



Disclosure Statement

Operating Principles for Impact Management

Developing World Markets

November 2025

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 \$3 billion of private debt and private equity in impact-oriented enterprises, including over 1,250 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 – DWM SDGs Credit Fund	Debt	Fund Manager
DWM Inclusive Finance Private Equity Fund II (in liquidation)	Equity	Fund Manager
Monega Multi-Sector Microfinance & Impact Loan Fund (MONEGA MMI)	Debt	Fund Manager
Monega Mikrofinanz & Impact Fonds (MONEGA MMR)	Debt	Fund Manager
Cardano Impact Financial Inclusion Fund (I)	Debt	Investment Manager

The total value of the Covered Assets in alignment with the Impact Principles is approximately USD \$628 million as of June 30, 2025.

A handwritten signature in black ink that reads "Hannah Schiff". The signature is fluid and cursive, with the first name "Hannah" and last name "Schiff" clearly distinguishable.

Hannah Schiff
Managing 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 to articulate its theories of change, which are described in the [2025 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 (SDGs 1, 5, and 10)	• <u>Enable access</u>: 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. • <u>Responsible financial services</u>: 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. • <u>Underserved populations</u>: Underserved segments 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) (SDGs 8 and 9)	• <u>Quality job creation</u>: 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. • <u>Inclusive, sustainable economic growth</u>: 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). In addition to creating jobs, 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 (SDGs 7 and 13)	• <u>Build adaptive capacity and resilience</u>: The effects of climate change are contributing to the most significant 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. • <u>Mitigate climate change</u>: Inclusive financial institutions have a critical role to play in enabling all sectors of the economy to reduce 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. The process to ensure consistency between the objectives and investment strategy is as follows:

- 1. Eligibility stage impact framework:** DWM develops a theory of change for each potential investment, which is codified in our Impact Framework in the Eligibility Memo. The theory of change refers to DWM's Strategic Impact Goals to define the social and/or environmental problems the investment is expected to address. 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 leverage the IRIS+ strategies and evidence base to outline likely outcomes and impacts associated with outputs from each investment type. The Impact Framework also identifies key metrics covering the Five Dimensions of Impact that can be tracked for that particular deal to test the theory of change in practice. Aligned SDGs are also tagged using quantitative metrics tied to the UN-established targets and indicators.

- 2. Impact survey and scoring during due diligence:** DWM's investments are assessed using a proprietary impact survey and 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. The scoring system is aligned with DWM's Strategic Impact Goals.
- 3. Ex-post estimation of SDG contributions:** DWM has 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 8 of the [2025 Impact Report](#).

DWM's impact analysis is integrated into the firm's underwriting, risk, and monitoring and portfolio management processes.

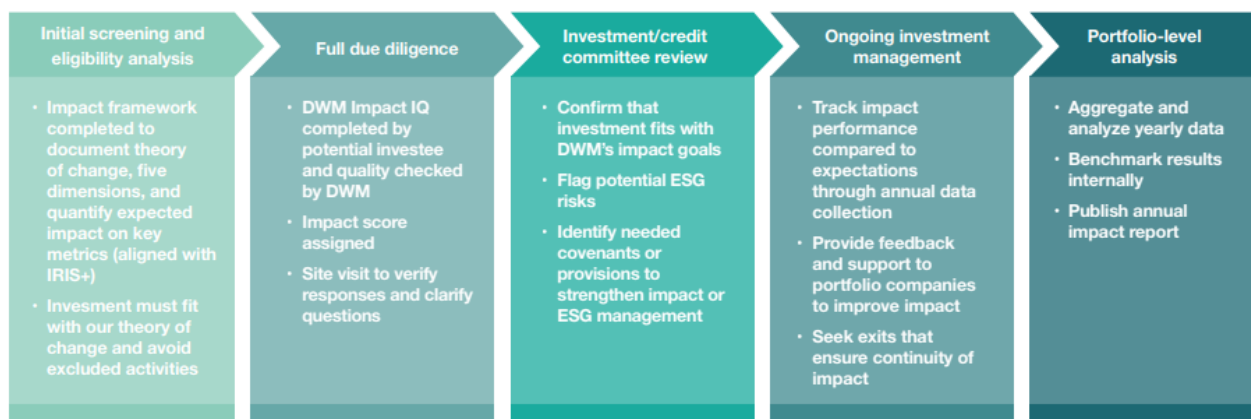
Principle 2: Manage strategic impact on a portfolio basis

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 overseen by the Managing Director of Impact and implemented by the investment teams with her guidance. DWM analyzes and reports on 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 Alignment					Fund Impact Reporting	Committee	
	1	5	8	10	7		Internal	External
DWM Income Funds – Trill Impact – DWM SDGs Credit Fund	1	5	8	10	7	Annually	✓	✓
DWM Inclusive Finance Private Equity Fund II	1	5	8	10		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	✓	✓
Cardano Impact Financial Inclusion Fund (I)	1	5	8	10		Annually	✓	✓

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



DWM's Impact IQs allow origination and underwriting team members to evaluate potential investments during the due diligence process and track ongoing impact performance and progress against priorities identified at the time of investment. To recognize that the type of impact varies across individual investments, the scoring system produces a separate score for each Strategic Impact Goal, plus a separate Gender Equity score. 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 committees (and any corresponding commitments are reflected in minutes of credit committee decisions) across the core dimensions of impact.

DWM has considered aligning staff incentives systems with achievement of impact and has not yet found a suitable method. DWM remains open to considering doing so as best practices emerge.

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 impactful companies that contribute to one of our Strategic Impact Goals, as outlined in Principle 1. 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 environments and with complex structuring requirements, DWM collaborates with investees and other investors to arrange financing packages that support the growth of the company and associated positive impact. When considering an investment opportunity, DWM uses IMP's five dimensions of impact to assess contributions at the company level.

DWM's contribution can take various forms:

- DWM often provides loans on more competitive terms than other lenders (e.g., longer tenor, local currency), which enables financial institutions to offer better terms to their clients.

- 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). During the twelve-month period of July 2025-June 2025, 54% of loan volume was disbursed in local currency.
- DWM provides direct technical assistance and engagement to strengthen some portfolio companies' impact and ESG practices. In 2025, DWM engaged with multiple portfolio companies on their client protection practices, resulting in them joining the Cerise+SPTF Client Protection Pathway and implementing specific enhancements to practices. DWM also secured commitments to improve aspects of gender equity as part of the 2X Challenge qualification process for one portfolio company.
- 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.

DWM also provides technical assistance to strengthen operations and impact on themes such as gender equity and climate change risk management. In recent years, DWM has facilitated technical assistance on climate risk and opportunity, gender equity, and impact measurement. Firms such as 60 Decibels have been engaged for several portfolio companies to understand end client outcomes.

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.

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 Managing 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. The IQ contains more than 85 questions assessing the results of different business models (e.g., microfinance institutions, specialty finance providers, SME lenders, non-financial institutions). Topics covered include client demographics and outcomes tracking, client protection, products and services, gender equity, climate and environment, governance, staff composition and treatment, compliance with DWM ESG best practices and international standards.

The data gathered via the Impact IQ enables a score to be generated to compare impact across investees. The scores incorporate indicators to assess each of the five dimensions of impact tailored for the theory of change of the specific goal. DWM's investment teams and Managing 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 Committee reviews 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 portfolio company 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.

DWM's Impact IQ incorporates best practices and metrics across commonly used industry frameworks such as IMP, IRIS+, HIPSO, and SPTF. Broader ESG performance at investees is also assessed through use of international best practices, toolkits and frameworks such as the IFC Performance Standards and Cerise+SPTF Client Protection Standards. 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 negative impact 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' negative impact 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 negative impact risks and ESG risks. As a starting point, DWM's Exclusion List (based on the IFC Exclusion List¹) 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. Other potential negative impacts are identified for each potential investment and documented in the Eligibility Memo Impact Framework.

DWM's Managing Director of Impact reviews information on negative 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 Managing Director of Impact engages directly with portfolio companies to better understand their 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. Negative impact risks and progress on follow-up items are monitored during periodic risk reviews (varying timeline depending on risk categorization of the company, 12, 18, or 24 months).

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 Standards² and UN

¹ IFC Exclusion List: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

² SPTF and Cerise Client Protection Pathway: <https://sptf.info/client-protection/the-client-protection-pathway>

Principles for Responsible Investment³: (i) protection against over-indebtedness; (ii) transparent and responsible 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, climate risk, climate impacts and positive actions have been integrated into the Impact IQ with a focus on managing climate risk and supporting adaptation and mitigation. To support these efforts, DWM partnered with MicroSave Consulting to develop a tool that assesses climate risks and opportunity, some of which have been incorporated into the Impact IQ.

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 are 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. Investment-specific impact expectations are documented and monitored via a sub-set of key metrics spanning the Five Dimensions of Impact. Monitoring occurs at regular intervals coinciding with risk reviews, typically in 12-18 month cycles.

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 instances where impact objectives are not being met, regional investment teams follow up on specific areas of improvement to identify and address challenges in the achievement of objectives. The Managing 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 some of its investees with support of third-party institutions such as 60 Decibels. 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 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

³ [UN PRI](#)

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.

When DWM plans to wind down exposure to a borrower, team members document changes in the impact score from the last review and the potential effect of our exit on the borrower and its clients in terms of a) effect on the availability of capital; and b) whether the exit may reduce focus on social and environmental impact.

DWM's private equity team has undertaken nearly 20 exits to date and has in each instance considered not only its own financial return from the sale, but also the ongoing stewardship of the asset. In 2022, DWM codified and introduced a set of "responsible exit criteria" spanning four categories: 1) financial sustainability; 2) track record and experience in relevant sectors and in impact/responsible investment; 3) vision and ability of the buyer to scale impact; and 4) management and staff continuity. The criteria will now be documented in all exit memos for formal consideration by the investment committee.

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 some instances, DWM has also undertaken independent reviews of exits post divestment to ensure continuity 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 publishes an Annual Impact Report ([2025 report here](#)) sharing highlights from its annual review of the data collected from each portfolio company. The analysis is used 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. The new impact scoring models described above were designed to reflect DWM's learnings on the usefulness of various indicators in achieving the firm's primary impact goals. Further, impact results are also compared to industry benchmarks such as the IRIS+ Financial Services Impact Performance Benchmark and 60 Decibels Microfinance Index to understand impact performance, inform decision-making, and assess expected impact.

DWM's Managing 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. Recommendations surfaced in the 2021 and 2024 independent verifications have been implemented, such as creating a theory of change and quantification of expected impact for each deal, using the IMP Five Dimensions of Impact to assess each investment, explicitly mapping to the SDGs, codifying responsible exit considerations, and enhancing impact/ESG monitoring systems.

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 BlueMark in March 2024 ([link](#)). The previous verification was conducted in 2021. DWM will continue to obtain an independent verification on a regular basis, no later than at three-year intervals (with the next planned for 2027), or earlier if there is a significant change to our impact processes.

About DWM's independent verifier: BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to "strengthen trust in impact investing" and to help bring more accountability to the impact investment process. BlueMark conducted its verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities. BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemark.co.

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.

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