
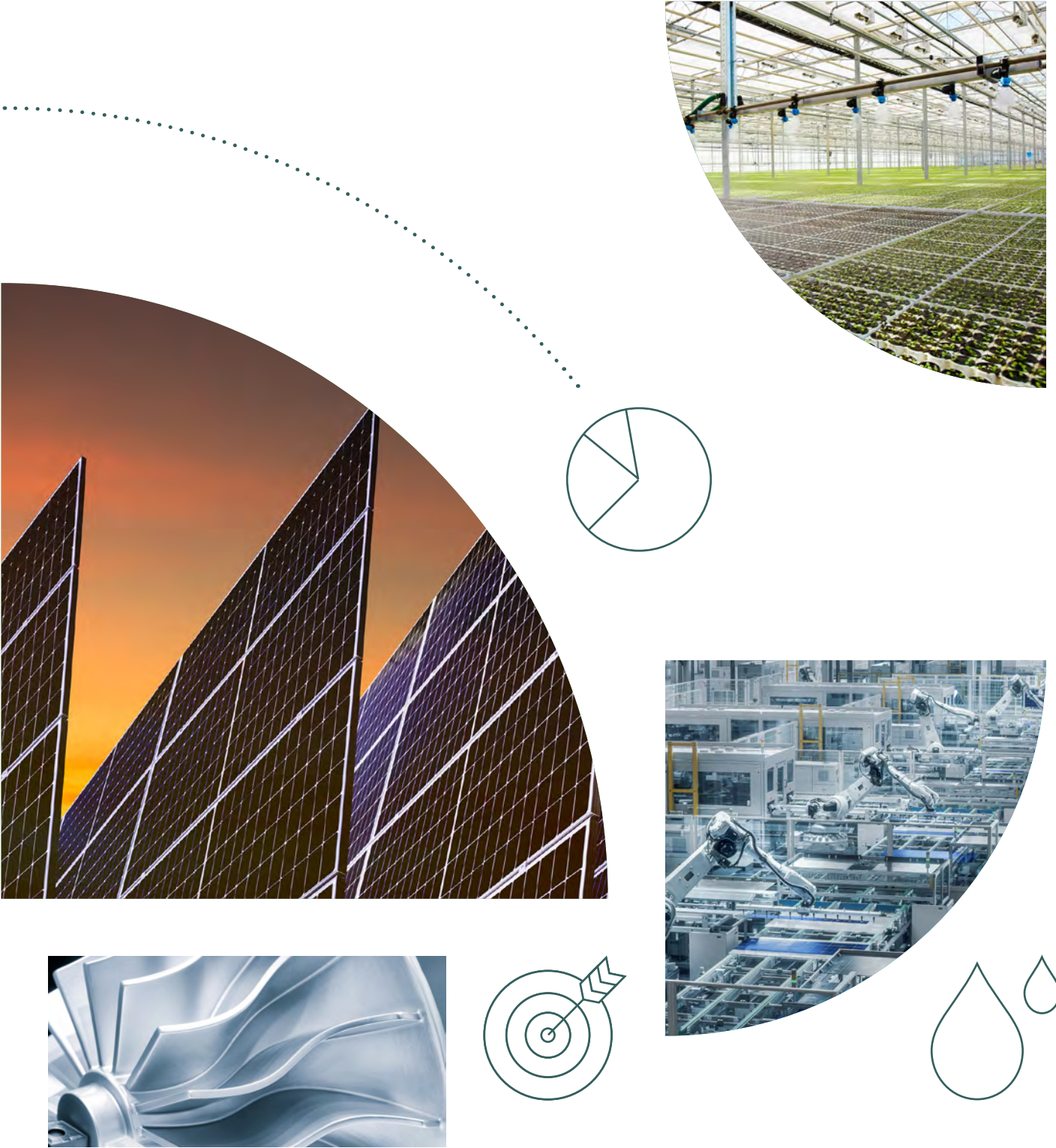




Zero Gap Fund: 2024 State of the Portfolio



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			Impact Measurement and Management Approach
			Impact Thesis
			Impact at a Glance

Ever since The Rockefeller Foundation helped pioneer the concept of impact investing in 2007, we have been committed to finding ways for capital to act as a driving force for progress. In 2019, that ambition led us to create a new investment portfolio with our partners from the John D. and Catherine T. MacArthur Foundation and its flagship Catalytic Capital Consortium (C3), which we called the Zero Gap Fund (ZGF).

When we launched ZGF, we imagined it as a way to address the world’s most pressing challenges as defined by the United Nations Sustainable Development Goals (UN SDGs). Just as importantly, it was designed to serve as a bridge between promising financial innovations and the private capital they need to scale.

Six years later, I am proud that ZGF has developed into a flexible, risk-tolerant catalyst for private investment to advance the global good. In an era when geopolitics, conflict, climate change, and

more create uncertainty and challenging market conditions, innovative financing solutions are not only necessary to drive long-term progress—they can make a meaningful difference.

For example, Blue Forest—a conservation finance nonprofit investing in forest restoration and watershed protection for communities at risk of wildfire—has deployed \$11.4 million through projects ZGF has invested in to protect over 23,000 acres of terrestrial ecosystems in the Western United States and avoid 154,000+ metric tons of CO₂ emissions.

In 2022, ZGF invested in Horizon Capital, Ukraine’s leading growth equity firm, to support Ukrainian businesses that provide essential goods, services, and employment opportunities. By targeting export-oriented technology companies, ZGF’s investment has helped Horizon—which to date has deployed over \$100 million to five investees—

promote long-term economic resilience despite a volatile macro environment.

In the Zero Gap Fund: 2024 State of the Portfolio report, you will find deeper dives into data and impacts across the investments. Fully committed since 2023, all ZGF investments have been “in the ground” between 3 and 6 years, and three have been exited.

As we enter the portfolio’s maturing phase, the results are becoming increasingly visible—and measurable—for both people and the planet. We hope this report not only illustrates the power of catalytic capital, but also reveals new possibilities for ambition, partnership, and progress.



Maria C Kozloski

Maria Kozloski
Senior Vice President, Innovative Finance
The Rockefeller Foundation

 **INVESTMENT TYPE**
Multi-Asset Class

 **GEOGRAPHY**
Global

 **PURPOSE**
Addressing the UN SDGs
Financing Gap

 **LAUNCHED IN**
2019

 **FUND SIZE**
\$30M

 **COMMITTED
(ZGF CATALYTIC)**
\$30M

 **CAPITAL MOBILIZED**
\$1.05B

 **LEVERAGE RATIO**
35x

*Leverage Ratio = Capital Directly
Mobilized(\$) /ZGF Catalytic
Investment (\$)

The Zero Gap Fund Overview

The Zero Gap Fund (ZGF) is a global portfolio of charitable investments employing innovative financial mechanisms that deliver positive and measurable impact at scale to underserved communities.

The Rockefeller Foundation (the Foundation) has long recognized the importance of mobilizing private sector capital for public good. It played a pivotal role in the inception of the impact investing field in 2007 by helping define the term itself and again in 2008 when the Foundation’s Bellagio Center hosted a convening that led to the inception of the Global Impact Investing Network (GIIN).

Later that same year, the Foundation brought the impact investing industry into the mainstream by launching a \$38 million initiative, Harnessing the Power of Impact Investing, which has since evolved into its Innovative Finance program.

By 2015, the Innovative Finance program created the Zero Gap grant portfolio to provide seed funding to address the world’s most pressing challenges, as defined by the UN SDGs.

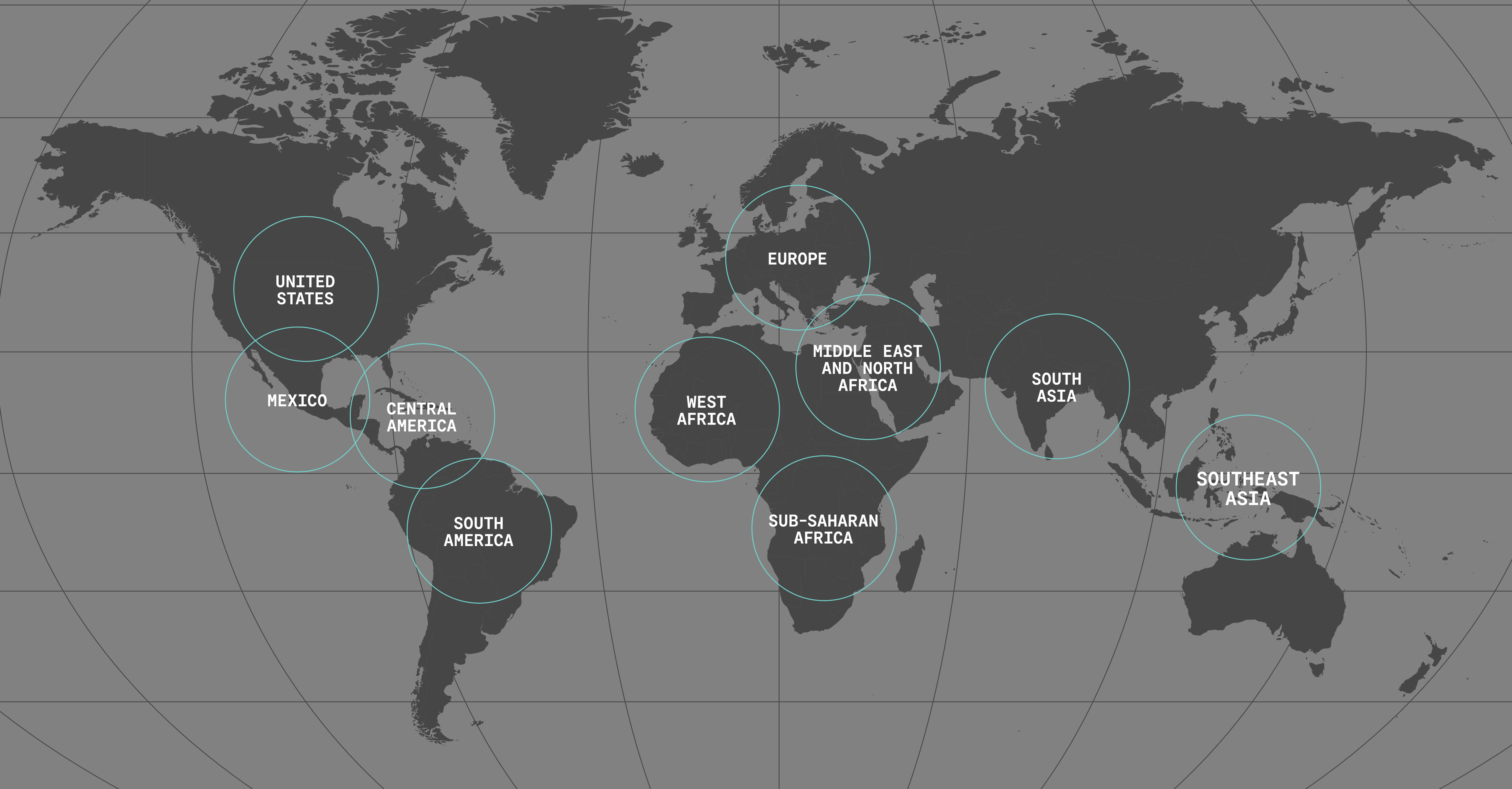
The Zero Gap portfolio aimed to mitigate investment risk by providing grant funding for the development of innovative investment products and financing structures and to catalyze private sector investment to scale. Impact Investment Exchange’s Women’s Livelihood Bond II (WLB 2), for example, stemmed from this grant portfolio. The WLB 2 uses a blended finance structure to enable private capital to invest in women-focused microfinance institutions and SMEs in Southeast Asia. The WLB 1 structure has been replicated in a series of six bond issuances, all focused on empowering women to achieve sustainable livelihoods.

The financial mechanisms that ZGF invests in focus on the reallocation of risk, the creation of new relationships between stakeholders and investors,

and pioneering investment strategies with the potential to catalyze large-scale private sector capital.

In 2019, the Foundation partnered with the John D. and Catherine T. MacArthur Foundation and its flagship Catalytic Capital Consortium (C3) to establish the ZGF to operationalize viable instruments by either incubating in the Zero Gap grant portfolio, like WLB 2, or launching investment strategies identified elsewhere that advance the UN SDGs.

ZGF has seeded financial innovations to catalyze investment in diverse projects such as forest restoration and fire risk mitigation, U.S. employee ownership, and climate adaption and resilience. As of year-end 2024, the Fund has fully committed \$30 million and mobilized approximately \$1.05 billion in capital across 12 investments, with two investments—the Forest Resilience Bond and WLB 2—successfully maturing.

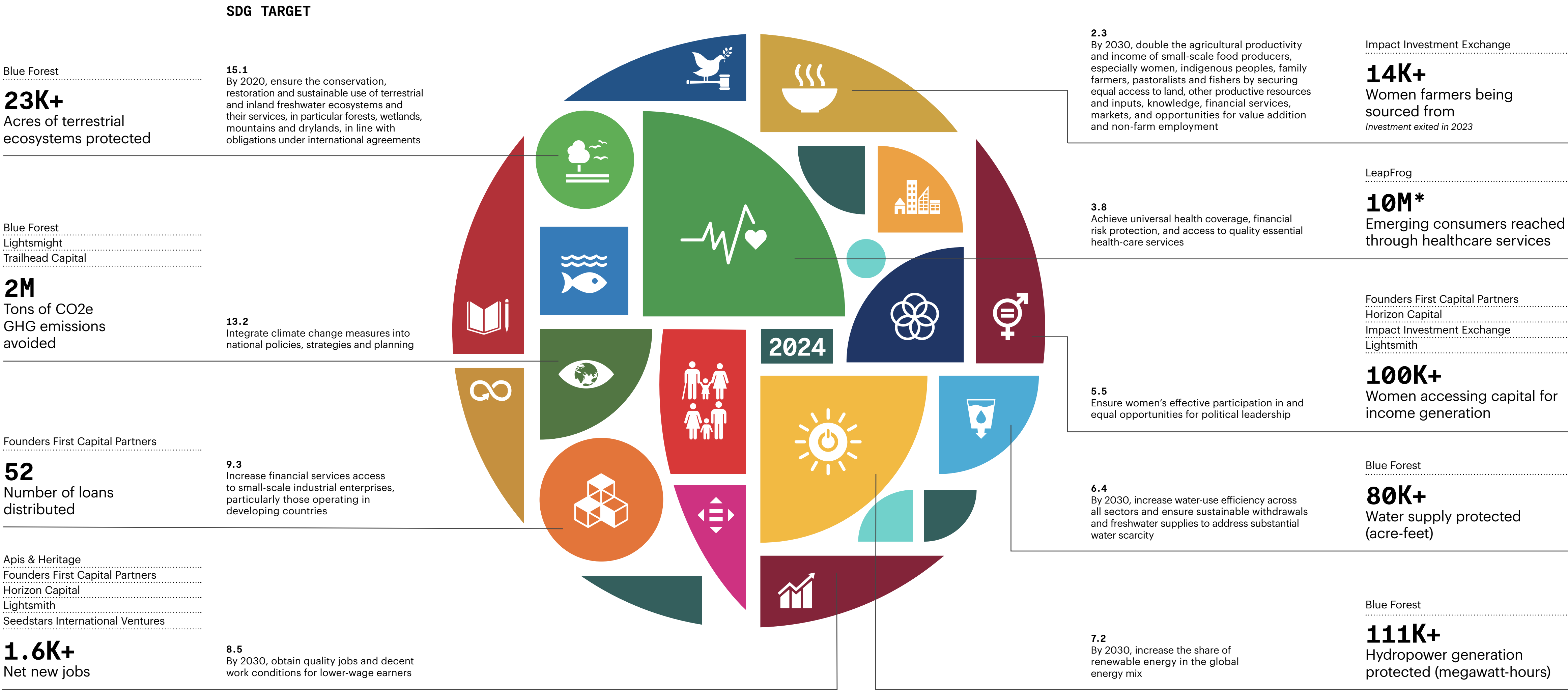


The Portfolio

Organization	ZGF Investment(s)	Investment Year	Description	UN SDGs Targeted* <small>*SDGs broadly addressed by portfolio companies as listed by the companies themselves</small>
LeapFrog	Emerging Consumers Fund III	2019*	Providing access to financial services and healthcare for emerging consumers in Sub-Saharan Africa, South Asia, and Southeast Asia	<div><div>1</div><div>3</div><div>5</div><div>8</div><div>9</div><div>10</div></div>
Lightsmith	CRAFT	2019	Financing solutions for climate adaptation and resilience to improve the lives of underserved communities globally	<div><div>2</div><div>5</div><div>6</div><div>7</div><div>12</div><div>13</div></div>
Founders First Capital Partners	Founders First Capital Partners	2021	Providing revenue-based financing to underinvested entrepreneurs across the United States	<div><div>8</div><div>10</div></div>
Apis & Heritage	Legacy Fund I	2021	Enabling job preservation and asset ownership for low- and moderate-income workers in the United States through employee ownership	<div><div>8</div><div>10</div></div>
Seedstars International Ventures	International Ventures Fund II	2022	Providing access to capital and technical support for emerging market entrepreneurs around the world	<div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>8</div><div>10</div></div>
Horizon Capital	Horizon Capital Growth Fund IV	2022	Supporting tech companies in Ukraine (and up to 20% in Moldova) towards economic stability, growth, and employment in the region	<div><div>8</div><div>9</div><div>16</div></div>
Blue Forest	FRB Catalyst Facility	2023	Revolving facility to replicate FRBs and increase the scale and pace of forest restoration, reducing wildfire risk, and improving watershed resilience	<div><div>6</div><div>13</div><div>15</div></div>
Trailhead Capital	Regeneration Fund I	2023	Early-stage venture fund supporting innovative, scalable, high-impact businesses across regenerative food and agriculture	<div><div>2</div><div>13</div><div>15</div></div>
EXITED INVESTMENTS				
Blue Forest	Yuba I Forest Resilience Bond <small>Investment exited in 2023</small>	2018*	Restoring and protecting forests, watersheds, ecosystems, and communities threatened by catastrophic wildfire	<div><div>3</div><div>6</div><div>7</div><div>8</div><div>11</div><div>13</div><div>15</div></div>
Sixup	Sixup PBC and Community Fund III <small>Investment exited in 2023</small>	2018*	Providing student loans to high-performing, low-income students in the United States	<div><div>4</div><div>8</div><div>10</div></div>
Impact Investment Exchange	Women’s Livelihood Bond II <small>Investment exited in 2024</small>	2020 *Warehoused	Providing capital and other assistance to women-owned businesses in Southeast Asia	<div><div>1</div><div>2</div><div>3</div><div>5</div><div>8</div><div>10</div><div>13</div><div>17</div></div>



Alignment with the UN SDGs



2024

15.1

2.3

3.8

5.5

6.4

7.2

Impact Investment Exchange

14K+

Women farmers being sourced from

Investment exited in 2023

LeapFrog

10M*

Emerging consumers reached through healthcare services

Founders First Capital Partners

Horizon Capital

Impact Investment Exchange

Lightsmith

100K+

Women accessing capital for income generation

Blue Forest

80K+

Water supply protected (acre-feet)

Blue Forest

111K+

Hydropower generation protected (megawatt-hours)

1. No Poverty

2. Zero Hunger

3. Good Health and Well-Being

4. Quality Education

5. Gender Equality

6. Clean Water and Sanitation

7. Affordable and Clean Energy

8. Decent Work and Economic Growth

9. Industry, Innovation and Infrastructure

10. Reduced Inequalities

11. Sustainable Cities and Communities

12. Responsible Consumption and Production

13. Climate Action

14. Life Below Water

15. Life on Land

16. Peace, Justice and Strong Institutions

17. Partnership for the Goals

*Represents active consumers in 2024

Investments Overview





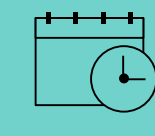
INVESTMENT TYPE
Intermediated Equity



GEOGRAPHY
Sub-Saharan Africa,
South Asia, and
Southeast Asia



PURPOSE
Expanding Access to
Healthcare, and
Financial Services



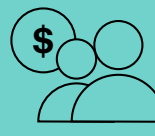
YEAR OF INVESTMENT
2019 (warehoused)



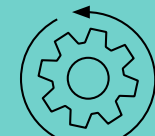
ROLE OF CATALYTIC CAPITAL
ZGF leveraged its investment
through the creation of an
innovative insurance product
focused on addressing tail-end
performance risks to mobilize
additional private capital for
emerging consumers



ZERO GAP FUND CATALYTIC INVESTMENT
\$3M (<1% of total)



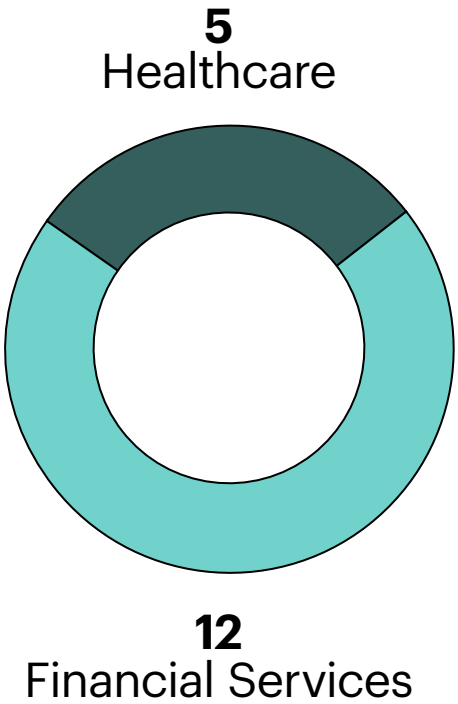
CAPITAL MOBILIZED
\$270M



LEVERAGE RATIO
90x

SELECT 2024 IMPACT RESULTS

Companies Invested In*



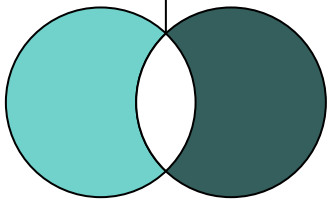
161,902
Jobs
Supported*



141M

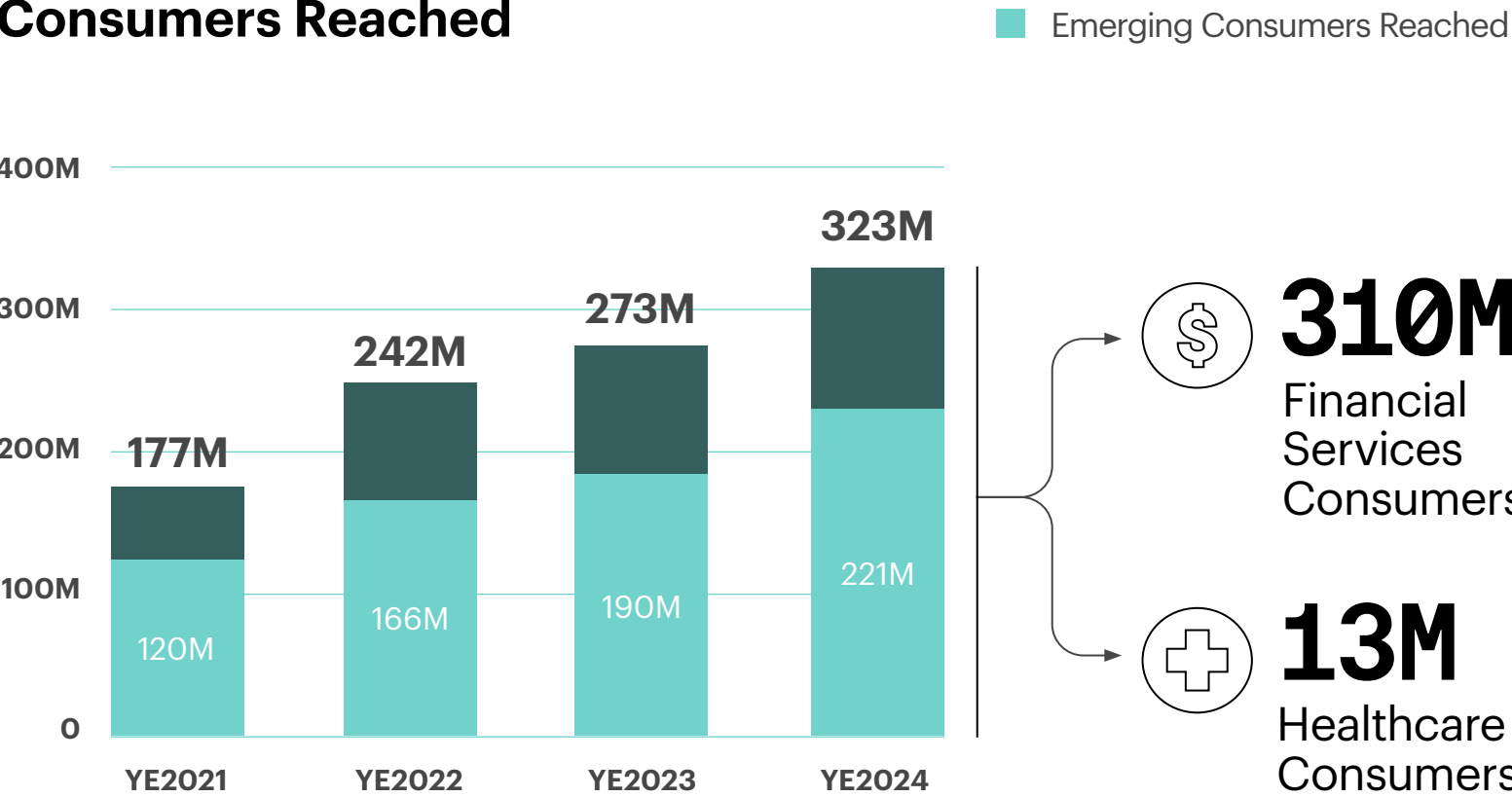
Unique
Customers
Served

45M
Unique
Female
Customers



85M
Unique
Emerging
Customers

Consumers Reached



310M

Financial
Services
Consumers

13M

Healthcare
Consumers

*Cumulative data through 2024
"Customers" refers to a portfolio company's direct customers while "Consumers Reached" refers to those customers and their households

LeapFrog



LeapFrog's Emerging Consumer Fund III is a growth equity fund serving low-income consumers in Asia and Africa, incorporating a blended finance insurance product to mitigate tail-end risks.

Emerging consumers* are underserved or excluded from essential financial and healthcare products and services, leaving them unprotected from any financial or health shocks. With rapid urbanization and the rise of non-communicable diseases, emerging consumers are living longer but spending up to a decade in poor health. Combined with a lack of financial services that support wealth building, like retail savings and credit products, emerging consumers across the global south find themselves particularly vulnerable.

LeapFrog's Emerging Consumer Fund III (Fund III) invests in tech-enabled companies whose products improve access to these critical services for emerging consumers. In 2018, LeapFrog, AXA and the U.S. Overseas Private Investment Corporation (now the U.S. International Development Finance Corporation), joined with the Zero Gap Fund to create an innovative insurance mechanism to mitigate tail-end performance risks of the private equity investments. This insurance mechanism was instrumental in bringing the U.S.

Overseas Private Investment Corporation investment in Fund III.

Among Fund III's signature investments is its 2017 investment in Goodlife Pharmacy, a retail chain in East Africa focused on increasing access to quality and affordable over-the-counter and prescription drugs. LeapFrog has helped scale Goodlife's operations 8x—from 19 stores at investment to approximately 145 across Kenya and Uganda by December 2024. Goodlife now reaches 1.2 million unique customers annually, around half of whom are lower-income emerging consumers.

As of 2022, Fund III is fully invested across 17 companies. LeapFrog continues to actively manage the portfolio to ensure companies maintain service to emerging consumers in a challenging market environment. As Fund III nears the end of its 10-year term, the LeapFrog team is exploring pathways for exit that maintain and sustain impact.

*LeapFrog defines emerging consumers as those earning less than \$10/day for investments made prior to February 2022. Due to inflation, since February 2022, they are defined as those earning less than \$11.20/day.



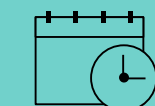
INVESTMENT TYPE
Intermediated Equity



GEOGRAPHY
Global



PURPOSE
Climate Adaption



YEAR OF INVESTMENT
2019



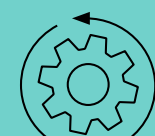
ROLE OF CATALYTIC CAPITAL
ZGF was among the first private investors in CRAFT and gave credibility to a new fund manager seeking to catalyze a novel strategy in impact-driven growth equity in climate adaptation



ZERO GAP FUND CATALYTIC INVESTMENT
\$4M (2% of total)



CAPITAL MOBILIZED
\$182M



LEVERAGE RATIO
46x

**SELECT IMPACT RESULTS
THROUGH 2024**

615

Net New Jobs
Total



1.8M

Tons Net GHG
Emissions
Reduction

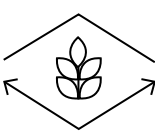


7 Portfolio Companies
Impact Highlights
Achieved



22.9M

Liters of Clean
Water Provided
(Source Global)



21.6M

Hectares
Sustainably
Managed
(Solinftec, Cadmus)

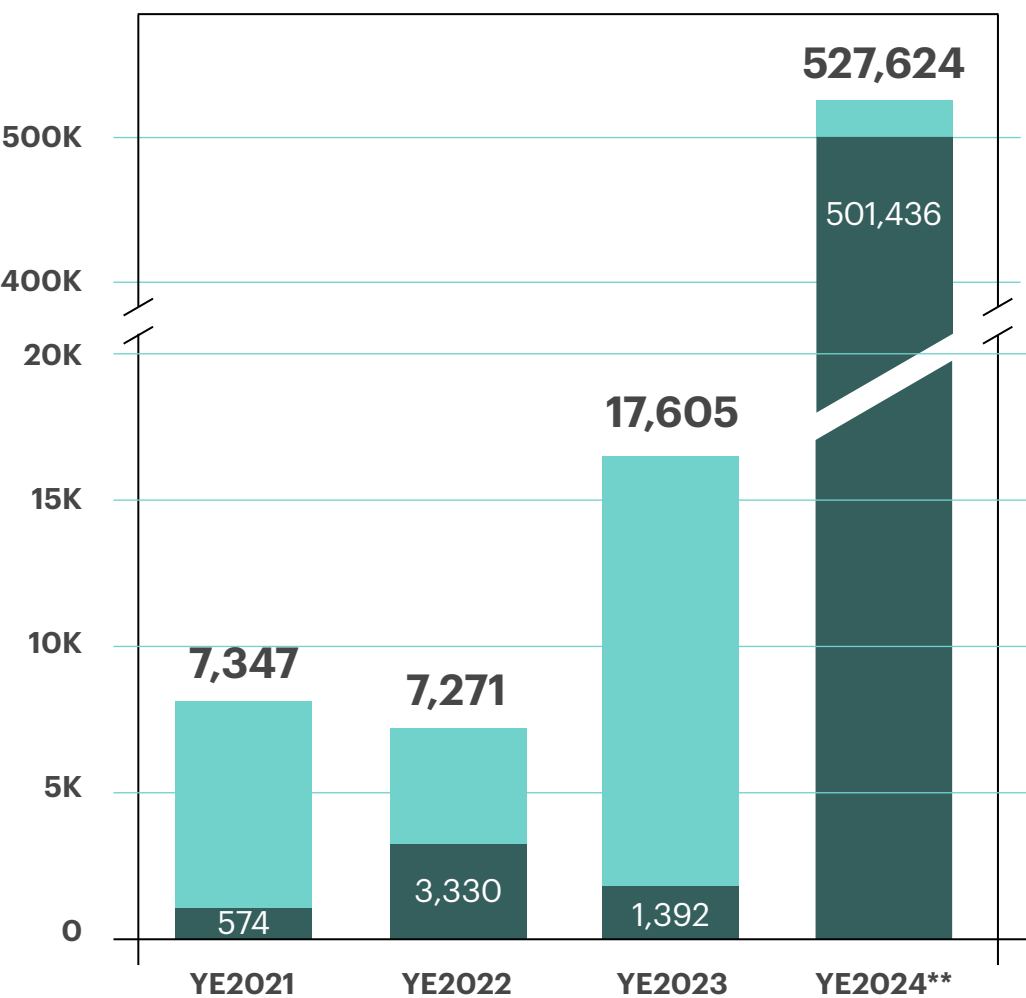


29.6K

Tons of Food
Loss Avoided
(WayCool)

**Beneficiaries Served
by Market***

■ Developed Markets
■ Emerging Markets



*Represents active beneficiaries as of end of 2024
**Growth in 2024 driven primarily by one investment, Beep Saude

Lightsmith

The **Lightsmith** Group

Lightsmith’s CRAFT facility focuses on climate adaptation, mobilizing capital for innovative companies delivering technologies that build community resilience.

The effects of climate change—from wildfires to massive flooding and drought—require climate adaptation and resilience solutions that help communities manage the effects of extreme weather. Despite the significant funding need, adaptation represents a small percentage of total climate investment.

In 2019, the Zero Gap Fund was among the first private investors to commit to Lightsmith’s CRAFT (Climate Resilience and Adaptation Finance and Technology facility). CRAFT invests in growth companies that use digital technology and artificial intelligence to assess and manage the effects of climate change. Investee companies provide products and services targeting areas such as resilient water and food and agriculture in developed and emerging markets.

CRAFT made three new investments in 2024, which included Beep Saude, a B2C tech-enabled digital healthcare company that provides high-quality and rapidly responsive in-home healthcare services across an expansive market in Brazil.

Beep Saude helps build resilience to health-related climate impacts like increasing incidences of dengue fever and other vector-borne diseases.

In an effort to foster more investments in adaptation, Lightsmith partnered with Bezos Earth Fund, ClimateWorks, MSCI Sustainability Institute, and the GARI Group on the Climate Resilience Investments in Solutions Principle (CRISP) framework.

CRISP provides investors with guidance for investing in climate adaptation and resilience solutions while also providing practical examples of such solutions per sector. Ultimately, Lightsmith aims to show that investing in climate resilience and adaptation is an ‘unavoidable opportunity,’ particularly in developing countries.



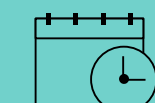
INVESTMENT TYPE
Direct Equity



GEOGRAPHY
United States



PURPOSE
Increased Access to
Funding for Underinvested
Companies



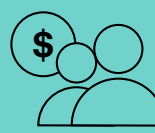
YEAR OF INVESTMENT
2020



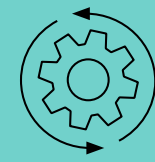
ROLE OF CATALYTIC CAPITAL
Direct investment into an
innovative revenue-based
lending platform to provide
an operational track record
that demonstrates the credit
model and mobilizes at least
\$100M towards underinvested
service-based companies



ZERO GAP FUND CATALYTIC INVESTMENT
\$1.5M (14% of total)



CAPITAL MOBILIZED
\$119.5M



LEVERAGE RATIO
80x

**SELECT IMPACT RESULTS
THROUGH 2024**

52

Loans
Distributed

\$14.1M

Capital
Deployed

\$271K

Average
Loan Size

\$41M

Total Change in
Valuation from
Time of Funding
Through 2024*

201

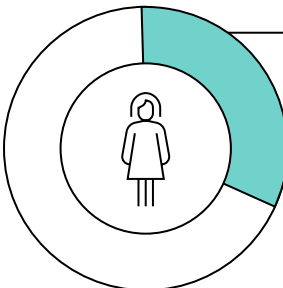
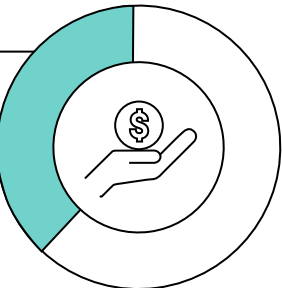
Net New
Jobs at
Portfolio
Companies



83%

Loans to
Members
of Any
Underinvested
Groups

39%
Loans to
Low- and
Moderate-
income
Communities**



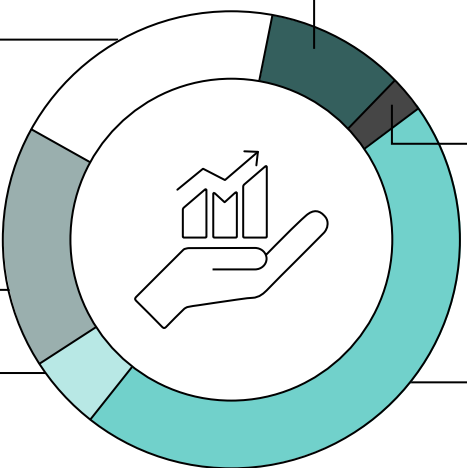
33%
Loans to
Women

Loan Recipient Business Type

23%
Other

20%
Business
Services

9%
Real Estate



14%
Healthcare

3%
Retail

31%
IT/Software as a
Service (SaaS)

*409A fair market valuation report vs. current revenue & EBITDA multiplier

**According to the U.S. Federal Reserve, a low-income community is a median family income of less than 50% of the area median income. A moderate-income is a median family income at least 50% and less than 80% of the area median income.

Founders First Capital Partners



Founders First Capital Partners is an alternative credit provider that uses revenue-based financing to grow underinvested service-based companies.

50 million Americans live in distressed communities where employment rates are significantly lower than the national average. Founders First Capital Partners (FFCP) sees business ownership as a pathway to economic mobility, with significant job and wealth creation potential. They provide innovative growth capital and wrap-around support to accelerate service-based businesses to the mid-market.

FFCP creates a pathway to inclusive growth by offering companies revenue-based financing that allows them to pay a fixed percentage of their revenue up to a predetermined cap. This flexible financing method allows the payments to vary based upon the monthly revenue of the company. This aligns well with business performance, self-liquidates, and it avoids ownership dilution.

Through their Community Development Corporation(CDC), FFCP provides business training and technical assistance to help scale these diverse-led businesses.

CDC is funded by grants, enabling it to offer accelerator program services at subsidized rates.

In 2024, FFCP provided a loan to i³ Strategy Partners, a pharmaceutical consulting firm specializing in commercialization strategy and planning, health equity research, and clinical trial recruitment to help companies launch and scale life-changing therapies. Since receiving FFCP funding, i³ Strategy Partners received \$300,000 in additional funding that helped expand their clinical trials and grow their full-time staff.

Additionally, FFCP joined a coalition of small-business experts assembled by the Milken Institute via their Initiative for Inclusive Entrepreneurship, to identify and address capital access barriers and flexible lending products for underserved entrepreneurs. Their efforts led to a groundbreaking 18-month pilot that deployed \$10M in funding throughout 2024.



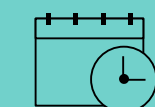
INVESTMENT TYPE
Intermediated Debt



GEOGRAPHY
United States



PURPOSE
Wealth Creation
for Low- and Moderate-
income workers



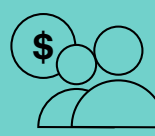
YEAR OF INVESTMENT
2021



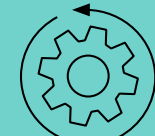
ROLE OF CATALYTIC CAPITAL
Anchor new fund managers
to send strong impact signal
to the market and catalyze
engagement from other
tentative early partners,
including reputable
organizations with a history
of addressing income and
opportunity inequality



ZERO GAP FUND CATALYTIC INVESTMENT
\$3M (5% of total)



CAPITAL MOBILIZED
\$55M



LEVERAGE RATIO
18x

**SELECT IMPACT RESULTS
THROUGH 2024**

442

Employee-owners

89%

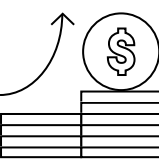
Considered Low- and
Moderate-income*

5

Family-owned
Businesses
Converted into
Employee-owned
Firms

110

Net New
Jobs Total



Total Value of New Wealth
Created for Workers

\$416K



Annual Income per
Employee-owner

\$63K

*According to the U.S. Federal Reserve, a low-income community is a median family income of less than 50% of the area median income. A moderate-income is a median family income at least 50% and less than 80% of the area median income.

Apis & Heritage



Apis & Heritage's Legacy Fund I finances the conversion of companies with majority low- and moderate-income workforces into 100% employee-owned businesses using an employee-led buyout structure.

The bottom 50% of American households by wealth only hold a 1% share of all financial market wealth and have an uncertain path to retirement. Business ownership is one of the most common ways to amass wealth in the United States, and for low- and moderate-income workers (LMI), it can be a pathway to financial security but is rarely accessible.

Apis & Heritage (A&H) Legacy Fund I seeks to build wealth in LMI communities while preserving jobs by using business ownership to create intergenerational wealth. A&H finances the acquisition of companies from retiring owners/founders and converts them into 100% employee-owned businesses. Their ELBO® model, based upon the employee stock ownership plan (ESOP) model, combines mezzanine debt from Legacy Fund I, senior debt from bank partners arranged by A&H, and sometimes Seller Notes from existing owners.

For founders and retiring owners, the model provides them with a fair price for their companies and preserves their legacies. For employees, the model enables them to own equity in their company and build wealth to ensure a more secure financial future. For companies, the model promotes an

engaged and motivated workforce.

In 2024, Legacy Fund I helped transition two additional companies to 100% employee owned: Sky Blue Builders and Consolidated Construction Services (CCS). Sky Blue Builders is a general contractor specializing in complex federal and municipal construction projects. CCS is an underground utility construction firm specializing in commercial-scale sewer, water line, storm drain, and electrical conduit installations. Combined, the two companies had 101 employees at closing, of which approximately 84% are LMI. Sky Blue Builders was recognized by the Colorado Employee Ownership Commission for excellence in employee ownership, winning the ESOP of the Year 2024 award.

As 2024 came to a close, A&H partners were informed that the company would be the recipients of the prestigious 2025 Skoll Award for Social Innovation. A&H is the first for-profit investment fund ever to win this award and the only winner in North America this cycle.



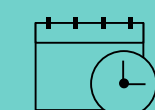
INVESTMENT TYPE
Intermediated Equity



GEOGRAPHY
Global



PURPOSE
Support Seed-stage
Tech-enabled Startups
to Scale



YEAR OF INVESTMENT
2022



ROLE OF CATALYTIC CAPITAL
Anchor investment that
enabled Seedstars International
Ventures to reach a minimum
fund size to execute,
demonstrate the fund strategy,
and catalyze capital into Fund II
or subsequent fund vehicles



**ZERO GAP FUND CATALYTIC
INVESTMENT**
\$4M (16% of total)



CAPITAL MOBILIZED
\$20.7M



LEVERAGE RATIO
5x

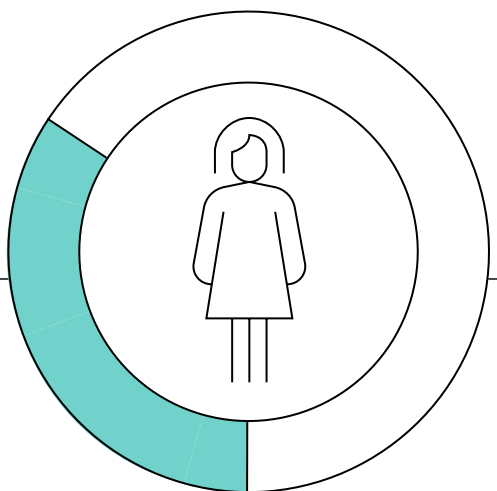
**SELECT IMPACT RESULTS
THROUGH 2024**

45

Portfolio
Companies
Financed

31%

Investees
with Women
Co-founders



• **\$9.8M**

Committed to
Portfolio Companies

• **614**

New Full-time Employee
Positions Created

• **227,537***

Business-to-business
Clients

• **15,651***

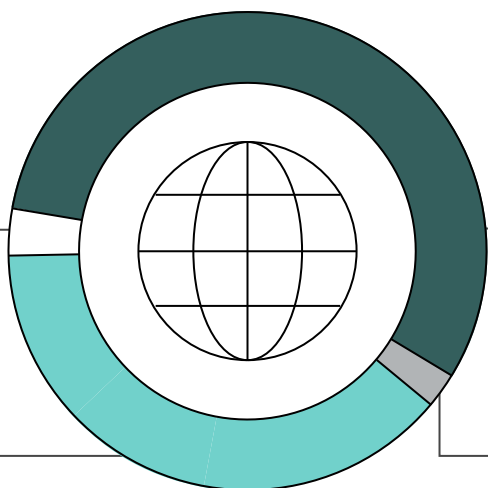
Individual Clients

4%

in High-income
Countries

38%

in Upper-middle
Income Countries



56%

in Lower-middle
Income Countries

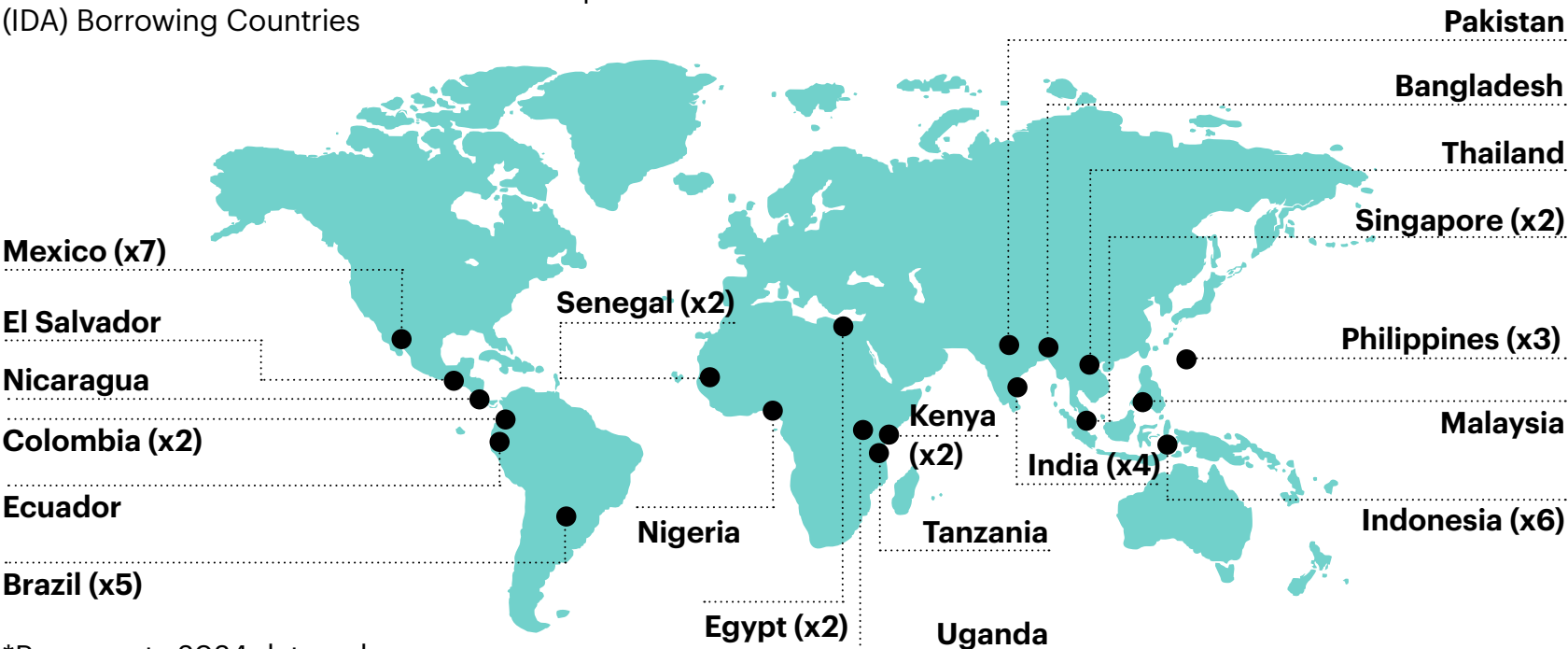
2%

in Low-income
Countries

As defined by the World Bank

**Distribution of the Investments
Across Countries**

16% of investments in International Development Association
(IDA) Borrowing Countries



**Represents 2024 data only*

Seedstars International Ventures



**Seedstars International Ventures II invests in seed-stage
tech-enabled startups across emerging and frontier markets
and helps them scale.**

Emerging markets represent 85% of the global population yet attract just 5.4% of total global venture capital funding. This funding gap is particularly significant for seed-stage capital and companies with a women founder or co-founder.

To help fill this gap, Seedstars International Ventures II (Fund II) invests in pre-seed and seed stage scalable technology companies to address challenges in finance, commerce, healthcare, and education across emerging and frontier markets globally.

The Zero Gap Fund’s catalytic investment in 2022 intended to bring in additional capital in support of scaling Fund II’s investment strategy and deploy capital to innovative models in underserved markets. The goal is to invest in up to 70 pre-seed and seed-stage companies, with follow-on investments up to Series A. Investee companies will address one or more of the SDGs and at least 30% will have women founders or co-founders.

ZGF seeded Fund II along with the International Finance Corporation

(IFC), Visa Foundation, and Symbiotics. Fund II includes a blended finance component providing a first loss tranche for investments in the lowest income markets.

To help portfolio companies build sustainable growth foundations and scale up rapidly, Seedstars International Ventures invites them to join their 12-week Growth Track—a tailored consultancy program for startup teams. This program enables teams to learn and implement the best modern growth practices with the support of experienced growth partners.

In 2024, Fund II invested in an additional 14 companies driving impact across credit access, supply chain modernization, and climate resilience. From Lorien Finance expanding student mobility (India), to Silverguard’s AI anti-fraud tools (Brazil), Credify’s cross-border trade finance (East Africa), and Courageous Land’s regenerative agroforestry tech (Amazon) — these scalable investments are driving innovative impact.



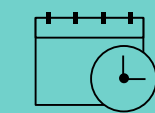
INVESTMENT TYPE
Intermediated Equity



GEOGRAPHY
Ukraine and Moldova



PURPOSE
Support Ukrainian and
Moldovan Business to
Enable Employment and
Economic Growth



YEAR OF INVESTMENT
2022



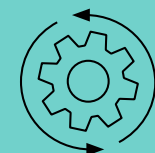
**ROLE OF CATALYTIC
CAPITAL**
Provided the first non-DFI
capital to the fund to help
catalyze private investment
towards the fund's first close



**ZERO GAP FUND CATALYTIC
INVESTMENT**
\$3M (1% of total)



CAPITAL MOBILIZED
\$362M



LEVERAGE RATIO
116x

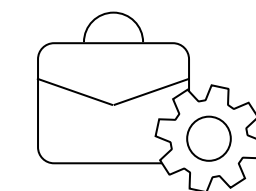
**SELECT IMPACT RESULTS
THROUGH 2024**

5

Companies
Supported

80%

Women-led*



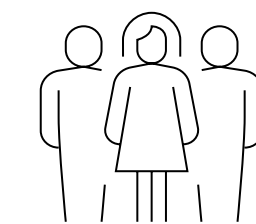
119

Net New
Jobs
Created



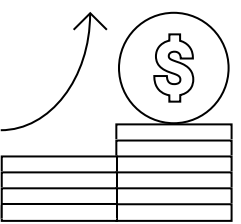
94.3%

High-Quality
(Higher than Average
Regional Wages)



4,839

**Total Employees
of Portfolio
Companies**
of which 2,056
are in Ukraine



\$101.6M+

Invested in Portfolio
Companies



100%

is Ukraine-based

*Share of women in Executive team (≥25%)

Horizon Capital



Horizon Capital Growth Fund IV invests in innovative, export-oriented, asset-light technology companies that are more resilient to volatile macro environments.

Ukraine's economy has continued its recovery throughout 2024, driven by sustained international support, the resilience of businesses and households in adapting to wartime challenges, and the preservation of macroeconomic stability. However, full recovery and reconstruction will need an estimated 10 years and more than \$500 billion in funding. Private investment in technology companies is critical to the long-term economic growth and stability of Ukraine.

Horizon Capital has been active for over 30 years in the region and is currently managing over \$1.6 billion in assets, making it the most active private equity investor in Ukraine and Moldova. It is Ukraine's largest tech investor, backing fast-growing, export-oriented companies generating global revenues from cost-competitive platforms, thus mitigating currency and macro risks.

Their portfolio companies provide essential goods and services and pay taxes to fund necessary public spending.

In 2022 Horizon Capital launched Horizon Capital Growth Fund IV, L.P. (HCGF IV), targeting export-oriented technology companies that provide employment opportunities for Ukrainian and Moldovan citizens. HCGF IV exceeded the initial fundraising target by 40%, raising a total of \$350 million, at the final closing in February 2024.

By year-end 2024, HCGF IV had invested over \$100 million across five deals, including Room 8 Group Ltd, the largest company in Ukraine and among the Top-3 globally in digital art and game development outsourcing, partnering with seven of the Top-10 global players such as Nintendo, EA, Ubisoft, and Xbox Game Studios; and Creatio, Inc., a fast-growing enterprise software developer combining a low-code platform with customer relationship management (CRM) and business process management (BPM).

The Fund is the first private equity fund in Central and Eastern Europe to receive the 2X Flagship Fund designation.



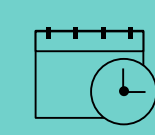
INVESTMENT TYPE
Intermediated Debt



GEOGRAPHY
United States



PURPOSE
Scale up Reforestation
Efforts and Reduce
Catastrophic Wildfires



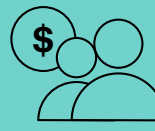
YEAR OF INVESTMENT
2023



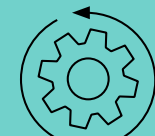
ROLE OF CATALYTIC CAPITAL
Replicate FRB model
across different landscapes
and geographies



**ZERO GAP FUND CATALYTIC
INVESTMENT**
\$2M (15% of total)



CAPITAL MOBILIZED
\$7.6M



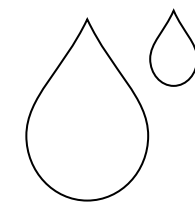
LEVERAGE RATIO
4x

**SELECT IMPACT RESULTS
THROUGH 2024**



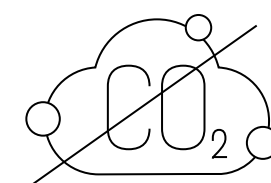
15,324

Acres of Terrestrial
Ecosystems Protected



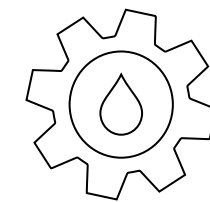
52,717

Water Supply
Protected
(acre-feet)



127,104

Avoided Carbon
Emissions (metric
tons of CO₂e)



73,065

Hydropower
Generation Protected
(megawatt-hours)



5

Sites for
Restoration
Efforts



Blue Forest



Blue Forest’s FRB Catalyst Facility leverages the public private partnership structure of the Forest Resilience Bond to create a pooled, revolving investment facility to accelerate the financing of critical ecological restoration projects.


Wildfires in the U.S. are occurring with increased frequency and severity, resulting in catastrophic impact on communities and ecosystems. In 2024, there were more than 64,000 wildfires that burned over 8.9 million acres, a 15% and 231% increase, respectively, from 2023 and noticeably higher than the five and 10-year averages. Ecological forest restoration is a critical tool for reducing the risk of wildfires to strengthen ecosystems, protect watersheds, and create local jobs. This work requires controlled burn practitioners, contractors, and foresters to plan restoration projects, conduct prep and layout, and implement treatments.

Large-scale restoration on National Forests alone carries an estimated price tag of \$50 billion. Blue Forest created the Forest Resilience Bond (FRB) vehicle to address this gap. The instrument aligns the interests of local stakeholders, investors, and industries that benefit from well-managed forests and watersheds, such as federal, state and local governments, water supply utilities, hydropower companies, and other public and private entities in order to unlock critical funding. To date, the FRB has expended \$5.3 million in federal funding—and leveraged that to


attract over \$40 million in non-federal investment directly into restoration work.

In an effort to leverage and scale the FRB model and its impact, Blue Forest created the FRB Catalyst Facility in 2023, a pooled, revolving investment facility that will enable expansion to new landscapes and communities. The FRB Catalyst Facility is targeting at least 10 projects, equaling at least \$50 million in forest restoration work in Oregon, California, Washington, and other communities in the Western US. Thus far, it has supported five projects, adding three in 2024: SONEC I in Oregon and California, Upper Mokelumne I in California, and Upper Wenatchee I in Washington.


Active restoration efforts often encounter delays due to seasonal weather limitations and budgetary constraints. Blue Forest’s upfront funding bridges these gaps, ensuring that partners can promptly pay staff and contractors, allowing critical work to resume as soon as weather conditions permit. The investment in the FRB Catalyst Facility strengthens ZGF’s longstanding partnership with Blue Forest, underscoring a shared commitment to scaling an ecosystem restoration financing model.



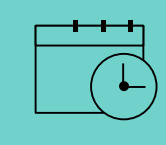
INVESTMENT TYPE
Intermediated Equity




GEOGRAPHY
United States and Canada




PURPOSE
Support Businesses with Scalable Regenerative Food and Agriculture Solutions



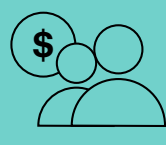
YEAR OF INVESTMENT
2023



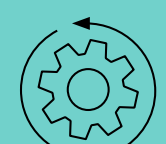
ROLE OF CATALYTIC CAPITAL
Provided the only Program Related Investment into the fund with the aim of accelerating the emerging segment of deep regenerative agriculture investing



ZERO GAP FUND CATALYTIC INVESTMENT
\$3M (6% of total)

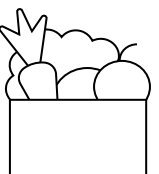


CAPITAL MOBILIZED
\$4M




LEVERAGE RATIO
1x

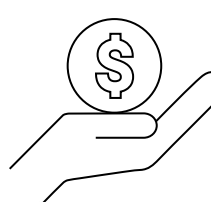
SELECT IMPACT RESULTS THROUGH 2024



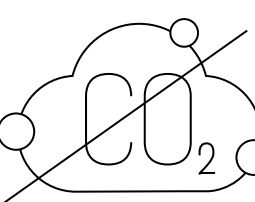
1.99B
Food Miles Saved*
(Local Line, Inc.)
Miles that would otherwise have been driven to supply food minus miles actually driven.



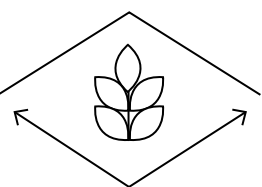
415M
Gallons of Water Conserved
(Avalo, Inc., Progenco, Inc.)



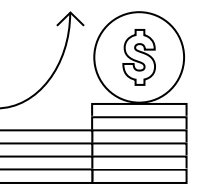
29
Investments in Early-stage Companies



68,000
Avoided Carbon Emissions (tons of CO2e)



43.1M
Acress of Land Impacted by Portfolio Companies
2024 data are preliminary as of June 2025, portfolio company reporting is not yet complete for 2024.



\$121M
Additional Capital Aggregately Raised by Companies During follow-on Rounds
*Represents 2024 data only

Trailhead Capital

TRAILHEAD CAPITAL

Trailhead Capital Regeneration Fund I invests in early-stage businesses providing innovative, scalable, tech-enabled solutions for regenerative food and agriculture.

Current agriculture and food production practices contribute to greenhouse gas emissions, degrade soil biodiversity and broader species biodiversity, use synthetic and harmful chemicals and ultimately make their way into our water systems, while also consuming the vast majority of the world’s limited fresh water.

Regenerative agriculture is key to reversing these negative impacts and ensuring a healthy, sustainable food system. Regenerative technologies can restore the soil ecosystem, improve crop yield, produce higher quality food, reduce farming costs, and minimize food waste. The improvement in soil health also results in increased carbon capture, conservation of water, and more nutritionally dense foods. Transforming our food system to one that is regenerative is critical to building healthy, resilient communities.

Trailhead’s Regeneration Fund I targets entrepreneurs that offer tech-enabled solutions to expand regenerative agriculture practices and products. It invests across the food supply chain to promote the transition to a regenerative food system.

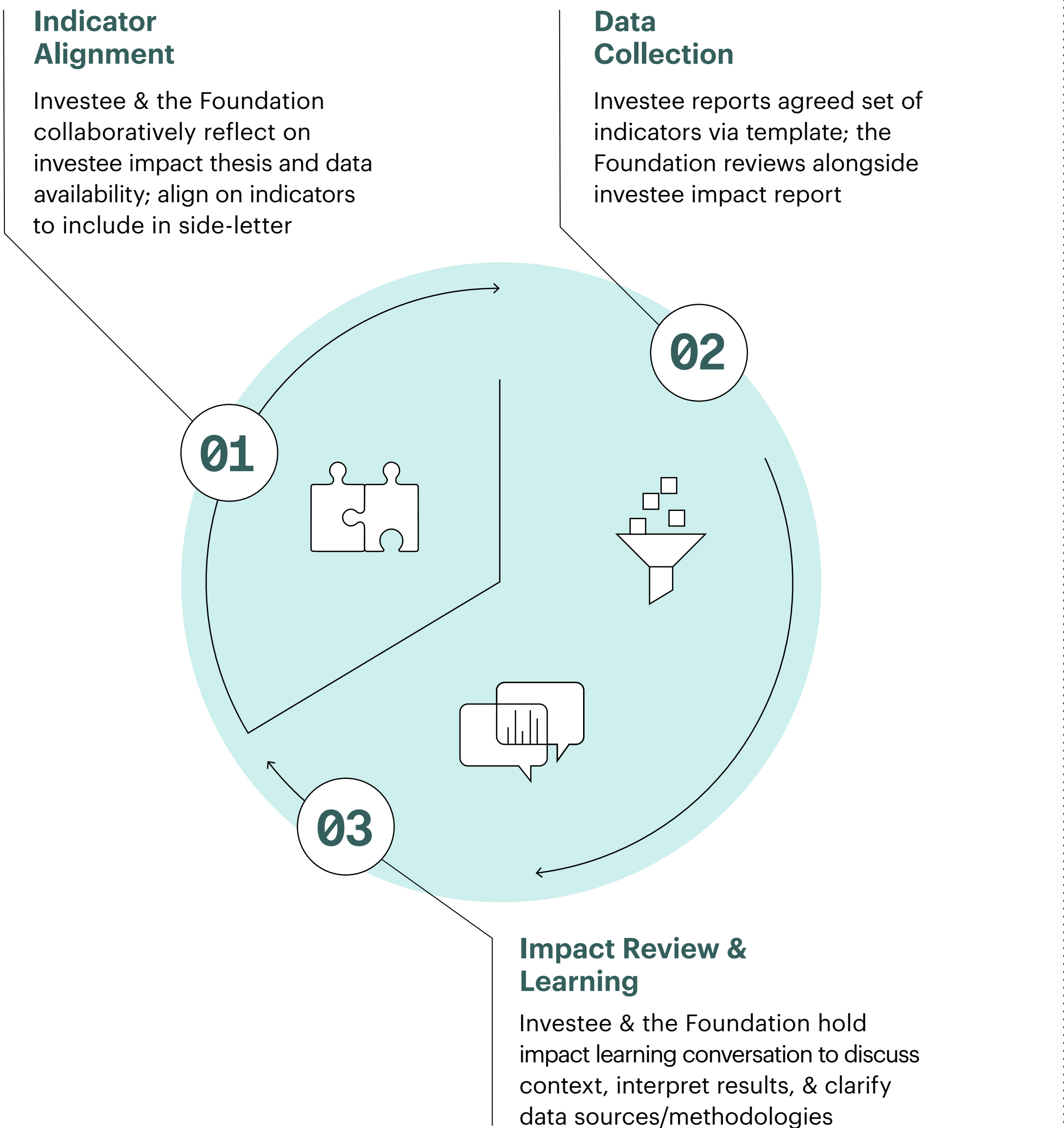
Regeneration Fund I portfolio company, Funga, which supports nature-based carbon removal that will restore soil, empower communities, and transform forestry in the U.S., made major strides in 2024. They entered an exclusive partnership with PRT-IFCO Growing Services to provide inoculated seedlings to PRT-IFCO’s extensive landowner base. Funga also secured its first major deal to deliver more than 500,000 tons of carbon removal to a major corporate buyer.

Over the past two years, Trailhead developed an impact measurement framework to establish, monitor, and measure regenerative agriculture investment key performance indicators (KPIs). Alongside those efforts, Trailhead formed a partnership with the Rodale Institute, a global leader in regenerative agriculture research and science, to help them advance soil science and regenerative agriculture analysis with the goal of improving human and planetary health.

INVESTMENTS OVERVIEW

16

Impact Measurement and Management Approach



Rooted in Foundation-wide principles of transparency, accountability, and learning, our Impact Measurement and Management (IMM) approach balances the pursuit of rigor with a practical understanding of on-the-ground realities, following best practices while acknowledging the nascent yet evolving nature of the IMM space. We are continually refining the tools and frameworks, as we engage throughout our deal lifecycle, striving toward sector standards and best practices, guided by the Operating Principles for Impact Management, the Impact Reporting Norms, and the SDG Impact Standards, among others.

Our approach considers the following:



1. OUR BROAD IMPACT THESIS MAKES ROOM FOR INVESTEE-SPECIFIC AIMS

While the ZGF Impact Thesis (pg. 18) outlines our broad intended impact pathways, we recognize the inherent diversity within our portfolio. Each investment made by ZGF possesses a unique model for creating change and defines impact in its own distinct way, spanning various thematic areas, such as economic development, gender, health, and climate. This reflects the fund’s overarching aim to catalyze capital towards innovative models that advance impact globally across the United Nation’s Sustainable Development Goals.



2. WE PROMOTE MEANINGFUL AND SIMPLIFIED INDICATOR SELECTION

Our approach to indicator selection begins with a collaborative dialogue during due diligence, prioritizing an understanding of the investee’s own impact thesis, and data collection practices. The investee’s impact thesis, our charitability assessment and internal impact reporting requirements, and the Impact Management Project (IMP) 5 dimensions of impact framework serve as valuable starting points to explore potential indicators in partnership with potential investees. The aim is to collect indicators that are decision-relevant for the investee and that align, as much as possible, with the reporting expectations the investee is already committed to meeting. Throughout our investment, we continually engage with investees to understand the degree to which these indicators remain the most valuable, exploring opportunities to refine where appropriate.

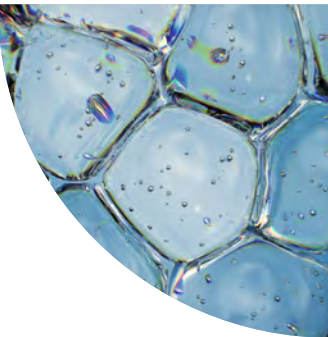


Impact Measurement and Management Approach



3. OUR TARGET-SETTING AND MEASUREMENT APPROACH ALIGNS WITH OUR INVESTMENT STRATEGY’S FOCUS ON FUNDS

Initially, we anticipated that setting clear impact targets would be as crucial as financial targets for our investees. While the theoretical importance remains and several of our investees do work toward targets, we have learned that some investees, especially funds, face significant challenges in establishing accurate impact targets due to methodological limitations and contextual factors. Consequently, our focus has shifted from comparing actual results against firm targets to analyzing performance trends over time.



4. WE AGGREGATE CAREFULLY

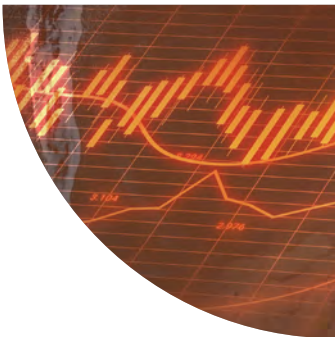
We recognize the inherent variability in how different entities measure impact, including differences in definition, data type, source, and methodology, as well as diverse operational contexts. While a conservative approach might suggest avoiding aggregation across the ZGF portfolio, we have made a deliberate decision to examine construct equivalence, rather than measurement-based or definitional equivalence, and identify overarching themes—an approach

outlined by groups like the Common Approach to Impact Measurement. We acknowledge that aggregated data will always involve some level of variability and rarely represent perfect measurement equivalence. However, we believe that examining these data for broader trends can be valuable.



5. WE AVOID ATTRIBUTING IMPACT TO OUR INVESTMENT ALONE

Recognizing that direct attribution of impact to a specific investment is generally not warranted, particularly in a fund-of-funds model, the Foundation has made a deliberate choice not to multiply an investee’s reported impact data by our proportionate investment. Instead, we prioritize elevating the impact data reported by our investees themselves, alongside our investment percentage to ensure transparency.



6. WE CONTINUALLY STRIVE TO ENHANCE OUR IMM APPROACH

In addition to the foregoing considerations, some of the questions we are currently asking, and examining opportunities to address, include:

How might we better understand and/or engage the perspective of stakeholders?

How might we better incorporate considerations of unintended consequences of our investments into our portfolio management?

What is our unique investor contribution to this work, and how can we better support our investees in non-financial ways?

And as we attempt to strike a balance between learning and accountability, burden and rigor, relevance and standardization, we welcome thought partnership and collaboration with other investors to continue advancing the IMM ecosystem.

The Zero Gap Fund invests catalytic capital into creative funding mechanisms, supporting investees through the investment lifecycle, to generate positive charitable impact and appropriate financial returns. While outcomes may vary with each investee, core SDG themes include: access to finance, economic inclusion, and climate.

These models are accelerated by ZGF’s contribution to an ecosystem in which investing for impact becomes more mainstream—beginning with positive signals generated as a direct result of ZGF investments. These in turn attract more diverse private funding in impact themes.

ZGF also champions Impact Measurement and Management (IMM) and reporting to further enhance this ecosystem. The generation of investible models with positive impact and financial returns, alongside a robust and more mainstream impact-driven finance ecosystem, will perpetuate closing the interrelated gaps of SDG impact and SDG financing.

This impact thesis is based on a set of assumptions that ZGF is committed to continually learning from and testing.

Impact Thesis

INPUTS

- Risk-tolerant capital
- Networks
- Advisory
- Reputation
- Communications resources
- Grant funding

ACTIVITIES

- Invest catalytic capital
- Engage via non-financial support
- Support ecosystem through grants

OUTPUTS/OUTCOMES

- Incubate new mechanisms that:
 - Advance charitable SDG impact
 - Generate appropriate financial returns
- Mainstream an impact-driven finance ecosystem
 - Accelerate private sector funding
 - Foster a pipeline of investible opportunities
 - Enhance transparency and integrity via IMM and reporting

- More investable models that demonstrate sustainable SDG progress
- More funding for SDG impact
- More impact integrity

IMPACT

- Close SDG impact gap
- Close SDG finance gap



Impact at a Glance



ACTIVE INVESTMENTS					
ORGANIZATION/ INVESTMENT	WHAT	WHO	HOW MUCH	INVESTMENT CONTRIBUTION*	KEY IMPACT RISKS
LeapFrog <i>Emerging Consumers Fund III</i>	Invest in businesses that address healthcare and financial services needs in emerging markets	“Emerging Consumers” in sub-Saharan Africa, South Asia, and Southeast Asia and MSMEs that employ between 5 and 100 people	141M customers at the end of 2024, 85M of which are emerging customers, representing 323M consumers with household multipliers applied	\$3M investment Direct: \$270M / 90x	<ul style="list-style-type: none">Underservice of the most vulnerable and low-income consumers
Lightsmith <i>CRAFT</i>	Global private equity fund focused on climate adaptation	Poor and vulnerable populations	Investments in climate resilience solutions created 615 net new jobs, reaching 527,624 active beneficiaries at end of 2024 and reducing cumulative 1.8M tons of CO2e of greenhouse gas emissions	\$4M investment \$182M / 46x	<ul style="list-style-type: none">Funding low- or negative-impact companiesUnderservice of the most vulnerable populations
Founders First Capital Partners	Address funding gap for underinvested businesses with flexible, nondilutive, revenue-based lending	Underinvested businesses located outside major capital hubs or operating in low- to moderate- income areas	Enhanced access to capital through 52 loans to small & medium businesses, 83% to individuals from underserved communities; 201 net new jobs were created	\$1.5M investment Direct: \$110M / 73x	<ul style="list-style-type: none">Underrepresentation of underserved businesses and owners
Apis & Heritage <i>Legacy Fund I</i>	Invest in small businesses comprised of a workforce with low- and moderate-income workers to support a 100% employee-owned company and reduce wealth disparity	Essential service businesses that have a large representation of low- and moderate-income workers	Transformed 5 businesses to employee ownership for 442 employee-owners, 89% of whom are considered low or moderate income; added \$416k of retirement savings	\$3M investment Direct: \$55M / 18x	<ul style="list-style-type: none">Underperformance of employee-owned enterprises and attendant lessening of value of employee ESOP accountsUnderrepresentation of underserved businesses and employees
Seedstars International Ventures <i>International Ventures II</i>	Fill the funding gap for emerging market entrepreneurs and provide technical support to help their businesses scale, while also enabling local economic growth	Invest in startup companies located in emerging markets (including frontier markets, as defined by IDA) to address one or more UN SDGs. Support women founders that have been historically underfunded	Invested in 45 start-ups in emerging markets, 31% with women co-founders, creating 614 net new full time positions	\$4M investment Direct: \$17M / 4x	<ul style="list-style-type: none">Startup companies are high risk investments, many of which are expected to fail due to a wide range of factors (limited consumer uptake, competition, insufficient capital, economic, etc.)Underrepresentation of female founders

*Investment contribution reflects ZGF investment. Direct refers to private capital raised alongside our investment in the vehicle ZGF is invested in.

Note: Unless otherwise noted, all impact and financial data is reported as of December 31, 2024.

Impact at a Glance



ACTIVE INVESTMENTS					
ORGANIZATION/ INVESTMENT	WHAT	WHO	HOW MUCH	INVESTMENT CONTRIBUTION*	KEY IMPACT RISKS
Horizon Capital <i>Growth Fund IV</i>	Support meaningful employment opportunities that allow Ukrainians to maintain quality of life, utilize their talents and remain in Ukraine in the long term. Provide investment and operational support to Ukrainian businesses, to help facilitate Ukraine’s long term economic stability	Preserve and create meaningful jobs—including in management roles—for Ukrainians facing immediate physical and economic hardship. Support women leadership and owners that have been historically underserved and underfunded. Invest in Ukrainian businesses that need capital now, not later	Invested \$101.6M into Ukraine across 5 companies (4 of which are women-led) with a total of 4,839 employees as of end of 2024, of which 2,056 are in Ukraine	\$3M investment Direct: \$122M / 41x	<ul style="list-style-type: none">• Underperformance could deter future private investment (despite being in a challenging environment). Companies may need to move workforces out of Ukraine if conflict escalates• Underrepresentation of female owners
Blue Forest <i>FRB Catalyst Facility</i>	Leverage pooled investment vehicle to scale efforts of Forest Resilience Bonds to restore forests and mitigate wildfire risk	Communities and forests in multiple sites across the Western U.S.	Invested in restoration efforts across 5 sites and protected 15,323 acres of land, avoiding 127,104 metric tons of carbon emissions from wildfire	\$2M investment / Direct: \$5.2 leverage (2.6x)	<ul style="list-style-type: none">• Key governmental partnerships withdraw support• Large fire in one of target regions obscures impact
Trailhead <i>Regeneration Fund I</i>	Drive capital toward climate-positive businesses, contributing toward outcomes like land protection, carbon sequestration, water conservation, and food waste reduction	Invest in climate-positive early stage companies across regenerative food and agriculture	Reduced food waste by saving 1.99B in food miles in 2024, conserved 415M gallons of water, and avoided 68,186 tons of carbon emissions. Investees positively impacted 43.1M acres of land	\$3M investment / Direct: \$4M leverage (1x)	<ul style="list-style-type: none">• Difficult to measure biodiversity impact• Challenges of creating impact among early-stage company investees

*Investment contribution reflects ZGF investment. Direct refers to private capital raised alongside our investment in the vehicle ZGF is invested in.

Note: Unless otherwise noted, all impact and financial data is reported as of December 31, 2024.

Impact at a Glance



EXITED INVESTMENTS					
ORGANIZATION/ INVESTMENT	WHAT	WHO	HOW MUCH	INVESTMENT CONTRIBUTION*	KEY IMPACT RISKS
Blue Forest <i>Yuba I Forest Resilience Bond</i> Exit Year 2023	Long-term ecological restoration to reduce the frequency and severity of wildfires and increase forest resilience	Communities and forests within the Western U.S.	Restored a cumulative 2,675 acres of high-value forest, which translates to 8,024 acres protected. Treatments protected 27,601 acre-feet of water supply and generated 38,255 megawatt-hours of hydropower, ultimately avoiding 27,280 metric tons of carbon emissions from wildfire	\$1M investment Direct: \$3M / 3x	<ul style="list-style-type: none">• U.S. Forest Service withdraws support• Regulatory differences may limit replication• Large fire in target region obscures impact
Sixup <i>Sixup PBC and Community Fund III</i> Exit Year 2023	Bridge the financing gap that prevents individuals from attending four-year colleges by identifying, underwriting and incubating undervalued students	High-achieving, low-income students; often first-generation students and students of color	Provided 325 loans to underserved students for college education.** **Reflects data as of 2021 and includes data relating to ZGF funding only	\$4M investment Direct: \$26M / 7x	<ul style="list-style-type: none">• Student over-indebtedness
Impact Investment Exchange <i>Women’s Livelihood Bond II</i> Exit Year 2024	Gender-focused capital markets product funding high impact enterprises focused on women’s empowerment	Women entrepreneurs from low-income, rural, or marginalized communities in Southeast Asia	Increased access to capital, credit and other assets to a cumulative 114,300 women in emerging markets, generating \$3.57 social return on investment	\$1.5M investment Direct: \$10.5M / 7x	<ul style="list-style-type: none">• Underrepresentation / under-service of lower-income women

*Investment contribution reflects ZGF investment. Direct refers to private capital raised alongside our investment in the vehicle ZGF is invested in.

Note: Unless otherwise noted, all impact and financial data is reported as of December 31, 2024.

