

# Verifier Statement

## *Independent Verification Report*

Prepared for Invest in Visions: February 3<sup>rd</sup>, 2023

### Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, Invest in Visions engaged BlueMark to undertake an independent verification of the alignment of Invest in Visions' impact management (IM) system with the Impact Principles. Invest in Visions' assets under management covered by the Impact Principles (Covered Assets) totals \$1.06 billion EUR<sup>2</sup>, for the year ending December 2022.

### Summary assessment conclusions

BlueMark has independently verified Invest in Visions' extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

*Principle 1:* Invest in Visions' impact strategy is focused on promoting financial inclusion and sustainable development in emerging markets through investments in MFIs. Each of its funds is tied to specific SDGs that help inform impact goals that are set at the deal level and aggregate up to portfolio level KPIs to help track performance across the investments.

*Principle 2:* Invest in Visions has developed a framework that allows for comparison of impact performance across the portfolio through the common use of tools including ALINUS and the MFI Factsheets for its investments. To further align, Invest in Visions should explore ways in which it may tie impact performance to staff incentive systems.

*Principle 3:* Invest in Visions views its primary contribution to the achievement of the impact of its investees as the direct provision of debt capital to MFIs in developing and emerging markets. To further align, Invest in Visions should systematically assess ex-ante what its financial and/or non-financial contribution to the achievement of impact is and build an evidence base of its contributions.

*Principle 4:* Invest in Visions has a structured process to assess the potential positive impact of its investments ex-ante, with an eligibility memo and due diligence. To further align, Invest in Visions should consistently incorporate the IMPs 5 dimensions of impact and expand considerations of impact risk in its assessment framework.

*Principle 5:* Invest in Visions has created an ESG risk management framework, leveraging ALINUS, MFI Factsheets, and its proprietary ESG Scoring Tool that it applies to all its investments. The firm monitors ESG risks on an ongoing basis.

*Principle 6:* Invest in Visions collects impact and financial data from all MFIs quarterly via a standard MFI fact sheet. While the firm tracks impact performance over time in relation to baseline data gathered in due diligence, to improve, Invest in Visions should set impact goals for its investments, and monitor progress against those goals.

*Principle 7:* Invest in Visions has a process to consider impact beyond repayment during investment committee meetings, especially as it relates to unforeseen circumstances. To further align, Invest in Visions should standardize its process to consider impact beyond exit, and codify this process in policy documentation.

*Principle 8:* Invest in Visions reviews impact performance both quarterly and annually via investment committee meetings, as inputs to quarterly portfolio fact sheets and annual impact reports. To further align, Invest in Visions should standardize their review process, and develop feedback loops for incorporating the results of those reviews in future investment and management decisions.

<sup>1</sup> Principle 9 states that signatories "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."

<sup>2</sup> Assets under management figure as reflected in BlueMark's client intake survey as of 12/14/22. BlueMark's assessment did not include verification of the AUM figure.

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### Assessment methodology and scope

Invest in Visions provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark’s work was limited to processes in place related to the Covered Assets as of December 2022. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.<sup>3</sup>

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark’s proprietary rubric, and examining processes and policies against the following criteria:
  - *Compliance* of the IM system with a threshold level of practice;
  - *Quality* of the IM system’s design in terms of its consistency and robustness; and
  - *Depth* of sub-components of the system, focused on completeness
2. Interviews with [Invest in Visions] staff responsible for defining and implementing the IM system;
3. Testing of selected Invest in Visions transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Invest in Visions, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

### Permissions

This statement, including our conclusions, has been prepared solely for Invest in Visions in accordance with the agreement between our firms, to assist Invest in Visions in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Invest in Visions to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Invest in Visions’ alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Invest in Visions for our work or this statement except where terms are expressly agreed between us in writing.

### About BlueMark

BlueMark, a Tideline 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 is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this 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.bluemarktideline.com](http://www.bluemarktideline.com).

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<sup>3</sup> The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by Invest in Visions. BlueMark has relied on the accuracy and completeness of any such information provided by Invest in Visions. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Invest in Visions.