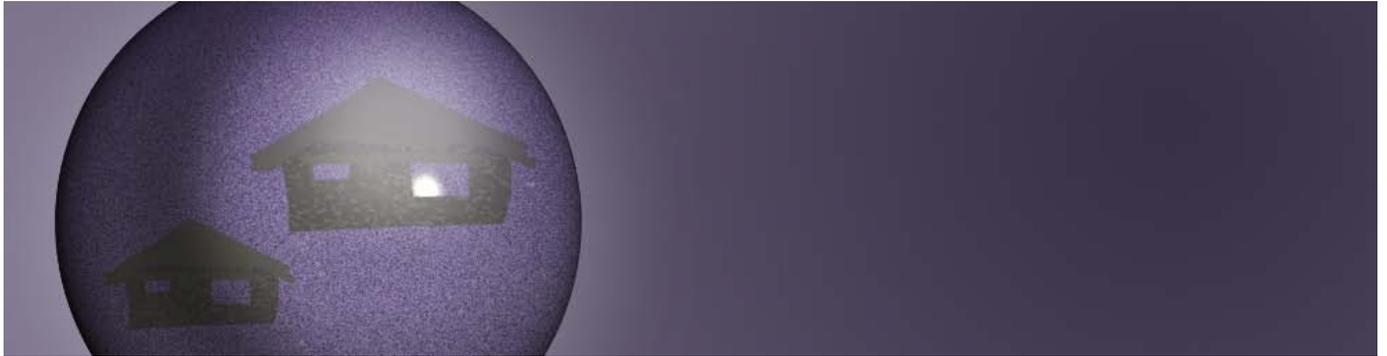




# Call for Impact #3

## LGT Venture Philanthropy



Dear friends,

We started 2012 with welcoming 24 iCats fellows from all around the world to take part in a 4-day orientation workshop in our House of Philanthropy Solutions in Zurich. Soon they will start working full-time for 11-months with our portfolio organizations on the ground, bringing in their professional skills and leaving a lasting positive impact.

In terms of new investments, we added CO2 Bambu to our portfolio and M-Kopa will be closed soon. Moreover, we have been conducting due diligence on two deals that might be interesting co-investment opportunities for you: Sanitary products for teenage girls in East Africa and healthcare services for remote low-income communities in Brazil.

Currently, we are hiring Investment Managers in China, India and Southeast Asia with the goal to double our team size in these regions. We kicked off the Smiling World Initiative showcasing visions for a better world.

Last but not least: Find three stories as inspiration for our continued motto for 2012: Let's create positive impact together!

Warm regards,

The LGT Venture Philanthropy team

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## Investment Implementation

### Launch of the «Impact Ventures Global» fund

We are about to launch our impact investment fund «Impact Ventures Global». The first investors already committed over USD 10m, now we are searching for further investors. While seeking positive financial returns the fund aims above all to achieve a positive societal return through targeted investments into organizations with innovative, market-based solutions for the less advantaged. The Luxembourg based SICAV SIF fund will make debt and equity investments. To find out more, please contact [Nathalie Moral](#).

### LGT Venture Philanthropy's portfolio grows

#### CO2 Bambu in Nicaragua



An estimated deficit of 53 million houses in Latin America pushes families into dangerous and unhealthy housing conditions. In Nicaragua, CO2 Bambu designs, manufactures, and field-assembles prefabricated houses and community buildings (e.g. schools and shelters) made of bamboo, which are affordable, ecological, and withstand earthquakes, hurricanes, and floods. Apart from this, CO2 Bambu also creates jobs and contributes significantly to climate change mitigation: Bamboo can fix up to 35% more carbon than any other timber species.

**Our engagement:** Equity investment to cover operational costs and serve as guarantee for government contracts. CO2 Bambu is also part of the LGT Employee Donation Program, the iCats Program and receives access to relevant networks as well as mentoring and overall strategic support.

#### M-Kopa in Kenya



Over 63% of Africa's Sub-Saharan population is rural, lower-end consumers with small and inconsistent income. They can barely afford basic goods and services and end up spending up to 70% of their income on inefficient, low-quality goods.

M-Kopa enables low-income households in Kenya to buy productive assets such as solar home systems through an affordable and convenient pay-per-use system through their mobile phone that matches periodic payments to their cash flows.

**Our engagement:** An equity and debt investment to fund the roll-out of M-Kopa's service. Furthermore, M-Kopa is part of the iCats Program and receives additional mentoring as well as access to relevant networks.

### Co-investments with clients closed

We closed another two co-investments for our clients: A Swiss organization invested USD 230'000 in our portfolio engagement [Meds & Food for Kids](#) and a German foundation made a debt investment of USD 200'000 with [Rags2Riches](#). For the following two social enterprises we offer co-investment opportunities alongside LGT Venture Philanthropy, if final stages of our internal due diligence yield positive results. If you are interested, please contact [Wolfgang Hafenmayer](#) or [Oliver Karius](#).

### 2 new co-investment opportunities

#### Co-investment opportunity 1: Healthcare services for remote low-income communities



**Theme/region:** Health/ Latin America

**Business model:** Hybrid

**Co-investment opportunity:** Equity investment, USD 800'000

**Problem:** Only 23% of Brazilians have access to quality private healthcare. The remaining 150 million people depend on the weak public healthcare system which faces two challenges: Lack of access to quality healthcare and low quality of medical services and equipment for the peri-urban and rural population.

**Solution/business model:** The organization offers mobile medical units that target different sizes of communities. All provide specialized healthcare: The health-wagons are a hydraulic mobile hospital. The health-boxes are transportable (via truck, helicopter or shipment) clinical centers built in light containers and the health-vans are mobile units to transport medical equipment for radiology and ultrasound exams.

#### Co-investment opportunity 2: Sanitary products for teenage girls



**Theme/region:** Education, empowerment, health/ East Africa

**Business model:** For-profit

**Co-investment opportunity:** Equity investment/ debt, USD 150'000

**Problem:** Teenage schoolgirls from poor rural and peri-urban settings across Uganda and the developing world at large skip, or drop out of school entirely due to menstrual-related school absenteeism. Approximately 25% of the entire academic school year is lost due to menstruation. The World Bank estimates that this fact jeopardizes the academic potential of 600+ million girls.

**Solution/business model:** The organization manufactures affordable, reusable sanitary kits that are environmentally friendly and provide menstrual protection for up to one year at approximately 30% of the total cost of a one-year supply of commercial sanitary pads.

## 24 new iCats Fellows 2012 nominated



In January 24 business professionals, who have been nominated for this year's iCats Fellowship, met in Zurich to kick off the program with a 4-day orientation workshop. In February they will start working with 14 LGT VP portfolio organizations spread over four continents. The iCats Fellows create positive impact by working full-time during a 11-months period on the ground and providing professional consulting services to build organizational capacity within participating organizations. Follow their experiences while creating positive impact on the ground as well as see pictures from the orientation workshop by visiting and liking us on [Facebook](#).

## LGT VP's Impact Ventures Accelerator Program in Southeast Asia to start this year

In response to a perceived need for earlier-stage financial and intellectual capital by organizations in Southeast Asia, we are setting up the «Impact Ventures Accelerator Program» (IVAP) this year. IVAP is a social business accelerator, which aims to make an increasing number of organizations "investment-ready" for social investors. We are partnering with local incubators in five countries in Southeast Asia to identify and develop three to seven organizations per country with a high potential for growth, positive impact, and financial sustainability. For more information on the program and/or how to get involved, please contact [Joan Yao](#).

## Client Advisory

### Philanthropy profile for clients developed

The LGT Venture Philanthropy team is intensively supporting several individuals, families, foundations and corporations to develop their individual philanthropy profiles. This provides the basis for a customized implementation support. If you are interested to learn more about our service, please contact [Nathalie Moral](#).

### Market insight from our due diligence

During due diligence, our local teams learn a lot about untapped or emerging markets. Start reading our market insight below. If you are interested in delving deeper, please contact [Nathalie Moral](#).

### BOP housing in Central America – Billion USD market

With a deficit of 52 million homes in the Latin American region, the total addressable market for BOP housing and community buildings would be worth approximately USD 520 billion, or USD 26 billion per year, assuming a 20 year timeline and an average BOP housing price of USD 10'000 per unit. Additionally, while the underserved need for BOP housing in the region remains very high, sources of funding are expected to increase. The client composition of this market includes government and semi-governmental programs (paid by governments, municipalities, NGOs, and international institutions), whose funding is large, yet insufficient to cover the totality of the needs. However, the entry of MFI's into BOP housing markets provides lower-middle classes with an opportunity to finance their own houses.

## Inspiration for Philanthropy

### Recent Events

LGT Venture Philanthropy's team members spoke at:

- Swiss Finance Institute: [4<sup>th</sup> Women's Luncheon](#) on «Social enterprises: Addressing the needs of the poor is not incompatible with for-profit business models» in Zurich, Switzerland
- [6<sup>th</sup> Annual Social Responsibility Forum at the IE Business School](#) in Madrid, Spain
- [Oikos International](#): Future Lab in St. Gallen, Switzerland
- [Swiss Equity Cleantech day](#) in Zurich, Switzerland
- [Bellagio Initiative Summit](#): Rockefeller Foundation event in Italy
- [EVPA's annual conference](#): Two workshops with our investee aeioTü from Colombia in Turin, Italy
- [ICEP Global Corporate Volunteering conference](#) in Vienna, Austria
- Federal Ministry for Economic Cooperation and Development: Workshop at [Future Forum](#) in Berlin, Germany
- [Elite Leading Private Wealth Management Summit](#) – Family office conference in Montreux, Switzerland

## House of Philanthropy Solutions (HOPS) – a place of inspiration and networking

We are using the [House of Philanthropy Solutions](#) in Zurich to gather people who are active and interested in philanthropy. The aim is to inspire people through effective solutions and to connect them to create more impact together. If you want to visit the HOPS, learn more about it or hold an event there, please contact [Natija Dolic](#).

Last November we hosted two events:



- [IESE Alumni Event](#) on Impact Investing
- [Stanford Alumni Event](#) – «The path to philanthropy- the “how” of leaving an impact» with ResponsAbility, Jacobs Foundation and LGT VP

## Upcoming Events

- The House of Philanthropy Solutions will travel to Hong Kong 16<sup>th</sup> – 22<sup>nd</sup> March 2012. We will gather network partners, families and investors in a number of events to talk about the solutions of our portfolio organizations and find ways to advance the impact investing sector in Asia. If you are interested in participating in our events, please contact [Pia Lassak](#).
- With the two-day workshop «The Next Generation of Philanthropy» we offer to both young and senior members of families the opportunity to learn from each other in a peer environment about how to effectively transfer the philanthropic legacy to the next generation. For registration and/ or more information, please contact [Magdalena Rauter](#).

## Smiling World Initiative kicked off



What is your vision of a positive world, a Smiling World, in 2025? Based on this question, we establish the Smiling World platform providing today's leaders and decision-makers with the opportunity to highlight their visions for a sustainable world. The goal is to showcase visions and existing solutions, to inspire others, share experiences and know-how, and open up opportunities to be an active part of the solutions. We already spoke with [Jonathon Porritt](#) and [Brigitte Mohn](#).

We start the Vision Competition in January 2012. Three of the most moving visions will be part of the book «Smiling World». For more information, please contact [Wolfgang Hafenmayer](#) or [Natija Dolic](#).

## In touch: Inspiring stories from our portfolio organizations

>> [Ensena Chile's](#) Director Tomás Recart presented their work at ENADE 2011, the largest economic forum in Chile. Read [here](#) how he brought Sebastian Pinera, President of Chile, to sign Chile's flag with the message «Yes, we can solve the educational problems in Chile».

>> [One Acre Fund's](#) founder Andrew Youn was named to the [Forbes Impact 30](#), a list of top social entrepreneurs tackling the world's most intractable problems.

>> [mothers2mothers](#) launched in Europe with a live performance from singer, song writer and campaigner Annie Lennox at One Mayfair in London last November. [Annie Lennox](#) blogged about how AIDS hits pregnant women the hardest. As supporter and donor of mothers2mothers, she shows what we can do to save HIV positive mothers and babies around the world.

## CSR at LGT: Employee Volunteering Program

LGT Venture Philanthropy supported the establishment of the LGT Employee Volunteering Program by selecting three excellent Swiss social organizations: [Infoklick](#), [Gump- & Drahtesel](#) and [Studienaktie](#) for corporate volunteering.

## Mission Related Investments

In order to increase the societal impact of the overall foundation's assets, we have allocated a significant amount of the foundation's assets into the family of LGT Sustainable Impact Funds which consist of global and European equity, global bonds and multi-asset class funds. The funds were launched two years ago and are managed by our colleagues at LGT Capital Management. The focus of the funds is to choose investments that add long-term value from a financial perspective and contribute to the improvement of human well-being. Since inception the performance of the funds compared to its peers has been very good. For more information, please contact [Oliver Karius](#).

## **New job-postings**

### **Investment Managers in Asia - hiring now**

We will double our team size in China, India and Southeast Asia and are currently looking to hire Investment Managers in these regions. For more information, please contact [Wolfgang Hafenmayer](#).

### **Office Manager in Zurich, Switzerland - hiring now**

Our Zurich team is looking for an Office Manager. For more information, please contact [Natija Dolic](#).

## **About LGT Venture Philanthropy**

LGT Venture Philanthropy is an impact investor supporting organizations with outstanding social and environmental impact. Our team in five continents strives to increase the sustainable quality of life of less advantaged people by inspiring clients for active philanthropy, providing individualized philanthropic advice and investment implementation. Our broad range of clients benefits from the experience, systems, processes and networks built by implementing the philanthropic engagement of the Princely Family of Liechtenstein/LGT.

LGT Venture Philanthropy, Färberstrasse 6, CH-8008 Zurich, Phone +41 44 256 8110, [info@lgtvp.com](mailto:info@lgtvp.com), [www.lgtvp.com](http://www.lgtvp.com)