

Can you invest for
impact and returns?

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Benjamin Mawel



36% ARR

Luke Krueger

Co-Founder, Valhalla Private Capital

President, Valhalla Global Markets

General Partner in Uno Rondo - LatAm focused fund

4 Time Entrepreneur

3 Boards

Angel Investor in 11 Companies, 6 Impact

Grameen Creative Lab, Nobel Prize Winner Muhammad Yunus

Institutional Member of the Toniic Network

What is this Impact Investing?

Investing into companies that generate economic and social returns.

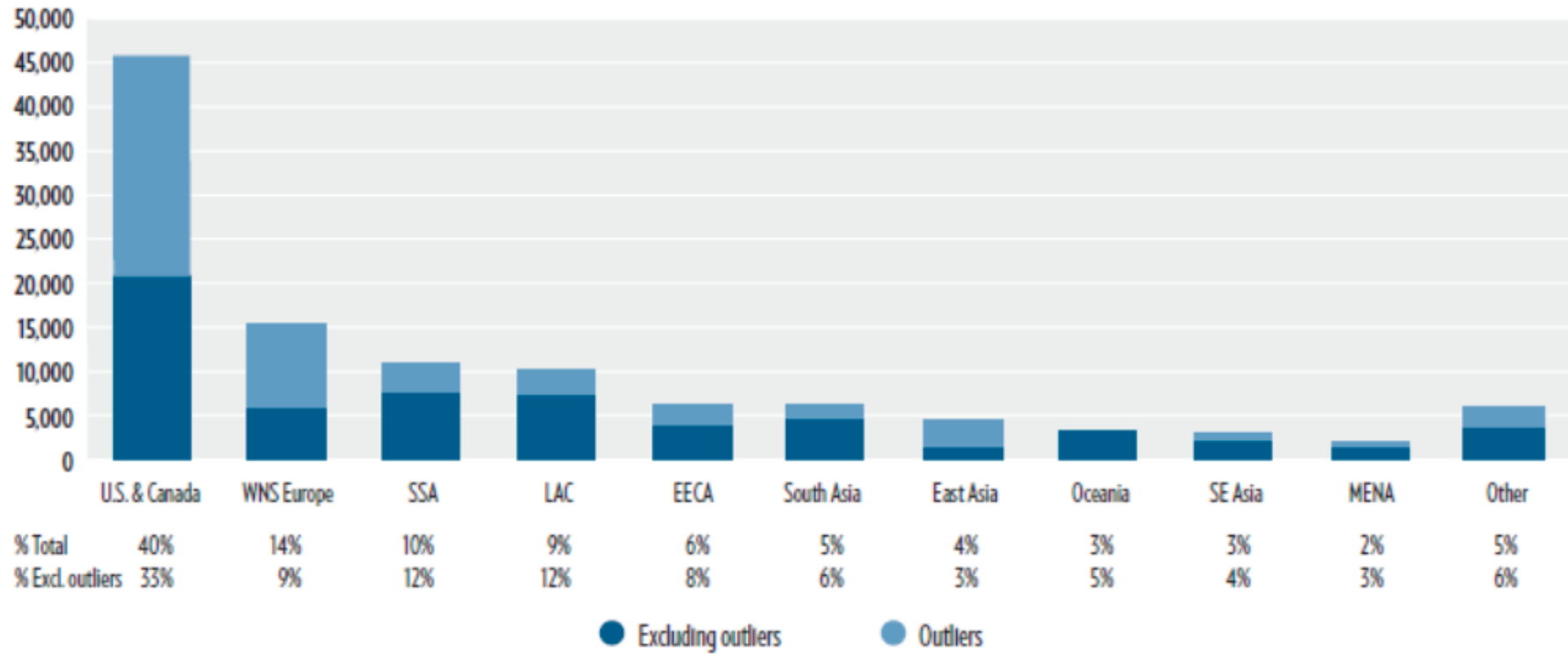
Typical benefits are of the environmental or social.

About 9% of global PE

Asset Class growing 14% annually

Figure i: AUM by geography

Full sample: n = 208; AUM = USD 113.7 billion
 Excluding outliers: n = 203; AUM = USD 63.9 billion



Note: Respondents that allocated to 'other' geographies primarily described investments with a global focus and/or cash holdings.
 Source: GIIIN



Evolution of Business for Social Good

Socially
Conscious

Microfinance

Triple Bottom
Line

Impact
Investing



The Grameen Danone Story Told by R. Branson:
Profit is Not All That Matters

Every dollar you [invest],
casts a vote for the type of
world you want to live in.

~Anna Lappe

Is this Asset Class for you?

It will depend on your investor thesis.

Why do you invest? Goals?

ARR Expectations?

Are you investing in good vs. not investing in bad?



Trends in Impact Investing

New support for impact entrepreneurs as the asset class develops.

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Retail investors entering the market.

Morgan Stanley

BLACKROCK

kiva

Measurement is getting better.



GIIRS (Global Impact Investment Rating System)

"We seek out exceptional, mission-driven companies creating long-term value, both financially and for humanity. AltSchool is a perfect example of a company that's building a strong business while driving positive change. Their B Corp status allows the team to think beyond short-term profits and focus on fundamentally improving the education system for many decades to come.

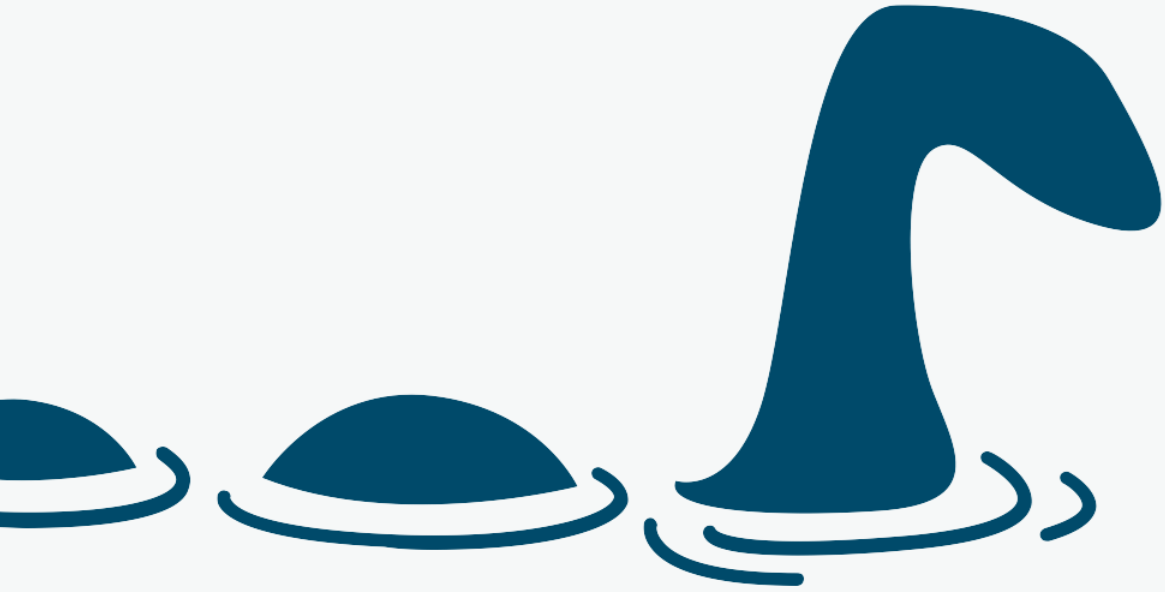


Brian Singerman

Founders Fund

More professional impact
fund managers / analysts.

Innovative Deal / Fund Structures.



—
Impact Investing Myths.

Myth #1

There is only one way
to do impact investing:
Philanthropy

Wide range of Impact Options from many
major investment firms.

Doesn't have to cannibalize investment into
Aid or Crisis response funding.

Myth #2

You can't earn Market Returns

Median portfolio performance 10%, top 1/3 is 34% ARR or better than avg. Angel.

So good returns are possible.

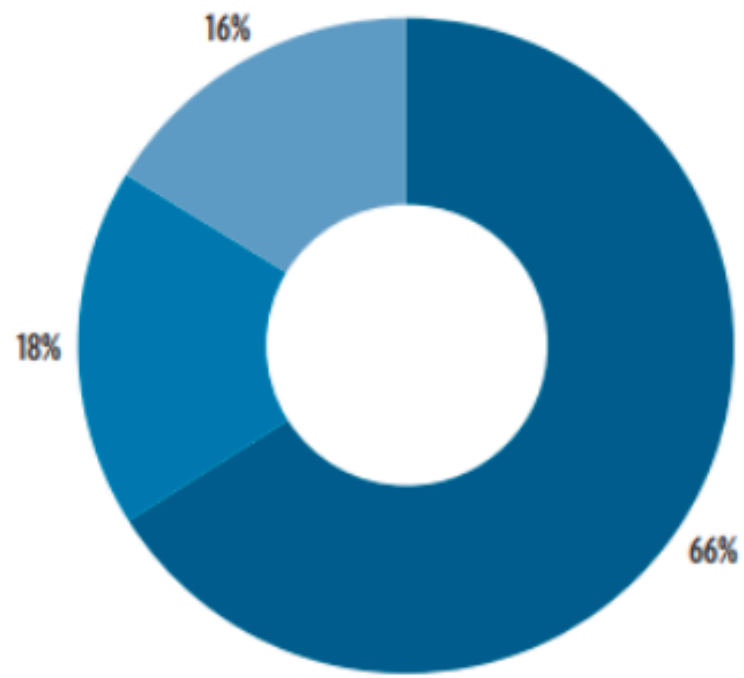
Top quartile and mid tier impact funds perform similar peer funds in conventional markets.

Figure 4: Target financial returns principally sought by percentage of respondents

n = 209

- 66% Risk-adjusted market-rate returns
- 18% Below-market-rate returns: closer to market rate
- 16% Below-market-rate returns: closer to capital preservation

Source: GIIIN



Myth #3

You have to be very wealthy.

84% of Millennials are interested in Impact Investing.

Demand is driving lower minimum entry points, some as low as \$10,000 - or lower with crowdfunding

Don't necessarily have to sacrifice returns.

Types of Impact Investors.

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How can I participate?

- Major players now routinely offer impact products
- Get involved with MFI's. (e.g. Kiva & Village Capital)
- Look for publicly traded B Corps



My Impact Thesis.

Won't invest in any 'extraction' business.

I like deals that support skilled jobs in markets where educated typically leave.

Geographically focused investments.

Slightly less than what I would consider risk adjusted return: 12-20% ARR

Companies focused on entire supply chain



Unique Challenges.

Top 2 issues according to GIIN are:
Exits and *Quality* deal flow.

Innovation and getting to scale in the way we tackle societal challenges.

Consistent Measurement of social impact is difficult—No standard method/KPI for measuring impact.

Consistency in describing asset class and what constitutes an impact investment.

Evaluating risk for remote investment projects.

So how do I make money?

Frontier markets present huge upside. TAM, inefficient markets, rapidly growing middle class, urbanization, rapid expansion of tech

Be creative with deal structuring; e.g. convertible and venture debt.

Gain leverage through grant and blended capital programs. Including MIGA guarantee's

Thank you!

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