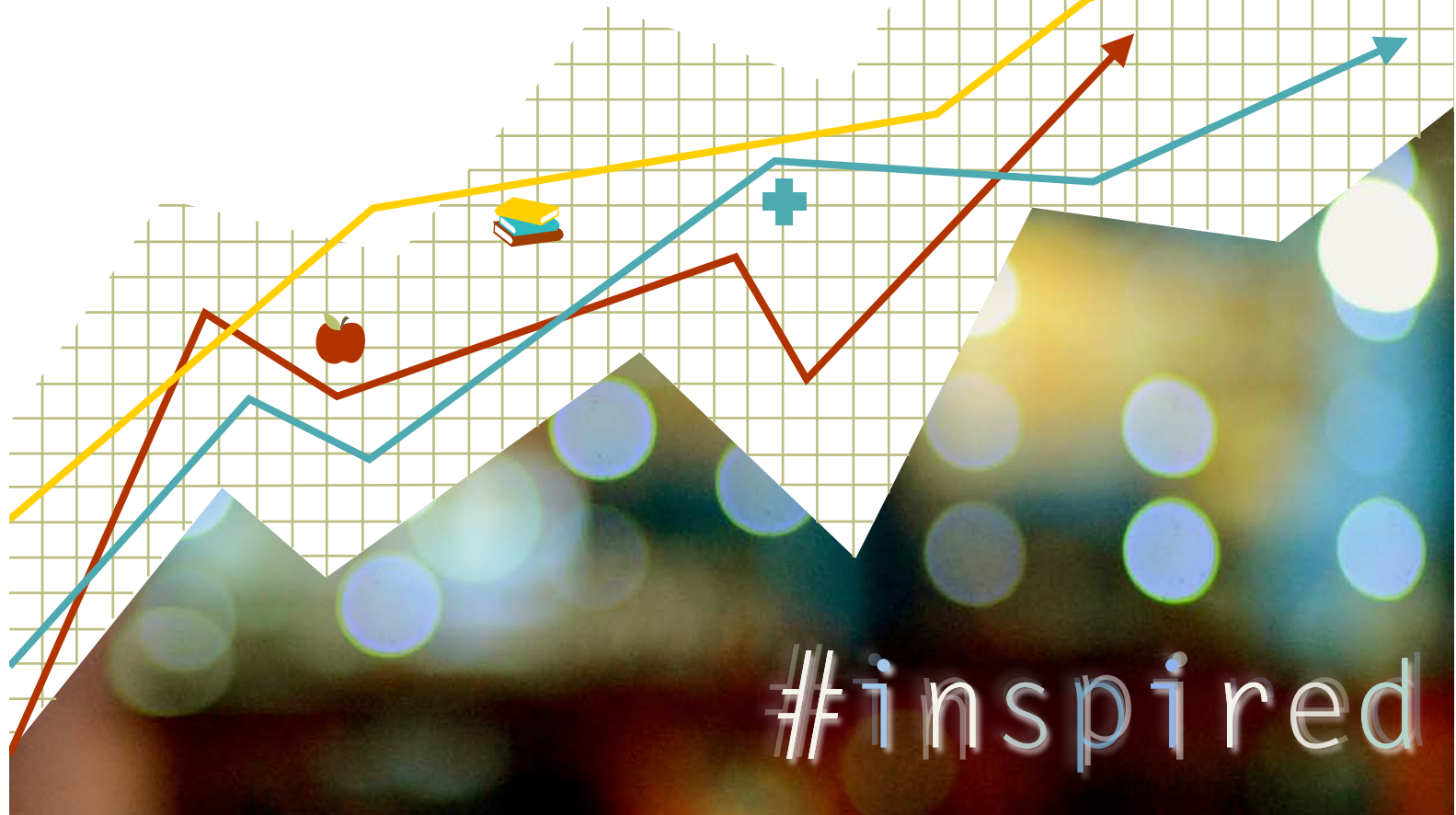


sparkventures

INVESTOR REPORT
FALL 2014



TELLING THE STORY OF BUSINESS DRIVEN PHILANTHROPY A NOTE FROM STEPHANIE DENZER, PROGRAM MANAGER, SPARK VENTURES

→ over **5,000**
followers on
social media



→ **\$15,000** to be
raised online for
honeybee project



→ **220** guests
at Chicago Fall Event



More than two years ago, one of my first major projects at Spark Ventures was refining our Infographic - the visual representation of our model that we use to help tell the story of our work. Over the course of the past two and a half years, Spark has grown immensely. We have grown in a literal way, by adding a partner in Nicaragua and continuing to expand the investor base necessary to support our increased impact. But we have also grown in more subtle, internal-facing ways, building a better understanding of how to effectively scope out business opportunities in developing markets, as well as growing professionally as a small but mighty team here in Chicago.

It only makes sense that at a certain point we would out-grow the Infographic I worked on at the outset of my time with Spark. Our new graphic (which you can find on the back page of this report) doesn't represent a drastic change in our approach. Instead, it is illustrative of our ongoing work to learn from our achievements and challenges thus far and continue to refine the model of business driven philanthropy. In this issue, take a deeper dive into some of the work happening at Spark HQ this quarter to promote our unique and refined approach.



LEADERS - BUSINESS - CHILDREN

SPARK VENTURES INVESTS FOR LONG-TERM IMPACT

The unique approach that Spark Ventures takes to international development allows our organization to leverage philanthropic investments to maximize their long-term impact. This year's annual campaign, #inspired, aims to raise \$500,000 to do just that - invest in critical areas of impact, in order to maximize a sustainable social return for those we serve in Zambia and Nicaragua. In the coming year, we will be investing funds in the following areas of focus:

LEADERS - Spark champions individuals who are changing the landscape of international development. Through capacity building investments we strengthen the work of entrepreneurs, teachers, farmers and more. Our investments this year will:

- Employ/train 10 new farmers, educators and board members in Zambia and Nicaragua
- Educate and inspire hundreds of girls/young women to break the cycle of poverty in their countries
- Support Spark's staff with tools and resources for them to more effectively execute on our model

BUSINESS - Our *business driven philanthropy* model ensures that our investments in strategic emerging market businesses provide sustainable revenue for local programs lifting children out of poverty. This year we will:

- Expand socially responsible businesses that will create more than 50 new jobs
- Produce sustainably-sourced and healthy food for local consumption
- Yield \$25,000 in net income to fund nutrition, education and health programs

CHILDREN - Children are the future of any community. Spark invests in high-impact education and health programs that will raise up the next generation of leaders in developing countries. This year support from our community will:

- Provide education, nutrition and healthcare for 500 children in Zambia & Nicaragua
- Secure secondary education scholarships for 50 youth in Zambia and Nicaragua
- Fund cross-cultural programs between U.S. communities and international partners



FROM ZAMBIA TO CHICAGO... AND BEYOND!

THE SPARK VENTURES COMMUNITY WELCOMES THREE ZAMBIAN GUESTS

Spark Ventures invests in our social-impact partners on multiple levels including financial capital, strategic planning, business investments and by bringing visitors to meet them and see their work. On Spark trips, our supporters have the privilege to visit our international partners - spending time learning about their country and spending time in their homes and places of work. The hospitality we are shown during these trips is overwhelmingly generous and we occasionally seek to return that favor by bringing members of our partner organizations to the U.S. for cultural exchange, to build relationships, speak at events and have some fun!

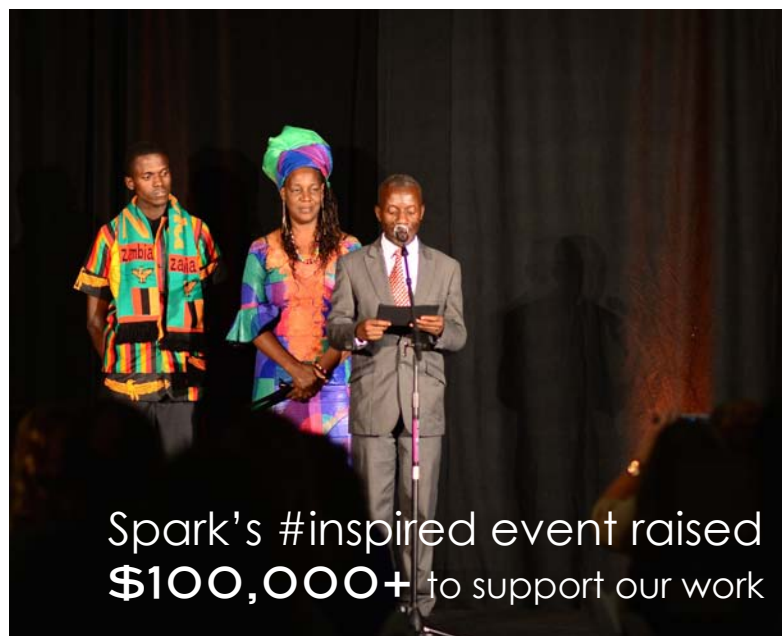
In October and November of 2014, we hosted three incredible guests from our Zambian social-impact partner - Margaret Mumba, Director & COO of Hope Ministries; Chimfwembe Ng'oma, Head Teacher of Hope Community School; and Cephas Mwanza, Graduate of Hope Community School & Hope House Orphanage. Our Zambian friends (two of whom had never traveled to the US before) joined us in Chicago for Spark's signature fall event. While in Chicago, they also visited local schools. As educators they are especially interested in comparing and contrasting education systems and meeting other educators in the US. These visits proved insightful for both the Zambian group and the local teachers, administrators, and students. After their stay in Chicago, our guests headed on a mini-US tour to meet Spark supporters in Kansas City, the San Francisco Bay Area, and DC before heading back home to continue their important work.



Over **220** supporters gathered in Chicago for Spark's #inspired event



Zambian guests visited **5** schools to share with students & educators



Spark's #inspired event raised **\$100,000+** to support our work



Our Zambian guests visited: **IL, KS, CA & DC** on their mini-US tour

AN EVOLVING ILLUSTRATION OF INNOVATION...



At Spark Ventures we recognize that traditional giving comes with a number of challenges - asking people to participate in a perpetual cycle of contributions for the same cause can lead to donor fatigue and frustration at the lack of sustainability. We believe it is time to start making philanthropic dollars travel further. That is why Spark is pioneering a philanthropic venture model to break the mold by investing dollars in emerging market social enterprises. The returns from these investments are funneled into local endowments managed by NGOs, like our current social impact partners Hope in Zambia and Las Tías in Nicaragua. These organizations ensure that the funds are allocated to high-impact programming in education, health and nutrition for their community's most vulnerable children. Every dollar provides sustainability and longevity for the programs they go to support. Charitable giving is given a business-savvy facelift. Spark Ventures' communications materials have also undergone a recent facelift, bringing them up to speed with our innovative model.

The idea of strengthening and sustaining grassroots community programming for

vulnerable children has been at the core of Spark Ventures' work since day one. But we have learned from our current business ventures that our investments also stimulate the local economy in important ways. Spark's current investments provide employment for 50 local leaders, in communities where unemployment is a pervasive challenge. The updated Spark Ventures infographic reflects that valuable economic impact.

WE HAVE BEEN TALKING ABOUT "BUSINESS DRIVEN PHILANTHROPY" FOR A WHILE - WITH A NEW WEBSITE AND INFOGRAPHIC WE ARE FINALLY ABLE TO FULLY INTEGRATE OUR APPROACH INTO THE STORY WE'RE COMMUNICATING.

The Spark team has also been working diligently on a new website that debuted this quarter. The new site (same address, www.sparkventures.org) builds upon our focus on leveraging philanthropic capital in an innovative way. At Spark Ventures, we have been talking about "business driven philanthropy" for a while - with a new website and infographic we are finally able to fully integrate our approach into the story we're communicating to our investing community. Thank you for joining us on the journey and for your significant support. Please don't hesitate to reach out with any questions.

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