ESG POLICY

1. Purpose

This policy is prepared according to:

a) Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ('**Disclosure Regulation**')
b) Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ('**Taxonomy Regulation**')
c) Regulation **2021/1253 of 21 April 2021** amending Delegated Regulation (EU) 2017/565, and
d) Bekendtgørelse af lov om fondsmæglerselskaber og investeringsservice og -aktiviteter (**LBK no. 467 of 26/04/2026**).

The policy ensures that Fondsmæglerselskabet CABA Capital A/S (the "Company") complies with applicable legislation and operates in a responsible and transparent manner. The Company is committed to creating value for society and delivering long-term value its customers, alternative investment funds ("AIFs"), and their investors.

At CABA Capital, we believe that the financial sector has a critical role in the green transition through its investments and financing activities. We also believe that everyone should have access to affordable, long-term financing, and that efficient, liquid bond markets are essential for this.

The Company's goal is to offer AIFs that provide attractive risk-adjusted returns. Our investments primarily focus on mortgage/covered and government bonds, and our strategies also involve derivatives.

We view mortgage bonds as socially beneficial instruments because they provide borrowers with access to affordable, secure, and long-term financing. This promotes homeownership, which in turn increases the incentive for property maintenance and energy optimization, contributing positively to sustainable development, the overall property market, and citizens' living conditions.

2. Partners

The Company's customers are AIFs established as sub-funds under either Kapitalforeninger (capital associations) in Denmark or RAIFs in Luxembourg. Each AIF is managed by a licensed Alternative Investment Fund Manager ("AIFM"), and thus, the investments must comply with the respective AIFMs' responsible investment policies.

The Company has chosen to cooperate with the following AIFMs:

a) Fundrock Asset Management S.A. ("Fundrock"), which is appointed AIFM for Kapitalforeningen Investin and thus for the sub-fund CABA Hedge KL, oversees the integration of sustainability risks in the AIF, including the processes, ensuring that ESG are considered in issuer analysis and investment decisions. This includes evaluating factors like management and climate risks, using both internal and external research. Fundrock monitors these practices through due diligence and risk management.

a) Wealth Fund Partners A/S ("WFP"), which is appointed AIFM for Kapitalforeningen Wealth Invest and thus for the sub-fund CABA Flex3 AKL. Kapitalforeningen Wealth Invest collaborates through the AIFM with Ethix SRI Advisors ("Ethix"). Kapitalforeningen Wealth Invest has a responsible policy for investing in government bonds. The policy is based on Ethix's norm-based screening for countries. The screening ensures that issues from countries that are subject to multilateral international sanctions, countries that cannot or will not live up to or protect basic human rights are excluded.

b) iSEC Services AB ("iSEC"), which is appointed AIFM for iSEC SICAV-RAIF and thus for the subfund CABA Flex2 and CABA Flex4, has made concrete commitments to sustainability by joining

initiatives such as the Principles for Responsible Investment (UNPRI), becoming a member of Swesif, and actively participating in the UN Global Compact.

The respective AIFMs of the sub-funds adhere to industry practices when categorizing the sub-funds according to Regulation (EU) 2019/852 and Regulation (EU) 2020/2088. CABA Hedge KL, CABA Flex2, and CABA Flex3 AKL are categorized as Article 6 under the Disclosure Regulation while CABA Flex4 is categorized as Article 8.

3. Organization and other policies

The ESG policy supports the Company's business model and considers its size, structure, and the nature, scale, and complexity of its operations. This policy applies to all investments made by the Company on behalf of customers (AIFs). The Board of Directors reviews and updates the policy at least annually, and it remains effective until amended by the Board of Directors.

Additionally, the Board of Directors has adopted a remuneration policy, a policy for handling conflicts of interest, and an investment services policy to ensure the Company incorporates ESG considerations across all aspects of its business.

The Lead Legal Counsel is responsible for integrating ESG considerations into the investment process.

The Company's management has also implemented a Code of Conduct to support the establishment and maintenance of long-term relationships with all stakeholders.

4. PRI:

The UN Principles for Responsible Investment is globally recognized as the primary advocate for responsible investment.

The Company is a PRI signatory and supporter of the six principles:

1. *We will incorporate 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.*

5. How we invest:

We believe that countries and issuers with robust ESG standards may benefit from greater financial stability, potentially resulting in favorable risk-return dynamics in debt and foreign exchange markets. Accordingly, we seek to identify and select investments in these markets that we believe offer attractive risk-adjusted returns.

Our approach is based on the following principles:

a) We incorporate ESG in our investment analysis and decision-making processes.
b) We maintain transparency in our work with responsible investments.
c) We select the best possible investments that we believe can generate attractive risk-adjusted returns on a responsible basis.

Government bonds:

We believe that democracy, political stability, legitimacy, respect for human rights, and a focus on sustainable development - particularly climate action and the UN's Sustainable Development Goals - contribute to economic stability and growth, positively impacting the return on government bonds.

Countries with high ESG standards are generally considered less risky by investors, resulting in a more attractive return-to-risk ratio.

Covered bonds:

Mortgage/covered bonds are a unique financing that makes attractive and long-term financing available to homeowners, farmers, etc. We believe that issuers of mortgage bonds/covered bonds in countries with high ESG standards, are also subject to strict regulatory requirements and generally strong governance requirements and systems. Thus, investors will generally rate these issuers less risky, which contributes to an attractive return/risk ratio.

When investing in government and mortgage bonds/covered bonds, the following applies:

Category	Sustainability factor	Government bonds	Mortgage / covered bonds
Environmental	**Natural resource** (quality of water, soil, air, biodiversity);	Countries must have ratified the Paris Agreement	
	Climate change (physical changes such as hurricanes, floods, earthquakes, sea level rise);		
	Green transition (technological development);		
	Energy security (availability and management of energy resources);		
Governance	**Institutional strength** (independence of institutions, regulatory framework, data quality and availability, business environment and opportunity);	Investments are only made in countries with a high OECD rating (0-4) Investments are only made in countries with low score (max 50) in the Fragile States Index (Sustainable – Stable) Countries must comply with international law and conventions. Countries subject to international sanctions are excluded.	Issuers must have high ESG ratings in Sustainalytics (Negligible-Medium) or equivalent rating provider issue must be investment grade. Issuers must comply with national and international law and conventions. Issuers subject to international sanctions are excluded.
	Political stability (political and civil liberties, freedom of expression, freedom of the press)		
	Government efficiency (quality of administration, independence of the civil service, policy implementation and predictability of implementation)		
	Rule of law (property rights, independence of the judiciary)		
	Corruption (spreading corruption, accountability and transparency of institutions, money laundering, bribery)		

Identification and prioritization

The Company's core competencies in government and mortgage bonds mean that our focus on sustainability emphasizes environmental (E) and governance (G) factors. The Company values compliance by both countries and issuers with national and international laws, conventions, and principles related to the environment, labor and human rights, and anti-corruption.

Main negative impacts and related actions

The Company addresses key adverse sustainability impacts by screening countries and issuers according to the policy's guidelines for investments in government and covered bonds. Countries and issuers that do not comply with national and international laws and conventions are excluded from the Company's investment universe.

Additionally, the Company collaborates with AIFMs that share our commitment to responsible investing and manage funds with well-defined ESG policies.

Active ownership

The Company's primary investment universe is Scandinavian government and mortgage bonds, along with the associated derivative financial instruments. Hence, the Company lacks similar avenues for practicing active ownership, engagement, and investor collaboration as it would, for instance, when investing in stocks. Due to strict regulatory requirements and generally strong management requirements and systems that issuers in this universe must meet, the Company does not expect any violation of international norms or conventions. If a violation nevertheless can be confirmed and if the Company deems it appropriate, the Company will enter dialogue with the issuer.

The Company does not invest in credit bonds, individual shares or funds/ETFs with shares as an underlying asset.

Pursuant to Act No. 467 of 26/04/2026, §49, the Company must formulate a policy for active ownership. The Company has chosen to use the exemption in Act No. 467 of 26/04/2026, Section 49(5) and has not defined a separate policy for active ownership, as the Company:

- does not provide services related to the holding of voting shares in undertakings holding shares admitted to trading on a regulated market,
- does not provide services related to portfolio management of voting shares in companies that have shares admitted to trading on a regulated market.

The Board of Directors will adopt a policy for active ownership if the Company decides to provide investment services in relation to shares.

3. Data and transparency

Data quality and availability play a significant role in our investment process and approach to ESG. The Company obtains ESG reports from issuers and supplements these with publicly available data from authorities and international organizations. Additionally, the Company purchases data and analyses from selected stockbrokers.

We strive to be transparent about our policies, processes, and activities. Our website, www.cabacapital.dk, is continuously updated with relevant policies and reports concerning returns and ESG.

4. Principal Adverse Impact (PAI)

The Company does not consider adverse impacts of investment decisions on sustainability factors in relation to the investment services provided.

A statement upholding this stance is published on the Company's website, in accordance with the guidelines of Article 4 of the Disclosure Regulation.

5. Compliance checks and reporting

It is the responsibility of the Management to ensure that:

a) This policy is complied with and communicated to relevant employees.
b) The Company's business procedures are up-to-date and reflect the guidelines set out by the Board of Directors.

The Board of Directors receives regular, and at least once a year, reporting on the Company's compliance with this policy.

6. Entry into force

This policy is adopted and effective as of September 7, 2026.