

## **VentureWave Capital Limited**

### **Annual Disclosure Statement**

#### **Investing for Impact: Operating Principles for Impact Management**

VentureWave Capital Limited (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Principles”).”

This Disclosure Statement applies to the assets of VentureWave Capital Limited’s flagship investment fund, Impact Ireland LP (the “Covered Assets”) which is currently in the process of being launched.

The \$ value of the total assets under management in alignment with the Principles will directly depend on the size of the Impact Ireland LP fund once it has been fully launched.

The Operating Principles for Impact Management are as follows:

1. Define strategic impact objective(s), consistent with the investment strategy.
2. Manage strategic impact on a portfolio basis.
3. Establish the Manager’s contribution to the achievement of impact.
4. Assess the expected impact of each investment, based on a systematic approach.
5. Assess, address, monitor, and manage potential negative impacts of each investment.
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately.
7. Conduct exits considering the effect on sustained impact.
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.
9. Publicly disclose alignment with the Principles and provide regular independent verification of the alignment

The Principles are firmly embedded in the investment objectives and investment strategy our flagship investment fund, Impact Ireland LP and in the rigorous investment selection, compliance and corporate governance structures and procedures of VentureWave Capital Limited.

**Principle 1:** Define strategic impact objective(s), consistent with the investment strategy.

**How we comply:** The impact objectives are the cornerstone of our investment fund's investment objectives which are stated in the fund's Information Memorandum.

As the fund's investment objectives will not be changed during the life of the fund, we believe that our compliance with this first principle is assured for the next seven to nine years.

**Principle 2:** Manage strategic impact on a portfolio basis

**How we comply:** Impact Ireland LP (the "Fund") is currently in the process of launching and has yet to make any acquisitions.

By the next reporting date, we expect that the Fund will have made a number of acquisitions. We will endeavor to achieve multiple strategic impacts not only through our portfolio management at the fund level but also by way of our hands-on management of the underlying portfolio companies.

**Principle 3:** Establish the Manager's contribution to the achievement of impact.

**How we comply:** The high profile composition of our Global Advisory Council has already brought about enhanced public focus on the impact investing sector.

As VentureWave Capital Limited was founded for the purpose of specifically and solely being an impact investment manager and given the investment objectives of the Fund, we expect our contribution to the achievement of impact to be significant indeed.

**Principle 4:** Assess the expected impact of each investment, based on a systematic approach.

**How we comply:** In our analyses of potential target companies for acquisition, we are modelling not only financial metrics but also realisable impact metrics.

Post-acquisition, we will continue to monitor both sets of metrics on a periodic basis.

**Principle 5:** Assess, address, monitor, and manage potential negative impacts of each investment.

**How we comply:** As mentioned above, in our analyses of potential target companies for acquisition, we are analysing achievable impact metrics among other variables including potential negative impacts.

Where we identify even a low probability of a negative impact as a result of the Fund's acquisition of a given potential target company, we will discard any such company from our list of potential target companies.

**Principle 6:** Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

**How we comply:** The Fund is currently in the process of launching and has yet to make any acquisitions.

By the next reporting date, we expect that the Fund will have made a number of acquisitions. Both the senior management of Impact Ireland as well as the Global Advisory Council of the Fund will be tasked with monitoring the progress of each portfolio company in terms of its achievement of impact.

**Principle 7:** Conduct exits considering the effect on sustained impact.

**How we comply:** The Fund has not yet exited any investments.

When the Fund reaches the phase at which it begins to divest itself of its portfolio companies, the effect of a potential sale on the sustained impact of any given portfolio company will be an important factor in our decision – making process.

**Principle 8:** Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

**How we comply:** This principle is incorporated into our internal procedures manual and is actively implemented.

**Principle 9:** Publicly disclose alignment with the Principles and provide regular independent verification of the alignment

Alan Gray of Indecon House, 4 Clyde Road, Ballsbridge, Dublin 4, Ireland has agreed to act as the independent verifier of VentureWave Capital Limited's compliance with the Principles.

Indecon is a leading independent economic research organisation. Since it was established in 1988, Indecon has provided independent economic research to voluntary organisations, government departments, local authorities and other clients. Indecon (Ireland) is a constituent organisation within the Indecon International Economic Practice.

The first review by the independent verifier will be undertaken on or before the 31st of December 2020. As the Fund is in the process of being launched, the review will focus more on (a) VentureWave Capital Limited's procedures and (b) their implementation as opposed to on the Covered Assets.

The second planned review will take place within 12 months of the first review.

### **Disclaimer and Concluding Comments:**

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**Kieran McLoughlin**  
Managing Partner  
VentureWave Capital Limited

10<sup>th</sup> of July 2020