



SOUND & SOCIAL INVESTMENTS

Science Park 400
1098 XH Amsterdam

T +31 20 888 4379
F +31 20 482 6799

info@xsml.nl
www.xsml.nl



YOUR DOUBLE PROFIT

CENTRAL AFRICA SME FUND
TARGET: USD 25,000,000

CONTENT OF PRESENTATION

- Introduction: Central Africa SME Fund
- Who are we?
- Where and how do we invest?
- Team & Track Record
- Fund characteristics
- ESG
- Checks & Balances
- Summary

Selling restrictions

The distribution of this document and the offer, sale and delivery of participations in the Fund in certain jurisdictions may be restricted by law. No action has been or shall be taken to permit the distribution of this document in any jurisdiction where any action would be required for such purpose or where distribution of this document would be unlawful. This document does not constitute an offer for, or an invitation to subscribe to or purchase, any participations in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions.

The Netherlands

The Fund has not been registered for public offer or distribution in the Netherlands, does not require a license under the Dutch Financial Supervision Act (Wet op het financieel toezicht) and is not subject to the prudential and conduct of business supervision of the Dutch Central Bank (De Nederlandsche Bank N.V.) and the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten).

United States

This document is not a prospectus. This document is intended for information purposes only. Not a public solicitation to purchase or sell Securities. Please note that it should be read in conjunction with the prospectus which can be obtained by request to the Manager.

CENTRAL AFRICA SME FUND

Target: USD 25 million for investments in DRC and CAR

Cenainvest and XSML jointly manage the Central Africa SME Fund

- XSML is a Fund Manager, based in Amsterdam, the Netherlands
- Cenainvest is a Fund Manager, based in Yaoundé, Cameroon
- Over 10 years PE experience in Central Africa, including DRC and CAR
- Cenainvest made 33 investments, 6 exits and created over 13.500 jobs
- Cooperation with KPMG, Clifford Chance, and IFC

USD 12.5 million Cornerstone Investor: IFC (World Bank)

- IFC is a member of the World Bank Group
- IFC finances private sector ventures in developing countries
- IFC committed over USD 60 billion in 140 countries
- IFC awarded XSML USD 12.5 million: 80% DRC, 20% CAR
- IFC is anchor investor and committed to the small business sector

USD 2.4 million Technical Assistance (TA) Facility to provide investment support

IFC and other donors provide TA facility for both pre- and post-investment support

TEAM XSML

Investment professionals and first hand entrepreneurial SME experience

Marcel Posthuma gained over 15 years banking experience in Africa and Asia. Marcel structured and executed mezzanine, equity and loan transactions in Asia for FMO (Dutch Development Bank). He gained experience with non performing Funds in Africa and acted as manager for the Asia team. Marcel was responsible for investments in SME Funds in India, Indonesia, Vietnam and China. Before joining FMO he has fulfilled various positions in ABN AMRO international financing operations covering Africa and South East Asia. He worked for two years in Surinam for a subsidiary of ABN AMRO in a hyper inflation environment. Marcel graduated from the University of Leiden with an MA in Law.

Jarl Heijstee has over 10 years experience in selecting, setting up, and managing investments funds in emerging markets. He is an expert in structuring private equity and mezzanine transactions in Latin-America, with a particular focus on SME and microfinance sectors. Jarl was a portfolio manager and analyst for Global Emerging Markets Equity Fund with ABN-AMRO and an investment officer for the FMO (Dutch Development Bank) in Latin-America and the Caribbean. Most recently, Jarl was based in La Paz, Bolivia, where he was responsible for setting up and rolling-out a local currency microfinance fund for Latin America. Jarl holds an MA in Management and Organization from the University of Groningen, and he is a Chartered Financial Analyst (CFA).

Jan Vos is SME entrepreneur. He founded @Globe (2000) and GovWorks (2004), now profitable internet companies. Jan conceived the idea for the companies, wrote the business plans, realized investments by informal investors, contracted MT, partners & staff, supervised product development and contracted over 250 clients, amongst others leading multinational corporations and governmental organizations. He sold the companies in trade sale to SDU Publishers in 2008. Jan holds an MA in Contemporary World History from Erasmus University Rotterdam.

TEAM CENAINVEST

Local manager: On the ground investment experience in Central Africa, including DRC and CAR

Albert Bengala is a graduate from Polytechnic School (Yaounde - Cameroon) and holds a Bachelor degree in Economics (University of Yaounde - Cameroon). He began his professional career in 1992 at Afriland First Bank (then CCEI) as a senior staff in the Research and Investment Department (DRI), where he got acquainted with the study and analysis of investment projects. Two years later, he was promoted assistant Director of that Department, then Director (1995). Between 1999 and 2002, he was Director of the Investment and Development Bank and accredited as the bank's Assistant General Manager. In 2003, he was appointed General Manager of Cenainvest, a position he has been holding until today. Albert serves as a member of the Board of Directors in a number of companies in the banking, insurance, and industrial sectors.

Baniara Yoyana is a graduate from the *Ecole Nationale de la Magistrature* – France. He has held various positions as Chief Justice in Chad, his home country. As a political leader, he has served as Minister in charge of Agriculture, Minister of Transport and Civil Aviation, Director of The Civil Cabinet, and Secretary General at the Presidency. Baniara Yoyana has been General manager of STAR, an Insurance Company operating in Chad; he has served as a Board Member in several strategic companies including BDEAC (The Development Bank of Central African States), The ONPT (Telecom Company), BIAO BANK CHAD and Catholic Relief Services. He is currently Executive Secretary of Cenainvest (since 1999) and General Manager of CAMTOBACO, an investee company of Cenainvest where he manages the turnaround of the company. Baniara Yoyana enjoys a strong network in the business world of the sub region.

Emile Ymele is an electro mechanical engineer from the Polytechnic School in Yaoundé, Cameroon. He has gained extensive experience in engineering and manufacturing in managerial positions. He joined Cenainvest in 2005 as Investment Officer. In this capacity, he originated and structured several deals in various sectors such as plastics industry, food processing, call centre, gas distribution, printing and pharmaceutical industry.

TEAM

A joint effort from XSML and Cenainvest

XSML

- Investment committee
- Hands-on involvement in screening & investment process
- Fund administration and Reporting under IPEV guidelines
- Management of TA Facility
- IFC / World Bank network and support
- Recovery & Restructuring Expertise

Cenainvest

- Network and sourcing of investments in DRC and CAR
- Due diligence and structuring of investments

Local Teams in DRC and CAR

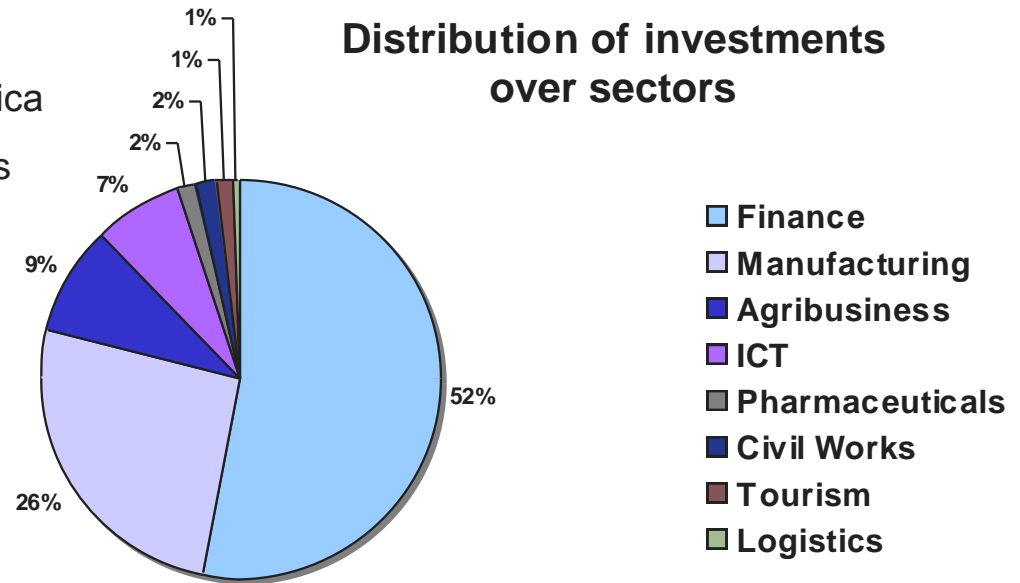
- Cenainvest staff based in DRC and CAR
- Local investment staff will be hired & trained in best practices in SME investing

TRACK RECORD CENAINVEST

- First Private Equity Fund in Central Africa (founded in 1998)
- Operations cover the total Central African region, including DRC and CAR
- Offices in Yaoundé (Cameroon), Douala (Cameroon) and Kinshasa (DRC)
- Multicultural team with expertise in a wide variety of sectors and disciplines

Track Record

- Over 10 years experience in financing and advising high potential SME's in Central Africa
- Raised over EUR 23 million across 3 Funds
- Invested EUR 13.5 million
- Financed 33 investments projects of which 18 start-ups
- 6 Exits realised
- 7 Exits to be realised
- Created over 13.500 jobs



TRACK RECORD CENAINVEST - case studies

CCIC (Cameroon)	
Type of project	Start-up
Activity	Chemicals
Investment Year	1999
Amount Invested	EUR 300.000
CENAINVEST's contribution & impact	<ul style="list-style-type: none"> ▪ CENAINVEST financed and provided technical assistance in the start-up. After disbursement CENAINVEST provided assistance in raising quality standards and improving marketing skills ▪ CCIC has become one of the largest chemicals processing companies in Cameroon ▪ At time of exit, CCIC made a turnover of EUR 11 million and realized a profit of EUR 0.4 million ▪ In total, 150 jobs were created
Exit Realized	February, 2006
IRR	28%



TRACK RECORD CENAINVEST - case studies

SAFAR (Chad)	
Type of project	Start-up
Activity	Insurances
Investment year	2000
Amount invested	EUR 150.000
CENAINVEST's contribution & impact	<ul style="list-style-type: none"> ▪ CENAINVEST financed and provided assistance in the start-up of an insurance company, who is now a mayor player in the Chadian insurance market. ▪ CENAINVEST assisted the company in becoming a professional and efficient organization ▪ In 2008, Safar made a turnover of EUR 2.7 million and realized a profit of EUR 0.6 million ▪ In total, 11 jobs were created
Exit realized	Forecasted for end 2009
IRR	Forecasted IRR at exit: 53.4%



TRACK RECORD CENAINVEST - case studies

Intelligentsia (Cameroon & DRC)	
Type of project	Start-up & Development
Activity	IT
Investment year	2002/2009
Amount invested	EUR 1.3 million in total
CENAINVEST's contribution & impact	<ul style="list-style-type: none"> ▪ CENAINVEST financed the start-up of Intelligentsia in Cameroon and after that financed the expansion of Intelligentsia to DRC ▪ CENAINVEST provides managerial assistance and contributes with its large network ▪ Intelligentsia has developed an unique technology for multifunctional I-cards and E-Governance, and has recently signed major contracts with the government in DRC, Yaoundé II University and N'Djamena University ▪ In total, 40 jobs were created
Exit realized	No



WHERE DO WE INVEST?

Democratic Republic of Congo & Central African Republic

DRC

- Ninth largest country in the world (2.35 million square km).
- Nine neighboring countries
- 65 million people
- Rich in minerals: bauxite, coal, cobalt, coltan, copper, diamond, iron, natural gas, manganese, oil, tin.
- Economic reforms since 2001, resulting in steady growth rate
- 2008 World Bank: DRC is most difficult 'Doing Business' country
- USD 300 GDP per capita is lowest worldwide, after Zimbabwe (2008)

CAR

- Population of 4.5 million
- GDP per capita USD 700
- Political stability since 2005
- Agriculture (timber) and diamonds are main economic drivers
- Landlocked with poor infrastructure

WHERE DO WE INVEST?



DRC: GDP growth p/c

2003	5.8%
2004	6.6%
2005	6.4%
2006	6.4%
2007	7%
2008	8%

WHERE DO WE INVEST?

The Poorest People in the Most Challenging Business Climate

CAR and DRC are at the very bottom of UNDP's Human Development Index and IFC's Doing Business Index



<http://hdr.undp.org>

HUMAN DEVELOPMENT REPORT 2007/2008

HUMAN DEVELOPMENT INDEX

The HDI measures achievements in terms of life expectancy, educational attainment and adjusted real income

HDI rank		HDI rank		HDI rank	
High human development		Medium human development		Low human development	
1	Iceland	71	Dominica	137	Mauritania
2	Norway	72	Saint Lucia	138	Lesotho
3	Australia	73	Kazakhstan	139	Congo
4	Canada	74	Venezuela	140	Bangladesh
5	Ireland		(Bolivarian Republic of)	141	Swaziland
6	Sweden	75	Colombia	142	Nepal
7	Switzerland	76	Ukraine	143	Madagascar
8	Japan	77	Samoa	144	Cameroon
9	Netherlands	78	Thailand	145	Papua New Guinea
10	France	79	Dominican Republic	146	Haiti
11	Finland	80	Belize	147	Sudan
12	United States	81	China	148	Kenya
13	Spain	82	Grenada	149	Djibouti
14	Denmark	83	Armenia	150	Timor-Leste
15	Austria	84	Turkey	151	Zimbabwe
16	United Kingdom	85	Suriname	152	Togo
17	Belgium	86	Jordan	153	Yemen
18	Luxembourg	87	Peru	154	Uganda
55	Slovenia	115	Costa Rica	175	Congo, rep.
56	Czech Republic	116	Zambia	176	Guinea-Bissau
57	Turkey	117	West Bank and Gaza	177	Central African Republic
58	Peru	118	Uganda	178	Congo, Dem. Rep.
59	Belize	119	Bhutan		
60	Maldives	120	India		

Note: The rankings for all economies are benchmarked to June 2007 and reported in the Country tables. Rankings on the ease of doing business are the average of the country rankings on the 10 topics covered in *Doing Business 2008*. See Ease of doing business for details.

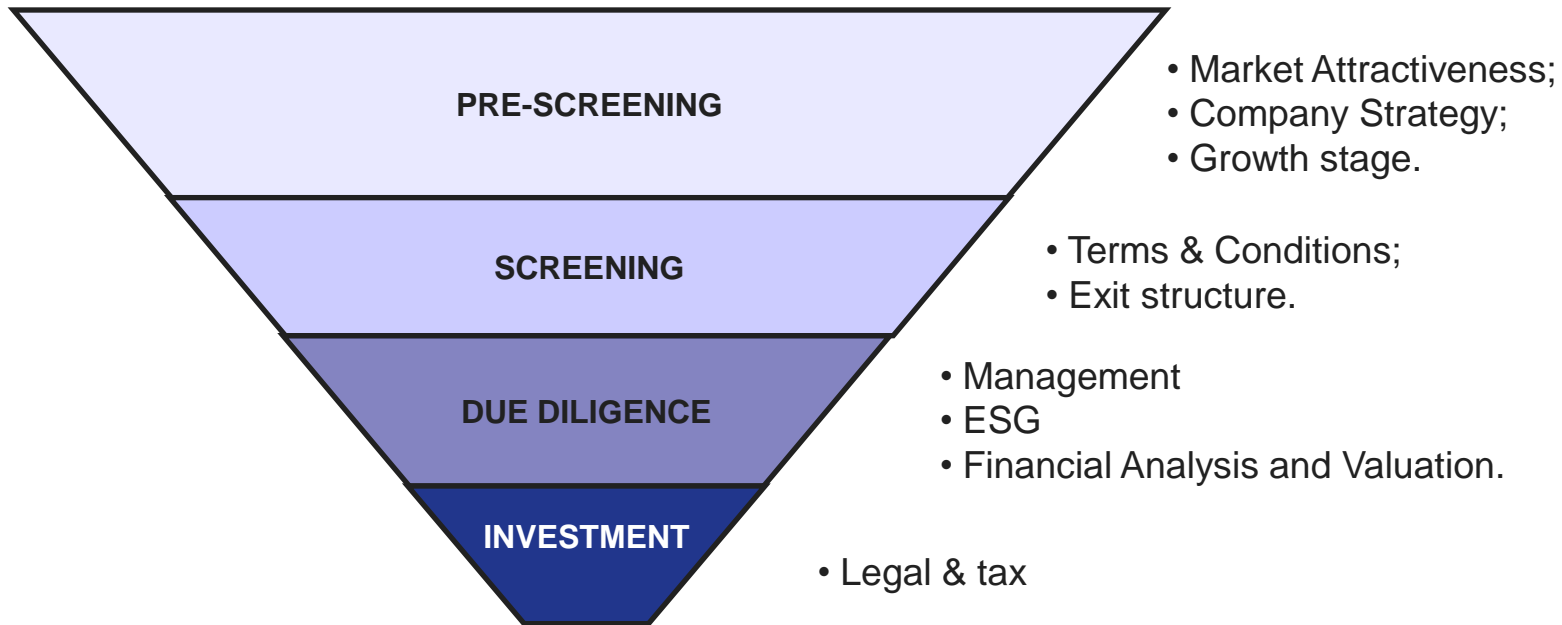
Source: *Doing Business* database.

WHERE DO WE INVEST: PIPELINE

Industry/Business	Reason of investment	Amount USD	Country
Bottled water	Investment in production line	500,000	DRC
Rice cooperative	Warehouse, storage, distribution	500,000	DRC
Microfinance	Expansion loan portfolio, branch network	250,000	DRC
Construction materials (bricks)	Expansion production	100,000	DRC
Hotel	Finalize construction, add restaurant	100,000	DRC
Taxi	Renewal and expansion car fleet	400,000	DRC
Printing/advertising	Expansion of printing capacity	500,000	DRC
Heavy Transportation	Investment in trucks	300,000	CAR
Agri-business	Production of maize, tapioca	150,000	CAR
Food processing	Expansion of cold storage	250,000	DRC
IT/ E-governance	Production of smart cards for SMEs	300,000	DRC
Bakeries	Expansion bread production	350,000	DRC
Total		3,700,000	

HOW DO WE INVEST?

From pipeline to final investment



WHERE DO WE INVEST?

Example SME (1)

Company:

- **Project:** Truck Transportation;
- **Sector :** Logistics;
- **Activity:** Transportation of goods;
- **Country:** Central African Republic.

Investment

- **Total need:** US\$ 300,000;
- **Term of investment:** 5 years.

Social impact

- ✓ Job creation;
- ✓ Remote area incorporation in the commercial infrastructure.



WHERE DO WE INVEST?

Example SME (2)

Company: “Eau de Jesus”

- **Project:** Local market mineral water company;
- **Sector :** Industry;
- **Activity:** Bottling mineral water for consumption;
- **Country:** Democratic Republic of Congo.

Investment

- **Total need:** US\$ 500,000;
- **Term of investment :** 5 years.

Social impact

- ✓ Provision of clean drinking water;
- ✓ Job creation.



WHERE DO WE INVEST?

Example SME (3)

Company: “Travail et Solidarité”

- **Project:** Microfinance Institution
- **Sector :** Financial Services;
- **Activity:** Providing saving and credit facilities;
- **Country:** Democratic Republic of Congo.

Investment

- **Total need:** US\$ 250 000 ;
- **Term of investment:** 5 years

Social impact

- ✓ Stimulating economic activities;
- ✓ Poverty reduction;
- ✓ Job creation.



WHERE DO WE INVEST?

Example SME (4)

Company: Brick of Kinshasa

- **Project:** Production of bricks;
- **Sector :** Construction;
- **Activity:** Production of bricks for construction;
- **Country:** Democratic Republic of Congo.

Investment

- **Total need:** US\$ 100 000 ;
- **Term of investment :** 5 years

Social impact

- ✓ Bringing down the cost of the construction materials;
- ✓ Job creation;



HOW DO WE INVEST?

Due Diligence

- **Quality of the Sponsor /Shareholder**

Checks on background, reputation and track record;

- **Company strategy and market attractiveness**

Sector analysis on a domestic and regional basis, company operations and value, market positioning, profitability, competition, and growth prospects;

- **Exit Options**

Predominantly self-liquidating instruments - exits through MBO, put options, and trade sales;

- **Cash Flow Analysis**

Analysis of historical and projected cash flows and verification of all key assumptions;

- **Capital Structure**

Tailored to investment's risk/return profile;

- **Valuation**

Entry and exit, benchmarking versus listed companies and recent market transactions;

- **ESG**

Verification of environmental and social impact - corporate governance;

- **Legal and Tax**

Including verification of any legal and/or tax liabilities.

HOW DO WE INVEST?

Strategy

- Local offices in DRC and CAR
- Hands-on approach with frequent on the ground contacts
- Maximum investment amount is US\$ 500.000 per SME
- Mezzanine / quasi equity instruments
- Maximum 30% in one sector
- IFC committed USD 2.4 million for TA facility

HOW DO WE INVEST?

TA Facility & IFC SME support programs

- USD 2.4 million from IFC, to be expanded by other donors and investors;
- Pre-investment TA: business plan, technical feasibility and support, value chain analysis, financial reporting;
- Post-investment TA: corporate governance, strategic planning, human resource, (recruitment/training), finance/accounting, tax/legal, technology and reporting;
- IFC SME program: SME Toolkit, Business Edge, develop local business advisory services;
- IFC CASA, Conflict Affected States of Africa Initiative: improve the business climate, unlock the growth of priority sectors and add value to investment projects.

HOW DO WE INVEST?

Action Plan first 6 months

- Setting up local management company in DRC;
- Setting up local office in Kinshasa;
- Hiring local investment and support staff;
- Set-up administrative systems and procedures;
- Marketing the fund to investors;
- Marketing the fund to the local business community in DRC and CAR;
- Develop pipeline of SME investments;
- Establish international and local network of TA and business advisory providers.

FUND CHARACTERISTICS

Checks and balances ensure a careful but decisive governance structure

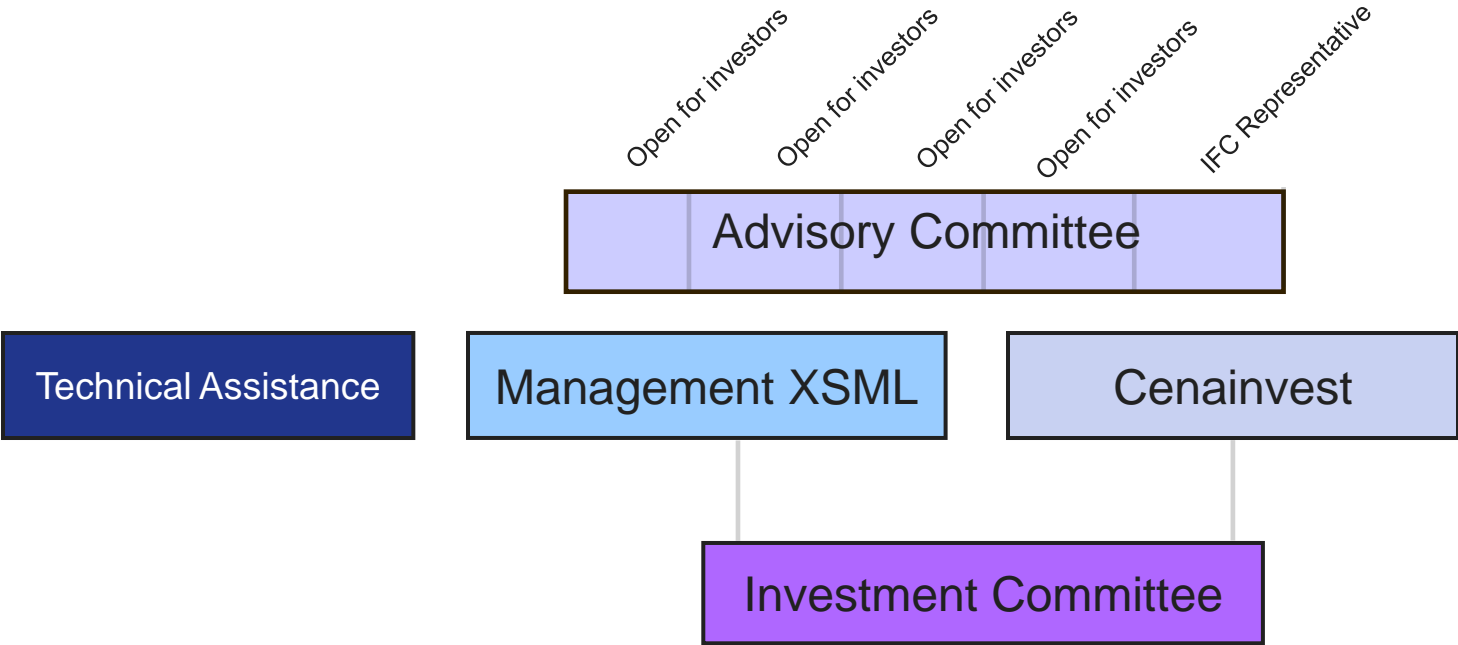
Advisory Committee

- Approves asset valuations and the Fund's investment strategy;
- Approves the Fund's financial statements and annual budget;
- Reviews any conflicts of interest.

Investment Committee

- Approves and analyze all investments and divestments proposed by the Investment Officers;
- Actively oversees the Fund's investment and exit processes;
- Reviews the SME companies' performances.

FUND STRUCTURE



FUND CHARACTERISTICS

Term

10 years plus 2 times 1 year extension

5 year commitment period

5 year holding period

Management Fee

4.25 fee over total committed capital during 5 year commitment period

4.25 fee over outstanding portfolio during 5 year holding period

Carried interest

20% carried with 4% hurdle rate

Other Fund costs

Closing fee to cover legal fees and to open new offices in DRC and CAR

Estimated 0.5% accounting, audit, fund administration

FUND CHARACTERISTICS: TAX & LEGAL

The Fund is tax neutral, set up by Clifford Chance

- The Fund is set up as a mutual fund under Dutch law.
- The Fund is set up as a tax transparent vehicle.
- The Fund is not subject to Dutch corporate tax on income and gains.
- Distributions by the Fund are not subject to Dutch dividend withholding tax.
- Feeders shall be established when appropriate after consulting the Advisory Committee.

ESG

Environmental, social and corporate governance principles

- Safe and healthy working conditions;
- Efficient use of natural resources and protection of the environment;
- The impact of operations on the local community;
- Business integrity and honesty;
- The absence of forced labor of any kind;
- The absence of child labor;
- Wages that are sufficient to meet basic needs;
- Proper records, reports, and reviews of financial and tax information.



ESG: RESULTS

How does your investment relieve poverty?

1. Small and Medium Sized Enterprises create:

- Jobs
- Innovative ideas and new markets
- Higher incomes for employees and their extended families

2. Jobs and higher incomes create basic needs satisfaction for the poor:

- Proper health care
- Better education
- Decent housing



CHECKS AND BALANCES

How do we ensure that your funds are used properly?

XSML level:

1. Clear separation of responsibilities between Manager and Depositary (Administrator);
2. Strict anti-money laundering and anti-fraud policy and procedures in place;
3. Frequent field visits to SMEs;
4. Reputable auditor : KPMG Accountants (to be approved by investors).

SME level:

1. Hands-on involvement at SMEs;
2. Frequent financial reporting;
3. SMEs are audited by XSML selected reputable auditors.

WHY SHOULD I INVEST IN CENTRAL AFRICA?

Poorest people, most challenging environment, track record, reputable partners.

Poorest people, challenging environment

- DRC and CAR score at the very bottom of UNDP's HDI and IFC's 'Doing Business Report'.
- SMEs are crucial in the fight against poverty and for a better environment in Central Africa.

An excellent MT with proven track record

- 25+ years combined experience in investments in emerging markets;
- Proven entrepreneurial track-record;
- Background in private equity, emerging markets at commercial banks and development banks.

XSML partners with reputable partners that guarantee a professional business environment

- KPMG (accounting) and;
- Clifford Chance (legal and tax) provide professional support.



SOUND & SOCIAL INVESTMENTS

Science Park 400
1098 XH Amsterdam

T +31 20 888 4379
F +31 20 482 6799

info@xsml.nl
www.xsml.nl

FOR FURTHER INFORMATION:

Should you have any further questions, please contact:

Jan Vos +31 (0) 6 2502 3666

Jarl Heijstee +31 (0) 6 3405 3236

Marcel Posthuma +31 (0) 6 1088 6294

www.xsml.nl

YOUR DOUBLE PROFIT