SUSTAINABLE FINANCE DISCLOSURES STATEMENT

Sustainability Risk

The Investment Manager has responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards sustainable society and that the Environmental, Social and Governance ("ESG") characteristics of companies can be a long-term driver of financial performance.

The Investment Manager considers that, in addition to economic and financial aspects, the integration within the investment decision process of ESG dimensions, including sustainability factors and sustainability risks, allows a more comprehensive assessment of investment risks and opportunities. Accordingly, the management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with direct 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 ("ESG Event").

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

(i) Prior to acquiring investments the Investment Manager uses ESG metrics of third party data providers ("Data Providers") in order to screen the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. The Investment Manager applies targeted exclusion policies to all its active investing strategies by excluding companies which have high sustainability risk and are inconsistent with the principles in its Responsible Investment Policy (which sets out the Investment Manager's policies and practices in the area of responsible investing and is available on its website at www.kbiglobalinvestors.com). Examples of such companies would be those which are in serious and ongoing breach of the Principles of the United Nations Global Compact (which sets out minimum standards that companies should comply with in the areas of human rights, labour, the environment and anti-corruption). The Investment Manager also applies positive screening whereby those investments which have a low sustainability risk rating as well as strong financial performance are included in the investment universe of the relevant Strategy. The Investment Manager also conducts 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 analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer. ESG performance and assessment of sustainability risk is assessed by comparison with other companies in the same industry through the following three ESG dimensions:

1. Environmental dimension: this examines a company's ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity;
2. Social dimension: this measures how a company operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of human rights in general; and
3. Governance dimension: This assesses capability of the company to ensure the basis for an effective corporate governance framework and generate value over the long-term.

(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. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Strategy, the Investment Manager will consider selling or reducing the Strategy’s exposure to the relevant investment, taking into account the best interests of the investors.