Disclosure Statement

Operating Principles for Impact Management

April 18, 2022

TriLinc Global, LLC ("TriLinc" or the "Signatory") hereby affirms its status as Signatory to the Operating Principles for Impact Management (the "Impact Principles").

This Disclosure Statement applies to the following assets ("Covered Assets") that align with the Impact Principles:

- TriLinc Global Impact Fund
- TriLinc Global Sustainable Income Fund
- TriLinc Global Impact Fund II
- TriLinc Global Sustainable Income Fund II

The total assets under management in alignment with the Impact Principles is USD $554 million as of December 31, 2021.[1]

Sincerely,

Gloria S. Nelund

Gloria Nelund
Chairman & CEO
TriLinc Global, LLC

[1] Actual AUM as of December 31, 2021 was USD $553,930,355. There is no guarantee that TriLinc's investment strategy will be successful or will avoid losses. Investment in pooled investment vehicles involves significant risk, including, but not limited to no secondary markets, limitations on liquidity, and transfer and redemption of ownership interest. For the TriLinc Global Impact Fund, risks also include, but are not limited to: units are restricted, transfer and redemption of units, distributions paid to holders may not come from income and if so, will reduce the returns; distributions are not guaranteed and are subject to board discretion. All TriLinc advised investment vehicles are dependent upon their respective advisors and deal origination and servicing partners to select investments and conduct operations. The investment vehicles sponsored and advised by TriLinc are not suitable for all investors. TriLinc owns TriLinc Advisors, LLC ("TLA"), which is the advisor to TriLinc Global Impact Fund, LLC, a non-traded company whose securities are registered with the U.S. Securities and Exchange Commission ("SEC"). TriLinc also owns TriLinc Global Advisors, LLC ("TLGA") which is the advisor to TriLinc Global Sustainable Income Fund, TriLinc Global Impact Fund II, and TriLinc Global Sustainable Income Fund II. TLA and TLGA are SEC registered investment advisors. Registration does not indicate a certain level of skill, training, or endorsement by the SEC. Industry participation is not intended to reflect the endorsement of TriLinc Global by such organizations.

Background

Launched in April 2019, the Impact Principles were developed by the International Finance Corporation ("IFC") in collaboration with a diverse group of impact investors, including asset managers, asset owners, multilateral development banks and development finance institutions. The Impact Principles describe the essential features of managing investment funds with the intent to contribute to measurable positive social or environmental impact, alongside financial returns. This goes beyond asset selection that aligns investment portfolios with impact goals to requiring a credible investment thesis of how the investment contributes to the achievement of impact.

The Impact Principles have been designed from the perspective of an end-to-end process. The five elements of this process are: strategy, origination and structuring, portfolio management, impact at exit, and independent verification. The nine Impact Principles that fall under these five main elements are the key building blocks for a credible impact management system. As such, they aim to ensure that impact considerations are integrated into investment decisions throughout the investment lifecycle.

TriLinc was founded on the belief that significant private capital is needed to help solve some of the world's most pressing economic, social, and environmental issues. TriLinc is a private investment sponsor dedicated to creating innovative private debt investment vehicles with the potential for competitive market-rate financial returns alongside measurable impact. Since its first investment in 2013, TriLinc has financed over $1.5 billion in over 600 term loan and trade finance transactions across four investment vehicles to 93 enterprises operating or trading into 38 developing economies.[2] On March 23, 2020, TriLinc became a signatory to the Impact Principles.

[2] Figures are as of December 31, 2021 and do not include temporary investments. There is no assurance that TriLinc will achieve its investment objectives.

Principle 1: Define strategic impact objective(s), consistent with the investment strategy.

Principle 1 Description: The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

TriLinc's Application: TriLinc launches and manages investment vehicles that have the objective of generating market rate returns and measurable, positive impact. TriLinc's investment thesis is founded on the conviction that the power of private capital is vital in helping to solve some of the world's most pressing economic, environmental, and social challenges, and that it is not necessary to give up investment return to have positive impact. TriLinc believes that companies that intentionally seek profitability alongside positive economic, environmental, and/or social impact and the creation of long-term social and environmental value are key to successful asset management for superior, sustainable returns.

TriLinc's strategic impact objective across all investment vehicles is centered on the notion that small and medium enterprises ("SMEs") are both the foundation and building blocks for sustained economic development, as they support job creation, provide stable and growing incomes, pay taxes to local government institutions through increased revenue and profit, drive local production of quality goods and services, and propel growth of the middle class in their communities. TriLinc's ability to offer both short-term trade finance facilities and longer-dated term loans help make it possible for growing enterprises to access flexible and timely capital, supporting economic development and competitiveness in geographies that lack adequate financing activities.

By providing access to financing for growth-stage SMEs that also meet systemic criteria and frameworks set forth in TriLinc's environmental, social, governance ("ESG") and Impact systems, TriLinc believes that its investment activity is strengthening the backbone of economies while unlocking meaningful positive environmental and social impacts. TriLinc's impact management system is applied to all TriLinc-advised investment vehicles, aligns to the Sustainable Development Goals ("SDGs"), and utilizes the Impact Reporting and Investment Standards ("IRIS") metric taxonomy to measure and track impact at both the both the portfolio- and borrower company-levels.

Principle 2: Manage strategic impact on a portfolio basis.

Principle 2 Description: The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

TriLinc's Application: TriLinc's impact management system is fully integrated into TriLinc's investment policies and procedures, including its investment due diligence, analysis, decision-making, and portfolio management disciplines. Prior to investment, TriLinc's ESG & Impact Team, led by the Director of ESG and Impact, assesses how each prospective borrower company may contribute to TriLinc's portfolio-level impact objective of supporting economic development through access to finance to SMEs. These contributions are measured through the collection, tracking, and reporting of five core metrics, including job creation, wage growth, revenues, net profits, taxes paid. Additionally, TriLinc requires each borrower company to self-identify and provide impact data for at least one impact objective from a provided list of 19 objectives.

On an ongoing basis post-investment, TriLinc develops an annual impact monitoring program that is tailored to each borrower company and enables TriLinc to manage impact achievement against both portfolio-wide and borrower-company specific impact objective(s). As best practices emerge, TriLinc may consider aligning staff incentives with the achievement of impact at the portfolio level. All impact objectives are measured ex-ante and ex-post using the IRIS metric taxonomy. At the borrower company-level, all impact objectives measure borrower company contributions across three broad categories: building sustainable communities, strengthening the workforce, and enhancing competitiveness in global markets.

Principle 3: Establish the Manager's contribution to the achievement of impact.

Principle 3 Description: The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

TriLinc's Application: TriLinc's impact thesis is centered on the notion that SMEs are both the foundation and building blocks for sustained economic development, as they: 1) create jobs; 2) provide stable and growing incomes; 3) pay taxes to local government institutions through increased revenue and profit; 4) drive local production of quality goods and services, and; 5) propel growth of the middle class in their communities. TriLinc's ability to offer both short-term trade finance and longer-dated term loans help make it possible for growing enterprises to access flexible and timely capital, supporting economic development and competitiveness in countries that lack adequate financing activities. By providing access to financing for growth-stage SMEs that also meet TriLinc's ESG and impact criteria, TriLinc believes that its investment vehicles are strengthening the backbone of economies while unlocking meaningful social and environmental impacts throughout both the developing and the developed world.

Providing a systematic approach to analyzing impact drivers on a loan-by loan basis, TriLinc's impact due diligence and monitoring processes and procedures are documented in the firm's impact management system, which is part of TriLinc's investment policies and procedures. As a part of these procedures, TriLinc's ESG and Impact Team assess and analyzes how its financing will contribute to both portfolio-wide and borrower company-specific impact objectives. This analysis includes evaluations of: 1) specific impact considerations associated with the particular geography, industry, or sector; 2) borrower company value-add to the local economy; 3) the amount of capital (e.g. credit) available for SMEs in the target market relative to TriLinc's investment; 4) TriLinc's use of proceeds; and 5) the terms, conditions, and structure of TriLinc financing. This analysis is conducted as part of the TriLinc's engagement with deal origination and servicing partners and borrower companies prior to and after TriLinc financing. The framework for this analysis was developed by TriLinc and integrates certain analytical tools from the Impact Management Project's Five Dimensions of Impact. Results of this analysis are documented in TriLinc's internal ESG and impact reports.

Principle 4: Assess the expected impact of each investment, based on a systematic approach.

Principle 4 Description: For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

TriLinc's Application: Integral to TriLinc's impact management system is TriLinc's proprietary impact assessment framework, which tracks and measures each borrower company's contribution to the portfolio-impact objective of SME finance and the achievement of each borrower company's self-identified impact objective(s). Imbedded in this framework are the analytical procedures to assess and identify the intended impact within unique challenges posed by different geographical and industry contexts. As a part of this evaluation, TriLinc's ESG and Impact Team identifies those borrower company stakeholders (e.g. employees, customers, suppliers, community members, the environment) that are the primary beneficiaries of the intended impact so as to better understand the potential scale and scope of the intended impact. This analysis is also complementary to and integrated with TriLinc's credit and ESG analysis, which highlight potential market, credit, and ESG factors (see TriLinc's response to Principle 5) that may influence the likelihood of the borrower company achieving tangible impacts towards TriLinc's portfolio-wide impact objective and/or specific borrower company impact objective(s).

After investment, TriLinc measures the achievement and significance of each borrower company's intended impact through the analysis of baseline (or ex-ante) impact data received by the borrower company and data received on an on-going annual basis (ex-post) thereafter. Insufficient progress by a borrower company may lead TriLinc to deepen its engagement with the borrower company to understand the rationale for its impact performance. In coordination with TriLinc's deal origination and servicing partner and the borrower company, TriLinc may adjust indicators/expectations accordingly due to significant, unforeseen, and changing circumstances; or other appropriate measures to improve the borrower company's expected impact performance. TriLinc's impact management system is proprietary TriLinc system that aligns to the SDGs, integrates elements of Impact Management Project's Five Dimensions of Impact, and utilizes the IRIS metric taxonomy to measure and track impact at both the both the portfolio- and borrower company-levels.

Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment.

Principle 5 Description: For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international *industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.*

TriLinc's Application: Complementary to TriLinc's impact management system, TriLinc has developed and implemented an ESG management system which details the firm's ESG objectives, internal organizational capacity and competency, ESG due diligence, monitoring, and reporting policy and procedures, and an ESG communications mechanism. TriLinc's ESG management is separate and distinct from its impact management system but similar insofar that its applicable to all investments made across all TriLinc-advised investment vehicles. TriLinc's ESG management system framework is proprietary in nature and has been developed internally to be aligned with the EDFI Exclusion List, and also the IFC Exclusion List, the IFC's Environmental and Social Performance Standards, and applicable guidelines from the IFC's Corporate Governance Evaluation Methodology for SMEs (together, the "IFC Guidelines").

While separate from one another, the ESG and impact management systems are part of TriLinc's investment policies and procedures and are fully integrated into the investment due diligence, analysis, decision-making, portfolio management, and reporting disciplines. Integral to TriLinc's ESG management system is its ESG impact categorization methodology and assessment framework. TriLinc's ESG analysis informs investment decisions as well as engagements with TriLinc deal origination and servicing partners and borrower companies to encourage implementation of ESG best practices. On an ongoing basis after investment, TriLinc works with its deal origination and servicing partners and borrower companies to develop an ESG monitoring program that is tailored to each borrower company, including a notification protocol in the chance a material ESG-related incident were to occur. At a minimum, each borrower company is required to provide its commitment to TriLinc's ESG requirements through a documented annual ESG recertification and reporting process. However, depending on the borrower company's business activities, TriLinc's monitoring may occur at more frequent intervals and may be guided by certain prescriptive action plans and/or reporting milestones. In response to any ESG gaps and/or unexpected events that may influence a borrower's ESG profile, TriLinc may engage with its deal origination and servicing partners and borrower companies to promptly address these considerations to ensure adherence to best practices, as defined by TriLinc as the IFC Guidelines.

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

Principle 6 Description: The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

TriLinc's Application: After investment, TriLinc monitors each borrower company's impact performance on an annual basis. Monitoring is performed as a result of collecting impact data by way of direct inquiry to TriLinc's deal origination and servicing partners and borrower companies via form templates and interviews. Monitoring assessments are tailored and specific to each borrower company, its business activities, and intended impact. Data from each borrower company is contextualized with geography and industry-specific research and documented in internal ESG and impact reports. As noted in TriLinc's response to Principle 4, TriLinc may deepen its engagement with borrower companies if insufficient progress has been made towards TriLinc's portfolio-wide impact objective and/or borrower company impact objective(s).

In coordination with TriLinc's deal origination and servicing partner and the borrower company, TriLinc may adjust indicators/expectations accordingly due to significant, unforeseen, and changing circumstances; or other appropriate measures to improve the borrower company's expected impact performance. Impact data is reported to TriLinc governance committees (e.g. investment vehicles' board and/or oversight committee), investors, and the general public via borrower company-specific investment spotlights, quarterly portfolio and impact updates, and annual sustainability and impact reports. The annual sustainability and impact report(s) is independently assured by a third-party prior to publication. TriLinc assesses the results of its impact management system through each fund's lifecycle and incorporates findings into TriLinc's strategic decision-making processes.

Principle 7: Conduct exits considering the effect on sustained impact.

Principle 7 Description: When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

TriLinc's Application: In accordance with its impact management system and to the extent feasible prior to repayment, TriLinc's ESG and Impact Team analyzes how the timing and sources of loan repayment may affect the general sustainability of the intended impact. This analysis is documented in TriLinc's internal ESG and impact reports. To achieve full alignment with Principle 7, TriLinc is developing an ESG & Impact Portfolio Monitoring Report, which incorporates an annual impact assessment - including the sustainability of impact post exit - in light of new business or loan events.

Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

Principle 8 Description: The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

TriLinc's Application: In accordance with its impact management system, TriLinc's ESG and Impact Team reviews the impact performance of each investment and conducts a comparative analysis of the expected and actual impact of each investment after repayment. This analysis is documented in TriLinc's internal ESG and impact reports and presented to TriLinc's Credit Team as well as TriLinc's Sustainability and Impact Committee.

Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

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

<u>TriLinc's Application:</u> TriLinc will issue its public disclosure statement each year in line with Principle 9. Independent verification will be undertaken on or before March 23, 2023 and repeated on a triennial basis thereafter.

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