Disclosure Statement
Operating Principles for Impact Management

Developing World Markets
January 2023

Founded in 1994, Developing World Markets (DWM) seeks investible solutions that sustainably address the social, environmental, and economic needs of the developing world. DWM began impact investing in 1999 and shifted exclusively to impact investments in 2007. DWM has over two decades of experience in emerging and frontier markets. Through DWM Asset Management, LLC, the firm's SEC-registered investment adviser, DWM has originated and managed over $2.5 billion of private debt and private equity in impact-oriented enterprises, including over 900 loan disbursements and 25 private equity stakes in more than 60 emerging and frontier countries.

Developing World Markets (DWM or the "Signatory") hereby reaffirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles"). This Disclosure Statement applies to all assets under management and advisement, including assets across the following funds that align with the Impact Principles:

Fund	Product (Debt/Equity)	DWM Role
DWM Income Funds – Trill Impact – DWM SDGs Credit Fund	Debt	Fund Manager
DWM Microfinance Private Equity Fund I	Equity	Fund Manager
DWM Inclusive Finance Private Equity Fund II	Equity	Fund Manager
Monega Multi-Sector Microfinance & Impact Loan Fund (MONEGA MMI)	Debt	Fund Manager
Monega Mikrofinanz & Impact Fonds (MONEGA MMR)	Debt	Fund Manager
ACTIAM Financial Inclusion Fund	Debt	Investment Manager

The total value of the Covered Assets in alignment with the Impact Principles is approximately USD $550 million as of December 31, 2022.

Hannah Schiff
Director of Impact

Principle 1: *Define strategic impact objective(s), consistent with the investment strategy*

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Building on its history of pioneering investible solutions to address the social, economic, and environmental needs of the developing world, DWM has codified three strategic impact goals, which are described in the 2022 Impact Report and in the table below. The goals are rooted in the Sustainable Development Goals and the IRIS+ impact strategies and evidence base.

Developing World Markets' Strategic Impact Goals

Strategic Impact Goal	Rationale and Details
1. Enable access to responsible financial services for underserved populations	• Enable access: DWM's capital helps meet unmet needs for affordable, high-quality, and responsibly provided financial services. This includes both new and continued access for those who were previously unbanked and access to more abundant and appropriate services for those who are underbanked. • Responsible financial services: DWM's goal is to expand the responsible provision of credit and other services (e.g., savings, insurance, payments/transfers) for individuals, households, and microentrepreneurs. These services enable clients to improve livelihoods and living standards and build resilience to shocks. Inclusive financial institutions must meet high standards of ethical practice and client protection to avoid potential harm for their often-vulnerable clients. • Underserved populations depend on country context, but typically include people and households in countries with low financial access, women, poor and low-income people, people in rural areas, and displaced people.
2. Contribute to quality job creation and inclusive, sustainable economic growth through small and medium-sized enterprises (SMEs)	• Quality job creation: DWM seeks to help close the credit gap for SMEs, enable them to grow and create jobs that offer an array of advantages associated with formal employment, such as stable incomes, safe work environments, skill building, and other benefits. • Inclusive, sustainable economic growth: DWM expands opportunity through growth that is broad-based (cutting across sectors and segments of society) and environmentally sustainable (both mitigating harm and contributing to solutions). SMEs contribute to economic growth by raising productivity through technological upgrading, promoting human capital development, paying taxes, and potentially increasing foreign exchange flows through exports. They can also provide needed goods and services to underserved people.
3. Build adaptive capacity and resilience for climate-vulnerable people and mitigate further climate change	• Build adaptive capacity and resilience: The effects of climate change are contributing to the top social challenges of our time, especially in the vulnerable contexts where DWM invests. DWM supports financial services and other solutions to build adaptive capacity in the near term and resilience in the longer term, in particular among poor and low-income populations. • Mitigate climate change: Inclusive financial institutions have a critical role to play in enabling all sectors of the economy to reducing greenhouse gas intensity. DWM takes an active role in building the capacity of inclusive financial institutions to accelerate their activity toward this goal.

All of DWM's investments contribute to one or more of these goals. Over the last 10 years, 100% of DWM's investment portfolio has been assessed using a proprietary impact scorecard (aligned with and including metrics from IRIS+, HIPSO, and SPTF). DWM's Impact Investment Questionnaire (Impact IQ) and Scorecard are data-driven tools used to evaluate potential investments during the due diligence process and to track ongoing impact performance on an annual basis thereafter.

As of July 2022, DWM began developing a theory of change for each new investment and tracking key metrics that cover the five dimensions of impact for the specific investment (the "Eligibility Memo Impact Framework"). These deal-specific impact frameworks are developed by adding country- and company-specific information to a series of template frameworks developed for various common and potential investment types within financial inclusion and clean energy access (e.g., microloans, SME loans, agricultural loans, mortgage finance, off-grid renewable energy). The template frameworks leveraged the IRIS+ strategies and evidence base to outline likely outcomes and impacts associated with outputs from each investment type.

DWM has also developed a framework for measuring contribution to the Sustainable Development Goals. The framework identifies relevant SDG Targets and Indicators (defined by the UN) and analyzes the gap in achieving those indicators in DWM's portfolio countries. DWM then measures the direct and indirect contributions to those gaps. Please see more information beginning on page 27 of the 2022 Impact Report.

For all investments, private debt and private equity, DWM's impact analysis is integrated into the firm's underwriting, risk, and monitoring and portfolio management processes. For DWM's equity funds in particular, impact objectives and investment strategy align further through DWM's active role in board and committee governance and shareholder participation in key business model decisions that drive institutional impact.

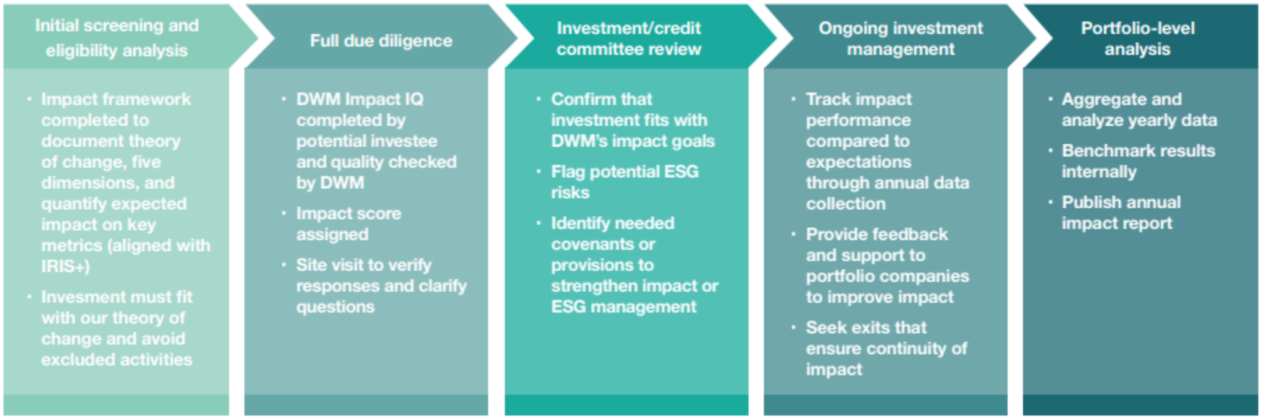
Principle 2: *Manage strategic impact on a portfolio basis*

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

DWM's portfolio-wide impact management processes are led by the Director of Impact and implemented by the investment teams with her guidance. DWM manages impact achievement at the overall firm level (annually), at a fund portfolio level (quarterly and annually), and when each investment is brought to committee and quarterly/annually thereafter.

Fund	SDG Impact Focus					Fund Impact Reporting	Committee	
							Internal	External
DWM Income Funds – Trill Impact – DWM SDGs Credit Fund	1	5	8	10	7	Annually	✓	✓
DWM Microfinance Private Equity Fund I	1	5	8	10		Quarterly	✓	
DWM Inclusive Finance Private Equity Fund II	1	5	8	10	7	Quarterly	✓	
Monega Multi-Sector Microfinance & Impact Loan Fund (MONEGA MMI)	1	5	8	10	7	Quarterly	✓	✓
Monega Mikrofinanz & Impact Fonds (MONEGA MMR)	1	5	8	10	7	Quarterly	✓	✓
ACTIAM Institutional Microfinance Fund III	1	5	8	10		Annually	✓	✓

DWM's pre- and post- investment process to manage impact achievement is set out below:



All of DWM's investments are assessed on impact and environmental, social and governance factors using a proprietary scorecard. DWM's Impact IQs allow debt and equity origination and underwriting team members to evaluate potential investments during the due diligence process and to track ongoing impact performance and progress against priorities identified at the time of investment. During the annual aggregation and analysis of impact data, DWM assesses trends in key impact indicators (e.g., target populations reached, products and services offered, extent to which targeted SDG indicators are addressed). This informs discussions about countries, sectors, and institution types to target going forward.

Areas of high performance and opportunities for improvement for all investments are documented for internal and external credit and investment committees (and any corresponding commitments are reflected in minutes of IC decisions) across the core dimensions of impact. Through 2022, this analysis has been organized according to the five vectors of DWM Impact IQ: i) Outreach & Targeting; ii) Client Benefit & Welfare; iii) Responsibility to Community and Staff; iv) Governance; and v) Environment. From 2023 onward, this analysis will be based on the strategic impact goal that is most aligned with the investment.

For upcoming products, DWM has introduced new structures to align incentives with impact outcomes. For example, for the Displaced Communities Fund, GP carry has been tied to achievement of impact based on pre-determined metrics with third-party assessment and validation. We are considering similar structures for other new products across various thematic areas going forward.

Principle 3: *Establish the Manager's contribution to the achievement of impact*

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

DWM is committed to building inclusive, resilient, economically strong, and environmentally sound communities by increasing access to finance through investments into Inclusive Finance Institutions (IFINs). Through both debt and equity investments in the financial inclusion sector, DWM seeks to generate risk-appropriate returns for institutional investors, thereby helping to secure a long-term, commercial funding base for the sector. DWM believes that achieving financial return objectives is fundamental to reaching impact at scale over the long-term. Working in challenging jurisdictions and with complex structuring requirements, DWM collaborates with investees and other investors to arrange financing packages that are critical to portfolio expansion and associated positive impact.

In debt investments, DWM often provides loans on more competitive terms than other local and international lenders (e.g., longer tenor, local currency), which enables financial institutions to offer better terms to their clients. In addition, through dedicated pools of capital, DWM is able to offer debt financing denominated in local currency, removing the foreign exchange risk that local IFINs commonly face when borrowing from other foreign lenders in hard currency (e.g.

USD or EUR). In 2022, 44% of loan volume was disbursed in local currency (over $98M). DWM also seeks to contribute to impact via targeted use-of-proceeds clauses to channel funding to loan portfolio segments with high impact and by leveraging reporting covenants and other affirmative covenants related to industry-accepted client protection standards to ensure that funding is on-lent in a transparent, responsible, and secure manner.

In equity investments, DWM takes an active approach to management, including a board seat in most instances. Through this role, DWM applies its expertise in an effort to improve investees' governance, management, operations, balance sheet, and strategy. DWM also provides technical assistance to strengthen operations and impact in themes such as gender equity and climate change risk management. In 2022, DWM facilitated formal technical assistance for eight portfolio companies via external consultants MicroSave Consulting (on climate risk and opportunity) and Criterion Institute (on gender). In the past, DWM has engaged third parties to assess the impact achieved over transition periods (e.g. NBFC to banks, independent to majority owned subsidiary, during market turmoil, or through exits and changes in shareholding) in order to inform positioning and interventions of its portfolio of investees to extend or accelerate impact. Firms such as 60 Decibels have been engaged for several portfolio companies to understand end client outcomes, and we expect to include at least one of our portfolio companies in the 60 Decibels 2023 Microfinance Index.

Principle 4: *Assess the expected impact of each investment, based on a systematic approach*

For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

As of July 2022,[1] for each investment, DWM creates an impact framework ("Eligibility Memo Impact Framework") that includes a problem statement (including assessment of the size of the problem to be addressed), expected outputs the investment will create to help solve the problem, outcomes, impacts, and impact risk. It also includes key metrics to assess expected impact across the Five Dimensions of Impact (who, what, how much, contribution, and impact risk). This framework is documented at the eligibility phase of each deal and reviewed by the Director of Impact to ensure that a solid, evidence-based impact thesis guides the investment. It is also used to confirm that the investment will contribute to at least one of DWM's three strategic impact goals (described above).

During due diligence, DWM utilizes its Impact IQ to gather extensive impact and ESG data. Through 2022, the IQ has been arranged according to five key vectors: Outreach & Targeting, Client Benefit & Welfare, Governance, Environment, and Responsibility to Community & Staff, plus a sixth category of alignment with the SDGs. Beginning in 2023, the organization of the questionnaire will be broadened and made modular to accurately assess the impact of different business models (e.g., microfinance institutions, specialty finance providers, SME lenders, non-financial institutions) and strengthen data on outcomes, while still covering these core topics.

The data gathered via the Impact IQ enables a score to be generated to compare impact across investees. Through 2022, the score has been a weighted average of scores for each of the five vectors and the SDGs. The updated scoring system produces a separate score for each strategic impact goal. The goal-based scores incorporate indicators to

[1] Prior to the establishment of this new process in 2022 (and continuing after), each deal was assessed against a set of eligibility criteria established by the Funds DWM manages to determine fit with the Funds' impact goals.

assess each of the five dimensions of impact tailored for the theory of change of the specific goal. In both the historical and updated versions, DWM's investment teams and Director of Impact use this as a basis to identify a company's strengths, opportunities for improvement and potential initiatives and commitments designed to address impact performance for areas identified as in need of improvement.

Following investment due diligence, DWM's Credit/Investment Committees review the impact performance and commitments alongside financial risk and return considerations in taking a decision to extend or renew a loan or make a primary or follow-on equity investment. These considerations and decisions are incorporated into the minutes and communicated to management. In evaluating impact performance, DWM also considers plans from the investees including but not limited to expansion or contraction of target market, introductions of new financial products, or other business plans that may affect future impact outcomes or detract from mission continuity.

As discussed, DWM's Impact IQs have incorporated best practices and metrics across commonly used industry frameworks such as IRIS+, HIPSO, and SPTF. Broader ESG performance at investees is also assessed through use of international best practices, toolkits and frameworks such as an Environmental and Social Risk Management System (designed with the technical assistance of OeEB, the Austrian Development Bank), Client Protection Standards, and the UN PRI. It also includes indicators that align with the European Sustainable Finance Disclosure Regulation's principal adverse indicators (as relevant).

Principle 5: *Assess, address, monitor, and manage potential negative impacts of each investment*

For each investment, the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

DWM's ESG Policy Statement documents the process for assessing and avoiding ESG risks. As a starting point, DWM's Exclusion List (based on the IFC Exclusion List[2]) prohibits investments in companies that have significant involvement in activities identified as having high ESG risk. Investees must confirm compliance with these exclusions. Further, DWM has established the "DWM 10", a set of 10 ethical and legal standards institutions must meet to be considered for investment. These standards include but are not limited to: i) compliance with safety, labor and environment regulation; ii) presence of a non-discrimination policy in recruitment; iii) documented policies for diversity, equity and inclusion in pay and promotion; iv) documented code of ethics; v) presence of a complaint redressal mechanism, among others.

DWM's Director of Impact reviews information on ESG and impact risk gathered during the origination and underwriting process undertaken by private debt and private equity teams and participates in Credit Committee meetings to inform decision-making. In some instances, the Director of Impact engages directly with portfolio companies to better understand their ESG risk management procedures and offer guidance on best practices. Any areas of improvement identified in relation to these issues and any commitments made by management teams in relation to these areas are documented for follow up.

In addition, where these risks overlap with credit risk, DWM's risk team offers an assessment to the respective committees on topics related to issues such as adherence to principles in the Client Protection Standards[3] and UN Principles for Responsible Investment[4]: (i) protection against over-indebtedness; (ii) transparent and responsible

[2] IFC Exclusion List: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

[3] SPTF and Cerise Client Protection Pathway: https://sptf.info/client-protection/the-client-protection-pathway

[4] UN PRI: https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment

pricing, in-line with broader market participants; (iii) currency mismatch/open exposure at client or end-beneficiary level; and (iv) data privacy and protection. The country risk model used by the risk team also includes an indicator covering susceptibility to extreme natural events based on the World Risk Index.

In addition to the above, for equity investments, all investee institutions are subject to a quarterly assessment on DWM's Environmental and Social Risks Management System to demonstrate progress against key parameters including: i) maintaining comprehensive ESG policies; ii) procedures to identify, assess and manage ESG risks; iii) staff and client training; iv) robust reporting framework; v) oversight provided by an ESG board committee. For inclusive finance institutions in our equity portfolio that are deemed to have a larger portion of their portfolio in higher risk activities (primary SME lenders, banks and specialty lenders), an additional assessment is undertaken of their loan portfolio to understand the extent of activities in higher risk subsectors (e.g. manufacturing, mining, infrastructure, large scale energy or crop production). DWM leverages its active management position to support these companies in improving the ESG policies and procedures.

Principle 6: *Monitor the progress of each investment in achieving impact against expectations and respond appropriately*

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.)

Impact data from each portfolio company is gathered annually via the Impact IQ and compared to performance in previous years on a consistent set of metrics. The data from all active investments is aggregated into the firm's impact report and released annually. Specific funds report more frequently on metrics agreed with investors. In July 2022, DWM began to enhance this process by documenting investment-specific impact expectations in terms of key metrics in the five dimensions (via the Eligibility Memo Impact Framework). These will be used to monitor outputs and outcomes compared to expectations on a subset of key metrics for each deal.

While impact data is predominately self-reported by the inclusive financial institutions, the data is validated against prior years to understand trends and anomalies. Data is further vetted through field visits conducted by the DWM investment and risk team members to validate accuracy of the reporting and review progress on impact achievements and shortfalls.

In equity investments, as DWM takes an active governance role with a board seat in nearly all of its equity investments, DWM encourages the establishment of ESG/Impact committees and sub-committees of the board. The scope of these committees is to track impact of the institution over time and identify opportunities to accelerate achievement of impact objectives.

In instances where impact objectives are not being met, regional investment teams continue to follow up on specific areas of improvement to identify and address challenges in the achievement of objectives. The Director of Impact may recommend against further investment in cases where serious shortfalls against priorities are observed and no mitigants are provided.

DWM has also undertaken independent reviews of impact achievement at its investees with support of third-party institutions such as 60 Decibels and BFA Global. These reviews are scoped specifically to identify areas of impact relevant to the participating funds and portfolio companies.

Principle 7: *Conduct exits considering the effect on sustained impact*

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

DWM's private debt investments are, by definition, self-liquidating, and obligations are typically repaid over 2-3-year terms. Each borrower undergoes a periodic review including an updated Impact IQ and score. Any follow-on loans are assessed against both financial and impact criteria and are subject to additional due diligence including an updated Impact IQ (if the most recent is over a year old) as well as an assessment of commitments fulfilled and impact achieved against initial expectations at the time of underwriting. Additionally, any material changes to existing loans (extensions, restructuring, refinancing) must be approved by the Credit Committee, which monitors achievement against both financial and impact metrics in its decision-making framework.

DWM's private equity team has undertaken over a dozen exits to date and has in each instance considered not only its own financial return from the sale, but also the strength of the buyer and their ability to provide good stewardship of the assets and sustain the impact for clients. DWM has introduced 'fit and proper' criteria into many of its shareholders agreements to ensure that the obligation to find a suitable party to whom shares can be transferred, is shared among the board and shareholders broadly. In a few instances, DWM has also undertaken independent reviews of exits post divestment to ensure continuity of impact. DWM is in the process of codifying a responsible exit framework to document these aspects of our practice and ensure all future exits thoroughly consider the effects of timing, structure, and process on the sustainability of impact.

Principle 8: *Review, document, and improve decisions and processes based on the achievement of impact and lessons learned*

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes

DWM conducts an annual review of the Impact IQ data collection tool as well the data reported by both debt and equity investees to understand progress against impact commitments both at the individual investee level and at the aggregate portfolio level. The tool itself is updated annually to reflect the trends in product and channel strategies to ensure new elements and approaches to impact are captured adequately.

DWM's Director of Impact, supported by the Impact Committee comprising partners and senior leadership across the firm, reviews achievement of impact, opportunities for improvement, and strategic initiatives to achieve greater impact in the portfolio. The Director of Impact has also begun implementing several of the recommendations surfaced in the 2021 independent verification, such as quantification of expected impact at the outset of each deal.

As DWM has been expanding into new sectors and providing capital to new types of businesses, the team has taken additional efforts to enhance the scorecard to ensure proper evaluations of the impact of new businesses, business models and diverse sector participants.

Principle 9: *Independent Verification*

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This Disclosure Note re-affirms the alignment of DWM's policies and procedures with the Impact Principles and will be updated annually. In accordance with the requirements of being a signatory of the Impact Principles, DWM obtained independent verification from Innovest Advisory in March 2021 (link). Going forward, DWM will obtain an independent verification on a regular basis, no later than at three-year intervals, or earlier if there is a significant change to our impact processes.

Important Disclosures and Disclaimers

Some 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. Portfolio data is "as of" the date indicated and should not be relied upon as a complete or current listing of the holdings of the portfolio. Portfolio holdings are subject to change without notice, and may not represent current or future portfolio composition. Some information contained herein has been obtained from third party sources and has not been independently verified by DWM. DWM makes no representations as to the accuracy or the completeness of any of the information herein.