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NIC DCP III K/S

Bredgade 40
1260 Copenhagen
CVR No. 43220101

Annual report 2023

The Annual General Meeting adopted the annual report on 30.05.2024

Mikkel Winckler
Chairman of the General Meeting

Contents

Entity details

Entity

NIC DCP III K/S
Bredgade 40
1260 Copenhagen

Business Registration No.: 43220101
Date of foundation: 27.04.2022
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Executive Board

Advantage Club GP ApS, Anders Stubkjær Dalhoff

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of NIC DCP III K/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Furthermore, the supplementary report has been prepared in accordance with the Sustainable Finance Disclosure Regulation (SFDR) and contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.05.2024

Executive Board

Advantage Club GP ApS
Anders Stubkjær Dalhoff

Independent auditor's report

To the Limited Partners of NIC DCP III K/S

Opinion

We have audited the financial statements of NIC DCP III K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the financial statements" section of this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 30.05.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen
State Authorised Public Accountant
Identification No (MNE) mne35823

Rasmus Grynderup Kiær Steffensen
State Authorised Public Accountant
Identification No (MNE) mne44143

Management commentary

Primary activities

NIC DCP III K/S (DCP III) is an alternative investment fund with a geographical focus on global infrastructure investments primarily in Europe and North America. DCP III has made two commitments: DIF Core-plus Infrastructure Fund III (main fund) and DIF CIF III Co-investment C.V. (co-investments). DCP III was established 27 April 2022 and this annual report is therefore the first full-year annual report.

Development in activities and finances

The financial year resulted in a gain of EUR 2.71 million, which is better than management expectations.

The fair value adjustments of portfolio funds' investments were positive by EUR 3.80 million. Administrative expenses in the form of management fees and other fund operating expenses amounted to EUR 1.02 million whereafter the fair value adjustment of portfolio funds was positive by EUR 2.78 million. Since inception the portfolio funds have in general performed according to plan.

DCP III's own external expenses in the form of management fee and other fund operating expenses amounted to EUR 0.15 million, while financial income amounted to EUR 0.08 million.

In the financial year an aggregate amount of EUR 12.7 million was paid-in by the limited partners corresponding to 11.8% of the limited partners' committed capital. An aggregate amount of EUR 12.7 million was contributed to the portfolio funds during the financial year corresponding to 11.8% of the commitments to the portfolio funds. The equity amounts to EUR 27.2 million as of December 31, 2023

Particular risks

Financial risk

The objective of DCP III is to provide capital to the portfolio fund, and thereby finance the underlying investments in competitive infrastructure companies primarily in Europe and North America. The highest factor of risk is the changes in the valuations of the companies in which DCP III's portfolio fund invests in, which are based on both the development in earnings and the valuations of comparable listed companies. The portfolio valuations are based on an estimate and therefore subject to some degree of uncertainty.

Interest rate risk

DCP III is less sensitive to changes in interest rate levels.

Foreign exchange currency risk

DCP III's portfolio fund commitments are made in EUR. As the capital in DCP III is also in EUR, the currency risk is considered insignificant.

Liquidity risk

DCP III's cash resources as of 31 December 2023, include cash and cash equivalents and outstanding commitments from the limited partners and are deemed sufficient to cover DCP III's current liabilities.

Outlook

While the portfolio of DCP III performed very well and ahead of expectation 2023 was challenging for the industry as a whole from a performance perspective. However, the outlook for infrastructure as an asset class remains positive. The industry's lower performance was driven mainly by declining asset valuations, with the long-dated fixed cash flows negatively impacted by rising interest rates. Infrastructure overall however maintains strong tailwinds, and the energy transition will continue to require significant investments that cannot be met by public funding alone. Additionally, the need for digital infrastructure is rapidly increasing and spending programs for the sector are a key priority for governments in the US and in many other countries globally. Finally, several recent infrastructure GP acquisitions have underpinned the strong conviction in the asset class by large and global multi -asset managers.

The result for 2024 is expected to be positive as a function of the expected so-called J-curve shape of an infrastructure portfolio.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR'000	2022 EUR '000
Fair value adjustments of other investment assets		2,784	(451)
Other external expenses	1	(155)	(134)
Gross profit/loss		**2,629**	**(585)**
Other financial income		84	0
Other financial expenses		0	(79)
Profit/loss for the year		**2,713**	**(664)**
Proposed distribution of profit and loss:			
Retained earnings		2,713	(664)
Proposed distribution of profit and loss		**2,713**	**(664)**

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Other investments		27,150	11,690
Financial assets	2	**27,150**	**11,690**
Fixed assets		**27,150**	**11,690**
Other receivables		16	0
Receivables		**16**	**0**
Cash		**60**	**177**
Current assets		**76**	**177**
Assets		**27,226**	**11,867**

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Contributed capital		25,167	12,420
Retained earnings		2,049	(664)
Equity		**27,216**	**11,756**
Other payables		10	111
Current liabilities other than provisions		**10**	**111**
Liabilities other than provisions		**10**	**111**
Equity and liabilities		**27,226**	**11,867**
Fair value information	3		
Contingent liabilities	4		

Statement of changes in equity for 2023

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	12,420	(664)	11,756
Increase of capital	12,747	0	12,747
Profit/loss for the year	0	2,713	2,713
Equity end of year	**25,167**	**2,049**	**27,216**

The investors have agreed upon a total commitment of EUR 107.5 million. As of 31.12.2023 the total remaining commitment amounts to EUR 82.0 million.

Notes

1 Other external expenses

The Company has no employees.

Management has not recieved remuneration.

According to paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Executive board has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

In accordance with paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for ADVANTAGE Investment Partners A/S, Business Reg. No. 39 57 33 34.

No carried interest was paid out by the Fund during the financial period.

2 Financial assets

The Company has through investments in portfolio funds ownership of mainly unquoted investments. The Company has no controlling or significant influence on the portfolio funds in which the Company has invested.

The portfolio funds in which the Company has invested all use common accepted guidelines for measuring the fair value. The measuring of the fair value of the investments in underlying portfolio companies are made by the managers of the portfolio funds.

Usually the Company has no or very little information about specific methods and assumptions used by the managers of the portfolio funds when measuring the fair value of the underlying portfolio companies. The manager's valuation committee will assess and if considered necessary adjust the valuation of the underlying portfolio companies. At the assessment of the fair value of the underlying portfolio companies reported by the managers, information about the market conditions, company specific information as well as information received through dialog with the managers of the portfolio funds are used.

The value of a private equity fund is measured as the fair value of each investment in portfolio companies owned by the fund with addition of other net assets in the fund. The valuation of a portfolio company in a private equity fund is based on the industry, market position and earnings capacity, and the (i) the peer group multiple, i.e. the market value of comparable listed companies, (ii) transaction multiple in recent M&A transactions involving comparable companies, (iii) value indications from potential buyers of the portfolio company, (iv) market value if the portfolio company is publicly traded or (v) future expected proceeds, if there is a concluded agreement on the sale of the portfolio company.

The Company invests in portfolio funds. The investments made by the portfolio funds are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs based upon quoted priced for identical assets and liabilities in active markets.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Unobservable input.

Fair market value as of 31 December 2023

EUR'000	**Level 1: Quoted prices**	**Level 2: Observable input**	**Level 3: Unobservable input**	**Total**
Investments in portfolio funds	0	0	27,150	27,150
Total	**0**	**0**	**27,150**	**27,150**

Fair market value as of 31 December 2022

EUR'000	**Level 1: Quoted prices**	**Level 2: Observable input**	**Level 3: Unobservable input**	**Total**
Investments in portfolio funds			11,690	11,690
Total			**11,690**	**11,690**

3 Fair value information

	Unlisted equity EUR'000
Fair value end of year	27,150
Unrealised fair value adjustments recognised in the income statement	2,784

4 Contingent liabilities

There is a remaining investment commitment of a total of EUR 82.7 million.

In addition there are no guarantees or other contingent liabilities of the Company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is Euro (EUR). Applied EUR / DKK exchange rate at balance sheet date is 7.45 (2022: 7.44).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity’s investment assets measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including management fee, general partner fee, audit fee, etc.

Other financial income

Other financial income comprise interest and net exchange rate adjustments on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest and net exchange rate adjustments on transactions in foreign currencies.

Balance sheet

Other investments

Other investments under non-current assets comprise unlisted investments in fund-of-funds (portfolio company).

Investments are measured at fair value through the income statement. When measuring the fair value of an underlying portfolio company the valuation is based on the fair value of the assets and liabilities included in the individual portfolio company, which appears in the individual portfolio company's audited financial statement.

The fair value of the investment assets held in the portfolio company is calculated based on recognized valuation methods, including the IPEV valuation guidelines, which essentially correspond to the recognition and measurement provisions under IFRS 13. The estimated fair value on the investments under non-current assets thus corresponds to the Advantage' share of the capital account of the portfolio company.

As a result of the investment is made through another portfolio company, it is not possible to provide further information about the multiples, return requirements etc. applied in valuation. At Q4 the Company receives audited financial statements by an independent auditor from the underlying funds which is the basis for valuation at the balance sheet date.

Since the valuation in the portfolio company is dependent on assumptions about e.g., future earnings in underlying companies owned by the funds and the development in market multiples, the valuation is associated with a natural uncertainty. This uncertainty will naturally be greater in periods of fluctuations in the financial markets, where market multiples, and thus the valuation, will be affected by, among other things, developments in illiquidity premiums and the possibility of selling underlying companies in the funds.

Outstanding investment commitments at the balance sheet date are disclosed as contingent liabilities in the notes. The Company only holds investments in unlisted equity.

Refer to note 2 for further.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Supplementary reports

Periodic disclosure for Article 8 financial products
Please refer to following pages for NIC DCP III K/S's periodic 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 for the period 01.01.2023 - 31.12.2023.

ANNEX IV

Template periodic 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

Product name: NIC DCP III K/S **Legal entity identifier:** 43 22 01 01

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.

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% 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 made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

NIC DCP III K/S ("**the Partnership**") is a closed-ended alternative investment fund, managed by *Advantage Investment Partners* ("**the Manager**"). The Partnership is a fund-of-funds, investing equally in DIF CorePlus Infrastructure Fund III Coöperatief U.A. ("**the Cooperative**") and DIF Core-Plus Infrastructure Fund III SCSp ("**the Debt SCSp**") (collectively "**the Main Funds**") and any co-investment vehicles (each a "**Co-Investment Vehicle**") established by DIF Capital Partners, each with DIF Capital Partners as its manager ("**Portfolio Fund Manager**") and any Alternative Investment Vehicles, Feeder or Parallel Funds (each as defined in the Master Fund LPAs) established in accordance with the Master Fund LPAs (collectively the "**Master Funds**") with the principal objective of creating capital growth for the benefit of the Limited Partners. Any reference in this Disclosure Document to the status or characteristics of the Partnership for purposes of SFDR and EU Taxonomy (EU 2020/852) is a function of the corresponding status or characteristics of the Master Funds as determined by DIF Management.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Master Funds, and thus indirectly the Partnership, promote environmental and social characteristics by making investments that contribute to SDG 9 Industry, Innovation & Infrastructure, SDG 11 Sustainable Cities & Communities, and SDG 13 Climate Action. The contribution to the SDGs is monitored both pre-investment and post-investment by the Portfolio Fund Manager. For each sector, a list of indicators has been prepared that reflect the promotion of environmental and/or social characteristics. The pre-investment indicators are shown in Table 1, and the post-investment indicators are shown in Tables 2a-c below.

To more accurately reflect the specific contributions of the Partnership to these indicators, the supplementary metrics have been modified to highlight the Partnership's impact rather than that of the entirety of the Master Funds'. This is derived from an estimated calculation of the Partnership's pro rata share of the Master Funds.

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

How did the sustainability indicators perform?

Table 1. Positive contributions Intrinsic Benefits Tool

The Intrinsic Benefits Tool (IBT) measures the contribution of an investment to the SDGs at the pre-investment stage. The Portfolio Fund Manager's investment teams complete the IBT based on inputs for the relevant fund, sector and geography for the investment. The IBT measures positive and negative impacts and computes a relative score (including quarter allocation) for the investment compared to the Master Funds' investment universe. The IBT directly links the positive impacts identified to the SDGs. The table lists the positive impact categories identified by the IBT for the investments made by the Master Funds and the associated SDG contribution.

Intrinsic Benefits Tool impact categories	% investments[1] with positive contribution[2]	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
Climate	15%			
Education	0%			
Energy	15%			
Health/sanitation	17%			
Information	58%			
Mobility	18%			
Water	0%			
Waste	0%			

[1] % of investments is computed as the percentage of invested and committed capital contributing to the respective impact category or SDG

[2] Individual investments may contribute to multiple positive impact categories, as a result the sum of the percentages contributing to individual impact categories is expected to be more than 100%.

% investments contributing per SDG[3]	100%	100%	15%

Based on the assessment performed with the Intrinsic Benefits Tool, the investments made by the Master Funds (and thus indirectly the Partnership) positively contribute to the Climate, Energy, Health/sanitation, Information and Mobility impact categories. Through these positive contributions, 100% of investments made by the Master Funds contribute to SDG 9, 100% of investments made by the Master Funds contribute to SDG 11, and 15% contribute to SDG 13. These metrics have been modified to reflect the Partnership's impact rather than the entirety of the Master Funds'.

Table 2a. Invested capital in basic infrastructure and essential services [SDG 9 & 11]

For this indicator, the Portfolio Fund Manager tracks a key reporting indicator and a number of supplementing metrics. The key reporting indicator measures the percentage of the Master Funds' (and thus indirectly the Partnership's) invested and committed capital in transport, energy, telecom, water, healthcare, education, and housing infrastructure, respectively. The Portfolio Fund Manager further disaggregates the percentage of the Master Funds' invested and committed capital into subsectors within defined categories. Additionally, the Portfolio Fund Manager further substantiates the contribution to the SDGs by reporting on supplementing metrics reflecting the services the investments made provide to society. In that context, the supplementing metrics consist of a capacity metric that reflects the potential/capacity of investments to provide these services and a performance metric that captures the level or quality of service delivered over the reporting period.

Investment Type	Investments(%)[3] / Coverage(%)[4]	Capacity	Annual performance	Comments
Education				No Education investments have been made
Total	**0%**			
Energy				All Energy investments reported
Energy storage	7.3% / 7.3%	3.38 MWh	41.00%	Capacity defined as available battery capacity in MWh and annual performance defined as average utilization rate
Total	**7.3%**			
Healthcare				All Healthcare investments reported
Care homes	17.5% / 17.5%	3 homes	93.40%	Capacity defined as number of homes and annual performance defined as average occupancy rate
Total	**17.5%**			
Housing				No Housing investments have been made

3 Individual investments may contribute to an SDG through multiple positive impacts, but in determining the overall contribution to the respective SDGs the potentially multiple positive impacts per investment are counted as one.

4 The coverage percentage discloses the percentage of the investments (as defined in 1) that was able to report on the relevant indicator

Investment Type	Investments(%)[3] / Coverage(%)[4]	Capacity	Annual performance	Comments
Total	**0%**			
Telecom				All Telecom investments reported
Data centers	11.1% / 11.1%	23 cabinets/racks	74.00%	Capacity defined as number of available cabinets and racks and annual performance defined as average utilization rate
Fiber	35.9% / 35.9%	853.86 km	98.24%	Capacity defined as network length in km and annual performance defined as weighted average network uptime
Wireless	9.7% / 9.7%	1,125,781 sq. Ft.	99.97%	Capacity defined as network coverage in sq. ft. and annual performance defined as average network uptime
Total	**56.7%**			
Transport				All Transport investments reported
EV-charging	7.2% / 7.2%	0.95 MW	27.68 MWh	Capacity defined as installed charger capacity in MW and annual performance defined as energy delivered in MWh
Rolling stock	11.3% / 11.3%	62 rolling stock	81.70%	Capacity defined as number of available rolling stock and annual performance defined as average utilization rate
Total	**18.5%**			
Water				No Water investments have been made
Total	**0%**			

Table 2b. GHG data [SDG 7, 11 & 13]

The GHG data indicators include GHG footprint, GHG emissions reduction, and GHG emissions avoided, which need to be reported by the investments made by the Master Funds (and thus indirectly the Partnership). GHG footprint data will cover Scope 1 and 2 emissions for all investments and, where available, Scope 3 emissions. Avoided GHG emissions data can only be provided for certain investments (e.g., through improvements in energy efficiency, electrified transport and heating infrastructure displacing fossil fuel-based technology, and renewable energy displacing conventional energy generation). Additionally, where transport investments still rely on a (partial) fossil-fuel-based fleet, an electrification rate is tracked.

Indicator	Investments(%)[3] / Coverage(%)[4]	Value	Comments
GHG footprint			77.0% of investments (up from 42% previous year) were able to report on Scope 1&2 GHG footprint data. 17.5% of investments (up from 0% previous year) were able to report on Scope 3 GHG footprint data.Where 2023 data was not
Scope 1&2 (tCO_2e)	100% / 78.0%	325	
Scope 3 (tCO_2e)	100% / 17.5%	633	

			available, 2022 data may have been provided as a best estimate. Figures reported are an aggregation of absolute emissions at investment level, and not adjusted for Master Funds shareholding.
GHG emissions reduction (tCO_2)			Due to a lack of a comprehensive GHG emissions baseline for the Master Funds the Portfolio Fund Manager is not able to report on GHG emissions reduction yet
Emission avoidance			
GHG emissions avoided (tCO_2e)	7.2% / 7.2%	15.17	
Electrified rolling stock (%)	11.3% / 11.3%	0%	

Table 2c. Energy consumption [SDG 7 & 11]

The Energy consumption indicators include total energy consumed, renewable energy consumed, and average share of renewable energy consumed. Total energy consumed is measured in MWh and directly reported by investments or derived from detailed GHG footprint data. Renewable energy consumed is measured in MWh and directly reported by investments or derived from detailed GHG footprint data. The average share of renewable energy consumed is a weighted average percentage. It is computed by multiplying the investment level share of renewable energy consumed by invested and committed capital at the investment level and divided by Master Funds total invested and committed capital (based on data coverage).

Indicator	Investments(%)[3] / Coverage(%)[4]	Value	Comments
Energy consumption			
Total energy consumption (MWh)	100% / 66%	915.64	Three investments representing ~35% of invested and committed capital were not able to provide energy consumption data yet
Renewable energy consumption (MWh)	100% / 66%	102.74	
Renewable energy consumed (%)	100% / 66%	11.22%	
Energy efficiency			
Energy efficiency (MWh/connection)	35.9% / 0%	n/a	None of the Fiber investments were able to report on the proposed energy efficiency metric. The Portfolio Fund Manager will engage the respective investments to understand how this can be improved for subsequent reporting periods
Energy efficiency (MWh/m2)	17.5% / 17.5%	0.01	
Power Usage Effectiveness (PUE)	11.1% / 11.1%	0.08	

…and compared to previous periods?

2023 was the first year of receiving quantitative reporting from the underlying funds. Consequently, there is no data available in the previous periods so the comparison have focused on qualitative elements.

Table 1. Positive contributions Intrinsic Benefits Tool

Compared to the previous period, the number of investments made by the Master Funds (and thus indirectly the Partnership) grew from 6 to 9. The additional investments made by the Master Funds during the reporting period were all measured by the IBT to have a positive information impact. This results in information now being the main impact category through which the Master Funds contribute to the selected SDGs. On an invested + committed capital basis, all investments still contribute to the selected SDGs.

Table 2a. Invested capital in basic infrastructure and essential services [SDG 9 & 11]

More datapoints were reported due to a greater number of investments reporting in a greater diversity of sectors. Numbers reported for EV charging went up due to the growth of the underlying investment. For Energy storage the capacity went up, while the annual performance (utilisation rate) is slightly down. For Wireless, the capacity went up, while the annual performance (network uptime) is consistently high.

Table 2b. GHG data [SDG 7, 11 & 13]

Overall, there was an increase in data coverage compared to the previous period and an absolute increase in the amount of investments requested to report. As a result, higher figures for Scope 1&2 emissions are reported compared to the previous period, as well as Scope 3 emissions, which were not available last year.

Table 2c. Energy consumption [SDG 7 & 11]

Overall, there was an increase in data coverage compared to the previous period and an absolute increase in the amount of investments requested to report. As a result, higher figures for Total and Renewable Energy Consumption are reported compared to the previous period. Comparatively, the Renewable Energy share has gone down, which is attributable to investments not yet in a portfolio or not yet reported in the previous period.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A. The Master Funds did not make sustainable investments.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

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

N/A

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 Union 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.

How did this financial product consider principal adverse impacts on sustainability factors?

N/A

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.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: FY2023

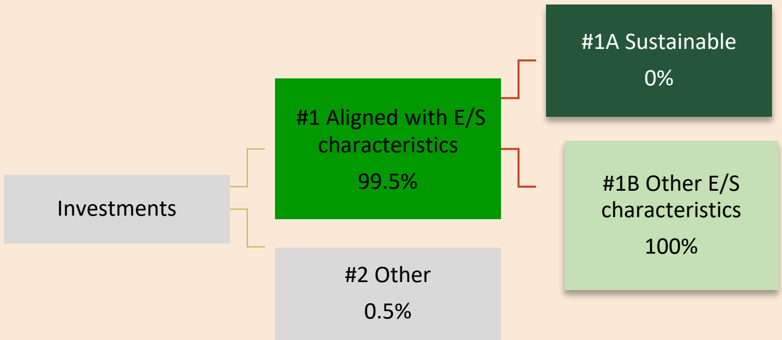
Largest investments	Sector	% Assets	Country
Project 1	Q87.90	29%	Ireland
Project 2	H49.20	19%	Australia
Project 3	J61.90	14%	Canada

What was the proportion of sustainability-related investments?

The Portfolio Fund Manager aims to allocate a minimum proportion of 50% of AUM to investments aligned with the promotion of the SDGs selected by the Master Funds. Within the context of this regulatory Annex these investments are classified as #1B Other E/S Characteristics. Further information on the sustainability-related investments is given in the subquestions below.

What was the asset allocation?

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.

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

In which economic sectors were the investments made?

The investments made by the Master Funds (and thus indirectly by the Partnership) were in the following sectors:

NACE code	Class	Proportion
D35.11	Production of electricity	
D35.14	Trade of electricity	
H49.20	Freight rail transport	
J61.90	Other telecommunications activities	
J63.11	Data processing, hosting and related activities	
Q87.90	Other residential care activities	

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

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.

The Master Funds (and thus indirectly the Partnership) do not have an objective to make sustainable investments. The Master Funds may however hold investments that are EU Taxonomy aligned. Where appliacable this will be reflected in the below graphs. The taxonomy alignment numbers are reported in the underlying Fund's SFDR periodic reporting which has been reviewed, but not audited or verified, by an auditor.

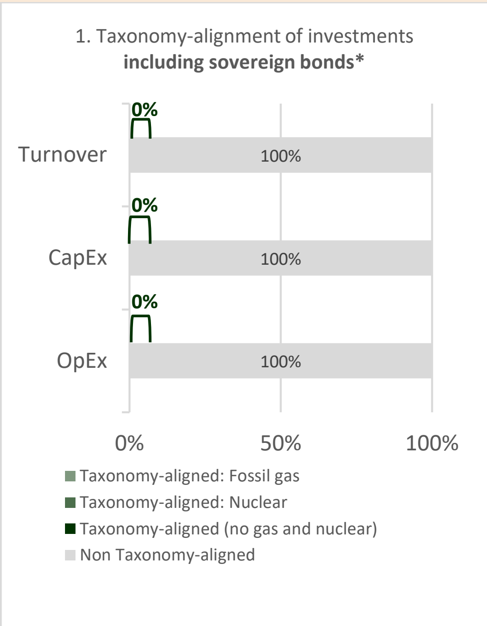
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[5]?

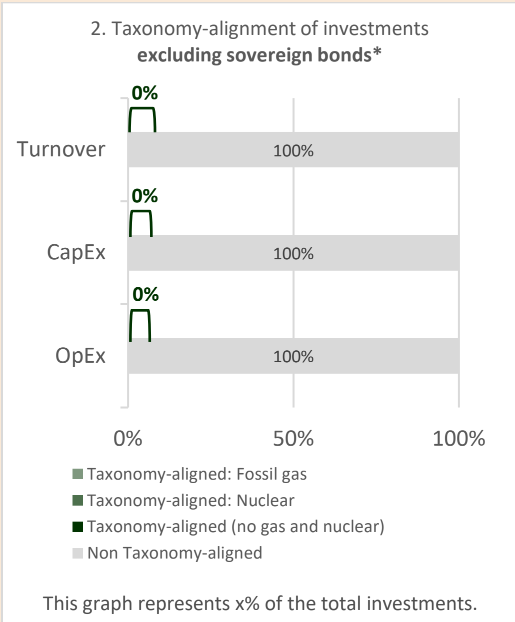
Yes: ☐

In fossil gas ☐ In nuclear energy ☐

No ☒

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

0%.

[5] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

For the current period, an alignment percentage of zero was reported, which is consistent with the percentage reported last year.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A. The Master Funds do not aim to make any sustainable investments.

What was the share of socially sustainable investments?

N/A. The Master Funds do not aim to make any sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Other investments will include investments that do not directly contribute to the SDGs, which the Master Funds (and thus indirectly the Partnership) promote and/or for which the annual reporting requirements on sustainability indicators are deemed unfeasible. These investments fit the Master Funds' investment strategy regarding portfolio diversification objectives and risk/return profiles. Other Master Funds' assets also include a smaller portion of working capital (components are, e.g., cash and other current items). All investments, where relevant, are subject to pre-investment ESG screening, which acts as a minimum safeguard on ESG risks. For the reporting period, investments classified as "other" consist of working capital, including cash and receivables.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Portfolio Fund Manager has developed tools and procedures that measure the contribution of investments to the SDGs promoted by the Master Funds. These tools and procedures have been implemented for the investments made by the Master Funds and resulted in the data presented in this report. During the reference period, the Portfolio Fund Manager has made 3 investments that contribute to the SDGs selected by the Master Funds. The 9 investments that were made before the reference period have been engaged in DIF's annual ESG Path programme. The ESG Path programme consists of an annual survey to measure ESG performance followed by the development of an annual ESG action plan.

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

How did this financial product perform compared to the reference benchmark?

N/A. No index has been designated by the Master Funds as a reference benchmark.

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?`***

  N/A