

Verifier Statement

Independent Verification Report

Prepared for For Purpose Investment Partners: 19 July 2023

Introduction

For Purpose Investment Partners (FPIP) engaged BlueMark to undertake an independent diagnostic verification of the alignment of FPIP's impact management (IM) system with the Operating Principles for Impact Management (the Impact Principles).¹ BlueMark's diagnostic conclusions are intended to provide FPIP with learning output on the extent of its alignment.

Summary assessment conclusions

BlueMark has independently verified FPIP's extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

Principle 1: FPIP has articulated five thematic impact objectives which guide the investment strategy focused on five target sectors. The firm has a fund-level Theory of Change underpinned by sector-level strategies.

Principle 2: FPIP has developed and begun to apply a set of processes for assessing and managing impact across the investment lifecycle, including a draft Impact Framework. To further align, FPIP should consistently apply its processes and explore ways to link impact performance to staff incentive systems.

Principle 3: FPIP incorporates an assessment of additionality into its pre-investment process. The three central capabilities of people and leaders, long-term/patient capital, and partnerships are core to the firm's assessment of its expected additionality. To further align, FPIP should systematically monitor progress against value-add activities.

Principle 4: FPIP has developed a process for assessing each investment's impact ex-ante and aligns KPIs with industry-standard metrics, where possible. To further align, FPIP should standardize due diligence templates and ensure to capture all five of the Impact Management Project (IMP)'s Five Dimensions.

Principle 5: FPIP has begun to develop an ESG risk management framework. To further align, FPIP should continue to develop an approach aligned with relevant industry standards and integrate it into its existing impact management processes.

Principle 6: FPIP plans to monitor the impact of each investment against investment-specific KPIs and, where possible, works with investees to track outcomes. To further align, FPIP should formalize its draft Impact Framework monitoring processes, including to manage for impact underperformance.

Principle 7: FPIP has developed an Impact Beyond Exit policy, detailing its planned approach to incorporating impact considerations into its exit approach. To further align, FPIP should develop tools and templates to support the implementation of the policy.

Principle 8: FPIP has started to review the impact of each investment and has a range of fora that enable it to capture and implement lessons learned from each investment. To further align, FPIP should review the impact of each investment and identify any positive or negative unintended impacts that may arise.

¹ FPIP is not currently a signatory to the Impact Principles. BlueMark's diagnostic verification was undertaken as an independent assessment exercise and does not represent an official verification of the alignment to the Principles.

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Detailed assessment conclusions

The chart below summarizes findings from BlueMark's verification of FPIP's extent of alignment to the Impact Principles, using the following four ratings:²

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).³

Principle	Alignment
1. Define strategic impact objective(s), consistent with the investment strategy	ADVANCED
2. Manage strategic impact on a portfolio basis	MODERATE
3. Establish the Manager's contribution to the achievement of impact	HIGH
4. Assess the expected impact of each investment, based on a systematic approach	HIGH
5. Assess, address, monitor, and manage potential negative impacts of each investment	LOW
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately	MODERATE
7. Conduct exits considering the effect on sustained impact	MODERATE
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	MODERATE

² The scope of BlueMark's assessment procedures does not include the verification of the resulting impacts achieved. BlueMark's assessment is based on its analyses of publicly available information and information in reports and other material provided by FPIP. BlueMark has relied on the accuracy and completeness of any such information provided by FPIP. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from FPIP.

³ The decision to publicly disclose the results of BlueMark's detailed assessment, and the specific ratings assigned to each Principle, is left to the sole discretion of FPIP.

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Assessment methodology and scope

FPIP provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark's work was limited to processes in place related to the Covered Assets as of June 2023. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.⁴

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

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

Permissions

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

About BlueMark

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

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

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

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