Deutsche Bank
Community Development Finance Group

Global Social Investment Fund

Global Commercial Microfinance Consortium II

Fund Rationale
The microfinance industry is going through an important phase of evolution following the global recession and the crisis in the Indian microfinance sector where aggressive commercialization caused excessive focus on rapid growth and profit generation, rather than providing appropriate services and products to meet the needs of MFI clients. At this difficult time of transition for the industry, it is critical to direct funds to support and highlight MFIs that are client-focused, transparent, ethical and motivated to deliver products that address the needs of their clients with balanced profitability.

Fund Investment Strategy
Building on the success of the recently matured landmark fund, Global Commercial Microfinance Consortium I, the Global Commercial Microfinance Consortium II ("Consortium II") is bringing capital to support the growth of institutions that want to pursue objectives that balance social goals with financial responsibility and that demonstrate a high level of customer care and product innovation to better serve their clients. Consortium II utilized an innovative fund structure, introducing self-generating reserves to address the perpetual challenge of raising sizable funds in subordinated tranches for microfinance and other socially-motivated fund structures.

Consortium II provides both long-term senior and subordinated debt in USD or Local Currency to MFIs operating globally that prioritize the highest standards of client care, transparency of operations and pricing, and product innovation. The long tenor of the fund has enabled it to support the creation and growth of MFIs' housing finance products to the poor. The Fund not only incorporates extensive financial analysis and enterprise level due diligence, but also includes analysis of the MFIs' adherence to their social mission and focus on customers. In addition, the Fund will offer short-medium secured term loans to social businesses in the fields of healthcare, education, energy, agribusiness, and technology that improve the quality of life at the "Bottom of the Pyramid", providing investors with exposure to new social business models.

A technical assistance facility is established to support MFIs to become certified under the Smart Campaign's Client Protection Principles through diagnostics, personalized TA, and eventual certification. Additional targeted training may be offered to specific MFIs to further assist them in training on customer service as well as product innovation, particularly in housing microfinance. The Facility will be supported through contributions from a European development agency, other development agency partners, and from the Fund's profits.

Portfolio Details
Consortium II was established in June 2012. It has developed a diverse pipeline of over US$ 95mm in loans to MFIs and social enterprises. As of Q4 2013, the fund has provided US$82.965mm to over 30 institutions in 15 countries.

Country Distribution of Outstanding Portfolio (Q4 2013)

Country	Borrowers	% Portfolio	Country	Borrowers	% Portfolio
Azerbaijan	2	11%	Kenya	1	1%
Bolivia	1	1%	Kyrgyzstan	3	9%
Cambodia	3	11%	Mexico	2	4%
Ecuador	2	7%	Nicaragua	1	2%
Georgia	2	12%	Nigeria	1	1%
Honduras	1	3%	Peru	1	1%
India	6	19%	Tajikistan	5	12%
Kazakhstan	2	7%			

*Global Social Debt Fund management fees typically range from 1.50% to 2.00% of Outstanding Gross Loan Portfolio. Deutsche Bank's fees are among the lowest in the microfinance fund management sector.

Fund Facts

Legal Name	Global Commercial Microfinance Consortium II B.V.
Target Capitalization	$100mm
Domicile	Netherlands
Inception	June 2012
Fund Term	7 Years *2 Yr Investment Period*
Investment Advisor	Deutsche Bank
Assets Held	Senior & Mezzanine Debt, FX Hedges
Base Currency	USD
Management Fee	1.25% (Annual)*

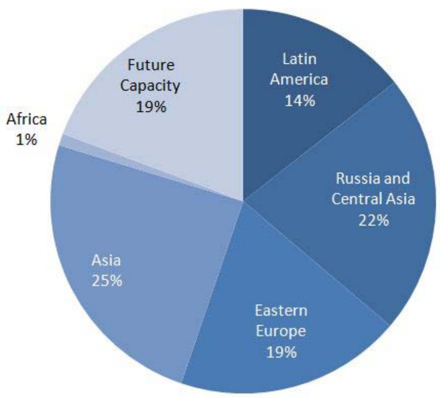
Portfolio Holdings

Target Portfolio Size	$100mm
Current # MFIs / SEs	31
Local Currency Loans	30%
Avg. Loan Tenor	5 Yrs

Social Metrics

Active Clients Served by Investees	3,737,000
Estimated # Loans to Microentrepreneurs Funded during Term	173,800

Regional Distribution



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Capital Structure Details
Financing was made available through a private placement to a consortium of investors including institutional investors, individual social investors, and development financial institutions.

Structure Innovations
The Consortium II introduced a new concept to social investing, with a unique self-generated reserve to provide risk protection to investors.

At the time of closing, a bridge facility holds a second loss position, to be repaid after two years into the Fund's life. While the bridge facility is outstanding, the Junior and Senior Noteholders receive lower coupon payment, which allows reserved profits to build up, gradually replacing the bridge facility without impacting the subordination levels of the various investor tranches. Six months after the bridge facility is repaid in full, the Senior and Junior Noteholders are scheduled to receive higher coupon payments, sufficient to achieve the lifetime return targets.

	Tranche Size (% portfolio)	Subordination Protection	Projected Returns*	Tenor
Senior Notes	80%	20%	~4.4% IRR	7 yrs
Junior Notes	10%	10%	~5.5% IRR	7 yrs
Mezzanine Notes	3%	7%	~6.9% IRR	7 yrs
Bridge Facility Notes/ Retained Reserves	4%	3%	4.75% IRR	~2yrs
Subordinated Notes	3%	N/A	~8.4% IRR	7 yrs

**Projected Returns Assume 3% Portfolio Write-Offs*

Investment Advisor Profile

Deutsche Bank, through its Community Development Finance Group, has relationships with more than 120 MFIs in over 50 countries, having deployed approximately $220mm to MFIs through its funds, with over $600mm in social investment assets under management.

DB has a history of industry leadership and innovation with the funds that it creates and manages:

First global bank to create a microfinance fund more than a decade ago, in 1997

First microfinance fund directed toward institutional investors

First microfinance subordinated debt fund rated by Fitch

First sub-debt microfinance fund created in partnership with an international microfinance network and funded fully by private capital

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