



SFDR Disclosure: Trium Climate Impact Fund

Version 1: January 2023

Investment Strategy

The Fund's investment objective is to invest in sustainable investments with the aim of achieving positive returns over the long term, independent of market conditions while also contributing to the following United Nations Sustainable Development Goals (the "Sustainable Development Goals"); de-carbonisation, clean water, less waste, circular economy and improved efficiencies. The Fund aims to benefit from the expected gradual outperformance of environmental stocks over the rest of market.

After setting the fund-level impact goals, the Investment Manager analyses which companies can deliver these goals, while offering the best risk/reward profile to equity investors on a portfolio level. This strategy is implemented in the investment process on a continuous basis by:

- ▶ Maintaining social and governance factors as a key part of the Investment Manager's process.
- ▶ Maintaining the Investment Manager's exclusion list where the Investment Manager exclude any investments in alcohol, tobacco, gambling, weapons, fossil fuel reserves and sanctioned countries.
- ▶ Stewardship where the Investment Manager undertake voting, engagement, underwriting, and provide transparency
- ▶ Being a market-neutral fund
- ▶ Being diversified among stocks
- ▶ Not shorting environmental solutions providers
- ▶ Concentrating the Fund's investment universe mostly in Europe and North America

The Investment Manager has split its long portfolio into three parts, environmental solutions, alternative energy infrastructure, and clean technology. The stock selection process for the long book is standardised and replicable.

The Investment Manager meets company management teams regularly, produces investment models, develops valuation frameworks, and forecasts future earnings and environmental and social impact. The Investment Manager will also monitor third-party data and ESG analysis of the Fund' portfolio and the Investment Manager will discuss its investment rationale for holding each position as part of its engagement letters, as the Investment Manager believes its beneficial for both managements and investors to see the same document.

As noted in the section entitled "Use of FDI, Leverage & Risk Management" in the Fund's Supplement, the Fund will take synthetic short positions to reduce market risk. Short positions may be taken by the Fund for the purposes of hedging risks (including market risks) that the Fund's portfolio faces and for liquidity management. All of the Fund's investments meet minimum environmental or social safeguards, namely by applying environmental, social or governance screens.

- ▶ The Fund is only allowed to invest in companies that are part of the eligible investment universe as determined by the investment policy set out in the main body of the Fund's Supplement and as determined by the strategy outlined above and in the Supplement.



- ▶ The Fund's portfolio will create significantly more avoided emissions than direct emissions, while also contributing to clean water, less waste, circular economy and improved efficiencies.
- ▶ The Fund does not hold a long position in any securities from the exclusion list (the Investment Manager will exclude any investments in alcohol, tobacco, gambling, weapons, fossil fuel reserves and sanctioned countries.)
- ▶ The Fund avoids both long and short investments in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies that breach the international norms will be excluded from the investment universe.

While climate is the primary impact goal of the Fund, the Investment Manager aims to only invest in companies that provide environmental solutions in a socially responsible manner with strong governance. The Investment Manager engages with companies to monitor these characteristics and uses ESG Data Providers as part of this process.

Proportion of investments

The Fund allocates its investments as follows:

- ▶ A minimum of 90% in Sustainable Investments (all of which have environmental objectives)
- ▶ A minimum of 15% in taxonomy aligned investments
- ▶ Any investments which are not deemed sustainable investments are solely for liquidity and hedging purposes.

Sustainable investment objective of the financial project

The Fund's investment objective is to invest in sustainable investments with the aim of achieving positive returns over the long term, independent of market conditions while also contributing to the following United Nations Sustainable Development Goals (the "Sustainable Development Goals"); de-carbonisation, clean water, less waste, circular economy and improved efficiencies. The Fund aims to benefit from the expected gradual outperformance of environmental stocks over the rest of market.

Attainment of sustainable investment objective

The Fund's portfolio is focused on owning stocks that provide environmental solutions as their principal activity and deliver those solutions in a sustainable manner with strong corporate governance and social responsibility. The Fund monitors sustainability indicators covering greenhouse gas emissions, biodiversity, water, waste, social and employee matters.

The portfolio contains a long book composed of:

- ▶ Environmental Solutions companies
- ▶ Alternative Energy Infrastructure companies
- ▶ Clean Technology companies

After setting the Fund-level impact goals, the Investment Manager analyses which companies can deliver these goals, while offering the best risk/reward profile to equity investors on a portfolio level.



The portfolio short book aims to provide liquidity and hedging benefits but avoiding any short positions in environmental solutions companies. Further details of this methodology can be found in the section of the Fund's Supplement titled "Investment Strategy".

The Fund investments follow good governance practices in accordance with Article 9 of the SFDR and do not significantly harm any environmental or social objectives. The Fund will exit the position if the Investment Manager believe that the issuer has a structural ESG problem or violates a "Do No Significant Harm" standard (See Stewardship Section in the Fund's Methodology document for further details).

Monitoring of sustainable investment objective

The Fund takes principal adverse impacts on sustainability factors into account in investment screening and reports SFDR data on the following Principle Adverse Indicators:

▶ Greenhouse Gas Emissions

This Fund's goal is that the avoided emissions and positive environmental impacts of the Fund's long portfolio significantly outweigh its negative environmental footprint. For more details on the direct environmental footprint of the Fund and breakdown of the decarbonisation impact can be found in the Fund's marketing and methodology documents.

▶ Waste, Water, and Recycling Metrics

The Investment Manager believes that improving the climate is about more than decarbonisation. The Investment Manager also publishes portfolio level impact metrics on waste, water and recycling, which can be found in the Fund's marketing and methodology documents.

▶ Social Metrics

While the Investment Manager is not specifically targeting social outcomes, the Investment Manager aims to only invest in companies that provide environmental solutions in a socially responsible manner with strong governance. The Investment Manager tracks the following social metrics across the Fund's portfolio: people, innovation (R&D spent), infrastructure (capital spent), diversity and safety. Further detail of this can be found in the Fund's marketing and methodology documents.

Methodologies

The fund's portfolio is focused on owning stocks that provide environmental solutions as their principal activity and deliver those solutions in a sustainable manner with strong corporate governance and social responsibility. In line with the section titled "PAI (Principal Adverse Impacts)" below and the SFDR, the Fund monitors sustainability indicators covering greenhouse gas emissions, biodiversity, water, waste, social and employee matters.

The portfolio contains a long book composed of:

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- ▶ Alternative Energy Infrastructure companies
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After setting the Fund-level impact goals, the Investment Manager analyses which companies can deliver these goals, while offering the best risk/reward profile to equity investors on a portfolio level.

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FDI are used to attain the sustainable investment objective in the manner described in the Fund's Supplement section entitled "Use of FDI, Leverage & Risk Management". As noted in this section, the Fund will take synthetic short positions to reduce market risk and volatility. Short positions may be taken by the Fund for the purposes of hedging risks (including market risks) that the Fund's portfolio faces and for liquidity management. All of the Fund's investments meet minimum environmental or social safeguards, namely by applying environmental, social or governance screens.

Data sources and processing

The Investment Manager undertakes his own proprietary primary research to determine the view of the ESG credentials of companies in our investment universe.

In addition, the Investment Manager utilises external rating services MSCI and Integrum, along with environmental ratings from Carbon Disclosure Project (CDP) to aid its monitoring of the ESG profile of companies in its investment universe.

Limitations to methodologies and data

The Investment Manager acknowledges that data relating to ESG factors and its use can be:

- ▶ Hard to quantify,
- ▶ Inconsistently processed/report by ESG service providers
- ▶ Inappropriately forced into a "one size fits all" or "tick the box" framework.

Subject to late, inaccurate, or biased reporting

The Investment Manager addresses these issues through:

- ▶ Careful analysis and consideration of multiple data sources, assessing for consistency over time and cross sectionally.
- ▶ Continuous monitoring of ESG factors and profiles of ESG companies as discussed above.
- ▶ Due diligence of data with the company.

Due Diligence



The Investment Manager monitors compliance with the social and/or environmental characteristics outlined above on a regular basis through:

- ▶ Monitoring as part of our ongoing direct engagement with companies
- ▶ Monitoring changes in third party (MSCI ESG) ESG ratings of investee companies, which changes serve as a signal for reassessing the proprietary ESG rating.
- ▶ Monitoring service such as the ESG service providers for ESG controversies that can impact on the fundamental valuations and which may trigger divestment.
- ▶ Review of corporate disclosures viz annual corporate social responsibility reports and relevant press release

The Investment Manager monitors the performance of the Fund in following the UN Sustainable Development Goals. The Investment Manager published a report on SDG alignment and methodology and discusses this as part of corporate engagements when appropriate.

Engagement Policies

The Investment Manager has split its long portfolio into three parts, environmental solutions, alternative energy infrastructure, and clean technology. The stock selection process for the long book is standardised and replicable. The Investment Manager meets company management teams regularly, produces investment models, develops valuation frameworks, and forecasts future earnings and environmental and social impact. The Investment Manager will also monitor third-party data and ESG analysis of the Fund's portfolio and the Investment Manager will discuss its investment rationale for holding each position as part of its engagement letters, as the Investment Manager believes its beneficial for both managements and investors to see the same document.

No significant harm to the sustainable investment objective

The Fund investments follow good governance practices in accordance with Article 9 of the SFDR and do not significantly harm any environmental or social objectives. The Fund will exit the position if the Investment Manager believe that the issuer has a structural ESG problem or violates a "Do No Significant Harm" standard (See Stewardship Section in the Fund's Methodology document for further details).

- ▶ The Investment Manager will also report on "Do Not Significant Harm" criteria, including UN Guiding Principles on Human Rights, International Labour Fund's Organisation (ILO), and International Bill of Rights (IBR). The Investment Manager will exclude any stock both long and short in violation of these norms. The Investment Manager will use controversy screens from external providers to monitor these criteria.
- ▶ Minimum environmental, social and governance safeguards will be observed in relation to all assets of the Fund; the Fund will take no positions, long or short, in companies that are non-compliant with UN Global Compact Principles.

Please find the Principal Adverse Impacts Statement for the Fund attached to this Disclosure for further detail.

Designated reference benchmark

The Fund does not have a specific designated reference index is to be compare sustainability performance

EU Taxonomy disclosure



The Fund's long portfolio aims to be aligned with the Taxonomy Regulation to the extent detailed below. The Fund will make a minimum of 90% sustainable investments with an environmental objective and at least 15% in economic activities that qualify as environmentally sustainable under the Taxonomy.

Long portfolio: Will be at least 15% Taxonomy aligned

- ▶ Environmental Solutions Longs
- ▶ Alternative Energy Infrastructure Longs
- ▶ Clean Technology Longs

Short portfolio: In line with regulatory requirements, short positions cannot be regarded as taxonomy aligned owing to the fact that short positions can only be taken synthetically, through the use of derivatives.

As of 16th December 2022, the Fund's percentage of Taxonomy alignment is 25.11%. We have looked for company information on opex and capex percentage alignment, but there is insufficient data released from portfolio companies. When data is available, we will disclose Taxonomy percentages on opex and capex.

The Investment Manager recognises that the current regulatory technical standards of the Taxonomy Regulation are incomplete and do not apply to every sector. We use MSCI's EU Taxonomy Methodology to provide the data for our funds' taxonomy alignment.

Where MSCI are unable to provide taxonomy numbers, or for companies outside the EU which are not mandated to produce taxonomy reporting the Investment Manager will apply revenue mapping to estimate taxonomy alignment and engage with management for further details. Revenue considered eligible for EU Taxonomy alignment is the portion of company revenue that is associated with activities described in the EU Taxonomy delegated acts irrespective of whether the revenue meets any or all of the technical screening criteria set in the EU Taxonomy.

As the regulatory technical standards of the Taxonomy Regulation are finalised, the Investment Manager will update its methodology and analysis. The Investment Manager is happy to share its methodology and revenue mapping with investors in the Fund on a stock-by-stock level. The Investment Manager plans to discuss its methodology with companies' managements as part of its engagement process.