Thriiive Impact Investment Fund (TiiF)

BUILDING SHARED PROSPERITY IN VULNERABLE GLOBAL COMMUNITIES

GUA TEMAL A KENYA N I CA R AGU A V I E T N AM
TIIF IS A DIFFERENT KIND OF INVESTMENT FUND

TIIF is a program-related investment (PRI) fund supporting Thrive’s mission of building shared prosperity in vulnerable communities across Central America, Southeast Asia, and East Africa. As with any PRI, the primary return is social and charitable rather than financial. We make debt, equity, and convertible investments at manageable, below-market interest rates to finance growing small businesses committed to social and environmental responsibility.

SMALL IS BEAUTIFUL... BUT NEGLECTED

Everyday small businesses are the backbone of developing world economies. These “missing middle” small businesses are too big for microfinance institutions, but too small and risky for most commercial banks and impact investors. A significant opportunity for reducing poverty and expanding economic opportunity exists through more investment in this sector, but there are very few players like Thrive providing manageable financial capital with forgiving collateral requirements.

A HISTORY OF BUILDING SHARED PROSPERITY

Thrive is a US-based nonprofit providing pay-it-forward loans up to $10,000 to developing world entrepreneurs to create jobs, expand small businesses, and strengthen vulnerable communities. These loans, called ThriveCapital, are repaid not in cash but by donating an equivalent value of job training or basic necessities to people in need. This leverages further economic opportunities for the most disadvantaged, creates new cultures of small business giving, and enables challenged communities to become more self-sufficient and resilient. Since 2010, Thrive has financed over 450 small businesses worldwide, creating over 2,400 new jobs and serving hundreds of thousands with opportunity-enhancing business donations in Guatemala, Kenya, Nicaragua, and Vietnam.

TIIF’s next-level financing complements Thrive’s core pay-it-forward ThriveCapital program, but differs significantly in that the cap on financing is much larger (up to $50,000) and is repaid conventionally so that all principal and interest can be reinvested in other promising small enterprises in perpetuity.

WHERE WE INVEST

Guatemala, Nicaragua, Kenya, Vietnam
INVESTMENT PHILOSOPHY & OBJECTIVES

The philosophy behind TiiF is that the future of humankind depends on making the free market more equitable and compassionate. We also believe this movement must come from the grassroots level where most people work and the most economic growth potential resides.

TiiF investees are small businesses demonstrating a commitment to social and environmental responsibility, but they need not be social enterprises. We like those too, but our focus is on everyday small businesses where most people are actually employed. Thrive believes every small business, regardless of industry or product, can deliver positive social and environmental impact in their community. Our expectation is that TiiF investees will raise the bar for social and environmental performance, and be recognized as local leaders in small business social and environmental responsibility—inspiring other entrepreneurs to follow their example.

INVESTMENT CRITERIA #1: JOB CREATION FOR DISADVANTAGED INDIVIDUALS

TiiF’s #1 criteria is employment generation potential for unskilled and low-income women, at-risk youth, persons with disabilities, and indigenous & ethnic minorities. We believe the free market should be made more equitable for people largely excluded from economic opportunities that growing small businesses are capable of providing.

INVESTMENT CRITERIA #2: ECONOMIC EMPOWERMENT OF WOMEN

TiiF provides increased access to finance for women entrepreneurs and prioritizes employment opportunities for women in general. TiiF follows Thrive’s core belief in gender equity by committing to a portfolio of at least 50% women-owned enterprises. Furthermore, every candidate will be assessed by their potential to create jobs and improved opportunities for women.

INVESTMENT CRITERIA #3: IMPROVED TREATMENT OF EMPLOYEES

TiiF investees must provide above average wages and benefits to their employees relative to their industries. In addition, they must exhibit a culture of respect for employees and commit to increased workplace safety.
FINANCIAL & MANAGEMENT CRITERIA FOR INVESTEES

TiiF is agnostic as to preference for specific industries. As a general guideline, TiiF prioritizes enterprises with $50,000 to $500,000 in gross annual revenue, with a clear need and likelihood of expanding their workforce in parallel with continued revenue growth.

No business can realize their social/environmental objectives unless they are profitable and growing. Financial health, cash flow, industry analysis, value proposition, competitive niche, and internal and external risks will all be evaluated diligently.

No investments will be made without evidence of solid financial health and positive future cash flow assessment.

The success of small enterprises is driven by the talent and commitment of the entrepreneurs behind them. We evaluate their experience, education, sophistication, and moral/ethical fiber. Are they innovative, motivated, and willing to continue learning to maximize their business’ growth potential? Are they respected by customers, suppliers, and community members?

INVESTMENT CRITERIA #4: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION

In this era of escalating global climate change, TiiF investees must commit to reducing the environmental impact of their core operations relative to their industries. This may include conscious raw materials sourcing, more efficient energy usage, waste reduction and recycling, and/or elimination of dangerous by-products.

No investments will be made without evidence of solid financial health and positive future cash flow assessment.

The success of small enterprises is driven by the talent and commitment of the entrepreneurs behind them. We evaluate their experience, education, sophistication, and moral/ethical fiber. Are they innovative, motivated, and willing to continue learning to maximize their business’ growth potential? Are they respected by customers, suppliers, and community members?

YOUR DONATION DOUBLES AS A SUSTAINABLE INVESTMENT

A fully tax-deductible donation to TiiF doubles as a sustainable investment. All returns from our investments are recycled to finance additional growing small businesses. TiiF does not exist to deliver profits to external investors, but rather to reinvest all investment proceeds into our charitable mission of maximizing job creation and socially responsible economic development. Our return is simply the quantifiable social and economic impact being created.

FINANCIAL & MANAGEMENT CRITERIA FOR INVESTEES

TiiF is agnostic as to preference for specific industries. As a general guideline, TiiF prioritizes enterprises with $50,000 to $500,000 in gross annual revenue, with a clear need and likelihood of expanding their workforce in parallel with continued revenue growth.

No business can realize their social/environmental objectives unless they are profitable and growing. Financial health, cash flow, industry analysis, value proposition, competitive niche, and internal and external risks will all be evaluated diligently.

No investments will be made without evidence of solid financial health and positive future cash flow assessment.

The success of small enterprises is driven by the talent and commitment of the entrepreneurs behind them. We evaluate their experience, education, sophistication, and moral/ethical fiber. Are they innovative, motivated, and willing to continue learning to maximize their business’ growth potential? Are they respected by customers, suppliers, and community members?

YOUR DONATION DOUBLES AS A SUSTAINABLE INVESTMENT

A fully tax-deductible donation to TiiF doubles as a sustainable investment. All returns from our investments are recycled to finance additional growing small businesses. TiiF does not exist to deliver profits to external investors, but rather to reinvest all investment proceeds into our charitable mission of maximizing job creation and socially responsible economic development. Our return is simply the quantifiable social and economic impact being created.

BE A PART OF THE CHANGE

TiiF is currently seeking fund donations and co-investment commitments to support more socially and environmentally impactful enterprises. Biannual portfolio reports will profile investees and quantify financing status, business growth, job creation, supply chain impact, and more importantly, their social and environmental benefits. Donors and co-investors are welcome to visit socially responsible TiiF enterprises in the field anytime to see firsthand the impact they are creating. Make a donation that doubles as an investment today, or consider co-investing in dynamic TiiF enterprises making a difference!
INVESTMENT MANAGERS

Laurel Williams
Investment Manager
CFO & COO
MBA, Boise State University
laurel@thriive.org

Huyen Huong
Investment Manager
International Program Officer
MBA, Troy University
huyen@thriive.org

LOCAL PARTNERS

Offices in:
Boise | Seattle | Sun Valley
Hanoi | Managua | Nairobi | Quetzaltenango

thrive.org/tiif
Facebook: THRiIVE
+1 208 340 3397