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Introduction

Our core investment philosophy is to invest in quality businesses with proven management teams that are long term sustainable franchises. ESG is intrinsic to the BambuBlack investment process rather than being a distinct investment function. We do not believe it is possible for a business to implement a successful long-term plan without taking ESG (Environmental, Social and Governance) factors into consideration.

This policy has been developed to document how we incorporate ESG into our investment process starting from idea generation to our fundamental analysis of the companies we invest in and finally how we continue to monitor and engage with management in these companies on ESG matters. The policy covers the following strategies, run by the BambuBlack team: the SVS Bambublack Asia Ex-Japan and SVS BambuBlack Asia Income & Growth (hereafter these shall be referred to as “the Bambublack Strategies”).

BambuBlack was established in partnership with BennBridge in 2019. BennBridge is a UK based, multi-boutique investment firm which strategically partners with fund managers. It is authorised and regulated by the FCA to conduct regulated activities and is the investment manager in relation to BambuBlack Strategies. As a strategic partner, BennBridge provides a wide range of non-investment services to BambuBlack, ensuring the investment team can focus solely on investing.

A working group comprised of the BambuBlack investment team members, and representatives from different groups at BennBridge including Sales & Marketing, Compliance and Risk worked on producing and reviewing this policy document. We engaged an outside consultant, Impact Cubed, for evidencing and reporting on the BambuBlack’ ESG characteristics vs the index. Going forward we will be reviewing and updating this policy document periodically, and as the need arises.

James Measures is an Analyst at BambuBlack responsible for ESG research, periodic review and alignment of current and potential holdings in keeping with the Bambublack investment process and policy as outlined in this document.

It is important to note that the BambuBlack Strategies are not outright sustainability and impact focused strategies, nor are they bound to consider ESG factors as part of the binding investment objective in the prospectus. That being said they are ESG friendly (as evidenced by the Impact Cubed report at the end of this policy) which are an outcome of the core investment belief that for companies in the Asia Pacific to be successful investments, they must have a sustainability mind set at their cultural core.

How do we measure sustainability?

Across the ESG factors, governance remains at the core of our evaluation process. For us, it tends to follow that companies with good governance adhere to positive environmental and social practices.

Our primary method for ESG evaluation is to look at the sustainable qualities of each business on its own merits rather than simply its



comparative ESG score. This means we collect our own data on a company in assessing its ESG characteristics.



Additionally, we subscribe to the view that the management teams of smaller, newly listed companies are on a journey, and some are at the early stage of formalising their ESG processes. After following our evaluation process (which includes an ESG lens) we are able to own companies at the nascent stage of their sustainability journey and actively engage with a higher conviction than previously possible.

At BambuBlack we believe consideration of ESG risk factors are important for the protection of our investor's capital and to produce long-term, sustainable, risk-adjusted returns.

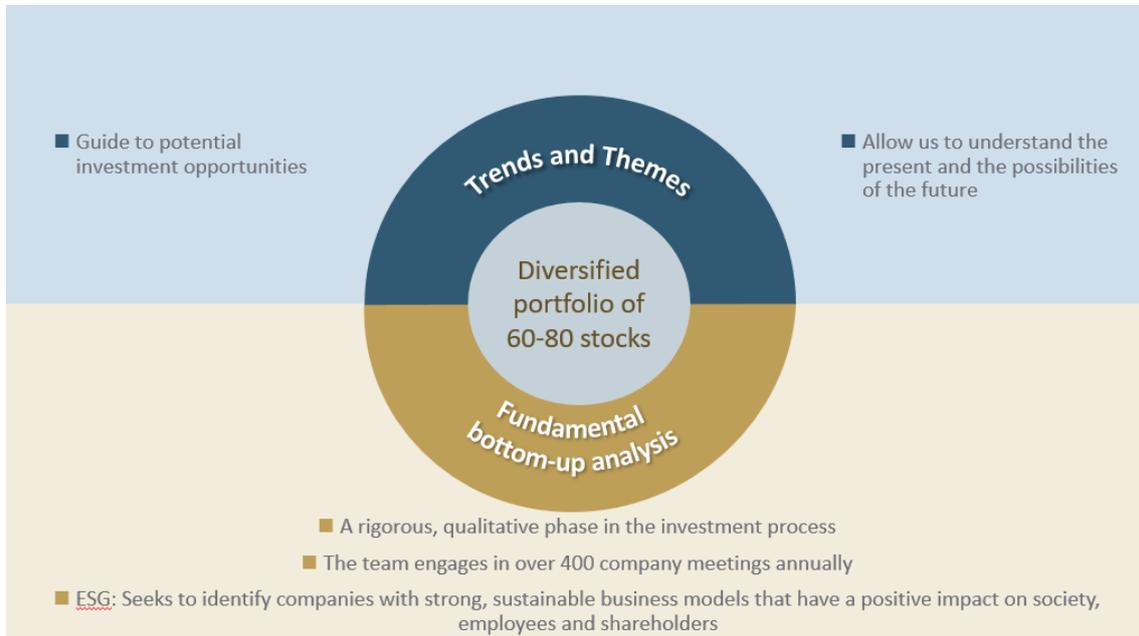
The table below outlines our investment process in relation to the PRI Principles. As a small business, we are currently not yet signatories of the PRI Principles but do support them.

PRI PRINCIPLE	OUR APPROACH
Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.	We seek to incorporate ESG risk factors into our investment process. When analysing companies we review their ESG policy and identify areas of potential risk or improvement. We identify ESG factors which we review on an ongoing basis.
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.	Our investment process drives us to be active and engaged investors across all our holdings. We actively exercise our right to vote on topics such as board composition, remuneration, share capital structure, risk management etc. Due diligence on each proxy vote is done internally and reviewed by the CIO, before being submitted by BennBridge. Further information can be found in our Proxy Voting Policy.
Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.	Our investment process will identify available ESG collateral, coupled with engaging with the management team to identify ESG risk factors. These may be related to (but not limited to) environmental, employment, accounting, industry standards, dealing fairly with all stakeholders, attrition rate, supply chain management and audit.
Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.	We actively attend investment industry meetings related to ESG topics. We aim to develop a media presence through written insight and thought leadership pieces with specific reference to ESG principles and risk factors.
Principle 5: We will work together to enhance our effectiveness in implementing the Principles.	Whilst any engagements undertaken to date have not been on a collective basis, we are open to collaborative engagement with other investors surrounding ESG risk factors that we identify as significant and urgent.
Principle 6: We will each report on our activities and progress towards implementing the Principles.	We are currently working with a 3rd party vendor to understand the strategy's positioning against various ESG metrics. Going forward we will be carrying out this ESG analysis annually.



Incorporation of ESG in our process

We believe superior idea generation and stock selection within a broad and unconstrained investment universe, encompassing developed and emerging markets, can generate attractive returns. Outlined below are key elements that guide our portfolio construction and how ESG evaluation is interwoven throughout.



Mega Trends & Themes

Mega trends help us identify key themes and aid idea generation and providing guidance on where to look. They are a potential starting point for bottom-up research. Green Energy (Energy Transition) and Environmental Change are two key themes we explore. We have invested in companies at the forefront of green energy development, emission reduction and waste management. We have invested in multiple companies giving us exposure to all parts of the EV supply chain.

Fundamental bottom-up analysis

We believe qualitative, fundamental, bottom-up analysis is our strongest edge. As part of this process, we filter out a lot of 'destructive' business models which we define as those that create obvious ESG conflict. Being stock pickers at heart, the team spend most of their time evaluating businesses to pick companies that have an identifiable, sustainable edge, meeting company management, competitors, regulators, looking up and down the supply chain and monitoring IPOs.

We look to identify companies with strong, sustainable business models that have a positive impact on society, employees and shareholders. We do not invest in tobacco, gambling or stocks with human rights violations such as sweatshops. On an ongoing basis we monitor quarterly reports, news flow, company updates and industry insights to ensure we understand any factors that may influence the sustainability of the business. In addition to day-to-day monitoring, as a team, ESG data is managed on a spreadsheet matrix which enables us to compare all our holdings against key metrics.

When performing due diligence, we look to gather ESG data for our matrix such as, but not limited to:

Environment:

- Environmental policies, awareness of environmental risks and challenges
- Initiatives used to offset impact or reduce negative by products
- Energy efficiency
- Company strategy and how they manage environmental risks
- Industry specific issues (Air and water pollution, biodiversity, waste management)

Social:

- Employee turnover
- Supply chain management
- Social impact with various stakeholders
- Data protection and privacy
- Gender and diversity
- Auditing and Monitoring
- Human rights and labour standards

Governance:

- Board of directors' independence, diversity, and relevant skill sets
- Board composition
- Effective executive remuneration
- Audit & accounting practices
- Alignment of interest between majority shareholders and minority shareholders
- Regulatory challenges
- Bribery and corruption

Engagement & active ownership procedures

We undertake due diligence and actively vote for each company we have invested in.

The voting process is outlined as follows:

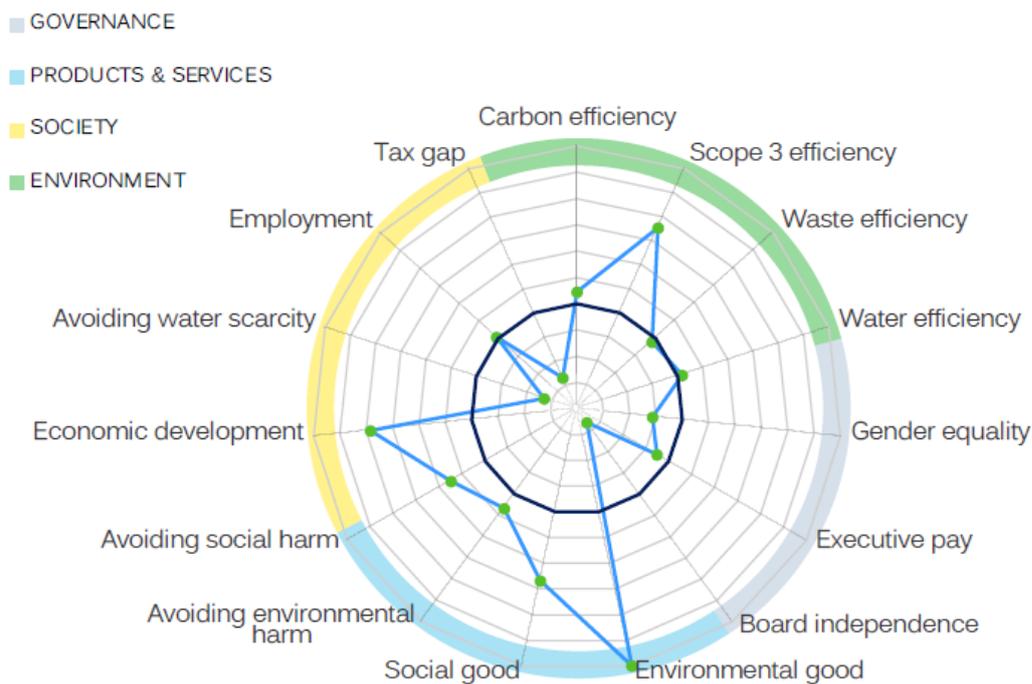
1. Notification of proxy vote is received from Bennbridge.
2. Each item for voting is researched to ensure alignment to best voting principles.
3. Once approved the votes are submitted to Bennbridge for proxy voting.

Further information can be found in our Proxy Voting Policy.

Portfolio ESG analysis reporting

While we have always considered ESG risk factors, we partnered with Impact Cubed, a third party ESG data specialist, in 2021 to help better understand how our portfolio composition measures along several key ESG metrics. It is important to state that the below metrics are not targeted but an output of our process.





Source: Impact Cubed, June 2021

- The symmetrical navy circle in the middle of the graph represents the benchmark.
- The bright blue line shows the fund’s factor exposures relative to its benchmark’s values on each factor.

Impact Cubed uses standard deviations of each indicator to unify the scale in the impact graph. If the two lines were the same, this would mean the portfolio is tracking the benchmark closely on every impact factor.

When parts of the blue line which represent the portfolio are outside the benchmark circle, that indicates a positive impact. The further they are outside the benchmark circle, the bigger the active exposure of the fund to that particular-impact indicator. When the blue line falls inside the benchmark circle, this indicates that it has negative active exposure to an impact indicator.

All the indicators used in the model are positive indicators, meaning that the fund line falling outside the benchmark circle is always a positive. By looking at the graph, we can quickly tell how the positive and negative areas either side of the benchmark circle compare to each other in terms of size (summarised in the single impact number), and how the strategy’s impacts are distributed between the different indicators.



	Fund	Benchmark	Based on company reported
Carbon efficiency	89.39	395.71	tons of GHG (Scope 1 & 2) emissions per \$1M revenue
Scope 3 efficiency	206.51	513.22	tons of Scope 3 emissions per \$1M revenue
Waste efficiency	398.70	336.34	tons of waste generated per \$1M revenue
Water efficiency	7.64	9.53	thousand cubic metres fresh water used per \$1M revenue
Gender equality	16.2%	17.5%	percentage of women in boards and top management
Executive pay	45.7	43.4	ratio of executive level pay to average employee pay
Board independence	52.0%	57.5%	independent board members
Environmental good	13.3%	2.2%	portfolio allocated to environmental solutions
Social good	21.1%	11.3%	portfolio allocated to help alleviate social issues
Avoiding environmental harm	5.4%	7.0%	portfolio allocated to environmentally destructive industries
Avoiding social harm	0.4%	3.2%	portfolio allocated to industries aggravating social issues
Economic development	\$23,700	\$30,600	median income of portfolio weighted geography of economic activity
Avoiding water scarcity	2.71	2.54	geographic water use (World Resource Institute scale 0-5 from most to least water scarce areas)
Employment	4.7%	4.7%	unemployment in portfolio weighted area of economic activity
Tax gap	2.85%	2.08%	estimated % tax avoided by corporate tax mitigation schemes

Our Approach to the UN Sustainable Development Goals (UN SDG)

While we understand that not every goal is relevant to our investment strategy, we have tracked how our portfolio impacts the achievement of the UN Sustainable Development Goals.

The below chart illustrates the impact of \$1m invested in the specified BambuBlack strategy in real terms compared to the applicable index.

The impact of \$1m invested in the Asia ex-Japan Fund (compared to MSCI Asia Pacific ex Japan)

		Real world equivalent	SDG relevance
Carbon efficiency	99.74	less tons of GHG (Scope 1 & 2) emissions	7, 15
Scope 3 efficiency	110.89	less tons of Scope 3 emissions	7, 15
Waste efficiency	18.96	less tons of waste generated	6, 12, 14, 15
Water efficiency	1.3	less thousand cubic metres fresh water used	6
Gender equality	-1.3%	fewer women in top management	5
Executive pay	-2.3	more multiples of average employee pay paid to top executives	10
Board independence	-5.5%	less board independence	10, 16
Environmental good	11.1%	more invested in industries contributing to solving environmental issues	most SDGs
Social good	9.8%	more invested in industries helping alleviate social issues	most SDGs
Avoiding environmental harm	1.6%	less invested in industries aggravating environmental issues	most SDGs
Avoiding social harm	2.8%	less invested in industries aggravating social issues	most SDGs
Economic development	\$6,800	more economic activity in less developed economies	1, 8, 9, 16, 17
Avoiding water scarcity	-0.18	more water use in water scarce localities (World Resource Institute)	16, 17
Employment	0.0%	more economic activity in high unemployment geographies	1, 8, 11, 12, 16
Tax gap	-0.77%	less tax paid	1, 9, 10, 16

Source: Impact Cubed, June 2021

The below table shows to what degree the portfolio contributes to each of the 17 SDGs.

The measure used is a weighted average of all factor exposures (relative to benchmark) mapped to a particular SDG, adjusted for the number of these factors. The weighted average takes into account the direct or indirect relationship between factors and a specific goal. The measure we use is the % of the portfolio by weight which outperforms the benchmark level on factors relevant to each SDG. For example a value plotted as 50% would imply that around half of the weight of portfolio is more aligned to the SDG than the index.

UN SDG PORTFOLIO EXPOSURE	
1 NO POVERTY	1 NO POVERTY CARBON EFFICIENCY, GENDER EQUALITY, ENVIRONMENTAL GOOD, SOCIAL GOOD, ECONOMIC DEVELOPMENT, EMPLOYMENT
2 ZERO HUNGER	2 ZERO HUNGER TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, ECONOMIC DEVELOPMENT, EMPLOYMENT, AVOIDING WATER SCARCITY
3 GOOD HEALTH AND WELLBEING	3 GOOD HEALTH AND WELLBEING CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, GENDER EQUALITY, TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM, EMPLOYMENT, AVOIDING WATER SCARCITY
4 QUALITY EDUCATION	4 QUALITY EDUCATION GENDER EQUALITY, TAX GAP, SOCIAL GOOD, EMPLOYMENT
5 GENDER EQUALITY	5 GENDER EQUALITY WATER EFFICIENCY, GENDER EQUALITY, EXECUTIVE PAY, ECONOMIC DEVELOPMENT, AVOIDING WATER SCARCITY
6 CLEAN WATER AND SANITATION	6 CLEAN WATER AND SANITATION WASTE EFFICIENCY, WATER EFFICIENCY, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM, AVOIDING WATER SCARCITY
7 AFFORDABLE AND CLEAN ENERGY	7 AFFORDABLE AND CLEAN ENERGY CARBON EFFICIENCY, ENVIRONMENTAL GOOD, AVOIDING ENVIRONMENTAL HARM
8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, EXECUTIVE PAY, BOARD INDEPENDENCE, TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, ECONOMIC DEVELOPMENT, EMPLOYMENT, AVOIDING WATER SCARCITY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM, ECONOMIC DEVELOPMENT, AVOIDING WATER SCARCITY
10 REDUCED INEQUALITIES	10 REDUCED INEQUALITIES GENDER EQUALITY, EXECUTIVE PAY, BOARD INDEPENDENCE, TAX GAP, ECONOMIC DEVELOPMENT, EMPLOYMENT, AVOIDING WATER SCARCITY
11 SUSTAINABLE CITIES AND COMMUNITIES	11 SUSTAINABLE CITIES AND COMMUNITIES CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM, ECONOMIC DEVELOPMENT, EMPLOYMENT, AVOIDING WATER SCARCITY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM
13 CLIMATE ACTION	13 CLIMATE ACTION CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, ENVIRONMENTAL GOOD, AVOIDING ENVIRONMENTAL HARM, ECONOMIC DEVELOPMENT, AVOIDING WATER SCARCITY
14 LIFE BELOW WATER	14 LIFE BELOW WATER CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, ENVIRONMENTAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING WATER SCARCITY
15 LIFE ON LAND	15 LIFE ON LAND CARBON EFFICIENCY, WASTE EFFICIENCY, WATER EFFICIENCY, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING WATER SCARCITY
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16 PEACE, JUSTICE AND STRONG INSTITUTIONS GENDER EQUALITY, EXECUTIVE PAY, BOARD INDEPENDENCE, TAX GAP, ENVIRONMENTAL GOOD, SOCIAL GOOD, AVOIDING ENVIRONMENTAL HARM, AVOIDING SOCIAL HARM, ECONOMIC DEVELOPMENT, EMPLOYMENT
17 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS GENDER EQUALITY, EXECUTIVE PAY, TAX GAP, ECONOMIC DEVELOPMENT

Source: Impact Cubed, June 2021

Disclaimer

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The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. A derivative may not perform as expected and may create losses greater than the cost of the derivative. If a fund uses derivatives for leverage, it makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares. Failures at service providers could lead to disruptions of fund operations or losses.

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