



GLOBAL PARTNERSHIPS

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Global Partnerships INVESTORS REPORT

Third Quarter 2016 | July 1 - September 30, 2016

IA 50
2015
MANAGER

For more information, contact:

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Photo © Global Partnerships

| Letter from the CIOO |

November 15, 2016

Dear Investor,

In recent years, we have taken several steps to enhance our risk management processes. For example, we have strengthened our due diligence practices, streamlined and focused our reporting on key risk factors, provided additional training for our investment professionals, strengthened our monitoring team, begun doing more secured lending, and added additional expertise to our Investment Committee.

All of these steps have been undertaken to help deal with uncertainty, which comes in many forms. Natural disasters present a form of uncertainty that can be particularly challenging to mitigate. In April of this year, some of our partners in Ecuador were significantly affected by the massive earthquake that struck the Manabi region along Ecuador's northern coast. More recently, Hurricane Matthew devastated parts of Haiti, including towns where our sole partner in Haiti operates. The devastation in natural disasters is particularly felt by people living in relative poverty, as their houses and businesses are normally constructed of lower quality materials and their access to insurance, savings, and credit to rebuild is often limited. As a result, they have a more difficult time repaying loans and beginning the reconstruction process after a natural disaster.

In our portfolio in Ecuador, the institution that was most affected by the earthquake took decisive action both with their clients and their lenders, and communicated quickly and regularly about their plans and progress. As a result, this institution has recovered extremely well and delinquency rates are already approaching normal levels. On the other hand, two other institutions who had less exposure to the earthquake zone have struggled to recover, as their delinquency or liquidity levels remain significantly affected. In these cases, management was struggling to deal with some internal weaknesses prior to the earthquake, and was less decisive and prepared to act on a clear plan for their clients and with their lenders.

Over the past several years, many of our partners have had to deal with the aftermath of floods, earthquakes, hurricanes, and crop disease. Our initial assessments and ongoing monitoring of partners will take into account what we have learned through these experiences: strong management teams have contingency plans and act quickly in the face of disasters; they communicate frequently and clearly with their stakeholders; and institutions with fewer ongoing weaknesses are able to weather the storms better, once they hit. Based on these learnings, we will emphasize contingency planning and evaluation in our due diligence and monitoring processes.

As always, thank you for the trust that you, our investors, place in us. Providing impactful opportunity for people living in poverty presents many challenges, but the rewards are real, as evidenced by those people who are able to rebuild their homes, businesses, and lives after a natural disaster.

Very best,



Mark Coffey
Chief Investment and Operating Officer



BY THE NUMBERS

14 COUNTRIES

where Global Partnerships
has worked

96 PARTNERS

with whom Global Partnerships
has worked

**4.7 MILLION
LIVES IMPACTED**

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

\$221 MILLION

cumulative capital deployed

| Featured Partner: COPROEXNIC |



PHOTO: A grower group in the Nicaraguan cooperative, COPROEXNIC.
[Click to see all partner profiles](#)

Photo credit | Lisa Nicholson



Nicaragua has halved the number of people living in poverty over the last ten years, yet one in seven people in Nicaragua still live in poverty. The poverty gap is concentrated in rural areas, where one in two live in poverty.

WHO

Coproexnic is a Nicaraguan exporter that works with ten small cooperatives to export organic peanuts and sesame to international markets. It is the largest exporter of organic peanuts in Nicaragua, and one of the largest exporters of organic sesame in the country.

Partner: Coproexnic
Country: Nicaragua
Year Founded: 2001
Number of Employees: 36
Number of Smallholder Farmers: 236
Crops Financed: Peanuts

WHAT

Coproexnic purchases organic peanuts and sesame from smallholder farmers and exports these to specialty international markets. Coproexnic also ensures that farmers have the right inputs and equipment, and are meeting production standards to produce high quality, organic peanuts and sesame.

WHY

Coproexnic stands out as a farmer-centric exporter that is committed to working with smallholder farmers that would not otherwise have access to international specialty markets. By connecting smallholder farmers to international markets, farmers receive higher prices for their product and are linked to buyers that ensure future demand.

| Social Investment Fund 5.0 |

Fund at a Glance

\$68.7MM

Cumulative
Capital
Deployed

41

Current
Partners

1.04MM

Cumulative
Lives
Impacted

FINANCIAL SNAPSHOT

Fund Manager's Comments

By the end of June 2016, SIF 5.0 had reached its target size of \$50 million and the end of the third quarter saw the fund maintaining an outstanding loan balance to partners just shy of that amount. There will be an increase in loan activity over the next quarter as loans mature, interest payments and principal amortizations are collected, and the fund disburses new loans. During the quarter, all SIF 5.0 partners with fixed date payments due made them as agreed, while two trade finance loans are in arrears due to liquidity issues. In Ecuador, two loans have been restructured and are current on payments, while two other loans are in the process of negotiating final restructuring or payment terms.

Fund Overview

\$49.2MM Current Capital Deployed

\$68.7MM Cumulative Capital Deployed

108 Cumulative Number of Loans

1.04MM Cumulative Lives Impacted
(Estimated number of lives impacted as a result of SIF 5.0's investments in partner organizations)

41 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

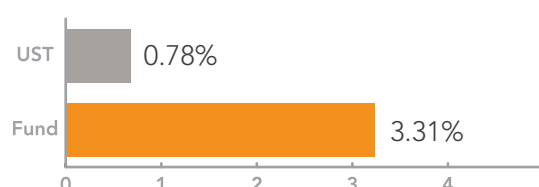
Type of Fund
Debt

WEIGHTED AVERAGE RISK RATING

4.2 ↑

(Arrow indicates change from previous quarter.)
2 - 5 = Investable Credit, 6 = Watch List Credit,
7 = Possible Loss, 8 = Doubtful, 9 = Write-off

FUND RETURN vs. DURATION-MATCHED TREASURIES



IMPACT SNAPSHOT

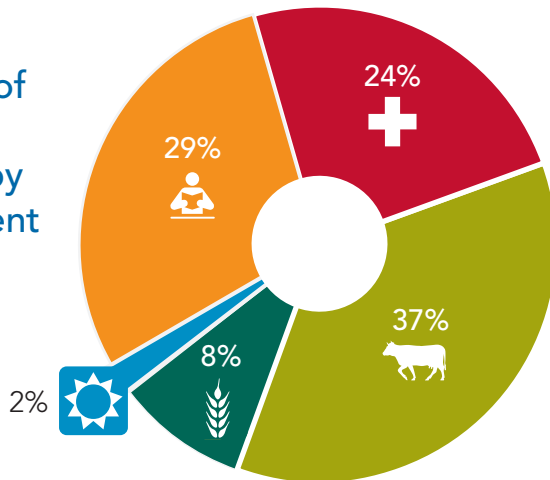
\$1,022
Average
Loan Size

1.15MM
Total
Clients

74%
of Clients
are Female

61%
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 **\$1,056** Average Loan Size
470,641 Clients** **78%** Female Clients

Solar



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

1 Partner*
393,059 Units Sold in Quarter

Women-Centered Finance with Education



These partners provide financial services and education for microentrepreneurs.

14 Partners* **63%** Rural Clients **\$702** Average Loan Size
755,846 Clients** **87%** Female Clients

Smallholder Farmer Services



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

8 Partners* **100%** Rural Clients Crops Financed:
58,866 Clients** **21%** Female Clients **Coffee, Sesame, Chia, Peanuts**

Rural-Centered Finance with Education



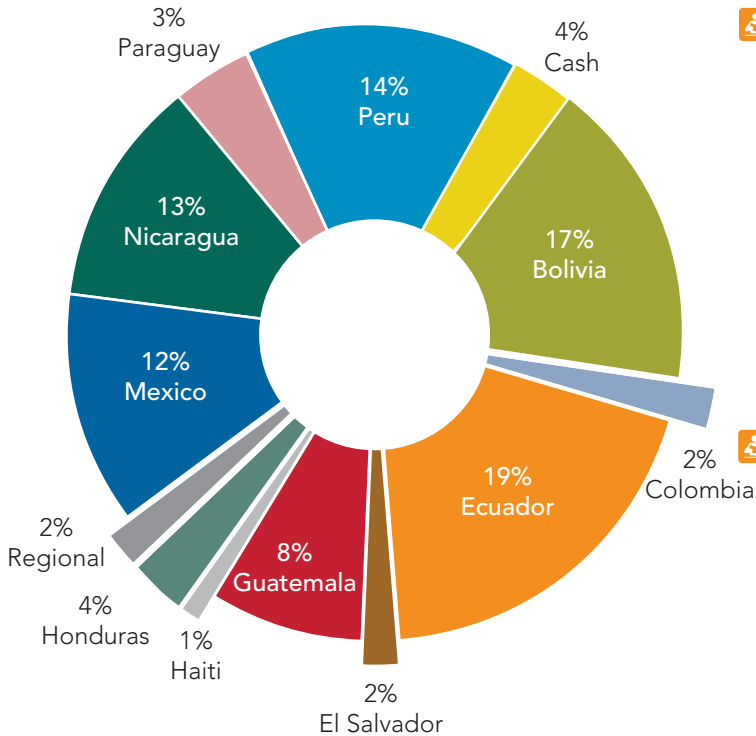
These partners provide financial services and education for rural microentrepreneurs.

14 Partners* **65%** Rural Clients **\$1,602** Average Loan Size
235,868 Clients** **50%** 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 (6%)
 - 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 (1%)
 - FUNDEA (6%)
- HAITI (1%)**
 - Fonkoze (1%)
- HONDURAS (4%)**
 - IDH (2%)
 - Vision Fund Honduras (2%)
- REGIONAL (LATIN AMERICA) (2%)**
 - Greenlight Planet (2%)
- MEXICO (12%)**
 - Cesmach (0%)
 - Pro Mujer, Mexico (6%)
 - SOFIPA (1%)
 - VisionFund, Mexico (5%)
- NICARAGUA (13%)**
 - COOPEFACSA (1%)
 - COPROEXNIC (1%)
 - FDL (4%)
 - Fundenuse (1%)
 - MiCrédito (3%)
 - Pro Mujer, Nicaragua (4%)
- PARAGUAY (3%)**
 - Arasy (3%)
 - Bioexport (1%)
- PERU (14%)**
 - ADRA (3%)
 - Alternativa (Peru) (1%)
 - APROCASSI (1%)
 - CenfroCafé (2%)
 - Coop Sol y Café (1%)
 - Norandino (3%)
 - Pro Mujer, Peru (4%)
- CASH (4%)**

| Social Investment Fund 6.0 |

Fund at a Glance

\$24.8MM

Cumulative
Capital
Deployed

21

Current
Partners

110K

Cumulative
Lives
Impacted

FINANCIAL SNAPSHOT

Fund Manager's Comments

SIF 6.0 disbursed \$2.8 million to four partners during the 3rd quarter. The pipeline in East Africa and Latin America continues to grow and we anticipate that the fund will reach more than \$30 million in capital invested by the end of the calendar year. All payments of principal and interest were made on time during the quarter. The Fund has over \$43 million in investor commitments and will continue to accept commitments as it scales to meet its target size of \$75 million.

Fund Overview

\$24.4MM Current Capital Deployed

\$24.8MM Cumulative Capital Deployed

27 Cumulative Number of Loans

110K Cumulative Lives Impacted
(Estimated number of lives impacted as a result of SIF 6.0's investments in partner organizations)

21 Current Number of Partners

21 Cumulative Number of Partners

Inception Date
October 8, 2015

Investment Currency
US\$ and fully
hedged
local currency

Fund Manager
Global Partnerships

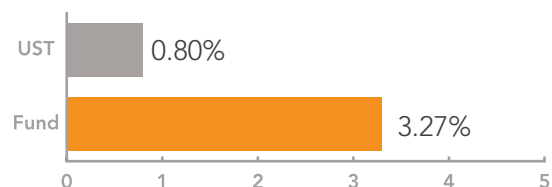
Type of Fund
Debt

WEIGHTED AVERAGE RISK RATING

3.97 ↑

2 - 5 = Investable Credit, 6 = Watch List Credit,
7 = Possible Loss, 8 = Doubtful, 9 = Write-off

FUND RETURN vs. DURATION-MATCHED TREASURIES



IMPACT SNAPSHOT

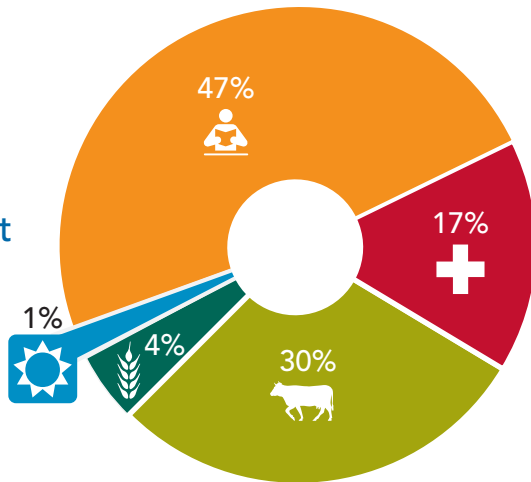
\$887
Average
Loan Size

1.34MM
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.

6 Partners* **41%** Rural Clients **\$735** Average Loan Size
331,483 Clients** **85%** Female Clients

Solar



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

1 Partners*
22,911 Units Sold in Quarter

Women-Centered Finance with Education



These partners provide financial services and education for microentrepreneurs.

9 Partners* **72%** Rural Clients **\$690** Average Loan Size
1,001,521 Clients** **88%** Female Clients

Smallholder Farmer Services



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

2 Partners* **100%** Rural Clients Crops Financed:
10,297 Clients** **27%** Female Clients **Coffee, Sesame**

Rural-Centered Finance with Education



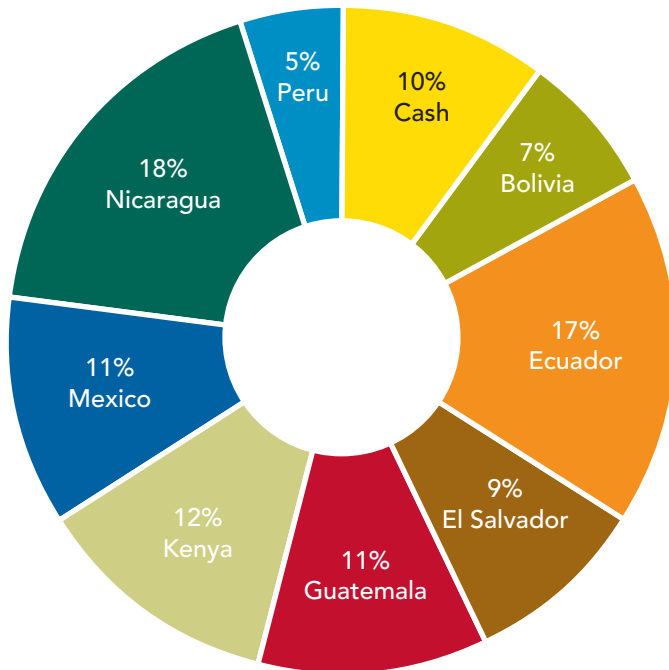
These partners provide financial services and education for rural microentrepreneurs.

7 Partners* **66%** Rural Clients **\$1,370** Average Loan Size
185,654 Clients** **51%** 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.

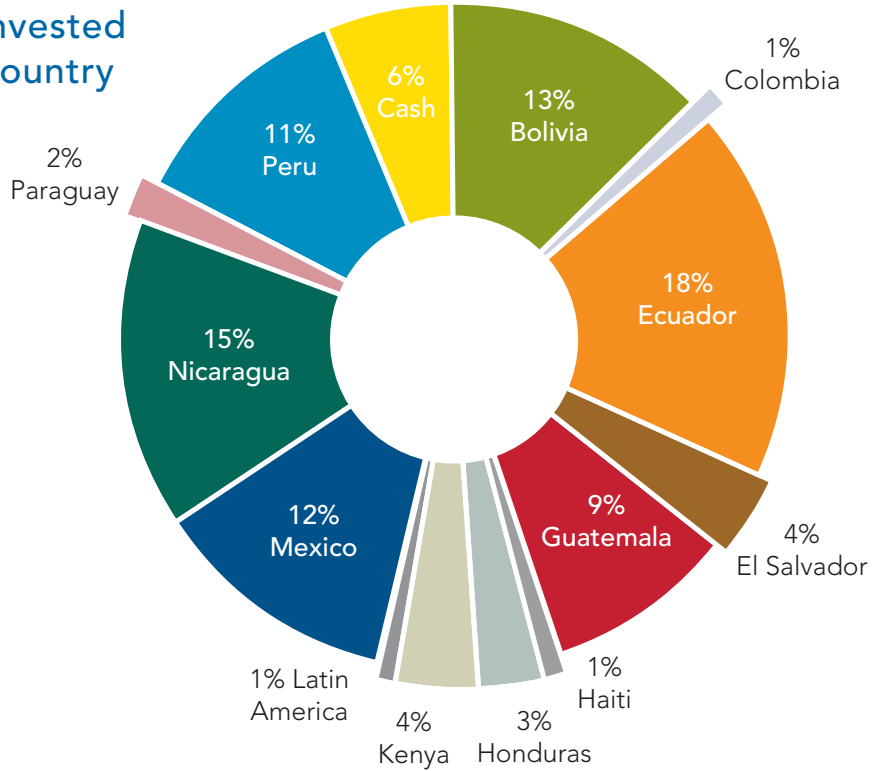
- Solar
- Smallholder Farmer Services
- Women-Centered Finance with Health
- Women-Centered Finance with Education
- Rural-Centered Finance with Education

- BOLIVIA (7%)**
 - IDEPRO (3%)
 - Sembrar Sartawi (4%)
- ECUADOR (17%)**
 - D-MIRO (6%)
 - ESPOIR (2%)
 - Fundación Alternativa (4%)
 - Vision Fund Ecuador (6%)
- EL SALVADOR (9%)**
 - ENLACE (9%)
- GUATEMALA (11%)**
 - FUNDEA (4%)
 - PROFASA (0%)
 - SHARE (7%)
- KENYA (12%)**
 - Juhudi Kilimo (4%)
 - KWMB (7%)
 - Sollatek (1%)
- MEXICO (11%)**
 - Conserva (1%)
 - Pro Mujer, Mexico (5%)
 - VisionFund, Mexico (6%)
- NICARAGUA (18%)**
 - Aldea Global (4%)
 - FDL (7%)
 - FUNDENUSE (2%)
 - Pro Mujer, Nicaragua (6%)
- PERU (5%)**
 - Pro Mujer, Peru (5%)
- CASH (10%)**

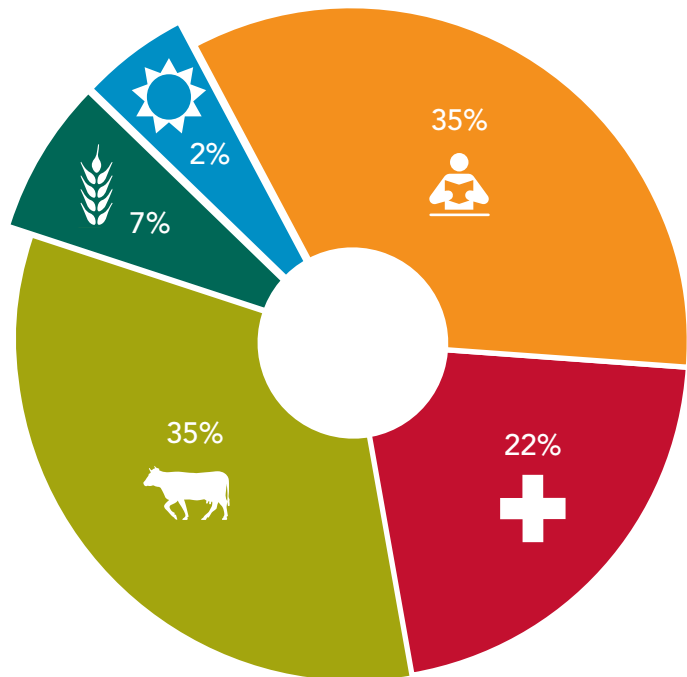
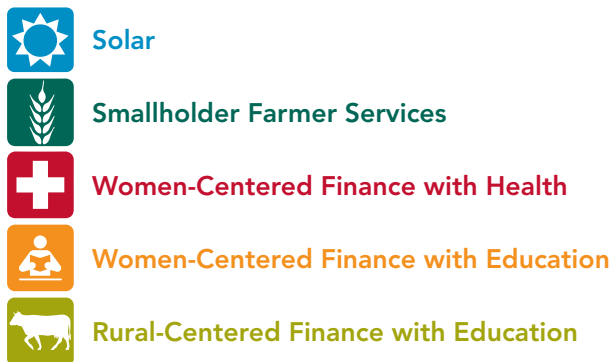
| Aggregate Distribution by Country and Impact |

ALL FUNDS

Percent of Invested Capital by Country



Percent of Invested Capital by Investment Initiative



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



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