

BlueOrchard Private Equity Fund



We are convinced that microfinance investments can **simultaneously produce social progress and financial returns**.
This is what makes microfinance a powerful tool to sustain economic development and alleviate poverty.



The BlueOrchard / Bamboo Group

Impact Investing Fixed Income & Private Equity

BlueOrchard Finance

Microfinance Fixed Income

- Develops and manages financial products and services that invest in microfinance institutions
- AUM 900 M
- Staff of 40



BlueOrchard Investments

Microfinance Private Equity

- Makes risk capital available to a range of microfinance institutions and funds worldwide
- AUM USD 195 M
- Staff of 13



Bamboo Finance

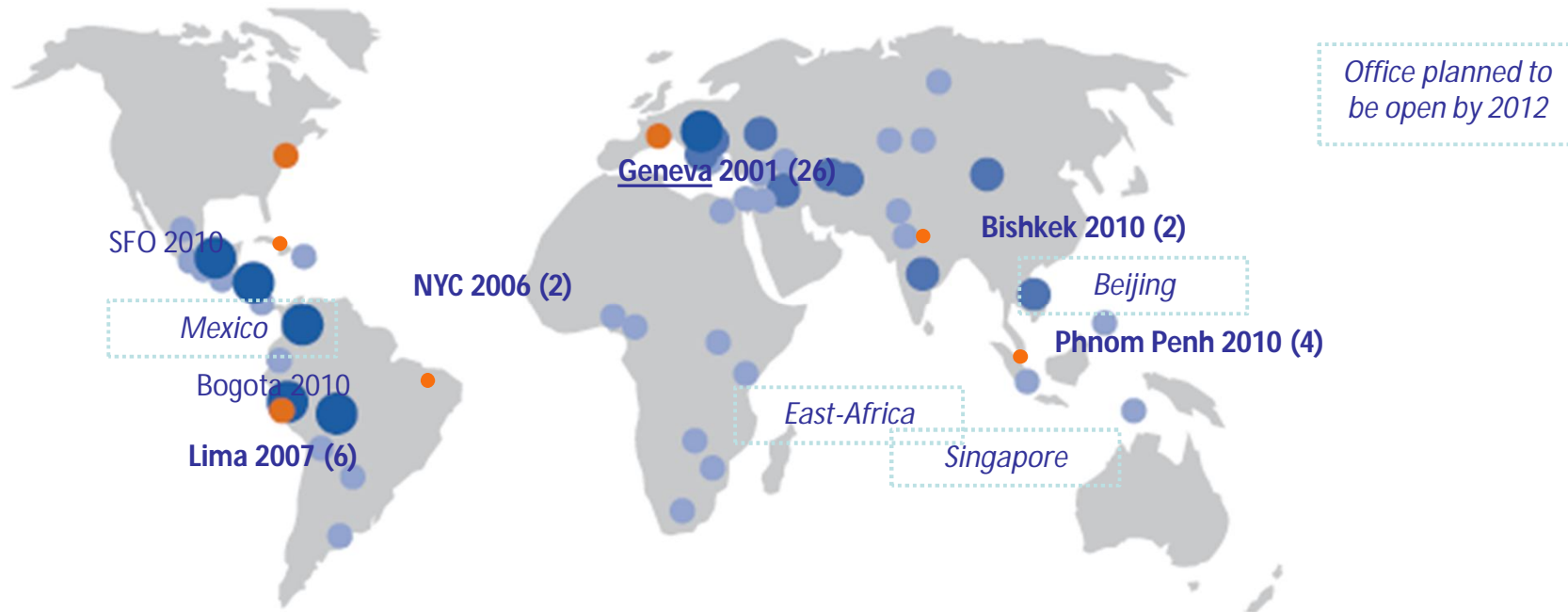
Social Entrepreneurship

- Supports enterprises that are designed to generate significant social impact and financial return
- AUM USD 50 M
- Staff of 8



Group Shared Services

Research, Product Development, Risk Management, Communication & Marketing, Investor Relations & Sales, IT, etc.

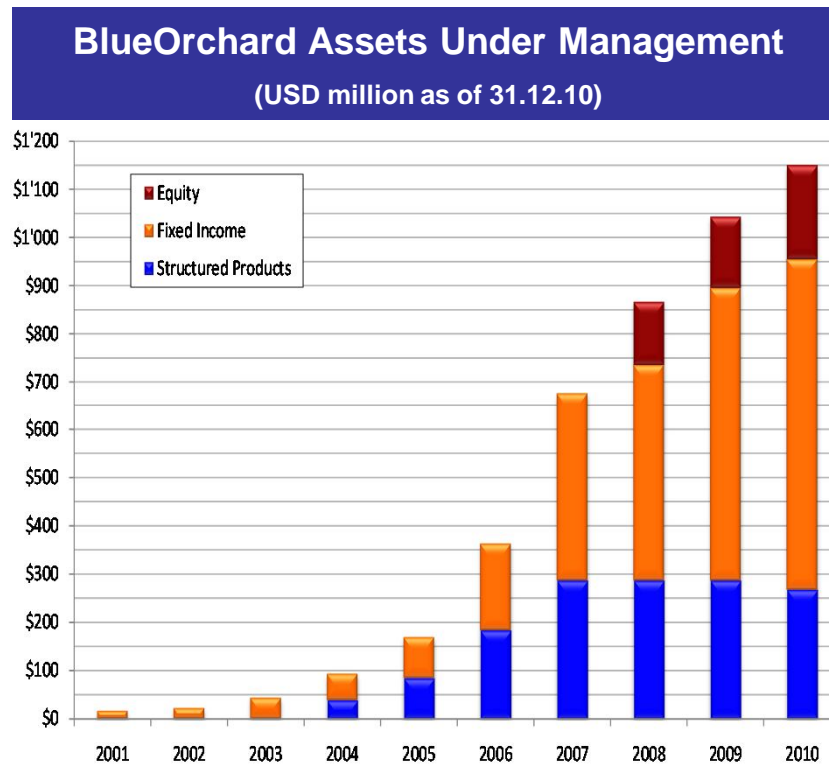


Situation as of December 2010, figures include both debt and equity placements:

- BlueOrchard / Bamboo offices
- Countries where our exposure is less than 2% of aggregate managed portfolios
- Countries where our exposure is between 2% and 7% of aggregate managed portfolio
- Countries where our exposure is over 7% of aggregate managed portfolio



*BlueOrchard is the **world leader in microfinance investment management**, with a global presence to serve its clients' diverse funding needs.*



- **Debt & Equity investment portfolio** of over \$1 billion serving 50 countries and 150 MFIs.
- **Robust track record** of over 800 loans made since inception in 2001.
- **Qualified, motivated staff** of over 40 people in Geneva, New York, San Francisco, Amsterdam, Lima, Bogota, Bishkek, and Phnom Penh.
- **Wide product range** including debt, collateralized debt obligations (CDOs), private equity, and MFI advisory.
- **Investors** include institutions, private banking clients, family offices, and high net worth individuals.
- **Recognized excellence:** Blue Orchard was selected by the US administration to manage a \$250 million Latin American fund; also selected by the IFC and KFW to manage an emergency liquidity facility.

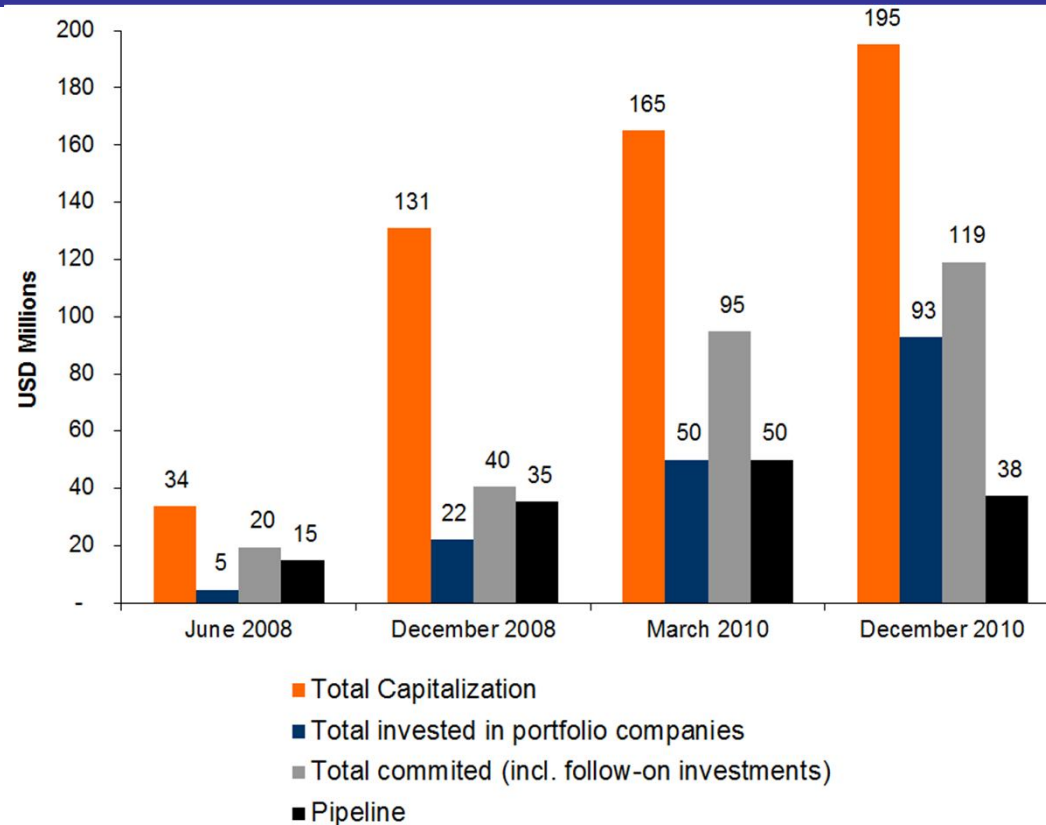


BlueOrchard Private Equity Fund

The BlueOrchard Private Equity Fund (BO-PEF) is the **largest specialized microfinance equity fund in the world** with \$195 million under management.

BO-PEF Assets Under Management and Portfolio Development

(USD million as of 31.12.10)





BO-PEF aims to deliver *double bottom line returns*.

Investment Criteria

- Significant minority stake
- Active participation in the governance - board seat
- Commitments of up to \$30 million per investment
- Straight equity, with the ability to provide subordinated convertible debt
- 7-8 year investment horizon

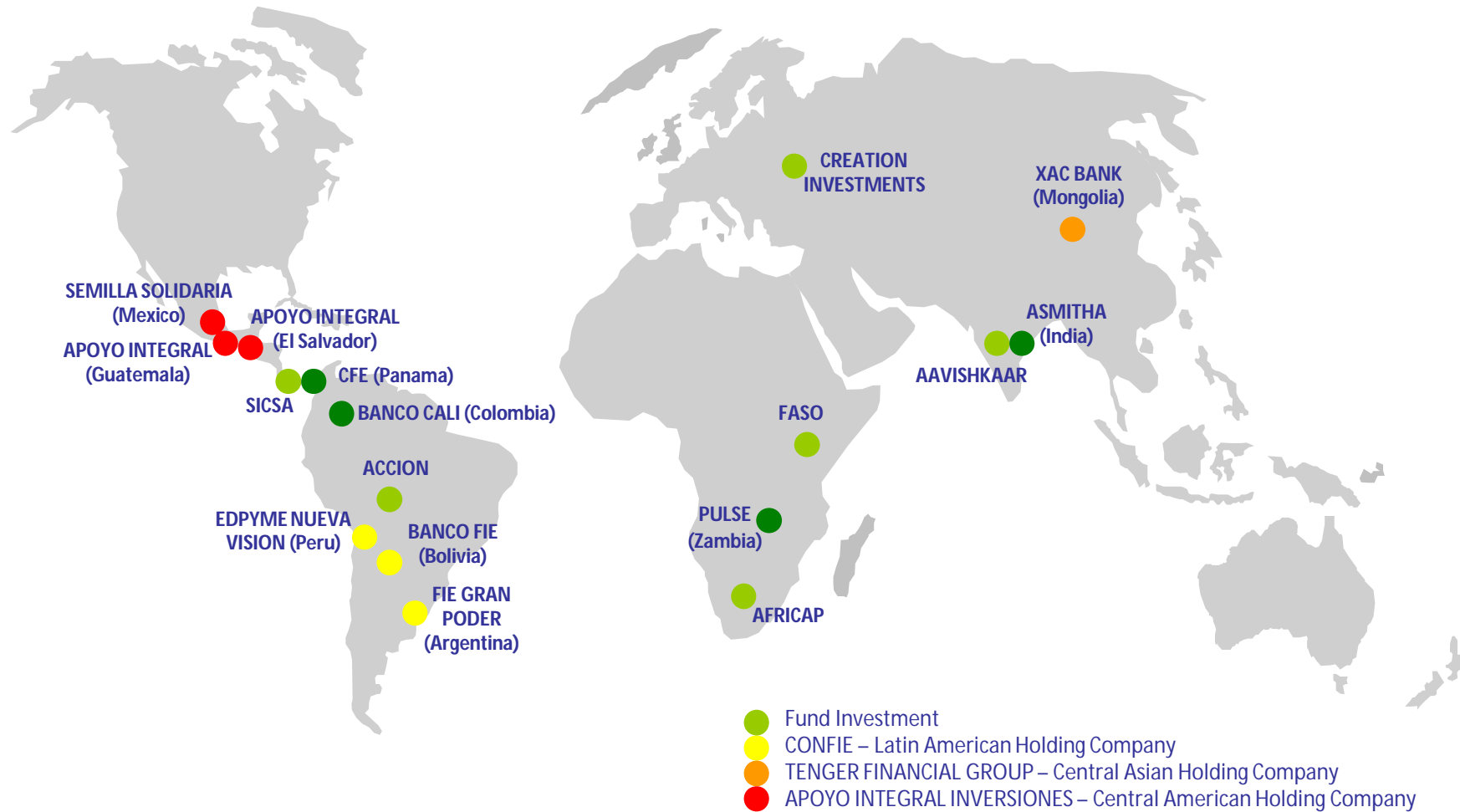
Social impact

- Creating new microfinance capacity
- Shaping the future of the microfinance industry
- Pushing for greater efficiency while maintaining the MFI social vision/mission





BO-PEF's current portfolio consists of 17 investments across the world.





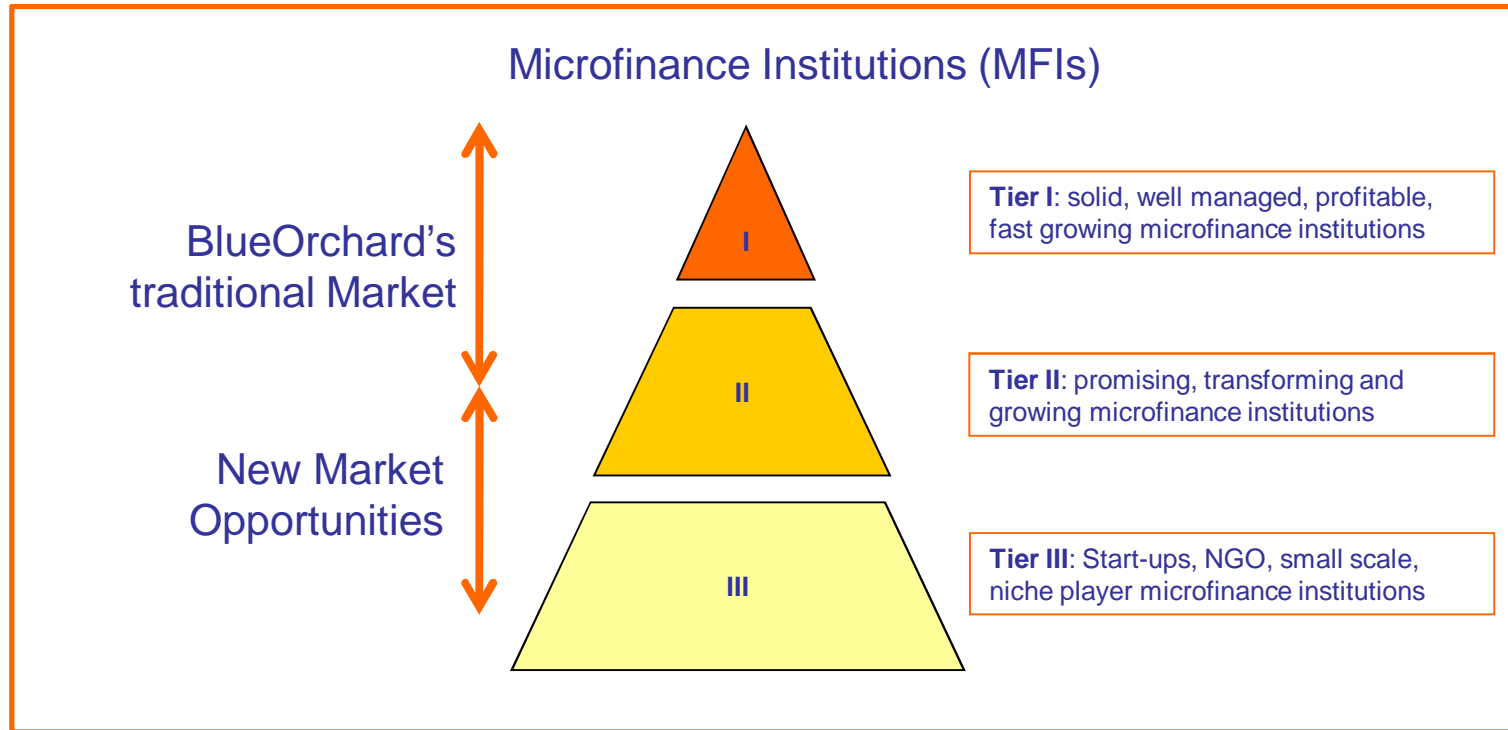
BO-PEF brings **more than just capital** to its investees by being an active Board participant who offers strategic advice, financial know-how, and a global perspective.

- **Talented team** of eleven multi-lingual professionals dedicated to microfinance
- **Extensive work experience** in microfinance, private equity, investment banking, and consulting
- **Board level engagement** with active participation on various committees
- **Global perspectives on:**
 - portfolio management
 - growth strategies
 - corporate governance
 - institutional best practices
- **Robust network** of relationships with funders and other MFIs
- **Detailed knowledge of local markets** and regulations



*The following is a **non-comprehensive list of projects** being performed by BO-PEF for its portfolio companies.*

- **Decreasing foreign currency exposures**
- **Reducing the term difference between MFI assets and liabilities**
- **Diversifying sources of funding** both locally and internationally
- Assisting with the issuance of local currency bonds, loan portfolio securitizations, and syndicating transactions
- **Providing investment and transaction expertise** for mergers and acquisitions
- Creating, developing and training internal MFI transaction teams
- **Forming holding companies** for regional expansion via acquisitions and/or greenfields
- **Developing new credit products** and non-financial services that could be offered by MFIs through:
 - cross-fertilizing successful products from BO-PEF portfolio companies in different regions
 - introducing overlapping products from the Oasis Fund, BO-PEF's sister fund which supports social entrepreneurship across a series of industries (EX: low-cost ATMs, microinsurance, medical services)



MARKET OPPORTUNITY:

Oxygen venture fund will target early stage ventures in microfinance and non-microfinance fields with scalable & regionally transferable business models focused on BoP



... in the microfinance segment

Why early stage financing in microfinance?

- The microfinance sector is one of the most developed of the impact investment sectors notwithstanding recent problems related to excessive growth in specific (urban) markets
- BlueOrchard has traditionally served the top tier segments and is now moving down market to leverage its industry expertise and capture better risk/(social & financial) return opportunities

... and in the non-microfinance segment

Why early stage financing in non-microfinance

- Microfinance's rapid commercial development in the last 10 years can be considered as a first wave of development of the Base of the Pyramid (BoP) investing
- New business models adapted to the BoP which are scalable and regionally transferable are being developed successfully in other sectors
- The market is growing rapidly but growth stage investment opportunities are still limited. The Bamboo team through its other fund activities encounters a lot of early stage investment opportunities which it cannot satisfy due to its PE growth stage profile/investment strategy

Business Sectors for Investment in non-microfinance

Basic Needs & Services:

- Agriculture
- Water
- Housing
- Education
- Health
- Energy



BlueOrchard[®]
Microfinance Investment Managers

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