

SPECIAL FEATURE

We Make Positive Impact Investable!

Founded in 2018, Agents for Impact (AFI) celebrates its fifth anniversary this year. This represents five years of continuous commitment to our mission, which is to build bridges between impact investors and financial services providers in developing markets across the world. Sustainability is central to our vision. We aim to create more investment opportunities by measuring risks (Risk), rendering impact measurable and comparable (Rating), and making sustainability and financial inclusion understandable for investors (Research).

To acknowledge our jubilee, we kick off 2023 by looking back at our achievements and bringing some of our milestones to your attention. Since its inception, AFI has provided investment advice and recommendations on around USD 285 million in impact investing transactions. So far, we have done business in 16 countries across the globe, facilitating debt financing to 32 financial institutions (including one more since the December 2022 figures shown in the graph below!) - each of which was analyzed and selected according to strict standards of sustainability, alignment with a number of the UN's Sustainable Development Goals (SDGs), and other measures of social and financial performance. Our team, which is located in nine countries, remains very close to our investees, as it is crucial to know the proceeds of the investment are allocated with positive impact.



As an investment adviser to Invest in Visions, a portfolio manager of the biggest public Germany-based microfinance fund, we are proud that since our first steps, we have maintained a **0 percent default** rate, having had no loan restructured in our investment portfolio. Very recently, we started a partnership with a renowned impact-driven crowdfunding platform based in the Netherlands - Lendahand. This illustrates our belief that there are more good deeds to deliver in the impact investing landscape. It also is worth mentioning that AFI is a member of the Federal (German) Impact Investing Initiative and is co-leading its Impact Measurement & Management program.

Teamwork and collaboration are crucial to our investment process. Accomplishing these positive results would not be possible without our meticulous due diligence, risk analyses and AML-KYC checks - and for sure, our Agents for Impact Sustainability Alignment Rating (AFISAR[®]) tool, which we use to assess the alignment of our investments with the SDGs. A number of financial institutions across the globe were extremely interested to find out what our findings were for them

regarding their SDG alignment and sustainability profiles, and this led them to enter direct partnerships with us. When delivering the results of our analyses, we always hold executive workshops to explain findings and potential strategies for improvement.

At AFI, we understand how essential it is to improve impact measurement practice through stable and coherent frameworks. To deliver on this promise, we designed AFISAR[®] as a specialized investment approach, to support and measure microfinance institutions' sustainability performance as well as their commitment to and track record of progress toward the SDGs.

For instance, the average MFI's alignment with SDG 5 - Achieve Gender Equality and Empower All Women and Girls, based on our AFISAR[®], was 71 percent (from April 2021 to June 2022).

On top of that, each of our investment recommendations is subject to social performance analysis. Our Cerise-qualified auditor conducts a social performance assessment of each microfinance institution as an integral part of our due diligence. The results of the average AFI assessment showed a score of 77 percent (as of July 2022), which is higher than the Cerise benchmark of 64 percent (as of June 2021), which may be associated with the sustainability screening we do to identify potential investments.

Andrii Tiurenkov, Director of Impact Investments, says, "Being Agents for Impact means more than just a job to us!

"As experienced experts who act with conviction and passion, we see impact investing as an optimal solution to the challenges of our

time. We offer premium impact investment solutions, sustainability consulting and impact measurement services tailor-made for clients in the sustainable finance industry.

"Our goal is to create impact that is fair, sustainable and responsible. Together with our partners, we pursue positive impact and contribute to the achievement of SDGs. And the financial figures in the chart below are a clear illustration that we are on the right path!"

We are optimistic about the future of impact investments and are excited to contribute to this market reaching the UN's 2030 Agenda for Sustainable Development together! Drop us an email to learn more about AFISAR[®], and stay tuned to get the latest updates!

This article is sponsored by Agents for Impact.

