

Financial Returns with Social Performance

Our Expertise

The Fund has been assigned rating of **'AA (AIF)'** by CARE Ratings*

IFMR Investment Managers Private Limited has been rated **'AMC 2'** by ICRA Limited**

IFMR Investment Adviser Services Private Limited is registered with SEBI as an Investment Adviser

Strong proprietary underwriting and social performance guidelines for the microfinance sector.

*The fund rating denotes that the asset selection ability and asset management capabilities in the respective segments for this Scheme is expected to be good

**The fund management quality rating denotes high assurance on management quality

Our Group's mission is to ensure that every individual and every enterprise has complete access to financial services.



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IFMR FImpact Investment Fund[#]

Financial Inclusion through Impact Investments



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-  Investors understand that their principal will be at low risk
-  Investors understand that their principal will be at medium risk
-  Investors understand that their principal will be at high risk

[#]A Scheme of IFMR Finance for Freedom Social Venture Fund, registered with SEBI as a Category I Social Venture Fund vide registration no. 12674863 dated June 2, 2014

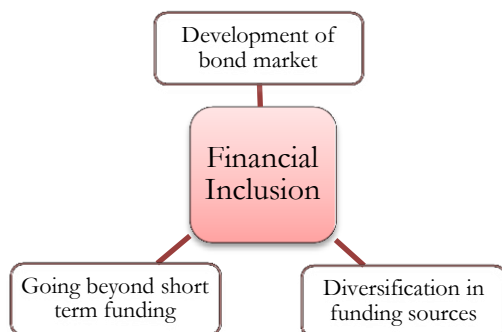
About

The Fund is registered as a Scheme of IFMR Finance for Freedom Social Venture Fund; a Category I Social Venture Fund with an exclusive focus on microfinance, registered with SEBI under SEBI (AIF) Regulations, 2012 with SBICAP Trustee Company Limited as the Trustee.

Investment Objective

The broad objective of the Fund is to promote financial inclusion in India by facilitating development of the Indian microfinance sector. The Fund seeks to achieve this by investing in various securities of Microfinance Institutions (MFIs) and its underlying assets.

Market Opportunity



Enabling financial inclusion – Though microfinance has made steady progress, India still has a significant population where formal source of credit is yet to reach.

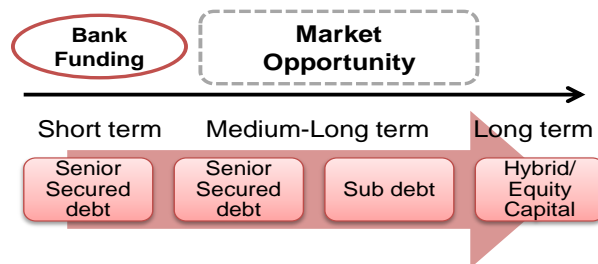
Catalysing development of debt capital market – MFIs are predominantly dependent on bilateral sources of funding which are seasonal as they are linked to priority sector lending.

Diversification of funding source – Short term debt and securitisation being the primary source of funds to MFIs is predominantly linked with priority sector lending.

Going beyond short term funding – The funding sources for MFIs is concentrated on the shorter tenure.

Investment Strategy

Focus on 'missing middle'



Focused investment strategy

- i. Enable funding to first time borrowers
- ii. Provide senior secured and subordinated debt in the form of non-convertible debentures (NCDs)
- iii. Provide an viable alternative to the current sources of financing
- iv. Fill an important gap in the capital structure for MFIs by providing medium to long term debt

Key Terms

Proposed Size	Rs. 50 crore with a green shoe option of Rs.50 crore
Investment Amount	Minimum of Rs.1 crore and multiple of Rs.25 lakhs
Target Returns	IRR 13-14% p.a.*
Tenure	6 years close ended
Payouts	Quarterly surplus payouts
Management Fees	1% p.a.
Upfront Fee	0.5 to 1.5% (one-time) for setup
Recurring Expenses	At actuals

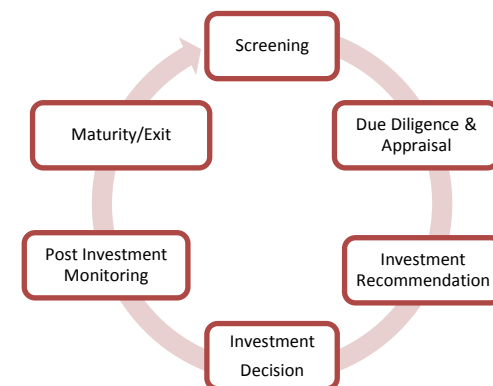
* Returns are indicative and net of proposed expenses and fees

Fund Suitability

This product is suitable for investors who are seeking:

- Regular income over the tenure of the Fund
- Income by investing in a portfolio of fixed income securities of varying credit risk
- Medium risk
- Investors should consult their financial advisers if in doubt about whether the product is suitable for them

Investment Process



Underwriting Guidelines

The underwriting guidelines are based broadly on the following five pillars, on which every potential investee company will be assessed

- Governance, Legal & Regulatory Compliance
- Leadership, Management Quality & Systems
- Financial & Operational Performance
- Strategy & Business Plan
- Social Performance & ESG

Social Performance Assessment

Every potential investee company is assessed using the proprietary Social Performance Assessment (SPA) Methodology at the time of investment and periodic intervals during the tenure of the Fund

Post Investment Monitoring

Post the investment, the investee company is continuously monitored through regular reporting, management discussions and field visits.

