ROCQ CAPITAL
MANAGEMENT LIMITED

July **2021**

Rocq Capital Management Limited - Responsible Investment Policy

Introduction

This document is Rocq Capital Management Limited's ("Rocq") Responsible Investment Policy. It describes Rocq's approach to responsible investing and on what basis the underlying securities owned by portfolios are selected and scrutinised. Responsible investing and the processes surrounding it are continuously evolving, so it is expected that this policy will be reviewed and updated on a regular basis.

Responsible investing describes investment strategies that integrate environmental, social, and governance ("ESG") factors into their investment process. Responsible investing will also include effective stewardship and often seeks an explicitly positive real-world impact.

These themes are integral to Rocq's investment process from inception however they are now being more formally recognised in explicitly responsible portfolios. Existing portfolios naturally pay attention to all of these long-term ESG themes but some investments may not meet the stricter criteria of a responsible portfolio.

For Rocq's responsible portfolios, this policy applies to all investments other than portfolio management instruments (cash, and government bonds).

This policy was agreed on 9th July 2021 and approved by John de Garis, Chief Investment Officer and the Investment Committee (IC).

It is the responsibility of the Rocq investment team to ensure that responsible investment portfolios abide by the terms set out in this policy.

Definitions

Rocq believe that responsible investing means seeking positive environmental, social, and governance outcomes whilst at the same time delivering a financial return to investors.

The responsible investments held by portfolios can include third party funds, ETFs and investment trusts. All of these will in turn invest into portfolios of underlying securities issued by companies and governments. These can include but are not limited to equities, bonds, and derivatives.

The minimum requirement for an investment to be designated as responsible by Rocq is that it (or an equivalent offshore investment vehicle) is designated as Article 8 or Article 9 under the EU Sustainable Finance Disclosure Regulation (SFDR).

Rocq defines Article 8 funds as 'ESG integrated' and Article 9 funds as 'Positive Impact'.

- **ESG Integrated**.
    - These holdings consider environmental, social, and/or governance factors as key parts of their investment process when deciding if a security can form part of their portfolio.
    - At a minimum they will screen out negative ESG factors but we prefer where possible for the holding to take a more active and engaged approach to analysing their ESG criteria. These criteria could include climate change impact, waste management, labour practices, human rights, board diversity, gender equality, and fair pay structures.

  - We will generally prefer, all else being equal, a security with a positive approach to screening and sustainability over a security that negatively screens only.

- **Positive Impact.**
  - Positive Impact investments invest into securities where the ultimate goal of the investment is to have a significantly positive impact on themes related to sustainability.
  - This will typically include targeting one or more of the United Nations (UN) Sustainable Development Goals (SDGs).
  - These securities will typically make up the bulk of 'Green' portfolios and a significant portion of sustainable portfolios.

Guidelines

This policy applies to portfolios which have opted for a responsible approach to investing. Those portfolios which have not opted to follow the Rocq Responsible Investment Policy will nevertheless include investments that meet this criterion however minimum holding levels will not apply. This policy does not apply to internally managed portfolios investing directly into fixed income or equity securities, nor does it apply to execution only accounts where Rocq has no control over the choice of underlying assets.

We expect this policy to develop further over time as standards and understanding of responsible factors change over time.

Selecting responsible investments

Although Rocq will use the SFDR definitions to initially classify the security, the Rocq investment team will perform their own due diligence on the security to ensure that they believe the definition assigned is correct and the investment is suitable for the strategy in question. This will include a review of the investment philosophy, process, their approach to managing portfolios in a responsible way, and the outputs (in terms of sectors, geographies, and individual holdings) of the portfolio.

Cash and equivalents, including sovereign bonds of the portfolio's base currency, are considered as portfolio management instruments and not subject to the requirement of meeting an SFDR definition.

Ongoing monitoring

The Rocq investment management team regularly monitor existing investments to ensure they remain suitable for the portfolios investing into them. This includes investment, team, style drift, and responsibility. If Rocq believe the investment has become unsuitable on any of those fronts on either an investment or responsibility basis, the team will seek to divest the holding as soon as practicable.

Rocq uses internal data gathered via communications with the underlying investment managers as well as third party data sources where appropriate to provide a complete picture of the investment.

Reporting

As investments become obliged to report sustainability data, we will seek to amalgamate this data across a client's portfolio to provide a look through exposure showing how their investments compare against a broad market index that they might otherwise invest into. As these reports will be specific to a client portfolio we do not intend to make them available to anyone other than the client or any third party they give permission for the data to be shared with (for example an investment consultant).

This data will also be used as part of our review process to ensure that investments are hitting their targets. Investments that start to fall behind comparable peers will be subject to further review by the Rocq investment team.

Warnings

This document is not intended as an investment recommendation and should not be treated as such. It provides an overview of Rocq's process for assessing responsible investments for use in portfolios. It does not describe the complete process of investment research and only applies for responsible portfolios managed by Rocq. The use of this Responsible Investment Policy with regards to portfolio construction may constrain the portfolios from investing into certain regions, sectors, and individual investments which conflict with the policy. This may result in responsible portfolios having a smaller range of investments available to them which may result in different performance to other portfolios.