Sustainability Financial Disclosure Regulation with regards to Chapter IV, Article. 45-57 and Article 9(1), (2) and (3) of Regulation (EU) 2019/2088 for Dual Return – Vision Microfinance consisting of the two SICAV II Funds:

Dual Return Fund – Vision Microfinance

Dual Return Fund – Vision Microfinance Local Currency

1. Introduction and Executive Summary
   Since its inception in 2006, Dual Return – Vision Microfinance has a social impact driven investment strategy via the financial inclusion of underserved people in emerging as well as frontier markets and follows a sustainable investment objective (SIO) as defined by the Art. 9 regulation (EU) 2019/2088 of the European Parliament and of the Council of 27th of November 2019 on sustainable related disclosures in the financial services sector. The primary SIO of Dual Return – Vision Microfinance is to contribute to the UN Sustainable Development Goal (UN SDG) 1 "No Poverty", Goal 5 "Gender Equality" and Goal 8 "Decent Work and Economic Growth". The Sub-Funds may also achieve other SDGs in line with its investment philosophy or strategy and there is no guarantee that the objectives will be achieved.

2. Sustainable Investment Objective (SIO)
   In accordance with Article 9 of the SFDR, both Dual Return Funds pursue sustainable investment objectives and focus on enterprises and projects targeting low- and middle-income households and MSMEs. The mission of the fund is to provide capital to people who are excluded from or underserved by the formal banking sector so that a positive, self-reinforcing cycle is created through financial security and savings. Small and marginal employers will thus be able to work, stabilizing their cash flows, creating jobs, and raising their standard of living. Both Dual Return Funds pursue the mission of contributing to the UN Sustainable Development Goals (SDGs) through their investments. Therefore, we identify the key SDG contribution for each new transaction based on the main investment area. Both Dual Return Funds primarily target SDG 1 (No Poverty), as well as SDG 8 (Decent Work and Economic Growth) and SDG 5 (Gender Equality) without compromising the other SDGs. Elements of the other fourteen remaining UN SDGs like 2 "Zero Hunger", 4 "Quality Education" or 7 "Affordable and Clean Energy" etc. may also be impacted positively by the investments.

3. Investment strategy
   Dual Return – Vision Microfinance targets capital appreciation through exposure via credit to the small-, medium- and microfinance enterprise industry globally and promotes a sustainable delivery of financial services to the working poor or bottom of the pyramid population in emerging and frontier markets in the form of financial inclusion. The investment strategy of investing in underserved market segments of entrepreneurs is aligned with the SIOs. Desk reviews and on site due diligences regularly assess the good governance practices of the investee companies, the management structures, employee relations as well as remuneration of staff and tax compliance.

4. Investment allocation

The main objective of Dual Return - Vision Microfinance is to generate income from lending operations through the investment and management of the Sub-Fund's resources on a risk-return basis. This is done directly by holding third-party debt instruments of carefully selected MFIs in the areas described above or indirectly through collateral debt obligations (CDOs). The investments are evaluated or selected on the basis of financial indicators as well as their respective social contribution on the basis of the United Nations Sustainable Development Goals (UN SDGs). In addition, at least 75% of the net asset value should be invested in sustainable investments. The Funds may use techniques and instruments such as derivatives for efficient management and hedging purposes. Investments in derivative financial instruments are not the objective of the Funds and therefore do not seek a sustainable investment objective. However, providing local currency financing with the need for using hedging instruments is seen as part of the Fund's mission to ensure that invested institutions also lend in local currency to their own borrowers, thereby protecting them from exchange rate risks. The proportion of assets held in non-sustainable investments does not affect the achievement of the sustainable investment target, even if the share does not directly contribute to the achievement of the sustainable investment target.

5. Exclusion list and no significant harm to the SIO by measuring the principal adverse impact indicators (PAII)

Dual Return – Vision Microfinance implements an exclusion list and ESG negative screening for PAIIs in order to optimize the impact outcome and to be in accordance with the Art. 9 regulation (EU) 2019/2088 of the European Parliament and of the Council of 27th of November 2019 on having no significant harm to the SIO. Each investment's contribution to an UN SDG is determined and regularly measured and an assessment of the principal adverse impacts it can generate is performed.

The assessment of principal adverse impact (PAI) risk is a central part of the sub-fund's investment process. In the research, analysis and decision-making processes, the fund manager uses: (1) An exclusion of investments that significantly harm the objectives of sustainable investments in the form of an exclusion list of e.g. production or trafficking of weapons, commercial logging in primary tropical forests and production or activities involving harmful or exploitative forms of work, whenever possible, depending on the type of investment and (2) an ESG assessment that aims to assess and monitor the risk of the occurrence of principal adverse impacts (PAIs) that may harm the sustainability factors allowing the fund manager to filter for investments that have been rated at low risk of harming sustainability factors.

The portfolio manager of Dual Return – Vision Microfinance, Impact Asset Management GmbH is further a signatory of the United Nation's Principles for Responsible Investment since 2010.

6. Impact and ESG monitoring processes

Impact Asset Management is committed to bringing sustainability into the focus of its investment processes. Therefore, the most important negative impacts, the so-called Principles Adverse Impacts (PAIs) on sustainability factors, are considered within the investment decision. This is based on the conviction that sustainability risks are investment risks and that taking them into account can enable investors to achieve better performance in the long term.

Sustainability risks are environmental, social or governance events or conditions that may have an actual or potential material negative impact on the value of the investment as well as on the reputation of an investee company (MFI).

In order to achieve the goal of a sustainable investment, the fund manager checks whether the investment is in line with at least one of the targeted SDGs. The allocation of an SDG to an investment is done according to internal methods. An ESG assessment aims to evaluate and monitor the risk of occurrence of the key negative impacts (PAIs) that may cause the investment to have a negative effect on the sustainability factors. It enables the fund manager to filter out investments that have been identified as low risk or impact sustainability factors. The purpose of the ESG analysis is to monitor that the invested company does not prevent the Sub-Funds from achieving the objective of sustainable investment. ESG analysis involves assessing PAI prior to the commencement of the investment and through regular monitoring. This monitoring may lead to a re-evaluation of investment decisions.

7. Methodology

Dual Return – Vision Microfinance follows a top down or macro and bottom up or micro investment methodology, where research on macroeconomic indicators, foreign investment policies, country risks, conditions of microfinance sectors and poverty levels in the investee countries are of importance to the fund management. The manager monitors macroeconomic developments in emerging market economies, particularly of countries in the Fund's portfolio. Materials available through Bloomberg, IMF and the World Bank homepages, specialized research houses and other publicly available information constitute external macroeconomic research sources.

8. Data

The data collection is primarily undertaken by the research house Symbiotics S.A., which visits the financial institutions on a regular basis, performs financial, operational and social due diligence through analysis of financial and operational as well as social impact data of MFIs or Fis, provides credit assessment reports and monitors the existing loans on a regular basis. The data is analysed regularly with a frequency of up to each month.

9. Limitations to methodology and data

Dual Return – Vision Microfinance and the research house Symbiotics S.A. are constantly working on the improvement of the SIO measurement and ESG rating tools and in accordance with regulatory updates regarding the Sustainability Financial Disclosure Regulation. The Funds invest in financial institutions in developing countries, which are usually not listed on exchanges and hence data is collected or reported to the investment manager, which is partially not reviewed by a third party. Financial statements are however signed off by the financial institution’s auditor. Part of the data may be collected via proxy calculations. Regular on-site due diligences by analysts and the fund management of Dual Return – Vision Microfinance target to reduce limitations to methodology and data. There is no guarantee that the investment or sustainable objectives will be achieved.

10. Impact and ESG Due Diligence

As also mentioned also under Section 8 above, the due diligence is primarily undertaken by the research house Symbiotics S.A. and fund management, which visit the financial institutions on a regular basis, performs financial, operational and social due diligence through analysis of financial and operational as well as social impact data of MFIs or Fis, provides credit assessment reports and monitors the existing loans on a regular basis. During the due diligence interviews with the management are performed to complement the quantitative data gathered during the desk review and to understand the future direction of the business and social or ESG impact. The data and information are additionally used to fine tune the fund as well as risk management at fund level.

11. Engagement Policies

Besides supporting industry initiatives and the cooperation among peers, the Funds are actively engaging via the research house Symbiotics S.A. with its investees to encourage the adoption of management practices towards social and environmental issues when risks are identified.

12. Attainment of the sustainable investment objective

Currently no index has been designated as a reference benchmark and no guarantee for the attainment or achievement of the sustainable investment objective can be given.