

**INFORMATION SUMMARY FOR THE PUBLIC**  
**Kandeo Fund II**

Host Country:	Colombia, Mexico and Peru.
Name of Borrower:	Kandeo Fund II , entity to be determined (the “Fund”)
Sponsor:	Kandeo Investment Advisors LLC, a Delaware limited liability company
Project Description:	The Fund will seek long-term capital appreciation through investments in growth companies in Colombia, Mexico and Peru focused on the provision of services (principally financial) to unbanked or underbanked segments of the population.
Total Fund Capitalization	The Fund has a total capitalization target of \$350 million (with a hard cap of \$400 million), including the amount of the proposed OPIC loan.
Proposed OPIC Loan:	OPIC investment guaranty for a loan of up to \$65 million in principal plus accrued and accreted interest thereon.
Term of OPIC Loan:	10 years.
Selection Process:	<p>In the spring of 2015, OPIC announced a Global Engagement Call for Proposals (the “GEC”). The purpose of the GEC was to finance one or more selected investment funds to facilitate the investment of risk capital to companies or projects within OPIC-eligible countries to support new business development, existing company expansion, restructuring, and/or privatization. The evaluation criteria used to select funds was posted on OPIC’s website, and OPIC has been guided in its selection process by its present policy priorities and asset allocation and portfolio strategy.</p> <p>The OPIC Evaluation Committee selected the Fund from among 150 respondents to the GEC with the assistance of independent investment consultants Meketa Investment Group and TorreyCove Capital Partners.</p>
<p><b>Policy Review:</b> The Fund has represented that it intends to invest in financial services, that OPIC has determined are low risk from a policy perspective. OPIC has completed analysis of U.S. economic and development impact of those low risk financial services investment and has conducted a full policy analysis of the Fund itself to ensure that satisfactory systems and procedures are in place to ensure adequate risk management. Those low risk investments will not need to come back to OPIC for an individual review. Inasmuch as the Fund would like to</p>	

<p>make investments using OPIC guaranteed funds in entities outside of low-risk financial services, OPIC will require prior review and consent.</p>	
<p>U.S. Economic Impact:</p>	<p>The Fund is not expected to have a negative impact on the U.S. economy or employment. There is no U.S. procurement associated with this project, and the project is expected to have a neutral impact on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact.</p>
<p>Developmental Effects:</p>	<p>This Fund is expected to have a positive developmental impact. The Fund will target financial services companies in Latin America, particularly in Mexico, Colombia and Peru, with a focus on underserved retail markets and SMEs. The Fund will provide technical assistance to portfolio companies to help them access additional funding, expand operations and sales, and access new markets. According to the OECD, Latin American SME's receive only 12% of the total credit in the region, compared to 25% for OECD countries. The Fund's activities may also help ameliorate the low level of financial inclusion in the region. In the target countries, less than 40% of adults have an account at a formal financial institution, relative to almost 70% in Brazil and over 90% in the U.S.</p>
<p>Environment:</p>	<p>A loan to capitalize a fund is screened as a Category D activity for the purposes of environmental and social assessment.</p> <p>The Fund has developed Environmental and Social Policies and Procedures which serve as the Fund's Social and Environmental Management System (SEMS), consistent with P.S. 1, with the exception that the SEMS lacks a community grievance mechanism. OPIC will require the development of such grievance mechanism to facilitate resolution of concerns and grievances related to the environmental and social performance of the Fund and its Portfolio Companies.</p>
<p>Worker Rights:</p>	<p>The Fund has developed and implemented a SEMS that addresses labor risk commensurate with the risks associated with the Fund and consistent with the IFC Performance Standards. The Fund's internal labor management system has been evaluated against the IFC Performance Standards, OPIC's Environmental and Social Policy Statement, and applicable local labor law. The Fund will be required to develop a company-wide human resource policy that outlines terms and conditions of work, an anti-discrimination policy and grievance procedures, and is consistent with the IFC Performance Standards.</p>

Human Rights:	OPIC issued a human rights clearance for this Fund on November 12, 2015.
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