Product name: Seilern Europa

Legal entity identifier: 635400LUO7GGTBPLWL07

A. SUMMARY

In accordance with Article 8 of the Sustainable Finance Disclosure Regulation, the Fund promotes Environmental / Social characteristics but does not have a sustainable investment objective. In addition, the Fund does not commit to any minimum level of investment in Sustainable Investments or investments in Taxonomy-aligned sustainable investments.

The investment objective of the Fund is to seek capital appreciation through investment in equity or equity related securities of the highest quality companies listed on stock exchanges in European OECD member countries. The Fund will invest directly in large, successful companies with proven track records and high predictability of future earnings growth. The Fund is actively managed and the Investment Manager uses its discretion in selecting investments.

The Fund promotes environmental and/or social characteristics, across the metrics of business ethics, corporate governance, the environmental impact of products and services, emissions, effluents and waste, human capital and human rights and resource use in the supply chain through prioritising investment in companies that have strong environmental policies or strong policies relating to social characteristics and which have good corporate governance practices.

The Fund's environmental or social characteristics are assessed both quantitatively and qualitatively, by means of sustainability indicators as well as applying exclusions and consideration of certain of the principal adverse impacts of its investment decisions, as further described in the dedicated sections below.

The Fund monitors investments on an ongoing basis and may engage with issuers and / or divest from positions where a company no longer performs in any of the environmental, social or governance areas assessed in a manner which interferes with the overall sustainability of the company's business. The Fund uses quantitative and qualitative data to seek to attain the environmental or social characteristics promoted by the Fund and to assess its achievement of this. There may be some limitations on the data used and the methodologies used to assess it.

Although the Fund's performance may be compared against the MSCI Europe TR Index, no benchmark index has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

B. NO SUSTAINABLE INVESTMENT OBJECTIVE

The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

In addition, the Fund does not commit to any minimum level of investment in Sustainable Investments or investments in Taxonomy-aligned sustainable investments.

C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

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

The Fund promotes environmental and/or social characteristics, across the metrics of business ethics, corporate governance, the environmental impact of products and services, emissions, effluents and waste, human capital and human rights, and resource use in the supply chain, where available, through prioritising investment in companies that have:

- strong environmental policies relating to pollution and sustainable production, which may also include companies actively working to improve their environmental footprint, sustainable sourcing, recycling, waste treatment and usage of materials and to reduce their emissions and energy consumption; or

- strong policies relating to social characteristics such as the fair treatment of workers and the fair treatment of partners to their businesses;

and which have good corporate governance practices, such as strong, stable management and managing the business in the long-term interest of shareholders.

D. INVESTMENT STRATEGY

What investment strategy does the Fund follow to meet its environmental and social characteristics?

The investment objective of the Fund is to seek capital appreciation through investment in equity or equity related securities (i.e. equity warrants and convertible bonds) of the highest quality companies listed on the stock exchanges of the European OECD member countries. The Fund may purchase securities denominated in any of the major convertible currencies of the European member countries of the OECD. The Fund will invest in large, successful companies with proven track records and high predictability of future earnings growth. Such companies generally will have most or all of the following characteristics: (i) multinational businesses including exposure to the fast growing economies of the world; (ii) steady, non-cyclical demand for their products or services; (iii) superior earnings growth records over the last ten years; (iv) global branded products or services often sought after by developing market consumers; (v) the potential for long term consistent earnings growth; (vi) high returns on equity reflecting a technological advantage over their competitors or uniqueness of their products or services; (vii) dynamic management, and; (viii) internal resources sufficient to finance their global development and maintain their competitive position (these characteristics are considered by the Investment Manager to be "Quality Growth" criteria). It is not proposed to concentrate investment in any one industrial sector or to limit the amount which may be invested in any one country.

The securities in which the Fund may invest shall be traded on any one of the Regulated Markets.

The MSCI Europe TR Index is the benchmark index against which the Fund's performance is compared. Details of the Fund's performance relative to the benchmark index are available in the Fund's KIID and certain marketing materials. The benchmark index is used for illustrative purposes only. The Fund is actively managed and, while a proportion of the Fund's assets may from time to time be components of, and have similar weightings to, the benchmark index, the Investment Manager may use its discretion to invest a significant proportion of the Fund in assets which are not included in the benchmark index or with weightings different to that of the benchmark index. There is no guarantee that the Fund's performance will match or exceed the benchmark index.

What are the elements of the investment strategy used to select the investments to attain the environmental or social characteristics?

ESG exclusions are incorporated throughout each stage of the investment selection process. The Investment Manager first filters out companies from non-OECD countries. This is designed to only allow companies from countries that have a commitment to democracy, the protection of human rights and to open and transparent free markets.

Next, the Investment Manager applies certain sector exclusions based on its determination of business activities that may not be sustainable, to screen out companies involved in these sectors. These are (i) telecommunications; (ii) automobiles; (iii) tobacco; (iv) energy (including oil, gas and consumable fuels); (v) banks; (vii) heavy industrials (including aerospace & defence); (ix) metals & mining; (x) utilities (including electric, gas & water).

The Investment Manager also screens out companies that engage in controversial weapon production and arms manufacturers.

The Investment Manager also conducts initial negative screens in order to exclude companies which have been subject to significant ESG issues (such as reputational damage, regulatory fines due to pollution or the risk of strike action due to unsafe working conditions).

Companies must then meet the Investment Manager's tests for Quality Growth, which includes ESG elements.

In managing the Fund, the Investment Manager considers the principal adverse impacts ("PAI") of investment decisions on sustainability factors and excludes companies that have significant environmental and social risks. The specific PAIs that the Investment Manager has identified and will take into account are:

- Greenhouse Gas (GHG) emissions (PAI 1 and 3)
  The level of any type of GHG that is released by a company, measured in volume and intensity.

- Carbon emissions (PAI 2)
  Specifically, and in addition to GHG emissions, the level of carbon dioxide equivalent that is released by a company, measured in volume and intensity (pollution).

- Exposure to Fossil Fuels (PAI 4)
  Industries that derive revenues from the exploration, mining, extraction, distribution, or refining of hard, liquid, or gaseous fuels (i.e. coal, oil, natural gas)

- Compliance with United Nations Global Compact principles (PAI 10)
  Observing that companies at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

- Exposure to controversial weapons (14)
  Industries that derive revenues from the manufacture or selling of controversial weapons (i.e. anti-personnel landmines, cluster munitions, chemical, biological, radiological and nuclear weapons)

Finally, as part of its ongoing monitoring of the Fund's investments, where a company already invested in is flagged as part of the ongoing analysis as no longer performing in any of the E, S or G areas, the Investment Manager will:

- assess the degree to which the breach of E, S or G characteristics interferes with the overall sustainability of the company's business;
- where possible, engage with the company's management on the issue, where the breach is deemed to jeopardise the overall sustainability of the company's business; and
- where management choose a course of inaction and it is determined that the issue negatively affects the overall sustainability of the company's business, dispose of its position and allocate capital away from the offending company and toward companies that do promote sustainable characteristics.

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

The Fund excludes companies from non-OECD countries and companies that have been subject to significant ESG issues, including governance issues.

Companies that do not meet the Investment Manager's tests for Quality Growth are also excluded. One of the key focusses of this Quality Growth research step is governance-based tests, including adherence to local regulations surrounding air and water pollution or energy efficiency, advancing human rights, fostering employee engagement and promoting safe working environments for their direct employees, and where applicable, for employees in companies further up or further down their supply chains.

E. PROPORTION OF INVESTMENTS

What is the planned asset allocation for this financial product?

The Investment Manager employs a binding investment selection methodology which is aligned to the environmental or social characteristics promoted by the Fund which is applied to at least 95% of the Fund's portfolio. The remaining portion (<5%) of the portfolio is not aligned with the promoted characteristics and consists of liquid assets (cash, ancillary liquid assets, bank deposits, money market instruments and money market funds).

The Fund does not use derivatives to attain the environmental or social characteristics that it promotes.

F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The attainment of the Fund's social and environmental characteristics is measured:

1) quantitatively, directly through data collected by the Investment Manager's in-house research team, as well as indirectly through third party data and informational sources (including via external partners, which may include Sustainalytics and/or ISS, who provide reports and information on the exposure of a company to ESG factors as well as

the management of the company of the ESG risks associated with that factor); and

2) qualitatively, in that the Investment Manager must assess each metric on a case-by-case basis to determine whether any of the factors jeopardises the overall sustainability of the business.

Assessed data includes metrics across business ethics, corporate governance, the environmental impact of products and services, emissions, effluents and waste, human capital and human rights and resource use in the supply chain, where available.

The environmental or social characteristics and the sustainability indicators (including principal adverse impact indicators) are monitored throughout the lifecycle of the product.

- **Initial acquisition**

ESG reviews of investments are performed by the Investment Manager in advance of their initial acquisition.

ESG exclusions are incorporated throughout each stage of the investment selection process. The Investment Manager first filters out companies from non-OECD countries. This is designed to only allow companies from countries that have a commitment to democracy, the protection of human rights and to open and transparent free markets.

Next, the Investment Manager applies certain sector exclusions based on its determination of business activities that may not be sustainable, to screen out companies involved in these sectors. These are (i) telecommunications; (ii) automobiles; (iii) tobacco; (iv) energy (including oil, gas and consumable fuels); (v) banks; (vii) heavy industrials (including aerospace & defence); (ix) metals & mining; (x) utilities (including electric, gas & water).

The Investment Manager also screens out companies that engage in controversial weapon production and arms manufacturers.

The Investment Manager also conducts initial negative screens in order to exclude companies which have been subject to significant ESG issues (such as reputational damage, regulatory fines due to pollution or the risk of strike action due to unsafe working conditions).

Companies must then meet the Investment Manager's tests for Quality Growth, which includes ESG elements.

- **Holding**

Once investments have been made, ongoing monitoring and reporting are performed by the Investment Manager to ensure ongoing compliance with the policies.

- **Divestment**

Where a company already invested in is flagged as part of the ongoing analysis as no longer performing in any of the E, S or G areas, the Investment Manager will:

  - assess the degree to which the breach of E, S or G characteristics interferes with the overall sustainability of the company's business;
  - where possible, engage with the company's management on the issue, where the breach is deemed to jeopardise the overall sustainability of the company's business; and
  - where management choose a course of inaction and it is determined that the issue

negatively affects the overall sustainability of the company's business, dispose of its position and allocate capital away from the offending company and toward companies that do promote sustainable characteristics.

- **Control mechanisms**

The Investment Manager is responsible for supervising and improving the implementation of the ESG policies and responsible investment process across all investments.

All binding elements of the Fund's ESG commitments are regularly reviewed and monitored as part of the Investment Manager's review processes.

G. METHODOLOGIES

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The Fund measures the attainment of the environmental or social characteristics by using the sustainability indicators mentioned under the section "F. Monitoring of environmental or social characteristics" as well as the PAI indicators on an ongoing basis and reporting on an annual basis.

H. DATA SOURCES AND PROCESSING

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

- **Data sources**

  - Quantitative data collected by the Investment Manager's in-house research team and third party data and informational sources (which may include Sustainalytics, Morningstar Direct and/or ISS, who provide reports and information on the exposure of a company to ESG factors as well as the management of the company of the ESG risks associated with that factor); and

  - Qualitative data collected through the proprietary research of the Investment Manager's assessments of each metric on a case-by-case basis to determine whether any of the factors jeopardises the overall sustainability of the business.

Assessed data includes metrics across business ethics, corporate governance, the environmental impact of products and services, emissions, effluents and waste, human capital and human rights and resource use in the supply chain, where available.

- **Measures to ensure data quality**

The Investment Manager looks to gather information from multiple sources, which include direct interactions with issuers and utilising third-party research datasets. This allows the Investment Manager to create a full picture of an issuer's ESG dynamics, gain insight on its practices and ensure data quality and consistency.

The Investment Manager does not rely on third party research providers' data to make investment decisions. The Investment Manager uses the data produced as one source and

as a means of validating and challenging the other sources it uses, including its own research and opinions.

- **Data processing**

Internally and externally sourced data are evaluated and assessed by the Investment Manager's research team, as part of their consideration of proposed initial investments and ongoing review and analysis of positions held.

- **Estimated data**

No data is estimated.

I. LIMITATIONS TO METHODOLOGIES AND DATA

What are the limitations to the methodologies and data sources? (including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The ESG information used to determine whether companies are managed and behave responsibly may be provided by third-party sources and is based on backward-looking analysis. The subjective nature of non-financial ESG criteria means various outcomes are possible. The data may not adequately address material sustainability factors. The analysis also depends on companies disclosing relevant data, and the availability of this data can be limited. These limitations are mitigated through the use of a variety of data sources and the Investment Manager's in-house research.

J. DUE DILIGENCE

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

The Fund carries out due diligence on the underlying assets in the investment process on a regular basis as described under the section "F. Monitoring of environmental or social characteristics". Additionally, various ongoing control measures are in place: such as pre and post-compliance checks, risk limits, and other investment limits, which are coded in the applicable investment systems.

K. ENGAGEMENT POLICIES

What are the engagement policies in respect of the environmental or social investment strategy?

The Investment Manager meets with company management regularly as part of the analysis to discuss an investee company's corporate governance, long-term strategy, leverage, and financial statements. Engagements with companies happen across all levels, including from the most senior levels to vendors, clients, and competitors of investee companies. These are used to obtain a clearer picture of a company's values, corporate culture, and treatment of stakeholders, which are factored into the Investment Manager's overall assessment of a company.

The research analysts will engage with an investee company if it is flagged as part of the ongoing analysis as no longer performing in any of the E, S, or G areas. As mentioned under section “F”, the Investment Manager has binding elements of the investment strategy to ensure that any individual element that brings the business's overall sustainability into question is investigated in greater detail through engagement.
L. REFERENCE BENCHMARK
Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?
☐ Yes ☒ No