



Nutshell Growth Fund (the “Sub-Fund”)

Sustainability Related Disclosures – December 2022

Nutshell Asset Management Limited (the “Investment Manager”) is providing these Sustainability-Related Disclosures for the following actively managed financial products pursuant to Article 8(1) of the Sustainable Finance Disclosure Regulation 2019/2088:

- Nutshell Growth Fund

Summary

a) Principal Adverse Impacts (“PAIs”)

The Investment Manager does not consider PAIs as part of its investment process, as defined in the SFDR regulation

b) No Sustainable Investment Objective

The Sub-Fund does not have a sustainable investment objective

c) Environmental or Social (“E/S”) Characteristics of the Financial Products

The Sub-Fund promotes the following characteristics.

- Carbon emissions (CO2 tonnes per million dollars of revenue)
- Water pollution
- Harm to biodiversity
- Poor waste management practices
- Human rights
- Human trafficking
- Modern slavery / forced labour
- Breaches of employee rights / labour rights
- Child labour
- Discrimination
- Restrictions on or abuse of the rights of consumers

d) Investment Strategy

The Sub-Fund is an actively managed, concentrated strategy which gains exposure to equity and equity-related securities which are listed or traded in developed markets worldwide.

e) Proportion of Investments used to meet E/S Characteristics

The Sub-Fund holds a minimum of 50% investments that are aligned with its environmental or social characteristics

f) Monitoring of E/S Characteristics

The Investment Manager monitors the E/S Characteristics on an ongoing basis using the external and internal Data Sources and systems.

g) Methodologies

The Investment Manager uses a total of four Environmental criteria and one Social criteria to measure the environmental characteristics of the Sub-Fund

h) Data Sources and Processing

The Investment Manager uses a combination of internal and external data/research to assess the Sustainability Risks of prospective/existing investments.

i) Limitations to Methodologies and Data

While the Investment Manager presumes that the data it utilises from third-parties and develops using proprietary research is reliable and comprehensive, it is possible that such data will be impacted by inaccuracies or limitations that may not be evident to the Investment Manager

j) Due Diligence

The Investment Manager's investment personnel are responsible for conducting ongoing due diligence on both prospective securities, and securities already held in the Sub-Fund. A formal detailed analysis is conducted twice a month.

k) Engagement Policies

The Investment Manager does not typically directly engage with issuers but does take an active approach to proxy voting, as detailed in its Proxy Voting Policy

l) Designated Reference Benchmark

The Sub-Fund does not designate an index as a reference benchmark aligned with the environmental or social characteristics it may promote

Detail

a) Principal Adverse Impacts (“PAIs”)

While the Investment Manager considers material sustainability factors in its investment decisions and aims to collect relevant data given the size and sectors of the company it invests in, at the release of this statement the Investment Manager does not consider PAIs as defined by the SFDR regulation. With the adoption of the Regulatory Technical Standard, it recognises that it might not currently be able to consider and report all applicable PAI indicators, with a challenge at present being the sourcing of reliable information directly from the Sub-Fund's investees.

b) No Sustainable Investment Objective

The Sub-Fund promotes Environmental and Social characteristics as part of its investment process, but does not have as its objective, sustainable investment.

c) Environmental or Social (“E/S”) Characteristics of the Financial Products

Among other characteristics, the Sub-Fund promotes environmental and social characteristics. The environmental and social characteristics promoted by the Sub-Fund consist of investing in companies that may exhibit positive statistics in the following areas:

Environmental characteristics:

- Carbon emissions (CO2 tonnes per million dollars of revenue)
- Water pollution
- Harm to biodiversity
- Poor waste management practices

Social characteristics:

- Human rights
- Human trafficking
- Modern slavery / forced labour
- Breaches of employee rights / labour rights
- Child labour
- Discrimination
- Restrictions on or abuse of the rights of consumers

d) Investment Strategy

The Sub-Fund is an actively managed, concentrated strategy which gains exposure to equity and equity-related securities which are listed or traded in developed markets worldwide. The investment manager selects equity securities in the product through a bottom-up fundamental investment process built around a solid risk management framework. The process is founded on three core principles namely, investing in fundamentally sound companies, technical company data analysis and robust stock

valuations. The investment manager uses a proprietary quantitative screening process to select companies.

e) Proportion of Investments used to meet E/S Characteristics

The Sub-Fund may hold a minimum of 50% investments that are aligned with the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund does not commit to holding sustainable investments.

f) Monitoring of E/S Characteristics

The Investment Manager's investment personnel responsible for the discretionary management of the financial product portfolios have the primary responsibility for monitoring the environmental and social characteristics designed to be promoted by the financial products, using the data and potential systems available to those personnel.

g) Methodologies

The following indicators are used by the Investment Manager to attempt to attain/measure the social and environmental characteristics promoted by the financial products

Environmental Characteristics:

- Weighted average CO2 tonnes of emissions per million dollars of revenue
- Weighted average tonnes of emissions to water per million dollars of revenue
- Share of investments in companies located in or near to biodiversity-sensitive areas where activities negatively affect those areas
- Weighted average tonnes of hazardous waste generated per million dollars of revenue

Social Characteristics:

- Share of investments in companies in compliance with the UN Global Compact Principles

h) Data Sources and Processing

The Investment Manager has access to ESG data from both internal and external resources, which allows it to assess the Sustainability Risks associated with prospective or existing investments for these financial products. This data includes:

- Bloomberg ESG scores/ratings.
- Proprietary research in respect of issuers prepared by the Investment Manager, which may include an evaluation of the ESG impacts and/or attributes of potential investments for the Fund. Analysis in this research is derived from, among other sources, external analyst reports, issuer financial reports and presentations.
- Morningstar ESG scores/ratings.

When selecting investments for each financial product, the Investment Manager may employ some combination of the above-referenced data as well as other data (developed or acquired by the investment team). The Investment Manager's analysis may result in various outcomes, including without limitation an adjustment to its valuation of an issuer's securities, a decision to increase or decrease exposure to those securities in the Sub-Fund, or a decision to avoid investment in the securities. The Investment Manager's assessment relating to an investment for a financial product will evolve as it continues to conduct fundamental research concerning that issuer, its industry/sector, and other interested entities and stakeholders.

i) Limitations to Methodologies and Data

The effectiveness of the Investment Manager's research process relies upon both the experience and skill of the investment personnel and the quality of data and information available to those personnel. While the Investment Manager's research techniques are designed to assess the ESG profile and Sustainability Risks of issuers, there is no guarantee that such techniques will identify all matters relevant to the assessment or ongoing investment due diligence. While the Investment Manager presumes that the data it utilises from third-parties and develops using proprietary research is reliable and comprehensive, it is possible that such data will be impacted by inaccuracies or limitations that may not be evident to the Investment Manager.

j) Due Diligence

The Investment Manager's relevant investment personnel are responsible for conducting ongoing due diligence on the securities held in the portfolios of the Sub-Fund. The Investment Manager's due diligence is based on its quantitative and qualitative research analysis applied to the securities and issuers in its investment universe. The analysis is based upon data acquired by the Investment Manager, data and research tools developed by the Investment Manager among other things. The Sub-Fund is actively managed by the Investment Manager's personnel, and its review of the Sub-Fund is ongoing, with a formal, full, detailed analysis performed twice a month.

k) Engagement Policies

Direct engagement with issuers is typically not an integral part of the Investment Manager's investment process. The Investment Manager does however take an active approach to proxy voting and aims to vote in every instance where it is eligible to do so. Each agenda item is reviewed individually, particularly non-standard shareholder driven items, and the Investment Manager will vote according to each item's merits, not on the recommendation of the company board. The Investment Manager's Proxy Voting Policy contains full details of the principles and procedures involved in the proxy voting process.

l) Designated Reference Benchmark

The Sub-Fund does not designate an index as a reference benchmark aligned with the environmental or social characteristics it may promote. To the extent the financial product employs an index, it is used for performance measurement.