



RESPONSIBLE INVESTMENT POLICY

Issued by: Compliance

Release date: December 2022

Scope: Group

DISCLAIMER

This document is issued by: (i) Systematica Investments Limited (“SIL”) acting solely in its capacity as general partner of Systematica Investments LP (“SILP”), (ii) Systematica Investments GP Limited, acting in its capacity as general partner of Systematica Investments Guernsey LP and acting through its Geneva branch (“SIGPL”), (iii) Systematica Investments Singapore Pte. Limited (“SISPL”) and/or (iv) Systematica Investments UK LLP, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the “FCA”) (“SIUK”), (each and together “Systematica Investments”). Systematica Investments shall mean: (i) for all purposes, except for issue into the United States or issue to U.S. persons, issue into Australia or to Australian persons, issue into Singapore or to Singaporean persons, or issue into Switzerland or to Swiss persons, SIUK; (ii) only for the purposes of issue into the United States or issue to U.S. persons, SIL acting solely in its capacity as general partner of SILP; (iii) for the purposes of issue into Australia or to Australian persons or issue into Singapore or to Singaporean persons, SISPL; and (iv) only for the purposes of issue into Switzerland or to Swiss persons, SIGPL.

SIL is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended. SIL is registered with the U.S. Commodity Futures Trading Commission as a commodity trading advisor and a commodity pool operator and is a member of the U.S. National Futures Association in such capacity. SIL as general partner of SILP is licensed and regulated by the Jersey Financial Services Commission (the “JFSC”) under the Financial Services (Jersey) Law 1998 (the “FSJL”) to conduct fund services business in and from within Jersey. The JFSC does not take any responsibility for the financial soundness of the Funds (as defined below) or for the correctness of any statements made or expressed herein. The JFSC is protected by the FSJL against liability arising from the discharge of its functions under that law. SIGPL is licensed and regulated by the JFSC under the FSJL to conduct fund services business in and from within Jersey and is authorised by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”) as a branch of a foreign asset manager of collective investment schemes. SIUK is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the “FCA”). SISPL is exempt from the requirement to hold an Australian financial services licence in respect of the financial services it provides to “wholesale investors” in Australia (as that term is defined in the Corporations Act 2001 (Cth)) and is regulated by the Monetary Authority of Singapore (“MAS”) under the laws of Singapore which differ from Australian laws. Each of SIUK, SISPL and SIGPL is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

Where this document is issued by SIUK, the following applies. This document is only issued to, or directed at, persons who are “professional clients” as defined in the FCA’s Handbook of Rules and Principles and: (i) Investment Professionals within the meaning of Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “PCISE Order”); (ii) High Net Worth Companies and certain other entities falling within Article 22 of the PCISE Order; or (iii) any other persons to whom this document may lawfully be provided (the persons in (i), (ii) and (iii) together, the “Relevant Persons”). This document must not be acted on or relied on by persons who are not Relevant Persons. Prior to engaging in substantive communications with any applicant who claims to fall within any of the above categories, verifiable evidence of such person’s status may be required. All, or most, of the protections afforded by the United Kingdom regulatory system will not be available in respect of arrangements entered into with SIUK or its affiliates and compensation will not be available under the Financial Services Compensation Scheme.

Where this document is issued by SIL, the following applies. This document has been prepared in accordance with the requirements of the FSJL and any other legislation, regulations and orders which may be applicable from time to time, together with the requirements of any relevant codes of practice and guidance issued by the JFSC from time to time (the “JFSC Regulatory Requirements”). The information contained herein is directed by SIL exclusively at persons who are professional clients or eligible counterparties for the purposes of the JFSC Regulatory Requirements, or, if to U.S. persons (as defined under Regulation S promulgated under the U.S. Securities Act of 1933, as amended (the “Securities Act”)), to U.S. persons who are both accredited investors (as defined under Regulation D promulgated under the Securities Act) and qualified purchasers (as defined in the U.S. Investment Company Act of 1940, as amended).

Where this document is issued by SISPL, this document has been prepared without taking into account the objectives, financial situation or needs of Australian persons who receive this document. Before making an investment decision, Australian persons who receive this document should consider the offering memorandum and assess whether the product is appropriate given your objectives, financial situation or needs. This document is only to be made available to “wholesale investors” under the Corporations Act 2001 (Cth).

This document is being issued only to the persons referred to in the relevant paragraph above and other persons should not act on the information contained herein.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF THE COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

The information contained herein is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any dissemination or other unauthorised use of this information by any person or entity is strictly prohibited. The distribution of this document may be further restricted by law. Accordingly, this document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons to whom this document is communicated should inform themselves about and observe any such restrictions.

SIL, as general partner of SILP (SIL together with SILP and each of their subsidiaries and affiliates, the “Systematica Group”), was appointed as investment manager of the Funds on 1 January 2015 upon the “spin-out” of the Systematica Group. There is no guarantee that past performance of the Funds will be replicated under the management of the Systematica Group.

This document is not intended to constitute, and should not be construed as, investment advice. Recipients of this document should seek their own independent financial, tax, legal and other advice. This document has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in any securities or interests whatsoever. This document is not intended as and is not to be taken as an offer or solicitation with respect to the purchase or sale of any security or interest, nor does it constitute an

offer or solicitation in any jurisdiction, including those in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such a solicitation or offer. Any person subscribing for any investment must be able to bear the risks involved (including the risk of a total loss of capital) and must meet the suitability requirements relating to such investments. Some or all alternative investment programs may not be suitable for certain investors.

Although the information in this document is believed to be materially correct as at the date of issue, no representation or warranty is given as to the accuracy of any of the information provided. Furthermore no representation or warranty is given in respect of the correctness of the information contained herein as at any future date. Certain information included in this document is based on information obtained from third-party sources considered to be reliable. Any projections or analysis provided to assist the recipient of this document in evaluating the matters described herein may be based on subjective assessments and assumptions and may use one among many alternative methodologies that produce different results. Accordingly, any projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results. Furthermore, to the extent permitted by law, SIL, SILP, SIUK, SISPL, SIGPL and their affiliates, agents, service providers and professional advisers assume no liability or responsibility and owe no duty of care for any consequences of any person acting or refraining to act in reliance on the information contained in this document or for any decision based on it.

THIS DOCUMENT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THE PROVISION OF THIS DOCUMENT DOES NOT AND SHALL NOT BE CONSIDERED TO CONSTITUTE MARKETING FOR THE PURPOSES OF THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE.

CONTENTS

1.	Purpose & Interpretation	4
2.	Systematica’s Commitment and Trading Considerations.....	4
3.	Codes & Initiatives	4
3.1.	Promotion of Responsible Investment	4
3.2.	UN Principles for Responsible Investment.....	4
3.3.	Standard Boards for Alternative Investments.....	5
3.4.	Carbon Disclosure Project.....	5
3.5.	Task Force on Climate-related Financial Disclosures	5
4.	Investment Process	5
5.	Exclusion List.....	6
6.	Governance	6
7.	Stewardship and Proxy Voting.....	7
8.	Policy Review.....	7
	APPENDIX I – EXCLUSION LIST	8

1. Purpose & Interpretation

This policy (the “**Policy**”) applies to all entities of the Systematica Group, as defined in the Systematica Global Definitions, as updated from time to time.

Any defined terms in the Policy shall have the meaning given to them in the Systematica Global Definitions, as updated from time to time, unless otherwise defined below.

The Policy has been formulated to seek to ensure compliance with all applicable regulatory requirements, as updated from time to time.

2. Systematica’s Commitment and Trading Considerations

Systematica recognises that a sustainable and responsible investment strategy is key for long-term value creation for all stakeholders.

Accordingly, Systematica is committed to incorporating Environmental, Social and Governance (“ESG”) considerations into its investment decision-making processes. As a scientific and data-driven group, Systematica is committed to exploring the best methodologies and practices for doing so with respect to its various strategies.

Systematica understands that certain asset classes present a more effective opportunity than others to implement ESG considerations. Notwithstanding this, Systematica is committed to looking to include ESG considerations across all asset classes and strategies to the extent that it is able to do so.

For asset classes where ESG considerations are at an earlier stage of development, a formal ESG approach is constantly being considered and Systematica is continually evaluating the most effective way to integrate this in its investment decision making process. Where applicable, Systematica measures the weighted CO2 emissions on the long and short side of the portfolio and assess the net CO2 emissions. We review reported and estimated emissions data; take materiality into account; and focus on sourcing the relevant metrics specific to each sector or asset class.

We are committed to further developing our approach to sustainable investing, including measuring the principal adverse impacts of our investment decisions on new sustainability factors, in addition to those we already consider in our ESG integration process such as the carbon intensity of our investment portfolios.

3. Codes & Initiatives

3.1. Promotion of Responsible Investment

Systematica is a signatory to the United Nations-supported Principles for Responsible Investment (“**UN PRI**”) and the Standards Board for Alternative Investments (“**SBAI**”). Both entities are committed to develop robust frameworks for the deployment, implementation and observance of ESG considerations across the industry. It is Systematica’s belief that its participation and promotion of the principles and guidelines issued by the UN PRI and SBAI are a demonstration of its commitment in incorporating ESG considerations in its investment philosophy.

3.2. UN Principles for Responsible Investment

Systematica became a signatory of the UN PRI in 2017. The UN PRI were issued in 2006 by UNEP Finance Initiative and the UN Global Compact and provide a voluntary framework under which participants can include ESG considerations into their decision-making and ownership practices and better align their investment goals with those of society at large¹.

¹ This initiative comprises a network of international investors working together to put the six Principles for Responsible Investment into practice. The PRI were devised by the investment community and reflect the view that environmental, social and governance issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system. Source: <https://www.unglobalcompact.org/take-action/action/responsible-investment>

The six UN PRI are as follows:

- ✓ Principle 1: *We will incorporate ESG issues into investment analysis and decision-making processes;*
- ✓ Principle 2: *We will be active owners and incorporate ESG issues into our ownership policies and practices;*
- ✓ Principle 3: *We will seek appropriate disclosure on ESG issues by the entities in which we invest;*
- ✓ Principle 4: *We will promote acceptance and implementation of the Principles within the investment industry;*
- ✓ Principle 5: *We will work together to enhance our effectiveness in implementing the Principles;* and
- ✓ Principle 6: *We will each report on our activities and progress towards implementing the Principles.*

3.3. Standard Boards for Alternative Investments

Systematica is a signatory of the SBAI which historically held a close alignment with Systematica’s core values with key focus areas including:

- ✓ Disclosure;
- ✓ Valuation;
- ✓ Risk management;
- ✓ Fund governance; and
- ✓ Shareholders' conduct.

Conformity with these standards is achieved on a “comply-or-explain” basis and disclosure statements are required to be made available to all existing and prospective Investors upon request.

3.4. Carbon Disclosure Project

Systematica is a supporter of the Carbon Disclosure Project (CDP) and registered in 2020. The CDP supports investors to disclose the environmental impact of major institutions. The CDP is focussed on developing a culture of environmental reporting and environmental risk management to achieve a more sustainable economy.

3.5. Task Force on Climate-related Financial Disclosures

Systematica became a signatory supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020. The TCFD develops voluntary, consistent disclosures for use by companies to provide climate-related financial risk information to investors. The aim of the TCFD is to increase the amount of reliable information on financial institutions’ exposure to climate-related risks; which will strengthen the stability of the financial system, contribute to greater understanding of climate risks and facilitate the financing of the transition to a more sustainable and stable economy.

4. Investment Process

Systematica's approach to investments is process-based. Systematica formulates hypotheses about market dynamics, tests them scientifically and then, if applicable, implements automated models to profit from those hypotheses. Systematica has formulated hypotheses about the materiality of ESG considerations for risk mitigation and alpha in public equity markets.

Systematica integrates these ESG considerations in the investment process as it believes in the fundamental materiality of these ESG factors on companies’ operations and their long-term success.

In the face of no significant negative performance to the investment process, Systematica does not see a reason why ESG considerations and climate change risk should not be integrated in the portfolio.

The research and investment team has evaluated multiple vendors of ESG raw and derived data and has formulated an ESG integration strategy with the goal to create a systematic approach to the task of identifying best and worst ESG offenders per industry. This strategy looks at a wide variety of ESG factors and seeks to capture immediate developments and long-term trends. The focus is on selecting a small set of material measures in each industry, and ranking each company on its level and improvements along these dimensions.

The type of ESG factors that are assessed as part of the investment process, where applicable, include:

- **Environmental factors** including climate change: emissions reduction and carbon tax; energy and water consumption.
- **Social factors** including employee training, injuries and casualties.
- **Governance factors** including policies, committees and board independence.

The Investment Manager makes assessments on these ESG factors on a regular basis and may expand upon these factors from time to time. These ESG factors form part of a proprietary ESG scoring system utilised by Systematica. This ESG scoring is completed for all investee companies and corporate issuers (subject to data availability) in the appropriate funds. These ESG weightings are customised based on specific industry criteria identified by the research analysts and are automatically integrated into the investment process, meaning that an applicable fund will be overweight in companies that score highly and underweight in companies that have a lower score. Sustainability is also defined by exclusion criteria whereby issuers of a security will be excluded if the issuer produces, distributes or maintains outlawed weapons, such as landmines and cluster munitions. Finally, the research analysts also identify long-term thematic trends in climate change mitigation and the funds, where applicable, take a position in relevant baskets of securities when these trends manifest themselves.

The Investment Committee reviews all components of the systematic investment strategies. These include the alpha components, risk & cost models and portfolio construction. Depending on the materiality of ESG considerations (exclusion, integration, etc.), ESG criteria can be used in each of these components and are as such reviewed by the Investment Committee and ExCo, if applicable.

5. Exclusion List

The exclusion and restriction of certain types of investment is a key part of Systematica's commitment towards sustainable and responsible investment. Accordingly, Systematica has implemented measures specifically aimed at restricting the investment in issuers involved in the design and manufacture of cluster munitions and anti-personal mines. Systematica's exclusion list, which can be found in Appendix I to this Policy, is derived from industry recognised sources and applied at the investment decision making model level. Post-trade controls are also in place to ensure appropriate monitoring.

6. Governance

Systematica's Investment Committee reviews all components of the systematic investment strategies. These also include the ESG considerations taken into account by Systematica's Research team when developing an investment idea. Systematica's management, along with Systematica's Executive Committee, seeks to continually track the progress of all ESG initiatives and developments.

All departments have their share of responsibility in ensuring this Policy is correctly implemented and observed. These especially include Systematica's investment team; Legal & Compliance team; and Risk team.

7. Stewardship and Proxy Voting

As part of Systematica's investment strategy, it only takes positions in companies' shares through CFDs. As such, Systematica does not invest in the underlying shares which carry voting rights. Furthermore, Systematica does not use corporate access as part of its investment process. Systematica is constantly assessing solutions to acquire voting rights or influence the votes if CFD positions are hedged with real shares.

8. Policy Review

This Policy will be considered for review at least on an annual basis and/or whenever any material change or update is deemed as required.

APPENDIX I – EXCLUSION LIST

Anhui Great Wall Military Industry
Aryt Industries
Aselsan Elektronik Sanayi ve Ticaret Anonim Sirketi
Ashot Ashkelon
Avibras Industria Aeroespacial
Bharat Dynamics
China Aerospace International Holdings
China Spacesat Co Ltd
Elbit Systems
Hanwha Corporation
L3 Communications
LIG Nex 1
Norinco
Northrop Grumman
Poongsan Corp
Poongsan Holdings
S&T Dynamics
S&T Holdings
Textron