2 May 2024

Dear Sir/Madam,

Re: Annual Disclosure of Environmental Risks Managed by Prudence

Unless otherwise stated in relevant Fund (defined below) documents, the following policies in relation to the management of environmental risks are applicable to each fund managed (the "**Fund**") by Prudence Asset Management Pte. Ltd. and Prudence Investment Management (Hong Kong) Limited (collectively be referred as "**Prudence**" hereafter).

I. Introduction

The Monetary Authority of Singapore and Securities and Futures Commission of Hong Kong, which are regulators in Singapore and Hong Kong respectively, issue codes or guidelines on environmental risks management of the fund management activities. Prudence is committed to assess the environmental risks of its business and the Fund under its discretionary management. Prudence has developed the Environmental Risk Management Policy and Procedures (the "**ERM Policy**") with an aim to provide sufficient guidance to ensure investments are made in the best interests of clients and in alignment with our fiduciary duties with ESG centric.

II. Governance

The respective boards of directors of Prudence (the "**Board**") retain ultimate responsibility for the oversight of the environmental risks for its fund management business. The Boards are responsible for reviewing and endorsing the objectives, the framework, and the policies of environmental risks management.

In order to manage environmental risks in an effective manner, the Board has entrusted the Sustainability Committee with tasks of maintaining and monitoring environmental risks related policies and designing procedures and plans.

The Sustainability Committee is comprised of the members of the Risk Committee and Compliance Officer. The Sustainability Committee will be responsible for reviewing and updating the ERM Policy at least once every 2 years. A report of the exposure of environmental risks of the Fund shall be submitted to the Board on a quarterly basis.

III. Environmental Risks

Prudence has defined and assessed the environmental risks on each Fund under its management. Unless otherwise stated in relevant Fund documents, investors of each Fund should note the environmental risks relevant to the Fund.

The underlying companies in which the Fund invests may have investments that are located in areas which are subject to environmental risks. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the underlying company's business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); sea level rise; and extreme temperatures. As a result of these physical impacts from the climate-related events, the Fund may be vulnerable to the following: risks of property damage to the Fund's investments; indirect financial and operational impacts from disruptions to the operations of the Fund's investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for the products and services of the investments; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water or other natural resources on which the business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

IV. Investment management

Prudence recognizes that the environmental, social and governance ("**ESG**") issues that are the focus of socially responsible investing could impact investment performance. Accordingly, Prudence regularly assesses such factors as part of its investment process in a manner consistent with Prudence's objective to act in the best financial interests of its investors.

Consideration of ESG factors is embedded in our investment processes. In evaluating an existing or prospective investment, Prudence's investment professionals generally seek to:
a) identify ESG issues that may affect the investment,
b) analyze the relative importance of, and risk posed by, any identified ESG issue,
c) consider the costs and benefits of potential remedial measures, and
d) assess Prudence's ability to influence change.

V. Risk management

Prudence has in place risk management procedures to identify, assess, manage, and monitor the environmental risks at the entity level and on each Fund.

Prudence identifies the relevance and materiality of environmental risk to the Fund. Relevance of environmental risks to a fund or an investments strategy refers to the likelihood of environmental risks affecting the investments made under the fund or investment strategy. Materiality of environmental risk refers to significance of environmental risk impacts to the financial performance of the fund's investments, should the physical risk and transition risk occur.

An annual review of the relevance of environmental risks ("**EnR**") is conducted by Prudence to ascertain if EnR are relevant to a fund or strategy ("**EnR Relevance**"). The materiality assessment of environmental risks ("**EnR Materiality**") of each Fund is performed by Prudence using qualitative and quantitative tools and metrics on a quarterly basis. The EnR Materiality is composed of materiality score on industry level and ESG score[1] on issuer or security level. External data may be used to assess the EnR Materiality of an issuer or security. An EnR Materiality rating of low, medium or high is assigned to each security of the Fund except well-established financial index and its derivatives, currency and its derivative and other financial instruments that Prudence is deemed to not have control of the index.

To better manage and address the environmental risks related to the Fund, a High EnR Materiality Threshold will be set for each Fund which is reviewed by the Sustainability Committee on an annual basis. The Board is responsible for approving the environmental risks tolerance. Approval from the Sustainability Committee is required when the Fund has exceeded the High EnR Materiality Threshold. The Investment Team shall take all reasonable steps to remediate the excess exposure so that the High EnR Materiality Threshold is no longer exceeded. A report of the exposure of environmental risks of Prudence with respect to the Fund shall be submitted by Sustainability Committee to the Board on a quarterly basis.

Prudence also assesses the relevance and utility of scenario analysis in evaluating the resilience of investment strategies to environmental risks on an annual basis.

In addition, the carbon intensity of its portfolios is managed and monitored by tracking the scope 1 and scope 2 Green House Gases ("**GHG**") emissions associated with the Fund's underlying investments at the fund level, where data is available or reasonably estimated ("**Portfolio Carbon Footprint**"). Portfolio Carbon Footprint is a representation of carbon emissions normalized by the portfolio's market value and expressed in tons of carbon dioxide equivalent emissions (CO2e) per million

[1] Where there is no ESG score for certain issuer or security, the ESG Score of such issuer will be estimated and assessed based on the industry's average ESG score and the issuer's country of operation (if necessary).

dollars invested. Below is the formula for the calculation of the Portfolio Carbon Footprint:

$$\sum_{N}^{i} \frac{\left(\frac{\text{Current value of investment}_i}{\text{Investee company's enterprise value}_i} \times \text{Investee company's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{Current portfolio value (\$ million)}}$$

Environmental risks were assessed to be relevant to the Funds under Prudence during the assessment period from August 2023 to January 2024, through the EnR Relevance assessment. Therefore, quarterly EnR Materiality assessment was conducted for the Funds within the year. In conclusion, the EnR Materiality of all the Funds has not exceeded the threshold during the assessment period.

The Portfolio Carbon Footprint of Alma Platinum IV Prudence Asia Credit ("**Aforementioned Fund**") as of 31 January 2024 is 327.27 metric ton per million USD.[2]

VI. Stewardship

Prudence's ability to assess and influence sustainability issues in practice will vary significantly by strategy and investment especially for strategies where we may be limited to public information or have a non-controlling investment. Where appropriate, Prudence may seek to (1) advance sustainability practices through the interactions and engagement between its investment professionals and the management of existing and prospective investee companies and their advisors; and (2) ensure that the management of the investee companies appreciate the financial ramifications of sustainability issues and understand Prudence's perspective with respect to the approaches being taken across a wide variety of industries and companies.

If you have any questions regarding any of the above, please feel free to contact Prudence team.

[2] Certain securities are excluded from the assessment of GHG emissions as they are not subjected to GHG rating owing to their nature. Additionally, following the exclusion of these securities, approximately 10.81% of the Net Asset Value of Aforementioned Fund is not covered due to securities lack of information on the GHG emissions.