

Pictet Alternative Advisors

Responsible Investing Policy

1. Introduction

Pictet Alternative Advisors (PAA) is a leading European alternative investment specialist with expertise in manager selection and portfolio management in liquid and illiquid alternative assets.

2. Commitment

We are convinced that Environmental, Social and Governance (ESG) considerations can help us make better long-term investment decisions for our clients.

For decades, sustainability has been central to our way of thinking. Since the Pictet Group was founded in 1805, we have aimed to ensure the prosperity of our clients over the long term. In doing so, we have instinctively considered the interests of future generations.

Consistent with our fiduciary duty to act in the best interests of our clients and our adherence to the UN Principles for Responsible Investment (UN PRI), we are committed to integrating material ESG criteria in our investment processes and ownership practices with a view to enhance returns and/or mitigate risks.

We are conscious of the wider environmental and social consequences of what we do, from managing the organization to investing on behalf of our clients. We have undertaken various initiatives to embed ESG considerations within our organization such as encouraging diversity and inclusion or offsetting our carbon footprint.

3. Responsible Investing principles

PAA aims to reach its commitment to responsible investing with the following principles:

- i. We integrate ESG factors into our investment and decision-making processes.
- ii. We are an active and responsible owner, acting in the best interest of our clients.
- iii. We promote responsible investing.

4. Implementation

Our principles apply to our entire investment universe, across liquid and illiquid alternative assets.

ESG integration

We strongly believe that ESG considerations can pose challenges to the sustainability of an investment management company and to the performance of the investment under consideration. Therefore, we systematically incorporate relevant ESG factors in our due diligence processes. We address ESG issues with our investment partners and encourage improvements of current practices, if necessary. We have developed a dedicated ESG questionnaire that covers our investment partners' engagement to ESG, the level of ESG integration in their processes or operations as well as reporting and transparency issues.

Using an internal scoring methodology, we rank our investments with regards to their level of ESG integration and monitor those with areas of improvement.

Active and responsible investor

We are committed to use our influence as investors to encourage the adoption of the highest standards of ESG, ethical and alignment of interest factors. This includes a thorough review of our investment partners' governance practices, including the independence of relevant governing bodies (directors, compliance) and the proper disclosure and management of conflicts of interest. Those factors are monitored by our due diligence teams, which actively engage when an area of improvement is identified.

Responsible investment promotion

We strive to promote the highest standards of responsible investment. While the integration of ESG standards has gained traction in the investment community, there are still numerous investment management companies with limited engagement or knowledge into that space. By systematically addressing ESG issues when considering a new investment, we encourage a wider adoption of responsible investing standards. We are engaged in the "impact investing" space and seek to identify attractive investment opportunities. Also, the Pictet Group is a member of the Swiss Sustainable Finance organization which promotes sustainable finance in Switzerland.

5. Governance

PAA's management committee (CEO, Co-CEO, business lines heads, COO, CFO) is responsible for defining and overseeing the Responsible Investing Policy. Each business line head is responsible for the oversight in its respective team. A sub-committee, the *PAA Responsible Investing Committee*, composed of individuals from each business line, is coordinating the implementation of the above principles within PAA.

In terms of coordinate with the Pictet Group, PAA's CEO is a member of the Pictet Group Stewardship & Sustainability Board, which is chaired by two Partners (responsible for the Group's strategy). An individual from the *PAA Responsible Investing Committee* represents PAA in the Group Operational Committee (responsible for the coordination and implementation of the Group's strategy).