



## Unitus Seed Fund 2013 Baseline Impact Report

### Impact Strategy

Unitus Seed Fund is a long-term investor in early-stage ventures. We specifically target companies that have a primary focus on [BoP](#) populations and that have a potential to scale to at least 100,000 lives touched (or a much smaller number of jobs created) within five years of receiving our investment. All companies we invest in have “built-in” social impact – the more they scale, the more impact they create.

In the early years of our investment and work with portfolio companies, we are specifically not focused on scale and growth. We focus companies on business fundamentals, team and capability enhancement, and *preparation* for growth. Typically growth phases start ~18 months after our first investment. Given that the vast majority of our 9 portfolio companies are still very young, scaled impact is not yet expected. We anticipate that based on our selection criteria for businesses to be profitable and highly scalable, those companies that get their foundation established correctly and attract follow-on capital will demonstrate substantial impact within a few years, and will then be showing high growth rates year over year.

After the size of our combined rupee and dollar funds is established in 2014, we will be able to provide a forecast for the aggregate impact of current and anticipated portfolio companies over the 10 year life of the fund.

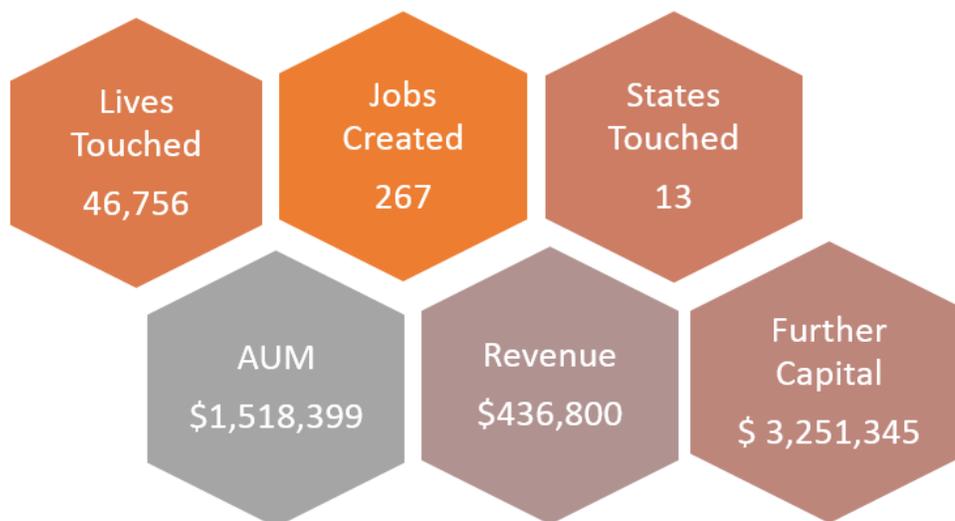
### Impact Framework

Unitus Seed Fund’s impact report uses a right-sized framework based on industry-standard [IRIS](#) metric definitions. The six metrics that we track across all portfolio companies and aggregate to the fund level are as follows:

<b>Social Impact metrics:</b>	# <a href="#">BoP</a> Lives Touched	# Employees in portfolio companies	# States Touched (in India)
<i>Metric Rational</i>	<i>Our primary impact measurement</i>	<i>Job creation by portfolio companies (BoP &amp; non-BoP)</i>	<i>Geographic reach</i>
<b>Financial Impact metrics:</b>	\$ Assets Under Management (AUM)	\$ Revenue Generated by portfolio companies	\$ Further Capital Raised
<i>Metric Rational</i>	<i>Broad understanding of social return on investment over time</i>	<i>Sustainability of business with in-built social impact</i>	<i>Role of USF as a capital catalyst (equity/debt/grants)</i>



## Unitus Seed Fund Aggregate Impact for 2013



## Unitus Seed Fund Impact for 2013 - Sector-Level Report

	Social Impact			Financial Impact		
	Lives Touched	Jobs Created	States Touched	AUM	Revenues	Further Capital
Livelihoods	819	99	5	\$341,681	Note 2	\$1,312,500
Education	6,437	87	1	\$570,415	Note 2	\$185,000
Healthcare	-	30	1	\$172,284	Note 2	\$ -
Agriculture	750	13	1	\$182,944	Note 2	\$100,000
Technology	38,750	38	11	\$251,074	Note 2	\$1,653,845
Necessities	-	-	-			

### Notes and Methodology

1. This report only looks at impact that has occurred after our investments were completed.
2. Revenues are not currently reported by sector in order to protect company confidential information. Once we have more than one company per sector, we will report by sector.
3. Lives Touched refers only to those in BoP populations, as defined below.
4. The metrics count all portfolio companies held by either or both of Unitus Seed Fund LP (dollar denominated) and Unitus Seed Fund India (rupee denominated).



5. Only assets under management and jobs created metrics are captured for new portfolio companies added less than one quarter before the end of the reporting period.
6. We also track a number of IRIS-mapped impact metrics that are specific to each sector, and to each company within each sector. These data are available to our Limited Partners.
7. We will update our impact report every six months. On an annual basis we will also report the year-over-year change in all impact metrics, as well as an aggregate of impact since the beginning of the fund and progress against long-term forecasts.

### Definition of “Base of the Economic Pyramid” or BoP

Defining BoP in India is surprisingly challenging. The estimates of BoP population in India range from 335 million to 1.05 billion people. After reviewing a number of studies with varying conclusions, we have decided to use the following definition:

*BoP comprises the 1.05 billion people in India (5 out of 6 Indians) who live on an annual household income of less than INR 200,000 (\$USD 3,200) as of 2005. According to a 2007 McKinsey analysis, by 2015, size of the BoP is projected to be 997 million, nearly 80% of the population.*

In urban India, where cost of living is higher, we consider BoP to have an annual household income of less than INR 300,000 (\$USD 4,800). In rural India, we consider BoP to have an annual household income of less than INR 160,000 (\$USD 2,600).

Size & Segments of the BoP in India (Population in Millions)		
Annual Household Income (INR 2000, thousands)	2005	2015 (projected)
<b>Globals (&gt;1,000)</b>	~0	13
<b>Strivers (500-1,000)</b>	11	13
<b>Seekers (200-500)</b>	44	243
<b>Aspiring (90-200)</b>	454	550
<b>Deprived (&lt;90)</b>	598	447

Source: McKinsey, 2007

More details on our BoP analysis and alternative definitions can be found at <http://usf.vc/bop>