

# IFC Private Equity Funds

## LP Summit Presentation



# IFC Funds Strategy

- IFC commits approximately \$500 million annually on a global basis to 20-30 new funds.
- Our core areas of focus are growth equity, venture capital, SME funds, and, selectively, sector funds.

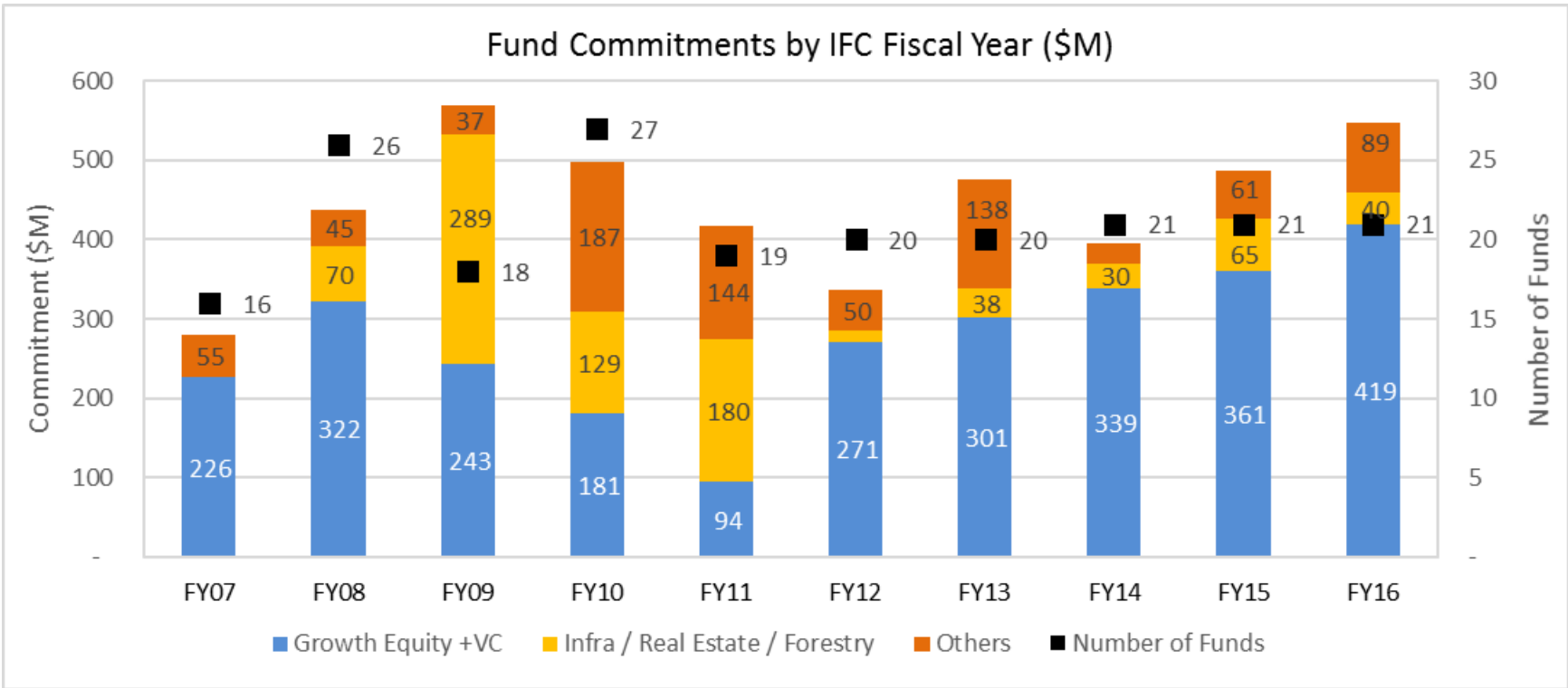
Growth Equity 60-75%	Venture Capital 10-15%	SME Ventures 5-10%	Sector Funds 10-15%
<ul style="list-style-type: none"> <li>• Invest in strong local partners</li> <li>• Spur economic growth &amp; job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Catalyze local VC ecosystem</li> <li>• Spur culture of entrepreneurship &amp; innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Support SMEs in FCS, IDA<sup>1</sup>, Frontier Regions</li> <li>• Paired with advisory services</li> </ul>	<ul style="list-style-type: none"> <li>• Stimulate emerging areas (renewables)</li> <li>• Complement IFC's direct program</li> </ul>

<sup>1</sup> The International Development Association (IDA) is an international financial institution, part of the World Bank Group, which offers loans and grants to the world's poorest developing countries.

- IFC's strategy for investing through funds focuses on:
  - Supporting fund managers who have positive impact on economic activity and job creation by providing capital and expertise to their portfolio companies
  - Promoting the development of the private equity asset class in emerging markets
  - Stimulating sub-asset classes and emerging areas (VC, renewables) and markets (Ukraine, Pakistan)
  - Broadening IFC's reach to IDA countries and fragile and conflict-affected states (FCS)

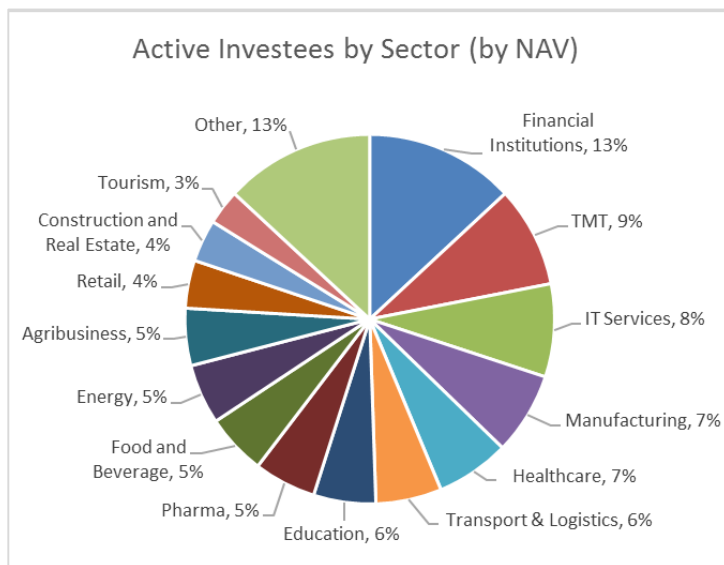
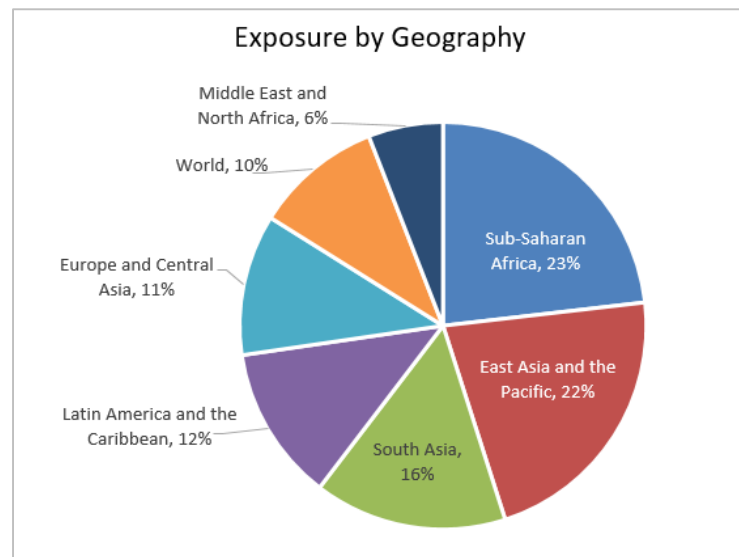
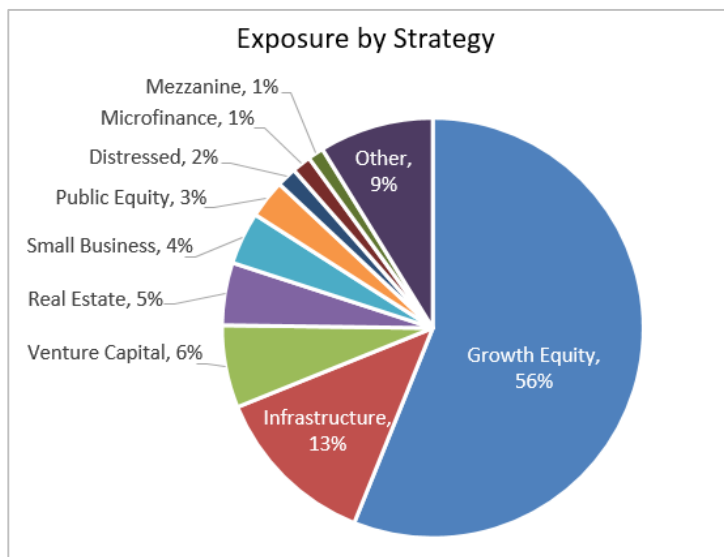
# IFC Funds Commitments

- IFC is the largest investor in emerging market funds globally.
- IFC's active funds portfolio includes 291 funds, representing \$5.6 billion of total commitments.<sup>1</sup>
- Over the past 10 years, IFC has committed \$4.4 billion to over 200 funds across various strategies and regions.



<sup>1</sup> As of December 31, 2016.

# IFC Funds Exposure



- Active portfolio of 291 funds
- 196 fund managers
- 1,597 active investees, valued by our fund managers at \$24.8 billion
- In addition, 716 exited investees, for a total of 2,313 investee companies

# IFC's Private Equity Fund Performance

- IFC's funds performance for its core strategies of growth equity and venture capital funds has produced a net IRR of 15.3% and a net multiple of 1.6x as of December 31, 2016.
- The top-performing regions have been Europe and Central Asia and East Asia and the Pacific.

## IFC Private Equity Funds Performance by Region<sup>1</sup>

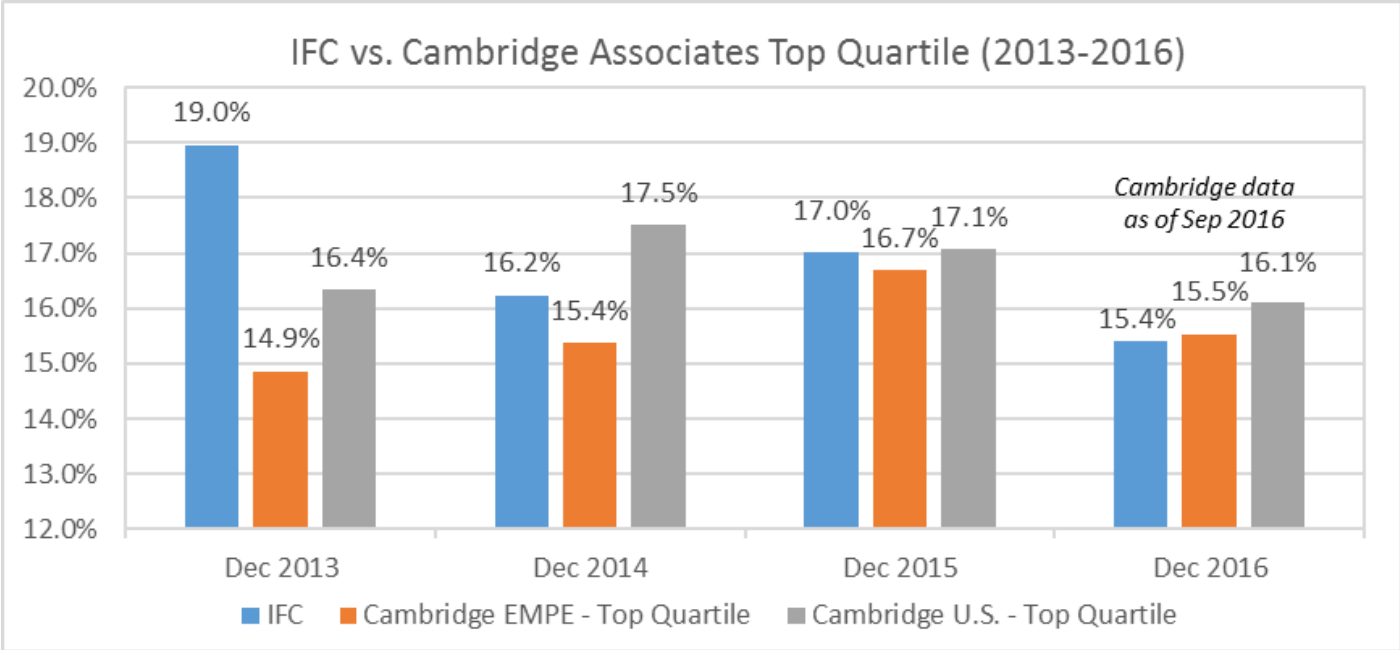
Region	No. of Funds	Net IRR	Net Multiple
East Asia And The Pacific	29	26.8%	2.1x
Europe And Central Asia	25	31.0%	2.3x
Latin America And The Caribbean	25	6.0%	1.3x
Middle East And North Africa	15	4.0%	1.1x
South Asia	25	-2.3%	0.9x
Sub-Saharan Africa	34	10.3%	1.3x
World	10	1.4%	1.0x
<b>All Regions</b>	<b>163</b>	<b>15.4%</b>	<b>1.6x</b>

<i>Cambridge EMPE Index Pooled</i>	454	10.3%	1.5x
<i>Cambridge EMPE Index Top Quartile</i>	454	15.5%	1.8x

<sup>1</sup> Includes growth equity, venture capital and mezzanine funds committed to between 2000 and 2014. Data is as of December 31, 2016.

# IFC's Private Equity Fund Performance (cont.)

IFC Private Equity Funds Performance<sup>1</sup> vs. Cambridge Associates Top Quartile Index<sup>2</sup>



<sup>1</sup> Includes growth equity, venture capital and mezzanine funds committed to since 2000 and through 2011, 2012, 2013, and 2014 for returns, including CFs, through December 2013, 2014, 2015, and 2016, respectively.

<sup>2</sup> The Cambridge Associates Index includes buyout, growth equity, private equity energy, and mezzanine funds over the same time horizon used for IFC's return calculations. Note that December 2016 numbers are as of 3Q 2016 given availability of data.

# IFC Funds Development Impact

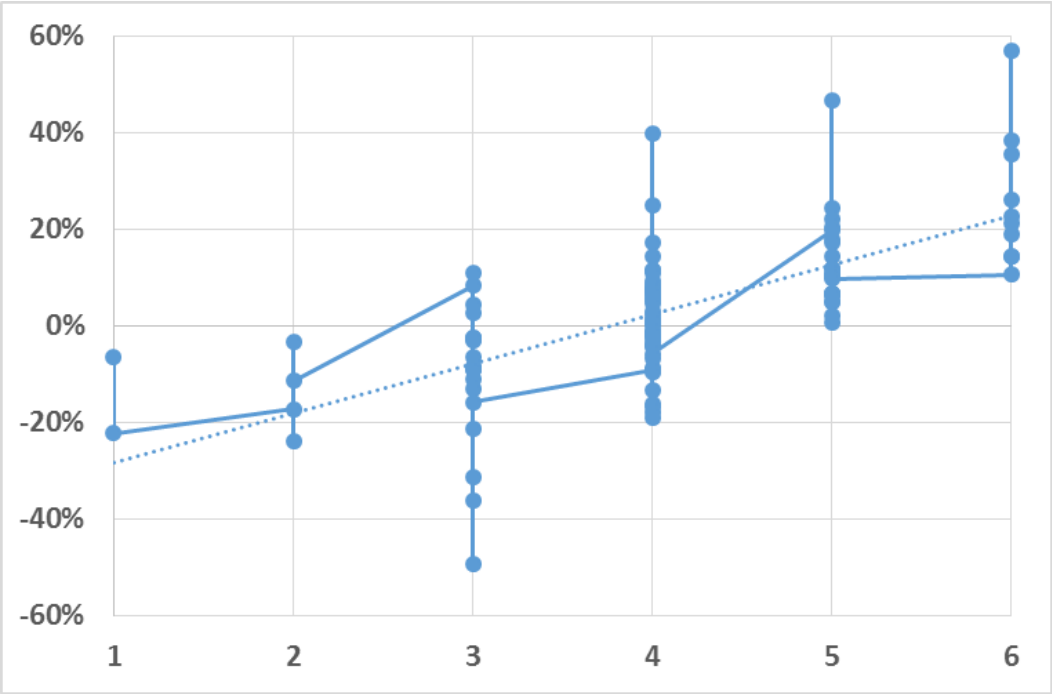
- Within IFC, funds consistently have among the strongest development impact as measured by jobs, taxes paid, and SME/IDA exposure.
- Fund portfolio companies employ over 765,000 people, including over 150,000 women.

## IFC Funds Development Impact as of December 31, 2015<sup>1</sup>

Region	No. of Investees	Total Employees	Female Employees	New Jobs in Fund Investees	Taxes and Other Payments (\$M)
Sub-Saharan Africa	409	112,890	24,293	23,425	1,075
East Asia and the Pacific	234	334,284	29,018	172,422	286
Europe and Central Asia	182	122,263	55,295	57,023	398
Latin America and the Caribbean	147	50,242	17,093	16,449	87
Middle East and North Africa	109	26,761	6,569	6,395	60
South Asia	249	95,845	20,974	39,240	90
World	201	23,337	48	212	4
<b>Grand Total</b>	<b>1,531</b>	<b>765,622</b>	<b>153,290</b>	<b>315,166</b>	<b>2,000</b>

<sup>1</sup> Latest available development outcome data is as of December 31, 2015.

# High Correlation: Returns & Impact



## Development Impact Scores

- 1 High Unsuccessful
- 2 Unsuccessful
- 3 Mostly Unsuccessful
- 4 Mostly Successful
- 5 Successful
- 6 Highly Successful

## Funds Development Impact Indicators

- Employment, New Jobs & Female Employment
- Payments to Government
- # of Investees Classified as SME
- # of Investee Companies with IDA/Frontier Exposure
- # of Positive Growth Investee Companies in Sales



# Impact is Both Direct and Indirect

JD.com (Capital Today investee company in China) in FY16 :

