

OUR COMPANY'S PHILOSOPHY TO SUSTAINABILITY

As a member of SMBC group, SMBC Nikko Investment Fund Management Company S.A. ("SNIF") has been working since its establishment to realize a sustainable society by realizing its management philosophy and solving social issues surrounding our company. The management philosophy, which is indispensable for the realization of a sustainable society, is passed down lies in the hearts and minds of each and every employee. Our philosophy focuses on our customers, favors a sound financial intermediary role and contributes to the development of markets and society, and respects diversity.

In our everyday activities we aim to:

- Foster a sense of responsibility for the environment amongst our staff;
- Ensure that our staff act in compliance with our sustainability requirements;
- Minimise the impact of our activities on the local and general environment;
- Prevent pollution wherever possible, in co-operation with the appropriate public authorities;
- Ensure all unavoidable waste is, where possible, reused, recycled or disposed of responsibly;
- Comply with relevant legislation and regulations.

As far as its operations are concerned, SNIF has implemented policies and procedures to make sure ESG risks are identified, mitigated and well informed decisions are taken. The policies and procedures cover among other the governance of the company, the approval of new projects, the selection of counterparties, the oversight of delegates, the risk management or the remuneration.

As part of its management company business model, SNIF always delegates the investment management function to third party investment managers. When sustainability risk is taken into account in the investment decision process of a concerned fund, SNIF is ensuring prior to the appointment and as part of its ongoing oversight that selected investment manager do have the proper policies in place evidencing the integration of sustainability risks in the investment decision making process and in the remuneration process.

As of the date of this document, all the Luxembourg funds managed by SNIF are considered as Article 6 funds under SFDR and sustainability risks are for the time being not integrated in the respective investment decision process. Taking into account the concerned investment policies that are not including ESG criteria, the type of assets invested in, the development stage of the funds or the distribution to Japanese investors, integration of sustainability risk has not been deemed a priority. Aiming for sustainable development SNIF will keep discussing the integration of sustainability risk in the concerned funds with relevant stakeholders and inform investors accordingly.

Cayman funds managed by SNIF being marketed only outside of the EU are out of scope of SFDR and integration of sustainability risks will therefore be assessed on case by case basis.

For further details and up to date information on the integration (or not) of sustainability risks, material sustainability risks identified for a specific fund and their possible impact on the performance, SNIF strongly recommends investors to refer to the concerned fund documentation where adequate disclosure will be prepared in accordance with SFDR and where relevant.

[Additional information regarding our mother company's approach to sustainability can also be found here: https://www.smbcnikko.co.jp/en/csr/green/index.html](https://www.smbcnikko.co.jp/en/csr/green/index.html)