

OSMOSIS INVESTMENT MANAGEMENT

SUSTAINABLE FINANCE DISCLOSURE POLICY

Sustainable Finance Disclosures Regulation (“SFDR”) means 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 which Osmosis has adopted as an appropriate disclosure regime across its range of financial products.

Osmosis will review and consider its obligations under SFDR on an ongoing basis pending further guidance on the Level 2 regulatory technical standards (the “RTS”) applicable to SFDR and/or further guidance from local regulatory authorities, such as the FCA and the Irish Central Bank. Upon the adoption of the RTS, which are expected to enter into force during 2022, Osmosis will reassess its disclosures under Article 9 of SFDR. Classifications under Article 9 may have to change in the future and investors should not decide to invest in the Strategies solely based on these classifications.

Central to the Osmosis Investment Strategies is a common environmental objective - to mitigate long term environmental threats to portfolio performance and the planet. Using key resource efficiency indicators on the use of energy and water and on the production of waste, all Osmosis’ strategies demonstrate significant reductions in resource intensity. The key characteristics of the Osmosis Investment Strategies as they relate to the requirements of SFDR are set out in this policy document.

Part 1

Equity (Long) Investment Strategies

1. What is the sustainable investment objective?

The investment objective is to provide investors with capital appreciation over the medium to long term through active exposures to equity securities of resource efficient public companies and, where relevant to a strategy, underweight exposure to resource intensive public companies. The selection of companies is based on sector relevant, objective analysis of such companies in their use of carbon emissions per unit of revenue, water consumption per unit of revenue and creation of waste per unit of revenue.

Resource efficient public companies are those companies which emits less carbon per unit of revenue than their sector peers, use less water per unit of revenue than their sector peers and create less landfill, incinerated and recycled waste per unit of revenue than their sector peers as determined by the Osmosis proprietary Model of Resource Efficiency (“MoRE Model”), as further detailed below.

2. What are the Osmosis investment strategies?

Osmosis utilises its MoRE Model to arrive at a Resource Efficiency Factor Score for public companies. The Resource Efficiency Factor Score is used to identify high quality companies with strong management teams and an environmental competitive advantage, i.e those companies that are successfully transitioning to a greener economy. Osmosis portfolios are constructed of those companies which have improved sustainability characteristics focused on carbon emission, water consumption and waste creation and which target an excess performance derived from the tilts to such sustainability factors. Therefore, Osmosis, through its MoRE Model, maximises sustainability exposure within the risk tolerance of investors,

notwithstanding the broad nature of any applicable benchmark. The nature of the investment approach developed by Osmosis enables its strategies to achieve its sustainability objectives.

In tandem, Osmosis has ethical exclusions such that companies that are in breach of the UN Global Compact principles (the "**UNGC Principles**") are automatically excluded from any investment, in addition to companies in the tobacco sector. In the context of the UNGC Principles, Osmosis relies upon its own proprietary approach to implement the environmental principles through the MoRE Model. While there is much debate with regards to the fossil fuel divestment vs transition, mandates which include fossil fuels naturally target the most efficient within the sector and the same approach is applied across sectors in relation to its other resource indicators (the use of water and the production of waste).

Osmosis has established an ESG Advisory Council that is responsible for keeping ESG criteria under review. The Council regularly assess the applicability and/or relevance of exclusions in the context of the developing economy and how companies are approaching their transition towards zero carbon production. The ESG Advisory Council includes employees of Osmosis as well as external parties who have expertise in, and working knowledge of, Environmental, Social and Governance principles.

The investment universe ("**Investment Universe**") for the Osmosis investment strategies comprises the world's largest public companies in developed global markets. The Resource Efficiency Factor Score is generated through the Osmosis MoRE Model which calculates scores on a systematic basis using a proprietary resource efficiency valuation metric derived from observed amounts of energy consumed, water use, and waste created relative to revenue generated for each company in the global large cap universe. The Resource Efficiency Factor Score is used to maximise each Strategy's exposure to resource efficient public companies. This results in a significant reduction in its environmental footprint across carbon emissions, water consumption and waste creation. The level of environmental footprint reduction is linked to the risk tolerance of each Strategy.

The MoRE Model will analyse the disclosing universe of public companies contained within a relevant benchmark that disclose sufficiently on their GHG emissions, waste creation and water consumption, in the public domain through their annual reports and sustainability reports; this data is checked for completeness and accuracy and then entered into the MoRE Model database making it part of the disclosing universe of stocks. The specialist research team at Osmosis assesses, corrects, normalises and collates resource efficiency data from large corporates as its core function. Data runs through a statistical check on both absolute quantities and intensities. Significant data variations and anomalies with respect to previous years are automatically selected for manual analysis: annual and semi-annual sustainability reports are then researched to validate or correct the original source information. Osmosis regularly engages with the underlying corporate to seek clarification and improved transparency of certain data points.

Only companies which disclose on GHG emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of GHG emissions, water use, and waste generated which are used to quantify a company's resource efficiency relative to their sector peers. The Strategies' investment portfolios are deliberately biased towards companies with higher scores thereby increasing the portfolio weights towards public companies exhibiting greater resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, the Resource Efficiency Factor Score will be updated. A company that either does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero factor score.

3. What is the asset allocation planned for the Strategies?

100% of the assets in Osmosis' Resource Efficient long only strategies are focused on attaining their sustainability objective. The Strategies invests primarily in physical assets and their exposure to FDI is very limited (efficient portfolio management purposes).

4. Do the Strategies take into account principal adverse impact factors?

Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors. Osmosis's evidence-based approach looks at objective and verifiable measures of sustainability, through the stripping out of subjective data such as environmental targets or policies, measuring sustainable action over intent.

At a strategy level Osmosis can demonstrate the carbon, water and waste savings versus its relevant benchmark. A strategy's environmental footprint savings are calculated and communicated on a quarterly basis or as frequently if required. Such savings are a key outcome of the portfolio construction process, and effectively measure the reduction in adverse impacts versus a strategy's relevant benchmark.

5. Where can Shareholders find more information on the Strategies online?

More product-specific information is available on the Osmosis website (including strategy specific SFDR disclosures) at <https://www.osmosisim.com/uk/> and is kept up to date.

6. Is there a specific benchmark designated to meet the sustainable investment objective?

Different strategies have different benchmarks with outperformance being a key objective. Osmosis typically uses standard industry benchmarks which do not continuously align to sustainability factors. Rather a strategy's sustainable investment objective is attained by the implementation by Osmosis of the investment approach detailed above. Osmosis specifically measures and provides water, waste and energy (carbon) metrics and footprints these against a strategy's benchmark with savings expectations in the 40-60% range. These environmental savings are not targeted but the result of the investment approach developed by Osmosis.

7. Do the strategies have the objective of a reduction in carbon emissions?

The Osmosis investment strategies are specifically designed to target those companies that produce less carbon emissions than their same sector peers, thereby reducing the carbon emissions for each strategy relative to its relevant benchmark. More detail is provided in the description of the investment approach above. However, the Strategies do not have the specific objective of reducing carbon emissions.

8. Integration of Sustainability Risks

Sustainability Risks and opportunities are at the core of the Osmosis's strategies. As stated above, Osmosis uses its MoRE Model to attribute Resource Efficiency Factor Scores to each company within each strategy's investment universe. This allows Osmosis to select resource efficient public companies for investment. By gaining exposure to such resource efficient public companies, Osmosis seeks to reduce the Sustainability Risks of its investment strategies.

Osmosis's investment thesis affirms that companies that derive greater economic value relative to their natural resource consumption will be rewarded by the market over the long-term. Osmosis believes the Resource Efficiency Factor Scores allow it to identify target companies that have best adapted their businesses to future Sustainability Risks and which will financially thrive relative to their same sector peers. Osmosis does not see sustainability as a risk, but ultimately an opportunity to enhance financial returns.

Part 2

Market Neutral Equity (Long)/Short) Investment Strategies

The Strategy has Sustainable Investment (as defined above) at its core.

1. What is the sustainable investment objective of the Strategy?

The investment objective of the Osmosis Resource Efficient Market Neutral Strategy (the “Strategy”) is to deliver a market neutral portfolio with a core focus on resource efficiency and which seeks to outperform a financial benchmark. The Strategy aims to achieve its objective by seeking to maximise exposure to permissible investments (investment universe as detailed above) through Osmosis's utilisation of its MoRE Model, as further detailed below, in a market neutral strategy. Osmosis targets long exposure to shares of companies that are deemed to be resource efficient by Osmosis using the MoRE Model and short exposure to shares of companies that are deemed to be resource intensive by Osmosis using the MoRE Model. The Strategy neutralises the exposure to other traditional common factors.

The Strategy aims to achieve its objective by maximising its exposure to resource efficient public companies. The selection of companies is based on sector relevant, objective analysis of such companies in their use of energy per unit of revenue, water consumption per unit of revenue and creation of waste per unit of revenue.

2. What is the investment strategy?

The Strategy aims to deliver its investment objective with a beta as close to zero as possible by Osmosis matching long and short positions across sectors, markets and geographies and thereby generating a low beta. The Strategy seeks to maximise exposure to permissible investments (see investment universe as detailed below) that it may gain exposure to by using the MoRE Model in a market neutral strategy. The Strategy targets long exposure to the shares of companies that are deemed to be resource efficient by the Investment Manager using the MoRE Model and short exposure to the shares of companies that are deemed to be resource intensive by the Investment Manager using the MoRE Model and neutralises the exposure to other traditional common factors (as detailed further below). Therefore, Osmosis through its MoRE Model, maximises the Strategy's sustainability exposure within the investor risk tolerance and in this way, the Strategy seeks to achieve its sustainability objectives.

In tandem, Osmosis also has ethical exclusions such that companies that are in breach of the UN Global Compact principles (the "UNGC Principles") are automatically excluded from any investment, in addition to companies in the tobacco sector. In the context of the UNGC Principles, Osmosis relies upon its own proprietary approach to the environmental principles. Whilst there is much debate with regards to the fossil fuel divestment vs transition, mandates which include fossil fuels naturally target the most efficient within the sector.

Osmosis has established an ESG Advisory Council that is responsible for keeping ESG criteria under review. The Council regularly assess the applicability and/or relevance of exclusions in the context of the developing economy and how companies are approaching their transition towards zero carbon production. The ESG Advisory Council includes employees of Osmosis as well as external parties who have expertise in, and working knowledge of, Environmental, Social and Governance principles.

The MoRE Model analyses the disclosing universe of public companies contained within the MSCI Developed World Index that disclose sufficiently on their energy consumption, waste creation and water consumption, in the public domain through their annual reports and sustainability reports; this data is checked for completeness and accuracy and then entered into the MoRE Model database making it part of

the disclosing universe of stocks. The specialist research team at Osmosis assesses, corrects, normalises and collates resource efficiency data from large corporates as its core function. Data runs through a statistical check on both absolute quantities and intensities. Significant data variations and anomalies with respect to previous years are automatically selected for manual analysis: annual and semi-annual sustainability reports are then researched to validate or correct the original source information. Osmosis regularly engages with the underlying corporate to seek clarification and improved transparency of certain data points.

Only companies which disclose on GHG emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, the Resource Efficiency Factor Score will be updated. A company that either does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero factor score.

3. What is the asset allocation planned for the Strategy?

100% of the Strategy's portfolio is used to attain its sustainability objective with the long book allocated to resource efficient companies and the short book comprising resource intensive companies (as per the Resource Efficiency Factor Score).

4. Does the Strategy take into account principal adverse impact factors?

Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

Osmosis's evidence-based approach looks at objective and verifiable measures of sustainability, through the stripping out of subjective data such as environmental targets or policies, measuring sustainable action over intent.

At the level of the Strategy, Osmosis can demonstrate the carbon, water and waste savings of the long portfolio relative to the short portfolio. The long and short portfolio footprint savings are calculated and communicated on a quarterly basis, as well as on client request. They are a key outcome of Osmosis's portfolio construction process, and effectively measure the net impact of the resulting portfolio.

5. Where can Shareholders find more information on the Strategy online?

More product-specific information is available on Osmosis's website at <https://www.osmosisim.com/uk/> and is kept up to date.

6. Is there a specific benchmark designated to meet the sustainable investment objective?

As stated in its investment objective, the Strategy seeks to outperform a financial benchmark which does not continuously align to sustainability factors. Rather the Strategy's sustainable investment objective is attained by the implementation by Osmosis of the investment strategy detailed above. As the Strategy is an absolute return strategy there is no relevant sustainability benchmark, however, the investment approach specifically targets resource efficient companies in its long book while holding resource intensive companies in its short book. Osmosis specifically measures and provides carbon, water and waste metrics at a portfolio level and these demonstrate environmental savings in the 40-60% range.

7. Does the Strategy have the objective of a reduction in carbon emissions?

The Strategy's investment strategy is specifically designed to target those companies producing less carbon emissions than their peers in the long book and more carbon intensive in the short book (as more particularly detailed in the description of the investment strategy in the Supplement) thereby delivering substantial carbon emission reductions in the Strategy. However, the Strategy does not have the specific objective of reducing carbon emissions.

8. Integration of Sustainability Risks

Sustainability Risks and opportunities are at the core of the Strategy's investment strategy. As stated above, Osmosis uses its MoRE Model to attribute Resource Efficiency Factor Scores to each company within the Strategy's investment universe. This allows Osmosis to select resource efficient public companies in its long book and resource intensive companies in its short book. By gaining exposure to such resource efficient public companies and shorting resource intensive companies, Osmosis seeks to reduce Sustainability Risks to the Strategy.

Osmosis's investment thesis asserts that companies that derive greater economic value relative to their natural resource consumption will be rewarded by the market over the long-term. Osmosis believes the Resource Efficiency Factor Scores allow it to identify companies that have best adapted their businesses to future Sustainability Risks and which will financially thrive relative to their same sector peers. Osmosis does not see sustainability as a risk, but ultimately an opportunity to enhance financial returns.