GAM Star Fund Plc – GAM Star Cat Bond - Sustainability-related disclosures

GAM Star Cat Bond (The "Fund" or "Financial Product") operates in accordance with Article 8 of Regulation (EU) 2019/2088 ("SFDR") and this disclosure is written in accordance with Article 24-36, of the Commission Delegated Regulation (EU) 2022/ 1288 (the "SFDR Delegated Act").

Summary

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

Environmental or social characteristics of the financial product

Insurance-Linked Securities (ILS) provide capital and liquidity in the event of natural disasters and are a structural capital solution supporting the stability and efficient functioning of the global insurance and reinsurance ("(re)insurance") market. The Fund primarily invests in catastrophe bonds ("CAT bonds"), the most well-known type of ILS. ILS are sponsored primarily by insurers and reinsurers ("(re)insurers") to transfer exposures from potentially large insured losses associated with natural catastrophes to investors. Corporations, governments and other public entities are increasingly sponsoring ILS to manage their obligations in times of disaster. In helping companies and communities recover and re-build after natural catastrophes, the ILS asset class is necessarily at the forefront of monitoring the impact of severe weather events and other catastrophes on economies. The ILS market itself sends an important price signal for climate risk, which in turn can support the mitigation of and adaptation to physical climate risks.

ILS also address increasing 'protection gaps' between insured and economic losses, and 'disaster gaps' between insured but not reinsured losses, by broadening the mutual sharing of catastrophe risks across a larger and deeper capital pool. The asset class spurs the continued investment in, and development of, cutting-edge models and tools designed to assess exposures to catastrophes.

In addition to these fundamental features of the asset class, the Delegate Investment Manager of the Fund promotes environmental and social (E/S) characteristics by:

1. Applying a proprietary ESG rating methodology to all investments in the Fund. The Fund primarily invests in ILS securities assessed to have POSITIVE ESG ratings, while securities assessed as NEGATIVE are not eligible for inclusion. The rating methodology is described in the Investment Strategy section of this disclosure under the heading "Analysis of ESG Factors" and the Delegate Investment Manager's ESG Policy,
2. Excluding ILS sponsors involved in specific activities considered to cause negative environmental and social impact, as described in the Sustainability Exclusion Criteria, and
3. Excluding ILS sponsors that violate the principles set by the United Nations Global Compact (UN Global Compact).

ILS are sponsored by a cedant such as a (re)insurer, corporation or government, but are issued by special purpose reinsurance vehicles ("SPRVs"), which are separate legal entities set up by corporate or sovereign sponsors, separating the overall risks of the sponsor from the specific risks of the ILS investment. Given the unique structure of these securities, absence of a prescribed asset class specific approach within the SFDR framework, and limited look-through to the underlying assets being (re)insured by the sponsor, this Fund applies certain elements of the Investment Strategy to the sponsor level only. The E/S characteristics are achieved through the Investment Strategy as set out in this disclosure.

Investment Strategy

1) *Analysis of ESG factors*

This Fund invests in ILS with only positive or neutral ESG ratings, based on an internal ESG rating methodology.

2) *Sustainability Exclusion Criteria*

For non-Sovereign ILS Sponsors:

- Any involvement in controversial weapons as outlined in the GAM group-wide exclusion policy on banned weapons;
- Derive over 10% of their annual revenue from the manufacturing of weapons or weapon components;
- Derive over 5% of their annual revenue from the manufacture, retail or distribution of tobacco or tobacco-related products;
- Derive over 25% of their annual revenue from the extraction of oil sands;
- Derive over 25% of their annual revenue from the mining of thermal coal or from generating electricity from thermal coal, unless the sponsor has made a credible net zero decarbonization commitment or has credible plans to transition below the coal revenue threshold in the nearer term. The Delegate Investment Manager defines this as activities or projects contributing to a significant rate of reduction of carbon-equivalent emissions where the entity has committed to decarbonisation;

For Sovereign ILS Sponsors:

- Sovereign sponsors which have been assessed as "Not Free" by the Freedom House Global Freedom Score, unless this sovereign is working through an international organization, such as the World Bank, the United

Nations, a regional development bank or another body with robust and transparent sustainability safeguards. The definition of the Freedom House Global Freedom Score and further detail on the Scores are available at: https://freedomhouse.org/countries/freedom-world/scores.

3) *Assessed adherence to generally accepted international norms and standards*

ILS sponsors are expected to adhere to minimum international norms and standards as defined by the United Nations Global Compact (the “UN Global Compact”). Sponsors assessed as having seriously breached the UN Global Compact are excluded, unless the issuer is considered to have taken substantial and adequate steps to have addressed the allegations (other than where outlined in the GAM Sustainability Exclusions Policy). The UN Global Compact is a special initiative of the United Nations Secretary-General which calls companies worldwide to align their operations and strategies with ten principles in the areas of human rights, labour rights, the environment and anti-corruption. Further information is available at www.unglobalcompact.org.

Good governance

The assessment of good governance at the investment level is integrated into the Delegate Investment Manager’s ESG scoring framework and focuses specifically on good risk governance reflected by the risk management practices relevant to the ILS asset class and the quality and transparency of ILS disclosures and reporting by the ILS sponsor. In addition, good governance at the sponsor level is supported by ensuring ILS sponsors adhere to minimum standards as defined by the ten principles of the UN Global Compact.

Proportion of investments

The Delegate Investment Manager targets of a minimum of 75% of the Fund to be invested in ILS with POSITIVE ESG ratings. Up to 25% of the Fund may be allocated to investments assessed as NEUTRAL according to the ESG rating system, cash, collateral and/or certain derivatives. The Fund does not commit to making sustainable investments and EU Taxonomy alignment is 0%.

Monitoring of environmental or social characteristics

To monitor and measure the attainment of each of those environmental or social characteristics promoted by the financial product, the Delegate Investment Manager will report on selected sustainability indicators relating to each characteristic. The annual financial statements of GAM Star Fund Plc will include a periodic report for this Fund, which will disclose the extent to which environmental or social characteristics are met.

Methodologies

The indicators and processes are applied on a best-efforts basis by the Delegate Investment Manager using third-party data and internal research and analysis, as relevant to the particular environmental or social characteristics. Processes are overseen by the relevant decision-making committees and the compliance function.

Data sources and processing

The Fund relies on third-party data and internal research for the characteristics promoted.

Limitations to methodologies and data

Data for ILS sponsors is less developed than that for equity and corporate bonds. Internal research and estimates may be required where there are data gaps. These limitations are not expected to significantly affect how the environmental and/or social characteristics would be promoted. Limitations to data on specific indicators will be reported in the Fund’s periodic report alongside the relevant sustainability indicator and/or reporting section.

Due diligence

The ESG rating, Sustainability Exclusion Criteria and compliance with the UN Global Compact are assessed for new issuances. Ratings are reviewed quarterly by the Delegate Investment Manager, or on an ad-hoc basis as the result of a significant change in the condition of the security as known and identified by the Delegate Investment Manager. An assessment of good governance practices is included as part of the assessment as relevant to the asset class.

Engagement policies

The Delegate Investment Manager regularly engages with new and existing ILS sponsors during investor roadshows or one-and-one meetings, as well as in in dialogues with regulators, government bodies and international organizations on strengthening the ILS market and broadening the role and applications of ILS, with a focus on the potential public policy applications of ILS to address disaster and protection gap issues at scale.

Designated reference benchmark

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

Further details on these topics can be found in the full version of this disclosure and at the following websites:
https://www.gam.com/en/funds/list
https://www.gam.com/en/corporate-responsibility/responsible-investing
https://www.fcm.com/our-esg-policy.html

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Full Disclosure

No Sustainable investment objective	This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product'	Insurance-Linked Securities (ILS) provide capital and liquidity in the event of natural disasters and are a structural capital solution supporting the stability and efficient functioning of the global insurance and reinsurance ("(re)insurance") market. The Fund primarily invests in catastrophe bonds ("CAT bonds"), the most well-known type of ILS. ILS are sponsored primarily by insurers and reinsurers ("(re)insurers") to transfer exposures from potentially large insured losses associated with natural catastrophes to investors. Corporations, governments and other public entities are increasingly sponsoring ILS to manage their obligations in times of disaster. In helping companies and communities recover and re-build after natural catastrophes, the ILS asset class is necessarily at the forefront of monitoring the impact of severe weather events and other catastrophes on economies. The ILS market itself sends an important price signal for climate risk, which in turn can support the mitigation of and adaptation to physical climate risks. ILS also address increasing 'protection gaps' between insured and economic losses, and 'disaster gaps' between insured but not reinsured losses, by broadening the mutual sharing of catastrophe risks across a larger and deeper capital pool. The asset class spurs the continued investment in, and development of, cutting-edge models and tools designed to assess exposures to catastrophes. In addition to these fundamental features of the asset class, the Delegate Investment Manager of the Fund promotes environmental and social characteristics by: 1. Applying a proprietary ESG rating methodology to all investments in the Fund. The Fund primarily invests in ILS securities assessed to have POSITIVE ESG ratings, while securities assessed as NEGATIVE are not eligible for inclusion. The rating methodology is described in the investment strategy section of this disclosure under the heading "Analysis of ESG Factors" and the Delegate Investment Manager's ESG Policy, 2. Excluding ILS sponsors involved in specific activities considered to cause negative environmental and social impact, as described in the Sustainability Exclusion Criteria, and 3. Excluding ILS sponsors that violate the principles set by the United Nations Global Compact (UN Global Compact). ILS are sponsored by a cedant such as a (re)insurer, corporation or government, but are issued by special purpose reinsurance vehicles ("SPRVs"), which are separate legal entities set up by corporate or sovereign sponsors, separating the overall risks of the sponsor from the specific risks of the ILS investment. Given the unique structure of these securities, absence of a prescribed asset class specific approach within the SFDR framework, and limited look-through to the underlying assets being (re)insured by the sponsor, this Fund applies certain environmental and social characteristics at the sponsor level only. These characteristics include the Sustainability Exclusion Criteria, assessed adherence to the UN Global Compact norms and standards, and consideration of principal adverse impacts. Good governance principles (as defined in the Investment Strategy section of this disclosure under the heading "Analysis of ESG Factors") are applied at the sponsor level and investment level.

	These characteristics are achieved through the Investment Strategy as set out in this disclosure. Investors with specific sustainability preferences or sustainability-related objectives should consider the relevant disclosures in the Prospectus in detail to ensure that the sustainability profile of the Fund reflects such preferences or objectives, in addition to their financial objectives and risk tolerance. Any decision to invest in the Fund should take into account both the financial and non-financial characteristics of the Fund, as further described in the Supplement. Investors should note that disclosures under the SFDR regime may be amended over time as further guidance is issued or practices evolve. This is particularly the case where investments are made in asset classes that are not directly referenced in the regulatory technical standards, for example relating to the indicators for adverse impacts on sustainability factors which are defined for investee companies, sovereigns (and supranational organisations) and real estate assets.
Investment Strategy	The Fund's primary investment objective is to seek to generate returns through selective investments in a global portfolio of ILS. The environmental and social characteristics of the Fund are integrated into the investment process and implemented on a continuous basis as follows: **1) Analysis of ESG factors** This Fund invests in ILS with only positive or neutral ESG ratings, based on the proprietary ESG rating methodology detailed below, and excludes investments that are ESG rated as negative as well as investments from those sponsors involved in specific activities considered to cause negative environmental and social impact or do not adhere to international norms and minimum standards as defined by the UN Global Compact. *ESG rating methodology* - all potential investments for the Fund are analysed by the Delegate Investment Manager before investment and are assigned an ESG rating with respect to their overall structure, rationale and quantitative elements as part of the investment process. The Delegate Investment Manager's internal rating system is as follows: 1.POSITIVE: an investment which contributes to the furtherance of environmental characteristics (such as contribution to environment or to environmental resilience, sustainability, and awareness), social characteristics (broadening mutual sharing of risk) and/or good governance benefit tailored to the asset class (i.e., good risk governance, such as the sponsor demonstrating advanced risk management or meeting high standards in risk transfer disclosures to provide greater transparency and accountability in a (re)insurer's, corporate's or a government's disaster preparedness and response). 2.NEUTRAL: an investment is judged overall to contribute neither positively nor negatively to the criteria defined above. 3.NEGATIVE: an investment or sponsor which makes an explicit negative environmental or social impact, or where the investment enables the sponsor to continue negative environmental, social or poor risk governance practices. While rare in the ILS market, the sponsor may have adverse sustainability impacts, or attempt to subvert transparency standards in ILS risk disclosures. ILS rated as negative are not eligible investments for the Fund. ESG ratings are reviewed quarterly by the Delegate Investment Manager, or on an ad-hoc basis as the result of a significant change in the condition of the security as known and identified by the Delegate Investment Manager. Should an investment's ESG rating change to negative once in the Fund, the Delegate Investment Manager will determine how best to either liquidate the position unless there is adequate and substantial justification for an exception, as determined by the Investment Committee with oversight from the compliance function. The justification for an exception will include an assessment to determine whether liquidation or engagement will be more effective in resolving the ESG issue(s) while having regard to the interests of the Fund's investors. The Delegate Investment Manager will abstain from investing in similar investments until the identified negative ESG issue(s) is resolved. **2) Sustainability Exclusion Criteria**

ILS from sponsors meeting any of the criteria below would be considered ineligible investments for the Fund (other than where outlined):

- Any involvement in controversial weapons as outlined in the GAM group-wide exclusion policy on banned weapons;
- Derive over 10% of their annual revenue from the manufacturing of weapons or weapon components;
- Derive over 5% of their annual revenue from the manufacture, retail or distribution of tobacco or tobacco-related products;
- Derive over 25% of their annual revenue from the extraction of oil sands;
- Derive over 25% of their annual revenue from the mining of thermal coal or from generating electricity from thermal coal, unless the sponsor has made a credible net zero decarbonization commitment or has credible plans to transition below the coal revenue threshold in the nearer term. The Delegate Investment Manager defines this as activities or projects contributing to a significant rate of reduction of carbon-equivalent emissions where the entity has committed to decarbonisation;

For Sovereign ILS Sponsors only:

- Sovereign sponsors which have been assessed as “Not Free” by the Freedom House Global Freedom Score, unless this sovereign is working through an international organization, such as the World Bank, the United Nations, a regional development bank or another body with robust and transparent sustainability safeguards. The definition of the Freedom House Global Freedom Score and further detail on the Scores are available at: https://freedomhouse.org/countries/freedom-world/scores.

Exclusions are incorporated, on a best-efforts basis, into the investment controls, drawing on information from independent ESG rating providers, recognised third-party sources and internal research as necessary. Should an investment breach the Sustainability Exclusion Criteria detailed above once in the Fund, the Delegate Investment Manager will determine how best to liquidate the position unless there is adequate and substantial justification for an exception, as determined by the Investment Committee with oversight from the compliance function. The justification for an exception will include an assessment to determine whether liquidation or engagement will be more effective in resolving the ESG issue(s) while having regard to the interests of the Fund’s investors. The Delegate Investment Manager will abstain from investing in ILS sponsored by the company until the identified ESG issue(s) is resolved and the sponsor is no longer considered in breach of the Fund’s Sustainability Exclusion Criteria detailed above.

3) International norms and standards

Sponsors are expected to adhere to minimum standards as defined by the UN Global Compact and international treaties governing the use of weapons. Sponsors assessed as having seriously breached the UN Global Compact are excluded, unless the sponsor is considered to have taken substantial and adequate steps to have addressed the allegations. The Delegate Investment Manager uses third-party data providers’ framework and data, and internal research as necessary, to categorise serious breaches, which are intended to identify credible allegations of a violation of global norms. The Delegate Investment Manager may use third party data and alternative sources to form its judgement regarding the allegations and sponsor response. Should an investment breach the UN Global Compact once in the Fund, the Delegate Investment Manager will determine how best to liquidate the position unless there is adequate and substantial justification for an exception, as determined by the Investment Committee with oversight from the compliance function. The justification for an exception will include an assessment to determine whether liquidation or engagement will be more effective in resolving the ESG issue(s) while having regard to the interests of the Fund’s investors. The Delegate Investment Manager will abstain from investing in ILS sponsored by the company until the identified ESG issue(s) is resolved. The UN Global Compact is a special initiative of the United Nations Secretary-General which calls companies worldwide to align their operations and strategies with ten principles in the areas of human rights, labour rights, the environment and anti-corruption. Further information is available at www.unglobalcompact.org.

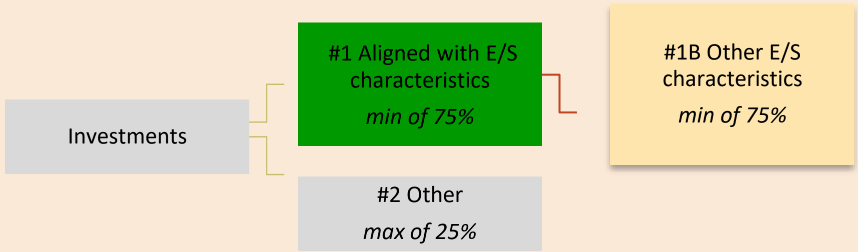
The elements of the Fund’s Investment Strategy outlined above, including any sustainability assessments and exclusions, are applied on a best-efforts basis, drawing on information from independent ESG rating providers, recognised third-party sources and

	internal research as necessary. Should an investment breach one of the characteristics once in the Fund, as described above, the Delegate Investment Manager will determine how best to liquidate the position having regard to the interests of the Fund's investors, or remediate through in engagement if there is substantial and adequate justification for an exception. The Delegate Investment Manager may use third-party data and alternative sources, including engagement with the sponsor or issuer, to form its judgement regarding whether there is an adequate justification for an exception, as detailed above (for example, where the sponsor has published a decarbonisation plan, or where the sponsor has taken substantial and adequate steps to address allegations of UN Global Compact violations). This may also be necessary where there is a difference in assessment between third-party ESG data or ratings providers and/or internal research. The security may be held while the appropriate course of action is determined. The Delegate Investment Manager will abstain from investing in similar investments until the identified ESG issue(s) is resolved and the relevant position or sponsor is no longer considered in breach of the Fund's characteristics. ***Good governance assessment*** Article 8 of SFDR and the European Commission Q&A on SFDR published 25 May 2022, provide guidance of good governance practices for corporate entities and confirm that the requirements do not apply to government bonds. It follows then that the requirements are not relevant to government sponsors of ILS, while the application of this to non-sovereign sponsored ILS is not specifically mentioned in the regulation. For this reason, an asset-class specific approach to assessing good governance is applied to eligible ILS investments for both sovereign and non-sovereign sponsored investments. ILS investors play an important and strategic role in providing risk capital to (re)insurance companies and other sponsors, which ultimately can support households, businesses, and governments in managing their catastrophe risks and accessing insurance coverage that might not otherwise have been available or possibly only at a higher cost. ILS investors create the market where diversified capital supplies protection for catastrophes and where climate issues are at the forefront. To maximize the impact of the ILS market for the ultimate beneficiaries, the risk governance of the sponsor—which dictates how payouts are transformed into a timely and effective response to catastrophes—is paramount. For this critical reason, the Fund primarily applies an asset-class specific approach to assessing good governance and defines good governance through the lens of a sponsor's risk governance in the context of an ILS. The assessment of good governance at the investment level is integrated into the Delegate Investment Manager's ESG scoring framework and focuses specifically on good risk governance reflected by the risk management practices and the quality and transparency of disclosures and reporting by the ILS sponsor. The assessment of good governance in the context of a ILS investment is exhibited by the transparency of its risk disclosures, with a particular consideration of: the structure of the bond, with clear and sufficient detail on what would trigger a payout of the bond's principal; timely loss and payout reporting; the quality of essential data and risk modelling to enable risk estimation; and disclosures on how a sponsor governs its risk, including historical loss performance, the quality and transparency of historical loss reporting and available risk response and mitigation mechanisms. Good governance in this context is assessed in a qualitative and/or quantitative way dependent on the specific indicator. In addition, good governance at the sponsor level is supported by assessing whether ILS sponsors adhere to minimum standards as defined by the ten principles of the UN Global Compact, which cover anti-corruption (Principle 10) and labour rights (Principles 3-6) and well as environmental governance (Principles 7-9). Further, if any significant sponsor governance issues are flagged by ESG rating providers, or discovered through internal research, these will be considered in the Delegate Investment Manager's ESG scoring framework in the context of risk governance and whether the ILS disclosures made can be considered credible and trustworthy. Good governance in this context is assessed in a qualitative manner.
Proportion of Investments	A minimum of 75% of the Fund is expected to be aligned with environmental/social characteristics promoted by the Fund. The Fund does not commit to holding sustainable investments. The Fund may hold a maximum of 25% of the Fund in investments that are

not aligned with the environmental or social characteristics promoted by the Fund, and which fall into “#2 Other” category of investments.

#2 Other consists of ILS that are rated NEUTRAL, cash, collateral, and/or certain derivatives (see explanation regarding the assessment of derivatives above). ILS with a NEUTRAL ESG rating are considered for diversification and strategic market growth reasons. ILS with a NEUTRAL ESG rating are monitored as part of the quarterly ESG assessments to make sure the sponsor is not contributing negatively to environmental and social factors. We do not deem an assessment of minimum environmental and social safeguards to be relevant for cash by nature of the asset class, nor for non-ILS related derivatives such as currency hedges.

Derivatives are assessed based on their underlying exposure. This may include ILS-related derivatives, which are assessed as part of the ESG rating system and have the same investment rationale as all other ILS in the Fund. The only other type of derivative expected in the Fund would be for currency hedges. Such derivatives would not be aligned to the Fund’s E/S characteristics and are included in #2 Other.



#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 **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR and it does not currently commit to take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the minimum proportion of the Fund’s investments that contribute to environmentally sustainable economic activities for the purposes of the Taxonomy Regulation will be 0%. The Fund may consider setting minimum taxonomy as data and reporting on taxonomy alignment improves

Monitoring of environmental or social characteristics

The Fund’s E/S characteristics are implemented in accordance with the Investment Strategy outlined above and uses the following sustainability indicators to monitor and measure the attainment of each of those environmental or social characteristics promoted by the Fund Additional indicators are reviewed as part of ongoing monitoring of the environmental and social characteristics of the Fund. The annual financial statements of GAM Star Fund Plc will include a periodic report for this Fund, which will disclose the extent to which environmental or social characteristics are met.

1) **Indicators relating to the analysis of ESG factors**

Investments with POSITIVE or NEUTRAL ESG ratings: proportion of securities within the Fund with a POSITIVE or NEUTRAL sponsor ESG rating based on the Delegate Investment Manager’s internal scoring framework as described in the Investment Strategy section of this disclosure under the heading “Analysis of ESG Factors”.

2) **Indicators relating to Sustainability Exclusion Criteria**

	ILS sponsored by non-Sovereigns **Involvement in controversial weapons**: share of investments in ILS sponsored by companies involved in the manufacture or selling of controversial weapons. **Involvement in weapons manufacturing or weapons component manufacturing**: share of investments in ILS sponsored by companies involved in the manufacture of military weapons systems, and/or tailor-made components of these weapons systems, and/or tailor-made products or services that support military weapons systems (above 10% revenue threshold). **Involvement in tobacco manufacturing**: share of investments in ILS sponsored by companies involved in the manufacture of tobacco products (above 5% revenue threshold). **Involvement in tobacco retail and distribution**: share of investments in ILS sponsored by companies involved in the distribution and/or retail sale of tobacco products (above 5% revenue threshold). **Involvement in oil sands extraction:** share of investments in ILS sponsored by companies involved in oil sands extraction (above 25% revenue threshold). **Involvement in thermal coal mining**: Share of investments in ILS sponsored by companies involved in mining thermal coal or from generating electricity from thermal coal (above 25% revenue threshold). ***Sovereign sponsored ILS*** **"Not Free" Sovereign Sponsors**: share of investments in ILS sponsored by countries which have been assessed as "Not Free" by the Freedom House Global Freedom Score. The definition of the Freedom House Global Freedom Score and further details on the Scores are available at: https://freedomhouse.org/countries/freedom-world/scores. **3) Indicators relating to UN Global Compact** **Violations of UN Global Compact principles**: share of investments in ILS from sponsors that have been involved in violations of the UN Global Compact principles
Methodologies	The methodologies to measure how the social or environmental characteristics promoted by the Fund are as follows: **1. Analysis of ESG factors**: The Fund invests in ILS with only positive or neutral ESG ratings, based on the internal ESG rating methodology. ESG ratings assessed for new investments and subsequently reviewed quarterly by the Delegate Investment Manager, or on an ad-hoc basis as the result of a significant change in the condition of the security as known and identified by the Delegate Investment Manager. The review process is overseen by the Compliance function and assessments are stored in an internal database. The asset allocation process is overseen by the Delegate Investment Manager's Compliance function and is monitored such that 75% of net assets are invested in ILS rated POSITIVE as part of the ESG assessment. 2. **Sustainability Exclusion Criteria**: The sustainability indicators outlined under "Monitoring of environmental or social characteristics" relate to the Sustainability Exclusion Criteria. The Sustainability Exclusion Criteria are programmed, on a best-efforts basis, into the investment controls, using information from independent ESG rating providers, recognised third party sources and internal research. Should an investment breach the Sustainability Exclusion Criteria detailed above once in the Fund, the Delegate Investment Manager will determine how best to liquidate the position if appropriate, or take action to remediate the situation through active engagement with the sponsor. The Delegate Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form its judgement regarding any allegations and the company response. Exceptions relating to Sustainability Exclusion Criteria (only where described in the Investment

	Strategy section) will be reviewed and approved by the Investment Committee. The Fund will report on these indicators in the Fund's periodic report using data from third-party sources. 3. **International norms and standards**: The sustainability indicators outlined under "Monitoring of environmental or social characteristics" linked to international norms and standards include an assessment of UN Global Compact compliance. UN Global Compact compliance is programmed, on a best-efforts basis, into the investment controls, drawing on information from independent ESG rating providers and recognised third party sources and internal research as necessary. The Delegate Investment Manager uses a third-party data provider's framework and data to categorise serious breaches, which are intended to identify credible allegations of a violation of global norms. The Delegate Investment Manager may use third party data and alternative sources, including engagement with the investee company, to form its judgement regarding the allegations and the company response to any allegation. Exceptions relating to UN Global Compact (as described in the Investment Strategy section) will be reviewed and approved by the Investment Committee. The Fund will report on UN Global Compact compliance in the Fund's periodic report using data from third-party sources.
Data sources and processing	1. The ESG review is conducted using submission material and disclosures, information gathered in the deal roadshow meetings, internal discussions or research regarding the disclosures and any additional information provided to investors by the sponsor or deal team on request, to establish an E, S and G Score and an overall ESG Rating. The review is conducted internally and overseen by the Delegate Investment Manager's Compliance function and assessments are stored in an internal database. 2. Sustainability Exclusion Criteria are based on an internal review to screen for statements, tags, ESG or other policies relating to product involvement. Sponsors flagged for potential direct involvement will undergo further research to understand the extent of involvement by assessing investors presentations, financial statements, public statements, among others as required. Where the outcome of the assessment is not conclusive an internal estimation will be made by the Delegate Investment Manager's Investment Committee based on information gathered and additional research they may request. 3. Adherence to international norms and standards: the assessment of UN Global Compact violations relies on third-party ESG data from two sources – currently Sustainalytics and RepRisk – where consensus is required before the Delegate Investment Manager will assess the sponsor as being in breach of the UN Global Compact. If there is no consensus, the Delegate Investment Manager's Investment Committee will perform the assessment internally using internal research as required. Where a sponsor is not covered by third-party ESG data providers, the Delegate Investment Manager conducts internal research using sponsor website disclosures, articles, reports among other sources. The Investment Committee will make a final decision to verify where a potential UN Global Compact violation is identified. The Delegate Investment Manager periodically reviews data sources and may change these as it considers appropriate. Given the majority of CAT bond sponsors are (re)insurers, Sustainability Exclusion Criteria monitoring is primarily based on internal research. Typically, over 90% for non-sovereign issuers are covered by at least one of the Fund's third-party providers on UN Global Compact compliance. Where not available from third-party providers, internal research is used. Where there are data coverage issues, this will be flagged in the Fund's periodic reporting alongside the relevant indicator, as well as the proportion of estimated data where available. The data or third-party assessments may also use estimates or otherwise apply subjective judgements (for example when qualitatively assessing a company policy). For sovereign issuers there is currently full coverage of Freedom House assessment. Data is frequently reviewed by the Delegate Investment Manager. Where errors of accuracy, omission or timeliness are found, these are communicated to the research provider for correction. The Delegate Investment Manager compares more than one data source where possible. Internal research initiatives are overseen by the Delegate

	Investment Manager's Compliance function to strengthen the quality of the internal analysis. The Delegate Investment Manager periodically reviews data sources and may change these as it considers appropriate.
Limitations to methodologies and data	The Delegate Investment Manager will rely on sustainability-related data both in order to assess risk to the Fund's investments and as part of its investment strategy. The quality, timeliness, completeness and availability of sustainability-related data may still not be comparable with the general quality, timeliness, completeness and availability of more standardised and traditional financial data. The assessment of risk and the implementation of the investment strategy may be adversely impacted as a result and the Fund may suffer losses (including loss of opportunity) as a result of investment decisions taken in reliance on sustainability-related data which may not be accurate, complete or timely or if the Delegate Investment Manager does not correctly assess the impact of such data on the Fund. The main data limitations are: **Data coverage** – third-party ESG data and research is not as advanced for ILS as for equities and corporate debt. Many sposnors are private companies, therefore the Fund uses data from a specialized provider with coverage across private and public entities. Where are data gaps, internal research is conducted following a formal process and oversight from the Delegate Investment Manager's Investment Committee. **Data quality** – The Fund uses recognised ESG data providers with their own internal quality control processes. Data is frequently reviewed by the Delegate Investment Manager. Where errors of accuracy, omission or timeliness are found, these are communicated to the research provider for correction. The Delegate Investment Manager compares more than one data source where possible. Limitations to methodologies and data will be reported in the Fund's periodic report alongside the relevant sustainability indicator and/or reporting section as relevant. There are no foreseen limitations that would significantly affect how the environmental and/or social characteristics would be promoted.
Due diligence	When new CAT bonds are announced, or when a new ILS is presented as a potential investment for the Fund, the sponsor is checked for UN Global Compact and Sustainability Exclusion Criteria compliance. An ESG rating analysis is conducted on the sponsor and the investment to establish an overall ESG rating. The outcomes of the assessments are documented and overseen by the Chief Compliance Officer. An assessment of good governance at the investment level is integrated into the Delegate Investment Manager's ESG scoring framework and focuses specifically on good risk governance in the context of the ILS assets class reflected by the risk management practices and the quality and transparency of disclosures and reporting by the ILS sponsor (as outlined above). The Delegate Investment Manager aims to review new information on a quarterly basis, new information is assessed to see if any ESG ratings should be changed. This review is conducted by the Investment Committee and overseen by the compliance function. The review also incorporates an action plan should a rating be changed. Investments in repeat deals would leverage existing ESG ratings within the Delegate Investment Manager's systems.
Engagement policies	Engagement and stewardship activities are conducted in a manner unique to the ILS asset class. The Delegate Investment Manager regularly engages with new and existing CAT bond sponsors during investor roadshows or one-and-one meetings. Such meetings are opportunities to raise any material ESG-related questions regarding an investment or sponsor or to continue ongoing dialogues with repeat sponsors in the context of the Delegate Investment Manager's internal ESG rating process. These meetings are also opportunities to request additional disclosures or to provide feedback or gain clarity on an ILS structure, its rationale and context, and its risk modelling and presentation. The Delegate Investment Manager also engages in dialogues with regulators, government

	bodies and international organisations on strengthening the ILS market and broadening the role and applications of ILS, with a focus on the potential public policy applications of ILS to address disaster and protection gap issues at scale. All engagement interactions are documented in the Delegate Investment Manager’s business process management system.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Updated 1 December 2022

Important legal information