

GLOBAL PARTNERSHIPS

IMPACT-FIRST INVESTING



ANNUAL REPORT 2018



EXPANDING OPPORTUNITY FOR
PEOPLE LIVING IN POVERTY

LETTER FROM THE CEO

This year, we celebrate Global Partnerships' 25th anniversary of expanding opportunity for people living in poverty. Our founding inspiration was the belief that everyone deserves the chance to earn a living, provide the basic necessities of life for their families, and improve their lives. That inspiration has guided our work ever since.

This past year was highlighted by exceptional social impact and strong results across our portfolio. Most importantly, our investing brought meaningful opportunity into the lives of 4.2 million people. And our impact-first investing is increasingly addressing multiple facets of poverty – from earning a living to educating children, from creating access to decent shelter to providing basic healthcare, from lighting poor households with renewable energy to ensuring access to clean water and decent sanitation.

By the numbers, Global Partnerships (GP) invested over \$64 million this fiscal year, a 75 percent increase over last year, bringing cumulative investments to \$317 million. As of June 30, 2018, GP had active investments in 72 partners across 20 countries in Latin America, the Caribbean, and sub-Saharan Africa.

All of GP's funds continue to perform. Social Investment Fund 5.0, a \$50 million debt fund, reached its half-way point and is fully invested, and recently made our organization's first investment in Argentina.

Social Investment Fund 6.0 has \$47 million invested towards its target fund size of \$75 million, and continues our expansion across sub-Saharan Africa, with recent investments in Ghana, Rwanda and Zambia. Finally, our Social Venture Fund was fully subscribed at \$5 million, and now has more than \$1.5 million in seed and early stage capital invested in six startup social enterprises serving the basic needs of the poor. During this past year, this fund added a new partner that helps smallholder farmers expand their incomes, and made two follow-on investments in existing portfolio companies.

Within the last 12 months, GP also crystallized what it means to be an "impact-first" investor. By impact-first, we seek clear and compelling levels of social impact on four dimensions, while seeking to preserve capital with a modest return for all fund investors. These four dimensions include:

1. *Broadening Opportunity* – We have a holistic understanding of poverty, so we seek to invest across all facets of poverty: livelihoods, education, energy, health, housing, sanitation, and water.
2. *Deepening Inclusion* – We invest at the edge of the conventional market, emphasizing approaches that include people marginalized by depth of poverty, gender, and/or geography, especially impoverished women and the rural poor.


3. *Serving Millions* – We believe that every person matters, and we want to expand opportunity for as many people as possible. We therefore focus on sustainable approaches that can, over time, scale to serve millions of people living in poverty.

4. *Improving Lives* – We only invest where evidence convinces us that people living in poverty value the opportunity being delivered and are empowered by it – economically or otherwise – to improve their lives.

By pursuing an impact-first approach, we hope to blaze a trail for others to follow – showing any investor who wants to dedicate more of his or her capital to sustainably addressing the needs of billions of impoverished people, that it's possible.

All of our work is made possible by the support of our philanthropic and fund investors. Thank you for your commitment to our mission, and for the trust you place in us to make a difference around the world.

With Gratitude,



Rick Beckett
CEO
Global Partnerships



SOCIAL IMPACT THIS YEAR

From July 1, 2017 to June 30, 2018

4.2 million

lives impacted

\$64 million

impact-first capital deployed

87

impact-first investments made

18

new social enterprise partners

4

new countries reached:
Argentina, Ghana, Rwanda, Zambia

*Dollar amounts in this report over \$1 million
are rounded to the nearest \$100,000.*



ACTIVE PORTFOLIO

As of June 30, 2018

\$97.6MM

impact-first capital

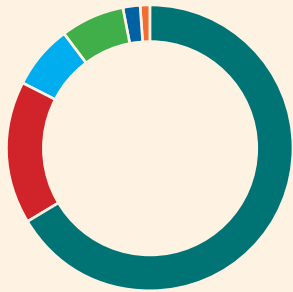
72

social enterprise
partners

20

countries

ACTIVE CAPITAL DEPLOYED BY OPPORTUNITY AREA



\$66.4MM LIVELIHOODS

\$16.2MM HEALTH

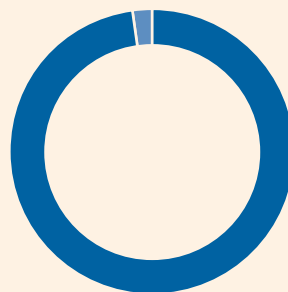
\$7.3MM ENERGY

\$7.1MM HOUSING

\$445K SANITATION

\$125K EDUCATION

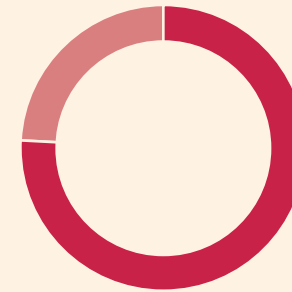
ACTIVE CAPITAL DEPLOYED BY STAGE



\$95.6MM DEBT FUND

\$2MM EARLY STAGE

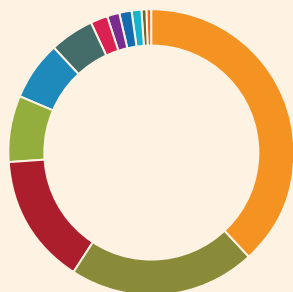
ACTIVE CAPITAL DEPLOYED BY REGION



\$74.3MM LATIN AMERICA
& CARIBBEAN

\$23.3MM SUB-SAHARAN
AFRICA

ACTIVE CAPITAL DEPLOYED BY INVESTMENT INITIATIVE



\$39.2MM Women-Centered Finance with Education

\$21.4MM Rural-Centered Finance with Education

\$15.2MM Women-Centered Finance with Health

\$7.1MM Home Improvement Finance

\$6.6MM Solar Lights

\$4.7MM Smallholder Farmer Market Access w/ TA

\$986K Health Clinic Services

\$750K Artisan Market Access

\$700K Cookstoves

\$445K Urban Sanitation

\$329K Smallholder Farmer Inputs w/ TA

\$125K Digital Study Materials

SOCIAL IMPACT PROFILE



Cookstoves

Lisa Charity Mwangi (upper right) lives in an informal settlement outside Nairobi, Kenya. Like many peri-urban settlements of its kind, electricity is hard to come by. So many families cook with charcoal.

Envirofit, one of GP's partners in Kenya, is an industry-leading improved cookstove manufacturer. Its core business in the last five years has been offering advanced cookstoves that burn wood and charcoal safer, have lower CO2 emissions, and reduce both cooking time and cooking fuel costs.

Naomi bought Envirofit's "SuperSaver Charcoal" cookstove for its portability and cleanliness preventing ash from spreading throughout her house. In addition, the stove body stayed cool while cooking, and produced a large amount of heat while using less fuel. With her old stove, one small package of charcoal wasn't enough to cook a meal for her family. With her new stove, the same amount of fuel lasts for 3 days.

"Using this stove takes me less minutes to cook a meal. With my old *jiko* it took me two hours. With this one it takes 30 minutes. The normal *jiko* can break, but this one cannot," Naomi said.

Naomi and her husband have jobs but their incomes are often not enough to cover their household expenses. Envirofit hires local women like her as sales agents to sell Envirofit cookstoves.

Now between the money Naomi saves on charcoal and what she earns from selling Envirofit cookstoves, Naomi is able to cover expenses like her children's school fees and still have some income left over.

Looking to add further product innovation and widen their product offering, Envirofit has also launched a new line of affordable Liquid Petroleum Gas cookstoves. By listening to their customers, Envirofit is working to provide millions of people around the world with safe, clean and affordable cooking solutions that are catered to local preferences.

Partner Profile:	Country:	Stoves Sold:	Founded:
Envirofit	Multi-country	1.6+ million	2003

ENERGY

COOKSTOVES



Low income households regularly spend a large portion of their time and income buying and cooking with harmful cooking fuels such as kerosene and charcoal. Each year, 3.8 million people die prematurely from inhaling indoor air pollution caused by inefficient cooking methods. We invest in manufacturers and distributors of affordable, fuel-efficient cookstoves to improve household health and reduce fuel expenses.

ACTIVE PORTFOLIO*

\$700,000

Impact Investments

3 Partners



FISCAL YEAR 2018 RESULTS**

\$700,000

New Impact Investments

29,961

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

SOLAR LIGHTS



Roughly 1.2 billion people worldwide do not have access to electricity. They spend an estimated \$27 billion annually on dangerous alternatives such as kerosene lamps, candles and batteries. We invest in manufacturers and distributors of quality, low cost solar lights and home systems. These affordable solutions improve the economic position and quality of life of households living beyond the grid.

ACTIVE PORTFOLIO*

\$6.6MM

Impact Investments

4 Partners



FISCAL YEAR 2018 RESULTS**

\$8.2MM

New Impact Investments

2,638,572

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

LIVELIHOODS

WOMEN-CENTERED FINANCE WITH EDUCATION



56 percent of adults who lack access to formal financial services are women. This is our largest initiative. We invest in microfinance institutions that deliver credit and savings alongside education. This empowers women living in poverty to improve their economic resilience.

ACTIVE PORTFOLIO*

\$39.2MM

Impact Investments

26 Partners



FISCAL YEAR 2018 RESULTS**

\$25.2MM

New Impact Investments

540,129

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

RURAL-CENTERED FINANCE WITH EDUCATION



An estimated 1.7 billion adults lack access to formal financial services. Access to financial services tends to be lower in rural areas. We invest in financial institutions that deliver credit and training to improve the livelihoods and well-being of rural households.

ACTIVE PORTFOLIO*

\$21.4MM

Impact Investments

17 Partners



FISCAL YEAR 2018 RESULTS**

\$9.4MM

New Impact Investments

164,647

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

LIVELIHOODS

SMALLHOLDER FARMER MARKET ACCESS



There are an estimated 500 million smallholder farmers in the world. Smallholder farming is often characterized by lack of access to markets, fair prices and quality agronomic technical assistance. To improve the economic position of smallholder farmers and their families, we invest in agricultural businesses that provide them with market access and technical assistance.

ACTIVE PORTFOLIO*

\$4.7MM

Impact Investments

11 Partners



FISCAL YEAR 2018 RESULTS**

\$7.1MM

New Impact Investments

28,929

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

ARTISAN MARKET ACCESS



Most artisans in the developing world do not have access to international markets that would enable them to receive fair prices and reach more customers. This initiative invests in partners that provide artisans with access to markets as well as price premiums to increase and stabilize their household income.

ACTIVE PORTFOLIO*

\$750,000

Impact Investments

1 Partner



FISCAL YEAR 2018 RESULTS**

\$750,000

New Impact Investments

9,951

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

LIVELIHOODS

SMALLHOLDER FARMER INPUTS



The vast majority of farmers in the developing world are smallholder farmers. Limited access to information and quality agricultural inputs like improved seeds hinders production and income. We aim to increase incomes and food security of smallholder farmer families by investing in organizations that deliver affordable, high-impact inputs, along with technical assistance including via cell phone.

ACTIVE PORTFOLIO*

\$329,000

Impact Investments

2 Partners



FISCAL YEAR 2018 RESULTS**

\$250,000

New Impact Investments

68,806

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

EDUCATION

DIGITAL STUDY MATERIALS



More than 50 million school age children in sub-Saharan Africa are out of school. For those enrolled, high student-to-teacher ratios and lack of quality study materials prevent students from advancing their education. Our partner in this initiative gives children the resources they need to learn by investing in affordable, interactive study content via low-cost mobile phones.

ACTIVE PORTFOLIO*

\$125,000

Impact Investments

1 Partner



FISCAL YEAR 2018 RESULTS**

\$0

New Impact Investments

335,275

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

WOMEN-CENTERED FINANCE WITH HEALTH



1.3 billion people worldwide do not have access to effective and affordable health services. This lack of access and burden of disease continue to be shouldered disproportionately by women. We invest in microfinance institutions that deliver basic health services and education, combined with credit and savings, to improve the health and economic position of women and their families.

ACTIVE PORTFOLIO*

\$15.2MM

Impact Investments

12 Partners



FISCAL YEAR 2018 RESULTS**

\$7.6MM

New Impact Investments

173,464

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

HEALTH CLINICS



Many families living in poverty are often forced to go untreated or rely on poor-quality care from unqualified providers, resulting in distrust, increased costs, complications and, all too often, death. GP aims to improve the health and economic position of households living in poverty by investing in primary and specialty care clinics that provide high quality, low cost services.

ACTIVE PORTFOLIO*

\$986,000

Impact Investments

3 Partners



FISCAL YEAR 2018 RESULTS**

\$426,000

New Impact Investments

47,871

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

SANITATION

URBAN SANITATION



Worldwide, 2.3 billion people lack access to basic hygienic sanitation services. Inadequate and unhygienic sanitation is the second largest cause of disease in the world. We aim to improve the health and economic position of urban and peri-urban households through our investment in sustainable waste value chains, including sanitary toilets with waste management services.

ACTIVE PORTFOLIO*

\$445,000

Impact Investments

1 Partner



FISCAL YEAR 2018 RESULTS**

\$0

New Impact Investments

54,676

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

HOUSING

HOME IMPROVEMENT FINANCE



1.2 billion people worldwide live in inadequate and unsafe housing. The majority of residential construction in the developing world is done through incremental home improvements. We aim to increase household health, security and sense of dignity by investing in microfinance institutions that provide financial services and technical assistance such as budgeting for home improvements.

ACTIVE PORTFOLIO*

\$7.1MM

Impact Investments

5 Partners



FISCAL YEAR 2018 RESULTS**

\$4.6MM

New Impact Investments

107,924

Lives Impacted

*As of June 30, 2018

**From July 1, 2017 to June 30, 2018

SOCIAL IMPACT PROFILE



Home Improvement Finance

For most of Francisca's life, she rented a home.

In 2008, she could finally afford to purchase a small plot of land. She dreamed of building her own home for her and her two sons.

Her dream languished for nine years. Finally, in January 2017 she met with a loan officer at Serfigsa. One of GP's partners in our Home Improvement Finance initiative, Serfigsa is a Nicaraguan microfinance institution providing financial services to clients to increase their income, assets, and well-being.

Our investment supports Serfigsa's portfolio of financing and basic assistance for home improvement projects, such as upgrading from a dirt to a concrete floor, adding security features like bars on windows, and expansions like adding a room or improved sanitation.

Francisca received a loan from Serfigsa to build her first home. They also connected her with an engineer who helped her plan the project and employ safe construction practices.

10 years after she bought her land, Francisca and her sons now live in their own home.

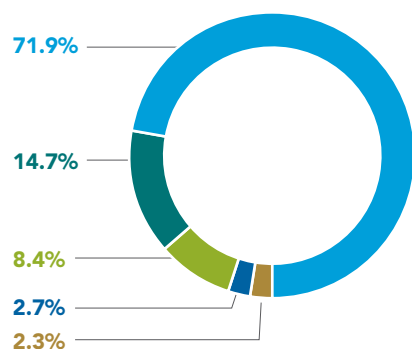
As her boys grow, Francisca hopes to add on to her home. When she does, she says she wants to work with Serfigsa again.

Partner Profile:	Country:	Clients:	Founded:
Serfigsa	Nicaragua	6,169	2009

FINANCIAL PERFORMANCE

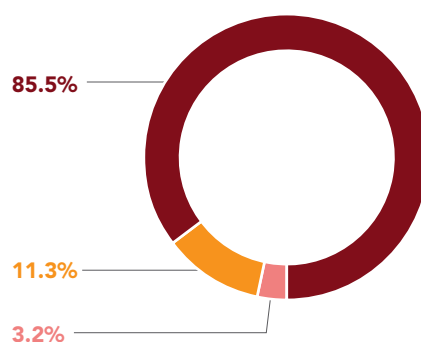
In Fiscal Year 2018, 97.5 percent of GP's total cash outflows went to support and expand our impact-first investments.

Revenues



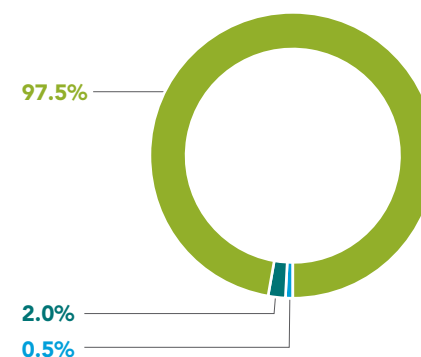
	FY2018	FY2017
Impact investment interest income*	\$6,253,000	\$5,586,000
Individual contributions	\$1,281,000	\$1,111,000
Earned and other income	\$733,000	\$499,000
Institutional contributions	\$230,000	\$442,000
Gifts in kind	\$202,000	\$331,000
Total revenues	\$8,699,000	\$7,969,000

Expenses



	FY2018	FY2017
Programs	\$7,791,000	\$7,647,000
Fundraising	\$1,030,000	\$950,000
Management and general	\$291,000	\$260,000
Total expenses	\$9,112,000	\$8,857,000

Cash Outflows



	FY2018	FY2017
Impact investments and operations	\$51,185,000	\$35,243,000
Fundraising	\$1,043,000	\$905,000
Management and general	\$294,000	\$252,000
Total cash outflows	\$52,522,000	\$36,400,000

To view our complete audited financials, please visit globalpartnerships.org

**Past performance is not a guarantee of future results.*



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Global Partnerships
1932 First Avenue, Suite 400
Seattle, WA 98101
206-652-8773
globalpartnerships.org