Regional MSME Investment Fund for
Sub-Saharan Africa S.A., SICAV-SIF
31 z.a, Bourmicht
L-8070 Bertrange

R.C.S. Luxembourg : B 150.766

Annual Report and Independent Auditor's Report
as at 31 December 2024

Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF
Société d'Investissement à Capital Variable – Fonds d’Investissement Spécialisé

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General information

Board of Directors	Mrs. Laure Wessemius-Chibrac (Chairwoman) Dr. Giuseppe Ballocchi Mrs. Claudia Huber Mrs. Edwige Ayighnane Woewdama Takassi Kikpa Mr. Michael Brill
Registered Office	31 z.a, Bourmicht L-8070 Bertrange Grand-Duchy of Luxembourg
Investment Manager and Placing Agent	Symbiotics Asset Management S.A. 31, rue de la Synagogue CH-1204 Geneva Switzerland
Custodian	Citibank Europe plc, Luxembourg Branch 31 z.a, Bourmicht L-8070 Bertrange Grand-Duchy of Luxembourg
Administrative Agent	Citibank Europe plc, Luxembourg Branch 31 z.a, Bourmicht L-8070 Bertrange Grand-Duchy of Luxembourg
Independent Auditor	KPMG Audit S.à r.l. 39, avenue John F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg
Legal Adviser	Linklaters LLP 35, avenue John F. Kennedy B.P.1107 L-1855 Luxembourg Grand-Duchy of Luxembourg

Report of the Board of Directors

We are pleased to present the Annual Report for the year ending December 31, 2024, along with the Independent Auditor's Report for the Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF ("REGMIFA" or the "Fund"). REGMIFA continues to drive impactful investment and development across Sub-Saharan Africa. Through strategic funding and strong partnerships, we are fostering sustainable growth, enhancing economic resilience, and creating meaningful change in the region.

Sub-Saharan Africa achieved some progress in restoring macroeconomic stability in 2024, with growth rising to 3.5% from 3.0% in 2023. However, the region faced significant challenges, as nearly half of its countries struggle with high deficits, inflation, currency depreciation, and debt burdens. Growth remains sluggish, particularly in resource-intensive economies, due to conflict, insecurity, and tight financing conditions. Nonetheless, there are signs of improvement, with easing inflation supporting private consumption and investment. Investor confidence is gradually returning, as seen in the reentry of countries like Ivory Coast, Benin, and Kenya into international markets.

In 2024, the focus was on maintaining a well-performing portfolio and achieving positive financial results for the Fund to prepare for medium- to long-term growth. At the same time, REGMIFA continued its mission to drive meaningful impact. As part of this commitment, the Fund participated for the third time in the MFI Index to assess its impact through partner lending institutions. Notably, 68% of interviewed end borrowers reported receiving their first-ever loan, underscoring the Fund's role in advancing financial inclusion. These insights have not only shaped new targets for the upcoming year but also identified opportunities to further support our Partner Lending Institutions ("PLIs") where gaps persist.

Despite loan origination falling below repayments – resulting in a contraction of the loan portfolio from over USD 175 million at the end of 2023 to USD 150 million in 2024 – the year brought significant progress. Three new investees were onboarded, including one in Mozambique, while six returning PLIs secured new loans. Staying true to its mandate, one of every two loans disbursed in the year was provided to smaller institutions (total assets below USD 50 million) with the smallest one managing USD 8 million in total assets at the time of disbursement. Through these investments, the Fund reached 218,798 end-borrowers, exceeding its target of 200,000, and an additional 314,174 remittance users benefited through investees facilitating remittance transactions. By year-end, the Fund had direct and indirect investments spanning 23 countries across the region.

On the risk front, the Fund recorded an improvement in credit quality. The loan loss allowance over the loan portfolio decreased from 12% to levels below 10% on account of the resolution of three workout cases and positive developments in the remaining portfolio under workout. The Fund closed the year with six investees classified as workouts, two less than in 2023. Even if some PLIs faced mounting pressures – including rising portfolio-at-risk levels and declining capital adequacy ratios – their resilience and adaptability shone through.

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Report of the Board of Directors (continued)

In terms of financial performance, the Fund generated enough income to meet all target dividends of A-, B- and C-Share classes and to pay complementary dividends to C-Shares, reducing the deficiency of the first loss tranche (C-Shares) from 8.8% in Dec-23 to 3.7% in December 2024. In addition, two new investments, totaling USD 20 million in B-Shares, were completed. Two Noteholders renewed their investments with one increasing its commitment, for a total amount of USD 6.5 million, bringing the Fund to a gross asset value of USD 190.6 million at year-end.

As planned, the Fund aligned with the 2X Challenge in 2024, marking the beginning of a gender-focused approach for REGMIFA. The MFI Index survey introduced a gender section, confirming that gender disparities persist in financial access among the Fund's end borrowers. This finding reinforced the Fund's ambition to address gender inclusion. Efforts this year focused on assessing the gender practices of investees through questionnaires and interviews, which will inform a technical assistance program in 2025 to advance financial inclusion and gender equality across Sub-Saharan Africa.

We remain steadfast in our commitment to driving sustainable impact across Sub-Saharan Africa. Through strategic investments, strong partnerships, and a shared vision for economic resilience, we continue to empower businesses, create opportunities, and foster lasting development in the region. We sincerely thank our stakeholders for their trust and collaboration as we work toward a more inclusive and prosperous future.

Signed by: igned by:

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The Board of Directors

30 April 2025

KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg

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Internet: www.kpmg.lu

To the Shareholders of
Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF
31 Zone d'Activités du Bourmicht
L - 8070 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF (the "Fund"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

— Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 30 April 2025

KPMG Audit S.à r.l.
Cabinet de révision agréé

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STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

USD	Notes	31 December 2024	31 December 2023
ASSETS			
Loans to Partner Lending Institutions [1]	4, 17	149,790,162	176,232,106
Loans loss allowance	4	(14,940,386)	(21,154,624)
Net loans to Partner Lending Institutions [1]	4, 17	134,849,776	155,077,482
Interest receivable on loans to Partner Lending Institutions	4	4,296,080	6,230,535
Interest loss allowance	4	(1,554,424)	(3,142,729)
Net interest receivable on loans to Partner Lending Institutions	4	2,741,656	3,087,806
Equity shares at fair value through profit or loss	5	-	-
Derivative financial instruments	6	5,072,164	5,893,748
Interest receivable on derivative financial instruments		955,895	1,338,607
Interest receivable on cash and cash equivalent		30,075	-
Receivables on loans to Partner Lending Institutions	7	1,435,648	668,925
Other receivables		9,215	715,619
Prepaid expenses		393,195	417,591
Cash collateral with brokers		4,865,995	2,193,699
Cash and cash equivalents		40,279,601	17,487,755
Total assets		**190,633,220**	**186,881,232**
LIABILITIES			
Bank overdraft		148	-
Derivative financial instruments	6	4,066,866	3,977,550
Interest payable on derivative financial instruments		1,253,743	1,422,529
Accrued expenses	11.4	888,140	952,009
Payables on redemption of shares		-	7,000,000
Other payables		87,774	341,913
Contribution payable to the technical assistance facility		1,107,092	438,435
Investment Manager incentive bonus payable		166,064	63,403
Notes issued	8	46,144,074	52,031,590
Net assets attributable to holders of redeemable shares:			
- Class A shares	9	-	7,489,800
- Class B shares	9	50,400,000	30,400,000
Distribution payable to holders of redeemable shares	13.3	3,019,174	3,715,077
Total liabilities		**107,133,075**	**107,832,306**
EQUITY (Class C shares)			
Share capital	9	86,729,110	86,729,110
FX compensation	13.3	520,167	38,181
Profit / (loss) for the year		3,931,052	(11,174,430)
Retained earnings		(7,680,184)	3,456,065
Total equity attributable to holders of Class C shares		**83,500,145**	**79,048,926**
Total liabilities and equity		**190,633,220**	**186,881,232**

[1] include upfront fees amortisation

The accompanying notes form an integral part of this financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

USD	Notes	Year ended 31 December 2024	Year ended 31 December 2023
INCOME			
Interest income on loans to Partner Lending Institutions		14,080,180	15,853,124
Interest income on term deposit		346,154	226,212
Upfront fees on loans to Partner Lending Institutions		591,885	606,343
Interest income on derivative financial instruments (1)		9,138,399	9,674,479
Other income		354,887	110,485
Net realised gain on derivative financial instruments		1,733,093	3,390,445
Net change in unrealised gain on foreign exchange		1,382,183	345,120
Net reversal of loans loss allowance	4	7,802,543	-
Total investment income		**35,429,324**	**30,206,208**
EXPENSES			
Interest expenses on notes	8	2,783,186	2,972,285
Interest expenses on derivative financial instruments		10,928,932	10,986,471
Management fees	11.1	3,062,271	3,206,112
Administration, custodian and domiciliation fees	11.3	223,773	233,144
Direct operating expenses	11.3	751,595	698,398
Amortisation of placement fees		144,688	153,862
Other expenses		27,673	21,581
Net change in unrealised loss on derivative financial instruments	6	910,900	1,770,736
Net realised loss on foreign exchange		2,335,114	3,450,811
Net realised loss on loans to Partner Lending Institutions		5,517,643	-
Net contribution to loans loss allowance	4	-	14,046,274
Total operating expenses		**26,685,775**	**37,539,674**
Operating gain / (loss) before tax	13.3	**8,743,549**	**(7,333,466)**
Distribution to holders of redeemable Class A and Class B shares	13.3	(3,019,174)	(3,715,077)
FX compensation	13.3	(520,167)	(38,181)
Contribution to the technical assistance facility		(1,107,092)	-
Investment Manager incentive bonus	11.2	(166,064)	(87,706)
Profit / (Loss) before tax		**3,931,052**	**(11,174,430)**
Taxation		-	-
Profit / (Loss) for the year		**3,931,052**	**(11,174,430)**
Other comprehensive income		-	-
Total comprehensive income for the year		**3,931,052**	**(11,174,430)**

(1) include interest income on swaps

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

USD	Notes	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITES			
Profit / (loss) before tax		3,931,052	(11,174,430)
Adjustments to reconcile profit / (loss) before tax to net cash flows:			
Interest income on loans to Partner Lending Institutions		(14,080,180)	(15,853,124)
Interest expense on notes		2,783,186	2,972,285
Distribution to holders of redeemable shares	13.3	3,019,174	3,715,077
FX compensation		520,167	38,181
Contribution to the technical assistance facility		1,107,092	-
Investment Manager incentive bonus		166,064	87,706
Net change in unrealised (gain) / loss on foreign exchange		(3,437,560)	1,633,453
Net change in unrealised (gain) / loss on derivative financial instruments	6	910,900	1,770,737
Net change in loans loss allowance	4	(7,802,543)	14,046,274
Upfront fees to be amortised		(272,688)	65,715
Operating gain/(loss) before working capital changes		**(13,155,336)**	**(2,698,126)**
Working capital changes:			
Net (increase)/decrease in other receivables and prepaid expenses		700,725	(363,942)
Net (increase)/decrease in cash collateral with brokers and bank overdraft		(2,672,148)	(1,630,663)
Net (increase) in interest receivable on derivative financial instruments		382,712	(538,487)
Net increase/(decrease) in accrued expenses and other payables		(318,008)	(90,362)
Net increase in interest payable on derivative financial instruments		(168,786)	430,629
Net cash flows from / (used in) operating activities		**(15,230,841)**	**(4,890,951)**
CASH FLOWS FROM INVESTING ACTIVITES			
Loans disbursement		(33,563,562)	(59,581,058)
Proceeds from disposed loans		60,278,194	46,737,109
Interest received on loans to Partner Lending Institutions [(1)]		16,014,635	14,432,851
Net (increase)/decrease in receivables on loans to Partner Lending Institutions		(766,723)	1,199,185
Net cash flows from / (used in) investing activities		**41,962,544**	**2,788,087**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	20,000,000	200,000
Payments on redemption of shares	9	(14,489,800)	(5,200,000)
Proceeds from issue of notes		250,044	5,523,250
Payments on redemption of notes		(2,700,000)	(11,200,000)
Distribution paid to holders of redeemable shares	10, 13.3	(3,715,077)	(2,015,359)
Contribution paid to the technical assistance facility		(438,435)	(2,869) [(2)]
Investment Manager incentive bonus paid		(63,403)	(72,910)
Interest paid on notes	8	(2,783,186)	(2,972,285)
Net cash flows from / (used in) financing activities		**(3,939,857)**	**(15,740,173)**
Net increase / (decrease) in cash and cash equivalents		**22,791,846**	**(17,843,037)**
Cash and cash equivalents at the beginning of the year		**17,487,755**	**35,330,792**
Cash and cash equivalents at the end of the year		**40,279,601**	**17,487,755**

[(1)] The Fund has elected to classify the cash flows from interest received as investing activities, in the absence of specific guidance in IFRS Accounting Standards.

[(2)] Relates to a fee paid to a consultant for the technical assistance facility.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (CLASS A AND CLASS B) AND IN EQUITY (CLASS C)
For the year ended 31 December 2024

USD	Class A	Class B	Class C	Total
Balance as of 31 December 2022	**19,489,800**	**30,400,000**	**90,185,175**	**140,074,975**
Issuance of shares	-	200,000	-	200,000
Redemption of shares	(12,000,000)	(200,000)	-	(12,200,000)
FX compensation	-	-	38,181	38,181
Allocation of net income and capital gains and losses	1,274,431	2,440,646	(11,174,430)	(7,459,353)
Distribution to holders of redeemable Class A and Class B shares	(1,274,431)	(2,440,646)	-	(3,715,077)
Balance as of 31 December 2023	**7,489,800**	**30,400,000**	**79,048,926**	**116,938,726**
Issuance of shares	-	20,000,000	-	20,000,000
Redemption of shares	(7,489,800)	-	-	(7,489,800)
FX compensation	-	-	520,167	520,167
Allocation of net income and capital gains and losses	214,870	2,804,304	3,931,052	6,950,226
Distribution to holders of redeemable Class A and Class B shares	(214,870)	(2,804,304)	-	(3,019,174)
Balance as of 31 December 2024	**-**	**50,400,000**	**83,500,145**	**133,900,145**

Notes to the Financial Statements

As at 31 December 2024
(expressed in USD)

Note 1 – Description

1.1. Corporate information

Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF (the "Fund") is a closed-ended investment company with variable capital (*société d'investissement à capital variable)*, incorporated as a public limited company (*société anonyme*) on 1 December 2009, and organized under the laws of Luxembourg as a specialized investment fund (*fonds d'investissement spécialisé)*.

The Fund is registered pursuant the law of 13 February 2007 on specialized investment funds (the "SIF Law").

The Fund was set up for an unlimited duration.

The Fund's financial year starts on 1 January and ends 31 December of each year.

The Articles of Incorporation of the Fund ("Articles") were published in *Mémorial C, Recueil des Sociétés et Associations*. The Fund is registered with the Luxembourg Company Register under Number B 150.766.

The registered office of the Fund is established in Luxembourg, Grand Duchy of Luxembourg and its address is set at 31 z.a. Bourmicht, L-8070 Bertrange.

The mission of the Fund is to build a unique public private partnership between donors, development finance institutions and international finance institutions, private investors and African stakeholders to foster economic development and prosperity in Sub-Saharan Africa through the provision of demand-oriented financing to qualified and, to the extent necessary, technically supported Partner Lending Institutions ("PLIs") serving micro, small and medium sized enterprises ("MSMEs") and low and middle income households ("LMIHs").

The Fund is exempt from the scope of the Luxembourg Alternative Investment Fund Managers Law (the "AIFM Law") of 12 July 2013 pursuant to article 2(2) thereof. The exemption is based on the fact that more than 50% of the members of the Board as well as of the members of the Investment Committee, respectively, shall be representatives of proposed by Public Institutions that may be subsumed under the entities listed in article 2(2) of the AIFM Law.

1.2. Investment objectives

The Fund seeks to invest in a balanced portfolio of regulated and/or non-regulated micro finance institutions and/or local commercial banks and/or other financial institutions, established in Sub-Saharan African countries providing funding to MSMEs and LMIHs (each a PLI).

Note 2 – Summary of material accounting policies

2.1. Statement of compliance

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB as adopted by the European Union ("EU").

2.2. Basis of preparation

The financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the derivative financial instruments that have been measured at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the Board of Directors to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Board of Directors believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates and the differences may be material to the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Fund presents its statement of financial position in order of liquidity. An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 14.

Except as described below, the accounting policies used to prepare these financial statements are consistent with those applied for the year ended 31 December 2023.

In the context of these Financial Statements, the Net Asset Value was calculated as of 31 December 2024, the last business day of the year, in line with the Issue Document.

2.3. New IFRS standards or amendments and potential impacts

2.3.1. New and revised IFRS applied on the Financial Statements without material impact

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective for the Fund as of 1 January 2024. For the avoidance of doubt, only the new standards, amendments to standards and IFRIC which may have an effect on the Fund's financial statements are mentioned below:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

  This amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. It only affects the presentation of liabilities in the statement of financial position.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 2 – Summary of material accounting policies (continued)

2.3. New IFRS standards or amendments and potential impacts (continued)

2.3.1. New and revised IFRS applied on the Financial Statements without material impact (continued)

- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

  These amendments introduce new disclosure objectives for an entity to provide qualitative and quantitative information about its supplier finance arrangements that would enable to assess the effects of these arrangements on the entity's liabilities and cash flows, and the entity's exposure to liquidity risk.

These standards and amendments have no material impact on the Fund's financial position or performance.

2.3.2. Standards issued but not yet effective

The Fund has also decided not to early adopt the standards, amendments to standards and interpretations of the IFRIC which have been published but are not applicable for the year ending 31 December 2024. The Fund will adopt these standards on the date of their effective application and when they will be approved by the European Union. For the avoidance of doubt, only the standards, amendments to standards and IFRIC which may have an effect on the Fund's financial statements are mentioned below:

- Amendments to IAS 21: Lack of Exchangeability

  This amendment clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. It is effective for periods beginning on or after 1 January 2025 and is not expected to have impact on the Fund's financial position or performance.

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

  These amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. They are effective for periods beginning on or after 1 January 2026 and are not expected to have impact on the Fund's financial position or performance.

- Annual Improvements - volume 11

  It contains amendments to the five following standards, is effective for periods beginning on or after 1 January 2026 and is not expected to have impact on the Fund's financial position or performance.
  IFRS 1 First-time Adoption of International Financial Reporting Standards
  IFRS 7 Financial Instruments: Disclosures
  IFRS 9 Financial Instruments
  IFRS 10 Consolidated Financial Statements
  IAS 7 Statement of Cash Flows

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 2 – Summary of material accounting policies (continued)

2.3. New IFRS standards or amendments and potential impacts (continued)

2.3.2. Standards issued but not yet effective (continued)

- IFRS 18: Presentation and Disclosure in Financial Statements

  IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements and will replace IAS 1 Presentation of Financial Statements. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, particularly those related to the income statement. It also makes management-defined performance measures part of the audited financial statements for the first time. It is effective for periods beginning on or after 1 January 2027.

2.4. Foreign currency translation

2.4.1. Functional currency
The functional currency is the currency of the primary economic environment in which the Fund operates. The Fund's majority of returns are US Dollar (USD) based, the capital is raised in USD and the performance is evaluated and its liquidity is managed in USD. Therefore, the Fund concludes that the USD is its functional currency.

The Fund's presentation currency is the USD.

2.4.2. Transactions and balances
Foreign currency transactions are translated, in accordance with IAS 21, at the exchange rate prevailing on the date of the transaction.

Assets and liabilities denominated in currencies other than in USD are translated into USD at the exchange rate prevailing at the reporting date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in the statement of comprehensive income.

2.5. Financial instruments

2.5.1. Classification of financial assets
The Fund classifies its financial assets as measured at amortized cost or at fair value through profit or loss ("FVPL") on the basis of:

- The business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets.

Note 2 – Summary of material accounting policies (continued)

2.5. Financial instruments (continued)

2.5.1. Classification of financial assets (continued)

Financial assets measured at amortized cost

A debt instrument is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category the loans to Partner Lending Institutions (PLIs), interest receivable on loans, other receivables, cash and cash equivalents.

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Fund considers in this category equity instruments. It also includes derivative financial instruments in an asset position, when the fair value is positive.

2.5.2. Classification of financial liabilities

The Fund classifies its financial liabilities as measured at amortized cost or measured at FVPL.

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading. The Fund includes in the category derivative financial instruments in a liability position, when the fair value is negative.

Financial liabilities measured at amortized cost

This category includes all financial liabilities other than those measured at FVPL. The Fund includes in this category accrued expenses, other payables, contributions to the technical assistance facility, notes issued, distributions to holders of redeemable shares and net assets attributable to holders of redeemable shares.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 2 – Summary of material accounting policies (continued)

2.5. Financial instruments (continued)

2.5.3. Recognition

The Fund recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset. Loans to PLIs are recognized when cash is advanced to the PLIs.

2.5.4. Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognized directly in the statement of comprehensive income. Loans to PLIs are recognized net of upfront fees.

Financial assets and liabilities, other than those classified as at FVPL, are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Loans to PLIs are measured initially at the net disbursed amount which is the fair value of the cash given to originate the loan, including any transaction costs that are directly attributable to the acquisition or issue.

2.5.5. Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at FVPL at fair value.

Subsequent changes in the fair value of those financial instruments are recorded in 'Net change in unrealised gain/(loss) on derivative financial instruments' in the statement of comprehensive income.

Financial assets in the form of debt instruments are measured at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the debt instruments are derecognized or impaired, as well as through the amortization process.

Financial liabilities, other than those classified as at FVPL, are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating and recognizing the interest income or interest expense in profit or loss over the relevant period.

Note 2 – Summary of material accounting policies (continued)

2.5. Financial instruments (continued)

2.5.5. Subsequent measurement (continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortized cost of the financial liability.

When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Upfront fees on loans to PLIs are amortized over the life of the underlying instrument under the effective interest rate method.

2.5.6. De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is de-recognized where the rights to receive cash flows from the asset have expired, or the Fund has transferred substantially all of the risks and rewards of the asset.

The Fund de-recognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

2.5.7. Impairment of financial assets measured at amortized cost

The Fund assesses on a forward-looking basis the expected credit losses associated with the debt instruments measured at amortized cost, including loans to PLIs.

The impairment model applies to all financial assets measured at amortized cost and requires the recognition of loans loss allowance based on expected credit losses (ECL).

At each reporting date, the Fund shall measure the loss allowance on loans to PLIs and other financial assets measured at amortized cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

The Fund measures credit risk and expected credit losses using probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). The directors consider both historical analysis and forward looking information in determining any expected credit loss based on the models used.

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 2 – Summary of material accounting policies (continued)

2.5. Financial instruments (continued)

2.5.7. Impairment of financial assets measured at amortized cost (continued)
If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. Regardless of the change in credit rates, if any contractual payment is more than 30 days past due or a counterparty credit rating which has fallen below the lowest rating of the “Investment Grade” category. Any contractual payment which is more than 90 days past due is considered credit impaired. The ECLs are calculated on an individual basis.

2.6. Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily fixed rate to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Cash collateral held from hedging counterparties is recognised under in ‘Cash collateral with brokers‘, respectively under assets and/or liabilities.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of cash collateral held with brokers and bank overdraft.

2.7. Derivative financial instruments
The Fund may engage, for a proportion of its portfolio which is invested in a currency other than USD, in currency hedging operations with a view to manage exposures to foreign currency risk. These hedging operations are assimilated as economic hedging. The Fund does not apply hedge accounting and the derivative financial instruments are classified as held for trading.

2.8. Notes issued
Notes issued are recognized initially at fair value including any transaction costs that are directly attributable to their acquisition or issue. Subsequently, they are measured at amortized cost using the effective interest rate method. If redemption is expected in one year or less, notes issued are considered as current liabilities.

2.9. Shares issued

2.9.1. Class A and Class B shares
The Class A and Class B shares are redeemable at the maturity of the relevant tranches of classes of shares and are classified as financial liabilities. The liabilities arising from these shares are carried at the redemption amount being the net asset value calculated in accordance with the Issue Document.

Note 2 – Summary of material accounting policies (continued)

2.9. Shares issued (continued)

2.9.2. Class C shares

The Class C shares are classified as equity instruments for the following reasons:

- the shares entitle the holder to a pro rata share of the Fund’s net assets in the event of the Fund’s liquidation;
- the shares are in the class of instruments that is subordinate to all other classes of instruments;
- all shares in the class of instruments that is subordinate to all other classes of instrument have identical features;
- the shares do not include any contractual obligation to deliver cash or another financial asset other than the holder’s rights to a pro rata share of the Fund’s net assets;
- the total expected cash flows attributable to the shares over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

The net allocation of income and capital gains and losses on Class C shares are accounted for as an increase or a decrease of retained earnings. The Fund continuously assesses the classification of Class C shares. If Class C shares cease to have all the features, or meet all the conditions as set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification.

2.10. Interest income and expenses

Interest income and expenses are recognized in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

2.11. Expenses

Expenses, including management fees and direct operating expenses, are recognized in the statement of comprehensive income on an accrual basis.

2.12. Taxation

The Fund is not subject to any tax. In accordance with the “Règlement grand-ducal” dated 14 July 2010, the Fund is exempted from the subscription tax since 23 May 2011.

PLIs may be subject to withholding tax payable on the interest expense made to the Fund. However, the responsibility of such withholding tax payment lies with the PLIs at local level and has thus no impact to the financial statements of the Fund.

Note 3 – Material accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

3.1. Classification of debt instruments

IFRS 9 requires that the classification of debt instruments is determined based on the business models that the Fund has in place for managing those assets.
There are three business models available under IFRS 9:

- "Hold to collect" model;
- "Hold to collect and sell" model;
- Models that do not meet the criteria of either "Hold to collect" or "Hold to collect and sell".

The Board of Directors, upon recommendation of the Investment Manager, determines the business model based on relevant evidence including quantitative factors (e.g., the expected frequency and volume of sales) and qualitative factors such as :

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to key management personnel;
- the risks that affect the performance of the business model and the financial assets held within that business model, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

For those assets that are not held for trading or managed on a fair value basis, such as the loans to PLIs, a further assessment has been undertaken of the contractual cash flows that were in place at the time of their origination to determine if they are consistent with those of a basic lending arrangement. That is, whether they have cash flows that are solely payments of principal and interest (SPPI). Where the cash flows are consistent with SPPI, assets are classified at amortized cost or at fair value through other comprehensive income (FVOCI).

As the debt instruments of the Fund have SPPI characteristics and are held within a business model whose objective is to hold them to collect contractual cash flows ("Hold to collect" model), the Directors concluded that the debt portfolio meets the conditions to be classified at amortized cost.

The Fund does not hold any instruments classified as FVOCI as of the date of this report.

Note 3 – Material accounting judgements, estimates and assumptions (continued)

3.2. Impairment losses on debt instruments

Expected credit losses ("ECL") are determined for debt instruments that are classified at amortized cost.

The measurement of impairment losses under IFRS 9 requires judgement, in particular the estimation of the amount and timing of future cash flows and collateral values when determining losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions. The significant judgements and estimates in determining ECL include:

- the Fund's criteria for assessing if there has been a significant increase in credit risk; and
- the development of ECL models, including the choice of inputs that will reflect the macroeconomic context and risks prevalent in the countries of operation such as inflation, public debt levels, GDP growth, and exchange rate volatility.

In determining ECL, the directors are required to exercise judgement in defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. The motivation for an increase in credit risk relies in elements that include negative repayment behavior, degradation of financial performance and asset quality and a deteriorating macroeconomic risk context. The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience.

The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and very sensitive to the risk factors, in particular to changes in economic and credit conditions across a number of sectors and geographical areas.

A sensitivity analysis was performed on the ECL model to determine the impact of higher risk in the portfolio on the level of provisions of the Fund. The analysis was conducted assuming that 1) the countries of operations of the investees suffer a deterioration, and 2) the investees' operations are affected.

1. Assuming that macroeconomic shocks affect countries of operation of investees (i.e. slowdown or negative economic growth in countries), we modeled two shocks and their interaction:
    a. A single shock on the country ratings of all the countries in the portfolio of the Fund. A one-notch downgrade in each country's risk rating in the portfolio has an impact on the PD of the investees as a result of worsening macroeconomic conditions in their countries of operations. While this shock does not affect the Stage of PLIs, the ECL has a small increase of USD 300 thousand.

Note 3 – Material accounting judgements, estimates and assumptions (continued)

3.2. Impairment losses on debt instruments (continued)

b. Increase in risk perception under the assessment of the Investment Manager. All countries were downgraded on the country Watch List of the Investment Manager one level. If the risk was "none", the risk was moved to "low", if the risk was "low", then it was moved to "medium", and if the risk was "medium", it was moved to "high". For countries classified as "high" risk, no further changes were made as "high" is the highest risk level. Changes in the country risk classification to "high" risk trigger a move of PLIs to Stage 2. Hence, after entering this shock, about 40% of the LP in Stage 1 was moved to Stage 2 affecting the PD of those loans. No other moves in Stages were registered. The total increase in ECL was USD 2.3 million.
c. The interaction of both shocks (a + b) was modeled, which meant that all countries had a one-notch downgrade in their credit rating and were moved one level to a higher risk classification based on the Watch List. The result was a shift of USD 35.6 million of Stage 1 loans into Stage 2 and higher PDs with a net increase in the ECL of the Fund by USD 2.6 million.

2. Two shocks were modeled concerning the declining performance of PLIs and higher risk perception, which are the following.
   a. The first assumption is that investees' general performance deteriorates resulting in a one-notch downgrade in their credit risk rating. This shock affects both the PD of investees and triggers moves from Stage 1 to Stage 2 and from Stage 2 to Stage 3. The outcome of downgrading the rating of the entire portfolio by one notch is that about 50% of Stage 1 loans are moved to Stage 2 and a small increase of exposure in Stage 3 loans by 2%. The ECL grows by USD 3.6 million to USD 18.5 million, up from USD 14.9 million.
   b. The second shock modeled was a decay in the risk perception of investees based on the MFI Watch List of the Investment Manager. The degradation in the Watch List results in moves from "none" risk to "low" risk. For PLIs in the "low" risk category, the move would signify a change to "medium" risk. For "medium" risk PLIs, the change would be to "high" risk while for "high" risk PLIs, they would be moved to "high risk-workout". Hence, this shock generates moves to Stage 2 and Stage 3 along with higher PDs. The result is a move of about 2/3 of the portfolio in Stage 1 to Stage 2. An increase of Stage 3 exposure by 43% and a higher ECL of USD 5.9 million.

To better understand the dynamic of the elements of the ECL model, the impact of lower risk in the portfolio was also modeled with the following results:

1. Improvement of macroeconomic conditions in the countries of operations of the PLIs in the portfolio that ease the risk perception and move all the risk classifications of countries one level down (i.e. from "high" risk to "medium" risk). Therefore, no countries are classified as "high" risk anymore, and moves of PLIs to Stage 2 due to "high" country risk classifications are reversed. Therefore, the Stage 1 loan exposure increases by 21% and no changes are recorded in the Stage 3 exposure. The effect on the ECL is a decrease of USD 2.1 million.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 3 – Material accounting judgements, estimates and assumptions (continued)

3.2. Impairment losses on debt instruments (continued)

2. Assuming better financial performance of PLIs and lower risk perception reflected in a better risk level in the MFI Watch List. All PLIs' risk classifications are moved one level down (i.e. from "high" risk to "medium" risk) but for the cases in which they are "high workout", they are moved to "high" risk only if they are not classified as Stage 3 due to their credit rating and/or payment delays. Stage 2 exposure decreases by 16% and Stage 3 by 5%. The effect on ECL is marginal, as it improves by USD 200 thousand, driven mainly by the lower Stage 3 exposure.

The ECL calculations of the Fund for Q4 2024 incorporate an adjustment to the calculation methodology of the LGD of subordinated loans. This change was introduced to differentiate the higher LGD expected from subordinated loans, which is particularly relevant when one investee receives both types of loans (senior and subordinated) from the Fund. The methodology aims to reflect the risk more accurately in the portfolio. Due to this adjustment, the ECL in Q4-2024 was USD 229 thousand higher than without it as a result of adjustments in the LGD of two subordinated loans.

3.3. Fair value of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Where the fair values of financial instruments cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models.

The input to these models is taken from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The determination of the adequate valuation method and of underlying assumptions requires significant estimation.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 3 – Material accounting judgements, estimates and assumptions (continued)

3.3. Fair value of financial instruments (continued)

The fair value of loans is calculated by using valuation techniques based on non-observable data in emerging markets and corresponds to level 3 of IFRS 13 fair value hierarchy. The estimated fair value of loans is based on a discounted cash flow model taking into account the impact from the evolution of (1) foreign exchange rates, (2) changes in local risk-free yield curves (i.e. T-bills and T-bonds) and (3) changes in the internal credit rating on each loan since disbursement date. The impact from the evolution of (1) foreign exchange rates and (2) changes in local yield curves (i.e. T-bills and T-bonds) is estimated based on the valuation of derivatives provided by the Fund's hedge counterparties. Individual discount rates for each loan are based on an estimation of the average reference rate during the remaining lifetime of each loan and a market-based margin taking into account changes in country risk, credit risk, institutional status (bank, non-bank financial institution, cooperative, NGO) and remaining maturity since the disbursement date of each loan.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 4 – Loans to Partner Lending Institutions

As at 31 December 2024 and 31 December 2023, the gross value, the carrying value and the details of interests on loans to Partner Lending Institutions were of:

	31 December 2024	**31 December 2023**
Loans to PLIs	149,790,162	176,232,106
Loans loss allowance	(14,940,386)	(21,154,624)
Carrying value of loans to PLIs (excluding interests)	**134,849,776**	**155,077,482**
Accrued interests	2,442,836	3,154,128
Interests receivable	1,853,244	3,076,407
Interest loss allowance	(1,554,424)	(3,142,729)
Carrying value of loans to PLIs (including interests)	**137,591,432**	**158,165,288**
Fair value of loans to PLIs	**141,970,011**	**165,358,262**

As at 31 December 2024, the total amount of interest receivable on loans to Partner Lending Institutions amounted to USD 4,296,080 (31 December 2023: USD 6,230,535).

Movements in the accumulated impairment losses on loans to PLIs were as follows:

	31 December 2024	**31 December 2023**
Cumulated loans loss allowance as at opening	**21,154,624**	**8,371,277**
Additional/(reversal) of impairment losses recognised during the year	(696,595)	13,350,314
Amount written off during the year as uncollectible	(5,517,643)	(566,967)
Cumulated loans loss allowance as at closing	**14,940,386**	**21,154,624**

As at 31 December 2024, the portion of gross loans to PLIs falling due within one year amounts to USD 69.6 million (31 December 2023: USD 62.2 million).

For the year ended 31 December 2024, the net reversal of loans loss allowance amounted to USD 7,802,543 (year ended 31 December 2023: net contribution of USD 14,046,274).

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 4 – Loans to Partner Lending Institutions (continued)

The table hereafter shows the credit quality and maximum exposure to credit risk based on the Fund’s internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Credit Rating	Stage 1	Stage 2	Stage 3	Carrying Value 31 December 2024
A+	9,940,982	-	-	9,940,982
A	14,578,975	-	-	14,578,975
BBB+	2,230,072	9,957,424	-	12,187,496
BBB	10,872,689	-	-	10,872,689
BBB-	23,795,416	14,200,140	-	37,995,556
BB+	13,266,926	5,109,356	-	18,376,282
BB	5,776,533	11,727,884	-	17,504,417
BB-	6,011,653	5,867,776	-	11,879,429
B+	-	-	683,289	683,289
B	-	-	979,946	979,946
B-	-	-	993,091	993,091
C	-	-	9,486,448	9,486,448
D	-	-	1,727,482	1,727,482
Unrated	2,584,080	-	-	2,584,080
Grand Total	**89,057,326**	**46,862,580**	**13,870,256**	**149,790,162**

Credit Rating	Stage 1	Stage 2	Stage 3	Carrying Value 31 December 2023
A+	9,931,001	-	-	9,931,001
A	17,368,829	-	-	17,368,829
BBB+	6,264,943	11,578,835	-	17,843,778
BBB	11,503,161	-	-	11,503,161
BBB-	22,961,292	20,746,833	-	43,708,125
BB+	12,842,866	1,378,605	-	14,221,471
BB	9,912,269	15,013,882	-	24,926,151
BB-	4,625,983	3,085,678	-	7,711,661
B+	497,585	-	2,600,706	3,098,291
B	-	-	10,459,852	10,459,852
B-	-	-	5,233,652	5,233,652
D	-	-	7,882,344	7,882,344
Unrated	2,343,790	-	-	2,343,790
Grand Total	**98,251,719**	**51,803,833**	**26,176,554**	**176,232,106**

An analysis of changes in the gross carrying amount is as follows:

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	98,251,719	51,803,833	26,176,554	176,232,106
New assets purchased	27,387,558	4,880,994	979,946	33,248,498
Assets derecognized or matured*	(24,721,239)	(21,682,959)	(7,768,601)	(54,172,799)
Transfers to Stage 1	4,130,690	(4,130,690)	-	-
Transfers to Stage 2	(15,991,402)	15,991,402	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	(5,517,643)	(5,517,643)
At 31 December 2024	**89,057,326**	**46,862,580**	**13,870,256**	**149,790,162**

* excluding write-offs

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 4 – Loans to Partner Lending Institutions (continued)

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	136,001,554	20,567,749	6,884,569	163,453,872
New assets purchased	38,239,403	20,160,512	700,619	59,100,534
Assets derecognized or matured*	(37,286,494)	(5,150,964)	(3,317,875)	(45,755,333)
Transfers to Stage 1	497,585	(497,585)	-	-
Transfers to Stage 2	(26,139,771)	26,139,771	-	-
Transfers to Stage 3	(13,060,558)	(9,415,650)	22,476,208	-
Amounts written off	-	-	(566,967)	(566,967)
At 31 December 2023	**98,251,719**	**51,803,833**	**26,176,554**	**176,232,106**

* excluding write-offs

An analysis of changes in the corresponding ECLs is as follows:

ECLs	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	1,776,531	6,909,987	12,468,106	21,154,624
New assets purchased	1,070,146	665,803	318,474	2,054,423
Assets derecognized or matured*	(140,018)	(1,466,037)	(291,813)	(1,897,868)
Transfers to Stage 1	413,539	(413,539)	-	-
Transfers to Stage 2	(758,575)	758,575	-	-
Transfers to Stage 3	-	-	-	-
Changes in credit risk on assets transferred between stages during the year	(279,245)	(7,906)	-	(287,151)
Other changes in credit risk, not triggering a transfer between stages	135,729	(1,772,384)	1,070,656	(565,999)
Amounts written off	-	-	(5,517,643)	(5,517,643)
At 31 December 2024	**2,218,107**	**4,674,499**	**8,047,780**	**14,940,386**

ECLs	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2023	2,767,588	901,888	4,701,801	8,371,277
New assets purchased	926,430	2,023,846	564,522	3,514,798
Assets derecognized or matured*	(503,911)	(100,436)	(787,854)	(1,392,201)
Transfers to Stage 1	52,396	(52,396)	-	-
Transfers to Stage 2	(966,126)	966,126	-	-
Transfers to Stage 3	(628,843)	(338,832)	967,675	-
Changes in credit risk on assets transferred between stages during the year	(17,701)	3,738,653	8,256,241	11,977,193
Other changes in credit risk, not triggering a transfer between stages	146,698	(228,862)	(667,312)	(749,476)
Amounts written off	-	-	(566,967)	(566,967)
At 31 December 2023	**1,776,531**	**6,909,987**	**12,468,106**	**21,154,624**

* excluding write-offs

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 5 – Equity shares at fair value through profit or loss

As a result of a restructuring agreement of a Kenyan investee, signed in December 2021, the loan amount that the Fund had before the restructuring agreement remained the same but was split into two loans, one senior loan (which was restructured again in 2022) and one subordinated loan (denominated "Preference shares" in the restructuring agreement). The restructured loan agreement constituted a substantial modification of the original agreement and, therefore, the Fund derecognized the original loans and recognized new loans. As part of this restructuring agreement, the Fund was also assigned ordinary shares. The share allotment was finalized in July 2022 when the Fund was formally registered as a shareholder.

In December 2023, the ordinary shares (1,301,597) were accounted with zero value for the Fund. Two different methodologies were used to determine the nil valuation of the equity position considering the challenging situation of the institution.

1. Cost of investment: The issued equity was ceded to the Fund at no cost (as a result of other lenders accepting a haircut on their loans to the institution in exchange for repayment of their exposure).
2. Discounted cashflows: the company remains in the first stages of a turnaround, it is loss-making, and had to restructure the outstanding loans due in 2022, hence the outlook is that it will not be paying any dividends for at least the coming 5 years.

On 30 August 2024, a new term sheet was agreed between lenders, including REGMIFA, the Kenyan investee, and a new investor due to the willingness of the investor to acquire the Kenyan microfinance institution. As a result, the Fund was offered the repayment of a percentage of the senior debt outstanding, accrued interests of senior loans until 30 September 2024, and an ordinary share consideration, in exchange for the Ordinary and Preference Shares in the institution. In September 2024, the agreement for the share sale and purchase was finalized and conditions for the sale were fulfilled. The facilities termination agreement was signed in November 2024 and it involved the full write-off of the subordinated loan and partial write-off of senior loans. Therefore, at the end of December 2024, no more loans nor shares linked to the Kenyan investee are part of the financials of the Fund as all the positions were either settled or written off resulting in the Fund not holding any equity positions anymore.

Note 6 – Derivatives financial instruments

As a part of its asset and liability management, the Fund uses forward foreign exchange contracts and cross currency swaps for a proportion of its loan portfolio which is invested in currencies other than USD in order to simultaneously reduce its exposure to foreign exchange risk.

To expand the Fund's outreach, the Fund launched an open currency strategy in 2023 to support local currency lending to investees operating with XOF, XAF, UGX, and MGA. This strategy aligns with the risk limits and appetite outlined in the Fund's Issue Document. During the period ended 31 December 2024, no new unhedged investments have been disbursed.

Note 6 – Derivatives financial instruments (continued)

The notional amounts of certain types of derivative financial instrument (e.g. futures, swaps and forward contracts) provide a basis for comparison with instruments recognized on the statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and therefore do not indicate the Fund's exposure to credit or market price risk. These derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market prices, market interest rates or foreign exchange rates relative to their terms.

The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable, and thus the aggregate fair value of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair values of forward foreign exchange contracts and cross currency swaps are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles and so involved valuation techniques where all the model inputs are observable (either directly or indirectly) in the market. It corresponds to level 2 of the IFRS 13 fair value hierarchy. The Fund does not apply hedge accounting and therefore the fair value of such derivative financial instruments might result in a mismatch with the value of the related financial assets recognized at amortized cost. This effect is unrealized and temporary.

During the years ended 31 December 2024 and 2023, there were no transfers between level 1 and level 2 fair value measurements.

As at 31 December 2024, financial assets and liabilities at fair value through profit or loss are composed as follows:

- the fair value of forward foreign exchange contracts amounted to a net asset value of USD 204,759, only composed of positive fair value, booked in "Derivative financial instruments" on assets side (31 December 2023: only negative fair value of USD 73,481);
- the fair value of swaps amounted to a net asset value of USD 800,539 composed of USD 4,867,405 of positive fair value and USD 4,066,866 of negative fair value, respectively booked in "Derivative financial instruments" on assets side and liabilities side (31 December 2023: positive fair value of USD 5,893,748 and negative fair value of USD 3,904,069). As at 31 December 2024, the Fund holds 55 cross currency swaps (31 December 2023: 63) with notional amount of USD 116.4 million (31 December 2023: USD 129.4 million).

For the year ended 31 December 2024, the net change in unrealised loss on derivative financial instruments amounted to USD 910,900 (year ended 31 December 2023: the net change in unrealised loss of USD 1,770,736).

Note 7 – Receivables on loans

As at 31 December 2024, receivables on loans of USD 1,435,648 (31 December 2022: USD 668,925) correspond to the total amount of 3 loans that matured in December 2024 but for which receipt of cash payment was still outstanding as at 31 December 2024.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 8 – Notes issued

The Fund may, from time to time, issue notes in the form of subordinated notes ("Subordinated Notes") and senior notes ("Senior Notes") (together the "Notes").

The Notes may be issued in successive series, each with its own duration and coupon determined at the discretion of the Board of Directors at the time the relevant series of Notes is being placed:

- The entitlements of holders of Senior Notes to receive interest payments and repayments of principal rank junior to other creditors of the Fund but senior to Shareholders payment entitlements and senior to payment entitlements of holders of Subordinated Notes.
- The entitlements of holders of Subordinated Notes to receive interest payments and principal repayments rank junior to other creditors of the Fund and junior to all payment entitlements of holders of Senior Notes but senior to Shareholders payment entitlements.

As at 31 December 2024, the Notes issued by the Fund (including accrued interests) amount to USD 46.1 million (31 December 2023: USD 52.0 million) and are fully drawn. The portion of Notes issued having a maturity within one year is considered as current liabilities and amounts to USD 8.9 million (31 December 2023: USD 8.9 million).

For the year ended 31 December 2024, the Notes generated interest for a total amount of USD 2,783,186 (for the year ended 31 December 2023: USD 2,972,285). As at 31 December 2024, interests payable amounted to USD 24,074 (31 December 2023: USD 695,634) and have a maturity of less than one year.

Note 9 – Share capital and net assets attributable to holders of redeemable Class A and Class B shares

The Fund may issue various classes of shares (each a "Class"), each evidencing a different level of risk.

- The first loss Class C shares ("Class C Shares"), which may be issued in successive series, bear all unrealized/realized capital losses of the Fund (e.g. foreign exchange loss, deterioration in credit quality or defaults with respect to the investments of the Fund) until the Net Asset Value ("NAV") of Class C Shares has been fully depleted. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class C Shares in the order of priority as detailed in Note 12. The Class C Shareholders' dividend entitlements rank junior to the dividend entitlements of the Class A and Class B Shareholders as per the waterfall model detailed in Note 12. The NAV of all C Shares must represent at least 33% of the total assets of the Fund at all times.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 9 – Share capital and net assets attributable to holders of redeemable Class A and Class B shares (continued)

- The mezzanine Class B shares ("Class B Shares"), which may be issued in successive series, bear unrealized/realized capital losses of the Fund only if the NAV of the Class C Shares has been reduced to zero. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class B Shares in the order of priority as detailed in Note 12. The Class B Shareholders' dividend entitlements rank senior to the dividend entitlements of the Class C Shareholders but junior to the dividend entitlements of the Class A Shareholders as per the waterfall model detailed in Note 12. The sum of the NAVs of the C Shares and the B Shares must represent at least 50% of the total assets of the Fund at all times.

- The senior Class A shares ("Class A Shares"), which may be issued in successive series, are insulated against unrealized/realized capital losses of the Fund, bearing such losses only if the NAV of both the Class C Shares and the Class B Shares has been reduced to zero. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class A Shares in the order of priority as detailed in Note 12. The Class A Shareholders' dividend entitlements rank senior to the dividend entitlements of the Class B and Class C Shareholders as per the waterfall model detailed in Note 12.

As at 31 December 2024, the outstanding and uncalled commitments were as follows:

As at 31 December 2024	Senior Class A Shares in USD	Mezzanine Class B Shares in USD	First Loss Class C Shares in USD
Total outstanding commitment (USD)	-	50,400,000	-
Total outstanding commitment (EUR)*	-	-	83,500,145
Amount called (USD)	-	(50,400,000)	-
Amount called (EUR)*	-	-	(83,500,145)
Uncalled commitment (USD)	**-**	**-**	**-**
Uncalled commitment (EUR)*	**-**	**-**	**-**

* Called commitment amounts denominated in EUR are translated into USD at the exchange rate prevailing as of the subscription date. Uncalled commitment amounts denominated in EUR are translated into USD at the exchange rate prevailing as of the statement of financial position date.

For the year ended 31 December 2024, a total amount of USD 7,489,800 was redeemed in A-Shares (including USD 1,489,800 of A-Shares matured on the last business day of the year 2023 and posted in 2024 accounting period) and a total amount of USD 20,000,000 was subscribed in B-Shares.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 9 – Share capital and net assets attributable to holders of redeemable Class A and Class B shares (continued)

As at 31 December 2023, the outstanding and uncalled commitments were as follows:

As at 31 December 2023	Senior Class A Shares in USD	Mezzanine Class B Shares in USD	First Loss Class C Shares in USD
Total outstanding commitment (USD)	6,000,000	30,400,000	-
Total outstanding commitment (EUR)*	1,489,800	-	79,048,926
Amount called (USD)	(6,000,000)	(30,400,000)	-
Amount called (EUR)*	(1,489,800)	-	(79,048,926)
Uncalled commitment (USD)	**-**	**-**	**-**
Uncalled commitment (EUR)*	**-**	**-**	**-**

* Called commitment amounts denominated in EUR are translated into USD at the exchange rate prevailing as of the subscription date. Uncalled commitment amounts denominated in EUR are translated into USD at the exchange rate prevailing as of the statement of financial position date.

For the year ended 31 December 2023, a total amount of USD 12,000,000 was redeemed in A-Shares and a transfer of USD 200,000 occurred between B-Shares. In addition, another USD 1,489,800 of A-Shares matured on the last business day of the year 2023 and was posted to the next accounting period.

The total outstanding commitment amounts presented above may decrease from one year to another following either the redemption of certain tranches of Class A and Class B shares or the maturity of the uncalled commitment, therefore considered as no longer outstanding.

Note 10 – Reconciliation of financial liabilities

	1 January 2024	Cash flows	Non-cash flows	31 December 2024
Bank overdraft	-	148	-	148
Contribution payable to the technical assistance facility	438,435	(438,435)	1,107,092	1,107,092
Distribution payable to holders of redeemable shares	3,715,077	(3,715,077)	3,019,174	3,019,174
Notes	52,031,590	(2,449,956)	(3,437,560)	46,144,074
Net assets attributable to:				
- holders of redeemable Class A shares	7,489,800	(7,489,800)	-	-
- holders of redeemable Class B shares	30,400,000	20,000,000	-	50,400,000

	1 January 2023	Cash flows	Non-cash flows	31 December 2023
Cash collateral with brokers	1,866,964	(1,866,964)	-	-
Contribution payable to the technical assistance facility	441,304	(2,869) *	-	438,435
Distribution payable to holders of redeemable shares	2,015,359	(2,015,359)	3,715,077	3,715,077
Notes	56,074,887	(5,676,750)	1,633,453	52,031,590
Net assets attributable to:				
- holders of redeemable Class A shares	19,489,800	(12,000,000)	-	7,489,800
- holders of redeemable Class B shares	30,400,000	-	-	30,400,000

* Relates to a fee paid to a consultant for the technical assistance facility.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 11 – Expenses

11.1. Fund management fees

In consideration for its services to be provided to the Fund, the Investment Manager is entitled to a management fee payable by the Fund which shall be the aggregate of:

(i) a percentage of the outstanding capital invested by the Fund ("Invested Capital") in PLI Investments as at the end of any calendar month determined as follows:

- 2% per annum for the first USD 50 million of Invested Capital invested in PLI Investments at the end of such calendar month; plus
- 1.75% per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 50 million up to the amount of USD 100 million; plus
- 1.50% per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 100 million up to the amount of USD 200 million; plus
- 1.25% per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 200 million.

(ii) 0.2% per annum of the amount of Invested Capital invested in Investments other than PLI investments at the end of such calendar month.

The Fund management fee amounted to USD 3,062,271 for the year ended 31 December 2024 (year ended 31 December 2023: USD 3,206,112).

11.2. Investment Manager incentive bonus

Depending on the performance of the Fund and the attainment of certain performance targets by each Class of Shares determined by the Board of Directors (as detailed in the waterfall allocation, Note 13.3), the Investment Manager might be entitled to additional performance-based remuneration (namely "Investment Manager incentive bonus"), calculated as a percentage of the year-to-date amount remaining available for allocation of the Income Waterfall, as defined in Note 12.

The Investment Manager incentive bonus amounts to a total of USD 166,064 for the year ended 31 December 2024 (year ended 31 December 2023: USD 87,706, composed of USD 24,303 related to year 2022 and of USD 63,403, being the allocation for the year ended 31 December 2023).

Notes to the Financial Statements (continued)

As at 31 December 2024
(expressed in USD)

Note 11 – Expenses (continued)

11.3. Direct operating expenses

The direct operating expenses are as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
AML fees	29,136	38,086
Audit fees*	142,078	120,228
BoD and IC travel and ad-hoc costs	50,798	34,773
Clearing and hedging fees	24,000	7,859
Consultant and tax advisory fees	10,193	28,096
Directors and commitees members fees	111,508	119,266
General secretary fees	244,900	221,357
Insurance fees	17,625	18,068
Legal fees	8,333	7,622
Marketing and promotion expenses	38,074	39,151
Other operating expenses	34,315	24,763
Regulatory fees	5,144	5,087
Research fees**	23,491	33,463
Workout cases fees***	12,000	579
Total	**751,595**	**698,398**

* the increase in audit fees in 2024 is due to the reclassification of certain fees (formerly reported under 'Other operating expenses' and 'AML fees' in 2023) to 'Audit fees.'
** encompass end borrowers' impact studies and participation in a Microfinance Index
*** correspond to legal and consultant fees engaged in the effort to recover defaulted loans

Secretary fees

The secretary fees are paid on a monthly basis upon receipt of the invoice.
For the year ended 31 December 2024, the secretary fees amount to USD 244,900 (year ended 31 December 2023: USD 221,357).

Administration, custodian and domiciliation fees

Citibank Europe plc, Luxembourg Branch has been appointed as administrative, registrar and transfer agent of the Fund ("Administrative Agent"), as well as as domiciliary and corporate agent, pursuant to a fund administration services agreement dated 1 March 2022. The Administrative Agent may delegate under the control and responsibility of the Fund a part or all of its duties to one or more third parties.

The Administrative Agent's fees are charged to the Fund in conformity with the agreement and shall not exceed 0.10 per cent per annum (excluding VAT) of the gross asset value.

Citibank Europe plc, Luxembourg Branch has been appointed custodian of the assets of the Fund and as the paying agent of the Fund ("Custodian"), pursuant to a custodian and paying agent services agreement dated 1 March 2022, as amended from time to time.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 11 – Expenses (continued)

11.3. Direct operating expenses (continued)

The fees to be paid by the Fund to the Custodian as compensation for the execution of its duties shall not exceed 0.03 per cent per annum (excluding VAT) of the net asset value and the aggregate issue amounts of the Notes issued by the Fund and subscribed by Noteholders from time to time, subject to an annual minimum fee of USD 60,000 (excluding VAT). In addition, the Custodian is entitled to the following fees on a transaction basis: (i) USD 100 per transaction for loan agreements and promissory notes; (ii) USD 40 for FX instructions ; (iii) USD 10 for cash payments ; (iv) USD 75 per time deposit instruction.

Administration, custodian and domiciliation fees for the year ended 31 December 2024 amount to USD 223,773 (year ended 31 December 2023: USD 233,144).

11.4. Accrued expenses

As at 31 December 2024, the accrued expenses mainly relate to Fund management fees and direct operating expenses and amount to USD 888,140 (31 December 2023: USD 952,009).

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 12 – Allocation and distribution waterfalls

At each date on which a net asset value ("NAV") calculation is made ("NAV Calculation Date"), the year-to-date cumulative net income ("Net Income") of the Fund for the relevant calendar year is determined. The Net Income equals the sum of (i) the Fund's cumulative year-to-date income (received and/or accrued) in the relevant calendar year less the year-to-date cumulative Fund Expenses (including, but not limited to, direct operating expenses and Fund management fees) for the calendar year, plus (ii) any year-to-date interest payments on the Notes for the calendar year. For the purposes of this computation: (i) all realized and unrealized (i.e. accrued) interest owed to the Fund are included in the Fund's Net Income (if any interest is not received by the Fund or if previously accrued interest is not paid to the Fund, such amounts come in deduction of the Fund's Net Income) and (ii) the portion of the value of any related derivative financial instrument which is linked to the accrued interest on any loan is allocated to the Net Income of the Fund.

At each NAV Calculation Date, the year-to-date positive Net Income of the Fund is allocated according to the Fund waterfall mechanism as set forth in the Issue Document, which is designed to compensate investors based on their respective investment risk and provide the necessary funding for the Fund's ongoing operations. The amount of dividend distributable to Class A, B and C Shares at each NAV Calculation Date is limited to a level of target dividend whose determination is defined in the relevant subscription agreements. Operational aspects of the Fund compensated through the waterfall structure include i) the Foreign Exchange Currency ("FX") reserve payment, which is allocated annually to the Class C Shares to protect against an erosion of value due to FX losses; ii) a component of the overall funding for a technical assistance facility ("TA Facility") established in parallel with the Fund to provide technical assistance to PLIs in their development and growth as well as to prepare and to support PLI Investments; and iii) the Investment Manager Incentive Bonus, as described in Note 11.2, included to align the interests of the Investment Manager with those of the Fund's investors.

The TA Facility and Investment Manager Incentive Bonus are accrued for throughout the year based on the performance of the Fund and on the remaining amounts available subsequent to the allocation of target dividends. In the context of the preparation of the financial year-end net asset value, the Board of Directors approves the final amounts based on the performance of the Fund during the first meeting subsequent to the financial year-end. The accrual is therefore adjusted accordingly at year-end.

All amounts exceeding target dividends and contributions to operational aspects are used to pay out complementary dividends to shareholders in accordance with the terms and conditions stated in the Fund's Issue Document.

Note 12 – Allocation and distribution waterfalls (continued)

At each NAV Calculation Date, in case the year-to-date Net Income of the Fund is negative, it will be allocated in the following order of priority:

- Class C Shares up to the total NAV of the Class C Shares, pro rata to the NAV of each Series of Class C Shares,
- Class B Shares up to the total NAV of the Class B Shares, pro rata to the NAV of each Series of Class B Shares,
- Class A Shares up to the total NAV of the Class A Shares, pro rata to the NAV of each Series of Class A Shares.

In addition, at each NAV Calculation Date, once the allocation of Net Income has been made, the amount available for allocation through the Capital Waterfall of the period is determined as follows:

- any year-to-date write backs on unrealized Investments, plus
- any impairment allowances due to the deterioration in credit quality or defaults with respect to the Investments of the Fund, plus
- any realized and unrealized gains and losses on local currency loans to PLIs due to changes in the value of the local currency, plus
- any other year-to-date realized or unrealized capital gains and losses on foreign exchange (other than on local currency loans to PLIs), plus
- the foreign exchange compensation amount ("FX Compensation Amount"), which protects the C Share class against expected FX depreciation on unhedged investments, plus
- realized and unrealized gains or losses from the value of derivative financial instruments held by the Fund. This is calculated as the portion of the value of derivative financial instruments held by the Fund other than the portion of the value of the related derivative financial instruments which is linked to the accrued interest on the loans (this accounting rule has been defined after the Fund's inception, which explains why no reference to it is made in the Fund's Issue Document).

The Capital Waterfall is allocated in the following order of priority:

- if positive Capital Waterfall, first to Class A Shares showing a positive difference between the issue price and their NAV (the "NAV Deficiency") at period ends,
- if positive Capital Waterfall, then to Class B Shares showing a NAV Deficiency at period ends,
- further and either positive or negative Capital Waterfall, to Class C Shares pro rata to their NAV at period ends.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 13 – Calculation of distributable income and capital gains and losses

13.1. Calculation of distributable income (income waterfall)

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income on loans to PLIs	14,080,180	15,853,124
Interest income on term deposit	346,154	226,212
Upfront fees loans to PLIs	591,885	606,343
Interest income on derivative financial instruments	9,138,399	9,674,479
Other income	354,887	110,485
Interest expenses on notes	(2,783,186)	(2,972,285)
Interest expenses on derivative financial instruments	(10,928,932)	(10,986,471)
Management fees	(3,062,271)	(3,206,112)
Administration, custodian and domiciliation fees	(223,773)	(233,144)
Direct operating expenses	(751,595)	(698,398)
Amortisation of placement fees	(144,688)	(153,862)
Other expenses	(27,673)	(21,581)
Net reversal of / (contribution to) loans loss allowance (interest portion)	1,588,306	(1,262,927)
Total	**8,177,693**	**6,935,863**

Direct operating expenses mainly include general secretary, governance, AML, legal, audit, insurance, marketing and impact study fees.

13.2. Calculation of capital gains and losses specific to Class C Shares (capital waterfall)

In addition to the above, capital gains and losses are allocated only to Class C Shares, pro rata to the NAV of each Series of Class C Shares as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Net change in unrealised gain / (loss) on foreign exchange	1,382,183	345,120
Net realised gain / (loss) on foreign exchange	(2,335,114)	(3,450,811)
Net change in unrealised gain / (loss) on derivative financial instruments	(910,900)	(1,770,736)
Net realised gain / (loss) on derivative financial instruments	1,733,093	3,390,445
Net realised gain/(loss) on loans to Partner Lending Institutions	(5,517,643)	-
Net reversal of / (contribution to) loans loss allowance (principal portion)	6,214,237	(12,783,347)
Total	**565,856**	**(14,269,329)**

Notes to the Financial Statements (continued)

As at 31 December 2024
(expressed in USD)

Note 13 – Calculation of distributable income and capital gains and losses (continued)

13.3 Allocation of distributable income and capital gains and losses

As a result of the above-mentioned calculation, the total allocation waterfall is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Target dividend on Class A Shares	214,870	1,274,431
Complementary dividends on Class A Shares	-	-
Target dividend on Class B Shares	2,804,304	2,440,646
Complementary dividends on Class B Shares	-	-
Total dividends distributable to Class A and Class B Shares	**3,019,174**	**3,715,077**
Contribution to the technical assistance facility	**1,107,092**	**-**
Investment Manager incentive bonus *	**166,064**	**87,706**
FX compensation allocated to C Shares	520,167	38,181
Target dividend on Class C Shares	2,424,167	2,735,616
Complementary dividends on Class C Shares	941,029	359,283
Capital gain / (loss) specific to Class C Shares	565,856	(14,269,329)
Total allocated to Class C Shares	**4,451,219**	**(11,136,249)**
Profit before performance allocation	**8,743,549**	**(7,333,466)**

* For the year ended 31 December 2023, Investment Manager incentive bonus was composed of USD 24,303 related to year 2022 (decided after the closing of the fiscal year and posted in 2023) and of USD 63,403 being the allocation for the year 2023.

As a result, for the year ended 31 December 2024, a total amount of USD 214,870 is payable to the holders of Class A Shares (year ended 31 December 2023: USD 1,274,431), a total amount of USD 2,804,304 is payable to the holders of Class B Shares (year ended 31 December 2023: USD 2,440,646), and a total amount of USD 3,365,196 (year ended 31 December 2023: USD 3,094,899) has been capitalized to the Class C Shares, pro rata to the NAV and the subscription date of each Series of Class C Shares.

In line with the Issue Document, the foreign exchange compensation amount ("FX Compensation Amount") protects the Class C Shares against expected FX depreciation on unhedged investments. This is calculated by multiplying the outstanding unhedged PLI investments, including principal but excluding interest, in local currency in each country at the beginning of each period by the expected depreciation rate of each local currency towards the USD. The expected depreciation rate and the FX Compensation amount are approved by the Board of Directors annually. For the year ended 31 December 2024, the FX Compensation Amount was of USD 520,167 (year ended 31 December 2023: USD 38,181).

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management

The Fund is mainly exposed to credit risk, market risk (which includes mainly currency risk and interest rate risk) and liquidity risk arising from the financial instruments its holds.

The tables below present the Fund's financial instruments by category.

As at 31 December 2024	Assets/ Liabilities at amortised cost	Assets/ Liabilities at fair value through profit or loss	Cash	Loans and receivables	Other financial liabilities	Total
ASSETS						
Net loans to Partner Lending Institutions	134,849,776	-	-	-	-	134,849,776
Net interest receivable on loans to Partner Lending Institutions	-	-	-	2,741,656	-	2,741,656
Equity shares at fair value through profit or loss	-	-	-	-	-	-
Derivative financial instruments	-	5,072,164	-	-	-	5,072,164
Interest receivable on derivative financial instruments	-	-	-	955,895	-	955,895
Interest receivable on cash and cash equivalent	-	-	-	30,075	-	30,075
Receivables on loans to Partner Lending Institutions	-	-	-	1,435,648	-	1,435,648
Other receivables	-	-	-	9,215	-	9,215
Cash collateral with brokers	-	-	4,865,995	-	-	4,865,995
Cash and cash equivalents	-	-	40,279,601	-	-	40,279,601
Total assets	**134,849,776**	**5,072,164**	**45,145,596**	**5,172,489**	**-**	**190,240,025** *
LIABILITIES						
Bank overdraft	-	-	148	-	-	148
Derivative financial instruments	-	4,066,866	-	-	-	4,066,866
Interest payable on derivative financial instruments	-	-	-	-	1,253,743	1,253,743
Accrued expenses	-	-	-	-	888,140	888,140
Other payables	-	-	-	-	87,774	87,774
Contribution payable to the technical assistance facility	-	-	-	-	1,107,092	1,107,092
Investment Manager incentive bonus payable	-	-	-	-	166,064	166,064
Notes issued	46,144,074	-	-	-	-	46,144,074
Net assets attributable to Class A and B Shares	-	-	-	-	50,400,000	50,400,000
Distribution payable to holders of redeemable shares	-	-	-	-	3,019,174	3,019,174
Total liabilities	**46,144,074**	**4,066,866**	**148**	**-**	**56,921,987**	**107,133,075**

* Certain assets as prepaid expenses are excluded from the table above, as they do not fall within the scope of IFRS 9 and are therefore not subject to financial risk management disclosures.

Notes to the Financial Statements (continued)

As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

As at 31 December 2023	Assets/ Liabilities at amortised cost	Assets/ Liabilities at fair value through profit or loss	Cash	Loans and receivables	Other financial liabilities	Total
ASSETS						
Net loans to Partner Lending Institutions	155,077,482	-	-	-	-	155,077,482
Net interest receivable on loans to Partner Lending Institutions	-	-	-	3,087,806	-	3,087,806
Equity shares at fair value through profit or loss	-	-	-	-	-	-
Derivative financial instruments	-	5,893,748	-	-	-	5,893,748
Interest receivable on derivative financial instruments	-	-	-	1,338,607	-	1,338,607
Receivables on loans to Partner Lending Institutions	-	-	-	668,925	-	668,925
Other receivables	-	-	-	715,619	-	715,619
Cash collateral with brokers	-	-	2,193,699	-	-	2,193,699
Cash and cash equivalents	-	-	17,487,755	-	-	17,487,755
Total assets	**155,077,482**	**5,893,748**	**19,681,454**	**5,810,957**	**-**	**186,463,641** *
LIABILITIES						
Derivative financial instruments	-	3,977,550	-	-	-	3,977,550
Interest payable on derivative financial instruments	-	-	-	-	1,422,529	1,422,529
Accrued expenses	-	-	-	-	952,009	952,009
Payables on redemption of shares	-	-	-	-	7,000,000	7,000,000
Other payables	-	-	-	-	341,913	341,913
Contribution payable to the technical assistance facility	-	-	-	-	438,435	438,435
Investment Manager incentive bonus payable					63,403	63,403
Notes issued	52,031,590	-	-	-	-	52,031,590
Net assets attributable to Class A and B Shares	-	-	-	-	37,889,800	37,889,800
Distribution payable to holders of redeemable shares	-	-	-	-	3,715,077	3,715,077
Total liabilities	**52,031,590**	**3,977,550**	**-**	**-**	**51,823,166**	**107,832,306**

* Certain assets as prepaid expenses are excluded from the table above, as they do not fall within the scope of IFRS 9 and are therefore not subject to financial risk management disclosures.

Note 14 – Financial risk management (continued)

14.1. Credit risk
Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund.

As described in Note 2.5.7, the Fund has dedicated standards, policies, and procedures to control and monitor these credit risks. The Fund mitigates its overall credit risk by actively monitoring its portfolio of investments and the underlying credit quality of its holdings.

The insolvency or other business failure of any one or more of the PLIs in which the Fund has invested could have a material and adverse effect on the Fund's performance and ability to achieve its objectives. The Fund runs the risk of any one or more of the PLIs defaulting on their borrowings from the Fund. Such PLIs may default on their interest and/or on their principal repayment. The Fund mitigates this risk by carefully selecting the PLIs and then by closely monitoring them on a quarterly basis.

Prior to submitting a PLI Investment to the Fund's Investment Committee, the Investment Manager, through its Sub Saharan Africa-based team, performs a detailed country analysis, a PLI credit risk assessment, a PLI social responsibility evaluation, a PLI monthly monitoring report and an Anti-Money Laundering assessment. The outcomes of all above checks are reported in a detailed report presented to the Investment Committee.

In addition, in order to be selected as suitable PLIs, financial institutions should meet a number of criteria at the time of investment by the Fund (in each case as reasonably determined by the Investment Committee upon recommendation by the Investment Manager). Such criteria relate to a wide array of PLI dimensions, but not limited to the legal, operational, social, governance, and environmental aspects.

On the monitoring side, the Investment Manager reviews on a monthly basis the credit quality and financial reporting of each PLI based on the monthly financial data that is reported by the PLI directly in the Investment Manager's information system at the end of each month. In addition, the Investment Analysis team of the Investment Manager performs an in-depth and on-site review of each PLI on an annual basis (or more frequently in case of material change). Each analyst remains in constant interaction with the PLI through its monthly processes and signals any material change to the Investment Services team which could affect any given transaction with such PLI, similarly at the country level. Portfolio valuation and covenant monitoring is performed on an ongoing basis. This close monitoring of the financial performance of investees enables the team to detect as early as possible any negative trend that would negatively impact the PLI's ability to reimburse a loan or enter into a breach of covenants. In addition, the Investment Manager performs the legal risk management process, reviewing each loan covenant of each given transaction on a monthly basis.

(expressed in USD)

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

For all outstanding investments in the loan portfolio, the Investment Manager performs the following:

- Legal and financial covenants monitoring: The Investment Services team reviews all legal covenants and obligations related to each transaction for material events on a monthly basis, validating their compliance and reporting to the lender. Any material event triggers a risk management process for the underlying obligation which involves challenging and questioning by the Investment Analysis team over and beyond the monthly and annual monitoring.
- Quarterly Investment valuation: Pursuant to the legal covenant review and risk management process, the Investment Services team proposes quarterly valuation guidance for each transaction to the Investment Manager based on predefined rules and criteria.
- Payment collection: On each payment date, the Investment Services team sends out reminders and confirmation receipts to the PLI and Custodian. The team supervises and assists throughout the payment collection process.

14.1.1. Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk of the Fund. The maximum exposure is shown gross, before the effect of mitigation through the use of collaterals and loans loss allowance.

	31 December 2024	31 December 2023
Statement of financial position		
Loans to PLIs	149,790,162	176,232,106
Interest receivable on loans to PLIs	4,296,080	6,230,535
Derivative financial instruments*	5,072,164	5,893,748
Interest receivable on derivative financial instruments	955,895	1,338,607
Interest receivable on cash and cash equivalent	30,075	-
Receivables on loans to PLIs	1,435,648	668,925
Other receivables	9,215	715,619
Cash collateral with brokers	4,865,995	2,193,699
Cash and cash equivalents	40,279,601	17,487,755
Total	**206,734,835**	**210,760,994**
Off-balance sheet		
Committed undisbursed amounts on loans to PLIs	-	-
Total	**-**	**-**
Total gross maximum exposure	**206,734,835**	**210,760,994**

* See Note 6 for further details

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

14.1.2. Risk concentration of loan portfolio to credit risk

Risk concentration by PLI

In the context of the credit risk analysis, the concentration risk analysis of the Fund's gross loans portfolio by PLI as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024		31 December 2023	
	Amounts in USD	**%**	**Amounts in USD**	**%**
Top 1	9,957,424	6.65%	9,950,040	5.65%
Top 3	29,095,827	19.42%	29,065,191	16.49%
Top 5	43,888,929	29.30%	44,849,025	25.45%
Top 10	67,958,019	45.37%	72,095,865	40.91%
Top 20	103,034,284	68.79%	115,034,516	65.27%
Top 30	123,953,313	82.75%	144,322,812	81.89%
Top 40	138,047,630	92.16%	163,830,117	92.96%
Top 50	147,541,326	98.50%	174,160,798	98.82%
Total	**149,790,162**	**100.00%**	**176,232,106**	**100.00%**

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

14.1.2. Risk concentration of loan portfolio to credit risk (continued)
Risk concentration by geographical regions

The table below shows the credit risk analysis of the Fund's gross loan portfolio per geographical region as of 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Amounts in USD	**%**	**Amounts in USD**	**%**
Nigeria	26,673,966	17.82%	34,037,175	19.32%
Kenya	25,092,841	16.76%	27,839,270	15.80%
South Africa	16,689,557	11.14%	17,489,452	9.92%
Senegal	14,821,388	9.89%	13,602,642	7.72%
Ivory Coast	13,213,600	8.82%	14,583,347	8.28%
Burkina Faso	7,840,421	5.23%	12,869,286	7.30%
United States*	7,110,444	4.75%	6,073,326	3.45%
Mauritius	5,653,112	3.77%	7,557,952	4.29%
Mali	4,636,529	3.10%	7,025,033	3.99%
Democratic Republic of Congo	4,564,485	3.05%	1,785,000	1.01%
Benin	4,032,966	2.69%	6,306,857	3.58%
Madagascar	3,259,549	2.18%	3,402,214	1.93%
Ghana	2,872,131	1.92%	2,985,192	1.69%
Cameroon	2,462,530	1.64%	3,503,329	1.99%
Tanzania	2,053,400	1.37%	989,649	0.56%
Uganda	1,752,347	1.17%	6,576,635	3.73%
Mozambique	1,723,501	1.15%	-	-
Malawi	1,712,062	1.14%	665,200	0.38%
United Arab Emirates*	1,411,970	0.94%	4,220,700	2.39%
Botswana	1,383,786	0.92%	1,628,795	0.92%
Zambia	829,577	0.55%	2,090,685	1.19%
Sierra Leone	-	0.00%	497,585	0.28%
Rwanda	-	0.00%	407,859	0.23%
Angola	-	0.00%	94,923	0.05%
Total	**149,790,162**	**100.00%**	**176,232,106**	**100.00%**

* The Fund invested in institutions headquartered outside of Sub-Saharan Africa but the funding is fully utilized to support their operations in Sub-Saharan Africa. In the case of United Arab Emirates, the countries of relevance for the investment are Ivory Coast, Ghana, Mozambique, Nigeria, and Togo. For the exposure in the United States, the relevant countries are: Kenya, Nigeria, Tanzania and Uganda.

The above risk concentrations reflect the Fund's exposures by market and PLI. The portfolio value in the risk concentration tables differs from the portfolio value in the statement of financial position by USD 14,940,386, which consists of the loans loss allowance as of 31 December 2024 (31 December 2023: USD 21,154,624).

(expressed in USD)

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

14.1.3. Credit quality

Credit risk exposure for each internal risk rating

The institutional risk of PLIs is closely monitored by the Investment Manager’s professional, independent central and local risk experts using internal credit ratings.

The current methodology takes into account quantitative and qualitative factors, the degree of maturity of the PLI, as well as monthly monitoring and annual visits. The methodology is based both on a credit risk and performance assessment. The performance assessment reviews three years of past audited and operational quantitative information, divided into three analytical dimensions (operational efficiency, financial results and social impact), and about thirty indicators.

The credit risk assessment is focused on future outlook; there are five key dimensions, divided into about twenty five qualitative indicators: strategy and governance, people and organization, products and services, financial management, and control and systems. The outcome of the scoring methodology is a credit risk scoring and rating grade that reflects the specific risk of an institution. It does not include any systematic risk aspects (i.e. industry, currency, political risk among others). The rating scale grades from AAA to D, subdivided into 10 levels, each divided into three subsets of plus (+), neutral and minus (-).

The Fund rating’s categories are as follows:

Scaling	Qualifier	Rating Grade
97% - 100%	Extremely strong repayment capacity	AAA
88% - 97%	Very strong repayment capacity	AA
79% - 88%	Strong repayment capacity	A
70% - 79%	Moderate repayment capacity	BBB
61% - 70%	Questionable repayment capacity	BB
52% - 61%	Weakened repayment capacity	B
43% - 52%	Vulnerable to non-payment	CCC
37% - 43%	High vulnerable to non-payment	CC
31% - 37%	Very high vulnerable to non-payment	C
0% - 31%	Payment default	D

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

14.1.3. Credit quality (continued)
The table below is a credit rating analysis of the Fund's loan portfolio as of 31 December 2024 and 31 December 2023 based on the Fund's credit rating system:

	31 December 2024		31 December 2023	
	Amounts in USD	**%**	**Amounts in USD**	**%**
A	24,519,957	16.37%	27,299,829	15.49%
BBB	61,055,741	40.77%	73,055,064	41.46%
BB	47,760,128	31.88%	46,859,284	26.59%
B	2,656,326	1.77%	18,791,795	10.66%
C	9,486,448	6.33%	-	-
D	1,727,482	1.15%	7,882,344	4.47%
Unrated	2,584,080	1.73%	2,343,790	1.33%
Total	**149,790,162**	**100.00%**	**176,232,106**	**100.00%**

Credit risk exposure to counterparties from cash deposits

As at 31 December 2024, the Fund holds cash in current accounts, cash deposits and short term deposits of USD 40,279,601 and is mainly exposed to the credit risk with Citibank, whose rating is P-1 according to Moody's and A-1 according to Standard & Poor's. As at 31 December 2024, cash for a total amount of USD 4,865,995 has been pledged as collateral with ICBC Standard Bank rated Baa1 according to Moody's and with TCX acting as a hedge counterparty with the Fund rated A-1 according to Moody's.

As at 31 December 2023, the Fund holds cash in current accounts of USD 17,487,755 and is mainly exposed to the credit risk with Citibank, whose rating is P-1 according to Moody's and A-1 according to Standard & Poor's. As at 31 December 2023, cash for a total amount of USD 2,193,699 has been pledged as collateral with ICBC Standard Bank rated Baa1 according to Moody's and with TCX acting as a hedge counterparty with the Fund rated A-1 according to Moody's.

Note 14 – Financial risk management (continued)

14.1. Credit risk (continued)

14.1.3. Credit quality (continued)

Impairment assessment

The Investment Manager monitors on a monthly basis whether each investee of the Fund is in compliance with all financial and non-financial covenants per the respective loan contract. In case of a breach of financial covenant with no perspective of resolution through improvement of the situation over the next quarter, the Investment Manager will make an impairment recommendation to the Audit and Risk Committee of the Fund for the next quarterly NAV calculation. In case of payment default (as defined in each loan agreement), the Investment Manager will make an impairment recommendation to the Audit and Risk Committee of the Fund for the next quarterly NAV calculation if the carrying amount of the relevant loan exceeds its recoverable amount.

The Fund recognizes expected credit losses on loans to PLIs based on its own probability of default model. As at 31 December 2024, loans loss allowance on principal amounts to USD 14,940,386 (31 December 2023: USD 21,154,624), which represents 9.97% (31 December 2023: 12.00%) of the gross portfolio.

IFRS 9 impairment methodology is forward looking, factoring in all future principal and interest cash flows. The loans loss allowance is applied to the entire portfolio (including non-workout institutions). Partner lending institutions are separated into Stage 1, 2 and 3 loans depending on changes to credit quality at year-end relative to credit quality at loan's disbursement. As of 31 December 2024, Stage 1 loans, having a loans loss allowance of USD 2,218,107 (31 December 2023: USD 1,776,531) determined at a 12 month ECL, reflect the stable credit quality. Stage 2 loans, having a loans loss allowance of USD 4,674,499 (31 December 2023: USD 6,909,987) determined at a lifetime ECL, reflect a deterioration of credit quality, as a result of country risk and institutional risk increase. Stage 3 loans, having a loans loss allowance of USD 8,047,780 (31 December 2023: USD 12,468,106) determined at a lifetime ECL, indicate a default situation.

The ECL model is sensitive to the determined staging of each PLI and to long tenor exposures. Should all PLIs be reallocated from Stage 1 to Stage 2, the negative impact on credit loss allowance would amount to USD 3.1 million (2023: USD 3.6 million). Two of the top three exposures of the Fund (Kenyan investees) as of 31 December 2024, which have long tenors, represent around 50% of the increase in the credit loss allowance when they are reallocated to Stage 2.

As regards cash and cash equivalents and collateral with brokers, the policy of the Fund is to book allowance for expected credit loss if the counterparty concerned has a long-term issue credit rating from Standard & Poor's below A and the amount at stake is deemed significant.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.2. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund may invest in loans or other debt instruments issued by PLIs most of which will neither be listed on a stock exchange nor dealt in on another regulated market. The issuance of such instruments may not be subject to any control, review or oversight by a regulatory authority. In most cases there is no secondary market for the trading of the debt instruments issued by PLIs. Thus, such instruments will generally be illiquid. Such illiquidity may affect the Fund's ability to vary its portfolio or dispose or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic or other conditions and this could have an adverse effect on the Fund's financial condition and results of operations.

In order to manage the liquidity of the Fund and address the above risks, the following rules are applied:

- Excess cash liquidity is temporarily deposited with international investment grade banks or invested in money-market instruments. As of the end of December 2024, the Fund has invested USD 10 million in a time deposit with the Fund's Custodian Bank, Citibank Europe Plc, Luxembourg branch.
- When there is excess cash in the Fund, as a reference when cash is above 10% of GAV, the Fund can invest in term deposits with financial institutions based in Sub-Saharan Africa, under pre-defined criteria approved by the Board of Directors. As of the end of December 2024, the Fund has invested USD 5 million in a Kenyan bank (subsidiary of the Fund's Custodian Bank that provides the Fund with daily liquidity).
- The Investment Manager shall strive to maintain cash on hand that represents the greater of 5% of the Fund Total Assets or a 120% of the Fund's projected 30-day liabilities. As soon as liquidity falls below this percentage, the Investment Manager shall notify the Board of Directors and the Investment Committee immediately.
- In addition, the Fund may at any time draw down from existing commitments on Class A Shares and Class B Shares or Notes and on a quarterly basis on Class C Shares. There were no existing uncalled commitments from Shareholders to the Fund as at 31 December 2024 (31 December 2023: none).

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.2. Liquidity risk (continued)

The following table demonstrates the forecasted cash flows of the Fund per maturity band:

31 December 2024	Less than 3 months (in USD)	3 months to 1 year (in USD)	1 year to 5 years (in USD)	More than 5 years (in USD)	Undefined maturity (in USD)	Total (in USD)
Loans to PLIs*	19,481,561	61,549,321	90,145,444	5,076,898	-	176,253,224
Receivables on loans to PLIs	1,435,648	2,741,656	-	-	-	4,177,304
Other receivables	39,290	-	-	-	-	39,290
Cash collateral with brokers	4,865,995	-	-	-	-	4,865,995
Cash and cash equivalents	40,279,601	-	-	-	-	40,279,601
Total financial assets	**66,102,095**	**64,290,977**	**90,145,444**	**5,076,898**	**-**	**225,615,414**
Undrawn capital commitments	-	-	-	-	-	-
Total financial assets and undrawn capital commitments	**66,102,095**	**64,290,977**	**90,145,444**	**5,076,898**	**-**	**225,615,414**
Bank overdraft	148	-	-	-	-	148
Derivative financial instruments**	1,137,856	1,165,695	4,334,120	-	-	6,637,671
Accrued expenses	888,140	-	-	-	-	888,140
Other payables	87,774	-	-	-	-	87,774
Contribution payable to the technical assistance facility	-	1,107,092	-	-	-	1,107,092
Investment Manager incentive bonus payable	166,064	-	-	-	-	166,064
Notes issued**	530,223	10,239,601	39,012,263	-	-	49,782,087
Net assets attributable to Class A and B Shares	-	-	30,400,000	20,000,000	-	50,400,000
Distribution payable to holders of redeemable shares	-	3,019,174	-	-	-	3,019,174
Total financial liabilities	**2,810,205**	**15,531,562**	**73,746,383**	**20,000,000**	**-**	**112,088,150**
Committed undisbursed amounts on loans to PLIs	-	-	-	-	-	-
Total financial liabilities and committed undisbursed amounts on loans to PLIs	**2,810,205**	**15,531,562**	**73,746,383**	**20,000,000**	**-**	**112,088,150**

* Based on principal amounts revalued at end of year 2024 FX rates and including future interest income
** Including future interest income/expenses

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.2. Liquidity risk (continued)

The following table demonstrates the forecasted cash flows of the Fund per maturity band:

31 December 2023	Less than 3 months (in USD)	3 months to 1 year (in USD)	1 year to 5 years (in USD)	More than 5 years (in USD)	Undefined maturity (in USD)	Total (in USD)
Loans to PLIs*	24,413,335	51,838,833	120,628,254	12,042,375	-	208,922,797
Receivables on loans to PLIs	668,925	3,087,806	-	-	-	3,756,731
Other receivables	715,619	-	-	-	-	715,619
Cash collateral with brokers	2,193,699	-	-	-	-	2,193,699
Cash and cash equivalents	17,487,755	-	-	-	-	17,487,755
Total financial assets	**45,479,333**	**54,926,639**	**120,628,254**	**12,042,375**	**-**	**233,076,601**
Undrawn capital commitments	-	-	-	-	-	-
Total financial assets and undrawn capital commitments	**45,479,333**	**54,926,639**	**120,628,254**	**12,042,375**	**-**	**233,076,601**
Derivative financial instruments**	1,523,972	72,636	2,593,122	-	-	4,189,730
Accrued expenses	952,009	-	-	-	-	952,009
Other payables	341,913	-	-	-	-	341,913
Contribution payable to the technical assistance facility	-	438,435	-	-	-	438,435
Investment Manager incentive bonus payable	63,403	-	-	-	-	63,403
Notes issued**	1,416,711	10,968,616	46,280,046	-	-	58,665,373
Net assets attributable to Class A and B Shares	1,489,800	6,000,000	30,400,000	-	-	37,889,800
Distribution payable to holders of redeemable shares	-	3,715,077	-	-	-	3,715,077
Total financial liabilities	**5,787,808**	**21,194,764**	**79,273,168**	**-**	**-**	**106,255,740**
Committed undisbursed amounts on loans to PLIs	-	-	-	-	-	-
Total financial liabilities and committed undisbursed amounts on loans to PLIs	**5,787,808**	**21,194,764**	**79,273,168**	**-**	**-**	**106,255,740**

* Based on principal amounts revalued at end of year 2024 FX rates and including future interest income
** Including future interest income/expenses

Note 14 – Financial risk management (continued)

14.3. Market risk

14.3.1. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments.

The Fund may be exposed to interest rate risks to the extent that the rate basis for its assets and liabilities do not fully match. The Fund seeks to reduce this risk and to match the rate basis on its assets and liabilities. As of 31 December 2024, 70.1% (31 December 2023: 69.3%) of the portfolio yields floating interest rates with daily SOFR, or 6-month CME Term SOFR as the rate basis (local currency denominated loans hedged for both currency and interest rate risk). 47.7% of the portfolio is denominated in USD (31 December 2023: 47.5%), the functional currency of the Fund and 25.2% (31 December 2023: 26.5%) of the portfolio denominated in USD yield a fixed USD rate.

Following the cessation of USD LIBOR in 2023, the Fund completed the transition of all assets, liabilities, and derivatives to SOFR rates, including overnight SOFR and Term SOFR. The last 6-month LIBOR rates used for liabilities of the Fund were applied for the calculation of dividends and interests to Noteholders as of 31 December 2023. Given that the Fund has exposure to interest rate benchmarks in currencies different from the USD, the Fund shall evaluate the potential need for a transition in the future, if any of those benchmarks are set to be discontinued and mandated by the relevant regulators. This will be subject to necessary approvals from the Board of Directors.

Investor returns for Notes and redeemable shares are based on floating interest rates with 6m CME Term SOFR as the rate basis, with the exception of the Class C Shares. Due to the structure of the Fund and the unlimited maturity of Class C Shares, perfect matches are not achievable by the Fund.

Investors must also be aware that changes in interest rates will affect the relative value of the Fund's investments. In general, if interest rates increase, it is expected that the relative value of the Fund's existing investments will decrease, and conversely, if interest rates decrease, it is expected that such relative value will increase.

The level of prevailing interest rates also may affect the economies of the target countries and any applicable markets outside of the target countries, and, in turn, the value of the Fund's investments.

Interest rate risk also arises from the possibility that changes in interest rates will affect future cash flows of financial instruments as well as the Fund's profitability.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.3. Market risk (continued)

14.3.1. Interest rate risk (continued)

The following table illustrates the sensitivity of the Fund's net income before tax (as per the income waterfall) to various upward parallel shifts in the US yield curve for a time period of 180 days (base-case scenario = risk free rates do not fluctuate). It is also worth noting that downward shifts in the US yield curve would produce the same results, but in the opposite direction (negative impacts).

	31 December 2024		31 December 2023		
Increase (in bps)	**Effect on profit before tax (in USD)**	**Effect on profit before tax (in %)**	**Effect on profit before tax (in USD)**	**Effect on profit before tax (in %)**	
100	250,590	7.96%	237,705	6.56%	
250	626,475	19.90%	594,264	16.41%	
750	1,879,425	59.70%	1,782,791	49.23%	*

* 2023 comparative figures has been amended compared to the previous year Financial Statements.

14.3.2. Currency risk

Currency risk is the risk that the value of financial instruments fluctuates due to changes in foreign exchange rates. As at 31 December 2024, all of the Fund's redeemable shares are denominated in the functional currency of the Fund (31 December 2023: 100%). As at 31 December 2024, 89.81% of the Fund's Notes are denominated in EUR and the remaining 10.19% are denominated in USD which is the functional currency of the Fund (31 December 2023: 86.07% in EUR and 13.93% in USD). 47.7% of the Fund's PLI investments are denominated in USD (31 December 2023: 47.5%), 41.5% are denominated in local currency and hedged for both currency and interest rate risk (31 December 2023: 43.0%), and 10.8% are denominated in other currencies and unhedged (31 December 2023: 9.5%).

As at 31 December 2024, the Fund's total unhedged open currency exposure amounts to USD 16,153,938 (31 December 2023: USD 16,778,395).

The table below indicates the currencies to which the Fund had significant exposure at 31 December 2024 and 31 December 2023 on its PLIs investments. The analysis calculates the effect of a reasonably possible movement of the currency rates against the USD on the net assets attributable to holders of redeemable shares, with all other variables held constant.

An equivalent increase would have resulted in an equivalent but opposite impact.
The possible 5% and 10% shift in currency rates represent management's best estimate, having regards to historical volatility.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.3. Market risk (continued)

14.3.2. Currency risk (continued)

Currency	31 December 2024 Change in currency rate	31 December 2024 Effect on the net assets attributable to holders of redeemable shares	31 December 2023 Change in currency rate	31 December 2023 Effect on the net assets attributable to holders of redeemable shares	
EUR	10%	(13,008)	10%	(37,104)	
EUR	5%	(6,504)	5%	(18,552)	
UGX**	10%	(151,294)	10%	(149,468)	*
UGX**	5%	(75,647)	5%	(74,734)	*
XOF***	10%	(1,149,323)	10%	(1,369,595)	*
XOF***	5%	(574,661)	5%	(684,798)	*
ZAR**	10%	(279,794)	10%	(40,470)	
ZAR**	5%	(139,897)	5%	(20,235)	

* 2023 comparative figures have been amended compared to the previous year Financial Statements.
** Includes open positions of the Fund.
*** Only open positions of the Fund and for the XOF exposure part of the Open Currency Exposure of the Fund, which is only partially unhedged against EUR, only the effect of the XOF depreciation vs. EUR is considered.

As at 31 December 2024 and 31 December 2023, the split of the loan portfolio by currency is as follows:

Currency	31 December 2024 Number of loans	31 December 2024 Total amount* (in USD)	31 December 2024 % of net assets	31 December 2023 Number of loans	31 December 2023 Total amount* (in USD)	31 December 2023 % of net assets
USD	28	71,502,960	53.40%	38	83,728,648	67.56%
XOF	31	37,767,212	28.21%	32	46,120,637	37.21%
ZAR	10	18,073,343	13.50%	9	19,118,247	15.43%
EUR	6	7,807,168	5.83%	8	10,361,045	8.36%
XAF	1	2,462,530	1.84%	1	3,503,329	2.83%
MGA	2	2,230,072	1.67%	1	1,307,697	1.06%
TZS	2	2,053,400	1.53%	1	989,649	0.80%
GHS	1	1,875,990	1.40%	-	-	-
UGX	4	1,752,347	1.31%	5	6,576,635	5.31%
MZN	2	1,723,501	1.29%	-	-	-
MWK	2	1,712,062	1.28%	1	665,200	0.54%
ZMW	3	829,577	0.62%	3	2,090,685	1.69%
KES	-	-	-	4	1,362,475	1.10%
RWF	-	-	-	1	407,859	0.33%
Total	**92**	**149,790,162**	**111.88%**	**104**	**176,232,106**	**142.22%**

* net of the effect of the forward exchange transactions as of 31 December 2024 and 31 December 2023.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 14 – Financial risk management (continued)

14.3. Market risk (continued)

14.3.3. Operational risk

Operational risk is the risk of loss arising from systems failures, human errors, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Fund cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Fund is able to manage the risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Note 15 – Capital management

Except the minimum capital requirement of EUR 1.25 million applicable as per the law of 13 February 2007 on Specialised Investment Funds (SIF), the Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase and resale of shares.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other advanced capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Fund and fulfill all financial obligations.
- To maintain sufficient size to make the operation of the Fund cost efficient.

Note 16 – Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund.

Board of Directors

During the year ended 31 December 2024, an amount of USD 50,798 of travel expenses was reimbursed to the Directors (year ended 31 December 2023: USD 34,773). Directors' and IC Committees remuneration fees for the year ended 31 December 2024 amounted to USD 111,508 (year ended 31 December 2023: USD 119,267). The listing of the members of the Board of Directors is shown on page 3 of this annual report.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 16 – Related party transactions (continued)

Investment Manager
Management fee and Incentive Bonus
Symbiotics Asset Management S.A. serves as the Investment Manager of the Fund. The Investment Manager is entitled to a management fee. In addition, depending on the performance of the Fund, the Investment Manager might be entitled to additional performance-based remuneration. See Notes 11.1, 11.2, 12 and 13 for further details.

Placement fees
During the year ended 31 December 2024, there were a recognition of placement fees of USD 144,688 (year ended 31 December 2023: USD 153,862).

Frontier Market strategy fees
During the year ended 31 December 2024, an amount of USD 12,000 was paid to Symbiotics Investments S.A. for preliminary analysis and research of new investment opportunities in untapped countries (year-ended 31 December 2023: nil).

Note 17 – Commitments and contingencies

There are no commitments and contingencies to report as of 31 December 2024.

Note 18 – Reclassification of comparative figures

As part of the objective to improve the transparency and comparability of financial statements, certain comparatives from the statement of financial position as at 31 December 2023 have been reclassified to conform to the current period's presentation. These amendments have no impact on the previously reported Fund's financial position or performance.

The reclassifications are summarized as follows:

USD	31 December 2023 (as per audited financial statements)	Reclassification	31 December 2023 (as reclassified)
Accrued expenses	1,015,412	(63,403)	952,009
Investment Manager incentive bonus payable	-	63,403	63,403
Total of reclassified comparative figures	**1,015,412**	**-**	**1,015,412**

Note 19 – Approval of the financial statements

On 30 April 2025, the Board of Directors resolved to authorize the issuance of the financial statements of the Fund for the year ended 31 December 2024 and decided to submit them to the Annual General Meeting of Shareholders for approval.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 20 – Important events

Two existing shareholders have invested a total of USD 20M in B-Shares in 2024, with a subscription of USD 10M at the end of September 2024 and USD 10M in early December 2024. Both subscriptions have been accounted in the Q4 2024 accounting period and are reflected in the annual financial statements of the Fund.

Israel – Hamas war

On 7 October 2023, Gaza-based Hamas initiated a surprise and very violent offensive on Israel. Immediately, Israel declared war and conducted massive airstrikes with ground fighting still ongoing focused on northern Gaza. Since the beginning of the Israeli invasion, it is estimated that more than 40,000 Palestinians in Gaza have been killed. In October 2024, the confrontation between Hezbollah in Lebanon and Israel escalated into the invasion of Lebanon. While Sub-Saharan Africa is geographically distant from the Middle East, the conflict has repercussions in the region due to trade, political alliances, and global security considerations that are not expected to significantly impact the Fund operations.

The conflict has contributed to volatility in global energy markets, especially oil. The already disrupted supply of agricultural products such as wheat in the region can be exacerbated as some Middle East and North Africa countries are suppliers of commodities. Energy price fluctuations, food security challenges, and shifts in diplomatic relations could lead to further instability, especially in countries already dealing with economic difficulties or security threats. Temporary ceasefires may happen, however a full resolution is uncertain in the near future without major shifts in leadership, policies, or international intervention.

Russia – Ukraine conflict

In February 2022, Russia invaded Ukraine triggering an escalation of the conflict that started in 2014 with Russia's annexation of Crimea. Due to this unprovoked invasion, the European Union imposed a series of sanctions against Russia, on top of the existing measures imposed in 2014. These sanctions include economic measures, diplomatic actions, and individual sanctions that target people supporting or benefiting from the Ukrainian conflict.

The impact on Sub-Saharan countries is difficult to isolate but it remains significant. Among the areas affected are:

1. Food security and commodity prices, the disruptions to the supply of grains (i.e. wheat, maize) and fertilizers from Ukraine and Russia that were major suppliers to countries in SSA resulted in higher food shortages, price pressures, and reduced crop yields.
2. Energy access and prices. Russia and Ukraine have been global suppliers of oil and the war has caused export disruptions and higher prices, which in turn have affected energy availability in oil-importing countries.
3. Higher global inflation levels and scarcity of commodities pressured governments around the world to follow a restrictive monetary policy and raise interest rates. The strengthening of hard currencies resulted in capital outflows from the region, currency depreciations, higher inflation levels, and decreasing international reserves.
4. Countries in Sub-Saharan Africa reacted to the price shocks and had to tighten policy interest rates.

Notes to the Financial Statements (continued)
As at 31 December 2024
(expressed in USD)

Note 20 – Important events (continued)

The crisis underscored the need for Africa to boost local food production and reduce dependence on imports. In general, the region has recorded slower economic growth due to the spillover effects of the Russia-Ukraine war. Domestic and external financing conditions remain constrained by higher costs of funding amid high public debt levels and wide fiscal deficits, being debt sustainability an ongoing concern pressuring governments for fiscal reforms. Additionally, inflationary pressures, the deterioration of the quality of life, unemployment, and the push for fiscal consolidation have resulted in social unrest. Overall, the conflict's economic ripple effects are likely to constrain growth further and fiscal stability in the region in coming years.

The likelihood of a negotiated settlement of the Russia-Ukraine war remains uncertain given their respective territorial claims and ideological stalemate and a near-term resolution requires a major shift in military, political, or economic dynamics. While Western countries have provided support to Ukraine including the application of sanctions to Russia, the country has adapted to the constraints imposed and navigated them pointing to the possibility of a prolonged conflict.

Note 21 – Subsequent events

No significant subsequent event occurred after the reporting date.

Note 22 – SFDR disclosure

The information on the environmental and/or social characteristics for the Fund disclosing under article 8(1) of SFDR as required by the article 50 (2) of SFDR RTS and/or the information on sustainable investments for the Fund disclosing under article 9(1), 9(2) and 9(3) of SFDR as required by article 58 of the SFDR RTS are disclosed in the unaudited Annex I and V.

Supplementary Information (unaudited)
As at 31 December 2024

Number of Shares Outstanding	31 December 2024	31 December 2023
Number of shares outstanding at the beginning of the year:		
Class A	74.898	194.898
Class B	1,216.000	1,216.000
Class C	1,605.377	1,605.377
Number of shares issued during the year:		
Class A	-	-
Class B	800.000	8.000
Class C	-	-
Number of shares redeemed/matured during the year:		
Class A	(74.898)	(120.000)
Class B	-	(8.000)
Class C	-	-
Number of shares outstanding at the end of the year:		
Class A	**-**	**74.898**
Class B	**2,016.000**	**1,216.000**
Class C	**1,605.377**	**1,605.377**

Net Asset Value per Share	31 December 2024	31 December 2023	31 December 2022
Class of shares			
Class A	-	100,000.00	100,000.00
Class B	25,000.00	25,000.00	25,000.00
Class C1 to C4	52,213.40	49,429.96	56,393.56
Class C5	51,554.02	48,805.73	55,681.38

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Regional MSME Investment Fund for Sub-Saharan Africa SA, SICAV-SIF
Legal entity identifier: 52990062YZ83Q83T6540

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective: 5.2%**	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective: 72.7%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

The Fund aims to invest to a limited extent in Sustainable Investments with an environmental objective, but only when they primarily pursue a social impact. Accordingly, during the report period, the Fund held investments in two companies that achieved an environmental objective while also aligning with the Fund's social impact intent, as detailed in section "To what extent was the sustainable investment objective of this financial product met?".

To what extent was the sustainable investment objective of this financial product met?

The social Sustainable Investment Objective of Regional MSME Investment Fund for Sub-Saharan Africa SA, SICAV- (the "Fund") is defined by its mission to build a unique public-private partnership between donors, development finance and international finance institutions, private investors and African stakeholders to foster economic development and prosperity in Sub-Saharan Africa, through the provision of demand-oriented financing to qualified and, to the extent necessary, technically supported partner lending institutions (PLIs) servicing MSMEs and low income households.

The Fund pursues its Sustainable Investment Objective by actively contributing to United Nations Sustainable Development Goals 1, 5 and 8, as described below. For more information on the sustainable investment objectives of the Fund, please refer to the Fund's Annex III. The share of investments contributing to these SDGs is reported in the following section.

SUSTAINABLE DEVELOPMENT GOALS	**How did the Fund contribute to the main SDGs targeted?**
1 NO POVERTY	Ensuring that low-income individuals have access to financial services, including microfinance and savings products, while investing in investees whose loan portfolio mostly serves the needs of low-income households through microcredits and small loans for household needs, housing or education. This contributed to SDG **Target 1.4**: "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, 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."
5 GENDER EQUALITY	Providing women with equal access to economic resources and opportunities, while investing in investees whose loans are mostly allocated to a portfolio of women borrowers (i.e., showing that the investee is making significant efforts to ensure women are not discriminated against). This contributed to SDG **Target 5.1**: "End all forms of discrimination against all women and girls everywhere."
8 DECENT WORK AND ECONOMIC GROWTH	Strengthening the capacity of domestic financial institutions to expand access to banking and financial services for all and encouraging the growth of SMEs, while investing in investees whose loans are mostly allocated to a loan portfolio of SME. This contributed to **Target 8.3**: "Promote development-oriented policies that 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."

In 2024, additional SDGs not specifically targeted by the Fund were addressed through a small share of the investments, still in line with the overall mission of the Fund, as shown in the table below:

SUSTAINABLE DEVELOPMENT GOALS	**How did the Fund contribute to the other SDGs reached?**
2 ZERO HUNGER	Providing small-scale food producers access to productive resources through financial services and products, while investing in Investees whose loans are mostly allocated to a small-scale agriculture loan portfolio, or to a non-financial investee active mainly in small-scale agriculture. This contributed to SDG **Target 2.3**: "By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment."
7 AFFORDABLE AND CLEAN ENERGY	Ensuring universal access to affordable, reliable and modern energy service while investing in Investees whose funds mostly finance access to clean energy to low-income households. This contributed to **Target 7.1**: "By 2030, ensure universal access to affordable, reliable and modern energy services."
10 REDUCED INEQUALITIES	Contributing to the reduction of remittances costs while investing in companies that enable remittance transaction at approximately 4% (vs. global average of 7% in Dec-20). This contributed to **Target 10.c:** "By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent".
11 SUSTAINABLE CITIES AND COMMUNITIES	Ensuring access to safe, affordable and sustainable transport systems for all, while investing, usually through Green, Social and Sustainability bonds, in a majority of assets that are either green buildings, affordable housing, public transportation systems, green vehicles or while directly financing a company that is active in one of these sectors. **Target 11.2:** "By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons."

More specifically, the Fund invested in six institutions that support SDG 2 (Zero Hunger) by providing financial assistance to rural borrowers and smallholder farmers. These institutions offer various financial products such as loans to acquire productive assets and insurance products. Additionally, they also provide targeted trainings to help clients improve their agricultural output.

One institution in the Fund's portfolio contributes to SDG 7 (Affordable and clean energy). The institution offers solar-energy products, and its mission is to enable access to affordable energy for off-grid families in Sub-Saharan Africa.

Three institutions are working towards achieving SDG 10 by focusing on cross-border remittance payments. Their mission is to establish a strong payment ecosystem that caters to different payment types and instruments, making financial transactions across borders seamless. By providing a secure platform for sending remittances, they are contributing to SDG 10 (Reduced Inequalities).

An investment in a South African institution specialized in serving the minibus taxi industry can help facilitate affordable and safe public transport for commuters in South Africa. The institution's support of the minibus taxi industry is essential as it serves as a vital mode of transportation for many South Africans. This support directly contributes to achieving SDG 11 (Sustainable cities and communities).

How did the sustainability indicators perform?

The Fund monitors the evolution of outreach indicators to specific segments of the low- and middle-income population to measure its contribution to its Sustainable Investment Objectives (SIOs; in blue in the table below). Three metrics are provided:

- Total outreach of the investees financed by the Fund: this indicator represents the number of end-borrowers reached by the investee for each category of product that is considered as contributing to the SIOs of the Fund, and/or more broadly to the mission of the Fund.

- Outreach per 1 M USD invested in the Fund: this indicator measures the investors' contribution to the activity of the Fund's investees while investing 1M USD into it. It approximates the contribution of each million USD on each of the categories of products offered by the investees of the Fund.

- Fund contribution: this indicator estimates the contribution of the Fund to the outreach of its investees. It represents the number of end-borrowers of this category divided by the total gross loan portfolio of the investee and multiplied by the amount of the loan.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

These three metrics are calculated as the weighted average of each specific indicator based on the portfolio composition at the end of each quarter of the reporting period. The reporting period comprises from the 31st of December 2023 to the 31st of December 2024. For this reporting, the latest data available from the investees at the end of the reporting period are used.

The indicators below are collected for a share of the portfolio of Sustainable Investments of the Fund that is indicated at the bottom of the following table. The numbers below are thus slightly underestimated. Notably, some investments made through Green, Social and Sustainable Bonds have not yet received the annual use-of-proceeds and impacts reports, which are typically published twelve months after the investment. A few investees sent outreach indicators that are not standard and which cannot be aggregated at the total portfolio level. As such, those are reported as “Other indicators collected from investments”.

The Investment Manager is constantly reviewing and updating the reporting template, leading to the addition of new indicators. Throughout 2024, data for these indicators was systematically collected, and they are now included in the report. These recent additions include gender indicators such as the number of active borrowers whose legal entities are over 51% owned by women and the count of female full-time equivalent senior management employees.

Additionally, the reporting template now features a breakdown of the Gross Loan Portfolio (GLP) for new green products, categorized based on the use of proceeds of the loans. The indicators associated with the Sustainable Development Goals (SDGs) achieved by the Fund are outlined below, with new additions marked with an asterisk (*). The reported data for newly added indicators is sourced from the Green, Social, and Sustainability (GSS) Bonds through companies' use of proceeds templates, while also being collected directly from investees, further enhancing the comprehensiveness and accuracy of the reporting.

When available, the outreach of the total Bond issued is listed under the Sustainability Indicator “Reached by Investees”, and the outreach of the bond note subscribed by the Fund is listed under the Sustainability Indicator “Reached by Fund”.

The outreach indicators related to gender, agriculture and renewable energy loans are treated separately as those borrowers can be reached with types of loans already counted as contributing to other SDGs (e.g. microloans, SME loans, etc.).

Sustainability Indicators – Outreach		**Reached by Investees**	**Reached with 1 M USD Investment in the Fund**	**Reached by Fund**
SDG	**Total number of end-borrowers reached**	4,324,930	1,196	218,798
OF WHICH:				
1.4	Number of end-borrowers reached with micro loans	3,420,033	577	105,822
4.6	Number of end borrowers reached with education loans	44,511	8	1,401
8.3	Number of end-borrowers reached with SME loans	62,701	16	2,928
11.1	Number of end-borrowers reached with housing loans	38,465	6	1,035

n.a.	Number of end-borrowers reached with other loans[1]	759,221	589	107,612
Other sustainabiliy indicators collected from investments				
2.3	Number of end-borrowers reached with a loan for agricultural activity	415,562	117	21,518
2.4	Number of end-borrowers reached with a loan that apply environmental remediation measures to improve their production*	13,961	2	317
5.1	Number of women end-borrowers reached	1,325,696	438	80,321
5.1	Legal entities owned by women*	63	0	2
7.1	Number of end-borrowers reached with renewable energy supply loans	638,701	577	105,397
6.3	Number of end borrowers reached with loans to improve their WASH (water, sanitation, and hygiene) conditions*	15	0	1
10	Number of remittances users per year	16,732,019	1,714	314,174
Coverage rate (in % of the portfolio of Sustainable Investments of the Fund, in GAV)				72.1%

A few complementary indicators are reported here to provide a more complete picture of the impact generated, i.e., measuring to what extent the Fund delivered its overall mission to create inclusive growth for the benefit of low and middle-income households and micro-, small, and medium enterprises in emerging markets.

Other indicators collected	
Number of investees	55

[1] This category consists of three types of lending activities: Loans to households for immediate financial needs, with an average loan size exceeding USD 10,000; loans to large enterprises; and loans that do not fit into any of the predefined categories. It is important to note that this classification is based on self-reported data from PLIs. When submitting their reports, PLIs typically categorize loans as "Other Loans" if they do not fall under the standard categories of Microenterprise Loans, Education Loans, SME Loans, or Housing Loans.

Number of countries served	22[2]
Gender balance	
% of women borrowers among borrowers reached by the Fund	37%
Average % women borrowers served by investees	39%
Outreach to LMIH	
Portfolio in low- and lower-middle-income countries (% of sustainable investments)	80%
Median average credit per borrower (USD)	1,486
Average % of rural borrowers served by investees	27%

To monitor the achievement of its Sustainable Investment Objectives, the Fund also determines for each investment which SDG it mostly contributes to, based on the economic activities financed and/or target clientele served by the investee as described in the table above.

Sustainability Indicators –Portfolio Allocation to main SDG reached	**% total of assets (GAV)[3]** **Reporting period: 31st of December 2023 to 31st of December 2024**.
1 (No poverty)	26.0%
2 (Zero hunger)	3.7%
5 (Gender equality)	7.5%
7 (Affordable and clean energy)	3.1%
8 (Decent work and economic growth)	31.8%
10 (Reduced inequalities)	4.1%
11 (Sustainable cities and communities)	1.7%
Total Sustainable Investments	**78.0%**
Minimum Sustainable Investments	**70%**

[2] In 2024, the Fund made direct investments in 22 countries, with some of the proceeds being utilized outside their respective domiciled countries, notably in the case of investments made in United States and United Arab Emirates. Consequently, the Fund expanded its outreach to a total of 23 countries through indirect investments, including Namibia, Zimbabwe and Togo.

[3] Calculated as the weighted average portfolio composition at the end of each quarter of the reporting period, using the latest data available from the investees at the end of the reporting period.

…and compared to previous periods?

Sustainability Indicators – Outreach[4]		Outreach of the investees financed		Outreach per 1 M USD invested		Fund's contribution to the Outreach	
		2023	2024	2023	2024	2023	2024
1.4	Number of end-borrowers reached with micro loans	2,833,414	3,420,033	437	577	85,587	105,822
4.6	Number of end-borrowers reached with education loans	19,639	44,511	4	8	797	1,401
8.3	Number of end-borrowers reached with SME loans	63,616	62,701	16	16	3,093	2,928
11.1	Number of end-borrowers reached with housing loans	30,315	38,465	5	6	1,041	1,035
n.a.	Number of end-borrowers reached with other loans	389,959	759,221	283	589	55,664	107,612
	TOTAL number of end-borrowers reached	**3,336,944**	**4,324,930**	**746**	**1,195**	**146,182**	**218,798**
Other sustainabiliy indicators collected from investments							
2.3	Number of end borrowers reached with a loan for agricultural activity	361,077	415,562	114	117	22,440	21,518
2.4	Number of end-borrowers reached with a loan that apply environmental remediation measures to improve their production*	n.c.	13,961	n.c.	2	n.c.	317
5.1	Number of women end-borrowers reached	936,719	1,325,696	293	438	57,268	80,321
5.1	Legal entities owned by women*	n.c.	63	n.c.	0	n.c.	2
7.1	Number of end-borrowers reached with renewable energy supply loans	306,864	638,701	270	577	53,092	105,397
6.3	Number of end borrowers reached with loans to improve their WASH (water, sanitation, and hygiene) conditions *	n.c.	15	n.c.	0	n.c.	1
10	Number of remittances users per year*	11,968,569	16,732,019	1,125	1,714	222,090	314,174

[4] Data expressed as a weighted average of portfolio composition at end of each quarter, using latest data available from the investees at end of the reporting period.

The variation in the reported number of end borrowers is influenced by several factors. While the fund's size has decreased compared to last year, its exposure to institutions focusing on microfinance and loans for women has increased. This is reflected in a greater portfolio allocation to SDG 1 (No Poverty) and SDG 5 (Gender Equality). Since microloans are generally smaller but reach a larger number of borrowers, this shift has contributed to the Fund's expanded outreach in terms of end borrowers.

Additionally, some investees expanded their borrower base, with an average increase of 17%. As a result, the total number of borrowers reported by investees has grown, even as the fund's overall exposure has declined.

Moreover, new indicators introduced in 2024 have enabled the Fund to collect information on the impact of investees' product offerings in areas beyond microfinance, such as loans for renewable energy, improving WASH (water, sanitation, and hygiene) facilities, and implementing environmental remediation measures to enhance agricultural production.

Complementary indicators[5]	**FY 2023**	**FY 2024**
Number of investees	54	55
Number of countries served	23	22
Gender balance		
% of women borrowers among borrowers reached by the Fund[6]	39%	37%
Average % women borrowers served by investees	36%	39%
Outreach to LMIH		
Portfolio in low- and lower-middle-income countries (% of sustainable investments)	78%	80%
Median average credit per borrower	1,408	1,486
Average % of rural borrowers served by investees	23%	27%

[5] Data expressed as a weighted average of portfolio composition at end of each quarter.

[6] While the fund has reached more women borrowers and increased investments in PLIs primarily serving women (SDG 5 – Gender Equality), the reported percentage of women borrowers declined slightly. This decline is due to the inclusion of use-of-proceeds reports from bond investments, which indicate the total number of borrowers financed but lack gender-disaggregated data. As a result, while the overall borrower count increases, the number of women borrowers remains unchanged for investments made through bonds.

Sustainability Indicators – Portfolio Allocation to SDG, in % of total assets	FY 2023	FY 2024
1 (No poverty)	24.4%	26.0%
2 (Zero hunger)	5.1%	3.7%
5 (Gender equality)	5.4%	7.5%
7 (Affordable and clean energy)	3.0%	3.1%
8 (Decent work and economic growth)	31.6%	31.8%
10 (Reduced inequalities)	5.3%	4.1%
11 (Sustainable cities and communities)	3.6%	1.7%
Total Sustainable Investments	**78.5%**	**78.0%**
Minimum Sustainable Investments	**70%**	**70%**

Principal adverse impacts (PAI) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

To be eligible, an Investee must avoid causing significant harm to any of the sustainable investment objectives of the Fund while focusing on generating positive impact. For that purpose, the Investment Manager uses two tools to filter out investments:

· Exclusion list. For private debt instruments, the Investment Manager ensures that the Target Investees do not finance activities included in the Exclusion list of the Fund. The Exclusion list is broadly in line with international standards set forth by development finance institutions like the IFC. For primary issuance debt instruments, the Investment Manager ensures that the Exclusion list is included in the loan agreements or promissory notes agreed with the Target Investees. Specifically, Investees are prohibited to perform themselves or finance any borrower involved in the activities listed in the Exclusion list.

· ESG assessment. The Investment Manager takes into account an ESG assessment of the Target Investee in its investment decision-making process. For private debt instruments, the Deal Originator is usually in charge of providing the Investment Manager with the required level of information. The Investment Manager agrees with each Deal Originator on the minimum level of information required to make sure it remains in compliance with the Do no significant harm (DNSH) principle. The ESG assessment used by the Investment Manager evaluates the risk of doing harm of a rated company from an environmental, social, and governance (ESG) risk perspective. The tool evaluates the company's exposure to E&S risks as well as the systems in place to mitigate such risks. It ranks companies according to their direct and indirect ESG footprint, where the indirect impact can be related to the company's borrowers, clients or suppliers.

When an investment is done through a syndication or third-party origination, the Fund Manager ensures that the assessment performed by the Third Party Originator or Syndication Agent is aligned with its standards.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund monitors mandatory indicators for principal adverse impacts on sustainability factors. Additionally, two of the optional indicators were being tracked - investments in companies without carbon emission reduction initiatives and lack of grievance/complaints handling mechanism related to employee matters. In 2023, the coverage rate increased, and this positive trend continued through 2024 with the Fund expanding its reporting scope, ensuring more comprehensive monitoring of sustainability impacts. Some of the indicators are also estimated through the use of proxies. The PAI indicators statement is available at the end of this Annex.

The Investment Manager has worked with other professionals in the industry to align their approaches to measure PAI indicators. This includes determining the best methods for data collection and calculation at the investee and/or end-borrower levels. Collecting data from non-EU investees is particularly challenging, and coordination is essential to ensure that investors have access to meaningful data.

The way the Fund is considering principal adverse impacts on sustainability factors all along the investment value chain is described in the question "How did this financial product consider principal adverse impacts on sustainability factors?" of this Annex.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The ESG Assessment performed during Investee Due Diligence is partly based on the International Finance Corporation Performance Standards (IFC PS), which are broadly based on other international standards such as the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, International Labour Organization Standards, and Equator Principles. It is, however, not based on the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises as the Fund invests mostly in small to mid-size companies in emerging and frontier economies thus not applicable.

UN Guiding Principles on Business and Human Rights	Broadly considered and adapted to the companies targeted

OECD Guidelines for Multinational Enterprises and Key Considerations for Banks Implementing the OECD Guidelines for Multinational Enterprises	Guidelines are not applicable as the Fund invests mostly in small to mid-size companies in emerging markets. All transversal standards framing these Guidelines, such as human rights, employment, environment, bribery, consumer interests, competition, and taxation, are broadly considered and adapted to the companies targeted. Science and technology fall out of scope. The key considerations that apply to the Fund are the ones defined for banks given that the Investees of the Fund are mostly microfinance institutions, SME banks and leasing companies. These six key considerations for banks are broadly covered by the Investment Manager's methodology or are planned to be: Measure 1: Embed responsible business conduct into policies and management systems Measure 2: Identify and assess actual and potential adverse impact Measure 3: Cease, prevent and mitigate adverse impacts Measure 4: Track implementation and results Measure 5: Communicate how impacts are addressed Measure 6: Provide for or cooperate in remediation when appropriate

How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager integrates the risk of occurrence of Principal Adverse Impacts into the core investment process of the Fund through its research, analysis, and decision-making processes, as part of its Sustainability Policy. It does so principally via:

- An exclusion of any investments that significantly harm sustainable investment objectives, via an exclusion list defining what will be excluded from any investments, such as production or trade in weapons, commercial logging operations for use in primary tropical moist forest, and production or activities involving harmful or exploitative forms of forced labor, among others; and

- An ESG Assessment of the Target Investees, which focuses on the assessment of an Investee's risk of doing harm, provides an evaluation of the Principal Adverse Impacts that an Investee could cause on Sustainability Factors. It includes all PAI indicators (or the topics underlying the Principal Adverse Impact Indicators) weighted depending on their level of relevance for the Target Investees. It allows the Fund to filter investments to be exposed only to Target Investees evaluated to not harm significantly the Sustainability Factors. For now, no target objective was set up to reduce Principal Adverse Impacts at the Fund level.

The ESG Assessment is partly based on the International Finance Corporation Performance Standards, which are broadly based on other international standards such as the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, International Labour Organization Standards, and Equator Principles. It is however not based on the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises as the Fund invests mostly in small to mid-size companies in emerging and frontier economies (see the above question).

The assessment tool is also inspired by the Alinus Social Performance Management tool developed and promoted by CERISE + SPTF, dealing notably with customer protection issues. All indicators are collected through meetings with the Target Investees, answers to specific questionnaires, periodic data monitoring, and, when applicable and practicable, on-site visits.

When an investment is done through a syndication or third-party origination, the Fund Advisor ensures that the assessment performed by the Third-Party Originator or Syndication Agent is aligned with its processes and standards.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31st December 2023 to 31st of December 2024

Largest investments[7]	Sector (NACE Code)	%Assets	Domiciled country
KCB	K64.19	5.4%	Kenya
Equity Bank	K64.19	5.0%	Kenya
Access Bank Plc	K64.19	4.2%	Nigeria
Greenlight Planet Group	N77.29	3.1%	United States
Baobab CI	K64.19	2.9%	Cote d'Ivoire
TerraPay	K66.19	2.8%	Mauritius
ACEP Sénégal	K64.19	2.8%	Senegal
PAMECAS	K64.19	2.8%	Senegal
Lulalend	K66.19	2.7%	South Africa
Baobab Nigeria	K64.19	2.5%	Nigeria
ACEP Burkina	K64.19	2.4%	Burkina Faso
TradeDepot	G46.39	2.2%	Nigeria
Co-op Bank	K64.19	2.2%	Kenya
Baobab Burkina	K64.19	2.0%	Burkina Faso
SEF SA	K64.92	1.9%	South Africa

NACE CODE	Brief Description
K64.19	Other monetary intermediation
N77.29	Renting and leasing of other personal and household goods
K64.92	Other credit granting

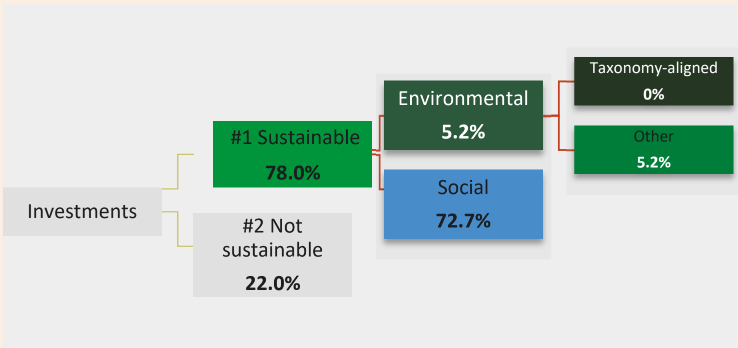
[7] Portfolio composition (% GAV) (excluding cash and money markets instruments) at end of the reference period.

K66.19	Other activities auxiliary to financial services, except insurance and pension funding
G46.39	Non-specialized wholesale of food, beverages and tobacco

What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

The asset allocation is calculated as the weighted average portfolio composition at the end of each quarter of the reporting period, using the latest data available from the investees at the end of the reporting period). The reporting period comprises from the 31st of December 2023 to the 31st of December 2024.

In the fiscal year of 2024, both Sustainable Investment and Social Investment exceeded the minimum objective of 70%. Although the Fund did not have a minimum threshold requirement for environmental investments in the same fiscal year, investments with an environmental objective accounted for 5.2%. This was accomplished through opportunities that not only contributed to environmental targets but also aligned with social objectives in accordance with the overall mission of the Fund.

These investments include:

An investment in a union of cocoa and cashew cooperatives in Côte d'Ivoire contributes to SDG target 2.4 by promoting sustainable agriculture and resilient food production systems. Supporting over 32,000 Fair Trade certified farmers, the organization implements responsible farming practices, including controlled agrochemical use, soil fertility management, and proper waste disposal. It also advances agroforestry initiatives, enhancing climate resilience and providing diversified income sources for smallholder farmers. These efforts not only improve environmental sustainability but also strengthen rural livelihoods.

An investment in a South African company contributes to SDG target 11.2 by improving access to safe, affordable, and sustainable transportation. The company provides specialized financing and insurance solutions for minibus taxis, a crucial mode of transport that facilitates millions of daily commuter trips. By enabling operators to acquire and maintain vehicles, the company enhances the reliability and safety of public transport, supporting greater urban mobility and economic opportunities for communities.

An investment in a company based in the US but serving customers in over 65 countries across Africa and Asia directly contributes to SDG 7 by expanding access to reliable, affordable, and sustainable solar energy solutions in underserved communities. The company provides solar-powered home systems, lanterns, and appliances to off-grid and low-income households, reducing reliance on kerosene and other polluting fuels. This investment supports the transition to clean energy, enhances energy security, and improves health outcomes by mitigating indoor air pollution. Furthermore, by making solar energy financially accessible through pay-as-you-go models, the company empowers millions with sustainable energy access, driving both economic development and environmental sustainability.

In which economic sectors were the investments made?

NACE code	NACE Brief Description	FY 2024
K64.19	Other monetary intermediation	51.2%
K66.19	Other activities auxiliary to financial services, except insurance and pension funding	8.1%
K64.92	Other credit granting	5.0%
K64.91	Financial leasing	4.1%
N77.29	Rental and leasing of other personal and household goods	3.1%
G46.39	Non-specialized wholesale of food, beverages, and tobacco.	2.2%
G46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	1.7%
G46.11	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials, and semi-finished goods.	1.2%
K64.30	Trusts, funds, and similar financial entities	0.9%
K64.20	Activities of holding companies	0.4%

The Fund applies a standardized classification system aligned with NACE codes, which often group diverse activities under broad categories. Consequently, four investees engaged in agriculture and trade solutions for small shop owners are classified within a category that includes 'Tobacco' in its description, despite having no operational link to the tobacco industry. This technical classification does not reflect any deviation from the Fund’s responsible investment principles. Both the Fund and its PLIs strictly adhere to exclusion lists that prohibit investments in tobacco production and trade, ensuring alignment with sustainable investment standards.

As shown in the table above, the Fund mostly invests in financial institutions and gathers information on the business activities in which these institutions invest. The breakdown per business activity of this underlying portfolio is:

Business activity (number of final borrowers weighted by Fund volumes)[8]	**FY 2024**
Agriculture	11.5%
Mining	0.2%
Manufacturing	2.1%
Energy supply	2.9%
Water & Waste	0.0%
Construction	1.8%
Trade	48.7%
Garages	0.3%
Transport	5.5%
Financial services	5.6%
Real estate	1.1%
Other services	10.9%
Health	0.5%
Laundry	0.1%
Non productive loans[9]	5.7%
Renewable energy	3.1%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sustainable investments with environmental objective are made in economic activities that are not aligned with the EU Taxonomy. Further information is provided in answer to "What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy".

[8] Expressed in % of Investments per main economic sectors in which investees are investing. Weighted average of portfolio composition at end of each quarter.

[9] The Non-productive loans classification includes loans that do not fall under the sectors of agriculture, production, trade, or services and specifically pertains to personal loans, education, and housing.

Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy[10]?

Yes:

In fossil gas In nuclear energy

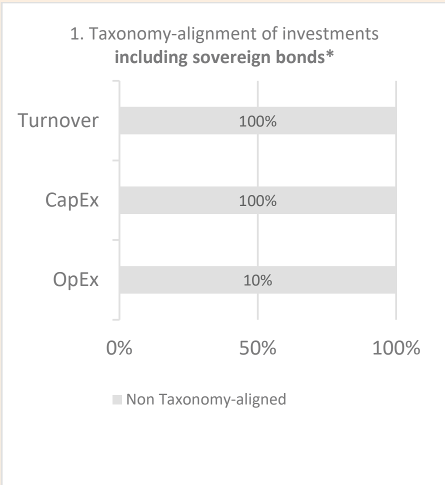
✖ No

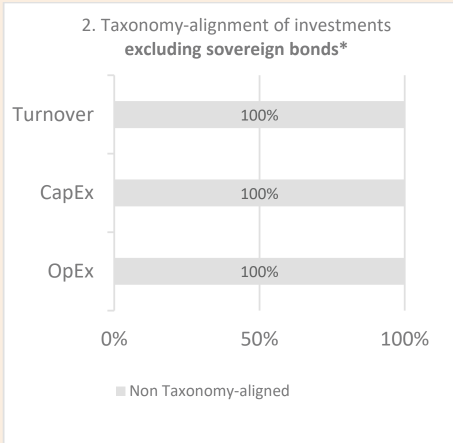
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?

Not applicable.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

* *For the purpose of these graphs, sovereign bonds, consist of all sovereign exposures.*

[Non applicable] Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund made a limited number of sustainable investments with an environmental objective. Despite being eligible for the climate change mitigation objective of the EU Taxonomy, all these sustainable investments are in economic activities that do not align with

[10] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

the Taxonomy. The Fund primarily invests in emerging markets where participants are not obligated to report against European regulations, and the technical standards required by European regulations are not adapted to these markets.

Nevertheless, investments contributing to one of the social objectives of the Fund undergo a comprehensive assessment for environmental quality. Additionally, for green and sustainability bonds, the assessment is conducted according to the ICMA Standards.

What was the share of socially sustainable investments?

Share of socially sustainable investments (% of total assets, calculated as the weighted average portfolio composition at the end of each quarter of the reporting period). The reporting period comprises the 31st of December 2023 to 31st of December 2024.	**72.7%**

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

For FY 2024, the Non-Sustainable Investments of the Fund were composed of the categories detailed in the table below (all expressed in % of total assets).

Composition of the Fund as a weighted average of end of each quarter (in % of total GAV)	
Cash	15.8%
Derivatives	3.5%
Other assets	2.4%
Other Investments (money market instruments)	0.4%
Total Non-Sustainable Investments	**22.1%**

Non-Sustainable Investments include cash, and hedging instruments, as well as other assets. The assets that are not invested in "Sustainable Investments" are either cash used for liquidity management purposes or cash that is not yet invested. The percentage of cash in the total assets reflects the nature and pace of the investment decisions made by a Fund investing in illiquid markets. Derivative financial instruments are used, when judged necessary, to ensure that the Fund extends financing in local currency to its Investees while reducing the foreign exchange currency risk for its investors. Providing financing in local currency is seen as part of the mission of the Fund to ensure that Investees can also extend local currency loans to their borrowers and as such protect them from foreign exchange risk. To better represent the positive impact generated by investments, the provisioning of workout cases was directly allocated to the investments to avoid overestimating their outreach. This approach led to a residual accounting adjustment.

What actions have been taken to attain the sustainable investment objective during the reference period?

In 2024, the Fund updated its Impact Management Framework and E&S Risk Management Framework policies to strengthen the monitoring of action plans and reporting. Simultaneously, the Fund engaged with four target investees to enhance their E&S management systems through five action plans. A technical assistance program was also made available during the period to support target investees in developing or improving their E&S management systems, with ten investees subscribing.

These actions ensure that the Fund continues to achieve its mission and meet its sustainable investment objective while minimizing negative impacts.

How did this financial product perform compared to the reference sustainable benchmark?

No index has been designated as a Reference Benchmark as existing indexes are not appropriate considering the type of Investments made by the Fund. To be able to position the proposed Investments in terms of their contribution to the Sustainable Investment Objectives of the Fund, an internal benchmark is used, and compares the ESG rating scores of the potential investees with the scores of its peers (of the same country or region). Sustainability Indicators of the Target Investees are also compared. The evolution of these indicators over time is also checked for repeat investees.

To cover the absence of a relevant benchmark, the Investment Manager also actively participates in professional associations of Impact Investors such as the Investor Working Group of the Social Performance Task Force or the GIIN and shares practices, results and performance with other market players.

- ***How did the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

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C(2022) 1931 final

ANNEX 1

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Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX I

Principal adverse sustainability impacts statement

For the purposes of this Annex, the following definitions shall apply:

(1) ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council[1];

(2) ‘greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council[2];

(3) ‘weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;

(4) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(5) ‘companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council[3];

(6) ‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

(7) ‘non-renewable energy sources’ means energy sources other than those referred to in point (6);

(8) ‘energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

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1 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

2 Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

3 Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

(9) ‘high impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council[4];

(10) ‘protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);

(11) ‘area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council[5];

(12) ‘emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council[6] and direct emissions of nitrates, phosphates and pesticides ;

(13) ‘areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool “Aqueduct”;

(14) ‘hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;

(15) ‘hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council[7] ;

(16) ‘radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[8];

(17) ‘non-recycled waste’ means any waste not recycled within the meaning of ‘recycling’ in Article 3(17) of Directive 2008/98/EC;

(18) ‘activities negatively affecting biodiversity-sensitive areas’ means activities that are characterised by all of the following:

(a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;

(b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

(i) Directive 2009/147/EC of the European Parliament and of the Council[9];

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4 Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

5 Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

6 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

7 Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

8 Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

9 Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

(ii) Council Directive 92/43/EEC[10];

(iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council[11];

(iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);

(19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139[12];

(20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

(21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;

(22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;

(23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;

(24) 'board' means the administrative, management or supervisory body of a company;

(25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;

(26) 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council[13];

(27) 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council[14], for the Large Volume Inorganic Chemicals- Solids and Others industry;

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[10] Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

[11] Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

[12] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

[13] Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

[14] Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

(28) ‘air pollutants’ means direct emissions of sulphur dioxides (SO_2), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter ($PM_{2,5}$) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council[15], ammonia (NH_3) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;

(29) ‘ozone depletion substances’ mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

(1) ‘GHG emissions’ shall be calculated in accordance with the following formula**:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

(2) ‘carbon footprint’ shall be calculated in accordance with the following formula**:

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M) *}$$

(3) ‘GHG intensity of investee companies’ shall be calculated in accordance with the following formula**:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M) *} \times \frac{investee\ company's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i *}\right)$$

(4) ‘GHG intensity of sovereigns’ shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M) *} \times \frac{The\ country's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i (€M)}\right)$$

$$\frac{((Value\ of\ real\ estate\ assets\ built\ before\ 31/12/2020\ with\ EPC\ of\ C\ or\ below) + (Value\ of\ real\ estate\ assets\ built\ after\ 31/12/2020\ with\ PED\ below\ NZEB\ in\ Directive\ 2010/31/EU))}{Value\ of\ real\ estate\ assets\ required\ to\ abide\ by\ EPC\ and\ NZEB\ rules}$$

15 Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), *OJ L 344, 17.12.2016, p. 1–31*

For the purposes of the formulas, the following definitions shall apply:

(1) ‘current value of investment’ means the value in EUR of the investment by the financial market participant in the investee company;

(2) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;

(3) ‘current value of all investments’ means the value in EUR of all investments by the financial market participant;

(4) ‘nearly zero-energy building (NZEB)’, ‘primary energy demand (PED)’ and ‘energy performance certificate (EPC)’ shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council[16].

Additional notes to the definitions and formulas for this reporting:

* Note that all references to the Euro currency are also converted into the currency of the Fund for which the report is prepared. In cases where values are not already in EUR, they undergo conversion. Conversely, if the values are in EUR, they remain unchanged and are not subject to conversion. The conversion rate utilized from the currency of the Fund to Euro is based on the ECB 2024 average exchange rate.

**Given the Fund’s type of investments (loans and bonds), calculation of the GHG emissions, Carbon Footprint and GHG Intensity were done based on the investee companies’ total assets to replace the investee companies’ enterprise value, and on their gross interest income to replace the investee companies’ revenues.

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Product name: Regional MSME Investment Fund for Sub-Saharan Africa SA, SICAV-SIF Legal entity identifier: 52990062YZ83Q83T6540
Summary The Fund considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of the Fund and covers the reference period from 1st of January 2024 to 31st of December 2024.

[16] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

Description of the principal adverse impacts on sustainability factors

The Investment Manager notes that PAIs are challenging to collect from non-EU Financial Institutions ("FIs"), which are currently representing most of the Fund investments. Since the regulatory and industry standards around the methodologies and tools used to perform PAI assessments are evolving, and in order to serve the spirit of the regulation in determining the impact of FIs, efforts are being made to work with the FIs and/or data providers, as the case may be, to calculate or estimate the PAIs of the FI's underlying portfolio and for a few PAIs the only information that can be collected is the amount of the exposure to risks and not the actual principal adverse impact (PAI 6,8,9).

	Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Coverage rate (was added to this table) See Note 1**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	55	68	64%	See Note 3	See Note 2
		Scope 2 GHG emissions	370	302	64%	See Note 3	See Note 2
		Scope 3 GHG emissions	32,267	30,664	64%	See Note 3	See Note 2
		Total GHG emissions	32,692	31,034	64%	See Note 3	See Note 2
	2. Carbon footprint	Carbon footprint in tCO2e/M USD and MEUR invested	358.0 (USD) 330.7 (EUR)	330.1 (USD) 355.6 (EUR)	64%	See Note 3	See Note 2

	3. GHG intensity of investee companies	GHG intensity of investee companies in tCO2e/M USD and MEUR invested	2,527.7 (USD) 2,335.4 (EUR)	2,568.5 (USD) 2,767.0 (EUR)	64%	See Note 3	See Note 2
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	1.5%	1.3%	76%	See Note 4	See Note 2
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	60.0%	61.2%	100%	See Note 5	See Note 2
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million USD/EUR of revenue of investee companies, per high impact climate sector	n.a.	n.a.	n.a.	Complementary indicator reported in next table. See Note 6.	See Note 2
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	n.a.	n.a.	n.a.	See Note 7	See Note 2
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million USD/EUR invested, expressed as a weighted average	n.a.	n.a.	n.a.	Complementary indicator reported in next table. See Note 8	See Note 2

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million USD/EUR invested, expressed as a weighted average	n.a.	n.a.	n.a.	Complementary indicator reported in next table. See Note 9	See Note 2
	INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	74%	See Note 10	See Note 2
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	16.1%	13.5%	74%	See Note 11	See Note 2
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	21.1%	18.6%	52%	See Note 12	See Note 2
	13. Board gender diversity	Average ratio of female to male board members in	23.9%	23.1%	79%	See Note 13	See Note 2

		investee companies, expressed as a percentage of all board members					
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	100%	See Note 14	See Note 2

Other indicators for principal adverse impacts on sustainability factors:

COMPLEMENTARY INDICATORS REPORTED BY THE FUND

Adverse sustainability impact	**Adverse impact on sustainability factors** **(qualitative or quantitative)**	**Metric**	**Impact 2024**	**Impact 2023**	**Coverage rate** **(was added to this table)** **See Note 1**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Refers to PAI 6	Indirect exposure to high impact climate sectors	Share of the investee's portfolio in high impact climate sectors	8.7%	12.8%	76%	See Note 6	See Note 2
Refers to PAI 8	Indirect exposure to sectors with intensive emissions to water	Share of the investee's portfolio in sectors with intensive emissions to water	3.2%	6.1%	73%	See Note 8	See Note 2
Refers to PAI 9	Indirect exposure to sectors which generate significant amounts of hazardous waste	Share of the investee's portfolio in sectors which generate significant amounts of hazardous waste and/or	2.2%	3.3%	73%	See Note 9	See Note 2

	and/or with high risk of site contamination	with high risk of site contamination					

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Refer to Annex V

Engagement policies

No engagement policy

References to international standards

Refer to Annex V

Historical comparison

Third year of report, comparison with 2023 report.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2024	Impact 2023	Coverage rate (was added to this table) See Note 1	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							

EN EN

Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	94.7%	94.4%	74%	See Note 15	See Note 2

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse sustainability impact	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	**Impact 2024**	**Impact 2023**	**Coverage rate (was added to this table) See Note 1**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Indicators applicable to investments in investee companies							
Social and employee matters	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	3.4%	0.82%	74%	See Note 16	See Note 2

Note 1 - Perimeter:

The coverage rate of each indicator is reported in the table, in share of the Sustainable Investments[17] (as a weighted average of quarterly NAV). The rate indicates the share of investments for which data is available. Non-sustainable investments[18] are not considered, given data does not apply to their nature (e.g. cash, money market instruments). The coverage rate refers to data reported for 2024.

All ratios are averaged only on the value of investments for which the indicator is available. For the sake of clarity, indicators that are not ratios are not scaled to the portion of the portfolio for which data is available (see Note 3).

For Bonds and Loans that have a specific use of proceeds, the PAIs are likely to overestimate the actual impact of the investments as they are calculated based on the average composition of the portfolio of the Investee financed and not on the specific use of proceeds financed by the Fund which are often, in such cases, proceeds selected for these relatively lower PAIs. The low coverage rate of some indicators is however partly because no information was received by some of the investees emitting such specific Bonds and Loans.

Note that following the RTS, all indicators are calculated as a weighted average of the Fund's portfolio composition at the end of each quarter, using the latest data available from the investees at the end of the reporting period.

Note 2 - Actions taken:

The Sub-Fund has not yet established quantified improvement targets for the Principal Adverse Impact (PAI) indicators. In 2022, the first year of data collection, only a limited number of investees reported on certain PAIs. However, over the past two years, reporting quality and coverage have significantly improved, with the coverage rate increasing by an average of 8 percentage points this year.

As of 2024, the average coverage ratio stands at 76%, with PAI 12 showing the most notable improvement, rising from 41% to 52%. This positive trend is expected to continue, further enhancing the accuracy and completeness of reported data. While the Sub-Fund has not yet set specific improvement targets, it may consider doing so in the future as reporting continues to strengthen.

Specifically, for PAIs 8 and 9, the Investment Manager has recently updated the risk-weighting for Clean Energy (previously known as Renewable Energy) to better reflect the potential risks associated with Emissions to water and waste. These changes may cause some variations in the results, especially for investees who have significant exposure to Clean Energy.

Note 3:

The Investment Manager uses the proxy provided by the Joint Impact Model to estimate the GHG emissions of its investments. The inputs provided by the Investment Manager to the proxy provider have followed the recommendations issued by the Proxy Provider for Financial Inclusion investments.

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[17] as defined in SFDR and its Annex V of AFS for the Fund.
[18] as defined in SFDR and its Annex V of AFS for the Fund.

As shown in the coverage rate, a few investments were not considered in the estimations: these are mostly Bonds with specific use of proceeds for which a calculation methodology is under reflexion for the specific case of the GHG emissions.

Most of its investees being FIs and considering that most of the GHG emissions of an FI stem from its portfolio of investments, the estimates for the Scope 3 emissions also consider the emissions generated by the economic activities financed by the FIs (category 15 as per PCAF) financed by the Fund.

When available, the breakdown of the gross loan portfolio of the investees by economic sectors is used to generate the proxy GHG emissions for the Scope 3. For the few cases when that detail is not available, the investee's emissions were not estimated. The model selected uses the best available databases and was developed by industry experts, but estimating GHG emissions still includes a considerable amount of assumptions which limit their precision.

Given the Fund's type of investments (debt) and investees (financial institutions in their majority), calculation of the GHG emissions, Carbon Footprint and GHG Intensity were done based on the investee companies' total assets to replace the investee companies' enterprise value, and on their gross interest income to replace the investee companies' revenues.

The GHG Intensity of investee companies and the Carbon Footprint are calculated based on the Sustainable Investments for which data is available, to avoid underestimating these ratios.

For non-productive loans (personal loans), a zero estimation was chosen in order not to overestimate their emissions, as no accurate proxy for those was found for now.

The Fund's scope 3 emissions is largely associated with the Fund's investments in financial intermediaries reaching a large number of end-beneficiaries in emerging and frontier markets with the mission of financing economic development. Most of the countries in which the Fund invests have significantly lower per capita carbon emissions than countries in the EU. Fostering development to improve socioeconomic conditions and achieve the Sustainable Development Goals leads to increasing emissions. Through its Exclusion list, the Fund ensures that it has minimal investments in activities or sectors that have the most negative impacts on the environment and through its ESG assessment, the Investment Manager ensures that the Investees of the Fund are aware of the environmental and social risks in their portfolio, and are adequately tooled to mitigate the potential negative impacts of the activities of their end-borrowers.

A significant share of the Fund's emissions stems from 11 investees, either due to their activity or due to the energy mix of the country where they operate. Notably, one investee in South Africa finances SMEs operating in public transportation, heavily relying on petroleum. One investee in Madagascar finances the retail and trade sector, which are indirectly coal-intensive given the energy mix of the country. Six investees are located in countries where coal and oil represent a high share of the country's energy mix (ranging from 60% to 82% of the countries' total energy supply). These include South Africa and Senegal (representing 12% of sustainable investments). Additionally, one of those investees is a Nigerian Bank, the bank's investment in a prominent financial player in a fossil fuel-dependent country inevitably exposes the Fund.

For non-productive loans (personal loans), a zero estimation was chosen in order not to overestimate their emissions, as no accurate proxy for those was found for now.

Note 4:

The Fund does not directly invest in companies active in the fossil fuel sector. Most of the investees operate in the financial sector and as such do not directly derive revenues from activities such as the exploration, mining, extraction, production, processing, storage, refining or distribution in the fossil fuel sector.

The Fund however reports here its indirect exposure to the fossil fuel sector through investments in FIs that themselves have exposure to fossil fuel sectors. The approach chosen is a weighted one: for a USD 1M Invested in a Financial Institution that has a 10% exposure to the Fossil Fuel Sector in its portfolio, only USD 0.1M will be counted in the "share of investments in companies active in the fossil fuel sector".

The residual exposure in the fossil fuel sector for FY 2024 is mostly explained by one investment in a Nigerian Bank, reflecting the economy of the country and the rest by 5 investees which have small exposures in the fossil fuel sector, ranging from 0.006% to 2.061% of their portfolio, mostly through SMEs active in the fossil fuel supply chain and not in extraction and refining activities. In the case of the Nigerian Bank, investing in one of the major financial actors in a country heavily relying on the fossil fuel industry, inevitably exposes the Fund. However, the investment came with a specific engagement action with the Investee and its contractual commitment to reduce its exposure to two major actors in the sector below a defined threshold within a defined timeframe.

Note 5:

The vast majority of the Fund's investees draw energy from the national grid. Data was gathered on the energy composition from each country's national energy mix, which is sourced through the International Energy Agency. This method does not value the few initiatives from some investees towards renewable energy which are however still limited. To be fully aligned and conservative, the SFDR definition of renewable energy is used (thus excluding nuclear and natural gas, two energy sources that are now included in the updated definition of "renewable energy" of the EU Taxonomy).

The calculation represents the share of non-renewable electricity consumption – excluding production - of investee companies from non-renewable energy sources compared to the total share of electricity consumption from all energy sources. Data on energy consumption and production were found to have a low coverage for now.

Note 6:

The specific energy consumption in GWh being difficult to collect from non-EU investee, the Investment Manager opted to report its exposure to high impact climate sectors rather than the energy consumption of its portfolio in these sectors.

Most of the investees of the Fund operate in the financial sector and do not classify as part of a high impact climate sector. As such, the Fund does not have direct exposure to companies active in high impact climate sectors.

The Fund however reports in the table "Complementary indicators reported by the Fund" its indirect exposure to high impact climate sectors through investments in FIs that themselves have exposure to high impact climate sectors. The approach chosen is a weighted one: for a USD 1M Invested in a Financial Institution that has a 10% exposure to High Impact Climate sectors in its portfolio, only USD 0.1M will be counted in the "share of investments in high impact climate sectors".

The Fund uses the list of high impact sectors defined by the regulation (agriculture, forestry and fishing, mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management, and remediation activities, construction, wholesale and retail trade; repair of motor vehicles and motorcycles transportation and storage real estate activities).

The Fund’s relatively high share of indirect exposure to high-impact climate sectors is notably explained by the fact that 9% of investees’ GLP is in the agricultural sector. However, most of investees’ end-borrowers are smallholder farmers, whose adverse impact on climate can be more limited than large-scale farming.

Note 7:

Most of the investees operate in the financial sector and their direct impact on biodiversity-sensitive areas is negligible. As such, the Fund does not have direct exposure to companies that negatively affect biodiversity-sensitive areas.

However, the Investment Manager is doing its best effort to calculate or estimate the impacts of the FI's underlying portfolio to activities located near or in biodiversity-sensitive areas which could negatively affect these areas. Research is taking place on the best tools to map and match national biodiversity-sensitive areas to portfolio activity locations. Efforts are made to raise awareness of the investees on the biodiversity-sensitive areas and the environmental and social risk management system that needs to be put in place when investees work with companies active in or near these areas. In parallel, a specific pre-assessment, based on proxy indicators, was done on 74% of the portfolio of investments. In this segment, the Investment Manager concluded that the Investees of the Fund do not have activities that could negatively affect biodiversity-sensitive areas.

Note 8:

The specific tons of emissions to water being difficult to collect from non-EU investee, the Fund opted to report its exposure to sectors likely to generate high emissions to water.

Most of the investees operate in the financial sector and generate a negligible amount of emissions to water through their direct activities.

To demonstrate its best effort, the Fund however reports in the table “Complementary indicators reported by the Fund” its indirect exposure to sectors with intensive emissions to water according to the IFC. It applies coefficients to this exposure depending on the size of companies active in those sectors in its investee's portfolio given that micro, small or medium-sized enterprises are likely to produce much lower emissions than large enterprises even when they are active in the same economic sector.

Note 9:

The specific tons of hazardous waste being difficult to collect from non-EU investees, the Fund opted to report its exposure to sectors likely to generate significant amounts of hazardous waste or to imply site contamination.

Most of the investees operate in the financial sector and generate a negligible amount of hazardous waste through their direct activities.

To demonstrate its best effort, the Fund however reports in the table “Complementary indicators reported by the Fund” its indirect exposure to sectors which generate significant amounts of hazardous waste and/or with high risk of site contamination according to the IFC. It applies coefficients of exposure depending on the size of companies active in those sectors in the investee's portfolio given that micro, small or medium sized enterprises are likely to produce much lower emissions than large enterprises even when they are active in the same economic sector.

Note 10:

As further described in its sustainability disclosures, the ESG assessment tool used is based on the relevant fundamental pillars of the UNGC principles and OECD guidelines. As such, the assessment of whether investees can comply with these principles is fully embedded in the investment decision.

As part of the assessment, the Investment Manager collects one key result indicator of such violations: "the investee has received fines due to non-compliance with environmental and social regulations". Any investee that received fines is counted as being part of the "share of investments in investee companies that have been involved in such violations".

The Investment Manager is also monitoring its investees for any lawsuits and allegations reported by World-check screening results, on topics related to human rights, employment, bribery, consumer interests, competition, and taxation, and to environment to the extent such regulations exist in the countries of location of the investees.

Further developments are foreseen to report on this indicator. The Investment Manager in collaboration with peers notably investigates the interest of using a controversies' watchlist provider.

Note 11:

As further described in the Investment Manager's sustainability disclosures, the ESG assessment tool is based on the relevant fundamental pillars of the UNGC principles and OECD guidelines. This assessment notably provides an opinion on the following three procedures: "Grievance mechanism for employees"; "Customer complaints and insurance claims"; and for investees involved in project finance "Complaints' mechanism in place for people living in places where the company operates".
Any investee where at least one of these procedures is lacking is counted in the share of investments in investee companies without policies to monitor compliance with UNGC principles or OECD guidelines.

Note 12:

The Fund provides this indicator for the average of all employees, using the average annual compensation rather than the hourly compensation asked by the Regulation. This information is directly collected through investees.

In the first year of data collection (2022), the coverage ratio for this indicator was 33%. By 2024, the coverage rate has further improved, reaching 52%.

Note 13:

The Fund provides this indicator expressed as a percentage of all board of directors (i.e. number of female board members / total number of board members) as the regulatory definition is unclear. This information is directly collected through investees.

Note 14:

The Fund reports no exposure to the manufacture and selling of controversial weapons as it is part of the Exclusion list included in all contracts with its investees. The capacity of investees to properly implement the exclusion list is assessed during due diligence of each investee.

Note 15:

The Fund assesses the good quality of its investees' carbon credit collection or carbon off-setting programs. It reports here on the share of investments in investees with no such quality measures in place.

Note 16:

Investees’ grievance mechanisms for employee matters are evaluated using the ESG assessment tool. At the time of assessment, three investee companies lacked a formal grievance mechanism. However, as of this report, two have implemented one, while the third is in the process of formalization.