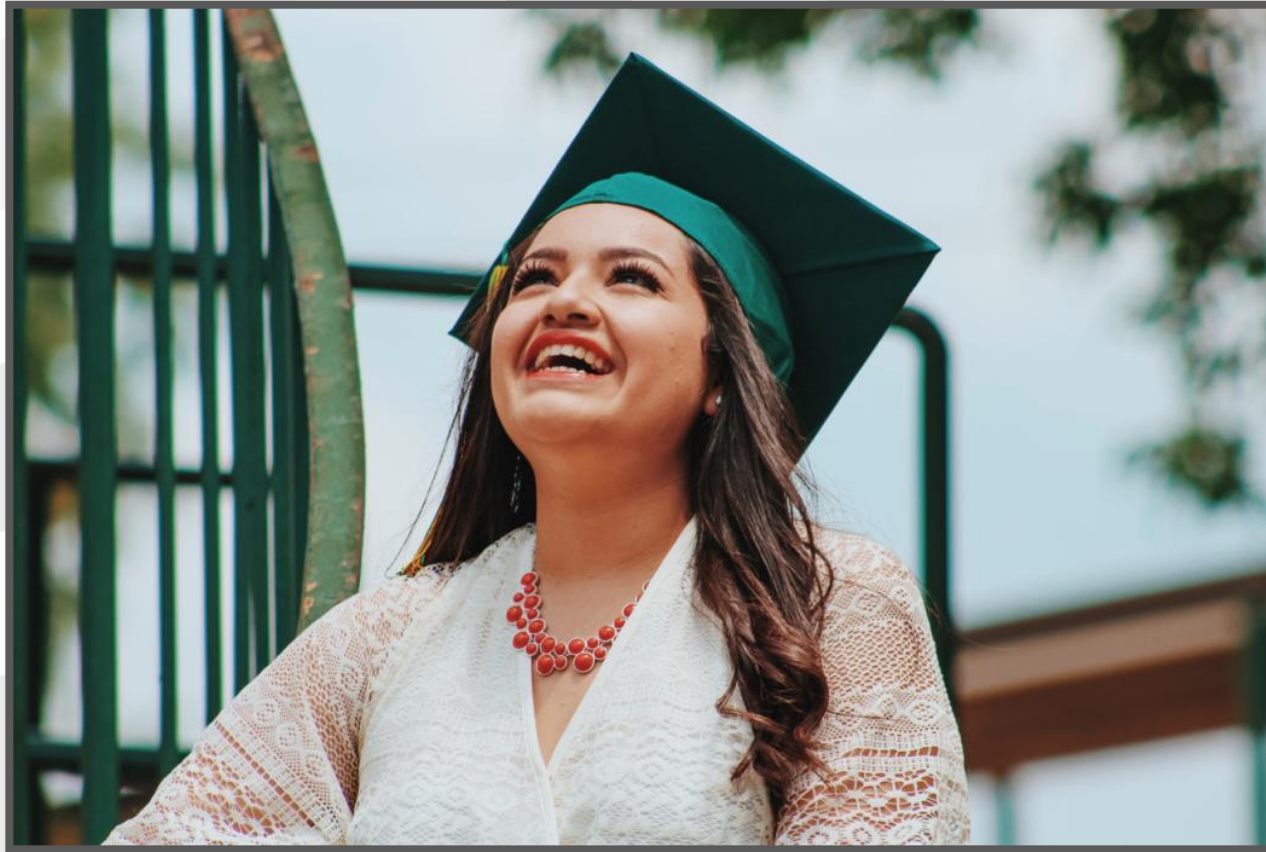




Higher Education Finance Fund L.P.





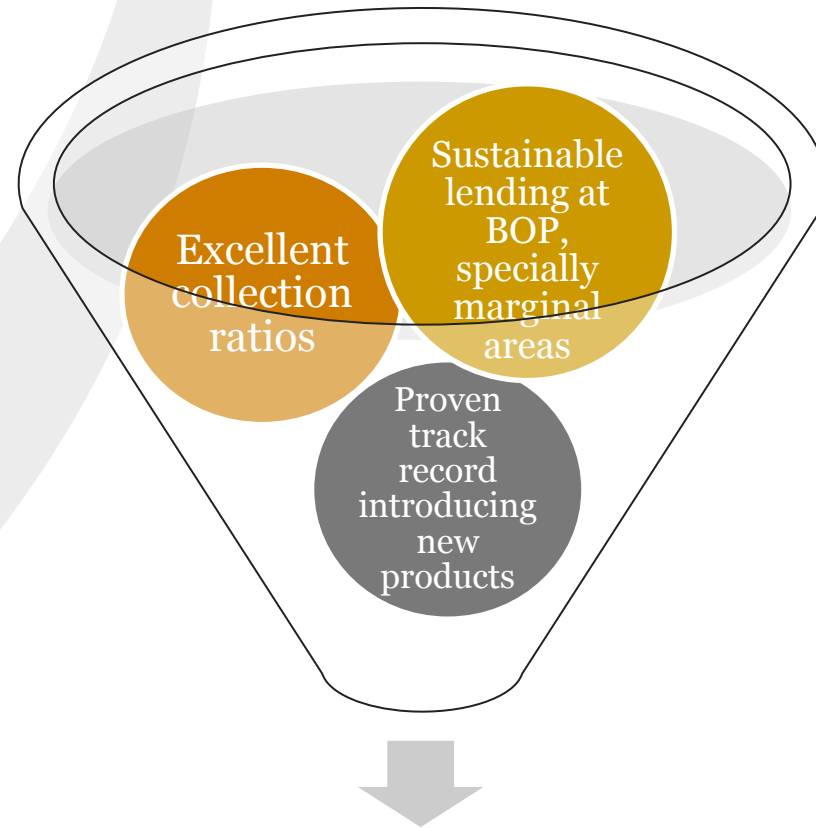
“Education is the most powerful weapon which you can use to change the world”

- Nelson Mandela

**Education
costs**

**Demand
for Higher
Education**

- Many LAC government subsidize tuition and materials for public universities and technical institutes, but...
 - Public schools cannot meet demand
 - Many students forced to look for private alternatives
 - This group faced with need to finance



MFI's ideal vehicle for HEFF

Concept

- Create instrument to finance higher education at BOP
- Target markets with no or limited access to this type of financing
- Leverage existing network of MFIs in LAC

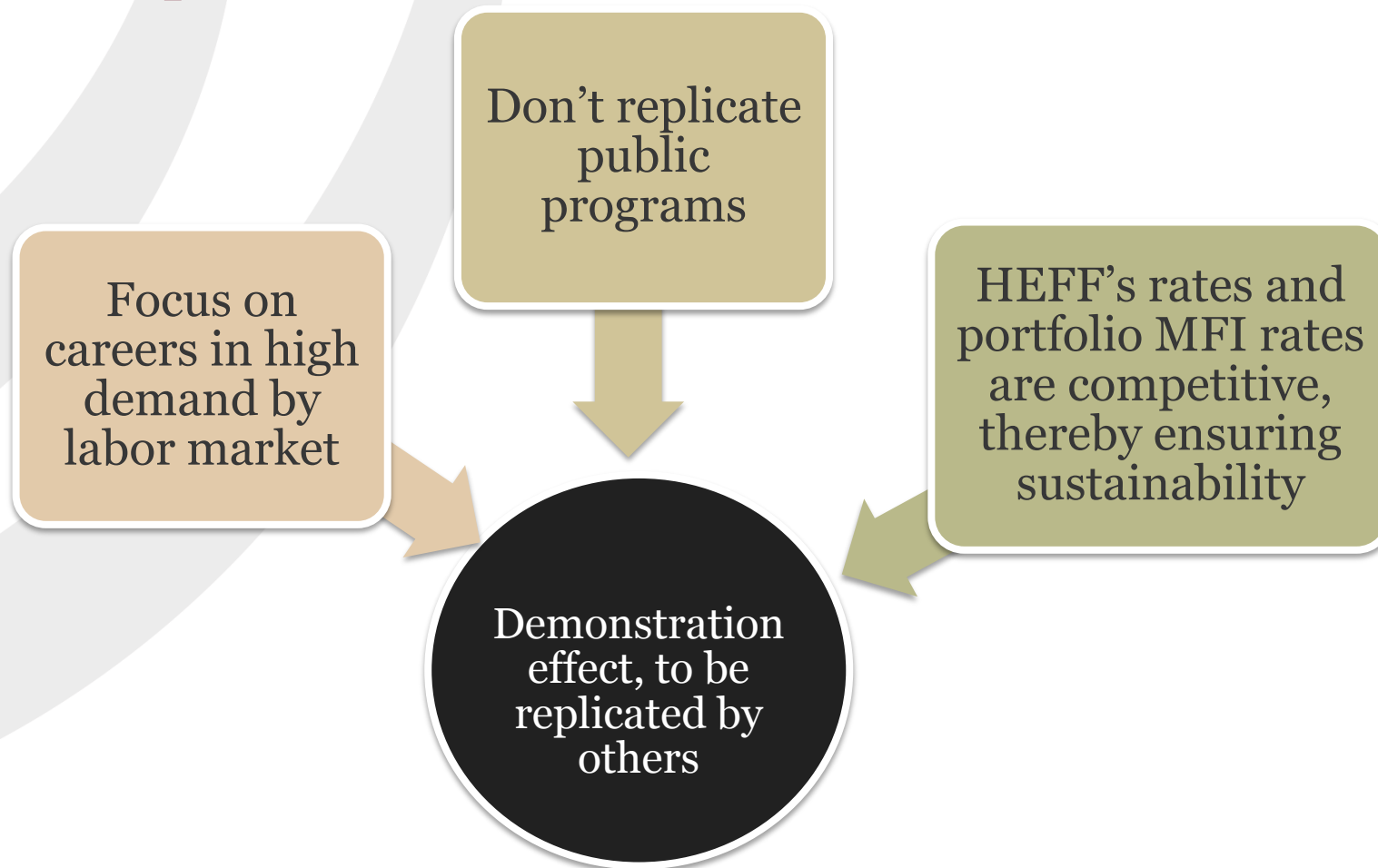
Vehicle

- Fund that offers higher education loans to MFIs to fund their student portfolios
- Accompanying technical assistance to ensure product feasibility and attractiveness to students

Social Benefits

- Marginalized segments of population access higher education
- Financing scheme adjusted to their needs

10
YEARS
EUROPEAN
MICROFINANCE WEEK 2016
HEFF's Basic Principles





- US\$34 million fund
- Managed by Omtrix, Inc. from San José, Costa Rica
- On-lend to MFIs under appropriate terms:
 - Average of 8 years term with 4 years grace period.
 - Competitive, variable market interest rate in local currency
- 7 countries: Guatemala, Honduras, Costa Rica, Dominican Republic, Bolivia, Perú, Paraguay.
- 10 MFIs at an average of US\$2.9 million each.

Technical Assistance Facility

US \$1.6 million

For MFIs

Market analysis:

1. Careers in high demand and salaries
2. Quality higher education schools
3. Cost-benefit analysis

Lending methodology:

1. Adapt existing methodologies
2. Design specific credit product, lending manuals, training materials, and tools.
3. Training

Guidance in marketing to youths

For Students

- Financial education seminars
- Counseling for students who's academic performance drops.
- Job planning and career guidance seminars.
- Organization of job fairs.



About the Manager – Omtrix Inc.

- Founded in 1995
- Located in San Jose, Costa Rica
- Created to manage Profund, first equity fund dedicated to investing in MFIs
- Manager of the Emergency Liquidity Facility (2004-2014) in LAC; short term loans to MFIs facing external crisis
- Implemented TA facilities targeting risk management – both institutional and external
- Offers consulting, most recently in governance, to MFIs



HEFF's Stakeholders



Status of HEFF's Implementation

- Financial closing in December 2011
- Operations start in 2012
- All 7 target countries in the portfolio
- Commitments with 10 FIs
- US\$29 million committed



92% of students from families with income below \$1,654 per month

	Projected	Actual
Number of Students	2,025	3,387
Disbursements to MFIs	\$20.25 mn	\$21.5 mn
Average student loan	\$10,000	\$2,925



- 5 FIs have 100+ students
- 77% of student loans under \$4,000
 - only 4% above \$9,000



- 70% of students under 25 years of age
- 58% of students also work
- 86% of those who work earn \$600 or less per month

all figures as of June 30, 2016; projections made in 2011



Status of TAF's Implementation

- TA has spent close to US\$1.0 million so far in:
- Market studies for all 7 countries (careers in high demand and quality universities and technical institutes)
- Developed the student lending methodologies.
- Trained all 10 FIs in methodology.
 - 761 staff members trained.
- Supported the product development and launch phase within the FIs
- Supporting FIs marketing campaign
- Hosted a cross fertilization seminar in Costa Rica

10
YEARS
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MICROFINANCE WEEK 2016
TAF Results



MFI Training Session in Paraguay



Cross Fertilization Seminar lessons learned collected in a paper and distributed to all FIs

10 YEARS EUROPEAN MICROFINANCE WEEK 2016
TAF Results



Updated, new, youth-oriented brochure in Guatemala



Dedicated social media campaign in Honduras