Sephira Investment Advisors (UK) Limited

Environmental, Social and Governance Policy

Sephira Investment Advisors (UK) Limited is authorised and regulated by the Financial Conduct Authority ("FCA") and this Sephira Investment Advisors (UK) Limited document has been compiled to comply with the FCA rules and requirements. This document is the property of Sephira Investment Advisors (UK) Limited and its contents are strictly confidential and should not be disseminated outside of the firm. Any personal copies of this document must be returned to Sephira Investment Advisors (UK) Limited upon termination of employment.

CONTENTS

I. INTRODUCTION

Sephira Investment Advisors (UK) Limited (“**Sephira”**) has implemented an Environmental, Social and Governance policy (the “**ESG policy**”) which will apply at both the product and at the manager level.

The purpose of the ESG policy is to outline the methods through which Sephira has implemented its ESG policy and document the considerations taken in the drafting and implementation of the policy. The ESG policy will be reviewed on at least an annual basis by Sephira’s Management Committee.

Sephira appreciates that the scope for ESG integration is inherently limited to our firm and our investment strategies. Sephira does not have the environmental impact of an energy company, the immediate social impact of a large technology company, or the layered governance structures of larger financial institutions. However, we also believe that our relatively small size enables us to implement an ESG framework befitting of the nature, scale and complexity of our business.

ESG is constantly evolving, and investors and managers may have different expectations. Few firms have the resources to tackle every issue and Sephira has taken the decision to prioritise its ESG efforts at the management company level and its product.

II. INVESTMENT MANAGEMENT

The ESG policy sets out how we adhere to the following principles as they relate to responsible investing:

- Our investment is to achieve long-term capital growth
- We invest only in businesses which would be considered lawful if they operated in the UK
- We comply with national and international environmental, social, health and safety regulations applicable to our operations and business

Sephira will integrate the ESG policy into the investment management processes, *where relevant*, for all asset classes within the portfolio as responsible corporate behaviour with respect to ESG factors can generally have a positive influence on long term financial performance.

III. ESG INTEGRATION

Sephira operates an exclusion policy to certain industries, and will not knowingly invest or hold investments in any issuers that derive the stated percentage of their revenue from the following:

Oil Sand: The extraction of oil from oil sand is the most carbon intense hydrocarbon and that without significant technological advance, no company can extract oil from oil sand in a way that is consistent with a sustainable environment. The Product therefore excludes any company with a more than 5% revenue threshold to oil sand.

Tobacco: Health risks from tobacco consumption are unequivocally established and there is no path to improvement of tobacco’s impact other than elimination of its usage. The Product therefore excludes any company with a more than 5% revenue threshold to tobacco products.

Palm Oil: There are significant social and environmental risks related to palm oil production – land grabs, loss of livelihoods, deforestation and green house emissions amongst others. Therefore, companies across the palm oil value chain must make sufficient efforts towards creating relevant policies aligned with a No Deforestation, No Peat, No Exploitation (NDPE) policy and Roundtable on Sustainable Palm Oil (RSPO) standards as well as maximizing the use of Certified Sustainable Palm Oil.

Coal: Coal is the largest contributor to the human-made increase of CO2 in the atmosphere – further impacts include water and air pollution caused by processing and use of coal products. The Product therefore excludes any company with a 20% revenue threshold from coal.

Weapons and military revenue: Firearms, weapons and military equipment have zero social utility and can have an indiscriminate effect on human populations. The Product therefore does not invest in companies that are involved in production or sales of:

- Guns or other firearms
- Biological and chemical weapons
- Cluster munitions, anti-personnel mines or any other military equipment
- Production or development of nuclear weapons

IV. ESG ENGAGEMENT

Where an investment strategy requires ESG engagement, this will involve constructive dialogue with the management of companies we are invested in, or seeking to invest in, through regular meetings with the executive and non-executive directors.

Engagement with such companies is central to our investment approach within our ESG investment strategies. Such meetings enable us to either seek additional understanding of a company's strategy and ascertain if it is aligned to our interests; or, to seek change that will protect and enhance the value of our investments.

In such a case, we focus on issues that are material to the value of the company. These include, but are not limited to, business strategy, performance, financing and capital allocation, management, acquisitions and disposals, internal controls, risk management, the membership and composition of governing bodies/boards and committees, sustainability, governance, remuneration, environmental and social performance.

V. COMPANY LEVEL FACTORS

VI. ENVIRONMENTAL ISSUES

Corporate responsibility

Sephira will work to manage and minimise its corporate environmental footprint by engaging in activities and initiatives that are environmentally responsible.

These include:

Waste minimisation

Sephira encourages all employees to recycle where possible by providing the resources for them to do so. We actively discourage the use of single-use plastic by providing glassware and crockery which can be reused. Printing is discouraged. Where practical, printed materials and packaging are sent for recycling.

Energy efficiency

Sephira's corporate offices were fitted out to include energy efficient illumination and better insulation to minimise the use of heating.

VII. SOCIAL ISSUES

Diversity and Inclusion (D&I)

D&I is important to Sephira. It is important in helping avoid group think, ensuring better decision making and providing better long-term outcomes. Sephira appreciates that, as a small firm with little employee turnover, there is limited scope for increasing D&I. However, it is considered carefully as an integral part of building and developing a successful corporate culture.

We aim to provide an environment which is a true meritocracy and will take steps when hiring to broaden the pool of potential candidates. These could include, but are not limited to, requesting anonymised CV's from recruiters, increasing the pool of candidates, asking for candidate shortlists with more than one 'diverse' candidate, and reminding interviewers of the 'meritocracy myth' where the bar may be unconsciously set higher for women and people of diverse backgrounds.

Sephira will not discriminate in regards to hiring or ongoing employment and progression on grounds of age, disability, gender, gender identity, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sexual orientation or any other factor irrelevant to a person's work.

Sephira will promote respect for and protection of human rights and safe and healthy work conditions. Sephira will not tolerate violations and abuse of human rights, discrimination based on race, gender, sexual orientation, religion or age or business practices considered generally unethical and unacceptable.

Sephira collects limited demographic information on its staff. Members of staff are not compelled to provide data, and could refuse to provide it, on issues such as sexuality and religion. Given the firm's small size, data on race and gender is very easy to maintain.

Employee wellbeing

Employee wellbeing can be a significant contributor to the issue of staff turnover. An engaged and positive workforce is important to the firm's culture. Sephira encourages a work environment which values and respects all employees and endeavours to provide an environment free from bullying, harassment of any kind or victimisation.

We comply with the relevant regulations governing the protection of human rights, occupational health and safety standards, and labour, environmental and business practices of the jurisdictions in which we conduct business.

Careful consideration is given to any requests for flexible working and the firm has invested in technology to enable staff to efficiently work from home.

VIII. Governance issues

Transparency

Transparency is one of the firm's core principles and Sephira is committed to providing timely and relevant communication and reporting to its clients. Whilst we will guard against reporting which might disclose our positions and hurt our investors, we aim to be as transparent as possible and practicable.

Sephira provides, to all investors, a monthly data sheet, which provides portfolio and risk information as well commentary and performance analysis.

Code of conduct

The Financial Conduct Authority (FCA) requires employees of all regulated entities to adhere to their code of conduct rules. In addition to this regulatory standard, Sephira has a Compliance Policy or "Code of Ethics" which all employees must abide by. Compliance training occurs on at least an annual basis and attestations are required at least annually from all employees that they have conducted themselves accordingly.

Sephira also believes that the public, non-work activities of the firm's staff can provide an ESG concern.

Potentially troubling non-work staff activities can be divided into two broad categories:

Non-financial misconduct – where a member of staff acts in an unethical or illegal manner outside work. An example of this is the 2014 case of the Managing Director of Blackrock who was banned by FCA for fare dodging on trains.

'Controversial' conduct – this has no set definition, but we look at it as conduct may harm our reputation with our investors, or which may harm the reputation of our investors themselves.

Sephira makes no distinction between financial and non-financial misconduct. We take a proportionate and pragmatic approach. For example, an employee who received penalty points for speeding would not be treated in the same manner as an employee who committed fraud, as in the above Blackrock example.

We conduct background checks on all employees at the time of hiring.

IX. Distribution of ESG policy

A key principle of Sephira's ESG policy is to ensure that there is firmwide awareness of ESG issues and compliance with the firm's ESG policy. Once approved by the management committee, the ESG policy is distributed to all Sephira's personnel, and published on our website.

X. CONCLUSION

The management committee is responsible for the oversight and monitoring of the firm's ESG policies and procedures. Sephira is committed to building an ESG oriented culture at the firm and will continue to incorporate ESG policies, where appropriate, into the firm over time.