

June 19, 2015

**Aavishkaar announces the first close of its South and Southeast Asia focused Aavishkaar Frontier Fund at US\$ 45 Million. Targets a final close at US\$ 75 million.**

Aavishkaar, the pioneering Impact Fund Advisory Firm announced its ambitious foray into South and Southeast Asia with the first closing of its Aavishkaar Frontier Fund at US\$ 45 million. Aavishkaar Frontier Fund (AFF) is expected to raise US\$ 75 million and invest in 15 -20 companies in *Indonesia, Bangladesh, Sri Lanka* and *Pakistan*. The Fund will use Aavishkaar’s very successful and pioneering *Sow-Tend-Reap* strategy and build enterprises in these countries that are socially beneficial and commercially viable. Aavishkaar would also make efforts in partnership with its affiliate Intellectap to take its entire ecosystem to these countries in its role that looks beyond just being an investor. Aavishkaar’s long term objective is to build local ecosystems that would nurture the growth of Impact Investing in these countries.

The fund’s first close was announced at the launch event of German Ministry of Economic Cooperation *BMZ’s New Policy on Asia* in Berlin on June 17, 2015. Parliament Secretary of State for Germany, Hans-Joachim Fuchtel, while lauding the launch of Aavishkaar Frontier Fund with support from the German Ministry of Economic Cooperation acknowledged the importance of regional cooperation and south-south cooperation for taking forward new ideas for development.

The Aavishkaar Frontier Fund is anchored by KfW, the German Bank for Development Cooperation and its subsidiary DEG. Commenting on the investment, Florian Arneth, Financial & Private Sector Asia Department, KfW said, “With its investment into AFF, BMZ and KfW support the regionalization of an innovative approach that has been successfully piloted in India. Aavishkaar has the potential to play a key role in building the eco-system and setting the standards for social entrepreneurship in AFF’s target countries.”



Vineet Rai, CEO- Aavishkaar with Hans-Joachim Fuchtel, Parliament Secretary of State at the Headquarters of German Ministry of External Cooperation before the regional cooperation meeting with Aavishkaar

Adding on the first close, Chief Executive of FMO Nanno Kleiterp whose institution has invested in all the five Aavishkaar Funds said, “Southeast Asia is a region with great economic potential, waiting to blossom. Our combined efforts will greatly contribute to improving the access to finance and will support the creation of jobs for many people.”



**At the AFF launch event (from L to R)**

Sanchayan Chakraborty, Aavishkaar; Vineet Rai, Aavishkaar; Christiane Laibach, DEG; Hans- Joachim- Fuchtel , Parliament State Secretary; Susanne Dorasil, Federal Ministry for Economic Cooperation & Development; Roland Siller, KfW; Florian Arneth, KfW; Atreya Rayaprolu, Intellectap; and Thomas Klein, DEG

Thomas Klein from DEG's Equity and Mezzanine department said, "DEG sees a wealth of opportunities in the impact investment space in the South/South-east Asian region and especially in the target markets of Aavishkaar Frontier Fund. A lower to lower-middle class of consumers that is expanding both in numbers and affluence has an enormous demand for the types of solution that the future investee companies of Aavishkaar Frontier Fund will provide. These solutions address above all the basic needs of this vast underserved population; namely access to hygienic food, water and sanitation, healthcare, sustainable energy and education."

Aavishkaar has attracted some of the best global talent to manage the multi-geography team that would further manage the social enterprise ecosystem in these countries. Aavishkaar Frontier Fund is led by EN Venkat and Sanchayan Chakraborty, reflecting the global standards of talent needed to manage the multi-geography team and further the social enterprise ecosystem in these countries. Jeremie Ceyrac, Deputy Head - Private Equity Division, Proparco, said "We have been impressed by the quality and degree of professionalism of the investment team which Vineet & Aavishkaar have managed to attract and retain over the years".

Aavishkaar's experience in managing risk in difficult geographies is critical to manage the challenges. Acknowledging that Clemens Gerteiser, Head – Fund of Funds Investments, DGGF said, "One of the pillars of our investment strategy is to work with experienced fund managers venturing into underserved markets – exactly what Aavishkaar is doing with their Frontier Fund. Outside India, there are not many SME funds reaching out to the 'missing middle' segment which is the centerpiece of our mandate."

Aavishkaar's Founder and CEO, Vineet Rai added, "This is an important step for Aavishkaar to take its investment and ecosystem building approach beyond India, to its neighbors. We are thankful to all the anchor investors who have shown confidence in our beliefs and capabilities; and do hope to work closely with them in implementing this."

Aavishkaar has over US\$ 200 million under management and has demonstrated its success through 13 full exits and six partial exits. Aavishkaar advised funds have created significant developmental returns, through its investments into 44 companies. Aavishkaar's portfolio companies have reached out to 17 million+ beneficiaries, of which 50% are estimated to be women; and have created over 30,000 jobs as of FY14.