



SUNFUNDER

Scaling climate investments: Gigaton Empowerment Fund

December 2021

SunFunder at a glance

\$160m+
closed for
investees

58 clean
energy
investees

23
investment
countries

8m
people
impacted

40
team
members

50%
female
team

We have designed and *closed 3 vehicles and \$142m of blended finance* from institutional, impact and individual investors.

*\$15m Solar
Empowerment
Fund
2013-2016*



*\$47m Beyond
The Grid (BTG)
Fund
2016-2017*



*\$70m Solar
Energy
Transformation
(SET) Fund
2019-2021*



Focus on high-growth off-grid sectors

Direct investments and syndications for corporate, project and asset financing across a range of rapidly growing solar + storage segments

Off-grid solar

Solar home systems for lighting & appliances

Active since 2012
32 borrowers



Mini-grids

Village-scale distributed rural electrification

Active since 2014
5 borrowers



C&I solar

Installations for businesses & institutions

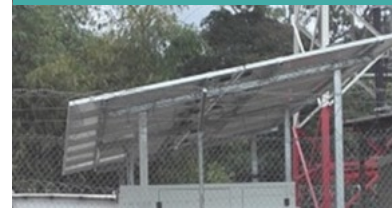
Active since 2014
12 borrowers



Telco solarization

Energy service model for telecom tower portfolios

Active since 2017
6 borrowers



Agri-solar

Productive use solar equipment & installations

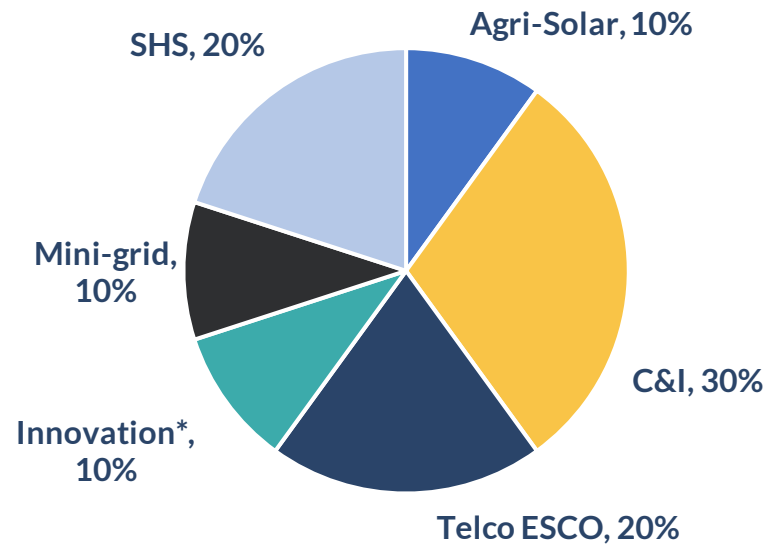
Active since 2017
2 borrowers



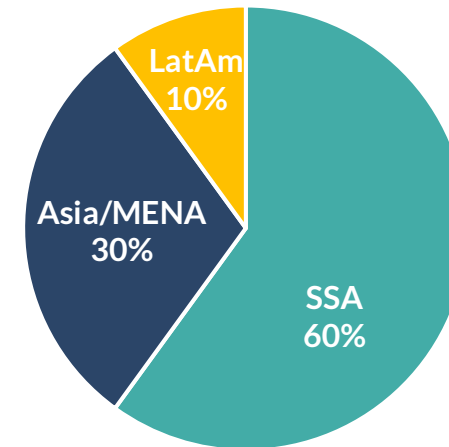
Gigaton strategic investment targets

The new *Gigaton Empowerment Fund* will build on SunFunder's strengths and will deploy \$1.3bn over the course of its life in >100 transactions to over 50 borrowers in clean energy and climate investments across Africa, Asia & Latin America

Gigaton target portfolio allocation



Gigaton target portfolio geographies



Gigaton fund structure

\$250M SUPER SENIOR TRANCHES

Private Institutional Investors

\$175M SENIOR TRANCHES

DFIs, Impact Investors and HNWIs

\$75M JUNIOR DEBT & FIRST LOSS CAPITAL

Impact Investors, Donors, Grants & Guarantees

Super Senior Debt (50%)

Senior Debt (35%)

Catalytic Junior Capital (15%)



POTENTIAL PORTFOLIO RISK MITIGATION

We plan to continue working with current risk mitigation partners



FX HEDGING FACILITY

Affordable hedging products and risk management education for impact investors



PORTFOLIO GUARANTEE

Guarantees 50-70% of principal loss of an eligible loan upon default



POLITICAL RISK INSURANCE

Coverage: expropriation, political violence, and currency inconvertibility / transferability

UNEPFI Net-Zero Asset Owner Alliance

CLIMATE INVESTMENT AS TOP PRIORITY

Growth in the sector is mirrored by interest from major international investors. *SunFunder has been shortlisted by the UN-convened Net-Zero Asset Owner Alliance in their call for proposals seeking blended finance vehicles with a focus on climate investments (alongside BlackRock and Allianz EM infrastructure funds).*

Net-Zero Asset Owner Alliance members: \$7 trillion AUM



Challenges experienced in fundraising

- Sector is not really known by mainstream private institutional investors
- Some private investors are looking higher liquidity than is easy to provide with private market investments
- Size of the fund (too small / too big)
- Size of the individual ticket (additionality DFIs / Private sector)
- Difficulties for blended finance fund : Not easy to find catalyst junior investors, some DFIs rejects Blended finance vehicle (not eager to finance fund or to trade off risk/ return), while blended finance could take high country and sectorial risks
- Need to balance portfolio need for scale and impact

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Thank you

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