

PRINCIPAL ADVERSE IMPACT (PAI) STATEMENT FOR RESSCAPITAL

Summary

As part of Resscapital's sustainability analysis, the main negative consequences of investments for sustainable development are considered. Considering negative consequences in the investment process can lead to benefits not only in financial markets, but also strengthen the resilience of the entire economy and the stability of the financial system. In doing so, it can affect the risk and return of financial products.

Main negative consequences for sustainable development can be related to both climate and environmental as well as social factors. Resscapital manages and takes actions related to main negative consequences in accordance with the investment process of the fund Ress Life Investments.

This document describes how Resscapital considers the main negative sustainability impacts in our investment activities in accordance with the provisions of Article 4 of the Regulation 2019/2088/EU on sustainability-related disclosures in the financial services sector (the "Disclosure Regulation").

Considering of the principal adverse impact for sustainable development in the investment process

Sustainability risks are integrated into Resscapital's investment decisions, and we view this as a natural part of the manager's analysis work. Resscapital's assessment is that by considering sustainability risks, the fund Ress Life Investments' return in relation to risk over time is improved.

Risk relating to climate change and other environmental factors

Resscapital assessment is that our investment product does not have a negative impact on the environment or the global climate. Resscapital, for our investors, buy US life insurance policies from individual consumers. This purchase involves a transaction where the fund becomes the owner and the beneficiary of the specific policy. Thus, the transaction will only result in a change of contracting parties. Consequently, the transaction will not lead to any activity that can have 1) negative impact on the efforts to mitigate climate change through the emission of greenhouse gases, and 2) negative effect on other environmental factors like biodiversity, water, and waste.

Risk relating to social factors

Resscapital assessment is that our investment product promotes social factors. Resscapital works with responsible investments through two strategies, 1) exclusion and 2) impact.

1. Exclusion

The fund Ress Life Investments does not invest in life insurance policies issued by life insurance companies that do not have an economic activity that contributes to a social objective, in particular an

activity that does not fosters social cohesion. In addition, the Fund does not invest in life insurance policies from life insurance companies involved in violations of international norms and conventions (at least the UN Global Compact and OECD guidelines for multinational companies) on the environment, human rights, working conditions and business ethics.

2. Impact

The fund Ress Life Investments and the fund management company Ress Capital only invest through counterparties who are registered and authorized according to the state legislation in the state where the transaction takes place. Resscapital only do business with other service providers who support improved transparency in the secondary market for US life insurance policies. Furthermore, Resscapital is active in promoting and supporting investor initiatives aiming at improving the consumers' rights when selling their life insurance policies. Resscapital is an active member of the trade organisation ILMA (Institutional Longevity Markets Association) that supports such initiatives.

International standards

As an essential part of Resscapital's commitment to sustainability, Resscapital signed the United Nations Principles of Responsible Investment (UNPRI) in 2017. Resscapital thus supports the work carried out by UNPRI to promote sustainability work in the asset management industry. In this way, Resscapital supports an approach where sustainability should be an integral part of asset management. More information about UNPRI's six principles can be found on the organisation's website www.unpri.org. The principles briefly state the following:

1. We will incorporate Environmental, Social and Governance (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 the 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 each report on our activities and progress towards implementing the Principles.

Research resources

Resscapital mainly used internal analysis when designing and evaluating the company's sustainability strategy. The company has also commissioned external consultants to analyse various ethical aspects in relation to the life insurance market and how these should be handled.

In the case of the life insurance market, Resscapital participates in international conferences attended by managers, brokers, and service providers. In this context, Resscapital supports initiatives aimed at improving ethical guidelines for the industry.

Resscapital is a member of ILMA (The Institutional Longevity Markets Association). ILMA is a trade association comprised of several the world's leading institutional investors and intermediaries in the mortality and longevity marketplace, formed to encourage the prudent and competitive development of a suite of evolving mortality and longevity related financial businesses, including the businesses of life settlements. ILMA acknowledges that prudent regulation of the life settlement market is critically important to a consumer's ability to acquire such assets and to realize all the

economic opportunities associated therewith. To help bring consensus among the various life insurance companies, life settlement providers, brokers, banks, financial institutions, and other participants in the life settlement market and to facilitate the promulgation of appropriate regulation and the development of industry “best practices,” ILMA has formulated guiding principles to be considered when conducting business in this market. More information about ILMA and the guiding principles can be found on www.lifemarketsassociation.org.