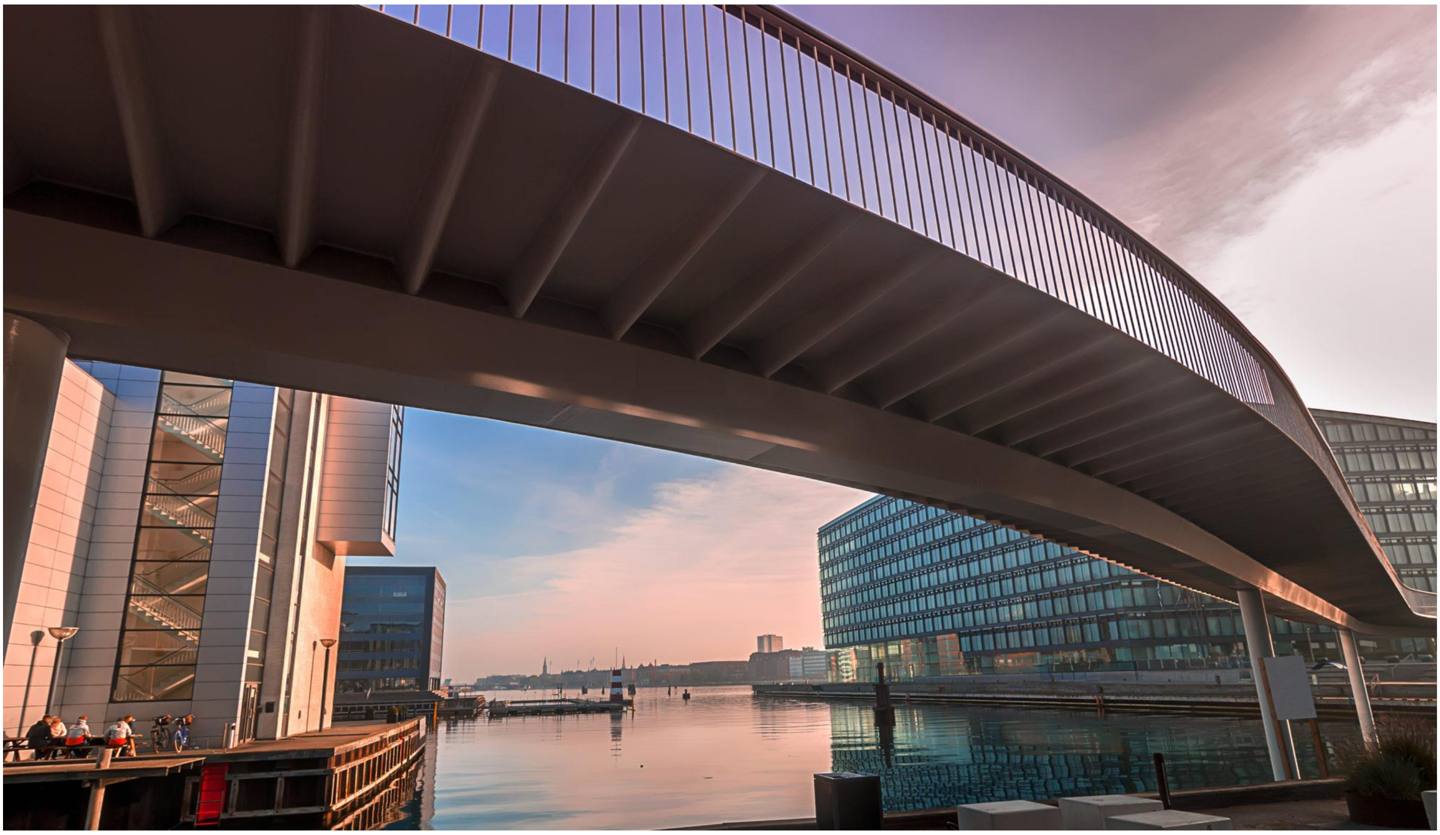


Sustainable Finance Disclosure Regulation

ARTICLE 8 FUNDS – LIGHT GREEN FUNDS

NCI ADVISORY A/S FEBRUARY 2024

Policy for responsible investments

NCI Advisory A/S is in compliance with the Article 8 sustainable finance disclosure regulations (SFDR) (EU regulation no. 2019/2088 of 27 November 2019 on sustainability-related information in the financial service sector) required to integrate sustainability related information in the prospect for the funds Nordic Corporate Investments A/S & NCI Credit Opportunity Fund A/S. The management will in this report be referred to as NCIA. The funds NCI and NCIC will be referred to as the department in the pre-contractual document.

For the respective department is the disclosure obligations linked to the department's categorization under the SFDR and thus whether the department promotes environmental and/or social characteristics as defined in Article 8 fund category.

Responsible investments play a central role in NCIA's ambition to create satisfactory returns for investors. The ambition is to influence the companies in a more responsible and sustainable manner and thereby contribute to a positive development in the wider society. Therefore, NCI Advisory concentrates on sustainable factors, which include both human rights, labor, environment, climate and social conditions as well as bribery and corruption and lastly corporate leadership. These are natural elements to take into account and consider both in the investment process and when the portfolios are discussed with the companies.

NCI Advisory A/S has established a policy for responsible investments (Responsible Investment Policy). The policy states the general framework for responsibility in the investment process and the active ownership exercised by the association. The policy follows the UN-supported principles for responsible investment and recommendations for active management.

The policy is publicly available and can be accessed at www.nciadvisory.com

Investment strategy

The investment strategy is focused on limiting the negative externalities of the investments of the fund by the integration of exclusions. The fund engages as part of its investment strategy with issuers on material sustainability topics.

The promoted environmental and/or social characteristics as well as issuers' good governance practices are integrated in the investment strategy on a continuous basis, through a commitment to systematically identify and address sustainability factors embedded in the investment and the investment selection process. By extension, the environmental and/or social characteristics as well as issuers' good governance practices may influence a decision to either buy, increase, hold or decrease weighting to attain the fund's characteristics.

The full extent of the fund's environmental and/or social characteristics are attained through the investment strategy and are monitored on a regular basis which is specified in the fund's annual report.

Policy of the integration of sustainability risks

In accordance with NCI Advisory's policy for responsible investments, sustainability risks are included as an integral part of the department's investment processes and portfolio optimization. When integrating sustainability risk into the investment process, sustainability factors are identified, which can pose a risk and ultimately affect investment returns.

NCI Advisory A/S integrates ESG data in cases and seeks additional data where applicable, to keep aligned with the SFDR and to monitor the portfolio. For industries which have a significant negative climate footprint, NCI Advisory A/S aims to influence companies to reduce their CO2 footprint and increase their diversity in management through dialogue as asset manager.

In addition, NCI Advisory A/S refrains from investing in companies that use child labor, and the uranium, coal, and weapons industries.

NCI Advisory A/S aims to achieve a long-term attractive return, where assessment of ESG factors is included as an integral part of the assessment of each investment case and the dialogue with the boards of the companies that NCI Advisory A/S manages.

While, NCIA is not normally considered as co-owner and may have limited influence in the companies, if the ESG approach is not satisfying, NCIA can opt out of participating in the financing process or dispose of investments.

Description of the management integration of sustainability risks

Defined in NCIA's policy for investment and related instructions, the investment case is screened with reference to applicable regulations "best practices" within the financial sector, international norms, and standards for good corporate governance. Based on assessment and dialogue with issuers or companies, it may be decided on an ongoing basis to sell or limit investments for the department in general or in a specific industry, due to inappropriate exposures to sustainability risks. Consequently, the sustainability risks can, depending on a company's strategy and risk profile, have significance not only for the investment decision, but also for maintaining investments in the portfolio.

The department's exposure to sustainability risks is a reflection of the sustainability risks that apply to each investment and the portfolio as a whole. Currently the departments do not invest in index-based strategies.

The investments are systematically screened for sustainability factors and are supervised by the management of NCIA on the basis of the analysis, as well as data from other suppliers. This is based on the MSCI materiality map and ESG rating index.

Environmental and/or social characteristics (Article 8)

We integrating sustainability risks analysis in all our investments which include environmental and/or social characteristics in respect of Article 8.

These are evaluated by NCI Advisory A/S and the ratings of environmental and/or social characteristics as well as good management practices can influence the decision made by NCIA. NCIA can either invest or increase the holding in an investment and maintain and preserve the weighting or as a result sell or reduce the investment in order to promote the sustainable investment objectives and the environmental and/or social characteristics.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

ANNEX I

'ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Nordic Corporate Investments A/S
Legal entity identifier: 5493003ERG7A58FW3Q23

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** 80 %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The department has as goal to contribute to the environmental and/ or social characteristics by applying the MSCI Europe Climate Change Index as a reference method, and specifically the MSCI ESG Ratings index including the MSCI industry materiality map.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The methodology for calculating the method is available in the document "MSCI Climate Change Indexes Methodology" (MSCI Climate Change Indexes Methodology).

In addition to the above, the department also has the following environmental and/or social characteristics:

- The department promotes compliance with certain UN Guiding Principles on Business and Human Rights, OECD Guidelines for multinational enterprises, ILO conventions, and other international minimum guarantees through the exclusion of issuers assessed to have socially harmful activities and behaviour.
- The department promotes certain environmental minimum guarantees through the exclusion of issuers assessed to have activities with significant negative climate impact.
- The department promotes certain ethical and social minimum guarantees through the exclusion of issuers assessed to have unethical and/or controversial activities.
- The department considers the most significant negative impacts of certain investments on sustainability factors.
- The department seeks to influence issuers' handling of sustainability issues through the investment decision process related to certain significant sustainability topics.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The department uses the following sustainability indicators to achieve the promoted environmental and/or social characteristics which are attained in the principal adverse impact report and measures the overall ESG indicators of the investments.

- The number of investments in the department with socially harmful activities and behaviour identified through the management NCI Advisory A/S norm-based screening and expanded sustainability screening, including the number of issuers excluded based on criteria under this screening.
- The number of investments in the department with significant negative climate impact identified through exclusions list for oil, coal, child labor and attack weapons. Which further includes numbers of issuers excluded under these exclusions; companies that do not practice free religion, racist attitude and companies that do not practice within laws and regulations and live up to ethical and moral standards, that are cohesive with the standard of the department.
- The number of unethical and/or controversial investments in the department identified through exclusions list by management.
- Indicators listed in NCI Advisory's A/S statement on the important negative impacts of investment decisions on sustainability factors as supported in the PAI report.
- The number of dialogues with issuers in accordance with NCI Advisory A/S policy on investments.

- The number of environmental and/or social proposals voted on in accordance with NCI Advisory A/S policy on active investment.

Further information about the indicators can be found here:

[Policy-for-Responsible-Investments-NCI-March-2022-v2.pdf (nciadvisory.com)]

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The department has no commitment regarding sustainable investments.

- ***How do the sustainable investments that the department partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The department's investments strategy is not based on sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The department has no commitment regarding sustainable investments.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The department has no commitment regarding sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

x No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

On behalf of the fund NCI, the management NCI Advisory A/S undertakes a range of engagement activities with portfolio companies, corporate- and sovereign issuers in order to encourage them to improve their ESG practices and thereby promote a long-term approach to decision-making.

Furthermore, the investment strategy integrates sustainability factors through the department's exclusion in terms of responsible investments. The department utilizes and engages in dialogues with portfolio companies on significant sustainability topics and votes on environmental and/or social characteristics in accordance with the management NCI Advisory A/S policy for responsible investments.

The above is implemented continuously in the investment process through a commitment to systematically identify and address relevant sustainability factors and ensure that no investment is made in companies on relevant exclusion lists. Environmental and social considerations can thus influence decisions to either lend or increase holdings as well as maintain, reduce or sell weighting. This also applies to considerations of good governance practices.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

For exclusions related to "*socially harmful activities and behaviour*", "*activities with significant negative climate impact*" and "*unethical and/or controversial activities*" issuers covered by exclusion lists for these exclusion criteria are excluded.

Considerations for investor protection may, in exceptional cases, including low market liquidity, restrict the department from divesting an investment on the exclusion list. These investments will be reported in the annual report, and the information will be made publicly available.

Regarding issuers' management of sustainability issues, there is a dialogue with issuers on significant sustainability topics. Shareholder proposals on environmental and/or social matters are addressed in accordance with the management NCI Advisory's policy.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment to a minimum rate for reducing the investments under consideration before applying the investment strategy. Potential investments with a low ESG score (1) will be

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (Capex) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpenX) reflecting green operational activities of investee companies.

discussed at NCI board level, and will only be undertaken, subject to expected improvements. The reduction rate depends on the market value fluctuations and other factors.

What is the policy to assess good governance practices of the investee companies?

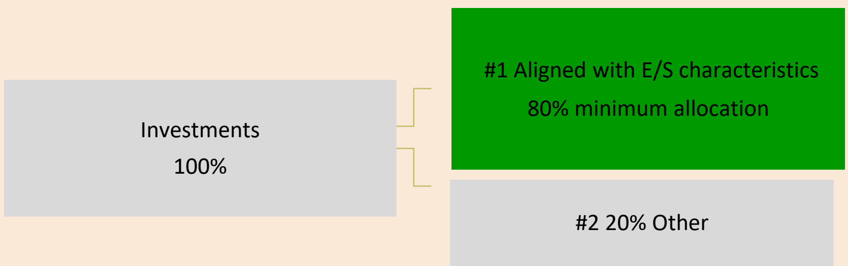
The policy for responsible investments forms the basis for assessing and managing the corporate governance in the investee companies. According to the policy, the investments are screened in the start phase and must ensure adherence to good corporate practices, which should comply with responsible investment. This principle is handled through due diligence and investment analysis, including a consistent element in the extended sustainability screening conducted across the funds' activities, managed by NCI Advisory A/S.

For corporate governance practices, the screening applies an additional ESG rating, to determine whether the companies meet the defined threshold for management structures, employee conditions, staff remuneration and compliance with tax regulations. Failure to meet several of these criteria for good governance practices will be considered an indicator that an investment is not compatible with the responsible investment policy, thereby the investee company is opted out based on the extended sustainability screening.

Managing investments in the portfolio, the management aims to be an integral player in terms of positively influencing the focus on ESG, in connection with the investment decision. As such secure and include collaboration with equivalent investors, borrowers and other stakeholders.

What is the asset allocation planned for this financial product?

The department promotes environmental and/or social characteristics with an expected minimum allocation of 80% of the portfolio. The minimum allocation represents the portion of the department’s assets that have been screened to promote its environmental and/or social characteristics.
For the remaining portfolio of assets, the other 20%, the department reserves the right not to screen the investments and thus assess whether these investments promote the department’s environmental and/or social characteristics. The Other 20% represent cash positions, minority investments and direct loans.
The minimum allocation is calculated relative to the total market value of the assets and reflects the expected minimum allocation as an average within the relevant reporting period. The minimum allocation represents the portion of the department’s assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?** The department does not utilize derivatives to achieve the environmental or social characteristics promoted by the financial product.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The department does not commit to investing in sustainable investments with an environmental goal in accordance with the EU taxonomy. Therefore, the minimum proportion of investments aligned with the EU taxonomy (environmentally sustainable economic activities) is 0%

The actual share of environmentally sustainable economic activities in the department, if any, is reported in the annual report. The department identifies such investments through screening for activities that contribute to environmental goals and are deemed to have a significant contribution to this environmental goal. The screening is also conducted with regard to the environmental goals to ensure that the investments do not cause significant harm to these goals. Additionally, there is screening of both borrowers' and investee companies' compliance with minimum guarantees for human rights and labour rights.

For calculation of the proportion of environmentally sustainable economic activities, revenue is used as a key indicator for investments in both financial and non-financial companies. The calculation is based on reported data from issuers provided to the management, through their own internal data collection and through external data collection by the MSCI ESG rating index. In the absence of such reporting, equivalent information from issuers or external data is provided and used by materiality map based on industry and sub-industry. In this process, the department's data provider may employ assumptions for the data, and these assumptions will be assessed and re-evaluated reflected on the availability of data.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

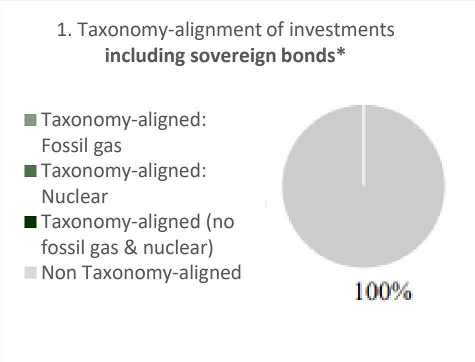
☐ In fossil gas ☐ In nuclear energy

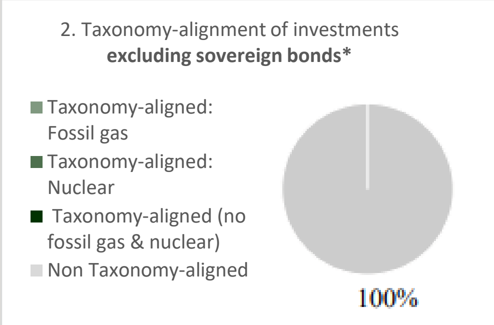
☒ No

Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are stated in Commission Delegated Regulation (EU) 2022/1214.

are **sustainable** investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The department does not commit to making investments in accordance with the EU taxonomy, the minimum share of investments in transition activities is 0%. Similarly, the minimum share for investments in enabling activities is also 0%.

The actual proportion of these activities will be reported as part of the department's annual reporting.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The department has no commitment regarding sustainable investments.

What is the minimum share of socially sustainable investments?

The department has no commitment regarding sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The department's "#2 Other investments" category includes investments that are not subject to the department's screening exclusions or covered by the department's activities for responsible investments. These investments refer amongst others specifically to the department's direct lending strategy.

These “#2 Other investments” may consist of investments made for the purpose of ensuring sufficient liquidity, portfolio risk hedging or investments for which there is insufficient ESG data available. Given the nature of the exposure obtained through these, the department does not apply environmental and social minimum guarantees.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The department does not utilize a specific index as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The department does not utilize a specific index as a reference benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The department does not utilize a specific index as a reference benchmark.

- ***How does the designated index differ from a relevant broad market index?***

The department does not utilize a specific index as a reference benchmark.

- ***Where can the methodology used for the calculation of the designated index be found?***

The department does not utilize a specific index as a reference benchmark.

Where can I find more product specific information online?

More product-specific information can be found on the website:

More product specific information on responsible investments can be found on the website: [Policy-for-Responsible-Investments-NCI-March-2022-v2.pdf (nciadvisory.com)]

ANNEX I

'ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: NCI Credit Opportunity Fund A/S ("NCIC")
Legal entity identifier: 984500A72C703FBF3A26

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** 80 % ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

The department has as goal to contribute to the environmental and/ or social characteristics by applying the MSCI Europe Climate Change Index as a reference method, and specifically the MSCI ESG Ratings index including the MSCI industry materiality map.

The methodology for calculating the method is available in the document “MSCI Climate Change Indexes Methodology” (MSCI Climate Change Indexes Methodology).

In addition to the above, the department also has the following environmental and/or social characteristics:

- The department promotes compliance with certain UN Guiding Principles on Business and Human Rights, OECD Guidelines for multinational enterprises, ILO conventions, and other international minimum guarantees through the exclusion of issuers assessed to have socially harmful activities and behaviour.
- The department promotes certain environmental minimum guarantees through the exclusion of issuers assessed to have activities with significant negative climate impact.
- The department promotes certain ethical and social minimum guarantees through the exclusion of issuers assessed to have unethical and/or controversial activities.
- The department considers the most significant negative impacts of certain investments on sustainability factors.
- The department seeks to influence issuers’ handling of sustainability issues through the investment decision process related to certain significant sustainability topics.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The department uses the following sustainability indicators to achieve the promoted environmental and/or social characteristics which are attained in the principal adverse impact report and measures the overall ESG indicators of the investments.

- The number of investments in the department with socially harmful activities and behaviour identified through the management NCI Advisory A/S norm-based screening and expanded sustainability screening, including the number of issuers excluded based on criteria under this screening.
- The number of investments in the department with significant negative climate impact identified through exclusions list for oil, coal, child labor and attack weapons. Which further includes numbers of issuers excluded under these exclusions; companies that do not practice free religion, racist attitude and companies that do not practice within laws and regulations and live up to ethical and moral standards, that are cohesive with the standard of the department.
- The number of unethical and/or controversial investments in the department identified through exclusions list by management.
- Indicators listed in NCI Advisory’s A/S statement on the important negative impacts of investment decisions on sustainability factors as supported in the PAI report.
- The number of dialogues with issuers in accordance with NCI Advisory A/S policy on investments.

- The number of environmental and/or social proposals voted on in accordance with NCI Advisory A/S policy on active investment.

  Further information about the indicators can be found here:

  Policy-for-Responsible-Investments-NCI-March-2022-v2.pdf (nciadvisory.com)

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The department has no commitment regarding sustainable investments.

- ***How do the sustainable investments that the department partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  The department's investments strategy is not based on sustainable investments.

  - ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

    The department has no commitment regarding sustainable investments.

  - ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

    The department has no commitment regarding sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

x No

What investment strategy does this financial product follow?

On behalf of the fund NCI, the management NCI Advisory A/S undertakes a range of engagement activities with portfolio companies, corporate- and sovereign issuers in order to encourage them to improve their ESG practices and thereby promote a long-term approach to decision-making.

Furthermore, the investment strategy integrates sustainability factors through the department's exclusion in terms of responsible investments. The department utilizes and engages in dialogues with portfolio companies on significant sustainability topics and votes on environmental and/or social characteristics in accordance with the management NCI Advisory A/S policy for responsible investments.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The above is implemented continuously in the investment process through a commitment to systematically identify and address relevant sustainability factors and ensure that no investment is made in companies on relevant exclusion lists. Environmental and social considerations can thus influence decisions to either lend or increase holdings as well as maintain, reduce or sell weighting. This also applies to considerations of good governance practices.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

For exclusions related to "*socially harmful activities and behaviour*", "*activities with significant negative climate impact*" and "*unethical and/or controversial activities*" issuers covered by exclusion lists for these exclusion criteria are excluded.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Considerations for investor protection may, in exceptional cases, including low market liquidity, restrict the department from divesting an investment on the exclusion list. These investments will be reported in the annual report, and the information will be made publicly available.

Regarding issuers' management of sustainability issues, there is a dialogue with issuers on significant sustainability topics. Shareholder proposals on environmental and/or social matters are addressed in accordance with the management NCI Advisory's policy.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment to a minimum rate for reducing the investments under consideration before applying the investment strategy. Potential investments with a low ESG score (1) will be

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (Capex) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpenX)

discussed at NCI board level, and will only be undertaken, subject to expected improvements. The reduction rate depends on the market value fluctuations and other factors.

What is the policy to assess good governance practices of the investee companies?

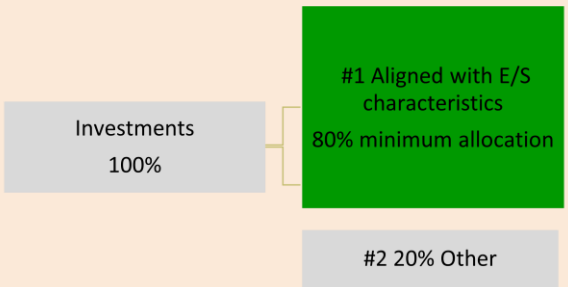
The policy for responsible investments forms the basis for assessing and managing the corporate governance in the investee companies. According to the policy, the investments are screened in the start phase and must ensure adherence to good corporate practices, which should comply with responsible investment. This principle is handled through due diligence and investment analysis, including a consistent element in the extended sustainability screening conducted across the funds' activities, managed by NCI Advisory A/S.

For corporate governance practices, the screening applies an additional ESG rating, to determine whether the companies meet the defined threshold for management structures, employee conditions, staff remuneration and compliance with tax regulations. Failure to meet several of these criteria for good governance practices will be considered an indicator that an investment is not compatible with the responsible investment policy, thereby the investee company is opted out based on the extended sustainability screening.

Managing investments in the portfolio, the management aims to be an integral player in terms of positively influencing the focus on ESG, in connection with the investment decision. As such secure and include collaboration with equivalent investors, borrowers and other stakeholders.

What is the asset allocation planned for this financial product?

The department promotes environmental and/or social characteristics with an expected minimum allocation of 80% of the portfolio. The minimum allocation represents the portion of the department’s assets that have been screened to promote its environmental and/or social characteristics. For the remaining portfolio of assets, the other 20%, the department reserves the right not to screen the investments and thus assess whether these investments promote the department’s environmental and/or social characteristics. The Other 20% represent cash positions and minority investments.
The minimum allocation is calculated relative to the total market value of the assets and reflects the expected minimum allocation as an average within the relevant reporting period. The minimum allocation represents the portion of the department’s assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?** The department does not utilize derivatives to achieve the environmental or social characteristics promoted by the financial product.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The department does not commit to investing in sustainable investments with an environmental goal in accordance with the EU taxonomy. Therefore, the minimum proportion of investments aligned with the EU taxonomy (environmentally sustainable economic activities) is 0%

The actual share of environmentally sustainable economic activities in the department, if any, is reported in the annual report. The department identifies such investments through screening for activities that contribute to environmental goals and are deemed to have a significant contribution to this environmental goal. The screening is also conducted with regard to the environmental goals to ensure that the investments do not cause significant harm to these goals. Additionally, there is screening of both borrowers' and investee companies' compliance with minimum guarantees for human rights and labour rights.

For calculation of the proportion of environmentally sustainable economic activities, revenue is used as a key indicator for investments in both financial and non-financial companies. The calculation is based on reported data from issuers provided to the management, through their own internal data collection and through external data collection by the MSCI ESG rating index. In the absence of such reporting, equivalent information from issuers or external data is provided and used by materiality map based on industry and sub-industry. In this process, the department's data provider may employ assumptions for the data, and these assumptions will be assessed and re-evaluated reflected on the availability of data.

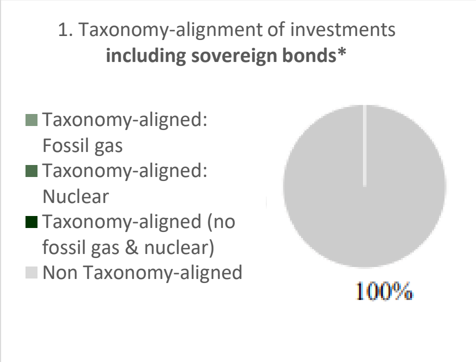
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

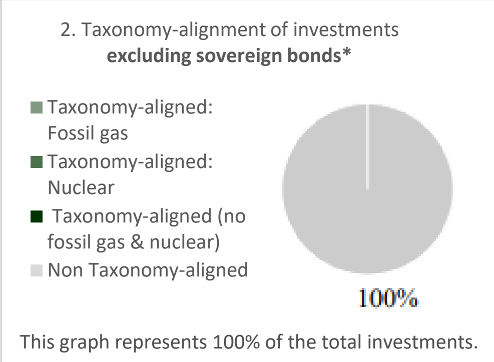
- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are stated in Commission Delegated Regulation (EU) 2022/1214.

are **sustainable** investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The department does not commit to making investments in accordance with the EU taxonomy, the minimum share of investments in transition activities is 0%. Similarly, the minimum share for investments in enabling activities is also 0%.

The actual proportion of these activities will be reported as part of the department's annual reporting.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The department has no commitment regarding sustainable investments.

What is the minimum share of socially sustainable investments?

The department has no commitment regarding sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The department's "#2 Other investments" category includes investments that are not subject to the department's screening exclusions or covered by the department's activities for responsible investments. These investments refer amongst others specifically to the department's direct lending strategy.

These "#2 Other investments" may consist of investments made for the purpose of ensuring sufficient liquidity, portfolio risk hedging or investments for which there is insufficient ESG data available. Given the nature of the exposure obtained through these, the department does not apply environmental and social minimum guarantees.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The department does not utilize a specific index as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The department does not utilize a specific index as a reference benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The department does not utilize a specific index as a reference benchmark.

- ***How does the designated index differ from a relevant broad market index?***

The department does not utilize a specific index as a reference benchmark.

- ***Where can the methodology used for the calculation of the designated index be found?***

The department does not utilize a specific index as a reference benchmark.

Where can I find more product specific information online?

More product-specific information can be found on the website:

More product specific information on responsible investments can be found on the website: [Policy-for-Responsible-Investments-NCI-March-2022-v2.pdf (nciadvisory.com)]