



Driving Capital Beyond SRI to Impact

The impact investing industry is driving capital to investments that are not only socially responsible, but which also actively create positive social and environmental impact.

The Global Impact Investing Ratings System (“GIIRS”) will provide the impact standards and ratings system to facilitate a scaled-up marketplace for institutional investors, financial services intermediaries, and companies seeking mission-aligned growth capital and liquidity.

GIIRS, an independent non-profit institution, will assess the social and environmental impact (but not the financial performance) of companies and funds using a ratings approach analogous to Morningstar investment ratings or S&P credit risk ratings. GIIRS’ focus will be to rate the impact of sustainability and mission-focused private equity and debt investments; it won’t compete with existing systems that rate large public corporations on their corporate social responsibility.

What is a GIIRS Rating?

GIIRS will provide both company and fund impact ratings, each with current and historical analyses of impact performance for comparative use.

Company Impact Ratings – a rating of the social and environmental impact of an individual company, including an overall rating, ratings in approximately 15 sub-categories, and key performance indicators (KPI’s) relevant to the company’s industry, geography, size, and social mission.

Fund Impact Ratings – a rating of a fund’s impact based on the aggregated and weighted impact ratings of its underlying portfolio companies, including the aggregated Company sub-category ratings and relevant KPI’s for the fund. GIIRS will also offer fund managers the opportunity to receive a Fund Target Rating to assist in their fundraising process and a Track Record Report at the end of their fund cycle to assist in raising a follow-on fund.

Key Features

1. Driven by IRIS, an industry-recognized taxonomy and reporting standard;
2. Ratings methodology developed and overseen by an independent Standards Board;
3. Ratings subject to a rigorous audit process.

GIIRS Ratings will:

1. be transparent and broadly available to investors for free. Underlying data and analytics tools are available via subscription;
2. be used by both institutional investors and investment intermediaries to evaluate, screen, manage, and communicate the social impact of their sustainable private equity and debt investments, as well as other financial instruments;
3. allow for comparable measurement of impact across businesses and investment products in the developing and advanced economies, in different industries, of different sizes, and with different areas of impact focus;
4. reduce due diligence costs for impact investors and the communication burden for companies by creating a universal social and environmental performance standard.

Examples of use

- A company raising growth-stage capital might print the cover of its offering memorandum with a GIIRS 4-Star Company Impact Rating;
- a fund manager might provide investor reporting showing that its recent Developing World Impact Fund I, LP achieved a GIIRS 3-Star Fund Impact Rating, including transparent pre-investment and annual Company Impact Ratings for each of the companies in its portfolio;
- a fund manager might say that it is currently raising capital for its Green Community Impact Fund II, LP which has a Target GIIRS 4-Star Fund Impact Rating;
- an investment advisor might create GIIRS licensed products and subscribe to the GIIRS data platform to provide investors with due diligence and reporting on their impact portfolios;
- an institutional investor might purchase detailed KPI data for each of its direct investments and fund investments;
- a trading platform might license the GIIRS Impact Ratings System to require that all companies and funds listed on its system disclose a GIIRS Impact Rating as part of its offering package and annual reporting requirements for listing.

How can GIIRS help me in my investment and portfolio management process?

Sophisticated investors and their investment advisors or consultants have their own due diligence and decision making process for investments. As the current financial markets crisis highlights, ratings products are not a substitute for independence, due diligence, or good investment judgment. GIIRS facilitates the lifecycle of the investment process in three primary ways. By using and/or subscribing to GIIRS data, investors can:

1. access data for a target company or fund that has been collected according to a rigorous and transparent set of independent standards. This reduces their due diligence costs by spending less staff time and money collecting and standardizing data, frees-up the investment team to focus on the critical investment judgments and to determine where further due diligence may be required, and reduces the burden on entrepreneurs to provide the same data to multiple investors in different forms.
2. use the ratings and additional key performance indicators to benchmark the social and environmental performance of a prospective investment relative to the comparable and independent ratings and indicators for similar investment opportunities by industry, geography, fund type, etc. This provides investment teams with tools to independently confirm their own due diligence judgments as well as their impact claims to investors.
3. track the social and environmental impact of their investments on a comparable basis over the investment lifecycle. This provides investors with the ability to assess ongoing performance relative to other investments in their portfolio, to help portfolio businesses improve social and environmental performance over time, and to easily and systematically report on the actual influence they have had in creating impact through their investment and portfolio management processes.

What type of information is used to arrive at a GIIRS rating?

All companies that receive a GIIRS Rating provide information about themselves using the GIIRS Ratings System. The GIIRS Rating System is comprised of a series of surveys that are differentiated by geography, size of company, and company industry. Each survey is made up of approximately 160 questions divided into five categories: Leadership, Employees, Environment, Community, and Products & Services. These five categories are then

subdivided into goals and into individual questions. GIIRS Ratings for funds are based upon a weighted average of the GIIRS ratings of companies in a fund's portfolio. All rated funds and companies are required to update their GIIRS survey annually. A company's or fund's rating will be changed as a result of an audit (see Audit/Assurance below), an annual update, or material evidence of company misconduct between ratings updates.

How are GIIRS ratings customizable for my investment priorities?

Each investor has different preferences in terms of their social and environmental investment priorities. Therefore GIIRS offers basic and premium subscribers the ability to aggregate company and fund data at the stakeholder subcategory rating or metric level so that you, as the investor, can make the decision about which metrics or ratings are most important to consider. In order to ensure that we develop transparency and comparability in the impact investing sector, we do require that companies and funds report their GIIRS ratings in a standard format in addition to any cherry-picked data they highlight for their investors.

What is the audit and assurance process for GIIRS?

GIIRS has established an audit and assurance process at both the company and fund level. All companies that are rated are subject to a documentation review by a third party at the time of their initial rating. In addition, 20% of all companies are randomly selected annually for a rigorous onsite audit reviewing 100% of their survey answers. At the fund level, all funds are subject to a documentation review of their investments (for a fund to be rated, the underlying companies must be rated in order to ensure meaningful fund-level data).

How will GIIRS maintain its standards and credibility?

GIIRS is an independent non-profit governed by a board of directors. The performance standards that undergird a GIIRS rating are governed by an independent standards board comprised of industry experts. The GIIRS performance standards are updated every two years to ensure that they accurately reflect the expectations of the marketplace. In order to overturn the recommendations of the Standards Board, a 2/3 vote by the GIIRS board of directors is required. GIIRS also makes its ratings system (including all survey questions and the weightings methodology) transparent to the public, so that anyone can see and understand how the rating scores are arrived at.

Malaria Be Gone

Current Rating: ★★☆☆ 61%

Company Rating Details % Points Available

Accountability ★★★★★	65%
Governance/Accountability	88%
Transparency/Reporting	80%
Employees ★★★★★	80%
Compensation & Benefits	90%
Employee Ownership	55%
Work Environment	81%
Products & Services ★★★★★	60%
Beneficial Products (Environment)	50%
Serving Those in Need	100%
Community	27%
Local	36%
Global (fair trade, Factory Code of Conduct)	24%
Diversity	24%
Charity/Direct Service	26%
Environment ★★★★★	72%
Corporate Offices	61%
Transportation/Distribution	75%
Manufacturing Facilities	80%
Total	61%

Company Profile

Date Founded:	01/01/06
Location:	Kenya
Sector:	SGB
Industry:	Health
Products/Services:	Bednets
Ownership:	Private, 20% owned by employees
Website:	www.malariabegone.com

Sector Metrics

Sector:	SGB
Jobs Growth (last year):	33%
Wage Growth:	10%
Revenue Growth:	11%
Net Income Growth:	25%
Number of Customers:	10,000
Local Suppliers Support:	15
% Carbon Footprint Offset:	50%

Industry Metrics

Industry:	Healthcare
% of low income customers served:	19%
# of patients served annually:	10,000
# of caregivers employed:	750

Company Highlighted Mission Metrics

% of facilities in low income communities:	85%
% of female customers served:	80%
% of products reclaimed or recycled:	50%

Health First Investors I, LP

Current Rating: ★★ ★ 61%

Generated from a weighted average of portfolio companies' individual GIIRS ratings invested in by the rated fund.

Fund Rating Details % Points Available

Leadership ★★★★★	81%
Governance/Accountability	88%
Transparency/Reporting	68%
Fair Trade/Supplier Code of Conduct	n/a
Employees ★★★★★	69%
Compensation & Benefits	81%
Employee Ownership	78%
Work Environment	53%
Products & Services ★★★★★	96%
Beneficial Products/Services	95%
Beneficial Methods of Production	95%
Serving Those in Need	100%
Community	28%
Local	45%
Diversity/Broad Ownership	27%
Charity/Direct Service	19%
Environment	34%
Corporate Offices	34%
Transportation/Distribution	n/a
Manufacturing Facilities	n/a
Overall Rating	61%

Fund Profile

Fund Type:	Growth Venture Capital
Investment Type:	Equity
Target Financial Return:	15%
Fund Size:	\$5,000,000
Avg. Investment Size:	\$500,000

Investment Targets

Sector Focus:	SGB
Industry:	Health
Geographic Focus/Development Metric:	East Africa
Target Size:	\$1,000,000 revenues
Avg # of Employees:	50
Target GIIRS Rating:	★★★
Other Investment Screens:	Negative screens for Alcohol and Tobacco companies

Investment Manager Profile

Investment Manager:	Health First Investors, LLC
GIIRS Rating For Investment Manager:	★★★★★

Health First Investors I, LP

Current Rating: ★★ ★ 61%

Sector Metrics

Sector:	SGB
Jobs Growth (last year):	40%
Wage Growth:	5%
Revenue Growth:	15%
Net Income Growth:	18%
Number of customers served:	22,000
Local Suppliers Supported:	115
% of Carbon Footprint Offset:	32%

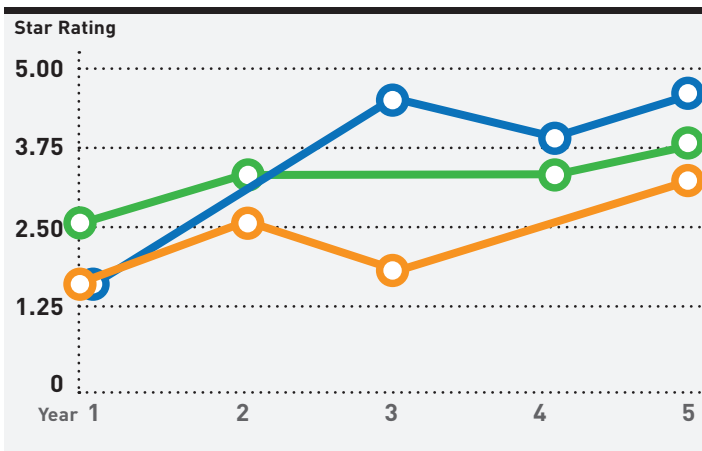
Industry Metrics

Industry:	Health
% of health care facilities in low income communities	56%
# of patients served annually	2,500,000
# of caregivers employed	5500

Fund Highlighted Mission Metrics

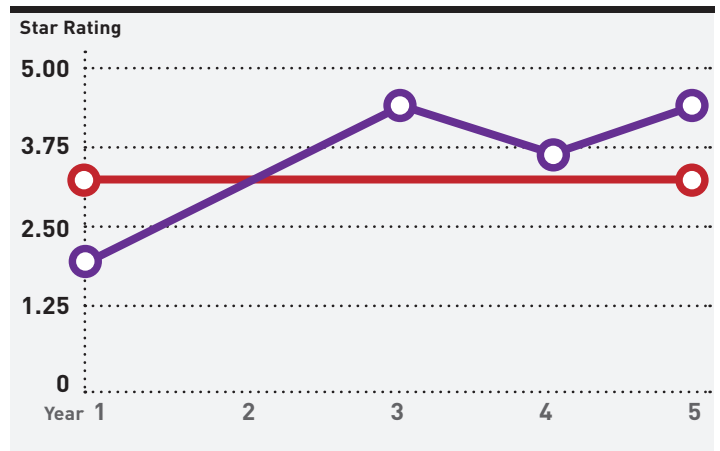
% of rural clients:	60%
% of low income clients:	80%
% of first time patients:	20%

Health First GIIRS Ratings vs. Peer GIIRS Ratings



- Health First Investors I, LP Star Ratings
- Peer Star Ratings in Peer SGB
- Peer Star Ratings in the Health Sector

Actual GIIRS Ratings vs. Target GIIRS Rating



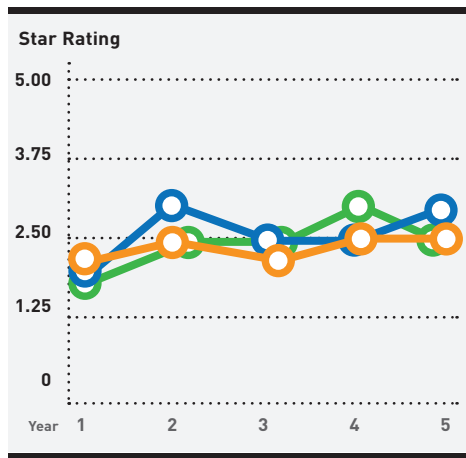
- Health First Investors I, LP Actual Star Ratings
- Health First Investors I, LP Target Star Rating

Health First Investors I, LP

Current Rating: ★★ ★ 61%

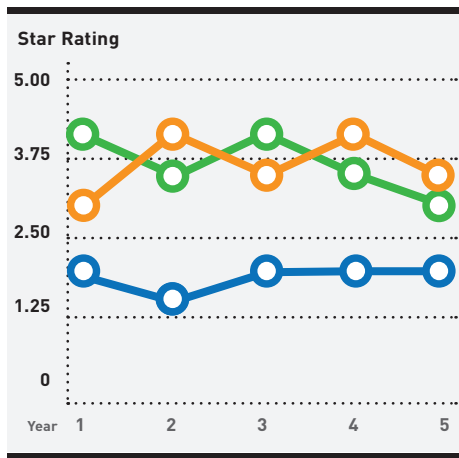
Health First's GIIRS Ratings vs. Peers' GIIRS Ratings

Environment Rating



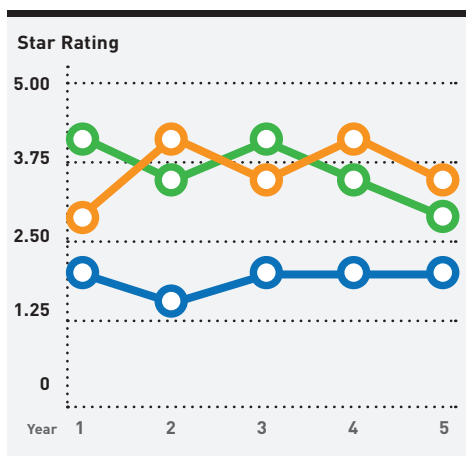
- Fund Ratings
- Peer SGB Star Ratings
- Peer Star Ratings in the Health Sector

Community Rating



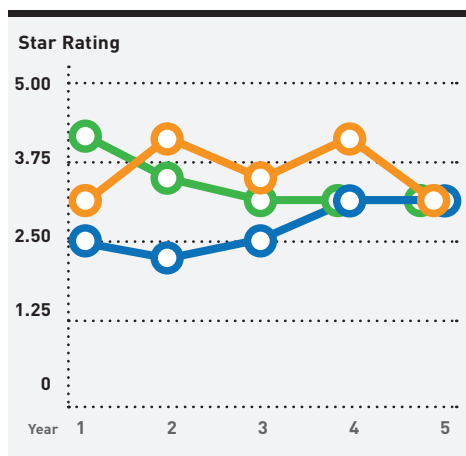
- Fund Ratings
- Peer SGB Star Ratings
- Peer Star Ratings in the Health Sector

Products & Services Rating



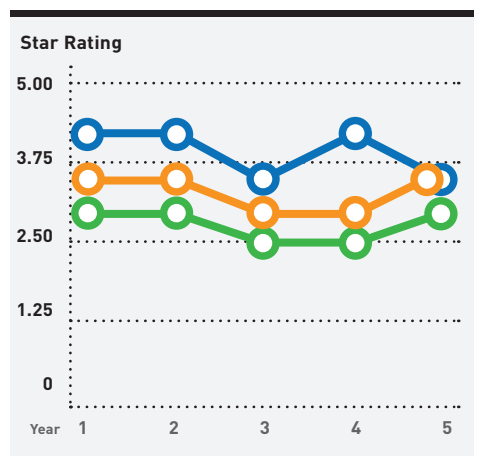
- Fund Ratings
- Peer SGB Star Ratings
- Peer Star Ratings in the Health Sector

Employee Rating



- Fund Ratings
- Peer SGB Star Ratings
- Peer Star Ratings in the Health Sector

Accountability Rating



- Fund Ratings
- Peer SGB Star Ratings
- Peer Star Ratings in the Health Sector

Health First Investors I, LP

Current Rating: ★★ ★ 61%

Key Performance Indicators

Current Investments

Company Name	Sector Metrics (Last Year)							Industry Metrics (Last Year)		
	Jobs Growth	Wage Growth	Revenue Growth	Net Income Growth	# of Customers Served	Local Suppliers	% of Carbon Footprint Offset	% of Facilities in Low Income Communities	# of Patients Served Annually	# of Caregivers Employed
Malaria Be Gone	33%	10%	11%	25%	10,000	15	50%	19%	10,000	750
Generics of Tomorrow	20%	12%	15%	20%	20,000	30	40%	77%	20,000	100
Health Food, Healthy Kids	10%	15%	18%	15%	3,200	17	50%	71%	3,200	20
Average	21%	12%	15%	20%	11,067	21	47%	56%	11,067	290
Total					33,200	62			32,200	870

Realized Investments

Company Name	Sector Metrics (Last Year)							Industry Metrics (Last Year)		
	Jobs Growth	Wage Growth	Revenue Growth	Net Income Growth	# of Customers Served	Local Suppliers	% of Carbon Footprint Offset	% of Facilities in Low Income Communities	# of Patients Served Annually	# of Caregivers Employed
SOAP	15%	15%	10%	5%	30,000	12	20%	32%	30,000	300
Keep Mother Safe	20%	-4%	3%	6%	5,000	8	80%	45%	5,000	50
Average	18%	6%	7%	6%	175,000	10	50%	39%	175,000	175
Total					30,500	20			35,000	870