



**LGT Fund Management Company Ltd.**

Herrengasse 12, FL-9490 Vaduz

Phone +423 235 21 44

[lgt.plf@lgt.com](mailto:lgt.plf@lgt.com), [www.lgt.com](http://www.lgt.com)

HR No.: 2004353-5, Reg. Office: 9490 Vaduz, VAT No. 50119

UID: CHE-134.016.399

14 January 2022

**Article 10 statement in respect of the 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, concerning**

▪ **Crown Impact Feeder Fund**

(the "AIF").

All capitalized terms herein contained shall have the same meaning in this Article 10 statement as in the constituting documents for Crown Impact Feeder Fund, unless otherwise indicated. For further details on the definitions used herein, please refer to the constituting documents for Crown Impact Feeder Fund.

<b>Classification</b>	The AIF considers to meet the criteria of a financial product in accordance with Article 9 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, as may be amended from time to time. The AIF reserves the right to reassess this classification at any time.
<b>Summary</b>	<p>The Master-AIF has sustainable investment as its objective. 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.</p> <p>The Master-AIF is taking into account sustainability related factors in its asset selection process by considering the commitments, policies or other procedures on the environmental, social and governance (ESG) integration by Private Equity Investments or their asset managers and in its investment monitoring process by performing a regular sustainability assessment of the asset managers or the Private Equity Investments.</p>
<b>Sustainable investment objective</b>	<p>The investment objective of the AIF is to provide Investors with an attractive long-term capital appreciation from a concentrated portfolio of globally diversified Impact Investments. The AIF is a Feeder-AIF and will seek to achieve its investment objective by investing permanently at least 85%, however, in practice substantially all of the Capital Commitments in the Master-AIF.</p> <p>The Master-AIF has sustainable investment as its objective. The portfolio investments of the Master-AIF directly contribute to one or more of the United Nations' 17 Sustainable Development Goals (SDGs). The portfolio reflects the broad and diverse nature of the impact market with a focus on the following three impact themes: climate action, healthcare and inclusive growth (including education), as further described below.</p>

<b>Sustainability characteristics of the financial product</b>	<p>The investment objective of the Master-AIF is to make Impact Investments. Impact Investments are defined in the constituting documents of the Master-AIF to be investments made into companies, organizations, and funds (referred to as Co-Investments, Primary Investments and Secondary Investments) with the intention to generate a beneficial social or environmental impact alongside a financial return. Impact investments by the Master-AIF are privately negotiated equity, equity-like or debt investments in Impact Companies, Impact funds or other Impact assets. Furthermore, Impact is defined as a positive change to a social or environmental challenge, as determined by the Master-AIFM. A binding element used to select the investments is the check and analysis if companies generate significant amounts of their revenues and/or profits, directly or indirectly, from targeting specific impact goals as described and defined in the UN SDGs (Sustainable Development Goals).</p> <p>In addition, the Investment Advisor of the Master-AIF applies guidelines from Sustainalytics with a view to the Master-AIF not investing into the following ("Excluded Investments"):</p> <ul style="list-style-type: none"> <li>• in respect of direct Co-Investments and Secondary Investments, companies directly involved in the manufacture, storage, transportation, distribution or sale of controversial weapons, such as (i) anti-personnel landmines, (ii) nuclear, chemical or biological weapons or (iii) cluster bombs or munitions. For the avoidance of doubt, the Master-AIF may however invest into portfolios that comply with international conventions on these weapons; and</li> <li>• in respect of direct Co-Investments, companies which (i) derive more than 5% of their revenue from thermal coal exploration, extraction, production, transportation, distribution, storage and/or other thermal coal activities, (ii) derive more than 20% of their revenue from electric power generation, or (iii) systemically use harmful or exploitative forms of forced or child labour.</li> </ul> <p>In respect of indirect investments, including Primary Investments and certain Secondary Investments, the Investment Advisor of the Master-AIF applies LGT Capital Partners' ESG Rating System with the intent that the Master-AIF should not be investing into managed vehicles where the portfolio, on the basis of its investment strategy and the policies of its asset manager, does not align with having sustainable investment as its objective.</p>
<b>Investment strategy</b>	<p>The Master-AIF shall predominantly invest in Co-Investments and, on an opportunistic basis, in Primary Investments and Secondary Investments. The Master-AIF shall mainly invest in Impact Investments focusing on opportunities in Developed Markets and, on an opportunistic basis, in Impact Investments in Emerging Markets. The Master-AIF may implement its investment objectives by investing through investment companies or other intermediary investment vehicles managed or advised by the Master-AIFM, the Investment Advisor or any of their Affiliates.</p>
<b>Proportion of sustainable investments</b>	<p>The Master-AIF seeks to, so far as is practicable, only invest into sustainable investments, taking into account that, in respect of fund investments, the Master-AIF /the Master-AIFM is not in control of the underlying investee portfolio.</p>
<b>Monitoring of sustainability characteristics</b>	<p>The impact of every Master-AIF investment is assessed using the LGT Capital Partners' Impact Management Framework, which was developed leveraging over a decade of impact experience across the LGT platform. The framework follows global standards for impact assessment and management and is consistent with the Impact Management Project and the Operating Principles for Impact Management. For impact monitoring, investment-specific performance indicators are collected from the respective external asset managers. In addition, comparable net impact and SDG alignment metrics are used to track attainment of the sustainable investment objective. The net impact ratio comprehensively captures each investment's impacts on society, knowledge, health, and the environment, considering both positive and adverse impacts. SDG alignment metrics are supporting indicators that quantify alignment or misalignment of each investment with the 17 Sustainable</p>

	Development Goals (SDGs), based on the products and services provided. Net impact and SDG alignment metrics are provided by a third-party data provider and are regularly updated.
<b>Methodologies</b>	<p>In respect of direct investments, ESG analysis of Sustainability Risks and Sustainability Impacts includes a review of the business model and its products and services, including an analysis on the basis of LGT Capital Partners' proprietary Impact Measurement Framework, to screen for Excluded Investments and applying the guidelines from Sustainalytics. A materiality review is also done based on the SASB (Sustainability Accounting Standards Board) Materiality Maps for different industries and sectors.</p> <p>LGT Capital Partners' Impact Management Framework allows LGT Capital Partners to assess the impact of every potential direct investment. The Framework was developed by LGT Capital Partners, leveraging a decade of impact experience of LGT Venture Philanthropy and other impact activities across the LGT platform. It follows global standards for impact assessment and management, and it is consistent with the Impact Management Project and the Operating Principles for Impact Management. In respect of indirect investments (fund investments constituting Primary Investments and Secondary Investments), the Investment Advisor applies LGT Capital Partners' proprietary ESG Rating System. The core of LGT Capital Partners' approach to ESG due diligence on investments is LGT Capital Partners' proprietary qualitative ESG rating system. LGT Capital Partners rates asset managers on ESG practices in the areas of: asset manager commitment to ESG, investment process, ownership and reporting. Asset managers receive a score of 1 to 4 (where 1 = excellent, 2 = good, 3 = fair, 4 = poor) on each of the four measures, resulting in an overall rating for each asset manager, which is then documented in LGT Capital Partners' monitoring system, and which LGT Capital Partners can report to LGT Capital Partners' investors.</p> <p>In addition to the ESG Rating System, the Investment Advisor assesses the integration of the IFC Operating Principles for Impact Management for indirect investments on the basis of LGT Capital Partners' proprietary Impact Measurement Framework.</p>
<b>Data sources and processing for sustainability characteristics</b>	The Investment Advisor's data sources for the indicators used are the asset managers of Private Equity Investments and the Private Equity Investments themselves, at the due diligence stage and during the Master-AIF's period of ownership. In certain circumstances, the Investment Advisor may rely on data from third-party data providers. The Investment Advisor is responsible for processing and managing all of the data used in its analyses. When actual data is not available, the Investment Advisor may rely on estimated data.
<b>Limitations to methodologies and data</b>	In certain circumstances, the Investment Advisor's analysis may be limited by the availability of certain data. The Investment Advisor may not have sufficient data and adequate methodologies to conduct a thorough analysis of the merits of each investment.
<b>Due diligence for sustainability characteristics</b>	<p>The Master-AIFM has adopted policies and procedures seeking to integrate in its investment decision making process environmental, social or governance events or conditions which the Master-AIFM becomes aware of and which, in the Master-AIFM's determination, could cause an actual or a potential material negative impact on the value and/or returns of the Master-AIF ("Sustainability Risks") to the extent they actually materialize. In addition and based upon the information reasonably available, the Master-AIFM seeks to assess the likely impacts on the returns of the Master-AIF and the value of its investments of any such Sustainability Risks. Investors should note the manner in which the Master-AIFM and the Investment Advisor assess ESG characteristics and Sustainable Risks is highly dependent upon the information made available to the Master-AIFM by the Impact Investments (or their asset managers) and may change over time and their approach in this respect might not reflect the views of investors.</p> <p>In the evaluation of potential primary, secondary and co-investment transactions, the Investment Advisor will conduct (a) a rigorous disciplined bottom-up company-by-company analysis which is</p>

	<p>complemented by (b) a top-down review. The Investment Advisor has a clear emphasis on ESG issues and is a signatory of the United Nations Principles for Responsible Investment ("UNPRI"). The Investment Adviser considers responsible investment factors, consistent with the UNPRI principles, within both the due diligence process for new fund investments and in the continuing monitoring of such commitments. These assessments form a significant component of the investment recommendation the Investment Advisor submits to the Master-AIFM. In this context, the Investment Advisor generally takes into consideration any Sustainability Risks applicable to the investee asset(s) and/or investment programme (as applicable) that the Investment Advisor becomes aware of. In addition, the Investment Advisor conducts an analysis of the positive ESG impacts of the business arrangements pursued by the investee asset(s) and/or investment programme (as applicable) ("Sustainability Impacts"), including social and environmental impacts.</p> <p>The Investment Advisor reports such analyses to the Master-AIFM for consideration as part of the Master-AIFM's investment decision-making checklists. The Investment Advisor assesses the principal adverse impacts of investment decisions on sustainability factors in relation to the Master-AIF per LGT Capital Partners' ESG policy. This assessment is based on the inclusion of Sustainability Risks in the Investment Advisor's due diligence processes, forecasting, exclusionary screening methods and / or analysis based on currently available ESG data. Once these factors have been taken into account, in combination with the fact that it is considered that Sustainability Risks may be factored into the price of an underlying investment and that the risk factors as described in the Memorandum of the Master-AIF under section 3 "Risk Factors" will have been assessed, it is currently not considered likely that ongoing, identifiable Sustainability Risks will materially alter the return profile of the Master-AIF provided that it is acknowledged that exceptional or unpredictable Sustainability Risk events may occur, which may impact this ongoing assessment. It is considered that the policies adopted by the Investment Advisor to assess and mitigate Sustainability Risks may mitigate such risks for the Master-AIF. Likewise, Sustainability Impacts in respect of each investment are assessed on the basis of LGT Capital Partners' proprietary ESG Rating System for purposes of determining if an investment is appropriate for the Master-AIF and consistent with its investment objective.</p>
<b>Engagement policies</b>	The Investment Advisor seeks to support and further enhance the ESG practices of the asset managers and portfolio companies. This can involve ad-hoc dialogues about best practices and sustainability market trends can be part of such engagement. As a minority investor, the Master-AIF has limited opportunities to engage with Private Equity Investments on an ongoing basis.