



Bold ideas for a better future

HELPING ENTREPRENEURS TRANSFORM THEIR IDEAS INTO SOCIAL IMPACT.

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 @fhiventures

 www.fhiventures.com

 Questions? Contact Priyanka Rao, Principal of FHI Ventures at prao@fhiventures.com



Thank you for your contributions.

ACKNOWLEDGMENTS

FHI Ventures is built on a wider collective of FHI 360, FHI Foundation and strategic partners, and its work is only possible thanks to their investment, expertise, networks and talent. We feel privileged to work alongside these amazing teams of professionals who provide technical guidance, strategic advice and mentorship to our portfolio companies in order to benefit marginalized communities around the world. As a result of the insights and support provided by our network and resources, our portfolio companies continue to grow and expand their networks.



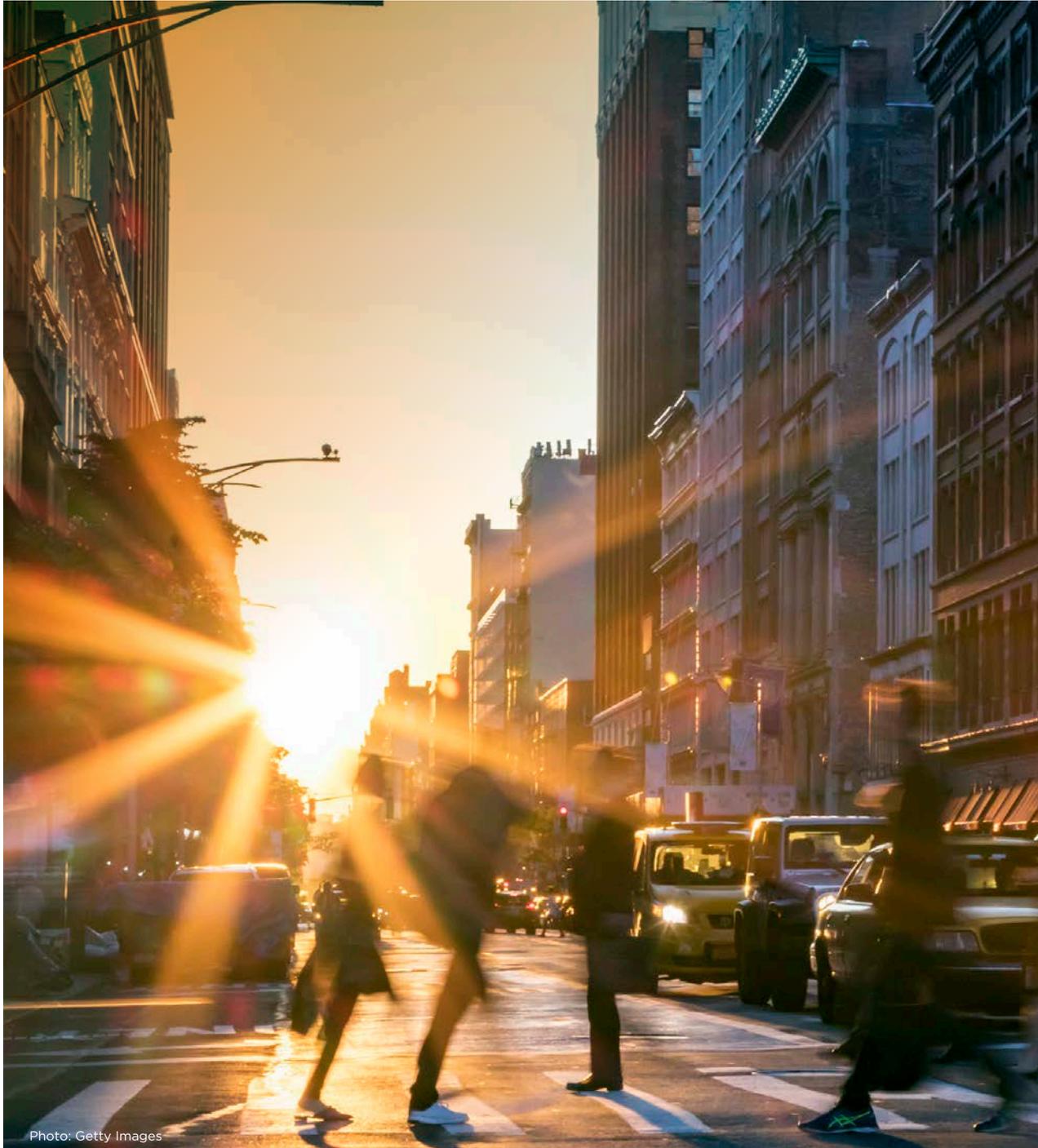


Photo: Getty Images

Welcome

EXPANDING AND BUILDING TO THE FUTURE

On behalf of FHI Ventures' staff and partners, I am pleased to present our 2018-2019 impact report. FHI Ventures is a new impact investment vehicle that matches the ingenuity of business entrepreneurs with the capital and support needed to bring new products and services to communities that can benefit from them. The last couple of years were exciting one for us — not only did we launch our subsidiary, we also made investments in nine high-impact, early-stage social enterprises seeking to solve pressing world problems in the water, sanitation and hygiene (WASH); healthcare; and finance industries. As we look to the future, we plan to build on the lessons we learned in the last two years and expand our investment scope into additional regions and industries that align with the initiatives of FHI 360, our parent organization, in the areas of health, education, workforce development, digital technologies and gender equity.

Our internal FHI 360 stakeholders and external ecosystem partners are vital to our success, which is why we continue to collaborate with influencers dedicated to advancing the way the world fosters sustainable impact. We formalized partnerships with the Global Development Incubator (GDI),

Duke Innovations in Healthcare, Case Smart Impact Capital Tool, Global Accelerator Network (GAN), Global Accelerator Learning Initiative (GALI) and the Global Impact Investing Network (GIIN) — strategic opportunities for FHI Ventures to become more data-driven and further our contribution to the impact investing and entrepreneurial community. We are grateful for the contributions of our strategic partners and look forward to continued collaboration. Most recently, as part of our partnership with GIIN, we led their “Navigating for Impact” efforts on education with the invaluable collaboration and input of FHI 360's Global Education, Economic Development and Education (G3E) team. It is through collaborative efforts like these that FHI Ventures is supporting FHI 360's efforts to multiply its impact and advance its mission to improve lives in lasting ways worldwide.

This impact report provides an important tool for us to reflect on the value of impact investing in creating a more equitable future. The FHI Ventures team thanks you for working with us to achieve that future.

Sincerely,

Wellington Pak
President and CEO, FHI Ventures



Photo: Getty Images

Visionary enterprise

ABOUT FHI VENTURES

The emergence of enterprise as a means for social change has generated innovations that are revolutionizing the global landscape. For this reason, the market for impact investing holds great potential. Globally, entrepreneurs are creating opportunities for investment that provide investors with the possibility of generating social, environmental and financial returns.

Our commitment to support carefully selected enterprises extends beyond acting as an investment vehicle. FHI Ventures believes in investing in bold ideas for a better future. To achieve this goal, we have developed and executed a unique approach to the accelerator model that aims to sustainably improve business models, expand capital growth and scale up operations. By investing in companies that have the potential for lasting social impact, FHI Ventures is delivering both social and financial returns.

\$2.1 MILLION
CAPITAL RAISED
IN OUR YEAR
ONE COHORT OF
COMPANIES

OUR VISION IS FOR ALL HUMANS TO HAVE EQUITABLE OPPORTUNITIES TO REACH THEIR HIGHEST POTENTIAL.

CLOSING THE PIONEER GAP

With \$502 billion assets under management (AUM) globally, more capital is flowing into the impact investing field than ever. However, many early-stage social entrepreneurs still struggle to raise follow-on investment capital, generating a significant global development challenge termed the pioneer gap. The aversion to investing in early-stage, high-risk enterprises focused on vulnerable populations is impeding market growth. FHI Ventures recognizes the potential for impact in this space, which is why we developed a comprehensive accelerator model to strategically address the risks presented by these early-stage enterprises. Providing early-stage social entrepreneurs with a **customized curriculum designed to support their unique needs** is just part of the work we do as investors to accelerate growth and manage risk. FHI Ventures is in the business of closing the pioneer gap by investing in, de-risking and scaling pioneering enterprises that are dedicated to addressing a full spectrum of human development challenges in emerging markets.

Our vision is for all humans to have equitable opportunities to reach their highest potential. As our world becomes increasingly connected, emerging challenges affect larger populations.

The need for creative, focused and sustainable solutions has never been greater. FHI Ventures believes that stable and prosperous societies depend on the opportunity for the humans within them to be healthy and self-reliant. Because global deficiencies in health, education, WASH and economic development threaten this fundamental opportunity, FHI Ventures understands the immense value in influencing these sectors. We continue to invest in pioneering ventures that concentrate their work in these areas as a means of ensuring impact. And because new technologies are vital to understanding and addressing many of the development challenges FHI 360 addresses, FHI Ventures prioritizes working with companies that are introducing new technology products designed to affect meaningful change.

FHI 360's global network guides our investments. FHI Ventures strategically focuses its investments on enterprises operating in areas of the world where FHI 360 has established strong networks, expertise and startup ecosystems. In selecting our first cohort, we focused on companies with operations in Africa and the U.S., a strategic region due to our presence, the growing ecosystem and the demand for innovative solutions. The four enterprises selected for our second cohort maintain our focus on Africa while expanding it into areas of Asia.

Our theory of change

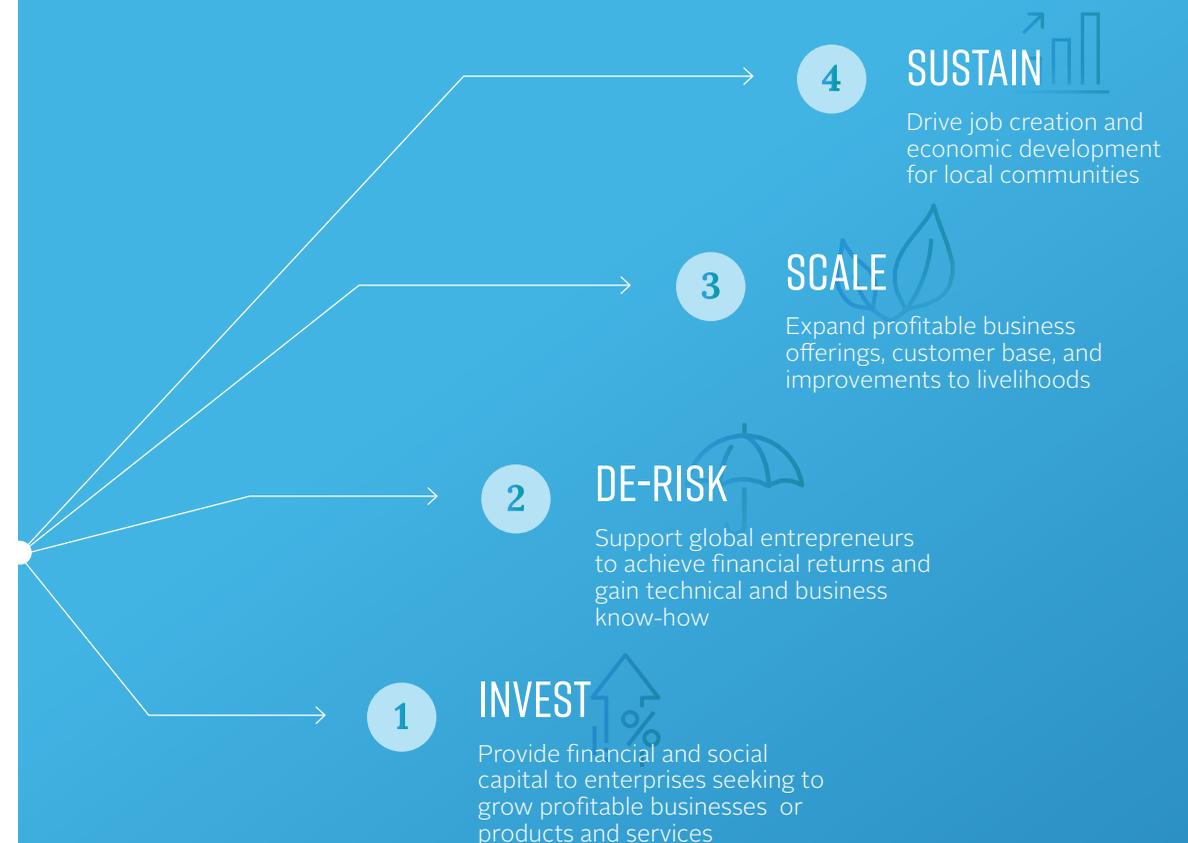




Photo: Jessica Scranton/FHI 360

Geographic and gender lenses

VALUING REPRESENTATION

We choose to support enterprises that foster cultures of respect, communicate these values through their mission and vision statements, and put them to work in their daily business practices. Additionally, we believe that valuing female and minority representation leads to stronger talent pools and equitable solutions, which in turn breeds more innovation and business and impact success. FHI Ventures makes it a priority to support companies that reflect this shared value in their leadership and staff because these inclusive enterprises are more likely to understand the needs of a diverse client base. For example, we evaluate enterprises on the number of women and minorities leaders and employees, and on whether their products and services meet the needs of women.



Global Opportunities

FHI VENTURES' REGIONAL FOCUS

FHI Ventures' portfolio reaches seven countries with potential to scale to additional countries in Africa, Asia and the Pacific. FHI Ventures focuses on investment opportunities in regions where we have strong networks, expertise and access to startup ecosystems: Southeast and South Asia, sub-Saharan Africa, and the United States. Together, these markets comprise ~\$80B AUM in impact investing.



28% UNITED STATES



14% LATIN AMERICAN & CARIBBEAN

10% WESTERN, NORTHERN, & SOUTHERN EUROPE



6% EASTERN EUROPE, RUSSIA, & CENTRAL ASIA



5% EAST ASIA



5% SOUTH ASIA



2% MIDDLE EAST & NORTHERN AFRICA



14% SUB-SAHARAN AFRICA



6% SOUTHEAST ASIA



4% OCEANIA



6% OTHER

Impact Investing AUM
\$80 BILLION



Countries
46



Subsectors Represented
29

● Global Assets Under Management (AUM)

● FHI Ventures' Regional Focus

Source: The GIIN 2019 Annual Impact Investor Survey. 'The GIIN 2019 Annual Impact Investor Survey demonstrates the increasing scale and maturity of the impact investing industry. The survey draws on responses from 266 leading impact investing organizations from around the world, including: fund managers, foundations, banks, development finance institutions, family offices, permanent investment companies, pension funds, and others. These respondents collectively manage USD 239 billion, a subset of the total USD 502 billion in the market.'

Ideas that transform

BUILDING ON A HISTORY OF INVESTING IN INNOVATION AND INCREASING THE IMPACT OF SOCIAL ENTERPRISES

INVESTMENT CRITERIA

Our investment criteria reflect the belief that the enterprises we work with and invest in should have goals that align with our own. To this end, we have developed eight standards that guide us in identifying high-potential enterprises in which to invest. By working to increase the impact of social enterprises, FHI Ventures seeks to contribute to the United Nations Sustainable Development Goals (SDGs).



CAPITAL TYPE

→ Equity or convertible debt

MINORITY LENS

→ Inclusion of gender and racial minorities

STAGE

→ Seed (post-prototype and pre/early revenue)

PORTFOLIO SIZE

→ Targeting 5–10 companies per annum

GEOGRAPHY

→ Emerging markets and targeted US Regions

VERTICALS

→ Health, WASH, education, digital technology

SDG ALIGNMENT

→ Clear alignment with the UN Sustainable Development Goals' targeted impact

STRATEGIC ALIGNMENT

→ Clear path to leveraging FHI 360 network to achieve financial social returns



Photo: FHI 360

Investment portfolio

SUMMARY OF ACHIEVEMENTS

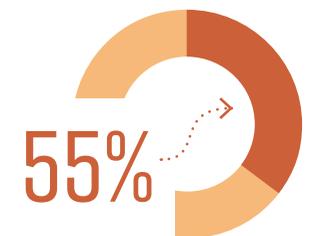
In FHI Ventures' first year, we received over 80 applications to our six-month accelerator program. We carefully selected a cohort comprised of five companies (6% of overall applicants) most closely aligned with our investment criteria and our commitment to creating financial, social, and environmental impact. Each of these companies had a unique approach to delivering critical solutions and driving sustainable social change. These post-prototype, early-stage and growth-oriented social enterprises reached 46 countries with their products and services. They represented 29 subsectors ranging from health technology to education-focused data analytics. Our diverse portfolio reflects FHI Venture's belief in the strength of inclusion with 88% of year one companies having women in leadership roles, and 55% having minorities in leadership roles.

Refined impact measurement techniques enable FHI Ventures to monitor our success and continue to maximize social, financial and environmental returns over time. By the end of the six-month accelerator program, our year one cohort of companies collectively raised \$2.2 million of capital, created 36 jobs

and gained six strategic partnerships. At FHI Ventures, we aim to strengthen, grow and sustain our investments. One of the biggest opportunities that our accelerator program provides is the ability for these social enterprise businesses to plug into the expansive FHI platform. Through this, we have prioritized sustainability and continued to maintain relationships with our investments.

In year two, we received 7% more applications for our accelerator program than in year one, with 4% of total applicants selected for the cohort. Our investment portfolio has continued to evolve as the majority of our second cohort of companies are in the early revenue stage, which is indicative of our continued development as a seed-stage investment fund. Another area which we've focused on improving is the representation of women in leadership roles of the companies we support. In our second cohort, 100% of the companies have women in leadership roles.

MINORITIES IN LEADERSHIP ROLES OF YEAR ONE COMPANIES





Empowering patients in the rapid diagnosis of malaria through democratized urine testing

MISSION

Empowering patient-centric diagnostic testing of infectious diseases to expand and democratize access to appropriate personalized care in home and point-of-care settings and save lives at scale.

PRODUCT

Affordable, rapid diagnostic malaria test based on tech for last-mile delivery.

LEADERSHIP



Eddy Agbo
CEO and Founder



Lanre Egunlae
Head/ General Manager, Sales & Marketing (Africa)



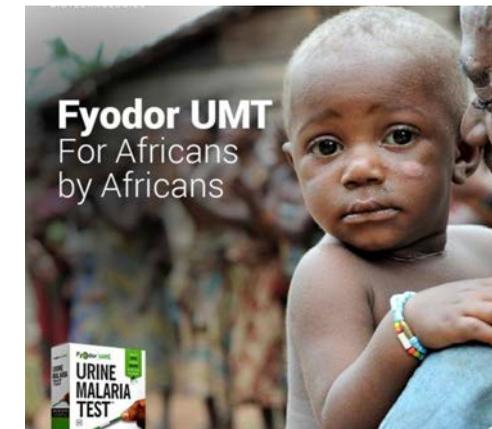
Leslin Bublin
Director, Operations

INVESTMENT RATIONALE

Given FHI 360's commitment to improving access to quality malaria prevention and treatment (e.g., Malaria Action Program for States (MAPS)), FHI Ventures recognized a potential opportunity to work with Fyodor Bio to refine their business model, scale their efforts, and in turn, enhance the success of FHI 360's malaria programs. In addition to Fyodor Bio's impact alignment, its market opportunity and sales success with little to no marketing efforts demonstrated that Fyodor Bio had identified a major need for both healthcare businesses and clients, suggesting the potential of developing both a B2B and B2C revenue model.

VALUE CREATED BY FHI VENTURES

We helped them bring their product, the Urine Malaria Test (UMT) to market, and we assisted with newly developed partnerships created with 37 wholesale pharmacies and 3,601 retail pharmacies in Nigeria that became key product distributors. The company's knowledge of their business growth strategy — including, but not limited to, the market, their capacities, barriers, and customer demand — improved by 17%. We connected Fyodor with advisors that enabled them to mitigate regulatory barriers and develop strategic partnerships.



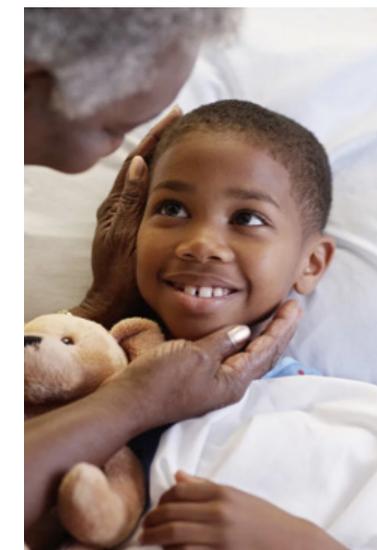
THE IMPACT OF COLLABORATION

Newly developed partnerships with **37 WHOLESALE PHARMACIES**

3,601 RETAIL PHARMACIES

These key product distributors helped to ensure the delivery of

200,000 UNITS by the end of the program



FYODOR'S BUSINESS GROWTH STRATEGY IMPROVED BY **17%**



Photos: Fyodor Bio



Helping companies understand and optimize their impact

MISSION

Creating transformational change by solving complex social problems using data

PRODUCT

GnosysTM is a context-driven analytics platform that allows organizations to understand, optimize and improve their impact performance. Organizations gain insights into their internal operations and the other parts of the ecosystems they inhabit.

LEADERSHIP



Kevin Barrow
CEO and Founder



Camille Jones
Director of Strategy



Junaid Ghauri
Cofounder and CTO

INVESTMENT RATIONALE

FHI Ventures' interest in Mark Labs was rooted in their ability to focus in on a pressing pain point in the social sector: tracking and measuring impact in real time. Mark Labs' ability to gain partnerships with Amazon Web Services, Coca Cola and Barclays in addition to FHI 360's own interest in measuring its impact inspired FHI Ventures to invest.

VALUE CREATED BY FHI VENTURES

By the end of the accelerator, Mark Labs piloted projects with NGOs and various corporations. The company's knowledge of their business growth strategy — including, but not limited to, the market, their capacities, barriers and customer demand —improved by 10%. FHI Ventures facilitated two key points of contact for Mark Labs, two advisory relationships and one strategic partnership.



Photos: Mark Labs



Photos: Mark Labs

THE IMPACT OF COLLABORATION



REAL TIME TRACKING AND MEASURING
helps to alleviate social sector pain points

2 ADVISORY RELATIONSHIPS



1 STRATEGIC PARTNERSHIP

TWO TIMES
more female representation by the end of the program



Photos: Getty Images

MARKLAB'S BUSINESS GROWTH STRATEGY IMPROVED BY **10%**





Delivering clean, safe, and efficient sanitation services

MISSION

Partnering with local governments to develop and deploy sanitation services that meet the needs of low-income, urbanizing communities

PRODUCT

Low-cost and high revenue waste treatment system that transforms waste into fuel alternatives, replacing charcoal and wood

LEADERSHIP



Andrew Foote
Cofounder and CEO



Emily Woods
Cofounder and CTO

INVESTMENT RATIONALE

FHI 360's growing work in Kenya made Sanivation an investment favorite from the onset. FHI Ventures was impressed by Sanivation's ability to develop a business model around a never-ending supply of human waste and transform it into a commodity in high demand by some of the most vulnerable populations in our target regions. In determining whether to invest in Sanivation, FHI Ventures' decision was influenced by Sanivation's dedicated management team and strong market traction, demonstrated by its uptick in demand, customers, revenue and ability to attract interest from large multilaterals and impact investors.

VALUE CREATED BY FHI VENTURES

The company's knowledge of their business growth strategy — including, but not limited to, the market, their capacities, barriers and customer demand — improved by 5%. Sanivation gained four key points of contact with the help of FHI Ventures. By the end of the program, Sanivation was selling 50+ tons of fuel per month.



THE IMPACT OF COLLABORATION



1,245 MORE USERS
in East Africa have benefited from clean, safe and efficient sanitation services



50+
TONS OF FUEL
per month by the end of the program



SANIVATION'S
BUSINESS GROWTH
STRATEGY
IMPROVED BY **5%**



Photos: Sanivation



Measuring impact in global health programs

MISSION

Enhancing health and quality of life by improving accountability and cost-effectiveness of remote water, energy and infrastructure projects

PRODUCT

Integrated water quality monitoring solution with transformative health impact and high potential policy influence

LEADERSHIP



Dr. Evan Thomas
Cofounder and CEO



Dexter Gauntlett
Cofounder and Director of Business Development

INVESTMENT RATIONALE

As FHI 360 expands into digital and WASH solutions, SweetSense presented a potential partnership opportunity to target global markets struggling to access clean water and sanitation. SweetSense's quick market uptick in four countries, partnerships from well-known corporations such as IBM, and clear business exit strategy convinced FHI Ventures of its ability to yield high financial and impact returns.

VALUE CREATED BY FHI VENTURES

The company's knowledge of their business growth strategy — including but not limited to, the market, their capacities, barriers and customer demand — improved by 3%. Upon completion of the accelerator program, SweetSense had gained six key points of contact.



THE IMPACT OF COLLABORATION

Quick market uptick in **4 COUNTRIES** led to



6 points of contact established

... and reached **1.5** million active users globally



SWEETSENSE'S BUSINESS GROWTH STRATEGY IMPROVED BY **3%**



Photos: SweetSense, Inc.



Driving adherence PrEP through patient-friendly and affordable means

MISSION

Allowing doctors to measure and improve patient adherence to medications

PRODUCT

Affordable, patient-friendly diagnostic tools measuring medication adherence

LEADERSHIP



Giffin Daughtridge
Cofounder and CEO



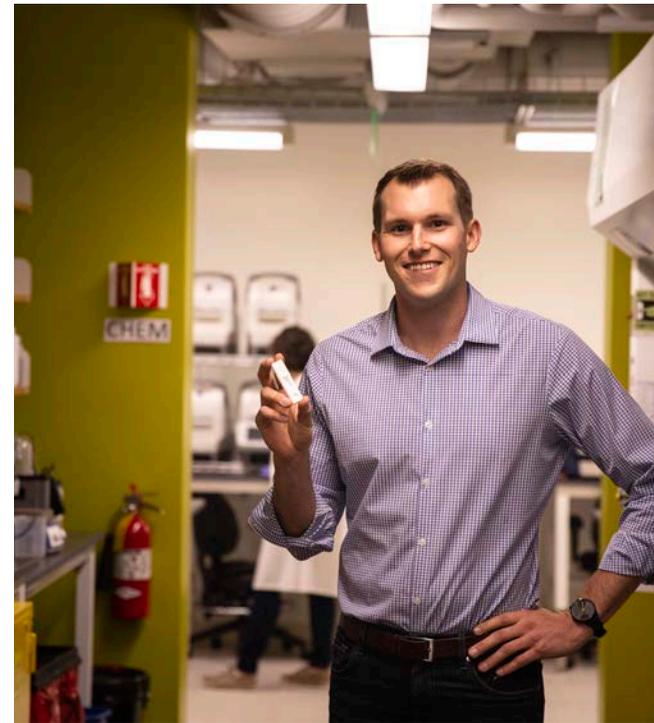
Helen Koenig
Cofounder

INVESTMENT RATIONALE

Given FHI 360's strong track record in HIV/AIDS work, FHI Ventures found UrSure's PrEP drug adherence test particularly interesting. FHI Ventures immediately recognized UrSure as a key potential partner for FHI 360 to improve its HIV/AIDS services. Most compelling to FHI Ventures, however, was UrSure's ability to garner interest from pharmaceutical companies to manufacture, test and scale its offerings. It was this critical potential exit strategy and the management team's verve that convinced the FHI Ventures team of UrSure's investment viability.

VALUE CREATED BY FHI VENTURES

The company's knowledge of their business growth strategy — including, but not limited to, the market, their capacities, barriers and customer demand — improved by 23%. FHI Ventures facilitated key advisory relationships, which were critical to UrSure's financial projections and generation of new revenue and partnerships. UrSure also finalized contracts with public health departments in both Washington, DC and Houston, Texas, as well as with AIDS Healthcare Foundation and Drexel University.



THE IMPACT OF COLLABORATION

2X DOUBLED THE LIVES impacted by services among the poorest two-thirds of the economic pyramid



SCALING UP customer base to take their next generation point-of-care tests through FDA approval



URSURE'S BUSINESS GROWTH STRATEGY IMPROVED BY **23%**

Photos: UrSure



Mission: Delivering affordable, effective health access for the global mass market.

PRODUCT

A standardized clinic model that delivers chronic care, family planning, lab testing, child immunizations and nutrition, pre and post-natal care, general outpatient consultations, and first aid, all powered by a digital health platform that visualizes and reinforces quality.



Photo: Acces Afya

LEADERSHIP



Melissa Menke
Founder and CEO



Maggie Kiplagat
COO



Dr. Daphne Ngunjiri
Managing Director



Dr. Eric Mbutia
Technology Director

INVESTMENT RATIONALE

Access Afya appears to deliver more reliable, higher quality care than private dispensaries and clinics, as well as government run health centers, giving it the potential to expand high quality health care to underserved populations. The early-stage business model has proven that patients will pay for its services, making its de-risking strategies more concrete and easier to analyze. The company is at a mature stage of market readiness and holds significant market experience.



Mission: Universal access to safe drinking water by bridging materials innovation to mass market consumer goods.

PRODUCT

Folia has invented a patented green chemistry process to use large-scale paper machinery to manufacture low-cost nano-metal functionalized materials that create new mass-market consumer products. The Folia Water Filter is a 20 cent-20L antimicrobial paper water filter in South Asia. It is the world's first ever grocery-pricing water purifier.



Photo: Folia Water

LEADERSHIP



Jonathan Levine
CEO and Co-Founder



Theresa (Teri) Dankovich
CTO and Co-Founder



Md. Rashed
VP S Asia

INVESTMENT RATIONALE

The market for bottled water consumption is large and quickly growing, creating a potentially large financial opportunity. Folia Water's potential to increase disposable incomes and improve health outcomes is valid. We believe there is reasonable opportunity for FHI Ventures to accelerate Folia Water's path to commercialization, increasing the likelihood of their products being introduced to multiple markets and leading to a greater return on investment.

Little Sparrows
Technologies
Big ideas for little babies

Mission: Ensuring that all infants have access to the medical care that they need.

PRODUCT

Solutions-based approach to neonatal jaundice management that includes bili-ruler™, a low-cost, clinically validated jaundice screening tool, and bili-hut™, the first-ever high-intensity, portable, power-adaptable phototherapy device for treating infant jaundice anywhere in the world.



Photo: Little Sparrows Technologies

LEADERSHIP



Donna J. Brezinski, MD
CEO



Gary E. Gilbert
Cofounder

INVESTMENT RATIONALE

Field testing and benchmarking have provided evidence that the product appears to be well-positioned for success due to advantages over competing products. The diagnostic product, which is currently in development, presents potential upsides that would de-risk the investment. The regulatory risk is also relatively low. FHI Ventures sees tremendous potential for adjusting the business model to improve market readiness.

THINKMD™

Mission: Expanding access to quality healthcare globally through the use of clinical intelligence software on mobile technology.

PRODUCT

Software that guides minimally skilled users through a clinical assessment and related data entry, and generates clinical decision support and guidance regarding possible health conditions, appropriate triage, treatment and follow-up. The software has been clinically validated for accuracy and usability, and it is currently being used by multiple user types (FHWs, nurses, doctors, teachers, pharmacists and families) across eight countries.



Photo: THINKMD

INVESTMENT RATIONALE

THINKMD is pursuing a relatively low-risk path to scale its number of users. Its medsync™ product, which has the potential to expand access to quality healthcare to the most vulnerable populations, holds the most intriguing impact opportunity. This is an area, among others, where FHI Ventures can support development and growth.

LEADERSHIP



Barry Finette
Cofounder
and CEO



Nick Donowitz,
CSO



Alex Broussard
CTO



Kim Brearly
CFO and
Business
Development

Vision for growth

We are proud to share the results of our 2018 accelerator program and a glimpse into the 2019 portfolio, and we are highly optimistic that our portfolio will continue to grow in financial performance, impact and market positioning. On average, the companies within our first cohort experienced a 21% increase in their knowledge of their respective business growth strategy. These five enterprises came into our accelerator program with one sense of how they were positioning their companies. Now, each one is better positioned for market success after our accelerator curriculum fostered critical reflection, diagnostic analyses and customized growth development. By the end of the program, the cohort raised a total of \$2.1 million in capital. A notable area of success within our curriculum was mentorship, with mentors guiding enterprises in their quest to scale outside of their market of focus. Companies from our first cohort continue to meet with investors and engage in opportunities facilitated through FHI Ventures connections.

FHI Ventures' network has expanded to 78 investors and strategic partners. Of these are six notable partners: GIIN, GALI, Duke Innovations in Healthcare, Duke Case Smart Impact Capital Tool, GAN and Global Development Incubator. We partnered with GIIN to launch a new Navigating Impact theme for Sustainable Forestry and Education, which identified and recommended metrics to be submitted to IRIS+ for standard development. And we are working with GALI to assess the efficacy of our Cohort 2 accelerator program.

EXPANDED TO 78
INVESTORS AND
STRATEGIC PARTNERS

FHI Ventures also had the privilege of participating in nine panel discussions and authoring a chapter for the 2018 Amplify Report highlighting the value of INGO-run accelerators for impact investing. Both of these achievements have been instrumental in expanding our brand awareness.

The results of our first cohort were promising. We learned and have improved upon our accelerator model to ensure that year two is even more successful. We look forward to our second year of cultivating investments that are more diverse, mature and collectively lower risk. Additionally, we have geographically diversified our investments to include companies that have operations in Asia. The partnerships we have established over the past year will play a role in forging new ones and furthering existing relationships.

Moving forward, we will continue to focus on building an equity-based fund focused on female empowerment and expanding our global networks to strategic regions. The FHI Ventures team is excited about what lies ahead and will continue to build our credibility and footprint in the global impact investing space.



An empowered future

 [@fhiventures](#)

 www.fhiventures.com

 Questions? Contact Priyanka Rao, Principal of FHI Ventures at prao@fhiventures.com