

Verifier Statement

Independent Verification Report

Prepared for Adjuvant Capital: September 19, 2024

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Adjuvant Capital engaged BlueMark to undertake an independent verification of the alignment of Adjuvant Capital's impact management (IM) system with the Impact Principles. Adjuvant Capital's assets under management covered by the Impact Principles (Covered Assets) totals \$300 million USD², for the period ending September 30, 2023.

Summary assessment conclusions

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

Principle 1: Adjuvant has defined a clear impact objective of investing in life science technologies that address high-burden public health challenges, particularly in LMICs and neglected diseases, with alignment to the SDGs. The firm's detailed impact narrative describes the key challenges its investment thesis seeks to solve, supported by external research and scientific reports.

Principle 2: Adjuvant manages the impact of its portfolio through various processes, including the use of common KPIs and a standardized assessment of the IMP's Five Dimensions of Impact. The firm incentivizes staff on impact performance and impact management activities through variable compensation.

Principle 3: Adjuvant contributes to each investee's achievement of impact through the establishment of Global Access Commitments (GACs) and other forms of additionality. The firm uses a standardized assessment to evaluate its potential contributions to each investment. To further align, Adjuvant should establish a systematic process to monitor its contributions to advancing GACs and other forms of additionality.

Principle 4: Adjuvant has a structured process for evaluating the expected positive impact of investments through a comprehensive ex-ante impact assessment. The firm produces a detailed Impact Analysis, including an impact thesis and an assessment based on the IMP's Five Dimensions of Impact, specifically tailored to evaluate life science technologies in the context of global health challenges.

Principle 5: Adjuvant has established clear processes for identifying and managing ESG risks, utilizing an ESG Questionnaire, business integrity review, and an annual ESG compliance reporting system for each investment. The firm also develops ESG Action Plans and engages third-party experts to monitor progress and support the integration of ESG management systems.

Principle 6: Adjuvant monitors impact performance regularly through annual PRI reporting and quarterly updates to its Social Impact Committee. In cases of underperformance, Adjuvant takes an active role by leveraging board representation, securing grant funding, and participating in joint steering committees.

Principle 7: Adjuvant takes a strategic approach to driving and preserving impact through establishing GACs through legally binding Global Health Side Letters for each investment. To further align, Adjuvant should develop an assessment framework to evaluate the likelihood of impact continuation.

Principle 8: Adjuvant has several processes for reviewing the impact performance of each investment. To further align, Adjuvant should explicitly integrate the assessment of broader impacts and successes and failures into its impact review processes to refine its investment strategy and operational and management processes on an ongoing basis.

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 Adjuvant Capital's Disclosure Statement as of September 30, 2023. BlueMark's assessment did not include verification of the AUM figure.

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Detailed assessment conclusions

The chart below summarizes findings from BlueMark’s verification of Adjuvant Capital’s extent of alignment to the Impact Principles, using the following four ratings:³

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).⁴

Principle	Alignment
1. Define strategic impact objective(s), consistent with the investment strategy	ADVANCED
2. Manage strategic impact on a portfolio basis	ADVANCED
3. Establish the Manager's contribution to the achievement of impact	HIGH
4. Assess the expected impact of each investment, based on a systematic approach	ADVANCED
5. Assess, address, monitor, and manage potential negative impacts of each investment	ADVANCED
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately	ADVANCED
7. Conduct exits considering the effect on sustained impact	MODERATE
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	HIGH

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 Adjuvant Capital. BlueMark has relied on the accuracy and completeness of any such information provided by Adjuvant Capital. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Adjuvant Capital.

⁴ The decision to publicly disclose the results of BlueMark’s detailed assessment, and the specific ratings assigned to each Principle, is left to the sole discretion of Adjuvant Capital.

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Assessment methodology and scope

Adjuvant Capital 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 September 2024. 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.⁵

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 Adjuvant Capital staff responsible for defining and implementing the IM system;
3. Testing of selected Adjuvant Capital transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Adjuvant Capital, 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 Adjuvant Capital in accordance with the agreement between our firms, to assist Adjuvant Capital in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Adjuvant Capital to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Adjuvant Capital’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 Adjuvant Capital for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Delaware-registered public benefit corporation, 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 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; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit www.bluemark.co.

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