

Impact Investment Evaluator – KL Felicitas Foundation

Impact First Investment

Financial First Investment

Program Related Investment

Sustainability Investment

Mission Related Investment

Social Component Investment

Investment Name: Healthpoint Services Global, Inc	Investment Amount: \$100,000 convertible 3-year note with 2% interest/year
Investment Date: Two tranches December 2009 & 2010	
Asset Class: Notes/Other Debt Obligations	Region of Impact: India

Investment Due Diligence by: Raúl Pomares **Signature:** _____ **Date:** _____

Impact Due Diligence by: Charly and Lisa Kleissner **Signature:** _____ **Date:** _____

Summary Description of Investment: Healthpoint Services Global (Healthpoint Global) was founded in 2009 to address the over 200,000 villages in rural India that lack access to safe drinking water, have limited access to trained medical talent, face long waits at poorly staffed government clinics and poor access to approved medicines. E Health Points (EHPs), the company's focal offering, are units that provide families in rural villages with clean drinking water, medicines, and advanced tele-medical services that effectively "bring" a doctor and advanced diagnostic tools to rural communities. Healthpoint Global is raising both equity and debt financing to build the company and complete a pilot project of six to nine integrated Healthpoints. Six units are already in operation.

Main Contacts:

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www.globalhealthpoints.com

Supporting Documents:

- KL Felicitas Foundation Due Diligence Report, Healthpoint Services Global, LLC, Dec 2009
- Healthpoint Investor Update Feb 2010
- Legal Formation Documents
- Term Sheet and Loan Agreement

Impact Due Diligence Update: August 2010

Financial Due Diligence Update: Updated as of December 2010



KL Felicitas Foundation

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* Questions are scored by -1, 0 and +1, estimating a degree of alignment with the Foundation's programs, mission, intended impact and investment strategy.
-1 is a low alignment score; +1 is a high alignment score

Program/Mission/Sustainability Due Diligence (Foundation Directors and Philanthropic Advisors)		
Alignment with the Foundation		Score*
<p>1a. How does this investment align with the impact objectives of the Foundation?</p> <p>b. In what area(s) does the Foundation believe this investment will contribute the greatest degree of impact?</p>	<p>a. Supporting sustainable rural social enterprises with high, measurable social impact is an explicit program of the KL Felicitas Foundation.</p> <p>b. <input checked="" type="checkbox"/> Program Impact <input type="checkbox"/> Mission Impact <input type="checkbox"/> Sustainability Impact Notes: Program Impact will be greatest in the areas of sustainable economic development for rural communities. Specifically, increased access to clean water and trained medical professionals; and new access to medicine and employment opportunities as Healthpoints begin to replicate.</p>	+1
<p>2a. Are there any elements of this investment that are contrary to any value(s) of the Foundation?</p> <p>b. If so, how is this being addressed?</p>	<p>a. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b.</p>	+1
<p>IRS Compliance: If this is a Program Related Investment, answer questions (3a-c) and question (4) below. If not, proceed to question 5.</p> <p style="text-align: center;">This <input checked="" type="checkbox"/> IS <input type="checkbox"/> IS NOT a Program Related Investment.</p>		Score
<p>3. Is this investment compliant with the definition of PRI in the Tax Reform Act of 1969 section 4944?</p> <p>a. Is its primary purpose to advance the Foundation's charitable objectives?</p> <p>b. Is a significant purpose of the investment to generate financial return (either income production or property appreciation)?</p> <p>c. Will funds be used either directly or indirectly to lobby or for political purposes?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>a. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: This PRI aligns very closely to the Foundation's objectives of empowering rural communities through sustainable economic development. Access to clean water and basic medical care are among the underpinnings of healthy, sustainable communities. Healthpoint works specifically to provide these services to communities in rural India.</p> <p>b. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Healthpoint's term sheet indicates that this loan capital provided to the organization will be unsecured, subordinated and will pay 2.0% interest per year, far lower than an appropriately risk-adjusted rate would attract in commercial markets.</p> <p>c. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	+1
<p>4. What conditions exist that suggests this PRI is a more effective or appropriate vehicle for achieving the Foundation's programmatic objectives versus a grant?</p>	<p>PRI capital provided by foundation investors offer a unique opportunity to provide social capital to the development of a pilot program, which if successful will then allow a social enterprise to achieve access to more traditional forms of capital. Healthpoint anticipates that it will attract commercial investment after proving the business model is profitable.</p>	+1
Relationship & Reputation		Score
<p>5a. How well does the Foundation know the investment and/or strategy?</p> <p>b. What is the nature and duration of this relationship?</p>	<p>a. Foundation principals have visited Healthpoints in India and know Al Hammond through numerous in-person meetings. Foundation investment advisor has also met with Healthpoint management during investment due diligence process</p> <p>b. Investment advisor and Foundation principals have been in discussion with Healthpoint Global since early 2009.</p>	+1

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<p>c. Have members of the foundation made site visit(s)?</p>	<p>c. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: Site visit to India November 2009 and February 2010</p>	
<p>6a. Have other Foundations recognized this as an impact investment? b. Do other respected partners of the foundation have a relationship with or experience with this investment?</p>	<p>a. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: b. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: The Eleos Foundation, The Springcreek Foundation and Woodcock foundation have all made PRI investments in Healthpoint. Ashoka also has a long relationship with Al Hammond, director of Healthpoint.</p>	+1
<p>7a. How integral to the success of the investment is: <input checked="" type="checkbox"/> Program Impact <input type="checkbox"/> Mission Impact <input type="checkbox"/> Sustainability b. What is the form and level of personal commitment by the investment principals and/or founders to the impact described above? c. How much personal financial capital have the investment principals and/or founders committed to the investment?</p>	<p>a. Customers will pay Healthpoint for providing potable water, and will also pay for basic medical consultations. As demand for both of these services grows, program impact will expand proportionally. b. Al Hammond and Amit Jain, Healthpoint's main principals, have taken a bottom up approach to addressing the needs of the Base of the Pyramid in India, and Healthpoint's business model has an explicit commitment to social impact, particularly in rural communities. c. Unknown.</p>	+1
Impact Monitoring & Reporting		Score
<p>8a. What approach will be used to evaluate the impact of the investment? Are there specific metrics for reporting? b. What is the proposed nature and scale of the impact, e.g. in 1 year, 3 years, long-term?</p>	<p>a. Healthpoint Global tracks all client visits through electronic medical records, and thus can report on the purpose of each visit and trends that may reveal particular social outcomes over time. Healthpoints track number of medical consultations, diagnostic tests performed, and number of users of drinking water. b. Healthpoint is currently initiating a pre/post health outcomes study that will begin to measure reduction in disease, etc. Results of this study will be reported in the medium- to long-term. Immediate hygiene and health impact will occur with increased access to clean water and medical services.</p>	+1
<p>9. Will the Investment Manager provide impact-related reporting?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: Relevant KL Felicitas Foundation impact indicators include number of individuals with access to clean water; and total number of patient visits. Healthpoint has been reporting these figures to the Foundation on an informal basis to date.</p>	+1
<p>10. Does the investment scale, accelerate, support or re-enforce other Impact Investments in the investment or grant portfolios?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: The Foundation has made numerous investments to increase the availability of clean water in rural communities around the world. Healthpoint complements another portfolio investment that provides clean water in rural Indian communities, but makes use of a different technology to purify water.</p>	+1

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Investment Due Diligence (Investment Advisor)			
Investment Structure & Portfolio Implications		Score	
11. Investment due diligence process	<input checked="" type="checkbox"/> Impact First due diligence process <input type="checkbox"/> Financial First due diligence process <input type="checkbox"/> Other (describe any exceptions or modifications to the due diligence process).	+1	
12a. What is the structure of the investment under consideration? b. Is the investment structure ideally suited to achieve both the appropriate risk adjusted rate of return while promoting the foundation's impact objectives?	a. The investment is structured as a convertible note. b. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes: The note provides capital for the pilot phase and proof of concept with the goal of attracting commercial capital. Thus, the risk is appropriate for this type and stage of investment.	+1	
13. Asset Class	<input type="checkbox"/> Cash and Equivalents <input type="checkbox"/> Fixed Income <input checked="" type="checkbox"/> Notes/Other debt obligations <input type="checkbox"/> Public Equity <input type="checkbox"/> Private Equity Notes: 3 Year Convertible Note	<input type="checkbox"/> Hedge Funds <input type="checkbox"/> Venture Capital <input type="checkbox"/> Real Estate <input type="checkbox"/> Real Assets 0	
14a. Will members of the Foundation play an active role in the investment? b. If so, will questions of self-dealing arise?	a. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b. Charly Kleissner is a member of the board, but receives no compensation.	0	
Investment Monitoring & Reporting		Score	
15a. What is the financial benchmark that will be used to evaluate this investment? b. Over what period(s) of time will we measure the investment performance?	15a. <input type="checkbox"/> Market indices Specify: <input checked="" type="checkbox"/> Absolute Return Specify: CPI <input type="checkbox"/> Peer Group Comparison Specify: Notes: Benchmark will change if note is successfully converted to equity.	15b. <input type="checkbox"/> < 1 year <input checked="" type="checkbox"/> 3-5 years <input type="checkbox"/> 5-10 years <input type="checkbox"/> 10-20 years <input type="checkbox"/> > 20 years Notes: A longer time period is anticipated, if note is successfully converted to equity.	+1
Additional Comments or Observations			