ESG INVESTMENT POLICY

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Introduction

Integral to our philosophy is the belief that to be successful, we should build stronger, longer lasting relationships, underpinned by trust and alignment of interest between all stakeholders.

As stewards of capital, we place great importance on providing fiduciary care to all our partners, which helps to establish and maintain long term relationships. The sustainability of Shard Capital's investment proposition, along with the impact its investments have on stakeholders and the environment they operate in, are all key to our mutual long-term success. For these reasons, we proactively takes steps to manage Environmental, Social and Governance ("ESG") factors on a consistent and ongoing basis.

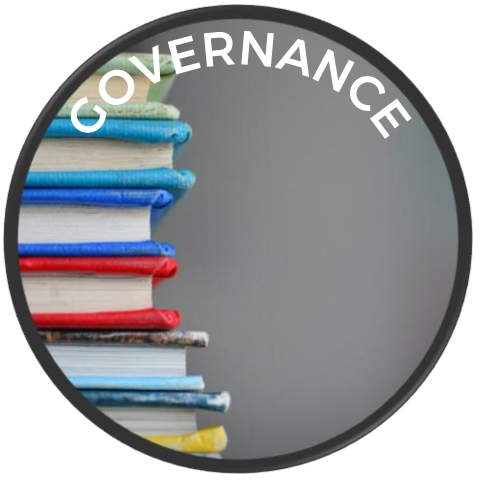
ESG factors, which are further explained overleaf, can have a sustained and material impact on the fundamental value of investments. Despite being non-financial, these factors enable informed investment decisions based on assessments of the risks and opportunities they pose.

ESG factors can have positive or negative consequences, therefore a proactive approach is taken to include ESG research and analysis as an integral part of our investment research framework.

ESG Investment Factors

Environmental factors consider the impact companies or investment strategies may have on the natural world, both today and in the future, e.g. pollution and climate change.

Social factors consider the impact companies or investment strategies have on the lives of people, their wellbeing and rights, both as individuals or society as a whole, e.g. quality education, gender equality and poverty.



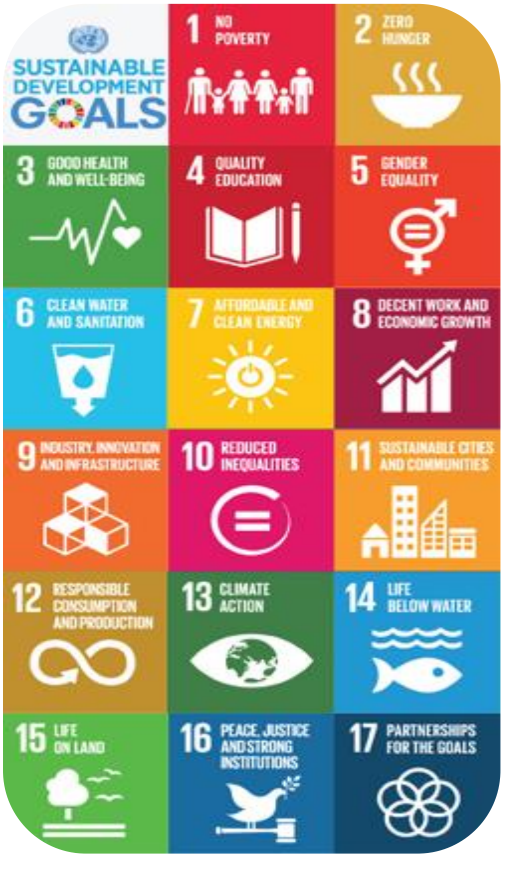
Governance factors consider the structure, procedures and practices by which companies or investment strategies are controlled and operated, e.g. executive pay and board diversity.

Objectives & Outcomes

The UN's 17 Sustainable Development Goals provides clear targets to ensure a better future.

Our responsibilities, objectives and approach to ESG standards are informed by the United Nations' 17 Sustainable Development Goals (SDG's), which provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

At its heart, the SDG's are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. Not only do we agree with these beliefs, but they form the backbone of what we attempt to achieve through the integration of ESG into our investment process.



Impact, Measurement & Engagement

Our four stage investment process allows us to rate investments, based on a clear set of definitions and criteria.

At Shard Capital, we proactively invest in securities and funds where the underlying businesses and management are engaged and demonstrate a commitment to improving their ESG credentials. We evaluate and select securities and funds via a proprietary rating system which is integral to our process outlined below.

Quantitative Analysis

Gathering relevant data and information from various sources to identify ESG factors that might be material to the company or security we invest in.

Qualitative Analysis

Assessing the impact of ESG factors on the underlying companies or securities, their materiality and opportunity to improve on any negative outcome.

Investment Decision

The outcome of the research will drive our ESG rating. The rating will impact our investment and implementation decisions, as well as the engagement strategy.

Active Ownership

Ownership beyond investment might be accompanied by engagement with the company management team, or asset manager, and inform our voting. The outcome following the engagement may impact future investment decisions.

Client Expectations

Clients' ESG expectations have grown considerably, meaning investment firms with a conscious approach to ESG considerations are increasingly sought after.

It is critical that we understand the client's needs when providing advice to ensure that it is tailored inline with the individual's requirements and risk profile, including any relevant ESG considerations.

Clients are allocated a dedicated investment manager, who will ensure they build a strong relationship with every client and enable open, two-way communication.

How we approach ESG to meet our clients' expectations:

Independence

- An independent, informed view about the ESG risks that are material to the investment and the client.

Integration

- An integration process that identifies and manages ESG risks pertaining to each investment.

Research and Suitability

- High quality, relevant information to enable investment managers to identify and manage ESG risks, ensuring selected investments are suitable for each client.

Engagement

- An inclusive approach to engagement and do not believe that best outcomes are achieved through exclusion. Whilst investments with an expected negative return will be excluded, exclusion will not be based on a negative ESG assessment alone. Rather, a collaborative approach is employed to work with investees and ensure identified risks are resolved, improved upon or managed accordingly.
- If identified ESG risks are material and beyond repair, the investment is unlikely to be pursued, regardless of a positive expected return.

Active Ownership

- Exercise shareholder rights on behalf of clients and hold management accountable for arising risks with the potential to negatively impact the business, its shareholders, and beyond.
- Better ESG outcomes through voting on matters deemed material to elevating the business, using proxies where necessary. Where third party managers retain the right to vote, evaluations of how voting rights are exercised will be made to ensure they positively align with our ESG values.

Governments & Regulators

Governments and regulators have an integral role to play in the management of all ESG matters. As a UK based firm, Shard Capital is obliged to comply with all aspects of UK law and all FCA regulations as they pertain to ESG.

Shard Capital support the UK Stewardship Code, set by the UK Financial Reporting Council, and the UN's Principles for Responsible Investment.

If you require any further information about Shard Capital's approach to ESG, please speak to your relationship manager.