GAWA CAPITAL Life changing investments

GLOBAL IMPACT FUNDS

Sustainability-related Disclosures

1. SUMMARY

Global Impact Funds' sustainable investment objective is to provide excluded populations and microentrepreneurs with access to finance in developing countries, granting investment capital for the development and growth of Social Enterprises aimed at generating a positive social impact for economically vulnerable or socially excluded people improving their quality of life. 100% of investments of the Fund qualifies as sustainable investments. The invested entities on average have low environmental and social risks.

2. NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

The invested entities on average have low environmental and social risks, especially with regards to MFI's activity and not relevant events have been identified in 2023.

Nonetheless, social due diligences are carried out before any investment to ensure they are not carrying out economic activities that do significant harm to any sustainable investment objective. Moreover, all financing agreements have specifically included the IFC exclusion list.

The SPI4 has been monitored throughout the year and can partially serve as an indicator to monitor that entities do not cause significant harm. The Fund ensures through its Environmental and Social Risk Management System that the investee companies manage not only the Environmental and Social (E&S) risks of their own activity (internal dimension), but also those arising from their investment activity (external dimension).

Lastly, the Fund takes into account the indicators for adverse impacts on sustainability factors.

The following indicators for adverse impacts on sustainability factors have been analyzed to confirm that the investments did not cause significant harm to any sustainable investment objectives from Annex I of the SFDR delegated regulation: Table 1, indicators 1 to 14; Table 2, indicators 11 and 15 and Table 3, indicators 1, 5, 8, 15 and 17.

The following conclusions have been obtained from this analysis:

The invested entities do not qualify for the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, as the fund invests primarily in small and medium-sized enterprises in emerging and frontier economies.

With respect to the United Nations Guiding Principles on Business and Human Rights, Huruma incorporates in all its financing agreements clauses in which the investee company commits to continue its social mission during the time horizon of the investment, to respect the ICF exclusion list, the U.S. International Development Finance Corporation (DFC) categorical prohibition list as well as the protection of workers' rights. In addition, Cerise's Alinus/SPI4 tool monitors financial service providers' implementation of the Universal Standards for Social Performance Management, including the Smart Campaign's Client Protection Principles.

3. SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

Global Impact Funds' sustainable investment objective is to provide excluded populations and microentrepreneurs with access to finance in developing countries, granting investment capital for the development and growth of Social Enterprises aimed at generating a positive social impact for economically vulnerable or socially excluded people improving their quality of life.

In order to fulfil this goal and outreach a high number of vulnerable entrepreneurs, GFIF invested mainly in microfinance institutions during its investment period (finalized in 2017), with relevant capillarity given their small and scaterred loans. During the reference period (FY23), the Fund was in divestment phase.

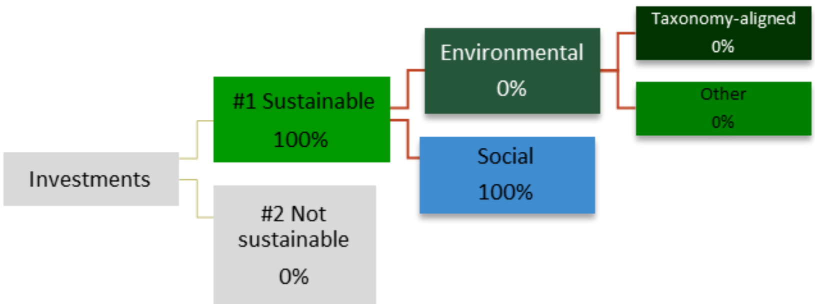
4. INVESTMENT STRATEGY

The Fund makes debt and equity investments in companies or other entities (such as non-profit organizations or cooperatives) with the objective of providing its Shareholders with a financial return on their capital as well as providing a positive social impact for poor or socially excluded people. These "Social Enterprises" are businesses that, while carrying out a commercial activity, have also the potential to pursue a social objective for example by providing products or services to the excluded or vulnerable population or fostering economic development in excluded areas. Social Enterprises may include, without limitation, Microfinance institutions ("MFIs") with a clear social mission, agricultural organizations involving smallholder farmer or generating quality employment in rural areas or adopting fair trade practices, healthcare providers focusing on vulnerable customers, companies leveraging technological innovations to attend excluded layers of the population and, in general, companies interacting with the bottom of the pyramid by offering income generating opportunities or innovative services and products.

The geographical focus of the investments will originally be in Latin America, Asia and Africa, as long as the final beneficiaries of the investment are poor or socially excluded individuals. The Company aims to achieve commercial returns to its Shareholders while generating a social impact improving the livelihood of lower-income individuals and communities.

5. PROPORTION OF INVESTMENTS

100% of investments of the Fund (excluding cash and Temporary Investments, if any) qualify as sustainable investments.



6. MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

Over the investment's life, the evolution of the investee's metrics is reported quarterly. Metrics of Social Performance are measured, which include indicators at both the entity level and the client level. These metrics measure to what extent the invested companies implement policies/business models serve clients (input) and what real impact is generated through their activities (outcome). Social Impact Scores are subsequently audited by an independent social auditor chosen by investors.

Through the quarterly monitoring of the investees, the progress made by the entities is measured.

So far, GFIF's portfolio has impacted over 2.8 million vulnerable individuals and microentrepreneurs and the overall social performance score is 0.80, with 8 out of 10 social audits executed as of January 2024.

7. METHODOLOGIES

To achieve the Fund's sustainable objective, we use the following impact tools: impact management & measurement. Social impact is maximized by actively measuring and managing it.

First of all, a social due diligence of an entity was carried out before investing, in which the social level status of the entity was analyzed. For this, standardized Social Performance metrics (CERISE – SBS/SPI4) was used. The social due diligence was performed in order to diagnose and identify strengths and opportunities for improvement in the systems related to financial inclusion, or social performance practices of the potential investee company. All detected deficiencies, as well as identified areas for improvement, would serve for the establishment of improvement plans or social clauses in the contractual information, which are periodically monitored along with their performance.

Through the quarterly monitoring of the investees, the progress made by the entities is measured.

8. DATA SOURCES AND PROCESSING

(a) Data sources used to attain the sustainable investment objective of the financial product;

All data used for the measurement and monitoring of the sustainable investment objective is primary data collected for this specific purpose through questionnaires (SPI4 and other customized set of indicators).

The data gathering is an Accompanied Self-Assessment where the investee fills in the questionnaire with support from the company's Investment team.

All questionnaires are then remotely updated quarterly following the same logic.

(b) the measures taken to ensure data quality;

The company is involved in gathering documents, interviewing stakeholders, reviewing evidence, and working with the investees focal point to fill in the different questionnaires.

(c) how data are processed;

The data inputted is validated, sorted, summarized and aggregated using digital tools (iLevel). Then the impact measurement and management staff are responsible for producing meaningful information that feeds the investors quarterly reports and all regulatory reports.

(d) the proportion of data that are estimated.

All data is primary data collected through questionnaires. However, the level of GHG emission in CO2 tons equivalent is estimated using the Joint Impact Model tool.

9. LIMITATIONS TO METHODOLOGIES AND DATA

(a) any limitations to the methodologies and the data sources referred (b) why such limitations do not affect the attainment of the sustainable investment objective.

The completeness, accuracy, and availability of impact data in the microfinance sector is generally uneven. This requires additional processes of impact measurement and management work than can over-burden or alienate the impact and investment team.

GHG emissions for microfinance entities in Global South countries require several assumptions, as the investees do not track their GHG emissions. The Joint Impact Model tool GHG emissions factors reflect the GHG emissions per unit of revenue in a certain country and sector. They are derived by dividing the total GHG emissions by the total output in a certain country and sector. The total GHG emissions per country and sector are derived from the Global Trade Analysis Project (GTAP), more specifically the GTAP11A release. The GTAP 11A release includes data for 141 countries (covering 99.1% of World GDP), 19 aggregate regions, and 65 sectors extended to 76 with the power module[1].

[1] More details about the methodology can be found in the following link: https://www.jointimpactmodel.org/documentation

These limitations and risks are mitigated by dedicating enough human resources from across the organization to ensure that a minimum level of quality information is reached. Also, the continuous customization of tools, revision of data sources, indicators, and methodologies over time ensures ease of use by the team. Regarding GHG estimation, the JIM tool is used by several DFI and Impact Investing Firms in their GHG estimations[2], assuring consistency and comparability among market players.

10. Due Diligence

The fund is in the divestment process, and therefore no due diligence process for new investments in carried out any longer.

Nevertheless, once the divestment takes place, there is a audit performed by an external social impact rating agency, MFR (MicroFinanzas Rating), which uses a set of the SPI4 Alinus standards aligned with the Company's defined criteria. The SPI4 Alinus standards cover the six dimensions of social performance management (Defining and monitoring social objectives; Commitment to social objectives; Designing products that meet customer needs; Treating customers responsibly; Treating employees responsibly; Balancing social and financial performance).

11. Engagement policies

Not applicable concerning the type of investments done.

12. Attainment of the sustainable investment objective

No index has been designated as a reference benchmark and the Fund doesn't have reduction in carbon emissions as their objective.

[2] Among others: African Development Bank Group, FinDev Canada, FMO, KFW, PROPARCO, Blue Orchard, Developing World Markets, Finance in motion, Symbiotics or Triple Jump.