

The Triodos Social Enterprise Fund

A pathfinder social enterprise fund



Triodos Bank was founded in 1980 in the Netherlands. We now have offices in the UK, the Netherlands, Belgium, Spain, and representation in Germany. Triodos Bank is a fully public bank with thousands of customers and shareholders.

We only lend to and invest in projects and enterprises which create social and environmental value – in fields such as organic food and farming, renewable energy, social housing, complementary health care, fair trade and social business. We also finance microfinance organisations in developing countries.

Triodos Bank offers a wide range of banking services including savings accounts for individuals and loans, current and investment accounts for social businesses, charities and groups.

Triodos Bank is a fully licensed bank, authorised by the Dutch Central Bank (DNB), and regulated by the Financial Services Authority (FSA) for the conduct of UK business.

For more information, visit www.triodos.co.uk

path·find·er [path-fahyn-der] **noun** 1. a person who finds or makes a path, way, route, etc., esp. through a previously unexplored or untravelled wilderness.

The Triodos Social Enterprise Fund (the Fund) is a ground-breaking social enterprise equity fund. It will invest in high impact and commercially sustainable social enterprises and provide expertise to help them grow. The Fund brings together social investors who are looking for meaningful ways to put their money to work with promising social enterprises. Its mission is to deliver social and financial returns to its investors by funding the next generation of pioneering social enterprises.



NEW MARKET OPPORTUNITY

Social enterprises are profit making businesses set up to tackle a social or environmental need. Jamie Oliver's Fifteen restaurant, fair trade drinks company Cafédirect, and Triodos Bank itself are all examples. Recent research estimates that there are more than 55,000 social enterprises in the UK with a combined annual turnover of £27bn.

SMEs generally find it difficult to access growth capital but this equity gap is particularly acute for social enterprises because they are more-than-profit businesses. Investing in social enterprises is key to help entrepreneurs tackling social and environmental issues to become commercially successful. The Fund provides a compelling opportunity for social investors to be part of the solution and use their money to generate social and financial returns by investing in a portfolio of social enterprises.

INVESTING IN ESTABLISHED AND AMBITIOUS SOCIAL ENTERPRISES

Triodos Bank's position as a leading financial intermediary and bank for social enterprises and ethical businesses means the Fund's investment team has excellent access to suitable investment opportunities, and it has built a strong pipeline of potential investments. For example, the portfolio might include a fair trade business bringing tangible benefits to its suppliers, a company delivering a much needed health service in deprived communities or an organisation set up to deliver sustainable energy to the local community.

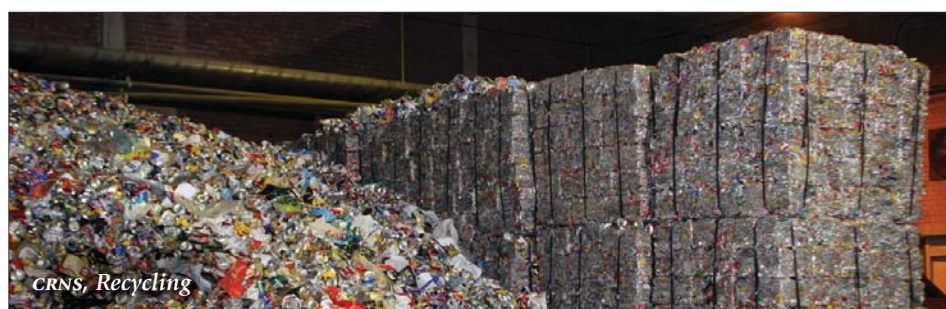
The Fund will invest significant minority stakes in social enterprises with a proven business model and the desire to grow. Investment size will generally range from £250k to £750k, but the Fund may invest lesser or greater sums depending on circumstances. The Fund's portfolio will consist of between seven to ten investments, reflecting its pathfinder nature.

TRIODOS' UNIQUE EXPERTISE

The Fund is Triodos' third venture capital fund. Triodos is genuinely unique among social sector finance intermediaries. It has 16 years of venture capital expertise and a track record of delivering positive financial returns within the social and environmental sectors.

Triodos has in-depth knowledge of the social enterprise sector in the UK through both lending and capital raising. Triodos Bank has over £60m lent to charities and social enterprises, including the Children's Scrapstore in Bristol and Pecan in London. Triodos has raised capital for leading social enterprises through share or bond issues for Cafédirect, The Ethical Property Company and Golden Lane Housing, the housing arm of mental health charity, Mencap.

Like most venture capitalists we normally take a board seat and work with management teams to plug gaps in expertise. But Triodos brings much more to investees with our shared understanding of the challenges that social enterprises face. Triodos Bank has an extensive network of social economy partners that we will use to open doors, make connections, and help our investees succeed. Sponsoring the RISE Social Enterprise Mark, partnering with Social Enterprise London and being a Social Enterprise Ambassador Programme mentor are just a few of the things we do to support the sector.



DEDICATED INVESTMENT TEAM

The Fund is managed by Triodos Bank, with Whitney Thomas leading the investment team. Whitney has 12 years investment experience spanning financing leveraged buy-outs at JP Morgan to working in social enterprise in microcredit, with the last two years spent investing venture capital for Triodos. She will be supported by Gareth Zahir-Bill who combines 12 years of commercial banking, social banking and venture capital investment expertise. All investment decisions will be made by an investment committee chaired by independent expert Peter Linthwaite (Managing Partner of Carbon Trust Investments and formerly CEO of the British Venture Capital and Private Equity Association), and including James Vaccaro (Managing Director of UK Investment Banking at Triodos Bank) and the investment team.

MAKE YOUR MONEY MAKE A DIFFERENCE

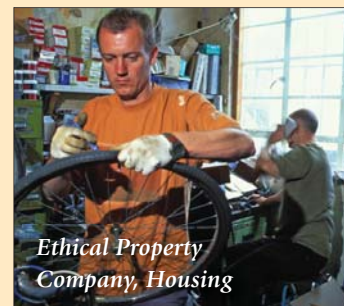
The Fund aims to return the equivalent of 10% per annum after costs and before tax. The Fund life is expected to be up to 10 years with the majority of the capital invested in the first three. The Fund is a discretionary investment management service managed by Triodos Bank with investors participating pro rata in each investment selected by the Fund Manager.

The minimum participation by an Investor in the Fund is £50,000. There is no maximum participation in the Fund. Please note that this product is only suitable for certain types of investors and before accepting investment in the Fund, Triodos Bank NV will need to determine the appropriateness of the service provided by it to any client and the suitability of the client for the investments made by the Fund.

Important Information

Triodos Bank NV (incorporated under the laws of the Netherlands with limited liability, registered in England and Wales BR3012). Authorised by the Dutch Central Bank (DNB) and regulated by the Financial Services Authority (FSA) for the conduct of UK business. Registered office: Brunel House, 11 The Promenade, Bristol BS8 3NN

Any investment decision should only be made on the basis of the Investment Memorandum and the Investor Agreement and not on any information in this document. The underlying market for investments is restricted. It may be difficult to sell or realise your investment or to obtain reliable information about its value or other risks to which it is exposed and you may not get back the full amount invested. Investment in the Triodos Social Enterprise Fund is intended to be for the long term and dividend income during the life of the fund is unlikely to be payable. The investments can fluctuate in price or value. The Fund is not a collective investment scheme for the purposes of section 235 Financial Services and Markets Act 2000.



HELPING TO BUILD THE NEXT GENERATION OF SOCIAL ENTERPRISES

Who are tomorrow's leading social enterprises? Who will be the next Cafédirect or Ethical Property Company? The Triodos Social Enterprise Fund will invest in social enterprises to help them to scale up and create the next generation of social enterprises.

For example, the portfolio might include a fair trade business bringing tangible benefits to its suppliers, a company delivering a much needed health service in deprived communities or an organisation set up to deliver sustainable energy to the local community.

For further information on the Triodos Social Enterprise Fund and to request an Information Memorandum please contact:

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