



Ho Chi Minh City, 21. October 2010

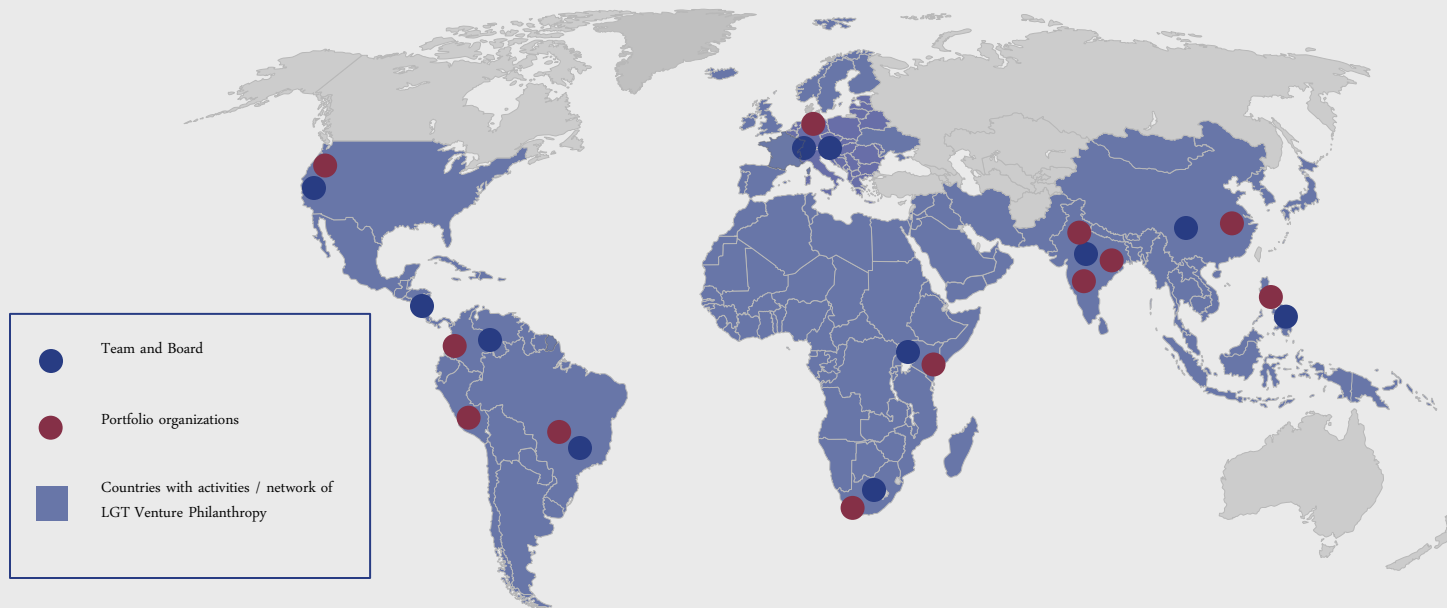
LGT Venture Philanthropy

Best Practices in Grantmaking: Due Diligence





15 People work in 4 continents with local organizations and networks



The Team

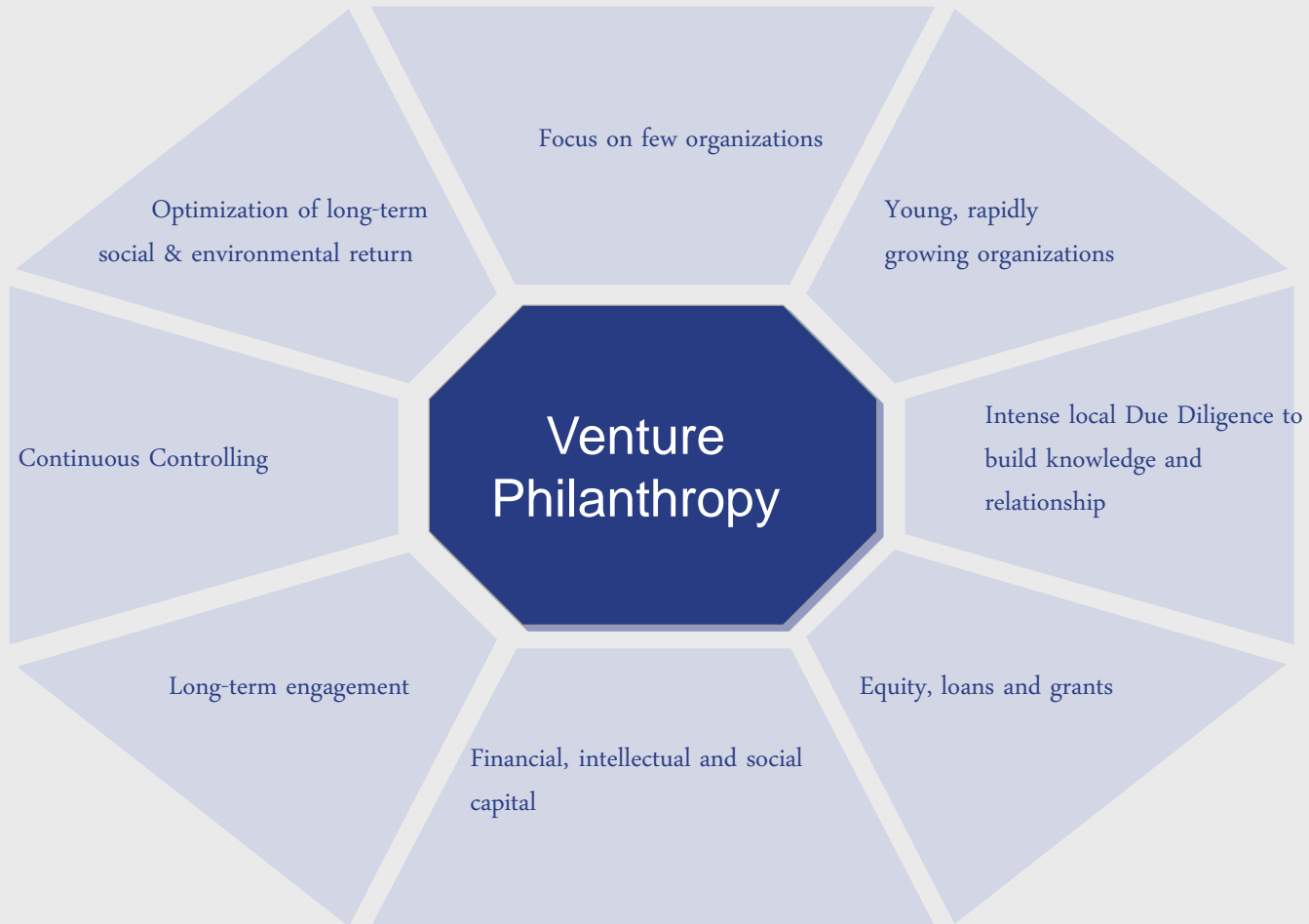


The Board

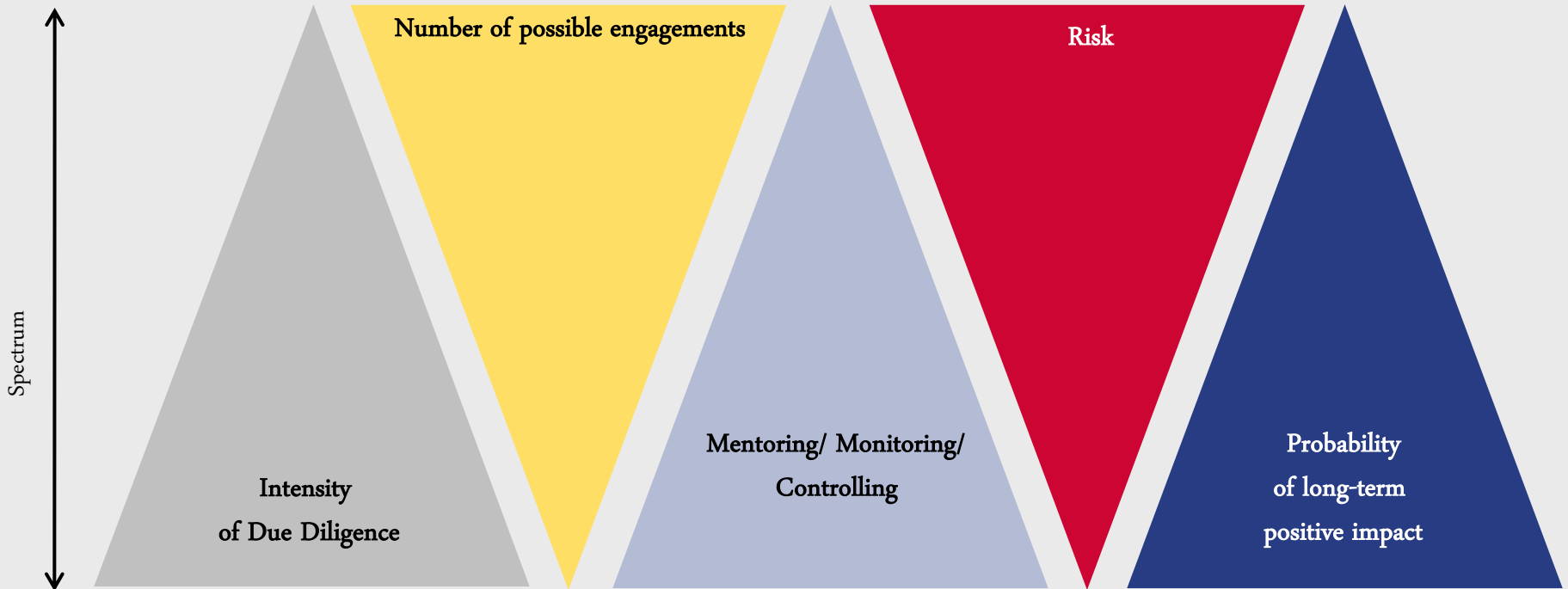


Dr. Alexander Leeb, Elliott Donnelley, Walter Fust, S.D. Prinz Max von und zu Liechtenstein,
Dr. Erik Müller

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

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



Due diligence process of LGT Venture Philanthropy

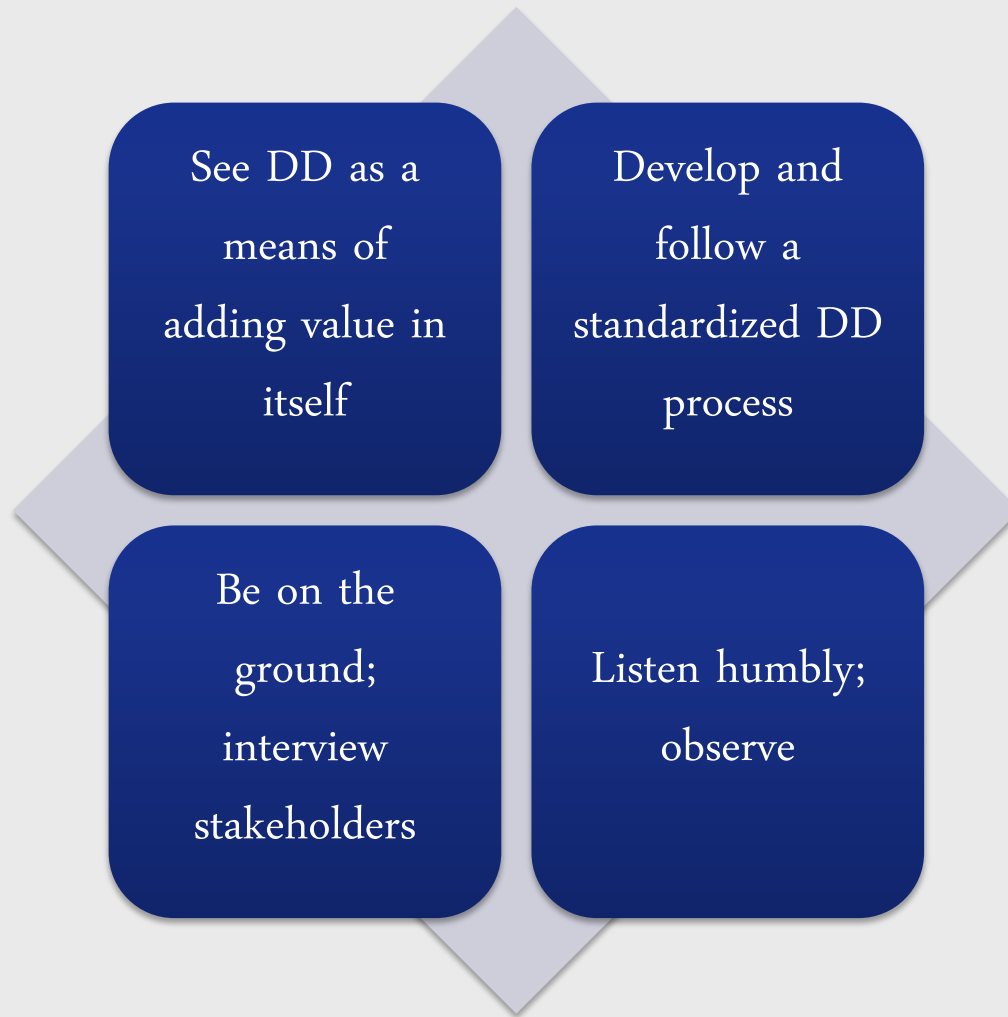
Example: Rags2Riches, Manila, Philippines



rag^s2riches™



Key points



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Support

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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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