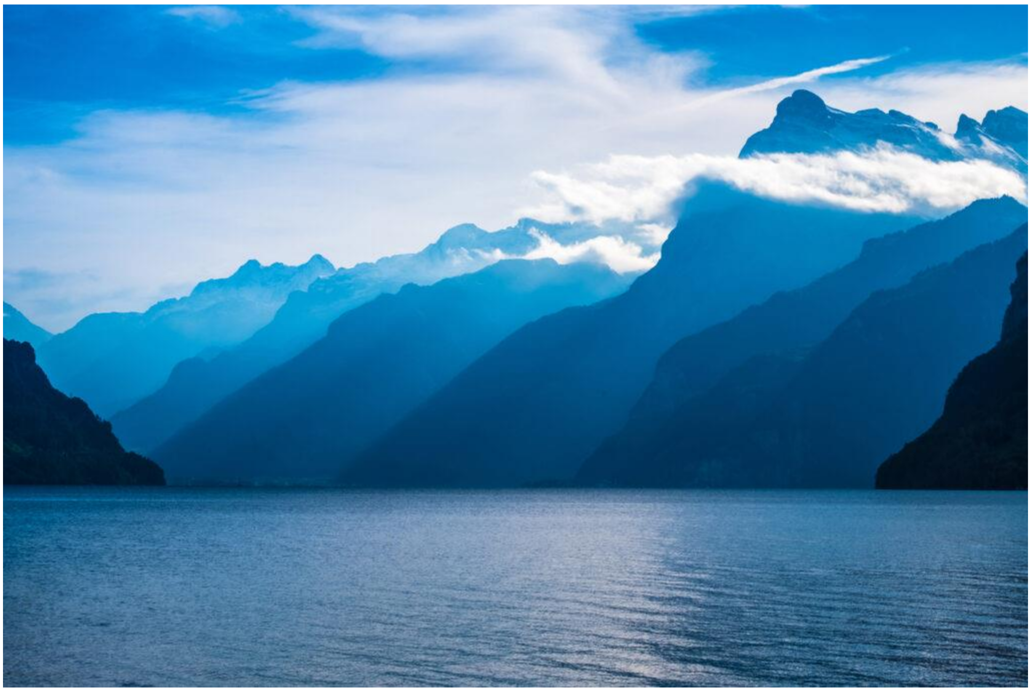


Twelve Capital ESG Investment Policy

2021

Table of Content – Twelve Capital ESG Investment Policy

1. Introduction

Twelve Capital's business is impacted by the challenges of climate change and other factors related to sustainable development. Twelve Capital's objective is to bring its independent, specialist expertise to unlock and exploit the potential to deliver sustainable investment returns in line with clients' investment goals and to ensure that its clients' capital is put to good use. Twelve Capital is committed to investing in a responsible way by integrating environmental, social and governance factors alongside commercial and financials factors, during its investment due diligence, analysis and ongoing monitoring process.

Twelve Capital's ESG investment approach serves as a guiding principle for investment decisions and ensures that the core values are integrated into investment practices and individual behaviours.

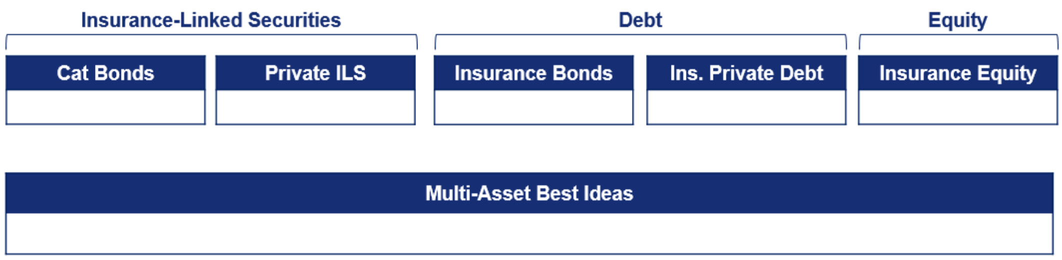
This policy outlines Twelve Capital's ESG investment approach and how ESG factors are incorporated into the Group's investment process. Twelve Capital's ESG investment process has been designed to support its Corporate ESG strategy and its commitments as a signatory to the UN Principles for Responsible Investment (UNPRI). The process also seeks to address regulatory developments, such as the transparency requirements introduced by EU Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector (the "SFDR").

2. Tackling the Climate Change Challenge

For financial service providers such as Twelve Capital, climate change is relevant in two ways. Firstly, it can impact the performance of funds and mandates under management directly, as climate change makes extreme weather events less predictable and potentially more destructive. Secondly, financial service providers have an important role to play in combating climate change by reorienting capital flows to move towards a low-carbon and more climate-resilient economy. Business partners, the public, and policy makers assign financial institutions significant responsibility in achieving this goal. As part of an industry that identifies and measures risks, Twelve Capital can contribute to sustainability by investing in insurance providers actively supporting society's adaption and increased resilience to climate change, plus the transition to a circular economy. For this reason, Twelve Capital analyses the insurance companies that are part of its portfolios and sponsors of Insurance-Linked Securities, such as Cat Bonds, to assess the robustness of the risk management in place regarding the physical and transition risks of climate change, and their contribution to developing an economic system that reduces these risks.

3. Investment Philosophy

Twelve Capital offers investment opportunities within the insurance sector. The firm's investment philosophy is distinctively active and its investment expertise covers the entire insurance balance sheet which includes the following core investment strategies:



4. ESG Incorporation into Twelve Capital's Investment Process

Twelve Capital's network of (re-)insurance relationships, industry expertise, and in-depth proprietary research processes enables the firm to screen and assess relevant environmental, social and governance aspects to systematically integrate them into the investment analysis. The quantitative and qualitative insights are fed into the asset allocation process and may lead to the exclusion of securities linked to certain business activities and industry sub-sectors that have a detrimental impact on the environment or society. When addressing ESG considerations within investment analytics Twelve Capital has sought from the outset:

- Integration with pre-existing analytics frameworks;
- Consistent application across separate asset classes;
- Delivery of clear, verifiable and transparent outcomes at an individual investment level;
- An approach that helps drive improved portfolio management decisions; and
- A framework that supports compliance of funds and mandates with relevant regulatory disclosure rules plus Twelve Capital's own ESG commitments.

Twelve Capital looks at the ESG related risk elements as part of the investment due diligence and analysis with ultimate oversight from the Investment Oversight Committee (IOC). These are assessments based on E, S, or G factors that could impact the sustainable value of an investment.

The ESG Rating is an internal score produced by Twelve Capital's proprietary ESG Rating Framework, developed to assess the ESG aspects of an asset, and provide a meaningful output that can be built into investment decisions .

5. Data and Analytics employed

Assessment of the ESG Rating draws upon both internal expertise and analytics, as well as partnering with an ESG expert data provider.

Twelve Capital believes its pre-existing analytics capabilities have added significant value to much of the ESG analysis. For example in relation to the physical impacts of climate change on North Atlantic hurricane activity. Another example would be the regular assessments Twelve Capital makes on insurance company management and corporate strategy as part of its credit and equity analysis framework. The ESG Rating Framework builds upon these processes to provide a broader and more granular view of the effect an investment has on sustainability (i.e. environmental, social and governance) factors.

However, for certain components of the analysis, where for example Twelve Capital is lacking necessary data, the firm supplements its work with data provided by a specialist ESG rating agency. The third-party data provider was actively selected based upon criteria including the coverage of its ratings within the insurance sector, plus the transparency and completeness of its data and analysis.

Together, both the internal and external analysis draws upon resources such as work from the Intergovernmental Panel on Climate Change. It also considers the performance of potential investments against a wide variety of recognised international standards such as the UN's Global Compact and Sustainable Development Goals, the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI).

6. Establishing the eligible Investment Universe

Analysis of a security from the perspective of its ESG Rating is only relevant if it is eligible for inclusion within Twelve Capital's investment universe. An ESG Exclusion List policy is maintained by the firm's Compliance function and governs the eligibility of securities for managed funds and mandates.

Securities are included on the ESG Exclusion List if exclusion criteria are met i.e. Twelve Capital confirms following the use of commercially reasonable endeavors that their issuer or sponsor:

- Is in breach of any of the ten United Nations Global Compact principles. These ensure investments considered for portfolios do not breach established fundamental responsibilities across the areas of human rights, labour, environment and anti-corruption; or
- Is directly involved in Controversial Weapons, the definition of which includes at time of writing: chemical, biological, nuclear, cluster, blinding laser, depleted uranium, white phosphorous weapons, land mines and weapons using non-detectable fragments; or
- Directly generates revenues estimated to be in excess of prescribed maximum percentage limits from specified controversial environmental and/or social activities. For efficiency sake the full detail is not included in this document, but for example, controversial environmental activity spans issues

including: coal, tar sands, and oil shale. Controversial social activity spans issues including: pornography, high interest rate lending, gambling, tobacco, alcohol and conventional weapons.

In addition, major governance weaknesses identified by Twelve Capital's long-established credit and equity analytics processes (e.g. evidence of corruption, illegal management activity and qualified audit opinions) would also result in the non-approval of investments for portfolios.

Once a security is confirmed as eligible for investment (i.e. is not included on the Exclusion List), then the ESG Sustainability Impact analysis becomes relevant.

7. The Sustainability Assessment

The ESG Sustainability assessment is calculated on each security as part of the analytics framework Twelve Capital applies to individual investment opportunities. The Sustainability measure is an assessment of the potential an investment has in supporting or harming sustainability factors, for example by enabling individuals to insure their homes against severe weather events or, conversely, by facilitating the insurance of polluting industries.

The assessment covers each of the E, S and G pillars across a predetermined question set. The questions are grouped into heads of analysis covering a number of topics.

Each question is answered for each security using a structured set of possible answers, thereby supporting consistency in approach. Answers drive a score for every individual head of analysis which are first weighted and then aggregated for each E, S and G pillar. Weightings for each head of analysis within the framework have been assigned according to Twelve Capital's view on its materiality to the overall pillar assessment.

8. ESG Investment Oversight and Responsibilities

Sound stewardship in managing assets and aligning them with ESG is of paramount importance to Twelve Capital and its clients. The Group shares the responsibility to uphold the principles of the ESG Investment Approach and invests in Twelve Capital's employees to develop ESG capabilities, so that all can strive to incorporate ESG factors into their daily work.

Twelve Capital's Investment Oversight Committee (IOC) delegates maintenance of the Exclusion List to the Compliance team in line with the ESG Investment Policy. The Investment Oversight Committee is also responsible for monitoring Twelve Capital's ESG investment approach and stewardship activities.

9. Promotion of ESG through Stewardship

Twelve Capital commits to act as a good steward of assets held and managed on behalf of its clients. The firm recognises that clients expect alignment of Twelve Capital's approach with their own investment beliefs, policies and guidelines. Twelve Capital seeks to be an active investor by encouraging good governance and a high standard of corporate practices as well as environmental and social aspects.

All investment strategies at Twelve Capital embed engagement with the businesses into which managed funds invest, through meetings, calls and DDQs. Twelve Capital is committed to the inclusion of ESG matters on company meeting agendas in order that this regular contact supports:

- The ongoing refinement and review of the ESG assessment across all asset classes;
- The operation of the firm's Exclusion List policy; and
- Twelve Capital's ability to meet another of the PRI's investment principles i.e. that in relation to active ownership, these meetings providing an appropriate forum to engage with companies on ESG issues.

10. Transparency on ESG

Twelve Capital continues to review its ESG Investment approach. The firm's ESG Investment Policy is reviewed regularly and will be updated as and when needed.

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