Equiom

Equiom Fund Solutions Ireland Limited

Sustainability Policy

Introduction

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088)) ("SFDR") requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

The Sustainability Policy ("the policy") sets out how sustainability risk[1] is integrated into the decision making process in the management of funds managed by Equiom Fund Solutions Ireland Limited ("EFSIL") and sets minimum standards as to how EFSIL expects employees and appointed Investment Managers ("the delegates") to factor in sustainability risks into the investment decision making process.

The policy includes the key principles and approach to considering sustainability risk and other Environmental, Social and Corporate Governance ("ESG") risks across EFSIL and its activities. EFSIL recognises the importance of integrating these ESG factors and sustainability risk assessment into its investment research process and its risk management process – both initially and on an ongoing basis for the duration of the period it holds an investment or pursues a particular investment strategy.

The policy aims to support the Paris Agreement which seeks to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

Principles

EFSIL considers that the following principles are in the best interests of the funds it manages and their investors and as such are likely to create and maintain long-term value for investors and contribute to a more sustainable global financial system.

These principles are aligned to the voluntary set of principles provided by the United Nations Principles for Responsible Investment:

1. Incorporate ESG issues into investment analysis and decision-making processes
    a. This will include the consideration of the delegate's capabilities to incorporate ESG issues into their decision making process at initial on-boarding stage and on an on-going basis
    b. Designated Persons for Investment Management and Fund Risk Management to ensure ESG and sustainability risk is factored into:
        i. Initial and ongoing due diligence
        ii. Risk reporting (EFSIL and delegates)

2. Conduct a detailed assessment of the delegates' voting policy at the outset and an ongoing basis to assess how ESG is/has been considered in the exercise of voting

3. Specifically request delegates to undertake and report on ESG related engagement

4. To seek appropriate disclosure on ESG issues by the entities into which the fund invests
    a. Request standardised reporting on ESG issues from delegates

[1] 'Sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

5. To promote the understanding and implementation of ESG considerations within the investment industry
    a. Promote this with the funds under management and delegates i.e. sustainability opportunities

6. To ensure that this is factored into remuneration policies and that sustainability risks are constantly monitored and avoided
    a. Ensure screening and assessment of irresponsible investments/companies is performed and actioned

Integration

EFSIL expects ESG factors to be applied across all funds and asset classes and not to specifically labelled 'green' funds. This will be a key consideration in the assessments of delegates for any outsourcing arrangements i.e. the extent to which delegates integrate ESG factors into their investment processes including but not limited to:

1. Data and IT tools deployed to assess ESG factors;
2. Frequency of assessments of ESG factors;
3. Governance / structure of the ESG processes;
4. ESG reporting including risk analysis, risk reduction;
5. Metrics of sustainability de-risking or opportunities;
6. Voting and engagement
    a. expectation that voting is in line with enhancing long-term investor value and that engagement has a material focus on ESG priorities;
7. Policy exclusions e.g. tobacco, controversial weapons

The form of EFSIL's consideration of ESG factors and sustainability risk may involve the review of ESG data and analysis provided by third party data providers. However, and particularly given the limited basis on which such data is available and the subjective nature of some of this data relative to ESG factors, EFSIL's analysis may rely primarily on fundamental research and analysis undertake on a proprietary basis by its portfolio management and risk management teams.

In some cases, ESG factors may be integrated into the investment decision making process by way of quantitative scoring metrics or ratings provided by external ESG ratings agencies. These ratings can be used as part of the approach to ESG integration, for example, by adjusting ratings based on financial criteria up or down based on the ESG rating.

In respect of each fund, the investment approach and decision-making processes are based on clearly defined investment objectives, investment policies, investment strategy, investment restrictions and risk management parameters, as contained in the Prospectus.

For more details, please refer to the investment strategy of the relevant fund as set out in the Prospectus and associated investor materials.

Policy Implementation and Governance

EFSIL will provide this policy to appointed delegates and also review delegate's policies at the outset and on an ongoing basis. This will include ongoing interaction with the delegates with expectations set at the outset with regards to ESG policies, processes and reporting.

The policy and delegates policies will be reviewed on an annual basis or as and when required due to regulatory updates or a change in the business model, in particular, with regards to sustainability risks in the funds and as considered / managed by the delegates. This review will be undertaken by the Designated Person for Fund Risk Management.

Principal Adverse Impact Statement: This statement has been prepared for the purpose of meeting the disclosure requirements in Article 4 of SFDR, that is, specifically, the disclosure requirements applicable to EFSIL as a firm with regard to whether and how it considers principal adverse impacts of investment decisions on sustainability factors.

EFSIL does not consider the adverse impacts of investment decisions on sustainability factors. In making this decision, EFSIL has taken into account the size, nature and scale of its activities and the fact that the regulatory technical standards ("**RTS**") to specify the details of the content, methodologies and presentation of the information to be disclosed under Article 4 of SFDR have been delayed. EFSIL intends to consider the principal adverse impacts of investment decisions on sustainability factors once the RTS come into effect.

The EFSIL board has adopted this Policy and will receive reporting on the implementation of the policy.

Further Information

This policy is issued for information purposes only.

This policy is not intended as investment advice and is not an offer or a recommendation about managing or investing assets and should not be used as the basis for any investment decision.

The information contained herein is current as of the date of issuance and is subject to change without notice.

EFSIL do not make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors.

No risk management technique can guarantee the mitigation or elimination of risk in any market environment.

Past performance is not a guarantee or a reliable indicator of future results and an investment could lose value. All investments involve risk, including the possible loss of capital.

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