

Verifier Statement

Independent Verification Report

Prepared for Apollo: July 29, 2022

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Apollo engaged BlueMark to undertake an independent verification of the alignment of the Apollo Impact Mission Fund's (AIM) impact management (IM) system with the Impact Principles. AIM's assets under management covered by the Impact Principles (Covered Assets) totals \$867 million², for the period ending 03/2022.

Summary assessment conclusions

BlueMark has independently verified AIM's extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

Principle 1: AIM focuses on five themes which are aligned to SDGs 1 through 15. Within each theme, AIM identifies social and environmental challenges and investment opportunities that are supported by evidence.

Principle 2: AIM has developed a standardized process for managing impact throughout the investment life cycle. The team has also designed an impact-aligned incentive structure called the Impact Carry Coefficient (ICC) which links carry to the achievement of impact. To further align, AIM should find ways to manage impact at the portfolio level.

Principle 3: AIM leverages Apollo's private equity expertise, ESG experience, impact aligned incentive structures and 'Apollo Edge' across all five impact themes to contribute to the impact achieved by investments. To further align, AIM should collect evidence of their investor contribution ex-post and develop case-studies of their active portfolio support.

Principle 4: AIM has a clear process for evaluating impact ex-ante through a rigorous impact due diligence process that includes an initial screening, detailed impact assessments, and several IC meetings. To further align, AIM should expand assessments of the "how much" and "risk" dimensions of impact.

Principle 5: ESG risks are assessed using a Diligence Checklist and monitoring is conducted via an annual Reporting Questionnaire. The BIA is taken by portfolio companies shortly after investment. To further align, AIM should formalize their approach for managing ESG underperformance.

Principle 6: AIM requires all portfolio companies to report impact data annually in order to measure progress against impact targets set in due diligence. To further align, AIM should strive to track additional impact KPIs identified during diligence and develop a protocol for addressing underperformance.

Principle 7: AIM does not have a formal process for considering the effects of exit on the sustainability of a company's impact. To further align, AIM should formalize a responsible exit framework.

Principle 8: AIM regularly reviews impact strategy and performance of its portfolio and reports impact performance in Annual and Quarterly Impact Reports. To further align, and as more impact data becomes available, AIM should standardize processes for reviewing impact performance and incorporating findings into future investment decisions.

¹ Principle 9 states that signatories "shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns."

² Assets under management figure as reflected in intake survey as of July 2022. BlueMark's assessment did not include verification of the AUM figure.

Verifier Statement

Independent Verification Report

Prepared for Apollo: July 29, 2022

Assessment methodology and scope

Apollo provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark’s work was limited to processes in place related to the Covered Assets as of July 29, 2022. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.³

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark’s proprietary rubric, and examining processes and policies against the following criteria:
 - *Compliance* of the IM system with a threshold level of practice;
 - *Quality* of the IM system’s design in terms of its consistency and robustness; and
 - *Depth* of sub-components of the system, focused on completeness
2. Interviews with Apollo staff responsible for defining and implementing the IM system;
3. Testing of selected Apollo transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Apollo, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

Permissions

This statement, including our conclusions, has been prepared solely for Apollo in accordance with the agreement between our firms, to assist Apollo in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Apollo to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate AIM’s alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Apollo for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Tideline Apollo, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemarktideline.com.

³ The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by Apollo. BlueMark has relied on the accuracy and completeness of any such information provided by Apollo. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Apollo.