



SUSTAINABILITY POLICY

1 Introduction

This Policy outlines the way in which the Company ensures compliance with SFDR. For the purposes of this Policy the following definitions apply:

- “the Policy” means the ESG Policy;
- “the Company” means Praude Asset Management Limited;
- “SFDR” refers to the Sustainable Finance Disclosure Regulation (EU) 2019/2088;
- “ESG” means Environmental, Social and Governance;
- “Sustainability Risk” means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
- “Sustainability factors” mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

While the Company tries to avoid too narrowly defining ESG as it evolves and improves its integration of these factors, generally, the Company evaluates ESG considerations as follows:

Environmental:

- Climate change
- Natural resource utilization
- Pollution and waste
- Clean technology and energy efficiency
- Signatory to PRI and active engagement with industry groups
- Consideration of ESG impact on investment decisions
- Workforce standards and protections

Social

- Civil and human rights
- Diversity and equitable opportunities
- Access to capital
- Education
- Global health and medical technologies
- Affordable housing
- Government and community relations
- Labour management relations

Corporate Governance

- Board composition, accountability and executive compensation
- Business ethics and compliance

- Shareholder rights and stakeholder dialogue
- Cyber security
- Internal Control

2 The Policy

We recognize our responsibility to encourage positive social and environmental benefits through our investment and operating decisions. This Policy intends to reflect a general framework for our approach to ESG across the Company's internal operations and investment strategies.

Investment Principles

The Company does not consider the adverse impacts of investment decisions on sustainability factors. The basis for this decision is described in further detail below.

ESG data readily available on third party data provider platforms is still somewhat limited in relation to small and mid-cap companies, which make up the major share of the investment spectrum of client portfolios and which are inherent to the Company's value investing approach

The Company determines that it has limited ability to conduct due diligence or influence and control the consideration of ESG issues in connection with the investments it makes at the level of the Fund. For example, the Company is often a minority shareholder, has limited governance rights or is unable to monitor ESG related performance goals.

The Company continues to assess its investment environment on an on-going basis in this regard, and does not exclude considering adverse impacts of investment decisions in the near future.

The Company does not invest or invests limitedly in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG criteria.

Internal Operations

The Company is committed to incorporating ESG into how we manage our business. The Company is committed to assessing the environmental, social and governance factors that impact its business practices. This includes identifying opportunities to reduce the Company's own environmental footprint, having a positive impact on the communities in which the Company operates and operating with a strong culture of compliance.

2.1 Sustainability Risk

The Company applies a consistent approach in its investment decision making process that focuses on various asset classes of securities that are listed on major exchanges. As mentioned, the Company adopts a value investing approach with a specific focus on small and mid-cap European listed equities. These

investments may be exposed to, amongst other things, physical climate risks, technological risks, regulatory risks due to changes in ESG related legislation, reputational and liability risks due to non-compliance with internationally recognized norms, principles or new regulations.

2.2 Remuneration in relation to sustainability risks

The Company seeks to apply a consistent application of the SFDR requirements and as a result the Company's Remuneration Policy reflects that there are no incentives to engage in investments which pose sustainability risks.

2.3 Responsible Business Practices

Praude has a Code of Ethics that requires its employees to conduct their business dealings with honesty, integrity, fairness and respect for others. We understand our fiduciary duty to our clients and seek to mitigate conflicts of interest and encourage transparency in our business practices.

-

3 Transparency and disclosure

3.1 Website disclosures

The Company's website must be updated in line with this Policy and shall include the following statement which shall be displayed in a prominent position

"No consideration of sustainability adverse impacts"

A detailed description as to why the Company does not do so including the situations when it may reconsider its position must be also given which shall be in line with the Policy.

3.2 Client contracts and fund documentation

The offering documents of each fund managed by the Company have been updated accordingly in line with the SFDR requirements to date. There may be some slight variations in accordance with the local requirements but the overarching principle and approach shall be in line with the Policy.

Should the Company engage a client with specific parameters that focus on ESG data then the Policy will be amended accordingly.

In line with the SFDR MiFID requirements, the Company has included in its onboarding questionnaire and as a separate questionnaire for already existing MiFID clients, an ESG consideration in order to determine the clients' preferences with respect to ESG factors and their investments. The Company will document and record its clients' preferences in accordance with the SFDR.

4 Amendment and review of policy

The Policy is subject to review at least on an annual basis or as required by updates to the respective regulation.

Updates to the disclosures shall be published on the Company's website with a clear explanation of the changes.