India Impact Fund of Funds (IIFF)
Discussion on Plan

Draft for Discussion and Feedback

May 2018

Disclaimer

The Presentation is for information purposes only and is not to be construed as a legal opinion. The information provided in this presentation is solely for the benefit and use of [India Impact Fund of Funds] and its affiliates and is not to be used, released, quoted, or relied upon by any other person, nor may this presentation any copies thereof be furnished to a third party, filed with a governmental agency, quoted, cited or otherwise referred to without our prior written consent. The information provided herein is based upon the current provisions of the Indian law and the judicial and administrative interpretations thereof, which are subject to change or modifications by subsequent legislative, regulatory, administrative, or judicial decisions. We can give no assurance that the Indian laws will not change. Any such changes could have an effect on the validity of our conclusions. Unless otherwise agreed, we disclaim any undertaking to advise you of any subsequent changes of the matters stated, represented or assumed therein or any subsequent changes in law or fact subsequent to the date hereof, which may affect the information provided herein. Please note that we are only authorized to practice Indian law and do not assume any liability or responsibility for statements made with respect to the laws of other jurisdictions. No responsibility is assumed by, or can be fixed on us, with respect to statements, if any, in this presentation relating to laws of any other jurisdictions. Any statements made with respect to the laws of other jurisdictions would be required to be revalidated by local counsel. Without prejudice to the generality of the above, we disclaim any liability in respect of this presentation.

This draft document aims to solicit stakeholder feedback on the design of the Fund. We request all readers to please send their feedback to realimpact@gsgii.org by 20 May 2018. After this window of feedback, the GSG team will work with all the suggestions, alongside its partners, to finalize the Fund design and release the formal Business Plan.

Index

Index

Funds Development is a core strategy at GSG to deliver its mission of Impact Investment Tipping Point by 2020

GSG is an independent global steering group catalysing impact investment and entrepreneurship to benefit people and the planet. Its immediate mission is to deliver Tipping Point 2020.

MISSION

TIPPING POINT 2020

OUTCOMES

- Double the National Advisory Boards from 14 (2016) to 30 (2020)
- Double the market from US$150 bn (2016) to US$300 bn (2020)
- Double the beneficiaries from 500 mn (2016) to 1 bn (2020)

Funds Development is a core strategy at GSG to deliver its mission of Impact Investment Tipping Point by

GSG is an independent global steering group catalysing impact investment and entrepreneurship to benefit people and the planet. Its immediate mission is to deliver Tipping Point 2020.

5 Core Strategies for eco-system development

1 NAB Development
- 2013-15: Australia, Canada, EU, France, Germany, Italy, Japan, UK, USA
- 2015-16: Brazil, India, Israel, Portugal, Mexico
- 2017: Argentina, Finland & Uruguay
- 2018: South Korea, Bangladesh + ~3
- 2019: TBD (~5)
- 2020: TBD (~5)

2 Knowledge Development
- GSG-led
  - WG#1: Creating Impact Investment Wholesalers
  - WG#2: Adoption in Aid & Development Banks
  - WG#3: Develop R&D/Innovation based Impact Enterprises
  - WG#4: Create Innovative Financial Instruments
  - WG#5: Deliver evidence based Policy Levers, Advocacy & Research
  - WG#6: Widen and Deepen the Market
- Partner-led
  - McKinsey: G20 Study
  - Bridges: Definitions, Standards & Measurement

3 Funds Development
- GSG-led
  - MEOF: Middle East & Africa Education Outcomes Fund
  - IEOF: India Education Outcomes Fund
  - IIFF: India Impact Fund of Funds
  - LIFF: LatAm Impact Fund of Funds
- NAB-led
  - Japan NAB led Impact Wholesaler
  - Australia NAB led Impact Wholesaler
  - Canada NAB led Impact Wholesaler
  - Portugal NAB led retail Impact Fund
- Partner-led
  - EIF-OPF for Immigrant Absorption
  - EIF-OPF for Re-Skilling Unemployed Youth
  - OPF for Cholera Eradication in Haiti
  - OPF for Re-Skilling in New York State

4 Communication Development
- Global Narrative Development
- Digital Assets Development: Website & Social Media
- Networking Platform
- Press Relations
- #DoGoodDoWell Campaign

5 Policy Development
- Tipping Point Policy Framework
- G20 Advocacy
- G8 Advocacy

Index

IIFF is a Billion Dollar Impact Fund of Funds for India that will help achieve UN SDGs and Govt. National Priorities

Overview

- **Partners:** A **GSG** (The Global Steering Group for Impact Investment) and **UNSIF** (UNDP SDG Impact Finance) initiative. Incubated by SFI (Social Finance India).
- **Objective**: Provide **market returns and catalyse growth** through debt funding of **underserved large segments of MSMEs and consequently the Indian population, meet SDGs and support BOP**
- **Format: US$1 billion India Impact Fund of Funds** (IIFF) for funding enterprises primarily through intermediaries
- **Investors**: Indian and Foreign **Institutional Investors, Indian diaspora (NRIs/PIOs)**
- **Management**: **High-quality, world-class** fund management team

Sustainable Development Goals

The Fund will be **designed to support the UN's Sustainable Development Goals** (SDGs) and the 2030 Agenda. Including Goal 1 (No Poverty), Goal 7 (Affordable Clean Energy), Goal 8 (Decent Work & Economic Growth).

Government's National Priorities

MAKE IN INDIA

Skill India
कौशल भारत - कुशल भारत

स्वच्छ भारत
एक कदम स्वच्छता की ओर

The Fund will be designed to support the **Indian Government's National priorities of "Make in India", "Skill India", "Swachh Bharat", "Pradhan Mantri Jan Dhan Yojna"** and **"Digital India"**.

Additionally the fund will target funding for the **priority sectors as outlined in the PSL** norms(Priority sector lending) – **Agriculture, MSME, Education, Housing, Social Infrastructure, Renewable Energy, Export & Credit**

Impact capital can bridge the chasm of debt for Impact enterprises

Wholesale intermediaries lack access to affordable medium-term equity and debt; Impact enterprises lack access to affordable medium-term debt

Funds of Funds → **Intermediaries** → **Impact Enterprises**

IIFF
India Impact Fund of Funds

Debt Funds

- Nascent but growing
- Find it difficult to access Wholesale Funds
- Spend time and money to on-board investors
- Concurrently time to deploy gets inordinately delayed

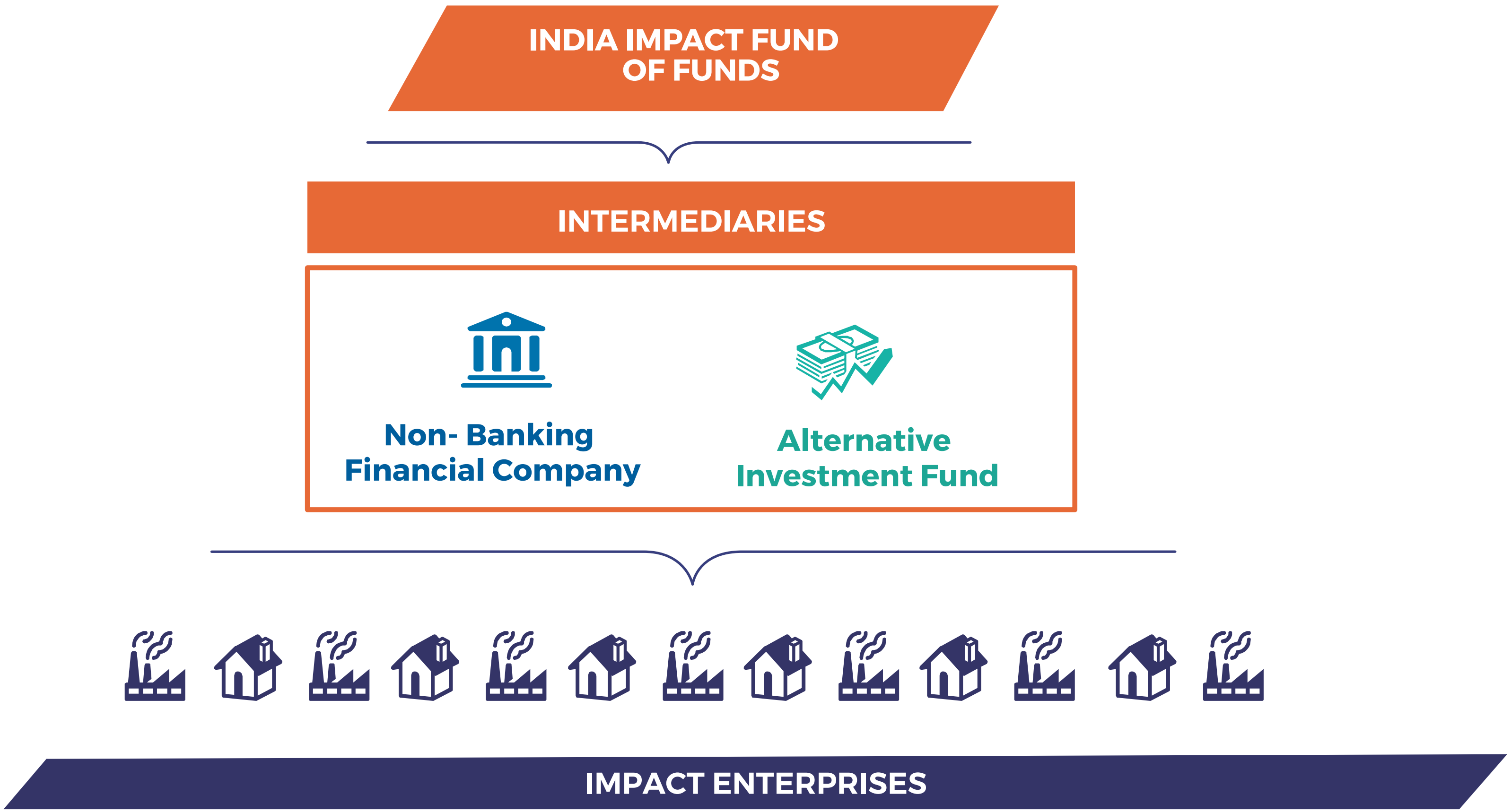
NBFCs

- New NBFCs access to equity
- NBFC's find it difficult to access debt funds at an affordable cost

Impact Enterprises

- So far received funding primarily through equity
- Business models have been proven
- Cash flows are established
- Need debt funding to scale
- Find it difficult to access medium term funds at affordable rates and with no security

IIFF to open the flood-gates for Impact debt by catalysing Intermediaries at Scale



Debt intermediaries to have diversified portfolio in under-served Sectors and Stages

Growth Sectors: FS & non-FS

FINANCIAL SERVICES (FS)

- Microfinance
- FinTech
- Other NBFCs

Non-Financial Service

- Micro Small & Medium Enterprises
- Affordable Housing
- Agriculture
- Education
- Healthcare
- Water & Sanitation
- Waste Management
- Renewable Energy

- Historical focus of impact has been in FS
- Intermediaries to commit **a minimum [25%]** towards the non-financial services sector

Stages of Debt

- Venture Debt
- Early Stage Debt
- Growth Debt

20% Max exposure for IIFF to Venture Debt

IIFF to ensure additionality of funding for Impact Enterprises

I. Criteria for Investee

IIFF will ensure that intermediaries **invest in companies** that:

- have an **intent** to generate a **beneficial social or environmental impact** alongside a financial return
- **do not belong to 'negative list' such as alcohol, tobacco etc.**
- Have **majority of their beneficiaries** (more than 66%) as underserved beneficiaries*

- **revenue < US$ 100 mn weighted average for three years [TBD]**

II. Criteria for Underserved Beneficiaries

- Beneficiaries could be Producers, Consumers, Suppliers, Employees or Users **with**
  - Annual household incomes less than ₹ 10 Lakh

    OR
  - Marginalised: Women or persons with physical disabilities

    OR
  - Located in Tier 3-4 towns, difficult to access geographies or under-developed districts.

- Micro enterprises as defined by the MSME Act 2006/ Proposed Definition^

*Except when the company is in the Water & Sanitation, Waste Management and Renewable Energy sector

^ The proposed definition based on turnover as follows: Micro- up to INR 5 crore (US$0.7 mn); Small- up to INR 75 crore (US$11.5 mn) and Medium- up to INR 250 crore (US$38.4 mn)

IIFF can be anchor investor, providing upto 50% funding

IIFF can provide upto 50% of funding for Debt Funds

To reduce risks of sourcing additional capital

- IIFF willing to invest upto 50% of the Debt Fund
- Subject to a maximum of 25%* of the IIFF Fund (or Tranche) size

IIFF can invest in NBFCs through equity and debt*

For Equity

- IIFF willing to invest upto 49%
- IIFF as an NBFC can invest upto 50% in intermediaries
- Investments above 26% require RBI permission
- Subject to a maximum of 25% of the IIFF Fund (or Tranche) size

For Debt

- Loans to NBFCs shall be upto 3 times of NBFCs Owned Funds, as defined under RBI regulations.
- Subject to a maximum of 25% of the IIFF Fund (or Tranche) size

Ticket Size for Intermediaries: US$10 – 30 mn

* As per SEBI, investment in by AIF Category II is limited 25% of investable funds

World Class IIFF Manager to be appointed

IIFF Manager Criteria

- AUM
- Fund raising experience
- India / Emerging Market Experience
- Debt Experience
- Team & Offices
- Impact investing experience
- Risk Management Tools
- Commercial expectation

Examples of Fund Managers with FoF Experience

- Triodos Investment Management
- CapitalDynamics
- HarbourVest
- TripleJump
- Partners Group — REALIZING POTENTIAL IN PRIVATE MARKETS
- StepStone — inside private markets
- LGT

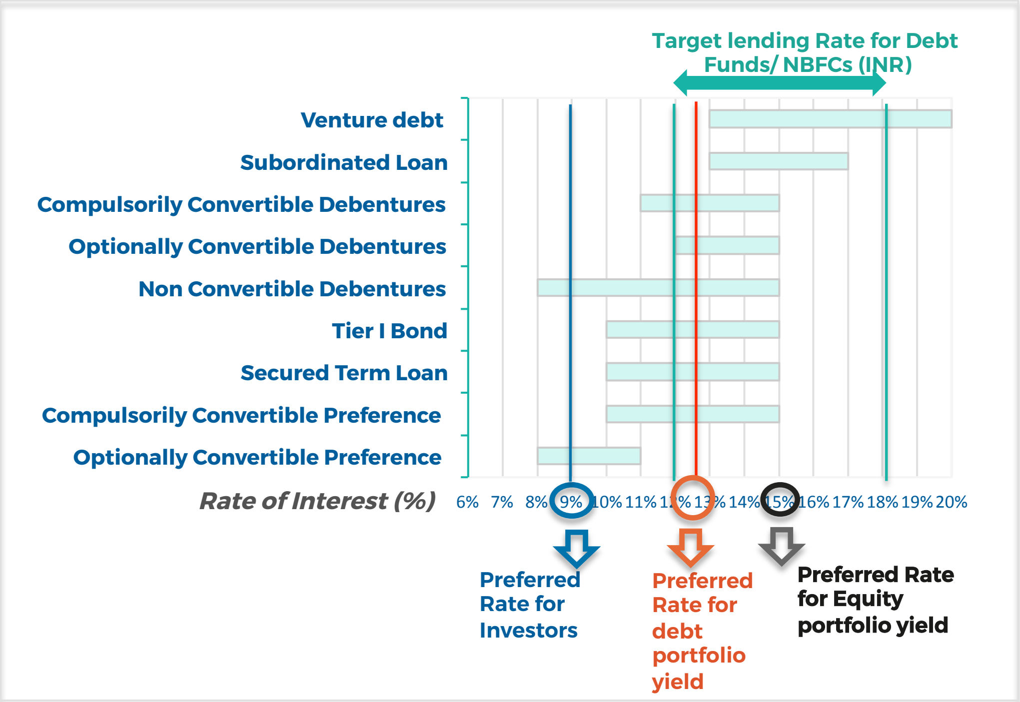
Attractive returns for Investors, IIFF Manager and Intermediaries

Debt

Preferred Rate of Return for Investor (INR)	9%
Investor IRR (INR)	10.7%
Preferred Portfolio Yield (INR)	12.5%
Intermediary lending rates (INR)	12% - 18%

Equity

Preferred Rate of Return for Investor (INR)	15%
Investor IRR (INR)	20% +



- India 5 year G-Sec : 7.65%
- US 5 year T bill: 2.78%
- **Difference: 4.87%**

The figures are based on secondary research and input from subject matter experts and stakeholders

An Outstanding Board of Directors and Advisory Council

Board of Directors

Dr. Rajiv B. Lall

Ashish Dhawan

Vikram Gandhi

Advisory Council

Sir Ronald Cohen

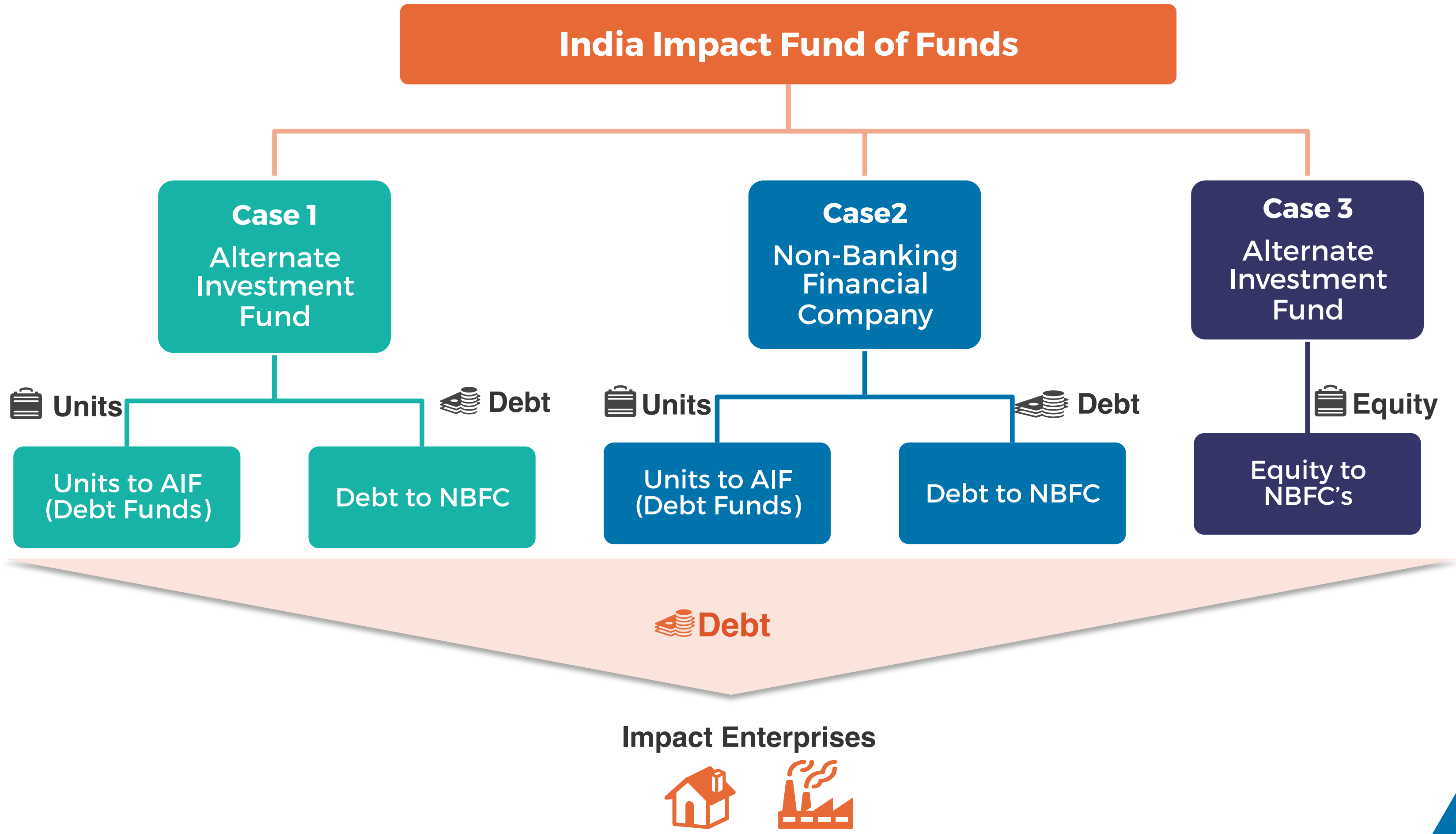
David Hijtchison Obe

Tracy Palandian

Vivek Pandit

Nishith M. Desai

IIFF may use a combination of vehicles to fund intermediaries



Intermediaries Deal Flow – Debt Funds

	Focus Sectors	Funds for Debt Raised/ Disbursed Till Date
Northern Arc	Financial Services	Disbursed: US$135M
Trifecta Capital	eCom/ Tech	Maiden: US$75 mn in 2017
Innoven Capital	eCom/ Tech/ Energy/ Edu/ Fin Services	Disbursed: US$65 mn in 2017
Unicorn India Ventures	Energy/ Health/ Pharma/ Consumer/ Tech	Maiden: US$93 mn in Nov 2017
Brick Eagle	Affordable Housing	Launched: 3rd India fund - US$70M
IvyCap Ventures	Health/ Edu/ Infra/ Agri/ Cleantech	Launched: US$75 mn fund in 2017
Anicut	FinTech/ SMEs	Disbursed: US$70 mn
Intellegrow	Agri/ Health/ MFI/ Edu/ Cleantech	Launched: US$150 mn Fund
Lok Capital	Financial Inclusion/ Healthcare/ Agriculture	Launched: US$50 mn Fund
alteria capital	Sport/ FMCG	Maiden: ~US$70 mn raised of US$150M

Intermediaries Deal Flow - NBFCs

	Focus Sectors	Debt Raised	Equity Raised
SHIKSHA FINANCE	Educational loans	US$2.5 mn Debt and Equity	Not Reported
indifi	MSME Loans	Not Reported	US$10 mn+ Equity
AYE [आय]	MSME Loans	US$32 mn+ Debt	US$4 mn+ Equity
LENDINGKART	MSME Loans	US$16 mn Debt	US$140 mn+ Equity
VERITAS	MSME Loans	US$13.8 mn Debt	US$23mn+ Equity
CASHe	Personal Loans	US$3.1 mn Debt	US$23mn+ Equity
varthana	Educational Loans	US$3 mn Grant	US$71mn+ Equity
SAFL Sustainable Agro-commercial Finance Ltd.	Agricultural Loans	US$11 mn through NCD/ banks loans	Not Reported
ifc	Educational Loans	Not Reported	US$6 mn through equity

Index

Impact investing in India is a growing market

~US$ 7.5 billion

Market size of Impact Investing Industry in India

~US$ 17 billion

Average deal size in impact investing (including equity)

~5 years

Average holding period

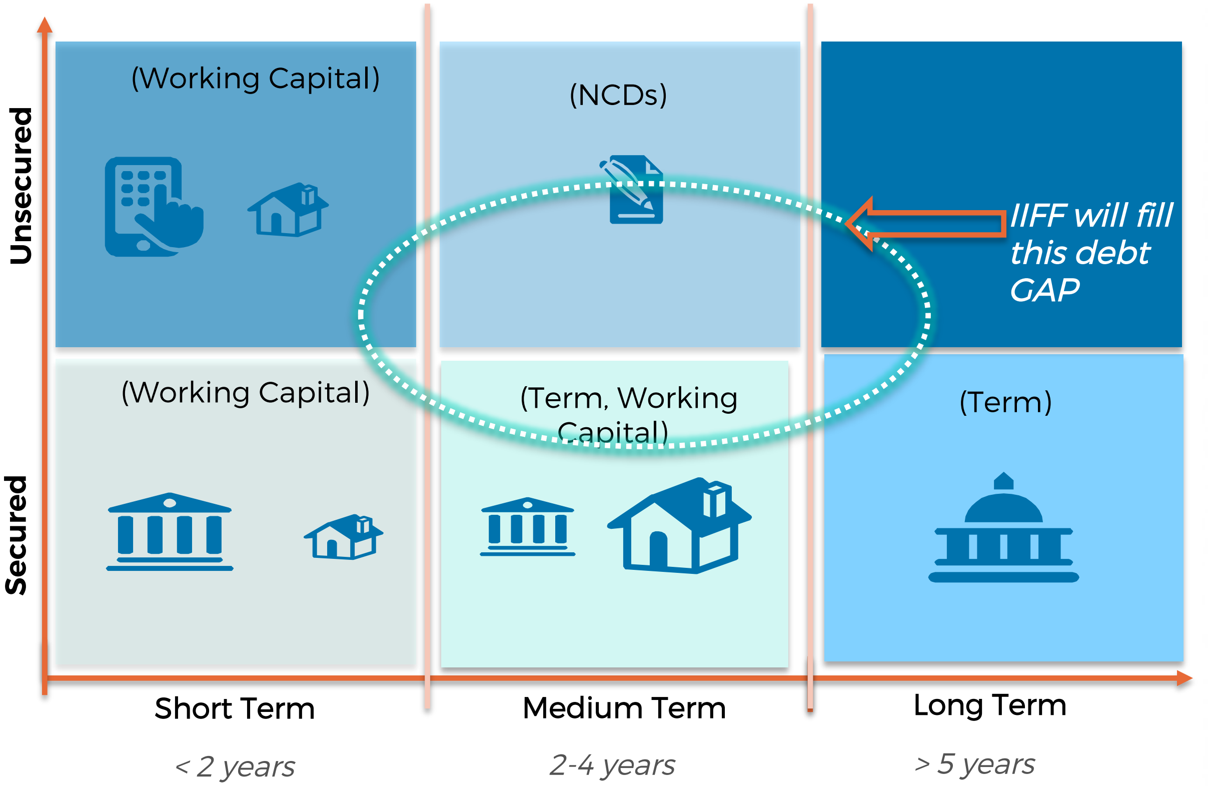
~US$ 2.5 billion

Expected investments in 2020

~US$ 6-8 billion

Expected investments in 2025

Many gaps in the Indian debt market for small to medium enterprises

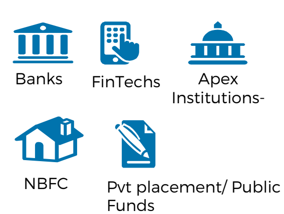


50 - 60%
Credit gap in MSME sector

~ US$0.3 tn
Debt financing gap in MSME sector

Legend for Traction of Lending:
- High - medium
- Low
- None

Legend: size determines dominance



Source: Bloomberg, Marketwatch January 31 2018, IFC

Impact Enterprises have cash-flows but cannot access medium term debt

Impact

- So far funded through Equity
- Business Models have been proven
- Operational Risks have been removed
- Need to scale and grow without diluting equity
- Cost of debt is not affordable
  OR
- Cannot access debt due to lack of collateral
- Have cash flows to support servicing of debt

Impact investors primarily invested through equity

50 — **Active impact investors in India between 2010 and 2016**

~US$5 billion — **Funded by investors in 2010 - 2016**

~US$1 billion — **Invested in 2016 alone**

Source: McKinsey, Impact investing: Purpose-driven finance finds its place in India

Debt Funds and NBFCs who lend to Impact Enterprises are finding it difficult to access wholesale funds

Debt Funds

- Debt Funds are in the nascent stage but growing
- For funding they need to access the overseas market
- Investment in Time and Money to access overseas investors
- Uncertain of the outcome
- Receive small amounts of funding and challenged with raising the balance

NBFC

- New NBFCs find it difficult to raise equity
- Consensus on valuation is a challenge
- Debt is not available at reasonable rates

Medium term Debt for Impact needs to be catalysed

>11 Debt Funds in India

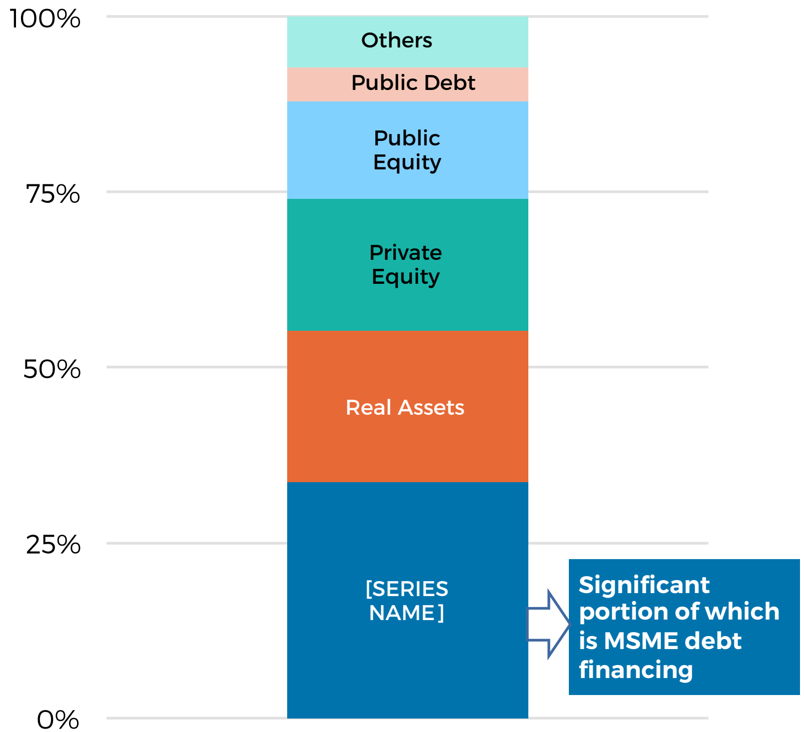
<US$1 billion Raised/ disbursed by these funds

Source: McKinsey, Impact investing: Purpose-driven finance finds its place in India

Opportunity for Intermediaries to provide Impact Debt; validated by global impact funding

Debt, a preferred instrument in Impact investments by DFIs

Private Debt 35% of Impact assets

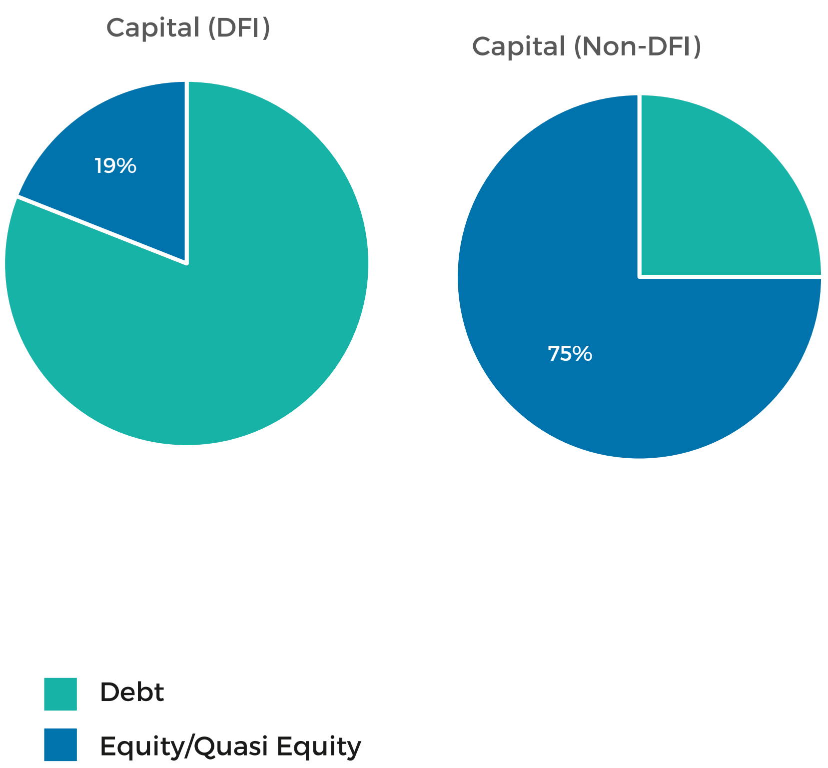


AUM by instrument %

Source: Market and Markets and GIIN (2017)

Impact Capital: Debt/ Equity

US$mn (% of total known capital)



Index

Intermediaries can be Funds (Alternate Investments Funds) or Non- Banking Financial Company

INDIA IMPACT FUND OF FUNDS

Funds (Alternative Investment Fund)

Non- Banking Financial Company

Non-Banking Financial Company (NBFC) is regulated by RBI (Reserve Bank of India)

	NBFC
Definition of Financial Company (NBFC)	Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities
Products that can be offered by NBFC's	There are currently 10 types of NBFCs permitted by the Reserve Bank of India and can offer a variety of products from investments, loans, guarantees and holding company status
Important prudential norms of NBFC's	INR 2 crore (US$0.3 mn) by promoter ,prudential norm requirements with CRAR of 15% initially funded by promoters, equity investors. NBFC become systematically important when asset size of INR 500 crore (US$77 mn) is reached
Leverage and exposure norm	The leverage is maximum of 6.67 times with exposure norms of 15 %- single borrower, 40% - borrower group (Note: if no public funds are used then exposure norms may not be applicable)
Tax applicability and change in ownership	As this entity is a company it is liable for ~Corporate tax: ~35%+Dividend tax: 20.5% on amount distributed Change in management beyond 26% require RBI approval

Source: RBI

Debt funds / Alternative Investment Fund (AIF) are regulated by SEBI (Securities and Exchange Board of India)

	AIF
Definition of Financial Company (AIF)	Alternative Investment Fund or AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.
Legal form of AIF	An AIF under the SEBI (Alternative Investment Funds) Regulations, 2012 can be established or incorporated in the form of a trust or a company or a limited liability partnership or a body corporate. Most of the AIFs registered with SEBI are in trust form.
Types of AIFs	The types of AIF's include: Category I : Venture capital , SME, Social and infrastructure funds Category II: Debt funds and other not falling in the other categories Category III : Hedge funds , PIPE funds
Permissible leverage and exposure norm	Only category III AIF's can leverage up to 2 times while the other categories aren't permitted leverage, Exposures of 25% in a single entity is the maximum limit.
Tax applicability and change in ownership	INR 5 crore (US$0.7 mn) by Sponsor Withholding Tax on Interest: 7.5%* + 3% Mauritius Tax no permission of change of ownership (AIF is pass through and investors pay taxes on income earned by AIF)

Source: RBI

*Subject to availability of Mauritius tax treaty benefit

Impact Debt Funds provide Growth, Early and Venture Debt

Type of Debt Funds	Players	Basis of lending	Lending Rates for Debt Funds
Venture Debt		▲ Cashflow ▲ Equity/ VC Backing	▲ 15% - 18%
Early Stage Debt		▲ Cashflow ▲ EBIDTA	▲ 13% - 18%
Growth Debt		▲ Cash flows ▲ EBIDTA ▲ Credit Ratings	▲ 11% - 16%

Source: Bloomberg, Marketwatch January 31 2018

Impact NBFCs are in diversified sectors

Type of NBFCs	Players	Basis of lending	Lending Rates
Agriculture	Samunnati	▲ Credit score ▲ Collateral ▲ Yield of land	▲ 22% (average)
Healthcare	Arogya Finance – Medical Loans Made Easy	▲ Credit score ▲ Collateral	▲ <15% (excluding processing fee)
Education	Shiksha Finance, varthana	▲ Cashflow ▲ Credit score ▲ Physical assets of schools	▲ 12% - 16%
MSME	indifi, AYE [आय]	▲ Cashflow ▲ Promoter Track Record ▲ Credit score	▲ 16% - 22%
Renewable energy	cKers finance, Shakti Sustainable Energy Foundation	▲ Credit score ▲ Collateral	▲ 11% - 14%
Affordable Housing	AVIOM India Housing Finance Pvt Ltd, ART Affordable Housing Finance – Own your dreams	▲ Source of Income ▲ Economic Class ▲ Geographical Location of Property ▲ Credit Score	▲ 6.8% - 8% (gross of subsidy for affordable housing)
Microfinance	Chaitanya – Improving Lives, Madura microfinance	▲ Cashflow ▲ Credit score ▲ Group guarantee	▲ 16% - 24%

Source: Bloomberg, Marketwatch January 31 2018

IIFF to have strong risk framework to fund 'Investment grade' Debt Funds

Methodology of evaluation

Sponsor Evaluation

- Strong Sponsors
- Sponsor commitment towards Fund
- Experienced in Debt Financing and Impact segments
- Experienced in Fund Management

Asset Management Evaluation

- Experience in fund management
- Size of assets under management
- Strong Organizational structure
- Strong liquidity analysis

Investments Related Processes

- Strong Portfolio selection process
- Well aligned Investment objectives
- Maturity profile of the investments
- Process for reviewing portfolio performance
- Quality of underlying portfolio

Risk Management Systems

- Strong risk identification and measurement
- Strong risk monitoring and control

Operations / Technology

- Internal controls and adequacy of the information systems
- Strong corporate governance and regulatory compliance
- Quality of staffing
- Quality of client servicing
- Quality of IT resources

IIFF to fund Impact NBFCs with Investment grade securities

Methodology of evaluation

Management Evaluation

- Track record of promoter and management
- Experienced in Impact segments
- Experienced in Risk Management and Investor Reporting

Funding Source

- Size of assets under management
- Strong Organisational structure
- Strong capital adequacy
- Ability to service debt

Asset Quality Evaluation

- Strong Portfolio selection process
- Well aligned Investment objectives
- Spread of portfolio across income classes and sectors
- Process for reviewing portfolio performance
- Quality of underlying portfolio

Risk Management Systems

- Strong risk identification and measurement
- Strong risk monitoring and control
- Earning quality
- Strong accounting standards

Operations / Technology

- Internal controls and adequacy of the information systems
- Strong corporate governance and regulatory compliance
- Quality of staffing
- Quality of client servicing
- Quality of IT resources

There has been increased activity and diversity in Debt deals and sectors

India Debt deal activity in 2017

US$1.2B

45 deals

10% of early stage funding

India Debt deal activity in Q1, 2018

US$774 mn

10% of early stage funding

Noteworthy deals of 2017

Enterprise	Sector	Amount
ReNew Power	Cleantech	US$390 mn
Big Basket	eCommerce	US$6.9 mn
Aye Finance	FinTech	US$3.0 mn
Swarna Pragati	Aff. Housing	US$7.8 mn
Blackbuck	Logistics	US$7.7 mn
KIMS Hospitals	Healthcare	US$9.2 mn
Azure Power	Cleantech	US$10.5 mn
Flexi Loans	FinTech	US$7.0 mn
Omkar Realtors	Real Estate	US$19.0 mn
Aptus	Aff. Housing	US$31 mn

Noteworthy deals of Q1, 2018

Enterprise	Sector	Amount
ReNew Power	Cleantech	US$497 mn
Curefit	Health	US$10 mn
Cash Suvidha	FinTech	US$2.5 mn
LendingKart	FinTech	US$4.6 mn
Ninjacart	Agritech	US$1 mn
Universal Sportsbiz	Apparel	US$4.6 mn
Power2SME	FinTech	US$6.2 mn
Aptus	Aff. Housing	US$15 mn(committed)

Examples of Investible Opportunities – Debt Funds and NBFC*

Player	AUM	Target returns for investors	Sectors Invested in
NORTHERN ARC	US$137 mn across 5 funds	11.5% to 12% (during higher interest rate) (INR)	Microfinance Small Business Loans Vehicle Finance Agri Finance Affordable Housing Finance Corporate Finance
LOK CAPITAL	US$50 mn (proposed fund)	INR 11% net (INR)	Clean Energy & Environment Agriculture & Allied Financial Inclusion Intermediaries Affordable Healthcare Education & Livelihood
BRICKEAGLE	US$9 mn	~16-18% (INR)	Affordable housing
TRIFECTA CAPITAL	US$75 mn	17- 18% (INR)	Consumer Services, Consumer Products, Transportation & Logistics, B2B Services, Financial Services, Internet of Things, Healthcare, Agriculture, etc.
cKers finance	US$10 mn	9-10% in INR	Emerging Sustainable Energy segments such as: Roof Top Solar (Commercial, Industrial, Residential), Solar Pumping, Mini-grids, Solar Home Systems, Waste to Energy, Energy Efficiency (Industrial, commercial buildings and residences)
indifi	US$7 mn	13%	Hospitality: Includes Travel, Hotels and Restaurants Retail: Includes small business owners and traders
SMECORNER.COM Digikredit Finance	US$4.6 mn	Not Reported	MSME – Unorganised Retail (Shopkeeper, grocery stores, chemists, etc.)

*Based on information provided by Debt Funds and NBFCs

Example of Investible Opportunity 1: Northern Arc Investments Debt Fund*

Strategy of Investing

- Channelising investments through an Alternative Investment Fund (AIF) structure towards high yielding, high impact debt opportunities in the Indian financial inclusion sector in line with our groups mission to ensure every individuals and every enterprise has complete access to financial services.
- To identify and invest in high quality institutions primarily focused on on-lending in rural areas, which pass through a detailed underwriting process, developed based on Northern Arc's debt market experience over the last 10 years
- To maintain diversification across issuers geographies with caps on single sector and single entity exposure

Financing Solution

Differentiated funding to fund investee companies' growth

- Commercial Paper
- Senior Secured Debt
- Senior Unsecured Debt
- Subordinate Debt
- Market Linked Debentures
- Preference Shares

Sectors Lent to

- Microfinance Institutions
- Small Business Loan Finance
- Vehicle Finance
- Agri Finance
- Affordable Housing Finance
- Corporate Finance:
  a) Healthcare
  b) Clean energy
  c) Education
  d) SME companies

Impact Created

- Provision of finance to over 130+ institutions by the Northers Arc Group
- Enabled access to finance across 569 districts in 30 states across India
- Northern Arc Group has facilitated over INR 50,000 crores (US$7.6 bn) of finance to the sectors that we lend to

*Based on information provided by Debt Funds

Details of Northern Arc Investments Debt Funds*

Investor Information

AUM#	INR 981 Cr (US$150 mn) across 6 funds
Proposed Fund Size	US$50 mn + $ 50 mn (green shoe option)
Target returns for investors	11.5% to 12% (during higher interest rate)
Average Tenure of Investment by investor	3.5-10 Years
Management fee	1.5% + 0.25% running fee
Distribution Income	Quarterly
Principal Repayment	Single bullet at end of the fund tenure
First Loss Support	5% - 10% of the fund size
Rating	CARE AA to AA – (AIF) CRISIL AA – (SO) – Fund 5

Lending Information

Average tenure of lending by Northern Arc	4-6 years
Interest Payments	Quarterly
Lending rate	10% to 15%
Principal re-payment	Bullet repayment
Security of Lending	Loan Receivables
Stage of Borrower/ company	Growth stage
Ticket size	• INR 10 – 15 Cr ($1.6 mn to $2.4 mn) for smaller funds • INR 20 – 30 Cr ($3 mn to $4.7 mn) for larger funds

As on 31st March, 2018

*Based on information provided by Debt Funds

Northern Arc Investments: Case-studies of debt funding aligned with SDG*

SDG	Business Theme	Investee Company	Type of Debt Instrument	Interest Rate	Security
1 NO POVERTY	**Access of Finance**	FIVE STAR	Senior Secured Debt	11.50%	Secured
5 GENDER EQUALITY	**Access of Finance to women borrowers**	Fusion Microfinance	Subordinated Debt	13.85%	Unsecured
4 QUALITY EDUCATION	**School Finance**	varthana	Senior Unsecured Debt	13%-15%	Unsecured
6 CLEAN WATER AND SANITATION	Loan for toilets	SATIN	Senior Unsecured Debt	13%	Unsecured
11 SUSTAINABLE CITIES AND COMMUNITIES	Affordable Housing	shubham Housing Development Finance Company	Senior Unsecured Debt	13%	Unsecured

*Based on information provided by Debt Funds

Example of Investible Opportunity 2: Lok Capital Debt Fund*

Strategy of Investing

- **High impact, growth stage SMEs**
- With a focus on **UN Sustainable Development Goals**
- In **Identified Sectors** within a defined **investment criteria.**

Financing Solution

Medium to long term debt financing

- Growth Debt Capital
- Capital Investment Loan
- Medium Term Debt
- Structured Solutions
- Convertibles

Through capital market instruments including CPs, NCDs, CCD, CCPS, Bonds, PTCs

Sectors Lent to

- Clean Energy & Environment
- Agriculture & Allied
- Financial Inclusion Intermediaries
- Affordable Healthcare
- Education & Livelihood

Impact Created

- Identified Impact metrics for each sector in line with UNSDGs and investor priorities.

*Based on information provided by Debt Funds

Details of **Lok Capital Impact Debt Fund***

Investor Information

Size of Proposed Fund	INR 350 cr / US$50 million
Target returns for investors	INR 11% net
Average Tenure of Investment by investor	5 years, Expected Fund life is 7 years
Management fee	2.0% of capital committed
Distribution Income	Quarterly after the deployment period
Principal Repayment	Year 6 and Year 7

Lending Information

Average tenure of lending by Lok Capital	2- 5 years
Lending rate	13.5-16%
Principal Payment	2-5 years Depending on Product
Security of Lending	Secured and Unsecured
Stage of investee company	Growth stage SMEs
Ticket size	USD 0.5 mn - 3 mn INR 30 mn - 200 mn

*Based on information provided by Debt Funds

Lok Capital: Case-studies of debt funding aligned with SDG*

Alignment with the Sustainable Development Goals

Case Study : 1

Cold Chain Solution Partner

Deal Size	INR equivalent of USD 1 Mn (USD 0.5 Mn in 2 tranches)
Instrument	Long term debt with warrants
Yield	10% on debt
Maturity	5 year with option to exercise warrant starting year 4
IRR w.r.t convertible	Expected at 20%
Transaction IRR	30%
Annual Diesel Offset / Reduction in CO2	2.78 mn litres of diesel saved annually. Additional 3500 units of cold storage transportation units added.

SDG Focus

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Case Study : 2

Affordable Housing Finance Company

Deal Size	INR equivalent of USD 3 Mn
Instrument	Long term debt in form of Non Convertible Debenture
Maturity	3 year
Yield	15%, arrangement fee of 1%
Number of families covered	1,950 with an average loan ticket size of INR 100,000 (USD 1,540)

SDG Focus

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

Example of Investible Opportunity 3: Brick Eagle India Affordable Housing Debt Fund*

Strategy of Investing

- Early stage investment in Affordable Housing projects in urban India
- Invest in local developers, prime creators of affordable homes in India, targeting superior risk adjusted returns
- Multiple small ticket investments in projects. The invested amount in a single project will not exceed 20% of total revenue

Financing Solution

- Mezz investment structured through secured NCDs, with an annual coupon of 10-12% p.a. and redemption premium to ensure an overall >20% IRR

Sectors Lent to

- Affordable housing

Impact Created

- The INR 500 Cr. (US$80 million) Fund will catalyse 50,000 homes benefiting over 200,000 people
- Pioneering Affordable Green through innovative construction solutions
- It will create ~20,000 direct jobs annually
- Creating self-sustained societies by focusing on community development

*Based on information provided by Debt Funds

Details of Brickeagle's details of Debt Fund*

Investor Information

Size of Present Funds	INR 60 Cr (US$9.2 mn) + US$20 mn
Proposed Fund Size	INR 500 cr (US$ 80 mn)
Target returns for investors	~16-18%
Average Tenure of Investment by investor	3-4 years
Management fee	1.5% -2%
Distribution Income	Annual coupon payments along with back ended redemption premium
Principal Repayment	Between year 3-5

Lending Information

Average tenure of lending	2-4 years
Interest Payments	Annual (about 50% of IRR)
Lending rate	>20% IRR
Principal re-payment	Towards end of the loan
Security of Loans	Secured with a collateral of 1.5x
Stage of Borrower/ company	Early stage projects
Ticket size	INR 5-30 cr (US$1- US$5 mn)

*Based on information provided by Debt Funds

Brickeagle: Case-studies of debt funding aligned with SDG*

SDG	Business Theme	Investee Company	Type of Debt Instrument	Interest Rate	Security
7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION	▲ Customer centric design ▲ Green construction process ▲ Solar supply for basic utilities in homes ▲ Sustainable landscape ▲ Waste management ▲ Community development	Namma Vedu	Non convertible debentures	>20%	Secured with a collateral of 1.5x
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES	▲ Innovative construction technology to minimise carbon footprints ▲ Community development ▲ Child centric home designs	Playtor	Non convertible debentures	>20%	Secured with a collateral of 1.5x

*Based on information provided by Debt Funds

Example of Investible Opportunity 4: Trifecta Capital Venture Debt Fund*

Strategy of Investing

- India's first venture debt fund, licensed by SEBI as a Category II AIF (Alternate Investment Fund). Backed by institutional investors including banks, insurance companies, development finance organisations, endowments and family offices.
- The Fund invests in growth-stage start-ups in services, industrial innovation, healthcare, sustainable community solutions, etc. 70% of the Funds' total investment is in companies contributing to SDG goals.
- The Fund provides specialised debt financing, along with or after an equity fundraise, typically up to 25% of the equity round size. Company must have institutional equity investor (VC/PE) support. Term of 30 to 42 months with moratorium on principal repayment of 3-6 months and then repayment in equal instalments. Collateral typically in the form of a lien on fixed assets, receivables and IP.

Financing Solution

- Secured, Non-Convertible Debentures for a period of 24-36 months, repaid in equal instalments
- Additionally, a small equity option ranging from 10% to 15% of debt amount.
- Helps fund working capital, asset creation, runway and acquisitions.

Sectors Lent to

- Consumer Services, Consumer Products, Transportation & Logistics, B2B Services, Financial Services, Internet of Things, Healthcare, Agriculture, etc.

Impact Created

- Provided jobs to 10,000+ blue-collared workers
- Significant improvement in livelihood and salary of 10,000+ truck drivers
- Up to 15% higher income and timely payment for farmers

*Based on information provided by Debt Funds

Details of Trifecta's details of Debt Fund*

Investor Information

Size of Present Fund	INR 500 cr (US$75 mn)
Proposed Fund Size	INR 750 cr (US$110 mn)
Target returns for investors	17- 18% (INR Net)
Average Tenure of Investment by investor	7 Years Fund Life, 4 Year Investment Horizon
Management fee	1.8%-2%
Distribution Income	Quarterly
Principal Repayment	Quarterly, after 1X recycling

Lending Information

Average tenure of lending	3 years
Interest Payments	Monthly
Lending rate	14.5% - 15.5%
Principal re-payment	Monthly, after Moratorium Period
Security of Loans	**Secured** (Hypothecation of current and fixed assets including IP and brand)
Stage of Borrower/ company	Early Growth and Growth Stage
Ticket size	INR 6 cr (US$1 mn) – INR 50 cr (US$7.5 mn)

*Based on information provided by Debt Funds

Trifecta: Case-studies of debt funding aligned with SDG*

SDG	Business Theme	Investee Company	Type of Debt Instrument	Interest Rate	Security
8 DECENT WORK AND ECONOMIC GROWTH	▲ Intercity B2B logistics ▲ Improves quality of life of truck drivers	Rivigo	Non-Convertible Debentures	14.5%-15.5%	Hypothecation of fixed and current assets
8 DECENT WORK AND ECONOMIC GROWTH	▲ Marketplace for local B2C services ▲ Provides work to blue-collared workers	UrbanClap	Non-Convertible Debentures	14.5%-15.5%	Hypothecation of fixed and current assets
3 GOOD HEALTH AND WELL-BEING	▲ Provides high-quality dialysis at an affordable price ▲ Increase access for bottom of the pyramid population	Nephroplus	Non-Convertible Debentures	14.5%-15.5%	Hypothecation of fixed and current assets
10 REDUCED INEQUALITIES	▲ B2B supplier of Agri-products ▲ Up to 15% higher income for farmers and timely payments	Ninjacart	Non-Convertible Debentures	14.5%-15.5%	Hypothecation of fixed and current assets
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▲ Sells used mobile phones ▲ Enables reuse of mobile phones thus reducing toxic waste	Cashify	Non-Convertible Debentures	14.5%-15.5%	Hypothecation of fixed and current assets

*Based on information provided by Debt Funds

Example of Investible Opportunity 5: cKers NBFC*

Strategy of Investing

- cKers Finance is an innovative market maker debt financing NBFC dedicated towards financing emerging sustainable energy segments in India and catalysing them towards scale.
- Core-product is project finance at a micro-scale. cKers has developed under-writing frameworks and approaches for new segments that can be adopted by the mainstream
- Emerging as the go-to financier for players in the space; and cKers aims to have 20-30% of the market-share in the sub-segments that it is in.

Financing Solution

- Complete range of products for SE companies: Project finance (at a micro-scale), construction finance, working capital, venture debt

Sectors Lent to

- Emerging Sustainable Energy segments such as: Roof Top Solar (Commercial, Industrial, Residential), Solar Pumping, Mini-grids, Solar Home Systems, Waste to Energy, Energy Efficiency (Industrial, commercial buildings and residences)

Impact Created

- ~800+ sites provided with Sustainable Energy
- 6600 tons of carbon emissions avoided so far

*Based on information provided by NBFC

Details of cKer NBFC*

Investor Information

Present AUM	INR70 cr (US$10 mn)
Target AUM (5 years)	INR 700 cr (US$100 mn)
Effective return for debt investors	9-10% in INR
Size of Debt Required	INR140cr (US$20 mn) in next 2 years
Tenor of debt required	6-10 years
Present Leverage Ratio	1:2
Principal Repayment	Bullet / Over life of loan
Security to Investors	Secured

Lending Information

Average tenure of lending	4-8 years
Effective Lending Rate	11-14% in INR
Principal repayment from Borrowers	Bullet/ Throughout loan
Security of Loan	Usually backed by project cash-flows
Stage of borrower	Venture/ Early/ Growth
Rating of Borrowers/ Instrument	Unrated
Ticket size of Loans	INR1 – 15 cr (US$0.2 – 2 mn)

*Based on information provided by NBFC

cKers: Case-studies of debt funding aligned with SDG*

SDG	Business Theme	Borrower	Product / Interest Rate	Security
7 AFFORDABLE AND CLEAN ENERGY	First warehousing facility to scale C&I rooftop solar	A top 10 Roof Top Solar player	Project finance ~13%	Secured by project assets
7 AFFORDABLE AND CLEAN ENERGY	Solar pumping and agri services	A leading Solar pump player	Project finance at ~12%	Secured by project assets
7 AFFORDABLE AND CLEAN ENERGY	Renewable energy powered cold chain	Innovative technology developer	Asset finance 12-13%	Secured by assets bought

*Based on information provided by NBFC

Example of Investible Opportunity 6: Riviera Investors NBFC*

Strategy of Investing

- Focused on short term business loans either for the working capital or small capex requirements of small business owners.
- Focused on underserved segments which have been traditionally neglected by lenders.

- Strong emphasis on designing products by industry segment. This allows for:
  - ✓ Right product design to match customers' cash flows and needs
  - ✓ Ability to tap into industry specific data through aggregators
  - ✓ Incorporate industry-specific risk factors in credit scorecards

Financing Solution

Unsecured Term loans for working capital/Capex

I. With escrow
II. Without escrow

Unsecured Line of credit for working capital

I. With escrow
II. Without escrow

Invoice financing

Sectors Lent to

- Hospitality: Includes Travel, Hotels and Restaurants
- Retail: Includes small business owners and traders

Impact Created

- 16% of our borrowers are in Tier 3 and 4 cities which have been traditionally neglected by other NBFCs/Lenders
- 23% of our borrowers have not availed any unsecured loan in the past.
- 17% Women entrepreneurs

*Based on information provided by NBFC

Details of Riviera NBFC*

Investor Information

Present AUM	INR45 cr (US$7 mn)
Target AUM (5 yrs)	INR 650 cr (US$100 mn)
Effective return for investors	13.5%
Size of Debt Required	INR 500 cr (US$75 mn)
Tenor of debt required	Upto 3 years
Present Leverage Ratio	1:1

Other Investor Information

Principal Repayment	Over life of loan
Recent Credit Rating of Debt Raised	Not issued
Security to Investors	(Secured by way of hypothecation of loan portfolio)

Lending Information

Average tenure of lending	1.5 years
Effective Lending Rate	From 16% to 28%. Average Lending rate around 21%.
Principal repayment from Borrowers	Throughout the loan tenor
Security of Loan	Unsecured
Stage of borrower	Growth
Rating of Borrowers/ Instrument	Borrowers are typically small business owners which are not rated
Ticket size of Loans	INR 0.5 lakh to INR 50 lakhs (US$800 – 800k)

*Based on information provided by NBFC

Riviera: Case-studies of debt funding aligned with SDG*

SDG	Impact Created
1 NO POVERTY	▲ 16% of disbursals by volume have been to businesses established in tier 3 and 4 cities. ▲ More than 26% of disbursals by volume have been to borrowers who have had no or little credit history in the past
5 GENDER EQUALITY	▲ 17% of total disbursements by volume have been to entities run by at least one female promoter and out of which approximately 50% are having main/sole promoter as female.
8 DECENT WORK AND ECONOMIC GROWTH	▲ 71% of disbursements by volume to proprietorship firms. By business type, proprietorship forms the largest segment in MSME but usually neglected by mainstream lenders. ▲ 85% of disbursements by volume have been of loan amount less than US$10,000

*Based on information provided by NBFC

Example of Investible Opportunity 7: Digikredit Finance NBFC*

Strategy of Investing

- Lending to Micro and Small Enterprises within SMEs, with high use of technology and data science
- Higher focus on Customer facing Merchants, Business Owners and Shop Keepers

- Granular Portfolio with Small Loan Sizes
- Branch led Distribution Model

- Balance between Unsecured and Secured Lending

Financing Solution

- Unsecured working capital loans, Loan Against Property etc.

Sectors Lent to

- MSME – Unorganised Retail (Shopkeeper, grocery stores, chemists, etc.)

Impact Created

- Financial Inclusion
- Contribution of SMEs to India's GDP has been growing consistently at 11.5% a year, which is higher than the overall GDP growth of 7%.
- 45% Share of India's total manufacturing output that SMEs contribute to economy

*Based on information provided by NBFC

Details of Digikredit Finance NBFC*

Investor Information

Present AUM	INR30cr (US$4.6 mn)
Target AUM (5 years)	INR 10,000cr (US$1500 mn)
Effective return for investors	Not Reported
Size of Debt Required	INR 75 cr (US$1.1 mn) in FY18-19 INR 3500 cr (US$54 mn) from FY18-FY22
Tenor of debt required	3 years
Present Leverage Ratio	Not Reported
Principal Repayment	Over life of loan
Recent Credit Rating of Debt Raised	Not Reported
Return on Assets as of	NA
Security to Investors	Debt -Secured against receivables

Lending Information

Average tenure of lending	50 months
Effective Lending Rate	Unsecured – 22% Secured – 16%
Principal repayment from Borrowers	Throughout loan
Security of Loan	Unsecured
Stage of borrower	Early
Rating of Borrowers/ Instrument	Not Reported
Ticket size of Loans	• Average Unsecured Loan • Ticket Size of INR 7 lacs (US$11 k) • Average Secured Loan Ticket Size of INR 20 lacs (US$31 k)

*Based on information provided by NBFC

Digikredit: Case-studies of debt funding aligned with SDG*

SDG	Business Theme	Borrower	Interest Rate	Security
8 DECENT WORK AND ECONOMIC GROWTH	Access to Business Resources	Grocery Shop	23%	Unsecured
8 DECENT WORK AND ECONOMIC GROWTH	Access to Business Resources	Footwear Shop	22%	Unsecured
8 DECENT WORK AND ECONOMIC GROWTH	Access to Business Resources	Readymade Garments Shop	24%	Unsecured
8 DECENT WORK AND ECONOMIC GROWTH	Access to Business Resources	Restaurant	23%	Unsecured

Index

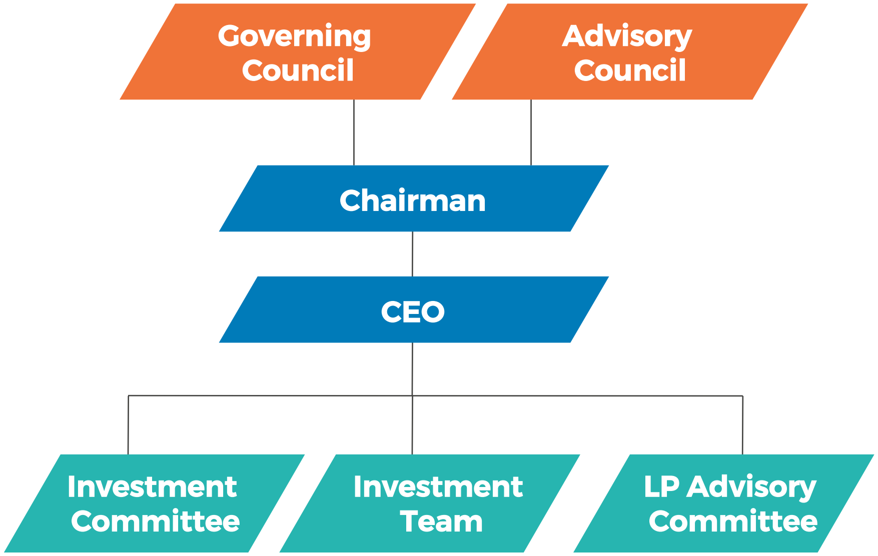
IIFF will appoint a world-class Manager with Fund of Fund and global experience

Professional, Experienced

Management of IIFF

- FoF Manager to be appointed
- RFI process to be initiated and to be completed by July 2018
- Preliminary discussions held with 9 potential IIFF Managers

IIFF Management



IIFF Fund Manager- selection criteria

AUM Group	• Overall AUM	• FoF & Debt AUM
Fund raising experience	• Family Office • Pension Funds • Insurance Funds • Diaspora & HNWI	• Wealth Managers • DFIs • Foundations • Investment banks
Emerging Market Experience	• Asia Experience	• India Experience
Debt Experience	• Number of years	• India Debt
Offices	• Asia & India Office	
Team	• Technical Experience	
Commercial expectation	• Management fee	• Carry linked to performance and impact
Risk Management Tools	• Technology	
Impact investing experience	• Years of experience	• Tools used

Roles and Responsibilities of FoF Manager

1 Raising Capital

- Raise the remaining US$900 mn capital for the second to fourth tranches of the fund within the first seven years

2 Deployment

- Deploy the US$100 mn capital of the first tranche in the first year
- Deploy the remaining tranches of the US$900 mn capital
- Ensure investments comply with impact guidelines and objectives

3 Investment Process

- Ensure Investment Committee approves each investment
- Carryout a thorough due-diligence process before making any investment

4 Governance

- Develop strong conflict of interest policies and disclose them at earliest
- Develop and implement strong policies of governance
- Manager/ Sponsor needs to appoint custodian
- Key changes in the management needs to be disclosed

5 Risk Management

- Monitor closely the quality and performance of underlying assets
- Implement a strong risk mitigation plan and respond to risk at the earliest
- Ensure a strong currency hedging strategy, if required
- Develop, implement and regularly review policies and procedures
- Manager to restrict investments in an investee company to 25%
- Manager/ Sponsor shall maintain the following records:
- Assets under scheme
- Valuation polices and practices
- Investment strategies
- Particulars of investors and their contribution
- Rationale for investment made

Roles and Responsibilities of FoF Manager

6 SFI Board and Investor Reporting

- Report to the SFI Board and investors on outstanding's, quality of portfolio, cashflows, risks etc., quarterly
- Secure SFI Board concurrence on change in broad framework for the investment strategy

- Provide investors with a description of valuation procedure and methodology
- To undertake independent valuation of investments once in 6 months
- Manager/ sponsor to lay down procedure for resolution of disputes between investors through arbitration or any other mechanism
- Annual audit of book of accounts to be done by a qualified auditor
- Year end report to investor to contain:
  - Financial information of investee companies
  - Material risks which may include:
    - ✓ Concentration risk at fund level
    - ✓ Foreign exchange risk at fund level
    - ✓ Leverage risk at fund and investee company level
    - ✓ Realization risk (i.e. change in exit environment) at fund and investee company levels
    - ✓ Strategy risk (i.e. change in or divergence from business strategy) at investee company
    - ✓ Reputation risk at investee company level
    - ✓ Extra-financial risks including environmental social, corporate governance at fund and investee company level

7 Impact Reporting

- Monitor impact as set out in the fund objectives
- Provide annual reports on impact created

Examples of Fund Managers with FoF experience

Player	AUM	Experience in Asia/ India	Experience in India
Triodos Investment Management	▲ US$3.3 bn	▲ No office in India/ Asia ▲ Invest in India fund through Netherlands	▲ Impact Fund ▲ Direct Investment
HarbourVest	▲ US$47 bn	▲ No office in India ▲ Office in Hong Kong	▲ Fund of Funds ▲ Direct Investment in large Financial Service
Triple Jump	▲ US$930 mn	▲ No Office in India ▲ Office in Thailand	▲ Fund of Funds ▲ Investment in SME in India
Partners Group	▲ US$74 bn	▲ Office in India	▲ Fund of Funds ▲ Investment in private equity, real estate and infrastructure opportunities
StepStone	▲ US$35 bn	▲ No Office in India ▲ Office in Hong Kong	▲ Fund of Funds ▲ Manages Japan's core global infrastructure fund-of-funds
LGT	▲ US$193 bn	▲ Office in India	▲ Fund of Funds ▲ LGT Impact Investments has focus in India
Capital Dynamics	▲ US$15 bn	▲ No Office in India ▲ Office in Tokyo	▲ Fund of Funds ▲ Clean energy focus

IIFF management Fee incentives for both return and impact

Carry and Impact Triggers

Fees

- Fees: **0.9%* (debt); 1.6%* (equity)**
- Carry: **10- 20%**** on returns exceeding Preferred Rate of Return subject to IIFF Manager meeting **Favourable Impact Trigger and through waterfall method**

Impact Triggers

- Only when **both the Preferred Rate of Return & Favourable Impact Trigger is met**, the Fund of Funds Managers receives the carry

Monitoring of Impact

Regular Monitoring	Yearly/ Semi Annually	Sets Impact target, reports on Impact created and red flags
Standardized Methodology	Globally Inspired by IIRC, GRI, IRIS, SASB captures: All aspects of impact	Developed by UNSIF
Allocate Responsibility	Final Investee responsible for reporting impact	Debt Funds/ NBFC to collate reports and audit investees
Easy Implementation	Cost effective with only key parameters	Third party audits every 2 years

*Figures are gross of applicable GST or other tax liabilities

Index

Top ten reasons for Investors to invest in IIFF

1. India, **fastest growing large economy**
2. Exciting evidence-based **Theory of Change**
3. **SDG-aligned** Impact focused on bottom 500M
4. Board Members with outstanding credentials
5. **Deep experience** of IIFF Fund Manager (TBD)
6. **Great Partners**- GSG, UNSIF
7. Carefully shortlist **Top** Debt Fund **Managers / NBFCs**
8. Strong Risk Management Framework
9. Impact Rating & **Impact Audits**
10. Best-in-class back-office **Technology/** (TBD)

Investors for IIFF - large Institutions & retail diaspora

Development Financial Institution & Sovereign Wealth Funds

Donors and Foundations

Family Offices

- Pritzer Family (Blue Haven Initiative) - USA
- Andersen Family (Ferd) - Norway

Insurance Funds

Pension Funds*

Investment Banks

Diaspora and HNIs

*Dozen pension funds: CPPIB, CDPQ, Ontario Teachers Fund (OTP), ECS of Mayasia, pension funds from Japan are active in India

Source: Government of India – December, 2016

Index

Summary of Sectors and sub-sectors for investments by intermediaries

Sector	Sub-Sectors				
Financial Services	★ NBFC: Niche Sectors*	★ NBFC: Fintech	★ NBFC: MFI	❑ FinTech: Payments	
Affordable Housing	★ Loans	★ Development of Infrastructure			
Small & Medium Enterprises	★ Textile & Apparel	★ IT & ITeS & BPO	★ Travel, hospitality & tourism	★ Handicrafts & Allied Agricultural	❑ Construction (excluding housing)

Niche sectors include: small business finance, vehicle finance, agricultural finance, education finance, clean energy finance

★ **Recommended Impact Sectors** based on growth rates, deal flow, funding gap, debt need, ability to repay, ticket size

Summary of Sectors and sub-sectors for investments by intermediaries

Sector	Sub-Sectors						
Agriculture	★ Organic Fertilizer / Bio Fertilizer	★ Farming as a service	❑ Post Harvesting Logistics	★ Dairy	★ Organic Farming	❑ Poultry	❑ Processing
Education	★ K-12 & K12 Managemen t Services*	★ K 12 Finance	❑ Higher Education	★ Vocational & Skill Training	★ Coaching class, Others	❑ Tech & learning companies	
Healthcare	★ Hospitals	❑ Diagnostic Centers	❑ Pharmacy	❑ Medical Devices	★ Health Technology	❑ Small & Medium Drug Manufacturers	
Water & Sanitation	★ Water Distribution & Managemen t	❑ Water Purification	★ Water Treatment	★ Sanitation			
Waste Management	★ Solid Waste	★ E-waste	❑ Plastic	❑ Industrial Waste			
Renewable Energy	★ Solar Energy	❑ Wind Energy	❑ Geothermal	❑ Biomass	❑ Hydroelectri c	❑ Electric Vehicles	

★ **Recommended Impact Sectors** based on growth rates, deal flow, funding gap, debt need, ability to repay, ticket size

*Investments in K-12 will need to be through pure debt

Financial Services Sector: Deal Flow

Sub-sector	Debt Deals		Equity Deals	
NBFC: Niche Sectors	SAFL Sustainable Agro-commercial Finance Ltd.	▲ US$11 mn	SHIKSHA FINANCE	▲ US$2.5 mn Debt and Equity
	isfc	▲ US$6 mn		
FinTech/ SME	VISTAAR	▲ US$18 mn	indifi OUR LOAN. YOUR GROWTH	▲ US$10 mn
	FLEXILOANS	▲ US$7 mn		
MFI	Chaitanya Improving Lives	▲ US$5 mn	Sub-K BASIX SAB KE LIYE SAMRUDDHI LAYE	▲ US$5 mn
FinTech: Payments	No reported recent debt deals		MobiKwik MORE THAN A WALLET	▲ US$162 mn

Affordable Housing Sector: Deal Flow

Sub-sector	Company	Debt Deals	Company	Equity Deals
Loans	APTUS	US$0.3 mn NCD from IFMR Capital, 2015, US$15 mn IFC	AVIOM India Housing Finance Pvt Ltd	US$2.3 mn of Series-A from Insitor Impact Asia Fund
Loans	ART Affordable Housing Finance	US$7.7 mn as Term Loan from Bank, 2015		
Loans	Swarna Pragati Housing	US$7.7 mn Term Loan in 2017		
Loans	ALTICO Financing India's Future	US$7.7 mn by IFC		
Development of Infrastructure	XRBIA	US$38 mn Term Loan from Bank	DBS Communities	Brickeagle has acquired 49% stake- undisclosed amount

SME Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
Textile and Apparel	No reported recent debt deals	JAYPORE – US$15 mn of Series-B from Aavishkar, 2016
IT & ITeS & BPO	No reported recent debt deals	VINDHYA – US$15 mn of Series-B from Aavishkar, 2016
Travel, Tourism and Hospitality	BLACKBUCK – US$7.69 mn from Innoven	truckola – US$600k angel funding in 2016
Handicrafts & Allied Agricultural	No reported recent debt deals	BOLLANT – US$3 mn from Ratan Tata, 2016; Total funding of US$3.3 mn

Agriculture Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
Organic Fertilizer / Bio Fertilizer	• US$2 mn in secured long term loans from banks	No reported recent equity deals
Equipment Renting (Agri Service)	• US$0.2 mn in secured long term loans from banks and US$67 k as unsecured loans	• US$10 mn from the Global Innovation Fund & Aspada in 2017 • Raised US$3.3 mn in 2015 from Aspada
Post Harvesting Logistics	No reported recent debt deals	• Aspada invested US$3 mn in Arya Collateral in 2016 • Ergos secured another round of funding from Aavishkar in 2017
Dairy	• Has raised more than US$15 mn through secured long term loans from banks	• TPG through its RISE Fund has invested US$50 mn
Organic Farming	No reported recent debt deals	No reported recent equity deals

Education Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
K- 12 & K12 management services	Raised US$2 mn from Dell Foundation in debt finance (2015) which further provided Sri Vidhya Bharathi School US$29K loan.	Raised undisclosed amount in private equity from Rise Fund and Elevar Equity in 2017
Higher Education	Raised US$72 mn from Xander Finance and KKR in debt finance 2017	No reported recent equity deals
Vocational & Skill Training	No reported recent debt deals	Raised US$1.2 mn from Michael & Susan Dell Foundation (2016) in Series A funding Raised US$2.5 mn from Insitor Impact Asia Fund and Acumen in Series A funding (2012)
Coaching class, Others	US$16.6 mn from Xander Finance in debt finance 2017	Raised US$5 mn in Series C from MS&D, Asha Impact & others
Tech & learning companies	No reported recent debt deals	US$1 mn from Aavishkar in venture capital for a 26% stake
School Finance NBFCs	US$2.5 mn from Dell Foundation in mix of debt and equity 2017	Raised US$55 mn in PE from ChrysCapital, Omidyar Network, Elevar Equity, LGT Impact, Kaizen Pvt. Equity (2018)

Healthcare Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
Hospitals	No reported recent debt deals	IFC made a $20 million equity investment in 2016 to help HCG open 12 cancer centers
Preventive Healthcare (online & offline)	2017, US$10 mn from HDFC, Axis, Trifecta Capital, Pratithi Investment Trust	2015, US$45 mn from Accel partners, IDG Ventures Kalaari Capital and UC-RNT Fund
Retail Pharmacy	2018, US$117.67 from Goldman Sachs	2017, US$10.23 mn from Lok Capital, Evolvence India Fund
Medical Devices	2017, US$9 mn from InnovenCapital, Accel, Aarin Capital	2014, US$7.7 mn, Series B from Asian Healthcare Fund, Accel & IDG Ventures

Water & Sanitation Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
Water Management & Distribution	VISHWA: 2012, raised US$5 mn from International Finance Corporation	waterhealth: WaterHealth secured US$63mn in funding from Sail Capital Partners and Dow Venture Fund in 2006 JANAJAL (Khush Raho, India!): 2017, Janajal secured US$5mn in CCDs from Tricolour Cleantech Capital (US based social impact fund)
Water Purification (point of use)	No reported recent debt deals	Waterlife: 2011, Secured INR 23 Cr in total from Matrix Partners & Aavishkar India Micro Venture Capital Fund
Waste water treatment	VISHWA: 2012, raised US$5 mn from International Finance Corporation	Concord Enviro: 2015, raised US$11 mn from Global Environment Fund
Sanitation	Banka BioLoo: 2013, raised undisclosed debt finance from IntelleGrow	Samagra (Empowering Transformations): Funding: Undisclosed

Waste Management Sector: Deal Flow

Sub-sector	Debt Deals	Equity Deals
Solid Waste	No reported recent debt deals	SAAHAS: 2015, undisclosed amount from Indian Angel Network and Upaya Social Ventures
		Pastiwala.com: 2015, US$4 mn from Agnus Capital
		Let's Recycle (Waste Management Company, Making Waste Sustainable): 2015, US$2 mn from Aavishkar in Series B funding
E-waste	CASHIFY: 2012, venture- debt firm Trifecta Capital has provided US$1 mn in venture debt to Manak Waste Management (Cashify)	ATTERO RECYCLING: 2014, US$16.5 mn from consortium of investors led by Forum Synergies. Earlier debt funding from IFC

Renewable Energy Sector: Deal Flow

Sub-sector		Debt Deals	Equity Deals
Solar Energy	ReNew POWER	• ReNew Power* has received US$390 mn from ADB	CleanMax SOLAR • US$15 mn invested from IFC in 2017 through a CCD
	Azure Power	• Azure Power has raised a US $500 mn green bond; other investors include IFC & Proparco	
	Greenko	• Greenko* has raised US$1.5 bn in green bonds	
	WAAREE One with the Sun	• US$15.6 mn raised in structured finance from Centrum	

*Do also have portfolios in wind energy and other clean energies

Index

Social Finance India will incubate and monitor IIFF

I. Develop Platform for Fund Manager

- Developing value proposition for all stakeholders
- Engaging with potential investors
- Engaging with potential Fund Managers
- Working with Legal Firm on Fund Structure
- Facilitating pipeline for Debt Funds and NBFCs
- Facilitating raise of first US$100 mnfund

II. Primary Incubating Entity

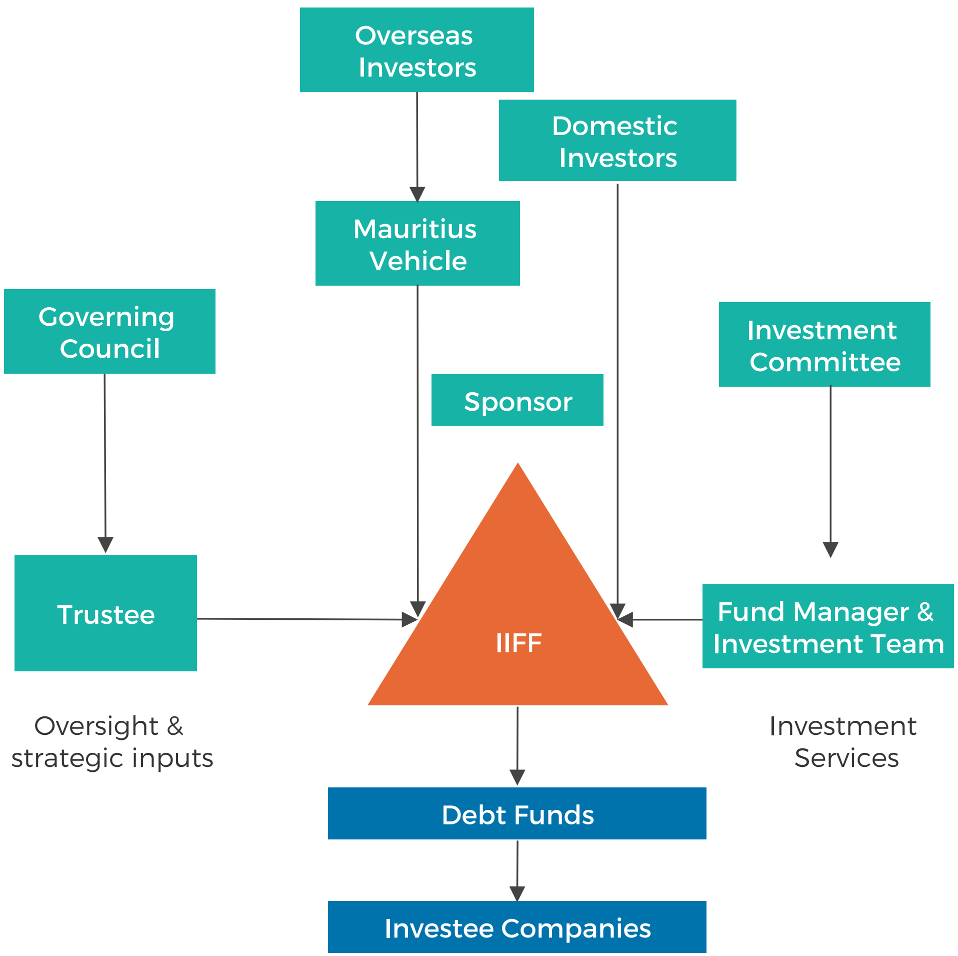
- Incubate a US$1 billion Fund
- Identify the sponsors
- Bringing all stakeholders together

III. Advocacy & Knowledge Development

- Build an enabling environment for Impact Investing & Impact Bonds
- Help tap CSR pool
- Collaborate with reputed academic and research institutions

IIFF will have strong Governance & Risk mitigation structure

Governance structure reduces risk



Governing Council
- Investor & Government representatives
- Independent Experts/ Invitees
- Feeder Entity representatives

Investment Committee
- Fund Manager Representatives
- Independent Directors
- Key/ anchor LP representative

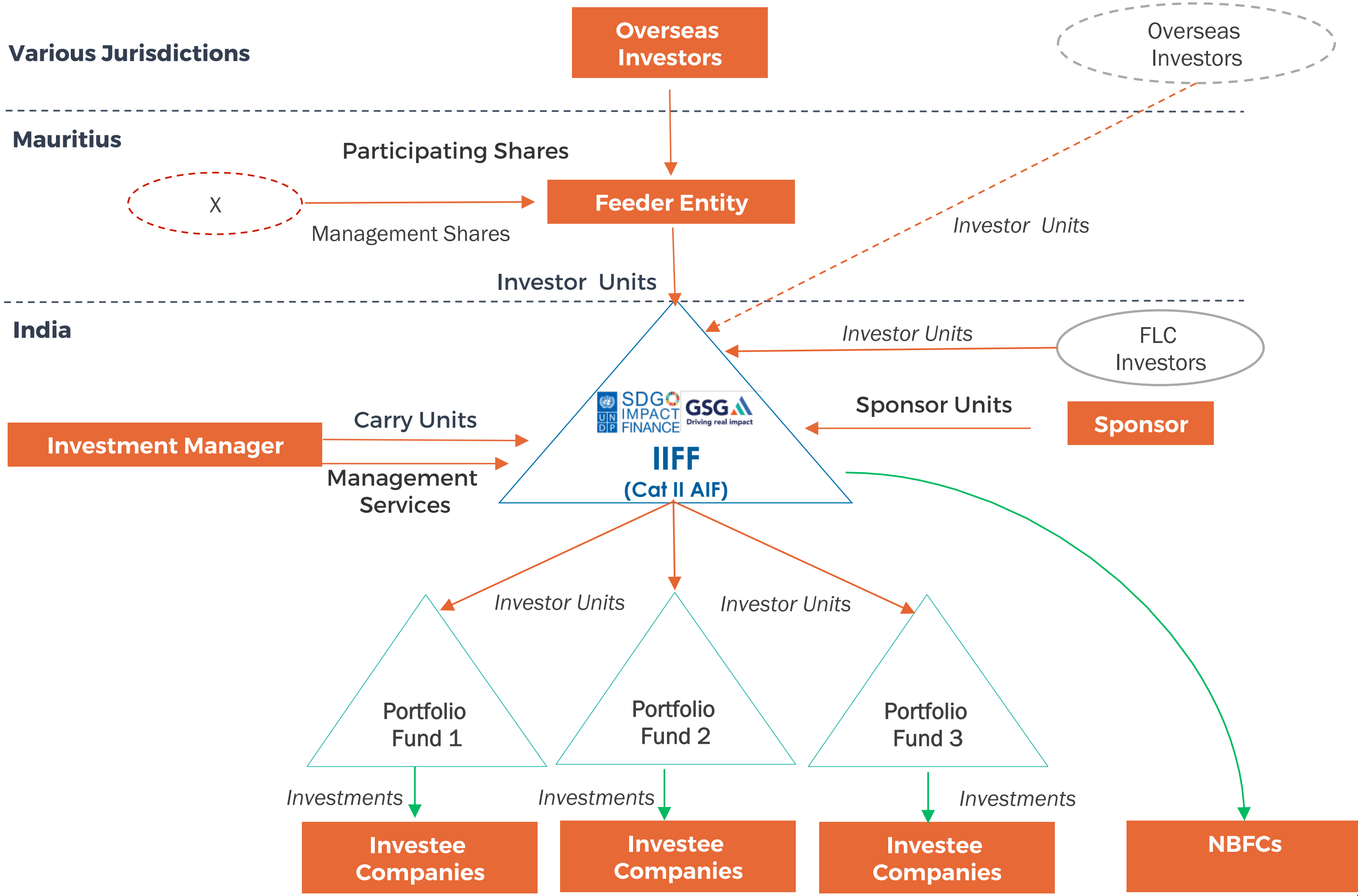
Investors
- Overseas investors invest through Mauritius Vehicle
- Domestic Investors invest directly into IIF

Disbursal of Funds
- Fund is disbursed to debt funds
- Debt funds direct money to investee companies

Risks
- Overseas Investors: Fund Raising Risks
- Fund ManagementTeam: Incentive Risks
- Debt Funds: Lending Risks
- Investee Companies: On-lending Risks

IIFF's unified structure favours institutional and retail investors

Reduced Tax Risk



X = IHC / Existing Mauritius Advisory Entities / individuals

IIFF's unified structure favours institutional and retail investors

Reduced Tax Risk

Structure Outline

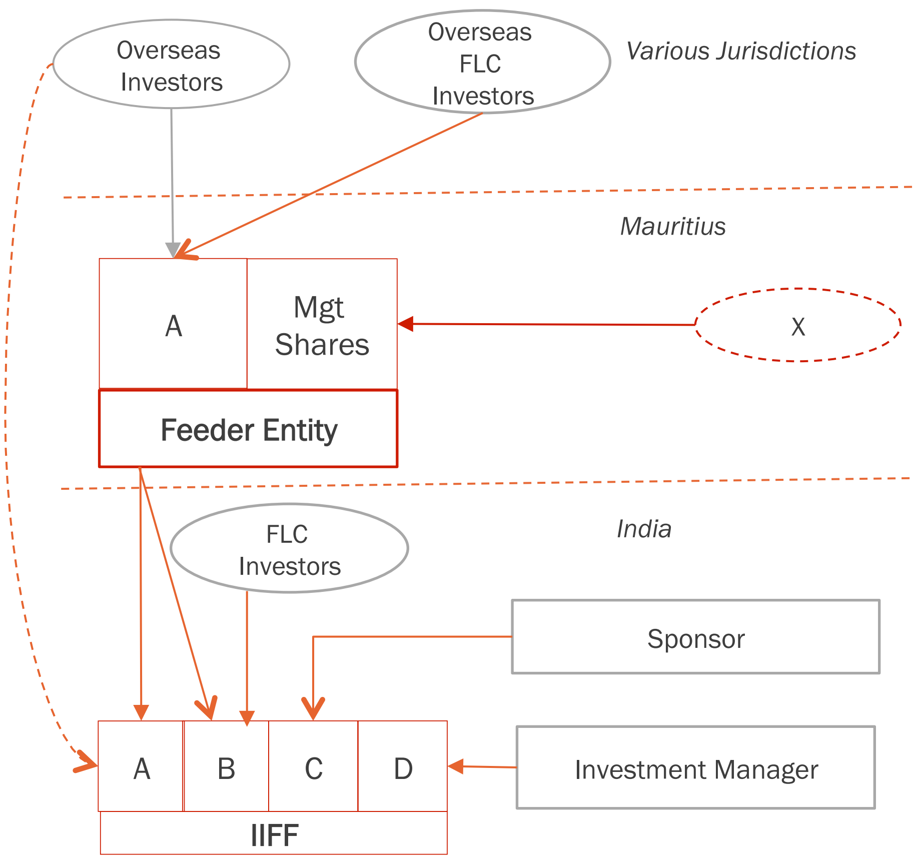
- Tax Compliances: Off-shore feeder vehicle aimed at non-resident investors who may not have PAN numbers

- **Reduced tax risk**: The given structure reduces tax risks, concerning
  - association of persons;
  - place of effective management; and
  - permanent establishment(either management PE or agency PE)

- **Favorable regime**: AIF structure allows IIFF to avail of benefits such as investments made are deemed to be domestic irrespective of non-resident contributions into the fund provided the AIF is owned and controlled by Indian entities

IIFF Capital Structure will address different investor needs

Concessionary to market returns



Structure Outline

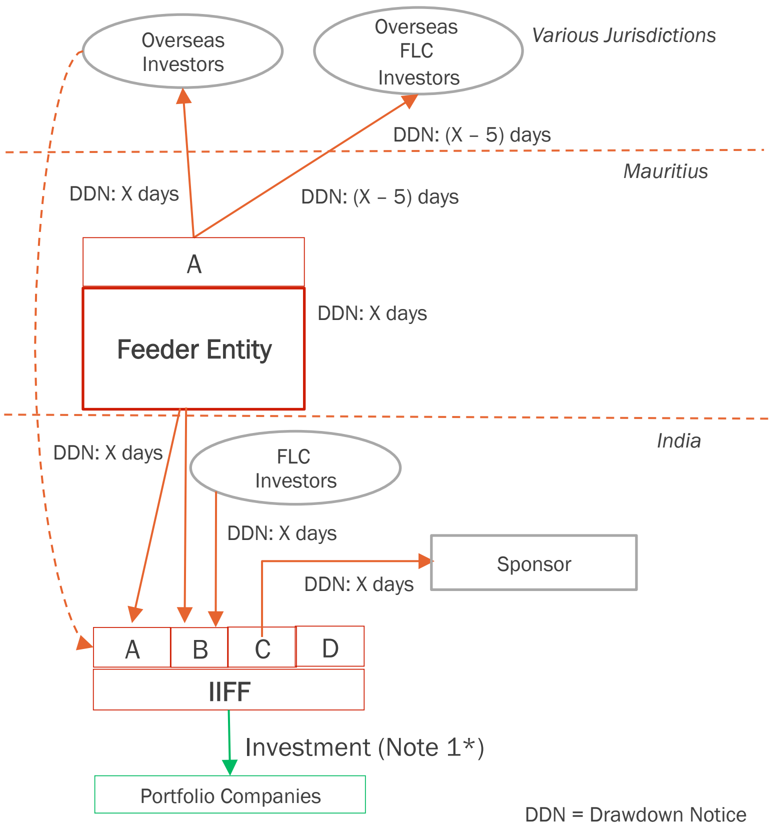
- The IIFF will issue six classes of Units, viz. Class A (Class A1 and Class A2), Class B (Class B1 and Class B2), Class C and Class D to be held by Block A Investors {Feeder Entity (A1) and direct Overseas Investors (A2) (if any)}, Block B Investors (Feeder Entity (B1) and FLC Investors (B2)), Sponsor and the Investment Manager, respectively.

- The Platform will follow an impact based incentive method for distribution of “carried interest”. Distribution and allocation will be based on the next page.

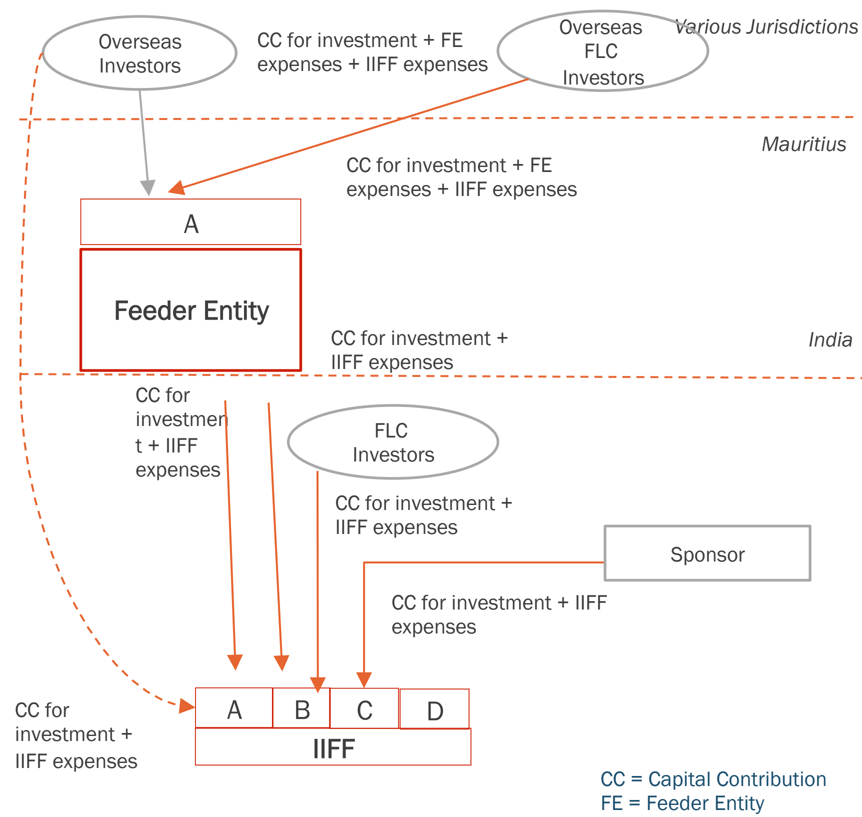
- The Feeder Entity will issue a class of redeemable participating shares, viz. Class A1 Shares and Class A2 Shares, to overseas investors and overseas FLC investors, respectively. The Feeder Entity will also issue ordinary, Management Shares to X.

Drawdown and Contribution structure

DRAWDOWN STRUCTURE

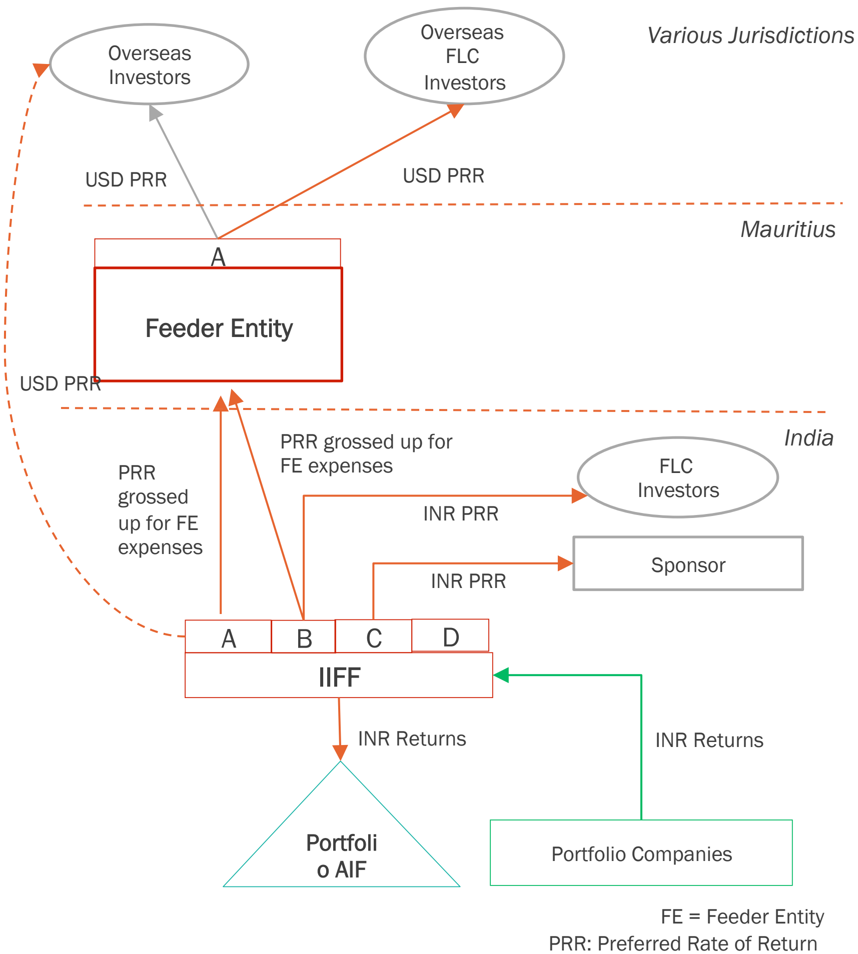


CONTRIBUTION / EXPENSE STRUCTURE



Note 1 : In the side letter arrangement between the IIFF and the Portfolio Fund, a condition to be laid down that the Portfolio Fund shall give at least 14 days from the DDN date to the IIFF to contribute the requisite amount.

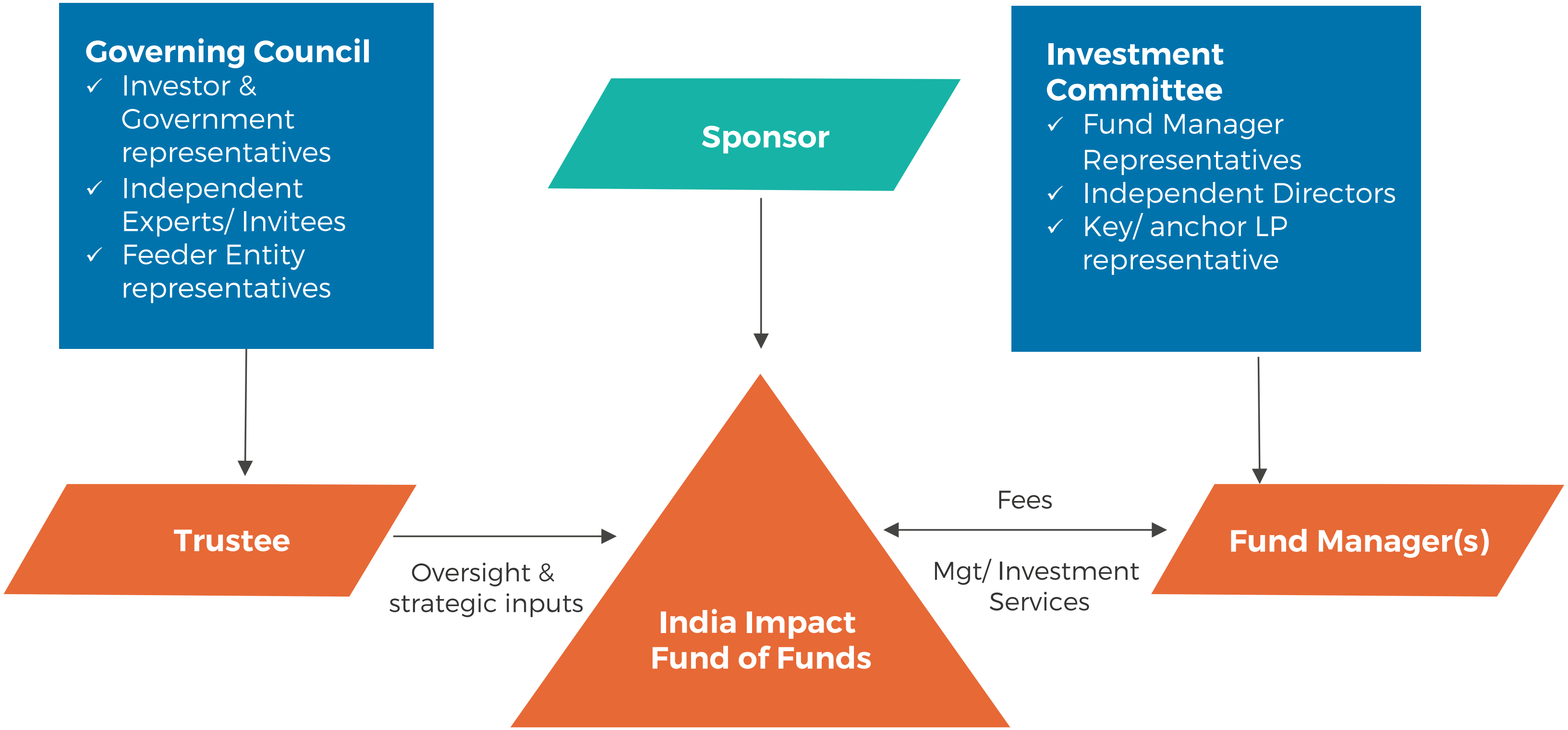
Distribution and Allocation structure



- The proceeds accruing to IIFF on exiting its portfolio investments (after accounting for expenses and reserves), shall be distributed to the investors of the IIFF (i.e. Block A Investors, Block B Investors, Sponsor and Investment Manager) in accordance with the distribution waterfall stated in the IIFF documents.
- In turn, the Feeder Entity shall distribute the proceeds received from the IIFF to the investors of the Feeder Entity (overseas investors and overseas FLC Investors) in accordance with the manner for distribution of proceeds that is stated in the Feeder Entity documents.

IIFF’s Governing Council will adhere to the highest standards

Comprehensive oversight structure



IIFF’s Governing Council will adhere to the highest standards

Comprehensive oversight structure

- A Governing Council consisting of representatives of investors, the government, independent experts, invitees and commensurate representation for the Feeder Entity (if incorporated) will also be constituted.

- Such a committee/ forum may be used for resolution of conflicts of interest and other specific investor related interactions. The Governing Council will oversee the activities of the IIFF Trust and will provide strategic advice and approvals in relation to the following:
  - Guidelines for investment of IIFF’s corpus and ‘IIFF Charter’;
  - Appointment / Nomination of the Trustee of the IIFF;
  - Parameters for appointment and performance of investment advisors;
  - Any other matters related or incidental thereto.

IIFF will outline all Risk Factors and ensure mitigation

IIFF Risk factors

Risks associated with this entity raising its first effort
- Funding goals not met
- Unexpected challenges
- Longer timelines than expected

Risk in identifying suitable Debt Funds/ NBFCs
- Who can deliver both financial returns and social performance
- Unable to attract new Debt Funds/ NBFCs

Risk of not delivering adequately on identified SDGs
- Poverty, clean energy, decent work and economic growth, sustainable cities and communities etc.

Exposure to other risks
- Reputational & regulatory risk(s) based on conduct of downstream participants
- Cost of hedging

Risk Factors - IIFF
- Treasury Function
- Matching drawdowns to Debt Funds/ NBFCs to Investee Companies

IIFF would outline all Risk Factors and ensure mitigation

Process Risks

Risk Factors - Debt Funds/ NBFC

- Identifying borrowers
  - Social performance
  - Readiness to borrow

- Inadequate financial inclusion
  - Lend only to existing borrowers

- Bias during decision making
  - Too much focus on financial services
  - Against brick and mortar models
  - Risk aversion compromising impact

Issuer Related Risks

- Portfolio related risks
  - Credit risk
  - Interest rate risk

- Risks related to execution
  - Pricing, cost of delivery,
  - Product development

- End-borrower
  - Client protection and servicing

IIFF would outline all Risk Factors and ensure mitigation

General Tax Risks

Risk of tax pass through status denied to the Fund:

- Where the income of the fund gets treated as 'Business Income', the Fund would not be eligible for tax pass-through
- In such case, tax would need to be paid at the Fund level at the Maximum Marginal Rate;
- Additionally, the Feeder vehicle would not be able to claim the concessional tax rate for interest under the Tax Treaty
- Income in the hands of Feeder Fund in such case would be exempt from tax

Risk of Tax Treaty getting denied for the Mauritius Feeder

- In case where the Mauritius Tax Treaty is denied to the Feeder Fund, interest income would be taxable as per the domestic tax law @ ~ 43.68%
- On the other hand, long term capital gains would be taxable @ 10.92%
- Similarly, if the Fund is held to have a place of effective management ('POEM') in India, it would qualify as a tax resident of India and consequentially not eligible to claim Tax Treaty benefits

Risk of concessional tax rate for interest under the Tax Treaty getting denied

- Under the Mauritius Tax Treaty, any interest earned by a Mauritius tax resident is taxable at a concessional rate of 7.5%, provided it is the beneficial owner of such interest income;
- Accordingly, if the Feeder Fund does not meet the beneficial ownership test, the concessional tax rate of 7.5% may not be available and such income may be taxable @ ~ 43% as per domestic tax laws
- Further, if the Feeder Fund is held to have a permanent establishment ('PE') in India, then the concessional tax @ 7.5% may not be available

IIFF would outline all Risk Factors and ensure mitigation

General Tax Risks

Applicability of General Anti – Avoidance Rules ('GAAR') and Multilateral Instruments ('MLI')

- There is a risk that Tax Authorities could deny the benefits of India-Mauritius Tax Treaty by invoking GAAR / MLI (once effective) and alleging that main purpose or one of main purpose for setting up a Feeder Funder Fund in Mauritius is to obtain tax benefit
- Also there is a risk where the Tax Authorities could re-characterize any transaction where the main purpose is to obtain tax benefits

Change in tax law

- There is a general risk that there could be additional tax implications for the Fund as well as Feeder Fund due to any change in law in the future

An Outstanding Board of Directors and Advisory Council

Board of Directors

Dr. Rajiv B. Lall

Ashish Dhawan

Vikram Gandhi

Advisory Council

Sir Ronald Cohen

David Hijtchison Obe

Tracy Palandian

Vivek Pandit

Nishith M. Desai

Profile of **Sir Ronald Cohen**

- **Chairman of the Global Steering Group for Impact Investment and The Portland Trust**
- **Co-Founder director of Social Finance UK (2007-11)**
- Social Finance USA, and Social Finance Israel, and co-founder Chair of Bridges Fund Management and Big Society Capital
- Co-founder Chair of Bridges Ventures (2002 – 2012)

For nearly two decades, Sir Ronald's pioneering leadership in driving impact investment has catalyzed a number of global initiatives into being, each focused on driving private capital to serve social and environmental good. These efforts are leading the global impact investment movement, toward an Impact Revolution. **In 2012, he received the Rockefeller Foundation's Innovation Award for innovation in social finance.**

He chaired the Social Impact Investment Taskforce established under the UK's presidency of the G8 (2013–2015), the Social Investment Task Force (2000–2010) and the Commission on Unclaimed Assets (2005–2007).

He co-founded and was Executive Chairman of Apax Partners Worldwide LLP (1972–2005). He was a founder director and Chairman of the British Venture Capital Association and a founder director of the European Venture Capital Association.

He is a graduate of University of Oxford, where he was President of the Oxford Union. He is an Honorary Fellow of Exeter College, Oxford. He has an MBA from Harvard Business School to which he was awarded a Henry Fellowship.

He is a member of the Board of Dean's Advisors at Harvard Business School and a Vice-Chairman of Ben Gurion University; a former director of the Harvard Management Company and the University of Oxford Investment Committee; a former member of the Harvard University Board of Overseers (2007–2013), former Trustee of the British Museum (2005–2012) and former trustee of the International Institute for Strategic Studies (2005–2011).
In 2007, Sir Ronald published: *The Second Bounce of the Ball – Turning Risk into Opportunity.*

Today, Sir Ronald lives in Tel Aviv, London, and New York with his wife of more than thirty years, Sharon Harel-Cohen, who is a film producer. His children, Tamara and Jonny, are involved in the impact field in the UK, the US, and Israel.

Profile of **Dr. Rajiv B. Lall**

- **Founder MD & CEO of IDFC Bank**

Dr. Rajiv Lall is Founder MD & CEO of IDFC Bank since October 1, 2015. Previously, he was Executive Chairman of IDFC Limited. In his current role at IDFC Bank, Dr. Lall is leading the Bank's strategy to drive financial inclusion at scale, a key pillar of which is to use technology.

A veteran economist for 30 years, Dr. Lall has been an active part of the finance and policy landscape, both in India and internationally. In his diverse career, he has also held leadership roles in global investment banks and multilateral agencies. His expertise spans project finance, private equity/venture capital, international capital markets, trade, infrastructure and macroeconomic policy issues, with a particular focus on emerging markets including India and China.

Dr. Lall has served on numerous committees of the Government of India and the Reserve Bank of India, including the Raghuram Rajan Committee on Financial Sector Reforms, the High Powered Expert Committee for Urban Infrastructure, the High Level Committee on Financing Infrastructure and the Expert Committee on Modernisation of Indian Railways. He has also served as India's representative to the G-20 Working Group on Infrastructure.

Dr. Lall is a member of the National Council of the Confederation of Indian Industry (CII), the Asia Business Council and the City of London Advisory Council for India. He was also the President of the Bombay Chamber of Commerce & Industry.

Outside of business related fora, Dr. Lall serves on the Advisory Board of Columbia University Global Centers, South Asia; is a member of the Founders Circle, Brookings, India. He is also Convenor of the Social Impact Council of India and is Founder Chairman of Lok Foundation.

Prior to joining IDFC, Dr. Lall was variously, a Partner with Warburg Pincus in New York; Head of Asian Economic Research with Morgan Stanley in Hong Kong; a senior staff member of the World Bank in Washington, D.C. and of the Asian Development Bank in Manila, as well as faculty member of the Florida Atlantic University Department of Economics.

He is an active speaker and columnist on macro-economic and public policy issues.

Dr. Lall earned his BA in politics, philosophy and economics from the University of Oxford, and holds a Ph.D. in Economics from Columbia University.

Profile of **Ashish Dhawan**

▲ **Founder and Chairman of Central Square Foundation (CSF)**

Ashish Dhawan is the Founder and Chairman of Central Square Foundation (CSF).
He worked for twenty years in the investment management business and ran one of India's leading private equity funds, ChrysCapital. In June 2012, he left his full time role at ChrysCapital to start CSF. Ashish is an MBA with distinction from Harvard University and a dual bachelor's (BS/BA) holder with Magna Cum Laude honours from Yale University. He is on the India Advisory Board of Harvard and a member of Yale's Development Council.

Ashish serves on the board of several non-profits including Akanksha Foundation, 3.2.1 Education Foundation, Teach For India, Centre for Civil Society, Janaagraha, India School Leadership Institute and Bharti Foundation.

Profile of **Vikram Gandhi**

- **Founder Asha Impact**

After a successful career in investment banking spanning more than two decades in New York and Hong Kong, Vikram Gandhi, setup Asha Impact in 2014. At present, Vikram is a Senior Lecturer at the Harvard Business School.

He is a Board Member and Chairman of the Asian Regional Committee of Grameen Foundation, a Board Member of Janalakshmi Financial Services, and a member of the Investment Committee at Gawa Capital.

Vikram is a Founding Member of Harvard University's South Asia Initiative and also a Founder of Ashoka University. Before Founding Asha Impact, Vikram was the Vice Chairman of Investment Banking and Global Head of Financial Institutions Business for Credit Suisse, in New York and Hong Kong.

Prior his tenure at Credit Suisse, Vikram worked at Morgan Stanley, where he was Co-Head of Global FIG in New York. An MBA from the Harvard Business School where he was designated a Baker Scholar; a qualified Chartered Accountant and B.Com with high distinction from the University of Mumbai, Vikram, in his capacity as the Founder, CEO of VSG Capital Advisors, continues to work closely with Canada Pension Plan Investment Board and Greenhill & Co. as a Senior Advisor.

Profile of **David Hijtchison Obe**

- **Chief Executive of Social Finance since May 2009**

David has been Chief Executive of Social Finance since May 2009. Over this period, he has helped build Social Finance from a concept to a team of over 70 professionals drawn from social, public sector and financial backgrounds.

Since May 2010, David has been General Partner for the Peterborough Social Impact Partnership – the initiative to finance a programme to reduce recidivism among short sentenced male offenders leaving Peterborough prison. Investors in the partnership are rewarded if, and only if, the programme delivers a measurable reduction in re-offending. The initiative has brought Social Finance significant national and international recognition.

Prior to joining Social Finance, David spent 25 years with Dresdner Kleinwort where he was most recently Head of UK Investment Banking and a member of the Global Banking Operating Committee, coordinating the bank's activities in the UK across the full range of investment banking products. David has a BA in History and Economics from Brasenose College, University of Oxford.

Profile of **Tracy Palandian**

▲ **Co-Founder and Chief Executive Officer of Social Finance**

Tracy Palandjian is Co-Founder and Chief Executive Officer of Social Finance, a nonprofit organization which is leading the development of Pay for Success financing and Social Impact Bonds, an innovative public-private partnership that mobilizes capital to drive social progress.

For more than a decade, Tracy has committed to building a more impactful nonprofit sector by re-imagining the role of the capital markets in enabling social progress. Inspired by Social Finance UK, Tracy cofounded Social Finance US in 2011 to develop the Pay for Success model in the United States. Prior to Social Finance, Tracy was a Managing Director for 11 years at The Parthenon Group where she established and led the Nonprofit Practice and worked with foundations and NGOs to accomplish their missions in the US and globally. Tracy also worked at Wellington Management Co. and McKinsey & Co.

Tracy is co-author of Investing for Impact: Case Studies Across Asset Classes. She is vice chair of the U.S. Impact Investing Alliance to the Global Impact Investment Steering Group and vice chair of the Board of Overseers at Harvard University. Tracy serves on the Federal Reserve Bank of Boston's Community Development Advisory Council, as well as the boards of Facing History & Ourselves and the Surdna Foundation (where she chairs the Investment Committee). She is also a Director of Affiliated Managers Group (NYSE: AMG).

Tracy is a frequent speaker and writer on impact investing, social innovation and results oriented policy making, having been covered in The Wall Street Journal, Atlantic, Economist, TIME, Forbes, and New York Times. A native of Hong Kong, Tracy is fluent in Cantonese and Mandarin. She graduated from Harvard College with a B.A. magna cum laude in Economics, and holds an M.B.A. with high distinction from Harvard Business School, where she was a Baker Scholar.

Profile of **Vivek Pandit**

- **Coleads Private Equity & Principal Investor Practice at McKinsey**

Vivek is based in McKinsey's Mumbai office. He coleads McKinsey's Private Equity & Principal Investor Practice globally, and heads the practice across Asia-Pacific, serving the world's leading investors and shareholders on investment strategy, operations, origination, transformations, and exits. Among shareholders, Vivek serves family-owned businesses, pension funds, sovereign wealth funds, and private equity funds. Prior to this role, Vivek led Telecommunications, Media and Technology Practice, advising leading companies
on strategy, operations, sales, and M&A.

Recent engagements include end-to-end sales and EBITDA transformation of a technology company and telecom carrier, product innovation for a major software player, new business building for a media broadcaster and cloud player, predictiveanalytics led dealer sales transformation for an automotive original equipment manufacturer, and major cross-border acquisitions in media, pharmaceuticals and auto parts.

Vivek supports investor clients across a wide range of sectors, including real estate, chemicals, cement, healthcare, pharmaceuticals, film production, cable TV, textiles, retail, IT services, auto components, and payments. Vivek's current research focuses on private-equity industry development, social impact investing and investor strategies that improve shareholder returns and persistence.

Vivek serves as a trustee of the Aspen Institute India, as director of St. Jude's Cancer Care Centers, on the board of governors of The Doon School and the Avasara Leadership Academy.

Vivek joined McKinsey in New York, where he was elected a partner. He has worked in offices across North America, Europe, Japan, and India.

Profile of **Nishith M. Desai**

- **Founder of Nishith Desai Associates**

Mr. Nishith M. Desai is the founder of Nishith Desai Associates. Mr. Desai has substantial experience in the Fund sector, advising perhaps the largest number of offshore investment funds. He played a seminal role in structuring several private equity funds in addition to structuring several domestic venture capital funds. He has advised the Small Industries Development Board of India and the Department of Electronics, Government of India, on their domestic venture capital fund. Mr. Desai serves as a Member of Advisory Board at Avendus Advisors Private Ltd.

Mr. Desai is on the Advisory Board of the New York State Bar Association's International Law Review. He is the Chairperson of Taxation Committee of LAWASIA and a senior country correspondent for "Tax Notes International", US. Mr. Desai is a member of the International Bar Association, American Bar Association, Inter Pacific Bar Association, LAWASIA, International Tax Planning Association, and Supreme Court Bar Association. He is an international tax and corporate lawyer, researcher, author and lecturer.

In November 2004, he was ranked as No. 28 in a global Top 50 "Gold List". Mr. Desai also holds a special license from the State Bar of California to practice Indian law.

For more information please reach out to:

Social Finance India

Rohit Bhatia
sf-ind@gmail.com

Global Steering Group on Impact Investment

Amit Bhatia
amit.bhatia@gsgii.org

Krisztina Tora
krisztina.tora@gsgii.org

UNDP SDG Impact Finance

David Galipeau
david.galipeau@undp.org

Karanraj Chaudri
karanraj.chaudri@undp.org