

INFORMATION SUMMARY FOR THE PUBLIC
LeapFrog Emerging Consumer Fund III

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| Host Country: | South Asia, Southeast Asia, and Sub-Saharan Africa |
| Name of Borrower: | LeapFrog Emerging Consumer Fund III, a Mauritius company to be formed (the “Fund”) |
| Sponsor: | LeapFrog Investments Group, Ltd., a Mauritius company |
| Project Description: | The Fund will pursue minority and majority growth equity investments in businesses that offer financial and healthcare delivery services to emerging or under-served consumers in South Asia, Southeast Asia and Sub-Saharan Africa. As a profit with purpose enterprise, it has two complementary objectives: it seeks capital appreciation through its investments in high growth businesses, and through these enterprises it aims to reach millions of low income consumers with quality, affordable products and services. The Fund has a strong operational approach, bringing deep technical expertise to accelerate growth in each business. |
| Total Fund Capitalization | The Fund has a total capitalization target of \$800 million |
| Proposed OPIC Loan: | OPIC loan guaranty of up to \$200 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 Investments Group and TorreyCove Capital Partners.</p> |
| Policy Review | |

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| <p>U.S. Economic Impact:</p> | <p>Downstream investments made by the Fund will be screened and assessed for U.S. economic impacts in accordance with OPIC policy.</p> |
| <p>Developmental Effects:</p> | <p>This Fund is expected to have a positive developmental impact on the financial services and healthcare sectors in Sub-Saharan Africa and the South and Southeast Asia regions dealing with increased urbanization, changing demographics, and rising middle classes. The Fund will focus on providing growth equity investments in mid-market financial services companies. Many of these investments are expected to increase both the accessibility of credit and the availability of financial services to underbanked or unbanked individuals. With banked adult populations of only 24% and 33%, respectively, many countries in Sub-Saharan Africa and South and Southeast Asia have identified increased access to finance and financial services as development objectives in their USAID Country Development Cooperation Strategies. The Fund will also invest in healthcare companies, such as primary and secondary care providers, diagnostics, pharmaceutical distribution, and medical devices and technology. The Fund measures the impacts of its investments through an integrated matrix of financial and operational performance indicators and governance indices benchmarked to global best practice standards. The Fund is expected to add value to its portfolio companies operations through its internal Value Creation Group and its partnership with the Fund’s non-profit innovation and technical assistance organization, LeapFrog Labs. Downstream investments made by the Fund will be screened and assessed for developmental impacts in accordance with OPIC policy.</p> |
| <p>Environment:</p> | <p>An OPIC loan to a fund is screened as a Category D activity for the purposes of environmental and social assessment. Downstream investments made by the Fund will be screened and assessed in accordance with OPIC policy.</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 that the Fund develop and submit to OPIC for review a community grievance mechanism that describes how the Fund will facilitate resolution of concerns and</p> |

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| | grievances about the Fund’s environmental and social performance and requirements. |
| Worker Rights: | <p>The Fund has developed and implemented a labor management system that addresses labor risk commensurate with its employment-related risks and consistent with the IFC Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local labor law.</p> <p>The Fund’s labor management system for its employees, which includes its human resource policies and procedures, has been evaluated against the IFC Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local labor law. Terms and conditions of work are communicated to employees in individual employment contracts. The Fund will be required to develop and implement a grievance mechanism that fully aligns with the requirements of IFC Performance Standard 2.</p> <p>The Fund has developed and implemented a Social and Environmental Management System (SEMS) that addresses labor risk commensurate with the risks associated with the Fund and consistent with the IFC Performance Standards.</p> <p>The Fund’s OPIC-supported investments in portfolio companies providing financial services will be restricted with respect to the portfolio companies’ operations, including the employment of minors and other applicable labor law requirements. Each of the Fund’s OPIC-supported investments in healthcare will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language will be applied to each OPIC-supported investment, as appropriate.</p> |
| Human Rights: | OPIC issued a human rights clearance for this Fund on November 12, 2015. |