CONFLUENCE HORIZON FUND

2026

IMPACT REPORT

PHILOSOPHY

The Confluence Horizon Fund invests in publicly listed companies in the non-BRIC Global Emerging Markets seeking out attractive businesses in these often overlooked markets that can deliver meaningful Impact together with compelling returns

CONFLUENCE HORIZON FUND

INVESTING WITH IMPACT

Our Approach and Commitment

MATTHEW

DALIA

This 2026 Impact Report covers our activities throughout 2025, our third full year of operation

When we launched the Confluence Horizon Fund our founding belief was straightforward: pursuing measurable positive impact and generating strong financial returns are not in conflict, and that this is especially true in the markets where we invest. Since inception, the fund has delivered approximately 19% net annualised returns. We believe that record speaks directly to the thesis.

The reason is structural. Across emerging markets, many sectors with the strongest secular growth also generate meaningful positive change. Expanding access to healthcare, education; building climate-resilient infrastructure; deepening financial inclusion - are all often also the companies best positioned to grow. In these markets, impact and commercial opportunity frequently point in the same direction.

Capital markets development reinforces this dynamic. Deeper, more liquid markets attract long-term institutional capital, lower the cost of equity for high-quality companies and strengthen the pipeline from private to public markets. When a company with genuine positive impact gains access to that capital – through local exchange listings, dual listings or growing investor participation - its reach expands alongside its resources. The impact scales with the business.

Our role is to identify those companies early, evaluate their impact rigorously and engage constructively with management on the issues that matter most. Our core metric regarding Impact is Impact Yield, which is defined as Net Impact divided by equity value, is independently audited, and 25% of our performance fees are tied to defined impact outcomes. These commitments reflect our belief that transparency and accountability are not optional features of impact investing, they are what distinguishes it.

We are also conscious of a broader responsibility: to help tell the story of the less frequented emerging markets more clearly to global investors. The opportunity set is frequently misunderstood, and better understanding brings better capital, capital that can fund the growth of companies already making a difference.

RETURNS WITH RESPONSIBILITY

We are an Article 9 fund under SFDR classification, investing with a strong commitment to purposeful outcomes.

As a double bottom line fund, we aim to deliver both measurable impact and financial returns.

Fee Structure

- To align incentives with outcomes, we tie performance fees to the attainment of both commercial returns and the successful delivery of impact goals.
- 25% of performance fees payable to the Manager are at risk, based on the delivery of Impact and ESG goals. Our achievement of these impact goals is audited externally and reviewed by our advisory board on a yearly basis.
- For example, if we receive a 7/10 score, we receive 70% of the performance fees. Of the 30% we don't receive, ½ is returned to investors and ½ is donated to charities that support those in need in our markets. For 2025 we donated to the following charities:
    - Zara Center: a safe haven for orphaned and vulnerable children in Zimbabwe
    - **Shoshana Foundation:** focused on supporting destitute single mothers and vulnerable child-headed households in South Africa
    - **Raise the Children:** helping educate overlooked children in South Africa

APPROACH TO PURPOSEFUL INVESTING

We define ESG as the way a company conducts itself and we define Impact as the effect a company has on the environment and society. We invest with a negative screening and positive selection.

1. **ESG Screen** Strong governance is a prerequisite for investment. Every company must pass our ESG screen before consideration – without it, there is no pathway to our portfolio.

2. **Risk Screen** We apply negative screening to sectors carrying systemic regulatory or governance risk, including alcohol, gambling, mining, oil & gas, tobacco and weapons.

3. **Positive Selection** To ensure our investments generate a positive Impact Yield, as defined previously, we employ the Impact on Money framework. This approach aims to quantify, in monetary terms, each potential investment's contribution to specific Sustainable Development Goals (SDGs).

APPROACH TO IMPACT

At Confluence Investors, we broadly define Impact as the effect a company has on the environment and society, and we employ the Impact on Money framework (as detailed below) to quantify, in monetary terms, each potential investment's contribution to specific Sustainable Development Goals (SDGs). The Fund's focus includes:

Climate Action

Inclusive Education

Financial Inclusion

Quality Healthcare

Quantifying Impact

- Our Impact of Money analysis[1] assigns a financial value to the footprint of each potential investment on the environment and society
- We look to academic research to help identify the expected links between a business's activities and their environmental / social footprint; and then also the estimate between that footprint and the value or cost to the environment and society. Positive and negative impacts are summed together
- We use a common carbon price of $150/ton C02e utilised or $200/ton C02e avoided

01 What does a business do?

02 How will these activities affect the environment and society?

03 What is the financial value of these impacts to the environment and society?

04 Impact on Money

More details in this video

The Impact of Money

CONFLUENCE INVESTORS

Why

- Giving confidence that all potential investments are on a net basis positively impactful
- To report an Impact Yield : The $ value of the net impact divided by investment cost
- Allows us to estimate the relative impact towards different SDGs
- Allows areas of potential impact engagement to be identified

1. Our method builds on work from many areas, including: The TPG RISE Fund team and Bridgespan Group - "Calculating the Value Of Impact Investing" (HBR 2019); The Impact Management Ptoject; SASB / Value Reporting Foundation- The materiality map approach; Phenix Capital - Impact investing carried interest best practice; Jed Emerson - Various books on Impact Investing, including the first "Impact Investing* (2011) and "The Impact Assets Handbook" (2017); University of Cambridge - Institute for Sustainability Leadership

MEASURING PORTFOLIO IMPACT

For **each $1m invested** in Confluence's equity portfolio across 2025 we estimate generated the following impacts

13 CLIMATE ACTION

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

3 GOOD HEALTH AND WELL-BEING

Climate Action

- CO_2e mitigated: **239 tons**
- **240k MWH** renewable power generated

Inclusive Education

- Providing quality **K-12 education to ~2 children**
- Serving quality **tertiary education: ~6 students**
- Giving **online education support ~303 students**

Financial Inclusion

- Serving those otherwise likely unbanked: **~3,800 wallets**
- Remittance accessing emerging markets: **~16 users**

Quality Healthcare

- Helping direct scare medical resource: **~24,175 diagnostic tests**
- Health insurance coverage: **~47 people**
- Estimate improvement to Disability Adjusted Life Years (DALY): **~828 years**

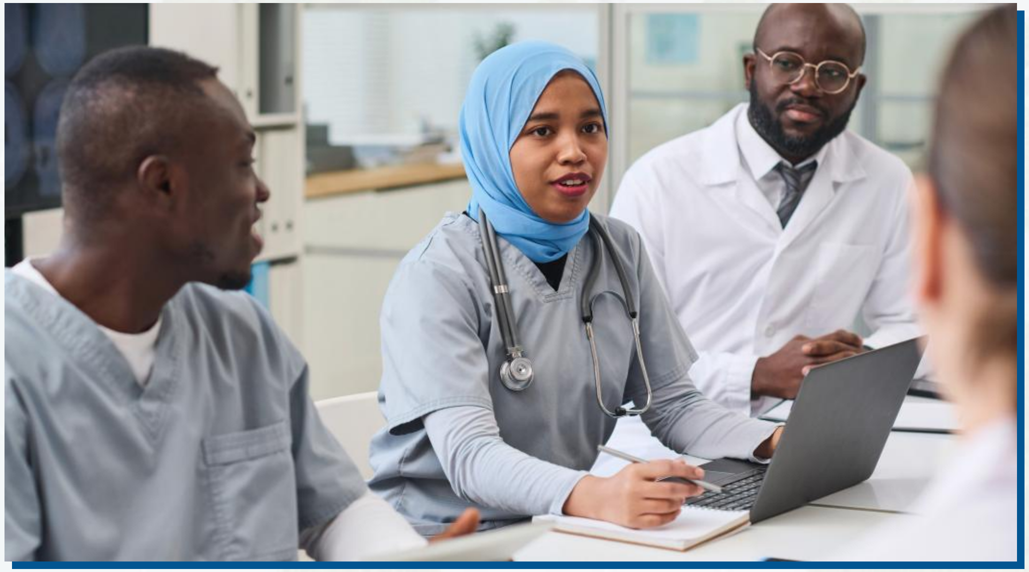
EQUITY MARKET SELECTION

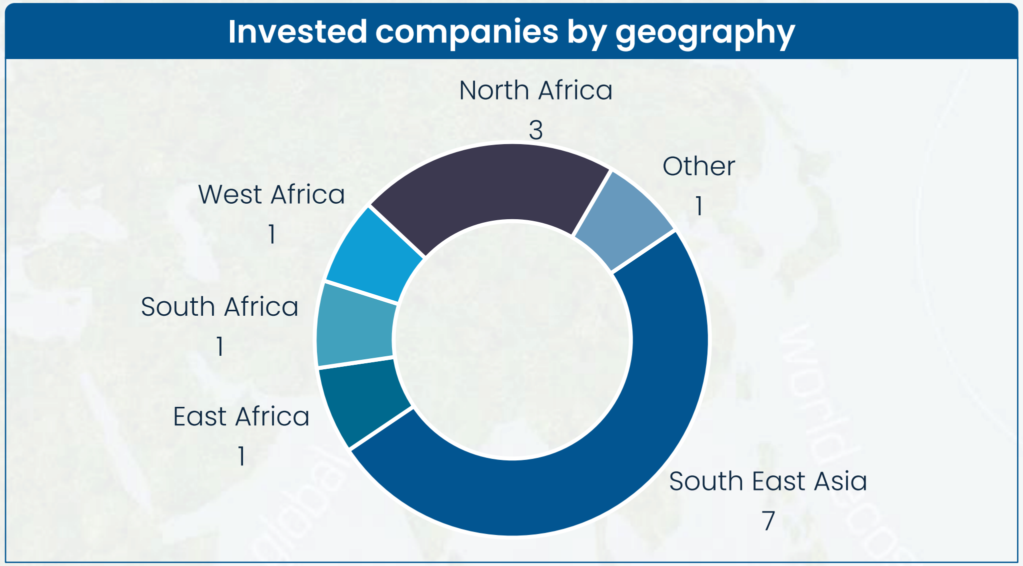
Includes current and former markets

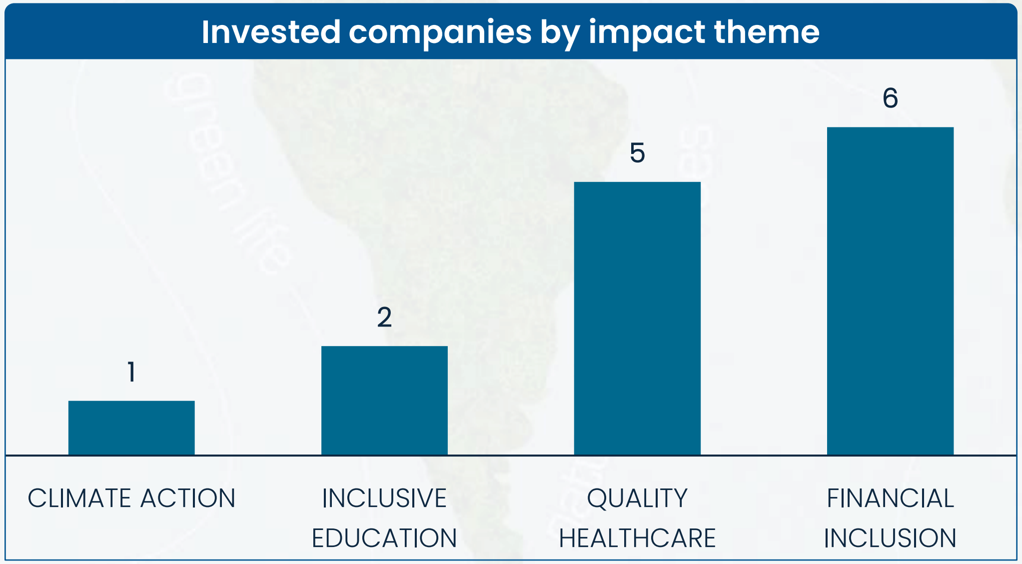
- We invest in all-cap equities in non-BRIC emerging markets, focusing on often overlooked opportunities where rigorous asset selection enables us to deliver compelling returns. We are currently invested in the highlighted markets
- Our market selection is guided by two key principles:
  - In addition to our analysis, we look to Invest where we have experience, data and relevant local relationships to enable us to verify the ground truth of headline events
  - We ensure comfort with the country's macroeconomic profile
- We prioritize opportunities that provide diversification and compelling returns
- South America and South Asia are in scope, but not currently in Focus

INVESTED EQUITY PORTFOLIO BY MAIN IMPACT THEME

The Confluence impact fund had invested in 14 companies at December 2025



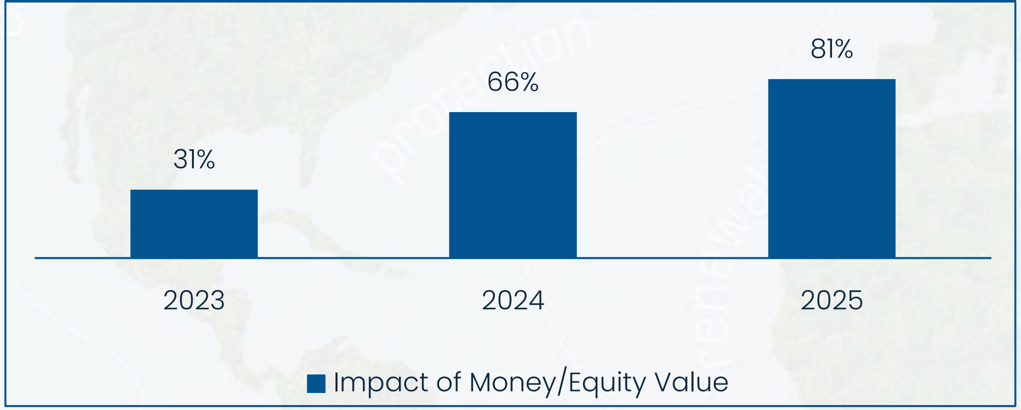




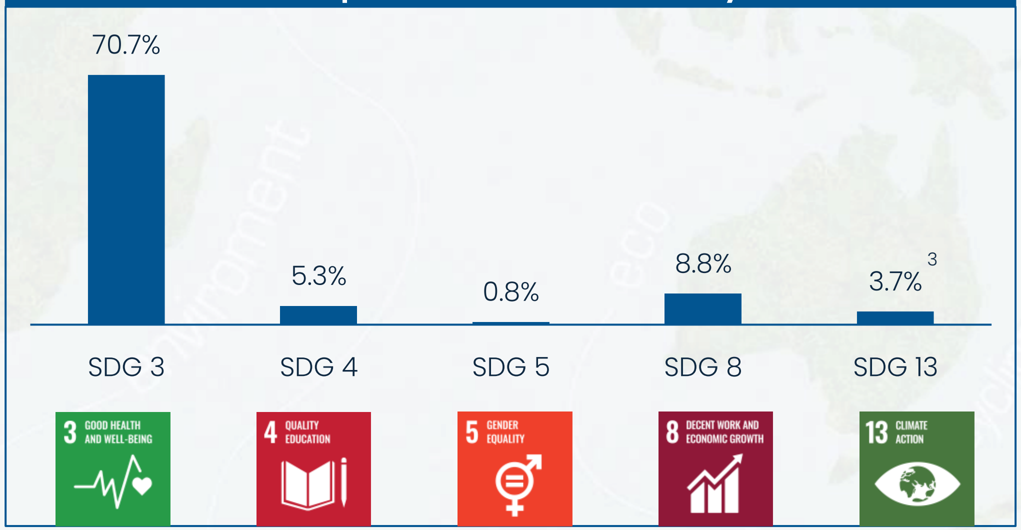
INVESTED EQUITY PORTFOLIO BY MAIN IMPACT THEME

The equity portfolio generated an estimated impact yield of 81% for 2025, an increase from 66% for 2024.
We estimate that for each US$1 million invested in our companies, net positive impact with an equivalent value of ~$810k was generated.

Impact yield [1,2]



2025: Impact return allocation by SDG

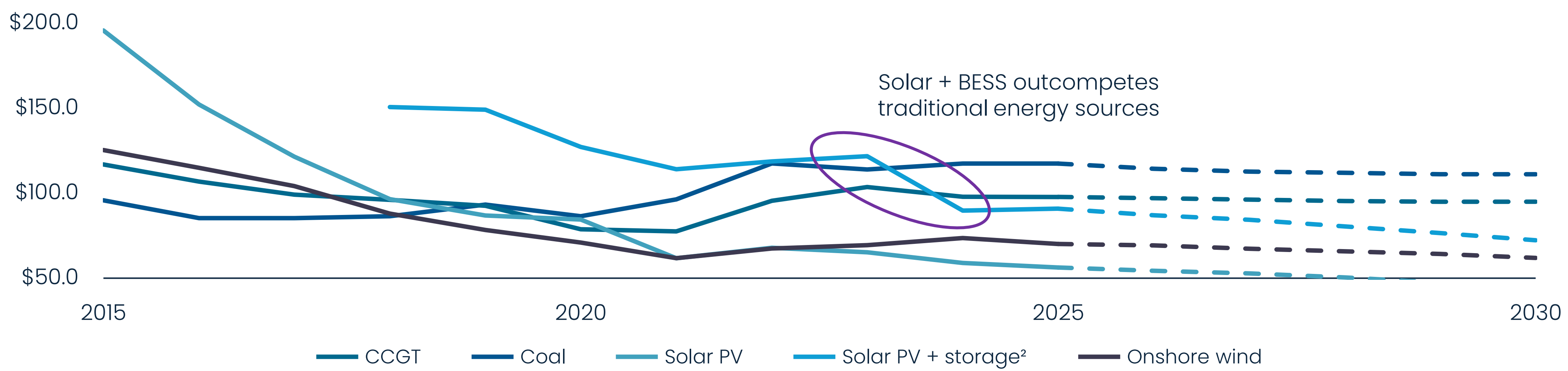


1. Fund launch was 21 February 2023.
2. Reflects the assessment of the net impact of the companies invested in by the Confluence Horizon Fund 's equity book in USD terms, using Confluence's Impact on Money methodology; divided by the market value of its stakes on entry. For Q1 calculated as if the portfolio was held for the full period to improve comparability with other periods.
3. SDG 13 (Climate) is net figure for the portfolio

RENEWABLES IN EMERGING MARKETS (1/2)

- The Energy Transition Where It Matters Most
- The global shift to renewable energy is often discussed through the lens of developed markets, solar farms in California, offshore wind in the North Sea. But the energy transition's most consequential chapter is across the non-BRIC emerging markets where Confluence invests. In these markets, hundreds of millions of people still lack reliable access to electricity and renewables are not simply a climate solution, they are also an economic one and an impactful one.
- The economics now make the case unambiguously. As the chart below illustrates, the levelised cost of energy (LCOE) from solar PV has fallen from roughly $120/MWh in 2015 to well below $60/MWh today and continues to fall. More striking still is the trajectory for solar paired with battery energy storage systems (BESS): having crossed below the cost of coal and gas around 2023, this combination is now on course to compete as the cheapest form of consistent baseload electricity generation available, anywhere in the world, by 2030.
- For emerging markets this cost convergence is transformative. Fossil fuel infrastructure is often absent or unreliable, meaning renewable energy can leapfrog legacy systems rather than replace them. Where a coal plant or gas grid would once have been the default path to electrification, solar-plus-storage is increasingly the most practical and affordable option from the outset. And the populations most exposed to climate risk through drought, flooding and extreme heat, will benefit most from a faster transition.

Renewables are the clear solution on both cost and availability
Global LCOE[1] (USD per MWh)

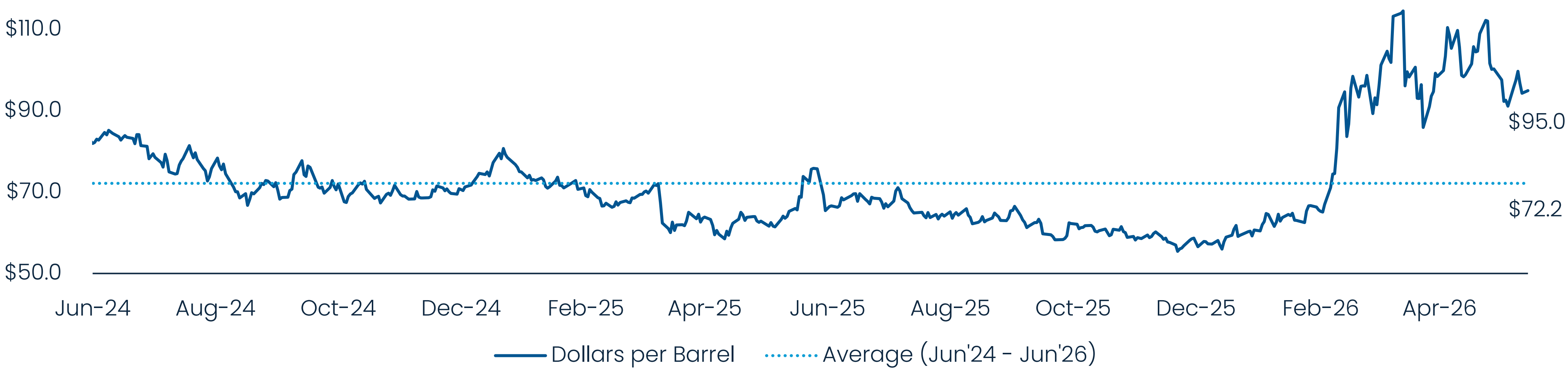


1. BNEF global LCOE benchmark mid scenario, all LCOE calculations exclude subsidies, tax-credits or curtailment
2. LCOE for battery storage is estimated using battery pack prices, based on project data, assuming 50% capacity ratio (E.g 100MW Solar includes 50MW BESS)

RENEWABLES IN EMERGING MARKETS (2/2)

- Climate Action is one of the primary Impact Themes in the Confluence Horizon Fund. Our holdings in this space contribute to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), and feed directly into the CO2e mitigation figures reported in our Impact Yield calculations. For every $1 million invested in our 2025 portfolio of renewable-linked holdings, we estimate approximately 240 tonnes of CO2e mitigated annually, alongside roughly 240 MWh of clean power generated.
- But beyond the numbers, what draws us to this sector is its Impact effect. Reliable clean energy enables schools to stay open after dark, clinics to refrigerate vaccines, and small businesses to operate consistently. In the markets we focus on, energy access underpins almost all of the SDGs.
- Through a purely commercial lens, the conflict around the Straits of Hormuz and the resulting shock to oil and gas supply and prices have strengthened the case for countries to value energy independence.
- As we look ahead, the renewable energy transition in emerging markets represents one of the most significant investment opportunities of the coming decade and one of the most undercapitalised. The cost curve is moving in one direction. We intend to deepen our exposure thoughtfully, applying the same Impact of Money rigour we bring to every position, and reporting transparently on outcomes as the portfolio develops.

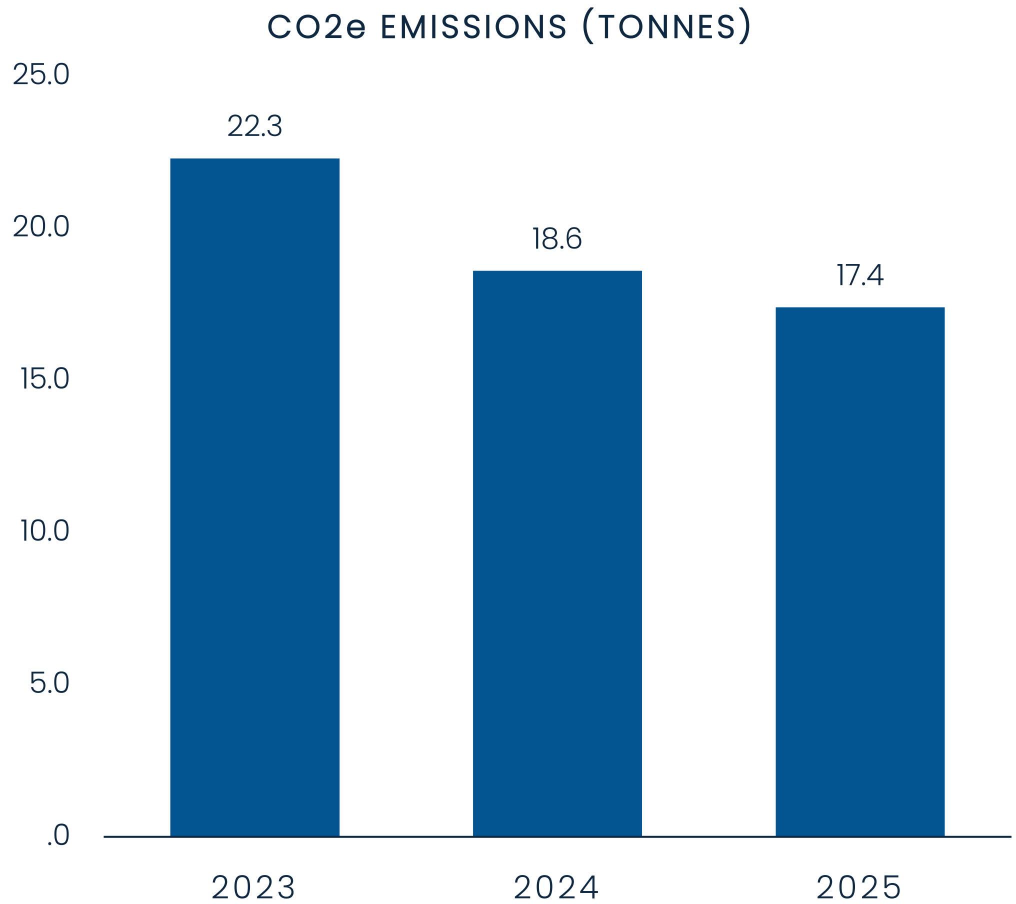
Cushing, OK WTI Spot Price FOB[1]



1. Source: U.S. Energy Information Administration

CARBON FOOTPRINT

The Confluence Team continued to track their carbon footprint taking into account travel and power usage.



CO2 emissions in metric tons are estimated to be 17.4 in 2025. At an estimated cost of $150 / ton, the US equivalent cost is approximately $2,610.

ENGAGEMENT

Company Engagement

As concentrated investors with a long-term investment horizon, we have the time to engage deeply with companies on impact matters. For each company, we seek to select a single, unique topic on which to collaborate, aiming either to mitigate negative impacts or to magnify positive ones. Our engagement is solutions-driven and constructive, and we address these topics privately with management, we believe this approach is more effective in fostering genuine improvements and stronger partnerships.

Our current engagements span a range of impact themes across the portfolio: examples include expanding access to affordable education for refugee communities; improving ESG disclosure to better reflect a company's environmental lending profile; or sharing best practices in clinical diagnostics across emerging market healthcare providers.

Industry Engagement

Our broader industry engagement is equally important. In 2025, our team attended or spoke at impact investing conferences in the UK, Asia, the Middle East and Africa and Grand Cayman. As in prior years, these forums provided opportunities to contribute to evolving conversations around impact measurement, fee structures linked to outcomes and the integration of impact frameworks into public markets. We also hosted selected investor events, using informal gatherings to introduce impact investing to new audiences and deepen dialogue on emerging strategies.

Content

Our content activity continued and we continued to produce our Impact Videos described in the next slide and available on a dedicated page of our web presence, remains a core tool for demystifying key concepts and illustrate how portfolio companies are driving positive change.

Through these engagements, we aim to help educate investors and be part of the dialog of evolving industry, acting not only through the capital we deploy, but also through active participation in the conversations that define it.

IMPACT STORIES

At Confluence we continue to produce short videos that highlight the impact of companies in our investment universe on consumers and their communities. These videos are independently created to bring the impact to life, without company participation. Below are a sample of our videos. All of them can found on our YouTube channel Confluence Investors' YouTube channel

Click to Watch

VioEdu is a Vietnamese edtech platform by FPT Corporation that uses AI-driven adaptive learning to deliver personalized education, expanding access to high-quality digital resources across the country and supporting skill development for Vietnam's digital economy

Click to Watch

Fawry is Egypt's largest electronic payments platform serving both banked and unbanked populations. It plays a central role in advancing financial inclusion and reducing reliance on cash, with its digital services particularly supporting female empowerment.

Click to Watch

Equity Bank is a Kenyan bank with a significant fintech business that promotes financial inclusion. Additionally, the Equity Foundation is dedicated to furthering positive impact on local communities

ADVOCATING FOR IMPACT

Our industry engagement is equally important. To encourage dialog, our team attended or has spoken at impact investing conferences in London, Cape Town, Nairobi, Hong Kong, Jakarta, Singapore, Boston and San Francisco. In addition, we hosted investor events alongside major conferences. These informal gatherings introduced impact investing to new audiences and sparked valuable dialogue on emerging impact strategies.

We contribute to discussions on evolving regulations - linking fees to impact outcomes and integrating impact frameworks into public markets. We believe that active participation in these dialogues is valuable for shaping industry norms and embedding them in the wider investment landscape.

We also regularly share content to support broader understanding of impact investing. Our concise articles and "Impact Videos," shared across our web presence, aim to demystify key concepts and highlight how our portfolio companies are driving positive change for individuals and communities.

Through these varied engagements, we aim to advance the field of impact investing, not only through the capital we deploy, but by helping foster an industry committed to the higher standards of transparency and accountability.

ADVISORS

The Advisory Board is a group on non-executives who provide advice based on their extensive experience to the Confluence Group, typically around matters of investing, emerging market conditions and Impact. Following are the current and prior impact interests of the members of the Advisory Board.

Justin Abbott

- Charities Aid Foundation, Investment Committee
  Mudchute City Farm, Chair
- City Cancer Challenge, Treasurer
- Better Streets Kensington and Chelsea, Chair
- Impact Interests: Health, Better Societies

Zachary Levenick

- THG Securities Advisors, Co-Founder
- Barnes & Noble, Director
- Philanthropic Areas: Education and Outdoor
- Areas of Investment Interest: Women's Health, and Democratization of Financial Markets
- Impact Interests: Education

Natacha Lippens

- MARENTAS, Founder
- WEF Climate: Chapter Zero Brussels, Director
- Futerro, Director | Coast4C, Chair
- International Polar Foundation, Director
- Telos Impact, Consultant
- Impact Interest: Animals, Oceans and Nature

Tsega Gebreyes

- Mastercard Foundation, Director
- Mo Ibrahim Foundation, Advisory Council Member
- Save the Children, Trustee
- Airtel Africa, Senior Director
- LSEG, Director
- Impact Interests: Childhood, Poverty Alleviation

Lars Kroijer

- Allied Offsets, Managing Director
- Hedge Fund Board Member, Advisor, and Investor
- Impact Interests: Climate

Francois van der Spuy

- Black Volta, Chief Investment Officer
- Impact Interests: Macroeconomic Stability, Reduced Inequalities, Climate

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