

# Evolving Impact

PERSPECTIVES AND RESULTS  
FROM SEVEN YEARS OF  
IMPACT INVESTING

VITAL CAPITAL FUND  
• IMPACT REPORT •



**VITAL CAPITAL'S** impact-driven investing has delivered essential development impact to millions. Achieving these results requires strong business acumen, creative problem solving and world-class operational capabilities. Driven by a strong pioneering spirit, Vital has paved new pathways to generating deep, sustainable impact at scale, thus validating our unique approach.

*In this report you will find both our 2016 impact results and our reflections on Vital's ESG and impact strategy. We are delighted to highlight Vital's major achievements, share a glimpse into our internal thinking processes, and present an exciting analysis of the Fund's contribution to the global effort around the United Nations' Sustainable Development Goals (SDGs).*

*Impact investing remains both our strategy and our passion. In reflecting on the past seven years of investing, we have gained valuable insights into how our portfolio companies fit into the larger picture of global development. We invite our readers to accompany us in exploring our findings, and look forward to continuing to work together to understand and meet the world's development challenges.*

# VITAL CAPITAL timeline



## PORTFOLIO MILESTONES:

Aldeia Nova's smallholder farmers reach peak production of 250,000 eggs/day

Luanda Medical Center's first surgical operation

Focal Energy mitigates 127K tonnes GHG emissions annually

Kora Angola inaugurates first community school

Prabon Greenfields community inauguration

WaterHealth International reaches seven million people with pure drinking water systems

Luanda Medical Center delivers 100th baby

Official opening of the Luanda Medical Center

Vital-Tomosi's Dairy launches commercially and produces its first batch of 'MilkMan' yogurts

WaterHealth International awarded Unilever's Global Development Award

Kora Angola: the first 2,000 families move into their new homes



# Shifting to an outcome-based approach

Vital Capital's investments are driven by its mission. As the Fund has matured our team has continually engaged in conceptual discussions around the Fund's mission and impact goals, culminating in an intensive dedicated impact seminar in 2016. The goal of the seminar was to revisit key themes of our mission based on the experience we have gained, helping us to better articulate our vision for the future. In light of this approach, our discussions were guided by TWO FUNDAMENTAL QUESTIONS:

**What is Vital's ultimate goal?**

**What is Vital's theory of change?**

In refining our mission, we wished to preserve the Fund's broad focus and refrain from sectorial limitations, an approach which has so far enabled us to unlock various challenges and opportunities. Instead of using sectorial categorization as an initial impact screen, we were eager to develop an outcome-based approach to guide our investment decisions.

In our efforts to address our guiding questions, we reviewed some of the concepts integral to our approach, such as 'no trade-offs', 'underserved communities' and vocabulary related to service provision in impactful sectors. Examining our underlying assumptions allowed us to hone in on our desired impact and develop a sophisticated, up-to-date approach to future investments.

1

## HOW DO WE RECONCILE THE 'NO TRADE-OFFS' CONCEPT?

*At the centre of Vital's approach is the concept of 'no trade-offs' between financial and impact returns. Vital's internal insight on this subject is that no trade-offs doesn't necessarily imply no compromises or conflicts between the two. It would be excessive to assert that generating social impact does not consume resources which would have otherwise enhanced financial returns, and a direct causal link between*

*greater impact and bigger returns is not always readily demonstrable. Nevertheless, by using our unique dual gatekeeper model, we balance financial and impact considerations to achieve both above their predefined thresholds, with the aim of maximizing financial and social returns to the extent possible. This iterative balancing process enables these two goals to be managed in symbiosis and is the essence of Vital's no trade-offs approach.*



## BEST FOR THE WORLD

In 2016 Vital Capital was awarded the 'Best for the World' fund designation by B the Change Media. This prestigious recognition is based on Vital's performance as evaluated by the rigorous, objective and widely accepted GIIRS rating. Vital's top platinum rating makes it one of the top five emerging-market funds in the 'Overall Impact Business Model' category. This announcement is yet

another international recognition of the fact that Vital's investment model and approach produces tangible results. For-profit social-impact oriented investments are an important pillar in overcoming big and important social challenges and achieving sustainable development. As this report shows, Vital is well on its way to contributing to this global effort.

## 2

### WHAT IS OUR UNDERSTANDING OF 'UNDERSERVED POPULATION'?

*Empirical evidence indicates that growth of the middle class is closely associated with several important development drivers: better governance, economic growth, greater transparency and competition, greater gender equality, investment in higher education, science and technology and poverty reduction. Recognizing the importance of upward social mobility alongside the fragile position of the middle class in sub-Saharan Africa (SSA) reinforces Vital's commitment to targeting middle and low-income beneficiaries.*

## 3

### WHAT IS OUR APPROACH TO 'WELL-BEING'?

*Well-being is defined as 'the state of being comfortable, healthy, or happy'. While Vital has always maintained a holistic approach to well-being, we acknowledged the need for a more nuanced approach that recognizes the concept's interconnected elements, namely, economic, personal and social well-being. Identifying these elements enables us to target each of them separately while also understanding how they complement each other, thereby enhancing our ability to make confident strides towards improving well-being as a whole.*

BUILDING ON THE INSIGHTS GAINED IN OUR DISCUSSIONS, WE WERE ABLE TO ARTICULATE VITAL'S ULTIMATE GOAL:

### 'Improved economic, personal and social well-being for low and middle-income communities in SSA'

Reflecting on translating this goal into action, we broke it down into four desired outcomes: 01. VITAL ESSENTIALS, 02. VITAL EMPLOYMENT, 03. VITAL CAPABILITIES and 04. VITAL INFRASTRUCTURE. We believe that these four outcomes will serve our ultimate goal on the basis of the following assumptions:

- 01 Providing access to food, clean water, healthcare, housing and other essentials which are currently inaccessible (unaffordable or unavailable) to the target communities will improve overall well-being.
- 02 Quality skilled and unskilled jobs will increase economic well-being and social mobility.
- 03 Building local capacity and increasing local know-how will result in sustainable improvement in well-being.
- 04 Establishing or improving infrastructure provides for safe, connected and healthy environments which facilitate economic growth and improved well-being.

As becomes evident later in this report, we are constantly measuring and evaluating the effectiveness of Vital's investments. Furthermore, as our investments mature, we are now engaging in outcome assessments to understand tangible improvements in well-being. The following diagram summarizes Vital's ultimate objective and pathway to change.

We trigger this pathway of change via

Large-scale active investments in social-impact oriented businesses

As a result

Sustainable social-impact oriented businesses develop and emerge

Which, based on the articulated assumptions, facilitate and result in

#### VITAL ESSENTIALS

Improved availability and affordability of essential products and services

#### VITAL EMPLOYMENT

Increased fair and decent income-generation opportunities

#### VITAL CAPABILITIES

Increased valuable training opportunities and local know-how

#### VITAL INFRASTRUCTURES

Improved sustainable infrastructure and environment

Leading to our ultimate goal of

Improved economic, personal and social well-being for low and middle-income communities in sub-Saharan Africa





## KORA

In late 2016 the first 1,200 families moved into their new homes in Lossambo, an urban housing community developed by Kora Angola. In addition to first-time home ownership, the families have access to fully equipped, quality educational facilities, on-site healthcare services, modern and improved sanitation including wastewater treatment, electricity, clean water and other essential infrastructure. In January 2017, Lossambo's first school was inaugurated and children are now attending classes in modern facilities and enjoying improved educational opportunities. Kora is developing 14 additional communities based on the Lossambo model, distributed amongst six Angolan provinces. Once completed, the 40,000 housing units will serve as homes for over 240,000 residents.

With the aim of building vibrant urban communities and to ease the population's transition into their new homes, Kora facilitates training and awareness-raising activities (education on the concepts of private and public spaces, management of a family budget, and cultural, recreational and sport activities).

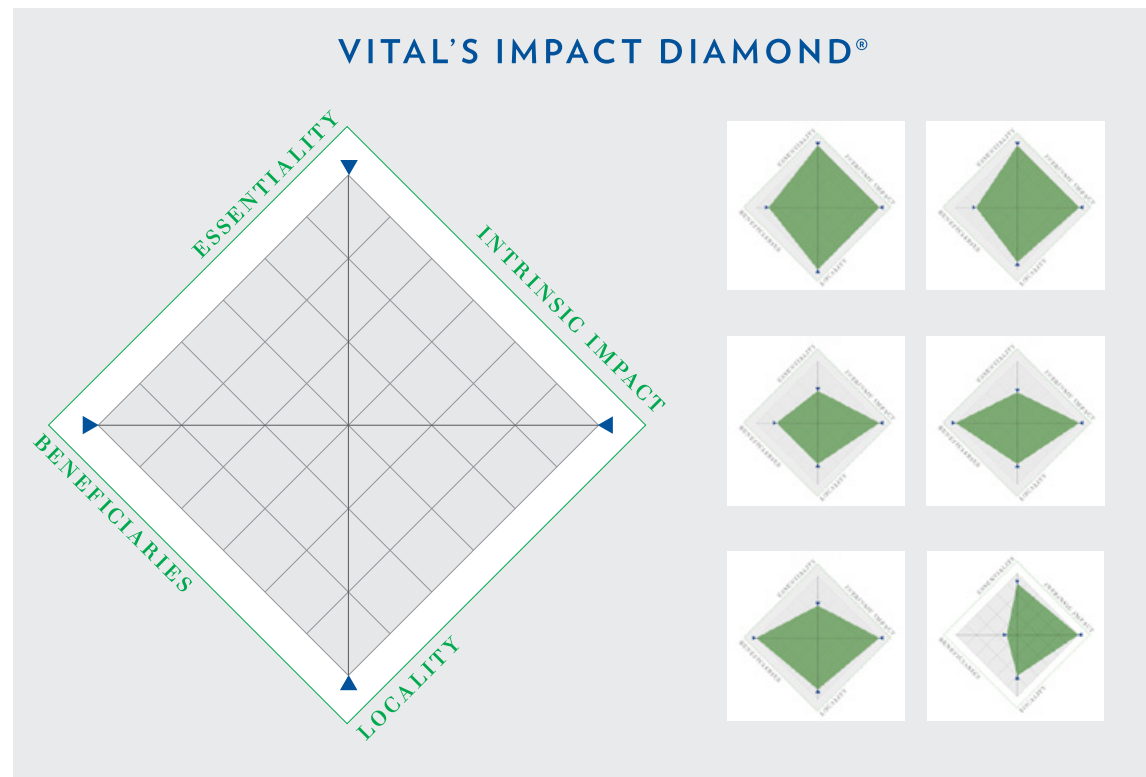
The newfound bustle of community life on the streets of Lossambo is the ultimate evidence for Kora's profound economic and social impact.

### 2016 IMPACT DEVELOPMENTS:

- 100% AFFORDABLE HOUSING
- 6,000 OF 240,000 INDIVIDUALS ALREADY HOUSED
- 17 OF 51 EDUCATIONAL FACILITIES COMPLETED, FIRST SCHOOL INAUGURATED
- 2 OF 6 HEALTHCARE FACILITIES COMPLETED



# Translating our approach into practice



In *Crafting Impact*, our previous publication, we presented Vital's four-step investment approach, spanning both pre- and post-investment stages. Using our criteria and proprietary analytical tool in the evaluation phase proved to be insightful and helpful in guiding our investing agenda. Both our gating factors and impact profiling practices were successfully implemented and routinely used in our decision-making processes. Vital's Impact Diamond, our profiling tool, has since been featured in many industry reports and has ignited discussions at conferences and across the industry at large.

Naturally, as the Fund has developed, our focus has shifted from the evaluation to the monitoring and measurement phase, resulting in recent developments which we are now excited to share.



# Introducing the ESG Risk Tracker

Working with each of our portfolio companies to assess their environmental, social and governance (ESG) risks, implement corrective actions, draft policies, implement procedures, and monitor their ESG performance, we discovered a need for a portfolio-level ESG risk analysis. Responding to this need, and inspired by FMO's 'ESG risk management tool for Private Equity Investment', we developed the ESG Risk Tracker, an analytical tool that allows us to gain a more sophisticated understanding of each company's ESG performance and, on aggregate, Vital Capital's overall portfolio ESG risk status.

The tool builds on the integrated ESG approach as implemented from the Fund's inception. Each of the Fund's portfolio companies is assessed and managed according to the IFC's Sustainability Framework, including its Performance Standards and Environmental, Health and Safety Guidelines.

The Tracker assesses ESG risk in seven categories. Each category's level of risk is classified as low (and given a higher rating, e.g. up to 100%) if it is well managed and targets are achieved. Unmanaged issues are given a higher risk classification (lower rating), indicating that mitigation actions have yet to be fully implemented.

## Seven categories of risk management

- |   |  |
|---|--|
| <p><b>01 GOVERNANCE</b><br/>Including status of compliance with laws and regulations and business integrity risk exposure</p>                   | <p><b>04 ORGANIZATIONAL CAPACITY</b><br/>Including ESG roles and responsibilities and resources allocation</p> |
| <p><b>02 ESG ASSESSMENT PRACTICES</b><br/>Including internal risk assessment practices (ESIA) and ESG corrective action plan implementation</p> | <p><b>05 OCCUPATIONAL HEALTH AND SAFETY</b><br/>Assessing OHS performance and training practices</p>           |
| <p><b>03 SOCIAL AND ENVIRONMENTAL MANAGEMENT SYSTEM</b><br/>Determining the status of the companies' SEMS and its reporting routine</p>         | <p><b>06 COMMUNITY ENGAGEMENT</b><br/>Assessing community-related risks</p>                                    |
|   | <p><b>07 ENVIRONMENT</b><br/>Evaluating both resource efficiency and pollution risks</p>                       |

After gaining a high-level understanding of our portfolio's risk mitigation, both on a company level and cross-portfolio, we are proud to be able to confirm that our portfolio's overall performance is strong. Using the ESG Risk Tracker

(see fig. 1), we identified areas for improvement and set objectives to continue supporting our portfolio companies in implementing their ESG policies and building their internal capacity towards enhanced self-management.

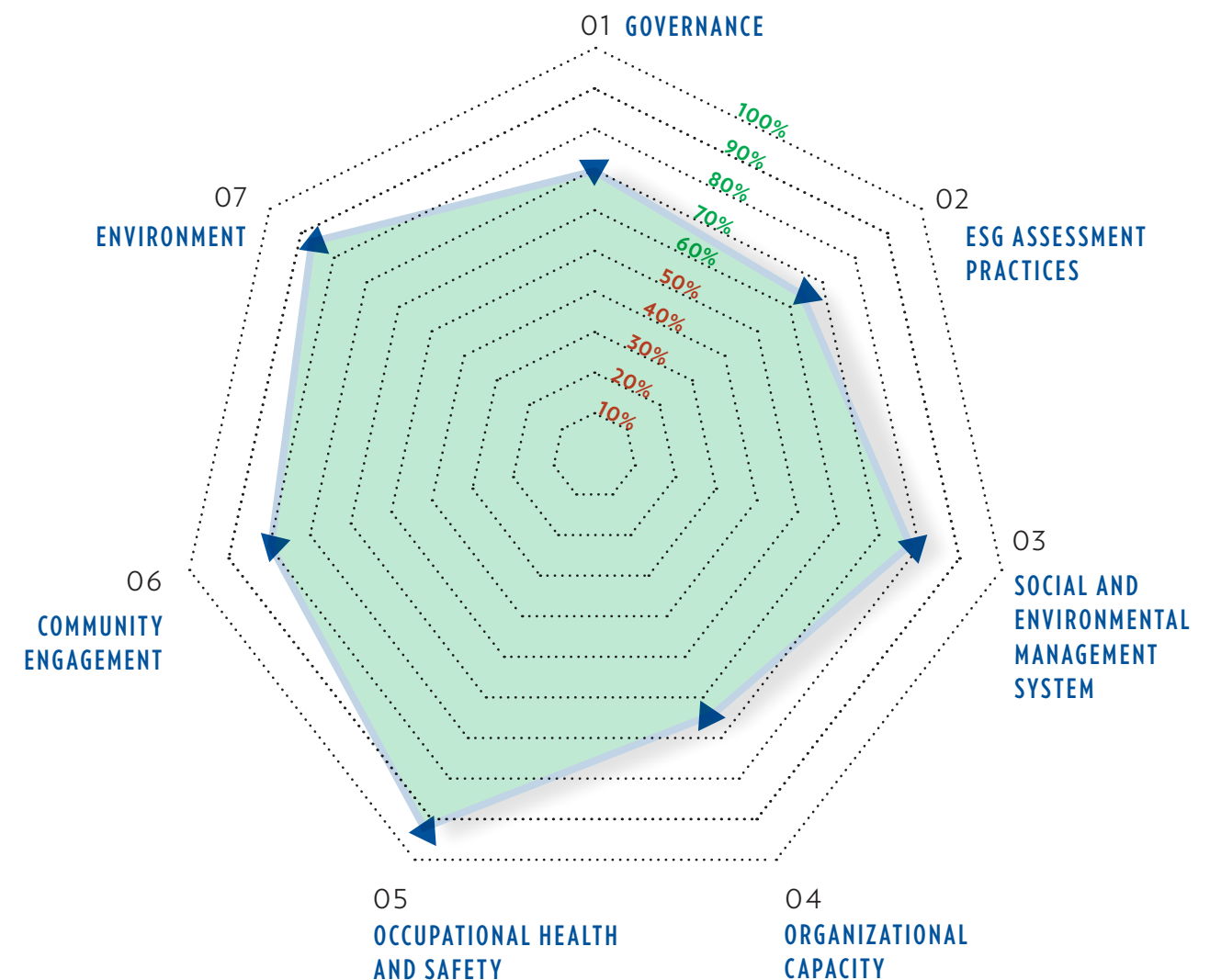


Fig. 1 Vital Capital's ESG Risk Tracker



# WATERHEALTH INTERNATIONAL

WaterHealth International (WHI) is a global leader in providing access to safe, WHO-quality affordable drinking water to underserved communities. WHI has developed a low-cost business model for the installation, operation, maintenance and quality monitoring of community water purification systems. The company has installed more than 500 WaterHealth Centers (WHCs) across India, Ghana, Nigeria and Liberia, providing access to safe and affordable drinking water for more than seven million people.

During 2016, WHI expanded into a new area of activity: installing water vending machines in railway stations across India which serve safe and chilled drinking water at prices significantly lower than the alternatives.

WHI recently conducted a study to explore the impact of its operations, the results of which are summarized below.

## 2016 IMPACT RESULTS:

- 626 MILLION LITRES OF WATER SERVED IN 2016 ALONE
- OVER 80% OF CUSTOMERS LIVE BELOW THE POVERTY LINE
- 86% OF CUSTOMERS SOURCE WATER FROM WHCs REGULARLY
- WHC USERS EXPERIENCE A 22% DECREASE IN WATER-BORNE ILLNESSES AND DIARRHEA
- ACCESS TO WHCs REDUCED TIME SPENT FETCHING WATER BY 22 MINUTES, ON AVERAGE
- FEMALE MEMBERS OF HOUSEHOLDS THAT USE WHCs ARE NOW 1.6 TIMES MORE LIKELY TO ENGAGE IN ECONOMICALLY PRODUCTIVE ACTIVITIES





# Measuring impact



Vital uses a diverse set of tools for impact management, enhancement and measurement. We use internal KPIs for both output and some outcome-level data, GIIRS (Global Impact Investing Rating System) evaluations as a third-party verification of our performance, as well as dedicated, bespoke evaluations per portfolio company. Recently, we also developed our own methodology for evaluating the Fund's contribution to the global effort around the United Nations' Sustainable Development Goals, as described in detail on pages 28–31.

## Four years of transparent and independent impact monitoring



As a GIIRS Pioneer Fund, Vital Capital is setting the standard as a leading, mission-driven fund manager. Vital is consistently among the top-performing funds in GIIRS assessments. Vital's portfolio companies perform well against all benchmarks (market and sector included) and have achieved remarkable results.

The outstanding annual results represent a commitment by both the Fund and our

portfolio companies to manage, learn and share our impact results in a rigorous, detailed and transparent manner. The diagram on the right (fig. 2) summarizes our GIIRS ratings throughout the Fund's life, as well as our achievements in our Impact Business Model (IBM) and operations ratings.

		OVERALL SCORE	IBM RATING	OPERATIONS RATING
2012	FUND MANAGER	116.3		N/A
	KORA	95.3	N/A	★★★
	ALDEIA NOVA	112.6	N/A	★★★★★
2013	FUND MANAGER	157		N/A
	KORA	112		★★★★★
	ALDEIA NOVA	110		★★★
	FOCAL ENERGY	125		★★★★★
	8 MILES	75		RATED
2014	FUND MANAGER	159.3		★★★★★
	KORA	116		★★★★★
	ALDEIA NOVA	109		RATED
	FOCAL ENERGY	121		★★★★★
	WATERHEALTH INTERNATIONAL	152		★★★★★
2015	SGWK	122		★★★
	FUND MANAGER	158		★★★★★
	KORA	137		★★★
	ALDEIA NOVA	95		★★★
	FOCAL ENERGY	126		★★★★★
	WATERHEALTH INTERNATIONAL	160		★★★★★
	SGWK	122		★★★
	LUANDA MEDICAL CENTER	94		★★★

Fig. 2 Vital Capital's annual GIIRS ratings



## LUANDA MEDICAL CENTER

Since its inception in early 2015, the Luanda Medical Center (LMC) has already redefined Angola's private healthcare market. LMC is a world-class medical clinic, providing quality healthcare and diagnostic services for the population of Luanda, Angola's capital. LMC implements high-end technologies and improves medical diagnostic capabilities in Angola, providing ambulatory and cardiology procedures, as well as X-ray, ultrasound, CT and MRI. Through medical training programmes designed and operated by certified experts from developed countries, LMC augments the available competency to provide international-quality healthcare at affordable prices in Angola.

LMC now serves over 4,000 individuals per month, of which about 75% receive access to its services via public insurance. LMC kicked off by developing groundbreaking healthcare programmes in Angola, introducing prenatal healthcare and screening and prevention of diseases such as breast and cervical cancer, making outreach efforts through radio and TV campaigns, and engaging in ongoing patient education.

### IN 2016 ALONE, LMC HAS:

- PROVIDED CARE TO OVER 34,000 INDIVIDUALS
- 89% OF VISITS WERE CURATIVE
- 59% FEMALE EMPLOYEES
- PROVIDED 8,000 VACCINATIONS
- GIVEN OVER 1,100 HPV VACCINES (INCLUDING VACCINATIONS AT THREE LUANDA ORPHANAGES)
- CONDUCTED 985 HPV EXAMS



# Vital's impact: cross-portfolio and over time

With years of impact measurement behind us, we can now reveal Vital's accumulative impact and how it has evolved as investments were made and impact enhancement strategies implemented. As a multi-sector fund, we analyze a wide range of impact metrics, some of which can be aggregated across our portfolio and over time.

With the aim of serving those in need, Vital tracks the development level of its investees' country of operation using the UN's Human Development Index (HDI) as a benchmark. The HDI is a composite measure of average achievement in key dimensions of human development: living a long and healthy life, being knowledgeable and having a decent standard of living. It is therefore used as a criterion for assessing a country's level of development. The HDI categories are 'very high', 'high', 'medium' and 'low'. Our analysis shows that Vital is mostly invested (72%) in countries with low human development, where developmental impact is needed the most.

As part of our reflection on the Fund's impact, Vital also calculated the number of individuals reached annually. We currently estimate that nearly five million individuals receive essential products or services through Vital's investments annually.



72%

**of investments are  
in low-development  
countries (UN HDI)**

4.9  
million

**individuals receive  
essential products or  
services through Vital's  
investments annually**



## Demonstrating the no trade-off paradigm

### A SPOTLIGHT ON FINANCIAL PERFORMANCE

Vital Capital is a for-profit impact investing fund. Complementary to its impact strategy the Fund's financial targets are competitive and risk-adjusted, and the financial performance of its current investment portfolio is on track to eventually validate the no-trade-offs approach, as defined by the Fund. Vital Capital's investment portfolio has performed strongly overall since the Fund's inception seven years ago: of the 11 investments executed by the Fund to date, two have already been fully exited, each at an equity IRR of over

24%, and a third investment – the Fund's biggest yet, at USD \$90m – has already returned all of the invested capital, plus another USD \$22m in profit. The remaining eight investments in Vital's portfolio are all in varying stages of development, but overall the Fund currently expects to realize an equity IRR in excess of 20% on its overall portfolio of investments made to date. This performance inspires the Fund's team to continue to scale this approach in pursuing other opportunities and developing additional investment vehicles.





Figures 3-6 reflect the Fund's performance on additional key impact elements, including job creation and economic development. As measurement of job creation impact is often elusive, we prefer to focus on direct employment. In our search for a reliable indication we have adopted a methodology developed by the CDC GROUP and have found that Vital Capital's investments are associated with

very high indirect employment generation. The CDC's methodology is based on two factors: the difficulty of the geography where the investment is made and the propensity of the business sector to generate employment. Using common multipliers we can assess total job creation to be around 40,000.

In addition to the local workforce, portfolio companies are encouraged to work with local suppliers and subcontractors. By tracking local purchases (defined as purchases made directly from local suppliers including small and medium enterprises) we assess the magnitude of economic growth driven by our investments.

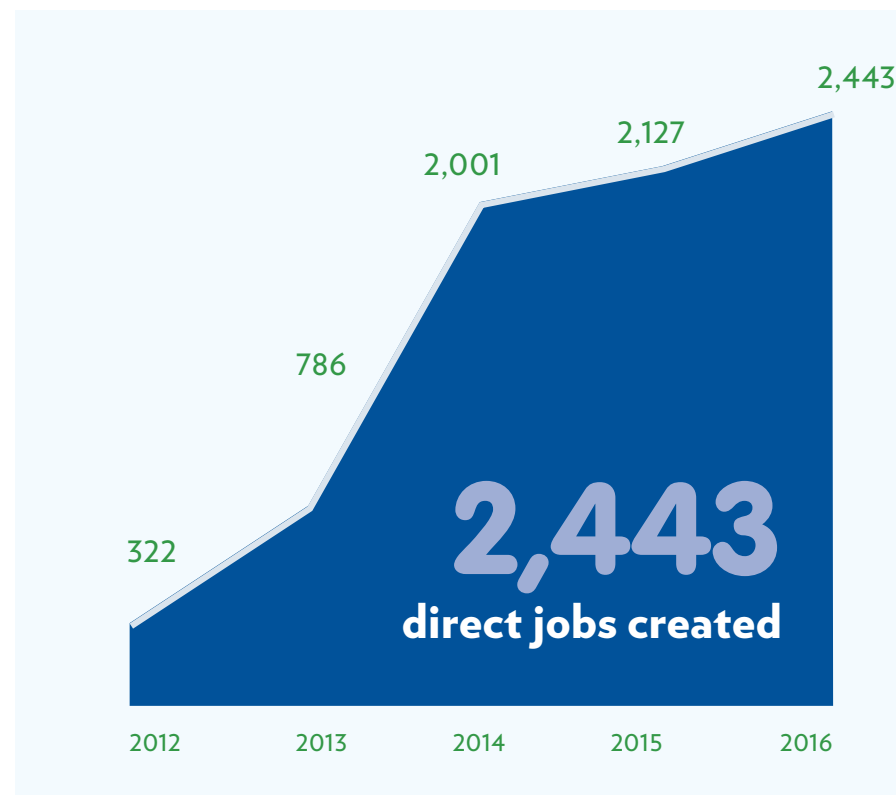


Fig. 3 Direct Jobs

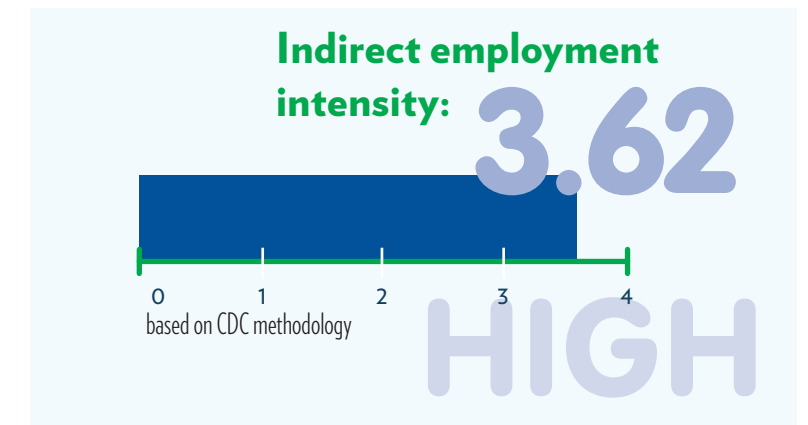


Fig. 4 Indirect employment intensity

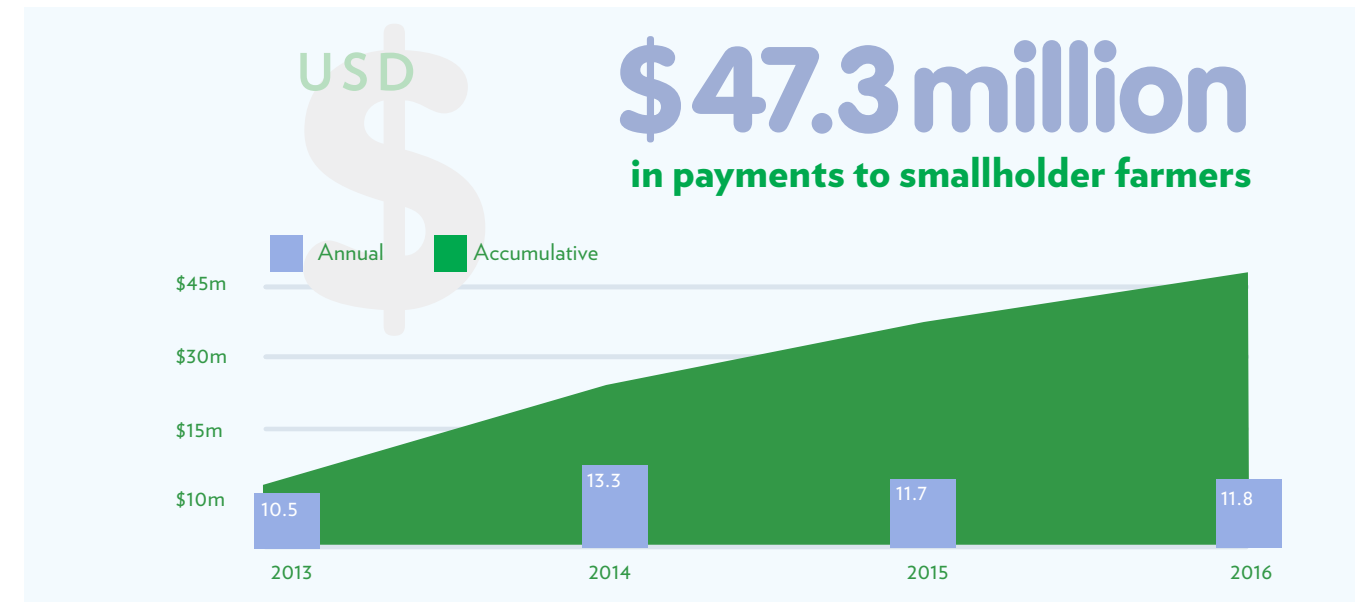


Fig. 5 Annual and accumulative payments to smallholder farmers

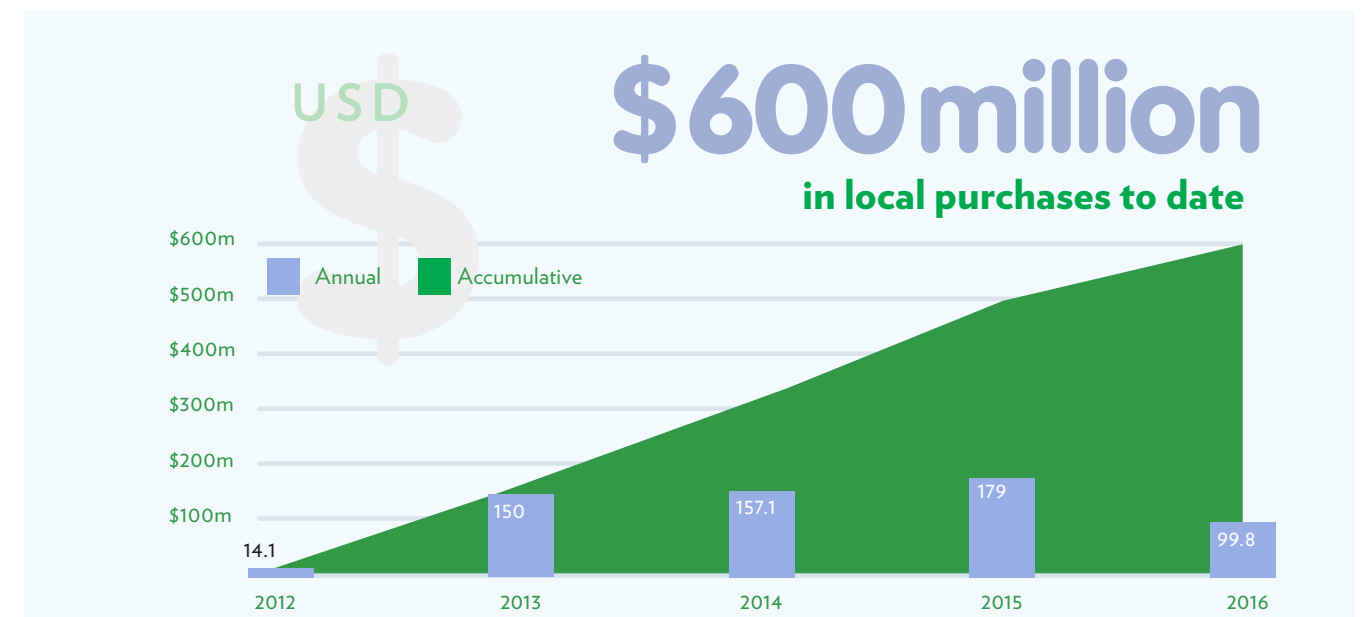


Fig. 6 Annual and accumulative purchases made in local markets



## ALDEIA NOVA

Aldeia Nova fuses agricultural production with service provision and social development by establishing and operating a large-scale agro-industrial centre. The innovative centre supports large communities of outgrower farmers and their families by providing all required inputs – animal feed, equipment, processing and packaging facilities, professional services and infrastructure. The company purchases 100% of the resulting production, which is then processed, packaged and sold downstream by the company.

Aldeia Nova's community of 700 smallholder farming families are primarily poultry farmers producing eggs. In December 2016, the farmers enthusiastically received 200 young milking cows that were distributed to 40 families, each receiving five cows. In preparation for the event, cow sheds were renovated and farmers were trained. Once fully grown, each cow is expected to produce 20 litres of milk per day, providing each of the 40 families with a monthly income of over USD \$1,100 – more than seven times the minimum wage. The milk will further support Angolans nationwide by providing higher quality, local dairy products.

### IN 2016 ALONE, ALDEIA NOVA HAS:

- PRODUCED 58.5 MILLION EGGS, PROVIDING BASIC PROTEIN FOR AN ESTIMATED 2.1 MILLION INDIVIDUALS
- MADE USD \$9.4 MILLION IN PAYMENTS TO SMALLHOLDER FARMERS
- PROVIDED SMALLHOLDER FARMERS WITH OVER USD \$1,100 IN MONTHLY INCOME
- EMPLOYED 587 LOCAL EMPLOYEES
- EMPLOYED 11 FEMALE MANAGERS



# Perspectives on impact through the UN’s Sustainable Development Goals

In September 2015, the 193 member states of the UN unanimously committed to adopting the UN’s Sustainable Development Goals (SDGs). The SDGs comprise 17 goals that address the world’s most pressing challenges, from ending poverty to gender equality and climate change. The SDGs provide a roadmap to achieving these global goals by 2030. The UN has put out a call to action to the private sector as the funding gap to resolving the SDGs is estimated at USD \$2.5 trillion per year in developing countries alone. As a result, the impact investing community has been driven to a newfound level of activism as impact investors overwhelmingly rallied behind the 17 SDGs and their respective targets.

## Exploring Vital Capital’s contribution to the SDGs

As a fund, we have sought to explore how our investments are contributing to this global effort and to determine the degree to which our investments help realize the SDGs. In order to analyze Vital’s contribution to the goals both at the investment and fund level, we developed a rating system designed to address the following questions:

- 1. WHICH SDGs ARE WE TARGETING?
- 2. TO WHAT DEGREE ARE WE CONTRIBUTING TO THEM?

These questions allow us to develop an understanding of where our relative focus lies as a fund, thereby helping us internally to make informed investment decisions, and externally to provide a well-rounded, contextual picture of our impact to investors and stakeholders.

Within the 17 SDGs, there are 169 targets and 232 indicators, which serve both as the backbone of monitoring progress towards the SDGs and as the unit of our analysis. We rated each investment according to its degree of

contribution to an indicator on a 3-point scale. If an investment’s contribution to an indicator is part of its core business it is rated 2. In cases of large, national-scale, substantial contribution it is rated 3. If the investment’s contribution is part of its non-core business activities it is rated 1. Points can be earned not just for each investment, but for the Fund itself, for example, in cases where an indicator relates to increased funding resources.

The total points earned for each indicator can be then aggregated for each goal, per company, or in total for the overall fund contribution. In cases of multiple investments in a single country, the ratings can also be aggregated across SDGs to understand the geographic depth of impact.

We are proud to share our insight that Vital’s impact extends through 15 of the 17 SDGs (see following page), with an extensive contribution to goals such as ‘Good Health and Well-Being’ and ‘Decent Work and Economic Growth’.

### A SPOTLIGHT ON VITAL’S SDG METHODOLOGY

The following example further clarifies and illustrates the methodology we used to assess the Fund’s cross-portfolio contribution to the SDGs.

**GOAL 7:**  
*Ensure access to affordable, reliable, sustainable and modern energy for all*

**TARGET 7.1:**  
*By 2030, ensure universal access to affordable, reliable and modern energy services*

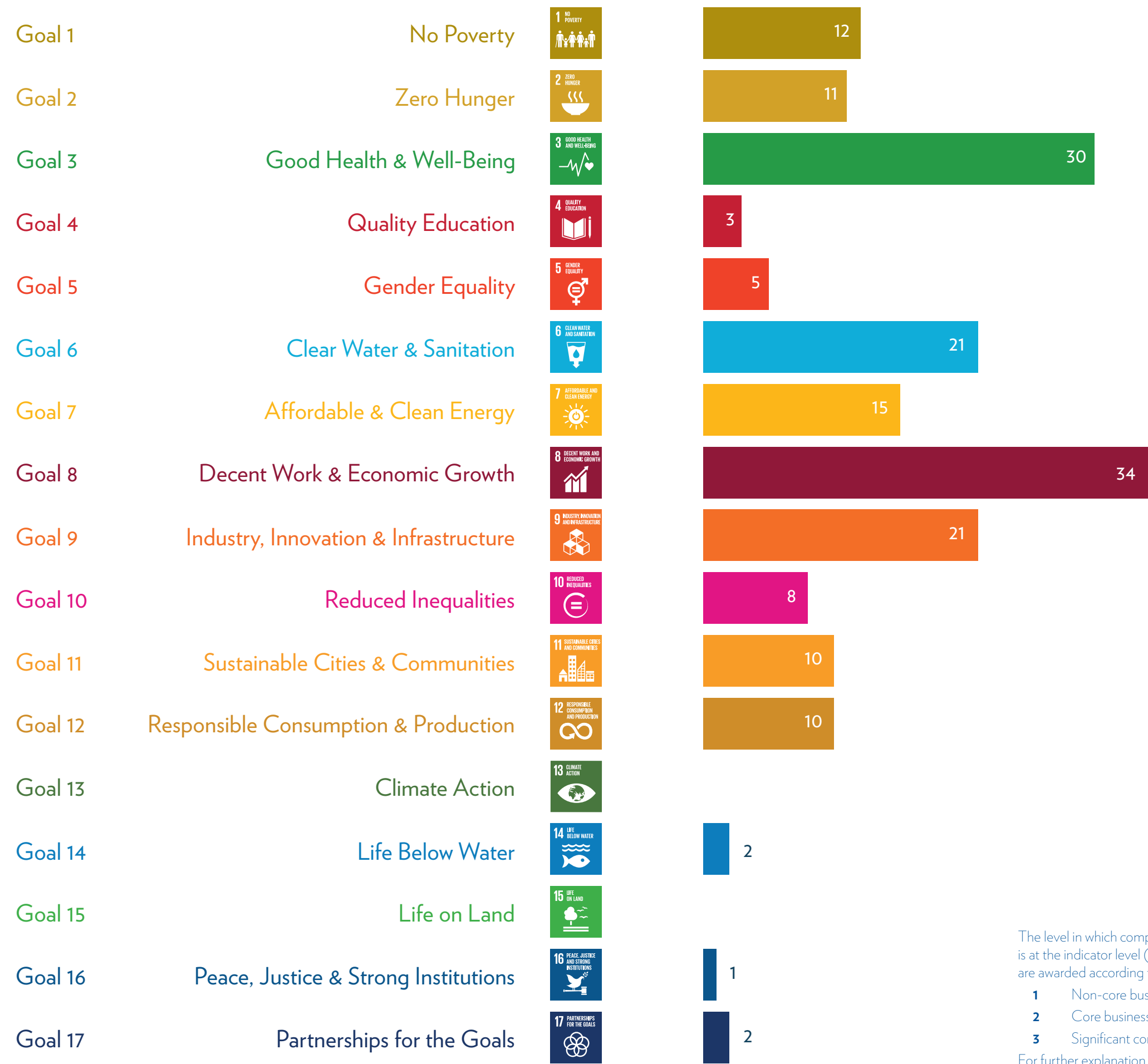
**INDICATOR 7.1.1:**  
*Proportion of population with access to electricity*

Out of all our current investments, four are involved in energy production and provision: Kora, Focal Energy, SGWK and Aldeia Nova. Both Kora and Focal Energy produce and provide energy at scale, to populations that had no prior access, thereby increasing the population with access to electricity. Thus, each company received 3 points on Indicator 7.1.1. Meanwhile, SGWK connected previously excluded areas to the electric grid by building transmission lines, thus receiving 2 points. Finally, while energy provision does not form part of its core activities, Aldeia Nova generates and provides electricity to smallholder farmers and the local community, thus receiving 1 point.

Together, these ratings resulted in 9 points across the portfolio for Indicator 7.1.1. Aggregated with other indicators, 15 points were earned in total for Goal 7.

GOAL 7 Ensure access to affordable, reliable, sustainable and modern energy for all													
TARGET 7.1	INDICATOR 7.1.1	Kora	Aldeia Nova	LMC	Prabon Greenfields	VTD	Focal Energy	WHI	Capital Water	SGWK	Water for All	Fund itself	TOTAL
By 2030, ensure universal access to affordable, reliable and modern energy services	Proportion of population with access to electricity	3	1				3			2			9

Vital Capital’s SDG contribution intensity



The level in which companies – or the fund itself – gain points is at the indicator level (later aggregated for each goal). Points are awarded according to the following scale:

- 1 Non-core business contribution
- 2 Core business contribution
- 3 Significant contribution

For further explanation see pages 28-29.



## VITAL-TOMOSI'S DAIRY

Vital-Tomosi's Dairy (VTD), one of Uganda's largest dairy processing plants, modernizes smallholder farmers' milk production to produce fresh yogurt, pasteurized milk and UHT milk under the 'MilkMan' brand. The factory, located in the Kiruhura District in western Uganda – the country's primary milk-producing area – procures its raw milk

from local smallholder farmers. VTD works jointly with the farmers to strengthen local processing capabilities by increasing yields and improving food safety. VTD launched commercial operations in November 2016, with MilkMan products now serving the local market with affordable, high-quality and tasty dairy products.

## VITAL-TOMOSI'S DAIRY IMPACT DEVELOPMENTS:

- PROCESSING CAPACITY OF 100,000 LITRES OF MILK PER DAY
- 100% OF MILK SOURCED FROM LOCAL SMALLHOLDER FARMERS
- 30% OF THE LOCAL YOGURT MARKET CAPTURED SINCE COMMERCIAL LAUNCH
- SERVES BOTH DOMESTIC AND REGIONAL MARKETS WITH HEALTHY LOCAL ALTERNATIVES TO IMPORTED DAIRY PRODUCTS





## Memberships and Awards



## Looking Ahead

Vital Capital was founded in 2010 and has been at the forefront of impact investing ever since. Our continued effort to evolve and refine our methodologies is rooted in our deep commitment to improving well-being for low and middle-income communities in sub-Saharan Africa. Continuously and consistently balancing and integrating financial and impact considerations, the Fund now shows tangible achievements in generating sustainable, transformative impact.

Scalability is clearly the key to effecting meaningful change and addressing the world's development goals. For-profit social-impact oriented investments constitute an important pillar in the effort to overcome big and important social challenges and achieve the Sustainable Development Goals. We are motivated by these challenges and are driven by the quest for a better world.

Impact investing is constantly evolving and the industry is maturing. As a proud part of this movement, we are dedicated to sharing our thoughts, insights and frameworks with the investment community and those who have inspired us along the way. Our hope in so doing, is to assist others in exploring their contributions to global development challenges and to embed impact investing further in their investment practice.

The future holds exciting developments at Vital Capital and we look forward to sharing additional news of our growing impact.



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