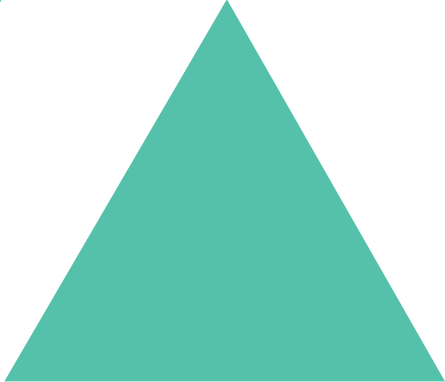


Environmental, Social and Governance (ESG) Exclusions Policy

Arcmont Asset Management Limited

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Introduction

Screening prospective companies against this ESG exclusion policy is the first stage in Arcmont's responsible investment process. This policy applies to all Arcmont co-mingled funds and associated vehicles (together the "Funds"). Note that additional exclusions apply to vehicles in Arcmont's Impact Lending strategy. This policy is reviewed on an annual basis by the ESG Committee.

The exclusion criteria applicable to the Funds vary by strategy and transaction type: (i) Direct Lending and Impact Lending transactions are subject to the exclusions in Part A; (ii) Capital Solutions transactions are subject to the exclusions in Part B¹; and (iii) Net Asset Value ("NAV") Financing transactions are subject to the exclusions in Part C. Arcmont applies these exclusions based on its actual knowledge, informed by ordinary due diligence.

Contact Details

For more information, please contact ESG@arcmont.com.

¹ Capital Solutions I transactions are subject to the exclusions in Part A.

A. Direct Lending and Impact Lending

Every prospective Direct Lending and Impact Lending transaction is screened against the below exclusions prior to the initial investment decision and any follow-on investment.

Activity / Sector	Threshold	Exclusion Rule
Violation of the UN Global Compact (UNGC) Principles	Absolute	The Funds will not knowingly invest in companies that engage in serious or systematic human or labour rights infringements, environmental harm, corruption, or any other action that is considered a violation of the UNGC principles ² .
Adult Entertainment	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from adult entertainment ³ .
Controversial Weapons ⁴	Absolute	The Funds will not knowingly invest in companies that produce, use, store, trade, or provide maintenance ⁵ , transportation or financing of controversial weapons or material physical components specifically designed for controversial weapons. This also includes companies that own 25% or more of a company engaged in such activities.
Conventional Weapons ⁶	Absolute	The Funds will not knowingly invest in companies that produce, use, store or trade conventional weapons or material physical components specifically designed for conventional weapons. This also includes companies that own 25% or more of a company engaged in such activities.
Fur Products	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from products primarily comprised of fur pelt, fur or fur trim, or from hunting, raising or trapping animals for their fur.
Genetically Modified Organisms (GMOs)	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from the modification of plants or animals using genetic engineering, unless such products and services have a health care application.
Tobacco	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from producing tobacco products or material physical components exclusively designed for such products, including cultivating and processing tobacco ⁷ .
Thermal Coal	>5% revenue	The Funds will not knowingly invest in companies generating more than 5% of revenue directly from mining or distributing thermal coal, coal-based power generation, or financing coal-based power generation ⁸ .
Oil Sands/Tar Sands	>5% revenue	The Funds will not knowingly invest in companies generating more than 5% of revenue directly from producing, upgrading, refining or distributing raw crude oil sourced from oil sands/tar sands, or from financing oil sands/tar sands projects ⁹ .
Nuclear Power Generation	>10% revenue	The Funds will not knowingly invest in companies generating more than 10% of revenue directly from nuclear power generation.
Gambling	>25% revenue	The Funds will not knowingly invest in companies generating more than 25% of revenue directly from operating gambling establishments or manufacturing specialised equipment used exclusively for gambling.

² When assessing a company against this exclusion, Arcmont considers the severity, irremediability and frequency of the violation as well as the company's degree of complicity. The measures a company has implemented to prevent recurrence of the violation are also central to the assessment. Where issues are identified, Arcmont may determine that an investment can proceed if the investee has implemented, or will implement, robust remediation measures.

³ Companies are not covered by this exclusion if the sale of adult entertainment is incidental to its wider business.

⁴ Please refer to Appendix 1 for further details on the types of weapons excluded under this definition.

⁵ Maintenance means the actual, direct physical maintenance of the weapons or components themselves, not "support" or indirect maintenance.

⁶ Please refer to Appendix 2 for further details on the types of weapons excluded under this definition.

⁷ Companies are not covered by this exclusion if the sale of tobacco is incidental to its wider business (e.g., convenience stores).

⁸ This exclusion does not apply to companies whose products or services may be used in relation to thermal coal mining, distribution or coal-based power generation.

⁹ This exclusion does not (i) apply to companies whose products or services may be used in relation to the production, upgrading, refinement or distribution of crude oil sourced from oil sands/tar sands or (ii) include refined crude oil i.e., commercially available oil.

B. Capital Solutions

Every prospective Capital Solutions transaction¹⁰ is screened against the exclusions below prior to the initial investment decision and any follow-on investment.

Activity / Sector	Threshold	Exclusion Rule
Violation of the UN Global Compact (UNGC) Principles	Absolute	The Funds will not knowingly invest in companies that engage in serious or systematic human or labour rights infringements, environmental harm, corruption, or any other action that is considered a violation of the UNGC principles ¹¹ .
Controversial Weapons ¹²	Absolute	The Funds will not knowingly invest in companies that produce, use, store, trade, or provide maintenance ¹³ , transportation or financing of controversial weapons or material physical components specifically designed for controversial weapons. This also includes companies that own 25% or more of a company engaged in an excluded activity.
Fur Products	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from producing products primarily comprised of fur pelt, fur or fur trim, or from hunting, raising or trapping animals for their fur.
Genetically Modified Organisms (GMOs)	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from the modification of plants or animals using genetic engineering, unless such products and services have a health care application.
Tobacco	Absolute	The Funds will not knowingly invest in companies generating any revenue directly from producing tobacco products or material physical components exclusively designed for such products, including cultivating and processing tobacco ¹⁴ .
Conventional Weapons ¹⁵	>20% revenue	The Funds will not knowingly invest in companies generating more than 20% of revenue directly from producing, using, storing or trading conventional weapons. This also includes companies that own 25% or more of a company engaged in such activities ¹⁶ .
Thermal Coal	>5% revenue	The Funds will not knowingly invest in companies generating more than 5% of revenue directly from mining or distributing thermal coal, coal-based power generation, or financing coal-based power generation ¹⁷ .
Oil Sands/Tar Sands	>5% revenue	The Funds will not knowingly invest in companies generating more than 5% of revenue directly from producing, upgrading, refining or distributing crude oil sourced from oil sands/tar sands, or from financing oil sands/tar sands projects ¹⁸ .
Adult Entertainment	>10% revenue	The Funds will not knowingly invest in companies generating more than 10% of revenue directly from adult entertainment.
Gambling	>25% revenue	The Funds will not knowingly invest in companies generating more than 25% of revenue directly from operating gambling establishments or manufacturing specialised equipment used exclusively for gambling.

¹⁰ Capital Solutions II and any successor fund. Capital Solutions I transactions are subject to the exclusions in Part A.

¹¹ When assessing a company against this exclusion, Arcmont considers the severity, irremediability and frequency of the violation as well as the company's degree of complicity. The measures a company has implemented to prevent recurrence of the violation are also central to the assessment. Where issues are identified, Arcmont may determine that an investment can proceed if the investee has implemented, or will implement, robust remediation measures.

¹² Please refer to Appendix 1 for further details on the types of weapons excluded under this definition.

¹³ Maintenance means the actual, direct physical maintenance of the weapons or components themselves, not "support" or indirect maintenance.

¹⁴ Companies are not covered by this exclusion if the sale of tobacco is incidental to its wider business (e.g., convenience stores).

¹⁵ Please refer to Appendix 2 for further details on the types of weapons excluded under this definition.

¹⁶ Where such activities are carried on by an entity that is not wholly owned by the borrower, the revenue derived from that activity will be attributed to the borrower in proportion to its ownership interest and assessed against the 20% revenue threshold.

¹⁷ This exclusion does not apply to companies whose products or services may be used in relation to thermal coal mining, distribution or coal-based power generation.

¹⁸ This exclusion does not (i) apply to companies whose products or services may be used in relation to the production, upgrading, refinement or distribution of crude oil sourced from oil sands/tar sands or (ii) include refined crude oil i.e., commercially available oil.



Real Estate Transactions

Where Capital Solutions provides financing for real estate assets, each prospective real estate transaction is screened against the exclusions below prior to the initial investment decision and any follow-on investment.

The Funds will not knowingly provide financing for real estate assets where the primary use is:

- Weapons manufacturing or storage facilities
- Tobacco manufacturing or processing facilities
- Adult entertainment venues
- Casinos or gambling establishments
- Thermal coal mining, processing, or storage infrastructure
- Oil sands/tar sands extraction or processing facilities

C. NAV Financing

Each prospective NAV Financing transaction is screened for material exposure to “sensitive” sectors prior to the initial investment decision and any follow-on investment. Arcmont will not knowingly invest where such exposure exceeds 30% of total NAV.

Note that the targets of the negative screening vary depending on the NAV Financing transaction type as outlined below.

NAV Financing Transaction Type	Screening Target(s)
Fund Financing	GP and underlying portfolio companies
GP Financing	GP and, if relevant, underlying portfolio companies
LP Financing	LPs in the relevant fund

The screening process is as follows:

1. The deal team will assign a Global Industry Classification Standard (“GICS”) sub-industry classification to the relevant Screening Target based on a majority revenue test.
2. Screening Targets that are assigned any of the GICS sub-industry classifications listed below will be deemed “sensitive”.
3. If more than 30% of the total NAV prior to the initial investment decision and any follow-on investment is deemed “sensitive”, Arcmont will not pursue the investment.

GICS Sub-Industry Code	GICS Sub-Industry
10101010	Oil & Gas Drilling
10101020	Oil & Gas Equipment & Services
10102010	Integrated Oil & Gas
10102020	Oil & Gas Exploration & Production
10102030	Oil & Gas Refining & Marketing
10102040	Oil & Gas Storage & Transportation
10102050	Coal & Consumable Fuels
20101010	Aerospace & Defense
25301010	Casinos & Gaming
30203010	Tobacco

Appendix 1: Controversial Weapons

Exclusions	Notes
Exploding or Expanding Ammunition	“Exploding or Expanding Ammunition” means bullets which expand or flatten easily in the human body prohibited by the Declaration Concerning Expanding Bullets done at The Hague, 29 July 1899, as amended and revised, and includes any projectiles of a weight below 400 grammes which are either explosive or charged with fulminating or inflammable substances prohibited by the Declaration Renouncing the Use, in Time of War, of Explosive Projectiles Under 400 Grammes Weight done at Saint Petersburg on 29 November (11 December) 1868, as amended and revised.
Landmines	“Landmines” means “mines” and “remotely-delivered mines” prohibited by the Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-Traps and Other Devices as amended on 3 May 1996 annexed to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to be Excessively Injurious or to Have Indiscriminate Effects as amended on 21 December 2001, as amended and revised, and “anti-personnel mines” within the meaning of the Convention on the Prohibition of the Use of Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction, as amended and revised. Landmines are victim-activated explosive weapons that are placed under, on or near the ground. They are considered controversial as they cannot distinguish between civilians and military personnel.
Chemical Weapons	Chemical weapons are toxic chemicals and their precursors that can cause death, temporary incapacitation, or permanent harm through their chemical action. Biological weapons are biological agents or toxins designed for hostile purposes or armed conflict. The development, production, stockpiling, acquisition, retention and transfer of such weapons, including their delivery systems, are banned under multiple conventions. (Sources: 1925 Geneva Protocol; 1972 Biological Weapons and Toxin Weapons Convention; 1993 Chemical Weapons Convention.)
Biological Weapons	“Biological weapons” means microbial or other biological agents, or toxins whatever their origin or method of production, of types and in quantities that have no justification for prophylactic, protective or other peaceful purposes and weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict prohibited by the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, as amended and revised, and includes bacteriological methods of warfare prohibited by the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare done at Geneva on 17 June 1925, as amended and revised. Biological weapons are biological agents or toxins designed for hostile purposes or armed conflict. The development, production, stockpiling, acquisition, retention and transfer of such weapons, including their delivery systems, are banned under multiple conventions.
Cluster Munitions	“Cluster munitions” has the meaning given in the Convention on Cluster Munitions, as amended and revised. Cluster munitions are single ‘parent’ containers containing multiple explosive sub-munitions. They are controversial as when they are released, they impact a wide area and are unable to specifically target combatants. The manufacture, use, and stockpiling of these weapons and their components is banned under international convention. The financing of cluster munitions is excluded under this policy irrespective of country-level restrictions. (Source: Convention on Cluster Munitions.)
Non-Detectable Fragments	“Non-Detectable Fragments” means any weapon the primary effect of which is to injure by fragments which in the human body escape detection by X-rays prohibited by the Protocol on Non-Detectable Fragments annexed to the Convention on Certain Conventional Weapons, as amended and revised.
Incendiary Weapons	“Incendiary weapons” means any weapon or munition which is primarily designed to set fire to objects or to cause burn injury to persons through the action of flame, heat or combination thereof, produced by chemical reaction of a substance delivered on the target prohibited by the Protocol on Prohibitions or Restrictions on the Use of Incendiary Weapons annexed to the Convention on Certain Conventional Weapons, as amended and revised.

Exclusions	Notes
Blinding Lasers	“Blinding lasers” means laser weapons specifically designed, as their sole combat function or as one of their combat functions, to cause permanent blindness to unenhanced vision, i.e., to the naked eye or to the eye with corrective eyesight devices prohibited by the Protocol on Blinding Laser Weapons annexed to the Convention on Certain Conventional Weapons, as amended and revised.
Depleted Uranium	Depleted Uranium (“DU”) is a by-product from enriching natural uranium to use in nuclear power reactors and is deployed as tank armour or in bullets due to its high density. The use of DU is controversial as it is a poisonous heavy metal (similar to lead or mercury), with a radioactive component. There are currently no international conventions banning depleted uranium weapons.
White Phosphorus	White phosphorus is an incendiary and toxic chemical substance used as a filler in several different munitions that can be employed for a variety of military purposes. Because it has legal uses, white phosphorus is not banned as a chemical weapon under international convention, however, it is a toxic chemical and can have severe negative health and environmental impacts.
Nuclear Weapons	“Nuclear weapons” means nuclear weapons and other nuclear explosive devices prohibited by the Treaty on the Prohibition of Nuclear Weapons, as amended and revised, including weapons and devices subject to the Treaty on the Non-Proliferation of Nuclear Weapons, as amended and revised. A nuclear weapon is an explosive device that derives its destructive force from nuclear reactions, either fission or from a combination of fission and fusion reactions. Nuclear weapons are indiscriminate and can have long-term damaging effects on the natural environment and the lives of future generations. International treaties ban their development, testing, production, acquisition, possession, stockpiling, stationing, transfer, use and threat of use.

Appendix 2: Conventional Weapons

Exclusions	Notes
Battle Tanks	A self-propelled armoured fighting vehicle, capable of heavy firepower, primarily of a high muzzle velocity direct fire main gun necessary to engage armoured and other targets, with high cross-country mobility, with a high level of self-protection, and which is not designed and equipped primarily to transport combat troops.
Armoured combat vehicles	A self-propelled vehicle with armoured protection and cross-country capability. Armoured combat vehicles include armoured personnel carriers, armoured infantry fighting vehicles and heavy armament combat vehicles.
Artillery	Large calibre systems capable of engaging ground targets by delivering primarily indirect fire.
Combat aircraft	A fixed-wing or variable-geometry wing aircraft armed and equipped to engage targets by employing guided missiles, unguided rockets, bombs, guns, cannons, or other weapons of destruction, as well as any model or version of such an aircraft which performs other military functions such as reconnaissance or electronic warfare. The term "combat aircraft" does not include a primary trainer aircraft.
Combat helicopters	A rotary wing aircraft armed and equipped to engage targets or equipped to perform other military functions. The term "combat helicopter" comprises attack helicopters and combat support helicopters. The term "combat helicopter" does not include unarmed transport helicopters.
Warships	Vessels or submarines armed and equipped for military use with a standard displacement of 500 metric tons or above, and those with a standard displacement of less than 500 metric tons, equipped for launching missiles with a range of at least 25 kilometres or torpedoes with a similar range.
Missiles and missile launchers	Guided or unguided rockets, ballistic or cruise missiles capable of delivering a warhead or weapon of destruction to a range of at least 25 kilometres and means designed or modified specifically for launching such missiles or rockets. This includes remotely piloted vehicles with the characteristics of missiles as defined above as well as Man-Portable Air-Defense Systems (MANPADS).
Small arms and light weapons	Any man-portable lethal weapon that expels or launches, is designed to expel or launch, or may be readily converted to expel or launch a shot, bullet or projectile by the action of an explosive, excluding antique small arms and light weapons or their replicas.

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