

December 2022

ESG POLICY

I Heptagon Capital's Principles of Responsible Investing

Heptagon Capital is an independent asset manager with a proven pedigree in long-term sustainable business management. We believe that sustainable investing can drive positive impacts for society and the environment, and hence we put an emphasis on transparency, with our active investment management culture built on 'responsible investing'. As such, we believe that environmental, social and governance (ESG) factors are also an important part of robust fundamental analysis, and that integrating them in the investment processes is paramount. Our responsible investing guidelines, set out in this policy, are based on this belief and on our firm's commitment to provide the highest quality of active asset management, which defines both us and our clients.

I Approach

Our offering includes a broad range of different investment managers who have autonomous decision-making responsibilities and independent investment philosophies and processes. Each investment team manage their portfolios according to their own specific expertise and convictions, and are exposed to unique factors that may impact their fundamental analyses. Our approach to ESG has therefore been to formulate a policy that considers the diversity of our independent investment teams whilst making it robust and scalable over time. Through active dialogue with the investment managers, and in line with their investment freedoms, each manager is responsible for defining and determining the potential impact of ESG risks on their investments. We believe that this is the best way to meaningfully integrate ESG factors and to ensure long-term sustainability.

I Incorporating ESG in the Investment Process

We believe that the incorporation of ESG factors in the investment process may help to reduce long-term risk and increase the opportunity for enhanced long-term returns. Foremost, we consider ESG qualities as potential risk factors that can lead to poor investment returns if they are not appropriately managed. Each manager has the responsibility to examine whether ESG risks could have a negative impact on the performance of an investment. Several of our investment teams have already chosen to incorporate ESG factors in their investment process. We respect that varying investment styles and asset classes will incorporate ESG factors to different degrees. As such, they consider various ESG factors alongside their conventional financial analyses and incorporate them in accordance with their suitability to the investment philosophy. We maintain an active dialogue with every investment team to gauge potential areas of improvement in this field as the landscape of ESG continues to evolve.

As active investors, many of our investment teams engage with the management of companies. This proactive involvement helps them develop an in-depth understanding of their individual companies and supports their company's management conversations around ESG concerns. We support this active engagement as we believe that this will positively impact the long-term results of our client's investments.

I Genuine Commitment

Our policy is being reviewed on a regular basis to ensure that our funds' environmental, social and governance credentials continue to enable our independent investment teams to drive sustainable quality investment, through responsible asset management.