

Verifier Statement

Independent Verification Report

Prepared for Dream Unlimited Corp: May 26, 2021

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Dream Unlimited Corp (“Dream”) engaged BlueMark to undertake an independent verification of the alignment of Dream’s impact management (IM) system with the Impact Principles. Dream’s assets under management covered by the Impact Principles (Covered Assets) totals \$465 million², for the period ending 03/2021.

Summary assessment conclusions

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

Principle 1: Dream has clearly formulated impact goals related to its three verticals. The impact objectives are expressed in pathways which are appropriately linked to SDG targets and underpinned by logic models. Dream has compiled an evidence-base underlying its verticals, with particular attention paid to research informing the secondary pathways and outcomes sought.

Principle 2: Dream’s internal Impact Playbook lays out the basic processes for integrating impact considerations throughout an investment lifecycle. To further align, Dream could develop more detailed Impact Management operational guidelines for each stage of the investment process, and consistently link the achievement of impact with its staff incentive systems for all relevant functions.

Principle 3: Dream has integrated an assessment of its contribution to each investment into its Impact Scorecard. To further align, Dream could invest in additional research and ongoing monitoring, to validate the correlation between certain impact programs and intended outcomes over time.

Principle 4: Dream screens the impact attributes of prospective assets and identifies potential impact pathways that are evaluated via a five-step results framework that references the Impact Management Project dimensions. These pathways are linked to target KPIs leveraging industry standards. To further align, Dream could formalize impact thresholds to inform investment decision-making and consistently establish impact targets for its investments.

Principle 5: Dream leverages its Sustainability and ESG functions to manage potential negative effects of its investments. These functions utilize several ESG standards, including SASB, GRESB, and GRI. To further align with this Principle, Dream could ensure its various ESG practices and tools are well-documented and applied in a systematic way across the portfolio.

Principle 6: Based on the Impact Playbook framework, Dream has a prospective system in place to monitor the impact of its investments and review performance on an annual basis. Dream could further align by systematically implementing and documenting this proposed process to collect, store, and report out on impact progress on an annual basis.

Principle 7: Exit considerations are not directly relevant to the majority of Dream’s impact portfolio given the firm’s structure to hold and operate assets over the course of their lifecycle. The firm also pursues impact features that are likely to remain post-ownership. To further align, Dream could build out a responsible exit approach for the select assets that are intended to exit.

Principle 8: Dream plans to conduct impact reviews on an annual basis through a collaborative process that is coordinated by the Head of Impact. The proposed process includes a commitment to improving the IM system and comparison of target impacts to actual results. To further align, Dream could institutionalize this annual review process and build evidence of its implementation in practice.

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

² Assets under management figure as reflected in the Dream OPIM disclosure statement as of 03/31/2021. BlueMark’s assessment did not include verification of the AUM figure.

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Detailed assessment conclusions

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

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

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

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

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

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Assessment methodology and scope

Dream provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark’s work was limited to processes in place related to the Covered Assets as of May 2021. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.⁵

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

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

Permissions

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

About BlueMark

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

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

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

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