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Sustainability-related product disclosure: EMF Microfinance Fund
In accordance with Chapter IV, Article. 45-57 and Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

Version	Date	Comments
1.0	31.12.2022	Initial Version
1.1	09.07.2024	Explanation of document changes; versioning
1.2	18.09.2024	Aligning Investment strategy with prospectus; versioning

The following information relates to the following fund/sub-fund and all of its share classes:

- **EMF Microfinance Fund AGmvK**

1. Summary

The EMF Microfinance Fund (EMF) or the "Fund" has a sustainable investment objective in accordance with Art. 9 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR").

EMF was founded in 2008 as an instrument to catalyze access to capital where it is needed most and to promote financial inclusion to people in developing economies mainly overlooked by the mainstream financial system.

The Fund is a pure microfinance debt fund. Local currency exposure is hedged against USD. The EMF is invested in a diversified portfolio of debt instruments to mitigate default, country and liquidity risk while optimizing the social impact and financial inclusion of the portfolio's investments. The Fund is open to institutional and private investors in a variety of currencies.

EMF also contributes positively to 14 of the UN Sustainable Development Goals (SDGs).

2. No significant harm to the sustainable investment objective

The Enabling Microfinance Fund complies with the "do not significantly harm" principle from Article 2(17) Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR). EMF does not directly invest in sectors that are prohibited by the IFC Exclusion List.

EQ has developed an Environmental, Social and Governance (ESG) Rating to systematically measure each investee's adoption and implementation of ESG principles and assess if the principles are aligned with the Sustainable Development Goals (SDG) established by the United Nations. Furthermore, the fund is a signatory of the United Nation's Principles for Responsible Investment (UN PRI) since 2013. And the Portfolio Manager is a signatory of PRI as well.

For all activities, the investment team and the Portfolio Manager ensures that the EMF is not contributing to potentially negative effects on the environment, clients, employees and communities of the financial institutions that we disburse loans to. The careful assessment and monitoring of the ESG-factors is thus a central part of the Fund's investment process.

The so-called minimum protection within the meaning of Art. 18 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 is ensured by only considering as borrowers those companies that comply with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the eight core conventions of the ILO, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This is part of the due diligence that is carried out before every investment.

3. Sustainable investment objective of the financial product

The EMF has a sustainable investment objective in accordance with Art. 9 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR").

The investment objective of the Fund is to contribute, directly or indirectly, to the financing of investees/issuers of various types (Investee Companies) involved in impact investment activities, across emerging and frontier markets globally. Said financial intermediaries are targeting the productive sector, affordable housing, education, health, agriculture, clean energy, and humanitarian relief activities. The financial intermediaries may be involved through direct or downscaling programs in activities such as micro, small and medium enterprises (MSME).

4. Investment strategy

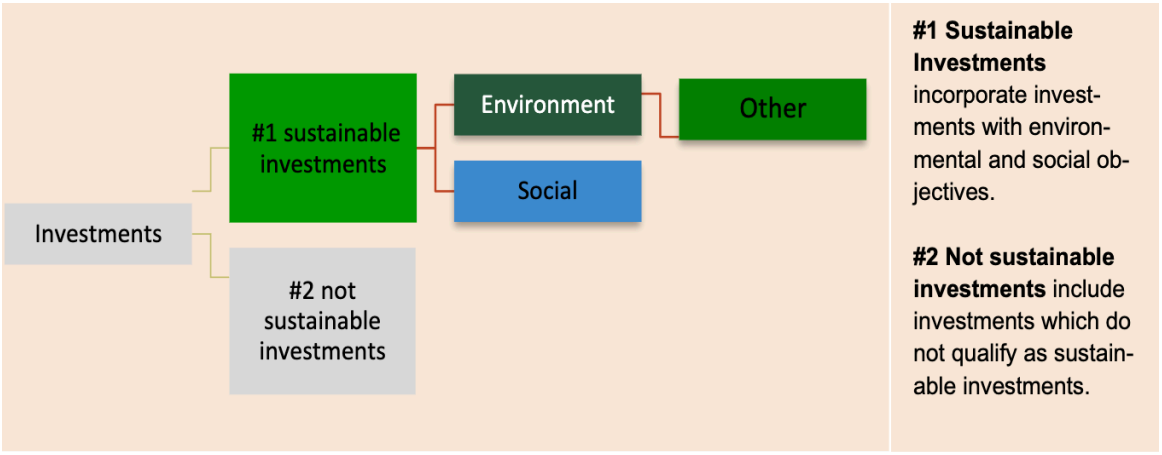
The Investment Strategy of the Enabling Microfinance Fund is to contribute to the economic, social, and environmental development of clients at the bottom of the pyramid by providing access to targeted financial services and products. This can be done directly or indirectly to the financing of investees involved in impact related investment activities.

The Fund seeks a broad diversification not only across regions and countries but also individual investments.

The asset manager has a good governance policy for assessing the governance practices of companies. This policy also applies to the fund.

5. Proportion of investments

All investments of the Fund are sustainable investments as defined by the SFDR except for cash investments, derivatives, and money market instruments. These sustainable investments consist of private debt investments in Investee Companies.



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6. Monitoring of environmental or social characteristics

Compliance with the investment strategy is ensured by the fund management on the one hand and by the management company's risk management on the other as part of ongoing investment limit monitoring. These daily monitoring activities are documented accordingly. The auditors of LLB Fund Services AG review the implementation of these monitoring mechanisms at regular intervals, and (any) breaches of the investment strategy are also reported to the Board of Management and the Board of Directors of LLB Fund Services AG.

All investments of EMF are regularly monitored for their social component. This is achieved through the proprietary EQ's Social Rating Tool. We systematically measure each investee's adoption and implementation of ESG principles and assess if the principles are aligned with the Sustainable Development Goals (SDG) established by the United Nations.

Specific impact related indicators relevant for the Fund such as gender, portfolio activity, location of clients, average loan size, average yield, lending methodology or client protection practices, are monitored at the investee level on a monthly basis. Additionally, the proprietary EQ's Social Rating Tool is updated on a regular basis.

7. Methodologies

Enabling Qapital combines a top-down approach of strategic asset allocation of the Fund with a rigorous bottom-up credit analysis. The investment process incorporates a rigorous ESG rating and impact monitoring. The EQ ESG Rating is designed to assess the ESG principles of its investee companies through the lens of each stakeholder.

8. Data sources and processing

The data is collected through direct contact with potential investees and questions to the stakeholders they engage with. EQ does an appraisal of the investee's ESG goals and systems, including understanding the end beneficiaries, expected social outcomes, ESG indicators used by the investee, etc.

It monitors on a monthly basis indicator of impact such as gender, number of loans in specific areas, non-financial services offering, etc.

9. Limitations to methodologies and data

The proprietary EQ ESG rating tool is updated on a regular basis on the basis of the evolution of industry guidelines. The last update was realized in August 2021. The same tool and methodologies are implemented to measure ESG and impact performance across the Fund portfolio allowing EQ to benchmark investee companies across countries, regions, etc.

The Fund invest mainly in non-listed, privately held companies in emerging markets. These companies are not subject to external verification in the countries where they operate. The combination of self-reported data and lack of external verification can lead to few discrepancies. EQ conducts onsite due diligence interviewing investee stakeholders to address such discrepancies and limitations, focusing on the collection of primary data by trained investment professionals.

10. Due diligence

EMF places a strong emphasis on rigorous, in-house due diligence processes. EQ uses proprietary tools developed over decades of experience that go beyond compliance to facilitate a deep understanding of target investees. The vast majority (~90%) of research is generated internally, particularly as it relates to individual MFI financial and social performance assessments. Additionally, to screen potential investees, EQ gathers information from the following sources:

- Industry Databases and Reports on Financial Institutions;
- Business Networking during conferences and seminars;
- Public information on investments from international or local lenders/shareholders;
- Investment bankers or brokers;
- In-person meetings with local industry participants.

On-site due diligence is a key component of the credit analysis and usually takes a couple of days. This is necessary to perform top-down interviews with management and speak directly with beneficiaries of the provided services to assess impact and ESG practices and loan file reviews are carried out to get a better understanding of the credit underwriting, risk management tools and processes as well as the implementation of client protection principles.

11. Engagement policies

This is a crucial part of the proprietary EQ ESG framework.

EQ is actively engaging with its investees to encourage the adoption of better practices on environmental, client and social issues. EQ is an active participant and support industry-wide initiatives such as the Client Protection Principles, the Smart Campaign, and the United Nations Principles for Responsible Investment, among others. Engagement, on an ad hoc basis, also takes place at the portfolio level to strengthen the social performance practices of the investees when weaknesses are identified by the team.

12. Attainment of the sustainable investment objective

No index has been designated as a reference benchmark. The fund maps its impact to the Sustainable Development Goals (SDGs) providing investors the possibility to map for SDG at fund and investment level. For more information on proprietary EQ ESG rating tool please contact: info@enabling.ch.