

Product name: APOLLO HEALTHCARE PROPERTY ASSISTED LIVING SUB-FUND

Legal entity identifier: 254900MY0Z6DCCNZHQ87

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Sub-Fund promotes both environmental and social characteristics by investing in real estate properties in the assisted living segment, by integrating the GPR-method in the investment decision process and by taking principle adverse impacts into account.

The investment strategy of the Sub-Fund aims to improve the energy performance of the real estate properties and aims to reduce the energy and water consumption and the greenhouse gas emissions.

Therefore, more specifically environmental characteristics that lead to climate change mitigation, climate change adaptation, and the transition to a circular economy are promoted.

Next to the environmental characteristics, the Sub-Fund promotes social characteristics by investing in affordable and sustainable healthcare housing and facilities. The Sub-Fund invests in principle in healthcare properties that are categorised in the affordable and/or mid-market rental segment. Furthermore, it invests only in real estate that falls within the assisted living segment. The assisted living segment is defined by properties that have a residential real estate character with a healthcare and/or well-being component and therefore the social characteristic adequate living standards and wellbeing for end-users and tenants are promoted.

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

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

- We will report on the following sustainability indicators:
- Share of investments in existing real estate properties that have a GPR score of 7.0 or higher
- Share of investments in newly built real estate properties that have a GPR of 7.5 or higher
- Share of investments in all real estate properties that are categorized in the affordable and/or mid-market rental segment
- Share of investments in the assisted living segment
- Share of investments in energy-inefficient real estate assets
- Total Scope 1 and Scope 2 GHG emissions generated by the real estate assets
- Energy consumption in kWh of owned real estate assets per square meter per annum
- Water consumption in cubic meter of the real estate assets per square meter per annum

● ***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?***



Not applicable.

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.

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

Not applicable.

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

Not applicable.

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

Not applicable

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?

- Yes, the Sub-Fund considers principal adverse impacts of its investment decisions on sustainability factors. The fund manager takes into account the following four principle adverse impact: energy efficiency, greenhouse gas emissions, energy consumption and water consumption. In case a new investment is made a long-term maintenance plan is drawn up to ensure that the properties become more energy efficient, emit less greenhouse gases and the energy and water consumption is reduced. Once a year the fund manager collects relevant information from all its real estate properties. An external expert aggregates this information in a report. Based on this report the long-term maintenance plan is adjusted. Information on how the financial product has considered the principal adverse impacts on sustainability factors is disclosed in the annual report of the financial product.

No

What investment strategy does this financial product follow?

The mission of the Sub-Fund is to initiate and manage long-term partnerships with institutional investors and healthcare providers to meet the growing and changing demand for affordable, sustainable care housing and facilities. The Sub-Fund shall invest in residential real estate with a healthcare well-being component.

The sustainability of all real estate properties is tested extensively using the GPR-method, covering five themes:

1. Energy

We assess the energy performance of each property and gain insight into the possibilities for improvement.

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

2. Environment

Raw materials are becoming scarcer and more expensive. The built environment consumes more than 30% of the raw materials and causes harmful emissions. Renovating or demolishing existing buildings limits harmful emissions and depletion of raw materials.

3. Health

People spend a large part of the day in a home, office, or school. But the indoor environment is often unhealthy. The aim of this theme is the realization of healthy buildings. Think of limiting noise pollution, sufficient fresh air, comfortable ventilation, and sufficient daylight.

4. User quality

Society is aging. But we want to live at home longer. Care and housing must therefore be combined. Young people, families or the disabled have different needs. And everyone wants a safe living environment.

5. Future value

There are neighbourhoods where people do not want to live and neighbourhoods that are popular. If the environment is dear to people, the value of the property increases. With a good score on this theme, a property can be adapted to changing user requirements or legislation and regulations without high costs or much material waste. This means taking into account the change of function and amenity value of the environment during construction or renovation.

Real estate properties can only be included in the fund portfolio if a certain minimum GPR score is met. The minimum GPR score for new building projects is 7.5 and for existing real estate the minimum score is 7.0. The GPR score of each property is assessed by external parties to ensure an independent judgement.

After the property has been acquired or delivered, the fund manager continues to actively manage it in the operational stage. Doing so guaranteeing that the property continues to meet changing care requirements and improving sustainability factors.

To facilitate active management, the fund manager compiles an annual review for each property, stating the relevant healthcare market trends and any organisational/financial issues impacting the care organisation. The necessary input for the report is obtained through consultation of all relevant parties, including the care organisation.

Furthermore, once a new property has been added to the portfolio, an independent specialist firm conducts an extensive technical condition measurement (a so-called NEN-measurement). Following the technical condition measurement, a long-term maintenance plan is compiled to ensure that the properties stay future proof, by becoming more energy efficient, emitting less greenhouse gases and the energy and water consumption of the building being reduced.

To ensure that the real estate properties are energy efficient, emit less greenhouse gas and the energy and water consumption is reduced, the fund manager monitors the progress on these topics. Once a year the fund manager collects information from all the real estate properties. An external expert aggregated this information in a report. Based on this report the long-term maintenance plan is adjusted.

● **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?**

The following binding elements are applicable to our investment strategy:

- Existing real estate properties meet a minimum GPR score of 7.0
- Newly built properties meet a minimum GPR score of 7.5
- The real estate properties are categorized in the affordable and/or mid-market rental segment
- The real estate properties fall within the assisted living segment
- Reduction of energy-inefficient real estate assets
- Reduction of greenhouse gas emissions
- Reduction of the energy consumption intensity
- Reduction of the water consumption

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

Not applicable, there is no commitment to reduce the scope of investments by a minimum rate.

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

Not applicable, because the fund invests in direct real estate and not in investee companies.

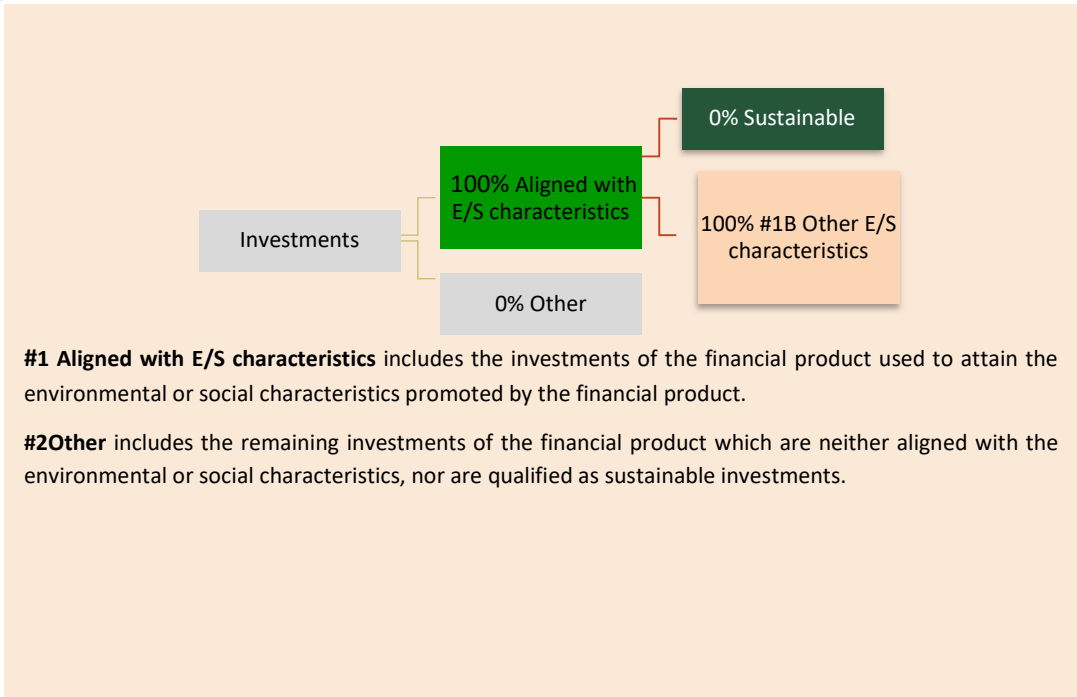
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the asset allocation planned for this financial product?

The fund invests in real estate properties that falls within the **Assisted Living** segment. All investments are aligned with the E/S characteristics promoted.



Asset allocation describes the share of investments in specific 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.

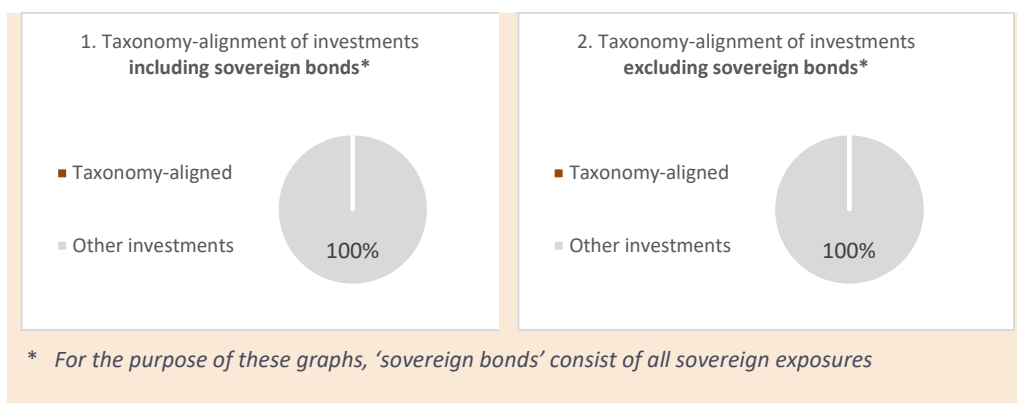
- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

This question is not applicable because the Sub-Fund does not invest in derivatives.



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

0%



- **What is the minimum share of investments in transitional and enabling activities?**
 Since there are no taxonomy-aligned investments, this question is not applicable.



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

The Sub-Fund does not investment in sustainable investments with an environmental objective, therefore this question is not applicable.



What is the minimum share of socially sustainable investments?

The Sub-Fund does not investment in sustainable investments with a social objective, therefore this question is not applicable



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

There are no investments included under other, therefore this question is not applicable.



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?

No reference benchmark is designated; therefore, this question is not applicable.

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

n/a

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

n/a

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

n/a

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

n/a



Where can I find more product specific information online?

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

<https://www.hartelt-fm.com/esg/>