Performance Equity Management, LLC

ESG Policy

This policy outlines our values, beliefs and expectations when it comes to the integration of environmental, social and governance (ESG) issues in our own operations and how we select the managers with whom we invest. We define ESG integration as the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions. This policy and its stipulations contribute to the fulfilment of our commitment to ensure financial value creation for our clients.

As a fiduciary, we have a duty to act in the best long-term interests of our clients. In this role, we believe ESG considerations can affect the performance of our investments to varying degrees across companies, sectors, regions, asset classes and through time. We also recognize applying the principles listed below, which were promulgated under the United Nations Supported Principles for Responsible Investment (Principles), may better align our clients with broader objectives of society. As a signatory to the Principles, where consistent with our fiduciary responsibilities and where consistent with our business model, we endorse the United Nations supported Principles for Responsible Investment, which are as follows:

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by entities in which we invest
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

The Principles are based on the premise that ESG issues can affect investment performance and that the appropriate consideration of these issues is part of delivering superior risk-adjusted returns. The Principles, therefore, are firmly within the bounds of our fiduciary duties.

Our Values, Beliefs and Expectations

ESG issues have become part of the investment vernacular. We believe investors, by ensuring companies they invest in are adequately addressing ESG issues during every stage of the investment process, can help to ensure companies become future-proof and thus bring about long-term financial value creation. Integrating ESG factors into the investment process complements traditional research, such as analyzing financial statements and industry trends.

We are committed to identifying opportunities and mitigating risks to create long-term financial value. We believe research shows that companies managed responsibly promote value preservation and deliver better financial results over the long-term.[1] In addition, we believe companies that adhere to environmental efficiency, social awareness, and high governance standards are well positioned to withstand risks and capitalize on new opportunities. Accordingly, we believe we have a responsibility to include material ESG metrics in our investment analysis and decision making process.

Performance Equity Management is a trusted advisor in the global private equity investment community. We believe significant relationships with premier partners and a disciplined investment process give us a competitive advantage. Our senior investment team, our time-tested investment strategy and our demonstrated success make us an attractive partner for institutional investors worldwide. With this policy, we acknowledge that due consideration of ESG issues in the investment process is an integral part of our fiduciary duty. Our objective is to achieve long-term financial value creation by ensuring that integrity and honesty are at the core of our own operations as well as seeking partnerships with those that are also committed to these values.

As a fund-of-funds business, we only have indirect influence on individual investments and hence necessarily operate on a best-efforts basis. Furthermore, our influence on investments and partners is partly determined by the investment type. For example, there may be greater scope for exerting influence on co-investments than on fund investments where the fund's general partner is between Performance Equity Management and the individual company. In addition, when acting as a fund-of-funds manager, we cannot always guarantee availability of all ESG-related information on specific companies at the time we make our investment decision. ESG aspects are therefore handled in different ways, depending on the type of investment.

This policy forms part of the PEM policies and procedures and applies to the entire organization as of its publication date. It is reviewed regularly and modified accordingly. We continuously evaluate best practices for responsible investing consistent with our fiduciary duties.

February 9, 2021

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[1] See Khan, Mozaffar N., George Serafeim, and Aaron Yoon, "Corporate Sustainability: First Evidence on Materiality", Harvard Business School Working Paper, No. 15-073 (2015); Gunnar Friede, Timo Busch, and Alexander Bassen, "ESG and financial performance: aggregated evidence from more than 2000 empirical studies", Journal of Sustainable Finance & Investment (2015); Jagannathan Ravi, Ashwin Ravikumar, and Marco Sammon, "Environmental, Social, and Governance Criteria: Why Investors are Paying Attention", National Bureau of Economic Research Working Paper No. 24063 (2017).