



SiM US High Yield Opportunities Fund

Strategic Income Management aims to promote environmental, social, and governance characteristics through its investment selection process as described in this document. The SiM US High Yield Opportunities Fund is classified as an Article 8 Fund for the purposes of SFDR.

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A) Summary

The Fund's investment objective is to seek: (i) high current income; and (ii) capital appreciation. The Investment Manager has three principles in selecting investments in issuers with sustainable business practices being taken into account by the Investment Manager when undertaking company level analysis to comprise the Fund's "core" portfolio, as further detailed in the section of the Supplement of the Fund entitled "Investment Policies", sub-section "Investment Strategy". First, in selecting its investments the Investment Manager seeks to gain exposure to issuers operating in industries with positive long-term trends such as demographics, technology, regulations, etc. which will provide fundamental support for that industry and the Fund's investment throughout the business cycle of the industry. Second, the Investment Manager seeks to avoid investing in issuers operating in industries it considers ill-suited to high levels of leverage due to factors in those industries such as volatile revenues, a need for high capital expenditure or other adverse long-term trends. Finally, the Investment Manager analyzes investments in issuers operating in industries it has selected for investment by the Fund from the perspective of a chief financial officer of that issuer, in order to ensure that the issuer's products, balance sheet, cash flows, capital expenditure levels and return on capital invested will be sustainable in the longer-term. In addition to this "core" portfolio, the Investment Manager will also opportunistically seek to invest in issuers operating in "out-of-favor" industries. The Investment Manager will first seek to determine that the industry is viable in the long term, and will then look for catalysts for a correction within that industry. Typically, this is a rebalancing of supply to demand through the removal of excess supply from the industry as weaker issuers operating within that industry firms are forced to close down or exit the industry. The Investment Manager seeks companies within those industries that have a pathway to survive the industry downturn. Investments in "out-of-favor" sectors/industries may represent up to one-third of the portfolio of investments of the Fund. The Fund's "out-of-favor" investments will be diversified across industries and/or subsectors of the capital markets. In seeking to achieve the Fund's investment objective, the Investment Manager takes sustainability and environmental, social and governance ("ESG") considerations into account as part of its investment decision-making process.

The Fund aims to promote environmental and social characteristics in accordance with Article 8 of SFDR through its investment selection process. The Investment Manager defines environmental and social characteristics as those environmental, social or governance criteria that have a positive environmental and/or social impact.

The Investment Manager promotes the following environmental and social factors when assessing sustainability risks and investment selection to promote environmental and/or social characteristics, including but not limited to:

Environmental - The Fund will promote good environmental practices through assessing whether an issuer has an environmental policy, has published targets to reduce their carbon footprint or released information regarding their current carbon emissions; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect, and focusing investments in companies that have these positive environmental characteristics, or if not, remediation programs in place to improve on these characteristics.

Social - The Fund will also promote good social practices by assessing an issuer's health and safety track record, anti-discriminatory hiring practices, breaches of regulatory requirements, any pending lawsuits and recent proxies that received significant shareholder dissent, and focusing investments in



companies that have positive records on these social characteristics, or if not, remediation programs in place to improve on these characteristics.

The above is achieved by the identification of environmental, social, and governance indicators, that have a positive environmental and/or social impact, by the Investment Manager as part of its debt and/or equity picking process through its proprietary research and analysis. In addition, the Investment Manager shall adhere to the exclusionary principles set out in the Supplement under the heading "Investment Policies", sub-paragraph "Investment Strategy".

B) No sustainable investment objective

The Fund promotes Environmental/Social (E/S) characteristics, but does not have a sustainable investment objective or goal.

C) Environmental or Social ("E/S") characteristics of the financial product

The Fund aims to promote environmental and social characteristics in accordance with Article 8 of SFDR through its investment selection process. The Investment Manager defines environmental and social characteristics as those environmental, social or governance criteria that have a positive environmental and/or social impact.

The Investment Manager promotes the following environmental and social factors when assessing sustainability risks and investment selection to promote environmental and/or social characteristics, including but not limited to:

Environmental - The Fund will promote good environmental practices through assessing whether an issuer has an environmental policy, has published targets to reduce their carbon footprint or released information regarding their current carbon emissions; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect, and focusing investments in companies that have these positive environmental characteristics, or if not, remediation programs in place to improve on these characteristics.

Social - The Fund will also promote good social practices by assessing an issuer's health and safety track record, anti-discriminatory hiring practices, breaches of regulatory requirements, any pending lawsuits and recent proxies that received significant shareholder dissent, and focusing investments in companies that have positive records on these social characteristics, or if not, remediation programs in place to improve on these characteristics.

The above is achieved by the identification of environmental, social, and governance indicators, that have a positive environmental and/or social impact, by the Investment Manager as part of its debt and/or equity picking process through its proprietary research and analysis. In addition, the Investment Manager shall adhere to the exclusionary principles set out in the Supplement under the heading "Investment Policies", sub-paragraph "Investment Strategy" and as discussed further below.

D) Investment strategy

The Fund's investment objective is to seek: (i) high current income; and (ii) capital appreciation. The Investment Manager has three principles in selecting investments in issuers with sustainable business practices being taken into account by the Investment Manager when undertaking company level analysis to comprise the Fund's "core" portfolio, as further detailed in the section of the Supplement



of the Fund entitled "Investment Policies", sub-section "Investment Strategy". First, in selecting its investments the Investment Manager seeks to gain exposure to issuers operating in industries with positive long-term trends such as demographics, technology, regulations, etc. which will provide fundamental support for that industry and the Fund's investment throughout the business cycle of the industry. Second, the Investment Manager seeks to avoid investing in issuers operating in industries it considers ill-suited to high levels of leverage due to factors in those industries such as volatile revenues, a need for high capital expenditure or other adverse long-term trends. Finally, the Investment Manager analyzes investments in issuers operating in industries it has selected for investment by the Fund from the perspective of a chief financial officer of that issuer, in order to ensure that the issuer's products, balance sheet, cash flows, capital expenditure levels and return on capital invested will be sustainable in the longer-term. In addition to this "core" portfolio, the Investment Manager will also opportunistically seek to invest in issuers operating in "out-of-favor" industries. The Investment Manager will first seek to determine that the industry is viable in the long term, and will then look for catalysts for a correction within that industry. Typically, this is a rebalancing of supply to demand through the removal of excess supply from the industry as weaker issuers operating within that industry firms are forced to close down or exit the industry. The Investment Manager seeks companies within those industries that have a pathway to survive the industry downturn. Investments in "out-of-favor" sectors/industries may represent up to one-third of the portfolio of investments of the Fund. The Fund's "out-of-favor" investments will be diversified across industries and/or subsectors of the capital markets. In seeking to achieve the Fund's investment objective, the Investment Manager takes sustainability and environmental, social and governance ("ESG") considerations into account as part of its investment decision-making process.

The Investment Manager implements the Fund's investment strategy on a continuous basis through the above investment process and the assessment of sustainability indicators, as further detailed above.

The Investment Managers utilizes a three step Environmental, Social and Governance assessment, a good governance assessment is the first step. The good governance assessment is used to assess a potential investment taking into account a number of indicators, which reflect widely recognised industry established good governance norms. An issuer must pass the Investment Manager's 'good governance' assessment in order to meet the Fund's criteria for investment, as outlined below.

Investee companies are assessed against a variety of factors and metrics, incorporating the key areas of corporate practice which are highlighted in SFDR, being sound management structures, strong employee relations, fair remuneration of staff, and tax compliance. In particular, the Investment Manager will assess against the following factors and metrics:

- (i) Labour management – Assessment of whether the company is compliant with the 3rd principle on labor relations on the UN Global Compact and is not on the non-compliance list;
- (ii) Business ethics, bribery and corruption – Assessment of whether the company is compliant with the 10th principle on anti-bribery and corruption of the UN Global Compact and is not on the non-compliance list;
- (iii) Accurate reporting – An assessment of whether the company has published unqualified audited financial statements and reports;
- (iv) Board oversight – An assessment of whether the Supervisory Board of the company, if applicable, has at least one independent board member;



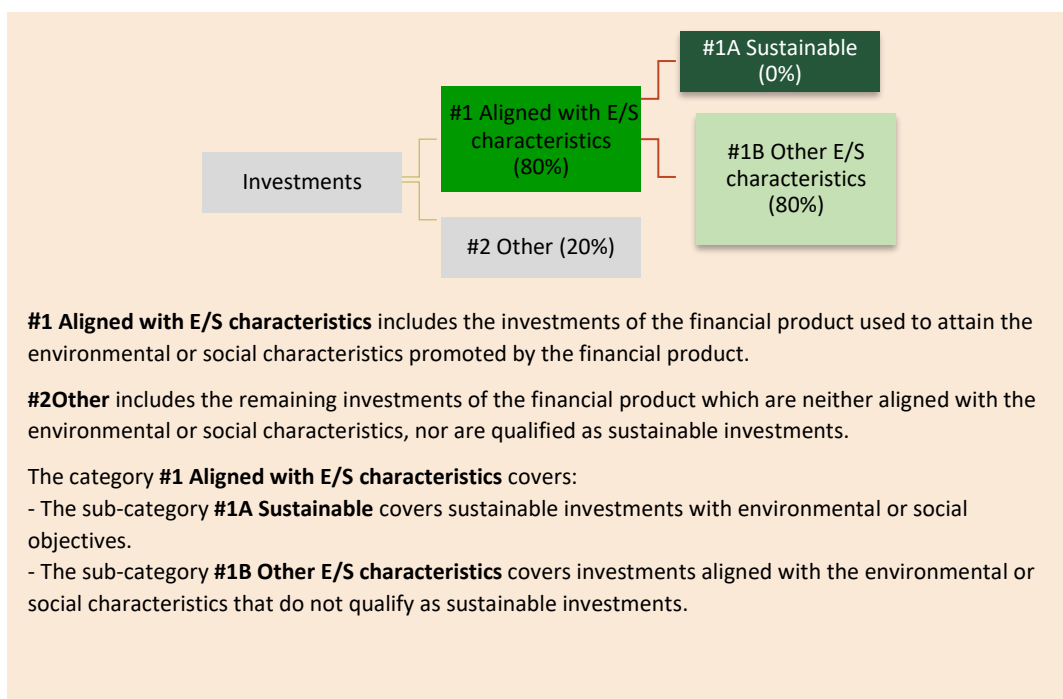
(v) Taxation and tax compliance – An assessment of whether the company has no significant controversies on in relation to taxation and accounting; and

(vi) Executive pay – An assessment of whether the company has appropriate compensation metrics for management that align their interests with those of other shareholders.

Additional factors may be considered by the Investment Manager on behalf of the Fund, as part of the assessment process, and the weight given to these indicators may change over time.

The Investment Manager implements the Fund's investment strategy on a continuous basis through the above investment process and the assessment of sustainability indicators.

E) Proportion of investments used to meet E/S characteristics



The Fund allocates the majority (at least 80%) of its assets to non-investment grade or unrated fixed income securities and/or financial derivative instruments, that provide exposure to non-investment grade or unrated fixed income securities. These investments can be categorised as “#1 Aligned with E/S characteristics”. The Fund does not commit to making sustainable investments. The remaining investments in the Fund can be categorised as “#2 Other”. Investments that might fall under “#2 Other” include fixed income or equity securities (not aligned with E/S characteristics), cash positions, cash equivalents and currency forwards (used for hedging purposes).

F) Monitoring of E/S characteristics

The Investment Manager will review each proposed investment for the Fund with respect to ESG characteristics and compliance. In this regard, the Investment Manager applies the following exclusion criteria which means that the Fund shall not be invested in companies which, themselves or through entities they control:

- (i) produce weapons that violate fundamental humanitarian principles through their normal use;
- (ii) sell weapons or military material to states that are subject to investment restrictions on government bonds;



- (iii) produce tobacco;
- (iv) extract oil sands;
- (v) produce coal;
- (vi) are involved in Arctic oil and gas exploration;
- (vii) are in violation of the International Labor Organization's labor standards, the United Nations Guiding Principles for Business and Human Rights, the UN Global Compact and the OECD Guidelines for Multinational Enterprises; and those companies that are listed on the Norges Bank exclusion list.
- (viii) investments in securities that are included on the Norges Bank Exclusion list; and/or
- (ix) do not meet the Investment Manager's minimum threshold for good governance practices as determined by the Investment Manager's good governance policy.

In addition to the general investment restrictions set out in the Prospectus of the ICAV, the Fund will not invest in the debt or equities of any companies that do not conform to the ESG criteria, as set out in the section 'Investment Strategy' in the Supplement of the Fund. The Fund shall not invest in those companies that have been included in the Norges Bank exclusion list, a list which applies the guidelines for the observation and exclusion of companies as detailed in the Supplement of the Fund.

The Fund will then review a range of both quantitative and qualitative indicators in determining whether an issuer supports good environmental and social practices. The tools utilized by the Fund to identify investments that align with its philosophy that companies with sustainable business practices have a competitive advantage may include but are not limited to its own proprietary research; third party quantitative ESG data provided by MSCI together with its ESG scoring system, and investee company and industry publicly available data.

These tools and the Investment Manager's internal research will focus on: whether an issuer has an environmental policy, has published targets to reduce their carbon footprint or released information regarding their current carbon emissions; is committed to reducing waste; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect. The Fund may also assess additional indicators specific to an investee company's business and the industry in which it operates, such as water conservation, Co2 thresholds, and environmental remediation commitments. Included in this assessment will be a Company's relative ranking in its industry compared to comparable issuers on environmental or social characteristics.

With respect to Social characteristics, the Investment Manager will assess an issuer's health and safety track record, breaches of regulatory requirements, anti-discriminatory hiring practices, any pending lawsuits and recent proxies that received significant shareholder dissent.

These measures and indicators are used and fully integrated into the research process and are fully part of the investment process, sitting alongside the Investment Manager's other investment decision-making processes.

G) Methodologies - describe the methodologies to measure how the E/S characteristics promoted by the financial product are met;

With respect to the promotion of E&S characteristics, the Fund measures the attainment of such characteristics using the MSCI ratings of the Fund as a whole and the individual investee companies. To the extent there are investments that are not rated, the Investment Manager develops a proprietary score.



With reference to other binding commitments such as those highlighted on paragraph (f) "Monitoring of environmental and social characteristics" the fund collects data related to controversies or breach of Standards using:

- Proprietary and third party research
- Publicly available filings and reports
- MSCI ESG research
- The Norges Bank exclusion list

H) Data sources and processing

The tools utilised by the Investment Manager to identify investments that align with its philosophy that companies with sustainable business practices have a competitive advantage may include but are not limited to its own proprietary research; third party quantitative ESG data provided by MSCI together with its ESG scoring system; and internal assessments using the Investment Manager's ESG assessment template where third party research does not provide all or some of the information sought in respect of potential investments. In addition, a comparison of an issuer against its peers in respect of ESG performance will be undertaken.

The Investment Manager's ESG assessment template has three separate parts with the first part, the good governance assessment, used to assess a potential investment taking into account a number of indicators which reflect widely recognised industry established good governance norms. The second and third parts of the assessment focus on social and environmental practices respectively.

I) Limitations to methodologies and data

The Fund's sustainability risk may differ from the sustainability risk of the Index.

The Fund's methodologies may be limited where no third party scoring data is available and/or where publicly available information is scarce. In such cases the Fund may look to other sources, such as 3rd party research, publicly available information and public filings or may decide that the lack of information, in and of itself, a reason to forego a particular investment. Overall the Fund does not believe these limitations will materially affect the attainment of the environmental or social characteristics promoted by the Fund.

J) Due diligence

- The Fund monitors third-party ESG ratings for each security periodically and at least semi annually.
- The Investment Manager develops internal ESG ratings for each investment that is not rated by external sources and records this in its research note. This is reviewed and updated periodically and at least semi annually.
- The Investment Manager monitors controversies for all investee companies.
- The exclusions noted previously are monitored by the IM monthly and if there are changes those changes are updated in the Order Management System and the system prevents investment in such companies
- The Investment Manager considers existing and emerging ESG risks as part of its investment research process and determines the most significant risks prior to making any investment.



K) Engagement Policies

From an engagement perspective, where the Investment Manager believes engagement will have a material impact, the Investment Manager will actively engage with issuers that materially breach minimum behavioral norms in areas such as human rights, labour relations, environmental issues and anti-corruption. These norms are represented by the United Nations Universal Declaration of Human Rights, the ILO's labor standards, the UNGPs, the UNGC and the OECD Guidelines for Multinational Enterprises. The desired outcome of such engagement is the elimination and remediation of any breach and enhancements in management processes aimed at avoiding any repeated breach.

L) Designated reference benchmark

An index has not been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.

M) Sustainability Risk

Pursuant to SFDR, the Manager in respect of the Fund is required to disclose the manner in which sustainability risks are integrated into the investment decision of the Fund and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund. Such risks are principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks.

The Investment Manager has integrated sustainability risks in its investment decision making process and also reviews sustainability risks as part of its risk monitoring process. Steps are taken by the Investment Manager to identify and assess sustainability risks relating to each potential investment as part of its decision making process. The Investment Manager's assessment is that the integration of sustainability risks into its processes should generally help to mitigate any potential material negative impact of such risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date of investment.

N) No consideration of adverse impacts on sustainability factors

Taking due account the nature and scale of its activities, Strategic Income Management does not currently consider the principal adverse impacts of investment decisions of the Fund on sustainability factors (in the manner specifically contemplated by Article 4(1)(a) of 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 ("SFDR")). Strategic Income Management considers this an appropriate and proportionate approach to compliance with its obligations under SFDR.

O) Remuneration policy

The remuneration policy has been reviewed in line with the requirements of SFDR. In line with the disclosures outlined in the pre-contractual documentation, sustainability factors do not form part of remuneration considerations.



P) Annex IV – Periodic Disclosure

Sustainable Finance Disclosure Regulations ("SFDR") and Taxonomy Regulations

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: SiM US High Yield Opportunities Fund **Legal entity identifier:** 6354005J7DCZSYFJP173

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments





To what extent were the environmental and/or social characteristics promoted by this financial product met?

Environmental – During the period, the Fund promoted good environmental practices through assessing whether an issuer has an environmental policy, has published targets to reduce their carbon footprint or released information regarding their current carbon emissions; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect, and focusing investments in companies that have these positive environmental characteristics, or if not, remediation programs in place to improve on these characteristics.

Social – During the period, the Fund also promoted good social practices by assessing an issuer's health and safety track record, anti-discriminatory hiring practices, breaches of regulatory requirements, any pending lawsuits and recent proxies that received significant shareholder dissent, and focusing investments in companies that have positive records on these social characteristics, or if not, remediation programs in place to improve on these characteristics.

The above was achieved by the identification of environmental, social, and governance indicators, that have a positive environmental and/or social impact, by the Investment Manager as part of its debt and/or equity picking process through its proprietary research and analysis. In addition, the Investment Manager adhered to the exclusionary principles set out in the Investment Manager's ESG policies and as disclosed in the Supplement under the heading "Investment Policies", sub-paragraph "Investment Strategy".

The Investment Manager's adherence to the above resulted in over 80% of the Fund's investments that are rated by MSCI, being ESG rated as BB or higher. Additionally, for those investments not rated by MSCI, the Investment managers' internal ratings were also BB or higher. MSCI rates the overall Fund portfolio as A.

● How did the sustainability indicators perform?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

During the period, the Fund used a range of both quantitative and qualitative indicators in determining whether an issuer supports good environmental and social practices. The tools utilized by the Fund to identify investments that align with its philosophy that companies with sustainable business practices have a competitive advantage included its own proprietary research; third party quantitative ESG data provided by MSCI together with its ESG scoring system, and investee company and industry publicly available data.

The Investment Manager focused on: whether an issuer had an environmental policy, had published targets to reduce their carbon footprint or released information regarding their current carbon emissions; is committed to reducing waste; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect. The Fund also assessed additional indicators specific to an investee company's business and the industry in which it operates, such as water conservation, Co2 thresholds, and environmental remediation commitments. Included in this



assessment was the Company's relative ranking in its industry compared to comparable issuers on environmental or social characteristics.

With respect to Social characteristics, the Investment Manager assessed an issuer's health and safety track record, breaches of regulatory requirements, anti-discriminatory hiring practices, any pending lawsuits and recent proxies that received significant shareholder dissent.

Indicator	Portfolio %	Portfolio Average Score/Rating
Investments MSCI ESG Rated BB or higher	98.26%	A
Investments with scores in bottom quartile (scores of 2.5 and below) of MSCI Environmental Pillar	7%	5.95
Environment Risk - Fossil Fuel Reserves	0%	N/A
Environment Risk – High Impact Fossil Fuel Reserves	0%	N/A
Environment Risk – High Water Risk	5%	N/A
Environment Risk – Water Withdrawal Coverage	7.4%	N/A
Reputational Risk	0%	N/A
Investments with scores in bottom quartile (scores of 2.5 and below) of MSCI Social Pillar	3%	4.86
Investments with scores in bottom quartile (scores of 2.5 and below) of MSCI Governance Pillar	1.5%	6.31
Governance – Rated as Leaders by MSCI within the respective industry	32%	N/A
Governance – Independent Board	95%	N/A
Governance – Female Board Rep	95%	N/A
Exposure to Controversial Weapons	0%	0%
Exposure to Global Compact Compliance Violations	0%	0%
Exposure to Tobacco	0%	0%
Exposure to Predatory Lending	0%	0%
Global Norms violations including Human Rights Violations and Labor Norms Violations	0%	0%

The Investment Manager sources numerical data on environmental and social metrics directly from company filings and unrelated third party publications and research, including sources such as Moody's, Bloomberg, and MSCI.

These measures and indicators performed as expected, and no material issues with respect to environmental or social issues were identified.



- *.....and compared to previous periods?*

N/A

- *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

N/A

- *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.





What were the top investments of this financial product?

Largest Invesments	Sector	% Assets	Country
NAVIOS	Transportation	2.24	Marshall Islands
EURONAV	Transportation	2.12	Belgium
OKEA	Energy	1.88	Norway
STERICYCLE	Services	1.84	US
BERRY PETROLEUM CO	Energy	1.83	US
SEAWORLD PARKS	Leisure	1.78	US
VICTORIA'S SECRET	Consumer Goods	1.78	US
BOYD GAMING CORP	Leisure	1.78	US
STATION CASINOS	Leisure	1.77	US
CARRIAGE SERVICE	Services	1.77	US
CHURCHILL DOWNS	Leisure	1.75	US
TTM TECHNOLOGIES	Technology	1.75	US
PRA GROUP	Financial Services	1.72	US
MEDNAX	Health Services	1.71	US
SELECT MEDICAL	Healthcare	1.69	US

Figures are as of 12/31/22



What was the proportion of sustainability-related investments?

N/A



● What was the asset allocation?

Asset allocation

describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

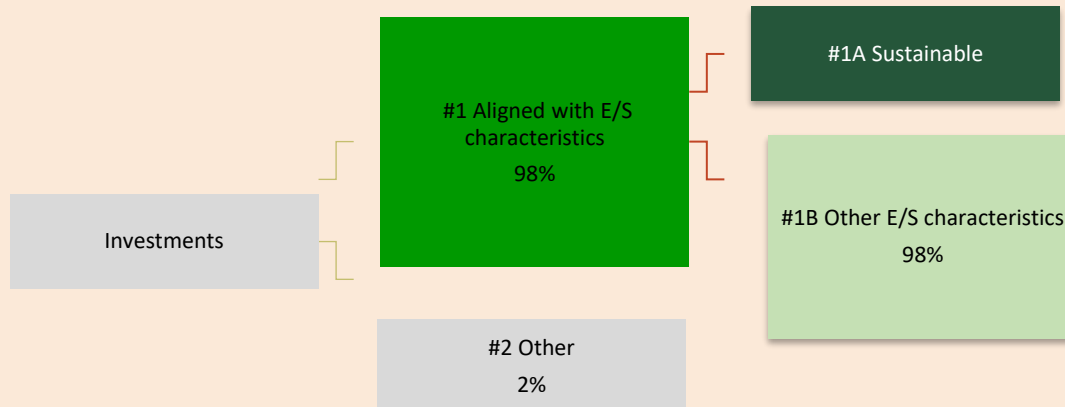
Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

As of 12/31/22



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?

*Consumer Discretionary – 16.84%**

Consumer Staples – 1.51%

Diversified Manufacturing – 1.52%

Energy – 14.41%

Financials – 8.06%

Food and Beverage – 2.55%

Healthcare – 22.81%

Industrials – 14.10%

Real estate – 3.32%

Technology – 9.43%

Cash – 0.68%

Media – 4.67%

**Values as of 12/31/22*





To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

0%

● Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy¹?



Yes:



In fossil gas



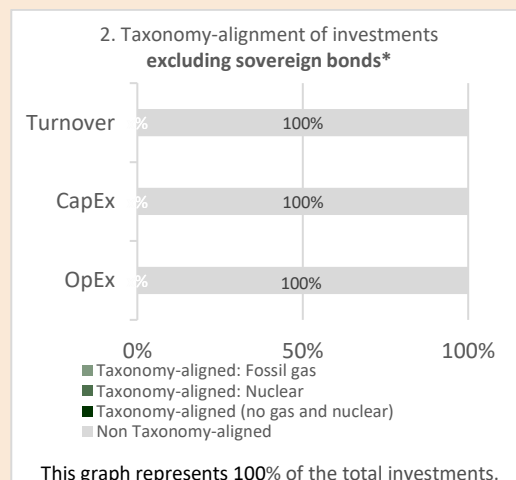
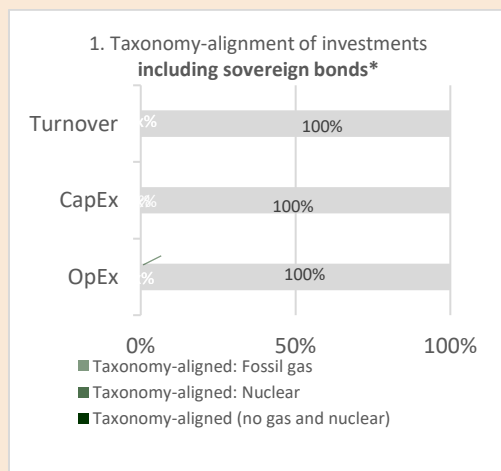
In nuclear energy

X

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*





What was the share of investments made in transitional and enabling activities?

0%



How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

0%



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%



What was the share of socially sustainable investments?

0%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments in “#2 Other” include cash positions, cash equivalents and currency forwards (for hedging purposes). Cash over the period averaged approximately 2% of the portfolio. Cash positions were maintained for liquidity purposes and currency forwards were for hedging purposes. There were no minimum safeguards in place for this portion of the portfolio.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Environmental – During the period, the Fund promoted good environmental practices through assessing whether an issuer has an environmental policy, has published targets to reduce their carbon footprint or released information regarding their current carbon emissions; and/or is facing any lawsuits, allegations or regulatory breaches relating to environmental concern or neglect, and focusing investments in companies that have these positive environmental characteristics, or if not, remediation programs in place to improve on these characteristics.



Social – During the period, the Fund also promoted good social practices by assessing an issuer’s health and safety track record, anti-discriminatory hiring practices, breaches of regulatory requirements, any pending lawsuits and recent proxies that received significant shareholder dissent, and focusing investments in companies that have positive records on these social characteristics, or if not, remediation programs in place to improve on these characteristics.

The above was achieved by the identification of environmental, social, and governance indicators, that have a positive environmental and/or social impact, by the Investment Manager as part of its debt and/or equity picking process through its proprietary research and analysis. In addition, the Investment Manager adhered to the exclusionary principles set out in the Investment Manager’s ESG policies and as disclosed in the Supplement under the heading "Investment Policies", sub-paragraph "Investment Strategy".

The Investment Manager’s adherence to the above resulted in over 80% of the Fund’s investments that are rated by MSCI, being ESG rated as BB or higher. Additionally, for those investments not rated by MSCI, the Investment managers’ internal ratings were also BB or higher. MSCI rates the overall Fund portfolio as A.

How did this financial product perform compared to the reference benchmark?

An index has not been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.

● ***How does the reference benchmark differ from a broad market index?***

N/A

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

● ***How did this financial product perform compared with the reference benchmark?***

N/A

● ***How did this financial product perform compared with the broad market index?***

For 2022 the Fund had a gross return of -6.33%. The ICE BAML US High Yield Index had a return of -11.22%.

