

*Prime Capital Group |  
Responsible Investment Policy*

Prime Capital AG | December 2024



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## *Introduction*

### Purpose

The purpose of Prime Capital's Responsible Investment Policy is to establish a framework that guides our investment decisions in a manner that is consistent with our commitment to responsible investing. This policy reflects our belief that environmental, social, and governance (ESG) factors can affect the performance of investment portfolios and should therefore be considered alongside traditional financial measures. By integrating ESG considerations into our investment analysis and decision-making processes, we aim to better manage risks and generate sustainable, long-term returns for our clients.

Furthermore, this policy serves to align our investment activities with the broader societal concerns and the expectations of our stakeholders, including clients, employees, and the communities in which we operate. We recognize that responsible investment is not only about avoiding risks but also about identifying opportunities that contribute to a sustainable global economy.

In summary, the Responsible Investment Policy of Prime Capital is designed to ensure that all investment activities are conducted with integrity, transparency, and in alignment with the principles of responsible investing.

### Scope

Prime Capital's Responsible Investment Policy is designed to integrate ESG considerations into investment decision-making and ownership practices. This policy applies to all investment activities and portfolios managed by Prime Capital. It encompasses the firm's commitment to responsible investment and reflects our belief that ESG factors can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). Our policy is aligned with the United Nations-supported Principles for Responsible Investment (PRI).

We recognize that the application of this policy will vary depending on the asset class, the strategy employed, and the specific governance structure of the investment. However, across all areas, Prime Capital seeks to consider relevant ESG factors in the investment process, which includes due diligence, selection, and ongoing monitoring of investments. The policy also outlines the firm's approach to active ownership, which involves engaging with companies on ESG issues.

The scope of this policy extends to how Prime Capital incorporates ESG factors into investment analysis and decision-making processes, ensuring that all potential risks and opportunities are considered. This includes evaluating the potential impact of ESG factors on the financial performance of investments and considering the broader societal and environmental implications of investment decisions. Prime Capital is committed to transparency and will regularly report on its responsible investment activities and progress towards integrating ESG considerations into its investment practices. The policy is



reviewed annually and updated as necessary to reflect changes in market practices, standards, and regulatory requirements.

## About Prime Capital

Prime Capital AG is an independent asset management firm and financial services provider, owned by management and employees. The company takes a holistic, cross-divisional approach and specializes in Alternative Investments, in particular in Absolute Return, Infrastructure including Renewable Energies, and Private Debt. Furthermore, the company offers Access Solutions. Prime Capital was founded in 2006, currently employs more than 120 people in Frankfurt and Luxembourg and is regulated by BaFin and CSSF.

Our investment strategies and services are categorized into the following business lines:

### Energy Infrastructure

The Energy Infrastructure business line includes the sourcing and execution of investments in various jurisdictions and different technologies in the areas of infrastructure and renewables. Within the asset class, investors can invest in various sub-segments, each with different risks and value drivers. For over a decade, we have been active in renewable energy investments and the greenfield segment. We have established a strong track record in particular for complex and tailor-made energy infrastructure projects.

### Private Debt

Private Debt includes senior, mezzanine and other debt financing. Prime Capital generally divides the private debt market into the sectors of infrastructure, real estate and other secured loan classes. Institutional investors who wish to invest in private debt can do so with Prime Capital via individual mandates, funds or securitization vehicles in private debt strategies with different risk profiles. As part of our distinctive investment model, we tap into independent, multi-channel sourcing, with excellent and longstanding relationships to sponsors, complemented by selected banks and advisors. We enjoy an exclusive partnership with market-leading banks.

### Absolute Return

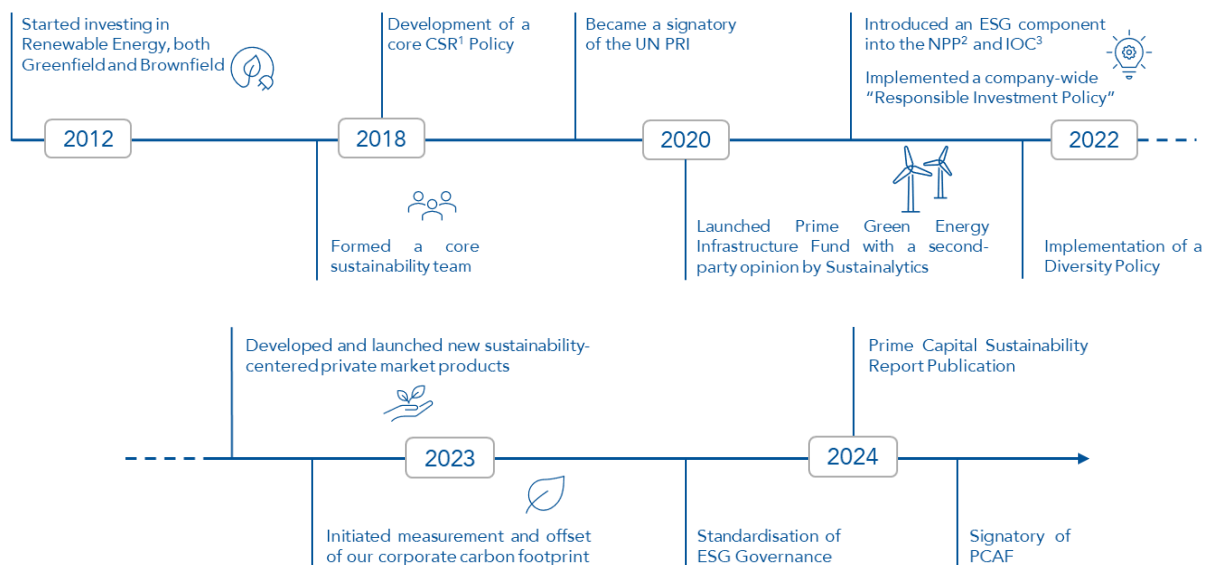
The Absolute Return business line focuses on funds of hedge funds. The primary objective of the investment philosophy is to generate returns independently of traditional asset classes and to preserve the value of the investments. This includes selecting the best managers and monitoring them on an ongoing basis. Our highly experienced investment team has one of the industry's best long-term track records. Our senior portfolio managers have more than 20 years' experience each in managing hedge fund portfolios. We are process-driven investors, and place great emphasis on investment and operational due diligence, which is conducted by separate, independent in-house teams.

### Access Solutions

Prime Capital's Access Solutions division offers a comprehensive infrastructure and associated specialized services for institutional clients. The platforms, which cover all relevant administrative tasks, provide clients with a transparent environment for the entire portfolio that is monitored by Prime Capital. The company also offers services in the areas of risk measurement, analysis, management and reporting.

As we offer both investment strategies and services, our stakeholders are diverse. We are at home in Europe, and service clients globally across Pension Funds, Insurance Companies, Corporates, Family Offices and other institutions. The expectations of our stakeholders regarding integration of sustainability considerations are becoming more demanding. We, at Prime Capital, are highly committed to be an investment firm which acts in the interests of our various stakeholders in respect of sustainability integration.

Prime Capital formally incorporated sustainability into its business operations in 2018. This integration began with the formation of a core Sustainability Team and a dedicated Sustainability Committee with the purpose of allocating and overseeing accountability for sustainability-related topics within the company. These initiatives, along with the development of our Corporate Social Responsibility (CSR) policy, laid the groundwork for a more comprehensive integration of sustainability-related matters across our operations. Since then, Prime Capital has continually evolved its sustainability strategy, achieving significant milestones as depicted in the figure below.



## Our commitment

### UN PRI

Since July 2020, Prime Capital is a signatory of the Principles for Responsible Investment. By becoming a signatory of the UN PRI (United Nations Principles for Responsible Investment), we publicly showcased our dedication to responsible investment practices and our contribution to a more sustainable financial system. Leveraging the UNPRI reporting results helps us reinforce the integration of sustainability topics into our

operations. Our ongoing commitment is to create a positive and sustainable impact across our diverse asset classes and business lines.

As a signatory of the UN PRI, we commit to the six principles depicted below:



## PCAF

Since May 2024, Prime Capital is a signatory of the Partnership for Carbon Accounting Financials (PCAF). Becoming a signatory of PCAF demonstrates our proactive approach to addressing climate change and our commitment to transparency and accountability. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments.

By becoming a signatory, Prime Capital joins a community of leading financial institutions that are committed to measuring and reporting the carbon footprint of their portfolios, thereby promoting transparency and accountability in the financial sector. This publicly showcases our commitment to measuring and disclosing the greenhouse gas (GHG) emissions associated with our investments.



## *Sustainability in the Investment Process*

### Introduction

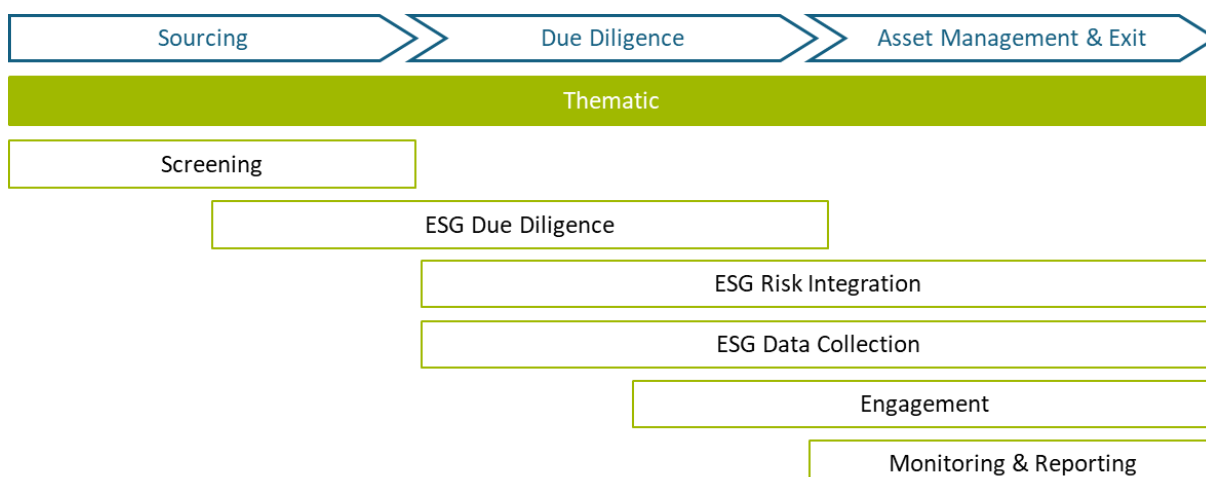
At Prime Capital, we believe that integrating sustainability factors into our investment decisions is not only a matter of responsibility, but also a source of value creation. We recognize that ESG issues can have a significant impact on the performance, risk and reputation of our investments, as well as on the society and environment in which we operate. Therefore, we consider ESG integration as an essential part of our fiduciary duty to our clients, who entrust us with their capital and expect us to generate sustainable returns. Our investment portfolio's diverse asset classes expose us to a wide range of sustainability topics in our day-to-day operations. In this section, we will detail how we incorporate sustainability aspects into our investment processes across different asset classes and business lines, and how we demonstrate our commitment to the principles of responsible investment.

### General Approach

Sustainability considerations can be incorporated in the investment process using different approaches which can be selected or combined according to the investment strategy and investor preferences. Prime Capital's integration strategy is based on the four pillars Screening, Integration, Engagement and Thematic.

Screening	Integration	Engagement	Thematic
Applying filters to lists of potential investments to rule companies in or out of contention for investment, based on an investor's preferences, values or ethics.	Explicitly and systematically including ESG issues in investment analysis and decisions, to better manage risks and improve returns.	Discussing ESG issues with companies to improve their handling, including disclosure, of such issues. Can be done individually, or in collaboration with other investors.	Seeking to combine attractive risk return profiles with an intention to contribute to a specific environmental or social outcome. Includes impact investing.

These approaches are applied in various ways throughout the different phases of the investment process. Depending on the sustainability-characteristics of the investment product, this can range from thematic screening or application of exclusion lists in the Sourcing phase, in depth analysis of ESG risks and impacts in the Due Diligence phase, collection of ESG data, monitoring and reporting of sustainability-topics and targeted engagements during the Asset Management and Exit phases. The process can involve sustainability ambassadors from investment teams, our in-house Sustainability Team, external data and assessments and decision-making bodies such as the Investment Committee. Sustainability-themed investment products will have a set of procedures outlined in a product-specific ESG policy or Environmental and Social Management System, that aligns all processes along the investment cycle with the specific environmental theme (e.g. climate change).



Example of ESG integration strategies in Prime Capital's investment processes

Implementation of the different ESG integration strategies also varies depending on the asset class at hand. While ESG risks are evaluated for all our asset classes during the investment decision making process, different instruments are used to effectively realize the assessment.

## Integration of Sustainability Risk

We recognize that ESG risks can have a material impact on the value and sustainability of our alternative investment portfolio. As long-term investors, we seek to capture the opportunities and mitigate the challenges posed by environmental, social, and governance factors across our asset classes. For example, environmental risks can affect the availability and cost of resources, the regulatory environment, and the physical exposure of our assets to climate change. Social risks can influence stakeholder relations, and governance risks can impact the transparency, accountability, and ethics of our partners and managers. Therefore, we incorporate ESG risks into our due diligence, monitoring, and reporting processes, applying appropriate criteria and indicators for each investment.

In our Absolute Return business line, sustainability risks are considered in the investment process through a standardized scoring approach of the selected strategy and manager using a questionnaire. The questionnaire covers environmental, social, and governance aspects at the company level as well as ESG questions at the portfolio and investment level. Additionally, ESG risks are also a vital part of our in-house ODD process and desktop research of the investment team. The process includes desktop reviews, background checks and on-site visits. Specifically risks resulting from inadequate governance structures and operational set-up are targeted by this review. This includes the topics identified in our materiality assessment on portfolio level, corruption and bribery and information-related impacts. Results are presented to the Investment Committee and are part of the investment decision.

In our real assets business lines (Energy Infrastructure and Private Debt), sustainability risks are integrated into our investment process through the development of an ESG risk scoring approach, which is included in the overall risk assessment of our investments. Initially, our



investment team conducts an assessment during the due diligence process. When evaluating exposure to ESG risks, we consider the asset’s nature and the associated time horizon. This enables us to assess the materiality of risks, including climate-related risks specific to each investment.

Each asset is assessed along five main categories (Climate Transitional, Climate Physical, Environmental Non-Climate, Social and Governance) and a total of 17 sub-categories (see figure below). The sub-categories have been chosen to reflect industry standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) and include all sustainability topics identified as material in our overall materiality assessment on portfolio level.

The assessment takes into account the asset type, location as well as planned mitigating measures and arrives at a materiality score between 1 (irrelevant to the asset) and 5 (highly relevant to the asset) for each sub-category. The assessment is carried out by the Investment Manager during the due diligence phase of the investment process and the results are presented to the investment committee where they inform the investment decision. If risks are flagged as ‘neutral’ or ‘relevant to the investment value’ (scores 3-5), they are monitored regularly.

### ESG Risk Materiality Assessment

Climate transitional	Climate physical	Environmental non-climate	Social	Governance
Policy and Legal initiatives	Event driven climate risks	Water & wastewater management	Damage to local communities	Implementation of strategy
Market & reputational risk		Waste & hazardous materials management	Insufficient labor practices	Insufficient board independence
Technological improvements	Longer-term shifts in climate patterns	Ecological impacts	Limited access & affordability	Ownership concentration
		Mismanagement of lifecycle impacts	Damage to health & safety	Bribery, corruption or political lobbying

Sustainability categories assessed in Prime Capital’s ESG Risk Materiality Assessment

### Exclusion process




Considering the diverse array of financial products we offer, from hedge funds to infrastructure equity, creating one exclusion list at the company level is not suitable. For our Energy Infrastructure business line, the investment strategy clearly defines the activities in scope and remains fixed throughout the financing period. Conversely, with our Absolute Return fund-of-fund investments, obtaining the detailed composition of the fund can be challenging, and our influence over the fund's portfolio composition is limited. Thus, a company-wide exclusion list does not suit our operations.

Considering these challenges, we devised specific strategies tailored to each financial product. For our hedge fund operations, the primary emphasis during due diligence is on the governance component. This approach enables us to promptly identify fund managers

who do not comply with governance standards. Meanwhile, for our real asset portfolio, we adhere to international best practices by aligning our exclusion criteria with the Climate Transition and Paris-Aligned benchmark exclusion standards, depending on the particular fund and investment strategy involved. Additionally, we conduct sector-specific screenings based on the environmental and social impacts of certain industries such as fossil fuels, weapons, gambling, and adult entertainment.

## Contribution to the UN SDG

Prime Capital is committed to contributing to the United Nations Sustainable Development Goals (UN SDGs), designed to be a "blueprint to achieve a better and more sustainable future for all" by the year 2030. We have identified three SDGs that are most relevant to our business activities and impact areas, and we align our investment strategies and products with them. The contribution of each investment strategy to each of these three SDGs is presented hereafter:

	 7 AFFORDABLE AND CLEAN ENERGY	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 11 SUSTAINABLE CITIES AND COMMUNITIES
<b>Real Estate Debt</b>		x	x
<b>Infrastructure Debt</b>	x	x	x
<b>Infrastructure Equity</b>	x		x

We monitor and report on the progress and impact of our investments towards these goals, using both qualitative and quantitative indicators.

## *Stewardship*

Stewardship, as defined by the UN Principles for Responsible Investment (PRI), is the use of influence by institutional investors to maximize overall long-term value, including the value of common economic, social, and environmental assets, on which returns and client and beneficiary interests depend. It is a crucial component of responsible investment, emphasizing active ownership and engagement with investee companies and projects to promote sustainable business practices and good governance.

At Prime Capital, we exercise stewardship at investee level and at a broader level. Our focus on investments in private markets means more traditional ways of engagement, like exercising voting rights, are not available to us. On the other hand, private markets offer more direct access to company and/or project management. For this reason, our engagement model is centered on a proactive and continuous dialogue with our business partners, including on the integration of ESG and sustainability within the investment strategy.

Our engagement with investees can be initiated either by the need to meet regulatory requirements or by an increase in our ESG risk exposure. We prioritize constructive dialogue after investment, sharing our ESG insights and working together to improve sustainability performance. For instance, during the due diligence phase of our infrastructure projects, we gather information about the processes and policies designed to protect the environment during construction and operation. If any deviations from these processes are detected, we engage directly with the project promoter to understand why the guidelines were not followed and what actions are necessary to realign with them.

On a larger scale, we interact with regulatory authorities, as part of regulatory consultations, and industry groups to shape policies that favor sustainable investment practices. Our active involvement in associations like the Bundesverband für Alternative Investments (BAI)—Germany's leading association for alternative investments—enables us to work collaboratively with other stakeholders to promote sustainability and tackle shared challenges. Through the Bundesinitiative Impact Investing (BIII), we join forces with other members to identify and address barriers to impact investing, such as the absence of standard definitions, metrics, and frameworks. We are also a member of the Economic Council (Wirtschaftsrat der CDU e.V.), a German business association representing the interests of more than 11,000 small and medium sized firms, as well as larger multinational companies.

In Luxembourg, given our office presence there, we contribute to sustainable finance initiatives through the Luxembourg Private Equity Association (LPEA) and the Association of the Luxemburg Fund Industry (ALFi). Additionally, we are members of other international industry organizations, including the Alternative Investment Market Association (AIMA).

By employing these tools, we aim to enhance the positive impact of our investments and mitigate potential risks, ensuring that our engagement goes beyond mere advocacy to providing actionable insights and resources for fostering sustainable development.

## *Conflicts of Interest*

As a responsible investor, we may sometimes face situations where our financial interests may conflict with the environmental or social impact of our projects. To manage these types of conflicts of interest in our daily business, we follow our internal policies and procedures. This includes responsible investment policies at company, business line and product level where sustainability requirements of the investment strategies are laid out.

Additionally, Prime Capital's compliance department has set-up a conflicts of interest policy which defines what constitutes a conflict of interest and the roles and responsibilities of different functions and employees in addressing them. We also conduct regular assessments of potential sources of conflicts of interest across our business lines and asset classes, and implement appropriate mitigation measures. Moreover, we disclose any actual or potential conflicts of interest to our clients, regulators and other relevant parties in a transparent manner. Finally, we monitor and report the occurrence and resolution of conflicts of interest, and provide feedback and recommendations for improvement. By applying these principles and practices, we aim to ensure that our investment decisions are made in an objective and fair manner, and that we uphold our fiduciary duty and reputation as a sustainable and trustworthy partner.

## *Reporting*

As a responsible asset manager, we want to provide our stakeholders with relevant and reliable information on our sustainability performance and impact. To this end, we produce two main types of reports.

The first category is publicly accessible and includes, among others, our responsible investment policy, and our Sustainability Report. The Sustainability Report reflects our commitment to integrate sustainability into our core business activities and to communicate our sustainability journey in a transparent and accountable manner. It includes a materiality assessment identifying and analyzing the sustainability topics that are most material to Prime Capital and presents our investment strategies and products in terms of their sustainability integration. It also highlights the progression of our activities and how sustainability considerations are incorporated into our operations. Additionally, as a signatory of the UN PRI, our transparency report is available to all stakeholders on the UN PRI platform.

The second category of reports pertains to each of our financial products individually and includes extensive details on the ESG attributes, performance, and impact of the investments. These reports are exclusive to investors in these specific products and are tailored to meet the unique reporting needs and preferences of each client. Additionally, reports based on regulatory requirements are also produced for sustainability-centered products (e.g. SFDR requirements, EET reports, Taxonomy alignment) and distributed to investors.

By producing these two types of reports, we aim to demonstrate our commitment to transparency and accountability, and to communicate our value proposition as a responsible asset manager. We communicate on ESG-related matters through various channels, including our corporate website, professional social media, and reports.



## *Monitoring and Review*

This document reflects our current policies and practices regarding sustainability issues and responsible investments. We are committed to reviewing this document at least annually and update it as necessary to reflect any changes in our approach, processes, or products. We will also ensure that this document complies with the relevant regulatory requirements and industry standards.

In addition, we will monitor the developments and trends in the field of sustainable finance and responsible investments, both at the global and local levels. We will evaluate the potential impacts and opportunities for our business and our clients and adjust our strategies accordingly. We will also engage with various stakeholders, such as regulators, industry associations, and peers, to exchange views and best practices, and to contribute to the advancement of sustainability in the financial sector.

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