

Verifier Statement

Independent Verification Report

Prepared for Finance in Motion: October 20, 2023

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Finance in Motion engaged BlueMark to undertake an independent verification of the alignment of Finance in Motion’s impact management (IM) system with the Impact Principles. Finance in Motion’s assets under management covered by the Impact Principles (Covered Assets) totals \$3.4 billion², for the year ending 12/2023.

Summary assessment conclusions

BlueMark has independently verified Finance in Motion’s extent of alignment with the Impact Principles. Key takeaways from BlueMark’s assessment are as follows:

Principle 1: Finance in Motion’s strategic focus on promoting a green economy and improving entrepreneurship and livelihoods is clearly delineated into five impact objectives, each of which are aligned with the SDG sub-targets and measurable indicators. The firm has also developed fund-specific theories of change, which are backed with evidence.

Principle 2: Finance in Motion implements a consistent impact management process, using proprietary scoring and data management tools to assess and monitor impact across the portfolio. Tools and processes are contextualised by impact theme and asset class. Impact performance is linked to staff incentive systems.

Principle 3: Finance in Motion clearly articulates its financial and non-financial contribution to the expected impact of each investment, aligning intended activities with the Impact Management Project’s guidelines. Activities are validated by third-party evidence, including impact studies and external reviews.

Principle 4: Finance in Motion has a consistently applied process to assess the expected impact of each investment, differentiated by asset class and impact theme. All potential investments are evaluated in line with the Impact Management Project’s five dimensions of impact using standardised scoring tools and due-diligence questionnaires.

Principle 5: Finance in Motion integrates ESG considerations across all stages of the investment lifecycle, including ex-ante assessments of material risks and investment-level action plans to support risk mitigation. Progress is monitored using quarterly reports and/or annual questionnaires, and tailored technical assistance supports cases of underperformance.

Principle 6: Finance in Motion monitors the impact of each investment against predefined KPIs as well as expected impact potential (estimated by standardised scoring tools) on a quarterly basis. This is supplemented by impact studies, external evaluations, and rapid assessments with end-beneficiaries to evaluate actual impact achieved.

Principle 7: Finance in Motion outlines their process for considering sustainability of impact at the point of exit for debt, equity, and ongoing partnerships. Exit scorecards are developed for debt investments and exit questionnaire findings are inputted into Exit Memorandum’s for equity investments; which include considerations related to potential buyers.

Principle 8: Finance in Motion’s systematic impact review process captures investee impact performance against predefined targets alongside progress against key action items, which are aggregated to inform firm-wide progress. Additionally, Finance in Motion has clear evidence of changes made to strategic decisions based on lessons learned.

¹ Principle 9 states that signatories “shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.”

² Assets under management figure as disclosed by Finance in Motion to BlueMark as of 10/2023. BlueMark’s assessment did not include verification of the AUM figure.

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Assessment methodology and scope

Finance in Motion provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark's work was limited to processes in place related to the Covered Assets as of October 2023. BlueMark's assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.³

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

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

Permissions

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

About BlueMark

BlueMark, a Tideline company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to "strengthen trust in impact investing" and to help bring more accountability to the impact investment process. BlueMark is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemarktideline.com.

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