

2025 IMPACT REPORT



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About DWM



Developing World Markets (DWM)'s mission is to sustainably address the social, environmental, and economic needs of the developing world through investible solutions providing risk-appropriate returns to investors. Our staff, investors, and partners share a common purpose: to use impact investing to build inclusive, resilient, and environmentally sound communities around the world. Through its work, DWM seeks to help close the estimated \$4 trillion annual investment gap to meet the UN Sustainable Development Goals.

DWM invests exclusively in emerging and frontier markets. We've invested or arranged over \$3 billion for more than 250 companies in 60 countries over the past 25 years. Headquartered in the United States, DWM has offices in the Republic of Georgia and India and team members located throughout Africa, Asia, Europe, and Latin America.

DWM began impact investing in 1999 and shifted exclusively to impact investments in 2004. Since then, DWM has partnered with some of the world's largest institutional investors to direct capital to environmentally and socially positive companies.

Management Note

Dear Readers,

As we reflect on 2024, we are proud of our progress and energized by the opportunities that lie ahead. Our commitment to fostering inclusive and sustainable growth remains at the heart of everything we do, even as we navigate new challenges.

In 2024, our portfolio comprised 80 companies operating across 33 countries, collectively serving 25.5 million end clients. These figures represent our reach into communities that have historically been underserved by traditional financial systems. We believe that providing access to capital and financial tools is essential for these communities to thrive, and we are gratified to share the real-world results of our investments in this report.

We are particularly excited about several trends that are shaping the future of impact investing and that we are actively engaging with:

Increasing use of technology for financial inclusion: Technology is transforming the way financial services are delivered. We see tremendous potential in innovations that can increase efficiency, reduce costs, and expand access to financial tools. A growing number of fintechs in our portfolio are at the forefront of these trends. Alongside their potential, we also recognize the importance of embedding appropriate guardrails within these business models to protect clients and ensure data privacy.

Enduring relevance of higher-touch models: Even as tech-enabled approaches become more common, models that rely on more in-person interaction, such as group lending, also remain vital. These models build trust, foster financial literacy, and make financial services more approachable, particularly for vulnerable populations. In 2024, about 40% of end clients of our portfolio companies were reached via group loans.

Activating MSME lending for climate action: Micro, small, and medium-sized enterprises (MSMEs) are the backbone of emerging economies. They also have a critical role to play in mitigating climate change while benefitting economically from greater resource efficiency. This year we saw significant growth in loans for MSMEs to implement climate-smart solutions, including electric vehicles, renewable energy, and sustainable agriculture. The total outstanding portfolio of such loans among DWM investees stood at \$1.2B as of the end of 2024.

Doubling down on gender equality: Addressing disparities in access for women is crucial for building more equitable and prosperous societies. In 2024, we joined the first cohort of private-sector investors to commit to the 2X Challenge, a global initiative to mobilize capital to unlock resources for women, strengthen women's economic participation, and scale women-owned and women-led businesses. We also officially qualified our first two investments under the 2X criteria, demonstrating our commitment to investing in businesses that provide women with improved access to leadership opportunities, quality employment, financial services, and products that enhance their economic participation.

Looking ahead, we remain committed to our mission of delivering both strong financial returns and meaningful social impact. We are confident that by staying true to our mission, embracing innovation, and working in close partnership with our portfolio companies, we can continue to advance economic opportunity and environmental sustainability.

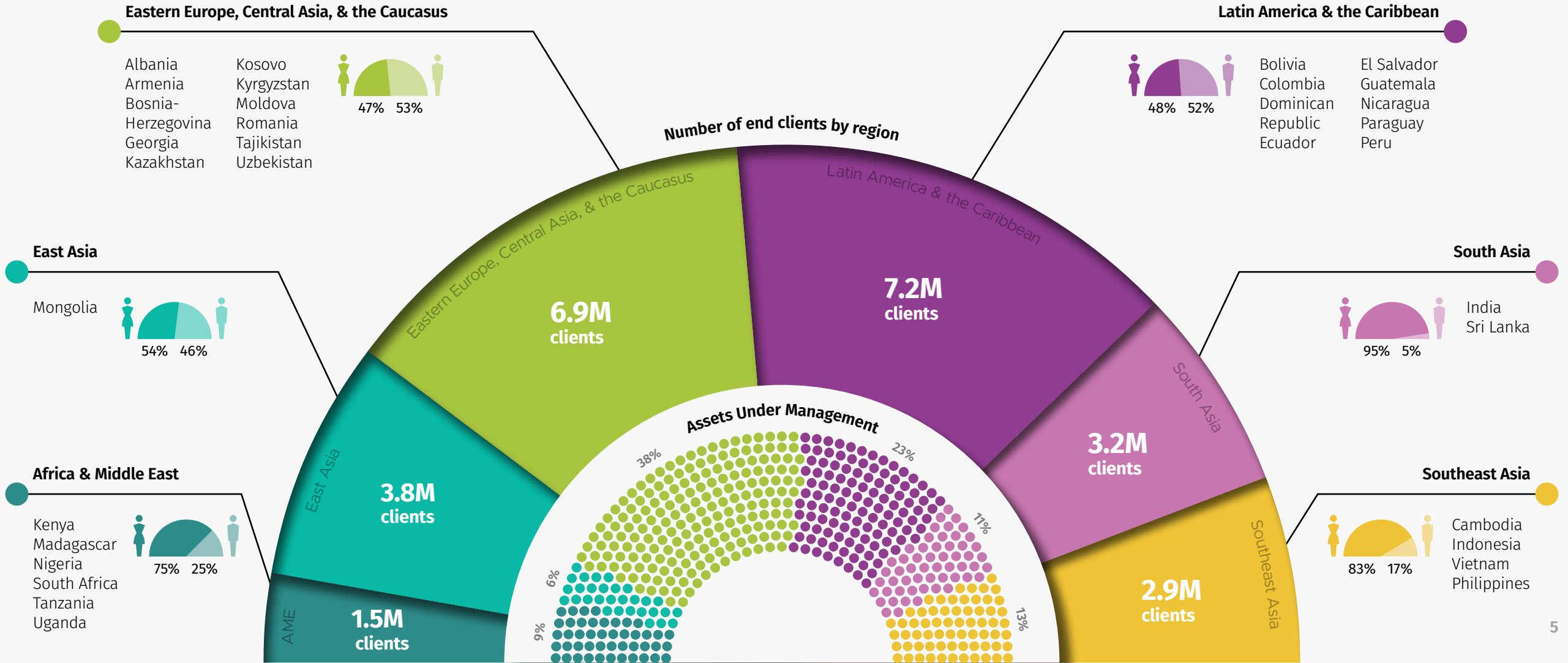


Hannah Schiff
Managing Director of Impact

DWM's Global Portfolio

At the end of 2024, DWM's portfolio included 80 portfolio companies across 33 countries. The portfolio comprised a range of inclusive financial institutions, including microfinance institutions, banks, cooperatives, SME lenders, and other specialized service providers.

80	33	25.5M	11M	\$2,856
Portfolio Companies	Countries in the Portfolio	Total End Clients	Active Borrowers	Average Loan to End Borrower



2024 Impact at a Glance

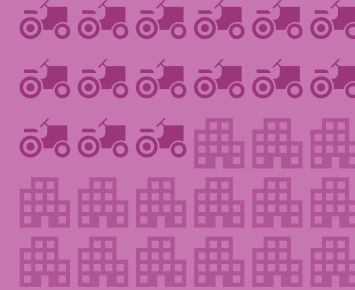


10%
average increase in income/
revenue among end clients at the
median portfolio company



63%
of loans used for productive,
income-generating purposes

51% of end clients
are rural



77
portfolio companies
reporting*
*excludes 3 syndicated loans

USD 1.2 billion
in green loans outstanding
at portfolio companies



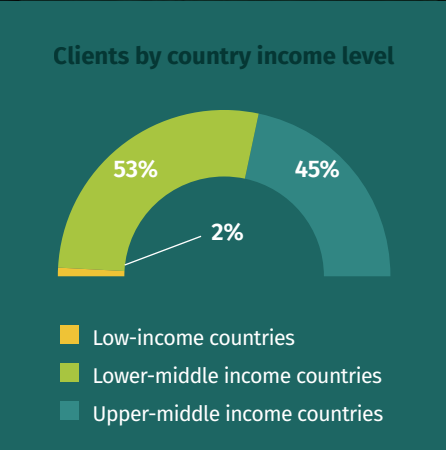
25.5M
total end clients reached
with access to responsible
financial services

The average portfolio
company grew their
client base by 15% since
last year



50,000
end clients reached
attributable to DWM's
Investments

71%
of end clients are poor
or low-income*
*of those with known income levels



58% of assets under
management are in
low-income and lower-
middle-income countries



67% of end clients
are women



Methodology note:
Throughout this report, two types of analysis are presented. "Aggregate" or "full portfolio" results are calculated by summing the total results from each portfolio company. "Investment-weighted" or "attributable" results are calculated by multiplying each portfolio company's individual result by the ratio of DWM's outstanding investment to the total assets of the company and then summing those pro-rated results. This reflects DWM's contribution to the total impact.

Impact Goal 1

Enabling Access to Responsible Financial Services for Underserved Populations

77
Total Portfolio
Companies Reporting

45
Companies Primarily
Contributing to Goal 1

14.8M
End Clients
Served

The Challenge:

More than a billion people worldwide remain excluded from formal financial systems, hindering their ability to build secure livelihoods and withstand economic shocks. Underserved populations, including women, low-income individuals, rural communities, and smallholder farmers, face significant barriers to accessing essential financial services. These barriers often include a lack of affordable and accessible products, discriminatory practices, and limited financial literacy. The absence of responsible financial services perpetuates cycles of poverty and limits economic opportunity.

Portfolio Contribution:

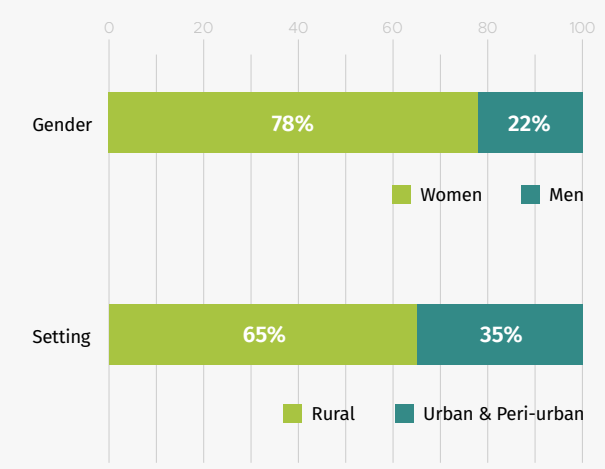
DWM's capital is strategically deployed to support financial institutions committed to serving these underserved populations, primarily through microfinance. This year, **45 companies** within our portfolio contributed primarily to this goal, collectively reaching **14.8 million end clients**. We prioritize investments in institutions that offer a comprehensive suite of responsible financial services, including credit, savings, insurance, and payment/transfer solutions. Our due diligence process emphasizes ethical lending practices, client protection, and a deep understanding of the unique needs of the communities served.

Results:

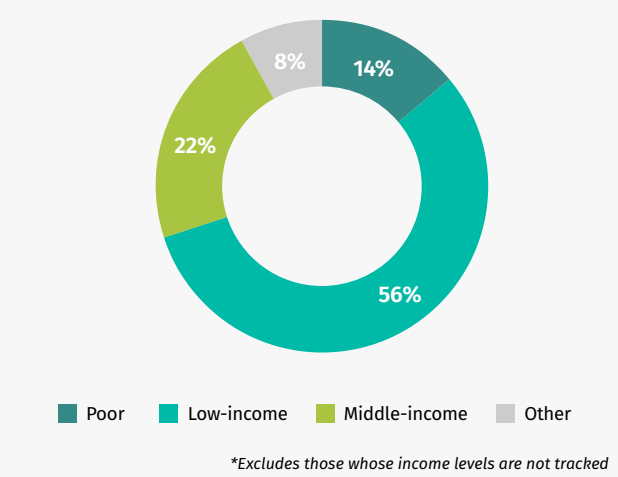
Our efforts have yielded tangible results:

- **Broad Reach:** This sub-set of portfolio companies reached **14.8 million** end clients, expanding access to vital financial services.
- **Focus on Poor and Low-Income Clients:** **70%** of clients served are classified as poor and low-income, indicating our direct impact on those most in need.
- **Growing Incomes:** The 9 portfolio companies that track this indicator reported an annual average of **14.8% income growth** among end clients.
- **Women's Empowerment:** **78%** of total end clients are women, reflecting our commitment to gender-inclusive financial services and empowering women as economic actors.
- **Rural Development:** **65%** of end clients live in rural areas, and **18%** of clients are smallholder farmers, supporting agricultural livelihoods and contributing to food security in rural areas.
- **Basic Services:** Portfolio companies disbursed more than **178,000** loans for basic services such as education, energy, healthcare, housing, and water and sanitation.
- **Financial Inclusion:** **9%** of clients onboarded in 2024 previously had no access to similar financial services, representing a significant step towards bringing marginalized individuals into the formal financial system.

End Clients by Gender and Setting



End Clients by Income Level



- 78% of end clients are women
- 70% of end clients are poor and low-income

DWM's portfolio consists of inclusive financial institutions (IFINs) that specialize in fulfilling the need for small-ticket loans used by individuals and microentrepreneurs to meet basic needs and invest in livelihoods. The average outstanding end client balance in this sub-portfolio was \$882, a loan size that would be too small to be attractive for most traditional banks but for which there is a real market need.

Achieving financial inclusion requires the availability of a range of services beyond loans. Savings and insurance, and even payments services are vital to build resilience to the kinds of financial disruptions that are all too common among low-income clients in emerging and frontier markets. Nearly 70% of the portfolio companies in the segment offer other financial products such as savings accounts, payments, remittances, and insurance.

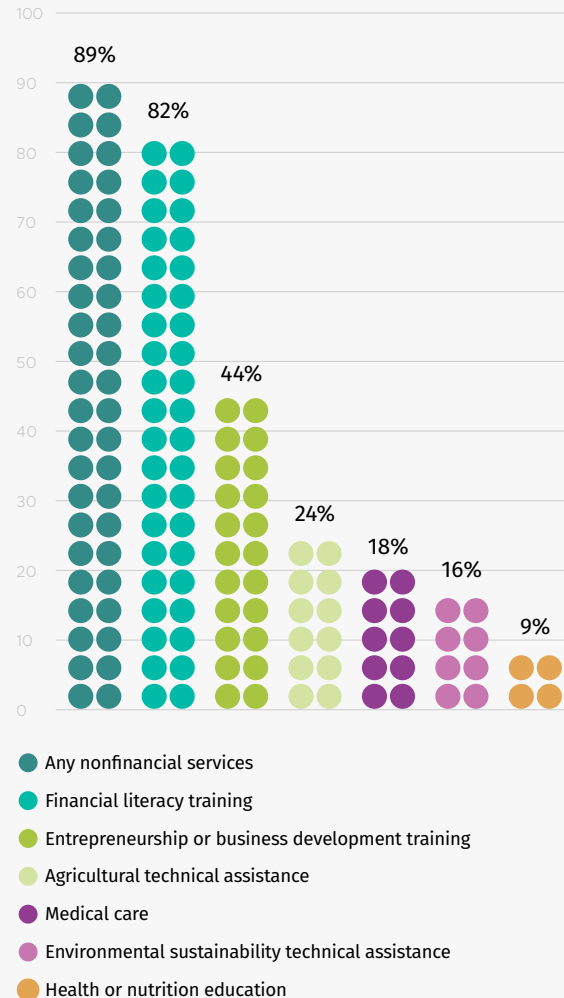
Given the vulnerability of the segment, non-financial services such as financial literacy education add significant value for clients to help them overcome disparities in access to education. The vast majority of portfolio companies (89%) offer non-financial services such as financial literacy training, entrepreneurship training, and agricultural technical assistance to address these needs.

Research by 60 Decibels has found that microfinance clients accessing other services (both financial and non-financial ones) in addition to loans are more likely to feel prepared to handle emergency expenses, experience increased ability to manage their finances, and report a higher quality of life overall.¹

¹ 60 Decibels Microfinance Index 2024, page 36-37.

Inclusive financial institutions (IFINs) specialize in fulfilling the need for small-ticket loans used by individuals and microentrepreneurs to meet basic needs and invest in livelihoods.

Percent of companies that offer nonfinancial services



Contributing to the Sustainable Development Goals

To capture direct and substantive contributions, DWM's SDG reporting links our outcomes to the targets and indicators set by the UN. For each relevant UN indicator, we quantify the combined gap across the countries in which DWM had outstanding loans and investments.



Target 1.4: Ensure equal rights to economic resources for all men and women, in particular the poor and the vulnerable as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



In the portfolio countries, nearly 500M people lack bank accounts, and many more cannot access formal loans. This sub-portfolio provides access to 14.8M people in aggregate, or 346k on an investment-weighted basis (accounting for DWM's outstanding loan as a share of total assets). Of these, 1.2M previously lacked access to financial services.



Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



In the portfolio countries, 19% of management positions are held by women (population-weighted average). In DWM's overall portfolio, the average company has 34% women in senior management, and in this sub-set, 31%—both figures demonstrate the contributions of these companies to advancing gender equality.



The portfolio makes indirect contributions to SDGs 2, 4, 6, and 7 by financing loans for basic services. These SDGs seek to end hunger, reduce barriers to education, ensure the availability of clean water and sanitation, and promote access to reliable and sustainable energy for all.



Hundreds of millions of people in the portfolio countries lack access to these basic services, and smallholder farmers face a financing gap of over a hundred billion dollars. In DWM's overall portfolio, \$5.6B of outstanding loans supported these themes, including 3.6M loans to smallholder farmers, 194k housing loans, 65k education loans, 43k water and sanitation loans, and 3.8k renewable energy loans.



CASE STUDY - TANZANIA

Platinum Credit

Platinum Credit LTD is a microfinance company in Tanzania that provides credit facilities to individuals and SMEs, with quick disbursement and flexible repayment options.

Witness Hotobu, a resident of Dar-es-Salaam, Tanzania, has built a successful business specializing in imported ladies' fashion collections. She and her husband, a government employee, share the responsibility of supporting their family, ensuring they have access to school fees, food, and other essential needs.

Eight years ago, Witness embarked on her entrepreneurial journey with a small fashion shop. Her dedication and business acumen led to significant growth, and three years ago, she relocated to a larger shop in a prime location to cater to a high-end clientele. This strategic move allowed her to expand her operations and substantially increase her contribution to her family's financial stability. To manage cash flow, purchase inventory, and sustain this growth, Witness has utilized working capital loans.

Witness initially launched her business using family savings. The financing from Platinum Tanzania has played a crucial role in Witness's business expansion. With their support, she upgraded to a new shop in a prime location, and she now plans to further increase her inventory to meet growing customer demand. This expansion has translated into significant revenue growth. Witness now earns an average daily revenue of TZS 1.3 million (approximately USD 500), with a daily profit margin of around TZS 400,000 (USD 150), resulting in an average monthly income of USD 4,000.

Witness's experience with Platinum Tanzania, spanning five years, has been positive. Compared to financing from banks, Platinum Tanzania has a more efficient loan disbursement process, lower collateral requirements, and more convenient repayment methods. Platinum Tanzania's turnaround is just four days, significantly faster than traditional banks. Additionally, Platinum Tanzania requires less documentation. Her recent loan from Platinum Tanzania was for TZS 22.0 million (USD 8,450) with a 12-month term, for which she used a vehicle logbook as collateral. Repayments are conducted online, with physical meetings reserved for establishing new business relationships or addressing missed repayments.

Financing from Platinum Tanzania has played a crucial role in Witness's business expansion.

This increased income from her business has significantly improved Witness's standard of living and enhanced her ability to support her family and invest in their well-being. She also values her relationship with her loan officer at Platinum Tanzania, whom she finds easily accessible and helpful, further solidifying her trust in the institution. Witness is currently in her third loan cycle with Platinum Tanzania, a testament to the ongoing support she receives in managing and growing her business.



48,000
Current end Clients

60
Branches



Impact Goal 2

Contribute to quality job creation and inclusive, sustainable economic growth through small and medium-sized enterprises (SMEs)

77
Total Portfolio
Companies Reporting

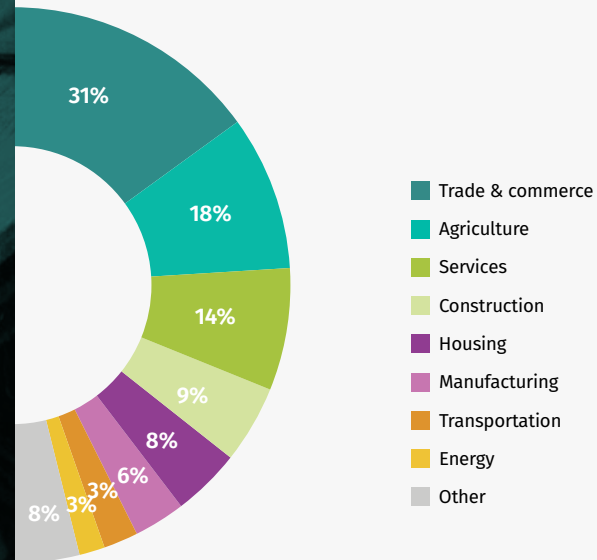
31
Companies Primarily
Contributing to Goal 2

8.8M
End Clients
Served

The Challenge:

Small and medium-sized enterprises (SMEs) are vital engines for economic growth and job creation, particularly in emerging markets. However, they often face significant hurdles in accessing the financing needed to scale their operations, invest in technology, and create quality employment opportunities. This “credit gap” limits their potential to contribute to inclusive and sustainable economic development, hindering the creation of stable incomes, safe work environments, and overall economic prosperity.

Value of Loan Portfolios by Sector



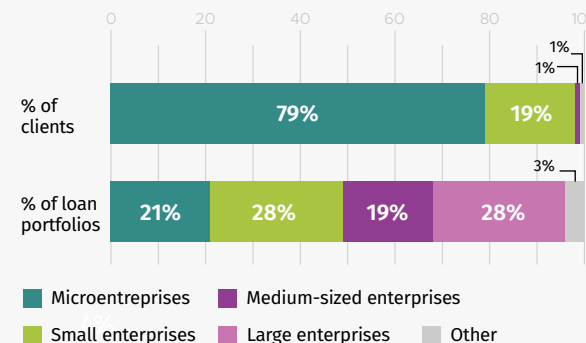
● 84% of capital to SME-focused lenders was deployed in productive sectors

Portfolio Contribution:

DWM invests in financial institutions that actively serve the SME segment. These include SME-focused financiers as well as banks with significant SME client segments. Our capital enables these institutions to expand their SME lending portfolios, offering tailored financial products and services that meet the diverse needs of these businesses.

In 2024, 31 of the total 80 portfolio companies primarily contributed to this goal and collectively reached over 8.8M, of which 2.6M are active borrowers. Furthermore, 84% of the total outstanding gross loan portfolio (GLP) of our SME-focused portfolio companies was put to use in productive sectors, indicating a strong focus on enterprises driving real economic activity.

Goal 2 Companies: Business Clients by Type



Results:

By supporting financial institutions that cater to SMEs, we have helped foster quality job creation and inclusive, sustainable economic growth:

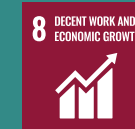
- **Extensive Reach to SMEs:** These institutions served nearly 200,000 SMEs. They also lend to about 800,000 microentrepreneurs.
- **Focus on Productive Sectors:** A significant majority (84%) of the capital deployed by our partners focused on this goal was channeled into productive sectors, such as small-scale trading, agriculture, services, and manufacturing.
- **Small Average SME Loan Size:** The average outstanding loan balance among SMEs was just under \$25,000.
- **Sustainable Policies:** 84% of companies in this sub-portfolio have policies governing environmental, social, and governance (ESG) issues and train their staff on these practices. 74% have ESG policies for their clients.
- **Climate-related Lending:** Efforts to support environmental sustainability through lending are also common among this group, with 48% of the companies offering green loan products financing renewable energy, energy efficiency, and sustainable agriculture.

These results highlight the crucial role our investments play in empowering SMEs to grow, creating jobs with better conditions, and contributing to a more inclusive and sustainable economic landscape.

Many small businesses in emerging markets are too large for microfinance loans, but too small for conventional banks; they fall into the financially underserved “missing middle”.

Contributing to the Sustainable Development Goals

To capture direct and substantive contributions, DWM’s SDG reporting links our outcomes to the targets and indicators set by the UN. For each relevant UN indicator, we quantify the combined gap across the countries in which DWM had outstanding loans and investments.



Target 8.3: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



An estimated 103.2M people in the portfolio countries are unemployed. DWM’s portfolio companies employed a total of 103k workers and added 8.5k employees in 2024. The average highest-to-lowest salary ratio was 36-to-1, compared to a ratio of 268-to-1 in the S&P 500.



Target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.



There are an estimated 63.0M credit-constrained MSMEs in DWM’s portfolio countries. The overall portfolio in aggregate provided financial services to 5.3M MSMEs, extending \$13.9B of loans.



Target 10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



560.5M people in the portfolio countries lack access to financial services, 63% of whom are women and most of whom are rural. End clients of DWM’s full portfolio companies are 67% women, 70% poor and low-income, and 51% rural.



CASE STUDY - SRI LANKA

Alliance Finance Company

Alliance Finance Company (AFC) is Sri Lanka’s oldest non-bank financial institution. It provides diverse financial services, including leasing, loans, savings, and microfinance, with a strong focus on sustainability and financial inclusion for individuals and SMEs across its island-wide network.

Sumith Laksirikure and Dika Roshani Botheju live in Colombo, the capital city of Sri Lanka. The couple supports their family (including three sons) primarily through two small-scale businesses: an established grocery store and a burgeoning small-scale rice flour production business. For 14 years, the grocery shop has been a cornerstone of their livelihood. Recognizing opportunities for expansion, Sumith and Dika sought financial support to enhance their inventory and streamline their flour production. They also own an auto rickshaw and two small trucks.

In 2021, acting on a friend’s positive recommendation, Sumith connected with Alliance Finance Company (AFC), a financial institution supported by DWM. The couple secured a crucial working capital loan. This marked a significant step in their entrepreneurial journey, building upon prior financing experience with another lender.

The impact of AFC’s financing on Sumith and Dika’s businesses has been transformative. The capital injection allowed them to make strategic investments, notably the purchase of a refrigerator and freezer for approximately LKR 150,000 (roughly USD 500). This addition enabled them to stock a wider array of perishable goods, attracting more customers and diversifying their offerings. Furthermore, they invested a similar amount in a small-scale machine to scale rice flour production.

This vertical integration, producing and selling their own flour, has proven to be a successful strategy.

The results are evident in the family’s increased income. Daily earnings have doubled from LKR 30,000 (USD 100) per day pre-COVID to LKR 60,000 (USD 200) per day since securing the loan from AFC. Flour production has become a significant contributor to the average monthly profit of LKR 180,000, comfortably covering the family’s monthly expenses of around LKR 100,000. Beyond the financial gains, Sumith expressed satisfaction with AFC’s customer service, highlighting the importance of a supportive and reliable financial partner. This story demonstrates how access to appropriate financial resources, facilitated by institutions like AFC, can empower dedicated entrepreneurs like Sumith and Dika to expand their businesses, enhance their income, and build a more secure future for their families.

The family’s daily earnings have doubled since they expanded their inventory and upgraded their equipment.



293,000
Current End Clients

89
Branches



8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES



Impact Goal 3

Build adaptive capacity and resilience for climate-vulnerable people and mitigate further climate change

77
Total Portfolio Companies Reporting

34
Companies Reporting Green Loan Portfolios

55.3
Thousand Green Loans Disbursed

The Challenge:

The increasing frequency and severity of climate change impacts, such as extreme weather events, sea-level rise, and resource scarcity, are exacerbating social and economic vulnerabilities, particularly in the developing world. Low-income populations and marginalized communities are the most affected by climate change since they often lack the resources and access to services needed to adapt to these changes, further widening inequalities and hindering sustainable development. Financial institutions have a key role to play in providing the tools, resources, and knowledge necessary to build resilience and adaptive capacity among vulnerable populations.

Portfolio Contribution:

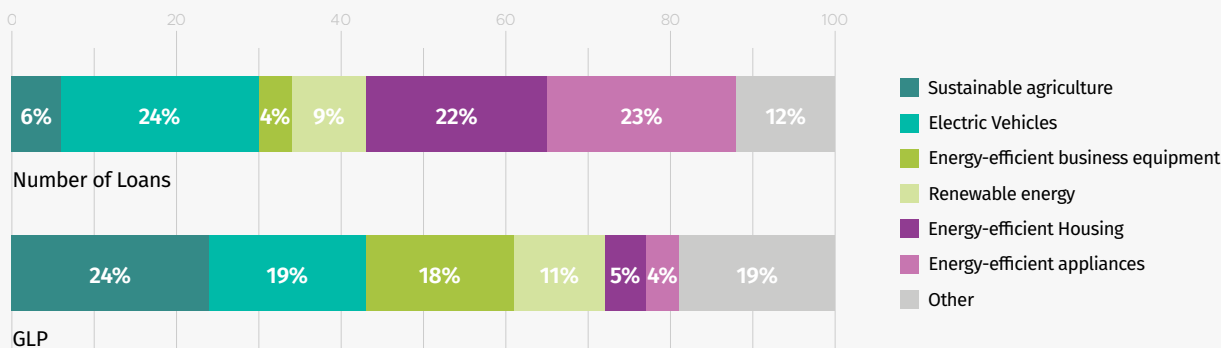
DWM invests in financial institutions and other companies that support climate change adaptation and mitigation. Through our portfolio companies, people in climate-vulnerable areas gain access to products and services that help them adapt to climate change, such as climate-smart agricultural loans, insurance for extreme weather events, and financing for resilient infrastructure. In addition, 43% of portfolio companies offer “green loans” that finance renewable energy projects, energy-efficient technologies, and other initiatives that reduce greenhouse gas emissions. We also encourage portfolio companies to develop the capacity to assess and manage climate-related risks within their portfolios, with many having formal processes at the senior management or board level, ensuring the long-term sustainability of their operations and the resilience of their clients.

Results:

DWM’s support for climate finance yielded the following results in 2024:

- **Green Lending Growth:** 43% of portfolio companies offer environmentally focused loans, up from 38% two years ago. The total outstanding portfolio of green loans increased to over **\$1.2 billion** at the end of 2024, tripling the figure of \$346M two years ago.
- **Variety of Green Loan Uses:** Portfolio companies offer loans targeting a range of climate-related uses. See graph at left.
- **Emissions Reduction:** Seven portfolio companies track the amount of greenhouse gas emissions avoided or reduced as a result of their lending activity and reported a total of **633k MT** of offset emissions for the year.
- **Climate Risk Management:** 81% of portfolio companies have ESG policies for their organization’s own activities and 43% specifically cover climate change risk and resilience in those policies.
- **Climate Risk Oversight:** More than a third of companies (36%) review climate risks at the senior management level, and 32% conduct these reviews at the board level.

Green Loan Portfolios



- 43% of portfolio companies offer green loans
- Total outstanding green loan portfolio increased to over \$1.2B as of end of 2024

Portfolio companies finance a range of products that increase energy efficiency and renewable energy access for households and businesses

DWM's Climate Strategy

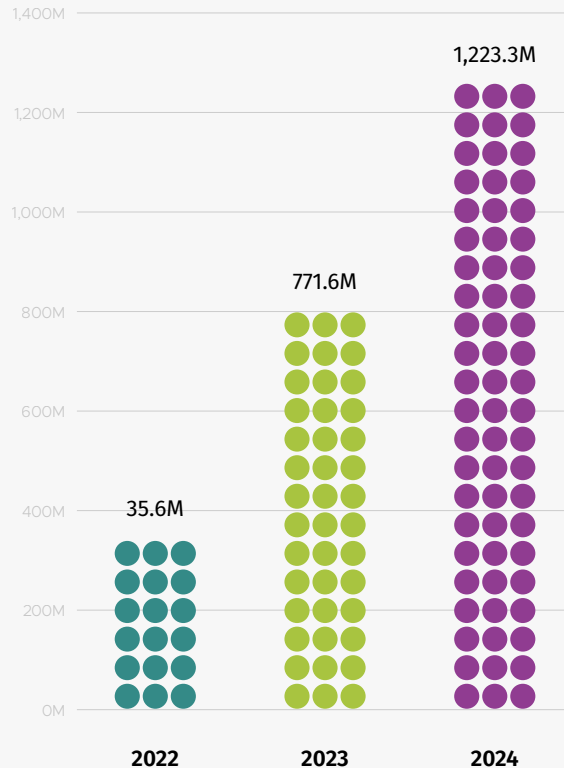
As climate challenges continue to mount, it's imperative that investors accelerate strategies that further climate mitigation, adaptation, and resilience.

DWM pursues a two-pronged climate strategy:

- Directed lending via financial institutions to boost green lending to MSMEs and households.
- Loans to operating companies that directly provide climate change mitigation and adaptation solutions.

In the first category, we note that 43% of our current portfolio companies plan to scale up existing green loan portfolios, and 30% plan to introduce new environmental lending products. In the second category, DWM has historically made loans to direct providers of off-grid renewables and in 2025 plans to add companies operating in areas such as electric vehicle financing, clean cooking, waste-to-energy solutions, and both off-grid and grid-connected renewable energy.

Green Loan Portfolios (USD)



Contributing to the Sustainable Development Goals

To capture direct and substantive contributions, DWM's SDG reporting links our outcomes to the targets and indicators set by the UN. For each relevant UN indicator, we quantify the combined gap across the countries in which DWM had outstanding loans and investments.



Target 7.1: Ensure universal access to affordable, reliable and modern energy services; and **Target 7.2:** Increase substantially the share of renewable energy in the global energy mix.

Within DWM's portfolio countries, 104.7M people lack access to electricity, and many more struggle with unreliable grid access. In 2024, portfolio companies distributed over 5,000 loans for commercial and residential renewable energy projects and financed close to 1,000 MW of new renewable energy capacity.

Target 7.3 Double the global rate of improvement in energy efficiency. Energy-related emissions reached an all-time high in 2024, leading to atmospheric concentrations 50% higher than pre-industrial levels. As energy demand in emerging markets grows, they will need to adopt climate mitigation and adaptation strategies to reduce the amount of overall emissions.

Portfolio companies offer a range of products to increase energy efficiency and renewable energy access. In total, they provided 12.3k loans for energy-efficient housing upgrades, 14k loans for energy-efficient household appliances, 3k loans for commercial energy efficiency, and over 13k loans for electric or hybrid vehicles in the past year.



Target 13.2: Integrate climate change measures into national policies, strategies and planning. GHG emissions globally continue to rise, further reinforcing the need to shift to cleaner modes of production.

Portfolio companies show increasing attention on reducing or avoiding emissions through their own operations and through green loans, with over 633K MT of GHG emissions reduced or avoided by those who track this metric.



CASE STUDY - DOMINICAN REPUBLIC

Banco Ademi

Banco Ademi focuses on meeting the financing needs of MSMEs in the Dominican Republic. The bank offers green loans to help increase the country’s clean energy supply. DWM first invested in Banco Ademi in 2023 and increased its investment in 2024.



293,000
Current End Clients

89
Branches

The Dominican Republic faces several energy challenges that drive the need for green lending and sustainable energy solutions. The country heavily relies on imported fossil fuels, primarily oil, to meet a significant portion of its energy needs, making it vulnerable to global price fluctuations and supply disruptions. The electricity distribution network faces challenges such as outdated infrastructure, high distribution losses, and frequent outages. The demand for electricity is increasing due to economic growth and urbanization. As a Caribbean island nation, the Dominican Republic is vulnerable to the impacts of climate change, including extreme weather events, which can disrupt energy infrastructure and exacerbate existing challenges.

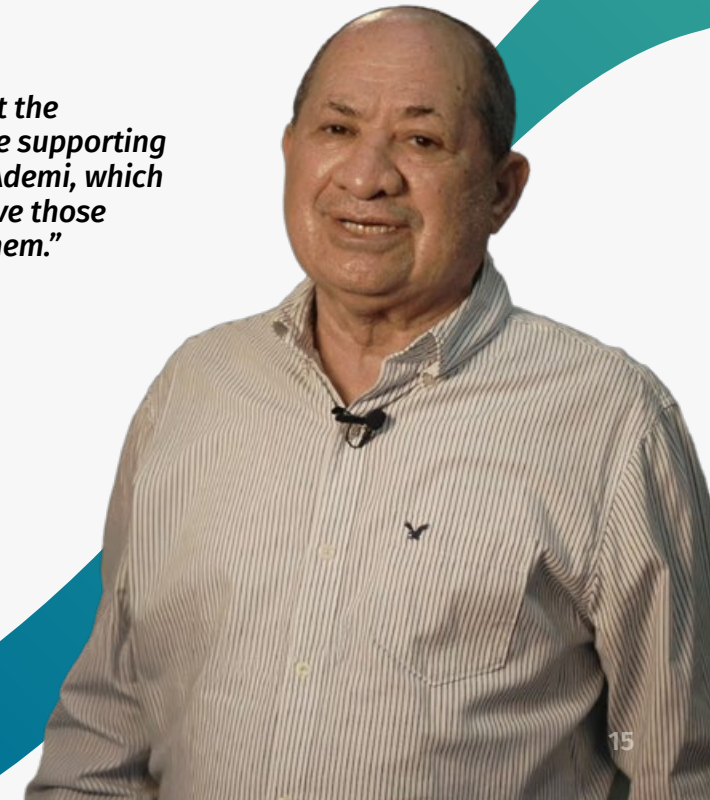
In this context, Banco Ademi’s green lending strategy centers on providing access to finance for renewable energy and energy efficiency projects. Through its Clean Energy Program, in collaboration with Fundación Ademi, the Bank supports businesses and households by providing loans for clean energy projects.

Paulino Antonio Hernandez, the owner of Almacenes La Norteña, is one beneficiary of this initiative. Paulino’s store sells household appliances and other goods in Moca, the capital city of the Espaillat province and the tenth largest city in the Dominican Republic. Facing very high electricity bills, he took

out a loan from Banco Ademi to install rooftop solar on his store. This investment helped reduce his monthly bills while also reducing greenhouse gas emissions. Paulino notes “I would advise all my friends, these panels are the best there are. We should support the institutions that are supporting us, such as Banco Ademi in particular, which supported me. I have those panels thanks to them—definitely a benefit for the Dominican Republic and the environment.”

Banco Ademi views green lending as a crucial component of its broader commitment to social responsibility and sustainable economic development within the Dominican Republic. The institution recognizes the importance of financial sector involvement in addressing environmental challenges and actively seeks to foster a greener economy through its lending practices. The ongoing support from investors like DWM will help Banco Ademi to expand its reach and impact in the green lending sector.

“We should support the institutions that are supporting us, such as Banco Ademi, which supported me. I have those panels thanks to them.”



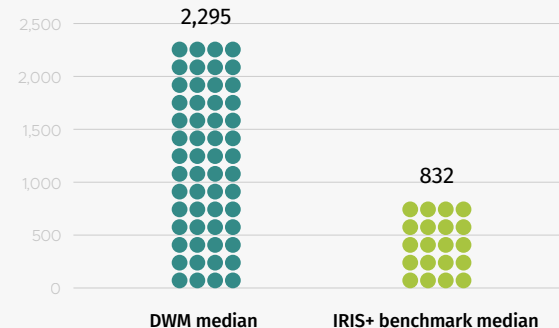
Impact Benchmarks

In order to evaluate DWM’s portfolio of inclusive financial institutions (IFINs) relative to others within the industry, we compare to industry benchmarks to assess our reach and effectiveness. This section provides insights into both the companies in which we invest and the end clients that they serve.

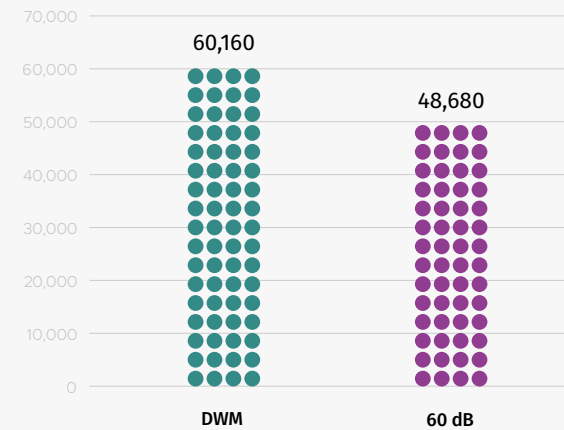
End Client Reach

In 2024, DWM’s portfolio companies reached more end clients than companies in two industry benchmarks: the 60 Decibels Microfinance Index and the IRIS+ Financial Inclusion Impact Performance Benchmark. These two datasets measure client reach in different ways. First, the 60 Decibels Microfinance Index provides the total number of end clients of its participants companies, which was 48,680 at the median. This compares to the median DWM portfolio company’s 60,160 clients. Second, the IRIS+ Benchmark provides investment-weighted end clients figures, with a median of 832 compared to DWM’s median investment-weighted figure of 2,295 — nearly three times greater. In terms of MSMEs specifically, DWM’s result is 50% higher than the IRIS+ Benchmark result. Additionally, when considering investment-weighted results, DWM’s attributable share of total end clients is close to 450,000, including over 202,000 MSMEs.

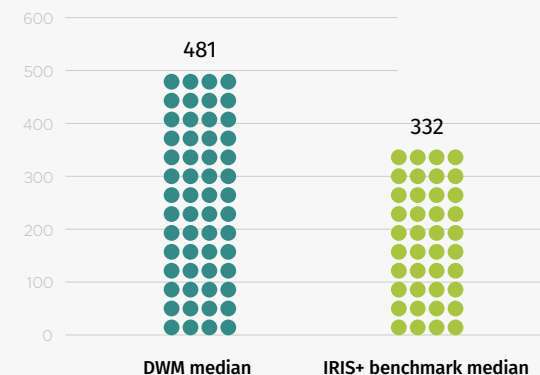
Median # of Clients Served (Investment-Weighted)



Median # of Total Clients Among IFINs



Median # of MSMEs Served (Investment-Weighted)



Three Benchmark Datasets

- IRIS+ Financial Inclusion Impact Performance Benchmark:** IRIS+ compiles and analyzes data from impact investors to enable comparison of investment-level results in a given impact theme. We filtered the benchmark to the 36 funds investing private debt in the regions where DWM invests. A total of 338 investments from 2013-2022 are included in this benchmark, which presents investment-weighted company-level results on several key indicators.
- 60 Decibels Microfinance Index:** The 2024 index is the third edition and includes insights from direct surveys of 36,000 borrowers of 126 financial service providers across 45 countries in Asia, Africa, Europe, and Latin America. The participating institutions represent a broad cross-section of microfinance-focused organizations in the same regions in which DWM invests, making it a good point of comparison for our portfolio against broader market demographics.
- Tameo Private Assets Impact Funds Report:** The 2024 report is the fifth edition of this analysis of impact investing funds in private markets predominantly in the same regions in which DWM invests. The comparisons in this section used the sub-set of data from 80 funds focused on microfinance.

- DWM
- IRIS+
- 60dB
- Tameo

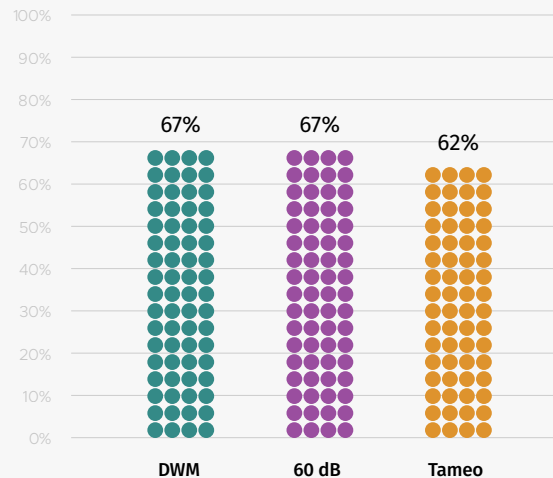
Impact Benchmarks

End Client Demographics

Traditional financial institutions frequently struggle to adequately serve women and rural clients, leaving them with few to no options or vulnerable to predatory alternatives. According to the 60 Decibels report, when it comes to rural clients specifically, infrastructural and geographic barriers pose challenges and higher expenses. Impact investors strive to fill this gap but can often find it difficult to reach these populations. In DWM's full portfolio, 67% of end clients are women, which is in line with or above both the 60 Decibels and Tameo samples (67% and 62%, respectively).

When assessing DWM's ability to reach rural clients, our portfolio is in line with Tameo's benchmark at a little over 50% and more than 60 Decibels' ~40%. The average loan size to end clients in DWM's portfolio is considerably lower than in the Tameo sample, at USD 1,395 compared to USD 4,666 among microfinance institutions and USD 10,459 versus USD 14,468 for SME lenders.

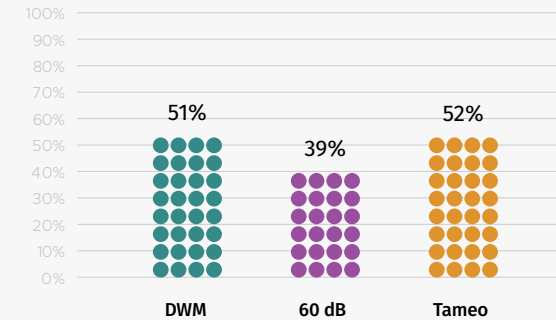
Women Clients



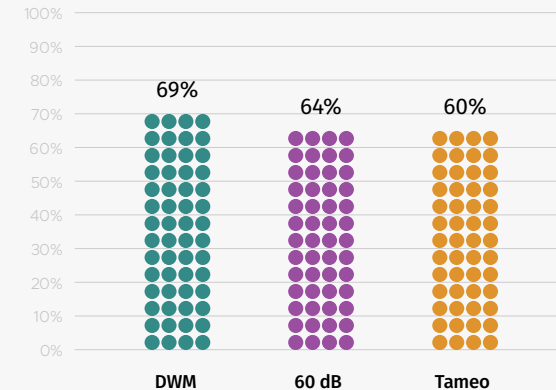
Providing Additional Services

The 60 Decibels report found that over 75% of end clients who have access to additional services (other than loans) feel better equipped to respond to emergencies or unexpected expenses, indicating a positive effect on financial stability. DWM's portfolio companies are more likely than those in the other benchmarks to provide additional services, such as deposit accounts, debit and credit cards, and insurance.

Rural Clients



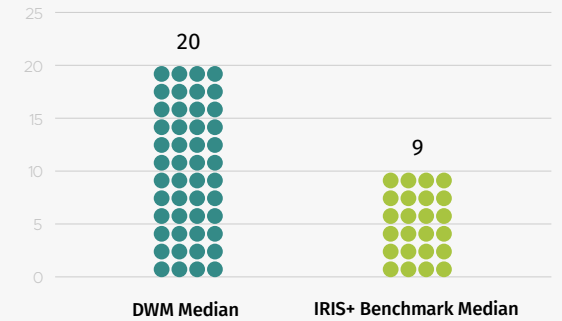
IFINs Offering Additional Products



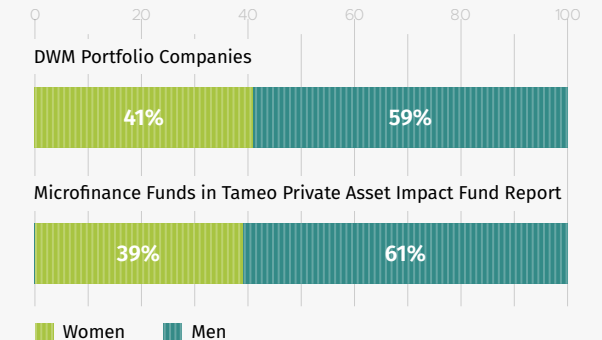
Job Creation at Portfolio Companies

DWM's investments also support job creation at portfolio companies, with the median number of investment-weighted jobs more than double that of the IRIS+ Benchmark. While DWM focuses on increasing its number of women end clients, it also promotes gender diversity and inclusion within the staff of portfolio companies. As shown in the chart, a slightly higher proportion of staff DWM's portfolio companies are women compared to respondents to the Tameo report.

Number of Jobs Supported at Portfolio Companies (Investment-Weighted)



Staff Gender Breakdown at Portfolio Companies



- DWM
- IRIS+
- 60dB
- Tameo

Impact Management

DWM’s impact measurement and management framework is purpose-built to ensure adherence to rigorous standards of impact and transparency. It also generates insights that help us learn and improve alongside our investees over time.

DWM’s impact measurement and management is integrated throughout its entire investment process, as described in detail in our [statement of alignment](#) with the Operating Principles for Impact Management. The Principles are a widely adopted industry standard for impact management to which DWM first became a signatory in 2019. In our [most recent verification](#) of alignment conducted by BlueMark, DWM achieved top-quartile ratings across all principles.

The graphic below illustrates how we target, assess, and track social and environmental results across the investment cycle. Company-level impact and ESG analysis is conducted through desktop research, site visits, and discussions with company management. This robust impact measurement and management system enables DWM to select investments with high potential for impact, manage social and environmental results, and learn from experience to inform future investments.



2024 Practice Leaderboard Member

ESG and Impact Risks

Alongside measuring positive impact, it is critical to assess and mitigate the risk of unintended negative effects stemming from our investments. We do this through systematic impact and ESG risk management.

Overview of ESG Management

DWM's investment screening and management processes integrate risks stemming from environmental, social, and governance (ESG) issues. The goal of DWM's ESG management is to avoid or mitigate any possible unintended negative impacts and material risks to our end clients, portfolio companies, and investors. See more information on our approach in [DWM's ESG Policy](#).

Client protection is foremost among ESG issues, given that inclusive financial institutions typically serve poor and low-income populations with low levels of financial literacy, making them potentially vulnerable to irresponsible practices. DWM requires all financial services portfolio companies to either join the SPTF+Cerise Client Protection Pathway or demonstrate practices at least on par with the "CP Commit" level (a common minimum standard).

Overall, 82% of portfolio companies had formally committed to implement all eight Client Protection Standards, and more than half (56%) have had their alignment to the standards certified by a third party. In addition, 84% of companies provide training or guidance to clients on evaluating their own debt capacity. This type of service helps clients avoid taking on more debt than they can afford.

Most portfolio companies have their own formal mechanisms of ESG risk management. Just over 80% of portfolio companies have an organizational

ESG policy, and 79% train their staff on ESG risk management. Board oversight of ESG issues is a regular practice among 48% of companies. All of these key metrics of both client protection and ESG management have improved since the previous year.

Client Protection Practice	% of DWM Portfolio Companies
Formally committed to implement all 8 Client Protection Standards	82%
Received third-party certification of adherence to the Client Protection Standards	56%
Evaluates borrower cash flow to avoid over-indebtedness	96%
Trains staff on preventing over-indebtedness	92%
Trains clients on how to assess their debt capacity	84%
Has a total indebtedness policy for clients	87%

ESG Process

DWM Impact Frameworks are used to source investments that create positive social and/or environmental impact in one of our core impact themes (aligned with the Sustainable Development Goals). The ESG process is then applied to these impact-generating investment opportunities.

STEP 1.
Screen against DWM Exclusion List

STEP 2.
Assess company management of key ESG issues

STEP 3.
Engage investees on areas for improvement

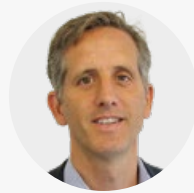
STEP 4.
Report regularly

Global Team

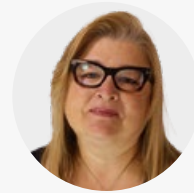
With a headquarters in the United States, DWM operates out of more than 15 locations on 5 continents.



Peter Johnson
Co-Managing Partner



Edward Marshall
Co-Managing Partner



Odette Tolliver
Partner, CFO



Brad Swanson
Partner, Private Equity



Christopher Mehan
Partner, Chief Risk Officer



Courtland Walker
Partner, Products & Partnerships



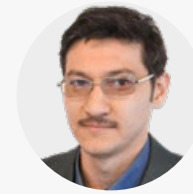
Robert Constantino
Partner, Private Credit



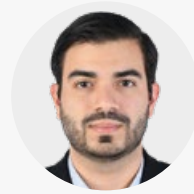
Hannah Schiff
Managing Director, Impact



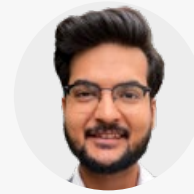
Ashwin Mahabaleswara
Fund Manager



Naimjon Masaidov
Director, Private Credit



Andrés Holguín
Associate Regional Rep., Private Credit



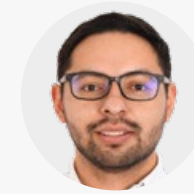
Amarpriti Singh
Associate Regional Rep., Private Credit



Ankit Singh
Regional Rep., Private Credit



Bibhash Sen
Regional Rep., Private Credit



Darwin Yumiceba
DD Manager and Data Analyst, Private Credit



Carolina Lozada
Regional Rep., Private Credit



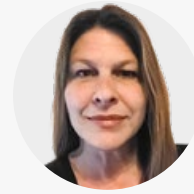
Darya Graham
Controller



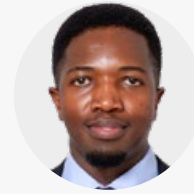
Devendra Singh
Associate Regional Rep., Private Credit



Diego Maksoud
Investor Relations Associate



Elisabeth Kayser
Business Operations Manager, Legal



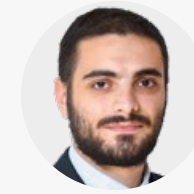
Farai Masendeke
Private Equity Associate



Jonathan Vanegas
Regional Rep., Private Credit



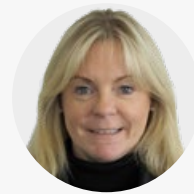
Khatia Babukhadia
Associate Regional Rep., Private Credit



Levan Okradze
Associate Regional Rep., Private Credit



Marion Striewski
Compliance and Operations Associate



Mary Bellis
Office Manager/HR Paralegal, Operations



Meri Meladze
Credit Risk Manager



Mónica Eras
Associate Regional Rep., Private Credit



Nenad Milojevic
Funds Servicing Manager, Operations



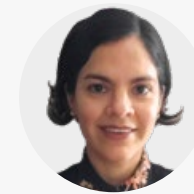
Patrick Mumu
Associate Regional Rep., Private Credit



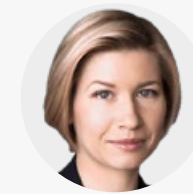
Paras Puri
Credit Risk Associate



Renzo Romani
Vice President, Risk Management



Verónica Mezarina
Credit Risk Associate



Zinaida Vasilenko
Regional Rep., Private Credit

Collaboration

DWM works collaboratively with investors and investment partners to deploy funds into impact investments, targeting financial and impact goals. The results reflected in this report would not be possible without the support of the following institutions:

Investment Partnerships

DWM partners with other asset managers to reach a large global investor base.

cardano

DWM has worked with Cardano Group and its predecessors since 2007, when it launched a partnership with SNS Asset Management.

m o n e g a ■

DWM and Monega KAGmbH launched a partnership in 2018 to bring impact investing to German investors.

Nordea

In 2020, DWM began a partnership with Nordea, the largest financial institution in the Nordic region.

Disclaimer: It is not known whether the institutions listed above approve or disapprove of DWM Asset Management or the services provided.

Industry Collaboration

DWM actively participates and aligns with the following industry efforts:



The GIIN is the global champion of impact investing, dedicated to increasing its scale and effectiveness.



IRIS+ is the generally accepted system for measuring, managing, and optimizing impact.



Net Zero Asset Managers Initiative is an international group of managers committed to reducing greenhouse gas emissions to net zero by 2050 or sooner.



2X Global is a field-building organization focused on advancing gender lens investing.



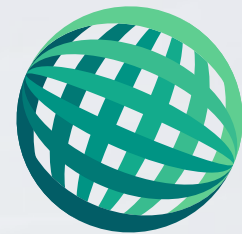
The Operating Principles for Impact Management offer a framework to ensure that impact considerations are purposefully integrated through the investment cycle.



The Client Protection Pathway is an initiative of SPTF and CERISE to support client protection implementation across the financial service industry.



The United Nations Principles for Responsible Investment (PRI) offer a framework for incorporating ESG issues into decision-making and ownership.



dwm
IMPACT INVESTING

Disclaimers

Unaudited Information

Information in this report is based on unaudited information and is subject to change. Any statements of opinion constitute only current opinions of DWM Asset Management, LLC (“DWM”), which are subject to change and which DWM does not undertake to update.

Investment Process

Any description or information regarding investment processes or strategies is provided for illustrative purposes only, may not be fully indicative of any present or future investments and may be changed at the discretion of DWM without notice. References to specific investments, strategies or investment vehicles are for illustrative purposes only. And should not be relied upon as a recommendation to purchase or sell any particular investment or engage in any particular strategy Portfolio data is expected to change and there is no assurance that any actual portfolio will remain as described herein. There is no assurance that investment presented will be available in the future at the levels presented with the same characteristics or be available at all.



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This report was prepared by
the DWM Team and designed
by Martín Londoño.

100 First Stamford Place, Suite 450
Stamford, CT 06902, USA

T: +1 203.655.5453

E: info@dwmmarkets.com

www.dwmmarkets.com