



TOTAL IMPACT
CAPITAL

Merchant Bank for Impact Investment



AMF

Scaling Developing World Prosperity without Choking the Planet to Death

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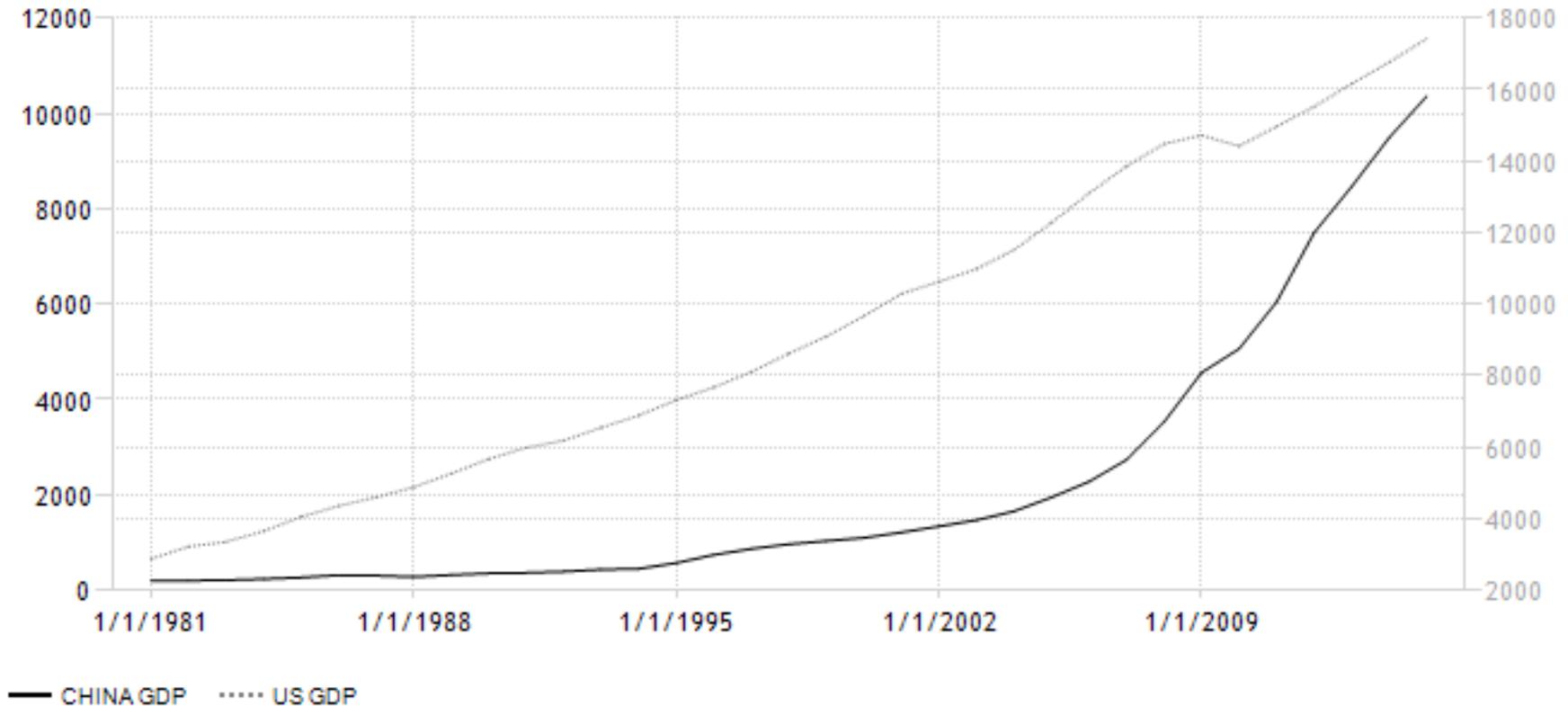
Total Impact Capital

- TOTAL Impact Capital is a **Merchant Bank for Impact Investment**
 - Sources of Social Capital flat; motivating profit-seeking capital into food, water, disease, environment = critical
- We specialize in **sourcing and developing** global investment opportunities that are **socially and financially** attractive.
 - Work with individual and corporate investors
- We also work with governments and foundations to deploy **new market-based financing structures**
 - E.g. Social Impact Bonds

Global Prosperity, Global Energy



China GDP Success -- US\$ millions



- In 2000, 4% of urban households were “middle class” (>\$9000/yr). By 2012, 68% were (174 mm households)

Growth Requires Energy



- From 1996-2006, China commissioned two 600 MW coal-fired plants **a week**, every week, for 10 years in a row
- Added 114,000 MW of fossil-fuel-based capacity in 2010
- **What happens as India, Africa, SE Asia and Latin America move up the middle class lifestyle curve?**

AMF: Impact at Scale



- **AMF** is a new global financial guarantor for essential infrastructure
- **AMF's** guarantees essential projects, thereby raising to national AAA rating
 - Will launch in Q4 with \$525 mm in capital: will catalyze over \$10 bn in project value over five years, every five years
 - Model: charge issuer premiums of ~**9-10%** of principal, collected upfront.
 - By tapping into local pension/insurance funds, lower costs to issuers
 - Key insight: currency-matched financings
- **AMF** has created sub-funds for investors with specific sectoral or geographic interests, such as green energy
 - **\$100 mm in AMF Low Carbon Fund leads to \$2 billion in project finance**
- **Attractive Economics:** AMF expects a 35%+ IRR for initial investors -- arising from EM annual deal flow of **\$250 Bn** and attractive pricing.
- **Incredible Team:** done it before

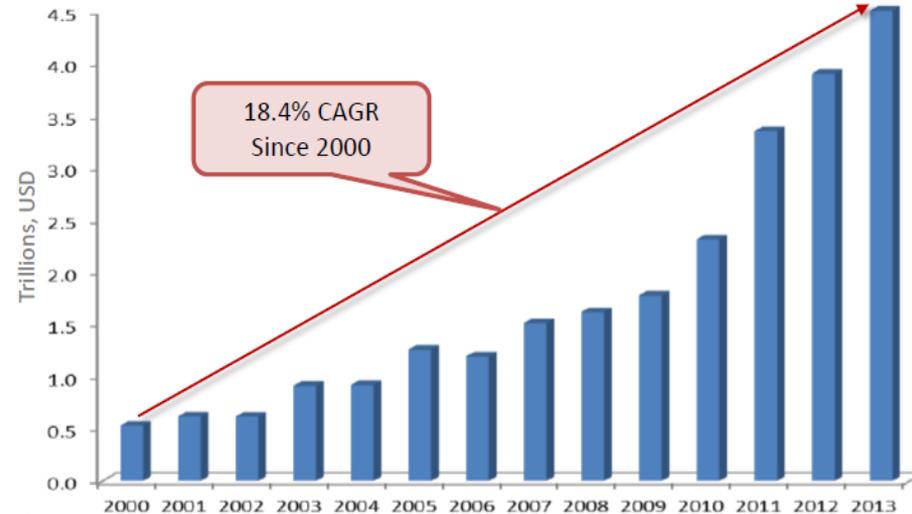
Building Capital & Physical Infrastructure



Supply: World Bank estimates ~\$20T in EM infra development over next 15 years;

- AMF estimates \$250Bn annual flow; current AMF pipeline is \$10Bn, likely to double or triple a year after launch

EM Institutional Assets¹

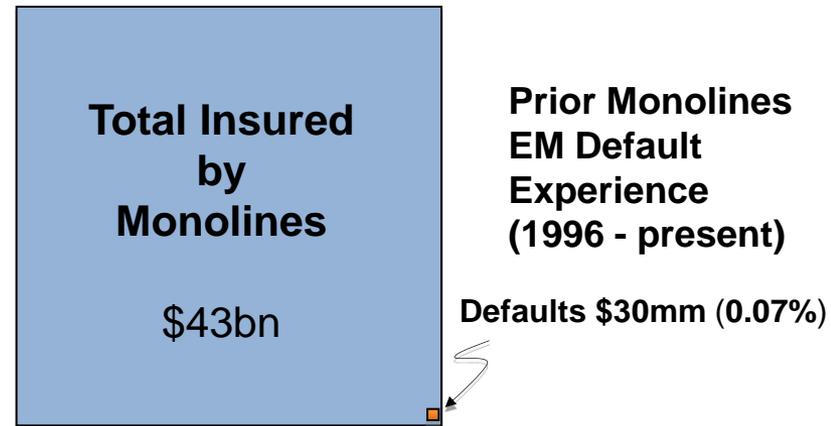


\$9T EM pension fund/insurance/SWF savings pool

\$9 TN in EM pools (growing to \$17 TN by 2030) restricted from investing in higher yielding local currency infrastructure bonds. AMF's **AAA** guarantee allows them to invest.

Proven Model, Clear Standards

➤ **Restart of Successful Model:**
 US AAA-rated "monolines"
 guaranteed **\$43Bn** in **EM**
 transactions with an **0.07%** loss
 record between 1996-2007.

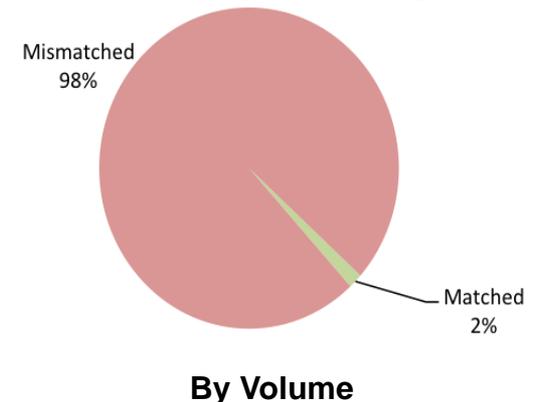


➤ **Avoid Original Sin: Mismatched Debt**



When Argentina defaulted on its debts in 2001, unmatched currency transactions bore 70% losses. Losses on currency matched deals were near-zero, despite the country's enormous economic dislocations

EM Defaults by Currency Match



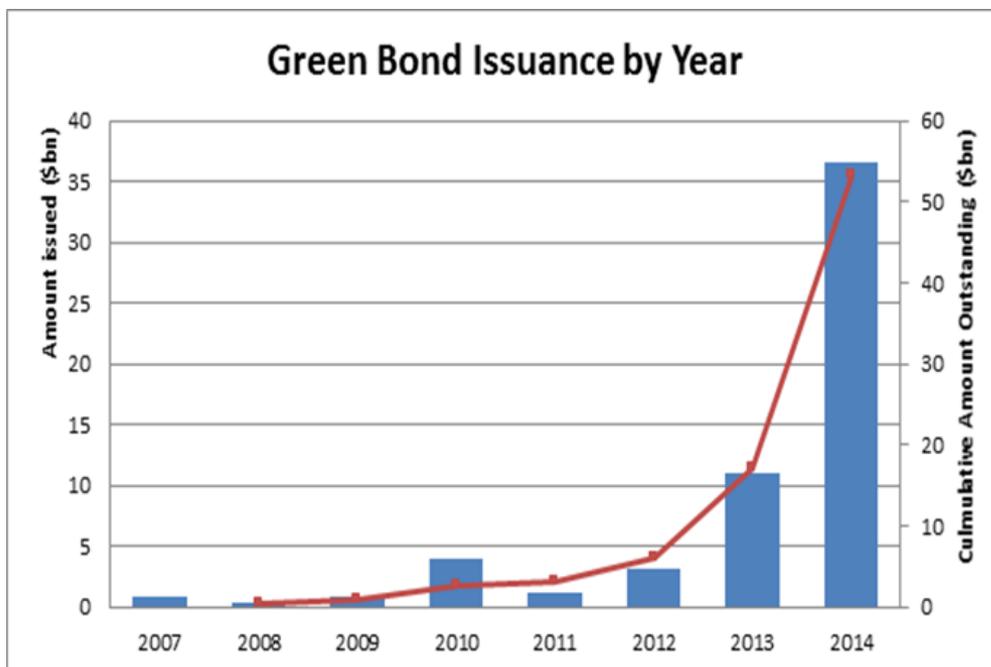
Case Study: South Africa PV



- In 2013 the world's largest concentrated photovoltaic (CPV) solar plant was partly funded by 1 billion ZAR (~\$80 million) in BBB (national-scale) project bonds sold to institutions in South Africa
- The plant will generate enough power for 10,000 homes
- These bonds would likely have qualified for an AMF financial guarantee
- The AMF-guaranteed bonds would have been rated AAA on the national rating scale, making them attractive to a much larger group of investors (both domestic and global) and significantly reducing the project sponsor's cost of financing
- **We will launch with a pipeline of a dozen green energy projects**

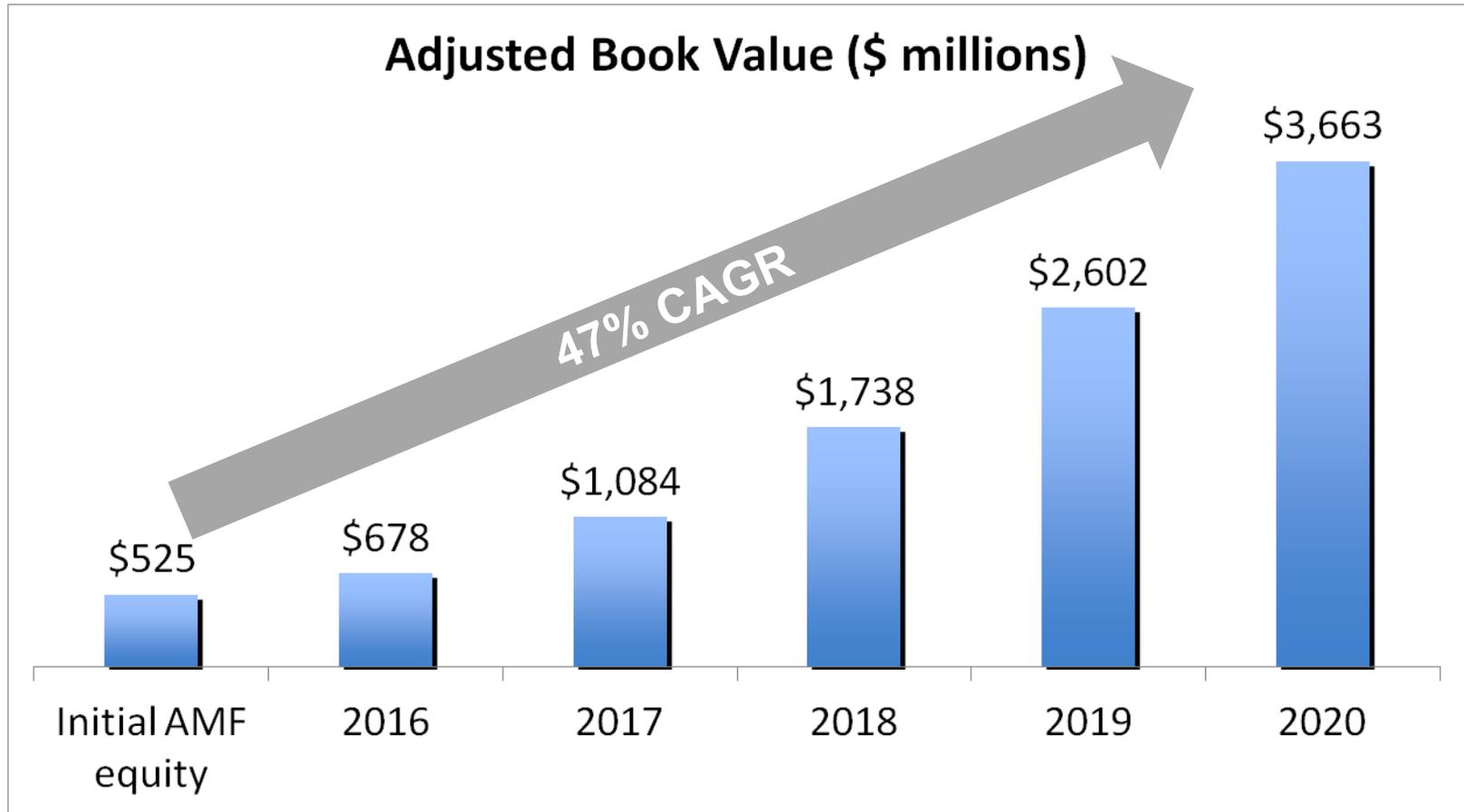


Lowers Green Bond Financing Risk



- **Green Bonds are taking off:**
 - Yet most current financings made possible by Green Bonds are unmatched
- **AMF Re can expand the use of green bonds in EM nations and de-risk EM green financings**

Significant Equity Growth for Investors While Building Green Power Worldwide



Proof: Possible to Do Well, Do Good, Do Scale



AMF

Thank you



**Catalyzing
Investment in
Green Projects in
Emerging Markets**