

INFORMATION SUMMARY FOR THE PUBLIC

PENINSULA INVESTMENT GROUP IV

Host Country	Colombia, Mexico, Brazil and Uruguay with a secondary focus on Peru, Panama and Argentina
Name of Borrower	Peninsula IV Levered-O, L.P.
Sponsor	Peninsula IV Partners, Inc.
Project Description	Latin America middle-income housing fund
Total Fund Capitalization	Up to \$300 million.
Proposed OPIC Loan	Up to \$75 million.
Term of OPIC Loan	8 years.
Selection Process	In the Fall of 2016, OPIC launched a Call for Proposals that operates on a rolling basis (the “ Quarterly Call ”). The purpose of the Quarterly Call is to identify, select and finance suitable investment funds to facilitate the investment of risk capital into companies or projects within OPIC-eligible countries to support development of new businesses, existing company expansion, restructuring, and/or privatization. The evaluation criteria used to select funds are posted on OPIC’s website, and OPIC has been guided in its selection process by its current policy priorities as well as its asset allocation and portfolio strategy. The Fund was selected by OPIC’s Evaluation Committee from among 7 respondents to Cohort 7 of the Quarterly Call. The selection of the Fund was done with the assistance of independent investment consultant Meketa Investments Group.
Policy Review	
U.S. Economic Impact	The Fund is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment and the U.S. trade balance.
Developmental Effects	This Fund is expected to have a positive developmental impact in the Latin America region by helping meet the region’s high demand for middle-income residential housing. Experts predict that 90% of Latin Americans will live in cities by 2050. This surge in population will require massive investment in the housing supply in the cities. In Mexico alone, the current housing deficit is estimated at 1.2 million units. In Brazil, current housing needs are estimated to be 2.1 million units and is growing by 770,000 units per year. Colombia has a housing deficit of 3.35

	<p>million units, including about 1.3 million units that need to be constructed, and about two million units that are inadequate. The Fund will make approximately 28 investments to construct 18,000 housing units in Mexico, Brazil, Colombia, Uruguay, Peru, Panama, and Argentina. Approximately 80% of the units will be targeted to the middle-income segment of the population, aligning with various government initiatives to support middle-income housing. Most (74%) of the Fund’s developments will consist of 1-2 bedroom units located in the city, close to public transportation and workplaces. The Fund expects to implement sustainable building techniques throughout its portfolio, including obtaining IFC EDGE green building certification for its housing developments.</p>
<p>Environment and Social Assessment</p>	<p>The Project has been reviewed against OPIC’s 2017 Environmental and Social Policy Statement (“ESMS”) and has been determined to be categorically eligible. Loans to investment funds for investment in housing projects are screened as Category D projects under OPIC’s environmental and social guidelines. In order to insure that the Fund’s loans are consistent with OPIC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of OPIC proceeds.</p> <p>Under OPIC’s ESMS, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2.</p> <p>A desk review due diligence of the Fund’s investment activity in Latin America did not reveal significant adverse impacts with respect to community health and safety, land acquisition and resettlement, indigenous peoples, or cultural heritage. For each of the Fund’s investments, the Fund will require an environmental and social impact assessment, conformance with local laws, and commitments to follow the IFC Performance Standards. Performance Standards 3, 4, 5, 6, 7, and 8 are not triggered at this time, but will apply to all downstream investments.</p> <p>The Fund has some of the components of a fully developed Environmental and Social Management System (“ESMS”) to guide the Fund in the evaluation of environmental and social (“E&S”) issues during all stages of due diligence and support</p>

	<p>for portfolio projects but is lacking robustness and does not wholly meet the IFC Performance Standards. Because of the unique challenges in urban residential and mixed-use real estate throughout the Latin America region, the Fund will be required to develop a more robust ESMS that specifically addresses the risks associated with this investment strategy to ensure that each portfolio company's risks are identified and mitigated. Specifically, the Fund will need to adopt policies and procedures to screen, identify risks and impacts, develop action plans, increase organizational capacities, and strengthen worker protection standards.</p> <p>This review covers the commensurate human rights risks associated with Fund-level activities in the housing sector.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------