



MICROLUMBBIA INC.

ANNUAL REPORT 2020-21



MICROLUMBBIA
IMPACT FUND

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MESSAGE FROM THE CO-PRESIDENTS

When we accepted the roles and responsibilities of our co-presidency, we could not have predicted the magnitude or the long-lasting effects of the pandemic, and the changes and challenges it will pose for us in the academic year 2020-21. Despite the unprecedented challenges posed by the pandemic, Microlumbia Inc. delivered a blockbuster year and 2020-21 was a success by many measures. We had a successful year in sourcing investments. While being remote, we centered our efforts on building a stronger community, investing in learning and development through educational workshops, and broadening our network by establishing many new external partners.

We are incredibly proud of our team for rising to meet the many challenges of this year. This was only possible due to the unparalleled engagement and tireless effort of Microlumbia's MBA student management team from Columbia Business School and our Board of Directors.

In 2020-21, we welcomed new Co-Chairs of our Board of Directors, Courtney Asher Thompson and Reid Spearin. Katie Leonberger will continue to remain on our Board. We express our gratitude to Katie for her fierce leadership since the founding of the fund and welcome Courtney and Reid in their new role. We had the good fortune of working with Courtney and Reid over the last year, and are thankful for their insight, guidance, trust and patience in all our endeavors. We also welcomed Maya Zamir (who served as Microlumbia Co-President in 2019-20) and Jason Navarino to our Board.

We would be remiss if we did not thank our donors and partner organizations for their continued support. It was their generous contributions and a strong commitment to our mission that carried us through one of the most challenging years in our history.

Our team's entrepreneurial spirit, coupled with the unwavering spirit of our Board allowed us to deepen our focus on advancing our mission. In this letter, we have highlighted some of the achievements of our team in 2020-21.



MESSAGE FROM THE CO-PRESIDENTS (CONTINUED)

The year 2020 was not only marred by the COVID-19 pandemic but also social injustice witnessed closer to our home, causing understandable stress and anxiety for many of us. It also motivated us to examine our commitment to Diversity, Equity, and Inclusion (DE&I) as a student impact fund. Internal reflections caused us to acknowledge that we have significant work to do, and in the years to come, we will be redoubling our efforts with the objective of integrating DE&I in all our activities and initiatives. We will also focus our student management team to be reflective of the student community we exist in, and will be making efforts to increase representation from all walks of the CBS community,

As we close our presidency term with Microlumbia, we are very pleased to share your Co-Presidents for 2021-22: Everett Allen and Shanthakumar Bannirchelvam; and your Chief Investment Officer for 2021-22: Ryan Dougherty. Their commitment to our mission, hard work, collaboration and creativity was instrumental in our successes this year. They will be supported by an incredible student team, and we are looking forward to seeing the new heights that the incoming student management team will take Microlumbia to next year.

We thank our talented and committed team and Board for their ongoing dedication to the fund, and for inspiring us every step of the way. We also thank our donors and partners for placing their trust in us.

Ever upwards,

Charlton Hook and Wineeta Paul

Microlumbia Co-Presidents, 2020-21



YEAR IN REVIEW

1

Evaluated five deals this year and brought two of these deals to fruition by investing in Ilara Health and FairBanc. While the remaining three opportunities continue to be in our due diligence process which will be over the summer and fall. In the process, we also expanded our understanding of the impact of financial inclusion and the broader social impact that can be delivered with these models.

2

Launched “Education” vertical, kickstarted our learning agenda with two multi-hour educational workshops focused on sourcing, creating investment memos, and undertaking due diligence and institutionalized learning goals in our regular management team meetings.

3

Deepened our relationship with our alumni, and external partners at Columbia and beyond, by launching alumni events, creating board liaison role and ensuring active engagement with our portfolio companies.

4

Fostered community amongst the management team by finding new and safe ways to connect, such as happy hours, dinners, and picnics.

5

Equipped student volunteers with skills necessary to navigate through default scenarios and captured learnings from our experience with an impaired loan, Tulaa. Our team is working on a case study with co-investors, Tulaa management, and Columbia University.

6

Strengthened engagement between Board and Student Management Team by forging virtual spaces to connect, including organizing 10+ coffee chats, monthly check-ins with Board Co-Chairs, and making board members active contributors to our goal-setting process.

7

Created stronger governance mechanisms within the student management team by institutionalizing regular check-ins and enabling cross-team collaboration and learning

INVESTMENTS - PORTFOLIO SUMMARY

Recent Investments & Current Portfolio Companies

Organization	Business Model	Country	Investment Date	Investment Amount	Term Length	Co-Investor
 Fairbanc	SME lending and data analytics	Indonesia	November 2020	\$25,000	12 months	N/A
 ILARA HEALTH	Healthcare asset lending and data management	Kenya	July 2020	\$25,000	18 months	N/A
 SALY M FINANCE	Microfinance	Kyrgyzstan	March 2019	\$25,000	30 months	Envest

Past Investments (last five years)

Organization	Business Model	Country	Investment Date	Investment Amount	Co-Investor
Quest Financial Services	Microfinance	Zimbabwe	October 2016	\$25,000	Envest
 asaak	SME lending	Uganda	March 2018	\$25,000	N/A
 SALY M FINANCE	Microfinance	Kyrgyzstan	March 2019	\$25,000	Envest
 TULAA	Agricultural input lending	Kenya	June 2019	\$12,500	N/A



INVESTMENTS - DETAILS

Microlumbia's student team kicked off a historic period of investments and due diligence in 2020-2021 under the leadership of our CIO, Ryan Fauber.

Not only were the teams conducting their diligence in the midst of a global pandemic, but they were also analyzing companies that existed outside of our traditional focus of Microfinance. In 2020, the Investment team closed two \$25,000 investments (with Fairbanc and Ilara Health). The team also engaged with three companies in active diligence in early 2021.

In this unique period, during which businesses all over the world are witnessing a shift in their operating models in response to the pandemic, the student teams were careful to include factors driven by the pandemic in their analysis. Prior to closing both Ilara and Fairbanc, the teams initiated a second round of financial projections to specifically account for changes in the ecosystems of these two companies.

In addition, we have continued our strong partnership with Invest - working with them on our ongoing investment in Salym. The Investment team also engaged with Invest on a research project aimed at understanding microfinance and foreign investment regulations in Pakistan, with the goal of partnering on a future deal in the country should the opportunity arise.

The Investment team initiated a Relationship Manager program that pairs a management team member and board member with our active portfolio companies to better support their operations and strengthen the transition between student volunteer teams from year to year. We also implemented a similar program with our investment and other external partners. We hope this will provide greater continuity to our partners and offer additional opportunities for the students to work with portfolio companies.

The Investment team looks forward to completing its three active due diligence processes by Fall 2021: two through the LATAM team and one through the Africa team.

As a part of our learning agenda, we are proud to share that we implemented both sourcing and due diligence workshops for the 2020-2021 management team. This not only resulted in greater team engagement but also led to an expanded pipeline and greater participation by management team members in due diligence (from many different teams). We are grateful to our partners at Ilara and Fairbanc who presented during both our 2020-2021 Board Kick-Off and as part of the new Microlumbia Portfolio Showcase in April 2021.

We are exceptionally thankful for the ongoing guidance of our Investment Committee members as we navigated this challenging year.

FINANCIAL HIGHLIGHTS

During the Fiscal Year 2020 (Feb 1, 2020 - Jan 31, 2021), Microlumbia exited its investment in Asaak and dispersed two new loans - \$25,000 to Ilara Health and \$25,000 to Fairbanc.

As a part of its cash management initiative introduced in 2020, Microlumbia continued its investment in CNote, a domestic, high-yield impact fund.

Microlumbia recorded a decrease in its assets from \$127.3k to \$124.1k primarily due to the impairment recorded for Tulaa, offset by donations and investment returns. Net Loss for the year was \$1,366 also driven by the Tulaa impairment. We witnessed a Net Cash Outflow of \$8.3k, also driven by loans to Ilara and Fairbanc, partially offset by the principal received from Asaak.

Microlumbia Inc Balance Sheet

	As of Jan 31, 2021	As of Dec 31, 2020	As of Oct 31, 2020	As of Feb 1, 2020
ASSETS				
Current Assets				
Bank Accounts				
PayPal Account	25,354.39	25,354.39	16,620.87	16,720.87
TD Bank Checking	18,244.00	18,243.22	42,207.01	37,983.97
Total Bank Accounts	\$ 43,598.39	\$ 43,597.61	\$ 58,827.88	\$ 54,704.84
Accounts Receivable				
Principal/Interest Receivable	6,750.00	0.00	500.00	313.00
Total Accounts Receivable	\$ 6,750.00	\$ 0.00	\$ 500.00	\$ 313.00
Other Current Assets				
Loans to Others				
Ilara Health Loan	25,000.00	25,000.00	25,000.00	25,000.00
Envest - Saly m	18,500.00	24,750.00	24,750.00	24,750.00
Fairbanc	25,000.00	25,000.00		
Tulaa Loan				12,500.00
Total Loans to Others	\$ 68,500.00	\$ 74,750.00	\$ 49,750.00	\$ 62,250.00
Total Other Current Assets	\$ 68,500.00	\$ 74,750.00	\$ 49,750.00	\$ 62,250.00
Total Current Assets	\$ 118,848.39	\$ 118,347.61	\$ 109,077.88	\$ 117,267.84
Other Assets				
CNote Investment	5,218.27	5,205.94	5,169.53	5,000.00
StreetShares Investment				5,000.00
Total Other Assets	\$ 5,218.27	\$ 5,205.94	\$ 5,169.53	\$ 10,000.00
TOTAL ASSETS	\$ 124,066.66	\$ 123,553.55	\$ 114,247.41	\$ 127,267.84
LIABILITIES AND EQUITY				
Liabilities				
Total Liabilities				
Equity				
Opening Balance Equity {4}	0.00	0.00	0.00	0.00
Unrestricted Net Assets	124,066.66	123,553.55	114,247.41	127,267.84
Net Income				
Total Equity	\$ 124,066.66	\$ 123,553.55	\$ 114,247.41	\$ 127,267.84
TOTAL LIABILITIES AND EQUITY	\$ 124,066.66	\$ 123,553.55	\$ 114,247.41	\$ 127,267.84

FINANCIAL HIGHLIGHTS

Microlumbia Inc Profit and Loss

	Total	
	Feb 1, 2020 - Feb 1, 2021	Feb 1, 2019 - Feb 1, 2020
Income		
Donations	9,450	8,650
Amazon Smile	133	
Investments		
Interest Income	3,938	5,396
Interest-Savings, Short-term CD	268	23
Total Investments	4,206	5,419
Total Income	13,789	14,069
Expenses		
Bank/Wire Fee	95	157
Business Registration Fees	-	-
Paypal Service Charges	197	144
Accounting Fees	1,050	1,808
Internet Domain Expense	120	562
Office/General Administrative	694	411
Total Expenses	2,156	3,082
Net Operating Income	11,634	10,987
Loss on Tulaa	12,500	-
Other Expense	500	-
Net Income	(1,366)	10,987

Microlumbia Inc Statement of Cash Flows

February 2020 - January 2021

Operating Activities	
Net Income	(1,366)
Tulaa Impairment	12,500
<i>Adjustments to reconcile Net Income to Net Cash provided by operations:</i>	
Interest Receivable	613
Loans to Others - Fairbanc	(25,000)
Loans to Others - Ilara	(25,000)
Principal payments - Asaak	25,000
<i>Total adjustments to reconcile Net Income to Net Cash provided by operations:</i>	(24,387)
<i>Net Cash used by Operating Activities:</i>	(13,253)
Investing Activities	
StreetShares Investment	5,000
Net Cash provided by Investing Activities:	5,000
Net Change in Cash	(8,253)
Cash Beginning of Period	54,705
Cash End of Period	46,451

IMPACT MEASUREMENT AND REPORTING

Introduction to the Impact Role

The impact measurement team has two main goals. First, we seek to measure the educational impact that Microlumbia has on its members and the CBS community. Second, we aim to measure the impact of our investments on the companies we've invested in and the stakeholders they serve. This year, the team focused on more robustly developing the former: We developed a new exit survey that will better allow us to track overall satisfaction as well as career trends of our members/alumni. Going forward, the team seeks to create a more standardized impact measurement framework for our investments, while expanding our metrics with respect to the wider CBS community. We understand this area is crucial to our ability to evaluate progress toward our mission and improve our operations, and we look forward to continue developing our capabilities.

Key Metrics

Metric	2018-19	2019-20	2020-21
# of members	36	39	42
# of loans per year	3	2	1
# of consulting projects per year	1	0*	0
% students participating in due diligence	42%	46%	48%
% of graduating alumni in impact careers**	8%	-	-

*Delayed due to COVID-19

**Reference to graduating second years entering impact investing careers



IMPACT MEASUREMENT AND REPORTING

Impact Measurement - Student Members

We conducted two surveys, one at the end of each academic semester to evaluate Microlumbia management team members' experience and our progress against FY21 goals. While we have been able to host events for the community, we plan on collecting these metrics beginning next fiscal year.

Survey Results | September - December 2020

In our fall survey, students indicated areas that we should focus on in the spring semester.

- Half of the respondents mentioned the primary value-add of Microlumbia was gaining education around impact investing, while 25% thought it was networking/socializing with like-minded individuals
- Members wanted access to more diligence opportunities and social events
- While 75% of respondents planned on working in impact investing post-MBA, half rated their learning about impact investing between 3 and 5, on a scale of 1-5 with 5 being the highest
- 14% of 1st-year student members reported they were focusing their internship search in impact investing, versus 57% who were not looking in impact investing and 29% were still exploring areas of interest

Survey Results | January - April 2021

Starting the spring semester (in January 2021), we incorporated an NPS based impact measurement survey. This survey was structured to understand the satisfaction level of all student members with overall Microlumbia experience, and deep-dived into satisfaction with rigour of specific activities undertaken during the school year, including investment sourcing, due diligence, social and community events, engagement with board members, etc.

- Overall NPS for Microlumbia this year was 55; with Due Diligence having the highest NPS score of 69. Social activities had the lowest score of -13, which members attributed to pandemic
 - 33% of 2nd years were currently looking for a job in impact investing, 8% have already found one; 24% of 1st years had found a summer internship in impact investing, another 24% were still looking for one
 - 59% of respondents planned on working in impact investing post-MBA
 - Ideas and suggestions for new initiatives for next year included hosting inter-club mixers and setting up a mentorship program with alums
 - Microlumbia members highlighted social events, DD workshop, and senior leadership/teams as their favourite parts of the Microlumbia experience this year
-

IMPACT MEASUREMENT AND REPORTING

Impact Measurement - Investments

Ilara Health

Ilara Health is a medical fintech that aims to make common diagnostics affordable and accessible to the 500 million people in Africa who today struggle to access a simple blood test. Ilara provides a distribution and financial (asset-based lending) model which allows critical healthcare technology and robotics to reach those who need them. For the fiscal year ending Jan 31, 2021, we assessed impact internally, but we are not disclosing impact metrics for confidentiality purposes.

Fairbanc

Fairbanc is a Silicon Valley-based FinTech company operating in Indonesia, providing affordable and non-collateralized credit to underbanked SMEs through its proprietary digital platform. Established in December 2018, Fairbanc is the first scalable, AI-powered mobile loan and payments platform for emerging-market SMEs that requires no collateral, credit history, smartphone ownership, or digital or financial literacy. The B2B lending platform operates in Indonesia and has two business units: (i) financing closed-loop, non-cash working capital for micro-merchants, and (ii) financing working capital for micro-suppliers.

Indicator	As of Oct'20	As of Oct'21
Operations		
Number of FMCG partners (incl. pilots in progress & pipeline)	3	10+
Number of distributors		100+
Number of merchants	<1K	>230K
Number of weekly loans	3,015	
Fairbanc's APR (%) ¹	52%	52%
Merchants retention rate		99%+
Monthly GMV		\$1M
NPL to date (%)	0%	0%

Impact Measurement		
Sales growth to date (%) ²	41%	28%

1. Annual percentage; cost of funding refers to bank loan interest rate (pre-FX).

2. Merchant sales growth to date.

Salym Finance

Salym is our third active investment which is managed by Envest. For the fiscal year ending Jan 31, 2021, we have not been able to access impact measurement metrics for Salym.

EXTERNAL RELATIONS AND PARTNERSHIPS

Introduction

The External Relations team helps drive Microlumbia's mission and brand by maintaining and developing fund relationships as well as connecting resources and people. The team acts as a liaison between outside partners and Microlumbia to generate opportunities for events, training, sourcing, and the Microlumbia Fellowship. In that vein, Microlumbia would like to sincerely thank all of our partners. We are especially grateful for the support offered to us by Envest as we continue to build our understanding of potential new markets for Microlumbia. We are excited to continue cultivating new and existing relationships.

Looking Back at 2020

Microlumbia initiated and maintained dialogue with a wider array of organizations, including:

- Impact and FinTech-oriented investment funds (4+ new relationships)
- Columbia Business School clubs, professors, and research centers
- Student-led impact organizations from other Columbia schools
- Student-led impact funds from other MBA programs

Looking Ahead

Building on the team's work this past year, Microlumbia will continue cultivating existing relationships and developing new partnerships. We are also building a partnership management playbook to continue institutionalizing the External Relations team's operating model.



FUNDRAISING AND ALUMNI

Fundraising

This year we made notable strides in achieving our fundraising goals. Overall, funds raised for the year (net of fees) amounted \$12,315, representing a 47% increase over the previous year. Board donations (net of fees) increased by 53% year-on-year to \$10,453, and saw 100% participation from Board members. Donations from other sources also increased by 20% to \$1,862 over the same period. This year, the team led donation drives through social media campaigns (launched in Q3), and saw a meaningful increase in engagement, as well as action. We urged individuals to select Microlumbia as their charity of choice on Amazon Smile and have seen donations increase three-fold in Q4 compared to Q2. Our focus on building this donation base further will continue, as we believe Amazon Smile donations will prove to be a meaningful source of recurring funds for Microlumbia.

Donations Summary

Key organizations that have donated to Microlumbia in FY 2021 included:

- Network for Good
- Amazon Smile
- American Giving Foundation

Alumni

Microlumbia has over 350 alumni members, out of which 20% of work in impact investing and >35% work in social enterprise more broadly. This year, Microlumbia created a dedicated function focused on deepening alumni engagement.

The alumni team focused on creating an alumni outreach strategy this year and completed building an updated alumni contact database.

In coordination with the Marketing team, the Alumni team also initiated a bi-yearly alumni outreach newsletter which included updates about our investments and access and details to our speaker events.

ENGAGEMENT AND OPERATIONS

Education and Operations

The Education and Operations made strides to improve the Management Team's knowledge management and codification of current operational activities. More specifically, the team re-organized Microlumbia's Google Drive and solicited each sub-committee's input on current standard operating procedures. Documentation of these procedures will ensure smoother transfer of institutional knowledge and handoffs to next year's management team.

Marketing & Events

Microlumbia would like to extend a sincere thank you to previous and future members of our community who have come to Columbia Business School to share their professional experiences and promote Microlumbia's ongoing education initiative. We look forward to welcoming additional guest speakers in our upcoming events.

2019 - 2020 Events

- Many Paths to Impact Investing Panel, Jesse Simmons (Align Impact), Juliet Zawedde (KKR), Danielle Provo (Bridges Fund Management)
- Behavioral Economics Panel with Impact Capital Forum, Manasee Desai (ideas42), Dan Egan (Betterment), Howard Levy (Red Rooster Group)

2020-2021 Events

- Portfolio Showcase: Ilara
- Portfolio Showcase: Fairbanc
- Future of Financial Inclusion with Professor Joseph Stiglitz

During 2020-21, all our events were held remote and in adherence with public health guidelines.

MICROLUMBBIA TEAM

Board Members

- Courtney Asher Thompson (Co-Chair)
- Reid Spearin (Co-Chair)
- Katie Leonberger
- David Del Ser Bartolome
- Philip C. Bowers
- Michael Rauenhorst
- Jon Sagal
- Vikas Raj
- Kate Whitelaw
- John Plaisted
- Jesús Salas
- Maya Zamir
- Jason Navarino

Management Team

- Charlton Hook (Co-President)
 - Wineeta Paul (Co-President)
 - Ryan Fauber (Chief Investment Officer)
 - Lizzie Merrill (Chief Operating Officer)
 - Ishan Majumdar (Chief Financial Officer)
 - Michael Lee (Chief Financial Officer)
 - Byron Cordes (VP, Education and Operations)
 - Nandita Pandit (VP, Fundraising and Alumni)
 - Sohee Khim (VP, Fundraising and Alumni)
 - Caitlin Ali (VP, External Relations)
 - Jess Meyer (VP, Investments)
 - Tae Kim (VP, Investments)
 - Cindy Horng (VP, Investments)
 - Abhijeet Khanna (VP, Investments)
 - Nicolas Charara (VP, Investments)
 - Joe Abi Saab (VP, Investments)
 - Alex Cheung (VP, Investments)
 - Jeffrey Shi (AVP, Finance)
 - Elizabeth Bielen (AVP, Finance)
 - Jessie Goldman (AVP, Education and Operations)
 - Martin Mora (AVP, Impact Measurement)
 - Danielle Ng (AVP, Marketing and Events)
 - Gisella Roseney (AVP, Marketing and Events)
 - Brian Roxas (AVP, Fundraising and Alumni)
 - Nicole Ziegler (AVP, Fundraising and Alumni)
 - Everett Allen (AVP, External Relations)
 - Alex Aitoro (AVP, External Relations)
 - Jonathan Lanman Jr. (AVP, Investments)
 - Anran Yan (AVP, Investments)
 - Aadil Chitalwala (AVP, Investments)
 - Alex Hagerty (AVP, Investments)
 - Charlotte Keys (AVP, Investments)
 - Tim Lee (AVP, Investments)
 - Ryan Dougherty (AVP, Investments)
 - Nathan Shapiro (AVP, Investments)
 - Leila Collins (AVP, Investments)
 - Kyra Drugas (AVP, Investments)
 - Dana Ng (AVP, Investments)
 - Shanthakumar Bannirchelvam (AVP, Investments)
 - Ellen Chiu (AVP, Investments)
 - Rachael Plutzik (AVP, Investments)
 - Jed Rooney (AVP, Investments)
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MICROLUMBIA INC.