



### **Submitting a Proposal**

*1. Question: Is Form 256 the correct form to apply to the Call? Are there any other forms that need to be submitted?*

OPIC response: Form 256 is the correct form to apply to the Call. Applicants will need to complete Form 256 and to include the required attachments in their applications. The required attachments include (i) a current marketing presentation; (ii) a comprehensive track record to be completed using the OPIC template which can be downloaded from the application web portal; and (iii) other documents that the applicant thinks will be useful in OPIC's assessment of the fund (e.g., a private placement memorandum, limited partner agreement, references, etc.).

### **Qualifications & Selection Criteria**

*2. Question: Does OPIC consider first time fund managers? If so, is a track record of making emerging market private equity investment compulsory to apply to the Call?*

OPIC response: Yes. First time managers are eligible to apply to the Call. Although a previous track record of long-term risk investments in emerging markets is not required to apply to the Call, a manager's relevant experience and the performance of past investments will be weighed heavily in OPIC's evaluation process.

*3. Question: What is a "MoC" and how does one calculate the blended, unweighted MoC of the Senior Team over their entire careers?*

OPIC response: The multiple on contributed capital (MoC), also known as the total value to paid-in multiple (TVPI), is calculated by dividing a fund's cumulative distributions and residual value by the paid-in capital.

To calculate the blended, unweighted MoC of the senior team, first calculate the MoC for each senior team member; second, aggregate the scores for each Senior Team member; third divide that composite score by the number of senior team members.

*4. If my fund is rejected, can I reapply to a future cohort?*

Fund managers not selected may reapply to a subsequent quarterly cohort with an updated and amended application. However, managers may apply only one additional time (twice in total) with any single fund proposing a particular strategy managed by the same team under the same legal structure.

### **OPIC Participation in Selected Funds**

*4. Question: Explain how the waterfall works with OPIC's Unlevered Facility?*

OPIC Response: Prior to the earlier of either (a) the date of the sale of the fund's last asset or (b) the OPIC loan maturity date (typically set at the end of the fund's primary term), the Ordinary Course waterfall will work as follows:

**First:** OPIC and the LPs will receive distributions from the fund on a *pro rata* basis.

**Second:** OPIC and the LPs will receive a *pro rata* distribution of proceeds to cover Facility Interest (in OPIC's case) and Preferred Return (in the LPs' case) until OPIC has received its total Facility Interest due. Thereafter, OPIC will stop receiving payments and the LPs will continue to receive distributions until their Preferred Interest has been paid in full.

**Third:** The Fund will pay the GP catch-up amount to the GP.

**Fourth:**

1. 80%<sup>1</sup> the remaining cash available for distribution to be applied as follows:
  - (i) OPIC's pro rata share of such amount to OPIC as the "Additional OPIC Interest." At its discretion, OPIC may cede a portion of its profit participation to LPs, and
  - (ii) the balance of such amount distributed directly to the LPs of the Fund; and
2. 20%<sup>2</sup> of the remaining cash available for distribution to be distributed to the GP as carried interest.

However, if any OPIC principal and Facility Interest remains outstanding at the earlier of either (a) the date of the sale of the fund's last asset or (b) the OPIC loan maturity date, the OPIC loan will become senior in the waterfall, and fund cash available for distribution under the Elevation Event Waterfall will be applied as follows:

**First:** To OPIC only until the outstanding OPIC loan principal and Senior Facility Interest (4%) (but not Residual Facility Interest) are paid in full;

**Second:** To the LPs only until all equity is returned and the Equivalent Return is paid in full (4%);

**Third:** *Pro rata* to the LPs and OPIC (a) return of Fund contributions and payment of preferred return per the LPA (provided that amounts paid as the Equivalent Return shall be applied toward payment of the preferred return, to avoid double-counting), and (b) payment of OOD, until the OOD, including Residual Facility Interest (total Facility Interest of 7%<sup>3</sup>), is paid in full;

**Fourth:** To the Fund partners only until all equity is returned and the preferred return on equity is paid in full per the LPA (provided that amounts paid as the Equivalent Return shall be applied toward payment of the preferred return, to avoid double-counting); and

**Fifth:** As provided in item **Third** and thereafter under the Ordinary Course Waterfall provision above.

5. Question: Does OPIC need to be a first close investor?

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<sup>1</sup> Assumes an 80%-20% split of fund profits between LPs and GP.

<sup>2</sup> See footnote 1.

<sup>3</sup> Assumes the LP Preferred Return is 8%, and that OPIC's Facility Interest is 100 bps less (7%).

OPIC Response: OPIC does not need to be a party to the first close; in the past, it has participated in first close, second close, and final close rounds. However, OPIC prefers to participate in a fund's first close if it is possible to do so.

*6. Question: How does OPIC's Profit participation work?*

OPIC response: OPIC will receive a share of the fund's profits that is proportionate to its capital contribution. For example, assume (i) a fund has earned \$1,000 in profit; (ii) OPIC contributed 25% of the fund's total capital; and (iii) the GP's carry is 20%; OPIC's share of the profits would be 25% of \$800 (80% of \$1,000), or \$200.

*7. Question: The Call Language states that OPIC financing is denominated in US dollars. Will OPIC consider making a commitment to an investment vehicle denominated in another currency, for example Euros?*

OPIC response: OPIC will consider making a commitment to a Fund denominated in another currency; however, OPIC's commitment to funds are in USD and repayable in the same.