



MICROLUMBIA
IMPACT FUND

2022-23 Annual Report

Prepared By :

Hudson Hoyle

Pranav Shanbhag

2022-23 Co-Presidents of Microlumbia

Approved By:

Microlumbia Board

info@microlumbia.org

www.microlumbia.org

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About Us

Founded in 2007 as a 501(c)(3) nonprofit organization, Microlumbia Impact Fund or “Microlumbia” is the student-led impact investing fund of Columbia Business School. Our mission is to support financial inclusion in underserved communities around the world, while educating and inspiring the next generation of impact investors. We accomplish this mission by providing debt investments and pro-bono advisory services to social enterprises and institutions focused on financial inclusion; offering due diligence assistance to impact investment funds and their portfolio companies; and hosting educational and networking events for our student members and broader Columbia University community. Furthermore, in recent years the fund has expanded its investment thesis to evolve alongside growing student interest in the areas of climate & sustainability, healthcare, social justice, education, and more.

Currently, Microlumbia boasts over 350 alumni in various fields, impact investing chiefly among them. It's activities are focused on two key pillars:

- **Impact Investing:** Direct investments into innovative, impact-oriented organizations, including early-stage
- **Education:** Educational and networking activities for Columbia Business School students and alumni to gain exposure to and development around impact investing.



Our Board of Directors partners closely with the student management team to foster sound governance and to support the organization's long-term strategic development. The management team is composed of Columbia Business School graduate students. Teams span Operations, Finance, Fundraising, External Relations, Marketing, Education, Impact Measurement, and Investments, which is segmented by region. The team is led by two Co-Presidents as well as a CIO, CFO, and COO, who liaise with the Board of Directors.

www.microlumbia.org

Our Mission

To support financial inclusion in underserved communities around the world, while educating and inspiring the next generation of impact investors.

2022-23 Strategic Priorities

1

Increase deal activity, deploy assets, and grow assets under management

2

Build community among Microlumbia students and alumni through networking events and educational programming

3

Enhance cross-collaboration between functional teams and broaden general student exposure

4

Pilot an investment through a Donor Advised Fund (DAF) structure



Letter from the Presidents

It is with immense pride and gratitude that we reflect on the journey we have undertaken through Microlumbia this past year. Alongside our incredible student leadership team and board of directors, together we were able to continue the positive impact Microlumbia has been making over the past 15 years in the world of impact investment and sustainable development.

Celebration of 15 Years: A Remarkable Achievement

Microlumbia celebrated the 15 year anniversary since our founding by hosting an alumni reception, bringing together esteemed members of our network to commemorate the progress and achievements we have made collectively. It was a joyous occasion filled with reminiscences, shared stories, and renewed commitments to continue fostering positive change.

Creation of new Investment Team Structure

This year, we achieved our largest ever new member class in history, reflecting the growing student interest in the field of sustainable investing and social enterprise. After receiving a record 70% increase in student applications (80 new applicants), we made an important decision to update our investment team structure by instituting an Investment Associate Pool of shared resources across team geographies. This new approach allows us to leverage the diverse expertise of our investment professionals across different regions based on immediate due-diligence needs while fostering greater knowledge sharing and cross-pollination of ideas. This strategic shift will strengthen our investment capabilities and enable us to more efficiently invest in global communities.

Forme and Ilara Health Investments: Nurturing Innovation

Our decision to invest in Forme and reinvest in Ilara Health stands as a testament to our commitment to support groundbreaking ventures that have the potential to make a significant impact. Through our investment, these companies will continue the important work of advancing access to financial literacy education in South America and quality healthcare in Africa. Both companies have shown promising results, and we are pleased to witness the positive transformations they are bringing to the communities they serve. Furthermore, our dedicated efforts have resulted in the development of a robust investment pipeline for the upcoming year. This pipeline holds tremendous potential to further our mission.

Pilot of Donor-Advised Fund Structure: Unlocking New Opportunities

For several years, Microlumbia has evaluated the opportunity to utilize a donor-advised fund for our investments. We are proud to announce that this year, we finalized a pilot partnership with Impact Assets, a leading Donor-Advised Funds (DAF) services provider. Our June 2023 investment in Ilara Health served as our launchpad for this new DAF structure, which we hope will open up new avenues for us to engage a broader donor base while also further formalizing our investment process.

We are grateful for the trust instilled in us to lead Microlumbia over the past year. And we are excited to announce Ugo Nwadiani and Sarah Zhukovsky as Co-Presidents and Laura Ocampo Correa as CIO for the 2023-24 academic year! We have complete confidence in the talented next management team that will be taking over the helm. Their expertise, passion, and dedication to our mission ensure that Microlumbia's legacy will continue to thrive. Thank you for entrusting us with this responsibility.



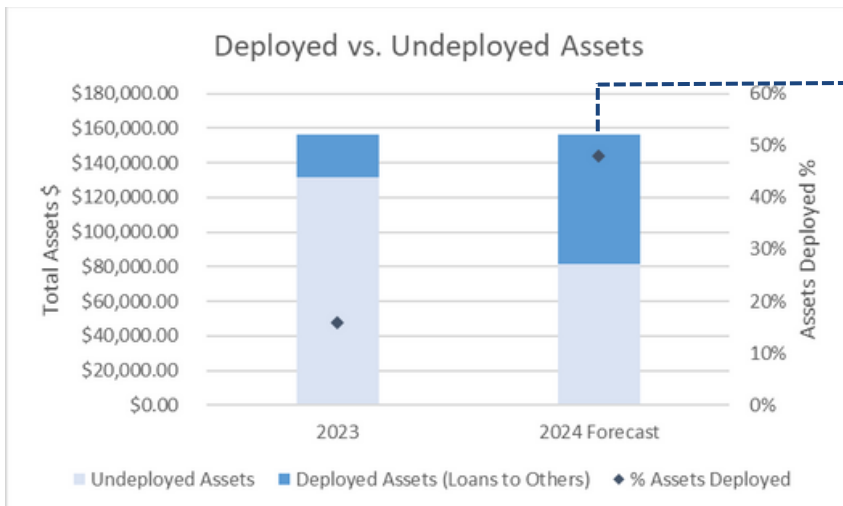
Pranav (left) and Hudson (right) with Board Members Katie Leonberger and Courtney Thompson

Hudson Hoyle
hhoyle23@gsb.columbia.edu

Pranav Shanbhag
pshanbhag23@gsb.columbia.edu

Portfolio Overview

As of June 2023, Microlumbia deployed ~50% of its assets under management during the 2022-23 academic year, including a \$25,000 investment in Forme in December 2022 led by LatAm VP Jinny Lee, and a \$50,000 re-investment in Ilara Health in June 2023 led by Africa VP Justin Manevski. During the academic year, Microlumbia also realized the maturity of its past investment in Fairbanc, with principal and interest collected in full in November 2022.



Current Investments







\$50K



\$25K



Past Investments

	Company	Business Model	Country	Investment Date	Amount
	Fairbanc (Re-Invest)	SME lending and data analytics	Indonesia	Nov-21	\$25,000
	Fairbanc	SME lending and data analytics	Indonesia	Nov-20	\$25,000
	Ilara Health	Healthcare asset lending and data mgmt.	Kenya	Jul-20	\$25,000
	Tulaa	Agricultural input lending	Kenya	Jun-19	\$12,500
	Salym Finance	Microfinance	Kyrgyzstan	Mar-19	\$25,000
	Asaak	SME Lending	Uganda	Mar-18	\$25,000

Investment Updates

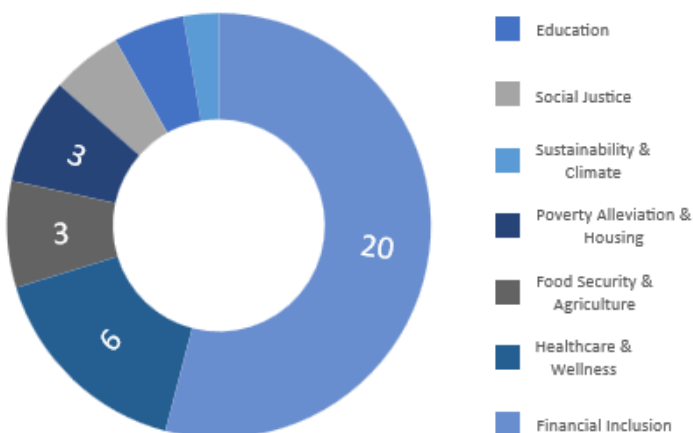
Microlumbia's investment team, led by Chief Investment Officer Mike Witous, experienced a cornerstone year of progress across a variety of initiatives. The team set an ambitious goal to underwrite three investments during the 2022-23 academic year. In practice, this meant hundreds of additional hours of student investment work, buoyed by the expansion of the investment team to 8 VPs and 30 Associates. As of June 2023, the team **deployed \$75,000 of capital through investments in Forme and Ilara Health.**

Another notable milestone for the year is Microlumbia's newly established partnership with Impact Assets to **set up a Donor-Advised Fund (DAF) structure.** Microlumbia's Investment team worked with board Co-Chairs Reid Spearin and Courtney Thompson, as well as Co-Presidents Hudson Hoyle and Pranav Shanbhag, to set up the account and pilot an initial investment with Ilara Health. The partnership with Impact Assets illustrates Microlumbia's commitment to further formalizing our due diligence processes while continuing to explore creative means of sourcing impact-oriented companies.

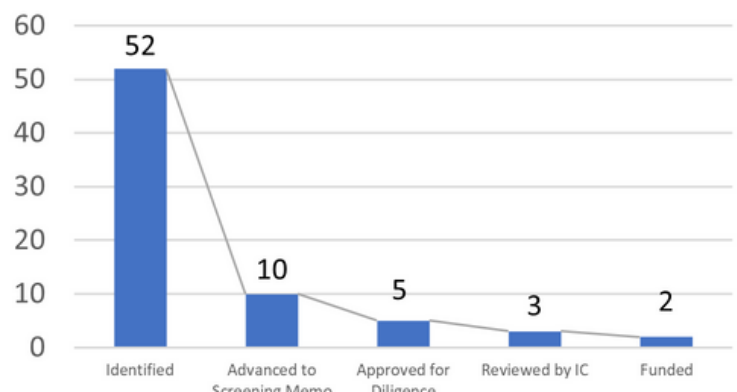
Student interest in sustainable investing continues to expand to impact areas such as climate change and sustainability, education, social justice and more. That is why the investment team, led by Andrew Feierman, **developed a Climate Investment Thesis** which highlights the social imperative of addressing climate change, and how this topic strongly intersects with Microlumbia's focus on financial inclusion.

Historically, Microlumbia's investment team strictly evaluated 24-month venture debt investments to ensure that Columbia Business School students would always have funds to deploy. However, when certain years achieve limited deal activity, this can result in an excess amount of uninvested capital for the subsequent year. That is why, coming off a slower year of investments from 2021-22, the Investment Team began the year laser-focused on deploying capital to worthwhile social enterprises. In turn, this helped students receive meaningful end-to-end investing experiences during their time at Columbia, and positioned Microlumbia for future fundraising and alternative investment strategies like equity and convertible debt. As of June 2023, **Microlumbia has \$40,000 of investable capital with three potential investments moving through due diligence during the summer of 2023.**

Pipeline by Impact Theme



Investment Funnel, 2022-23



This Year's Investments



Website: <https://formeeduca.com.br/>

FORME – Educação Financeira is an organization dedicated to the dissemination of financial education in primary schools in Brazil. To achieve this mission, FORME currently has a network formed by financial educators throughout Brazil who share the mission of disseminating financial education in schools, and thus breaking the cycle of adults with financial imbalance and building new generations and sustainable families financially.

The founders of Forme--Bruno, Felipe and Jacques--graduated in engineering and had a common goal to improve people's lives. At that moment, they began to think about what could be done to make the country healthier and one theme caught their attention: Financial Education. A large portion of Brazil's population does not know how to use a credit card, does not understand interest rates when applying for loans, and does not know how to take care of their money. With several studies, they realized that they could help people by educating children on financial literacy to better preparing future generations.

Ilara Health (Ilara) was founded in 2019 by Emilian Popa – an alumnus of Columbia Business School (EMBA 2010) with whom Microlumbia has a strong working relationship. Emilian is a competent and energetic entrepreneur with deep knowledge of the African region, having held senior management positions as CEO of Groupon South Africa and Managing Director of Rocket Internet. Additionally, he has founded several technology ventures including Twangoo (e-commerce platform), Naspers (internet accelerator in Africa) and Chilivery (food delivery). Ilara Health has ambitions to improve standards of healthcare in Africa. Based in Kenya, it partners with existing Primary Healthcare Centres (PHCs) to which it offers affordable diagnostic devices and essential clinical supplies for lease or purchase. This equipment is used by clinics to service low- and middle-income areas, where affordable healthcare services are in short supply for local communities.



Website: <https://www.ilarahealth.com/>

The Organization has worked with ~2,000 clinics since inception and seeks to offer a convenient “clinic-in-a-box” solution, equipping PHCs with the tools necessary to enhance service quality and patient care standards.

Finance Updates

During the Fiscal Year 2022 (February 01 2022 - January 31 2023), Microlumbia's loan with Fairbanc matured and the Board approved a loan with Forme. As a part of its cash management initiative introduced in 2020, Microlumbia has initiated its investments in C-Note. Microlumbia recorded an increase in assets from \$143k to \$156k from donations as well as interest payments related to the investment in Fairbanc. Increase in net unrestricted assets for the year was \$16.4k, driven by an increase in donation revenue. We witnessed a net cash outflow of 25k, driven by C-Note investment.

Microlumbia Inc Balance Sheet All Dates

	As of Jan 31, 2021	As of Jan 31, 2022	As of Jan 31, 2023
ASSETS			
Current Assets			
Total Bank Accounts	\$ 44,596.70	\$ 116,322.98	\$ 90,966.96
Total Accounts Receivable	\$ 6,750.00	\$ -	\$ -
Other Current Assets			
Total Loans to Others	\$ 43,000.00	\$ 25,000.00	\$ 25,000.00
Uncategorized Asset	\$ 25,000.00	\$ -	\$ -
Undeposited Funds	\$ -	\$ -	\$ -
Total Other Current Assets	\$ 68,000.00	\$ 25,000.00	\$ 25,000.00
Total Current Assets	\$ 119,346.70	\$ 141,322.98	\$ 115,966.96
Total Other Assets	\$ 5,000.00	\$ -	\$ 40,426.35
TOTAL ASSETS	\$ 124,346.70	\$ 141,322.98	\$ 156,393.31
LIABILITIES AND EQUITY			
Liabilities			
Total Liabilities			
Equity			
Opening Balance Equity {4}	\$ -	\$ -	\$ -
Unrestricted Net Assets	\$ 127,267.84	\$ 124,346.70	\$ 141,322.98
Net Income	\$ (2,921.14)	\$ 16,976.28	\$ 15,070.33
Total Equity	\$ 124,346.70	\$ 141,322.98	\$ 156,393.31
TOTAL LIABILITIES AND EQUITY	\$ 124,346.70	\$ 141,322.98	\$ 156,393.31

Finance Updates Cont.

	As of Jan 31, 2021	As of Jan 31, 2022	As of Jan 31, 2023
Income			
Donations	\$ 10,538.18	\$ 14,181.70	\$ 13,696.19
Interest Revenue	\$ 1,005.47	\$ 3,502.55	\$ 2,250.00
Interest Income		\$ 1,475.00	\$ -
Total Interest Revenue	\$ 1,005.47	\$ 4,977.55	\$ 2,250.00
Investments			
Interest-Savings, Short-term CD	\$ 18.55	\$ 169.05	\$ 11.95
Other Investment Revenue	\$ 2,375.00	\$ -	\$ 426.35
Total Investments	\$ 2,393.55	\$ 169.05	\$ 438.30
Other Types of Income			
Miscellaneous Revenue			
Total Other Types of Income	\$ -	\$ -	\$ -
Total Income	\$ 13,937.20	\$ 19,328.30	\$ 16,384.49
Expenses			
Accounting Fees	\$ 1,700.00		
Bad Debts	\$ 12,500.00		
Bank Fee	\$ 167.10	\$ 70.00	\$ 75.86
Paypal Service Charge	\$ 113.40	\$ 234.28	\$ 239.02
Accounting Fees	\$ 1,050.00	\$ 1,100.00	
Marketing	\$ 510.00		
Internet domain expense		\$ 359.88	\$ 395.88
Office/General Administrative Expenses	\$ 470.66	\$ 587.86	\$ 593.40
Other Types of Expenses	\$ 119.88	\$ -	\$ -
Uncategorized Expense	\$ 227.30		\$ 10.00
Total Expenses	\$ 16,858.34	\$ 2,352.02	\$ 1,314.16
Net Income	\$ (2,921.14)	\$ 16,976.28	\$ 15,070.33

	As of Jan 31, 2021	As of Jan 31, 2022	As of Jan 31, 2023
OPERATING ACTIVITIES			
Net Income	\$ (2,921.14)	\$ 16,976.28	\$ 15,070.33
Adjustments to reconcile Net Income to Net Cash provided by operations:			
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ (12,187.00)	\$ 49,750.00	\$ -
Net cash provided by operating activities	\$ (15,108.14)	\$ 66,726.28	\$ 15,070.33
INVESTING ACTIVITIES			
CNote Investment		\$ 5,000.00	\$ (40,426.35)
Other Assets (deleted)			
StreetShares Investment	\$ 5,000.00		
Net cash provided by investing activities	\$ 5,000.00	\$ 5,000.00	\$ (40,426.35)
FINANCING ACTIVITIES			
Net cash provided by financing activities	\$ -	\$ -	\$ -
Net cash increase for period	\$ (10,108.14)	\$ 71,726.28	\$ (25,356.02)

Net Change in Cash	\$ (25,356.02)
Cash Beginning of Period	\$ 116,322.98
Cash End of Period	\$ 90,966.96

Impact Measurement

Membership by the Numbers

80 New Student Applicants

95 Total Members across MBA and Executive MBA programs

70% Increase in membership from prior year

60% of applicants cited Microlumbia as a key driver in their decision to attend CBS

400+ Total hours of programming delivered to students during the year

Investments by the Numbers

52 Investment opportunities identified by students

3 Deals reviewed by Investment Committee

2 Investments funded

\$75K Assets deployed

\$12K+ Fundraised from Alumni

65% Donor Participation rate from Graduating Members

Our impact measurement team made significant strides in 2022-23 toward documenting Microlumbia's results in our internal operations and our external investments.

Internally, Microlumbia has developed a robust list of key performance indicators that allow us to measure progress on our mission of educating the next generation of impact investors. Example metrics include the number of students involved in the fund, # hours of educational programming delivered, # deals sourced/reviewed, and placement into social-enterprise / sustainability-related fields upon graduation.

Externally, our impact measurement team works closely with our portfolio companies to develop a tailored framework that provides insight to how our investments impact the communities and stakeholders we are investing in. While no two portfolio companies may be the same, we strive to create a scalable framework that measures results across our investment themes.

Looking forward, we hope to continue to build our capabilities around incorporating impact measurement criteria into our diligence process to maximize the positive impact of our assets.

Events & Education

Microlumbia hosts a number of programs each year dedicated to educating the next generation of impact investors and building community among our network. This year, Microlumbia continued its tradition of coffee chats between students and Microlumbia board members while also introducing several new events featuring guest speakers and a visit to the Global Impact Investing Network's headquarters. Below is a recap of some of our key events and programs from the 2022-23 year.

15th Anniversary Alumni Social

In March 2023, the entire Microlumbia community was excited to get together and commemorate all that Microlumbia has achieved. We continue to be excited to carry the momentum and expand on the important work of Columbia Business School's student-led impact investing fund. We enjoyed celebrating our 15th anniversary with students and alumni!



Microlumbia Visits GIIN World Headquarters

The Global Impact Investing Network (GIIN), a global champion of impact investing, hosted Microlumbia in their New York office. Facilitated by Cristina Castellan CBS'24, this event allowed members to interact with GIIN's ongoing initiatives of collating data, publishing reporting guidelines, and engaging with the impact investing community.



Guest speaker Durreen Shahnaz

In October 2022, Microlumbia hosted Durreen Shahnaz, Founder & CEO of Impact Investing Exchange and Forbes 50 over 50 recipient, to discuss her instrumental work in the field of impact investing for women in Asia and her new book, *The Defiant Optimist*.



Microlumbia Board Retreats

Microlumbia was pleased to bring back our in-person board retreats, hosting students and board members for three large retreats targeted on goal-setting and execution for the fund's operations.



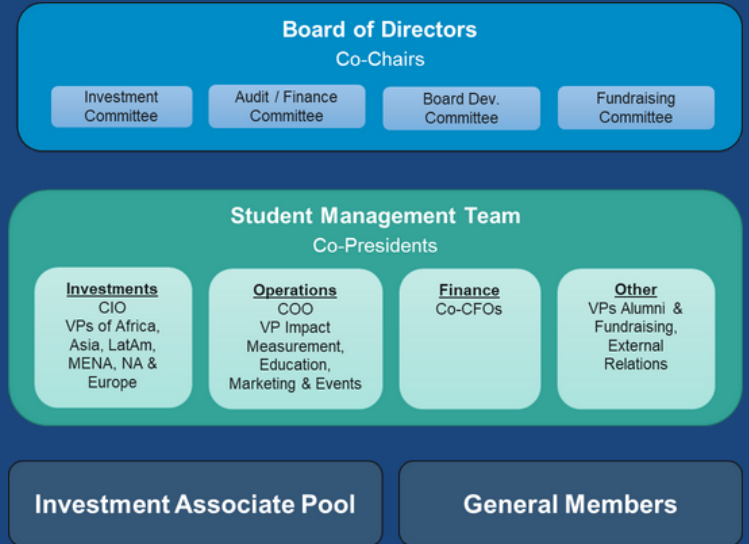
Our Team

Largely comprised of CBS alumni and former Microlumbia members, the **Board of Directors** provides guidance, support, and overall strategic direction for the student management team. The Board consists of two co-chairs, and four individual committees on which various board members participate.

The Microlumbia **Student Management team** consists of the two Co-Presidents, the CIO / COO / CFO, and all VP positions. These functions cover all operational aspects of running an impact investing fund, nonprofit, and student organization.

The **Investment Associate Pool** makes up the core team of investors to support VPs across all geographies. They can be leveraged across teams but are encouraged to align to their areas of interest. **General members** have all the access and exposure to Microlumbia programming as any other member, but without explicit functional roles. They are, however, encouraged to get involved in any aspect of the fund by reaching out to VPs to support ongoing initiatives.

Microlumbia Organization Structure



2022-23 Board of Directors



Courtney Thompson
Microlumbia Co-Chair



Reid Spearin
Microlumbia Co-Chair



John Plaisted
Audit/Finance Co-Chair,
Investments Member



Wineeta Paul
Audit/Finance Co-Chair



Jesús Salas
Audit/Finance,
Investments Member



Maya Zamir
Audit/Finance Member



Jon Sagal
Investments Chair



Kate Whitelaw
Audit/Finance,
Investments,
Board Dev Member



Katie Leonberger
Board Dev. Co-Chair,



Vikas Raj
Board Dev. Co-Chair,



Jason Navarino
Board Dev. Member,
Investments Advisor



Charlton Hook
Fundraising Co-Chair



David del Ser
Fundraising Co-Chair,

52

Identified Investment
Opportunities in Our
Pipeline

> \$150,000

Current Assets Under Management

Microlumbia's practioner-oriented approach to educating the next generation of Impact Investors provides real, hands-on impact investing experience for students--from sourcing, screening, due diligence, funding, monitoring, and impact measurement.

However, our ability to scale as an organization is limited by our assets under management. Currently, Microlumbia's investment size is typically \$25-50k in debt. If you or your organization is interested in discussing how you could contribute to Microlumbia and help grow our assets, please consider the following:

1

Growing our AUM enables us to generate more deal flow and source more investments

2

Greater assets would allow us to explore other investment vehicles like equity or convertible debt, enhancing the education experience for students

3

As a 501c3 nonprofit, all donations to Microlumbia are tax-deductible

4

Donations to the fund live on in perpetuity, as capital gains are reinvested in future opportunities

DONATE

Please reach out to Hudson Hoyle at hhoyle23@gsb.columbia for opportunities to collaborate as an alumnus, friend, or partner.



Acknowledgements

A special thanks to our Sandra Navalli and Hattie Bestul from the Tamer Center for Social Enterprise for their continued support, and to our 2022-23 student leadership team from Columbia Business School.

Management Team:

Co-Presidents: Hudson Hoyle, Pranav Shanbhag
Chief Operating Officer: Morgan Romey
Chief Financial Officers: Zuzana Blaskova, Ben Poolvaraluck
VP Impact Measurement: Aparna Bagade
VP Alumni Relations: Catherine Oliver
VP Fundraising: Aaron Siev
VP External Relations: Carlos Arango Quesada

Investment Team:

Chief Investment Officer: Mike Witous
VP Investments (MENA): Justin Manevski, Michael Beer
VP Investments (Asia): Sophia Shao, Abhilasha Banerji
VP Investments (LatAm): Maria Jose Valdivia Cox, Jinny Lee
VP Investments (North America / EU): Mark Kovacs, Mitesh Amarthaluru

Strategic Partners:

Columbia Business School and the Tamer Center for Social Enterprise

Connect with Us



LinkedIn

<https://www.linkedin.com/company/microlumbia>



Email Address

Info@Microlumbia.org



Website

www.microlumbia.org