GEMCORP
CAPITAL

Our approach to impact: Investing where it matters most

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At Gemcorp Capital, our mission is clear: to unleash the potential of emerging markets by bridging the capital gap between the developed and emerging markets. Our goal is to consistently deliver compelling, risk-adjusted returns to our investors. The two are not mutually exclusive.

We are not a manager of impact funds in the conventional sense. Indeed, tight regulatory restrictions around the word 'impact' prohibit us to use it. Yet, because of where and how we invest, investing impactfully is inherent in what we do, not a by-product.

Unlike public bond markets, which mostly trade existing debt from large companies and sovereigns and limit investors influence, private credit channels capital directly into underserved businesses and projects. We believe this gives investors greater influence in shaping positive outcomes.

It is a simple but powerful truth that a dollar of capital deployed in Kinshasa, Kuala Lumpur or Kuwait goes further and achieves more than the same dollar in New York, London or Tokyo. The cost of transformation is cheaper; the unmet needs are greater and the potential for change is larger. Logically, any institution looking to invest in the most impactful way should be drawn to the opportunities in emerging markets.

Emerging markets are home to over 80% of the world's population and nearly half of global GDP. They are also home to some of the youngest, most dynamic and most underserved communities in the world. Currently, however, these regions attract less than 10% of private credit capital globally.

This isn't just a market inefficiency; it is a funding gap, with profound consequences for economic development, livelihoods and resilience.

For us, this is a call to action. We exist to help close this gap, not as a charitable endeavour, but through disciplined, commercial and patient investing that will benefit our clients and the economies in which we invest.

Influencing outcomes: Private vs public credit

Emerging markets private credit gives investors a higher potential to achieve positive impact because capital is deployed directly to businesses and projects that are often unable to access traditional financing.

Transactions may support essential outcomes such as job creation, infrastructure development, access to healthcare and education and the transition to cleaner energy. By negotiating terms directly with borrowers, investors can influence how capital is used and include conditions that promote responsible business practices, governance and sustainable growth. This targeted method of deployment contrasts with public bond markets, where capital is raised for general corporate or budgetary purposes and investor influence is indirect and diluted.

By contrast, in private credit, every dollar invested flows to a company, project or initiative where the marginal impact of financing is significant. We believe these characteristics make emerging markets private credit a far more effective channel for investors seeking both financial returns and measurable, positive impacts.

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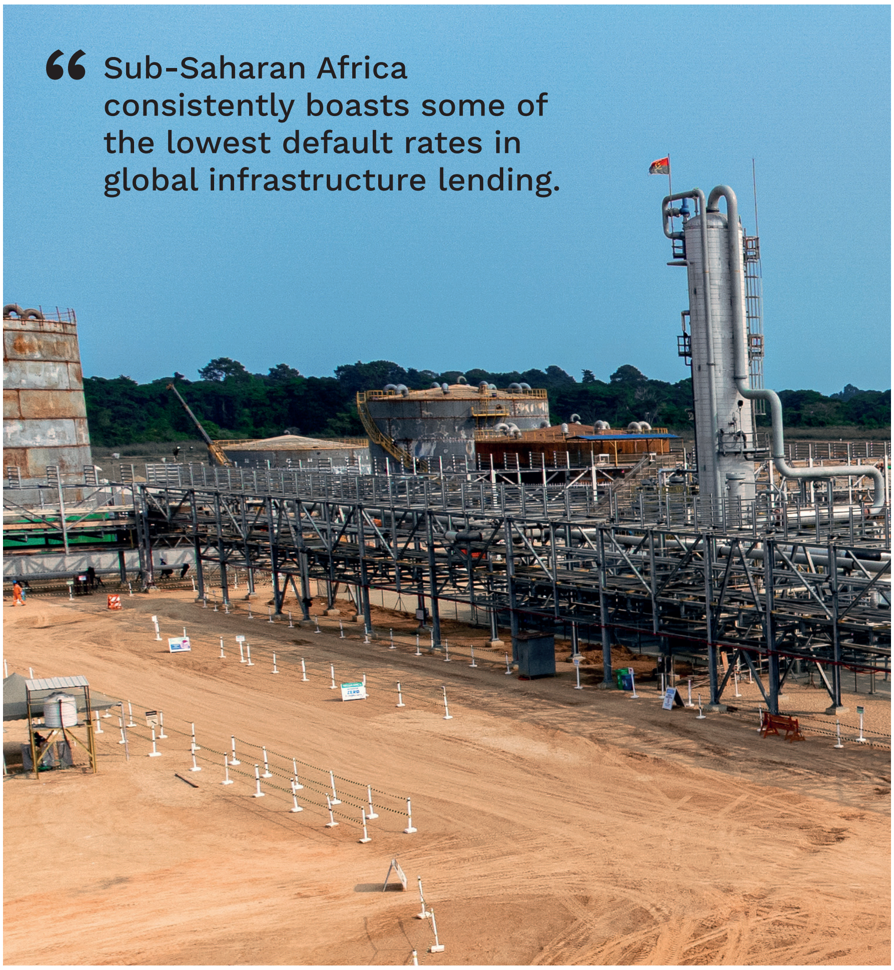
Capital scarcity as a filter, not only a constraint

Capital is abundant in developed markets and scarce in many emerging markets.

We see this scarcity as a filter, rather than a weakness. It forces rigour, discipline and focus. It ensures that the most essential, well-structured and commercially viable projects attract financing.

Contrary to popular misconceptions, this dynamic often results in lower default rates and higher-quality investment opportunities. Sub-Saharan Africa, for example, consistently boasts some of the lowest default rates in global infrastructure lending. Why? Because scarce capital gravitates only to the most appealing projects, with strong fundamentals, robust structuring and often backing from governments, development finance institutions or export credit agencies.

Effectively, every dollar deployed has outsized consequences. A single loan may fund the construction of a water treatment plant, the expansion of healthcare access or the scaling of a young entrepreneur's enterprise.



Dual value creation: Returns and impact are not trade-offs

We firmly believe that financial performance and impactful investment outcomes are inseparable in emerging markets. To put it another way, strong financial rewards and tangible societal benefits are not competing priorities but two sides of the same coin.

We invest in projects and companies that are essential to human and economic development:

Energy security: From conventional power generation that lights homes and factories, to renewables that are reshaping electricity grids as well as harnessing metals and minerals to build future technologies.

Water security: Treatment and distribution systems that improve health outcomes and reduce child mortality.

Food security: Providing healthy and plentiful food to support self-sufficiency and growing populations.

Life improvement: Investment across areas dedicated to improving overall economic and human development, including education and healthcare.

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These are not faddish investment themes. They are the bedrock of transformation. Each represents tens of billions of dollars in unmet demand. Each dollar deployed in these sectors will multiply through individuals, communities and economies – magnifying outcomes.

Take Angola as an example. For over a decade, we have invested billions in long-term partnerships supporting strategic projects in healthcare, energy and water infrastructure. These are not quick wins or transactional engagements. They are patient, multi-year investments built on trust, shared goals and mutual growth. They have delivered robust returns for our clients and strengthened the foundations on which the Angolan economy depends.

A second example comes from our work in healthcare across Africa. Here, private credit has enabled the construction of new diagnostic centres and the expansion of affordable pharmaceutical distribution. For investors, these projects generate predictable cash flows underpinned by high demand. For communities, they mean earlier diagnoses, wider access to medicines and better health outcomes. This is dual value creation in action, where commercial success is inseparable from societal progress.

Raising capital and standards

OUR APPROACH TO ESG IS NOT AN EXERCISE IN BOX-TICKING. IT IS EMBEDDED INTO OUR INVESTMENT DECISIONS, RIGOROUS AND EVOLVING

- We apply strict exclusion criteria, avoiding sectors such as arms, gambling, tobacco and other activities that do not align with our principles.
- We actively work with portfolio companies to improve their governance structures, transparency and operational standards.
- We continue to monitor and engage with companies we invested in before our ESG framework was formalised, ensuring improvements extend across our portfolio.

In our view, good governance is good for business. Investments are more likely to succeed when companies are well run, transparent and resilient.

Since Gemcorp Capital was founded, robust due diligence has been embedded into our investment process. Financial metrics are, of course, a critical consideration, but so are the people, governance structures and societal contexts behind each transaction. We formalised this approach into a robust ESG framework with reference to the International Financial Corporation's Performance Standards on Environmental and Social Sustainability and the UN Principles for Responsible Investment.

In many cases, we bring a private equity mindset to credit investing. That means actively helping borrowers improve governance, attract more funders and access broader capital markets. It also means structuring deals that work for both parties, where borrowers see sustainability and utility and investors see resilience and returns.

By raising standards rather than simply supplying capital, we help ensure our portfolio companies can thrive not just during the life of our investment, but long after. This is good for them, good for the societies in which they operate and good for our investors.

CASE STUDY

Quilonga Grande Project, Angola

Access to clean water and sanitation is a key element in human health. Without access to clean water there is a significant impact on health and economic development, as well as increased levels of infant mortality. Infrastructure investment is key to the provision of this at scale.

Challenge
Severe water supply shortages are exacerbated by accelerated population growth in Luanda, leading to outbreaks of water-borne diseases. The Quilonga project aimed to resolve these issues, but the project had stalled.

Solution
We provided a structured financing line to restart the build and implementation of the water treatment facility, supporting the project with monitoring, coordination and ESG integration.

Outcome
Quilonga will collect water from the abundant Kwanza river, supplying up to 518 million litres of water daily, benefiting up to 3.5 million people. It will guarantee a sustainable and safe water supply, strengthening water security in critical areas in Luanda and delivering major improvements for public health.

Supporting development without double standards

Emerging economies are industrialising, urbanising and unlocking natural resources to fuel their growth. They are building the physical, digital and institutional infrastructure that underpins modern economies.

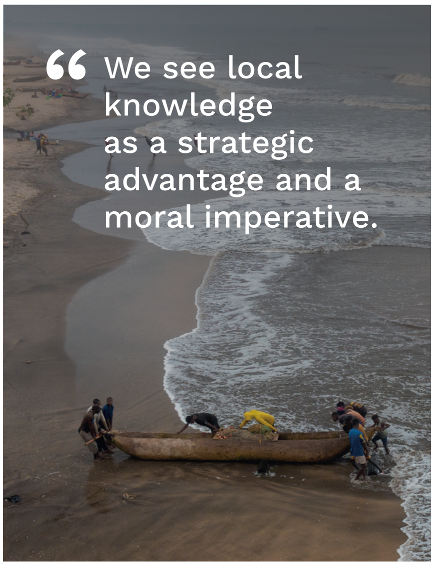
And yet, these emerging economies are often expected to meet the same sustainability standards as developed nations despite being at a fundamentally different stage of development. This is paradoxical and often unfair.

We believe in a just transition. That means supporting emerging economies as they use their resources to grow, while encouraging and enabling them to adopt higher standards over time. It requires an understanding that development is a journey, not a destination.

We do not impose standards developed markets did not meet during their own periods of industrialisation. Instead, we believe we can help raise the bar incrementally, respectfully and effectively. Through our investments, we work to build better businesses, stronger institutions and more resilient societies.

In practice, that might mean financing an oil and gas company to support a nation's energy independence, while simultaneously encouraging governance improvements, emissions reductions and complementary renewable investment planning. After all, Africa is responsible for just 3% of global emissions but represents nearly 20% of the global population. There are complex trade-offs, but also opportunities for progress.

The importance of cultural fluency



Emerging markets are a mosaic of geographies, sectors and strategies – they are not one asset class or sector. Investing successfully requires cultural fluency, understanding of the business, legal and regulatory environment and lived experience.

We are not investment tourists: emerging markets are our DNA. Our team is global and diverse, with many of us born in the markets we invest in. We speak the same languages, understand the cultural and historical nuances and try to navigate complexities with care.

We see local knowledge as a strategic advantage and a moral imperative.

It ensures our investments are respectful, grounded and effective. It allows us to structure deals that work for both parties, monitor risks in real time and build long-lasting relationships.

Investors often ask us how we manage risk in markets that appear opaque or volatile from afar. The answer is simple: being present. By being on the ground, by knowing the people and the context, we think we can identify risks earlier and opportunities more clearly. Proximity and long-term vision give us conviction where others hesitate.

Contrarian with conviction

We tend to invest where capital is in short supply precisely because this is where other managers are unwilling or unable to do so.

Our contrarian approach represents conviction, not recklessness. We believe many common misconceptions of emerging market risk stem from inadequate due diligence rather than inherent flaws in these economies. Investments often fail because the right questions were never asked early on. We ask those questions. We dig deeper. We structure for success.

By avoiding the crowd, we avoid the pitfalls of over-allocation and misallocation. In the US private credit market, for example, we are seeing mounting evidence that excess liquidity has diluted returns and creditor protections. In our markets, we pursue disciplined, transparent and carefully constructed deals that deliver durability as well as returns.

A willingness to go against the grain is what allows us to uncover opportunities others overlook and aligns us with investors seeking true diversification and differentiated sources of return.

Impact without labels: Humble, honest and effective

In recent years, regulation has narrowed the definition of what impact means for investors. As said, we do not manage impact funds under these narrow categorisations; nor do we lead with ESG as a marketing tool. However, we are extremely proud of the impact we can achieve through our investments.

We are proud of the jobs created by the companies we finance. We are proud of the infrastructure we invest in that delivers clean water, reliable energy and accessible healthcare and education. We are proud of the entrepreneurs we help to scale, the institutions we strengthen and the communities that grow more resilient from our capital.

Above all, we approach impactful investing with humility and realism. Transformation takes time, patience and partnership. Our role is to enable, not dictate. To listen as well as lead. To adapt as well as act.

Our investors are commercially driven. They want attractive returns, diversification and resilience. Increasingly, however, they also recognise the value of investing impactfully, not as a trade-off, but as a multiplier. In emerging markets, positive financial and societal outcomes are often created in tandem.

A future worth building

At Gemcorp Capital, we invest where capital is needed most. We invest in economies that are growing, evolving and striving. We invest in people, ideas and infrastructure that change lives.

We do this with rigour, empathy and conviction. We do this because we believe finance can be a force for good and because good business can be impactful in multiple, positive ways. We are proud of what we have built so far, and we are committed to continuing this journey with our investors, our partners and the communities we serve.

IMPORTANT INFORMATION