ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.

Product name: PATRIZIA Low Carbon Core Infrastructure Fund **Legal entity identifier:** 549300ZPQGAUSI1BZD30

Environmental and/or social characteristics

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

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** 25%	☒ 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 90% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The PATRIZIA Low Carbon Core Infrastructure Fund (the "Fund") promotes the following environmental and/or social characteristics:

Low relative exposure to carbon emissions in investee companies, achieved through the application of a maximum (or 'well-below') 2°C warming pathway. The Investment Manager assesses each investee company against an emissions reduction pathway required to limit global warming to less than 2°C, and re-assesses the alignment of all Fund holdings annually

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

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

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

The following factors will be considered in determining whether the Fund is attaining the environmental characteristics it promotes:

(i) **Low exposure to carbon emissions:** an assessment of whether the Fund's holdings in aggregate have consistently achieved low sector relative exposure to carbon emissions;

(ii) **Alignment with the maximum 2°C warming pathway:** an assessment of whether the Fund's holdings align with a maximum 2°C warming pathway. In assessing this, the Investment Manager shall measure;

a. Current and forecast greenhouse gas ("GHG") emissions (scope 1, 2 &3) of investee companies;

b. Current and forecast GHG intensity of investee companies;

c. Current and forecast alignment of investee company GHG emissions reductions with sector based well-below 2°C warming GHG emissions reduction pathways;

d. Exposure to companies active in the fossil fuel sector; and

e. Share of non-renewable energy consumption and production.

The pathway currently applied is the International Energy Agency's Sustainable Development Scenario ("SDS"). This scenario lays out a pathway for the decarbonisation of several sectors, in line with the Paris Agreement objective of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels".

The IEA sector specific pathways include carbon intensity of power generation, measured as CO2 equivalent grams per kilowatt hour of power produced (CO2e/kWh). This has been applied as a threshold for the companies in the Fund with power generation operations. The SDS also includes a natural gas demand scenario, which has been applied to the Fund's exposures to gas infrastructure, and transportation sector scenarios

(iii) **Integration of sustainability risks**: the third factor contributing to whether the Fund will be considered to be attaining the environmental and/or social characteristics it promotes will be through the performance of climate change scenario modelling of the investment universe.

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?

In order for an investee company to be considered a sustainable investment, the investee company must: (i) contribute to the environmental objective; (ii) do no significant harm ("DNSH") to any other environmental and/or social objective; and (iii) follow good governance practices.

The environmental objective of the sustainable investments that the financial product intends to make are that they contribute to the environmental objective of climate change mitigation as they comply with a maximum 2°C warming pathway to limit global warming.

Prior to acquisition, the Investment Manager assesses each investee company against an emissions reduction pathway required to limit global warming to less than 2°C, and re-assesses the alignment of all Fund holdings annually.

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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?

Assessments of investments against the "Do No Significant Harm" (or "DNSH") requirements are conducted with global norms-based assessment of each stock, which includes environmental breaches and controversies. Proprietary research and engagement is also undertaken should any investment be flagged for controversy.

DNSH evaluations are also cross-checked against other independent data and research providers such as Bloomberg.

With regard to global warming, the Fund applies a maximum 2°C warming pathway approach, and companies not considered able to meet this pathway are excluded from the Fund.

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

Sustainability factors, including the indicators for adverse impacts in Table 1 of Annex I, are taken into account through the stock selection process. This is primarily an exclusion process, with stocks found not to be compliant with a maximum 2°C warming pathway or found to be in an unremedied breach of global norms, being excluded from the Fund. Indicators are also used in engaging with investee companies. Indicators are monitored at least annually (in line with the annual reporting of investee companies). Any material change to an indicator is investigated with further action taken if appropriate.

The primary indicators for adverse impacts on sustainability that the Fund considers relating to the maximum 2°C warming pathway compliance are:

1. GHG emissions (scope 1,2 &3)

2. Carbon footprint

3. GHG intensity of investee companies

4. Exposure to companies active in the fossil fuel sector

5. Share of non-renewable energy consumption and production

6. Energy consumption intensity per high impact climate sector

The Fund also considers other Annex 1, Table 1 indicators for adverse impacts on sustainability factors such as human rights, anti-corruption and anti-bribery indicators. These metrics and any related controversy are assessed as part of the stock selection process. These indicators are also used in engagements with investee companies.

The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by investee companies. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies.

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

The Fund will not invest in any company that has been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Daily screening and controversy reporting is received from a third-party research provider, and proprietary research is also undertaken.

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

☐ No

The Fund considers principal adverse impacts of its investment decisions on environmental, societal and governance factors. The indicators for adverse impacts in Table 1 of Annex I are monitored at least annually. Any material change to an indicator is investigated with further action taken, such as divestment or engagement, if appropriate.

The indicators for adverse impacts on sustainability that the Fund considers relating to GHG emissions and the maximum 2°C warming pathway compliance are:

1. GHG emissions (scope 1,2 &3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector

Following this assessment, if an investee company is found to be unaligned with maximum 2°C warming pathway, the holding would be divested.

The Fund also considers other indicators for adverse impacts on sustainability factors included in Annex 1 Table 1, such as human rights, anti-corruption and anti-bribery indicators. These metrics and any related controversy are assessed as part of the stock selection process. These indicators are also used in engagements with investee companies.

Further information on principal adverse impacts on sustainability factors is available in the Fund's annual sustainability report.

The availability of data on some indicators is limited due to a lack of reporting of metrics by investee companies. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies

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

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What investment strategy does this financial product follow?

The PATRIZIA Low Carbon Core Infrastructure Fund seeks to provide investors with exposure to high quality infrastructure assets with stable cash flow generation. The investment strategy is designed to provide investors with a less volatile return profile than broad equity markets.

The Fund's investment universe is comprised of listed infrastructure and utility stocks which meet the Investment Manager's definition of 'core infrastructure'. This definition is more restrictive than the definition applied by the Indices. In determining whether a stock can be considered 'core infrastructure' and is suitable for inclusion in the Fund's investible universe, the Investment Manager will take into account the following four primary criteria which apply to the operations and assets of the stock being assessed:

1. Stable operational cash flows;

2. High capital cost, high operating margins (as measured by the value of the asset base relative to operating earnings, and by the earnings before interest and tax (EBIT) margin. Operating margins will typically be greater than 20% unless there is regulated or effectively regulated cost pass through to an end market);

3. Inflation hedge (as assessed by the ability of the company to pass through increased costs directly to increased revenue. This can be an explicit regulatory allowance or a function of the company's market position); and

4. Assets with monopoly characteristics, (as evidenced by natural monopoly assets such as geographically isolated transmission pipelines), or long-term contracts in place (such as long term concession for the provision of passenger rail services granted by governments).

As a result of applying this definition, the investment universe will generally comprise of stocks operating in the following industries: utilities (excluding independent power producers and energy traders), toll roads, airports, oil and gas pipelines and storage, railroads, satellite infrastructure and telecommunications towers.

From this investment universe, the Investment Manager will select 30 to 60 stocks based on an assessment of their quality (taking into consideration factors such as rates of return, margin stability and debt levels), their value (measured by factors such as enterprise value relative to operating earnings, share price relative to net earnings per share, and dividend yield), and of ESG risks and opportunities. The Fund incorporates both a specific carbon intensity analysis and broader ESG factor analysis into the investment process. The selected stocks will be held at approximately equal weight within the Fund.

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 Fund will not invest in companies which generate or facilitate greenhouse gas emissions it considers are not compatible with a maximum 2 degree warming pathway, or which have plans to increase greenhouse gas emission intensity. This approach recognises that companies that can adjust over time to regulatory policies and market changes necessary to meet targets designed to limit global warming to below 2°C will be less subject to stranded asset risk and the loss of investor capital.

This assessment is made from a quantitative assessment of asset carbon intensity, and a qualitative assessment of the likely utilisation of infrastructure assets under the scenario that global carbon emissions are progressively reduced to net zero by 2050.

The Fund will not invest in a company that it considers likely to have a material negative impact on the environment unless it is assessed the company can reasonably transition away from such negative impacts. This includes, but is not limited to, the hard exclusion of companies which:

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

Thermal Coal

- derive 5% or greater revenue from the exploration, mining, extraction, transportation, distribution or refining of thermal coal or provision of dedicated equipment or services related to thermal coal.

- for freight railroad companies that may be involved in the transport by rail of thermal coal, the 5% of revenue threshold may be raised to 10% if the company has committed to a science based emission reduction target that is set at well below a 2°C maximum warming pathway.

Oil

- derive 5% or greater revenue from the exploration, extraction, refining and transportation or provision of dedicated equipment or services related to conventional oil

- derive 5% or greater revenue from the exploration, extraction, refining and transportation or provision of dedicated equipment or services related to unconventional oil, including but not limited to shale oil, tar, oil sands, and arctic drilling.

- for freight railroad companies that may be involved in the transport by rail of conventional or unconventional oil, the 5% of revenue threshold may be raised to 20%, if the company has committed to a science based emission reduction target that is set at well below a 2 degree maximum warming pathway.

Natural Gas

- derive 5% or greater revenue from the exploration, extraction, refining and provision of dedicated equipment or services (excluding transmission and distribution) related to conventional or unconventional natural gas (including but not limited to shale gas, tar sands gas and arctic drilling).

- for companies that derive more than 5% of revenue from the transmission and distribution of natural gas, these may be considered if the company has either:

• committed to a science-based emission reduction target that is set at well below a 2°C maximum warming pathway, or

• has more than 15% of capital expenditure dedicated to contributing activities as defined by the EU Taxonomy, or activities that clearly contribute to environmental or social objectives or the Sustainable Development Goals (SDGs).

Uranium

- derive 30% or more of revenues from the exploration, extraction, refining and provision of dedicated equipment related to uranium, including nuclear power generation

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

N/A

The financial product does not have a commitment to reduce the scope of investments by a minimum rate.

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

The Investment Manager requires that all investee companies meet good governance criteria, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Manager conducts research and due diligence in order to ensure that companies that the Fund invests in follow good governance practices. The governance practices of the investee companies are assessed through proprietary research, supplemented with data from third-party providers, such as ISS ESG and Bloomberg. This assessment is made for all new portfolio inclusions, and the entire portfolio on an annual basis.

What is the asset allocation planned for this financial product?

Strategic Asset Allocation Ranges

Asset class	**Min (%)**	**Max (%)**
Global listed equity and equity like securities	80	100
Cash	0	20

Environmental Objective Minimums

	Min (%)
With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy	25
With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	90

The investment universe is comprised of stocks that are listed on global developed markets and operate in the following industries: utilities (excluding energy traders), toll roads, airports, oil and gas pipelines and storage, railroads, satellite infrastructure and telecommunication towers. The final portfolio will usually be made up of between 30 and 60 stocks, with the selected stocks held at approximately equal weight within the Fund. The Fund can also invest in equity related securities including preference shares, convertible securities, depository receipts, stapled securities and open-ended collective investment schemes which are consistent with the investment objective of the Fund.

The Fund will not invest in equity or equity related securities listed in emerging markets.

The cash allocation is only held to manage the liquidity needs of the financial product.

The minimum proportion of the investments of the financial product used to meet the low carbon characteristics promoted by the financial product under the ‘maximum 2°C warming pathway’ compliance approach is 90%.

The minimum proportion of the investments of the financial product in economic activities that qualify as environmentally sustainable under the EU Taxonomy is 25%.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

N/A

Derivatives are not used to attain the environmental or social characteristics promoted by the financial product. The financial product only uses derivatives for the purposes of hedging foreign currency.

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

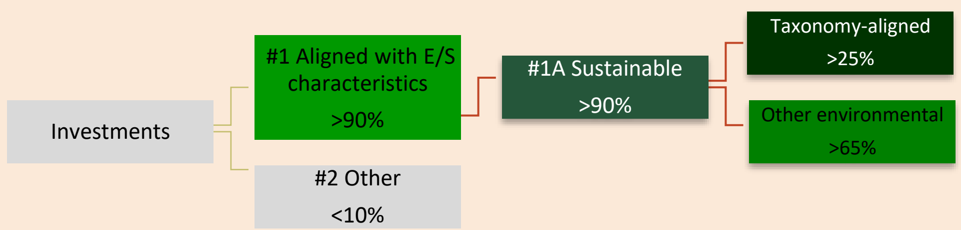
The minimum extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy is 25%.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

✖ No



#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.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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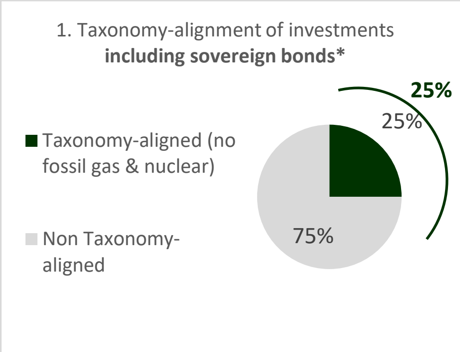
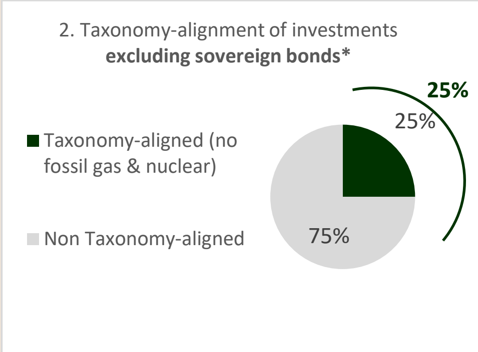
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0.0%, and 0.0% in enabling activities.

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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 90%.

What is the minimum share of socially sustainable investments?

N/A

The financial product does not include sustainable investments with a social objective.

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

Investments which are included under "#2 Other" comprise cash [or other holdings retained for example for liquidity, hedging and/or cash management purposes], which is used for the purpose of managing the liquidity needs of the Fund. No minimum environmental or social safeguards will be in place with respect to such holdings

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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 index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

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://fidante.com/eu/investment-managers/patrizia/patrizia-low-carbon-core-infrastructure-fund?tab=fund-facts

Further information on principal adverse impacts on sustainability factors is available in the Fund's annual sustainability and climate risk reporting:

https://fidante.com/sites/default/files/2022-10/PATR_Sustainability-Report_LCCIF.pdf