



GLOBAL PARTNERSHIPS

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Global Partnerships INVESTORS REPORT

Second Quarter 2016 | April 1 - June 30, 2016

IA 50
2015
MANAGER

For more information, contact:

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| Letter from the CIOO |

August 15, 2016

Dear Investor,

One year has passed since the opening of our East African office. During that year, our team there visited and built a strong pipeline of potential partners in four countries: Kenya, Uganda, Tanzania, and Rwanda. By our June 30th fiscal year end, we had closed and funded three loans to Kenyan partners, with disbursements totaling \$2,850,000 in Social Investment Fund 6.0. Each closed loan was focused on a distinct initiative, namely Women-Centered Finance with Education, Rural-Centered Finance with Education, and Solar Lights. As of this writing, three additional term sheets have been signed, including two for Ugandan companies and one for a Kenyan enterprise, with two focused on our initiatives in Smallholder Farmer Services and the other in Solar Lights.



The team for Social Investment Fund 6.0 includes four investment professionals focused exclusively or primarily on East African social enterprises. Two (our VP for the region and a Portfolio Director) are based in our Nairobi office and two (a Portfolio Director and an Investment Analysis Officer) in our Seattle office. They are further supported by our head of monitoring and economic analysis, our legal, closing, and operations team members in Seattle, our Impact and Research team, and myself as Fund Manager. This team has been engaged transferring knowledge of our processes learned over a couple decades in Latin America to our work in East Africa.

Some of the lessons we have learned in our first year in East Africa are informing our work. For example, foreign exchange volatility has resulted in our review and use of additional hedging structures. The greater potential of solar lights (as compared to Latin America) has caused us to develop a more robust framework for analyzing solar companies and for further adaptation of our due diligence processes and risk rating systems. The relative regional importance of privately-owned agricultural enterprises serving smallholder farmers and of agricultural input enterprises is causing us to review best practices for serving smallholder farmers. The increasing importance of secured loan structures has focused our attention on building knowledge about legal practices for secured debt for each country.

All of our learnings would require a lengthy article, but in summary, we are pleased with the progress we have made in our first year in the region. At the same time, in the past year we set a record for the number and volume of loans in Latin America, so our work and commitment in that region continues to progress while we gradually build our presence, expertise, and portfolio in East Africa.

As always, thank you for your ongoing support and interest in our work.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Coffey'. The signature is fluid and cursive, written over a white background.

Mark Coffey
Chief Investment and Operating Officer

BY THE NUMBERS

14 COUNTRIES

where Global Partnerships has worked

93 PARTNERS

with whom Global Partnerships has worked

4.4 MILLION LIVES IMPACTED

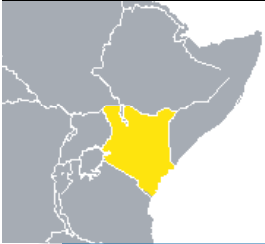
(estimated number of lives impacted as a result of GP's investments in partner organizations)

\$215.6 MILLION

cumulative capital deployed

| Featured Partner: SOLLATEK |

Kerosene lamps are dim, toxic, and expensive. Sollatek's solar lights can improve health and safety, save money, and increase time for work and study. [Click to see all partner profiles](#)



Kenya has a population of 46 million people, approximately 85% of whom do not have electricity and the vast majority rely on kerosene as their main lighting source.

WHO

Sollatek is a large solar light distributor that has been operating in Kenya for over 30 years. Sollatek is a well-respected name in East Africa, and since 2010 has sold over 500,000 solar lights throughout the region. Products purchased from Sollatek come with warranties and access to conveniently-located service centers.



Country: Kenya
Year Founded: 1985
Number of Employees: 60
Solar Lights Sold in Quarter: 29,529

WHAT

Sollatek distributes high quality solar lights, home systems, and equipment through partnerships with supermarkets and other outlets throughout Kenya and more recently, Uganda, Rwanda, and Burundi. A critical part of their model is to efficiently reach people living beyond-the-grid and in poverty by distributing to a wide network of existing chains and outlets in areas that serve both urban and rural populations. Sollatek is committed to innovation, and uses profits to research and develop new products and distribution channels.

WHY

Kenya has a significant beyond-the-grid population who rely primarily on kerosene for light in their households. Kerosene light is a health and injury hazard, creates low quality light, and accounts for a significant portion of household expenditures. By introducing quality, affordable solar lights to households, families are benefiting from cleaner and safer conditions, lower long term expenditures, and increased quality light for productive activities in the home.

Final Fund Update

\$68.2MM
Cumulative
Capital
Deployed

40
Cumulative
Partners

1.0MM
Cumulative
Lives
Impacted

FINANCIAL SNAPSHOT

Fund Manager's Comments

On June 8, 2016, the investor notes for SIF2010 matured and principal and interest was returned as scheduled to all investors. In its lifetime, SIF2010 invested \$68.2 million through 40 partners and impacted more than 1 million lives. SIF2010 expanded our geographic scope to the Caribbean through loans to partners in Haiti and the Dominican Republic. Additionally the Fund launched the first trade finance loan to a coffee cooperative; a loan product that has since become an important part of all our Funds. Because SIF 2010 experienced no credit losses, the Fund did not need any of its reserves and was able to return equity to GP, which will now reinvest those resources in growth that advances GP's mission of expanding opportunity for people living in poverty.

Fund Overview

\$68.2MM Cumulative Capital Deployed

122 Cumulative Number of Loans

1.0MM Cumulative Lives Impacted
(Estimated number of lives impacted as a result of SIF 2010's investments in partner organizations)

40 Cumulative Number of Partners

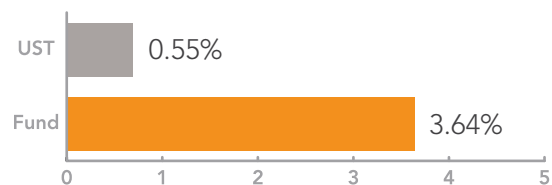
Inception Date
October 21, 2010

**Investment
Currency**
US\$ and fully
hedged
local currency

Fund Manager
Global Partnerships

Type of Fund
Debt

FINAL FUND RETURN vs. DURATION-MATCHED TREASURIES



IMPACT SNAPSHOT

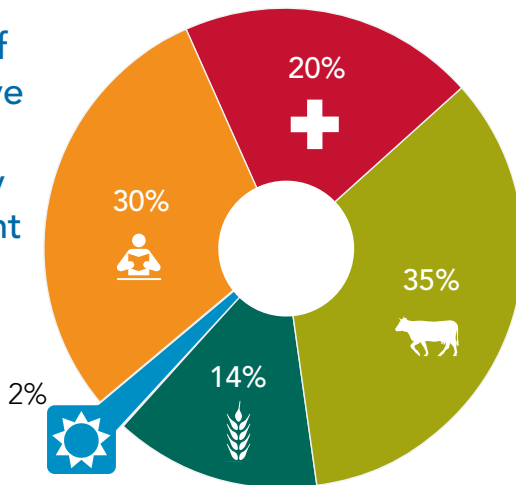
\$954
Average
Loan Size

1.34MM
Total
Clients

78%
of Clients
are Female

55%
of Clients
Live in
Rural Areas

Percent of
Cumulative
Invested
Capital by
Investment
Initiative



Women-Centered Finance with Health



These partners deliver financial services, preventive health education and access to health services for female microentrepreneurs and their families.

14 Partners* **39%** Rural Clients **\$875**
676,216 **85%** Female Clients **Average**
Clients** **Loan Size**

Solar



These partners supply solar lights and small solar home systems to rural households living beyond the grid.

1 Partners*
1,251 Units Sold throughout the Fund
(Cumulative)

Women-Centered Finance with Education



These partners provide financial services and education for microentrepreneurs.

18 Partners* **54%** Rural Clients **\$693**
924,225 **88%** Female Clients **Average**
Clients** **Loan Size**

Smallholder Farmer Services



These partners provide access to markets, technical assistance, and better pricing for smallholder farmers.

5 Partners* **100%** Rural Clients **Crops**
6,202 **34%** Female Clients **Financed:**
Clients** **Coffee**

Rural-Centered Finance with Education



These partners provide financial services and education for rural microentrepreneurs.

12 Partners* **74%** Rural Clients **\$1,677**
261,672 **46%** Female Clients **Average**
Clients** **Loan Size**

* Some partners work in more than one impact area.
** Total number of clients served by partner enterprises.

| Social Investment Fund 5.0 |

Fund at a Glance

\$67.2MM

Cumulative
Capital
Deployed

43

Current
Partners

891K

Cumulative
Lives
Impacted

FINANCIAL SNAPSHOT

Fund Manager's Comments

SIF 5.0 disbursed more than \$10.5 million to 15 partners in the second quarter, including one loan to a new partner in Honduras. The disbursements also included trade finance loans to three coffee cooperatives in Peru in anticipation of the summer coffee harvest. By the end of June the fund had reached its target size of \$50M. During the quarter, SIF 5.0 partners with fixed date payments due made them as agreed, although one loan was restructured for the purpose of accelerating payments. Also, one loan to an agricultural enterprise, although current on interest, was past due on principal payments. This loan is in the process of being restructured to better reflect a realistic payment schedule.

Fund Overview

\$49.9MM Current Capital Deployed

\$67.2MM Cumulative Capital Deployed

100 Cumulative Number of Loans

891K Cumulative Lives Impacted
(Estimated number of lives impacted as a result of SIF 5.0's investments in partner organizations)

43 Current Number of Partners

45 Cumulative Number of Partners

Inception Date
March 25, 2013

**Investment
Currency**
US\$ and fully
hedged
local currency

Fund Manager
Global Partnerships

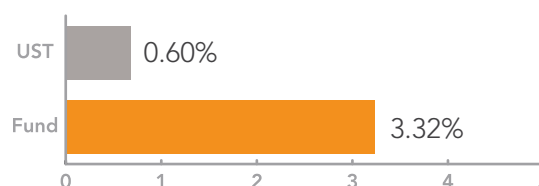
Type of Fund
Debt

WEIGHTED AVERAGE RISK RATING

4.09 ↑

(Arrow indicates change from previous quarter.)
2 - 5 = Investable Credit, 6 = Special Mention,
7 = Substandard, 8 = Probable Loss

FUND RETURN vs. DURATION-MATCHED TREASURIES



IMPACT SNAPSHOT

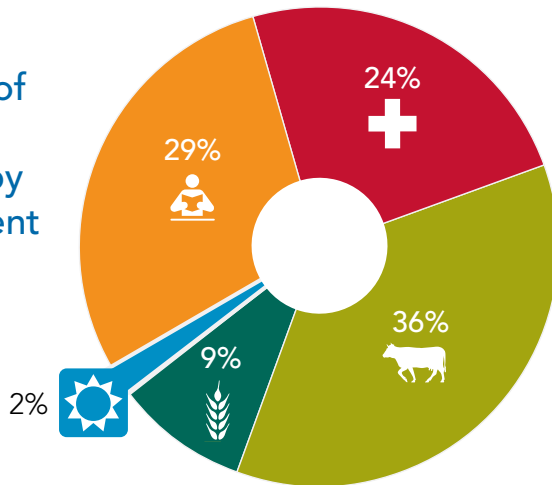
\$1,033
Average
Loan Size

1.14MM
Total
Clients

74%
of Clients
are Female

62%
of Clients
Live in
Rural Areas

Percent of Invested Capital by Investment Initiative



Women-Centered Finance with Health



These partners deliver financial services, preventive health education and access to health services for female microentrepreneurs and their families.

11 Partners* **47%** Rural Clients **\$1,053** Average Loan Size
459,526 Clients** **79%** Female Clients

Solar



These partners supply solar lights and small solar home systems to rural households living beyond the grid.

2 Partners*
479,802 Units Sold in Quarter

Women-Centered Finance with Education



These partners provide financial services and education for microentrepreneurs.

14 Partners* **63%** Rural Clients **\$693** Average Loan Size
749,321 Clients** **88%** Female Clients

Smallholder Farmer Services



These partners provide access to markets, technical assistance, and better pricing for smallholder farmers.

9 Partners* **100%** Rural Clients Crops Financed:
63,864 Clients** **21%** Female Clients **Coffee, Sesame, Chia, Peanuts**

Rural-Centered Finance with Education



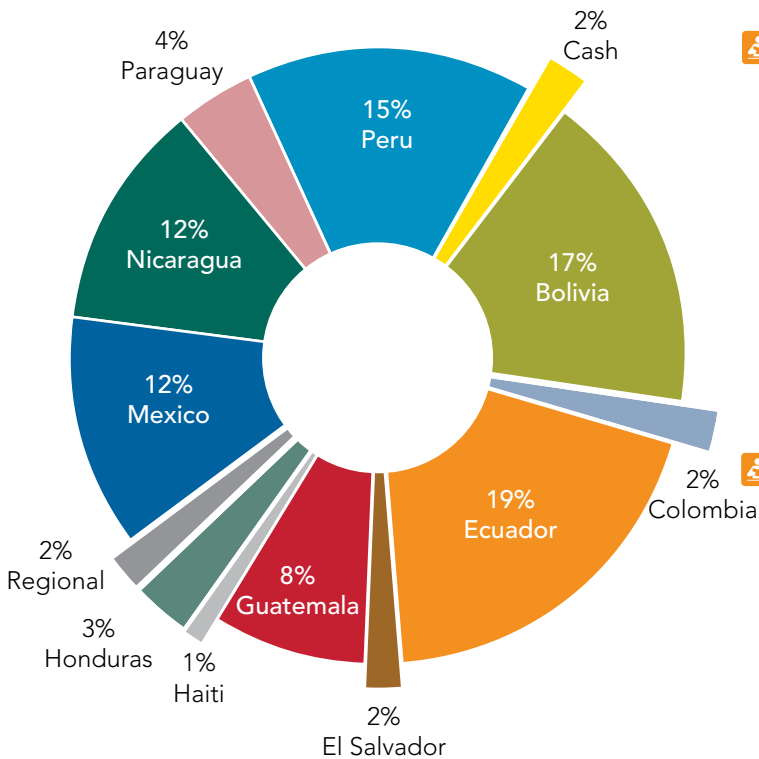
These partners provide financial services and education for rural microentrepreneurs.

14 Partners* **66%** Rural Clients **\$1,661** Average Loan Size
231,097 Clients** **49%** Female Clients

* Some partners work in more than one impact area.
** Total number of clients served by partner enterprises.

PORTFOLIO COMPOSITION

Percent of Invested Capital by Country



Note: All percentages have been rounded to the nearest whole number.

- Solar
- Smallholder Farmer Services
- Women-Centered Finance with Health
- Women-Centered Finance with Education
- Rural-Centered Finance with Education

- BOLIVIA (17%)**
 - CRECER (2%)
 - Emprender (4%)
 - FONDECO (1%)
 - IDEPRO (5%)
 - Sembrar Sartawi (5%)
- COLOMBIA (2%)**
 - Amanecer (2%)
- ECUADOR (19%)**
 - CEPESIU (1%)
 - D-MIRO (4%)
 - ESPOIR (5%)
 - Fundación Alternativa (3%)
 - Fundación FACES (3%)
 - VisionFund, Ecuador (3%)
- EL SALVADOR (2%)**
 - CrediCampo (1%)
 - FADEMYPE (1%)
- GUATEMALA (8%)**
 - CDRO (1%)
 - FECCEG (0%)
 - Friendship Bridge (2%)
 - FUNDEA (6%)
 - PROFASA (0%)
- HAITI (1%)**
 - Fonkoze (1%)
- HONDURAS (3%)**
 - IDH (2%)
 - Vision Fund Honduras (1%)
- REGIONAL (LATIN AMERICA) (2%)**
 - Greenlight Planet (2%)
 - Tecnosol (0%)
- MEXICO (12%)**
 - Cesmach (0%)
 - Pro Mujer, Mexico (6%)
 - SOFIPA (1%)
 - VisionFund, Mexico (5%)
- NICARAGUA (12%)**
 - COOPEFACSA (1%)
 - COPROEXNIC (0%)
 - FDL-ONG (4%)
 - Fundenuse (1%)
 - MiCrédito (3%)
 - Pro Mujer, Nicaragua (4%)
- PARAGUAY (4%)**
 - Arasy (3%)
 - Bioexport (1%)
- PERU (15%)**
 - ADRA (3%)
 - Alternativa (Peru) (1%)
 - APROCASSI (1%)
 - CenfroCafe (3%)
 - Coop Sol y Café (1%)
 - Norandino (2%)
 - Pro Mujer, Peru (4%)
- CASH (2%)**

| Social Investment Fund 6.0 |

Fund at a Glance

\$21.9MM
Cumulative
Capital
Deployed

18
Current
Partners

46K
Cumulative
Lives
Impacted

FINANCIAL SNAPSHOT

Fund Manager's Comments

In the second quarter, SIF 6.0 disbursed \$14.7 million to thirteen partners, including two new partners in East Africa and one in Guatemala. As the pipeline in East Africa and Latin America continues to grow, it is anticipated that the fund will reach more than \$25 million capital invested by the end of the third calendar quarter. All payments of principal and interest were made on time during the quarter. The Fund has over \$40 million in investor commitments and will continue to accept commitments as it scales to meet its target size of \$75 million.

Fund Overview

\$21.9MM Current Capital Deployed

\$21.9MM Cumulative Capital Deployed

23 Cumulative Number of Loans

46K Cumulative Lives Impacted
(Estimated number of lives impacted as a result of SIF 6.0's investments in partner organizations)

18 Current Number of Partners

18 Cumulative Number of Partners

Inception Date
October 8, 2015

Investment Currency
US\$ and fully
hedged
local currency

Fund Manager
Global Partnerships

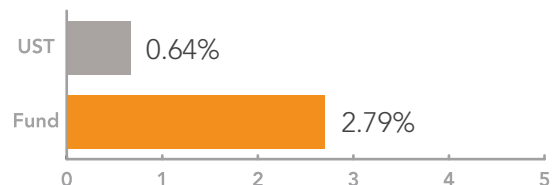
Type of Fund
Debt

WEIGHTED AVERAGE RISK RATING

3.88 ↓

2 - 5 = Investable Credit, 6 = Special Mention,
7 = Substandard, 8 = Probable Loss

FUND RETURN vs. DURATION-MATCHED TREASURIES



IMPACT SNAPSHOT

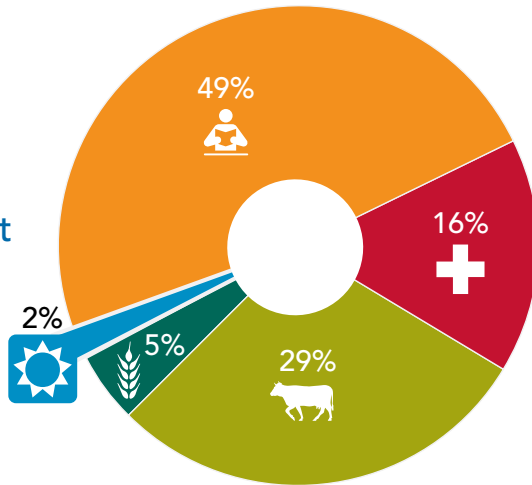
\$982
Average
Loan Size

1.25MM
Total
Clients

81%
of Clients
are Female

66%
of Clients
Live in
Rural Areas

Percent of Invested Capital by Investment Initiative



Women-Centered Finance with Health



These partners deliver financial services, preventive health education and access to health services for female microentrepreneurs and their families.

5 Partners* **37%** Rural Clients **\$798** Average Loan Size
274,865 Clients** **83%** Female Clients

Solar



These partners supply solar lights and small solar home systems to rural households living beyond the grid.

1 Partners*
29,529 Units Sold in Quarter

Women-Centered Finance with Education



These partners provide financial services and education for microentrepreneurs.

8 Partners* **73%** Rural Clients **\$792** Average Loan Size
942,885 Clients** **87%** Female Clients

Smallholder Farmer Services



These partners provide access to markets, technical assistance, and better pricing for smallholder farmers.

1 Partners* **100%** Rural Clients Crops Financed:
5,286 Clients** **52%** Female Clients **Coffee**

Rural-Centered Finance with Education



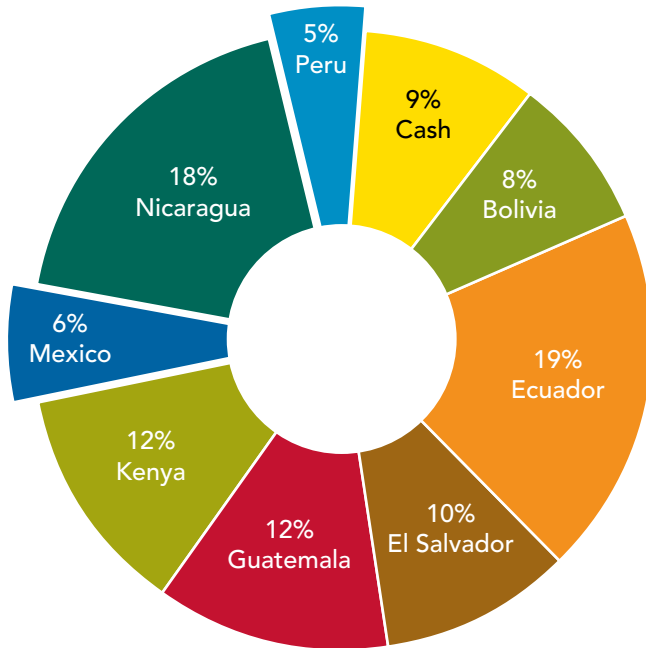
These partners provide financial services and education for rural microentrepreneurs.

6 Partners* **70%** Rural Clients **\$1,518** Average Loan Size
161,060 Clients** **48%** Female Clients






* Some partners work in more than one impact area.
** Total number of clients served by partner enterprises.



















PORTFOLIO COMPOSITION

Percent of Invested Capital by Country



Note: All percentages have been rounded to the nearest whole number.

-  Solar
-  Smallholder Farmer Services
-  Women-Centered Finance with Health
-  Women-Centered Finance with Education
-  Rural-Centered Finance with Education

- BOLIVIA (8%)**
 -  IDEPRO (3%)
 -  Sembrar Sartawi (5%)
- ECUADOR (19%)**
 -  D-MIRO (6%)
 -  ESPOIR (2%)
 -  Fundación Alternativa (4%)
 -  Vision Fund Ecuador (6%)
- EL SALVADOR (10%)**
 -  ENLACE (10%)
- GUATEMALA (12%)**
 -  FUNDEA (4%)
 -  SHARE (8%)
- KENYA (12%)**
 -  Juhudi Kilimo (2%)
 -  KWMB (8%)
 -  Sollatek (1%)
- MEXICO (6%)**
 -  Conserva (1%)
 -  VisionFund, Mexico (5%)
- NICARAGUA (18%)**
 -  FDL (8%)
 -  Aldea Global (4%)
 -  Pro Mujer, Nicaragua (6%)
- PERU (5%)**
 -  Pro Mujer, Peru (5%)

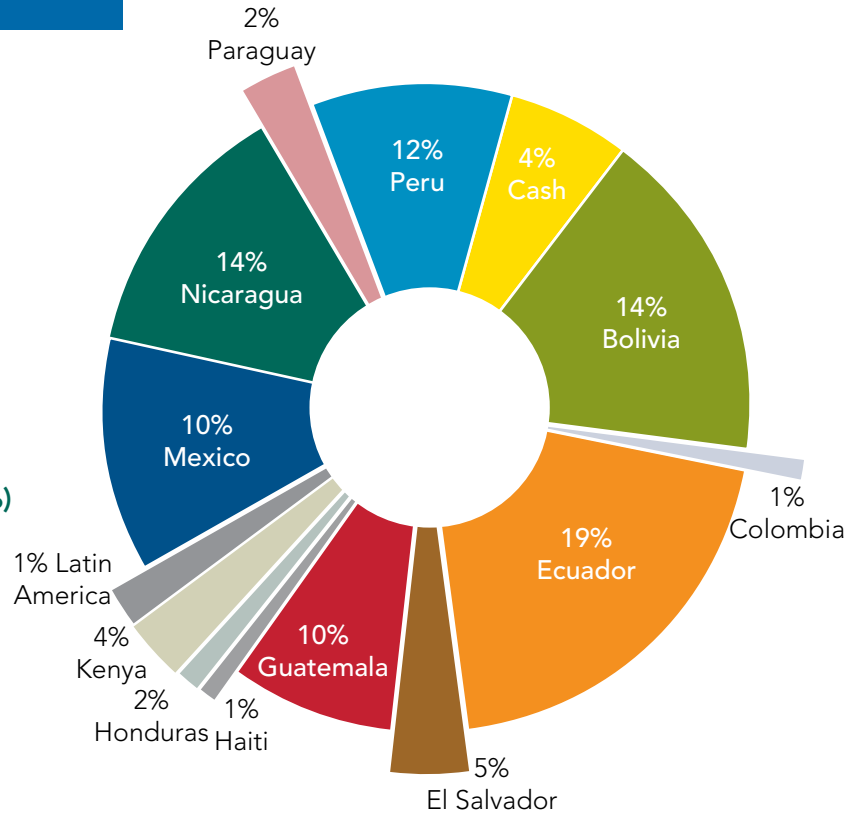
CASH (9%)

| Aggregate Distribution by Country and Impact |






ALL FUNDS

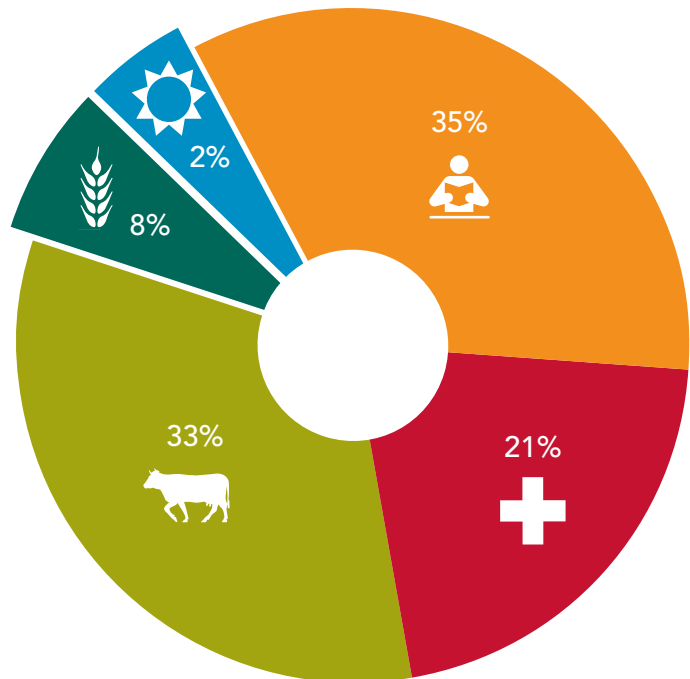
Percent of Invested Capital by Country

- BOLIVIA (14%)**
- COLOMBIA (1%)**
- ECUADOR (19%)**
- EL SALVADOR (5%)**
- GUATEMALA (10%)**
- HAITI (1%)**
- HONDURAS (2%)**
- KENYA (4%)**
- LATIN AMERICA, REGIONAL (1%)**
- MEXICO (10%)**
- NICARAGUA (14%)**
- PARAGUAY (2%)**
- PERU (12%)**
- CASH (4%)**



Percent of Invested Capital by Impact Area

-  **Solar**
-  **Smallholder Farmer Services**
-  **Women-Centered Finance with Health**
-  **Women-Centered Finance with Education**
-  **Rural-Centered Finance with Education**



Note: All percentages have been rounded to the nearest whole number.