SUSTAINABILITY INVESTMENT POLICY

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Prepared by PCML/Portfolio Management
Adopted by PCML/Portfolio Management

Purpose and Rationale

The aim of this document is to set out the Sustainability Investment Policy (the "**Policy**") covering the environmental, social and governance ("ESG") framework of Prestige Capital Management Limited (the "**Company**") when providing investment services in terms of the Company's investment services licence. This policy has been adopted in accordance with the provisions of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (**"SFDR"**), specifically Article 3 of SFDR.

The Board of Directors of the Company (the "**Board**") is satisfied that this document is consistent with the risk-profiles, long-term business strategy, objectives, values, and interests of the Company. The Board recognises that sustainability is key to generating value for all stakeholders.

The Board will periodically review this document to ensure that it remains up-to-date and consistent with the Company's regulatory obligations under applicable law and risk appetite. The Board shall be responsible for initiating and facilitating an annual review of this document and its implementation, this review shall be carried out in light of legal and business developments as well as the Company's experiences in its implementation.

All changes or material exceptions to this document are to be approved by the Investment Management Committee and the Company's Board of Directors, whether in relation to the annual review or otherwise.

Regulatory Status of the Company

1. The Company is registered under the laws of Malta and is in possession of a Category 2 Investment Services Licence. The Company is presently authorised to provide portfolio management services to Professional Clients (including collective investment schemes) in relation to a number of financial instruments as set out in the Company's Category 2 Licence.

2. The Company currently manages Collective Investment Schemes that fall under two types of fund structures: (i) Funds of Funds; and (ii) Private Debt Lending Funds. Both types of funds are licensed as Alternative Investment Funds ('AIFs'). The Company, in its capacity as Alternative Investment Fund Manager ('AIFM') manages the portfolios of the AIF's sub-funds and is responsible for portfolio and/or risk management services with respect to each Fund and its sub-funds.

3. The Company has been appointed as Investment Manager to the following Funds and Sub-funds. Two Funds are domiciled in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier ('CSSF').

   According to the SFDR's classification system, a fund will either be classified as an article 6, 8 or 9 fund – depending on their characteristics and level of sustainability:

   - Article 6: Funds without a sustainability scope
   - Article 8: Funds that promote environmental or social characteristics (light green)
   - Article 9: Funds that have sustainable investment as their objective (dark green)

Fund	Sub-Funds	SFDR Designation
European Finance Opportunities S.C.A. (SICAV-SIF) (‘EFO’)	Prime Alternative Finance (‘PRALTF’)	Article 8
Premium Alternative S.A. (SICAV-SIF)	Commercial Finance Opportunities (‘CFO’)	Article 6
	Multi Finance Opportunities (‘MFO’)	Article 6

Regulatory Obligations

1. The Company qualifies as a Financial Market Participant in terms of the SFDR. As a result, the Company is required to have in place policies and procedures setting out the approach adopted by the Company on the integration of sustainability factors in the investment decision-making process and within its risk management framework. SFDR defines “sustainability factors” as *“…environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters…*” (the “**Sustainability Factors**”).

2. The Company is also required to publish on its website information about its policies on the integration of sustainability risks in its investment decision-making process. SFDR defines *‘sustainability risk’* as an “*environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”* (the “**Sustainability Risk**”).

3. The Company has also included in its remuneration policies, in the context of Article 5 of the SFDR, information on how these policies are consistent with the integration of Sustainability Risks and includes a description of the following matters in its pre-contractual disclosures:

   - The manner in which sustainability risks are integrated into their investment decisions; and
   - The results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

Sustainability Investment Guidelines

1. The Board is charged with the promotion of awareness and understanding of Sustainability Considerations within the investment team and to integrate due consideration of Sustainability Factors and Sustainability Risks into their investment decision making process, engagement efforts and to share such knowledge with other employees of the Company.

2. The Company seeks to understand and identify material Sustainability Factors that have investment ramifications, and which can have a material impact on the investment’s long-term financial performance.

Sustainability Factors that are considered by the Company include:

Factor	Definition
Environmental:	Climate change; depletion of finite resources or resource scarcity; product evolution (energy-efficient products/renewable energy); and new laws and legislation with respect to climate objectives.
Social:	Human rights; unethical supply chains; severe labour controversies; brand and reputational issues; and illegal working conditions.
Governance:	Transparency and integrity; inadequate management of conflicts of interests; corporate governance failures; lack of appropriate board oversight; shareholder rights; bribery and corruption.

3. Information on Sustainability Factors is integrated in the Company's investment decision making process for all asset classes that it deals in. While these matters are considered, it remains the case that specific Sustainability Risks set against these Sustainability Factors are secondary in nature to the overall Investment Objective as elaborated in the respective Fund Offering Documents. The financial products employed in the 'Investment Objectives' are fixed rate funding vehicles for which any investment decision influencing the value and returns of the financial products are influenced by Sustainability Factors only insofar as the financial outcome for clients (in the form of risk adjusted returns) mitigates from a macro-economic perspective the Sustainability Factors outlined in the section above.

4. The Company carries out an assessment and obtains information of Sustainability Factors in respect of the individual investments in which it invests. This is done with a view to ensuring that Sustainability Risk is identified and appropriately managed. The AIFM considers that Sustainability Risks are mitigated by the very nature of the positive ESG impact resulting from the successful employment of the investment objective as defined in the Offering Documents.

5. Information on Sustainability Factors and related Sustainability Risks are incorporated into the Company's investment decision-making processes at the asset selection stage when undertaking due diligence on new asset classes and, where possible, assessed in terms of the potential financial impact in the long term. When undertaking the Sustainability Analysis, the Company will seek to obtain information from a variety of sources, including, but not limited to:

- The target company itself,
- Third party specialist data providers, and
- Brokers

The Company will ordinarily also rely on due diligence measures adopted by target companies to identify, mitigate, and report on Sustainability Risk.

6. Sustainability Risks and/or opportunities vary by country, industry, markets, as well as by characteristics specific to a target company such as size and geographical footprint. These matters are taken into consideration when undertaking the assessment of the Sustainability Factors and Sustainability Risks associated with a target investment. It should be noted that the geographical footprint of the Investment objectives of PRALTF and CFO are limited only to the United Kingdom.

Sustainability Risks and mitigants are defined and noted as:

Risk	Mitigant
Environmental Risk: The risk posed by the exposure of Funds managed by the Company that may be affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air and water pollution, waste generation without transformation, depletion of water/marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity, or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.	Set against Sustainability Factors, as elaborated elsewhere in this policy, the Company views the Investment Objective of its Article 8 designated Fund as a mitigant of these risk types specific to the Sustainability Factors elaborated.
Social Risk: The risk posed by the exposure of Funds managed by the Company that may be affected negatively by social factors such as poor labour standards, human rights violations, damages to public health, data privacy breaches, or increased social inequality. Social risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.	Set against Sustainability Factors, as elaborated elsewhere in this policy, the Company views the Investment Objective of its Article 6 designated Sub-Fund ("CFO") whose investment strategy employs SME lending in the UK, providing a net social benefit contributing to economic growth in a sector which has seen a reduction in availability of financial services from mainstream lenders. The entities in which the Company deals are primarily in the UK and EU where the Social Risk factors are far less prevalent through sound Government legislation protecting against these concerns, such as labour practices and specific legislation such as GPDR.
Governance Risk: The risk posed by the exposure of Funds managed by the Company that may be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities, or loss of investor confidence.	Set against Sustainability Factors, as elaborated elsewhere in this policy, the Company mitigates against this Risk type through avoidance of dealing with any entities that are unable to evidence sound governance structures or in jurisdictions with a reputation for tax avoidance, countries which are subject to restrictions such as sanctions and embargoes. The entities in which the Company deals are primarily in the UK and EU and these risk types are assessed through KYC / Due Diligence undertaken. Further, the Company maintains a robust Remuneration Policy.

7. Inadequate management of Sustainability Risk can lead to inefficiencies, operational disruption, litigation, and reputational damage. These outcomes may impact the performance of the investment and ultimately the financial returns of the Company's clients.

8. The integration of information on Sustainability Factors and Sustainability Risks into investment decision making processes enhances the Company's understanding of sectors, assets and companies and their ability to deliver sustainable, long term shareholder value.

9. In line with what is previously noted in the section entitled Regulatory Obligations, the Company has ensured that its Remuneration Policy does not create incentives for taking inappropriate or excessive risk or of violating applicable laws and regulations. Further, it does not create incentives that could lead to any conflicts of interest. This Remuneration Policy does not enable Conflicts of Interest among employees or in relation to clients, consultants, or service providers. All Identified Staff are remunerated with a fixed remuneration. Considering the very limited impact of the variable remuneration of the Identified Staff on the risk profile of the AIFs and the nature of the business of the Company, the Company deems that there is no risk of misalignment with the integration of the Sustainability Risks and the investment decision making process of the Investment Manager in respect of its' managed AIFs

Outsourcing, Delegation and Appointment of Investment Advisors

1. In the event that the Company outsources or delegates to other third-party managers and/or investment advisors (the "**Delegates**"), the performance of any of its functions, the Company shall ensure that the Delegates have in place a Sustainability Risk Policy or as a minimum adopt the Company's Sustainability Risk Policy.

Principal Adverse Impacts

In accordance with Article 4 sub 1 (b) of the SFDR, Prestige Capital Management Limited ("the AIFM" or "PCM") does not consider Principal Adverse Impacts ("PAI") of investment decisions on sustainability factors as set forth in Article 4 sub 1 (a) of the SFDR. Therefore, it does not make the disclosures as described in Article 4 sub 1 (a) of the SFDR, however PAI may be taken into account at individual Fund level as further disclosed in the governing documents of the relevant Fund and SFDR pre-contractual and website disclosures, when applicable.

1. PRALTF undertakes an assessment of the Principal Adverse Impacts ("**PAIs**") of its investment allocations on Sustainability Factors. PAIs are those impacts arising from investment decisions that have a negative effect on Sustainability Factors.

2. Where the PAI cannot possibly be determined due to insufficient disclosure or lack of tangible data, PRALTF will actively engage with the target company in question and should no commitment be made by the latter to mitigate the PAI, this matter will be factored into the decision-making process.

3. The Company has disclosed on its website a statement on the approach in respect of identified PAIs in that as a primary consideration, it currently only manages one Alternative Investment Fund registered under Article 8 of SFDR, (PRALTF). The disclosure and the administrative burden of considering PAI at AIFM level would not be proportionate considering the assets under management (AuM) of PRALTF relative to the aggregate AuM at the AIFM level..

Sustainability Investment Procedures

1. The Company adopts various approaches in the inclusion of information on Sustainability Factors in its investment decision making process with a view to managing the related Sustainability Risks. These include:

- Sustainability Screening.
- Sustainability Integration.
- Sustainability Themed Investing.

Sustainability Screening: Negative Screening

The Company also screens target companies / products that promote and provide solutions that are consistent with Sustainability Factors that have a certain set of attributes which the Fund Manager believes to contribute to outperformance and aims at including such products in the portfolios managed by the Company. Particularly those that would mitigate the Sustainability Risks identified in the Sustainability Factors section. The Company will also positively recommend such products on an on-going basis.

1. The Company will not knowingly invest in companies or hold securities that are engaged in:

- Arms manufacturing
- Manufacture of tobacco
- Hard spirits
- Gambling
- Genetically modified organisms
- Adult Content
- Propagation of Fossil Fuels
- Proliferation of Nuclear power
- Adverse Human Rights concerns
- Adverse Labour Standards

The scope of the above restrictions is not exhaustive and is reviewed on a regular basis with the Sustainability Risk Policy updated accordingly.

Sustainability Screening: Positive Screening

1. The Company also screens target companies / products that promote and provide solutions that are consistent with Sustainability Factors that have a certain set of attributes which the Fund Manager believes to contribute to outperformance and aims at including such products in the portfolios managed by the Company. Particularly those that would mitigate the Sustainability Risks identified below. The Company will also positively recommend such products on an on-going basis.

Sustainability Integration

1. The Company integrates information on Sustainability Factors in its investment strategy, whereby Sustainability Risks are considered in the broader investment process. Analysis across the asset classes and ultimately in the investment decisions are undertaken by the Company.

Given the Investment profiles and objectives employed the by AIFs managed by the Company, it should be noted that the commercial activity of the AIFs themselves are generated through the use of one Finance Arranger per strategy where private debt strategies are in scope, namely:

Prime Alternative Finance (‘PRALTF’) provides funding via revolving credit facilities to various SPVs owned by Privilege Finance Limited, and only has renewable energy projects in scope solely in the United Kingdom. Only assets, which by their very nature consider the Sustainability Factors elaborated previously are considered. These assets are not sourced or screened by the AIF itself, however, are done so at the level of the Finance Arranger in support of the Investment objective of PRALTF. Drawdowns on the lending facilities are screened by the Portfolio Management and Credit Oversight functions of the Company for integration into the overall Investment portfolio of the AIF.

Commercial Finance Opportunities (‘CFO’) provides funding via revolving credit facilities to various SPVs owned by Nucleus Commercial Finance Limited, and only has small business cash or secured lending in scope solely in the United Kingdom. Assets in scope do not consider the Sustainability Factors elaborated in that section. These assets are not sourced or screened by the AIF itself, however, are done so at the level of the Finance Arranger in support of the Investment objective of CFO. Drawdowns on the lending facilities are screened by the Portfolio Management and Credit Oversight functions of the Company for integration into the overall Investment portfolio of the AIF.

Multi Finance Opportunities (‘MFO’) employs its’ strategy via directed investment to Third party Investment funds who’s Investment strategy is esoterically similar to the lending strategies managed by Prestige Capital Management.. While these assets are sourced and screened by the AIF itself, however do not consider the Sustainability Factors elaborated in that section.

2. When assessing a target company, the Company takes into account (among others as per the Company’s Investment Procedures), the extent to which the target company:

- Embeds responsible business conduct not its policies
- Identifies and assesses adverse impacts in operations, supply chains and business relationships
- Prevents or mitigates adverse impacts on Sustainability Factors
- Tracks and implements enhancements to its processes, and
- Communicates how adverse impacts are assessed.

In this respect, the Company assesses the extent to which the target companies follow the principles set out in the OECD Due Diligence Guidance for Responsible Business Conduct. The objective of the OECD Due Diligence Guidance for Responsible Business Conduct is to “…provide practical support to enterprises on the implementation of the OECD Guidelines for Multinational Enterprises by providing plain language explanations of its due diligence recommendations and associated provisions. Implementing these recommendations helps enterprises avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers, and corporate governance that may be associated with their operations, supply chains and other business relationships….”.

3. The Company adopts a pragmatic approach whereby information on Sustainability Factors is integrated into established investment assessment processes. With investments spanning over various asset classes, jurisdictions, sectors, and markets, the Company takes into account legal and cultural differences in different markets. Thus, the Sustainability Analysis is sensitive to the individual situation pertaining to each target company in terms of the local norms, laws, regulation, and expectations of the market in which it operates.

4. The Company does not automatically exclude investments in products / target companies purely on Sustainability Factors if the Company, feels that the inherent Sustainability Risks do not necessarily pose a financial risk in the long term, or are sufficiently mitigated. The purpose of integrating information on Sustainability Factors and related Sustainability Risks in the investment decision making process does not automatically exclude certain products / target companies as the investment decision making process takes into consideration other factors and risk.

Does No Significant Harm Principles

1. The Company also considers the principle of 'does no significant harm'. This principle considers an investment to be 'sustainable' if it contributes to an environmental or social objective and does not significantly harm any other environmental or social objective as set out in the Regulation.

Sustainability Labelled/Themed Investing

1. Concerning the strategies discussed in this Sustainability Risk Policy, the Company promotes one product which is specifically labelled as a Sustainable product: European Finance Opportunities. S.C.A. (SICAV-SIF) ('PRALTF'), designated under Article 8 of SFDR. Whilst a Sustainability integration strategy continues to be applied, it may not necessarily be the only emphasis of all products managed by the Company, particularly in the case of the two Sub-Funds noted above designated under Article 6 of SFDR.

Review of this policy

This document shall be reviewed by the Board annually. Any changes to this document shall be approved by the Board. To date the Policy is adequate, comprehensive, relevant, and proportionate to the size, internal organisation, nature, scope and complexity of the activities of the Company.

Document Control

Sustainability Investment Policy					
Document Date	**Revision**	**Change Purpose**	**Prepared / Reviewed by**	**Approved By**	**Approval Date**
		Original Policy	Ganado – Legal Counsel		
March 2021		Approval	Investment Operations/ Fund Director	PCM Board	March 2021
July 2022		Review	PCM Consultant – SFDR	Internal	Septembe r 2022
August 2022		Review	PCM IM Committee	PCM IMC	October 2022
October 2022	POL06/V03/Y2022	Review	PCM CRO	CRO	October 2022
March 2023	POL06/V04/Y2023	Review	PCM Compliance	Compliance	March 2023
March 2023	POL06/V04/Y2023	Review	PCM Consultant–SFDR / AAC / RJ	Internal	March 2023
April 2023	POL06/V04/Y2023	Approval	PCM Consultant–SFDR	PCML Board of Directors	April 2023