



Invest for impact · Investir pour l'impact

*January 2020*

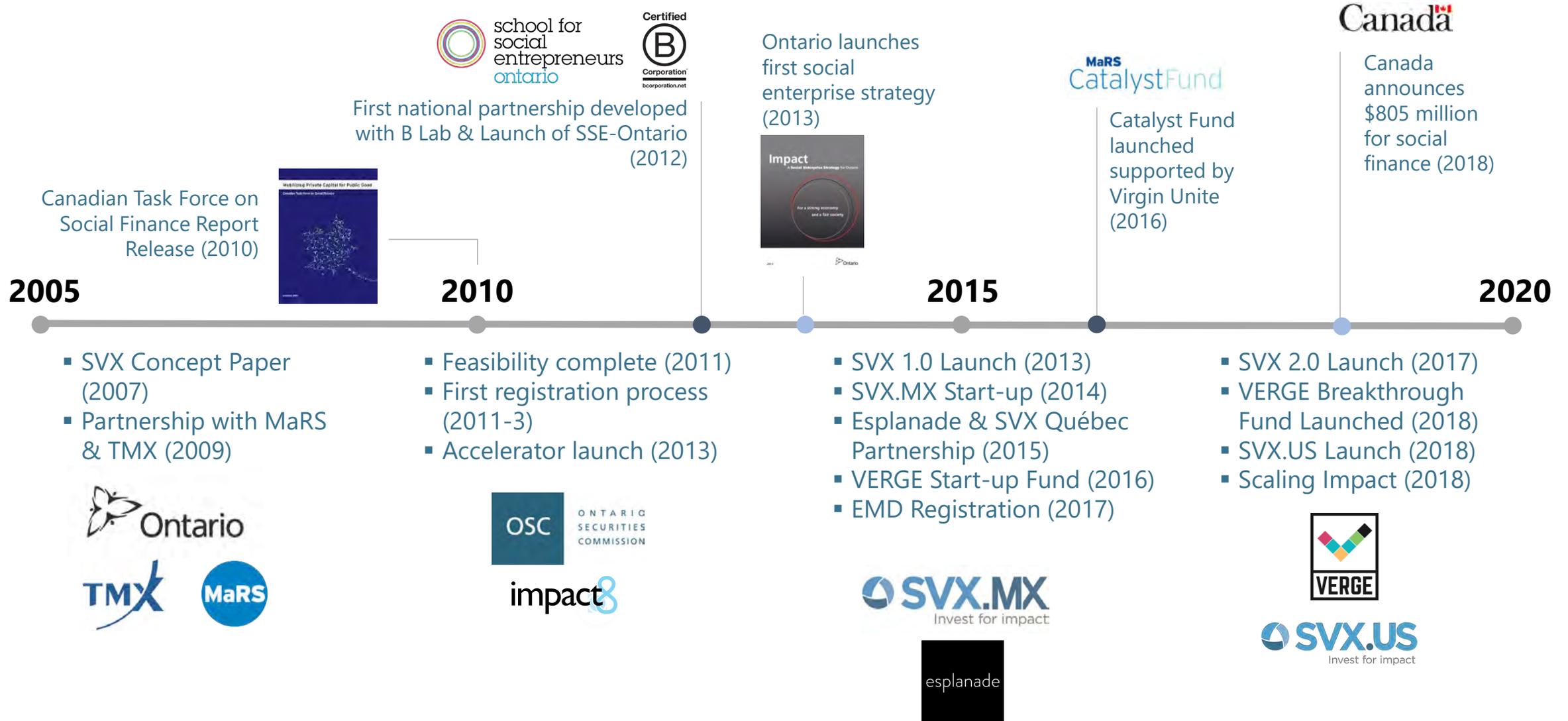
## Our Vision

A world where all investments and  
all enterprises have a positive  
impact



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# SVX History



# Our Work

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SVX is a nonprofit financial services firm that designs strategies, manages products, and mobilizes capital for impact ventures, funds, organizations, and investors.

We work across sectors that deliver meaningful impact: cleantech, health, education, food, and social inclusion, helping investors find and make impact investments and issuers raise impact capital.

**SVX is registered with local securities regulators as an Exempt Market Dealer (EMD). We have partners and operations across Canada, as well as in the US and Mexico.**



# Venture & Investor Education

SERVICES

We seek to build capacity for interested and active investors, ventures, funds and organizations through hands-on education.

## PEER CONVENING

- Bootcamps
- Workshops
- Community Events

## KNOWLEDGE

- Research
- Resources
- Webinars

# Advisory Services

## SERVICES

We build investment readiness and support impact offering development.

### Services include:

- Business model review
- Offering development
- Financial modelling
- Impact storytelling
- Pitch preparation
- Expert consulting



**House of  
Friendship**

**NATIONAL  
OBSERVER**



**House of  
Friendship**

NEW ADDICTION TREATMENT CENTRE  
562 CONCESSION ROAD, CAMBRIDGE, ON

# Fund Design & Management



## LOCAL INVESTMENT FOR LOCAL IMPACT

Serving Southwestern Ontario, VERGE Capital has catalyzed over \$3.5 million in impact investing, connecting caring local investors with local social and environmental enterprises.

SERVICES

We design and manage impact investing funds, and we coordinate a network of place-based impact funds in Canada.

RY

finance program of supported by our together, we are social finance in Ontario.

VERGE works

### OUR LOAN FUNDS

VERGE Capital's two loan funds provide financing to startup and established enterprises. The VERGE Breakthrough Fund allows investors to invest collectively in local social and environmental enterprises.

[Find out more](#)

### OUR IMPACT

Our investees have changed lives providing training and employment opportunities, poverty alleviation and global access to educational materials. We created the only social innovation space in London.

[Read their stories](#)

DISCOVERY

DESIGN

DEPLOYMENT

MANAGEMENT

LEARN MORE: [I'M AN ENTREPRENEUR](#) [I'M AN INVESTOR](#)



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# Digital Platform & Offerings

## SERVICES

SVX.ca is full service platform featuring high quality impact ventures, funds, and organizations seeking debt and equity capital.

The platform features detailed profiles, a transaction engine, and capacity to manage investments across:

- **Impact types:** Cleantech, health, education, food, and social inclusion
- **Security types:** Private debt, private equity
- **Investor types:** Retail, eligible, accredited

BRIGHTER INVESTMENT

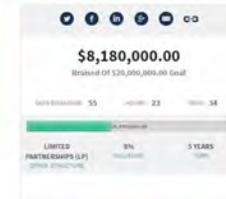


Woodland Biofuels



LUCKY IRON FISH

InvestEco  
Building companies that matter



**Offering Description**

**Deetken Impact**

Deetken Impact invests in emerging economies to generate long term returns while making a positive social and environmental impact in communities.

The Ilu Women's Empowerment Fund is a Canadian investment fund focused on fixed income investments in Latin America and the Caribbean. The Fund delivers strong financial returns through its debt and mezzanine investments in a diversified portfolio of mid-cap companies with missions to promote women in leadership and governance, products and services that meet the needs of women and girls, gender-sensitive value chains, and workplace equity. The Ilu Fund LP Units have a 5-year term and a target yield of 7 to 9% in U.S. dollars.

Deetken Impact, the fund manager, has a 10-year track record of delivering strong, stable returns to investors by investing in businesses that make a meaningful contribution to the Sustainable Development Goals. Deetken Impact is a Certified B Corporation, a member of the Responsible Investment Association (RIA) and was awarded 2017 Impact Investor of the Year by the M&S Centre for Impact Investing.

**Investment Highlights**

NOTE: This offering is for 5-year Deetken Impact Fund LP units. Deetken Impact also offers an Impact Bond investment in the Ilu Fund. Impact Bonds, which contribute to the Deetken Impact Fund, are structured as \$25,000 bonds invested at a fixed interest rate of 6% over a 5-year term. The bonds are RRSP and TFSA eligible. Please click here to see that offering.

**Investment Offering:** \$10,000,000 raise (minimum investment: \$25,000 US\$)

**Structure:** This security is structured as an LP unit investment with a target yield of 7 to 9% in U.S. dollars. LP units have a term of 5 years.

**Use of Proceeds:** The Ilu Fund focuses on senior and subordinated debt investments in Latin America and the Caribbean. The Fund invests in a diversified portfolio of high impact businesses that promote women in leadership and governance, products and services that meet the needs of women and girls, gender-sensitive value chains, and workplace equity. Portfolio investments include financial institutions that provide integrated and thoughtfully designed services for low-income women, such as access to healthcare, educational loans and financial services, as well as gender-smart investments in renewable energy, affordable housing, and social enterprises.

**Target Close:** initial close Q1 2019, Final close is expected 12 months thereafter.

Please note that this is not a complete investment summary. Investors should read all associated documentation including the offering memorandum and associated securities agreements before considering or making any investment.

**Ilu Women's Empowerment Fund**

Launched in June 2016, the Ilu Women's Empowerment Fund is a Canadian impact fund focused on senior and subordinated debt investments in Latin America and the Caribbean. The Fund invests in a diversified portfolio of high impact businesses that promote women in leadership and governance, products and services that meet the needs of women and girls, gender-sensitive value chains, and workplace equity.



# SVX Service Continuum & Pricing: Issuer Advisory & Platform

## DISCOVERY

### Market Research

- Understand issuer market
- Identify existing investment opportunities and competitors
- Initial due diligence

### Stakeholder Engagement

- Meeting(s and Workshops): Models and structures, goals, impact and vision, and show stoppers

## DESIGN

### Financial Modelling

- Assessment of available financial models
- Financial model updates or construction

### Offering Development

- Present viable structures (debt / equity and specific security type)
- Determine investor target (eg. accredited investors) and strategy
- Develop or modify impact framework for issuer
- Draft term sheet
- Pitch preparation: Assessment, Workshop, deck and one pager

### Partner Review & Evaluation

- Identify and Interview legal firms (and accounting firms) for drafting as required\*

## DEPLOYMENT

### Due Diligence and Documentation

- Deliver and review due diligence package
- Term sheet, sub agreement, and offering materials as prepared and reviewed by legal counsel

### SVX Platform Deployment

- Onboarding
- Market and raise funding via platform
- Investor strategy and relations
- Financial and impact reporting (as needed)

\* NB: SVX does not directly provide legal services to clients. However, we do work with a number of high quality law firms.

# Due Diligence Approach



## MEET SVX CRITERIA

## INVESTMENT ANALYSIS

## INVESTMENT REVIEW COMMITTEE

## MANAGEMENT APPROVAL

## INVESTOR READY

- Impact Sector
- Operating History
- Traction
- Business Plan
- Operational Impact
- Core Impact
- Team
- Coachability
- Scalability
- Sustainability

- Impact
- Corporate History
- Governance
- Product/Service
- Financials
- Competition
- Marketing Strategy
- Management
- Legal
- References

- Investment Review Committee (IRC) composed of expert impact investors from across the country, representing:
- Financial institutions
  - Foundations
  - Angels
  - Institutional investors

- Informed by IRC recommendations for further review
- Management provides final decision for inclusion with SVX

- Ability for investors to see summary of offering and investment documents on SVX platform
- Additional analysis is available on request

# Review Criteria

BASE	FITNESS	IMPACT	POTENTIAL
<p><b>SECTOR ALIGNMENT</b></p> <p>Focus on cleantech, education, food, health and inclusion</p> <p><b>INCORPORATION</b></p> <p>Incorporated for-profit or not-for-profit (includes co-ops)</p> <p><b>OPERATING HISTORY</b></p> <p>Minimum one (1) year operating history at time of application</p>	<p><b>VALIDATION</b></p> <p>Existing revenue, customers, and/or investment</p> <p><b>PRODUCT</b></p> <p>Quality product or service offering (i.e. product-market fit, sales growth, low churn)</p> <p><b>BUSINESS PLAN</b></p> <p>Demonstrates understanding of long-term finances, operations, and strategy</p>	<p><b>STANDARD</b></p> <p>Meet a standard of impact (i.e. for-profits must meet B Impact score of 80 or higher)</p> <p><b>METRICS</b></p> <p>Minimum one (1) quantifiable, measurable impact KPI according to sector</p> <p><b>IMPACT PLAN</b></p> <p>Developed Theory of Change / Plan to improve impact over time</p>	<p><b>TEAM &amp; COACHABILITY</b></p> <p>Full-time team, relevant Expertise, leadership responsive to feedback</p> <p><b>SCALABILITY</b></p> <p>Potential for deep local or national/global scale</p> <p><b>SUSTAINABILITY</b></p> <p>Entity and investment are sustainable with reasonable existing / path to profitability</p>

**Investor-ready Deal Room:** Financial statements, impact certification, strategic business plan, projection model, articles of incorporation, term sheet, subscription agreement, investment presentation, background check forms, and business references.

# Defining Impact



## **Intentional**

An intention to achieve a positive social and/or environmental impact through a business model that tackles a shortfall, problem or externality.



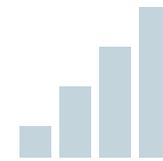
## **Measurable**

Measure and report impact for underlying investments.



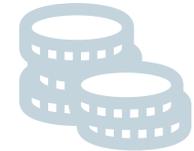
## **Standard**

Impact meets an established industry standard for assessing or understanding impact.



## **Scale**

A deep impact through changing a neighbourhood, or wide impact by changing a whole population or a part of the world.



## **Return**

A financial return, encompassing anything from return of principal (below market rate) to market-beating financial return.

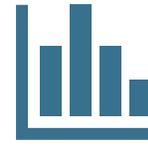
# Common Securities on Platform



**Community  
Bond**



**Social Impact  
Bond**



**Revenue  
Share Loan**



**Impact  
Fund**



**SAFE**



**Convertible  
Debenture**



**Promissory  
Note**



**Green  
Bond**

# Windmill Microlending

## ADVISORY & PLATFORM

Windmill Microlending provides loans to new Canadians to access education and credential recognition programs.

Windmill loans enable skilled newcomers to escape long-term poverty by allowing them to increase their incomes threefold, on average, from \$16,000 prior to participation to \$50,000 after loan payback, as the result of a loan of \$7,000. Windmill has a goal of doubling the number of IAF loans originated over the next two years, from 488 in 2018 to 976 in 2020.

**SVX designed and led the capital raise for a \$5 million community bond to double the size of their lending pool.**



# Lucky Iron Fish

ADVISORY & PLATFORM

Lucky Iron Fish is a company tackling iron deficiency and iron deficiency anemia in emerging and developed economies through their signature product, the Lucky Iron Fish.

To date, over 70,000 units have been distributed to families through trusted NGOs, improving the health of up to 500,000 individuals.

**With SVX support, Lucky Iron Fish successfully raised \$1.4 million in common shares.**

# Verge Capital Breakthrough Fund

## FUND DESIGN & MANAGEMENT



The Breakthrough Fund is Southwestern Ontario's first place-based impact investing fund providing growth capital to early stage enterprises, local organizations and businesses, and impact real estate and projects.

SVX designed, deployed, and currently co-manages the Breakthrough Fund and the following activities:

- Market testing
- Financial and impact modelling
- Investment fund prototype development
- Venture due diligence
- Investor education
- Program content development and delivery

- **Impact sectors:** No poverty (SDG1), Good health and well-being (3), Affordable and clean energy (7), Decent work and economic growth (8), Climate action (13), Life on Land (15)
- **Deal type:** Loan Fund providing up to \$500,000
- **Size:** Up to \$10M within 5 years, \$50M long-term. First loss capital and operating funding provided by Government of Ontario for start-up.
- **Portfolio:** Fourteen (14) current investees including clean energy projects, affordable housing, coworking spaces, health and technology ventures, and conservation finance projects.



# Entreprenorth Fund

## FUND DESIGN



The Entreprenorth Fund seeks to support community-based entrepreneurs seeking early stage financing in Northern Canada.

SVX designed the Entreprenorth Fund and completed the following activities:

- Market testing
- Financial and impact modelling
- Investment fund prototype development
- Stakeholder workshops

**Impact sectors:** : Indigenous/community-based entrepreneurship

**Deal type:** Equity or Quasi-equity Fund

**Size:** Up to \$1M

**Term:** Up to 10 years

**Capital structure:** Unit Trust

**Target return:** 1-2%

# SVX Team



**Adam Spence**  
**Executive Director  
& UDP**

- Founder, SVX
- 10 yrs: MaRS, SSE-O, B Lab Canada, VERGE
- 8 yrs as Nonprofit ED
- BA McMaster



**Ameeta Vijay, CPA, CA**  
**Director of Finance &  
Compliance**

- 20 yrs reg & compliance
- Fidelity Investments, Bermuda Monetary Authority, PwC
- BACS UWO



**Kevin Taylor, MBA**  
**Associate Director**

- Serial entrepreneur
- Deloitte consulting, Genum
- MBA UoT, BEsc UWO



**Bridget Zhang**  
**Manager**

- Equity Research, Paradigm Capital
- CSR, PwC Egypt
- BA Hons McGill



**Marc Nisbet**  
**Senior Associate**

- 10 years in Social Economy sector in Quebec
- MBA in Community Economic Development



**Anisha Jain**  
**Communications &  
Community Coordinator**

- Queen's Young Alumni Council
- BA Queen's



**Ashley Wang**  
**Analyst**

- Upside Foundation
- London Social Value Fund
- HBA Ivey

# Governance & Advisors

## Board of Directors



**Lina Bowden**  
Advisor,  
VERGE Capital



**Rob Peterman**  
Director,  
TMX Group



**Grace Lee Reynolds**  
Chief Business Officer,  
MaRS



**Kevin Doyle**  
Vice-President, Canada  
Overseas



**Rajeev Dewan**  
Partner, Capital Markets,  
McMillan



**Adam Spence**  
Executive Director & UDP,  
SVX

## Issuer Review Committee

Collection of thought leaders, impact investors, and market builders whom review and advise on platform products, funds, and projects.

- **Jory Cohen** Inspirit Foundation
- **Leeat Gellis** Grand Challenges Canada
- **Zulf Karim** BDC
- **Richard Muller** Toniic; Sum Things Ventured
- **Genevieve Pinto** Renewal Funds
- **Caroline Rauhala** Vancity Community Investment Bank
- **Shirley Speakman** Cycle Capital Management
- **Mike Thiessen** Genus Capital Management
- **Xenia Wong** Bennett Jones LLP

# Track Record



900+ investors in our network, with a focus on accredited investors



Over 30 issuers activated on platform 2.0



150M+ raised by ventures on platform and in programs. SVX 2.0 has raised \$7M+ since Nov. 2017



300+ ventures supported by the platform, bootcamps, and programs since 2013



Scaling across Canada, Mexico, and United States



# Thank you

**Adam Spence**

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Disclaimer: SVX is a not-for-profit entity, incorporated in Canada. SVX is registered as an Exempt Market Dealer (EMD) with the Ontario Securities Commission (OSC) and regulators in Alberta, British Columbia, Manitoba, Quebec, and Saskatchewan. However, no securities regulatory authority has approved or expressed an opinion about the securities offered on this platform.