Bridge Fund Management Limited

Integration of Sustainability Risks on Investment decision making process

Gavekal Multi-Fund plc

EU Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ('SFDR') entered into force on 10 March 2021. The Regulation requires managers to better inform end-investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, as applicable.

This document specifically addresses Article 3 of SFDR: "Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process."

Integration of Sustainability Risk into investment Decision Making

The management of sustainability risk (being the risk that the value of a Sub-Fund could be materially negatively impacted by an ESG Event, defined below) ("Sustainability Risk") forms part of the due diligence process implemented by the Investment Adviser for the Sub-Funds. The extent to which Sustainability Risk forms part of the due diligence process implemented by the Investment Adviser for a particular Sub-Fund is described in further detail in the Sub-Fund Information Card relating to that Sub-Fund. To the extent that it is assessing the sustainability risk associated with underlying investments, the Investment Adviser is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition ("ESG Event").

To the extent that it is assessing the Sustainability Risk associated with underlying investments, Sustainability Risk is identified, monitored and managed by the Investment Adviser in the following manner using both quantitative and qualitative processes:
(i) Prior to acquiring investments on behalf of a Sub-Fund, the Investment Adviser uses ESG metrics of third party data providers ("Data Providers") to assess how an issuer takes account of ESG factors in the way it structures its activities, and in turn, how susceptible the issuer might be to Sustainability Risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a Sustainability Risk to the Sub-Fund) and positive screening whereby those investments which have a low Sustainability Risk rating as well as strong financial performance are included in the investment universe. The Investment Adviser also conducts fundamental analysis on each potential investment in order to allow it to assess the adequacy of ESG programmes and practices of an issuer to manage the Sustainability Risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Adviser in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Adviser investing in an issuer which has a lower ESG rating where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

(ii) During the life of the investment, Sustainability Risk is monitored through review of ESG data published by the issuer (where relevant) or selected Data Providers to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted. This review is conducted on a quarterly basis. Where the Sustainability Risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Sub-Fund, the Investment Adviser will consider selling or reducing the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

Gavekal Global Equities UCITS Fund

Sustainability Risk impacting the Sub-Fund

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