

Truestone Impact Fund LP

TERM SHEET

The following is a summary of the principal terms of Truestone Impact Fund LP (the Fund) and is being provided on a confidential basis to a limited number of qualifying investors. This summary is not intended to be a complete description of the terms of the Fund.

The Fund	Truestone Impact Fund LP, an English Limited Partnership.
The Manager	<p>Truestone Impact Investment Management Limited, an English limited company authorised and regulated by the Financial Conduct Authority with number 522413, will serve as the Manager of the Fund.</p> <p>The Manager may choose to employ investment advisory services from one or more local investment partners in order to achieve the Fund's investment objective.</p>
Guiding Principles	<p>The manager has a three pillar strategy for the Fund:</p> <ul style="list-style-type: none">- wealth creation for investors and investees- measurable social and environmental impact to transform lives in poor and disadvantaged communities- cultural change within the businesses we support through investment, by mentoring in best business practices and governance.
Investment Strategy	<p>The Fund will invest globally in primarily private equity and/or private debt. Each investment will be focused on providing a positive and measurable social and/or environmental impact. Whilst the Fund has a global remit its focus is on frontier markets. The Fund will therefore invest in sectors such as sustainable agriculture, education, renewable/clean energy, financial services (including finance for small and medium sized enterprises (SMEs) and microfinance), health care, housing and community facilities and water.</p> <p>The Manager has built up a network of local investment partners across its key regions that will help to identify and nurture high potential SMEs.</p>
Diversification	The Manager will seek to achieve a diversified approach to asset class, markets and sectors, primarily investing in SMEs.
Target IRR	The Fund will target a return of 12% (excluding annual dividend distributions) in the Fund's base currency, net of carried interest, expenses and fees.
Base Currency	The base currency of the Fund will be the US Dollar.
Subscriptions	The minimum subscription: US\$25,000, although the Manager may accept subscriptions of lesser amounts, at its discretion.
Size of the Fund	The target for subscriptions is US\$25million. It is anticipated that commitments equal to approximately US\$7.5 million will be made by Seed Investors as of the first closing.
Open for Investment	The Fund is open for investment from October 2013.
Closings	<p>The Fund's first closing took place in January 2014.</p> <p>Subsequent closings may be held at such times as the Manager may determine, with the date of the final closing on 30 April 2015 (subject to extension with the consent of a majority in interest of the Investors).</p>
Seed Investors	At the first closing, the Fund invited shareholders of IM Truestone Global Impact Fund to make a seed investment in the Fund equal to the net asset value of their shares. As of the date of the first closing, each Seed Investor subscribed for a commitment in an amount equal to the value of its Seed Investment, and in exchange received a Limited Partner interest in the Fund.
New Investors	The Fund is suitable for Sophisticated, High Net Worth or Professional Investors only, as defined by the Handbook of rules and guidance of the Financial Conduct Authority.
Term	The term of the Fund will be five years, with the option to extend by two additional two year periods, subject to approval of a majority in interest of the Investors.

Valuation Basis and Methodology	A desktop valuation will be completed six monthly and a full external valuation, in accordance with BVCA guidelines, conducted annually.
Fees	Initial charge: 2% Annual charge: 2% plus carried interest (Performance Fee) of 20% of growth above 6% compound.
Distributions	Target distribution: 3% per annum funded from the debt element of the portfolio.
Reporting	The Fund will report half-yearly and will hold an annual general meeting open to Investors. Regular reporting will be undertaken using a detailed process to evaluate and verify the social and environmental impact of each investment.
Legal Counsel	Macfarlanes LLP
Auditors	Deloitte LLP
Administrator	Trinity Fund Administration Limited

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