GFMSL - SFDR WEBSITE DISCLOSURES

EU Sustainable Risk Finance Disclosure Regulation (2019/2088) (the Disclosure Regulation)

Global Fund Management Services Limited (**GFMSL**, or the **Firm**) makes the following disclosures in accordance with Articles 3(1), 4(1)(b) and 5(1) of the Disclosure Regulation.

Background

GFMSL is regulated by the Guernsey Financial Services Commission (GFSC) and licensed (GFSC Reference: 2902093) to provide certain services including managing collective investment schemes (**Funds**).

GFMSL may delegate portfolio management of certain Funds to other delegated portfolio managers (or appoint investment advisors to provide investment advice with respect to certain Funds), subject to the Firm's oversight and policies and procedures, including those relating to sustainability.

The Firm is subject to certain regulatory and disclosure obligations relating to sustainability. As per the Disclosure Regulation, GFSML is a "financial market participant" to which certain disclosure requirements apply, including to publish information on its website on the following:

- policies on the integration of sustainability risks in their investment decision-making process (Article 3 of the Disclosure Regulation);

- whether or not they consider "principal adverse impacts", being negative externalities of the investment or the contribution of an investment decision to adverse impacts on the environment or society (Article 4 of the Disclosure Regulation); and

- how their remuneration policies are consistent with the integration of sustainability risks (Article 5 of the Disclosure Regulation).

Any relevant delegated portfolio manager or investment adviser may also publish information on their own respective website with disclosures pursuant to the Disclosure Regulation.

Sustainability risk policy

A sustainability risk means "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". In the context of GFMSL, sustainability risks are risks which, if they were to crystallise, would cause a material negative impact on the value of the portfolios of the Funds that they manage.

The Firm sets out its policy below on the integration of sustainability risks in its investment decision-making process. This policy equally applies where: (a) the Firm has appointed an investment adviser and considers sustainability risks in the context of the investment advice provided; and (b) the Firm has delegated portfolio management and oversees that the delegated portfolio manager follows the Firm's policies and procedures on considering sustainability risks when making investment decisions.

Before any investment decisions are made on behalf of any Funds that GFMSL manage, the Firm (or relevant delegated portfolio manager) identifies the material risks associated with each proposed investment, including sustainability risk - supplemental sustainability risk-related due diligence may also be conducted by an external professional firm and/or steps can be taken to mitigate sustainability risk and preserve the value of the investment, when deemed necessary. The Firm (or relevant delegated portfolio manager) considers such risks as part of its fund risk management process having regard to the relevant Fund's investment policy and objective. This leads to the submission of investment proposals for consideration.

The relevant investment committee assesses all identified risks alongside other factors set out in the proposal. In assessing those risks, the investment committee draws upon a wide variety of internal and external research to assess any potential impact on the value of the assets over the time horizon of the relevant Fund. Following its assessment, investment decisions are made having regard to the Fund's investment policy and objectives.

Further information on the manner in which sustainability risks are integrated into investment decisions is available upon request from the Firm.

No consideration of adverse impacts of investment decisions on sustainability factors

Entity level

GFMSL (including its subsidiaries) is below the 500-employee threshold set out in Articles 4(3) and 4(4) of the Disclosure Regulation and so is not required to *mandatorily* consider the principal adverse impacts of its investment decisions on sustainability factors at entity level.

Although environmental, social and governance factors are important to GFMSL and the Firm takes them seriously, GFMSL does not *voluntarily* consider the principal adverse impacts of its investment decisions on sustainability factors in the manner prescribed by Article 4 of the Disclosure Regulation.

At present, GFMSL has not set a target date for considering principal adverse impacts. This is on the basis that GFMSL cannot gather and/or measure all relevant data on each indicator in a way that is systematic, consistent, and at a reasonable cost to investors, in accordance with the Disclosure Regulation.

This is the Firm's current position which the Firm keeps under review. GFMSL will continue to monitor this position in light of any regulatory changes on principal adverse impacts and disclosures and may reassess its approach under the Disclosure Regulation.

Fund level

Disclosures on considering principal adverse impacts of investment decisions on sustainability factors at fund level in accordance with Article 7 of the Disclosure Regulation are included in the relevant Fund documents, including the prospectus.

Remuneration policy

It is the policy of the Firm to pay staff a combination of fixed remuneration (salary and benefits) and variable remuneration (including bonus) and the Firm considers its sustainability risk policy, as part of its overall assessment of the Firm's remuneration.

Compliance with all Firm policies and procedures, including policies and procedures relating to the integration of sustainability risks on the investment decision making process, shall be taken into account as part of that overall assessment.

The Firm's remuneration structure does not provide an incentive to take excessive risks or otherwise act in a manner which is or might not be in a client's best interests.

Fixed Remuneration

All staff receive fixed remuneration. On an annual basis the Firm's governing body approves the remuneration budget for the forthcoming year with increases applied to individual salaries subject to the successful outcome of an annual assessment of performance for each member of staff. Performance is measured in terms of financial and non-financial objectives – both personal and firm-related. Any increase takes into consideration the market rate of the role and the experience and responsibility of each member of staff.

Performance Related Remuneration (Variable)

Subject to their contract of employment, staff may receive variable remuneration by way of a bonus. Allocation of variable remuneration to investment professionals reflects personal, team and firm performance. Where eligible, variable remuneration will only be paid on the successful outcome of the individual's performance review, which considers personal and team objectives, and subject to the profitability of GFMSL.

Variable remuneration is not subject to the performance of any Fund for which the Firm is appointed as an alternative investment fund manager. On this basis, there is no risk of misalignment with the sustainability risks (if any) associated with the investment decision making process of the Firm.