**Investment Policy relating to Environmental, Social and Governance Issues**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment ("ESG Event or Condition"), as specified in sectoral legislation[1].

The consideration and management of sustainability risk, therefore, forms an important part of the investment process implemented by the Investment Manager. When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG Event or Condition.

The Investment Manager's consideration and management of sustainability risk into its investment process begins with the initial idea generation and continues during the pendency of the lifecycle of an investment. The consideration and management of sustainability risk vary between and within industries and sectors alike. The Investment Manager, therefore, does not take a one-size-fits all approach. Instead, The Investment Manager's approach aims to provide a broad framework. Using both quantitative and qualitative processes, sustainability risk is typically identified, monitored and managed by the Investment Manager in the following manner:

- Idea Generation:
  - Screening: The Investment Manager generally does not apply formal exclusionary screens or industry or company prohibitions. Nonetheless, the Investment Manager may exercise their experienced judgement when considering certain industries or sectors within the investment universe should they feel sustainability risk could be present; these decisions will be taken on a case-by-case basis.
  - Investment Engagement ("Engagement"): The Investment Manager may wish to engage with issuers, originators, underwriters, rating agencies, amongst other parties relevant to the investment ("Relevant Stakeholders"), to discuss certain sustainability risk and determine their significance.
- Investment Due Diligence and Research (together the "Analysis"):
  - Fundamental Sustainability Risk Analysis (together the "Analysis"): The Investment Manager will typically analyse a combination of material quantitative and qualitative sustainability risk metrics material to the investment, industry and or sector. This is necessary to identify sustainability risk that is reasonably likely to impact the financial condition or operating performance of a company. The Analysis may include a review of an issuer's ESG & Sustainability strategy, the quality of management with respect to ESG & Sustainability matters, or recent ESG & Sustainability controversies, amongst others, to determine how it manages the sustainability risk it faces. The Analysis of sustainability risk is typically informed

[1] Particular Directives include 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, or delegated acts and regulatory technical standards adopted pursuant to them.

from a range of ESG & Sustainability sources, both internal and external. The information gathered from the Analysis will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer. In certain circumstances, the Investment Manager may invest in an issuer which has a lower ESG profile than the expected. In these circumstances, the Investment Manager may take the view that the relevant existing ESG profile does not fully capture wider factors, such as recent positive sustainability-related changes that have been implemented by the relevant issuer.

  - Investment Engagement: During the Analysis, the Investment Manager may choose to engage with Relevant Stakeholders to the investment being researched, to discuss certain sustainability risk and determine their significance.

- On-going

  - The sustainability risk evaluation process does not end once the Investment Manager has decided to make an investment. Once invested, the Investment Manager remains an engaged investor and sustainability risk are monitored at various stages of the investment cycle, as part of its on-going review of the prospects of a company; this ongoing process may include Analysis or Engagement. The on-going information gathered will feed back into future investment analysis and may have an impact on subsequent decisions on that investment. The on-going information gathered may determine whether the level of sustainability risk has changed since the initial assessment has been conducted. This monitoring is conducted in line with wider pre-existing investment reviews. Where the sustainability risk associated with a particular investment has increased beyond the sustainability risk appetite for the relevant Fund, the Investment Manager may consider selling or reducing the Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Fund could be materially negatively impacted by an ESG Event or Conditions) faced by the Fund is low.