Performance Report

Q3 2014

root capital

OVERVIEW

Root Capital's strong 2014 performance continued through the third quarter, with all regions surpassing year-to-date disbursement and outstanding balance projections. This healthy lending activity has enabled us to reach 255 small and growing agricultural businesses that are improving livelihoods for 423,000 smallholder producers in Latin America and Africa. While 34 percent growth in our year-over-year outstanding balance is encouraging, we are sobered by the Ebola epidemic in West Africa and the continued proliferation of the coffee leaf rust fungus affecting many of our Latin American clients. We have strategies in place to not only manage through, but to positively impact both situations. Above all, we are unwavering in our support for these regions, our clients and their farmers.

Portfolio Performance: Sustainable Trade Fund

At the end of Q3, the outstanding portfolio balance of the Sustainable Trade Fund (STF) was $81.6 million, 28 percent above the outstanding balance in Q3 2013. As a result of this higher portfolio balance throughout the year, revenue was 20 percent higher than the year-to-date projection. With expenses in line with targets, Operational Self Sufficiency (OSS) was 95 percent through the end of Q3. Through the end of Q3 2014, we disbursed $124 million to small and growing agricultural businesses, putting us 39 percent above the year-to-date target and more than 50 percent above last year. All regions in Latin America and Africa surpassed their year-to-date disbursement targets through Q3.

In Latin America, Root Capital disbursed $29.8 million in Q3. As the Central America coffee harvest commenced, coffee prices increased, leading to higher-than-anticipated lending volumes throughout the Central American and South American harvest seasons. Disbursements to South American clients in Q3, $23.4 million, were 25 percent above target and 14 percent above Q3 2013. In Central America, heavy lending to coffee clients in Nicaragua and Honduras contributed to total quarterly disbursements 54 percent higher than expected.

In Africa year-to-date disbursements in West Africa, totaling $16.5 million, were more than double the $8.2 million target, due in large part to growth in the cocoa and cashew value chains. Rwanda had another strong coffee season, and we saw our disbursements in East Africa surpass Q3 targets by 26 percent.

Coffee loans accounted for 54 percent of the STF portfolio balance in Q3. Cashew, cocoa and quinoa, respectively, make up the largest percentages of our STF, following coffee.

Portfolio Performance: Frontier Portfolios

During Q3, Root Capital disbursed $1.6 million to clients in the Frontier Portfolios, well above the $719,000 disbursed during the same time last year. Through Q3, we have disbursed a total $5.2 million in the Frontier portfolios. At quarter-end, the outstanding balance was $6.1 million, slightly below the projected $6.6 million but still representing significant year-over-year growth.

One particularly high-impact deal in our Food Security & Nutrition portfolio worth noting is with Yedent, an agro-processor selling fortified porridge for children on the local market in Ghana. In collaboration with the Global Alliance for Improved Nutrition (GAIN), Yedent developed an instant maize-based product enriched with vitamins and minerals – the first of its kind on the market due to its affordability. During Q3, we closed two loans to Yedent: a $100,000 working capital loan that the enterprise will use to purchase soybeans from farmers, and another $100,000 capital expenditure loan to finance the purchase and installation of a continuous oil press. Through its fortified food products, Yedent is helping to address child malnutrition in Ghana, where more than 30 percent of children in rural areas under the age of four suffer from chronic malnutrition.

Portfolio Quality

Q3 ended with a Portfolio-at-Risk (PAR) greater than 90 days of 4.9 percent in the STF. The two large loans reported last quarter to a coffee client in Tanzania, totaling $1.7 million, remain at risk. These loans are still at risk after expectations for a restructure of the loans were damaged by the clients' inability to fulfill new loan requirements.

The PAR over 90 days was $4 million, 23 percent higher than last quarter's PAR over 90 days, due largely to unanticipated challenges with two clients. One, a coffee cooperative in Kenya, has been operating amidst changing county regulations that make repayment to Root Capital difficult. The other, a coffee cooperative in the Selva Central region of Peru, has been hard-hit by coffee leaf rust, or roya. The damage has been so extensive that the client has not been able to produce enough coffee to fulfill even a single contract this year. Farmers have begun abandoning their land; already, 70 members have left to work in nearby gold mines. The situation is dire, and has only further reinforced the importance of investing in farmer resilience. The Coffee Farmer Resilience Initiative (CFRI) is one of a number of steps Root Capital is taking to build supply chain and farmer resilience, and we are pleased with the progress we have made in 2014. To date, we have approved more than $8 million for nine coffee clients in Nicaragua, Peru and Honduras. Through Root Capital's financing, those clients are helping nearly 900 vulnerable farmers replace dead coffee trees with a new and hardier plant stock less susceptible to disease.

In our Frontier Portfolios, PAR over 90 days at the end of Q3 was $1.1 million, up from $403K at risk the previous quarter. This increase was primarily due to the downgrade of a $500K loan to a chia client in Nicaragua and the downgrade of a $175K sorghum loan in Uganda. Faced with dropping prices and a sudden change in management in the middle of the harvest, the chia client has been delinquent in its loan repayments. In Uganda, the sorghum client was also faced with management challenges. After a disagreement between the management and board, the client was unable to restructure its staff in time to manage and repay the loan.

We are very aware of the risk the Ebola outbreak in West Africa presents to our staff and have therefore temporarily suspended travel and new lending in the three countries with an active outbreak, Sierra Leone, Guinea and Liberia. As it is, we had a relatively small pipeline in these nations and an outstanding balance of only $104,000. The impacts of Ebola are far-reaching, threatening the livelihoods of millions of West Africans already living in poverty. The current lack of investment in food production will undermine food security in the region. The need for post-epidemic investment in West Africa will be great, and agriculture will play a key role in the recovery. We are committed to the region and our clients there, and will continue to invest in the livelihoods of people who are affected by poverty, disease and hunger every day.

Financial Advisory Services

Through Q3, our Advisory team provided financial management training to 245 rural enterprises representing 20 countries. We have focused on conducting a greater number of centralized workshops, surpassing targets for total businesses trained by 25 percent for the year. These clients have received a total of 1,179 days of training year-to-date, which represents 78 percent of the full-year target. Our Advisory activity in Central America was particularly strong during Q3 due to increased emphasis on internal credit fund trainings among coffee clients as part of the Coffee Farmer Resilience Initiative.

Catalyze Strategy

A highlight of Q3 was the launch of our latest issue brief, Applying a Gender Lens to Agriculture: Farmers, Leaders and Hidden Influencers in the Rural Economy. The brief, the second in our Issue Brief Series supported by The Skoll Foundation and the Citi Foundation, focuses on our experience and approach to gender lens investing, encouraging others who share our goal of unlocking the economic potential of women to focus on agriculture, from which most of the world's poor people and poor women derive the majority of their income. The brief also encourages gender lens investors in the rural economy to expand their focus beyond women leaders to include women across the economic spectrum. At the time of this writing, the English and Spanish versions of the issue brief have collectively been viewed over 1,300 times.

The brief garnered coverage and generated discussion in a number of targeted media and influential industry publications including NextBillion, Thomson Reuter's Trust.org, Catholic Relief Services' CRS Coffeelands Blog, USAID's Agrilinks Blog and the Skoll World Forum. Additionally, Julie Katzman, executive vice president and chief operating officer of the Inter-American Development Bank (IDB), joined Root Capital CEO Willy Foote for a conversation about the IDB's approach to gender lens investing on Forbes.com.

Q3 also brought an increase in field-building activity related to our Catalyze strategy, especially in Africa and Latin America. More than 15 staff members, representing each of our regions, had a presence and active role at strategic conferences worldwide. From Nairobi to Lima, our staff members shared learning from our work in smallholder agricultural finance.

Operations Note

Last quarter, we shared the news of an erroneous wire transfer of $697,594 to a former client in South America. At the end of Q3, $500,000 of the funds had been recovered. We are pleased to report that, at the time of this writing, all of the funds have been completely recovered.

In addition to proactive legal efforts to recover the funds, Root Capital’s senior management team moved swiftly to address the internal process issues that contributed to the error, including improvements in personnel, systems and process controls. We have hired consultants with deep expertise in banking systems to conduct an audit across Root Capital’s core business processes.

Q3 2014 DASHBOARD*

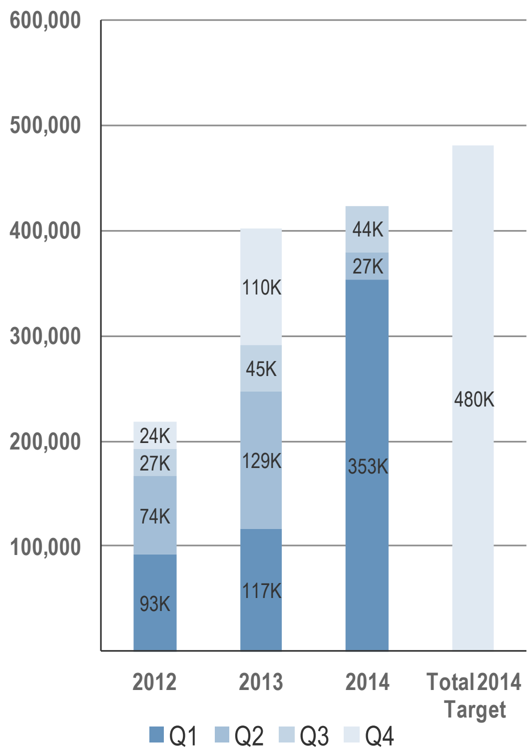
Metric	Result	Target	Results as % of Target	Page
Social and Environmental Metrics				
Number of Producers Reached	584K	642K for 2014	91%	
Producers supplying enterprise	423K	480K for 2014	88%	6
Producers buying inputs	161K	162K for 2014	100%	6
Purchases from Producers	$801M	$889M for 2014	90%	6
Total Revenue of Rural SGBs	$963M	$1B for 2014	90%	7
Sustainable Hectares under Management	639K	891K for 2014	72%	7
Lending Program				
Loan Disbursements	$129.3M	$95.2M through Q3	136%	
Sustainable Trade Fund	$124.0M	$89.2M through Q3	139%	8
Frontier Portfolios	$5.2M	$5.9M through Q3	88%	13
Outstanding Portfolio Balance**	$87.7M	$79.2M through Q3	111%	
Sustainable Trade Fund	$81.6M	$72.6M through Q3	112%	8
Frontier Portfolios	$6.1M	$6.6M through Q3	93%	13
Number of Clients Reached	255			
Sustainable Trade Fund	223			10
Frontier Portfolios	32			
Average Outstanding Balance per Active Loan**	$316K			
Sustainable Trade Fund	$343K			10
Frontier Portfolios	$153K			
Portfolio-at-Risk Over 90 Days**	5.8%	5.2% for 2014	112%	
Sustainable Trade Fund	4.9%	5.1% for 2014	96%	11
Frontier Portfolios	17.3%	6.4% for 2014	270%	15
Loan Loss Ratio**	1.6%	3.9% for 2014	41%	
Sustainable Trade Fund	1.8%	3.8% for 2014	47%	11
Frontier Portfolios	-1.1%	4.6% for 2014	-24%	15
Financial Advisory Services (FAS)				
Number of Groups Served by FAS	245	198 for 2014	124%	17
Days of Training Delivered	1179	1510 for 2014	78%	17
Catalyze Program				
Overview of Catalyze Program	See page 18 for discussion of Catalyze Program			
Operating Results**				
Total Operating Expense	$10.5M	$12M through Q3	87%	20
Debt to Equity	3.66	3.34 through Q3	110%	22
Capital Utilization	89%	78% through Q3	113%	22
Fundraising Results				
Outstanding Debt Balance	$89.2M	$87.5M for 2014	102%	21
Contributions Raised	$11.2M	$12.5M for 2014	89%	21

**All figures are representative of total cross-portfolio performance unless otherwise specified*

***Figures represent performance at end of quarter*

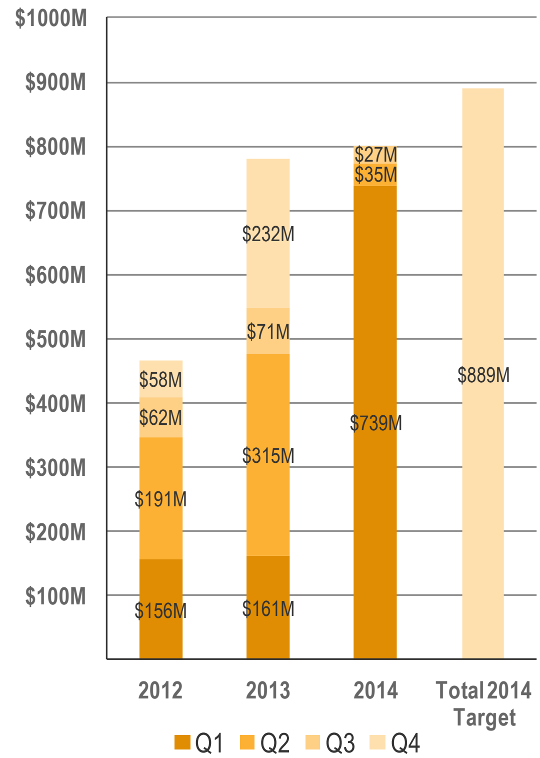
SOCIAL AND ENVIRONMENTAL METRICS

Producers Supplying Enterprise (through Q3)



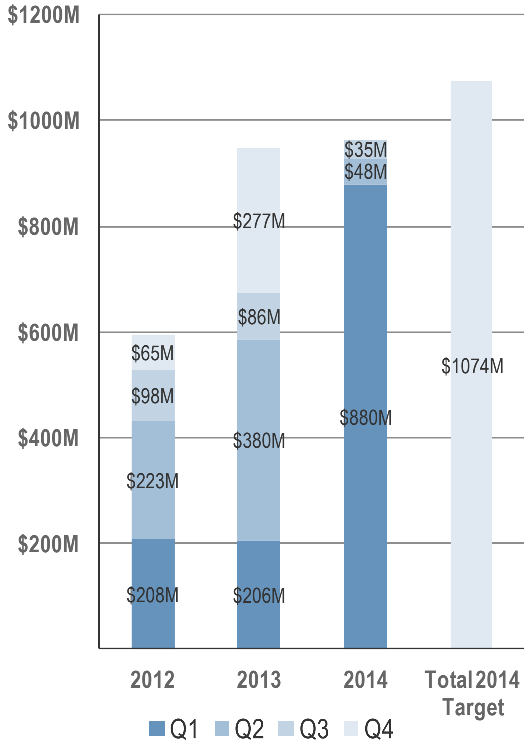
- Through Q3 2014, we reached 423K producers supplying to our client enterprises, compared to 291K producers supplying to our client enterprises in the same time period last year.
- Through Q3 2014, we reached 161K producers buying inputs such as agro-inputs or post-harvest handling services from the enterprise.
- Of all the producers supplying to the enterprise through Q3 2014, 116K, or 28%, were women.

Purchases from Producers (through Q3)

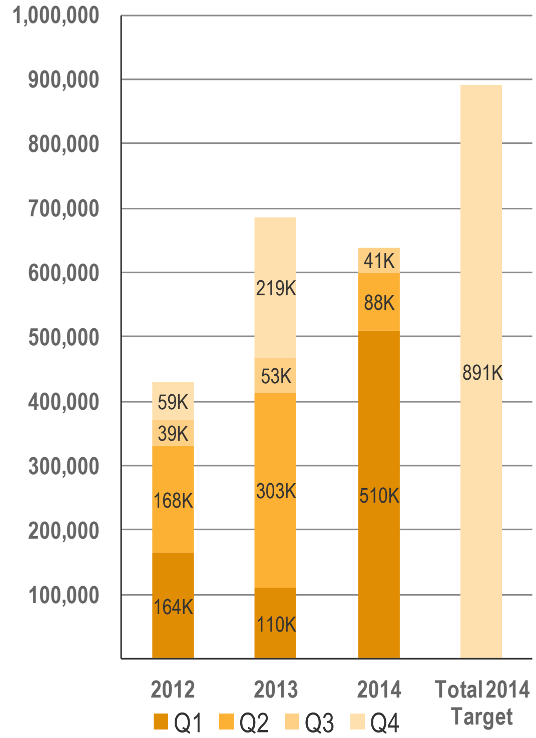


- "Purchases from producers" is the total amount that our client enterprises paid to their small-scale suppliers.
- Through Q3 2014, our clients purchased an estimated $801M of agricultural product from their producers, which is 45% higher than in the same time period last year. Contributing factors include growth in the number of clients reached, particularly for a handful of larger clients. Through Q3 2014, we reached 255 clients, compared to 222 clients in the same time period last year.
- The average payment per producer through Q2 2014 was $2K.

Total Revenue of Rural SGBs (through Q3)



Sustainable Hectares Under Management (through Q3)



➔ Clients reached through Q3 2014 generated an estimated $963M in total revenue, 43% higher than in the same time period last year. The average revenue per enterprise was $3.8M.

➔ In Q3 2014, client enterprises represented an estimated 639K hectares of sustainably managed agroforestry and agricultural lands, with an average of 2 hectares per producer.

Please note the following changes in our impact reporting terminology and methodology starting in Q1 2014.

"Producers Supplying Enterprise" refers to what was previously "Producers Reached Directly" (i.e., producers selling their harvest to the enterprise). "Producers Buying Inputs from Enterprise" refers to what was previously "Producers Reached Indirectly" (i.e., producers benefiting from goods and/or services sold by the enterprise such as seeds or post-harvest handling). We report on these two metrics separately because while some enterprises reach tens of thousands of producers buying inputs from the enterprise, the impact of selling a drought-resistant seed variety to farmers is different from that of linking farmers to markets.

In Q4 2013, we began to report social metrics for "clients reached" to more accurately capture the number of businesses reached by our capital. Clients reached are clients that had an outstanding balance at any point in the quarter and that were not at risk. This includes clients that did not receive a disbursement in the quarter. This is a cumulative metric; clients are added to the annual total in the quarter they are first reached.

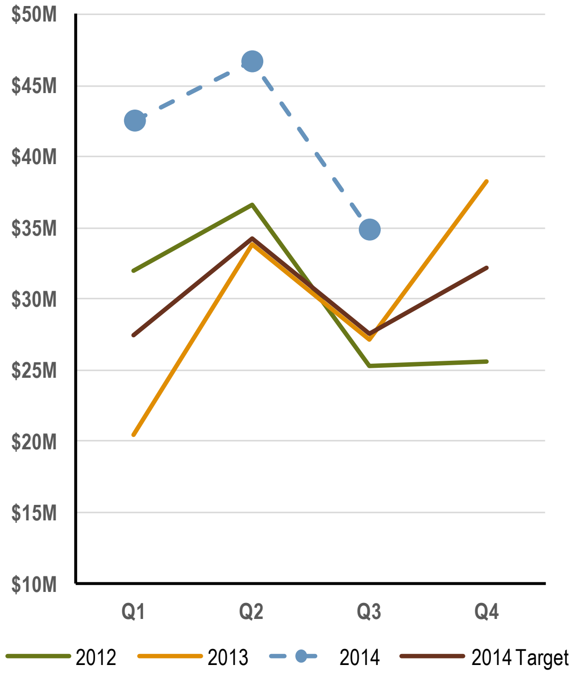
In Q1 2014, a disproportionately large Central American client with reported revenue over $300M and 35K producers entered the STF portfolio, and in Q2 2014, a disproportionately large East African client with reported revenue over $6M and 85K producers entered the STF portfolio. We did not report on these two clients' social metrics because their size makes them distortionary outliers in our portfolio of 255 clients reached through Q3 2014.

In Q3 2014, total revenue and purchases from producers were updated to reflect changes in these figures for clients first reached in Q1 and Q2 upon receipt of their updated financial statements in Q3 2014.

SUSTAINABLE TRADE FUND

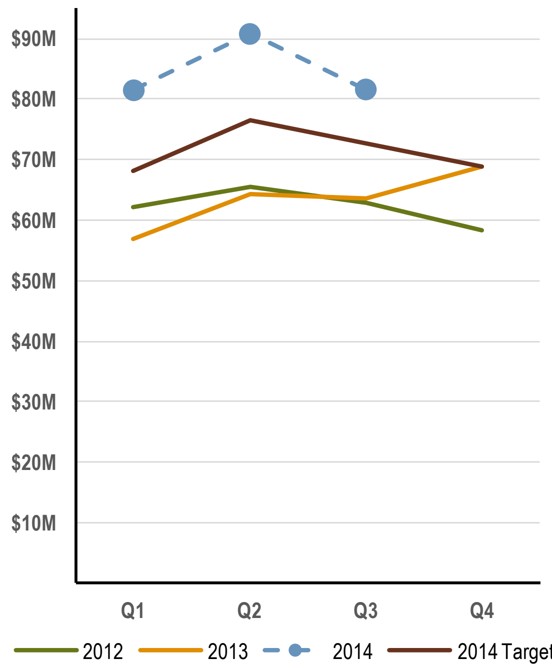
Portfolio Performance

Loan Disbursements by Year



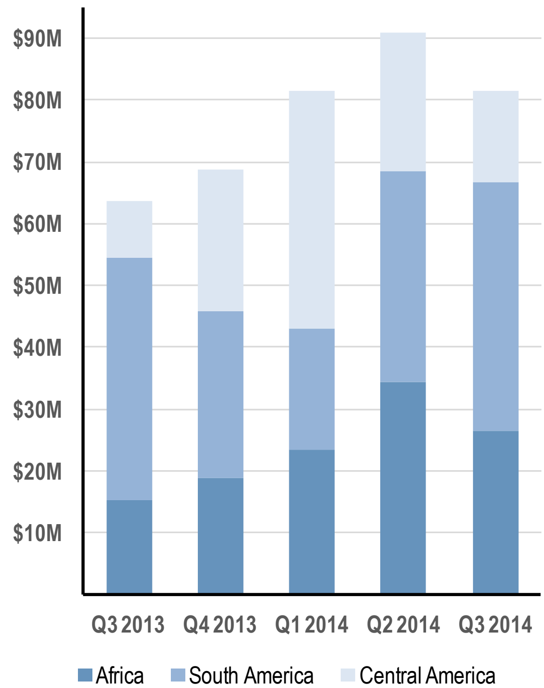
- We disbursed $34.8M in Q3, 26% above target and 28% over Q3 2013.
- Cumulative disbursements for 2014 through Q3 were $124M, 39% above target and 52% above last year. All regions surpassed their year-to-date disbursement targets through Q3.
- Disbursements in South America in Q3 were $23.4M, 25% above target and 14% above Q3 2013. Year-to-date disbursements ($47.8M) were 2% above last year due to growth in non-coffee industries.
- West African disbursements were $742K in Q3, 41% below target; however, year-to-date disbursements through Q3 were $16.5M, well above the $8.2M target and the $4.2M disbursed through Q3 2013. Growth in cocoa and cashews has been the main impetus for growth in West Africa.
- Due primarily to higher-than-anticipated lending volume in coffee, disbursements in Central America ($6.4M) and East Africa ($4.3M) surpassed their Q3 targets by 54% and 26%, respectively.

Outstanding Portfolio Balance by Year



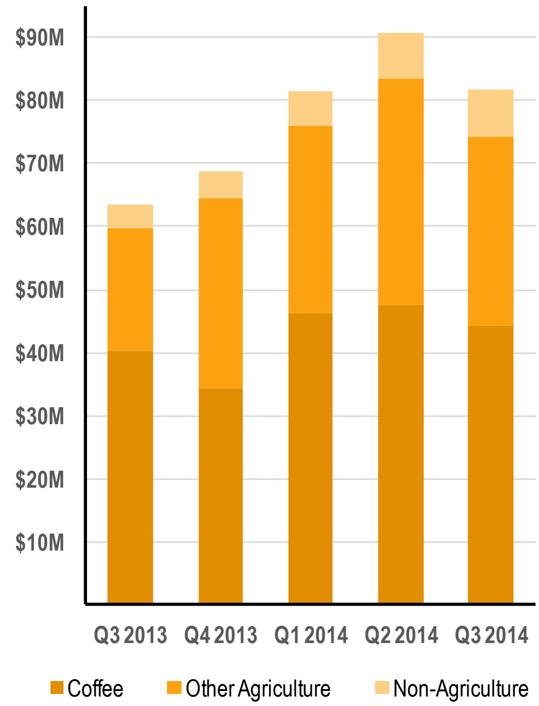
- At the end of Q3, the outstanding balance was $81.6M, 12% above the $72.6M target for the quarter and 28% above the balance the same time last year.

Outstanding Balance by Region (Trailing 5-Quarter)



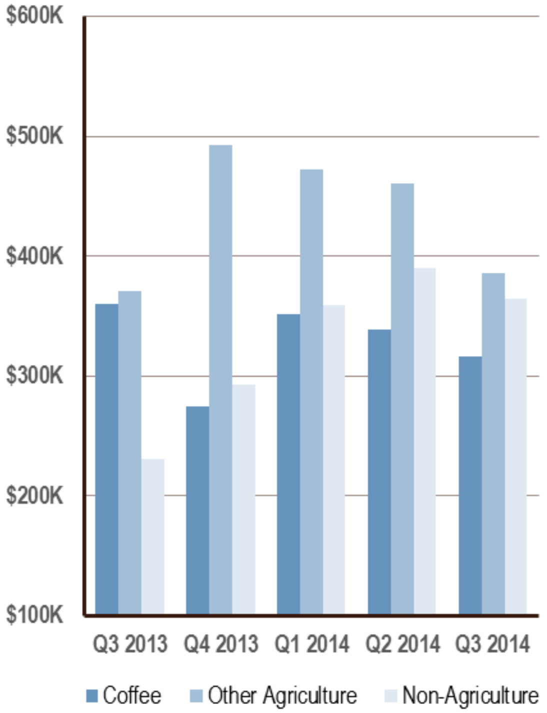
- The South America portfolio balance was $40M at the end of Q3, 16% higher than projected and 2% above the same time last year. Growth in South America is due in part to diversification into non-coffee industries, particularly cocoa.
- The Central America portfolio balance decreased by 48% from the end of Q2 to $15M at the end of Q3. This decrease is in line with the cyclical pattern in Central America driven by the coffee harvest season. The quarter-end balance was 8% above projections and 65% above the same period last year, due to a particularly strong coffee harvest in Nicaragua and Honduras in the first half of 2014.
- Driven mainly by growth in the cocoa and cashew industries, West Africa's outstanding balance at the end of Q3 was $11.4M, 23% higher than projected and well above the $4.2M quarter-end portfolio balance in Q3 2013.
- The East Africa portfolio balance was $15.1M at the end of Q3, 2% above target and 38% above the same time last year. This higher-than-anticipated outstanding balance is due to above target lending in Tanzania and the Democratic Republic of Congo and a strong coffee harvest season in Rwanda.

Outstanding Balance by Industry (Trailing 5-Quarter)



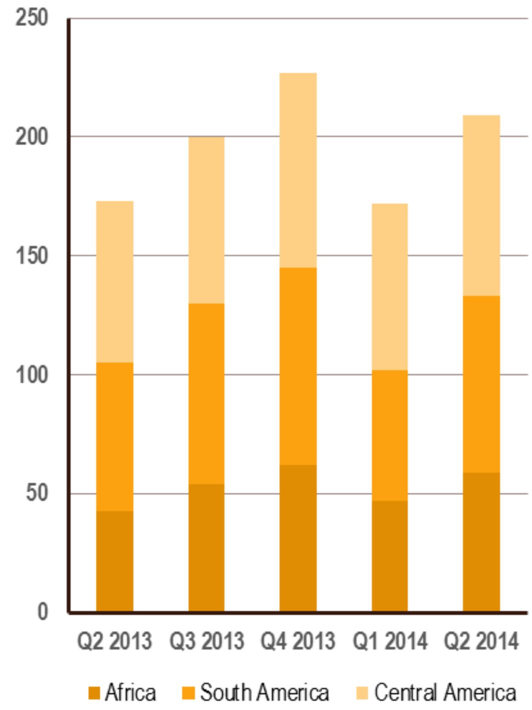
- Coffee loans accounted for 54%, or $44.3M, of the $81.6M portfolio balance, down from 63% at the end of Q3 2013.
- Other Agriculture loans totaled $30.1M, or 37% of the Sustainable Trade Fund at the end of Q3. The three largest industries were cashews ($8.6M), cocoa ($6.1M) and quinoa ($1.8M.)
- The Non-Agriculture sector consists of loans to industries such as aquaculture, handcrafts and local financial institutions that make microloans to farmers. This portfolio remains a small portion of the total portfolio, with $7.3M outstanding, or 9% of the portfolio.

Average Outstanding Balance per Active Loan



- The average Coffee loan outstanding decreased from $339K at the end of Q2 to $316K at the end of Q3.
- The average Other Agriculture loan outstanding decreased by 20% from last quarter to $385K per loan.
- The average loan size in Non-Agriculture loan outstanding was $365K at the end of Q3, a 7% decrease from the end of Q2.

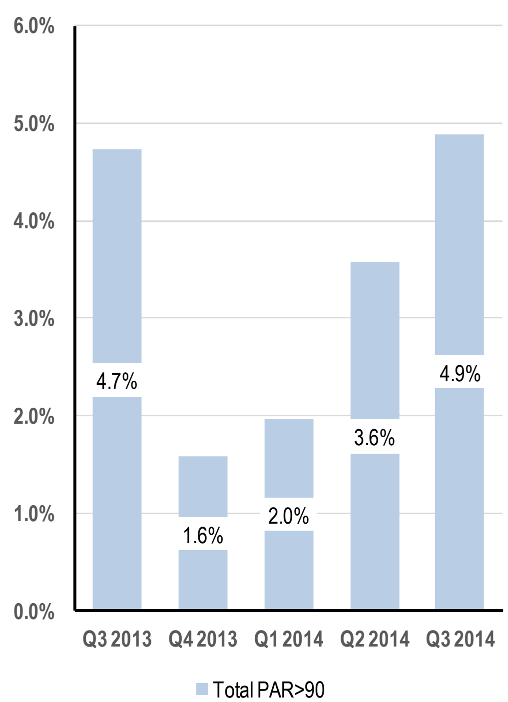
Number of Clients Reached by Region



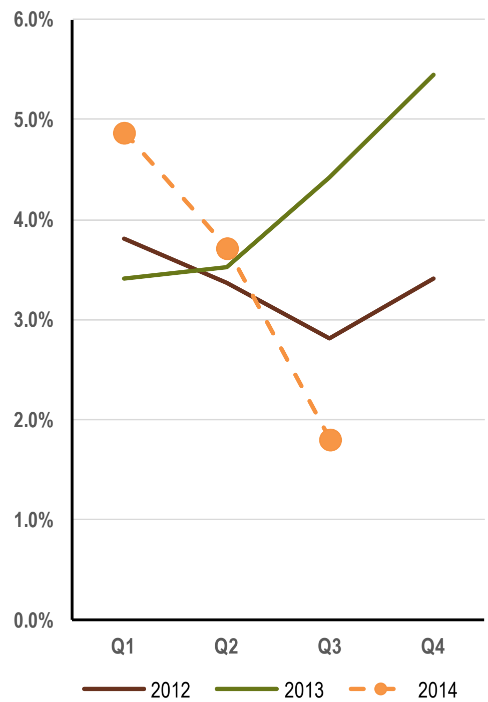
- Root Capital considers a client "reached" if it had an outstanding balance at any point in the quarter and was not at risk as of quarter end. The number of clients reached is a cumulative metric. Clients are added to the annual total in the quarter in which they are first reached.
- Root Capital reached 223 clients through Q3, an increase of 12% from the 200 clients reached during the same period last year.
- In Central America, 78 clients were reached through Q3, an 11% increase from the 70 clients reached through Q3 2013.
- Eighty clients were reached in South America, 5% above the 76 clients reached in 2013 during the same period.
- Twenty clients were reached in West Africa through Q3, more than twice the nine clients reached through Q3 2013.
- In East Africa, 45 clients were reached through Q3, equal to the number of clients reached in East Africa during the same period last year.

Portfolio Quality

Portfolio at Risk > 90 Days



Loan Loss Ratio (Trailing 12 month average)



- The Portfolio at Risk (PAR) over 90 days was 4.9% at the end of Q3, up from 3.6% at the end of Q2. The total outstanding balance at risk increased from $3.2M to $4M.
- PAR over 90 days in East Africa increased from 10.3% ($1.9M) in Q2 to 14.2% ($2.1M) in Q3. PAR over 90 days in East Africa remained high due to two non-performing loans to a Tanzanian coffee client and increased from Q2 due to the downgrade of a loan to a coffee client in Kenya.
- The outstanding balance in PAR over 90 days in South America increased from 2% in Q2 ($671K) to 3.3% ($1.3M) in Q3. The increase in PAR over 90 days was driven by the downgrade of three loans to a coffee client in Peru that has been adversely impacted by roya.
- The balance in PAR over 90 days ($525K) in Central America at the end of Q3 remained consistent with the PAR over 90 days balance in Q2 ($506K).
- PAR over 90 days in West Africa was 0% due to the write-off of a honey loan in Cameroon during Q3.

- The Loan Loss Ratio decreased from 3.7% at the end of Q2 to 1.8% at the end of Q3.
- The Loan Loss Ratio in Central America at the end of Q3 was 1.6%. One $59K loan to a coffee client in Honduras was written off in Q3.
- The Loan Loss Ratio in South America was 1.3%. No loans were written off in Q3.
- The Loan Loss Ratio for West Africa was 5.3% at the end of Q3. One $147K loan to a honey client in Cameroon was written off in Q3.
- The Loan Loss Ratio in East Africa was 0.3% at the end of Q3. No loans were written off in Q3.
- $456K was recovered over the past four quarters for loans previously written off, of which $185K was recovered in Q3.

Sustainable Trade Fund Financial Results & Analysis

	Sustainable Trade Fund			
	2014 YTD			
All numbers in thousands	Actual	Budget	Variance ($)	Variance (%)
Loan Interest and Fees	7,014	5,825	1,189	20%
Gain (loss) on Fx Lending	(18)	0	(18)	N/A
Total Earned Revenue	**6,997**	**5,825**	**1,171**	**20%**
Portfolio Yield	**11.0%**	**10.9%**		
Net Provisioning Expense	1,881	1,967	(87)	-4%
Provisioning Expense Ratio	3.0%	3.7%		
Net Interest Expense	1,370	1,207	164	14%
Net Funding Expense Ratio	2.2%	2.3%		
STF Operating Expense	4,082	4,375	(293)	-7%
Operating Expense Ratio	6.4%	8.2%		
Total Expenses	**7,333**	**7,549**	**(216)**	**-3%**
Total Expense Ratio	**11.6%**	**14.1%**		
STF Surplus / (Deficit)	**(336)**	**(1,724)**	**1,388**	**80%**
Operational Self Suffiency (OSS)	**95%**		**N/A**	**N/A**

EARNED REVENUE

The STF YTD average portfolio balance of $84.6M was 41% higher than the same period in 2013, and 17% above the target of $76.8M due to strong lending performance. Portfolio Yield of 11.0% was 10 basis points higher than the expected rate, driven by fee revenue of $1.0M, stemming from $124M in year-to-date disbursements (39% ahead of target).

NET PROVISIONING EXPENSE

We incurred a total of $1.9M in net provisioning expense in the STF for a Net Provisioning Expense Ratio of 3.0%. This year-to-date expense is $86K below the year-to-date target, and 30% less than the 2013 expense for the same period.

INTEREST EXPENSE & INTEREST EARNED ON CASH AND INVESTMENTS

Net interest expense was $164K higher than the projected year-to-date expense, due to an increase in debt balance in Q2 and Q3 to accommodate higher lending capital needs. Higher utilization of lending capital led to a lower net funding expense ratio.

LENDING PROGRAM OPERATING EXPENSE

Through Q3, STF operating expenses were $293K (7%) below budget, driven by savings in both lending and support departments.

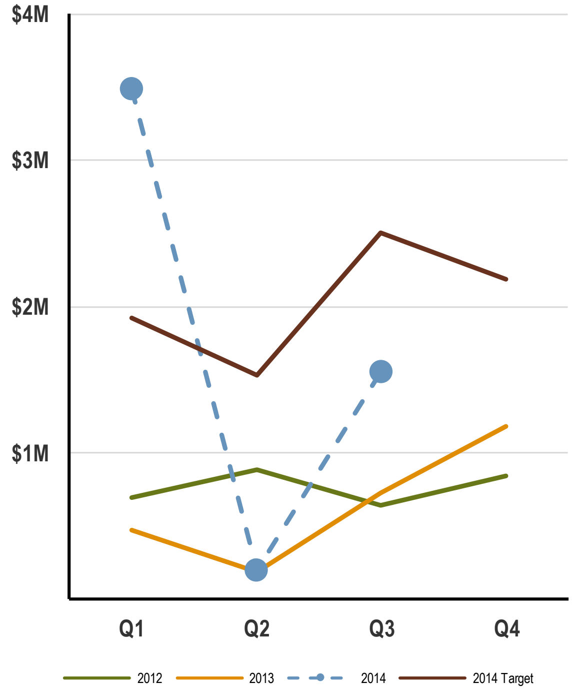
OPERATIONAL SELF SUFFICIENCY

Operational Self Sufficiency (OSS) was 95%, driven primarily by revenue on a higher portfolio balance, but also due to total expenses 3% less than target. We expect to see continued strong top line performance during Q4, and only moderate increases in operating expenses. Accordingly, the full-year financial performance of the STF will largely be driven by portfolio quality and the associated impact on provisioning expense.

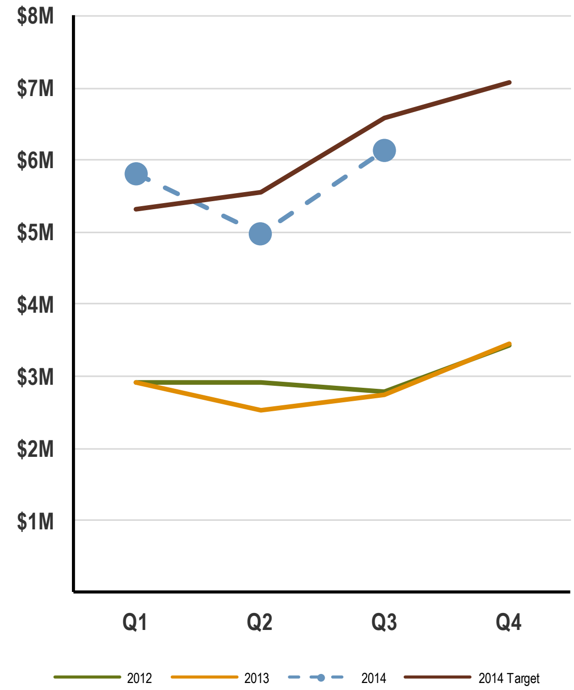
FRONTIER PORTFOLIOS

Portfolio Performance

Loan Disbursements by Year



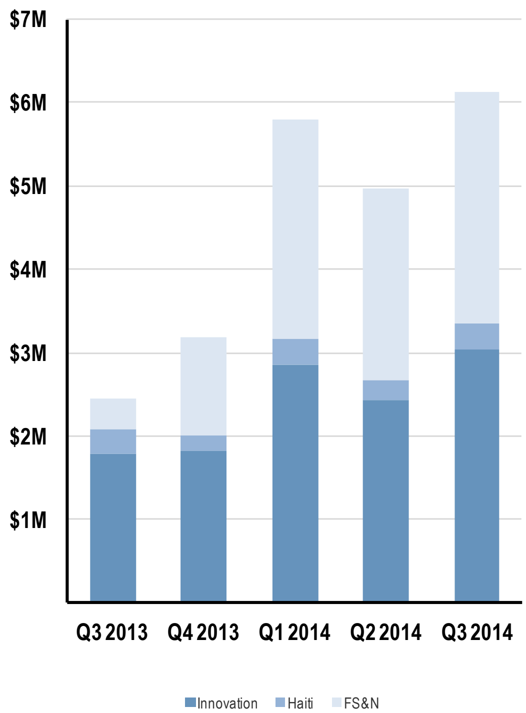
Outstanding Portfolio Balance by Year



- $1.6M was disbursed in the Frontier Portfolios in Q3, 38% below the quarter target of $2.5M, but well above the $719K disbursed in Q3 2013. The Frontier Portfolios consist of loans made in the Innovation, Food Security & Nutrition and Haiti Portfolios.
- In the Food Security & Nutrition Portfolio, $644K was disbursed in Q3, 62% below the target of $1.7M. Cumulative disbursements in the Food Security & Nutrition Portfolio were $2.7M through Q3, 38% below the target of $4.3M.
- $808K was disbursed in the Innovation Portfolio in Q3, 11% above the target of $725K. Cumulative disbursements in the Innovation Portfolio were $2.2M through Q3, well above the target of $1.1M.
- $347K was disbursed in the Haiti Portfolio in Q3 to cocoa and vetiver oil producers.

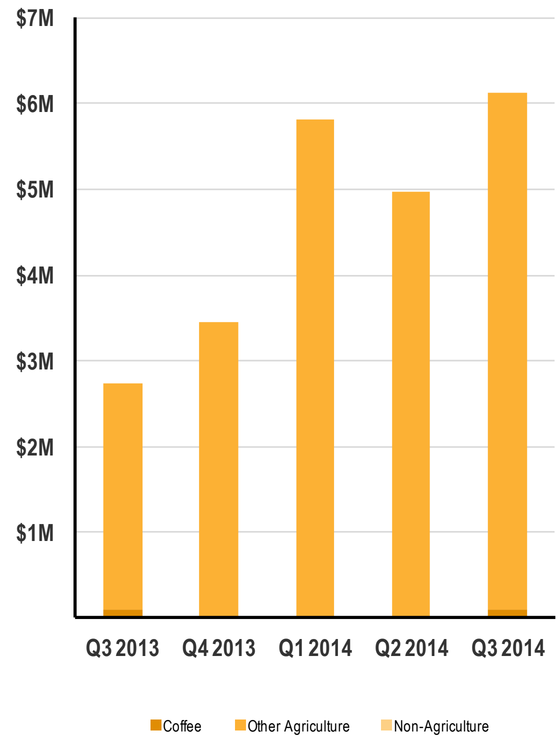
- The outstanding balance was $6.1M at the end of Q3, 7% below the projected outstanding balance of $6.6M and well above last year's Q3 balance of $2.7M.

Outstanding Balance by Portfolio



- The outstanding balance in the Innovation Portfolio was $3.1M at the end of Q3, an increase of 70% over Q3 2013. At the end of Q3, there were 18 clients with loans outstanding in the Innovation Portfolio in eight countries across Africa and Latin America.
- The Food Security & Nutrition Portfolio had $2.8M outstanding at the end of Q3, a 21% increase from the end of Q2 and a significant increase from the $368K outstanding at the end of Q3 2013. At the end of Q3, there were fifteen clients with loans outstanding in the Food Security & Nutrition Portfolio in five countries across Africa.
- The Haiti Portfolio had two loans outstanding at the end of Q2, totaling $303K outstanding, to cocoa and vetiver oil producers.

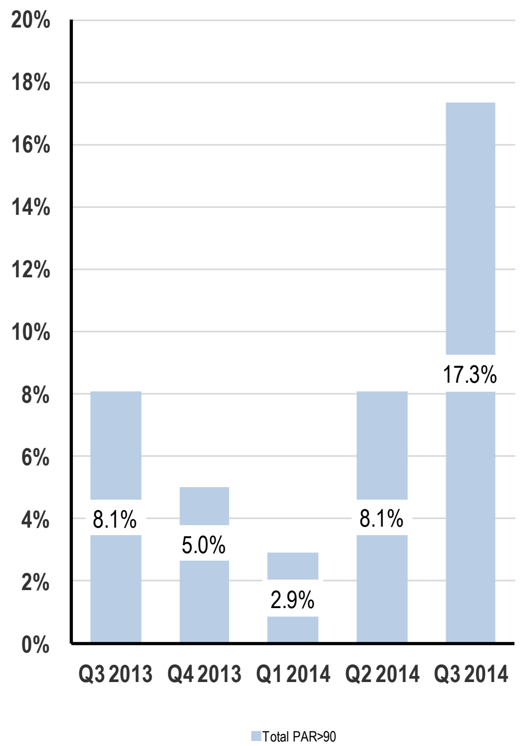
Outstanding Balance by Industry



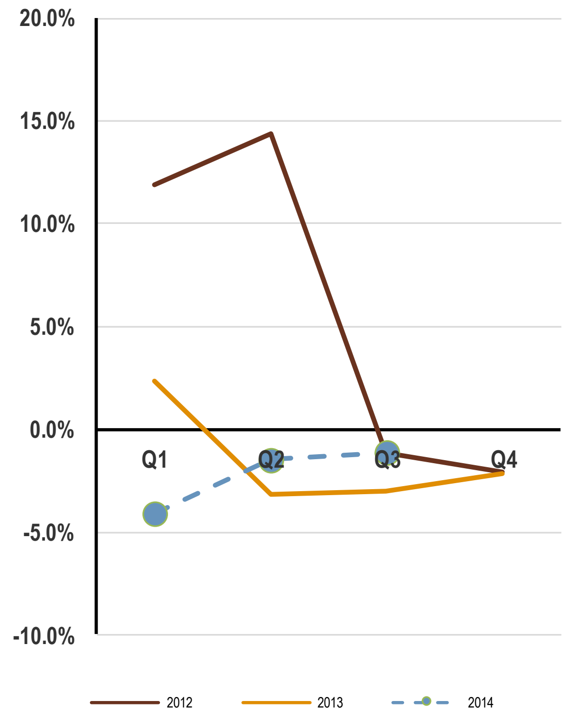
- The three largest industries in the Food Security & Nutrition Portfolio were maize (45%), sorghum (28%) and sunflower oil (6%).
- The three largest industries in the Innovation Portfolio were sesame (18%), chia seeds (16%) and seeds for farm inputs (16%).
- In Q3, Root Capital made its first loans in safflower oil and sunflower oil in the Food Security & Nutrition Portfolio to two clients in Tanzania.

Portfolio Quality

Portfolio at Risk > 90 Days



Loan Loss Ratio (Trailing 12-month average)



- At the end of Q3, PAR over 90 days in the Frontier Portfolios was 17.3% ($1.1M), up from 8.1% ($403K) at the end of Q2. All loans in PAR over 90 days in the Frontier Portfolios were in the Innovation Portfolio.
- The Innovation Portfolio had six loans in PAR over 90 days with a total balance of $1.1M, constituting 34.8% of the portfolio. The balance in PAR over 90 days increased from Q2, primarily due to the downgrade of a chia seed loan in Nicaragua and a sorghum loan in Uganda.
- There are no loans currently in PAR over 90 days in the Food Security & Nutrition Portfolio or the Haiti Portfolio.

- At the end of Q3, the Loan Loss Ratio for the Frontier Portfolios was a negative (1.1%).
- The Loan Loss Ratio in the Innovation Portfolio was 1.4% at the end of Q3. One $9K loan to a dried bean producer in Nicaragua was written off in Q3.
- The Haiti Portfolio had a Loan Loss Ratio of 23.3%. No loans were written off in Q3.
- The Loan Loss Ratio for the Food Security & Nutrition Portfolio was 0% at the end of Q3. This portfolio has yet to incur any losses.
- $144K was recovered over the past four quarters for loans written off in the now-closed North portfolio from previous years. These recoveries were the main reason for the overall negative Loan Loss Ratio.

Frontier Portfolios Financial Results & Analysis

All numbers in thousands	Frontier Portfolios			
	2014 YTD			
	Actual	Budget	Variance ($)	Variance (%)
Loan Interest and Fees	595	462	134	29%
Gain (loss) on Fx Lending	(442)	0	(442)	
Total Earned Revenue	**153**	**462**	**(308)**	**-67%**
Portfolio Yield	**3.7%**	**11.1%**		
Net Provisioning Expense	437	242	195	81%
Provisioning Expense Ratio	10.6%	5.8%		
Net Interest Expense	22	38	(16)	-41%
Net Funding Expense Ratio	0.5%	0.9%		
Frontier Portfolios Operating Expense	1,099	1,279	(181)	-14%
Operating Expense Ratio	26.7%	30.7%		
Total Expenses	**1,558**	**1,559**	**(1)**	**0%**
Total Expense Ratio	**28.4%**	**28.0%**		
Frontier Surplus / (Deficit)	**(1,404)**	**(1,097)**	**(307)**	**-28%**

EARNED REVENUE

Through Q3 2014, total interest and fee revenue in the Frontier Portfolios was $595K, 29% above target. This was driven both by a higher average interest rate than projected, as well as disbursements happening earlier in the year than projected, leading to a higher balance than projected during Q2. Total disbursements were $5.2M compared to a target of $6.0M, although they were front-loaded in Q1.

Total interest and fee revenue was offset by $442K in losses on depreciation in loans denominated in foreign currencies. However, we estimate that approximately half of YTD FX losses are offset by the interest premium charged for loans in non-USD currencies. The largest losses occurred on loans denominated in Ghanaian Cedi.

ALLOWANCE FOR LOAN LOSS EXPENSE

During the first half of the year, the main driver of allowance for loan loss expense was the downgrade and write-off of one loan in the Haiti Portfolio. As noted in the Portfolio Quality section above, a chia seed loan in Nicaragua and a sorghum loan in Uganda were downgraded in Q3, which together resulted in additional provisioning expense of approximately $300K. This expense was partially offset by $106K, $27K and $63K in recoveries on loans previously written off in the North Portfolio, Innovation Portfolio, and Haiti Portfolio respectively.

INTEREST EXPENSE & INTEREST EARNED ON CASH AND INVESTMENTS

Through Q3, we incurred net interest expense of $22K in the Food Security & Nutrition and Haiti Portfolios.

LENDING PROGRAM OPERATING EXPENSE

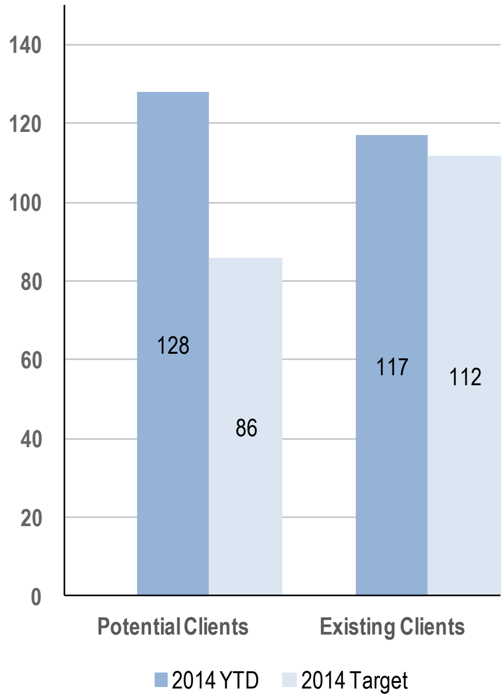
Operating expenses of $1.1M were 14% below budget, driven by savings in both lending and support departments, which are further addressed on page 20.

FRONTIER PORTFOLIOS OPERATING DEFICIT

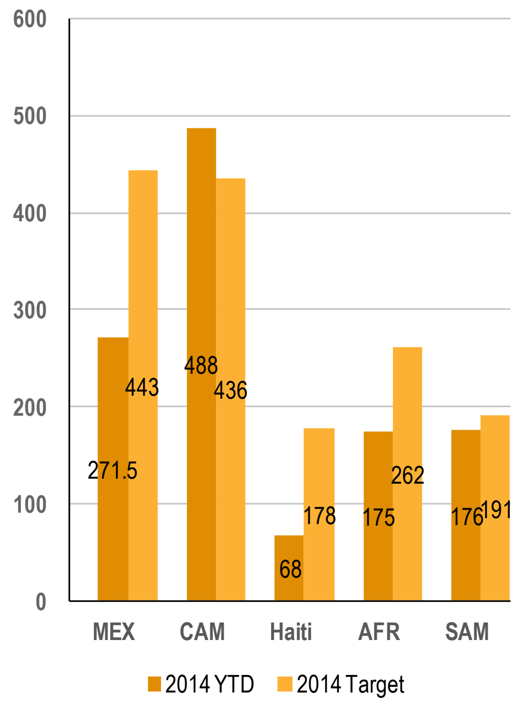
Despite savings in operating expenses and higher-than-projected interest and fee revenue, losses on FX lending led to a deficit of $307K higher than expected.

FINANCIAL ADVISORY SERVICES

Groups Served by Financial Advisory Services (through Q3)



Days of Training Delivered by Financial Advisory Services (through Q3)



- During the first three quarters of 2014, the Advisory team surpassed its full-year target for total groups trained, with 245 clients representing 20 countries.
- The program ramped up in several key lending geographies during Q3. The team implemented its first centralized workshops in Burkina Faso and Benin and its first on-site trainings in Ghana. In South America, operations in Colombia and Bolivia, which were formerly on hold, resumed during Q3 in response to strong demand from clients and buyers.
- Training year-to-date was evenly divided between current and prospective lending clients. This represents a change from prior year in which activity focused on clients that had not yet received a loan from Root Capital in order to generate Lending pipeline.

- Advisory work during the third quarter represented more than half of all activity year-to-date. With 78% of the annual target completed by the end of Q3, the Advisory program is on pace to meet its full-year objectives.
- Central America is ahead of plan for the year, due to a surge in internal credit training under the three-year Root Link project, which will conclude in Q4 this year and roll into the larger Coffee Farmer Resilience Initiative (CFRI).
- Q3 marks the first full year of agronomic advisory partnerships under the CFRI. Seventeen enterprises attended a series of three technical agronomic workshops held in Nicaragua on coffee renovation. In Peru we conducted diagnostics with six clients to determine their agronomic training needs and engaged a local partner to offer a centralized workshop on renovation techniques for affected groups.

CATALYZE PROGRAM PERFORMANCE

In Q3 2014, Root Capital played a prominent role in the impact investing field, publishing our second issue brief and participating in many high-profile events around the world, including the SOCAP conference in San Francisco, the Africa Enterprise Challenge Fund annual conference in Nairobi, and the Microfinance for Ecosystem-Based Adaptation Workshop in Lima.

WOMEN IN AGRICULTURE

- In September we launched our second issue brief, "Applying a Gender Lens to Agriculture: Farmers, Leaders, and Hidden Influencers in the Rural Economy." The issue brief has been viewed 1,330 times and downloaded by more than 580 people. Following the launch, Willy Foote interviewed Julie Katzman, the executive vice president and chief operating officer of the Inter-American Development Bank, on the Forbes.com blog about the IDB's approach to gender lens investing. The issue brief was also featured on Michael Sheridan's CRS Coffeelands blog and on Thomas Reuters. Finally, Root Capital guest blogged on the issue brief for NextBillion, the Skoll World Forum and USAID/Agrilinks.
- Separately, Root Capital's Women in Agriculture Initiative was highlighted as a leading example of gender lens investing in a feature article titled, "The Rise of Gender Capitalism," by Sarah Kaplan and Jackie VanderBrug, in the fall 2014 issue of the Stanford Social Innovation Review.

SPOTLIGHT ON ROOT CAPITAL'S REGIONAL TEAMS

- In August, Root Capital staff attended the Africa Enterprise Challenge Fund (AECF) annual conference in Nairobi, Kenya. CEO Willy Foote participated alongside Fred Kiteng'e, Director of Lending for East & Southern Africa, and Richard Tugume, Loan Portfolio Manager.
- Fred Kiteng'e presented and participated in three sessions at the Fin4Ag: Revolutionizing finance for agri-value chains conference in Nairobi.
- Impact Data Officer Pauline Githinji participated in a panel on "Impact: How and What to Measure" at the SEED Africa Symposium in Nairobi.
- Luis Miguel Ormeño, Root Capital's Financial Advisory Services Coordinator South America, presented Root Capital's Coffee Farmer Resilience Initiative at the Microfinance for Ecosystem-Based Adaptation Workshop in Lima, Peru, organized by the Peru Ministry of Agriculture and the Multilateral Investment Fund of the Inter-American Development Bank.
- Cecilia Yañez, an investment analyst with Root Capital's South America partner ACCDER, presented on a panel on "Alternative Models – Cocoa Buyers and Input Suppliers" at the World Cocoa Foundation in Colombia.
- The Advisory team led Agricultural Finance breakfasts for a dozen local commercial banks in Guatemala and Honduras. The team also presented on social and environmental standards, using Root Capital's Issue Brief on Building the Business Case for Social and Environmental Due Diligence.
- The Advisory team also conducted workshops and field trips with 39 microfinance institutions in Nicaragua, Guatemala and Honduras on best practices in credit underwriting for smallholder agriculture.

FIELD-BUILDING & THOUGHT LEADERSHIP

- Root Capital was featured prominently at the SOCAP conference in San Francisco. Willy Foote and Antony Bugg-Levine of Nonprofit Finance Fund shared the opening plenary stage with a discussion on the importance of a complete continuum of resilient capital in impact investing. Willy also participated in a panel discussion about gender-based approaches to impact investment, development and philanthropy. Root Capital's Director of Investor Relations Ben Schmerler participated in two panels: "Sustainable Supply Chains and Agricultural Finance in the Developing World," and "From Coffee to Couture: What the Fashion Industry Can Learn from More Inclusive Value Chains."

- Willy Foote participated in a panel at the ANDE Annual Conference in Glen Cove, New York, titled "Investing in Early State Agricultural SGBs," along with peers from Dalberg, Partners in Food Solutions and Technoserve. Mike McCreless, Root Capital's Director of Strategy & Impact, led a session on "Breaking Impact Out of its Silo: Integrating Impact, Financial, and Operational Metrics," based on an ANDE white paper that he wrote titled "Metrics to Align Mission with Financial Performance."
- Elizabeth Teague, Senior Associate for Environmental Performance, co-led a meeting of the Sustainable Agriculture Working Group at the ANDE Annual Conference.
- Business Systems Analyst Meghan Butler was featured in "The Magicians of Salesforce: Salesforce Tricks for Admins by Admins," an ebook published by Backupify.

OVERALL OPERATING RESULTS

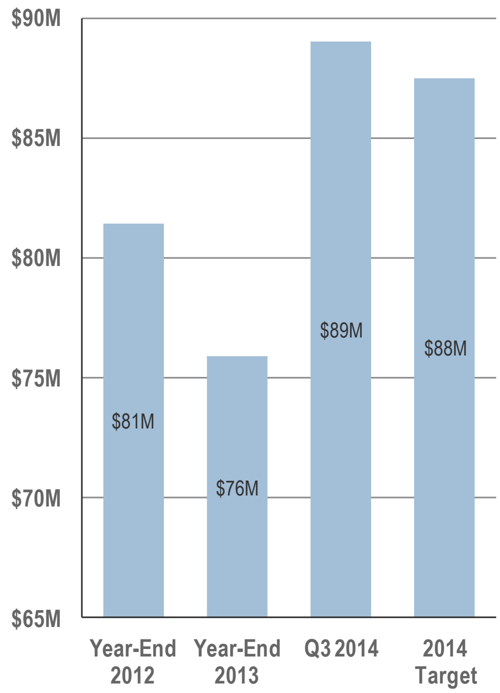
Operating Expense by Program

Program *All numbers in thousands, YTD*	2014 Operating Expenses			2014 Operating Expenses	
	Q3 2014 Actual	Q3 2014 Target	Variance (%)	Q3 2013 Actuals	Yr/Yr Growth
Finance Opex (Sustainable Trade Fund)	4,082	4,375	-7%	3,635	12%
Finance Opex (Frontier Portfolios)	1,099	1,279	-14%	1,129	-3%
Advise Opex	3,209	3,602	-11%	3,411	-6%
Catalyze Opex	2,070	2,728	-24%	1,998	4%
Total Opex	**10,459**	**11,984**	**-13%**	**10,174**	**3%**

- ➔ Through Q3 2014, total operational expenses were $10.5M, which is an increase of $286K (3%) from total operating expenses through the same period in 2013. This year-over-year growth is driven by increased spending in the Sustainable Trade Fund and Catalyze programs. Total organizational operating expenses through Q3 were $1.5M (13%) below the Q3 year-to-date budget target, primarily due to lower-than-planned spending on travel, consultants and FAS workshops.
- ➔ Combined Finance Program operating expenses through Q3 were $5.2M, $474K (8%) below the YTD target. Significantly lower-than-budgeted spending on travel explains the majority of this underspending. Finance program expense is 9% higher than the same period in 2013. This is materially lower than the 34% year-over-year growth in total earned revenue, which is one factor leading to the improved financial performance of the Finance Program.
- ➔ Total operating expenses for Advise through Q3 2014 declined 6% over Q3 2013, but we expect a strong uptick in spending in Q4, largely related to the Coffee Farmer Resilience Initiative (CFRI). These Q3 Advise expenditures are 11% less than budget, due to lower spending on consultants and engagements (FAS trainings and workshops) than budgeted.
- ➔ Total operating expenses for Catalyze through Q3 2014 grew by $72K (4%) from Q3 2013. The main driver of this increase was in Catalyze spending on field consultants and global travel, as our impact and R&D activities scale up globally. This includes a significant increase in activities in Central America due to our Coffee Farmer Resilience Initiative that helps farmers overcome roya.

Fundraising Results

Outstanding Debt Balance



Total Contributions Raised (through Q3)

- We ended Q3 with just over $89M in total debt under management.
- During the quarter, we raised over $3M in new notes from investors and $25.5M year-to-date. Throughout the first half of the year, we worked with investors to increase our total debt balance to enable us to meet peak lending needs during the Central American and South American harvest seasons. To more efficiently and effectively manage our capital utilization, we also secured more flexible, short-term debt from investors, which began maturing throughout Q3.
- Root Capital manages to approximately 90% capital utilization to manage liquidity and volatility in our lending portfolios. In Q3, we achieved an 89% capital utilization rate.

- By the end of Q3, we had raised $11.2M toward our 2014 annual funding need of $12.5M. This includes $1.5M to support our balance sheet, and $9.3M for Root Capital's 2014 operating needs.
- To date, we have raised $9M for funding needs in future years.

Balance Sheet Highlights & Key Ratios

We continue to improve the strength of our balance sheet by putting available cash to work in our loan portfolios and by structuring flexible, reasonably-priced sources of funds. Total liabilities are up 17% from one year ago, with a higher percentage deployed to the lending portfolio than previously.

- ➔ Cash and investments are down 34% from a year ago, while liabilities are up 5% due to an increase in notes payable. Loans receivable are markedly higher, up 32% from Q3 2013, and 21% from the beginning of this year.
- ➔ Since 12/31/13, we increased lending capital by $14M. During the same period, our total lending portfolio has increased by $16.9M, and as a result, our capital utilization increased to a healthy 89%, near our long-term capital utilization target of 90%. This is also an improvement over 2013, in which we ended the year with capital utilization of 84%, and from 73% at the end of Q3 2013.
- ➔ Net assets have increased by $1.5M year-to-date (excluding purpose and time restricted net assets).

Balance Sheet Highlights *All numbers in thousands*	Q3 2014 Actual	Q3 2014 Budget	Variance ($)	Variance (%)	12/31/13 Actuals	Change since 12/31/2013 (%)
Cash and Short-Term Investments	29,151	37,286	(8,135)	-22%	29,750	-2%
Total Loans Receivable	88,943	79,238	9,705	12%	71,876	24%
Less: Allowance for Loan Loss	(3,798)	(2,744)	(1,054)	38%	(1,642)	131%
Loans Receivable (net)	85,146	76,494	8,652	11%	70,234	21%
Other Assets	13,797	20,490	(6,692)	-33%	15,603	-12%
Total Assets	**128,094**	**134,270**	**(6,176)**	**-5%**	**115,586**	**11%**
Total Notes Payable & Other Debt	89,185	87,542	1,643	2%	74,948	19%
Other Liabilities	3,865	2,883	982	34%	3,559	9%
Total Liabilities	**93,050**	**90,425**	**2,625**	**3%**	**78,507**	**19%**
Total Net Assets	**35,044**	**43,845**	**(8,801)**	**-20%**	**37,079**	**-5%**
Total Liabilities & Net Assets	**128,094**	**134,270**	**(6,176)**	**-5%**	**115,586**	**11%**

Key Financial Ratios	Q3 2014 Actual	Q3 2014 Target	Variance (%)	FY 2013 Actuals	Change since 12/31/2013 (%)
Debt-to-Equity Ratio	3.66	3.34	10%	3.27	12%
Capital Utilization	89%	78%	14%	84%	6%
Current Ratio	2.54	N/A	N/A	4.41	-42%

APPENDIX: Q3 2014 FINANCIAL STATEMENTS

Balance Sheet Highlights as of September 30, 2014

in thousands	September 2014			September-14 vs Septembe		September-14 vs Dec-13	
	Actual	**Target**	**$ Variance**	**September-13**	**% Y/Y**	**December-13**	**$ Change**
Total Loans Receivable (1)	88,938	79,238	9,700	66,183	34%	71,876	17,062
Allowance for Loan Losses	3,798	2,744	1,054	2,456	55%	1,642	2,155
Total Net Loans Receivable	**85,140**	**76,494**	**8,646**	63,726	34%	70,234	14,907
Total Notes Payable & Other Debt	89,185	87,542	1,643	79,944	12%	74,948	14,237
Cash and Short Term Investments	29,151	37,563	(8,412)	37,640	-23%	28,418	733
Capital Under Management	109,056	109,508	(452)	97,664	12%	93,113	15,943
Total Assets	**128,094**	**117,598**	**10,496**	**121,700**	**5%**	**115,586**	**12,508**

Statement of Financial Position as of September 30, 2014

in thousands	September 2014				September-14 vs Septembe		September-14 vs Dec-13	
	Operating	**Sustainable Trade Fund**	**Frontier Portfolios**	**Total Root Capital**	**September-13**	**% Y/Y**	**December-13**	**$ Change**
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	2,235	7,602	5,302	15,139	17,024	-11%	12,186	2,953
Cash loan loss reserve (10% of gross loans rec.)		8,280	614	8,894	6,618	34%	7,188	1,706
Escrow funds		2,106	-	2,106	1,580	33%	1,331	775
Investments	4,729	390	-	5,119	13,998	-63%	9,045	(3,926)
Current loans receivable, net of allowance for loan losses of $3.7 m and $2.4m		41,611	1,042	42,654	48,740	-12%	47,896	(5,242)
Interest receivable, net of allowance for interest losses of $357k and $162k		1,679	250	1,929	1,098	76%	1,307	622
Grants receivable and accounts receivable	5,920	575	527	7,023	12,522	-44%	11,182	(4,160)
Other current assets	405		-	405	299	36%	320	85
Total current assets	13,289	62,243	7,736	83,268	101,879	-18%	90,455	(7,187)
EQUIPMENT AND IMPROVEMENTS, net	155		-	155	247	-37%	226	(71)
LOANS RECEIVABLE, net of current portion		37,981	4,506	42,486	14,986	184%	22,338	20,149
GRANTS RECEIVABLE, net of current portion	1,728	375	(0)	2,103	4,497	-53%	2,476	(373)
OTHER NON-CURRENT ASSETS	82		-	82	92	-11%	92	(10)
Total assets	**15,254**	**100,599**	**12,241**	**128,094**	**121,700**	**5%**	**115,586**	**12,508**
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Notes payable, short term		16,625	-	16,625	19,570	-15%	15,426	1,199
Notes payable, subordinated		2,275	-	2,275	1,250	82%	1,650	625
Recoverable grant		-	200	200	-		-	200
Line of Credit		-	-	-	-		-	-
Loan participation liability			-	-	17	-100%	21	(21)
Escrow funds		2,106	-	2,106	1,580	33%	1,331	775
Deferred Revenue	174			174	-		-	174
Accounts payable & accrued expenses	428		-	428	207	107%	1,220	(791)
Accrued vacation & salary payable	504		-	504	460	10%	368	136
Accrued interest payable		570	33	603	510	18%	543	61
Total current liabilities	1,107	21,577	233	22,917	23,593	-3%	20,559	2,358
DEFERRED RENT LIABILITY	49		-	49	111	-56%	97	(48)
NOTES PAYABLE, Long Term		64,084	5,000	69,084	57,707	20%	56,851	12,233
SUBORDINATED DEBT		-	1,000	1,000	1,400	-29%	1,000	-
Total liabilities	1,155	85,661	6,233	93,050	82,810	12%	78,507	14,543
NET ASSETS:								
Unrestricted:								
Operating reserve	4,729		-	4,729	4,043	17%	4,729	-
Permanent lending capital - board designated		4,443	-	4,443	4,968	-11%	4,443	-
Loan loss reserve - board designated		2,813	614	3,427	2,152	59%	2,721	706
Undesignated unrestricted net assets	(232)		-	(232)	(488)	0%	-	(232)
Total unrestricted	4,497	7,257	614	12,367	10,674	16%	11,893	474
Temporarily restricted:				-				
Purpose and time	9,602	630	444	10,676	17,615	-39%	14,185	(3,509)
Permanent lending capital-donor designated		1,584	4,950	6,534	6,134	7%	6,534	-
Loan loss reserve-donor designated		5,467		5,467	4,467		4,467	1,000
Total temporarily restricted	9,602	7,681	5,394	22,677	28,216	-20%	25,186	(2,509)
Total net assets	14,098	14,938	6,008	35,044	38,890	-10%	37,079	(2,035)
Total liabilities and net assets	**15,254**	**100,599**	**12,241**	**128,094**	**121,700**	**5%**	**115,586**	**12,509**

(1) Total loans receivable include the impact of foreign currency hedging activities and related balances.

**Frontier Portfolios consists of the Innovation, Food Security & Nutrition, Other and Haiti Portfolios. The Innovation Portfolio is a segregated pool of risk-tolerant capital designed to make experimental loans for subsequent replication in our Sustainable Trade Fund. The Food Security & Nutrition Portfolio which is to promote domestic food security and nutrition. The Other consists of a smaller number of loans for buyer financing to companies based in North America and Europe that source from agricultural businesses in Africa and Latin America that are prospective clients for our Sustainable Trade Fund. The Haiti Portfolio consists of loans made to enterprises in Haiti.*

Statement of Activities

September 30, 2014

	September			YTD Actuals vs. YTD Performance Targets			YTD Actuals vs. Full-Year Performance Targets		Y/Y Growth (%)	
in thousands	**Sustainable Trade Fund**	**Frontier Portfolios**	**Total Root Capital**	**YTD September Targets**	**$ Var.**	**%**	**2014 Targets**	**Actuals as % of Budget**	**September 2013**	***14 YTD vs 13 YTD***
FINANCE										
Loan interest, net of int losses reserve expense	5,942	536	6,477	5,391	1,086	20%	7,151	*91%*	4,642	*40%*
Fees	1,028	60	1,087	896	192	21%	1,200	*91%*	781	*39%*
Co-lending services	45		45	-		N/A	-		-	
Gain (loss) on FX lending	(18)	(442)	(460)	-	(460)	N/A	-	*n/a*	(71)	*547%*
Total earned revenue	**6,997**	**153**	**7,150**	**6,287**	**863**	**14%**	8,351	***86%***	**5,352**	***34%***
Portfolio Yield	*11.0%*	*3.7%*								
Loan loss reserve expense	2,327	633	2,960	2,412	548	23%	3,718	*80%*	2,779	*7%*
Less: Revenue on recovered loans and guarantees	(447)	(196)	(643)	(203)	(440)	216%	(256)	*251%*	(349)	*84%*
Provisioning Expense Ratio	*3.0%*	*11%*							-	
Interest expense	1,493	30	1,522	1,339	184	14%	1,790	*85%*	1,308	*16%*
Less: Interest and investment income	(122)	(8)	(130)	(94)	(36)	38%	(126)	*103%*	(121)	*8%*
Net Funding Expense Ratio	*2.2%*	*0.5%*							-	
FINANCE operating expense	4,082	1,099	5,181	5,654	(474)	-8%	7,468	*69%*	4,764	*9%*
Operating Expense Ratio	*6.4%*	*26.7%*							*0.0%*	
FINANCE surplus / (deficit)	**(336)**	**(1,404)**	**(1,741)**	**(2,821)**	**1,080**	**-38%**	**(4,243)**	***41%***	**(3,030)**	***-43%***
STF Operational Self Sufficiency	*95%*			*77%*			*74%*		*68%*	
			-							
ADVISE and CATALYZE										
Contracted Revenue			(79)		(79)	N/A				
ADVISE operating expense			3,209	3,602	(393)	-11%	4,286	*75%*	3,411	*-6%*
CATALYZE operating expense			2,070	2,728	(658)	-24%	2,814	*74%*	1,998	*4%*
ADVISE and CATALYZE			**5,200**	**6,330**	**(1,051)**	**-17%**	**7,100**	***73%***	**5,410**	***-4%***
Contributions			**7,612**	9,706	(2,093)	-22%	12,543	*61%*	7,392	*3%*
Net Operating Surplus / (Deficit)			**672**	**555**	**117**	**21%**	**1,200**		**(1,047)**	***-164%***
Other Non Operating expense (1)			194		194	N/A				
Net Surplus / (Deficit)			**478**	**555**	**(77)**	**-14%**	**1,200**		**(1,047)**	***-146%***

(1) On May 30th a wire transfer was mistakenly sent to a former client, and Root Capital initiated efforts to recover these funds. Based on the information currently available, Management has been prudent on this issue and decided to expense 100% of the cash proceeds included in this transfer. On October 23rd Root Capital recovered the remaining balance of $194K plus administrative fees.

***All comparisons of Actual to Budget refer to Total Root Capital results (Sustainable Trade Fund + Frontier Portfolios)*

Temporarily Restricted Revenue: YTD Results	LLR	PLC	Time & Purpose	**Total**
New T/R revenue			4,729	**4,729**
T/R revenue released for opex			(7,296)	**(7,296)**
LLR released	1,000		(1,000)	**-**
Change in T/R Net Assets	1,000	-	(3,567)	**(2,567)**

Total Contribution Goal: Budget vs Actual	Actual	Board Approved Budget	Var. %
Unrestricted Operating Contributions	7,612	12,543	61%
PLC and LLR Grants	1,000	1,500	67%
Total	8,612	14,043	61%

Use of Annual Operating Surplus	Actuals	Board Approved Budget	Var. $
Operating Reserve	-	777	(777)
Board Designated Loan Loss Reserve	706	(1,160)	1,866
Board Designated PLC	4	459	(456)
Operating Surplus	**710**	**76**	634

Disclosure
Interim financial data is deemed accurate, but is not audited. Annual audited financial statements will be provided to the Board of Directors, donors and investors. In the event of material differences, a reconciliation will also be provided.
Additionally, past performance is not indicative, nor a guaranty, of future results, and no assurances can be given that the Notes will be repaid.

For additional information, please go to www.rootcapital.org or email info@rootcapital.org.