GGSF
Global Gender-Smart Fund

ANNUAL REPORT 2024

GGSF | LAUNCH

Germany remains a strong supporter of impact investment. The investment strategy of GGSF sends a signal to the financial markets that there is the willingness and the opportunities to tackle the funding gap for women and female entrepreneurs in emerging markets and developing economies. The technical assistance facility is an important step to support partner financial institutions in strengthening their gender lens.

Dirk Meyer, Head of Directorate-General Multilateral Development Policy, Transformation, Climate at Federal Ministry for Economic Cooperation and Development (BMZ)

The Fund's strategy to focus on gender-smart financing and to expand focus beyond microfinance to small enterprises as well is adapting to the current environment and also aligns with IFC's priorities, including the focus on gender finance, which greatly supported IFC's renewed commitment.

Tomasz Telma, Director & Global Head of the Financial Institutions Group at IFC

As one of the initial shareholders, we have seen the Fund grow and adapt to the realities of the market, and the clear intention and additionality of this gender-smart strategy naturally led to OeEB renewing its commitment to continue supporting the provision of impactful financing in regions where it is most needed.

Sabine Gaber, Member of the Executive Board of OeEB

The Global Gender-Smart Fund's unwavering commitment to drive gender equality is more crucial than ever. GGSF's achievements in building impactful partnerships along with the dedication of our teams and partners are essential in driving meaningful change.

Noémie Renier, Partner & Head of Debt at Incofin

GGSF's mission to provide funding to underserved women and women-led businesses in emerging markets aligns perfectly with Triple Jump's diverse range of investment products. The Fund's setup, with a broad range of investors, Fund and portfolio managers, and technical assistance providers, creates a unique ecosystem focused on promoting Gender-Lens Investment across financial institutions globally.

Jarri Jung, Director Financial Institutions at Triple Jump

The global backlash against Diversity, Equity and Inclusion (DEI) principles highlights the need to continue to support a gender-lens approach taken by companies, not just as a moral duty but also by showing the benefits on the business side, underpinned by real life examples. It's encouraging that over 50 financial institutions the Fund worked with last year are now committed to make meaningful progress on their gender priorities.

Rudrashis Roy, GGSF Portfolio Coordinator at responsAbility

The great collaboration of the different parties in the Fund – shareholders, investors, portfolio managers, service providers – is an impressive achievement and it is inspiring to see such great industry leaders coming together to serve a common impactful objective. We expect the Fund will be transformational in addressing gender issues through financial inclusion thanks to the breadth of countries and financial institutions the Fund invests in. The strong blended finance structure of the Fund, preference for local currency financing, and support from committed Development Finance Institutions and donors, enable additional private sector financing, allowing the Fund to grow and increase its impact on women in developing markets.

Patrick Goodman, Founding Partner at Innpact

Social considerations have always been integral to GLS Bank's investment strategy. Our strong partnership with GGSF underscores our commitment to fostering equal opportunities, particularly for female entrepreneurs. Additionally, we provide institutional clients with the opportunity to actively contribute. Through targeted gender-lens investments within a blended finance framework, GLS Bank and its clients gain robust leverage to drive meaningful global advancements in gender equality.

Damian Pilka, Expert in Investment Development at GLS Bank

The investment in the Global Gender-Smart Fund aligns with our sustainable ambition to improve human rights. We are proud to be one of the investors, contributing to the empowerment of women-owned or women-led business in developing markets. Creating economic opportunities for women in these emerging economies is essential to fostering gender equality and driving inclusive growth.

Stefanie Fernández van Leeuwen-Leenman, Director of Customer and Services at ASN Bank

We as Technical Assistance providers are excited to be part of this collaboration, demonstrating that gender inclusive finance is not just necessary for our society in a socio-economic sense but that it is also simply good business.

Jane Bech Larsen, Contract Manager of GGSF at NIRAS

We are proud to be one of the largest investors in the Global Gender-Smart Fund – a unique and innovative vehicle that combines financial returns with social impact. By investing in financial institutions that empower women and promote financial inclusion, we are supporting the economic development and resilience of some of the world's poorest communities. This investment also demonstrates how different parts of M&G can work together to provide our clients with access to a diverse and attractive range of opportunities across different asset classes and geographies.

Cristina de Guzman Esteban, Associate Director at M&G Investments

"We're proud to support the Global Gender-Smart Fund in embedding evidence-based decision-making into gender-smart investing. Through our partnership, we're equipping financial institutions with real-time, transparent analytics that help unlock capital for women entrepreneurs globally. Together, we're not just analyzing data – we're catalyzing systems change for women's economic empowerment."

Jessica Menon, CEO & Founder of Equilo

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LETTER OF THE CHAIR

Dear stakeholders,

We are pleased to present the first Annual Report of the Global Gender-Smart Fund (GGSF) – the world's largest gender-smart investment fund. This milestone marks the beginning of a transformative journey to implement an ambitious gender-focused investment strategy aimed at improving livelihoods, advancing gender equity, and fostering women's leadership across developing markets.

There is significant progress in expanding access to financial services globally, yet a persistent gender gap remains. An estimated 70% of women-owned micro, small, and medium enterprises (MSMEs) in developing countries lack adequate financial services – contributing to a staggering USD 1.7 trillion financing gap. In these markets, women often face barriers to accessing credit, remain largely underbanked, and are more likely to report dissatisfaction with banking services. Furthermore, women are underrepresented in the investment decision process, with women accounting only for 11% of investment professionals in developing countries.

GGSF was launched on 1 January 2024 with a bold new strategy – building on the 15-year legacy of the Microfinance Enhancement Facility (MEF). GGSF places gender equality at its core, supporting the delivery of gender-smart and responsible financial services to underserved women and women-led businesses. Equally, GGSF works to drive internal change within financial institutions – enhancing gender balance in leadership and improving working conditions for women.

Our dual focus aligns with the 2X criteria, a global standard for gender-smart investing. GGSF was among the first funds to commit to the 2024-2027 phase of the 2X Challenge – which targets USD 20 billion in gender-lens investments from public and private investors. This underscores our role as a pioneer in gender-smart finance.

In 2024, our priority for GGSF was to lay strong operational foundations. Innpact Fund Management, a Luxembourg-based AIFM specialising in impact finance, assumed the role of fund and global portfolio manager. Incofin, responsAbility, and Triple Jump – three leading impact investors – were appointed as portfolio managers, bringing deep regional knowledge and sector expertise.

To further support financial institutions in their gender transformation journey, a technical assistance facility was established. Recognising that external gender expertise may be needed to implement tailored action plans, this facility provides strategic support through a global consortium led by NIRAS A/S and Women's World Banking – two organisations renowned for their work in advancing gender equality.

To ensure consistent, high-quality support across our portfolio, the Fund also introduced key tools and processes. Notably, we partnered with Equilo, a data analytics platform specialising in women's economic empowerment, to develop a Gender-Smart Assessment questionnaire. This tool enables our partner financial institutions to identify strengths and gaps to develop tailored gender action plans.

These collective efforts have yielded strong results. In 2024, the Fund disbursed USD 300 million to 52 partner financial institutions (PFIs) in 24 countries. All of them committed to a gender action plan, and 100% among them are already aligned with the 2X Criteria. This momentum reflects the growing demand for gender-focused financing and the commitment of PFIs to advance gender equity – both internally and through client-facing products and services. The results of this will become visible over the next years with the implementation of gender action plans.

Including the legacy MEF portfolio, GGSF closed the year with a loan portfolio of USD 480 million across 114 institutions in 44 countries. While the market environment remained challenging – with elevated hedging costs and tight pricing dynamics – GGSF's strong investment activity and disciplined expense management enabled a successful and profitable year. This financial performance further validates the Fund's gender-smart approach as both impactful and sustainable.

This progress would not have been possible without the continued support of our founding shareholders. The Fund's blended finance structure attracted two new private investors in 2024, while a long-standing investor renewed its commitment – amplifying the leverage of public capital and strengthening our impact potential.

On behalf of the Board, I express our deep appreciation to all our stakeholders. We are especially grateful to our founding shareholders for their unwavering support, and to Innpact Fund Management for its leadership in navigating the transition and engagement in making GGSF successful. Our sincere thanks go to our portfolio managers, whose efforts have driven the Fund's outreach and embedded its strategy at the institutional level of our partner financial institutions.

Finally, we extend our heartfelt appreciation to our partner financial institutions. Their commitment to ambitious gender action plans is key to achieving lasting change. It is through their leadership and dedication that we will see tangible progress – within their institutions and among the women they serve.

On behalf of the GGSF Board of Directors
Ruurd Brouwer | Chair

MISSION

GGSF aims to strengthen the provision of gender-smart and responsible financial services to underserved women, women-owned or women-led businesses in developing markets, with the purpose of improving livelihoods, increasing gender balance and outreach, and promoting women's leadership.

GGSF is the gender-smart investing and responsible finance fund that turns its attention to a key priority within financial inclusion which warrants special focus: GGSF aims to ensure that financial services are delivered in a responsible and inclusive way through partner financial institutions (PFIs) for the ultimate benefit of underserved women, women-owned or women-led micro and small enterprises (Target Clients) who can access loans directly from PFIs in developing markets across the globe (Target Countries).

"Gender-smart" investing is defined as the use of capital to simultaneously generate financial return and advance gender equality. It integrates gender analysis into financial analysis, for example to assess gender segmentation of the portfolio. Intentionality or aspiration differentiates the gender-smart journey: "gender-agnostic" signals gender-inclusive aspirations, "gender-lens" reflects alignment on gender criteria, and "gender-smart" requires demonstrated and proactive strong gender intentionality, with concrete actions and measurable outcomes. The gender assessment criteria GGSF applies in line with international standards are detailed in the section Outcome & Outreach.

GGSF builds on MEF's legacy in financial inclusion

In January 2024, the Microfinance Enhancement Facility (MEF) officially transitioned into the Global Gender-Smart Fund (GGSF), marking a significant evolution in the fund's mandate and strategic direction. Originally launched in 2009 as a crisis-response vehicle to support the microfinance sector during the global financial crisis, MEF successfully disbursed over USD 3 billion to more than 320 financial institutions across 65 countries, primarily serving low-income households and micro-entrepreneurs with an average end-borrower loan size of around USD 2,000. Over its 15 years of operation, MEF contributed to strengthening financial inclusion in developing markets, with a notable outreach to women and rural populations.

As the microfinance industry matured and financial ecosystems evolved, MEF's founding shareholders – the German Ministry for Economic Cooperation and Development (BMZ), KfW Development Bank (KfW), the International Finance Corporation (IFC), and the Development Bank of Austria (OeEB) – recognised the need to sharpen the impact focus. Despite global progress in financial inclusion, deep gender inequalities persist. Women in developing markets continue to face systemic barriers in accessing formal financial services, including credit, savings, and insurance. According to the World Bank's most recent Global Findex Database 2021, only 68% of women in these markets held a bank account, compared to 74% of men. Women-owned or women-led businesses remain disproportionately underserved, with a substantial financing gap of USD 1.7 trillion. In addition, gender disparities within financial institutions remain entrenched: women represent just 20% of board members globally, and workplace conditions often fail to support equitable career progression. GGSF addresses these challenges.

GGSF AT A GLANCE

USD 312M
invested

24
countries

52
institutions financed

54
loans

GENDER ACHIEVEMENTS

30%
women
on PFI boards

35%
women in PFI
senior management

31
products & services
tailored or improved to
serve female customers

60%
of borrowers are women,
women-owned or women-led
small or micro businesses

2X alignment

100%
aligned with the 2X Criteria

Contribution to UN SDGs

GGSF emerged from a strategic re-set of a predecessor fund, MEF, and transitionally manages and builds on its legacy portfolio.

Looking at GSSF – considering both the GGSF strategy portfolio (52 PFIs with loans disbursed in 2024) and the MEF legacy portfolio (not included in the data above) – the following captures the overall portfolio managed by the Fund as of year-end 2024.

USD 480M
loan portfolio

USD 550M
total assets

USD 338M
total net assets value

44
countries

114
institutions financed

151
loans

USD 4.4M
average exposure

23 months
average outstanding maturity

EXTERNAL STANDARDS

Committed to gender equality and gender finance | 2X Global

In GGSF's dual approach of addressing the needs of women borrowers as well as improving gender equality at the level of the financial institutions themselves, the Fund builds on the 2X Criteria, a global baseline standard for gender finance. The Fund was also one of the first private sector players to commit to the next phase of the 2X Challenge, an initiative launched in 2024 with the objective to raise USD 20 billion in gender-lens investments over three years.

2X Global is a global membership and field-building organization for investors, capital providers, and intermediaries working in public and private markets, across both developed and emerging economies. 2X Global engages its global network through a series of activities that advance intersectional investment agendas, scale the field, shift mindsets, and facilitate capital deployment. These include a series of Communities of Practice, educational forums, shared resources, certification and standards, and deal-sharing platforms. By working together with the full spectrum of investors, capital providers, mobilisers, and influencers, 2X Global helps shape the market on a whole new level, ultimately transforming systems of finance through the gender-smart deployment of capital across asset classes and markets.

For more information see www.2xglobal.org, 2xchallenge.org/2xcriteria, and 2xchallenge.org/2xcriteria

2X Challenge
Participating Investor 2024-2027

Building & tracking actionable Gender Action Plans with PFIs | Equilo

In collaboration with GGSF, Equilo co-developed the Gender-Smart Assessment (GSA) questionnaire. This comprehensive tool supports PFIs in identifying strengths, addressing gaps, and building actionable Gender Action Plans (GAPs). These plans are then implemented and monitored over the life of the loan.

Equilo is a strategic partner of 2X Global, powering the 2X Challenge and 2X Certification platforms. Equilo's dynamic data analytics platform is built to transform how gender data is leveraged in international development and finance. It addresses persistent inefficiencies in gender-focused data analysis – particularly around women's economic empowerment – by delivering real-time, actionable insights that drive investment decisions and impact.

For more information see https://equilo.io

Impact management aligned with global principles | Impact Principles

GGSF applies the Impact Principles. Originally, its legacy fund MEF joined in January 2021. As a signatory to the Impact Principles, GGSF publishes its Annual Disclosure. In this the Fund describes how each principle is incorporated into its investment process and how its impact management system and processes are aligned with each principle. The Annual Disclosure and the latest independent verification statement are available via https://www.impactprinciples.org/signatories-reporting

For more information see www.impactprinciples.org

Operating Principles for Impact Management

Label confirms investments are made in microfinance sector | LuxFLAG

GGSF has been granted the LuxFLAG Microfinance Label until September 2025. Its legacy fund MEF held the label since inception until 2023. LuxFLAG's primary objective for the Microfinance Label is to reassure investors that the Microfinance Investment Vehicle invests in the microfinance sector – directly or indirectly.

For more information see https://luxflag.org/labels/microfinance/

Transparent and benchmarked reporting | CERISE+SPTF

For transparent and benchmarked reporting, as well as to contribute to a transparent debate within the impact investing industry, GGSF has partnered with CERISE+SPTF to coordinate the social performance analysis of the Fund's PFIs. This partnership was originally established by its legacy fund MEF in 2019 and continued uninterruptedly, now also between GGSF and CERISE+SPTF.

For more information see https://cerise-sptf.org

Memberships

GENDER STRATEGY

PRINCIPLES

GGSF's gender-smart financing strategy promotes women's economic empowerment by strengthening the provision of responsible financial services that address the specific needs of underserved women and women-led businesses in developing markets. It also seeks to drive institutional change by supporting financial intermediaries in becoming more inclusive organisations. With this strategic focus, GGSF responds to key challenges in financial inclusion.

By embedding gender at the core of its investment strategy, GGSF contributes to addressing one of the most urgent and persistent gaps in global development. The Fund's approach goes beyond expanding access to finance: it aims to shift the way financial institutions operate, the way products are designed, and the way women are engaged as economic agents. Through the combined power of investment, technical assistance, and strategic partnerships, GGSF seeks to transform financial systems to be more inclusive, equitable, and responsive to the realities of women's lives – enabling them to fully participate in, and benefit from, the economy and any economic growth.

The Fund's strategy is anchored in a robust theory of change that envisions systemic transformation at two levels:

- At the level of financial institutions | By providing financial products tailored to the needs of partner PFIs, the Fund enhances awareness and adoption of gender-smart and responsible finance practices among PFIs. Furthermore, GGSF supports PFIs in improving the gender balance at senior management & staff levels, strengthening internal policies and workplace practices, and monitoring progress through key indicators – such as leadership representation, staff attrition, and pay gaps. Targeted support is provided through the Fund's dedicated Technical Assistance Facility.

- At the client level | GGSF aims to reduce the gender gap in financial access by incentivising PFIs to implement inclusive credit models and products tailored towards women's needs and to expand outreach to underserved women, women-owned or women-led businesses – particularly in markets with low levels of gender parity.

Structure

- Global **blended finance** vehicle
- Portfolio Managers with significant and **complementary market coverage and experience**
- **First loss deployment** for underserved markets (including IDA/LIC countries)

Activities

- **Financial products** that fit borrowers' needs
- Widespread promotion of **gender-smart responsible finance principles & practices**
- Implementation by PFIs of **Gender Action Plans**
- **Flexible** in response to changing market demand and supply
- **Technical assistance** to support PFIs in the development of gender-smart strategy and products

Outcomes

For PFIs

- Enhanced **gender-smart responsible finance awareness and conduct**
- **Improved gender balance** at PFIs' senior levels
- **Improved working conditions** for women

For Clients

- **Reduced gender gap** in access to finance
- **Increased outreach** to underserved women, women-owned and women-led businesses through adequate financing

Impact

- Provision of **adapted financial services** to underserved women, women-owned and women-led businesses in developing markets
- Aims to:
  - ✓ **improve livelihoods,**
  - ✓ **increase gender balance and outreach, and**
  - ✓ **promote women's leadership**

SPHERE OF CONTROL (Structure, Activities) | **SPHERE OF INFLUENCE** (Outcomes) | **SPHERE OF INTEREST** (Impact)

The Fund aligns with international frameworks such as the 2X Criteria. Applying these provides a global baseline for gender-lens investing. By doing so, GGSF ensures that its strategy meets internationally recognised standards for advancing women as entrepreneurs, leaders, employees, and consumers.

GGSF also leverages its blended finance structure to mobilise additional capital for gender-smart investments. The Fund provides financing instruments adapted to PFIs' needs – such as local currency loans and subordinated debt – while its layered capital structure includes first-loss tranches that help de-risk investments in the Fund by private sector investors.

INVESTMENT PROCESS & IMPACT MANAGEMENT

GGSF applies a structured and integrated approach to gender, impact, and environmental, and social & governance (ESG) aspects – ensuring that each dimension is addressed throughout the investment process.

The Fund's Impact & ESG Management System (IMS) guides how risks are identified and managed, and how positive outcomes are pursued – in line with international best practices.

Gender

Gender is central to GGSF's strategy. A **gender lens** is applied across all investments to support financial institutions that reduce the gender gap in access to finance and improve outcomes for women. Aligned with the **2X Criteria**, the Fund promotes women's economic empowerment.

During due diligence, each PFI undergoes a **Gender Smart Assessment (GSA)** reviewing internal and external practices: GBVH policies, women's representation, gender training, commuting safety, and gender-specific products and outreach.

Based on the GSA, a tailored **Gender Action Plan (GAP)** is developed and integrated into the ESG & Gender Action Plan, setting clear actions and targets and identifying the need for technical assistance.

GGSF also assesses **GBVH risk using the Equilo framework**. In high-risk contexts, the GAP includes specific prevention and response measures.

Impact

GGSF's impact strategy is driven by a clear **Theory of Change** focused on advancing gender equity through financial inclusion. The Fund targets gender-smart financial institutions in underserved markets, especially those reaching women, while ensuring that investments **do no significant harm.**

As a signatory to the **Operating Principles for Impact Management (OPIM),** GGSF integrates impact across the investment lifecycle.

Progress is **tracked through gender-disaggregated KPIs** aligned with the **SDGs**, and the **Client Protection Pathway** is applied to ensure responsible investment.

The Fund also assesses **Principal Adverse Impacts (PAIs)** in line with the **EU SFDR**, aggregating portfolio data to monitor potential negative effects across ESG dimensions.

Finally, GGSF conducts annual **impact risk assessments** using the **IMP framework** to identify and manage risks to expected outcomes.

ESG

GGSF applies strict ESG standards across all investments. Prospective PFIs are screened against the **Exclusion List**, categorized using the **IFC FI framework**, and assessed through Environmental and Social Due Diligence. High-risk investments (FI-1 / Category A) are excluded.

Each investment includes **a tailored ESG Action Plan**, based on the investee's risk profile and ESMS. PFIs must have or develop an **ESMS** covering exclusion, labour practices, client protection, ethics, and climate risk.

Governance is reviewed in line with SFDR, with corrective actions included in legal covenants when needed. GGSF ensures compliance with **Minimum Safeguards**, including UN and ILO standards and, where relevant, OECD Guidelines.

The Fund aligns with **IFC and KfW standards**. **ESG incidents** must be reported within three days and addressed through a formal protocol. PFIs are encouraged to implement accessible **grievance mechanisms.**

Integrated management across the investment lifecycle

GGSF integrates gender, impact, and ESG considerations at every stage of the investment process through a structured and consistent approach:

SCREENING	Potential investments are reviewed against the Fund's Exclusion List and assessed for alignment with its gender and impact objectives
DUE DILIGENCE	ESG, gender and impact risks and opportunities are analysed in detail; based on this, PFIs are categorised within one of three gender-focused performance group (Gender-Agnostic, Gender-Lens or Gender-Smart) and tailored ESG & Gender Action Plans are developed
APPROVAL	Key sustainability findings and commitments are embedded into investment decisions and reflected in legal agreements
MONITORING	Progress against Key Performance Indicators (KPIs), Action Plans and Principal Adverse Impact indicators (PAIs) is tracked regularly. Material incidents are reviewed through a formal escalation process
SUPPORT	The Technical Assistance Facility provides targeted support to help PFIs implement action plans, strengthen internal systems and enhance their gender-smart and ESG performance

This integrated process ensures that GGSF's investment decisions are responsible, aligned with its sustainable investment objective, and contribute to lasting gender-equitable impact.

OUTCOME & OUTREACH

GGSF's Theory of Change and Gender Strategy sets the ambition, principles, and Key Performance Indicators (KPIs) for the Fund. Progress on implementing Gender Action Plans – with first plans developed in 2024 – will be tracked and measured for each PFI and also as aggregate performance and progress at the Fund level.

The results here capture GGSF's portfolio of 52 PFIs that received financing in 2024 – looking at the gender classification, key
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sustainability indicators, regional analysis, and additionality. With this first year of monitoring and reporting, GGSF establishes a baseline for its strategy against which future progress can be measured. While the overall performance at the Fund level might vary with the evolution of the portfolio, it will be key to measure improvements at the PFI level and to ensure that targets set out in Gender Action Plans are met.

GENDER-FOCUSED PERFORMANCE GROUPS
in GGSF's portfolio as of 31 December 2024

Gender-Lens

43 PFIs

43 PFIs were classified as Gender-Lens | demonstrating gender actions or results in at least one 2X Criteria category. These PFIs incorporate gender considerations in a reactive way – for instance, actively avoiding discrimination against women and/or responding to the needs and issues female clients and employees fase.

Gender-Smart

9 PFIs

9 PFIs were classified as Gender-Smart | demonstrating strong gender intentionality, concrete actions, and measurable outcomes. These PFIs incorporate gender considerations in a proactive way – for instance, by designing products specifically intended to improve women's lives, developing female leaders beyond eliminating barriers, or contributing to the empowerment of women in their broader community.

A gender assessment – applying the Equilo tool – helps classify PFIs within performance groups, with the aim to set specific goals to improve, to advance to the next level:

Gender-Agnostic | Do not meet any of the gender criteria but exhibits strong intentionality to implement gender criteria and does not have explicitly discriminating policies or practices.

Gender-Lens (or inclusive) | Demonstrate gender action or results for at least one of the 2X Criteria categories. Intentionally taking action to address gender inequalities and/or to apply a gender lens in their business model.

Gender-Smart | Demonstrate gender intentionality, action, and results as measured by milestones.

FACES | Ecuador

The Ecuadorian FACES Foundation is dedicated to supporting female entrepreneurs. Women comprise 52% of its client base, reflecting FACES' commitment to gender equality. To enhance its impact, FACES secured funding from GGSF. This funding allows them to increase outreach to female clients, offer more loans, and grow their portfolio dedicated to women entrepreneurs. GGSF's strategy on gender-focused financial inclusion makes it an ideal partner for FACES' mission.

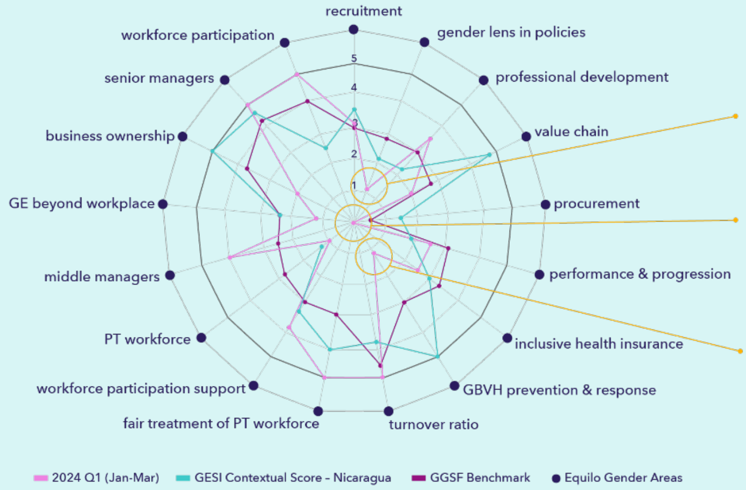
Understanding that many women entrepreneurs – especially those running smaller, informal businesses – face challenges like limited financial literacy and business skills, FACES has developed programmes to address these needs. The PROMUJER credit product, along with various training initiatives, helps women gain essential skills such as financial management and business growth strategies. These resources enable female entrepreneurs to scale their businesses and formalise their operations, ultimately driving sustainable economic empowerment.

FACES also promotes gender equality within its workforce, with women representing 51% of staff and 46% of senior management positions. Through these efforts, FACES works on building a more inclusive, equitable economic environment. This is at the heart of FACES' gender action plan, which aligns with international standards of gender equality and financial inclusion, creating lasting impact for women entrepreneurs.

GENDER ACTION PLANS

To promote gender inclusion within the microfinance sector, the Fund integrates gender assessments into its investment process, identifying key gaps and translating them into concrete, PFI-level priorities. These priorities, whether internal or client-facing, are then embedded into a tailor-made Gender Action Plan GAP to be implemented throughout the duration of the funding. The Equilo tool supports this process by providing a structured analysis of gender gaps and informing the development of these action plans.

EQUILO ASSESSMENT | Example of a Nicaraguan PFI



EQUILO GENDER AREAS	ACTIVITIES
gender lens in policies	review and complement HR policy develop and implement specific internal strategies
gendered approach to value chains	technical assistance to conduct a Gender Impact Assessment on portfolio
survivor centre prevention	comprehensive training program focused on the prevention of violence against women, ensuring that management and staff are fully equipped to recognize, prevent and respond to incidents of GBVH effectively

The creation of GAPs makes GGSF's objective of strengthening gender practices within PFIs tangible, and even more so by targeting areas with the greatest potential for improvement. These assessments not only guide each institution in identifying where progress is needed, they also provide the Fund with a broader understanding of recurring gender-related challenges across the market. The analysis of the most common activities included in GAPs offers insight into the gender practices most frequently addressed by PFIs, reflecting shared priorities and areas of focus across the portfolio.

Most common activities in Gender Action Plans by Gender Gap Areas | 2024 GAPs

Financial products, process or services

For PFIs supported in 2024, the Fund identified that the most common gaps are the lack of specific financial and non-financial products, processes or services dedicated to women. While many PFIs already demonstrate gender focus, intentionality and outreach, the lack of products dedicated to women represents a recurrent challenge for PFIs, and therefore for women final borrowers. In total, the Fund aims to support 61 activities across PFIs focused on the development of products and services dedicated to women. Among these activities, many PFIs committed to conduct a market research study focused on better understanding of the female client segment's needs, challenges, and preferences. Different non-financial services were promoted, such as networking programmes specific for women entrepreneurs.

Gender-Based Violence and Harassment (GBVH) protection and response

GBVH protection and response, including awareness raising, represents a priority for the Fund. Through the Equilo assessment, the Fund intends to identify and address any gaps related to GBVH risks. In 2024, the Fund supported several PFIs that presented insufficient measures in place to ensure safe environment for GBVH survivors, and insufficient measures to tackle GBVH prevention and response. The Fund prioritised survivors' protection and GBVH prevention by supporting PFIs in integration of best practices. This includes the development of comprehensive prevention of sexual harassment policies, improving awareness among employees, and providing annual trainings to employees on no-tolerance towards sexual harassment at the workplace, sexual harassment redressal mechanisms, and grievance committee members.

KPIs & RESULTS

During this first year of implementation of the gender strategy, PFIs had to report on many indicators and some new to them. The Fund monitored and consolidated the data to measure the attainment of GGSF's impact KPIs.

PFI LEVEL

Enhanced gender-smart responsible finance awareness and conduct

39	PFIs collect gender-disaggregated data in digital form
31	products and services significantly enhanced or developed which specifically serve the needs of female customers

Improved responsible conduct at PFIs

95%	average score on responsible conduct

Adoption of gender-smart strategies by PFIs

29	PFIs with a gender-smart strategy

Women's representation at the board level

30%	on the board of PFIs

Women's representation in management

35%	in senior management
44%	women in middle management

Women's representation among employees

70,000+	direct employees
50%	staff full-time equivalent (FTE)

Unadjusted gender pay gap

14%	unadjusted gender pay gap

CLIENT LEVEL

Reduced gender gap in financial access

60%	women clients in PFI portfolios
320,000+	women clients supported by PFIs

Increased outreach to underserved women entrepreneurs

USD 164M	outstanding amount to women clients
3.6%	of value of past due loans (over 30 days) to women clients (compared to men: 4.1%)

KPIs | EXTRACT FROM GGSF SFDR ANNEX V

While this annual report focuses on presenting the KPIs related to the 52 PFIs financed by GGSF in 2024, Annex V – developed in line with SFDR disclosure requirements – consolidates these indicators at the Fund level for the entire portfolio managed by GGSF. Thus, here it includes both the 52 newly financed PFIs as well as the 62 legacy PFIs from the portfolio of the legacy fund MEF. To ensure consistency across reporting documents, the KPIs are presented below as reflected in Annex V of the SFDR disclosures.

OUTCOME FOR 2024	KEY PERFORMANCE INDICATORS	NUMBER	UNIT
PFI LEVEL			
improved gender balance at PFIs, at PFIs' senior levels, and improved working conditions for women at PFIs	improvement of PFIs' responsible conduct (as 2024 is the first year of implementation of GGSF's strategy – and therefore the first year these KPIs are tracked – it is not yet possible to assess year-on-year improvements in responsible conduct; 94% is the baseline data)	94	%
	number of PFIs with a gender-smart strategy	39	absolute number
	share of women on the board of PFIs	29	%
	share of women senior management at PFIs	35	%
CLIENT LEVEL			
reduced gender gap in access to finance	share of women, women-owned or women-led final borrowers	56	%
increased outreach to underserved women, women-owned or women-led businesses through adequate financing	number of women, women-owned or women-led final borrowers	413,701	absolute number

PFI LEVEL KPIs

ENHANCED GENDER-SMART RESPONSIBLE FINANCE AWARENESS AND CONDUCT

39 **PFIs collect gender-disaggregated data in digital form** | *88% PFI coverage*
Based on self-reported binary (yes/no) assessment provided by the PFIs for the reporting period.
This indicator captures the proportion of PFIs that digitally collect sex-disaggregated data as part of their internal systems. These systems are designed to help PFIs better understand and serve women as a distinct client segment – enabling the analysis of key variables such as gender, income levels, and default rates. Building this internal capacity to respond more effectively to the needs of women clients often involves adapting credit processes, lending methodologies, and delivery models as well as banking software or management information systems. By collecting and using this data, PFIs can tailor their offerings, monitor performance by gender, and strengthen their gender-intentional approach.

31 **products and services significantly enhanced or developed which specifically serve the needs of female customers** | *81% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
This indicator captures the proportion of PFIs that have significantly enhanced or developed products and services specifically tailored to the needs of female customers. 19 PFIs have implemented activities aimed at increasing outreach to women, such as developing targeted financial products and conducting gender-sensitive market research. These may include financial products – such as loans aimed at promoting women's entrepreneurship or improving their quality of life – as well as non-financial offerings – such as women entrepreneurship academies or capacity-building programmes. Most of these initiatives are preceded by customer surveys, interviews, or market research to better understand women's specific needs and identify the most suitable products or services.

IMPROVED RESPONSIBLE CONDUCT AT PFIs

95% **average score on responsible conduct** | *100% PFI coverage*
Based on Dimension 4 ALINUS (see section GGSF | SOCIAL PERFORMANCE). As 2024 is the first year of implementation of GGSF's strategy – and therefore the first year these KPIs are tracked – it is not yet possible to assess year-on-year improvements in responsible conduct. However, the baseline ALINUS score for Dimension 4 – Client Protection – recorded at the time of due diligence was 95%, indicating a very strong starting point. This high score reflects the advanced responsible finance practices already embedded in PFIs and reinforces the Fund's commitment to partnering with high-quality institutions that uphold strong social performance standards.

ADOPTION OF GENDER-SMART STRATEGIES BY PFIs

29 **PFIs with a gender-smart strategy** | *100% PFI coverage*
Based on the assessment of the portfolio managers. PFIs are considered to have a gender-smart strategy if they have either been classified as Gender-Smart, meaning they have demonstrated strong gender intentionality, concrete actions, and measurable outcomes (see the Gender Classification section for more information), or if they have integrated gender-related policies that go beyond compliance requirements, including women's career advancement initiatives, diverse representation strategies, and flexible work arrangements. While a direct comparison to previous years is not yet possible, this data provides a solid baseline for future assessments. The adoption of these strategies is key to ensuring that PFIs advance women's financial inclusion beyond individual lending practices.

WOMEN'S REPRESENTATION AT THE BOARD LEVEL

30% **women on the board of PFIs** | *100% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
30% of board members at PFIs are women. This is above the global average across industries, where women hold 23% of board seats (Deloitte, 2022), higher than the financial services industry average of 25% (Statista, 2023), and above the G20 average of 22% (IFC, 2023). These figures suggest that PFIs are doing better than many of their peers when it comes to promoting gender diversity in leadership.
42% of PFIs (22 institutions) meet the 2X Criteria threshold, with over 30% women among board members.
While this level of representation is encouraging, especially compared to global and industry benchmarks, it also highlights room for further improvement. PFIs are encouraged to continue advancing gender diversity at the board level. To support this, both board diversity targets and concrete activities aimed at improving women's representation on boards have been integrated into the Gender Action Plans (GAPs) of 3 PFIs.

WOMEN'S REPRESENTATION IN MANAGEMENT

35% **women in senior management of PFI** | *100% PFI coverage*
44% **women in middle management of PFIs** | *100% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
These figures show that PFIs are already on a good path to promoting women into leadership roles at different levels of their organisations.
63% of PFIs (33 institutions) meet the 2X Criteria threshold, with over 30% women senior managers. 14 PFIs have integrated specific actions into their GAPs to promote women's leadership, such as leadership training programmes for women and other initiatives aimed at advancing women into senior management positions.

WOMEN'S REPRESENTATION AMONG EMPLOYEES

70,000+ **direct employees** | *100% PFI coverage*
50% **women staff full-time equivalent (FTE)** | *100% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
71% of PFIs (37 institutions) meet the 2X Criteria threshold, with over 40% women employees. 11 PFIs have included in their GAPs targeted initiatives to support women's employment. These include inclusive hiring policies aimed at attracting female talent, referral programmes, and flexible working arrangements to promote work-life balance.

UNADJUSTED GENDER PAY GAP

14% **unadjusted gender pay gap** | *98% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
Among PFIs, the unadjusted gender pay gap stands at 14%, meaning that, on average, women earn 14% less than men. This is better than the global average where women earn approximately 17% less than men (Statista, 2025). While this result is encouraging and shows that PFIs are outperforming the global benchmark, continued efforts are needed to fully close the gap and promote equitable compensation practices across all levels of their organisations.

CLIENT LEVEL KPIs

REDUCED GENDER GAP IN FINANCIAL ACCESS

60%
320,000+ **women, women-owned or women-led borrowers in the retail, microfinance or SME client segments** | *88% and 90% PFI coverage respectively*
Based on self-reported figures provided by the PFIs for the reporting period.
GGSF has facilitated loans to more than 320,000 women, women-owned, or women-led businesses. This highlights the significant scale of impact achieved and demonstrates that GGSF-backed PFIs are reaching women who might otherwise face barriers to financial inclusion.
48% of PFIs (25 institutions) meet the 2X Criteria threshold, whereby over 50% of final borrowers are women, women-owned, or women-led businesses. This is a strong indicator of gender-inclusive lending practices among PFIs and suggests that the Fund is effectively directing capital toward its target group.

INCREASED OUTREACH TO UNDERSERVED WOMEN ENTREPRENEURS

USD 164M **outstanding amount of loans to women, women-owned or women-led borrowers in the micro, microfinance or SME client segments**
90% PFI coverage
Based on self-reported figures provided by the PFIs for the reporting period.

8.4% (# loans)
3.6% (USD loans) **% share of number and value of past due loans (over 30 days) to women, women-owned or women-led final borrowers in the micro, microfinance, or SME client segments** | *38% PFI coverage*
Based on self-reported figures provided by the PFIs for the reporting period.
As of year-end 2024, the share of loans past due for more than 30 days stood at 3.6% for target clients in the retail, microfinance, or SME segments, compared to 4.1% for their male counterparts, based on outstanding USD amounts. In terms of number of overdue loans, the share was 8.4% for target clients and 5.8% for men in same portfolio segments. This suggests that while women tend to default on smaller loan amounts, they do so more frequently. Due to limited data coverage, these initial findings are tentative and may shift with improved data availability in future years.

Note that the percentages of coverage noted show a not yet perfect data coverage rate and reflect a learning curve for PFIs in working with gender-smart indicators. In relation to the outreach indicators at client level, the 2024 data gaps have been filled with data points from 2023 for investees that had already received funding from the legacy fund, were reinvested in by GGSF, and for which data was available. When certain indicators could not be monitored at the onset of the investment by some PFIs, this formed part of the Gender Action Plan.

GENDER PERFORMANCE BY REGION

A regional perspective on GGSF gender performance indicators highlights diverse strengths and challenges in advancing gender inclusion.

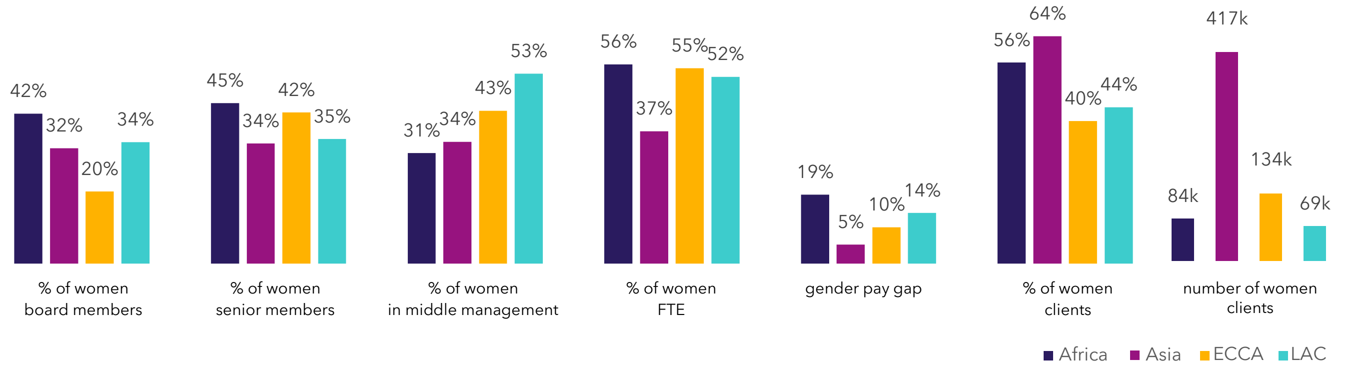
African PFIs show strong female representation in leadership, though this contrasts with the highest gender pay gap, which points to opportunities for improved equity in compensation.

Asian PFIs excel in reaching women clients, but lower female staffing figures than in other regions suggest room to strengthen gender inclusion within institutions.

ECCA PFIs typically operate in different contexts or structures than peers in other regions. The more modest performance across several indicators flags potential for targeted support to reinforce both internal and client-level gender strategies.

LAC PFIs demonstrate a relatively balanced profile, providing a solid platform for scaling gender-smart practices.

GENDER INDICATORS | RESULTS BY REGION



Note that the number of women clients is based on the total number of women clients reached by PFIs in each region; it is not adjusted to reflect GGSF's share of investment.

Women in governance and management of PFIs

Africa leads with the highest share of women in board positions and senior management. LAC performs well across leadership KPIs, while ECCA shows the lowest representation at board level highlighting a significant leadership gap.

Female employment (FTE) of PFIs

Africa, ECCA, and LAC report similar and relatively strong levels of female full-time equivalent staff. Asia lags behind, indicating lower participation of women in the workforce.

Gender pay gap in PFIs

Africa and LAC report the widest gender pay gaps. For Africa, this despite strong female representation in leadership and staffing. Asia and ECCA show more moderate disparities.

Women clients of PFIs

Asia stands out in terms of share of women clients as well as the highest absolute number. Africa, LAC, and ECCA show lower, yet still significant, levels of women reached – with Africa notably surpassing the 50% threshold of the 2X Criteria, and LAC coming close with 44%.

GENDER INDICATORS | RESULTS FOR TOP 4 COUNTRIES

How the top four countries in the portfolio – India, Mongolia, Ecuador, and Georgia – fared on gender warrants a more granular look. And benchmarking GGSF records against the 2X Criteria thresholds as well as national averages allows for more meaningful insights into gender performance across different contexts.

In GGSF's portfolio, India is the country with the highest exposure, totalling USD 60 million, distributed across 6 PFIs. Mongolia, in second place, also with 6 PFIs and an exposure of approximately USD 49 million. Ecuador ranks third with 7 PFIs and a total exposure of USD 28 million, followed by Georgia with 3 PFIs and an exposure of USD 20 million.

On average, PFIs in the four countries outperformed both the 2X Criteria thresholds and national benchmarks across key gender indicators. Ecuador stands out as the best-performing country, exceeding both benchmarks in 4 out of 5 indicators.

	GGSF	2X	National	GGSF	2X	National	GGSF	2X	National	GGSF	2X	National
	INDIA USD 60M | 6 PFIs			MONGOLIA USD 49M | 6 PFIs			ECUADOR USD 28M | 7 PFIs			GEORGIA USD 20M | 3 PFIs		
% women board members	30%	30% =	14% >	22%	30% <	12% >	44%	30% >	18% >	21%	30% <	30% <
% women in senior management	30%	30% =	9% >	36%	45% <	50% <	44%	40% >	37% >	38%	40% <	36% >
% women FTE	13%	25% <	16% <	65%	45% >	64% >	54%	45% >	53% >	66%	45% >	64% >
gender pay gap	-3%		29% >	10%		25% >	9%		23% >	-6%	25% >	
% women clients	78%	50% >	n/a	45%	50% <	n/a	48%	50% <	n/a	55%	50% >	n/a

Women in governance and management of PFIs

Ecuadorian PFIs reported 44% for both women on boards and in senior management, well above 2X thresholds as well as national averages. PFIs in the other three countries reported more balanced percentages of women in management when compared to the two benchmarks.

Female employment (FTE) of PFIs

The strongest performance across countries was observed in the share of women full-time equivalents (FTEs) of PFIs in Mongolia, Ecuador and Georgia – all surpassing both national averages and 2X Criteria. While there is still room for improvement – such as increasing the low percentage of women employees among Indian PFIs (13%) - the data overall reflects strong gender performance among PFIs in the four countries.

Gender pay gap in PFIs

On gender pay gap performance, PFIs also showed encouraging results. While gaps persist, all four countries performed better than their respective national averages.

Women clients of PFIs

Regarding the share of women clients, all countries were close to or above the 50% threshold. Indian PFIs stand out with 78% women clients, reflecting a strong gender-inclusive outreach.

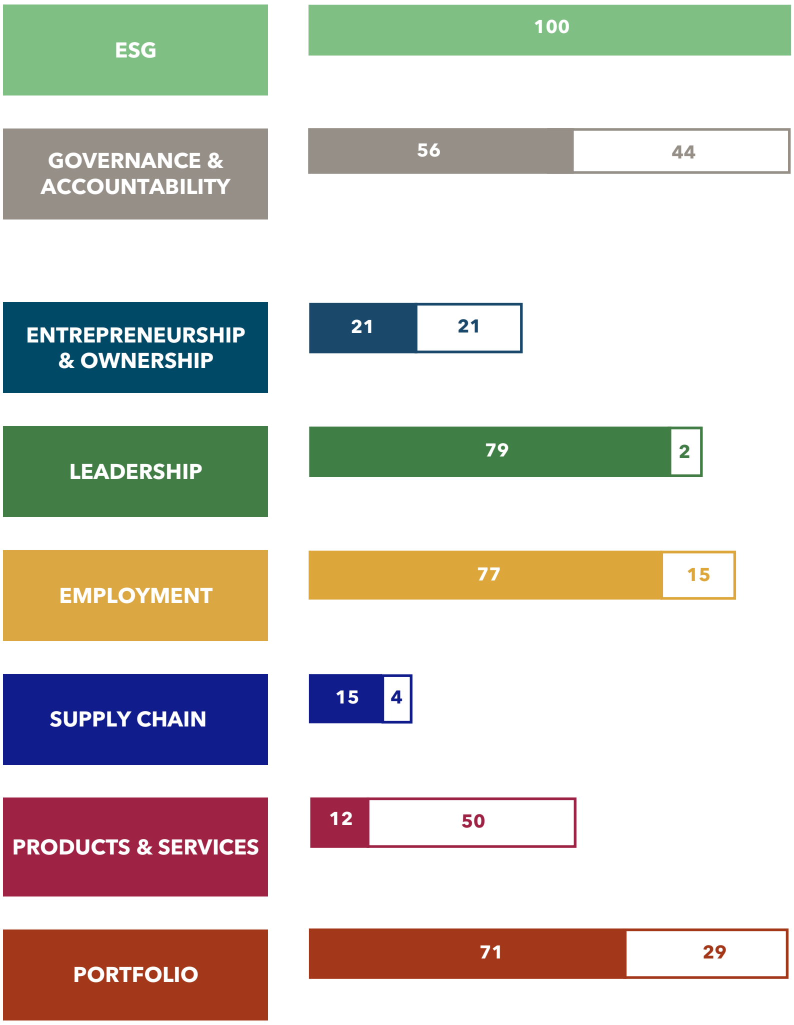
DATA SOURCES

NATIONAL AVERAGES AND THRESHOLDS: All national averages and thresholds used for the indicators "Share of women on the Board at PFIs," "Share of women in senior management at PFIs," and "Share of women, women-owned, or women-led final borrowers" are based on data compiled by 2X Global. These figures draw from credible primary sources, including EY (2022), Deloitte (2022), IDB (2016), the World Economic Forum (2022), and ILOSTAT.

GENDER PAY GAP: Data on national average "gender pay gap" indicator is sourced from leading international institutions such as the World Economic Forum (2024), the World Bank, the International Monetary Fund (IMF), and UN Women. A positive gender pay gap (10%, for example) means that, on average, men earn (10%) more than women. Conversely, a negative pay gap (-3%, for example) indicates that women earn (3%) more than men. The closer the gender pay gap is to zero, the greater the level of pay equality between men and women.

PORTFOLIO ALIGNMENT WITH 2X CRITERIA

GGSF's portfolio | 100% aligned with the 2X criteria



Investments that meet the basic 2X ESG requirements by considering environmental and social standards and gender risks, including GBVH, to ensure no negative impact on women

Investments that meet the Governance & Accountability Criteria of the 2X framework by demonstrating intentionality through strategic action, management systems, and gender data collection

Share of women ownership > 51% or business founded by a woman >50%

Share of women in senior management or share of women on the Board or Investment Committee above country-specific thresholds

Share of women in the workforce above country-specific thresholds and one "quality" Employment indicator beyond compliance

Commitment to women in the supply chain and one "quality" Supply Chain indicator beyond compliance

Product(s) or service(s) enhance(s) well-being of women/girls and/or drives gender equity

Investments through financial intermediaries that are aligned with the 2X Criteria through the intermediary's portfolio

■ currently ☐ committed to
as share of invested PFIs | a delta to 100% means no alignment with that specific criterion

Alignment with the 2X Criteria can be achieved by meeting the Basic 2X ESG (including safeguarding) and minimum Governance & Accountability requirements, AND (a) have at least ONE of the six 2X Criteria met, and (b) provide a time-bound commitment to meeting an additional criteria. Thresholds under each criterion are country and sector specific.

The GGSF portfolio originated in 2024 is 100% aligned with 2X Criteria, demonstrating particular strengths in the areas of Leadership, Employment and Portfolio criteria. On the latter, the GGSF use-of-proceeds clause mandates that 80% of the financing provided by GGSF should be earmarked for women or women-owned and women-led MSMEs, thus contributing to the commitment targets.

ESG & IMPACT RISK

The Fund's Impact & ESG Management System (IMS) guides how GGSF identifies and manages ESG risks and opportunities in alignment with international best practices. As part of its investment process, GGSF conducts a structured ESG risk assessment for each transaction, focusing on material risks relevant to the portfolio. The assessment evaluates environmental, social, and governance risks across two dimensions – inherent and residual risk – helping to distinguish between exposure and mitigation effectiveness.

The following summarises the ESG risk findings observed in the 2024 GGSF portfolio, including key risk drivers, scoring methodology, and how residual exposure is managed through the Fund's AIFM review process and follow-up actions with PFIs.

More details on the methodology are available at the end of this section.

ESG RISK

As part of GGSF's screening process, a comprehensive ESG risk review was conducted on 52 Partner Financial Institutions between January and December 2024. The assessments focused on identifying the most material risks and on tracking their evolution from inherent exposure to residual risk after mitigation.

The table below summarises average ESG risk scores across all PFIs with disbursements in 2024. It reflects the severity of risks and the effectiveness of control systems across three ESG dimensions: Impact, Likelihood, and Assurance.

AVERAGE ESG RISK SCORES ACROSS 52 PFIs DISBURSED IN 2024

	IMPACT	LIKELIHOOD	INHERENT RISK	ASSURANCE	RESIDUAL RISK
ENVIRONMENT	7.00	5.81	41.90	2.48	10.05
SOCIAL	7.00	5.51	39.63	3.56	14.09
GOVERNANCE	6.06	5.56	33.96	5.11	17.06
	1 = minor impact 10 = major impact	1 = rarely, if ever 10 = highly likely	1 = no risk 100 = very high risk	1 = effective controls 10 = ineffective controls	1 = no risk 100 = very high risk

The 2024 ESG risk assessment identifies governance and social risks as most prevalent in GGSF's portfolio. The assessment confirms that risks are generally well managed across PFIs disbursed in 2024 in all three risk dimensions – environmental, social, and governance – with ongoing efforts to enhance safeguards where needed. Notably, gender-related risks are proactively identified and addressed through rigorous assessment and monitoring. While gender safeguards are often embedded in policy frameworks, GGSF recognises that inconsistent application in practice – particularly in diverse cultural and institutional contexts – can leave issues such as Gender-Based Violence and Harassment (GBVH), discrimination, or exclusion undetected. As a gender-smart fund, GGSF is committed to going beyond assumptions of compliance, ensuring that gender risks are not only captured in assessments but are continuously monitored and addressed through practical, context-sensitive measures. This approach reflects GGSF's broader commitment to transparent risk disclosure and continuous improvement across its performance.

The risks identified above, and as mentioned throughout the assessment, are actively managed through improved internal controls, audits, borrower education, and responsible lending policies. Despite these measures, residual exposure remains material. For instance, to further mitigate governance and social risks, PFIs can implement improvements such as board charters, risk committee structures, and conflict-of-interest protocols tailored to their size and operational context. They can also strengthen internal audit functions to monitor lending practices for signs of over-indebtedness or inappropriate collections. Introducing simple client outcome tracking tools – such as post-disbursement surveys or repayment stress alerts – can help detect client harm early. Where relevant, GGSF can support these efforts through technical assistance that intersects with its gender-focused mandate, particularly in areas where gender outcomes are closely linked.

Environmental Risk | Residual Risk 10.05

The score reflects an average based on a small number of PFIs where environmental risks were identified, rather than broad portfolio exposure. Environmental risk is generally lower in this type of fund, as the overall portfolio has limited exposure to high-impact sectors. In the specific cases flagged, risks stemmed from exposure to sectors like agriculture and the absence of Environmental and Social Management Systems (ESMS). GGSF addresses these through the AIFM investment objection process, asking targeted due diligence questions to assess how environmental risks are managed. Once ESMS action plans are submitted alongside satisfactory responses, the residual risk is re-assessed – resulting in the moderate score shown here. These PFIs continue to be monitored to ensure effective implementation.

Social Risk | Residual Risk 14.09

This risk dimension is primarily linked to client over-indebtedness, weak affordability assessments, and inadequate client protection practices. These social risks are prevalent across the GGSF portfolio, particularly in markets with aggressive lending competition, high-frequency repayment models, and limited financial literacy. Vulnerable groups – such as women and informal workers – are often disproportionately affected when repayment schedules are misaligned with income patterns.

Through the AIFM investment objection process, GGSF assesses how PFIs evaluate repayment capacity, track borrower stress, and implement safeguards such as grievance mechanisms and responsible collection practices. Where gaps are identified, additional due diligence is conducted and mitigation measures are required before approval. Nonetheless, social risks remain dynamic and must be closely monitored amid ongoing macroeconomic pressures.

Governance Risk | Residual Risk 17.06

This residual risk was observed more broadly across all PFIs disbursed in 2024, reflecting common governance challenges such as concentrated decision-making, weak internal controls, and lack of transparency. These risks are often compounded by limited board oversight and the absence of formal governance policies – such as conflict-of-interest frameworks or risk committees – particularly in markets with weak regulatory supervision.

As part of the AIFM review process, GGSF assesses governance structures through targeted questions (e.g., "What is the composition and function of the board?" or "Are independent oversight mechanisms in place?"). Where gaps are found, additional documentation is requested to verify how governance shortcomings are addressed. While improvements are under way, macro-level institutional weaknesses may delay full implementation, requiring continued monitoring to ensure appropriate risk mitigation and accountability.

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UNDERSTANDING ESG RISK IN THE GGSF PORTFOLIO

A comprehensive ESG risk review is part of GGSF's investment screening process. The assessment identifies the most material risks and tracks their evolution from inherent exposure to residual risk after mitigation.

In short, the analysis assesses the **three dimensions – environmental, social, and governance** – based on three scores – impact, likelihood, and assurance – to then calculate with these scores two types of risk indices – inherent and residual. The methodology below explains how these scores and indices are captured.

ESG RISK SCORES

Impact Score: the three dimensions are assessed for each investment, whereby: 1 = minor impact; 10 = major impact

Likelihood Score: the three dimensions are assessed for each investment, whereby: 1 = rarely, if ever; 10 = highly likely

The **Inherent Risk Index** is calculated by multiplying the Impact Score by the Likelihood Score.

The resulting score represents the level of risk present, whereby 1 means no risk and 100 indicates very high risk. For example, high-impact and high-likelihood scenarios like environmental issues often produce higher inherent risk scores.

The **Assurance Score** is assessed based on the mitigations provided for each risk, either in the investment proposals or via the questions and answers at the non-objection process to the AIFM, whereby: 1 = effective controls; 100 = ineffective

The Residual Risk Index adjusts for mitigation by incorporating the Assurance Score (a proxy for control effectiveness) using the formula: (Impact × Likelihood × Assurance) ÷ 10.

The resulting score (between 1 and 100) represents the level of risk present after controls or mitigation efforts – whereby 1 means no risk and 100 indicates very high risk.

Together, these indices help evaluate both raw exposure and how well that exposure is controlled.

IMPACT RISK

As a complement to ESG risk analysis, assessing impact risk is an essential element of GGSF's ESG & Impact Management System (IMS). This ensures that both potential negative risks and intended positive outcomes are systematically identified, evaluated, and managed throughout the investment process. The review assessed three key impact risk aspects – Alignment Risk, Execution Risk, and Evidence Risk. The risks identified in the Fund's first year were not unexpected given the early stage of the Fund. They were addressed through practical adjustments and process improvements.

KEY IMPACT RISKS AND HOW THEY WERE ADDRESSED

impact risk	potential issues	actions implemented
ALIGNMENT RISK	In the early phase, several PFIs in the pipeline had not yet been assessed using a gender-lens approach. The absence of standard tools and benchmarks meant that early engagement was not fully aligned with the Fund's gender objectives.	From Q2 2024, GGSF deployed the Gender Action Plan template and Equilo diagnostic tool to establish a consistent baseline. All subsequent investments are now screened using aligned, benchmarked criteria.
EXECUTION RISK	There was a risk that gender priorities (e.g., GBVH policies, women in leadership, inclusive governance) would not be systematically embedded into investment processes. Portfolio managers applied ESG/gender frameworks inconsistently across regions and investment flows.	GGSF introduced standard gender expectations across all investments, embedded them in investment memos, and implemented a unified ESG/gender risk matrix. The AIFM provides investment-level non-objections to ensure consistent execution.
EVIDENCE RISK	The Fund lacked a structured way to ensure that gender-related loan targets (e.g., female board representation) would be met by maturity. Early PFI reporting was inconsistent and lacked disaggregated or country-benchmarked data, limiting evidence of actual gender outcomes.	The Fund launched a gender outcome monitoring framework and linked follow-up milestones to loan terms. It also deployed the Equilo tool and ESG templates. Advisory support through GGSF's Technical Assistance Facility can be provided to PFIs to improve gender data quality.

The Fund's first year involved challenges and a learning curve relating to developing and implementing new gender tools across multiple countries and teams. Tools were developed in a structured way through close collaboration between the various parties of the Fund. With this engagement of partners, and with tools and processes now in place, the Fund is in a strong position to select aligned PFIs, monitor impact more reliably, and reduce future impact risks.

PAHAL | India

Pahal, a microfinance institution founded in 2011 in Western India, focuses on enhancing financial inclusion, particularly for women. With over 570,000 female clients – 97% of its customer base – Pahal is a significant supporter of rural and agricultural communities. It allocates half of its assets under management to agriculture, benefiting farmers directly. Operating across more than 360 branches in 11 states, Pahal serves over one million households and provides clean water and sanitation to more than 34,000 clients.

Since 2018, Pahal has partnered with GGSF and formerly its legacy fund MEF. In 2024, Pahal received two loans from GGSF – USD 2.5 million and USD 7.5 million – accounting for around 5% of their total funding. A female co-founder and 50% female representation on the board underscore Pahal's commitment to gender-focused development.

Pahal champions diversity, equity, and inclusion (DEI), offering microfinance products tailored to women and conducting financial literacy programmes. However, it faces challenges in increasing female staff in field operations, though aiming to raise women's participation in the workforce from 7.6% to 12% by 2027. Plans include a referral programme, partnerships with HR consultants, and a management trainee initiative.

A powerful example of Pahal's impact is the story of Yasotha, a client from the Erode District in Tamil Nadu. In June 2023, she secured a loan of USD 460 (INR 40,000) from Pahal's Arani branch to purchase high-quality paddy seed. The resulting harvest was abundant, enabling her to invest in drip irrigation. She also used the surplus income to buy a cow, adding a source of income for her family. Yasotha's success story highlights how Pahal's microfinance offerings help transform lives, uplift communities, and foster sustainable economic growth.

SOCIAL PERFORMANCE

GGSF Portfolio | SPI5-ALINUS score

79% | 71% CERISE+SPTF benchmark

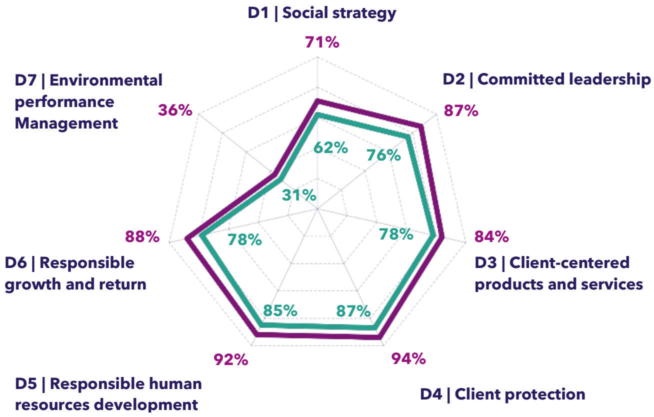
With an overall ALINUS score of 79% GGSF PFIs demonstrate stronger social performance than their peers (71%)

GGSF PFIs outscore the CERISE+SPTF benchmark in all dimensions and they all adhere to a comprehensive code of conduct for client protection

GGSF PFIs demonstrate stronger social performance than their peers – as benchmarked by CERISE+SPTF for 2024. In line with GGSF's key objective to support the development of an inclusive financial sector with responsible finance, the Fund leveraged its relationships to ensure that its PFIs comply with good practice social performance standards or are committed to improving their practices over time. For this, the Fund engages closely with CERISE+SPTF, directly and through the portfolio managers.
With an overall score of 79% – compared to 71% for their peers – 25 PFIs outscored the peer group of 254 captured by CERISE+SPTF in all seven dimensions. Notably, GGSF's PFIs outscored the benchmark quite homogenously by between 5 and 10 percentage points. A closer look – with a more granular approach examining the indicators within each dimension – reveals some differences, for instance when comparing based on the size or maturity of PFIs.
The overall result and the high scores on client protection, transparency, and responsible pricing (captured in Dimensions 4 and 6) indicate that GGSF identifies and engages with partner institutions with an emphasis on client orientation and protection.
Also, GGSF PFIs are largely high performers in overall scores: 80% of PFIs scored either 'Excellent' or 'Very Good' (i.e. scores above 71%), compared to 61% in the peer group.
The findings confirm that GGSF is successful in building a portfolio of PFIs with strong social performance complementary to its gender-smart investment strategy. This reflects the Fund's policies supported by the robust processes of its three portfolio managers and its AIFM.
See more on CERISE+SPTF and SPI5-ALINUS in section CERISE+SPTF | GGSF's partner on social performance.

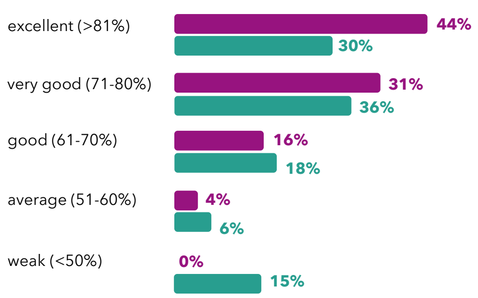
GGSF PFIs | Overall scores

benchmarked to their peers



GGSF PFIs | Frequency of scores

benchmarked to their peers



2024 SAMPLE & BENCHMARKING

For 2024, out of 52 PFIs in GGSF's portfolio, 44 completed an ALINUS-SPI5 qualitative audit. To ensure robust results, only fully completed reports were included in the detailed analysis. Thus, for this year the data of 25 PFIs was included in the comparative analysis against the Cerise+SPTF universe (which captured qualitative data for 254 institutions).

Notably, CERISE+SPTF's benchmark is based on a sample mainly composed of SPI5 audits of institutions that are either financed by at least one investor, are part of a network, or have been accompanied by a qualified auditor. This makes the benchmark more relevant for GGSF in terms of scope while also more demanding in terms of performance.

SOCIAL PERFORMANCE PER DIMENSION

Dimension 1 | Social strategy

71% | 62%

GGSF PFIs overall outperformed the benchmark in social strategy (71% | compared to 62%). They scored above the peer group on defining a social strategy (81% | 73%) and collecting social data (60% | 51%). Also, PFIs with a strategy that defines the demographic and socioeconomic characteristics of target clients was above the peer group (92% | 71%).

Dimension 2 | Committed leadership

87% | 76%

GGSF PFIs excelled beyond their peers in committed leadership (87% | 62%). Among PFIs, 76% had their boards use the analysis of the risk of client over-indebtedness to monitor client protection at least annually (compared to 68%). PFIs had a committed management – with 84% of PFIs where senior management analyses and assesses client protection risks at least annually (compared to 72%). PFIs scored slightly above the benchmark regarding women in management (36% | 35%) and just above the benchmark regarding women as board members (29% | 28%).

Dimension 3 | Client-centered products and services

84% | 78%

GGSF PFIs reached a score of 84% on client-centered products and services (compared to 78%). They outscored their peers in designing well-tailored products, especially when it comes to conducting market research and monitoring client feedback (87% | 77%) and ensuring benefits to clients through products, services and channel diversity (81% | 79%). Significantly more than their peers, PFIs conducted regular client satisfaction surveys (80% | 60%).

GGSF PFIs also fared better than their peers on benefits to clients through diversity of products and services (81% | 79%) – including payment services (50% | 32%) and non-financial services (77% | 75%). They scored lower than the benchmark when on offering voluntary insurance (18% | 23%); and voluntary savings (30% | 40%).

Dimension 4 | Client protection

94% | 87%

GGSF PFIs scored especially high on client protection (CP) (94% | 87%). GGSF stood out with 100% of its PFIs adhering to a comprehensive code of conduct for CP (compared to 88%). PFIs also excelled in transparency and client empowerment – with 88% informing clients about the usage and sharing of their data, obtaining explicit consent before any utilisation (compared to 69%), as well as providing their clients with a key facts summary document before they sign a contract (92% | 72%).

Dimension 5 | Responsible human resource development

92% | 85%

GGSF PFIs scored high on responsible human resources development (92% | 85%). More specifically, they scored well in attracting and maintaining a qualified and motivated workforce (97% | 91%), in aligning their HR development system with the social strategy (91% | 82%), and in ensuring a safe and equitable work environment (88% | 82%).

Dimension 6 | Responsible growth and returns

88% | 78%

GGSF PFIs scored well above the benchmark on responsible growth and return (88% | 78%). On responsible pricing, PFIs scored 93% (compared to 81%), indicating that they predominantly comply with this indicator related to client protection. Also, close to all PFIs disclosed loan interest on a declining balance and according to the exact date of payment (96% | 77%).

Dimension 7 | Environmental performance management

36% | 31%

GGSF PFIs scored above their peers on environmental performance management (36% | 31%). They outperformed peers on fostering green opportunities, with a higher share that raise awareness of clients on their vulnerability to environmental degradation (32% | 21%), and a higher share that build capacity of clients to reduce this vulnerability (24% | 11%). Nonetheless, this dimension also shows most room for improvement, especially on identifying and managing environmental risks and opportunities at the client level: only 4% of PFIs identify clients' vulnerability to climate change and environmental degradation (compared to 15%).

FOCUS ON CLIENT PROTECTION

As stated in its Impact & ESG Management System the Fund has incorporated the Client Protection Pathway in its investment strategy. It requires Fund PFIs classified within the Fund's microfinance portfolio to commit to Step 1 of the Pathway. As of March 2025, a total of 436 Financial Service Providers (FSPs – as financial institutions are labelled in the context of the Pathway) have committed to implementing Client Protection (CP). Of these, 78 are in GGSF's portfolio.

While GGSF PFIs committed to CP and CP-enlisted are expected to increase in numbers, the 94% score for Dimension 4 'Client Protection' indicates that PFIs – albeit not all CP-enlisted – are particularly strong in client protection practices (compared to 87% for their peers).

After the closing of the original 'home' of client protection – the Smart Campaign – in 2020, CERISE+SPTF launched the Client Protection Pathway in September 2021 to provide continuity to the Smart Campaign's efforts to promote client protection.

The Client Protection Pathway offers a way for FSPs to demonstrate their commitment to implement CP practices, and for investors to identify committed partners. Third-party validation – to evaluate and confirm their state of practice – is the final step on the CP Pathway. By joining the Pathway, FSPs have access to a global network of FSPs who are committed to client protection, a roadmap for implementing the CP Standards, a community for staying on track and up to date with the latest issues on CP, guidance in delivering responsible products, and a way to communicate their progress on CP to investors.

For further details see https://cerise-sptf.org/join-the-client-protection-pathway/

ACTIVITY REPORT

MARKET ENVIRONMENT

Persistent geopolitical tensions, economic uncertainties, and shifting monetary policies marked a challenging market environment in 2024. The ongoing war of Russia against Ukraine as well as heightened tensions in the Middle East and an intensifying US-China trade war exacerbated geopolitical risks and weighed on economic performance. Inflation continued to challenge central banks over the course of the year. Whereas in 2023 many central banks had aggressively raised interest rates to combat a surge in inflation, 2024 witnessed a shift in focus as inflationary pressures began to ease and the United States' Federal Reserve (Fed) eventually cut rates starting from the third quarter. With this slower than anticipated reaction, persistent funding cost pressures challenged loan pricing negotiations. Emerging markets meanwhile demonstrated resilience and growth, offering significant opportunities amid lower market liquidity. However, varying monetary policies across portfolio countries and high hedging costs, particularly for local currency transactions in Africa and Asia, posed challenges. Interest rate volatility, client expectations, and country-specific risks influenced pipeline development.

Though operating in a challenging market environment in 2024, GGSF had a successful first year as a gender-focused fund. With the implementation of the gender strategy into investment and monitoring processes as well as reporting frameworks in the first quarter, the Fund experienced strong demand for financing from Partner Financial Institutions (PFIs) throughout the year. The origination efforts of the portfolio managers resulted in an impressive gender lens disbursement volume of USD 301 million for the year, making full use of the investor base of the predecessor fund. These results demonstrate the positive perception of the Fund and strong demand for a gender strategy; although PFIs have yet to fully internalise gender action requirements.

PORTFOLIO EVOLUTION

2024 was a pivotal year for GGSF with the gender strategy implementation and transition from MEF. GGSF achieved significant progress in 2024; despite a slow start in the first quarter and a shrinking portfolio due to high repayments resulting from MEF commitments maturing prior to the initial close of the predecessor fund.

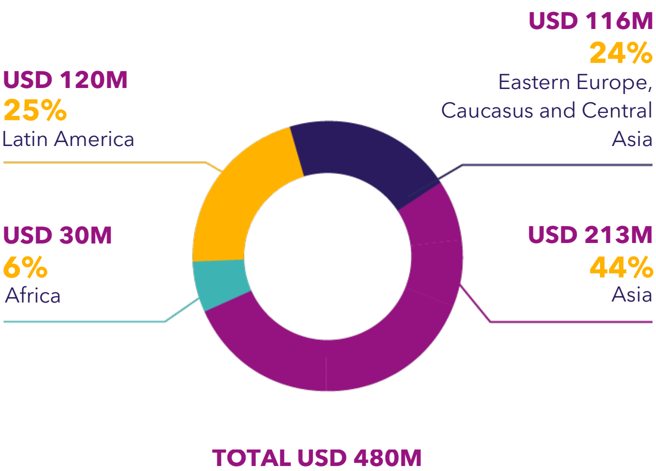
Throughout the year, portfolio managers actively deployed capital, resulting in record disbursement volumes. This strong performance led to an increase in the portfolio, with GGSF ending 2024 with an outstanding portfolio of USD 480 million. Building on MEF's legacy portfolio of USD 459 million as of year-end 2023, GGSF's portfolio initially decreased, then grew by 5% by the end of 2024. The Fund's investments had an average ticket size of USD 5 million and an average tenor of 37 months, in line with strategic positioning to provide medium to long-term financing to PFIs.

GGSF supports financing of micro-businesses and SMEs. The microfinance portfolio comprises PFIs whose underlying loans to micro and small enterprises have a maximum loan size at disbursement of USD 10,000. The SME portfolio comprises PFIs with underlying loans granted to small and medium-sized enterprises which at disbursement have a minimum of USD 10,000 and a maximum of USD 100,000. In GGSF's strategy, SME financing has an increased focus compared to the legacy fund – MEF's investment strategy was mostly focused on microfinance. Given such historical positioning, as of year-end 2024, the Fund's microfinance portfolio accounted for 91% of total portfolio and SME finance for 9%.

By year-end 2024, GGSF's portfolio was well diversified across the developing world – building on MEF's legacy portfolio – recording 151 loans invested in 114 PFIs across 44 countries. GGSF extended new funding to 52 PFIs under its gender strategy, supporting PFIs committed to advancing their gender journey. These institutions are actively working on closing gender performance gaps in line with the objectives outlined in their respective Gender Action Plans, which is a condition of financing from GGSF. Out of the 52 PFIs that received funding from GGSF in 2024, 34 were clients of MEF, and 18 are new PFIs that were drawn to the Fund's gender strategy. Over the course of the year, 41 PFIs exited the portfolio.

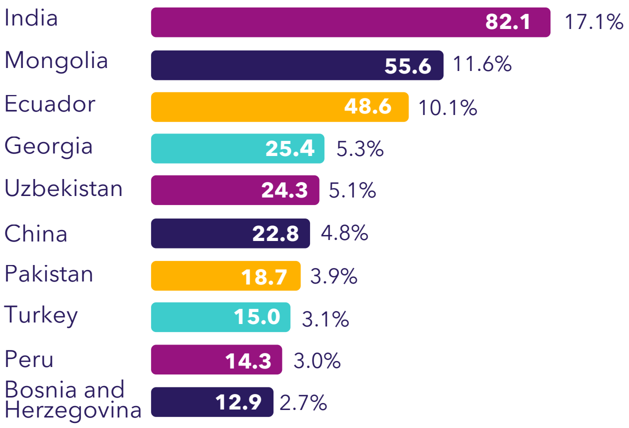
In terms of regional diversification – for GGSF including the legacy portfolio – Asia was the largest region (44%), followed by LAC (25%) and Eastern Europe and the Caucasus (EECA) (24%). EECA experienced positive demand for financing, ranking second in terms of regional disbursements, following Asia with favourable demand. Africa accounted for a low share in the Fund's portfolio (6%) due to difficult market conditions and high hedging costs.

REGIONAL DISTRIBUTION



The top ten countries in the Fund's total portfolio – GGSF's including the legacy portfolio – as of year-end 2024 were: India with 17%, Mongolia with 12%, and Ecuador with 10%; then Georgia, Uzbekistan, and China with 5% each; followed by Pakistan with 4% and Turkey, Peru, and Bosnia & Herzegovina with 3% each.

TOP 10 COUNTRIES



TOTAL USD 320M | 67% of loan portfolio

In India, the Fund disbursed USD 68 million in 2024 to new and existing clients. Throughout the year, the Fund saw strong demand for financing from Indian PFIs nearing its country exposure limit. While the Indian microfinance sector saw a rise in asset quality issues – largely linked to aggressive growth post-COVID-19 and increased regulatory scrutiny on pricing and compliance – the Fund's portfolio managers conducted field visits and confirmed that the Fund's portfolio quality had not been affected. The portfolio managers further reported that all GGSF investees complied with sustainability principles and met client protection standards.

In Mongolia, the Fund disbursed USD 49 million in 2024 to new and legacy clients. The high funding demand placed it second in the country ranking. Mongolia's economy showed strong performance in 2024, maintaining robust growth despite challenges from severe weather and livestock losses. The country benefitted from strong export activity to China and windfall commodity revenues, helping to stabilise inflation and allowing the central bank to ease monetary policy. Aligned with its strong economic trends, Mongolia was reclassified as an upper middle-income country by the World Bank. Despite this economic progress, gender and social inequalities remain an issue. Women and socially excluded groups often face barriers to accessing formal financial services due to cultural norms, issues in physical accessibility, and education gaps. While legislative steps have been taken to promote gender equality, deep-rooted social and cultural biases continue to limit opportunities. In this context, GGSF's mission has strong relevance in Mongolia.

In Ecuador, the Fund disbursed USD 20 million to new and legacy clients. Ecuador remained a key market for the Fund in 2024. From a macroeconomic perspective, the country continued to face significant sovereign debt pressures, reflecting broader challenges characteristic of the LAC region. While Ecuador's banking sector is considered resilient, it remains constrained by complex regulatory oversight. Over the past several years, the banking system has proactively adapted to sovereign vulnerabilities by reinforcing liquidity and solvency buffers. As an investment strategy, the portfolio managers prioritised larger, well-established institutions with strong historical funding relationships and robust market positioning, as these institutions maintain adequate buffers against potential volatility in the operating environment. Ecuador's risk-return profile remains unfavourable, characterised by high country risk and low returns due to regulatory interest rate caps that limit financial institutions' ability to absorb higher funding costs. Gender and social inequalities persist, with minority groups facing higher levels of discrimination and vulnerability, despite some progress in recent years. Women remain disproportionately affected, experiencing higher unemployment rates, lower wages, and exclusion from the social security system. Given the strong need for gender-focused funding, Ecuador continues to be an important strategic market for GGSF with carefully selected partners.

With the top three countries – India, Mongolia, Ecuador – nearing their respective country limits, aggregate top five country exposure slightly increased while the remaining portfolio remained well-balanced across regions.

The Fund recorded some shifts within the top 20 countries compared to the legacy fund portfolio – with Bosnia & Herzegovina, South Africa, and El Salvador entering the ranks, and Cambodia, Nepal, and Vietnam exiting. The Fund strategically reduced its exposure to Cambodia, continuing the MEF legacy policy of ceasing new disbursements since September 2023 due to concerns of over-indebtedness in the country. By 2024, only one exposure to Cambodia remained in the MEF legacy portfolio, with all other PFI loans fully repaid at maturity. No new countries entered GGSF's portfolio compared to the MEF legacy portfolio.

OPERATING & FINANCIAL PERFORMANCE

GGSF's total assets stood at USD 550 million at the end of 2024, compared to the legacy MEF assets of USD 601 million at the end of 2023. Meanwhile, the portfolio ended the year at USD 480 million, whilst the MEF legacy portfolio stood at USD 459 million. The liquidity buffer GGSF inherited was high at year-end 2023 owing to lower origination activity and large reimbursements aligned with the initial maturity of MEF's shares. Such high liquidity enabled the largest senior shareholders of MEF, IFC and KfW, to partially redeem their senior shares, with the long-term objective to sustain expected portfolio growth through increased private sector investors' financing.

GGSF's Total Expense Ratio (TER) in 2024 increased marginally to 1.65% (1.59% in 2023, based on average total assets).

The Fund's distributable income amounted to USD 27 million. Throughout most of the year, SOFR rates remained relatively stable until the Fed implemented several sharp rate cuts starting in the third quarter, responding to easing inflation and a weakening labour market. Portfolio managers operated in a challenging market environment marked by difficult pricing negotiations – owing to a later than expected calming interest rate environment while hedging costs remained elevated. Despite these challenges, the strong investment activity of GGSF contributed to a successful and profitable year. Along with a decreasing fixed rate portfolio (with weaker returns), the Fund's financial performance exceeded expectations in 2024. Thus, in 2024, target dividends were fully covered for both share classes and complementary dividends were distributed to Senior and Junior Shareholders.

ASSET QUALITY

In 2024, the portfolio quality deteriorated over the course of the year, mainly due to a weaker performance in the Latin America & Caribbean (LAC) region. The increase in impairments was mainly driven by two PFIs in the legacy portfolio facing serious ESG events. These led to financial distress due to underlying solvency issues of the PFIs.

Overall GGSF's total provisioning was slightly lower than in 2023 – due to the realisation of provisions in the form of write-offs out of MEF's legacy portfolio as the cleaning up of loans continued in 2024.

Over the course of 2024, nine PFIs entered the provisioned portfolio. On the other hand, provisions for six PFIs were reversed over the course of the year.

Overall, portfolio quality has been on a stabilising trend since the COVID-19 impact peaked on the portfolio. At year-end 2024, defaulted portfolio and loan loss reserves reached 6.3% and 5.4% of the loan portfolio, respectively.

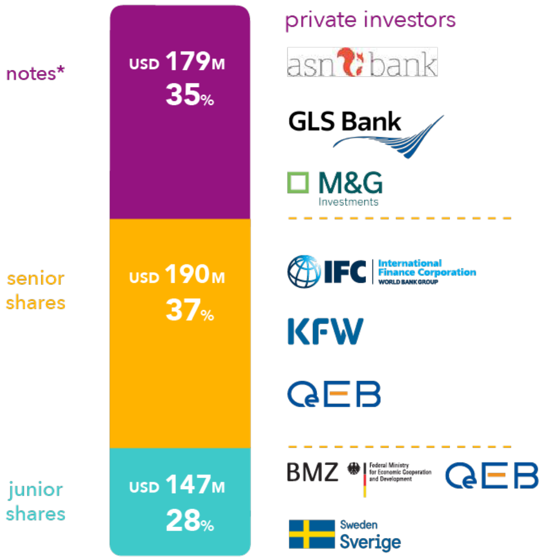
INVESTOR STRUCTURE & INTEREST

GGSF experienced high investor interest – owing to a highly relevant strategy focusing on gender finance and a management and capital structure aligned to more private-led investor support of the Fund. GGSF raised fresh financing of approximately USD 90 million from three private investors: one new investor and two long-term partners of the legacy fund MEF, convinced by its new strategy. The private financing has funded GGSF's dynamic investment activity and increased diversity in the liability structure, contributing also to an improved leverage of the founding public shareholders' funding.

As the Fund anticipates sustained portfolio growth over the coming years, discussions are ongoing with a number of investors for additional funding in 2025, both in the form of subordinated and senior notes.

FUNDING STRUCTURE

as of 31 December 2024



TOTAL USD 517M

* notes including accrued interest

OUTLOOK 2025

2024 was a transition year for GGSF, marking its launch from the legacy fund MEF. The focus was on gearing up to a fully operational Fund strategy and operating with a new management and capital structure. In 2025, the Fund will continue building a strong pipeline and establishing GGSF as a compelling brand for gender financing in developing countries.

With aid flows to emerging markets and developing economies drying up rapidly, the era of Official Development Aid is seemingly coming to an end. The focus is shifting rapidly towards catalysing private funds to invest in these markets, combining development impact with positive financial returns. From this perspective, GGSF is well positioned to realise its' gender lens investment strategy.

GGSF's markets are expected to remain resilient in the upcoming period despite ongoing geopolitical uncertainties. The Fed is likely to proceed cautiously, closely monitoring inflation and employment trends. Further interest rate cuts are anticipated, with inflation remaining above the Fed's 2% target. While overall inflation in emerging markets is anticipated to remain relatively stable, interest rates may be more volatile and vulnerable to external factors – such as US tariffs and affected nations' policy response, which may add to economic uncertainty. Still, significant opportunities persist in the market and GGSF's portfolio managers have been building a healthy pipeline, including some sub-debt investment opportunities.

Maintaining a strong focus on advancing gender equality is more important than ever in light of the rising pushback against diversity policies and the escalating impact of climate change on women. Portfolio managers will continue to collaborate closely with PFIs to drive their gender-focused initiatives, leveraging technical assistance (TA) to support efforts such as improving access to finance for women borrowers, enhancing gender diversity within teams, and developing gender-disaggregated data to inform better products and services. Crucial for the Fund and its portfolio managers in 2025 will be to accompany PFIs in their often still early gender-lens steps – to support and monitor PFI performance on their gender action plans and to ensure PFIs are on track with their targets to close the identified gender gaps.

In terms of regional outlook, EECA continues to demonstrate strong potential and excellent portfolio quality, despite political and environmental changes. Kyrgyzstan's microfinance sector faced political interference, while Georgia's government actions have strained relations with the EU and US, creating uncertainty. While these political instabilities require caution, there is still a strong potential for growth in the EECA region. The rest of the region remains relatively stable, with a stable or positive outlook for most countries.

In LAC, despite some structural challenges, there is a positive outlook for Colombia, Guatemala, Honduras, Paraguay, and Peru, where growth continues to gain momentum. Nicaragua, though facing some compliance risks due to recent legal changes, still shows moderate growth potential, presenting an opportunity for careful engagement. The region's prospects for 2025 remain promising, with a strong focus on navigating political pressures and strengthening financial resilience.

Asia presents robust opportunities, particularly in Indonesia, where digital transformation is creating a wealth of market expansion possibilities. While challenges exist in India and Pakistan, their long-term outlook remains positive – with Sri Lanka and Vietnam offering fresh opportunities for growth and stabilisation in the coming years. India's microfinance sector continues to present strong funding opportunities, driven by sustained high demand for credit, especially at the bottom of the pyramid. Given the Fund's small remaining headroom in India, Portfolio Managers intend to adopt a selective investment approach in 2025. This means a focus on reputable clients with robust risk management practices and strict compliance.

Africa continues its gradual rebound, supported by resilient economies and ongoing reforms. Ivory Coast, Kenya, Senegal, and Tanzania are experiencing positive economic growth, with easing inflation contributing to a stable investment environment. Nigeria's improving socio-political situation, alongside the UEMOA (the West African Economic and Monetary Union) region's stability, further enhances the investment outlook. As these countries continue to stabilise, Africa presents expansion opportunities, especially in financial sectors that show signs of strengthening. However, the pace and scale of these opportunities will depend on how quickly local market conditions keep up with the broader trends in emerging markets, particularly in terms of funding environments.

Lastly, portfolio managers are actively working on building pipeline opportunities in the world's poorest regions such as those with access to IDA support (the International Development Association). The Fund is committed to reaching a 35% share of portfolio invested in IDA-eligible countries as quickly as possible. 2024 closed with a portfolio share in IDA-countries of 17%, signalling investment opportunities and efforts for the coming years. While pipeline origination in the transition year 2024 focused on more stable markets, the Fund is expected to increase its outreach to underserved regions in 2025, with considerable pipeline planned in IDA-countries such as Uzbekistan as well as Ivory Coast, Pakistan, and Sri Lanka, depending on local market developments.

SOLVA | Kazakhstan

Mariyam Mukanova is a client of Solva, a digital finance provider in Kazakhstan. Solva benefitted from a USD 5 million loan from GGSF. An accountant by profession, Mariyam decided to step away from her career in finance and pursue her long-standing dream of opening a business. Inspired by a well-known Kazakh entrepreneur and motivated by her role as a mother, she chose to focus on creating a business that would serve the community: a children's educational centre.

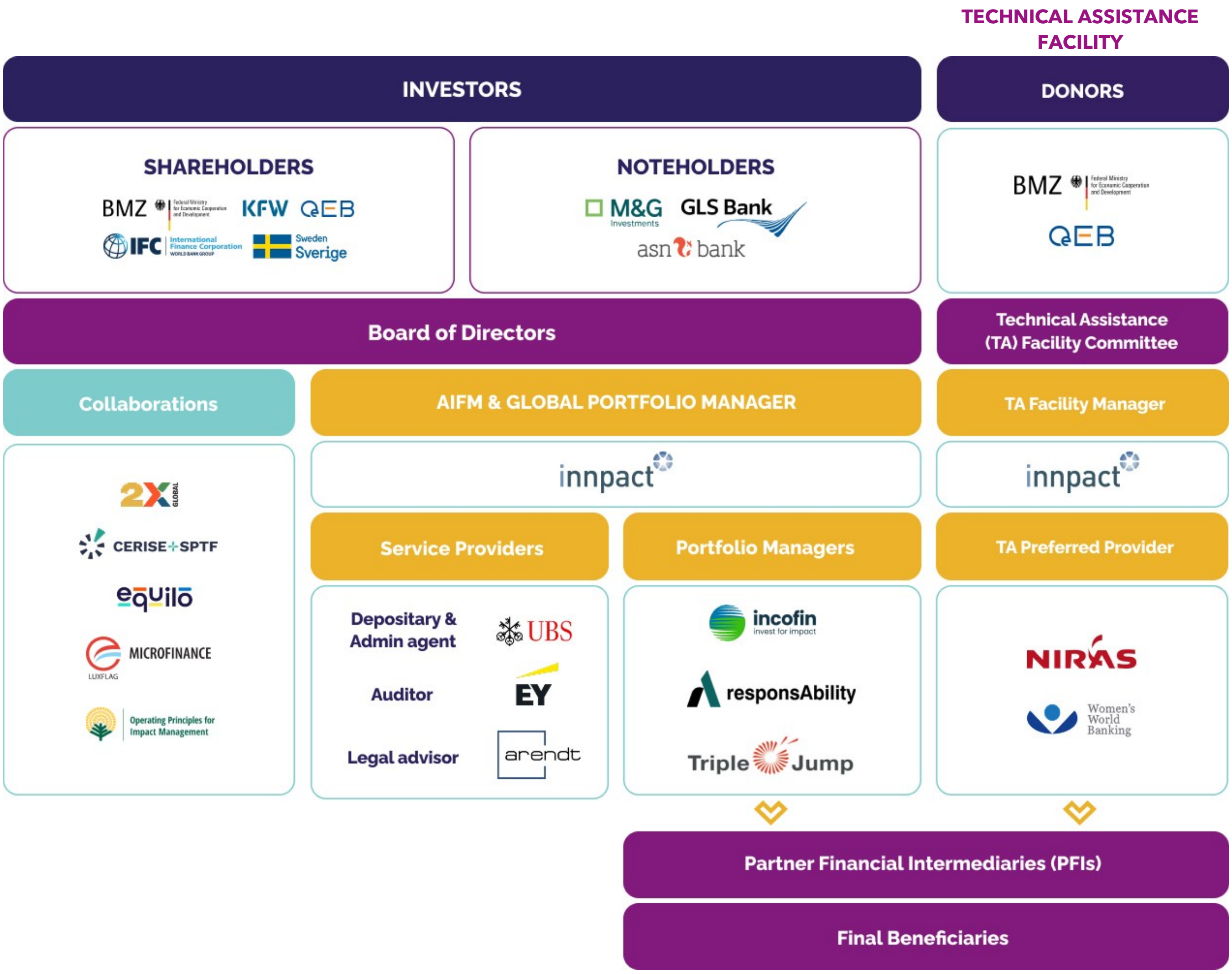
Though without initial capital, Mariyam was determined to make her vision a reality. With a strong drive and a willingness to take risks, she took out a loan, purchased a space, and completed renovations with the help of friends — all within a week. Shortly thereafter, she opened the doors of her training centre and started offering courses for children almost immediately.

The early stages of running the centre were challenging. Mariyam took out a short-term loan with a large monthly payment, and much of the money earned in the first six months was directed back into the business. Today, the centre offers paid after-school programmes for elementary school students, including classes such as in English, Kazakh, and mathematics. The centre's mission is to encourage children's creativity, help them develop social skills, and provide useful knowledge that will benefit them in both their schooling and future careers.

Although other educational centres exist in the city, Mariyam sees healthy competition as an opportunity for growth, motivating her to continuously improve and offer value to her customers. For women looking to start their own business, Mariyam offers practical advice: focus on your interests and passions, understand that success takes time, and view business as a long-term investment. Although the financial rewards might not come immediately, the journey is worthwhile if it aligns with something you truly care about.

FUND FACTS

GLOBAL GENDER-SMART FUND S.A SICAV-SIF



LEGAL NAME

Global Gender-Smart Fund S.A.
SICAV-SIF (GGSF)

FUND TYPE

Investment public limited company under Luxembourg Law, qualified as a specialised investment fund

STRUCTURING AGENT

KfW Development Bank (Germany)
International Finance Corporation (IFC)

INCEPTION DATE

01 January 2024

GGSF transitioned from Microfinance Enhancement Facility S.A. SICAV-SIF (MEF) | MEF closed in December 2023

REGISTERED OFFICE

5, rue Jean Monnet – 2180 Luxembourg
Grand-Duchy of Luxembourg

MAIN FINANCIAL PRODUCTS

Medium to long-term senior loans
at fixed and floating interest rates

INVESTMENT CURRENCIES

Local currencies, EUR, USD

SFDR CLASSIFICATION

Article 9

BOARD OF DIRECTORS

Momina AIJAZUDDIN

Orli ARAV

Ruurd BROUWER
Chair

Sharmila HARDI

Alan RIDGWAY

Changes to the Board of Directors | Joining: Sharmila Hardi (Q3 2024) | Departing: Ihno Baumfalk and Swapnil Neeraj (Q2 2024)

AIFM

Innpact, an expert in impact finance, advised and accompanied the Fund initiators through the design, set-up, and launch of MEF in 2009 and had been supporting the Fund through extensive fund management support and coordination services, including regulatory fund and impact management and compliance as well as investor relationship management.

Since the implementation of the new structure and strategy in January 2024, Innpact Fund Management, a 100% subsidiary of Innpact, serves as alternative investment fund manager (AIFM) and global portfolio manager.

Innpact performs portfolio management, risk management, impact management, asset & liability management, relationship management & reporting to the Board and to investors, coordination of service providers, external communication, placement, compliance, administration and valuation services, subject to the overall supervision of the Board. The AIFM has authority to act on behalf of the Fund within its function.

Innpact is a leading impact finance specialist providing advisory and third-party impact fund management services.

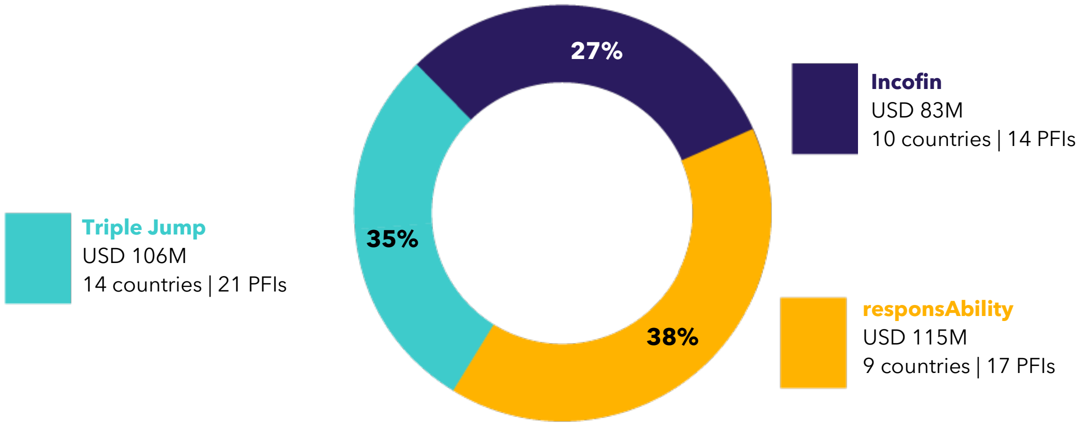
The team has unrivalled expertise in designing and structuring impact funds and blended finance vehicles. Working with fund managers, sponsors, and investors around the world on impact investing projects, Innpact has supported impact investments totalling more than USD 10 billion.

PORTFOLIO MANAGERS

Three portfolio managers were selected through a tender process launched in late 2022 and concluded in early 2023. The portfolio managers have delegated credit approval at the level of their internal investment committees, with the AIFM providing a non-objection on all investments from a risk and impact perspective.

PORTFOLIO DISTRIBUTION

in GGSF's portfolio as of 31 December 2024



Incofin is a leading impact investment firm dedicated to financial inclusion, sustainable agri-food systems, and clean water access. With over USD 1.1 billion in assets under management, Incofin is an AIFM-licensed fund manager. Its 90+ professionals across Belgium, Colombia, Kenya, and India have invested USD 4.7 billion through equity and debt financing. Active in 50+ countries, Incofin drives inclusive progress in emerging markets.

Triple Jump is an impact-focused investment manager with over USD 1.3 billion in assets under management and a two-decade track record of pioneering in markets where finance provides solutions to global challenges while generating sustained returns for investors. Headquartered in Amsterdam, with regional offices in Nairobi, Tbilisi, Bangkok, Lima, and Mexico City, its global team of 120 professionals represents over 35 nationalities. Since inception in 2006, Triple Jump has financed approximately 575 portfolio companies through its Financial Institutions, Direct Investments, and Fund Investments business lines, reaching 3 million end-clients across more than 60 countries. The company has held an AIFM license since 2016.

A leading sustainable asset manager with more than 20-year track record, **responsAbility Investments AG** specialises in private market investments. Since its inception in 2003, responsAbility has deployed over USD 16.3 billion in impact investments. With over 270 employees collaborating across seven offices, as of 31 December 2024 the company managed USD 5.4 billion in assets across 339 portfolio companies in 70 countries. As part of M&G plc since 2022, responsAbility has contributed to enhancing capabilities in impact investing, thereby creating specific, measurable impacts alongside competitive market returns.

TECHNICAL ASSISTANCE PREFERRED PROVIDERS

To support the ambitious gender strategy of GGSF a Technical Assistance Facility (TAF) has been put in place thanks to the continuous support of the fund's largest shareholder, the German Ministry of Economic Development (BMZ). The Austrian Bank for Development OeEB also provided donor funding to the TAF in early 2025, thus confirming its strong alignment with the Fund's strategic priorities.

The TAF aims to engage with PFIs in selected interventions. In order to harmonise processes across portfolio managers and PFIs, and to ensure the highest quality of Technical Assistance (TA) delivery, a Technical Assistance Preferred Provider (TA PP) has been selected through a tender process, under the supervision of the AIFM acting as TAF Manager (TA FM) and the TAF Committee, comprising representatives of the Board and of TA donors.

The TA PP, in collaboration with the TA FM and the portfolio managers, developed a TA menu, which lists priority interventions that can be linked to the Gender Action Plans of each PFI, thus facilitating selection and implementation of TA engagements. The consortium NIRAS / Women's World Banking is the TA PP for the Fund.

NIRAS is an international multi-disciplinary consultancy firm headquartered in Denmark. NIRAS International Consulting is its largest business unit. It specialises in providing services in development cooperation to international financial institutions, and bilateral and multilateral partners. NIRAS has a fixed presence in 34 countries across a network of 62 offices in Europe, Africa, Asia Pacific, and Latin America.

For more information see www.niras.com

Women's World Banking is an NGO. For over 45 years, it has been dedicated to serving the nearly 1 billion women excluded by the formal financial sector. It provides strategic support, technical assistance and information to financial institutions and policymakers to design, develop and implement services that facilitate systemic change for low-income women in emerging economies.

For more information see www.womensworldbanking.org

FUND FINANCIALS

BALANCE SHEET

ASSETS	December 2024	December 2023
Loans to PFIs	479,527,687	458,765,673
Current assets	68,657,621	142,170,518
of which: cash & cash equivalent	*49,432,637*	*115,790,533*
Other assets	638,581	836,701
Total assets	**548,823,889**	**601,772,892**
LIABILITIES		
Notes	179,955,450	90,000,000
Current liabilities	29,998,143	45,247,182
of which: dividend payable	*17,425,971*	*26,477,645*
Total liabilities	**209,953,593**	**135,247,182**
NET ASSETS	**338,870,296**	**466,525,710**

INCOME STATEMENT

Net assets at the beginning of the year	**466,525,710**	**548,502,591**
INCOME		
Interest on loans	38,147,305	46,042,276
Upfront fees	2,357,317	697,129
Other income	2,199,687	3,817,522
Total income from investments	**42,704,309**	**50,556,927**
EXPENSES		
Portfolio management fees	(3,271,557)	(4,759,725)
AIFM fees	(2,119,383)	-
Legal and audit fees	(262,769)	(372,624)
Administration, custodian and domiciliation fees	(534,428)	(635,393)
Interest expenses on notes	(9,942,674)	(7,440,415)
Other direct operating expenses	(2,976,706)	(5,748,997)
Total expenses	**(19,107,517)**	**(18,957,154)**
Net income from operations	**23,596,792**	**31,599,773**
Net realised/unrealised gains/(losses) on foreign exchange, forward, swaps	(1,242,498)	(1,891,023)
Value adjustments for unrecoverable amounts on loans and advances to PFIs	(11,967,087)	(5,505,536)
Net increase/decrease in net assets as result of operations for the year/period	**10,387,207**	**24,203,214**
MOVEMENT IN CAPITAL		
Subscription of shares	-	-
Redemption of shares	(120,616,650)	(79,702,450)
Advance of dividend	(17,425,971)	(26,477,645)
NET ASSETS AT YEAR-END	**338,870,296**	**466,525,710**

Note: In accordance with annual financial statements prepared under Luxembourg GAAP and reflecting both the GGSF strategy portfolio disbursed in 2024 and the MEF legacy portfolio.

ABBREVIATIONS

AIFM	Alternative Investment Fund Manager
CP	Client Protection
ESG	Environmental, Social and Governance
EUR	Euro
ESMS	Environmental and Social Management System
Fed	United States' Federal Reserve
FSP	Financial Service Provider
GAP	Gender Action Plan
GESI	Gender Equality and Social Inclusion
GSA	Gender-Smart Assessment
GBVH	Gender-Based Violence and Harassment
IDA	International Development Association
IMS	Impact & ESG Management System
KPI	Key Performance Indicator
NGO	Non-governmental organisations
PAI indicator	Principal Adverse Impact (PAI) indicator
PFI	Partner Financial Institution
SME	Small and medium enterprise
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
UEMOA	Union Economique et Monétaire Ouest-Africaine (West African Economic and Monetary Union)
USD	US Dollars

GLOBAL GENDER-SMART FUND

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