

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Advance Trade Growth Offshore Fund, Ltd. (the “Fund”)

Legal entity identifier: N/A

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 95%¹	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

¹ Cash/non-sustainable holdings are minimal and held to provide ancillary liquidity.



What is the sustainable investment objective of this financial product?




The Fund’s sustainable investment objective is to support local, responsible, and inclusive economic growth by delivering well-structured financing options that help small and medium businesses thrive¹. The Fund achieves this aim by investing substantially all of its assets into a master fund, the Global SME Growth Fund LP, (the “Master Fund”) The Master Fund provides debt funding to financial institutions that provide credit to SMEs in underserved markets worldwide to generate commercial financial returns and positive social impact.

While environmental, social, governance and impact (ESGI) considerations are integrated throughout the investment lifecycle of the Master Fund², the focus of its sustainable investing activities is on generating positive social impact.

The social impact goals of the Fund and the Master Fund:

1. **Financial Inclusion:** Delivering flexible financing to underserved SMEs
2. **SME survival, growth and jobs:** Increasing SME survival, revenue and jobs
3. **Opportunities for women:** Creating economic opportunities for women throughout the value chain
4. **Stronger local financial ecosystems:** Developing long-term partnerships with SME funders that strengthen local communities

Alignment with sustainable industry standards

	<p>Contribute towards achieving UN Sustainable Development Goals (“SDGs”): Gender Equality, Decent Work and Economic Growth, Industry, Innovation and Infrastructure and Reduced Inequalities</p>
	<p>Signatory to the UN Principles for Responsible Investment</p>
	<p>Member of 2X Global, the leading gender-focused investing initiative</p>

¹ Small and medium businesses (“SMEs”) are defined by the Fund as businesses that employ fewer than about 300 people.

² Key environmental considerations include the exclusion of investments in the IFC’s Exclusion List (2007) and in businesses substantially involved in the extraction, exploration, production or refining of fossil fuels. Key governance considerations include engaging with our financial institution partners to promote rigorous, fair and ethical business practices as well as supporting our social impact goals.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

22 sustainable impact indicators are measured and tracked for financial institution partners and for their SME clients to measure progress towards the stated sustainability goals. These metrics are compared to the Master Fund’s historical impact results³ and mapped against leading impact standards such as: IRIS+, UN SDGs, UN PRI, and 2X Global to ensure consistency with industry standards.

Key sustainable impact metrics include:

- Number of SMEs financed
- Average SME transaction size
- Jobs supported and created
- Local income created
- Businesses led by women

The Annual Impact Report provides in-depth analysis and is based on data collected from the financial institution partners and their SME clients across the global portfolio³. In addition to the key metrics cited above, the report includes detailed gender analysis, data on the number of suppliers, customers, and local community outreach.

The ESGI Policy describes the processes and indicators the Master Fund is managed against to achieve the sustainable impact objectives throughout the investment process.

Key elements of the ESGI Policy include:

- AGC Impact Framework — A four-dimensional framework that defines the objective and approach to attaining impact outcomes across investors, financing partners, SMEs, local financial ecosystems with a gender-lens focus.
- Negative ESGI Screens — The exclusion of transactions that are substantially involved in the extraction, production, refining of fossil fuels and those described in the IFC’s Exclusion List (2007).
- Positive ESGI Screens — Signed ESGI Memorandum of Understand (MOU) supporting the Master Fund’s ESGI objectives, and compliance with local governance, environmental, labour, health and safety laws.

The robust diversity, equity, and inclusion (DEI) policy of the investment manager to the Fund and the Master Fund, Advance Global Capital Ltd (the “Investment Manager”) serves to align it’s activities with the objective of the Fund and the Master Fund’s impact strategy. The Investment Manager regularly convenes team-wide discussions about what has worked well, and what can be improved upon. In addition, there are three impact-related KPIs (average invoice size, percentage of women-led financial institution partners, and women-led SMEs).

³ As of June 2023, the impact database contained detailed impact data for the prior six years. The data was sourced through a proprietary survey covering over 17 countries with data from financial institution partners as well as from their SME clients.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Master Fund investments are carefully selected based on the ability to generate both a reasonable financial return for investors and a positive net impact. The Master Fund’s ESGI Policy describes how sustainable impact objectives are operationalised, including how the risk of negative or harmful outcomes as a result of investing activities is reduced. Master Fund investments contribute to solving the global challenges addressed by the United Nations Sustainable Development Goals (“SDGs”). Specifically, investments of the Master Fund support one or more of the following sub-set of SDGs:

- Goal 5: Gender Equality
- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities

The Investment Manager is a signatory to the UN supported Principles for Responsible Investment. In addition to these standards, the Master Fund excludes transactions that are deemed harmful such as investments in businesses involved in the production of oil and gas, tobacco, weapons, or logging companies in primary tropical forests.

The Master Fund does not make investments that are not aligned with the sustainability and impact objectives of the Fund (or the Master Fund). Investments in its portfolio are monitored for on-going basis for compliance. A senior member of the impact team of the Investment Manager is included in the investment committee and supports the operations team to resolve complex ESGI issues if and when they arise.

If the Investment Manager identifies a situation where a financial institution partner is no longer compliant with the ESGI criteria of the Master Fund, it works with them to find a solution. If it cannot adequately resolve the issue, the Master Fund may exit the position if the Investment Manager determines that it may cause significant harm to the Master Fund’s sustainable investment objectives during the holding period.

To ensure that the Master Fund portfolio addresses future risks to creating negative outcomes and harming our social sustainable investment objectives, the ESGI Policy and practices are reviewed on an annual basis. Any material developments or negative industry trends are considered and appropriate amendments to the Master Fund’s investment strategy will be made when necessary to ensure compliance with the overall Objective.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As described above, the Master Fund strives to ensure the effective management of potential adverse impacts associated with its investments. The Master Fund’s indicators cover many adverse impacts on sustainability factors defined in Annex I of Commission Delegated Regulation (EU) 2022/1288 (the “PAI Indicators”). However,

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

not all of the indicators in Annex I are relevant to the Master Funds' investment model. The Master Fund's investees, the financial institution partners, and their SME clients are smaller, early-stage companies that are predominantly located in emerging markets.

The Master Fund has determined that neither the financial institution partners nor their SME clients would be able to provide sufficient and reliable enough data to satisfy the requirements of reporting on the PAI indicators. Due to the fact that the Master Funds' investments avoid high risk industries and due to the small size of both the financial institution partners and their SME clients, there is a low risk of causing a material adverse impact on environmental sustainability.

The Fund and Master Fund will continue to monitor their activities in the context of the PAI indicators but make adjustments relevant to their investment model.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Neither the Master Fund or the Fund specifically align to the OECD Guidelines or the UN Guiding Principles on Business and Human Rights. The Master Fund's ESGI MOU addresses many of the same issues but are framed to be material, understandable and commercially viable to implement in the context of the Master Fund's emerging market financial institution partners and their SME clients. Amongst other things, financial institution partners are required to:

- Provide financing products that are fairly priced and ethically marketed to small and medium businesses to help them grow and create jobs
- Work to increase economic opportunities for women
- Conduct business ethically and responsibly following applicable local environmental, labour, and health and safety laws and regulations
- Provide customers with a way to send feedback and protect their confidential information



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No

Neither the Fund or the Master Fund currently consider the principal adverse impacts of investment decisions on sustainability factors in accordance with the specific regime outlined in the SFDR (the PAI Regime). Taking into account the size, nature and scale of the Master Fund's activities and the types of products the Master Fund currently makes available, the Fund and the Master Fund have decided not to comply with the PAI Regime at this time.



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund is typically 100% invested in the Master Fund with other holdings being confined to cash and equivalents used for liquidity purposes. The Master Fund extends lines of credit to local financial institutions to deliver funding for small and medium-sized enterprises in emerging and underserved markets worldwide. As financial inclusion impact funds, the Fund and the Master Fund aim to generate both positive financial returns and a demonstrable sustainable impact return. The Master Fund only invests in companies that meet the criteria described in the Master Fund's Investment and ESGI Policies. Once the investment is made, the position is monitored for compliance with both financial and ESGI criteria throughout the investment lifecycle. Key impact indicators are reviewed on an ongoing basis. An in-depth annual impact report which analyses and reports on impact across the portfolio is published for the Master Fund. Subject to any Board-approved temporary waivers, the Investment Manager will exert all reasonable efforts to limit single-name credit exposures to no more than 15% of the assets of the Master Fund and maintain overall country limits of no more than 30% of the assets of the Master Fund, each at the time of investment.

All of the Fund and the Master Fund's investments generate positive sustainable social impact and contribute to solving the global challenges addressed by the United Nations Sustainable Development Goals ("SDGs"). Specifically, the investments of the Master Fund support one or more of the following sub-set of SDGs:

- Goal 5: Gender Equality
- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Fund is effectively wholly invested into the Master Fund. As an impact fund focused on investments in predominantly emerging markets, the Master Fund's Private Placement Memorandum, Investment Policy and ESGI Policy contain extensive requirements (all of which are binding on the Investment Manager) in respect of investment selection and achievement of impact objectives.

Relevant binding elements of the Master Fund include:

- The Master Fund will not knowingly invest in any activity as described in the IFC Exclusion List (2007) or in businesses substantially involved in fossil fuel extraction, exploration, production, or refining
- The Master Fund does not invest in transactions that do not positively contribute to at least one of the four Sustainable Development Goals outlined above

- The Master Fund does not invest in transactions that do not meet the Master Fund’s ESGI criteria
- Asset allocation, geographic and investment concentration limits are referenced in the Investment Policy and other fund documents which are provided to investors.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

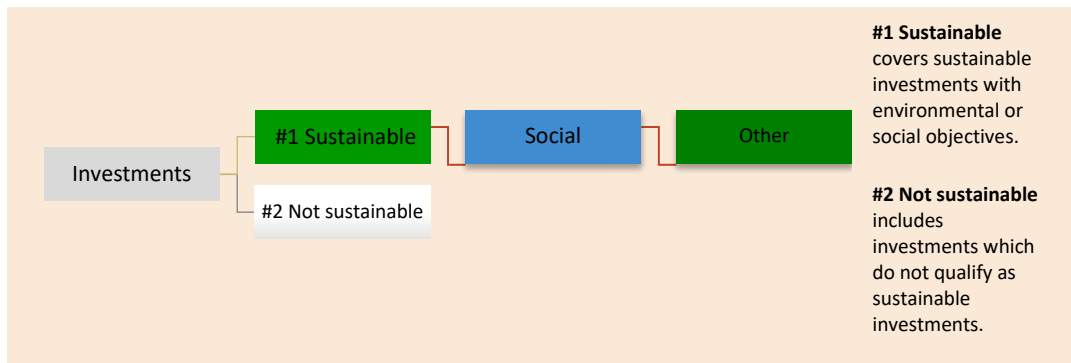
The ESGI due diligence includes pre-investment screens and an assessment of the governance practices of each investment. Prior to disbursement, the financial institution partners are required to sign an MOU about ESGI. Representations relating to good governance include agreements to:

- Create more economic opportunities for women
- Treat people with respect and conduct their business ethically and responsibly
- Follow local environmental, labour, health and safety laws, standards and regulations
- Provide customers with a way to send feedback and protect their confidential information

Asset allocation describes the share of investments in specific assets.



What is the asset allocation and the minimum share of sustainable investments?



The Fund is effectively wholly invested in the Master Fund, subject to the exception outlined below. The Master Fund provides debt funding to financial institutions that provide financing to SMEs and that meaningfully contribute toward its impact goals. Substantially all these investments comply with the Master Fund’s Investment and ESGI Policies and are considered “category 1” or sustainable as they are subject to previously described requirements for sustainability/ESGI criteria.

Regarding “category 2” investments, both the Fund and the Master Fund may, for purposes of liquidity management, also maintain an allocation of highly liquid assets including cash and money market funds.

With the exception of the cash/liquidity management portion of the portfolio, all investments are considered and are required to be “sustainable” and meet the criteria established in the Master Fund Prospectus and Investment Guidelines.

● **How does the use of derivatives attain the sustainable investment objective?**

From time to time, the Master Fund may employ an FX hedging strategy to allow it to extend financing to SMEs in local currency.



What is the minimum share of sustainable investments with a social objective?

95 %¹



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

As noted previously, the category 2 investments consist of highly liquid instruments such as cash and traded money market funds. There is no screening of cash or money market investments against ESGI criteria.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No, neither the Fund or the Master Fund have a designated reference benchmark in order to meet their sustainable investment objectives. Both the Fund and the Master Fund are actively managed within and subject to their respective investment strategy.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.advanceglobalcap.com

Please contact the fund management company directly by emailing Sudha Bharadia at sbharadia@advanceglobalcap.com

¹ Cash or other liquid/non-sustainable holdings are minimal and held to provide ancillary liquidity.