



Ho Chi Minh City, 21. October 2010

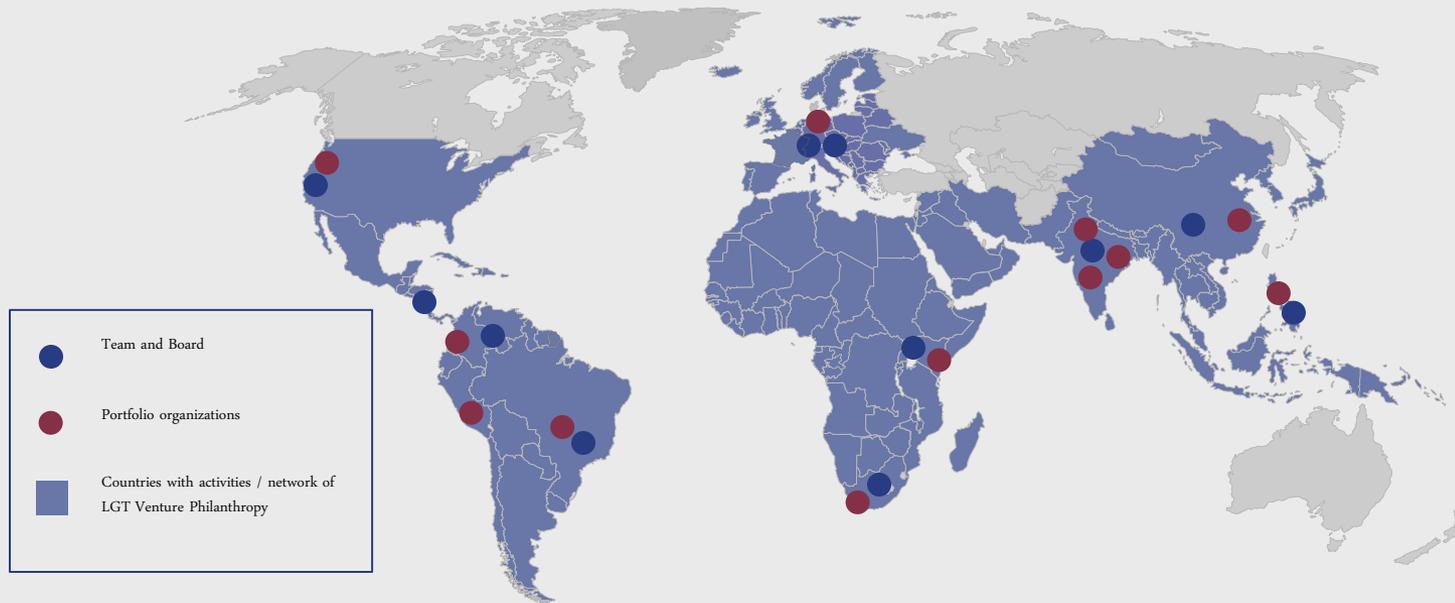
## **LGT Venture Philanthropy**

Best Practices in Grantmaking: Due Diligence





## 15 People work in 4 continents with local organizations and networks



### The Team

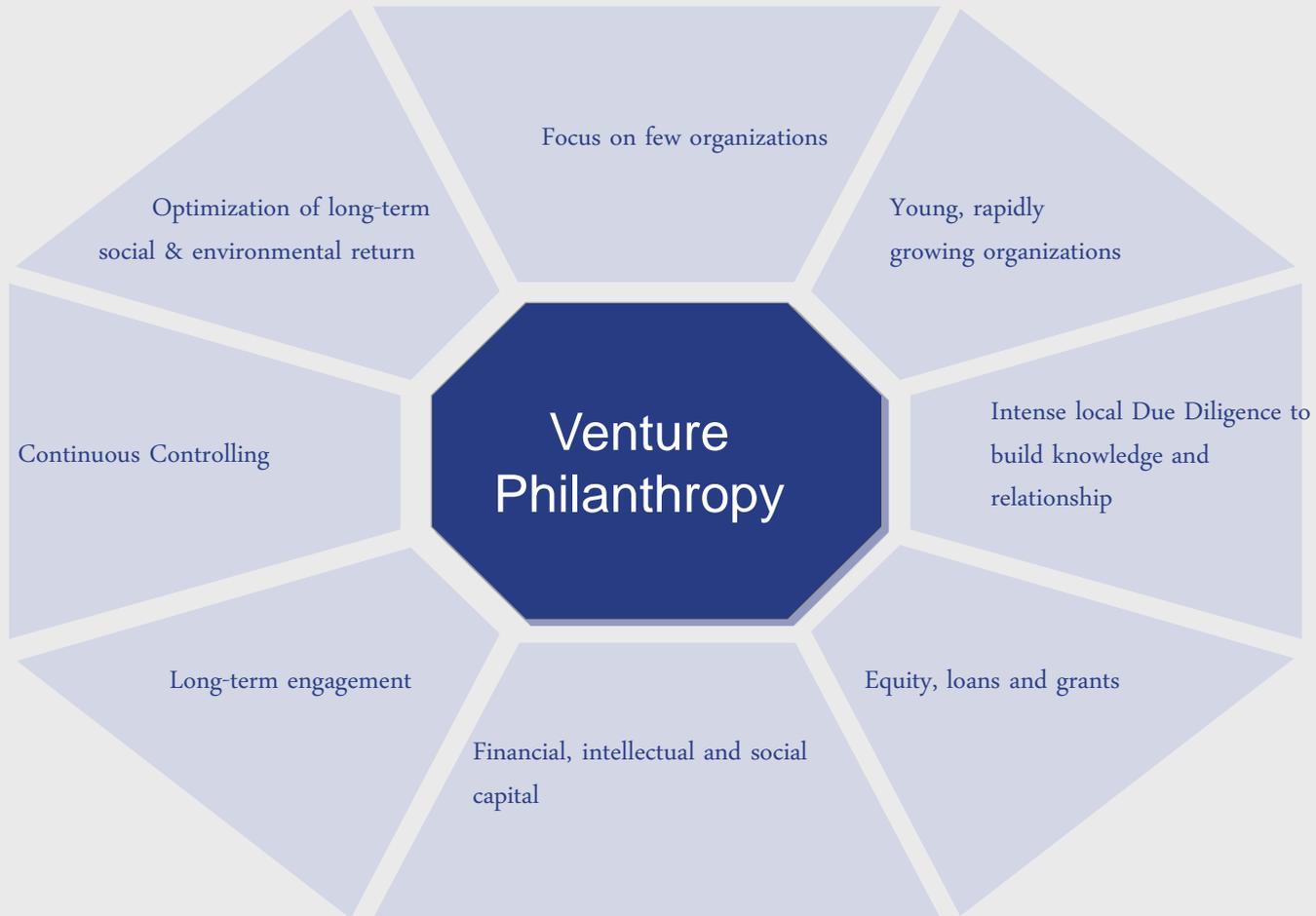


### The Board

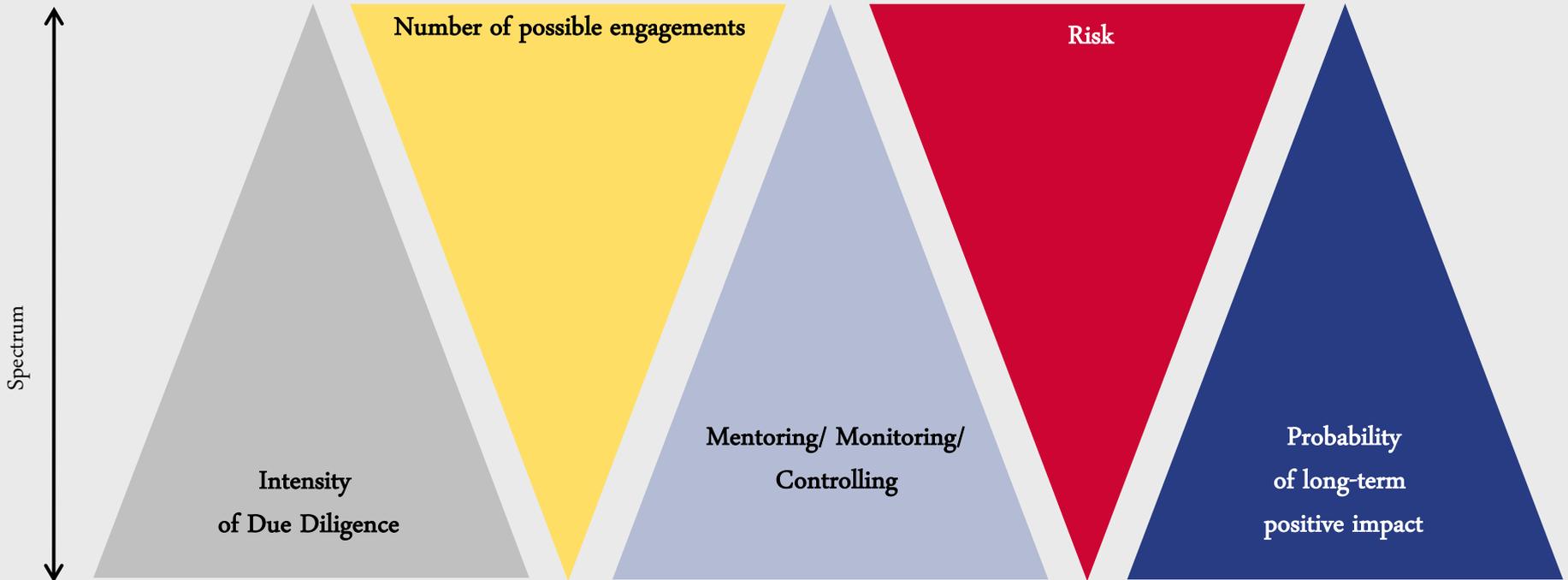


Dr. Alexander Leeb, Elliott Donnelley, Walter Fust, S.D. Prinz Max von und zu Liechtenstein, Dr. Erik Müller

## Main characteristics of Venture Philanthropy



**Our Philosophy: The higher the analysis and monitoring, the higher the positive impact**



# The investment process of LGT Venture Philanthropy



Timing	Continuous	Continuous	Up to 2 months	Up to 3 months	3 – 7 years	1 week – 3 months
Process	Deal sourcing	Screening	Preliminary review	Deal execution	Portfolio controlling & reporting	Exit
Main activities	<ul style="list-style-type: none"> <li>Sourcing of potential deals</li> <li>No unsolicited proposals</li> <li>Information exchange with cooperation partner/ reference calls</li> <li>Stop-go decision</li> </ul>	<ul style="list-style-type: none"> <li>Screening of organizational information</li> <li>Telco's with mgt. team, face to face meeting if feasible</li> <li>Information exchange with coop. partner / reference calls</li> <li>Internal discussions</li> <li>Discuss with local partner or regional representative</li> <li>Stop-go decision</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of business plan / proposal</li> <li>Field visit (0.5-1 day)</li> <li>Reference calls</li> <li>Intensive internal discussions</li> <li>Unanimous approval of partners</li> <li>Board feedback &amp; approval</li> </ul>	<ul style="list-style-type: none"> <li>Intensive due diligence and site visit (team, finance, services, competition, marketing, legal situation, ...)</li> <li>Full impact potential analysis</li> <li>Reference calls</li> <li>KPI determination</li> <li>Negotiate terms &amp; KPI's</li> <li>Board feedback</li> <li>Unanimous approval of partners &amp; majority of board</li> </ul>	<ul style="list-style-type: none"> <li>Permanent support / meeting (intellectual and social capital)</li> <li>Regular KPI (Key Performance Indicator) evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of different options</li> <li>Negotiations with relevant partners</li> </ul>
Tools / Documents	<ul style="list-style-type: none"> <li>Tracking database</li> <li>Quick-screen checklist</li> </ul>	<ul style="list-style-type: none"> <li>Factsheet (2 pgs)</li> <li>Capabilities Assessment (light)</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire</li> <li>Capabilities assessment</li> <li>Risk assessment</li> <li>DD Checklist</li> <li>Preliminary Review (5 pgs)</li> </ul>	<ul style="list-style-type: none"> <li>Letter of Intent (LOI)</li> <li>Term sheet</li> <li>Capabilities and risk assessment</li> <li>Investment Memo (25 pgs)</li> <li>Board decision (1pg)</li> <li>Contract(s)</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports</li> <li>Quarterly KPI</li> <li>Annual report</li> <li>Post investment monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Contract(s)</li> </ul>

Before final contracts are signed every deal can be stopped at any moment



## Due diligence process of LGT Venture Philanthropy

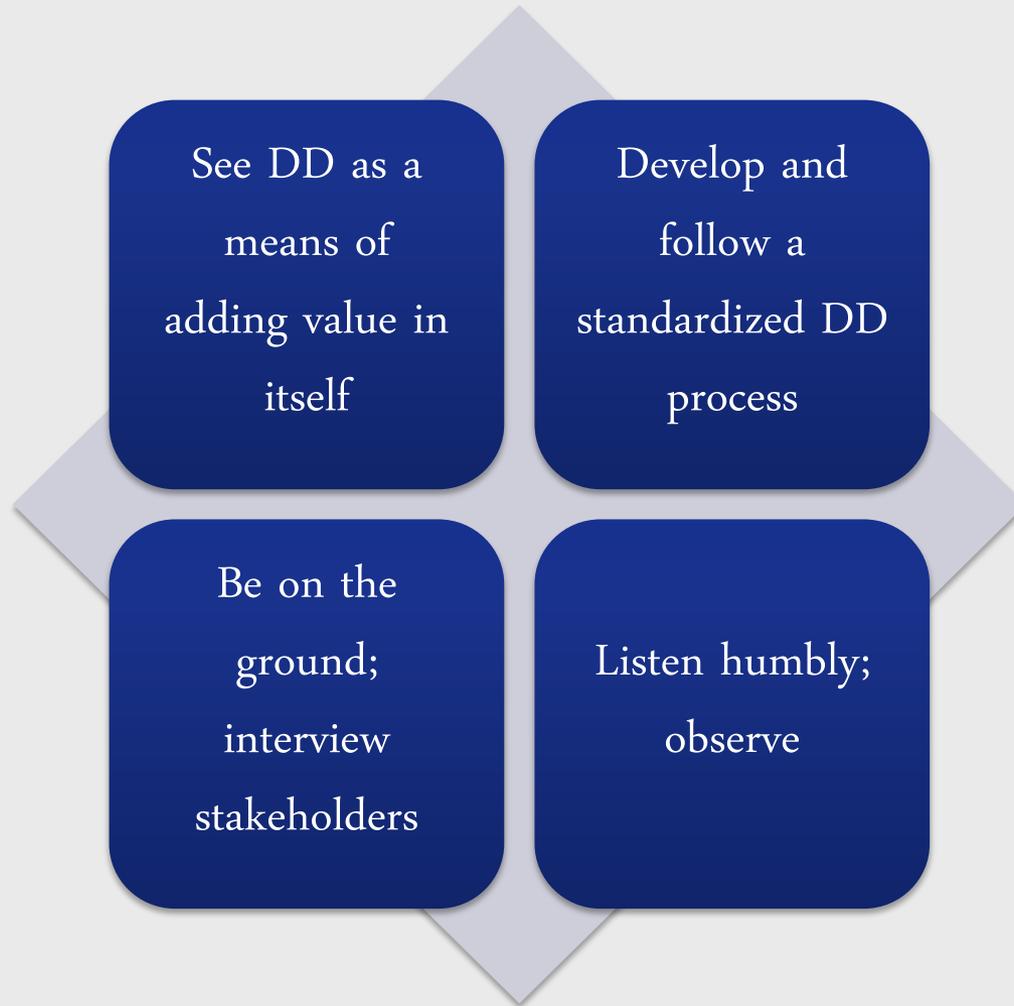
Example: Rags2Riches, Manila, Philippines



rag<sup>s</sup>2riches™



## Key points



## LGT Venture Philanthropy contact details



For more information please contact:

Joan Yao

Investment Manager – Southeast Asia

Mobile

+63 917 811 5831

E-Mail

[joan.yao@lgtvp.com](mailto:joan.yao@lgtvp.com)

### Support

LGT Venture Philanthropy is funded through substantial contributions from each of the following LGT Group companies:

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"Berry-Picker in Mountain Landscape", 1844

**FRANZ EYBL**

**1806–1880**

In this picture Eybl depicts a country girl set against an imposing backdrop of mountains. The artist conveys the subtlest nuances in the portrait, his skill particularly evident in the rendering of the textiles and the qualities of the different materials. The patterns on the red neckerchief, the colourful bodice beneath it, the blue apron and the white of the blouse, along with the headscarf, are a picture in themselves with their interplay of subtly differentiated textures. The girl does not look directly at the viewer - she seems dreamy, lost in thought. Her reflective pose infuses the picture with an almost meditative calm.

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