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Circulate Capital Management Private Limited (“CCM”)

28 April 2023

**Independent Limited Assurance Statement on the alignment of Circulate Management Private Limited (“CCM”) Impact Report 2022 (covering Circulate Capital Ocean Fund) with the International Finance Corporation’s (“IFC”) Operating Principles for Impact Management (“Impact Principles”) for its assets under management**

To the Management of CCM,

**Scope**

We have been engaged by CCM to perform a ‘limited assurance engagement’, as defined by the International Standards on Assurance Engagements (the “Engagement”), to report on the alignment of CCM’s Impact Report 2022 with the Operating Principles for Impact Management dated February 2019 and updated June 2021 (the “Impact Principles”<sup>1</sup>, available at [www.impactprinciples.org](http://www.impactprinciples.org)) (the “Subject Matter”) as set out in the Subject Matter and Criteria section below as of 28 April 2023 for the year ended 31 December 2022 (“the Report”) for USD 112 million of its assets under management (as of December 31 2022.)<sup>2</sup>

**Subject Matter and Criteria**

In preparing the Subject Matter, CCM applied the Impact Principles (“the Criteria”) as set out in the table below:

Subject Matter	Criteria
<p>Circulate Capital’s policies, processes and procedures relating to the strategy, origination and structuring, portfolio management, exit and public disclosures, specifically:</p> <ul style="list-style-type: none"> <li>▶ Strategic impact objective(s) and investment strategy</li> <li>▶ Management of strategic impact on a portfolio basis</li> <li>▶ Manager’s contribution to the achievement of impact</li> <li>▶ Assessment of the expected impact of each investment</li> </ul>	<p>Operating Principles for Impact Management (“Impact Principles”)</p>

<sup>1</sup> The Principles were developed by the International Finance Corporation (“IFC”) in collaboration with leading financial institutions.

<sup>2</sup> This value is reflected as represented by Circulate Capital Management. EY did not assure the value of the assets under management (AUM) in this engagement.

Subject Matter	Criteria
<ul style="list-style-type: none"> <li>▶ Assessment, monitoring and management of potential risks of negative impacts of each investment</li> <li>▶ Monitoring of the progress of each investment in achieving impact against expectations and response to progress</li> <li>▶ Conducting exits while considering effect on sustained impact</li> <li>▶ Review, documentation and improvement of decisions and processes based on the achievement of impact and lessons learned</li> </ul>	

### **CCM's responsibilities**

CCM is responsible for selecting Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter Information, such that it is free from material misstatement, whether due to fraud or error.

### **EY's responsibilities**

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we performed and evidence we obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 ("ISAE 3000")<sup>3</sup> issued by the International Auditing and Assurance Standards Board issued by the International Auditing and Assurance Standards Board, and the terms of reference for this engagement as agreed with CCM on 19 December 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### **Our independence and quality control**

We have maintained our independence and confirm that we have met the requirements of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities and Institute of Singapore Chartered Accountants Codes of Professional Conduct and Ethics. Our team has the required competencies and experience for this assurance engagement.

<sup>3</sup>ISAE 3000: "Assurance Engagement other than reviews of historical data", International Federation of Accountants, International Audit and Assurance Board, December 2003

EY also applied Singapore Standard on Quality Control 1 of the Institute of Singapore Chartered Accountants and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### **Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Checking on whether the Impact Management Systems addressed each of the Impact Principles
2. Assessing the relevance, completeness, reliability, neutrality, and understandability of the Impact Management Systems in relation to the Impact Principles
3. Conducting interviews with the people in charge of defining, applying, and enforcing the Impact Management Systems
4. Performing walk-through tests to check the application of the Impact Management Systems
5. Checking documentation and evidence for inconsistencies between information provided in the Statement and the Impact Management Systems

We also performed such other procedures as we considered necessary in the circumstances.

### **Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 28 April 2023 for the year ended 31 December 2022, in order for it to be in accordance with the Criteria.



**Restricted use**

This report is intended solely for the information and use of the Management of CCM and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

*Ernst & Young LLP*

Signed for Ernst & Young LLP by  
Praveen Tekchandani  
Partner, Climate Change and Sustainability Services  
Singapore  
28 April 2023