

**SUPPLEMENT 9 – STRATEGIC LONG SHORT FUND**  
**DATED 1 December 2022**  
**to the Prospectus issued for**  
**E.I. Sturdza Funds plc**

This Supplement contains information relating specifically to the Strategic Long Short Fund (the “Fund”), a sub fund of E.I. Sturdza Funds plc (the “Company”), an open-ended umbrella investment company with segregated liability between funds authorised by the Central Bank of Ireland (the “Central Bank”) on 26th September, 2008 as a UCITS pursuant to the UCITS Regulations. As at the date of this Supplement the Company has eight other funds:

- the Nippon Growth (UCITS) Fund,
- the Strategic China Panda Fund,
- the Strategic Global Quality Fund,
- the Strategic Europe Quality Fund,
- the Strategic European Silver Stars Fund,
- the Strategic Japan Opportunities Fund,
- the Sturdza Family Fund, and
- the Strategic Bond Opportunities Fund

Details regarding each fund are set out in Supplements 1-9 of the Prospectus.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 December 2022 (the “Prospectus”).**

Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**The Fund will be significantly invested in purchased single-name put options and may, at any one time, be significantly invested in other financial derivative instruments.**

The Fund may invest substantially in deposits with credit institutions and/or in money market instruments. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down.

**The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

UK taxpayers should read the section of the United Kingdom Country Supplement entitled “United Kingdom Taxation.”

**Profile of a Typical Investor:** Investment in the Fund is suitable only for these persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved (as detailed under the section headed “Risk Factors” in the Prospectus and Supplement), can tolerate a high level of volatility and believe that the investment is suitable based upon investment objectives

and financial needs.

## 1. Interpretation

The expressions below shall have the following meanings:

“Business Day”	means any day except Saturday or Sunday or any day which is a bank holiday in Ireland, Guernsey, Luxembourg or the USA or such other day or days as may be determined by the Directors and notified in advance to Shareholders.
“Dealing Day”	means each Business Day following the Valuation Point.
“Dealing Deadline”	means 11.59 p.m. Irish time on the Business Day preceding the relevant Valuation Point or such other time as the Directors may determine and notify to Shareholders in advance.
“Initial Price”	means CHF / GBP / USD / EUR 100 per currency equivalent Share Class.
“Investment Adviser”	means Crawford Fund Management LLC.
“Investment Advisory Agreement”	means the Investment Advisory Agreement made between the Investment Manager and the Investment Adviser dated 21 October 2022, as same may be supplemented and amended.
“Investment Manager”	means E.I. Sturdza Strategic Management Limited.
“Valuation Point”	means 5:00 p.m. (Irish Time) on each Business Day.
“Valuation Day”	means each Business Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Classes of Shares

Sub fund Name	STRATEGIC LONG SHORT FUND														
Share Class Type	A			A2			B				SI				Z
Share Class	A USD	A EUR	A CHF	A2 USD	A2 EUR	A2 CHF	B USD	B EUR	B CHF	B GBP	SI USD	SI EUR	SI CHF	SI GBP	Z USD
ISIN	IE000SC1QCD8	IE000JRL4FH0	IE0005YRKJ78	IE00074ZT5E0	IE0005AD4Y75	IE000MCNXM50	IE000WO9WAJ0	IE000195JL60	IE000FDK99Y4	IE000T9HWUB2	IE0009O2NRD1	IE0003IMWY56	IE0007L3Q159	IE000IVZHYV5	IE000XNDZDN1
Fund Launch Date	1 November 2022														
Class Launch Date	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched	not launched
Base Currency	USD														
Share Class Currency	USD	EUR	CHF	USD	EUR	CHF	USD	EUR	CHF	GBP	USD	EUR	CHF	GBP	USD
Hedged Class	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Distributing or Accumulating	Accumulating														
Benchmark	The Fund will operate with a cumulative fixed annualised hurdle rate of 2% over the subscription price per relevant Share at which an investor subscribes														
NAV Frequency (Valuation Point)	Daily														

Trading Notice (T)	1 business day														
Cut-off subscriptions / redemptions	T 23.59 Irish time														
Contract note release	T+2														
Subscription settlement	2 days following the Dealing Day														
Redemption settlement	2 days following the Dealing Day														
Investment Management fee	1.50%	1.50%	1.50%	1.25%	1.25%	1.25%	1.00%	1.00%	1.00%	1.00%	0.80%	0.80%	0.80%	0.80%	N/A
Performance fee	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	N/A
Placement / Front end load/distribution fees	0.00%														
Redemption Fee	0.00% *with the exception of investments made to the B and SI Classes of the fund during the "initial launch period" as further detailed in Note B below														
ADL	N/A														
ADL computation	N/A														

Minimum Subscription and Minimum Holding	No Minimum						1,000,000 *with the exception of investments made to the B and SI Classes of the fund during the “initial launch period” as further detailed in Note B below				10,000,000 *with the exception of investments made to the B and SI Classes of the fund during the “initial launch period” as further detailed in Note B below				N/A
	Initial Offer Period	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	from 9:00 a.m. (Irish time) on 1 November 2022 to 5:00 p.m. (Irish time) on 28 April 2023	
Initial Offer Price	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100



**Note A**

Z Class Shares are reserved for investors that have a direct "Investor Fee Agreement", entered into between the Investment Manager and the investor. Execution of an Investor Fee Agreement is at the sole discretion of the Investment Manager and such Investor Fee Agreement sets out the terms deemed appropriate and necessary which will apply to the investor in respect of its investment in a Z Class.

The A and A2 Share Classes of the Fund are available for Retail and Professional Investors; however, are also open to Institutional Investors.

The A2, B and SI Share Classes are deemed to be "clean" classes (i.e. non-rebate paying) and are primarily intended for Institutional Investors.

The A2, B & SI Classes are also made available to nominee / global custodians representing underlying Institutional Investors that satisfy the minimum investment criteria across multiple accounts, firms providing non-independent advisory services, providers of independent advisory services or discretionary investment management or other distributors who:

- I. provide investment services and activities as defined by the MiFID II Directive; and
- II. have separate fee arrangements with their clients in relation to those services and activities provided; and
- III. do not receive any other fee, rebate or payment other than from their client in relation to those services and activities.

Retail and Professional Investors are not prohibited from investing in the A2, B and SI Classes of the Fund provided they satisfy the minimum investment criteria as defined above.

**Note B**

The investment minimums stated in Section 2 above with regards to the B and SI Classes of the Fund will be reduced for a specific timeframe (the "initial launch period") post launch as summarised below:

- B Classes; minimum reduced to 100,000 for 6 months after the launch of the Fund. Investors subscribing during this "initial launch period" who take advantage of the reduced minimum will be subject to a 1.5% redemption fee on any redemptions submitted in the 6 months following a subscription received by the Administrator during the initial launch period, using a first in first out methodology;
- SI Classes; minimum reduced to 1 million for 6 months after the launch of the Fund. Investors subscribing during this "initial launch period" who take advantage of the reduced minimum will be subject to a 1.5% redemption fee on any redemptions submitted in the 12 months following a subscription received by the Administrator during the initial launch period, using a first in first out methodology.

### **3. Sustainable Finance Disclosure Regulation and Taxonomy Regulation**

This Fund has been classified as promoting environmental or social characteristics under Article 8 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ('SFDR'). The Fund's approach pursuant to Article 8 SFDR can be found in Annex 1 and Annex II of this Supplement.

Whilst the Fund promotes environmental and social characteristics in the manner described in Annex 1 and Annex II of this Supplement, it does not currently commit to investing in any "sustainable investments" with an environmental objective within the meaning of SFDR, nor does the Fund commit to invest in taxonomy aligned investments, which are a sub-set of "sustainable investments". The percentage of investments of the Fund aligned with the EU Taxonomy (including in transitional and enabling activities) is therefore 0% of the net assets of the Fund.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining proportion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **4. Investment Objective**

The investment objective of the Fund is to achieve long term capital growth.

### **5. Investment Policy**

The Fund will seek to achieve its investment objective through a fundamental long short equity strategy investing primarily in a portfolio of global listed equities and single-name put options. The Fund will be significantly invested in purchased single-name put options. Gross short exposure, as further detailed below under Leverage Limits, will not exceed 70% of NAV (on a Commitment Approach basis), all of which could be via single-name put options, depending on the Investment Advisers determination of opportunities. The typical cash exposure of put options is expected to be 2-7% of the Net Asset Value of the Fund, although this exposure may be higher in unusual periods of extreme market dislocation/volatility.

The Fund will invest in a combination of long and short positions. The portfolio will have a North American bias with the long positions spanning all market caps and sectors but typically having an emphasis on small and mid-cap "owner-operated" publicly traded companies, held through a combination of direct investment and/or derivative positions, as further detailed below. Short positions will be held through derivatives, primarily single-name put options on equities, although other derivatives may also be used, as further described below. The Investment Adviser will seek to identify single-name put options on equities that it determines are most likely to underperform. In this regard, the primary focus of single-name put options on equities will be on young companies with unproven business models and companies undergoing or at risk of undergoing distress and/or re-structuring.

The Fund's long portfolio will consist of positions on 20-50 listed companies (typically expected to be between 25-35), whilst the short portfolio will consist of positions on 20-150 listed companies (typically expected to be between 30-60). The Investment Adviser has discretion in determining whether to take long or short positions and the percentage of the Fund held long or short, as detailed under 'Leverage Limits' below, will vary over the life of the Fund as the Investment Adviser sees fit, taking into account the objective of the Fund.

### **Leverage Limits**



Long and short exposure limits, and expected ranges, as a percentage of the Fund's NAV will be as follows:

Gross Long Exposure:	up to 95%	(typically expected to be between 75% and 90%)
Gross Short Exposure:	up to 70%	(typically expected to be between 20% and 50%)
Gross Exposure:	up to 160%	(typically expected to be between 105% and 125%)
Net Exposure:	up to 80%	(typically expected to be between 20% and 70%)

The Fund will use the Commitment Approach to measure global exposure and market risk of the various derivative instruments. Global exposure (or leverage) will be calculated at the Fund level on a daily basis by determining the market value of the equivalent position in the underlying asset(s) in line with the Central Bank requirements and guidance issued by European Securities and Markets Authority.

The global exposure or leverage created through the use of derivatives in the Fund, calculated using the Commitment Approach, will not exceed 100% of its Net Asset Value.

Other than the 'Leverage Limits' noted above and restrictions as specified by UCITS Regulations, the Fund is not subject to any specific limits in relation to its allocation to equities or equity-related securities. The Fund will typically seek to diversify its exposure across a range of individual investments and industry sectors. However, the Fund may concentrate its investments in any one industry or market sector.

### **Long/Short Strategy**

The Investment Adviser will seek to actively allocate the Fund's portfolio to and across equities or asset classes (as detailed above and below) which it believes will offer the best opportunities to achieve positive returns at any given time. The best opportunities in the long portfolio are expected to arise by pursuing the Investment Adviser's dynamic, multi-style approach. This results in multiple investment styles present in the portfolio at any given time, with different styles dominating depending on the stage of the investment, business and economic cycles. Those dynamic investment styles will include, but not be limited to, growth, GARP (i.e. Growth At a Reasonable Price), value and special situations. Positions in the short portfolio, on the other hand, will focus primarily on two themes as outlined above and below: young companies with unproven business models and companies undergoing, or at elevated risk of, distress and/or re-structuring. Although a broad range of investment styles is also expected in the short book over time, the young-company theme has historically focused on newly public high-growth companies, whereas the distress/re-structuring theme has tended to manifest itself in more mature, value-oriented companies.

Through the implementation of the investment strategy a differentiated portfolio is constructed as summarised below:

#### Long Portfolio

The long portfolio focuses on undiscovered, underfollowed or out of favour securities with an emphasis on owner-operated companies. The most important component of the Investment Adviser's process with regards to the construction of the long portfolio is its proprietary "owner-operator" screen. This screen requires in-depth research to analyse a company's key decision-makers along with the relative importance of their incentives, including stock ownership and the base/bonus compensation they receive.

Other criteria that are considered as part of this selection process are; competitive barriers to entry, innovation, strong management / board, growth opportunities, threats /risks to the business, recession resilience, customer

trends and hidden assets / liabilities. A disciplined framework enables the Investment Adviser to systematically rank companies by consistent criteria and initiate best ideas, which represent the right business, at the right price and managed by the right people, as further described below:

- Right Business - Well-positioned companies dominant in a niche industry, with high barriers to entry, recurring free cash flow and attractive internal reinvestment opportunities. Strong, improving balance sheets and steady growth based on successful models.
- Right Price - Large margins of safety due to big discounts to fair / intrinsic value. Less safety margin required if fair value growing and with low expectations embedded into the market price.
- Right People - Shareholder-oriented owner-operators, that are honest and capable. Proven success through good and bad times, with the ability to capitalise on downturns and investor mistakes.

### Short Portfolio

As detailed above, the Investment Adviser attempts to identify companies that are most likely to fail within two primary shorting strategies: young companies with unproven business models, and companies undergoing or at risk of undergoing distress and/or re-structuring.

- An initial pool of 200-400 short candidates is typically identified using criteria such as cash burn, unforgiving valuation, balance sheet deterioration, poor return on invested capital, exiting sponsors, erratic cash flows, distressed bonds, and thematic initial public offering (IPO) searches. These broad thematic searches encompass ever-changing 'hot' IPO themes (i.e., industries or niches characterized by an inordinately large number of new stock offerings during a relatively short period of time, examples of which in recent years have included SPACs (SPACs will not form a core element of the short portfolio), cloud computing, cyber security, hamburger franchises, etc.) as well as heavily promoted stocks. These companies sometimes operate in over-saturated and highly competitive markets and are prone to losing favourable analyst coverage and financial sponsor support at the early onset of problems or setbacks. These areas have historically been fertile hunting ground for companies vulnerable to market disappointment that can result in a decline in stock price.
- From that initial pool, more in-depth fundamental analysis seeks to narrow the short focus list to just 20-50 ideas comprised of candidates that exhibit characteristics such as particularly flawed business models, meaningful competitive threats, weak managements, aggressive accounting, inflated embedded expectations, hidden liabilities, lawsuits/fraud, or dissatisfied customers.

In implementing the short strategy, the Investment Adviser primarily utilises single-name put options on equities.

Options activity is not expected to result in the Fund becoming the owner of a short position in the underlying stock. The Investment Adviser expects to liquidate any 'in-the-money' purchased put-options prior to expiration. In the extremely rare instance when an 'in-the-money' put option was not liquidated prior to expiration, the Investment Adviser would expect to issue no-exercise instructions. If, on the other hand, put options expire 'out-of-the-money' (i.e. above the strike price), the put options would simply expire worthless. There would be neither a sale nor an exercise of the put options, and the Fund would not become the owner a short position in the underlying stock.

## **Active Management**

The Fund is actively managed, with reference to the Benchmark (outlined above in Section 2. Classes of Shares) for the calculation of performance fees.

## **Additional Asset Classes**

During normal conditions, the Fund primarily invests in a portfolio of global listed equities and single-name put options.

However, where so warranted and as further detailed below, the Fund may also invest in equity related securities, debt securities (such as fixed and/or floating rated debt securities issued or guaranteed by governments and/or supranational entities and/or corporate entities throughout the world, which may be investment grade or below investment grade, including bonds and commercial paper which satisfy the criteria as set out in the UCITS Regulations), collective investment schemes (UCITS exchange traded funds and closed-ended funds), derivatives, commodities (indirect exposure only) and cash and/or cash equivalents, including money market instruments, as further described below.

Investment in the additional securities/instruments detailed above would typically be to take advantage of unusual market anomalies (e.g. credit-market dislocations, high-volatility periods, short candidates without liquid listed options availability) when other securities or asset classes might become more attractive or easier/cheaper to trade for select companies than the Fund's principal investment in global listed equities and single-name put options.

### **(i) Equities and Equity-Related Securities**

The Fund will invest in equities and equity-related securities which are listed or traded on one or more Recognised Exchanges worldwide (including emerging markets). The Fund will short listed equities and equity-related securities using derivatives such as options.

Equity-related securities include warrants (which embed a derivative(s)), close ended funds, ETFs and indices (where the underlying securities are equities).

Up to 20% of the net assets of the Fund may be invested in emerging markets equities and equity-related securities. The term "emerging markets" is generally understood to refer to markets of countries that are in the process of developing into modern industrialised states and thus display a high degree of potential but also entail a greater degree of risk. Exposure to emerging markets may include exposure to Russia, with investments only being made in securities listed/traded on the Moscow Exchange, subject to the lifting of any relevant Russian sanctions which are in place as of the date of this Supplement.

### **(ii) Debt Securities**

The Fund may take direct or indirect exposures (i.e. through derivatives, as further detailed below, or through collective investment schemes) to fixed and/or floating rate debt securities issued or guaranteed by governments and/or supranational entities and/or corporate entities throughout the world, which may be investment grade or below investment grade, (such as bonds, commercial paper and loan notes) listed or traded on one or more Recognised Exchanges (including emerging markets). The Fund may invest up to 10% of its net assets in such bonds.

### **(iii) Collective Investment Schemes**

The Fund may invest up to 10%, in aggregate, of its net assets in UCITS and/or alternative investment funds that satisfy the requirements of the Central Bank for UCITS Acceptable Investment in other Investment Funds. The collective investment schemes (including exchange traded funds and closed-ended funds which satisfy the transferable security criteria as set out in the UCITS Regulations) in which the Fund may invest may be listed or traded on one or more Recognised Exchanges worldwide. An investment in such investment funds will be made where such investment is considered by the Investment Adviser either as an investment in its own right or as a means of taking an exposure to an asset class consistent with the Fund's investment policy. Alternative investment funds in which the Fund may invest will be domiciled in a Member State of the EEA, the United States of America, the Channel Islands or the Isle of Man.

As outlined under "Commodities" below, the Fund may take an indirect exposure to commodities through investing in collective investment schemes which have an exposure to commodities.

#### **(iv) Derivatives**

The Fund may invest in or utilise derivatives for investment purposes, including the taking of long and short positions on equities and equity-related securities, debt securities, collective investment schemes (including exchange traded funds), ETCs (as further described under "Commodities" below) and indices (including commodities indices), for efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities where the Investment Adviser feels it is more efficient to do so, or hedging purposes in accordance with the requirements of the Central Bank. Such derivatives will be listed or traded on one or more Recognised Exchanges or over-the counter.

The derivatives which may be utilised by the Fund include futures, forwards, options (including buying and writing call and put options), warrants, convertible bonds, swaps (including equity, interest rate, index and total return swaps), and hybrid securities. The Fund will not enter into uncovered transactions on derivatives. Forward foreign exchange contracts may be used to hedge the value of the portfolio investments in the Fund against changes in the exchange rate between the currency of denomination of the portfolio investments and the Base Currency of the Fund.

The market exposure of the Fund in respect of long and short positions will be regularly monitored by the Investment Adviser and Investment Manager in accordance with the guidelines for the market (i.e. global) exposure of the Fund across the various asset classes as set out under "Leverage Limits" above.

The Investment Adviser may also hedge some of the risks of the asset classes in which the Fund is invested which it believes do not offer an adequate risk return profile through the use of derivatives and may also use derivatives for investment purposes to add additional value.

As set out above, the Fund may invest in derivatives on equity indices such as those produced, for example, by MSCI, JPM, etc. if needed for strategic asset allocation, tactical asset allocation or cash management purposes to manage exposure to a market on a cost efficient or liquidity efficient basis.

#### *Total Return Swaps*

The counterparty to any total return swap entered into by the Fund shall be selected in accordance with the criteria set down below at the section entitled "**Counterparty Selection Process**".

The counterparty to any total return swap entered into by the Fund shall not assume any discretion over the composition or management of the investment portfolio of the Fund or of the underlying of the total return swap and the approval of the counterparty is not required in relation to any investment portfolio transaction of the Fund.

The use of total return swaps may expose a Fund to the risks disclosed under the heading "**Risk Factors**"- "**Risks associated with Total Return Swaps**".

## **(v) Commodities**

The Fund may take indirect exposure to commodities, (such as gold, silver, platinum, diamonds, palladium, uranium, coal, oil, gas, copper and crops) through investing in collective investment schemes which have an exposure to commodities, through investing in securities in the commodities sector (such as ETCs, further described below) or by tracking commodity indexes through the use of financial derivative instruments (if required, any such index will be certified by the Management Company before use in accordance with the Central Bank requirements).

ETCs (exchange traded commodities) are debt securities typically issued by an investment vehicle which tracks the performance of a single underlying commodity or a group of commodities. ETCs are liquid securities and may be traded on a Recognised Exchange in the same way as an equity. ETCs enable investors to gain exposure to commodities without trading futures or taking physical delivery of assets. The ETCs will not embed derivatives, accordingly, the use of ETCs does not give leveraged exposure to commodities. ETCs are eligible investments for UCITS in compliance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019 (the "Central Bank UCIT Regulations") and meet the transferable security requirements in compliance with the Central Bank UCITS Regulations, in particular those relating to liquidity.

The Fund may invest up to 15% of its net assets to gain indirect exposure to commodities in the manner described above.

As set out above, the Fund may take exposure to commodities by tracking commodity indices such as those produced, for example, by MSCI, JPM, etc. if needed for investment purposes or cash management purposes to manage exposure to a market on a cost efficient or liquidity efficient basis where the Investment Adviser believes such exposure is better achieved through derivatives rather than direct security holdings.

## **(vi) Use of financial indices for investment purposes**

The Fund's exposure to financial indices, as described above, may comprise of eligible assets (i.e. assets eligible for investment by a UCITS) and ineligible assets (i.e. assets which a UCITS is not permitted to invest directly in and subject to the requirements of the Central Bank, namely commodities) and will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank for example on a quarterly, semi-annual or annual basis. The costs associated with gaining exposure to any such index will be impacted by the frequency with which the relevant index is rebalanced. When the weighting of any particular component exceeds the permitted investment restrictions set down in the Regulations, the Investment Adviser will, as a priority objective, look to remedy the situation taking into account the interests of Shareholders of the relevant Fund.

It should be noted that where a financial index comprised of eligible assets does not comply with the risk diversification rules set down in Regulation 71 of the Central Bank UCITS Regulations, investment in such an index by the Fund through the use of a derivative is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. The Fund may only gain exposure to such a financial index where on a "look through" basis, the Fund is in a position to comply with the risk spreading rules set down in the Central Bank UCITS Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index.

It may not be possible to comprehensively list the actual financial indices to which exposure may be taken by the Fund for investment purposes as they may change from time to time. A list of the indices to which a Fund takes exposure will be set out in the annual financial statements of the Company. Details of any financial indices (including their name, classification, rebalancing frequency and the markets that they represent) used by any Fund will also be provided to Shareholders of the Fund by the Investment Manager on request.

## **(vii) Cash and Cash Equivalents, including Money Market Instruments**

The Fund may hold or maintain cash deposits and/or cash equivalents, including money market instruments (such as short-term commercial paper, certificates of deposit, treasury bills, floating rate notes and fixed or variable rate commercial paper listed or traded on one or more Recognised Exchanges) and subject to the conditions and within the limits laid down by the Central Bank. The amount of cash and/or cash equivalents, including money market instruments that the Fund will hold will vary depending on prevailing circumstances.

In exceptional market conditions, the Fund may hold or maintain up to 40% of its net assets in cash or cash equivalents, including money market instruments as described above.

**(viii) Warrants**

The Fund may invest up to 5% of its net assets in warrants.

**(ix) Repurchase Agreements, Reverse Purchase Agreements and/or Sock Lending Agreements**

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Fund may use repurchase agreements, reverse purchase agreements and/or stock lending agreements (“SFTs”) for efficient portfolio management purposes only, to generate additional income for the Fund. The maximum exposure of the Fund in respect of SFTs shall be 60% of the Net Asset Value. However, the Investment Manager does not anticipate that the Fund’s exposure to SFTs will exceed 20% of the Net Asset Value. The Fund may enter into swaps. The maximum exposure of the Fund in respect of total return swaps shall be 30% of the Net Asset Value. However, the Investment Adviser does not anticipate that the Fund’s exposure to swaps will exceed 20% of the Net Asset Value. Further details are set out under the section of the Prospectus headed “Efficient Portfolio Management” and ‘Securities Financing Transactions and Total Return Swaps’. The types of assets that will be subject to SFT’s will be equity, equity related securities and debt securities and the underlying assets of a total return swap will be equity and equity related securities.

**5. Risk Management Process**

The Management Company will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Management Company will provide on request to Shareholders supplementary information relating to the risk management methods employed on the Company’s behalf including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

**6. Offer**

Details of the Share Classes on offer, together with details of the initial offer period (“Initial Offer Period”) and initial price (“Initial Price”) are set out above in Section “2. Classes of Shares”.

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension.

After closing of the Initial Offer Period each class of shares in the Fund are being issued at the Net Asset Value per Share in the relevant Class as at the relevant Valuation Point.

**7. Minimum Subscription and Minimum Holding**

Details of the Minimum Subscription and Minimum Holding for each Class are set out above in Section “2. Classes of Shares”.

A Shareholder may make subsequent subscriptions, conversions and redemptions in all Share Classes, a minimum transaction size will not be applied.

The Directors reserve the right to waive or reduce the Minimum Subscription and Minimum Holding size for a Class at their discretion.

## **8. Application, Redemption and Conversion via an Electronic Dealing Provider**

Where an electronic dealing provider is used by an investor to invest in the Shares of any Class, or such investor holds interests in Shares of any Class through accounts with an electronic dealing provider, such investor will only receive payments in respect of redemption and / or any dividends attributable to the Shares on the basis of the arrangements entered into by the investor with the electronic dealing provider. Furthermore, any such investor will not appear on the register of Shareholders, will have no direct right of recourse against the Fund and must look exclusively to the electronic dealing provider for all payments attributable to the relevant Shares. The Company will recognise as Shareholders only those persons who are at any time shown on the register of Shareholders for the purposes of: (i) the payment of dividends and other payments due to be made to Shareholders (as applicable); (ii) the circulation of documents to Shareholders; (iii) the attendance and voting by Shareholders at any meetings of Shareholders; and (iv) all other rights of Shareholders attributable to the Shares. None of the Company, the Management Company, the Investment Manager, the Investment Adviser, the Administrator, the Depositary or any other person will be responsible for the acts or omissions of the electronic dealing provider, nor make any representation or warranty, express or implied, as to the services provided by the electronic dealing provider.

## **9. Application for Shares**

Applications for Shares may be made through the Administrator (whose details are set out in the Application Form). Applications accepted and received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. Applications received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors, and having regard to the equitable treatment of Shareholders.

Initial applications should be made using an Application Form obtained from the Administrator or the Global Distributor and may, if the Company so determines, be made by telefax or email subject to prompt transmission to the Administrator of the original signed application form and such other papers (to include documentation relating to money laundering prevention checks and identification of applicable tax status) as may be required by the Administrator. Anti-money laundering documentation is required to be received prior to an application for Shares being processed. The Directors reserve the right to refuse applications to transact in Shares if required anti-money laundering documentation is not received. Details of the AML documentation required will be detailed in the Application Form. No redemptions will be paid until the original Application Form and such other papers as may be required by the Administrator have been received and all anti-money laundering procedures have been completed. Investors are required to obtain a copy of the Key Investor Information Document for the relevant Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available from the Global Distributor and from the following website [www.ericsturdza.com](http://www.ericsturdza.com). Subsequent applications to purchase Shares following the initial subscription may be

made to the Administrator (subject to an Investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) by telefax, email or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank) or such other means as may be permitted by the Directors and agreed with the Administrator in accordance with the requirements of the Central Bank, without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Administrator. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### ***Fractions***

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### ***Method of Payment***

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### ***Currency of Payment***

Subscription monies are payable in the currency of denomination of the relevant Class. The Company will not accept applications for Shares in currencies other than the currency of denomination of the relevant Class in which the applicant has elected to apply for Shares.

### ***Timing of Payment***

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days following the relevant Dealing Day (or such later day or time as the Directors may determine). If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may charge the relevant investor for any costs incurred due to late settlement (i.e. interest charges and administration costs) and/or cancel the allotment and the cost of cancellation (i.e. any loss, cost, expense or fee suffered by the Company as a result of the non-receipt of monies) may be charged to the relevant investor.

### ***Confirmation of Ownership***

Confirmation of each purchase of Shares will normally be made available to Shareholders within 2 Business Days of the relevant Dealing Day.

Title to Shares will be evidenced by written confirmation of the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **10. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Application Form by facsimile, written communication, email, electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements



of the Administrator and the Central Bank) or such other means as may be permitted by the Directors, and agreed with the Administrator in accordance with the requirements of the Central Bank, and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion determine otherwise, provided that such request has been received prior to the Valuation Point for the relevant Dealing Day. Redemption requests received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances as determined and agreed by the Directors and having regard to the equitable treatment of Shareholders.

No redemption payment will be made from an investor holding until the original Application Form for the initial subscription and all documentation required by or on behalf of the Administrator (including any documents in connection with anti-money laundering procedures and identification of the applicable tax status) has been received from the investor and the anti-money laundering procedures have been completed. Subject to satisfaction of all of the requirements of the Administrator (including but not limited to receipt of the original Application Form and all documentation required by the Administrator for anti-money laundering purposes and identification of the applicable tax status) the original redemption request will not be required prior to payment of redemption proceeds.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, if it thinks fit, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

#### ***Method of Payment***

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments following processing of instructions received by telefax will only be made to the account of record of a Shareholder.

#### ***Currency of Payment***

Shareholders will be repaid in the currency of denomination of the relevant Class from which the Shareholder has redeemed Shares.

#### ***Timing of Payment***

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day (and in any event should not exceed ten Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by the Administrator.

#### ***Withdrawal of Redemption Requests***

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### ***Compulsory/Total Redemption***

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

### **11. Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares". Requests for conversion of Shares should be made to the Administrator by facsimile, written communication or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank) or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Administrator.

## **12. Dividend Policy**

It is not the current intention of the Directors that dividends be recommended for payment to Shareholders in the Fund.

## **13. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## **14. Investment Adviser**

The Investment Manager has elected, and the Company and the Management Company have consented, to the appointment of Crawford Fund Management, LLC, whose address for service is at 265 Franklin Street, suite 1702, Boston, MA 02110, as an Investment Adviser to the Fund to provide investment advice and discretionary investment management services pursuant to the Investment Advisory Agreement.

Each of the Investment Manager and the Investment Adviser shall be entitled to terminate the Investment Advisory Agreement by giving to the other party not less than six months' notice in writing.

The Investment Advisory Agreement may be terminated automatically if (i) the Investment Manager resigns its appointment under the Investment Management Agreement; or (ii) the appointment of the Investment Manager shall otherwise be terminated in accordance with the provisions of the Investment Management Agreement; or (iii) the Fund is terminated; or (iv) the other party shall commit any material breach of the provisions of the Investment Advisory Agreement and shall not have remedied such breach within thirty (30) days after being required to do so by notice in writing given by the first party; or (v) one party being guilty of negligence, bad faith, fraud, wilful misconduct, reckless disregard or fraud in the performance of its duties; or (vi) the property of the other party being declared *en désastre* or that other party becomes insolvent or goes into liquidation (other than voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver is appointed over any of its assets or if some event having equivalent effect occurs or being declared bankrupt; or (vii) the Investment Adviser breaches its exclusivity undertaking set forth in the Investment Advisory Agreement or where the relevant Key Person (as defined within the Investment Advisory Agreement) is no longer involved in providing services, including through incapacitation, to the Investment Adviser or its Associates.

If it is determined that (i) changes in, or introduction of, mandatory legislation or other mandatory regulatory requirement or of any generally accepted interpretation of any mandatory legal, fiscal or regulatory requirement, which the Investment Adviser is required to comply with, or (ii) if the Investment Manager advises of changes to its policies which the Investment Adviser is required to adhere to (each a "Change"), taking into account any proposed mitigations offered by the Investment Manager, will result in a substantial and material part of the Investment Advisory Agreement being substantially frustrated or unlawful, and/or will impose a

material and unfair burden on the capabilities or resources of the Investment Adviser, then the Investment Manager and Investment Adviser will agree to terminate the Investment Advisory Agreement with effect from the date of the Change becoming legally binding.

In the absence of a material breach of the terms of the Investment Advisory Agreement, negligence, a breach of fiduciary duty, bad faith, reckless disregard, fraud or wilful default on the part of the Investment Adviser, its Associates, directors, employees, officers or agents, neither the Investment Adviser's directors, employees, officers or agents nor its Associates, or their directors, employees, officers or agents (each, an **"Investment Adviser Person"**), shall be liable to the Investment Manager or any relevant person for any act or omission in the course of or in connection with the services rendered under the Investment Advisory Agreement or for any decline in the value of the assets of the Fund or any loss whatsoever that may result to the Investment Manager acting upon any investment advice given to it by the Investment Adviser.

The Investment Manager shall, out of the assets of the Fund, indemnify the Investment Adviser, including its officers, employees, Affiliates and controlling persons, to the fullest extent permitted by law from and against all judgements, fines, claims, losses, liabilities, costs, charges, damages and amounts paid in settlement out of the assets of the Fund, against all claims by third parties, which may be made against it in connection with its services under the Investment Advisory Agreement, except to the extent that the claim is due to the bad faith, negligence, wilful default, reckless disregard or fraud in the performance of its duties or obligations under the Investment Advisory Agreement by the Investment Adviser. This indemnity shall not under any circumstances extend to any losses which are exemplary, special, indirect, nor shall it include any consequential damages of any nature which may be suffered by the Investment Adviser.

## **15. Fees and Expenses**

The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus.

### **Establishment Costs**

The Fund will bear the costs of its establishment, which are not expected to exceed Euro 30,000. The establishment expenses will be amortised over the first year following the launch of the Fund.

### **Management Company Fee**

Details of the Management Company's fees are set out under the heading "Fees and Expenses" in the Prospectus.

### **Administrator's Fees**

Details of the Administrator's fees are set out under the heading "Fees and Expenses" in the Prospectus.

### **Depositary's Fees**

Details of the Depositary's fees are set out under the heading "Fees and Expenses" in the Prospectus.

### **Investment Manager Fees**

The Company shall pay the Investment Manager out of the assets of the Fund an annual fee accrued at each Valuation Point and payable monthly in arrears. Details of the fee payable to the Investment Manager in respect of each Share Class are set out above under Section "2. Classes of Shares".

### **Performance Fee**

The Investment Manager is entitled to a performance related fee (“Performance Fee”) payable by each Share Class as detailed above in Section “2. Classes of Shares”. Please refer to the Section 3 “Fees and Expenses” of the prospectus for details of the methodology used in the Calculation of the Performance Fees, together with examples of the Performance Fee methodology (all Performance Fee examples detailed within the Prospectus will be relevant to the Fund except for Performance Fee example 3). In the context of this Fund, reference to ‘Index’ within the Performance Fee Examples shall be understood to refer to the ‘Benchmark’.

The Investment Manager shall be entitled to a Performance Fee equal to a percentage of the relative outperformance, if any, of the Net Asset Value per relevant Share (before deducting the amount of any accrued liability for a Performance Fee, provided that in doing so is in the Shareholders’ best interest) over a cumulative fixed annualised hurdle rate of 2% over the subscription price per relevant Share at which an investor subscribes (the “Benchmark”).

### **Investment Adviser Fee**

All fees payable to any appointed Investment Adviser shall be paid by the Investment Manager out of the remuneration it receives pursuant to the terms of the Investment Advisory Agreement.

### **Global Distributor**

It is not the current intention of the Directors to charge a placement/front end load/distribution fee. If it is at any stage in the future proposed to charge any such fees, reasonable notice shall be given to Shareholders. In the event of a placement/front end load/distribution fee being charged, the difference at any one time between the sale and redemption price of Shares in the Fund means that the investment should be viewed as medium to long term.

### **Redemption Fee**

It is not the current intention of the Directors to charge a redemption fee, with the exception of those noted in Section 2. Classes of Shares related to investments made to the B and SI Classes of the fund during the “initial launch period”. If it is at any stage in the future proposed to charge a redemption fee systematically, reasonable notice shall be given to Shareholders. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long-term.

### **Anti-Dilution Levy**

It is not the current intention of the Directors to apply a general anti-dilution levy to all applications for subscriptions and redemptions from the Fund. If it is at any stage in the future proposed to apply a general anti-dilution levy, reasonable notice shall be given to Shareholders.

## **16. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled the “Company”. In addition, the following Risk Factors are specific to the Fund:

### **Investment in Equity and Equity-Related Securities**

The Fund may invest in equity and equity-related securities traded on recognised stock exchanges. Equity securities will be subject to risks associated with such investments, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities. The value of these securities varies with the performance of the respective issuers and movements in the equity markets generally. As a

result, the Fund may suffer losses if it invests in equity securities of issuers where performance falls below market expectations or if equity markets in general decline or the Fund has not hedged against such a general decline. Futures and options on equity securities and indices are subject to all the foregoing risks, in addition to the risks particularly associated with futures and derivative contracts.

Investors in the Fund must recognize that, due to the inherent characteristics of equity markets, the value of their investment can go down as well as up, and that they may not receive back the monies originally invested. The Fund intends to invest primarily in North American markets and, therefore, there is a risk to investors by reason that the Company is exposed to one particular economic region. In addition, the liquidity in markets can vary and it may not always be possible for the Fund to disinvest or invest in any particular market. A proportion of the Fund's assets may from time to time be held in foreign currencies and therefore at times may be affected by fluctuations of currency markets.

### **Market Capitalisation Risk**

The securities of small to medium sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies and may involve greater risks and volatility than investments in larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small to medium sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Companies with smaller market capitalisations may be at an earlier stage of development, may be subject to greater business risks, may have limited product lines, limited financial resources and less depth in management than more established companies. In addition, these companies may have difficulty withstanding competition from larger more established companies in their industries. The securities of companies with smaller market capitalisations may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than investing in securities of larger capitalisation companies. In addition, transaction costs in smaller capitalisation stocks may be higher than those of larger capitalisation companies.

### **Liquidity Risk**

Not all securities or instruments invested in by the Fund may be actively traded and consequently liquidity may be low therefore it may not always be possible to execute a buy or sell order or liquidate an open position. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. There can be no assurance that there will be sufficient trading volume in securities or investments held by the Fund to enable the Investment Manager to dispose of such securities on a timely basis at favourable prices.

### **Redemption Risk**

Large redemptions of Shares in the Fund might result in the Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Concentration of Investments**

If the Fund invests up to the maximum permitted under the investment restrictions described in Appendix I of the Prospectus in the securities of single issuers and / or in economic sectors this concentration and lack of diversification relative to the capital of the Fund could mean that a loss in any one such position or a downturn in a sector in which the Fund is invested could materially reduce the Fund's performance. Thus, any substantial investment by the Fund relative to overall assets in the securities of a single issuer or the concentration of the Fund's investments in a particular industry may increase the level of risk associated with an investment in the Fund.

## **Investment in Cash and Money Market Instruments**

The Fund may invest substantially in deposits with credit institutions and/or in money market instruments. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down.

## **Securities Lending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as the Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, the Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

## **Key Man Risk**

Insofar as the role to provide investment advice and recommendations towards the Fund has been appointed to the Investment Adviser by the Investment Manager, it is likely that the decisions that lead to investment recommendations are focused with a small number of senior individuals within the Investment Adviser. As a result, there will likely be a degree of key man risk arising from the potential loss of knowledge and expertise arising from the departure or inability to act of a key person that possesses significant subject matter, expertise and tenure to provide services towards the Fund on behalf of the Investment Adviser. The Investment Manager therefore has adopted specific policies to address key man risk in the event that such an event arises, which may include the suspension or termination of the relevant investment advisory agreement or to provide a recommendation to the Company to consider the closure or winding up of the Fund.

## **External ESG Data Provider**

The use of an external ESG data provider by the Fund may result in:

- issues related to missing or incomplete information from some companies (for example relating to their capacity to manage their ESG risks) which may have been used as input in the data providers' scoring model; this problem may be mitigated by those providers through the use of alternative data sources, external to the company, to feed their scoring models;
- issues linked to the quantity and quality of ESG data to be processed by ESG data providers (significant flow of information to be integrated continuously into their ESG scoring model): this problem may be mitigated through the use of technologies like artificial intelligence and the numerous analysts who work to transform raw data into relevant information; and
- issues linked to the identification of relevant factors for the ESG analysis conducted in accordance with the ESG data provider framework. This is usually set beforehand as each sector (and sometimes each company) has its own set of indicators deemed material by the ESG data provider and its own weightings: ESG data providers may use a quantitative approach validated by each sector specialist and investor feedback to determine the most relevant ESG factors for a given sector (or for a particular company if applicable).

## **17. Investment Restrictions**

Notwithstanding Point 3.1 of Appendix I – Investment Restrictions in the Prospectus, the Fund may not invest more than 10% of its net assets in aggregate in other collective investment schemes.

## Annex 1 – APPROACH PURSUANT TO ARTICLE 8 SFDR

**The information in this Annex should be read in conjunction with the stated Investment Policy of the Fund.**

### Promoted Characteristics

The Investment Manager and Investment Adviser seek to promote the following characteristics in the Fund, as identified in the SFDR Principal Adverse Impacts (“PAI”), via the implementation of the ESG policy and practices adopted in the management of the Fund, as outlined below:

- Ensure Healthy Lives and Promote Well-Being for all at all ages (PAI 3)

Whilst the scope of PAI 3 is wide, the Investment Manager has reflected on the ambition to promote well-being and healthy lifestyles and concluded that it would be inappropriate to allow investments in tobacco products (production) noting that the harmful effects of the tobacco industry are well documented.

The Investment Manager believes that there is a fundamental and irreconcilable conflict between the tobacco industry’s interests and public health interests. The Investment Manager has determined that investing in tobacco is not compatible with its commitment to promoting healthy lives and well-being and believes excluding investment in the industry is the most effective means to promote PAI 3.

- Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for all (PAI 7) and Take Urgent Action to Combat Climate Change and its Impacts (PAI 13)

As further detailed within the Investment Manager’s Responsible Investment Policy, the Investment Manager is mindful of the global issues facing humanity and the obligation to take steps whenever possible to support initiatives that seek to address these. In this regard the Investment Manager and Investment Adviser seek to focus on investments in companies that have fully adopted, or those that are actively transitioning, their business models / processes to more sustainable approaches. The Investment Manager and Investment Adviser consider sustainability, with regards to energy to be that which meets the needs of the present without compromising the ability of future generations to meet their own needs, considering environmental aspects such as greenhouse gas emissions and social and economic aspects such as energy poverty.

Recognising the impact energy production (in all its forms) has on carbon emission, the Fund will seek to align to PAI 7 by excluding investments in companies that derive in excess of 10% of revenue from the following industries; Thermal Coal Extraction, Oil Sands Extraction, Arctic Oil and Gas Exploration and Extraction and Shale Energy Extraction. Further, investment in companies which derive in excess of 25% of their revenue from Thermal Coal Power Generation is also excluded.

- Reduce Inequality within and among countries (PAI 10) & Promote Peace, Justice and Strong Institutions (PAI 16)

PAI 10 – considers the inequality between countries, with the UN noting that the proportion of the global population who are refugees has more than doubled since 2010. Military action and wars, along with the long tail impact associated with such conflicts is arguably one of the leading causes driving the displacement of whole societies and increasing the migration of refugees, who currently face significant risks when seeking safe havens.

PAI 16 – one of the aims of PAI 16 is to promote peaceful societies.



In light of the above principles the Investment Manager and Investment Adviser have determined that certain investments will be excluded in support of achieving the aims as summarised below:

1. The Investment Manager and Investment Adviser acknowledge the right of nations to use legitimate weapons for national self-defence and national security purposes as set forth in the Charter of the United Nations. The Investment Manager and Investment Adviser therefore accept that various types of weapons are necessary for achieving internationally accepted goals such as peacekeeping missions. However, the defence industry is complex, and the Investment Manager and Investment Adviser are mindful that the industry entails significant risks related to various types of controversial weapons and their potential use where international humanitarian laws could be violated; or used for purposes other than national security and self-defence.

In the complex area of what are legitimate weapons for national self-defence, the Investment Manager and Investment Adviser focus specifically on controversial weapons. These are weapons, the use of which (could) inflict large-scale suffering on civilians, or the victims of which are civilians, which the Investment Manager and Investment Adviser deem would be in breach of principles of peace and justice. The Investment Manager and Investment Adviser have focused on the following types of weapons; 1. Weapons of mass destruction (Nuclear weapons, Chemical weapons & Biological weapons); and 2. Weapons which impose considerable risk to civilians during and / or after the cessation of hostilities (Anti-personnel mines, Cluster bombs, Munitions with depleted uranium). In this regard the Investment Manager and Investment Adviser will not knowingly investment in companies which are involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapons listed.

2. Further to the above, small arms have also been identified as an area that can impact efforts to reduce inequality, conflicts and promote peaceful societies. Small arms are reported to be a major factor in the increase of armed conflict worldwide. They are the weapon of choice for many terrorist groups and often hinder rebuilding and development after a conflict has ended. Besides the loss of human life and physical harm, armed violence also has significant (direct and indirect) economic costs – further impacting the ability to address the imbalance between emerging and developed countries. In this regard the Investment Manager and Investment Adviser will not knowingly invest in companies that derive more than 10% of their revenue from small arms (civilian customers and retail distribution).

**The Fund’s approach pursuant to Article 8 SFDR in respect of all long positions. For the avoidance of doubt these rules do not apply to short positions.**

In identifying investments which allow the Fund to promote the environmental, social and governance characteristics (“ESG”) outlined above, the Investment Manager has established a Responsible Investment policy, under which the following factors are considered:

- 1) Negative factors: a company’s exposure to areas of the markets that are contrary to the Investment Manager’s views regarding good environmental and social policies and practices, as well as governance structures. These negative ESG factors are further articulated below and within the Investment Manager’s Responsible Investment Policy available via [www.ericsturdza.com](http://www.ericsturdza.com).
- 2) Positive factors: Investment in companies that are highly rated (and which have a low ESG risk rating) as per the assessment of an independent global leader in ESG, Corporate Governance Research and Risk Ratings used by the Investment Manager and Investment Adviser, (the “Provider”), or alternatively, investment in companies that are seeking to transition their business models/processes to more sustainable business practices/approaches, as further outlined in PAI 7 and PAI 13 above.

In support of its approach to ESG, the Investment Manager has established a two-pillar framework which is adopted in the management of the Fund:

**First pillar: Ensure adherence to an established exclusion list of industries that are prohibited for investment:**

The Investment Manager's established exclusion list prohibits investment in companies that are involved with controversial weapons (core weapon systems or components/services that are considered tailor-made). We will also exclude companies considered involved via a substantial corporate ownership (over 10%).

In addition the Investment Manager's exclusion list prohibits investment in companies that derive more than 10% of their revenues from: thermal coal extraction, thermal coal power generation (share of revenue > 25%), oil sands extraction, arctic oil and gas exploration and extraction, shale energy extraction, small arms, predatory lending, whale meat procession, tobacco products (production) or adult entertainment (production and distribution). Insight regarding the rationale as to why these industries are excluded from the investment universe is presented within Appendix 2 of the Investment Manager's [Responsible Investment Policy](#) (available via [www.ericsturdza.com](http://www.ericsturdza.com)).

The Investment Manager and Investment Adviser use the Provider to monitor the product involvement of underlying companies (i.e. the Provider will identify companies involved in a range of products, services and business activities for screening purposes. Each activity is accompanied with a concise summary of the way the company is involved in the relevant product or activity). The established exclusion list is reviewed periodically unless a specific event necessitates an out-of-cycle review.

**Second pillar: The Investment Manager will work closely with the Investment Adviser to integrate ESG risks considerations into the Fund's investment process:**

In addition to using traditional financial metrics when selecting portfolio constituents, the Investment Manager also requires the Investment Adviser to incorporate ESG factors into the investment decision making process. The Investment Manager believes that high standards of corporate responsibility generally make good business sense and have the potential to protect and enhance investment returns, hence the incorporation of this second pillar within the Fund's investment process.

In order to evaluate the ESG risks of companies, the Investment Manager and Investment Adviser have access to externally sourced ESG research from the Provider. Risk ratings from the Provider are categorised across five risk levels, from negligible to severe and provide detailed analysis of each environmental, social and governance risk at a company level. Each established investment position is monitored, and the Investment Manager has established an ESG Committee to maintain risk oversight along with the Risk Committee. If a company is rated high or severe, the ESG Committee will engage with the Investment Adviser to understand the business case for holding the position. With regards to companies with a severe risk rating, the ESG Committee requires the Investment Adviser to justify in writing why they are holding this position (e.g. is the company actively transitioning to more sustainable practices). Depending on the outcome of this discussion, the Investment Manager has the authority to require the Investment Adviser to divest within a reasonable time frame and taking due account of the best interests of the Fund and its Shareholders.

In addition, via the Provider the Investment Manager and Investment Adviser have access to aggregated portfolio level, and company level, insights regarding the carbon risk, intensity and involvement; company product involvement, exposure to areas of focus under the PAIs (as outline above), alignment to the United Nations SDGs, impact metrics and energy consumption. Each of these areas is actively monitored and consideration of such characteristics is captured in the Investment Advisers investment case assessment for each investee company.

**Engagement and Monitoring**

In addition to monitoring ESG risks, the Investment Manager expects the Investment Adviser to actively engage with the underlying companies. When assessing the governance practices of companies, each Investment Adviser should be able to satisfy itself that the companies follow good practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Investment Manager also emphasises the importance of using its voting rights in order to ensure a culture of strong corporate governance. The Investment Manager aims to vote on all of its proxies and utilises a leading voting services provider to assist with this. Annual voting reports will be published on the Investment Manager's website, along with the Investment Manager's [Shareholder Engagement Policy](#).

The Investment Manager monitors the social and environmental characteristics through actively monitoring all portfolios on a regular basis to ensure compliance with its responsibilities as a signatory to the UN Principles for Responsible Investment and under its own defined objectives outlined in its Responsible Investment Policy. The Investment Manager is also a member of the Institutional Investors Group on Climate Change (IIGCC), a European membership body for investor collaboration on climate change. Under this obligation, the Investment Manager intends to monitor the carbon footprint of each portfolio using data from the Provider, and to encourage the Investment Adviser to engage with the underlying companies on strategies to improve their carbon footprint and to reduce/mitigate climate-related risks.

### **Other considerations**

The Investment Manager and Investment Adviser will also:

- Ensure the average ESG risk rating of the Fund's portfolio will be better than the average ESG risk rating of the universe into which the Fund can invest. The investment universe into which the Fund can invest has been defined as securities listed or traded on a Recognised Exchange.
- Ensure the proportion of the Fund's portfolio with an ESG rating is higher than:
  - 90% for equities issued by large capitalisation companies whose registered office is located in developed countries, debt securities and money market instruments with an investment grade credit rating, or sovereign debt issued by developed countries;
  - 75% for equities issued by large capitalisation companies whose registered office is located in emerging countries, equities issued by small and medium capitalisation companies, debt securities and money market instruments with a high yield credit rating or sovereign debt issued by emerging countries.

## Annex 2

# Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Strategic Long Short Fund

Legal entity identifier: OZCW2EIGGV0EIO1PF913

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Environmental Characteristics:

As noted in the Investment Manager's Responsible Investment Policy, the Investment Manager is mindful of the global issues facing humanity and the obligation to take steps whenever possible to support initiatives that seek to address these. In this regard the Investment Manager and Investment Adviser seek to focus on investments in companies that have fully adopted, or those that are actively transitioning, their business models / processes to more sustainable approaches; whilst discouraging investments in companies that are falling short in this regard.

Recognising the impact energy production (in all its forms) has on carbon emission, the Fund will seek to align to the 7th Principal Adverse Impacts ("PAI") (activities negatively affecting biodiversity sensitive areas) by excluding investments in companies that derive in excess of 10% of revenue from the following industries; Thermal Coal Extraction, Oil Sands Extraction, Arctic Oil and Gas Exploration and Extraction, Shale Energy Extraction. Further, investment in companies which derive in excess of 25% of their revenue from Thermal Coal Power Generation are also excluded. Adoption of such an approach seeks to direct investments to companies that are actively transitioning their business models / processes to more sustainable approaches; whilst discouraging investments in companies that are falling short or that are deemed to be fundamentally contradictory to, and have an inability to adjust their business model to adhere to a net zero emissions target.

Social Characteristics

In accordance with PAI 3, the Investment Manager has reflected on the ambition to promote well-being and healthy lifestyles and concluded that it would be inappropriate to continue to allow investments in tobacco related products or production. The harmful effects of the tobacco industry are well documented, and as such the Investment Manager believes that there is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health interests. The tobacco industry produces and promotes a product that has been scientifically proven to be addictive, to cause death and disease and to give rise to a variety of social ills, including increased poverty. The Investment Manager does not believe that engagement with the industry will lead to change, as tobacco companies will not stop producing cigarettes, as such, has determined that investing in tobacco is not compatible with our commitment to promoting healthy lives and well-being and believes divestment and excluding investment in the industry is the most effective means to promote PAI 3.

Further the Investment Manager considers the inequality between countries (PAI 10) and the ambition to promote



**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

peaceful societies (PAI 16) in the management of the Fund. In light of this, the Investment Manager and Investment Adviser have determined that certain investments will be restricted as summarised below:

1. The Investment Manager acknowledges the right of nations to use legitimate weapons for national self-defence and national security purposes as set forth in the Charter of the United Nations. The Investment Manager therefore accept that various types of weapons are necessary for achieving internationally accepted goals such as peacekeeping missions. However, the defence industry is complex, and the Investment Manager is mindful that the industry entails significant risks related to various types of controversial weapons and their potential use where international humanitarian laws could be violated; or used for purposes other than national security and self-defence. As such, the Investment Manager focuses specifically on controversial weapons. These are weapons which (could) inflict large-scale suffering on civilians, or the victims of which are civilians which the Investment Manager deems would be in breach of the principles around peace and justice. The Investment Manager has elected to focus on the following types of weapons; 1. Weapons of mass destruction (Nuclear weapons, Chemical weapons & Biological weapons); and 2. Weapons which impose considerable risk to civilians during and / or after the cessation of hostilities (Anti-personnel mines, Cluster bombs, Munitions with depleted uranium). The Investment Manager therefore ensures that no investments are made in companies which are involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapons listed.

2. Further to the above, Small Arms (such as a handgun) have also been identified as an area that can impact efforts to reduce inequality, conflicts and promote peaceful societies. As such the Fund will seek to align to PAI 16 by excluding investments in companies that derive in excess of 10% of revenues from small arms (civilian customers and retail distribution). Small Arms are reported to be a major factor in the increase of armed conflict worldwide. They are the weapon of choice for many terrorist groups and often hinder the smooth rebuilding and development after a conflict has ended. Besides the loss of human life and physical harm, armed violence also has significant (direct and indirect) economic costs – further impacting efforts to address the imbalance between emerging and developed countries.

The Fund has not designated a reference benchmark in order to determine whether the Fund is promoting environmental and/or social characteristics.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Through regular reviews of the investment portfolio at both the Investment Manager and Investment Adviser the following factors are monitored, consideration of which are reflected in the research, asset allocation and portfolio construction decisions taken by the Investment Adviser in the implementation of the investment strategy:

- Carbon risk, intensity and involvement – considering the carbon emissions, as well as exposure to sources of emissions and carbon reduction solutions within the portfolio;
- Product involvement – covering Business Practices, Defence & Military, Energy, Environmental, Health & life and Values Based exposures within the portfolio on an absolute and relative basis;
- PAIs – both compulsory and elective indicators - sustainability indicators consider: adverse impacts on the climate and other environment-related adverse impacts, such as air pollutant emissions, and adverse impacts in the field of social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
- The Sustainable Development Goals (“SDGs”) - universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals. As at the time of drafting we actively monitor the portfolio’s absolute and relative exposure to 12 of the 17 SDGs;
- Impact metrics – these are a set of 5 metrics which seek to analysis and demonstrate the portfolio’s exposure to factors that contribute positively towards the following areas; the provision of basic needs, support for human development, climate action, resource security and the protection of a healthy ecosystem;
- Energy consumption – recognising that energy production is the single largest contributor to carbon emissions both historically and today, and that there is significant disparity across industries as to the level of energy consumption, industry level analysis is undertaken utilising the Statistical classification of economic activities in the European Community (“NACE”) classifications. The NACE classifications run from A to L and cover industries such as manufacturing, construction, real estate and electricity, gas, steam & air conditioning.

Monitoring of the above indicators is commonly undertaken on both an absolute and relative basis, with reference to either the benchmark index or peer group. Whilst these characteristics are actively monitored by the Investment Manager and Investment Adviser on an ongoing basis, there are no defined targets in relation to any such characteristic at this time.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No



**What investment strategy does this financial product follow?**

The Fund pursues a fundamental long / short equity strategy with a North American bias. Seeking owner-operated long positions in an eclectic universe of out-of-favour or underfollowed companies, whilst using an uncommon approach to shorting. The team seek to invest in real businesses adopting a partnership mentality.

An uncommon shorting approach is utilised, which focuses on two well-honed strategies: options coupled with fundamental analysis to mitigate the perils of traditional shorting. We believe that options offer the potential to amplify returns whilst minimising costs, allowing ideas too risky /volatile or expensive for conventional shorting.

The investment objective of the Fund is to achieve long term capital growth. The team are alpha-focused, whilst seeking to offer downside protection, and to outperform hedge fund peers and equity markets over a full cycle.

As part of the investment process the Investment Adviser will consider the following factors:

- The potential for any investment being made to have a negative affect on biodiversity sensitive areas;
- The impact that a business has in terms of promoting well-being and healthy lifestyles;
- Whether an investee company will have a positive or negative effect with regards to inequality between countries, or the ambition to promote peaceful societies.

Whilst there is a binding exclusion list (with specific revenue thresholds applicable to different sectors/industries); there is a non-binding aspiration to limit exposure to severe and high ESG risk rated stocks. This secondary component is non-binding as we accept today that a company can be negatively rated from an ESG risk rating perspective based on historic observations; however that they have demonstrated that they are taking action to address the factors that lead to the negative assessment. Further there may be instances where it is deemed beneficial to maintain exposure to "brown" companies (those considered to be involved with environmentally harmful activities), if it is determined that through our ownership stake and active engagement (either individually or through collaboration with other investors) we can encourage positive change.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The investment strategy combines both top down macro economic analysis, coupled with fundamental bottom up stock selection.

As part of the bottom up stock selection process, inputs will be included that focus on the ESG positioning of the company (Sustainalytics being the primary source), ensuring the policies, procedures and the indicators identified as targets for the strategy are reflected. The exclusion list is binding (with specific revenue thresholds applicable to different sectors/industries).

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Fund's approach to attaining the E/S characteristics specified above are outlined in more detail within annex 1 of the Supplement. By virtue of the approach outlined in Annex 1 and the policies in place (available at [www.ericsturdza.com](http://www.ericsturdza.com)), typically, a minimum proportion of 60% of the Fund's assets are used to attain the E/S characteristics. The remaining proportion of 40% are used to pursue additional objectives of the Fund and can include cash and cash equivalent exposures.

In addition, the Fund is committed to ensuring that it has a higher average ESG risk rating than the average ESG risk rating of the investment universe, as well as ensuring that the portion of the Fund's portfolio with an ESG rating is higher than;

- 90% for equities issued by large capitalisation companies whose registered office is located in developed countries, debt securities and money market instruments with an investment-grade credit rating, or sovereign debt by developed countries; or

- 75% for equities issued by large capitalisation companies whose registered office is located in emerging countries, equities issued by small and medium capitalisation companies, debt securities and money market instruments with a high yield credit rating, or sovereign debt by emerging countries.

**What is the policy to assess good governance practices of the investee companies?**

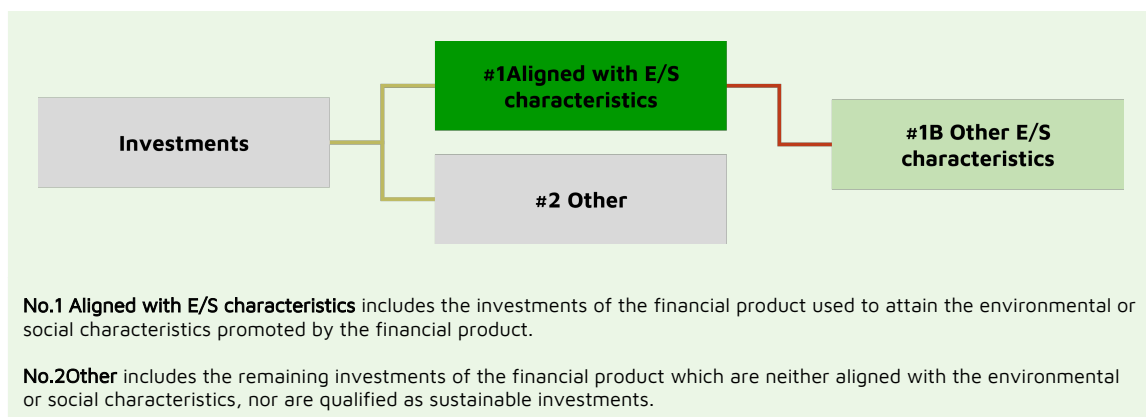
Investee Companies should follow Good Governance practices as a pre-condition for investment. Whilst "good governance" is not defined in the legislation, we consider it to be a standard of governance which is broadly reflective of industry-established norms and practices with regards to management structures, corporate culture, compliance with applicable law and the absence of negative events. The investment team are responsible for the ongoing assessment and monitoring of the governance practices of the companies in which we invest. Such an assessment is inherently subjective, and must be made in context of the strategy, using available data and research deemed most relevant. The team re-evaluate their initial assessment on an ongoing basis, and when they become aware of new events or information which might have a material impact on their initial determination.

The investment team performs their own assessment of the governance practices of the companies and may use any number of internal and external sources. In support of this assessment, the Investment Manager provides them with access to governance research produced by a number of external data vendors. The Investment Manager independently reviews governance at underlying companies and challenges the investment team should any concerns be identified.

**What is the asset allocation planned for this financial product?**



Such considerations are incorporated within the investment process, research and stock selection process applied by the investment team and will influence the team's proprietary assessment of the risk/reward profile of the investee company. The Fund's approach however to attaining the E/S characteristics are outlined in more detail within annex 1 of the Supplement. By virtue of the approach outlined in Annex 1 and the policies in place (available at [www.ericsturdza.com](http://www.ericsturdza.com)), typically, a minimum proportion of 60% of the Fund's assets are used to attain the E/S characteristics. The remaining proportion of 40% are used to pursue additional objectives of the Fund and can include cash and cash equivalent exposures.



**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain E/S characteristics promoted by the Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the investments are taxonomy-aligned. The Fund currently bears no objective in terms of alignment with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

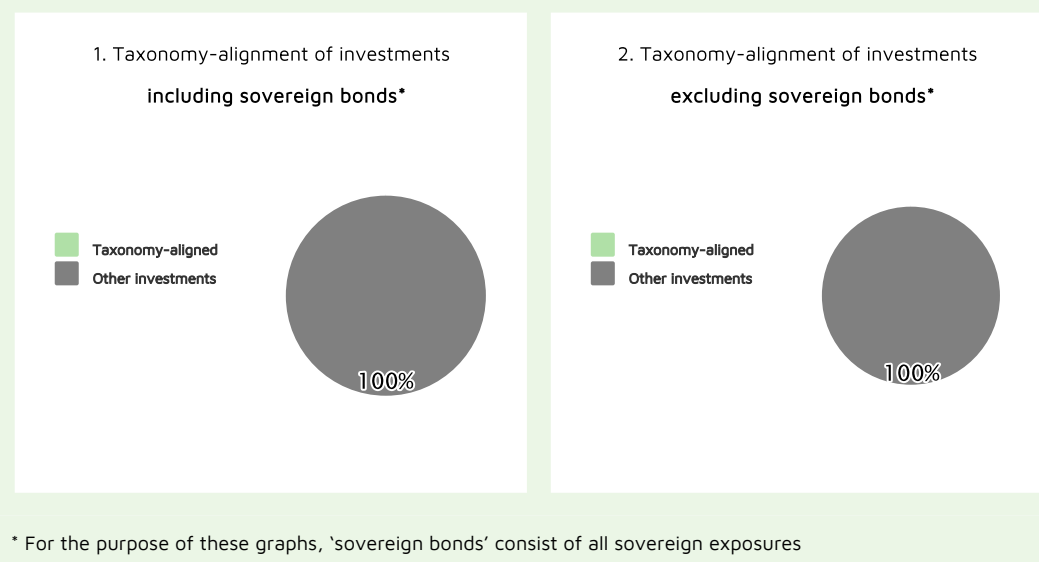
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas



emission levels corresponding to the best performance.

sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What is the minimum share of investments in transitional and enabling activities?**

Transitional activities: 0%

Enabling activities: 0%

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



● **What is the minimum share of socially sustainable investments?**

#N/A



● **What investments are included under "No.2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

This Fund bears no strict constraint in terms of socially or environmentally sustainable investments. As a consequence, every investee company falls into the "#2 Other" category.



● **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

#N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

#N/A

● **How does the designated index differ from a relevant broad market index?**

#N/A

● **Where can the methodology used for the calculation of the designated index be found?**

#N/A



**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ericsturdza.com](http://www.ericsturdza.com)