



Financial Fact Sheet of MAR Fund



What is *the* MAR Fund?

The Mesoamerican Reef Fund, Inc. (MAR Fund) is a private regional environmental fund established to support the protection of the Mesoamerican Reef (MAR), shared between Belize, Guatemala, Honduras, and Mexico. Its mission is to seek, secure and facilitate regional funding, foster partnerships and drive capacity building for the conservation, restoration, and sustainable use of marine and coastal ecosystems in the Mesoamerican Reef region.

The MAR Fund was established by four pre-existing environmental funds, one from each country in the region:

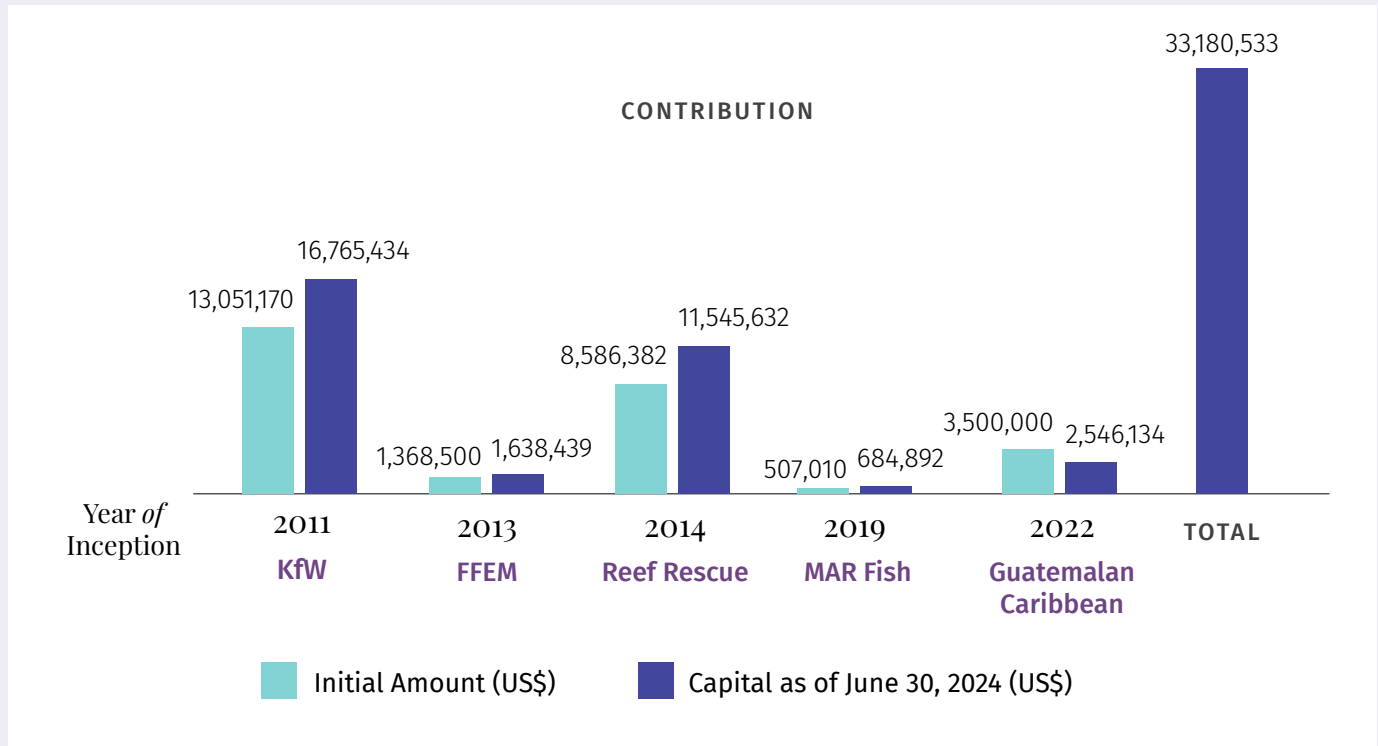
- **Protected Areas Conservation Trust** (Belize)
- **Fundación para la Conservación de los Recursos Naturales y Ambiente en Guatemala**
- **Fundación Biosfera** (Honduras)
- **The Mexican Fund for the Conservation of Nature** (Mexico)

MAR Fund functions as an ecoregional planning and coordinating entity, tasked with prioritizing projects and distributing funds. It has played a pivotal role in uniting international, national, regional, and local partners to collaborate on converting threats into opportunities for the reef system.



Endowment Fund

The endowment fund was established in 2011 and has a value of **US\$33,180,533** as of June 30, 2024. We express our deep gratitude to our donors, KfW and FFEM, for their trust and generous contributions to the MAR Fund endowment. Currently, the MAR Fund endowment has four separate accounts and administers a fifth account for Fundación para el Ecodesarrollo y la Conservación (FUNDAECO), a Guatemalan NGO that co-manages several protected areas:



Initiatives

The revenue from these endowment accounts supports the following activities:

KfW

Co-finances the Small Grants Program and the MAR Fund operation costs to secure its permanence and functions in the region.

FFEM

Co-finances the Small Grants Program, specifically projects developed by local communities and NGOs.

Reef Rescue

Funds activities that enhance the resilience and recovery capacity of the coral reefs in the MAR region, thereby strengthening the environmental and cultural services they provide. It also includes a Small Grants Program.

MAR Fish

Supports the conservation and management of the Cayman Crown Reef, shared between Guatemala and Belize.

Guatemalan Caribbean

This account was established with a futures sales of carbon credits within the “REDD+ Project for Caribbean Guatemala: The Conservation Coast” registered under VERRA’s Verified Carbon Standard (VCS) project ID 1622 and accredited under the Climate, Community and Biodiversity Standard, Third Edition, including Gold Level Exceptional Biodiversity Benefits accreditation (CCB accreditation), located in the Izabal region of Guatemala.

Projects *and* Impact

FROM 2015 TO JUNE 30, 2024, WITH THE CONTRIBUTIONS OF KFW AND FFEM ACCOUNT REVENUES AND OTHER DONORS,

US\$2,023,524

HAVE BEEN INVESTED IN **69 PROJECTS** IN THE FOUR MAR COUNTRIES:

34 NGOs
supported

18 priority
Marine Protected Areas
(1,207,670 ha) supported

US\$2,320,529
in grants

US\$2,688,110
matching funds
leveraged

EXAMPLES OF RESULTS ON THE GROUND INCLUDE:



Fisheries

Continued monitoring and patrolling of fish spawning aggregation sites. These sites play a vital role in the reproduction of many fish species. By monitoring them, the health, abundance and reproductive behavior of fish populations can be assessed. This information is essential for informed fisheries management, conservation planning and the protection of marine biodiversity and ecosystems.



Solid waste and sewage management

Improper waste disposal is a significant threat to marine environments, resulting in pollution that disrupts delicate ecological balances, degrades water quality, and harms marine life. Across the region, more than 12,500 individuals have been educated about the importance of implementing effective solid and liquid management practices. To specifically address sewage management challenges, support has been provided for a model plant in West End, Roatan, Honduras. Improvements to this facility have resulted in a notable reduction in fecal coliforms from the plant's effluents, as well as a decrease in fleshy macroalgae cover, which compete with corals, observed on the reef adjacent to the plant site.



Community resilience in protected areas and potential market initiatives

Implementation of alternative income activities for communities in protected areas, such as the Rio Sarstún Multiple Use Area in Guatemala, which has seen significant advancements through agroforestry systems, a nixtamal mill, community credits, and forest incentives. In Guatemala, Mexico, and Honduras, the development and strengthening of businesses founded on nature-based solutions were supported by capacity-building workshops tailored for small enterprises. In Belize, employment opportunities were created, leading to increased revenues for local businesses, through ridge-to-reef expeditions. These initiatives collectively highlight the importance of alternative income activities for environmental sustainability and economic growth for local communities.



Climate change adaptation

Establishment and strengthening of emergency response capacities in the MAR including the creation of Emergency Response Committees, the formation of 20 emergency brigades, and the training of 196 first responders. These capacities address reef damage caused by climate events such as hurricanes and storms. Additionally, coral and mangrove restoration campaigns have contributed to the resilience of these ecosystems.

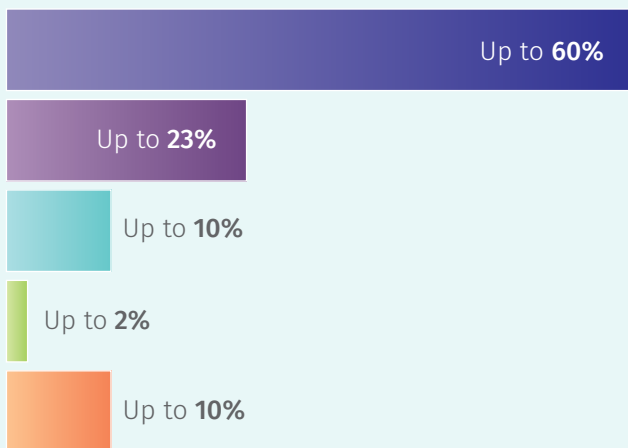


Financial Management

Financial management is carried out by an Investment Committee in collaboration with an independent asset manager.

INVESTMENT POLICY

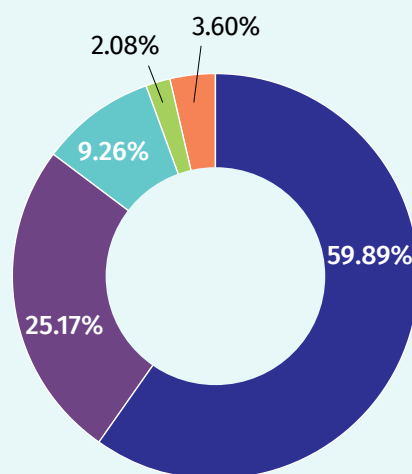
The investment guidelines based on the Investment Policy are:



- Equity
- Fixed income
- Preferred stocks
- Cash and equivalents
- Alternative investments

PORTFOLIO COMPOSITION

By Asset Class as of June 30, 2024

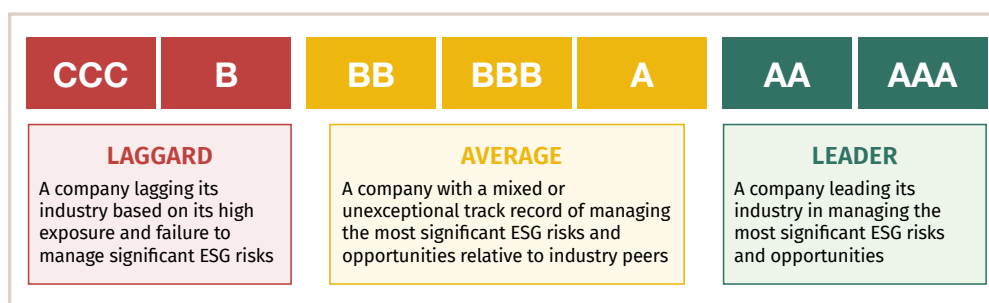


- Equity**
 - United States 55.32%
 - Europe 1.45%
 - Emerging Markets 2.46%
 - Japan 0.66%
- Fixed income**
- Preferred stocks**
- Cash and equivalents**
- Alternative Investments**

Sustainable Investments

The MAR Fund portfolio includes sustainable investments through ESG indexes. The portfolio is divested from fossil fuels and does not hold positions on unsustainable assets as of March 2019.

The ESG rating (MSCI) measures the response of a corporation or an investing entity to long-term, environmental, social, and governance (ESG) risks. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. The Asset Manager uses MG Ratings as a tool to give securities a numerical value that can be compared to MSCI ESG Ratings. This allows for weighing each security's rating according to its contribution to the portfolio in terms of asset allocation.



Average Portfolio Rating	
	ESG Rating
5.23	MG Rating

Portfolio Above Average ESG Rating	
AA	ESG Rating Average
80.32%	Portfolio Above or Equal to Average

ESG Rating	MG Rating	%Portfolio
AAA	7	0.00%
AA	6	51.76%
A	5	28.56%
BBB	4	15.18%
BB	3	2.97%
B	2	0.00%
CCC	1	0.00%
N/D	N/D	1.53%
Total		100%

- As of June 30, 2024, **51.76%** of MAR Fund’s portfolio has an ESG Rating of **AA or above**.
- **80.32%** of MAR Fund’s portfolio has an ESG Rating of **A or above**.
- The average ESG rating of the portfolio is **“LEADER”**, which means MAR Fund investments are done in leader companies managing the most significant ESG risks and opportunities.

MAR Fund Performance

THE AVERAGE COMBINED RETURN IS ABOVE 6%

Year	Combined Portfolio	KfW	FFEM	Reef Rescue	Mar Fish	Guatemalan Caribbean
2012	3.71%	3.71%	N/A	N/A	N/A	N/A
2013	1.83%	1.83%	N/A	N/A	N/A	N/A
2014	1.04%	1.36%	-2.20%	N/A	N/A	N/A
2015	-2.84%	-3.65%	-4.01%	-1.40%	N/A	N/A
2016	5.29%	5.03%	4.40%	5.80%	N/A	N/A
2017	14.18%	14.66%	15.61%	13.26%	N/A	N/A
2018	-3.83%	-3.90%	-3.70%	-3.75%	N/A	N/A
2019	17.04%	17.01%	17.27%	17.08%	0.64%	N/A
2020	12.70%	12.57%	12.75%	13.01%	12.73%	N/A
2021	11.37%	11.99%	11.72%	10.57%	13.17%	N/A
2022	-15.03%	-16.20%	-16.34%	-15.31%	-16.52%	-1.13%
2023	13.98%	16.52%	15.80%	13.04%	16.16%	8.60%
June 2024*	7.28%	9.26%	7.22%	6.01%	7.47%	3.92%
Return since inception	5.14%	4.95%	5.60%	5.62%	6.63%	6.82%

* The returns as of June 2024 are direct, not annualized.

Members of the Investment Committee

(JUNE 2024)

Armando Badillo Rodríguez
Stella Maris Partners

Marco Vinicio Cerezo
FUNDAECO

Lorenzo de Rosenzweig Pasquel
Terra Habitus, A.C. (President of the IC)

Héctor Gamba
MIPYMEX – Grupo Caabsa

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