

Amsterdam,  
October 2011

## **Invitation to Final Closing InReturn East Africa Fund.**

With great pleasure we invite you to a presentation for the final closing of the **InReturn East Africa Fund**. InReturn is a blended value fund, generating both financial and social returns, by creating employment through investing in Small and Medium Enterprises (SME's). The management team is comprised of 2 Dutch and 2 African seasoned business and financial entrepreneurs; the fund invests across all growing sectors in Kenya, Tanzania and Uganda.



Frank with InReturn Management team in Nairobi in August 2011

PYMWYMIC has been a proud supporter and investor in the InReturn East Africa Fund since its inception in 2009. PYMWYMIC has led the angel investing for the fund. The first close of the Fund was in January 2009 at EUR 4 million. At the second closing in August 2011 the fund size increased to EUR 8.8 million. **The target for this third and final closing for Q1, 2012 is EUR 20 million.** *More information on the fund on the following page.*

**We would like to invite you for a presentation on InReturn's East Africa Fund at our PYMWYMIC office on one of the following dates:**

### November

- Tuesday November 8<sup>th</sup>, 11am
- Tuesday November 8<sup>th</sup>, 3pm
- Wednesday November 9<sup>th</sup>, 11am *(in English)*
- Wednesday November 9<sup>th</sup>, 3pm



**Please RSVP with your choice of date to Bert Meijers: [bert@pymwymic.com](mailto:bert@pymwymic.com).**

*If you are unable to attend on the times mentioned above, please contact us for an alternative appointment.*

In its first 2.5 years, InReturn has achieved the following milestones:

- Built a team of 8 professionals working in 3 countries. All of the managing partners have invested their own money in the Fund and management company.
- Has completed 4 investments; has 3 more deals approved by Investment Committee in final Due Diligence; has finalized 2 more term sheets and has 6 strong deals in the pipeline.
- Has opened offices in Dar-es-Salaam, Tanzania; Nairobi, Kenya and will be opening a Uganda office at Final Closing.
- Secured a first loss provision of EUR 1.55 million.
- Received support from the Dutch Ministry of Foreign Affairs and Cordaid with a grant of EUR 587.000.
- *For more information, see [www.inreturncapital.com](http://www.inreturncapital.com)*

PYMWYMIC supports the InReturn East Africa Fund as it aims to generate a **blended value of both social and financial returns.**

- The fund's management team has linked their carried interest to realizing social impact targets:
  - Job creation: 2,000 direct jobs.
  - Healthcare: 100% employee enrollment in healthcare plan.
  - Compliance: 100% compliance to Tax and Environmental regulations.



In addition to measured social return, InReturn projects a financial return on investment of 10-15% per annum. This is in line with funds in emerging markets.

The current group of Fund investors consists of 36 private investors from the Netherlands and the UK, and institutions Cordaid, Hivos Triodos Fund and DOEN Foundation, for a current Fund total of EUR 8.8 million.

**We hope you will join us for the Final Closing of the Fund.**

Kind regards,

Frank van Beuningen

Founder, PYMWYMIC

*Put Your Money Where Your Mouth Is Community*

PYMWYMIC convenes the longest running angel-investor group in the Benelux; matchmakes between conscious capital and social entrepreneurs; and advises individuals and families on impact investments in private equity.

*Please find attached an executive summary with additional information on the fund.*

# INRETURN CAPITAL

Final Closing  
December '11



## THE OPPORTUNITY

InReturn Capital was founded November 2007 and launched the East Africa Fund with a team in Nairobi in January 2009. With investments completed and a strong pipeline of attractive deals, teams in place in both Kenya and Tanzania and second closing achieved, the Fund is working towards a Final Closing (targeting EUR 20m) and is once more open for additional investors.

## FUND AND INVESTMENT STRATEGY

The Fund targets growth capital investments up to EUR 2 million, with initial investments generally in the range of EUR 200,000 to EUR 1 million. InReturn sees strong deal flow in agro & food processing, transportation, manufacturing, construction, energy, logistics and healthcare and invests across all sectors. Mezzanine and equity are the primary investment structures used.

## IMPACT INVESTMENT

Small and Medium Enterprises (SMEs) are a crucial driver of economic development in Sub-Saharan Africa. Every EUR 1 invested in an SME generates an additional EUR 10 in the local community and EUR 1 of SME finance creates three times more jobs than an equivalent investment in microfinance. The Fund targets at least 10 sustainable jobs per EUR 100,000 invested, as well as training and health programs for employees and increased tax revenue. 20% Of the Carried Interest of the manager is linked to realizing the impact targets.

## FUND MANAGEMENT TEAM

The business was founded by a group of Dutch and Kenyan entrepreneurs. The current team consists of 8 professionals (6 on the ground) with backgrounds in private equity, entrepreneurship, corporate finance, accounting and consultancy. The team will grow to 9 professionals on the ground with a EUR 20m fund. All of the Managing Partners have invested in the fund and the management company.

## FUND MANAGEMENT PARTNERSHIP WITH JACANA

InReturn has formed a fund management partnership with Jacana. Founded by a group of UK private equity experts in 2008, Jacana invests in and supports new and emerging SME fund managers in Sub-Saharan Africa (see [www.jacana.org](http://www.jacana.org)). Jacana selected InReturn in January 2010 after reviewing over 60 potential fund managers in 2009 and works hands on in the team.

## PORTFOLIO AND DEAL PIPELINE (22/08/2011)

The Fund receives 3 to 5 new investment requests a week and has reviewed over 300 potential investments. It has completed 4 deals (construction materials, cargo shipping, health and hydro power) and has 3 deals in due diligence (hydro power, finance, serviced office space for SMEs) and has negotiated a term sheet for an opportunity in manufacturing and is negotiating a term sheet in the dairy sector. Aggregate investment total is EUR 5.4 million. 6 More deals worth EUR 3 million have passed first screening.

## East Africa Fund I

Unique investment opportunity to target both Financial Returns & Social Impact:

- Team of 8 with complementary skills
- 50+ years PE experience
- Managing Partners are investors in the Fund (E 0,5m)
- Offices in Kenya, Tanzania and Uganda (2011)
- SME focus for maximum development impact
- Remuneration of manager linked to social impact
- Significant first loss protection for investors
- First investors committed more for 2<sup>nd</sup> Closing

**Countries** (allocation %)  
Kenya (60%)  
Tanzania (20%)  
Uganda (20%)

**Target Fund Size** EUR 20 million

**Fund Life** 10 years

**Strategy** Growth finance to SMEs for 3 to 7 years  
Up to EUR 2million  
Value added investor

**Investment Structures** Equity  
Convertible Loan  
Debt + Royalty

**Gross Return Target** 30-40% IRR (local currency)

**Fees:** 3% Management  
Cap of 1% Operating Costs  
20% Carry (6% hurdle rate)

**Additional Support** EUR 587,000 grant from Dutch Ministry of Foreign Affairs and Cordaid  
Funding & expertise from Jacana

### Current Investors

Cordaid	EUR 2,000,000
Hivos Triodos Fund	EUR 1,000,000
Doen Foundation	EUR 500,000
Private investors	EUR 4,800,000
General Partner	EUR 500,000

**Protection against Investor Loss** EUR 1,550,000

### InReturn Capital

Nairobi, Kenya	Tel +254 (0) 20 250 4775
Dar es Salaam, Tanzania	Tel +255 (0) 7 52 604519
Rotterdam, Netherlands	Tel +31 (0) 10 2775 5995

e [info@inreturncapital.com](mailto:info@inreturncapital.com)

w [www.inreturncapital.com](http://www.inreturncapital.com)

t [@InReturnCapital](https://twitter.com/InReturnCapital)

## INVESTMENT TEAM

### Anthony Gichini

Managing Partner (Kenya)

Kenyan national with 10 years consultancy experience at Deloitte and PwC in Kenya and Tanzania and 4 years at SME Solution Centre of IFC, Nairobi. Has guided 30 SMEs towards investment in Kenya and holds a CPA and MBA and Bachelor of Commerce in Accounting degrees from University of Nairobi.

### Ezra Musoke

Managing Partner (Tanzania)

Ugandan national who previously set up Grofin Tanzania and acted as Country General Manager, managing 3 investment managers. Closed 25 deals and as member of the Grofin finance committee involved in 13 other deals. He holds a Masters in Management Studies from Uganda Management Institute and a BA Degree from Makerere University in Kampala.

### Steven Otto

Managing Partner and CEO (Kenya)

Dutch National with 10 years experience as successful SME entrepreneur and 5 years experience as advisor and investor in SMEs in developing countries. Steven holds a Master in International Relations from University of Amsterdam and a degree from Small Business School at Erasmus University of Rotterdam.

### Bart Meijs

Managing Partner and CFO (Kenya)

Dutch national with 4 years Financial Management in FMCG sector and 8 years Financial Management consultancy at PwC and RebelGroup. Bart was born and raised in developing countries and holds an Executive Master of Finance & Controls and a Masters in Business Economics from the Erasmus University of Rotterdam.

### Eelco Benink

Investment Manager (Kenya)

Dutch national with Investment banking experience at NIBC Bank Corporate Finance in The Hague, Netherlands and experience as consultant at RebelGroup and political assistant at Dutch parliament. Studied Economics and International Law at Erasmus University Rotterdam.

### Njeri Ngaruiya

Investment Analyst (Kenya)

Kenyan national with prior experience at East Africa Capital Partners, Nairobi and Societe Generale, London. Undergraduate in Business Management from University of Surrey, U.K. Masters degree in Finance from Cass Business School, London.

### Stephen Dawson

Chairman, Jacana (UK)

British national who is a pioneer of the VC industry in the UK with over 30 years of experience. Stephen is non-executive Chairman of ECI Partners and co-founder of Impetus Trust, a venture philanthropy charity. Stephen acts as Expert Mentor for InReturn team and is involved in deal teams and investment committee.

### Robert Jenkins

Expert Mentor, Jacana (UK)

British national. Founder of Phildrew Ventures in 1985, and an active investor in SMEs with 25 years' SME board level experience. Acts as Expert Mentor and is involved in deal teams and investment committee.

## INVESTORS AND FIRST LOSS PROTECTION

The first close of the Fund was in January 2009 at EUR 4 million. At the second closing in August 2011 the fund size increased to \$ 12 million (EUR 8.8 m). Lead investor Cordaid ([www.cordaid.nl](http://www.cordaid.nl)) committed EUR 2 million and the General Partner (GP) and Partners committed up to EUR 500,000. EUR 1.55 million of the commitment of Cordaid and the General Partner is structured as first loss support for other investors (EUR 0.3 million of the GP commitment and EUR 1.25 million of Cordaid's commitment).

## FUND STRUCTURE

The Fund is a tax transparent Dutch Limited Liability Partnership, based in The Netherlands. The Fund Manager is InReturn BV which has local subsidiaries in Kenya, Tanzania and opening up in Uganda at Final Closing.

## PARTNERS

Institutional Investors



Hivos-Triodos Fonds



Technical assistance



Fund management & raising



Advisory Services



Your investments are subject to risks and are not guaranteed by InReturn BV. This informational document does not constitute an offer to sell or buy securities. Only the private placement memorandum provided to selective investors should be relied upon as a basis to consider an investment.

22 August 2011