only and they need to change to other places. Even if the children like this place, their family can’t afford it.”

Offline user,
female, Tier 1 city



Trained DMXM therapists conducting group classes with children

Additionally, the study uncovered an additional aspect of impact on caregivers' and parents' labour force participation capacity



DMXM appears to contribute to caregivers' capacity to return to the workforce, likely due to increased ability to manage their children's conditions and reintegration into mainstream schools. Enabling caregivers to generate income contribute to family finances could help counterbalance long-term affordability challenges in the DMXM model.

“

“My salary can cover my child's care services. I think it is worth using DMXM services [to support me in returning to work].”

Offline user,
female, working
in the finance
industry

Quality

Responds to market-wide shortage of quality ASD care by anchoring model on the use of certified therapists and science-based curricula

“

Before using DMXM, I was learning these nurturing skills from online videos. However, it’s quite hard for me to implement them in real life settings without proper training.”

Online user, female, Tier 3 city



94%
of parents express satisfaction with DMXM’s services



96%
of parents agree that DMXM provides high quality service (including curriculum, staff, facilities)

Number of therapists employed by DMXM
of therapists, 2022, 2023

● Newly trained therapists ● Existing therapists



Given high market demand, therapist retention poses a risk to quality.

- While three out of four parents state that the qualifications of DMXM therapists are better than alternatives, they have also felt the effects of limited therapist supply, noting scheduling challenges and staff turnover.
- To address this gap, DMXM is exploring AI tool options to reduce therapist workloads and is investing in therapist curriculum development.

Ecosystem

Shapes the autism care landscape in China as an early mover



From its roots as a public platform to raise awareness about ASD, **DMXM has built a purposeful community for stakeholders.** Experts note that its science-based approach and social media efforts have positively influenced public perceptions and reduced stigma around autism.



To strengthen institutional capacity for early childhood development for children with ASD in mainstream schools, **DMXM conducts workshops that provide educators with essential skills and strategies** for effectively managing the needs of students with developmental needs.



Recognising the shortage of qualified therapists as a barrier to scalable ASD services, **DMXM has partnered with Lingnan Normal University to launch a national therapist training curriculum.**¹⁴

“

DMXM can continue to leverage their media and online presence to build awareness among parents. Further scaling of DMXM’s informational webinars by experts and reaching more schools will also be valuable.”

Professor Yang Yi,
Vice Dean of Special Education Department
Lingnan University



Team of DMXM Therapists

14. Behaviour Analyst Certification Board, [International Development & Support](#) (2024)

Case Study: ABC Impact's learning journey with Dami & Xiaomi



A DMXM therapy session

In 2022, ABC Impact invested in DMXM with a clear impact thesis. The initial impact assessment identified two primary impact outcomes underwritten for the investment: through their offerings, the company promotes inclusive early education and development for children on the autism spectrum and enhances family well-being by improving coping and management capabilities of caregivers. The assessment also highlighted the higher cost of DMXM's 1:1 therapy model as potentially posing risks of long-term financial burden to customers.

At investment, ABC Impact's due diligence findings had utilised both primary and secondary evidence to substantiate the impact and efficacy

of DMXM's interventions on the development of children with ASD. DMXM's internal customer data and developmental progress evaluation metrics, combined with external academic publications on intervention efficacies and market reports on the undersupply of qualified providers, corroborated that their ASD solutions were effectively addressing an underserved segment in the country. However, there was inadequate high-quality, company-specific evidence to validate their wider impact on family and caregivers of enrolled children. ABC Impact required primary data to quantify and qualify the degree of change DMXM delivers regarding caregiver anxiety and stress as well as family welfare.

ABC Impact commissioned Dalberg to design the DMXM study to ensure continued alignment to the original thesis, while updating the data set to validate key remaining questions on the impact of the company. These questions included:



To what extent does DMXM impact the wider family unit, with regard to caregiver stress, anxiety, and overall relationships?



To what extent does the high cost financially impact families?



Do the initial impact pathways still hold true for their main product and service offerings?



Are there any significant unidentified impacts or risks previously not taken into account?

Key Findings

The study findings predominantly confirm, through end stakeholders' perspectives, that both children and their families did experience the primary impact pathways ABC Impact had underwritten.

Most pertinent is the first-hand evidence that users' family dynamics and well-being levels are improving through DMXM's interventions, affirming our initial thesis.

In addition, findings indicate and confirm certain risks and negative externalities that pose challenges to the company's impact. As anticipated in ABC Impact's initial thesis, respondents express DMXM's pricing for their

physical intervention programmes as a key challenge to sustaining engagement in the long term, confirming the need to explore more cost-effective approaches.

Most interestingly, the study is valuable in revealing unexpected dimensions of impact. Namely, responses indicate that mothers are the primary caregivers in ~70% of the families, and DMXM's model plays a key role in enabling their continued participation in the workforce. Caregivers report being better able to improve their professional productivity as a result of the support provided through DMXM's therapists and programmes.



Kim Dental

About the company

Mission

To help Vietnamese people better oral healthcare every day with affordability



Founding year
2016



Sector
Healthcare



Geography
Vietnam



Number of employees
280+ dental professionals



Number of patients served
120,000 (2023)



Number of clinics
34

The World Health Organization's (WHO) 2022 Global Oral Health Status Report highlights that oral diseases are the most widespread, yet preventable, non-communicable diseases (NCDs), affecting nearly 3.5 billion people globally. Vietnam is no exception, as shown in Figure 11. This is a concerning trend, as poor oral health is closely linked to other NCDs.¹⁵

FIGURE 11

Incidence of oral disease in Vietnam



90%
of the population
in Vietnam
suffers from
oral disease



85%
of children
in Vietnam
experience
tooth decay

FIGURE 12

Prior experience of patients



29%
of surveyed users with
prior access previously
used unregistered clinics

Supply-wise, the country's dental market is disorganised and fragmented, with a shortage of skilled workforce and functional infrastructure for quality healthcare delivery.

Many patients resort to unregistered clinics (Figure 12) with limited hygiene protocols and underqualified staff. These unmet health needs result in poor outcomes for the population—many face the adverse effects of untreated oral diseases, typically resulting in pain, discomfort, and compromised daily essential functions such as eating, speaking, and self-expression.

KD was founded with the mission of making high-quality oral healthcare accessible to the Vietnamese population—a market where resources for comprehensive dental care are scarce. KD's focus on preventive care and patient education empowers Vietnamese citizens to take charge of their oral health. Additionally, by promoting good oral hygiene habits, KD contributes to reducing the broader burden of NCDs that share common risk factors with oral health issues.

KD offers a focus on customer service, with modern equipment and well-trained dentists aligned to the priorities of a growing middle class. Its expanding network of clinics with high-quality facilities and a skilled workforce offers a reliable alternative for those seeking professional assurance in dental care. By offering a comprehensive suite of services, from routine check-ups to advanced procedures (such as implants, orthodontics, crowns, and veneers), KD caters to the diverse oral healthcare needs of the Vietnamese population.



KD provides treatment using quality dental equipment

15. World Health Organization, [Global oral health status report](#), 2022

FIGURE 13

Users' top priorities when choosing a dental clinic

Benefits that were most commonly ranked among top three priorities
% of respondents, n = 275



84%

Quality of care (e.g.,
equipment, staff,
facilities)



80%

Dental service affordability
(e.g., lower prices, flexible
payment plans)



79%

Dental care accessibility (e.g.,
via geographical proximity,
convenient opening hours)

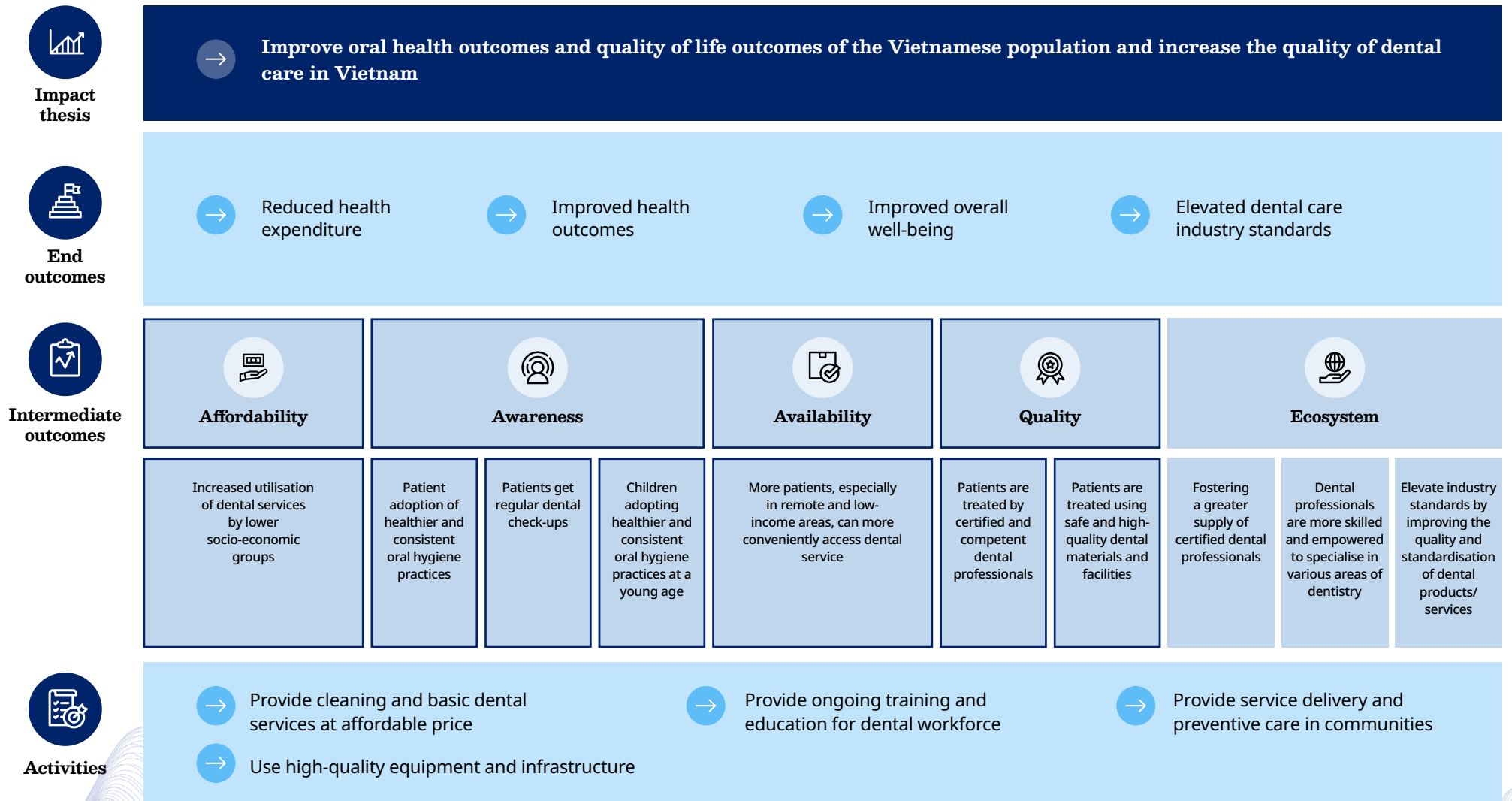
ABC Impact's investment in 2021 was guided by the belief that KD's equipment, well-trained dentists, and robust customer support would address the growing demand for quality dental service and contribute to effective prevention and management of oral diseases, ultimately improving health outcomes and contributing to overall well-being.



KD dentist providing treatment to a child patient

FIGURE 14

Theory of change for KD



Adaptation of KD theory of change applying the AAAQE framework

Legend

Intermediate outcomes prioritised in the study

Improves core oral health and functionality

The majority of KD customers report improvements in various aspects of their oral health (Figure 15), contributing to enhanced overall oral health and functionality. Restorative care made up 65% of KD's dental treatments in 2023, reflecting customer priorities on resolution of key oral health challenges.



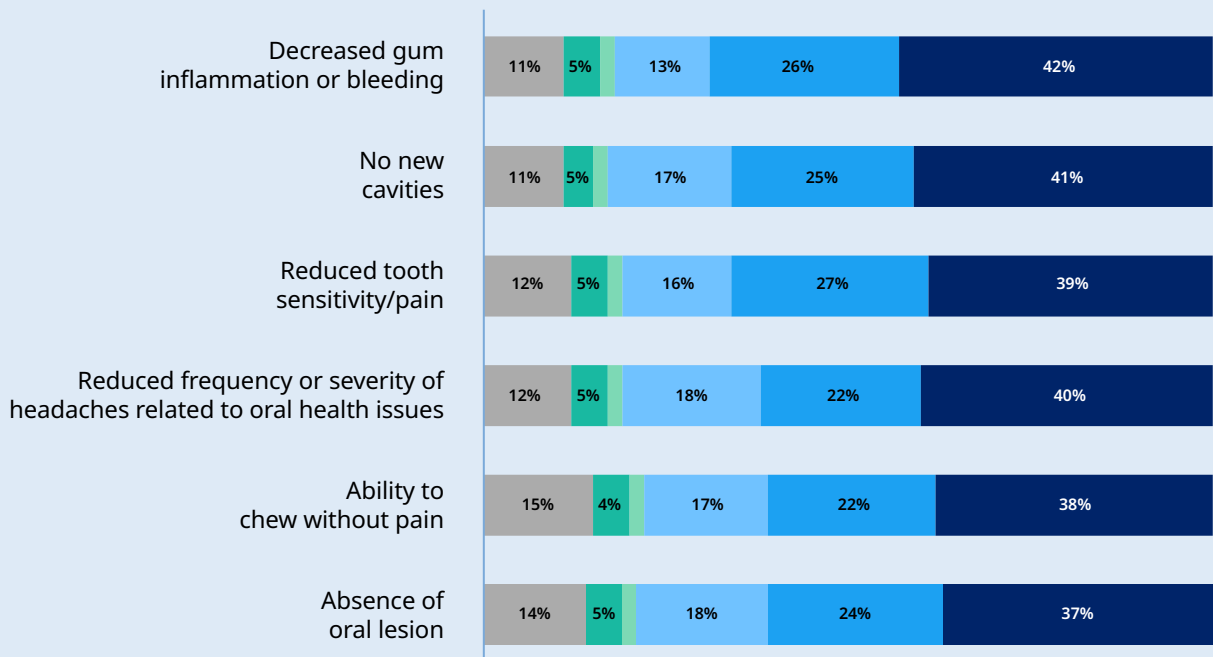
Kim Dental provider consulting with a patient

FIGURE 15

Oral health improvements reported by users

Which aspects of your oral health have changed since receiving treatment at KD?
% of respondents, n = 275

Not applicable
 Got a lot worse
 Got a little worse
 No change
 Improved a little
 Improved a lot



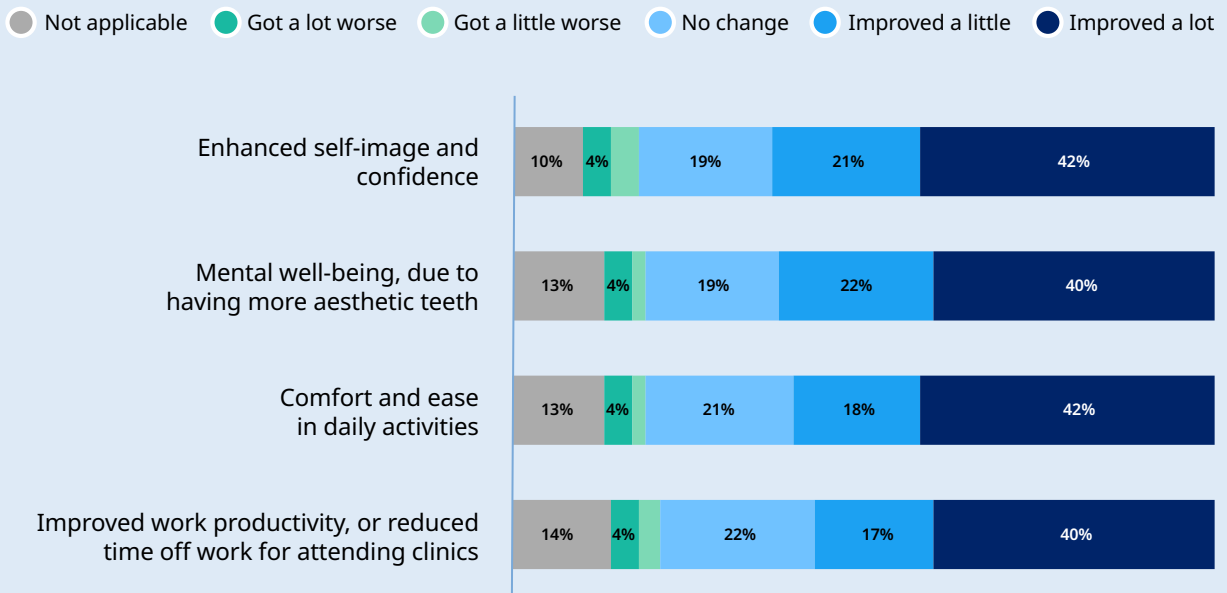
Better overall health and well-being

Dental care extends beyond oral health, positively influencing patients' overall health and well-being. This includes enhanced self-image, improved mental health, and increased work productivity. More than 50% of KD users report these benefits, highlighting additional impacts that were not evident in ABC Impact's initial assessment of KD.

FIGURE 16

Social well-being improvements reported by users

Which aspects of your overall health/social well-being have changed since receiving treatment at KD?
 % of respondents, n = 275



“

Previously, my teeth were crooked and looked very bad, so I only smiled discreetly. Since getting braces, I can smile openly and feel more confident in social interactions.”

Long-time patient, male, Tier 2 city

Availability

Expands dental care access, but has limited reach outside Ho Chi Minh City and surrounding areas

Low-income groups are ~3X as likely as their high-income counterparts to have never visited a dental clinic.

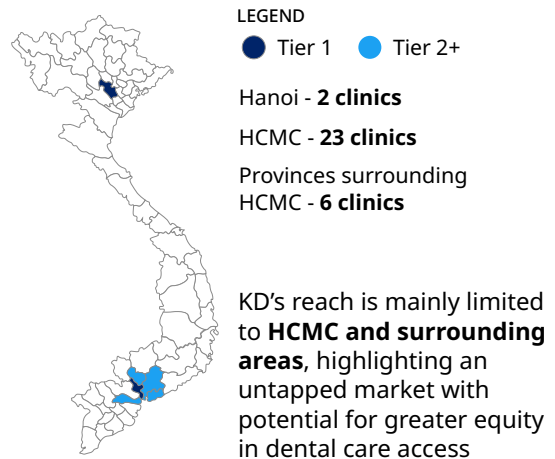


22% of patients had never used dental care services before

12% of patients described their previous clinics as low-quality

Of those with prior clinic experience, 29% used unregistered neighbourhood clinics and 15% used public hospitals

67% of customers living in Tier 1 cities selected **location and accessibility** among their top 3 reasons for choosing KD, relative to 48% of customers in Tier 2+ cities



Affordability

More expensive than alternatives; however, perceived as good value-for-money by more than half of respondents



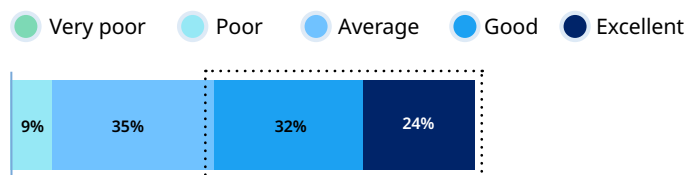
61% of patients find KD **more expensive** compared to alternatives



56% rated KD as Good or Excellent value for money

Only ~7% of KD's patients are among the **bottom 40% of the income distribution** in Vietnam.

How do you rate the value for money of KD's service ?
% of respondents, n = 275



73% of patients who thought KD provided good/excellent value-for-money identify 'quality of facilities and equipment' as one of their top three reasons for selecting KD.

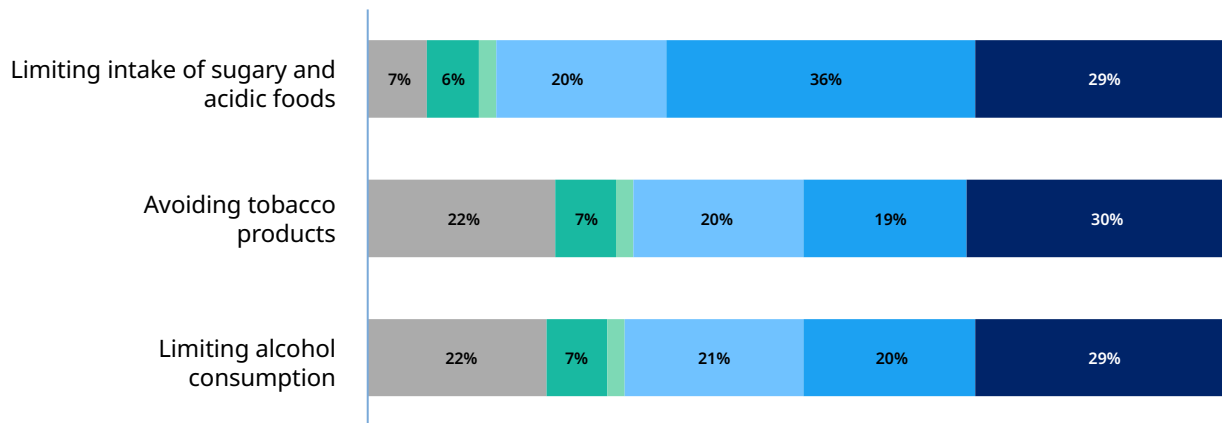
Awareness

Improves knowledge of healthy dental and lifestyle habits

What aspects of healthy lifestyle practices related to oral health have you changed since receiving treatment at KD?³

% of respondents, n = 275

● Not applicable to me ● Got a lot worse ● Got a little worse ● No change ● Improved a little ● Improved a lot



% of respondents who report improvements in the following areas:



73%
Good oral hygiene practices



69%
Regular dental check-ups

Between 2021 and 2023, **preventive treatments have experienced the most significant growth (2.8X)**, surpassing the increases seen in restorative (2.2X) and cosmetic (2.5X) procedures.

“

After each treatment, the dentist explained the issues and proper care, providing detailed instructions to follow at home. My son is now more aware of his dental health, proactively taking care of it. He has adopted positive habits like proper brushing and using mouthwash and has stopped drinking Coca-Cola.”

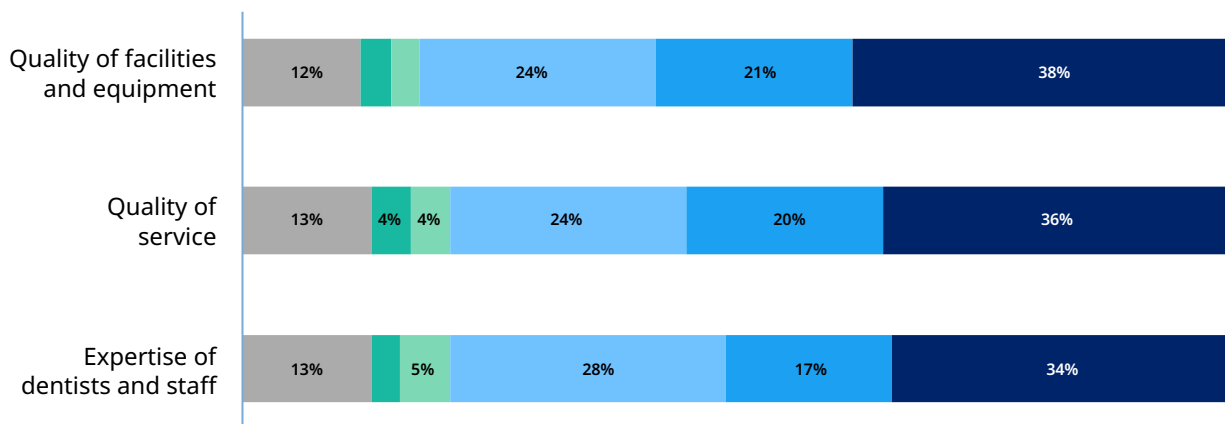
Long-time patient, female, Tier 2 city

Quality

Provides high-quality dental professionals, facilities, and customer service, aligning to customers' top priorities for dental care

How does KD compare to the alternative that you know or have used before?¹
 % of respondents, n = 275

● I don't know
 ● KD is much worse
 ● KD is somewhat worse
 ● KD is the same
 ● KD is somewhat better
 ● KD is much better



Patients who have undergone **both basic and more advanced procedures value the expertise of dentists and staff more** than those who have only undergone basic procedures.

“

“KD offers separate rooms for each customer. This makes my family feel more private, cleaner, and safer than at other clinics.”

First-time patient, male,
Tier 2 city

“

“Their after-service care is also great; they check-in and conduct feedback calls and reminders—something that isn’t offered at the clinics in my hometown.”

Patient, female,
Tier 2 city

Ecosystem

Works to enhance safety, quality standards, and workforce development

KD's efforts to strengthen Vietnam's dental ecosystem include:

- **Providing aftercare services and warranties on prosthetics and porcelain teeth** manufactured in-house, to guard against impurities in low-quality alternatives and raise customer expectations and trust
- **Collaborating with several state governments** on initiatives to improve dental health for local populations
- **Fostering a pipeline of qualified dental professionals** through partnerships with Hong Bang International University, Can Tho University, and major hospitals for practical training, internships, and industry-ready curriculum development



A Kim Dental centre

“

Kim Dental's successful attainment of international certifications and collaborations with foreign entities highlights their proactive approach to global engagement. To further enhance their impact, they could expand domestic partnerships beyond current institutions like HIU and Can Tho to include additional universities and training centres within Vietnam and neighbouring regions.”

Dr Nguyen
Thi Hong,

Head of Department
of Dentistry, Hong
Bang University

Promotes childhood dental care



A KD dental bus campaign

Oral diseases, particularly dental caries, are highly prevalent among children worldwide.

Unaddressed, they can lead to premature tooth loss, impaired chewing abilities, and an overall impact on physiological wellness.¹⁶ Parental knowledge of proper oral care is key in promoting oral health among children. In Vietnam, 89% of children aged 2–5 have dental caries,^{17,18} and far fewer parents have the appropriate knowledge (55%), attitudes (63%), and practices (42%) needed to prevent and address their children’s dental health issues.¹⁹ KD is working towards changing this.

KD has seen significant growth in demand for early childhood dental services, particularly preventive care. Dental scaling for children is one of the fastest-growing services at KD, with a 5.6-fold increase between 2021 and 2023. Additionally, the company is leading a dental bus campaign in collaboration with schools since 2023, reaching students in schools near its clinics.

To date, 70% of KD surveyed patients who are parents have brought their children for dental care at KD. Reaching the remaining 30% presents an opportunity for KD to expand its reach and impact to underserved segments in Vietnam’s dental market.

16. Vu, Dung Anh et al. [Parental knowledge and practice on childhood caries prevention in northern Vietnam](#). *Front Public Health*, 2023

17. Nguyen, Yen Hoang Thi et al. [Early childhood caries and risk factors in Vietnam](#). *J Clin Pediatr Dent*, 2018

18. Hung, Ha Van et al. [Early childhood caries in obese children: the status and associated factors in the suburban areas in Hanoi](#). *Int J Environ Res Public Health*, 2021

19. Linh, Le Thi Thuy et al. [Parental knowledge, attitudes, and practices about caring for primary teeth in Vietnam](#). 2021



KD bus campaign at a secondary school

FIGURE 17
Treatment of adult patients' children

If you have a child, are they also using KD's services?
 % of respondents, n = 184

- No, my children are not receiving any dental treatment
- No, my children are receiving treatment at a different clinic
- Yes, my children also receive treatment at KD

If you have a child, are they also using KD's services?



“

“KD’s orthodontic treatments have improved my son’s confidence and happiness.”

Long-time patient, female, Tier 2 city



HCAH

About the company

Mission

To enable people to live well by delivering the best-in-class health outcomes and quality of life outside of hospitals while building the most affordable and accessible healthcare ecosystem



Founding year
2012



Sector
Healthcare



Geography
India



Number of specialists employed

287

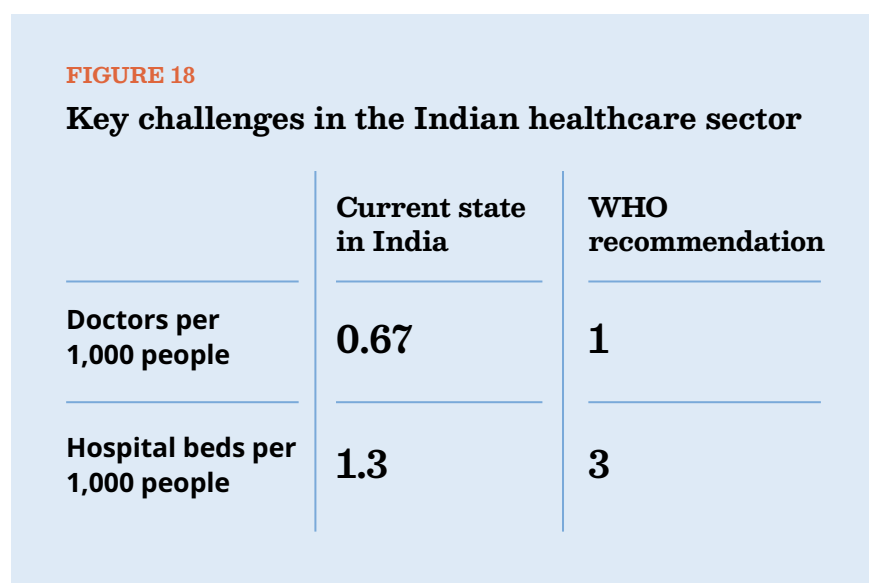


Number of patients served

400,000+ (2023)

India’s healthcare system is overstretched, struggling to provide affordable and accessible quality care.

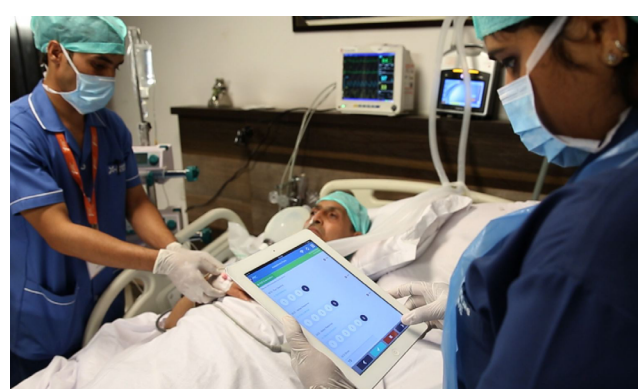
There is a shortage of healthcare workers, infrastructure, and organised healthcare providers across the country. With only 0.67 doctors per 1,000 people (compared to WHO’s recommendation of one doctor per 1,000 people) and a bed-to-population ratio of 1.3/1,000 (compared to WHO’s recommendation of 3/1,000),²⁰ these disparities affect all aspects of care.



This challenges the quality of care throughout the system. Further straining the system are high hospitalisation rates, readmissions, and a concerning rate of hospital-acquired infections (HAIs), with one in four patients at risk due to overcrowded facilities and limited care quality.²¹

In addition, with a growing middle class and rising incidence of NCDs, the focus of the healthcare system is shifting towards preventive care and managing chronic conditions throughout a patient’s life cycle. The Indian middle class is currently the fastest-growing segment of the population and is projected to grow to 63% by 2047.²² However, as shown in other emerging economies, middle class expansion is often accompanied by a rising risk of NCDs. Thus far, this trend has been borne out by reality—the proportion of deaths in India due to NCDs increased from 37.9% in 1990 to 66% in 2023.²³ This, coupled with an ageing population, exacerbates the limitations of the current system—strained resources, limited facilities, and inadequate chronic care providers.

Founded in 2012, HCAH aims to address these critical gaps. Recognising the need to improve access to quality care without putting further strain on current systems, HCAH offers a diverse range of specialised out-of-hospital treatments, including stroke recovery, spine care, post-operative care, and trauma care.



HCAH ICU-at-home patient

20. The Economic Times, [Demand for Indian healthcare pros to double nationally, globally by 2030](#), 2024
 The Economic Times, [India needs additional 2.4 million hospital beds to reach recommended ratio: Report](#), 2023
 21. Rosenthal, Victor Daniel et al. Clinical impact and cost-effectiveness of split-septum and single-use prefilled flushing device vs 3-way stopcock on central line-associated bloodstream infection rates in India: a randomised clinical trial conducted by the International Nosocomial Infection Control Consortium (INICC), *Am J Infect Control*, 2015
 22. PRICE, [ICE360 Survey](#), 2022
 23. Kulothungan, V., Ramamoorthy, T., Mohan, R., & Mathur, P., [Assessing progress of India in reduction of premature mortality due to four noncommunicable diseases towards achieving the WHO 25x25 goal and the sustainable development goals](#), 2024



FIGURE 20

Users' top priorities when choosing out-of-hospital care

Benefits that were most commonly ranked among top three priorities
% of respondents, n = 248



84%

Constant availability of care for patients (24/7)



73%

Greater comfort and convenience for patients



55%

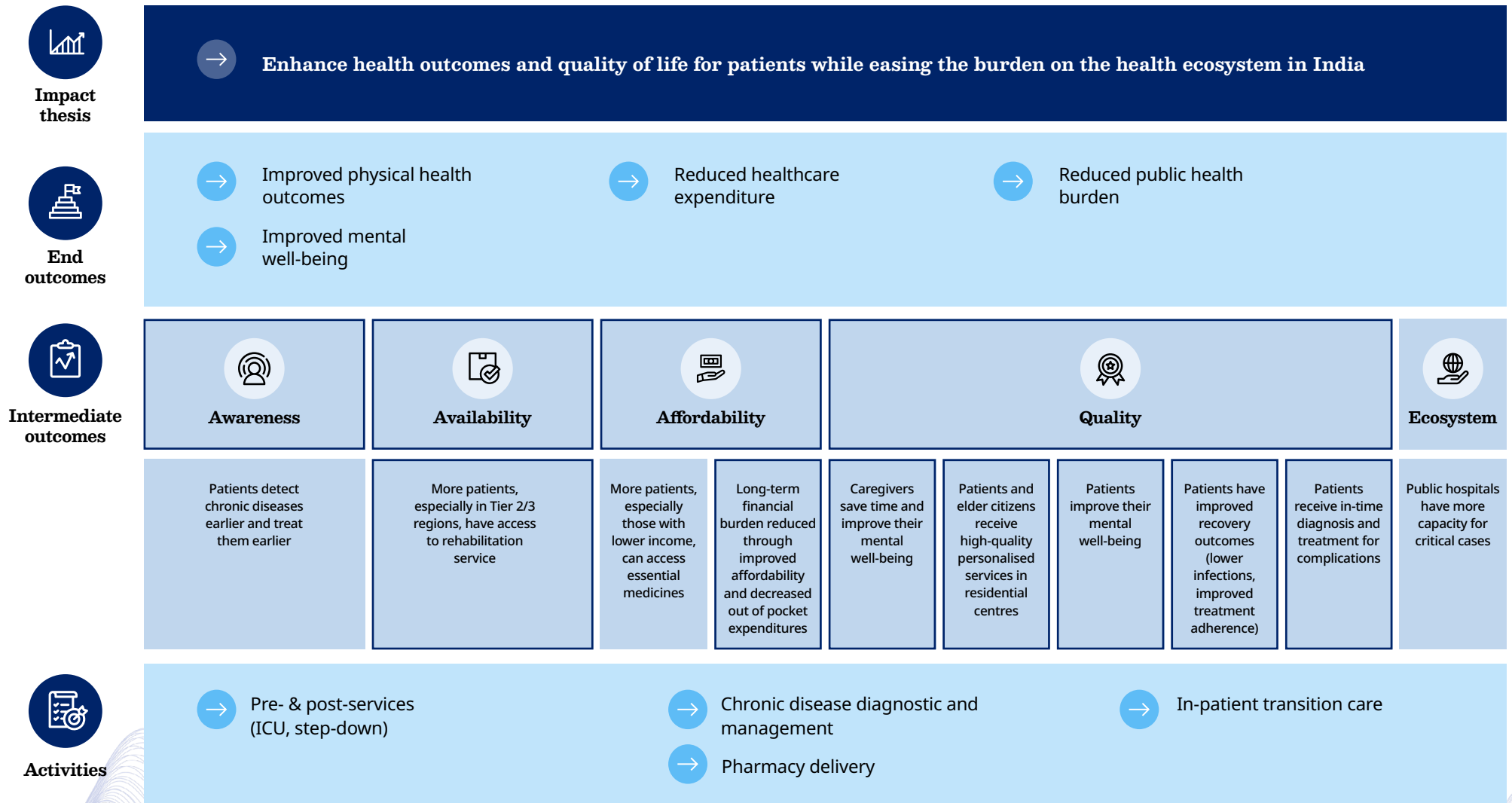
Availability of additional support during patient recovery (continuity of care)

By bridging the gap between hospitals and homes, HCAH offers cost-effective clinical treatment focused on improving patient outcomes, quality of life, and overall well-being. HCAH's model enables continuous patient care throughout recovery, including after their discharge from hospital care, significantly reducing the likelihood of hospital readmissions. Their at-home model and rehab and recovery centres also help alleviate the risk of HAIs. Together, these effects help reduce hospital costs and the caregiving burden on family members.

ABC Impact's investment in HCAH aimed to help the company expand its integrated network of out-of-hospital services ranging from in-patient facilities, specialised home care setups, and chronic disease management services. ABC Impact anticipated that this would significantly diversify and transform healthcare delivery in India by enhancing both the accessibility and affordability of out-of-hospital healthcare services for patients.

FIGURE 21

Theory of change for HCAH



Adaptation of HCAH theory of change applying the AAAQE framework

Legend

Intermediate outcomes prioritised in the study

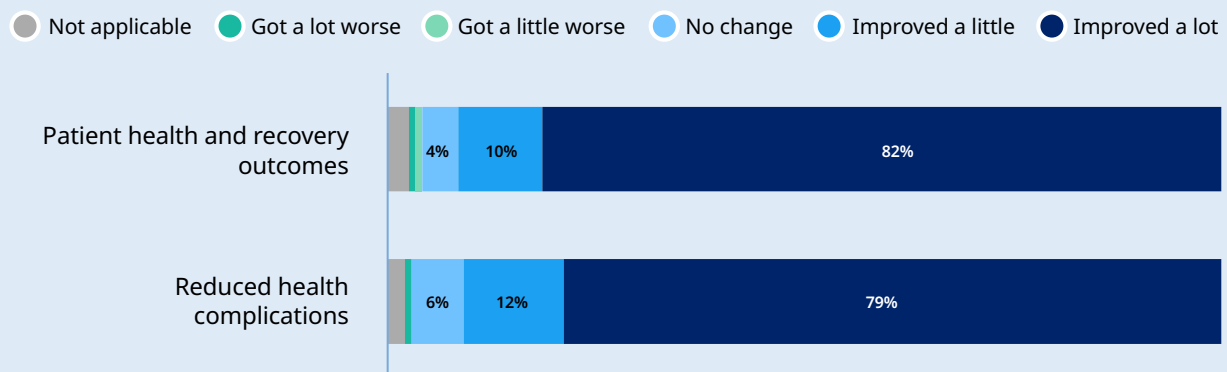
Enhances recovery, reduces complications, and improves overall patient well-being

Nine out of ten HCAH users report improved health and recovery, along with reductions in health complications. Notably, HCAH's hospital re-admission rate is only 1.29%,²⁴ compared to 5.18% reported in other studies.²⁵

FIGURE 22

Reported improvements in patient health

How have these aspects for the patient changed since receiving treatment from HCAH?
% of respondents, n = 248



The impact extends beyond physical health, with over 90% of users indicating improved emotional and mental well-being, reduced stress, and increased productivity. The benefits are particularly pronounced for HCAH's assisted living services,²⁶ where 100% users self-reported noticeable improvements in overall well-being, citing the benefits of community support in qualitative responses. This is crucial for older adults, who face a higher risk of loneliness and social isolation. Social isolation is not only detrimental to quality of life but also has economic implications.²⁷ HCAH's assisted living service fosters a supportive community environment, enhancing patient well-being and reducing isolation.

“

Earlier he could not remember anything that has happened. Whereas now he is able to articulate and communicate about his health and the surgery.”

Family member,
transition care
centre patient

24. HCAH's internal data

25. Department of Geriatrics and Biostatistics, Christian Medical College in Tamil Nadu, India, [Readmission rates and predictors of avoidable readmissions in older adults in a tertiary care centre](#), 2022

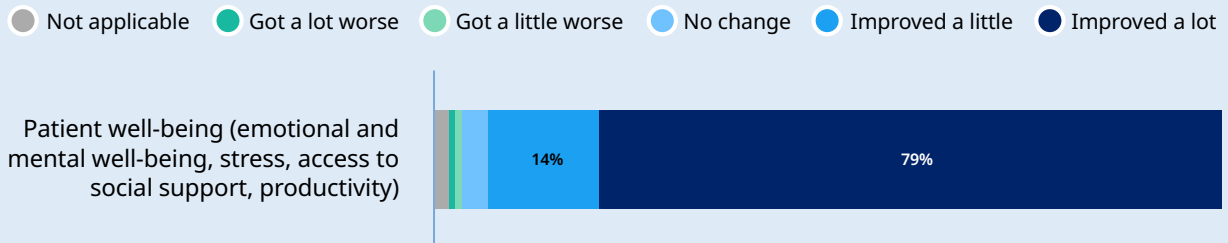
26. Assisted living centres are residential care centres established to provide daily care to senior citizens.

27. Research indicates nearly one-fourth of adults above the age of 65 experience social isolation; social isolation is linked with an increased risk of dementia, heart disease, and stroke. Isolation also has economic implications; it is estimated that the excess cost of health and long-term care due to loneliness is £11,725 per person over 15 years.

FIGURE 23

Reported improvements in well-being

How have the following aspects changed for you since using HCAH?
 % of respondents, n = 248



“

“In dementia, the patient either remains stable or declines. I feel he (my father) is improving since joining HCAH – he is making connections and remembering names.”

Family member, assisted living patient

Improves well-being for caregivers, who are often women, by reducing their care burden, and providing support to patients’ families

HCAH appears to have a positive influence on caregiver well-being. In India, women are more likely to bear the bulk of unpaid care work.²⁸ User interviews and survey data suggest HCAH’s structured care services alleviate some of this burden for families by providing patients rehabilitation and recovery to good health and by reducing the care responsibilities and emotional stress for caregiver. This allows caregivers to reclaim time and energy and resume their regular lifestyles, contributing to their overall well-being (Figure 24).



HCAH rehabilitation facilities in a transition care centre

28. NSS, [Time use survey](#), 2019

FIGURE 24

Self-reported impact on caregivers

How have these aspects for your family changed since receiving treatment from HCAH?
 % of respondents, n = 248



95%

of caregivers report improvements in their **ability to return to a normal lifestyle**



95%

of caregivers report decreases in **fatigue due to reduced care work**



95%

of caregivers report improvements in their **ability to take time for themselves**



93%

of caregivers report improvements in access to **additional technical and emotional support**

“

“My mother was not able to leave her room. If she left the room, my father would shout looking for her. I wanted to reduce her hardships as well.”

Family member,
 assisted living patient



Patient availing rehabilitative services at an HCAH transition care centre

Availability

HCAH’s unique model brings care into patients’ homes, but there is room to expand beyond its largely Tier 1 footprint to those who need it most²⁹

Transition Care and Assisted Living services are predominantly offered in Metro and Tier 1 cities



Only **10%** of ICU users are from Tier 2 and 3 cities

Estimates indicate a high disparity in patient bed availability in Tier 2 and 3 cities. HCAH has an opportunity to expand in these regions and further enhance its impact.

Users have limited knowledge of at-home care options



43% of HCAH's users are not aware of any other similar services

18% of HCAH's users are only aware of similar services offered through hospitals

Market awareness of alternatives to hospital care remains underdeveloped. Qualitative interviews indicate most customers were unaware of HCAH's services until receiving a referral by friends or a medical professional.



HCAH staff with patient

“

“HCAH should advertise its services more; even people in [nearby areas are not aware of the transition care centres].”

Family member, transition care patient

“

“I came to know about HCAH when the Head Nurse in the primary hospital recommended it.”

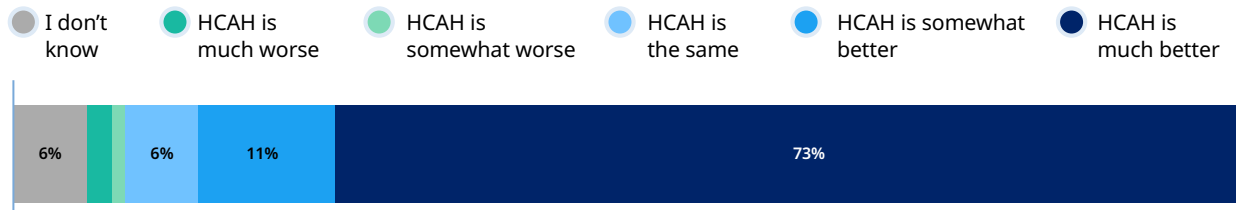
Family member, home care patient

29. Note: HCAH's Chronic Disease Management (CDM) programme already extends vital services such as diagnostics and subsidised medicines to underserved regions beyond Tier 1 cities. However, the CDM programme was beyond the scope of this study.

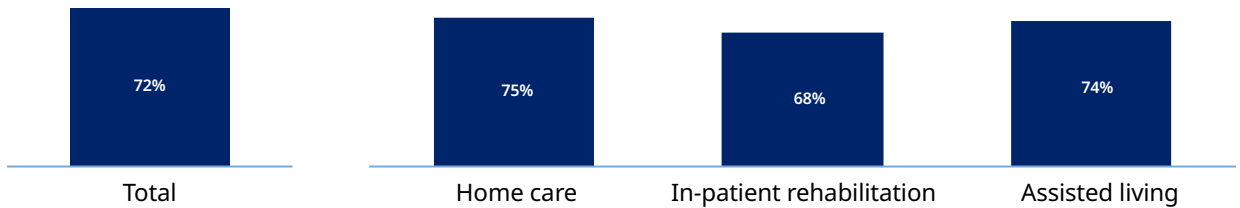
Affordability

Users perceive HCAH’s services to be more affordable than alternatives, a finding triangulated by external studies on home-based care more broadly³⁰

How does HCAH compare to the alternative that you know or have used before in terms of lowering cost of treatment?
 % of respondents, n = 248

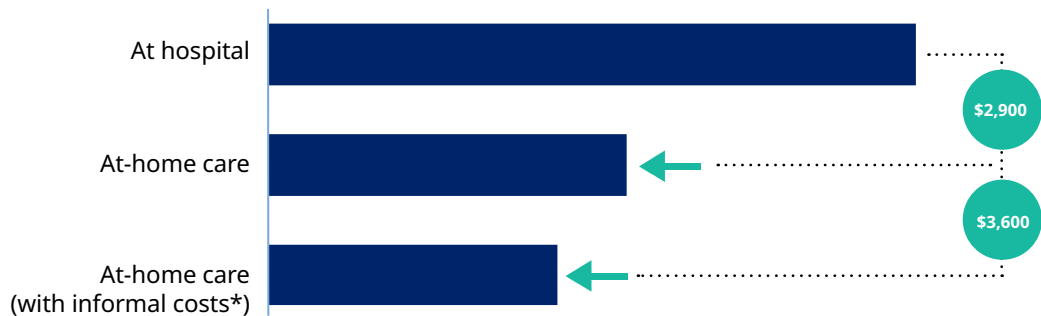


Would you agree that HCAH lowers overall treatment costs and reduces long-term financial burden for patients and their families?
 % of respondents who strongly agree, n = 248



Additionally, **76% and 70% of users** strongly agree that HCAH also reduces long-term financial burden through **more timely detection of diseases and subsidisation of medicines, respectively.**

External evidence supports these findings; a systematic analysis of 14 studies found that home-based healthcare for seniors can significantly reduce costs compared to hospital care^{31, 32}



*taking into account productivity loss for informal carers

30. A full longitudinal cost-saving analysis is beyond the scope of this study.
 31. Singh, Surya et al. [Is comprehensive geriatric assessment hospital at home a cost-effective alternative to hospital admission for older people? Age Ageing](#), 2022
 32. Curioni, Cintia et al. [The cost-effectiveness of homecare services for adults and older adults: A systematic review](#), Int J Environ Res Public Health, 2023

Quality

Strong service delivery through high quality staff and facilities

Users highlight the high quality of care and treatment provided by HCAH

How have these aspects for the patient changed since receiving treatment from HCAH?

% of respondents, n = 248

● Not applicable ● Got a lot worse ● Got a little worse ● No change ● Improved a little ● Improved a lot



In general, how satisfied are you with HCAH's services?

% of respondents, n = 248

● Very dissatisfied ● Somewhat dissatisfied ● Neutral ● Somewhat satisfied ● Very satisfied



HCAH's brand positioning hinges on quality of care and its users are highly sensitive to inconsistencies. Qualitative findings from user interviews suggest that variations in quality are limited, but when they do arise, they are most evident in highly complex services such as ICU at home, where staff quality, high attrition rates, and limited knowledge transfer can disrupt patient care.

“

“I would highly recommend HCAH to others. In my opinion, even a week of sessions can lead to significant improvement for the patient.”

Family member,
transition care
patient

Ecosystem: Alleviates pressure on India's healthcare system



HCAH patient and their family

HCAH's alternative care model contributes to reducing the strain on India's healthcare system. The company's out-of-hospital delivery model provides alternative structures for patients to access quality care, without stretching current hospital resources and infrastructure further. Additionally, with improved availability of care, patients are better able to manage both chronic and acute conditions and recover under physician/professional supervision, as compared to informal setups, ultimately leading to overall improved health status for the population.

A pioneer of the out-of-hospital care market, HCAH has driven significant evolution and growth in this sector. While specific data are not available, its impact is evident in the increasing number of companies entering this market. This growing interest and participation highlight the

“

“HCAH is a key player in the out-of-hospital healthcare market. They have played a key role in reaching out to patients who would otherwise only know about the institutional options (such as hospitals).”



**Dr. Bhupendra
Kumar Rana**

Founder and CEO
Quality & Accreditation
Institute

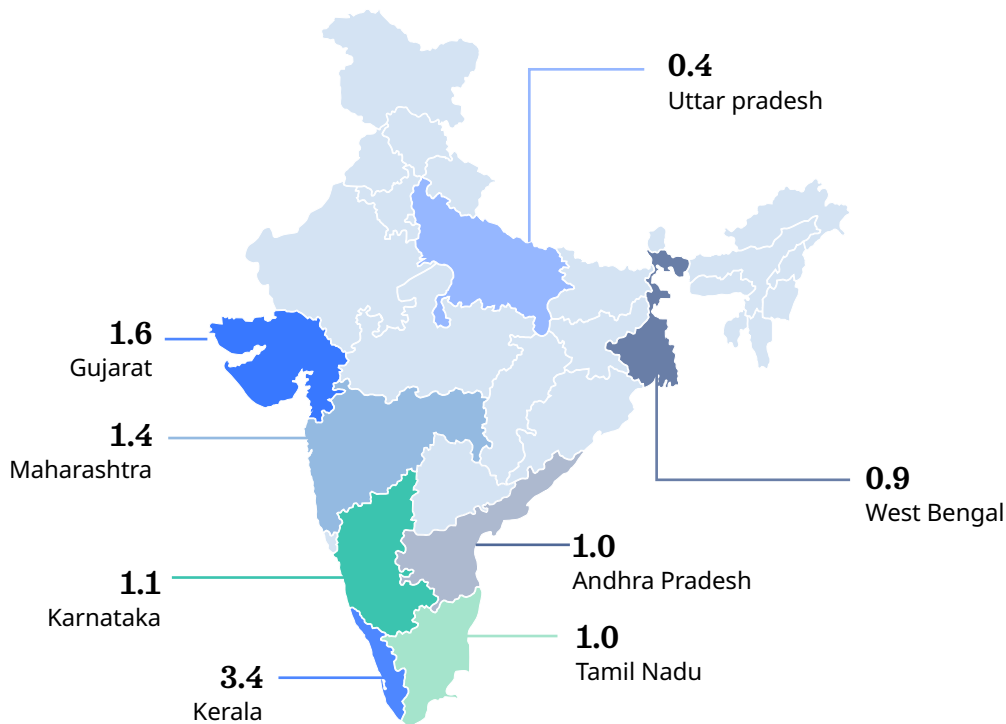
crucial role out-of-hospital care plays in providing continuous care throughout a patient’s journey. By bridging the continuum from tertiary to preventive care, patients also experience reduced risk of hospital admissions and re-admissions, decreased incidence of HAIs, and lower expenses for the individual and the system.

HCAH holds the potential to extend its impact further into Tier 2 and 3 regions of India. The country faces a considerable dearth of hospital beds compared to the world average. Estimates indicate further disparity in rural and poorer regions of the country.³³ Most of the beds in India are concentrated in eight states, and bed density is lower outside of Tier 1 cities (Figure 25).³⁴ HCAH’s alternative care models such as rehab and recovery centres and intensive care units at home free up hospital resources for more effective allocation.

FIGURE 25

Number of hospital beds per 1,000 people, compared with WHO recommendation of 3 beds per 1,000

Eight states in India with highest number of hospital beds



“

“Both public and private health systems are limited. Many patients need beds, but beds are not available. A lot of hospitalised patients can be treated at home or in transition care centres, freeing up beds for those who need them.”

Dr. Bhupendra Kumar Rana

Founder and CEO
Quality & Accreditation
Institute

33. Centre for Disease Dynamics, Economics & Policy, Princeton University, [COVID-19 in India: State-wise estimates of current hospital beds, intensive care unit \(ICU\) beds and ventilators](#), 2020

34. Gopal, K Madan. [Increasing accessibility of hospitals in tier 2 and 3 cities through private participation](#), 2021



Chongho Bridge

About the company

Mission

To serve the last "hundred meters" of rural China



Founding year
2008



Sector
Financial Inclusion



Geography
China



Number of provinces covered
21



Number of branches
511



Number of employees
7,773



Number of individual borrowers
664,000
(2023)



Number of customers that purchased insurance
753,900
(2023)

Despite tremendous progress, achieving financial inclusion remains a challenge for China, particularly for rural communities and farmers.

Although China's economic transformation has lifted millions out of poverty, urban-rural disparities persist, resulting in slower development in these economies. In particular, unequal credit availability and limited access to inclusive financial services have disproportionately hindered the socio-economic progress of rural populations. Although rural populations comprise over 40% of China's total population, rural lending represents only 12% of the banking system's total assets, with most rural banks being small county-level entities.³⁵

FIGURE 26

Limited financial inclusion for small-holder farmers



40%

of China's workforce is employed in the agricultural sector, predominantly small-holder farmers

The unique composition of China's rural economy in part accounts for the slower development of its financial systems. Predominantly composed of small-scale agricultural production households and micro-enterprises, their financing requirements of high-frequency, small amount loans are often commercially unappealing for larger banks and financial institutions. At the same time, high collateral requirements, transaction costs, and guarantee requirements pose further barriers to credit access. Limited or unequitable access to financial services can hamper households' and businesses' abilities to overcome cashflow constraints, invest in their livelihoods, and ultimately improve their living standards. Socio-economic advancement of China's rural market is crucial to the wider success of the national economy.



CHB relationship manager and customer

35. South China Morning Post, [China economy: why are small rural banks important, and what problems do they face?](#), 2021



A CHB customer's workshop

CHB, a microfinance company operating in rural China, addresses this gap by providing safe and affordable financial inclusion solutions through a high-touch service model. Their extensive branch network and dedicated relationship managers offer quality lending and insurance services to populations who were previously unattended to by other financial service providers. The firm's uncollateralised loans empower rural entrepreneurs and farmers to overcome credit constraints. By focusing on marginalised segments, CHB strives for a more inclusive financial system, contributing to the prosperity and stability of rural China.

Recognising CHB's commitment to bridging these gaps, ABC Impact invested in CHB in 2019. Since investment, CHB has expanded and diversified its product offerings to provide a comprehensive suite of services that complement its range of credit products, such as micro-insurance. ABC Impact postulates that these additions will enable clients to become more equitably equipped to sustain their families, their businesses, and to increase their resilience to endure crises.

FIGURE 27

Users' top priorities when choosing a financial provider

Benefits that were most commonly ranked among top three priorities
 % of respondents who ranked the benefit in the top 3, n = 362



87%

Improve availability of financial services that I could not access before



81%

Support cashflow constraints and cover expenses



78%

Reduce the cost of loans

FIGURE 28

Theory of change for CHB



Adaptation of CHB theory of change applying the AAAQE framework

Legend

Intermediate outcomes prioritised in the study

Enhances income and financial resilience through inclusive finance

CHB's model increases access to financial services for previously underserved populations. The increased access translates into an increase in income and financial resilience for individuals and enables expansion of borrowers' business activities.

By making financial services more accessible (see intermediate outcomes below), CHB has supported users to improve their income. A total of 85% of users report that financial solutions from CHB have helped increase their incomes, as compared to an average of 32% across microfinance institutions (MFIs) globally.³⁶

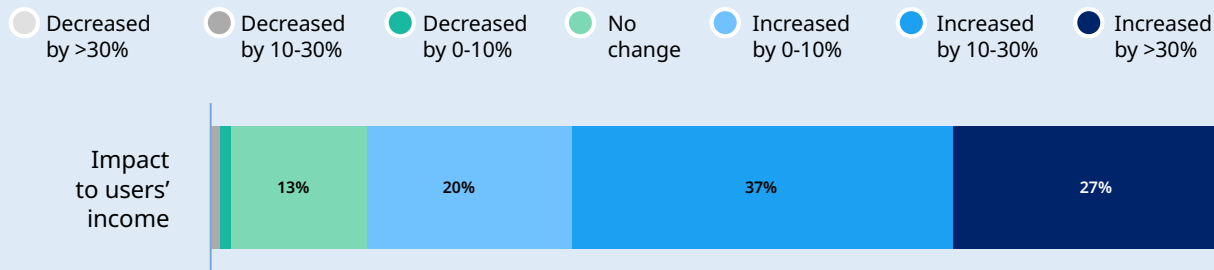
CHB customers also feel their financial resilience has improved, with users reporting increased financial security and risk protection compared to the past (95%) and an increased ability to withstand financial shocks, including crop failures, accidents, and illnesses (91%). User interviews reveal that CHB loans have helped borrowers keep businesses afloat during difficult market conditions, and the company's insurance has offered tangible support in case of accidents.

FIGURE 29

Reported impact on user income

85% of CHB users report increased income after using CHB services

How have CHB's services affected your income, if at all?
% of respondents, n = 362



32% of global MFI users report an increase in income, while 18% of MFI users in Asia report a significant increase in income.⁴

“

“It’s helpful to have CHB loans. For example, the cattle prices this year are not that good, but the loans help our business and family to be less affected.”

Credit user, female, Hui ethnicity, farmer and cow herder

36. 60 Decibels, [MFI index](#), 2023

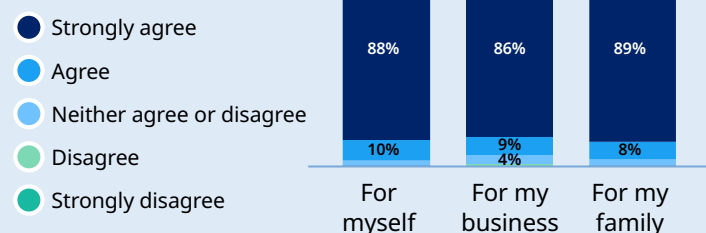
FIGURE 30

Reported impact on financial resilience

Users find CHB insurance effective in improving financial security and risk protection for themselves, their businesses, and their families

Would you agree or disagree that CHB's insurance service increased financial security and risk protection compared to before?

% of respondents, n = 362

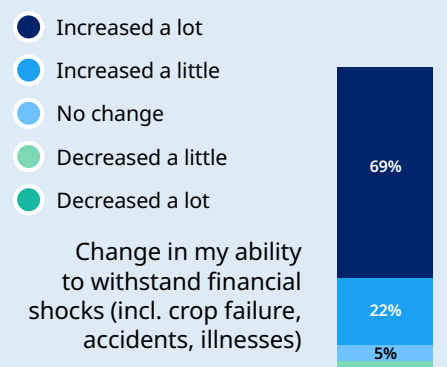


On average, 75% of global MFI users report improvement in financial security and risk protection for themselves after using MFI services

Users also find CHB products effective in improving their ability to deal with financial shocks

In what ways, if any, has CHB's service affected your economic activities?

% of respondents, n = 362



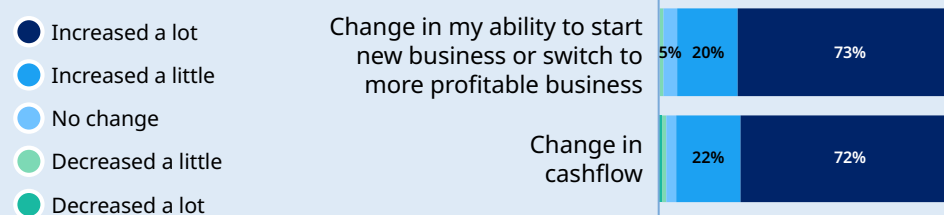
CHB's impact extends beyond its users as individuals and positively influences their economic activities and contribution to rural development. This assessment shows clear evidence of borrowers using their loans not just for individual consumption smoothing—a common criticism of microfinance models—but also for building businesses. A total of 92% of users report using CHB loans for purchasing business assets and fulfilling working capital needs. As a result of the loans, 94% report improved cashflow, and 94% report an enhanced ability to start new businesses or transition to more profitable ventures. The impact of CHB loans extends to borrowers' communities as well—48% of users have hired more employees after utilising CHB financing—double the rate for MFI users across Asia.

FIGURE 31

Reported impact on economic activities

In what ways, if any, has CHB's service affected your economic activities?

% of respondents, n = 362



48% of users report hiring more employees after receiving CHB's financing

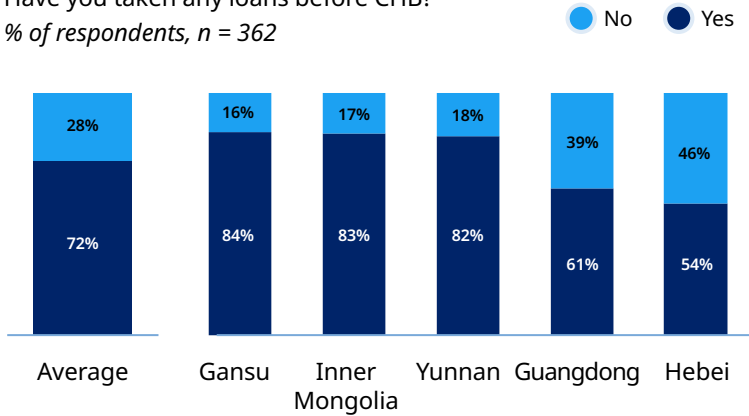
Availability

Improves access to financial services in rural China

A quarter of users are first-time borrowers, with limited prior access.

Among users with past lending experience, 63% had experience with a credit union

Have you taken any loans before CHB?
% of respondents, n = 362



CHB has a deeper presence in Hebei than in other provinces, with **21% of total CHB branches** and **26% of lending customers**

Many current users reside in remote locations with limited access



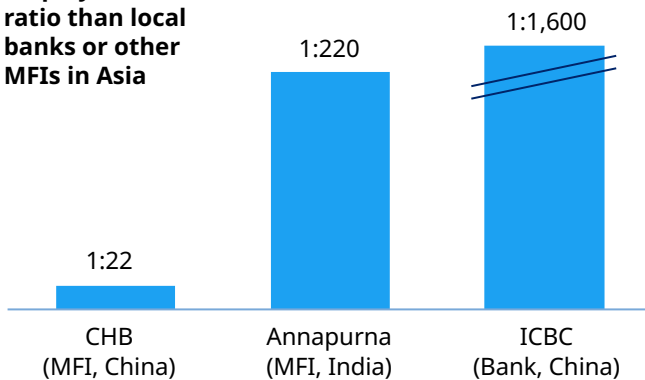
90%

of users are small-holder farmers often residing in remote locations

CHB has invested in a large team of relationship managers who work closely with users on the ground and support their lending applications.

Employee-to-user ratio vis-à-vis illustrative MFIs and banks in China

CHB has a better employee-to-user ratio than local banks or other MFIs in Asia



...along with an online mobile application to further drive availability

The mobile application allows CHB to reach more customers in remote areas compared to competitors, promoting financial inclusion.



Awareness

High-touch model enables users to improve their financial knowledge

Would you agree or disagree that CHB has improved your knowledge of financial products and financial management?

% of respondents, n = 362

● Strongly disagree
 ● Disagree
 ● Neither agree or disagree
 ● Agree
 ● Strongly agree



CHB has launched a 'Ten Thousand Finance Lectures' programme to improve rural borrowers' knowledge of credit information, insurance, law, finance and agricultural technology.

Although the majority of CHB customers report increased knowledge about financial products, they rank the need for financial knowledge lowest among their priorities when seeking lending services.

This underscores the necessity of educating consumers further about safe and affordable financial services and personal financial management.

The mobile app, along with driving availability, provides access to educational content

The app provides convenient access to essential financial information, such as an interest rate calculator that shows the ultimate financial cost of a loan under various repayment options, enabling users to make informed financial decisions.



CHB customer



Affordability

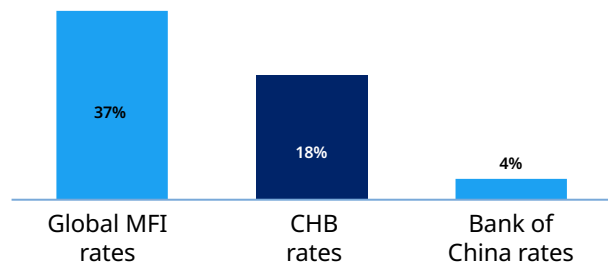
Promotes sustainable borrowing through good lending practices

CHB’s interest rates sit lower than the global MFI average but higher than rates from local banks

Interest rates of CHB, global MFI average, and Bank of China
Average interest rate, %

MFI’s in China have interest rates in the range of 3–18%.

CHB is exploring differential interest rate options, offering lower interest rates (e.g. 10%) to customers with good credit records.

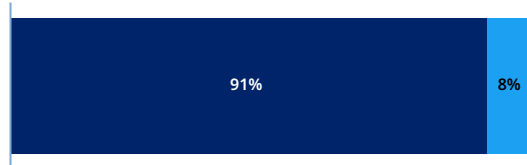


However, the vast majority of users report they have never missed a payment deadline

In the past year, how many times have you missed the repayment deadline since using CHB’s loan?

% of respondents, n = 362

- Never
- Rarely
- Often



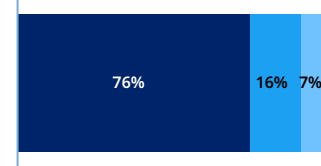
CHB’s PAR 30 was 1.36%,³⁷ while global MFI’s median was 4.9% in 2021

Users also report financial stress at comparable rates to customers of global MFI’s

% of respondents, n = 362

- No stress and burden
- Some stress and burden
- Significant stress and burden

Perception of financial stress and burden from repayment to CHB



On average, 73% of global users of MFI’s report repayments as ‘not a problem’ and 5% report it as a ‘heavy burden’



“I pay 5% of my total loan per month, so about 1,500 RMB. I think this is fine, and I’m able to make my payments the day before the deadline.”

Credit user, male, Han ethnicity, truck driver

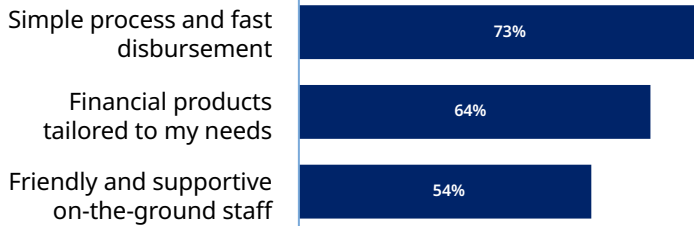
37. Portfolio at Risk 30 is a measure of the outstanding principal of all loans for which one or more payments is over 30 days past due.

Quality

Offers streamlined and efficient financial services

The top three reasons for choosing CHB relate to their quality of service

Why did you choose CHB?
% of respondents, n = 362



Users also appreciate CHB’s flexibility, such as allowing disbursements on Sundays and facilitating easy repayments, even for short durations. Moreover, CHB distinguishes itself by implementing anti-bribery policies during loan processing, enhancing its reputation for integrity and transparency.

CHB’s standard of service rates higher than alternatives

How does CHB compare to alternative(s) in terms of friendly and supportive on-the-ground staff?
% of respondents, n = 330

- CHB is much better
- CHB is somewhat better
- CHB is the same
- CHB is somewhat worse
- CHB is much worse



Users report satisfaction with CHB’s quality of service

In general, how satisfied are you with CHB’s services?
% of respondents, n = 362



99%
of users are satisfied with CHB services



CHB customer

“

“It usually takes three-seven days from application to disbursement for CHB; when I was using the loan from credit union, it took between a week and a month to get the money.”

Credit user, male, Hui ethnicity, meat shop owner and lamb herder

Stories from the ground: CHB's role in driving economic empowerment, enhancing personal quality of life, and empowering rural economies



CHB relationship manager

CHB's model increases access to financial services for underserved populations across rural China. The improved availability, affordability, and tailoring of financial products ([see Intermediate outcomes](#)) has enhanced access across small-holder farmers, less-educated populations, women, and ethnic minorities. This attention to inclusive product-market fit has enabled customers in these remote and underserved communities to increase their turnover, start or grow their businesses, and hire more people ([see End outcomes](#)). One such example is outlined below.

FIGURE 32

CHB user demographics

% of customers, 2023

Small-holder farmers



90%

Nearly quadruple the ratio of agricultural workers in China's population (24%)

Less-educated



70%

Similar to national average (66%)

Women



69%

In line with global MFI average (66%)

Ethnic minorities



20%

Double their representation in China's population (9%)

Fostering Growth: Mr Hua’s business transformation journey



A portion of Mr. Hua’s growing sheep herd

“I used to have only a hundred sheep; now I have over 200 sheep after using CHB’s service.”

Ma Hua, a 58-year-old ethnic Hui Chinese man, has seen his life and business transform since taking a loan from CHB in 2017. Living in a small village, Ma Hua initially kept a modest herd of around 20 sheep and operated a small butcher shop that doubled as a restaurant. With CHB’s support, **his credit line has tripled over the years.** This financial backing has been crucial in helping him **meet the increasing demands of his growing business.**

His sheep herd has expanded from 20 sheep seven years ago to over 100 last year. Today, he has a herd of over 200 sheep.



Mr. Hua and Dalberg consultant in a qualitative interview

Credit has also enabled Ma Hua to diversify his business offerings. With the help of the CHB loan, he began engaging in sheep trading, boosting his income. A few years ago, he also took another major step by setting up a small shop in the urban district, further expanding his business reach.



Vedantu

About the company

Mission

To reimagine and evolve the way teaching and learning have been happening for decades



Founding year
2014



Sector
Education



Geography
India



Number of teachers employed
400+ (2020)



Number of free monthly active students
2,700,000 (2023)

While India's education system, with over 1.5 million schools and 260 million students, has made strides in universal primary education, the education system faces a critical challenge—**inadequate foundational learning**. Reports from both global³⁸ and India-based education assessments³⁹ indicate that student learning falls short of benchmarks. This stems from factors such as heterogeneous classrooms lacking remedial support, limited academic support at home, a shortage of trained teachers, high pupil-teacher ratios, and overreliance on rote learning methods.

To bridge the learning gap, many parents seek **supplementary education for their children** (Figure 34).⁴⁰ After-school tutoring, found to improve grades⁴¹ and learning experiences, has emerged as a vital service in India. Edtech solutions offer a pathway to democratise quality education, address systemic access issues, and offer cost-effective solutions. This can address instructional time issues and varying teacher quality, in addition to catering to individual learning paces. Yet, access to quality and affordable options remains limited, especially outside Tier 1 cities.

FIGURE 34

Parents utilising supplementary education



40%
of parents seek supplementary education for their children

FIGURE 33

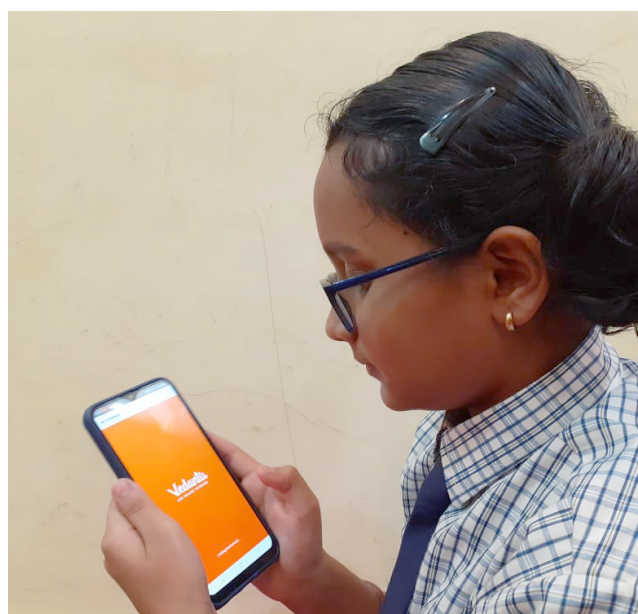
Challenges with foundational learning among Indian youth (age 14-18)



25%
cannot read Grade II text fluently in their regional language



57%
struggle with 3-digit division



Student using the Vedantu learning app

Vedantu was founded with the vision to provide quality education to every child in India. Offering both online and offline tutoring, Vedantu personalises and utilises interactive technology to supplement traditional classroom learning. Vedantu utilises technology to offer various learning options: live interactive classes, hybrid classes, pre-recorded lessons for K-12 students, and test preparation for competitive exams. Virtually connecting students with qualified educators aims to address teacher shortage and a personalised learning model focuses on improved learning outcomes.

38. OECD, PISA 2022 Results (Volume I): The State of Learning and Equity in Education, 2023

39. [The Annual Status of Education Report \(ASER\) 2023](#)

40. [The Annual Status of Education Report \(ASER\) 2021](#)

41. J-PAL, The transformative potential of tutoring for pre-12 learning outcomes: lessons from randomised evaluations, 2020



Students in Vedantu's Muzaffarpur Learning Centre

ABC Impact invested in Vedantu in 2021, recognising the firm's potential to tackle the limited resources and unequal access to quality education in India, particularly for students in Tier 2 and Tier 3 regions. The investment noted the firm's potential to connect students across income groups with high-quality teachers and personalised education, thereby improving learning outcomes.

FIGURE 35

Users' top priorities while choosing an education provider

Benefits that were most commonly ranked among top three priorities
 % of respondents who ranked the benefit in the top 3, n = 614



62%

Access to high-quality teachers



56%

Access to quality education (e.g., through online classes and greater proximity to hybrid centres)

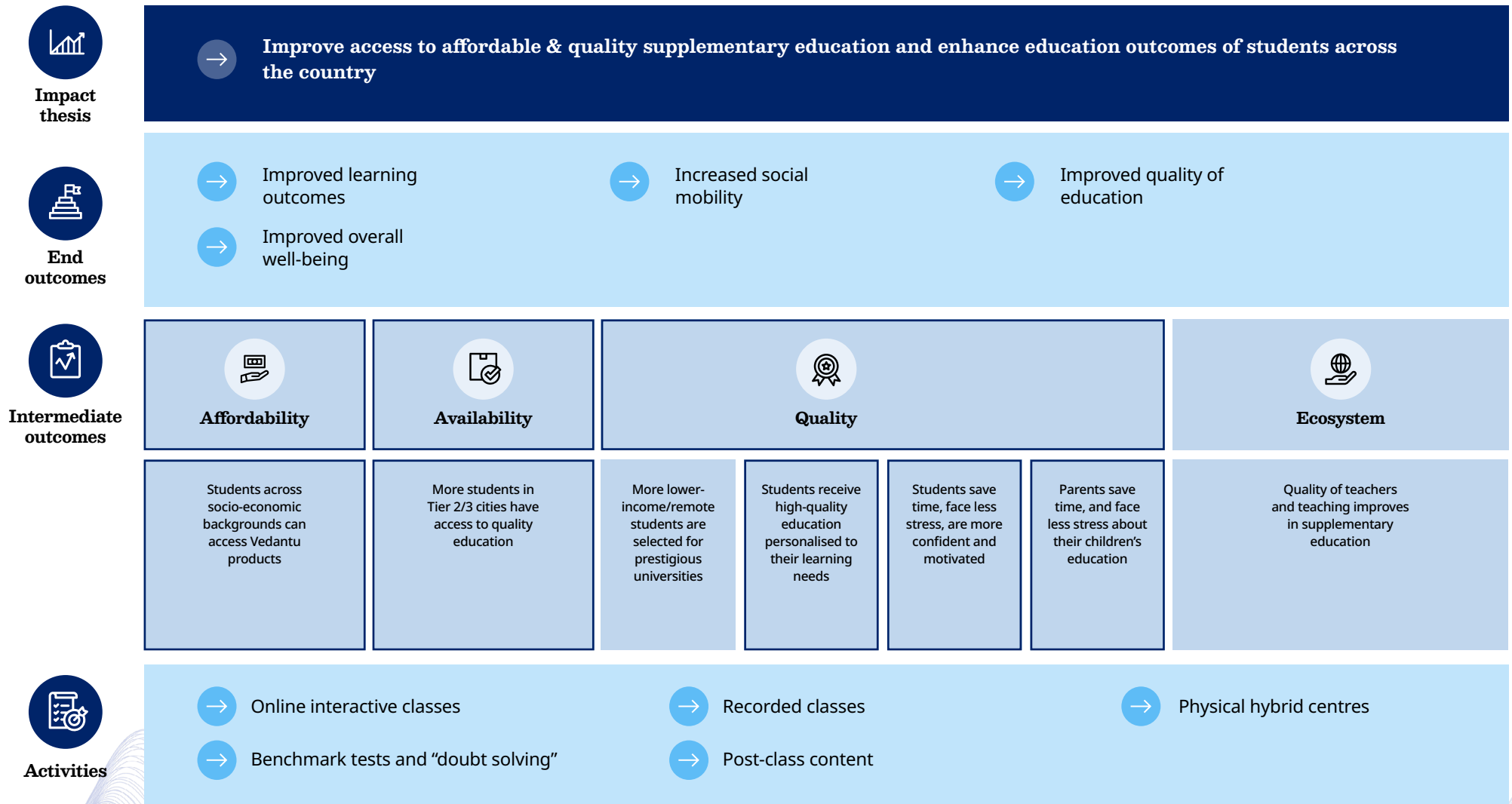


55%

Personalised education (e.g., through academic mentors, remedial classes)

FIGURE 36

Theory of change for Vedantu



Adaptation of Vedantu theory of change applying the AAAQE framework

Legend

Intermediate outcomes prioritised in the study

Improves academic achievement and learning outcomes

User surveys indicate a positive perception of Vedantu’s impact on student learning, with 95% self-reporting improvements in their performance (Figure 37). This perception is echoed in non-self-reported measurements as well—Vedantu’s internal tracking indicates improvements of 1.26 equivalent years of schooling (EYOS)⁴² for Grades 11–12 and 1.43 for Grades 4–10 as of 2023.⁴³



Vedantu teacher, during a lesson

“

Before Vedantu, I scored 79% in the first semester in Class 9. After Vedantu, it went up to 89% and I ranked among the top 3 students in my school. In Class 10, I scored 90% and was ranked among the top 10 students in my school.”

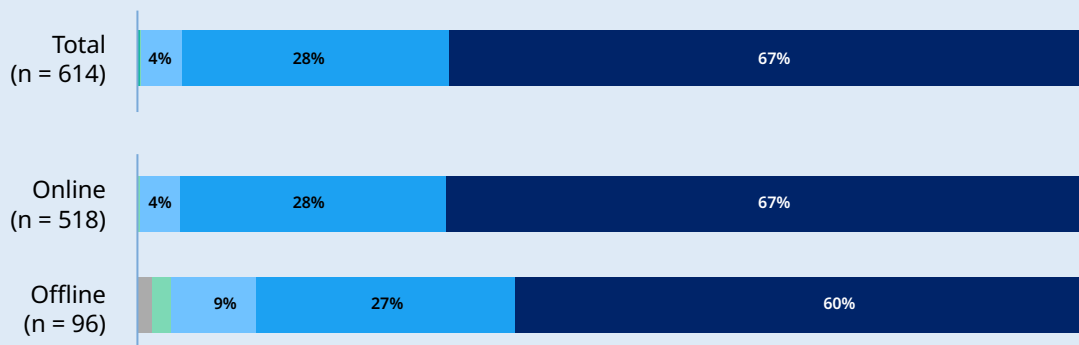
Test prep student, male,
Tier 3 city

FIGURE 37

Reported improvement in academic performance

How have your learning outcomes and academic performance changed since using Vedantu?
% of respondents, n = 614

● Not applicable ● Got a lot worse ● Got a little worse ● No change ● Improved a little ● Improved a lot



42. Developed by the World Bank, EYOS measures learning gains relative to how much a student would normally learn over the course of a school year. An improvement of one EYOS can be understood as the increase in learning outcomes expected from one year of business-as-usual schooling in India.

43. Vedantu’s internal learning outcome data

Enhanced socio-emotional well-being

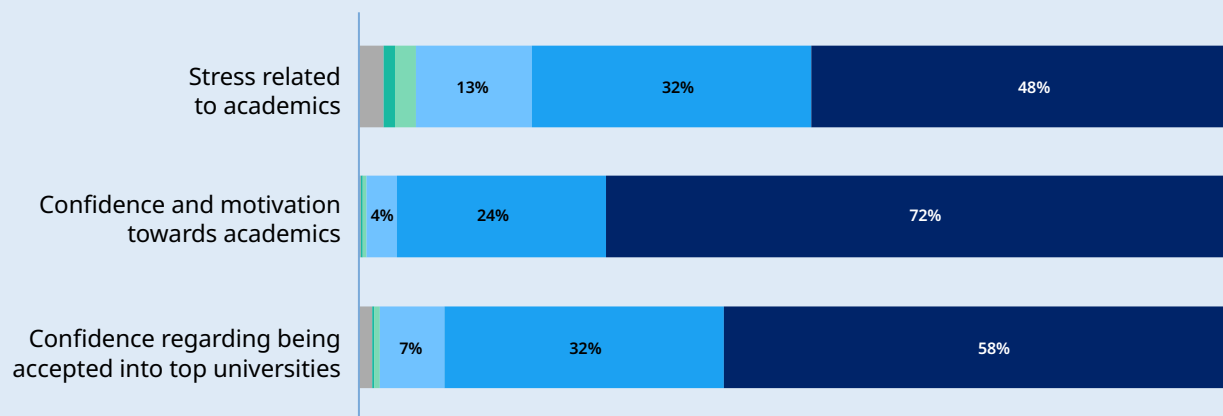
Students also report benefits in mental and emotional well-being, including improved understanding of their subjects, reduced academic stress, and increased confidence (Figure 38). Studies indicate a strong relationship between student motivation and learning quality, effective failure coping strategies, and academic performance.⁴⁴ A similar positive relationship has been noted between self-efficacy and academic performance.⁴⁵

FIGURE 38

Reported improvement in socio-emotional well-being

How have the following aspects changed for you since using Vedantu?
% of respondents, n = 614

● Not applicable
 ● Got a lot worse
 ● Got a little worse
 ● No change
 ● Improved a little
 ● Improved a lot



“

In addition to her marks, her grasping power, logical thinking, and ability to think for herself has increased with Vedantu. She is also much more relaxed before her exams.”

Parent, female,
Tier 3 city



Vedantu student

44. Liu, Chengying et al. [Self-determination theory in education: The relationship between motivation and academic performance of primary school, high school, and college students](#), 2022

45. Nauzeer, Salim et al. [A meta-analysis of the combined effects of motivation, learning and personality traits on academic performance](#), 2020

Availability

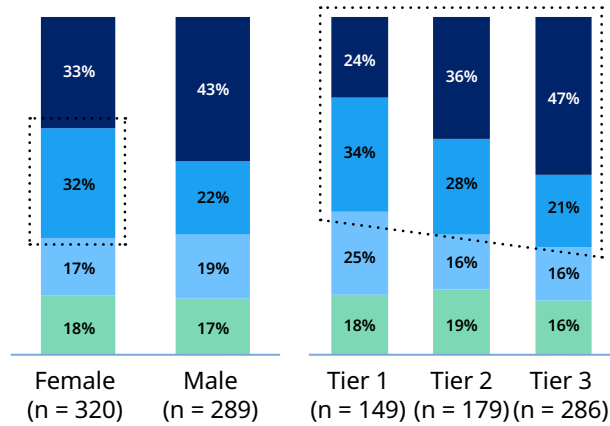
Supports equity in education through online classes, while balancing user preferences for offline classes

Vedantu plays a key role in driving access for girls and students in smaller cities

How easy is it for you to go to a nearby offline tutoring service?¹
 % of respondents, n = 614

- There are NO offline tutoring services nearby
- There are offline tutoring services nearby, but I cannot attend them due to challenges in travel
- I go to the offline tutoring services nearby, but the challenges in travelling impact my life
- I can easily go to the tutoring service nearby, no challenge at all

Internal data indicates the highest sales conversion (7%) for girls facing lack of access; however, it remains the smallest segment in size (4%).²



Since COVID-19, many users have expressed a preference for in-person tutoring, citing desires for peer interaction and fewer digital distractions. Accordingly, **Vedantu leadership are exploring hybrid models to meet this demand.**

Nearly 60% of users cited 'ease of access' as a primary reason for choosing Vedantu. This is particularly important for students in Tier 2 and Tier 3 cities and girls who face commute challenges with in-person tutoring.



Vedantu teacher with students



41%
of users save 30
minutes or more of
travel time

Reduced travel time is especially helpful
for families with two working parents



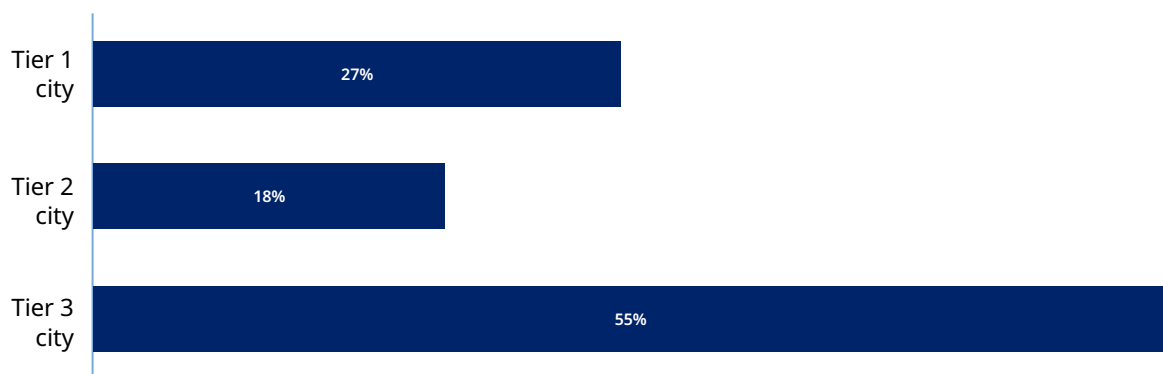
“

“Sending him to the offline tuitions with my work was tough. Sometimes, the weather would be [too hot to commute]; sometimes it would rain. It would also take a lot of time to take him to the centre.”

Parent of K-12
student, male,
Tier 2 city

Majority of users come from Tier 3 cities

Where do you live?
% of respondents, n = 614



While hybrid centres have increased access in Tier 3 cities, **students still have to travel long distances** to reach the centres.

39% of hybrid users report either an increase in travel time or no change post using Vedantu

Affordability

Creates value for money

Over 90% of users consider Vedantu’s services to provide value for money...

Would you agree or disagree that Vedantu provides quality education for a good price?
 % of respondents, n = 614

● Strongly disagree
 ● Somewhat disagree
 ● Neither agree nor disagree
 ● Somewhat agree
 ● Strongly agree

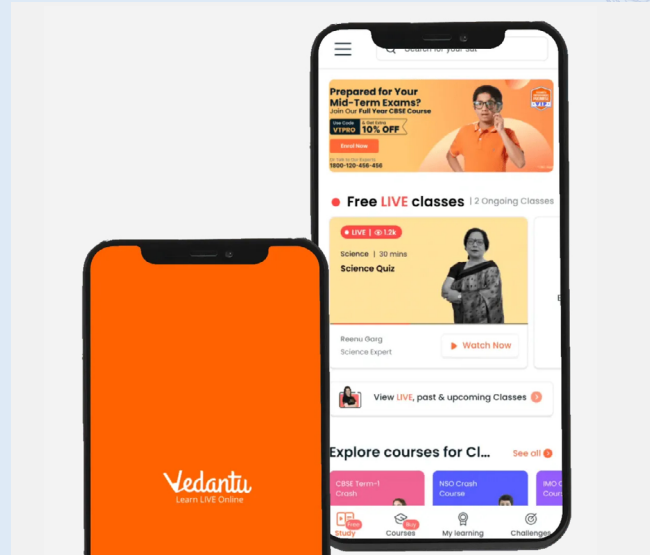


91% of users with annual income less than INR 5 lakh (~USD 6,000) agree or strongly agree⁴⁶

...rating its pricing as superior to the alternatives available in the market



82%
 of all users believe Vedantu is better than available alternatives in terms of 'quality education at a good price'



Vedantu's Learning App

Vedantu has recently launched a **new product 'Prime'** with an average sale value of **INR 3,500 (~USD 40)** to cater to different income demographics. The product already has **11,000 enrollments** with an **average attendance of 85%**.

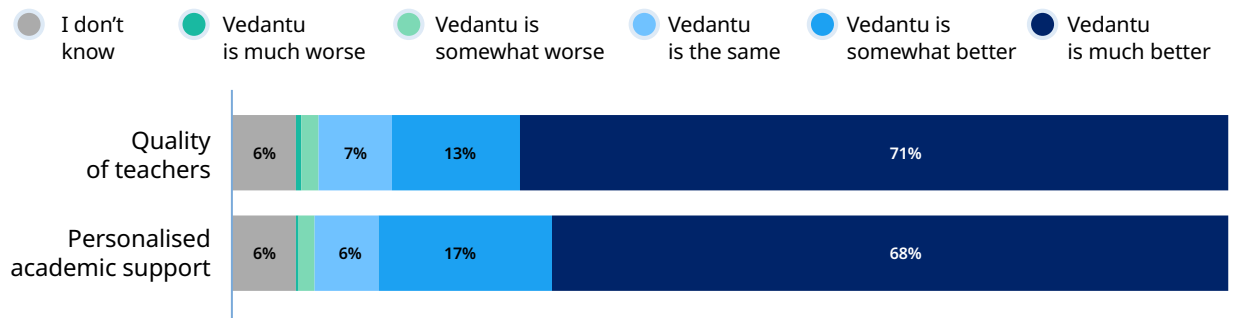
46. Families with an annual income less than INR 8 lakh are categorised as 'economically weaker sections' by the Government of India.

Quality

Provides quality teaching and personalised education

Over 80% of users report that Vedantu’s quality of teachers and personalised academic support is better than the alternatives

How does Vedantu compare to the alternatives that you know/have used before?
 % of respondents, n = 614



96%
 of users agree they gain access to quality education through Vedantu



72%
 of users report themselves as highly satisfied with Vedantu

Some users have raised concerns about increasing batch sizes (23% increase from 2021 to 2023) prompting the Vedantu team to explore solutions through human resources and technology to maintain a positive student experience.

Varying perceptions between parents and students

How does Vedantu compare to the alternatives that you know or have used before?¹
 % of respondents, n = 614

	Parents	Students
Personalised academic support Vedantu is much better	60%	72%
Quality of teachers Vedantu is much better	65%	74%
Range of courses and services Vedantu is much better	58%	67%

“We are working toward building trust with parents. Right now, if their child performs poorly on one test, their immediate reaction is to shift to an offline centre rather than talk to us. To address this, we plan to have more touch points this year.”

Vedantu team member

From the Founder's Desk

Our vision at Vedantu has been to reimagine and evolve the way teaching and learning have been happening for decades. Central to our distinction is our culture, which steadfastly prioritises the holistic development of each child and aspires to enhance educational outcomes. By integrating exceptional teachers, engaging content, and advanced technology, we strive to deliver a highly personalised learning experience and improve overall outcomes for students. Vital to monitoring our progress towards our objectives, we have implemented a measurement/evaluation framework to track student performance. These systems feed back into shaping our pedagogy, ensuring it remains rigorous, data-driven, and science-based to deliver tangible, transformative results for our students.

Our Learning Outcome Program is dedicated to fulfilling our mission of personalised education, employing performance monitoring, tailored learning pathways, and ongoing feedback throughout each student's journey. At Vedantu, we utilise a framework that assesses student learning levels through Learning Progress Tests (LPTs). LPTs are competency-based assessments, for consistent monitoring of student's education growth and abilities. Vedantu's approach to learning outcomes measurement has not only enabled it to design relevant curricula and benchmarks but also cater to the students to optimise their learning progression.

While we have employed these internal measures to evaluate academic outcomes, actively listening to our students and customers remains essential. Direct engagement with our users and their parents has helped us build a more holistic picture of drivers, challenges, and priorities for students in different demographic segments and inform our programme design. Therefore, when ABC Impact approached us with the intent of undertaking this study, we were eager to collaborate, considering its alignment with our vision of enriching our understanding with on-ground experiences of our stakeholders.

This study by ABC Impact has been extremely helpful in validating some of our existing thinking within the organisation and in identifying white spaces for us to

focus on in our strategy and operations. As we plan future initiatives, we will thoughtfully consider the following insights to enhance our offerings and align them more closely with our customers' needs.

- Role of Vedantu in reducing stress for parents and students and improving confidence/motivation for children
- Increasing number of users expressing a preference for in-person tutoring post-COVID. This has been a growing conversation amongst us
- Recognising the need for greater mentor engagement to enrich the student experience

Beyond this, it was validating to see that students value the personalised nature of education delivered by us, our price points resonate with our customer base, and that users see value in what we offer.

Additionally, this study's comprehensive approach, incorporating perspectives from investors, leadership, and customers, validated by Dalberg's third-party review, ensures a reliable and well-rounded assessment of Vedantu's impact.

Education, teaching, and learning are poised to transform rapidly, and at Vedantu, our mission is to accelerate these transformations. These findings not only reinforce our commitment to this mission and affirm our belief in education as a powerful equaliser but also ensure we stay attuned to our users' needs. As we integrate these insights into our future initiatives, we remain steadfast in our pursuit of educational excellence and a profound, long-term sustainable impact.



Anand Prakash
Co-founder and Head
of Academics



3

Cross-cutting insights

End outcomes

Overall, this assessment found that customers feel ABC Impact's investees are able to meet their core intended impact goals, whether in the health, education, or financial inclusion sectors.

Interview and survey findings suggest ABC Impact's education and health sector investees have demonstrably improved user perceptions of their core learning and health outcomes, respectively.

As noted in previous sections, upwards of 90% of customers of both Vedantu and DMXM self-report enhanced learning outcomes. Vedantu's internal data triangulates this, demonstrating improvements in EYOS of 1.43 for Grades 4–10 and 1.26 for Grades 11–12, on par with some of the strongest programmes and interventions in India. In the health sector, the majority of KD users and nine out of ten HCAH users report improved physical health outcomes. HCAH's hospital re-admission rate also stands at 1.29%, compared to 5.2% reported in other studies in India.

ABC Impact's financial inclusion investment in CHB also demonstrates contribution to economic empowerment and resilience for customers as well as to their broader communities.

As discussed above, 85% of users report a positive impact on their income after using CHB's services. Further, the majority of customers report using their loans for building business, nearly half report hiring more staff (compared to 24% of MFI users overall in Asia⁴⁷), and nine out of ten report improved ability to start or transition to more profitable businesses, ultimately contributing to the growth of the local economy.

In addition to these core intended outcomes, the study also surfaces patterns of ripple effect to 'secondary' impacts that investees have on customers and their families.

These include secondary impacts on holistic socio-emotional well-being, secondary 'beneficiaries' like caregivers, as well as ripple effects on gender equality trends. While these were not part of ABC Impact's original investment theses, they emerge as strong themes within the survey results and have proven crucial in some cases to the value propositions the investees provide to their users.

FIGURE 39

Vedantu student learning outcomes measured in equivalent years of schooling (EYOS)*



EYOS of 1.43 for Grades 4-10 and EYOS 1.26 for Grades 11-12

* An improvement of one EYOS can be understood as the increase in learning outcomes expected from one year of business-as-usual schooling in India.

FIGURE 40

Economic benefits for CHB customers and their communities



85%

of CHB users reported a positive impact on their income



94%

of CHB users reported a change in ability to start new business or switch to more profitable business



48%

of CHB users reported hiring more employees after receiving CHB's financing

47. 60 Decibels, [Microfinance Index](#), 2023

Holistic socio-emotional well-being

Customer mental well-being emerges as a common theme across several businesses. The range of socio-emotional impacts is relevant both to the core users of the products as well as their families.

In education, anxiety is often related to families' hopes for their children's future. While out of scope for this study, the impacts of improved educational outcomes—as both Vedantu and DMXM appear to demonstrate—on economic and social mobility are strongly rooted in research.^{48,49} This can create a high stakes dynamic that affects both children and their parents. However, mental health practice and the results of the user surveys suggests mental health is driven not only by attitudes toward achievement, but also by how effective service providers are in creating a supportive and empowering atmosphere for students and their families.

In particular, Vedantu's business model operates within a high-tension atmosphere surrounding academic achievement and test preparation in India. Intense pressure and high expectations severely affect students' mental health in India, which has one of the highest youth suicide rates globally. According to the National Crime Records Bureau, a student dies by suicide every 42 minutes in India in 2020.⁵⁰

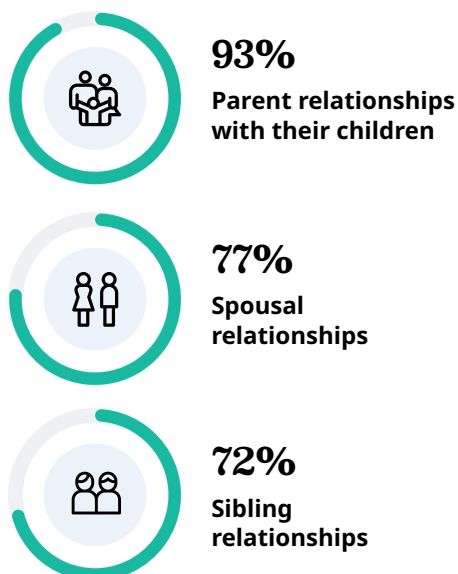
“

“I used to be anxious about my child's condition... it's a new territory of knowledge for me. I now have a new mindset and hope he can grow happily and healthily; that's all I want.”

Online DMXM user, male, Tier 1 city

FIGURE 41

DMXM families note improvements in:



Despite their engagement in this high-stress atmosphere, Vedantu students note improvements in stress levels and confidence following their studies with Vedantu, cited by 80% and 96% of users, respectively. They attribute these shifts to kind and approachable teachers, the availability of personalised support to ask questions, as well as reduced fatigue and time savings.

DMXM families, too, note significant improvements in anxiety regarding their children's development, with 92% citing reduced stress, and 85% reporting closer family relationships. These findings may be linked to DMXM's impact on parental awareness about skills and knowledge to manage autism, discussed in the [Company-level findings](#).

48. Sam, Asher et al. [Intergenerational mobility in India: Estimates from new methods and administrative data](#), 2018

49. Tamborini, Christopher R et al. [Education and lifetime earnings in the United States](#), Demography, 2015

50. Bhat, Adil. [India: Exam pressure fuels spike in student suicides](#), DW, 2023

Health providers also have an important role to play in mental health and confidence, both for patients as well as caregivers. Around two-thirds of KD patients reported improvements in self-image, mental well-being, as well as in comfort and ease of daily activities. Increased confidence and self-image among patients can also impact employment prospects (Figure 42).

Mental well-being can also reinforce core health outcomes. Mental health issues can lead to poor self-care behaviours, such as unhealthy eating, smoking, and lack of exercise, which can worsen chronic conditions. Those with depression also report three times as many chronic physical conditions as the general population.⁵¹ As noted in the HCAH company level findings, 93% of patients report an overall improvement in well-being; this is particularly evident among assisted living patients for whom social isolation is a key concern.

FIGURE 42

Impact of oral health on employment prospects



28%

of young adults agree with the statement “The appearance of my mouth and teeth affects my ability to interview for a job”

as reported in a World Economic Forum report on Oral Health, citing data from the American Dental Association Health Policy Institute.⁵²

“

“After receiving treatment at Kim Dental, I’ve noticed improvements in my dental aesthetics and a boost in my confidence levels.”

First-time KD patient, male

51. [Canadian Institute for Health Information](#), 2008

52. American Dental Association Health Policy Institute, quoted in World Economic Forum, [The economic rationale for a global commitment to invest in Oral Health](#), 2024

Caregiver quality of life

A related area of impact involves the quality of life for caregivers. Several investees, including HCAH, DMXM, and Vedantu, help address the heavy caregiving responsibilities related to family health and education.

Unequal or heavy care burdens can affect a caregiver's quality of life, as well as their lifetime earnings and career fulfilment. As care work often falls disproportionately on women, their experience of these challenges tends to be amplified. In China, women spend 2.6 times as much time on unpaid domestic and care work as men;⁵³ in India, women spend up to 1.8 times as much time on caregiving duties as men.⁵⁴ These societal dynamics are reflected in ABC Impact's portfolio companies as well—for example, 70% of DMXM caregivers are mothers.

The relief provided by quality service providers can allow caregivers to better balance other goals and responsibilities. For example, more than 90% of caregivers for HCAH patients report an increased ability to take time for themselves and a decrease in fatigue due to reduced care work. This shift can alleviate the physical and emotional strain associated with caregiving roles, thereby improving the overall quality of life for both caregivers and their families.

Similarly, high quality online services can unlock time saving for direct beneficiaries and caregivers alike. Absent such services, caregivers in particular can experience ongoing disruption to their daily lives and careers. For example, qualitative interviews with DMXM customers surface a trend wherein some families rent rooms near DMXM centres due to the lack of service options near their home. Good online services reduce this burden. For example, 41% of online Vedantu users report saving 30 minutes or more on commuting to classes daily. This time savings allow both users and caregivers to reallocate their time to other productive activities.

FIGURE 43

Amount of time women spend on unpaid domestic and care work compared to men



1.8 times
India



2.6 times
China

53. World Bank, [China featured indicators](#), 2024
54. NSS, [Time use survey](#), 2017



Family members of a HCAH transition care patient

“

“Originally, I planned to give up my job. We decided to try DMXM for three months first. Looking back, the support from DMXM helped me continue with my professional work.”

Offline DMXM user, female, working in the finance industry

Vedantu parent case study

Vaishali, parent of a K-12 Vedantu student, is based out of a Tier 3 city with limited quality tutoring options. She notes that her daughter’s experience with alternative options has been poor—largely due to subpar teacher and teaching quality. She values Vedantu’s high-quality teachers, even calling her daughter’s math teacher her ‘personal doubt platform’. Beyond the impact on her daughter, Vedantu has also provided Vaishali with greater peace of mind—she feels more aware of her daughter’s education progress and scores. Additionally, she has more time to care for her second child, who has special needs.

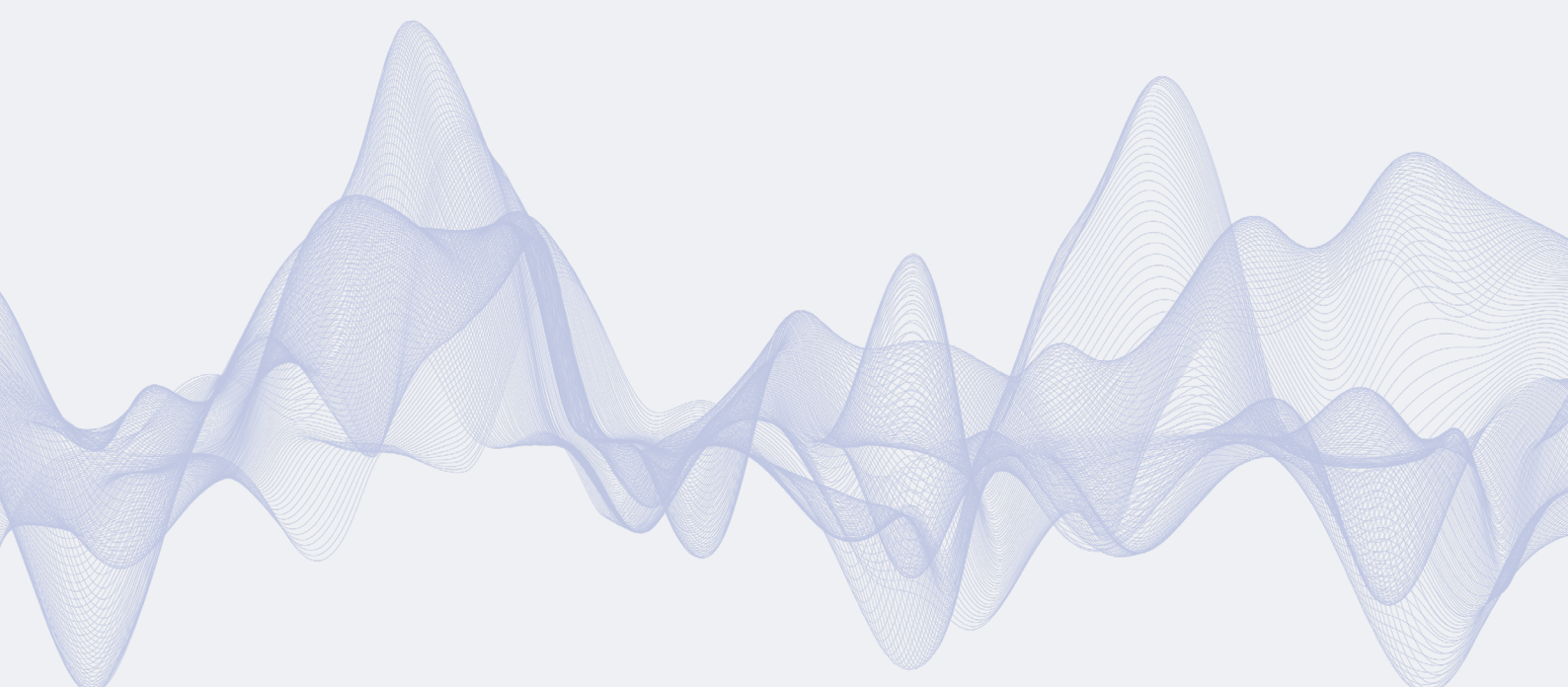
Gender inclusion

Outside of the impact on women as caregivers, several investees also demonstrated impact on gender equity. By addressing the specific needs of girls and women, educational platforms like Vedantu and financial service providers like CHB create a more inclusive environment that reduces gender disparities and puts women in the driver's seat of socio-economic development.

For example, girls' access to education in India is often hindered by patriarchal norms that prioritise time and financial outlays for boys' education⁵⁵ and by concerns around perceptions of safety and exposure for girls (e.g., using public transport, interacting with male students). Nationwide survey data in India shows a gender disparity in private tutoring, with fewer girls attending compared to boys at nearly every level of education. Vedantu's online services play a role in driving access for girls, enabling more equal educational opportunities.

Similarly, financial products are often not tailored for women. Studies indicate that, on average, women have lower levels of confidence in availing financial products than men and are more likely to use informal methods of financing: while 51% of women report borrowing money, only 28% borrow from a formal financial institution.⁵⁶ CHB serves as an example of tailoring services in ways that work for women—today, women constitute 69% of CHB's borrowers. Research shows that women are also more likely to reinvest in their families and communities compared to men,⁵⁷ showcasing the broader impact potential of investing in services for women.

As aspiring students, caregivers, or borrowers, women and girls can experience profound impact if companies take a gender lens to tailor their offerings. Doing so intentionally can also enable companies to attract new sources of capital that prioritise gender-related outcomes, ultimately providing resources to help them further amplify their gender impact.⁵⁸



55. Bray, M and Lykins, Chad. [Shadow Education](#), 2012

Government of India Ministry of Statistics and Programme Implementation, [Household Social Consumption on Education in India](#), 2018

56. Women's World Banking, [Making financial products and services work for women](#), 2023

57. Varma, Priyanka. [Why investing in women benefits us all](#), Harvard Center for International Development, 2024

58. Promoting gender quality and empowerment of women and girls requires significant investments. Several donors and funds have emerged to support this cause, including, but not limited to, ADB's Gender and Development Cooperation Fund, AVPN's Asia Gender Equality Fund, and Co-Impact's Gender Fund. ADB, [Gender and Development Cooperation Fund](#), 2024; AVPN, [Asia Gender Equality Fund](#), 2024; Co-Impact, [Gender Fund](#), 2024

Negative externalities

In addition to the positive impacts discussed above, it was also important to understand how companies manage any negative externalities that accompany their work. By monitoring potential negative externalities, ABC Impact aims to inform future investment decisions and ensure companies take into account their net impacts on the communities they serve.

For example, ABC Impact's pre-investment due diligence anticipated that CHB borrowers may experience some stress associated with loan repayment. Indeed, as noted in the [Company-level findings section](#), the assessment corroborates that some users do experience repayment stress. However, on closer examination, the rates reported by CHB customers are similar to global averages and within the range considered acceptable in the MFI sector. For example, we find that 7% of CHB users report experiencing significant burden in repayment, a rate similar to the global MFI average of 5%, and the company's PAR 30⁵⁹ rate stands at 1.4% compared to the global MFI median of 4.9%.



CHB customer in workshop

Similarly, ABC Impact's due diligence assessment with DMXM flagged that the company's higher total costs may place burdens on families' finances, especially noting DMXM's deeper and more intensive model and the long-term nature of autism care. This investment hypothesis, too, was borne out by the assessment findings: users cite DMXM as more expensive than competitors, and qualitative interviews suggest that some customers are unsure of their ability to sustain engagement with DMXM in the long term. This represents an important finding for continued monitoring, both in terms of DMXM's potential impact as well as business model continuity. However, the positive secondary effects, in which almost 70% of caregivers noted that DMXM had improved their ability to participate in the workforce, provides a promising counterbalance to the model's high costs. It provides a new area of exploration for DMXM and ABC Impact in considering options for deepening impact through alleviating the financial stress on families.

59. Portfolio at Risk 30 is a measure of the outstanding principal of all loans for which one or more payments is over 30 days past due.

Intermediate outcomes

A review of intermediate outcomes—the enablers that support the achievement of the end outcomes described above—reveal several common themes. ABC Impact used the AAAQE framework [\(described in the Methodology section\)](#) to understand how these intermediate outcomes contribute to end outcomes, as well as the indications they provide in their own right about the investees' ability to meet user needs.



CHB customer

Quality

A core tenet of ABC Impact's original impact thesis was addressing the gaps in high-quality services within key sectors in Asia.⁶⁰ Poor quality healthcare and suboptimal education provision not only lead to dissatisfied customers but also cause harm. In healthcare, poor health outcomes and deaths due to medical malpractice are a significant concern. For example, India records 5.2 million injuries annually due to medical errors and adverse events.⁶¹ Similarly, poor teaching quality in at least six Asian countries leaves over half of the children lacking basic literacy and numeracy skills by primary school completion.⁶² These statistics highlight the urgent need for quality improvements in both healthcare and education to prevent harm.

Offering higher quality services not only enables better outcomes but also attracts customers and is a key driver for business growth, particularly in early-stage markets. Our assessment findings across ABC Impact's portfolio confirm the importance of quality in users' eyes. Across the portfolio, customers cite quality as a primary factor in choosing a service provider.

Customers across ABC Impact's portfolio report positive experiences of quality with the investee companies. KD users prioritise quality above other factors, with 72% citing it as their primary reason for choosing KD. Similarly, 88% of HCAH customers rate the company's quality of care as superior to alternatives and 90% note improvements in care received post using HCAH. In the education sector, customers emphasise teacher and curriculum quality—84% of Vedantu users rate the company's teacher quality superior to alternatives; for DMXM users, the company's science-backed curriculum is a key value proposition, with 82% of users considering it superior to alternatives. CHB users also express high satisfaction with the company's service quality and prioritise its fast and simple processes, with 90% of respondents finding the staff friendlier and more supportive than competitors, potentially due to their higher employee-to-user ratio.

However, the high value placed on quality means even minor inconsistencies can significantly impact user satisfaction, as evidenced in the growth experiences of HCAH and Vedantu (see Company-level findings [here](#) and [here](#)). This underscores the importance of continuously monitoring key quality metrics and user perceptions, especially as companies scale and staff-to-customer ratios decrease.

FIGURE 44

Users highlight quality amongst their key priorities when engaging service providers



75%

DMXM users highlight quality science-based curriculum and content



72%

Kim Dental users highlight quality facilities and equipment



77%

HCAH users highlight continuity of care



73%

CHB users highlight simple process and speedy disbursement of product



79%

Vedantu users highlight quality teachers

60. Given the foundational nature of Quality as a key lever in ABC Impact's impact thesis, we address quality first among the AAAQE subsections in this chapter.

61. Adverse events refer to undesirable and unintended harm arising from medical care not caused by underlying disease.

Indian Medical Association, [Getting health care through modern medicine is not without risk](#).

62. Asian Development Blog, [Why aren't students in Asia getting the education they need?](#), 2021

Awareness

Similar trends emerge regarding awareness. Knowledge and skills play a key role in enabling customers to achieve lasting positive end outcomes, especially in sectors where individual behaviours are crucial. By addressing service gaps and improving customer awareness about their needs and how to address them, ABC Impact investees appear to help users take outcomes into their own hands.



KD conducting outreach projects to provide dental check-ups to populations in more industrial regions

For example, as noted in the [Company-level findings section](#), CHB bolsters customers' financial literacy alongside its core lending business, with 96% of users reporting improved financial knowledge. In the health sector, KD's efforts around preventative care practices help boost oral health. Similarly, HCAH's mass screening programmes enhance patients' self-reported understanding about chronic diseases. In education, DMXM increases parental awareness about autism and ways to manage it, with 98% of parents better understanding their children's needs. Finally, Vedantu's YouTube channel, reaching 18.5 million users,⁶³ not only supports students' academic learning but also bolsters their awareness of edtech tools at large.

In the long run, these investments in awareness can not only improve outcomes for individual users but also boost their commitment to sustaining their use of the investees' services and recommending them to others.

63. Vedantu's internal company data

Availability

Achieving widespread availability is a more complex goal for some investees. Several of these providers are first or early movers in their markets. For example, over half of DMXM’s customers in China reported being unable to identify similar providers of autism care. In that sense, reaching these previously underserved populations represents significant initial impact, even if they might be considered ‘lower hanging fruit’ by future market entrants in terms of geographic accessibility or their ability to pay. However, expanding services to harder-to-reach populations—often those who need them the most—can be logistically complex and expensive for many business models.

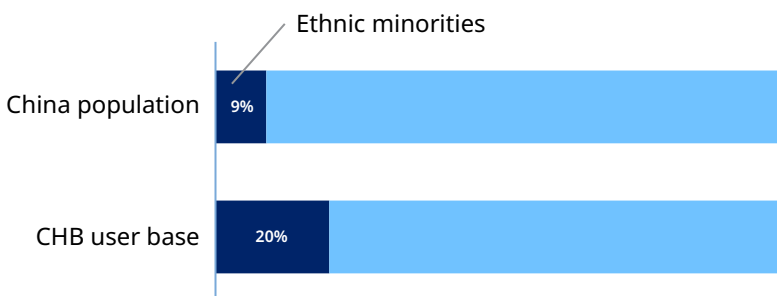
Scaling in-person service provision beyond major cities requires significant investment. This is particularly evident in face-to-face facility-based health and therapy models and is reflected in the experiences of KD, HCAH, and DMXM.⁶⁴ However, some investees have been able to reach customers in Tier 2 and 3 cities by designing their core business models with wider reach in mind, such as Vedantu’s tech-enabled platform and CHB’s approach to recruit agents from rural and agricultural locations.

A bright spot also emerges when companies address underserved niches. For example, CHB’s aforementioned focus on rural areas enables it to reach and tailor its offerings to small-holder farmers and ethnic minorities that many other financial service providers overlook. 87% of ethnic minority users report that CHB is better than alternatives in providing unbiased and non-discriminatory services.

Similarly, girls in India access private tutoring and education at much lower rates than boys, hampered by the patriarchal norms discussed in the section above on gender inclusion. In our survey, girls cite travel as a challenge 10 percentage points more frequently than do boys, before using Vedantu. Early on in the company’s journey, Vedantu identified girls lacking access to in-person coaching as a target audience; this segment has the highest conversion rate (7%) but represents only 4% of the user base to date, suggesting significant room for growth and impact.⁶⁵

FIGURE 45

Ethnic minority proportion in China’s population and CHB’s user base



Girls cite travel as a challenge 10 percentage points more frequently than boys

64. HCAH’s in-person high-touch interventions are primarily focused on Metro and Tier 1 cities due to their resource-intensive nature of care required. Other more disbursed business lines, including Pharma Delivery and Chronic Disease Management, have strong presence in cities outside of Tier 1, but were out of scope for this study.
65. HCAH’s internal data

Affordability

Affordability presents an inherent challenge, especially in emerging markets. Beyond customer ability to pay, it depends on a range of factors such as product and technology maturity, business model efficiency, distribution channels, scale of demand, and competition. As early movers, several ABC Impact investees are still navigating the balance between cost and quality, even as their customers adjust their willingness to pay. CHB stands out as a true volume-based model, building on a long history of innovations on service design and cost reductions which have sustained the global microfinance market over the past several decades and which enable affordability even for low-income customers.

Interestingly, despite cost concerns among some of the newer business models, many users acknowledge the value proposition or long-term savings these business models offer. While some describe investees' services as more expensive than alternatives, this is often accompanied by an acknowledgement of the higher quality of products and services that comes with the price premium. For example, although many customers consider KD's services more expensive than alternatives, 56% still believe KD provides either good or excellent value-for-money. Similarly, 55% of DMXM users believe they provide better value for money compared to other alternatives. While these models may not currently reach all income segments, they are filling gaps in their respective markets, and competition will likely drive further innovation on price.

Some investees are already experimenting with affordability strategies, such as group-based delivery models by Vedantu and DMXM instructors, or insurance and payment plans by KD and HCAH. Others are deepening impact with limited cost implications, such as CHB's bundled offerings of agricultural inputs and insurance alongside loans. Similarly, Vedantu's freemium approach with free online content expands reach. These strategies not only enhance impact but also broaden brand awareness.

“

“I had a painful, decayed tooth and found KD online. Because they offered insurance and had branches near my company, I visited them. Without insurance, I'd choose other clinics with lower prices.”

KD patient,
male, Tier 1 city

Ecosystem

A systemic perspective is vital for evaluating whether point-in-time or individual user impacts are likely to be experienced by broader populations or in the long term. While this study does not primarily focus on ecosystem impact, conversations with users, company leaders, and sector experts provide insights into how some investees contribute to the broader ecosystem. This helps identify gaps and glean lessons for the companies' growth trajectories.

“

HCAH eases the [public] health burden by providing continuity of care. A bed occupied by a stroke patient can be used [for someone else] once they join a rehabilitation facility.”

Dr. Ritu Garg,
Healthcare
expert

Contributions to the broader ecosystem can align with companies' business goals, and several investees already demonstrate this understanding. For example, DMXM and KD collaborate with universities to elevate quality standards in curricula and practical experience for future professionals in their respective fields. DMXM partnered with Lingnan Normal University to launch a national training curriculum for autism specialists. KD's alliance with Hong Bang University provides practical experience for dental students, exposing them to KD's high standards for quality, hygiene, and professional service environments. These efforts improve the workforce supply and in turn support the companies' own long-term ability to deliver quality.

Furthermore, some investees' efforts contribute not only to individual user experiences but also to market-wide norms. This includes investments in user awareness campaigns and elevating industry quality expectations described earlier in the [Quality section](#).

Similarly, beyond the direct circle of influence on customers and their families, investees may also create impacts on non-customers by virtue of raising standards in the market. For example, patients of other companies may receive better care from healthcare professionals trained through DMXM and KD's partnerships with academic institutions.



HCAH ambulance and care service



4

Reflections

Reflections

Taking the findings of this study as a whole, we observe that ABC Impact’s five investees’ business models meet important needs of underserved populations and deliver high-quality offerings in markets lacking essential services. These companies demonstrably create positive impacts for their core customer bases as well as secondary populations in some cases (detailed in the [Cross-cutting insights section](#)). Impact investors have a critical role to play in reinforcing the efforts of businesses like these, especially in fast-growing emerging economies.

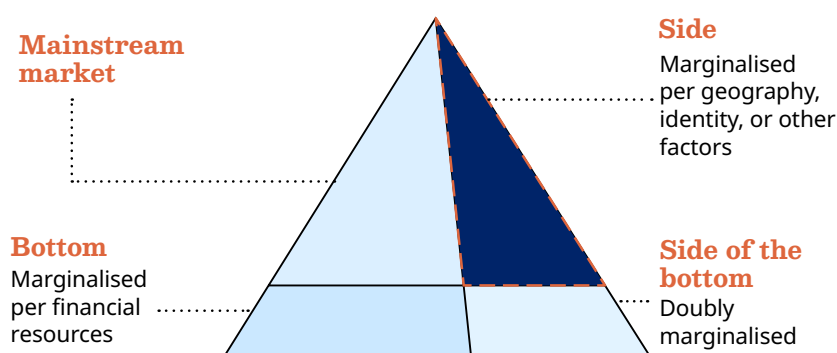
At the same time, each of the investees’ models have room to deepen their impact, with potential to drive greater equity and long-term durability of their outcomes. This reflects the realities and nascent stages of the investees’ individual markets, as well as the scale and phases of maturation in their respective operations. The three themes described below pose both limitations and opportunities for impact, suggesting roles impact investors can play to maximise positive outcomes.

First, market gaps are multi-dimensional; investors can help investees experiment with the range of pathways to engage underserved populations

Over the last two decades, discourse on the ‘underserved’ has—deservedly—focused attention on low-income, base-of-the-pyramid (BOP) populations who had been long ignored as ‘unserviceable’ by the mainstream market. BOP markets can indeed be challenging to serve through market mechanisms given inherent limited ability to pay. Early-stage businesses often struggle to establish viable pricing strategies for BOP populations while still demonstrating core long-term business sustainability. Reflecting this, not all of ABC Impact’s investees have reached these segments to date. Reaching the BOP sustainably and profitably is usually most feasible through volume-based models, which are more common among mature and scaled business models. CHB exemplifies this approach, building on a legacy of innovation in global microfinance to reach BOP populations. Sometimes, serving BOP populations remains challenging through market mechanisms and may require philanthropic or blended capital, cross-subsidisation, or business-to-government (B2G) models through public-private partnerships (PPPs).

FIGURE 46

The business opportunity on the side of the pyramid



The ‘side of the pyramid’ approach adapts the ‘bottom of the pyramid’ concept introduced by CK Prahalad in 2004. While Prahalad focused on income as the driver of exclusion, a ‘side of the pyramid’ approach draws attention to those who are underserved for other reasons, including gaps in status quo markets of a given geography, or identity-based barriers.

At the same time, there are significant populations above the base of the pyramid who have the ability to pay but are underserved by existing solutions for other reasons. Emerging economies in Asia are experiencing rapid expansion of their middle-class, outpacing the supply of essential services and infrastructure to meet their multidimensional needs. This results in suboptimal distribution of quality services in sectors such as healthcare, education, and financial services. Sometimes, populations in particular geographies or identity-based demographic segments are disproportionately affected.

These ‘side of the pyramid’ segments present a sizeable business opportunity.⁶⁶ For example, nearly half of young women in South Asia are not participating in any education, employment, or training opportunities;⁶⁷ one in six people in APAC lives with a disability;⁶⁸ and Southeast Asia is home to 6 million people living with autism.⁶⁹

The investees assessed in this study provide relevant examples of the various roles companies can play to create new markets among underserved populations or consolidate fragmented ones. Several are serving ‘side of the pyramid’ populations for whom identity or geography exacerbate lack of access, as described in the [Cross-cutting insights section](#); examples include Vedantu’s reach to girls and students in smaller cities or rural areas and CHB’s focus on rural and ethnic minority regions underserved by other financial institutions. Others, like HCAH, KD, and DMXM, were early movers in markets with a fundamental undersupply of quality health services. HCAH worked to satisfy market demand for rehabilitative care alternatives in India, and DMXM founder’s vision was to support families of children with autism who had few other alternatives in the Chinese market. KD drives consolidation and quality in a dental care market previously dominated by non-certified and small-scale providers.



The role for impact investors

Impact investors can guide investees towards these opportunities or actively seek out ventures addressing ‘side of the pyramid’ needs. Building an investment lens that prioritises the multidimensionality of underserved markets can centre investment conversations on deeper long-term impacts alongside quicker wins. Impact investors can also help identify opportunities to design and implement innovative financing models or blended structures that pull in more risk-tolerant capital or capital that provides longer incubation terms.

This flexibility can enable entrepreneurs to be more nimble in contending with less stable markets, less ‘proven’ target populations, or more experimental service offerings. It can give entrepreneurs the space to explore strategies like cross-subsidisation, bite-size offerings, innovative distribution, or PPPs to reach populations that may remain out of reach for their current business models (e.g., those at the side of the bottom of pyramid). Mission-aligned investors can help ambitious companies expand their addressable market through alternative models and sub-business lines like these, opening the door to greater scale and social returns on their investment.

A further channel through which impact investors can emphasise the multidimensionality of impact is by highlighting secondary impact opportunities. This involves looking beyond

66. Bhatnagar, Nirat. [Making your products accessible to underserved markets](#). Harvard Business Review, 2023.

67. UNICEF, [Gender equality](#), 2024

68. UNESCAP, [Disability in Asia and the Pacific](#)

69. APCD Foundation, [Autism at a glance](#), 2020

core objectives and users (e.g., healthcare for patients, education for students) when identifying or evaluating new investments or by drawing investee attention to them. For example, investors can seek solutions that also serve secondary populations like caregivers whose needs are not being served by the market. It can also include making note of the secondary impacts of a solution, such as improved mental well-being ([see discussion in Cross-cutting insights section](#)). By identifying, measuring, and pursuing a more holistic view of impact, companies can not only widen their impact but also gain valuable business insights to inform marketing, targeting, and future service innovations. Learning from this assessment, ABC Impact plans to incorporate a lens to assess caregiver impact for future investments in the healthcare sector.

Second, as markets mature, ongoing competitiveness requires attention to intermediate outcomes—to ensure solutions remain relevant and their impact endures

As a market matures, emerging competitors offering similar or better service will naturally create additional pressure for investees. For example, quality is central to the value proposition of each company assessed in this report, and any inconsistencies can expose their business models and impact theses to risk, as discussed in the [Intermediate outcomes section](#). This is a core part of the growth journey for early mover companies.

From an impact perspective, this kind of competitive pressure can be positive. It deploys market incentives to motivate both established and new entrants to maintain consistent high-quality services, ultimately benefiting local populations. New competitors can also motivate continued innovation on expanding reach (availability), reducing costs (affordability), and addressing other key ‘intermediate’ impact levers. This dynamic, observed in many sectors across emerging markets, can pave the way for mass adoption as described above.



The role for impact investors

In less stable or nascent sectors, impact investors should maintain visibility on intermediate outcomes throughout the investment lifecycle, particularly maintaining a focus on quality, availability, and affordability as competitive pressure increases.

These intermediate outcomes are not mere ‘steps’ along the way to impact, but important goals themselves. In particular, establishing a successful model that hinges on high quality standards—as KD is doing in Vietnam—can set a high bar that shapes the competitive landscape for years to come.

Intermediate outcomes can also serve as indicators of whether or not a solution works for the broader market, directing innovation and action planning towards impact and maintenance of a competitive edge. This approach can reveal unforeseen pathways for

impact, like Vedantu's realisation of the opportunity to focus marketing on female students facing travel barriers. Similarly, as noted above, an intermediate outcomes lens can help a company think about additional underserved markets within new geographies or price points. Consistent monitoring against intermediate outcomes provides a feedback loop on the market fit and efficiency of a solution, enabling companies to anticipate and iterate on pathways towards commercial and impact model viability.

Including intermediate outcomes in investor assessments, facilitated by the AAAQE framework or other tools, can bring this focus sooner. ABC Impact plans to formalise the AAAQE framework as a lens for social impact assessment and to develop action plans for companies to design sub-services or source innovative financing for harder-to-achieve outcomes such as affordability and availability where relevant.

Third, an ecosystem lens is vital to enable investees to collaborate with other relevant stakeholders, and to address systemic barriers for wider scale and longer lasting impact

As businesses mature, it also becomes increasingly important for them to consider and influence underlying systemic barriers within their markets. As discussed in the [Cross-cutting insights section](#), attention to ecosystem trends is essential for creating long-term impact. It can be pursued in ways that align with companies' profit motives, such as opening new market segments, awareness and brand building, or improving input quality (e.g., supplies, workforce). For example, recognising the challenges within India's overburdened public health system, HCAH introduced its out-of-hospital care services. By opening this new market, HCAH unlocked a promising business opportunity and helps drive better outcomes for patients and the strained hospital system. Although ABC Impact's investees are still relatively early in their journeys of ecosystem impact and remain focused on core service delivery, the findings of this assessment demonstrate promising early efforts towards ecosystem building.

One way businesses can impact the ecosystem is by partnering with governments, universities, and training institutions. These partnerships may focus on improving the quality of inputs, such as regulation, training resources, curriculum development, or certification standards. DMXM and KD's initiatives, described in the [Ecosystem section](#), demonstrate their awareness of how their own business can benefit from ecosystem efforts to build a higher-quality talent pool and ensure a level playing field and high bar in quality standards.

Another method of ecosystem impact is to raise customer awareness about the importance of a given service and elevate overall quality standards in the broader market. This can include marketing and consumer education by the business itself—such as CHB's financial literacy initiatives. It can also take the shape of collaboration with civil society stakeholders to drive educational or behaviour change campaigns—like KD's school partnerships on preventative dental habits. These approaches not only generate new demand from customers but also elevate the brand's image compared to competitors, incentivising imitators to meet a higher bar. Analysis of awareness-raising initiatives can provide insights on customer conversion rates and return on investment, potentially motivating further investment in customer education and impact.



The role for impact investors

Impact investors are acknowledging the need to look beyond investee impact alone and establishing practices to engage on indirect ecosystem outcomes with their investees, for both positive and negative outcomes. Impact funders can provide the mandate, financial ‘breathing room’, and longer time horizons for impact-oriented companies to dedicate resources to building the broader ecosystem. Entrepreneurs are often well aware of ecosystem dynamics but struggle to dedicate time and resources to them given the pressure to turn around short-term profitability goals for investors.

Ecosystem engagement poses many challenges, in terms of measurement, complex multi-stakeholder collaboration, and longer time horizons required to realise change, but encouraging engagement with these challenges is an important responsibility for impact investors. Attention to the complexity of these challenges can help impact investors identify when and where other types of partnerships and capital providers (e.g., public, philanthropic, outcomes-based, blended, etc.) may be required to move the needle in a particular market, particularly on key affordability and access barriers. Inherent diversity across markets, company maturity, and ecosystem features means one size will not fit all in creating systems change. Investors and their partners can consider a wide range of ‘levers’ for ecosystem impact, such as advocating for favourable policies and market incentives, investing ‘upstream’ in foundational infrastructure or workforce skills development, or addressing social norms.

Similarly, taking an ecosystem lens in impact measurement and monitoring is vital. For example, recognising the importance of resilient health systems for any health investment, ABC Impact has been assessing impact on both population and health systems at the due diligence and post-investment monitoring stage. In other social sectors, too, integrating perspectives on ecosystem gaps and opportunities can help investors, entrepreneurs, and other stakeholders identify action plans and levers that can unlock shareholder value and contribute to impact for end users.

Looking forward

This study represents a pivotal first step in elevating user voices for ABC Impact. In closely examining user perspectives on the social investment portfolio it has developed, ABC Impact hoped to obtain deeper and more rigorous insights regarding the on-the-ground experiences and socio-economic characteristics of the individuals reached. This exercise leveraged an opportune midpoint moment to reflect on its Fund I approach, while keeping an eye out for ways to optimise portfolio construction, strategy, and assessment for Fund II. The findings from the study have reinforced the strategies, assumptions, and practices in ABC Impact's current approach, while also uncovering pertinent areas for deliberation as it advances in its journey.

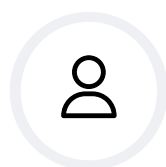
This assessment reinforces ABC Impact's conceptualisation of the multiple pathways to impact, including:

- Multi-layered beneficiaries and objectives, including both core and secondary aims
- The importance of intermediate outcomes as goals in themselves, not mere stepping stones to end outcomes
- The variety of business models and non-market models needed to reach a broad range of underserved populations

In these pathways, ABC Impact's investment theses acknowledges the diversity of impact types and recognises that not all investees will achieve impact in the same way or possess the same depth or breadth of reach.

Understanding both the realised impacts and limitations of its investees has also informed ABC Impact's evolving perspective on its role as an impact investor.

The lessons learned are already shaping its practices, while raising additional questions that ABC Impact will consider as it evolves its investment process:



- ▶ **How might we institutionalise consistent approaches that help investees elevate and track trends in customer and secondary beneficiary feedback,** beyond point-in-time assessments?



- ▶ **How might we assist and incentivise investees through our own investment diligence and tracking processes to cultivate impacts beyond their core business,** such as non-core objectives like well-being, intermediate outcomes that drive success, and their potential influence on the ecosystem? How might we help investees maintain a line of sight on potential negative externalities, and develop action plans to ensure accountability for them?



▶ **How might we collaborate with other relevant capital providers** (e.g., blended finance, inclusion funds, public institutions) to address gaps in enablers within our target markets (e.g. affordability, availability, and foundational ecosystem elements like policy, infrastructure, and capacity)?



▶ **How might we integrate a multifaceted view of the vast potential among underserved** populations and underpenetrated markets when shaping future investment strategies?

The practice of impact investing compels attention to these questions, and it is the responsibility of impact investors to persistently seek answers.

The insights derived from this study only hold meaning if they are utilised to drive better decision-making and to ensure capital is well allocated to maximise social returns. There is a collective benefit in the sharing of knowledge like this in the broader community—for selecting new investees, guiding and measuring their progress throughout the investment period, and establishing the evidence and partnerships needed to jointly address ecosystem needs. As more players engage in this space, shared standards for data robustness, transparency, and open channels for evidence and knowledge exchange will only become more important. By sharing these questions and offering lessons and data from ABC Impact's journey, we hope other investors engaged in similar contexts can amplify impact within their own portfolios.

Annexures

Assessment methodology

We employed mixed-methods primary research assessing investees' impact on users through a survey of more than 1800 users, in-depth interviews with 44 users, and consultations with select industry experts.














In the quantitative research phase, we collaborated with investees to understand their customer base and data privacy policies. We then developed a sampling strategy to reflect their key customer segments and determined sample sizes to achieve 90% or 95% confidence intervals, ensuring statistically reliable results. This strategy employed random sampling with geographic and product stratification, utilising systematic intervals and booster samples to meet target analysis group quotas.

The survey was distributed through the companies' usual communication channels: SMS in Vietnam, WhatsApp in India, and WeChat in China. For CHB users with literacy challenges, local relationship managers provided additional support to complete the survey.

To ensure data integrity, we removed test entries and outliers, and performed logic checks. The results were then weighted to accurately reflect the customer base to account for any sampling biases and support representativeness. Unless otherwise sourced, all quantitative figures in this report refer either to findings from the user survey or to internal company-provided data.

FIGURE 47

Assessment methodology

					
 <p>Quantitative online survey</p>	<p>Total survey sample: 248</p> <ul style="list-style-type: none"> • 102 ICU and step-down services users • 120 in-transition care users • 52 assisted living centre users 	<p>Total survey sample: 614</p> <ul style="list-style-type: none"> • 214 Tuitions users • 304 Test prep users • 96 hybrid centre users 	<p>Total survey sample: 321</p> <ul style="list-style-type: none"> • 101 parents with online training • 118 parents with centre training at early stage • 128 parents with centre training at late stage 	<p>Total survey sample: 362</p> <ul style="list-style-type: none"> • 144 pure lending users • 218 insurance and lending users² 	<p>Total survey sample: 275</p> <ul style="list-style-type: none"> • 172 users living in Tier 1 cities • 99 users living in Tier 2 cities
 <p>Qualitative in-depth interviews</p>	<ul style="list-style-type: none"> • 1 ICU, step-down services users • 3 chronic disease management users • 3 in-transition care services users • 2 assisted living centre users 	<ul style="list-style-type: none"> • 2 first-time users • 2 continuing users • 2 alumni users • 2 parents • 2 dropped customers 	<ul style="list-style-type: none"> • 2 parents with online training • 4 parents with centre training • 2 parents who completed training ('alumni') • 1 therapist 	<ul style="list-style-type: none"> • 4 lending users • 4 insurance users 	<ul style="list-style-type: none"> • 2 first-time dental patients • 2 patients who switched to KD • 2 long-time patients • 2 dormant patients
 <p>Expert interviews</p>	<div style="display: flex; flex-direction: column; align-items: center;">  <p>Dr. Ritu Garg Chief growth and innovation officer, Fortis</p> </div> <div style="display: flex; flex-direction: column; align-items: center; margin-top: 20px;">  <p>Dr. Bhupendra Kumar Rana Founding CEO, QAI & Global Expert on Healthcare Quality</p> </div>		<div style="display: flex; flex-direction: column; align-items: center;">  <p>Professor Li Qinghua Vice director, Guangdong Key Lab of Development and Education for Special Needs Children</p> </div> <div style="display: flex; flex-direction: column; align-items: center; margin-top: 20px;">  <p>Dr. Yang Yi Vice dean, Special Education Department, Lingnan University</p> </div>		<div style="display: flex; flex-direction: column; align-items: center;">  <p>Dr. Nguyễn Thị Hồng Head of Department of Dentistry, Hong Bang International University</p> </div>

