

**Transparency Statement
under Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”)**

in respect of

Petrus Advisers Investments L.P. (the “Partnership”)

The following statement is made in accordance with the requirements under Article 10 of SFDR and Section 1 of Chapter IV of the Delegated Regulation supplementing SFDR with regard to regulatory technical standards (the “RTS”). This document is prepared to meet the regulatory requirements only and should not be considered an offer or solicitation to invest in the Partnership.

SUMMARY

The Partnership promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Partnership seeks to promote the environmental and social characteristics of climate change impact reduction; water efficiency; transition to a circular economy; and gender diversity (the “**E/S Characteristics**”) by investing a minimum of 50% of its net asset value (“**NAV**”) in the securities of issuers which, in the view of the Investment Manager, are aligned with one or more of these characteristics due to their meeting certain specified sustainability indicators:

- For the E/S Characteristic of **climate change impact reduction**, the sustainability indicators used are: (i) Scope 1 & 2 CO₂ emissions in kg per total revenue generated; and (ii) percentage of energy used from renewable sources.
- For the E/S Characteristic of a **water efficiency**, the sustainability indicator used is water consumption (water consumption in m³ per total revenue generated).
- For the E/S Characteristic of a **transition to a circular economy**, the sustainability indicator used is Waste production (kg produced per total revenue generated).
- For the E/S Characteristic of **gender diversity** the sustainability indicators used are: (i) percentage of women across total work force; (ii) percentage of women on Board of Directors; and (iii) percentage of gender pay gap.

The remaining 50% of the Partnership’s NAV will be in a combination of one or more of the following: (i) securities which do not align with the E/S Characteristics as they do not meet the sustainability indicators (but which are subject to minimum environmental and social safeguards in the investment process, including the screening and exclusion criteria); (ii) derivatives entered into for the purposes of hedging and liquidity management; and (iii) other liquidity/cash management tools, such as money market instruments, cash and cash equivalents.

The Investment Manager follows the four following sequential steps when selecting investments for the Fund:

1. Screening & Exclusions: Whereby the Investment Manager screens the investment universe against certain set criteria and removes from the potential investment universe any direct investments in issuers deriving specified portions of their revenue from certain specified sectors, industries and activities¹.

2. Research & Analysis: As part of its research and analysis process the Investment Manager uses its proprietary ESG framework to review each issuer's ESG related conduct and practices and any ESG risks and opportunities related to that issuer. The research and analysis process relies predominantly on research conducted by its investment team.

3. Security Selection: The Investment Manager identifies issuers which it believes meet the investment objective, strategy and restrictions relating to the Partnership and prepares an investment memorandum for the Investment Committee to use to determine whether an issuer (i) promotes the E/S Characteristics by meeting the sustainability indicators and associated thresholds; and/or (ii) has good governance (including, where relevant, through a consideration of sound management structures, employee relations and remuneration of staff).

4. Engagement: As a key component of the investment process, the investment Manager seeks to actively engage with issuers by raising relevant ESG-related (as well as other) matters in management discussions, private/public letters and presentations as well as proxy campaigns.

5. Portfolio Monitoring: As part of the ongoing monitoring of the portfolio, the Investment Manager utilises its proprietary ESG framework to ensure the portfolio holdings continue to promote the E/S Characteristics by meeting the sustainability indicators. The Investment Manager also actively tracks the Partnership's adherence to the minimum threshold of 50% of the NAV for promoting the E/S Characteristics.

The main data source reviewed by the Investment Manager to assess whether an issuer is aligned with the sustainability indicators are the issuer's annual reports, financial statements and other relevant disclosures such as ESG and corporate responsibility statements. Data retrieved from issuers' ESG, corporate responsibility, annual reports and financial statements is processed by the Investment Manager and is compared against data sourced from external vendors, the issuer's peers and the research analyst's own industry knowledge in order to check for quality, consistency and for benchmarking purposes, as and when required. The Investment Manager will not base a determination of whether an issuer meets a sustainability indicator on the basis of estimated data.

The Investment Manager acknowledges that (i) alternative methodologies and related calculations to those selected could be used to determine whether investments promote the E/S Characteristics; (ii) its determination as to whether an investment meets the sustainability indicators is reliant to a large extent on data which issuers have recorded and published themselves and data made available by third parties; and (iii) ESG data which is currently available to it may be incomplete and/or incorrect which gives rise to a risk that the Investment Manager may incorrectly assess the extent to which a security or issuer meets a sustainability indicator and/or promotes one or more of the E/S Characteristics, resulting in the incorrect

¹ See "Investment Strategy" below for the full details of the Investment Manager's screening and exclusion criteria.

direct or indirect inclusion or exclusion of a security in the portfolio of the Fund and an incorrect indication as to the percentage of the NAV of the Fund which is promoting the E/S Characteristics.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This Partnership promotes environmental or social characteristics, but does not have as its objective sustainable investment.

It is not currently expected that the Fund will make any 'sustainable investments' within the meaning of Article 2(17) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 or Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE PARTNERSHIP

The Partnership seeks to promote the environmental and social characteristics of climate change impact reduction; water efficiency; transition to a circular economy; and gender diversity (the “**E/S Characteristics**”) by integrating certain relevant Environmental, Social and Governance (“**ESG**”) considerations into the investment decision making process.

INVESTMENT STRATEGY

The Partnership’s investment objective is to achieve absolute total returns over the long term with a low correlation to the exchanges on which the securities in which it invests are traded whilst seeking to preserve capital and manage downside risk.

The Partnership will seek to carry out the investment objective by following the investment policy and investment restrictions set out in the Information Memorandum.

As a key component of its investment approach, the Investment Manager firstly applies screening and exclusions to reduce the investment universe of the Partnership, it then utilises its internal research process (which includes a proprietary ESG framework) to identify potential investments. As well as considering the promotion of the E/S Characteristics during its investment decision making process, the Investment Manager also incorporates general ESG factors into the issuer selection process. This multi-step process is outlined below.

Step 1: Screening & Exclusions

As a matter of course, amongst other things, the Investment Manager excludes from the potential investment universe any investment in issuers which derive:

- any portion of their revenue from the manufacture, distribution and/or sale of cluster munitions;
- any portion of their revenue from the manufacture, distribution and/or sale of controversial weapons;
- more than 10% of their revenue from the manufacture, distribution and/or sale of other types of weapons;

- more than 5% of their revenue from the production of tobacco;
- more than 30% of their revenue from the extraction of thermal coal; and
- any issuers which have had serious violations of UN Global Compact.

Step 2: Research & Analysis

After an issuer has passed the screening and exclusions process, a review of its ESG related conduct and practices is integrated into the research and analysis carried out by the Investment Manager, which relies predominantly on research conducted by its investment team and includes (but is not limited to) data collection from non-financial disclosure reports, annual reports and attending management meetings; and is complemented by data from Bloomberg.

The Investment Manager has developed a proprietary ESG framework to flag the ESG-related risks and opportunities relating to an issuer. The framework has been tailored so that it focuses on the ESG factors which are most relevant to core industries and issuers, including compliance with the guiding principles set by the UN and OECD. The framework forms a fundamental part of the research and analysis undertaken when making investment decisions and is intended to capture factors such as transparency, true ESG commitment, tie into corporate strategy, company targets and management remuneration.

Step 3: Security Selection

Upon review of the research and analysis, the Investment Manager identifies issuers which it believes meet the investment objective, strategy and restrictions relating to the Partnership and prepares an investment memorandum for consideration by the Investment Committee. The investment memorandum will highlight any ESG risks and/or opportunities identified through the research process.

The Investment Committee will assess these opportunities to determine whether an issuer promotes the E/S Characteristics using the sustainability indicators (as described under the heading “Methodologies”, below) and associated thresholds identified above.

As well as promoting the E/S Characteristics, the Investment Committee will ensure that the relevant issuer has good governance. Consideration will be given to factors such as incentivisation (including fairness of remuneration), board composition, compliance and business ethics. (See below for further information on the good governance assessment.)

This part of the process is fundamental to the Investment Manager being able to: (a) monitor the extent to which the Partnership promotes the E/S Characteristics; and (b) manage the Partnership so that 50% of the Partnership’s NAV promotes the E/S Characteristics on an ongoing basis.

Step 4: Engagement

Engagement is a key component of the Investment Manager’s investment process. The investment Manager seeks to have impact by engaging with issuers with a view to contributing to their improved ESG

performance, as well as value creation. Through engagement, the Investment Manager hopes to drive improvements in companies' transparency regarding ESG matters as well as ESG performance overall. The Investment Manager engages actively with management teams and supervisory boards as well as with other stakeholders to achieve such goals. The Investment Manager pursues this by actively raising relevant matters in management discussions, private/public letters and presentations as well as proxy campaigns.

Step 5: Portfolio Monitoring

As part of the ongoing monitoring of the portfolio, the Investment Manager utilises its proprietary ESG framework to ensure the portfolio holdings continue to promote the E/S Characteristics and/or the general ESG standards of the Partnership. It also uses the ESG framework to monitor improvements over time and identify ESG strengths and weaknesses in an issuer. Should an investment be flagged as no longer satisfying the above detailed ESG criteria, the Investment Manager will engage the issuer to:

- raise awareness to make the issuer aware of ESG deficiencies;
- encourage corrective actions (including public campaigns, if deemed necessary); and
- determine whether portfolio exclusion is required.

See "Monitoring of Environmental or Social Characteristics" below for further information.

Good governance assessment

The Investment Manager assesses good governance of investee companies (including, where relevant, a consideration of sound management structures, employee relations and remuneration of staff) through leveraging external resources and its own detailed research approach.

As part of its good governance assessment, the Investment Manager will consider factors such as incentivisation (including fairness of remuneration), board composition (making sure that the supervisory board includes a sufficient number of independent board members as well as diversity among members), compliance and business ethics (including analysis of any related party transactions and relationships with major shareholders) and whether minority shareholder rights are adequately respected (including in the case that the issuer receives a takeover offer).

As noted above, any issuers which have had serious violations of the principles of the United Nations Global Compact are excluded from the list of issuers in which the Partnership may invest.

PROPORTION OF INVESTMENTS

The Investment Manager will seek to invest a minimum of 50% of the Partnership's net asset value in investments which promote the E/S Characteristics by meeting the sustainability indicators outlined under "Methodologies for Environmental or Social Characteristics", below.

The remaining 50% of the Partnership's NAV will be in a combination of one or more of the following: (i) securities which do not align with the E/S Characteristics as they do not meet the sustainability indicators;

(ii) derivatives entered into for the purposes of hedging and liquidity management; and (iii) other liquidity/cash management tools, such as money market instruments, cash and cash equivalents.

In relation to the securities which do not align with the E/S Characteristics because they do not meet the sustainability indicators, such investments will still be subject to minimum environmental and social safeguards in the investment process which the Investment Manager follows for the Partnership, including the screening and exclusion criteria.

The Partnership does not use derivatives or other synthetic or indirect exposure to underlying issuers in order to promote the E/S Characteristics.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager monitors the extent to which the Partnership's investments meet the sustainability indicators on a weekly basis.

In cooperation with the Investment Manager's risk manager, the Partnership's investment team consistently screens core positions and their peers to monitor for changes which may impact upon an investment's performance against the sustainability indicators. A consolidated Excel-file is used to track progress and changes.

The Investment Manager's risk manager will alert the Partnership's investment team should there be any significant changes to the portfolio which require the core positions to be updated.

If the percentage of the Partnership's NAV falls below the minimum 50% commitment for promoting the E/S Characteristics, the investment team will escalate this internally. Following the escalation, next steps could then include a divestment, change of the weight of the particular position in the portfolio or active engagement with the issuer concerned to drive change.

METHODOLOGIES

As further detailed in this disclosure, a proportion of the Partnership's assets will be invested in investments which, in the view of the Investment Manager, promote one or more of the E/S Characteristics.

The Investment Manager has identified the following sustainability indicators against which it will measure the extent to which the Partnership's investments promote the E/S Characteristics:

Climate change impact reduction

(i) GHG emissions (Scope 1 & 2 CO₂ emissions in kg per total revenue generated (as calculated in EUR))

Only issuers which are in the top 25% vs. their peer group for GHG emissions are considered as promoting climate change impact reduction.

(ii) Energy management (Percentage of electricity from renewable sources)

Only issuers which obtain at least 50% of their electricity from renewable sources are considered as promoting climate change impact reduction.

Water efficiency

(i) Water consumption (water consumption in m³ per total revenue generated (as calculated in EUR))

Only issuers which are in the top 25% vs. their peer group are considered as promoting water efficiency.

Transition to a circular economy

(i) Waste production (kg produced per total revenue generated (as calculated in EUR))

Only issuers which are in the top 25% vs. its peer group are considered as promoting transition to a circular economy.

Gender diversity

(i) 40% or higher female representation (a) across its total work force; and (b) on its Board of Directors; or

(ii) a gender pay gap of <20%

DATA SOURCES AND PROCESSING

The main third-party data source reviewed by the Investment Manager to assess whether an issuer is aligned with the sustainability indicators are the issuer's annual reports, financial statements and other relevant disclosures such as ESG and corporate responsibility statements.

However, the Investment Manager may also review other third party data and/or research to determine whether an investment meets the required sustainability indicators (as detailed under "Methodologies" above) to promote one or more of the E/S Characteristics:

- internal research;
- non-financial disclosure reports (such as ESG and corporate responsibility reports);
- annual reports and financial statements;
- information obtained through attendance at management meetings;
- Bloomberg; and
- other third party providers.

Data retrieved from issuers' ESG, corporate responsibility, annual reports and financial statements is processed by the Investment Manager and is compared against data sourced from external vendors (such as Bloomberg) and the research analyst's own industry knowledge in order to check for quality, consistency and for benchmarking purposes, as and when required. Data retrieved from issuers' ESG/corporate responsibility and company reports is also compared to that disclosed by their peers and/or the data which they have reported in prior years, in order to check for consistency and to confirm validity of any conclusions reached on that issuer.

The Investment Manager will not base a determination of whether an issuer meets a sustainability indicator (as further detailed under "Methodologies" above) on the basis of estimated data.

LIMITATIONS TO METHODOLOGIES AND DATA

The Investment Manager acknowledges that alternative methodologies and related calculations to those selected could be used to determine whether investments promote the E/S Characteristics.

The Investment Manager also acknowledges that its determination as to whether an investment meets the sustainability indicators is reliant to a large extent on data which issuers have recorded and published themselves and data made available by third parties.

The Investment Manager is also aware that ESG data which is currently available to it may be incomplete and/or incorrect.

Checks against other data sources (including data issued by third party providers and the industry knowledge of the Partnership's portfolio managers) assist with the validation of issuer-provided data, although the Investment Manager is aware that some third-party providers use issuer-provided data as the basis for their assessment of that issuer and, therefore, in certain circumstances using data from third-party provider may not be an effective check and balance.

As the ESG data received from third-parties as well as issuers may be incomplete, inaccurate or unavailable from time to time, there is a risk that the Investment Manager may incorrectly assess the extent to which a security or issuer meets a sustainability indicator and/or promotes one or more of the E/S Characteristics, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of the Partnership and an incorrect indication as to the percentage of the NAV of the Partnership which is promoting the E/S Characteristic. Using multiple data sources reduces this risk but does not eliminate it. However, the Investment Manager believes that the application of the industry knowledge of the Partnership's portfolio management team further mitigates the risk of investment decisions being made on incomplete and/or incorrect data.

In addition, to further mitigate against this risk, the Investment Manager also uses fundamental internal analysis and engagement to question data directly with issuers.

DUE DILIGENCE

As further detailed under "Investment Strategy" above, the Investment Manager carries out due diligence to ensure that an investment promotes one or more of the E/S Characteristics through:

- (i) screening the Partnership's investment universe to ensure that issuers are eligible for investment;
- (ii) carrying out a fundamental assessment of the issuer, including an assessment as to whether an issuer meets any of the sustainability indicators and therefore promotes one or more of the E/S Characteristics;
- (iii) daily screening of the portfolio post investment by the Investment Manager's risk manager to check whether the Partnership's holdings remain eligible; and
- (iv) Ongoing and continued assessment and monitoring of the extent to which the available data indicates that an investment continues to meet the sustainability indicators and therefore

continues to promote one or more E/S Characteristics (see “Monitoring or Environmental or Social Characteristics”).

ENGAGEMENT POLICIES

As detailed under “Investment Strategy” above and further below, engagement is an integral part of the Partnership’s investment policy.

The Investment Manager seeks to have impact by engaging with corporates and seeking to contribute to their improved ESG performance, as well as value creation. Through engagement, the Investment Manager hopes to drive improvements in companies’ transparency regarding ESG matters as well as ESG performance overall. The Investment Manager engages actively with management teams and supervisory boards as well as with other stakeholders to achieve such goals. The Investment Manager pursues this by actively raising relevant matters in management discussions, private/public letters and presentations as well as proxy campaigns. In the event of gross misconduct, the Investment Manager might request a special audit or launch lawsuits.

DESIGNATED REFERENCE BENCHMARK

The Investment Manager does not utilise a reference benchmark to determine whether the Partnership is aligned with the environmental and/or social characteristics that it promotes.