VICTORY HILL

Sustainable Finance Disclosure Regulation

EU entity level sustainability information disclosure

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Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector ("SFDR") and Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy") introduced new regulatory requirements to increase transparency on sustainability among financial market participants and financial products.

This statement provides information required under EU sustainability-related finance disclosure regulations ("SFDR") for financial market entities.

Additional product information can be found on Victory Hill Capital Partner LLP ("Victory Hill" or the "Firm") managed fund's websites.

This document describes how Victory Hill integrates sustainability risk information into investment decision making processes and advisory services, and the approach and oversight mechanisms used to monitor the environmental, social and governance ("ESG") integration.

The document also describes how the Firm considers principal adverse impacts of investment decision on sustainability factors, and the due diligence of adverse impacts approach and engagement policies. Finally, it describes how the Firm's approach to sustainability risk is consistent with remuneration policies.

Approach to responsible investing and ESG

At Victory Hill we are committed to sustainable development, responsible investment and ethical business practices. This means taking a principles-based approach to our operations and our decision-making processes.

Victory Hill has controls to identify, assess and manage adverse ESG risks, opportunities and impacts ("ROIs") to the Firm's business objectives and its Fund's investments.

The Firm's operational risk policy ensures appropriate governance and risk management processes are in place and emerging risks are identified. A risk register is maintained and reviewed several times a year and updated, as necessary. Victory Hill also implements an ESG risk and opportunity identification and management system ("SERA") on its flagship fund, VH Global Sustainable Energy Opportunities plc ("GSEO") investments to identify, assess and manage material ROIs at the asset level.

The Firm's sustainability policy outlines our approach. In summary SERA stages include:

Sustainable Development Goals (SDG) alignment: Pre-investment, an independent third-party assessment validates investment alignment with the energy-related SDGs and fund energy transition goals, and whether it does harm to non-core SDGs. Key performance indicators (KPIs) under core SDGs are assessed and scored. If a project does not align or is found to do significant harm, then the Fund does not invest.

ROIs identified through independent assurance are input into an asset level materiality assessment which is also informed by operating partners, local regulations, external frameworks and benchmarks, impact assessments and stakeholder engagement.

Materiality analysis and Risk assessment: Material and systemic ROIs are identified, and probability assessed by also considering:

- The International Finance Corporation performance standards, the Global ESG Benchmark for Real Assets and the Sustainability Accounting Standards Board material energy sector and infrastructure risks and impacts
- Regional or country risk informed by indices including Transparency International, Freedom House, Fund for Peace, Social Progress, country climate pledges, Global Slavery Index, and ILO Labour Rights.
- Operational proximity to local communities, indigenous peoples, cultural heritage, and biodiversity.
- Operational activities such as noise, light, water use, discharge, and waste.
- Stakeholders interacting with the operation including employees, contractors, communities and customers.

The maturity of management controls and resources that operator partners have in place are also considered for risk and opportunity management.

A range of environmental issues can potentially impact infrastructure investments, these vary asset to asset depending on the size, sector and geolocation. Identifying, assessing, managing, and monitoring material risks is therefore tailored to each asset.

Action planning and engagement: Where ROIs are identified, post-investment mitigation measures are identified in an asset specific sustainability action plan ("SAP"). Taking a Global Compact principles-based approach this may include closing management practices gaps and implementing project plans to address ROIs.

Monitoring: KPIs are reported by the asset and discussed monthly to track progress and identify requirements for intervention. Performance targets are set on key metrics to support this effort and drive continuous improvement. The SAP is tied to the operator performance monitoring and metrics and annual remuneration decisions.

The materiality and risk analyses are updated at least annually. Data is analysed using an internal ESG and GHG accounting tool aligned with the GHG protocol. Select environmental metrics are assured through an external limited assurance engagement annually.

Example ROIs include:

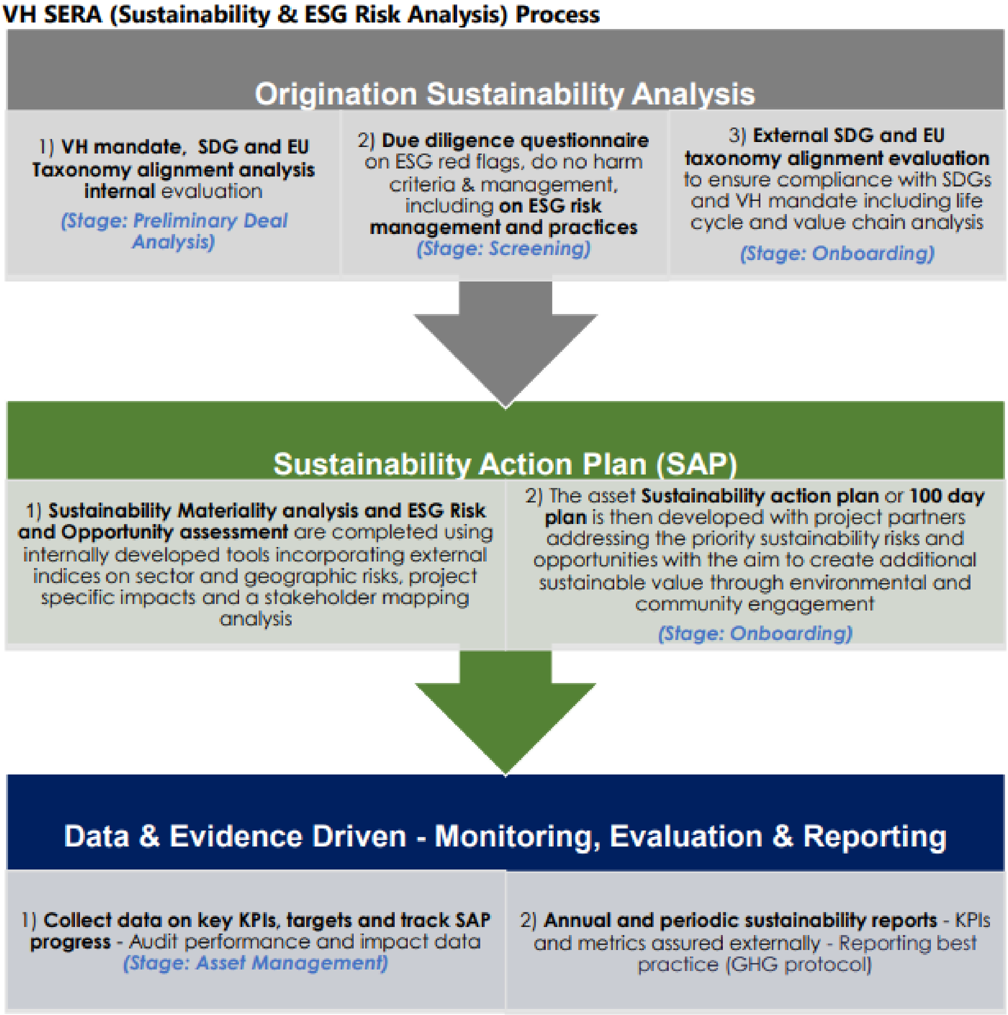
Environmental: air pollution, land, biodiversity, energy, GHG emissions, waste, supply chain, climate risks, water, end of life management.

Social: community relations, health and safety, employee diversity, supply chain and labour rights

This approach includes aligning investment with global sustainability frameworks and taking a risk, opportunity and impact management approach to investments decision making and asset management.

The following diagram outlines the due diligence, do no significant harm assessment, materiality analysis and ESG risk and opportunity assessment approaches as well as how this is monitored and reported upon.

VH SERA (Sustainability & ESG Risk Analysis) Process



Through this approach the firm considers a wide range of ESG issues and identifies material and principle adverse impacts.

Consistency between the remuneration policy and risk management

Every member of the investment and asset management team is responsible for implementation of Victory Hill's responsible investment policy and stewardship of assets during the investment evaluation, execution, and asset management phases of the investment lifecycle. Team training is undertaken to ensure that team members have the appropriate knowledge to carry out their responsibilities. Victory Hill has a dedicated Head of Sustainability to support investment and asset management teams in embedding ESG policy and strategy.

The portfolio managers have a responsibility for ensuring that Victory Hill's stewardship priorities are adhered to at an asset level. The investment committee therefore plays a key role in overseeing stewardship activities. ESG aspects are embedded into this process.

Adherence to the investment policy and sustainability policy and contributions to initiatives that support sustainability are considered in individual staff member's biannual performance assessments, which directly impacts overall remuneration. Individuals' participation in professional development and training is provided and encouraged to continually enhance ESG capabilities.

Additionally, all members of staff at Victory Hill are expected to contribute to the implementation of a sustainable development culture at Victory Hill that takes a principles approach to the economic, social, and environmental considerations of their work. This culture recognises that sustainable development means promoting good governance principles, transparency, health living, innovation and lifelong learning in their work and stakeholder engagements.

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