FUNDSIGHT

ESG & SUSTAINABILITY RISK POLICY

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I. INTRODUCTION

Addressing climate change and advancing sustainable development have become global imperatives. The 2015 Paris Agreement marked a pivotal moment, uniting countries around the shared goal of limiting global warming and enhancing resilience to climate-related impacts. In alignment with these objectives, the European Union launched a comprehensive strategy in 2018 to better align financial systems with sustainability goals.

This initiative gave rise to the concept of sustainable finance, which aims to:

1. Improve transparency around environmental, social, and governance (ESG) risks, and
2. Promote responsible risk management by financial and corporate actors.

To support these aims, the Sustainable Finance Disclosure Regulation (SFDR)—Regulation (EU) 2019/2088—was introduced in 2019 which requires financial market participants and advisers to disclose how they integrate sustainability risks into their investment decisions and advisory processes. These disclosures empower investors to better understand the potential impact of ESG factors on financial performance and to make more informed, responsible investment choices.

Under SFDR, financial market participants (FMPs) include entities such as investment firms, alternative investment fund managers (AIFMs), UCITS management companies, and credit institutions offering portfolio management. These entities must assess and disclose how they manage sustainability risks—defined as ESG-related events or conditions that could cause a material negative impact on the value of an investment

Fundsight (the "Company") is licensed by the Commission de Surveillance du Secteur Financier (CSSF) as:

- A Management Company under Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment (the "UCI Law"), and
- An AIFM under the Law of 12 July 2013 on alternative investment fund managers (the "AIFM Law").

Additionally, the Company is authorized to provide discretionary portfolio management services under Article 101(3)(a) of the UCI Law and Article 5(4) of the AIFM Law. It is permitted to perform all activities listed in Annex II of the UCI Law and Annex I of the AIFM Law.

Operating as third-party investment fund manager, the Company delivers portfolio and risk management solutions to UCITS and AIFMD-compliant, European-domiciled funds initiated by financial market participants as defined in Article 2(1) of the SFDR. Its business model enables clients to leverage the Company's capital, local presence, independent control functions, execution, valuation, supervisory, and reporting services—allowing them to focus on asset selection.

For most of its funds, the Company delegates portfolio management to qualified third-party managers. Where portfolio management is retained in-house, a third-party investment advisor, in the majority of cases, is appointed to support the investment process.

In line with global and European regulatory developments—including the Paris Agreement and the EU's sustainable finance strategy—the Company recognizes the importance of

integrating ESG considerationsinto its operations and investment oversight. Through compliance with SFDR, the Company ensures transparency in how sustainability risks are managed and how adverse impactson ESG factors are considered.

II. PURPOSE OF THIS POLICY

This ESG and Sustainability Risk Policy outlines the Company's approach to meeting these obligations. It defines how sustainability risks are assessed and managed, how ESG factors are integrated into investment oversight—whether performed directly or through delegation —and how transparency is ensured through appropriate disclosures. The policy also supports the classification of financial products under SFDR (Articles 6, 8, or 9) and reflects the Company's broader commitment to responsible investment and sustainable finance.

The purpose of this policy is to ensure that sustainability risks are consistently identified, assessed, and managed across all investment strategies, whether executed directly by the Company or through delegated arrangements. It also ensures that the consideration of Principal Adverse Impacts (PAIs) is addressed, in line with the requirements of the Sustainable Finance Disclosure Regulation (SFDR).

By establishing this policy, the Company aims to promote transparency and accountability in its investment practices, support the long-term value and resilience of the funds under management, and align with broader sustainability objectives. This framework also enables the Company to ensure that financial products are appropriately classified under SFDR as Article 6, 8, or 9, based on the degree to which ESG factors are integrated into their investment approach.

Therefore, this policy aims to:

- Describe how sustainability risks are integrated into investment decisions and risk management processes.
- Outline the Company's approach to ESG factors.
- Ensure compliance with the Sustainable Finance Disclosure Regulation (SFDR - EU 2019/2088), the EU Taxonomy Regulation (EU 2020/852), and relevant guidance from the CSSF.

III. SCOPE

This policyapplies to all investment funds for which the Company acts as the appointed PortfolioManager, whether the portfolio management function is performed internally or delegatedtoexternal investment managers. It also covers funds where the Company retains portfoliomanagement responsibility but appoints a third-party investment advisor to support the investment process.

The policy is applicable across all asset classes, investment strategies, and jurisdictions in which the Company operates, to the extent permitted by local regulation. It governs the integration of sustainability risks and the consideration of PAIs in both discretionary portfolio management and advisory activities.

Furthermore, this policy extends to the oversight and due diligence processes the Company applies to its delegates and advisors. This includes ensuring that delegated portfolio

managers and appointed investment advisors maintain ESG practices that are consistent with the Company's regulatory obligations and internal standards.

The scope of this policy also includes the classification and ongoing monitoring of financial products under the SFDR, specifically Articles 6, 8, and 9, and the related disclosure requirements at both the product and entity level.

IV. GOVERNANCE

The Company has established a clear governance framework to oversee the integration of sustainability risks.

This framework ensures that ESG responsibilities are embedded across the organization and that regulatory obligations under the SFDR are met consistently.

Ultimate responsibility for the implementation and oversight of this ESG and Sustainability Risk Policy lies with the Company's Board of Directors. The Board ensures that the policy aligns with the Company's strategic objectives, regulatory requirements, and fiduciary duties. It also reviews and approves the policy on a regular basis, or as needed in response to regulatory or market developments.

Day-to-day responsibility for the application of the policy is delegated to the Conducting Officers, who are responsible for ensuring that sustainability risks are appropriately integrated into the investment decision-making process—whether managed internally or through delegated portfolio managers. The Conducting Officers are also responsible for overseeing the due diligence and ongoing monitoring of third-party investment advisors and delegated managers, ensuring that their ESG practices are aligned with the Company's standards and regulatory expectations.

The Risk Management and Compliance functions play a key role in supporting the governance of this policy. Risk Management is responsible for identifying, assessing, and monitoring sustainability risks across portfolios, while Compliance ensures that disclosures and practices are in line with SFDR and other applicable regulations. Both functions report regularly to the Conducting Officers and the Board on ESG-related matters.

This governance structure ensures that ESG and sustainability considerations are not only integrated into investment processes but are also subject to robust oversight and accountability at all levels of the organization

V. DELEGATION OVERSIGHT

As partof its operating model, the Company may delegate portfolio management activities to third-party investment managers. While delegation allows the Company to leverage external expertise, it retains full responsibility for ensuring that all regulatory obligations, including those related to ESG and sustainability risk integration, are met.

To uphold this responsibility, the Company conducts a thorough due diligence process before entering into any delegation arrangement. This process is designed to ensure that the appointed portfolio manager or investment advisor possesses the necessary skills,

experience, and resourcestomanage the fund in line with its investment strategy and risk profile. In the context of sustainability, and following the entry into force of the SFDR, the due diligence process includesthecompletion of an ESG questionnaire based on the UN Principles for ResponsibleInvestment (PRI) reporting framework.

This ESG due diligencequestionnaire assesses several key areas: the expertise and knowledge applied to theassessment and integration of sustainability risks; the extent to which sustainability risksareembedded in the investment decision-making process; the existence of sustainabilityriskcontrols at pre-trade, post-trade, and reporting levels; and, where a sustainability riskisdeemed material to a financial product, whether the related disclosures are appropriatelyreflected in pre-contractual documentation in accordance with Article 6 of SFDR.

Ongoing oversight is a critical component of the delegation framework. The Company regularly monitors the ESG practices of its delegates to ensure continued alignment with regulatory requirements and internal standards. This includes reviewing the consistency between pre-contractual disclosures, the fund's investment objectives, and the actual investment decision-making process. Through this oversight, the Company is able to assess the adequacy and effectiveness of sustainability risk integration across all delegated arrangements.

VI. MONITORING AND REVIEW

The Company has implemented a comprehensive monitoring and review framework to ensure the effective integration of sustainability risks across all investment activities. Recognizing that the financial products it makes available are inherently exposed to sustainability risks, the Company has embedded these risks into its broader risk management process, alongside traditional financial and operational risks.

To meet regulatory expectations—particularly those under SFDR—the Company has enhanced its existing risk management framework. This includes the integration of ESG-specific controls and oversight mechanisms designed to monitor, mitigate, and report on sustainability risks at both the entity and product level.

As part of this enhanced framework, the Company has developed a tailored ESG risk profiling assessment, implemented custom Key Risk Indicators (KRIs), and introduced risk mitigation techniques. These tools are used to support both ex-ante and ex-post controls, enabling the Company to oversee the ESG implementation of portfolio managers and investment advisors, and to identify any potential conflicts of interest that may arise from the integration of sustainability risks into investment processes, systems, and internal controls.

The internal fund risk profiling methodology has also been enriched to include SFDR-specific assessments for each fund compartment. This includes the product's SFDR classification (Article 6, 8, or 9), annual portfolio turnover, and ESG portfolio scoring. The KRIs focus on several key dimensions: overall ESG scoring to assess sustainability performance; exposure to controversial or "sin" sectors; quantitative analysis of ESG-related controversies; and compliance with international treaties and ethical standards. Additional indicators include country and sector-level climate risks (both physical and transition), gender representation, and CO_2 emissions.

To support transparency and informed decision-making, the Company produces a detailed yet accessible sustainability risk report. This report is available upon request to the Board of Directors and portfolio managers and provides a comprehensive overview of ESG-related metrics. Structured as a static PDF, the report is generated on a recurring basis using specialized ESG data and methodologies. It includes multiple sections with key performance indicators (KPIs), visualizations, and thematic breakdowns—covering areas such as ESG scores, controversies, screening and exclusion lists, and sustainability risks by country and sector.

This report serves both internal and external purposes: internally, it supports risk monitoring and board-level oversight; externally, it contributes to periodic reporting and marketing disclosures. Through this structured and data-driven approach, the Company ensures that sustainability risks are continuously monitored and that ESG integration remains aligned with the fund's investment objectives and regulatory obligations.

The ESG and Sustainability Risk Policy itself is reviewed at least annually, or more frequently in response to regulatory changes, market developments, or findings from internal reviews. Any updates are approved by the Board of Directors and communicated to relevant stakeholders to ensure continued alignment and accountability.

In cases where the portfolio includes illiquid assets or positions for which ESG data is limited or difficult to obtain, the Company places increased reliance on the reporting and transparency provided by the appointed portfolio managers or investment advisors. These positions often fall outside the scope of standard ESG data providers, making direct assessment more challenging. To address this, the Company requires delegates to provide qualitative and quantitative insights into how sustainability risks are assessed and managed for such holdings. This includes narrative disclosures, internal scoring methodologies, and any available third-party assessments. The Company incorporates this information into its broader risk monitoring framework and evaluates it in the context of the fund's overall ESG profile and SFDR classification. Where necessary, additional controls or enhanced oversight measures may be applied to ensure that sustainability risks are adequately considered, even in the absence of standardized data. This approach ensures that ESG risk oversight remains robust and consistent across all asset types, including those with lower transparency or liquidity.

VII. PRODUCT OVERSIGHT

The Company maintains a structured oversight process to ensure that ESG and sustainability considerations are appropriately reflected at the product level, in line with the requirements of the Sustainable Finance Disclosure Regulation (SFDR). This includes verifying that each fund's investment strategy, risk profile, and sustainability objectives are accurately disclosed and consistently implemented.

For financial products classified under Article 8 or Article 9 of SFDR, the Company ensures that the ESG characteristics or sustainable investment objectives are supported by adequate policies, procedures, and controls. This includes working closely with product initiators and portfolio managers to establish appropriate ESG-related key risk indicators, and reporting mechanisms that align with the fund's stated objectives and prospectus disclosures.

Where a fund considers Principal Adverse Impacts (PAIs) at the product level, the Company ensures that the relevant disclosures are clearly presented on the product's website and in

the pre-contractual documentation. In cases where PAIs are not considered, the Company verifies that a clear and reasoned explanation is provided in accordance with Article 7 of SFDR. Furthermore, for funds that commit to making sustainable investments, the Company ensures that the pre-contractual documents include a description of how the relevant PAI indicators have been considered as part of the "Do No Significant Harm" (DNSH) assessment for the sustainable investment portion of the portfolio.

This oversight process is supported by regular reviews of product documentation and ESG reporting to ensure that sustainability-related commitments are being met in practice. Any inconsistencies or deviations are escalated and addressed in coordination with the relevant portfolio managers or investment advisors. Through this approach, the Company ensures that ESG integration is not only a matter of policy but is embedded in the day-to-day management and transparency of each financial product.

VIII. CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS AT COMPANY LEVEL

Oursustainability strategy is to prioritize impact and alignment with global standards. As such, we do not assess each PAI indicator individually. Instead, our efforts concentrate on twocore areas:

1. Implementing an ESG action plan, to directly support climate action and the transition to a low-carbon economy, as well as social and governance initiatives.
2. Aligning with the UN Principles for Responsible Investment (UN PRI), to ensure our investment practices reflect leading ESG standards.

This focused approach enables us to drive more meaningful outcomes and maintain transparency and accountability in our sustainability journey.

IX. ESG ACTION PLAN

The Company is in the early stages of implementing a structured ESG action plan to reinforce its commitment to sustainability and responsible business practices. As part of this initiative, a dedicated Corporate Social Responsibility (CSR) Committee has been established to guide and support the development of climate, social, and governance-related efforts across the organization.

The CSR Committee plays a foundational role in shaping the Company's long-term ESG strategy. Its initial focus is on supporting the transition to a low-carbon economy by identifying opportunities for climate action within the Company's operations and investment oversight. In parallel, the committee is beginning to explore initiatives that promote social responsibility—such as diversity, equity, and inclusion—as well as strong governance practices that enhance transparency and ethical conduct.

While the ESG action plan is still evolving, the CSR Committee is working to define clear objectives, engage relevant stakeholders, and align internal practices with emerging regulatory expectations and sustainability standards. As the framework matures, the Company aims to integrate these principles more deeply into its corporate culture, risk management, and investment oversight processes.

This early-stage action plan reflects the Company's proactive stance on sustainability and its intention to play a meaningful role in supporting positive environmental and social outcomes, while maintaining sound governance and regulatory compliance.

X. UN PRI SIGNATORY COMMITMENT

The Company is a signatory to the United Nations Principles for Responsible Investment (UN PRI), a globally recognized initiative that promotes the integration of environmental, social, and governance (ESG) factors into investment and ownership practices. By becoming a signatory, the Company has formally committed to upholding the six core principles of responsible investment, which serve as a framework for aligning investment practices with broader societal goals, including sustainable development and long-term value creation.

As a UN PRI signatory, the Company is expected to incorporate ESG issues into investment analysis and decision-making processes, be active owners by engaging with investee companies, and seek appropriate ESG disclosures from the entities in which it invests. The Company also commits to promoting the principles within the investment industry, collaborating to enhance effectiveness, and reporting on its activities and progress toward implementing the principles.

In shaping internal policies, the UN PRI principles help the Company to formalize its approach to ESG integration across investment analysis, ownership practices, and governance.

By following the UN PRI principles, the Company reinforces its commitment to continuous improvement, stakeholder engagement, and transparent reporting. This supports its broader goal of contributing to a more sustainable financial system while maintaining strong governance and accountability.