

2022

SUMMIT SUSTAINABLE OPPORTUNITIES L/S EQUITY FUND

Sustainable Finance Disclosures Regulation (SFDR) - Article 8 Website Disclosures

1. Summary

The Fund's Sub-Investment Manager ("Summit Partners Public Asset Management, LLC") seeks to make investments based on individual theses and focuses on companies that offer disruptive, market-driven solutions to global sustainability challenges.

The Sub-Investment Manager believes that the long-term case for sustainably oriented investing is strong and supported both by the increasing availability of economically viable, sustainably oriented business models and by meaningful demographic tailwinds. Target companies may offer sustainably oriented products or services, or take an efficient approach to resource generation or consumption – including through the consideration of environmental, social and governance ("ESG") factors. The Fund may also sell short securities and apply hedging strategies, the Sub-Investment Manager believes this approach allows for alpha generation, active volatility management relative to the broader market and more effective risk management.

2. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

3. Environmental or social characteristics of the financial product

The characteristics promoted by the Fund consist of investing in companies that may exhibit E/S characteristics such as:

- reduced resource consumption;
- improved process efficiency; and
- resource generation and/or overall waste reduction.

The Sub-Investment Manager focuses on companies that offer market-disruptive/market-driven solutions to global sustainability challenges. The Sub-Investment Manager seeks to make investments based on individual theses and focuses on companies that offer exposure to a broad array of sustainability trends. The Sub-Investment Manager views sustainability as a driver of disruption and sustainably oriented businesses as companies offering lower environmental impact and less resource-intensive products or services than incumbent players.

4. Investment strategy

In addition to the environmental and social characteristics promoted, the Sub-Investment Manager aims to avoid long exposure to companies that are directly involved in, and/or derive significant revenue from, industries or product lines that do not fall into a sustainability category, such as the below listed, however, the Fund may be able to short sell companies that fall into these industries or product lines:

- resource extraction companies;
- oil service companies; and
- defence companies.

Implementation of selection criteria

The Fund follows a positive inclusion bias as opposed to an exclusionary investment process and does not look at a set universe of companies. To identify a potential investment, the Sub-Investment Manager looks at a combination of fundamental analysis, industry dynamics and technology developments to identify promising investment themes and ideas that may exhibit one or more of the target characteristics. The Sub-Investment Manager then does fundamental work on its themes and ideas, including engagement with management teams and industry participants.

The Sub-Investment Manager screens investments according to the following environmental and social criteria which may vary depending on the sector as well as data availability:

Social:

- *Contribution to local communities / regeneration;*
- *Avoidance of controversies;*
- *Employee diversity.*

Environment:

- *Resource intensity;*
- *Energy consumption;*
- *Waste management; and*
- *Greenhouse gas (GHG) emissions.*

When assessing these metrics, the Sub-Investment Manager aims to:

- Understand the business activity of the company and whether a component, core component or by-product of that business activities is in the process to come up with a more sustainable ways of doing business;
- Map the business activity to the United Nations Sustainable Development Goals; and
- Cross reference the investment thesis with third party sustainability data providers.

Good governance practices of investee companies

The following factors are typically analysed:

- Board composition and independence;
- Tenure and previous experience of the management team; and
- Policies including, but not limited to, code of ethics and code of conduct.

5. Proportion of investments

The investment strategy has no limits on asset allocations, but historically approximately 60% of long positions have adhered to the E/S characteristics described. The remainder typically falls into the aforementioned opportunistic bucket, which may not be associated with a specific sustainability product or service, but generally are investments that follow the same ESG process (such as investments in technology sectors with lower carbon options). Target companies generally operate in the energy, infrastructure, industrials, information technology and consumer industries.

The Fund uses options primarily as a hedging tool around event risk. Options utilised are generally single name hedges meaning that the derivative matches the E/S considerations of the underlying name.

6. Monitoring of environmental or social characteristics

The Sub-Investment Manager screens investments according to the following environmental and social criteria which may vary depending on the sector as well as data availability:

Social:

- *Contribution to local communities / regeneration;*
- *Avoidance of controversies;*
- *Employee diversity.*

Environment:

- *Resource intensity;*
- *Energy consumption;*

- Waste management; and
- Greenhouse gas (GHG) emissions.

7. Methodologies

When assessing these metrics, the Sub-Investment Manager aims to:

- Understand the business activity of the company and whether a component, core component or by-product of that company's activities is in the process of coming up with a more sustainable way of doing business;
- Map the business activity to the United Nations Sustainable Development Goals; and
- Cross reference the investment thesis with third party sustainability data providers.

The Sub-Investment Manager evaluates and tracks the overall "sustainability intensity" of the investment strategy on an ongoing basis by dividing the long portfolio holdings into three exposure categories:

- **Core:** companies that generate the majority of revenues from sustainability-oriented product or service.
- **Peripheral:** companies that generate part of their revenues from sustainability-oriented product or service.
- **Opportunistic:** which may not be associated with a specific sustainability product or service.

8. Data sources and processing

The data sources used to analyse each of the environmental or social characteristics promoted by the Fund are:

- Bloomberg data: for e.g. carbon metrics;
- Sustainalytics;
- Sustainability Accounting Standards Board ("SASB");
- Various company reports; and
- Management engagement.

9. Limitations to methodologies and data

Limitations on methodologies and ESG data include the lack of consistency, reliability, comparability, and quality of the data available. This is driven by issues including, but not limited to:

- Lack of common methodology across providers of ESG ratings;
- Lack of standardised reporting by companies;
- Different estimation models for unreported data;
- Difficult to quantify factors and unverified or unaudited information; and
- Backward looking information that fails to capture "direction of travel".

These limitations are addressed by:

- Use of varied data sources;
- Company engagement to understand data at source; and
- Reliance on internal research and analysis using third party data as complementary information.

10. Due diligence

The Sub-Investment Manager assesses sustainability risks at the pre-investment stage and on an ongoing basis as follows:

Pre-investment - due diligence assessment

Any business identified as having a high probability of a potential sustainability risk impacting future returns would not be included in the final portfolio. As a result of this pre-investment due diligence assessment and adherence to the selection process, the Sub-Investment Manager believes that potential impact of sustainability risks on returns are significantly decreased at the outset.

Ongoing assessment

Where there is a marked deterioration in sustainability, evidenced both by quantitative factors and/or qualitative ones such as negative perceptions over a business' operating practices, the Sub-Investment Manager will seek to engage with the business' management, and if unsatisfactory, potentially exit from the investment.

11. Engagement policies

The Sub-Investment Manager regularly engages with investee and prospect companies on sustainability and other issues during management interactions and actively votes proxies.

12. Designated reference benchmark

The Fund does not have a sustainable designated reference benchmark.

I Important Information

Past performance is not an indication or guarantee of future performance and no representation or warranty is made regarding future performance. This communication is for information purposes only. It is not an invitation or inducement to engage in investment activity.

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For all definitions of the financial terms used within this document, please refer to the glossary on our website: <https://www.heptagon-capital.com/glossary>.

I Risk Warnings

The Fund is subject to special risk considerations including geographic concentration risk, portfolio concentration risk and operational risk. The investment return and principal value of an investment will fluctuate so that the investor's shares, when redeemed, may be worth more or less than their original cost. Any investor should consider the investment objectives, risks and charges and expenses of the fund carefully before investing. Where an investment is denominated in a currency other than the investor's currency, changes in rates of exchange may have an adverse effect on the value, price of, or income derived from the investment.

I SFDR

This Fund has been classified as an Article 8 for the purposes of the EU's Sustainable Finance Disclosure Regulation ('SFDR'). The Fund promotes environmental and/or social characteristics but does not have sustainable investment as its primary objective. It might invest partially in assets that have a sustainable objective, for instance assets that are qualified as sustainable according to EU classifications but does not place significantly higher importance on the environmental objective of each underlying investment. Please see [prospectus](#) for further information on the Funds environmental and/or social characteristics and relevant sustainability risks and principal adverse impacts which may impact the Fund's performance.

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