

Dedicated to Building Capacity for Sustainable Investment in the Emerging Markets

What is VantagePoint (VP)? VantagePoint (VP) is a new, independent, not-for-profit organization dedicated to promoting sustainable investing in the Emerging Markets. VP makes financial and intellectual resources available to local organizations in Emerging Markets that provide sustainable investment services needed to encourage sustainable investment in Emerging Markets.

What is VantagePoint's Approach? VantagePoint follows a two phase process. The objective of the first phase, the incubation phase, is to specify and implement VP' service suite, to generate internal learning, to evaluate requirements from investors and donors and to raise awareness for VantagePoint in the market. The objective of the second phase, the expansion phase, is to expand VP's business support services based on key learnings and possibly also develop a venture fund as a platform for funding local organizations.

What will VP fund? VP supports "structural innovation projects" to improve access to capital and competences to local entrepreneurs and aims to "incubate and support" local organizations. These organizations have the skills, knowledge and experience to provide the practical services investors interested in sustainable investment need in Emerging Markets such as China, Brazil, India, Turkey, and South Africa. The activities that VP supports include *information service providers, knowledge infrastructure building and specialized investment activities*.

Examples (illustrative – no indication of involvement):

- § *Structural innovation project* - Proposal for a feasibility study to develop a "Social Investment Re-Insurance Facility (SIRIF)" in co-operation with the Global Exchange for Social Investment (GEXSI).
- § *Local Organization* – Development of a loan pool facility and alternative banking services for one of the largest co-operatives in Sri Lanka as part of post-Tsunami reconstruction efforts.

VP's experience shows that such sustainable investment services include, among others: a well established understanding of criteria that are relevant for sustainable development; the ability to master tools, processes and methodologies that allow the implementation of sustainable investment approaches; the local intelligence to identify specific investment project opportunities and risks; access to a broader knowledge network on global sustainability initiatives and frameworks.

What is VP's Value Proposition? Today, tools or services that make it easier and more effective for investors, financial services organizations or companies to comply with, contribute to, and further the objectives for sustainable development are few when investing in the Emerging Markets. By funding local organizations and promoting their capacities for offering the services, tools and knowledge investors interested in sustainable investment need, VP enhances the formidable lever sustainable investment represents.

How does VantagePoint work? Donor / investors and sponsors make contributions to VantagePoint. These resources enable VantagePoint in the incubation phase to provide services to targeted financially viable local organizations by offering e.g. assistance to company set-up and business plan development along with strategic support and access to an international network. VantagePoint will also provide grant financing to cover some of the costs of local organizations for business plan development. As an active investor, Vantage Point will rigorously evaluate these results and require accountability.

What is VP's Rationale? VP believes that business and finance offer the highest leverage for enhancing sustainable development.

In Emerging Markets social, environmental and geopolitical issues pose the greatest challenges as well as provide the biggest opportunities for creating sustainable return on investment. As accelerating global economic activity increasingly impacts social and environmental conditions, there is an urgent need to support sustainable development.

In the Emerging Markets environmental exposure is high, and markets are beset with the risks arising from corruption, lack of transparency and social tensions. VP seeks to use the leverage that business and finance offer for promoting sustainable development in Emerging Markets, thereby harnessing the power of markets to achieve economic, social, and environmental benefits.

It is VP's conviction that the knowledge and practice required to guide sustainable investment needs to be anchored in the Emerging Markets themselves: rather than importing aid and regulatory tools, VP will work to build self-sustaining practices and businesses locally.

What kind of returns does VantagePoint generate? VantagePoint's initiative contributes to a decisive global transformation leading to increased transparency in Emerging Markets, new capacities for local investment services providers, heightened awareness of the risks and opportunities in local markets and improved attractiveness of Emerging Markets for capital investment. For these reasons VantagePoint offers its donors an attractive platform for visibility:

- § **Global and local impact:** VP maximizes the impact of donations by supporting local organizations and entrepreneurs that provide sustainable investment services in the Emerging Markets.
- § **Knowledge transfer:** VP offers active participation in meetings, visits, and seminars as well as ongoing contacts with VP and VP's network of foundations, corporations and opinion leaders, thus ensuring access to cutting-edge information about developments in the Emerging Markets.
- § **Measurable progress:** VP provides regular reporting and development of performance indicators with the aim of capturing the social added value of VPs activities.

What is VantagePoint's unique expertise? VantagePoint was initiated and is led by Alois Flatz, a world-renowned expert on sustainability investing, rating and indexes. Alois Flatz and his partners Francois Escher and Oliver Karius who started VantagePoint have over 15 years experience in developing and implementing sustainable investment approaches and bring an extensive international network of industry experts and opinion leaders. Major accomplishments in the past include the successful development and execution of the Dow Jones Sustainability Index (DJSI) and the independent rating as the world's No #1 Sustainability Research in 2004.

What interest and commitment has VantagePoint received? Financial support has been given by our co-founders, Alison and David Blood, The Blood Family Foundation, US, and Mr. Rana Kapoor, YES Bank, India. Mr. David Blood is Managing Partner of Generation Investment Management and former CEO of Goldman Sachs Asset Management, UK and Mr. Rana Kapoor is the Managing Director & CEO of YES Bank Ltd. Further expressions of intent to commit financially have been made by other organisations. We are inviting new donors to support VantagePoint financially and become actively involved in this unique new venture.

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