



2022 IMPACT REPORT

# RRG SUSTAINABLE WATER IMPACT FUND

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# ABOUT SWIF

The RRG Sustainable Water Impact Fund (SWIF or the Fund) aims to demonstrate how water and land can be managed to better meet the needs of both people and nature.<sup>1</sup>

## FUND DESCRIPTION

With investments in the United States, Latin America, and Australia, the Fund seeks to deliver competitive financial returns alongside meaningful, measurable progress against global environmental challenges. The Fund is a partnership between RRG Capital Management (RRGCM) and The Nature Conservancy (TNC). RRGCM owns, manages, and develops water, agriculture, land, and renewable energy assets in the U.S. and internationally. TNC is a global conservation nonprofit that, since 1951, has worked to conserve the lands and waters on which all life depends.



Signatory of:



## GOVERNANCE

The Fund's governance structure utilizes RRGCM's and TNC's expertise in a way that amplifies each organization's complementary strengths. RRGCM is the Fund's Investment Manager, controls the Fund's General Partner, and is responsible for Fund operations, investment execution, and asset management. A subsidiary of TNC acts as a technical advisor<sup>2</sup> on conservation matters and holds a limited interest in the General Partner, where it is a voting member on the Investment Committee. Together with a third-party technical advisor, Professor Barton "Buzz" H. Thompson of

Stanford University's Doerr School of Sustainability, TNC and RRGCM personnel serve on the General Partner's Technical Advisory Committee (TAC). The TAC evaluates whether Fund investments meet the Fund's environmental and social requirements and provides an opinion on the most meaningful and achievable conservation outcomes that the investments can deliver. To further incentivize environmental outcomes, the Fund holds a portion of RRGCM's carried interest in reserve until specifically identified positive conservation outcomes are achieved.

## INVESTMENT THESIS




RRGCM designed the Fund with the aim to do more than traditional investment models. We seek to deliver competitive financial returns alongside meaningful, measurable progress against global environmental and social challenges. We invest in regions where RRGCM believes a convergence of trends such as climate change, tightening environmental regulations, and rising demand for

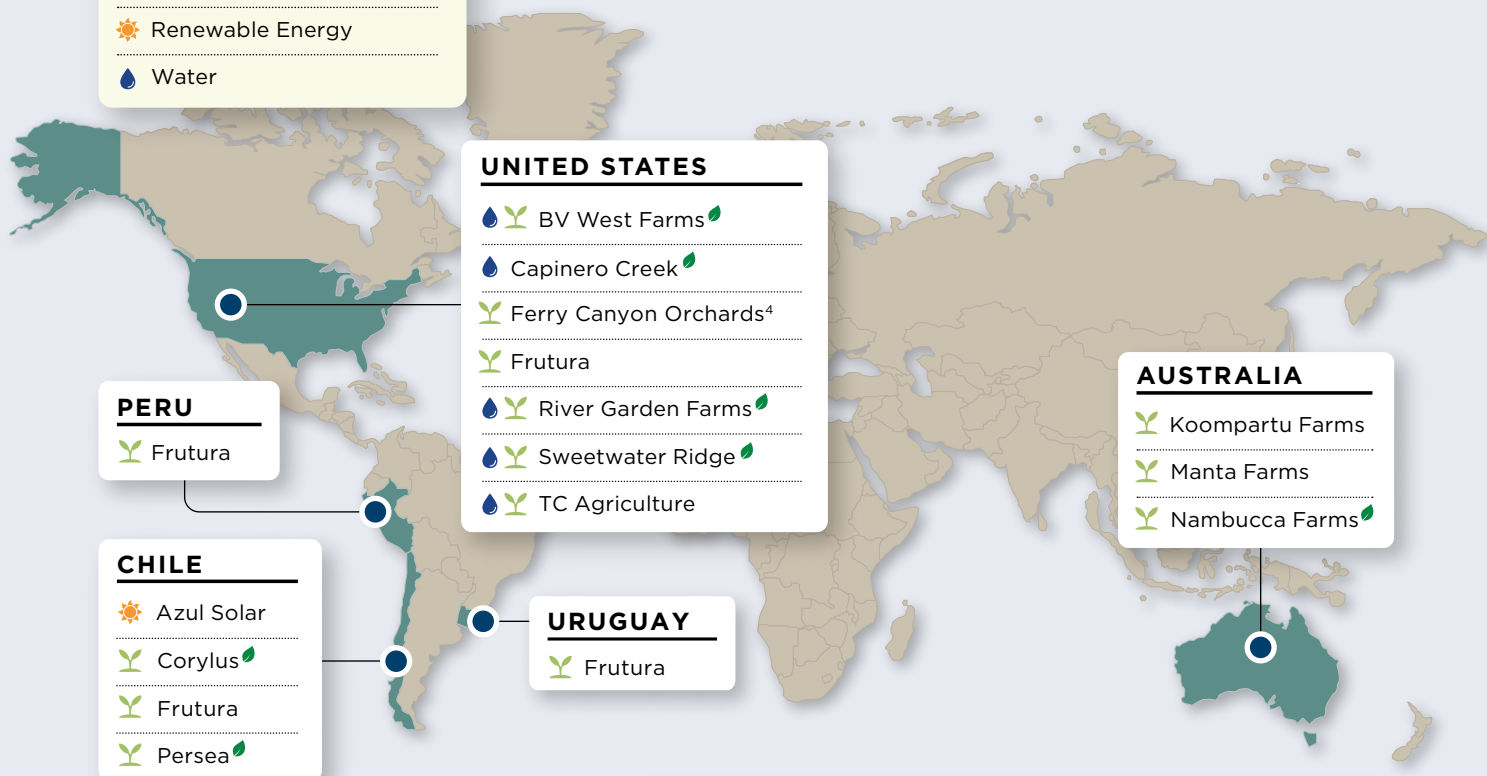
food are likely to significantly impact water supplies, agricultural production, renewable energy demand, and conservation needs. These market conditions can present compelling investment opportunities that also feature the potential to implement improved management practices and conservation projects in pursuit of the Fund's environmental impact objectives.

# SWIF INVESTMENT PORTFOLIO<sup>3</sup>

As of December 31, 2022.

## INVESTMENT THEME




-  Agriculture
-  Renewable Energy
-  Water















### PERU

-  Frutura




### CHILE


-  Azul Solar
-  Corylus
-  Frutura
-  Persea

### UNITED STATES

-   BV West Farms
-   Capinero Creek
-  Ferry Canyon Orchards<sup>4</sup>
-  Frutura
-   River Garden Farms
-   Sweetwater Ridge
-   TC Agriculture

### AUSTRALIA

-  Koompartu Farms
-  Manta Farms
-  Nambucca Farms

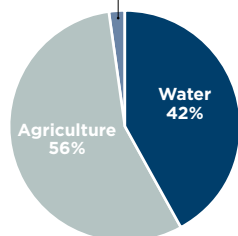
 Denotes assets where biodiversity and habitat conservation outcomes have been completed in 2022. See table on page 8 for details.

## FUND ALLOCATION SNAPSHOT

As of December 31, 2022  
(\$ in millions)

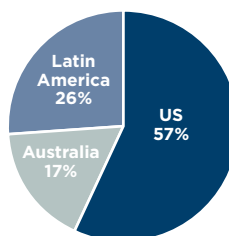
### PRIMARY INVESTMENT THEME<sup>5,6</sup>

Renewable Energy  
2%



Water	\$295.6	42%
Agriculture	\$402.9	56%
Renewable Energy	\$16.3	2%
<b>Total</b>	<b>\$714.3</b>	<b>100%</b>

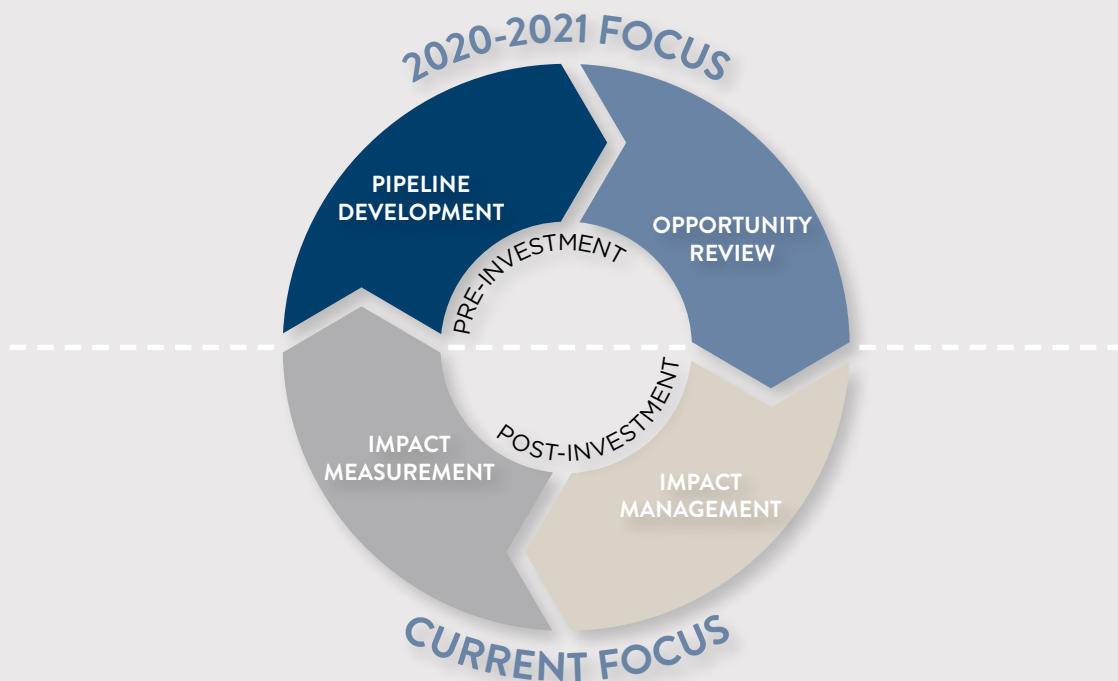
### GEOGRAPHY<sup>6</sup>



US	\$407.3	57%
Australia	\$120.6	17%
Latin America	\$186.4	26%
<b>Total</b>	<b>\$714.3</b>	<b>100%</b>

# IMPACT MANAGEMENT PROCESS

During 2020 and 2021, the Fund was focused on pipeline development and opportunity review. Now, with 77% of the capital allocated, our big focus is investment management and impact measurement. In addition to pursuing new investments, we are focused on managing each asset for business plan execution, implementing plans to achieve positive outcomes for people and nature, and measuring progress towards these objectives.



## IMPACT MANAGEMENT

In this phase, conservation and other impact objectives for each asset are finalized and project plans are created. We work with TNC's regional teams, RRGCM's global investment teams, and other partners to execute conservation plans and monitor progress on the ground. The close partnership between RRGCM and TNC allows us to operate dynamically throughout an asset's hold period – identifying opportunities and challenges, and changing direction as needed. The TAC provides continuous input on conservation plans for the purpose of maximizing impact outcomes that are feasible and additive. This feedback informs asset management and decision making, as well as investment structuring for future portfolio investments.

## IMPACT MEASUREMENT

During asset management, we collect information directly related to each investment's impact thesis and specific goals that the TAC has identified. The information gathered allows us to set and track progress toward achieving impact goals at the asset level. Some of these impact objectives can have long implementation horizons, so the progress toward final outcomes can be difficult to report quantitatively. Therefore, we also track qualitative progress for the objectives and use these qualitative measures to help set impact goals. RRGCM regularly collects sustainability and operational data from its Fund assets through an annual survey, enabling its team to set baselines, track impacts, and pursue improved operations over time.

# IMPACT FOCUS AREAS

SWIF targets underutilized assets that can be optimized for their water, agriculture, habitat conservation, and/or renewable energy potential. Our impact thesis focuses on four strategic areas where we believe RRGCM's and TNC's demonstrated expertise in water, conservation, and agriculture can create the most significant outcomes for people and the environment.

1

## WATER STEWARDSHIP

Aid in the development of sustainable water systems at the local, regional, and inter-regional levels.



2

## BIODIVERSITY & HABITAT CONSERVATION

Protect, restore, and enhance the natural function of freshwater and terrestrial habitats.



3

## SUSTAINABLE AGRICULTURE

Optimize farm operations and demonstrate sustainable agricultural practices.



4

## CLIMATE & ENERGY

Contribute to climate change mitigation through natural climate solutions and renewable energy development.



# SWIF LIFETIME GOALS

## FUND LIFETIME GOALS

In 2022, the Fund continued its goal-setting process for conservation objectives across all investments. These goals focus our intentionality for impact and guide us towards achieving specific conservation outcomes over the lifetime of the Fund. The Fund's lifetime goals are a roll-up of what we believe can be accomplished at the asset level within the Fund's ten-year term, informed by scientific analysis and on-the-ground research. The goals may change year-to-year as land, water, and climate conditions vary. We also continue to reassess our objectives as we add new assets and capabilities to the portfolio.

## WETLAND & FRESHWATER

- Allocate 20,000 acre-feet of water to support key species and ecosystems.
- Permanently protect 2,100 acres of wetland habitat.
- Restore or improve the management of 530 acres of wetland habitat.
- Establish 6,000 acres of temporary wetlands for migratory birds.
- Improve 14 miles of streams by better managing riparian areas.

## TERRESTRIAL

- Permanently protect 22,200 acres of terrestrial habitat.
- Restore or improve the management of 2,700 acres of terrestrial habitat.
- Establish 3,700 acres of temporary habitat by managing farmland as wildlife-friendly or by planting cover crops on fallowed land.

## RESEARCH & INNOVATION

- Publish 5 research studies on improved management of working lands.
- Engage in 11 collaborations to facilitate research and landscape-wide conservation.
- Engage with at least 6 entities to replicate research findings of management approaches with biodiversity co-benefits.



# 2022 FUND IMPACT DATA

## BIODIVERSITY & CONSERVATION

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>	Investment(s) with Outcome
Protect and restore wetland and freshwater ecosystems	<b>Water transferred for environmental purposes</b> - total volume of water in acre feet (AF) that was transferred to support key species and ecosystems.	1,436 acre-feet	River Garden Farms
	<b>River-miles with improved condition</b> - length of streams in miles with improved condition due to riparian restoration or enhancement.	1 mile	Corylus
Protect and restore terrestrial ecosystems	<b>Terrestrial habitat restored or better managed</b> - total acres of land enhanced by establishing biodiversity corridors or removing unsustainable grazing.	727 acres	Persea Sweetwater Ridge
	<b>Land in process of securing permanent protection</b> - total acres of land in the process of securing conservation easements or conservation sales.	2,990 acres	BV West Capinero Creek Persea River Garden Farms
Create temporary habitat through improved management of working lands	<b>Temporary wetlands created for migratory birds</b> - total acres of land managed for seasonal wetland habitat for birds.	1,000 acres	River Garden Farms
Engage in conservation and biodiversity research and innovation	<b>Research initiatives underway</b> - all active conservation- and/or biodiversity-related research projects.	6 projects	Azul Solar River Garden Farms
	<b>Land enrolled in renewable energy pilot program</b> - total acres of land dedicated to researching interactions between native cover crops and solar panel productivity.	5 acres	Azul Solar
	<b>Land enrolled in research projects</b> - total acres of land dedicated to conservation-related research projects with the intent to discover new or improved pathways to positive environmental outcomes.	1,849 acres	Nambucca Farms River Garden Farms







## SUSTAINABLE AGRICULTURE

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>
Reduce agrochemical use	<b>Responsible nutrient management</b> (% of fund) – all agricultural assets that have undertaken all responsible nutrient management practices (see Glossary for full definition).	76%
	<b>Responsible pest management</b> (% of fund) – all agricultural assets that have undertaken all responsible pest management practices (see Glossary for full definition).	78%
Reduce waste	<b>On-farm waste used productively</b> (% of fund) – all agricultural assets undertaking productive on-farm waste use practices (see Glossary for full definition).	82%
Implement sustainable agricultural practices	<b>Investments with cover crops planted</b> (% of fund) – all agricultural assets incorporating cover crops on site.	37%

## CLIMATE & ENERGY

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>
Develop renewable energy infrastructure	<b>Renewable energy generated</b> – all solar renewable energy (expressed in kilowatt hours (kWh)) generated by SWIF assets.	62,000,000 kWh
Reduce greenhouse gas emissions	<b>Scope 1, 2, and 3 emissions</b> – to learn more, please reference the <a href="#">U.S. Environmental Protection Agency</a> .	2022 GHG accounting results will be released later in 2023.

## WATER STEWARDSHIP

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>
Develop groundwater recharge facilities	<b>Groundwater recharged</b> (total) – all groundwater recharged, expressed in cubic-meters, that occurred at SWIF assets.	449,409 m <sup>3</sup> (364 acre-feet)
Use water efficiently	<b>Efficient irrigation management</b> (% of fund) – all agricultural assets that have undertaken at least five out of the six efficient irrigation management practices (see Glossary for full definition).	70%

## QUALITY JOBS

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>
Ensure labor rights are respected and protect workers' wellbeing	<b>Written health and safety policy</b> (% of fund) – must have a written health and safety policy that has been communicated to workers (see Glossary for full definition).	94%
Improve livelihoods and reduce vulnerabilities	<b>Healthcare provided to year-round workers</b> (% of fund) – must make healthcare available to all workers (see Glossary for full definition).	78%
	<b>Childcare provided to workers</b> (% of fund) – must make childcare available to all workers (see Glossary for full definition).	44%
	<b>Transportation provided to workers</b> (% of fund) – must make transportation available to all workers (see Glossary for full definition).	71%
Incentivize employees and offer opportunities for career mobility	<b>Paid on-the-job training is offered</b> (% of fund) – all assets which offer on-the-job training paid by the operation.	90%
	<b>Program for career development exists</b> (% of fund) – all assets which offer a program for career development.	43%





## GOOD GOVERNANCE

Outcome	Fund-Level Key Performance Indicators	2022 Results <sup>7</sup>
Advance corporate social responsibility	<b>Code of Ethics in place</b> (% of fund) – all assets for which a Code of Ethics, Anti-Corruption, and Business Conduct, or similar policy has been developed and communicated as of 2022.	32%
	<b>Corporate ESG/Sustainability policy in place</b> (% of fund) – all assets for which a corporate ESG/Sustainability policy has been developed and communicated as of 2022.	67%
	<b>Farms with <a href="#">Global GAP</a></b> (% of fund) – all agricultural assets that have achieved Global GAP certification.	78%
	<b>Farms with third-party environmental or social certifications (other than Global GAP)</b> (% of fund) – all agricultural assets that have achieved at least one of the following third-party certifications: Fair Trade, Rainforest Alliance, Leading Harvest, Certified Organic, Certificado Azul.	44%
Promote diversity, equity, and inclusion (DEI)	<b>Corporate DEI policy in place</b> (% of fund) – all assets for which a corporate DEI policy has been developed and communicated as of 2022.	68%
	<b>Female identity: Portfolio company and farm operator management positions</b> (% of fund) – all assets which have female-identifying people in management positions.	63%
	<b>Minority identity: Portfolio company and farm operator management positions</b> (% of fund) – all assets which have minority-identifying people in management positions.	38%

# SWIF'S APPROACH TO CLIMATE IMPACT MITIGATION

A portfolio-wide objective is to do our part in mitigating climate change impacts. We see opportunities to contribute to this goal through Natural Climate Solutions (NCS), which are practices that protect, manage, and restore natural systems in ways that avoid greenhouse gas emissions and increase carbon sequestration.<sup>8</sup> These land management techniques apply to agricultural lands, wetlands, grasslands, and forests.

SWIF can best utilize NCS in the context of agriculture. Three agricultural NCS pathways that are most applicable to farms in the portfolio are nutrient management, cover cropping, and increasing the trees and woody biomass on agricultural lands.



## AGROCHEMICAL MANAGEMENT

While fertilizers and pesticides are necessary agricultural inputs, their production and application releases greenhouse gases. Growers can manage nutrient application to reduce emissions by shifting to less carbon-intensive fertilizers and fertilizer management practices, such as applying nutrients at specific rates and times to reduce overall volume and maximize absorption by the crop.



## COVER CROPPING AND CROP MANAGEMENT

Cover crops are plants that are seeded on fallowed ground or in between tree crops where soil is exposed. In addition to providing significant soil health benefits, cover crops can increase carbon sequestration and reduce the need for synthetic fertilizers, offering a positive feedback loop to nutrient management.



## TREES AND WOODY BIOMASS IN AGRICULTURAL LANDS

Trees, shrubs, and other woody biomass capture and store carbon. Increasing their presence on agricultural lands is an NCS pathway that can apply to a variety of farms. This includes riparian buffers, windbreaks, and/or farmer-managed natural regeneration.

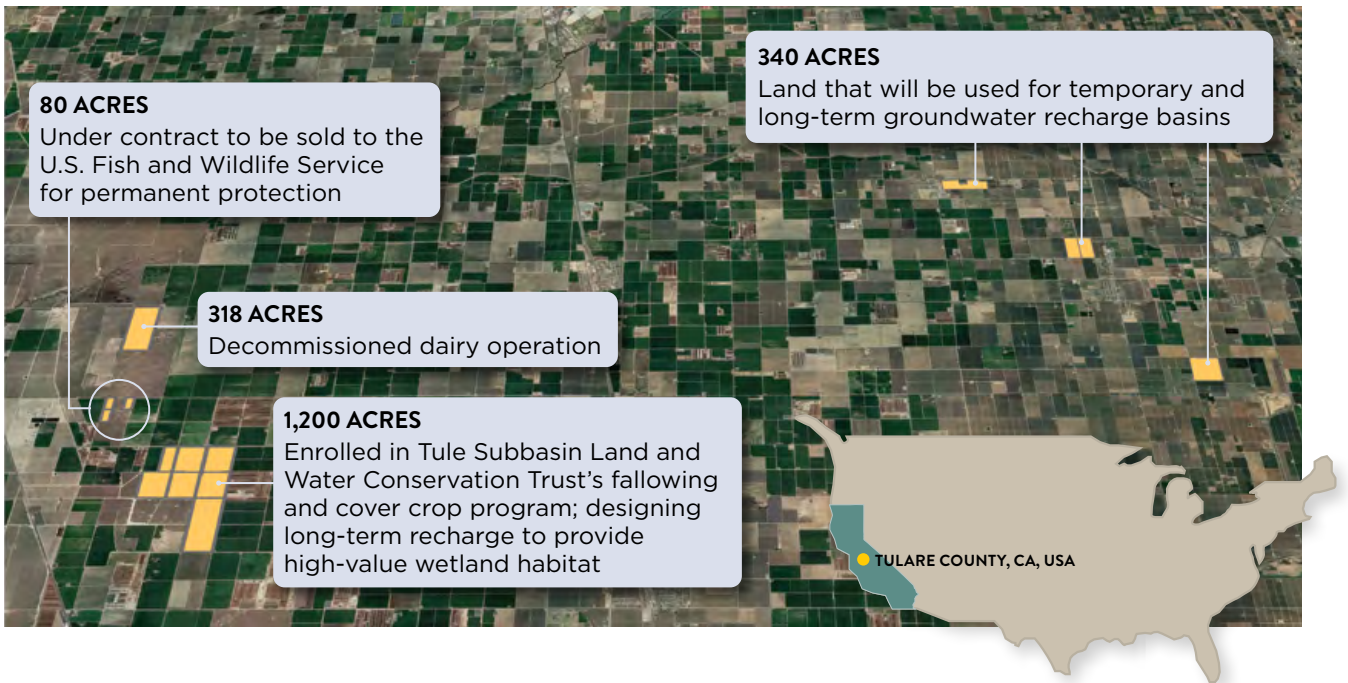
In addition to these three NCS pathways, SWIF properties are contributing to climate impact mitigation by reducing energy-related emissions through renewable energy development, water efficiency, and energy efficiency. Beginning in 2023, SWIF will begin setting climate impact mitigation targets and tracking progress for each practice.

	Practices	SWIF's current approach to implementation and tracking
<b>Agrochemical management</b>	Fertilizer optimization	Interventions related to agrochemical use, especially use of synthetic fertilizers, are a high priority for SWIF as they may have the largest emissions reduction potential and overlap with other priority areas. Reducing the overall applied quantities of fertilizers and pesticides can be achieved by improving equipment efficiency, changing crop management practices, and employing flexible application rates. In addition to tracking total volumes of fertilizer and pesticides used, we track a series of crop management indicators like development of integrated nutrient and pest management plans and fertilizer application methods. Eight SWIF properties are currently utilizing compost or organic nutrients, and eight apply fertilizers through drip fertigation systems.
	Fertilizer alternatives	
	Pesticide management	
<b>Cover cropping and crop management</b>	Cover crops	Working lands can benefit from crop management activities focused on soil health which encourage soils to sequester carbon rather than release it. Covering soil and retaining crop residues can help reduce erosion, increase soil nutrients, and increase the soil's capacity to hold water. <sup>9</sup> 37% of SWIF properties use cover crops, on a total of 5,154 acres.
	Residue management	
	Conservation crop rotation	
<b>Trees and woody biomass in agricultural lands</b>	Habitat enhancement	SWIF's conservation goals and activities align closely with this category of practices. Establishing vegetation throughout productive areas increases total carbon stocks on our properties and can provide wildlife habitat. <sup>10</sup> Five SWIF properties are in the process of creating wildlife corridors comprised of woody, perennial vegetation.
	Hedgerows	
	Agroforestry	
<b>Electricity &amp; fuel</b>	Energy efficiency	During re-development of SWIF properties there are often opportunities to upgrade to higher efficiency equipment or switch an equipment's fuel source to a lower-carbon alternative. For example, last year we replaced diesel irrigation pumps with electric pumps at one of our California properties. We track annual electricity and fuel consumption, and renewable energy generation. Three SWIF properties have solar panels installed for a total capacity of 30.6 MW (30 MW at Azul Solar and 0.6 MW on two other agricultural sites).
	Renewable energy	

2022 SWIF CASE STUDIES<sup>11</sup>

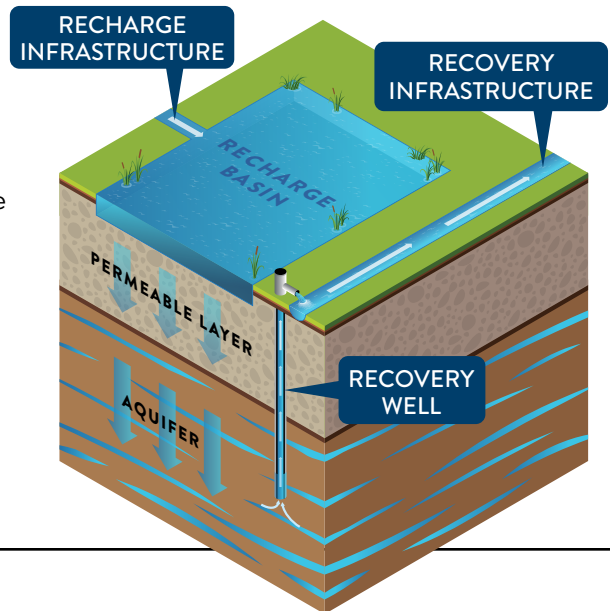
CAPINERO CREEK

UNITED STATES



Capinero Creek's primary strategy is to develop a more resilient water supply for a key Central Valley agricultural water district, Pixley Irrigation District, while improving water supply for nearby rural communities and creating temporary wetland habitat for migratory birds. To improve water supply reliability for Central Valley farmers, Capinero will develop 1,100 acres of groundwater recharge basins across multiple properties. Groundwater recharge basins capture surface water during periods of abundance and percolate the water into groundwater aquifers. These activities are particularly valuable in Capinero Creek's Tule Sub-basin, which has been designated as "critically overdrafted" by the California Department of Water Resources.<sup>12</sup>

In 2022, Capinero acquired two properties that are expected to provide up to 287 acres of additional recharge basin land. Groundwater recharge at these sites is expected to raise aquifer water levels overall in the area and positively contribute to municipal well levels for local communities. Additionally, these recharge basins are designed to provide valuable and regionally scarce seasonal habitat for shorebirds and waterbirds as water fills the ponds. In 2020, a pilot recharge event created 140 acres of habitat for 23 bird species of conservation importance.



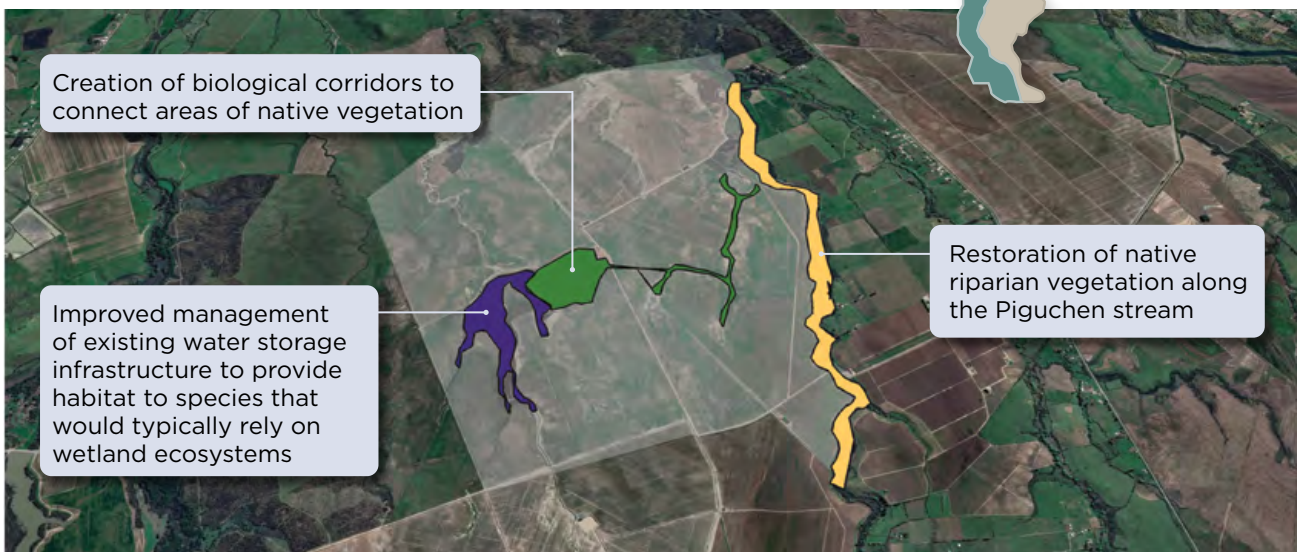
## 2022 SWIF CASE STUDIES<sup>11</sup>

### CORYLUS

#### CHILE

Prior to acquisition by RRGCM, much of the Corylus property had been planted with rice, a water-intensive crop. Hazelnuts were selected as a replacement crop due to their lower irrigation demands, high agronomic suitability for the property's soils and microclimate, and for their potential to meet an opening in commercial markets. The global hazelnut supply chain is largely centered around exports from Turkey, where its volatile supply, inefficient production practices, and ESG risks<sup>13</sup> have caused major buyers to search for new suppliers to satisfy the growing demand for traceable and sustainable hazelnuts. Chile has emerged as a promising alternative producer, thanks in large part to its comparatively stable economy, ideal growing conditions, established export infrastructure, environmental protections, and a regulated working environment.<sup>14</sup>

At Corylus, TNC scientists have comprehensively assessed habitat features throughout and adjacent to the property to develop an integrated land use plan that meets the project's farming objectives while creating biological corridors and semi-natural wetlands to provide habitat connectivity across the broader landscape. Corylus is also implementing regenerative agriculture practices to increase aboveground and belowground biodiversity and provide other operational benefits. The farm has implemented integrated pest management, a method of pest control that combines biological, cultural, physical, and chemical tools with the goal of using the least possible chemical pesticides. Native grasses are maintained between hazelnut rows during establishment and will be mowed and incorporated into the soil prior to harvest to increase soil organic matter. Finally, prunings from the hazelnut trees are mulched on the soil to provide further ground cover, improve moisture retention, and suppress weeds.



Map reflects planned conservation outcomes for Corylus. The Corylus asset also includes two additional ranches that are not shown here.

# GLOSSARY

**Asset:** In the context of the RRGCM sustainability survey, an asset is an operation or company wholly or partly owned by RRGCM and managed by a single operating company or third-party operator.

**Biodiversity corridors:** Defined as areas of land that allow wildlife to move and travel across, which may connect conserved or protected habitat areas. This is not meant to capture large tracts of contiguous land that has been restored to native habitat.

**Conservation easements:** Voluntary legal agreement that permanently limits uses of the land in order to protect its conservation values.

**Cover crop:** Defined as a non-cash crop grown in addition to the primary cash crop. Cover crops may be primarily grown to cover the soil, but are used for a variety of benefits, including soil health, prevention of soil erosion, promotion of water infiltration, supporting beneficial insects, pollinator forage and more.<sup>15</sup>

**Efficient irrigation management:** Includes the following practices: drip or micro-sprinkler irrigation; water application determined by direct measurement; regular recording of water use; irrigation timing/amount determined from crop evapotranspiration; irrigation system maintained and regularly tested; and irrigation system tested for distribution uniformity.



**Groundwater recharge:** Groundwater recharge is defined as the practice of increasing the amount of water that enters an aquifer through human-controlled means.<sup>16</sup> Some groundwater recharge projects may use short-term water surpluses that occur only infrequently.<sup>17</sup>

**Integrated pest management (IPM):** IPM is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment.<sup>18</sup>

**Management position:** A management position is any C-suite executive, or directorial role, or any role that includes supervising and managing other employees.

**Minority identity:** A group based on national or ethnic, cultural, religious, and linguistic identity in a minority position. Has been defined in the past by the United Nations as a group that is numerically inferior to the rest of the population of a State, in a non-dominant position, whose members—being nationals of the State—possess ethnic, religious, or linguistic characteristics differing from those of the rest of the population and show, if only implicitly, a sense of solidarity, directed towards preserving their culture, traditions, religion, or language. However, features of definition may vary (e.g., reference to nationals and/or numeric minority may not always apply).<sup>19</sup>





**Productive on-farm waste use:** Includes the following practices (based on crop type): for annual crops, residues are composted or incorporated into the soil; for perennial crops, prunings are left on the soil, chipped, or composted.

**Recharge basin:** An area or basin that collects water for purpose of recharge of an aquifer.

**Responsible nutrient management:** Includes the following practices: soil testing to determine macronutrients in the last 3 years, foliar testing to confirm nutrient requirements (if applicable), nutrient plans that take testing results into account, application to ensure maximum absorption by the crop and minimal runoff, and a written protocol for nutrient management.

**Responsible pest management:** Includes the following practices: regular pest scouting by Pest Control Advisor (PCA) or other qualified expert; scouting data used in conjunction with economic thresholds before application; biological, mechanical, and cultural methods used prior to chemical application; written integrated pest management plan; evaluation of pesticides with goal of using the lowest rates and/or least toxic options; targeted/spot applications done when possible.

**Restoration:** Process of returning an ecosystem or habitat back to its original ecological state.

**Riparian habitat:** Habitat found along the banks of a river, stream, or other actively moving source of water such as a spring or waterfall.



**Riparian vegetation:** Vegetation found along the banks of a river, stream, or other actively moving source of water such as a spring or waterfall.

**Seasonal wetland habitat:** Habitat where the land is covered by water (e.g., recharge banks, marshes, ponds, deltas, or floodplains).

**Supplier code of conduct:** A set of rules or requirements related to practices of a company's suppliers, typically focused on ethics, human rights, labor, and/or environmental aspects.

**Terrestrial habitat:** Habitat found on land (e.g., forests, grasslands, and deserts).

**Wetland habitat:** Habitat where the land is covered by water, either saltwater, freshwater, or brackish water.

**Wildlife corridor:** Areas of land that allow wildlife to move and may connect conserved or protected habitat areas. This is not meant to capture large tracts of contiguous land that has been restored to native habitat.

**Worker:** A person who performs labor in return for a monetary amount. A worker encompasses all types of persons working irrespective of their contractual status, such as permanent, temporary, seasonal, migrant, family, piece rate workers, documented, undocumented, as well as hired through a labor provider, persons in training, (group) management staff, including interns and apprentices, and also persons temporarily absent from a job or enterprise at which they recently worked for illness, parental leave, holiday, training, or industrial dispute. Workers contracted throughout the year are defined as "year-round" and those contracted for part of the year are described as "seasonal."<sup>20</sup>

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topics discussed herein, and its ESG objectives are subject to change at any time. RRGCM makes no claim that its Funds or other products are ESG-focused, are entirely focused on its ESG-based investment objectives, or that its business, Funds, or portfolio companies are compliant with any third party ESG principles at all times. ESG investments are investments made with the intention to generate positive, measurable social and environmental impact alongside financial return. ESG investments span multiple asset classes and investment structures. Financial returns can range from the below market to the market rate. RRGCM values market-rate investment returns and performance. RRGCM cannot guarantee the social or environmental outcomes and/or prevent mission drift. RRGCM’s objectives with respect to “ESG” are outlined above, are subject to change, and RRGCM makes no claim that it comports with any other definition of or goal for the term “ESG.” ESG and impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside financial return. Impact investments span multiple asset classes and investment structures. For example, impact investors can invest indirectly into investment funds or directly into companies and/or non-profits. Financial returns can range from the below market to the market rate. RRGCM makes no representation as to the performance metrics of any third-party organizations or the achievement of underlying impact goals. Where applicable, achievement or compliance with these metrics should be evaluated over the longer-term rather than any shorter time periods indicated. Any references made to ESG or non-ESG professional associations, organizations or industry standards are not an endorsement by any third party to invest with RRGCM and are not indicative of future performance. Investors should not rely on awards for any purpose and should conduct their own review prior to investing. Where RRGCM indicates a current application or pending status as to membership or signatory status to a particular ESG or Impact association, RRGCM does not thereby represent or guarantee such membership or signatory status in the future.

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**Neither TNC nor any of its related organizations is registered as an investment adviser under The Investment Advisers Act of 1940, as amended (the “Advisers Act”).** Neither TNC nor any of its related organizations provides investment advice to the Fund nor will TNC or any related organization engage in any activities that could subject it to any regulation under relevant securities or investment adviser regulations, including the Advisers Act.

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## NOTES

- 1 There can be no guarantee that the Fund will be able to implement its investment strategy or achieve its investment objectives.
- 2 SWIF and its portfolio companies pay TNC for technical consulting services provided to SWIF and the Fund's portfolio companies.
- 3 For illustrative purposes only.
- 4 TNC is not involved in the Ferry Canyon Orchards investment.
- 5 Whether an investment's value creation opportunities are driven primarily by water, agriculture, or renewables, all SWIF investments are guided by the Fund's core theme of advancing sustainable water management in some of the world's most productive growing regions.
- 6 Primary Investment Theme and Geography charts depict allocation of capital committed as of December 31, 2022. Capital Invested may be inclusive of amounts outstanding on the Fund's subscription line of credit as of December 31, 2022. Capital Invested includes realizations recycled back into the portfolio.
- 7 All data points reflect results achieved from January 1-December 31, 2022 unless otherwise stated.
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- 10 Ibid.
- 11 Examples were chosen based on objective, non-performance based criteria for the purpose of describing the investment processes and analyses RRGCM uses to evaluate such investments. RRGCM makes no assurance that investment opportunities similar to that described in the investment example will be available in the future. It should not be assumed that the investment example provided was profitable or will be profitable going forward, or that the Fund's future investments will have similar traits to the example presented.
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# **RRG**

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