INNOVATIVE FINANCIAL INTERMEDIARIES PROGRAM (IFIP)

KEY ELEMENTS OF A PITCH BOOK

This document is designed to help applicants to IFIP develop or enhance a pitchbook that incorporates the information that OPIC’s internal selection committee seeks to preliminarily evaluate the proposal.

For the purpose of this guide, please note the following terminology:

- “fund”: refers to the pooled investment vehicle which you are presenting (i.e. equity fund, debt fund, hybrid fund, holding company, SPV, etc.)
- “investment”: refers to the investment product the fund will be deploying (i.e. loans, equity, mezzanine financing, etc.)
- “fund manager”: refers to the team of individuals that are responsible for the sourcing and vetting of potential investments and has the discretion to make investments for the fund (i.e. the General Partner, investment manager, investment team, etc.)

1) Strategy

(a) Describe the proposed investment strategy for the fund. Include detail on the sector and geographic focus, as well as the target profile for typical portfolio investments or target borrower base, as the case may be. (i.e. For an equity fund this would be stage of company, revenue, EBITDA target, investment instrument, and investor rights.)

(b) What makes the strategy compelling for investors?

(c) How is this strategy similar or different to prior funds managed by the team? If different, describe the reason for the changes.

(d) How will the fund manager create value for investors during the hold period?

(e) For funds making loans to portfolio companies: Describe the types of loans the fund will offer, including average interest rates, loan term, loan size and fees by loan product type. Will underlying loans be USD denominated loans or local currency loans? Describe any foreign exchange management strategies that may be required.

2) Market Opportunity

(a) Describe the current market conditions within the targeted geography and the demand that supports the investment strategy. If a debt fund, describe the local lending conditions.

(b) Who are the fund’s main competitors? What makes this fund’s investment product(s) different from peers? What other parties are looking at the same deals?

(c) Describe any partnerships, networks or other competitive advantage this fund may have in pursuing the fund’s investment strategy.
(d) Provide a list detailing the fund’s prospective investment pipeline, including information regarding how these deals were sourced, current status of deal evaluation, anticipated investment size, round of funding being considered in the case of an equity investment (e.g., Series B), etc.

(e) For vehicles making equity investments: Discuss the fund's proposed exit strategies and timeline for exits. Which strategy(ies) are expected to be the most feasible in each country’s market environment, and why? Discuss the current environment in exiting investments and otherwise achieving investment liquidity within the targeted geography.

3) Impact Potential

(a) Describe the development impact strategy of the proposed fund and the developmental impact the fund projects it will have in the host country/countries.

(b) Describe how the development impact of the proposed fund will address development challenges in the countries where the fund will invest.

(c) How does the intended development impact of the proposed fund compare with similar type funds in the marketplace?

(d) Describe the experience which the fund management team brings to support the development impact strategy of the fund.

(e) Describe any impact metrics or indicators the fund manager plans to track and measure throughout the life of the fund.

4) Fund Manager

(a) Provide a diagram of the Fund structure.

(b) Where is the fund manager domiciled, and what percentage of the fund manager is owned by U.S. persons?

(c) Describe how and when the fund manager for this specific proposal was initially formed. Include details of any previous experience members of the fund manager may have had working together, including number of years.

(d) For each team members of the fund manager, provide:
   a. Name
   b. Title
   c. Description of role in fund
   d. % of individual’s time that is/will be dedicated to the fund
   e. Location (city/country)
   f. CV, including description of individual’s experience (with number of years) working with investment vehicles relevant to the proposed fund’s target strategy &/or geography

(e) Are there plans to expand the fund management team? If so, provide the following information for those positions:
   a. Title
(b) % of individual’s time dedicated to the fund

c. Description of responsibilities/role in fund

d. Timetable for acquiring/hiring

(f) Discuss any staff turnover experienced to date.

5) Track Record

(a) Provide details of the relevant transaction history for each investment team member, including:
   a. Team member name (e.g., John Smith)
   b. Year & Fund Name (e.g., 2001 ABC Fund I)
   c. Company/Asset (e.g., XYZ Industries)
   d. Sector & Country (e.g., Manufacturing, India)
   e. Investment Type & Amount (e.g., equity, $5.75M)
   f. Role in Transaction (e.g., Deal structuring & negotiations)
   g. Exit Mechanism (e.g., sale to strategic buyer)
   h. Return (IRR or Multiple)
   i. Realized? (Y/N)

(b) For the fund manager, provide details of institutional performance in sections (i)-(ii) below, as applicable.

For funds making equity and equity-like investments:

(i) For each previous fund managed, list the target returns at inception, the realized or unrealized rate of return, and cash on cash multiples. Include details on any under-performing, written down or written off investments.

For funds making loans to portfolio companies:

(ii) What is the portfolio risk rating, including historical Non-Performing Loans for individual loans within prior vehicles? Provide details into current delinquent loans and major historical delinquencies, including details on any under-performing, written down or written off investments.

(c) Describe the fund manager’s restructuring process and provide examples of any historical restructurings (number of investments, dollar value, performance post-restructuring).

6) Compensation and Governance

(a) Describe the fund manager’s compensation structure (e.g., salary, bonus, carried interest, other). If there is carried interest, how will the carried interest be split by individual? How was the carried interest split in previous funds? If there is not carried interest, how will performance based profit sharing compensation be split by individual?

(b) Provide the amount of the GP commitment and breakdown of individual sources.

(c) Will any other affiliates co-invest alongside the fund and if so, how much (amount, percentage) and on what conditions?
(d) Describe the investment process from initial identification of investment opportunities through the exit of equity investments or final maturity of loans.

(e) Describe the investment approval process for the fund and identify the individuals who will make the investment decisions. Will any external and/or independent parties participate in the investment decision making process?

(f) Describe any other governing/advisory body that will impact the management or investment activity of the fund (e.g., Limited Partner Advisory Committee, strategic investor, operating committee, separate credit committee).

(g) Describe any conflicts of interest that could arise within the fund and/or with other investment vehicles managed by the organization or affiliates. This could include, but is not limited to, related funds, as well as other investing activities of individual team members. What is the mechanism developed to resolve them?

(h) How will the fund comply with ESG standards?

7) Fundraising

(a) Describe the fundraising strategy for this fund. What types of investors are targeted and how will this strategy be executed? Will capital for the fund be raised from existing/known investors, and/or will new investors need to be brought into the fund?

(b) What efforts have been taken to date to raise capital from private sector investors?

(c) Provide the following information for each LP/investor/shareholder/guarantor relevant to fundraising progress:

   a. Name
   b. Committed? (Y/N)
   c. Stage if Not Yet Committed (i.e., Soft Commitment, Due Diligence, etc.)
   d. Committed Amount (or Expected Commitment Amount)

(d) Are other Development Finance Institutions being targeted? Which ones are targeted, and what are the status of conversations/negotiations?

(e) Explain how the fund’s economics are aligned with the return expectations of the fund’s investors.

(f) Describe any past fundraising experience among the fund management team members.

If the applicant has had past discussions with OPIC personnel that would provide additional context for this proposal, the OPIC staff member’s name and the approximate date and a brief description of the communication may be provided.