PATRIMONIUM

Your Partner in Private Markets

PATRIMONIUM

Sustainability Principles

March 2021

Contents

Signatory of:

PRI Principles for Responsible Investment

1. A message from our CEO

To our stakeholders,

Responsible investing has always been a hallmark of our company, preventing us from engaging in activities that are illicit, socially abusive or environmentally harmful. We have adopted due-diligence and portfolio-management processes that surpass the standards and regulatory requirements of the countries where we operate.

We believe that including ESG criteria in our investment decisions can generate sustainable long-term returns. This approach also underpins our fiduciary duty as an asset management company. We manage portfolios prudently, with a farsighted view – and have adopted responsible sustainable business practices because we believe they ultimately help us identify better investment opportunities.

As an UNRPI Signatory, we believe that applying the Principles for Responsible Investment can better align investors' portfolios with broader societal objectives and enables us to also provide better risk-adjusted returns to investors over the long-term. The implementation of these Principles is coordinated by the portfolio managers for each of our asset classes under the rigorous oversight of our board of directors.

We are looking forward to follow our path taken in order to generate a long-term positive impact on all our stakeholders and contribute to a more sustainability future in general.

Christoph Syz

CEO

2. Our Approach to Sustainability

Patrimonium Asset Management AG ("Patrimonium") is committed to implement a responsible investment approach incorporating Environmental, Social and Governance (ESG) factors. We believe that including ESG criteria in our investment decisions is beneficial to generate sustainable long-term returns. This principles describes the ESG factors relevant to our investments, outlines the principles for managing our assets so as to promote ESG responsibility and specifies our ESG-related objectives, benchmarks, restrictions and duties. This principles is intended to serve as guidance on an ongoing basis as we implement ESG criteria and continuously improve our processes and may be updated from time to time.

We are convinced of the merits of incorporating sustainability factors into investment decisions. We adopt responsible, sustainable business practices because we trust that they ultimately help us identify better investment opportunities. We also believe that promoting responsible business practices makes economic sense in the long run.

We believe that including ESG criteria in our investment decisions improves the performance of our portfolios, enabling us to seize promising long-term opportunities while mitigating the attendant risks. As a responsible asset management company, we realise that our business decisions have the potential to impact our society and the environment. We therefore encourage responsible, sustainable business practices through our investment strategies in order to both enhance our investment performance and help build a more stable, sustainable, and inclusive global economy. Some of the ESG issues we consider are:

- Environmental – issues related to the quality and functioning of our natural environment and ecosystems; these include climate change, renewable energy, waste management and the depletion or pollution of our air, water, and other natural resources.

- Social – issues related to human rights, the well-being and interests of people and communities, labour standards, activities in conflict zones, consumer protection, consumer harm and controversial weapons.

- Governance – issues related to the governance of companies and other entities we invest in, including board structure, diversity, executive pay, disclosure of information, business ethics, bribery and corruption, money laundering, internal controls and risk management; and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders.

3. ESG within the investment process

Across all asset classes at Patrimonium, ESG is integrated into the investment process. This includes a concept of how ESG is implemented for each strategy, the responsibility of relevant portfolio managers, as well as how investment decisions are driven by ESG considerations. We generally follow a three-step approach in order to address ESG-risks within the investment process:

Screening approach:

Depending on the individual strategies investments are subject to a negative and/or a positive screening. We apply a negative screening in order to filter out potential portfolio investments being related to any industry that is believed to be unethical, unsustainable or that goes against our company values. On the other hand, a positive screening is conducted in order to identify and endorse investments reflecting ESG standards.

Integration approach:

At Patrimonium, every investment opportunity must fulfil certain ESG standards in order to become eligible for a potential investment. Within each asset class, a tailored scoring model was developed to systemize ESG risks. Based on this approach, any concerns are identified at an early stage and may lead to an additional ESG analysis to assess the relevant risks in detail.

ESG analysis on existing investments:

The ESG-related risk is regularly evaluated on company and portfolio level. This allows us to monitor the appropriate risk to take countervailing measures.

4. Screening Strategy

Even though we believe that engagement is better than exclusion, there are certain investments we do generally not participate in. In order to systematically filter out such investment opportunities and to furthermore elevate those being potentially best-in-class, a negative screening and a positive screening is conducted. The screening approach allows to efficiently classify investments towards ESG-characteristics at an early stage of the investment process.

In the context of negative screening, the dedicated investment team verifies whether the investment is related to any industry or conducts any business which is believed to be unsocial, unethical, or unsustainable. It is distinguished between a value-based and a norm-based screening approach.

Value-based screening

This first screening analysis reflects the exclusion of sectors we consider as poor-performing on ESG criteria. Transactions being strongly related to the following industries are generally not eligible for a potential investment:

- Tobacco
- Gambling
- Prostitution & Pornography
- Fossil Fuels

5.1.2 Norm-based screening

In addition, companies conducting business without complying to internationally recognized minimum standards of business practices are excluded from the investment universe. Each company should be guided by the following international norms and frameworks:

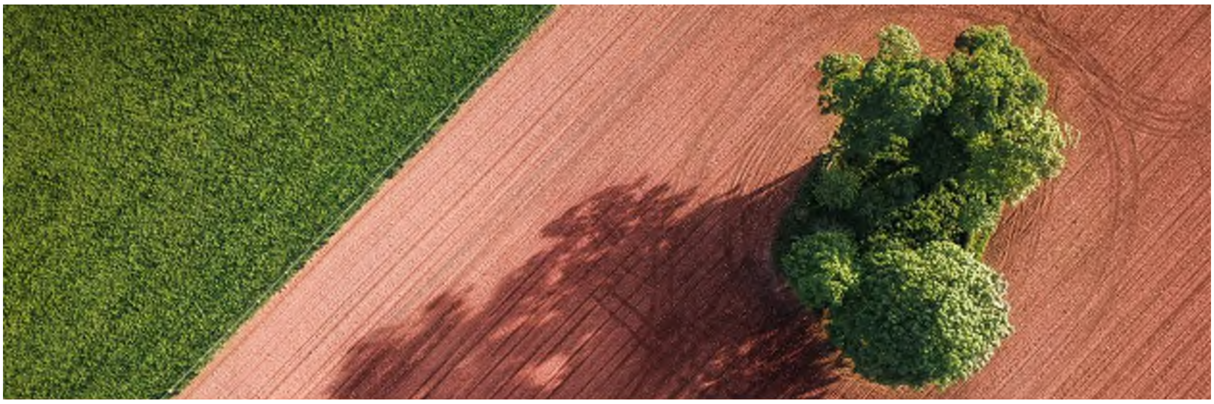
- UN Global Compact
- UN Human Rights Declaration
- UN Declaration of Human Rights
- UN Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Kyoto Protocol

In the context of positive screening, investment opportunities are analyzed on their ESG performance relative to industry peers. Companies generating social or environmental benefits through their products, services and/or processes and those being best-in-class or leading in best practices, against the peer group, are endorsed and respective ESG-aspects considered within the investment decision process.

Moreover, the positive screening is conducted to potentially mitigate any exclusions made in the process of negative screening. Deviations from initial exclusions might be considered if an investment opportunity outperforms on ESG-metrics and/or is strongly related to products or services with a direct social or environmental target. In the course of the analysis, any exclusion needs to be justified sufficiently.

5. Integration Strategy

With the fundamental analysis being at the heart of our investment philosophy, the management of ESG-



risks is fully embedded into the decision-making process. The implemented approach allows us to systematically manage ESG-risks on company and portfolio level. We generally consider the following topics:

Environmental

Aspects related to the quality and functioning of our natural environment and ecosystems. It is evaluated whether and to which extent a company substantially contributes to or significantly harms the environmental objectives. These include climate change mitigation, climate change adaption, renewable energy, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Social

Aspects related to human rights and the well-being and interests of employees, people and communities. The analysis furthermore considers any topics related to labour standards, activities in conflict zones, consumer protection, consumer harm as well as controversial weapons.

Governance

Aspects related to board structure, diversity, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, money laundering, fiscal aspects, internal controls and risk management, internal policies, cyber security and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders.

6. Active Ownership

We strongly believe that a positive ESG-impact also positively influences the risk/return profile of an investment. Due to the lack of available ESG-related data in the context of private investments, we do not yet consider principal adverse impacts, however we strongly value companies that offer services or products having a real and direct impact on the environment and/or society. Respective impacts are covered by the UN Sustainable Development Goals. The corresponding actionable impact themes include

sustainable development goals related to basic needs, empowerment, climate change, natural capital and governance.

Patrimonium commits itself to strengthen its business in the field of impact investing. In this light, all employees are encouraged to actively screen new investment opportunities on their positive ESG-impact and analyze such transactions with priority.

7. Remuneration

Compensation at Patrimonium is designed to offer annual incentive awards promoting the interest of the company by linking compensation to corporate-, business unit- as well as individual performance. Our long-term incentives are structured in way such that long-term created value of the firm or the associated financial product is shared amongst shareholders and responsible decision-makers in a reasonable proportion.

In addition, the remuneration scheme aims to reward both intangible and tangible contributions to our success. This includes compliance, integrity and loyalty of each employee, as well as the collaboration amongst team members. Given that ESG reflects a crucial part of Patrimonium's investment philosophy, the topic is therefore also linked to the employee's compensation packages.

8. Transparency

Patrimonium is committed to ensure transparency on ESG-factors through the investment chain from portfolio investment to investment manager to investor. We have implemented a comprehensive reporting system which also signals ESG related incidents. As a signatory of the UNPRI, we are subject to certain ESG reporting obligations which includes the reporting of any ESG incident identified as part of our internal incident-reporting process.