Sustainability Framework at the Investment Manager

Prusik Investment Management LLP ("**Investment Manager**") believes that it is important for investors who are seeking to invest in Asian specific investment opportunities (such as Prusik Asia Fund Plc, Prusik Asia Emerging Opportunities Fund Plc and Prusik Umbrella UCITS Fund Plc ("**Companies**"), to consider issues of sustainability when researching investment opportunities in the region. As set out in the EU Sustainable Finance Disclosure Regulation ("**SFDR**"), "*sustainability risk*" means an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

<u>Integration of Sustainability Risks</u>

As part of the Investment Manager's research process, the Investment Manager aims to understand the sustainability risks (the "**Sustainability Risks**") which might cause a material negative impact on the value of the Companies' investments. The Investment Manager assesses the Sustainability Risks on a country, sector, and stock level using both the Sustainability Accounting Standards Board ("**SASB**")[1] framework and the Investment Manager's own proprietary measures.

Prior to investing in a company, or an issuer, a full investment case is prepared and distributed to the investment team within the Investment Manager. The research element of this investment case includes a specific section assessing the key Sustainability Risks which the investee company faces (where relevant) and, where necessary, the Investment Manager will subsequently plan engagement with the investee company with respect to the Sustainability Risk identified. As referenced above, the Investment Manager uses the SASB framework as a guide for highlighting which Sustainability Risks are most relevant for the proposed investment. However, the Investment Manager may also investigate additional areas of concern where appropriate. The potential investment is then subsequently debated by an internal Investment Committee (the "**Investment Committee**") within the Investment Manager whereby any concerns relating to Sustainability Risks will be discussed. Once a decision to invest is made, the analyst responsible for monitoring the investee company will continue to review the information on a periodic basis to assess whether the level of Sustainability Risks faced by the investee company changes.

The Investment Manager uses both quantitative and qualitative measures to determine the Sustainability Risks facing the Companies' investments. To assist in determining the quantitative risks, the Investment Manager gathers data from both investee company disclosures and external data providers. Qualitative information will include discussions with the portfolio management team within the Investment Manager with respect to their experience of investing in investee companies which face similar Sustainability Risks. This information is then analysed to determine whether the Sustainability Risks facing the investee company preclude the Investment Manager from investing in the investee company on behalf of the Companies. The managing board of the Investment Manager discusses Sustainability Risks applicable to the investments of the Companies on a monthly basis and periodically question the assessments and determinations made by the investment team with respect to Sustainability Risks.

[1] https://www.sasb.org/

Impact of Sustainability Risks on Returns

The Investment Manager acknowledges that certain of the investments that may be made by the Companies may be negatively impacted by Sustainability Risks and that Sustainability Risks may impair the value of the investments made by the Companies. It is also acknowledged Sustainability Risks may arise and impact a specific investment made by the Companies or may have a broader impact on an economic sector, geographical regions, or countries which, in turn, may impact the Companies' investments.

The Investment Manager seeks to invest in companies which manage their activities in a way which minimises Sustainability Risks. However, the Investment Manager may also consider investing in companies that have greater Sustainability Risks if the Investment Manager believes the company's management of Sustainability Risks might improve in the future.

Principal Adverse Impact Reporting

The Investment Manager has elected to elect to take advantage of the opt-out provision contained within Article 4 of the Sustainable Finance Disclosure Regulation ("**SFDR**"), which allows investment companies (such as the Investment Manager) which have less than an average of 500 employees to avail of an exemption from completing principal adverse impact reporting on behalf of the Companies.

The reason for this is that the Investment Manager is of the view that Asian markets are still at a very early stage of disclosure with regard to ESG and sustainability reporting, and so the Investment Manager does not believe it is currently practical to seek to collect all the data required to comply with Article 4 of the SFDR. The Investment Manager will continue to review this position, which may change as disclosure across the Asian market improves.

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