

Rating Status: Rated



Rating Date: 11/14/2013

Fund Name:

Fundacion IES

**2013 FUND RATING REPORT**

GIIRS ratings provide investors with rigorous, reviewed transparent, comprehensive, and comparable ratings of Fund impact. GIIRS helps investors make money while solving the world's most challenging problems. GIIRS Driving Capital to Impact.



**FUND RATING**

The <b>Fund Rating</b> is comprised of a weighted average of the fund's investment roll-up score and its fund manager assessment score.	Weighting within Rating	Total Pts (200 Pts Avail.)
<b>FUND RATING</b>		<b>88.1</b>
Investment Roll-Up	90%	85.3
Fund Manager Assessment	10%	112.8

**INVESTMENT ROLL-UP**

The <b>Investment Roll-Up</b> is determined by a weighted avg. of the scores of the investments in the fund's portfolio and the total amount invested in each investment	Total Pts (200 Pts Avail.)	Emerging Market Company Index*
<b>INVESTMENT ROLL-UP</b>	<b>85.3</b>	<b>103.6</b>
<b>Governance</b> Related to the mission, stakeholder engagement, governance structure & controls, & overall transparency of underlying investments	6.8	7.7
<b>Workers</b> Focuses on how the fund's underlying investments treat their workers in terms of comp., benefits, training, ownership, & work environment	20.2	23.0
<b>Community</b> Covers the impact of the fund's underlying investments on external community stakeholders	40.5	56.8
<b>Environment</b> Focuses on the direct and indirect environmental impact of the fund's underlying investments	17.9	16.7

**FUND MANAGER ASSESSMENT**

The <b>Fund Manager Assessment</b> covers topics regarding a fund's policies and practices in deploying and managing its capital	Total Pts (200 Pts Avail.)	Avg Score (by Investing Status)*
<b>FUND MANAGER ASSESSMENT</b>	<b>112.8</b>	<b>127.6</b>
<b>Targeted for Investment</b> Information about the historical performance of the fund manager and the intent of the current fund	44.9	42.1
<b>Investment Criteria</b> Covers information about the fund's investment policies in regards to impact	39.8	45.0
<b>Portfolio Management</b> Focuses on the way the fund manages its portfolio after an investment has been made	28.1	37.2

**FUND DESCRIPTION**

<b>Asset Class:</b> Private Equity/Venture Capital	<b>Security Type(s):</b> Equity; Long-Term Debt
<b>Stage:</b> Growth Stage	<b>Investing Status:</b> Actively Investing
<b>Vintage Year:</b> Not provided	<b>Funding Status:</b> Not provided
<b>Primary Target Market:</b> Emerging	

**FINANCIAL INFORMATION**

<b>Total Committed Capital-Fund:</b> Not provided	<b>Total Amount Deployed:</b> \$4,728,126.00
<b>Target Committed Capital-Fund:</b> Not provided	<b>Number of Investments:</b> 17
<b>Target Net IRR:</b> % Not provided	

**INVESTMENT MANAGER PROFILE**

<b>Fund Manager</b> Fundacion IES	<b>Certified B Corporation</b> No
<b>Total Assets Under Management:</b> Not provided	

\*As of December 31st, 2012

Subcategory Points (Targeted for Investment, Investment Criteria, etc) in some case may not add up to the total points if the fund has selected N/A for 1 or more questions. GIIRS ratings provide investors with rigorous, reviewed transparent, comprehensive, and comparable ratings of Fund impact. GIIRS helps investors make money while solving the world's most challenging problems. GIIRS Driving Capital to Impact. GIIRS does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. © Copyright 2013 GIIRS

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### FUND INCENTIVE STRUCTURE

<b>Management Fee:</b> % Not provided	<b>Hurdle Rate:</b> % Not provided
<b>Investment Term (Years):</b> Not provided	<b>Target Close:</b> Not provided
<b>Target Limited Partners:</b> Not provided	<b>Current Limited Partners:</b> Not provided
<b>Minimum LP Commitment (Institution):</b> Not provided	<b>Minimum LP Commitment (Individual):</b> Not provided

### INVESTMENT SIZE

<b>Target Investment Size Minimum:</b> Not provided	<b>Avg. Target Investment Size:</b> Not provided
<b>Target Investment Size Maximum:</b> Not provided	

### INVESTMENT STRATEGY

The principal objective of the fund is to preserve the invested capital and obtain a reasonable return, considering safety and diversification of risk.

The foundation is designed to support SMEs that focus on achieving social objectives, including: job creation, economic inclusion of micro and small producers, and/or serving the local national economy and/or the customers at the base of the pyramid.

### INVESTMENT TARGETS

<b>Primary Investment Region(s):</b> Latin America	<b>Primary Countries of Investment:</b> Bolivia
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### INDUSTRY

<b>Industry Categories:</b> Accommodation & food service; Agriculture, forestry & fishing	<b>Target Industries Description:</b> Not provided
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### IMPACT

<b>Fund Mission:</b> We are an institution that seeks to support the low-income population of Bolivia to improve their income levels in a sustainable manner, through funding and technical assistance to private business initiatives.	
<b>Impact Targets:</b> Distributed wealth models; Socially beneficial supply chains	<b>Impact Targets Description:</b> Not provided
<b>Socially Beneficial Products &amp; Services:</b> Infrastructure/market access; Economic &/or empowerment opportunities; Capital Flow (microfinance, equity, etc)	<b>Environmentally Beneficial Products &amp; Services:</b> Not provided

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INVESTMENT ROLL-UP DETAILS

	Total Points	
	Points Earned	Emerging Market Company Index <small>As of December 31, 2012</small>
<b>OVERALL RATING</b>	<b>85.3</b>	<b>103.6</b>
<b>Governance</b>	6.8	7.7
Corporate Accountability	4.4	4.9
Transparency	2.4	2.7
SEM: Mission Lock Governance Structure	23.4	---
<b>Workers</b>	20.2	23.0
Compensation & Benefits	16.0	17.2
Worker Ownership	0.9	1.2
Worker Environment	2.6	3.3
SEM: Worker Ownership	N/A	---
<b>Community</b>	40.5	56.8
Community Products & Services	0.1	30.2
• Products & Services	0.1	13.6
• Serve those in need	0.0	16.6
Community Practices	40.2	25.9
• Suppliers & Distributors	17.5	8.5
• Local Involvement	3.5	3.3
• Diversity		1.5
• Job Creation	14.7	8.1
• Civic Engagement & Giving	1.9	3.6
SEM: Community Practices	23.4	---
SEM: Socially Oriented Products & Services	0.1	---
SEM: Serve Those in Need	0.0	---
<b>Environment</b>	17.9	16.7
Environmental Products & Services	4.6	5.6
Environmental Practices	10.2	10.0
• Land, Office, Plant	2.2	3.0
• Inputs	3.7	3.1
• Outputs	2.0	2.1
• Suppliers & Transportation	2.3	1.4
SEM: Environmental Practices	0.0	---
SEM: Environmental Products & Services	4.6	---

The investment roll-up details are comprised of a weighted average of the company's ratings from within the fund's portfolio. The company's ratings are weighted by the amount invested in each company by the fund.

In some cases the subcategory scores (corporate accountability, transparency, etc.) may not add up to the impact areas scores (governance, workers, community, and environment) exactly. The difference in scores is not a scoring error, but rather a result of how the GIIRS assessment handles N/A questions in scoring.

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## CURRENT INVESTMENTS

### FUND PROFILE

### INVESTMENT INFORMATION

Company Name	Country of Principle Operations	Principle Sector	Principle Industry	Revenue Range	# of Emps.	Stars	Investment - \$	Security Type	Verification
Palma Verde	Bolivia	Agriculture/Growers		\$2,000,000 - \$4,999,999	50-249	GIIRS Rated	\$578,135	Equity; Long-Term Debt	Rated
Kirah Design	Bolivia	Wholesale/Retail	Wood & wood products	\$0 - \$1,999,999	1-9	★★★	\$50,000	Equity; Long-Term Debt	Rated
Agronat	Bolivia	Manufacturing	Personal care products	\$0 - \$1,999,999	50-249	★★★	\$120,000	Equity; Long-Term Debt	Rated
H. Ojo de Perdiz	Bolivia	Service	Accommodation	\$0 - \$1,999,999	10-49	GIIRS Rated	\$240,629	Equity; Long-Term Debt	Rated
Hotel De Sal	Bolivia	Service	Accommodation	\$0 - \$1,999,999	10-49	GIIRS Rated	\$217,322	Equity; Long-Term Debt	Rated
Agricabv	Bolivia	Agriculture/Growers	Growing perennial crops	\$5,000,000 - \$9,999,999	50-249	★★★★	\$200,000	Equity; Long-Term Debt	Rated
Tito's	Bolivia	Manufacturing	Growing non-perennial crops	\$0 - \$1,999,999	10-49	GIIRS Rated	\$100,000	Equity; Long-Term Debt	Rated
Hotel Volcanes	Bolivia	Service	Accommodation	\$0 - \$1,999,999	1-9	GIIRS Rated	\$266,960	Equity; Long-Term Debt	Rated
La Purita	Bolivia	Manufacturing	Food products	\$2,000,000 - \$4,999,999	50-249	★★★	\$314,517	Equity; Long-Term Debt	Rated
Alim. Saludables	Bolivia	Agriculture/Growers	Growing non-perennial crops	\$0 - \$1,999,999	10-49	GIIRS Rated	\$68,523	Equity; Long-Term Debt	Rated

The material on this report is for informational purposes only, and is not an offer or recommendation to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. GIIRS's opinions and analyses do not address the suitability of any security. GIIRS does not act as a fiduciary or an investment advisor. While GIIRS has obtained information from sources it believes to be reliable, GIIRS does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction.

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Irupana	Bolivia	Agriculture/Growers	Growing non-perennial crops	\$2,000,000 -	50-249	★★★★
				\$4,999,999		
Hotel De Piedra	Bolivia	Service	Accommodation	\$0 - \$1,999,999	10-49	GIIRS Rated
Naturaleza	Bolivia	Agriculture/Growers	Growing perennial crops	\$0 - \$1,999,999	50-249	★★★★
<b>Total Number of Current Investments:</b>		13				<b>Total Amount Invested:</b>

\$500,000	Equity; Long-Term Debt	Rated
\$167,854	Equity; Long-Term Debt	Rated
\$333,971	Equity; Long-Term Debt	Not Rated
\$3,157,911		

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## EXITED INVESTMENTS

### FUND PROFILE

### INVESTMENT INFORMATION

Company Name	Country of Principle Operations	Principle Sector	Principle Industry	Revenue Range	# of Emps.	Stars	Investment - \$	Security Type	Verification
BVC		Agriculture/Growers		\$2,000,000 - \$4,999,999	50-249	Not Rated	\$1,000,000.00	Equity; Long-Term Debt	Not Rated
Walisuma		Wholesale/Retail		\$0 - \$1,999,999	0	Not Rated	\$80,000.00	Equity; Long-Term Debt	Not Rated
Multiagro		Manufacturing	Furniture		50-249	Not Rated	\$472,358.00	Equity; Long-Term Debt	Not Rated
Marcelino Mamani		Agriculture/Growers		\$0 - \$1,999,999	10-49	Not Rated	\$17,857.00	Equity; Long-Term Debt	Not Rated
<b>Total Number of Exited Investments:</b>		4				<b>Total Amount Invested:</b>	\$1,570,215.00		

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FUND MANAGEMENT ASSESSMENT DETAILS		
	Points Earned (200 Pts Avail.)	Avg Score (by Investing Status)*
<b>OVERALL RATING</b>	<b>112.8</b>	<b>127.6</b>
<b>Targeted for Investment</b>	<b>44.9</b>	<b>42.1</b>
Fund Manager	18.3	16.0
Current Fund	26.6	26.0
<b>Investment Criteria</b>	<b>39.8</b>	<b>45.0</b>
Positive Impact	39.8	45.0
<b>Portfolio Management</b>	<b>28.1</b>	<b>37.2</b>
Mission Lock	6.7	5.9
Mission-Aligned Exit	0.0	2.5
Capacity Building	11.4	14.2
Portfolio Reporting	10.0	14.6
<b>TARGETED FOR INVESTMENT</b>		
Current Fund - % of total fund targeting impact investments	75+%	
Fund Manager - % of assets under management impact investments	>75%	

INVESTMENT CRITERIA	
Positive Impact - PPMLP agreements allow/require consideration of social/environmental impacts	Explicitly allows fund managers to consider community engagement when making investments, Requires fund managers to consider employment/labor practices when making investments, Requires fund managers to consider environmental issues when making investments,
Positive Impact - Criteria regarding social/environmental policy of co-investors	No
PORTFOLIO MANAGEMENT	
Mission-lock - incentive structure/compensation based partially on social/environmental performance	No
Capacity building - types of financial capacity building	Business Strategy, Financial/Operational Strategy, Other
Capacity building - types of social/environmental performance capacity building	Social and Environmental Performance, Other

\*As of December 31, 2012

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CONTACT DETAILS

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FROM THE MANAGEMENT

Not Provided

MANAGEMENT

Name:	Title:	Year Joined Firm	Years of Experience
None provided			



## Understanding the Global Impact Investing Rating System (GIIRS)

GIIRS provides an independent judgment of social and environmental impact for both companies and investment funds using a ratings scale of 1 to 5 stars. Through a broad spectrum of questions regarding impact models, practices, policies and achievements, the system is designed to be applicable to a wide range of industries and business models. Also, like impact investing, GIIRS sets itself apart from socially responsible investment ratings, which typically focus on negative screens, as GIIRS ratings recognize only positive impact generated by a Fund or fund.

### Ratings System Overview

The GIIRS assessment and ratings are:

#### Transparent:

Criteria and weightings for each impact area, subcategory and individual question within the assessment are fully transparent.

#### Independently Governed:

Overseen by independent Standards Advisory Council of experts, practitioners, investors and thought leaders.

#### Dynamic:

A new version of the survey is developed every two years.

Unique characteristics:

#### Comprehensive:

Recognizing multiple social impact models as well as >100 multi-stakeholder practices and policies of a sustainable enterprise.

#### Comparable:

Allow investors to compare and aggregate ratings of various Fund geographies, sectors, and sizes in the same portfolio. Specifically tailored questions and weightings applied in a consistent framework ensure both relevancy and comparability. There are twelve Fund tracks in domestic markets and sixteen tracks in emerging markets.

#### Adaptable:

Incorporate industry addenda focused on products and services of companies within specific industries. Based on market demand, currently offer financial services addenda for both developed and emerging markets and a building addendum for developed markets. Additional addenda for other industries will be added over time.

#### Positive Impact Focus:

GIIRS ratings focus on the performance generated by a Fund or fund, rather than on negative screens

#### Appropriate for Private Companies:

Questions tailored for small and medium sized enterprises

#### For Assessment & Improvement:

Companies can use the GIIRS Assessment to both get a GIIRS rating and as a tool to manage their performance overtime

## GIIRS

### ASSESSMENT STRUCTURE

#### I. Social Enterprise Models

Specific models designed to create social and/ or environmental impact through Fund products or services, target customers, value chain, ownership or operations.

#### II. Practices

Impactful practices, policies and achievements.

- a. Governance
- b. Workers
- c. Community Products
- d. Community Practices
- e. Environment Products
- f. Environment Practices

#### III. Disclosure Questionnaire

Unweighted disclosures to investors of potentially sensitive issues.

### The Verification Process

GIIRS utilizes a three level verification process to ensure accuracy and validity of ratings information. All ratings and reports will be classified according to the level of review undertaken.

#### Step 1: Assessment Review

Companies engage in a 1-2 hour call with GIIRS staff to review answers, clarify questions and definitions, and ensure proper inputs for calculations.

Ratings Classification: **Preliminary**

#### Step 2: Documentation Review

Companies are required to provide randomly selected documents for third-party review in order to validate Fund responses to material and highly material questions.

Ratings Classification: **Reviewed**

#### Step 3: On-Site Review

Each year, 10% of the prior year's GIIRS-rated companies will be randomly selected for on site review where a third party will verify the Fund's practices, tour facilities, and conduct employee interviews.

Ratings Classification: **On-Site Reviewed**