Bridge Fund Management Limited

Integration of Sustainability Risks on Investment decision making process

YUKI Asia Umbrella Fund

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."

All sub-funds of the YUKI Asia Umbrella Fund

The integration of sustainability risk forms part of the initial and ongoing due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that an issuer's financial performance, their long-term returns and hence the value of the stock could be materially negatively impacted by an environmental, social or governance event or condition ("ESG Event").

Sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

(i) Prior to acquiring investments on behalf of the Fund, the Investment Manager carries out an in-depth assessment of the issuer's future return and earnings profile. Any significant ESG issues that could have a material impact on the issuer's financial performance or risk profile are typically identified at this stage and captured within the Investment Manager's assessment of sustainable returns and earnings potential. The information gathered from this fundamental analysis will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer.

(ii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer (where relevant) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Sub-Fund, the Investment Manager 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.

Taking the above approach into account, the Investment Manager assesses 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 as low.