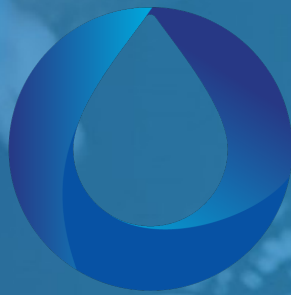


2022



WATEREQUITY

Annual Report

Contents

- A Word from Leadership.....3
- WaterEquity Overview.....4-7
 - The WaterEquity Journey: Key Highlights
 - Areas of Investment & Investment Strategy
 - Social Impact Objectives & Investor Community
- By the Numbers: Key Achievements.....8-12
 - What We've Accomplished: Key Datapoints Since Inception in 2016
 - Enabling Growth: Portfolio Expansion
 - Scaling Impact: Reaching Women & Girls, Furthering Gender Equality
 - Solving SDG6: Results by Strategy
- Portraits of Impact.....13
 - Financial Institution Borrower Profiles
 - Water & Sanitation Microloan Client Profile
- WaterEquity's Growing, Global Team.....14
- Raising Visibility.....15
 - Partners & Awards
 - Press, Media & Thought-Leadership
- High Expectations: What's Next.....16-17

A Word from Leadership

Mission-related investment has come in for a wave of criticism over the last two years. To be sure, some of the criticism is valid. Greenwashing and the mischaracterization of investments along environmental, social, governance, and impact dimensions have caused significant confusion, suspicion, and indeed harm across the investment landscape. Yet other criticisms are baseless, and we wish to address two of the more prominent ones here.

The first is that it is irrational to do anything other than maximize the risk-adjusted return on your portfolio. Grow your assets as quickly as your risk tolerance allows, the theory goes, and then donate a portion of the returns later to the causes you care about. This is a false dichotomy: If donating to a cause is rational, it is equally rational to allocate wealth to investments that further that cause, even if they have lower financial returns; in effect the return shortfall is “donated.” But more than this, an investment can often be more impactful than a donation. Impact investments allow money to be put to work today, rather than at some unspecified date in the future when a return-first portfolio is liquidated.* And perhaps more important, an investment conveys ownership and agency to the recipient in a way that a donation never will.

The second criticism we wish to debunk is the idea that, left to its own devices, the free market will address sustainability and social impact on its own. This ignores the classical market failures of public goods, externalities, and information asymmetries that are emblematic of many sustainability and development goals, not to mention the behavioral biases that investors tend to exhibit. It also misses the fact that risk-adjusted returns on impact investments are sometimes too low to attract capital, and it ignores capital market barriers that render some impact areas non-investible.

At WaterEquity, we fervently believe that social impact capital offers the most effective way to increase access to safe water and sanitation globally. We also believe that the market to allocate such capital needs a helping hand to realize its full potential. Certainly, the demand and supply needed to create the market are there. On the demand side, a quarter of the world’s population lacks

access to safely managed drinking water, and almost half lacks access to safely managed sanitation.** Many of these people don’t need donations or philanthropy, but access to credit and financing. On the supply side, asset owners and allocators increasingly realize that investment returns cannot be looked at independent of the welfare of the planet and those who inhabit it, and water and sanitation are critical to both.

As you’ll read in this report, our track record proves these beliefs. When a woman in India obtains a microloan to install a piped water connection or toilet in her home, she becomes the vested owner of that water connection or toilet, and has agency over it in a way that would not be possible with a donated, community-based solution. She immediately gains access to life necessities at a fraction of the cost she was paying before, whether measured in money, time, or wellness, and it is these cost savings that allow her to pay back the microloan. Once repaid, the capital can be recycled to other households to improve their access to water and sanitation, before ultimately being returned to the original impact investor. This cycle of ownership and impact offers powerful scale over what a one-time donation can achieve.

By demonstrating the effectiveness of such solutions for water and sanitation, we are breaking down the information barriers that hobble the flow of capital to households. Our future goal is to break down similar barriers in the infrastructure space. In partnership with our sister organization, Water.org, we are developing and nurturing climate-resilient water projects to the point where they are investible and attractive for social impact capital. Finally, we are structuring the private debt and equity vehicles needed to allow the capital to actually flow to these investments.



Gary White

Gary White
CEO and Co-founder



Paul O'Connell

Paul O'Connell
President

*It was this insight about the value of impact that lay behind the Ford Foundation’s decision to issue \$1bn of Social Bonds at the height of the COVID-19 pandemic, allowing it to effectively bring forward impact from tomorrow to today. **The Sustainable Development Goals Report,” United Nations, 2022.

Harnessing the Power of Capital Markets for Safe Water & Sanitation

Capital markets are the most direct and powerful tool to achieve our mission—demonstrating the significant economic benefits that can be harnessed from the water and sanitation sector. With nearly 100 investors across WaterEquity funds in 2022, representing millions in capital committed towards addressing Sustainable Development Goal 6 (SDG6), we are grateful for the systems change the water and sanitation investor network represents.

We extend our heartfelt appreciation to all who have collaborated with us since our inception in 2016. Your contributions have opened doors, sparked innovative financing initiatives, and raised industry awareness. Together, we will continue to leverage capital markets, scaling our impact while addressing critical dimensions, such as health, gender equality, climate resilience, poverty alleviation, and fundamental human rights. We remain dedicated to generating enduring benefits for low-income communities worldwide, and are confident in our mission to make a substantial impact on a global scale.



The WaterEquity Journey: Key Highlights

Scaling investments into the water and sanitation sector | WaterEquity is an asset manager exclusively focused on achieving Sustainable Development Goal 6 (SDG6)—universal access to safe water and sanitation—through mobilizing private investment. We invest in financial institutions, enterprises, and infrastructure in emerging markets delivering access to safe water and sanitation to low-income consumers, while targeting competitive, risk-adjusted returns for investors. Founded by award-winning entrepreneurs Gary White and 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.

- 2014** • **WATER.ORG EXPLORES** how the capital markets can solve for SDG6. This research spurs the eventual formation of WaterEquity as an independent asset manager to raise and deploy capital for expanding water and sanitation to low-income communities globally.
- 2016** • **PILOT FUND CLOSSES FUNDRAISING** just 12-months after launching, with \$11 million in committed capital to reach 1 million people in India over 7-years. This proof-of-concept fund demonstrates the market appetite for water and sanitation investments, paving the way for development of additional impact investment funds focused on SDG6.
- 2017** • **WATEREQUITY SPINS OFF** from Water.org and becomes an independent asset manager with an exclusive focus on raising and deploying dedicated capital for the water and sanitation sector.
- 2019** • **FUND II CLOSSES FUNDRAISING** Launched in 2017 as a follow-on fund, with \$50 million in committed capital to reach 3.1 million people over 7-years. Fund II expands WaterEquity’s geographical reach beyond India, adding Cambodia and Indonesia to the portfolio.
- 2020** • **"WATER IS PPE"** The COVID-19 pandemic underscores the importance of access to safe water and sanitation. WaterEquity’s funds continue to deliver impact despite a volatile market—reaching 1.8 million people with access to safe water and sanitation across funds.
- 2021** • **REGISTERED INVESTMENT ADVISER STATUS** WaterEquity’s Fund Manager, WaterCredit LLC, meets requirements to become a Registered Investment Adviser with the U.S. Securities & Exchange Commission.
- 2022** • **FUND III CLOSSES FUNDRAISING** Launched in 2019, oversubscribed with \$153 million in committed capital to reach 5 million people over 7-years. Fund III expands the geographic reach from Asia to include Africa and Latin America.
• **CUMULATIVE IMPACT** Since inception, WaterEquity’s capital continues to be hard at work—reaching more than **4.1 million people across 16 countries** with access to safe water and sanitation.

Areas of Investment

Over 2 billion people lack access to safe drinking water and 3.6 billion lack safely managed sanitation.¹ Economists estimate that achieving SDG6 by 2030 will require investments of at least \$114 billion annually—three times current investment levels.²

WaterEquity is purpose-built to develop and execute an investment strategy that mobilizes private capital to address the SDG6 financing gap on both the demand and supply sides of water and sanitation.

MICROFINANCE

Among low-income consumers, at least 600 million people could access water and sanitation products, services, and upgrades if financing was available, equating to \$35 billion of market demand over the next decade.³ WaterEquity's investment strategy to date has focused on providing debt capital to creditworthy financial institutions in emerging markets to expand water and sanitation lending to underserved households and enterprises. These financial institutions use this capital to grow their water and sanitation microloan portfolios, as well as to on-lend to local enterprises delivering water and sanitation products and services. To date, WaterEquity has deployed more than \$260 million in capital to this strategy across three funds.

CLIMATE-RESILIENT INFRASTRUCTURE

There is an urgent need to expand and rehabilitate water and sanitation infrastructure globally to reach billions of people affected by the increasing impacts of climate change. While private investments in infrastructure have grown by 350% in the last decade,⁴ only 1.9% of private infrastructure financing went toward water and sanitation infrastructure, specifically.⁵ WaterEquity's climate-resilient infrastructure strategy aims to invest equity and risk capital for projects and growth companies working on the supply side of water and sanitation, such as piped water systems and wastewater treatment facilities. Continuing our work towards increasing access to safely managed water and sanitation, this strategy adds a new dimension—building climate resilience for vulnerable populations.

Social Impact Objectives

WaterEquity's impact objectives: quality, access, and scarcity | Our investment impact objectives center on three main challenges prevalent in the water and sanitation sector: access, quality, and scarcity. WaterEquity invests in microfinance solutions and climate-resilient water and sanitation infrastructure to improve access to services, improve water quality, and mitigate water scarcity. These improvements not only increase the number of people reached with safe water and sanitation, but also bolster climate resilience at the watershed and community levels.



- **ACCESS:** providing households with safe water and sanitation is a human right and a driver of sustainable development
- **QUALITY:** reducing freshwater pollution levels has positive impacts on human health and economic growth, as well as ecosystems
- **SCARCITY:** managing water resources to ensure withdrawals don't exceed available supply is critical, especially in the face of climate change

These water and sanitation improvements lead to multiple benefits for communities, economies, and the environment across several Sustainable Development Goals.



Investment Strategy

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



Why Invest in WaterEquity Impact Investment Funds?

“It has become increasingly clear that investor interest in the water and sanitation sector is not only growing, but that water and sanitation investments are becoming a mainstay of high-quality, wealth sustaining portfolios. WaterEquity's funds help us meet this client demand through providing responsible investment choices that offer verifiable impact and increase water and sanitation access for millions globally, while at the same time delivering attractive, risk-adjusted returns for investors.”

Mark Berryman, Managing Director,
The Caprock Group, LLC

A Growing Investor Community



By the Numbers: Key Achievements



What We've Accomplished: *Key Datapoints Since Inception in 2016*



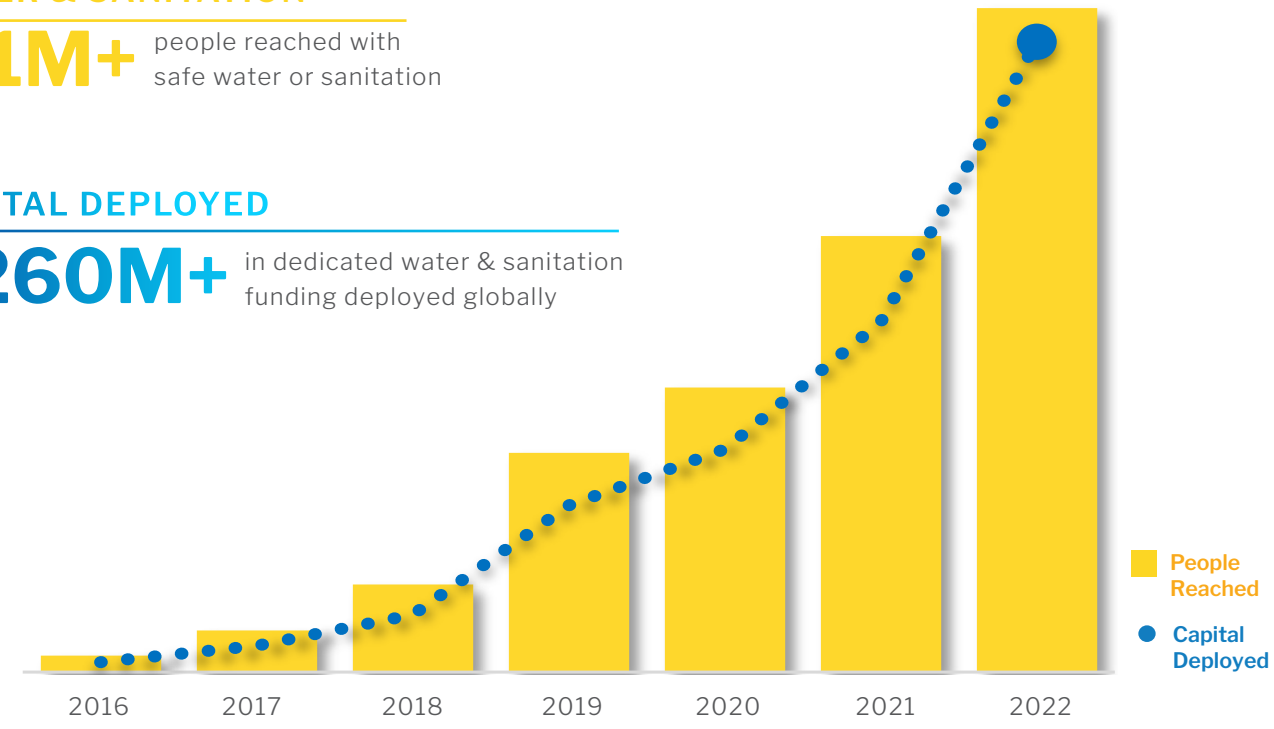
WATER & SANITATION

4.1M+ people reached with safe water or sanitation



CAPITAL DEPLOYED

\$260M+ in dedicated water & sanitation funding deployed globally



INVESTMENT ACTIVITY

65+ investments made since 2016



FINANCIAL INCLUSION

774K water & sanitation microloans disbursed to low-income clients



GEOGRAPHIES IMPACTED

16 low- and middle-income countries across Africa, Asia & Latin America



GENDER EQUALITY

97% of water & sanitation microloan end-clients are women



SDG ALIGNMENT

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



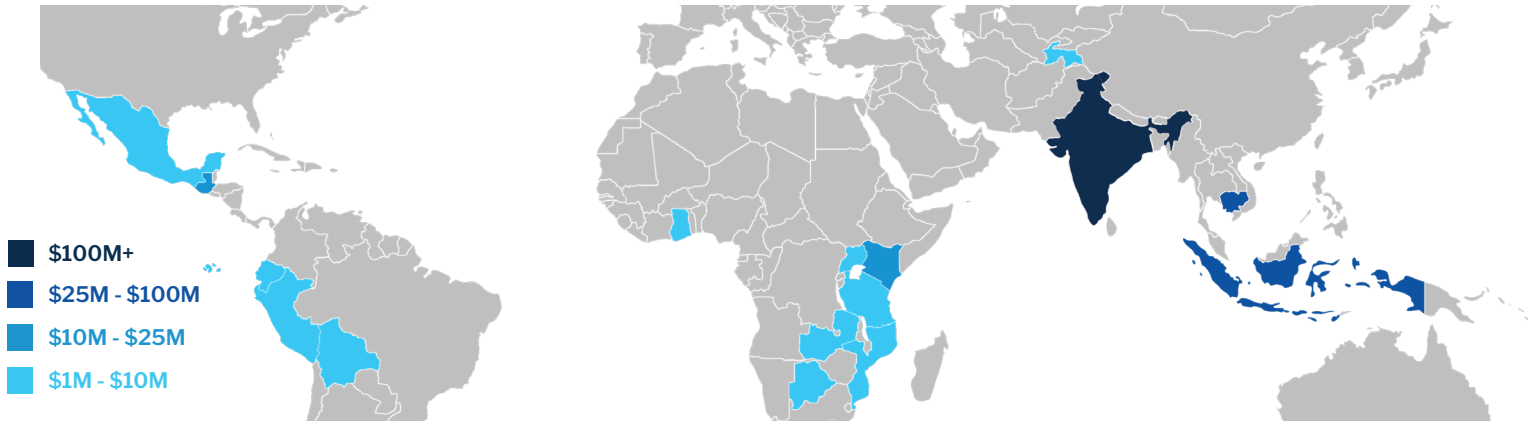
ECONOMIC OPPORTUNITY

68% of people impacted earn below a living income⁶

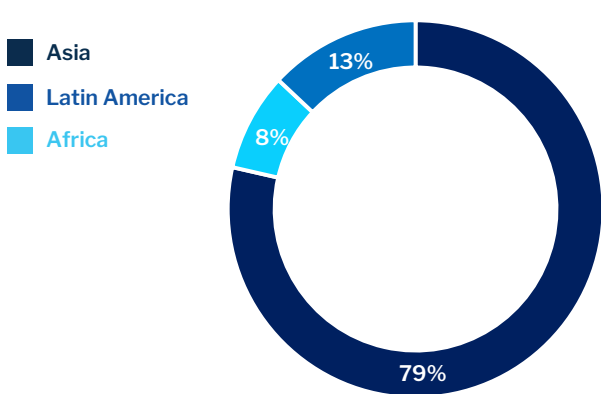
Enabling Growth: *Portfolio Expansion*

WaterEquity has investments around the world and continues to expand into new geographies | Since 2016, WaterEquity's funds have made more than 65 investments across a portfolio of financial institutions and high-growth enterprises around the globe—empowering millions of people with access to safe water and sanitation. As we continue to scale, WaterEquity's portfolio now spans globally across Africa, East Asia and the Pacific, Latin America and the Caribbean, and Central and South Asia.

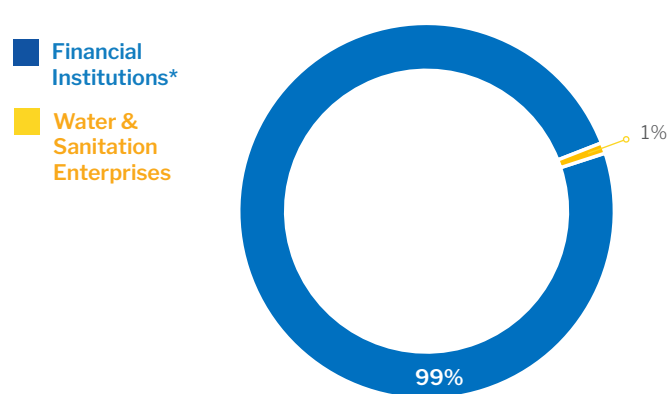
INVESTMENTS BY SIZE



INVESTMENTS BY REGION



INVESTMENTS BY INVESTEE TYPE



*Financial institutions include microfinance institutions, holding companies, housing finance companies, banks, and other non-banking financial institutions and credit cooperatives.

Entering New Markets: Across Geography & Investee Type



In 2022, WaterEquity significantly expanded its impact in Africa through a \$12 million loan to Bayport Management LTD, specifically targeting increased access to safe water and sanitation across Botswana, Ghana, Mozambique, Tanzania, Uganda, and Zambia.

A global leader in providing tailored financial services to underserved households in emerging markets, Bayport is a public limited liability holding company with headquarters in Mauritius and a network of subsidiaries across Africa and Latin America.

As a financial services provider to low-income or underserved individuals, many living in remote areas, the services offered by Bayport promote financial independence and economic growth in the broader community. Bayport's at-source deduction credit model serves more than 500,000 customers in seven African countries.

This transaction is the first of its kind for WaterEquity, channeling financing to multiple, subsidiary financial institutions via a holding company. This new market segment allows WaterEquity's funds to further reach low-income consumers, expanding financial inclusion alongside much needed access to water and sanitation services. WaterEquity's investment benefits from Water.org advisory services, routed through the Bayport holding company, to efficiently build water and sanitation lending capacity across the group of local financial institutions.

WaterEquity's investment is expected to reach more than 200,000 people with access to water and sanitation such as wells, water connections, and toilets.

Scaling Impact: *Reaching Women & Girls, Furthering Gender Equality*



Women and the water crisis | To understand how water issues affect gender equality, consider that millions of people, mostly women, spend time and energy each day collecting water from local wells, streams, or other sources. In fact, women spend a collective 200 million hours gathering water each day.⁷ Women and girls also spend 266 million hours every day traveling to, or looking for, a safe place to relieve themselves.⁸ Each hour represents valuable time that could otherwise be spent on education, learning new skills, caring for family, or running a business. Cumulatively, this represents millions of hours in lost economic activity, which only reinforces wealth and gender inequalities. Ensuring everyone has access to water and sanitation services at home is projected to yield \$37 billion per year, with substantial health and timesaving benefits, especially for women and girls.⁹ In addition, when women take leadership roles in the water sector there are benefits for everyone. Research from the United Nations Development Program on nearly 50 water projects across Asia and Africa shows that when women engage in shaping water policies and institutions, communities have greater and more sustainable access to water services.¹⁰

WaterEquity's funds specifically target women beneficiaries, and we integrate gender into our investment and decision-making processes in the following ways:



WOMEN AS MICROLOAN CUSTOMERS & BENEFICIARIES:

WaterEquity's primary gender focus is on the impact of improved access to water and sanitation on the lives of women and girls. WaterEquity monitors the evidence-backed, third-party research on gender benefits that result from different types of water and sanitation investments.



WOMEN IN LEADERSHIP, THE WORKFORCE & THE COMMUNITY:

Additionally, WaterEquity conducts a gender inclusion analysis for every investee as part of an ESG assessment. This analysis identifies areas where an investee is a strong performer in gender inclusive employment policies, product design, and leadership composition, as well as where there is scope to improve.

Ensuring equitable access to safe water and sanitation cannot be accomplished without giving women the power and the capital to solve for their futures.

97% of water & sanitation microloan end-clients are women

77% of WaterEquity borrowers have a minimum of one woman assigned to the board

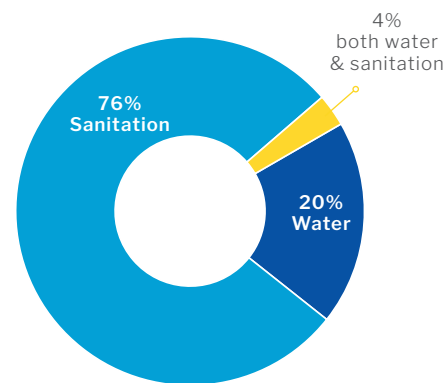
Solving for SDG6: Results By Strategy

WaterEquity invests in **financial institutions** that provide affordable financing for water and sanitation to low-income clients and to local water and sanitation enterprises.

HOUSEHOLD LOAN ACTIVITY & USE

774K

household loans for water & sanitation deployed to low-income individuals



Breakdown of microloan use by low-income clients

\$393

average size of household loans

Climate-resilient infrastructure investments further WaterEquity's mission to achieve universal access to water and sanitation.

Adequate infrastructure, including water and wastewater treatment systems, is essential to providing reliable and sustainable access to safe water, proper waste management, and improved hygiene practices. With 15 infrastructure projects completed in 2022 and 7 more underway, WaterEquity is addressing immediate infrastructure needs while establishing long-term systems that can benefit low-income communities. Through expanding water and sanitation access, addressing water quality and scarcity concerns, and building climate resilience for vulnerable communities globally, the execution of this strategy is fundamental to achieving SDG6.

Lack of financing at the local and household level is a key barrier preventing equitable access to safe water and sanitation. To date, WaterEquity funds have financed more than 774,000 small, household loans to low-income consumers, addressing water (20%), sanitation (76%), and multipurpose (4%) needs. Enterprise loans have also played a pivotal role in driving the expansion of water supply and sanitation operations, providing crucial support to businesses in the sector. With an average loan size of \$45,000 across all funds, these enterprise loans have strengthened businesses in the water and sanitation value chain, enabling them to make a lasting impact on improving access to safe water and sanitation.

ENTERPRISE LOAN ACTIVITY & LOCATION

313

enterprise loans deployed to expand supply of water & sanitation products & services

\$45K

average water & sanitation enterprise loan size



KENYA



INDIA

Portraits of Impact



KOMIDA

MISSION: Headquartered in Jakarta, Indonesia, KOMIDA delivers financial and non-financial services exclusively targeting low-income women in rural areas without formal financial access. Operating under a joint-liability group model, co-op members collaborate to secure microloans for crucial needs.

\$9.5M

WaterEquity's Fund II & III investments to KOMIDA since 2018

134K+

Together, WaterEquity & KOMIDA are projected to reach more than 134,000 people with safe water & sanitation

ACHIEVEMENTS | KOMIDA has partnered with Water.org since 2014 to provide technical assistance in building out their water and sanitation microloan portfolio. In 2018, KOMIDA qualified for investment from WaterEquity to further scale their portfolio, helping more women improve their water or sanitation access. Microloan end-client surveys conducted by Water.org revealed the myriad of benefits experienced by low-income individuals through enhanced access to water and sanitation. 96% of respondents reported an improved quality of life as a result of the loan, while 66% of women clients expressed reduced stress, citing fewer concerns related to water scarcity and added time in their daily routines. Furthermore, 86% of women reported an enhanced sense of safety following the construction of private toilets. In working with partners like KOMIDA, WaterEquity can direct more capital into the hands of women and provide access to affordable solutions for underserved communities.

NANCY'S MICROLOAN STORY



Nancy and her children live in Huancayo, Peru, and for many years didn't have access to a private toilet. This meant using unhygienic methods to manage their sanitation needs—using shared toilets or practicing open defecation in a secluded alley or field. After learning that this practice could be the cause of her children's many illnesses, Nancy secured a microloan from a local financial institution to construct a toilet in her home.

"I saw a bank advertisement explaining I could take a loan to build a toilet or water connection in my home. The fact that I could pay monthly payments for a toilet, rather than pay for it all at once, is the only reason I now have one. I could never save enough to pay for one upfront."

Since constructing her household toilet, Nancy has seen a decrease in her medical bills and an increase in the amount of time she is able to spend at her provisions shop. Her business now provides enough income to send her sons to school, feed the family, and pay back the modest loan for her toilet. Nancy's story is similar to many 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 thanks to WaterEquity and its financial institution borrowers.



MISSION | Located in Nairobi, Kenya, Sidian Bank is a commercial bank with a dedicated water, sanitation, and hygiene initiative focused on empowering entrepreneurs to create wealth through provision of transformational financial solutions.

\$5M

WaterEquity's Fund III investment into Sidian Bank

400K+

WaterEquity & Sidian Bank are projected to reach more than 400,000 people with water & sanitation services via loans to local enterprises

ACHIEVEMENTS | At the end of 2021, WaterEquity began a partnership with Kenyan-based Sidian Bank, providing a \$5 million investment to finance loans to individuals and small-and-mid-sized enterprises delivering water and sanitation products and services. Sidian Bank, which has a strong track record and reach into underserved communities, has been working for several years to develop solutions for the water and sanitation challenges in Kenya. With only 62% of the population having access to safe drinking water in Kenya, WaterEquity's investment, coupled with Sidian Bank's local reach, will expand access in a country with enormous water needs. WaterEquity projects that Sidian Bank will on-lend nearly 1,100 loans to local water and sanitation enterprises, such as small piped water service providers and water equipment suppliers.

7 INFRASTRUCTURE PROJECTS UNDERWAY

15 INFRASTRUCTURE PROJECTS COMPLETED

5 ML VOLUME OF WASTE TREATED*

3.5K ML VOLUME OF WATER DELIVERED*

366K+ POPULATION REACHED WITH PIPED WATER & SANITATION SERVICES

*One megaliter (ML) is equivalent to 1,000,000 liters

A Growing, Global Team

EXECUTIVE LEADERSHIP

Paul O'Connell, *President*

Catherine Colyer, *Chief Operating Officer*

Elan Emanuel, *Chief Investor Relations Officer*

John Moyer, *Chief Investment Officer*

INVESTMENT MANAGEMENT

Financial Institution Investments

Anu Valli, *Director, Financial Institution Investments*

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

Hasan Andalib, *Associate Director, Alternative FI Investments*

Siddharth Arur, *Manager, South & Central Asia*

Njeri Kirumbi, *Regional Director, Africa*

Adysti Raissa, *Regional Director, East Asia & Pacific*

Vanesa Sandoval, *Regional Director, Latin America & the Caribbean*

Portfolio Impact & ESG

Genevieve Edens, *Director, Impact & ESG*

Mónica A. Altamirano, *Director, Climate Impact*

Victoria Hume, *Impact Analyst*

COMPLIANCE, INVESTOR RELATIONS, & COMMUNICATIONS

Marie Milligan, *Chief Compliance Officer*

Laney Beaman, *Director, Investor Relations*

Jeso O'Neill, *Director, Communications*

Sydney LaRoche, *Manager, Marketing*

CO-FOUNDERS

Matt Damon

Gary White, *Board Chairman & CEO*

BOARD OF DIRECTORS

Amy Bell

Victoria Boyne

Jan Creidenberg

Glenn Rockman

Terrence Trayvick

Margret Trilli

INVESTMENT MANAGEMENT

Infrastructure Investments

Sridhar Sampath, *Director, Infrastructure Investments*

Lieven Jacquemyn, *Regional Director, East Asia & Pacific*

Chakradhar Kundu, *Investment Manager, Infrastructure Investments*

Arjun S R, *Regional Director, South Asia*

Investment Compliance, Risk, & Monitoring

Emma Aller, *Director, Risk & Portfolio Management*

Cheryl Wright, *Director, Investment Compliance*

George Das, *Manager, Investment Compliance*

Geoff Wise, *Portfolio Manager*

Amy Stonecipher, *Investment Data Analyst*

ACCOUNTING & OPERATIONS

Paul Cohoon, *Director, Accounting*

Casey Pessetto, *Director, Fund Accounting*

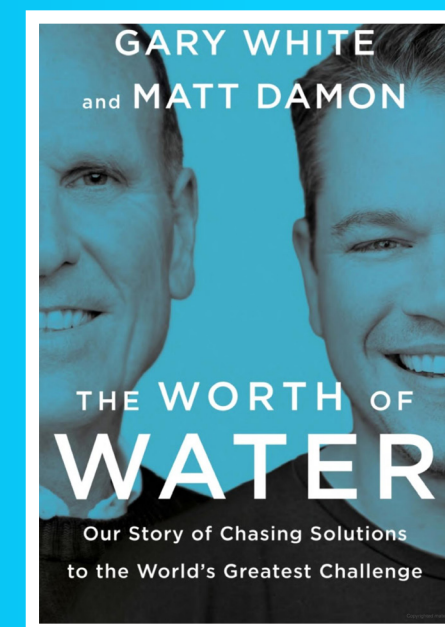
Jen McBrayer, *Manager, Operations*

Trevor Shelton, *Operations Manager, Systems*

Raising Visibility

PRESS, MEDIA, & THOUGHT LEADERSHIP

- **Book Release!** *Amazon Live: Author Series*
- **Bill Clinton Podcast:** *Why Am I Telling You This? Gary White & Matt Damon, How to Measure the Worth of Water*
- **CNBC:** *How a trip to rural Zambia, backed by U2 singer Bono, led Matt Damon to campaign for clean water*
- **Firing Line** with Margaret Hoover
- **Infrastructure Investor:** *Why infrastructure can move the dial for women's equality*
- **Impact Entrepreneur:** *Meeting the Demand for Investments in Water and Sanitation*



CNBC



PBS



COMMITMENT TO DIVERSITY

We are on an intentional journey to determine how we can champion diversity, equity, and inclusion not only within our organization but also within our industry. We are committed to creating a diverse work environment that is characterized by engagement, a sense of connection, and respect for the differences and contributions of all our professionals. Our **core values** are the pillars with which we work and show up in the world together. WaterEquity recently joined ILPA's **Diversity in Action Initiative** framework as a signatory amongst a robust network of LPs, GPs, and investment consultants.

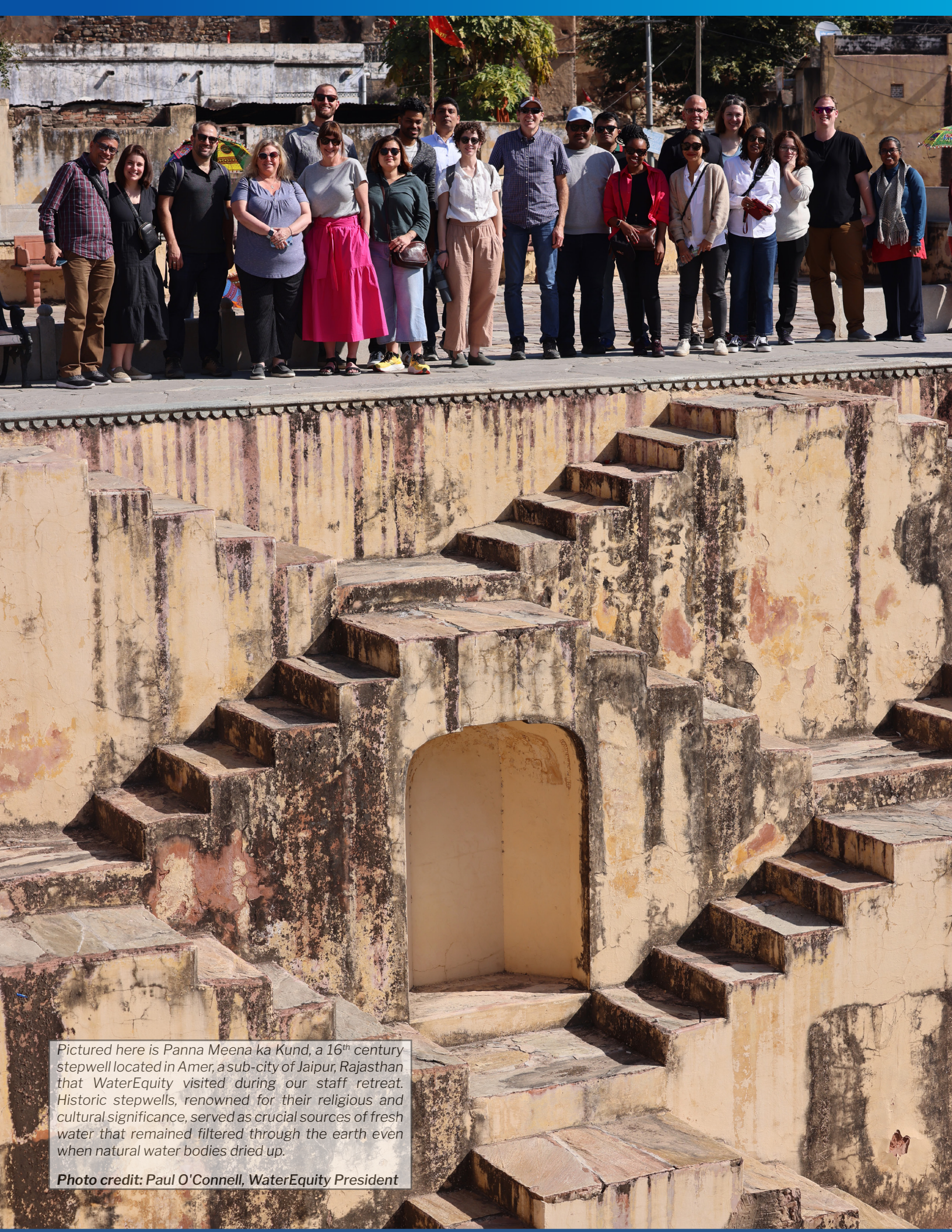
Industry Partners



Operating Principles for Impact Management

Award-Winning Investment Team





Pictured here is Panna Meena ka Kund, a 16th century stepwell located in Amer, a sub-city of Jaipur, Rajasthan that WaterEquity visited during our staff retreat. Historic stepwells, renowned for their religious and cultural significance, served as crucial sources of fresh water that remained filtered through the earth even when natural water bodies dried up.

Photo credit: Paul O'Connell, WaterEquity President

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

Last year we embarked upon an initiative with our sister organization, Water.org, to identify new, investible opportunities in both the financial institution and infrastructure domains. Financial institutions are our conduit to finance the “last mile” of water and sanitation access at the household level. Infrastructure opportunities are those that finance and build the potable water and wastewater systems that households ultimately connect to.

We are pleased to report that the first year of this initiative has been a success. We have been able to approach financial institutions in new countries and markets, especially in Africa, where we have paired WaterEquity’s capital with technical assistance from Water.org. On the infrastructure side, we have identified a pipeline of project investments that can improve both the access to, and the quality of, water and sanitation services at the municipal level. Importantly, these opportunities are screened through a climate resilience filter. To pass our screen, infrastructure must be designed and built to withstand the effects of climate change itself, and it must enhance the resilience of the community it serves to climate-related disruptions.

Over the medium term our goal is to offer an expanded menu of investment options that allow investors to put their capital to work in these opportunities. We are convinced that a well-functioning capital market for water and sanitation investments offers the straightest and clearest path towards SDG6, and our commitment to you is that we will continue to innovate along the way.





WATEREQUITY

Email us at Info@WaterEquity.org

Visit [WaterEquity.org](https://www.WaterEquity.org) to learn more.

117 W. 20th Street, Suite 204, Kansas City, MO 64108



CITATIONS

1. OECD (2022), Financing a Water Secure Future, OECD Studies on Water, OECD Publishing, Paris, <https://doi.org/10.1787/a2ecb261-en>.
2. Hutton, G.; Varughese, M. (2016). "The Costs of Meeting the 2030 Sustainable Development Goal Targets on Drinking Water, Sanitation, and Hygiene." World Bank, Washington, DC.
3. WaterEquity Analysis (2021).
4. Preqin Global Infrastructure Report, (2020).
5. Pories, L., Fonseca, C. and Delmon V, (2019). Mobilising Finance for WASH: getting the foundation right. Water.org, IRC and The World Bank.
6. Living income is calculated as the minimum income necessary for a family to meet their basic needs, including food, housing, and other essentials.
7. Graham, Hirai, Kim. (2016). An Analysis of Water Collection Labor among Women and Children.
8. Unilever Domestos, WaterAid and WSSCC (2013). We can't wait: A report on sanitation and hygiene for women and girls.
9. WaterAid (2021). Mission-critical: Invest in water, sanitation, and hygiene for a healthy and green economic recovery.
10. UNDP (2006), Mainstreaming Gender in Water Management.

IRIS+ Metrics Cited:

- IRIS, 2021. Number of Loans Disbursed (PI8381). v5.2.
- 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 6/28/2023. All data represented in this report is cumulative across funds from inception through December 31, 2022. Past performance is not indicative of future results. Impact profiles are for illustrative purposes only and may not represent existing WaterEquity investment outcomes. Financial Institutions profiled are selected for being financial institutions that WaterEquity invests in and their willingness to allow us to use their name. Profiled investments are not representative of all investments made by WaterEquity. There can be no assurance of any level of returns. All investment has a risk of loss. There can be no assurance of any specific level of social or environmental impact. Photos and end-client profile provided by Water.org and WaterEquity.

Representative Investors & Testimonials: 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. Caprock is an investor in WaterEquity funds. WaterEquity did not compensate Caprock or Mark Berryman for their statement. There may be material conflicts of interest associated with this testimonial. The person providing the testimonial is a current investor in one or more funds managed by the Manager or one of its affiliates (each, a "WaterEquity Fund"), and may be a prospective investor of other funds managed by WaterEquity, and may provide a more positive testimonial regarding the Manager so as to ensure that the Manager is able to continue to operate its business and protect the value of such person's investment. In addition, the Manager can determine whether to include a testimonial and which to include, and, as such, may include only the most positive testimonials about the Manager, while excluding any potentially negative testimonials.

Use of Awards: The **IA 50 Fund Manager** award was granted by ImpactAssets on 3/15/2022 for the calendar year 2022. ImpactAssets assembles an annual review committee to select IA50 managers from the universe of 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/>. ImpactAssets is also an investor in WaterEquity funds. WaterEquity did not pay any fees associated with the IA 50 Fund Manager Award. The **World Economic Forum's UpLink Innovative Funds for our Future Award** was granted on 9/21/2022. UpLink recognizes innovative investment funds with a portfolio focus on the SDGs. See the World Economic Forum's UpLink website for additional information: <https://uplink.weforum.org/uplink/s/uplink-issue/a002o0000136S2vAAE/innovative-funds-for-our-future>. WaterEquity did not pay any fees associated with the Innovative Funds For Our Future 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/impact-awards-2022/judging-process.html>. The 2021 Environmental Finance IMPACT Award was granted on 9/6/2021 for the calendar year 2021 and the 2022 Environmental Finance IMPACT Award was granted on 12/12/2022 for the calendar year 2022. WaterEquity pays a license fee to use the IMPACT Awards logos but did not pay a fee to enter the competitions or win the awards.