

Darwin Property Investment Management
(Guernsey) Limited

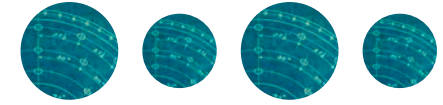


Stewardship Report 2023

Responsible Investing

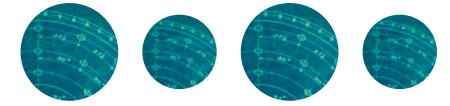


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Introduction



Darwin Property Investment Management (Guernsey) Limited (DPIMGL) is a fund manager based in Guernsey with approximately £410m of assets under management (as at 30 September 2023). Founded in 2007, DPIMGL is the Fund Manager of the Darwin Leisure Property Fund (DLPPF). The Fund purchases and operates a portfolio of UK Holiday Parks which offer investors:

- Predictable, stable, long-term returns.
- Capital preservation and appreciation.
- Diversification from traditional real estate portfolios and mainstream asset classes.

At Darwin our aim is to create innovative, alpha-driven investment solutions in the alternative investment sector which also uphold the highest standards in environmental enhancement and protection, positive social development and strong, robust and successful governance.

Environmental considerations are at the forefront of our ongoing holiday park operations and whenever we carry out redevelopment work. We aim to ensure that our buildings and accommodation are as energy efficient as possible, our park environments are managed in harmony with the local environment and that waste management is efficient and utilises recycling where possible.

We are very conscious of our role within the local communities in which our holiday parks operate and the social value we can offer. We have created hundreds of jobs in rural areas around the UK and our holiday parks, which are marketed under the 'Darwin Escapes' brand, employ over 700 people on a permanent basis, with many more job opportunities available during the peak season. We offer training and development opportunities to all our staff members, and many have been promoted within the business to more senior roles.

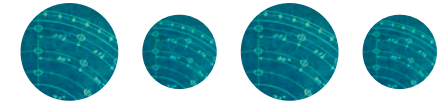
DAIMGL was proud to become a signatory of the UK Stewardship Code earlier in 2023 and our 2023 Stewardship Code report outlines how Darwin continues to be committed to the UK Stewardship Code 2020 Principles.

Whilst we cannot undertake the more usual stewardship practices of voting and shareholder engagement, we do ensure that we are managing our assets in a responsible manner and hold ourselves to the same standards that we would expect to see from others running a business. We have adopted the definition of stewardship according to the UK Stewardship Code 2020 of the Financial Reporting Council (FRC), where it is defined as: "the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environmental and society".



Principle 1

Purpose, Strategy and Culture



Purpose

Our purpose is to provide investor clients with alternative investment solutions which will provide stable, positive long-term returns.

Investment Approach

Our focus is on offering long-term diversified investment solutions. We understand that as well as capital growth, investors need regular streams of income that they can rely on, but we recognise that traditional sources such as cash and bonds do not always provide the best solution. Our investment solutions are designed to support investors in meeting their payment liabilities.

We believe that diversification from mainstream assets is key to generating the optimal returns for an investment portfolio. We therefore offer investment strategies that are uncorrelated with traditional asset classes. The team at Darwin specialise in identifying and establishing investment strategies in business areas which have not previously been considered by investment funds, creating new opportunities for investors to further diversify their portfolios.

Our strategy is to invest in businesses that are:

- Asset backed.
- Uncorrelated.
- Able to preserve capital.
- Able to deliver stable long-term returns.

Our focus is on 'unloved' sectors, particularly those where there is:

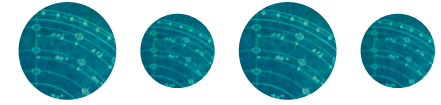
- A high degree of fragmentation and the opportunity for consolidation.
- A lack of 'professional' management (mostly family ownership).
- A lack of access to capital (opportunity to transform the business).

The services provided by the underlying businesses in which our Fund invests are market-leading in terms of quality and customer experience and we work hard to ensure that they will have a positive impact on the communities and environments in which they operate. At Darwin, we are committed to ensuring that a focus on Environmental, Social and Governance best practice underpins everything we do and we support 13 of the UN's 'Sustainable Development Goals' on all development projects and ongoing operations.

SUSTAINABLE DEVELOPMENT GOALS



Purpose



Environmental Aims

1. Create sites which enhance local ecology.
2. Create sites which enhance local environments.
3. Utilise designs which minimise operational carbon footprints.
4. Ensure minimisation of embedded carbon costs in Darwin's supply chain.
5. Ensure energy usage is as efficient as possible.

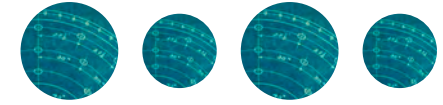
Social Aims

1. Decrease our gender pay gap: Although Darwin performs well in this area, we can do more.
2. Be a responsible member of the community: We aim to become integrated within our local communities. We will offer support, assistance and guidance that will benefit the areas in which we operate.
3. A career, not just a job: Darwin is committed to continuing to improve our Human Capital Development. We aim to offer increased opportunities for our staff, enabling us to provide careers, not just a job.
4. Eliminate social injustice: Darwin will not use suppliers whose social values are poor, and we will work to ensure we do not inadvertently support firms who operate immorally.
5. Support locally: We will use local producers and businesses as suppliers wherever we can.

Governance

1. Our corporate structure ensures that decision makers can be scrutinised and challenged, meaning that decisions are taken in the best interests of our stakeholders.
2. Regulatory Governance is a fundamental focus to ensure that we operate with the highest integrity, and do not act in a way which puts investors at risk. Darwin acts in full accordance with all relevant regulatory authorities.
3. DPIMGL is a signatory to the LGPS Advisory Board 'Code of Transparency'.

Strategy



Darwin Property Investment Management (Guernsey) Limited is the Investment Manager to the Darwin Leisure Property Fund. Launched in December 2007, the Fund owns and operates a portfolio of 18 holiday resorts around the UK which are marketed under the 'Darwin Escapes' brand.

The Fund looks to acquire existing holiday park businesses that are operationally sound and cash generative and improve these through our model of operational excellence, exploiting economies of scale. In some cases there may also be substantial gains to be made through changes in planning consent and redevelopment, however this is not the primary reason for acquisition.

Over the last 15 years, Darwin has changed the face of the UK holiday park industry, transforming low-revenue tenting and touring sites into luxury lodge resorts and utilising strong management and economies of scale to increase profits at established holiday parks.

All of the holiday parks within the portfolio have benefited from either a total transformation from touring park to 5* lodge retreat or have been enhanced to ensure that they meet with

the standards and expectations associated with the Darwin Escapes brand. A number of these have been in National Parks and Areas of Outstanding Natural Beauty and many have had very serious environmental constraints.

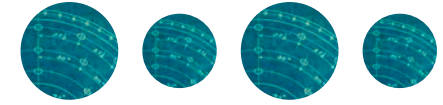
We have heavily embraced green technology in all of these developments in order to minimise our impact on the environment. Everything from Solar Roof Panels and self-insulating Grass Roofs to Wastewater & Sludge Treatment systems and Electric Car Charging Points have been incorporated where appropriate.

Lodges offer premium self-catering accommodation which, combined with our service standards, offer guests an experience to rival a five star hotel in a more spacious setting with more amenities, at an affordable price.

Darwin Escapes has become a market leader, attracting a new type of customer who may not traditionally have visited a holiday park but who are following the increasing trend of taking short staycation breaks in the UK. Darwin Escapes parks have won a host of industry accolades and awards and feedback from guests is consistently above average within the industry.



Strategy



The Darwin Leisure Property Fund launched in 2007 at a time when we recognised that the investment market was dominated by fund managers who were aiming to beat artificial benchmarks rather than provide real returns to their clients and that, ultimately, the main beneficiaries of benchmark-driven investments had been the fund managers themselves.

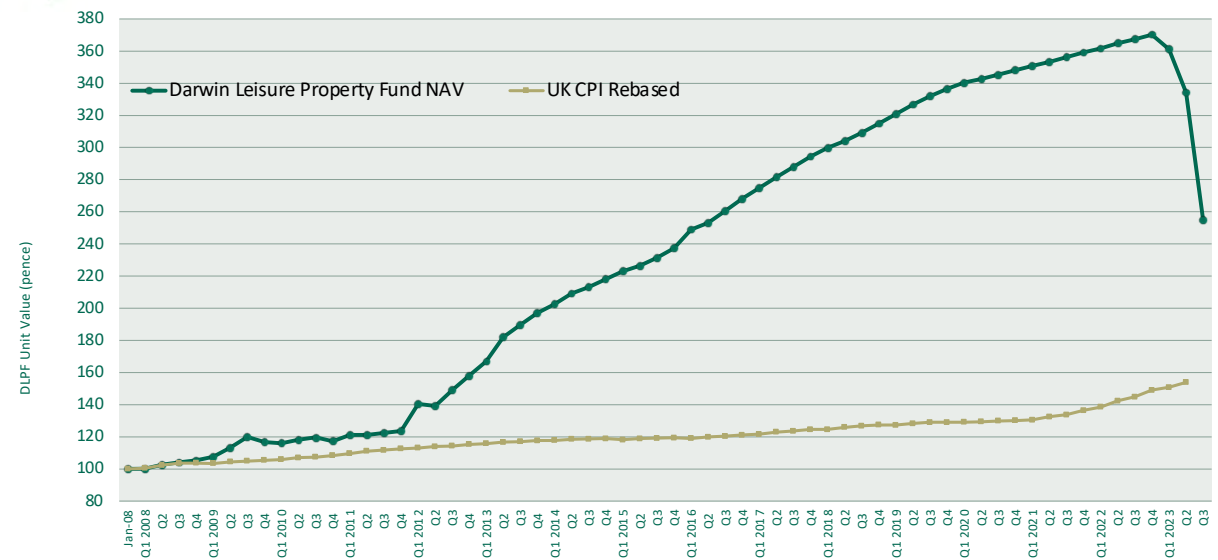
The Darwin Leisure Property Fund was specifically designed to help institutional investors meet their pension liabilities by generating stable, positive returns. Income units are available which pay out dividends on a regular basis, ensuring a stable stream of cash for pension fund investors which allow them to pay the pensions of their members.

The Fund is designed as a long-term investment and this ensures that the assets are managed with a long-term view rather than with the aim of making short-term profits, which could have a detrimental impact on staff, customers and other stakeholders.

The Fund was also designed to be uncorrelated with any other asset classes, and offers genuine diversification from mainstream equity, bond and real estate returns. The Fund is structured to ensure that it can perform well both when the economy is strong, when sales of holiday units will be higher, and during a downturn, when holiday rentals increase.

Whilst recent performance has been negatively impacted by a change in the Weighted Average Cost of Capital for the Fund, following a sustained upwards movement in the Risk Free Rate, the Fund's longer-term performance history demonstrates that the strategy has been effective in meeting the needs of our investors. Our long-term view is held by the majority of our clients which ensures that there is little turnover in our investor base which has allowed us to develop a long-term strategy and focus.

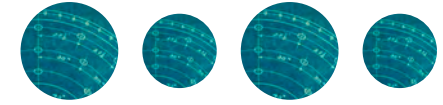
Performance History - Darwin Leisure Property Fund



Fund NAV	Unit Class	NAV Price	Cumulative Performance %					Annual Return %	Total Return %		Annualised Return % per annum	
Sept 2023		Sept 2023	1 Month	3 Month	6 Month	12 Month	YTD Return	2021	5 Year	10 Year	5 Year	10 Year
£410.4m	C Accumulation Launch date: 1/1/08	2.5408	+0.15	-23.98	-29.64	-30.86	-31.37	+3.10	-17.85	+34.02	-3.86	+2.97

Source: Darwin Alternatives. As at: 30 September 2023. Darwin Leisure Property Fund performance shown is for "C" Class Accumulation Units and based on the published NAV price. The 1 Month, Cumulative and Annualised performance returns indicated in the tables are also based on the published NAV price. FTSE All Share Total Return, FTSE Actuaries UK Conventional Gilts, IPD UK All Property and UK CPI rebased to 100. UK CPI rebased to 100. UK CPI data for Sept 2023 not yet available.

Culture



Darwin is committed to being a ‘best in class’ company, be it in employment, opportunities, social support or in ensuring that our products are sourced in the most sustainable and socially responsible way. We aim to uphold the best standards in corporate social responsibility. Our underlying businesses are all intrinsically linked to their local communities. They offer employment, support for local projects and initiatives, amenities for local residents and opportunities for local businesses. We aim to ensure that we make a positive, long-term impact within these communities.

Responsible Employer

Job Creation

Thirteen of the Darwin Escapes resorts have been completely redeveloped, transforming sites which were previously seasonal tenting and touring parks or brown or greenfield land into modern, luxurious lodge resorts with premium self-catering accommodation that can be used all year round. Those locations which have not been completely redeveloped have seen upgrades and improvements to their accommodation and/or facilities to ensure that all of the holiday parks offer a premium holiday experience. By offering high quality accommodation and opening year-round, we are able to increase permanent employment opportunities within the local area.

Darwin Escapes employs over 740 members of staff on a permanent basis, with over 500 working at sites owned by DLPF, and has created over 400 jobs at sites across the portfolio, mostly at those which have undergone redevelopment.

Inclusivity and Diversity

Both Darwin Alternatives and Darwin Escapes are equal opportunities employers. The Board of DPIMGL review inclusivity data annually and work with the businesses to ensure that their recruitment processes are sufficiently diversified and inclusive. The Median Gender Pay Gap at Darwin Escapes, which operates the Fund’s holiday parks, has fallen from 2.9% in 2021/2022 to 2.0% in 2022/23, which is significantly below the national average of 14.9%. 48% of the Darwin Escapes team are female whilst 43% of the Darwin Alternatives team are female.

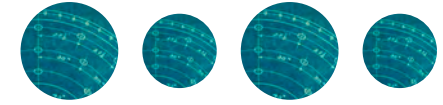
Darwin Alternatives encourages a diverse workforce by offering work from home opportunities, part time employment and generous maternity and paternity leave. All team members have the flexibility to work remotely when required and our systems are set up to help facilitate this.

Darwin Escapes offers a range of training and development programs and a wide range of employee benefits, including Employee discounts, Gym membership and wellness programs, Cycle to work, Referral bonuses, Discounted meals and an Employee Assistance Scheme.

Career Development

Darwin Escapes aims to provide opportunities for all staff to undertake training and educational programmes which will allow them to progress in their careers. Internal up-skilling, training and ultimately promotion not only motivates our staff, but also ensures that they are upholding our brand values. Darwin Escapes is continuing to utilise a hybrid employment model which involves up-skilling staff in a variety of different areas of the business, in order to be able to utilise their different skill-sets during a full working day. The benefits for staff of this include an increase in their skill-set and a better understanding of the operations across various aspects of the business, which can help to make them better qualified to be promoted to more senior roles.

Darwin Escapes has established ‘The Darwin Academy’; a training program which offers consistent high quality personal development, designed specifically for those working within Darwin Escapes. The training and career development opportunities we provide mean that many members of staff have been promoted within the business to managerial roles.



Community Engagement

Darwin Escapes prides itself on being able to support projects and organisations which make a real difference to local communities. By making tangible contributions they are able to ensure they take an active role in the local communities in which Darwin Escapes operates.

As well as providing employment opportunities in local communities, Darwin Escapes also works with local suppliers to source local produce within its restaurants, bars and shops. Different resorts stock everything from local gins, beers and ciders to artisan cheeses, chocolates, biscuits and toiletries. In the last year, Darwin Escapes has:



- Continued its long-standing partnership with the Royal Shakespeare Company (RSC). Darwin Escapes was the headline sponsor of the spring/summer 2023 production of As You Like It. The sponsorship facilitated the RSC Learning and National Partnerships team creating an As You Like It Teacher Pack 2023 to support work in classrooms around the country. The activities in the pack were specifically designed to support KS3-4 students attending the performance and studying As You Like It but all activities could be adapted for learners of different ages and abilities. These activities aimed to help students explore some important features of the text and production, using the RSC's rehearsal processes.
- Sponsored the RSC's Henry VI productions: War of the Roses and Rebellion. These productions saw a professional cast work alongside members of the Royal Shakespeare Community including young performers from the RSC's Next Generation Act company and adults from RSC Shakespeare National participation programme. The production also featured participants from six 'Shakespeare Nation' adult community groups and were joined on stage by members of the Next Generation Act, a unique talent development programme made up of 25 young people from the RSC's nationwide network of 222 Associate Schools.
- Supported the work of the RSC more broadly. As a Theatre & Learning Charity, the RSC work with over 500,000 young people each year, with a particular focus on working in areas of structural disadvantage.
- Continued its partnership with Chester Zoo. Darwin Escapes sponsored the Wildlife Connections Festival in September 2022 which attracts over 10,000 attendees over 2 days and we are currently organising an appropriate sponsorship for 2023. Their team are aiding us with our conservation work by showing us new ways we can encourage wildlife on our resorts.
- Continued to sponsor the Birmingham Hippodrome, which included supporting the Van Gogh Alive exhibit, a digital art experience using stunning projections and classical music which gave visitors the unique opportunity to step on to the Hippodrome's main stage and truly venture into Van Gogh's world.
- Continued to partner with Venue Cymru to support local theatre in North Wales.
- Engaged with the British Heart Foundation to donate furniture that needs to be replaced when older units are refurbished. The British Heart Foundation will take the donations no matter what the condition and have their own workshops to bring the items to a standard where they can be sold through their charity shops or used within their own projects. During 2022/23 this has raised £31,412 for the charity and there are plans to continue this partnership following refurbishment projects by Darwin Escapes in 2023/24.
- Supported the Derby Book Festival held in June 2023. The event aimed to bring Derby's residents together in a love of books and inspire a new generation of readers to appreciate the joy that books and reading bring to our lives, whilst also supporting the artistic and cultural life of Derby.

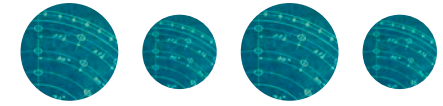
Each Darwin Escapes resort also supports local charitable initiatives and the teams are encouraged to undertake fundraising and charity work for causes that are of importance to them or to the local community.

Principles 2, 5 and 8

Governance, resources and incentives

Review and assurance

Monitoring managers and service providers



We have put in place a robust governance structure for our business to ensure strong stewardship over the assets under our management.

Investment Manager

Darwin Property Investment Management (Guernsey) Limited (DPIMGL) is the investment manager to the Darwin Leisure Property Fund.

DPIMGL is a company incorporated in Guernsey with limited liability and is licensed by the Guernsey Financial Services Commission (GFSC) as a Controlled Investment Business. Guernsey has been a centre of international finance for decades and has a strong regulatory framework and reputation for its financial expertise.

Companies resident in Guernsey must comply with the Substance law by demonstrating that they have sufficient substance in Guernsey. Substance is demonstrated by a company through being directed and managed in Guernsey, conducting core income generating activities and having adequate people, premises and expenditure.

In order to demonstrate substance, all Board members are required to report on a quarterly basis their CPD training and undertake annually an evaluation of Board effectiveness.

DPIMGL is a privately-owned limited company. There are five board members, three of whom are experienced Guernsey resident non-executive directors: Ian Burns, Martin Tolcher and Robin Smith. All directors are registered with the GFSC.

The Board meets at least on a quarterly basis and a Chairman is appointed for each meeting, this is always one of the Guernsey-based directors and key investment decisions require a majority vote from the three Guernsey Directors.

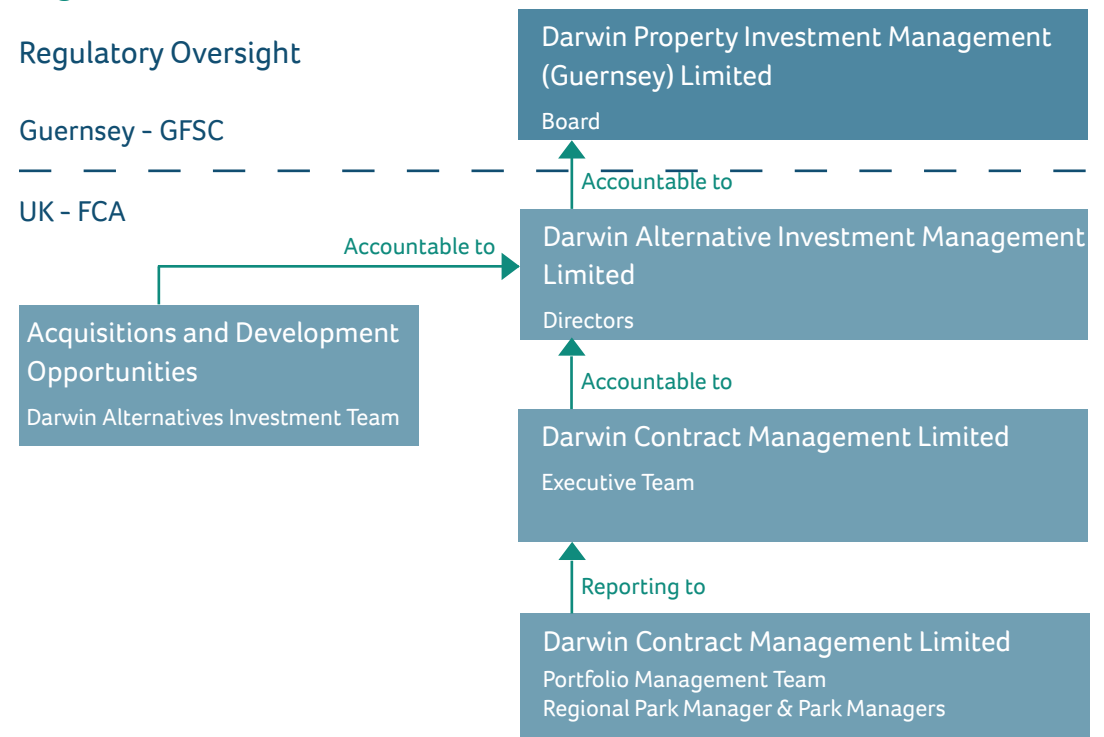
The other two board members are James Penney and Anthony Esse, who are also Chairman and Chief Executive of Darwin Alternative Investment Management Limited (Darwin Alternatives), which is the Investment Adviser to the Darwin Leisure Property Fund. Darwin Alternatives is based in the UK and is authorised and regulated by the Financial Conduct Authority.

Organisation Structure

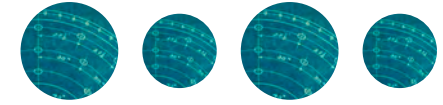
Regulatory Oversight

Guernsey - GFSC

UK - FCA



Key Organisations



Investment Adviser

The Board of DPIMGL outsources investment advice to Darwin Alternative Investment Management Limited (Darwin Alternatives). Darwin Alternatives is based in the UK and is authorised and regulated by the UK Financial Conduct Authority. Under this authorisation, Darwin Alternatives must comply with all the requirements of the Financial Services and Markets Act 2000 (FSMA).

The directors of Darwin Alternatives oversee the day-to-day operations of the underlying businesses owned by the Darwin Leisure Property Fund. They work closely with the Guernsey based NED's of DPIMGL and all decisions on how the businesses are to be operated and in relation to acquisitions or development, are taken at DPIMGL Board Meetings held in Guernsey. The DPIMGL Board reviews the Compliance Report for Darwin Alternatives on a quarterly basis.

Darwin Alternatives is also the Investment Adviser to two other funds: Darwin Leisure Development Fund and Darwin Bereavement Services Fund. The Fund Manager to both of these Funds is a separate Guernsey-based entity, Darwin Alternative Investment Management (Guernsey) Limited.

Darwin Alternatives is a small, privately owned boutique company, with 12 full-time employees who are supported by a number of strategic advisers and consultants. Our recruitment process ensures that both academic and relevant professional qualifications and experience are considered alongside the potential fit within the team.



Operating Company

The portfolio of holiday parks owned by the Darwin Leisure Property Fund is operated by Darwin Contract Management Limited (DCM). The holiday parks trade under the brand name 'Darwin Escapes'. DCM employs approximately 740 people in permanent full and part-time roles.

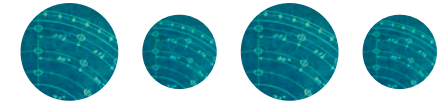
The Executive Team at DCM are accountable to the directors of Darwin Alternatives. A Portfolio Team of Heads of Departments for areas such as HR, Finance and Sales & Marketing reports to the Executive Team, as do the Regional Park Managers and Park Managers.

A formal meeting structure is in place within the organisation as well as a formal reporting process between the Executive Team and the Directors of Darwin Alternatives. The Darwin Alternatives directors have regular meetings to discuss budgeting and general business decisions with the Executive Team and the DCM Finance department, which manages the accounting for the underlying Fund investments.

There is also a constant flow of information from the management of the holiday parks through to the Portfolio Management Team and Executive Team and the Directors of Darwin Alternatives. We have recently implemented a new financial system within Darwin Escapes which has streamlined internal processes, allowing housekeeping, finance and bookings to all be run through the same system. This has improved the information flow within the business and between Darwin Escapes and Darwin Alternatives.

The Darwin Alternatives directors provide feedback to the Board of DPIMGL about the ongoing operations at the quarterly Board meetings, and decisions on items requiring their approval will be taken then.

Decision Making



Investment Manager - Darwin Property Investment Management (Guernsey) Limited

Ian Burns, Independent Director (DPIMGL Investment Committee)

Ian Burns is a fellow of both The Institute of Chartered Accountants and The Securities Institute as well as a member of the Society of Trust and Estate Planners. He worked at director level with trust companies in Guernsey, Jersey, Switzerland and Mauritius over the last twenty years.

Martin Tolcher, Independent Director (DPIMGL Investment Committee)

Martin Tolcher was a Chartered Fellow of the Chartered Institute for Securities & Investment Institute (FCSI) for many years and has been involved within the fund administration industry in Guernsey for over twenty-five years. He has worked at senior levels for three fund administration subsidiaries of Bermudan and Canadian international banks, gaining considerable experience in a wide variety of offshore funds and private equity structures.

Robin Smith, Independent Director (DPIMGL Investment Committee)

Robin Smith is a Fellow of the Chartered Association of Certified Accountants (FCCA) who was educated in Guernsey and studied accountancy at Bristol Polytechnic and Derby University. He has more than thirty years experience working within finance and fund administration at companies in Guernsey.

James Penney, Director (Scrutiny Committee and DPIMGL Investment Committee)

James Penney's early career was in academia, including undergraduate and postgraduate research at Trinity College, Cambridge, followed by six years as Principal Lecturer at Westminster College, Oxford. After Oxford, James was a Sloan Fellow at London Business School.

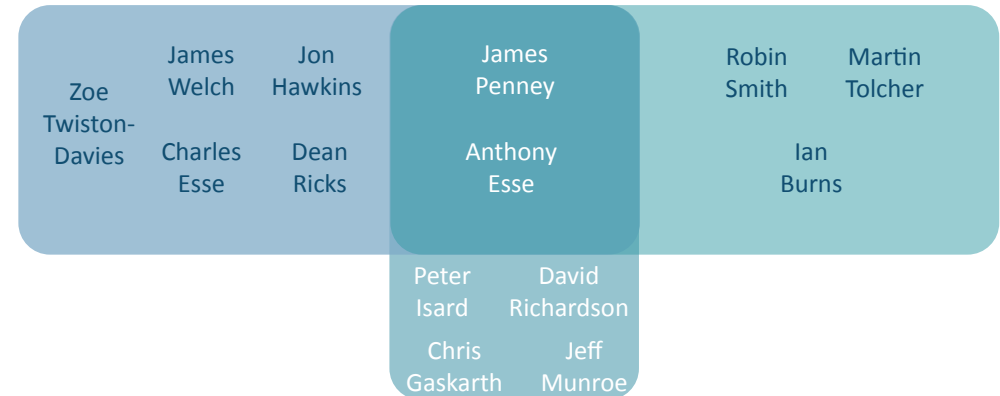
James was previously the owner and Managing Director of Darwin Consulting, a strategy consulting firm he co-founded in 1997. This firm provided strategic advice to directors and investors in a range of industries, including financial services, private equity and media. James has also held directorships at companies within the banking and investment sectors.

Anthony Esse, Director (Scrutiny Committee and DPIMGL Investment Committee)

Anthony Esse has worked in the investment management profession for over 30 years and held directorships with Hermes, Newton (part of the Bank of New York Mellon Group) and GT Management Plc. In 2003, Anthony co-founded The Darwin Group, a strategic consulting boutique providing investors with strategic research into how major quoted companies compete and create value, and helping smaller quoted companies raise long-term capital directly from internally managed pension funds.

Investment Adviser

Investment Manager



Scrutiny Committee

Investment Adviser - Darwin Alternatives

As a small business, Darwin Alternatives does not have a separate Stewardship team. The investment and portfolio team are responsible for ensuring that the assets on which Darwin Alternatives advises are managed in the best interest of their owners and that they meet our Environmental, Social and Governance goals.

Anthony Esse, Chief Executive

See above.

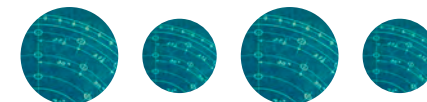
James Penney, Chairman

See above.

James Welch, Investment Manager

James Welch is a qualified Chartered Accountant. He started his career at Smith and Williamson LLP (now Evelyn Partners) where he was part of the Financial Services and Markets Group, responsible for providing audit and regulatory advice to small and medium size financial services businesses.

James is involved in the preparation of the fund valuation models, provides oversight to the finance departments of the underlying Fund businesses and assists with compliance and regulatory matters.



Jon Hawkins, Investment Analyst

Jon has a background in banking having joined Lloyds Bank in 2010 on their Corporate Banking apprenticeship scheme. During his decade-long career with the bank he progressed through a range of Relationship Management positions managing a broad spectrum of clients. At Darwin Alternatives Jon supports with the fund valuation process and is involved with the review and analysis of future business opportunities as well as helping to maintain our finance relationships.

Zoe Twiston-Davies, Investment Analyst

Zoe started her career on the graduate program in Audit at Ernst & Young, before moving into their Restructuring Team. She then moved to Granular Capital where she was responsible for the financial modelling and performing research analysis on existing and potential equities. At Darwin Alternatives Zoe she assists on the valuation of the funds and supports the Investment Team on the acquisition and management of assets in the portfolio.

Dean Ricks, Development Director

Dean is a qualified Chartered Engineer and is a Member of the Institution of Structural Engineers. He gained extensive experience on numerous large and small scale building and infrastructure projects with WSP, across the majority of the construction sectors. As a Buildings Director for Stantec he oversaw regional operations and multi-disciplinary project delivery throughout the UK. In his role at Darwin Alternatives, Dean assists in site acquisitions, and oversees project design and construction across the funds.

Charles Esse, Investment Associate

Charles oversees potential acquisitions for the Darwin Leisure Development Fund, as well as conducting ESG analysis of the portfolio. Charles also is part of the Client Relationship Management team, specialising in ESG reporting. Charles joined Darwin in 2013 as a Trainee Investment Manger, participating in Darwin's trainee program before being promoted to Investment Associate.

Scrutiny Committee

The Scrutiny Committee is independent of DPIMGL. It comprises of a body of independent strategic advisers with extensive investment experience along with the Directors of Darwin Alternatives:

Peter Isard

The Investment Committee is chaired by Peter Isard. Until recently, Peter Isard was the Head of Institutional Equities at Cenkos Securities, which he joined, shortly after its inception, in 2005.

Prior to developing the Cenkos institutional business, Mr Isard had worked for over 20 years in financial markets at such firms as Merrill Lynch, Schroders and Citigroup. During that time he has been both an analyst specialising in leisure companies and a general salesman providing advice to portfolio managers responsible for pension funds, retail funds and hedge funds.

David Richardson

David enjoyed a career in financial services leadership roles within the U.K. spanning forty years, including as a Regional Managing Director at Lloyds Bank. David now supports Darwin leadership as required. He is a former HRH Prince of Wales ambassador for the West Midlands and held both Regional and an educational board positions within Business in the Community.

Chris Gaskarth

Chris is the Founder Director of Institutional Investment Advisers and has broad and deep experience of treasury, capital markets and credit portfolio management, gained from Midland Bank, National & Provincial Building Society, Royal Bank of Scotland and Prudential/Egg. His involvement with Structured Credit includes financing, risk transfer and investment programmes. From late 2002 he has been a consultant, designing and delivering ALM and credit-based solutions for UK and European banks, building societies and fund managers.

Jeff Munroe

Jeff Munroe spent 28 years at Newton. He was CIO from 2001 to 2012 before moving to a more focused investment role in the organisation, where he was Investment Leader in the Global Equities team and the lead portfolio manager for Sustainable US Equity strategies. He left the firm at the end of December 2021.

Reward and Remuneration

All of the Directors of DPIMGL and the Directors at Darwin Alternatives have and continue to invest personally into the Darwin Leisure Property Fund. This ensures that their motivations are aligned with those of the Fund investors.

Because our stewardship activities are entwined with our investment activities, the Darwin Alternatives remuneration policy does not specifically incentivise employees in relation to stewardship. Whilst Darwin Alternatives does not offer a share option scheme, employees are encouraged to choose to support the Funds through direct investment or investing through their SIPP's and the majority of the team do this.

The Investment Decision Making Process

The investment decision making process is a rigorous three stage process which ensures that the Scrutiny and DPIMGL Investment Committees have the full and complete information required to make an informed decision.

Stage 1

The investment team at Darwin Alternatives review new investment opportunities and follow a detailed acquisition process for DLPP which includes site visits, planning assessment, environmental impact and development opportunities. If the Investment Team merits that further due is appropriate, a presentation is given to the DPIMGL Investment Committee to secure funds for this.

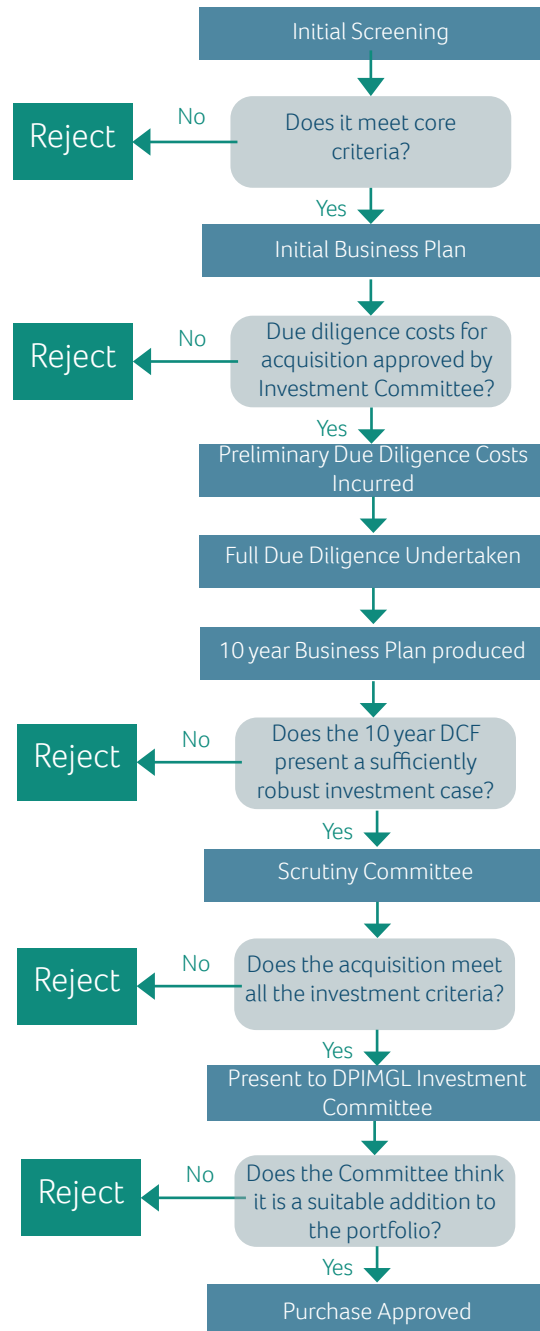
Stage 2

The team work with third party advisers and a detailed investment recommendation note is prepared and presented to the Scrutiny Committee, which includes the Directors of Darwin Alternatives and a number of independent advisers. At the end of this stage, propositions which have successfully completed due diligence are formally presented to the independent Scrutiny Committee for approval.

Stage 3

A final decision on whether to proceed with an acquisition is made by the DPIMGL Investment Committee, with a majority of the three Non Executive Directors having to approve the acquisition.

Acquisition Process



1. Introductions via:
 - Corporate finance houses
 - Direct contacts
 - Agents
2. Evaluation of each potential site. Key considerations:
 - Does it fit into an existing hub?
 - Does it provide a suitable deployment of capital?
 - What are the opportunities?
 - How does it fit with existing sites within portfolio?
3. Initial screening of site attributes provides suitable decision as to whether to proceed
 - Cost savings and economies of scale realistically achievable
 - Latent potential
 - Ecological Surveys and Environmental Analysis
4. Darwin Alternatives team produce initial business plan based on information received
 - Should be supported by desk top valuation or third party evidence from advisers
5. Initial review of business plan to determine whether appropriate due diligence costs should be incurred and more in depth analysis carried out and initial discussion with DPIMGL Investment Committee
6. Mechanical and Electrical, Property and Initial Financial due diligence undertaken
7. Darwin Alternatives investment team undertakes full due diligence using outside expertise if necessary. Includes deep-dive financial and legal analysis and due diligence.
 - Any aspects of due diligence not required are flagged as exceptions prior to initial sign off by the Investment Committee
8. A full business plan is produced incorporating:
 - Full proposed strategy
 - Capital expenditure
 - DCF and scenario forecasts
9. Proposed acquisition set in context of overall portfolio to understand:
 - The potential attributes it brings to the portfolio as a whole
 - In detail where the value and yield drivers are
 - What contribution it will make at a portfolio level, in particular meeting the return requirements
 - What the risks of the acquisition are at a portfolio level
10. The Scrutiny Committee reviews in detail the case made for purchase by the Executive and evaluate all assumptions made.
11. Full analysis is undertaken by the Scrutiny Committee as to the impact of the acquisition within the portfolio.
 - Decision on whether to proceed or reject the proposal is made.
12. DPIMGL Investment Committee makes the final assessment of whether the property or business will be a suitable addition to the portfolio and take decision on whether the purchase is approved or rejected.

Decision Making in Practice

The robust investment process that has been put in place for the Darwin Leisure Property Fund has ensured that we have built a portfolio of holiday parks that meets the investment goals of the Fund and provides our investors with the stable returns they are looking for. We have rejected many potential sites because we established that they would not be a suitable investment opportunity, including:

Case Study 1- Established caravan and lodge park in Wales

The Fund was given the opportunity to acquire a fully operational holiday park in Powys, Wales. The site consisted of a mix of lodges and static caravans with no central facilities. Whilst the site provided an investment opportunity offering efficient cash flows, the acquisition carried a substantial amount of portfolio risk due to the potential cannibalisation of cash flows from nearby sites in the existing Darwin Escapes portfolio. The site was also difficult to access and the immediate surroundings were not appealing so following a site visit during Step 3 of the acquisition process, the site was rejected.

Case Study 2- Static Caravan Site in Oxfordshire

Darwin was introduced to a static caravan site on the banks of the River Thames in Oxfordshire directly by the seller. The local area is relatively poorly serviced for holiday accommodation, with high demand for tourism from Oxford and Henley on Thames and the site was in a picturesque location, with significant appeal for holiday makers.

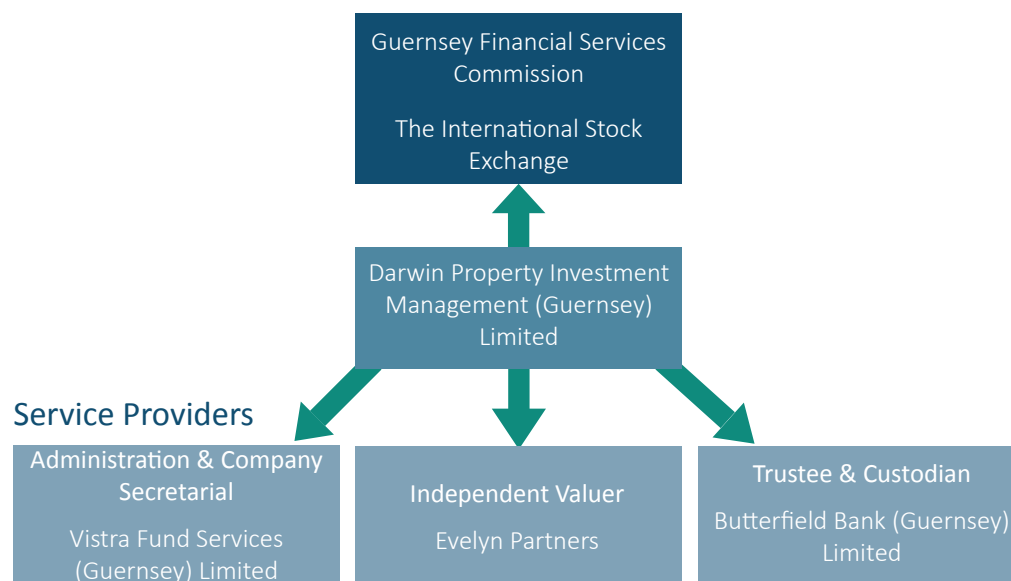
During Step 3 of the acquisition process, the site was found to be in a high risk flood area, and some of the caravan pitches were shown to be at the highest level of flood risk. Significant landscaping costs would need to have been incurred to make the site feasible, and with additional planning risks and potential reputational risk evident, the site did not pass the initial screening process.

Case Study 3- Static Caravan Site in Oxfordshire

A small lodge park in the Cornwall area was also considered during the year. The site had a small operational central facilities building, which consisted of a spa, pub/restaurant and reception building, as well as a variety of owner lodges. Desk top research showed that the acquisition would not have a positive impact on the portfolio. As an existing site, operational costs were seriously eroding the cash returns of the site and the site would have needed a complete capital expenditure programme in order to meet Darwin Escapes' standards. There was also the risk of cannibalisation of revenues from existing Darwin sites and the acquisition was therefore rejected at Step 2 of the acquisition process.

Other Relevant Organisations

Regulatory Governing Bodies



Administrator

Vistra Fund Services (Guernsey) Limited (Vistra) is an independent Fund administrator which is responsible for the provision of administrative services in respect of the Darwin Leisure Property Fund, including carrying out the valuation processes of the Fund, processing subscriptions for and redemptions of Units, preparing valuations, calculating issue and redemption prices and maintaining the accounts and records of the Fund.

The Administrator also acts as Registrar to the Fund and is responsible for company secretarial duties for DPIMGL and for preparing returns to comply with Guernsey law.

Financials are monitored daily by the DCM Finance team, reviewed by the Investment Team at Darwin Alternatives and then fed through to Vistra. Vistra prepares monthly NAV's which are reviewed by the team at Darwin Alternatives and circulated to the DPIMGL Board for approval.

The Board reviews and confirms its acceptance of Vistra's policies and procedures on an annual basis. Hard copies of the policies are available to the Board and read only access is set up online.

On behalf of Vistra, BDO LLP completes a report on the internal controls of Vistra's administration operations. The report is prepared in accordance with International Standard of Assurance Engagements (ISAE) 3402. This report is available and reviewed by the Board and is

also available to shareholders. The latest UK Criminal Finance Act policies are also reviewed by the Board annually and the Board adopts Vistra's anti-facilitation policy and procedures.

For each Board meeting, Vistra prepares a compliance report, listing sponsor report, administration report and company secretarial report which includes regulatory updates, cyber security reports and a policies and procedure report.

Vistra is licensed by the Guernsey Financial Services Commission. Vistra is part of Vistra Group, covering 46 jurisdictions, managing over 200,000 legal entities and assets valued at more than \$370billion.

Independent Valuer

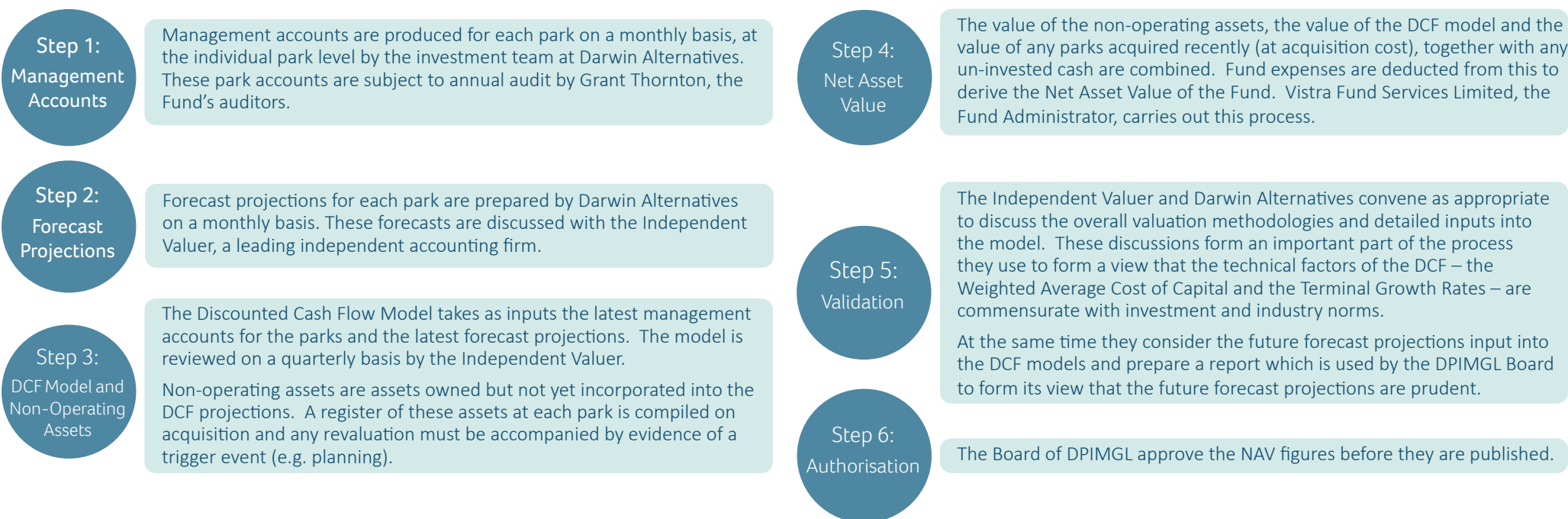
An independent valuer reviews the financials, budgets and NAV's on a quarterly basis and prepares a detailed report to the Board of the Managers. The Board discuss these reports at their quarterly meetings which are minuted by Vistra.

Trustee and Custodian

Butterfield Bank (Guernsey) Limited is the designated Trustee to the Darwin Leisure Property Fund and as such carries out its own review of DPIMGL as Manager of the Fund and the principal documents.

External Oversight in Practice - Valuation Process

The external organisations working with DPIMGL play an integral role in the valuation processes for the Darwin Leisure Property Fund, ensuring that there is a suitable level of oversight which safeguards the interests of its investors.



The Trustee carries out on-site visits annually, monitors the custodian and prepares a report to the Board on a quarterly basis which is reviewed at each Board meeting.

Regulator

DPIMGL is authorised and regulated by the Guernsey Financial Services Commission (GFSC) which requires licensed companies to submit annual Assurance Statements to confirm that companies meet its Finance Sector Code of Corporate Governance ('COCG'). The Board of DPIMGL assesses their adherence to the COCG in October of each year.

The GFSC also requires licensed entities to complete a Financial Crime Risk Return ('FCRR') on an annual basis. The FCRR requires confirmation that the Board has reviewed and adopted policies and procedures including those of its administrator.

All Guernsey licensed entities are required to have implemented Anti Money Laundering and Counter Financing of Terrorism assessments. Business Risk Assessments are produced, reviewed and updated annually by the Board.

The International Stock Exchange

Some of the unit classes of the Fund are listed on The International Stock Exchange ('TISE') which is based in Guernsey. The TISE has listing rules to which DPIMGL must adhere to as Manager of the Fund.

Review, Assurance and Oversight

We undertake formal reviews of all our policies on an annual basis to ensure that they remain appropriate and effective. As part of this process Vistra suggests potential changes and improvements to the policies and bring these to the Board for approval.

DPIMGL outsources some of its functions to other parties such as Vistra and Darwin Alternatives and also reviews its policies and procedures on a regular basis through quarterly reports produced for Board meetings. Outsourcing functions enables an extra level of policy and procedure as all service providers are regulated by an official body.

DPIMGL has a Business Risk Assessment that is reviewed by the Board and administrator annually. Specific controls include procedures to ensure information is processed reliably and effectively, appropriate supervisory controls are in place, procedures to ensure compliance with laws and regulations, a robust process for reporting control weaknesses or changes in risk and management of business continuity.

There is a formal meeting structure in place which ensures regular oversight of managers and service providers. The Board of DPIMGL meets on a quarterly basis and the Board of Darwin Alternatives meets on a monthly basis. There are also monthly meetings between executives at Darwin Alternatives and the senior management team at Darwin Escapes who operate the holiday parks as well as regular internal meetings within Darwin Escapes.

As well as meetings there is a regular flow of reporting on a weekly and monthly basis between the different entities which ensures that contracted services are delivered as they are meant to be. In particular, Darwin Alternatives prepares a quarterly investment adviser report to the independent directors. This report is discussed at length at board meetings. The Darwin Alternatives quarterly compliance report is also circulated to the Board for review.

The Board of DPIMGL review the investment adviser agreement with Darwin Alternatives on an annual basis along with the agreements for the fund administrator, Vistra, and the fund trustee, Butterfield Bank. Any breaches or non-conformities are logged in the Vistra compliance report and notified to the Board and Vistra also provides the Board with a copy of its internal audit report and Disaster Recovery Plan. In addition, the auditors report and management letter are discussed at length by the Board and minuted.

The Board reviews periodically the terms of the service agreement for each service provider to ensure they are unambiguous, effective and in line with best practice. Where we have felt there have been issues with the level of service being offered by any service provider we have raised these with the senior management at that business and have always found that these have been resolved.

In order to improve compliance reporting, the Board of DPIMGL requested that the compliance officers of the Vistra, the Fund administrator meet on a regular basis with the Guernsey Financial Services Commission. Feedback from these meetings now forms part of their verbal report in addition to the written report.

Systems and Processes

Systems and processes are continually reviewed to ensure they are as effective and up to date as possible. A new business management system which can be utilised by all departments at the holiday parks, including finance, housekeeping and maintenance and food and beverage is now being used across the Darwin Escapes portfolio. Several other systems were reviewed, but this was chosen as it was the simplest, most cost-effective and integrated with the software used by Hoseasons, the booking agent for the holiday parks. The system provides improved internal reporting and should make working practices more efficient.

Vistra and Butterfield Bank report regularly to the Board of DPIMGL on their systems and processes, including any failings, any upgrades and any research into potential new systems.

Vistra, the Fund Administrator are working on introducing new systems which will come into effect in 2024. Vistra are working closely with the team at Darwin Alternatives to ensure that the new systems will meet our reporting and administration requirements and to ensure that there will be a smooth transition when implemented.

Effectiveness

The Directors at DPIMGL have worked together since 2007. This continuity has been instrumental in the growth and success of the Darwin Leisure Property Fund and mirrors the long-term investment outlook of the Fund itself.

The Directors, Investment team and Client Relations team at Darwin Alternatives have built up strong relationships with the investors of the Darwin Leisure Property Fund, many of whom invested at Fund inception and remain investors. There is clear communication with investors and management try to accommodate their ever changing requirements. For example, as investors have focused more on meeting their ESG requirements, we have introduced ESG reporting into our quarterly investor reports, which provide updates on ESG factors within the portfolio as well as introducing a Corporate Responsibility Report for Darwin Alternatives.

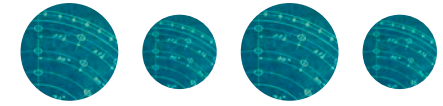
The investment decision making structure supports the requirement for several levels of review which are provided by the team at Darwin Alternatives, differing consultants and experts and the Board of DPIMGL, ensuring effective stewardship of the assets owned by our investors.

In addition, the independent valuer and Vistra offer a level of oversight to ensure that the valuation process for the Darwin Leisure Property Fund is robust and effective. The independent valuer ensures that there is a strong degree of oversight for the valuation process, whilst Vistra's oversight is focused on corporate governance and ensuring that the correct policies and procedures are in place.

As a result of the policies, procedures and oversight in place, there have been no material issues with the way DLPF operates or is valued and the Fund continues to meet its objective of providing positive, absolute returns for its investors.

Principle 3

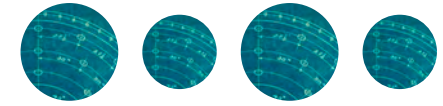
Conflicts of interest



It is imperative that DPIMGL acts in the best interests of all client investors and identifies and manages any conflicts of interest should they arise.

We have identified where potential conflicts of interest may occur and have adopted and implemented a formal Conflicts of Interest Policy. All directors, employees and other Approved Persons must confirm in writing that they have read and understood the Conflicts of Interest Policy and agree to abide by it. Conflicts or potential Conflicts of Interest must always be disclosed by Directors and employees. Measures covered include:

- We have established a record of the kinds of service or activity carried out by or on behalf of the Firm in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise;
- We require all directors, employees and other Approved Persons to provide the Compliance Officer with a record of their business interests so as to assist the Firm in identifying any potential conflicts of interest before they occur.
- All directors, employees and other Approved Persons are required to confirm on an annual basis that their Record of Individual's Business Interests continues to be correct, or otherwise, by signing a declaration to that effect.
- We prevent conflicts arising regarding the selection of suppliers by refusing to accept or provide fees, commissions and non-monetary benefits which do not directly enhance the service offered.
- Any personal relationships are disregarded in the selection of service providers, third party suppliers, agents and distributors to prevent inappropriate selection.
- DPIMGL has a formal policy on the buying and selling of units in the Darwin Leisure Property Fund by directors, employees, temporary employees, certain contracted consultants and other connected persons in accordance with financial services regulation and securities law and regulation in the United Kingdom.
- There is a record kept of Gifts and Benefits Given and Received and rules in place around these.
- There may be instances where an employee (an "insider" as defined in the Financial Services & Markets Act 2000), through industry contacts or due diligence exercises, may have information about a leisure property, or related assets, that is not in the public domain and could potentially lead to unfair financial gain or avoidance of losses. Abuse of this information is strictly controlled by separate Darwin policies.
- The organisational structure we have implemented provides for the segregation of duties and so prevents conflict arising through inappropriately apportioned roles and responsibilities by ensuring that no one individual can exercise inappropriate influence over a particular process.
- The Board of DPIMGL review and approve all investment decisions that are recommended by Darwin Alternatives and key investment decisions require a majority vote from the three Guernsey directors.
- Vistra prepares minutes of all meetings and offers oversight to potential conflicts of interest in its role as administrator to the Fund.
- All group companies have service provider agreements outlining the expectation of each company and the approach to dealing with potential conflicts should they arise.
- Annual financial accounts are audited by an independent auditor.
- Valuations are reviewed by an independent third party and reports produced quarterly for Board review.
- Vistra prepares quarterly reports noting directors shareholdings, close periods and the PAD.
- DPIMGL has an anti-bribery policy and procedure paper.



Darwin Alternatives is also the Investment Adviser to another holiday park fund, Darwin Leisure Development Fund (DLDF). The Fund's Investment Manager is Darwin Alternative Investment Management (Guernsey) Limited (DAIMGL), a separate entity to DPIMGL. The Boards of DPIMGL and DAIMGL spent some time considering how to ensure there would be no conflicts of interest between the Funds. DLDF was established with an entirely different primary investment objective to DLPF and a number of policies have been introduced to ensure that there are no conflicts of interest between the two during their ongoing operations:

Acquisitions

DLDF seeks to buy parks suitable for redevelopment into lodge parks, where planning permission is either already in place or likely to be obtained. DLPF seeks to acquire parks that can integrate straight into the Darwin Escapes brand, where no significant capital expenditure will be required to bring them up to this standard. Given these different acquisition strategies, there is unlikely to be a situation where a potential acquisition would be suitable for both funds.

Neither fund will be permitted to purchase a park which is located in close proximity to a park owned by the other fund and likely to take business from it. Part of the sign off process for any acquisition will involve analysis of any potential conflicts with other parks in either portfolio.

The effectiveness of the Acquisition Process for each Fund and adherence to the Conflicts of Interest Policy mean that where there might have been a conflict with a potential acquisition, it was flagged at the initial screening stages of the process and withdrawn from consideration immediately. The DPIMGL Board has not therefore had to reject any proposed acquisitions due to conflicts of interest.

Redevelopments

DLPF will not be undertaking any major redevelopments. DLDF will use the same external resources previously used by DLPF to assist in the planning, design and construction of each of its acquisitions. This team has gained considerable experience developing 13 of the DLPF sites and they are comfortable working on a number of projects at once, which may be required with DLDF.

Lodge and Caravan requisition

We have an established order process in place and have developed strong relationships with a number of manufacturers to ensure they can design and build lodges and caravans which meet our specific standards and requirements. We are therefore confident that we can utilise enough manufacturers to ensure that the needs of both funds can be met.

Holiday Park Management

At the time DLDF was being established, the DAIMGL and DPIMGL boards looked carefully at how to ensure there would be no conflicts of interest with the day-to-day management of the holiday parks in each portfolio. There were discussions about whether a separate management company should be set up to run the DLDF holiday parks, or whether this could be outsourced to another operator. Having had a poor experience with outsourcing in the past, and wanting to ensure that the DLDF holiday parks would offer the same “front of house” experience which was seen as being a key to the success of the properties managed by DCM, it was decided that the services of DCM would be utilised.

To ensure that DLDF paid a fair rate for the use of DCM, the overall costs would be split between the two Funds, on a per pitch basis.

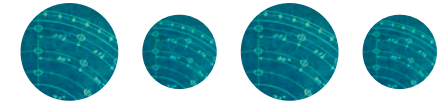
In order to protect the interests of both Funds, it was decided that the only service that wouldn't be shared was Finance. A separate business, Darwin Leisure Development Management Limited was established to provision this service and ensure that financial matters for both Funds were independent of each other.



Principles 4 and 10

Promoting well-functioning markets

Collaboration



As a manager of real alternative assets, DPIMGL does not participate in mainstream financial markets. Whilst our activities do not therefore directly involve the promotion of well-functioning markets we do participate in a number of industry schemes which have been designed to improve reporting for pension fund investors and to help them manage their assets more efficiently and in line with their ESG objectives.



Cost Transparency Initiative

DPIMGL is a signatory of the Cost Transparency Initiative (CTI), which provides an industry standard for institutional investment cost data. The CTI is a partnership initiative between the Pensions and Lifetime Savings Association (PLSA), the Investment Association (IA) and the Local Government Pension Scheme (LGPS) Advisory Board.

We use the Fee Templates provided by CTI to provide full disclosure of the fees charged by the Darwin Leisure Property Fund to each of its local authority pension fund investors. The framework ensures that the pension funds can easily compare the charges from all their investment managers in a consistent and standardised format. This allows pension schemes to compare the fees charged by different managers and drive better value for their members.

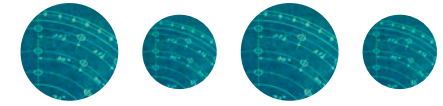
Carbon Emissions Reporting

A number of our local authority investors have begun to request that we provide data on the carbon emissions produced by DLPF as this is becoming more of a requirement for their own reporting. As the owner of real assets that feature a variety of different buildings and park layouts, this is a complex process and we have therefore implemented a project which will allow us to report this data and feed into existing reporting frameworks including the Carbon Risk Real Estate Monitor and Global ESG Benchmark for Real Assets

Place-Based Impact Investing (PBII) Reporting Framework

At the request of one of our local authority pension fund investors, DPIMGL through Darwin Alternatives is now providing place-based impact investing reporting. This is provided through a framework developed by The Good Economy, Pensions for Purpose and the Impact Investing Institute. The framework was designed "to explore how to scale-up institutional investment into opportunities that enhance local economic resilience, sustainable development and the Levelling Up agenda."

Darwin Alternatives has provided data that measures geographical location, financial objectives, the Fund's impact objectives and its financial performance. The Fund is also scored on 5 PBII traits. The data provided by Darwin Alternatives is amalgamated with that of the other managers of each of the pension funds participating in the trial, and a report is produced which outlines the overall impact that their investment portfolio is having, both in their local area and around the UK. This should help guide their future investment decisions to ensure that they are managing their pension fund assets in the best interests of their scheme members.



DLPF owns and operates its portfolio of holiday parks and therefore we do not have any need to engage with other owners, influence issuers or exercise voting rights. As well as collaborating on financial projects such as the Place-Based Impact Investing (PBII) Reporting Framework we also try and collaborate with other businesses within the holiday park industry to try and make improvements to the sector. We are active members of the British Holiday and Home Parks Association, and have close working relationships with suppliers from across the industry, including lodge manufacturers, building contractors and environmental consultants.

Through these we have helped to drive change within the industry to make it more sustainable. We have completely redeveloped eleven of the sites in the DLPF portfolio, and have put environmental considerations at the forefront of these, using 'Green Technologies' to reduce the carbon output of facilities buildings. All our new lodges are constructed in accordance with British Standard 3632, which is the required standard for residential park

homes and is a higher standard than is required for holiday park homes. The standard sets out minimum specifications in terms of ventilation, thermal insulation, stability once sited and room sizes.

In order to ensure our lodges are as energy efficient as possible, Darwin Escapes lodges exceed the minimum requirements in a number of areas such as insulation, glazing and cladding. All lodge suppliers to Darwin have a team of National Caravan Council approved inspectors checking lodges both during production and once finished. The NCC also carry out periodic un-announced inspections at both of our main suppliers' manufacturing facilities as part of the lodge supplier membership agreement. All of our lodge suppliers promote environmental awareness among employees and encourage them to work in an environmentally responsible manner. All of their suppliers are requested to provide a copy of their Environmental Policy / Strategy to ensure that their products are sourced as ethically as possible.

Case Study: RPS Group

We recognise that we cannot achieve our environmental objectives on our own and have for a number of years partnered with RPS Group, an environmental consultancy, to support our development projects and ongoing operations. RPS Group is a leading global professional advisory firm formed in 1970 which employs 5,000 consultants in over 125 countries, specialising in property, energy, transport, defence and government, water and natural resources.

Over the last year, RPS has been working with Darwin Escapes to help develop a Carbon Reduction Strategy. RPS completed a full carbon sequestration survey on all the woodlands in the Darwin Escapes portfolio. The reintroduction of woodlands is a key aspect of the UK Government's drive to achieve a Net Zero Economy by 2050. The Government's ambition is to create more woodlands, protect peatlands and boost biodiversity. Increasing tree planting will form a central pillar in the efforts to reach Net Zero Emissions by 2050.

Under the new target, approximately 7,000 hectares of woodlands will be planted per year by the end of this Parliament (May 2024) alongside new initiatives to improve the health of trees and create more woodlands in cities. The UK Government is putting plans in place to treble woodland creation rates, reflecting England's contribution to meeting the UK's overall target of planting 30,000 hectares per year by the end of this Parliament.

RPS will continue to work alongside Darwin, and ensure that Darwin developments can maximise carbon sequestration, by ensuring that the right trees for the geographical location are planted in the most effective way to maximise carbon sequestration and increase

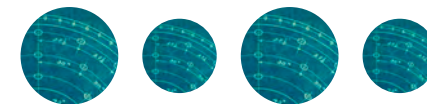
biodiversity. So far, 836,328 m² of wild-flower turf has been planted and 63,234 m² of new woodland has been planted in the Darwin Escapes Portfolio in addition to the existing 849,697 m² of woodland.

As well as this, RPS has looked at various different ways in which the Darwin Escapes portfolio can achieve Net Zero Carbon emissions in future developments. Energy Usage and energy efficiency is a key way that UK infrastructure can reduce CO₂e emissions, and working towards utilising ever more efficient technology will be a significant factor in reducing carbon emissions by 2050.

RPS has also been a cornerstone in our Landscape Architecture, Ecology and Flood Catchment management. With their guidance, development projects have been able to proceed and complete while ensuring that local environments on site are enhanced to benefit the local ecology.

RPS Group are also consulted during the DLPF acquisition process in relation to potential site purchases. This enables Darwin to mitigate against development risk, and ensure a suitable and beneficial ecological management strategy is implemented immediately upon an acquisition completion.





Case Study: Bentley Rowe

Darwin Leisure Development Fund recently acquired a 30% stake in lodge manufacturer Bentley Rowe in February 2023. Bentley Rowe are one of the UK's leading modular construction companies and also offer retail refurbishment and commercial interior fit out companies.

DLPF will, going forward, use Bentley Rowe as one of their preferred lodge suppliers. Based in Daventry, Northamptonshire, DLDF's investment in Bentley Rowe will help to drive the key energy and sustainability design considerations that underpin our ESG agenda. Examples of this include enhanced thermal performance, photovoltaics, reduced embodied carbon, reduced water demand, smart controls and all electric heating and hot water.

Modular buildings such as holiday lodges are built with the same materials and to the same building codes and architectural specifications as traditional construction. Once assembled, they are virtually indistinguishable from their site-built counterparts.

The indoor construction environment reduces the risks of accidents and related liabilities for workers whilst the factory-controlled process generates less waste, creates fewer site disturbances and allows for tighter construction. When building in a factory, waste is eliminated by recycling materials, controlling inventory and protecting building materials.

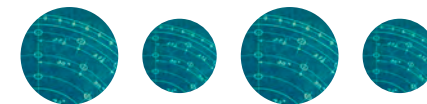
Because the modular structure is substantially completed in a factory-controlled setting using dry materials, the potential for high levels of moisture being trapped in the new construction is eliminated, improving air quality within the buildings.

Outlined below are some of the ways in which Bentley Rowe reduce their environmental impact:

- Timber suppliers are all accredited and registered with the Forest Stewardship Council (UK) and meet its Chain of Custody Certification including standards FSC-STD-40-004 and FSC-STD-50-001 in respect of the purchase, processing, sales and distribution of certified softwoods, hardwoods and sheet materials, including outsourcing.

- Timber suppliers to Bentley Rowe are also registered with and regularly audited by BM Trada. This includes compliance with monitoring supply chains to ensure the validity of the respective supplier certificates and ensuring that they only purchase from those companies which hold current and valid certificates.
- Timber supplier Recycling Policies include:
 - Ensuring dust and shavings are blown into trailers for resale (for example – to be used as animal bedding)
 - Ensuring reject pieces are cut down and reused for alternative timber sizes, and blocks
 - Ensuring that off-cut pieces that cannot be used for the smallest moulding sizes or off cuts from jobs which have been cut to special lengths, are bagged and sold for sustainable re-use, such as fuel for biomass boilers.
- One of Bentley Rowe's main suppliers of sheet material, including particle board and MDF board, is Finsa. Finsa's manufacturing process is optimised to minimise waste (through recycling and reuse) and maximise energy savings through co-generation. In this way, the unusable waste created in the manufacturing process, together with matter recovered from other industries, is used as an energy resource.
- Bentley Rowe is working with the local school and college and some local charities in order to donate any off cuts, left over paint and excess materials for any projects they have.

The Darwin team is working closely with the Bentley Rowe design team in order to develop layouts and interiors of lodges which are robust enough to meet the demands of holiday rental usage and increase the lifetime of each lodge. This will reduce the frequency with which they would need to be replaced and deliver sustainability over the long-term.



Identifying and responding to market-wide and systemic risks

Systematic Risk

The DPIMGL Board are briefed by Vistra on financial services risk through detailed reporting by the GFSC to its signatories. Vistra engages regularly with the regulator and reports back to the Board. The DPIMGL Board are also part of the Guernsey Institute of Directors. They hold regular functions and support local initiatives.

ISEA 3402

Each year, Vistra produces an ISEA 3402 'Assurance Report on Controls at a Service Organisation'. ISEA 3402 is a control report which has been developed specifically for outsourcing activities that are related to the financial reporting of the client. It is an international service organisation assurance standard that is provided by certified auditors and can be used as a guideline for documenting that a service organisation has sufficient internal controls.

These standards are primarily designed as an accountability report by Vistra to the financial auditors of the Fund's investors. For the financial auditors, the report replaces their tests on the design, implementation and operating effectiveness of the internal controls vital to the accuracy and completeness of the financial reporting of the underlying investor.

Under the ISAE 3402 standard, Vistra has five primary responsibilities:

- Prepare and present a complete and accurate description of their internal control framework.
- Specify the control objectives.
- Identify the risks that threaten the achievement of the control objectives.
- Design, implement and maintain controls to provide reasonable assurance that the control objectives will be achieved.
- Provide a written assertion to accompany the description as to the completeness and accuracy of the information provided and state the criteria used as a basis for making the assertion.

Market Risk

Our structure, systems and controls allow us to effectively identify, monitor, and respond to market-wide and systemic risks. The holiday park industry itself is one that is relatively stable in nature. Holiday parks generate stable cash flows arising from annual pitch fees from caravan and lodge owners, holiday rental income, the sale of caravan and lodges and from on-site ancillary spend including food and beverage and leisure activities.

Additionally, holiday parks have robust demand characteristics. Traditionally, when the economy has been strong, holiday home ownership has increased. In times of weakness, people have switched to UK caravan and lodge holidays as opposed to other types of holiday, driving rental income higher. The portfolio has therefore been structured to ensure that we offer a mix of both holiday rental and holiday home ownership accommodation to reduce the impact of wider macro-economic risks. In order to further reduce economic and geographical risks we aim to ensure that there is a good geographical spread of sites and a mix of property of styles, ranging from small lodge retreats to large sites with extensive facilities. This ensures that we attract as broad a customer base as possible.

Real Estate Risk

The Fund's acquisition process is designed to ensure that properties which are acquired by the Fund have minimal exposure to flood risk. We continually monitor the portfolio to ensure that any impact from climate change or flooding is dealt with as quickly and efficiently. Recently, there has been damage to the sea wall at Beach Cove in Devon caused by sea erosion. We immediately closed the two lodges that could be impacted by this and undertook work to repair and strengthen the sea wall.

Central facilities buildings have been designed to withstand periods of extreme heat with minimal use of air conditioning. The buildings offer cooling features such as wind catchers, automated windows, window awnings, natural shading and background ventilation.

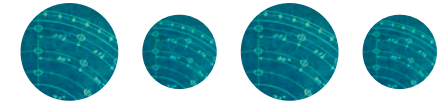
As mentioned, lodges across the portfolio are constructed in accordance with British Standard 3632, which is the required standard for residential park homes and is a higher standard than is required for holiday park homes. This ensures that they are highly insulated and can be comfortably used by guests during cold winters. Whilst they do not offer air conditioning, they are designed to be well ventilated and fans are offered to guests during periods of hot weather.

Development Risk

In order to decrease development risk, we do not purchase land on a speculative basis and risk management is focused on ensuring that we have an acquisition process that ensures that new sites are a good fit for the portfolio and that where planning permission may be required, that this is achievable. All sites will already have planning for leisure activities in some capacity. There is a limitation on the redevelopment of sites as development per se is higher risk than holding properties which have already been developed and are well established. Redevolutions are only undertaken on a risk controlled basis and not on a speculative basis.

Principle 6

Client and beneficiary needs



DPIMGL manages approximately £410m of assets (as at 30 September 2023) for a variety of clients including pension funds, fund of funds, wealth managers and individual investors who have invested through IFA's. All of our local authority and institutional pension fund investors are based in the UK. All individual investments are made through IFA's based overseas.

Our clients have chosen to invest in the Darwin Leisure Property Fund because it meets their investment needs. All of them understand and support the strategy which the Board of DPIMGL follow. Because we are not undertaking voting, or investing their assets in a variety of different products we don't look at individual policies of investors, but the Board ensures that all of our assets are managed in best interests of all shareholders.

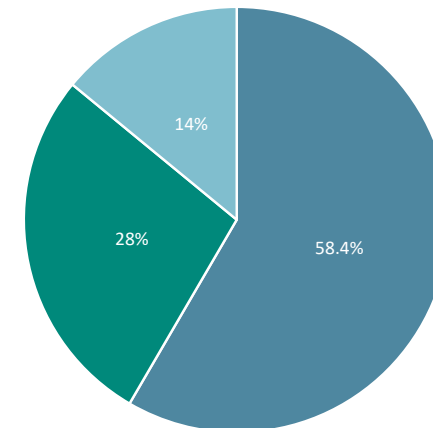
We do tailor and adapt our processes where appropriate following feedback from investors, and have initiated a number of changes to our reporting output to ensure that we are meeting the needs of our clients in their reporting.

- Whilst the Darwin Leisure Property Fund is not specifically an impact fund, at the request of one of our local authority pension fund clients, we have introduced Impact Reporting in order to demonstrate the positive impacts that our holiday park assets have. The impact reports provide data on impact measures ranging from the percentage of staff earning above the National Living Wage to the number of electric boilers in our lodges and the number of charity events we have participated in.

We tailor client communications in order to meet the needs of the different investor types and have taken on board their feedback in making improvements to our reporting.

- Meetings with our investment team are offered to all institutional investors and the frequency of these is determined by the investor. Some investors opt for quarterly meetings, whilst others prefer an annual update. We also attend Local Authority Investment Committee meetings when requested. At each meeting a detailed analysis of the portfolio and ongoing trading and industry trends is provided. Our ESG specialist will also attend these meetings and report on ESG activities across the portfolio.
- The Fund's distribution partner, Global Wealth Management Solutions, arranges meetings with the network of IFA's with which it works and members of the investment team will attend where requested. They will also participate in seminars with the underlying investors.
- Factsheets are produced on a monthly and quarterly basis for all investors which include market commentary.
- Valuation statements are sent by the Fund administrator, Vistra, to all unitholders on a monthly basis.

Darwin Leisure Property Fund Client Breakdown



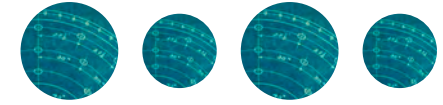
■ Local Authority Pension Funds ■ Institutional Investors & Others ■ Retail Clients through IFAs

Source: Darwin Alternatives. As at 30 September 2023

- For local authority institutional investors, a detailed investor report is produced on a quarterly basis which includes information on valuations, transactions and performance as well as market commentary and an economic outlook. An update on ESG matters has also been added following requests from some of our local authority investors for more frequent ESG reporting.
- The Fund produces an Annual Report and Accounts which provides a financial update on the Fund and includes commentary on the properties within the portfolio. An ESG update was added to the Report and Accounts in 2021.
- We have introduced quarterly impact reporting which provides quantitative data on the environmental and social impacts of the underlying businesses owned by each Fund. The report allows investors to report back to their members on the ESG impacts of their investment. At the heart of the chosen metrics is Darwin's commitment to be Net Zero Carbon Emissions by 2050. The metrics are based around the most material impacts the fund portfolios have on ESG issues such as electric vehicle usage, job creation and food waste.

Principle 7

Stewardship, investment and ESG integration



Responsible investment is an important aspect of our investment culture and we support 13 of the UN's 'Sustainable Development Goals' on all development projects and ongoing operations across the portfolio. We have implemented processes to limit our environmental impact and contribute positively to the communities in which we invest. We want to use our expertise in development and operations, combined with our inclusive and diverse culture, to lead the alternative investment sector into having a positive, meaningful impact.

Our corporate structure ensures that decision makers can be scrutinised and challenged, meaning that decisions are taken in the best interests of our stakeholders. Regulatory Governance is a fundamental focus to ensure that we operate with the highest integrity, and do not act in a way which puts investors at risk. Darwin acts in full accordance with all relevant regulatory authorities.

Environmental Aims

1. Create sites which enhance local ecology.
2. Create sites which enhance local environments.
3. Utilise designs which minimise operational carbon footprints.
4. Ensure minimisation of embedded carbon costs in Darwin's supply chain.
5. Ensure energy usage is as efficient as possible.

On a practical level, this has resulted in:

- Range of environmental best practices for day-to-day holiday resort operations.
- Planting strategies designed to provide the ideal habitats for local ecology and enable Biodiversity net gain in populations.

Darwin Alternatives will going forward be preparing an ESG report and presenting it to the DPIMGL board on a twice-yearly basis to ensure that the board have full oversight of ESG activities.

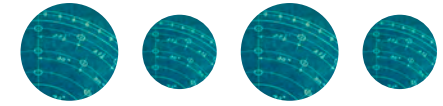
DPIMGL is a signatory to the LGPS Advisory Board 'Code of Transparency'.

As an owner of real assets, we aim to ensure that our buildings and accommodation are as energy efficient as possible, our park environments are managed in harmony with the local environment and that waste management is efficient and utilises recycling where possible. To ensure that we achieve this we have implemented a series of Environmental Aims and Targets:

Environmental Targets

1. Actively work to reduce emissions, waste and energy use, where applicable, on all sites in all portfolios.
2. Increase measurement of emissions, waste and energy usage where appropriate, with the aim of analysing and initiating required changes over the next 5 years.
3. Achieve a Biodiversity Net Gain when undertaking any development work.
4. Increase ESG due diligence to ensure that suppliers, contractors, corporate partners & stakeholders are aligned with our principles.
5. Continue to demonstrate and report our ESG progress as the funds develop over the short, medium and long term.

- Designing buildings to reduce energy usage over the long-term. Protecting and enhancing the existing natural environment is a key focus for developments with a priority on ensuring the safeguarding of protected species.
- Robust supply chain process which encourages all suppliers from lodge manufacturers to food and beverage producers to share our environmental ethos.



We have also developed Social Principles and Social Aims to ensure that we are a responsible employer and that we provide social value to the communities in which we operate.

Social Principles

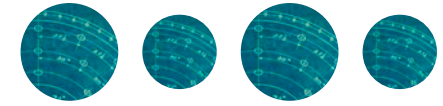
1. **Equality:** Darwin is committed to being an equal opportunities employer, offering the same opportunities to all staff, irrespective of race, religion or beliefs.
2. **Value:** All stakeholders are valued; our customers, staff, suppliers and investors. They are at the forefront of everything we do.
3. **Safety:** Locations will follow the highest standards of Health and Safety. By delivering continuous training and inspections to our staff, we are able to ensure risks to consumers are minimised.
4. **Real impact:** Social responsibility is more than just writing a cheque. Our underlying businesses aim to have a direct impact on local communities.
5. **Supply Chain:** Darwin supports international and UK goals to end modern slavery, inequality and social injustice.

Social Aims

1. **Decrease our gender pay gap:** Although Darwin performs well in this area, we can do more.
2. **Be a responsible member of the community:** We aim to become integrated within our local communities. We will offer support, assistance and guidance that will benefit the areas in which we operate.
3. **A career, not just a job:** Darwin is committed to continuing to improving our Human Capital Development. We aim to offer increased opportunities for our staff, enabling us to provide careers, not just a job.
4. **Eliminate social injustice:** Darwin will not use suppliers whose social values are poor, and we will work to ensure we do not inadvertently support firms who operate immorally.
5. **Support locally:** We will use local producers and businesses as suppliers wherever we can.



ESG in Action



Job Creation

Twelve of the Darwin Escapes resorts have been completely redeveloped, transforming sites which were previously seasonal tenting and touring parks or brown or greenfield land into modern, luxurious lodge resorts with premium self-catering accommodation that can be used all year round. Those locations which have not been completely redeveloped have seen upgrades and improvements to their accommodation and/or facilities to ensure that all of the holiday parks offer a premium holiday experience. By offering high quality accommodation and opening year-round, we are able to increase permanent employment opportunities within the local area.

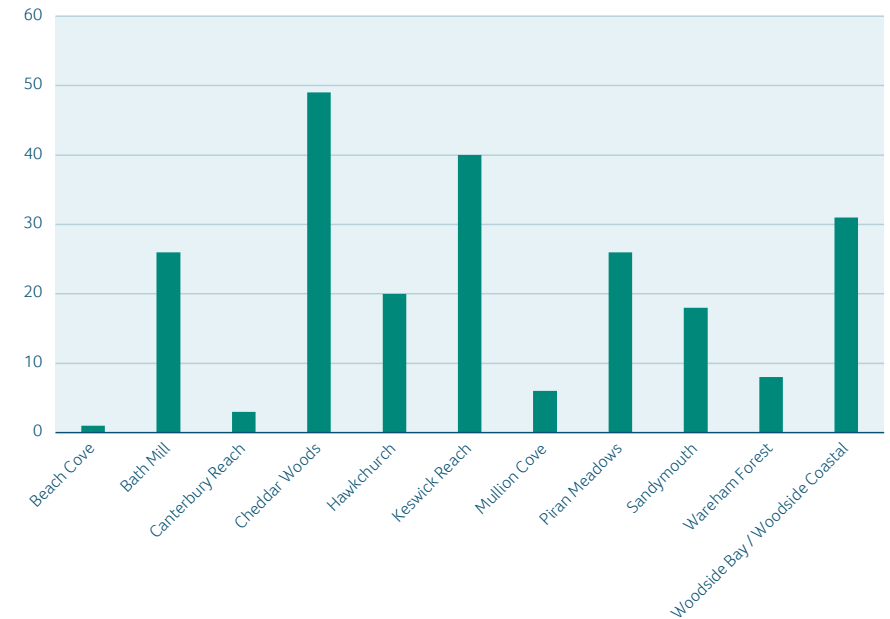


Darwin is committed to ensuring that each of its resorts benefits the local community in which it is located. Darwin Escapes employs over 740 members of staff on a permanent basis and has created over 400 jobs at sites across the portfolio, mostly at those which have undergone redevelopment.

Gender Pay Gap

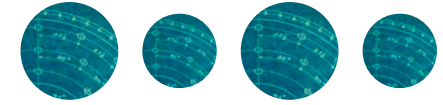
Darwin offers job creation and career development opportunities across our businesses which employ over 800 people. The Gender Pay Gap at Darwin Escapes, which operates the Fund's holiday parks, the Median Gender Pay Gap at Darwin Escapes has fallen from 2.9% in 2021/2022 to 2.0% in 2022/23, which is significantly below the national average of 14.9%.

Darwin Escapes Jobs Created at DLPF Redeveloped Sites



Source: Darwin Escapes. As at 30 June 2023

ESG in Action



The Talent Tap



Darwin Alternatives has been a supporter of The Talent Tap charity for many years. The Talent Tap is the UK's leading charity targeting social mobility coldspots. Each year the charity provides long-term mentorship, residential work experience and career and skills based support for hundreds of disadvantaged young

people. When Darwin Alternatives first started working with The Talent Tap, they partnered with just one school, but this has now expanded to a network of nearly 30 schools across the country with work experience taking place in London and Manchester. As part of their residential programme, The Talent Tap offers interview training, CV advice and sessions in leadership skills. The residential programme, which includes work experience with one or two employers, is completely funded by the charity, which covers all costs for accommodation, travel, subsistence and necessary equipment.

Today, you are still 60% more likely to be in a professional job if you were from a privileged background rather than a working-class background.

State of The Nation 2021: Social Mobility and the Pandemic (July 2021).

Darwin Alternatives provides financial support to The Talent Tap and also welcomes a group of students for a week of work experience every summer. We offer career guidance sessions with both team members and some of our business contacts in order to offer the students insights into a number of different careers which they may have already expressed an interest in, or which may be completely new to them. The aim is to offer them an understanding of what different careers really entail, and advice on the best ways to step into that career and progress through it. The programme also offers the students the chance to build their network of contacts, something which those from disadvantaged backgrounds often find difficult to do.

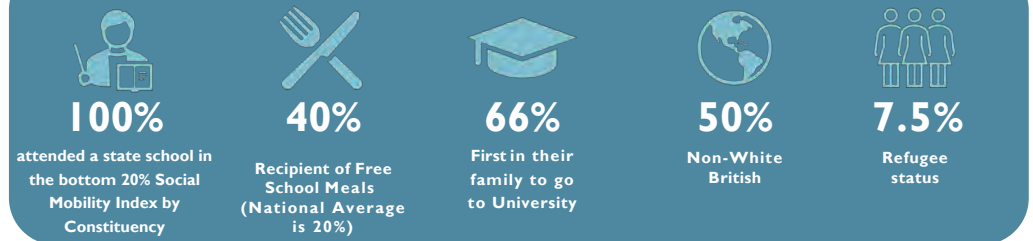
Socioeconomically disadvantaged students from social mobility coldspots have half the earning potential as those from geographic hotspots.

The Long Shadow of Deprivation: Social Mobility Commission (Sept 2020).

As well as the career guidance sessions, the students also take part in a group project, carrying out research and analysis on subject relevant to one of our businesses. In 2023, they investigated the viability of Darwin installing solar panels and other green technologies to power or reduce the power used in lodges and central facilities buildings at three of the Darwin Escapes lodge resorts. The group presented their findings at the end of the week to members of the Darwin team, and these will be used by us to help drive our sustainability programme across the holiday parks.

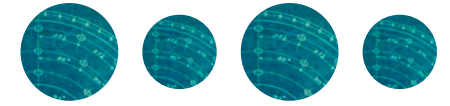
The students benefit hugely from taking part in The Talent Tap programme. They receive support and work experience opportunities for three years, from when they are taking A Levels through to when they are at University. The students who visit Darwin generally leave having grown in confidence and with a much better understanding of what the world of work actually entails. They have also been given access to a network of business contacts, which would not otherwise have been open to them as well as a supportive network of peers.

TALENT TAP STUDENTS



TALENT TAP WORK





Carbon Emissions

Scope 1: All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2: Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.

Scope 3: All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

We are able to actively manage the Fund's scope 1 and 2 emissions. The vast majority of emissions at the holiday parks are created through Scope 2 emissions; i.e. emissions from mains supply.

One of the key ways of reducing these has been to introduce 'Green Technologies' within new central facilities buildings. These aim to:

- Reduce energy use
- Maximise natural resource use
- Reduce electricity dependency

To date, the following have been incorporated into new central facilities buildings where appropriate in order to reduce their use of gas, electricity and water:

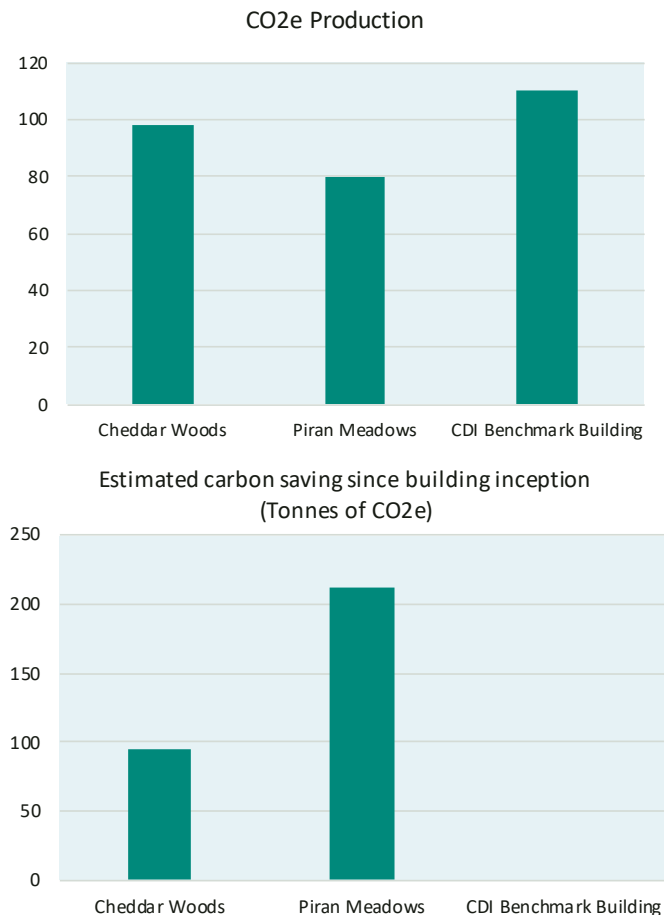
- Solar roof panels
- Combined heat and power pumps
- Air source heat pumps
- Wind catchers
- Automatic window openers
- Under floor heating
- Green roofs
- Waste water & Sludge Treatment systems
- Insulating buildings above Building Regulation Standards
- Most buildings sealed against heat loss above Building Regulations
- Boreholes to reduce mains water consumption where possible



ESG in Action

Reduced Carbon Emissions in Central Facilities Buildings

Through data provided by technologies such as smart measuring systems in main facilities buildings and smart meters within lodges, we are able to measure, track and reduce energy usage across our sites at an operational level. Analysis has shown that the central facilities buildings at the two most established Darwin Escapes sites, Cheddar Woods and Piran Meadows, produce up to 10.7% and 27.4% less CO₂ respectively when compared to an industry standard building. It is estimated that at Cheddar Woods, 95 tonnes of CO₂e emissions have been saved since its inception when compared to a CDI benchmark building. At Piran Meadows it was 211 tonnes.

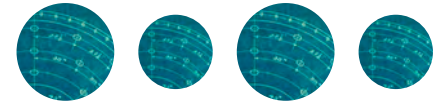


Source: NBDA Architects, 2021

Electric Vehicles

Darwin has been at the forefront of driving the installation of electric vehicle charging points at UK holiday parks, being the first operator to do so. We are continuing to introduce more charging points across the portfolio as the demand for electric vehicles increases which will assist us in reducing the Scope 3 emissions associated with the Fund.

We are in the process of switching the fleet of vehicles used by DCM to electric and electric buggies are used where possible to reduce emissions across the group and cut down on noise pollution for the environment and our customers. 57%* of the vehicle fleet is now electric.



Carbon Sequestration

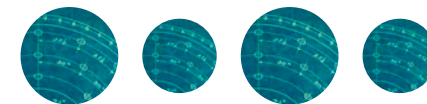
We are also able to measure the CO₂e sequestration from the planting strategies at our holiday parks. By using the Woodland Carbon Calculator, we are able to view how much carbon is absorbed by woodlands, how we can absorb more, and ultimately how we can offset our carbon outputs. Our strategy for arboricultural care will ensure that developments and existing operations work towards becoming Carbon Net Zero, in line with the Paris Agreement.

This will be achieved with a variety of different techniques which include:

- Tree plating for phase 1 developments
- Tree planting in phase 2 park upgrades
- Tree selection to maximise CO₂e Absorption
- Responsible woodland management program to clear dead trees and promote the growth of new ones.



*As at 30 June 2023

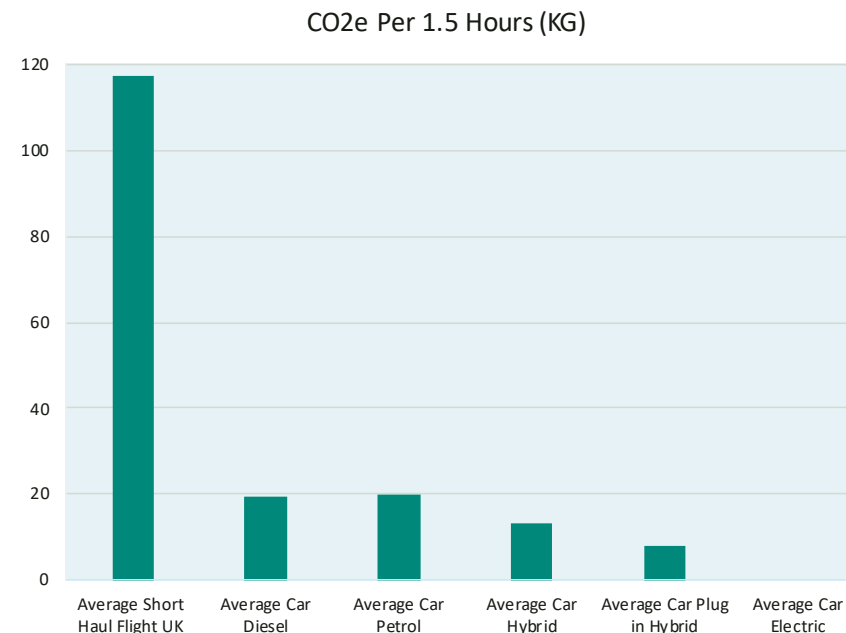


Scope 3 Emissions

Whilst we cannot directly reduce Scope 3 emissions, attracting people to holiday at Darwin holiday parks instead of travelling abroad can significantly reduce their Scope 3 emissions:

- Around 2.4% of global CO2e emissions come from aviation. The industry is responsible for around 5% of global warming.
- Darwin Escapes' high quality lodge accommodation offers attractive alternative to European short breaks.
- Darwin Escapes is continuing to attract visitors who would previously have flown abroad for short breaks.
- The typical flight of 1 ½ hours from the UK to Europe creates around 117 kgs CO2e.
- The same time length of journey for the average petrol car emits 16.95% of the total CO2e.
- Figures for plug-in hybrid cars are less, whilst all-electric vehicles contribute 0kgs CO2e.

Travel to a UK holiday by car for a family of four produces just 4% of the emissions of a holiday in Europe involving a 1.5 hour flight.



Native and UK Provincial Planting

We are committed to enhancing the Darwin Escapes holiday resorts in order to achieve a Biodiversity Net Gain. We undertake a combination of strategies to achieve this within development projects.

New Native Woodland Planting (the planting of new trees around the site) and Native Planting Enhancement (through hedge planting and wild-flower meadows) allow wildlife populations to increase.

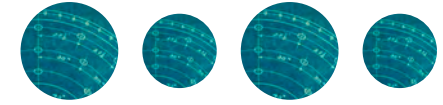
RPS and Darwin have an ongoing partnership with UK based nurseries, who provide high quality trees, plants and meadow turf. These nurseries work to high levels of biosecurity and apply UK Provenance to the plant propagation standards. Before trees and plant stock arrive at Darwin sites, they are checked and agreed by our landscape architects, to ensure high quality, native plants are delivered on our schemes.

Darwin actively encourages the retention of existing trees during any site redevelopments. RPS Group carry out a baseline tree survey at the beginning of a development project which provides the design team with accurate arboricultural information about the tree stock on site and if a particular arboricultural feature is noted as part of this survey, it is often designed into the master-plan as a focal, integral part of the development.

As part of Darwin's commitment to enhancing the habitats for local wildlife, and reducing our carbon footprint, we have progressively added in an increasing amount of wild-flower planting at our holiday resort sites. This grassland enables smaller insects and mammals to flourish, which has a knock-on positive effect on the local ecology.

Principle 9

Engagement



As an alternative fund manager with a portfolio of real assets, DPIMGL does not participate in mainstream financial markets and therefore does not engage with issuers. We do, however focus on improving the value of the assets that we own in order to generate dividends and capital growth for our underlying investors.

It is important to us that we deploy our clients' capital judiciously and we have high expectations of all of our suppliers. If we became aware of allegations any of our suppliers were profiteering or participating in irregular activities we would thoroughly investigate and challenge their management.

We apply a structured process to the acquisition, development and management of each of our parks in order to maximise their returns for the overall portfolio:

Targeted acquisition of parks

We have a formal acquisition process, overseen by an Investment Committee comprising of the DPIMGL board, which evaluates potential purchases based on location, park attributes and opportunities for growth and development. The search for new parks is focused on those that can be easily incorporated into the portfolio and be earnings positive from the outset.

Capital investment to improve facilities

We believe that by offering best-in-class facilities we can maximise the income revenues for the parks. Where necessary, we will improve and develop the infrastructure and leisure facilities to ensure that a park is offering the best possible amenities, which we believe will lead to an increase in rental and sales revenues, as well as income from food, beverage and leisure operations.

Improved management of parks

Our acquisition process identifies parks which have not been managed to their full potential. In order to maximise revenues, we will utilise our specialist, experienced management team to improve their commerciality and incorporate the parks into the rest of the group to create economies of scale.

The investor and customer virtuous circles

Our philosophy is simple – to create parks which are best in their class and drive strong, stable income returns and capital appreciation. This can only be achieved by creating parks that continually attract customers and provide them with outstanding holiday experiences.

All of the holiday parks within the portfolio have benefited from either a total transformation from touring park to 5* lodge retreat or have been enhanced to ensure that they meet with the standards and expectations associated with the Darwin Escapes brand under which they operate. A number of these have been in National Parks and Areas of Outstanding Natural Beauty and many have had very serious environmental constraints.

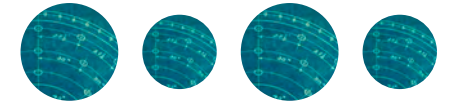
We have heavily embraced green technology in all of these developments in order to minimise our impact on the environment. Everything from Solar Roof Panels and self-insulating Grass Roofs to Wastewater & Sludge Treatment systems and electric car charging points have been incorporated where appropriate.

Darwin has been the largest buyer of lodges in the UK for the last 8 years, with manufacturers designing and building lodges to our specifications. We utilise our experience to ensure lodges are robust enough for rental occupancy and can meet our service standards.

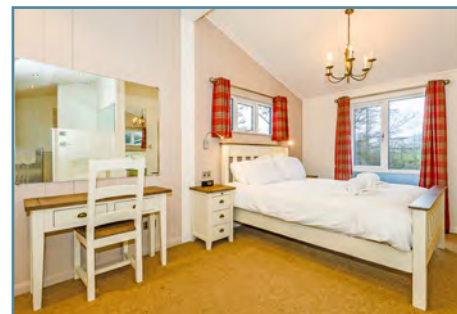
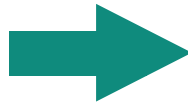
Lodges offer premium self-catering accommodation which, combined with our service standards, offer guests an experience to rival a five-star hotel in a more spacious setting with more amenities, at an affordable price.

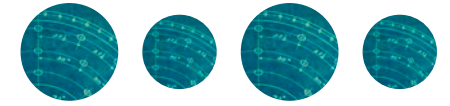
Darwin Escapes has become a market leader, attracting a new type of customer who may not traditionally have visited a holiday park but who are following the increasing trend of taking short staycation breaks in the UK. Darwin Escapes parks has won a host of industry accolades and awards and feedback from guests is consistently above average within the industry.





Transformation of a portfolio asset: Keswick Reach Lodge Retreat





Engaging with Partners

DLPF is supporting innovation within lodge manufacturing by hosting Perfect Parks' trailblazing eco friendly lodge at the New Pines Resort in North Wales. The Super Nova Eco Lodge is an energy positive holiday lodge that has been carefully designed to produce more energy than it consumes. The lodge generates energy with solar panels incorporated seamlessly into the exterior, which has been designed to blend a contemporary aesthetic with a look that respects and complements the natural beauty of each holiday site.

The lodge uses photovoltaic technology to drastically reduce its carbon footprint. The energy saved can be used within the lodge, exported back to the grid, saved in batteries for later use or even deployed to charge electric vehicles.

It is estimated that the lodge will save around £900 of average electric consumption per year and £1,100 of average gas consumption per year. Owners who buy the eco lodge could save an average of £10,000 on gas and electric over 5 years.



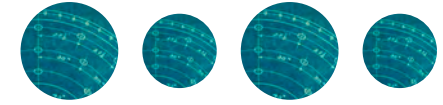
Engaging with Customers

Customer feedback is received through booking partner Hoseasons' Feefo review system. These reviews are from verified guests and the central Darwin Escapes team constantly monitors these to ensure that standards at holiday parks across the portfolio are being maintained. Specific issues will be raised with the park management whilst ideas for improvements are also considered and implemented where appropriate.

For example, a guest at Cheddar Woods suggested that we offer remote check-out, allowing people to depart before reception opens, which is something that is now offered at all of the portfolio's holiday parks.

Principles 11 and 12

Escalation and Exercising Rights and Responsibilities



Because it invests directly in unlisted businesses and assets, DPIMGL does not generally interact with or have a need to influence public issuers. We do take an active role in considering governance, risks, strategy and the business plan for each underlying business. The Board perform ongoing monitoring of financial, operational and sustainability matters within each business along with performance and given the hands-on approach by the Board and the Investment Team at Darwin Alternatives, the requirement for escalation of stewardship activities is rarely required beyond the asset management activities we have outlined under Principles 7 and 9.

There are occasions where the Board of DPIMGL will escalate issues with the Fund's businesses or service providers, or vice versa. DPIMGL is a regulated financial services business and must, amongst other duties, undertake an assessment of its business to identify the risk of its products and services being used for money laundering, terrorist financing or proliferation financing purposes. DPIMGL, as manager to DLPF, must comply with specific requirements for a business risk assessment, as outlined by the Guernsey Financial Services Commission ("GFSC") handbook.

On 10th July 2023 the GFSC issued an updated version of its handbook. Within this was a new requirement to identify financial crime risk as a standalone risk within the business risk assessment ("BRA").

This requirement was escalated to the Board by the compliance department of Vistra, administrator to DPIMGL. A new, detailed financial crime risk assessment document was drafted by Vistra which also took into account the national risk assessment, thereby understanding the wider risks that DPIMGL may be exposed to in relation to its domicile in Guernsey. The Board used a four point rating system to rate its residual risks. The overall residual risk rating was low for all risk categories.

The final document was reviewed and approved by the Board at its quarterly board meeting in October 2023.



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