

DESCRIPTION OF ENHANCED SUSTAINABLE EXCLUSION CRITERIA

Enhanced Sustainable Exclusion Policy

This policy should be read in conjunction with the Prospectus for the Fund.

The Fund's Enhanced Sustainable Exclusion Policy requires interpretation in its application and is at the discretion of the portfolio management team of the Manager.

1. Scope

The following are the requirements that the Fund will seek to apply in the securities that are selected within the Fund. Please note that this criteria is subject to change to ensure that the requirements meet with the latest regulatory requirements.

2. Definition of Exclusions

Global Standards and Norms. The Fund is prohibited from purchasing the securities of issuers whose activities breach the principles of the UN Global Compact (UNGC), the OECD Guidelines on Multinational Enterprises, the International Labor Organization's declaration on Fundamental Rights and Principles at Work (ILO) and the UN Guiding Principles on Business and Human Rights (UNGP).

Controversial Weapons. The Fund is committed to supporting and upholding conventions that seek to ban the production of controversial weapons. As a result, the Fund is prohibited from investing in securities issued by companies that we believe are involved in the manufacture of controversial weapons.

We define involvement in the manufacture of controversial weapons as either being responsible for end manufacture and assembly of controversial weapons, or being responsible for the manufacture of intended use components for controversial weapons. Dual-use component manufacturers or delivery platform manufacturers are not included. We define controversial weapons as follows:

- **Biological and chemical weapons.** Weapons outlawed by the Biological and Toxin Weapons Convention of 1972 and the Chemical Weapons Convention of 1993.
- **Anti-personnel mines.** Weapons that signatories agreed to, prohibit the use, stockpiling, production or transfer of, under the 1997 Anti-personnel Landmines Convention. The Convention does not address the issue of financial support for companies that manufacture such weapons.
- **Cluster munitions.** Weapons that signatories agreed to restrict the manufacture, use and stockpiling of, as well as components of these weapons, under the 2008 Convention on Cluster Munitions. The implications for financial support of companies that manufacture cluster munitions is left unclear in the Convention. As a result, signatory states and the institutions based on them have taken a range of approaches to the question of prohibiting or allowing investments in cluster munitions producers: some prohibit all investments, some prohibit only direct investments and some have not yet banned investments.

- **Depleted uranium weapons.** Companies involved in the production of depleted uranium (DU) weapons, ammunition and armor.

Weapons. The Fund is prohibited from purchasing the securities of issuers that derive more than 5% of their revenues from the production of weapons or tailor-made components thereof. The Fund is also prohibited from purchasing the securities of issuers that manufacture nuclear weapons or key nuclear weapons components.

Tobacco. The Fund is prohibited from purchasing the securities of issuers that derive more than 5% of their revenues from products that contain tobacco or the wholesale trading of these products.

Private Prisons. The Fund is prohibited from purchasing companies that own, operate or primarily provide integral services to private prisons given significant social controversy, reputational risks, dependency on Department of Justice policies, and facilities that are not easily reconfigurable for alternate uses.

Fossil Fuels. The Fund will seek to minimize or neutralize its exposure to certain pieces of the fossil fuel value chain, owing to the varied contribution to climate and environmental risk. Specifically, as it relates to:

- **Thermal Coal.** The Fund is prohibited from purchasing the securities of issuers with expansion plans for coal extraction. Additionally, 5% of revenue is the maximum acceptable percentage of revenue derived from thermal coal related activities unless the company has one of either: a Science Based Target (“SBTi”) set or in the process of being set, less than 10% capex is related to thermal coal activities or greater than 50% of capex is dedicated to contributing activities¹ (as defined below).
- **Unconventional oil and gas supply.** The Fund is prohibited from purchasing the securities of issuers with expansion plans for unconventional oil and gas. Additionally, 5% of revenue is the maximum acceptable percentage of revenue derived from unconventional oil and gas-related activities, unless the company has one of either: a SBTi set, a SBTi is in the process of being set or greater than 50% of capex is dedicated to contributing activities.
- **Conventional oil and gas supply.** 5% of revenue is the maximum acceptable percentage of revenue derived from conventional oil and gas-related activities, unless the company has one of either: a SBTi set or in the process of being set, less than 15% capex is related to oil and gas activities or greater than 15% of capex is dedicated to contributing activities.
- **Electricity generation.** The Fund is prohibited from investing in electricity utilities with a carbon intensity greater than 374 gCO₂/kWh, and decreasing over time consistent with a 2-

¹ Contributing Activity. Where referenced, a “contributing activity” refers to an environmentally sustainable economic activity in the areas of climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems. We reference Regulation EU/2020/852 of the European Parliament and of the Council (the “EU Taxonomy”) for technical eligibility where applicable or other activities contributing to environmental or social objectives.

degree scenario. If this data is unavailable or cannot be accurately quantified than the following exclusions apply:

- o **Thermal Coal.** More than 5% of MWh generation is derived from thermal coal.
- o **Liquid Fuels (Oil).** More than 30% of MWh generation is derived from liquid fuels (oil).
- o **Natural Gas Electricity Generation.** More than 30% of MWh generation is derived from natural gas.
- o **Nuclear.** More than 30% of MWh generation is derived from nuclear sources.

Additionally, the Fund:

- o Is prohibited from holding electricity utilities with expansion plans that would increase their negative environmental impact or go contrary to the 2 degrees scenario alignment.
- o Is prohibited from holding electricity utilities constructing additional coal- or nuclear-power production installations.
- o Is prohibited from holding electricity utilities whose contributing activities are not increasing.
- o May buy or hold electric utilities where at least one of the following criteria are met: 1) the company has a SBTi set or is in the process of being set, 2) derive more than 50% of revenue from a Contributing Activity or 3) more than 50% of capex dedicated to a Contributing Activity.

Countries. The Fund is prohibited from investing via government debt or indirectly via state-owned i.e. quasi-government debt which are subject to international sanctions, or that violate the basic principles like those mentioned in the UN Global Compact.

Death Penalty. The Fund is prohibited from investing via government debt or indirectly via state owned i.e. quasi-government debt in countries with the death penalty which score in the bottom quintile the universe in the Rule of Law ranking from the World Bank's Worldwide Governance Indicators.

Taxation. The Fund is prohibited from investing in securities issued by foreign governments or quasi-sovereign entities that are deemed non-compliant by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes. The Fund is also prohibited from investing in securities of corporates which are domiciled or listed in countries which are deemed non-compliant by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes.

Agricultural Commodities. The Fund is prohibited from investing in forward contracts on agricultural commodities.

3. Parent and subsidiary relationships

The Fund will also evaluate parent / subsidiary relationships and upon evaluation of an issuer's eligibility, all subsidiaries which are greater than 50% owned by the issuer, will be considered consolidated for the purpose of considering the metrics and overall worthiness of the issuer to comply with the policy. This policy, however, does not require that the parent company of an issuer be considered when evaluating the issuer's metrics and overall worthiness to comply with this policy. As such, the policy permits investment in an issuer whose products and services meet the requirements

of the policy, provided that the issuer is a stand-alone business operation whose obligations are nonrecourse to its parent company, such issuers being “Eligible Subsidiaries”.

4. Implementation

The policy for the Fund is reviewed by the Manager’s ESG (Environmental, Social and Governance) Committee. The Manager uses a reputable, recognized third party to identify companies that partake in these controversial businesses. If a portfolio manager disagrees with a third party assessment, the Manager’s ESG Committee will review the assessment.

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