IMPACT REPORT

May 2024

PHENIX CAPITAL

BLUE ECONOMY
FUNDS AT A GLANCE

CONTENTS

If you are a fund investor

and would like to have a live demo of the Phenix Capital Impact Database, please visit www.phenixcapitalgroup.com/impact-database and register your interest.

If you are an impact fund manager

and would like to be considered for listing on the Phenix Capital Impact Database please email sales@phenixcapitalgroup.com. Listing is free of charge.

ABOUT PHENIX CAPITAL

CATALYSING INSTITUTIONAL CAPITAL TOWARDS THE SDGS

Phenix Capital Group is an impact investment consultant that enables institutional investors to make impact investments.

We assist asset owners and asset managers in aligning their investments with their values, financial objectives, and the Sustainable Development Goals.

www.phenixcapitalgroup.com

Signatory of:

Our Vision

We envision a world in which institutional capital helps to end poverty, protect the planet and ensure prosperity for all

Our Mission

Our mission is to enable and catalyse institutional investments that realise financial, social and environmental returns

What we do

To achieve our mission, we enable institutional investors to allocate capital to impact investments through our Events & Webinars, Impact Databases, Impact Fund Assessment and Placement Services

ABOUT IMPACT DATABASE

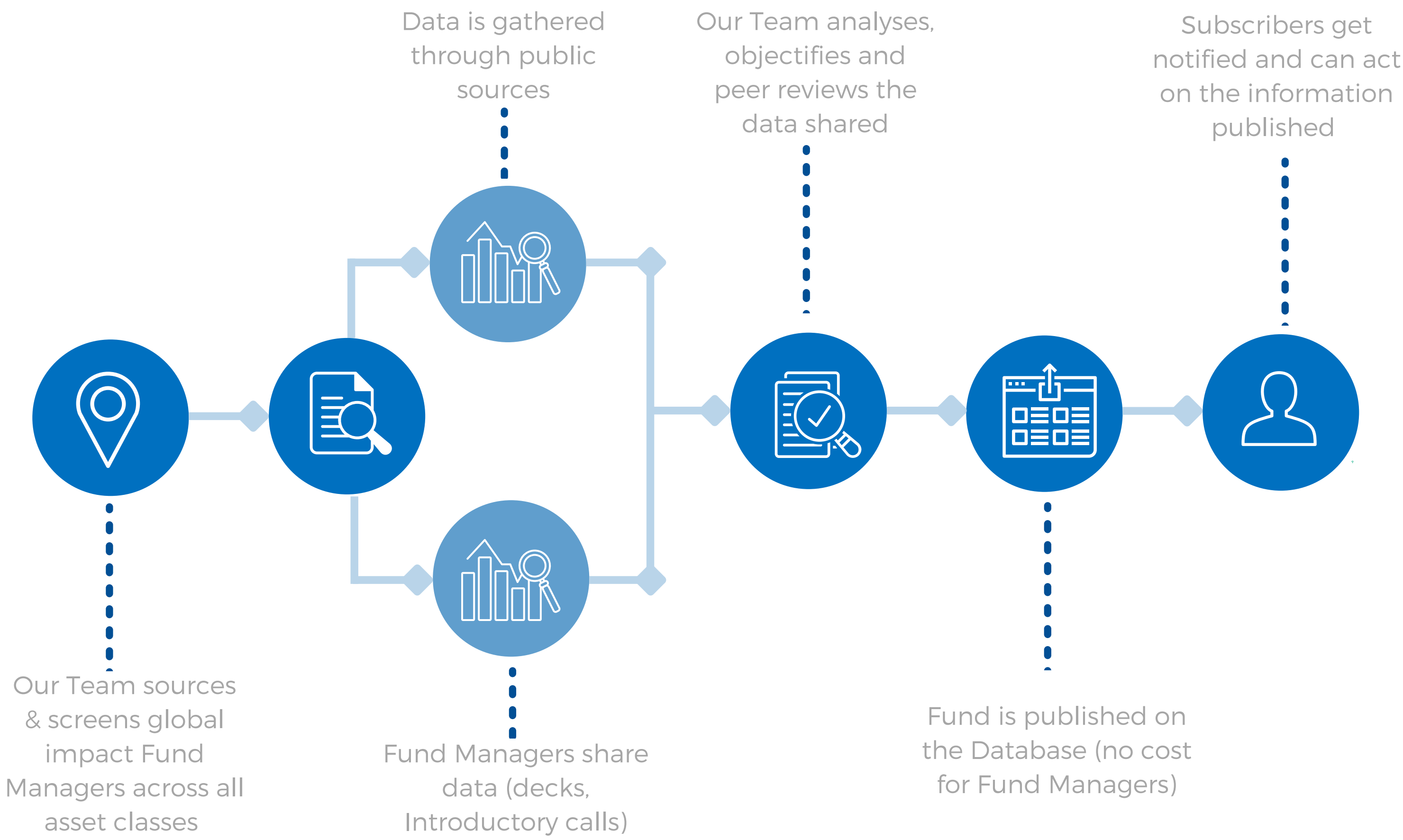
Phenix Capital's mission is to enable the allocation of capital from institutional investors towards social and environmental solutions while supporting the 2030 Sustainable Development Goals (SDGs). With the Impact Database, Phenix Capital aims to provide investors with access to and intelligence on the impact fund market opportunities available to them.

Three main variables have been central to construct, monitor and update the database: **funds considered have an impact proposition, institutional scale, and target market-rate returns.**

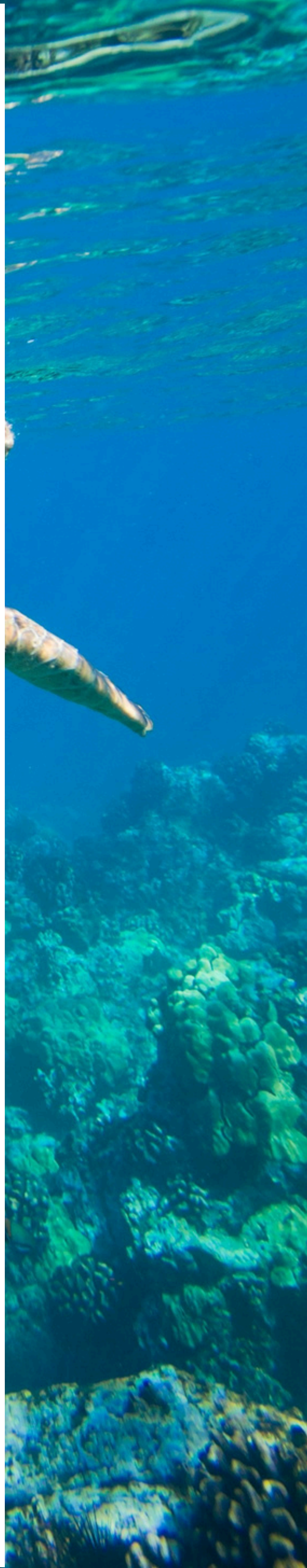
Impact Investing goes beyond negative screening and using Environmental, Social and Governance (ESG) integration to reduce harm or avoid risks, to generating intentional positive impact. Phenix Capital defines impact investing as **investing with the dual mandate of financial return and positive societal or environmental impacts**, with the notion of measuring the positive and negative impact of investments, ensuring both **intentionality and additionality** among these.

Phenix Capital's Impact Database features funds that align with this definition through their creation of solutions for global social and environmental issues, whilst prioritising financial returns. This category of impact investments can be referred to as **financial-first impact investments**.

FUND SOURCING PROCESS



INTRODUCTION



For 2024, the World Ocean Day theme is 'Catalyzing Action for Our Ocean & Climate'. Despite covering more than 70% of the planet, producing half the oxygen we breathe, and absorbing 30% of emissions, the ocean has been largely ignored in the climate crisis discussion.

More than that, as the Earth's largest homeostatic mechanism, the ocean has also absorbed more than 90% of the excess heat produced since the Industrial Revolution. This means that ocean currents are amplifying the effect of rising temperatures with melting polar caps and sea levels could rise by one metre by 2100, according to IPCC's *Ocean and Cryosphere in a Changing Climate* report.

The ocean flows through practically all of the 17 UN Sustainable Development Goals. More than three billion people rely on it for their livelihoods and more than 350 million jobs are linked to the ocean. It is integral to tackling the global biodiversity crisis too, as highlighted in our April Biodiversity impact fund report.

The concept of the blue economy, also known as the ocean economy , was introduced by the United Nations in 2012 to acknowledge the vast potential of marine and coastal ecosystems that are kept healthy and managed sustainably.

The 2015 WWF report *Reviving the Ocean Economy – The case for action*, estimated the blue economy to have assets worth $24 trillion and the value of goods and services produced from ocean related economic activities estimated at $2.5 trillion. Yet, despite this, SDG14: Life Below Water is remains one of the least funded SDGs with a 2020 paper suggesting a financial gap of $149.02 billion per year.

The drive to stimulate an ocean-focused economy started in 2018 when the World Bank launched PROBLUE, a multi-donor trust fund focusing on four development pillars: fisheries and aquaculture; marine pollution; oceanic sectors; and seascape management. The $200 million from the partners has supported 181 activities in 80 countries.

The World Bank also issued the first 'blue bond' in 2018 with the Republic of the Seychelles. Between 2018 and 2022, 26 blue bond transactions took place, amounting to a total value of $5 billion, with a 92% CAGR between those years. Representing less than 0.5% of the sustainable debt market, blue bond proceeds focus on waste management, biodiversity, and sustainable fisheries, according to *The Blue Bond Market: A Catalyst for Ocean and Water Financing*.

Most recently, the 'Galapagos Bond', structured by Credit Suisse, will see Ecuador buy back more than $1.6 billion of its debt with a $656 million loan. The biggest debt for nature swap to date, is expected to generate $323 million for marine conservation projects to 2041.

Compared to the 17% to 26% yields on Ecuador's sovereign bonds, this blue bond will offer a 5.645% coupon but has a $85 million 'credit guarantee' from the Inter-American Development Bank and $656 million of political risk insurance from the U.S. International Development Finance Corporation.

Last year, Ørsted has become the first energy company to issue blue bonds. The net proceeds of the five-year, €100 million blue bond will be allocated to investments in offshore biodiversity. This is the sort of example that can help to pay the way to attracting more private financing to the blue economy.

A report, *A Sustainable Ocean Economy for 2050: Approximating Its Benefits and Costs*, commissioned by the High-Level Panel for a Sustainable Ocean Economy (Ocean Panel) shows that every $1 invested in sustainable ocean solutions yields at least $5 in return.

Investing $2 trillion to $3.7 trillion across four areas could generate $10.3 trillion to $26.5 trillion in total benefits from 2020 to 2050, equivalent to a return on investment of 400% to 615% over 30 years. The four themes are: conserving/restoring mangrove habitats; scaling offshore wind production; decarbonizing international shipping; and increasing production of sustainably sourced ocean-based proteins.

Understanding how interlinked the blue economy is to other SDG themes such as health, water, zero hunger and the energy transition, will be key to attracting investments in the blue economy, For example, 'blue foods' fall under the SDG2: Zero Hunger umbrella.

The global aquaculture market, which was valued at $289.6 billion in 2022 and is projected to reach $421.2 billion by 2030; and the global edible seaweed market expected to expand from $11.25 billion in 2023 to $19.75 billion by 2033.

Moreover, lower-carbon sources of protein from the ocean will help to ease emissions from land-based food production as global aquaculture accounted for only approximately 0.49% of anthropogenic GHG emissions in 2017.

Ocean-based Climate Action (SDG13) could deliver up to a fifth (21%, or 11 GtCO2e) of the annual greenhouse gas emissions cuts needed by 2050, according to a report. This would be achieved through: ocean renewable energy (SDG7 Affordable and Clean Energy); decarbonising shipping and transport; and increasing the protection and restoration of blue carbon ecosystems, as well as blue foods.

The market for blue-carbon credits is expected to grow by 15 times between 2020 and 2030 to reach $50 billion. Whilst plastics recycling can benefit both SDG9: Industry, Innovation and Infrastructure and SDG12: Responsible Production & Consumption, as well as impact emissions, which is why it is the focus of this month's Deep Dive.

Key Takeaways:

- 31.7% of blue economy focused funds open for investment
- 5.86% of total databased focused on blue economy
- 50% of the ocean funds invest in private equity
- 530% growth in number of ocean focused funds since 2015
- 20% of investors in blue economy are foundations

IMPACT THEMES MAPPED AGAINST THE SDGS

The Phenix Capital Group has mapped the SDGs against Impact Themes, which are based on **the most globally endorsed terms used by practitioners in the financial sector** and what's used by generally accepted frameworks, to enable both fund managers and fund allocators to better **understand how the SDGs and it's sub-goals translate into outcome-based investment areas -** by the name that they are commonly known and referred to in the financial industry.

Mapped against the SDGs' sub-goals, our Impact Themes offer a comprehensive way for investors and fund managers in the financial industry to identify what social or environmental outcome is generated by an impact investment and its contribution to the Sustainable Development Goals.

THE REVAMPED IMPACT THEMES ARE ALREADY AVAILABLE IN OUR IMPACT DATABASE FOR FUND FILTERING, VIA THE FUND SEARCH FUNCTION.

BE PART OF THE **IMPACT REPORT**

Every month Phenix Capital Group publishes a new Impact Report, bringing up-to-date data on impact investments and interviews with impact fund managers and investors from the field.

PAST REPORTS INCLUDE:

See all Impact Reports on our webiste, visit: https://phenixcapitalgroup.com/impact-report

WOULD YOU LIKE TO BE FEATURED IN THE NEXT EDITION?

Featured interviews are carefully chosen taking into consideration the theme from the month and the expertise of the person to be interviewed, besides the company where he or she works.

Talk to our team about opportunities to be featured. Upcoming report topics include:

MONTH	REPORT THEME
June 2024	Private debt
August 2024	Infrastructure
September 2024	SDGs/ Investor report
October 2024	Real Estate
November 2024	Gender Lens
December 2024	Public Equity

Contact us to learn more about how to be featured in our reports.

BLUE ECONOMY

FUNDS OVERVIEW

164
Funds on Impact Database targeting blue economy themes

120
Fund Managers on Impact Database with blue economy themes

52
Open for investment funds

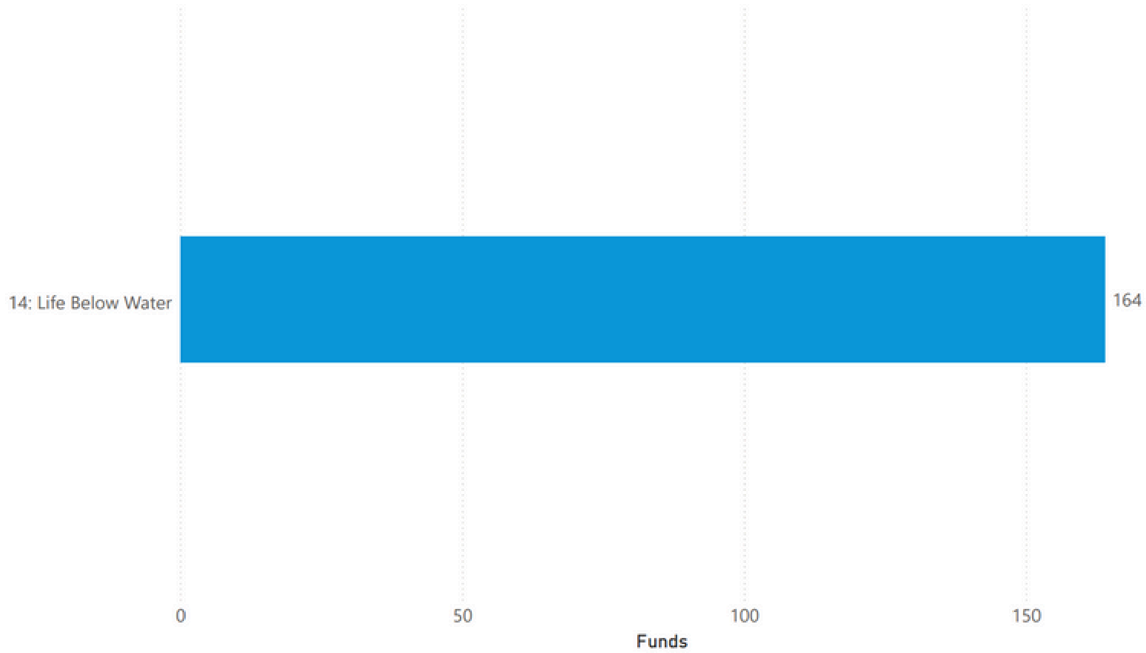
48
Organisations with open for investment funds

€45bn
Total capital raised towards blue economy themes

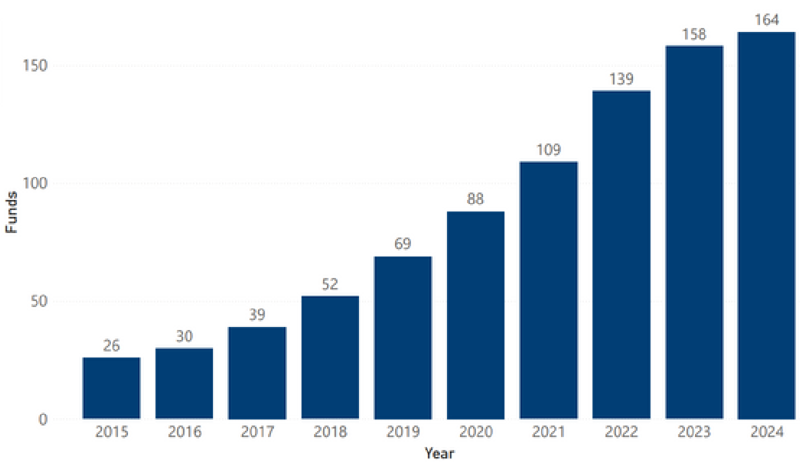
€13bn
Total target size of open for investment funds

DATA OVERVIEW

Number of Funds Targeting Blue Ocean Economy



Cumulative number of funds targeting blue ocean economy (SDG 14)



There are currently 164 funds targeting the blue economy, which is only 5.86% of the database of 2,798 impact funds. The number of funds have grown by 3.8% from 2023, but since 2015 the universe has gone from 26 funds to 164 funds, a growth rate of more than 530%.

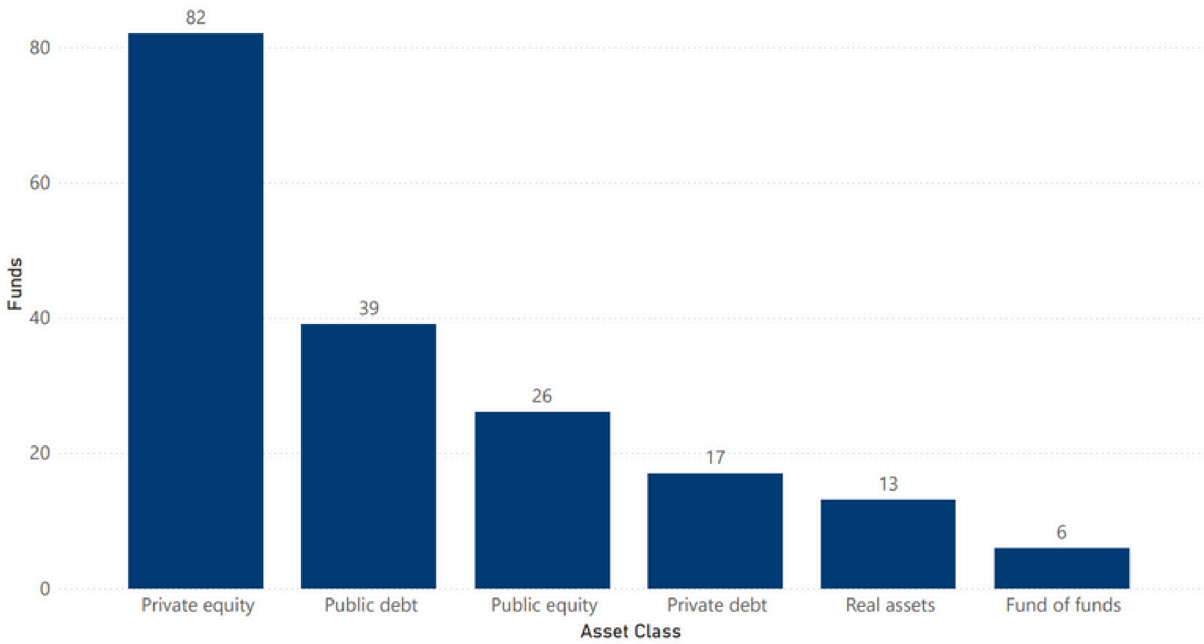
That said drilling down there are only 18 funds solely focused on SDG14. Of the 120 managers that offer blue economy themes, 40% have open funds. The need for a greater focus on the blue economy is behind the European Investment Bank and European Investment Fund drive to create a blue investment ecosystem. The EIB and EIF are this month's investor focus.

The dearth of funds focusing on the ocean, echoes the low financing levels of Life Below Water, designed to protect the health of the ocean and conserve and sustainably use the oceans, seas and marine resources for sustainable development.

An article in Marine Policy in 2020 suggested $174.52 billion per year was needed for the health of our oceans. Right now, there are 52 funds open for investment, equivalent to 31.7% of the blue economy focused funds, which have capacity of €13 billion.

FUNDS TARGETING SDG 14 AT A GLANCE

Number of Funds by Asset Class targeting SDG 14



*Data may overlap as funds can target several asset classes, SDGs and/or regions.

In terms of asset class distribution in the blue economy, 50% of the funds in the database are private equity vehicles, with 23.8% public debt funds and 15.9% public equity funds.

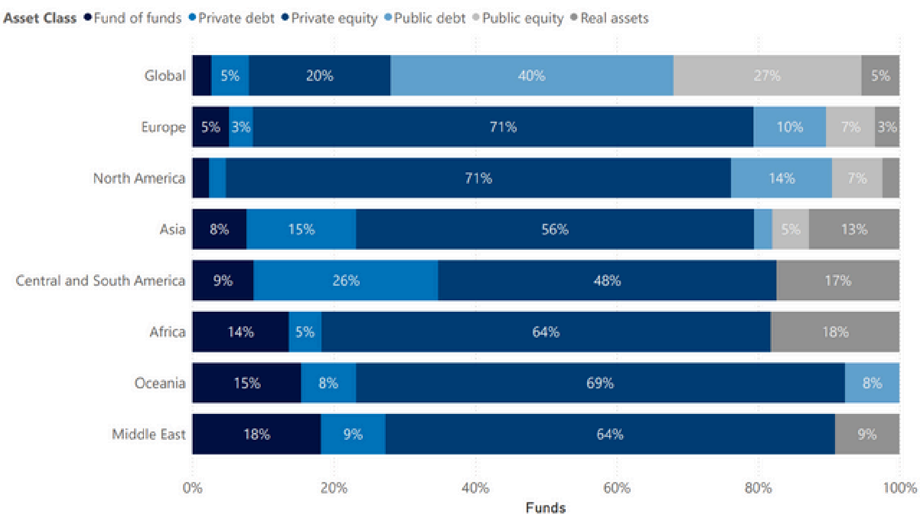
European and North American funds favour private equity as a vehicle, with 71% of funds in each of those regions focusing on this asset class.

Ocean 14 Capital recently closed its first SDG14 dedicated impact fund with €201 million, making it one if not the largest private equity funds dedicated to the blue economy.

Swen Capital Partner's Blue Ocean Fund closed last year with €170 million, meanwhile Mirova's first fund, Althelia Sustainable Ocean Fund, closed in 2020 with $132 million.

Public debt and public equity investments are prevalent in global funds.

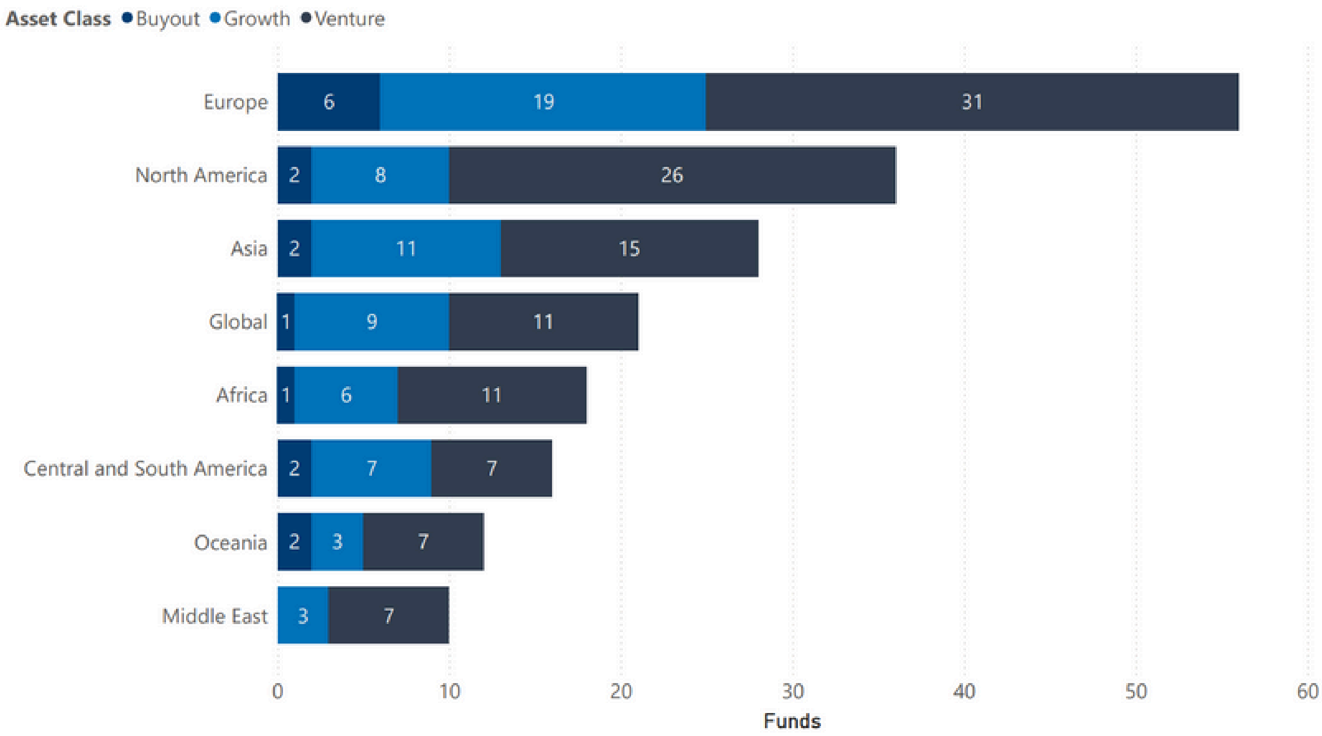
Fund Distribution by Asset Class and Region (Targeting SDG 14)



*Data may overlap as funds can target several asset classes, SDGs and/or regions.

Public equity funds include the Credit Suisse Rockefeller Ocean Engagement Fund, launched in 2020. Nearly 500 public equity funds had an average exposure of more than 3% to SDG14: Life Below Water in 2022, with more than 100 of those funds' exposures at 10% or more. In addition to water, themes include the future of food production or the clean energy transition. As mentioned earlier, blue bonds are a $5 billion market, gaining traction as a way to fund sustainable ocean economy projects.

Number of Funds by Private Equity sub-class (SDG 14)



*Data may overlap as funds can target several asset classes, SDGs and/or regions.

The concept of the blue economy was introduced by the United Nations in 2012 and the EU adopted a Blue Growth Strategy in that year, declaring the Sustainable Blue Economy a core element toward implementing the European Green Deal in 2021 (see Investor Profile).

Given the relatively young age of this economy it is not surprising that almost without exception, the majority of the private equity investments are venture capital investments that typically have a smaller ticket size and shorter holding periods of three to five years, compared to three to seven years for growth equity investments.

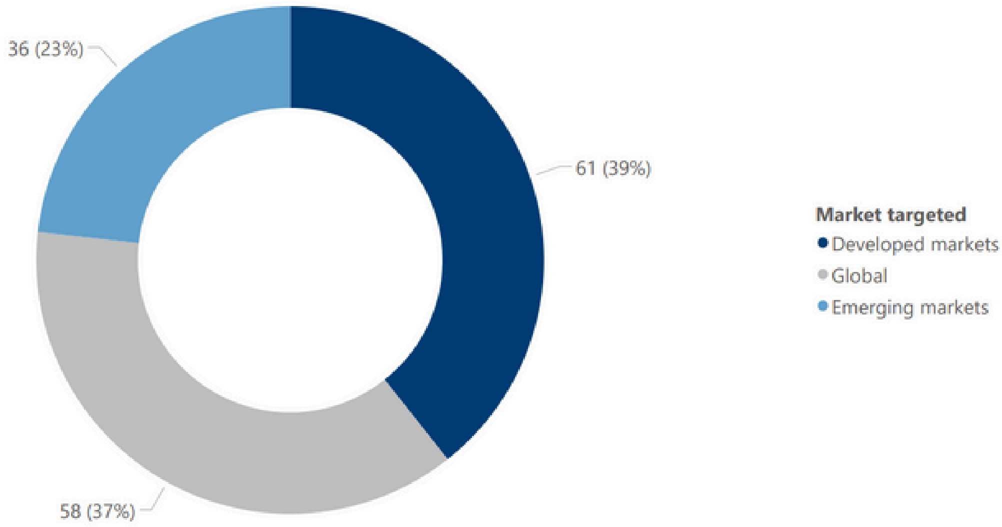
In Europe, the largest proportion of investments, equivalent to 55% of the assets, are in venture capital, while in North America the number is higher at 72%, with 34% and 22% in growth equity, respectively.

According to the *BlueInvest Investor Report 2024*, the ocean economy investment themes include fisheries, aquaculture, coastal tourism, shipping and ports, offshore renewable energy, and biotechnology. That said, in terms of the deals secured, investors the three most dynamic sectors blue renewable energy, blue technology and ocean observation, and aquaculture. For example, blue renewable energy had 319 deals between 2018 and 2023, while at the other end of the spectrum coastal and maritime tourism had 36 deals over this timeframe.

The volume of disclosed investments in the blue economy is three times larger than it was 10 years ago, reaching more than €13 billion over the five-year period between 2018 to 2023. Since 2018, the number of deals in the blue economy has increased with about 270 deals have been closed every year in the blue economy and at least 30 private equity/venture capital funds are focused on blue economy deals.

From the EU report, in terms of the number of deals, mergers and acquisitions represent about 38%, followed by early-stage equity investments (34%) and growth-equity investments, 11%.

Distribution of Number of Investors by Market Invested In



*Data may overlap as funds can target several asset classes, SDGs and/or regions.

Of the blue economy investors tracked by the Phenix Impact Database, 39% focus on developed market ocean investments, while 37% have a global remit, and 23% invest in the emerging markets. The Walton Family Foundation believes that restoring global fisheries can be the sustainability success story of the 21st century. The ocean is the world's largest environmental system and fish are one of the best indicators of ocean health.

Walton Family's Ocean Initiative investments aim to build the capacity of fishing communities so that nature and communities can thrive as well as provide the necessary protein. The foundation works in the US, Japan and EU to drive demand for sustainable fish supplied from 14 'focus fisheries' in Mexico, Peru, Indonesia and Chile.

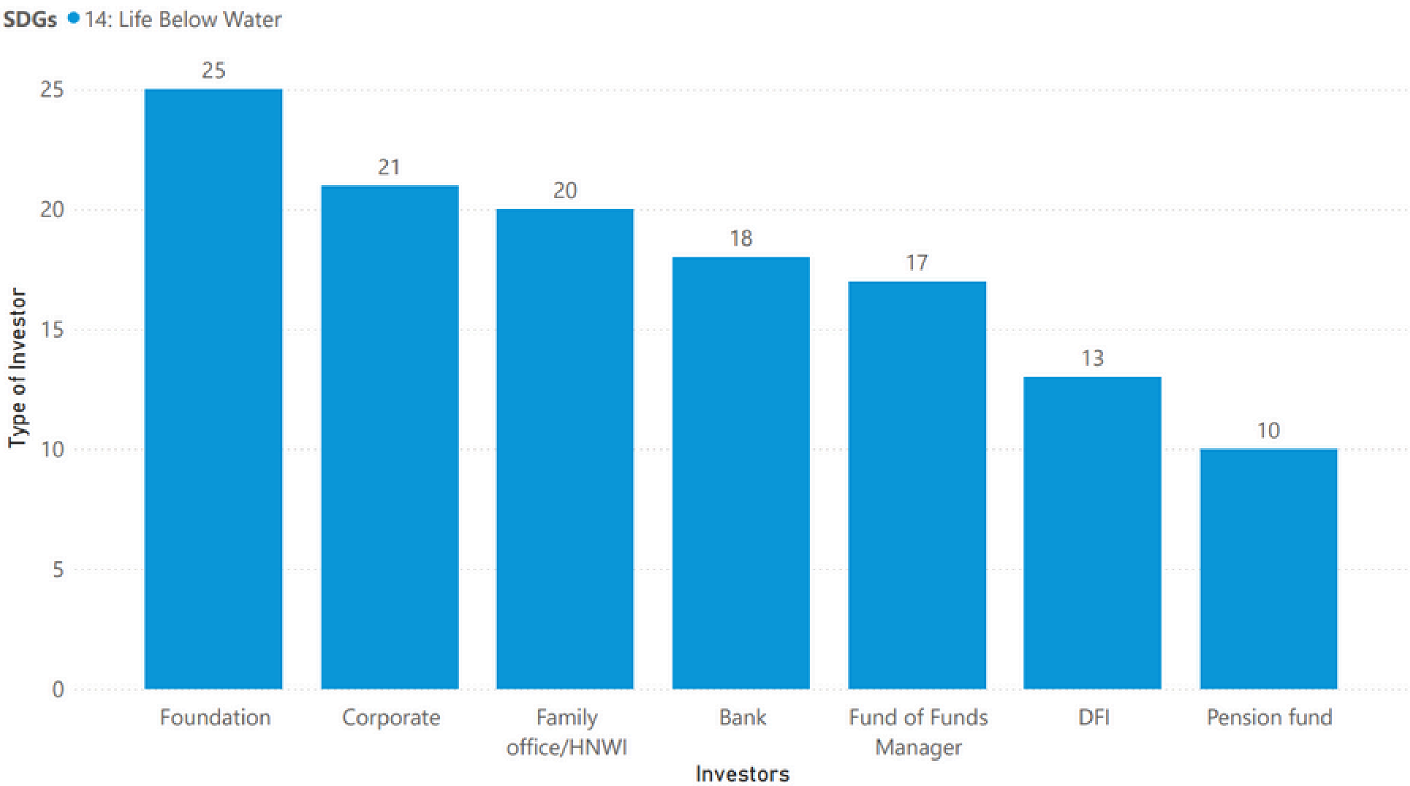
Minderoo Foundation has a dedicated 'Flourishing Oceans' team focused on tackling issues such as overfishing, damaging fishing practices, pollution, coastal development and climate change. The foundation has a portfolio of projects aligned with SDG 14 and an aim to return the ocean to a flourishing state by 2030.

The projects range from local such as smart buoy deployment on Ningaloo Reef in Western Australia; through national with the Pangaea Ocean Explorer surveying marine life, sampling water and monitoring reefs; to the the Indo-Pacific region such as seafood import controls in Hong Kong, trawling impacts in Asia, and Pacific inshore fisheries management; and global with its Global Fishing Index, improving transparency of distant water fleets, and a bottom trawling advocacy campaign.

Focusing on catalysing aquaculture investments in sub-Saharan Africa, Aqua-Spark has launched a fund dedicated to the upstream and downstream value chain of tilapia farming. The German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW has committed €15 million, as well as a €1 technical assistance grant.

Africa is endowed with abundant marine and inland aquatic resources, with the potential to help fight hunger and malnutrition, if managed sustainably. However, the per capita consumption of aquatic foods in the continent is half the global average, and, moreover, the continent produces only 2.5% of the global aquaculture production of aquatic animals, according to the FAO, which sees aquatic foods as part of the Blue Transformation in Africa.

Number of Investors by Type Targeting SDG 14



*Data may overlap as funds can target several asset classes, SDGs and/or regions.

Foundations make up the biggest investor group allocating to the blue economy with 20% of the investors in the Phenix Impact Database focusing on SDG14, highlighting the philanthropic nature of ocean investing currently. The David and Lucile Packard Foundation, the Nippon Foundation and the Gordon and Betty Moore Foundation all have a marine-based philanthropic focus.

As do the Walton Family Foundation and the Minderoo Foundation, both of which have invested in the Circulate Capital Ocean Fund (see Ocean Plastic Deep Dive) and the Ocean 14 Capital private equity fund. The second largest category of investors are corporate, making up almost 17%. Nestlé and Ikea’s investment arm, Ingka Investments have both allocated to Ocean 14 Capital’s fund.

Some 16% of the investors in the blue economy are family offices, including Norway’s Ferd, which is an investor in SWEN Capital Partners’ Blue Ocean fund. There are 10 pension funds, 8% of the Phenix investor universe, which specifically focus on SDG14, suggesting the thematic asset class is not deep or broad enough for the majority of institutional investors.

Scandinavian pension funds, such as Alecta and Folksam Group in Sweden, and APG in the Netherlands, have invested in blue bonds. KPA Pension and parent, Folksam, invested in the Nordic Baltic Blue Bond, issues by Nordic Investment Bank in 2019. In January 2022,

Alecta invested $75 million in a blue bond that contributes to the improvement of the marine environment in Belize, while last summer APG made a €50 million investment in a blue bond issued by Danish energy company Ørsted, on behalf of pension fund ABP. The issue's proceeds will be used to conserve and restore marine ecosystems and promote sustainable maritime transportation.

INTERVIEW

Tongai Kunorubwe
Head of ESG Fixed Income
T. Rowe Price

For Investment Professionals Only. Not For Further Distribution.

Tongai Kunorubwe is the head of environmental, social, and governance (ESG) in the Fixed Income Division.

Tongai's investment experience began in 2002, and he has been with T. Rowe Price since 2022, beginning in Responsible Investing. Prior to this, Tongai was employed by Goldman Sachs Asset Management as head of Bondholder Engagement and as its environmental lead. Before that, Tongai developed a deep expertise in global credit and equity markets as an investment analyst and a portfolio manager at Goldman Sachs and Fidelity Management and Research.

Tongai earned a master's degree in sustainability leadership from the University of Cambridge; an M.B.A. from the London Business School; and a bachelor of commerce degree, first-class honors, from the National University of Science and Technology, Zimbabwe. He also has earned the Chartered Financial Analyst® designation. Tongai is a member of the International Capital Markets Association's Advisory Council and separately serves on the United Nations-supported Principles for Responsible Investment Sovereign Debt Advisory Committee.

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Can you describe T. Rowe Price's journey to impact investing?

We view environmental, social and governance (ESG) considerations as foundational to our investment thesis because we believe these issues influence investment risk and, therefore, returns. As such, ESG is integrated across our entire investment platform and embedded in our fundamental investment analysis across all asset classes. This is part of our core process to identify investment opportunities and manage investment risk.[1]

At T. Rowe Price, ESG integration takes place on two levels. First, our research analysts incorporate ESG factors into security valuations and ratings, and then, our portfolio managers balance ESG factor exposure at the portfolio level as appropriate to their respective strategies.

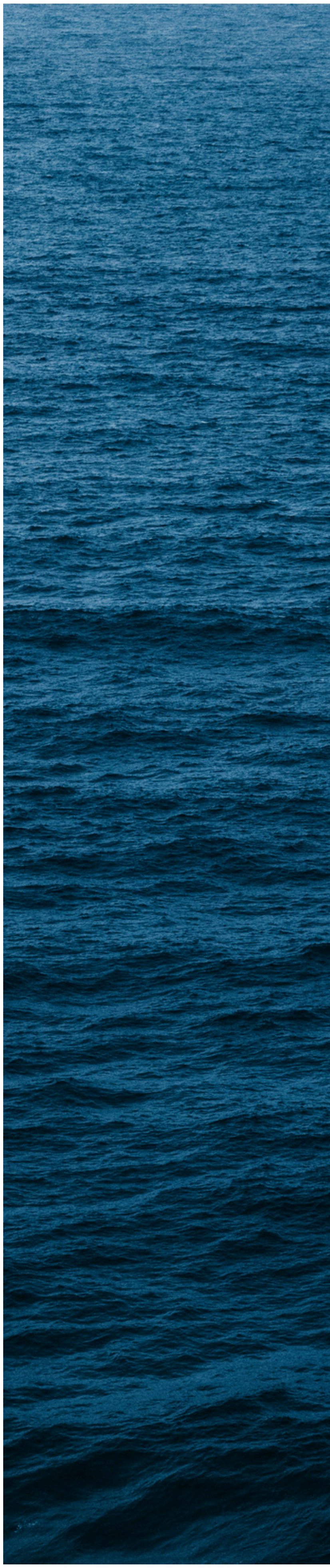
Analysts and portfolio managers are then able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria. Our specialist ESG teams provide investment research on ESG issues at the security level and on thematic topics. We have built tools to help proactively and systematically analyze the ESG factors that could impact investments.

This includes our proprietary Responsible Investing Indicator Model (RIIM), which underpins our ESG integration processes. RIIM provides a uniform standard of due diligence on ESG factors across our investment platforms. It also establishes a common language for our analysts, portfolio managers, and ESG specialists.

Furthermore, we have been intentional in investing in our dedicated firm-wide ESG resources, which has resulted in a deep bench of 41 full-time ESG investment individuals that sit across bonds, equities and private credit.

From this base, we can offer products with specific ESG objectives and/or strategies that promote ESG characteristics, offering investors a variety of solutions across the spectrum.

In short, we manage an array of portfolios on behalf of our clients, that invest in ways that seek to promote specific ESG characteristics alongside financial returns (ESG Enhanced); or seek to deliver financial returns whilst promoting the transition to net zero (Net Zero); or have the potential to drive positive environmental or social change (Impact).



How do the UN Sustainable Development Goals influence your investment framework?

The United Nations Sustainable Development Goals (SDGs) are a blueprint for a more sustainable world. Signatory countries are expected to establish a national framework for achieving each of the 17 SDGs. We are large investors in sovereign issuers, so while the SDGs are a tool to allow countries to implement sustainability regulations, they are also commonly adopted as a framework for identifying ESG-related pressure points that can impact corporate and other securities. Indeed, the goals are represented across the range of factors that we analyze within RIIM.

Companies are likely to face greater scrutiny in relation to the sustainability objectives of the SDGs over time. This could include greater regulatory burdens, taxation, litigation, and/or consumer dissatisfaction. Conversely, companies that provide solutions are likely to have much more sustainable business models. It makes sense, therefore, that our RIIM analysis is aligned with the SDGs.

Can you talk about your Blue Economy proposition?

T. Rowe Price and the International Finance Corporation (part of the World Bank Group) are partnering to grow the blue bond market to address the planetary and societal risks posed by the current chronic underfunding of the blue economy. The reasons are simple. As veteran oceanographer Sylvia Earle put it: “No ocean, no life. No blue, no green. If not for the ocean, there would be no climate to discuss, nor anyone around to debate the issues”.

By focusing on the ocean and the blue economy, we can actually impact a number of factors that in turn directly impact the SDGs, these include food, employment, and of course, climate. The ocean is a carbon sink absorbing some 30% of the carbon dioxide created; generating 50% of the oxygen we breathe; and more than 90% of the anthropogenic heat created.

Yet SDG14: Life Below Water is the most underfunded SDG. Some US$175 billion per year is needed to achieve SDG14 by 2030, and yet, between 2015 and 2019, just below US$10 billion in total was invested cumulatively over five years.

Concurrently, our research shows that some 75% of all countries are not meeting basic clean water and sanitation goals and requirements. According to the WHO's Burden of disease attributable to unsafe drinking-water, sanitation and hygiene report, improving access to water, sanitation and hygiene can save 1.4 million lives per year. More than that, the burden of water collection falls to women and girls, who are estimated to cumulatively spend some 200 million hours collecting water daily.

The underfunding story for SDG6: Clean Water & Sanitation is similar. A recent World Bank study suggests a global investment shortfall of US$131 billion to US$ 141 billion per year, which is why by focusing on these two SDGs we can impact both society and the environment.

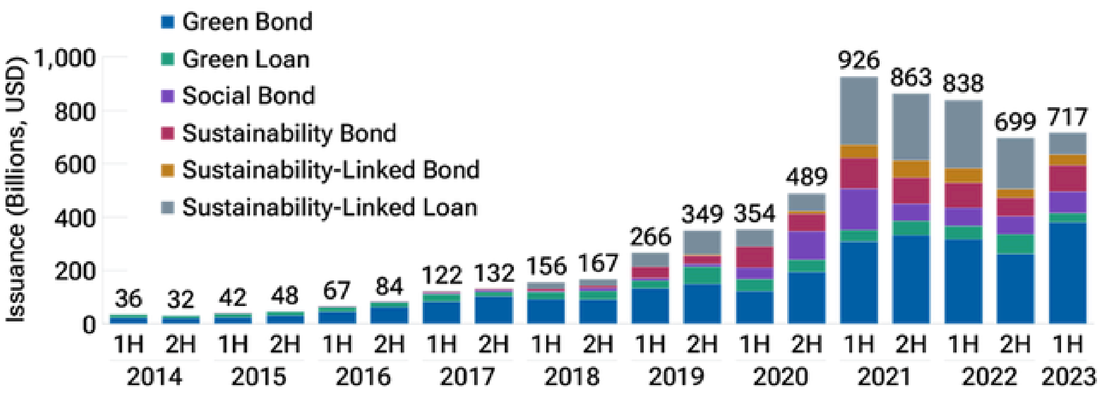
The thematic investment case for both SDGs is compelling. The OECD expects the blue economy to double to US$3 trillion by 2030 versus 2010. At the same time, oceans and water resources are under threat from climate change, pollution, overfishing, and habitat damage, among a host of other pressures. From an asset class point of view too, the investment case makes sense.

If you step back, the bond market is by far the largest securities market in the world. The global outstanding debt market was estimated at US$307 billion in the third quarter of 2023, while global equity market capitalisation stands at US$122 trillion. The quantum of capital the bond market can bring to bear, to effect meaningful change in the blue economy is significant. Additionally, because of the bond market's propensity to both finance new projects and in instances re-finance existing ones, the bond market's ability to catalyse a just and equitable blue transition, is arguably both additional and material, particularly when viewed through lens of new financing.

From an impact point of view, over the last 10 years, the issuance of sustainable debt has exploded as investors seek investment returns by allocating capital towards sustainability efforts.

The sustainable debt market has increased

(Fig. 1) Annual sustainable debt issuance by instrument type



As of June 30, 2023.
Sources: BloombergNEF and Bloomberg Finance L.P.

On the whole, having carefully evaluated the options, T. Rowe Price through our partnership with the IFC, has been deliberately intentional in setting out to catalyse blue bond issuance. Explicitly, blue bonds will represent a growing resource for sustainability financing and serve as a crucial tool to help support the blue economy. Projects span regions, sectors, and asset classes, potentially offering possibilities for fixed income diversification.

How did the collaboration with the IFC come about?

We have had a prior relationship with the IFC, and have been following with avid interest their role in channelling private sector capital into mission critical projects. When the IFC came out with a request for proposal for a global blue bond strategy in the emerging markets, we were thrilled as it was targeting one of our key sustainability areas.

In November 2023, we announced that T. Rowe Price and the IFC are partnering to grow the blue bond market to address the planetary and societal risks posed by the current underfunding of the blue economy.

Blue investments seek to provide competitive returns while supporting the health, productivity, and resilience of the world's oceans and water resources, which are vital for sustainable global development, especially in the face of climate change, overfishing, and pollution. Momentum is growing for blue finance, with interest from both investors and issuers in blue bonds and loans that fund ocean-friendly projects and safeguard clean water resources.

Together, T. Rowe Price and IFC are sending a clear message to the market on the importance of mobilizing capital needed to make meaningful progress towards achieving the Sustainable Development Goals. Specifically, UN SDG 6 “ensure availability and sustainable management of water and sanitation” and SDG 14 “conserve and sustainably use the oceans, seas and marine resources”.

We hope to encourage other investors to join us on the journey because it is only with scale of funding that lasting change and impact be achieved.

About T Rowe Price

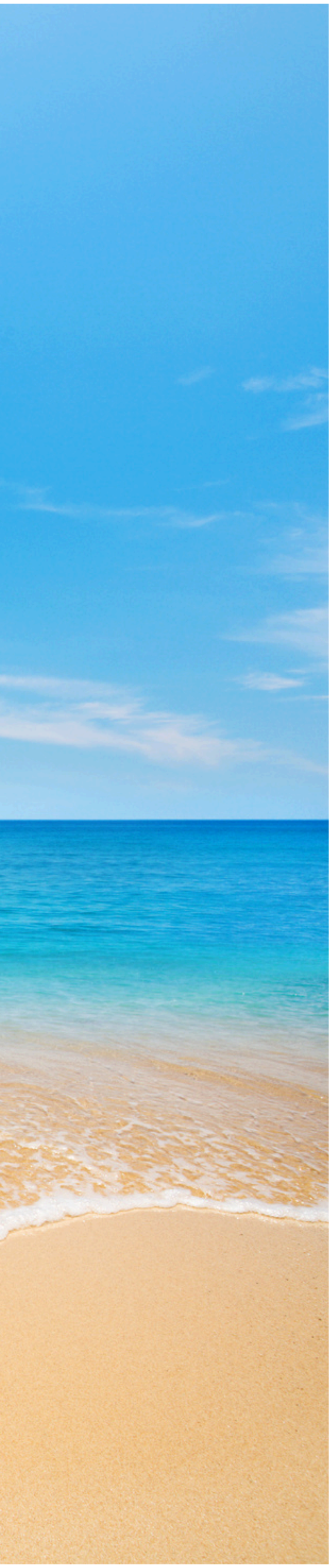
T. Rowe Price is an asset management firm focused on delivering global investment management excellence that investors can rely on—now, and over the long term. Founded in 1937 in Baltimore, Maryland, T. Rowe Price’s clients have entrusted the firm with US$1.54 trillion in assets under management.*

T. Rowe Price is committed to responsible investment and its disciplined investment approach is rooted in proprietary research. T. Rowe Price’s experienced investment professionals around the globe actively seek to identify investment risks and opportunities, with ESG factors as one of many considerations in its investment process.[1] T. Rowe Price believes its principled investing approach helps the firm pursue better outcomes for its investors over the long term.

Footnote

[1] ESG disclaimer: For certain types of investments, including, but not limited to, cash, currency positions, and particular types of derivatives, an ESG analysis may not be relevant or possible due to a lack of data. For strategies with no specific ESG objectives: Where ESG considerations areintegrated into the investment research process, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

*Preliminary data as of March 31, 2024. Subject to adjustment. Firmwide assets under management include assets managed by T. Rowe Price Associates, Inc., and its investment advisor affiliates.



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Blue bonds carry investment risks, which include credit risk and interest rate risk.

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INVESTOR PROFILE

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The concept of Blue Economy, as a way of acknowledging the vast potential of marine and coastal ecosystems if they are kept healthy and managed sustainably, was coined by the Belgian economist Gunter Pauli in 1994 in response to a United Nations request to prepare for COP3 in Japan where the Kyoto Protocol was decided in 1997. To achieve this, the UN 2030 Agenda for Sustainable Development dedicated one of the 17 Sustainable Development Goals (SDG14: Life Below Water) to the conservation and sustainable use of the oceans, seas and marine resources in 2015.

As well as economic growth, preserving the health of the ocean, which covers more than 70% of the planet's surface, is key to tackling climate challenges. For this reason, the EU adopted a Blue Growth Strategy in 2012, and in 2021 declared the Sustainable Blue Economy as a core element toward implementing the European Green Deal. To support the deal, the European Investment Bank (EIB Group), published *The EIB Group Climate Bank Roadmap 2021-2025*, in outlining the goals for climate finance and achieving European carbon neutrality by 2050.

In this profile, we talk to Adelaide Cracco, Head of Climate and Environmental Impact at European Investment Fund (EIF), Franck Jesus, Blue Economy Coordinator and Senior Department Climate Advisor at European Investment Bank (EIB), and Martín Corredera Silván, Principal Investment Officer, EIF, to navigate the European blue economy investment ecosystem.

Why is financing the 'Blue Economy' so important?

"The Green Deal was designed to tackle climate change and environmental degradation and foster a sustainable economy, but without paying attention to the oceans, the Green Deal, and its climate and biodiversity components, cannot succeed," says Adelaide Cracco, Head of Climate, Environmental and Social Impact at European Investment Fund.

To set the economic framework for the ocean, referred to as the 'Blue Economy', it is important to understand its size. The ocean economy represents roughly €2.5 trillion in annual output of products and services, equivalent to the world's 8th largest economy, and in context, this economy is currently at risk due to habitat destruction.

Moreover, the global Blue Economy is expected to expand at twice the rate of the mainstream economy by 2030 with marine ecosystems at the centre of many of the world's essential needs and challenges, ranging from food, transportation, energy and climate to employment and inclusive growth.

As well as the economic value, oceans have tremendous climate change mitigation and adaptation potential, accounting for more than 50% of total oxygen production, and absorbing 90% of the excess heat generated due to greenhouse gases. Moreover, there are 3.2 billion people relying on the oceans as their primary food source, and yet SDG14 remains critically under-financed to date.

The supply of financing and capital for the research, development, and deployment of ocean and maritime technologies is limited, lacking the depth and breadth of more established sectors such as digital technology. This is the driving force behind the InvestEU Blue Economy programme and previous thematic mandates.

What are the different EIF Blue Economy initiatives?

In response to this priority and with the support of the European Commission, in 2020 the BlueInvest pilot initiative programme was launched to catalyse capital into the blue economy. The first €75 million was guaranteed by the European Fund for Strategic Investments (EFSI), an EU-budget guarantee scheme that allowed the EIB Group to finance higher risk operations in strategic markets. Via this EFSI-backed Blue Economy pilot, the EIF successfully deployed €100 million (including EIF and other mandate resources) to five venture capital funds.

The first BlueInvest pilot investments saw €45 million allocated to two agrifood venture capital funds Good Harvest I and Blue Horizon Ventures I in early 2021, while later in the year, EIF committed €35 million to Ocean 14 Capital a specialised blue economy growth equity investor. EIF also invested in Sofinnova Partners' second industrial biotech fund, and €15 million from InnovFin Equity —a joint EIB Group-European Commission programme providing financing and advisory services for innovative solutions—was allocated to Norwegian impact fund Sarsia Fond III.

To further support the Blue Economy in European hubs, in October 2020, EIF launched the Portugal Blue programme as a €50 million equity partnership between the Portuguese Government, through Fundo Azul, and Banco Português de Fomento (BPF). After reviewing applications from local fund managers, the partnership made its first commitment of €21 million to the Faber Blue Pioneers Fund in December 2021.

From BlueInvest to InvestEU: how is the programme progressing?

Further to the success of the EFSI-backed BlueInvest pilot as a platform for fostering innovation and investment in sustainable technologies for the blue economy, the European Commission and the EIB Group launched a new more ambitious programme in March 2022, says Martín Corredera Silván, Principal Investment Officer at the EIF.

InvestEU Blue Economy is an equity initiative that brings together the European Maritime, Fisheries and Aquaculture Fund (EMFAF), the EIB Group and InvestEU finance that aims to mobilise an additional €500 million of EU funds for financial intermediaries investing in this sector. This new programme is expected to unlock circa €1.5 billion of risk-financing for innovative and sustainable Blue Economy small and medium sized enterprises (SMEs) and start-ups, via financial intermediaries (including co-investment opportunities).

The investment themes include: water and seabed pollution prevention and remediation; management, conservation, restoration and monitoring of marine biodiversity and nature-based solutions, including social innovations; clean technologies, renewable marine energy, reducing the climate change impact of marine activities; sustainable aquaculture or less invasive fishing techniques and gears; land-based activities such as micro-algae production and processing, land-based aquaculture or similar; ocean observation; and eco-friendly tourism.

Each financial intermediary is evaluated on its ability to bridge specific funding gaps within the sector, whether it be in terms of geography, stages of company development, or subsectors. So far, the InvestEU Blue Economy mandate has invested in four vehicles: €15 million to Infinity Recycling's Circular Plastics Fund; €10 million to Convent Capital's AgriFood Growth Fund; and €20 million to Hatch's Blue Revolution Fund in addition to allocating €14 million to Growth Blue I fund that will invest in SMEs and small mid-caps, primarily from Portugal and Spain and which has also been supported by the Portugal Blue program.

Overall, in just over three years, the EIF's business development efforts have resulted in close to €200 million of venture capital and private equity commitments to a total of 10 funds targeting the Blue Economy. The amounts invested by EIF are expected to mobilise close to €600 million for investment into the eligible beneficiary companies. "Given that previously virtually no funds were operating in the Blue Economy market, this is quite an achievement," says EIF's Cracco.

How is InvestEU Blue Economy more than just an investment vehicle?

Over the long term the InvestEU Blue Economy goal is to contribute towards the construction of a well-functioning, deep and comprehensive European venture capital ecosystem for blue finance. "Our goal at EIF is both to support new and emerging teams with broader strategies as well as funds focused on more ocean related themes such as biotech and blue foods, and to create a specialised blue economy investor ecosystem," says EIF's Corredera Silván.

While the aim is to increase the availability of capital and invest in sustainable blue economy specialists, via InvestEU, EIF is also building a blue investor ecosystem to attract more institutional investors, which have different fiduciary and return requirements than the traditional investors including high net worth individuals and family offices that currently invest in ocean-focused funds.

To do this, the funds need to be of institutional quality, and the BlueInvest platform also provides capacity building workshops, highlighting market opportunities, and offering advisory support for financial intermediaries targeting investments in the Blue Economy.

This means that fund managers benefit from opt-in services both for themselves and their portfolio companies, ranging from fund structuring support to guidance on the implementation of impact strategies, climate action and environmental sustainability criteria and regulatory requirements. Dedicated workshops for investors and companies in the blue economy sector have been organised by DG MARE, the EIF and PwC.

Part of the BlueInvest platform is the community where entrepreneurs, investors, corporates and innovation stakeholders can plug in to the Blue Economy. The content and activities promote Blue Growth and help SMEs and start-ups access finance and business opportunities. Members of the community have access to: business-to-investor matchmaking; networking, knowledge exchange and links to relevant accelerators, incubators, clusters and business networks; online learning, training opportunities and coaching; and events such as the annual BlueInvest Day.

“We want to create an environment where we assist emerging managers to come together to grow. We have acted as an anchor or cornerstone investor to most of the funds we back, often by as much as 50% of their total commitments on first closing. This has a strong catalytic effect in attracting further meaningful commitments as well as providing references and support to the managers as they raise funds,” said EIF’s Cracco.

“The EIB group as a whole is solidly positioned in the sustainable blue economy in terms of financing, which in turn allows us to offer an integrated product offering, from venture capital and private equity fund investments, to guarantees, venture debt and direct lending at every stage. For every euro we invest in the blue economy, we estimate that an additional three euros in capital are mobilised,” adds Cracco.

What is the European Investment Bank's role?

In light of the threats the ocean faces, EIB, as the EU climate bank, began to step up its lending and advisory activities in marine-related sectors across a number of years. Between 2019 and 2023, EIB lending to the sustainable blue economy amounted to €7.3 billion, leveraging €30.8 billon of investments.

"There are very few dedicated lenders to the blue economy, and we believe that via the EIB, Europe is one of the largest financiers to the sustainable blue economy," says Franck Jesus, Blue Economy Coordinator and Senior Department Climate Advisor at EIB.

For instance, the EIB is working with the European Commission to support the EU Mission: Restore our Ocean and Waters, helping to deepen access and resources for the Blue Economy. Via the "Blue Champions", an advisory programme for innovators, they aim to accelerate the development of advanced ocean technologies.

"With Blue Champions, we hope to identify blue innovators with potential to be bankable but not there yet. The first pilot has selected 20 projects that the bank will deal with directly and that could become interesting to venture capital funds in the future," says EIB's Jesus.

What are the most important blue economy themes?

There are four core themes from the investment banking side. The first is the decarbonisation of marine-based activities, including maritime transport (green shipping) and low-carbon, energy-efficient ports.

The EIB also contributes to climate change mitigation through investments in marine renewable energy. Between 2019 and 2023, the bank invested €3.7 billion for marine renewable energy, co-financing – around 40% of all offshore renewable energy capacity in Europe. In addition to floating wind energy technologies, the bank also supports innovative wave and tidal technologies with technical and financial advisory services and financing.

With respect to green shipping, between 2019 and 2023, EIB invested €224 million in green maritime transport, financing the construction of new ships and the retrofitting of existing vessels with green technologies to improve their energy efficiency and reduce harmful emissions. Over the same period, the bank invested €1.2 billion in ports.

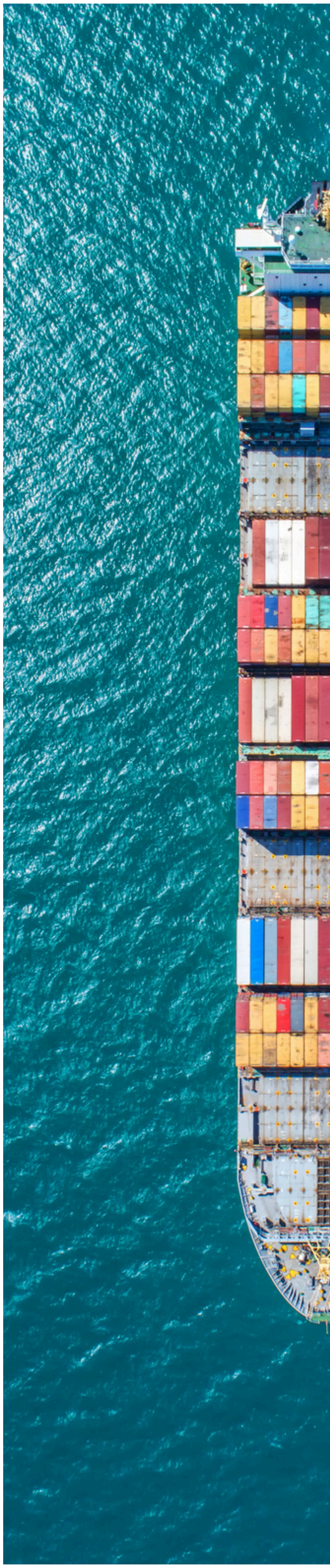
The second theme is coastal resilience to climate change with €91 million invested in coastal protection between 2019 to 2023. The third theme is ocean-related research, development and innovation with €366 million invested in this theme between 2019 and 2023. These investments have mainly gone to help traditional blue economy industries like seafood and shipping transition towards more sustainable operating methods.

In addition to backing innovative energy solutions, the EIB is developing a portfolio of projects that support ocean monitoring technologies, such as marine robotics and research vessels, as well as recirculating aquaculture systems for more sustainable fish production. Marine robotic and digital technologies can do things like monitor critical infrastructure, including underwater pipelines and telecom cables, and improve the planning of offshore energy farms or ports.

Preserving and restoring the health of the ocean is the fourth theme, with around €1 billion provided over five years to help manage wastewater, stormwater and solid waste, to reduce pollution flowing into the ocean. EIB has also invested €229 million in sustainable seafood production in the European Union, including fisheries, aquaculture and the processing and preservation of seafood.

Looking at EIF's themes through the BlueInvest lens, there are 10 key sectors that provide investment opportunities: aquaculture; blue biotechnology; blue renewable energy; blue tech & ocean observation; coastal and maritime tourism; environmental protection and regeneration; fisheries; shipbuilding and refit; shipping and ports; and water management.

"Of these, the three themes that are getting an increasing amount of attention are aquaculture and fisheries, shipping and transportation, and blue data and monitoring technologies," says EIF's Corredera Silván.



How do you monitor impact of your underlying investments?

Investing in the right sectors is important, but it's only one part of the equation. "The ability to measure impact is just as crucial," says EIF's Corredera Silván. The EIF aims to foster alignment of interest and accountability by defining measurable KPIs early on.

EIF has developed its own proprietary impact framework that is a critical component of the investment process. Fund managers must establish relevant KPIs prior to their investments. These KPIs are then presented to the advisory board of the fund and monitored over time. Managers receive impact performance incentives once the established targets are achieved, ensuring funds focus on delivering impact, not just on financial returns.

"We select managers that have impact at the core of their strategy, process and decisions. Having an impact framework requires that the fund manager actively engages with company founders to decide together what the business relevant impact KPIs should be, whether carbon dioxide abatement and pollutant reduction or water use efficiency," notes Cracco.

What does the 'blue' future look like?

Another key element required to growth the blue finance market is the range and availability of instruments. Blue bonds are starting to gain traction. There are 15 or so banks, including Amundi, BNP and Triodos, with established loan facilities to the blue economy. In addition, some 30 private market funds and nearly 500 equity funds had an average exposure of more than 3% to the UN SDG 14, according to Morningstar data. More than 100 of those funds even had exposures at 10% or more. There are, however, only a handful of dedicated thematic public equity funds and a few ETFs.

"The blue investment universe is still nascent, but local banks are starting to show interest in lending to SMEs in fisheries, aquaculture, and coastal tourism, both with the EU and externally," says Jesus.

Biographies:

Franck Jesus is Blue Economy Coordinator and Senior Department Climate Advisor at the European Investment Bank. He has more than 25 years of experience in environment and natural resource management policies and projects, having worked in international organisations (OECD, Global Environment Facility), as a government official in France, and in development projects in South-East Asia.

Adelaide Cracco is Head of the Greentech and Social Impact Division within the European Investment Fund which she joined in 2014. Together with her team she is responsible for EIF's fund of fund investment activities in climate, environmental and social impact venture capital funds with the mandate to increase the availability of equity financing for innovation in key strategic sectors such as energy, agrifood or the blue economy. Prior to joining the EIF, she managed the Finaves seed capital funds supporting start-ups and entrepreneurs active in the digital technology, healthcare and cleantech sectors. She also previously held executive management positions in Mixtafrica a pan-African group promoting social and economic housing projects and began her early career in Clairfield International a global corporate finance advisory firm where she specialised in the pharmaceutical, chemical and waste management industries.

She holds a Master's degree in Business Administration from IESE Business School in Spain and a Master's degree in Economics and International Relations from the University of Louvain in Belgium.

Martín Corredera Silván has over 25 years of international managerial experience in private capital, and financial analysis. Currently, he serves as Principal Investment Officer with the European Investment Fund. Throughout his involvement at several international organizations, he has actively contributed to advancing regional development of the private sector in Europe and Latin America and the Caribbean, with a strong focus on investing for growth, innovation, and sustainability. Over the years, Martín has been involved in several advisory and consultative roles at different organizations in Europe and the Americas. He began his career in public accounting, in Spain and the United States, serving a variety of clients in the technology and telecommunication industries.

Martín holds an Executive MBA from Georgetown University (U.S.), an LL. B. from Universidad Nacional de Educación a Distancia (Spain), and a MSc. in Business Administration from Universidad Complutense (Spain). He also holds a current U.S. CPA license.

About EIB

The European Investment Bank (EIB) is the long-term lending institution of the European Union, owned by its Member States. It finances sound investments that contribute to EU policy objectives. EIB projects bolster competitiveness, drive innovation, promote sustainable development, enhance social and territorial cohesion, and support a just and swift transition to climate neutrality. In recent years, over half of the EIB annual financing supported projects directly contributing to climate change mitigation, adaptation, and a healthier environment. Many of those climate and environment projects contributed to the Blue Economy.

About EIF

European Investment Fund (EIF) is part of the EIB Group. It supports Europe's SMEs by improving their access to finance through a wide range of selected financial intermediaries. The EIF designs, promotes and implements equity and debt financing instruments targeting SMEs. In this role, EIF fosters EU objectives in support of entrepreneurship, growth, innovation, research and development, the green and digital transitions and employment. EIF is a key contributor to the Clean Oceans and the Blue Economy Group activities.

DEEP DIVE: OCEAN PLASTIC

The Great Pacific Garbage Patch, also known as the Pacific trash vortex, is a collection of marine debris, largely broken bits of plastic mixed in with fishing nets and shoes. In 2018, a study estimated that there are at least 79,000 tonnes of ocean plastic floating inside this area measuring 1.6 million sq km, equivalent to twice the size of Texas or three times the size of France, and located in the North Pacific Ocean not far from Hawai'i.

Plastics pollution is part of the climate discourse. By 2050, greenhouse gas emissions associated with plastic production, use and disposal would account for 15 % of allowed emissions. For this reason, two years ago the European Investment Bank (EIB) invested $20 million into the Circulate Capital Ocean Fund I-B, which invests into both disruptive innovations aligned with Circulate Capital Disrupt, the firm’s climate-tech strategy, and into the South and Southeast Asia recycling value chain.

As Ricardo Mourinho Félix, EIB’s vice president said at the time, “Preserving the health of our oceans is key to tackling climate challenges and preserving our economic prosperity. Through the EIB’s Climate Bank Roadmap and Clean and Sustainable Ocean Programme, we are committed to investing in climate action and environmental sustainability around the world. In particular, we want to support projects aimed at reducing pollution, by recycling and re-using plastics, so that we can ensure a better future for all”.

Institutional investors include the International Finance Corporation, which together with the Finland IFC Blended Finance for Climate Change Program have invested $10 million; and Proparco, a subsidiary of Agence Française de Développement allocated nearly $6 million.

Foundations include Huang Chen Foundation, Woodcock Foundation, Nippon Foundation, Gordon and Betty Moore Foundation and the Walton Family Foundation. Through the Plastic Waste Maker’s Index and the Global Fishing Index, the Minderoo Foundation, also an investor in the Circulate Capital fund, is making the ocean a focus of its natural ecosystem investments.

Ocean 14 Capital, which recently closed its inaugural private equity fund with more than €200 million, has advised on the allocation of the fund’s assets to a number of plastic-related investments such as plastic recycler Novelplast; Bureo, which turns fishing net pollution into recycled raw materials used by brands such as Patagonia; and Aion, which helps companies solve their plastic waste problems.

In 1950, the world produced two million tonnes of plastic, growing to 348 million tonnes in 2017. As plastic does not decompose, the erosion of plastic waste has resulted in microplastics being found from the floor of the Mariana Trench to the summit of Mount Everest. Now contaminating everything from archaeological soil samples and to being found even in the placenta, microplastics and plastic pollution a biodiversity issue.

More than 800 marine and coastal species are affected by this pollution through ingestion, entanglement, and other dangers. Right now, some 11 million tonnes of plastic waste flow into the oceans each year, leading the Ellen MacArthur Foundation to publish a report suggesting at this rate by 2050 there could be more plastic than fish in the sea.

Thanks in part to the so-called 'Attenborough-effect', however, Sir David's documentaries Blue Planet II and Our Planet have resulted in a 53% drop in use of single use plastics. Initiatives are now in place to start to reduce single use plastic production and consumption. In July 2021, single-use plastic plates, cutlery, straws, cotton buds, cups, food and beverage containers made of expanded polystyrene, and all products made of oxo-degradable plastic were banned in EU Member States.

Globally, in 2022, 175 nations agreed to develop an agreement by 2024, titled End Plastic Pollution: Towards an internationally legally binding instrument. When the global agreement to end plastic pollution was reached, Inger Andersen, Executive Director of UNEP, said, "…UNEP will work with any willing government and business across the value chain to shift away from single-use plastics, as well as to mobilise private finance and remove barriers to investments in research and in a new circular economy".

According to a study, ocean plastic pollution costs society up to $2.5 trillion a year, which makes solving the ocean plastic pollution problem a popular "innovation" investment theme. In 2019, the World Bank launched a 'blue' sustainable development bond to draw attention to the challenge of plastic waste pollution in oceans, which, distributed by Morgan Stanley, raised $10 million.

At the start of the year, the World Bank priced a seven-year $100 million, principal-protected Plastic Waste Reduction-Linked Bond, where returns are linked to Plastic Waste Collection Credits, Plastic Waste Recycling Credits and Verified Carbon Units (carbon credits) expected to be generated by two projects in Ghana and Indonesia, respectively.

The size of the global plastic recycling market varies, but one report suggests it was valued at $43.62 billion in 2023 and is predicted to reach $77.89 billion by the year 2031 at a 7.71% CAGR. The global market for reusable water bottles alone was worth $10.35 billion in 2023 and is expected to grow at a CAGR of 4.8% to reach $14.37 billion by 2030.

Evian is one water bottle company that has embraced plastic circularity. Working closely with the Ellen MacArthur Foundation to define its circular economy roadmap, in January 2018 Evian committed to make all of its plastic bottles from 100% recycled plastic by 2025. To do this, it partnered with Loop Industries.

Shifting to a circular economy has now become 'fashionable' with ocean plastic becoming the fabric for brands such as H&M. Adidas, Dior and Stella McCartney are using Parley Ocean Plastic in some of their ranges.

In the driving seat to stem the flow of plastic at source is Dame Ellen MacArthur, whose New Plastics Economy revolves around elimination, innovation and circulation, which, if it were to be applied to all the plastic in the world not yet recycled, could theoretically be worth $7.2 trillion.

In 2019, in collaboration with the UN Environment, the Ellen MacArthur Foundation unveiled the New Plastics Economy Global Commitment now signed by more than 500 organisations, including companies representing 20% of all plastic packaging produced globally. Some of the names are well-known consumer businesses such as L'Oréal, Mars, Nestlé, PepsiCo,

The Coca-Cola Company and Unilever, as well as the world's largest retailer, Walmart; major packaging producers such as Amcor and Berry Global; and the largest resource management specialist, Veolia.

Another possibility for plastic waste once destined for landfills is as road surface material. In 2004, Chennai became the first Indian municipality to lay 1,000 kilometres of plastic road, with the Indian government making mandatory for road developers to use waste plastic along with bituminous mixes for road construction in 2015, so that it has now installed some 100,000 kilometres of plastic roads.

More than 10 countries including Holland, UK, South Africa, Ghana, Vietnam, Mexico, the Philippines and the US have built their first plastic roads.

From roads to running shoes, a shift to a circular plastics economy by 2040, as outlined by the Ellen MacArthur Foundation, has the potential to offer impact on every level: from reducing the annual volume of plastics entering our oceans by 80%; reducing greenhouse gas emissions by 25%; generating savings of $200 billion per year; and creating 700,000 net additional jobs.

PHENIX IMPACT FUND ASSESSMENT

Phenix Impact Fund Assessment is a proprietary framework developed in close consultation with institutional asset owners and industry leaders, for the purpose of **assessing the robustness of a fund's impact proposition**.

On 6 themes and 45 criteria, it examines to what extent the policies, procedures and human resources are in place to deliver the impact that a fund aims to create.

ASSESSING THE ROBUSTNESS OF IMPACT FUND PROPOSITIONS

Uncover strengths and weaknesses

Adopt industry best practices

Prepare for institutional impact due diligence

100 100 PHENIX IMPACT FUND ASSESSMENT

January 2024

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GLOSSARY & SYMBOLS

Committed capital: Amount committed in a fund vehicle by its limited partners / investors.

Developed markets: We include Europe (excl. Eastern Europe), North America, Asia Pacific (Singapore, Japan, and South Korea only), ia (New Zealand, Australia) Middle East and Africa (Israel only).

Direct lending: A specialised form of private debt, in which loans are made to middle-market companies. It is the private debt strategy with lower risk, achieved by using collateral.

Emerging markets: We include Latin and Central America, Asia Pacific (excl. Singapore, Japan, South Korea), Middle East and Africa (excl. Israel) Europe (Eastern Europe only).

Fund managers: Organisation managing commingled, pooled and customised vehicles invested by institutional asset owners. Also called General Partner or GP.

Global: Funds that have an investment geographic scope encompassing both developed and emerging markets.

Impact investing: Investments with the dual mandate of financial return and positive societal or environmental impacts, with the notion of measuring the positive and negative impact of investments, ensuring both intentionality and additionality among these.

Institutional asset owners: Outsourced CIOs, pension funds, insurance companies, family offices, sovereign wealth funds, endowments, foundations, banks, fiduciary managers, discretionary investment consultants. Also called Limited Partner or LP.

Market targeted: Markets fund managers target for their investments: We include Global, Developed markets, Emerging markets.

Mezzanine: A specialised form of financing in which loans are subordinated to banks, with no collateral. It is the most equity-like form of private debt.

Microcredit: A common form of microfinance, characterised by small loans to individuals or small companies.

Private debt: Debt instruments to companies: direct lending, mezzanine, microfinance strategies.

Public debt: Publicly traded fixed income securities: investment grade or high yield, focused on green bonds and municipal and community infrastructure and affordable housing issuers.

Regions targeted: Regions fund managers target for their investments: We include Asia Pacific (East Asia, Central Asia, South Asia, South East Asia), Europe (Western Europe, Eastern Europe), Global, Latin and Central America, Middle East and Africa (East Africa, Middle East, Northern Africa, West Africa, Southern Africa), North America, Oceania.

Target fund size: Amount the fund manager is targeting when raising capital.

Vintage: Year where the fund manager first calls capital from investors.

Full glossary: www.phenixcapitalgroup.com/impact-investing-glossary

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