The Bamboo & UNCDF Partnership

A partnership to set up new innovative blended finance vehicles

14+ years in impact investing, Strategically backed by Palladium Group

7 active funds, +$500 m AUM (Assets under Management)

Invested in 30+ emerging markets

BUILD Fund S.A, SICAV-RAIF

55+ years of working in LDCs + local presence in 31 LDCs

Pre- and Post- Investment TA provider through BUILDER sidecar facility

BCP

BUILD – II (Malawi) sub-fund
The BUILD + BUILDER architecture

An umbrella architecture to host multiple sub-funds and TA facilities

<table>
<thead>
<tr>
<th>BUILD + BUILDER GLOBAL</th>
<th>BUILD + BUILDER MALAWI</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUILD-I Sub Fund</td>
<td>BUILD-II Sub Fund</td>
</tr>
<tr>
<td>(“BUILD Global sub-fund” or “BUILD Fund”)</td>
<td>(“BUILD Malawi sub-fund” or “BUILD Malawi”)</td>
</tr>
<tr>
<td>BUILDER TA Facility for BUILD-I Sub Fund (“BUILDER TAF”)</td>
<td>BUILDER TA Facility for BUILD-II Sub Fund (“BUILDER Malawi TAF”)</td>
</tr>
</tbody>
</table>

BUILD Fund S.A. SICAV-RAIF (BUILD sub-funds architecture)

| ... | ... | ... | ... |

BUILDER TAF (BUILDER TA Facilities architecture)
Fund Overview and Structuring
A High-Impact Blended Finance Fund

Supporting SDG-positive opportunities

Through Debt, quasi-Equity and Equity

only for Malawian enterprises
Financing Mechanism

BUILD-II (Malawi), a sub-fund of BUILD Fund S.A, SICAV-RAIF focused on Malawi

**Investors**
Family offices, endowments, development banks, institutional investors and individuals

**Donors**
Bilateral and multilateral agencies, international philanthropies.
Anchor funding from: JOINT SDG FUND

**Fund manager**
BCP | BAMBAMO CAPITAL PARTNERS

2.5% of AuM in management fees (min USD 250k)

**BUILD Malawi**
USD 20m Mezzanine Tranche
USD 15m First Loss Tranche

**Beneficiary Units**
Pre- and Post-Investment TA

**Malawian Investees**

**Equity**
5% Target Dividend

**Debt, quasi-equity, equity**

**Grants**

BUILD – II (Malawi) sub-fund
BUILD + BUILDER Malawi architecture

An open-ended investment vehicle & a TA Facility for business advisory support

The **BUILD Malawi sub-fund** will offer 2 classes of shares and is targeting USD 35 million

**BUILD Malawi**

- USD 20m Mezzanine Tranche
- USD 15m First Loss Tranche

**BUILDER Malawi TA Facility**

- USD 2m commitment from JOINT SDG FUND

Mezzanine tranche protected against potential losses by First Loss tranche, which acts as a cushion

Catalytic 1st loss tranche receives returns/principal after senior and mezzanine tranches.
Focus Areas

Sector agnostic with cross-cutting focus on women empowerment and youth

BUILD Malawi will invest across sectors with likely higher concentration on

- Food security & Nutrition/ Agribusiness
- Green Economy & Renewable Energy

While exploring further opportunities especially in

- Local Infrastructure
- Financial Inclusion & Innovation

BUILD – II (Malawi) sub-fund
Operationalization and Governance
# Roles & Responsibilities

A multi-stakeholders public-private partnership for Malawi

<table>
<thead>
<tr>
<th>Joint SDG Fund</th>
<th>The JSDGF is the anchor investor in the BUILD Malawi sub-fund providing almost 50% of the target first loss tranche and additional funds to capitalize the BUILDER TA Facility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP</td>
<td>UNDP Malawi’s Private Sector Development team has been running challenge funds and projects with Malawi’s SMEs for several years and will act as pipeline provider as well as manager of the BUILDER Malawi TA Facility.</td>
</tr>
<tr>
<td>FAO</td>
<td>FAO will contribute its extensive technical knowledge in the agriculture and agribusiness sectors, which are expected to comprise a significant share of portfolio, both for risk assessment and provision of TA.</td>
</tr>
<tr>
<td>UNCDF</td>
<td>Through its partnership with Bamboo Capital Partners, UNCDF will be an investor of record in the BUILD Malawi sub-Fund and will undertake pipeline development and assessment of prospects.</td>
</tr>
<tr>
<td>BCP</td>
<td>Bamboo Capital Partners is the designated Fund Manager for BUILD Malawi and will undertake the deal structuring, investment decisions, portfolio management and execution duties on behalf of the investors in the fund. BCP appoints the risk and investment committees of the BUILD Fund that approves the investment decisions.</td>
</tr>
</tbody>
</table>
The Investment Process

The different parties all play key and defined roles in the investment process

**Sourcing:** Prospects identification & Pipeline generation

**Screening:** Initial appraisal of prospect

**Pre-due diligence:** Full evaluation of prospect & selection of prospect for investment committee consideration

**Detailed due diligence and Investment Committee (IC) decision:** Full evaluation of prospect, submission to IC & recommendation or rejection from the latter

**Deal negotiation, decision and signing agreement**

**Implementation and Monitoring**

**Termination**

**Documents submitted**
Pre-assessment memo – shared by UNCDF with BCP (BUILD Fund) Investment Team to obtain a “Go/No Go approval” from BUILD Fund’s Risk Committee.

**Decision point**
BUILD Fund Risk Committee decides whether the prospect should undergo a detailed diligence (“Go”) or not (“No-Go”).

**Documents submitted**
Assessment note and Credit/Risk opinion – the documents, prepared by UNCDF and BCP are presented to ‘UNCDF Screening Committee’ (incl. BCP). Approved prospects undergo further analysis by BCP who presents Risk Committee and Investment Committee memos to the BUILD Fund Risk Committee and Investment Committee.

**Decision point**
UNCDF Screening Committee confirms whether the prospect meets the BUILD Fund’s investment criteria and whether it could be a strong candidate for BUILD Malawi. BUILD Fund Risk Committee decides about the presentation of the proposal to the IC, appointed and controlled by BCP, which takes the ultimate decision on approving or rejecting the proposed investment.
Fund Governance

BUILD Malawi is under the governance structure of BUILD S.A., SICAV RAIF

**Board of Directors**
- Composition: 5 members, all appointed by Bamboo but with 2 recommended by UNCDF
- Responsible for overall supervision and management of the Fund
- Unanimous approval needed: new sub-fund, new investment advisor, redemptions, annual budget.

**Advisory Committee**
- Composition: “significant” committed investors in the Fund and anchor investors
- Responsible for reviewing / consulting on investment policy, conflicts of interest, valuation principles, co-investments
- Simple Majority for adopting advice from members to the Board of Directors. Meets at least twice a year (upon request).

**Investment Committee**
- Composition: 5 members + 2 UNCDF-nominated observers
- Responsible for all investment decisions; investments connected to Fund liquidity; monitoring investment pipeline; monitoring financial structure and performance of the investment portfolio
- Simple majority for approvals. Monthly meetings (otherwise ad hoc)

**Fund Manager**
- Responsible for Fund portfolio management services and to invest/divest/reinvest Fund assets on discretionary basis
- Appoints the Investment Committee

**Origination Partner**
- Responsible for screening, and preparation of investment recommendations for Fund Manager to deliver to Investment Committee for independent decision
An experienced team of professionals for BCP and UNCDF oversee fund operations

<table>
<thead>
<tr>
<th>BCP</th>
<th>BAMBOO CAPITAL PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jean-Philippe de Schrevel</td>
<td>Founder &amp; Managing Partner Bamboo</td>
</tr>
<tr>
<td>Florian Kemmerich</td>
<td>Managing Partner Bamboo</td>
</tr>
<tr>
<td>Christian Ruehmer</td>
<td>Chief Investment Officer Bamboo</td>
</tr>
<tr>
<td>Arun Asok</td>
<td>Fund Manager Bamboo</td>
</tr>
<tr>
<td>Kenrick Kambo</td>
<td>Investment Manager Bamboo</td>
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<tr>
<th>UNCDF</th>
<th>BCP</th>
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<tbody>
<tr>
<td>Anders Berlin</td>
<td>Director - LDC Investment Platform UNCDF</td>
</tr>
<tr>
<td>Charulata Singal</td>
<td>Investment Specialist UNCDF</td>
</tr>
<tr>
<td>Fabrizio Cometto</td>
<td>Investment Specialist UNCDF</td>
</tr>
<tr>
<td>Wiem Abdeljaouad Bernet</td>
<td>Investment Officer UNCDF</td>
</tr>
<tr>
<td>Alessandro Balliana</td>
<td>Investment Fellow UNCDF</td>
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<tr>
<th>UNDP</th>
<th>BCP</th>
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<tbody>
<tr>
<td>Cinzia Tecce</td>
<td>Private Sector Development Specialist UNDP Malawi</td>
</tr>
<tr>
<td>Titus Kvalo</td>
<td>Programme Analyst - Private Sector Development UNDP Malawi</td>
</tr>
</tbody>
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<tr>
<th>BUILD MALAWI</th>
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<tbody>
<tr>
<td>Luis Fernando Amaya-Ortiz</td>
</tr>
</tbody>
</table>
Pipeline management
The Deal Sourcing Process

Various entrepreneurship support programs provide a long list of local SMEs

- Incubators and Accelerators
  - mHub
  - HUB
  - DE LAB
- Early Stage Investors
  - Fledge
  - ACCESSERATOR
  - Hivos Impact Investments BV
  - KWEZA Partners

**Enterprise Challenge Fund**

<table>
<thead>
<tr>
<th>Companies Identified</th>
<th>Companies Shortlisted</th>
<th>Companies Pre-assessed</th>
<th>Due Diligence Completed as of Nov-21</th>
<th>USD 4.2mm in financing sought</th>
<th>USD 7.6mm in financing sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>114</td>
<td>19</td>
<td>9</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BUILD – II (Malawi) sub-fund
Prospect A process sugarcane molasses into ethanol and is seeking investment for:
- USD 220k to match the remaining part of a grant from MICF and purchase solar panels for water distribution.
- USD 1.2m towards the set-up of a syrup mill able to increase molasses input for ethanol production.

**COMPANY OVERVIEW**

Prospect A is an ethanol-producing company sourcing its raw material (sugarcane molasses) from two sugar mills in the area while also working with MICF to organize and increase the production capacity of smallholder farmers. The ethanol plant remains however under-utilized, and the company is looking at strengthening its supply chain.

**MANAGEMENT & GOVERNANCE OVERVIEW**

The company is largely owned by Press Corporation Plc, the largest holding company in Malawi which is also the leading voice in the firm’s eight-member Board of Directors. The management team is competent with the CEO having been in the company since 2004 and climbing her way up the ranks. She has progressively created a comprehensive team around her to manage the various aspects of the company’s operations.

**INVESTMENT OPPORTUNITY**

**CONTEMPLATED INVESTMENT**

Up to USD 1,420,000
Tenor: 36 months
Expected close: Q1’2022

Prospect A has seen strong growth in turnover in the past four years more than doubling to approx. USD 13.2mm between 2017 and 2020. The planned interventions are expected to increase the company’s ability to generate revenue with turnover forecasted to reach USD 24.3mm by 2023.

**SOCIAL IMPACT – Empowering smallholder farmers and**

Pipeline Teasers
Pipeline Teasers

PROSPECT B | AGRICULTURE

INVESTMENT OPPORTUNITY
Prospect B, an animal health and nutrition products distributor is seeking funding for two initiatives:
- USD 350k to grow the current operations with new outlet and inventory management.
- USD 550k to make the new feed production facility operational by acquiring raw material and establishing the necessary logistics and distribution to the outlets.

COMPANY OVERVIEW
Prospect B is a distributor of animal nutrition and health products holding exclusive distributor rights for four international brands through a network of outlets as well as contract farmers for last mile distribution. The firm is looking at expanding its distribution network as well as establishing a feed production facility to limit import dependency.

MANAGEMENT & GOVERNANCE OVERVIEW
While Prospect B is still owned for approx. 50% by the two local entrepreneurs that founded it, it has received equity investments from a US-based incubator network and a EU-based impact investor. The management team is composed of the two founders (CEO and COO) complemented by a finance consultant and three regional managers for each region of the country.

CONTEMPLATED INVESTMENT
Up to USD 550,000
Tenor: 36 months
Expected close: Q1’2022

Prospect B has been profitable since 2018 (two years after inception) and its annual turnover was approx. USD 626k in FY2020. The firm has ambitious growth plans with revenues projected to increase at a 31% CAGR over the next four years.

SOCIAL IMPACT – Improving livestock health and productivity

BUILD – II (Malawi) sub-fund
Fund terms
Investment Criteria
Technical Assistance
## BUILD Malawi - Fund Terms

An Open-ended, Permanent Capital Vehicle registered in Luxembourg

<table>
<thead>
<tr>
<th>Category</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Size</strong></td>
<td>USD 35m, with commitments of USD 6.3m in first loss tranche</td>
</tr>
<tr>
<td><strong>Investor Profile</strong></td>
<td>Donors, family offices, foundations, endowments, development banks, select institutional investors and individuals</td>
</tr>
<tr>
<td><strong>Investment vehicle &amp; Type</strong></td>
<td>BUILD-II (Malawi) Sub-Fund, a sub-fund of BUILD Fund S.A., SICAV-RAIF</td>
</tr>
<tr>
<td><strong>Investment Instruments</strong></td>
<td>Debt: Senior loans (secured &amp; unsecured), Subordinated loans, Mezzanine Equity: (max 75% of first loss tranche)</td>
</tr>
<tr>
<td><strong>Deal Size</strong></td>
<td>$250,000 to $2,500,000</td>
</tr>
<tr>
<td><strong>Geographic Focus</strong></td>
<td>Malawi</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>MWK and USD</td>
</tr>
</tbody>
</table>
| **Sector Focus**          | Sector agnostic, with focus on Food security & nutrition, Financial inclusion & innovation, Green economy & renewable energy, Local infrastructure.  
**Additional focus on Women’s Economic Empowerment and Youth is integrated across these themes** |
| **Management Fee**        | 2.5%, depending on the size of the Fund, with a min of $0.25m p.a     |
| **Target LP return**      | Target 5% dividend to Mezzanine                                       |
# BUILD Malawi - Investment Criteria

Catering the Malawian market needs

<table>
<thead>
<tr>
<th>Category</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial instruments</td>
<td>Debt (Senior, subordinated or mezzanine debt; secured or unsecured), Mezzanine debt, Equity</td>
</tr>
<tr>
<td>Deal size</td>
<td>$250,000 to $2,500,000</td>
</tr>
<tr>
<td>Tenor of Debt &amp; Grace period</td>
<td>Max 8 years for debt (target average of 3 years); No grace period on interest</td>
</tr>
<tr>
<td>Use of proceeds</td>
<td>Working capital, Capex investments / Project finance, Refinancing</td>
</tr>
<tr>
<td>Geographic Focus</td>
<td>Malawi</td>
</tr>
<tr>
<td>Currency</td>
<td>MWK and USD</td>
</tr>
</tbody>
</table>

**Basic eligibility criteria**
- Prospect can be a for-profit or non-profit organization, or a public private partnership entity.
- No individuals, no public sector entities
- Must have a financially sustainable business model, with demonstrable social impact
- Is a formally registered legal entity, but no minimum years of existence (start-ups/greenfield projects are also eligible)
- Must have a revenue generating activity and must be creditworthy
- Must have sound financial management practices and ideally at least 1 year of audited financial statements
- Must have achieved break-even on core operations or showed positive path to break-even in the next 12 months
- Financial and social Ratings, or a commitment to get rated (at least social rating) over the investment tenor
- Can be in early, growth or expansion stage; and must not be a distressed investment
## BUILD Malawi - Investment Criteria

Catering the Malawian market needs

<table>
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<tr>
<th>Category</th>
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</tr>
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<tbody>
<tr>
<td><strong>Eligibility Criteria by Sector:</strong></td>
<td><strong>Food security &amp; nutrition:</strong> Revenues &gt; $350K with positive or stable EBITDA trends + DSCR &gt; 1.2x</td>
</tr>
<tr>
<td></td>
<td><strong>Green economy &amp; Renewable energy:</strong> Revenues &gt; $200K with positive or stable EBITDA trends + DSCR &gt; 1.2x</td>
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<tr>
<td></td>
<td><strong>Financial Inclusion:</strong> MFIs &amp; credit providing institutions: loan assets of over $3,000,000</td>
</tr>
<tr>
<td></td>
<td>Others: Revenues &gt; $200K with positive or stable EBITDA trends + DSCR &gt; 1.2x</td>
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<td></td>
<td><strong>Local infrastructure:</strong> No specific sectoral criteria</td>
</tr>
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</table>

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<tr>
<th><strong>Eligibility Criteria by Stage of Enterprise</strong></th>
<th><strong>Early stage enterprises:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Clear revenue model with recurring revenue streams</td>
</tr>
<tr>
<td></td>
<td>- Total equity &gt; $100,000 &amp; 20% equity commitment from promoter</td>
</tr>
<tr>
<td></td>
<td>- Formal three statements’ financial projections</td>
</tr>
<tr>
<td></td>
<td>- Necessary licenses/permits obtained</td>
</tr>
<tr>
<td></td>
<td>- Should have audited financials or be in process of obtaining audited financials</td>
</tr>
</tbody>
</table>

|                                                  | **Growth & Expansion stage enterprises:**  |
|                                                  | - Stable or improving profitability trends                         |
|                                                  | - Positive net equity                                             |
|                                                  | - Equity/Total Assets > 15%                                       |
|                                                  | - At least 1 year of audited financials                           |
BUILD Malawi TA Facility

The TA Facility offers a new approach to technical assistance with 3 business lines of intervention:

**BUILD Management**
- TAF Manager

**BUILD Services**
- Investment Readiness Advisory support
- Core Business Areas Advisory support

**Specialized TA providers**
- FAO
- UNCDF

BUILD – II (Malawi) sub-fund
THANK YOU!
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This document is not intended to be, nor should it be construed or used as an offer to sell, or a solicitation of any offer to buy any securities, which offer may only be made at the time a qualified offeree receives upon legal fund set up a confidential final private placement memorandum describing the offering (the "Issue Document"). In the event of any conflict between information contained herein and information contained in the Issue Document, the information in the Issue Document will control and supersede the information contained herein. The information herein is not intended to provide, and should not be relied upon for accounting, legal or tax advice or investment recommendations. You should make an independent investigation of the information described herein, including consulting your tax, legal, accounting or other advisors about the matters discussed herein.

Some figures may refer to the past or simulated past performance and past performance is not a reliable indicator of future results. Some figures may be forecasts only and forecasts are not a reliable indicator of future performance. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. If the currency of a financial product or financial service is different from the currency of your home country, the return may increase or decrease as a result of currency fluctuations. Fees may not be included and these will reduce future performance accordingly.

The information contained herein is provided for informational purposes only, is not complete, and does not contain certain material information about Bamboo, UNCDF and/or the BUILD Fund, including important disclosures and risk factors associated with an investment in the Fund, and is subject to change without notice.

BUILD Fund is a high-risk investment vehicle which will be available only to certain eligible investors. The Fund will refuse to issue shares to physical persons and to companies that cannot be qualified as eligible investors within the meaning of the Luxembourg law of 23 July 2016 on reserved alternative investment funds – RAIF («RAIF law»).

Shares issued by BUILD Fund are reserved for professional investors within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID 2"). A professional investor is an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and meets the criteria laid down in Annex II of MiFID 2, (e.g. credit institutions; investment firms; other authorised or regulated financial institutions; insurance companies; collective investment schemes and management companies of such schemes; pension funds and management companies of such funds; commodity and commodity derivatives dealers; locals or other institutional investors). If you do not qualify as professional investor within the meaning of MiFID 2, an investment into this product is prohibited.

There can be no guarantee that the BUILD Fund’s investment objectives or results – comparable or not to past performance – will be achieved. Please see the issue document for a list of risk factors, which includes risk of loss of investment and illiquidity of investment.

The Fund characterizes as an externally managed alternative investment fund within the meaning of the Law of 2013 and has appointed ONE fund management S.A. as its external alternative investment fund manager (AIFM) and distributor in accordance with the provisions of the Law of 2013 and the Law of 2016 and pursuant to the AIF Management Agreement and Bamboo acting as Investment Manager.

The Shares, Beneficiary Units and Notes have not been and will not be registered under the United States Securities Act of 1933 for offer or sale as part of their distribution and the Fund has not been and will not be registered under the United States Investment Company Act of 1940. However, in compliance with the National Securities Markets Improvement Act of 1996, the Fund may privately place its Shares, Beneficiary Units and Notes in the United States with an unlimited number of US qualified purchasers, provided that such offer or sale is exempt from registration under the United States Securities Act of 1933 and provided that the Fund qualifies for an exemption from the requirement to register under the United States Investment Company Act of 1940.