Annex I

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: Polar Capital Funds Plc **-** Emerging Market ex China Stars Fund (the "Fund")

Legal entity identifier: 549300MXDQZCPHQUTF73

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.

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 30% 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?

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

The Fund will invest in companies primarily situated in emerging markets (excluding China) that have the ability to remain competitive and deliver attractive profitability over the long term due to robust fundamental characteristics, only where these robust fundamental characteristics are combined with good or improving ESG profiles based on the Investment Manager's proprietary analysis.

The Fund has a bias towards companies with improving sustainability profiles, based on the Investment Manager's proprietary analysis.

The Fund excludes companies that have an unacceptable or controversial environmental, social or governance profile following the application of quantitative and qualitative analysis by the Investment Manager and through the use of exclusions lists, as further detailed below.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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

The Investment Manager will report in the Company's annual reports, on a quantitative and qualitative basis, on the Fund's performance on the characteristics outlined above.

The Investment Manager will use the following table, which is provided for illustrative purposes only, as the framework for its quantitative reporting on the Fund:

	Current Level*	**Future Direction***
Impact on Progress	7.0	7.4
Environmental	5.9	6.3
Social	6.6	6.8
Governance	7.0	7.1
Business Ethics	6.6	6.6

The Investment Manager will also use adherence to the Fund's exclusion policy as an indicator to measure attainment of the Fund's environmental and social characteristics.

*Sample data for illustrative purposes only

- ***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?***

The Investment Manager uses an 'Impact on Progress' assessment within the Fund's proprietary Economic Value Added (EVA) Framework (see "What investment strategy does this financial product follow?" below for further details) to identify and assess investment opportunities that in the Investment Manager's view, contribute to sustainable environmental and social objectives.

The 'Impact on Progress' assessment is centred around three key pillars informed by the United Nations Sustainable Development Goals ("UN SDGs"). Each pillar is mapped to a corresponding, non-exhaustive list of sustainable objectives which are set out below:

1. **Resource Management**, including, but not limited to, climate change mitigation and adaptation (through the promotion of direct investment in renewable energy

technology for energy production and indirectly by promoting the use of energy efficient technologies more broadly), the circular economy (promotion of the reduction in materials used in production of products by circular product design, optimisation of product use, and maximisation of the recovery of materials at the end of product life), and biosphere protection (promotion of the protection of terrestrial and aquatic ecosystems through pollution prevention, ecosystem restoration and sustainable use of water);

2. **Social Development**, including, but not limited to, health and wellbeing (promotion of better access to healthcare services and improvement of the affordability of treatments, improving clinical outcomes for patients through medical innovation, increased efficiency in delivery, higher quality care or overall increased reach into emerging market populations); and

3. **Economic Progress**, including, but not limited to, financial inclusion (promotion of increased participation of individuals, notably at the lower end of income groups, into banking systems by way of appropriate and affordable financial products and services).

The Investment Manager will consider a company eligible to be considered as a Sustainable Investment if the company's products or services are deemed to contribute to one or more of the Sustainable Investment objectives above.

For avoidance of doubt, the Investment Manager retains the right to amend the Sustainable Investment objectives listed under these three key pillars and each key pillar may cover environmental and social Sustainable Investment objectives as defined under the SFDR.

For the avoidance of doubt, where rules exist restricting foreign direct investment in local securities, the Investment Manager may not be able to take direct equity exposure in companies that it classifies as Sustainable Investments. In this case, the Investment Manager may use structured notes, such as participatory notes, to gain indirect exposure to the relevant company. The Investment Manager will assess the underlying company to understand whether it qualifies as a Sustainable Investment and, if so, will classify the structured note as a Sustainable Investment.

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?

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), will assess each company primarily using third-party data, to assess whether it has an adverse impact on the environment and society.

Companies with controversies that have very severe adverse impacts on the environment and society will be excluded from consideration as Sustainable Investments by the Investment Manager. These may include, by way of example, controversies related to energy and climate, biodiversity and land use, toxic emissions, human rights, child labour, employee health and safety, and product quality and safety.

The Investment Manager will use the research of third-party providers to provide deeper insights into a company's compliance with norms standards, however, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retains discretion over the assessment of third-party conclusions on a case-by-case basis.

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

As part of the DNSH assessment, consideration will be given to the mandatory Principal Adverse Impacts ("PAI") indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 Level 2 RTS.

In circumstances where data quality or availability is insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager will use proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and will assess the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

Where, in the Investment Manager's view, a company does not cause significant harm with respect to a specific PAI but the Investment Manager assesses there is room for material improvement, it will take the required steps to reduce or mitigate the PAI, such as engaging with the company, using the right to vote, seeking to improve disclosure of data by the company, or reducing exposure to the issuer where deemed appropriate or necessary.

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

The Investment Manager will use third-party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conduct further due diligence to determine compliance with these norms. The Investment Manager uses third party ESG data and research to identify companies whose practices are inconsistent with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This data is reviewed by the Investment Manager (and also by the independent, internal sustainability department of the Investment Manager). Although third party ESG data and research is used as a primary input, other research from brokers and/or data providers may be used to augment or challenge the primary third party assessments and inform the Investment Manager's view, following independent assessment which may include discussion with the company itself, on whether a company does violate such standards.

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

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.

The Investment Manager will consider the PAI of a company on the environment and society, where in its view, the impacts are deemed material.

Unless subject to an exclusion, the Investment Manager will seek to improve material adverse impacts of investee companies through active ownership activities such as engagement, voting or if necessary, divestment from the company within a reasonable timeframe, taking into consideration the best interests of the Fund and its Shareholders.

When assessing a company's impact on the environment, the Investment Manager will consider greenhouse gas emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and carbon reduction initiatives. Revenues of investee companies attributed to the fossil fuel sector are considered by the Investment Manager. Where material revenues are flagged, the Investment Manager will assess the company's carbon reduction policies or targets related to achieving net zero.

Similarly, where water usage is deemed material to an investee company by the Investment Manager, they will seek to encourage the adoption of appropriate water management and water reduction policies.

The Investment Manager will consider the board gender diversity of investee companies, and will, where it deems appropriate, use its tools of active ownership to encourage better diversity practices.

The Investment Manager considers the standards of the United Nations Global Compact, the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises, whistleblower protection, and anti-corruption and anti-bribery policies. If a company is involved in severe controversies or norms violations, the Investment Manager will assess the severity of the incident and decide the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

The Investment Manager will exclude any company involved in the manufacture and sale of controversial weapons such as cluster munitions and anti-personnel mines.

Information relating to these principal adverse impacts for this Fund will be made available in the Fund's annual report.

What investment strategy does this financial product follow?

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

The Investment Manager evaluates the ESG risks and opportunities, as well as the fundamental financial and qualitative suitability of a company through the Investment Manager's proprietary EVA Framework model.

The Investment Manager's EVA Framework comprises six areas through which the Investment Manager assesses the company's ability to generate long term returns. These six areas include three ESG specific areas, which are the company's 'Impact on Progress' to sustainable economic development, the company's exposure to 'Material ESG Issues' and the company's 'Business Ethics'.

Together, the company's scores on these three areas are input into the Investment Manager's 'Sustainability Delta' model, through which the Investment Manager analyses both the current position and future direction of a company's ESG profile.

The Investment Manager's approach to evaluating a company's 'Impact on Progress', its approach to 'Material ESG Issues' and its 'Business Ethics' and how these feed into the Investment Manager's 'Sustainability Delta Model' is outlined in further detail below. It is the Investment Manager's core mindset that improving trends, measured by the Investment Manager through the Sustainability Delta Model', can significantly alter a company's long-term value.

Impact on Progress – The Investment Manager examines how a company makes a positive impact on economic development by driving economic growth and productivity and/or through the company's optimization of the use of natural resources. The Investment Manager also evaluates the company's impact on human capital development through its longer-term strategic focus and capital allocation.

Material ESG Issues

The Investment Manager analyses how well a company manages its material ESG exposures. For the 'Environmental' and 'Social' categories, the Investment Manager evaluates factors specific to the company's industry and for the 'Governance' category, the Investment Manager evaluates a company against factors which are systematic across all industries and not specific to any particular industry.

Business Ethics

The Investment Manager analyses whether a company acts with integrity, competes fairly and is open and honest with its stakeholders.

Sustainability Delta

By combining the company's scores in each of the three areas identified above, the Investment Manager gives the company a score for both the company's current level of sustainability and its future sustainability direction. These scores are allocated on a numerical 1-10 basis and are relative to the company's industry peers. These scores are then combined to form the company's overall 'Sustainability Delta' score.

The Investment Manager defines an improving company as one where the company's 'Sustainability Delta' score improves from its current 'Sustainability Delta' score to its future direction 'Sustainability Delta' score. The Investment Manager does not invest in any companies with an aggregate 'Sustainability Delta' score below 5.

The Investment Manager then integrates a company's scores in these areas into its financial valuation models for the company to understand how the company's ESG profile impacts its ability to deliver attractive profitability in the long term.

Continuous Implementation

The Investment Manager monitors 'Sustainability Delta' scores for all securities held in the portfolio on an ongoing basis, as well as prior to investment and will update 'Sustainability Delta' scores on an event-driven basis.

If a company's 'Sustainability Delta' profile significantly deteriorates during the holding period of a security, the Investment Manager will, as a guideline, engage with a company first to better understand the materiality of the risks and managements strategic direction (if this fits the context).

Where a company is involved in a negative material ESG incident which compromises the integrity of the company's whole business and, in the belief of the Investment Manager, its ability to generate long-term sustainable EVA or the Investment Manager's comfort with the company as a corporate citizen, the Investment Manager's policy is to divest.

Exclusions

The Investment Manager adheres to the Norges Bank exclusion list (which can be found at https://www.nbim.no/en/the-fund/responsible-investment/exclusion-of-companies), which comprises a list of companies which are, or have been involved, with severe environmental or social controversies. All companies on this list are entered into control systems which prevent the Fund from making investments in companies on the list at time of investment. The exclusion list is updated on an ongoing basis.

In addition, the Investment Managers' fundamental process may indirectly exclude companies that have a negative impact on long-term societal progress. This is considered in the evaluation of the company's "Impact on Progress" and "Business Ethics."

Further, the Investment Manager utilises explicit sector-based exclusions to avoid companies involved in activities deemed unacceptable or controversial from an environmental, societal and/or governance perspective. These include exclusions on all companies that derive >5% of their revenue from alcohol, gambling, tobacco, adult entertainment and armaments. The Fund's fossil fund exclusion stipulates zero tolerance on any investment into coal operations and does not invest in companies with more than 5% of revenue from oil exploration and production.

Finally, the Investment Manager does not invest in any companies with an aggregate Sustainability Delta score below five.

Data Sources

The Investment Manager's research is based on primary sources, company meetings and regular engagement with companies on key issues, as well as purposeful interaction with key individuals in other areas of the company's business, competitors, industry experts and the supply chain.

Where there is insufficient information to determine the level of risk and opportunity of a security, the Investment Manager does not automatically penalise a company, but reviews management quality and whether this is reflective of a company in the early stages of developing its approach to ESG matters or if poor strategy is driving the lack of information. The Investment Manager then applies adjusted industry averages based on its experience.

Methodological Limits

The Investment Manager's approach to evaluating the ESG profiles of companies within its investment universe may be constrained by the availability, quality and relevance of sustainability related data available to the Investment Manager.

The availability, quality and relevance of data relating to sustainability within the emerging markets investment universe may be limited, both in an absolute sense and in comparison to data on sustainability available in more developed markets, due to a lack of sustainability related regulations and reporting standards, changes in sustainability related regulations and reporting standards, inconsistencies in sustainability related regulations and reporting standards between jurisdictions, a lack of historic information available on sustainability for companies, low coverage on, or inconsistencies with respect to the evaluation of, particular companies by third party research and data providers or material inaccuracies in the sustainability related information reported by companies.

Limitations in the availability, quality and relevance of the sustainability related data outlined above may make it difficult for the Investment Manager to ascertain the sustainability profile of an company, to assess the progress of a company from a sustainability perspective over a certain time frame, to carry out consistent analysis on companies from a sustainability perspective against its industry peers in the same or other jurisdictions or to verify the Investment Manager's assumptions and calculations concerning a particular company.

- ***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 Manager applies the following binding elements within the investment process to attain the Fund's ESG characteristics:

(i) exclusion of companies not aligned to the Norges Bank exclusion list and companies in breach of the exclusions policy stated above,
(ii) assessment of companies through the EVA Framework; and
(iii) further exclusion of companies with a Sustainability Delta score of below 5.

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

The Fund does not commit to reduce the scope of investments by a minimum rate prior to the application of the investment strategy.

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

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

The Investment Manager views stakeholder alignment as a prime focus and management of a company's corporate governance is assessed in detail with reference to four key areas; the company's management incentives, the company's board effectiveness, the company's ownership and control and the company's accounting practices.

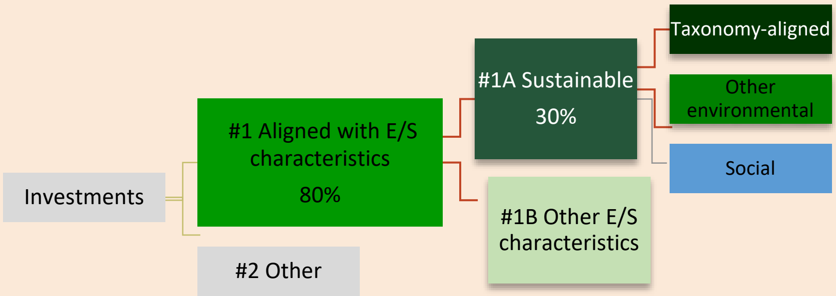
The Investment Manager's application and analysis of each of these areas differs according to a spectrum matrix based on a company's control structure, where widely held companies are more exposed to board effectiveness and controlled issuers to ownership and control.

The Investment Manager shall also consider the company's employee relations and remuneration.

What is the asset allocation planned for this financial product?

The Fund invests primarily in a diversified portfolio of companies from emerging market countries excluding China. The Investment Manager uses the EVA Framework to assess the environmental and social characteristics ("E/S") of each investee company.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

100% of the companies the Fund invests in are assessed under the Investment Manager's EVA Framework, which is used to assess and deliver the environmental or social characteristics promoted by the Fund.

A minimum of 80% of the investments of the Fund are used to meet the environmental or social characteristics promoted by the Fund.

The minimum proportion of the Sustainable Investments of the Fund shall be 30%.

Up to 20% of the Fund's investments identified as #2 Other in the above diagram will be held in cash and/or derivative instruments in line with the Fund's Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.

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

  Structured notes, such as participatory notes, may be used as a more efficient method of exposure to securities that would otherwise be obtained by direct investment in accordance with the Fund's investment objective. These synthetic equity investments will also be assessed under the Investment Manager's EVA Framework and will align with the portfolio's environmental and social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

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

0%

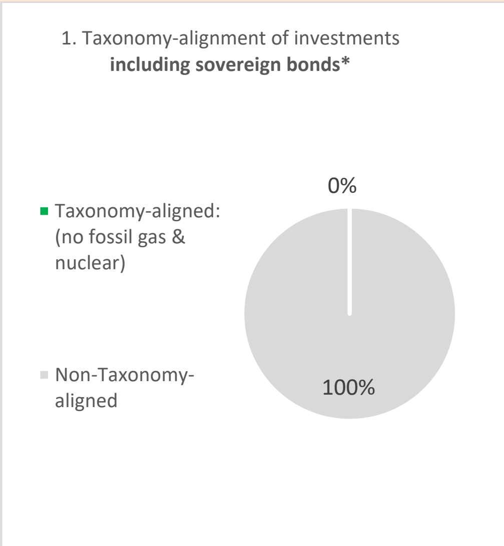
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

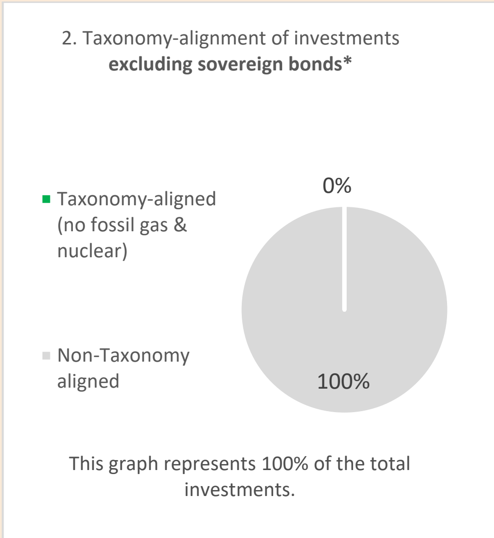
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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





* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

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

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Fund intends to invest in Sustainable Investments with an environmental objective that may be aligned or not aligned with the EU Taxonomy Regulation. However, as the fund invests in a dynamic mix of Sustainable Investments, it does not commit to a minimum share of Sustainable Investments in transitional and enabling activities.

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?

The Fund intends to invest in Sustainable Investments with an environmental objective that may aligned or not aligned with the EU Taxonomy Regulation. However, as the Fund invests in a dynamic mix of Sustainable Investments, it does not commit to a minimum share of Sustainable Investments that are not aligned with the EU Taxonomy Regulation.

What is the minimum share of socially sustainable investments?

The Fund intends to invest in socially Sustainable Investments. However, as the Fund invests in a dynamic mix of Sustainable Investments, it does not commit to a minimum share of socially Sustainable Investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Up to 20% of the Fund’s investments identified as #2 Other in the above diagram will be held in cash and/or derivative instruments in line with the Fund’s Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.

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?

The Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

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?***

  The Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

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

  The Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

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

  The Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

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

  The Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.polarcapitalfunds.com/#/professional/Our-Funds/Emerging-Market-Stars-ex-China/