Bridge Fund Management Limited

Integration of Sustainability Risks on Investment decision making process

Victory THB Funds

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."

Victory THB U.S. Opportunities UCITS Fund

Integration of sustainability risk

The management of sustainability risk forms part of the due diligence process implemented by the Investment Manager. The Investment Manager is a signatory of the United Nations-supported Principles for Responsible Investment ("PRI") and fully supports the PRI. The Principles of PRI involve the Investment Manager incorporating the consideration of ESG issuers into the investment analysis and decision-making process for the Sub-Fund. In addition, the Investment Manager is a signatory of the Montreal Carbon Pledge and as a result, the Investment Manager periodically measures the weighted average carbon intensity of the Sub-Fund's portfolio.

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 environmental, social or governance event or condition ("ESG Event").

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

1. Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager conducts fundamental analysis on each potential investment in order to allow it to assess the sustainability risk the relevant investee company faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in a company. The Investment Manager systematically and consistently incorporates ESG factors into the research process, risk controls, and capital allocation. Specialist external data providers may also be used if appropriate.

2. The Investment Manager's research process also takes into consideration climate-risk issues such as carbon emissions, green technologies, energy efficiency and pollution/waste reduction activities. The Investment Manager measures the carbon exposure of the Sub-Fund's portfolio to climate risks which are evaluated by measuring and analyzing the aggregate carbon intensity of the Sub-Fund's portfolio and revenue exposure to positive impact, low carbon solutions. The Investment Manager also measures the Sub-Fund's positive exposure to emerging technologies that allows the Investment Manager to capitalize on potential investments that capture these investment opportunities across various industries.

3. During the life of the investment, sustainability risk is monitored by the Investment Manager through the review of data published by the relevant investee company to determine whether the level of sustainability risk has changed since the initial assessment of the sustainability risk faced by the company, was conducted by the Investment Manager. This review is conducted on an on-going basis. Where the sustainability risk associated with a particular investment has increased since the initial investment, the Investment Manager may consider selling or reducing the Sub-Fund's exposure to the relevant investment or may engage directly with the investee company's management on the relevant risks, including sustainability risk, as it deems to be in the best interests of the Shareholders of the Sub-Fund. The engagement by the Investment Manager with the management of the relevant investee company is conducted with a view to encouraging the company to address the risks faced by it.

While the Investment Manager considers sustainability risk in the investment decision-making process of the Sub-Fund, this does not mean that sustainability risk considerations are the sole or foremost considerations for investment decisions. The Investment Manager 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.

As permitted under Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") and in accordance with Article 7(2) of the SFDR, the Manager does not consider the adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have on its balance sheet an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect.

This Sub-Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Sub-Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Victory THB U.S. Mid-Cap UCITS Fund

Integration of sustainability risk

The management of sustainability risk forms part of the due diligence process implemented by the Investment Manager. The Investment Manager is a signatory of the United Nations-supported Principles for Responsible Investment ("PRI") and fully supports the PRI. The Principles of PRI involve the Investment Manager incorporating the consideration of ESG issuers into the investment analysis and decision-making process for the Sub-Fund. In addition, the Investment Manager is a signatory of the Montreal Carbon Pledge and as a result, the Investment Manager periodically measures the weighted average carbon intensity of the Sub-Fund's portfolio.

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 environmental, social or governance event or condition ("ESG Event").

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

1. Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager conducts fundamental analysis on each potential investment in order to allow it to assess the sustainability risk the relevant investee company faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in a company. The Investment Manager systematically and consistently incorporates ESG factors into the research process, risk controls, and capital allocation. Specialist external data providers may also be used if appropriate.

2. The Investment Manager's research process also takes into consideration climate-risk issues such as carbon emissions, green technologies, energy efficiency and pollution/waste reduction activities. The Investment Manager measures the carbon exposure of the Sub-Fund's portfolio to climate risks which are evaluated by measuring and analyzing the aggregate carbon intensity of the Sub-Fund's portfolio and revenue exposure to positive impact, low carbon solutions. The Investment Manager also measures the Sub-Fund's positive exposure to emerging technologies that allows the Investment Manager to capitalize on potential investments that capture these investment opportunities across various industries.

3. During the life of the investment, sustainability risk is monitored by the Investment Manager through the review of data published by the relevant investee company to determine whether the level of sustainability risk has changed since the initial assessment of the sustainability risk faced by the company, was conducted by the Investment Manager. This review is conducted on an on-going basis. Where the sustainability risk associated with a particular investment has increased since the initial investment, the Investment Manager may consider selling or reducing the Sub-Fund's exposure to the relevant investment or may engage directly with the investee company's management on the relevant risks, including sustainability risk, as it deems to be in the best interests of the Shareholders of the Sub-Fund. The engagement by the Investment Manager with the management of the relevant investee company is conducted with a view to encouraging the company to address the risks faced by it.

While the Investment Manager considers sustainability risk in the investment decision-making process of the Sub-Fund, this does not mean that sustainability risk considerations are the sole or foremost considerations for investment decisions. The Investment Manager 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.

As permitted under Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") and in accordance with Article 7(2) of the SFDR, the Manager does not consider the adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have on its balance sheet an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect.

This Sub-Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Sub-Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.