

2021



WATEREQUITY

# Annual Report

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## A Word from Leadership

As we reflect on 2021, two particular dates stand out. The first, May 6th, is the day India registered 414,188 new COVID-19 cases, a four-fold increase from the prior month and the peak of the country's second coronavirus wave. The second, December 16th, is the day Typhoon Rai made landfall in Siargao in the Philippines, displacing 560,000 people. Both of these natural calamities deeply impacted the lives of those in their path, and their impact was made all the worse by lack of access to water and sanitation.

We are hesitant to open this letter with bad news, because for WaterEquity there is much in the way of good news to report. However, the backdrop of human and environmental devastation is important. It was two years ago, before the pandemic and the recent surge in climate and weather-related disasters, that Larry Fink, CEO of BlackRock, said: "We believe that sustainability should be our new standard for investing."<sup>1</sup> The events of 2020 and 2021 only serve to confirm this. Governments, voters, and investors increasingly realize that to safeguard and maximize human welfare, capital must be allocated intentionally to offset the externalities and market failures that pure-profit motivations overlook. ESG and social impact investing are not just passing fads; they are the new permanent standard.

WaterEquity is well-placed to take advantage of this shifting perspective. We don't just share the aspiration for ESG and impact investing; we make it possible and actionable. 40 percent of the world population cannot wash their hands with soap and water in their own homes, and 66 percent of healthcare facilities in low-income countries don't have soap or running water. Expanding access to safe water and sanitation is therefore critical to building resilience to pathogens and severe weather events caused by climate change. We achieve this by providing financing for water and sanitation solutions at the household and enterprise-level. Funneling capital in this way, we offer our investors a way to deliver profound impact while earning attractive, risk-adjusted returns.

It's no surprise, then, that interest in

our mission and our products has been strong. WaterEquity has now secured over \$200 million in investor commitments with the close of our third impact investment fund, the Global Access Fund, and has deployed more than \$140 million across dozens of investments in nine countries. Despite the difficulties caused by the pandemic, we reached well over half a million people with improved water or sanitation in 2021, bringing our cumulative total to nearly three million since 2016. Microfinance lending, one of the primary means by which we allocate capital, has certainly come under pressure from the various restrictions that the pandemic necessitated. As a result, we expect that portfolio performance may lag relative to normal years while the pandemic persists. But we are seeing positive signs of recovery throughout the sector, an observation echoed by others, including Consultative Group to Assist the Poor and the impact investing platform Symbiotics.<sup>2</sup>

There are two sides to the capital market we are building: demand from the communities we serve, and supply from our investors. Our continued success would not be possible without the commitment of both sides to meet in the middle to solve the global water and sanitation crisis. It would also not be possible without the flexibility and creativity of our team. The pandemic has forced all of us to adapt, especially with regard to travel in the markets we serve. However, we have risen to the challenge. As we move into 2022, we look forward with enthusiasm knowing many people around the world will experience access to safe water and sanitation for the first time, and that an end to this crisis is in sight.



*Gary White*

**Gary White**  
CEO and Co-founder



*Paul O'Connell*

**Paul O'Connell**  
President



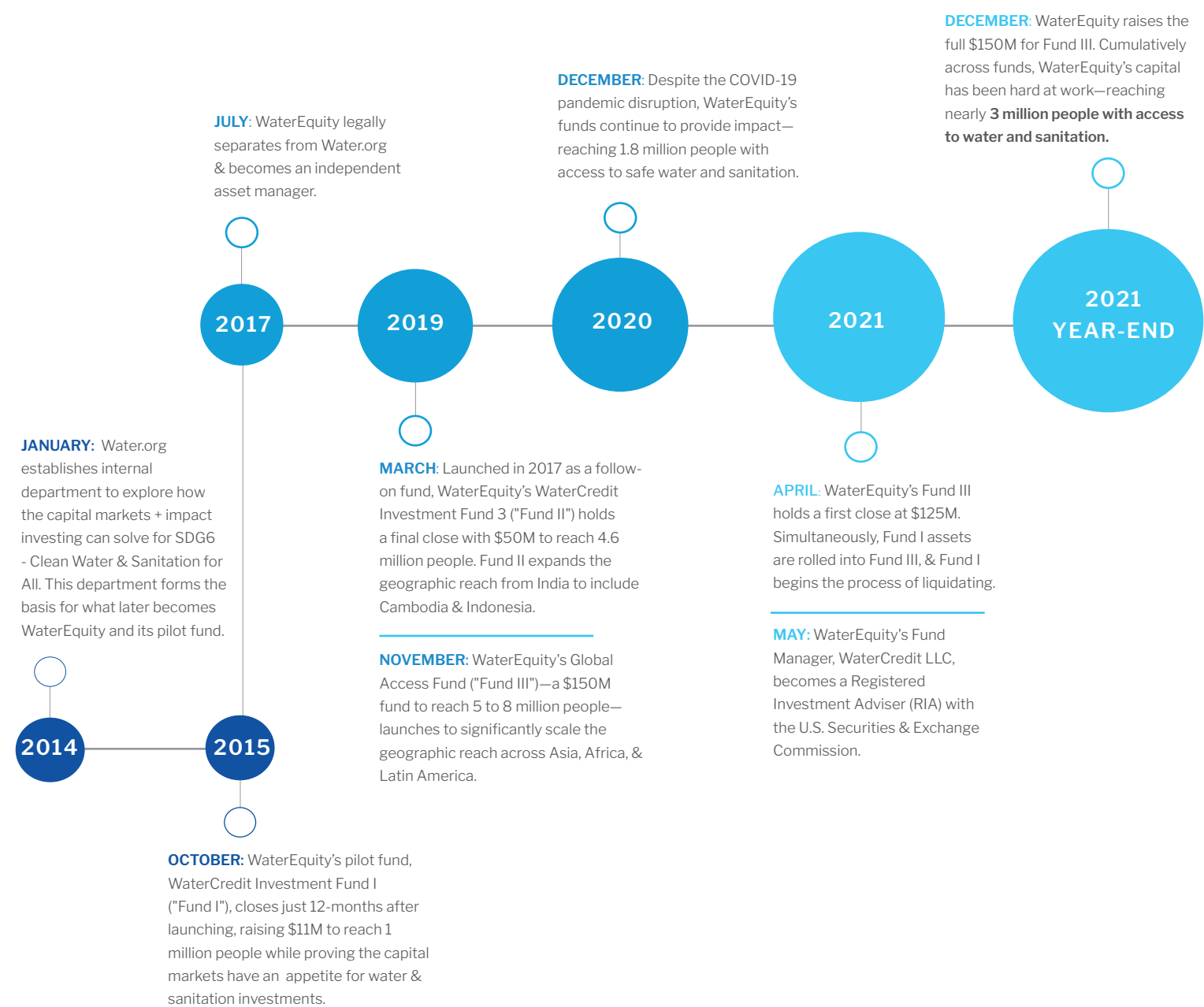
# Investing in Water and Sanitation. Unleashing Systems Change.

Capital markets can unleash the economic benefits of safe water and sanitation, and we use them as the most direct and powerful tool to achieve our mission. Thanks to nearly 100 investors across WaterEquity funds, it is apparent the water and sanitation investor network is a powerful force for change, collectively committing more than \$200 million towards solving SDG6.

We wish to send a **hearty thank you** to all stakeholders we have had the pleasure of working with since our launch. Many of you opened doors and ushered in new collaborations, proposed innovative financing initiatives, and helped raise industry awareness around our mission and efforts. With your continued support and partnership, we will scale our impact while amplifying the other benefits and dimensions of our cause—spanning health, gender equality, climate resilience, poverty alleviation, and fundamental human rights.

## Highlights of the Journey

**WaterEquity puts capital to work to deliver universal access to safe water and sanitation.** WaterEquity is the first asset manager exclusively focused on solving one of the most urgent issues of our time—the global water and sanitation crisis. We invest in financial institutions, enterprises, and infrastructure in emerging markets delivering access to safe water and sanitation to low-income consumers, while offering an attractive risk-return profile to investors. Founded by award-winning entrepreneur Gary White and writer/actor Matt Damon of Water.org, and led by Paul O’Connell, the success of WaterEquity is built on decades of organizational and individual experience investing in water and sanitation in emerging markets, seeking social and financial returns.



# Areas of Investment

Today, 1 in 10 people—771 million—around the world lack access to safe water, and 1 in 4 people—1.7 billion—lack access to a toilet.<sup>3</sup> Economists estimate there is a \$1 trillion market opportunity for providing water and sanitation services to all people worldwide by 2030.<sup>4</sup>

WaterEquity believes there are two, key strategies to build and nurture a global capital market that accelerates SDG6, including:

## AFFORDABLE FINANCING FOR HOUSEHOLD-LEVEL SOLUTIONS

Among low-income consumers, at least 600 million people could access water and sanitation products, services, and upgrades if financing was available, equating to a \$35 billion market demand over the next decade.<sup>5</sup> WaterEquity addresses this unmet demand by providing debt capital to creditworthy financial institutions in emerging markets to enable them to scale their water and sanitation lending activities. These financial institutions use investment capital to expand their water and sanitation microloan portfolios, as well as on-lend to local enterprises delivering water and sanitation products and services.

## CLIMATE-RESILIENT INFRASTRUCTURE

There is an urgent need to expand and rehabilitate water supply and sanitation infrastructure globally to reach billions of people who are increasingly vulnerable to the impacts of climate change. According to the World Bank, investments in water supply and sanitation infrastructure must at least triple to fully achieve SDG6.<sup>6</sup> While infrastructure investments have grown by 350% in the last decade<sup>7</sup>, only 1.9% of commercial financing went toward water and sanitation infrastructure specifically.<sup>8</sup> WaterEquity is investing in water and sanitation systems through project and enterprise-level financing, such as piped water systems and wastewater treatment facilities, to not only increase access to safely managed water and sanitation, but also to provide climate resilience for vulnerable populations.

# Investment Strategy

WaterEquity's investment strategy is built upon the following fundamentals:



# Measuring & Managing Impact

WaterEquity follows industry best practices for measuring impact, including IRIS+, the Impact Management Platform, Impact Frontiers, and the IFC Operating Principles for Impact Management.

WaterEquity's funds integrate impact measurement into every stage of the investment cycle, beginning with the initial design of the investment strategy. From fund construction to Investment Committee approval, the impact of every investment is evaluated across multiple dimensions to confirm alignment with impact objectives. Every borrower loan agreement includes specific impact targets to ensure that the capital is used to expand access to safe water and sanitation, and each borrower reports to WaterEquity on progress against impact targets on a quarterly basis. In addition, WaterEquity periodically collects end-client data from feedback surveys to verify borrowers' self-reported data and gain additional insight into the household-level experience. Upon exit from every investment, WaterEquity conducts a review of the social impact and captures lessons to continuously improve its approach and maximize social impact.



## Aligning with the SDGs

WaterEquity's core impact contributes to Sustainable Development Goal 6, which ensures availability and sustainable management of water and sanitation for all. Access to water and sanitation underpin many of the world's greatest challenges and have been proven to positively impact health, economic security, gender equality, sustainable infrastructure, and resilience to climate change for communities around the globe.



## Why Invest in WaterEquity's Impact Investment Funds?

“Impact has always been at the core of Capricorn's investment philosophy. We seek out investments like WaterEquity that have the ability to significantly scale access to water and sanitation for millions of people living in poverty while delivering long-term risk-adjusted returns. WaterEquity's funds prove the power of the capital markets can help solve some of our world's greatest challenges.”

Mandira Reddy, Director of Investment Analytics  
Capricorn Investment Group

Please see Disclosures at the end of this report for information related to investor testimonials and representative investors.

### Our Growing Investor Community Includes



# Enabling Growth, Scaling Impact

## By the Numbers: *Key Datapoints* *Across WaterEquity Funds*



**WATER & SANITATION**  
**2.7M**

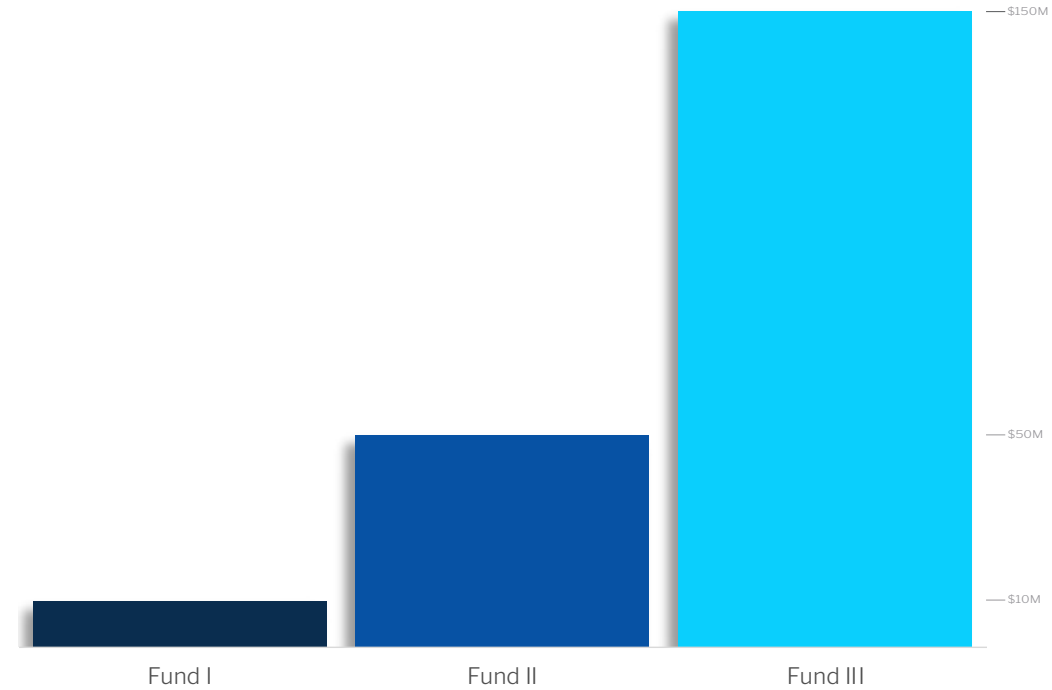
people reached with safe water  
or sanitation since 2016



**CAPITAL RAISED**  
**\$200M+**

in committed capital to  
solving SDG6 since 2016

CAPITAL RAISED PER FUND



### DEBT INVESTMENTS

**47** cumulative investments  
made across three funds



### BEST PRACTICE MGMT

**0.24%** avg annual write-off  
since 2016



### INVESTMENT ACTIVITY

**9** low- and middle-income  
countries globally



### GENDER EQUALITY

**97%** of individuals directly  
supported by our  
investments are women



### SDGs IMPACTED

**8** including water & sanitation,  
health, gender, economic  
security, and climate action

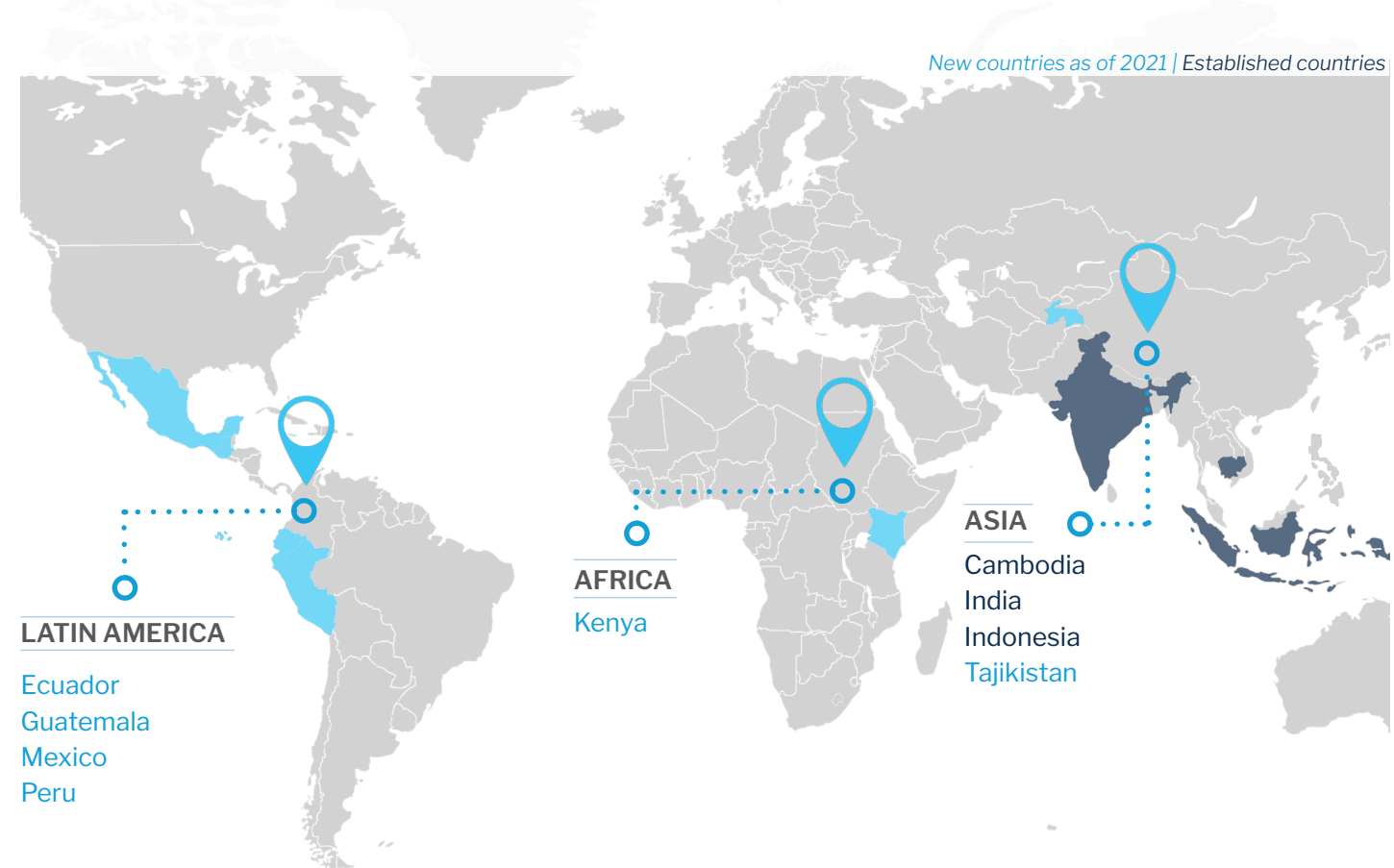


### ECONOMIC OPPORTUNITY

**70%** of water & sanitation  
microloan end-clients  
earn below a living  
income

# Water & Sanitation Investments by Geography

Since 2016, WaterEquity's funds have made 47 debt investments across a portfolio of creditworthy financial institutions and high-growth enterprises across the globe—empowering millions of people with access to safe water and sanitation. As we continue to scale, WaterEquity's investments will span globally across Africa, East Asia and the Pacific, Latin America and the Caribbean, and South Asia.



# Affordable Financing for Household-level Solutions

Currently, the majority of WaterEquity's funds are allocated to creditworthy financial institutions that offer household microloans for water and sanitation. These microloans enable low-income consumers to install water or sanitation solutions within their homes—such as a water connection or toilet—leading to improved health outcomes, educational opportunities, and economic security. According to Symbiotics, microfinance as an asset class has shown to have low correlation to other asset classes, historical average default rates of around 1%,<sup>9</sup> and the potential to generate social impact alongside financial returns.

Many of WaterEquity's financial institutions borrowers also on-lend to water and sanitation enterprises. These enterprise loans support diverse water and sanitation activities through local businesses expanding community access to water and sanitation, such as construction of sewage systems in India and expansion of piped-water networks in Kenya. Because these enterprise loans are typically focused on projects at the construction stage, WaterEquity reports individuals reached with water or sanitation upon project completion.

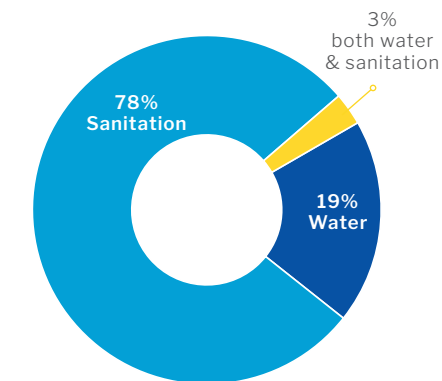
## MICROLOAN ACTIVITY, USE

**543K**

microloans deployed to low-income communities across all WaterEquity funds

**\$268**

average microloan size across all WaterEquity funds



Breakdown of microloan use by end-clients across all WaterEquity funds

## ENTERPRISE LOAN ACTIVITY, LOCATION

**112**

enterprise loans deployed to expand operations of water supply & sanitation across all WaterEquity funds

**\$34K**

average enterprise loan size across all WaterEquity funds



## Expanding Into New Geographies

2021 was a landmark year for WaterEquity's global expansion with investments in three new regions: Sub-Saharan Africa, Latin America, and Central Asia. By year-end, WaterEquity's portfolio spanned nine, low- and middle-income countries, representing a combined total population of 1.9 billion people, including Cambodia, Ecuador, Guatemala, India, Indonesia, Kenya, Mexico, Peru, and Tajikistan.

WaterEquity's process for selecting new investment geographies involves a comprehensive assessment of macroeconomic risk factors, investment climate, regulatory landscape, and level of access to water and sanitation facilities. For those markets that meet the basic criteria, WaterEquity cultivates a pipeline of creditworthy financial institutions and negotiates loan terms with interested candidates. For new borrowers, loan appraisal typically involves on-site due diligence by two WaterEquity staff, but travel restrictions associated with the pandemic necessitated new approaches for some borrowers during 2021.

To make the first loan in Kenya amidst the pandemic, WaterEquity partnered with a renowned international rating agency with an on-the-ground presence to cover on-site components of the due diligence, alongside virtual assessment by WaterEquity investment staff. While this was a departure from the typical due diligence approach, it nonetheless led to strong underwriting and resulted in a \$5 million loan to a commercial bank. This bank lends to small and medium-sized enterprises to finance the construction, expansion, or improvement of water and sanitation infrastructure and services in households, schools, and healthcare facilities.

## How WaterEquity Safeguards Microlending for Low-Income Clients

WaterEquity views client protection to be of the utmost importance, particularly as we engage with financial institutions serving clients with relatively low financial literacy and/or irregular sources of income. As part of our due diligence process, we work to ensure the entities we invest in have appropriate client protection policies in place:



**Monitoring Interest Rates** | WaterEquity confirms that financial institutions provide fair pricing to end-clients by reviewing loan terms, prevalent market rates, financial institution profitability, and local regulations.



**ESG & Impact Scorecards** | WaterEquity's due diligence includes proprietary ESG and impact scoring for each financial institution candidate. The scoring offers a multi-dimensional analysis of policies and practices around client protection, gender inclusion, social and environmental policies, and external ratings or certifications.



**Client Protection Factors** | WaterEquity does a thorough review of the financial institution's client protection practices prior to our investment. We see client protection standards as key in evaluating the material ESG risk to our investments in financial institutions. Factors assessed include: mandatory credit checks, existing indebtedness, transparent communication with clients on microloan terms, and responsible collection policies. 63% of WaterEquity's financial institutions portfolio had achieved the highest rating for client protection (Awarded by SMART certification).

# Climate-Resilient Infrastructure



**8** INFRASTRUCTURE PROJECTS COMPLETED

**2ML** VOLUME OF WASTE TREATED

**6** INFRASTRUCTURE PROJECTS UNDERWAY

**2.3K ML** VOLUME OF WATER DELIVERED

Much of the world’s water and wastewater infrastructure is inadequate, inefficient, and in many cases, poorly managed. Climate change, population growth, and rapid urbanization are stretching the capacity of existing water systems. The capital investments required to achieve SDG6 amount to \$114 billion annually, triple the current investment levels.<sup>6</sup> Public financing will never be enough, with official development assistance spending levels providing just a fraction of what is needed.<sup>10</sup> In short, achieving universal access to water and sanitation will require a dramatic uptick in private investment in water and sanitation infrastructure.

In addition to WaterEquity’s strategy of investing in local financial institutions, WaterEquity is expanding

direct investments in projects and growth companies for sustainable infrastructure. This complementary strategy is essential to holistically address the global water and sanitation crisis and to ensure development of adequate municipal-level supply, alongside the household facilities supported by financial institutions. To date, investments in water and sanitation infrastructure have impacted 187,268 people with access to safe water and sanitation products and services. Investments focus on areas such as the design, construction, and management of water supply and wastewater treatment projects in rural areas and small cities. These projects often provide communities with safely managed services for the first time, significantly improving the lives of low-income households.

## Markets in the Context of COVID-19

2021 was a volatile year for markets as multiple COVID-19 surges caused periodic disruptions to financial institutions across the globe. Localized movement restrictions and strict social measures resulted in lower loan collection efficiency and increasing loans in arrears. Many central banks sought to help financial institutions by allowing loan restructuring and through injecting liquidity into the markets via fiscal stimulus packages. WaterEquity followed suit by working directly with borrowers to accommodate requests for relaxation of loan covenants and allow time for business recovery.

The second half of the year saw a major vaccination drive by governments in key markets. As infection rates declined, social distancing measures were relaxed, and businesses started a return towards normalcy. Consequently, financial institution collection efficiencies improved to near pre-pandemic levels, as did the strength of their loan portfolios, resulting in an increase in water and sanitation lending.

Overall, 2021 demonstrated the resilience of tier 1 financial institutions (>\$50 million asset base), who were well equipped to weather the pandemic due to their good capitalization levels and ability to offer online services like cashless disbursement and collections. While the timing of full economic recovery to pre-pandemic levels remains uncertain, the long-term trend points towards increased investment in SDG6—particularly as COVID-19 underscored the importance of access to safe water and sanitation. Looking forward, WaterEquity will continue to work closely with existing borrowers to navigate any uncertainty, while also investing in additional candidates to further expand our impact.

# Portraits of Impact



## AMK MICROFINANCE INSTITUTION (MFI) PLC

Cambodian MFI with 150 offices across 24 provinces

**MISSION:** to help large numbers of poor people to improve their livelihood options through the delivery of appropriate and viable microfinance services.

**\$9M**

WaterEquity’s Fund II & III provided \$9 million in debt investments to AMK

### SOCIAL IMPACT

**FOCUS |** Average microloan sizes have remained among the lowest in the country, with deep outreach in rural communities, and Gold-level Client Protection Certification, awarded by SMART certification.

**ACHIEVEMENTS |** AMK launched its water supply and sanitation (WSS) microloan portfolio in 2016, helping clients secure financing for household toilets, piped water connections, rainwater harvesting systems, and water filters. Between 2019 and 2021—supported by debt investments from WaterEquity—AMK has disbursed nearly \$60 million in water and sanitation microloans, reaching 396,000 people. In working with global partners like AMK, WaterEquity ensures low-income families have the necessary financial support to secure household access to safe WSS to build healthier, brighter futures.

## AISYAH'S MICROLOAN STORY



Like almost one-fourth of the people in the world, Aisyah—a farmer and mother in Indonesia—lived without safe drinking water in her home. She rose before dawn to walk and gather water for her family, before going to work in her rice fields.

Although the infrastructure for piped water existed, Aisyah couldn’t afford a tap at home, which had an upfront cost of \$200. As a result, Aisyah decided to take out a microloan from her local MFI, which she used to connect to piped infrastructure and construct a water tap for her home. Freed from the time-consuming task of collecting water, she repaid the microloan over several months from income generated during her newly found time.

Aisyah’s story is similar to many of the half a million borrowers across Asia, Africa, and Latin America who have experienced the opportunity to access affordable financing to solve their family’s water and sanitation needs. **To date, WaterEquity and its financial institution borrowers have helped nearly 3 million people access safe water or sanitation in their homes and communities.**



WASH Enterprise headquartered in Hyderabad, Telangana, India.

### MISSION |

Banka Bio is a market leader in water, sanitation, and hygiene technology and infrastructure. It is a research-driven company engaged in developing a diverse array of products and services for human waste treatment and management, with a vision to solve the most pressing problems of poor sanitation.

**ACHIEVEMENTS |** As a key player in the WASH sector, Banka Bio has expanded its strategy to innovate and rehabilitate wastewater treatment and reuse systems—including sewage treatment plants (STPs)—for urban areas such as schools, hospitals, and residential and commercial complexes across India. According to Banka, more than 85% of current urban STPs installed in residential and commercial premises in India are dysfunctional and not properly treating wastewater before being discharged into the environment. Under current regulations, new residential communities above a certain population size are required to install STPs and only discharge treated water. Banka’s new strategy aims to bridge the gap between older STPs and current environmental regulations.

In 2021, supported by financing from WaterEquity, Banka began renovation on a large STP for a residential apartment complex in the capital of the Indian state of Telangana. The renovation is providing high-quality water for reuse—such as water for toilet flushing and gardening—and properly treated discharge into stormwater drains. **Since early 2022, the plant has treated nearly 57 million liters (57 megaliters) of wastewater and 56 million liters (56 megaliters) of water for reuse.** Looking ahead, Banka will fully operate and maintain the STP over the next seven years, ensuring residents receive continuous access to these services.

**\$1M**

WaterEquity’s Fund II provided \$1 million in investment to Banka Bio

# A Global Team

## CO-FOUNDERS



**Matt Damon**  
Co-founder



**Gary White**  
Co-founder, Board  
Chairman, & CEO

# Raising Visibility

## Industry Partners



Operating Principles for  
Impact Management



## An Award-Winning Investment Team



Selected as one of the top  
50 impact investment fund  
managers 2019-2021



Investment team of the  
year – asset manager

## EXECUTIVE LEADERSHIP



**Catherine Colyer**  
Chief Operations &  
Chief Compliance Officer



**Elan Emanuel**  
Chief Investor  
Relations Officer



**John Moyer**  
Chief Investment  
Officer



**Paul O'Connell**,  
President

## INVESTMENT MANAGEMENT



**Amit Agarwal**  
Regional Director,  
South & Central Asia



**Hasan Andalib**  
Portfolio  
Manager



**Tony Clamp**  
Director, Infrastructure  
Investments



**Genevieve Edens**  
Director,  
Impact & ESG

**Sridhar Sampath**  
Director, Infrastructure  
Investments



**Vanesa Sandoval**  
Regional Director,  
Latin America



**Anu Valli**  
Director, Financial  
Institution Investments



**Geoff Wise**  
Portfolio  
Manager



**Cheryl Wright**  
Director, Investment  
Compliance

## COMPLIANCE, FINANCE, INVESTOR RELATIONS, & OPERATIONS



**Shilo Artis**  
Manager,  
Operations



**Laney Beaman**  
Manager,  
Investor Relations



**Paul Cohoon**  
Director,  
Accounting



**Jen McBrayer**  
Admin Coordinator,  
Operations



**Marie Milligan**,  
Director,  
Compliance



**Jeso O'Neill**  
Director,  
Communications



**Casey Pessetto**  
Director,  
Fund Accounting

## BOARD OF DIRECTORS



**Amy Bell**



**Victoria Boyne**



**Jan Creidenberg**



**Glenn Rockman**



**Margret Trilli**

## PRESS, MEDIA, & THOUGHT LEADERSHIP

The work of WaterEquity has been featured in many top-tier media outlets as a leading voice and solution to the water and sanitation crisis. Our own insightful thought leadership aims to highlight the water and sanitation crisis and its compounding effects on gender inequality, economic insecurity, income inequality, health and epidemic preparedness, and climate change resilience.

### Select Media Coverage

- **Bank of America Podcast: That Made All the Difference** with Gary White and Matt Damon
- **InvestmentNews Impact Adventures Podcast: Building a bridge between global capital and the water crisis**
- **NYTimes Climate Hub at COP26: How We Can Ensure Universal Access to Water, Sanitation, and Hygiene**
- **WIRED U.K.: The next hot investment is water**
- **The Washington Post: Preserving Our Water Systems as Climate Solutions**

### Thought Leadership

- **CNN Business: Access to clean, safe water is essential in the fight against climate change**
- **Fortune Magazine: Invest in women to solve the water and sanitation crisis**
- **GIIN: WaterEquity IRIS+ Impact Measurement and Management Use Case**







## High Expectations: *A Vision for What's Next*

**Our mission is to build a bridge between the supply of investor capital and the demand for water and sanitation investment. We have made progress, but we recognize that there are many more spans to build if we are to finish this bridge and achieve SDG6—universal access to safe water and sanitation by 2030.**

Beginning in 2022, we are embarking upon a new initiative with our sister organization, Water.org, to originate investable opportunities in both water supply and sanitation microfinance and climate-resilient infrastructure. Our shared goal is to identify and cultivate the most promising opportunities for impact and financial return. On the microfinance side, in the countries where we currently work, there are new financial institutions with which we would like to engage, and further afield there are countries and markets that we have yet to reach. On the infrastructure side, we recognize that financing the “last mile” of water and sanitation access with household-level domestic water and sanitation solutions will only take us so far. To achieve SDG6, there is a need for sustained investment in potable and wastewater infrastructure. Our ambition is to work with Water.org to identify infrastructure investment opportunities that deliver scalable impact while offering an attractive return to capital providers.

This initiative will lay the groundwork for the next phase of WaterEquity’s growth. We will be able to offer an expanded menu of securities that allow investors to put their capital to work to achieve meaningful progress towards SDG6. As the United Nations noted in its progress report this past July, the world is currently falling short on water and sanitation.<sup>11</sup> There is no doubt it is a difficult and complex goal to attain, but there are paths to progress. At WaterEquity, we take pride in offering one of the straightest, clearest, and best lit of those paths, and we invite our investors to join us.





## WATEREQUITY

Email us at [Info@WaterEquity.org](mailto:Info@WaterEquity.org)  
Visit [WaterEquity.org](https://www.WaterEquity.org) to learn more.

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10. Official development assistance is defined by the OECD as: government aid designed to promote the economic development and welfare of developing countries. May be bilaterally or multilaterally provided. Includes grants, "soft" loans, and provision of technical assistance. Goksu, Amanda, et al. Easing the Transition to Commercial Finance for Sustainable Water and Sanitation. World Bank Group, Aug. 2017. Page 11.
11. "Progress towards Sustainable Development Goals," United Nations, E/2021/58.

### IRIS+ Metrics Cited:

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IRIS, 2021. Client Individuals: Female (PI8330). v5.2.  
IRIS, 2021. Client Individuals: Low Income (PI7098). v5.2.  
IRIS, 2021. Average Loan Size Disbursed (PI5160). v5.2.  
IRIS, 2021. WASH Facilities Type (PD3668). v5.2.  
IRIS, 2021. Wastewater Treated (OI9412). v5.2.  
IRIS, 2021. Water Provided for Sale: Total (PI9468). v5.2.

### DISCLOSURES

Report dated as of 5/15/2022. All data represented in this report is cumulative across funds from inception through December 31, 2021. Past performance is not indicative of future results. Impact profiles are for illustrative purposes only and may not represent existing WaterEquity investment outcomes. End-client story and photos provided by Water.org.

Representative investors are chosen due to their recognition in the marketplace and their willingness to allow us to use their name. It is not known whether the listed investors approve or disapprove of WaterEquity or the advisory services provided by WaterEquity. Capricorn Investment Group (CIG), on behalf of the Skoll Foundation, is an investor in WaterEquity funds. WaterEquity did not compensate CIG, the Skoll Foundation, or Mandira Reddy for their statement, and this statement does not present a known conflict of interest.

**SMART Certification:** From 2013-2020 the Center for Financial Inclusion (CFI) managed the Client Protection Certification program. To be certified, financial service providers were evaluated by a licensed Certification Body to validate their adherence to the Smart Campaign's Client Protection Standards. See the CFI's website for additional information: <https://www.centerforfinancialinclusion.org/about/what-we-do/the-smart-campaign/certified-organizations>.

**Use of Awards:** The IA50 Fund Manager award is granted by ImpactAssets, an investor in funds managed by WaterCredit, an affiliate of WaterEquity. ImpactAssets assembles an annual review committee to select experienced impact fund managers with a minimum 3-year track record and \$25M AUM. See the ImpactAssets website for additional information: <https://impactassets.org/ia-50/>. WaterEquity did not pay any fees associated with the IA50 Fund Manager Award. The Environmental Finance IMPACT Awards recognize the work of impact investors and highlight best practices across all asset classes and geographies. See the Environmental Finance website for additional information: <https://www.environmental-finance.com/content/awards/WaterEquity>. WaterEquity won the inaugural competition for Investment Team of the Year. WaterEquity pays a license fee to use the IMPACT Awards logo but did not pay a fee to enter the competition or win the award.