

YIELCO Investments AG

Investment guidelines for responsible investing

Our guiding principles for responsible investing

The consideration of sustainable investment criteria, or rather ESG criteria (environmental, social and governance) when investing in alternative assets, primarily in the infrastructure, private equity and private debt segments, is an integral part of YIELCO's corporate philosophy as well as in the selection of target funds. This is also reflected in YIELCO's overall strategy of generating long-term, sustainable, and stable returns across all asset classes in a volatile capital market environment. YIELCO is able to combine its responsibility towards investors with its social responsibility. Therefore, the sustainability aspect is considered as part of holistic risk management at YIELCO. Long-term and responsible entrepreneurial action in line with the sustainability strategy minimizes inherent risks in connection with ESG factors. Additionally, a sustainable investment approach means YIELCO is able to guarantee its fiduciary duties towards our investors and partners.

Any investments in the infrastructure, private debt, and private equity segments should avoid general negative effects on the environment and society (risk minimization). In addition, YIELCO proactively strives to make targeted investments that address generally recognized sustainability standards by taking sustainability aspects or ESG factors into account in the due diligence process in order to achieve the best possible risk-adjusted return (return optimization). The goal is a sustainable risk-return profile.

By signing the UN Principles for Responsible Investment (UNPRI), YIELCO underlines the ambitions to implement practical consideration of sustainability in the sense of the global sustainability agenda. We are convinced that long-term value creation is in line with an economically efficient and sustainable financial system.

Essential sustainability aspects in the due diligence process

 <p>Environmental</p>	<ul style="list-style-type: none"> ▪ General environmental protection & resource management ▪ Climate protection or adaptation to climate change and mitigation of climate change, in particular commitment to CO2 reduction and implementation of energy efficiency measures ▪ Protection of global biodiversity
 <p>Social</p>	<ul style="list-style-type: none"> ▪ Implementation and compliance with labor law standards at company and portfolio level ▪ Safety and health management along the entire value chain ▪ Promotion of equality and diversity ▪ Training and further education opportunities ▪ General social and societal engagement
 <p>Governance</p>	<ul style="list-style-type: none"> ▪ General Corporate policy and ethical principles ▪ Sustainability and risk management by the board of directors and the supervisory board ▪ Information management / disclosure and reporting ▪ Compliance and risk management ▪ Ownership and remuneration structure resp. incentives as well as conflicts of interest ▪ Data management and cyber security management

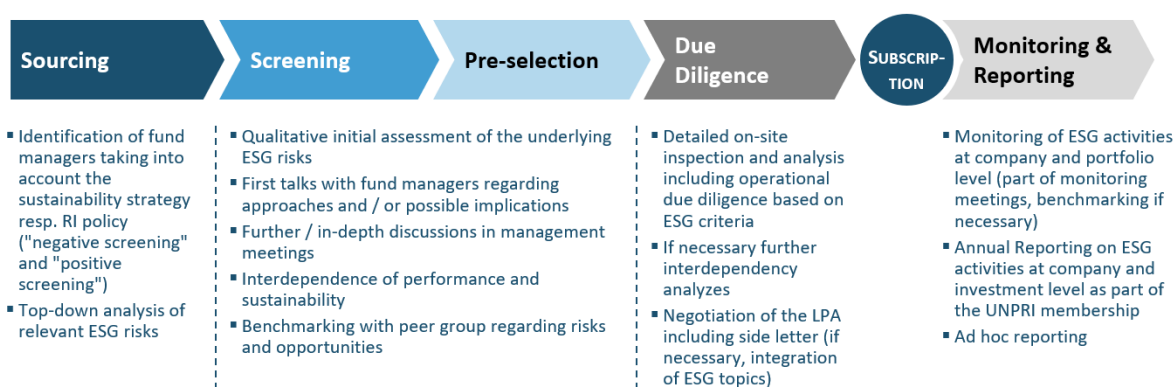
Consideration of sustainability criteria in the investment process

A key requirement for successful investment management is a systematic due diligence and investment process. This diligence process was implemented on the basis of the partners' extensive investment experience (15 to 20 years at partner level) and has included a detailed and holistic view of ESG criteria across the entire investment process since the beginning of YIELCO's investment activity, ESG

criteria are an integral part of every investment decision and also relevant to the monitoring of investments.

During the selection and investment process, ESG criteria are extensively examined, analysed, and independently evaluated within the framework of the proprietary YIELCO scoring model, in the scope of options available to YIELCO. The instruments that YIELCO uses for the systematic consideration of ESG criteria in the investment process are multidimensional. Due to the partially limited possibility to exert influence, YIELCO uses a hybrid application of different instruments for its proactive implementation: YIELCO uses a matrix of exclusion / negative or positive criteria as well as individual engagement through dialogue and, if necessary side letter regulations or the exertion of influence in the investor advisory board.

Responsible investment management is an integral part of the due diligence process for potential target funds as well as co-investments and is applied across all strategies and geographies. ESG criteria are taken into account in every step of the process and proactively evaluated in varying depth. The following diagram shows the main steps in the diligence process:



- i) When sourcing potential target funds, the underlying ESG strategy is already identified and evaluated.
- ii) In the first screening and in the pre-selection, an initial assessment of potential risks and opportunities takes place. It is examined whether the fund's investment strategy may have violated exclusion criteria. This is done as part of the analysis of historical transactions (track record analysis).
- iii) ESG aspects are part of our due diligence questionnaire and are discussed in detail as part of the pre-selection (pre-investment decision) and the operational due diligence on-site, based on the DDQ. The existing portfolio, if there is one, is checked and assessed for potential risks.
- iv) The results from the previous steps in the process are included in the proprietary YIELCO scoring model as a dedicated evaluation aspect. The underlying fund's ESG policy is assessed by YIELCO using the investment process criteria. The ESG corporate policy as well as implementation of "ESG Policy Guidelines", "Ethics Policy", "Codes of Conduct" or similar are examined in detail, personally scrutinized during the on-site and, if necessary, integrated into contract negotiations during the subscription process.

Furthermore, YIELCO is committed to influencing target fund managers, if they are not yet signatories, to support and comply with the UN Principles for Responsible Investing. YIELCO also considers supporting them in implementing a policy and encourages dedicated reporting.

Regardless of the previously mentioned instruments for implementing a sustainable investment strategy and investment decisions, YIELCO relies on a continuous and constructive exchange with partners and investors, the expanded network, and other market participants in order to address the topic of sustainable investing and further advance the dialogue.

Principles for Responsible Investments (PRI) – The six principles of responsible investing

YIELCO Investments is a signatory and active supporter of the UNPRI (UN Principles for Responsible Investment) initiative. Out of conviction, we stand behind the basic ideas and principles of the initiative:

1. We will incorporate ESG issues in investment analysis and decision-making processes
2. We will be active shareholders and incorporate ESG topics in our investment policy and practices.
3. We will encourage companies and entities in which we invest to adequately disclose ESG issues.
4. We will promote acceptance and implementation of the principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the principles.
6. We will report on our activities and progress towards implementing the principles.

We are convinced that sustainable investments are a guarantee for long-term value creation and therefore have a positive impact on the entire corporate current account in the long term.

Transparency & reporting

As an active member of the UNPRI initiative, we have committed to producing annual reports on our activities as a company, at the underlying investment level, and making them available to the association.

In addition, YIELCO creates ad hoc short reports on activities and overviews at company and investment level if required and is also available for comprehensive reporting.

Effectiveness & revision

The Responsible Investment Policy applies to all asset classes relevant to YIELCO Investments. In addition, the standards for our approach to responsible investing are discussed regularly and on an ongoing basis, e.g., reviewed in detail and across teams at least once a year in a strategy meeting, and if necessary revised.

Responsibilities & contacts

YIELCO Investments' management is involved in all steps of the process and is actively engaged. Due to the interdisciplinarity of the topic, YIELCO also relies on a complementary and interdisciplinary team from all specialist areas to support operational implementation.

For further information on implementation of the sustainability strategy, the organization handbook or the code of conduct as well as general information on YIELCO, we are at your disposal:

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About YIELCO Investments AG

YIELCO is an independent, globally active, specialized investor and service provider in the field of alternative investments, focused on asset classes that generate attractive and / or long-term predictable and sustainable returns. YIELCO Investments is managed by experienced investment experts who have been supporting institutional investors in all areas of alternative investments for an average of over 15 years. On this basis, YIELCO has developed an innovative range of products and services that are characterized by attractive conditions and a high level of interest alignment with customers. An international advisory board complements the expertise with extensive direct investment experience. Optimally diversified multi-manager portfolios, co-investments, and managed accounts considering individual requirements, enable investors to set up cost-effective, alternative investment portfolios in the

segments of infrastructure, private debt, and private equity, whilst also taking into account ESG criteria. As of Q2 2020, the company services approx. EUR 5 billion in capital from institutional investors and family offices for the infrastructure, private debt, and private equity segments.

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